

Economic Development Strategy

BERMUDA

2023 – 2027



GOVERNMENT OF BERMUDA
Ministry of Economy and Labour



Economic Development Strategy

BERMUDA

2023 – 2027



GOVERNMENT OF BERMUDA

Ministry of Economy and Labour

Table of Contents

Preface and Acknowledgments	2
Bermuda Economic Growth and Development Strategy	5
5 Strategic Priorities	10
Strategic Priority 1:	
Local and International Business Retention and Expansion.....	12
Strategic Priority 2:	
Business Attraction and Investment Promotion	33
Strategic Priority 3:	
Entrepreneurship and Small Business Development	45
Strategic Priority 4:	
Continued Execution of the Economic Recovery Plan.....	47
Strategic Priority 5:	
People	49
Strategy Implementation Oversight	60

Preface and Acknowledgements

In formulating this strategy, the Ministry of Economy and Labour conducted a detailed review of current economic development initiatives, as well as an in-depth analysis of Bermuda's industries and growth opportunities. Other plans and strategies of relevance were reviewed, stakeholder consultation (internal and external) was undertaken, and community input through the Government's Forms Portal were considered. The result is a strategy that complements the work of organisations involved in economic development activities in Bermuda. The Strategy was produced in collaboration with the newly formed Bermuda Economic Development Advisory Board.

The Economic Development Advisory Board consists of representatives from:

Ministry of Economy and Labour (MOEL)

The Ministry of Economy and Labour works to establish effective policy solutions, provide oversight, and appropriate governance to support the diversification, growth and development of Bermuda's economy. The overarching objectives of the Ministry are to:

- utilise strategic frameworks and data to support economic growth and development;
- promote and enforce employment standards, help settle workplace disputes and foster harmonious industrial relations;
- support apprenticeships, industry training and employment services;
- provide support to Bermuda's unemployed and underemployed population; and
- provide oversight of the administration of immigration laws and policies.

Economic Development Department (EDD)

- The Economic Development Department is active on several fronts in pursuit of its mission "to advance the sustainable growth, development, and diversification of Bermuda's economy." To achieve its mission, the Department:



- facilitates, creates, and implements policies to support the Economic Recovery Plan;
- in collaboration with industry stakeholders, positions Bermuda as an ideal test market for innovative product and industry development; and
- identifies, develops and implements policy and legislative initiatives that generate industry confidence.

Bermuda Business Development Agency (BDA)

The Purpose of the BDA is to promote and protect, in collaboration with government and private sector, sustainable and equitable economic growth, diversity and prosperity in Bermuda.

As an independent, non-profit, public-private partnership, the BDA connects business leaders' regulatory officials, and key contacts in the Bermuda Government, to accelerate success.

The BDA is committed to be an energetic and sustainable resource for Bermuda locally and internationally.

In service of their vision and purpose, the BDA facilitates and leads efforts to promote Bermuda.

Bermuda Economic Development Corporation (BEDC)

The Bermuda Economic Development Corporation's key objectives are to assist the Government in encouraging economic growth for Bermuda's local micro, small and medium-sized businesses and to facilitate the growth and sustainability of a thriving world-class entrepreneurial ecosystem in Bermuda.

The BEDC's current mission statement is to inspire, inform, support, and grow new and existing Bermuda businesses through education, guidance, data provision, advocacy, networking and financing.

Department of Workforce Development (DWD)

The mission of DWD is to develop a resilient workforce, to provide a sustainable and stable community. The DWD oversees career development and training in Bermuda. Its mandate is to provide employment related services to the community.

The Career Development Section is responsible for ensuring job readiness for the workforce through assessment, career development services, workshops and seminars. The Training Section's mandate is to take such measures as it considers necessary for ensuring an adequate supply of trained manpower in occupations in all branches of economic activity in Bermuda. All training activities are developed to meet approved local and international standards of best practice.

Acknowledgements

The Ministry of Economy and Labour thanks contributors and stakeholders consulted in the development of Bermuda's Economic Development Strategy 2023.

This includes:

- Association of Bermuda International Companies
- Bermuda First
- Bermuda International Long Term Insurers and Reinsurers
- The Bermuda Chamber of Commerce
- Bermuda Employers' Council
- Filipino Association of Bermuda
- Bermuda Industrial Union
- Association of Bermuda Insurers and Reinsurers

Internal Stakeholders:

- Ministry of Home Affairs
- Ministry of Finance
- Bermuda Tourism Authority
- Ministry of Public Works

Bermuda Economic Growth and Development Strategy



The Economic Development Strategy (the Strategy) provides a strategic framework that will guide Bermuda to sustainable economic growth and development. The Strategy contains strategic priorities and initiatives which will provide direction and drive the work plans of Bermuda's economic development organizations which fall under the Ministry of Economy and Labour. The Strategy builds on the work of the Economic Recovery Plan produced in 2021 as a response to the economic downturn caused by the global pandemic.

The framework will help ensure future economic initiatives are in alignment with strategic priorities. The initiatives set out in the Strategy will contain specific actions that will chart a path for Bermuda's economic prosperity. Through consultation and research, the Strategy has been tailored to ensure that Bermuda's value proposition is capitalised on while repositioning Bermuda to seize future economic opportunities.

It is recognized that Bermuda's economic development organisations and business community must work together in order to attract and retain business in Bermuda, boost foreign investment, increase employment opportunities which expands the workforce, and build our local economy to its fullest potential. The synergized approach to economic development aims to ensure that time and resources are effectively utilised to maximise results.

Economic Snapshot

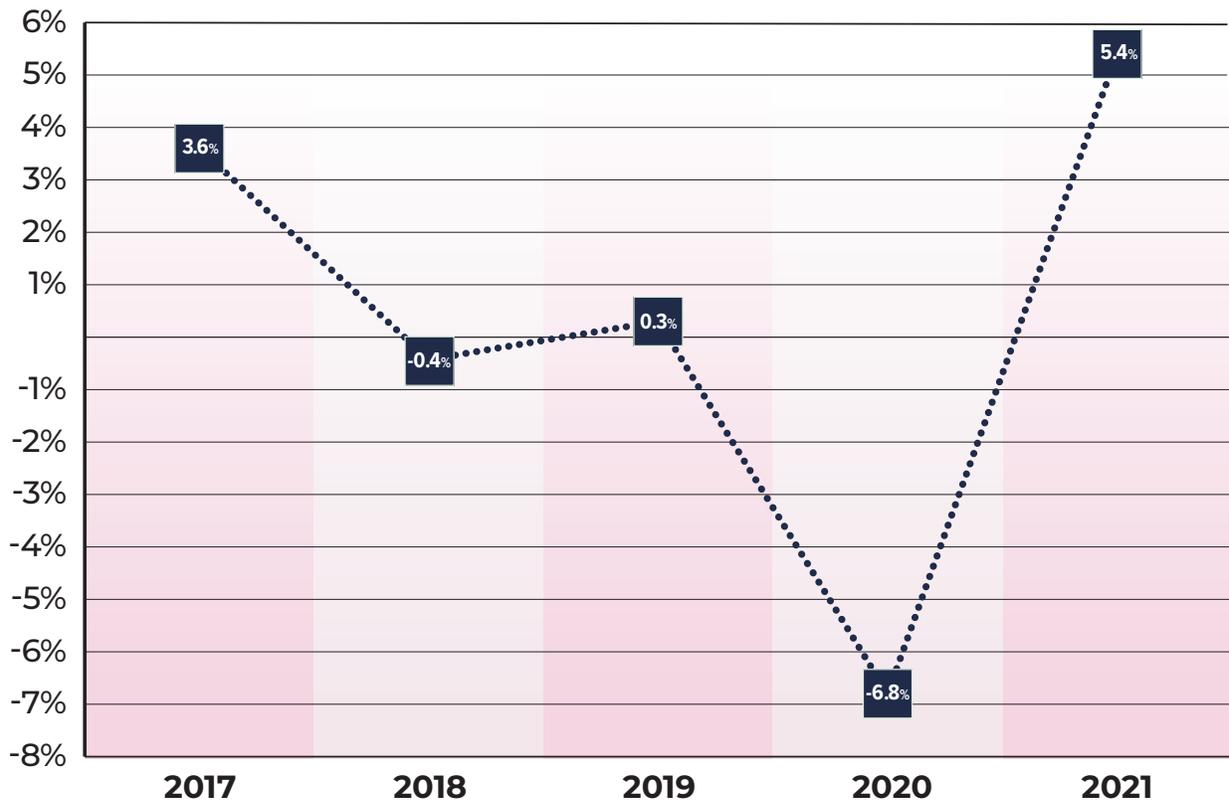


SIZE OF THE ECONOMY IN
2021

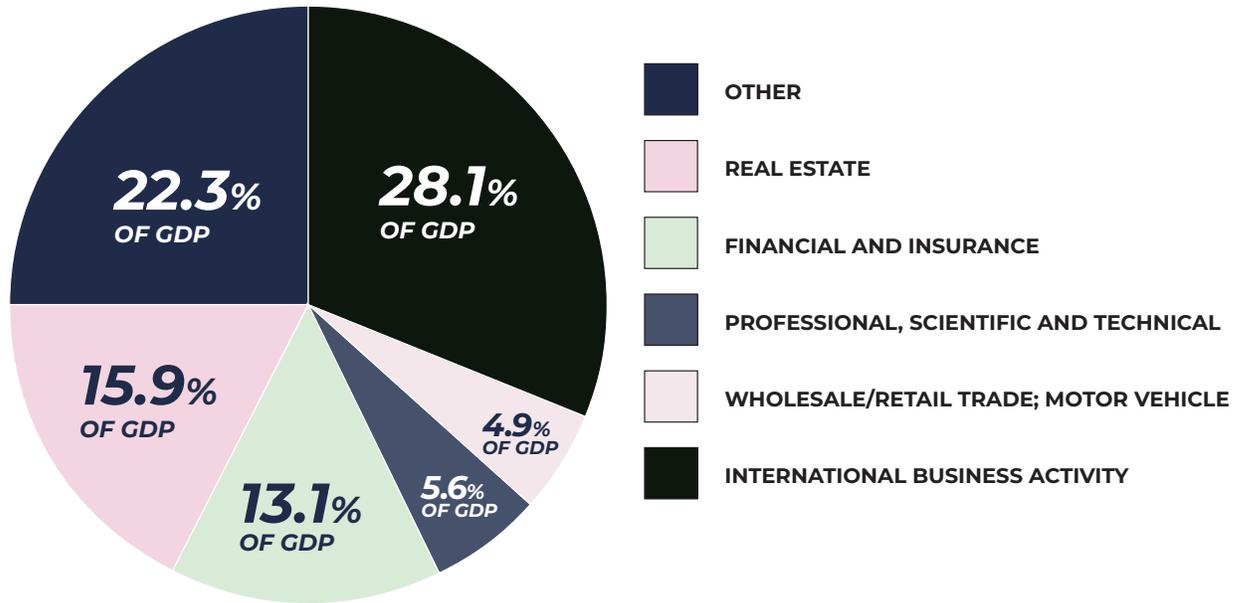
(\$ value constant dollars)

