



PRESS STATEMENT

By:

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THE MINISTER OF ECONOMY AND LABOUR

BERMUDA'S 2ND QUARTER ECONOMIC PERFORMANCE

Date: November 24, 2022

Good day to members of the media and the listening public.

2nd Quarter GDP and Economic Performance

After adjusting for inflation, the GDP in constant prices, decreased by 1.7 per cent in the second quarter of 2022. The level of economic contraction was a **direct** result of increased inflationary pressure as GDP in current prices increased by 2.2% during the quarter.

Consumer spending increased 4.9 per cent year-over-year to \$771.5 million. Consumption of services, increased 5.3 per cent year-over-year, reflected in higher expenditure for accommodation services, air transport and personal care services during the second quarter of 2022.

Employment Income

Employment income in the second quarter was 9.4% above 2021 levels. Industries such as Hotels, Restaurants and International Business report strong growth in employee remuneration.

Tourism

Tourism arrivals and expenditure were up as Bermuda's tourism industry re-opened for leisure and business visitors. The island hosted 48,646 air visitors during the second quarter of 2022, up from 16,935 in the second quarter of 2021. Estimated expenditure by air visitors increased to \$97.8 million from \$31.2 million recorded in the second quarter of last year.

Government Expenditure

Consumption by the Government increased 3.3 per cent during the quarter, with higher expenditure on wages, salaries and employee overheads.

Business Investment

Furthermore, **Gross Capital Formation**, declined 0.3 per cent to \$197.8 million. Investment related to construction fell 4.4 per cent. While, investment in machinery and equipment increased 3.9 per cent due to higher imports of electric motor and generator parts, air conditioners and motor vehicles.

2nd Quarter Balance of Payments

Bermuda's trade with non-residents resulted in a \$237 million surplus for the second quarter of 2022, down \$76 million from a year ago. The decline in Bermuda's trade surplus was primarily due to the **External Balance of Goods and Services** decreasing by 17.2 per cent as a direct result of increases in the imports of goods and services.

The imports of goods increased 19.1 per cent as payments rose for higher imports of finished equipment, fuel and food. Payments for air passenger and freight transport and travel services also grew as residents took more trips than the previous year.

2nd Quarter International Investment Position or IIP

As it stands now, Bermuda's trade in financial assets and liabilities with the rest of the world resulted in a net international investment position of \$4.9 billion at the end of the second quarter of 2022. This balance decreased by \$1.2 billion over the first quarter of 2022 due to a fall in liabilities associated with reduced holdings of other investments and loans.

Business Registrations

Total business registration increased by 3.1 per cent compared year over year, bringing the complete business register to 16,193. There were 258 new businesses registered in Bermuda during the second quarter of 2022, an increase of 7.1 per cent from the previous year.

Conclusion

While the Government continues to facilitate the expansion and sustainability of Bermuda's economy, we also recognize the critical role of employers, business owners and consumers alike. The Government will continue to create an environment that encourages economic growth while providing opportunities for Bermudians.

For more information, please review the 2022 Q2 Balance of Payments & International Investment Position publication and the Quarter 2, 2022 Quarterly GDP by Expenditure publication which is available at the Department of Statistics online at gov.bm.

Thank you.

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