

# U.S. Country Commercial Guides



## Commonwealth of The Bahamas 2020

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## Doing Business in The Bahamas

### Market Overview

- **Stable Democratic Government:** The Bahamas offers potential investors a peaceful and stable democratic environment with a strong commitment to the rule of law.
- **Tax Relief:** The country offers relief from taxes on personal income, inheritance, capital gains, corporate income and other taxes related to dividends and interest.
- **Tourism and financial services are main economic drivers:** With few natural resources and a limited industrial sector, the Bahamian economy is heavily dependent on tourism and related services (including tourism-related construction), and to a lesser degree financial services. These sectors have traditionally attracted most of the Foreign Direct Investment (FDI) and investment is heavily encouraged by the government. Tourism and related services contribute approximately 70 percent of the country's Gross Domestic Product (GDP) and employs just over half of the workforce. The Bahamas relies primarily on imports from the United States to satisfy its fuel and food needs for local and tourist consumption, averaging around 7 million tourists annually, about 85 percent of whom are from the United States. Financial services constitute the second most important sector of the economy, accounting for up to 15 percent of GDP. This well-developed sector includes 270 licensed banks and trust companies, 120 broker dealers and investment advisory firms, and 60 fund administrators operating in the jurisdiction.
- **Economic Performance:** The World Bank recognizes The Bahamas as a high-income developed country with a GDP per capita of \$32,218 (2018) and a Gross National Income per capita of \$30,520 (2018). However, the Bahamian economy is grappling with the dual, unprecedented economic crises wrought by the impact of Hurricane Dorian in September 2019 and the ongoing effects of the global COVID-19 pandemic, projected to inflict combined losses of \$7.5 billion or 60 percent of GDP. According to Standard & Poor's April 2020 forecasts, The Bahamas' GDP is expected to fall by an unprecedented 16 percent in 2020 due to COVID-19. Unemployment projections are between 35 and 45 percent. Full economic recovery is not anticipated until 2022 at the earliest, subject primarily to the buoyancy of the tourism sector and the post-pandemic global economic recovery.
- **Economic Outlook:** Both the International Monetary Fund (IMF) and the Inter-American Development Bank (IDB) predict The Bahamas could suffer the most severe economic contraction of all Caribbean countries. With the country experiencing a sudden stop in tourism arrivals, combined with lower domestic economic activity due to curfews and lockdowns, the IMF has revised its real GDP growth forecast for 2020 from -0.6 percent to -8.3 percent. However, the contraction could be more severe depending on the pace of reopening and restart of tourism activity. The medium and long-term consequences of months of lost tourism revenue and continued COVID-19-related uncertainty remain to be seen.
- **Close ties to the United States:** The Bahamas is an English-speaking country with a population of approximately 400,000, with extensive air, maritime, and communications links to the United States. U.S. Customs and Border Protection operates pre-clearance facilities in Nassau (with plans to resume operations in Freeport), offering ease of travel for the approximately 7 million tourists each year. Bilateral relations between The Bahamas and the United States are strong.
- **Trade preferences are available:** The Bahamas is a member of the Caribbean Community (CARICOM), a beneficiary under the Caribbean Basin Initiative (CBI) – Caribbean Basin Economic Recovery Act (CBERA), and Canada's CARIBCAN Program. The country is also party to the Economic Partnership Agreement (EPA) between the European Union and the countries of the Caribbean Forum (CARIFORUM), and following the

United Kingdom's departure from the European Union, is also party to the Economic Partnership Agreement (EPA) between the United Kingdom and the countries of CARIFORUM. These agreements provide preferential access for goods produced in The Bahamas to most major markets, which potentially benefits American investment.

The city of Freeport on the island of Grand Bahama is a 233 square mile Free Trade Zone. The Hawksbill Creek Agreement (1955) between the Bahamian government and the Grand Bahama Port Authority guarantees that the "special economic zone" can continue to exist until 2054. Businesses operating in Freeport are exempt from most central government taxes (real property, excise, import, and business taxes) and subject to licensing by the Grand Bahama Port Authority. Additionally, in the aftermath of Hurricane Dorian in September 2019, both Abaco and Grand Bahama were declared Special Economic Recovery Zones (SERZ), which allows residents and businesses to benefit from several additional tax exemptions and incentives for a period of three years.

- **Strong U.S. market share:** The United States remains The Bahamas' main trade partner and has a significant trade surplus, since over 85 percent of imports come from the United States. Most Bahamians are familiar with American products from frequent travel to the United States and access to U.S. cable TV. According to the Department of Commerce, in 2018 U.S. exports to The Bahamas were \$3.06 billion, while Bahamian exports to the United States totaled \$524 million, for a trade surplus in the United States' favor of \$2.54 billion. Other main trading partners include China, the United Kingdom, Japan, Panama, Switzerland, Canada, and France. The Bahamas is the third largest importer of fossil fuel in the English-speaking Caribbean.

## Market Challenges

- **Infrastructure challenges:** Challenges include expensive and unreliable electricity, high unemployment, and the lack of a diversified pool of skilled labor in certain sectors. Given the geography of the country, expensive infrastructure must be duplicated on each island. However, this process has not happened uniformly, and several islands are still challenged by a lack of basic infrastructure. Recent hurricanes have severely damaged the well-developed infrastructure on Grand Bahama and Abaco, (the country's second and third economic centers, respectively), and Ragged Island.
- **Cumbersome approval process for foreign investment:** Decision-making is highly centralized and the approval process for procurement and FDI is sometimes opaque, often protracted, and provides opportunity for political interference. American companies have cited delays in receiving approvals for investment proposals. However, as part of pandemic-related economic recovery initiatives, the government has pledged to streamline the FDI approval process.
- **High shipping costs:** The Bahamas is an archipelago of 700 islands and cays, 29 of which are inhabited with 10 considered major islands. There is access to major ports in New Providence and Grand Bahama, but given the occasionally lower volumes of trade, the cost of shipping may be correspondingly higher to the Family Islands (all islands except New Providence and Grand Bahama). However, many of these islands benefit from incentives and legislation that waive government taxes on business inputs.
- **High crime rate:** Royal Bahamas Police Force (RBPF) statistics for 2019 highlight an overall drop in non-violent crime from 2018, but noted the number of murders increased by 4 percent and armed robberies increased by 12 percent, while the number of reported rapes, attempted rapes, and unarmed robberies decreased compared to 2018. Drug trafficking continues to be the major concern in the northern islands. The

majority of incidents involving U.S. citizens residing in The Bahamas are robberies or property crimes. Armed robbery, property crime, purse snatching, theft, fraud, and sexual assault remain the most common crimes perpetrated against tourists. Murders rarely involve visitors to the country. U.S. Embassy Nassau has issued security messages in recent years given growing concerns about safety in Nassau and surrounding areas on New Providence Island, as well as on Grand Bahama.

- **Relatively high customs tariffs:** The Bahamas has the highest average duty rate in the Western hemisphere, averaging about 30 percent, with tariffs on selected consumer goods running as high as 65 percent, and 100 percent on items which compete directly with goods produced domestically. However, with the introduction of Value-Added-Tax in 2015, applied to both domestically produced and imported goods and services, and generating 40 percent of government revenue, there is decreased government reliance on customs duties and rates on certain tariff lines have been significantly reduced. The country has also made progress toward simplifying its tariff structure and market entry requirements for goods in preparation for World Trade Organization (WTO) accession.
- **Non-tariff barriers:** The government employs non-tariff barriers to trade including reserving investment in certain sectors for Bahamian investors. Currently, the government reserves 15 sectors for Bahamian nationals (and requires governmental approval for foreign investment in these areas), which include wholesale and retail operations, real estate and property management services, small-scale construction projects, commercial fishing, and many small business activities. The government also implements seasonal prohibitions on import of certain agricultural items which compete directly with domestically produced items. Market access for U.S. products has not, however, been adversely impacted by the ongoing implementation of health, safety, and quality standards. Trade facilitation has improved since 2018 when The Bahamas accelerated efforts to accede to the WTO. The government has since predicted accession is unlikely to take place before 2025.

## Market Opportunities

- **Tourism and related services (including construction):** Despite the worldwide slowdown in tourism and related industries, the tourism sector is still expected to be the lifeblood of the Bahamian economy going forward. Prior to the COVID-19 pandemic, The Bahamas benefitted from a strong U.S. economy and experienced record levels of tourism visits in 2018 and 2019. In 2019, The Bahamas recorded 7.2 million visitors - its strongest tourism numbers in history - up 9 percent over 2018, including significant increases in airport arrivals and more lucrative stopover visits. Approximately 5.4 million visitors arrived by cruise ship, at an average of 10,000 per day. Between 2017-2019, there had been solid growth in the industry due primarily to the opening of the \$4.2 billion Baha Mar development in Nassau (the largest tourism investment in the English-speaking Caribbean), additional investments by existing hotels, and additional options by online vacation rentals such as AirBnB. New destinations, with multi-million-dollar investments, are under development throughout the archipelago, including a major hotel development in downtown Nassau, a new cruise line terminal on Grand Bahama, a terminal and entertainment complex on Eleuthera, a marina and resort on Harbour Island, and a major marina project on Paradise Island. Plans are also underway for a \$250 million project to transform Nassau's Prince George Wharf into the leading cruise port in the Western Hemisphere. The sector is, of course, vulnerable to external shocks, but post-pandemic prospects remain solid and the government is supportive of new entrants.
- **Non-oil Energy and Energy technology:** The high cost of energy, which averages four times higher than the southern United States, is primarily driven by antiquated generation systems and almost complete dependence on inefficient fossil-fueled power plants. To remedy this deficiency, the current government has

prioritized infrastructure projects focused on non-oil energy, including a Liquefied Natural Gas (LNG) terminal on New Providence and various solar projects on the Family Islands. The national utility company, Bahamas Power and Light (BPL), concluded a tender process for 150 MW of new electric power generation using LNG in late 2018 to improve reliability and reduce the cost of electricity on New Providence. As a stopgap measure after fire damaged one of its energy plants, the government also procured seven new tri-fuel burning engines.

