

**T H E M I N I S T R Y  
O F F I N A N C E**

PUBLICATION DATE:  
**APRIL, 2026**

# **Six Months Report on Budgetary Performance**

**FY2025/26 JULY - DECEMBER**

---

**Published & Edited by**

The Ministry of Finance

**Printed by**

Government Printing

**Creative Design by**

Hilltop Designs

---

1.242.702.1500

[financemail@bahamas.gov.bs](mailto:financemail@bahamas.gov.bs)

[www.bahamas.gov.bs](http://www.bahamas.gov.bs)

[www.bahamasbudget.gov.bs](http://www.bahamasbudget.gov.bs)

---

# Contents

---

<b>1. About This Report</b>	<b>4</b>
<b>2. Executive Summary</b>	<b>4-5</b>
<b>3. Economic Overview</b>	<b>6</b>
<b>4. Revenue Performance</b>	<b>7-10</b>
<b>5. Expenditure Developments</b>	<b>11-15</b>
<b>a. Recurrent Expenditure – Economic Classification</b>	<b>11-13</b>
<b>b. Recurrent Expenditure – Functional Classification</b>	<b>13-14</b>
<b>c. Capital Expenditure – Economic Classification</b>	<b>14</b>
<b>d. Capital Expenditure – Functional Classification</b>	<b>15</b>
<b>6. Financing Activities</b>	<b>16-17</b>

---

# 1 About This Report

## GENERAL STATEMENT

In keeping with its commitment to transparency in the public finances and align with global fiscal disclosure standards and best practices, the Ministry of Finance provides in-year reporting on the performance of the central Government's revenue, expenditure and financing operations vis-à-vis the approved budget.

- » **Periodicity:** Quarterly (Qtr. I: July – September; Qtr. II: July – December; Qtr. III: July – March; and Qtr. IV: July – June).
- » **Timeliness:** Within four (4) weeks after the end of the referenced quarter, except for Qtr. IV report which will be released two months after the end of the quarter given year-end closing activities.
- » **Publication:** To be released on the Ministry of Finance's Budget website ([www.bahamasbudget.gov.bs](http://www.bahamasbudget.gov.bs)).

## BASIS OF PREPARATION

The budgetary data are prepared using a modified cash basis of accounting and guided by International Public Sector Accounting Standards (IPSAS) cash basis. As such, revenue is recognized when received and not when earned, expenditure is recorded in the period it is incurred and paid, and purchases of fixed assets, including immovable property, plant and equipment, are fully expensed in the year of purchase.

The fiscal data tables compiled in the quarterly reports are presented using the new modified chart of accounts introduced on July 1, 2018, which accomplishes two (2) important objectives, namely:

- » prepares for the eventual conversion of the accounting presentation to the IPSAS accrual basis,
- » facilitates the aggregation and presentation of the fiscal data to meet the International Monetary Fund's Government Finance Statistics (GFS) 2014 reporting standards. The primary purpose of the GFS is to provide a comprehensive conceptual and reporting framework for analyzing and evaluating the performance of the Government's finances.

## UNAUDITED DATA

As reconciliation is ongoing, the fiscal data presented in these quarterly reports are subject to change and, therefore, their status is provisional (denoted as "p") until audited by the Auditor General.

## ROUNDING

Because of rounding, some totals may not agree with the sum of their component parts.

# 2 Executive Summary

Budgetary operations for the second quarter of FY2025/26 benefitted from the positive domestic economic growth momentum, which continued to be fueled by a strong tourism performance, stable foreign investments, and strengthening private sector demand. These favorable conditions, alongside prudent expenditure measures and revenue administrative actions, enabled the government to achieve significant progress in its fiscal consolidation objectives.

Total revenue aggregated \$1,507.6 million, a gain of \$66.6 million (4.6 percent) over the prior year, and equated to 38.7 percent of the budget target.

- » Tax revenue improved by \$54.4 million (4.2 percent) to \$1,345.9 million. This outturn was dominated by a \$76.1 million (11.5 percent) boost in Value Added Tax collections with some offset by declines in taxes on international trade and transactions (\$18.4 million), stamp taxes (\$8.2 million), and taxes on property (\$4.9 million).
- » Non-tax revenue grew by \$11.4 million (7.6 percent) to \$160.7 million and was primarily attributed to higher sales of goods and services (\$14.4 million).
- » Aggregate expenditure increased by \$41.3 million (2.3 percent) to \$1,850.0 million, accounting for 48.4 percent of the budget target.
  - Recurrent spending rose by \$42.2 million (2.6 percent), led by a \$21.0 million (4.8 percent) hike in outlays for compensation of employees. There were also notable increases for subsidies (\$10.2 million) and other payments (\$19.9 million).
  - Capital expenditure was lower by \$0.9 million (0.5 percent) at \$191.7 million. This outcome reflected a decrease in the acquisition of non-financial assets of \$6.7 million (4.0 percent).

