
Bermuda Business Development Agency (BDA)

Economic Impact Study (2017)

November 8, 2018



Introduction – Purpose and approach

PricewaterhouseCoopers Advisory Limited (“PwC” or “us” or “our”) has been engaged by the Bermuda Business Development Agency (“BDA”) to produce this report (the “Report”) on the impact of the BDA’s activities. Our work and the Report constitute the services (the “Services”) we have provided. The scope of the work and the methods by which data was collected have been defined by the BDA.

Estimating the economic impact of some of the BDA’s work, in particular, the impact of hosting conferences in Bermuda and job creation resulting from the incorporation of new companies set up in Bermuda, requires the use of models and assumptions, meaning results need to be interpreted with caution. Our methodologies, assumptions and limitations are set out in the Appendices of this Report.

The BDA set out a number of indicators for our Report to measure. These included stakeholder satisfaction; value contributed in-kind by leading practice professionals; growth in the number of companies set up with the assistance of the BDA; metrics related to stakeholder outreach,

communication and marketing; and overall engagement efforts. The Report provides an analysis of the impact of the BDA based on surveys, inquiries, data gathering and extrapolation activities we have performed. At all times, PwC has endeavored to be transparent about data collection techniques and the assumptions made in arriving at conclusions.

The Report measures the BDA’s indicators over the period January 1, 2017 to December 31, 2017, and compares statistics to the prior year (2016), where appropriate. PwC conducted online surveys on behalf of the BDA with three main groups: (i) concierge clients who have incorporated in Bermuda in 2016 or 2017, specifically those with whom the BDA had significant involvement and interactions; (ii) financial contributors, otherwise known as funders, which are companies or organisations that have provided a financial contribution to the BDA in 2016 and 2017; and (iii) value in-kind contributors, or leading industry professionals who have contributed hours to the BDA.

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Executive summary

Executive summary

The BDA is a business development agency established to encourage direct investment which positively impacts Bermuda's economy and stimulates job retention and growth in the international business and professional services sectors. The agency partners with Bermuda's public and private sectors to implement business development strategies that:

1. Support existing Bermuda-based companies
2. Encourage new companies to establish a presence and invest in the island
3. Protect and enhance Bermuda's world-class reputation as an international financial services centre

The following objectives were addressed throughout this Report:

- Articulate the BDA's contribution to Bermuda's economy through its business development initiatives
- Provide a gauge on how the BDA is meeting expectations of its stakeholders
- Provide relevant economic indicators that set the context to efforts and achievements of the BDA

Key findings

- In 2017, the BDA received funding of approximately \$4.7 million (88% from public-sector funding and 12% from private-sector)
- Public-sector funding decreased by 2% compared to prior year
- Private-sector funding increased by 20% compared to prior year
- The BDA secured 12 new funding stakeholders in 2017, eight existing stakeholders increased their financial contribution in 2017, and one stakeholder decreased its funding contributions
- During 2017, leading industry professionals contributed approximately 6,688 hours in-kind to the BDA, valued at approximately \$5.1 million
- During 2017, the BDA helped bring and/or retain a total of 15 industry conferences hosted in Bermuda, an increase of 21% compared to prior year
- Of the 15 conferences hosted in Bermuda in 2017, a minimum of 1,700 international visitors attended. These contribute to an estimated overall impact on GDP of \$2.8 million
- As at December 31, 2017, the BDA has helped to set up 65 companies in Bermuda since 2014, of which 21 were set up in 2017, an increase of 17%, compared to 2016
- The BDA has identified a minimum of 165 jobs established in Bermuda as at December 31, 2017 from these 65 companies, of this number 19 were created in 2017
- These 165 employees generated an estimated overall impact of \$23.5 million on GDP in 2017
- Survey results suggest that 100% of concierge clients and 93% of funders agree that the BDA is a valuable resource for Bermuda
- BDA's website (bda.bm) had 10,563 new visitors (65% of all traffic), an increase of 44% compared to prior year

Executive summary (continued)

BDA's contribution to Bermuda's economy

In 2017, the BDA received funding of approximately \$4.7 million. This included a grant for \$4.1 million from the Bermuda Government, a decrease of 2% compared to prior year (\$4.2 million), and \$0.6 million in private-sector funding, an increase of 20% compared to prior year (\$0.5 million).

Since 2014, the BDA has received a total of \$18.6 million in funding, 92% of which was provided by the Government with the remaining 8% provided by private-sector funding.

During 2017, leading industry professionals contributed approximately 6,688 hours in-kind to the BDA, valued at approximately \$5.1 million, an increase of 21% compared to prior year.

The BDA provided data showing it participated in 74 different conferences and events throughout 2017, an increase of 21% compared to prior year. These were made up of 20 on-island and 54 overseas conferences and events. According to the BDA, it helped attract and/or retain 15 of these on-island conferences, which brought an excess of 1,700 international visitors to the island, resulting in about 2,200 hotel room nights. Based on the data provided, the estimated economic impact arising from spending by these international visitors accounts for an overall impact on GDP of \$2.8 million.

The BDA puts significant effort into business development activities, the results of which are tracked in their Client Management System ("CMS").

The BDA is seeking to increase employment and investment in Bermuda. In that regard, we note there was an increase in the number of companies set up through BDA's Concierge Service by 17% compared to prior year. As at December 31, 2017, the BDA helped set up 65 companies in Bermuda since 2014, of which 21 were set up in 2017 (compared to 18 set up in 2016).

These reflect companies the BDA directly assisted with setting up through its Concierge Service.

The BDA identified a minimum of 165 jobs established in Bermuda as at December 31, 2017 from these 65 companies. Of this number 19 were created in 2017. Thus, a 13% increase in jobs created in 2017 compared to the prior year, where there were 146 jobs.ⁱ These 165 employees generated an estimated \$23.5 million in total impact on GDP in 2017.



6,688 hours
contributed in-kind
valued at **\$5.1m**
in 2017

The approach adopted to assess the economic impact of the BDA's efforts on Bermuda's economy is considered by the impact on Gross Domestic Product ("GDP"), which is a key measure of the economic health of a country. The economic impacts were estimated by first analysing the estimated spend that occurred in Bermuda that may not have otherwise occurred in the absence of the BDA's efforts (for example business visitors attending conferences supported by the BDA or jobs created due to new companies set up). The estimated additional on-island expenditure was then analysed using the input-output model to estimate the indirect and induced output, which is the output from businesses providing goods and services and individuals earning wages and then spending some of their income in Bermuda.

Executive summary (continued)

Satisfaction survey results

Satisfaction surveys were conducted for both financial contributors (funders) and concierge clients. The survey results show:

- 100% of concierge clients and 93% of funders responded they agree the BDA is a valuable resource for Bermuda
- 100% of concierge client respondents stated they agree the BDA had a positive impact on setting up their business in Bermuda
- 88% of concierge clients and 87% of funders responded they agree the BDA plays a valuable role in raising internal (local) awareness about the positive impact of Bermuda-based international business
- 88% of concierge clients and 87% of funders responded they agree the BDA plays a valuable role in raising external (overseas) awareness about business opportunities in the Bermuda market
- 80% of respondents who provide financial funding to the BDA are likely to contribute to the BDA in 2018 and 67% of these respondents are satisfied that their financial contribution is being appropriately utilized, 27% are neutral, and 6% are dissatisfied

Value contributed in-kind

Surveys were conducted with leading industry professionals who contribute value-in-kind to the BDA. Results showed:

- During 2017, leading industry professionals contributed approximately 6,688 hours in-kind to the BDA which we have valued at approximately \$5.1 million
- The time contributed was spent on participating in on-island and overseas conferences (2,230 hours), business development opportunities (1,340 hours), roadshows (1,297 hours), focus groups, videos and webinars (1,083 hours), and jurisdictional initiatives (738 hours)
- 100% of respondents believe their support is valued by the BDA
- 84% of respondents believe their support is instrumental in exploring potential business opportunities for the island

Executive summary (continued)

Stakeholder outreach

The BDA has a dedicated communications and marketing team to ensure effective and timely stakeholder communication and engagement. The BDA's social media channels have grown steadily throughout the year through expansion in followers and engagement efforts by the BDA. As at December 31st, 2017:

- BDA's website (bda.bm) had **10,563 new visitors** (65% of all traffic), an increase of 44% compared to prior year
- BDA's Instagram **followers (@investbermuda) increased by 165%**, with a total of 629 followers
- BDA's Instagram account had 257 posts
- BDA's **LinkedIn followers increased by 48%**, with a total of 1,024 followers
- Twitter followers for **@investbermuda increased by 26%**, with a total of 1,752 followers
- BDA posted a total of **5,432 tweets** on their Twitter account
- BDA issued **54 press releases** in 2017, an increase of 20% compared to prior year
- **BDA issued 147 event alerts** (e-alerts) in 2017

Other communications and engagement output includes a CEO blog discussing trending topics, relevant publications, sector reports, published articles and magazines, speeches and opinion pieces and videos. All communications are included in the BDA's Media Centre on the BDA's website.

