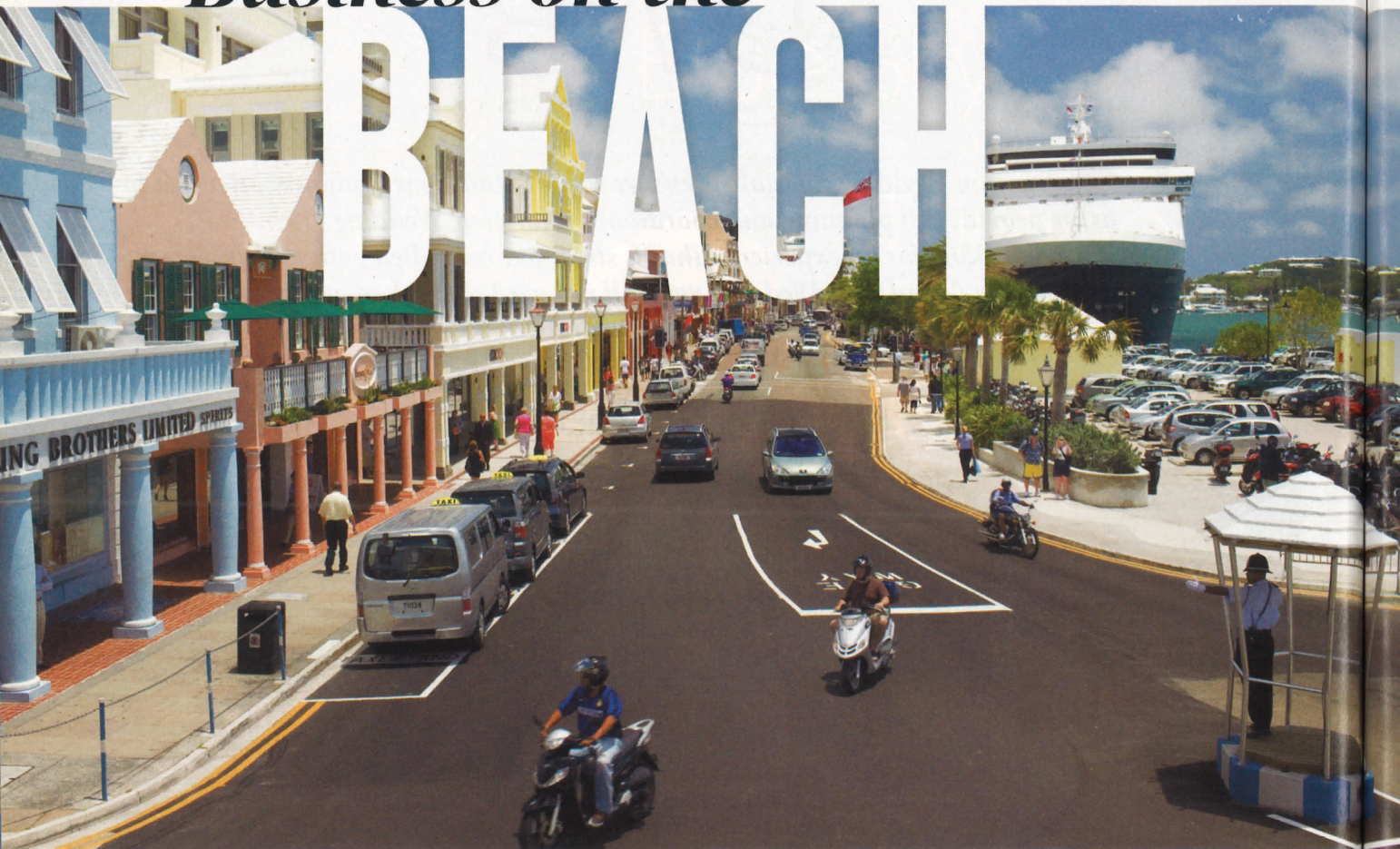


# Business on the BEACH



Think Bermuda is just a pretty place? Think again. Global business giants and generations of local entrepreneurs make the island a hub of economic activity.

