Q1 2010

GOVERNMENT OF BERMUDA
Cabinet Office
Department of Statistics

Quarterly Bulletin of Statistics

Q1 2010 Highlights

Air Arrivals: Bermuda hosted 28,865 tourists

Tourist Accommodations: Gross hotel receipts amounted to $23 million

Hotel Employment: The hotel industry employed 140 fewer workers compared to Q1 2009

Overseas Spending: Consumers declared overseas purchases of $13 million

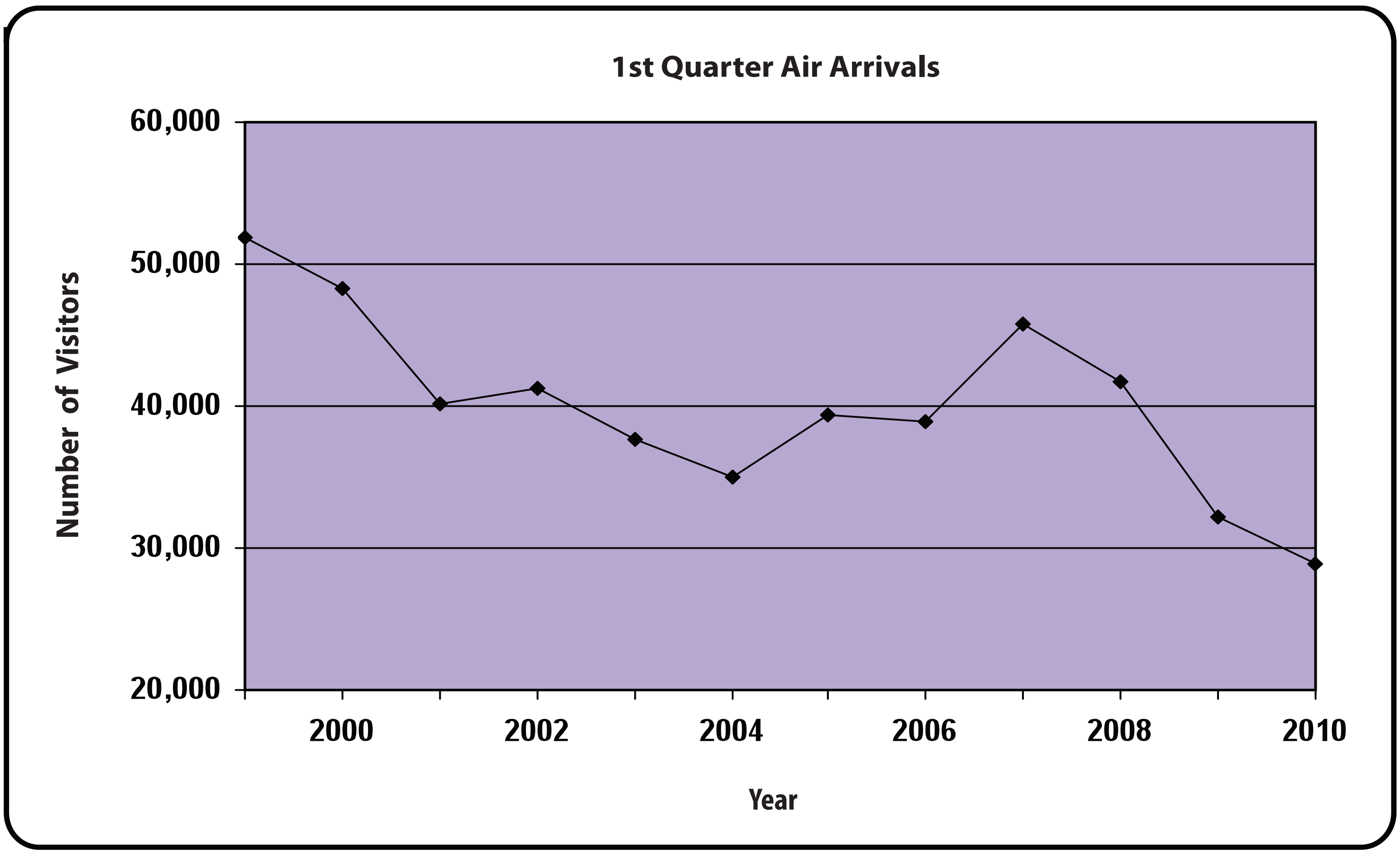
Retail: Retail sales reached $243 million

