

# Report finds tourism arrivals up nearly 25%

By Amanda Dale

Tourism arrivals rose by almost a quarter last year, adding another \$60 million to the economy, according to a recently released report.

The 2006 Economic Impact Report for the Department of Tourism attributes the rise in visitors to cheaper air fares, in particular the arrival of carrier jetBlue.

It says: "Visitation to Bermuda rose sharply in 2006. Unlike recent years, in which growth in visitation came entirely from the cruise sector, both air arrivals and cruise arrivals showed strong gains this year.

"Indeed, the number of visitors to Bermuda in 2006 is the most the Island has witnessed in the past 30 years."

However, despite cruise ship passengers accounting for 53 percent of arrivals, they contributed only ten percent to the tourist expenditure on the Island.

"Of interest, 90 percent of all on-Island expenditures derive from air visitors, despite the fact that these visitors currently represent less than one-half of all visitors to the Island," the report says.

The figures flag up the lack of infrastructure and new business development in Dockyard, which Government needs to address before the arrival of the Panama mega-cruise ships in 2009.

Pointing to a decline in cruise ship tourist spending for the third consecutive year, the report says: "These declines in per person spending among cruise passengers may be related to the fact that a greater proportion of cruise ships are now berthing at the Dockyard as opposed to the docks/port in the City of Hamilton and the docks/port in the Town of St. George."

Spending dropped by 15 percent last year — from \$157 to \$134 per person. And yet there were 90,000 more cruise passengers — a jump of 36 percent to 336,299 — "the largest number of cruise visitors to Bermuda ever recorded".

The ship passengers contributed \$59 million to the economy.

The total number of visitors to Bermuda — 635,272, showed an increase of 23 percent on 516,846

in 2005, something the report attributes to "increased advertising off-Island, the introduction of additional routes from low-cost air carriers, and a record number of cruise ship arrivals".

According to Total Marketing and Communications Ltd (TMC) and Corporate Research Associates Inc (CRA), using data from Air and Cruise Visitor Exit Surveys, visitors to the Island boosted the economy by \$430 million, excluding departure taxes. Tourists are also said to have contributed \$133 million to the public sector — \$79 million of which was direct revenue (taxes and duties).

Deducting the cost of imports needed to sustain the industry, the net contribution of tourists has been estimated at \$346 million — a rise of \$44 million on the previous year. Spending by air visitors rose by \$50 million, while expenditure among cruise passengers rose by \$9 million.

The Department of Tourism's budget for last year was \$40.3 million — a spending of approximately \$63 per head.

In terms of air passengers, the Economic Impact Report says their contribution to the economy was approximately \$389 per head, bringing in a total \$390 million (including taxes).

Speaking to *The Royal Gazette* about the report, Premier Dr. Ewart Brown, Minister of Tourism and Transport, said he was "delighted" with the results. "This is hardcore proof that the work that was done, the money that was spent, was worth it."

The report points to the introduction of "low cost carriers and additional routes" as contributing to an 11 percent rise in air passengers to reach 298,973.

Arrivals were particularly marked between June and December, something the report says "coincides with the addition of daily service from discount carrier jetBlue, which began service to the Island in early May 2006".

According to TMC and CRA, leisure visitors (tourists and those visiting friends and relatives) rose by 15 percent in 2006, accounting for 81 percent of all air arrivals.

US tourists accounted for 76 percent, followed by Canada and the UK.