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Author Note

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Abstract

Most countries have debt and seek to have a sustainable debt because this allows them to be able to meet all current and future payment obligations without any financial assistance. Debt is considered sustainable when a country's Debt-to-GDP ratio does not exceed 70 percent. At some point in time, The Bahamas had a sustainable debt level, and was able to maintain this level through Tourism. However, recent disasters in the past few years has made it difficult to maintain. The affects of natural disasters and the COVID-19 pandemic has now pushed The Bahamas to an unsustainable debt level. To help The Bahamas return to its level of sustainability, past and present fiscal strategies, debt to GDP ratio and ways to improve their position post COVID-19 will be explored to determine which will have the best outcome.

Keywords: *Fiscal, COVID-19, The Bahamas, sustainable debt, GDP ratio, Tourism*

Table of Contents

1. Introduction

National debt is defined as the total owed by the country, whether from debt securities or international institutions. A country's public debt is considered sustainable if the government can meet all its current and future payment obligations without exceptional financial assistance or going into default. For a country to be considered as having a sustainable debt level, it's debt-to-GDP ratio must not exceed a 70 percent.[1] Debt sustainability is key for a country to experience economic growth. In 2019 The Bahamas was seen to have a considerably good debt sustainability level, it's debt-to-GDP ratio was 62.3 percentage.[2] This level of sustainability was due to its main industry, Tourism, thriving and maintaining a steady economy; along with significant inflow from Foreign Direct Investment. However, in 2020/21 the recent events of COVID-19 increased The Bahamas' debt-to-GDP ratio percent to 83.8 percent.[3] COVID-19 led to an increase in The Bahamas ratio percentage as Tourism and Foreign Direct Investment was severely reduced. This was compounded by a necessary increase in government spending and higher government borrowing. The result was an increase in The Bahamas debt-to-GDP ratio percent. Countries that do not have sustainable debt levels requires restructuring in their macroeconomic environment and this focuses on a country's fiscal strategy, including change in government spending and taxation.

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[1] "*Finding the tipping point -- when sovereign debt Turns Bad"*

[2] *Bahamas government debt TO GDP1991-2020 data: 2021-2023 Forecast: Historical*

[3] *Bahamas government debt TO GDP1991-2020 data: 2021-2023 Forecast: Historical*

Governments has consistently used debt as an integral of fiscal policy because they wanted to promote economic growth and stability. The collapse of the global economy in the 1930s presented challenges to the traditional economic theories. There are three types of fiscal policies, contractionary, expansionary and neutral. The contractionary fiscal policy is used when there is high economic growth and full employment; government spending is reduced, and taxes are increased. Next there is the expansionary fiscal policy, governments use this to promote growth during an economic downturn. An expansionary fiscal policy increases government spending and reduces taxes to stimulate consumer demand. Finally, a neutral fiscal policy is used when the government spending in relation to tax revenue is stable over time.

Similarly, The Bahamas has maintained some degree of debt as part of its fiscal strategy "manageable" debt levels have been maintained in the face of both contractionary and expansionary fiscal policy with several different factors having an impact on their success. This paper is dedicated to finding a sustainable fiscal policy that will help promote economic growth and return The Bahamas to sustainable debt levels post COVID-19.

2. Literature Review

This literature review studies papers based on debt sustainability, post covid19 economy, Covid19 effect on the economy and the debt to GDP ratio. In an Inter-American Development Bank News Announcement, “IDB, Bahamas discuss debt and fiscal sustainability” (2011), the author examined what government officials, policy makers, economists, and members of academia said during a workshop, are ways to look at debt management strategies. It was shown that tackling fiscal problems and finding ways to promote sustainability were a part of that debt management strategy. The author said that one of the economists, Valerie Mercer-Blackman, said “Strong debt management strategies are key to suitability….” She went on by saying “In the case of The Bahamas, fiscal reform, particularly on the revenue side and on property taxes could go a long way to reversing the increasing trend of the public debt-to-GDP ratio.” The author concluded that the IDB showed support to The Bahamas' efforts in trying to “strengthen its economy and promote the well-being of its people….”

