

Quarterly Bulletin of Statistics



GOVERNMENT OF BERMUDA
Cabinet Office
Department of Statistics

2nd Quarter 2007

Visitors Arrivals and Expenditure:

Air Arrivals

Air Arrivals during the second quarter of 2007 dipped 1.5% below the level reached in the second quarter of 2006. A total of 99,594 tourists visited the Island, down from the 101,133 that visited in 2006. The decline in air visitors reflected fewer tourists from the United States and Canada.

Although the United States made up the largest percentage of air arrivals to the Island, their visitor count fell 2.2% to 77,648 compared to the 79,368 visitors that travelled from the United States in the previous year. The number of Canadian tourists contracted 4.6% to just over 8,000 visitors. In contrast, visitors originating from the United Kingdom increased 5.6%, reflecting the increased capacity on the London to Bermuda route due to the introduction of a new discounted airline to the Island.

The overall decline in air arrivals translated into fewer bookings (-1.5%) by visitors at tourist properties. Resort hotels recorded lower occupancy rates as the number of guests fell to 46,690, down 9.2% from the 51,394 recorded in 2006. In contrast, the smaller commercial properties such as housekeeping units, guest houses, and small hotels, cottages and clubs all experienced an increase in guest bookings of 21.6%, 23.7%, and 6.2%, respectively.

Q2 2007 Highlights

Air - 99,594 tourists arrived by air and spent \$134.5 million.

Cruise - 130,304 cruise ship passengers embarked on Bermuda's ports and spent \$26 million.

Tourist Accommodations
Recorded \$91.9 million in sales and employed 3,070 workers.

Resident Trips Abroad
Bermuda residents took a total of 43,074 overseas trips and declared purchases of \$17.2 million in goods.

Retail - Gross turnover in the retail sales sector reached \$281 million.

Expenditure by Air Arrivals

Expenditure by tourists arriving by air edged up 2.3% in the second quarter of 2007. Air visitor expenditure was estimated at \$134.5 million, reflecting an increase of \$3.0 million.

Despite the decline in total air arrivals to the Island, air visitors spent \$2.5 million more on accommodation and food year-over-year. Also, visitor outlays on shopping, entertainment, transportation, sightseeing and sports activities, rose 1.8% to \$28.0 million.

Cruise Arrivals & Expenditure

The cruise ship season opened with a total of 130,304 passengers arriving in Bermuda during the second quarter of 2007. This represented a 6.3% increase year-over-year. The higher volume of cruise passengers was attributed to several ad hoc visits by non-regular cruise liners during the month of May. These ocean vessels brought over 6,500 more cruise passengers to the Island than in the second quarter of 2006.



Cruise ship passengers spent an estimated \$26.0 million while visiting the Island this quarter compared to \$23.8 million in the previous year. Purchases of goods and services by these visitors included clothing, souvenirs, transportation, sightseeing and sport activities.

Hotel Employment

There were 3,070 workers in the tourist accommodations industry at the end of April 2007. Employment levels in the hotel industry rose 5.5% above the level recorded during the same period in 2006.

Despite the 1.5% decline in air arrivals, employment in the major resort hotels accounted primarily for the increase in total employment

as the number of jobs for these properties increased 6.2%, or by 138 workers compared with last April. Employment within cottage colonies and housekeeping accommodations rose 3.4%, or by 22 workers. On the other hand, the number of workers employed by guest houses and micro-units remained unchanged.

Major resort hotels continued to be the largest employer within the industry accounting for 2,379 workers or 77.5% of total employment at the end of April 2007. Cottage colonies and housekeeping units employed 22.0% of employees in the hotel industry, representing 674 workers. Guest houses and micro-units continued to employ less than 1.0% of workers in the accommodations industry, employing only 17 workers.



