



T H E M I N I S T R Y O F F I N A N C E

SIX MONTHS REPORT ON BUDGETARY PERFORMANCE

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1 ABOUT THIS REPORT

GENERAL STATEMENT

In keeping with its commitment to transparency in the public finances and align with global fiscal disclosure standards and best practices, the Ministry of Finance provides in-year reporting on the performance of the central Government's revenue, expenditure and financing operations vis-à-vis the approved budget.

- » **Periodicity:** Quarterly (Qtr. I: July – September; Qtr. II: July – December; Qtr. III: July – March; and Qtr. IV: July – June).
- » **Timeliness:** Within four (4) weeks after the end of the referenced quarter, except for Qtr. IV report which will be re-released two months after the end of the quarter given year-end closing activities.
- » **Publication:** To be released on the Ministry of Finance's Budget website (www.bahamasbudget.gov.bs).

BASIS OF PREPARATION

The budgetary data are prepared using a modified cash basis of accounting and guided by International Public Sector Accounting Standards (IPSAS) cash basis. As such, revenue is recognized when received and not when earned, expenditure is recorded in the period it is incurred and paid, and purchases of fixed assets, including immovable property, plant and equipment, are fully expensed in the year of purchase.

The fiscal data tables compiled in the quarterly reports are presented using the new modified chart of accounts introduced on July 1, 2018, which accomplishes two (2) important objectives, namely:

- » prepares for the eventual conversion of the accounting presentation to the IPSAS accrual basis,
- » facilitates the aggregation and presentation of the fiscal data to meet the International Monetary Fund's Government Finance Statistics (GFS) 2014 reporting standards. The primary purpose of the GFS is to provide a comprehensive conceptual and reporting framework for analyzing and evaluating the performance of the Government's finances.

UNAUDITED DATA

As reconciliation is ongoing, the fiscal data presented in these quarterly reports are subject to change and, therefore, their status is provisional (denoted as "p") until audited by the Auditor General.

ROUNDING

Because of rounding, some totals may not agree with the sum of their component parts.

2 EXECUTIVE SUMMARY

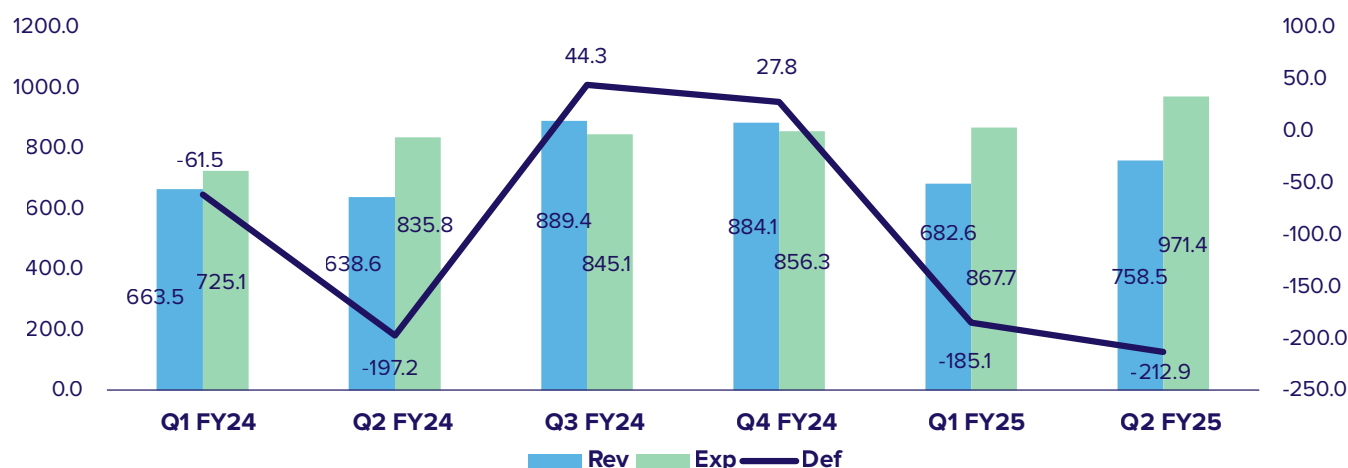
During the first half of 2024/25, the Bahamian economy maintained a positive growth momentum, albeit at a more moderate pace compared to the previous year. The tourism sector remained a key driver of growth, benefitting from the continued robust demand in key source markets. Notably, sea travel experienced healthy gains, supported by increased spending and consistent passenger volumes.

