



# Tourism Satellite Account Report

FOR THE YEAR ENDED 2009

## BACKGROUND

The Tourism Satellite Account (TSA) was conceived by the World Tourism Organization and has since been ratified by the United Nations, Eurostat, and OECD. The standard has been adopted by over fifty countries around the world. The TSA deals with the challenge of measuring tourism in two important ways: (a) defining the tourism economy; and (b) providing methodology for calculating tourism Gross Domestic Product (GDP) in a way that is consistent with national accounts.

The Tourism Satellite Account combines direct components of tourism value added from the current fifteen industries within the Bermudian Economy to create a Tourism Industry. Thus, the Tourism Satellite Account provides a framework to which direct tourism value added within the Bermuda economy can now be compared with other industries in the Bermuda System of National Accounts.

## KEY FINDINGS IN 2009:

- Tourism directly contributed \$255 million to GDP, representing 4.5 percent of total GDP.
- Employment in the tourism industry decreased 4 per cent in 2009.
- Visitors spent \$350 million in Bermuda.
- Bermuda residents spent \$407 million on foreign travel.
- Government spent \$30 million to provide tourism services.
- A total of 559,042 tourists arrived in Bermuda.
- Tourism contributed \$197 million (or 21%) to the 2009 Current Account Revenue.

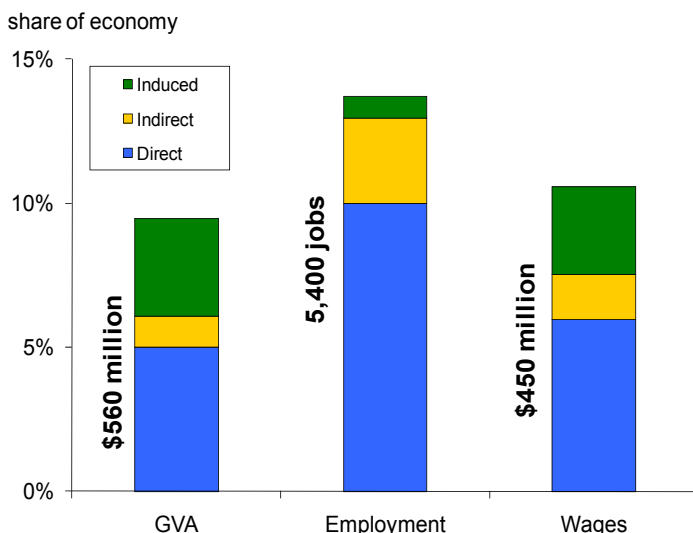
## WHAT ARE TOURISM ESTABLISHMENTS ?

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.

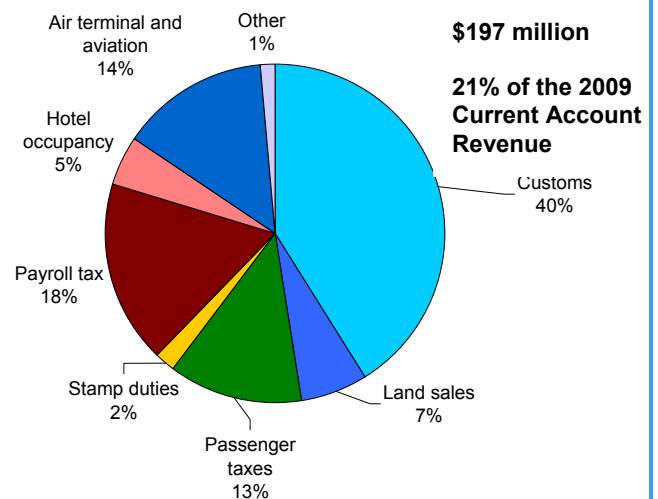
## WHAT IS TOURISM VALUE ADDED ?

