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## ***Press Release***

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*Contact* Jonathan Hicks  
Tel: 299 7182  
email: jonathan.p.hicks@bm.pwc.com

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### **Bermuda Budget 2013 calls for responsible growth, job creation and disciplined financial management: PwC**

**22 February 2013, Bermuda** – Today, Minister of Finance, the Hon. Bob Richards JP, MP presented the 2013 Bermuda Budget. This year the Government’s main objective is to “create an economy that works for everyone” and “restore confidence in the Island as a place to do business.” Increasing the budget deficit, implementing non tax policies as an incentive to job creation and executing strategies to increase revenue were key messages, as noted in a highlights summary published by PwC Bermuda.

Tom Miller, PwC Partner, commented on the budget: “It’s a budget that recognises the seriousness of our fiscal situation, while taking actions to make the Island more competitive and stimulate foreign investment, and still meets the immediate needs of Bermudians.”

Mr. Miller also commented about the Government’s plans to manage the deficit: “As presented, the Government’s deficit management plan balances the need to stimulate growth and create jobs while cutting spending and increasing revenue.”

#### **Notable actions within the budget include:**

- Starting negotiations with unions regarding a reduction in staff compensation
- Raising the debt ceiling to \$2.5 billion
- Keeping public debt at such a level that the net debt/GDP ratio does not exceed 38 %
- Implementing tax policies to promote tax growth and create jobs:
  - two year payroll tax policy for new Bermudian hires
  - reduce license fees for non-Bermudians purchasing property
- Extending payroll tax concessions to the hotel, restaurant and retail sectors
- Raising duty on cigarettes, tobacco, beer, wines and other spirits
- Increasing vehicle license fees and rescinding senior citizen car licensing exemptions
- Raising the cost of bus passes
- Raising the Corporate Service Tax Rate
- Promising to use all available means to collect overdue taxes

The Budget addressed all priority areas of the Island’s social economy – health and safety, senior citizens, and education, committing additional funds to police manpower, increasing the budget for the Ministry of Health and Seniors, and the Education Ministry - to help expand its services to special needs students.



“What is clear from this Budget is that the solutions to Bermuda’s challenges also go beyond the Government. It’s up to all of us to do our part to help develop a more attractive Bermuda marketplace, while tightening our belts to get us through this difficult economic climate together,” Mr. Miller concluded.

For more information about the Bermuda Budget or to find out more on how it may affect your business, please contact Tom Miller at 441 299 7102 or [tom.e.miller@bm.pwc.com](mailto:tom.e.miller@bm.pwc.com). Copies of the Bermuda Budget Highlights can be found at [www.pwc.com/bermuda](http://www.pwc.com/bermuda).

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