- » Tax Revenue improved by \$122.1 million (10.4 percent) to \$1,291.5 million, strengthened by gains in international trade and transactions (\$78.8 million to \$412.3 million), Value Added Tax collections (\$17.1 million to \$663.1 million), and taxes on use and permission to use goods (\$15.3 million to \$63.0 million).
- » Additionally, non-tax revenue increased by \$16.7 million (12.6 percent) to \$149.4 million. Receipts of property income were higher by \$6.9 million to \$21.8 million, and for sales of goods and services, by \$10.4 million at \$123.3 million.
- » Total expenditure expanded by \$278.3 million (17.8 percent) to \$1,839.1 million.
 - Recurrent expenditure increased by \$192.3 million to \$1,619.0 million, with nearly 50.0 percent of the upturn attributed to higher outlays for the use of goods and services, alongside gains for payments of Public Debt Interest (17.9 percent) and other payments (16.9 percent).
 - Capital expenditure advanced by \$86.0 million (64.1 percent) to \$220.1 million.
 - COVID-19 related spending amounted to \$0.7 million, for an aggregate \$473.9 million since inception.
- » Based on the revenue and expenditure performance, the deficit in the Government's overall operations was higher by \$139.3 million (53.9 percent) at \$398.1 million.
- » In financing activities, the balance under the net acquisition of financial assets was a negative \$161.5 million, as the government utilized sinking fund proceeds to assist with meeting debt obligations. Additionally, net borrowing stood at \$451.1 million, compared with a year-earlier \$33.7 million net repayment position.
- » Operations to meet budgetary financing requirements and settle maturing debt resulted in a net increase in government's Bahamian Dollar liabilities of \$421.3 million, primarily in the form of Government securities and Central Bank advances. Foreign currency debt also grew by \$29.8 million, as commercial facilities offset scheduled repayments.
- » Of the total \$1,704.5 million in debt repayment, \$960.2 million (56.3 percent) was in domestic currency.
- » Based on the net borrowing position, the Direct Charge on the Government—including exchange rate adjustments (\$16.2 million)—increased by \$451.1 million to \$11,748.7 million. This equated to an estimated 79.2 percent of GDP, as against 77.7 percent at end-June 2024.

TABLE 1: FISCAL SUMMARY (STATEMENT OF SOURCES & USES OF CASH) (B\$M)

	Budget	July - Dec			
	FY2024/25	FY2024/25p Actual	FY2023/24p Actual	Variance	% of Budget
Revenue	3,543.3	1,441.0	1,302.1	138.9	40.7%
Tax	3,142.6	1,291.5	1,169.4	122.1	41.1%
Non-tax	394.4	149.4	132.7	16.7	37.9%
Grants	6.3	0.1	-	0.1	2.3%
Expenditure	3,613.1	1,839.1	1,560.8	278.3	50.9%
Recurrent	3,268.6	1,619.0	1,426.7	192.3	49.5%
Capital	344.5	220.1	134.1	86.0	63.9%
Surplus/(Deficit)	(69.8)	(398.1)	(258.7)	(139.3)	570.4%
Financing Activities	69.8	398.1	258.7	139.3	570.4%
<i>Net Acquisition of financial assets (-)</i>	46.5	(161.5)	(155.2)	(6.3)	-347.4%
Sinking Funds	46.5	(161.5)	(155.2)	(6.3)	-347.4%
Equity	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
<i>Net Incurrence of Liabilities (+)</i>	135.3	451.1	(33.7)	484.8	333.3%
Borrowings	1,968.8	2,155.5	617.8	1,537.7	109.5%
Debt Repayment	1,833.5	1,704.5	651.5	1,052.9	93.0%
Change in Cash Balance [(I)= increase]	(19.0)	(214.5)	137.2	(351.7)	1126.5%

FIGURE 1: BUDGETARY PERFORMANCE (B\$M)



3 ECONOMIC OVERVIEW

Preliminary economic indicators for the second quarter suggest that The Bahamas' growth momentum remained positive, despite the ongoing global risks arising from geopolitical tensions, tight monetary policies, trade conflicts, and inflation. Developments were supported by robust consumer and government spending in the United States, The Bahamas' primary trading partner.

Tourism, the key driver of economic activity, recorded growth in arrivals of 16.2 percent (11.2 million visitors) in 2024. Sea arrivals were the largest contributor, accounting for 84.7 percent (9.5 million visitors) in 2024¹.

Based on the latest available data, the unemployment rate for the second quarter of 2024 was 8.7 percent². Consumer price inflation, as reported by the Bahamas National Statistical Institute, declined by 1.0 percent in November 2024, in contrast to a 2.0 percent firming in the prior year.³ This was underpinned by lower global oil prices on imported oil.

¹ Bahamas Visitor Arrivals 2024 – Ministry of Tourism

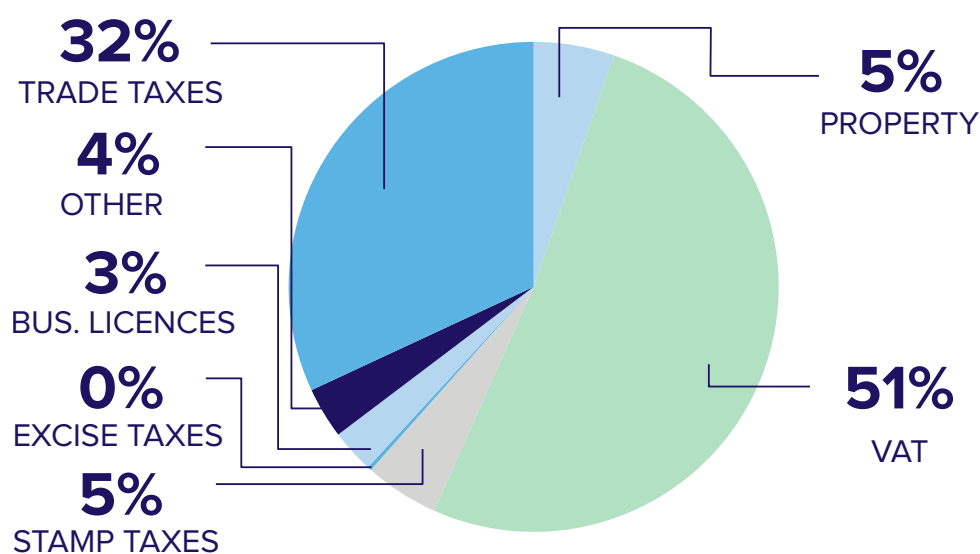
² Preliminary Results Labor Force Survey – Bahamas National Statistical Institute

