



COMMONWEALTH  
OF THE BAHAMAS

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

**Q4 - FY2023/24**

***Twelve Month  
Report on  
Budgetary  
Performance  
FY2023/24 July to June***

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# I 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 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](http://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 FY2023/24, the Bahamian economy maintained a positive growth trajectory, 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, both air and sea travel experienced healthy growth, supported by increased spending and consistent passenger volumes.

- » Preliminary data showed revenue collections surpassing the prior year's outcome by \$220.1 million (7.7 percent) to total \$3,075.5 million.
  - Tax receipts grew by \$269.4 million (10.9 percent) to \$2,743.1 million, underpinned by strengthened gains in Value Added Tax collections (\$101.3 million to \$1,353.4 million), taxes on use and permission to use goods (\$77.8 million to \$281.3 million) and international trade and transactions (\$49.8 million to \$725.2 million).
  - Conversely, non-tax revenue receipts declined by \$48.1 million (12.6 percent) to \$332.5 million—primarily explained by lower collections of property income (\$17.6 million to \$46.9 million) and interest and dividend payments (\$13.8 million to \$31.9 million).
- » Aggregate expenditure was provisionally placed at \$3,262.3 million for a year-over-year decrease of \$127.8 million (3.8 percent).
- Recurrent spending declined by \$101.8 million (3.3 percent)—reflecting reduced outlays for uses of goods and

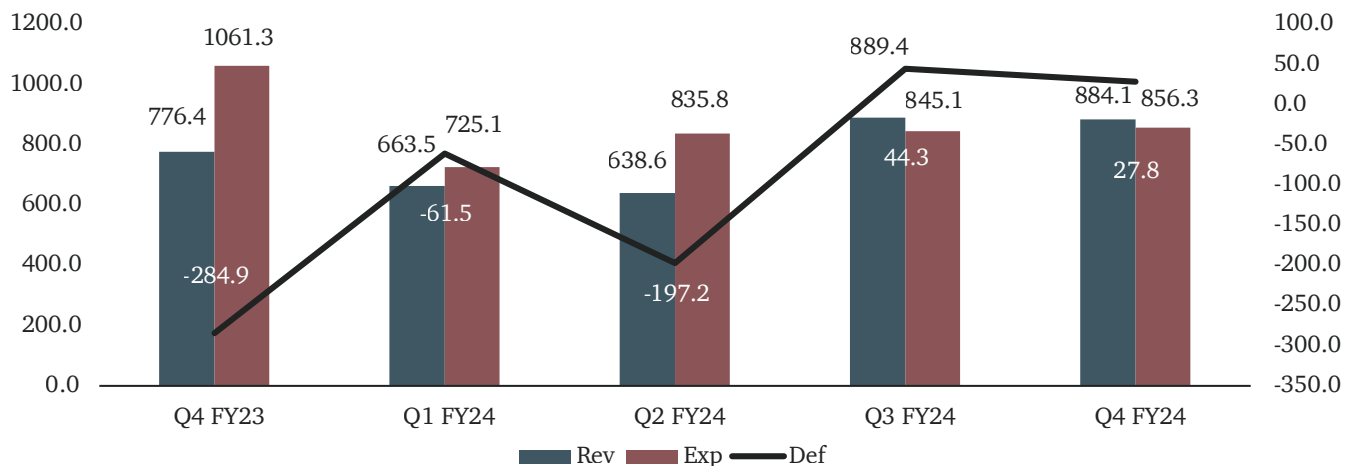
services of \$111.6 million (16.6 percent). Subsidies were also lower by \$52.1 million (11.2 percent) although equating to 101.1 percent of the budget allocation (which were primarily earmarked for the Water and Sewerage Corporation and Public Hospitals Authority).

- Capital expenditure decreased by \$26.0 million (7.9 percent) to \$301.5 million and was largely associated with a reduction in spending for the acquisition of non-financial assets, of \$31.8 million (11.3 percent) to \$250.2 million.
- » Based on these preliminary revenue and expenditure outcomes for FY2023/24, the Government experienced an overall deficit of \$186.7 million (1.3 percent of estimated gross domestic product). This represented an estimated decrease of \$347.9 million from the prior year. Although the deficit exceeded the original annual budget target, it falls within the revised range of 1.0% to 1.5% as stated in the May 2024 budget documents.
- » In financing activities, the balance under the net acquisition of financial assets shifted to a negative \$185.8 million from an increase of \$226.5 million, as the government drew down on sinking funds to assist with financing debt obligations and the value of loans to Government Business Enterprises was significantly less. The lower incurrence of liabilities, \$61.8 million compared with the year-earlier \$415.9 million, reflected the appreciably higher level of debt repayment relative to new borrowings.

TABLE 1: FISCAL SUMMARY (STATEMENT OF SOURCES &amp; USES OF CASH)