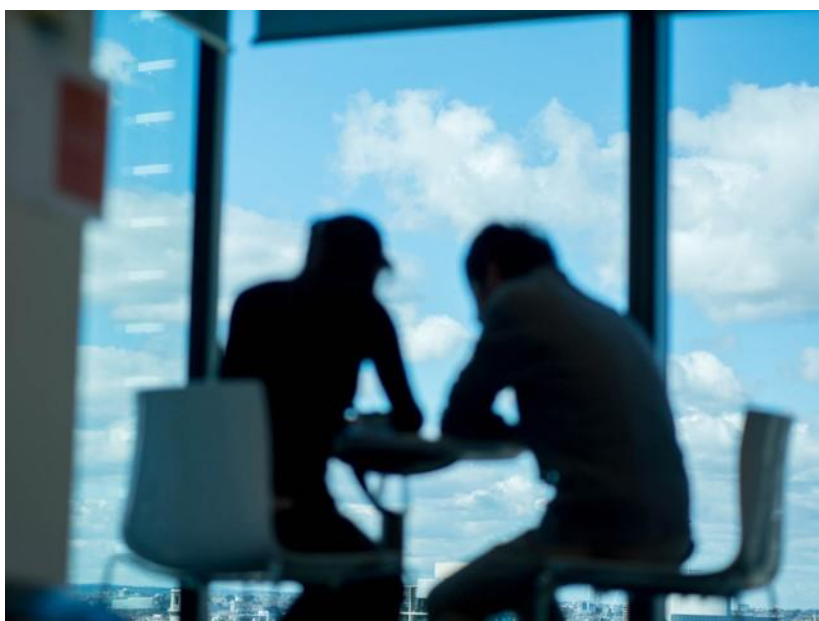
Other economic indicators

It is helpful to illustrate trends in the economy to contextualize the efforts and achievements of the BDA.

- Business visitors increased by 9.4% to 48,000 visitors in 2017, representing 18% of all air visitors ^{xiv}
- A total of 793 new international companies and partnerships were registered in Bermuda during 2017, representing a slight decrease of 1.1% compared with the 802 registrations in 2016 ⁱⁱ
- Bermuda registered a total of 58 new insurers in 2017, ranging from captives and long-term re/insurers to special purpose insurers (SPIs), compared to 42 in 2016, and an increase of 38% (based on the BMA's statistics released in February 2018) ⁱⁱⁱ
- Bermuda was home to 739 active captive insurance companies at the end of 2017, according to the BMA, a decrease of 5% compared to prior year which had 776 ^{xi}
- Bermuda saw a slight decrease of 1.2% in funds registered with the BMA, with a total of 560 at the end of Q3 of 2017, compared to 567 in 2016 ^{iv}
- Bermuda reported its second increase in nine years in the Bermuda job market. The total number of filled positions was reported to have increased by 0.1%, or 40 jobs, to 33,521 ^{xv}
- Bermuda's GDP increased by 2.5% to \$4.7 billion in 2017, when compared to the prior year ^v

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Background of the BDA

1

Background of the BDA

Background

The BDA is an independent, public-private partnership funded by both the Government and the private sector. Established in April 2013, the agency is led by a chief executive officer and governed by a Board of Directors comprising senior industry professionals representing the diversity of Bermuda's financial services sector.

BDA Vision: To be a highly effective business development agency, valued for empowering Bermuda's economy and enhancing the jurisdiction's reputation.

BDA Mission: To encourage direct investment that positively impacts Bermuda's economy and stimulates job retention and growth in the international business and professional services sectors.

BDA Values: The BDA is Communicative, Responsive, Collaborative, Collegial, Decisive, Reliable, Passionate, and Committed.

The agency partners with Bermuda's public and private sectors to implement business development strategies that:

1. Support existing Bermuda-based companies
2. Encourage new companies to establish a presence and invest in the island
3. Protect and enhance Bermuda's reputation as a premier international financial services centre

BDA pillars

The BDA has segmented business development efforts into five distinct pillars, or industry areas of focus:

- **Risk Solutions** (insurance, reinsurance, captives, ILS, healthcare and cyber liability, long-term, and insurtech)
- **Asset Management** (traditional and alternative funds and private equity)
- **High-Net-Worth Services** (trust & private client, family offices, private jets, superyachts, fine art, real estate)
- **Economic Diversification** (international arbitration, shipping, aviation, e-commerce)
- **Emerging Technologies** (fintech, ICOs, virtual assets business)

These are currently the key sectors of the Bermuda marketplace, albeit the last is new for 2018 and therefore is not a business segment highlighted in this Report. The BDA has separate business development managers, focus groups, strategies and goals for each pillar.

Industry focus groups

Focus groups comprising leading industry professionals are leveraged for their market knowledge and expertise. Through regular discussions and strategy sessions, focus groups agree strategies to identify and capitalise on new business opportunities for Bermuda; it is then the BDA's responsibility to drive those strategies forward.

Focus group members also join BDA-led videos, webinars, overseas roadshows and other jurisdictional initiatives to promote Bermuda.

Background of the BDA (continued)

Concierge Service

The Concierge Service provides a “one-stop” resource for businesses considering establishing operations in Bermuda. The Concierge team is the primary point of contact to connect clients with industry professionals, Government and regulatory officials, and service providers. The goal of the Concierge team is to facilitate due diligence, and help approved businesses to commence operations as quickly as practical.

BDA's funding

In 2017, the BDA received funding of approximately \$4.7 million. This includes a grant for \$4.1 million from the Government, a decrease of 2% compared to prior year (\$4.2M), and \$0.6 million in private-sector funding, an increase of 20% compared to prior year (\$0.5 million).

Since 2014, the BDA has received a total of \$18.6 million in funding, 92% of which was provided by the Government with the remaining 8% provided by the private sector.

The BDA secured 12 new financial stakeholders in 2017, eight existing sponsors increased their financial contribution, and one stakeholder decreased their funding contributions.

The table below outlines the funding the BDA has received since 2014.

\$millions	2014	2015	2016	2017	Total
Private funding	\$0.1	\$0.4	\$0.5	\$0.6	\$1.6
Public funding	\$4.5	\$4.2	\$4.2	\$4.1	\$17.0
Total funding	\$4.6	\$4.6	\$4.7	\$4.7	\$18.6
% increase (decrease) from prior year in private funding		300%	25%	20%	
% increase (decrease) from prior year in public funding		(7%)	0%	(2%)	
% increase (decrease) from prior year in total funding		0%	2%	0%	

Background of the BDA (continued)

Governance

The BDA Board oversees the agency's work to achieve its strategic goals and objectives under each focus pillar. The Board has made it a clear priority to senior management to measure, track and report on output. At each meeting, the Board is provided with CMS reports, as well as management accounts. The use and development of such metrics and monitoring system allows the Board to make informed business decisions regarding required support, funding and tools to help align resources. The Board is responsible for monitoring the BDA's Strategic Plan to be comfortable it is current and relevant and to recalibrate and re-align resources, as necessary.

The Board continues to support the pillar structure. The Board broadly directs allocation of financial resource to each of the pillars.

The Board is responsible for setting board policies of the agency and for overseeing its operation. It performs these functions directly and through the operation of regularly scheduled board meetings. Responsibility for the implementation of policy rests with senior management.

Reputational impact strategies

Bermuda's continued success as an international financial centre is under increasing scrutiny by geopolitical and regulatory forces beyond the island. While difficult to quantify, the detrimental impact of widespread negative perceptions of Bermuda as a "tax haven" or a non-cooperative/non-compliant jurisdiction would be significant and far-reaching. The BDA has taken a lead role nationally to protect, defend and enhance the jurisdiction's reputation, by addressing negative news stories, correcting misinformation, and proactively explaining to international stakeholders the importance Bermuda places on compliance, transparency and adherence to the highest standards for conducting business. The objective always is to differentiate Bermuda from other business centres and ensure continued economic prosperity which the island has worked hard over many decades to earn.

Legislation

During 2017, the BDA worked in tandem with the Government's Business Development Unit (BDU) to progress appropriate legislative change. The BDA supported and actively influenced three major legislative changes: firewall legislation, creation of superyacht legislation, and changes to existing legislation around AML/ATF rules and beneficial ownership disclosure under the (Special Provisions) Act.

Economic impact

2

Economic impact

BDA Business Development Activity

The BDA tracks key business development activity in a CMS. Using the CMS, BDA employees can classify activity as either: (i) Lead (ii) Opportunity or (iii) Company set up/BDA still assisting.

