



MINISTERIAL STATEMENT

To the House of Assembly

by

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Minister of Economy and Labour

Update on the Economic Recovery Plan

Friday, 9th December 2022

Mr. Speaker, the Economic Recovery Plan (ERP) combines fiscal responsibility with a clear path to growth, employment, and greater economic development. The ERP comprises 31 priority initiatives focused on seven main themes. It was developed in 2020 in response to the impact of the COVID-19 pandemic. Phase 3, implementation of the ERP commenced in March 2021. A dedicated Project Management Office (PMO) was established in June 2022 to ensure successful implementation of all the initiatives under the ERP; working to monitor, track, report and lend assistance where required.

Mr. Speaker, International benchmarks suggest that successful implementation of ERP priority initiatives should deliver 1.3 - 1.5% per annum above baseline economic growth from 2023, leading to an improvement in Bermuda's fiscal position. In 2020 Bermuda's economy was predicted to contract by 8.5% however, the economic contraction was limited to 6.9%. In 2021, Bermuda's economic growth exceeded the predicted 3.5%, and real economic recovery was measured at 5.4%. Bermuda economy has continued to expand in 2022 and the Ministry of Finance is predicting annual growth between 2.5% and 4.5% for 2022, leading to full pre-pandemic economic recovery.

Mr. Speaker, the ERP policy initiatives are advancing well with 80% of the 31 initiatives on track, with some of the initiatives having already demonstrated

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

Mr. Speaker, I will now highlight progress made on several initiatives under the main themes. Under Theme 1: Economic Diversification, the launch of Bermuda's casino industry is advancing with the Bermuda Gaming Commission having recently granted license to Hotelco Bermuda Holdings Limited, operating as St. Regis Bermuda Resort. The Department of Workforce Development is working with stakeholders to establish training programmes and development opportunities for Bermudians in the casino industry. Additionally, the legislative framework to establish Bermuda's Sub-Sea Communications Sector is complete. The Regulatory Authority has posted the application and the requirements on its website and the Business Development Agency is promoting the availability of submarine communication cable licenses.

Mr. Speaker, under Theme 2: Financial Markets, this Government recently announced a Partial Guarantee Mortgage Programme with the Bermuda Commercial Bank to assist with homeownership for over 250 Bermudians. Under the programme, reduced interest rates start at 5% and the standard down payment is halved from 20% to 10%. Also under Financial Markets, the BEDC COVID-19 Support Programme has successfully deployed \$6.1 million in loans, grants and guarantees to small and medium sized businesses that demonstrated strong business plans and long-term viability in the post-pandemic economy.

Mr. Speaker, under Theme 3: Infrastructure Investment, significant progress has been made with trenching works for potable water and waste water lines in St. George's and Southside. \$22m has been approved for refurbishment works at the Tynes Bay waste to energy facility to ensure continued safe and reliable waste management. The Shoreside Fish Processing Facility is in advanced stages of planning and consultation. The Bermuda Housing Corporation's Residential Building Programme is adding 77 units to the stock of affordable housing with 12 projects underway. And \$4.5 million has been invested in the construction of electric bus charging facilities at the Dockyard, St. George and Fort Langton bus depots in support of the fleet electrification programme.

Mr. Speaker, under Theme 4: Expanding the Resident Population, the Economic Investment Certificate (EIC) has exceeded expectations. 27 applications have been approved representing 71 individuals and a total \$369 million invested. Extension

of the Temporary (1-year) Residency Certificate has seen 1,139 applications approved with 163 extensions granted. 170 applications have been received for Permanent Residency Certificates under the January 2022 amendments to Section 31 of the Bermuda Immigration and Protection Act 1956. Additionally, the Repatriation & Mixed Status Families amendments to the Bermuda Immigration and Protection Act 1956 has resulted in 188 applications for Permanent Residency Certificates and Bermudian Status.

Mr. Speaker, under Theme 5: Labour Market and Social Development Measures, the Ministry of Economy and Labour has published a position paper entitled Establishing a Minimum Wage in Bermuda. This paper outlines what a minimum wage is, why it is necessary for Bermuda, and the proposed minimum wage rate of \$16.40 to come into force on 1 June 2023. Both the National Reemployment (Jobs) Strategy and Youth Employment Strategy are currently being implemented. A hospitality recruitment drive is planned for Wednesday, 14 December 2022, from 10am – 4pm at the Hamilton Princess. Meanwhile, the third cohort of the Graduate Trainee programme commenced in November. This is a 10-week paid internship opportunity for 15 recent college and university graduates.

Mr. Speaker, under Theme 6: Healthcare, to reduce medicine cost, the Pharmacy & Healthcare Committee is scheduled to conduct the initial phase of drug price regulation in January 2023. And Universal Health Coverage (UHC) is advancing with five priority projects: National Digital Health Strategy, Agree Our Starting Points, Integrated Care Pathways, Develop Pan-System Governance and Merge Government Insurance Funds.

Mr. Speaker, under Theme 7: Regulatory Framework, the Energy Regulatory Sandbox has been established under the Electricity Amendment Act 2022 and has already begun to garner interest. Additionally, the draft Blue Prosperity Plan has been published with consultation ongoing.

Mr. Speaker, I have briefly highlighted **some** of the progress and successes achieved to date under the Economic Recovery Plan as this government works to ensure that Bermuda not only recovers from the pandemic, but continues to thrive with fiscal responsibility, economic growth, employment and greater economic equity.

Thank you, Mr. Speaker