(B\$M)	Budget		July - June		
	FY2023/24	FY2023/24p	FY2022/23p	Variance	% of Budget
		Actual	Actual		
<b>Revenue</b>	<b>3,319.0</b>	<b>3,075.5</b>	<b>2,855.4</b>	<b>220.1</b>	<b>92.7%</b>
Tax	2,918.8	2,743.1	2,473.6	269.4	94.0%
Non-tax	397.5	332.5	380.6	(48.1)	83.6%
Grants	2.8	0.0	1.2	(1.2)	0.1%
<b>Expenditure</b>	<b>3,450.1</b>	<b>3,262.3</b>	<b>3,390.0</b>	<b>(127.8)</b>	<b>94.6%</b>
Recurrent	3,085.5	2,960.7	3,062.5	(101.8)	96.0%
Capital	364.6	301.5	327.5	(26.0)	82.7%
<b>Surplus/(Deficit)</b>	<b>(131.1)</b>	<b>(186.7)</b>	<b>(534.6)</b>	<b>347.9</b>	<b>142.4%</b>
<b>Financing Activities</b>	<b>131.1</b>	<b>186.7</b>	<b>534.6</b>	<b>(347.9)</b>	<b>142.4%</b>
<i>Net Acquisition of financial assets (-)</i>	<b>59.8</b>	<b>(185.8)</b>	<b>226.5</b>	<b>(412.3)</b>	<b>-310.7%</b>
Sinking Funds	59.8	(203.0)	116.5	(319.5)	-339.4%
Equity	0.0	0.0	0.0	0.0	0.0%
Other	0.0	17.1	110.0	(92.9)	0.0%
<i>Net Incurrence of Liabilities (+)</i>	<b>131.1</b>	<b>61.8</b>	<b>451.9</b>	<b>(390.1)</b>	<b>47.1%</b>
Borrowings	2,198.7	3,627.7	2,989.0	638.7	165.0%
Debt Repayment	2,067.6	3,565.9	2,537.1	1,028.8	172.5%
<i>Change in Cash Balance [(+) = increase]</i>	<b>59.8</b>	<b>(60.9)</b>	<b>309.1</b>	<b>(370.1)</b>	<b>-101.9%</b>

FIGURE 1: BUDGETARY PERFORMANCE (B\$M)



# BOX A: SUMMARY OF COVID-19 EXPENDITURE

During FY2023/24, Government continued the process of unwinding COVID-19 related health containment, mitigation and support programs for impacted families and businesses. These outlays are estimated at \$6.0 million for the fiscal year and, together with past outlays, bring the aggregate COVID-19 spend to approximately \$473.2 million.

TABLE 2: SUMMARY OF COVID-19 RELATED EXPENSES (B\$M)

	FY2019/20	FY2020/21	FY2021/22	FY2022/23 <sup>P</sup>	FY2023/24 <sup>P</sup>	Total
	Mar - June	July - June	July - June	July - June	July - June	
<b>Recurrent Expenditure</b>	<b>39.2</b>	<b>268.5</b>	<b>96.6</b>	<b>7.6</b>	<b>4.3</b>	<b>416.1</b>
Public Health Safety	1.9	36.6	14.8	3.6	0.5	57.3
Unemployment Assistance	10	164.7	62.3	0.0	0.0	237.0
Goods & Services Acquisition	1.8	2.2	2.7	1.6	3.3	11.6
Job Retention Programs	21.4	23	6.4	0.0	0.0	50.8
Food Assistance	2	40.4	7.8	0.0	0.0	50.2
Other	2.1	1.5	2.6	2.4	0.5	9.2
<b>Capital Expenditure</b>	<b>40.3</b>	<b>4.7</b>	<b>5.7</b>	<b>4.7</b>	<b>1.7</b>	<b>57.1</b>
Public Health Safety	0.4	0	0	0.0	0	0.4
Goods & Services Acquisition	0.6	0.1	0	0.0	0	0.7
COVID-19 Unit	0.3	0.5	0	0.0	0	0.8
Small Business Loans	39	4.1	5.7	4.7	1.7	55.2
<b>Total</b>	<b>79.5</b>	<b>273.3</b>	<b>102.3</b>	<b>12.3</b>	<b>6.0</b>	<b>473.2</b>

# 3

## ECONOMIC OVERVIEW

Preliminary economic indicators for FY2023/24 suggest that the Bahamian economy continued its growth trajectory, though at a more gradual pace compared to the strong post-COVID 2023 recovery momentum. The global backdrop was characterized by the persistence of risks stemming from geopolitical tensions and tight monetary policies. In the United States, The Bahamas' major trading partner, strong consumer spending and investment sustained real output growth over the past twelve months, while inflation was relatively stable.

In the domestic context, tourism, the key driver of economic activity, recorded growth in arrivals over the twelve months to June 2024, of 14.9 percent (1.3 million) to 10.4 million.<sup>1</sup> The dominant sea component led with a 17.3 percent expansion compared with the 4.6 percent rise in air traffic.

Based on the latest available data, the unemployment rate for the fourth quarter of 2023 was 9.9 percent, showing an improvement from the 10.4 percent in the third quarter period before—although slightly higher than the 8.8 percent recorded in May 2023 as labor markets stabilized following the significant post-COVID recovery gains.<sup>2</sup>

Price conditions continued to exhibited moderations, with the twelve months increase in consumer price inflation moderating to 0.4 percent in May 2024 from 3.6 percent in the comparable period of the prior year.<sup>3</sup>

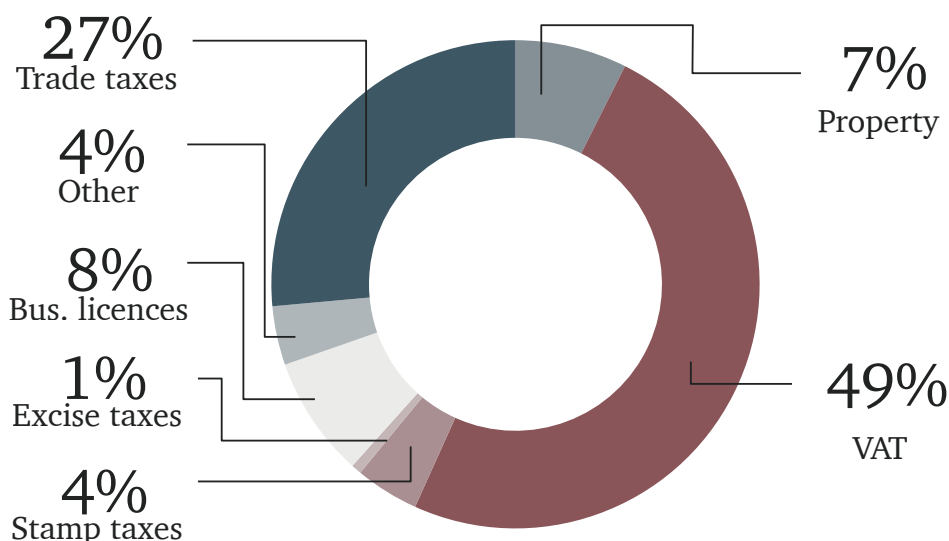
# 4

## REVENUE PERFORMANCE

During FY2023/24, revenue collections aggregated \$3,075.5 million, which corresponded to a year-over-year gain of \$220.1 million (7.7 percent) and 92.7 percent of the annual budget estimate (see **Table 3**).