- **Renewable energy and Energy efficiency:** With minimal penetration of renewable energy, and imports of over \$525 million in oil products in 2019, demand in this sector is likely to grow given perennially high electricity prices, recent policy commitments to increase renewables to 30 percent of the energy mix by 2030, and a reduction in taxes on hybrid and electric vehicles, energy efficient appliances, and solar panels for residential applications. Additionally, with utility/energy infrastructure being severely damaged on Grand Bahama and Abaco following Hurricane Dorian, the government has encouraged a “Build-Back-Better” policy which promotes renewable energy and energy efficiency. The government and the national utilities regulator are still updating policies and legislation to spur development of utility-scale renewable energy, particularly solar. Grid-tied residential solar installation is legal although net metering technology is not allowed.
- **Post-Hurricane Reconstruction & Redevelopment:** As a result of Hurricane Dorian, approximately 70,000 people were displaced, at least 70 died, and over 280 are still listed as missing. Grand Bahama and Abaco – the islands directly impacted - are in dire need of immediate and long-term assistance in order to return to normalcy. Opportunities for U.S. companies include reconstruction and redevelopment with emphasis on shelter and modular housing (including design and construction), energy infrastructure development, restoration of utilities, water treatment, and repairs to critical infrastructure such as air and seaports, roads, and telecommunications. In addition, the Bahamian government is looking to incorporate hurricane-resistant standards in its redesign and rebuilding plans for both islands, including topography design, temporary and permanent housing, and urban planning.
- **Information Technology:** Grand Bahama Island has attracted international call centers and business process outsourcing and has the infrastructural capacity to host data centers and security services, including cyber security. The Bahamas recently accelerated efforts to promote Grand Bahama as a technology and innovation hub with an established regulatory framework, as well as financial and immigration policies, to attract investors, entrepreneurs, services providers and FinTech companies focused on starting and developing companies and building business relationships with Blockchain technology companies. Through incentives under the Commercial Enterprises Act of 2018, investors interested in specific IT-related projects, such as e-commerce, computer programming, software design and writing, bioinformatics and analytics, data storage and warehousing may be given favorable consideration for the expedited issuance of work permits.
- **Consumer products:** All consumer products in The Bahamas are imported. Bahamians are very brand conscious and prefer American brands that they encounter on frequent buying trips to the United States, or through advertisements on U.S. cable TV programming.
- **Agricultural products:** The Bahamas imports nearly 90 percent of its food products, 80 percent of which come from the United States. Bahamians are familiar with, and prefer, American brands and franchises. The USDA reported in 2019 that approximately \$620 million in foodstuffs was imported by The Bahamas. The USDA notes large hotels and resorts purchase about 40 percent of their food and beverage products through Bahamian importers, but the majority (60 percent) was purchased directly from U.S suppliers. Commercial opportunities in these sectors are expected to increase.

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## Market Entry Strategy

- **Relationship-based strategies:** Relationships are critical in The Bahamas and will factor in most aspects of business. Many Americans are familiar with The Bahamas, and most trade between the two countries is supported by longstanding business relationships. Many major retailers and wholesalers in The Bahamas have family and business relationships with their American partners that span decades.
- **Seek adequate information and resources:** For new entrants, a market visit is strongly recommended to fully assess the market and its potential and to interview prospective agents or distributors. Investors are advised to use the U.S. Embassy and other resources to vet potential local partners. The U.S. Department of Commerce does not have a presence in The Bahamas but offers commercial assistance to U.S. firms through a partnership program managed from its offices in Santo Domingo, Dominican Republic.
- **Local agent/distributor or franchise:** The government encourages local ownership and/or local equity participation. Agents are typically used, and the “right” local partner can simplify business procedures and provide some level of protection to the investor. Exclusive arrangements, credit terms, and franchising agreements are common business practices.
- **Expect delays:** American companies have historically experienced delays and a slow approvals process for foreign investment and related work permits. Larger foreign investment projects not only require approval by the National Economic Council (NEC), a sub-committee of the Cabinet, but usually also require environmental and economic impact assessments for review by multiple government agencies prior to NEC consideration. Bureaucratic impediments are not limited to the NEC approvals process, and the country continues to lag on international metrics related to the ease of doing business. According to the 2020 World Bank Doing Business rankings, The Bahamas scores 119 overall, 181 in registering property, 77 in getting construction permits, 152 in access to credit, and 71 in resolving insolvency. All these categories saw a decrease in ratings from 2018 metrics, with the exception of getting construction permits. The Bahamian government has recently strengthened efforts to shorten delays and improve doing business in the country, and the government has pledged to further improve these processes.
- **Bahamas Investment Authority – a “One-Stop Shop”:** The Bahamas Investment Authority (BIA) is the first point of contact for all investors in The Bahamas and serves as a secretariat for the National Economic Council (NEC). Foreign investors are required to submit project proposals for the consideration of the BIA, which then submits a recommendation to the NEC. All applications for foreign investment must be approved by the NEC, which meets regularly to review investment proposals of varying sizes. Domestic investors are not required to make application to the BIA as a prerequisite to investing. The BIA website provides useful information regarding submissions for approval: [www.bahamas.gov.bs/bia](http://www.bahamas.gov.bs/bia).
- **Real Estate Investments:** The International Persons Landholding Act of 1993, provides for the sale of real property in The Bahamas to non-Bahamians. Non-Bahamians must simply register their property with the Foreign Investment Board. The Board registers the property at the conclusion of the legal process and issues a certificate of registration, certifying that their acquisition has been duly registered. Permits are only required by non-Bahamians, as provided under the International Persons Landholding Act, if the property being purchased is greater than 2 contiguous acres; the intention is to rent out all or a portion of the property; or the property being purchased is for commercial development. The approval to purchase land is within the FIB’s absolute discretion. Investors are strongly encouraged to seek the services of a local attorney in the preparation of their application and to secure title insurance for any purchase of real estate. Apart from



ensuring that the documents of title are properly prepared and are in good order, the local attorney, when representing the buyer, gives an Opinion on the title to the property. This Opinion is considered to be the same as title insurance, as the lawyer is liable should the purchaser find that there is a defect in the title. The Opinion of Title is insured under the indemnity insurance of the law firm.

- **Job-creation projects:** Proposals for investment that commit to creating jobs, economic diversification, community development, and the transfer of skills and technology are more favorably viewed during the approvals process.

## **Leading Sectors for U.S. Exports & Investments**

### **Tourism-related construction and materials**

#### **Overview**

Tourism makes up 50 percent of Gross Domestic Product, rising as high as 70 percent when factoring in tourism-related construction. About 7 million tourists visit The Bahamas every year on average, the vast majority from the United States and Canada, with a growing number of visitors from Latin America, Europe, and China. Approximately 5.5 million of these visitors arrive by cruise ship; the remainder includes stopover visitors who stay in all-inclusive resorts, boutique hotels, and fishing lodges, as well as vacation homes (usually “second homes” owned by Americans) on the various islands, often in luxury gated communities. Most of the equipment, construction materials, and furnishings for resort hotels are sourced in the United States. Despite the worldwide slowdown in tourism and related industries, the tourism sector is still expected to be the lifeblood of the Bahamian economy going forward. The sector is, of course, vulnerable to external shocks, but post-pandemic prospects remain solid, and the government is supportive of new entrants.

#### **Leading Sub-Sectors**

Promising sub-sectors include hurricane-sustainable construction materials for new hotel and second home construction; hotel equipment; restaurant equipment; port development; and goods and services for the marine and yatching industry.

#### **Opportunities**

New destinations, with multi-million-dollar investments, are under development throughout the archipelago including a major hotel development in downtown Nassau, a new cruise line terminal on Grand Bahama, a terminal and entertainment complex on Eleuthera, and a marina and resort on Harbour Island, and a major marina project on Paradise Island. Plans are also underway for a \$250 million project to transform Nassau’s Prince George Wharf into the leading cruise port in the Western Hemisphere. Opportunities exist for construction-related materials, hotel and restaurant equipment and furnishings, port development and goods and services for the marine and yatching industry.

#### **Web Resources**

- Bahamas Investment Authority: [www.bahamas.gov.bs/bia](http://www.bahamas.gov.bs/bia)
- Bahamas Hotel & Tourism Association: [www.bhahotels.com](http://www.bhahotels.com)

## Energy Sector

### Overview

The energy sector continues to undergo structural changes that are likely to yield medium term prospects for U.S. exporters and investors. The country has established an independent energy regulator with statutory authority and is modernizing the sector's administration. In 2018, the national utility, Bahamas Power and Light (BPL) concluded a tender for 150 MW of new generation using Liquefied Natural Gas, awarding the project to a major U.S. energy company. Other needs over the medium term will include upgrades and replacement to the 29 power generating plants scattered throughout the country. Plants range in size from 0.2MW to 50MW and most use older model slow-speed reciprocating engines.

