



THE BERMUDA CHAMBER OF COMMERCE

# CHAMBER

## Newsline

March 2009

THE POWER, INFLUENCE AND VALUE OF A UNIFIED VOICE

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**2009 ABICEA Undergrad and Post-grad Scholarship Application forms are available to download from [www.abic.bm](http://www.abic.bm). Deadline for completed applications is April 14th, 2009. For additional information about these scholarships, contact Fiona Lines at [flines@bcc.bm](mailto:flines@bcc.bm).**

### BUDGET STATEMENT OVERVIEW

Finance Minister Paula Cox adopted a reassuring tone about measures contained in Bermuda's 2009-2010 budget when she addressed a full house at the Chamber's annual Budget Power Breakfast.

Three days after presenting the Budget Statement in the House of Assembly, the Minister appeared before more than 150 Chamber of Commerce members to outline the highlights of the Government's plan to address a shrinking economy, after what she termed a "hurricane" has hit the economies of Bermuda's largest trading partners and in turn, its two largest sources of income: international business and tourism. "We hope for the best and plan for the worst," she told the audience.

Against a backdrop of concerns about Government's proposal to double its debt ceiling to \$1 billion, and postpone annual payments of current debt in 2009/10, she stressed such measures were "temporary." Government, she said, sees the Sinking Fund – set in law to pay down the principal on national debt each year as well as interest payments – as "a rainy day fund" to use in adverse times, and doubling the government debt ceiling is "a fallback."

The overall budget is set at \$1.1 billion – with the same capital and other expenditures set at 2008 levels. It assumes only a minor shrinkage of Bermuda's economy over the next year – in the 1% range -- and contains few, if any features to stimulate economic growth. The Minister said it is not a rescue package, but a "shield for Bermuda and her people against adversity" and a contingency plan for a variety of scenarios, including a prolonged recession. The assumption, however, was for one year of downturn, and "a slow recovery" in 2010.

The budget did not increase payroll and other taxes. Debt was limited to capital projects and guarantees for public-private partnerships, such as the upcoming hospital redevelopment.

On Budget Day, Chamber of Commerce President Philip Barnett's first reaction to the Budget Statement was that it fell in line with what the business community would have expected to see, as it echoes plans created by other world governments in the current economic environment. While relieved that no payroll tax increases were included, the Chamber did have questions about several aspects of the budget, including: the specifics of Government's existing debt; why budget cuts for Police were instituted at a time when increased policing is needed; why the growth in public sector employment numbers would not be trimmed – in particular consultants, whose numbers have increased by 22% in the past year alone and the assumption that hotel occupancies will remain stable in the face of what will likely be declining tourist numbers this year.

At the breakfast's question and answer session, Minister Cox noted that Bermuda's debt largely consists of bank syndications held by Bank of America (\$200 million) and HSBC (\$75 million). The HSBC debt extends to 2014, at an interest rate of 5.39%. While not specifying the amount, she said "there are no significant red flags as yet" about Bermuda's foreign currency reserves, which remain in "a significant surplus." She added that the declining price of oil has helped keep the country's balance of payments healthy.

The Chamber has been supporting the efforts of police and the need for increased policing. Along with the rest of the community, members have been alarmed by the increase in crime over the past year. With more police presence needed, and payment of their pensions in the offing, it was a concern to the Chamber that Police funding in the Budget was reduced by \$2.3 million.

Minister Cox said that the Police did receive \$1 million for capital expenditures in the budget, along with \$1.8 million for 2008-2009. She also said that this was one department that exceeded the requested 10.5% cut in budget the Government requested Ministries to achieve for the year.

With regard to the civil service, the Minister said the addition of 17 consultants for 2009-2010 was due almost exclusively to creating "Future Care," a public-private initiative to provide a comprehensive healthcare package for persons over 65. Short-term contractors and those serving on Government boards and committees are also included in the consultant count.

As to hotel occupancies, the Minister said that two hotels are expected to have work begin in 2009 – the Park Hyatt and Four Seasons Hotels. Construction of three other new hotels is expected to be announced over the next year. Occupancy numbers for the upcoming year, she added, include the assumption that Bermuda residents would "vacation at home" by staying in local hotels.

Finally, in what was good news for the Chamber's Retail Division, the Minister told the audience that there are provisions in the works for retailers to defer part of their duty payments on goods they have purchased for up to three months, which would allow a retailer to sell the goods and then pay the duty incurred when importing them. Full details, she said, are not yet available. The Minister also stated that the Sunday & holiday licensing fees will continue to be waived for retailers until further notice.



## SAVE THE DATE

- **Information Session: What is Earth Hour & How Can You Get Involved?** - Thursday, March 5th from 12:30 to 1:30pm. **Venue:** Chamber Boardroom. For more information contact [cstroble@bcc.bm](mailto:cstroble@bcc.bm).
- **Retail AGM** - Thursday, March 26th from 4:00 - 5:00pm. **Venue:** Chamber of Commerce Boardroom. For more information contact [flines@bcc.bm](mailto:flines@bcc.bm).
- **Business Technology AGM** - Thursday, April 2nd from 8:30 - 10:00am. **Venue:** Chamber of Commerce Boardroom. For more information contact [flines@bcc.bm](mailto:flines@bcc.bm).
- **Chamber of Commerce AGM** - Thursday, April 23rd from 12:00 - 2:00pm. **Venue:** Fairmont Hamilton Princess. More information to follow.
- **ABIC Annual Golf Tournament** - Wednesday, March 11th. **Time:** 8:00am shotgun **Venue:** Tucker's Point Golf Club. For registration contact [flines@bcc.bm](mailto:flines@bcc.bm)

## IBM Wired Wednesday!

**When:** Wednesday, March 18th from 5:30pm to 7:30pm  
**Venue:** Bermuda National Gallery (*Drinks & Hors d'oeuvres to be served*)

Join IBM for the first Wired Wednesday of 2009 and get a sneak peek into the how the IBM N series storage solutions can deliver unprecedented breakthroughs for your business.

