

# THE AFFORDABLE BERMUDA AGENDA

*Building a Strategy to Address the Cost of Living*  
**OCTOBER 2025**





GOVERNMENT OF BERMUDA

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*Building a Strategy to Address the Cost of Living*  
**OCTOBER 2025**

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# PREMIER'S FOREWORD

## THE HON. E. DAVID BURT, JP, MP, PREMIER OF BERMUDA, GOVERNMENT OF BERMUDA

I'm proud of the work of the Ministry of Home Affairs in the production of this report - the Affordable Bermuda Agenda. This strategic framework is designed to ease financial pressures and ensure a more affordable future for every Bermudian household.

In the 2025 Throne Speech, the Government of Bermuda reaffirmed its pledge to make our island a place where families can thrive, and retirees can live with dignity. Through the leadership of the Ministry of Home Affairs, we now take another bold step toward that vision. The Affordable Bermuda Agenda reflects a coordinated, data-driven approach to reducing the cost of living.

Bermudians have felt the strain of rising prices from groceries and utilities to housing and healthcare. These everyday costs have become burdensome for many, and the public has rightly called for more immediate action. This Government has listened, and we have responded.

Already, we've taken steps by implementing eliminating import duties on essential goods, reducing car licensing fees, lowering the base rate of land tax, reducing taxes in power bills, and cutting payroll tax for workers and business. Those steps help, but more is needed, and now, more will be done through this Agenda.

The Affordable Bermuda Agenda outlines practical solutions, timelines, and the collaborative efforts between Ministries, the Cost of Living Commission, and the Affordable Bermuda Cabinet Committee to ensure that initiatives are not just proposed, they are implemented.

This report is the result of extensive engagement with stakeholders, sector experts, and everyday Bermudians. The voices and experiences of the people are at the core of it. From immediate relief initiatives to long-term change, the Affordable Bermuda Agenda lays out a clear path forward that is rooted in compassion, fiscal responsibility, that will support working families.

I extend my sincere appreciation to the Ministry of Home Affairs for their leadership in hosting the Cost of Living Summit in June 2025. By bringing together stakeholders from across the island, they ensured a wide range of voices, ideas, and experiences were heard. The Summit sparked meaningful dialogue around the challenges Bermudians face each day, and, more importantly, it inspired concrete, actionable outcomes. This report is a direct result of that collective work. Their efforts exemplify the power of partnership, collaboration, and shared determination in creating real, lasting solutions for Bermuda's future.

As Premier, I will support the Minister of Home Affairs in championing this Agenda and ensure its successful implementation. But progress is a shared journey. I invite every Bermudian to read this report and share your feedback.

Together, we will build a Bermuda where affordability is not a privilege, but a promise.



## THE HON. ALEXA N. H. LIGHTBOURNE, JP, MP MINISTER OF HOME AFFAIRS, GOVERNMENT OF BERMUDA

Advancing affordability in Bermuda is both a shared responsibility and a public policy imperative and must seek to ensure, through governance, that it addresses the real concerns of our people.

By shaping reforms in step with residents, businesses, and social partners, we are reframing the affordability conversation through the lens of a commitment to balance, shared sacrifice, and collective progress. As such, the Ministry is pleased to present the Affordable Bermuda Agenda. In many ways, this Agenda captures the spirit of country-building, where policy is co-created with them to ensure fairness, resilience, and lasting trust.

This report affirms my commitment, and the commitment of the Ministry of Home Affairs to facilitating a reduction in costs across sectors by strengthening consumer protections, ensuring regulatory fairness, and fostering deliberate market coordination. It documents stakeholder engagement, concerns and the progress achieved to date. It also sets out the next phase of implementation and how committed private sector stakeholders will work in partnership with the Government to reduce the cost of living and doing business in Bermuda.

The origins of this work are grounded in the voices of Bermudians, captured during the 2025 Cost of Living Summit. That national dialogue made clear that while global shocks may influence prices, local policy must answer the local realities. From the price of food and the cost of rent to the strain of electricity bills, this Agenda targets the key drivers of household pressure.

Our work begins with a simple truth: Bermudians, especially working families, seniors, and renters deserve stability and dignity. We need to build Bermuda through the lens of the lifecycle of our people. The government cannot act alone, but together we can ensure fairness. We seek to advance a shared project of country building where voices help shape solutions.

The Ministry of Home Affairs will continue to take a practical, transparent, and accountable approach. We extend our sincere thanks to all who have contributed to the development of this strategy and look forward to sustained collaboration.

Affordability must not remain an aspiration, but instead, it will be the cornerstone that defines our role in effective governance.



*Affordability must not remain an aspiration, but instead,  
it will be the cornerstone that defines our role in  
effective governance.*

# STRATEGY TEAM

## CHAIRMAN'S FOREWORD

### NEVILLE GRANT CHAIRMAN COST OF LIVING STRATEGY TEAM

The primary drivers of Bermuda's cost of living have been widely acknowledged by the public and key stakeholders, including respondents of the Ministry-led Cost of Living surveys conducted earlier this year. The results of these surveys have served as an internal reference point to provide the Ministry with a solid platform to prepare for the Summit, and to better understand public sentiment and pressure points on the affordability of goods and services in Bermuda. This is driven by various factors, including:



- The need to import nearly all goods, including food and building materials from overseas either by air or sea;
- Supply chain challenges that expose Bermuda to ongoing risks and uncontrollable variables;
- Brand loyalty and preferences for premium products;
- Construction costs for materials and labour and the impact on the cost of and availability of affordable housing;
- Bermuda's small consumer base and limited opportunities for bulk discounts; and
- The need to modernise legislation and streamline regulatory oversight activities to keep pace with an evolving environment.

These insights helped facilitate a robust exchange of ideas, and strategies to help shape Bermuda's Affordable Agenda and build the strategy to address the cost of living. This agenda marks a critical milestone in the Ministry's commitment to making Bermuda a more affordable and equitable place to live, for everyone.

I would like to express my sincere gratitude to members of the Strategy Team, the Ministry and the businesses and residents that have contributed to this important effort thus far. Your support going forward through implementation will be just as critical.



*This agenda marks a critical milestone in the Ministry's commitment to making Bermuda a more affordable and equitable place to live, for everyone.*



# BUILDING THE AFFORDABLE AGENDA

In February 2025, the remit of the Ministry of Home Affairs was expanded to include the advancement of affordability in Bermuda, recognising the need to confront living costs as a national priority. In response, the Ministry commenced a comprehensive review and assessment of policies and legislation with the aim of reducing costs and providing meaningful relief for residents and businesses.

The purpose of this report is to provide an update to the public of the work advanced to date and the planned next steps to build the Affordable Bermuda Agenda. At its core, the strategy is data-driven and guided by principles that inform the roadmap priorities and associated initiatives. The Ministry has been deliberate in pursuing a collaborative approach, working with other Ministries, the Cost of Living Commission, the Cost of Living Strategy Team, and a cross-section of private sector stakeholders from the business community and the public.

The Ministry's work began with a review of existing data and the collection of broad insights from the Ministry commissioned residential and business surveys. The survey findings were further enriched through sector-specific focus groups with the respective business leaders, which helped shape the structure and content of both the strategy and the agenda for the Cost of Living Summit held in June 2025. This consultation identified the following as major agenda items: trade and supply chain, food security, housing, utilities, and health.

The Affordable Bermuda Agenda is about building our country around the full life cycle of its people. From children to working families to our seniors, every stage of life should carry stability, dignity, and opportunity. The affordability initiatives outlined in this report include targeted reforms in these priority areas, as well as measures to strengthen consumer protection and education. These initiatives include projects currently underway, those under review, and others pending consideration.

Looking ahead, the Ministry remains committed to advancing targeted policy and legislative reforms, maintaining strong engagement with stakeholders, and providing regular public updates on the progress, success, and impact of these initiatives.





## STRATEGIC CONTEXT



The 2025 Throne Speech affirmed the Government's recognition of Bermuda's high cost of living as a national priority, stating: *"The Government will act urgently to tackle Bermuda's stubbornly high cost of living, further strengthen the economy, and ensure that the Government serves every Bermudian with fairness and accountability."* It further declared: *"The Government must act decisively to tackle this problem, ensuring that duty relief reaches the people who need lower costs, and not just corporate bottom lines."* In alignment with this mandate, and through its expanded remit, the Ministry of Home Affairs has undertaken the advancement of the Affordable Bermuda Agenda.

Building the strategy to address the cost of living will require sustained commitment from stakeholders both internal and external to the government, and our collective communities. Success will require shared leadership and coordinated action across all sectors. The Affordable Bermuda Agenda is guided by five core principles.



# STRATEGIC CONTEXT

## ROADMAP TO AFFORDABILITY

The roadmap for addressing affordability will continue to follow a phased approach; progressing deliberately from data gathering, research and analysis, stakeholder buy-in, to implementation planning and delivery, and performance monitoring. This framework allows for ongoing evaluation and refinement, ensuring that strategic initiatives remain effective, targeted, and responsive to trends and practical realities.

PHASE	TIMELINE	ACTION ITEMS
<b>1.</b> <b>PROGRAM INITIATION, DATA COLLECTION &amp; ANALYSIS</b>	<b>February</b>	<ul style="list-style-type: none"> <li>Develop initial strategy and road map to support the development of the Affordable Bermuda Agenda;</li> <li>Prepare stakeholder surveys;</li> <li>Determine focus group requirements.</li> </ul>
	<b>March</b>	<ul style="list-style-type: none"> <li>Launch resident and business surveys, and commission focus group of business leaders;</li> <li>Assemble Strategy Team;</li> <li>Determine persons to be invited to serve as Commission members.</li> </ul>
<b>2.</b> <b>RECOMMENDATION DEVELOPMENT</b>	<b>April</b>	<ul style="list-style-type: none"> <li>Compile and review stakeholder engagement results;</li> <li>Determine sectors and preliminary targets for affordability initiatives;</li> <li>Complete initial policy and legislative reviews;</li> <li>Conduct internal consultations to facilitate cross-ministry collaboration and alignment with existing initiatives.</li> </ul>
	<b>May</b>	<ul style="list-style-type: none"> <li>Continue exploration of recommendations presented by the surveys and focus group to determine Summit agenda;</li> <li>Gazette Commission members.</li> </ul>
	<b>June</b>	<ul style="list-style-type: none"> <li>Finalise Summit focus areas and agenda;</li> <li>Finalise list of industry experts for participation in the Summit;</li> <li>Complete the Summit.</li> </ul>
<b>3.</b> <b>SUMMIT &amp; STAKEHOLDER ALIGNMENT</b>	<b>July</b>	<ul style="list-style-type: none"> <li>Complete post-Summit survey;</li> <li>Compile Summit information (live polling results and suggestions provided by panellists and guests) for review and consideration.</li> </ul>
<b>4.</b> <b>IMPLEMENTATION</b>	<b>August 2025 – September 2026</b>	<ul style="list-style-type: none"> <li>Finalise policy and legislative initiatives and action plans;</li> <li>Complete consultations on proposals and legislation;</li> <li>Publish sector-specific strategic initiatives;</li> <li>Table legislative amendments;</li> <li>Launch public education campaign.</li> </ul>
<b>5.</b> <b>MONITORING &amp; IMPROVEMENT</b>	<b>September 2026 &amp; beyond</b>	<ul style="list-style-type: none"> <li>Ongoing tracking and quarterly reviews of outcomes;</li> <li>Complete legislative updates;</li> <li>Stakeholder and public engagement.</li> </ul>

