



Doing Business in the Bahamas: 2010 Country

Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In The Bahamas

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Market Overview

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- The Bahamas offers potential investors a stable democratic environment, relief from personal and corporate income taxes, timely repatriation of corporate profits, and proximity to the United States with extensive air and communication links, and a good pool of skilled professionals. The Bahamas is a member of the Caribbean Basin Initiative (CBI), Canada's CARIBCAN Program, and the European Union's Economic Partnership Agreement. The Bahamas officially welcomes foreign investment in tourism, banking, agricultural and industrial areas that generate local employment, especially white-collar or skilled jobs. The vast majority of successful foreign investments, however, have remained in the areas of tourism and banking. Nevertheless, in the wake of unstable oil prices and high energy costs, Government of the Commonwealth of The Bahamas (GCOB) is reviewing proposals for alternative energy sources. This is expected to create opportunities for foreign direct investment in the energy industry. The Government reserves retail and wholesale outlets, non-specialty restaurants, most construction projects, and many small businesses exclusively for Bahamians.
- The Tourism sector directly contributes 22% of The Bahamas' Gross Domestic Product (GDP). Financial services constitute the second most important sector of the economy and accounts for up to 15% of GDP. Agriculture and industry together account for less than 10% of GDP. While the country's largest export is service, some commodities such as chemicals, plastic goods, pharmaceuticals and industrial salt are produced for export.
- The Bahamas provides good basic infrastructure for businesses. However, utility rates are considered high compared to the U.S. The electric company BEC and the phone company, BTC, are government owned. Since 1992, the Government has improved some major roads both in Nassau and on the Family Islands, implemented changes to alleviate severe traffic congestion in Nassau, provided electricity and improved airports on most Family Islands, and has constructed a second bridge between Nassau and Paradise Island. There is regular air and sea transportation between the major developed islands and the United States. Telecommunication service is generally adequate but delays in service installation and maintenance are common. There are several Internet service providers in Nassau. Mail service is slow both among the islands and with other

countries. However, the islands are serviced by several international overnight delivery services.

- U.S. Customs and Border Protection has pre-clearance facilities in both Nassau and Freeport, offering ease of travel for businesspersons travelling to and from the United States.
- The governing Free National Movement (FNM) and the Progressive Liberal Party (PLP) government party both have good relations with the business community. No serious political movement in Bahamian history has ever advocated the nationalization of foreign property. There is little history of political violence or instability in The Bahamas. Politics tend to follow the British model of combining sometimes intense rhetoric with courtly manners. The political issue of most interest to the business community is openness to foreign investment.

Market Challenges

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- A major challenge in exporting to The Bahamas is payment of customs duties. The Bahamian Government raises over 50 percent of its total revenue from import tariffs, which, as a result, tend to be high. The basic ad valorem tariff for imported goods is 35 percent, but many items have separate tariff rates.
- All tariff rates are subject to change. In the 1996 budget, for example, the Bahamian Government lifted customs duties on a variety of imported goods, ranging from construction materials (nails, cement, sheetrock, plywood, etc.) to computers and computer parts, musical instruments and consumer electronic appliances. In the 1999-2000 budget, tariff rates fell on certain types of seasoned poultry and prerecorded videotapes, but rose for automobiles. Bahamians shopping in Florida (and elsewhere abroad) are permitted to import \$300 worth of goods, duty free, twice per year. In the 2008 budget presentation, duties on citrus fruit, frozen vegetables, cereals, oatmeal, bread, energy-saving light bulbs, solar lamps, batteries, converters and wind engines have been eliminated.
- In addition to duties, The Bahamas charges a seven percent "stamp tax" on most imports. Higher stamp taxes are charged on some duty free goods, including tourist items such as china, crystal, wristwatches, clocks, jewelry, table linens, leather goods, perfume, wine and liquor. On average, The Bahamas charges an export stamp tax of four percent on most exports from the country.
- In an effort to protect domestic agricultural producers, the Government requires that a permit be granted to import more than 50 pounds of whole chickens or chicken parts, lamb or mutton, or pork legs, shoulders, or hams into The Bahamas. Permits are also required to import plants and fruits - particularly bananas, vegetables, and cut flowers. Permit applications have occasionally

been denied when the Government determined that a surplus existed locally - for products grown in the same category.

- **Customs Valuation:** Most imported goods are valued based on their actual cost as evidenced by an invoice. The Customs Department only honors discounts of up to three percent given by U.S. exporters. Customs officials determine the value of automobiles with reference to standard valuation guides. Freight and shipping charges are included in the value assessed.
- **Import Licenses:** Permits are required for imports of certain items. Applications for permits should be made to the ministry indicated, as follows:
 - Poultry, meats, vegetables, fruits, live plants and animals: Ministry of Agriculture, P. O. Box N 3028, Nassau, Bahamas, Tel: 242-325-3980, Fax: 242- 328-1051;
 - Medicines: Ministry of Health, P.O. Box N 3730, Nassau, Bahamas, Tel: 242-502-4726, Fax: 242-325-5421;
 - Slot machines, trailers and caravans for living (temporary use only): Ministry of Finance, P. O. Box N 3017, Nassau, Bahamas, Tel: 242-702-1501, 327-1530, Fax: 242-327-1618, email: mofgeneral@bahamas.gov.bs;
 - Firearms, fireworks, underwater guns other than Hawaiian slings: Commissioner of Police, P. O. Box 458, Nassau, Bahamas, Tel: 242-325-7601, Fax 242-328-2644; and
 - Precursor and essential chemicals: Customs Department, P. O. Box 155, Nassau, Bahamas, Tel: 242-302-3302 / 302-3415, Fax: 322-6223.
- **Import/Export Documentation Requirements:** Entry forms are required by Bahamian Customs for goods coming by sea, air or post. A genuine invoice (original or copy) is required. Goods may be cleared through Customs without a proper invoice if the importer leaves a deposit (usually double the estimated duty) and agrees to present an invoice at a later time.
- **Temporary Entry:** Certain goods may be imported conditionally on a temporary basis against a security bond or a deposit that is refundable on the re-exportation. These include fine jewelry, goods for business meetings or conventions, traveling salesmen equipment, and equipment or tools for repair work.
- Copies of current import regulations may be obtained from:

Government Publications Office
East Bay Street
P.O. Box N-7147
Nassau, Bahamas
Tel: (242) 322-2410

Market Opportunities

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Good market opportunities are available in the following sectors:

- Hotel/Tourism
- Franchise
- Construction equipment and supplies
- Consumer products (including energy efficient products)

Market Entry Strategy

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- **Distribution and Sales Channels:** Bahamian Government policy prohibits foreign investors from opening retail and wholesale outlets. Therefore, goods intended for sale to the general public are normally purchased by local wholesalers, several of whom specialize in particular lines. The usual business practice is for wholesalers to make purchases directly from their counterparts in Florida, which is why such a large proportion of third-country products are imported into The Bahamas through the United States. Most wholesalers and some retailers, however, are willing to make direct purchase arrangements. In some cases, Bahamian retail outlets or wholesalers will enter exclusive distributorship arrangements with foreign firms.
- Before entering the Bahamian market, prospective investors should contact the Economic-Commercial Section of the U.S. Embassy.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/1857.htm>

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Using an Agent or Distributor

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- Using an Agent or Distributor: The Bahamian government recommends that foreign exporters to The Bahamas use an agent or distributor to distribute their products. A listing of relevant agent and distributors is available from the Economic-Commercial section of the U.S. Embassy. The Embassy also provides ADS Partnership (Agent/Distributor Search) services to assist American companies in locating appropriate agents/distributors for their products.

Establishing an Office

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- Companies seeking to establish a representative office in The Bahamas must first obtain a business license. Licenses are issued following application to and approval by The Bahamas Investment Authority (BIA) in the Office of the Prime Minister. The BIA can be contacted at:

**Bahamas Investment Authority
Ministry of Finance
Sir Cecil Wallace Whitfield Centre
P.O. Box N-7770
Nassau, Bahamas
Tel:(242) 327-5970
Fax:(242) 327-5907**

- Performing Due Diligence/Checking Bona Fides: There is no local equivalent of a Dunn and Bradstreet to check the bona fides of banks, agents or customers. However, the business community is small and local attorneys or other Bahamian contacts may be able to assist. Information may also be obtained from:

The Bahamas Chamber of Commerce
P.O. Box N-665
Nassau, Bahamas
Tel: (242) 322-2145
<http://www.thebahamaschamber.com/>

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

The Registrar General
P.O. Box N-532
Nassau, Bahamas
(242) 322-3316
<http://www.bahamas.gov.bs/rgd>

- The Embassy's Commercial Section is willing to assist in verifying the bona fides of potential business partners and customers. We also offer a thorough International Company Profile at a service fee through the Department of Commerce.

