



Bermuda's Tourism Industry Directly Contributed **1.8% to GDP**

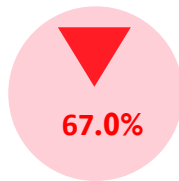
Tourism Direct Gross Value Added (TDGVA) is defined as part of the gross value added generated in the economy by tourism industries and other industries directly serving visitors in their supply of goods and services in response to internal tourism consumption.

TDGVA

Annual percentage change



\$125 million



Top 3 Industry Contributors to TDGVA



71%
Accommodation



19%
Transportation

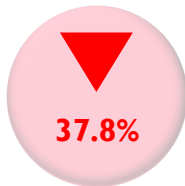


4%
Retail Trade

Tourism Expenditure

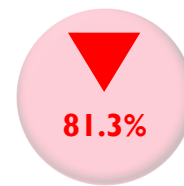
Resident Spending on Foreign Travel

\$207 million



Visitor Spending

\$105 million



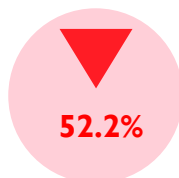
Direct Employment In The Tourism Industry Decreased To 1,295 Jobs

Wages

Annual percentage change



\$131 million



Top 3 Contributors to Employment in Tourism



54.8% Accommodation



8.4% Water Transport Support Services

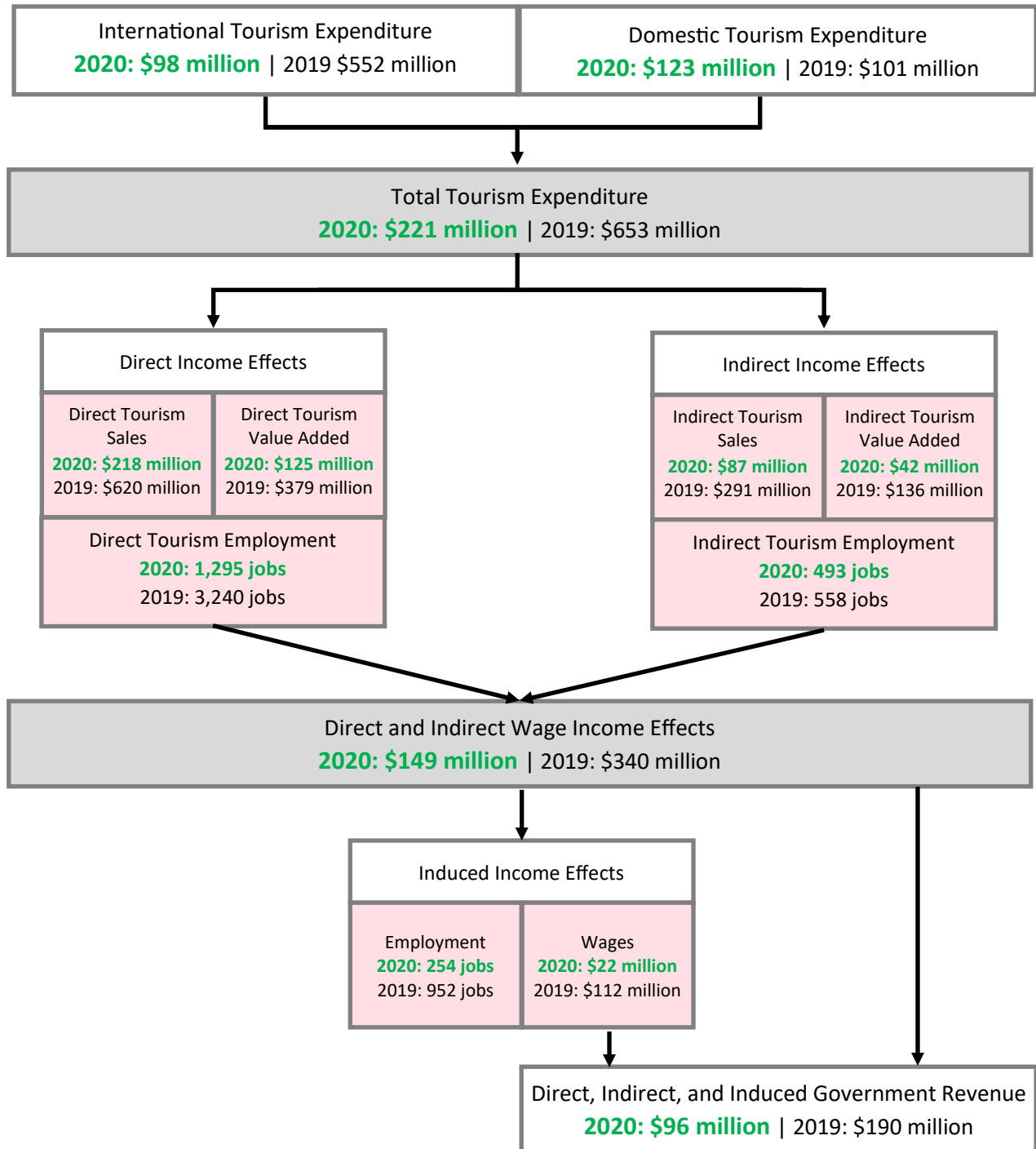


12.8% Air Transport Support Services

TOURISM SATELLITE ACCOUNT REPORT—2020

Figure 1 traces the flows of tourism expenditure through the Bermuda economy for the year ended 2020. It shows the value tourism adds to the economy, both directly and indirectly, in terms of sales, value added, employment, wages and government revenue.