## ORGANISATIONAL STRUCTURE

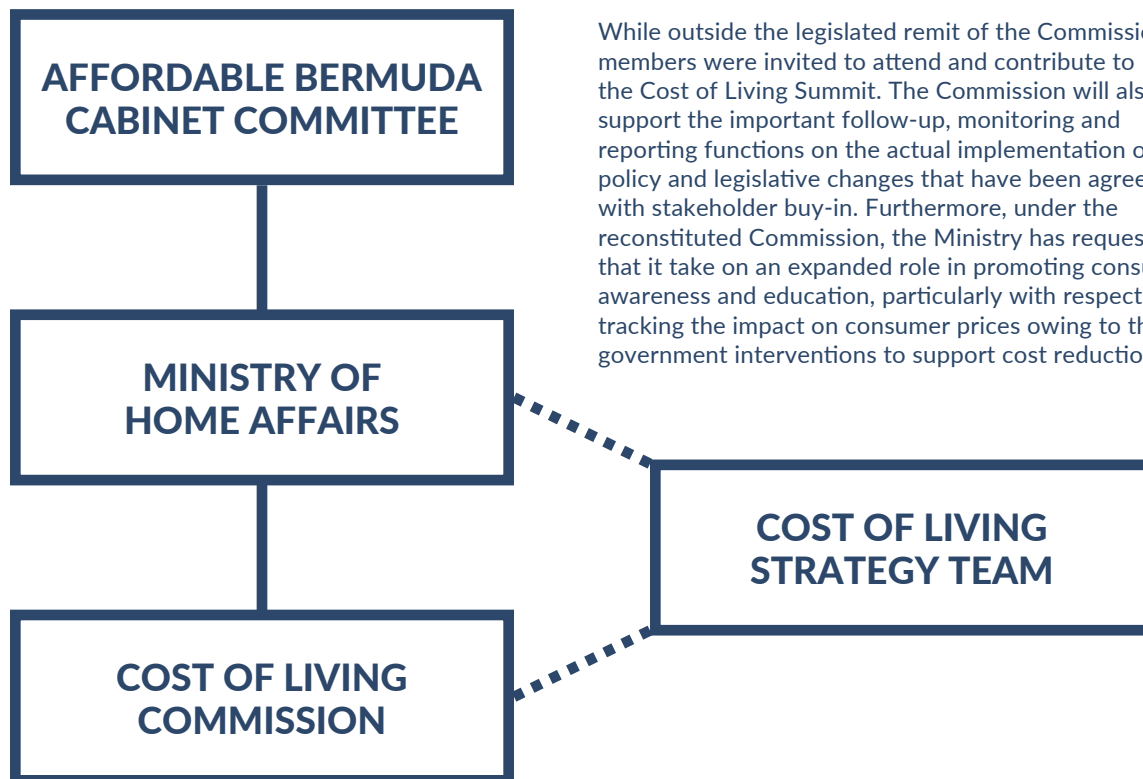
To ensure the successful implementation of the Bermuda Affordable Agenda, the following bodies will provide oversight and support:

**Affordable Bermuda Cabinet Committee** – This Cabinet Committee serves as the governing body and custodian of the Affordable Bermuda Agenda. Its mandate is to ensure cross-ministerial collaboration in the implementation of affordability measures, facilitating coordinated action across relevant Ministries and Departments.

**Cost of Living Strategy Team** – The Ministry has acknowledged the need for strategic support and consequently convened a team of technical and strategic resources to build both capacity and technical expertise to support the Ministry's approach to directly addressing cost of living. The team's composition included representatives from the Cabinet Office, the Ministry of Economy and Labour, private sector bankers, legal consultants, and regulatory professionals. This first iteration of the Strategy Team was instrumental in developing the framework for the Cost of Living Summit. The Ministry has since disbanded this cohort, with the intention of convening a Cost of Living Implementation team to support the various stages of the Affordable Bermuda Agenda.

**Cost of Living Commission** – Established under the *Cost of Living Commission Act 1974*, the Commission is mandated to provide oversight of pricing for essential commodities. The newly appointed 2025/26 membership was intentionally selected to reflect a broad cross-section of expertise, community voices, and stakeholder representation, ensuring strong support for the successful implementation of the affordability agenda.

While outside the legislated remit of the Commission, members were invited to attend and contribute to the Cost of Living Summit. The Commission will also support the important follow-up, monitoring and reporting functions on the actual implementation of policy and legislative changes that have been agreed with stakeholder buy-in. Furthermore, under the reconstituted Commission, the Ministry has requested that it take on an expanded role in promoting consumer awareness and education, particularly with respect to tracking the impact on consumer prices owing to the government interventions to support cost reductions.





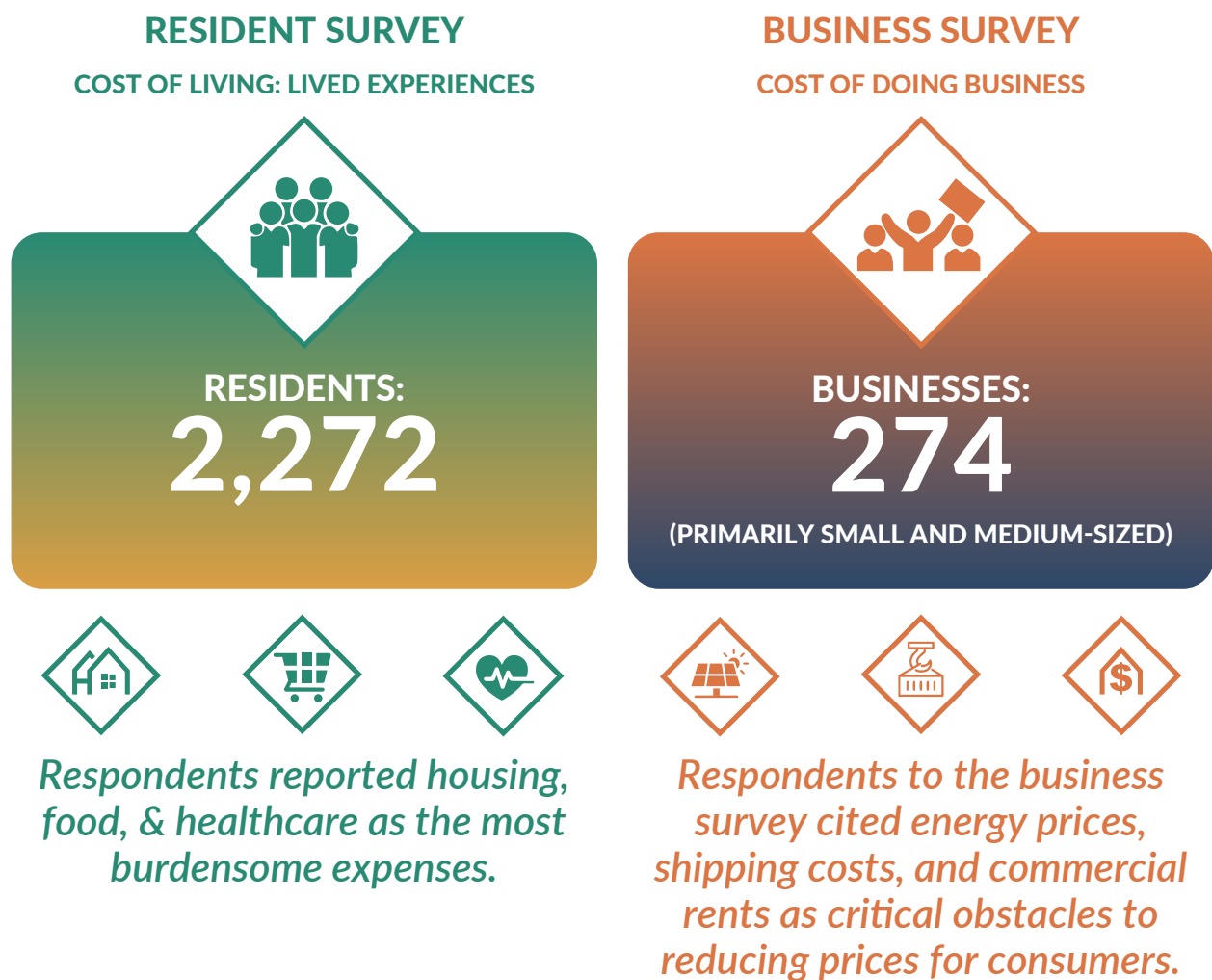
## DATA COLLECTION AND STAKEHOLDER ENGAGEMENT

# DATA COLLECTION AND STAKEHOLDER ENGAGEMENT

## SURVEYS

To inform the strategy and ensure an evidenced-based, data driven approach, the Ministry of Home Affairs developed and administered two voluntary surveys. These were designed to gather firsthand data and insights on the cost of living from residents and businesses, titled *Cost of Living: Lived Experiences* and *Cost of Doing Business*, respectively.

The two surveys were conducted between March and April 2025, and the responses were used to shape the topics, structure, and agenda of the 2025 Cost of Living Summit. The profile of the two surveys included the following:





# DATA COLLECTION AND STAKEHOLDER ENGAGEMENT

The analysis of the data collected from the two surveys resulted in the emergence of the following **cross-cutting themes**:

**Employment wages and salary limitations are key factors that directly affect affordable access to essential goods and services.**



**The impact that government taxes, policies, and regulations have on operating cost when doing business in Bermuda.**



**The impact of the size of Bermuda's consumer base and market as influencing competitive pricing for imports.**



**Bermuda's location as compounding our vulnerability to supply chain risks and associated logistical challenges.**



**Limited options for affordable housing as catalyst for increasing costs pressures in the rental market.**



**The cross-cutting impact of year-on-year energy price increases across all major cost pillars.**



## FOCUS GROUP

In March 2025, to deepen the insights from the survey results, the Ministry commissioned Narrative Research Bermuda to conduct a focus group with a cross-section of business leaders. The session provided a neutral forum for participants to speak candidly about their experiences, challenges, and opportunities.