In the paper ‘UNDP Latin America and the Caribbean,’ the author Manuel Mera wrote about “The Bahamas Country Note: Impact of COVID-19 and policy options” (2020). According to Manuel Mera, COVID-19 has affected both health and economic conditions worldwide, “Developing countries will face a rise in unemployment and poverty…” The author then said that the main activity of The Bahamas, Tourism, has been deeply affected and its future is dependent on the evolution of the global pandemic. Mera then took the discussion to GDP and employment and says that “The Bahamas has a highly concentrated economy, with agriculture and industry representing less than 10%.” Mera thinks that it is this lack of diversification that leaves The Bahamas vulnerable to crisis like COVID-19. Even more so, there was the issue of

The Bahamas having a negative trade balance due to imports exceeding exports more than six times, “The last available data from the 2nd quarter of 2019, shows the deficit at B$ 746 million.” According to the author, there was an increase in the national debt to GDP ratio in 2019 by “0.4% age points to an estimated 66.8%.” However, the government did not plan to increase taxes for 2020/2021 fiscal year, therefore there would be a rise in the deficit balance and a reliance on external borrowing. Continuing, unemployment was seen to be affected as well due to “Tourism, the main and indirect private employment sector in The Bahamas,” had declined 59.7% in March 2020. Therefore, the unemployment level was estimated to rise from “9.8% to 25%.” Manuel Mera concluded that “The Bahamas is facing greater danger in the economy than in the health scenario.” The impact on Tourism left The Bahamas with threatening levels of unemployment and an increase in poverty.

The paper ‘World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices,’ addresses “The Bahamas’ key conditions & challenges and developments.” According to the author, The Bahamas’ “GDP is estimated to have contracted by 14.8 percent in 2020 due to the impact of the covid19 pandemic on tourism.” With Tourism employing over 50% of the labor force, unemployment was on the rise and “poverty is expected to rise above 13 percent.” The efforts towards the fiscal structural reforms were interrupted and it was intended to help financial stability. Before the covid19 pandemic, The Bahamas’ GDP was seen to have “steadily risen over the past 3 decades, with an annual growth averaging 1.4 percent.” The author states that due to a lack of economic diversification, the economy was vulnerable even before the covid19 pandemic. The author concluded by saying that the GDP growth of 2021 was projected to be at 2.0 percent when the tourist inflow continued, and the fiscal deficit was expected to reach 6.6 percent of the GDP in FY2020/21.

3. Analysis

3.1 Economic Activity & Fiscal Impact

In 2013, The Bahamas had slow activity, the weakening of the recovery in the United States of America led to a slowdown in tourism demand. This then resulted in higher unemployment, with a growth projected at 1.6%, lower than the 1.8% achieved in 2012. The economy was expected to grow by over 2.5% in 2014, fueled by a recovery in tourism and sustained construction activity. The fiscal policy remained expansionary in 2013, as the government focused on reducing unemployment and shoring up the economy. The deficit for the first eleven months of 2012/2013 (July to June) widened to 6.0% of GDP from 5.6% in 2011/2012. Expenditure rose by 4.2% to 1.69 billion, driven by transfers and subsidies to health and other services and debt-servicing costs. Higher capital spending was linked to the purchase of equipment for the airport and other infrastructure works. By contrast, revenue declined by 5.9% to B$ 1.25 billion, reflecting a 15.1% fall in taxes on international trade. Normal growth was resumed following a spike in 2011/2012 when a public entity paid up arrears to the government. Receipts from import and export duties and property tax were also lower. The fiscal deficit is projected to narrow marginally to 5.1% of GDP in 2013/2014 as revenues recover with improved activity, offsetting modest growth in spending. Government debt increased from 49% in 2012 to 52% at the end of June 2013. The government had an ongoing tax reform, they planned to introduce 15% VAT in 2014, to bolster revenues, alongside retrenchment to have growth in the debt.[4]

[4] *Preliminary Overview of the Economics of Latin America and Caribbean* 2013

In 2017, the Caribbean weathered the impact of a destructive hurricane season. Due to this, Tourism was not at its best, but tourist arrivals across the Caribbean rebounded in 2019. Tourist stay-over arrivals in the Caribbean grew on average by 9.6% in 2019; up from 7.5% in 2018 and well above the global 2019 growth rate of 4.0%.

Antigua & Barbuda and The Bahamas reported a tremendous rebound, with growth in tourist stay-over arrivals of 11.9% and 10.5%, respectively. Driving these improvements were consolidation of arrivals to hurricane impacted economies, improved air connectivity between regional destinations and source markets, and promotional efforts abroad.

