



Tourism Satellite Account (TSA) Report

FOR THE YEAR ENDED 2010

SUMMARY OF TOURISM'S CONTRIBUTION

The Tourism Satellite Account defines the tourism industry and measures its contribution to GDP and employment in a way that is consistent with national accounts. Total tourism-related value added increased to \$658 million in 2010 (see bar chart below), up 19 per cent from \$553 million in 2009. The total value added comprised \$297 million in direct tourism output that is, output sold directly to visitors like accommodation and passenger air travel; and, \$361 million in indirect tourism output (see Box I). The 2.2 ratio of total output (\$658m) to direct output (\$297m) in 2010 meant that for every dollar of direct tourism output generated, another \$1.20 of indirect tourism output was produced.

The tourism-related employment level grew by 557 workers to 5,594 jobs in 2010. This total included 3,579 jobs stemming from direct tourism output and 2,015 jobs from indirect tourism. Direct tourism employment comprises jobs that produce direct tourism output such as airline pilots, hotel and restaurant staff. Indirect tourism employment includes jobs that generate indirect tourism output such as employees of businesses that provide food supplies to hotels and restaurants. For every 10 direct tourism jobs generated in 2010 an additional 5.6 jobs were indirectly created.

2010 HIGHLIGHTS:

- Tourism directly contributed \$297 million, or 5.2 per cent, to Bermuda's GDP.
- Employment in the tourism industry increased 8 per cent.
- Visitors spent \$393 million in Bermuda.
- Bermuda residents spent \$417 million on foreign travel.
- Government spent \$35 million to provide tourism services.
- Tourism contributed \$226 million (or 23%) to the 2010 Current Account Revenue.

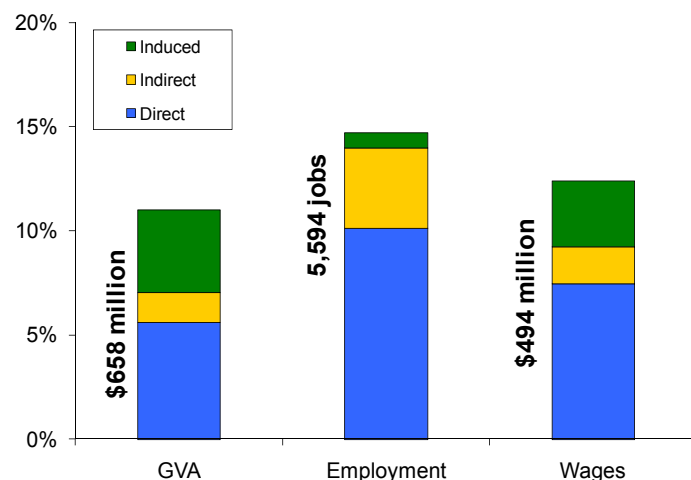
BOX I

Direct tourism output comprises all domestically produced goods and services purchased by travellers (for example, accommodation and air transportation).

Indirect tourism output comprises all output required to support the production of direct tourism output (for example, toiletries for hotel guest and local entertainment for hotels).

2010 Total Tourism Impacts

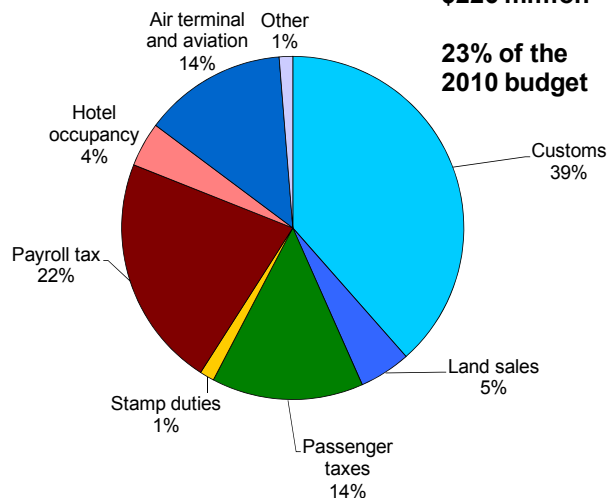
share of economy



2010 Tourism Contribution to Government Revenue

\$226 million

23% of the 2010 budget



THE IMPACT OF TOURISM IN BERMUDA

Tourism directly contributed \$297 million to GDP.

