

PRESS RELEASE: FOR IMMEDIATE DISTRIBUTION

BERMUDA CHAMBER OF COMMERCE WELCOMES 2026 BUDGET

Hamilton, Bermuda - January 20, 2026 - The Bermuda Chamber of Commerce commends the Premier and Minister of Finance for his 2026 to 2027 Budget Statement. Overall, it offers a number of positive steps that have been key topics for several years; addressing the overall debt, addressing cost of living & doing business and infrastructure support to name a few.

As per the Economic Overview of the budget, Bermuda has continued to grow, with GDP continuing to be powered by the International Business sector. We do note that the Gross National Expenditure (being Total Consumption and Capital Formation, without external trade) has shown recovery, this remains below pre-2020 levels, demonstrating the challenges in the domestic economy. Further, we look forward to the release of the 2024 Household Expenditure Survey which will assist in re-baselining the Consumer Price Index. Whilst the Bermuda CPI continues to trend lower than other global economies, we recognize this does not reflect the reality of many and is predominately driven by a rental factor that appears to not reflect the realities of the Bermuda rental market, which is only +7.1% since April 2015 vs the overall CPI of +20.8%.

Given this, the Cost of Living and doing Business support offered in the budget is welcomed, with reductions to payroll tax on both employer and employee and the elimination of duty on fuel for electricity generation viewed as key measures. We note that the relief is not as much as recommended by the TRC for a cap of 7% for employer payroll tax, however, this relates to data collection required and we reiterate our recommendation that any data capture program includes incentives for implementation, whilst also being clear on the scope and scale of information required.

The Chamber is pleased to hear that the forecasted Corporate Income Tax revenues are higher than anticipated and this will support the full repayment of the January 2027 bond of \$605m. This effectively reduces the debt to a pre-Covid-19 level, and we look forward to primary Fiscal Guardrails, “Disciplined Annual Operations” & “Responsible Use of CIT Revenues” from the Fiscal Responsibility Panel being enshrined into appropriate legislation.



The Chamber also welcomes the Labour Market Reforms outlined to modernize and review the work permit process as it relates to the closed and restricted job categories. In the pre-budget feedback, the Chamber outlined the need for a committee of cross Ministry/Commerce/Private Sector to address workforce needs given the constraints on labor and low unemployment rate, and we congratulate the Minister of the Economy and Labour and the Minister of Tourism, Sport and Youth for recognizing this need and hosting a meeting with deliverable outcomes earlier this month to support this budget item and key business item.

On Housing, to further the Housing Deep Dive the Chamber hosted in June 2025, it was positive to hear the plans for developing additional affordable housing. We await further details of the Capital Expenditure items for the Bermuda Housing Corporation of their \$26.9m budget along with details of the financing and repayment plans for the \$90m works for the Albert and Victoria Row & Dr Cann Park housing sites, ensuring that lessons learned from Bermudiana Beach are addressed. The Chamber will continue to advocate for additional housing support in the middle-class tier of housing, as there continues to be constraints in housing at all levels. As a matter of governance, given the quantum of debt that Bermuda Housing Corporate continues to hold and will hold in the future, it is important that their financial statements are tabled and made public as per the Housing Act 1980, given they have not been tabled for 20+years.

Health received a needed boost to help alleviate the strains on the current hospital traffic. We will await further details from the Minister of Health on timelines for the projects outlined and the implementation of the health benefits, along with further subsidies. There remains some outstanding matters for review and to get clarity on, such as the plans with the Standard Premium Rate (was frozen for 3rd year in prior budget, no mention in this years) and per the Consolidated Fund Statements, the Bermuda Hospital Board secured a \$30million loan in October 2025, in additional to a \$13million overdraft (prior overdraft was for \$25million), representing a net increase of debt of \$18million. The Chamber also would like to understand impact metrics for healthcare funding (e.g., measuring waiting times) to ensure the needed boost results in tangible community improvement.

We note that the Budget did not include direct support to the Third Sector, outside of an undefined statement to support homelessness and amendment to the Charities Act for AML and ATF measures. With CIT implemented, careful consideration for additional support to Charities will be required to ensure that the Third Sector continues to operate effectively and support our most at risk.



The increase in funding to the Bermuda Tourism Authority is positive given the planned reopening of Southampton Princess later this year. This will need to be supported by other measures, such as air-lift support and wider industry support to ensure that the overall tourism market is supported.

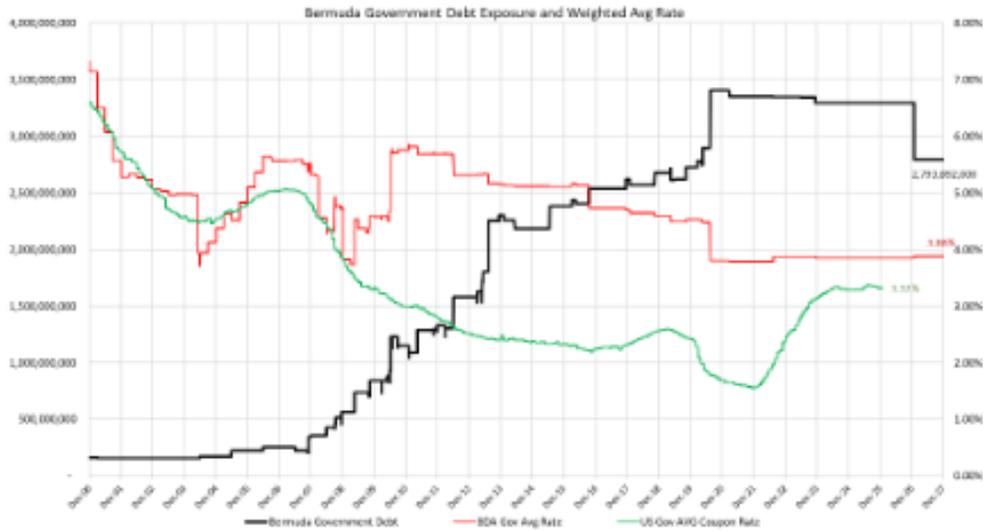
Of concern, the Chamber awaits clarity on the proposal of “Consumer Affairs to support piloting the transfer of consumer protection functions, other than housing to the Regulatory Authority”. This needs clear understanding of the implications for both business and consumers and what scope of oversight is being proposed with this structure. The Chamber is not supportive of practices that potentially further restrict the commercial environment that we operate in, which is already operating under constraints of market size, immigration and cost factors.

To support robust economic monitoring and enable businesses to act on timely information, the Chamber is calling for a standardized release schedule for all national statistics. Although this is not within the Ministry of Finance's purview, Section 6(2) of the Statistics Act 2002 provides the Minister of Economy & Labour with the authority to enact this change. We advocate for this schedule to be formalized starting this fiscal year to provide the private sector with much-needed certainty.

Overall, the Chamber welcomes the positive progress of this budget given the inflow of Corporate Income Tax funds and overall, there is a fair balance of debt prioritization against immediate needs to address costs of living and doing business, with some reservations over the potential aspect of oversight that may make operations in Bermuda less attractive.

The following shows the overall debt position and average interest rate, with the January 2027 debt repaid in full.





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About the Bermuda Chamber of Commerce

The Bermuda Chamber of Commerce is the island’s leading business advocacy organization, representing companies across all major sectors. The Chamber provides leadership, policy advocacy, and practical resources to support a dynamic, competitive, and inclusive economy. Through advocacy, networking, training, and events, the Chamber empowers businesses of all sizes to thrive.

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PICTURE ATTACHED: The following shows the overall debt position and average interest rate, with the January 2027 debt repaid in full.

