



PRESS RELEASE

Ministry of Finance Released 2026 Fiscal Strategy Report

Source: Ministry of Finance, The Bahamas
Date: May 29, 2026
Contact: financemail@bahamas.gov.bs

In accordance with the Public Finance Management Act, 2023, the Ministry of Finance is pleased to release the 2026 Fiscal Strategy Report (2026 FSR).

This report serves as the annual update of the government's medium-term fiscal framework, which informs the FY2026/2027 national budget and annual borrowing strategy, as grounded in the macroeconomic forecasts, fiscal objectives, and policies outlined therein.

Through a combination of enhanced administration, targeted initiatives and reforms, revenue is forecasted at 23.6 percent of GDP in FY2026/2027, steadily increasing to the medium-term target of 25.0 percent by FY2029/2030.

Recurrent expenditure is being capped at 23.3 percent of GDP in FY2026/2027, predicated on the implementation of cost-effective service delivery initiatives and rigorous controls. Meanwhile, capital expenditure is forecasted at a stable 2.3 percent over the medium-term horizon, and earmarked for priority investments in healthcare, infrastructure development, education, national security and digitization and modernization initiatives.

The government expects to maintain a surplus throughout the forecast period, with the overall balance strengthening from an estimated 0.4 percent of GDP in FY2025/2026 to 1.2 percent of GDP in FY2026/2027.

Progress in fiscal consolidation is expected to positively impact the debt levels, with the debt to GDP ratio declining from 64.6 percent in FY2025/2026 to 59.9 percent in FY2026/2027. This trajectory places the government on course to achieve its fiscal objective of reducing debt to no more than 50 percent of GDP by FY2030/2031.

The release of the 2026 FSR reaffirms the government's commitment to the fiscal principles of accountability, intergenerational equity, responsibility, stability, transparency, and inclusive growth.

The Ministry invites and encourages the public to visit the national Budget Website (www.bahamasbudget.gov.bs) to view the various statistical reports available to the public.