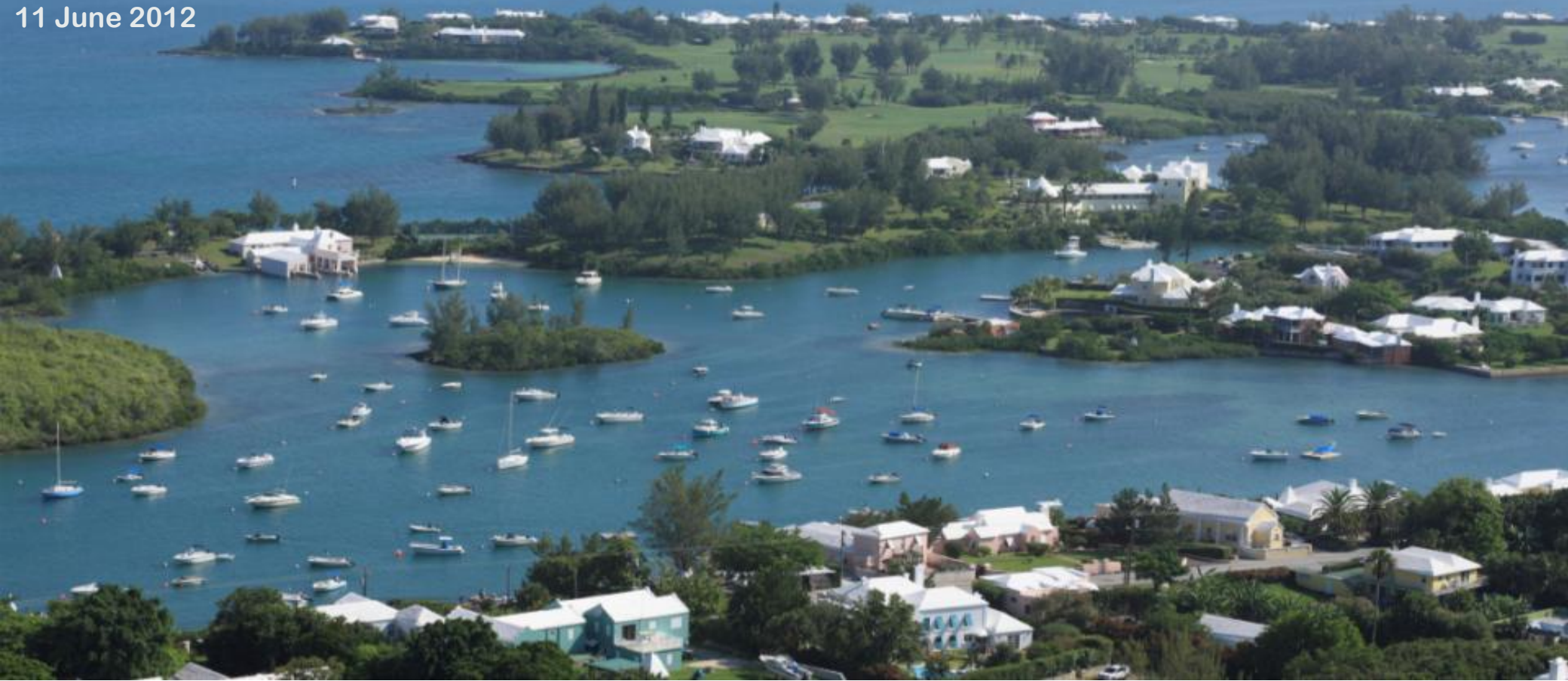


Bermuda National Tourism Master Plan

Townhall Presentation

11 June 2012



Index

What are the opportunities?

How will it be achieved?

What's in it for you?

Now what?



What are the opportunities?

