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Job losses could hit 1,000 — expert::



By Matthew Taylor

Bermuda will have shed 1,000 jobs by the end of the year and that figure could double by the end of 2010, according to hiring expert Doug Soares.

He told *The Royal Gazette*: "This is the worst recession that I can remember in terms of job losses. Before we close 2009, we estimate Bermuda's workforce will have shed over 1,000

jobs from its all-time high of more than 40,000 jobs recorded in 2008.

"In the end, I would not be not surprised if total job losses due to the 2008/09 recession amount to more than 2,000 because many of the job losses in industries such as construction and hospitality will continue into 2010."

Virtually all the major industries have been hit, said Mr. Soares who runs employment agency Expertise.

First was the fund administration industry when the financial markets plummeted late last year.

It took a while for other industries to be impacted said Mr. Soares, but beginning in 2009 many jobs have been lost in hospitality, retail, construction, telecommunications, accounting and business services.

The insurance industry has been relatively unscathed with the exception of XL Capital added Mr. Soares. "As for job growth, virtually no industries are adding jobs," he said.

Alex DeCouto, president of the Construction Association of Bermuda, said the prospects for his industry were bleak.

He said: "There has been a significant reduction in employment in the building industry already, perhaps between five to ten percent.

"But that could double quickly if investment optimism does not return in the very near term, and if Government does not quickly break ground on significant infrastructure projects."

Government statistics show that last year the construction sector had nine percent of

Bermuda's workforce with 3,649 jobs up from 3,230 four years earlier.

As the shake-out works its way through, Mr. DeCouto predicted those bearing the brunt would be unskilled workers such as general labourers and some semi-skilled categories like truck drivers, painters and landscapers.

He added: "Employers will be looking to hang on to their most skilled, most productive employees until the bitter end, until they can no longer afford to pay out without having money coming in."

And it doesn't necessarily mean expats shipping out and Bermudians slotting in, said Mr. DeCouto.

"Historically there have been two Bermudians for every one expat in the industry and I would expect both to decline relatively.

"While expats should be the first to go, under Immigration regulations, there aren't any 'unskilled' expat construction workers.

"If a company runs out of general labouring work before finished carpentry, the Bermudian labour might be laid off before the expat finish carpenter."

And Mr. DeCouto said there was little companies could do to protect themselves from the downturn if the work simply wasn't there.

"They can impress upon their MPs the need to have Government invest on capital projects or facilitate the private sector to do the same.

"Otherwise, the leanest, most productive and most responsive companies and employees will be the ones that survive. Having a connected business network obviously is a big advantage."

Asked if Bermuda would ever return to the building boom heyday of the last few years, Mr DeCouto said: "Construction is simply an indicator of economic success and optimism.

"It isn't a third pillar as it is frequently referred to. It is an outcome, which increases as the amount of investment in the local economy increases.

"We build offices to service thriving international business, we build hotels to service more tourists and we build houses to address either more people or our growing affluence.

"Without the demand of international business, tourism, or increased affluence, construction is likely to slow.

"You will frequently hear economists refer to construction starts or housing starts as a key indicator of where we are in the recession."

Last week Mr. DeCouto revealed that new construction work has "slowed to a trickle" while

some architects offices were now operating on a four-day week.

He expects consolidation in an industry which has been a beacon of Bermudian entrepreneurship with 700 registered firms.

Smaller firms are least likely to absorb the impact believes Mr. DeCouto while large firms have access to significant overdraft facilities and cash reserves and are still capable of getting smaller projects.

He also voiced fears about the lack of new construction starts across the board.

While Government has continued with projects scheduled prior to the start of the recession last year, projects like the Salvation Army Housing Project, a multi-use Government facility on Marsh Folly Road, and other capital projects appear to be on hold while huge projects like the new wing at the King Edward VII Memorial Hospital and the waterfront redevelopment are more than a year away, at best.

Chamber of Commerce president Stephen Todd believes the retail and the financial sector had been worst hit by the recession while the hospitality sector faced a bleak winter and New Year.

Restaurants had fallen prey to both declining visitor spending and corporate belt tightening.

But Mr. Todd is hopeful Bermuda can pull out of it next year.

"We are cautiously optimistic although we are expecting a very challenging fall and spring season."

Finance Minister Paula Cox believes her department has acted wisely to stave off the worst of the recession and the economy will start to improve by the end of next year.

She said: "At macro level we crafted Budget 2009/10 in a way to provide relief to vulnerable sectors and to also stimulate the economy.

"Our capital projects programme was also geared to inject dynamism and to stimulate key sectors by continuing to fund those projects that were seen as necessary in the national interest whether from an infrastructure development perspective or public interest/need such as affordable housing."

There was also help for Butterfield Bank, added Ms Cox

And she said the anticipated decline in tourists had sparked help for the hospitality sector and retail sector via concessions and deferrals even though it would reduce Government revenues in the short to medium term.

"The work by the Ministry of Finance will continue as we position Bermuda to move from crisis to recovery stage and the anticipated upturn in the economy by the end of next year."

Mr. Soares urged people not to panic and instead make the most of the new circumstances.

"For Bermudians, there are job opportunities in virtually every job category because it is just a matter of time before they displace work permit holders who come up for renewal."

The difficulty for many Bermudian job seekers though is that they are often competing now with other good Bermudian candidates, said Mr. Soares, whose company Expertise has more than 40 management consultants and employment professionals serving more than 250 employers each year.

He added: "Unsuccessful candidates often assume they have lost out to a non-Bermudian candidate but in many cases a better qualified Bermudian was selected."

"Many Bermudians are frustrated because they are not used to competing for jobs and not accustomed to prolonged job searches."

A recession changes employment behaviour across the board, said Mr. Soares.

Those in jobs contemplating career changes are realising it's a risky time to quit their job and try something new.

For those who have recently lost their job, it is has been an ideal time to seek out new opportunities, said Mr. Soares. "The scarcity of jobs nowadays behoves them to be flexible."

And those who are looking to retrain now have more far more opportunities.

"A greater number of courses and methods of study are available now than ever before and, generally speaking, employers invest heavily in training."

Around 10,000 jobs in Bermuda including all of the best paying jobs require a college degree as a minimum requirement, estimates Mr. Soares.

"It is actually a great time for those without a university degree or industry qualification to get one."

*** Tomorrow: Jobs are falling across the board but Bermuda still has more positions than there are locals to fill them. However workers believing the good times are just around the corner, where they will be able to be choosy about jobs again, clearly have not comprehended the threat of outsourcing.**
