

How Important is Tourism in The Bahamas?



The Tourism Satellite Account Perspective

Bahamas Tourism in 2003

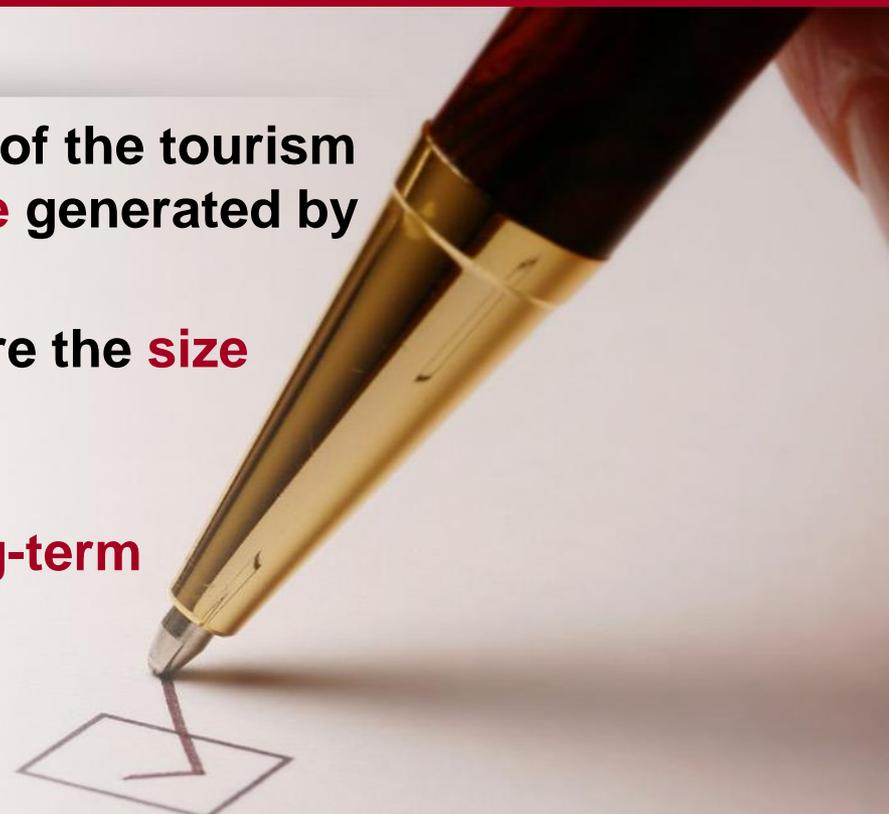
May 17, 2006



- **Premier** economic analysis & forecasting, global intelligence, and consulting organization
- Most **comprehensive** coverage of countries, regions, and industries available from any single source
- Common **analytical framework** and a consistent set of assumptions
- Broad range of **capabilities** include:
 - Tourism Market Analysis
 - Feasibility & Risk Assessment
 - Destination Analysis & Impact
 - Demographic Analysis
 - Performance Benchmarking
 - Strategic & Tactical Planning Tools
- **Global Insight** has the **best track record** among all commercial forecasters.

Benefits of a TSA

- **Compares government support** of the tourism sector **with government revenue** generated by tourism.
- Allows policy-makers to compare the **size & growth of tourism** to other industrial sectors.
- Enables analysts to **assess long-term health** of the tourism sector via capital investment and government support.
- Provides an accepted international standard for **benchmarking**.
- Quantifies how **other industry sectors benefit** from tourism.