The Master Plan defines implementable solutions and opportunities for Bermudians



Diagnostics

Strategy

Action Plan

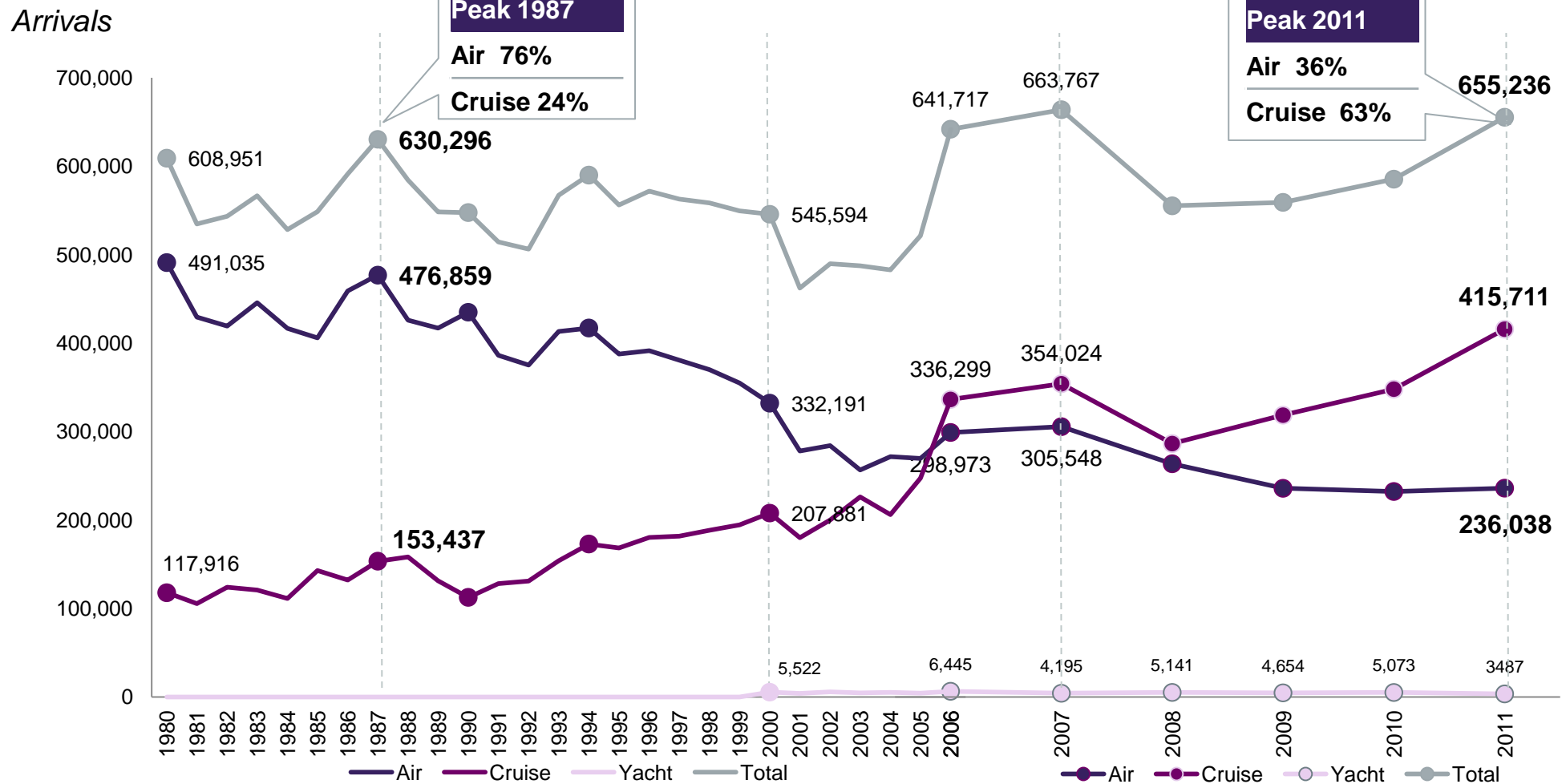
Consultation with more than 200 stakeholder groups

Stakeholders across the Tourism Value Chain have an important role to play in the implementation of the Plan



The Tourism Plan creates opportunities for employment and entrepreneurs throughout the sector

The major shift from to cruise visitors over the past 30 years has had a major impact on the whole sector; hotel supply decreased by 44% in the past 30 years



2011

GDP: \$297 MM (5%)

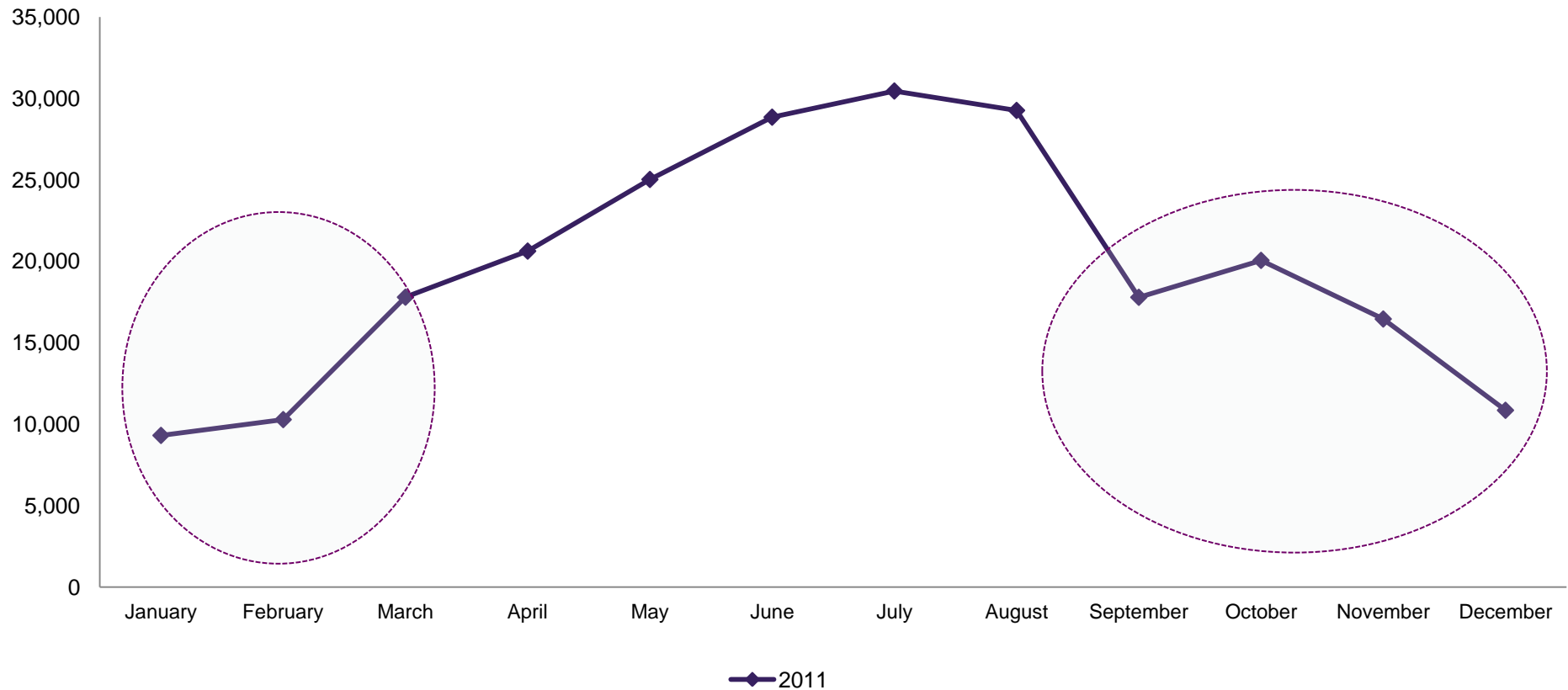
Jobs: 5,594 (9%)