Visitor Arrivals

Table 1

	Cruise Passengers	Air Visitors by Country of Origin				Total (1)	Cruise & Air Visitors
		U.S.A.	Canada	U.K.	Other		
2004							
1st Qtr	743	23,692	6,126	3,238	2,016	35,072	35,815
2nd Qtr	76,365	70,009	7,524	6,345	4,796	88,674	165,039
3rd Qtr	101,295	75,303	6,278	6,567	4,074	92,222	193,517
4th Qtr	27,730	40,050	6,564	5,284	3,755	55,653	83,383
Year	206,133	209,054	26,492	21,434	14,641	271,621	477,754
2005							
1st Qtr	497	27,602	5,885	3,763	2,165	39,415	39,912
2nd Qtr	82,773	71,761	8,452	6,832	5,060	92,105	174,878
3rd Qtr	112,027	66,661	6,559	6,431	3,817	83,468	195,495
4th Qtr	51,962	37,973	7,769	5,414	3,424	54,580	106,542
Year	247,259	203,997	28,665	22,440	14,466	269,568	516,827
2006							
1st Qtr	425	26,732	5,855	4,016	2,293	38,896	39,321
2nd Qtr	122,560	79,368	8,450	8,003	5,312	101,133	223,693
3rd Qtr	164,467	76,024	6,966	8,523	5,140	96,653	261,120
4th Qtr	48,847	45,601	6,404	6,466	3,820	62,291	111,138
Year	336,299	227,725	27,675	27,008	16,565	298,973	635,272
2007							
1st Qtr	2,765	32,946	5,785	4,310	2,784	45,825	48,590
2nd Qtr	130,304	77,648	8,059	8,451	5,436	99,594	229,898

1. Excludes ship and yacht visitors.

Source: Tourism Department

Visitors by Intended Type of Accommodation

Table 2

	Resort Hotels	Small Hotels, Cottage Colonies & Clubs	Housekeeping Accommodations ⁽³⁾	Guest Houses ⁽⁴⁾	Private Homes ⁽¹⁾	Not Stated	Total ⁽²⁾
2004							
1st Qtr	15,243	8,246	2,445	497	8,588	53	35,072
2nd Qtr	39,414	22,635	5,519	916	19,925	265	88,674
3rd Qtr	43,103	20,920	5,031	883	21,944	341	92,222
4th Qtr	26,172	12,147	2,596	548	14,049	141	55,653
Year	123,932	63,948	15,591	2,844	64,506	800	271,621
2005							
1st Qtr	19,104	8,178	2,211	445	9,395	82	39,415
2nd Qtr	46,780	20,139	4,035	690	20,273	188	92,105
3rd Qtr	40,730	17,972	4,758	651	19,156	201	83,468
4th Qtr	26,638	11,276	2,676	484	13,350	156	54,580
Year	133,252	57,565	13,680	2,270	62,174	627	269,568
2006							
1st Qtr	20,139	6,857	2,045	437	9,384	34	38,896
2nd Qtr	51,394	20,369	5,820	727	22,669	154	101,133
3rd Qtr	46,895	19,363	5,790	673	23,788	144	96,653
4th Qtr	30,485	11,984	3,396	508	15,750	168	62,291
Year	148,913	58,573	17,051	2,345	71,591	500	298,973
2007							
1st Qtr	25,370	7,608	2,197	468	10,087	95	45,825
2nd Qtr	46,690	21,631	7,079	899	22,948	347	99,594

1. This category includes persons staying in commercial accommodation units with less than twelve beds, as well as persons visiting with friends and relatives.

2. Excludes cruise visitors. 3. Includes Cottage Suites/Apt. and Inns 4. Includes Bed & Breakfast.

Source: Tourism Department

Estimated Expenditure of Vacation and Business Visitors \$ Million

Table 3

	Air Visitors			Cruise Visitors	Total Expenditure
	Accommodation and Food	Shopping, Entertainment, Transport, etc.	Total		
2004					
1st Qtr	33.8	10.5	44.3	0.2	44.5
2nd Qtr	85.6	26.4	112.0	18.6	130.6
3rd Qtr	89.0	27.5	116.5	24.7	141.2
4th Qtr	53.7	16.6	70.3	6.8	77.1
Year	262.1	81.0	343.1	50.3	393.4
2005					
1st Qtr	38.7	11.0	49.7	0.1	49.8
2nd Qtr	90.5	25.8	116.3	18.0	134.3
3rd Qtr	82.1	23.4	105.5	24.3	129.8
4th Qtr	53.7	15.3	69.0	11.3	80.3
Year	265.0	75.5	340.5	53.7	394.2
2006					
1st Qtr	40.0	10.6	50.6	0.1	50.7
2nd Qtr	104.0	27.5	131.5	23.8	155.3
3rd Qtr	99.5	26.3	125.8	31.9	157.7
4th Qtr	64.1	16.9	81.0	9.5	90.5
Year	307.6	81.3	388.9	65.3	454.2
2007					
1st Qtr	48.7	12.8	61.5	0.5	62.0
2nd Qtr	106.5	28.0	134.5	26.0	160.5