Franchising

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- Franchising: There are a number of American franchises in The Bahamas. Most franchises are successful because they appeal both to the local community and the four million plus tourists who visit The Bahamas. Although Bahamian Government policy prohibits American foreign retail chains from opening outlets in The Bahamas, various contractual distributorship and franchise arrangements are possible.

Direct Marketing

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- Direct Marketing: Many Bahamians use credit cards and can order items by mail or telephone for delivery to The Bahamas if the exporter is willing to ship. Additionally, Bahamians are able to have products delivered to a U.S. Post Office Box through several direct mail franchises that have opened up in The Bahamas. These companies collect and store U.S. bought merchandise for customer pick-up. However, these services are rarely used for large or heavy products. Travelling to Florida for shopping remains a popular option especially with the arrival of The Bahamas Celebration which offers competitive travel rates and a high baggage allowance. Little or no direct telephone marketing or door-to-door sales occur in The Bahamas.

Joint Ventures/Licensing

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- Joint Ventures/Licensing: International investors are encouraged to establish joint ventures with Bahamian partners, although the Bahamian partner must have majority ownership. The choice of a Bahamian partner is left to the discretion of the investor. Joint ventures between international investors and Bahamians are eligible to access funding from The Bahamas Development Bank (BDB). However, the equity of the overseas investor may not be borrowed from the BDB or from the domestic capital market. Bahamians may, however, borrow a percentage of their contribution from BDB or the domestic capital market. An established joint venture is not debarred from accessing BDB funds.

Selling to the Government

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- Selling to the Government: Businesses intending to market goods or services to the Government of the Commonwealth of The Bahamas (GCOB) or businesses seeking to enter the Bahamian commercial market are advised to seek the advice of the U.S. Embassy at an early stage. The Government has a nominally open procurement process for purchasing supplies, equipment and services, although some Government contracts are not put out to open bid.

Distribution and Sales Channels

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- Distribution and Sales Channels: Because Bahamian Government policy prohibits foreign investors from opening retail and wholesale outlets, goods intended for sale to the general public are normally purchased by local wholesalers. The usual business practice is for wholesalers to make purchases directly from their counterparts in Florida. Most wholesalers and some retailers, however, are willing to make direct purchase arrangements. In some cases, Bahamian retail outlets or wholesalers have exclusive distributorship arrangements with foreign firms.
- The Embassy's Commercial office offers a number of services tailored to specific businesses seeking local distributors, including the Commerce Department's "Gold Key Service," for modest fees. Visitors can also speak, by appointment, with a trade specialist in the Embassy's Commercial Section, located in the Embassy in downtown Nassau at 42 Queen Street. The office can be contacted at:

Economic-Commercial Section
U.S. Embassy
P.O. Box N-8197
Nassau, Bahamas
CommercialNassau@state.gov

Or:
U.S. Embassy Nassau/Economic Section
Department of State
3370 Nassau Place
Washington, DC 20521-3370
Nassau telephone: (242) 322-1181 ext. 4226/7 or 323-7180 and
Fax: (242) 328-3495 or 356-0222

Selling Factors/Techniques

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- Selling Factors/Techniques: The Bahamian government follows U.S. packaging requirements, therefore, all packaging and sales material is expected to be in English.
- In pricing, companies should consider mark-ups after adding customs duties.
- Companies are required to have an agent/distributor to sell products.

Electronic Commerce

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- Electronic commerce is becoming a trend in The Bahamas. Consumers can conduct banking transactions on line, pay some utility bills, and can purchase some local, but mostly U.S. or Chinese goods and services online. Most local companies do not provide online shopping though they have a Internet presence. Bahamian companies have also developed online classifieds and ad-agencies to promote local businesses.

Trade Promotion and Advertising

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- Advertising and Trade Promotion: Advertising for any legal item or service, whether sold in The Bahamas or in the United States, can be purchased in any local news publication or online. Follow the links for a complete listing of media outlets and the online advertising agency.

http://www.bahamasb2b.com/dir/Advertising_and_Marketing/
<http://www.bahamaslocal.com>

Pricing

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- Pricing: Businesses are generally free to price their products at whatever price meets their marketing objectives. Consideration should be give to the extra cost of customs duties in order to keep products competitive.

Sales Service/Customer Support

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- Sales Service/Customer Support: One of the benefits of using an Agent/Distributor of your products is the ability to provide convenient sales service/customer support to local consumers.

Protecting Your Intellectual Property

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- Several general principles are important for effective management of intellectual property (“IP”) rights in The Bahamas. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in The Bahamas than in the U.S. Third, rights must be registered and enforced in The Bahamas under local laws. Your U.S. trademark and patent registrations will not protect you in The Bahamas. There is no such thing as an “international copyright” that will automatically protect your work throughout the entire world. Protection against unauthorized use in a particular country depends, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.
- Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Bahamian market. Intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in The Bahamas. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Bahamian law. The U.S. Commercial Service can provide a list of local lawyers upon request.
- While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue his or her case.
- It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP

owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in The Bahamas require constant attention. Work with legal counsel familiar with Bahamian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

- It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Bahamas or U.S.-based. These include:
 - The U.S. Chamber and the Bahamas Chamber of Commerce
 - National Association of Manufacturers (NAM)
 - International Intellectual Property Alliance (IIPA)
 - International Trademark Association (INTA)
 - The Coalition Against Counterfeiting and Piracy
 - International Anti-Counterfeiting Coalition (IACC)
 - Pharmaceutical Research and Manufacturers of America (PhRMA)
 - Biotechnology Industry Organization (BIO)
- **IP Resources**
- A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:
 - For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
 - For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
 - For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
 - For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
 - For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India and Russia . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
 - For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking

imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers The Bahamas at:

United States Embassy ECON/COMM,
Department of State
3370 Nassau Place
Washington, DC 20521-3370

Phone: (242) 323-7180

Due Diligence

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- Performing Due Diligence/Checking Bona Fides: There is no local equivalent of a Dunn and Bradstreet to check the bona fides of banks, agents or customers. However, the business community is small and local attorneys or other Bahamian contacts may be able to assist. Information may also be obtained from:

The Bahamas Chamber of Commerce
P.O. Box N-665
Nassau, Bahamas
Tel: (242) 322-2145
<http://thebahamaschamber.com>

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

The Registrar General
P.O. Box N-532
Nassau, Bahamas
(242) 322-3316

The Embassy's Commercial Section is willing to assist in verifying the bona fides of potential business partners and customers.

Local Professional Services

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- Need for a Local Attorney: As in the U.S., most business transactions may be carried out without an attorney. Persons wishing to consult or retain local counsel, however, are advised to contact the Commercial Section for a list of local attorneys.

Web Resources

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- U.S. Department of State – www.state.gov
- The Bahamas Government – www.bahamas.gov.bs
- The Bahamas Financial Services Board (BSFB) – www.bfsb-bahamas.com
- The Bahamas Chamber of Commerce – www.thebahamaschamber.com
- The Central Bank of The Bahamas – www.centralbankbahamas.com
- The Ministry of Tourism – www.tourismbahamas.org
- The Ministry of Financial -- www.investbahamas.org

Field Code Changed

Field Code Changed

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Chapter 4: Leading Sectors for U.S. Export and Investment

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Commercial Sectors

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Agricultural Sectors

BEST PROSPECT FOR AGRICULTURAL PRODUCTS

- **Miscellaneous Edible Preparations (FOD)**

Overview

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	2008
Total Market Size	4%
Total Local Production	\$86,496
Total Exports	\$1,225
Total Imports	\$127,487
Imports from the U.S.	\$126,354

*(B\$ Thousands)

**There is an 18 month lag for external trade data, hence the most current information is at 2008

*** Market size is the percentage of total imports.

The Bahamas has a relatively sophisticated consumer goods market and most major U.S. producers are well represented here. Some local food brokers say that Bahamians prefer brand name products and it is often difficult to sell large quantities of unknown brands unless the quality is exceptional. The only barriers to entry of most food imports are duties and stamp taxes. The Bahamian Government charges import duties on most items including food products. The duties generally range from zero to 35 percent plus two to seven percent stamp tax on some items. There is no duty on market basket items – breads, rice, sugar, corned beef and baby foods. Considering the current economic conditions, the government has now eliminated duties on citrus fruit, frozen vegetables, cereal, energy saving bulbs, solar lamps, batteries and wind engines. The Government occasionally bans imports of certain food products such as bananas and poultry products, to protect local production.

