



Economic Activity Survey (EAS) User Guide International Business Sector

About the Economic Activity Survey

What is the objective?

The objective of the Annual Economic Activity Survey (EAS) is to develop a range of statistics, suitable for comparing the relative economic performance of all industrial divisions of the Bermuda economy.

The EAS is the instrument used by the Department of Statistics to collect key economic information from a broad range of businesses and organizations in both the private and public sectors of the economy. These institutions include incorporated businesses, schools, restaurants, sports clubs, hotels, religious entities, public bodies, small unincorporated enterprises, and international companies.

A greater level of macroeconomic data about the changing economy is needed by business entities that aim for continuous growth. Reliable and relevant economic data enhance the quality of decision making in the public and private sectors.

The Annual Economic Activity Survey is conducted under the authority of the Statistics Act 2002, and hence your response is required by law.

NOTE: Include LOCAL expenditures and income only

How will this be done?

The Department of Statistics will conduct its Annual Economic Activity Survey during the months of March and April each year. All businesses with 7 or more employees are automatically selected for the survey. A representative sample of businesses with 6 or less employees will be randomly selected to participate in the Survey. The total sample size is approximately 1,500 businesses. Data from the Survey will be used to calculate the total output of goods and services for

Bermuda using the statistical measure Gross Domestic Product (GDP). GDP will be analyzed according to the industrial sectors of the economy. Final estimates of GDP by industry will be released by the Department nine months after the reference year.

Data Collection

The EAS is an annual mail-out / mail-back survey. The survey questionnaires are mailed to the sampled enterprises approximately three months after the end of the previous calendar year. The survey is directed to the financial reporting department and is to be completed by the chief financial officer or a senior reporting officer.

The purpose of this **User Guide** is to assist you in completing your specific industry questionnaire. The EAS questionnaire resembles a **profit and loss statement / income statement** that most businesses prepare for their own financial purposes. Business activities across the economy are extremely diverse, resulting in the utilization of a variety of unique financial reporting variables. To accommodate the diversity in financial reporting across industries, fifteen different versions of the survey questionnaire are used.

The deadline to complete and return the questionnaire is **April 30th**. Respondents can reply to the Department of Statistics by mail or fax (see front page of questionnaire for contact information).

Non-respondents / Late returns

Timely responses are critically important to the accuracy and usefulness of the statistics collected. Late responses to the survey cause delays in the release of the data; therefore, it is essential that you respond on time.

During the second week of April a reminder notice will be mailed to those who have not yet responded. Respondents that do not meet the April 30th deadline will be contacted via telephone to discuss their reporting delinquency.

Frequently Asked Questions

1. What is the purpose of collecting this data?

The purpose of collecting this data is to determine the total value of all goods and services produced in the Bermuda economy, by its domestic resources. The aggregate is called Gross Domestic Product (GDP).

2. Do other countries collect this type of information?

Yes, like most countries, we conduct this survey in accordance with the guidelines and methodologies as stipulated by the United Nations System of National Accounts.

3. How was I selected for the Economic Activity Survey?

All firms with seven or more employees are automatically selected for the survey. If your firm has less than seven employees you were chosen from a scientifically selected sample of businesses. Taking a sample is less costly than contacting every business in the country. Your firm represents many other businesses like your own.

4. Is the data collected by the Economic Activity Survey kept confidential?

Section 7 of the **Statistics Act 2002**, protects the confidentiality of data collected under the authority of the Act. Questionnaires are only handled by employees of the Department of Statistics who are sworn to secrecy.

5. Will the data collected be shared with other Government Departments?

In order to avoid duplication in collection, the sharing of data at the aggregate level with other Government Departments is permitted. **Section 10 Subsection (2)** of the **Statistics Act 2002**, however, prohibits the sharing of information which can be linked to a person, business or organization without the written consent of the person, business or organization.

6. What is the penalty for not responding to the Survey?

Section 15 of the **Statistics Act 2002**, renders anyone who refuses or neglects to provide information as required to do so, guilty of an offence and liable on conviction by court a fine not exceeding \$1,000. If failure to provide the information is continued, a further offence is liable of \$1,000 each day until the information is provided.