Companies set up

The prime metric tracked and highlighted in this Report is: Company set up

This is a company the BDA has directly assisted with setting up operations in Bermuda. A company representative has provided any of the following:

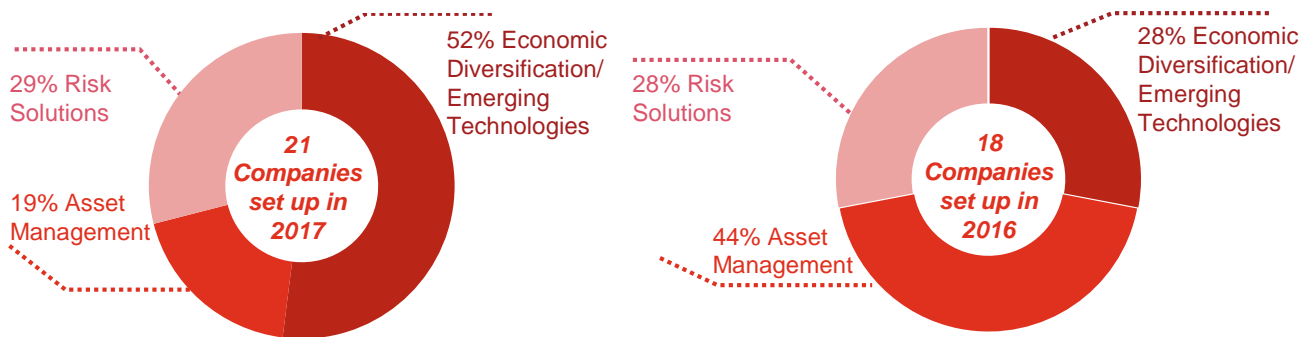
- A certificate or registration number from the Registrar of Companies
- The company's street address on island has been identified
- A registration number from the BMA has been provided

- Other documentation confirming a local presence of the company

From the BDA's CMS system, in 2017, the number of companies set up with the assistance of the BDA Concierge Service increased by 17% to a total of 21 companies, compared to 18 in 2016.

An analysis of the 21 companies shows:

- The number of new insurance-related companies established increased by 20%
- Economic diversification rose 120%
- Asset management recorded a year-on-year decrease, from eight companies in 2016 to four in 2017, consistent with global trends



Pillar	% change from PY	2017	2016	2015 & 2014*	Total
Risk Solutions	20%	6	5	6	17
Economic Diversification/ Emerging Technologies	120%	11	5	8	24
Asset Management	(50%)	4	8	11	23
Other	0%	0	0	1	1
Total	17%	21	18	26	65

*Data not available for individual years in 2015 and 2014, thus combined for purposes of this analysis.

Economic impact (continued)

When a business is incorporated in Bermuda, either with a physical presence or not, they have a positive impact on Bermuda's economy, including:

- Government revenues including payroll tax (portion depending on income bracket)^{vi}, incorporation fees for exempted companies (minimum \$2,400 up to \$32,000 depending on assessable capital) and annual compliance fees of \$750
- License fees with the BMA (one-time and annual)
- Payroll and benefits
- Renting office space, homes and related expenses
- Use of service providers (e.g. audit and legal fees)
- Attracting international business travel to Bermuda, resulting in positive impact on tourism sector (hotels, restaurants, retail, transportation, etc.)

Employment statistics

During early 2018, BDA undertook a study to connect with BDA Concierge companies that set up in Bermuda, to understand the number of companies with a physical presence on the island and the total number of employees hired locally. Based on this outreach, the BDA can directly point to 165 net new jobs created by its concierge companies. By November 2016, the total number of jobs created by BDA concierge companies was 146, therefore 19 net new jobs were created with the support of the BDA in 2017. This represented an annual increase of 13%. Each of the 165 individuals employed by these new companies set up in Bermuda contribute directly to the local economy, occupying house rentals, visiting restaurants, purchasing household items, enrolling children in schools, and participating in local sport and community programmes. As such, the spending incurred by these individuals is treated as additional economic impact.

The study indicates 165 individuals employed by companies set up with the support of the BDA contributed to an **estimated total impact on GDP of \$23.5 million** in 2017.



Total impact on GDP of **\$23.5 million**

Refer to *Appendix III* for further details on key assumptions.

Economic impact (continued)

Conferences and events

Conferences and events are recorded in line with the BDA's four pillars used in 2017, namely:

- Risk Solutions (insurance, reinsurance, captives, ILS)
- Asset Management
- High-Net-Worth Services
- Economic Diversification (biotech, shipping, arbitration, aviation, e-commerce)

The BDA participated in 74 different conferences and events throughout 2017, an increase of 19% compared to the prior year. These included on-island events (20 in total) and overseas events (54 in total).

Of 74 conferences and events in 2017, eight were new events brought in by the BDA, compared to five new events in prior year. Inclusive of the 74, the BDA also encouraged and facilitated the return of seven events it previously introduced to Bermuda.

While not quantified in this Report, the BDA believes there are a number of benefits to local companies that attend Bermuda-based conferences as sponsors or delegates. These benefits include new relationships developed and potential new business that follows as a result.



Economic impact (continued)

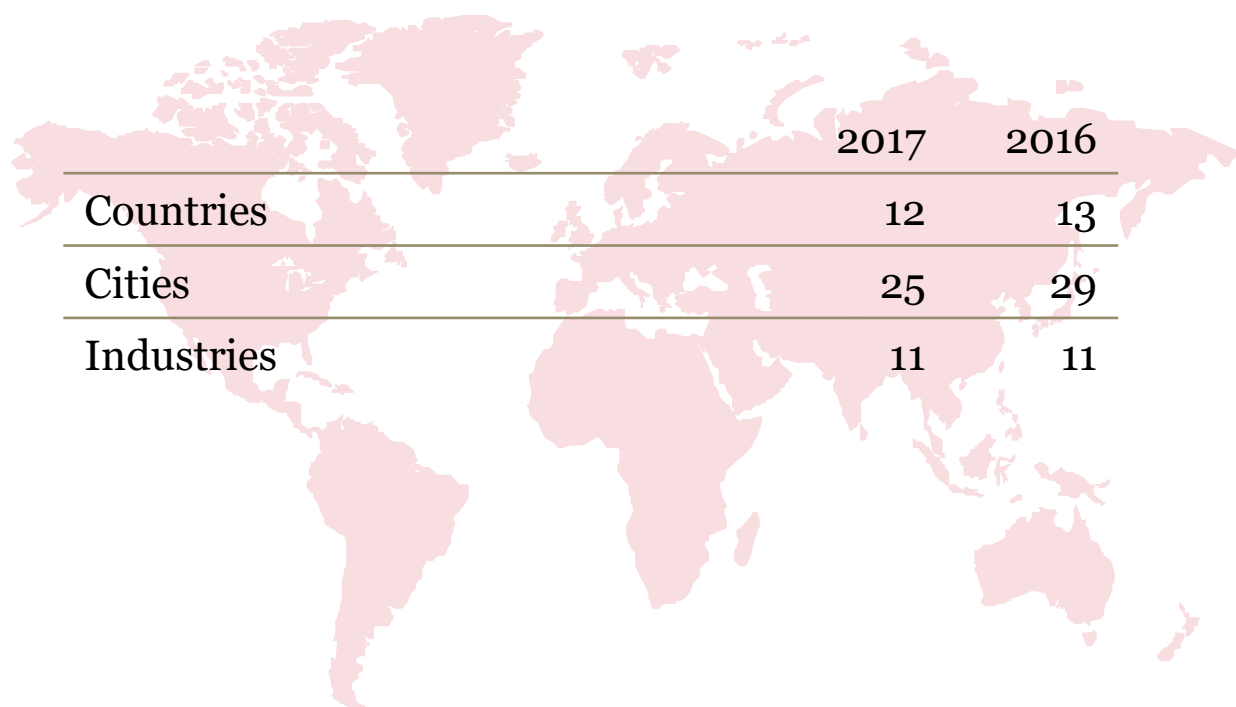
The BDA participated in 74 conferences and events during 2017, an increase of 19% compared to prior year when it participated in 62 conferences and events.

54 International

20
Local

27% of conferences and events the BDA participated in during 2017 were hosted on-island. Approximately 1,980 international delegates visited Bermuda to attend these conferences and events in 2017.

Conferences and events the BDA participated in are world-wide. In 2017, members of the BDA, along with industry professionals representing Bermuda, visited 12 countries and 25 cities.

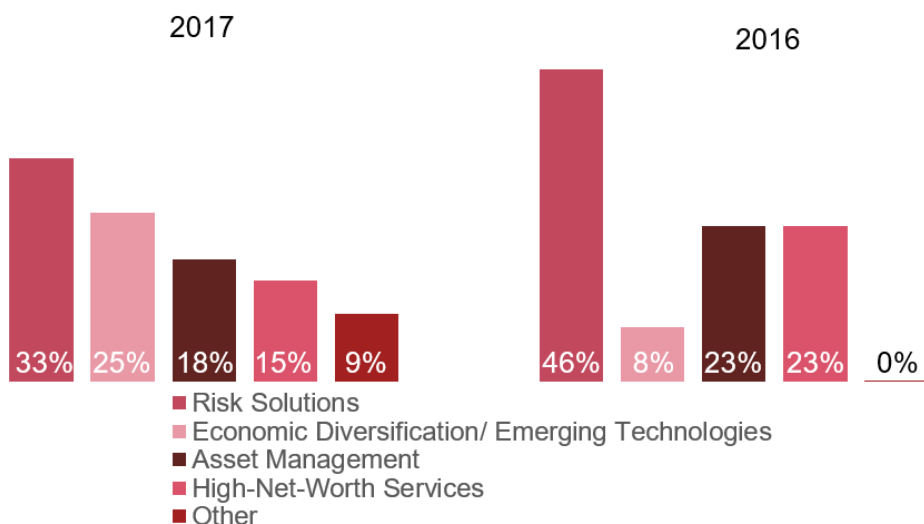


	2017	2016
Countries	12	13
Cities	25	29
Industries	11	11

Economic impact (continued)

Local Conferences and Events

The table below summarizes local conferences and events per the BDA pillars for 2017.