Tourism Satellite Accounting

- The **Tourism Satellite Account** is the international (UN/WTO, OECD) standard for measuring the contribution of tourism to an economy
- The tourism 'industry' is not measured in standard economic accounting systems.
- 'Industry' is a *supply-side* concept: the focus is on what is being produced.
- But 'Tourism' is a *demand-side* concept: the focus is on who's buying products - the visitor.
- Tourism affects parts of many industries

T&T Industry and Economy

- **Travel & Tourism Industry**

- The direct effect of travel demand
- Focus of the TSA



- **Travel & Tourism Economy**

- The flow-through effect of travel demand across the economy

The TSA provides both a narrow & a broad understanding of the *Tourism “Industry”*



2003 Bahamas Tourism TSA Results

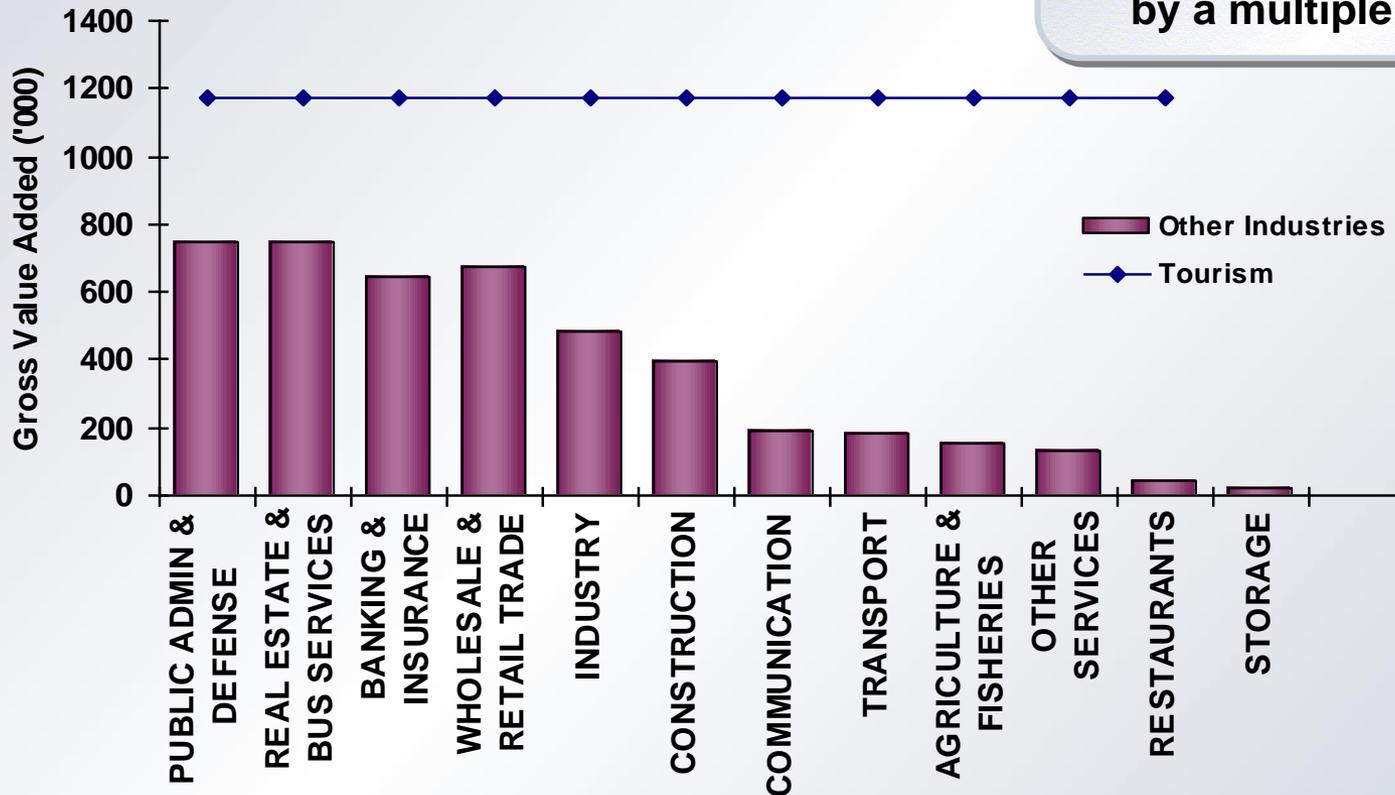
Direct Tourism Accounts for 21.3% of Total Bahamas GDP

