



First Quarter Tourism Statistics

April 18, 2007

Remarks by:

Dr. the Hon. Ewart Brown JP, MP

Premier of Bermuda

Good afternoon and welcome.

If I were to nominate a theme for this past quarter and indeed for this media event today it would be “low season? What low season?!” I have been pleased to announce month by month, increased visitor arrivals during a period that traditionally had all sorts of adjectives to describe it and none of them were positive.

Today is no different and I am proud to say that if the first quarter of this year is a sign of things to come, 2007 is shaping up to be a fantastic year for Tourism arrivals.

January arrivals up 24.71%

February arrivals up 9.01%

March arrivals up 32.25%

Total visitor arrivals for the first three months of the year have all resulted in increases, with a total quarterly increase of 23.47% over the same period in 2006. This increase of more than 9,000 visitors marks the fourth consecutive quarter of growth for the island and the highest first quarter visitor arrival statistic since 2000.

Ladies and gentlemen, the numbers speak for themselves!

The aim, my friends, is to use our golf and spa product to effectively differentiate Bermuda’s product offering during the cooler months. The aim is to eliminate the peaks and valleys in arrivals throughout the calendar year, replacing the valleys with peaks, peaks and more peaks!

Looking specifically at air arrivals:

January air arrivals up 24.80%

February air arrivals up 12.60%

March air arrivals up 17.87%

All three months of the first quarter of 2007 have resulted in double percentage point increases over air arrivals for the same period of 2006.

This increase equates to a 17.81% jump in air arrivals for the first quarter with 45,825 visitors arriving on our shores compared to the 38,896 that arrived in 2006. This all important indicator reinforces that the industry is in recovery.

Air visitors occupied around 174,702 room nights in commercial properties during the period an increase of 16.88%.

All categories of commercial properties, except private clubs, saw increases in visitation during the first quarter with a total of 35,643 visitors choosing to stay in our hotels during this period. This represents a 20.91% increase over the first quarter 2006.

The average intended nights stay remained fairly consistent this quarter to 6.3 nights compared to last year's 6.8 nights.

Ladies and gentlemen, the move to lengthen our cruise season paid dividends in the first quarter. Two additional ships arrived during the month of March and as a result 2,765 cruise visitors arrived on our shores vs. the 425 cruise visitors that arrived during the first quarter of 2006, an increase of 550%.

Yacht arrivals during this period also increased with 211 visitors arriving via this means, an increase of 2.93% year over year.

Ladies and gentlemen, the first quarter results are indeed impressive. This comes at a time when, according to the CHA Weekly News, "The US State Department says it is cranking out U.S. passports in historically high numbers to meet an unprecedented surge in demand caused by tough new immigration rules." There was initial concern that the new rules would affect our first quarter results; however the results underscore the growing demand for the Bermuda product in the marketplace.

Success in the Tourism sector is of paramount importance to our overall economy and I'm pleased to report not only on the growth in arrivals but also on the success of the implementation of the overall Tourism programme.

Recent announcements regarding Zoom with its twice weekly service out of the UK effective June 8th, is very encouraging; a strategically significant development as we seek to capitalize on new European gateways.

Following on from this news, I am pleased to announce today that American Airlines will increase the frequency of its Miami service to five times weekly effective June 14th, 2007. This represents another step forward toward developing the Latin American market. Good news not only for Tourism but also for segments of the international business sector that are pursuing these markets.

Ladies and gentlemen, make no mistake, Tourism is rebounding, our strategy is effective and our results speak for themselves.

The TNT Charter out of Boston set to conclude at the end of this month will wrap-up its winter programme this year having delivered in excess of 2,000 incremental visitors.

At the end of the first quarter 2007 the Boston market was up 15.7%. The introduction of winter charter service out of this market over the past two winters has stimulated a renewed demand for Bermuda out of this market. Good news for JetBlue as they gear up to build on this momentum with scheduled service out of this market effective next month.

Ladies and gentlemen, the much talked about partnership with Expedia is having a tremendous effect. Our online strategy has proven to be an effective and powerful sales tool for Bermuda.

As many are aware, we added a full-service online booking engine to bermudatourism.com in January '06 powered by Expedia, the number one online travel agency. While we were thrilled with the 2006 results, having generated over \$1 million in online bookings, we knew we could do even better in 2007.

