



PRESS RELEASE

Ministry of Finance Releases 2025 Fiscal Strategy Report

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In accordance with the Public Finance Management Act, 2023, the Ministry of Finance has published the 2025 Fiscal Strategy Report (2025 FSR) on the Ministry's Budget website.

This report serves as the annual update of the Government's medium-term fiscal framework, which informs the FY2025/2026 national budget and annual borrowing strategy, grounded in the macroeconomic forecasts, fiscal objectives, and policies outlined therein.

Revenue is forecasted to improve steadily over the medium term, supported by strong economic fundamentals, ongoing tax administration reforms, and the rollout of the Domestic Minimum Top-Up Tax. While revenue collections are projected to reach a revised 23.6 percent of GDP in FY2025/2026 or \$3.9 billion, they are expected to grow to 25.0 percent over the subsequent three fiscal years. Preliminary data for the first nine months of FY2024/2025 show revenues at \$2.5 billion, up \$266.3 million over the same period last year.

Expenditure forecasts reflect the Government's focus on efficiency and sustainability. Recurrent spending for FY2025/2026 is projected at \$3.4 billion – a steady 20.8 percent of GDP with a slight increase to 21.0 percent of GDP through FY2028/2029. Investments are targeted towards healthcare, education, and social support. Capital expenditure is forecasted at a stable 2.3 percent of GDP for FY2025/2026 and onwards, with infrastructure priorities including roads, health facilities, airports, and housing, being largely financed through public-private partnerships and semi-concessional external loans.

The Bahamas' debt-to-GDP ratio is projected to decline from 71.4 percent in FY2024/2025 to 57.5 percent by FY2028/2029, in line with Government's ongoing debt management strategy.

The release of the 2025 Fiscal Strategy Report reaffirms the Government's commitment to the fiscal principles of accountability, intergenerational equity, responsibility, stability, transparency, and inclusive growth.

The Ministry invites and encourages the public to visit the national Budget Website (www.bahamasbudget.gov.bs) to view the various statistical reports available to the public.