Best Prospects/Services

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- **Best products include:**
 - Grocery items
 - Meat and meat preparations
 - Fruits and vegetables
 - Cereal and cereal preparations
 - Baby food products

Opportunities

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- The Bahamas imports all food products for the local and tourism market. Although a number of local distributors have established relationships with major food labels, they are always looking for good lines and prices.

Resources

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- Post recommends American companies interested in this sector participate in the USFCS Agent/Distributor Service program to locate prospective agents for your products.

Machinery and Transport Equipment (GIE/TRK/PLB)

Overview

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	2008
Total Market Size	20%
Total Local Production	N/A
Total Exports	NIL
Total Imports	642,825
Imports from the U.S.	592,693

*(B\$ Thousands)

**There is an 18 month lag for external trade data, hence the most current information is at 2008

*** Market size is the percentage of total imports.

Best Prospects/Services

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- **MACHINERY: MECHANICAL APPLIANCES AND ELECTRICAL EQUIPMENT AND PARTS. (ELC/ELP/MTL)**

There is an extraordinary demand for machinery in The Bahamas, mainly due to need for specialized equipment in the construction industry. There is also an industry for producing small pleasure crafts and another for producing kerosene stoves. The Bahamas does not locally produce machinery or transport equipment. Thus the imports of these types of goods have been consistently high. With government-initiated capital projects to stimulate the economy and the re-development of the Lynden Pindling International Airport it is expected that this demand will not drastically decrease despite the slowing growth in the economy.

- **MACHINERY: EQUIPMENT USED IN HOTELS AND RESTAURANTS (HTL)**

Hotels and Restaurants are the leading industries in the tourism sector. The scale ranges from small bed and breakfasts to large - sometimes all-inclusive - resorts. To operate on any scale, certain types of general machinery including heaters, boilers and refrigerators are required. In addition, domestic appliances (mostly for smaller hotels) and machinery used for processing food are needed. Since these are locally produced in abundance hoteliers rely heavily on imports.

- **TRANSPORT EQUIPMENT: MOTOR VEHICLES AND PARTS, BOATS, SHIPS AND OTHER TRANSPORT EQUIPMENT (PLB/TRK)**

Although Bahamians drive on the left side of the road, there is no legal restriction against left-hand drive (U.S. standard) vehicles, and the majority of vehicles on Bahamian roads are American-made. There is a large market for second-hand U.S. vehicles, although these can only be sold through local dealers. Used limousines are particularly prized for use as taxis. Bahamian safety and pollution standards are less restrictive than those in the United States. Import tariffs, while high, are non-discriminatory (although The Bahamas recently signed an Economic Partnership Agreement with the European Union that aims at the eventual elimination of duty on EU imports over the next 25 years). As an island archipelago, the market for boats, ships, and other maritime equipment is significant.

- **Best products include:**
 - Energy efficient vehicles
 - Vehicle parts and accessories
 - Boating equipment and supplies

Opportunities

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A number of developments have stalled due to the economic downturn, however the GCOB will be initiating several capital projects that will impact the need for machinery and equipment, including:

- Redevelopment of the Lynden Pindling International Airport
- Road Improvement Project
- Redevelopment of Downtown Nassau

Resources

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- Embassy recommends American companies interested in this sector participate in the USFCS Agent/Distributor Service program to locate prospective agents for your products.

Medicinal and Pharmaceutical Products

Overview

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	2008
Total Market Size	0.26%
Total Local Production	N/A
Total Exports	NIL
Total Imports	8,467
Imports from the U.S.	8,196

*(B\$ Thousands)

**There is an 18 month lag for external trade data, hence the most current information is at 2008

*** Market size is the percentage of total imports.

There are three main hospitals in The Bahamas: the government-owned hospitals, Princess Margaret in Nassau and Rand Memorial in Freeport, and the privately owned Doctors Hospital in Nassau. The level of medical care in The Bahamas is continuously developing to keep abreast with medical technology. The medical community aims to provide a level of service to treat patients effectively and curtail the numbers of Bahamians who travel to South Florida for medical treatment.

Best Prospects/Services

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- **Best products include:**
 - Medical equipment and supplies
 - Pharmaceutical and over-the-counter products

Opportunities

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- The Bahamian government has plans to develop a number of mini hospitals and clinics on family islands and to also build a new hospital in Nassau and Grand Bahama.

Resources

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Embassy recommends American companies interested in this sector participate in the USFCS Agent/Distributor Service program to locate prospective agents for your products

Office Machines and ADP Equipment, Telecommunications Equipment (BUS/CPT/TES)

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	2008
Total Market Size	1.5%
Total Local Production	N/A
Total Exports	NIL
Total Imports	\$48,097
Imports from the U.S.	\$44,944

*(B\$ Thousands)

**There is an 18 month lag for external trade data, hence the most current information is at 2008

*** Market size is the percentage of total imports.

The large, modern financial services sector is a particular target for export. In 1996 the Government reduced import duties on computers and computer parts and consumer electronic appliances. Goods, which can be easily serviced, either in The Bahamas or Florida, will enjoy a competitive advantage over those that cannot; service agents in The Bahamas must be Bahamian. The Bahamas is constantly upgrading its telecommunications network. The impending privatization of the phone company Bahamas Telecommunications Corporation (BTC) will create opportunities for exporters of telecommunications equipment.

Best Prospects/Services

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- **Best products include:**
 - Computers, equipment and supplies
 - Telecommunications equipment
 - Cell phones

Opportunities

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- The Bahamas Telecommunications Corporation as well as a number of private telecommunications providers actively try to keep up with the rapid pace of technology in this sector.

Resources

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- Embassy recommends American companies interested in this sector participate in the USFCS Agent/Distributor Service program to locate prospective agents for your products.

Tourism (TRA)

Overview

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	2008	2009***
Total Market Size	22%**	22%
Total Local Production	N/A	N/A
Total Exports	2,153	1,513
Total Imports	304.5	181.8
Imports from the U.S.	N/A	N/A

(B\$ Millions)

*Estimates obtained from the Central Bank of The Bahamas, The Bahamas Ministry of Tourism has not yet updated expenditure statistics for 2008 and 2009.

**No official update for tourism market size since 2004

***YTD September 2009)

Tourism directly accounts for 22% of The Bahamas' GDP. The Bahamas welcomes a little over four million tourists every year. In recent years the numbers have softened, foreshadowing the current economic downturn. A number of tourist-related projects were scheduled for the 2007-2009 period, including Baha Mar, Ginn Sur Mer and The Ritz Carlton, Rose Island Resort, boosting this industry over the period. However, these projects are still in the initial stages of construction or have yet to be built.. In November of 2008 The Bahamas' ship registry passed the 50 million gross tonnage mark, indicating success in the Maritime industry in Grand Bahama. Cruise tourism is crucial to this industry and in the past 25 years it has grown to rival and surpass accommodation-based tourism. In response, the GCOB completed the dredging of Nassau Harbour in December 2009 to accommodate the new 6,000 passenger Genesis class ships that have begun to arrive in Nassau.. The GCOB has focused its efforts on creating additional tourist amenities and local attractions to entice a fair share of the remaining travel market. The GCOB has also developed multiple incentives to attract the large-scale meetings, conferences and exhibitions industry, the fastest growing segment of the tourism sector.

Best Prospects/Services

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- **Best products include:**
 - Restaurants, tourist attractions and activities
- **HOTEL INDUSTRY**

Overview

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The hotel industry has been strong in The Bahamas, contributing to 40% of tourism's GDP share. It is also the second largest employer in the country behind the

Government. The stimulus provided by this industry translates into more than 19,000 non-tourism related jobs nationally. Thus strong performance is critical for economic welfare in other private as well as public sector industries.

	2008
Occupancy rate	54.1%
Room revenue	\$512,457
Avg. daily room rate	\$214.66

Opportunities

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- Hotel management services
- Tourism consultants
- Destination Management Services
- Entertainment Industry
- Meetings, Incentives, Conferences and Exhibitions Industry

Resources

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- Embassy recommends American companies interested in this sector contact the Economic-Commercial Section of the Embassy.

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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Tariffs and Import Taxes: The Bahamian Government raises approximately 60 percent of its total revenue from import tariffs. The basic ad valorem tariff for imported goods is 35 percent, but many items have separate tariff rates.

- **Import Licenses:** Permits are required for imports of certain items. Applications for permits should be made to the ministry indicated, as follows:

Poultry, meats, vegetables, fruits, live plants and animals: Ministry of Agriculture

Medicines: Ministry of Health

Slot machines, trailers and caravans for living (temporary use only): Ministry of Finance

Firearms, fireworks, underwater guns other than Hawaiian slings: Commissioner of Police

Precursor and essential chemicals: Customs Department

Copies of current import regulations may be obtained from:

Government Publications Office
East Bay Street
P.O. Box N-7147
Nassau, Bahamas
Tel: 242-322-2410

Free Trade Zones: The City of Freeport on the island of Grand Bahama is a major free trade zone.