Visitors Arrivals and Expenditure:

Air Arrivals

Total air visitors for the first quarter of 2010 fell by 3,370 (or 10.5 per cent) to 28,865 when compared to the same period last year. The erratic weather, which caused multiple airline cancellations since the beginning of the year, was partly responsible for the decline in air arrivals during the first quarter. This sector continues to face challenges as Bermuda tries to maintain its share in an increasingly competitive market.

Arrivals from the United States, Bermuda's largest tourist market, declined 11.0 per cent compared to the first quarter of 2009. A total of 19,181 U.S. visitors travelled to the island compared with 21,549 visitors in the same period on 2009. Similarly, fewer air arrivals were recorded from Canada (-13.5 per cent) and the United Kingdom (-0.3 per cent) during the quarter. In addition, air arrivals from all other countries were down, with 316 fewer visitors this quarter.



Cruise Arrivals & Expenditure

There was one cruise ship visit to the Island during the first quarter of 2010 carrying 985 passengers. Total expenditure for these passengers is estimated at $171,185. In comparison, there were no cruise liner visits to Bermuda ports during the same period in 2009.

Expenditure by Air Arrivals

Air visitor expenditure rose by a modest 2.1 per cent in the first quarter of 2010. An estimated $30.3 million was spent by tourists arriving by air during the current quarter, compared to the $29.7 million reported in the same quarter of 2009. The average per-visitor expenditure increased by 11.3 per cent to $1,026 from $922 a year ago. The largest component of visitor expenditure was accommodation costs which represented nearly 55.5 per cent of all monies spent. In addition, spending on meals and beverages in restaurants accounted for another 24.8 per cent of air visitor outlays.

Hotel Gross Receipts

Aggregate gross receipts for the hotel industry totalled $23.2 million in the first quarter of 2010. Hotel industry revenue collected during the first quarter of 2010 was approximately $4 million below revenue earned during the same period of 2009. Despite efforts to attract more visitors through discounted airfares from select destinations and resort hotel package deals, total guest receipts declined 15 per cent. Major resort hotels accounted for the bulk of sales revenue with a 90 per cent share of the total, which highlights the fact that more than half of all air arrivals choose to stay at the major resort hotels. Small hotels represented 4.5 per cent of total sales and cottage colonies accounted for 3.3 per cent of the total.

Hotel Employment

The decline in occupancy levels and hotel revenue negatively affected employment at some commercial

TABLE 1 – VISITOR ARRIVALS

		Air Visitors by Country of Origin					
	Cruise Passengers	U.S.A.	Canada	U.K.	Other	Total (1)	Cruise & Air Visitors
2007							
1st Qtr	2,765	32,946	5,785	4,310	2,784	45,825	48,590
2nd Qtr	130,304	77,648	8,059	8,451	5,436	99,594	229,898
3rd Qtr	175,148	75,328	7,014	9,946	5,587	97,875	273,023
4th Qtr	45,807	43,576	6,986	7,679	4,013	62,254	108,061
Year	**354,024**	**229,498**	**27,844**	**30,386**	**17,820**	**305,548**	**659,572**
2008							
1st Qtr	2,799	28,847	5,869	4,316	2,697	41,729	44,528
2nd Qtr	129,344	65,262	8,193	8,541	5,459	87,455	216,799
3rd Qtr	114,233	61,691	6,763	10,006	6,003	84,463	198,696
4th Qtr	40,032	33,588	6,382	6,392	3,604	49,966	89,998
Year	**286,408**	**189,388**	**27,207**	**29,255**	**17,763**	**263,613**	**550,021**
2009							
1st Qtr	0	21,549	4,989	3,468	2,229	32,235	32,235
2nd Qtr	124,553	56,763	7,308	6,898	4,010	74,979	199,532
3rd Qtr R	141,828	61,184	6,420	7,760	4,583	79,947	221,775
4th Qtr	52,147	33,152	6,149	5,779	3,619	48,699	100,846
Year	**318,528**	**172,648**	**24,866**	**23,905**	**14,441**	**235,860**	**554,388**
2010							
1st Qtr	985	19,181	4,314	3,457	1,913	28,865	29,850

