

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

BAHAMAS

America Caribbean

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Nassau / Downtown & Paradise Island	Capital, financial-services hub and principal cruise/resort gateway; site of the ~\$1bn Downtown Nassau redevelopment wave (The Pointe) and the \$250m+ Nassau Cruise Port (Prince George's Wharf) redevelopment	Financial services, cruise/resort tourism, commercial real estate, retail
Grand Bahama (Freeport)	Home to the Grand Bahama Port Authority free-trade zone and ongoing Grand Bahama/Holistica cruise-port redevelopment (a Royal Caribbean/ITM Group joint venture); still rebuilding capacity after Hurricane Dorian (2019)	Free-zone manufacturing, logistics/transshipment, cruise tourism, ship repair
Eleuthera (Lighthouse Point / Lookout Cay)	Site of Disney Cruise Line's new Lookout Cay at Lighthouse Point destination, which opened in 2025 - a multi-hundred-million-dollar cruise and entertainment facility	Cruise tourism, hospitality, local-supplier/small-business linkages
Exuma, Abaco (Marsh Harbour) & Long Island	Family-island airport-upgrade sites (Exuma International, Leonard M. Thompson International in Abaco, Deadman's Cay) central to decentralizing tourism beyond New Providence	Aviation infrastructure, boutique resort development, marina services
West Bay Street / Cable Beach corridor (New Providence)	Established and expanding high-end resort and condo-hotel strip (e.g., GoldWynn) adjacent to Cable Beach's major resort redevelopments	Luxury hospitality, condo-hotel development, real estate
Abaco (Hurricane-recovery zone)	Still rebuilding housing and infrastructure since Hurricane Dorian (2019); a live test case for the government's climate-resilience and disaster-risk investment agenda	Resilient construction, housing reconstruction, renewable/grid-hardening infrastructure
Family Islands broadly (Jack's Bay/Eleuthera and similar)	Target geography for the government's National Infrastructure Fund and PPP framework aimed at an estimated \$2bn in archipelago-wide infrastructure needs	PPP infrastructure, energy/electricity-sector reform projects, boutique tourism

INVESTOR ENTRY ROUTES

- **BAHAMAS INVESTMENT AUTHORITY (BIA) / INVEST BAHAMAS:** The primary one-stop shop under the Office of the Prime Minister for registering foreign direct investment and navigating approvals
- **HAWKSBILL CREEK AGREEMENT / GRAND BAHAMA PORT AUTHORITY LICENSING:** The longstanding free-trade-zone framework covering Freeport-based manufacturing and logistics ventures
- **INTERNATIONAL PERSONS LANDHOLDING ACT PERMITS:** The statutory route for foreign real estate acquisition and resort/residential development
- **ECONOMIC PERMANENT RESIDENCY:** A real-estate-investment-linked residency (not citizenship) pathway available at defined investment thresholds, distinct from Caribbean CBI programmes
- **PUBLIC-PRIVATE PARTNERSHIP (PPP) FRAMEWORK:** The government's 2018 PPP policy, now being expanded via a planned National Infrastructure Fund for larger-scale infrastructure projects

- Direct company incorporation under the International Business Companies Act for financial, digital and services-sector entrants

MARKET-ENTRY OBSERVATION

The Bahamas enters this guide on a genuinely rare political note for the Caribbean: in May 2026, Prime Minister Philip Davis and the Progressive Liberal Party won a snap general election outright, becoming the first governing party since 1997 to win two consecutive terms and the first prime minister in nearly three decades to secure a consecutive mandate. The result removes a layer of policy-continuity risk that typically accompanies Caribbean election cycles, even as the campaign itself focused heavily on cost-of-living pressure, prompting a pre-election removal of VAT on grocery-store food. Economically, growth has moderated from a strong post-pandemic tourism rebound (3.4% in 2024) toward a more sustainable 2.8% in 2025 and an assessed long-run potential near 1.5%, with inflation back down near 2% and the fiscal primary balance holding in surplus. Central government debt, while still elevated at roughly 74% of GDP, is on a gradual downward path the IMF projects reaching about 66% by 2030 - directionally positive, though well short of the authorities' own 50%-of-GDP target without further measures.