Alternatively, in 2019 growth in cruise passenger arrivals in The Bahamas strengthened considerably by 11.9%. Re-introduction of cruise destinations such as Dominica to Caribbean cruise itineraries contributed to the positive outturn. However, cruise visits for economies such as Trinidad & Tobago, Jamaica and Antigua & Barbuda declined by -27.2%, -15.9%, and -7.7% respectively. Some destinations were affected by restoration of regular cruise schedules as ports affected by hurricanes were recommissioned while others suffered from reduced international marketing and promotion to bolster the sector.[5]

In 2019, The Bahamas economy continued to recover with growth firming to 1.6%, compared with 0.1% in 2017. Growth was driven mainly by the robust performance of the tourism sector, which recorded the largest increase in visitor arrivals in eight years. Inflation picked up to 2.0% in 2018, from 1.8 % in 2017, on the heels of the increase in the value added tax (VAT) rate and in international fuel prices. An increase in the number of employed was offset by the growth of the labor force, so that the rate of unemployment rose to 10.4% in 2018, from 10.0% in 2017. The

[5] Alleyne et al., *Economic Survey of the Caribbean 2020*

fiscal policy was contractionary, with the deficit narrowing from 5.6 % of GDP in fiscal year 2016/17 to 3.4 % in fiscal year 2017/18, reflecting declines in both current and capital spending, with the latter normalizing after post-hurricane reconstruction outlays in 2017. Influenced by the fiscal responsibility legislation aimed at controlling spending and measures to strengthen revenue collections, the fiscal deficit is projected to be contained to under 2.0% of GDP in fiscal year 2018/191 and to around 1.0% of GDP in fiscal year 2019/20.[6]

The economy was projected to decline sharply in 2020, by 10.5%. The COVID-19 pandemic had a severe impact, with a slump in tourism arrivals and spending, and harmful spillover effects on other sectors such as commerce and distribution. In the first quarter of 2020, total visitor arrivals plummeted by 14.7% to 1.7 million year-on-year. This situation was compounded by slower domestic activity, owing to the lockdown to have the spread of the disease. With the slowdown in activity, unemployment was expected to surpass the level seen in 2019. Inflation was projected to be relatively stable, because of lower oil prices and subdued domestic demand. The budget forecasted a fiscal deficit of 1.3 billion Bahamian dollars, equivalent to 11.6% of GDP. This was the largest deficit on record in the Bahamas. Public debt is projected to expand sharply to B$ 9.5 billion, or 82.8% of GDP. The balance of payments current account deficit is also expected to widen, owing to lower tourism receipts and goods exports. [7](2020)

Fiscal performance varied among the service-based economies, influenced in part by the performance of their dominant tourism sector and other services, the impact of natural disasters and the importance of the state in the economy.

[6] *Economic Survey of Latin America and the Caribbean 2019*

[7] *Economic Survey of Latin America and the Caribbean 2020*

3.2 National Debt to GDP Ratio

In 2019, the Caribbean economies had a growth of 0.6% amongst the goods producing economies, while the service producers grew by 1.4%. In Trinidad & Tobago, the largest member of goods producing economy in the Caribbean, was contracted by 0.4%. This contraction, marked the fourth straight year of negative growth for the country, was mainly due to weak energy sector performance caused by the closure of the Petrotrin refinery in late 2018 as well as lower yield from mature energy fields. In countries of service producing economies, The Bahamas, Barbados and Jamaica all exhibited slow performance. The Bahamas and Jamaica grew by 1.8% and 0.9 % respectively, while Barbados shrank by 0.1%.

In 2020, contractions were expected to grow by 37.8% in all Caribbean economies except Guyana. While facing the COVID-19 pandemic, the service producing economies was more affected by the COVID-19 restrictions, given their greater dependence on travel and tourism. Some of the countries include Antigua & Barbuda and The Bahamas. Public debt fell in the service-based economies, from 71.3% of GDP in 2018 to 67.7% of GDP in 2019. Debt rose by 2.7 percentage points in Trinidad and Tobago. Borrowing in Trinidad and Tobago was used to finance the construction of roads and bridges, a hospital and for budget support among other activities. While Jamaica reduced their debt by 7.6 percentage points as they undertook adjustment programs, with assistance from the IMF. Jamaica cut expenditure by around 2.0%, while posting modest growth in revenues.