Membership in Free Trade Arrangements: The Bahamas is a beneficiary of the U.S. Caribbean Basin Initiative (CBI), Canada's CARIBCAN Program, and the European Union's Economic Partnership Agreement. Although The Bahamas participates in the political aspects of the Caribbean Community (CARICOM), it has not entered any joint economic initiatives with other Caribbean states. The Bahamas is currently in the accession process for becoming a member in the World Trade Organization, and is an active participant in Free Trade Area of the Americas (FTAA) negotiations

Trade Barriers

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- In addition to duties, The Bahamas charges a seven percent "stamp tax" on most imports. Higher stamp taxes are charged on some duty free goods, including tourist items such as china, crystal, wristwatches, clocks, jewelry, table linens, leather goods, perfume, wine and liquor. On average, The Bahamas charges an export stamp tax of four percent on most exports from the country. Recently The Government decided to exempt personal computers and software from the current stamp tax, making them completely duty free.

Import Requirements and Documentation

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- Import/Export Documentation Requirements: Entry forms are required by Bahamian Customs for goods coming by sea, air or post. An invoice (original or copy) is required. Goods may be cleared through Customs without a proper invoice if the importer leaves a deposit (usually double the estimated duty) and agrees to present an invoice at a later time.

U.S. Export Controls

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- Exporters should consult with the following departments to determine if an export license is required:

Department of Commerce: Items used for military/strategic purposes and commercial applications.

Department of State, Directorate of Defense Trade Controls (DDTC); Defense services and U.S. Munitions List articles.

Department of Energy: Nuclear technology and technical data for nuclear power, special nuclear materials, and natural gas.

Temporary Entry

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- Temporary Entry: Certain goods may be imported conditionally on a temporary basis against a security bond or a deposit that is refundable on the re-exportation. These include fine jewelry, goods for business meetings or

conventions, traveling salesmen equipment, and equipment or tools for repair work.

Labeling and Marking Requirements

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- Generally, The Bahamas follows U.S. regulations on labeling and marketing requirements. It is required that all labeling and markings be in English.

Prohibited and Restricted Imports

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- In an effort to protect domestic agricultural producers, the Government requires that a permit be granted to import more than 50 pounds of whole chickens or chicken parts, lamb or mutton, or pork legs, shoulders, or hams into The Bahamas. Permits are also required to import plants and fruits - particularly bananas, vegetables, and cut flowers. Permit applications have occasionally been denied when the Government determined that a surplus existed locally for the same products.

Customs Regulations and Contact Information

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- **Customs Valuation:** Most imported goods are valued based on their actual cost as evidenced by an invoice. The Customs Department only honors discounts of up to three percent given by U.S. exporters. Customs officials determine the value of automobiles with reference to standard valuation guides. Freight and shipping charges are included in the value assessed.

For further information contact the Customs Department:

The Comptroller of Customs
Customs House
Thompson Blvd.
P.O. Box N 155
Nassau, Bahamas

Tel: (242) 302-3302 or 302-3415
Fax: (242) 325-7409 or 322-6223

Standards

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Overview

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- The Bahamas has been in the process of drafting legislation to establish a bureau of standards for several years. In 2007 the Standards Act was passed, however to date no timeline has been given for setting up the bureau.

Standards Organizations

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NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Product Certification

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- The Government conducts the only certification program conducted in the Bahamas. The meat certification program requires that all meat animals, i.e., cows, pigs, sheep and goats are to be slaughtered at the Government Abattoir and be subject to inspections to certify compliance and conformance to standards. Any future system to ensure competence of certification programs will be conducted in accordance with international standards.
- Further, The Bahamas Quality Council, a private organization, offers consultant services and sensitizes companies and organizations to the quality concept. The Government has no control over this organization. Testing and inspection by approved bodies are the normal requirements, but self-certification by manufacturers are also used.

Contacts

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- Contact: Department of Labour and Social Services, Consumer Affairs P. O. Box N 1586, Nassau, Bahamas; Tel. 242-356-9391, ; Fax: 242-356-5585

Trade Agreements

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- The Bahamas is not a signatory to the WTO but is a member of the Caribbean Basin Initiative (CBI), Canada's CARIBCAN Program, and the European Union's Economic Partnership Agreement.

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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- The Government of the Commonwealth of The Bahamas generally encourages and offers incentives for foreign investment in all sectors of the economy except those the government reserves exclusively to Bahamian citizens. Reserved businesses include: wholesale and retail operations; commission agencies engaged in the import/export trade; real estate and domestic property management agencies; domestic newspaper and magazine publication; domestic advertising and public relations firms; nightclubs and restaurants (except specialty, gourmet and ethnic restaurants and restaurants operating in a hotel, resort complex or tourist attraction); security services; domestic distribution and building supplies; construction companies (except for special structures for which international expertise is required); personal cosmetics/beauty establishments; shallow water scale-fish; crustacean, mollusk and sponge fishing operations; auto and appliance service operations; and public transportation.
- Officially, the government has targeted the following categories of businesses for foreign investors: tourist resorts; upscale condominiums; time share and second home development; international business centers; marinas; information and data processing services; assembly industries; high-tech service; ship registration, repair and other services; light manufacturing for export; agro-industries; food processing; mariculture; banking and other financial services; captive insurance companies; aircraft services; pharmaceutical manufacture; and offshore medical centers. Benefits of investing in The Bahamas include: a stable, democratic government; relief from corporate and personal income taxes;

timely repatriation of profits of approved investments; proximity to the United States; extensive air links through nearby Miami, Ft. Lauderdale and Orlando; well-developed telecommunications links; a good pool of skilled professionals; excellent tourism and conference facilities; and current and potential future tariff concessions under the Caribbean Basin Economic Recovery Act. The Bahamian dollar is fixed on par with the United States dollar and the Government is firmly committed to maintaining this exchange rate.

- In practice, the vast majority of successful foreign investments in The Bahamas have been in the traditional areas of tourism and banking. The decision-making process within the Government of Commonwealth of The Bahamas is highly centralized and major investments are subject to review and approval at the cabinet level. The government is most interested in investments that will generate local employment, particularly in white-collar or skilled jobs. Large-scale projects in areas such as agriculture may be difficult to staff since low-wage and low-skill jobs do not appeal to most Bahamians, and because the government is reluctant to permit importation of foreign laborers to staff these jobs, even on a temporary-permit basis. When new foreign ventures are perceived as competitors to existing Bahamian businesses or too dependent on foreign labor, the government has responded to local concerns and withdrawn or refused the license of the foreign business.
- In 1993, the government established The Bahamas Investment Authority (BIA). It is located in the Office of the Prime Minister, Ministry of Finance. BIA is intended to provide a "one-stop-shop" to assist foreign investors with initial governmental approval of their investment applications and to cut through further red tape for approved investments. BIA is the government's central point of contact for foreign investment questions. Potential investors may contact the BIA at:

Bahamas Investment Authority
P.O. Box N-7770
Nassau, Bahamas
Tel: 1-242-356-5956, Fax: 1-242-327-5907
www.investbahamas.org

While The Bahamas has not yet enacted environmental legislation as extensively as that in the United States, the BIA still requires a full accounting of the environmental impact of any industrial or agricultural schemes.

Conversion and Transfer Policies

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- Persons and corporations resident in The Bahamas are subject to exchange controls administered by the Central Bank. Certain commercial banks are

authorized to deal in foreign currency and have authority delegated by the Central Bank to approve exchanges for certain current account transactions. Non-resident investors wishing to initiate operations in The Bahamas must register their operations with the Central Bank. If their projects are financed substantially by foreign currency transferred into The Bahamas, they will be given "approved status," meaning that profits and capital gains can be converted into foreign currency and repatriated with minimal formalities. Capital investment into The Bahamas remains subject to exchange controls, but as a practical matter these controls have not been known to inhibit repatriation of approved investment capital. Many Bahamians argue that exchange controls should be eliminated and the Free National Movement had included the elimination of exchange controls in its 2007 campaign Manifesto, however to date neither the Central Bank nor the government have announced any plan to move forward with it, citing the need to retain sufficient foreign reserves to mount a strong defense of the currency's one-to-one parity with the U.S. dollar.

Expropriation and Compensation

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- Article 27 of the Bahamian Constitution prohibits deprivation of property except upon the making of prompt and adequate compensation in the circumstances. There is no evidence that the government has ever expropriated a business, and both major political parties have stated that nationalization will not be an instrument of government policy.