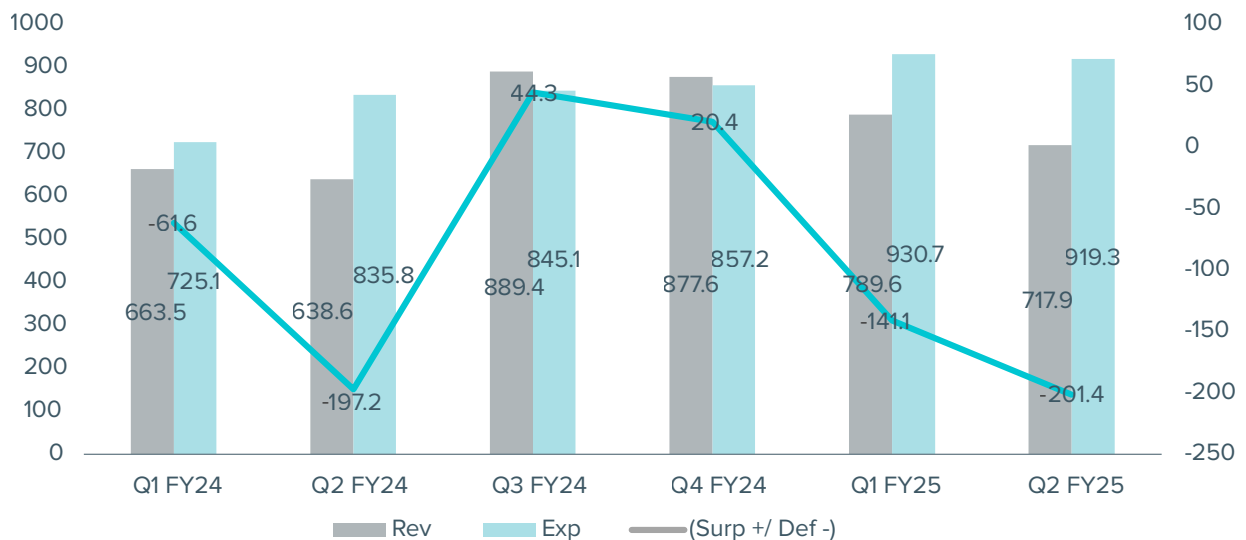
The government's overall deficit for the first six months of FY2025/26 narrowed to \$342.4 million from \$367.7 million in the prior year, to settle at 2.1 percent of the estimated GDP target.

In financing activities, the annual balance under the net acquisition of financial assets advanced by \$291.4 million, reflecting a net drawdown of sinking funds, alongside an increase in short-term loans. Additionally, the balance for the National Investment Fund as of July 2025 stood at \$265.3 million. Reflecting the scheduled debt amortizations and the front loading of the government's borrowing activities, net liabilities were higher by \$163.9 million.

**Table 1: Fiscal Summary (Statement of Sources & Uses of Cash) (B\$M)**

	Budget		July – December		
	FY2025/26	FY2025/26p	FY2024/25p	Variance	% of Budget
		Actual	Actual		
<b>Revenue</b>	<b>3,896.3</b>	<b>1,507.6</b>	<b>1,441.0</b>	<b>66.6</b>	<b>38.7%</b>
Tax	3,439.2	1,345.9	1,291.5	54.4	39.1%
Non-tax	447.9	160.7	149.4	11.4	35.9%
Grants	9.2	1.0	0.1	0.9	10.9%
<b>Expenditure</b>	<b>3,820.8</b>	<b>1,850.0</b>	<b>1,808.8</b>	<b>41.3</b>	<b>48.4%</b>
Recurrent	3,444.5	1,658.3	1,616.1	42.2	48.1%
Capital	376.3	191.7	192.7	(0.9)	51.0%
<b>Surplus/(Deficit)</b>	<b>75.5</b>	<b>(342.4)</b>	<b>(367.7)</b>	<b>25.3</b>	<b>-453.7%</b>
<b>Financing Activities</b>	<b>(75.5)</b>	<b>342.4</b>	<b>367.7</b>	<b>(25.3)</b>	<b>-453.7%</b>
<b>Net Acquisition of financial assets (-)</b>	<b>46.5</b>	<b>291.4</b>	<b>186.3</b>	<b>105.1</b>	<b>&gt;100%</b>
Sinking Funds	46.5	(0.8)	138.3	(139.1)	-1.7%
Equity	-	265.3	-	265.3	0.0%
Other	-	26.9	47.9	(21.1)	0.0%
<b>Net Incurrence of Liabilities (+)</b>	<b>135.3</b>	<b>633.9</b>	<b>470.0</b>	<b>163.9</b>	<b>&gt;100%</b>
Borrowings	1,968.8	2,176.8	2,126.0	50.8	>100%
Debt Repayment	1,833.5	1,542.9	1,656.0	(113.1)	84.1%
<b>Change in Cash Balance [(I)= increase]</b>	<b>(164.3)</b>	<b>(0.1)</b>	<b>84.0</b>	<b>(84.1)</b>	<b>0.1%</b>

**Figure 1: Budgetary Performance (B\$M)**



# 3 Economic Overview

Preliminary data on key economic indicators for the second quarter of FY2025/26 show that The Bahamas maintained positive economic momentum, despite global risks associated with the conflict in the Middle East, ongoing trade tensions and policy uncertainty. Real output growth in The Bahamas continued to be underpinned by strong tourism performance, especially from The Bahamas' largest trading partner, the United States, where resilient consumer spending and investment were the main drivers.