Industry	Value Added ('000)	Percentage of Industry Contribution to Total Value Added	Percentage of Industry Contribution to Tourism Value Added
Hotels & Restaurant	488,704.9	8.9	41.7
Real Estate	274,131.8	5.0	23.4
Other Tourism Services	225,705.1	4.1	19.2
Air & Other Transport	107,251.6	1.9	9.1
Mfg. & Retail Trade	65,280.6	1.2	5.6
Public Administration	11,627.4	0.2	1.0
Total Non-Tourism Industries	4,330,932.3	78.7	2.55
<i>Tourism Gross Value Added</i>	1,172,701.4	21.3	100.0
<i>Total Gross Value Added</i>	5,503,633.7	100.0	1,244.62

At \$1.17billion, core tourism accounts for 21.3% of total Bahamas GDP in 2003

Tourism Is The Largest Single Industry In The Bahamas

Tourism outranks the next largest industry (public administration) by a multiple of 1.6.

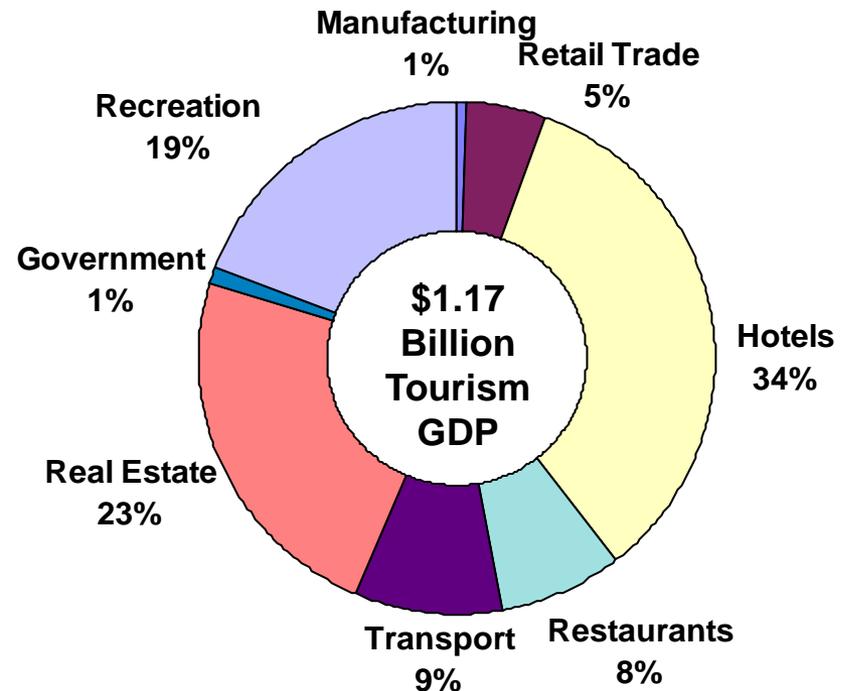


Note: Tourism has been removed from those industries containing tourism.

