



**Commonwealth  
Chamber of  
Commerce**

# **The Bahamas**

**Member Countries - Commonwealth Chamber  
of Commerce**

The Bahamas is an 800-kilometer-long group of islands in the Atlantic Ocean to the east of Florida in the United States, north of Cuba and Hispaniola, and west of the British Overseas Territory of the Turks and Caicos Islands. The archipelagic state, which is located north of Cuba and northwest of the island of Hispaniola and the Turks and Caicos Islands, southeast of the US state of Florida, and east of the Florida Keys, is made up of over 700 islands, cays, and islets in the Atlantic Ocean.



## Demographics

With a total land area of 10,010 km<sup>2</sup> (3,865 sq. miles) and a population of approximately 350,000 people, the population density in Bahamas is 39 per Km<sup>2</sup>. In 2020, 86.1 % of the population is urban (338,674 people). The median age in Bahamas is 32.3 years. There are two primary languages spoken in the Bahamas: Bahamian Creole or Bahamian English, which is spoken by most people, and Haitian Creole, which is spoken by about 25% of the population. One is an English-based Creole language, and the other is a French-based Creole language. The Bahamas' official language is English, which is the main language used in government and business dealings.

The Bahamas' history and tradition have resulted in a unique culture rich with customs. Junkanoo drums, calypso, rake 'n' scrape, and a general Caribbean flavor give visitors a true taste of The Bahamas' history, life, and culture. Junkanoo stands as one of the most well-known and popular cultural celebration in the Caribbean. Thousands of people dressed in colorful costumes and headdresses dance in the streets to rhythmic Bahamian music

## History

On June 22, 1973, the British House of Lords decided to grant The Bahamas independence. On July 10, 1973, Prince Charles presented Prime Minister Lynden Pindling with the official paperwork declaring The Bahamas a completely independent nation; this date is now commemorated as the country's Independence Day. On the same day, it joined the Commonwealth of Nations. Shortly after the Bahamas gained independence, Sir Milo Butler was named the first governor-general (the formal representative of Queen Elizabeth II).

## Key Dates

**1955** – 230 square mile free trade Zone called Freeport established marking the beginning of tourism and attracting offshore banking.

**1967** – Progressive Liberal Party (PLP) leader Lynden Pindling wins the first legislative elections, becoming Prime Minister.

**1972** – The PLP slogan of independence coupled with its electoral victory sparks demand for negotiations with Britain for independence.

**1973** – The Bahamas gain independence on 10th of July

**1984** – Pindling denies charges of corruption and aid of drug trafficking, being endorsed again as PLP leader.

**1992** – Centre-left party called the Free National Movement (FNM) wins the 1992 elections with absolute majority: effectively ending Pindling's 25-year rule. He is replaced by Ingraham.

**1996** – Ingraham reinstates the death penalty for murder.

**1997** – Ingraham returns as prime minister after being re-elected for a second term.

**2000** Sir Lynden Pindling dies on the 26th of August

**2002 Progressive** Liberal Party leader and veteran politician Perry Christie leads his party to victory, unseating the Free National Movement, which has been in power for 10 years.

**2007** Ingraham's Free National Movement wins parliamentary elections.

**2012** Perry Christie returns to power once again as the Progressive Liberal Party wins parliamentary elections. Ingraham announces retirement from politics.

### **Legal System and Government**

As a member of the Commonwealth of Nations the Bahamas recognizes Queen Elizabeth II as Head of State. The Governor-General is her representative. The Cabinet constitutes the executive branch and has general direction and control of the Government of The Bahamas. It is necessary for the Cabinet to comprise at least nine Ministers inclusive of the Prime Minister and Attorney General. Parliament constitutes the Legislative branch of The Bahamas, which consist of a Senate and a House of Assembly. Judicial Authority is vested in the Judicature which consists of the Supreme Court and the Court of Appeal.

English common law forms the basis of the Bahamas' judicial system. The Court of Appeal is the highest court in the country, which is made up of three judges. Supreme Court is composed of a chief justice, two senior justices, and six justices. The governor-general appoints the members of the high court. The United Kingdom's Privy Council hears the last appeals.

## **Economy**

The World Bank, according to 2018 reports, considers the Bahamas a high income developed country. The Bahamas' economy is led by tourism and offshore banking and is the wealthiest country in the West Indies and has the 14th highest nominal GDP in North America. For foreign exchange revenue, the Bahamas' economy is nearly exclusively reliant on tourism and financial services. The Bahamas is one of several Caribbean "uncooperative jurisdictions" because it fails to meet tax fairness and transparency standards, according to the European Union. Tourism alone accounts for almost half of the Bahamian workforce and generates an estimated 51 percent of the country's gross domestic product (GDP). Due to the country's role as an offshore financial center, financial services are the second-largest sector of the Bahamian economy, contributing for up to 17% of GDP.

## **Trade**

In 2018, The Bahamas' main export products included petroleum (19%), plastics and articles thereof such as polymers, acrylics, silicone etc. (17%), fish and seafood specifically rock lobsters (15%), and organic chemicals (12%). Major imports included mineral fuels (17%), machinery and transport equipment (8%), and electrical appliances and equipment (5.4%). The United States is the leading partner in The Bahamas' exports as well as imports, constituting 75% and 87% of shares, respectively. Other import partners include China (1.6%), United Kingdom (1.5%) and Japan; whilst other export partners include Ireland (5.6%), Panama (5.4%) and Turks and Caicos Islands (3.6%). Due to the COVID-19 pandemic and subsequent travel restrictions, The Bahamas' main source of income, being tourism, suffered exponentially as exports fell to 62 billion USD with the annual GDP growth falling to -14.8%, the lowest ever for the state.

## Investment Opportunities

The Bahamas has a peaceful and stable democratic environment with a strong commitment to the rule of law and has been noted by the World Bank to be amongst the most improved in three or more “Doing Business In” categories, although there is much improvement needed as it still ranks overall 119 globally. The country offers relief from taxes on personal income, inheritance, capital gains, corporate income and other taxes related to dividends and interest. The Bahamas is also a member of economic blocs such as Caribbean Community (CARICOM) and Economic Partnership Agreement (EPA) between the CARICOM, EU, and UK. The city of Freeport on the island of Grand Bahama is to remain a Free Trade Zone until 2054 and businesses therein may enjoy many tax exemptions and added incentives. Ministry of Financial Services, Trade and Industry and Immigration (MFSTII) is planning to exponentially increase rum exports and is calling for foreign investment stating that there are many lucrative opportunities for the manufacturing and processing sectors in this industry.

## Sources

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