The BDA's Risk Solutions (insurance-related) pillar accounts for the largest representation with 33% of overall attendance for all local conferences and events. Economic Diversification represented 25%, Asset Management represented 18%, High-Net-Worth Services represented 15%, and Other saw 9% (this related to a university school tour).

Comparison to Prior Year

In 2016, there was a total of 62 conferences, of which 13 were hosted locally in Bermuda. When comparing to the prior year, Bermuda saw an increase of 54% in conferences and events hosted locally, benefitting the local economy. During 2017, there was an increase of 55% in overall attendance at local conferences and events compared to 2016, representing an increase of 24% in the number of local delegates and a 111% increase in international delegates.

The table below summarizes the on-island conferences in both 2017 and 2016.

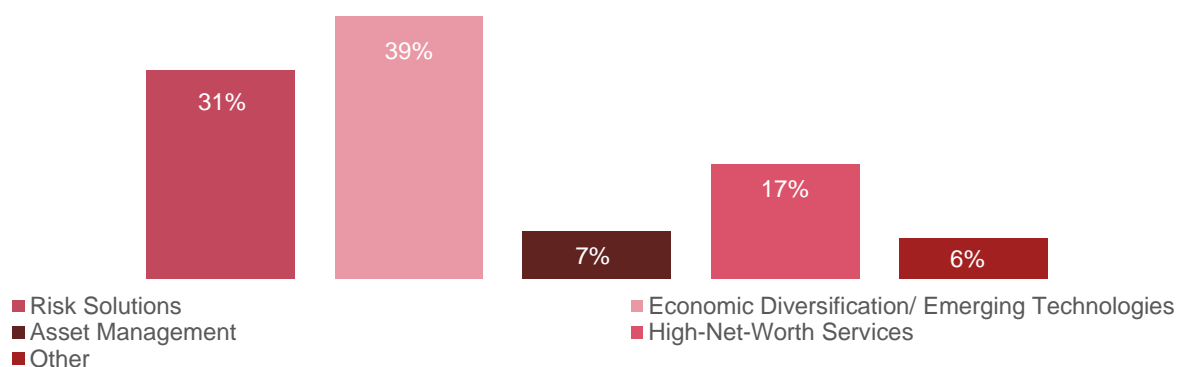
	2017	2016
Number of conference brought into Bermuda by BDA	8 conferences & events	5 conferences & events
Number of returning conferences brought into Bermuda by BDA in prior years	7 conferences & events	1 conference & event
Average number of days per conference	2.3 days	2.3 days

Economic impact (continued)

International Conferences

During 2017, the BDA participated in 54 conferences and events overseas compared to 49 in prior year, an increase of 10%.

The Economic Diversification pillar had the largest number of conferences and events, at 39%, Risk Solutions, at 31%, High-Net-Worth Services had 17%, Asset Management 7%, and Other 6%.



Economic Impact

In 2017, 20 conferences and events were hosted in Bermuda, of which the BDA has stated it had a specific role in bringing and retaining a total of 15 in Bermuda. These 15 attracted approximately 2,880 attendees, of which 1,700 were international visitors. A total of 2,230 hotel room nights were booked, adding value to the tourism sector and positively impacting Bermuda's economy.

Based on data from the Bermuda Tourism Authority ("BTA"), the average spend for a business visitor is approximately \$123 per day, excluding the cost of accommodations.^{vii} Costs include food and beverage, gifts and souvenirs, recreational and leisure, transportation and other. The BDA provided the average hotel rate (otherwise known as Average Daily Rate – "ADR") for each of the conferences and events hosted in Bermuda, resulting in an ADR of \$277. The table below shows the breakdown of the average daily spend of \$400 for a business visitor, using BTA data:

Type of expenditure	Daily spending amount (USD\$)
Accommodations	\$277
Food and Beverage	\$77
Local attractions / leisure activities	\$11
Other retail purchases for goods and services, such as gifts and souvenirs	\$18
Other (including local transportation)	\$17
Total	\$400

Economic impact (continued)

Additional costs considered when quantifying the economic impact on hosting conferences and events in Bermuda were those of hosting the event itself. Based on BDA, the average cost of hosting a conference in Bermuda is approximately \$520 per attendee.

The economic impact from spending by international visitors who came to Bermuda during 2017 to attend a conference or event directly attributable to the BDA therefore amounts to an estimated overall impact on **GDP of \$2.8 million**.

The table below provides a summary of the economic impacts by sector as spending filters through the economy. Given additional on-island spend is primarily on accommodation, it is no surprise hotels and restaurants receive approximately 90% of the economic impact.

Sector	Total impact on GDP (\$ millions)
Hotels and restaurants	2.5
Wholesale and retail trade and repair services	0.1
Public administration	0.1
Other community, social and personal services	0.1
Total	2.8

Refer to *Appendix C* for details on key assumptions.

Stakeholder Survey Results

3

Stakeholder Survey Results

PwC conducted an online satisfaction survey on behalf of the BDA with three main groups: (i) value-in-kind contributors — leading industry professionals who have contributed hours to the BDA's efforts; (ii) financial contributors, otherwise known as funders — organisations that provided a financial contribution to the BDA in 2016 and 2017; and (iii) concierge clients — companies that have incorporated in Bermuda in 2016 or 2017, with which the BDA had significant involvement and interaction.

The purpose of the satisfaction survey was to gauge how the BDA is meeting the expectations of stakeholders and provide the BDA with a baseline for future reporting. The BDA intends to use feedback from stakeholders as a key metric to measure BDA's performance in the future.

Refer to *Appendix II* for further details on data collection methods.

Contributors' value-in-kind

The BDA relies heavily on the support of stakeholders who are willing to serve on BDA focus groups and sub-committees. It also includes their willingness to donate time, resources, contacts and goodwill to participate in BDA programmes, including BDA-led videos, webinars, overseas roadshows and other jurisdictional initiatives, with the aim of developing business in Bermuda.

Jurisdictional initiatives relate to business development meetings, separate from, but sometimes arranged before, after or during, a specific conference or event in a city.

The BDA leverages the expertise of focus groups comprised of leading industry professionals. Through regular discussions and strategy sessions, these focus groups agree strategies to identify and capitalise on new business opportunities for Bermuda.

For example, the Legal Focus Group and Legislative Change Committees are instrumental in ensuring Bermuda maintains a competitive legal and regulatory environment.



6,688 hours
contributed in-kind
valued at **\$5.1m**
in 2017

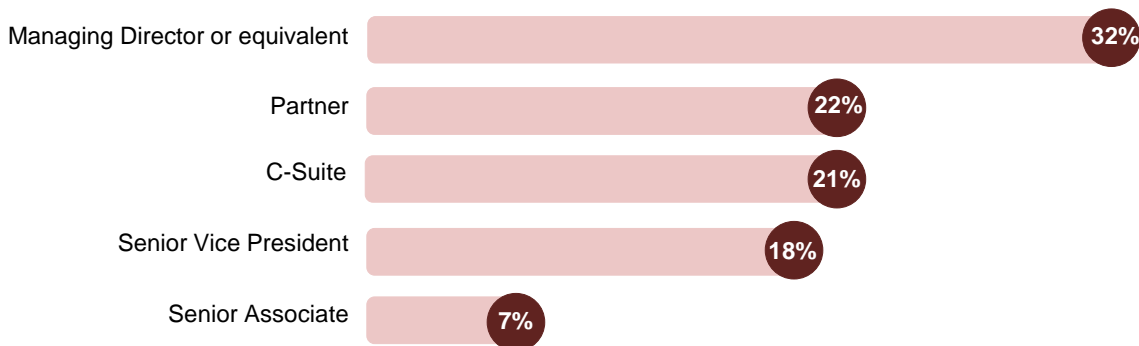
Stakeholder Survey Results (continued)

The survey was distributed to nearly 55 industry professionals identified by the BDA as having significant involvement with the BDA's business development initiatives. A total of 28 individuals responded to the survey to help quantify the amount of time an individual contributes to BDA efforts. The survey quantifies the input or billable hours from key stakeholders – for example, how many hours they attend BDA focus groups, or assist with roadshows, etc. and applies this to a value per hour based on leading practice rates. The results were then extrapolated against a further 183 individuals viewed by the BDA as having moderate

involvement. For purposes of this report, we have assumed these individuals contribute in-kind 25% of the amount of hours contributed by those with significant involvement. Additional survey questions were asked to understand how valuable their input is to BDA and its efforts.

Of all respondents, 32% were currently employed in a managing director capacity, 21% were partners of a public accounting or law firm, 21% were employed in a chief executive position, 18% were senior vice presidents, and 7% were in a senior associate or equivalent role.