Dispute Settlement

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- There is no history of major investment disputes in The Bahamas, although smaller contractual and other disputes between Bahamians and foreign investors or exporters are not uncommon. The Bahamian legal system is based on English common law. The judiciary, appointed by the Governor General, is independent and there is no evidence of governmental interference with the system. The highest court of appeal is the Privy Council in London.
- Despite recent efforts to reduce backlogs of criminal and civil cases, resolution of court cases can be slow, sometimes taking years. The Embassy has received some reports of encounters with biased judges and malfeasance by attorneys. The Embassy has also received reports of local defendants evading payment of Bahamian civil judgments or deliberately dragging out court disputes, especially in cases involving non-resident plaintiffs.
- Judgments of British courts, and of selected commonwealth countries, can be registered and enforced. Other countries' judgments, including those of the United States, must be sued upon in court as debt, subject to all jurisdictional requirements. Judgments of Bahamian courts are payable in Bahamian dollars unless otherwise specified by agreement of the parties.
- Personal bankruptcy laws are antiquated and rarely used. Companies can be and are frequently liquidated according to law. Creditors of bankrupt debtors and

liquidated companies participate in the distribution of the bankrupt debtor's or liquidated company's estate according to statute. The law relating to sales of goods and some other commercial subjects are codified in The Bahamas' statutes.

- The Bahamas has been a member of the International Center for the Settlement of Investment Disputes (ICSID) since 1995. It is also a member of the Multilateral Investment Guarantee Agency, which insures investors against currency transfer restrictions, expropriation, war and civil disturbances, and breach of contract by member countries.

Performance Requirements and Incentives

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- There are no taxes on income, sales, estates or inheritances. The only direct tax is a real property tax. Casinos are specially taxed, and there is a USD 20 departure tax levied at the airports and harbors, which will be increased to USD 25 once the first phase of the U.S. pre-clearance facility is complete at the end 2010, tentatively. The principal incentives for foreign investments are concessions on import duties and property tax abatement. Tariffs in general are high but do not generally discriminate by country of origin, although The Bahamas recently signed an Economic Partnership Agreement with the European Union that aims at the eventual elimination of duty on EU imports over the next 25 years. Incentives are offered under the following legislation:
 - Industries Encouragement Act: Under this law, the government may exempt from duties the machinery, tools, equipment, and raw materials imported to construct new factories. A list of duty-exempt items is negotiated separately with each new venture.
 - Hotels Encouragement Act: Under this law, new hotels and resorts can be exempted from real property taxes for ten years from the date the new facility opens, and for significant tax reduction for up to ten additional years. An amendment to the Act currently before Parliament would allow the government to grant tax relief for an additional ten years, raising the maximum length of tax abatement to thirty years. In addition, the Act allows the duty-free importation of materials used for the construction of new facilities or the substantial renovation of existing facilities acquired by new owners for a set period of time. The list of duty-free items for each project and the duration of some duty-free windows are negotiated separately for each venture.
 - Agricultural Manufacturers Act: This law allows any materials necessary for the construction, alteration, or repair of an agricultural factory, as well as any machinery or supplies used in establishing such a factory, to be imported duty free. An agricultural factory refers to any factory established for the purpose of manufacturing or preparing agricultural or horticultural produce of The Bahamas for sale or export.

- Spirits and Beer Manufacturers Act: This law provides for the duty-free importation of materials used in the construction, alteration or repair of approved liquor distilleries or beer breweries and the duty-free importation of raw materials and equipment for liquor or beer production.
- Recent amendments to the Tariff Act provide duty exemptions for construction and development on certain outer "Family Islands."
- Prospective investors should discuss the terms and conditions under which these benefits will be made available in any specific case with The Bahamas Investment Authority. Although work permits for key foreign employees are readily granted in connection with the investment approval process, government policy favors employment of Bahamians. Fees for work permits can run up to several thousand dollars each, and permits for less senior employees can be difficult to obtain.

Right to Private Ownership and Establishment

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- Subject to the reservation of certain areas of economic activity to Bahamian citizens only, and the necessary approvals and licenses, private entities may engage in nearly all forms of remunerative activity. They may freely establish, acquire, and dispose of interests in business enterprises. One significant exception is the government's monopoly on all forms of telecommunications (except Internet services, wireless services, paging, and radio) exercised by The Bahamas Telecommunications Company (BTC). However, with the plan to privatize this corporation the government is opening the market to competition within 2 years of the sale. To regulate this industry and ensure fair competition on the open market the government has commissioned a new body, the Utilities Regulation Competition Authority (URCA), to regulate the activities of the Communications Industry. URCA has pledged to continue public consultation the policy process. The government is actively seeking a buyer and is now offering 51 percent of its stake in BTC and a sale is imminent. Government corporations such as the Hotel Corporation of The Bahamas and ZNS Radio compete on a basis of rough equality with private corporations in similar businesses.

Protection of Property Rights

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- Subject to long legal delays, secured interest in property, both chattel and real, is recognized and enforced. Mortgages in real property and security interests in personal property can be recorded with the Registrar General.

- Protection of Intellectual Property Rights (IPR): Prior to October 2009, The Bahamas maintained a compulsory licensing system for television broadcasting that allowed Bahamian cable operators to retransmit any copyrighted television programming, including for-pay programming, whether or not transmitted from The Bahamas or outside of The Bahamas and whether or not encrypted. That system provided the legal basis for Cable Bahamas to extract and distribute encrypted copyrighted content from the U.S. satellite providers without having entered into agreements with the content providers. In September 2009, following consultations with U.S. officials and industry representatives, The Bahamas implemented a 2004 amendment to the Copyright Act. The Bahamas had not previously allowed the 2004 amendment to enter into force. This amendment narrowed the scope of the compulsory licensing regime for the reception and transmission of copyright works broadcast free over the air. The amendment took effect on October 1, 2009.
- The Bahamas' legal framework does provide for the protection of IPR. However, enforcement is lax and anecdotal evidence suggests that the police are complicit in the buying and selling of pirated movies, songs and fabricated high-end purses to residents and tourists. The Bahamian government has taken some steps to strengthen IPR protection as part of its World Trade Organization (WTO) accession process and in response to requests from the United States. The Bahamas has also participated in several IPR protection and enforcement training programs and exercises with U.S. Department of Justice and UK officials.
- The Bahamas is a member of the World Intellectual Property Organization (WIPO), but not of the WTO. There is little industrial production that might generate possible infringements of patent rights. Parliament passed a new copyright law on July 4, 2000, which is intended to provide better protection to international holders of copyrights but has yet to be strictly enforced. The government has recognized the gaps in compliance and the Attorney General has submitted a confidential report to begin a Plan of Action process to combat this. Post has received reports that new legislation granting greater protections to IPR and more stringent penalties for IPR violations will be submitted to Parliament for review this year. This new legislation was designed to bring The Bahamas in line with WTO and Economic Partnership Agreement (EPA -with the European Union) requirements.

- Official government policy commits The Bahamas to building an economic environment where the government assumes its proper role as regulator and facilitator of economic development, and where ideals of transparency, fair play and equality of treatment are protected. Still, the discretionary issuance of business licenses can result in a lack of transparency in decisions to authorize or to renew the authority of a business. Large foreign investors may be held to higher labor, health and safety standards than are local entrepreneurs. Obtaining required permits, especially immigration permits, can take an inordinate length of time. To encourage and maintain foreign and local investment the government has pledged to implement new investment policies which will simplify the process and reduce ambiguity. The Bahamas Investment Authority exists to assist foreign investors in dealing with the permitting process.

