



REMARKS

By:

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4th QUARTER 2025 GDP AND ECONOMIC PERFORMANCE

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

Today, I am pleased to report that Bermuda's economy continues to demonstrate resilience, strength, and steady progress. The latest economic data confirms that our economy expanded for a second consecutive quarter in 2025. Economic growth is not simply a statistic, it translates into higher incomes for workers, increased business activity, and greater investment in our communities. The enhanced government revenues also help fund essential public services. The fourth quarter results provide further evidence that Bermuda is moving in the right direction and that the foundations of our economy remain strong despite global economic uncertainty.

Q4 2025 Economic Performance

The economy continued to expand in the fourth quarter of 2025. After adjusting for inflation, the GDP in constant prices increased by 0.1%, capping off the year with two consecutive quarters of economic expansion.

The quarterly GDP estimates indicate that the economy has expanded by 3.2% in nominal terms in the 4th Quarter of 2025.

Real GDP in the first quarter of 2025 was revised upward from 0.9% to 1.5%, in the second quarter of 2025 real GDP has been revised upward from a 1.0% decrease to a 0.2% decrease, and third-quarter GDP has been revised upward from a reported 9.9% increase to a 11.8% increase.

Consumer Spending

Consumer spending in the fourth quarter increased 0.4 per cent year-over-year to \$875.9 million. Consumption of Services, which accounts for 71.5% of total consumer spending, increased 1.2 per cent year-over-year, reflected in higher services related to personal care and transportation.

Conversely, the spending on non-durable goods abated 0.7% as a result of lower spending for clothing material, clothing and accessories.

Spending on durable goods also fell by 3.5 per cent due largely to a decline in expenditure on information processing equipment, and furniture and furnishings.

Employment Income

Employment income in the fourth quarter was 6.5% above 2024 levels.

The vast majority of major industries reported growth in employee remuneration. The increase in employment income by industry reveals the following performance:

- Public Administration increased 12.2%
- Banking, Insurance and Real Estate increased 7.3%
- International Business increased 6.1%

- Construction increased 5.7%
- Hotels and Restaurants increased 5.3%
- Business Services increased 4.5%
- Wholesale and Retail increased 3.8%
- Transport and Communication decreased 1.7%

The increase in employment income across major industries in Bermuda not only boosts the financial well-being of individuals through enhanced wages but also stimulates consumer spending, drives economic growth, and aids the overall prosperity of Bermuda.

Government Expenditure

Consumption by the Government declined 3.8 per cent during the quarter, with reduced expenditure on professional services and insurance.

Investment

With respect to investment, Gross Capital Formation increased 5.3% to \$201.2 million. Investment related to construction expanded 3.3%; while investment in machinery and equipment increased by 7.1% due to higher imports of ferryboats, refrigeration machinery and agricultural machinery.

The External Balance of Goods and Services

The 2025 fourth Quarter Balance of Payments reported that Bermuda's trade surplus with the rest of the world was recorded at \$609 million, representing a \$206 million increase year-over-year.

Services transactions realised a surplus of \$171 million, expanding by \$7 million from the previous year. The deficit on the goods account widened by \$33 million to \$331 million. Additionally, Bermuda's

primary income account surplus expanded by \$209 million year-over-year, climbing to \$830 million in the fourth quarter.

Business Registrations

The total local business registration declined year-over-year, bringing the complete business register to 3,673. There were 38 new local businesses registered in Bermuda during the fourth quarter of 2025.

In conclusion, the economic results are both positive and promising, highlighting the Bermuda's economic resilience and strength.

Notwithstanding the successes, the Government will continue to facilitate Bermuda's economic expansion by creating a business ecosystem that allows businesses to thrive. The focus over the coming months will be on the execution of national entrepreneurship and fintech strategies, progressing cooperative legislation and the development of a digital economy strategy.

For more information, please review the Quarter 4, 2025 Quarterly GDP by Expenditure publication available at the Department of Statistics online at gov.bm.