Expenditure: \$421 MM

Arrivals: 655k

Bermuda is highly seasonal (average occupancy 56%): limited business, limited job opportunities

Air Arrivals



Bermuda is highly seasonal, with May to August having the highest average occupancy rates of 70 – 80%; occupancies from December to February are lower than 30%

Top challenges for tourism development in Bermuda:

- 1. Lack of clear positioning and brand identity**
- 2. High competition**
- 3. Limited demand drivers**
- 4. Highly seasonality; low occupancy rates**
- 5. Air vs. cruise imbalance and lack of focused market strategy**
- 6. Limited quality of products and services**
- 7. Limited local human resources capacity and lack of pride in sector**
- 8. Transportation challenges: air lift, land and water circulations**
- 9. Need for further inter-ministerial co-operation, continuity and PPP**
- 10. Low investment appeal: high investment costs and high operational costs**

Lack of real value in tourism industry: for international visitors and local community

Top strengths which need to be leveraged:

1. **Historical legacy as high-end destination**
2. **Unique cultural and natural resources with international appeal**
3. **Distinctive tourism hubs**
4. **High end market appeal**
5. **Strong cruise market arrivals; yachters and boat market with high potential**
6. **Business reputation, developing products for business tourists**
7. **High repetition rate**
8. **Successful collaborations and PPP**
9. **Close proximity to major key source markets**
10. **Passionate people**

Bermuda has many opportunities to further develop its brand and tourism offering in order to regain its international appeal and increase market share



How will it be achieved?

8 Strategic objectives of the Master Plan to reinvent the tourism industry:

1

**Build unique and
create competitive positioning**

2

**Create new demand and
reduce seasonality**

3

Rebalance air vs. cruise
52% air and 47% cruise by 2022

4

Increase visitor spending
\$1,471MM by 2022

5

**Improve quality throughout
Tourism Value Chain**

6

Build pride and create jobs
6,157 direct jobs by 2022

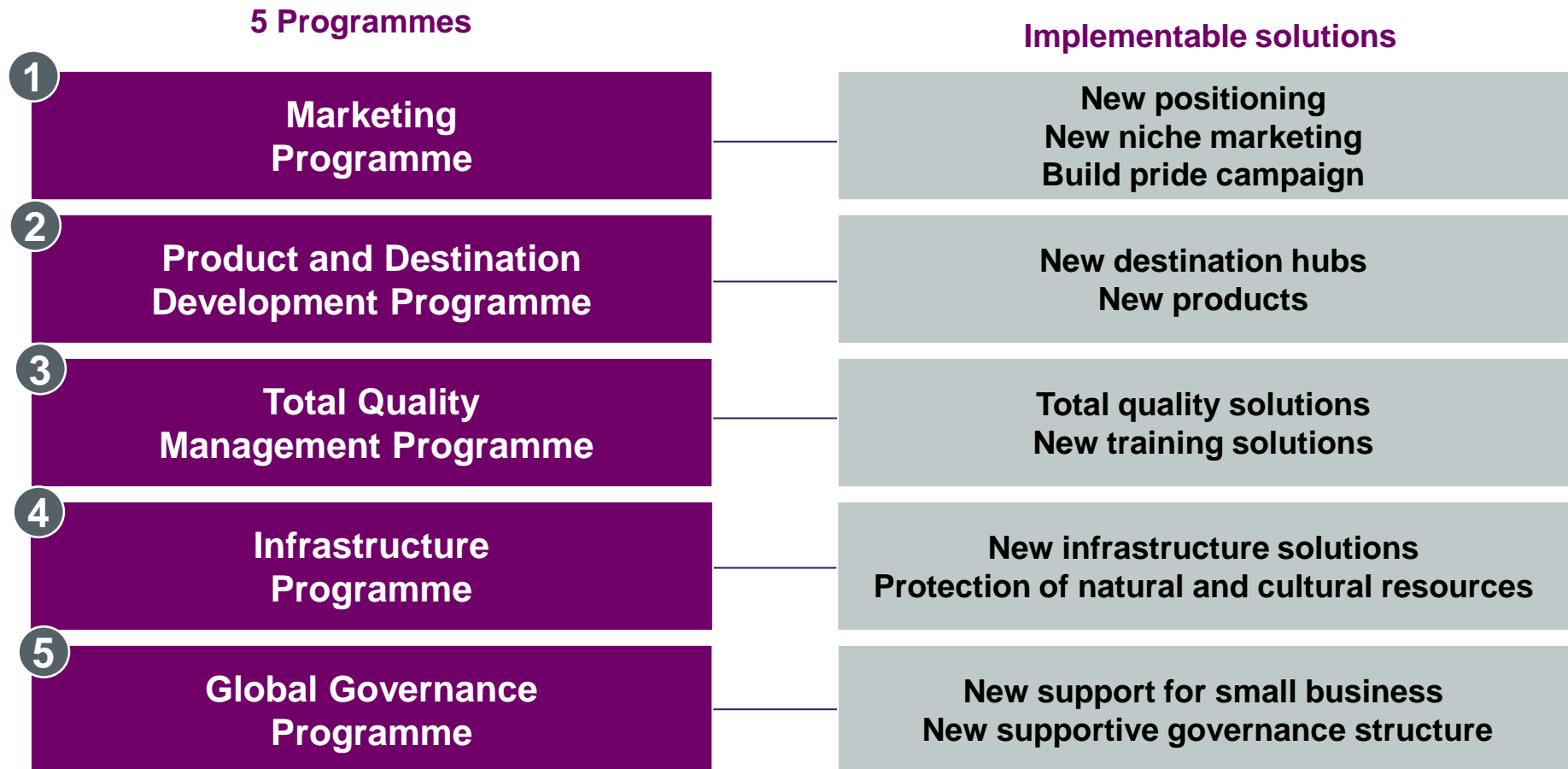
7

**Support business
development and
attract investment**

8

**Create economic (\$513MM by 2022),
social and
environmental sustainability**

5 Programmes with implementable solutions



5 Programmes with actions: Quick Wins, medium to long term actions

Leverage Bermuda's unique and internationally competitive assets to build competitive advantage and highlight its authenticity