\$6.3 Billion

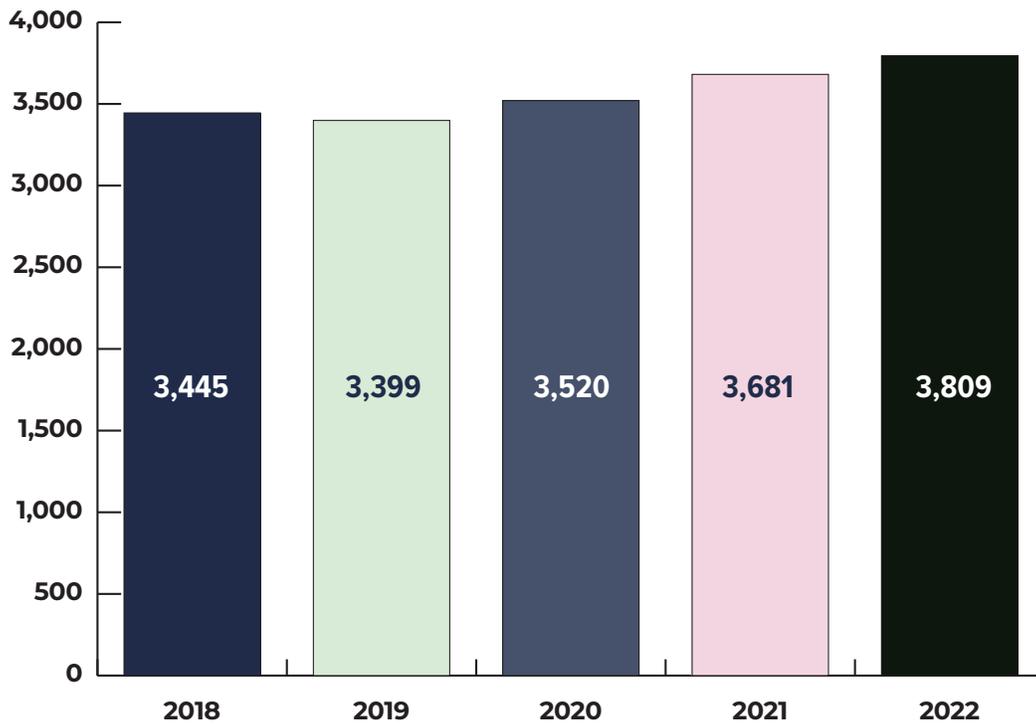
ANNUAL EXPANSION OF ECONOMY OVER LAST FIVE YEARS



Top contributors to the Economy



Total Number of local Businesses (5 year chart)





Total Number of Jobs -
31,718 - 2022

Largest Employment Sectors



International
Business
Activity
representing
**15% of filled
jobs**



Wholesale/
Retail Sale
representing
**12% of
filled jobs**



Public
Administration
representing
**12% of
filled jobs**



Accommodation
and Food Service
representing **10%
of filled jobs**

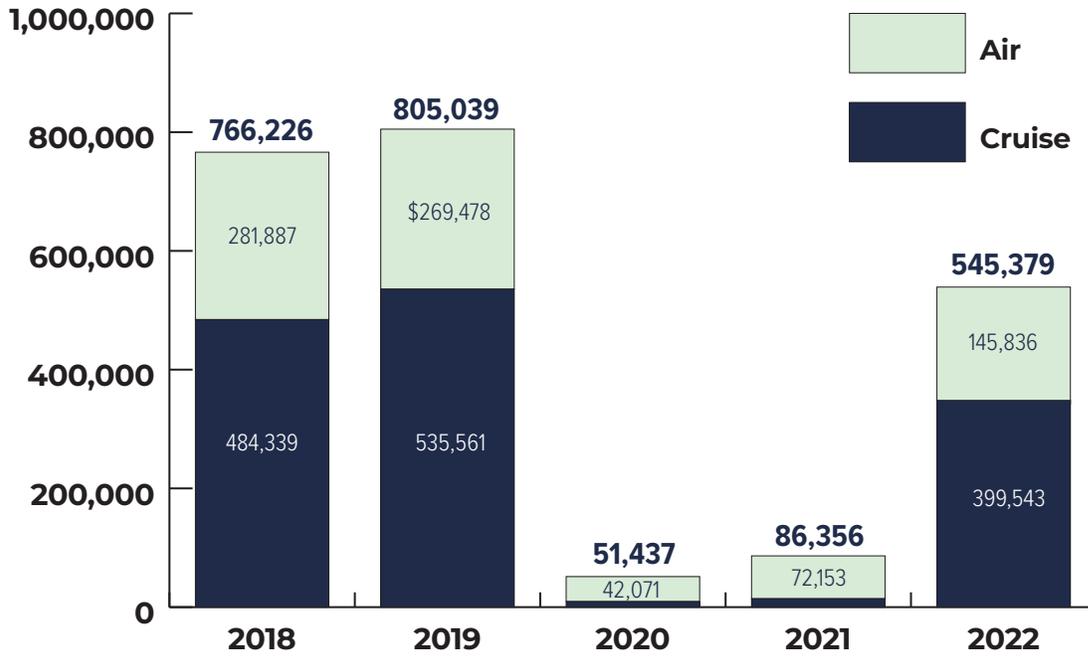


Human Health
and Social Work
representing **8%
of filled jobs**

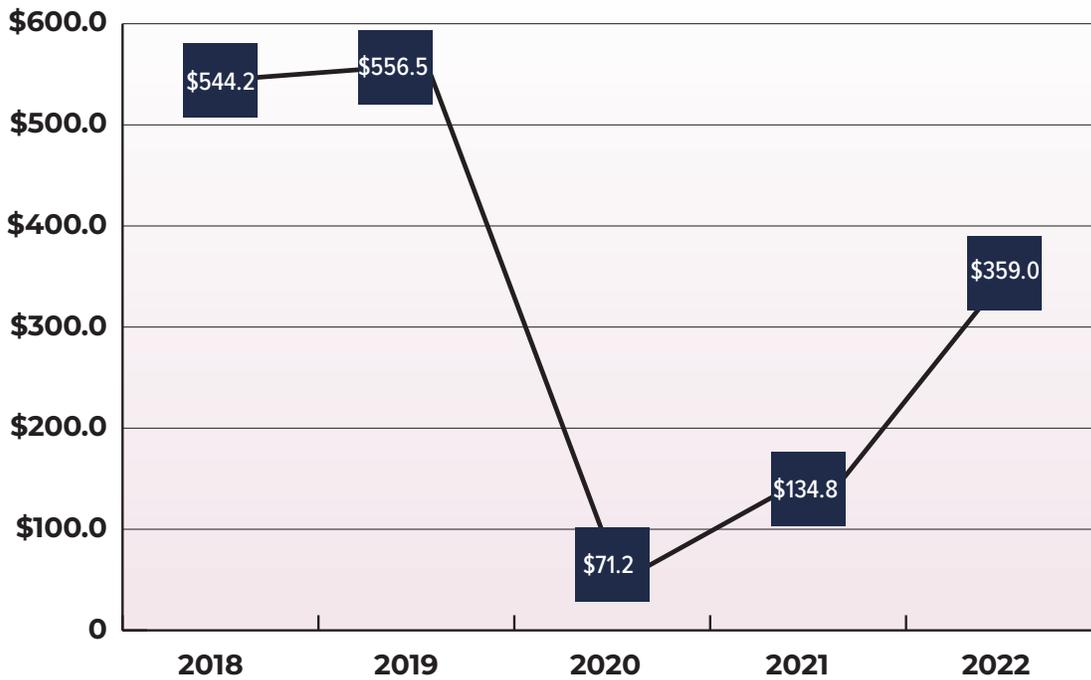


All Other
Industries
representing
43% of filled jobs

Visitor Arrival Activity (5 year chart) 2018 to 2022



Total visitor expenditure (5 year chart) Estimated Vacation and Business Visitor Spending 2018 to 2022 *in millions*



5 Strategic Priorities

The goal of the Strategy is to build a diversified and sustainable economy that will enhance the quality of life for Bermuda's residents. The Strategy will leverage Bermuda's strengths which include, but are not limited to:

- Bermuda's status as a sophisticated jurisdiction;
- a quality workforce;
- the ease of doing business;
- ideal geographic location and natural assets;
- economic, social, and political stability; and
- a vibrant culture and high quality of life.

The Strategy will be utilised to enhance Bermuda's business ecosystem, increase its global visibility and competitiveness, and promote investment. The Strategy will also be used to help address future economic challenges as a result of Bermuda's ageing population. The Strategy sets out 5 strategic priorities and includes aligned strategic initiatives aimed at improving and expanding the economy and increasing the working population.

The strategic initiatives contain actionable items in regard to:

- Immigration, emigration, new business development and labour policy changes for current and future sectors;
- Driving investment, innovation and improved opportunities for a sustainable Bermuda; and
- Expansion of current and future sectors and activities to promote sustainable growth, increased job creation and accelerated recovery.



The five (5) strategic priorities below will form the bedrock of Bermuda’s economic development efforts.

- 1. Local and International Business Retention and Expansion**
- 2. Business Attraction and Investment promotion**
- 3. Entrepreneurship and Small Business Development**
- 4. Continued Economic Recovery Plan Execution**
- 5. People**

These priorities ensure the Strategy to transcend simply increasing the GDP by also focusing on maintaining high rates of employment and increasing the range of well-remunerated jobs allowing for strong and sustainable growth and development.

This Strategy will benefit Bermuda by strengthening the economy, which will lead to greater revenues enabling the Government to provide adequate social services and the investment in vital public services and infrastructure, while reducing the tax burden on Bermuda’s residents.

Strategic Priority 1: Local and International Business Retention and Expansion

A thriving business environment is critical to the success of our economy as it supports our quality of life and our community. The Government's focus will be on ensuring the right conditions for businesses to set up, grow and operate successfully. Greater levels of economic activity from existing businesses will lead to greater levels of investment, expansion of jobs and increased tax revenues. Existing businesses form a part of the fabric of our community and are key to economic stability. As a result, the retention and expansion of current businesses is a priority.

An enabler to business retention is providing assistance with issues that could force a company to fail or close, and to prevent companies from relocating to a new jurisdiction. While, business expansion strategies help businesses grow, strategic focus will be placed on businesses that fall within industries which are classified as economic drivers, employment drivers and growth opportunities.

Strategic Initiative: Support and Enable Growth of Economic Drivers

The three largest economic sectors in Bermuda are International Business, Real Estate, and Financial and Insurance. Collectively, these three sectors represent 56% of Bermuda's economy. Strategic focus on retention and expansion of business activity in these key economic drivers will lead to increased productivity, and thereby economic growth. These industries also enable greater levels of economic activity in other sectors within the economy.



International Business Activity

The International Business sector is the largest industrial sector in the Bermuda economy and currently represents 28.1% of all economic activity in Bermuda. In 2021 gross value added of International Business Activity totaled just under \$1.8 billion. The five year average growth rate for the sector is 2.4%. Key international business activity includes, reinsurance activity, asset management and insurance management.

Insurance and Risk

Bermuda is one of the world's most important insurance and reinsurance hubs. As a well-regulated, experienced and capital efficient jurisdiction, Bermuda is at the forefront of providing innovative solutions to increasingly complex risks.

Re/insurance

Bermuda is one of the largest (re)insurance hubs in the world, known for providing substantial capacity and innovative products. The market comprises over 1,200 (re) insurers holding total assets in excess of \$800 billion and writing gross premiums of approximately \$150 billion (as of 2019).

Captive Insurance

Having formed the first modern captive in 1962, Bermuda is considered the global leader, with more than 700 captives generating an estimated \$40 billion in gross written premiums annually. Bermuda is home to a broad range of industries utilising captives as a key risk management tool. Many of the world's largest multinational corporations and publicly traded companies choose to domicile their captives in Bermuda.

Life and Annuity

Bermuda's long-term (re)insurance market is a growing sector that continues to experience a surge in capital flows and registrations. This sector has been a growth success story for Bermuda over the last 10 years and global trends offer further opportunities for growth. Underscoring the island's risk expertise, Bermuda-based companies provide global coverage of life, annuity and pension products and manage

more than \$300+ billion in assets. Bermuda is well prepared to capture an increasing share of the expanding global life market by maintaining its strong reputation as a competitive and attractive jurisdiction.

Asset Management

Bermuda is a centre for both traditional and alternative investments including funds, private equity and insurance-linked securities (ILS).

Innovative legislative and regulatory developments will continue to invigorate Bermuda's asset management industry. Today, over 2,100 funds are administered in Bermuda, with the top U.S. and European private equity groups having either domiciled structures in Bermuda or have interests in Bermuda funds. Additionally, Bermuda dominates the global ILS market capacity.

