



## Ministerial Statement

By

**The Hon. E. David Burt, JP, MP**  
Premier

TOURISM AND ECONOMIC DEVELOPMENT UPDATE

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**Mr. Speaker**, Bermuda's fortunes are dependent on the ability of the community to unite in two main efforts: the renewal of this existing economy and the design of a new paradigm of economic activity that strikes out from our traditions, creating an equitable redistribution of opportunity and wealth.

**Mr. Speaker**, the concept of twin pillars of Bermuda's economy has become less and less a reality as our tax base, policy and legislative impetus and third sector dependence have predominantly rested on international business. As a sector, they have shouldered this burden well, and Bermuda enjoys its continued high standard of living largely due to the economic contribution generated at varying levels by international business.

Tourism, **Mr. Speaker**, has become a mind-boggling formula of high costs, irrelevance in key markets, stops and starts in development and an atrophy of outlook that prevents us from exploiting those things we do well.

To be clear, **Mr. Speaker**, this does not all rest at the feet of the Bermuda Tourism Authority. I believe they have performed according to their existing capacity. Earlier this year the BTA noted

that 2019 was the second-best year in the past 13 years for leisure air arrivals and stated that between 2015 and 2019 leisure air arrivals “*jumped*” 37%. 2019 was cited as “*the third consecutive year of record-breaking total visitor arrivals*”; a number that combines cruise, air and yacht travelers. **Mr. Speaker**, those numbers were achieved against the background of decreased air capacity and increased cruise arrivals. I do not propose to re-litigate them today, suffice it to say, they tell a deeper story and in fact dictate much of the task that lies ahead.

**Mr. Speaker**, it is my considered view that the BTA as an organization is top-heavy and does not yet embrace the ethos of this Government. That is to say: the creation of an equitable redistribution of opportunity so that those who have been left out or left behind by Bermuda’s success, predominantly black entrepreneurs, will receive a chance to participate on equal terms.

**Mr. Speaker**, we must change the conversation around tourism. Bermuda is no longer the debutante at her first ball and so the days of getting by on natural beauty alone are over. To extend the metaphor even more, **Mr. Speaker**, our dance card will never be filled if we don’t make ourselves more attractive and more relevant. The proof of how harsh reality can be, especially when we try to ignore it, is seen in the numbers to which I referred a moment ago. Most Honourable Members are older than me, but even I remember that the mantra of Bermuda’s ‘glory days’ of tourism was to frown on cruise ships and their passengers; “*hamburger tourists*” one Minister called them. Well, **Mr. Speaker**, having been so discerning in our past – it is fully evident of our declining relevance that our 2018 and 2019 numbers of total visitors comprised of approximately 65% cruise visitors.

As the Minister responsible for tourism, I am determined that we will not be caught out by trends and changes in the market. Let me be clear, I do not wish to run the BTA, and I have no intention of being a micro-managing minister consumed with the operations of that organization. However, my responsibility is to set policy and oversee its execution to the benefit of the people of Bermuda; and that is what I intend to do.

**Mr. Speaker**, a regrettable feature of life in Bermuda is the need for 3<sup>rd</sup> Party validation of things which are clear as day, especially when stated by a member of this Government. Therefore, lest Honourable Members consider that the comments I make today are some nuanced spin or the work of high-priced consultants, in June 2011, almost a decade ago, Jon Crellin, the former general manager of the Fairmont Hamilton Princess told the Royal Gazette as he ended his tenure:

*“Why do we always hear about Bermuda’s heyday? It’s been gone and things have moved on. That was about 25 or 30 years ago, this is now and things are different, very different. Back then we weren’t surrounded by big-name resorts, we didn’t have any competition. We really need to put things back in context rather than dwelling on the past...We need to do our research to see who our competition really is. It doesn’t matter what we think, it’s what tourists think...Something needs to change to take Bermuda to the next level. We need to be put back on the map. Bermuda needs to do something sooner rather than later.”*

**Mr. Speaker**, that later is upon us.

**Mr. Speaker**, there are a number of key issues that must be tackled and I am pleased to set those out in summary for the benefit of Honourable Members:

