



MINISTERIAL STATEMENT

By

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Premier

Moving Bermuda's Tourism Beyond the Pandemic

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Mr. Speaker, if we were ever in any doubt as to the importance of tourism to this economy, the pandemic has shown just how critical tourism jobs are and the importance of economic activity created by tourism to Bermuda.

In the National Economic Report tabled in this Honourable House as part of this year's debate on the Estimates of Revenue and Expenditure, the Honourable Member, the Minister of Finance, set out a stark review of 2020's economy generally and of the tourism economy in particular.

Mr. Speaker, a virtual global lockdown stopped tourism dead in its tracks. In Bermuda, between 21st March 2020 and June 30th 2020 there were no commercial flights as the Government made the determination to protect our borders at a time when vaccines were not yet available. The result of this global shock for Bermuda was jarring and saw total air visitors drop 84.4% when compared to 2019. This was compounded by a 98.3% decrease in cruise visitors. This correlated with an 88.7% decrease in cruise and air leisure visitor spending compared with the same period.

Mr. Speaker, once we reopened our borders to scheduled commercial flights the move towards growth began but has been hindered by outbreaks and varying progress in overseas vaccination programmes. I think it important to note, and in this regard, Mr. Speaker, I will quote from the National Economic Report:

“Bermuda’s traveller arrival process of aggressive Covid-19 testing, perhaps the most rigorous in the world, was a critical factor in consumer decision making. It was the number one reason consumers chose Bermuda in the second half of (2020).. In exit surveys, 98% of travellers said they felt safe or very safe from Covid-19 while in Bermuda between July and December 2020.”

Mr. Speaker, since those days much has been rebuilt and visitor confidence in Bermuda remains high. That confidence saw us chosen to host certain events whose original locations could not deliver the safe experience that is now embedded in traveller decision making. But the challenge remains before us. The National Economic Report recorded a 22.5% decrease in employment in the accommodation and food service sectors in the calendar year 2020. Those jobs are slowly returning and with the opening of the new St. Regis Hotel & Resort, some growth is now occurring.

Tourism Beyond the Pandemic

Mr. Speaker, the Bermuda Tourism Authority has taken on board a new CEO in the person of Mr. Charles Jeffers II who brings a wealth of experience to the post and has been taxed from the beginning managing through our last outbreak. He follows in the shoes of Glenn Jones who provided a professional and dedicated hand to guide the organization during an unprecedented period. Both Mr. Jeffers and the Authority’s Board, chaired by the Honourable Member for Constituency 14, are keenly aware of the opportunity presented by this period in global tourism.

As the Minister responsible I have commended to them a vision for moving Bermuda's tourism beyond the pandemic and we are determined to work together to realize the potential represented by this period and by Bermuda.

Mr. Speaker, there is cause for optimism. Some of the metrics tracked by the BTA indicate pockets of growth and demonstrate a resilience in the market upon which Bermuda can capitalize.

For the first five months of this year hotel occupancy is up almost 20% from 2020 levels and the average length of the leisure visitor's stay is approaching 14 days, more than double the pre-pandemic average. Superyacht calls have increased by 62% year-over-year with a commensurate increase in economic impact.

Mr. Speaker, our air capacity is also increasing and the likelihood is that when compared with 2019, we will realize the return of almost 50% of the capacity achieved in that year.

Mr. Speaker, the reduced air capacity in 2020, some 170,000 seats has been steadily increasing for 2021 and I am pleased to advise this Honourable House that 2021's current schedule indicates a seat capacity of over 300,000 to serve Bermuda. This is complimented by an increase in leisure air visitors year over year. 2020 saw only 13,617 leisure air visitors whilst already, as at June 30th we are at over 15,000 leisure air visitors.

1. Homeporting and new cruise opportunities

Mr. Speaker, Honourable Members will have seen the fruits of the labour of the Honourable Member the Minister of Transport as the Viking Cruise Ship “Orion” sails in and out of Bermuda’s ports throughout the week. With a rigorous testing protocol and a pool of vaccinated crew and passengers this ship represents not only a welcome boost to the local sectors that depend on such sailings, but signals a concept which can accrue to the benefit of Bermuda in the future.

Other cruise lines have expressed interest in homeporting from Bermuda and in those discussions, the Minister has set out Bermuda’s requirements and I am confident that we will see additional homeporting in the future.