³ Consumer Price Index – Bahamas National Statistical Institute

4 REVENUE PERFORMANCE

Total revenue, estimated at \$1,441.0 million, equated to 40.7 percent of the budget target (see **Table 2**) and comprised gains in tax collections of \$122.1 million (10.4 percent) to \$1,291.5 million (41.1 percent of budget), and in non-tax receipts of \$16.7 million (12.6 percent) to \$149.4 million (37.9 percent of the budget).

FIGURE 2: PERCENTAGE COMPOSITION OF TAX REVENUE (FIRST SIX MONTHS FY2024/25)



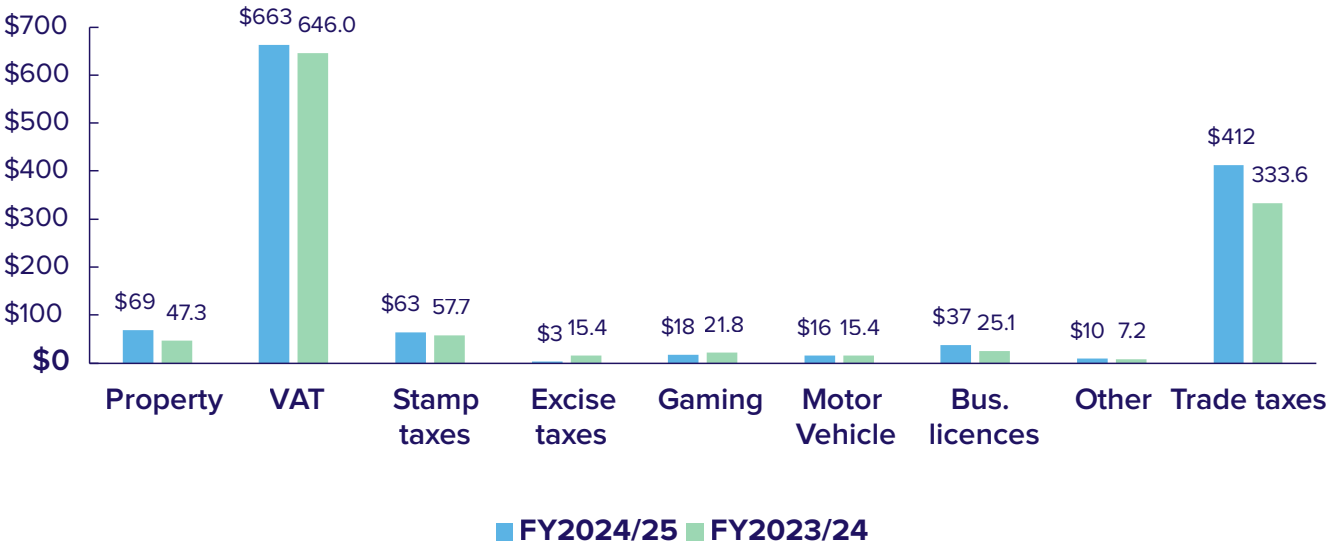
Year-over-year variations in tax revenues were largely attributed to the following:

- » Growth in taxes on International Trade and Transactions of \$78.8 million (23.6 percent) to \$412.3 million was primarily associated with an upsurge in departure taxes of \$84.8 million (100.1 percent) to \$169.6 million, consequent upon a combination of enhanced enforcement measures and the recent tax policy changes impacting cruise visitors.
- » Taxes on specific services (gaming taxes) was lower by \$4.1 million relative to the prior year due to timing differences in postings.
- » Taxes on Use and Permission to Use Goods improved by \$15.3 million (32.1 percent), with the dominant business license fee category advancing by \$8.9 million (40.3 percent) to \$31.0 million.
- » Taxes on Property gained \$21.4 million (45.2 percent) to \$68.6 million, as recent enforcement measures contributed to an 83.3 percent boost in commercial property taxes and a 74.0 percent improvement in taxes on foreign-owned undeveloped land.

» General taxes on Goods and Services posted an overall growth of \$12.8 million (1.8 percent).

- The \$7.7 million (14.0 percent) firming in stamp taxes to \$63.2 million was mainly derived from financial and real estate transactions, along with \$17.1 million (2.6 percent) gain in VAT receipts to \$663.1 million. However, these were largely offset by the \$12.1 million (78.5 percent) decline in receipts from excise taxes that were inflated last year by a one-time arrears payment totaling \$12.0 million.

FIGURE 3: YEAR-ON-YEAR 6- MONTH COMPARISON OF TAX REVENUE PERFORMANCE (B\$M)



Non-tax revenue performance featured the following key outcomes:

- » Property income yields improved by \$6.9 million to \$21.8 million (35.3 percent of the budget), benefitting from more streamlined and timely collections of rent receipts relative to the prior year.
- » Receipts from the sales of goods and services grew by \$10.4 million (9.2 percent) to \$123.3 million, and continued to be supported by favourable collections of immigration and customs fees.