Grade level of respondents



Respondents were asked on average how many hours per month they invested supporting the BDA, in the following areas:

- Conferences (on-island and overseas)
- Business development opportunities
- Roadshows
- Videos
- As a member of working group
- Webinars
- Other jurisdictional initiatives

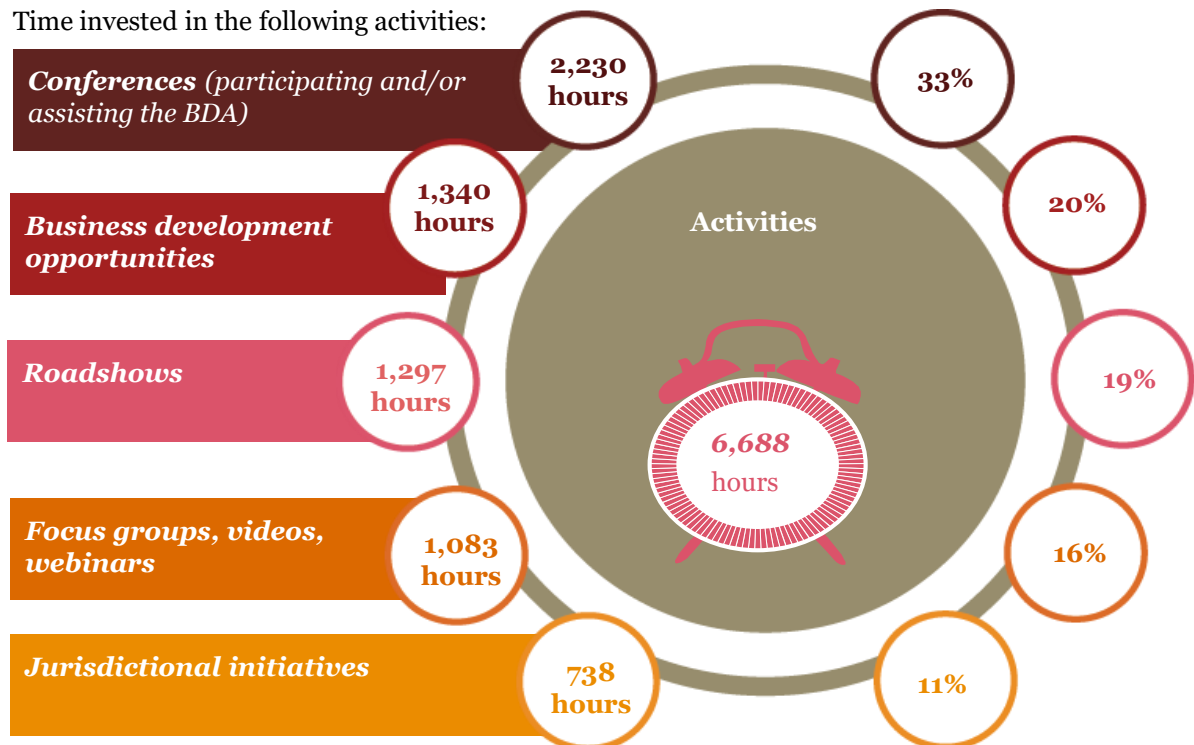
Based on survey results, a total of 6,688 hours were contributed in-kind in the year ended 2017. This represents a value of approximately \$5.1 million. This is approximately 67 hours per person for those who are significantly involved with the BDA's business development initiatives, and approximately 17 hours per person for those with moderate involvement.

Stakeholder Survey Results (continued)

The table below details hours contributed by leading industry professionals who have contributed their time in various activities such as conferences, business development opportunities, roadshows, etc., and valued based on an hourly rate per respective position.

Position	Total hours	Hourly rate	Total Value
Managing Director	1,423	\$900	\$1,280,000
Partner	2,055	\$900	\$1,850,000
C-Suite	1,660	\$800	\$1,328,000
Senior Vice President	753	\$500	\$377,000
Senior Associate	797	\$350	\$279,000
Total	6,688 hours		\$5,114,000

Time invested in the following activities:



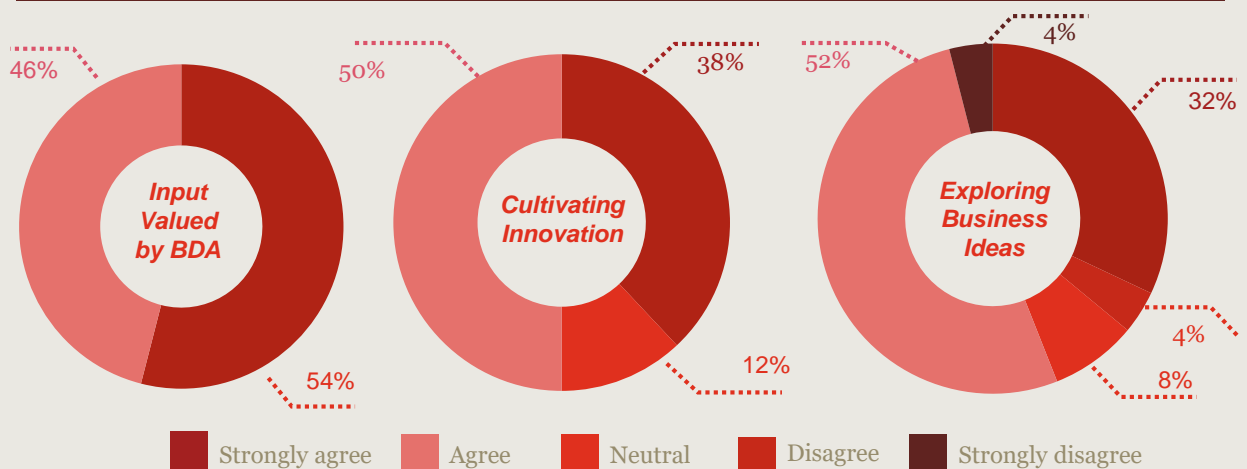
Stakeholder Survey Results (continued)

As depicted in the chart below, of survey respondents, 54% strongly agree and 46% agree their support is valued by the BDA. A total of 38% of respondents strongly agree initiatives they support are instrumental in cultivating innovation in Bermuda, where 50% agree and 12% are neutral, in that they neither agree nor disagree. Some 32% of respondents strongly agree their support is instrumental in exploring potential business opportunities for the island, where 52% agree, 8% are neutral, 4% disagree and 4% strongly disagree.

Respondents were asked to list key areas they plan to support the BDA in the upcoming year (2018). Some 71% stated they plan to continue being a working group member; 68% intend to support on-island conferences; 64% business development opportunities; 54% overseas conferences; and 50% overseas roadshows.

Additional areas not mentioned above that respondents indicated they would like to be more involved in were fintech, blockchain and virtual currency spheres, as well as insurtech and biotech industries.

The charts below represent survey results from those who contributed time to the BDA and how they believed this added value to the BDA and its efforts.



Stakeholder Survey Results (continued)

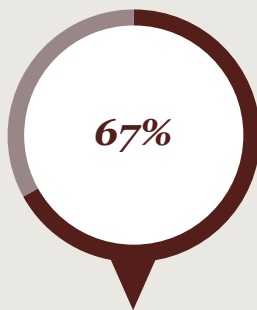
Financial contributors/funders

The Government is a primary funder of the BDA, however this is supplemented by financial support from the private sector. Maintaining and increasing funding is an operational priority of the BDA. The BDA secured a total of \$0.6 million in financial contribution from the private-sector in 2017 compared to \$0.5 million in 2016. The BDA's objective going forward is to expand the number of contributors and increase the value of those contributions year over year.

Of 42 companies surveyed, a total of 15 responses were received. The survey tells us the majority of responders are satisfied with their financial contribution to the BDA and are likely to contribute the same amount in the upcoming year (2018/2019). A total of 67% of respondents agreed they were satisfied with their level of financial contribution to the BDA and 80% were likely to contribute in 2018. Furthermore, 73% responded they were willing to contribute in the same regard in 2018.

Stakeholder survey results

Overall, how satisfied are you with your financial contribution to the BDA?



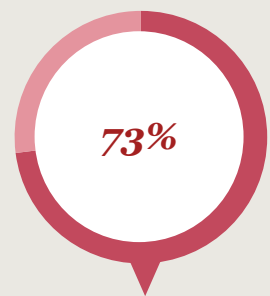
67% agree they were satisfied with their financial contribution to the BDA. 27% of respondents were neutral, thus neither satisfied nor dissatisfied, and 6% were dissatisfied

Will your company financially contribute to the BDA in the upcoming fiscal year (2018)?



80% were likely to contribute to the BDA in fiscal year 2018. 13% of respondents were undecided and 7% were unlikely to contribute

Do you anticipate contributing more, the same, or less in the upcoming fiscal year (2018)?



73% are likely to contribute the same amount to the BDA in fiscal year 2018. 7% of respondents stated they would contribute more, 7% less and 13% were undecided

Stakeholder Survey Results (continued)

One of the respondents stated: *“The BDA is paramount to Bermuda ensuring messaging about Bermuda’s reputation is positive and consistent. Without the BDA, the Bermuda Insurance Management Association and its members would not be able to compete in the global captive market at the high level we do today.”*

Concierge clients

A survey was conducted to various concierge clients who incorporated a business in Bermuda in 2016 or 2017 and had significant interactions with the BDA during this process. This group of businesses are direct beneficiaries of services provided by the BDA. The agency provided PwC with a list of concierge clients it believed the BDA was significantly involved with helping to get established, including assistance with permit applications, searching for office space, etc.

The BDA’s concierge service assists clients in launching new business ideas and exploiting new markets within Bermuda’s economy. Of 15 companies surveyed, a total of eight responses were received. The survey intended to obtain feedback on client satisfaction. In a survey question seeking level of satisfaction of the concierge clients, **100%** of respondents agreed the BDA had a positive impact on setting up their business in Bermuda.