1. Excludes ship and yacht visitors

Source: Tourism Department

TABLE 2 – VISITORS BY INTENDED TYPE OF ACCOMMODATION

	Resort Hotels	Small Hotels, Cottage Colonies & Clubs	Housekeeping Accommodations (3)	Guest Houses (4)	Private Homes (1)	Not Stated	Total (2)
2007							
1st Qtr	25,370	7,608	2,197	468	10,087	95	45,825
2nd Qtr	46,690	21,631	7,079	899	22,948	347	99,594
3rd Qtr	43,869	20,935	6,766	788	25,337	180	97,875
4th Qtr	29,086	12,212	3,382	567	16,779	228	62,254
Year	**145,015**	**62,386**	**19,424**	**2,722**	**75,151**	**850**	**305,548**
2008							
1st Qtr	22,065	6,567	2,111	410	10,521	55	41,729
2nd Qtr	40,613	17,515	5,800	732	22,312	483	87,455
3rd Qtr	37,132	16,235	5,441	694	24,751	210	84,463
4th Qtr	22,329	8,747	2,581	455	15,751	103	49,966
Year	**122,139**	**49,064**	**15,933**	**2,291**	**73,335**	**851**	**263,613**
2009							
1st Qtr	15,640	5,041	1,422	297	9,787	48	32,235
2nd Qtr	34,141	15,190	4,079	585	20,709	275	74,979
3rd Qtr[R]	35,560	20,250	2,344	596	20,807	390	79,947
4th Qtr	22,015	11,900	1,424	416	12,551	393	48,699
Year	**107,356**	**52,381**	**9,269**	**1,894**	**63,854**	**1,106**	**235,860**
2010							
1st Qtr	13,480	6,475	1,072	314	7,368	156	28,865

1. This category includes persons staying in commercial accommodations with less than twelve beds, as well as persons visiting with friends and relatives.
2. Excludes cruise visitors. 3. Includes Cottage Suites/Apt. and Inns 4. Includes Bed & Breakfast

Source: Tourism Department

guest properties around the Island. At the end of January 2010, the hotel industry employed 140 less employees in an effort to reduce operational costs. The largest decline in the number of employees was reported by major resort hotels which had 104 fewer workers compared to January 2009. The drop in employment levels was primarily due to the partial closure of one of the Island's larger hotel properties in the fall of 2009. Cottage colonies and housekeeping units, as well as guesthouses and micro-units, also employed 32 and 4 fewer employees, respectively.

Throughout the challenges that the major hotels faced during first quarter they remained the largest employer in the accommodation industry accounting for 81 per cent or 1,864 workers. Cottage colonies and housekeeping units engaged 18 per cent or 418 workers, while guesthouses and micro-units continued to employ less than 1 per cent of the workers in the accommodation industry.

Overseas Spending by Residents

Residents declared overseas purchases valued at $13.3 million during the quarter. This total represents a 4.6 per cent drop in expenditure compared to the same period in 2009. In comparison, domestic retail sales were also down 2.7 per cent during the first quarter of 2010.