Physical elements

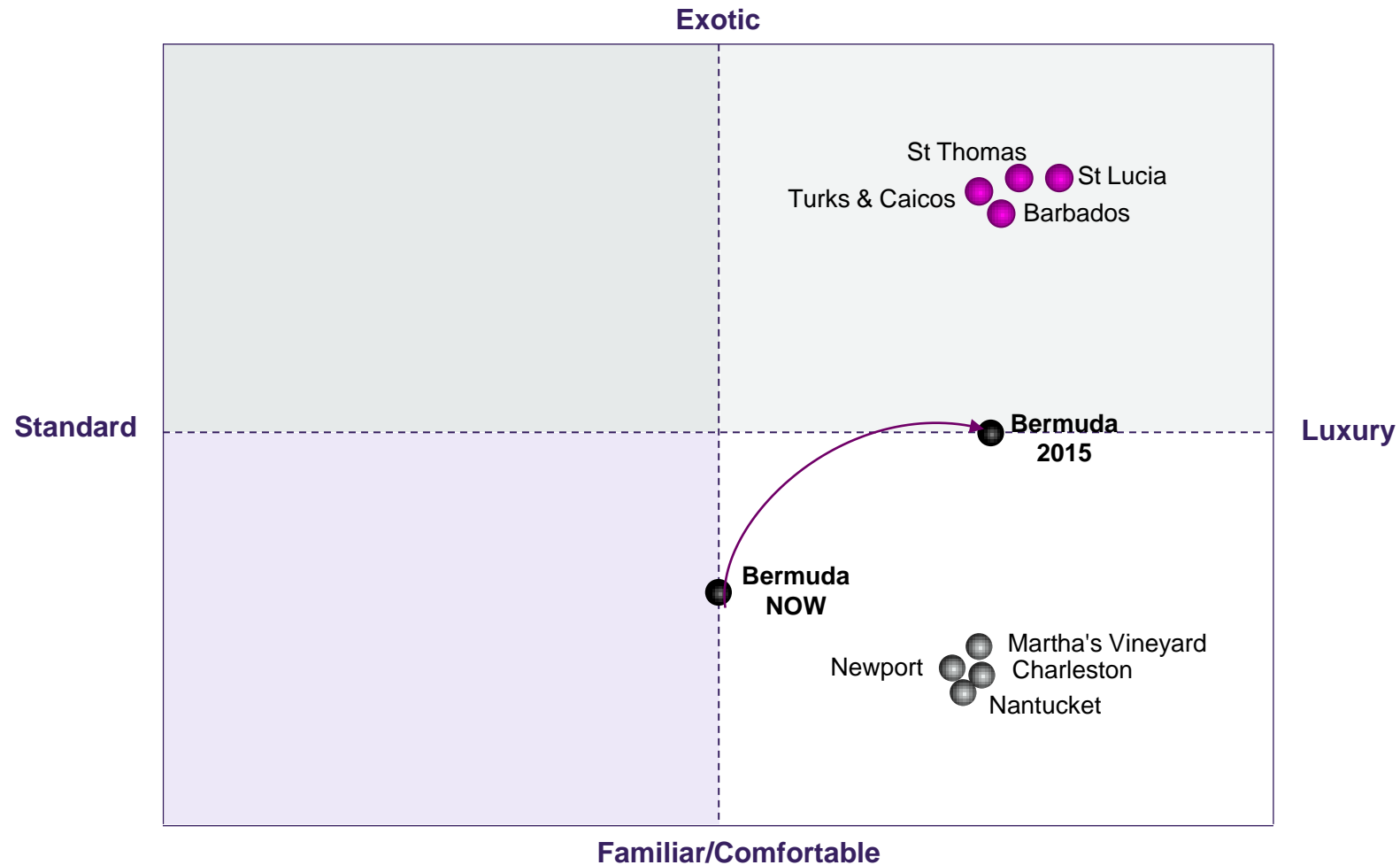


Emotional elements



Leverage Bermuda's physical and emotional attributes to create a place with uniquely Bermudian experiences
... emotional elements create the soul of the place

Bermuda has a real opportunity to position itself as uniquely different from the Caribbean and other competitive destinations



The positive attributes of familiarity and comfort should be transformed into a real competitive advantage

Aspirational vision statement and underlying values

Bermuda is an **innovative, modern** and **sophisticated year round** destination