These Bermuda business leaders shared their perspectives on the key drivers impacting business operating costs, strategies to improve affordability for consumers, and ways to collaborate with Government while supporting industry growth and development.

## SUMMIT SURVEYS

A third survey was launched during the Summit to add to earlier findings and assess which initiatives the attendees believed the Government should prioritize. That survey attracted 400 respondents and remained open after the event, allowing members of the public to review the Cost of Living Summit recording online before submitting feedback. The focus areas were food security, housing, modernizing utilities, and strengthening import resilience.

The main messages that the Strategy Team concluded from this additional data gathering step were aligned with the results obtained in March and April through the residential and business surveys and focus groups. They included the following topics and recommendations:



# 400

## RESPONDENTS



# \$300+

## AVERAGE WEEKLY GROCERY SPEND

### 1. FOOD SECURITY

- Most respondents purchase locally grown food when available.
- Respondents confirmed that their average weekly grocery spend exceeds \$300.
- Strong support was expressed for government-private sector partnerships requiring price transparency to ensure government-induced cost savings reach consumers.

### 2. HOUSING

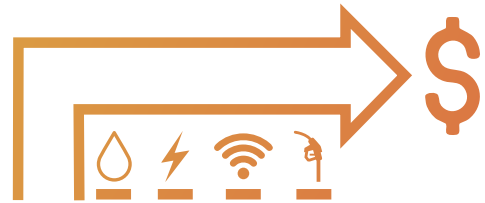
- The need to reform rent control laws, enhance landlord-tenant protections, incentivise the development of 1-2-bedroom affordable units, and waive land tax for affordable rentals provided the savings is passed on to tenants.
- Respondents were unanimous with their concern about the range of cost factors that influence the cost of housing, whether renting or purchasing or building - including taxes, and other government fees.
- Respondents also expressed support for island-wide incentives to encourage housing development.



# DATA COLLECTION AND STAKEHOLDER ENGAGEMENT

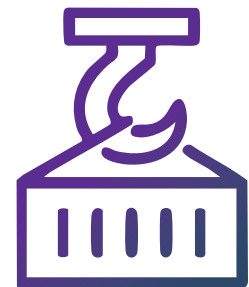
## 3. MODERNISING UTILITIES

- The need to cap electricity rates, improve broadband affordability/access, enhance telecom service standards, and introduce tiered rates for all utilities to promote affordability.
- Strong support was expressed for a regulatory framework around water, electricity, internet, and fuel that is fit for today's modern tech driven environment and to protect low-income households
- Support for government investment in renewable energy infrastructure to reduce costs and increase our island energy independence.
- National Energy Plan priorities (ranked):
  1. Lower costs
  2. Environmental sustainability
  3. Reliability
  4. Energy independence
  5. Grid resilience



## 4. IMPORT RESILIENCE

- Support for a broader range of government and industry interventions and changes to cap shipping costs.
- Support for the government to expand the 0% duty tax to include additional essential goods and medications.
- Recommendations to advance fully digital customs transactions.
- There is support for the increased government intervention in the regulation of ocean freight shipping.



In addition to these four main topics, some key themes emerged from the exercise including:

- Transparency/accountability with government cost reductions being passed on to consumers.
- Ongoing collaboration between government and industry to support affordability.
- Support for new importers to reduce monopolies on certain goods.
- Strong support was expressed for exploring supply links through the CARICOM network.
- Investment in greater local production to diversify sources.

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### **Disclaimer: Bermuda Cost of Living Summit Survey**

*This survey was conducted by the Ministry of Home Affairs using the SurveyMonkey platform to support the organisation of the 2025 Cost of Living Summit. Its primary purpose was to gather public input and perceptions to inform stakeholder discussions and identify areas for potential policy intervention. The survey was designed to capture a broad range of perspectives and lived experiences; however, it does not constitute a formal national statistical survey. It does not follow the methodological standards typically applied by the Department of Statistics or other official statistical agencies. As such, the findings should not be considered statistically representative of Bermuda's population. Rather, the results are indicative and were used solely to support discussion, highlight public sentiment, and surface recurring themes related to the cost of living. All responses were anonymized and handled with appropriate confidentiality. This disclaimer is provided to ensure transparency, manage expectations regarding data interpretation, and maintain the integrity of the public consultation process.*

## COST OF LIVING SUMMIT

The Cost of Living Summit was convened by the Ministry of Home Affairs as a national forum to update the public on the work undertaken to date, including research methodologies and key sectoral insights challenging the status quo and moving beyond previous approaches.

Grounded in findings from two national surveys, the Summit brought together residents, business leaders, and policy stakeholders to review evidence, identify systemic barriers, and co-develop measurable solutions. It provided an opportunity for direct engagement with stakeholders, enabling open and targeted dialogue with key industry actors aimed at confirming actionable solutions.

The Government understands that public trust in previous interventions is low, and due to the steady rise in costs across key sectors, the Summit was facilitated to serve as a catalyst for transparent, coordinated action to ensure that future reforms are informed by lived experiences. Moreover, the Summit invited industry stakeholders to join the Government as it implemented efforts going forward. The Summit demonstrated the Government's commitment to inclusive policymaking, transparent communication, and coordinated action to deliver meaningful relief for the people of Bermuda.

## DEMOGRAPHICS AND PARTICIPATION

- 258 participants attended in person.
- The event was live-streamed and featured more than 20 speakers, presenters, moderators and panellists and real-time audience engagement.
- Attendees included Government officials, legislators, private sector leaders and industry experts, including retailers, wholesalers, energy producers, farmers, doctors, lawyers, consumer advocates, non-profit organizations, trade union representatives, seniors, students and other residents.



**258**  
ATTENDED IN PERSON



**20+**  
CONTRIBUTORS

# DATA COLLECTION AND STAKEHOLDER ENGAGEMENT

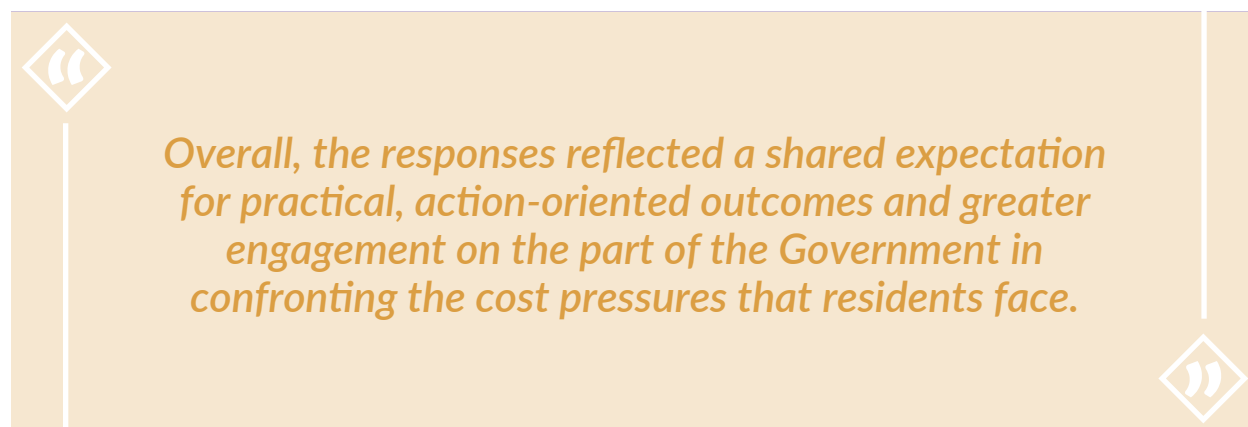
## LIVE POLL

During the Cost of Living Summit, several live polls were facilitated as part of the panel discussions to solicit and integrate audience participation in the facts that emerged in the discussions.

The live audience poll revealed that participants expected the Summit to deliver clear solutions, insightful data, and workable strategies to address Bermuda's high cost of living.

Dominant themes included a desire for transparency, collaboration, and a deeper understanding of contributing factors. Attendees anticipated hearing concrete plans and initiatives from the Government, particularly those focused on reducing prices, managing inflation, and implementing effective policies.

Overall, the responses reflected a shared expectation for practical, action-oriented outcomes and greater engagement on the part of the Government in confronting the cost pressures that residents face.



## SUMMIT HIGHLIGHTS

The Summit covered the following five pillars:

- **IMPORTS**
- **FOOD SECURITY**
- **HEALTH**
- **HOUSING**
- **UTILITIES**

The Summit featured three separate subject-specific panel discussions with seasoned expert stakeholders from their respective industries providing rare insight into the range of factors that contribute to the cost of goods and services as well as the cost of doing business in Bermuda.

The Summit also featured two presentations on healthcare and housing. The Minister of Health and the Minister responsible for Housing were in attendance and delivered messages on these subjects.

### PANEL DISCUSSION 1 - TRADE & SUPPLY CHAIN

This panel had strong representation from the local wholesalers and the shipping industry. Panellists discussed and examined the structural and logistical realities of Bermuda's trade environment.

The discussion focused on the operational cost drivers within the global supply chain, our limited scope for influencing change and its impact on the cost of living in Bermuda.



Experts offered their best assessment of how there could realistically be opportunity to reduce importation and wholesale costs and enhance our trade resilience.

The panellists acknowledged that there are challenges and both risks and opportunities with our historic reliance on the importation of approximately 80–90% of all products consumed domestically.

The panellists also acknowledged the impact on costs and consumer prices of key factors such as Bermuda's small market size, our geographic isolation, high per-unit logistics costs, and the absence of economies of scale. This cumulatively influences the pricing of imported goods.

To facilitate audience engagement and real-time audience participation, the summit featured intermittent live polls to complement the exchange between the panellist and the moderator.

## REAL-TIME POLL RESULTS - PERCEPTION OF FOOD PRICING

When asked to estimate the percentage of the price of any food item is attributable to its **landed cost**, the majority (51%) selected **50%**, indicating a general perception at the summit that half of the retail price is attributed to import-related costs.

- **24%** estimated the landed cost to be **75%**,
- **20%** chose **25%**,
- and a small minority (**5%**) believed it could be as high as **90%**.

This snapshot suggests there may be varying levels of understanding regarding food pricing dynamics, with most participants recognizing that importation costs are a significant, but not overwhelming, component of retail food costs.

