



## **Ministerial Statement**

By

**The Hon. Vance M. Campbell, CPA, JP, MP**  
Minister for Tourism and the Cabinet Office

### **Tourism 2022 - An overview of the 3<sup>rd</sup> Quarter Tourism Performance**

**November 18<sup>th</sup> 2022**

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**Mr. Speaker,**

As we meet today in this Honourable House, the Bermuda Tourism Authority (BTA) is hosting the Bermuda Tourism Summit. Organisers have invited tourism stakeholders, business owners, and members of the community to join the forum. The daylong summit is at the Hamilton Princess & Beach Club with the theme being “Power of Partnerships 2.0.”

**Mr. Speaker,**

The event will provide updates on BTA sales, marketing and partnership activities and will feature speakers giving industry insights and introducing tools and techniques to help support tourism entrepreneurs, employees, and employers. Attendees will hear from the BTA’s new leadership team on ongoing initiatives, upcoming programmes, and the overall strategy for leveraging partnerships for success.

**Mr. Speaker,**

The Summit takes place against the background of confirmed third-quarter tourism performance for the period ending September 30, 2022, showing some signs of continued and gradual recovery. Tourism measures have seen growth over 2021, including growth from the UK, while traditional air arrivals from the US and Canada lagged.

Total year-to-date (YTD) leisure air arrivals at 79,745 represent growth of 76.1% YTD over 2021 figures. Specifically, leisure travel from the UK, down just 27.6% compared to 2019, has shown a much swifter recovery than our other

primary markets, the US and Canada. The sluggish recovery in these key areas must be addressed and the challenge to the BTA is to create the demand that will drive an increase in these numbers.

**Mr. Speaker,**

In the maritime sector, Bermuda has also seen growth approaching pre-pandemic numbers:

- Cruise travel brought 176,650 passengers to Bermuda in Q3 driving the year-to-date totals to 302,777; 32.3% shy of 2019 passenger numbers.
- There were 40 yacht calls in the third quarter which is 11% behind 2019. YTD yacht visits have totalled 686; 9.6% off the volumes of 2019.
- The superyacht category has seen 80 calls since the beginning of the year, a milestone which exceeds 2020 figures. The year-to-date economic impact from the growth in superyachts has likewise grown to \$2.9 million, representing a 104.7% increase over 2020.

**Mr. Speaker,**

The shifts in Bermuda's visitor profile which has seen increases in "boomer" visitors, demonstrates the need for the BTA to develop and grow the strategy to attract younger travellers as the pace of return for this group has been less robust. There has also been growth in the categories of visitors travelling for business, and air visitors whose purpose of travel was to visit friends and relatives. In the latter case, the number of visitors was up 68.7% over 2021.

**Mr. Speaker,**

Whilst the total visitor expenditure of \$95.7M was down by 30%, per-person expenditure in Q3 increased to \$1,941 per leisure air traveller, exceeding the per-person spend in the same period in 2019, by 20.9%.

**Mr. Speaker,**

Among the issues to be discussed in today's tourism summit is the critical situation on airlift. It is welcome news that British Airways will resume seven-day-a-week service between Heathrow and Bermuda in March 2023 however, Honourable Members will have noted that Bermuda's air visitor volumes were down by 44%, this quarter when compared to 2019. With my colleague the Minister of Transport, I believe that we must work closely on air service

development. The key stakeholders presently include the Bermuda Airport Authority, the BTA and Skyport. The refinement of air service development policy can be expanded to include other representative groups whose livelihoods and success depend on our ability to connect Bermuda to key gateway cities.

**Mr. Speaker,**

A significant adverse factor in our air service development is the lack of hotel inventory. Our current air capacity sits at 39.3% below 2019 for Q3 but it is encouraging news that the load factors remain strong, increasing 2.6% above 2019 levels.

In a statement to this Honourable House in February of this year, the Honourable Premier set out the impact of lacking hotel inventory on airlift. Quoting the President of Skyport, he said:

*“In addition to streamlining border entry requirements, getting the Fairmont Southampton hotel property back online as soon as possible, are absolutely critical to Bermuda recapturing the optimum number of air passengers and ultimately safeguarding our air service options.”*

To that end, **Mr. Speaker**, and in anticipation of questions from Honourable Members opposite I can confirm that the technical and legal work to close the full deal on the redevelopment of the Fairmont Southampton continues in earnest. Teams representing the senior and mezzanine lenders, the local lenders, the Government of Bermuda and WestEnd Properties / Gencom are working their way through all of the complex agreements and documents required to close a project valued at hundreds of millions of dollars and which represents 600 jobs in this economy.

**Mr. Speaker,**

Research conducted to support the BTA’s 2022/23 Strategic Recovery Plan has provided a focus for the organisation’s efforts for the remainder of this year and throughout the next. Bermuda must establish itself as a top travel consideration. The desire for travel exists in our key markets but Bermuda is not featuring prominently as top travel consideration and the BTA’s principal mission must be to reverse this. All other aspects of the Plan feed into this principal task and

will make the promotion of group business, an increase in visitors from the UK and Europe and increased airlift easier to achieve.

Concurrently, **Mr. Speaker**, we must also continue to improve the visitor experience. In the course of today's proceedings we will consider the Speech from the Throne and Honourable Members will have noted that there is specific mention of the number one complaint of visitors: our transport system's inability to move people, especially at peak periods. This is not for the BTA alone and will require them, the Ministry of Tourism and the Cabinet Office working with the Ministry of Transport to bring long-awaited reforms to this area.

**Mr. Speaker,**

There is no doubt that we are in a challenging period in the tourism industry. However, there is cause for optimism. We see hoteliers entrusting Bermudian talent to management roles and by extension, providing entry-level opportunities for Bermudians willing to make a start in the field. Key flights are returning to service and there is a commitment at every level to do what is required to renew gateway city access with our airline partners. There is a tremendous amount of work ahead and it will require innovation, targeted allocation of human and fiscal resources and a willingness to make changes here at home to provide the best possible experience for our visitors.

**Thank you, Mr. Speaker.**