



Tourism Satellite Account (TSA) Report

FOR THE YEAR ENDED 2011

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 \$681 million in 2011 (see bar chart below), up from \$657 million in 2010. The total value added comprised \$317 million in direct tourism output that is, output sold directly to visitors like accommodation and passenger air travel; and, \$364 million in indirect tourism output (see Box I). The 2.1 ratio of total output (\$681m) to direct output (\$317m) in 2011 meant that for every dollar of direct tourism output generated, another \$1.10 of indirect tourism output was produced.

The tourism-related employment level grew by 564 workers to 6,158 jobs in 2011. This total included 4,199 jobs directly related to tourism and 1,959 jobs from indirect tourism. Direct tourism employment comprises jobs that produce direct tourism output such as 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 2011 an additional 4.7 jobs were indirectly created.

2011 HIGHLIGHTS:

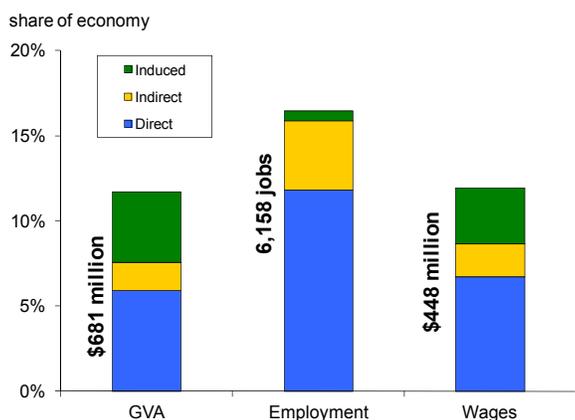
- Tourism directly contributed \$317 million, or 5.7 per cent, to Bermuda's GDP.
- Employment directly related to tourism increased 15 per cent.
- Visitors spent \$452 million in Bermuda.
- Bermuda residents spent \$413 million on foreign travel.
- Government spent \$30 million to provide tourism services.
- Tourism contributed \$220 million (or 24%) to the 2011 Current Account Revenue.

BOX I

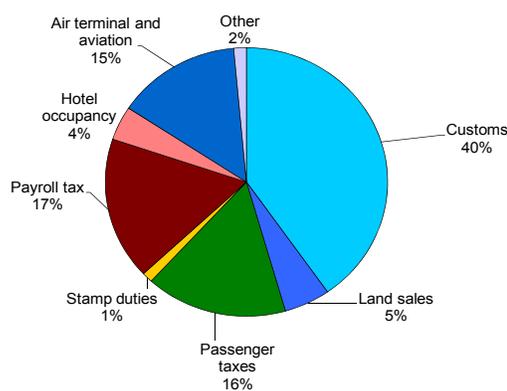
Direct tourism output comprises all domestically produced goods and services purchased by travellers (for example, accommodation and air transportation).

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).

2011 Total Tourism Impact



2011 Tourism Contribution to Government Revenue



THE IMPACT OF TOURISM IN BERMUDA

Tourism directly contributed \$317 million to GDP.

In 2011, gross value added produced from activities of tourism-related establishments such as hotels, restaurants, travel agencies and passenger transport businesses, totalled \$684 million. Of this total, gross value added directly derived from tourist spending accounted for 46 per cent, or \$317 million (see Table 1). This represented a 5.3 per cent increase above the level of gross value added received directly from tourists in 2010. In 2011, the tourism industry's contribution to GDP stood at 5.7 per cent, which was slightly higher than the previous year's level, but remained below the 6.1 per cent peak share of GDP reached in 2006.

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

Hotels and other guest properties were the largest contributors to tourism gross value added in 2011, accounting for 46 per cent or \$146 million. Approximately 87 percent of total hotel revenue was earned directly from tourists. This represented a one per cent decrease from the level reported in 2010. Additionally, the combined contribution from transport and restaurant services represented 20 per cent or \$62 million of total tourism gross value added.

Higher employment in the tourism industry.

The tourism industry directly generated 4,199 jobs in 2011, an increase of 15 per cent (see Table 2). These jobs accounted for 11 per cent of the total work force. The industry was the third largest employer of Bermudian workers in the labour market following behind the Wholesale and Retail Trade sector and the Public Administration sector. Employment of Bermudian workers represented 72 percent or 3,008 workers engaged in tourism industry employment. This compares favourably to the 2,567 Bermudian workers employed in the tourism industry in 2010.

In 2011, visitors spent \$452 million on tourism products.

In 2011, a total of 655,236 visitors to Bermuda translated into \$452 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 \$49 million when compared to spending levels recorded in 2010. All sectors experienced increases in visitor consumption. Visitor outlays on accommodation services and food & beverages increased by \$10 million and \$8 million, respectively. In contrast, spending on recreation and other entertainment services grew by \$9 million, while passenger transport services was up \$6 million.

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.

Bermuda residents spent \$413 million on foreign travel.

Bermuda residents spent an estimated \$413 million on foreign travel in 2011, \$4 million less than in 2010. Expenditure on transportation services such as the cost of airline tickets, cruise fares and taxi services was the largest component of this category, amounting to \$139 million, down 4 per cent from the previous year. All other categories of spending on food, accommodation and recreation services increased during 2011.

Government current expenditure on tourism totalled \$30 million.