# DATA COLLECTION AND STAKEHOLDER ENGAGEMENT

## PANEL DISCUSSION 2 - FOOD SECURITY (IMPORTS & AFFORDABILITY)

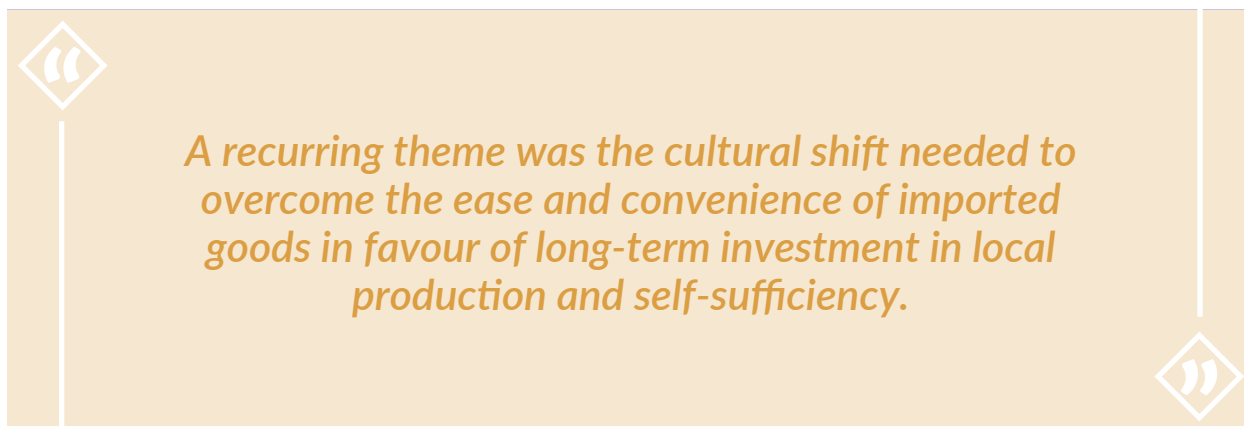
This panel focused on the structural and market dynamics driving food prices in Bermuda, while exploring opportunities to enhance local food production and promote more informed consumer behaviour.

Panellists included industry leaders from the food wholesale and retail sectors, who discussed the complexities of food pricing. The panellist drilled down on the challenges associated with consistently and reliably sourcing quality goods at affordable rates. Again, the economic constraint of Bermuda's limited market size and geographic isolation were recognised as uncontrollable factors that must be mitigated. The influencing factors in this area largely mirror those identified in the 'trade and supply chain's components of our pricing structure.

The second half of the panel discussion shifted toward the untapped potential of local food production as a means of strengthening food security and building a more resilient and sustainable food system. Farmers and agricultural stakeholders emphasised the importance of supporting local growers, investing in necessary infrastructure, and encouraging greater interest in farming as a viable and rewarding career path.

The panel underscored the dual benefit of increasing access to fresh, healthy food while reducing reliance on imports. A recurring theme was the cultural shift needed to overcome the ease and convenience of imported goods in favour of long-term investment in local production and self-sufficiency.

The audience, when invited to participate in the live poll discussion, presented their views on food security.



## REAL TIME POLL RESULT: IMPACT OF REDUCING DUTY ON FRESH PRODUCE

A clear majority (**65%**) of respondents believed that **reducing import duty rates on fresh produce would not have a meaningful impact** on grocery prices, while **35%** felt it would. This reflects public scepticism about whether duty relief alone translates into lower prices for consumers.

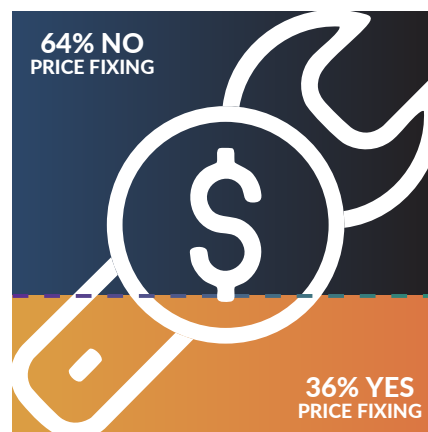
## REAL TIME POLL RESULT: PERCEPTION OF PRICE FIXING

The 250-plus audience was asked whether they held the view that the local food suppliers and or distributors are engaged in any form of price fixing that would harm consumers:

- **64%** of the respondents said **No**
- **36%** of the respondents said **Yes**

Although most of the respondents did not believe price fixing is occurring, more than one-third of respondents expressed concern about the likelihood.

## PERCEPTION OF PRICE FIXING



## UTILITIES

This panel comprised current and former energy industry executives, representatives from the Regulatory Authority, and water utility providers. This expert panel carefully expanded on the established narrative around utilities in Bermuda, emphasizing that essential services extend beyond energy and electricity supply to also include telecommunications and water.

The discussion explored the evolving definition and role of utilities in a modern, resilient economy, highlighting the importance of reliable access to all three sectors and the value to the Bermuda economy and its sustainability.

The panellists fully examined the current and unique structure of Bermuda's electricity rates, the impact of volatile global fuel prices, and the need for regulatory and policy reforms that promote affordability, innovation, and renewable energy adoption.

The conversation underscored the need for and importance of modernising Bermuda's utility infrastructure and aligning with global energy trends but ensuring that it was transposed into a Bermuda context.

Key themes emerging from this panel discussion included:

- Transparent, data-driven frameworks need to be developed in consultation with relevant stakeholders and shared with the public to inform efforts, ensure fair pricing and build trust and reliability.
- General support for the Government's policy objectives to reduce fossil fuel dependency and increase energy independence and reduce our CO2 emissions.
- Practical solutions such as environmentally sensitive battery storage and real-time grid coordination were explored as tools to stabilize supply and lower costs.

While electricity dominated the discussion, panellists also stressed the growing importance of maintaining access to telecommunications and broadband and water supply infrastructure and services to ensure compatibility with the high-tech Bermuda economy. The panellists agreed that public-private partnerships would be critical to the effective development of strategies to enable the futureproofing of Bermuda's utility landscape.

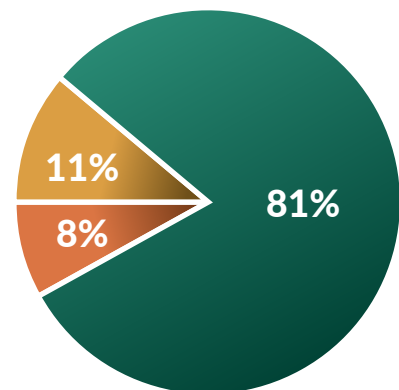
Similarly with the other discussion areas, the audience was invited to contribute to the subject and provide their views on modernising utilities.

### REAL TIME POLL RESULT: GOVERNMENT ROLE IN UTILITIES

An overwhelming 81% of respondents agreed that the Government should take a more direct role in engaging with the energy/utility sector stakeholders to facilitate lower cost of electricity and utility services in Bermuda.

- Only 11% opposed this view.
- 8% were unsure.

● Agreed ● Opposed ● Unsure



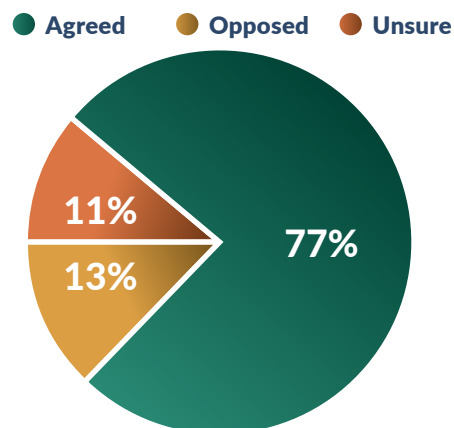
**GOVERNMENT  
RESPONSIBILITY IN  
FUTURE UTILITIES**

# DATA COLLECTION AND STAKEHOLDER ENGAGEMENT

## REAL TIME POLL RESULT: ALTERNATIVE OWNERSHIP MODELS FOR UTILITIES

On the question of Alternative Ownership Models for Utilities, the respondents had a similar response to the question above about government intervention in the industry. On ownership alternatives, 77% suggests the government explore alternative ownership models, including public ownership of electricity generation and distribution:

- 13% of the respondents were opposed to the idea and 11% were unsure.



### SUPPORT FOR ALTERNATIVE OWNERSHIP MODELS

## HOUSING PRESENTATION

In appreciating the need for accessible and affordable housing, the Deputy Premier and Minister of Housing and Municipalities outlined the Government's multi-year strategy to expand the number of affordable homes and to facilitate access to such housing. The Ministry cited its current commitments and its planned construction projects including:

- Construction of new affordable housing with a focus on 1 and 2 bedroom units.
- Introducing a Property Refurbishment Incentive Program featuring grants of up to \$125,000 per property. This will improve the volume and quality of affordable accommodation for those that participate and reduce some of the demand for housing.
- The initiative launched to introduce Customs import duty relief for some construction materials with the expectation that building costs will remain affordable to support the demand for housing construction.
- The plan is to develop financing programs with the local financial institutions to facilitate and promote access for residents to finance construction or renovation of their homes.
- Potential tax and other incentives for owners of vacant and derelict properties to have the subject properties re-enter the market; and
- Encouraging Bermuda's residents to be open to new housing models such as further exploring vertical housing solutions and increasing density. The Ministry emphasised that adopting new building methods and models could accelerate construction, increase and improve supply thus reducing the cost of housing.

## HEALTH PRESENTATION

The Minister of Health presented the Government's short- and long-term strategic priorities for healthcare and how these plans will impact the availability and affordability of healthcare. The presentation emphasised the need for:

- A proactive and preventative approach to healthcare;
- Improving outcomes; and
- Reducing long-term costs.

The presentation included a discussion of the Government's plan to ease burdens on working families and invest in the long-term wellbeing of the population through the introduction of Universal Health Coverage.

The Minister emphasized that the government has been engaged in an ongoing public relations campaign about the status of healthcare and the plans to introduce strategic and legislative amendments to directly impact the cost of healthcare for residents.



## RECOMMENDATIONS



# RECOMMENDATIONS

The Ministry has consistently and actively engaged with all stakeholder groups the wide-ranging scope of issues under the Cost of Living umbrella. The Summit provided an opportunity to further identify and propose future cost-reduction steps, and these are represented in the subject specific recommendations outlined below.

Government will continue to lead and introduce needed policies and legislative changes to enable innovative and forward-thinking amendments that could reduce our cost of living.

Stakeholder consultation will be ongoing as further proposals are examined for viability. The Government accepts the need to further secure cross-sectional buy-in and ongoing commitment to sustain potential cost reduction initiatives.

Over 300 recommendations were received by the Ministry in response to the invitation to submit them. They have subsequently been collated and refined based on follow-up stakeholder consultations in July and August 2025.

The following captures the scope of ideas, proposals and recommendations submitted to the Ministry to address Bermuda's cost of living grouped by the categories of Food Security, Utilities, Imports, Housing, and Healthcare:

## FOOD SECURITY

Public Stakeholders emphasized the need to reduce continued reliance on imports and increase local food production. Key recommendations included:

- Facilitating access to the necessary resources including arable land, tools, techniques, methods and supplies to inspire and support the expansion of home gardening initiatives.
- Long-term leases and protections for agricultural zone land to support investment in farming.
- Subsidising healthy food options using sugar tax revenues and offering permanent grocery discounts for vulnerable groups.
- Encouraging right-tech farming and small-scale food production to increase community resilience and nutritional access.
- Promoting offshore fishing in Bermuda's EEZ to boost local food sources, employment, and exports.