Tax revenue receipts improved by \$269.4 million (10.9 percent) to \$2,743.1 million, for 94.0 percent of the budget target. Conversely, non-tax revenue contracted by \$48.1 million (12.6 percent) to \$332.5 million (83.6 percent of the budget).

FIGURE 2: PERCENTAGE COMPOSITION OF TAX REVENUE (TWELVE MONTHS FY2023/24)



<sup>1</sup> Foreign Arrivals (Air & Sea) Data – The Bahamas Ministry of Tourism

<sup>2</sup> Preliminary Results Labor Force Survey – Bahamas National Statistical Institute

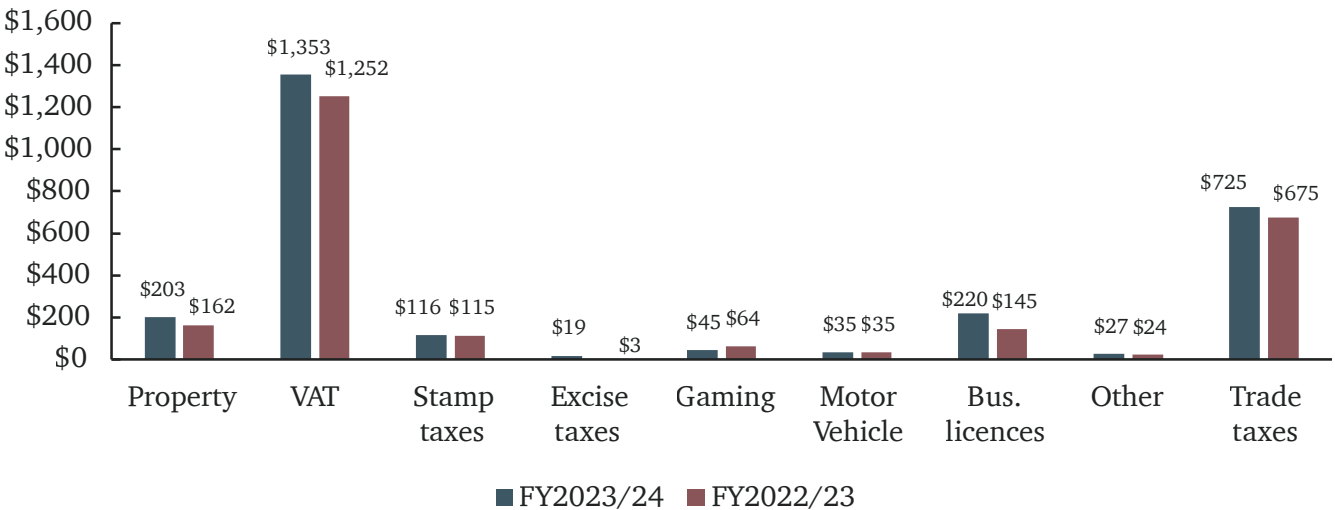
<sup>3</sup> Consumer Price Index – Bahamas National Statistical Institute

The tax revenue performance is primarily explained by the following outcomes.

- » Stepped up enforcement measures supported an improvement in Taxes on Property by \$41.7 million (25.8 percent) to \$203.2 million, which exceeded projections by \$7.9 million.
- » Taxes on Goods & Services firmed by \$178.6 million (11.0 percent) to \$1,807.6 million for 90.1 percent of the budget forecast.
- VAT receipts increased by \$101.3 million (8.1 percent) to \$1,353.4 million and approximated 85.0 percent of the budget. Growth was concentrated in the intake for the goods and services component which expanded by \$115.8 million (11.3 percent), amid the ongoing positive momentum in economic activity.

- Excise Tax proceeds, which totaled \$18.7 million, significantly surpassed the budget target of \$2.4 million following operational reforms within responsible agencies.
- Stamp Taxes on Financial and Real Estate transactions were higher by \$1.8 million (1.7 percent) at \$108.8 million, for 94.7 percent of the budget.
- Taxes on Specific Services (Gaming Taxes) declined by \$18.4 million (28.9 percent) to \$45.4 million, to represent 71.8 percent of budget predictions.
- Taxes on Use and Permission to Use Goods amounted to \$281.3 million—a year-over-year boost of \$77.8 million (38.3 percent) and \$46.5 million above budget forecasts. The outturn benefitted from gains in business licence fees linked to tax policy changes and administrative enhancements.

FIGURE 3: YEAR-ON-YEAR 12-MONTH COMPARISON OF TAX REVENUE PERFORMANCE (B\$M)



- » Taxes on International Trade and Transactions expanded year-over-year by \$49.8 million (7.4 percent) to \$725.2 million, and surpassed the budget target by 2.4 percent. Recent changes in tax rates contributed to an improved yield on departure taxes, by \$47.1 million (27.4 percent) to \$219.3 million, while Excise Duties decreased by \$6.9 million (2.7 percent) to \$246.5 million.
- » General stamp taxes were lower by \$0.6 million (7.7 percent) at \$7.1 million (86.9 percent of the budget).