7. How can I get help to complete the questionnaire?

Call our office and ask to speak to one of our Statistical Officers at 297-7635 or 297-7829 or e-mail us at eas@gov.bm.

8. Is responding to the Economic Activity Survey mandatory?

Yes, the law requires your response. **Section 11** of the **Statistics Act 2002** requires persons, businesses and organizations to supply the required information in the form and manner indicated by the due date April 30th.

9. Why do you need my information if I'm a very small business?

Taken together, small businesses have a significant impact on the economy. This sector of the economy has grown significantly in the last few years. Your business was randomly chosen from a sample of businesses. It represents businesses which have the same economic activity. As such, we need your participation.

10. I am not in the profit making business. Why have I been sent a questionnaire?

Any institutional unit, whether it be a church, school, registered charity, professional club, or business, which engages in the exchange of goods and services contributes to the growth of the economy. When a transaction occurs, output in the economy is impacted in some way. Hence, your participation is required.

11. The first page of the questionnaire asks for the principal business activity. Our company has three different types of businesses. What should be reported in this space?

In cases where there is more than one business activity, state the one which generates the most revenue for the business or if each type of business is a profit centre, submit a completed questionnaire for each type of business activity.

12. What is a sample survey?

A sample survey is the process of gathering information about a large number of people/businesses/organizations by interviewing a select group of them. The sample is selected to represent the total group. Not only does this reduce the cost of surveying everyone, but also lightens the burden on the group as well.

13. Can businesses use their computer to report?

Yes! This year we are sending the surveys out via email which can then be completed and forwarded to us via return email.

Item Definitions - Questionnaire Sections II - IV

Section II – Sales and other receipts

P1182 Sales and other receipts in the domestic economy

Income from all domestic sources, including rental income.

P1610 Gross income from the rental/lease of buildings

Include the income from the rental of buildings or office space, gross of real estate fees and commissions paid or other deductions.

Section III - Expenses

D1000 Wages, salaries and benefits

The gross amount paid to employees before any deductions. Include: employee insurance benefits, employee pension contributions, overtime payments, bonuses, severance pay, redundancy pay, death benefits, advisory board fees, commissions, cost of living allowances, director's fees, vacation and sick pay as well as the cost of meals, housing and any other benefits covered for employees. Entertainment expenses incurred for entertaining clients should be included in item **P2840**. **Exclude wages and salaries paid to non-residents, i.e. overseas consultants.**

D1001 Investment compensation

Include all remunerations paid to employees in the form of investments in your business or affiliated businesses. This would include stock purchase plans, stock option expenses, (actual share selling price less share stamp price).

D2910 Payroll tax

Include the employer's portion of payroll taxes only. **Note:** The employee's portion of payroll taxes is included in **D1000**.

D2990 Other taxes and licenses

Include all taxes and license payments to government. Include: motor vehicle license fees, company fees, land tax, property taxes, corporation taxes, city tax, health licensing fees, professional licenses, stamp duties, real estate licenses and other fees paid to government on behalf of business. **Exclude:** payroll tax (**see D2910**).

K1000 Depreciation and amortization

The decline in the value of fixed capital assets in the current period because of physical deterioration, normal obsolescence or normal accidental damage. **Exclude:** Write-offs and amortization of goodwill. This is to be recorded at **net book value**.

D4009 Interest and land rents paid

Outflow of funds related to the cost of borrowing money. Income payable by the users of financial assets, land and sub-soil assets, to owners of such assets.

D7519 Donations

Monies paid out for scholarships, gifts and other charitable donations in Bermuda.

P2160 Cost of fuels used

Include: gasoline used in business vehicle, kerosene, gas oil, propane and other fuel oils, lubricating oils, etc. Also, include gas for: operations, motor vehicles, and

appliances.

P2170 Cost of stationery and other office supplies

Consists of purchases **plus** opening stock **less** closing stock of stationery and other office supplies. Include custom duties.