## UTILITIES

The public's recommendations in this area called for policy and legislative reforms to enable fair pricing, promote clean energy, and improve access for all clients, including:

- Establish a tiered utility pricing structure based on customer type (e.g., full vs. partial grid reliance) to ensure equity in infrastructure costs and as an incentive to adopt renewable energy supply options.
- Promote expanded access to residential solar systems through streamlined permitting and financial incentives to reduce the cost for adopting renewables.
- Re-exploration of transitioning BELCO's North Power Station to a cleaner source.
- Introduce caps on electricity and internet charges, along with regulation of broadband infrastructure to increase affordability.
- Explore the feasibility of establishing public-private utility partnerships to support modernisation and future-proof Bermuda's essential services.

## IMPORTS

The import recommendations revealed the two major themes that the public sought to address is the need to reduce import-related costs and to find cost-effective ways of diversifying food sources. Recommendations included:

- Reduced or eliminated customs duties on essential food items.
- Simplified duty structure such as a flat fixed rate.
- Reviewing import origin restrictions on protected products to determine if the current environment and the governing policy framework are aligned with the public interest. This would include citrus and dairy products and exploration of Caribbean imports.
- Negotiating U.S. port transit exemptions to reduce double taxation on goods routed through the U.S.
- Review laws to enable established international franchises to enter the Bermuda marketplace to stimulate price competition and product diversity.

## HOUSING

The public recommendations in this area were wide ranging and included solutions in the two critical areas, namely expanding access to affordable housing and reforms to the rental market to remove the challenges that arise between landlords and tenants. Recommendations included:

- The need to reform of rent control laws, enhance landlord-tenant protections, incentivise the development of 1-2-bedroom affordable units, and waive land tax for affordable rentals provided the savings is passed on to tenants.
- Respondents were unanimous with their concern about the range of cost factors that influence the cost of housing, whether renting or purchasing or building - including taxes, and other government fees.
- Establishing a Residential Tenancies Tribunal to streamline dispute resolution and reduce legal costs for tenants and landlords.
- Reforming the Landlord and Tenant Act to standardise leases, enforce rent receipts, and mandate property maintenance.
- Creating a National Housing Registry to track vacant, derelict, or underutilised properties.
- Offering land tax waivers for landlords providing affordable rentals and rent-to-own schemes for BHC tenants.
- Capping mortgage rates via public bank partnerships and shared equity schemes to lower homeownership barriers.
- Fast-tracking affordable housing developments and updating building codes to support vertical development in urban areas.

# RECOMMENDATIONS

## HEALTHCARE

The public, the medical profession, healthcare professionals and government have been heavily engaged in healthcare reform submissions, calling for expedient policy and legislative change in the areas of increased access, affordability, and system modernisation:

- Capping prices for essential medical products and doctor visits and offering free universal healthcare over time.
- Expanding the Bermuda Drug Formulary and removing delays caused by GEHI pre-approvals for prescription medication over \$500.00.
- Procuring in bulk for pharmaceuticals through regional alliances to lower drug costs.
- Requiring healthcare providers to annually publish service pricing, to improve client transparency, public trust and competition.
- Supporting integrative and preventive care interventions.





## AFFORDABILITY INITIATIVES



# AFFORDABILITY INITIATIVES

In support of delivering tangible and sustainable changes, the Ministry reviewed recommendations that were shared by members of the public in seeking to support the government's efforts to advance affordability.

In appreciating that affordability in Bermuda will only be achieved through the alignment of public interest and action, stakeholder investment and government's commitment, the Ministry has also achieved commitment from key sectors committed to affordability in Bermuda. Industry commitments are captured below representing immediate tangible savings for those living in Bermuda,

The recommendations most eligible for immediate implementation are captured below as phase 1 in the government's strategy. The methodology to develop them considered the various proposed policies and legislative changes proposed and their impact on operations.

The initiatives below represent the start of the Ministry's affordability journey and were refined in collaboration with the relevant Ministries and Departments. The Ministry will continue to revisit and expand on this list through engagement and support from the Cost of Living Commission and update the public regularly.





 <b>IMPORTS</b>			
CURRENT LEGISLATION/POLICY	DESCRIPTION OF REFORM	COST OF LIVING IMPACT	LEAD
<b>Restrictions and Prohibitions on Imported Goods by Type</b>	Assess the suitability of existing restrictions or prohibitions on select food imports (e.g., citrus and milk) to determine relevance and consumer benefit. Review historic sourcing restrictions that may limit access to diverse global supply options.	Modernise importation guidelines to increase flexibility and consumer choice. Expand and diversify import markets, enabling lower-cost alternatives without compromising quality.	Public Works and Environment
<b>Product Origin Restrictions</b>	Review historic sourcing restrictions that may limit access to diverse global supply options.	Expand and diversify import markets, enabling lower-cost alternatives without compromising quality.	Public Works and Environment
<b>Import Legislation and Policies</b>	Advance legislative amendments to establish a framework for phased diversification of Bermuda's milk supply.	Ensure affordability, reliability, and quality of milk.	Ministry of Home Affairs, Public Works & Health
<b>US Consulate Partnership</b>	In partnership with the U.S. Consulate, the Ministry of Home Affairs will coordinate with the U.S. Department of Commerce and other U.S. business associations and entities to discuss how to strengthen imports in areas of most need, including Bermuda's 33 duty-free essential goods.	Reduce costs through diversified sourcing, stable supply chains, and enhanced relations.	Home Affairs / U.S. Consulate

# AFFORDABILITY INITIATIVES

<div>  <b>FOOD SECURITY AND AFFORDABILITY</b> </div>			
CURRENT LEGISLATION/POLICY	DESCRIPTION OF REFORM	COST OF LIVING IMPACT	LEAD
<b>Imported Goods Pricing Practices</b>	Review policies governing and influencing the pricing of imported goods.	Increase competitiveness and reduce consumer prices.	Home Affairs
<b>Digital Currency Pilot</b>	In Q1 2026, the Ministry will launch a pilot Digital Payment Incubator to test lower-cost digital transactions for consumers. Building on the May 2025 digital finance pilot, the program will onboard 400 residents and 1–2 retail vendors to accept USDC via self-custody wallets. The pilot will provide education, streamline wallet/vendor onboarding, and establish voluntary pass-through and loyalty targets.	Pilot low-fee digital payments (e.g., USDC) across Bermuda's retail sector, reducing transaction costs and passing savings directly to shoppers.	Home Affairs / Finance
<b>Fruits and Vegetables Duty</b>	Reduce import duties on essential fresh foods.	Lower food prices for consumers.	Finance





## UTILITIES



CURRENT LEGISLATION/POLICY	DESCRIPTION OF REFORM	COST OF LIVING IMPACT	LEAD
<b>Amendment to Regulatory Authority Act 2011</b>	Streamline RA enforcement procedures and requirements; strengthen consultation obligations; and expand RA authority in regulatory oversight, enforcement, and consumer protection.	Increase efficiency of enforcement, improve accountability of regulated entities, and strengthen consumer protection.	Home Affairs
<b>Amendment to Electricity Act 2016</b>	Review policies to support integration of new generation technologies and promote stability.	Reduce long-term electricity costs and improve stability for consumers.	Home Affairs
<b>Telecommunications Services</b>	Review consumer access to basic telecommunications pricing; introduce regulations requiring upfront disclosure of available pricing options.	Provide consumers with transparent pricing information and reduce household communications costs.	Home Affairs

# AFFORDABILITY INITIATIVES



## HOUSING



CURRENT LEGISLATION/POLICY	DESCRIPTION OF REFORM	COST OF LIVING IMPACT	LEAD
<b>Amendments involving the Landlord and Tenant Act 1974 and Rent Increases (Domestic Premises) Control Act 1978</b>	Modernise the legislative framework governing property rentals. Establish an Alternative Dispute Resolution (ADR) process to address rent arrears; introduce standardized lease templates; update deposit requirements.	Strengthen protections for landlords and tenants; reduce costs through more efficient dispute resolution; improve transparency and fairness in rental agreements.	Home Affairs
<b>Vacation Rental Properties</b>	Review the listing and use of rent-controlled properties as vacation rentals.	Increase availability of affordable housing units for long-term rental.	Home Affairs
<b>Housing Registry</b>	Establish a registry of rent-controlled properties available on the market.	Improve visibility and accessibility of affordable rental options.	Home Affairs
<b>Housing Development</b>	Explore planning and building fee waivers or deferrals for affordable housing projects. Target small- and mid-scale developments focused on affordable, senior, green, or workforce housing.	Remove upfront cost barriers, encourage affordable housing supply, and stimulate construction activity.	Housing and Municipalities



## CONSUMER PROTECTION AND EDUCATION



CURRENT LEGISLATION/POLICY	DESCRIPTION OF REFORM	COST OF LIVING IMPACT	LEAD
<b>Amendment to Consumer Protection Act 1999</b>	Provide equitable relief for borrowers in cases where lenders seek possession of a property.	Strengthen consumer protection and promote fairness in lending practices.	Home Affairs
<b>Consumer Protection Framework</b>	Introduce regulatory measures to ensure transparent and fair pricing.	Reduce hidden costs and prevent price gouging.	Home Affairs
<b>Consumer Education</b>	Launch a National Consumer Rights and Pricing Education Campaign.	Equip consumers with knowledge and tools to make informed purchasing decisions through public awareness.	Home Affairs
<b>Regulation of Critical Goods and Services</b>	Expand the regulatory framework to cover all critical goods and services (e.g., food imports, telecommunications, and other designated sectors).	Enhance consumer protection, increase transparency, and improve accountability of providers of essential services.	Home Affairs