In 2010, gross value added produced from activities of tourism-related establishments such as hotels, restaurants, travel agencies and passenger transport businesses, totalled \$721 million. Of this total, gross value added directly derived from tourist spending accounted for 41 per cent, or \$297 million (see Table 1). This represented an 18.9 per cent increase above the level of gross value added received directly from tourists in 2009. In 2010, the tourism industry's contribution to GDP stood at 5.2 per cent, which was higher than the previous year's level, but remained below the 6.1 per cent peak share of GDP reached in 2006.

In 2010, visitors spent \$393 million on tourism products.

In 2010, a total of 585,266 visitors to Bermuda translated into \$393 million spent on goods and services within the local economy. The total level of spending by air, yacht and cruise visitors (including crew members), increased by \$53 million when compared to spending levels recorded in 2009. Visitor outlays on accommodation services and food & beverages increased by \$38 million and \$11 million, respectively. In contrast, spending by visitors on passenger transport services and entertainment services declined by \$2 million each when compared to 2009.

WHAT ARE TOURISM ESTABLISHMENTS ?

These are establishments for which at least 25 percent of their goods and services are bought by tourists. Examples include hotels, travel agencies, restaurants and passenger transport businesses

WHAT IS TOURISM VALUE ADDED ?

Tourism Value Added is the value of goods and services produced by tourism establishments less the cost of producing these goods and services.

Hotels and other guest properties were the largest contributors to tourism gross value added in 2010, accounting for 46 per cent or \$136 million. Approximately 88 percent of total hotel revenue was earned directly from tourists. This represented a significant increase from the 74 per cent reported in 2009. Additionally, the combined contribution from transport and restaurant services represented 18 per cent or \$52 million of total tourism gross value added.

Higher employment in the tourism industry.

The tourism industry directly generated 3,579 jobs in 2010, an increase of 8 per cent (see Table 2). These jobs accounted for 9 per cent of the total work force. The industry remained the second largest employer of Bermudian workers in the labour market following behind the Public Administration sector. Employment of Bermudian workers represented 71 percent or 2,534 workers engaged in tourism industry employment. This compares favourably to the 2,300 Bermudian workers employed in the tourism industry in 2009.

Bermuda residents spent \$417 million on foreign travel.

Bermuda residents spent an estimated \$417 million on foreign travel in 2010, \$10 million more than in 2009. Expenditure on transportation services such as the cost of airline tickets, cruise fares and taxi services amounted to \$145 million, up 3 per cent from the year prior. Additionally, all other categories of spending on food, accommodation and recreation services increased during 2010.

Government current expenditure on tourism totalled \$35 million.

The Bermuda Government spent \$35 million in current expenditure to facilitate the operation of the tourism industry. Spending on tourism promotion, marketing and related professional services was \$2 million higher and accounted for 74 per cent of total government spending on tourism in 2010. Among other tourism-related spending categories, compensation of employees at the Department of Tourism and overseas tourism offices dipped 2 per cent compared to last year.