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

## 2009 Total Tourism Impact



## 2009 Tourism Contribution to Government Revenue



## THE IMPACT OF TOURISM IN BERMUDA

### 1. Tourism contributed \$255 million to GDP, representing 4.5 per cent of total GDP.

Net output produced by tourism establishments which comprises hotels, restaurants, travel agencies and passenger transport businesses, equalled \$680 million in 2009. Of this total, gross value added accounted for 38 per cent, or \$255 million that was earned directly from tourists (Table 1). This represented a drop of 15 per cent below total tourism net output in 2008. In 2009, the tourism industry's share of total GDP stood at 4.5 per cent which is slightly less than the 4.9 per cent share held in 2008.

Hotel establishments and other guest properties contributed the highest to tourism net output in 2009, accounting for 44 per cent or \$102 million. Approximately 78 per cent of total hotel revenue was earned from tourists, slightly up from 76 per cent in 2008. However, over 90 per cent of tourism GDP was used to compensate employees in the tourism industry while losses amounted to \$9 million. In contrast, profits amounted to \$24 million and \$55 million in 2008 and 2007, respectively.

### 2. Employment in the tourism industry fell 4 per cent in 2009.

Employment in the tourism industry stood at 3,645 jobs in 2009, or 9 per cent of the total labour force (Table 2).

A decline in visitors during the year resulted in job losses by workers in the industry. Lower demand for tourism services led employers to cut operational costs and scale back the number of industry workers. Employee attrition in the hotel and restaurant sector led to 77 fewer tourism-related jobs than in 2008. Bermudians and expatriate workers alike felt the impact of job cuts. Despite this, the Bermudian share of total employment in the tourism industry was unchanged at 70 per cent in 2009. The tourism industry remained the number one private sector employer of Bermudians.

### 3. In 2009, visitors spent \$350 million on tourism products.

In 2009, visitors made a total of 559,042 trips to Bermuda and spent \$350 million on goods and services. Total spending decreased by \$75 million from 2008 and partly reflected the lower number of tourists in 2009. Visitor spending was lower for accommodation by \$39 million; food and beverage services by \$15 million; passenger transport by \$12 million and retail by \$5 million. These four expenditure groupings accounted for over 90 per cent of total visitor spending. In contrast, spending on recreation and entertainment was the only category with a higher level of visitor spending.

### 4. Bermuda residents spent \$407 million on foreign travel.

Bermuda residents spent an estimated \$407 million on foreign travel in 2009, \$51 million less than in 2008. Expenditure on transportation services such as the cost of airline tickets, cruise fares and taxi services amounted to \$141 million, down 22 per cent from the year prior. All other categories of spending including food, hotels and recreation were estimated to have decreased in 2009 by an average of 4 per cent.

### 5. Government current expenditure on tourism totalled \$30 million.

The Bermuda Government spent \$30 million in current expenditure to facilitate the operation of the tourism industry. Spending on tourism promotion, marketing and related professional services was \$4 million less than in 2008. This spending accounted for 70 per cent of total government spending on tourism in 2009. Compensation of employees at the Department of Tourism and overseas offices fell by just under \$1 million.