## ESSENTIAL GOODS RELIEF INITIATIVE

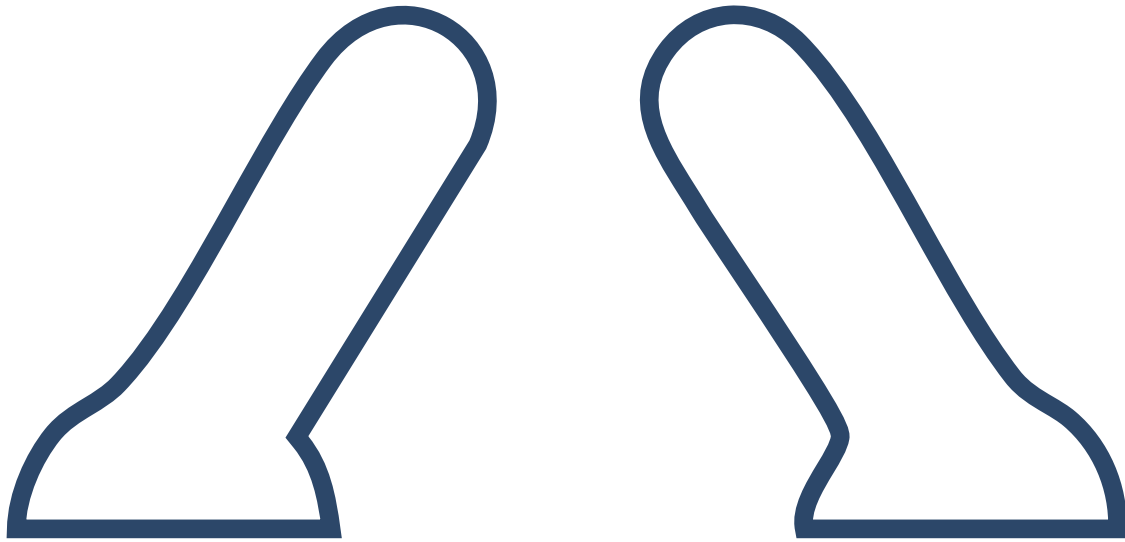
In August 2025, following the research and analysis conducted by the Ministry on possible recommendations shared at the Cost of Living Summit, the Ministry of Home Affairs convened a meeting with Bermuda's major wholesalers and retailers to develop and advance practical solutions to the cost of living. That meeting resulted in a shared framework for the **Essential Goods Relief Initiative**, a partnership to reduce the cost of household staples for every family in Bermuda.

At the conclusion of the meeting, wholesalers committed to apply a 10% reduction in the cost of designated brand products supplied to retailers. Additionally, retailers agreed to apply a further 10% reduction at the shelf, guaranteeing consumers 20% savings on participating brands for a nine-month period.

To operationalise this commitment, retailers compiled a list of product categories most meaningful to households, and wholesalers are now providing the brand names under each category that they supply. This consolidated list, managed by the Ministry, will serve as the official record of brands included in the programme and will be made available to the public to ensure transparency and accountability.

- 20% savings on everyday essentials – directly visible at checkout.
- Brands families rely on – covering categories like baby products, bread, rice, dairy products, canned goods, toiletries, and cleaning supplies.
- Duty Relief Review- Added savings may be implemented following review of existing duty on select staple goods such as toilet paper (25%), eggs (5%), soups (5%), and baby formula.

## GOODS RELIEF BASKET PRODUCT CATEGORIES



- |              |                     |                |                             |
|--------------|---------------------|----------------|-----------------------------|
| ✓ EGGS       | ✓ RICE              | ✓ SALT         | ✓ PEANUT BUTTER             |
| ✓ TUNA FISH  | ✓ DETERGENT         | ✓ PEPPER       | ✓ CANNED VEGETABLES         |
| ✓ MAYONNAISE | ✓ SOAP              | ✓ SOUP         | ✓ VINEGAR                   |
| ✓ KETCHUP    | ✓ DISH SOAP         | ✓ TOILET PAPER | ✓ DIAPERS                   |
| ✓ PASTA      | ✓ TOMATO SAUCE      | ✓ CHEESE       | ✓ BABY FORMULA              |
| ✓ BREAD      | ✓ FROZEN VEGETABLES | ✓ BUTTER       | ✓ FEMININE HYGIENE PRODUCTS |
| ✓ CEREAL     | ✓ CANNED BEANS      | ✓ JAM          | ✓ TOOTHPASTE                |
| ✓ FLOUR      | ✓ FROZEN CHICKEN    | ✓ OIL          | ✓ HOUSEHOLD CLEANERS        |



# AFFORDABILITY INITIATIVES

<div> <div>INDUSTRY STAKEHOLDER COMMITMENTS TO COST REDUCTION INITIATIVES</div>  </div>			
SECTOR	DESCRIPTION OF STAKEHOLDER COMMITMENT TO INITIATIVE	COST OF LIVING IMPACT	COMMITTED PARTICIPANTS
<b>Food (Wholesale)</b>	Participating distributors have committed to apply a 10% reduction on all listed brand products when sold to retailers. This ensures that savings begin upstream in the supply chain, lowering input costs and creating space for reductions to flow through to the shelf price.	<ul style="list-style-type: none"> <li>• Ensures lower input costs for retailers, making room for pass-through to consumers.</li> <li>• Establishes transparency in the supply chain – documented invoice reductions show the discount is real.</li> <li>• By anchoring savings at the wholesale level, the programme prevents retailers from claiming inability to reduce margins.</li> </ul>	Butterfield & Vallis BGA Pitt & Co. Dunkley's Dairy Viking Food Limited
<b>Food (Retail)</b>	Participating stores have agreed to apply a further 10% reduction on popular Bermuda household brands in addition to their regular discount days.	<ul style="list-style-type: none"> <li>• Results in a guaranteed 20% price reduction for the public on participating brands for 9 months.</li> <li>• Tangible, visible relief for households – e.g., Quaker Oats \$12.79 → \$10.23, Charmin TP \$12.00 → \$9.60.</li> </ul>	The MarketPlace Lindo's Group of Companies



## MONITORING & EVALUATION

# MONITORING & EVALUATION

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The success of the Ministry's efforts to advance its affordable agenda will be directly linked to support from internal and external partners. The Ministry will lead the effort to advance continuous improvement and refinement of its proposals as it keeps the public informed of its successes.

Many of the proposed initiatives will be complemented by various existing Government initiatives, including the Economic Development Strategy, National Housing Strategy, Healthcare Reform, Agriculture Strategy and the Climate Action Plan. This means that there will be direct and indirect monitoring and evaluation of all initiatives and from various Ministry perspectives on behalf of the people of Bermuda.

# ACKNOWLEDGEMENTS

The Ministry extends its sincere appreciation to Ministry colleagues, members of the Strategy Team and the Cost of Living Commission, Summit panellists, in-person and online attendees and the many survey participants, private sector stakeholders and members of the public who have contributed their time and efforts to the Affordable Bermuda Agenda.

Special thanks to the commitment of our industry stakeholders who have evidenced their commitment to cost savings and affordability for those in Bermuda.

Special acknowledgement and appreciation to Mr. Vernon Hassell, his family, and The MarketPlace team for his invaluable participation and support. May he rest in peace.

The Ministry remains committed to ongoing stakeholder engagement and transparency. The challenges ahead are real, but so too is our resolve. Together, we will build a future where every resident can thrive and where affordability is not a privilege, but a shared right.



**#AffordableBermuda**



**@TheGovernmentofBermuda**  
**@AlexaLightbourne,Ilb**



**@BermudaGovernment**



**@bermudagovernment**  
**@bermudamohomeaffairs**



**@bdaGovernment**

# DEFINITION OF TERMS

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In this Report, the terms listed below have the following meanings unless the use and context requires otherwise:

1. **“Affordable Bermuda Agenda”** is inclusive of references to an ‘affordability agenda’ and ‘affordable agenda’.
2. **“Commission”** means the Cost of Living Commission.
3. **“Ministry”** means the Ministry of Home Affairs.
4. **“Summit”** means the 2025 Cost of Living Summit.

## A. Narrative Research Survey




**NARRATIVE  
RESEARCH  
BERMUDA**

### Focus Group of Business Leaders Summary of Results

April 2025



**GOVERNMENT  
OF BERMUDA**  
*Ministry of Home Affairs*



## Background & Methodology

The Ministry of Home Affairs was interested in speaking with business leaders to better understand businesses' perceptions related to the cost of doing business in Bermuda. To that end, Narrative Research Bermuda was commissioned to conduct an online focus group discussion. A list of business leaders was provided by the Ministry for recruitment. A total of ten participants attended the session, with representation of leaders from a wide range of sectors including retail, wholesale, energy, restaurants, grocery and education. The discussion lasted 90 minutes. No incentive was offered.

Narrative Research Bermuda was responsible for the guide design, recruitment, moderation and analysis. Recordings and notes from the session were taken for analysis purposes only. The session included a robust discussion on the cost of operating businesses in Bermuda, the effectiveness of government initiatives and cost-reduction strategies, and how businesses and Government can work together in the future.

The following report provides a summary of results for the **Ministry of Home Affairs' Focus Group of Business Leaders**. Note: a series of polls were asked during the discussion to establish individual opinions. Poll results are presented in this report, only to provide a summary of participant perceptions. Caution should be used when interpreting poll results given the small sample size.

**Methodology:**

- One online group discussion with business leaders.
- Ten participants from various industries, including: retail, wholesale, energy, restaurants, grocery and education.

**Approach:**

- Moderated by a Narrative Research Bermuda facilitator. To ensure anonymity, no client observation was available.
- The group was conducted on April 1, 2025

**Length:**

- The discussion lasted 90 minutes.

**⚠️** The primary benefits of qualitative discussions are that they allow for in-depth probing with qualifying participants on their opinions, perceptions and attitudes on a specific subject matter. Qualitative research allows for more complete understanding of the segment in that the thoughts or feelings are expressed in the participants' "own language" and at their "own levels of passion." Qualitative techniques are used in research as a means of developing insight and direction, rather than collecting quantitatively precise data or absolute measures. As such, results are directional only and cannot be projected to the overall population under study.





## Executive Summary

The Ministry of Home Affairs' **Focus Group of Business Leaders** included representation of Bermuda's leaders from a wide range of industry sectors.

Findings show that businesses face a multitude of cost challenges when operating a business in Bermuda – many of which are not considered to be either appreciated or understood by the Government or end consumers. Cost challenges primarily include logistical costs (e.g., shipping costs, duty, holding inventory), employment related costs (e.g., payroll, health insurance and other salary related costs), increasing energy costs, taxes and regulatory policies, the cost of IT/technology, banking fees, and insurance.

Without exception, all businesses indicated that their operating costs have increased in the past three years, with most experiencing significant increases.

Businesses reportedly have made continual investments in technology to better meet customers' needs, introduce new efficiencies, or out of necessity to ensure the protection of their systems. These investments have typically caused increased operational costs, directly resulting in diminishing margins.

Leaders took exception to the fact that the Government has publicly criticized businesses for not investing in technological improvements to increase efficiencies and felt that sentiment represents a lack of awareness and understanding of businesses' requirements today.

When considering the recent introduction of various import duty reductions on essential goods and price caps on services, Government rhetoric and a lack of understanding of what corresponding impacts small import duty reductions have, were attributed to the misconception that businesses are not passing savings on to consumers. Leaders criticized recent Government actions as vilifying retailers and using them as a scapegoat for public pressure. While businesses appreciate any import duty reductions, they felt it was naïve to believe that a small import duty would have a corresponding decrease in price point to the consumer. Rather, such reductions are seen as contributing to a business' ability to maintain prices at current levels or minimize price increases. In essence, it was felt that reductions of this size are helpful in contributing towards the stabilization of costs, but ineffective at lowering prices given current economic conditions.