TABLE 2: REVENUE SUMMARY (B\$M)

	Budget		July - Dec		
	FY2024/25	FY2024/25p Actual	FY2023/24p Actual	Variance	% of Budget
TAX REVENUE (a+b+c+d)	3,142.6	1,291.5	1,169.4	122.1	41.1%
a. Taxes on Property	230.0	68.6	47.3	21.4	29.8%
b. Taxes on Goods & Services (i+ii+iii)	2,066.1	810.3	786.4	23.9	39.2%
i. General	1,661.4	729.6	716.8	12.8	43.9%
VAT	1,515.6	663.1	646.0	17.1	43.7%
Stamp Taxes (Financial & Realty)	141.9	63.2	55.5	7.7	44.5%
Excise Tax	3.8	3.3	15.4	(12.1)	86.6%
ii. Specific (Gaming Taxes)	62.3	17.7	21.8	(4.1)	28.4%
iii. Taxes on Use & Permission to Use Goods	342.3	63.0	47.7	15.3	18.4%
Motor Vehicle Taxes	51.2	16.2	15.4	0.8	31.6%
Company Taxes	30.2	6.7	4.8	1.9	22.2%
Licence to Conduct Special Bus. Activity	242.1	37.1	25.1	12.0	15.3%
Marine License Activities	18.8	3.0	2.4	0.6	16.0%
c. Taxes on Int'l Trade & Transactions	830.5	412.3	333.6	78.8	49.6%
Customs & Other Import Duties	295.3	130.4	126.5	3.9	44.1%
Excise Duties	293.0	112.0	121.9	(9.9)	38.2%
Departure Taxes	241.3	169.6	84.8	84.8	70.3%
Other	1.0	0.4	0.4	(0.0)	37.1%
d. General Stamp Taxes	16.1	0.2	2.2	(2.0)	1.4%
NON-TAX REVENUE (e+f+g+h+i+j)	394.4	149.4	132.7	16.7	37.9%
e. Property Income	61.8	21.8	14.9	6.9	35.3%
Interest & Dividends	43.5	7.4	13.7	(6.3)	17.1%
Revenue_Gov't Property	18.3	14.4	1.2	13.2	78.6%
f. Sales of Goods & Services	240.1	123.3	112.9	10.4	51.4%
i. Fees & Service Charges	215.3	112.4	101.3	11.1	52.2%
General Registration	5.4	1.1	2.4	(1.3)	19.8%
General Service	17.4	8.4	8.3	0.2	48.6%
Immigration	118.4	66.2	56.6	9.5	55.9%
Land & Building	3.1	1.2	1.4	(0.2)	39.1%
Legal	1.1	0.2	0.6	(0.5)	15.7%
Customs	59.5	30.2	27.6	2.6	50.8%
Port & Harbour	9.0	5.0	4.2	0.8	55.7%
Health	1.4	0.2	0.2	(0.0)	12.4%
Other Fees	0.0	0.0	0.0	0.0	>100%
ii. Other	24.8	10.9	11.6	(0.7)	43.8%
g. Fines, Penalties & Forfeits	6.1	3.2	2.7	0.5	52.0%
h. Reimbursements & Repayments	51.2	0.0	0.6	(0.6)	0.0%
i. Misc. & Unidentified Revenue	34.0	0.3	1.0	(0.7)	0.9%
j. Sales of Other Non-Financial Assets	1.1	0.8	0.6	0.2	68.5%
TOTAL TAX & NON-TAX REVENUE	3,537.0	1,440.9	1,302.1	138.8	40.7%
GRANTS	3.0	0.1	-	0.1	5.0%
CAPITAL REVENUE	3.4	-	-	-	0.0%
GRAND TOTAL	3,543.3	1,441.0	1,302.1	138.9	40.7%

FIGURE 4: VAT COLLECTIONS BY MONTH

VAT COMPONENTS BY MONTH (B\$M)