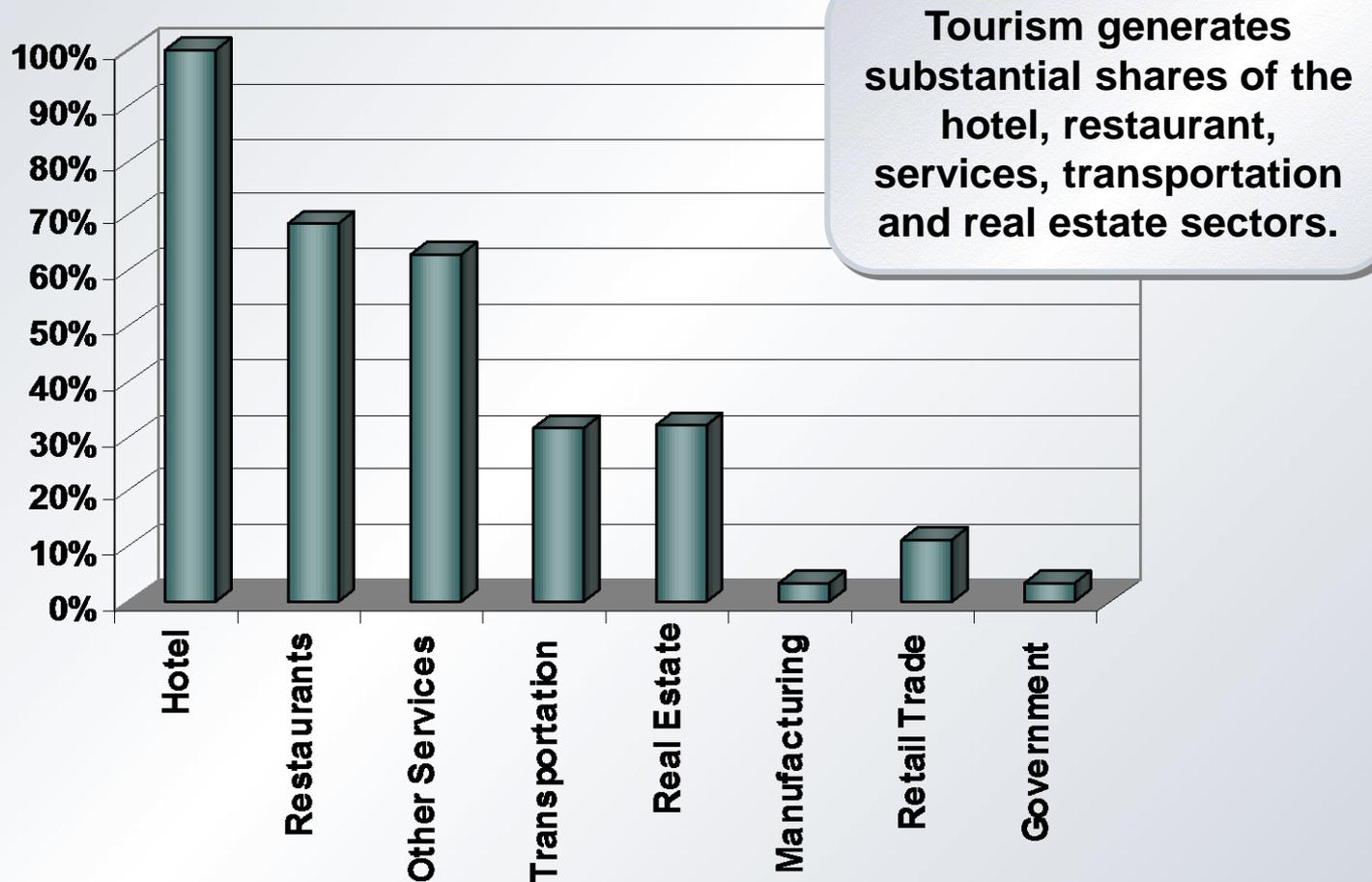
Tourism Touches Many Industries

- Tourism generates direct economic value in various sectors such as hotels, restaurants, and transportation.
- However, tourism also generates direct economic output in other sectors such as real estate, government, and manufacturing.

