



Ministerial Statement
by

The Honorable Minister Vance Campbell JP MP

**The BTA Annual Report 2021, the 2021 Audited Financial Statements & Update on
Tourism**

Friday, July 15, 2022

Good afternoon **Mr. Speaker**,

Today, I will table the Bermuda Tourism Authority's Annual Report and Audited Financials for the 2021 fiscal year and give a brief overview of the state of tourism so far this summer.

The Authority is guided by the National Tourism Plan and founded on five key values

1. Performance and Accountability
2. Passion & Pride
3. Leadership & Collaboration
4. Honesty & Integrity
5. Awareness & Respect

The Annual Report

Mr. Speaker, the production of this Annual Report is structured on the seven pillars of the National Tourism Plan – Awareness, Green (Ecotourism), Infrastructure, Local engagement, Innovation, Teams and Groups and Year-Round tourism. It reflects the organisation's values - delivering on performance and accountability, while highlighting the strategic efforts of the organisation during a critical juncture on our road to recovery.

Mr. Speaker, The publication features the activities from each division of the organisation highlighting its success, challenges, and objectives. From Tourism Standards & Training to Business Intelligence, Operations, Marketing, Communications, and Sales and Experiences, the Bermuda Tourism Authority shared the organisation's journey over the period ending December 2021. The Annual Report is available in the Corporate Reports section of the GoToBermuda.com website.

The Audited Consolidated Financial Statements

Mr. Speaker, the Bermuda Tourism Authority derives its income from Government in the form of a grant and from visitors either staying at hotels and vacation rental properties or arriving by cruise ship. The 2021 budget was formulated based on an expected increase in visitor arrivals versus 2020 figures. Revenue was expected to rise, with expenditures correlating with the anticipated additional income. However, with a Covid-19 spike in case numbers, international travel continued to be challenging and the overall revenue from visitors was substantially below budget – primarily in the income from the cruise ship passenger fees. Despite the shortfall in income, the Authority was able to end the year with a small surplus through a combination of deferral of some programmes and events, revisiting of staffing levels and tight budgetary control on other expenditures. I commend the Authority on achieving an eighth consecutive year with Financial Statements of the Bermuda Tourism Authority, having received an unqualified audit opinion from the Auditor General.

The State of Tourism

Mr. Speaker, six months into 2022, global tourism is finally seeing glimmers of good news with a significant uptick compared with 2021. According to the United Nations World Tourism Organisation world tourism barometer, global tourism has grown **182%** in the first quarter of 2022 compared with 2021. And according to their projections, international tourism arrivals are expected to reach at least **55%** of 2019 levels. In Bermuda, our tourism product is likewise seeing incremental growth.

Mr. Speaker, Bermuda's [May 2022 Tourism Measures](#) showed that Bermuda had welcomed **over forty-one thousand** air visitors year-to-date, representing triple-digit percentage growth over 2021 and a **56%** decrease over 2019 figures. When considering only year-to-date air vacation and leisure visitor arrival numbers **26,874**, once again, we see a triple-digit percentage increase over 2021, which is **57%** of pre-pandemic levels.

We expect June figures to build on that growth and surpass May figures.

For the month of June, Bermuda welcomed **19,600** total air visitors which was **43%** below 2019 numbers but **94%** above last year. This takes us to a total of **60,955** air visitor arrivals for 2022 year-to-date which is **52%** below 2019 numbers, double the 2021 figure.

There has been good news on the cruise front this June with a total passenger count of **58,468**. The total number of arriving cruise passengers year-to-date has spiked to **123,013** after a slow return to cruise travel since the lows of 2020 and 2021. Tourism figures reflect that the gap between 2019 and 2022 cruise passenger numbers for June is **26%**. Year-to-date numbers show a **47%** decline compared to the same period in 2019.

Vacation rentals have shown remarkable recovery, with occupancy growing to **75%** for May 2022 (**59% YTD**) from a high of **62% occupancy** in May 2019 (**52% YTD**).

Summer 2022

Mr. Speaker,

From Carnival in Bermuda, to Bermuda Race Week, plus summer festivals, live entertainment, high-end sport fishing competitions, and a boost in weddings and leisure travellers, Bermuda's 2022 Summer season has had a strong start.

Bermuda's Caribbean heritage infused with a unique Bermuda flavour serves as the foundation for Carnival in Bermuda, a weeklong festival that helped launch our summer season this year. This event attracted international visitors to parties, J'ouvert celebrations, authentic Bermuda raft-ups and the pinnacle event, Revel di Road. International revellers celebrated the start of summer alongside Bermudian festivalgoers while broadcasting the energy and excitement of the fetes across social media channels. Bermuda Tourism Authority was a proud event sponsor as part of the Experience Investment Programme.