The investment pipeline itself looks substantive and increasingly realized rather than merely announced: Disney Cruise Line's Lookout Cay at Lighthouse Point destination in Eleuthera opened in 2025, the Nassau Cruise Port and Downtown Nassau redevelopment waves have substantially progressed, and Grand Bahama's free-trade zone continues attracting cruise-port joint-venture investment. The government has also signaled renewed urgency on expediting its large-project approval pipeline and building out a National Infrastructure Fund and expanded PPP framework to address an estimated \$2 billion in archipelago-wide infrastructure needs. The principal considerations for investors are therefore more structural than political: a tourism- and construction-concentrated economy with real hurricane exposure (Abaco and Grand Bahama are still completing Hurricane Dorian-era reconstruction), a still-high public debt stock, and a financial-sector regulatory environment under continuing international AML/CFT and tax-transparency scrutiny typical of an offshore-finance-centered economy.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
High public debt and narrowing but still-present fiscal gap	Central government debt remains near 74% of GDP, well above the authorities' 50% medium-term target; the IMF says reaching that target requires further revenue and expenditure measures not yet fully adopted	Track upcoming fiscal measures (potential corporate/personal income tax introduction, VAT rate changes) and factor sovereign-risk sensitivity into long-dated project financing
Structural hurricane and climate exposure	Abaco and Grand Bahama remain in multi-year reconstruction from Hurricane Dorian (2019); the archipelago's geography leaves tourism and infrastructure assets recurrently exposed to named-storm risk each season	Build climate-resilient construction standards and comprehensive insurance into any coastal or family-island development from the outset
Tourism- and construction-concentrated growth model	Growth is heavily tied to cruise/resort tourism and associated construction cycles, with potential growth assessed at a modest ~1.5% once the post-pandemic rebound fully fades	Pursue genuine diversification plays (financial/digital services, PPP infrastructure, family-island logistics) alongside core tourism investment
AML/CFT and international tax-transparency compliance burden	As an established offshore financial center, The Bahamas operates under continuing FATF/EU-style scrutiny; the IMF specifically flags the need to strengthen risk-based AML/CFT supervision and implement the 2024 DARE Act (digital assets) fully	Ensure financial-sector ventures engage early with the Securities Commission and Central Bank on current compliance expectations; budget for ongoing regulatory-reporting costs
High unemployment alongside labor and skills gaps	Unemployment stood at 9.3% in Q2 2025 even amid construction and tourism growth, and the IMF highlights informality and skills mismatches as drags on productivity	Plan workforce-training partnerships and factor in work-permit processes for specialized roles not locally available
Irregular migration pressure from Haiti	Periodic interceptions of Haitian migrant vessels continue amid instability in Haiti, creating recurring humanitarian and border-management strain, though this has not translated into broader political or economic instability	Monitor regional migration-policy developments as a contextual factor rather than a direct investment barrier; no material operational impact identified for standard commercial projects
State-owned enterprise fiscal risk	The IMF recommends reducing government transfers to SOEs and strengthening SOE fiscal-risk management, pointing to an area of continuing public-finance drag	Where partnering with or adjacent to SOEs (notably in energy), assess counterpart financial health and reform trajectory before committing capital

INVESTOR RISK NOTE

The Bahamas presents an unusually settled political backdrop for this guide's Caribbean coverage - a rare consecutive election win removing the policy-discontinuity risk that typically follows a change of government - paired with a credible, if gradual, fiscal consolidation path and a visibly advancing project pipeline (Disney's Lighthouse Point, Nassau's cruise-port and downtown redevelopment, Grand Bahama's free-zone investment). The risks worth underwriting are structural rather than acute: elevated public debt relative to the authorities' own target, recurring hurricane exposure concentrated in the Family Islands, a still-tourism-concentrated growth model, and the routine compliance overhead that comes with operating a long-established offshore financial center under international AML/CFT and tax-transparency standards. None of these amount to a notice-level acute risk in the way seen elsewhere in this guide's Caribbean coverage; they are the ordinary cost of doing business in a small, hurricane-exposed, tourism-driven island economy that is, on balance, moving in a positive direction.

MARKET ACCESS

The Bahamian dollar is pegged one-to-one with the US dollar, providing straightforward currency stability, and the country's proximity to the US (an hour's flight from Florida) underpins its tourism and logistics value proposition. The Bahamas is a CARICOM member (though it does not participate in the CARICOM Single Market and Economy) and operates its own International Business Companies Act framework alongside the Grand Bahama Port Authority's distinct free-trade-zone regime under the Hawksbill Creek Agreement. Market access for financial and digital-asset services operates under the 2024 Digital Assets and Registered Exchanges (DARE) Act and ongoing AML/CFT alignment with FATF and EU standards.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Bahamas Investment Authority (BIA) / Invest Bahamas	Lead government body under the Office of the Prime Minister for FDI approvals and investment facilitation, now subject to a stated government push to expedite large-project reviews	Primary first point of contact for any sizable foreign direct investment or incentive-linked project
Central Bank of The Bahamas	Monetary authority maintaining the US-dollar peg, publishing regular quarterly economic briefings, and overseeing bank and nonbank financial-sector resilience	Essential counterpart for financial-sector licensing and for monitoring macro-financial policy signals (credit growth, sovereign exposure)
Grand Bahama Port Authority (GBPA)	Administers the Hawksbill Creek Agreement free-trade zone covering Freeport, central to any Grand Bahama-based manufacturing, logistics or cruise-port investment	Key licensing counterpart for Freeport-area projects and post-Dorian reconstruction-linked investment
Office of the Prime Minister / Ministry of Economic Affairs	Sets overarching investment, PPP and National Infrastructure Fund policy under the re-elected Davis administration	Relevant for large-scale, cross-sectoral infrastructure and PPP project sponsorship
Securities Commission of The Bahamas	Regulates securities, investment funds and digital assets under the DARE Act framework	Required counterpart for financial-services, fund-management and digital-asset ventures
IMF (Article IV consultation team)	Provides the principal external fiscal and macroeconomic surveillance of The Bahamas, shaping the debt-reduction and tax-reform policy conversation	Reference point for assessing fiscal-rule credibility and the likely direction of tax-policy change (VAT, corporate/personal income tax)
Bahamas Chamber of Commerce and Employers' Confederation	Principal private-sector advocacy and networking body engaging government on trade and investment-climate issues	Useful channel for market intelligence and introductions to established local operators across tourism, finance and construction

