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FREE DEMOCRATIC MOVEMENT



Objective:



To build an interdependent Bermuda by reducing debt, empowering Bermudians, cultivating private sector growth and addressing the high cost of living. Economics is about more than money, it's about people. Our goal is to encourage healthy competition, starting locally, expanding regionally, and ultimately positioning Bermuda as a standout on the global stage. By focusing on lowering costs and reducing barriers, this framework will shape a vibrant economy where Bermudians excel as innovators, entrepreneurs, and leaders.

Core Principles

Fiscal Responsibility:

Reduce debt and interest payments, redirecting savings toward transformative investments in infrastructure, education, and essential services.

Market-Driven Growth:

Unlock economic potential by removing regulatory barriers, driving innovation, and advancing diverse industries. Competition, first within local markets, then regionally and globally, will ensure Bermuda's economic relevance.

Empowerment through Economic Participation:

Enable Bermudians to actively participate in and benefit from the economy by creating pathways for entrepreneurship, innovation, and community-driven initiatives.

Customs Duty and Payroll Tax Reforms:

Establish and enforce high standards for government operations, ensuring all activities are audited, monitored, and publicly accessible.

Policy Implementation and Timelines

Short-Term (0–1 Year): Immediate Priorities

Customs Duty and Payroll Tax Reforms:

- Simplify customs duties to a flat 15% rate for items taxed above this level, reducing household expenses.
- Lower payroll tax rates to increase take-home pay for Bermudians and provide relief for businesses.
- Further reduce customs duties for registered businesses. Combined with payroll tax reforms, these measures will reduce operational costs.





Debt Reduction Focus:

- Hold 80% of realized Corporate Income Tax (CIT) revenue in a dedicated account for five years, using it exclusively for debt retirement. This approach allows for insight into how the tax operates and ensures prudent budgeting, by accounting for technicalities like deferred tax assets.
- Commit to running a budget surplus to improve fiscal stability within three years.

Streamline Government Operations and Monetize Assets:

- Sell unused government properties to generate approximately \$100 million over five years with funds reinvested in public infrastructure, education, and essential services.
- Reallocate resources from underperforming programs to priority sectors like infrastructure and education.

Medium-Term (2–3 Years): Building Momentum

Revitalizing Tourism and Strategic Trade:

- Replace the Bermuda Tourism Authority (BTA) with a privately funded Tourism Stakeholders Council, led by private sector leaders, to drive marketing and innovation without reliance on government funding.
- Promote the development and export of Bermudian-produced products, such as alcohol, honey, spices, and other goods, by tying them to Bermuda's tourism identity and refunding duties on raw materials used in their production.

Economic Diversification:

- **I-Gaming:** Amend the Bermuda Casino Gaming Act to establish a robust industry modeled after Malta and Gibraltar, projected to generate \$50 million annually.
- **Cannabis Industry:** Legalize licensed domestic production for personal use, disrupting illicit supply chains and creating local economic opportunities.
- **Offshore Fishing:** Expand operations within and beyond Bermuda's Exclusive Economic Zone (EEZ), managed by the Bermuda Fishermen's Association with the intention of boosting exports and foreign currency.
- **International Education:** Upgrade Bermuda College to a university, hosting 200 international students annually, generating tuition and other related revenues.

Accountability and Transparency:

- Implement 100% of Auditor General recommendations to improve fiscal discipline and restore public trust.
- Launch a Digital Budget Dashboard for real-time updates on government spending.





Long-Term (3–4 Years): Sustaining Progress

Performance-Based Funding:

- Transition 50% of publicly funded entities to performance-based funding, tying resource allocation to measurable outcomes.

Clear Audit Backlog:

- Clear Bermuda's longstanding audit backlog, which the Auditor General estimated at 131 years in 2022.

Real-World Benefits

For Families and Individuals:

- **Lower Cost of Living:** Capped customs duties, streamlined regulations, and reduced costs for imports will put more money back into household budgets.
- **Increased Disposable Income:** Lower payroll tax rates will directly increase take-home pay, easing financial pressure on families.
- **Safer Communities:** Diversified industries and legitimate economic opportunities will reduce reliance on illicit trade, lowering crime and creating meaningful pathways for Bermudians to create prosperity for themselves.

For Workers and Businesses:

- **Lower Operational Costs:** Lower payroll taxes, reduction of unnecessary customs duties, and refunds on raw materials for Bermudian-produced goods will reduce operational costs and encourage growth.
- **Job Creation:** Expanding industries such as I-Gaming, offshore fishing and domestic cannabis production will create high-paying jobs and entrepreneurial opportunities.

For the Economy:

- **Economic Resilience:** Revitalizing tourism and diversifying the economy will reduce our reliance on international business, create more job opportunities, and strengthen the economy.
- **Fiscal Stability:** Prudent tax reform, debt reduction measures, and performance-based governance will free up resources for transformative investments in infrastructure, education, and essential services.





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