Year-over-year variances in non-tax revenue were largely attributed to the following:

- » Property Income yields receded by \$17.6 million (27.3 percent) to \$46.9 million (71.6 percent of the budget).
- Interest and dividends decreased by \$13.8 million (30.2 percent) to \$31.9 million.
- Revenue from Government Property was reduced by \$3.9 million (20.5 percent) to \$15.0 million, for 82.0 percent of the budget target.
- » Receipts from the sales of goods and services grew by \$27.2 million (12.9 percent) to \$238.3 million and outpaced the budget target by \$2.0 million—due largely to improved collections of immigration and customs fees. However, these gains were offset by an overall decrease in the reimbursement and repayments and the miscellaneous and unidentified revenue subcategories.



TABLE 3: REVENUE SUMMARY (B\$M)

	Budget		July - June		
	FY2023/24	FY2023/24p	FY2022/23p	Variance	% of Budget
		Actual	Actual		
<b>TAX REVENUE (a+b+c+d)</b>	<b>2,918.8</b>	<b>2,743.1</b>	<b>2,473.6</b>	<b>269.4</b>	<b>94.0%</b>
<b>a. Taxes on Property</b>	<b>195.3</b>	<b>203.2</b>	<b>161.5</b>	<b>41.7</b>	<b>104.0%</b>
<b>b. Taxes on Goods &amp; Services (i+ii+iii)</b>	<b>2,006.8</b>	<b>1,807.6</b>	<b>1,629.0</b>	<b>178.6</b>	<b>90.1%</b>
<b>i. General</b>	<b>1,708.7</b>	<b>1,480.9</b>	<b>1,361.7</b>	<b>119.2</b>	<b>86.7%</b>
VAT	1,591.4	1,353.4	1,252.0	101.3	85.0%
Stamp Taxes (Financial & Realty)	114.8	108.8	107.0	1.8	94.7%
Excise Tax	2.4	18.7	2.7	16.1	779.6%
<b>ii. Specific (Gaming Taxes)</b>	<b>63.3</b>	<b>45.4</b>	<b>63.9</b>	<b>(18.4)</b>	<b>71.8%</b>
<b>iii. Taxes on Use &amp; Permission to Use Goods</b>	<b>234.9</b>	<b>281.3</b>	<b>203.5</b>	<b>77.8</b>	<b>119.8%</b>
Motor Vehicle Taxes	42.3	34.7	34.7	(0.0)	82.0%
Company Taxes	24.1	19.6	20.1	(0.5)	81.2%
Licence to Conduct Special Bus. Activity	157.7	219.7	144.8	74.9	139.3%
Marine License Activities	10.7	7.3	3.9	3.4	68.2%
<b>c. Taxes on Int'l Trade &amp; Transactions</b>	<b>708.5</b>	<b>725.2</b>	<b>675.4</b>	<b>49.8</b>	<b>102.4%</b>
Customs & Other Import Duties	250.5	258.5	248.9	9.6	103.2%
Excise Duties	257.9	246.5	253.5	(6.9)	95.6%
Departure Taxes	199.3	219.3	172.2	47.1	110.0%
Other	0.8	0.9	0.9	(0.0)	106.4%
<b>d. General Stamp Taxes</b>	<b>8.1</b>	<b>7.1</b>	<b>7.7</b>	<b>(0.6)</b>	<b>86.9%</b>
<b>NON-TAX REVENUE (e+f+g+h+i+j)</b>	<b>397.5</b>	<b>332.5</b>	<b>380.6</b>	<b>(48.1)</b>	<b>83.6%</b>
<b>e. Property Income</b>	<b>65.5</b>	<b>46.9</b>	<b>64.6</b>	<b>(17.6)</b>	<b>71.6%</b>
Interest & Dividends	47.2	31.9	45.7	(13.8)	67.6%
Revenue_Gov't Property	18.3	15.0	18.9	(3.9)	82.0%
<b>f. Sales of Goods &amp; Services</b>	<b>236.3</b>	<b>238.3</b>	<b>211.2</b>	<b>27.2</b>	<b>100.8%</b>
<b>i. Fees &amp; Service Charges</b>	<b>215.3</b>	<b>215.9</b>	<b>194.0</b>	<b>21.9</b>	<b>100.3%</b>
General Registration	4.4	4.7	4.6	0.0	105.0%
General Service	18.2	15.9	15.4	0.5	87.5%
Immigration	123.9	122.2	108.2	14.0	98.6%
Land & Building	2.3	2.8	2.7	0.1	120.2%
Legal	1.0	1.3	1.1	0.2	132.2%
Customs	54.9	58.5	52.7	5.8	106.6%
Port & Harbour	9.5	9.6	7.9	1.7	101.3%
Health	1.1	0.9	1.3	(0.4)	79.9%
Other Fees	0.0	0.0	0.0	0.0	130.7%
<b>ii. Other</b>	<b>21.0</b>	<b>22.5</b>	<b>17.2</b>	<b>5.3</b>	<b>106.9%</b>
<b>g. Fines, Penalties &amp; Forfeits</b>	<b>5.6</b>	<b>6.1</b>	<b>5.3</b>	<b>0.7</b>	<b>108.2%</b>
<b>h. Reimbursements &amp; Repayments</b>	<b>49.2</b>	<b>35.1</b>	<b>44.2</b>	<b>(9.1)</b>	<b>71.2%</b>
<b>i. Misc. &amp; Unidentified Revenue</b>	<b>40.3</b>	<b>4.4</b>	<b>54.8</b>	<b>(50.4)</b>	<b>10.9%</b>
<b>j. Sales of Other Non-Financial Assets</b>	<b>0.5</b>	<b>1.7</b>	<b>0.5</b>	<b>1.2</b>	<b>371.4%</b>
<b>TOTAL TAX &amp; NON-TAX REVENUE</b>	<b>3,316.3</b>	<b>3,075.5</b>	<b>2,854.2</b>	<b>221.3</b>	<b>92.7%</b>
<b>GRANTS</b>	<b>2.8</b>	<b>0.0</b>	<b>1.1</b>	<b>(1.1)</b>	<b>0.0%</b>
<b>CAPITAL REVENUE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>(0.1)</b>	<b>5.8%</b>
<b>GRAND TOTAL</b>	<b>3,319.0</b>	<b>3,075.5</b>	<b>2,855.4</b>	<b>220.1</b>	<b>92.7%</b>