1. Air visitors subtotals are not comparable prior to 2004.

Hotel Gross Receipts

Total revenue for the hotel industry rose 1.0% to \$91.9 million in the second quarter of 2007 as small hotels, cottage colonies and other guest accommodations experienced strong gains in gross receipts. In contrast, resort hotels experienced a fractional decline in sales revenue of \$0.5 million or 0.7%. Room occupancy sales for resort hotels totalled \$48.0 million in the second quarter. This was 3.6% or \$1.8 million below earnings from hotel rooms in the same quarter last year. The decline in revenue from room sales can be partly attributed to the 1.5% fall in air arrivals during the second quarter. Revenues earned from room sales accounted for 63.0% of

total revenue earned by resort hotels during the period.

Gross receipts earned by smaller hotel properties advanced 10.1% over the same period in 2006. This reflected a \$1.3 million increase in revenue. Sales from room occupancy alone totalled \$9.8 million, which accounted for close to three-quarters of total revenues earned by small hotels in the second quarter 2007.

Overseas Spending by Residents

The level of spending on goods purchased abroad by travelling residents was declared at a total value of \$17.2 million during the second quarter of 2007. This represented a



Employment in Hotel Industry by Type of Establishment¹

Table 4

		Hotels	Cottage Colonies & Housekeeping	Guest Houses & Micro-Units ²	All Establishments
2004					
1st Qtr	January	1,328	530	14	1,872
2nd Qtr	April	2,323	600	19	2,942
3rd Qtr	July	2,456	626	19	3,101
4th Qtr	October	2,320	569	16	2,905
2005					
1st Qtr	January	2,253	458	15	2,726
2nd Qtr	April	2,383	677	10	3,070
3rd Qtr	July	2,491	733	16	3,240
4th Qtr	October	2,453	647	14	3,114
2006					
1st Qtr	January	2,148	562	19	2,729
2nd Qtr	April	2,241	652	17	2,910
3rd Qtr	July	2,348	743	16	3,107
4th Qtr	October	2,255	664	17	2,936
2007					
1st Qtr	January	1,938	498	16	2,452
2nd Qtr	April	2,379	674	17	3,070

1. As at the end of each reference month.

2. Micro units are establishments having a capacity of 6-11 beds.

Resident Purchases Abroad ¹ \$000										Table 5
	Clothing & Footwear	Electronic & Photographic Equipment	Hhld Items Furniture & Appliances	Toys & Sports Goods	Tapes Records & Compact Discs	Computer Hardware & Software	Jewellery & Watches	Tools Machinery & Parts	Misc.	Total
2004										
1st Qtr	2,881	894	830	361	458	348	196	315	1,240	7,523
2nd Qtr	7,279	952	1,109	637	701	627	403	283	1,931	13,922
3rd Qtr	6,411	1,303	955	613	893	745	426	565	2,520	14,431
4th Qtr	7,922	1,607	662	848	1,173	728	448	640	3,292	17,320
Year	24,493	4,756	3,556	2,459	3,225	2,448	1,473	1,803	8,983	53,196
2005										
1st Qtr	4,728	1,235	593	522	853	594	372	308	2,663	11,868
2nd Qtr	6,941	1,055	654	576	632	515	387	281	3,139	14,180
3rd Qtr	7,171	1,266	787	652	803	663	465	333	3,974	16,114
4th Qtr	8,811	1,667	786	915	963	776	576	304	3,703	18,501
Year	27,651	5,223	2,820	2,665	3,251	2,548	1,800	1,226	13,479	60,663
2006										
1st Qtr	5,348	1,144	566	509	649	591	427	253	2,762	12,249
2nd Qtr	8,311	1,119	717	535	597	581	396	267	3,261	15,784
3rd Qtr	8,039	1,290	815	654	760	739	571	278	3,718	16,864
4th Qtr	9,109	1,580	863	938	838	784	628	280	3,890	18,910
Year	30,807	5,133	2,961	2,636	2,844	2,695	2,022	1,078	13,631	63,807
2007										
1st Qtr	5,458	1,062	634	520	593	618	430	234	2,830	12,379
2nd Qtr	9,090	1,217	726	609	633	729	460	264	3,456	17,184

1. Value of goods as declared to Customs on entry or re-entry to Bermuda. Does not include purchases through mail-order or telemarketing

Source: H.M. Customs

rise of 8.9% or \$1.4 million above the spending level reached in the second quarter of 2006. Residents travelling abroad spent on average \$399 per trip on goods purchased abroad, representing a fractional decline of 0.3% over average spending levels reached in the second quarter of 2006.