Investment Funds

Bermuda is a centre for investment funds with 800 funds and \$228.1 billion in total assets under management (as of 2022). Bermuda provides a number of innovative and flexible structures with a robust regulatory compliance framework and offers competitive options to high-quality fund managers and investors.

ILS Funds

Bermuda is at the forefront of the global insurance-linked securities (ILS) market with a specific regulatory framework to facilitate the formation of such structures. The Bermuda Stock Exchange (BSX) is the world's leading exchange for ILS with 773 listings in 2022. Bermuda has seen incredible growth with over 80% of the world's outstanding issuances listed on the BSX.

Private Equity Funds

Bermuda has been a preferred choice for Private Equity (PE) funds for many years. Almost all of the top U.S. and European PE groups have either domiciled structures in Bermuda or have interests in Bermuda funds.

Action Items:

- Ensure legal and regulatory frameworks support growth and industry expansion;
- Work with industry to determine expansion barriers, mitigate risk and reduce external global threats; and
- Identify key fund formation law firms and alternative asset allocators, with access to key markets and cultivate stronger relationships and marketing in those jurisdictions.

Real Estate Activities

The real estate industry is the second largest sector in Bermuda which accounts for 15% of all economic activity. In 2021 this sector accounted for \$1 billion in value added to Bermuda's economy.

Given the need to grow our working population, the expansion of this sector will be critical. As such, there will be a need for more housing to accommodate a greater number of individuals living and working in Bermuda. Currently, there is an acute housing shortage, resulting from the current demand for housing outpacing the current supply.

The number of households has progressively increased during the period from 2010 to 2021, The total number of households expanded to 28,295 in 2021 from 26,923 recorded in 2010.

Residential Development Capacity

The Department of Planning's records indicate that there are a total of 1,171 vacant parcels of land. This figure excludes vacant brownfield sites and legal subdivisions (some prior to 1974) for which the Department of Planning holds no records. Overall, there are 874 acres of vacant land, of which 493 acres (or 931 vacant parcels) are zoned Residential 1, Residential 2 or Rural. The majority of these 931 vacant parcels are Residential 1 zoned lots (42%) which are 6000 sq.ft. or over in size and 25% are Residential 2 zoned lots over 18,000 sq.ft. in size and therefore meet the minimum Residential 1 and Residential 2 lot size requirements of the Bermuda Plan 2008.

Thirty seven percent (37%) of these 931 vacant parcels are impacted by woodland reserve and/or agricultural reserve conservation areas which limits their development potential. However, in many cases, the amount of land within these lots that is covered by a conservation area is marginal. There are 582 parcels or 181 acres of vacant Residential 1, Residential 2 or Rural land that have no conservation area development restriction, the majority of which are located in Sandys Parish.

The data analysis for housing demand and supply therefore indicates that there is ample land available to meet housing demands within existing residential zoned areas as well as the Mixed Use Zones and the City of Hamilton, and that it is not essential to zone any new lands as Residential.

Increasing Public Housing Options

Government committed to providing \$15 million over the next three years to build more affordable public housing units. The Ministry of Public Works through the Bermuda Housing Corporation is undertaking the renovation/retrofit of 137 older residential

units to increase the amount of affordable housing options for Bermudians. Sixty (60) of these units are presently occupied and will undergo minor-to-medium refurbishments.

The remaining 77 are units representing the entire stock of vacant and derelict units that require major retrofits. These 77 units will be added to the BHC rental unit inventory bringing the total amount to 777. These newly added units are set to be priced under the Rent Geared to Income Based Scheme which is capped at 35% (25% rent & 10% savings) of the total household income. This system allows for low and middle income families to afford a quality standard of living as well as save 10% of their household income.

Morgan's Point

The current Morgan's Point site is targeted for conversion into a mixed-use site for the development of a range of residential rental apartments including a component for seniors' housing, with an active and engaging Amenities District. This project will create significant benefits and will positively impact Bermuda's residential rental market. Bermuda has experienced residential demand that has been growing over time, but more acutely in the last few years. The first phase of this project should partially address this deficiency in supply by adding some 101 units within 2-3 years, and with the capacity to scale up. An amenities village which will be open to all, will contain dining, retail, a boardwalk and a farmers market. At the centre of the redevelopment plan is the concept of Live, Work, Play all onsite.

Pricing for the forty-eight (48) apartments within the Amenities District is expected to be affordable. Additionally, the overall additional supply should help to reduce the cost of residential properties in the broader market.

Residential Development in the City of Hamilton

The City of Hamilton will play a significant role for an expansion of residential development opportunities. The City of Hamilton Plan 2023 recognises that residential development is an essential component of revitalising the city. Currently, the city is not being leveraged to its highest potential and presents an untapped opportunity to grow the residential population in the Island's capital. Increasing the residential population of the city will help to create a vibrant economic hub where persons can live, work, and play.

Approved Residential Schemes

Approved Residential Schemes are development proposals either fully comprised of residential units or mixed-uses comprised of commercial spaces and residential units. The North-East Hamilton Local Plan 2022 prepared by the Department of Planning in partnership with the Bermuda Economic Development Corporation, regulates the development and use of land in North-East Hamilton. Approved Residential Schemes are an economic development tool which provides a tangible mechanism and pathway to bring the development vision and objectives of the local plan to life within the Economic Empowerment Zones.

Expansion of Approved Residential Schemes

Currently, Approved Residential Schemes are restricted to the Economic Empowerment Zones in Somerset, St. George's, and Northeast Hamilton. However, it is necessary to expand the areas where Approved Residential Schemes can be constructed. Therefore, the Government will seek to expand the eligibility for Approved Residential Schemes from solely the Economic Empowerment Zones to the entire City of Hamilton.

Action items

- Support the expansion of residential dwellings in Economic Empowerment Zones;
- Expand the eligibility for Approved Residential Schemes from solely the Economic Empowerment Zones to the entire City of Hamilton;
- Increase inventory of public affordable housing;
- Encourage and support housing developments in residential zones highlighted in the Bermuda Plan and other geographical area specific plans; and
- Continue to support and facilitate schemes that promote new home ownership.

Financial and Local Insurance Services

The Financial and Insurance Activity sector is the third largest sector within Bermuda's economy. The sector represents 13.1 % of Bermuda's domestic economy. In 2021 this sector accounted for \$828 million in output. The sector has a five year growth rate of -1.4%. Key financial and insurance services include financial intermediation, domestic non-life insurance, long-term insurance, and trust and fund services. Finance services can be considered the engine that powers all forms of industry.

Banking

Bermuda's banking sector comprises five licensed banks, with a combined consolidated asset value of \$25.5 billion as at Quarter 3, 2022. Bermuda banking groups today service both Bermuda-based and non-Bermuda-based business. For Bermuda-based business (i.e., primarily BD\$) is a small fraction of the banks' business. Bermuda banking groups today already have an important international reach to non-Bermuda-based business (e.g. \$9.2 billion of the \$27.2 billion in assets held by the banking sector in 2021 related to cross-border subsidiaries of Bermuda banking entities).

Consistent with the Government's key objectives relating to achieving financial stability and promoting stable and sustainable economic growth, the banking sector model will be revised to include the following:

- Domestic/(full-service) banks, would be required to offer services that meet the full range of domestic customers' needs.
- Narrow purpose banks, would be permitted to service sectors that are currently associated with higher reputational risk, such as gaming.
- Specialised international banks, would be permitted to focus solely on providing global solutions internationally, including to underserved areas.

Currently Bermuda has one credit union, it is intended that credit unions licensed under the Credit Unions Act will continue to be part of the financial landscape.

The aim of the reform in this segment of the financial services sector is to develop and implement a revised banking model for our country that reflects its uniqueness and is consistent with our reputation as a quality international financial centre.

The Government's initiative to create a Bermuda digital bank, in which Bermudians will have an ownership stake, is progressing. The digital bank is critical as it is not only in keeping with the Government's pledge of building a nation of owners but also aims to diversify the banking services and products available on the island.

Trust

Bermuda's principal statute governing trusts and their administration is the Trustee Act 1975. This statute is largely patterned on the English Trustee Act 1925. Bermuda also has an extensive system of trust licensing for trustees, regulated by the Bermuda Monetary Authority (BMA), requiring all public trust companies to possess an unlimited trust license.

Bermuda remains a preferred jurisdiction in which to establish and maintain trusts (and increasingly, family offices). Bermuda's courts and regulatory regime carefully balance privacy with the objective of maintaining appropriate regulation to preserve Bermuda's stellar reputation as a premier international finance services jurisdiction.

Bermuda's track record as a long-term provider of trust and fiduciary services for a range of global clients means Bermuda's practitioners are used to understanding and managing the tax and regulatory issues that can arise. Bermuda is robust on regulation and supervision of its fiduciary business.

Bermuda law is based on common law principles and its trust legislation substantively based on English trust-law concepts, which are well known and carry a long history of jurisprudence, giving them a reliability and predictability which is reassuring for those looking for something that is tried and tested. Bermuda takes a deserving place amongst the world's leading jurisdictions for international structuring.

Action Items:

- Ensure there are legal and regulatory frameworks in place to support growth and industry expansion;
- Work with Industry to mitigate external global threats to the jurisdiction;
- Determine expansion barriers and work to mitigate risk;
- Develop marketing strategy for trust business expansion; and
- Continue to progress banking reform initiatives.

Strategic Initiative:

Support and Enable Growth of Employment Industries

Employment industries are economic sectors within the local economy that drive employment. The top five employment sectors in 2022 include:

1. International Business Activity (4,642 jobs)
2. Wholesale and Retail Trade (3,957 jobs)
3. Public Administration (3,883 jobs)
4. Accommodation and Food Services (3,269 jobs)
5. Human Health and Social Work (2,473 jobs)

Collectively these five sectors created 18,224 jobs in 2022 and account for 57.5% of all jobs in the local economy. Job retention and expansion in these sectors are critical to assist with domestic job growth. While Bermuda seeks to attract new business a significant portion of job growth will come from expansion of existing businesses in the economy.

Wholesale and Retail

The Wholesale and Retail trade sector created 3,957 jobs in 2022. This is the second largest employment sector in the economy after international business activities. This sector represents 12.5% of total jobs in the economy. Over the last five years the economic activity within this sector has contracted by an average of 1.4%. In 2021, gross output for the sector was recorded to a total \$633 million. The key business activity in this sector includes retail trade, wholesale trade, and wholesale and retail trade of motor vehicles.

Retailing has a great impact on the sustainable economic development of Bermuda. Consumer spending on retail goods and services drive economic activity and employment. In addition, this sector plays a critical role in ensuring the reliability of goods in the economy for consumption.

Similarly to many others around the world, Bermuda's retail market is going through a transformation. The spread of technology has created a shift which sees more people turn to the internet for shopping creating global competition for our local market. E-commerce has become mainstream and is the preferred option for many consumers.

Action items:

- Establish a working group to conduct an assessment of the market and make policy or legislative recommendations on an on-going basis;
- Identifying warning flags;
- Increase retailers e-commerce capabilities and completing BEDC online marketplace;
- Removing any potential barriers to business development; and
- Offering individual business assistance.

Accommodation and Food Service

The Accommodations and Food Service sector created 3,269 jobs in 2022. This sector accounts for 10.3% of jobs in the economy. The accommodation sub sector consists of: hotels, cottage colonies, guest houses and private home vacation rentals. Over the last five years this industrial sector with the economy expanded on average by 5.9%.

The Accommodations and Food Service sector presents one of the greatest opportunities for direct and indirect job growth in Bermuda. A key driver to job growth in this sector is investment in hotel accommodations. With additional hotel properties slated to return to the hotel inventory, there will be increased economic activity and supply of jobs.

