



**Ministry of
Finance**

PRESS RELEASE

FY2026/27 to FY2028/29 Medium Term Debt Management Strategy

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In fulfillment of reporting requirements under the Public Debt Management Act, 2021, the Ministry of Finance is pleased to release the FY2026/27 to FY2028/29 Medium-term Debt Management Strategy (the “MTDS”). The MTDS aims to guide the government’s borrowing decisions to fund its overall financing needs, at the lowest cost consistent with a reasonable degree of risk, while promoting the development of the domestic debt market.

In determining the optimal debt management strategy, the analysis considers the costs and risks of the existing debt portfolio, the government’s medium-term financing needs and macro-fiscal policy objectives, prevailing economic and market conditions, and other relevant factors.

Four financing options were assessed and evaluated based on their cost-risk profiles and performance subjected to various stress scenarios. The selected strategy emphasizes greater reliance on domestic sources of financing to reduce foreign currency exposure and support the development of the domestic capital market. Other key features of the strategy include a higher share of fixed-rate instruments, the continued use of semi-concessional borrowing from multilateral institutions, and the implementation of liability management operations to mitigate refinancing risk, extend the average time to maturity of the debt portfolio, and manage interest rate risk, while balancing costs. The financing mix suggests gross external and domestic borrowings in the ratio of 22 percent and 78 percent, respectively.

For a copy of the MTDS and other fiscal and debt reports, the public is invited to visit the national Budget Website (www.bahamasbudget.gov.bs).

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