Moderate downturns in overseas spending were recorded in most broad commodity groupings during the first quarter. Spending on clothing and footwear fell by $150,000 from $6.2 million in 2009, however the sector continued to represent nearly half of total overseas spending. Outlays on household items, furniture and appliances decreased $25,000, while expenditures on tapes and compact discs were also down $119,000 compared to the first quarter in 2009.

Declines in overseas spending were also reported across the other sectors and included fewer purchases of electronic and photographic equipment (-$142,000), miscellaneous items ($-37,000), tools machinery and parts ($-29,000), toys and sporting goods ($-24,000) and jewellery and watches (-$8,000).

Retail Sales

Consumer spending during the first quarter of 2010 declined modestly compared to the same period of 2009 and the quarterly index of retail sales decreased by 2.7 per cent year-over-year. Gross turnover in the retail sector was estimated at $242.8 million. This reflects a decrease in sales activity of nearly $6.5 million compared to the $249.3 million recorded in the first quarter of 2009. Retail sales for the year started slowly with sales falling 5.5 per cent in January. This decline was followed by a 1.7 per cent sales drop in February and a marginal decrease of 0.8 per cent in March. Overall, all sectors of the index experienced weaker aggregate sales compared

TABLE 3 – ESTIMATED EXPENDITURE OF VACATION AND BUSINESS VISITORS – $MILLION

	Air Visitors				
	Accommodation and Food	Shopping, Entertainment, Transport, Etc.	Total (1)	Cruise Visitors	Total Expenditure (2)
2007					
1st Qtr	52.1	14.3	66.4	0.5	66.9
2nd Qtr	113.2	31.1	144.3	26.0	170.3
3rd Qtr	111.3	30.5	141.8	34.9	176.7
4th Qtr	70.8	19.4	90.2	9.1	99.3
Year	**347.4**	**95.3**	**442.7**	**70.5**	**513.2**
2008					
1st Qtr	42.1	12.4	54.5	0.4	54.9
2nd Qtr	88.2	26.0	114.2	26.1	140.3
3rd Qtr	85.1	25.1	110.2	23.1	133.3
4th Qtr	50.4	14.8	65.2	8.1	73.3
Year	**265.8**	**78.3**	**344.1**	**57.7**	**401.8**
2009					
1st Qtr	22.5	7.2	29.7	0.0	29.7
2nd Qtr	66.2	20.5	86.7	25.4	112.1
3rd Qtr	74.8	20.2	95.0	28.9	123.8
4th Qtr	43.1	11.9	55.0	10.6	65.6
Year	**206.6**	**59.8**	**266.4**	**64.9**	**331.3**
2010					
1st Qtr	23.8	6.5	30.3	0.2	30.5

1. Air visitors subtotals are not comparable prior to 2004.
2. Estimates for air and cruise expenditure includes departure tax.

Source: Department of Statistics

TABLE 4 – EMPLOYMENT IN HOTEL INDUSTRY BY TYPE OF ESTABLISHMENT [1]

	Hotels	Cottage Colonies and Housekeeping	Guest Houses and Micro-Units [2]	All Establishments
2007				
1st Qtr January	1,938	498	16	2,452
2nd Qtr April	2,081	674	17	2,772
3rd Qtr July	2,183	653	11	2,847
4th Qtr October	**2,065**	**663**	**13**	**2,741**
2008				
1st Qtr January	1,930	509	17	2,456
2nd Qtr April	1,944	630	16	2,590
3rd Qtr July	2,023	633	12	2,668
4th Qtr October	**2,070**	**589**	**20**	**2,679**
2009				
1st Qtr January[R]	1,968	450	23	2,441
2nd Qtr April	1,986	544	18	2,548
3rd Qtr July	2,125	569	15	2,709
4th Qtr October[R]	**2,020**	**561**	**14**	**2,595**
2010				
1st Qtr January	1,864	418	19	2,301

1. As at the end of each reference month. 2. Micro units are establishments having a capacity of 6–11 beds. Source: Department of Statistics