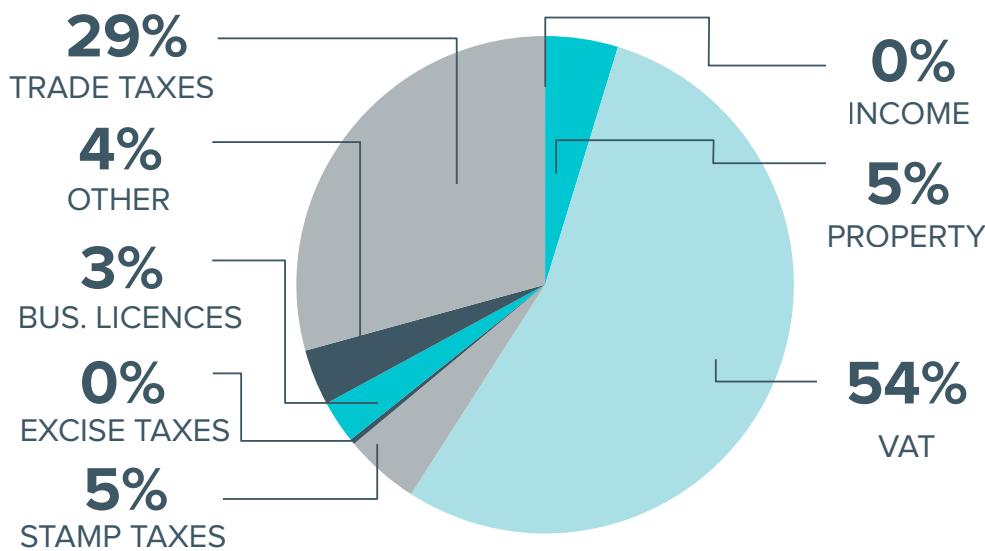
Since end-September 2025, visitor arrivals rose by 5.7 percent to 6.1 million at end-December 2025. Approximately 5.4 million tourists arrived by sea, and 710,024 by air. In other key indicators, the latest available data shows that the unemployment rate stood lower at 9.3 percent at end June 2025, and consumer price inflation narrowed to 1.3 percent at the end of May 2025.

# 4 Revenue Performance

Revenue collections at the mid-point of FY2025/26 totaled \$1,507.6 million, representing a rise of \$66.6 million (4.6 percent) compared to the corresponding period of the prior fiscal year, and equating to 38.7 percent of the annual target (see **Table 2**). The overall performance was largely supported by

stronger tax receipts, which advanced by \$54.4 million (4.2 percent) to \$1,345.9 million, equivalent to 39.1 percent of the budget. Non-tax revenue improved by \$11.4 million (7.6 percent) to \$160.7 million, for 35.9 percent of the annual estimate.

**Figure 2: Percentage Composition of Tax Revenue (First 6 Months FY2025/26)**

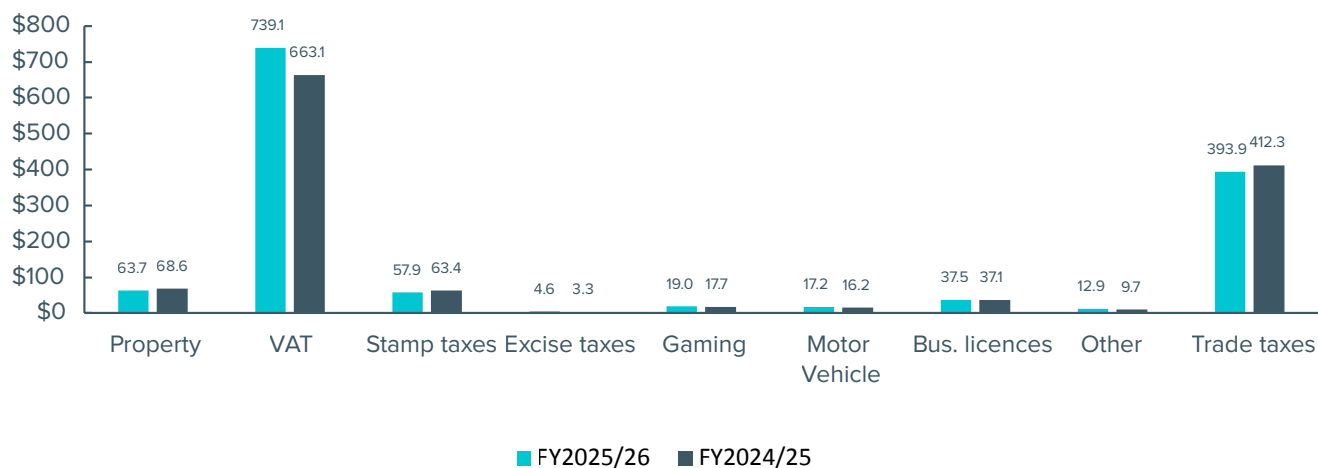


Year-over-year variations in tax revenues were largely driven by the following outcomes:

- » General taxes on goods and services expanded by \$69.2 million (9.5 percent).
  - Value-added tax receipts, the dominant revenue source, advanced by \$76.1 million (11.5 percent) to \$739.1 million, reflecting stronger collections from both realty and goods and services transactions.
  - Stamp taxes on realty and financial transactions receded by \$8.2 million (12.9 percent) to \$55.1 million, partly offset by a \$1.3 million gain in excise taxes.
- » Collections of taxes on International Trade and Transactions contracted by \$18.4 million (4.5 percent) to \$393.9 million. The movement was largely explained by timing-based reductions in departure tax receipts.

- » Taxes on Use and Permission to Use Goods were higher by \$4.5 million (7.2 percent). Notably, the yield from Marine License Activities strengthened by \$2.2 million (74.1 percent), reflecting the legislative adjustment to foreign boat registration fees and permits relating to fishing and cruising.
- » Taxes on Property receded by \$4.9 million (7.2 percent) to \$63.7 million, largely associated with lower commercial property tax receipts.
- » Taxes on specific services, mainly gaming taxes, amounted to \$19.0 million, compared with no receipts recorded in the corresponding period of the prior year due to timing effects.

