

Bermuda

COUNTRY PROFILE

Historical profile

1503 A Spaniard, Juan de Bermudez, sighted the islands.
1609 Settled by the British.
1612 A charter was given by James I to the Virginia Company to include Bermuda in the dominion. The first permanent settlers arrived shortly afterwards.
1684 The islands were sold to the City of London and became the property of the Crown.
1620 Bermuda was granted limited self-government when the House of Assembly was formed.
1700s Bermuda developed links with the American colonies of North America.
1815 Hamilton was named the capital city.
1834 Slavery was abolished.
1940 An agreement between the US and Britain granted about 10 per cent of Bermuda's land to the US for military use.
1963 The first political party was formed.
1968 Bermuda was granted internal self-government. The first elections held under universal adult suffrage were won by the United Bermuda Party (UBP).
1998 The UBP lost power for the first time since 1968 when the Progressive Labour Party (PLP) won the general election under Jennifer Smith. She was the first female party leader.
2001 Regulation of the insurance sector was moved from the ministry of finance to the Monetary Authority, in order to increase the transparency of the sector.
2002 The Bermuda Companies Amendment Act simplifying the procedure for forming companies came into effect.
2003 PLP won parliamentary elections. Following an internal PLP revolt, Premier Jennifer Smith resigned and Alex Scott became premier. Hurricane Fabian, the most powerful storm since the 1950s, hit the islands and caused widespread destruction. A Constitutional amendment introduced 36 single seat constituencies within the islands (from the previous 20 dual seat constituencies).
2004 The PLP published plans for independence from the UK.
2005 Bermuda entered into a tax sharing agreement with Australia, only the second agreement signed after the US; it allows requests and information on specific tax

matters under investigation or audit to be passed between states.
2006 Ewart Brown became premier, having replaced Alex Scott as leader of the PLP.
2007 Sir John Vereker retired and Sir Richard Hugh Turton Gozney became governor.
2008 The newly elected PLP government scrapped the public holiday on the Queen's official birthday, to be replaced by a National Heroes' Day (in October).
2009 The Organisation for Economic Co-operation and Development (OECD) added Bermuda to its 'white list' of countries and territories that had substantially implemented internationally agreed tax standards, after it had signed 12 tax information exchange agreements (TIEA) with various countries.
2010 Premier Brown gave his farewell speech in the last session of parliament, ahead of his retirement. Paula Cox (PLP) took office as premier. Bermuda signed a TIEA with China.
2011 Bermuda signed a TIEA with the Czech Republic in February and with Indonesia in June. A new political party, One Bermuda Alliance (OBA), was formed in May from defecting members of the UBP and BDA.
2012 On 18 May, Richard Gozney left office as governor and David B Arkley became acting governor. The Department of Tourism published figures on 31 August that showed tourism spending had declined by between US\$19–25 million (January–July) 2012, as visitors cut back on most aspects of holiday personal spending. General elections were held on 17 December. The OBA won 51.7 per cent of the vote (19 seats out of 36), PLP won 46.1 per cent (17). Craig Cannonier (OBA) became prime minister on 18 December.
2013 On 1 May Bermuda, along with the British Virgin Islands, the Cayman Islands, Anguilla, Montserrat and the Turks and Caicos Islands, signed a tax sharing agreement with the tax authorities of

KEY FACTS

Official name: Bermuda

Head of State: Queen Elizabeth II; represented by Governor George Duncan Raukawa Fergusson (from 23 May 2012)

Head of government: Craig Cannonier (OBA) (from 18 Dec 2012)

Ruling party: One Bermuda Alliance (OBA) (from 2011; elected 18 Dec 2012)

Area: 55 square km

Population: 69,080 (2011) (64,237; census figure 2010)

Capital: Hamilton

Official language: English

Currency: Bermudan dollar (BD\$) = 100 cents

Exchange rate: BD\$1.00 per US\$ (fixed)

GDP per capita: US\$31,850 (2011)

GDP real growth: -3.50% (2011)

GDP: US\$2.06 billion (2011)

Inflation: 2.70% (2011)

France, Germany, Italy, Spain and the UK.

Political structure

Form of state

Representative democracy; crown colony of the UK.

The executive

Bermuda has had a broad measure of internal self-government since 1968.

Queen Elizabeth II is represented by a UK-appointed governor who is responsible for defence, external affairs and internal security. The governor is guided on most internal matters by a cabinet appointed from the bicameral legislature.