## BOX B: TRENDS IN GOVERNMENT REVENUE PERFORMANCE & POLICY INITIATIVES

Data on the quarterly revenue performance for FY2023/24 showed persistent year-over-year gains in collections, with few exceptions. Among the major categories, taxes on properties posted comparatively strengthened gains in the final two quarters, while taxes on goods and services maintained a pattern of steady increases over the year. Taxes on goods and services followed a similar evolution, with annual gains also posted for the quarterly yields on international trade and transactions.

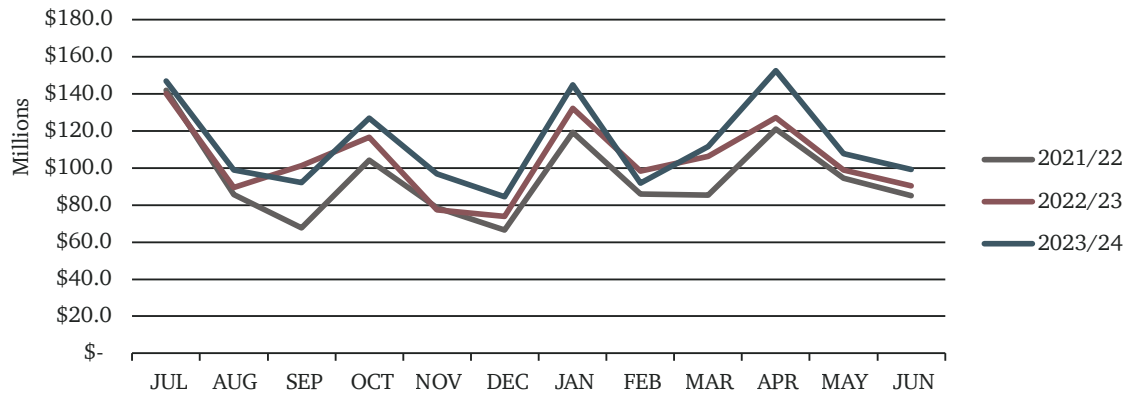
TABLE 4: TAX REVENUE BY QUARTER (B\$M)

	FY2022/23					FY2023/24				
	QI	QII	QIII	QIV	Total	QI	QII	QIII	QIV	Total
<b>TAX REVENUE (a+b+c+d)</b>	<b>574.7</b>	<b>521.8</b>	<b>722.7</b>	<b>654.4</b>	<b>2,473.6</b>	<b>603.7</b>	<b>565.7</b>	<b>786.7</b>	<b>787.0</b>	<b>2,743.1</b>
<b>a. Taxes on Property</b>	<b>20.9</b>	<b>38.6</b>	<b>67.7</b>	<b>34.3</b>	<b>161.5</b>	<b>21.4</b>	<b>25.9</b>	<b>98.4</b>	<b>57.6</b>	<b>203.2</b>
<b>b. Taxes on Goods &amp; Services (i+ii+iii)</b>	<b>387.8</b>	<b>329.2</b>	<b>477.5</b>	<b>434.6</b>	<b>1,629.0</b>	<b>408.8</b>	<b>377.6</b>	<b>516.4</b>	<b>504.9</b>	<b>1,807.6</b>
<b>i. General</b>	<b>359.9</b>	<b>293.4</b>	<b>363.3</b>	<b>345.0</b>	<b>1,361.7</b>	<b>380.3</b>	<b>336.5</b>	<b>376.3</b>	<b>387.8</b>	<b>1,480.9</b>
VAT	331.0	267.8	336.6	316.6	1,252.0	337.9	308.1	348.0	359.4	1,353.4
Stamp taxes (Financial & Realty)	28.5	24.9	26.2	27.3	107.0	28.7	26.8	27.0	26.3	108.8
Excise Tax	0.4	0.7	0.5	1.1	2.7	13.8	1.6	1.3	2.1	18.7
<b>ii. Specific (Gaming taxes)</b>	<b>12.8</b>	<b>13.4</b>	<b>22.4</b>	<b>15.4</b>	<b>63.9</b>	<b>9.6</b>	<b>12.2</b>	<b>14.4</b>	<b>9.2</b>	<b>45.4</b>
<b>iii. Taxes on Use &amp; Permission to Use Goods</b>	<b>15.1</b>	<b>22.4</b>	<b>91.8</b>	<b>74.2</b>	<b>203.5</b>	<b>18.8</b>	<b>28.9</b>	<b>125.7</b>	<b>107.9</b>	<b>281.3</b>
Motor Vehicle Taxes	7.0	7.2	11.5	9.0	34.7	7.4	8.0	11.2	8.1	34.7
Company Taxes	2.0	3.2	12.3	2.6	20.1	1.7	3.1	10.8	4.0	19.6
Licence to Conduct Special Bus. Activity	5.4	11.2	66.7	61.5	144.8	8.9	16.2	101.2	93.4	219.7
Marine License Activities	0.7	0.9	1.2	1.1	3.9	0.8	1.6	2.4	2.4	7.3
<b>c. Taxes on Int'l Trade &amp; Transactions</b>	<b>164.3</b>	<b>150.0</b>	<b>176.9</b>	<b>184.2</b>	<b>675.4</b>	<b>172.0</b>	<b>161.5</b>	<b>168.7</b>	<b>222.9</b>	<b>725.2</b>
Customs & other import duties	61.2	62.2	62.7	62.7	248.9	61.2	65.3	64.0	67.9	258.5
Taxes on Exports	65.4	53.6	58.7	75.7	253.5	61.0	60.9	55.3	69.3	246.5
Departure Taxes	37.5	34.0	55.3	45.4	172.2	49.5	35.2	49.2	85.3	219.3
Other	0.2	0.1	0.2	0.4	0.9	0.3	0.1	0.2	0.3	0.9
<b>d. General Stamp Taxes</b>	<b>1.8</b>	<b>4.0</b>	<b>0.6</b>	<b>1.3</b>	<b>7.7</b>	<b>1.5</b>	<b>0.6</b>	<b>3.2</b>	<b>1.7</b>	<b>7.1</b>

VAT collections, comprising of charges on goods and services and realty transactions, represent the largest revenue component, with the traditional spikes in in the quarterly VAT payment months of July, October, January, and April.