P2180 Cost of professional supplies

Consists of purchases **plus** opening stock **less** closing stock of professional supplies

P2220 Electricity and water

Include: amount paid for reading of meters and standing charges. **Exclude:** bottled drinking water.

P2240 Minor building maintenance and repair

Include: repair and painting of roofs, exterior walls, foundation, flooring, ceiling, partitions, doors, windows, plaster, structural ironworks, screens, window shades, Venetian blinds, plumbing, heating and air conditioning within or a part of the building, electric wiring, and light fixtures. Also include landscaping and grounds maintenance.

P2300 Maintenance and repair of motor vehicles

Include: the amount paid to mechanics and petrol service stations for labor and materials.

P2413 Local transport

Monies spent in the local economy for the movement of human or material resources, to or from the company. Include: local freight charges incurred by local couriers and truckers, taxi costs used to transport visiting business professionals, and container rental storage. Include: Garbage disposal.

P2420 Telephone and other communications

Include: telephone, cellular phone charges, fax, telex, Internet and radio & television transmission charges.

P2430 Postal and Courier Services

Include: the cost of courier, postage messenger services, and post office box rentals.

P2510 Bank charges

Include: checkbook charges, credit card commissions, draft charges, foreign exchange commissions, monthly service charges, and wire transfer charges. **NOTE:** Interest paid on loan amounts is included in **D4009**.

P2520 Insurance

Premiums paid for motor vehicle, property, marine, casualty, liability, theft, building insurance, directors and officers insurance and key man insurance, etc for business operations only. **Exclude:** health and social insurance. **NOTE:** Employee insurance expenses are to be included in **D1000**.

P2610 Rental/lease of buildings

The amount paid for the rental/lease of real estate, buildings, office space and meeting rooms.

P2630 Rental/lease of machinery and equipment

Include: the rental or leasing of furniture, computers, or other forms of equipment. **Exclude** lease purchase agreements and deferred payment plans on the purchase of equipment.

P2700 Computer services and maintenance of office equipment

The amount paid for computer maintenance and repair, consultancy, computer site preparation, data processing, and database production. Include: repair and maintenance of calculating machines, accounting machines, digital and analog computers, associate electronic data processing equipment and accessories, etc. **Exclude:** computer software and hardware purchases (see Item **P5120** Computer Software and **P5118** ICT equipment).

P2810 Professional services

Include: legal, accounting, audit, management advisory fees, management fees, corporate and administrative, tax service professional fees, trust fees, temporary staff hired through employment agency, outsourcing of inventory counting, payroll processing fees, relocation services/assistance, and franchise fees etc. **Exclude:** exclude payment of professional services to overseas firms and non-resident individuals.

P2820 Advertising and promotion

Include: all marketing costs, media costs, program costs, poster costs, radio advertisements, Internet advertisements, television commercials, yellow page advertisements, and client entertainment expenses.

P2830 Travel Expenses

Include: airline tickets purchased from local vendors for business purposes only.

P2840 Entertainment Expenses

Include: entertainment for staff e.g. Office parties and staff lunch/dinner.

P2900 Other expenses

Enter all other current items of expenditure including subscriptions, expenses for security, work permits, building cleaning and other services, staff training, recruitment costs (**Exclude:** services of recruiting agencies – **P2810**, and recruiting advertisements – **P2820**), training costs, mooring rents. **Exclude:** bad debts, extraordinary items and other non-current items of expenditure. Please specify in particular what all amounts refer to.

Section IV - Additional Information**P5114 Buildings and other Structures**

Record the value of the stock of buildings, other structures and land improvements at the beginning of the year. This stock includes the costs of site clearance and preparation, erection of public monuments,

harbours, the laying of pipelines and cables, communication and power lines and the construction for sport and recreation. Under **acquisitions**, record any new purchases, assets acquired through barter, received as capital transfers in kind, or produced on own account that are not yet completed or fully mature. Include the value of the value of extensions and major renovations to existing buildings. **Disposals** include any assets sold, surrendered as capital transfers, scrapped or demolished. Include: under acquisitions.