The prime minister is chosen from the majority party and heads a cabinet of no more than 14 members of the legislature.

National legislature

The bicameral parliament comprises the House of Assembly (lower chamber), with 36-members, directly elected in single seat constituencies, for a maximum term of five years.

The Senate (upper chamber), has 11 senators, appointed by the governor, of which five are appointed on the advice of the premier, three on the advice of the leader of the opposition. The remaining three are appointed at the discretion of the governor, one of which becomes president of the senate, as voted on by the senate. The senate has the power to block constitutional changes, passed by the lower chamber, unless a two-thirds majority in senate votes in its favour.

Legal system

The legal system and Bermudian law are based on the British model. The ultimate court of appeal is the Judicial Committee of the Privy Council in the UK.

Last elections

17 December 2012 (parliamentary)

Results: Parliamentary: One Bermuda Alliance (OBA) won 51.7 per cent (19 seats out of 36), Progressive Labour Party (PLP) 46.1 per cent (17), independents 2.3 per cent (none); turnout 43.7 per cent.

Next elections

December 2017 (parliamentary)

Political parties

Ruling party

One Bermuda Alliance (OBA) (from 2011; elected 18 Dec 2012)

Main opposition party

United Bermuda Party (UBP)

Political situation

Despite its small size and negligible resource base, Bermuda has one of the highest per capita incomes in the world. The economy is based upon tourism and international business transactions, which take advantage of Bermuda's offshore banking status.

Inflation has been kept low through the policy of fixing the Bermudan dollar at

parity with the US dollar. Bermuda has low levels of public debt and although borrowing has risen due to an increase in capital spending, debt remains well below the government's ceiling of 10 per cent of GDP.

The image of tax havens, such as Bermuda, suffered in 2008 as evidence of tax evasion schemes came to light. Coupled with the downturn in the global economy in 2008 and the collapse of some hedge funds, Bermuda has been forced to work harder for its share of the US\$2 trillion worldwide hedge fund business, as well as offshore banking and insurance business. Some company headquarters have been moved to other less questionable destinations to bolster company images, prompting Bermuda to introduce new laws to provide greater transparency and good governance.

Following the enactment of a new regulatory framework in 2008, in June 2009 the Organisation for Economic Co-operation and Development (OECD) added Bermuda to its 'white list' of countries and territories that had substantially implemented internationally agreed tax standards. Bermuda had by then signed 12 tax information exchange agreements (TIEA) with various countries. The Bermuda Monetary Authority set up a supervisory regime to oversee Special Purpose Insurers (SPI) in October 2009. In particular, SPIs include catastrophe or cat bonds that insure against extreme events where losses are particularly high.

Population

69,080 (2011) (64,237; census figure 2010)

Last census: 20 May 2010: 64,237

Population density: 1,280 inhabitants per square km. Urban population: 100 per cent.

Annual growth rate: 0.8 per cent (2003)

Ethnic make-up

African (58 per cent), European (36 per cent). Approximately 73 per cent of the population is Bermuda-born.

Religions

Non-Anglican Protestant (39 per cent), Anglican (27 per cent), Roman Catholic (15 per cent), African Methodist Episcopal (10 per cent), Methodist (6 per cent), Seventh-Day Adventist (3 per cent).

Welfare

An insurance scheme takes contributions from the employer and employee to benefit workers during sickness or disability, for maternity leave or survivors of deceased workers, funded by contributions of a set amount, paid by both the employer and employee, each paying 50 per cent of the sum per week.

Pensions

There is an old age pension scheme funded by contributions of a set amount, paid by both the employer and employee, each paying 50 per cent of the sum per week.

Main cities

Hamilton (capital city, estimated population 1,012 in 2012), St George's (St George's Island) (1,743).

Languages spoken

English and Portuguese.

Official language/s

English

Media

Press

Dailies: The only newspaper is *The Royal Gazette* (www.royalgazette.com).

Weeklies: Magazines include the *Bermuda Sun* (www.bermudasun.bm) and the *Mid-Ocean News* published by *The Royal Gazette*. *Worker's Voice* is published by the Industrial Union.

Periodicals: Monthly magazines include *Bermudian* and *Bermudian Business*. *Preview Bermuda*

(www.previewbermuda.com) is a free publication for visitors. *Bottom Line* covers business matters and is published six times annually and issued free with *The Royal Gazette*.

