



# THE MINISTRY OF FINANCE

# THREE MONTHS FY2025/26

# FISCAL SNAPSHOT

RELEASED FEBRUARY 2026  
 WWW.BAHAMASBUDGET.GOV.BS

## Economic Outlook

Provisional results for the first quarter of FY2025/26 indicate robust revenue performance, supported by a 15.7 percent increase in total collections compared with the same period last year. The growth was driven by strong VAT receipts, higher taxes on international trade and transactions, and solid contributions from non-tax revenues. This performance reflects both increased sea arrivals and strengthened domestic demand.

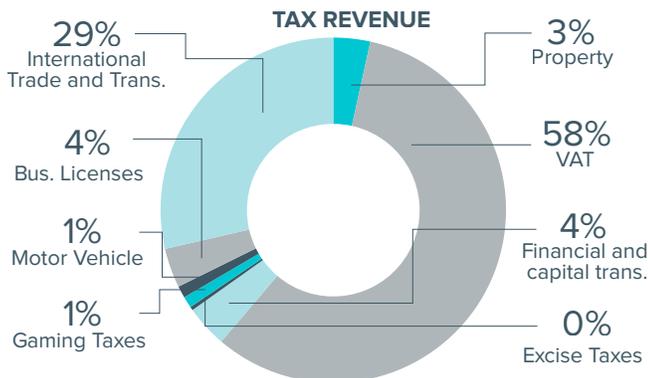
## Fiscal Balance

For the first three months of FY2025/26, the central Government recorded a fiscal deficit of \$141.1 million (0.9 percent of GDP), representing a notable improvement from the \$177.6 million deficit (1.1 percent of GDP) recorded during the same period of the previous year.



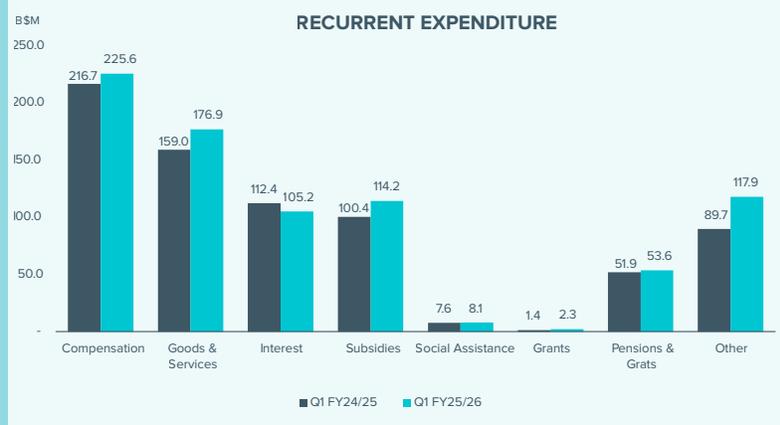
## Revenue

Total revenue collections for the first quarter of FY2025/26 amounted to \$789.6 million, representing an increase of \$107.0 million (15.7 percent) compared to the same period last year. This performance was underpinned by robust VAT receipts of \$409.4 million, alongside \$202.7 million in taxes on international trade and transactions. Revenues from taxes on financial and capital transactions totaled \$27.9 million, while property tax collections reached \$24.4 million. General stamp taxes contributed \$9.3 million, and taxes on specific services totaled \$7.6 million. Non-tax revenue accounted for approximately 10.0 percent of total collections, amounting to \$71.8 million.



## Expenditure

Overall expenditure for the first quarter of FY2025/26 amounted to \$930.7 million, representing an increase of \$70.6 million (8.2 percent) compared to the same period last year and equating to 24.4 percent of the approved budget allocation. Expenditure during the three-month period was driven primarily by compensation of employees, which totaled \$225.6 million, and spending on goods and services of \$176.9 million. Subsidies amounted to \$114.2 million, while interest payments on public debt reached \$105.2 million. Social benefit payments totaled \$61.7 million. Capital investment in non-financial assets totaled \$127.0 million during the quarter.