## BOX B: TRENDS IN GOVERNMENT REVENUE PERFORMANCE & POLICY INITIATIVES

FIGURE 4: MONTHLY VAT COLLECTIONS BY FISCAL YEAR



# 5

# EXPENDITURE DEVELOPMENTS

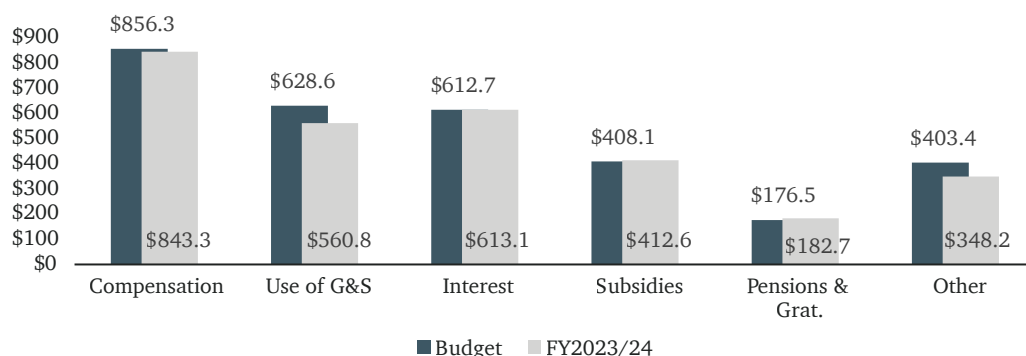
## a. Recurrent Expenditure – Economic Classification

During FY2023/24, total recurrent expenditure decreased year-over-year by an estimated \$101.8 million (3.3 percent) to \$2,960.7 million—representing 96.0 percent of the targeted spend (see *Table 5*).

- » Compensation of employees rose by \$38.1 million (4.7 percent) to \$843.3 million (98.5 percent of the budget target), and was associated with planned staff promotions, salary adjustments associated with industrial relation agreements and additional hires.
- » Spending on the use of goods and services was lower by \$111.6 million (16.6 percent) at \$560.8 million, and included the following key developments.

- Utilities and telecommunications payments decreased by \$19.3 million (27.4 percent) to \$51.2 million.
- Special financial transactions, which include payment of arrears, declined by \$65.5 million (70.0 percent) to \$28.1 million.
- Expenditure on services (comprising tourism-related and other consultancy services) contracted by \$34.5 million (12.0 percent) to \$253.9 million.
- Payment of debt-related finance charges increased by \$6.8 million (47.0 percent) to \$21.4 million.

FIGURE 5: 12-MONTH COMPARISON OF RECURRENT EXPENDITURE VS BUDGET FOR FY2023/24 (B\$M)



- » Public debt interest payments expanded by \$40.0 million (7.0 percent) to \$613.1 million—although virtually equivalent to the budget target. Approximately 55.9 percent was on account of foreign currency obligations.
- » Subsidies, which include transfers to government-owned and/or controlled enterprises that provide commercial goods and services to the public, receded by \$52.1 million (11.2 percent) to \$412.6 million, which surpassed the budget target by 1.1 percent.
  - Subsidies to public non-financial corporations declined by \$48.1 million (11.0 percent) to \$391.0 million, mainly reflecting contractions in assistance to the Water and Sewerage Corporation and the Public Hospital Authority.
  - Transfers to private enterprises and other sectors were lower by \$3.9 million (15.3 percent) at \$21.6 million.
- » Social benefit payments grew by \$16.5 million (7.2 percent) at \$243.8 million, and surpassed the budget target by 3.1 percent.
  - Payments of social assistance benefits increased by \$8.3 million (15.8 percent) to \$61.1 million.
  - Pension and gratuity payments advanced by \$8.1 million (4.7 percent) to \$182.7 million, largely attributed to the recent cost of living increase granted to pensioners.
- » Other Payments fell by \$34.7 million (11.1 percent) to \$278.0 million (83.3 percent of the budget).
  - Current transfers not elsewhere classified moved lower by \$34.3 million (14.8 percent) to \$197.7 million, led by comparatively reduced transfers to several public sector entities.
  - Payments related to insurance premiums were \$0.4 million (0.5 percent) below the year-earlier level at \$80.4 million.