## **1. Relevance**

**Mr. Speaker**, Honourable Members will recall the National Tourism Plan launched under the auspices of the former Minister of Tourism and Economic Development, the Honourable Member from Constituency 33, Jamahl Simmons. That plan features a section titled “**Awareness and Relevance**” and it says: *“We must focus our resources to make the right audiences more familiar with Bermuda and break through the noise of other destinations”*. And later in that section: *“If there are no distinguishing factors differentiating Bermuda, few people will choose her and those that do consider coming will view Bermuda as being very expensive.”*

In these statements, **Mr. Speaker**, we find the defining issue behind our tourism challenges over the last two decades. **Mr. Speaker**, the fact that this is in the National Tourism Plan means that the BTA is fully cognizant of this challenge and that is a good thing. Beyond recognizing the issue, the BTA must cease looking inward in a very micro sense, and advance a policy of engagement at the macro level that makes Bermuda an almost mandatory experience in our key markets. **Mr. Speaker**, to address the issue of inconsistent air arrivals, seasonality and our high price point, we must connect to our key markets beyond the level of a vacation destination. We have fine events in Bermuda, but nothing that ranks as a “must attend” for the demographic we claim to want as our guests. As an example **Mr. Speaker**, people won’t leave New York for “Restaurant Weeks” in Bermuda – we must offer something more compelling that differentiates us and makes our island relevant.

## **2. Air Service Development**

**Mr. Speaker**, with my colleague, the Honourable Member for Constituency 26, the Minister of Transport (Neville Tyrrell), I intend to commit significant resources to the further development of air service for Bermuda. I have received a detailed analysis done during the tenure of the former Minister of Tourism and Transport, the Honourable Member for Constituency 29 (Zane DeSilva), and I can advise Honourable Members that there is now a joined-up approach to air service development that will form the foundation of critical next steps in growing air lift from key markets to Bermuda.

## **3. Film / Arts / Fashion / Entertainment**

**Mr. Speaker**, Bermuda continues to have a reputation as staid, boring and uninspiring. This issue is more than any real or perceived lack of nightlife or options after 10pm. There is a deeper core to this product discussion that must be addressed. **Mr. Speaker**, even the very best marketing will struggle in the long term to overcome the competitive headwinds we face. This increased

competition paired with our high price point means that we must evolve beyond the singular narrative of the idyllic island paradise.

**Mr. Speaker**, we have spent hundreds of millions on marketing, staffed foreign offices and are the home to the world's top insurers, reinsurers and global brands like Bacardi; how then can we be so unknown and essentially irrelevant to the very markets from which those successes emanate?

Striking out into film, arts, fashion and entertainment in targeted, meaningful ways that mirror the expectations created by our price point must be the next wave of effort in promoting Bermuda. Every day we are treated to a success story in the local news of Bermudians who have achieved name recognition and success in these areas outside of Bermuda but have no **real** home film festival, no **real** haven for the arts or no **fully** supported fashion week to match their talents. **Mr. Speaker**, people want to feel a buzz where they live and a sense that things are happening. Bermudians need to feel pride in their tourism and will do so when we provide for them a product to brag about again. **Mr. Speaker** – natural beauty is not enough to get us by in 2020.

**Mr. Speaker**, I will share with Honourable Members a useful illustration. A renowned European film festival has a \$20m budget, \$10-\$12m of which comes from the country's government. This annual event connects this European city to Hollywood, is a must-attend event for all and sundry connected to the industry, and has provided this city with a thriving arts scene of which this event is the pinnacle. Yes, **Mr. Speaker**, \$10m is a significant spend on one event – and I'm not suggesting we do - but when we consider that Bermuda has been spending that annually on billboards, pink taxis and TV ads with little to no real return on goals first set out almost 20 years ago; investments into arts, fashion and entertainment combined with celebrities to raise Bermuda's relevance must be seen as a long term investment worth making.

**Mr. Speaker,** we've tried fishing where the fish are, they aren't biting because they don't like our bait. It's time to make real investments to fix our product and recognize that just like we can't take pink sand from the beach – selling pink sand won't get us where we need to be.

Our approach must be different, leveraging celebrities to attract private sector sponsors to share the investment and assist in building their brands, while we make our brand more relevant in our key markets.

**Mr. Speaker,** there is one trite aspect of tourism policy that applies from Hamilton, New Zealand to Hamilton, Bermuda: tourism works best for us all when air arrivals are up and hotels are full. I am determined to build on the work done by the Ministers of this Government to see more Bermudians working in tourism, earning salaries that allow them to meet their families' needs and establish themselves as citizens in their country whose careers and contributions drive this economy too.