With minimal penetration of renewable energy, and imports over \$525 million in oil products in 2019, demand in this sector is likely to grow given consistently high electricity prices, recent policy commitments to increase renewables to 30 percent of the energy mix by 2030, and a reduction in taxes on hybrid and electric vehicles, energy efficient appliances, and solar panels for residential applications. Additionally, with utility/energy infrastructure being severely damaged on Grand Bahama and Abaco following Hurricane Dorian, the government has encouraged a "Build-Back-Better" policy, which promotes renewable energy and energy efficiency. The government and the national utilities regulator are still updating policies and legislation to spur development of utility-scale renewable energy, particularly solar. Grid-tied residential solar installation is legal although net metering technology is not allowed. The government's ongoing efforts to solarize the Family Islands may present additional opportunities.

### Leading Sub-Sectors

Promising sub-sectors include utility scale renewable energy products and services, energy efficiency products and services (e.g., LED lighting), multi-fuel power plant equipment, and smart meters.

### Opportunities

RFPs for utility scale energy projects are published on the Government's official websites <https://suppliers.gov.bs/> or [www.bahamas.gov.bs](http://www.bahamas.gov.bs)

### Web Resources

- Bahamas Electricity Corporation: <http://www.bahamaselectricity.com/>
- Utilities Regulation and Competition Authority: <http://www.urcabahamas.bs/>
- Bahamas Government Tenders: <https://suppliers.gov.bs/> or [www.bahamas.gov.bs](http://www.bahamas.gov.bs)
- Bahamas Chamber of Commerce Energy and Environment Committee: <https://www.thebahamaschamber.com/committees>

## **Agricultural and Food Products**

### **Overview**

The Bahamas imports nearly 90 percent of its food products, 80 percent of which come from the United States, as Bahamians are familiar with, and prefer, American brands and franchises. The USDA reported nearly \$620 million in foodstuffs was imported by The Bahamas in 2019. The USDA notes large hotels and resorts purchase about 40 percent of their food and beverage products through Bahamian importers but the majority (60 percent) were purchasing goods directly from U.S. suppliers. Other sources of consumer-oriented agricultural products are Brazil, Peru, UK, and Canada.

However, in an effort to enhance food security, promote economic diversification, and ensure market access for local producers, the Bahamian government recently announced that foreign investors must purchase 40 percent of all the food they intend to utilize for their operations from local farmers and fishers. U.S. exporters may also face increased regulatory controls on agricultural products imported into The Bahamas given the Bahamas Health and Food Safety Agency's efforts to introduce new food and safety standards specific to the local market, including sanitary and phytosanitary measures. The Bahamas Bureau of Standards and Quality has also been mandated to create and implement quality control standards which may pose technical barriers to trade. Nevertheless, commercial opportunities in these sectors are expected to remain steady or increase, particularly with the completion of new high-end resort developments.

### **Leading Sub-Sectors**

In 2019, top U.S. exports to The Bahamas of agricultural products and foodstuffs included: poultry meat and products (excluding eggs); beef and beef products, dairy products; snack food; prepared food; fruit and vegetable juices; pork and pork products; wine and beer; fresh vegetables; and non-alcoholic beverages.

### **Opportunities**

U.S. foodstuffs are sold in supermarkets, upscale stores, owner-operated outlets, fast food outlets, full-service restaurants, cafes/bars, etc. The large hotel complexes, such as Atlantis and Baha Mar, also sell primarily U.S. agricultural products.

### **Web Resources**

- Caribbean Basin Agricultural Trade Office (CBATO): <https://www.fas.usda.gov/offices/agricultural-trade-office-caribbean-basin>
- Bahamas Ministry of Agriculture and Marine Resources: [www.bahamas.gov.bs](http://www.bahamas.gov.bs)
- Bahamas Health and Food Safety Agency (BAHFSA): <https://www.bahfsa.com>
- Bahamas Bureau of Quality & Standards (BBSQ): <https://www.bbsq.bs>

## **Post- Hurricane Reconstruction and Redevelopment**

### **Overview**

As a result of Hurricane Dorian, approximately 70,000 people were displaced, at least 70 died, and over 280 are still listed as missing. Grand Bahama and Abaco – the islands directly impacted - are in dire need of immediate and long-term assistance in order to return to normalcy. Opportunities for U.S. companies include reconstruction and redevelopment with emphasis on shelter and modular housing (including design and construction), energy infrastructure development, restoration of utilities, water treatment, and repairs to critical infrastructure such as air and seaports, roads, and telecommunications. In addition, the Bahamian government is looking to incorporate hurricane-resistant standards in its redesign and rebuilding plans for both islands, including topography design,

temporary and permanent housing, and urban planning. There is also an acute need for project coordination and logistics management.

### **Leading Sub-Sectors**

Promising sub-sectors include hurricane-sustainable construction materials, heavy equipment, utility scale renewable energy products and services, and energy efficient products and services (e.g., LED lighting).

### **Opportunities**

Opportunities for U.S. companies focus on recovery and reconstruction on Grand Bahama and Abaco, with emphasis on shelter and modular housing (including design and construction), energy infrastructure development, restoration of utilities, water treatment, and repairs to critical infrastructure such as air and seaports, roads, and telecommunications.

The Bahamian government is also looking to incorporate hurricane-resistant standards in its redesign and rebuilding plans for both islands, including topography design, temporary and permanent housing, and urban planning. There is also an acute need for project coordination and logistics management.

### **Web Resources**

- Ministry of Disaster Preparedness, Management and Reconstruction: [www.bahamas.gov.bs](http://www.bahamas.gov.bs)
- Disaster Reconstruction Authority: <https://drabahamas.org/>
- Bahamas Government Tenders: <https://suppliers.gov.bs/> or [www.bahamas.gov.bs](http://www.bahamas.gov.bs)

## **Automotive**

### **Overview**

Sector opportunities includes vehicles for personal use, public transportation, and construction and heavy industry, as well as associated parts and services. The Bahamas is not a manufacturer of transportation equipment or machinery. Currently there are over 200,000 registered vehicles in the country with a consistent need for machinery for infrastructure and other projects. Also, local public transportation systems remain relatively inefficient, causing many residents to purchase and drive vehicles to meet their transportation needs, thus keeping the market robust. In addition, recent legislation on emissions and safety standards (including a Pre-shipment Verification of Conformity (PVoC) program for the roadworthiness of used imported vehicles) are likely to have a positive impact on the new car market. The majority of vehicles are imported from Florida, with a growing number arriving directly from Japan, the latter requiring a PVoC. Vehicles arriving from the United States are not currently required to conform with this requirement. Prospects for growth are good, given the proximity to the United States and the perception that American-made vehicles are more durable and of a higher quality.

### **Leading Sub-Sectors**

Promising sub-sectors include hybrid/electric vehicles, car parts, emission-testing equipment, and heavy equipment.

### **Opportunities**

The Bahamas has recently reduced tariffs on hybrid and electric vehicles to 25 percent (formerly 65 percent) for cars valued at \$10,000 or less, 75 percent for cars up to \$40,000 and 85 percent for a car valued above \$40,000. Gasoline prices average \$5 per gallon and provide an added incentive to use a battery powered vehicle. These developments, coupled with new climate change commitments made by the Bahamian government, may assist in the development of this market opportunity.

### **Web Resources**

- Bahamas Investment Authority: [www.bahamas.gov.bs/bia](http://www.bahamas.gov.bs/bia)
- Ministry of Environment and Housing: <http://www.dohbahamas.com>
- Bahamas Motor Dealers Association: [www.bmda.bs](http://www.bmda.bs)
- Bahamas Bureau of Quality & Standards (BBSQ): <https://www.bbsq.bs>

## **Consumer Goods**

### **Overview**

Nearly all consumer products in The Bahamas are imported. The Bahamas relies on imports of a full range of consumer products to meet the needs of its population and the over 7 million tourists, mostly from the United States, that visit the islands each year. Bahamians are very brand conscious and prefer American brands that they encounter on frequent buying trips to the United States or through advertising on U.S. cable TV programming.

As U.S. products are already widely available in The Bahamas, new entrants may find it challenging to find a niche among other U.S. products in a competitive market. China is another source of consumer-oriented products.

### **Leading Sub-Sectors**

Leading sub-sectors include all types of consumer and household products, including beauty products and household appliances.

### **Opportunities**

Opportunities exist for all types of products.

