



Tourism Satellite Account (TSA) Report

FOR THE YEAR ENDED 2012

SUMMARY OF TOURISM'S CONTRIBUTION

The Tourism Satellite Account defines the economic activity in the tourism industry and measures its contribution to GDP and employment. Total tourism-related value added decreased to \$634 million in 2012 (see bar chart below), down 7 per cent from the \$681 million measured in 2011. The total value added comprised \$293 million in direct gross value added and \$341 million in indirect gross value added. Direct Tourism output (see Box I) represented 46 per cent of total output in 2012. For every dollar of direct tourism output generated, another \$1.16 of indirect tourism output was produced.

Employment derived from tourism-related activities in the Bermuda economy reached a total of 5,756 jobs in 2012. However, this level reflected a decline of 402 jobs. Of this total, 3,952 jobs directly related to tourism while 1,804 jobs were a result of indirect tourism activities. This means that for every 10 jobs generated from direct tourism in 2012, there were an additional 4.6 jobs created. The level of wages received from tourism activities reached \$447 million; \$11 million below the level in 2011. Of this total, 55 per cent or \$248 million in wages were earned from direct tourism (see Table 1).

2012 HIGHLIGHTS:

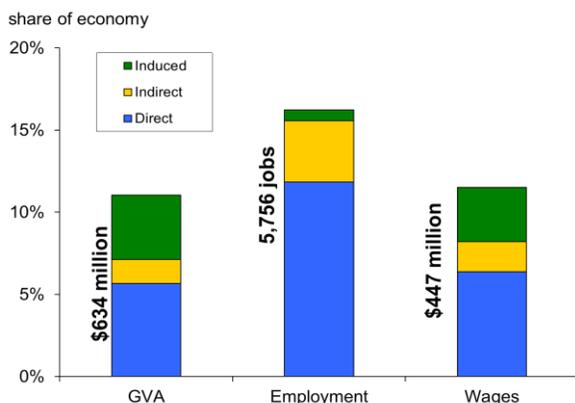
- Tourism contributed \$293 million, or 5.4 per cent to Bermuda's GDP.
- Employment directly related to tourism declined 5.9 per cent.
- Visitors spent \$415 million in Bermuda.
- Bermuda residents spent \$411 million on foreign travel.
- Government spent \$31 million to provide tourism services.
- Tourism contributed \$206 million or 22.6% to the 2012 Current Account Revenue.

BOX I

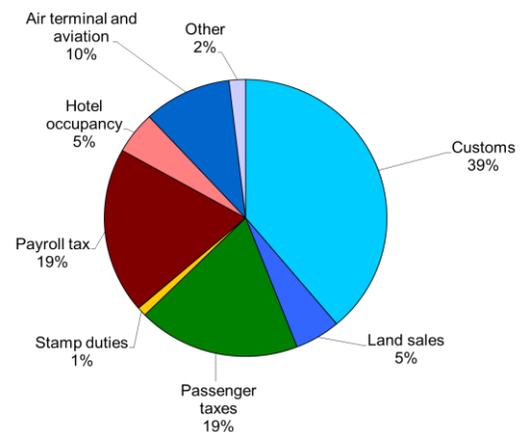
Direct tourism output comprises all domestically produced goods and services purchased by travellers (for example, accommodation and air transportation).

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).

2012 Total Tourism Impact



2012 Tourism Contribution to Government Revenue



THE IMPACT OF TOURISM IN BERMUDA

Tourism contributed \$293 million to GDP.

In 2012, gross value added produced from activities of tourism-related establishments such as hotels, restaurants, travel agencies and passenger transport businesses, totalled \$657 million. Of this total, gross value added derived from direct tourist spending accounted for 45 per cent or \$293 million. This represented a decline of 7.5 per cent below the level of gross value added received directly from tourists in 2011. In 2012, the tourism industry's contribution to GDP stood at 5.4 per cent, which was fractionally lower than the previous year's level.

Visitors spent \$415 million purchasing tourism-related products.

In 2012, a total of 615,171 visitors to Bermuda translated into \$415 million spent on goods and services within the local economy. The total level of spending by air, yacht and cruise visitors (including crew members), fell by \$37 million when compared to spending levels recorded in 2011. Visitor outlays on accommodation services decreased by \$27 million. Expenditures on tourist guide services and food & beverages fell by \$5 million and \$4 million, respectively. In contrast, spending on passenger transport services such as airlines increased \$5 million.

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.

