

# International business — what does it owe Bermuda?

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You will hear, from time to time, the assertion that international businesses in Bermuda should be doing more to help us with the challenges that we face as a nation. This thinking is understandable given many of the companies in the IB sector have massively strong balance sheets that are, frankly, necessary for them to conduct their chosen lines of business. It is my considered view that IB companies owe Bermuda and Bermudians absolutely nothing. They have already provided us with so much that to ask for more simply is not right. I will explain.



What Bermuda needs from companies in the IB sector is their continued presence. This presence is providing to Bermuda and Bermudians an economic lifeline desperately needed in a time when tourism is struggling. The IB sector directly employs somewhere in the region of 4,000 people. About 60 percent of these employees are Bermudian.

Companies providing direct support to the IB sector employ an additional 6,000 people. These companies would either contract dramatically or fold completely without their IB sector business. Once again, roughly 60 percent of these employees are Bermudian. This means that approximately 6,000 Bermudians are employed by IB sector companies or companies providing direct support to the sector.

It should be noted that these Bermudians are occupying jobs from entry level to president/CEO. If IB companies came to Bermuda and did nothing more than provide employment for 2,400 Bermudians in the sector and create jobs for a substantial majority of another 3,600 Bermudians working in companies that support the IB sector directly that would surely be enough! But there is more... much more.

There are large numbers of clients visiting IB companies in Bermuda every year. A substantial amount of the activity in the hotels and restaurants is driven by these clients. This activity provides a significant amount of business for our taxi drivers. The taxi drivers, as well as the Bermudians working in hotels and restaurants, are being directly and positively impacted by IB sector activity. The better we are doing in the IB space, the better Bermudians working in these areas of our economy will do.

We must also take a close look at the value, to Bermuda and Bermudians, of guest workers engaged in the IB sector. I have heard them called "year round tourists". There are roughly 4,000 non-Bermudians working in IB sector companies or companies providing direct support to the sector. The impact, on our economy, of these non-Bermudian workers is profound and far reaching.

To understand how these guest workers positively impact the lives of Bermudians with no direct connection to IB, you need only consider the basic things that each of them must do in order to live here. In the first instance, each guest worker will require shelter. That means 4,000 people looking to rent apartments or homes from Bermudians.

Transportation comes next. They will buy bikes and cars which supports companies in that business and the Bermudians working for them.

Of course, insurance then becomes a must. This provides tremendous support to Bermuda insurance companies and the Bermudians employed by those insurance companies.

Each week the purchase of groceries and gas is must. The list goes on...

Upon reflection, it becomes very clear that these 4,000 guest workers play a critical role in increasing economic activity, supporting Bermudian companies and sustaining Bermudian jobs far beyond the IB sector.

IB sector companies are, without question, doing their part to enhance the lives of the average Bermudian. That said, it is important that we understand that Bermuda is competing for this business. There are other countries trying to entice Bermuda international companies to relocate to their jurisdictions. To this end, we must be aware and looking to compete daily.

Let me digress somewhat for a moment. It is asserted, on occasion, that the IB sector companies and their non-Bermudian workers are given higher priority than Bermudian workers. If one thinks deeply about the arguments laid out above, however, perfecting the presence of the IB sector companies and their guest workers is in our self-interest. Bermuda and Bermudians have a better chance of thriving economically with them here.

We must ensure that this engine that employs thousands of us and drives the majority of our economy is present and stable. While we attend to this fundamental "Bermudian" need, we can also go about the business of ensuring that Bermudians can maximise the immense benefits to be extracted from this smooth running economic engine.

The IB sector continues to drive our economy today. That does not mean they should not do more. In fact, they most definitely do, giving annually in a major way to local charities and causes. After all, most companies desire to be good corporate citizens. It is important, however, for us to understand what Bermuda and Bermudians really need from the IB sector companies.

We need them to continue to call Bermuda home, providing employment and economic opportunity for Bermudians.

Cyril Whitter is president and CEO of Independent Management Ltd and this commentary is part of the Everybody's Business campaign.

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