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CONT'D

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## Tax Revenue Performance

Tax revenue for the first quarter of FY2025/26 increased by \$101.6 million (16.5 percent) to \$717.8 million, representing 20.9 percent of the approved budget. The increase was largely driven by higher-than-expected VAT collections, which accounted for \$70.0 million (68.9 percent of the variance). Other notable contributors included taxes on international trade totaling \$202.7 million (15.3 percent of the variance), taxes on specific services of \$7.6 million (7.5 percent), and other taxes, primarily stamp duties, amounting to \$9.3 million (9.0 percent). Collectively, these categories explain nearly the entirety of the observed variance, with the remaining share arising from other tax components.

## Recurrent Expenditure

Recurrent expenditure for the first quarter of FY2025/26 rose by \$64.6 million (8.7 percent) to \$803.8 million as of September 2025. The increase was primarily driven by higher outlays for premiums (\$25.1 million), goods and services (\$18.0 million), subsidy payments (\$13.8 million), and personal emoluments (\$8.9 million). These increases were partially offset by reductions in interest payments (\$7.2 million), rent (\$10.8 million), and utilities and communications (\$7.8 million).

## Financing Activities

In the opening quarter of FY2025/26, the net acquisition of financial assets increased by \$319.3 million, reflecting placements into the National Investment Fund and short-term advances to Government Business Enterprises. Of this amount, \$265.3 million was allocated to the National Investment Fund for infrastructure investments, while \$56.9 million comprised short-term advances to five (5) Government Business Enterprises. Net incurrence of liabilities totaled \$297.8 million during the period.

	GOVERNMENT DEBT		% GDP
END-SEPTEMBER 2024	11,656.3	million	71.4%
END-SEPTEMBER 2025	12,069.5	million	73.4%
<b>MONEY BORROWED</b>			
B\$	551.0	million	
NON B\$	1.9	million	
<b>MONEY REPAID</b>			
TOTAL (\$)	255.1	million	
<b>NATIONAL DEBT</b>			
AS OF SEPTEMBER 2025	12,385.4	million	

## National Debt

National Debt is calculated by adding Government Debt together with Contingent Liabilities, which are monies owed by State Owned Enterprises that are guaranteed by the Government. The Central Bank of The Bahamas reports on the National Debt every calendar year.

National Debt: \$12,385.4 million (to end-September 2025)

Source: [www.centralbankbahamas.com](http://www.centralbankbahamas.com)

## Non-Tax Revenue Summary

Non-tax revenue increased by \$5.5 million (8.2 percent) in the first quarter of FY2025/26, representing 16.0 of the budget target. Key contributions included customs processing fees, which rose by \$2.1 million (25.0 percent), and immigration fees, which increased by \$22.1 million (over 100 percent). These gains were partly offset by declines in work and resident permit fees, down \$19.5 million (83.5 percent), and property income, which decreased by \$3.5 million (70.8 percent).

## Capital Expenditure

Capital expenditure for the first quarter of FY2025/26 increased by \$6.0 million (5.0 percent) to \$127.0 million. The growth was primarily driven by higher spending on other structures (\$14.7 million), buildings other dwellings (\$1.5 million) and land improvements (\$0.4 million).

## Changes in Government Debt

Government debt, also referred to as the Direct Charge on Government, represents the total obligations owed directly by the central Government and is reported on a fiscal year basis. Following developments in net borrowing, the Direct Charge at the end of September 2025 stood at \$12,069.5 million, equivalent to an estimated 73.4 percent of GDP, up from 71.4 percent of GDP at end-September 2024.

## Bahamian Liabilities

Bahamian dollar-denominated liabilities increased by a net \$338.9 million during the first quarter, mainly reflecting net borrowings of \$290.3 million through Central Bank advances and \$124.2 million from bond issuances.

## Foreign Currency Liabilities

Foreign currency obligations declined by \$41.1 million, primarily due to lower balances on bank loans (\$28.7 million) and loans from international development agencies (\$12.4 million).