

THE BAHAMAS POST HURRICANE DORIAN RECONSTRUCTION



ECONOMY

MINISTRY OF FINANCE Small Business Development Centre

*MSMEs Grant, Equity Financing Program & Loan Guarantee Program,
Abaco and Grand Bahama*

1. BACKGROUND

The backbone of any economy is the existence of small & medium sized enterprises. This is especially true of the islands that were impacted by Hurricane Dorian, which have suffered an estimated \$1.02 billion¹ dollar loss as a result of the damage left by this unprecedented storm. As a result, The Government of The Bahamas has allotted \$10 million to support approximately 3,500 micro, small and medium sized enterprises (MSMEs) in both Grand Bahama & Abaco who were potentially impacted by Hurricane Dorian. The Small Business Development Center (SBDC) has been designated as the custodian of this fund, will be responsible for managing the three-year \$10 million dollar loan guarantee, grants and equity financing program.

The SBDC defines MSMEs as companies earning less than \$5 million in revenue and employing less than 50 employees. The table below represents the vibrancy of these island-economies prior to Hurricane Dorian.

2018			
Island	Revenue	Employees	# of MSMEs
Abaco	316,144,920	2,365	1,732
Grand Bahama	94,981,570	2,128	1,814
Total	411,126,490	4,493	3,546

Source: Department of Inland Revenue 2019 Filings

Since launching the funding programme, we have received 160 completed applications from MSMEs seeking to rebuild. On average, 10 new applications are started daily. These initial applicants represent only 5% of the total MSMEs for these islands and 12% of the total employees - yet their estimated losses represent 87% of the allocated funding.

¹ Calculations based on DaLA collectively prepared by ECLAC & IDB

THE BAHAMAS POST HURRICANE DORIAN RECONSTRUCTION

Industries	Abaco				Grand Bahama			
	# of Employees (pre-disaster)	Funding Amount Requested	# of Applications	Sum of Estimated Loss	# of Employees (pre-disaster)	Funding Amount Requested	# of Applications	Sum of Estimated Loss
Communications	9	250,000	1	477,078		60,000	1	100,000
Construction	94	717,555	11	1,052,000	17	120,554	4	73,000
Farming	6	76,000	2	10,000	8	349,999	3	230,150
fisheries	3	50,000	1	64,000	28	434,500	4	266,500
Food And Beverage	26	446,000	6	479,000	47	331,704	13	265,824
Landscaping and Maintainance	8	90,000	4	31,000	13	157,432	5	11,870
Personal Services	10	360,000	3	335,000	30	174,912	6	105,151
Retail	24	695,000	13	1,385,300	34	361,966	20	605,949
Services	53	1,244,300	16	1,516,693	66	668,068	17	429,200
Other	9	86,500	8	201,500	24	182,196	7	156,592
Transport and Logistics	7	723,500	6	283,000	54	968,995	9	572,000
Total	249	4,738,855	71	5,834,571	321	3,810,326	89	2,816,237
Total for Both Islands	570	8,549,181	160	8,650,808				

Source: SBDC Hurricane Recovery Funding Programme Database

To date, 36 companies have received \$647 thousand in funding. This subset of clients has requested \$2.17 million in assistance. The expected economic impact from these 36 companies after their first year of recovery is \$6.7 million equating to a potential return on investment of \$3 to \$1. 135 jobs will be retained and 3 created.

2. VISION

- MSMEs are operating and thriving in an economy supported by locals and tourists
- MSMEs retain local jobs and are actively engaged in clean up and recovery efforts
- Productive sectors including tourism, fisheries, and agriculture are fully restored

3. PROJECT DETAILS

Based on business community surveys and on the ground assessments, the SBDC estimates that 75% of the MSMEs in Abaco have been impacted and 60% in Grand Bahama. Taking into account these estimates and the average funding approvals to date (\$18,000), the recovery costs for small businesses may reach some \$43 million.

Some of these businesses are insured. Others have direct access to private sector capital. The Government has stepped in to provide \$10 million in financial assistance for that segment that may not ordinarily be able to access private sector capital on their own.

Total Project Estimates: US\$43 Million