**Figure 3: 6-Month Year-on-Year Comparison of Tax Revenue Performance (B\$M)**



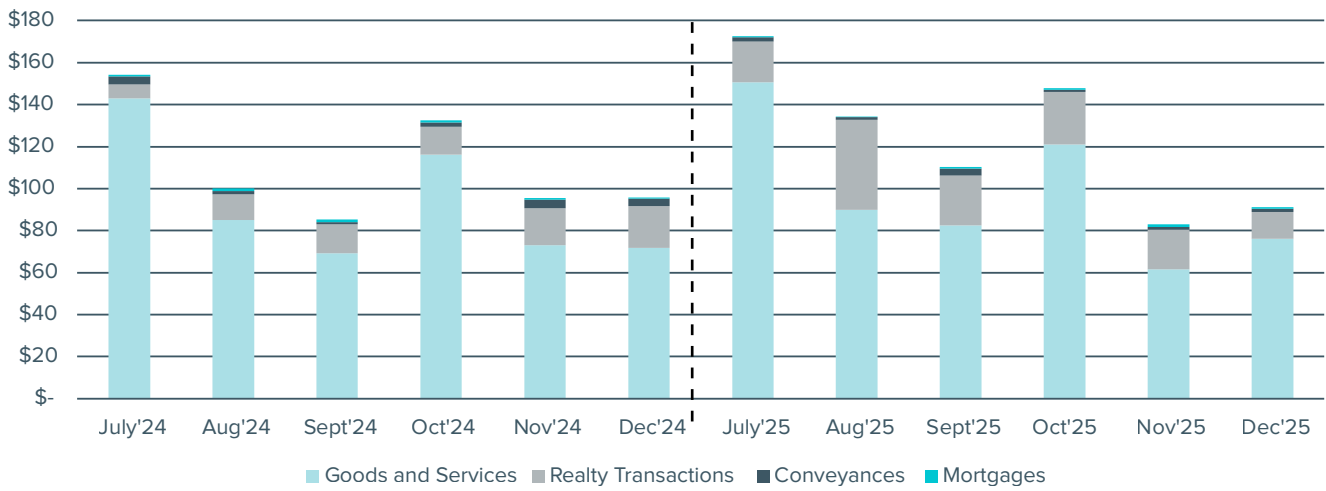
Non-tax revenue performance featured the following key movement:

- » Receipts from the sale of goods and services increased by \$14.4 million (11.7 percent) to \$137.7 million, largely reflecting higher collections of customs fees.

