



REMARKS

By:

**THE HON. JASON HAYWARD JP MP
MINISTER ECONOMY AND LABOUR**

1st QUARTER 2025 GDP AND ECONOMIC PERFORMANCE

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Good day to members of the media and the listening public...

Quarterly GDP and Economic Performance

Bermuda's economy continued its steady progress. Building on good momentum and strong growth in 2024, in the first quarter of 2025, Bermuda's economy expanded by an estimated 1.1 per cent, adjusted for inflation, signifying continued economic expansion. This economic growth resulted from increased household and Government expenditure and investment.

In current prices, GDP increased by 3.3 per cent during the first quarter.

The significance of this continued economic expansion for Bermuda is far-reaching. It is accompanied by higher employment levels, improved household incomes, and stronger consumer confidence. This momentum underscores Bermuda's resilience, its ability to adapt to shifting global conditions, and its capacity to maintain stability while fostering an environment where both public and private sectors can prosper.

Consumer Spending

Consumer spending in the first quarter increased 1.5 per cent year-over-year to \$824.1 million. This increase reflects growth in the total amount of money consumers spent on goods and services during the quarter.

Consumption of services increased by 1.3 per cent year-over-year, reflected in higher expenditure for personal care, catering and air transport services.

Spending on durable goods grew by 1.1 per cent, with notable increases in purchases of new and used cars, sound and picture reception equipment, recording and reproduction, and photographic and cinema equipment. At the same time, spending on non-durable and semi-durable goods rose 2.2 per cent in large part due to expenditures on accompanied personal goods, fuel and power, food and non-alcoholic beverages.

The increase in consumer spending in Bermuda's first quarter demonstrates a favourable economic environment and positive consumer confidence, with growth in both service consumption and the consumption of goods.

Employment Income

In the first quarter of 2025, employment income rose by 6.3 per cent compared to 2024 levels. Notable increases in employment income were observed across all industries:

- Business Services (17.1%)
- Transport & Communication (12.8%)
- Hotels & Restaurants (9.8%)
- Construction (8.1%)
- Public Administration & Defence (6.0%)
- Banking, Insurance & Real Estate (5.1%)

- International Business (5.1%)
- Wholesale & Retail (0.2%)

This growth in employee remuneration across all sectors reflects positive economic performance indicating a robust labour market.

Government Expenditure

Government consumption increased by 1.5 per cent to \$201.4 million during the quarter, reflecting increased expenditure on wages, salaries, and insurance.

Investment

Gross Capital Formation reflected strong growth, increasing 5.2 per cent to \$216.1 million. Investment in machinery and equipment saw a positive increase of 7.3 per cent, driven by higher imports of industrial machinery, transportation equipment and agricultural machinery. Construction investment continued its rebound, increasing by 2.9 per cent. Investment in capital assets serves as a strong foundation for increased economic development.

The External Balance of Goods and Services

Bermuda's Trade Balance abated 0.5 per cent to \$779.1 million, as the increase in receipts from the import of goods and services outpaced the growth in receipts for the exports of goods and services.

Exports of goods and services grew by 1.7 per cent during the quarter, with a notable contribution from higher receipts related to business services. Imports of goods and services increased 5.4 per cent as payments rose for transportation and travel services.

Business Registrations

Bermuda's business ecosystem remains robust, and total local business registration increased year-over-year, bringing the complete business register to 4,082. There were 50 new local businesses registered in Bermuda during the first quarter of 2025.

Conclusion

The Government is committed to fostering the expansion and sustainability of Bermuda's economy by cultivating a business environment that enables businesses to flourish. To that end, the Government will continue executing the strategic initiatives outlined in Bermuda's Economic Development Strategy to ensure Bermuda experiences sustainable and inclusive economic growth and development.

For more information, please see the Q1 2025 Quarterly GDP by Expenditure and the Q1 2025 Balance of Payments & International Investment Position publications available at the Department of Statistics online at gov.bm.

Thank you.