The BDA had a positive impact on setting up your business in Bermuda

100%

100% agree the BDA has had a positive impact on setting up their business.

The BDA had a positive impact on your business development, growth or success

100%

100% agree the BDA had a positive impact on their business development, growth or success.

One respondent described the BDA Concierge as:

“A valued service that has been effective in promoting Bermuda.”

Stakeholder Survey Results (continued)

Overall, survey results suggest both funders (contributors) and concierge clients (direct beneficiaries) are satisfied with the value the BDA brings to Bermuda's business economy. The summary below illustrates the result of this survey.

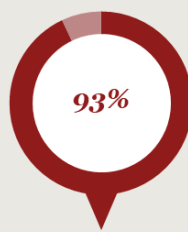
The BDA is a valuable resource for Bermuda

Concierge Clients



100% agree the BDA is a valuable resource for Bermuda

Funders



93% agree the BDA is a valuable resource for Bermuda

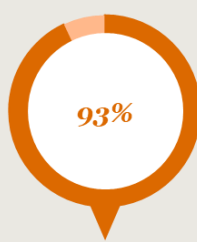
The BDA has a positive impact on the protection and enhancement of Bermuda's jurisdictional reputation

Concierge Clients



100% agree the BDA has a positive impact on the protection and enhancement of Bermuda jurisdictional reputation

Funders



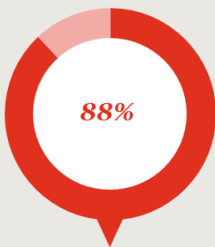
93% agree the BDA has a positive impact on the protection and enhancement of Bermuda jurisdictional reputation

One concierge client said: *"The BDA made it easy for us to set up our business in Bermuda. We were able to meet with key individuals in the Government and tell our story. I don't think we could have done it without their help."*

Stakeholder Survey Results (continued)

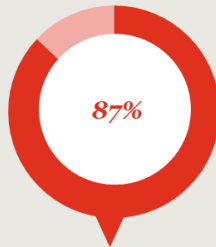
The BDA plays a valuable role in raising internal (local) awareness about the positive impact of Bermuda-based international businesses

Concierge Clients



88% agree the BDA has a positive impact in raising local awareness of Bermuda-based international business.

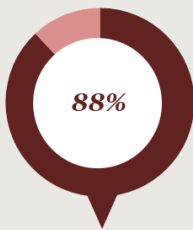
Funders



87% agree the BDA has a positive impact in raising local awareness of Bermuda-based international business.

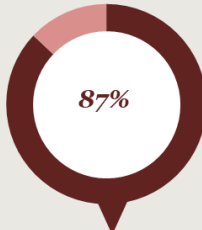
The BDA plays a valuable role in raising external (overseas) awareness about business opportunities in the Bermuda market

Concierge Clients



88% agree the BDA has a positive impact in raising overseas awareness of Bermuda-based international business.

Funders



87% agree the BDA has a positive impact in raising overseas awareness of Bermuda-based international business.

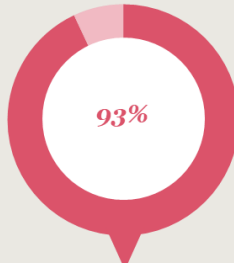
The BDA keeps stakeholders informed and engaged via effective communication (i.e. timely communication about initiatives, achievements, events, and industry news via stakeholder alerts, social media, e-news, blogs, media releases, etc.)

Concierge Clients



100% agree the BDA effectively communicates with stakeholders.

Funders



93% agree the BDA effectively communicates with stakeholders. The remaining 7% disagree.

Stakeholder Survey Results (continued)

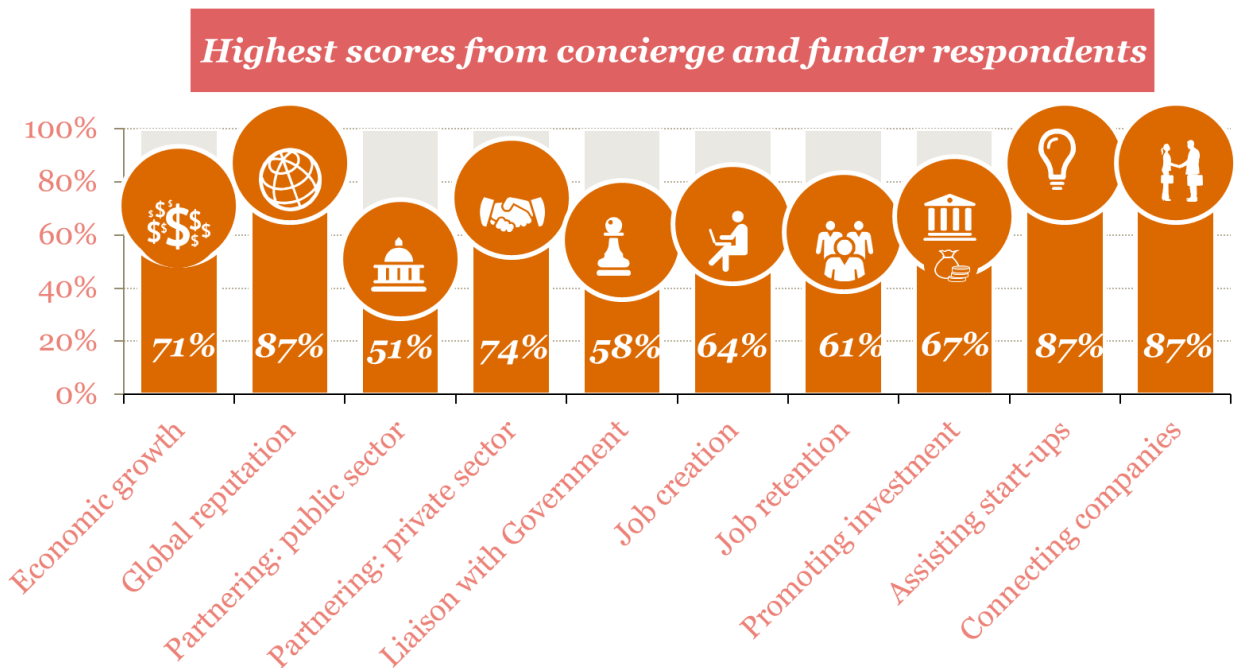
The illustration below shows combined survey results for both funders and concierge clients on how well the BDA is meeting its strategic areas of focus:

- Enhancing the island's global reputation
- Growing Bermuda's economy
- Promoting inward investment
- Creating jobs in Bermuda
- Retaining jobs in Bermuda
- Partnering with Bermuda's public sector
- Partnering with Bermuda's private sector
- Acting as an effective liaison between Government, regulators, and private sector
- Connecting prospective companies with industry partners and relevant representatives

- Assisting entities that are considering establishing operations in Bermuda

The survey question asked respondents to rate each strategic area on a scale of 1 to 5, 1 being no impact and 5 being a significant impact. Survey results suggest 87% of respondents believe the BDA had a significant impact on connecting prospective companies with industry partners and relevant representatives.

"The BDA is doing an admirable job providing due diligence and fanning out into the universe to connect with key persons who can drive business to Bermuda." – Survey respondent



Stakeholder Survey Results (continued)

Other responses from anonymous survey respondents included the following:

- *“I believe the BDA is effective in how they provide services. Their team is great!”*
- *“BDA should continue to promote the benefits of Bermuda as a jurisdiction, promote marketing and related events in key locations globally and continue to lobby on behalf of international business with government and regulators.”*
- *“The BDA has an amazing team of dedicated professionals who work very hard every day to bring more business to Bermuda. I applaud their efforts!”*
- *“The BDA has done a fabulous job. The liaison between private and public sector is really useful and promoting Bermuda as a jurisdiction for business helps us all. Well done!”*
- *“I feel the BDA has been an extremely valuable advocate for Bermuda business both internationally and locally. There is no doubt their efforts enhanced the positive contribution of international business to Bermuda and the reputation of Bermuda as an international financial center.”*
- *“I truly believe they play a vital role in promoting Bermuda as an offshore jurisdiction in so many industries. They are modern in their approach and have a really good team of staff who truly believe in Bermuda and its people and businesses. Very impressed.”*

Other indicators

4

Other indicators

Communication and stakeholder engagement

The BDA has a communications and marketing team dedicated to producing effective and timely stakeholder communication and engagement deliverables, including e-newsletters, social-media messaging, presentations to key ministries, media liaison, advertorials, e-blasts, e-vites, op-ed features, working group support, speeches, and jurisdictional and industry sector talking points, to name a few.

Supporting industry stakeholders and raising the country's business profile by advocating via myriad communications channels has been a strong focus of BDA's efforts. The agency's communications output can be found in the Media Centre of the BDA's website, which hosts the full suite of products, including e-news, blogs, press releases, publications, sector reports, and published features to news links, speeches, opinions and videos.

i. BDA social media statistics

BDA's social media channels have grown steadily throughout the year through expansion in followers and engagement. Below captures the growth in various social media outlets compared to prior year.