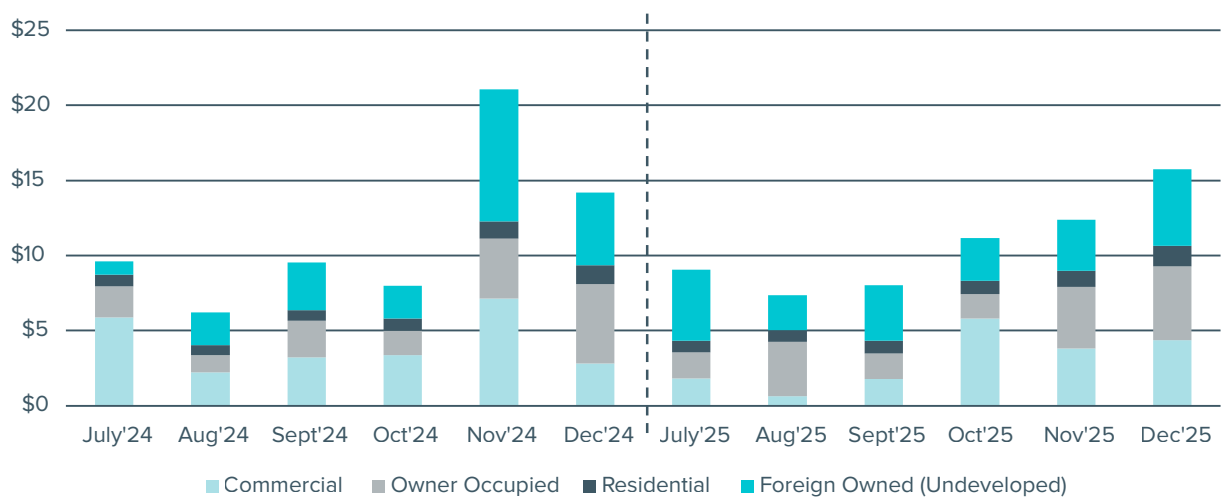
**Table 3: Revenue Summary (B\$M)**

	Budget		July - December		
	FY2025/26	FY2025/26p	FY2024/25p	Variance	% of Budget
		Actual	Actual		
<b>TAX REVENUE (a+b+c+d+e)</b>	<b>3,439.2</b>	<b>1,345.9</b>	<b>1,291.5</b>	<b>54.4</b>	<b>39.1%</b>
<b>a. Taxes on Income, Profits and Capital Gains</b>	<b>130.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>b. Taxes on Property</b>	<b>254.6</b>	<b>63.7</b>	<b>68.6</b>	<b>(4.9)</b>	<b>25.0%</b>
<b>c. Taxes on Goods &amp; Services (i+ii+iii)</b>	<b>2,081.5</b>	<b>885.4</b>	<b>810.3</b>	<b>75.1</b>	<b>42.5%</b>
<b>i. General</b>	<b>1,688.1</b>	<b>798.9</b>	<b>729.6</b>	<b>69.2</b>	<b>47.3%</b>
VAT	1,524.9	739.1	663.1	76.1	48.5%
Stamp Taxes (Financial & Realty)	152.2	55.1	63.2	(8.2)	36.2%
Excise Tax	11.0	4.6	3.3	1.3	42.4%
<b>ii. Specific (Gaming Taxes)</b>	<b>57.0</b>	<b>19.0</b>	<b>17.7</b>	<b>1.3</b>	<b>33.3%</b>
<b>iii. Taxes on Use &amp; Permission to Use Goods</b>	<b>336.4</b>	<b>67.6</b>	<b>63.0</b>	<b>4.5</b>	<b>20.1%</b>
Motor Vehicle Taxes	51.2	17.2	16.2	1.0	33.6%
Company Taxes	23.6	7.6	6.7	0.9	32.2%
Licence to Conduct Special Bus. Activity	240.1	37.5	37.1	0.4	15.6%
Marine License Activities	21.5	5.3	3.0	2.2	24.4%
<b>d. Taxes on Int'l Trade &amp; Transactions</b>	<b>972.0</b>	<b>393.9</b>	<b>412.3</b>	<b>(18.4)</b>	<b>40.5%</b>
Customs & Other Import Duties	307.3	126.7	130.4	(3.7)	41.2%
Excise Duties	266.1	105.8	112.0	(6.2)	39.8%
Departure Taxes	397.7	160.9	169.6	(8.7)	40.5%
Other	0.8	0.5	0.4	0.1	62.5%
<b>e. General Stamp Taxes</b>	<b>1.0</b>	<b>2.8</b>	<b>0.2</b>	<b>2.6</b>	<b>&gt;100%</b>
<b>NON-TAX REVENUE (f+g+h+i+j+k)</b>	<b>447.9</b>	<b>160.7</b>	<b>149.4</b>	<b>11.4</b>	<b>35.9%</b>
<b>f. Property Income</b>	<b>65.1</b>	<b>16.9</b>	<b>21.8</b>	<b>(4.9)</b>	<b>26.0%</b>
Interest & Dividends	46.3	1.6	7.4	(5.9)	3.3%
Revenue_Gov't Property	18.8	15.4	14.4	1.0	81.8%
<b>g. Sales of Goods &amp; Services</b>	<b>304.5</b>	<b>137.7</b>	<b>123.3</b>	<b>14.4</b>	<b>45.2%</b>
<b>i. Fees &amp; Service Charges</b>	<b>278.8</b>	<b>128.1</b>	<b>113.1</b>	<b>15.1</b>	<b>46.0%</b>
General Registration	6.2	3.0	1.1	2.0	49.0%
General Service	20.2	10.1	8.4	1.6	49.7%
Immigration	149.3	67.4	66.2	1.2	45.1%
Land & Building	2.8	1.1	1.2	(0.1)	38.1%
Legal	1.1	0.1	0.2	(0.0)	12.7%
Customs	86.8	41.8	30.2	11.6	48.2%
Port & Harbour	9.6	4.5	5.0	(0.5)	47.3%
Health	1.5	0.1	0.2	(0.1)	7.9%
Other Fees	1.5	0.0	0.6	(0.6)	1.9%
<b>ii. Other</b>	<b>25.7</b>	<b>9.6</b>	<b>10.3</b>	<b>(0.7)</b>	<b>37.3%</b>
<b>h. Fines, Penalties &amp; Forfeits</b>	<b>7.4</b>	<b>5.8</b>	<b>3.2</b>	<b>2.6</b>	<b>77.8%</b>
<b>i. Reimbursements &amp; Repayments</b>	<b>49.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>j. Misc. &amp; Unidentified Revenue</b>	<b>20.4</b>	<b>0.1</b>	<b>0.3</b>	<b>(0.2)</b>	<b>0.7%</b>
<b>k. Sales of Other Non-Financial Assets</b>	<b>1.3</b>	<b>0.2</b>	<b>0.8</b>	<b>(0.6)</b>	<b>13.6%</b>
<b>TOTAL TAX &amp; NON-TAX REVENUE</b>	<b>3,887.1</b>	<b>1,506.6</b>	<b>1,440.9</b>	<b>65.7</b>	<b>38.8%</b>
<b>GRANTS</b>	<b>9.2</b>	<b>1.0</b>	<b>0.1</b>	<b>0.9</b>	<b>11.0%</b>
<b>CAPITAL REVENUE</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>3,896.3</b>	<b>1,507.6</b>	<b>1,441.0</b>	<b>66.6</b>	<b>38.7%</b>