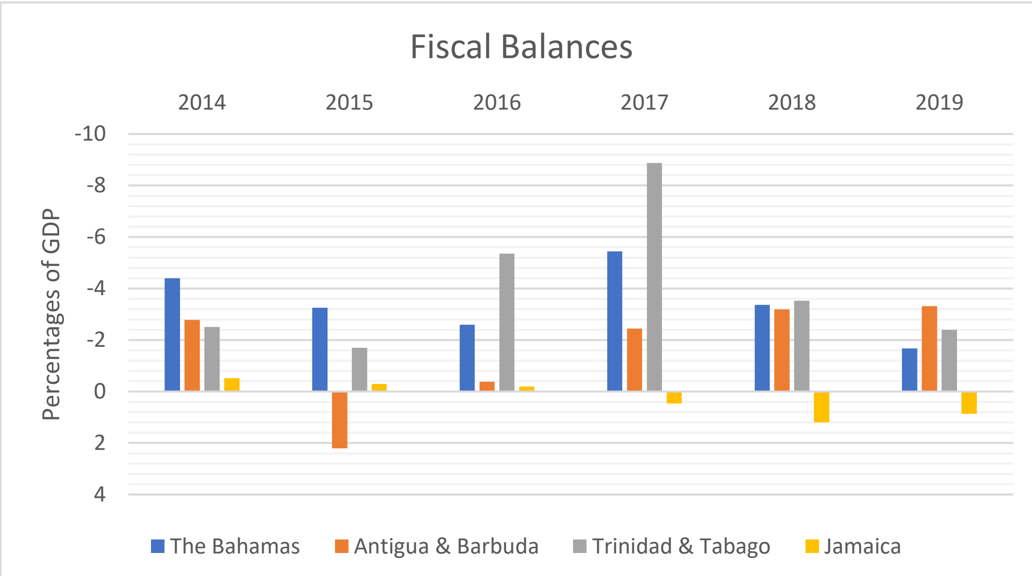

Figure 1 Fiscal Balances of Caribbean Countries

Sources: Economic Survey of the Caribbean

Increased borrowing across most countries to cope with the pandemic was expected to lead to a spike in public debt in 2020. The increase in debt in countries may vary according to their prior fiscal strength. Public debt was expected to increase by more than 10 percentage points in some of the most severely affected tourism-based economies. Governments in these economies have borrowed to provide relief to the tourism sector and to citizens who have been affected by the pandemic.[8]

In The Bahamas, despite the severe shocks of Hurricane Dorian and COVID-19, as of June 2020 public debt remained sustainable. However it is expected that the public debt-to-GDP ratio increases 82.6 percent by FY2020/21, and then gradually declines to 79.2 percent over the

[8] Alleyne et al., *Economic Survey of the Caribbean 2020*

medium term. Considering the expected increase in the debt level, the projected debt path remains vulnerable to substantial downside risks, including from a more severe and long-lasting COVID-19 pandemic and vulnerability to future hurricanes.

3.3 Covid19 Impact on the Economy & Tourism

The first case of COVID-19 in the Caribbean was diagnosed in Jamaica and in less than a month, there were positive cases in at least fifteen economies in the Caribbean. Governments quickly began to implement several measures that strived to reduce the spread of COVID-19. Countries have been implementing a variety of health and safety protocols to ensure secure travel experiences. Seeing that the virus is spread through contact and travel, The Bahamas like many other Caribbean countries, implemented border control measures to limit or stop the flow of visitors into its territory. Mandatory quarantining for persons who did enter the country was required. To reduce contact and the spread of the virus, mass gatherings were cancelled and a limit on the number of persons that could gather in one place were set in place. Events such as religious services, sporting and entertainment and marketplaces had restrictions. The government implemented states of emergency curfews and limited activity to non essential services such as beaches, restaurants, bars, cinemas, shopping malls and gyms. With these emergency measures set in place, it drastically decreased employment, and reduced consumption demand. However as a result, The Bahamas was lucky enough to have fewer Covid-19 cases than many other countries.