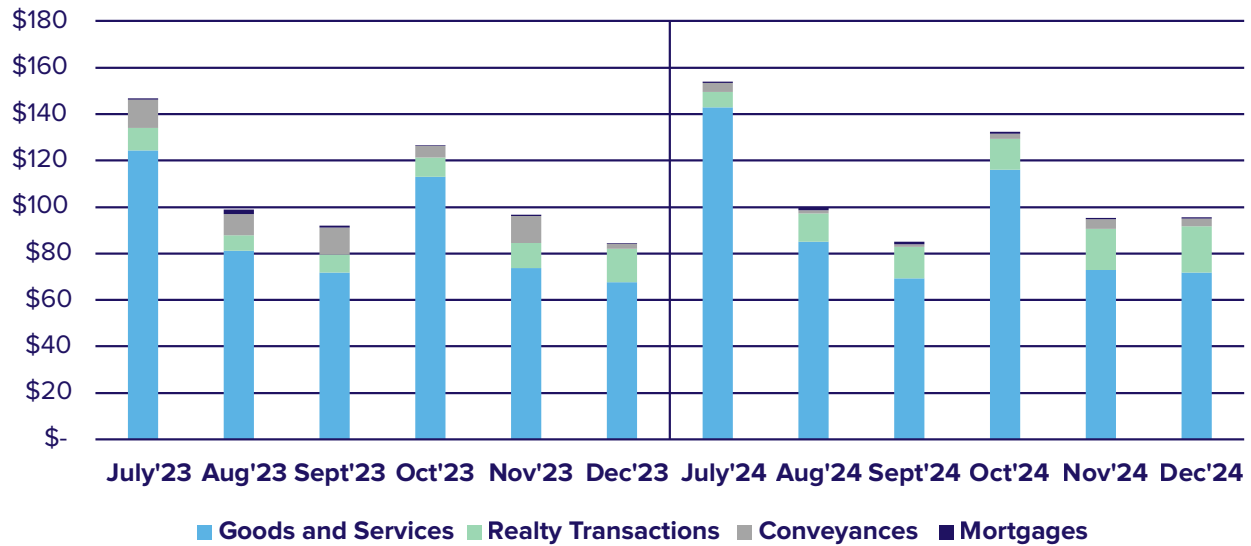
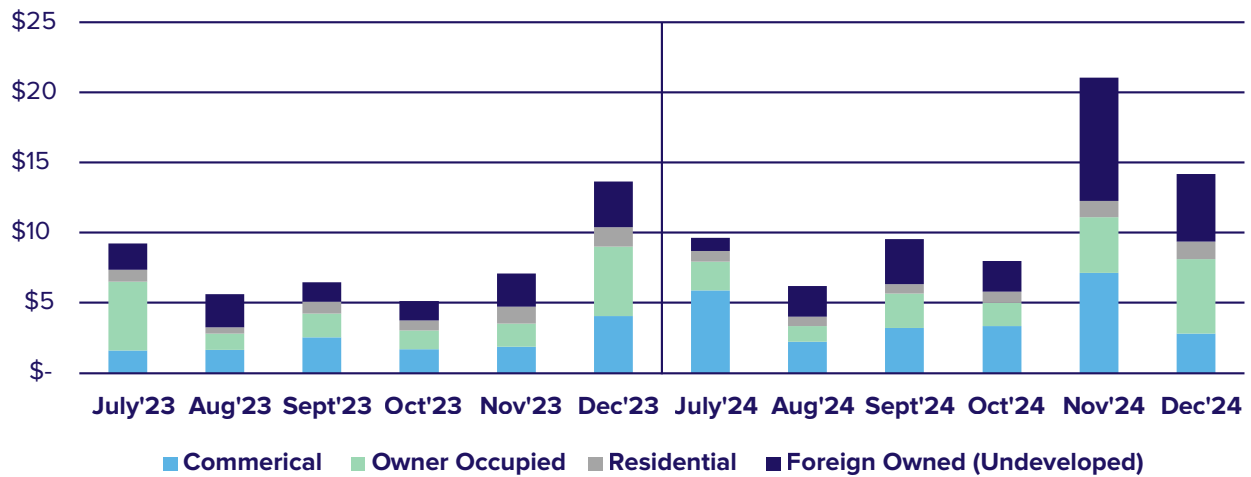


FIGURE 5: PROPERTY TAX COLLECTIONS BY MONTH

PROPERTY TAX COMPONENTS BY MONTH



5 EXPENDITURE DEVELOPMENTS

A. RECURRENT EXPENDITURE – ECONOMIC CLASSIFICATION

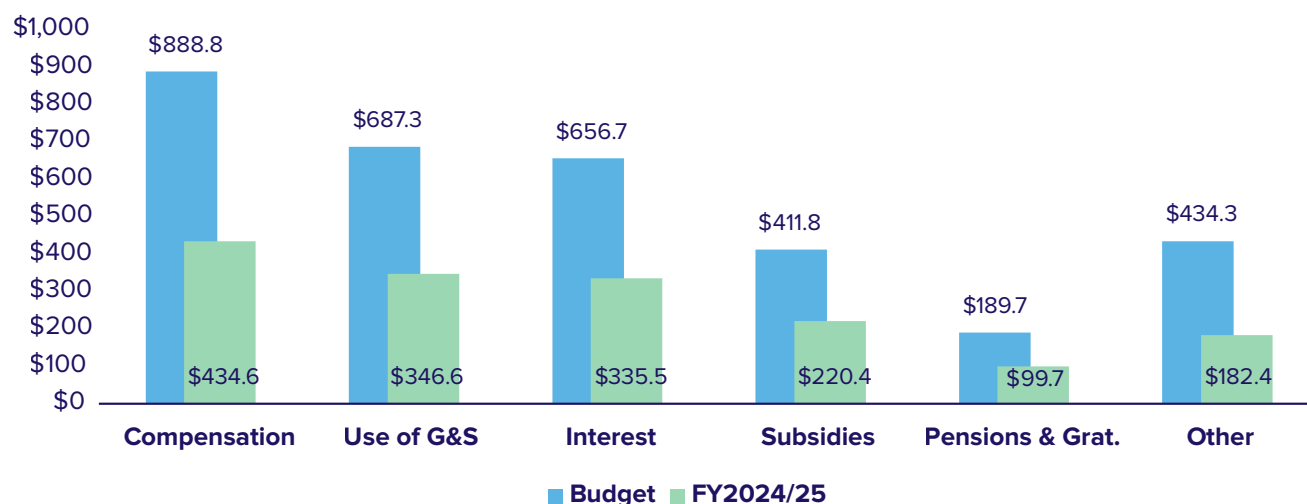
During the first six months of FY2024/25, total recurrent expenditure exceeded the prior year's amount by \$192.3 million (13.5 percent) to \$1,619.0 million, to represent 49.5 percent of the targeted spend (see **Table 3**).