The treasure of the **Atlantic**

With **enchanted natural beauty** and **cultural heritage**

Which leverages its **unique resources**

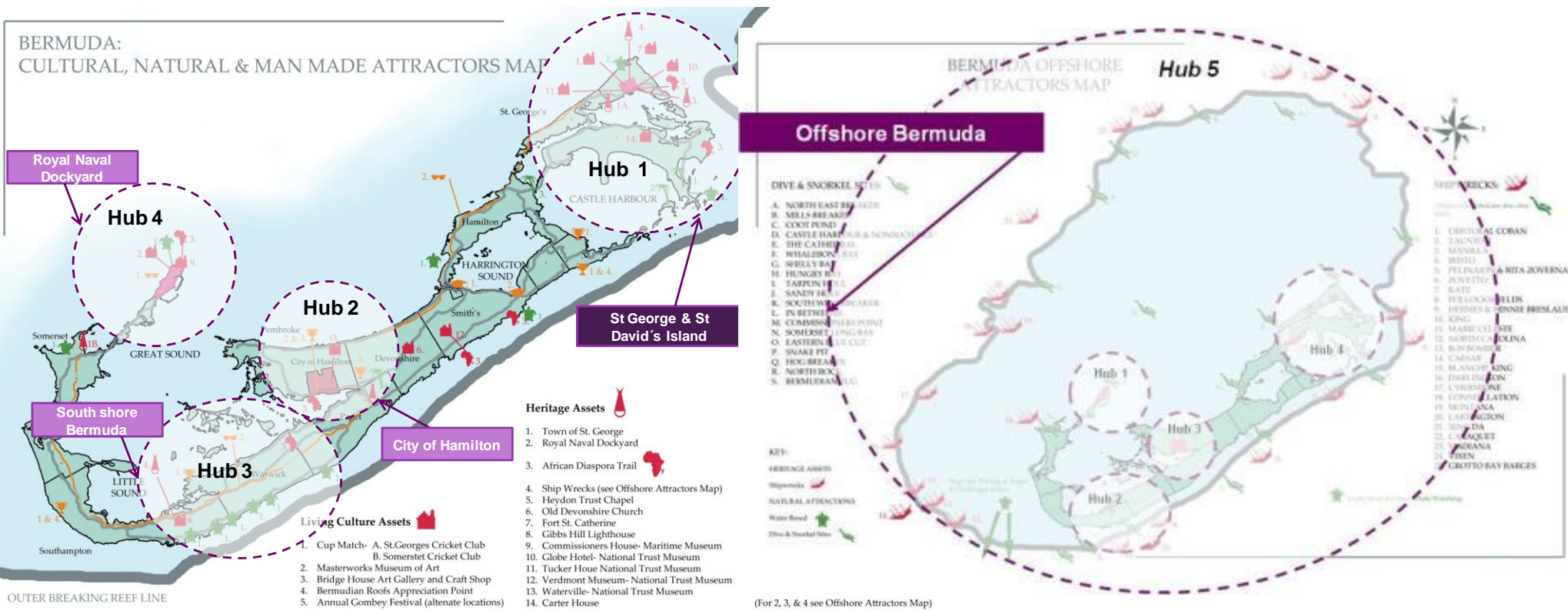
To create **authentic Bermudian experiences**

A secret place where you have time to discover and **build unforgettable memories**

Where you **feel at home** in a world away, closer than you imagine

The vision statement presents the imagine of how Bermuda, as a tourism destination, will be regarded by the international community, what it has to offer to the guests, and what kind of experiences will be gained by visitors in 2015 and beyond

Bermuda has 5 distinct tourism hubs, or centres of characterized tourism interests, which offer unique and attractive destinations



Offshore Bermuda offers a unique concentration of cultural and natural tourism attractions important enough to become a stand-alone tourism hub

Hub 1 - St. George World Heritage Destination & St. David's Island

Destination Concept

- A **World Heritage** Destination
- Connecting the **past and present**
- Colonial **architecture** and cultural heritage
- Current **artistic** expressions and activities
- Enjoyment of the **natural environment**

Business Opportunity

- Walking tours
- Boutique retail
- Outdoor dining,
- Artisans and craft makers markets
- Heritage museums
- Live entertainment
- Waterfront experiences
- Sailing and yachting
- Pristine nature



A World Heritage charming village with Bermudian artistic expressions

Hub 2 - Hamilton City

Destination Concept

- **Vibrant and dynamic modern city**
- **Business community** and **visitors needs**
- **Connects authentic Bermudian flare with state of the art modern facilities**

Business Opportunity

- Conference facilities and services
- Performing arts,
- Signature restaurants
- High-end retail
- Live entertainment
- Nightlife venues
- Waterfront enjoyment



An iconic modern city with Bermudian flare

Hub 3 - South Shore Area

Destination Concept

- Attractive **natural open spaces**
- Offering excellent services
- **Diverse day activities and gastronomy** as a remedy for stress

Business Opportunity

- Sun and beach activities and facilities
- Signature golf
- Recreational sports
- First-rate restaurants
- Cultural programs



A special place with island beauty and active experiences

Hub 4 - Royal Navy Dockyard

Destination Concept

- **Multi-purpose recreational and edutainment hub**
- Multiple leisure activities
- **Authentic Bermuda cultural heritage**

Business Opportunity

- Retail (duty free)
- Edutainment centers/programs
- Heritage museums/itineraries
- Artisan workshops
- Bermudian gastronomy
- Water sports
- Boating and sailing



A versatile and fun place in a distinctive Maritime setting

Hub 5 - Offshore Bermuda

Destination Concept

- A Fascinating **eco-destination** set in the most northerly coral reef system in the world
- Unique underwater **heritage system of shipwrecks**
- **Pristine** coral reef dive sites
- Internationally recognized sports **fishing sites**

Business Opportunity

- Shipwreck diving
- Game fishing
- Whale watching
- Snorkeling
- Water sports
- Yachting
- Sailing
- Glass bottom boats



A fascinating and unspoilt marine destination to discover

The Product Development Strategy is focused on the development of 7 tourism products in order to create demand drivers and reduce seasonality



“Quickwin” opportunities in: Luxury, Events, Groups and continuous innovation by product portfolio

Core: Cultural Tourism

Product Portfolio

- Bermuda's architecture
- British colonial heritage
- Linkages to USA history
- Ship wreckages
- Watercolor artistic legacy
- Gastronomy
- Lifestyle
- Music
- Dance
- Handicraft

New Business Development

- **St. George World Heritage Destination**
- **Underwater Heritage Interpretation center**
- **Performing Arts Centre**
- **Cultural heritage trails**



