

PRESS RELEASE

Debt Management Office Publishes the FY2023/24 Annual Borrowing Plan

Source: Central Communications Unit, Ministry of Finance, The Bahamas
Date: July 14, 2023
Contact: MOFcomms@bahamas.gov.bs

Section 13 of the Public Debt Management Act, 2021 requires the Minister of Finance to ensure the publication of the government’s annual borrowing plan (ABP)—setting out the projected needs of the government, as contained in the approved annual budget, together with the various categories and nominal amounts of debt instruments to be issued by the government.

In keeping with this requirement, and framed against the statutory debt management objectives, the FY2023/24 ABP seeks to provide for the government’s borrowing needs at the lowest possible cost, while maintaining prudent levels of risk. Based on the FY2023/24 approved budget, the government forecasts gross financing needs (GFN) of \$2,198.7 million—consisting of \$131.1 million to cover the budget deficit and \$2,067.6 million to refinance maturing debt securities and loans.

The government’s overall borrowing strategy seeks to extend the average maturity of the debt, so as to reduce liquidity and refinancing risk and to contain cost and risk in the debt portfolio. This is to be accomplished by refinancing maturing Bahamian dollar obligations with new issuances, leveraging semi-concessional loans and structured credits involving multilateral lenders and exploring liability management initiatives.

Given prevailing global and domestic financial conditions, the government is targeting to raise approximately \$967.3 million (44.4 percent) of the GFN in Bahamian Dollars, \$235.5 million in foreign currency domestic debt via a rollover of the promissory note arrangement with the Central Bank of The Bahamas for the FY2022/23 SDR borrowings, and the balance of \$995.9 million (45.3 percent) in foreign currency from external sources.

On the external side, the FY2023/24 ABP does not include any international bond issuance due to challenging market conditions, but will explore opportunities for liability management. Approximately \$210.0 million is anticipated in new loans from the International Financial Institutions (IFIs) and an estimated \$85.6 million in drawings on existing IFI-facilities.

The government views the ABP as a key component of its commitment to fiscal accountability and promoting transparency and borrowing predictability in debt operations.

The Ministry invites the public to visit the national Budget Website (www.bahamasbudget.gov.bs) to view the FY2023/24 ABP and other fiscal and debt reports.