In the first quarter of 2007, bookings generated by the site were up by a whopping 50% over the same time period last year. Users have already booked over \$350K on our website this year, which is heavily contributing to the strong bookings that the hotels are seeing for spring and summer 2007.

We hope to continue this momentum with a robust online advertising campaign that will be launched in May. The campaign will focus on turning "lookers" into "bookers" on the top travel and geo-targeted sites and will drive bookings for the latter half of the beach and sizzle season where bookings are most needed.

In fact, our entire advertising programme is evolving. New print, radio and television spots have been produced. We are keeping our communications fresh and constantly evolving our message to continue to build brand and to drive bookings.

Last year, we unveiled the "Conversations" advertising campaign for Bermuda Tourism. "Conversations" is based on the premise that consumers love to share their experiences and the persuasive power of peer conversation. It broke through the clutter and placed Bermuda top of mind among our target travelers - no small feat in today's marketing environment where consumers are bombarded with messaging constantly.

This new round of creative will also resonate with our target and work hard to brand and sell Bermuda. The work evolved from the previous campaign to show the island while retaining Conversations' stopping power and tongue in cheek nature. The spots bring Bermuda's vibrant Beach & Sizzle season to life. I'd like to share this work with you today.

The first takes the viewer around the island, while the second concept is used to create an ad launch for JetBlue's new service from Boston to Bermuda.

Together the ads showcase Bermuda's distinctive product offering and present a refreshing and playful image for the island.

We anticipate that this work will build on the momentum already in the marketplace. A momentum that is driving air arrivals and that is translating into a desire by our hotel partners to achieve higher standards as it relates to the hotel product offering.

I would like to extend my thanks and congratulations to all hoteliers who work diligently to make the standard and raise the bar. Our partners have embraced the concept of working together in the best interest of Bermuda Tourism and have really come on board to achieve the standards required to attain a full operating license. I encourage you to continue to work toward upgrading your facilities so that we might collectively continue to positively impact visitor satisfaction.

While the much talked about new hotel developments are all at various stages of the application and approval process, our efforts to remain at the forefront of the hotel investment community remains high on the agenda. A Bermuda contingent lead by the Chairman of the Tourism Board, Mr. E. Michael Jones is preparing to attend the Caribbean Hotel & Tourism Investment Conference in May.

This Conference is the leading forum for communication, networking, and deal-making for the hospitality and tourism investment community in the Caribbean region. We must continue our efforts to remain competitive and attractive to the leading hotel brands if we expect our tourism industry to continue moving in the right direction. Until we achieve the 10,000 beds necessary to provide for a healthy tourism sector, we will continue to work diligently to attract the right brands.

And speaking of diligence, well, the race is on - while Tiger was not the first one in, it was a great Master's event; Zach Johnson will join us in Bermuda in October for the PGA Grand Slam of Golf but know that Tiger is on the prowl as he looks toward The US Open, The British Open and The PGA Championship, qualifiers for the PGA Grand Slam. Tickets for PGA Grand Slam are now on sale at pga.com and from all reports, sales are brisk.

And while Tiger's prowling, the Goat's feeding. You'll recall the popular British soccer fans' chant - "Feed the Goat". Joining us today is Mr. Shaun Goater, President of the Bermuda Hogges.

It gives me great pleasure to announce that The Department of Tourism has entered into an agreement with the Bermuda Hogges to use Shaun Goater and Kyle Lightbourne to be official spokesmen for Bermuda to generate visitation from overseas soccer fans and to promote and hold appearances on behalf of the Bermuda Department of Tourism.

Similarly, the Department has entered into an agreement with Mr. David Bascome of Island Soccer League and the Baltimore Blasts and he's also with us today, to generate the same kind of momentum for the destination amongst soccer fans in the Washington/Baltimore area.

Ladies and gentlemen, it's time to celebrate our national heroes. It's time to leverage the Bermuda celebrity to raise our profile, drive business to the destination and to inspire our own.

Gentlemen, please stand so that we can acknowledge you...Thank-you.

Not only are we supporting our national heroes on and off the field but we are inspiring and incentivizing our local producers to use their talents to contribute to the redevelopment of Bermuda's Nightlife.