### **Web Resources**

- Bahamas Investment Authority: [www.bahamas.gov.bs/bia](http://www.bahamas.gov.bs/bia)

## Customs, Regulations & Standards

### Trade Barriers

- **High Tariff rates:** The Bahamas has the highest average duty rate in the Western Hemisphere, averaging about 30 percent, with tariffs on selected consumer goods running as high as 65 percent, and 100 percent on items which compete directly with goods produced domestically. With the introduction of a Value-Added-Tax in 2015, applied to both domestically produced and imported goods and services, and generating 40 percent of government revenue, there is decreased government reliance on customs duty and rates on certain tariff lines have been significantly reduced. The country has also made progress towards simplifying its tariff structure and market entry requirements for goods in the run-up to WTO accession. Additional information on tariff rates, including rates applicable to frequently imported items, can be accessed via the Bahamas Customs and Excise Department website: <https://www.bahamascustoms.gov.bs/>.
- **Non-Tariff barriers:** The Bahamas employs several non-tariff barriers to trade including reserving 15 sectors of the economy for Bahamian investors, namely:
  1. wholesale and retail operations;
  2. commission agencies engaged in import/export trade;
  3. real estate and domestic property management;
  4. domestic newspapers and magazine publications;
  5. domestic advertising and public relations firms;
  6. security services;
  7. domestic distribution of building supplies;
  8. construction companies, except for special structures in which international expertise is required;
  9. personal cosmetic and beauty establishments;
  10. commercial fishing;
  11. auto and appliance service operations;
  12. public transportation inclusive of locally-solicited charter boat tours;
  13. nightclubs and restaurants except specialty, gourmet, and ethnic restaurants and those operating in a hotel;
  14. domestic gaming; and
  15. cabotage.

Foreign investors interested in participating in the reserved areas are required to submit project proposals for the consideration of the BIA and once vetted, a recommendation is submitted for the consideration of the NEC, which must approve all applications for foreign investment. The BIA website provides useful information regarding submissions for approval: [www.bahamas.gov.bs/bia](http://www.bahamas.gov.bs/bia).

The Bahamian government also employs seasonal prohibitions on the import of certain sensitive agricultural items, including tomatoes, onions, cabbages, hot peppers, sweet peppers, poultry, and watermelon which compete directly with locally produced products. During its WTO accession process, the Bahamian government proposed replacing the existing licensing regime for agricultural products with a WTO-compliant Tariff Rate Quota regime in an effort to safeguard local production. The legislation needed for supporting the tariff rate quota regime is in its early stages of drafting.

The Bahamas Health and Food Safety Agency oversees food and safety standards specific to the local market, including sanitary and phytosanitary measures. The Bahamas Bureau of Standards and Quality oversees quality control standards. Both sanitary and phytosanitary and quality standards may pose as technical barriers to trade.



## Import Tariffs

- **Tariff Rates:** With the introduction of Value Added Tax in 2015, the government has progressively reduced its average import duties and its reliance on them. By the end of 2018 import, export, and excise duties accounted for 27.5 percent of government revenue, down from 45 percent in 2016. The basic ad valorem tariff for imported goods is 30 percent, but the list of zero-rated items puts the average tariff rate at 15.5 percent.

Additional information on tariff rates, including rates applicable to frequently imported items, can be accessed via the Bahamas Customs and Excise Department website: <https://www.bahamascustoms.gov.bs/>.

- **Import Licenses:** Permits are required for imports of certain items. Applications for permits should be made to the government ministry indicated, as follows:
  - Poultry, meats, vegetables, fruits, live plants and animals: Ministry of Agriculture and Marine Resources
  - Medicines and Pharmaceuticals (Dangerous Drugs): Ministry of Health
  - Slot machines, trailers and recreational vehicles (temporary use only): Ministry of Finance
  - Firearms, fireworks, and underwater guns other than Hawaiian slings spearfishing devices: Commissioner of Police
  - Precursor and essential chemicals: Customs and Excise Department
  - Motor vehicles with a non-rebuildable title, principally designed for the transport of goods and people: Ministry of Finance
  - Motor vehicles or motorcycles ten years or older: Ministry of Finance
  - Liquid or Liquified Petroleum Gas: Ministry of the Environment and Housing (\*An import license is not required, but a certificate is required to show the product can be transported and stored safely.)

Copies of current import regulations may be obtained from the Bahamas Customs and Excise Department website: <https://www.bahamascustoms.gov.bs/>.

## Import Requirements and Documentation

Bahamian Customs require entry forms for goods coming by sea, air, or post. An original invoice is required for processing. Recent structural reforms at Bahamas Customs include the introduction of an Electronic Single Window, now referred to as Click2Clear, which was introduced to facilitate one access point for traders and businesses within The Bahamas. Click2Clear is connected to various government agencies involved in the import and export processes.

The Click2Clear is a system for the Import and Export of cargo only. This does not include baggage claim after returning from vacation or travel abroad. To access the Click2Clear system, one must first register online at <https://www.bahamascustoms.gov.bs/imports-and-exports/about-click2clear/>. Copies of current import regulations may be obtained from the Bahamas Customs and Excise Department website: <https://www.bahamascustoms.gov.bs/>.

## Labelling and Marking Requirements

The Food Safety and Quality Act of 2016 provides for the formulation or adoption of food standards by the Bahamas Bureau of Standards and Quality, in consultation with the Food Safety and Quality Committee established under the Act. The Act also imposed a number of labelling requirements on food packages offered for sale, such as requirements that labels be written in the English language, specify the product name, specify the date of manufacture and expiration, and such other requirements as may have been prescribed by regulations. In terms of non-agricultural products, gaming devices and pharmaceutical products are also subject to technical regulations.

Since its operationalization, the Bureau of Standards implemented two compulsory standards and nine voluntary standards, based on regional and international standards which had been adopted nationally. The compulsory standards included a specification for pre-packaged water and a code of hygiene for pre-packaged water outlining the requirements for the purity, treatment, bacteriological acceptability, packaging and labelling of all waters packaged for sale and used as beverages or in foods in The Bahamas. The voluntary standards adopted included a code of practice for general principles of food hygiene; labelling of pre-packaged food; labelling of tobacco products; specification for poultry and poultry products; specification for poultry feed and feed ingredients; specification for grading and quality requirements of table eggs; specification for cement; requirements for quality and competence of medical laboratories; and general requirements for the testing and calibration of laboratories. Consideration is being given to converting the voluntary standards concerning specifications for food, tobacco and poultry feed into compulsory standards.

For additional information on technical regulations and standards, contact the Bahamas Bureau of Quality & Standards (BBSQ) via <https://www.bbsq.bs>.

## **U.S. Export Controls**

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "[Know Your Customer](#)" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of “dual-use” U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State’s Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

## Temporary Entry

- **Conditional/Temporary Imports:** Certain goods may be imported conditionally or on a temporary basis against a security bond or a deposit that is refundable on re-exportation. These include goods for business meetings or conventions, traveling salesmen equipment, equipment or tools for repair work, and equipment used in film production or other short-term activities. These goods are allowed temporary entry into The Bahamas without full duty payment.
- **Approval Process:** The approvals process requires an approved application from the Ministry of Finance and a completed bond for the re-exportation of the goods brought into the country. Other documents required for these purposes include the following:
  - Completed transshipment bond
  - Completed C41 Customs Form
  - Invoices (where applicable)
  - Shipping/Airline documents (bill of lading/airway bill or any other documents provided by the supplier)
  - Valid business License

There is no deadline for the service and a processing fee of 1 percent of C.I.F value is charged.

## Prohibited and Restricted Imports

Prohibited imports include:

- Meat, provisions, fruits and vegetables, and any articles intended for human food which are unfit for human consumption.
- Indecent or obscene prints, paintings, photographs, books, cards, lithographic or other engravings, or any other indecent or obscene article.
- Underwater guns, other than the Hawaiian Slings, whereby a projectile may be discharged under water.
- Any article which bears a design in the imitation of any currency or bank note or coin in current use in The Bahamas or elsewhere.
- Copies of works in respect of which the owner has given notice to the Comptroller under Section 22 of The Copyright Act.

Restricted imports include:

- Firecrackers and impact flash facilities save those, which in the opinion of the Comptroller, are not dangerous.

- Firearms, fireworks, unless special authorization by the Commissioner of Police.
- Trailers, being trailer caravans for use as living quarters, offices, workshops, or similar purposes, unless specifically authorized by the Minister.
- Mechanical games and devices set in operation wholly and partly by the insertion.
- Motor vehicles with a non-rebuildable title, principally designed for the transport of goods and people.
- Motor vehicles or motorcycles ten years or older.
- Liquid or Liquefied Petroleum Gas (an import license is not required, but a certificate is required to show the product can be transported and stored safely).

For more information on prohibited and restricted goods, visit The Bahamas Customs and Excise Department via <https://www.bahamascustoms.gov.bs/imports-and-exports/prohibited-and-restricted-imports-and-exports/>

## Customs Regulations

The primary requirements of importing into or exporting from The Bahamas are proof of authorization for processing, proof of value of the goods (invoices or receipts) and proof of freight charges (Bill of Lading or Freight Invoice), along with the relevant Customs documentations for declarations, depending on the purpose of the importation.

For further information on general customs procedures, visit <https://www.bahamascustoms.gov.bs/imports-and-exports/about-ecas/> or contact the Customs Department:

The Comptroller of Customs  
 Customs House  
 Customs and Excise Department  
 Thompson Blvd.  
 P.O. Box N 155  
 Nassau, Bahamas  
 Tel: (242) 302-3302 or 302-3415  
 Fax: (242) 325-7409 or 322-6223

## Standards for Trade

The Bahamas Bureau of Standards and Quality (BBSQ) governs standards for goods and services, particularly metrology (weights and balances), while cooperating with other ministries on quality standards, such as sanitary and phytosanitary standards with the Ministry of Agriculture and Marine Resources and the Bahamas Health and Food Safety Agency (BAHFSA). This has not been a hindrance to trade with the United States and U.S. products are widely accepted. The country has enacted basic laws governing standards.