Efficient Capital Markets and Portfolio Investment

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- In 2000 the Bahamas International Securities Exchange (BISX) began operations, and presently involves the listing and trading of domestic equities and also provides a mutual fund listing facility. BISX has experienced several problems during its short corporate life, with a shortage of funds and low trading volumes since its inception. The Exchange presently consists of 19 listed public companies and poor economic conditions have continued to negatively impact investor sentiment. The volume of securities traded on BISX in the third quarter of 2009 declined by 5.4 million. The corresponding value contracted sharply by USD 44 million to USD 4.7 million. In the same period the BISX All Share Price Index declined a further 4.9 percent to 1,501.78 points extending the 0.7 percent decrease reported in the same period of 2008. Total market capitalization on BISX fell by 5.8 percent to USD 2.4 billion, a reversal from a 1.9 percent advance to USD 2.9 billion recorded in the previous year.
- Despite a number of important initiatives are being carried out to accelerate the development of the local capital markets, the Exchange has declined due to a suppressed economy. The absence of any significant transactions over the review quarter, in contrast to a foreign-based firm's purchase of 50 percent of the outstanding shares of a utility a year earlier has significantly impacted the current outlook.
- Local bank credit, including loans from The Bahamas Development Bank, are available to resident enterprises for capital investment in The Bahamas in proportion to their local ownership. The current global economic downturn's effect on the banking system has been mild, reflecting a relatively sound system. The prime rate and the Central Bank Discount rate have been maintained at 5.50 and 5.25 percent, respectively. The majority of outstanding commercial bank credit is personal loans (mortgages) for consumer purchases. At the end of September 2009, the Central Bank reported the total net external assets contracted by USD 15.5 million to USD 754.9 million, following a 3.6 per cent decrease a year earlier. Domestic banks also showed weakness with credit expansion slowing to 1.9 percent (USD 149 million) from 2.3 percent

(USD 169 million) a year earlier. With the decrease in credit quality, profitability was also negatively impacted, with capital and surplus reserves growing marginally by USD 11 million which amounts to 0.6 percent compared to the 2.3 percent increase of 2008 at USD 40.7 million. The gross economic contribution of the banking sector at the second quarter 2009 to the Bahamian economy was USD 86 million. Currently, the Bahamas has 160,454 registered IBC's however only 44,605 of that number are active. Further, the enactment of the new legislation on Private Trust Companies has ushered in the approval of two Financial and Corporate Service providers (FCSP's) to act as Registered Representatives of Private Trust Companies and the exemption of seven Private Trust Companies from having to obtain a trust license.

- Projects in The Bahamas are also eligible, in some instances, for financing from the U.S. Export-Import Bank, the Overseas Private Investment Corporation (OPIC), or from multilateral institutions such as the Inter-American Development Bank (IDB). Major Bahamian banking institutions, which can provide financing for certain projects in The Bahamas include:

Bahamas Development Bank
P.O. Box N-3034
Nassau, Bahamas
Tel: (242) 352-5780

Bank of The Bahamas, Ltd.
P.O. Box N-7118
Nassau Bahamas
Tel: (242) 326-2560

First Caribbean International Bank (merger between Barclays Bank and the Canadian Imperial Bank of Commerce (CIBC))
Charlotte House
P.O. Box N-3221
Nassau, Bahamas
Tel: (242) 325-7384

British-American Bank
P.O. Box N-7502
Nassau, Bahamas
Tel: (242) 327-5170

Commonwealth Bank
P.O. Box SS-6263
Nassau, Bahamas
Tel.: (242) 328-1854

Royal Bank of Canada
P.O. Box N-7537
Nassau, Bahamas
Tel: (242) 322-8700

Bank of Nova Scotia
P.O. Box N-7518
Nassau, Bahamas
Tel: (242) 356-1400

Finance Corp. Of The Bahamas
P.O. Box N-3038
Nassau, Bahamas
Tel: (242) 322-4822

Political Violence

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- The Bahamas has no history of political violence, although labor unrest has become violent on occasion and labor strikes are becoming more common. The government publicly and strongly supports a modern open approach to foreign investment, although many Bahamians, including some prominent politicians, remain suspicious of expatriate investors and employees. Foreign investors are sometimes the targets of criticism in the news media and Parliament.

Corruption

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- Giving a bribe to -- or accepting bribes from -- a government official is a criminal act in The Bahamas under the Prevention of Bribery Act. Penalty under this act is a fine up to USD 10 thousand or a maximum prison term of 4 years or both. The reigning government party, the Free National Movement (FNM), has emphasized anti-corruption measures, although reports of heavy corruption have plagued the political process for decades.

Bilateral Investment Agreements

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- There is no bilateral investment treaty between The Bahamas and the United States. The Bahamas was designated a beneficiary of the Caribbean Basin Initiative (CBI) in 1985. As a result, with certain restrictions, products manufactured in The Bahamas qualify for duty-free entry into the United States. High wage rates, combined with the small size of the country's manufacturing and agricultural sectors, have hindered The Bahamas' ability to exploit these benefits. On January 25, 2002, a previous FNM government signed a Tax Information Exchange Agreement (TIEA). A key side benefit of this agreement for The Bahamas is that, effective 2006, it permits U.S. tax deductions for expenses of business conventions held in The Bahamas. The Bahamas has

also signed twelve other TIEA's this past year to comply with EPA and WTO requirements.

OPIC and Other Investment Insurance Programs

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- Since 1992, the OPIC has approved two investment projects in The Bahamas. It guaranteed up to USD 10.8 million in loans to Uniroyal Chemical Company, Ltd. to assist in the purchase and refurbishment of a plant in Freeport. The Uniroyal plant has since closed. In addition, OPIC committed itself to a loan of up to USD 1.6 million to Landquest, Ltd., for the development of a cruise ship facility on the island of Eleuthera. The facility is currently operational.
- The Bahamas is also associated with the Multilateral Investment Guarantee Agency of the World Bank, which, like OPIC, insures investors against currency transfer restrictions, expropriation, war, civil disturbances and breach of contract by member countries.

Labor

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- The labor force contracted 4 percent in 2009 to 184,020 from 191,595 workers in 2008. Notwithstanding this decrease the unemployment rate increased from 8.7 percent in 2008 to 14.2 percent. The decrease in the labor force may be attributed to discouraged workers, however this is not represented in the current statistics.
- Well-qualified accountants and secretaries, and others with skills appropriate to the financial services industry, command a premium wage. Low skilled labor is mostly found in the hotel and restaurants. Unemployment is slightly higher for adults between the age of 25 and 34. As expected, Nassau - the capital city - has the highest employment. However, Freeport, the second-largest city, has experienced escalating unemployment due to two devastating storms and the closure of a major resort and casino. The recent re-opening of the Emerald Bay property in Exuma - now owned by Sandals - will employ 300 workers on that island. This all-butler style resort will present more direct and indirect employment opportunities on that island. Also, the Bahamas Maritime Affairs Chairman, Ian Fair, has suggested that jobs are available in maritime. He based his comments on the fact that The Bahamas has earned one of the prestigious and highly sought after seats on the council of the International Maritime Organization (IMO). Wage rates, while lower than in the United States, tend to be higher than elsewhere in the Caribbean.
- There are media and anecdotal reports regarding the level of employee and white-collar crime in The Bahamas. For example, newspaper reports have

detailed numerous accounts of employees stealing from employers. The Royal Bahamas Police Force (RBDF) has issued a number of public service appeals and has advised corporate citizens to remain vigilant and hold employees accountable. Additionally, tax evasion has plagued revenue collection in the Bahamas' Customs Department and the National Insurance Board (NIB). In response, the GCOB conducted an investigation into corruption claims and discovered some senior officers aided business persons in dodging payment of correct duties on imported items. Several of the officers were transferred to other government departments while nine others are slated to be dismissed. The GCOB also pursued businesses that appeared to have evaded taxes and the National Insurance Board charged several employers with evading NIB payments.

- In the 2000/2001 Government Budget, the government increased its minimum wage from USD 4.12 per hour to USD 4.45 per hour for public sector employees. Minimum wage for private sector workers is USD 4 per hour. The Fair Labor Standards Act requires at least one 24-hour rest period per week, paid annual vacations, and employer contributions to National Insurance (social security). The Act also requires overtime pay (time and a half) for hours in excess of 48 or on public holidays. A 1988 law provides for maternity leave and the right to re-employment after childbirth. A new Minimum Labor Standards Act including the Employment Act, Health and Safety at Work Act, Industrial Tribunal and Trade Disputes Act, and the Trade Union and Labor Relations Act were passed in 2001 and early 2002.
- The Bahamian Constitution specifically grants labor unions the rights of free assembly and association. These rights are exercised extensively, particularly in the hotel industry – where 80 percent of the employees are unionized - and in the state-owned industries. Unions operate without restrictions or government controls. The right to strike is governed under the Industrial Relations Act, which requires a simple majority of union members to vote in favor of a strike before it can commence. The Ministry of Labor oversees strike votes. Although prolonged strikes are still rare, work slow-downs and rowdy protests occur and workers often use labor actions to force management to act on issues of concern to them. Labor unions and others involved in disputes with foreign-owned enterprises have used foreign ownership as leverage to gain popular support for their demands.
- The Immigration Act requires foreigners to obtain work permits before they can be employed in The Bahamas. The government will permit foreign employees to work in a technical, supervisory or managerial capacity to initiate and operate industries, provided no similarly qualified Bahamians are available for the job. Foreign business owners are expected to train as many of their Bahamian employees as possible to eventually fill technical and managerial positions. Work permit fees range from USD 350 to USD 10 thousand per year.