TABLE 5 – RETAIL SALES INDEX [1] Average Monthly Sales 2006 = 100.0

	Total	Food Stores	Liquor Stores	Motor Vehicle Dealers	Service Stations	Building Materials	Apparel Stores	All Other Store Types
2007								
1st Qtr	93.6	99.5	83.0	101.5	93.3	99.3	76.1	89.0
2nd Qtr	105.4	106.9	108.3	95.1	112.2	98.9	112.2	106.0
3rd Qtr	106.5	108.9	117.6	95.4	112.9	96.2	106.9	110.1
4th Qtr	111.7	110.8	108.9	88.2	105.8	91.3	141.7	119.5
Year	**104.3**	**106.5**	**104.5**	**95.1**	**106.1**	**96.4**	**109.2**	**106.2**
2008								
1st Qtr	95.1	104.2	85.8	90.5	103.0	90.9	79.2	93.9
2nd Qtr	108.0	114.3	107.5	92.2	124.3	102.5	115.9	107.0
3rd Qtr	109.1	119.2	120.0	94.9	131.0	93.1	99.2	108.4
4th Qtr	111.7	121.7	107.7	85.2	109.4	85.6	123.1	117.9
Year	**106.0**	**114.9**	**105.3**	**90.7**	**116.9**	**93.0**	**104.4**	**106.8**
2009								
1st Qtr[R]	92.9	110.6	81.3	80.9	93.8	83.6	62.4	91.9
2nd Qtr	103.3	120.9	107.6	85.1	102.7	95.2	95.3	101.0
3rd Qtr	104.5	125.4	119.9	84.8	113.9	91.8	83.5	99.5
4th Qtr	107.4	124.0	106.6	72.4	108.6	74.0	119.5	111.1
Year[R]	**102.0**	**120.2**	**103.9**	**80.8**	**104.8**	**86.2**	**90.2**	**100.9**
2010								
1st Qtr	90.4	113.2	80.7	80.2	104.7	66.7	62.3	84.4

1. Quarterly averages derived from monthly series. Source: Department of Statistics

to the previous year's levels, with the exception of food stores and service stations.

There was a marginal fall in sales at apparel stores during the first quarter of 2010 when compared with the same period last year, which translated into a 0.2 per cent decline. Similar sales activity was recorded at motor vehicle dealerships due to weaker consumer demand, with dealers reporting a decline in sales activity of 0.9 per cent during the first quarter. Construction-related sales activity plummeted during the first quarter of 2010 as the demand for building material stores, providers of materials for the construction industry and residential repairs, declined by 20.2 per cent.

Service stations' sales activity rose during the first quarter of 2010 and this rise marks the first increase since 2008. Average quarterly sales for the service stations sector rebounded with stations reporting an increase of 11.6 per cent. The growth can be partially attributed to a 13.5 per cent spike in gas prices compared to the same period in 2009. In comparison, food store sales increased by 2.4 per cent during the first quarter. The growth in sales at food stores was due mostly to the 2.8 per cent rise in food prices during the quarter.

