

India- The Bahamas Bilateral Brief

The Commonwealth of the Bahamas is an Archipelago of approximately 700 islands and 2400 islets and cays that extending over an area of 470,000 square kilometers of ocean, from Florida in the northwest to Haiti in the southeast. The islands are generally low-lying and hardly rise more than 100 feet above sea level. However, only thirty of the islands are inhabited. The principal islands are Abaco, Acklins, Andros, Berry Islands, Bimini, Cat Islands, Crooked Island, Eleuthera, Exuma, Grand Bahama, Harbour Island, Inagua, Long Island, Mayaguana, New Providence (where the capital Nassau is located), Ragged Island, Rum Cay, San Salvador and Spanishwells. Eighty-five percent of the Bahamian population is of African heritage. About two-thirds of the population resides on New Providence Island (the location of the Capital Nassau).

2. The Bahamas is a Parliamentary constitutional democracy with a bicameral house, regular elections and universal adult suffrage. The head of government is the Prime Minister, who is formally appointed by the Governor-General. Legislative power is vested in the two chambers of parliament. The term of Parliament is five years, but elections may be held sooner if the Prime Minister is unable to retain a majority in the House or dissolves the House and calls early elections. The British Queen continues to be the 'Titular' Head of the State and is represented in Bahamas by an appointed Governor-General. Mr. Cornelius A. Smith is the Governor General since 28th June 2019. The last election to the Parliament of the Bahamas was held in September 2021.

3. The House of Assembly consists of 38 members, elected from individual constituencies for five-year terms. The House of Assembly performs all major legislative functions. The Senate consists of 16 members appointed by the Governor-General, including nine on the advice of the prime minister, four on the advice of the leader of the opposition, and three on the advice of the prime minister after consultation with the leader of the opposition.

4. The judiciary is independent of the executive and the legislature and jurisprudence is based on English common law. The constitution protects freedom of speech, press, worship, movement, and association.

5. The Bahamas has a multi-party system which is dominated by the centre-left Progressive Liberal Party and the centre-right Free National Movement. The Progressive Liberal Party (PLP) was formed in 1953 to represent the disenfranchised black majority and this led to the formation of the United Bahamian Party (UBP) by the influential white merchants.

6. In 1964, the British gave the Bahamas internal self-governance, and the white UBP leader Roland Symonette became the country's first premier. In 1967, under the leadership of a young black lawyer named Lynden Pindling, the PLP were elected and went on to lead the Bahamas into independence in 1973. A coalition of PLP dissidents and former UBP members formed the Free National Movement (FNM) in 1971 under the leadership of Cecil Wallace Whitfield.

Recent Political Developments

7. Philip Davis is the Bahamian Prime Minister since September 2021. During the last general elections in September 2021, the Progressive Liberal Party led by Philip Davis had a landslide victory winning 32 out of total 39 seats in the Parliament. The incumbent Government of Free National Movement led by Prime Minister Hubert Minnis lost the majority in the elections.

Economy

8. The Bahamas has a predominantly market economy that is heavily dependent on tourism and international financial services. The gross national product (GNP) per capita is one of the highest in the region. Steady growth in tourist arrivals and a boom in the construction industry with the building of new hotels, resorts, and residences are leading to GDP growth in recent years. The Bahamas has the largest number of offshore entities and companies primarily due to its status as a tax haven.

9. The Bahamas is largely an import service economy with few domestic resources and little industry. Agriculture accounts for a very small portion of the GDP and almost all of the agricultural products are imported, mainly from the United States. Only a tiny fraction of the land is arable, and soils are shallow. However, the tropical climate favours the cultivation of many fruits and some pigs, sheep, and cattle are also

reared. There is also a small fishing industry. Since the 1990s, there has been an expansion in agriculture and commercial fishing sectors and The Bahamas has been exporting fruits and vegetables as well as seafood. However, it imports nearly all its food and manufactured goods, as well as consumer goods mostly from the United States. It is strongly affected by the economic climate in the US, from where it has the majority of its tourist visitors.

10. Mineral industries are limited to the production of salt and cement. Electricity is generated entirely from imported petroleum and liquefied natural gas. Power-generating stations are located throughout the islands. Manufacturing industries centre on the production of rum and other liquor. Other manufactures include cement and pharmaceuticals, canned fruits, sea food, etc.

Foreign Trade

11. The Bahamas most important trading partner is the United States which accounts for 80% of its total trade. Other trading partners include France, the United Kingdom, Turks and Caicos, Japan, Panama, and Argentina. The total imports were US\$ 9.51 billion while exports were valued at US\$1.22 billion in 2019, resulting in a trade deficit of almost 8.29 billion. The total value of trade is US\$ 10.73 billion.

12. The Bahamas is heavily dependent on food imports from the United States, resulting in consistent trade deficits. The Bahamas mainly imports boats, fuel, oil, paintings, iron and steel, vehicles and furniture. It mainly exports fuel, boats, beverages, polymers, shellfish, cyclic compounds, paintings, oil and pebbles. The European Union and several other countries exempt certain Bahamian products from duties under the Generalized System of Preferences.

13. The Bahamas is very vulnerable to the effects of global warming and climate change. According to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), hurricanes cost The Bahamas approximately US\$820 million between 2015 and 2017. This poses a significant strain on the economy. The government is taking steps to secure funding in the area of disaster management, including in preparedness and resilience.

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