Given the high dependence on tourism among most Caribbean economies, the impact of the COVID-19 pandemic on employment was severe. Caribbean tourism dependent economies have had to balance public health protection measures with restoring economic activity. The Bahamas and Antigua and Barbados experienced the largest declines in employment, all at over 13 percentage points. While the goods producing economies like Trinidad and Tobago experienced minimal changes in their total employment as a result of the tourism slowdown. The impact of COVID-19 and the necessary restrictions put in place has been catastrophic on global tourism and even more so on the tourism-dependent small island developing States of the Caribbean. Caribbean destinations either totally or partially closed borders and ports to mitigate the spread of the virus. Based on available mid-year data, year-on-year tourist stop-over arrivals in 2020 have so far declined to -56.6%; a historic low for the subregion. After voluntary suspension of cruise activity worldwide until September 2020, cruise passenger arrivals fell to -42.9%. Given the unprecedented factors and the economic shock, any meaningful recovery in travel and tourism were unlikely to occur in the short term and was seen to reverse the efforts towards fiscal consolidation and debt reduction. The pandemic has lead to the loss of revenue, significant growth in necessary fiscal spending and an increase in debt for many countries and an increase in fiscal deficit in some countries is expected. The fall in arrivals following the implementation of lockdown measures resulted in a shut down of economic activity in the Caribbean's most important sector. On average tourism's direct contribution to GDP in the Caribbean was 11.8% in 2019, while its overall contribution was 28.5%. The dependence on tourism varies across Caribbean economies. Tourism also accounts for 1 in 6 jobs, a majority of which are held by women.[9]

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[9] Alleyne et al., *Economic Survey of the Caribbean 2020*

4. Methodology

In analyzing debt sustainability in The Bahamas, it was seen that a new fiscal strategy approach would be needed so The Bahamas can return to consistent sustainable debt levels even in the case of a natural disaster or a similar situation as the COVID-19 pandemic. Increasing government spending and directing it at industries like agriculture, that would help to increase exports is the goal. In the long run, exporting more will increase revenue and decrease imports.

A country's debt is not considered sustainable if its debt-to-GDP ratio exceeds 70 percent. It is shown in Figure 2, a 10 year span of The Bahamas' debt-to-GDP ratio.

$$\textit{Debt- to- GDP Ratio} = \frac{\textit{Debt}}{\textit{Gross Domestic Product}}$$

The Bahamas had a consistent sustainability level up until the economic shock that the Covid19 pandemic caused in 2020.

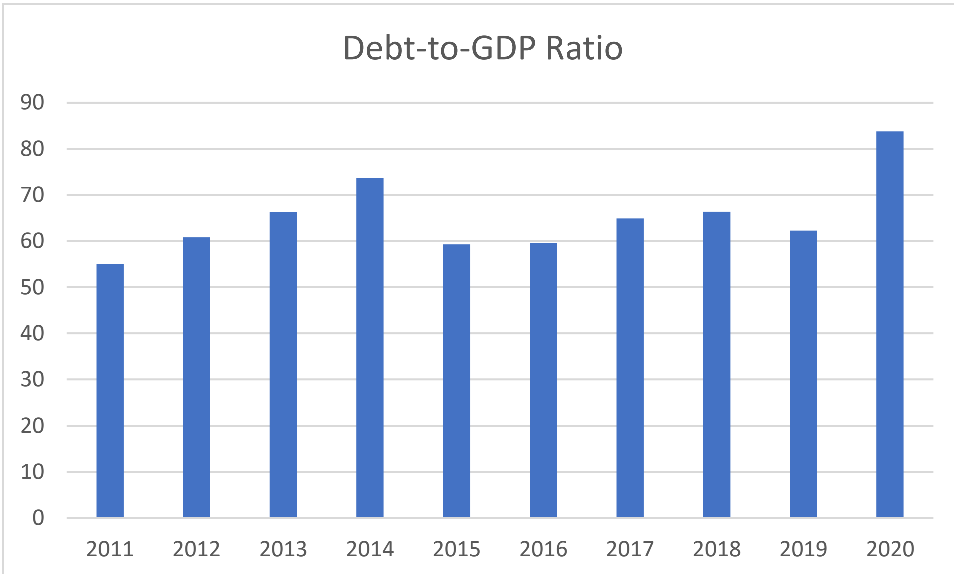

Figure 2 Debt-to-GDP Ratio in The Bahamas 2011-2020

Source: Trading Economics

Figure 3 shows the percent at which The Bahamas' GDP grows annually. This is calculated to show the rate at which the country's economy is growing.

$$\text{GDP Growth Rate} = \frac{\text{Current year's GDP} - \text{Last year's GDP}}{\text{Last year's GDP}} \times 100$$