When asked how effective Government cost reduction efforts have been, most felt that the efforts were not very effective. While they appreciated that efforts have been made, leaders generally concurred that no one globally has been able to effectively deal with the cost-of-living challenges. It was felt that Government must work collaboratively with businesses to make positive change in Bermuda.

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## Executive Summary (Cont.)

Business leaders shared opinions of various government initiatives or cost related strategies. **Increased monitoring and enforcement of pricing policies** were criticized as inefficient and ineffective and the consensus was that the more intrusive Government becomes, the more expensive goods will be. Similarly, leaders did not believe that **offering additional tax relief for businesses that are compliant with their legislative obligations** was an effective strategy to impact cost reduction.

Leaders were adamant that **Government partnerships with local and overseas suppliers to secure lower wholesale costs of goods and services** was not an effective or appropriate strategy. It was felt that long-term business relationships with suppliers were far more effective, and that Government should focus on stimulating the local economy and creating new opportunities, rather than trying to control existing relationships in the business marketplace.

**More streamlined regulatory processes** were deemed an area where Government could truly make a difference by providing a more efficient and effective environment for business operation.

Not surprising then, when asked what types of initiatives would be most helpful for businesses to reduce prices to consumers, suggestions primarily focused on changes to regulatory processes, policies and taxes. Key suggestions included: *remove the sugar tax; amend legislation and policies to allow for diversification of global suppliers; removal of sticker policies; relax inspection protocols; and stimulate economic growth.*

In conclusion, business leaders expressed strong interest in working with the Government and voiced a continued plea for enhanced collaboration to ensure Bermuda is affordable for everyone. A more positive, collaborative narrative was also deemed necessary, reflective of a greater understanding of the challenges facing businesses in Bermuda and of Government and businesses working together to find the best solutions for Bermuda. Such collaboration would find creative policy solutions to positively impact change. In addition, it was felt that with increased Government focus on stimulating economic growth and population growth, both businesses and the Island will prosper.

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## Detailed Findings



## Cost Challenges Faced by Businesses

*Businesses face a multitude of cost challenges when doing business in Bermuda – many of which are not considered to be either appreciated or understood by the Government or end consumers.*

The discussion began by asking leaders what they considered to be the greatest cost challenges that businesses face in Bermuda.

Regardless of industry, leaders concurred that businesses face a myriad of challenges when operating in Bermuda, which collectively place significant stressors on managing a business. That said, a variety of key challenges were consistently identified, including **logistical costs** (e.g., shipping costs, duty, holding inventory), **employment related costs** (e.g., payroll, health insurance), **taxes and regulatory policies**, and ever-increasing **energy costs**.

Leaders concurred that a key challenge facing Bermuda is related to scale. Consumers expect to have products and services of comparable prices to those sold in other jurisdictions. Given that the Island is not able to sustain its own food supply, there is a dependence on importing goods from elsewhere. However, Bermuda's small population does not allow for purchasing in sufficient volume to allow for similar prices as in other jurisdictions.

While importing goods obviously result in transportation / shipping charges, those costs are further impacted by imposed duties, and legislated restrictions that prohibit or limit the purchase of more competitively-priced products from various jurisdictions. Altogether, these place considerable pressures on local businesses to remain relevant in a competitive marketplace.

When asked (individually) what they considered to be the greatest cost challenge facing businesses in Bermuda, three key factors were most often identified, including taxes and regulatory fees, importing / shipping costs and labour costs, with other costs such as IT /technology, banking fees, energy costs and insurance also representing significant challenges.

Without exception, all businesses indicated that their operating costs have increased in the past three years, with most having experienced significant increases.

*"I've got a list of about 15 things – I can't give you (any one specific greatest cost) – there's a lot of them."*

*"Health insurance – I have a large number of employees and health insurance is a huge weight to carry."*

*"My employment costs – payroll – are significant."*

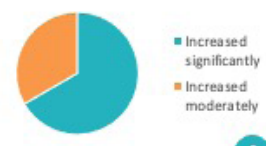
*"The cost of logistics, getting product to Bermuda. Ships are deadheading, (we're) holding large levels of inventory, and holding a duty paid situation."*

*"One of the biggest challenges is scale – we don't buy in enough volume. When we're talking to suppliers, the volume Bermuda sells is the same as one other customer for them – we are somewhat irrelevant."*

**Greatest Cost Challenge**



**Operating Costs Over Past Three Years**



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## Cost Challenges Faced by Businesses

The following presents further details related to key cost challenges faced by businesses operating in Bermuda.

- Labour-related costs.** While the cost of labour is a significant expense for all businesses, there are several key components of this cost that present a real burden for businesses operating in Bermuda.
  - Health Insurance.** Health insurance was often the first cost challenge mentioned in the group, with leaders citing that rates have risen exponentially in recent years and presents a significant area of concern.
  - Employment costs (payroll, training, social insurance).** This represents a significant portion of operating expenses, particularly when working to be competitive to retain employees within their business or more broadly, on-island.
  - Sourcing staff.** The challenges associated with recruiting and hiring staff, including the ability to efficiently process permit applications, was a challenge to some. Further, the requirement of having staff available for extended periods of time for customs review added additional employment costs for businesses, with no return.
- Costs associated with products (duties, shipping, storage, container, in-land shipping).** Participants mentioned that many hidden prices are tied into getting their products on the shelves or to consumers. While purchase and shipping fees are well-known costs, things like storage, container fees, potential spoilage, and domestic in-land shipping costs are all additional expenses that contribute to the final price.
- Utilities and fuel.** It was recognised that residents and businesses alike struggle with the high cost of utilities, power, and fuel. Mentions of constant refrigeration, use of forklifts, trucks, and warehouses are all examples of how businesses rack up exorbitant utility and fuel bills. Further, these costs continue to escalate, with no appreciated impact on the final cost of goods for consumers.
- Credit card/banking fees.** Banking fees have increased significantly, and businesses are frustrated that they have to pay for what they consider to be unnecessary services (e.g., a bank fee for counting cash).
- Technology / Security/ IT infrastructure.** There is a perception on island that Bermuda should be operating at a global scale, with all of the recent technological advancements seen elsewhere. Those improvements take time and cost money that businesses cannot keep up with. Further, businesses have experienced significant increases in IT infrastructure and security costs as the need for cybersecurity and risk mitigation has become a necessity, particularly with the increased rate of fraud.

*"People forget about domestic, in-land shipping. There's more to it than we talk about."*

*"The amount of capital it takes to keep stuff running (refrigeration, forklifts, trucks)."*

*"Technology is hard to keep up with. Customer expectations are that we are at a global scale."*

*"We've tripled our IT costs over the past few years."*

*"Property insurance – we've seen significant escalations for property insurance in the last 5 years."*

*"Infrastructure updates and the time to get approvals from planning – the cost and the time – time is money. Customer expectations has risen because they expect that we provide a product at the same level you would find in larger jurisdictions – not appreciating the cost and time it takes to update."*

*"We had to invest significantly in IT when our system was compromised."*

*"Some of it [investment] was forced because we got hacked. Now the cost of security for our networks is far beyond what it was a year ago."*

*"Software maintenance and licensing agreements are ridiculous but necessary...we've quadrupled on IT security what we used to spend."*



## Investment in Technologies

**Businesses have reportedly made continual investments in technology, although these investments typically result in increased operational costs and diminished returns.**

When asked if their business has invested in new technologies which has impacted their overhead and the cost to consumers – businesses responded with a resounding yes. Without exception, participants explained that they have continually invested in technology to better meet customers' needs, introduce new efficiencies, or to ensure the protection of their systems. This has become the norm in business and something that has resulted in significantly increased operating costs, most often resulting in diminishing margins.

As discussed, the increased demand for enhanced IT infrastructure has required significant technology costs for businesses – costs that have simply increased operational costs with no ability to recoup the investment. Growing requirements for cyberinsurance, and the necessity to put technology in place to meet cyberinsurance requirements, also impacts businesses' returns.

Similarly, some businesses have implemented new technologies to improve energy efficiency in their business processes. Unfortunately, with increased costs from other areas, such investments have resulted in them simply being able to hold costs steady or minimize increases in costs.

Leaders took exception to the fact that Government has publicly criticized businesses for not investing in technological improvements to increase efficiencies and felt that sentiment represents a lack of awareness and lack of understanding of businesses' requirements today.

*"Absolutely – investing in technology has become a new reality. It's not just the equipment, it's the programs, the software, the updates, the training that goes into it – costs that people don't necessarily consider."*

*"AI technologies are making cyber attacks more covert. We've had to quadruple on security what we used to spend – maybe Bermuda is a target right now. We are constantly reviewing the logs to see what's going on – we've spent a lot of money to upgrade systems."*

*"Cyberinsurance – The insurance is one cost, getting yourself to the level they want you to be at is the other cost."*

*"Energy – [we invest for cost savings], but we're treading water – we reduced our kilowatt consumption but with the fuel charge, we are still just treading water."*

*"We are constantly investing in our tech (and have been for the past five years). Our inventory management system, and a new website that links to inventory management system. It's changed our distribution center so it can talk to each other and track better. We're looking into AI to create more efficiencies. Long term goal is reduce headcount by using tech."*

*"It's disingenuous comments from Government that we aren't investing in tech."*



## Consumers Missing Out on Savings

*Government rhetoric and a lack of understanding of what corresponding impact small import duty reductions have, were attributed to the misconception that businesses are not passing savings on to consumers.*

Participants were reminded that the Government has enacted various reductions on import duties on essential goods and price caps on services. That said, they were told there is a belief in the community that any resulting savings are not being passed on to the consumer. Participants were asked why they feel that belief exists.

This discussion elicited a strong emotional response from business leaders, with evident frustration. In fact, leaders criticized recent Government actions as vilifying retailers and using them as a scapegoat for public pressure.

While businesses appreciate any import duty reductions, they felt it was naïve to believe that a small import duty would have a corresponding decrease in price point to the consumer. Rather, such reductions are seen as contributing to a business' ability to maintain prices at current levels or minimize price increases, at a time when they are experiencing increasing costs from multiple areas (e.g., shipping, labour, prices of goods, IT costs, etc.). In essence, it was felt that reductions of this size are helpful in contributing towards the stabilization of costs, but ineffective at lowering prices. By contrast, removal of larger import duties (e.g. 75% sugar tax) would potentially directly impact price points for consumers.

A criticism of retailers was also considered unfair given that most goods sold by retailers are brought in by wholesalers (versus by retailers directly), and wholesalers may not pass on any reduction of import duty to the retailer. Further, one must consider what inventory the wholesaler maintains, and what level of duty was applied when the goods in storage were purchased.