Core: Business & MICE (Meetings, Incentives, Conferences, Events)

Product Portfolio

- Executive business meetings market
- Improve MICE services
- Small conferences
- State of the art facilities and services
- Extended stay of business and MICE visitors

New Business Development

- **Extend existing conference and meeting facilities and services**
- **New Conference Center facility**



Core: Sports Tourism

Product Portfolio

- Competitive sporting events
- Expanding key niche sports: Golf , Diving, Game fishing
- Development of infrastructure and tailored services and marketing actions.
- Attract new markets

New Business Development

- **Multisport Training facility development**
- **Niche sport facility development (Diving/Sports Fishing/Golf)**



Complementary: Leisure and Entertainment Tourism

Product Portfolio

- High quality Leisure & Entertainment product
- Authentic Bermudian entertainment
- L&E experiences: shopping, dining, gaming and other
- Attract new market segments
- Attract new players to the industry

New Business Development

- **Hamilton Waterfront Development**
- **Shopping Tourism Development**
 - Hamilton High-end retail hub
 - St. George Boutique shopping hub
 - Dockyard Duty-free shopping
- **High-end Gaming facility**



Complementary: Nautical Tourism

Product Portfolio

- System of mix development marinas
- Specialized yacht services
- International events
- Become a must-stop hub for the yachters market
- Become a recognized boat charter destination

New Business Development

- **Full service marina with commercial and residential component**
- **Yachters support services**
- **Network of full service Marinas**



Complementary: Eco-beach & Nature Tourism

Product Portfolio

- Combine the rich and vast natural assets in both inland and shore areas
- Develop the beach and nature product
- Offer beach shore activities and nature experiences
- Maintain the integrity of the resource

New Business Development

- **Coopers Island Nature Reserve**
 - Non-Such Island Living Museum
 - Castle Island exclusive itineraries
- **Beach Experience development**
 - Active beach facilities Network
 - “Pristine” beaches Network
- **Island wide Nature trails**



Complementary: Cruise Tourism

Product Portfolio

- Expand the luxury cruise market
- Improve Transportation system efficiency
- Develop tailored programs and events for visitors
- Contain accelerated cruise tourism growth
- Increase daily expenditure

New Business Development

- **Cruise Visitor Management Plan**
 - New modes of transportation and de-concentration options
- **Pocket cruise tourism development in St. George**



Product development and commercial efforts will focus on key luxury segments, niche markets and groups and events

Product Development Bureaus



Groups and Events will play a key role in reducing seasonality

A Total Quality Management (TQM) system will be developed in order to guarantee quality, build competitiveness and create value



Physical Facilities and Services



People



Quality guarantees of physical facilities/services and human capacity throughout the Tourism Value Chain is critical

The people of Bermuda have a key role to play in the development of the Tourism Plan; training and awareness programmes are a key

People



How?

- Build pride
- Create awareness
- Provide skills and training
- Develop business incubators

The plan will need skilled people to implement it

New infrastructure solutions are needed to support the Tourism Plan; resources need to be managed in a sustainable manner

Infrastructure & Sustainability



How?

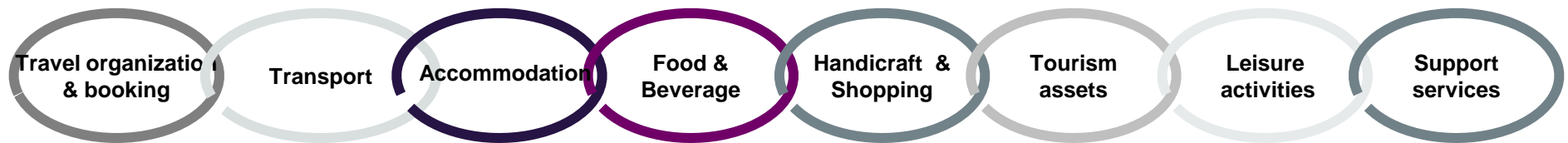
- Manage sustainable resources
- New national connectivity transportation solutions
- New infrastructure solutions
 - Airport, new transportation solutions, signage
 - Pier and marina development
- Protect and preserve resources
- Capacity management and land/marine usage planning
- Awareness and incentives

Sustainability is a core element in the new model of tourism development for Bermuda

Support business development and create investment opportunities

Planning and Support

- Strategic Alliances and Partnership - PPP
- Investment attraction and facilitation
- Business Development Incubators



Opportunity and Wealth Generation

- Business Opportunities
- Job generation
- Productive infrastructure

Governance model requires policy, strategic and operational support; through increased inter-ministerial collaboration and PPP structures

Policy

Cabinet Committee
Tourism Development
(CCSHD)

Coordination &
Cooperation

Ministry of Business
Development
and Tourism

Leadership

Investor One-stop-shop
Investment Funding
Opportunity Management

Coordination
&
Cooperation

Strategic

Bermuda Tourism Board

Leadership

Bermuda Department of
Tourism (BDOT)
And new operational
units

Bermuda Destination Management Organization (BDMO)

Branding & Market Intelligence

Marketing
Strategy

Total Quality
Management
Strategy

Information
Strategy

Marketing Unit

Total Quality
Management
Operations

Information Unit

Product to Market

Product
Development
Strategy

Destination
Development
Strategy

Project
Prioritization

Product
Development
Bureau

Destination
Development Unit

Project Planning
& Funding Unit

Operational

Destination
Coordinators

St. George Municipality

Corporation of Hamilton

West End Corporation

Multiple levels of tourism awareness campaigns are introduced through the Tourism Plan

Tourism Awareness



How?