- » Compensation of employees grew by \$16.9 million (4.1 percent) to \$434.6 million, which represented 48.9 percent of the budget target, and was primarily explained by higher outlays for National Insurance contributions, allowances, and overtime.

» Spending on the use of goods and services was boosted by \$94.8 million (37.7 percent) to \$346.6 million, and included the following key developments.

- Rental costs (comprising payments for office lease and rent, vehicle leases and living accommodations) increased by \$20.7 million (51.4 percent) to \$61.1 million.
- Utilities and telecommunications outlays advanced by \$23.1 million to \$42.2 million.
- Spending on services (including IT network, consultancy services, operation of facilities, and subsidized mail boat contracts) grew by \$32.1 million (24.9 percent) to \$160.7 million.
- Special Financial Transactions rose by \$16.8 million to \$25.5 million on account of payments made to NIB related to administration of the prescription drug plan.

FIGURE 6: 6-MONTH COMPARISON OF RECURRENT EXPENDITURE VS BUDGET FOR FY2024/25 (B\$M)



- » Public debt interest payments were higher by \$34.3 million (11.4 percent) at \$335.5 million, of which 56.2 percent settled foreign currency obligations.
- » Subsidies, which include transfers to government-owned and/or controlled enterprises that provide commercial goods and services to the public, rose by \$16.6 million (8.1 percent) to \$220.4 million, and accounted for 53.5 percent of the budget.
 - Subsidies to public non-financial corporations increased by \$16.1 million (8.3 percent) to \$210.3 million, reflecting higher assistance to Water and Sewerage (12.7 million) and the Public Hospital Authority (\$7.4 million).
 - Transfers to private enterprises and other sectors rose by \$0.5 million (5.1 percent) to \$10.1 million.
- » Social benefit payments posted an overall reduction of \$4.5 million (3.7 percent) to \$115.9 million (46.0 percent of the budget).
 - Payments for social assistance benefits decreased by \$13.8 million (45.9 percent) to \$16.2 million, based on the continued normalization of social benefits following the pandemic.
 - Pension and gratuity payments advanced by \$9.3 million (10.3 percent) to \$99.7 million, largely attributed to the recent cost of living increase granted to pensioners.
- » Other Payments were boosted by \$32.4 million (24.8 percent) to \$163.5 million (45.3 percent of the budget).
 - Current transfers not elsewhere classified broadened by \$31.3 million (30.9 percent) to \$132.9 million, largely owing to disbursements of planned allocations for scholarships and grants, the Beaches and Parks Authority, the Court Services Council, and the School of Agriculture and Marine Science.
 - Payment of insurance premiums increased by \$1.1 million (3.7 percent) to \$30.6 million.

TABLE 3: RECURRENT EXPENDITURE BY ECONOMIC CLASSIFICATION (B\$M)

	Budget		July - Dec		
	FY2024/25	FY2024/25p Actual	FY2023/24p Actual	Variance	% of Budget
RECURRENT EXPENDITURE					
Compensation of Employees	888.8	434.6	417.6	16.9	48.9%
Use of Goods & Services	687.3	346.6	251.7	94.8	50.4%
Travel & Subsistence	12.5	10.0	7.9	2.1	80.5%
Rent	120.8	61.1	40.3	20.7	50.6%
Utilities & Telecommunications	100.9	42.2	19.1	23.1	41.8%
Supplies & Materials	44.4	20.6	20.8	(0.3)	46.3%
Services	306.4	160.7	128.6	32.1	52.4%
Minor capital repairs	5.2	2.7	2.5	0.1	51.4%
Finance charges	20.0	10.6	7.7	3.0	53.2%
Special Financial Transactions	47.1	25.5	8.7	16.8	54.1%
Tourism Related	3.0	2.0	2.0	-	66.1%
Local Gov't Districts	14.8	7.4	8.6	(1.3)	49.9%
School Boards	0.1	0.0	0.0	(0.0)	0.0%
Other	12.0	3.8	5.4	(1.6)	31.7%
Public Debt Interest	656.7	335.5	301.1	34.3	51.1%
Subsidies	411.8	220.4	203.8	16.6	53.5%
Grants	10.7	2.7	1.0	1.7	25.0%
Social Assistance Benefits	62.5	16.2	30.0	(13.8)	26.0%
Pensions & Gratuities	189.7	99.7	90.4	9.3	52.5%
Other Payments	361.1	163.5	131.1	32.4	45.3%
Current Transfers n.e.c.	280.1	132.9	101.6	31.3	47.4%
Insurance Premiums	81.0	30.6	29.5	1.1	37.7%
TOTAL	3,268.6	1,619.0	1,426.7	192.3	49.5%

B. RECURRENT EXPENDITURE – FUNCTIONAL CLASSIFICATION

On a functional basis, year-over-year variations in recurrent expenditure for the review period (see **Table 4**) were primarily explained by the following movements.

- » Outlays for general public service broadened by \$104.3 million (17.2 percent) to \$709.7 million, explained by increases in employment costs, including higher NIB contributions, along with subsidies to public corporations, and spending for the acquisition of varied services.
- » Higher expenses on public order and safety of \$20.3 million (16.0 percent) to \$146.9 million comprised increases for prison and police services and the court system.
- » Spending on economic affairs expanded by \$15.7 million

(12.5 percent) to \$141.7 million, primarily linked to construction and electricity services.