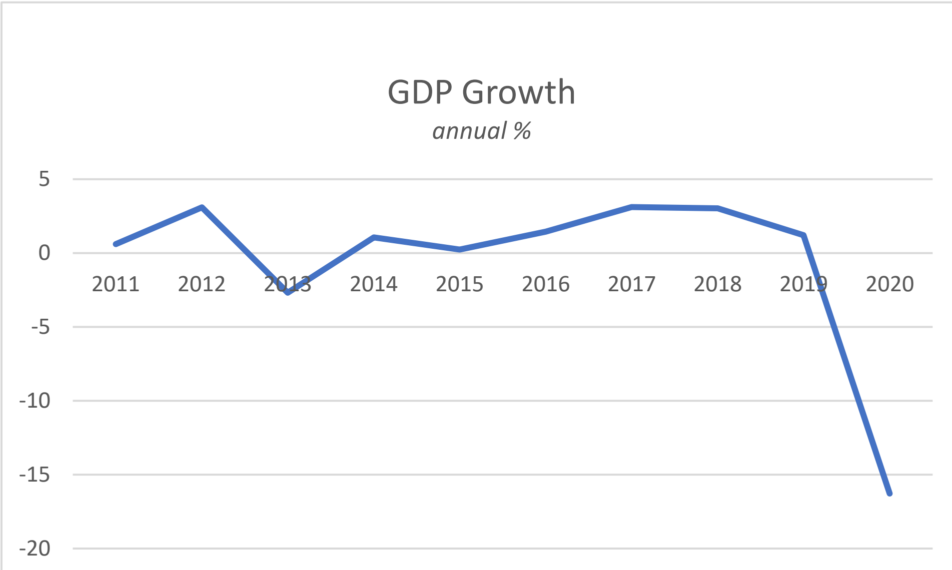

Figure 3 The Bahamas' GDP annual growth %

Source: World Bank Group

Exports of goods and services percent of GDP in figure 3 shows the years of 2011-2019.

Exports= Exports of Goods+ Exports of Services- Imports of Goods – Imports of Services

Figure 4 Exports of Goods & Services in The Bahamas- Percent of GDP

Source: World Bank Group

Even though The Bahamas has never been reliant on exporting goods and services to contribute to its economic growth, it would be a great source of revenue. The Bahamas has the marine life and agriculture capabilities to be able to export agricultural goods.

Figure 5 shows percent of annual growth from 2021-219, and it shows an estimate target annual percent growth rate of exported goods and services.

Figure 5 Export of Hood & Services Actual and Target Annual % Growth

Source: World Bank Group

Source. : Author's estimates

6. Conclusion

Based on this paper's analysis, it is shown that The Bahamas is highly dependent on the revenue from Tourism. In the past years, The Bahamas' debt has been able maintain a level of sustainability above its benchmark through Tourism, as well as Foreign Direct Investment.

On the other hand, in the wake of the Covid19 pandemic the debt sustainability level increased to 83.8 percent. This increase was a result of the health and safety protocols put in place to prevent an even greater spread of the virus. These precautions slowed the arrival of tourists into The Bahamas, therefore, GDP decreased as well.

Historically, The Bahamas has used both the contractionary and expansionary fiscal policy but has not had the best results with the expansionary policy. Using the expansionary fiscal policy increases government spending and it is in hopes to use it to improve the agriculture industry, and the potential of an increase in international trade, specifically in exporting goods. The objective is to decrease the debt-to-GDP ratio, with an estimated target growth rate of 0.5 percent annually in exporting. In the previous years 2018 was shown to have the greatest export percent as compared to the previous years (2011-2017).

Tourism already being able to keep The Bahamas' debt levels sustainable, along with international trade and agriculture will not only maintain sustainability but present the greatest economic growth The Bahamas has seen thus far.

7. Tables

Recurrent Expenditure Estimates (B$M)								
	ACTUALS		BUDGET	FORECASTS				
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/5
Ministry of Agriculture & Marine Resources	21.5	20.7	26.1	25.5	26.5	26.5	26.5	26.4
Department of Agriculture	5.6	5.7	6.5	6.3	6.5	6.5	6.7	6.9
Ministry of Tourism & Aviation	105.2	114.1	130.4	130.1	131.4	131.4	135.1	137.3
Ministry of Finance	216.5	291.0	280.6	267.2	244.4	301.3	193.4	194.7