Economic activity in this sector is primarily fueled by tourism. The strategic direction of Bermuda's tourism sector is guided by the Bermuda Tourism Authority (BTA). In 2018 a National Tourism Plan (NTP) was developed to support the growth of the tourism industry. The NTP focus is on pursuing sports tourism, building our group and niche travel business, increasing visitor spending, increasing visitation numbers from Canada, UK and Europe, building our superyacht and yachting industry and partnering with the airlines and cruise lines to help re-establish Bermuda's airlift and cruise calls to the island. The NTP was designed to enable, or be the catalyst for, changes that boost the tourism sector. The plan can be found at: <https://www.gotobermuda.com/sites/default/files/2022-09/bermuda-national-tourism-master-plan-update.pdf>

Bermuda will have a growing and balanced tourism sector. This means we will grow tourism, and at the same time ensure focus on seasonality, price-value perceptions, and balanced visitor volume (air vs. cruise).

Action Items:

The BTA will:

- Work with transport to improve domestic transport capabilities;
- Work with transport on the expansion of air routes and cruise calls;
- Develop a robust year-round calendar;
- Increase visitor attraction through signature events;
- Increase marketing campaigns to encourage locals to vacation on island; and
- Increase marketing campaigns in key overseas jurisdictions.

Strategic Initiative: Focus on Growth Opportunities and New Industries

Agricultural, Forestry and Fishing Sector

The Agricultural, Forestry and Fishing Sector represent 0.3% of all economic activity in the Bermudian Economy. In 2021 gross value added of the sector's activity totaled just under \$22 million. The five year annual average growth rate for the sector is 1.7%.

Food security is recognized as a vital component of national security – indeed, it is for this reason that Bermuda must support the Agricultural, Forestry and Fishing sector to shore up domestic food security and provide the country with greater resilience to supply shocks that may arise from national disaster or war. Currently Bermuda is heavily reliant on imported food. Local agriculture and fishing provides some food for domestic consumption, however the vast majority of food consumed in Bermuda is imported.

There is a need to evolve and innovate Bermuda's farming and fishing industries. Bermuda's reliance on food imports, with over 80% imported, is not sustainable and presents an opportunity to re-engineer these industries. The goal is to shift a percentage of imports to local production. Doing this allows dollars to remain local and our economy to grow, while ensuring a sustainable food supply.

Agriculture

The Integrated Agriculture Strategy will assist with increasing domestic food production and also aims to increase the agricultural sector's contribution to Bermuda's GDP.

The general objectives of this strategy will include the following:

1. Make inputs cheaper to assist in lowering the cost to produce good quality local food.
2. Help reduce preventable losses of locally produced food.
3. Provide good quality storage of produce.
4. Identify opportunities to enhance local production through the addition of new crops and technologies to grow these new crops and/or existing crops more efficiently.
5. Provide direct assistance to local farmers, through advice, training and services, to improve output and reduce preventable losses of locally produced food.
6. Explore means of making more land available for production and to use that which is in production more efficiently.

7. Explore opportunities to add value to locally grown food.
8. Encourage greater participation and job growth in the agriculture sector.
9. Better utilise technology to improve domestic food production.
10. Assess and strengthen workforce development needs.
11. Promote and develop food co-operatives.

Action Items:

- Execute of the Integrated Agriculture Strategy;
- Onboard agriculture specialist to support and assist with agricultural development;
- Provide direct support to farmers and examine what other measures may be taken to support existing agriculture activity;
- Revise and update the existing Crop and Dairy Industry Strategies; and
- Redevelop the Agricultural Service Center as a modern facility to provide support to all facets of the local agriculture sector.

Blue Economy

The Blue Economy is defined as the sustainable use of ocean resources for economic growth, improved livelihoods, and increased jobs while preserving the health of ocean ecosystems. Essentially, this is how a country can capitalize on its ocean resources in a sustainable way, while ensuring the continued availability of those resources for future generations.

Bermuda Ocean Prosperity Programme (BOPP) is an inclusive initiative to support sustainable growth of our ocean economies while maintaining the health of the ocean from now into the future. Led by the Government of Bermuda, in collaboration with the Bermuda Institute of Ocean Sciences and the Waitt Institute, this partnership has vowed to identify sustainable economic growth possibilities for ocean industries like fishing and tourism, as well as create a binding marine spatial plan to sustainably manage Bermuda's ocean environment.

The Blue Economy Strategy is guided by a set of principles established by the BOPP Steering Committee, which include:

- Provide social and economic benefits for current and future generations of Bermudians by contributing to food security, poverty eradication, livelihoods, income, employment, health, safety, equity and political stability.
- Restore, protect and maintain the diversity, productivity, resilience, core functions and intrinsic value of marine ecosystems.
- Utilize evidence-based decision-making when evaluating new activities, policies or tradeoffs and, in circumstances where evidence is lacking, the burden of proof falls on those advocating for an action.
- Adopt a multidisciplinary approach to management and prioritize activities which benefit Bermuda and Bermudians as a whole, instead of a single sector.
- Employ participatory, inclusive, and transparent governance.

BOPP has organised the output of all the expert analyses and stakeholder input into four goals, which are designed to work together—delivering on one will benefit the others.

The four goals are:

I. Facilitate sustainable fisheries.

Fishers are the core of Bermuda’s society. Their sustainable use of ocean resources can be supported through improvements to monitoring and surveillance, equitable licensing for all users, adoption of new technologies to reduce costs, and income diversification initiatives. Together, these approaches will help to ensure lasting food security, attract new employment opportunities, and promote long-term ecosystem productivity for future generations. A number of potential projects have been identified for possible funding to help meet this goal, including support for the Fisheries Development Centre, investment into monitoring and surveillance, and increased capacity for pelagic fishing.

II. Expand sustainable marine tourism.

Prior to the COVID-19 pandemic, tourism was one of the leading industries in Bermuda. As the industry rebounds, it can emphasise opportunities that build upon its previous strengths while enhancing environmental and social sustainability. Local programs and operators that offer ecotourism activities can be strengthened and benefits of the tourism industry can be more widely and equitably distributed. As part of meeting this strategic goal, efforts are ongoing to identify suitable projects in this sector. So far, options for supporting the Bermuda Underwater Exploration Institute (BUEI) and

the Coral Garden Initiative have been flagged as potential areas for investment. Other initiatives will also be explored.

III. Produce cleaner, cheaper, energy.

Reducing dependency on imported fossil fuels will benefit the environment and the pocketbooks of Bermudians. Bermuda should continue to install renewable energy projects on land and begin a marine renewables programme. When coupled with supporting storage networks, these installations will produce energy with fewer emissions while still providing the island with energy security. The 2019 Integrated Resource Plan provides a robust preliminary framework for action, and the Energy Regulatory Sandbox a platform for innovation and experimentation. Options for solar photovoltaics and wind energy are explored as part of this Blue Economy Strategy.

IV. Increase Blue investment in Bermuda.

Building on its rich maritime heritage, its commitment to conserve natural capital, and a vision for blue wealth and sustainable equity, Bermuda supports blue businesses, projects, and entrepreneurs, and providing greater job opportunities for a wider cross section of the Bermudian population. Bermuda will attract finance and build capacity to contribute to the growth and export potential of these sectors in line with environmental and community values. The MSP and its associated marine protected area (MPA) network are central to the achievement of this goal and the overall blue economy plan. Additionally, the establishment of a blue investment facility is also critical.

Action Items:

- Execute the Blue Ocean Prosperity Plan;
- Complete the multi-phase Bermuda Ocean Prosperity Programme (BOPP) public consultation process;
- Develop and finalise the Marine Spatial Plan as a legal tool to manage the use of our ocean resources;
- Produce and implement the Marine Development Act; and
- Complete the development process of the blue investment facilities to drive investment and growth of Bermuda's Blue Economy Strategy.

Climate Risk Finance

Bermuda is playing its part in accelerating action to address climate change both on island and in the international markets we serve. Bermuda's Climate Risk Financing Strategy aims to ensure that capital is accessible to support mitigation and adaptation actions that will address climate change. Bermuda has an opportunity to establish itself as a global thought leader on climate change risk mitigation and management and to become the climate risk finance capital of the world.

For decades, Bermuda has been a leader in natural catastrophe risk via its world-class (re)insurance sector. The market is now harnessing its technical expertise and innovative track-record to better mitigate climate risks and build resilience across the finance industry and wider global economy. Bermuda is an ideal platform to domicile and operate climate risk finance companies.

Bermuda's core competitive strengths in the area of climate risk financing include:

- capital efficiency;
- sophisticated and pragmatic regulatory regime;
- immigration initiatives to support and accelerate entry;
- a strong ESG brand; and
- robust infrastructure.

Building on our decades of investment in human capital, business expertise and an innovative culture, Bermuda will seek to play a leading role in climate risk finance. As we have with tropical storm, wildfire, flood and other climate driven insured risks, Bermuda can play a critical role helping high risk regions bolster their financial resilience to the rising tide of climate peril.

Action Items:

- Establish a working group to execute Bermuda's Climate Risk Finance Strategy;
- Host Climate Risk Finance Summits;
- Continue to pursue climate risk finance opportunities in key global markets; and
- Engage law firms and asset management companies looking to invest in climate risk products.

Building a Technology Ecosystem

Bermuda is rapidly emerging as a global leader in technology sectors, including fintech and insurtech. The island has pioneered a robust regulatory and legislative framework governing digital asset businesses that is attractive to companies looking for a quality ecosystem in which to test ideas, develop products and grow internationally.

Fintech

Bermuda is nurturing a burgeoning fintech space by leveraging its expertise in regulatory management and by enhancing its progressive legislative framework. This has created a deliberately diverse ecosystem of which the multitude of elements interact and complement each other.

Supported by innovative legislation and significant expertise in risk and regulatory management, Bermuda provides a flexible yet reputable jurisdiction for quality fintech companies and digital assets businesses. A key advantage of Bermuda as a jurisdiction is its' ability to respond to the industry's rapidly changing needs.

In 2018, Bermuda was among the first in the world to enact comprehensive legislation and regulation governing the issuance of digital assets and digital asset businesses. The Digital Asset Business Act (the Act) is designed to provide regulatory certainty, consumer confidence, and compliance, and to make sure Bermuda maintains its position as a premier jurisdiction for the advancement of digital assets. It lays out the basis for regulating financial institutions that are driving the digital asset ecosystem.

The Act regulates the following 'digital asset business' activities where they are conducted by any entity in or from within Bermuda (whether or not incorporated or formed in Bermuda):

- issuing selling or redeeming virtual coins, tokens or any other form of digital assets;
- payment service provider business utilising digital assets;
- operating an electronic exchange whereby digital assets of any type are exchanged for cash or other digital assets;
- provision of digital assets custodial wallet services ; and
- digital asset services vendors.

The Act was amended in 2019 to extend the scope of digital asset business activities which require a licence from the BMA to include the following digital assets:

- trust services providers
- derivative exchange providers
- benchmark administrators

The amendment also introduced two forms of exchanges, digital asset derivative exchanges and digital asset exchanges.

Bermuda has been gradually attracting companies, building experience in navigating the risks of this innovative new industry and refining its regime. This strategy is bearing fruit as Bermuda has developed a reputation for a clear, well-thought-out approach to the industry. Bermuda now has 16 licensed digital asset businesses with six of those licences having been issued in 2022.

In addition, Bermuda has seen strong growth in the digital asset insurance business through the innovative insurer regime introduced in 2019 with eight licensed insurers working with digital assets. Four (4) of those licences were issued in 2022.

Insurtech

Bermuda has always been at the forefront of innovation and insurtech is no different. Recent amendments to insurance legislation have paved the way for the island's independent financial regulator, the Bermuda Monetary Authority (BMA), to create two innovation initiatives: an insurance regulatory sandbox and an innovation hub. The purpose of these is to facilitate and promote the development of technological innovation in the insurance sector which enables efficiencies from new technology while ensuring compliance.

The regulatory sandbox creates a live environment where new technologies can be tested by a licensed insurer or insurance intermediary to a limited number of clients in a controlled way.