- » Expenditure on health grew by \$18.5 million (9.8 percent) to \$207.7 million, reflecting increases for hospital services along with medical products and appliances.
- » Expenditure on education grew by \$10.1 million (6.3 percent) to \$169.5 million, linked to broad based investments in education.
- » Social Protection outlays increased were higher by \$10.4 million (9.7 percent) at \$117.9 million, mainly on account of additional old-age benefits.

TABLE 4: RECURRENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION (B\$M)

	Budget		July - Dec		
	FY2024/25	FY2024/25p Actual	FY2023/24p Actual	Variance	% of Budget
General Public Service	1,515.4	709.7	605.3	104.3	46.8%
Defense	71.4	36.1	35.1	1.1	50.6%
Public Order & Safety	271.1	146.9	126.6	20.3	54.2%
Economic Affairs	291.1	141.7	125.9	15.7	48.7%
Environmental Protection	97.2	68.0	55.4	12.5	69.9%
Housing & Community Amenities	21.5	6.6	5.0	1.6	30.6%
Health	385.2	207.7	189.2	18.5	53.9%
Recreation, Culture & Religion	33.9	15.1	17.3	(2.2)	44.6%
Education	329.7	169.5	159.4	10.1	51.4%
Social Protection	252.1	117.9	107.5	10.4	46.8%
GRAND TOTAL	3,268.6	1,619.0	1,426.7	192.3	49.5%

C. CAPITAL EXPENDITURE – ECONOMIC CLASSIFICATION

Capital outlays grew by \$86.0 million (64.1 percent) to \$220.1 million—representing 63.9 percent of the budget (see **Table 5**).

- » Capital transfers increased by \$30.9 million (176.2 percent) to \$48.5 million, boosted by the government's first installment of its subscription payment towards membership in the Development Bank of Latin America and the Caribbean (CAF).
- » Expenditure on the acquisition of non-financial assets expanded by \$55.0 million (47.2 percent) to \$171.5 million, reflecting accelerated public investments.
 - Outlays other structures increased by \$21.9 million (54.0

percent) to \$62.6 million, for 69.2 percent of the budget target. This growth was largely driven by road repairs and maintenance, Family Island development projects, and airport infrastructure upgrades.

- Investments in buildings other than dwellings advanced by \$12.4 million (23.8 percent) to \$64.6 million, primarily supporting general school construction, new primary and secondary school projects, and government building maintenance.
- Outlays on other fixed assets were boosted by \$14.6 million to \$26.3 million, exceeding the full-year budget by 1.5 percent. This outcome was attributed to higher acquisitions of government assets and ongoing digitization projects.

TABLE 5: CAPITAL EXPENDITURE BY ECONOMIC CLASSIFICATION (B\$M)

	Budget		July - Dec		
	FY2024/25	FY2024/25p Actual	FY2023/24p Actual	Variance	% of Budget
Capital Transfers	101.2	48.5	17.6	30.9	47.9%
Acquisition of Non-financial assets	243.3	171.5	116.5	55.0	70.5%
<i>Fixed Assets</i>	241.3	170.7	116.1	54.5	70.7%
Buildings other than dwellings	86.1	64.6	52.2	12.4	75.0%
Other structures	90.5	62.6	40.7	21.9	69.2%
Transport equipment	12.0	3.4	3.2	0.2	28.5%
Other Machinery & equipment	21.5	10.6	3.7	6.9	49.3%
Land Improvements	5.3	3.2	4.7	(1.5)	59.6%
Other Fixed Assets	25.9	26.3	11.7	14.6	101.5%
<i>Land</i>	2.0	0.9	0.4	0.5	44.6%
TOTAL	344.5	220.1	134.1	86.0	63.9%

D. CAPITAL EXPENDITURE – FUNCTIONAL CLASSIFICATION

The functional classification of capital expenditure for the review period (see **Table 6**) reflected the Government’s continued investment in critical infrastructure and public services, with the following notable investments.

- » Spending on education were elevated by \$15.9 million (39.6 percent) to \$56.0 million, surpassing the half-year budget allocation by 9.7 percent. Outlays supported planned school construction projects, building repairs, and ongoing maintenance of education facilities.
- » Expenditure on economic affairs expanded by \$36.9 million (48.1 percent) to \$113.7 million, accounting for 68.1 percent of the budget. The increase was driven by various construction projects, Family Island infrastructure works, and ongoing roadworks.
- » Outlays on general public service rose by \$16.3 million to \$25.8 million and constituted 39.8 percent of the budget. The evolution was aligned to the higher capital transfers — including payments related to The Bahamas’ CAF membership subscription.
- » Spending on health increased by \$9.5 million to \$12.0 million, reflecting outlays for hospital upgrades and digitization projects to enhance healthcare service delivery.
- » Capital outlays on public order and safety grew by \$5.8 million to \$7.6 million, to represent 41.1 percent of the budget, and were in line with ongoing security infrastructure improvements and vehicle acquisitions.