P5116 Machinery, equipment and other fixed assets

Record the value of the stock of all machinery equipment and fixed assets at the beginning of the year, including new or second-hand machinery and equipment, transport equipment, furniture and furnishings, and other durable goods. Under **acquisitions**, record any new purchases, assets acquired through barter, received as capital transfers in kind, or produced on own account that are not yet completed or fully mature. **Disposals** include any assets sold, surrendered as capital transfers, scrapped or demolished.

P5118 Information & communication technology equipment

Record the market value of all information & communication technology equipment at the beginning of the year This stock includes typewriters, calculating machines, computers, automatic data processing machines, other office machines including parts and accessories, photocopiers, insulated wire and cables, optical fiber cables, electrical capacitors, electrical resistors, printed circuits, semiconductor devices, electronic circuits, telecommunications apparatus, transmission apparatus, reception apparatus for radio and television, sound recorders and reproducers, radar apparatus and measuring and checking equipment. Under **acquisitions**, record any new purchases, assets acquired through barter, received as capital transfers in kind, or produced on own account that are not yet completed or fully mature. **Disposals** include any assets sold, surrendered as capital transfers, scrapped or demolished.

P5119 Research & development expenditures

The value of research and development should be determined in terms of the economic benefit it is expected to provide in the future. Record the value of this future economic benefit as the opening stock balance at the beginning of the year. Research and development, by convention, can be valued as the sum of the costs to produce it since the value may not be observed directly. Under **acquisitions**, include expenditure on work undertaken on a systematic basis to increase the stock of knowledge, and use of this stock of knowledge for the purpose of discovering or developing new products (goods and services), including improved versions or qualities of existing

products, or discovering or developing new or more efficient processes of production.

P5120 Computer software and Databases

Record the value of computer software and databases at the beginning of the year, if these items are expected to be used in production for more than one year. Database values consist of files of data organized in such a way as to permit resource-effective access and use of the data. The development of software and databases can be valued at the sum of the costs to produce those items. Under **acquisitions**, record any purchases of packaged software and database management systems, any additions to the value of own-account produced software and databases and the purchase of customized software. **Disposals** include any software or databases sold and should be valued at their market prices. **Exclude:** computer maintenance and repair (see Item **P2700**), rental and leasing of computer equipment (see Item **P2630**).

P5121 – Other intellectual property products

Other intellectual property products include any such products that constitute fixed assets but are not already captured in P5119 – Research and development and P5120 – Computer software and databases. These assets can include mineral exploration and evaluation; entertainment, literary and artistic originals; and other intellectual property products not specified above. **Entertainment, literary and artistic originals** consist of the original films, sound recordings, manuscripts, tapes, models, etc on which drama performances, radio and television programming, musical performances, sporting events, literary and artistic output etc, are recorded or embodied.

P5122 – Non-Produced (non-financial) assets

These assets included natural resources such as land, mineral and energy resources, water resources, non-cultivated biological resources, contracts, leases and licences, goodwill and marketing assets. Please note that the value of land excludes any buildings or other structures situated on it or running through it. It also excludes any cultivated crops or trees. **Contracts leases and licences** are treated as assets only if the terms of the contract, lease or licence specify a price for the use of an asset or provision of a service that differs from the price that would prevail in the absence of the contract, lease or licence. Additionally one party to the contract must be able legally and practically to realize the price difference. The category of contracts, leases and licences can include marketable operating leases, permits to use natural resources, permits to undertake specific activities and entitlement to future good and services on an exclusive basis. **Goodwill** reflects the value of corporate structures and the value to the business of an assembled workforce and management, corporate culture, distribution networks and customer base. **Marketing assets** consist of items such as brand names, mastheads, trademarks, logos and domain names.

P5200 Change in inventories

Total value of all inventories at the end of the year **minus** the value at the beginning of the year, including the value of work-in-progress and materials and supplies held in stock.

P5211 Closing inventory of produce and livestock (agriculture only)

Value of produce held in stock as well as livestock for slaughter at the end of the accounting year, allowing for stock losses due to wastage, theft or accidental damage.