BDA Social Media Impact



- **10,563** total **website** visits reached by new users (65% of all traffic)



- Average reach of **550 people per month** on Facebook



- **1,752 Twitter** followers, increase of 26% compared to prior year



- **2,061 views** from 17 videos on **YouTube**. Top 3 countries viewed were US (36%), Bermuda (33%) and India (5.3%)

Other indicators (continued)

BDA social media statistics

- Twitter followers for @investbermuda increased by 26%, with a total of 1,752 followers
- Twitter followers for BDA CEO account increased by 98%, with a total of 353 followers
- BDA's LinkedIn followers increased by 48%, with a total of 1,024 followers
- BDA's BDA Abroad LinkedIn Group followers increased by 7%, with a total of 241 followers
- BDA's Instagram followers (@investbermuda) increased by 165%, with a total of 629 followers
- BDA's Facebook page had a total of 327 likes
- BDA's videos on YouTube had 2,061 views from 17 videos, compared to prior year with 5,579 views from 13 videos
- BDA's YouTube account had 52 subscribers, an increase of 126% compared to prior year
- BDA's YouTube traffic comes from: 35% suggested videos, 21% from YouTube search, 44% from bda.bm
- BDA's website (bda.bm) had 10,563 new visitors (65% of all traffic), an increase of 44% compared to prior year
- Top five user countries for bda.bm were Bermuda (41%), US (29%), UK (12%), Canada (5%), India (3%)
- New to 2017 was the launching of BDA's new website (brd.bm), which had 2,310 visitors (83% were new visitors)
- Top five user countries for bda.bm were US (42%), Bermuda (24%), UK (11%), Canada (5%), India (4%)

Other indicators (continued)

ii. News links

Included on the BDA Media Centre are over 80 news articles related to key movements and highlights relating to the Bermuda market.

iii. CEO Blog

Throughout 2017, the BDA carried a monthly executive blog, providing a jurisdictional viewpoint on trending topics covering various industries, issues and influencers affecting Bermuda as a global financial centre. Hot topics included the Paradise Papers and the European Union Code of Conduct assessment.

iv. Newsletters

Each month, the BDA issues an e-newsletter to update industry, government, media, the public and other stakeholders on BDA initiatives and key jurisdictional business developments. Included are governance, advocacy and compliance updates, news highlights across industry sectors, and reports on BDA and industry participation in conferences and events, as well as community outreach activities.

v. Speeches and Published Opinion Pieces

BDA executives delivered 16 speeches and opinion pieces during 2017.

vi. Press Releases

The BDA issued 54 press releases locally and internationally during 2017, including responses in reply to media questions or quotes for third-party press releases. This is an increase of 20% compared to prior year, where the BDA issued 45 press releases.

vii. Publications

The BDA contributed to or produced four published articles or booklets during 2017.

Other economic indicators (Bermuda-wide)

5

Other economic indicators (Bermuda-wide)

Although it is difficult and unrealistic to directly attribute Bermuda's economic indicators to the BDA, it is helpful to illustrate major economic trends, as this helps to support the positive efforts and achievements of the agency.

The following is an outline of various economic indicators that help to measure the overall health of Bermuda's economy.

Businesses incorporated

According to the Government's 2018-19 budget, a total of 793 new international companies and partnerships were registered in Bermuda during 2017, representing a 1.1% decrease compared with the 802 registrations in 2016.^{viii}

Risk Solutions

According to the BDA, 2017 marked an influx of new mind and management on the ground across Bermuda's risk sector. Class 4s and Classes C&E reinsurers saw an increase in registrations translating into new jobs on-island. On-boarded companies advised this was the direct result of several key factors, including the reputation of Bermuda's financial-services regulator, the BMA and Bermuda's achievement of Solvency II equivalence (Head Office requirements).^{ix}

The BDA continues to collaborate with industry partners and associations to communicate the right messages to prospects and facilitate opportunities to create new business relationships. As evidenced by BDA's stakeholder outreach efforts, including conferences and events.

Bermuda registered a total of 58 new insurers in 2017, ranging from captives and long-term re/insurers to SPIs, compared to 42 last year, according to BMA statistics released in February 2018.^x

Bermuda was home to 739 active captive insurance companies at the end of 2017, according to the BMA, a decrease of 5% compared to prior year which had 776. However, seventeen new captives were registered in 2017, up from 13 registered in 2016.^{xi}

Bermuda's captive register as at December 31, 2017, included:

- Class 1: 218 licences
(compared to 225 in 2016)
- Class 2: 267 licences
(compared to 280 in 2016)
- Class 3: 239 licences
(compared to 255 in 2016)
- Class A: seven licences
(compared to eight in 2016)
- Class B: eight licences
(compared to eight in 2016)

“Our jurisdiction has a record of providing solutions to tough challenges – including innovative ways to manage and diversify risk. And our long-standing reputation for robust regulation and compliance continues to differentiate us from other jurisdictions, giving clients and investors comfort that Bermuda will be a long-term partner.”

– Sean Moran, Interim CEO, BDA

Other economic indicators (Bermuda-wide) (continued)

Asset Management

According to the BMA, the total new funds registered in 2017 decreased, consistent with prior years and global trends. Bermuda saw a decrease of 1.2% in funds registered with the BMA, with a total of 560, compared to 567 in 2016.^{xii} The decline is consistent with the view that the sector faces high barriers to entry and faces increasing costs of regulatory, compliance and governance requirements, limiting the number of active fund managers.

In an article published by PwC Global Asset Management 2020 - A Brave New World, it was stated – *“The asset management industry stands on the edge of a number of fundamental shifts that will shape the future of the industry... Most asset managers have afforded themselves little time to bring the future into focus and the way in which many of them will operate in 2020, will be significantly different compared with today. Asset managers need to prepare for the challenges ahead and turn them into competitive advantages.”*^{xiii}

High-Net-Worth Services

According to the BDA, gathering hard data on new businesses and business growth in the high-net-worth services sector (previously the trust and private client sector) remains difficult, due to clients’ need for confidentiality and the challenges in valuing assets held under trusteeship (real estate, vehicles, yachts, art, etc.).

The BDA compiled aggregate data on total Bermuda-based jobs supported by the trust industry, to measure growth (or shrinkage) in the past year. There was some consolidation and also new entrants in the year. As set out in the table below, the year-over-year comparison, according to the BDA, shows minimal to nil movement in the number of BMA-licensed trust companies and a 0.5% increase in the number of Bermuda-based jobs tied to the local trust industry.

	September 2017 data call	June 2016 data call	% change
No. of BMA-licensed trust companies	28 (22 active)	30 (22 active)	0% (active)
Grand total of Bermuda-based jobs tied to the local trust industry	665 (estimated)	662 (estimated)	0.5% increase

Although unable to quantify for purposes of this report, it is assumed by the BDA that these trust companies attract international clients and business visitors to the island, having a positive impact on the Bermuda economy.

“The insurance and asset management industries are exploring creative ways to embrace disruptive technologies such as artificial intelligence and blockchain.” – Sean Moran, Interim CEO, BDA.

Other economic indicators (Bermuda-wide) ***(continued)***

Business visitors 2017

The below outlines details of business air visitors who travelled to Bermuda in 2017:

- Business visitors increased by 9.4% to 48,000 visitors in 2017 compared to 2016^{xiv}
- Business visitors consist of 18% of overall air travel, including vacation and leisure, and visiting friends and family visitors^{xiv}
- The average length of stay for a business visitor was 5.5 nights in 2017, an increase of 28% compared to 2016^{xiv}
- Of business visitors, 85% stay in hotels or similar, with the remaining 15% staying with friends and relatives, private homes or in a rental house or apartment^{xiv}
- The majority of business visitors were male 73% compared to female of 27%^{xiv}
- 31% of business air visitors were in the age group of 45 to 54; 23% were 35 to 44; 21% 55 to 64; with the remaining dispersed across the other age groups^{xiv}
- The largest increase in average per person visitor spending was seen in business visitors^{xiv}

Government economic indicators

Employment figures

Bermuda reported its second increase in nine years in the Bermuda job market. The total number of filled positions was reported to have increased by 0.1%, or 40 jobs, to 33,521. The largest sector that contributed to the job increase was in the restaurant sector (5.6%), while positions within the international business sector only increased by 0.2%. These increases were offset by declines in various other sectors including other community social and personal services; education, health and social work; transport and communications; and public administration.^{xv}

Employment income rose by 3.1% over the first three quarters of 2017, with the largest increase in the international business sector whose employment income rose by 4.2%.^{xvi}

GDP results

Bermuda's GDP increased by 2.5% to \$4.7 billion in 2017 when compared to the prior year.^{xvii}

The year 2016 was the seventh of economic contraction in the last eight years, meaning Bermuda's GDP declined for two or more consecutive quarters year over year. This underscored the urgency of the need to stimulate Bermuda's economy and invest in long-term policies to diversify the Bermuda economy and create sustained economic growth, which will increase jobs and opportunity at all levels of Bermuda society.

Real estate / rental markets

According to the Government's fiscal year 2018-19 budget, real estate and rental sector saw an increase in 2017 by 5.4% when compared to 2016.

