Ministry of
Finance

PRESS RELEASE

Sustained Progress in Fiscal Consolidation

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In FY2024/25, the combination of solid gains in revenue collections and prudent expenditure growth yielded significant improvement in the government's fiscal consolidation performance.

Tax revenue grew by $290.3 million (10.6 percent) to $3,026.4 million, for 96.3 percent of the budget. Improved economic conditions, alongside strengthened tax administration measures, supported increases in Taxes on International Trade and Transactions (20.2 percent to $871.7 million), Value Added Tax collections (6.8 percent to $1,438.0), and Taxes on Use and Permission to Use Goods (14.5 percent to $322.1 million).

Non-tax revenue expanded by $36.2 million (10.9 percent) to $369.2 million and was largely attributed to higher receipts from the sale of goods and services ($27.4 million).

Aggregate expenditure increased by $211.8 million (6.5 percent) to $3,474.9 million (96.2 percent of the budget), with the recurrent and capital components at $3,189.3 million and $285.6 million, respectively. Key drivers behind the $ 227.8 million gain in recurrent expenditure included outlays for use of goods and services ($130.1 million) compensation of employees ($35.1 million) and public debt interest ($59.2 million). Capital expenditure decreased by $16.1 million (5.3 percent) to $285.6 million or 82.9 percent of the targeted spend. This decline was due to lower outlays for the acquisition of non-financial assets of ($6.8 million) and capital transfers ($9.2 million).

As a result of these developments, the fiscal deficit narrowed by $115.1 million (59.3 percent), to $78.9 million and converged to an estimated 0.5 percent of GDP—which was in line with the budget target.

The public is encouraged to visit the national Budget Website (www.bahamasbudget.gov.bs) to view all fiscal reports.

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