

# 2022/23 Bermuda Budget Snapshot

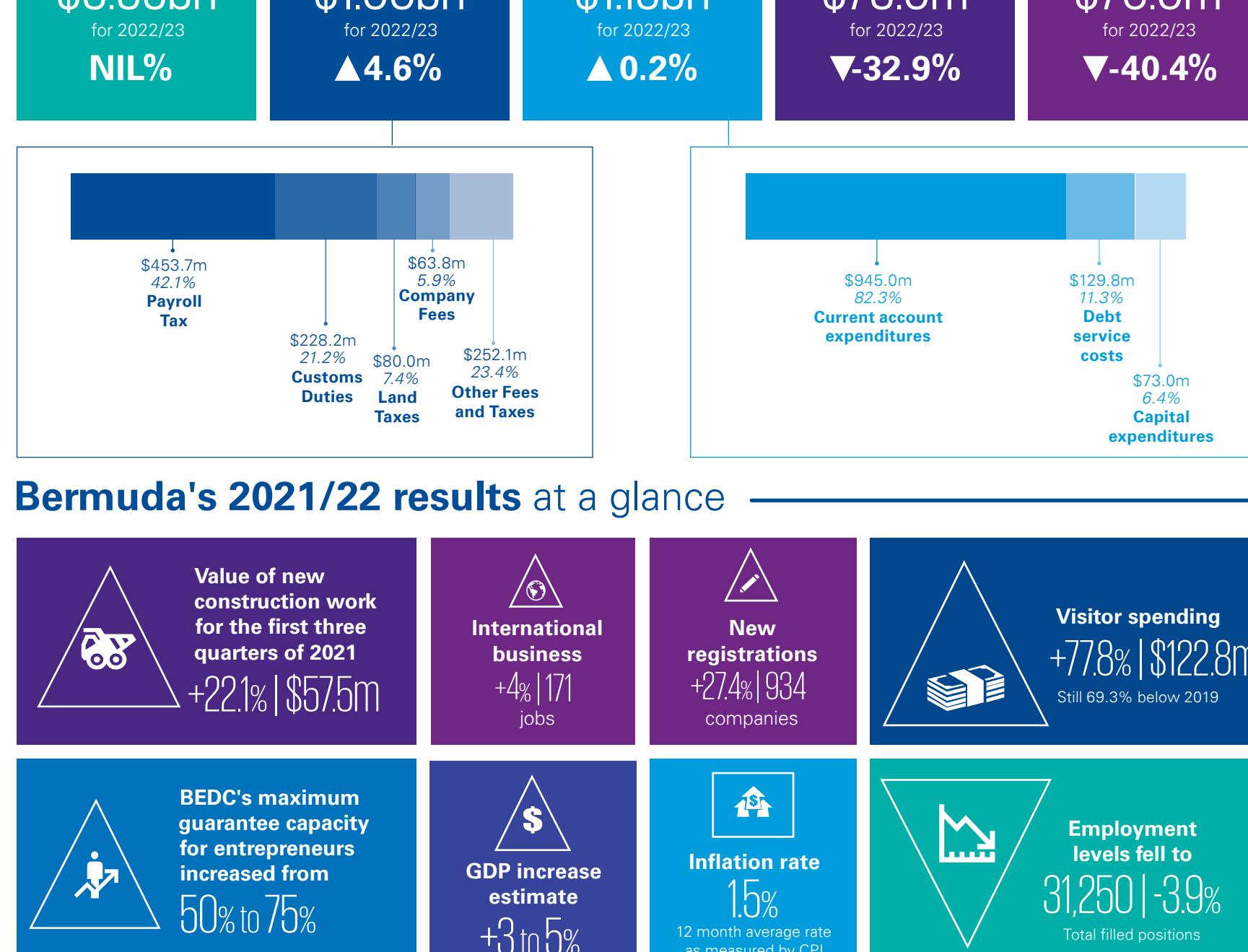
## "Moving beyond the pandemic"

On Friday, February 25, 2022, Premier David Burt delivered the 2022/23 budget. Premier Burt presented a budget that he believes supports moving past the pandemic, gives an early sense of hope and optimism for the year to come and is projected to move Bermuda towards an overall surplus of \$50 million by 2026 – one year later than previously forecast – mainly due to the ongoing impact of the pandemic on Bermuda's economy. He outlined how Bermuda, although facing many challenges along the way, navigated through the year and, overall, fared better than originally forecast with GDP growth expected to be between 3 to 5% for 2021/22.

In 2021, certain sectors of the economy demonstrated strength and resilience with international business saw a 27% increase in company registrations and a 4% increase in jobs, the value of construction work increased by 22% in 2021, and tourism visitor spend grew by 77.8% due to the relaxation of COVID-19 restrictions. However tourism continues to be battered by the pandemic, and the Government's revenue targets are dependent on a continued recovery of tourism in 2022/23. The extension of payroll tax relief and the length of concessions for the hospitality industry have been warmly welcomed, along with payroll tax reductions for those earning less than \$96,000.

The island witnessed sustained progress in increasing jobs in international business, although overall employment levels fell due to a decline in banking and financial sector jobs as well as in hospitality, mainly as a result of the closure of the Fairmont Southampton hotel. The Premier has recognized the need to expand jobs in Bermuda to achieve economic recovery. This will be dependent on the success of tourism, increasing our population to create greater opportunities for all and by bringing start-ups and incubators to foster entrepreneurship. Key priorities are the continued implementation of the Government's Economic Recovery Plan, to reform Bermuda's healthcare, education, taxation, pension and immigration systems and to create the environment for greater domestic and foreign direct investment.

The Premier has recognized that Bermuda will face significant headwinds in the face of threats such as the global minimum tax rate and competition for tourism from other jurisdictions. The Government has reconfirmed its focus on implementing the Economic Recovery Plan and moving towards an overall budget surplus for the 2024/25 fiscal year and longer term reduction of the national debt.



## Bermuda's 2021/22 results at a glance