Retail Sales Index

The retail sales index provides insight into the expenditure trends of consumers in Bermuda's retail market. During 2017, there was an increase of 0.3% compared to 2016.^{xviii}

Appendices

6

Appendix I – Overall economic impact framework and approach

Economic impact framework and approach

Economic impact analysis follows an established methodology to assess and value the impact of events or certain activities, such as conferences or new jobs. The approach adopted for this analysis considered the impact of the BDA's activities and programmes on GDP, a key measure of the economic health of a country. Economic output, as measured by Gross Value Added ("GVA"), is a measure of the value generated by different sectors of the economy. It represents the difference between the value of goods and services sold and the goods and services used as inputs to their production. Hence, it is the sector-level equivalent of GDP; adding up the GVA of all sectors in the economy gives an estimate of a country's GDP.

Spending groups identified in this study include international visitors who travelled to Bermuda as a result of conferences brought to and/or retained in Bermuda by the BDA or employees hired by those companies that set up in Bermuda with support of the BDA.

The impact on GDP/GVA comprises three elements:

- **Direct impact:** The increase generated in Bermuda as a result of additional on-island expenditure by various spending groups directly attributable to the BDA's activities and programmes
- **Indirect impact (supply chain spend):** The increase generated by businesses and other organisations which fulfill the needs of 'different spending groups' demand for goods and services and their suppliers. These support additional profits and wages (i.e. GVA) across the supply chain. This is often referred to as 'indirect impact'

- **Induced impact (employee spend):** The increase resulting from increased expenditure by the workforce employed directly as a result of the BDA's activities and programmes and indirectly as a result of impacts on supply chains as additional income earned by employees is spent on various goods and services in Bermuda, leading to further economic activity. This is often referred to as the 'induced impact'

The total impact on GDP is represented by the sum of the direct, indirect and induced impacts.

An input/output table for Bermuda from 2015 (most recently available at the date of this report) provided by the Government's Department of Statistics, was used to determine the multipliers with which to estimate the indirect and induced impacts.

Appendix II – Data collection methods

In the majority of instances, data was collected directly from the BDA. Surveys were conducted to obtain feedback from key stakeholders to enable extrapolation of value-in-kind for leading industry professionals who support the BDA's efforts.

PwC conducted three online surveys using a PwC survey tool. Surveys were sent via email to various contacts provided by the BDA. The table below details the total population against survey responses received for each survey conducted.

Survey questions asked for each of the three surveys are disclosed throughout this report, accompanied with their respective results.

Other data sources are specifically referenced throughout the report, including the Government and the BTA.

Description	Population	Responses Received	Response Rate
Financial contributors / funders	42 companies	15 companies	36%
Concierge clients	15 companies	8 companies	53%
Value-in-kind contributors	54 individuals	28 individuals	52%

Appendix III – Key Assumptions

Employment

The following outlines assumptions applied in the economic model to arrive at the estimated additional on-island spending and impact on GDP for employment directly attributable to the BDA.

- Assume half year for the 19 jobs attributable to 2017
- Salaries and wages costs have been estimated based on the top two income brackets in the Bermuda Government Household Expenditure Survey (2013) data
- Salaries and wages costs have been analysed to appropriately attribute on-island spending compared to off-island spending. This allocation is based on the Bermuda Government Household Expenditure Survey (2013)
- All expenditures were mapped to those sectors of Bermuda's economy which are used by the Government's Department of Statistics for the purpose of reporting economic performance
- Due to limited information available, we were unable to consider displacement effects in terms of net new employment in Bermuda. For example would these individuals otherwise be employed by another company in Bermuda in the absence of these companies being set up in Bermuda
- PwC has not attempted to verify the accuracy of the employment number provided by the BDA, displacement of employment figures, salaries and wages cost or the split of spending between on-island and off-island.

Conferences

The following outlines assumptions applied in the economic model to arrive at the estimated additional on-island spending and impact on GDP for conferences directly attributable to the BDA.

- All local delegates who attended the local conferences and events were not considered in the economic impact of the conferences, with the exception of their indirect impact on the costs of hosting the event (venue costs). The assumption is that regardless of the complement of local and international delegates, the cost of hosting the event remains the same
- The ADR provided by the BDA for each conference was used for both 2016 and 2017
- Cost of hosting the event (venue costs) was assumed to be \$520 per person (regardless of international or local)
- To avoid duplication of economic impact, we have only considered expenditures as they relate to the conferences and have not considered revenue from ticket sales
- Daily spend for business visitors is based on BTA Departure Survey Data
- Hotel occupancy taxes for both the Government and BTA portion were considered as part of the estimated additional on-island spend and impact on GDP. Hotel Occupancy Tax was included in the economic impact for both the Government and BTA portion. These were based on rates of 7.25% and 4.5% based on information received from the BTA
- We have assumed that these visitors would not have otherwise come to Bermuda in the absence of these events

Appendix III – Key Assumptions (continued)

Conferences (continued)

- All expenditures were mapped to those sectors of Bermuda's economy which are used by the Government's Department of Statistics for the purpose of reporting economic performance
- PwC has not attempted to verify the accuracy of the ADR, the number of attendees, the split of attendees from local and international provided by the BDA, nor spending data provided by the BTA
- It is standard practice in economic impact analysis to convert actual and estimated economic impacts that accrue at different points in time into present values; all expenditures that took place in 2016 have been converted into present values, using 2017 as a base year
- We have conservatively assumed that the local delegates who attended the conferences and events in Bermuda do not pay for accommodations and do not incur incremental costs as a result of attending conferences

Value-in-kind contributions

To quantify the impact of the value-in-kind contributions, PwC applied market values per hour based on the responder's position of employment. Market values are based on current market rates as per the latest version of the PwC Compensation Survey, issued in 2017. A total of 237 individuals were identified by the BDA as having significant to moderate involvement with the BDA's business development efforts, some 54 of which had significant involvement and 183 had moderate involvement.

A total of 28 responses were received. Based on survey responses, average hours in each area were applied to the overall population. Employment position for the remaining population were estimated based on the weighted average of those who did respond.

The results were then extrapolated against a further 183 individuals who were viewed by the BDA as having moderate involvement. For purposes of this report, we have assumed these individuals contribute in-kind 25% of the amount of hours contributed by those with significant involvement.

Glossary of terms

ADR	Average Daily Rate
AML	Anti-Money Laundering
ATF	Anti-Terrorist Financing
BALT	Bermuda Association of Licensed Trustees
BDA	Bermuda Business Development Agency
BDU	Business Development Unit
BEDC	Bermuda Economic Development Corporation
BMA	Bermuda Monetary Authority
BRM	Bermuda Risk Directory
BTA	Bermuda Tourism Authority
CEO	Chief Executive Officer
CMS	Client Management System
ERM	Enterprise Risk Management
GDP	Gross Domestic Product
Government	Government of Bermuda
GVA	Gross Value Added
IB	International Business
iSACs	Incorporated Segregated Accounts Companies
ILS	Insurance-Linked Securities
KPIs	Key Performance Indicators
PLP	Progressive Labour Party
PwC	PricewaterhouseCoopers Advisory Limited
SPI	Special Purpose Insurers
STEP	Society of Trust and Estate Practitioners

Endnotes

ⁱ The employment figures are provided by the BDA which connected directly with the companies who set up through the Concierge Service to determine the actual number of jobs. PwC has not validated these figures.

ⁱⁱ https://www.gov.bm/sites/default/files/2018-Budget-Statement_Web.pdf

ⁱⁱⁱ <http://bda.bm/wp-content/uploads/2018/03/18-02-28-Bermuda-insurance-registrations.pdf>

^{iv} <http://www.bma.bm/publications/REGULATORY%20UPDATES/Regulatory%20Update%20July%20-%20September%202017.pdf>

^v <https://www.gov.bm/sites/default/files/GDP%202017%20annual%20publication.pdf>

^{vi} <https://www.orbitax.com/news/archive.php/Bermuda's-New-Financial-Service-24544>

^{vii} Tourism data for 2017 provided by the BTA.

^{viii} https://www.gov.bm/sites/default/files/2018-Budget-Statement_Web.pdf

^{ix} Information provided by the BDA in the 2017 Year in Review: December 13, 2017 report.

^x <http://bda.bm/wp-content/uploads/2018/03/18-02-28-Bermuda-insurance-registrations.pdf>

^{xi} <http://bda.bm/wp-content/uploads/2018/03/18-02-28-Bermuda-insurance-registrations.pdf>

^{xii} <http://www.bma.bm/publications/REGULATORY%20UPDATES/Regulatory%20Update%20July%20-%20September%202017.pdf>

^{xiii} <https://www.pwc.com/gx/en/industries/financial-services/asset-management/publications/asset-management-2020-a-brave-new-world.html>

^{xiv} https://www.gotobermuda.com/sites/default/master/files/year_end_report_final.pdf

^{xv} https://www.gov.bm/sites/default/files/2018-Budget-Statement_Web.pdf

^{xvi} https://www.gov.bm/sites/default/files/2018-Budget-Statement_Web.pdf

^{xvii} <https://www.gov.bm/sites/default/files/GDP%202017%20annual%20publication.pdf>

^{xviii} Retail sales publication. <https://www.gov.bm>

Contact

James Ferris

Direct: +1 441 299 7153

Email: james.ferris@pwc.com

Kristen Robinson

Direct: +1 441 299 7283

Email: kristen.robinson@pwc.com

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