Returning residents reported \$9.1 million spent on clothing and footwear, an increase of 9.4% or \$779,000 more when compared to the same quarter last year. Clothing

and footwear purchases represented more than half of total overseas purchases by residents. In the local retail sector, sales for apparel stores also advanced for the quarter by 5.7%.

Other strong gains in overseas spending for the quarter included purchases of computer hardware and software (+\$148,000), electronic and photographic equipment (+\$98,000), toys and sporting goods (+\$74,000), and jewellery and watches (+\$64,000).

Resident Trips Abroad

Bermuda residents took a total of 43,074 overseas trips during the second quarter of 2007. This was 9.2% or 3,612 trips more than the 39,462 trips taken by residents in the second quarter of 2006. The growth in overseas travel was characterized by an increase in the number of trips to the United States, United Kingdom and to all other countries. In contrast,

resident trips to Canada fractionally declined.

The United States continued to be the most popular destination for residents, representing 70.9% of all trips taken in the second quarter of 2007. The 30,553 trips to the United States were up 9.6%, representing a total of 2,677 more trips taken when compared to the same period last year. The 17.0% increase in the number of trips to the United Kingdom can be attributed in-part to discounted airfares introduced by a new airline to the Island. Additionally, trips to all other countries were up 10.1%.

Of the 43,074 resident trips taken during the second quarter of 2007, 82.0% or 35,334 trips were vacation trips or trips to visit friends and family. This was 1,416 trips more than the 33,918 trips recorded in the same quarter in 2006. The number of trips taken for international and local business purposes increased 53.6% and 25.7%, respectively.

Retail Sales

The retail sector experienced a nominal rise in sales activity during

the second quarter of 2007. Consumer spending advanced 0.4% to record gross turnover sales of \$281 million for the quarter. All retail sectors reported positive gains in sales with the exception of motor vehicles and building materials which experienced double-digit declines in sales revenue during the quarter.

Apparel stores, food stores and service stations were the strongest contributors to the rise in retail sales this quarter. Sales at apparel stores bounced back in 2007 after a 27.9% decline in the second quarter of 2006, which was fuelled by the closure of a

Resident Trips Abroad by Purpose and Country of Destination

Table 6

	Purpose of Trip				Country of Destination (1)				Total Trips
	Vacation	Local Business	International Business	Other Reasons	United States	Canada	United Kingdom	All Other Countries	
2004									
1st Qtr	21,854	2,367	2,285	1,493	18,526	3,450	2,859	2,390	27,225
2nd Qtr	30,293	2,680	2,191	2,043	26,654	4,874	3,242	2,803	37,573
3rd Qtr	37,478	2,288	1,833	4,632	31,715	6,372	4,631	3,406	46,124
4th Qtr	36,906	2,271	1,956	3,630	32,777	5,400	3,707	2,811	44,695
Year	126,531	9,606	8,265	11,798	109,672	20,096	14,439	11,410	155,617
2005									
1st Qtr	23,784	2,144	2,022	1,504	20,146	3,478	3,006	2,846	29,476
2nd Qtr	30,666	2,384	2,388	1,706	26,120	4,764	3,304	2,956	37,144
3rd Qtr	41,143	1,939	2,135	2,700	32,432	5,521	5,001	4,963	47,917
4th Qtr	40,345	2,054	2,284	1,877	33,814	5,209	3,706	3,831	46,560
Year	135,938	8,521	8,829	7,787	112,512	18,972	15,017	14,596	161,097
2006									
1st Qtr	24,958	2,329	2,298	2,451	21,939	3,469	3,389	3,239	32,036
2nd Qtr	33,918	2,133	1,594	1,817	27,876	4,578	3,709	3,299	39,462
3rd Qtr	42,675	2,298	1,813	3,239	33,431	6,682	5,228	4,684	50,025
4th Qtr	41,972	2,434	2,411	2,099	35,847	5,116	3,964	3,989	48,916
Year	143,523	9,194	8,116	9,606	119,093	19,845	16,290	15,211	170,439
2007									
1st Qtr	26,676	2,605	2,533	2,875	23,927	3,617	3,510	3,635	34,689
2nd Qtr	35,334	2,681	2,449	2,610	30,553	4,552	4,338	3,631	43,074

1. Generally taken as the country of initial destination in a multi-country tour; the United States and the United Kingdom are 'gateways' in this regard, and as a consequence they tend to mask tours to South America the Caribbean, Europe and Asia.