Distribution of Direct Tourism GDP by Industry



Tourism Share of Related Industries



Breaking Down Tourism Expenditures

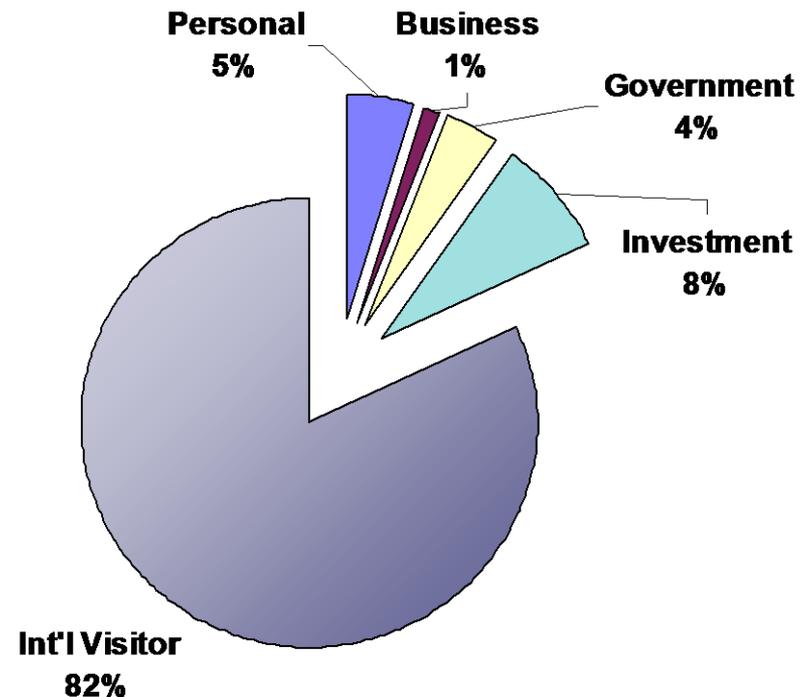
- **Domestic Personal** – In-country travel expenditures of Bahamas residents
- **Domestic Business Travel** – Bahamas businesses' spending within the local economy on travel
- **Government Spending** – Bahamas Ministry of Tourism Budget, transportation functions related to tourism, publicly funded attractions and funding for security in tourism-intensive areas
