



MINISTERIAL STATEMENT

By:

The Hon. Vance M. Campbell, JP, MP

Minister of Tourism and The Cabinet Office

Bermuda Tourism Authority 2022 Annual Report and Accounts

14 July, 2023

Mr. Speaker, I rise this morning to inform this Honourable House of the outcome of the Bermuda Tourism Authority activity in accordance with the 2022 Annual Report and Accounts to be tabled in this Honourable House today.

Mr. Speaker, Honourable Members will be aware that in accordance with the Bermuda Tourism Authority Act 2013, Part 4 s.21, “The Authority shall, as soon as practicable after the close of each financial year but not later than 31st May of each year, submit to the Minister an annual report on the activities of the Authority during the preceding financial year.”

Mr. Speaker, I can today advise the BTA submitted its’ Year in Review, Annual Report 2022 in June 2023 and its Consolidated Financial Statements, year ending December 31, 2022 later in the same month.

Mr. Speaker, in accordance with Part 4 s22 of the Act, “The Minister shall as soon as practicable after receipt of the annual report and annual statement of accounts cause a copy of each to be laid before both Houses of the Legislature”.

Mr. Speaker, the Annual Report provides an overview of activity occurring during that year and the associated results. Specifically, the Report indicates: leisure air arrivals were 99,382; cruise passengers came in at 402,657 and the economic impact from superyachts was \$3.4M. Further,

the Report projects air capacity to reach at least 76% of 2019 levels in the summer of 2023 while hotel inventory will remain at approximately 73% of pre-pandemic levels.

Mr. Speaker, the Report warns that reduced airlift and hotel beds will limit growth in air visitors this year.

Mr. Speaker, the audited Consolidated Financial Statements of the Bermuda Tourism Authority for the year ended December 31st, 2022 include the results of the BTA and its' subsidiary companies, Bermuda Visitor Service Centres Ltd. ("BVSC") and WTSBDA Ltd - responsible for hosting and delivery of the World Series Triathlon.

Mr. Speaker, the BTA is pleased that this is the eighth consecutive year in which an unqualified audit opinion has been given by the Auditor General. Overall, the BTA produced a surplus of \$111,285 for the year.

Mr. Speaker, income was \$4,312,785 above budget primarily due to the collection of visitor fees from hotels, vacation rental properties and Cruise Ships exceeding expectation. The budgeted income and expenditures were prepared at the end of 2021 on a prudent basis given that there were still travel restrictions and uncertainty due to the Covid pandemic.

Mr. Speaker, an analysis of the income shows that:

- i. The Government grant was \$270,207 above budget due to an additional grant provided during the year to support a programme of local entertainment on-island. This amount is also reflected in additional costs within the Experience Development division.
- ii. Tourism Authority Fees paid by visitors and collected by the hotels were \$1,967,988 ahead of budget.
- iii. Cruise Ship Passenger fees are paid by each departing cruise ship passenger between 1 April and 31 October and were \$1,793,692 ahead of budget.

Mr. Speaker,

- iv. Other income primarily relates to the sales of transportation passes and merchandise at the visitor service centres and is above budget due to the higher than anticipated number of cruise ship passengers.
- v. Vacation rental fees charged to guests staying at vacation rental properties at 4.5% were \$107,504 ahead of budget; and
- vi. The Sponsorship income relates to sponsorship raised for the World Series Triathlon.

Mr. Speaker, expenditure at \$35,144,586 was \$2,136,879 over the original budget. However, with income forecast to be ahead of budget, the Board agreed to increase sales and marketing expenditure in the latter part of the year as Covid restrictions eased.

Mr. Speaker, the total spend on sales and marketing was \$20,247,216. The Sales and business development team has been on the road having face to face meetings and attending conferences to re-engage with tour operators and travel trade across the United States and Europe.

Mr. Speaker, the marketing team is focused on increasing awareness of the destination through strategic and agency partnerships to leverage their networks and nurture markets.

Mr. Speaker, BTA launched a new campaign titled “Lost Yet Found” which encourages visitors to discover the Bermuda that prospective travellers may not have seen before. The launch included some innovative activations in key markets including: a Glass Truck which strategically traversed high traffic areas and included a Bermuda immersive experience; Times Square 3D adverts and subway liveboards; and, Bermuda branded security bins at Philadelphia and Charlotte airports.

Mr. Speaker, despite the travel restrictions and protocols for much of the year the BTA still managed to host a number of key sporting events, all of which provided international television coverage. These events included the PGA Butterfield Bermuda Championship; Sail GP; the World Triathlon Championship Series; and US Track and Field Bermuda Grand Prix – the first time the event has been held outside the US.

Mr. Speaker, in addition to these events, the BTA also hosted the Clipper Round the World Yacht Race and the Forbes 30 Under 30 group.

Mr. Speaker, it should be noted that operational costs include all staff costs inclusive of payroll and related costs, board fees, recruitment and training; costs in relation to the delivery of the World Triathlon Championship Series; operational costs for the Visitor Service Centres, including the cost of Transportation passes and merchandise for resale; office costs including Rent, IT Services, Insurance and Equipment maintenance; Bank interest cost and charges; Travel and accommodation; Legal and Professional fees; and finally Training and Standards including the development of a new Learning Management System for the industry and a revamp of the National Service Standards Programme.

Mr. Speaker, it should further be noted that Business Intelligence is responsible for monitoring and providing analysis on Air Service including route performance and projections; Future demand projections; and reporting on key performance indicators including air, cruise and yacht arrivals, Visitor satisfaction, hotels pace reports and economic impact assessments for groups and events.

And finally **Mr. Speaker**, the Experience Development unit works to create new and enhanced experiences for visitors either in-house or providing funding and support to local entrepreneurs through the Experience Investment Programme.

Mr. Speaker, experiences held during the year included Harbour Nights, Cup Match Visitor stall, Great Sound Entertainment Series, Seafood and Rum Festivals, Made in Bermuda VIP Nights and Food Harvest series.

Mr. Speaker, Honourable Members should refer to the 2022 Year in Review Annual Report for full details on the BTA activities.

Thank you **Mr. Speaker**.