TABLE 6: CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION (B\$M)

	Budget		July - Dec		
	FY2024/25	FY2024/25p Actual	FY2023/24p Actual	Variance	% of Budget
General Public Service	64.9	25.8	9.5	16.3	39.8%
Defense	9.7	1.9	2.8	(0.8)	19.7%
Public Order & Safety	18.5	7.6	1.8	5.8	41.1%
Economic Affairs	167.1	113.7	76.8	36.9	68.1%
Environmental Protection	5.9	1.6	0.6	1.1	27.9%
Health	25.1	12.0	2.5	9.5	47.9%
Recreation, Culture & Religion	–	–	–	–	–
Education	51.0	56.0	40.1	15.9	109.7%
Social Protection	2.4	1.4	0.1	1.2	57.2%
GRAND TOTAL	344.5	220.1	134.1	86.0	63.9%

6 FINANCING ACTIVITIES

NET INCREASE IN LIABILITIES

In the first six months of FY2024/25, the government's financing activities comprised a \$161.5 million decrease in the acquisition of financial assets, alongside a \$451.1 million boost in liabilities.

» The \$421.3 million net increase in Bahamian Dollar liabilities included the following:

- Net borrowing of domestic securities amounted to \$209.4 million, alongside bank loans of \$42.9 million.
- A net of \$169.0 million was obtained by way of Central Bank advances.

» Foreign currency transactions resulted in a net borrowing of \$29.8 million.

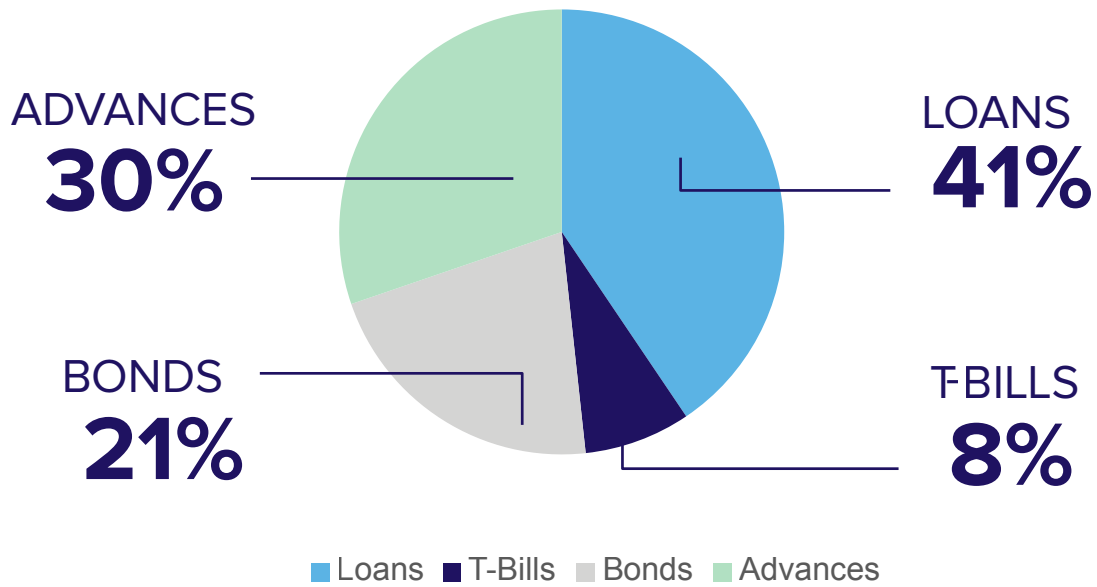
- Net drawings on bank loans totaled \$315.8 million, net redemption of international bonds was \$218.2 million, and scheduled net redemptions to international development agencies of \$67.8 million. Approximately 81.1 percent of the latter was earmarked to reduce liabilities to the IMF, 8.2 percent to the CDB, 9.2 percent to the IDB and the balance to the Chinese Export-Import Ban.

Consequent on these developments, the Direct Charge on the Government— inclusive of exchange rate adjustments (\$16.2 million), increased by \$451.1 million to an estimated \$11,748.7 million at end-December 2024. This corresponded to an estimated 79.2 percent of GDP, compared to 77.7 percent of GDP at end-June 2024.

TABLE 7: CHANGE IN LIABILITIES (BY CURRENCY AND INSTRUMENT)

	FY2024/25 July - Dec		
	Borrowings	Repayment	Net Change
Bahamian Dollars	1,381.5	960.2	421.3
Bonds	462.7	371.3	91.5
Treasury Bills/Notes	166.6	48.8	117.9
Bank Loans	100.0	57.1	42.9
Central Bank Advances	652.1	483.1	169.0
Foreign Currency	774.1	744.3	29.8
Bank Loans	763.9	448.1	315.8
International Bonds	–	218.2	(218.2)
Loans from Int'l Dev. Agencies	10.1	77.9	(67.8)
TOTAL	2,155.5	1,704.5	451.1

FIGURE 7: COMPOSITION OF GOVERNMENT BORROWINGS FOR FIRST 6 MONTHS FY2024/25



CHANGE IN FINANCIAL ASSET POSITION

For the review quarter, drawings on the sinking funds totaled \$161.5 million. On a cumulative basis the four (4) sinking fund arrangements earmarked for scheduled retirement of external bonds, along with the Goldman Sachs repurchase agreement, held a value of USD 100.3 million, of which, \$92.3 million is subject to the repurchase agreement.

SIX MONTHS REPORT ON BUDGETARY PERFORMANCE FY2024/25 JULY - DECEMBER

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