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If you have any questions/suggestions for our newsletter, please contact Carrie Stroble (Editor) at:  
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## HOME SHOW 2009

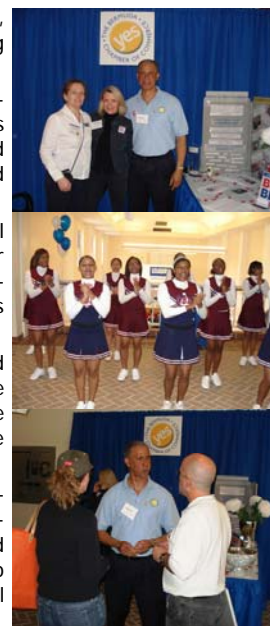
The 7th annual COLDWELL BANKER HOME SHOW was on Saturday February 14th, 2009 and the show was a resounding success with more than 4000 people crossing the threshold of their new venue - CedarBridge Academy.

"This year's show was better than ever" says Susan Thompson, Home Show Coordinator and Agency Manager for the local real estate company. "All 58 exhibitors did a fabulous job of show casing what businesses in Bermuda have to offer and CedarBridge Academy was a perfect location. It was a real community effort and we are proud to call it the Coldwell Banker Home Show."

Formerly held at No.1 Shed, the trade exhibition is designed to showcase local business services and provide the public with a "one-stop-shopping" experience for goods and services related to home ownership. Record numbers flocked to CedarBridge Academy throughout the day on the Saturday to visit trade show booths including our very own Chamber of Commerce booth.

Chamber EVP, Diane Gordon and executive board members Stephen Todd and Diane Newman were at the Home Show representing the Chamber of Commerce and its members. They were answering questions and giving out information on the Chamber as well as showing support for all of the members that were apart of the day's event.

The Home Show did not only include trade show booths; there were several exhibitors showcasing environmentally friendly products, energy saving products, presentation rooms to see how some of the products worked as well as food vendors and even a kiddie korner for the children. CedarBridge Academy cheerleaders were also in full support during the day, showing off their routines and cheers. Coldwell Banker did a great job in making the event both entertaining and informative.



## ABIC EDUCATION AWARDS

The ABIC Education Awards program is one of the largest and most broadly supported scholarship programs in Bermuda.

The ABIC Education Awards program is intended to provide scholarships to Bermudian students who are pursuing higher education at accredited four-year, degree-granting colleges and universities in studies, connected primarily to international business or supportive services that are necessary for the efficient functioning of international business in Bermuda. Examples include: accounting, actuarial science, marketing, IT, law, risk management, finance, business administration and commerce.

The scholarship awards are based on a combination of the applicant's financial need and academic ability. Undergraduate applications are invited from students in both the government and the private sector schools as well as from students already enrolled in a degree program at an accredited college or university. Post graduate applications are invited from students with at least 2 years work experience. Other criteria are also considered, including the applicant's specific career focus, awareness of the role of international business in Bermuda, and the level of involvement in and commitment to the community.

This outstanding program is administered entirely by volunteers so all of the contributions generously donated by ABIC members are used for the scholarship awards. The largest corporate contributors to the program each year are designated with "Corporate Named Awards" in the name of the corporation. This creates a direct connection between the company providing the award and the student. Students are encouraged to obtain career guidance and advice from their corporate sponsors.

Currently, the undergraduate award to each recipient is \$15,000 per year for a two-year period while the post graduate is valued at \$20,000 for a two year period. The deadline for all application is April 14<sup>th</sup> and forms are available for download at [www.abic.bm](http://www.abic.bm). Specific questions should be addressed to Fiona Lines, the ABICEA Administrator at 295-8932.

## CELBERTY LOCK - IN

PRIDE Bermuda will host its first Annual "Celebrity" Lock-In on Friday, March 13th, 2009 from 11am to 3pm. A jailhouse is being created at the Number Six Terminal, centrally located in Hamilton. Come and observe Bermudian "celebrities" face the judge!

Prominent members of the Bermuda community will be "locked-up" for their lack of awareness about drug prevention and the effects of drugs on our island. Only by posting bail, supported by friends, family and business colleagues, will the incarcerated individual secure their freedom. Any individual who agrees to participate in the Lock-In will commit themselves on March 13th to be publicly arrested and transported to jail. They will be brought before the judge who will address their lack of drug awareness and set bail based on their defense. The festivities will include Jailhouse Rock tunes, lots of laughs and entertainment but with a serious message about drug prevention.

**Your President Philip Barnett will be one of the incarcerated individuals and the Chamber is looking for your support. Whether you can spare \$5.00 or \$100.00, we would like to support the efforts of PRIDE and bail out our president. If you are interested in being a supporter please contact Carrie Stroble at 295-8763 or [cstroble@bcc.bm](mailto:cstroble@bcc.bm).**