**Figure 4: VAT Collections by Month (B\$M)**



**Figure 5: Property Tax Collections by Month (B\$M)**



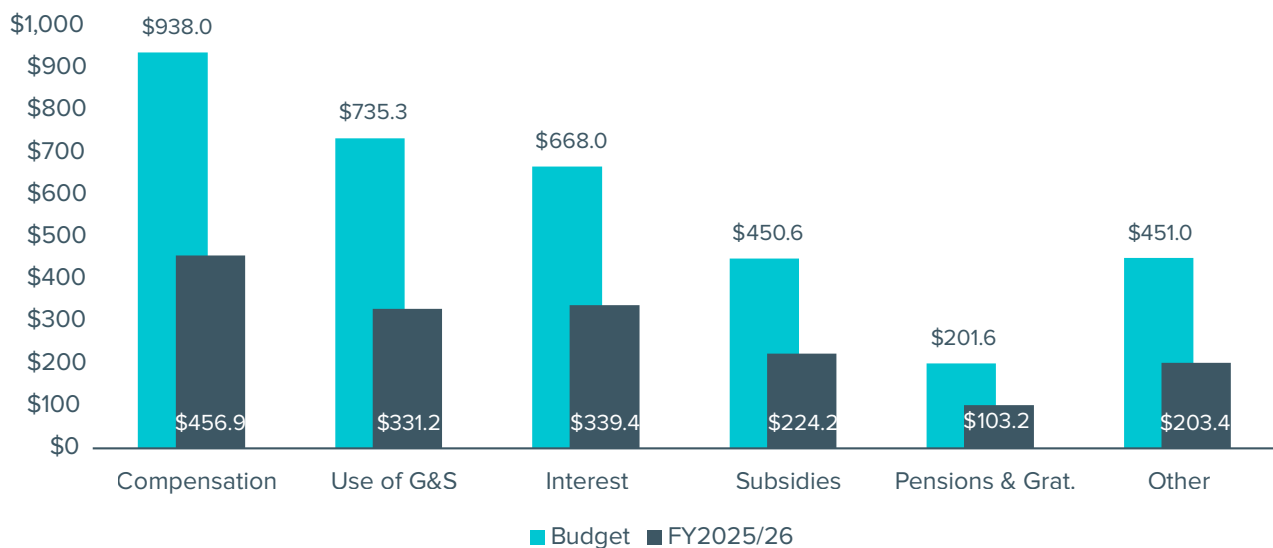
# 5 Expenditure Developments

## A. Recurrent Expenditure – Economic Classification

During the first six months of FY2025/26, total recurrent expenditure rose by \$42.2 million (2.6 percent) to \$1,658.3 million, representing 48.1 percent of the annual target (see **Table 3**).

- » Employee compensation grew by \$21.0 million (4.8 percent) to \$456.9 million (48.7 percent of the budget) and was primarily explained by higher salaries.
- » Spending on goods and services narrowed by \$16.0 million (4.6 percent) to \$331.2 million with notable variations in the following items:
  - Outlays for rent and utilities and telecommunications were lower by \$12.0 million and \$24.5 million, respectively.
  - Other costs rose by \$13.9 million (>100 percent) to \$177 million, due to operational expenses related to the newly created Department of Foreign Services.
  - Service-related costs (including bulk waste management, garbage collection, advertising fees, security services, and equipment maintenance) were up \$9.1 million (5.6 percent) to \$170.2 million.

**Figure 6: 6-Month Comparison of Recurrent Expenditure vs Budget for FY2025/26 (B\$M)**



- » Scheduled public debt interest payments increased by \$3.9 million (1.2 percent) to \$339.4 million, of which 53.8 percent settled foreign currency obligations.
- » Subsidies, comprising transfers to government-owned and/or controlled enterprises that provide commercial goods and services to the public, were elevated by \$10.2 million (4.8 percent) to \$224.2 million, and accounted for 49.8 percent of the budget.
  - Subsidies to public non-financial corporations advanced by \$10.9 million (5.4 percent) to \$214.9 million, reflecting higher allocations to University of The Bahamas and the Public Hospitals Authority.
  - Transfers to private enterprises and other sectors declined by \$0.7 million (7.4 percent) to \$9.3 million.
- » Social benefit payments posted an overall increase of \$5.7 million (4.8 percent) to \$122.5 million (45.7 percent of the budget).
  - Social assistance benefit payments were higher by \$2.9 million (17.4 percent) at \$19.3 million.
  - Pension and gratuity payments grew by \$2.8 million (2.8 percent) to \$103.2 million, in line with budgeted increases.
- » Other Payments were boosted by \$19.9 million (12.3 percent) to \$181.4 million (48.6 percent of the budget).
  - Insurance premium payments increased by \$14.2 million (46.4 percent) to \$44.7 million.
  - Current transfers not elsewhere classified expanded by \$5.7 million (4.4 percent) to \$136.7 million, largely owing to an increase of disbursements to Bahamas Public Parks and Beaches Authority (2.5 million), Bahamas Development Bank (\$1.8 million), and scholarships (\$1.1 million).

**Table 3: Recurrent Expenditure by Economic Classification (B\$M)**

	Budget		July - December		
	FY2025/26	FY2025/26p Actual	FY2024/25p Actual	Variance	% of Budget
<b>RECURRENT EXPENDITURE</b>					
<b>Compensation of Employees</b>	<b>938.0</b>	<b>456.9</b>	<b>435.9</b>	<b>21.0</b>	<b>48.7%</b>
<b>Use of Goods &amp; Services</b>	<b>735.3</b>	<b>331.2</b>	<b>347.2</b>	<b>(16.0)</b>	<b>45.0%</b>
Travel & Subsistence	15.4	9.2	10.0	(0.8)	60.1%
Rent	115.3	49.2	61.2	(12.0)	42.6%
Utilities & Telecommunications	99.6	17.6	42.2	(24.5)	17.7%
Supplies & Materials	44.6	21.9	20.6	1.4	49.1%
Services	307.6	170.2	161.2	9.1	55.3%
Minor capital repairs	5.4	2.3	2.7	(0.4)	41.8%
Finance charges	21.6	7.3	10.6	(3.4)	33.7%
Special Financial Transactions	70.9	28.5	25.5	3.0	40.1%
Tourism Related	3.0	-	2.0	(2.0)	0.0%
Local Gov't Districts	14.8	7.3	7.4	(0.1)	49.3%
School Boards	0.1	0.0	0.0	0.0	50.0%
Other	36.9	17.7	3.8	13.9	47.9%
<b>Public Debt Interest</b>	<b>668.0</b>	<b>339.4</b>	<b>335.5</b>	<b>3.9</b>	<b>50.8%</b>
<b>Subsidies</b>	<b>450.6</b>	<b>224.2</b>	<b>214.0</b>	<b>10.2</b>	<b>49.8%</b>
<b>Grants</b>	<b>11.3</b>	<b>2.7</b>	<b>5.3</b>	<b>(2.6)</b>	<b>23.7%</b>
<b>Social Assistance Benefits</b>	<b>66.4</b>	<b>19.3</b>	<b>16.5</b>	<b>2.9</b>	<b>29.1%</b>
<b>Pensions &amp; Gratuities</b>	<b>201.6</b>	<b>103.2</b>	<b>100.4</b>	<b>2.8</b>	<b>51.2%</b>
<b>Other Payments</b>	<b>373.2</b>	<b>181.4</b>	<b>161.5</b>	<b>19.9</b>	<b>48.6%</b>
Current Transfers n.e.c.	287.6	136.7	130.9	5.7	47.5%
Insurance Premiums	85.6	44.7	30.6	14.2	52.3%
<b>TOTAL</b>	<b>3,444.5</b>	<b>1,658.3</b>	<b>1,616.1</b>	<b>42.2</b>	<b>48.1%</b>

## B. Recurrent Expenditure – Functional Classification

On a functional basis, year-over-year variations in recurrent expenditure (see **Table 4**) were primarily explained by the following items.