BERMUDA TOURISM SATELLITE ACCOUNT REPORT

Table 1 : Tourism GDP 2009 and 2010
Net Valuation

Products	2009 Total Domestic Supply (at Purchasers Price)	2010 Total Domestic Supply (at Purchasers Price)
	Output	Output
A. Consumption Products	460,320,021	520,921,167
A.1 Tourism characteristic Products	460,320,021	520,921,167
1 - Accommodation Services	229,208,235	273,292,972
2 - Food and Beverage Serving Services	77,409,974	91,301,095
3 - Passenger Transport Services	70,615,213	70,820,755
4 - Travel Agency, tour operator and Tourist Guide Services	31,588,954	31,552,679
5 - Cultural Services	2,834,606	5,979,669
6 - Recreation and Other Entertainment Services	16,679,305	15,058,910
7 - Miscellaneous Tourism Services	-	-
8 - Retail Trade (tourism characteristic goods)	31,983,734	32,915,088
Tourism social transfer in kind	2,050,000	814,000
Total Direct Tourism Output	462,370,021	521,735,167
Total Intermediate Consumption (at purchasers prices)	212,499,053	224,572,648
Total Gross Value Added of Activities	249,870,969	297,162,519
Compensation of Employees	217,021,820	248,281,974
Other Taxes less Subsidies on Production	6,024,990	7,145,094
Depreciation	28,779,412	38,709,261
Gross Operating Surplus	(1,955,316)	3,026,190
GDP	249,870,969	297,162,519
Intermediate Consumption as a per cent of Output	85%	76%
Memo:		
Total Bermuda GDP in current prices	5,806,378,349	5,764,583,954
Tourism GDP as a per cent of Total Bermuda GDP	4.3%	5.2%

2009 Top Sectors - GDP (\$M)



2010 Top Sectors - GDP (\$M)

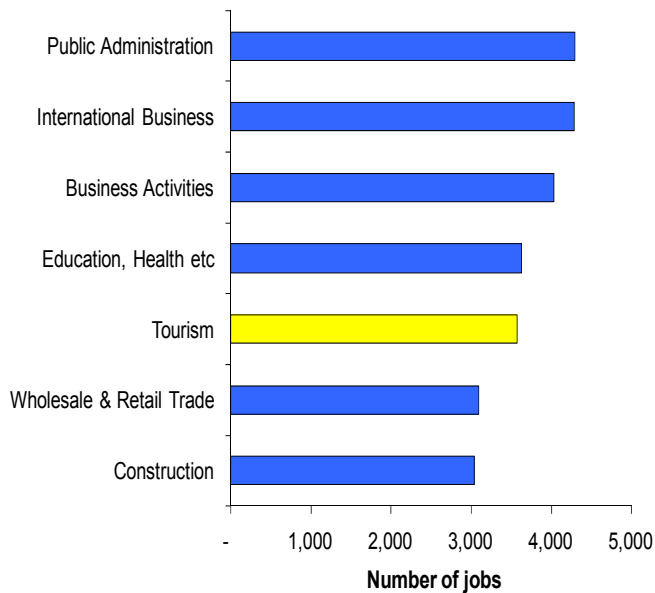


BERMUDA TOURISM SATELLITE ACCOUNT REPORT

Table 2 : Employment directly related to Tourism, 2009 and 2010

	Bermudian	Expatriate	Total Number of Jobs 2009	Bermudian	Expatriate	Total Number of Jobs 2010
Hotels and Similar	1,256	749	2,005	1,417	733	2,150
Second Home Ownership			X			X
Restaurants and Similar	71	117	188	126	195	321
Retail Trade	208	53	262	214	52	267
Road Passenger Transport	165	6	171	243	9	252
Water Passenger Transport	108	4	112	74	9	82
Air Passenger Transport	132	2	134	116	4	120
Travel agents and tour operators	149	10	159	140	9	149
	-	-		-	-	
Department of Tourism	44	8	52	42	7	49
Marine & Ports	80	14	93	53	9	62
Airport Operations	44	8	52	39	7	46
Transport Control Department	20	3	23	19	3	22
Civil Aviation	15	3	18	19	3	22
Maritime Administration	6	1	7	4	1	5
Sport and Recreation	32	6	38	28	5	32
Total Direct Tourism Employment	2,330	983	3,314	2,534	1,045	3,579
Share of Economy			8%			9%

2010 Top Sectors - Total Employment



2010 Top Sectors - Bermudian Employment