- **Investment** – Construction of hotels, attractions, tourism infrastructure, operating and transportation equipment
- **International** – Spending of international visitors to the Bahamas

Breaking Down Tourism Expenditures – \$2.2 Billion

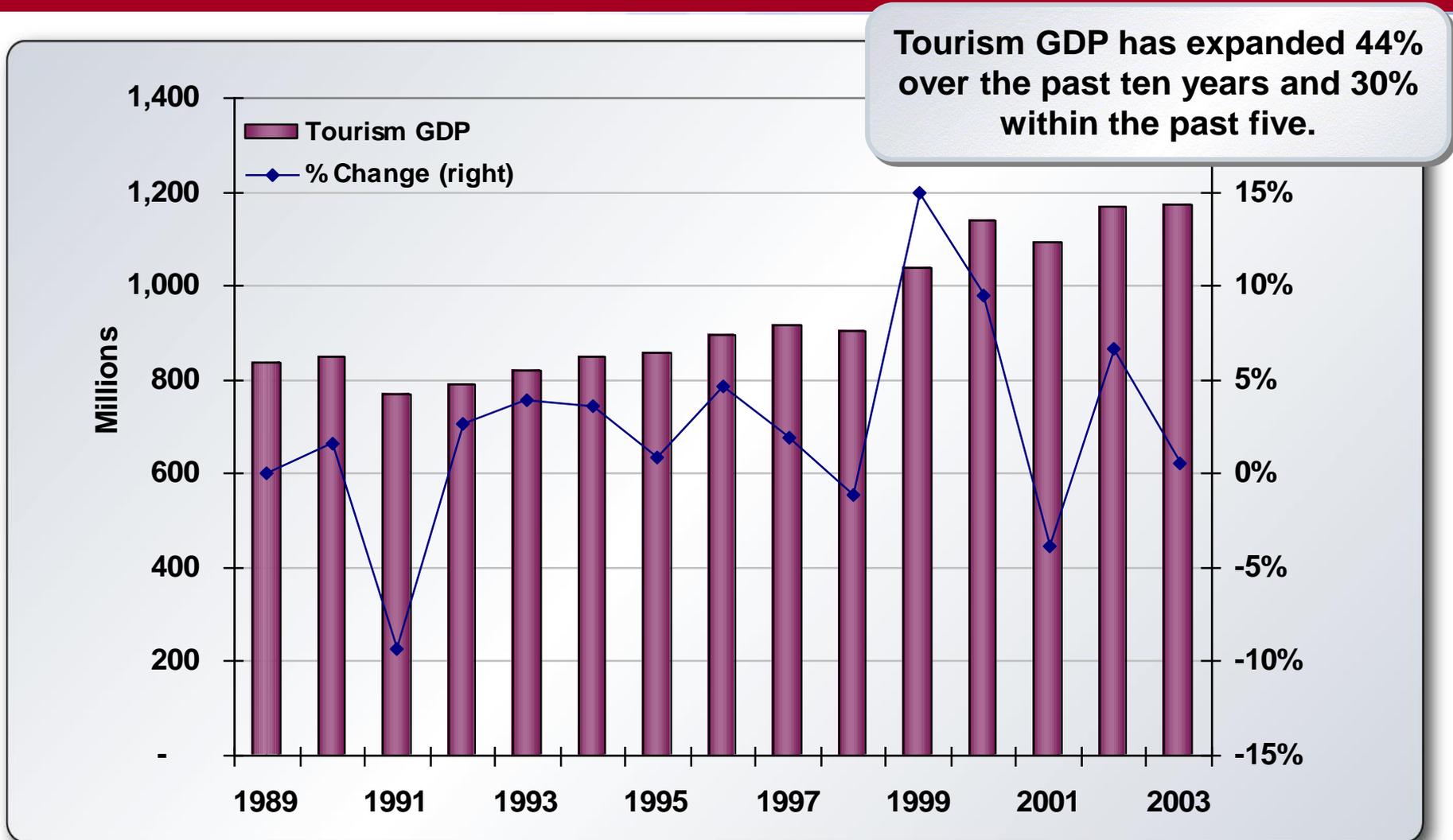
International visitors represent by far the largest portion of tourism expenditures in the Bahamas with 82% of spending.