- » Environmental protection expenditure increased by \$28.3 million (41.6 percent) to \$96.3 million and was primarily earmarked for water waste management activities.
- » Outlays on education grew by \$9.9 million (5.8 percent) to \$179.5 million, reflecting broad-based investments in education.
- » Social protection expenses rose by \$9.0 million (7.6 percent) to \$127.4 million, on account of increased social benefits.

**Table 4: Recurrent Expenditure by Functional Classification (B\$M)**

	Budget		July - December		
	FY2025/26	FY2025/26p Actual	FY2024/25p Actual	Variance	% of Budget
General Public Service	1,530.8	708.4	708.9	(0.5)	46.3%
Defense	77.5	39.1	36.2	2.9	50.4%
Public Order & Safety	296.7	151.9	146.9	5.0	51.2%
Economic Affairs	295.3	128.4	141.7	(13.4)	43.5%
Environmental Protection	148.9	96.3	68.0	28.3	64.6%
Housing & Community Amenities	21.7	7.0	6.6	0.5	32.4%
Health	415.2	200.9	204.8	(3.8)	48.4%
Recreation, Culture & Religion	35.7	19.4	15.1	4.2	54.4%
Education	352.2	179.5	169.6	9.9	51.0%
Social Protection	270.5	127.4	118.4	9.0	47.1%
<b>GRAND TOTAL</b>	<b>3,444.5</b>	<b>1,658.3</b>	<b>1,616.1</b>	<b>42.2</b>	<b>48.1%</b>

## C. Capital Expenditure – Economic Classification

On an economic classification basis, capital outlays for the first half of FY2025/26 totaled \$191.7 million, broadly unchanged from the same period last year (down 0.5 percent), and representing 51.0 percent of the annual capital budget (see **Table 5**).

- » Capital transfers amounted to \$31.8 million, an increase of \$5.8 million (22.3 percent) relative to the prior year, and reflecting higher transfers across select programme areas. These outlays represented 26.4 percent of the annual allocation and accounted for 16.6 percent of total capital spending.
- » Expenditure on the acquisition of non-financial assets totaled \$159.9 million, a decline of \$6.7 million (4.0 percent) year-over-year, but remained the dominant component of capital expenditure at 83.4 percent of the total. Execution in this category reached 62.6 percent of the annual allocation.

- Spending on other structures (mainly roads, utilities, and airport infrastructure) recorded the most significant increase of \$11.8 million (20.4 percent) to \$69.4 million, equivalent to 74.9 percent of its budget and representing 43.7 percent of total fixed asset spending.
- Investments in buildings other than dwellings declined by \$5.3 million (8.2 percent) to \$59.3 million, though execution remained strong at 65.0 percent of the annual allocation.
- Expenditure on other fixed assets contracted by \$11.9 million (45.1 percent) to \$14.5 million, although achieving 68.0 percent of the planned allocation.
- Investments in transport equipment and other machinery & equipment recorded modest reductions of \$0.4 million each, to \$3.0 million and \$10.2 million, respectively, with execution rates of 17.4 percent and 38.5 percent of their annual budgets.

**Table 5: Capital Expenditure by Economic Classification (B\$M)**

	Budget		July - December		
	FY2025/26	FY2025/26p Actual	FY2024/25p Actual	Variance	% of Budget
<b>Capital Transfers</b>	<b>120.7</b>	<b>31.8</b>	<b>26.0</b>	<b>5.8</b>	<b>26.4%</b>
<b>Acquisition of Non-financial assets</b>	<b>255.6</b>	<b>159.9</b>	<b>166.6</b>	<b>(6.7)</b>	<b>62.6%</b>
<b>Fixed Assets</b>	<b>253.6</b>	<b>158.9</b>	<b>165.7</b>	<b>(6.8)</b>	<b>62.7%</b>
Buildings other than dwellings	91.3	59.3	64.6	(5.3)	65.0%
Other structures	92.6	69.4	57.6	11.8	74.9%
Transport equipment	17.4	3.0	3.4	(0.4)	17.4%
Other Machinery & equipment	26.4	10.2	10.6	(0.4)	38.5%
Land Improvements	4.7	2.6	3.2	(0.6)	55.0%
Other Fixed Assets	21.30	14.5	26.4	(11.9)	68.0%
<b>Land</b>	<b>2.0</b>	<b>1.0</b>	<b>0.9</b>	<b>0.1</b>	<b>49.4%</b>
<b>TOTAL</b>	<b>376.3</b>	<b>191.7</b>	<b>192.7</b>	<b>(0.9)</b>	<b>51.0%</b>

## D. Capital Expenditure – Functional Classification

The functional breakdown of capital expenditure for the first half of FY2025/26 (see **Table 6**) evidenced the continued prioritization of infrastructure, economic development, and core public services.