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

	Budget		July - June		
	FY2023/24	FY2023/24p	FY2022/23p	Variance	% of Budget
		Actual	Actual		
<b>Compensation of Employees</b>	<b>856.3</b>	<b>843.3</b>	<b>805.2</b>	<b>38.1</b>	<b>98.5%</b>
<b>Use of Goods &amp; Services</b>	<b>628.6</b>	<b>560.8</b>	<b>672.4</b>	<b>(111.6)</b>	<b>89.2%</b>
Travel & Subsistence	12.3	17.5	18.8	(1.2)	142.7%
Rent	94.8	102.6	106.1	(3.6)	108.2%
Utilities & Telecommunications	97.8	51.2	70.5	(19.3)	52.3%
Supplies & Materials	44.8	44.0	44.0	(0.0)	98.2%
Services	273.3	253.9	288.4	(34.5)	92.9%
Minor capital repairs	5.1	4.7	5.2	(0.5)	92.4%
Finance charges	22.0	21.4	14.5	6.8	97.1%
Special Financial Transactions	46.8	28.1	93.6	(65.5)	59.9%
Tourism Related	3.0	3.0	2.0	1.0	99.6%
Local Gov't Districts	14.8	14.8	13.3	1.5	99.9%
School Boards	0.1	0.1	0.1	0.0	0.0%
Other	13.8	19.6	15.9	3.6	141.8%
<b>Public Debt Interest</b>	<b>612.7</b>	<b>613.1</b>	<b>573.1</b>	<b>40.0</b>	<b>100.1%</b>
<b>Subsidies</b>	<b>408.1</b>	<b>412.6</b>	<b>464.7</b>	<b>(52.1)</b>	<b>101.1%</b>
<b>Grants</b>	<b>9.5</b>	<b>9.1</b>	<b>7.1</b>	<b>2.0</b>	<b>94.9%</b>
<b>Social Assistance Benefits</b>	<b>60.1</b>	<b>61.1</b>	<b>52.8</b>	<b>8.3</b>	<b>101.7%</b>
<b>Pensions &amp; Gratuities</b>	<b>176.5</b>	<b>182.7</b>	<b>174.6</b>	<b>8.1</b>	<b>103.5%</b>
<b>Other Payments</b>	<b>333.7</b>	<b>278.0</b>	<b>312.7</b>	<b>(34.7)</b>	<b>83.3%</b>
Current Transfers n.e.c.	253.5	197.7	232.0	(34.3)	78.0%
Insurance Premiums	80.2	80.4	80.7	(0.4)	100.2%
<b>TOTAL</b>	<b>3,085.5</b>	<b>2,960.7</b>	<b>3,062.5</b>	<b>(101.8)</b>	<b>96.0%</b>

#### b. Recurrent Expenditure – Functional Classification

Fluctuations in the functional classifications of recurrent expenditure (see *Table 6*) during FY2023/24 were largely due to the following developments:

- » General public service outlays were elevated by \$29.1 million (2.3 percent) to \$1,305.5 million (95.0 percent of budget), reflecting planned hikes in the wage-bill and pension outlays.
- » Contractions in spending under Environmental Protection (\$66.1 million), Health (\$29.9 million) and Economic affairs (\$15.9 million) primarily corresponded with respective decreases in water waste management payments, subsidies to the Public Health Authority, and transfers to the Airport Authority.

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

	Budget		July - June		
	FY2023/24	FY2023/24p Actual	FY2022/23p Actual	Variance	% of Budget
General Public Service	1,374.4	1305.5	1,276.4	29.1	95.0%
Defense	68.7	69.0	64.5	4.5	100.5%
Public Order & Safety	259.3	261.6	262.8	(1.2)	100.9%
Economic Affairs	282.5	256.1	272.0	(15.9)	90.7%
Environmental Protection	131.8	107.0	173.1	(66.1)	81.2%
Housing & Community Amenities	21.0	10.3	20.3	(10.0)	49.0%
Health	365.5	360.2	390.1	(29.9)	98.5%
Recreation, Culture & Religion	40.1	40.1	47.1	(7.0)	99.9%
Education	321.6	320.6	327.6	(7.0)	99.7%
Social Protection	220.7	230.3	228.7	1.6	104.3%
<b>GRAND TOTAL</b>	<b>3,085.5</b>	<b>2,960.7</b>	<b>3,062.5</b>	<b>(101.8)</b>	<b>96.0%</b>

### c. Capital Expenditure – Economic Classification

Capital expenditure for FY2023/2024 receded by \$26.0 million (7.9 percent) at \$301.5 million, which equated to 82.7 percent of the budget (see *Table 7*).

- » Capital Transfers increased by \$5.8 million (12.8 percent) to \$51.4 million, primarily reflecting disbursements associated with national disaster recovery initiatives and public private partnerships.

- » Expenditure on the acquisition of non-financial assets decreased by \$31.8 million (11.3 percent) to \$250.2 million (99.5 percent of budget). This was primarily dominated by the \$26.2 million contraction in outlays associated with school construction projects and maintenance of hospital and medical facilities.

TABLE 7: CAPITAL EXPENDITURE BY ECONOMIC CLASSIFICATION (B\$M)

	Budget		July - June		
	FY2023/24	FY2023/24p Actual	FY2022/23p Actual	Variance	% of Budget
<b>Capital Transfers</b>	<b>113.2</b>	<b>51.4</b>	<b>45.5</b>	<b>5.8</b>	<b>45.4%</b>
<b>Acquisition of Non-financial assets</b>	<b>251.4</b>	<b>250.2</b>	<b>282.0</b>	<b>(31.8)</b>	<b>99.5%</b>
<i>Fixed Assets</i>	<b>249.4</b>	<b>248.2</b>	<b>271.2</b>	<b>(23.1)</b>	<b>99.5%</b>
Buildings other than dwellings	83.8	93.5	119.7	(26.2)	111.5%
Other structures	109.6	85.8	84.6	1.2	78.3%
Transport equipment	10.6	8.7	10.7	(2.0)	82.2%
Other Machinery & equipment	18.4	13.6	20.1	(6.5)	73.9%
Land Improvements	7.2	8.6	8.0	0.6	119.3%
Other Fixed Assets	19.8	38.0	28.2	9.8	191.9%
<b>Land</b>	<b>2.0</b>	<b>2.0</b>	<b>10.8</b>	<b>(8.8)</b>	<b>100.0%</b>
<b>TOTAL</b>	<b>364.6</b>	<b>301.5</b>	<b>327.5</b>	<b>(26.0)</b>	<b>82.7%</b>

#### d. Capital Expenditure – Functional Classification

The functional classification of capital expenditure over the review twelve months (see **Table 8**) is highlighted by reduced spend on Health-related maintenance, by \$22.2 million (54.2 percent) to \$18.8 million (46.6 percent of the budget).