Source: The Government of The Bahamas- National Budget

Selected Social & Economic Indicators

Balance of Payments										
(In percent Of GDP)						Projections				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Current account balance	-6	-12.4	-12.1	0.7	-17.2	-14.2	-12.5	-11.5	-10.4	-9.7
Goods (trade balance)	-18	-20.9	-21.5	-18	-13.3	-15.5	-16	-15.9	-15.8	-15.2
Domestic exports	3	3.3	3.3	3.2	2.7	2.6	3	3.4	3.8	4.2
Domestic imports	-20.9	-24.1	-24.7	-20.2	-15.9	-17.9	-18.9	-19.1	-19.4	-19.3
Oil	-2.6	-3.3	-4.3	-4	-1.7	-2.4	-2.8	-3	-3.2	-3.3
Capital goods	-5.6	-6.3	-6.2	-6	-6.5	-5.3	-4.9	-4.7		-4.6
Other domestic imports	-12.7	-14.4	-14.2	-10.2	-7.7	-10.2	-11.2	-11.4	-11.5	-11.4
Other net exports	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0. 1
Services	13.1	1 1.9	15.5	16.5	-0.8	5.9	8.3	8.8	9.9	10.3
Travel (net)	19.2	17.4	20.9	22.8	6.3	13.5	16.5	17.4	17.9	18.1
Travel (credit)	22	20.4	23.7	25.5	8.7	15.9	18.9	19.8	20.3	20.5
Travel (debit)	-2.8	-3	-2.8	-2.6	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4
Other services	-6.1	-5.5	-5.5	-6.4	-7.1	-7.6	-8.3	-8.6	-7.9	-7.8
Income and transfers	-1	-3.4	-6	2.2	-3.1	-4.6	-4.8	-4.4	-4.6	-4.8
o/w Hurricane insurance payout	0	0	0	5.8	2.2	0	0	0	0	0
Capital and financial account	6.7	16.6	10.3	3.8	8.5	13.4	12.4	11.6	10.7	10.2
Capital transfers	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Long-term public sector 2/	1.8	6.8	-0.4	-0.3	6.7	4.6	2.2	2.1	-0.1	0.5
o/w IMF Repayments								-0.3	-0.6	-0.3
Commercial banks' NFA	-2.6	0.3	-1.1	-1.2	-1	-0.9	-0.9	-0.9	-0.9	-0.8
Foreign direct investment	3.3	2.5	4	2.2	2.3	2.6	2.9	3.1	3.2	3.2
Other private capital	4.3	7.2	8.1	3.3	0.6	7.2	8.3	7.5	8.6	7.5
Overall balance	0.8	4.2	-1.8	4.4	-8.7	-0.9	-0.1	0.1	0.2	0.5

Source: International Monetary Fund

The Bahamas: Impact of COVID-19 and Hurricane Dorian on Balance of Payments

(In millions of U.S. dollars)

	2020			
	Pre-hurricane/pandemic	Post-hurricane/pandemic	Change	
			mln US$	percent of GDP
Current account balance	**-1359**	**-1953**	**-594**	**(5.2)**
Exports of goods and services	4924	1765	-3159	**(27.8)**
Services (including travel)	4151	1371	-2780	**(24.5)**
Exports (including re-exports)	773	394	-379	**(3.3)**
Imports of goods and services	-5789	-3367	2422	**21.3**
Services (including travel)	-2331	-1458	872	**7.7**
Imports (including goods procured in ports)	-3459	-1909	1550	**13.6**
Oil	-487	-188	299	**2.6**
Capital goods	-827	-741	86	**0.8**
Other	-2145	-979	1166	**10.3**
Foreign direct investment	555	265	-290	**(2.5)**
Other investment (including government borrowing)	829	701	-128	**(1.1)**
Government	47	647	600	**5.3**
Other private flows including domestic banking	781	54	-728	**(6.4)**
BOP financing needs	**...**	**...**	**-1012**	**(8.9)**
Financing 1/			**1012**	**8.9**
IMF (RFI)			252	**2.2**
IDB			180	**1.6**
CDB			50	**0.4**
MIGA guaranteed commercial loans			88	**0.8**
International reserves 2/			442	**3.9**

Sources: The Bahamian authorities; and IMF staff calculations.

1/ Part of the financing by other IFIs that is related to hurricane Dorian has already been disbursed. Staff assumes that a quarter of the commercial loans associated with the World Bank's Multilateral Investment Guarantee Agency (MIGA) will be externally issued and disbursed in 2020. Of the $320 million of IDB loans under discussion, about 40 percent (of which 20 percent are investment loans recorded above the line) are assumed to be disbursed in 2020.

2/ The change in reserves under the pre-hurricane/pandemic was an increase in the amount of about US$25 million.

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