When asked if they feel that the import duties have resulted in savings being passed on to the consumer, participants unanimously agreed. In fact, it was felt existing duty reliefs have helped keep costs as low as possible to the end consumer, by mitigating price increases that would have otherwise been necessary, given businesses ever-increasing costs. While the consumer may not see the cost drop, the price of retail goods have not increased at the level they would have otherwise.

*"The community believes this because the Government said it's so – we're here today because there was an election, and ...when they were canvassing, they said retailers did not pass on the duty relief to consumers."*

*"The retail stores get kicked around as the highway robbers...it's not true."*

*"I'd like to see where it wasn't passed on!! Evidence – it's been talked about quite a bit about how these duties weren't passed on – there were 18 duty reductions that were passed down in 2020 – a lot of these items that went down were items that you're not going to see a 5% decrease."*

*"Container costs have gone up, fuel costs have gone up – and the retailers don't see the changes because we get the costs from wholesalers."*

*"The 5-10% duty relief, the government is talking like you're going to see a 10% decrease in the goods on the shelf!!"*

*"If the actual costs of the goods are going up, and our operating costs are increasing, how can they think a small duty reduction will result in a price reduction!?"*

*"In COVID, we stayed in stock – we continued to have our stores open. When we were needed, all the retailers showed up. Now there's been a vilification of retailers on island."*



## Lack of Price Reduction

Another factor contributing to consumers not seeing a direct price reduction was **global inflation**. Business leaders believed it was important to recognize that what Bermuda is experiencing is not limited to the Island.

Leaders shared that currently, the United States sits at an inflation rate of about 8% and it was felt that Bermuda cannot run less than that. Some criticized the Government for releasing misleading cost of living statistics, which are not reflective of reality.

The price of goods was also something that fluctuates notably from week to week. This price volatility is frustrating for consumers and retailers alike. Similarly, the varied quality or grade of goods (e.g. eggs) can dramatically impact the prices seen at different stores, when different grades are purchased by different retailers.

Perhaps not surprisingly, when asked how effective Government cost reduction efforts have been, most felt that the efforts were not very effective. That said, it was also felt that efforts have been made, but no one globally has been able to effectively deal with the cost of living challenges.

Businesses felt strongly that they cannot wait or rely on Government to save them during difficult times, but Government should work collaboratively with businesses to make positive change.

Effectiveness of Government Cost Reduction Efforts



*"Eggs are an item that changes price weekly – not everyone can lock in a price. That is strictly supply and demand driven. Will go up and down like a roller coaster."*

*"Pre-trump tariffs, the inflation rate was 25%? A ridiculous number and it's just the first cost – that doesn't include freight, etc. A 5% duty relief on carrots that we can't even import? 5% is such a slim part of that cost structure."*

*"Considering the basket of goods – it's 8% inflation in the US – Bermuda can't run less than that."*

*"Wherever there was a tariff that has a 0% duty – it has affected the cost of that item... The cost [the consumer sees] is coming out cheaper than if the lower duty wasn't there."*

*"Agree – the consumer may not see the cost [go down] – the retail price is not increased at the level it would typically be increased at – there will still be an increase – we've only increased our retail prices due to the cost of getting the goods from point A to point B."*

*"You have to put [Government's efforts] in context to what's happening globally. Who has effectively dealt with the cost of living? Nobody!."*

*"It's a loaded question. They've made an effort to an extent – but they haven't filled posts within government, is that reducing costs? It actually can create hidden costs (delayed permits, applications)."*

*"We can't wait for government to save us, we have to work with them to reduce costs, but they don't have a lot of levers to pull to give us the reductions we need to parlay that over to consumers. We want to give our customers a lower price – it's up to us to figure out how to help ourselves in the private sector – do stuff outside the government – work together?"*





## Government Initiatives and Cost Reduction Strategies

Participants briefly shared reactions to five different government initiatives or cost reduction strategies.

- 1. Increased monitoring and enforcement of pricing policies.** Participants criticized this initiative and explicitly said that this strategy is not efficient or effective. The consensus is that the government should get out of the way of business, as the more intrusion there is, the more expensive things become. It was felt that it is competition that keeps prices down, not government monitoring.
- 2. Additional tax relief for businesses that are compliant with their legislative obligations.** It was felt that government should not have to reward good business to point out the bad ones. Furthermore, small tax reliefs of 5-10%, while not ineffective, won't make a difference in the shelf price, as they will be directed to mitigate other related costs.
- 3. Government partnerships with local and overseas suppliers to secure lower wholesale costs of goods and services.** Participants were adamant that this was not an effective or appropriate strategy. Businesses have curated and nurtured professional relationships and connections with suppliers over the years and felt the Government couldn't change or do better than those existing relationships. It was suggested that the Government should focus on stimulating the local economy and creating new opportunities, rather than trying to control those already existing in the business marketplace.
- 4. More streamlined regulatory processes.** This was highlighted as how the government could truly make a difference. When planning applications take 3-6 months or longer, that was considered capital waiting to be deployed into the economy. Again, it was felt that the faster that the Government gets out of the way, the more efficiently and successfully businesses can operate.
- 5. Investment in local production infrastructure.** While there isn't much that can be produced on Island, the general sentiment from participants was that it's never a bad idea to stimulate the local economy by re-investing in local businesses and operations.

*"Get out of the way. We'll keep it competitive."*

*"It's impossible for the Government to accurately regulate the average cost of goods. There are too many products coming from too many jurisdictions that have different costs attached to them."*

*"Government needs to do more in creating opportunities than control those existing in the marketplace now."*

*"For BELCO it's different. For retail, what pricing policies? It gives the impression that there's a pricing policy that someone isn't following."*

*"We need to change our mindset, we are not going to lower the cost of living in Bermuda, but can stabilize it or not allow volatile increases. We don't have control over many of the things we have in Bermuda – we can lower the costs but at the cost of reliability – it's a balance of scale. It's likely unachievable to lower the cost of living but achieving stability or minimizing the increases can happen. We need to re-set expectations."*

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## Suggested Government Initiatives & Strategies

*Business leaders offer a wide range of suggestions to help reduce costs to consumers.*

When asked what types of initiatives would be most helpful for businesses in the reduction of costs to consumers, suggestions primarily focussed on changes to regulatory processes, policies and taxes. The following highlights key suggestions:

- Abolish the sugar tax.** The dismantling of the sugar tax was repeatedly raised as a tangible, real-time solution to help stabilise the cost of goods on the Island. Cutting a 75 percent tariff is considered no small measure and could have an immediate impact on cost savings on store shelves.
- Amend legislation and policies to allow for diversification of global suppliers.** It was felt that several pieces of legislation/ import policies enacted decades or many years ago, are problematic and prevents retailers and wholesalers from purchasing products more cost effectively. Multiple examples were cited such as citrus that cannot be purchased from Florida. This results in having to import from California, or elsewhere, adding additional expenses due to distance. Participants explained they are investigating other jurisdictions to get goods from, as far as Europe and Asia, in order to source lower prices. That said, the lower prices may come at the cost of higher shipping expenses. Another example was the inability to import potatoes from Canada, given a blight of many years ago (that no longer exists). These types of policies restrict the effective buying power of retailers.
- Remove the stickers.** Fruit and vegetable sticker policies do not allow for wholesalers or retailers to purchase non-premium quality produce at lower prices. Again, this could result in retailers offering lower-priced, quality items for consumers, as they are not obliged to import the highest quality.
- Relax the inspection protocols.** While it was recognised that there is a need for protection, the system was deemed overly protected at the moment and in need of relaxation. One example of Christmas trees was brought up, whereby each tree is inspected upon arrival to the Island. All the labour that is required to set up and conduct inspections presents additional costs by the retailer, which ultimately impacts the final price charged to consumers.
- Stimulate the economy.** While easier said than done, participants suggested that the Government should find a way to bring more people to the Island. The greater the consumer base, the greater the volume to conduct operations.

*"Stabilise healthcare costs. It's the single largest thing that affects our cost of doing business. Stop worrying about flavoured vapes and figure out universal health care."*

*"If we look at other sophisticated Islands, they don't have very restrictive import policies and instead, use a risk-based approach. The DENR has policies based on 1930s legislation that has never been updated. If you keep adding regulations on regulations, the prices will increase."*

*"Remove the sticker. We don't need premium limes or lemons unless we want to sell them. I can get cheaper ones that don't have a sticker."*

*"Bananas. That market is destroyed because we can't bring in bananas that we brought in for 20+ years. Now they have to go through one specific supplier – it's tripled the costs."*

*"Since we have to buy from California, we end up with California fruit when it's off-season, when Florida fruit is in-season."*

*"The way that the sugar tax has been applied, has driven a cost that didn't have to go up. And now there is talk of saturated fat tax, there is no discussion with the retailers."*

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## Final Advice

Business leaders provided final advice for the Government's consideration.

- **Work with us, not against us. Listen to us, we understand what we're doing.** It was felt that any decisions made on a businesses/retailers' behalf, without their input, could hurt them. Collaboration was deemed imperative, as business leaders are experts in their own field and should be brought to the table for consultations. Any regulations that impact businesses that are made without their input, will have a negative impact. Businesses are interested in working with the Government and there was a continued plea for stronger collaboration to ensure Bermuda is affordable for everyone.
- **Get ride of red tape.** It was felt that removing red tape, enabling streamlined protocols, and avoiding unintended consequences in legislations and policies will contribute to the stabilisation of costs.
- **Sustainable price reductions are only possible if businesses remain profitable.** Business leaders felt it important to recognise that businesses are already doing their best to keep prices as low as possible. The goal isn't to generate massive profits — but rather to make products and services affordable for the community. Business owners and executives live here, as do their employees and families. They understand the shared responsibility of managing costs and are committed to finding ways to make life on the Island more sustainable and comfortable for everyone. Furthermore, any new measures introduced must also prioritise the preservation of the retail employment, as a shrinking customer base undermines both operational efficiency and long-term viability.
- **Take a long-term approach, rather than offering short-term solutions.** Given the current economic climate, it was not considered realistic to lower the cost of living, particularly given the level of global economic uncertainty. A more realistic focus would be stabilising prices and mitigating any volatile increases — so, salaries can keep up.
- **Reframe the narrative.** A more positive, collaborative narrative was deemed necessary, whereby the Government and retailers/businesses work collaboratively to find the best solutions for Bermuda. Such collaboration would include a greater understanding of the challenges facing businesses operating in Bermuda and find creative policy solutions to positively impact change.
- **Increased focus on growing the economy.** It was felt that with population growth and stimulated economic growth both businesses and the Island will prosper. Residents will not feel the need to leave the Island to find a more sustainable location.



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