- International brand awareness
- Local tourism awareness of tourism benefits
- Tourism job opportunity awareness
- Sustainability awareness and incentive programme

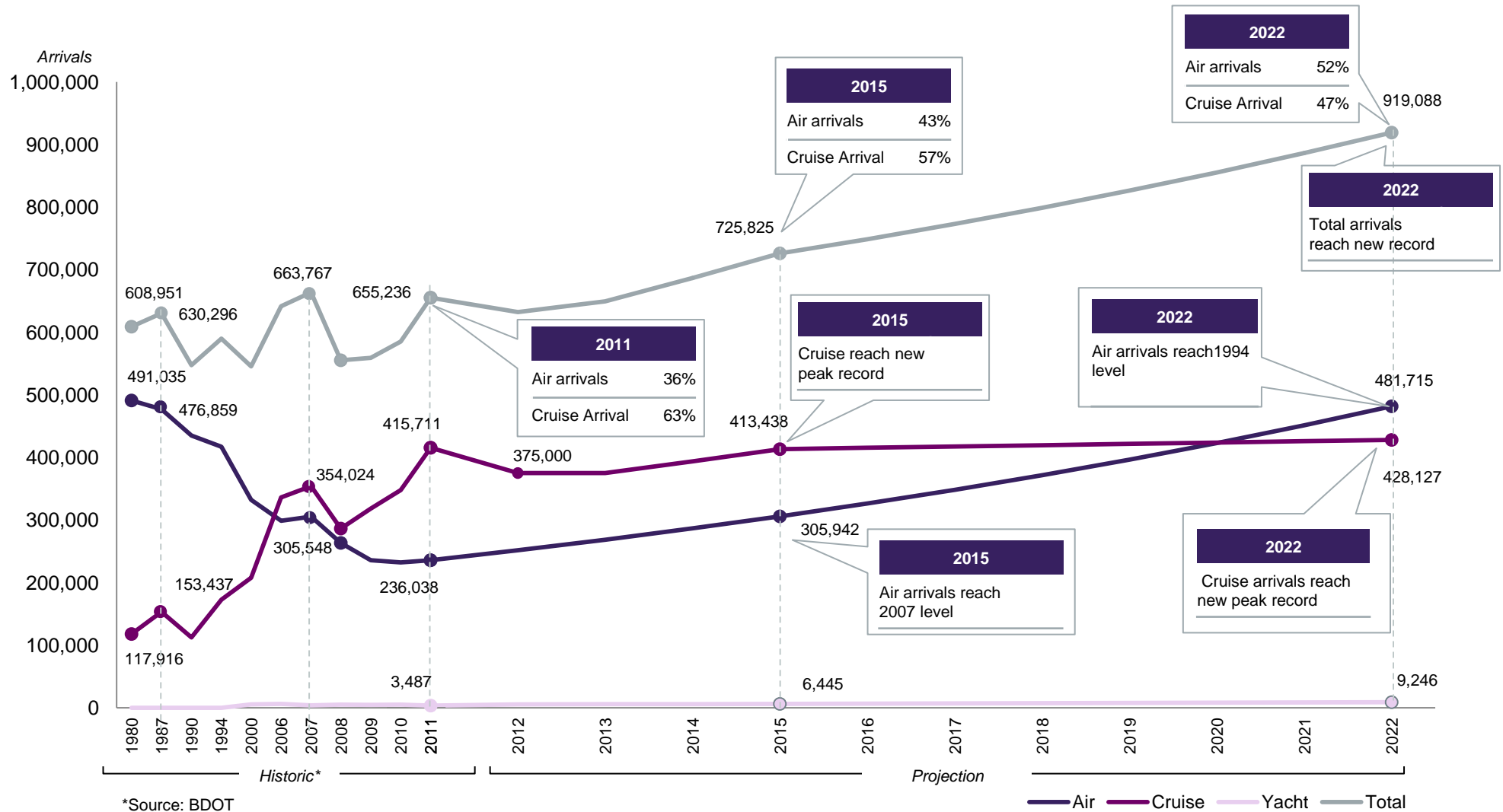
Awareness and stakeholder engagement in all levels of tourism development is key success factor



What's in it for you?

