

# THE BAHAMAS

TOURISM AND BUSINESS FEATURE

November 2024



## *A gateway for UAE travellers and investors*



For decades, The Bahamas has represented many people's vision of paradise. Year-round sunshine, jaw-dropping beaches and some of the clearest waters on Earth draw visitors from across the globe. But the nation has far more to offer than sun and sea—a fact the country's government is working hard to highlight. "The world needs to know we are open for business," explains Deputy Prime Minister Chester Cooper. "We want to create an environment where investors and locals can conduct business with ease."

Tourism has long been the main pillar of the economy, and a 38% increase in arrivals in 2023 set a new record of 9.7 million visitors for the year. This reflects the significant investment that has gone into infrastructure and technology in the sector, upgrading

facilities and streamlining arrival processes, alongside a growing sustainable tourism profile. Proximity to the US is another major advantage, with travellers transiting through The Bahamas eligible for pre-clearance for US customs and immigration. Seeking a further boost to connectivity, discussions are taking place with Emirates to arrange direct flights from the Middle East, strengthening the link with a growing market. "Aviation is the oxygen of tourism," says Cooper. "We believe we have the ideal hub for traffic from the Middle East to the Americas."

While tourism dominates, The Bahamas also boasts a mature and diversified financial services industry. Accounting for around 15% of GDP, the sector has embraced new financial technologies and digital as-

sets, backed by a reputation for regulatory strength. In 2020, the central bank launched its own digital currency, the Sand Dollar, in a show of confidence in emerging fintech. Hailed by the IMF as the first digital currency of its kind, it is an innovation being monitored by countries around the world.

For Cooper, technology represents a significant opportunity for The Bahamas. "We want to develop an industry where tech businesses could thrive," he says, underscoring his vision for growth. Central to that strategy is the development of four incubation centres which are being built in Grand Bahama, Exuma, and Nassau, designed to attract technology companies. "We are blessed to be an archipelago as each island offers its uniqueness where we can develop different businesses in each one."



INTERVIEW - CHESTER COOPER, DEPUTY PRIME MINISTER OF THE BAHAMAS

# How The Bahamas renewed its appeal



Chester Cooper has served as deputy prime minister of The Bahamas since 2021. With an extensive background in financial services, Cooper now seeks to drive wealth creation in the public sector.

**Q: What key initiatives have you launched since taking office?**

We have sent the message The Bahamas is open for business, which is crucial following the post-COVID pandemic environment and a new government. In addition, we have streamlined the approval processes for investments, alongside the implementation of new technology to expedite the overall process. We also reviewed many of our policies to guarantee ease of conducting business, and we have seen a significant uptake in new FDI

in The Bahamas. We have attracted close to \$10 billion in FDI the past two and a half years, creating thousands of jobs in the overall economy.

**Q: How are you engaging Middle Eastern investors and travellers?**

We position ourselves as the gateway to the Americas. It is easy to do business here due to our proximity to the largest economy in the world, and we provide access to other markets through our unique location in the region.

We also have the infrastructure to match these attributes, from communication, airports, seaports, and internet capability, and a large professional class where investors can find employees and executives.

**Q: Which sectors offer the most appealing opportunities for investors?**

We are largely a tourism-based economy, with around 60%-70% of our GDP coming from the sector. We seek to attract any industry that feeds into the tourism product that could provide support and services and bolster the industry. We have taken the initiative to revamp 14 of our 30 airports to support connectivity. We also want to reposition ourselves for modern tourism, and we are working on providing that in

Nassau Paradise Island. It is a high-end luxury type of destination that could appeal to the Dubai and UAE market.

In addition, The Bahamas has a strong reputation for being an international financial services centre. We serve high-net-worth individuals for private banking and investment services, and we also offer a revised Digital Assets Act that attracts crypto and other digital asset companies to The Bahamas.

We have 365 days of sunshine which is ideal for developing renewable energy, especially solar, and we have a target of including 30% of renewable energy on our grid by 2030, which is why it is an area of focus.

**Q: What other areas of growth are you prioritising?**

One of the areas I am most excited about is technology, whether it is in fintech, digital assets, or the creation of new companies or entities in the technology space. We launched an initiative called Innovate 242, which is designed to grow the tech business. We want people to come to The Bahamas as digital nomads, and we want to create tech hubs, including incubation centres, in as many of our islands as possible to create an ecosystem where tech companies can thrive.

FOCUS ON THE INSURANCE COMMISSION OF THE BAHAMAS

## Bahamas' economic engine

The Insurance Commission of The Bahamas (ICB) regulates the nation's thriving insurance sector.



Photo: ICB.

and technology, and we believe The Bahamas is ready for this."

### "INSURANCE PLAYS A CRUCIAL ROLE IN THE FINANCIAL SERVICES ECOSYSTEM."

**DANA L. MUNNINGS-GRAY**  
SUPERINTENDENT OF INSURANCE, ICB

In a global market, remaining ahead of competitors is at the forefront of the Commission's aims. Through a combination of advantageous proximity to Miami, focus on relationship building and digitalisation strategy, Munnings-Gray feels Bahamas is well set: "I believe that in five years, you will see us leading in the digital innovation space, particularly at the forefront of insurance technology."



INSURANCE COMMISSION  
OF THE BAHAMAS

[www.icb.gov.bs](http://www.icb.gov.bs)

The Bahamas' powerhouse insurance industry plays a vital economic role, contributing 7.5% of national GDP. "Insurance plays a crucial role in the financial services ecosystem," says Superintendent of Insurance Dana L. Munnings-Gray. "It touches every pillar of financial services, the second largest sector in the economy."

For Munnings-Gray, three factors underpin the industry's success: a "stringent and robust" regulatory framework, a collaborative approach with industry stakeholders and an embrace of innovation. "We are actively having conversations with those at the forefront of digitalisation and bringing innovation to the Insurance Commission," she says, citing the UAE as a potential partner. "When we look at the UAE, we see it as a leader in innovation

Q&amp;A

**DANA L. MUNNINGS-GRAY**  
SUPERINTENDENT OF INSURANCE, ICB



the lack of diversification. While we have a solid framework, there is still room for improvement and growth.

We are now looking to capture some of the trends we see in other jurisdictions, including sandboxing innovation and blockchain technology. We are also seeing these trends develop in the UAE.

**Q: How do you seek to portray The Bahamas to UAE investors?**

Investors are always seeking an opportunity where they have a relationship with the regulator in that jurisdiction. More importantly, they want to know that they are in a jurisdiction they can trust. In the UAE, there is a strong focus on education and innovation. We are seeing more insurtech entering our space, and we want to ensure we are prepared, while remaining open to investment opportunities in the insurance sector.

**What gives ICB its competitive edge?**

While we are stringent, we remain very flexible, and we build strong relationships with our stakeholders, including our licensees. Many times, we hear that people choose to redomicile in The Bahamas because of these relationships. We guide our licensees from the initial interest in becoming a licensee to the point where they actually receive the license. We are approachable, flexible, and agile, but we are also innovative and progressive.

**Q: How important is insurance to The Bahamas' economy?**

We always talk about tourism being our number one industry and financial services being our second. Everything you touch and feel involves insurance. If you are establishing a bank account, you need insurance. If you are setting up a security account or dealing with digital assets, you need professional and temporary insurance. We want to highlight how important the insurance industry is, not just in The Bahamas but globally.

**Q: What is your approach to regulating the sector?**

Our approach has always been through collaboration, consumer awareness and outreach to both the public and the international community. People naturally want to know about opportunities here. Our legislation is strong, stringent and robust, but in early 2023, we recognised