- The 1955 Hawksbill Creek Agreement established Freeport, Grand Bahama, the country's second-largest town, as a free trade zone. Firms in Freeport are granted the right to import equipment and materials duty-free, and enjoy other tax advantages. In 1993, the government extended the Hawksbill Creek property tax exemptions to 2015 and duty exemptions to 2054, but withdrew real property tax exemptions for foreign individuals and corporations. The current administration plans to extend these exemptions to the entire island of Grand Bahama. The Hong Kong-based conglomerate Hutchison Whampoa has invested millions of dollars in a new deep-water container port, airport, cruise ship dock, industrial park, and hotel properties in Freeport, promising a revitalization of Freeport as The Bahamas' leading industrial city. The Freeport Container Port is the 72nd busiest container terminal in the world and the 4th busiest hub for its partner Mediterranean Shipping Company (MSC). The Grand Bahama Port Authority (GBPA) continues to be entangled in an ownership dispute as the estate for the late Edward St. George seeks a buyer for his 50 percent stake. Rival and co-owner Sir Jack Hayward recently announced plans to sell his 51 percent stake in the company to Mid-Atlantic Projects, an American firm. However, the sale has not been finalized, and media reports indicate that St. George estate would initiate a liquidation action against the Port's parent company to deny controlling interest to the prospective buyer. The instability of the port has done little to improve the grim economic outlook for Freeport.

Foreign Direct Investment Statistics

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- There is also a direct link between the level of imports flowing into The Bahamas and foreign direct investments. At the end of the third quarter 2009, net private direct investment was USD 214.4 million and net private direct equity investments was USD 171.7 million. Net Foreign Loans Financing on foreign investments was USD 92.7 million. Net foreign real estate purchases for this period totaled USD 42.7 million. While government statistics do not list overall foreign investment by nationality, the Embassy believes that the largest investors are American, Canadian, Chinese, and South African in origin.
- Major foreign investments in The Bahamas include:

ACCOUNTING

Grant Thornton Chartered Accountants

Horwath International

KPMG

Ernst & Young

PriceWaterHouseCoopers

TOURISM DEVELOPMENTS

Abaco Beach Cottages, resort development, owned by an American company.

Atlantis Resort, a hotel, resort, and casino complex on Paradise Island near Nassau owned by Sol Kerzner of the South African firm Sun Hotels International

Baha Mar owned by Armenian, Sarkis Izmirlan consisting of the Radisson Resort (formerly government owned), Wyndham Nassau Resort & Crystal Palace Casino formerly the Nassau Marriott Crystal Palace Resort, casino, and convention center, and the Nassau Beach Hotel. Izmirlan plans to expand the complex significantly, adding three additional hotels, a commercial village and other amenities on the scale of nearby mega-resort Atlantis. The media report that Izmirlan will retain ownership of the Baha Mar, however, negotiations continue with the project's potential financier, Chinese Export Import Bank and the Chinese State Construction Corporation. The Chinese ExIm bank will reportedly hold an ownership stake in the project.

Baker's Bay located on Guana Cay, Abaco is owned by the U.S. Discovery Land Company of San Francisco

Bimini Bay Resort, owned by Florida-based developer Geraldo Capo

Comfort Suites on Paradise Island owned by a U.S. company

Crooked Island Lodge, a 12 room lodge owned by an American developer.

Four Seasons Resort Development on Exuma, owned by a Canadian Company

Freeport/Lucaya marina village developed recently by European investors

Gorda Cay, renamed Castaway Cay, purchased and developed by Disney Corp. for its cruise ship operations

Half Moon Cay, owned by U.S. company Holland America Cruise Lines

Island Outpost Resort at Compass Point, Nassau, Pink Sands Resort, Harbour Island, and Kamalamae Resort, Andros owned by a Jamaican company

Our Lucaya Resort, a subsidiary of Hutchison Whampoa Group and Centex Rooney

Princess Cay, a cruise ship landing facility near Eleuthera Island, owned by Landquest, a U.S. company

Professional Golfers Village, the proposed hotel broke ground on April 24, 2009, owned by Southworth Developers, a U.S. company.

Ritz Carlton Rose Island Resort, owned by Florida-based Gencor Group

RIU Resort, Paradise Island, owned by a Spanish Company

Sandals Royal Bahamian Resort, owned by a Jamaican company. Sandals now owns the Emerald Bay property in Great Exuma, formerly the Four Seasons Emerald Bay, having purchased it from the liquidator last year.

Superclub Breezes Resort, owned by a Jamaican company

The Bahamas Film Studio/Gold Rock Creek Enterprises Ltd., located at East Grand Bahama, owned by Canadian Paul Quigley

The British Colonial Hilton Hotel a subsidiary of Blackstone and managed by Hilton Corp., both U.S. companies

The Ginn development project located on the west end of Grand Bahama, owned by the Florida-based Ginn Development Company

The I Group Mayaguana development owned by developers from Boston

Winding Bay Resort, Abaco, owned by a British company

CONSTRUCTION

Greyco Ltd. (Baker Construction), a subsidiary of a U.S. firm.

BANKING & FINANCE

BankBoston Trust Company Ltd., a U.S. bank subsidiary

BNP Paribas, a French bank subsidiary

Citibank, N.A., a U.S. bank subsidiary

JP Morgan Trust Co. (Bahamas) Ltd., a U.S. bank subsidiary

Templeton Global Advisors Ltd., a U.S. owned company.

OTHER

AES American Oil Company, which owns Ocean Cay, a facility to produce liquefied natural gas (upon Bahamian government approval)

Cable Bahamas, Ltd., established by a Canadian group

Commonwealth Brewery Ltd (Heineken), a Dutch-Bahamian company

Freeport Ship Care Facility, owned by the Lloyd Werft Ship Repair Company of Germany

Morton Salt (Bahamas) Ltd.

Mirant (Grand Bahama Power Company)

Polymers International, Ltd., a subsidiary of Dart Container, which produces styrofoam pellets at a plant in Freeport

The Container Port facility, airport and three beachfront hotels in Freeport were acquired in 1997 by Hong Kong-based Hutchison Whampoa

The Caribbean Marine Research Center, operated by The Perry Institute for Marine Science, an American firm

HOUSING DEVELOPMENTS

Albany Golf and Beach Resort owned by an investment group comprising Bahamian Joe Lewis, and American Tiger Woods and South African Ernie Els

Chub Development Ltd., Treasure Cay, Abaco, the proposed construction of nine townhouses with docking facilities and other amenities.

Cotton Bay, Rock Sound, Eleuthera owned by Eleuthera Properties Ltd.

Old Fort Bay, a housing subdivision, owned by a U.S. company.

Powell Point at Cape Eleuthera, includes The Island School and marina, owned by the parent company for Amway Corporation.

Roberts Isle, a housing subdivision owned by a U.S. company

Sandyport Development Co. Ltd., a housing subdivision owned by a British company

Schooner Bay, an environmentally friendly development, owned by a U.S. company

Treasure Cove, a housing subdivision, owned by a U.S. company.

- U.S. Department of State – www.state.gov
- U.S. Embassy Economic-Commercial -- http://nassau.usembassy.gov/commercial_outreach_activities.html
- The Bahamas Government – www.bahamas.gov.bs
- The Central Bank of The Bahamas – www.centralbankbahamas.com
- The Ministry of Tourism – www.tourismbahamas.org
- The Ministry of Financial -- www.investbahamas.org
- The Bahamas Department of Statistics -- <http://statistics.bahamas.gov.bs/>

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
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How Do I Get Paid (Methods of Payment)

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- Generally local Bahamian companies provide cash in advance for goods and services – check or wire transfer. This is the case with small companies and companies that are first time purchases for U.S. companies.
- Large companies provide a letter of credit with a bank for a specified amount of funds. Local banks sometimes use their U.S. office to provide the letter of credit.
- Some local companies also use U.S. factor companies.
- Some larger companies are listed with Dunn and Bradstreet

How Does the Banking System Operate

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- Local companies are required to obtain Central Bank foreign exchange approval for payment of foreign invoices.
- See The Central Bank of The Bahamas website – www.centralbankbahamas.com.

Foreign-Exchange Controls

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- The Exchange Control Regulations Act, 1952 Ch 330 and the Regulations made there under in 1956, provide that finance regulations may be made for the purpose of controlling buying selling and dealing in gold, foreign currency, foreign exchange and securities.
- The regulations are administered by the exchange control department of the Central Bank. The objectives are to control and maintain the country's reserves of foreign currency and assist in supporting the value of the Bahamian dollar, which for many years has been kept at par with the U.S. dollar. The GCOB is seeking to implement policy to relax exchange controls.

- 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.