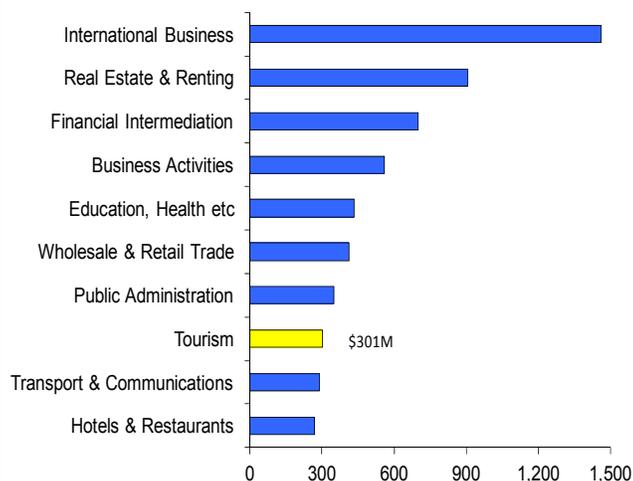
The Bermuda Government spent \$30 million in current expenditure to facilitate the operation of the tourism industry. Spending on tourism promotion, marketing and related professional services was 22 per cent or \$6 million lower than 2010. This expenditure accounted for 66 per cent of total government outlays on tourism in 2011. Among other tourism-related spending categories, expenditure on tourism related travel increased by 19 per cent compared to last year.

BERMUDA TOURISM SATELLITE ACCOUNT REPORT

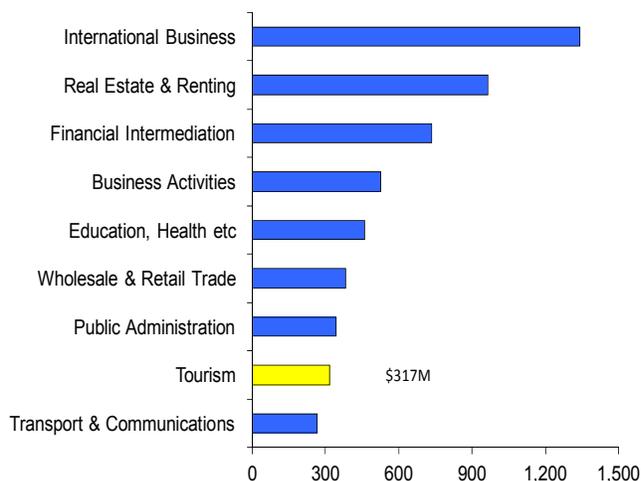
Table 1 : Tourism GDP 2010 and 2011
Net Valuation

Products	2010 Total Domestic Supply (at Purchasers Price)	2011 Total Domestic Supply (at Purchasers Price)
	Output	Output
A. Consumption Products	528,618,144	548,576,846
A.1 Tourism characteristic Products	528,618,144	548,576,846
1 - Accommodation Services	273,292,972	272,935,237
2 - Food and Beverage Serving Services	99,460,443	107,402,336
3 - Passenger Transport Services	68,433,935	78,681,399
4 - Travel Agency, tour operator and Tourist Guide Services	31,482,509	16,013,359
5 - Cultural Services	5,467,626	7,249,342
6 - Recreation and Other Entertainment Services	13,769,405	22,708,976
7 - Miscellaneous Tourism Services	-	-
8 - Retail Trade (tourism characteristic goods)	36,711,253	43,586,198
Tourism social transfer in kind	814,000	-
Total Direct Tourism Output	529,432,144	548,576,846
Total Intermediate Consumption (at purchasers prices)	228,278,135	231,684,111
Total Gross Value Added of Activities	301,154,008	316,892,735
Compensation of Employees	251,591,504	252,570,543
Other Taxes less Subsidies on Production	7,372,238	6,351,252
Depreciation	38,888,600	30,399,649
Gross Operating Surplus	3,301,666	27,571,292
GDP	301,154,008	316,892,735
Intermediate Consumption as a per cent of Output	76%	73%
Memo:		
Total Bermuda GDP in current prices	5,757,432,904	5,557,128,030
Tourism GDP as a per cent of Total Bermuda GDP	5.2%	5.7%

2010 Top Sectors - GDP (\$M)



2011 Top Sectors - GDP (\$M)



BERMUDA TOURISM SATELLITE ACCOUNT REPORT

Table 2 : Employment directly related to Tourism, 2010 and 2011

	Bermudian	Expatriate	Total Number of Jobs 2010	Bermudian	Expatriate	Total Number of Jobs 2011
Hotels and Similar	1,417	733	2,150	1,596	783	2,379
Second Home Ownership			X			X
Restaurants and Similar	153	236	389	204	269	472
Retail Trade	239	58	297	289	70	359
		-			-	
Road Passenger Transport	222	8	230	269	9	278
Water Passenger Transport	73	3	76	126	4	130
Air Passenger Transport	116	4	120	114	6	120
Travel agents and tour operators	140	9	149	134	7	141
	-	-		-	-	
Department of Tourism	42	7	49	42	7	49
Marine & Ports	52	9	61	91	14	105
Airport Operations	44	8	52	39	6	45
Transport Control Department	20	3	23	22	3	25
Civil Aviation	19	3	22	25	4	29
Maritime Administration	4	1	5	6	1	6
Sport and Recreation	25	4	30	52	8	60
Total Direct Tourism Employment	2,567	1,087	3,654	3,008	1,191	4,199
Share of Economy			10%			11%

2011 Top Sectors - Total Employment



2011 Top Sectors - Bermudian Employment