Action Items:

- Raise awareness of Bermuda's digital asset framework and develop consistent jurisdictional messaging for use across the sector at events and in meetings;
- Develop relationships with key technology law firms, consulting firms, incubators, accelerators and FinTech companies in target jurisdictions with the aim to raise awareness of Bermuda's digital asset framework and strong and agile regulatory regime;

- Enhance support from the Government by expanding start-up concierge services and continued evolution of the regulatory framework; and
- Raise awareness of Bermuda’s innovation sandbox and option to beta test cleantech solutions and initiatives (Climate Finance and Capital Solution).

Strategic Initiative: Support and Enable Growth of Economic Empowerment Zones

Economic Empowerment Zones (EEZs) are designated geographical areas where special programmes are implemented to empower economically disadvantaged communities and to assist disadvantaged persons to achieve equal opportunity. It is achieved through developing and implementing a system of policies to close the gaps of inequity that exist in certain designated geographical areas in comparison to other areas in Bermuda.

The BEDC partners with communities to establish and regenerate EEZs across Bermuda. This includes working with key stakeholders to address local community issues; providing economic tools to help local businesses thrive; and engaging external partners to invest in these zones through development schemes.

Business advice and support is the core of the work that is performed in each of the EEZs. As a result of the various socio-economic issues found in concentration in the three zones, BEDC has developed various incentives and policy tools aimed at assisting businesses to grow and become more sustainable. These currently consist of: EEZ Payroll Tax Concession; EEZ Custom Duty Deferment; and Preferential Rates and Terms on BEDC Financial Products.

The BEDC aims to create opportunities for area residents, as well as property and business owners so they can better access resources that will rejuvenate and regenerate these areas, while not displacing the current area population.

The work that takes place within the EEZs is focused on striking a balance between the economic environment (economic equality); the social environment (access to services); the physical environment (high quality design); and the community environment (good quality of life).

There are currently three (3) Economic Empowerment Zones across Bermuda located centrally, and in the eastern, and western ends of the island. The BEDC continues to work on broadening the areas considered for Economic Empowerment Zones.

The first EEZ in Bermuda established centrally in the City in 2007 was informed by the City of Hamilton Plan 2001 which had an objective “To achieve the economic and

social regeneration and environmental improvement of North-East Hamilton”.

In 2011, the EEZs in the east and west of the Island were established. The boundaries of both zones were informed by the following goals:

- A desire to focus along main access roads and main commercial hub areas;
- A desire to focus on locations that needed economic incentives and assistance;
- A desire to focus on locations that have capacity for additional development - that means having a current land use zoning that is favourable to commercial, home occupation, light industrial, and other economic use; and
- A desire for inclusion of key tourism and community sites to drive opportunities for partnerships and synergies.

The North East Hamilton Economic Empowerment Zone (NEHEEZ)

The NEHEEZ boundaries are Victoria Street to the South, North Street to the North, King Street to the East and Cedar Avenue to the West. This area constitutes the north-east quadrant of the City of Hamilton and is 59.5 acres made up of approximately 25 square blocks consisting of over 300 households and over 200 businesses.

Proposed Expansion of North East Hamilton to South East Hamilton

South East Hamilton, the gateway to the City, is an established commercial zone of Hamilton that is less developed than the western urban area but still an active zone of Bermudian enterprise. Although lacking in public community spaces, it boasts a diversity of businesses and agencies, resilient entrepreneurs, and vehicular and pedestrian connectivity, providing the opportunity to create a vibrant and urban experience. Given it's smaller lots, less expensive real estate, and a collection of sites with good development potential, there are opportunities for developers to enhance the area with commercial and residential initiatives. South East Hamilton is a hub of small Bermudian business.

The proposed area for consideration of EEZ in South East Hamilton comprises approximately six city blocks plus the cargo docks. The SEH zone is almost entirely within the limits of the City of Hamilton. The proposed area is bounded on the west by Court Street, the north by Victoria Street, and the south by the Hamilton harbour shoreline. The eastern boundary runs approximately along the eastern City boundary,

to include some adjacent properties to the east. The total area of the proposed SEH zone is approximately 41 acres, with 33 acres of developable land.

The St. George's Economic Empowerment Zone (SGEEZ)

The SGEEZ is mainly focused around the Town of St. George. The SGEEZ is 333.96 acres – approx. 50% of St. George's Island. The boundary starts on Mullet Bay Road near Mullet Bay Park and ends on Cut Road near St. George's Dinghy & Sports Club.

The boundary focuses along the commercial core in the Town where the majority of businesses are located – along Mullet Bay Road, Duke of York Street, Barrack's Hill, and Cut Road. It also includes the land encompassing Meyer's Boatyard, Fort St. Catherine, the former Club Med and the St. George's Golf Course. The SGEEZ has over 100 businesses and thousands of residents.

The Somerset Economic Empowerment Zone (SEEZ)

The areas designated as economic empowerment zones are mainly focused on Somerset Village. The SEEZ is 305.26 acres. The boundary starts on Somerset Road at Willowbank Resort and ends on Mangrove Bay Road at Watford Bridge before it changes into the lands under the remit of West End Development Corporation (WEDCO).

The boundary focuses along the commercial core where the majority of businesses are located – along Somerset Road, Manchester Street, and Mangrove Bay Road. It also includes the land encompassing Sandys 360, Willowbank Resort, 9 Beaches, and Cambridge Beaches Resort. The SEEZ has over 100 businesses and thousands of residents.

Action Items:

- Develop a robust marketing strategy to attract business, investors, and developers to the zones as enablers to regeneration and development;
- Expand the NEHEEEZ to South East Hamilton;
- Sure up entrepreneurial skills and access to financial tools for entrepreneurs to ensure zone businesses achieve sustainability and growth; and
- Collect data regularly and make it publicly available as a tool for engagement, investment and decision-making.

Strategic Initiative: Ensuring Bermuda Is Business Friendly

Being business friendly is ensuring that regulatory and other barriers are reduced. To ensure Bermuda remains a jurisdiction of choice it is important to recognize the impediments that limit a business's ability to survive and thrive. Creating certainty in a business environment will work to ensure business confidence is maintained.

It is important that certainty and clarity is provided to business stakeholders, that there is adequate engagement with the business community at sectoral and individual levels, that there is a mechanism to identify challenges, and that support is provided to businesses.

Action Items:

- Regular engagement with all sectors of the business community to identify barriers to business growth;
- Support business development in key industries and make concierge services available to businesses looking to expand and grow;
- Ensure businesses are aware of relevant policy and legislative changes, labour market information, tax information, and support services; and
- Reduce outdated regulation that may hamper business expansion.

Strategic Priority 2: Business Attraction and Investment Promotion

Bermuda has long been an exceptional destination in which to live, work and play. Bermuda's safe, clean, and sophisticated island lifestyle is perfect for families, while its pro-business culture and gold standard regulatory regime offer global businesses a world-leading platform for commercial growth and innovation. Combined with its stability and convenient location, Bermuda's continued relevance in an era of change can be attributed to the same fundamental principles that have underpinned its development as a blue-chip jurisdiction for over 70 years.

The Bermuda Business Development Agency (BDA) works on attracting business through its global marketing and outreach activities. The BDA continues its focus on attracting businesses in the areas of Asset Management, Climate Risk Finance, High Net-Worth Services, Infrastructure, Insurance and Risk and Technology to Bermuda. Attracting new business to Bermuda is a critical part of the overall Economic Development Strategy. It provides a means for new job creation and increased tax revenue, greater levels of competition, new products and services and economic expansion.

The BDA's investment promotion consists of activities that typically have four different mandates: place branding, investment generation, investor facilitation and investor services, and policy advocacy.

Investment of capital is critical to grow Bermuda's economic assets. Attracting investment across multiple sectors creates a more diverse economy which in turn increases economic resilience and employment opportunities. It is imperative that an environment is created whereby Bermuda is competitive and attractive for investment. It is important that Bermuda has the ability to attract external investors and enable continued investment by those businesses which are already domiciled on island.



Strategic Initiative: Leverage Bermuda's Current Value Proposition

Bermuda's value proposition and reputation as a sophisticated business jurisdiction works to support the notion that Bermuda is an attractive place for new business formation and investment. The Bermuda business ecosystem is designed to allow businesses to thrive. Bermuda cannot rest on its laurels. We must continue to communicate our value proposition which has allowed Bermuda to maintain its reputation. There are 5 key attributes of the Bermuda value proposition are as follows:

Bermuda is a Blue-chip Jurisdiction

Market Innovation

Bermuda has never shied away from offering industry the ability to innovate to serve market needs, in a safe, controlled manner. Bermuda has always been at the forefront of creating innovative solutions to industry issues - from developing the world's first captive insurance model to issuing the first mortality bond, from evolving a best-in-class insurance-linked securities (ILS) market to being one of the first countries to enact comprehensive legislation and regulation governing initial coin offerings and digital asset businesses.

World Respected Regulator

Bermuda's integrated, independent financial services regulator, the Bermuda Monetary Authority (BMA) was formed by statute in 1969. The BMA is at the heart of the success of Bermuda as a global financial centre. It facilitates a strong, prudent, yet pragmatic regulatory framework that allows for speed to market of capital. The BMA established a robust regulatory regime to provide the protection and clarity required to fulfil the highest international standards.

Compliance and Transparency Leader

Bermuda exchanges tax information with members of the G20, the European Union and other OECD countries. Bermuda currently has 41 bilateral Tax Information Exchange Agreements (TIEAs), each based on the OECD's internationally agreed standard for transparency and exchange of information, and more than 125 multilateral treaty partners. Bermuda has implemented US FATCA and exchanges OECD Common Reporting Standard (CRS) and OECD Country-by-Country (CBC) information with every country around the world that belongs to the OECD's Convention.

Tax- Competitive Status

Bermuda has a consumption-based tax regime that levies payroll tax, import duties, social insurance and custom duties on goods and services, a major component of Bermuda's tax revenues.

World-class Talent

Bermuda has a deep talent pool of highly qualified professionals working across multiple industries, particularly financial and professional services – such as accounting, auditing, law and actuaries.

Bermuda is Safe, Secure and Stable

Bermuda has long been a safe and secure destination from a political, economic and personal perspective, driving investor confidence and facilitating domicile decisions. Bermuda's economy is stable and the Bermuda dollar is on par with the US dollar 1:1.

Leader against Financial Crime

Bermuda is a leading jurisdiction in the global fight against money laundering and terrorist financing, receiving some of the highest grades achieved to date for technical compliance. The financing of terrorism and proliferation as confirmed in the Caribbean Financial Action Task Force (CFATF) Mutual Evaluation Report (MER), which was approved by the Financial Action Task Force (FATF), the global standard setting body.

Family Friendly

Bermuda is a place where the whole family can feel safe and secure. It is one of the best locations for a family to enjoy life together. A great variety of schools, clubs and activities in Bermuda await parents and children. The ability to achieve a work/life balance is the number one reason for a family to move to Bermuda.

Bermuda is Open, Accessible and Business-Friendly

Bermuda's advantageous geographic location combines with its physical, financial, and regulatory landscape to create an environment of unparalleled access and convenience, making it a compelling destination for global business.

Bermuda is a highly collaborative jurisdiction which facilitates speed to market, as the legislature, industry and independent financial services regulators can move quickly to make changes. Bermuda's speed to market enables companies to get regulatory approval in a timely manner.

Bermuda encourages innovation. Bermuda's ability to match capital with innovation to address market needs is unique, in terms of the speed at which this is done.

Bermuda has world class physical and technological infrastructure, including excellent telecommunications, stable broadband internet access, international and private airports, well maintained roadways and first-class ports.

Bermuda is a less than two-hour flight from the US and is in an advantageous time zone for both US and EU business. Bermuda is ideally located between the US and Europe. New York is just a 90-minute flight away, and our L.F. Wade international Airport offers daily direct flights to London, Toronto and other global destinations.