Hotels and other guest properties in Bermuda contributed \$122 million towards tourism gross value added during 2012. Approximately 86 per cent of total revenue for hotels was earned directly from tourists. This represented a one per cent decrease from the level reported in 2011. Additionally, the combined revenue contribution from transport and restaurant services represented 23 per cent or \$68 million of total tourism gross value added.

Resident spending on foreign travel reached \$411 million.

Bermuda residents spent an estimated \$411 million on foreign travel in 2012, \$2 million less than in 2011. Expenditure on transportation services such as the cost of airline tickets, cruise fares and taxi services was the largest component of this category, reaching \$135 million. This level fell 3 per cent below the previous year. All other categories of spending on food, accommodation and recreation services remained relatively static during 2012.

Lower employment in the tourism industry.

The tourism industry generated 3,952 jobs in 2012, a 5.9 per cent decline when compared to 2011 (see Table 2). These jobs accounted for 11 per cent of the total work force. The industry remained the third largest employer of Bermudian workers in the labour market following the Public Administration and Wholesale & Retail Trade sectors. Employment of Bermudian workers represented 74 per cent or 2,920 workers engaged in tourism industry employment, a 3 per cent decline when compared to 2011.

Government expenditure on tourism totalled \$31 million.

The Bermuda Government spent \$31 million in current expenditures to facilitate the operation of the tourism industry. Spending on tourism promotion, marketing and related professional services was 6 per cent or \$1 million higher than in 2011. This expenditure accounted for 69 per cent of total government outlays on tourism in 2012. Among other tourism-related spending categories, expenditure on staff training increased while tourism-related travel declined.

BERMUDA TOURISM SATELLITE ACCOUNT REPORT

Table 1 : Direct Tourism GDP 2011 and 2012

Net Valuation

Products	2011 Total Domestic Supply (at Purchasers Price)	2012 Total Domestic Supply (at Purchasers Price)
	Output	Output
A. Consumption Products	548,576,846	519,648,478
A.1 Tourism characteristic Products	548,576,846	519,648,478
1 - Accommodation Services	272,935,237	248,911,205
2 - Food and Beverage Serving Services	107,402,336	103,551,683
3 - Passenger Transport Services	78,681,399	87,784,551
4 - Travel Agency, tour operator and Tourist Guide Services	16,013,359	10,116,167
5 - Cultural Services	7,249,342	6,535,707
6 - Recreation and Other Entertainment Services	22,708,976	22,751,230
7 - Miscellaneous Tourism Services	-	-
8 - Retail Trade (tourism characteristic goods)	43,586,198	39,997,935
Tourism social transfer in kind	-	-
Total Direct Tourism Output	548,576,846	519,648,478
Total Intermediate Consumption (at purchasers prices)	231,813,402	226,461,732
Total Direct Gross Value Added	316,763,444	293,186,746
Of Which:		
Compensation of Employees	252,492,505	247,835,351
Other Taxes less Subsidies on Production	6,358,148	5,221,530
Depreciation	30,322,121	26,990,522
Gross Operating Surplus	27,590,670	13,139,343
Intermediate Consumption as a per cent of Output	73%	77%
Memo:		
Total Bermuda GDP in current prices	5,550,771,000	5,473,536,000
Tourism Value Added as a per cent of Total Bermuda GDP	5.7%	5.4%

Note: Totals may not add due to rounding.

2011 Top Sectors - GDP (\$M)



2012 Top Sectors - GDP (\$M)



BERMUDA TOURISM SATELLITE ACCOUNT REPORT

Table 2 : Employment directly related to Tourism, 2011 and 2012

	Bermudian	Expatriate	Total Number of Jobs 2011	Bermudian	Expatriate	Total Number of Jobs 2012
Hotels and Similar	1,588	780	2,368	1,448	648	2,096
Second Home Ownership			X			X
Restaurants and Similar	208	274	482	249	249	498
Retail Trade	289	70	359	254	63	316
Road Passenger Transport	269	9	278	254	8	262
Water Passenger Transport	126	4	130	164	5	169
Air Passenger Transport	114	6	120	110	5	115
Travel agents and tour operators	134	7	141	125	7	132
Department of Tourism	42	7	49	43	6	49
Marine & Ports	91	14	105	127	19	146
Airport Operations	39	6	45	39	6	45
Transport Control Department	22	3	25	23	4	27
Civil Aviation	25	4	29	25	4	29
Maritime Administration	6	1	6	8	1	9
Sport and Recreation	52	8	60	52	8	60
Total Direct Tourism Employment	3,005	1,194	4,198	2,920	1,032	3,952
Share of Economy			11%			11%

2012 Top Sectors - Total Employment



2012 Top Sectors - Bermudian Employment