Staid, stuffy and boring is not who we are. In summer 2007 Bermuda's nightlife will sizzle - Live in the Gardens; Shame & Scandal Dinner Theatre; Chewstick's Neo-Griot; Howard Rego's Front Line Dance Party; the Uptown Market's Street Festival; Salsamania, Reggae Beach Party;

Gombey Circle Cabaret and more. Every night of the week Bermuda will be alive with entertainment.

A host of local producers will be responsible for this magnificent nightlife offering. There are so many that are behind this that I wouldn't dare to name them all, but many of them are here with us today.

Producers please stand, so that we might acknowledge you. Thank you so much for your contribution to the redevelopment of Bermuda's nightlife.

Ladies and gentlemen, new tours and excursions are being developed and our entire Bermuda product is on the move. I'm pleased to have been asked to open the Tour Boat Owners Association's Expo set to take place later this week, April 20th and 21st on Front Street. As a part of the expo, tour boat operators will showcase a wide array of product available to our visitors. I'm encouraging the community to come out and take a look at the evolution of what's on offer.

Like our Tour Boat Operators, our taxi operators are also capitalizing on opportunities that are being made available to them. Several drivers have embraced the Blue Flag Ambassadors programme, a tour guide certificate programme that is designed to provide taxi drivers with the expertise that is required to provide first class taxi tours in Bermuda.

The programme sponsored by the Department of Tourism and offered free of charge to taxi operators through the Community Education & Development Programme has resulted in several new drivers being added to the Department of Tourism's preferred driver's list. This programme however is for all taxi drivers, previously certified blue flag drivers included.

When reviewing the list of those drivers who had recently participated in the certificate programme, I was particularly impressed by two drivers both of whom had already been through the former Blue Flag Programme. These drivers are fine examples of Bermuda ambassadors who are intent on ensuring that they have up to date information about the product and that their tour guide skills are kept sharp.

It gives me great pleasure to invite Albert James and Vincent Dyer to receive their Blue Flag Ambassador Programme certificates. (Michelle Phillips will receive her father's certificate as he is traveling today). These drivers successfully completed the 10 week study programme offered through the Community Education & Development Programme. Congratulations. We look forward to having all of Bermuda's taxi operators achieve certificate status.

It is my hope that our taxi operators will embrace the African Diaspora Heritage Trail (ADHT) and provide taxi tours that are specifically designed to highlight this culturally significant Bermuda feature. The establishment of the ADHT trail and the resultant ADHT annual conference has captured world wide attention that has thrust Bermuda to the forefront of cultural tourism development.

Next month I will travel to Kampala, Uganda, at the invitation of His Excellency Yoweri Kaguta Museveni, President, Republic of Uganda to attend the IIPT African Conference on Peace through Tourism. While there I will serve as a key note speaker at a special Bermuda luncheon to discuss the development of the ADHT initiative and its global significance.

I will share, according to the old Chinese proverb, the journey of a million miles that began with a single step. I will share the vision of the late David Allen, JP, MP that had scholars, historians and cultural activists throughout the African Diaspora come together and create a plan to introduce and encourage travel throughout the ‘Heritage Trail’ in Africa and the Caribbean.

I will share how this vision has led to the establishment of the ADHT Foundation, a newly registered charity that will now, as an organization, based in Bermuda go on to serve as an international membership service organization with membership consisting of those organizations, institutions and entities working to create an ADHT trail as a global series of tourism destinations with a focus on African Diaspora history and culture.

But before I share the entire contents of the speech that I’m preparing to deliver in Uganda, ladies and gentlemen, let me share the successes of the other Departments within the Ministry.

Make no mistake about it – we are in the business of ensuring that Bermuda Tourism and all that we have to offer as a premier vacation destination is the envy of the world, therefore we continue to evolve as a Ministry so that we achieve our objective.

Ladies and Gentlemen the Department of Public Transportation became a government department on 1st April and has started a pilot program during the spring term that involves a bus shuttle for specific schools in the greater Hamilton area. The pilot commenced Monday, April 16, and runs from the Hamilton Ferry Terminal on Front Street to the Bermuda High School for Girls, Saltus Grammar School and the Mount Saint Agnes School.