Bermuda is Globally Connected

Bermuda is not only globally connected – enjoying close economic, political and cultural ties with its international trade partners – but also plays a crucial role in supporting the global economy

Fourteen of the world's top 50 reinsurers hold licenses on the Island. Since 1997 Bermuda's commercial (re) insurers have paid out over a half a trillion dollars to policyholders and cedants in the US, EU and UK.

Bermuda is also aiming to assist the world in the global fight to mitigate climate risk and since 1954 has maintained the world's longest continually running ocean study out of the Bermuda Institute for Ocean Science (BIOS)

Sophisticated Island Lifestyle

Bermuda has a welcoming culture, stunning natural beauty, first-rate schools, top-tier healthcare, sports, an enriching arts and cultural scene and a UNESCO World Heritage site. These all help create one of the highest standards of living in the world, which helps attract and retain capital and talent.

Bermuda has world class infrastructure and hospitality resources including a new airport terminal and top class hotel resort properties.

Submarine networks carry more than 95% of the world's intercontinental electronic communications traffic and thanks to the five cables that land in Bermuda, Bermuda enjoys faster broadband speeds than the US, UK and Canada.

Action Items:

- Develop and update messaging documents ahead of sponsored events and roadshows;
- Increase the frequency of consistent jurisdictional messaging for use across the sector at events and in meetings;
- Foster and enhance communication: Identify new service providers for targeted jurisdictional marketing and communications outreach;
- Regular communication via newsletters to update contacts made with the latest developments in Bermuda; and
- Undertake strategic improvements that will make Bermuda a more appealing location for investment.

Strategic Initiative: **Utilise Existing Businesses as Ambassadors**

Recruitment and Nearshoring

Satisfied existing businesses can be a community's best ambassadors when recruiting new firms to the area as well as serving as a source of leads when seeking new firms to recruit. Attracting new business and investment to Bermuda is a top strategic priority. We seek to leverage the existing business community to engage with prospective businesses worldwide to assist with attracting new business to domicile and invest in Bermuda. Bermuda's marketing strategy includes engaging with and cultivating relationships with local business leaders and C-suite business executives to assist with the promotion of Bermuda's value proposition.

Existing business and industry groups can assist with making business and foreign investment a priority at international conferences and trade shows.

Bermuda is the single most important property and catastrophe market in the world, and is the authority on captives and the leading domicile for the ILS market. It is a growing market for the life and annuities sector and an important hub for the following:

- Asset Management
- Trusts & Private Client Vehicles, Family Offices and other High-Net-Worth Services
- Shipping & Aviation Registries, Ship-Finance and Ship-Management
- Digital Assets Businesses

Businesses that are increasingly concerned with the regulatory environment, tax complexity and business ecosystem of the jurisdiction in which they do business, whether the US, Canada, UK or other offshore locations can begin to consider Bermuda as an ideal location to transfer existing business operations.

As the Island's economic engine, international business actively works in close collaboration with key stakeholders to ensure that the jurisdiction not only remains a domicile of choice but that there is a strong awareness by all the relevant stakeholders of our value proposition. Stakeholders work together to ensure that Bermuda remains a competitive and highly respected jurisdiction and that legislation needed to ensure that we remain internationally competitive and compliant with international regulatory requirements is progressed.

Action Items:

- Target industry groups and businesses to serve as ambassadors globally;
- Develop marketing and promotional material for ambassadors to utilise internationally; and
- Include industry ambassadors on business development and attraction missions.

Strategic Initiative: Attract Investment in Infrastructure

Investment of capital is critical to growing Bermuda's economic assets. Attracting investment across multiple sectors creates a more diverse economy which in turn increases economic resilience and employment opportunities. The aim is to create an environment whereby Bermuda is more competitive and attractive for investment. There is a need to attract external investors and enable continued investment by those businesses which are already working on or with local land, buildings, commercial enterprises, people and technologies.

Bermuda's infrastructure is modern, well developed and technologically advanced offering investors a wealth of opportunities. However, as the world is rapidly evolving and the use of new technologies become mainstream the island's infrastructure must evolve as well. From real estate and hotel development to subsea cables, satellites and the blue economy, Bermuda is driving plans to advance existing and emerging industries.

Subsea Cables

Bermuda plans to develop a subsea telecommunications corridor. While the island already hosts three cables, Bermuda's location creates a logical stopover for cables between the Americas, Western Europe and Africa. Legislation is in place to support the industry's development.

Many planned trans-Atlantic systems are set to bypass Bermuda. However, those systems are owned by companies who now need to fulfil Europe's new economic substance requirements. Branching units to Bermuda can provide key significant infrastructure to satisfy those requirements and support the IP assets those companies may locate in Bermuda. Importantly, infrastructure via submarine cables also encourages network diversity and activity for major tech companies, making Bermuda a digital port for the likes of Google, Apple, Facebook, Microsoft and Amazon. This along with spinoff opportunities such as cloud computing, data storage and nearshore personnel resourcing only serves to further economic substance in this jurisdiction.

Hotel Development

Investors are showing clear confidence in Bermuda's tourism product, a key pillar of the economy. Bermuda currently has a number of hotel properties available for investment. To facilitate further investment into the island's infrastructure, the Tourism Investment Act is the primary legislation used to incentivize new hotel developments.

The purpose of this legislation is to incentivize local and foreign developers of hotels, restaurants and tourism products, including attractions, natural sites, monuments, museums or historical structures, to invest or 'reinvest' significantly in Bermuda's tourism product offerings. This is intended to ensure our visitors' expectations regarding luxury and quality are met and/or exceeded. Full relief is provided, where applicable, for customs duty, hotel occupancy tax, land tax, payroll tax and the deferral of landholding charges.

Waterfront Development

The waterfront area of the City of Hamilton is a site of immeasurable potential which currently accommodates a series of uses which drastically fails to capitalise upon the opportunities that the area presents. The waterfront has the potential to be Bermuda's premier destination for social activity, which would have direct knock-on benefits for existing businesses in the City and encourage new businesses to view the City as a viable location.

The waterfront strategic development site consists of an area measuring approximately 11 acres, however, it is naturally split up into more discreet sections due to the uses taking place and existing landscaping works. The area presents an opportunity to accommodate a range of recreational and leisure activities set within a high quality, pedestrian-oriented public realm.

Space and Satellite

The space industry is undergoing a revolution. Once the exclusive domain of national governments, space is increasingly accessible to private companies with capital and big ideas. Today, technology is sufficiently advanced to enable new commercial activities in space which seemed like science fiction only a short time ago. The Government of Bermuda welcomes this innovation and growth, and we see the commercial space industry as an important part of Bermuda's future.

Bermuda can also make valuable contributions to the global space economy. As a highly transparent, blue-chip jurisdiction with an excellent regulatory and compliance reputation, we are an ideal place to establish a space or satellite business. We have a long history of government-industry collaboration, which we are prepared to draw on to develop new regulatory frameworks that support the growth of space and satellite businesses while ensuring Bermuda is able to meet our international obligations and serve as a responsible member of the global space community.

Bermuda has decades of involvement in the global space and satellite industry with leading companies having domiciled on-island. The focus is now on advancing space insurance, international spectrum regulation, space sustainability, small satellites, and earth station regulations.

The Government of Bermuda recognizes that the commercial space industry is undergoing a period of unprecedented innovation and growth. This is creating new revenue streams and job opportunities in the industry. The Government has developed Bermuda's National Space Strategy to seize these opportunities for the benefit of all Bermudians.

This Strategy presents a vision for Bermuda’s domestic space industry in the year 2025 and lays out a plan to achieve that vision. It outlines priority industry areas for Bermuda, based on anticipated benefits, including the following:

- Satellite communications;
- Remote sensing/earth observation;
- Space insurance;
- Space situational awareness and debris monitoring; and
- New space (e.g. on-orbit servicing, asteroid mining)

Renewable Energy

The Government is committed to shaping Bermuda as a centre for innovation. We have a reputation for innovation in the insurance sector, developing opportunities in Fintech, and we now want to be a centre for innovation in the Energy sector. As part of Bermuda's Economic Recovery Plan, creating an energy regulatory sandbox enables new renewable energy technology developers to test their products in Bermuda, allowing Bermudians the potential to access new technology. It also aligns with our effort to reduce the energy cost to benefit both residents and businesses.

Bermuda's first Integrated Resource Plan outlines the approach for the island's energy requirements over the next 20 years. Opportunities exist for companies to contribute to a future where 85% of the island's electricity supply is generated from renewable sources by 2035. The reason for the introduction of the Energy Regulatory Sandbox, is to begin exploring possible clean and renewable energy solutions for Bermuda. It also encourages much-needed inward investment and allows space for innovators to test their technology. The sandbox encourages companies serious about pursuing innovative technologies in the energy sector to come to Bermuda.

Action items:

- Increase activities focused on attracting and connecting the investing business to the location, and facilitating and hosting visits;
- Target specific sectors and companies with a view to stimulating investment leads;
- Enhance activities aimed at providing a good reception and soft landing support for investors that have made the decision to invest;
- Encourage local portfolio allocation by pension funds to supply domestic capital for local investments; and
- Ensure the legislative and policy framework supports investment in identified areas.

Strategic Initiative: Enhance and Promote High-net-worth Services

Bermuda has long been a premier jurisdiction for trusts, family offices and other private client structures.

Trust

As one of the first international trust jurisdictions, Bermuda has a superior regulatory framework, and judicial system, as well as internationally recognised trustees and lawyers that serve a broad spectrum of international businesses and high-net-worth clients. Bermuda remains a preferred jurisdiction in which to establish and maintain trusts (and increasingly, family offices). Bermuda's courts and regulatory regime carefully balance privacy with the objective of maintaining appropriate regulation to preserve Bermuda's stellar reputation as a premier international finance services jurisdiction.

Bermuda is a leading trust jurisdiction that has been providing fiduciary services for private clients for more than 100 years. It provides many attractive structures, including the ability to create trusts that have an indefinite period of duration coupled with strong asset protection legislation.

Family Offices

Bermuda has long been a premier jurisdiction in which to establish and maintain single and multi-family offices. Bermuda's regulatory regime carefully balances privacy while ensuring the highest standards of global compliance supported by experienced and internationally recognised advisors.

With so many jurisdictions actively targeting family offices, a comprehensive approach is necessary to ensure that Bermuda's product offering remains competitive with other jurisdictions. A family office is one built on relationships – amongst the family and its trusted employees and other advisors. Wealth management and succession plans incorporate the family's needs today and in the future. These families plan for centuries at a time. Therefore, family office solutions should provide clear, legally certain products and incentives that can help Bermuda build jurisdictional relationships with the family office as a business and with the multi-generational family clients.

Investment trends of family offices show growing investments that incorporate environmental, social and governance ("ESG") factors, social impact investing, and innovation including digital transformation and advanced technologies such as (distributed ledger technology, digital currencies, green technology and health

technology). Family offices also continue to make investments in venture capital and private equity opportunities as well as private funds, real estate (existing and development projects) and other assets.

Bermuda aims to expand the number of family offices doing business and investing in and from Bermuda. Bermuda aims to develop a revised family office framework that will streamline processes and create additional flexibility in relation to the regulatory and corporate products currently on offer for use by family offices (and other businesses). This includes enhanced administrative service options, legislative changes and revised policy approaches.

Economic Investment and Residential Certificates

The Economic Investment Certificate and Residential Certificate Programme (EIRC) encourages and enables high net-worth individuals to make substantial economic investments in Bermuda. It is common knowledge that affluent individuals worldwide seek to live in places that meet specific criteria. They often seek safety, stability, sophisticated, connected places with a temperate climate and a well-regulated business environment. These individuals and their families have the means to make significant financial investments, develop businesses, and create job opportunities, which can benefit Bermuda and its workforce.

