

BERMUDA

THE INTELLIGENT CHOICE

Deciding on a digital hub is an especially complex process. In an interview with World Commerce Review, the Bermuda Minister of Economic Development, Dr. Grant Gibbons, examines the most important factors.



Please describe the range of ICT services and benefits that Bermuda can offer?

Bermuda has been known as the 'Wired Island' for well over a decade. In the last four Economist Intelligence Unit (EIU) digital economy studies, Bermuda has consistently been ranked in the top 22 countries in the world for e-readiness, and is the smallest country to hold that record.

Bermuda is a world leader in insurance, reinsurance, international business and finance and as such, demands a sophisticated ICT sector combined with a first rate telecommunications infrastructure that includes a redundancy capability of three fibre optic cables linking Bermuda to the rest of the world.

International businesses can expect to find the full complement of IT services and support, including software development. Cloud and digital certificate services are prevalent along with hosting, business continuity and disaster recovery providers.

What is the on-going plan for this sector in Bermuda and what does the future hold?

Our strategy from the outset was to create the legislative framework to facilitate electronic commerce and provide appropriate regulations to create a supportive environment where business can grow and flourish. Bermuda was one of the first in the world to adopt an Electronic Transactions Act (ETA) in 1999 and we are presently reviewing amendments to the Act to keep the legislation contemporary. This should enable business opportunities created by the next generation of ICT evolution.

We are also developing privacy legislation with the intent of facilitating trans-border data flows and providing an additional level of comfort for international customers who have their data hosted in a Bermuda cloud. With our unique privacy model, Bermuda expects to achieve the balance of protecting sensitive personal information and respecting international privacy principles, while acknowledging diverse global economic ties.

We are presently proceeding with significant regulatory reform and have established an independent Telecommunications Regulatory Authority. This will benefit businesses and consumers by increasing competition, speeds and service offerings. We have already seen significant new investment in the sector, which will result in next generation telecommunications and fibre to the home infrastructure across the island.

The Bermuda Government's online services to business and consumers will continue to expand. Initiatives to help foster growth in the ICT area include; streamlining immigration processes, providing further tax relief tied to job training and ensuring best practice in IP protection, particularly given the explosion of digital media services. The local ICT sector is robust and continuing to evolve and the fascination with technology and connectivity is not limited to business alone. Bermudians are early and heavy adopters of ICT. Our household penetration of mobile was 95% in 2012. Internet household penetration is at 88%, 90% of which have a high speed connection. The Blackberry 10 is expected to go on sale in Bermuda 1-2 months before it hits the stores in the US.

Bermuda has had a tradition of technology innovation since the days it invented the Bermuda rig for sailing, where its configuration of mast and rigging provided greater speed (using triangular sails instead of four sided ones) and became the forerunner of most modern day sail boats. Today that spirit of innovation is alive and well.

Two local innovators, Quo Vadis and First Atlantic Commerce have earned international recognition within the international certification service provider and payment solution provider industries, respectively, and boast a significant global corporate and Government clientele. Another area of ICT innovation in Bermuda is in software development for the financial services industry, particularly with applications for risk modelling in the reinsurance sector.

The Government also celebrates local technology innovation through the annual *Technology Innovation Awards* and we will continue to support further development in this sector. The World Information Technology Services Alliance (WITSA) has recognised our efforts in this area by presenting the Government of Bermuda with an *ICT Industry Development Award* in 2010. Telecommunications reform will also undoubtedly spur more innovation in the local ICT space. In this new era of big data, Bermuda is poised to capitalise with its secure hosting centres and availability of significant bandwidth.

Please describe how this has helped international business?

The world of technology has permeated every-day life to the extent that all business is e-business. The sophistication of the ICT space has allowed both local and international companies in Bermuda to get the well managed and secure ICT services that they require locally, along with gold standard customer service from the providers, so they can concentrate on the business at hand.



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The majority of the Fortune 500 companies have a Bermuda presence as do several other multi nationals. As a result, the local ICT sector have strong ties with the major IT service organizations in the US, Europe, the Caribbean, Asia, the Middle East and Canada. Our ICT sector is used to working with offices in multiple jurisdictions and Bermuda's time zone and location is a plus for in person or virtual interactions.

How skilled are the local workforce and what connections are there with the education sector?