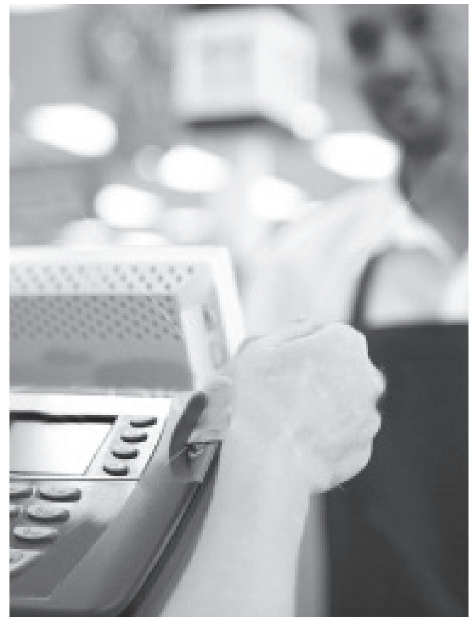


TABLE 6 – RESIDENT PURCHASES ABROAD (1) $000

	Clothing & Footwear	Electronic & Photographic Equipment	Hhld items Furniture & Appliances	Toys & Sports Goods	Tapes & Compact Discs	Computer Hardware & Software	Jewellery & Watches	Tools Machinery & Parts	Misc.	Total
2007										
1st Qtr	5,458	1,062	634	520	593	618	430	234	2,830	12,379
2nd Qtr	9,090	1,217	726	609	633	729	460	264	3,456	17,184
3rd Qtr	8,757	1,564	803	722	717	770	633	272	4,184	18,422
4th Qtr	10,299	2,093	904	1,023	894	908	677	287	4,464	21,550
Year	**33,604**	**5,936**	**3,067**	**2,874**	**2,837**	**3,025**	**2,200**	**1,057**	**14,934**	**69,535**
2008										
1st Qtr	6,601	1,394	690	688	647	863	528	261	3,516	15,188
2nd Qtr	9,480	1,392	705	643	550	684	557	267	3,951	18,229
3rd Qtr	8,999	1,577	683	735	658	788	594	254	4,717	19,005
4th Qtr	9,982	2,006	791	1,038	804	904	632	268	4,626	21,050
Year	**35,062**	**6,369**	**2,869**	**3,104**	**2,659**	**3,239**	**2,311**	**1,050**	**16,810**	**73,472**
2009										
1st Qtr	6,245	1,322	588	568	548	761	422	253	3,263	13,970
2nd Qtr	10,250	1,379	694	661	327	734	572	272	4,018	18,907
3rd Qtr	9,426	1,556	746	773	568	912	645	301	4,538	19,465
4th Qtr	9,971	1,959	754	1,065	661	877	635	292	4,474	20,688
Year	**35,892**	**6,216**	**2,782**	**3,067**	**2,104**	**3,284**	**2,274**	**1,118**	**16,293**	**73,030**
2010										
1st Qtr	6,095	1,180	563	544	429	658	414	224	3,226	13,333