P5219 Opening inventory of produce and livestock (agriculture only)

Value of produce held in stock as well as livestock for slaughter at the beginning of the accounting year.

P5221 Closing inventory of work-in-progress & finished goods (manufacturing only)

Value of work-in-progress and finished goods held in stock at the end of the accounting year, allowing for stock losses due to wastage, theft or damage

P5229 Opening inventory of work-in-progress & finished goods (manufacturing only)

Value of work-in-progress and finished goods held in stock at the beginning of the accounting year,

P5231 Closing inventory of goods for resale (retail & wholesale only)

Value of goods for resale held in stock at the end of the accounting year, allowing for stock losses due to wastage, theft or accidental damage.

P5239 Opening inventory of goods for resale (retail & wholesale only)

Value of stocks of goods for resale at the beginning of the accounting year,

P5300 Acquisition of Valuables

Include: precious metals and stones, antiques, jewelry fashioned out of such stones and metals, and other art objects.

Consolidations

The Department of Statistics would be happy to provide extra questionnaires if there are other companies operating as independent cost centers.

Exclusions from questionnaire

Dividends paid, provisions for loan loss, amortization of goodwill, write-offs, extraordinary items.

ICT Indicators - Questionnaire

Section VI

Q1. A **computer** may include: a personal computer, laptop, ultra book, minicomputer or a mainframe system.

Q2. Include all employed persons, not only those working in clerical jobs. Refer to the actual **use of a computer** rather than simply access to a computer.

Q3. Include all Smartphones and tablets no matter what brand name or operation system they use.

Q4A. Internet refers to Internet Protocol (IP) based networks: www, extranet over the Internet, EDI (Electronic Data Interchange) over the Internet, Internet accessed by mobile phones, and Internet e-mail.

Q4B. Internet Connectivity refers to the connection type that you use to access the internet, not the internet speed. **Narrow Band** refers to dialup internet connection methods. **Fixed Broadband** refers to connection through "high-speed" networks, such as those provided by BTC (DSL) and Cable vision. **Mobile Broadband** refers to a connection using cellular based networks.

Q5. Include all employed persons, not only those working in clerical jobs. Refer to the actual **use of the Internet** rather than just access to the Internet.

Q6. An **Internal** network uses the same protocol as the Internet and allows communication within an organization. It is typically set up behind a firewall to control access.

Q7. An **Extranet** is an internal network that is partially accessible to the outside world by users who are authorized by users inside the network.

Q8. Web presence includes your own web site/home page as well as a presence on a third party's site (including a related entity) where your business has substantial control over the content of the site/page. **Include:** web site, home page, social media accounts, cloud based services or presence on another entity's web site where your business has control over the content of the page. **Exclude:** Inclusion in an on-line directory and any other Web pages where your business does not have control over the content of the page.

Q9. Involves the **purchasing or procurement via web sites**, specialized Internet marketplaces, extranets, EDI (Electronic Data Interchange) over the Internet, Internet-enabled mobile phones, and email. **Include:** orders placed via the Internet whether or not payment was made on-line. **Exclude:** orders which were cancelled or not completed.

Q10. Involves the **receiving of orders via web sites**, specialized Internet marketplaces, extranets, EDI (Electronic Data Interchange) over the Internet, Internet-enabled mobile phones, and email. **Include:** orders received on behalf of other organizations and orders received by other organizations on behalf of your organization. Also, include orders placed via the Internet whether or not payment was made on-line. **Exclude:** orders which were cancelled or not completed.

Q11. Identify the **various uses your business has for the internet**, by selecting any of the applicable answers. This includes employed persons that use a computer throughout the regular day to day operation.

Q12A. Include **all services outsourced locally and overseas**.

Q12B. Specify which country the services were outsourced to.

Note: *Business to business* describes Web sites that sell products or services to other businesses. Thus, businesses are serving other businesses as opposed to consumers. *Business to consumer* is the retailing part of e-commerce on the Internet. In other words it is a Web site aimed at the eventual user/consumer of a product.

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* Net off of Sales

P2900** Net off of Expenses.