

PM Davis: Bahamas posts 0.5% fiscal deficit

■ NASSAU/CMC

BAHAMAS Prime Minister Philip Davis says the country has achieved a 0.5% fiscal deficit for the budget year ending June 30, 2025, saying this result is within the government's target range of 0.3 to 0.7% and represents a major improvement from the 13.7% deficit recorded in 2021.

'Four years ago, our country was facing one of the worst fiscal crises in its history. Today, we are back on stable ground. We made tough choices to protect our economy, and those choices are now paying off,' Davis said.

He said last year, the International Monetary Fund (IMF) reported that the Bahamas budget deficit of 1.3% was remarkable, adding 'and no doubt that 0.5% is even more remarkable.

'The reduction in the deficit is in keeping with our overall fiscal plan to reduce new borrowing and thus decrease the amount of national resources paying interest on debt.

'Our debt management strategy going forward includes identifying opportunities to decrease our debt-servicing obligations by prudent fiscal management and using creative instruments to pay off high-cost debt and manage the maturity profile of our outstanding debt,' he stated.

Davis said this achievement is about more than balancing the books; adding it is about delivering results that make life better for Bahamian families.

'Every dollar we save on debt is a dollar that can go toward schools, hospitals, family islands, and helping Bahamian families meet the cost of living. It means more resources for the things that matter-better roads, stronger communities, safer neighbourhoods, and more jobs,' he said.

Davis said, 'We are managing the country's finances responsibly so that Bahamians can feel the difference, in lower costs, better services, and a stronger, more resilient economy.

'Responsible governance is about managing all our resources wisely. The same discipline that drives our fiscal policy also drives our commitment to protecting our environment and preparing for the future.'

He said this success is a reflection of national progress and shared effort.

'This is what responsible leadership looks like-steady progress that improves lives and strengthens our country. We are building a better future, one decision at a time, and we are doing it together,' he added.