## **ECONOMIC DEVELOPMENT**

**Mr. Speaker,** it seems an eternity ago, but in his Statement in Support of the Estimates of Revenue & Expenditure, the Honourable Member, the Minister of Finance relied upon the words of an African proverb: *“If you wish to move mountains tomorrow, you must start by lifting stones today.”*

**Mr. Speaker,** I am pleased to advise this Honourable House that the efforts of this Government in economic development continue to build that foundation for transformational change we promised for Bermuda. It is essential that Bermuda's economy builds on what we have, while laying the legislative underpinning to advance the growth of existing and new sectors in our economy. It is often forgotten that our job in this Honourable House when it comes to economic development, is to create the legislative underpinning that our vibrant private sector can market internationally to attract business to Bermuda. It is what worked in financial services, and it is what will work in other sectors targeted for growth.

Honourable Members will have noted recent policy changes that promote the development of Bermuda's economy. This can be seen through the swift changes to the residential certificate policy outlined by my colleague, the Member for Constituency 17, the Minister of Labour (Jason Hayward).

Additionally, **Mr. Speaker**, I wish to advise Honourable Members of the following:

- (i) Honourable Members will take under consideration today amendments to the Trusts legislation which will dramatically increase Bermuda's marketability by modernizing the statute;
- (ii) Led by the Bermuda Business Development Agency, marketing efforts, policy and legislative changes are being advanced as part of a targeted Asia / Hong Kong strategy;
- (iii) The Cabinet Office in conjunction with the Ministry of Finance, Bermuda Business Development Agency, and Bermuda Monetary Authority is crafting standalone Family Office Legislation to differentiate Bermuda's offering in this competitive global space.
- (iv) To support the Ministry of Finance and the Registrar of Companies, the Bermuda Business Development Agency is setting out a clear strategy around marketing our economic substance regime that will see these changes for companies accrue to the benefit of Bermuda in the form of more jobs;
- (v) Our FinTech strategy continues to yield new company formations with more companies applying to be licensed under Bermuda's framework. The Business Development Agency in conjunction with the Bermuda Monetary Authority will be advancing changes to the Digital Asset framework for this Honourable House's consideration in September;

- (vi) The Regulatory Authority is advancing the necessary fee structure that will allow us to bring into force the legislation to promote subsea cables for Bermuda; and
- (vii) The BEDC is finalizing guidelines for approved residential schemes in the Economic Empowerment Zones to attract Bermuda based investment; creating construction jobs while maintaining the rich cultural history of these areas.

In closing, **Mr. Speaker**, I believe it is important to underline a key difference in policy between this Government and the Members opposite. The almost throwaway line of the Opposition is the need for “more foreign investment”. But **Mr. Speaker**, foreign investment which does not see the profits benefit the people or the community in which it is invested is yesterday’s model. The economy of today and the future will not be the one with which the Members opposite are so familiar and comfortable.

The economy we are determined to build is one that creates a country of Bermudian owners and Bermudian investors; ordinary women and men who can put their disposable income or hard earned savings to work investing in projects and initiatives that benefit the community and generate a return for them as investors and intergenerational wealth for their children.

**Mr. Speaker**, time after time we hear the call for more foreign investment, but the unspoken part of that call is that it signals no change to the status quo or ranking of Bermudians in their own country. The Members opposite specialize in short-term bursts of economic activity that generate enough for today but no long-term hope for tomorrow. Lurching from a boat race for billionaires to building a vanity airport terminal is not an economic record of which to be proud.

Neither provided the lasting impact Bermudians need to transform their personal economic futures, and both left us with debts for many years to come. There is a shocking irony in the criticism of the Government because we are not following their model of crafting schemes to

make the rich richer while denying Bermudians the wealth creation opportunity these investments should bring.

**Mr. Speaker**, this Government's economic paradigm will welcome foreign investment, but it must be paired and matched with Bermudian investment so that our children do not see profits sucked from their shores and wonder why their forefathers sold them out.

**Mr. Speaker**, we are designing a new paradigm of economic activity that strikes out from our traditions, creating an equitable redistribution of opportunity and ensuring that Bermudians have an opportunity to participate so they can be owners in their own country building wealth for future generations to inherit.

Thank you, **Mr. Speaker**.