Source: Tourism Department

major department store in 2005. The increase of 5.7% in sales by retailers was due primarily to expanded floor space and the introduction of new product lines. Food stores sustained steady growth as sales revenues for the sector advanced 4.9% for the quarter. Service stations also reported an increase in sales of 4.9% which was mainly attributed to the rising

cost of fuel during the quarter.

Motor vehicle dealers and retailers of building materials both registered double-digit declines for the quarter of 12.6% and 11.5%, respectively. Low stock levels combined with a weakening in consumer demand for models currently in stock contributed to the dip in sales for vehicle dealers.

However, the cyclical nature of the construction industry led to the lower sales performance in the building materials sector.

Retail Sales Index (1)

Table 7

	Total	Food Stores	Liquor Stores	Motor Vehicle Dealers	Service Stations	Building Materials	Apparel Stores	All Other Store Types
Average Monthly Sales 2006 = 100.0								
2004								
1st Qtr	77.6	77.7	80.4	82.2	70.1	84.9	80.7	72.9
2nd Qtr	91.5	89.8	91.9	80.9	78.4	82.4	130.3	88.7
3rd Qtr	88.0	84.1	87.2	85.1	84.7	81.6	113.0	86.6
4th Qtr	98.5	91.0	97.4	84.9	79.2	83.2	152.9	100.8
Year	88.9	85.7	89.2	83.3	78.1	83.0	119.2	87.3
2005								
1st Qtr	81.8	82.9	83.5	85.6	78.4	87.2	84.4	76.3
2nd Qtr	102.8	95.1	95.3	114.1	93.1	93.6	147.1	94.5
3rd Qtr	97.3	99.5	102.9	101.2	96.9	96.5	91.6	95.5
4th Qtr	103.0	99.4	104.5	105.5	89.7	96.7	116.5	105.5
Year	96.2	94.2	96.6	101.6	89.5	93.5	109.9	93.0
2006								
1st Qtr	86.3	89.9	77.2	96.0	88.5	100.2	62.2	82.7
2nd Qtr	104.2	102.1	103.4	105.4	103.5	112.3	106.1	102.4
3rd Qtr	101.5	104.7	109.8	99.2	109.0	95.5	96.7	100.6
4th Qtr	108.1	103.3	109.5	99.4	99.0	92.0	135.1	114.3
Year	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2007								
1st Qtr	91.8	97.5	81.9	94.5	95.2	99.6	76.8	87.4
2nd Qtr	104.6	107.1	108.3	92.1	108.6	99.4	112.2	104.5

1. Quarterly averages derived from monthly series

Source: Department of Statistics

About the Quarterly Bulletin

The Quarterly Bulletin of Statistics highlights some of the main economic indicators developed by the Department of Statistics. The content and presentation of this publication will vary each quarter depending on topicality and coverage of the published statistics.

A brief analysis of the data for the reference quarter is provided for key sectors of the economy. Additionally, to assess and monitor economic trends, the tables show a series of quarterly figures over a four-year period. The source of data varies for each table.

This publication has been re-vamped and does not contain all the tables that were published in previous Bulletins. However, the data is available and users are encouraged to call the Department to request any information not presented in this report.

Other Statistical Publications:

Monthly Consumer Price Index
 Monthly Retail Sales Index
 Annual Facts and Figures Pamphlet
 Annual Employment Survey Brief
 Report on the 2000 Census of Population & Housing
 Bermuda Labour Force Trends
 Bermuda Social Dynamics
 The Changing Face of Bermuda's Seniors Report
 The 2004 Household Expenditure Survey (HES) Report
 Literacy in Bermuda



Symbols used in tables:

- .. not available
- nil or negligible
- e, p estimated or provisional
- figure revised figure
- r revised figure
- Q1 1st quarter (Jan.-Mar.)
- Q2 2nd quarter (Apr.-Jun.)
- Q3 3rd quarter (Jul.-Sep.)
- Q4 4th quarter (Oct.-Dec.)

**FOR FURTHER INFORMATION
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