The Economic Investment and Residential Certificate policy is designed to stimulate economic activity, create the environment for job creation, and help market Bermuda as a place to reside and do business. The objective of the EIRC is to fully harness Immigration as one of many tools for creating economic growth for Bermuda. The EIRC program thus far has created significant economic activity and has helped market Bermuda as a place to reside and do business. Bermuda is attractive to affluent individuals because it provides safety and stability. It is a sophisticated, connected area with a temperate climate and a well-regulated business environment.

Investments may be made in one or more investment categories and benefits for investors include residency rights, among other benefits. Qualifying Investments are possible in Bermuda in any one or more of the following ways (not exclusive):

1. Purchase Bermuda real estate (residential or commercial)
2. Invest in the development and launch of a new Bermuda based business;
3. Purchase Bermuda Government bonds;
4. Contribute to Bermuda's Sinking Fund;
5. Contribute to the newly established Bermuda Trust Fund;

6. Donate to a Bermuda Registered charity;
7. Make a direct or indirect equity investment in an existing Bermuda based business, excluding exempted undertakings; or
8. Invest in such other social or useful ventures that benefit Bermuda, as may be determined by the Minister.

Action Item:

- Execute marketing campaign and educational awareness to promote the high networth services;
- Enhance activities aimed at providing a good reception and soft landing support for investors that have made the decision to invest;
- Target sources of potential growth: Law Firms –Private Client Lawyers/ Advisors, Accounting Firms, and Investment Management Firms;
- Target specific markets as sources for growth of Bermuda’s trust and private client industry: London, New York, Miami for LATAM business, Geneva and Zurich; and
- Operationalise the Bermuda Trust Fund.

Strategic Priority 3: Entrepreneurship and Small Business Development

The Bermuda Economic Development Corporation supports new and existing businesses with education, guidance, advocacy, networking and financing. The organization's key objectives are to assist the Government in encouraging economic growth for Bermuda's local micro, small and medium-sized businesses and to facilitate the growth and sustainability of a thriving world-class entrepreneurial ecosystem in Bermuda.

As Bermuda embraces the normalcy in living in a post-pandemic world, the Island's entrepreneurial ecosystem has grown substantially, showcasing the resilience, creativity, aspiration, innovativeness, and inspiration of our small and medium-sized enterprises (SMEs) who continue to be the lifeblood of our economy.

Bermuda was founded on a legacy of entrepreneurship. This entrepreneurial legacy continues today, and our island's SMEs will be at the forefront of driving Bermuda to success in the future. Bermuda is evolving into a hotbed of entrepreneurial activity driven by the needs of local and international entrepreneurs. The emergence of incubators and accelerators is a vital indication of this. Despite adversity faced by the industry, Bermuda's entrepreneurial spirit in its SMEs has not faltered.

The Department of Statistic's 2021 Annual Employment Survey highlighted that although the Island had experienced close to 200 business closures during the pandemic, SMEs continued to make up many businesses in Bermuda, and remained committed to entrepreneurship despite the economic impacts of Covid-19 on the Island. Some 86% (3,308) of the 3,834 surveyed companies were small businesses with between 1 and 9 employees, with 11% (413) classified as medium-sized with staffing levels between 10 and 49 employees. Therefore, only a small proportion of 113 businesses (3%) identified as large companies with 50+ employees.

Opportunity for the Expansion of Entrepreneurship and Business Ownership

In 2022, BEDC commissioned a representative survey of its clients and stakeholders to hear their views on business and entrepreneurship in Bermuda. Most respondents were current business owners while half of them were interested in starting a new business venture within the next two years showing this embedded culture of serial entrepreneurship. One of the key reasons for wanting to start a business was identifying a market opportunity consistent for both current business owners and those interested in starting a new business.



BEDC also commissioned a survey of Bermuda residents in 2022 to understand the public's thoughts on business ownership and entrepreneurship. The survey confirmed Bermuda's residents are highly entrepreneurial, with one quarter (27%) having owned a business at some point in their lives. It also revealed that business owners tend to be older (over 55 (36%); ages 35 – 54 (26%); ages 18 – 34 (16%)) and male (34%) compared with female residents (20%), which presents opportunities for us to continue to expand our ecosystem and catalyse more young people and more women to consider entrepreneurship as viable career choices.

The survey also highlighted that notwithstanding the challenges over the last few years residents still want to start a business. In fact, a quarter of residents surveyed indicated they are likely to start up a business in the next three years. Even more interesting was that black residents were nearly twice as likely (27%) as white residents (15%) to do so within that period. This survey also confirmed that Bermuda has a strong entrepreneurial mindset within its population. Those who had owned a business before were more likely to think about opening a new business in the future (37%) than those who had never owned a business (20%).

Action Items:

- Develop an entrepreneurship policy framework which includes:
 - formulating a national entrepreneurship strategy;
 - optimising the regulatory environment;
 - enhancing entrepreneurship education and skills development;
 - facilitating technology exchange and innovation;
 - improving access to finance; and
 - promoting awareness and networking.
- Increasing the skills and expertise of those who support the entrepreneurial ecosystem
- Launch an online business registration and licensing portal
- Improve Bermuda's entrepreneurial ecosystem
 - Expansion of incubator and accelerator services
 - Increase start-up and support services

Strategic Priority 4: Continued Execution of the Economic Recovery Plan

The Economic Recovery Plan (ERP) was developed in 2020 as a response to the economic downturn caused by the pandemic. The plan combines fiscal responsibility with a clear path to growth, employment and greater economic equity.

Bermuda's ERP aims to produce jobs, increase GDP and, combined with other measures, lead us to a sustainable future. The 31 policy initiatives under the ERP are prioritized to focus on areas with the highest impact on Bermuda's medium-term economic growth and employment. These 31 initiatives have been broadly grouped into seven (7) core themes:

1. **Diversifying Bermuda's economy** through growth of new industries with co-investment from the private sector (including allowing Bermudians themselves to invest) – e.g. medical tourism, vertical farming, SME marketplace, residential schemes, casino industry, sub-sea communications, and the Space Strategy;
2. **Making financial markets work** better for businesses and consumers – e.g. lowering interest rates, COVID-19 SME support, National Digital Bank;
3. **Building critical new infrastructure** or enhancing existing infrastructure – e.g. Shoreside facility for fishing, water and waste management facility, electric vehicle recharging;
4. **Expanding the resident population** – e.g. through short-term measures such as the introduction of the Economic Investment Certificate, as well as medium-term initiatives such as regularising the position of long-term residents and making it easier for Bermudians born overseas to return home;
5. **Introducing labour market reforms and social development measures** to deliver skills, employment and economic security in the future economy – e.g. execution of a jobs strategy and youth employment strategy, establishing national unemployment insurance, and implementation of minimum and living wage legislation;
6. **Reforming the delivery of healthcare** – e.g. through the introduction of an affordable universal healthcare system and by reducing the cost of medicines; and
7. **Developing supportive legal and regulatory frameworks** – e.g. energy regulatory sandbox, digital/FinTech, and marine development zone.



International benchmarks suggest that successful implementation of these policies should deliver 1.3 - 1.5% per annum above baseline economic growth from 2023, leading to an improvement in Bermuda's fiscal position.

Strategic Initiative: Development and Execution of Project Plans

Strong quality assurance, governance, and monitoring processes will be necessary to effectively implement the ERP and evidence 'value for money' with respect to the policy priorities. An implementation plan, consistent with international best practices, has been drawn up. Implementation will be led by the ERP Project Management Office ("PMO") within the Ministry of Economy and Labour reporting to the Cabinet Committee on Economic Development. A dedicated PMO was established in June 2022 to ensure successful implementation of all the initiatives under the ERP; working to monitor, and track and lend assistance where required.

The public can view the ERP updates at www.gov.bm/economicrecovery where they are listed under the seven main themes.

Action Items

- Align actions in order to accelerate the economic outcomes;
- Refine objectives and develop the vision for the lead initiatives;
- Develop a structured and aggressive "execution" of action plan for all initiatives;
- Develop and implement marketing plans to leverage the legislative initiatives achieved under the Plan; and
- Confirm resource allocation applicable to each initiative.

Strategic Priority 5: People

Ensuring we have a skilled Local Workforce

The main purpose of workforce development is to equip the workers within the local labour market with the necessary tools required to remain competitive. Investing in the local workforce will also encourage both local and international firms domiciled in Bermuda to consider hiring within the local talent pool.

Investing in the local workforce has many economic benefits for both employers and employees. For employers, workforce development programs help businesses to accelerate the development of talent while reducing frontline shortages. For employees, these programs provide a cost-effective way to re-tool, upskill, and earn additional degrees and certifications. Developing the skillsets of the local workforce will enhance the local economy by:

- Encouraging Bermudians to remain competitive in the labour market
- Facilitating an environment for a high quality workforce adding another feature to Bermuda's already attractive business jurisdiction; and
- Improving the ability of Bermudians to participate in the local economy

Strategic Initiative: Execution of National Workforce Development Strategy

The purpose of the Workforce Development Plan is to lay the foundation for a 21st century workforce development system for Bermuda - a system that has the primary aim to connect people with jobs. For Bermuda's workforce development system to achieve its desired objectives, the development of a new Workforce Development Plan was critical. This Workforce Development Plan allows the Government to:

- Set direction and priorities;
- Get everyone on the same page;
- Simplify decision-making;
- Align resources; and
- Communicate our message.



It is not enough just to create more jobs; Bermudians must be given a fair shot at the jobs that already exist. Opportunities to prepare Bermudians with skills to enter the job market are a key step in getting our young people employed. The Workforce Development Plan will ensure that Bermudians are prepared for the world of work.

The Government has identified six (6) main focus areas that will improve Bermuda's workforce development policies, programmes, and outcomes as follows:

1. Employer and Industry Engagement
2. Alignment of the Workforce Development System
3. Creation of Career Pathways
4. Youth Workforce Programmes
5. Universal Access to Education, Training and Career Services
6. Adequate Allocation of Government Resources and Funding

Action Items:

- Create a National Workforce Development Advisory Board to monitor and advise on execution of the Strategy

Strategic Initiative: **Execution of Youth Employment Strategy**

The Youth Employment Strategy aims to address unemployment by facilitating greater opportunities and educational pathways for all young Bermudians between 18 – 26 years old. In an effort to address the current and future demands of the labour market, the Ministry of Economy and Labour has developed a strategy to ensure our young people are prepared for the current and future world of work. The Youth Employment Strategy aims to support:

- Young people in education
- Underemployed youth
- Unemployed youth
- Vulnerable Youth
- Youth requiring additional support (including persons with physical and mental disabilities)

The Youth Employment Strategy is designed to support Bermuda's youth and to create pathways to employment opportunities. The Strategy consists of nine goals and 16 strategic initiatives that aim to:

- Facilitate access to training and employment opportunities for Bermuda's youth;
- Provide career guidance and resources for Bermuda's youth;
- Support access to work experience opportunities such as internships, traineeships and apprenticeships;
- Motivate Bermuda's youth to develop the highest level of proficiency in their chosen field;
- Ensure that qualified and competent young people are provided opportunities for development, mentoring, coaching and growth to support promotion within their chosen career; and
- Remove entry level barriers for young people seeking employment.

The Youth Employment Strategy will leverage existing mechanisms in place to prepare our young people for successful careers and gainful employment.

Action Items:

- The DWD will increase internal capacity and leverage external resources to create an implementation and execution strategy;
- Increase engagement and communication with Bermuda's youth; and
- Monitor progress and execution of initiatives.

Strategic Initiative: Execution of Personal Employment Plans

Personal Employment Plans

Personal Employment Plans form an important part of Financial Assistance Reform. Personal Employment Plans will illustrate a pathway towards obtaining sustainable employment. Goals and objectives will be agreed and set. Ancillary services will be involved in this collaborative effort to ensure success.

The Plan is an agreement between the client, the Department of Workforce Development and the Department of Financial Assistance which outlines a commitment to comply with the Plan and reach identified goals.