U.S. Banks and Local Correspondent Banks

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See The Central Bank of The Bahamas website – www.centralbankbahamas.com

Project Financing

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- The Bahamian government expects potential investors to have project financing in place for proposed projects in The Bahamas. The Export-Import Bank (Eximbank) supports U.S. exports through export credit insurance, guarantees, and loans.
- The Overseas Private Investment Corporation (OPIC), a self-sustaining U.S. Government agency, promotes private sector economic growth in developing countries by encouraging U.S. investment. OPIC assists investors through four principal programs:
 - Insurance of investments against certain political risks (for currency inconvertibility, expropriation, and war, revolution, insurrection, and civil strife);
 - Financing investments through direct loans or loan guarantees;
 - A program of investment missions; and
 - An investor information service.
- OPIC insurance and finance programs are available for new ventures that are commercially and financially sound, or for the expansion of existing viable businesses. In all instances, the projects that OPIC supports must assist in the social and economic development of the host country as well as be consistent with the economic interest of the United States.
- OPIC financing is available only for ventures involving 25 percent equity and management participation by U.S. businesses. Insurance is limited to the U.S. equity participation in the venture. Projects must be within the demonstrated competence of the proposed management.

Web Resources

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/ccs/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

(Insert a link to the applicable Multilateral Development Bank here and any other pertinent web resources.)

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Chapter 8: Business Travel

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Business Customs

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- **Business Customs:** The national language is English. Due to the proximity of The Bahamas to the U.S. and the extensive familiarity of most Bahamians with Americans and American culture, business customs tend to be similar to those in the United States. Business dress is formal. Business 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 last names. Conversations generally move to a first name basis a bit more slowly than in the United States. Firm appointments for business meetings are advisable. Although Bahamians are not punctual for meetings, foreign visitors are expected to be timely.
- In addition, The Bahamas is very much a consensus-driven society, in which people often disguise personal feelings beneath a surface cordiality. Business meetings in The Bahamas tend to be very pleasant and Bahamians often end a meeting with an air of agreement even if real differences remain. Also, Bahamians at the middle levels of business or Government will need to gain final approval from more senior officials.
- Bahamian businesses tend to operate on a tighter financial margin than their American counterparts, often juggling financing from one commitment to another. Therefore, for initial or large sales, a businessperson should require a deposit against future payment for goods or services delivered, and expect delays to occur with subsequent payments.
- Business lunches are preferable to dinners in The Bahamas. Bahamians tend not to drink very much at business lunches and usually expect the lunch to last between an hour and an hour-and-a-half. Bahamians do not often invite acquaintances to their homes. When they do so, dinners at the homes of well-to-

do Bahamians tend to be elaborate and formal affairs, at which business attire for men and conservative evening wear for women is appropriate.

- Since much of Bahamian social life revolves around church, an invitation to a church service is a sign of personal respect and affection. Many churches in The Bahamas have proud traditions of gospel choir singing, and church services can be quite lively. Dress at church services is usually formal with conservative business suits for men and colorful, sometimes elaborate dresses for women.

Travel Advisory

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For the latest travel advisory, go to:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_989.html

Visa Requirements

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While Americans do not require visas to enter the Bahamas, a passport is needed for re-entry to the United States ; please see http://nassau.usembassy.gov/entry_requirements.html for the most current information.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

(Insert here the web address for the consular section of the local embassy website.)

Telecommunications

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- Telecommunications services and facilities in the Bahamas are comparable to the U.S. and Canada although not as efficient. A 100% digital switching system allows direct distance dialing to more than 100 countries.
- An undersea fibre optic cable system links Grand Bahama, New Providence, Abaco and Eleuthera with the continental U.S. It is owned and operated by Caribbean Crossings Ltd., a subsidiary of Cable Bahamas Ltd.
- The Bahamas Telecommunications Company Ltd. (BTC), is quasi-public corporation owned by the government but operating without subsidy from it. BTC offers a wide range of service, including telephone, fax, telex, cellular and radio

phone networks, private line services, packet switching satellite service and GSM services.

The telecommunications industry is regulated by the Utilities Regulation and Competition Authority (URCA), which was given full powers by the Communications Act 2009 of oversight of the electronic communications sector as of September 1, 2009. This body was established in anticipation of increased competition in the industry once BTC is sold. The functions and powers previously vested in the Public Utilities Commission (PUC) and the Television Regulatory Authority (TRA) are transferred to URCA by law. All existing regulatory measure under the PUC and TRA continue in force to the extent that they do not conflict with provisions of the Comms Act, the Utilities Regulation & Competition Authority Act, 2009; the Utilities Tribunal Act, 2009 and any new regulatory measures adopted under these Acts. This arrangement will continue until new URCA regulatory measures are adopted.. In addition to its regulatory functions and powers over the electronic communications sector in The Bahamas include the designation of operators as possessing significant market power, URCA will also be responsible for competition issues arising from anti-competitive agreements, abuse of dominant position and merger control in the provision of networks, carriage services and content services (including broadcasting). Thus, the roles of the national communications regulator and the national competition authority are combined into one agency - URCA

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- Air service is available to The Bahamas into the Sir Lynden Pindling International Airport in Nassau via the following major U.S. cities: Atlanta, Charlotte, Cincinnati, Ft. Lauderdale, Houston, Miami, New York, Orlando, Philadelphia, Tampa and West Palm Beach. There is also air service between Nassau and the following international destinations: Cuba, Grand Cayman, Kingston, London, Milan, Montego Bay, Paris, Turks and Caicos Islands and Toronto.
- Service is available from Nassau to all of the other islands via BahamasAir and several charter airlines.
- U.S. Customs and Border Protection have pre-clearance facilities in both Nassau and Freeport.
- Taxi rates are government controlled. All taxis are required to have meters in good working condition. The first quarter-mile is \$3 for one or two passengers; each additional quarter-mile is 40 cents. Additional passengers after the first two pay \$3 per person. Accompanied children under five ride free.
- Car rental prices are competitive with Hertz, Avis, Budget, Dollar and local companies represented. Pick up from a hotel anywhere in New Providence including Paradise Island is free of charge. Prices range from \$50 per day (\$305 per week) for a compact car to \$119 per day (\$735 per week) for a minivan and include unlimited mileage. Insurance and gas are extra.

- The jitney (bus) provides inexpensive touring and a close view of local life. Fare is \$1.25 in town, more for outlying areas. Transfers and change are not provided. Service is from 6:30 am-7pm. Bus stops are marked. However, time schedules may be unpredictable.

Language

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- The national language of The Bahamas is English, sometimes spoken with a distinctive local accent and the use of colorful local expressions.

Health

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- There are two government-operated hospitals in New Providence and one in Grand Bahama. Government clinics are available throughout New Providence, Grand Bahama and the Out Islands. Bahamians who can demonstrate legitimate need pay 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. Almost all insurance carriers cover Bahamians seeking medical care in the US. Local hospitals do not accept most US health insurance and may require a cash or credit card payment upfront for services.

Local Time, Business Hours, and Holidays

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- The Bahamas operates on Eastern Standard Time. This puts the archipelago in the same time zone as the major commercial centers of the eastern U.S. and Canada, such as Miami, Washington, DC, New York, Toronto, and Montreal.
- The Bahama islands are on daylight saving time from March 11 to November 4.
- Normal business hours for the public sector and majority of private businesses is Monday through Friday, 9 a.m. to 5 pm., with one hour for lunch, 1 to 2 p.m.
- The following public holidays are observed in The Bahamas:
 - New Year's Day
 - Good Friday
 - Easter Monday
 - Whit Monday (seven weeks after Easter)
 - Labor Day (first Friday in June)
 - Independence Day (July 10)

- Emancipation Day (first Monday in August)
- Discovery Day/Heroes' Day (October 12)
- Christmas Day (December 25)
- Boxing Day (December 26)

Holidays which fall on Saturday or Sunday are usually observed on the previous Friday or following Monday as dictated by the Public Holidays Act. Stores in New Providence and most Out Islands are closed on holidays.

Temporary Entry of Materials and Personal Belongings [Return to top](#)

- Personal effects, a limited amount of alcoholic beverages, and other articles up to a value of \$100 can be brought into the Bahamas duty-free by bona fide visitors. 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, P. O. Box N-155, Nassau, The Bahamas, tel. (242) 326-4401.

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The Islands of the Bahamas: <http://www.bahamas.com>

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Chapter 9: Contacts, Market Research, and Trade Events

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Contacts

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- Business travelers to The Bahamas seeking appointments with U.S. Embassy Nassau officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at (242) 322-1181, exts. 4226 and 4227, fax: 242-328-3495, email: CommercialNassau@state.gov.

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

http://nassau.usembassy.gov/commercial_outreach_activities.html

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.