Mr. Speaker, our Maritime tourism strategy supported the return of Bermuda Race Week, the Annapolis to Bermuda Race, and the continued outreach to the world's superyacht community. The Newport Bermuda Race returned to Bermuda, providing the island with a welcome boost of two-thousand participants plus their family and friends. Bermuda's role as first-time host port for the Clipper Round the World Race has been years in the making. It was a huge success with global visibility and a surge of visitors to the island.

Mr. Speaker, the programme included a significant local engagement component, with two Bermudians qualified and accepted into the programme and one successfully sailing from Seattle to Panama.

Mr. Speaker hundreds of Bermuda's school children were invited to experience the yachts and meet the adventurers in person. Some crew members were enlisted to support Bermuda's environmental projects and worked to help restore the island's mangrove forests by planting mangrove saplings.

Revitalizing Bermuda's Entertainment Sector

Mr. Speaker, historically, Bermuda's entertainment sector has always represented an exciting, memorable slice of Bermuda's tourism product. Yet, for years we have seen the platforms for our entertainers gradually reduced. It is hoped that 2022 will be the starting point for revitalising and investing in Bermuda's entertainment product. The BTA's Experience Investment Programme led a call inviting tourism entrepreneurs and promoters to up the ante by providing unique, culturally authentic entertainment experiences. We look forward to the return of Made in Bermuda Nights, an entertainment series starting this August and featuring local entertainment showcases. Bermuda's entertainers, whose livelihoods were decimated by COVID-induced lockdowns, restrictions, and a catastrophic drop in visitor arrivals, are finally beginning to see a silver lining.

Mr. Speaker, with BTA-sponsored events and grant programmes for qualified experiences, this administration is committed to providing a shot in the arm to local entertainment. We salute

the local promoters and business owners for their role in creating opportunities to enjoy Bermuda's culture with weekly musical lineups around the island.

Mr. Speaker, from the East to the West, live entertainment is on the rebound. At the White Horse Pub in St George's the return of live music for the High Notes on the Harbour series, supports tourism experiences in the Towne of St George. Likewise, a host of venues in the Royal Naval Dockyard feature artists entertaining our cruise and air visitors. Entertainment abounds with offerings at Buna Gallery & Coffee House, The Reefs, Aurora at Newstead, Vida, West End Boat Club, Anchor, Hog Penny, Frog & Onion, and Bonefish Restaurant, to name just a few. Each week, the BTA-sponsored Harbour Nights boasts an array of performances including Gombeyes, DJ's, dancers, and musical acts. Local entertainers are booked at hotels and restaurants around the island. Hindsight & Friends at The Loft, Silver City, Live Wires and The Kings Band, Mia & James, and Working Title Band are just some of the performers that fill Bermuda's weekly calendar with live music.

Mr Speaker, we acknowledge that while progress has been made, more must be done to support our entertainment community.

Airlift & Hotel Inventory

Mr Speaker, airlift and hotel capacity have not yet returned to pre-pandemic levels. We know that airlines' scheduling decisions are primarily driven by the combination of hotel inventory and visitor demand. While global travel has seen a significant uptick for Summer 2022, the airline industry has been under much scrutiny and pressure during travel's COVID recovery period. Resources are scarce, and schedules have been slashed globally. Additional hotel inventory and continued growth in air visitation are imperatives that will influence airlines to schedule additional service. The resumption of the weekly Ponta Delgado flight to the Azores, and the planned return of the JFK route, are encouraging news, especially when considered in the context of Charlotte, Toronto, and Heathrow routes which have come online for the first time or returned within the past two years.

The People

Our people will be the engine driving the rebirth of tourism in Bermuda. And the team at the Bermuda Tourism Authority has been singly focused on that aim. They have made sacrifices, and the organisation has been restructured to optimally achieve the goals of the Tourism Strategic Recovery Plan. Leadership at the Bermuda Tourism Authority has advised me that there has been progress on staffing with the appointment and promotion of Bermudians to several key posts. The Authority is in the midst of continued recruitment efforts for the organisation, including for the restructured Sales Division.

In Conclusion

Turning the tide on losses incurred by the pandemic has been mission critical for the men and women who work each day for the Authority, **Mr Speaker**.

Rebuilding the tourism sector has not been easy, yet the work continues. The recovery efforts, led by the BTA, are also borne by the stakeholders across the industry – the hoteliers, bartenders, taxi drivers, spa technicians, restaurant workers, boat tour operators, and entertainers are valued contributors to achieving this mission.

Mr Speaker, I would like to commend the resilience and talent of all who have played a part in keeping this essential industry on the path to recovery.

As I close, **Mr Speaker**, I would like to warmly acknowledge the dedicated board of directors, team members, and partners who work diligently for this Country, whether from the BTA's local headquarters on Church Street or their locations in Bermuda and abroad. As Minister of Tourism, I lend this Government's support to achieving the National Tourism Plan's aims and executing the tactics outlined in the Strategic Recovery Plan.

Thank you, **Mr Speaker**.