Elements of the Plan include a comprehensive needs assessment which consists of an Intake interview and one-on-one coaching support (3-5 hours) with career coaches/human resource professionals. This assessment outlines the client's employment goals, action steps, required resources and timelines for meeting each objective and assists the Career Development Section to help the client with future employment and job retention.

The Plan also identifies barriers to employment and skills and career assessment needs. Areas identified for development will shape the client's Plan. The Personal Employment Plan outlines employment goals, action steps, required resources and timelines to meet each objective. Additionally, there may be a need for health and emotional services such as a referral to a substance abuse facility, mental health facility, and Bermuda College for upskilling.

Action Items:

- Coordinate efforts of the Department of Financial Assistance and the Department of Workforce Development to strengthen the probability of success for participation in the Personal Employment Plan.
- Collaboration with Department of Financial Assistance staff to ensure that abled disabled individuals are provided with equitable access to the range of employment services that is available to others without disabilities.
- Provide adequate resources to increase and support all training offered to all Personal Employment Plan participants.
- Provide a dedicated administrative resource, for clients for the effective execution on all programme deliverables of the Personal Employment Plan.

Strategic Initiative: Creation of a National Certification and Apprenticeship Board

The National Certification and Apprenticeship Board will focus on the administration of national certification, development in much needed skills in trade and increase promotion and advocacy for apprenticeship schemes that benefit Bermudians. The Government recognises the importance of a Board that is responsible for certifications and training having clearly defined functions to enable the establishment and delivery of apprenticeship education programs, the issuance of national certification credentials and the governance of skilled trades in Bermuda.

Skilled Trades

The development of the skilled trades is essential for the growth, sustainability, innovation and success of the economy. Skilled trades refer to a variety of occupations that require specialized training, knowledge, and experience to perform effectively. These trades include, but are not limited to sectors such as Agriculture, Construction, Transportation, Professional Services and Manufacturing. Furthermore, skilled trades offer a viable career path for many individuals who are interested in pursuing a career in a hands-on, practical field or may not have a college degree. These careers can provide a steady income, job security, and opportunities for growth and advancement.

Action items:

The Board will:

- Develop strategies to address the labour shortage in the skilled trades sector;
- Simplify access to services for all skilled trades and apprenticeship clients;
- Improve access to skilled trades;
- Promote and improve public perception of the trades as a career of choice; and
- Increase diversity in skilled trades

National Certification

The Department of Workforce Development continues to be steadfast in its commitment to formalize training and the awarding of National Certification to enable Bermudians to retool and upgrade their skill sets. This process is a career pathway for Bermudians to become certified and to obtain the credentials required by industry

and employers for employment opportunities in vocational, technical and trade occupations in the local workforce. National Certifications will enhance the quality of workmanship in Bermuda and produce greater opportunities for Bermudians who obtain relevant qualifications in their designated trade.

Action Items:

The Board will:

- Issue Certificates of Qualification in all trades with certifying exams
- Renew Certificates of Qualification in compulsory trades
- Maintain a Public Register of people authorized to work in compulsory trades

Apprenticeships

Apprenticeships are structured employment based training programmes typically of two (2) to five (5) years duration that lead to the apprentice becoming qualified in their chosen occupation. They are contracts between apprentices and employers in which the apprentices exchange labour for practical training in the workplace. The apprentices spend most time obtaining training in the workplace, but also attend a technical institution to secure academic components of the programme.

Apprenticeships are established by the National Training Board after application and consultation with employers or persons wishing to employ apprentices or trainees. Apprenticeships and traineeships should be beneficial to both the apprentices and trainees and the employers. The employer enjoys the opportunity to train the apprentice/trainee as an employee to meet the needs of the company and to take on the apprentice/trainee for a fixed period before making a commitment to employ him on a permanent basis. Apprenticeships and traineeships give the apprentices and trainees the opportunity to:

- Achieve vocational, work based qualifications;
- Learn on the job;
- Build up knowledge and skills;
- Have a job, earn a wage and receive structured training; and
- Gain qualifications necessary for registration in the occupation.

Action Items:

The Board will:

- Promote and mainstream quality apprenticeships within Bermuda;
- Facilitate access to further vocational and higher education opportunities for apprentices;
- Ensure adequate financing is allocated to apprenticeships;
- Facilitate effective public–private partnerships to support quality apprenticeships within a national regulatory framework; and
- Facilitate the participation of intermediaries in the provision, coordination and support of apprenticeships, where appropriate;

Strategic Initiative: Build Technological Expertise Within the Local Workforce

Bermuda is nurturing a burgeoning fintech space. This has created a diverse ecosystem and presents an opportunity for the community to embrace technology and increase overall technical competency.

It is critically important that we build an informed, skilled, and connected talent pool for Bermuda's labour force. Having a community that is comfortable with Bermuda's tech sector by partaking of its products and services and joining its workforce will aid to consolidate Bermuda's position as a global leader in tech and Fintech.

Active and deliberate inclusion of all who are willing and able to join Bermuda's technology sector is a strategic aim. It is imperative that as many Bermudians as possible be invited to take part in and benefit from the growth of the new economic sectors that are coming on board.

Technology education and training programmes facilitated by the Government and private sector will encourage inbound investment to participate in nurturing the skilled workforce that is required to flourish and contribute to the economy.

The Government's Economic Development Department has developed the education and training programme for the Island's burgeoning Fintech sector. The plan includes:

Internships - Make internship opportunities available to Bermudian students and non-students.

Scholarships - Make scholarships available to Bermudian students and non-students who wish to benefit from formal training.

Hosting/Networking - mentor, dispel myths, and inform students and non-students who are considering this sector for their career.

Seed Money/ Sponsorships - Injection into Bermuda based tech and fintech startups and not-for-profit projects.

Webinar Series/ Podcast and media columns- Increase tech education via media

Workshops - Industry leaders, business executives lead workshops. Lunch & Learn sessions, and happy hour about their area of expertise.

Skills Development, foundational learning and enhanced access to knowledge and fostered entrepreneurship are the building blocks required to nurture a community of knowledgeable end-users who feel comfortable engaging with the Technology sectors.

Action Items

- Promote Information and Communications Technology (ICT) and computer studies, training courses and certification programs
- Create occupational profiles and career pathways for current and future tech jobs (i.e. Artificial intelligence, computer engineering etc.)
- Share information and arrange for subject-matter experts to speak directly to the Bermuda-based learner, worker, and consumer;
- Celebrate the Bermuda-based entrepreneurs who continue to innovate and lead the charge locally, and foster an ecosystem that is supportive of e-entrepreneurship; and
- Nurture an environment where industry leaders are easy to reach and provide realistic role models, mentors, and innovative employers.

Strategic Initiative: **Increasing the Working Population**

Current statistics show that demographics are working against Bermuda in terms of total population and demographic profile. Even more concerning is the strong correlation between economic growth (GDP) and the structure of the labour force. The anticipated decline in Bermuda's labour force will directly impact Bermuda's GDP growth over the coming years. One of the biggest contributors to the contraction in the labour force is Bermuda's ageing population. Older residents are now becoming an expanding portion of the population at a rapid rate. An ageing population and continued emigration have created a challenge for achieving a sustainable future workforce.

The Ministry of Economy and Labour's Position Paper (the "Position Paper"), on *Addressing the Challenge of an Aging Population and Driving Economic Growth by Increasing the Working Population* highlights that Bermuda's shrinking and aging population will not be able to support the economy in the future.

The Position Paper explains that in 2017 the old age dependency ratio for Bermuda was 28.0 and that by 2026 it is projected to soar to 43.6, which is significantly higher than the projected OECD average of 35.4. This means that there will be 44 seniors (65 years and older) for every 100 people of working age (20 – 64 years), strongly indicating that the working population needs to increase.

According to the Position Paper, it is Government's intention to bring Bermuda's old age dependency ratio in line with the OECD average by increasing the working population by approximately 8,418 persons, or approximately 1,684 persons per year for the next 5 years.

Local Workforce Retention and Reducing Migration

Bermuda has experienced increasing levels of emigration, particularly to the UK. Migration is a social phenomenon caused by a broad variety of reasons including the search for better economic or educational opportunities. While the Government cannot prevent people from leaving, there are strategies that it can adopt to create and maintain social and economic ties with the Bermudian diaspora—and to incentivise return.

Bermuda must promote stability, education and employment opportunities and reduce the drivers of forced migration. The collection, analysis and use of credible data and information on, among other things, demographics, cross-border movements, internal displacement, diasporas, labor markets, seasonal trends, education and health is essential to create policies based on facts, that weighs the benefits and risks of migration.

Action items:

- Understand who is leaving and why: commission research to better understand what motivated emigrants to leave – and what would entice them to return. This could be based on, for example, individual interviews, focus group discussions, surveys.
- Develop targeted programmes for retaining and attracting repatriated workers.
- Keep track of persons in school abroad and liaise with industry partners to identify jobs and pair interested persons with businesses in Bermuda
- Provide incentives and repatriation support for persons who choose to return and work in Bermuda.
- Retain able-bodied and capable workers over 65 years of age within the workforce: provide incentives to businesses that retain workers past the age of 65.

Enabling Economic Growth through Immigration

In addition to ensuring that every able-bodied Bermudian has an opportunity to participate in the workforce, the Government will utilize net immigration as one of its solutions to ensure that there is enough labour to support Bermuda's ageing population and growing economy.

Bermuda must utilise immigration as a lever for greater economic activity and sustainable workforce. Barriers that prohibit immigrants from fully participating in the Bermudian economy must be reviewed and removed where practical and possible. There are clear economic development impacts of immigration. Bermuda needs to create an environment that allows immigrants to flourish in the workforce, invest in the economy, and create jobs through entrepreneurship and business investment.

The Government is clear that Bermuda must find ways to retain its current workforce and residential population as well as develop an environment that welcomes new entrants into the economy.

Action Items:

Residential and Workforce Retention:

- **Amendments to the Bermuda Immigration and Protection Act:** Lower eligibility requirements for individuals to obtain Permanent Resident Certificates
- **Amendments to the Jobs Makers Act:** Develop a point system for Job Makers company concession applications

Attracting new Residents:

Amendments to Work Permit Policy:

- Automate work permit applications
- Create expedited work permit processing pathway for high-demand globally competitive occupations and renewals
- Amend income criteria for spouses of work permit holders to reside and seek employment in Bermuda
- Review and revise restricted occupational categories; and
- Create standardised labour force Memorandum of Understanding for all major development projects

Encouraging Investment:

Encourage non-Bermudian Residents to invest in Businesses

- Amend requirements of Registration of Companies to reduce red tape.
- Allow permanent residents to be considered as “qualifying person” as it pertains to local business ownership.
- Promote the Global Entrepreneur Work Permit.
- Engage former residents and business leaders as potential sources of new capital

Improving Immigration processes

- **Reform the immigration Board to be an independent advisory structure.** The purpose is to set high-level policy directions and advise the government on immigration reforms.
- **Scheduled policy reviews.** Define and track relevant indicators that can be incorporated into monitoring and evaluation. Such an evaluation should include a process evaluation and impact evaluation. This work will be at the direction of the Board of Immigration.
- **Digitization and Automation of Immigration Processes.** To fulfil its mandate, the Department of Immigration’s six (6) information technology (IT) systems, most of which are nearing redundancy, negatively impacts workflow efficiency. The Government will continue the work of enabling a secured electronic means for the submission of all types of applications and the issuance of documents.

Strategy Implementation Oversight

Bermuda's Economic Development Advisory Board (EDAB) will provide the Ministry of Economy and Labour with ongoing strategic guidance on the implementation of the Economic Development Strategy.

EDAB will set key performance indicators and regularly monitor and evaluate the progress of Bermuda's economic strategic priorities. To evaluate the effectiveness of this plan over time, metrics will be tracked and reported on a regular basis to determine the effectiveness of the initiatives outlined in the Strategy. Based on the results, adjustments and refinements to the plan can be made to ensure continued progress towards the desired outcomes.