The bus shuttle runs once in the morning which will encourage students to ride the Rockaway, Dockyard and Paget ferries and to catch the shuttle to school. It travels the route twice in the afternoon for those going home directly after school and for those who have after school activities. This is another critical piece of our traffic decongestion plan which is aimed to deal particularly with the historic congestion from the west end into Hamilton.

In follow up to my last quarterly briefing where I spoke about the Electronic Vehicle Registration (EVR), the progress of this initiative has continued as expected with the deployment of the Radio Frequency Identification (RFID) tags commencing May 1st.

We are in the process of posting all of the relevant information to the TCD website and expect to have this process completed by week’s end, at which time I invite members of the public to visit the site to ensure that they are properly informed.

And while you are visiting this site, please feel free to license your vehicle as TCD can report the popularity of this option is catching on with over 216 vehicle owners licensing their vehicles on line in February and 247 for the month of March.

In May of this year, over eight (8) months of communication and planning will see experts from the Driving Standards Agency (DSA) of the UK visiting TCD to assess the current driving and riding tests with the goal of recommending an upgrade to a system that has been in place for quite some time.

We have also invited other public and private sector entities, such as the Bermuda Police and Fire Services, the Department of Public Transportation, the Driving Instructors Association and

Insurance Companies as part of this initiative to ensure that not only are the testing standards at TCD raised, but that the driving instruction provided throughout the island is improved.

Ladies and gentlemen, the cruise ship season has officially started and you will begin to notice a steady increase in arrivals beginning this week, and remaining continuous until October. The season is officially slated to end in November.

The summary of Cruise Ship Visits for 2007 are:

- 180 Regular callers
- 24 Occasional Visits

With 204 calls, it's shaping up to be a busy summer for Bermuda, and we expect that our cruise business will certainly have a considerable impact on our overall visitor arrival numbers this season.

At the request of UK's Regional Security Advisor, Mr. Scott Simmons our Maritime Safety and Security Coordinator visited Turks and Caicos Island during late February.

The request was to assist their Director of Port Administration with the development of a private port security contract model similar to Bermuda's. A review of their main port facilities in Providenciales and Grand Turk was undertaken and existing security procedures considered. At the end of the 3 day visit a tender document was compiled based upon the physical infrastructure and international security requirements.

This has since been successfully used to identify a suitable port security contractor for their region.

The Department of Maritime Administration will shortly be able to produce all ships documents such as Official Log Books and Oil Record Books in house. This will circumvent reliance on overseas suppliers and provide ship owners with a readily available stock of updated publications directly from the department.

During the first quarter of 2007, 6 vessels joined the register, with 2 vessels leaving the register, resulting in a net increase of 146,000 gross tons with total tonnage now exceeding 9 million tons.

The register continues to attract high quality vessels, with the new 3,500 passenger cruise ship *Emerald Princess* joining the register.

Ladies and gentlemen, so much to celebrate; so much to be proud of; so much happening that in fact, I'm running out of energy.

Let me tell you a little story about the solution to energy levels. You see, several months ago I met the manufacturers of Arizona Ice Tea and I was chatting with them about how much there is to see and do in Bermuda.

With the new tours and activities, our nightlife entertainment programme, the array of events, the great shopping and more, I was wondering out loud what we could do to help our visitors maintain their energy levels.

We corresponded on this topic for a little while and then I passed it on to the team in Tourism. They said, Minister, leave it to us and we'll work it out. And work it out they did.

Ladies and gentlemen, I am pleased to unveil the solution that will keep our visitors going - Bermuda Pink Energy Drink!

Please go ahead and open the bottles and enjoy, the new Bermuda Pink Energy Drink, a new Department of Tourism promotional giveaway. A product created and bottled specifically for Bermuda.

Ladies and Gentlemen, this journey has been marked by tremendous successes won by a series of tough decisions, persistence, and unwavering commitment on the part of the entire Tourism and Transport team.

We are now firmly where we need to be, Bermuda is positioned well, air fares are at the right level and hotel development is proceeding in earnest. We now have a working formula for success and the mood in the country is positive. I am looking forward to progress and to more and more success stories in the coming months.

Thank you.