Broadcasting

Radio: All stations are private and commercial. The Bermuda Broadcasting Company (BBC) operates four of the most listened to stations, providing a mix of programmes including news, music and local contents, however, the top ranking station is HOTT 107.5

(www.hott1075.com). VSB operates four channels including news, religious, music and tourist information. Radio Bermuda (www.marops.bm) gives shipping weather forecasts.

Television: There are two main networks, both commercial and free-to-air. The Bermuda Broadcasting Company (BBC) and DeFontes Broadcasting (Television) Ltd (www.vsb-bm). There is ready access to satellite and cable TV services.

Other news agencies: Caribbean Net News: www.caribbeanetnews.com

Economy

Despite its small size and negligible resource base, Bermuda has one of the highest per capita incomes in the world (US\$89,097 in 2011). The economy is based on high-end tourism and international business transactions, which take advantage of Bermuda's offshore banking status. In 2010, GDP was US\$5.7 billion in 2008, 62.5 per cent of GDP was generated through trade. Inflation fell from 5.7 per cent in 2007 to 2.7 per cent in 2009 and -0.1 per cent in 2010.

The Bermudan dollar has parity with the US dollar. Bermuda has low levels of public debt and although borrowing has risen due to an increase in capital spending, debt remains well below the government's ceiling of 10 per cent of GDP.

Foreign remittances in 2009 amounted to US\$1.3 billion, which rose to US\$1.4 billion in 2010 and was estimated to have remained constant at US\$1.4 billion in 2011.

Following the enactment of a new regulatory framework in 2008, the Bermuda Monetary Authority set up a supervisory regime to oversee Special Purpose Insurers (SPI) in 2009. In particular, SPIs include catastrophe or 'cat bonds' that insure against extreme events where losses can be particularly high.

External trade

The large trade deficit is offset by net invisible earnings from tourism and international business, especially insurance and shipping registration. High import duties on all items are the government's main source of income.

Imports

Principal imports include foodstuffs, tobacco, clothing, fuels, chemicals, machinery, transport equipment, and live animals.

Main sources: US (typically 31 per cent), South Korea (27 per cent), Brazil (7 per cent).

Exports

Principal exports include foodstuffs, tobacco, clothing, fuels, chemicals, machinery, transport equipment, and live animals, pharmaceuticals and petroleum.

Main destinations: France (typically 66 per cent total), Spain (12 per cent), UK (5 per cent).

Re-exports

Pharmaceuticals and petroleum, machinery and transport equipment.

Agriculture

Agriculture contributes about 1 per cent to GDP annually. Less than 6 per cent of total area is cultivated arable land, most of which is used by tenant farmers for growing fruit, vegetables and flowers. Although self-sufficient in eggs and milk, around 80 per cent of food requirements need to be imported. There is a small fishing industry. The typical annual fish catch is over 350t, plus 25t per annum other seafood.

Industry and manufacturing

Manufacturing and construction combined contribute around 10 per cent to GDP and employ less than 5 per cent of the workforce. Major activities include ship repair, small boat building and manufacture of paints, perfumes, pharmaceuticals, mineral water extracts and handicraft souvenirs. The emphasis is

on encouraging light industry in the Freeport area on Ireland Island North. Bermuda has large marine engineering interests, and operates one of the world's largest flag of convenience shipping fleets.

Tourism

Tourism, formerly the mainstay of the economy, is now second to the financial sector as a source of foreign exchange. Bermuda sits in the North Atlantic Ocean, over 1,000km from the east coast of the US. It is a British Overseas Territory and retains many characteristics of the old British colony. The capital, Jamestown, is a Unesco World Heritage Site, with many historic buildings

In 2010, 585,266 visitors spent time in Bermuda, of which most arrived by cruise liners or yachts. Visitors from the US are the largest single group, followed by Canadians, then UK and other Europeans. Tourism is second only in importance to the financial sector, with 18.3 per cent of GDP in 2010. Travel and tourism provides 23.4 per cent of all jobs and US\$515 million in foreign exchange in 2010.

The department of tourism published figures on 31 August that showed tourism spending had declined by between US\$19–25 million (January–July) 2012, as visitors cut back on most aspects of holiday personal spending.

