



GOVERNMENT OF BERMUDA

IBM PRESENTATION

Remarks

by:

The Hon. Terry Lister JP, MP
Minister of Energy, Telecommunications and E-Commerce
14 April 2009

Good morning ladies and gentlemen:

The Island of Bermuda has been called by many names over its long history. It was known as the Isle of Devils and the Somers Isles and in recent years referred to as Another World. Today, however, we seek to adopt another title - the Smart Isles. Bermuda is already at the forefront of implementing those initiatives that the Chairman and CEO of IBM, Sam Palmisano, has defined as the “possibilities” that must exist in order to

create a smarter world, These possibilities are facts as the world is becoming “instrumented”, “interconnected” and “intelligent”.

No one can deny the fact that Bermuda has more digital technology per capita than almost anywhere else in the world. We are also the most connected people, having access to the latest technologies for both our international and domestic communications. We are becoming smarter each day on how we use this convergence of the digital and physical infrastructures to become more productive.

2009 marks Bermuda’s 400 year anniversary of continuous habitation. Throughout those 400 years, as an island community, we have always had to make smart decisions, in order to survive and thrive especially in times of scarcity. Some of those decisions were associated with the technologies of the day, for instance our investment in shipbuilding extended our trading capabilities and partnerships and placed Bermuda inside the only international network that existed at that time. So its no surprise that today

Bermuda is truly a wired island because communications and the smart use of technology is part of our culture.

Telecommunications, E-commerce and E-Government are all parts of my ministry that depend on the effective transmission of data and information from one place to another. This communications capability has transformed the globe into a more integrated and mutually dependent world.

Although we are a small Island, we are linked to rest of the world by several advanced undersea telecommunications cables.

Telecommunications development has always been championed by the Government, as this industry is known to be the back-bone of our economy. However, this is an ever changing environment, which requires the continual re-invention of our businesses and we must adapt to these changes in order to meet the new demands of the 21st Century.

Much of our success in the use of Information and Communications Technologies (ICT's) resulted from an early realization that the forward momentum of our island economy depended on a well developed ICT infrastructure. We were the first jurisdiction; let me say that again, we were the first to specifically create a Ministry in Government to address the opportunities and challenges provided by E-Commerce. This was a clear sign to the industry that we were serious about our intent to be a global leader in this field. Another world first was the Electronic Transactions Act of 1999, which provided a legislative framework on which business-to-business e-commerce could thrive.

Bermuda has for more than a decade imposed strict limitations on the material and content that may be hosted from our Island. We have a reputation as a premier international business jurisdiction. I hasten to add

that we want to keep that reputation intact, for in business you are only as good as your reputation. This is why gaming and pornography have been banned and most recently we enacted anti-child pornography and internet luring legislation.

We are faced with a global economic downturn, and in business stability has always been the Holy Grail. Now more than ever the degree of technological sophistication that companies take on board can greatly improve the likelihood of success.

In 2008, the Department of E-Commerce commissioned a local research company to establish a benchmark view of Bermuda residents' and businesses' competencies and attitudes towards ICT. The study showed that Bermuda ranks very high in the use of information technology and that Bermudians on a whole are quite competent with different forms of

technology. This study queried respondents regarding their attitudes towards technology. In both the residential and corporate findings there was a strong consensus that Bermuda needs to keep pace with technology standards in order to continue to compete effectively in the global economy. The majority of firms saw the benefits of using technology products and believed that a strong knowledge of technology was important for a firm's success today.

Bermuda is an ideal location for conducting e-business. We have tough but fair regulation of international business. Our regulatory framework is flexible and conforms to international standards. Our international telecommunications infrastructure consists of four diverse routes, we also have top quality hosting facilities with full redundancy capabilities, as well as the full spectrum of wireless telecommunications options, including WiMAX and 3G mobile services.

As we say in business; location, location, location is everything. Being an hour ahead of the U.S. Eastern seaboard, four hours behind the UK and seven to twelve hours behind the Middle and Far East, international companies consider Bermuda an excellent location to operate from.

Also, thanks to the initiatives of the Ministry of Tourism and Transport, our Island is also easily accessible by air to most other international business centers. It also does not hurt to have an environment that we are proud of and weather that is beautiful practically all year round. And let us not forget that we are politically, economically and socially stable and this is a reputation we strive every day to uphold.

Bermuda, of course, will never be home to giant server farms or Amazon.com-style warehouses. The level of physical infrastructure necessary to support these types of services would place an unacceptable strain on Bermuda's resources. We offer practical innovations and brain power,

rather than brawn. One area which has been identified as critical is business continuity and disaster recovery. The ability to recover seamlessly from a crisis is now at the forefront of management's risk mitigation strategies and I am proud to say that several companies in Bermuda have recently developed world-class data centre facilities for this very purpose.

Geographic Information System (GIS) technology is becoming an important tool for managing Bermuda's limited land resources and facilitating improved public safety. Bermuda has been successful over the last ten years in its development of GIS applications. However, recognizing the growing demand for these services, the Government's GIS committee with input from the private sector created a strategic plan for GIS during the summer of 2008. This was followed by the development of a Data Policy to ensure that the appropriate governance structures are in

place to meet future GIS service needs. During the next two years the Government will be creating a GIS web portal where data layers can be accessed by Government departments and the private sector. The Bermuda Government intends to be recognized as a world class provider and user of geographic information and services by using GIS to positively impact Bermuda's society, environment and economy.

It has been said that in comparison to the industrial age, the information era is at the steam engine stage in its development. By the time information systems reach jet-plane status, we will focus on utility over fads, triple our productivity; use our computers as naturally and easily as we now use our cars. As we continue to utilize developing technology, Bermuda will remain at the forefront of advancement in technological infrastructures and policy.

In spite of,or maybe because of our Island's remote location, telecommunications has been our lifeline for more than a century. Our

forward looking approach to E-Commerce makes Bermuda a full player in the global economy and a veritable hive of international business activity. Just about every business is online, and more than three-quarters of our homes are wired. It is my vision as Minister of Energy, Telecommunications and E-Commerce that through a coordinated effort, we can deliver to Bermuda information and communication services that are second to none. We must be positioned and equipped to maintain our place on the global business stage in this ever-evolving digital world. You have my promise here today that Bermuda will continually adjust to and embrace emergent technologies as well as being a Smart early adopter of modern information and communication technologies. Bermuda is and will continue to be a Smart Island.

I would like to thank IBM's David Fraser and Gary Austin and Bermuda Computer Services' Aaron Smith for inviting me to speak today. I do hope that you will enjoy the sessions that will follow and leave here

energized about the future possibilities within your respective businesses and Bermuda.

And let me say that, while many IT jobs have migrated off Island in recent years, I believe that by embracing the Smart Island approach Bermuda can continue to provide value in the IT area. This can be done and must be done by us in this room seeking to embrace the technology opportunities that make our companies great and Bermuda the wonderful place to live and work that we enjoy.