TABLE 8: CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION (B\$M)

	Budget		July - June		
	FY2023/24	FY2023/24p Actual	FY2022/23p Actual	Variance	% of Budget
General Public Service	71.4	34.9	44.4	(9.5)	48.8%
Defense	11.1	7.7	11.4	(3.7)	69.0%
Public Order & Safety	11.7	7.1	10.7	(3.6)	60.6%
Economic Affairs	174.5	159.6	143.5	16.1	91.5%
Environmental Protection	4.2	2.6	2.3	0.2	61.8%
Health	40.3	18.8	41.0	(22.2)	46.6%
Recreation, Culture & Religion	0.0	0.0	0.0	0.0	0.0%
Education	48.7	70.5	72.3	(1.7)	144.7%
Social Protection	2.7	0.4	1.9	(1.5)	13.9%
<b>GRAND TOTAL</b>	<b>364.6</b>	<b>301.5</b>	<b>327.5</b>	<b>(26.0)</b>	<b>82.7%</b>

# 6

# FINANCING ACTIVITIES

## NET INCREASE IN LIABILITIES

The government's financing activities comprised a \$185.8 million decline in the acquisition of financial assets, alongside a \$61.8 million increase in liabilities.

- » The government provided short-term advances totaling \$17.1 million to four (4) Government Business Enterprises.
- » The \$18.8 million net increase in Bahamian Dollar liabilities was comprised of:
  - net issuances of government domestic securities which aggregated \$315.1 million; and
  - a reduction in loans from commercial banks and advances from the Central Bank, by \$135.2 million and \$161.1 million, respectively.

- » The \$43.0 million increase in foreign currency liabilities featured net borrowings from banks of \$430.0 million, which offset the \$300 million international bond redemption and the reduction in liabilities to international development agencies (\$87.1 million). Approximately 78.4 percent of the latter was earmarked to reduce liabilities to the International Monetary Fund, 7.7 percent to the Caribbean Development Bank, 8.5 percent to the Inter-American Development Bank and the balance to the Chinese Export-Import Bank.

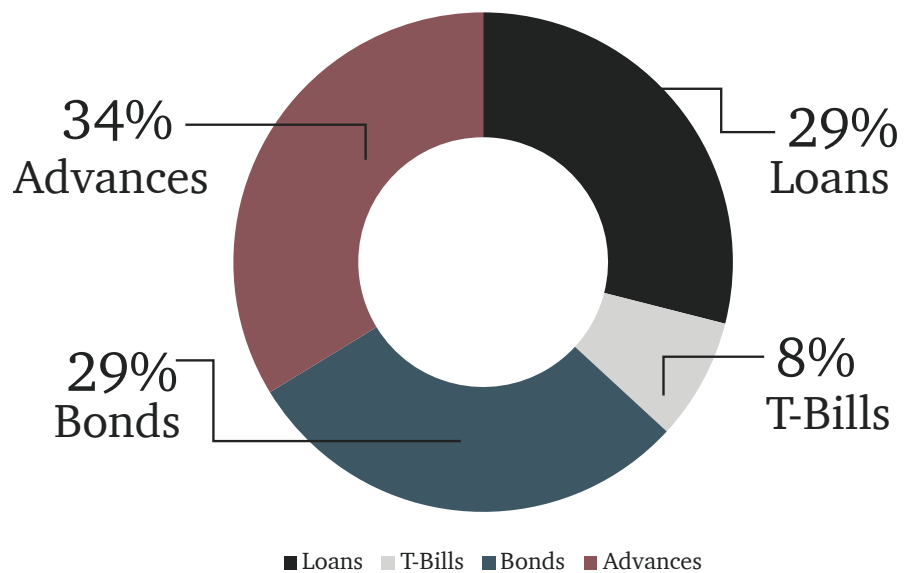
Consequent on these developments, the Direct Charge on the Government—inclusive of exchange rate adjustments—increased by \$61.8 million to an estimated \$11,313.8 million at end-June 2024. This equated to an estimated 77.6 percent of GDP, compared to 80.3 percent of GDP at end-June 2023.

TABLE 9: CHANGE IN LIABILITIES (BY CURRENCY AND INSTRUMENT) (B\$M)

	FY2023/24 July - June		
	Borrowings	Repayment	Net Change
<b>Bahamian Dollars</b>	<b>2,577.0</b>	<b>2,558.1</b>	<b>18.8</b>
Bonds	1,067.4	883.9	183.5
Treasury Bills/Notes	286.3	154.7	131.6
Bank Loans	-	135.2	(135.2)
Central Bank Advances	1,223.2	1,384.3	(161.1)
<b>Foreign Currency</b>	<b>1,050.7</b>	<b>1,007.7</b>	<b>43.0</b>
Bank Loans	983.3	553.3	430.0
International Bonds	-	300.0	(300.0)
Loans from Int'l Dev. Agencies	67.4	154.4	(87.1)
<b>TOTAL</b>	<b>3,627.7</b>	<b>3,565.9</b>	<b>61.8</b>



FIGURE 6: COMPOSITION OF GOVERNMENT BORROWINGS FOR 12 MONTHS FY2023/24



#### CHANGE IN FINANCIAL ASSET POSITION

During FY2023/24, drawings on the Sinking Fund for the servicing of debt obligations totaled \$203.0 million. The four (4) sinking fund arrangements earmarked for scheduled retirement of external bonds amounted to USD175.6 million at end-June 2024, of which \$96.6 million is subject to a repurchase agreement.





Q4 - FY2023/24

# *Twelve Month Report On Budgetary Performance*

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