



THE ANNUAL
BUDGET

2020/2021

Budget at a Glance

Resilient Bahamas
A Plan for Restoration

Presentation by
Marlon Johnson
Acting Financial Secretary



We have a well-considered plan.

What it means for you, the government and the country is that **this nation will be restored** from the ashes of the crisis:

Prepared and ready to drive the **economic recovery.**

K. Peter Turnquest

Deputy Prime Minister and Minister of Finance



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The Mandate for Annual Budget 2020/2021

The Objectives

1. Restore wellbeing and confidence to our citizens and residents
2. Restore economic stability to our weakened economy
3. Plant seeds for accelerated recovery

The Strategy

1. Enhance Public Health & Safety
2. Expand Social Protection
3. Sustain Employment
4. Strengthen the Domestic Economy
5. Accelerate Government Reforms & National Resilience



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ECONOMIC CONTEXT

Bleak outlook for short-term growth



55,000 PEOPLE

filed for **unemployment** at The National Insurance Board (NIB).



12% SHRINK

in real GDP estimated for **The Bahamas**.



5.9% DECLINE

in **USA real GDP** for 2020 may have lasting effects.



100% SHUTDOWN

of tourism industry.



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FISCAL OUTLOOK

Pressures on Government Revenue

\$900m



Decline in revenue estimated because of dual external shocks of Hurricane Dorian and COVID-19.

\$232m



Slashed from revenue in 2019/2020 because of Hurricane Dorian.

\$120m



Foregone to support maintaining employment through tax deferrals and credits in 2020/2021.

Government revenue significantly hampered by dual economic crises.

\$1.7B

REVENUE ESTIMATE



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FISCAL OUTLOOK

Critical Government Expenditure

Government's shift from fiscal consolidation to "Resilient Bahamas" is largely responsible for overall increase in government expenditure



**Public Health
& Safety**



**Social Support
Network**



**Employment
Levels**



**The Domestic
Economy**



**Government
Reform**



\$3.1B

EXPENDITURE ESTIMATE

\$1.3B

DEFICIT ESTIMATE



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RESILIENT BAHAMAS **Protecting Public Health**



- **\$300m in total funding** for the Ministry of Health and Department of Public Health.
- **\$18m to expand free primary care coverage** under the National Health Insurance (NHI) scheme.
- **Personal Protective Equipment (PPE) Duty Free** to protect healthcare workers.



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RESILIENT BAHAMAS **Expanding Social Support**



- **Back to School VAT Holiday** on school supplies, clothes and other materials
- **\$48m for unemployment assistance** through National Insurance Board (NIB).
- **\$17m increase for food voucher program** and other social programs at Ministry of Social Services.
- **\$11m increased funding** for Ministry of Social Services.

\$49m  **\$60m**
FUNDING INCREASE
FOR MINISTRY OF
SOCIAL SERVICES



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RESILIENT BAHAMAS **Maintaining Employment**



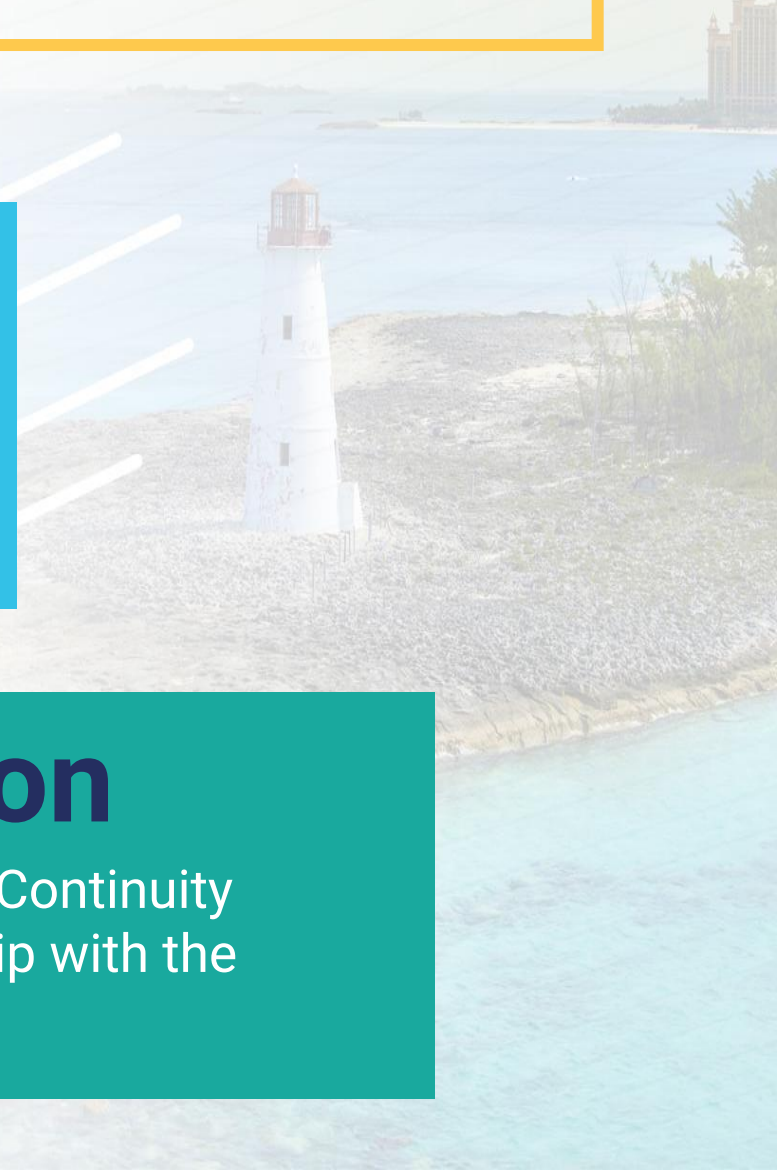
\$120 million

in tax credits and deferrals to support continued employment through the Department of Inland Revenue.



\$30 million

to expand the Business Continuity Programme in partnership with the SBDC.





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RESILIENT BAHAMAS

Sustaining the Domestic Economy



- **\$515.1m in public construction projects** to stimulate economy and increase employment.
- **20% customs duty reduction** on building supplies.
- **\$50m increase in small business funding** for SBDC to support growth and development.
- **Tax reductions on fishing and agricultural materials** to stimulate private sector growth.
- **Hurricane Dorian tax relief extended** for Abaco and Grand Bahama. .



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RESILIENT BAHAMAS

Accelerating Government Reforms

Digital Transformation

Improving Delivery of Government Services

- Road Traffic Department
- Office of The Registrar General
- Department of Immigration

Cashless Commerce

Increased Use of Digital Transactions

- 50% reduction in use of cash over 5 years.
- 50% reduction in use of cheques over 3 years.
- Full integration of Sand Dollar digital currency.

SOE Reform

Accelerated Rationalization of SOEs

- Push for SOEs to become more self-sufficient.
- \$21m in savings from reduced subventions.
- \$100m in annual reductions in subventions over 4 years.



Future Prospects

- **Preparing to leverage the “pent up demand”** in tourism sector.
- **Investors remaining committed** to major projects.
- **Entrepreneurial spirit of Bahamians** continues to shine through.
- **Planning for future prosperity** led by Economic Recovery Committee



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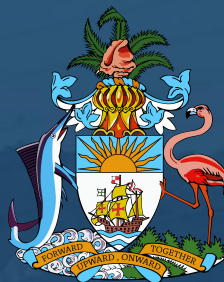
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Website Launch on June 1st!



THANK YOU!

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