BY  
DAVID LAHUTA

**O**f all the world's global financial capitals, few boast as many positive attributes as the island nation of Bermuda. "The island's honed and tested approach to regulation is the primary reason businesses choose Bermuda as a domicile," says Ross Webber, CEO of the Bermuda Business Development Agency, which helps overseas companies set up operations in Bermuda and local companies consolidate, grow and flourish. "But there's so much more: The ease of access, time zone, pragmatic regulation, British common law, sophisticated business infrastructure and physical presence of world-class service providers is the differentiator for Bermuda as an international financial center."

It's also stunningly beautiful—a sentiment that's not lost on Webber or the thousands of executives who conduct business in Hamilton, which is home to Fortune 500 and Big Four accounting firms and some of the world's leading insurance and reinsurance companies. In fact, more than \$4 billion is generated there annually, making Bermuda one of the most attractive places in the world to do business. "No question, this is a global business center where executives can nurture and advance their careers," says Bill Hanbury, CEO of the Bermuda Tourism Authority. "But Bermuda is also a place where its work force can absolutely enjoy paradise out their front door." One of those places is the Royal Naval Dockyard, a former British naval base that



was originally built in 1809 in response to England's defeat in the American Revolutionary War. Perched on the island's western tip, it now houses the National Museum of Bermuda and is Bermuda's main cruise ship terminal. Of course, none of this could've been possible without the assistance of the West End Development Corporation (WEDCO), which was formed in 1982 and pumped \$60 million into the facility, transforming the once-dilapidated edifice into the island's main tourist attraction. It's local business at its very best—although Bermuda long has had a history of entrepreneurship, owing to the island's remote geographic location and dearth of natural resources. Consider Gosling's Black Seal rum, the island's iconic spirit with roots tracing back to 1806, when its



CLOCKWISE FROM FAR LEFT: Front Street in Hamilton; Royal Naval Dockyard; the PGA Grand Slam of Golf at Port Royal Golf Course in Southampton; Fairmont Hamilton Princess.

originator, James Gosling, arrived on a ship from England and opened up a liquor store in St. George's. Two years later, his brother Ambrose joined him to help expand the business and the company was formally named Gosling Brothers. "I think James Gosling would be proud that we're continuing to operate as a wholly owned family business," says E. Malcolm Gosling, CEO and president of Gosling-Castle Partners, Inc., and president of Gosling's Export, Ltd. "We've survived many challenges thrown our way and I think being able to build a global brand from a small island like Bermuda, in a competitive market, has proven to be a testament to the products the Gosling brothers developed many years ago." Another local business with strong island roots is Butterfield & Vallis, Bermuda's chief food supplier. The parent company dates back to 1923, when Harry St. George Butterfield signed an agreement with a British biscuit manufacturer to distribute its products in Bermuda. What resulted has become the largest wholesale food distribution company on the island—one with a fleet of 48 GPS-enabled trucks that deliver food and food-related items to stores, restaurants, hospitals and hotels. Given Bermuda's mid-Atlantic location, it's an invaluable service and one that's as essential to Bermuda's survival as the energy provided by the Ascendant Group Limited. The group, comprised of Bermuda Electric

## MY BERMUDA

### Carmen Phillips

Co-owner of Destination Wedding Bermuda  
**LOCAL ROOTS:** I grew up in the beautiful parish of Southampton.

**FAVORITE EATS:** Traditional Sunday breakfast of codfish and potatoes at Windows on the Sound at the Fairmont Southampton and when in season, broiled spiny lobster at the Red Carpet in Hamilton.

**MUST SEE:** Harrington Sound from the water is simply stunning. My husband and I often go cruising on our boat after work, have dinner onboard and stay to watch the sunset. It's the perfect end to the day!

**ONLY HERE:** Bermudians are the friendliest people in the world. We won't just give you directions—we'll go out of our way to take you where you need to go.

**TRAVEL ADVICE:** Pack comfortable walking shoes and explore the Railway Trail, an 18-mile walkway that used to be home to a 1930s-era train that once ran the length of the island.