**Standards:** The BBSQ administers the recently enacted standards for Processed Foods, Weights, and Measures Acts, which affect all products entering The Bahamas. Importers and distributors ensure that goods sold in The Bahamas are properly labeled in English and comply with local labeling standards.

**Testing, inspection and certification:** There are limited labs in the country and currently no national testing organization.

**Meat products:** The government conducts the only major certification program conducted in The Bahamas. The meat certification program requires that all meat animals (e.g., cows, pigs, sheep and goats) are to be slaughtered at the government abattoir and be subject to inspections to certify compliance and conformance to basic standards.

**Fisheries:** Bahamian fisheries exporters are required to be certified in Hazard Analysis and Critical Control Points (HACCP). Both the public and private sector have supported these programs, and most fisheries exports are processed according to international standards, inclusive of new requirements for traceability.

**Accreditation/International standards:** The BBSQ is the national agency, but has limited capacity to test or accredit findings. BBSQ is supported by the Ministry of Agriculture and Marine Resources and the Bahamas Health and Food Safety Agency (BAHFSA) regarding sanitary and phytosanitary measures.

Generally, if a product satisfies the Caribbean Regional Organization for Standards and Quality (CROSQ) or U.S. accreditation, it is accepted in The Bahamas. The government proposes that any future system to ensure competence of certification programs will be conducted in accordance with regional and/or international standards.

### **Publication of technical regulations**

**Official Gazette:** Government information, including laws and official announcements, are published in the Official Gazette of The Bahamas.

### **Contact Information:**

Bahamas Bureau of Standards and Quality (BBSQ)  
P.O. Box N- 4843  
The Source River Centre  
1000 Bacardi Road N.P.,  
The Bahamas  
Tel: +1 (242) 362-1748 - 55  
Email: [info@bbsq.com](mailto:info@bbsq.com) or [tbtenquiry@bbsq.com](mailto:tbtenquiry@bbsq.com)

### **Trade Agreements**

- The Bahamas opened an office in Geneva in June 2015 to assist its effort to accede to membership in the World Trade Organization (WTO). In 2018, The Bahamas formerly relaunched accession efforts, announcing a December 2019 target date for accession. Although some notable work was done to modernize its trade regime during the accession process, the government subsequently confirmed it was unlikely accession would take place before 2025.
- The country is a beneficiary under the Caribbean Basin Initiative (CBI) and has applied for benefits under the Caribbean Basin Trade Partnership Act. It is designated as a “Qualified Jurisdiction” and maintains a Tax Information Exchange Agreement (TIEA) with the United States, which allows U.S. taxpayers to deduct legitimate business expenses incurred while doing business in The Bahamas.
- The country receives preferential access under Canada’s CARIBCAN Program and remains a signatory to the Economic Partnership Agreement between Europe and the member states of the Caribbean Forum (CARIFORUM). Following the United Kingdom’s departure from the European Union, The Bahamas is also party the Economic Partnership Agreement (EPA) between the United Kingdom and the countries of the Caribbean Forum (CARIFORUM).
- The Bahamas joined the Caribbean Community (CARICOM) in 1983, but is not a member of the grouping’s Single Market & Economy (its economic union).

## Licensing Requirements for Professional Services

- There are licensing requirements for professional service providers in The Bahamas specific to each field, such as insurance brokers, securities brokers, medical doctors, lawyers, and real estate agents. For example, securities brokers are licensed by the Securities Commission of The Bahamas, accountants are licensed by The Bahamas Institute of Chartered Accountants (BICA) and real estate agents by The Bahamas Real Estate Association (BREA). Further information is available on each organization's respective website.

## Selling U.S. Products & Services

### Distribution and Sales Channels

- **Overview**

At its closest point, The Bahamas is less than 50 miles from the east coast of the United States and sits on major shipping routes that service trade between the United States and the world. There are regular distribution channels, with services to New Providence Island and most major islands tied to trade primarily with South Florida. There are competitive daily shipping options and regular freight services from Port St. Lucie, West Palm Beach, Jacksonville, Port Everglades, and the Port of Miami, and airfreight options from both Ft. Lauderdale and Miami. There are several large, established distribution companies with expertise in import and distribution. Most goods enter through the Nassau Container Port at Arawak Cay and are redistributed in smaller quantities throughout the country, principally through importers, distributors and agents. A large share of materials and supplies, including machinery and equipment, is imported directly by end-user firms, such as major resort hotels.

Inter-island trade between islands in The Bahamas is supported by a government subsidized mailboat service to all populated islands. The government-owned national airline BahamasAir, as well as privately owned airlines, provides regular service to all major islands. The country has 27 ports of entry, numerous airstrips, and rural landing ramps to support inter-island trade.

- **Using an Agent or Distributor**

Although the use of an agent or distributor is not required, it is highly recommended. A local agent/representative can assist in navigating the sometimes complex nature of import procedures and local business customs. Well-established agents and distributors can also help position products and brands in the market through local advertising and promotion to provide effective and responsive after-sales service. Terms are negotiated, and arrangements are agreed on privately; therefore, the engagement of an attorney is recommended.

Generally, local distributors purchase directly from manufacturers or U.S.-based distributors and resell in The Bahamas. The parties involved will formulate their own terms and conditions of agreement. Given the small size of the market, local distributors may request exclusive distribution rights and expect to negotiate credit terms and marketing support.

Choosing the right agent/distributor is key. The U.S. Embassy, with support from the Department of Commerce, can also help U.S. exporters find agents and distributors through the following fee-based services:

- **International Partner Search (IPS):** This service helps U.S. companies find local partners and licensees abroad. The IPS provides a report on up to five agents, distributors, manufacturer's representatives, or other strategic partners who have expressed an interest in a company's products or services;
- **Gold Key Services (GKS):** This service consists of a survey of potential representatives or customers based on the client's requirements, as well as four to six pre-arranged appointments per day with potential prospects.

- **Establishing an Office**

Under the Bahamian Companies Act, international businesses seeking to establish a physical presence in The Bahamas must incorporate within the jurisdiction or register as a foreign company with the Office of the Registrar General. Foreign investors must meet a minimum capital investment of \$500,000 and the proposed investment must not be in an area reserved for Bahamian participation (unless approval is granted). The use of a local attorney is required.

In terms of the process, all foreign investors seeking to do business in The Bahamas are required to submit a project proposal and application to the Bahamas Investment Authority (BIA). After receipt, the BIA reviews the application and forwards the completed application, with a recommendation, to the National Economic Council (NEC), for final determination. Depending on the nature or type of business, the BIA may request that additional ministries or governmental departments review the application. Once the NEC is satisfied that all requirements have been met, the BIA will communicate with the investor in writing. The turnaround time for a decision on an investment proposal can take as long as 12 months. Domestic investors are not required to make application to the BIA as a prerequisite to investing in The Bahamas.

Additional information is available on the BIA website at: [www.bahamas.gov.bs/bia](http://www.bahamas.gov.bs/bia). The BIA can be contacted at:

Director, Bahamas Investment Authority  
2<sup>nd</sup> Floor Cecil Wallace-Whitfield Centre  
West Bay Street  
P.O. Box CB-10980  
Nassau, The Bahamas  
Tel: (242) 327-5826/9  
Fax: (242) 702-5500/3  
Email: [bia@bahamas.gov.bs](mailto:bia@bahamas.gov.bs)

- **Franchising**

There are many U.S. franchises in The Bahamas. Most franchises are successful because they appeal both to the local community and to the millions of visitors from the United States. To establish a franchise arrangement, the franchisee is expected to register a local company to assume the rights to operate in The Bahamas. There are no specific laws that regulate the operation of a franchise and there is a normal business relationship with the locally registered entity and the franchise's headquarters. Large franchises benefit from brand name recognition from the high penetration of U.S. cable television in The Bahamas and frequent travel to the United States. Consumption patterns in The Bahamas are similar to those of the United States, especially those of South Florida.

Restaurant franchises are particularly successful, and include Pizza Hut, Burger King, McDonalds, Wendy's, Subway, Sbarro, Cinnabon, Mr. Pretzel, Jamba Juice, Tortuga Rum Cake, Domino's Pizza, Dunkin' Donuts, Popeye's Chicken, Dairy Queen, Pollo Tropical, KFC, Carmines, Marco's Pizza, Lil Caesars, Starbucks, and several others. Other businesses operating under franchise agreements include automotive aftermarket services, accounting services, movie theaters, aviation fixed base operations, electronics, cosmetics, dry cleaning, specialized tutoring, car rental, mailing, and business support services. Additionally, several major U.S. hotel chains or management companies are active in The Bahamas.

There are no specific laws governing franchises, but Bahamian government policy discourages foreign ownership of franchises. Typically, franchises are sold to local operators under the terms and conditions of

the international franchise agreements. There is no impediment to the repatriation of profits, franchises fees, and royalties to the United States.