Figure 1. : Flows of Tourism Expenditure through the Bermuda Economy



TOURISM SATELLITE ACCOUNT REPORT—2020

Table 1 shows the composition and contribution of tourism direct gross value added to Bermuda's GDP and the income components of the value added.

In 2020, the tourism industry was affected severely by the impact of government measures aimed at controlling the spread of the Coronavirus disease 2019. These measures included, but were not limited to, the restriction on commercial flights, limitations on business operations in the interest of public health and restrictions on movement with the introduction of shelter-in-place and curfew guidelines. These restrictions led to a significant decrease in the contribution of tourism to total Bermuda GDP, falling from 5.1 per cent in 2019 to 1.8 per cent in 2020.

Gross value added produced from activities of tourism-related establishments such as hotels, restaurants, travel agencies and passenger transport businesses, totalled \$606 million. Of this total, gross value added derived from direct tourist spending accounted for 20.6 per cent or \$125 million. Accommodation services contributed \$89 million towards tourism gross value added during 2020 with approximately 68.2 per cent of total revenue for accommodation establishments being earned directly from tourists. Of the income components, the decrease in the operating surplus was the main contributor to the 67.0 per cent decline in the tourism direct gross value added.

Table 1: Tourism Direct Gross Value Added

	2019 (R)	2020
	\$ Millions	\$ Millions
Tourism Industries		
Domestic Supply		
Accommodation Services	358	162
Food and Beverage Serving Services	51	4
Passenger Transport Services	89	36
Travel Agency, Tour Operator and Tourist Guide Services	6	3
Culture, Sports and Other Recreation Services	50	5
Retail Trade	66	8
Total Output	620	218
Total Intermediate Consumption	241	93
Total Tourism Direct Gross Value Added (TDGVA)	379	125
of which:		
Compensation of Employees	274	131
Other Taxes less Subsidies on Production	22	9
Depreciation	38	15
Gross Operating Surplus	44	(31)
Intermediate Consumption as a per cent of Total Output	38.9%	42.6%
Note:		
Total Bermuda GDP in Current Prices	7,423	6,882
TDGVA as a per cent of Total Bermuda GDP in Current Prices	5.1%	1.8%

(R) - Revised

TOURISM SATELLITE ACCOUNT REPORT—2020

Table 2 shows the composition of employment directly related to tourism by industry groupings and Bermudian status.

The tourism industry generated 1,295 jobs in 2020, a 60.0 per cent decrease when compared to 2019. These jobs accounted for approximately 4.0 per cent of the total jobs in the Bermuda economy. The industry was affected adversely by layoffs as businesses were forced to cease operations temporarily due to government mitigation actions related to the spread of the coronavirus disease in Bermuda. Employment of Bermudian workers directly related to tourism represented 75.7 per cent or 981 workers of the total, a 56.2 per cent decline when compared to 2019.

Table 2: Employment Directly Related to Tourism

Tourism Industries	2019			2020		
	Bermudian	Non-Bermudian	Total	Bermudian	Non-Bermudian	Total
Accommodation Services	1,166	625	1,791	466	244	710
Food and Beverage Serving Services	191	248	439	20	24	44
Retail Trade	333	80	413	43	9	52
Road Passenger Transport	151	5	156	15	1	15
Water Passenger Transport	15	0	15	59	8	68
Air Passenger Transport	53	2	55	49	0	49
Road Transport Support Services	17	2	19	12	1	13
Water Transport Support Services	58	1	59	109	1	110
Air Transport Support Services	105	23	128	115	11	126
Travel and Related services	143	14	157	92	15	107
Other Services	6	1	7	1	-	1
Total	2,238	1,002	3,240	981	314	1,295
Share of Economy	9.4%			4.0%		

(R) - Revised

Technical Note

The Tourism Satellite Account is the conceptual framework for a comprehensive reconciliation of tourism data related with supply and demand. A tourism industry represents the grouping of those establishments whose main activity is the same tourism characteristic activity. The effects of a tourism industry's activity are measured in three ways: direct, indirect and induced effects. The overall economic impacts of tourism on the economy are a combination of these effects and can be established for different types of economic variables such as output, employment and wages.

Concepts and Definitions

Direct tourism output comprises all domestically produced goods and services purchased by travellers (e.g. accommodation and air transportation).

Gross Domestic Product (GDP) in current prices is the market value of all final goods and services produced in an economy during a period of time.

Indirect tourism output comprises all output required to support the production of direct tourism output (e.g. toiletries for hotel guests and local entertainment for hotels).

Induced tourism output comprises expenditure by employees from wages paid by companies in direct contact with tourists. Also factored is the consumption of companies that have benefited directly or indirectly from initial expenditure in the tourism sector. An example of an induced effect of tourism is the purchase of consumer goods such as food, clothing and electronic goods by people employed in the hotel industry.

Internal Tourism Consumption is the tourism consumption of both resident and non-resident visitors within the economy of reference. It is the sum of domestic tourism consumption and inbound tourism consumption.

Tourism characteristic products and activities refer to (a) products, mainly (though not exclusively) those belonging to tourism expenditure, and (b) productive activities that are the basis for defining tourism industries.

Tourism establishment is any establishment for which at least 25 per cent of their goods or services are bought by tourists.

Tourist expenditure is the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditure by visitors themselves as well as expenses that are paid for or reimbursed by others (e.g. business travel expenditure paid/reimbursed by employers). Tourism expenditure does not include other types of payments that visitors might make that do not correspond to the acquisition of goods or services, such as payment of taxes, interest, purchase of financial and non-financial assets, etc.

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Visitor is a traveller taking a trip to a main destination outside his/her usual environment for less than a year and for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited.

TOURISM SATELLITE ACCOUNT REPORT—2020

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