**TOP LEFT:** Mid Ocean Golf Course; lobster at Wahoo's Bistro & Patio.



Light Company Limited (BELCO), Bermuda Gas & Utility Company Limited and AG Holdings Limited, the latter of which is the holding company for its non-utility businesses which include PureENERGY Renewables and Air Care Limited. Serving all of the island's approximately 35,600 commercial and residential customers, Ascendant Group delivers 99.96 percent system reliability to support Bermuda's residents, businesses and visitors—a long record of success dating back to 1906 when BELCO was first founded. What results is first-rate connectivity on a 21-square-mile island and the ability to do business at the speed that business needs to get done. The proof came when Bermuda was struck by unprecedented back-to-back storms in October. Tropical Storm Fay hit on Sunday, October 12, leaving approximately 28,000 homes without electricity. All but 1,500 of those customers had power restored when Hurricane Gonzalo, a category 3 storm, hit the island on Friday, October 17, leaving as many as 31,000 homes (about 95 percent of the residences on the island) without power. But by Saturday the 18th, electricity was already restored in two-thirds of those homes, according to BELCO.

"Bermuda is a highly connected island with a full array of technological infrastructure, including high-speed broadband, 4G cellular networks and data centers," says Bermuda Business Development Agency's Webber. "It also has an outstanding range of internationally acclaimed service providers, which is a huge advantage for many of the world's leading finance and risk-management companies that call Bermuda home."

That is without question since Bermuda also long has been home to accounting firms KPMG, Ernst & Young and PricewaterhouseCoopers. Also present is professional services firm Deloitte, which had an annual revenue of \$34.2 billion for the fiscal year ending May 31, 2014. That's up \$1.8 billion the year before and marks a fifth consecutive year of growth.

"This is a very sophisticated business environment," says Ian Coles, longtime owner of Bermuda Media, the island's largest independent magazine publisher, cable television broadcaster and Internet video production company. "Firms like Deloitte make Bermuda a major player on the world stage. Because those firms are located here, companies are more inclined to do business on the island."

And business is Coles' second language since he is responsible for broadcasting the Bermuda Business Channel—a local cable network aimed at executives doing business on the island—in addition to publishing *Bermuda Business Visitor*, a magazine dedicated to helping executives navigate the financial center.

If this all sounds like the perfect mix of big business and tropical pleasure, then perhaps an investment is in order—and fortunately for international buyers, it just got easier to own a slice of pink sand paradise.

"There's never been a better time to buy property in Bermuda than right now," says Penny MacIntyre, executive vice president of Rego Sotheby's International Realty, which is the oldest real estate company in Bermuda. The second-generation family-owned business, founded in 1949, specializes in commercial and residential real estate. Thanks to a recent law passed by the Bermuda government, the licensing fee of a home's gross sale price was lowered from 25 percent to 8 percent. That means buying a home in Bermuda just got a lot more affordable.

"Internationally available high-end properties in Bermuda offer real dollar value and consistently hold values steady, unlike the rest of the market, which up





until last year faced year-over-year 20 to 30 percent decreases," says MacIntyre. "And don't forget, it's a short

hop from the East Coast and only five hours from London."

And about those flights: Not only is getting to Bermuda a breeze, but arrivals and departures by air are exceptionally smooth since L.F. Wade International Airport is well tuned for recreational visitors, business travelers—and even space travelers (it has served as a NASA Space Shuttle launch-abort site during low- and mid-inclination takeoffs from Florida's Cape Canaveral). For starters, it's one of a handful of airports around the world offering customs pre-clearance for U.S.-bound travelers. That means visitors leaving Bermuda can pass through U.S. customs before getting on the plane. "It's a real time saver," says Bermuda Tourism's Hanbury, who's also a big fan of the way visitors arrive on the island at L.F. Wade.

Of course, L.F. Wade is also the main

gateway to one of Bermuda's best-known economic assets—its coastal pink sand beaches and offshore coral reefs, which generate more than \$700 million annually, according to a recent Department of Environmental Protection study. For a glimpse of some of the finest, head to The Reefs Hotel & Club, which has been owned and operated by the Dodwell family since 1983. "It's been a labor of love," says Reefs resort manager David Dodwell Jr. of running his family's business, "but being able to live and work in Bermuda is a dream come true."

Indeed it's a dream for many, but one that's not entirely out of reach, given the number of international companies currently doing business in Hamilton. "A lot of important global business is being conducted there," says Hanbury. "People forget that Bermuda is one of the leading financial insurance and reinsurance centers of the world—but not only is Bermuda the perfect place to advance a career, it's also one of the most beautiful places in the world to spend a few days." ▼



**TOP:** Fishing in Bermuda with Gringo Charters. **BOTTOM:** Dining overlooking Hamilton Harbour.

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