Hydrocarbons

There are no known hydrocarbon reserves. The government maintains a fixed price for petrol (gasoline) and Esso and Shell are the only companies allowed to sell retail petroleum products in Bermuda. There is a liquefied natural gas (LNG) terminal supplying gas in cylinders; the French-owned Rubis Gaz distributes liquefied petroleum gas (LPG) to retailers as well as propane and butane to residential and commercial customers.

Energy

Total installed generating capacity was 175MW in 2007, producing over 67 million kilowatt hours. The Bermuda Electric Light Company is a subsidiary of the privately owned Belco Holdings Limited. Under Belco's proposals in 2009, five large-scale renewable energy projects are under consideration, a large catchment solar photovoltaic plant, commercial wind generation, wave energy, biomass and a sealed municipal waste burning plant. Another subsidiary, Purenergy Renewables, is offering several small-scale energy systems for private and commercial use, including micro-wind generation, solar photovoltaic and solar-thermal hot water.

Financial markets

Stock exchange

Bermuda Stock Exchange (BSX)

Banking and insurance

On 1 May 2013 Bermuda, along with the British Virgin Islands, the Cayman Islands, Anguilla, Montserrat and the Turks and Caicos Islands, signed a tax sharing agreement with the tax authorities of France, Germany, Italy, Spain and the UK.

Central bank

Bermuda Monetary Authority

Main financial centre

Hamilton

Offshore facilities

In 2000, Bermuda signed a letter of commitment with the Organisation for Economic Co-operation and Development (OECD) agreeing to exchange information with overseas authorities in criminal tax matters by 31 December 2003 and in civil tax matters by 31 December 2005. Following the 11 September 2001 terrorist attacks on the US, a number of new re-insurance companies located on the island.

Time

GMT minus four hours (GMT minus three hours from April to October).

Geography

The Bermudas or Somers Islands are an isolated archipelago, comprising about 150 islands in the Atlantic Ocean about 917km (570 miles) off the coast of South Carolina, USA. Ten of the islands are linked by bridges and causeways to form the principal mainland.

Hemisphere

Northern

Climate

Semi-tropical with temperatures usually ranging between 16–28 degrees Celsius, from winter (Nov–Mar) to summer (Apr–Oct), with no marked rainy season. Bermuda is located more than 1,600km north of the Caribbean and is subjected to occasional hurricane-force winds between June and September.

Dress codes

There is no occasion on the island when shorts cannot be worn. For the office, tailored shorts of one colour may be worn, with long socks to the knees with at least an inch to turn over.

Entry requirements

Passports

Required by all visitors except UK, US and Canadian nationals with other documentary proof of identification. All US and Canadian nationals have required a passport for re-entry to their country. A return/onward ticket is required by all visitors.

Visa

Visas are not required by transit passengers and most citizens of the Americas, Europe, Australasia and some Asian countries, provided their stay does not exceed six months. For further details visit www.immigration.gov.bm, or contact a UK diplomatic or consular mission locally. All visitors must have return/onward passage. Those wishing to travel to the US must have entry clearance for the country to be visited after leaving the US.

Currency advice/regulations

There is no limit to the import of local or foreign currency, provided it is declared on arrival. The export of local currency is limited to BD\$250. The export of foreign currency is limited to the amount imported and declared.

Health (for visitors)

Mandatory precautions

Yellow fever vaccination certificate if travelling from an infected area.

Advisable precautions

Hepatitis, typhoid, tetanus and polio vaccinations.

Hotels

Reduced rates are available in the November–March period. There is a 7.25 per cent occupancy tax payable at check-out in addition to room rates, and a 10–15 per cent tip is added unless a service charge has already been included in bill.

Credit cards

Credit cards are accepted at most hotels, restaurants and shops.

Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 24 May (Bermuda Day), 11 Nov (Remembrance Day), 25–26 Dec (Christmas).

Variable dates

Good Friday, Cup Match and Somers' Day (first Thu and Fri of Aug), Labour Day (first Mon in Sep), Heroes' Day (Oct).

Working hours

Banking

Mon–Fri: 0900–1500; also 1630–1730 Fridays only.

Business

Mon–Fri: 0900–1700.

Government

Mon–Fri: 0900–1700.

Shops

Mon–Sat: 0900–1700. During summer many stores stay open until 2100.

Telecommunications

Mobile/cell phones

GSM 1900 coverage is available throughout the islands

Electricity supply

115–230V AC, 80 cycles

Getting there

Air

International airport/s: Bermuda International Airport (BDA), 16km from Hamilton; bar, restaurant, bank, shops, hotel reservations.