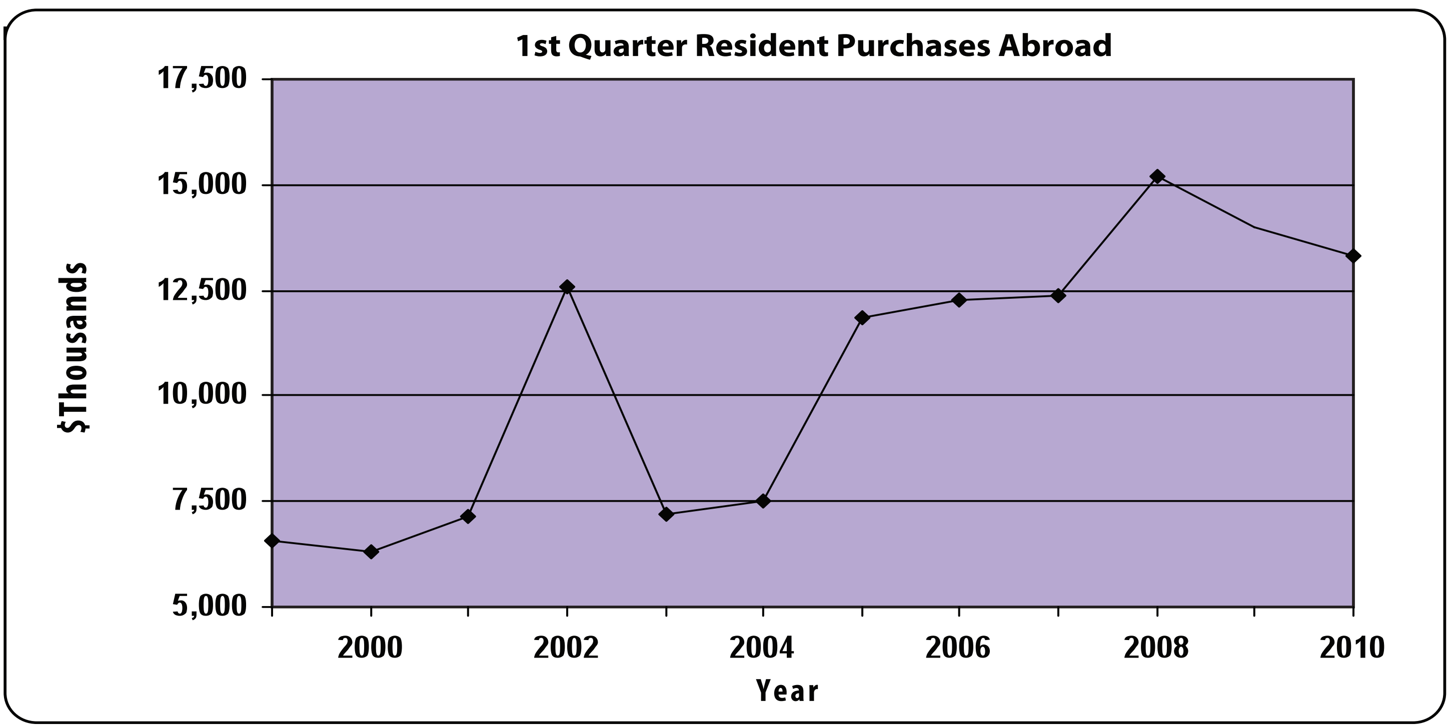
1. Value of goods as declared to H.M. Customs on entry or re-entry to Bermuda. Does not include purchases through mail-order or on the internet.

Source: H.M. Customs

TABLE 7 – HOTEL GROSS RECEIPTS $000

	Resort Hotels	Small Hotels	Cottage Colonies	Other	Total
2007					
1st Qtr	38,450	2,028	1,223	400	42,101
2nd Qtr	84,979	13,246	2,210	608	101,043
3rd Qtr	81,449	14,182	2,248	902	98,781
4th Qtr	49,706	6,372	1,581	668	58,327
Year	**254,584**	**35,828**	**7,262**	**2,578**	**300,252**
2008					
1st Qtr	33,367	667	1,362	598	35,994
2nd Qtr	84,948	10,182	2,103	560	97,793
3rd Qtr	72,530	11,246	2,009	813	86,598
4th Qtr	47,010	4,198	1,358	596	53,162
Year	**237,855**	**26,293**	**6,832**	**2,567**	**273,547**
2009					
1st Qtr	24,175	1,601	1,168	460	27,404
2nd Qtr	59,552	5,242	1,613	449	66,856
3rd Qtr	63,569	7,334	1,340	532	72,775
4th Qtr	39,604	2,748	1,037	484	43,873
Year	**186,900**	**16,925**	**5,158**	**1,925**	**210,908**
2010					
1st Qtr	20,885	1,063	779	501	23,228

Source: Tourism Department



Symbols used in tables:

(..) not available

(-) nil or negligible

(e), (p) estimated or provisional figure revised figure

(R) revised figure

Q1 1st quarter (Jan.-Mar.)

Q2 2nd quarter (Apr.-Jun.)

Q3 3rd quarter (Jul.-Sep.)

Q4 4th quarter (Oct.-Dec.)

Other Statistical Publications:

Monthly Consumer Price Index
Monthly Retail Sales Index
Annual Facts and Figures Pamphlet
Annual Employment Survey Brief
Report on the 2000 Census of Population & Housing
Bermuda Labour Force Trends
Bermuda Social Dynamics
The Changing Face of Bermuda's Seniors Report
The 2004 Household Expenditure Survey (HES) Report
Literacy in Bermuda

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