Millions	
Domestic Personal	\$109
Domestic Business	\$22
Government	\$88
Investment	\$189
Int'l Visitor	\$1,838
Total	\$2,246

* Numbers may differ due to rounding

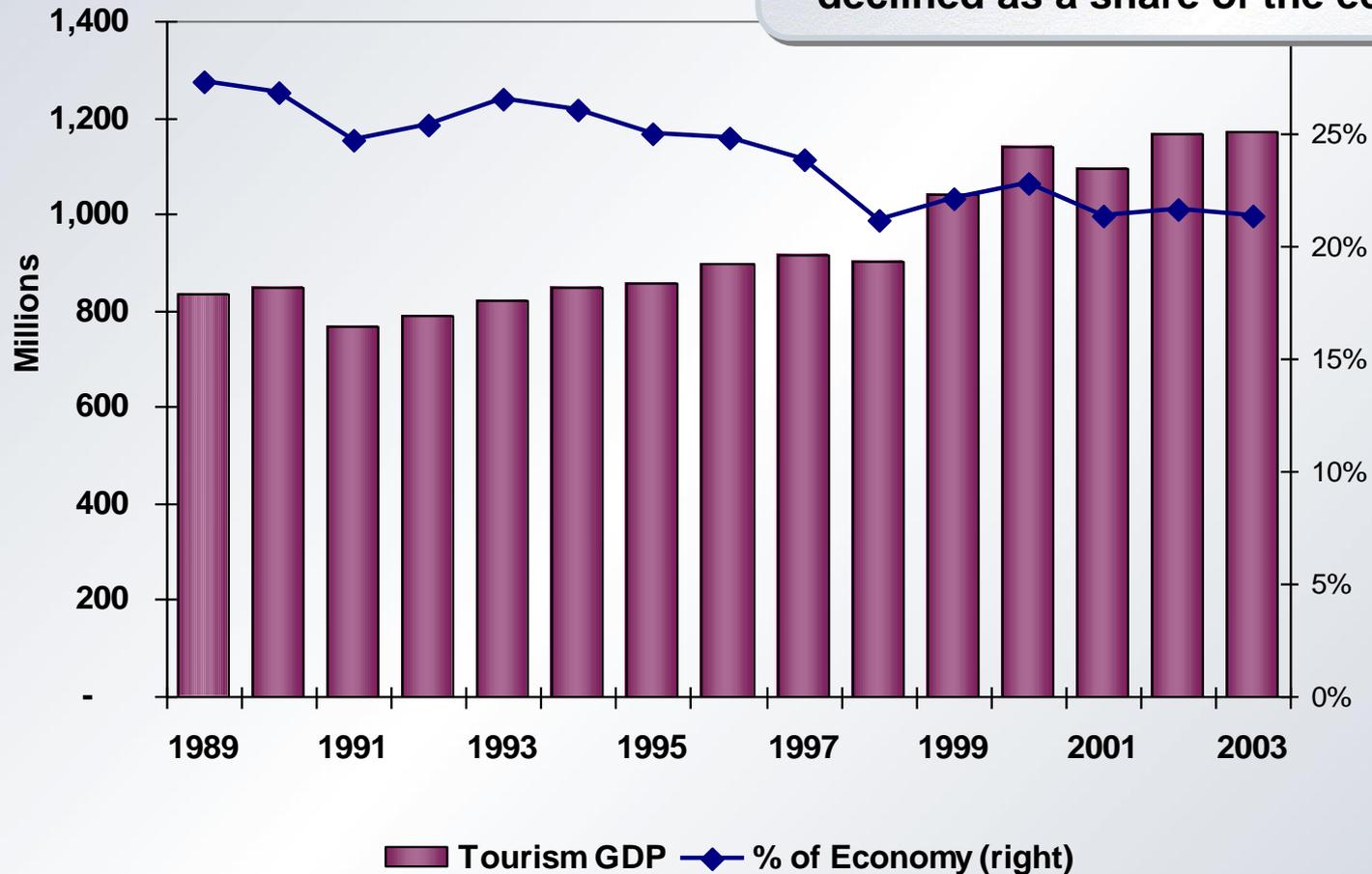


Tourism GDP: An Engine of Growth



Tourism GDP: Losing Share Due To Diversification

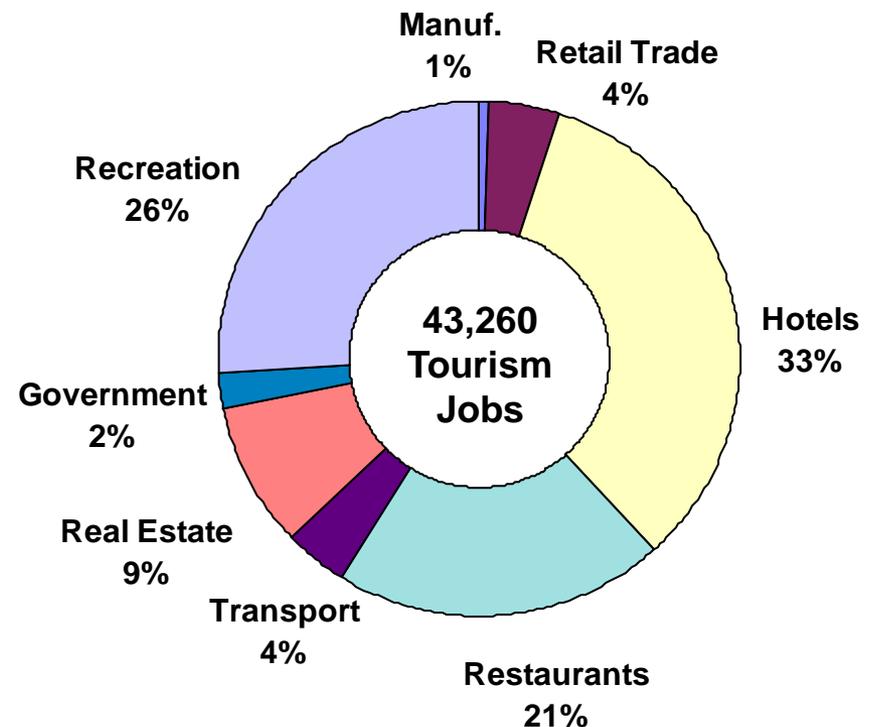
Due to diversification and a stronger local supply chain, direct tourism has declined as a share of the economy .