Airport tax: A departure tax of BD\$25 is included in air tickets.

Surface

Main port/s: Hamilton, St George's. Weekly cruises link Bermuda with several east coast US ports during the summer months.

Getting about

National transport

Road: There are around 250km of well-surfaced roads.

Buses: Regularly scheduled buses operate at frequent intervals to most destinations throughout Bermuda. Passengers must have the exact fare, tokens or transport passes which provide unlimited travel by bus or ferry which can be purchased at the Central Terminal in Hamilton.

Water: Ferries to and from Hamilton, Paget, Warwick, Somerset and Dockyard.

City transport

Taxis: Metered taxis with 25 per cent surcharge between midnight and 0600; tariffs are fixed by law. Taxis displaying a small blue flag are approved by the Department of Tourism for sightseeing purposes.

Car hire

Foreign visitors are not permitted to drive cars. Motor-assisted cycles (mopeds and scooters) may be hired throughout the island and through hotel and guest-houses. Safety helmets must be worn and insurance is compulsory, although a driver's licence is not.

BUSINESS DIRECTORY

Telephone area codes

The international direct dialling (IDD) code for +1441, followed by subscriber's number.

Chambers of Commerce

Bermuda Chamber of Commerce, 1 Point Pleasant Road, PO Box HM 655, Hamilton HM CX (tel: 295-4201; fax: 292-5779; e-mail: info@bermudacommerce.com).

Banking

Bank of Bermuda, 6 Front Street, Hamilton HM DX (tel: 295-4000, 299-5005; fax: 299-6501, 295-1386).

The Bank of N T Butterfield & Son Ltd, PO Box HM 195, 65 Front Street, Hamilton HM AX (tel: 295-1111; fax: 295-0658).

Bermuda Commercial Bank Ltd, 44 Church Street, Hamilton HM 12 (tel: 295-5678; fax: 295-8091).

Central bank

Bermuda Monetary Authority, Burnaby House, 26 Burnaby Street, Hamilton HM 11 (tel: 295-5278; fax: 292-7471; e-mail: Info@bma.bm).

Stock exchange

Bermuda Stock Exchange (BSX), www.bsx.com

Travel information

National tourist organisation offices

Department of Tourism, Global House, 43 Church Street, Hamilton HM 12 (tel: 292-0023; fax: 292-7537; internet site: <http://www.bermudatourism.org>).

Ministries

Ministry of Finance, Government Administration Building, 30 Parliament Street, Hamilton HM 12 (tel: 295-5151; fax: 295-5727).

Office of The Governor, Government House, 11 Langton Hill, Pembroke, Hamilton HM 13 (tel: 292-3600; fax: 292-6831; e-mail: governor@gov.bm).

Other useful addresses

Bermuda Broadcasting Company, PO Box HM 452, Hamilton HM BX (tel: 295-2828; fax: 295-4282).

Bermuda Hotel Association, 102 Reid Street, Hamilton HM 19 (tel: 295-2127; fax: 292-6671; internet site: <http://www.bermudahotels.com>).

Bermuda Insurance Management Association (BIMA), PO Box HM 1752, Hamilton HM GX (tel: 295-4864; fax: 292-7375).

Bermuda Small Business Development Corp, PO Box HM 637, Hamilton HM CX (tel: 292-5570; fax: 295-1600).

Bermuda Stock Exchange, PO Box HM 1369, 3 F Washington Mall, Church Street, Hamilton HM FX (tel: 292-7212; fax: 292-7619; e-mail: info@bsx.com; internet site: <http://www.bsx.com>).

Department of Civil Aviation, Bermuda International Air Terminal, 2 Kindley Field Rd, St George's GE CX (tel: 293-1640; fax: 293-2417).

Government Information Services, Global House, 43 Church Street, Hamilton HM 12 (tel: 292-6384; fax: 292-5267).

Government Statistical Department, 43 Church Street, Hamilton HM 12 (PO Box HM 3015, Hamilton HM MX) (tel: 297-7761; fax: 295-8390).

The Registrar of Companies, Government Administration Building, 30 Parliament Street, Hamilton HM 12 (tel: 295-5151; fax: 292-6640; internet site: <http://www.roc.bdagov.bm>).

Internet sites

Bermuda online: <http://www.bermuda-online.org>