CURRENT INTERNATIONAL BUSINESS CHANNELS

Formal engagement typically runs through the Bahamas Investment Authority for FDI approvals, the Grand Bahama Port Authority for Freeport-based projects, and the Securities Commission for financial and digital-asset ventures. The Bahamas Chamber of Commerce and Employers' Confederation offers a well-established private-sector network, and the government's renewed emphasis on expediting large-project reviews suggests improving (though still developing) administrative responsiveness. The re-elected Davis government provides continuity of contacts and policy direction established since 2021, reducing the relationship-rebuilding risk that often follows Caribbean elections.

INVESTOR PROFILE BEST SUITED

Well-suited investors include established cruise, resort and hospitality operators extending proven models into Family Island locations (following Disney's Lighthouse Point precedent), PPP-oriented infrastructure investors able to engage the government's National Infrastructure Fund agenda, and financial or digital-asset services firms comfortable operating within an actively modernizing but still-developing AML/CFT and tax-transparency compliance regime. Investors most exposed to risk are those underwriting projects purely on tourism-growth momentum without climate-resilience planning, or assuming debt-to-GDP will fall to the authorities' 50% target without further fiscal reform being enacted.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Engage the Bahamas Investment Authority early

Approach Invest Bahamas / the BIA to determine the applicable approval pathway and to benchmark the government's stated faster review timelines for large-scale projects.

STEP 2: Select the right legal/incentive vehicle

Decide between Hawksbill Creek Agreement free-zone licensing (Grand Bahama), standard IBC incorporation, or International Persons Landholding Act permits depending on sector and location.

STEP 3: Build in hurricane and climate-resilience planning from the outset

Incorporate resilient construction standards and comprehensive insurance, particularly for Family Island or Abaco/Grand Bahama-area projects still within the post-Dorian reconstruction window.

STEP 4: Confirm financial-sector compliance posture where relevant

For financial, fund or digital-asset ventures, engage the Securities Commission and Central Bank directly on current DARE Act and AML/CFT expectations before structuring the vehicle.

STEP 5: Align timing with the current political and fiscal cycle

Take advantage of the policy-continuity window following the May 2026 re-election, while monitoring likely fiscal reforms (VAT, corporate/personal income tax) that could affect project economics.

WAVERLEY'S ROLE

- Structuring advice across Hawksbill Creek free-zone, IBC and PPP investment vehicles
- Due-diligence support on Family Island and post-Dorian reconstruction-zone projects, including climate-resilience benchmarking
- Introductions to vetted tourism, cruise-port and infrastructure counterparties through the BIA and GBPA
- Compliance-readiness advisory for financial and digital-asset ventures navigating the DARE Act and AML/CFT framework

INVESTOR CALL TO ACTION

Waverley Gateway advises investors to treat The Bahamas as a politically settled, dollar-pegged Caribbean anchor market with a genuinely advancing investment pipeline - well suited to tourism, cruise-port, PPP-infrastructure and compliant financial-services entry, provided climate-resilience planning and fiscal-trajectory monitoring are built in from the start.

Rare political continuity + advancing project pipeline → structural (not acute) risk profile → resilience-first structuring → Waverley-vetted counterparties → durable Bahamian market entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities include Family Island tourism and cruise-port expansion following the Disney Lighthouse Point and Nassau Cruise Port precedents, Grand Bahama free-zone manufacturing and logistics tied to continuing post-Dorian reconstruction, and PPP-structured infrastructure (energy, airports, roads) under the government's planned National Infrastructure Fund. Medium-term opportunities depend on the pace of fiscal reform (potential new tax instruments) and continued electricity-sector reform, both flagged by the IMF as upside catalysts if implemented.

POSITIONING

The Bahamas should be positioned in this guide as a 'stable anchor market' for Caribbean-focused capital: a rare back-to-back election outcome, a US-dollar peg, and a visibly maturing investment pipeline make it one of the lower-political-risk jurisdictions in this series, even as its fiscal and climate fundamentals require genuine, ongoing management rather than complacency.

Waverley's value for clients here is less about flagging acute risk and more about sequencing: helping investors time entry around the government's expedited-approval push and National Infrastructure Fund rollout, and ensuring every Family Island or coastal commitment is built to the resilience standard that Dorian-era reconstruction has made unavoidable.

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