Tourism Also Generates Employment

Distribution of Direct Tourism Employment by Industry

- Tourism generated 43,260 jobs in the Bahamas in 2003, 28% of all jobs.
- \$699 million in wages are related to tourism jobs, 27% of all wages.



Core Tourism -- Summary

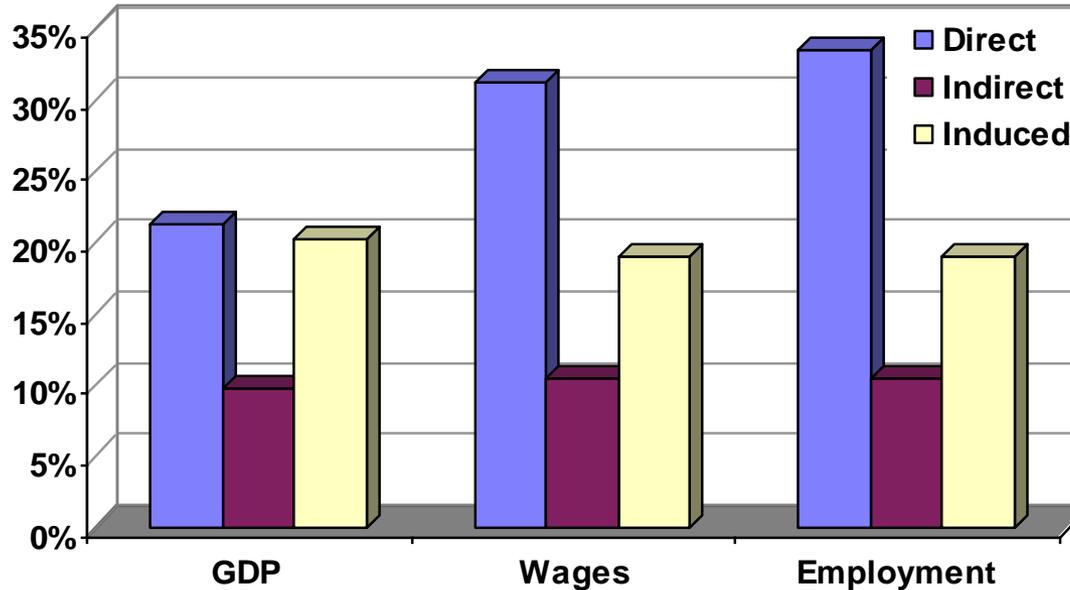
- In 2003, the direct impact of travel & tourism was **\$1.17 billion**.
 - **21.3% of Gross Domestic Product**
- **43,260 jobs** were created by travel & tourism economic activity.
 - **28% of total employment**
- Approximately **\$699 million** in wages & salaries was generated by travel & tourism in 2003.
 - **27% of all wages**





2003 Bahamas Tourism Total Impact Results

Total Tourism Economic Impact: \$2.8 billion



- Tourism's total economic contribution tallied \$2.8 billion in 2003, comprising 51% of Bahamas GDP.
- This economic activity generated \$1.6 billion in local wages or 61% of all wages.
- In terms of employment, tourism is the catalyst for 97,383 jobs, or 63% of the employment base.

Tourism Generated Taxes

Tourism generated \$468 million in taxes in 2003.

Tourism Generated Taxes		
Category	Tourism Tax \$	% of Total
Import Duties	\$223,274,957	48%
Departure Tax	\$70,279,661	15%
Import Stamp Tax	\$52,538,701	11%
Immigration Fees	\$23,121,440	5%
Hotel Occupancy	\$22,266,964	5%
Realty Transactions	\$16,463,208	4%
Business License	\$15,240,845	3%
Casino	\$13,522,586	3%
Property Tax	\$10,132,333	2%
All Other	\$20,888,968	4%
Total	\$467,729,665	100%



Thank You!