2. Superyachts

Mr. Speaker, Honourable Members will recall that I had the opportunity to execute an MOU with Florida’s Ft. Lauderdale in Broward County in March of this year. That MOU is a two-year partnership to entice vessels leaving one destination to head to the other. This collaborative marketing agreement must be exploited to Bermuda’s benefit and provides the ideal complement to the legislation passed in this Honourable House in July 2019.

Mr. Speaker, we have two critical elements required to attract more superyachts and my ‘ask’ of the BTA is that we press the advantage that we have in this area to Bermuda’s benefit.

3. Bermudiana Beach

Mr. Speaker, I am pleased to advise this Honourable House of that work will soon start at the site known as the Bermudiana Beach. Following the announcement of a tranche of \$10m, supported by a sovereign guarantee, pledged to proceed with necessary development at this property, due diligence has now been completed, the development loan approved and work on the additional elements of the project will soon commence.

Mr. Speaker, these works include additional rooms and a series of guest amenities which when completed will make it suitable for paying guests, representing the newest addition to the tourism stock of guest accommodation. The plan is to complete construction by April 2022 and be open shortly thereafter.

Mr. Speaker, this is an exciting development as the site presents a boost to the local Warwick community, jobs in construction, and also provides an additional family-style choice for visitors.

4. Diversifying the Product

Mr. Speaker, all of the good work of presenting Bermuda as a safe destination, the opening of a luxury St. Regis and the new construction at Bermudiana Beach must be accompanied by a diversified on-Island product that promotes the lifestyle option that seals the deal with increasingly discerning travellers.

Mr. Speaker, the next phase of product development will be led by a clearly defined events strategy that includes the worlds of film, fashion, food and art. The pent-up demand for leisure travel is forcing destinations to distinguish themselves in the crowded market place. I am confident the Board of the Bermuda Tourism Authority understands this strategy and the Authority will work to augment our product development.

5. Bermudians in the industry

Mr. Speaker, there continues to be a place for Bermudians in the tourism industry. More than the hospitality aspect of the career, the growth slated to occur in the industry makes it ideal for Bermudians to enter and be able to meet their social responsibilities through the salaries and wages to be earned. We must do more than appeal to some innate sense of politeness or desire to do well.

Bermudians, and young Bermudians in particular, make sound value judgments in career choices and do so on the basis of how they will best sustain their families and themselves. That is what we must promote: that a tourism career will allow you to feed your family, pay your bills, educate your children and meet your basic needs of accommodation and healthcare.

Mr. Speaker, a core group of hotel owners meet regularly with BTA and Public Service technical officers and I am pleased to advise this Honourable House that this very issue is a regular feature of their discussions and will shortly yield a working group dedicated to promoting tourism careers to Bermudians. This is especially important with the redevelopment of the Fairmont Southampton pending and the positions that will need to be filled once that site is again operational.

Mr. Speaker, on the heels of the Honourable Member, the Minister of Labour's public appeal for Bermudians to join the hospitality workforce, I will take this opportunity to remind the public that the Department of Workforce Development provides funding to support Bermudians who apply for the Culinary Arts Associate programmes at The Bermuda College as well as for those persons who apply for overseas funding in Culinary Arts/ Hospitality programmes in the US, UK and Canada. In addition the department provides internships and employment opportunities to Bermudians in partnership with the restaurant/hospitality sector.

Conclusion

Mr. Speaker, the global tourism industry has not had an easy time these last 16 months. The local tourism industry, beset by challenges of static air arrivals met a 'perfect storm' of damaging factors with the advent of the pandemic. But emerging from this time is a unique 'once-in-a-generation' opportunity that matches the counter narrative of the same challenge presented by Covid-19.

Mr. Speaker, there are choices to be made. Covid-19 has not just changed how we interact but it has changed how we travel. It has challenged destinations to make themselves relevant to the time and given a lifeline to those places who may not have been persuaded as to the need for this shift.

I am confident in Bermuda's prospects. We have laid the groundwork for tourism beyond the pandemic and spurred on by tough decisions taken to keep Bermuda safe, the Government is determined to lead in the making of those decisions needed to make Bermuda the destination of choice for tourism beyond the pandemic.

Thank you, Mr. Speaker.