- **Direct Marketing**

Direct marketing opportunities through the internet and mobile devices are extremely popular in The Bahamas. Over 300,000 residents had direct access to high-speed internet (upwards of 16.62 MBPS), representative of more than 75 percent of the population. In addition, mobile marketing has increased, and social media has grown exponentially to market both products and services.

- **Joint Ventures/Licensing**

International investors are encouraged by the government to establish joint ventures with Bahamian partners. The choice of a Bahamian partner is left to the discretion of the investor. There are many successful joint ventures between Bahamian firms and U.S. companies. However, investors are advised to vet their potential partners carefully.

Joint venture firms are eligible to access funding from The Bahamas Development Bank (BDB). Bahamians may borrow a percentage of their contribution from BDB or the domestic capital market. Once established, the joint venture is free to raise capital and access local financing sources.

- **Express Delivery**

There are several international express delivery services including but not limited to DHL, Xpress It, Bahamas Express Couriers, FedEx, and UPS. Many companies have established independent shipping capacity and most goods purchased are delivered in The Bahamas within 48 hours. Bahamians use credit cards and routinely use the services of local direct mail operators to have purchased items picked up in-store in the United States or from a Florida U.S. Postal Service mailbox. Operators deliver items to a central location in The Bahamas where customers can pick up their purchases and pay for applicable shipping costs, duties, and taxes. The cost for shipping services vary but there is a growing number of firms offering similar services.

- **Due Diligence**

U.S. companies and investors are advised to vet their potential local partners carefully and conduct legal and financial due diligence before completing a commercial transaction or formalizing an agreement. This is important, as while the court system is fair, litigation can be expensive and relatively slow. Some U.S. companies doing business in The Bahamas have experienced problems collecting on accounts in a timely fashion.

There is no local equivalent of a Dunn and Bradstreet to check the bona fides of potential agents and customers, and due diligence can be time consuming. There are few sources of independently verifiable information about companies and individuals in the country. The national press is independent and major dailies maintain searchable web archives. Local attorneys, professional service providers, or other Bahamian contacts may also be able to assist. U.S. companies may request bank and trade references from potential partners.

The U.S. Commercial Service can assist in providing an International Company Profile (ICP) on the prospective local agent or importer, providing commercial and financial reports on a local company. Please access information on Commercial Service User Services via [www.trade.gov/all-services](http://www.trade.gov/all-services).

Companies may also obtain information from:



The Bahamas Chamber of Commerce and Employers Confederation  
Shirley Street and Collins Avenue  
P.O. Box N-665  
Nassau, Bahamas  
Tel: (242) 322-2145  
Email: [info@thebahamaschamber.com](mailto:info@thebahamaschamber.com)  
Website: <http://thebahamaschamber.com>

Information on mortgages, security interests in personal property, and corporate document filings may be obtained from:

The Registrar General Department  
#50 Shirley Street  
P.O. Box N-532  
Nassau, Bahamas  
Tel: (242) 322-3316  
Email: [registrargeneral@bahamas.gov.bs](mailto:registrargeneral@bahamas.gov.bs)  
Website: <http://www.bahamas.gov.bs/rqd>

## **e-Commerce**

Electronic commerce is becoming increasingly important in The Bahamas. Consumers regularly access shopping portals such as eBay and Amazon and can use locally issued credit cards to make purchases. Goods are usually delivered to Florida-based freight forwarders and shipped to The Bahamas. Many established e-stores are now offering customs brokerage services and provide consumers with prices inclusive of local taxes and delivery.

Most local companies do not provide online shopping, but they maintain an internet presence through social media pages and a static website. However, given the ongoing COVID-19 pandemic, which has caused movements to be restricted, calls for public and private sector investments in digital technology and e-commerce have been reignited. The National State of Emergency, which limits business activity, has forced many domestic businesses to provide goods and services electronically and to implement systems which allow the transfer of money and data to execute these transactions. Information technology, data security, and logistics/transportation companies are a few of the related services that have experienced increased demand. For example, many businesses (e.g., online delivery services) have prospered under these circumstances. Others (e.g., supermarkets, pharmacies, medical suppliers, hardware stores, and retailers) have either moved most of their business to existing e-commerce platforms or introduced such platforms for business continuity.

The Bahamas enjoys good telecommunications infrastructure and has one of the highest mobile phone penetrations in the world, and these factors support expanded e-commerce initiatives. Consumers can conduct banking transactions, pay utility bills, and purchase some local, but mostly U.S.-produced goods and services online. All major banks issue debit and credit cards and the infrastructure for mobile debit purchases and mobile money is spreading in the archipelago.

The Bahamian government also allows residents to access and apply and pay for a range of government services through e-commerce platforms and has announced that the COVID-19 crisis has accelerated its digitization agenda. The Digital Transformation to Strengthen Competitiveness Program was initially launched in 2018 with a \$30 million loan from the Inter-American Development Bank with the goal of making all major government services accessible online and removing bureaucratic delays. The program was scheduled for implementation in phases over a six-year period, but will now be accelerated, according to The Bahamas Ministry of Finance.

Related sectors with potential for growth are e-tourism, e-medical services and e-education.

## **Selling Factors & Techniques**

### **Overview**

U.S. products are generally preferred for reasons of quality, reliability, and availability, as well as widespread marketing in the country. U.S. firms that can provide guarantees and after-market support in the jurisdiction are at a distinct advantage. However, there is increasing competition for consumer products being imported from China.

### **Trade Promotion and Advertising**

The Bahamas Chamber of Commerce and Employers Confederation regularly organizes local trade fairs and trade shows. The Chamber, in collaboration with the Ministry of Financial Services, Trade and Industry and Immigration, also launched the Bahamas Trade Information Portal in 2017. In addition to providing trade-related data and information, the Trade Information Portal often advertises and promotes national, regional and international trade fairs.

Companies may also obtain information from:

The Bahamas Chamber of Commerce and Employers Confederation

Shirley Street and Collins Avenue

P.O. Box N-665

Nassau, Bahamas

Tel: (242) 322-2145

Email: [info@thebahamaschamber.com](mailto:info@thebahamaschamber.com)

Website: <http://thebahamaschamber.com>

Bahamas Trade Information Portal

Tel: (242) 322-2145

Email: [tradeinfo@bahamas.gov.bs](mailto:tradeinfo@bahamas.gov.bs)

Website: [www.bahamastradeinfo.gov.bs](http://www.bahamastradeinfo.gov.bs)

Advertising is primarily done through social media, radio, television, the press, and to a limited extent, billboards. Social media is likely the most effective medium to reach potential customers. Radio is also effective, as there are few other broadcast media outlets with national coverage. Three major companies provide national television coverage and a growing number of companies offer broadcast media services. Local access to cable and satellite TV, as well as subscription TV services, is common. The Bahamas has three morning dailies, *The Nassau Guardian*, *The Tribune* and *The Bahama Journal*, and several industry specific periodicals and magazines.

Several advertising agencies are available to guide companies through the process of developing promotional activities and choosing the most appropriate media strategy. A list of advertising agencies' contacts is available via [https://www.bahamaslocal.com/category/29/10/default/1/Advertising\\_Agencies\\_and\\_Services.html](https://www.bahamaslocal.com/category/29/10/default/1/Advertising_Agencies_and_Services.html)

### **Pricing**

Price is among the most important selling factors for many Bahamians. With few exceptions, prices are market-based, and businesses are free to price their products to meet their objectives. An important consideration for U.S. exporters is margins after including customs duties, energy costs, and shipping and ground transportation expenses to keep products competitive and businesses profitable. There is also a Value Added Tax of 12 percent on most goods and services, other than basic food staples, known as "breadbasket items," which include items in common everyday use by Bahamian consumers.

U.S. exporters should also keep abreast of price-controlled items. In addition to fixed prices for “breadbasket items,” the Bahamian government controls the price of propane gas and has fixed margins for petroleum retailers and wholesalers for gasoline and diesel. There are also regular inspections to ensure compliance is routinely conducted by the Consumer Affairs Unit in the Ministry of Labor, National Insurance and Public Service. Utility services such as electricity and telecommunications are regulated by the Utilities Regulatory and Compliance Agency (URCA).

For further information on price controlled items, contact the Consumer Affairs Unit or the Customs and Excise Department via <https://www.cpcbahamas.org/prices-commission-act/> or <https://www.bahamascustoms.gov.bs/>.

### **Sales Service/Customer Support**

The availability of adequate after-sales service and customer support frequently makes the difference in purchasing decisions in The Bahamas and is one of the benefits of using a local agent or distributor. In terms of service and spare parts, most U.S. companies and franchises maintain trained staff and adequate stocks of spare parts. Generally, repairs are done quickly and to industry standards.

### **Local Professional Services**

The advice and counsel of a local attorney is recommended when opening a business to ensure a smooth start-up and compliance with local laws. A local attorney is required when incorporating. Before selecting an attorney, the prospective client may wish to speak with several attorneys or the local bar association and, in an initial consultation, discuss services required, expectations, fees, methods of payment, and other similar issues. General information about The Bahamas Bar Association is available at: <http://www.bahamasbarassociation.com/>.

Other professional service organizations include the Institute of Chartered Accountants, The Bahamas Contractors Association, Bahamas Bankers Association, Bahamas Real Estate Association, Engineering Society, and the Institute of Bahamian Architects. There are licensing requirements for professional service providers in The Bahamas specific to each field. Further information is available on each organization’s respective website.