To maintain a successful digital economy, there needs to be a continuous focus on the development of e-skills. In the late 1990's Bermuda started early with the BTEC program, a public-private partnership which brought a customised Stanford University developed computer curriculum into Bermuda public schools. Most schools also integrate technology into their curricula through the use of SMART Boards, tablet and laptop programmes.

It is not uncommon to see primary school students with smart phones and of course they are heavy users of social media. For students specifically interested in the technology area, the Department of E-Commerce publishes an annual *IT Student* career guide.

At the post-secondary level, the *Technology Leadership Forum*, started by the Ministry in partnership with the ICT sector, hosts a student IT summer internship program, which is a combination of work placement and in-classroom soft and hard skills training. The curriculum is developed and delivered by the leaders in the local ICT sector so that students receive training and develop competencies that address employers' real needs. The curriculum is updated annually to capture trends in the technology area.

The Government also has established a *CISCO Academy CCNA* certification pilot programme. The latest study on the state of ICT in Bermuda shows that 65 % of the population has a moderate to high technology competency. While this is positive, we are pushing for more and provide opportunities to learn new e-skills and celebrate technology through our *TechWeek* and *TechTime* initiatives, designed to increase awareness of the numerous opportunities in the information technology sector to ensure that everyone, from students to seniors, recognizes the importance of technology literacy. It also allows the community to appreciate how technology affects and impacts our lives on a daily basis and will continue to do so as a citizen of a global digital world. The theme of *TechWeek* is '*Technology, Everyday, Everywhere, Everyone.*'

Our most recent efforts have been in further encouraging local mobile application development and e-entrepreneurship by providing workshops in these relevant areas. While we encourage our youth to take advantage of the Internet and all that technology can offer, we also take cyber security very seriously. The Government introduced child protection legislation that focuses on online safety. There are criminal offences for internet luring and grooming, as well as cyber bullying. We also conduct a cyber-safety programme in cooperation with the schools called '*Cybertips*' and we host a website dedicated to providing cyber security information for the public.



What would be your advice to a multinational considering Bermuda as a digital base?

Bermuda is an intelligent choice and has many advantages which enable multi nationals in a variety of sectors, not just e-business, to thrive.

Let me point to a few examples. The island is ideally positioned standing at the crossroads of North and South America and Europe with excellent air links to the east and west.

Bermuda is a self-governing UK overseas territory with a common law legal framework and a history of stable government. Our currency is pegged to the US dollar. We have a world class ICT sector and telecommunications infrastructure and the redundant fibre-optic cables connecting Bermuda globally, providing significant bandwidth to meet all digital business needs. Our ICT legal and regulatory framework is designed to support e-business and we take security and IP protection very seriously.

The island has a well-educated and talented labour pool to assist in the operation of business affairs. It is easy to incorporate in Bermuda and there are several vehicles for doing so, including the segregated account company. Financial services businesses





in Bermuda are licensed, regulated and monitored to international standards.

International companies find equivalent levels of banking, trust, accounting, custodial and legal service in Bermuda to those they are used to in their operations around the world. Bermuda is tax-neutral. No income taxes, withholding tax, capital gains tax, capital transfer tax are payable on the island.

Bermuda has its own stock exchange, the (BSX) which is the world's largest offshore fully electronic securities market and is a member of the World Federation of Exchanges. The BSX offers a 'Mezzanine Market' which is a unique pre-IPO market listing for start-up, high-growth potential companies.

How would you sum up the Bermuda advantage?

Before investing in a jurisdiction, sensible international businesses undertake a risk/reward analysis. Bermuda equals low risk and high reward. Just take a look at the many blue chip companies that call Bermuda home. We have the right

legislative, legal and tax framework and a light regulatory touch that meets best practices.

Bermuda's GDP per capita is one of the highest in the world and Bermuda offers a highly skilled population with a sophisticated support services sector including IT, along with a world class telecommunications infrastructure. It is the perfect 'test bed' environment. We have an ideal location just one hour ahead of EST and minus four GMT/UTC. At the end of the day, Bermuda is a beautiful place to call home with a great quality of life overall. ■

Dr. the Hon. Grant Gibbons JP, MP, attended Oxford University as a Rhodes Scholar and received a Ph.D from Harvard University in Organic Chemistry in 1982. Dr Gibbons has had an active career in both politics and business. He is currently the Minister of Economic Development and is the Member of Parliament for Paget East and has held the seat for eighteen years. Dr. Gibbons is also Deputy Chairman of the Colonial Insurance Group of Companies and has held various management positions and directorships at a number of public and private companies.

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