- » Economic Affairs remained the dominant driver of capital spending, totaling \$103.6 million—an increase of \$12.4 million (13.6 percent) year-over-year and accounting for 54.1 percent of total capital outlays. At 62.0 percent of its annual allocation, execution reflected the continued prioritization of major infrastructure and growth-enhancing projects.
- » Education expenditure declined by \$16.7 million (29.9 percent) to \$39.2 million, although front-loading of projects equated to an execution of 97.6 percent of the annual budget.
- » Defense spending rose from \$1.9 million to \$4.6 million, reflecting investments in physical infrastructure.
- » Health capital outlays increased by \$1.2 million (17.4 percent) to \$8.3 million, reflecting continued strengthening of healthcare infrastructure.

**Table 6: Capital Expenditure by Functional Classification (B\$M)**

	Budget		July - December		
	FY2025/26	FY2025/26p Actual	FY2024/25p Actual	Variance	% of Budget
General Public Service	84.5	26.3	25.8	0.5	31.2%
Defense	17.7	4.6	1.9	2.7	26.2%
Public Order & Safety	19.0	8.2	7.6	0.6	43.1%
Economic Affairs	167.0	103.6	91.3	12.4	62.0%
Environmental Protection	8.9	1.5	1.7	(0.2)	16.3%
Health	38.5	8.3	7.0	1.2	21.4%
Education	40.2	39.2	56.0	(16.7)	97.6%
Social Protection	0.5	-	1.4	(1.4)	0.0%
<b>TOTAL</b>	<b>376.3</b>	<b>191.7</b>	<b>192.7</b>	<b>(0.9)</b>	<b>51.0%</b>

# 6 Financing Activities

## Net Increase in Liabilities

In the first six months of FY2025/26, the government's financing activities comprised a \$291.4 million increase in the acquisition of financial assets, alongside a \$633.9 million rise in liabilities.

- » The government provided net short-term advances totaling \$26.9 million to six (6) Government Business Enterprises.
- » The \$450.3 million net increase in Bahamian Dollar liabilities included the following transactions:
  - \$221.6 million in net borrowing via domestic securities
  - \$61.6 million in net repayment of bank loans; and
  - \$290.3 million in advances from the Central Bank.

» Foreign currency transactions resulted in a net borrowing of \$183.7 million.

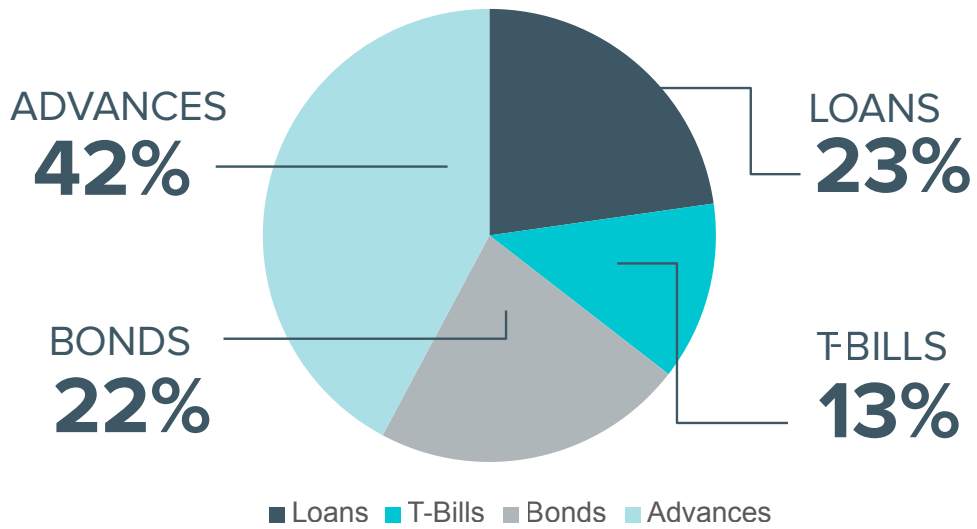
- Net redemption on bank loans totaled \$46.3 million. The \$230.0 million net borrowing from international development agencies primarily included \$150.4 million from the IDB and \$80.0 million from CAF.

Consequent on these developments, the Direct Charge on the government increased by \$633.9 million to an estimated \$12,406.8 million at end-December 2025. This corresponded to an estimated 75.1 percent of GDP, compared to 74.3 percent of GDP at end-June 2025.

**Table 7: Change In Liabilities (By Currency and Instrument)**

	FY2025/26 July - December		
	Borrowings	Repayment	Net Change
<b>Bahamian Dollars</b>	<b>1,681.6</b>	<b>1,231.3</b>	<b>450.3</b>
Bonds	486.0	541.5	(55.5)
Treasury Bills/Notes	277.3	0.2	277.2
Bank Loans	-	61.6	(61.6)
Central Bank Advances	918.3	628.0	290.3
<b>Foreign Currency</b>	<b>495.2</b>	<b>311.5</b>	<b>183.7</b>
Bank Loans	238.1	284.4	(46.3)
International Bonds	-	-	-
Loans from Int'l Dev. Agencies	257.1	27.1	230.0
<b>TOTAL</b>	<b>2,176.8</b>	<b>1,542.9</b>	<b>633.9</b>

**Figure 7: Composition of Government Borrowings for 6 Months FY2025/26**



### **Change In Financial Asset Position**

During the second quarter of FY2025/26, drawings on the Sinking Fund for the servicing of debt obligations totaled \$0.8 million. The four (4) external sinking fund arrangements earmarked for retirement of external bonds held a cumulative \$124.3 million, of which \$96.3 million is subject to the Goldman Sachs repurchase agreement.







**The Ministry of Finance  
Cecil Wallace-Whitfield Centre  
West Bay Street  
P.O.Box N-3017  
Nassau, The Bahamas**