### **Principal Business Associations**

The Bahamas Chamber of Commerce and Employees Confederation is the principal business association in The Bahamas. Its stated goals are to advocate for its membership and the wider business community, providing access, advice and advocacy to ensure economic growth, environmental stewardship and business development opportunities. The Chamber engages the Bahamian government regularly and is often called on to bridge policy gaps between the private and government sectors.

See contact information below:

The Bahamas Chamber of Commerce and Employees Confederation  
Shirley Street and Collins Avenue  
P.O. Box N-665  
Nassau, Bahamas  
Tel: (242) 322-2145  
Email: [info@thebahamaschamber.com](mailto:info@thebahamaschamber.com)  
Website: <http://thebahamaschamber.com>

The principal business association in Grand Bahama, the country’s second largest city and economic center, is the Grand Bahama Chamber of Commerce, which liaises closely with the Grand Bahama Port Authority. The Port Authority exercises broad powers within the area granted to it under the Hawksbill Creek, Grand Bahama (Deep Water Harbour and Industrial Area) Act, 1955, including the licensing of all businesses within the “Port Area” (i.e., Freeport) of Grand Bahama.

See contact information below:  
Grand Bahama Chamber of Commerce  
#5 South Mall Drive  
P.O. Box F-40808  
Freeport, Grand Bahama  
Tel: (242) 352-8329 or (242) 352-3280  
Email: [info@gbchamber.org](mailto:info@gbchamber.org)  
Website: <https://gbchamber.org/>

There are also business associations active on other major islands of The Bahamas including Abaco, Bimini, Exuma, Eleuthera, and Long Island. Information for these Family Island Chambers can be accessed here: <https://www.thebahamaschamber.com/family-island-chambers-1>

### **Limitations on Selling U.S. Products and Services**

Under its National Investment Policy, The Bahamas reserves 15 sectors of the economy for Bahamian investors, including:

1. Wholesale and retail operations;
2. Commission agencies engaged in import/export trade;
3. Real estate and domestic property management;
4. Domestic newspapers and magazine publications;
5. Domestic advertising and public relations firms;
6. Security services;
7. Domestic distribution of building supplies;
8. Construction companies, except for special structures in which international expertise is required;
9. Personal cosmetic and beauty establishments;
10. Commercial fishing;
11. Auto and appliance service operations;
12. Public transportation inclusive of locally-solicited charter boat tours;
13. Nightclubs and restaurants except specialty, gourmet, and ethnic restaurants and those operating in a hotel;
14. Domestic gaming; and
15. Cabotage.

The Bahamas Investment Authority (BIA) ([www.bahamas.gov.bs/bia](http://www.bahamas.gov.bs/bia)) administers the National Investment Policy, functions as the investment facilitation agency, and acts as a “one stop shop” to assist investors in navigating a potentially cumbersome approvals process. However, there have been exceptions to this policy whereby certain international companies have been allowed market access. In addition, investors may engage in the wholesale distribution of any product they produce locally.

### **Trade Financing**

#### **Methods of Payment**

Generally, Bahamian companies provide payments in advance for goods and services. Cash in advance, check, and wire transfer are typical, and international credit cards are common. Most goods are delivered free on board to freight forwarders in Florida and companies will assume responsibility for costs incurred locally. Letters of credit are a common method of payment for established businesses.

Some local companies also maintain accounts in the United States or U.S. dollar-denominated accounts in local banks for settling transactions. Central Bank policies allow local businesses to hold up to \$100,000 on local U.S. accounts

without Central Bank approval. Approval is required for accounts that retain more than \$100,000 in any foreign currency.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>

## **Banking Systems**

The financial sector of The Bahamas is highly developed and dynamic, and consists of savings banks, trust companies, offshore banks, insurance companies, a development bank, a publicly controlled pension fund, a housing corporation, a public savings bank, private pension funds, cooperative societies, credit unions, commercial banks, and the majority state-owned Bank of The Bahamas. These institutions provide a wide array of services via several types of financial intermediaries. The Central Bank of The Bahamas, the Securities Commission, Insurance Commission, the Inspector of Financial and Corporate Service Providers, and the Compliance Commission regulate the financial sector.

The Central Bank administers regulations controlling the buying and selling of, and dealing in, gold, foreign currency, foreign exchange, and securities in order to support the value of the Bahamian dollar, which is pegged to the U.S. dollar.

Non-Bahamians who are gainfully employed in The Bahamas for a year or more are regarded as “temporary residents.” Such individuals are eligible for certain exceptions that permit them to retain foreign currency accounts, as well as existing non-Bahamian assets, and to remit and repatriate assets on leaving The Bahamas.

For further information, see The Central Bank of The Bahamas website: [www.centralbankbahamas.com](http://www.centralbankbahamas.com).

## **Foreign Exchange Controls**

The Bahamas maintains a fixed exchange rate policy, which pegs the Bahamian dollar one-to-one with the U.S. dollar. The controls ensure adequate foreign exchange flows are available to support the fixed parity of the Bahamian dollar against the U.S. dollar. For the tourism-dependent economy, the peg removes issues of rate conversions and allows for unified pricing of goods and services for tourists and residents. To maintain this structure, individuals and corporations resident in The Bahamas are subject to capital or exchange controls.

Exchange controls are not an impediment to foreign investment in the country. The government requires all non-resident investors in The Bahamas to register with the Central Bank, and the government allows non-resident investors who finance their projects substantially from foreign currency transferred into The Bahamas to convert and repatriate profits and capital gains freely. They do this with minimal bureaucratic formalities and without limitations on the inflows or outflows of funds.

Foreign exchange controls prohibit international banks from investing in domestic securities, and they generally are not permitted to hold Bahamian dollar balances except for the purpose of facilitating the payment of local expenses. Foreign investors seeking to open a non-Bahamian currency-designated account in one of the commercial banks in the country must first register and receive approval from the Central Bank ([www.centralbankbahamas.com](http://www.centralbankbahamas.com))

The government has continued gradual liberalization of exchange controls over the years with the most recent relaxations measure implemented in February 2018. The 2018 measures adjusted the buy and sell rate of the Investment Currency Market (ICM) rate to 5 percent and 2.5 percent, respectively, down from a previous 12.5 percent buy and 10 percent sell rate.

During the COVID-19 pandemic, in an effort to maintain adequate foreign reserves to support the Bahamian dollar fixed exchange rate and preserve access to foreign exchange for priority international transactions, on May 4, 2020, the Central Bank announced the suspension of approvals of applications to purchase foreign currency for transactions via the ICM and the Bahamas Depositary/Depositary Receipt (“BDR”) program. The Central Bank announced foreign

exchange access through the channels would resume once market uncertainties around the COVID-19 pandemic subsided. Meanwhile, the ICM was expected to continue to facilitate the repatriation of foreign currency income, capital gains, and liquidated capital at the appropriate premium.

### **U.S. Banks and Local Correspondent Banks**

Citibank is the only U.S.-owned commercial bank operating in The Bahamas, but there are longstanding relationships between many of the resident Canadian and U.S. financial institutions and their subsidiaries. Royal Bank of Canada, First Caribbean, and Scotia Bank are the leading commercial banking institutions in The Bahamas. All major banks have strong correspondent banking relationships and maintain access to the U.S banking system.

The Export-Import Bank (EXIM Bank) supports U.S. exports through export credit insurance, guarantees, and loans.

### **Protecting Intellectual Property**

The Bahamian government is taking steps to strengthen Intellectual Property Rights (IPR) as part of its efforts to protect citizens, residents, foreign investors, and as part of its protracted WTO accession process. These new regulations cover patents, trademarks, copyrights, integrated circuits, false trade descriptions, protection of new plant varieties, and geographical indicators. The government anticipates the new regulations will bring The Bahamas into compliance with the terms of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The Bahamas has also held discussions with the United States Trade Representative and the World Intellectual Property Office (WIPO) on the suite of IPR legislation.

The Bahamas has been a member of the World Intellectual Property Organization (WIPO) since 1977, but has not ratified the WIPO Internet treaties.

The Bahamas' intellectual property registry is maintained by the Department of the Registrar General and enforcement responsibility is coordinated by the Royal Bahamas Police Force with support from Bahamas Customs. The Copyright Royalty Tribunal (established under the Copyright Act) is responsible for royalty-related activities, such as collecting and distributing royalties.

The Bahamas has not recently been listed as a country of concern in the U.S. Trade Representative's (USTR) Special 301 Report and is not considered a notorious market.

In any foreign market, companies should consider several general principles for effective protection of their intellectual property. For background, please visit [Protecting Intellectual Property](#) and [Stopfakes.gov](#) or contact ITA's [Office of Intellectual Property Rights Director, Stevan Mitchell](#) at [Stevan.Mitchell@trade.gov](mailto:Stevan.Mitchell@trade.gov) for more resources.