# BERMUDA TOURISM SATELLITE ACCOUNT REPORT

**Table 1 : Tourism GDP 2008 and 2009**

Net Valuation

Products	2008 Total Domestic Supply (at Purchasers Price)	2009 Total Domestic Supply (at Purchasers Price)
	Output	Output
<b>A. Consumption Products</b>	532,758,412	468,797,921
<b>A.1 Tourism characteristic Products</b>	532,758,412	468,797,921
<b>1 - Accommodation Services</b>	266,554,273	229,208,235
<b>2 - Food and Beverage Serving Services</b>	95,648,261	81,002,871
<b>3 - Passenger Transport Services</b>	80,801,963	72,518,342
<b>4 - Travel Agency, tour operator and Tourist Guide Services</b>	28,346,031	30,918,860
<b>5 - Cultural Services</b>	5,925,644	2,893,598
<b>6 - Recreation and Other Entertainment Services</b>	16,762,104	17,026,426
<b>7 - Miscellaneous Tourism Services</b>	-	-
<b>8 - Retail Trade (tourism characteristic goods)</b>	38,720,136	35,229,590
<b>Tourism social transfer in kind <sup>1</sup></b>	1,885,000	2,050,000
<b>Total Output</b>	<b>534,643,412</b>	<b>470,847,921</b>
<b>Total Intermediate Consumption (at purchasers prices)</b>	<b>235,586,764</b>	<b>215,964,603</b>
<b>Total Gross Value Added of Activities</b>	<b>299,056,648</b>	<b>254,883,318</b>
Compensation of Employees	236,763,103	225,173,240
Other Taxes less Subsidies on Production	8,931,218	6,454,935
Depreciation	22,871,742	28,059,792
Gross Operating Surplus	30,490,584	(4,804,713)
<b>GDP</b>	<b>299,056,648</b>	<b>254,883,318</b>
<b>Intermediate Consumption as a per cent of Output</b>	<b>79%</b>	<b>85%</b>
<b>Memo:</b>		
Total Bermuda GDP in current prices	6,067,897,763	5,715,300,448
Tourism GDP as a per cent of Total Bermuda GDP	4.9%	4.5%

<sup>1</sup> Estimated for 2008

**2008 Top Sectors – Contribution to GDP (\$M)**



**2009 Top Sectors – Contribution to GDP (\$M)**

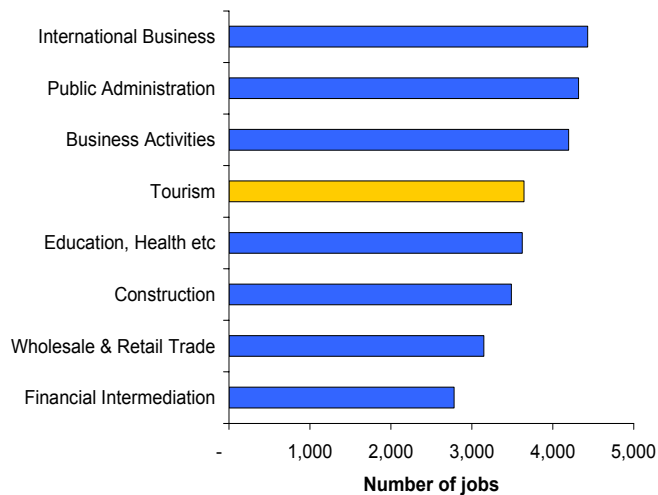


# BERMUDA TOURISM SATELLITE ACCOUNT REPORT

**Table 2: Employment in Business Activities directly related to Tourism, 2008 and 2009**

	Bermudian	Non-Bermudian	Total Number of Jobs 2008	Bermudian	Non-Bermudian	Total Number of Jobs 2009
Hotels and Similar	1,376	869	2,245	1,335	797	2,132
Second Home Ownership			X			X
Restaurants and Similar	83	141	224	98	162	260
Retail Trade	248	61	309	230	59	289
Road Passenger Transport	255	10	264	243	8	251
Water Passenger Transport	130	4	134	109	4	113
Air Passenger Transport	127	2	129	132	2	134
Travel agents and tour operators	172	14	186	149	10	159
Department of Tourism	-	-	-	-	-	-
Marine & Ports	37	6	43	61	11	72
Airport Operations	97	17	114	80	14	94
Transport Control Department	42	7	49	44	8	52
Civil Aviation	29	5	34	22	4	26
Maritime Administration	20	4	24	15	3	18
Sport and Recreation	7	1	8	6	1	7
	28	5	33	33	6	39
<b>Total</b>	<b>2,651</b>	<b>1,146</b>	<b>3,797</b>	<b>2,558</b>	<b>1,087</b>	<b>3,645</b>
<b>Share of Economy</b>			<b>9%</b>			<b>9%</b>

**2009 Top Sectors – Total Employment**



**2009 Top Sectors – Bermudian Employment**