For additional information on intellectual property matters, contact the IP Attaché for The Bahamas:

Cynthia Henderson

IP Attaché, Mexico, Central America, and the Caribbean

U.S. Embassy Mexico City

Colonia Cuauhtémoc

Paseo de la Reforma 305

06500 México, D.F.

Tel: +52 55-5080-2189

Email: [cynthia.henderson@trade.gov](mailto:cynthia.henderson@trade.gov)

## **Selling to the Public Sector**

### **Selling to the Government**

Legislation and regulations governing public procurement are being updated to improve consistency, transparency and accountability, but currently there is no legal requirement for public tenders for goods and services acquired by the government. Both U.S. and domestic investors have cited a lack of transparency in government procurement processes. The government publicizes Requests for Proposals (RFP) for some of its needs but reserves the right to use its discretion in the selection of service providers. A range of processes is used throughout the public service with little standardization. There are instances of no-bid contracts and other arrangements made without the benefit of public engagement or advertising.

In response to criticisms, and in an effort to modernize the procurement process, the government recently drafted Public Procurement Bill 2020 and launched an e-procurement and suppliers registry system to increase levels of accountability and transparency in governance. The government confirmed public consultation on the draft legislation is complete and was to be finalized for tabling in Parliament by May 2020, but has been delayed, reportedly because of the ongoing COVID-19 pandemic.

The government also announced plans for the establishment of an independent public procurement board to limit corruption and potential political interference and proposes to introduce legislation to facilitate an appeals process. Progress is being made and it is noteworthy that several recent requests for proposals have been advertised on the government's website. More information on potential opportunities can be accessed via ([www.bahamas.gov.bs](http://www.bahamas.gov.bs)) and (<https://suppliers.gov.bs/>).

The government has also committed to procurement rules under the terms of its membership in the Economic Partnership Agreement with the European Union and the Economic Partnership Agreement with the United Kingdom, but is not yet a party to the WTO and the WTO Government Procurement Agreement (GPA).

Businesses intending to market goods or services to the Bahamian government are advised to seek the advice of the U.S. Embassy at an early stage. Embassy Nassau is often aware of a potential procurement opportunity in development and will distribute updates via the Department of Commerce. Companies should ensure they are in regular contact with the Department of Commerce regarding their industries of interest, and that their contact information is up to date.

U.S. companies bidding on government tenders may also qualify for U.S. government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

## **Financing of Projects**

### **Overview**

The Bahamian government requires potential investors to have financing in place when applying for approval of project development or investment in The Bahamas. Projects can be financed by private and debt equity; bank loans; retained earnings; development bank financing; international private capital; bonds and bilateral and multilateral loans, and grants. Local banks will provide financing to U.S business clients after stringent due diligence.

## **EXIM Bank**

The Export-Import Bank (EXIM Bank) supports U.S. exports through export credit insurance, guarantees, and loans.

## **Bahamian government or funding from regional Development Banks**

The national social security program, the National Insurance Board, and international lending agencies such the Inter-American Development Bank (IDB) and the Caribbean Development Bank have financed large projects in The Bahamas recently.

## **Multilateral Development Banks and Financing Government Sales**

Price, payment terms, and financing can be a significant factor in winning a government contract. Many governments finance public works projects are facilitated through borrowing from the Multilateral Development Banks (MDB). A helpful guide for working with the MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#). The U.S. Department of Commerce's (USDOC) International Trade Administration (ITA) has a Foreign Commercial Service Officer stationed at each of the five different Multilateral Development Banks (MDBs): the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank.

In terms of investing in The Bahamas, learn more by contacting the:

- Commercial Liaison Office to the [Inter-American Development Bank](#)
- Commercial Liaison Office to the [World Bank](#)



## Business Travel

**Business Customs:** The national language is English. Due to the proximity of The Bahamas to the United States and the extensive familiarity of most Bahamians with American culture, business customs tend to be similar to those in the United States. Business dress is formal; suit and tie are recommended for men and conservative business dress for women. Bahamians shake hands upon meeting, sometimes exchange business cards, and address first-time business acquaintances by their titles and last names. Conversations generally move to a first name basis more slowly than in the United States.

Decision-making is usually done at the highest levels and middle-ranking government or business officers may not have authority to make commitments and will generally require approval from more senior officials. Firm appointments for business meetings are advisable. Business lunches are preferable to dinners in The Bahamas. Bahamians usually expect the lunch to last between an hour and an hour-and-a-half.

**Travel Advisories:** For the latest State Department travel advisory, visit <https://travel.state.gov/content/passports/en/country/the-bahamas.html>.

**Visa Requirements:** While Americans do not require visas to enter the Bahamas, a passport is needed for re-entry to the United States.

**Currency:** The Bahamian dollar is pegged one-to-one to the U.S. dollar. U.S. currency is also widely used in The Bahamas. Debit and credit cards are accepted primarily in major population centers.

**Telecommunications/Electronics:** The Bahamas uses the same electric current as the United States (110/120V) and U.S. appliances work in the country without a need for adapters. Cellphone and internet services, including access to Wi-Fi, are widely available at competitive rates on all major islands.

### Transportation

**International air connections:** Due to the global COVID-19 pandemic, international air service to and from The Bahamas has been severely reduced. As conditions allow, a resumption of flights is anticipated. Prior to the COVID-19 outbreak, regular and seasonal direct air service was available to The Bahamas into the Sir Lynden Pindling International Airport in Nassau from the following major U.S. cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Dallas/Ft. Worth, Detroit, Ft. Lauderdale, Ft. Myers, Houston, Miami, Minneapolis/St. Paul, New York JFK, Newark, Orlando, Philadelphia, Tampa, Washington D.C., and West Palm Beach. There was also direct service from certain U.S. airports to airports on Grand Bahama and the Family Islands. In addition, there was direct air service between Nassau and the UK, Canada, and several Caribbean nations.

**Inter-island connections:** Service is available from Nassau to other Bahamian islands via the government owned BahamasAir and several privately owned companies (Sky Bahamas, Western Air, Pineapple Air, Flamingo Air, and several others.).

**U.S. Pre-clearance:** U.S. Customs and Border Protection maintains a pre-clearance facility at the airport in Nassau. Pre-clearance service at the airport in Freeport, Grand Bahama has been temporarily suspended due to extensive damage to the facility inflicted by Hurricane Dorian in September 2019.

**Car rental:** Car rental is available through Hertz, Avis, Budget, Dollar, and other franchises. Several competitive local operators are also available at airport locations on the major islands. Pick-up from a hotel anywhere in New Providence, including Paradise Island, is often free of charge.

**Public transportation:** The public transportation system is inefficient but provides inexpensive touring and a close view of local life. The flat fare is \$1.25 in town, and more for outlying areas. Fixed routes are often not adhered to and there have been instances of reckless driving as drivers race to pick up new customers. Bus stops are marked but often not used. Service is generally from 6:00 a.m. to 7:00 p.m.; however, time schedules may be unpredictable.

**Language:** English is the official language of The Bahamas.

**Health:** There are government-operated hospitals in New Providence and Grand Bahama Island. Government clinics are available throughout New Providence, Grand Bahama, and all major Family Islands. The government of The Bahamas heavily subsidizes health care, and both residents and non-residents pay only nominal fees at government clinics and hospitals.

Health insurance is available through local and international insurance companies. Group plans are available where employers arrange a health insurance plan on behalf of their employees. Most local insurance carriers include coverage for Bahamians seeking medical care in the United States. Local hospitals accept most U.S. health insurance but may require a cash or credit card security deposit for medical services.

Generally, health and sanitation standards are among the highest in the region. However, on August 6, 2020, the U.S. State Department issued a travel advisory discouraging travel to The Bahamas due to health and safety measures and COVID-related conditions. Read the entire Travel Advisory [here](#). Visit the Department of State's [COVID-19 page](#) before you plan any international travel.

**Local Time, Business Hours and Holidays:** The Bahamas operates on Eastern Time, in the same time zone as the major commercial centers of the eastern United States and Canada. The Bahamas switches to daylight savings time at the same time as the eastern United States.

Normal business hours for the public sector and the majority of private businesses is Monday through Friday, 9 a.m. to 5 p.m.

The following public holidays will be observed in The Bahamas in 2020:

- New Year's Day – January 1
- Majority Rule Day – January 10
- Good Friday – April 10
- Easter Monday – April 13
- Whit Monday (Seven weeks after Easter) – June 1
- Randol Fawkes Labor Day (First Friday in June) – June 5
- Independence Day – July 10
- Emancipation Day – August 3
- National Heroes Day – October 12
- Christmas Day – December 25
- Boxing Day – December 2

Please note:

- **Holidays falling on a Saturday or Sunday are usually celebrated on the following Monday..**
- **Holidays falling on Tuesday are usually celebrated on the previous Monday.**
- **Holidays falling on Wednesday or Thursday are celebrated on the following Friday (with the exception of Independence Day, Christmas Day, and Boxing Day).**

- **Banks/businesses and many shops are closed on public holidays.**

**Temporary Entry of Materials and Personal Belongings:** Visitors may bring personal effects, a limited amount of alcoholic beverages, and other articles up to a value of \$100 into The Bahamas duty-free. Exhibit materials, salesmen's samples, photographic and cinematographic equipment belonging to members of the press and special tools for repair work may be imported on a temporary basis, but a bond or deposit may be required.

Questions should be referred to:

The Comptroller of Customs  
Customs House  
Customs and Excise Department  
Thompson Blvd.  
P.O. Box N 155  
Nassau, Bahamas  
Tel: (242) 302-3302 or 302-3415  
Fax: (242) 325-7409 or 322-6223

## **Investment Climate Statement (ICS)**

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

## **Political Environment**

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.