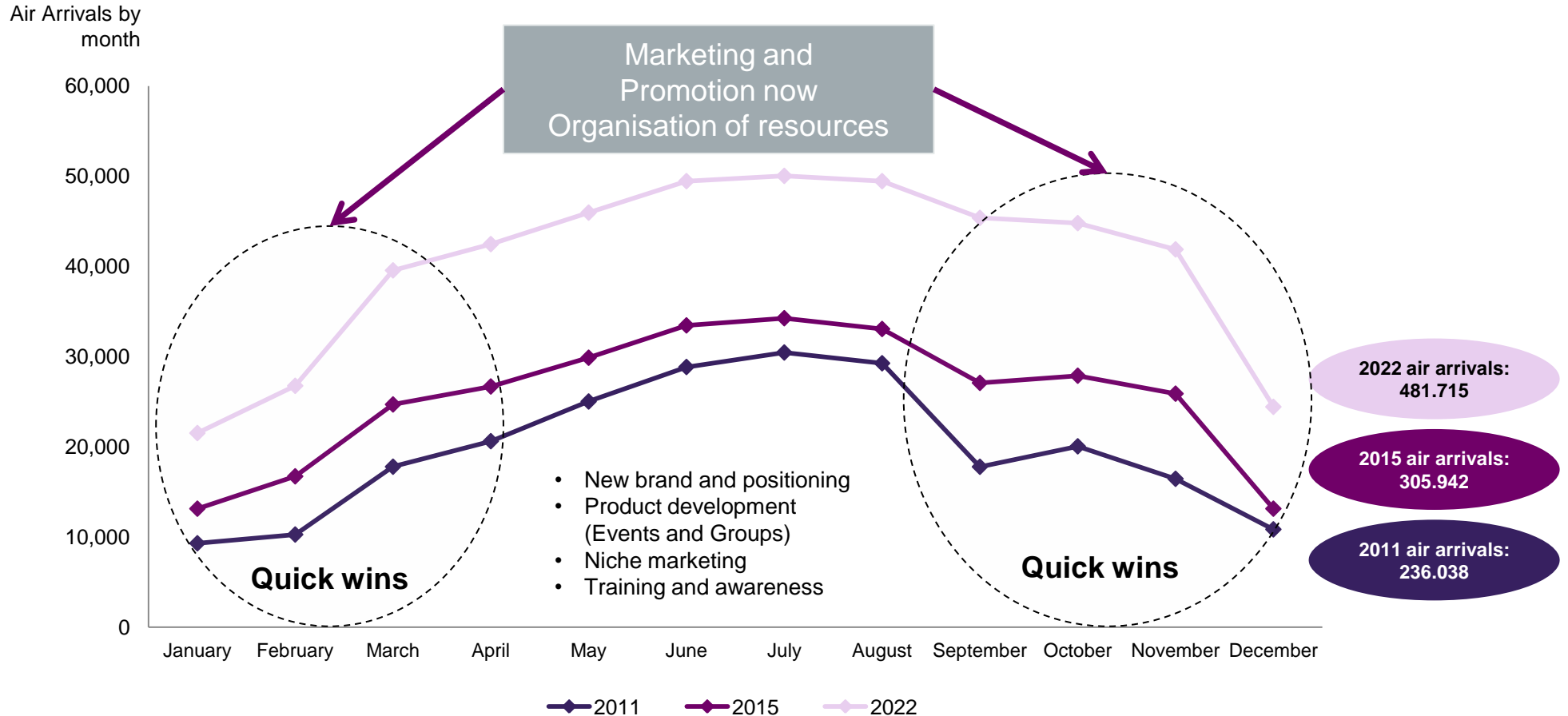


Rebalance air and cruise arrivals, grow yacht: more demand for goods and services, business, new jobs, more activities



Air arrivals surpasses cruise arrivals by 2021 and reaches 52% market share by 2022

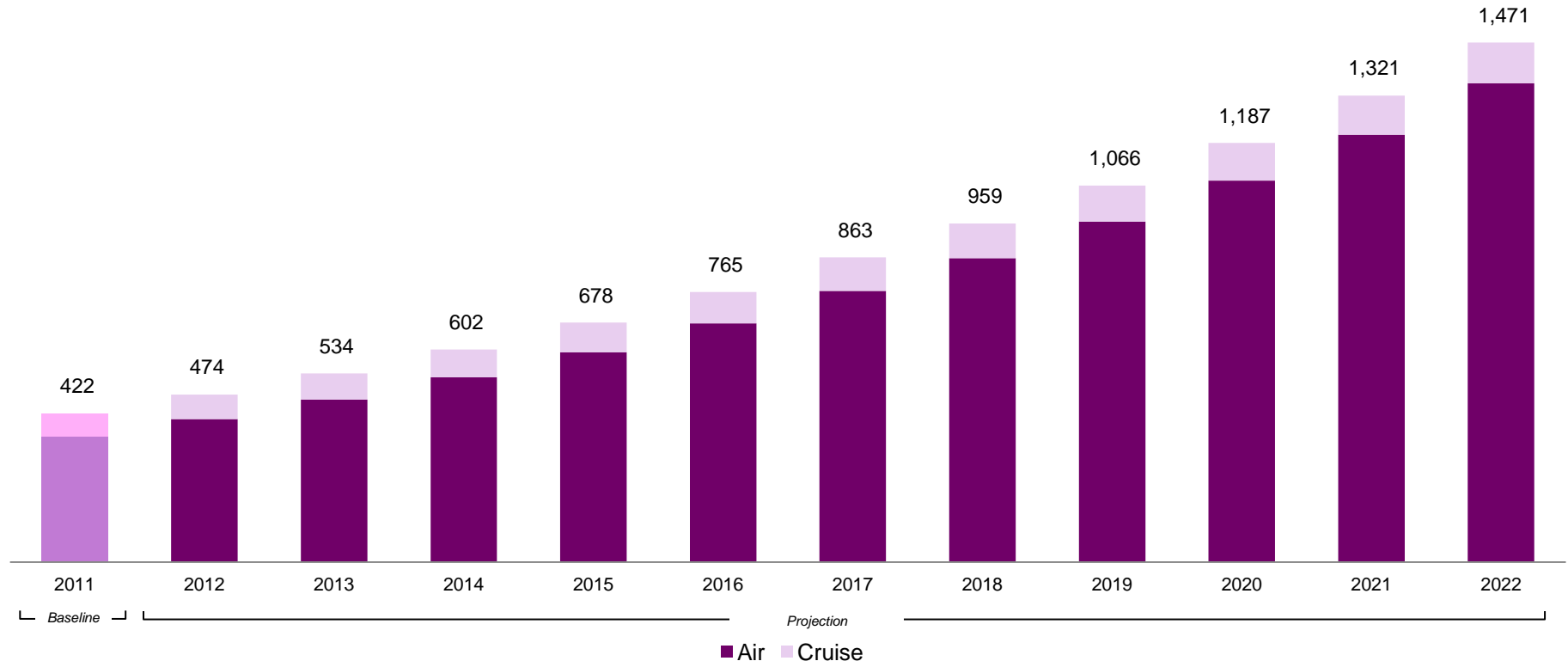
Reduce seasonality: Longer season, longer employment, new products, new business



Reduce seasonality through new products, new positioning, new niche marketing
Focus on Groups and Events

Visitor expenditures to grow from \$422MM in 2011 to \$1,471MM in 2022: More people spending more money during a longer season

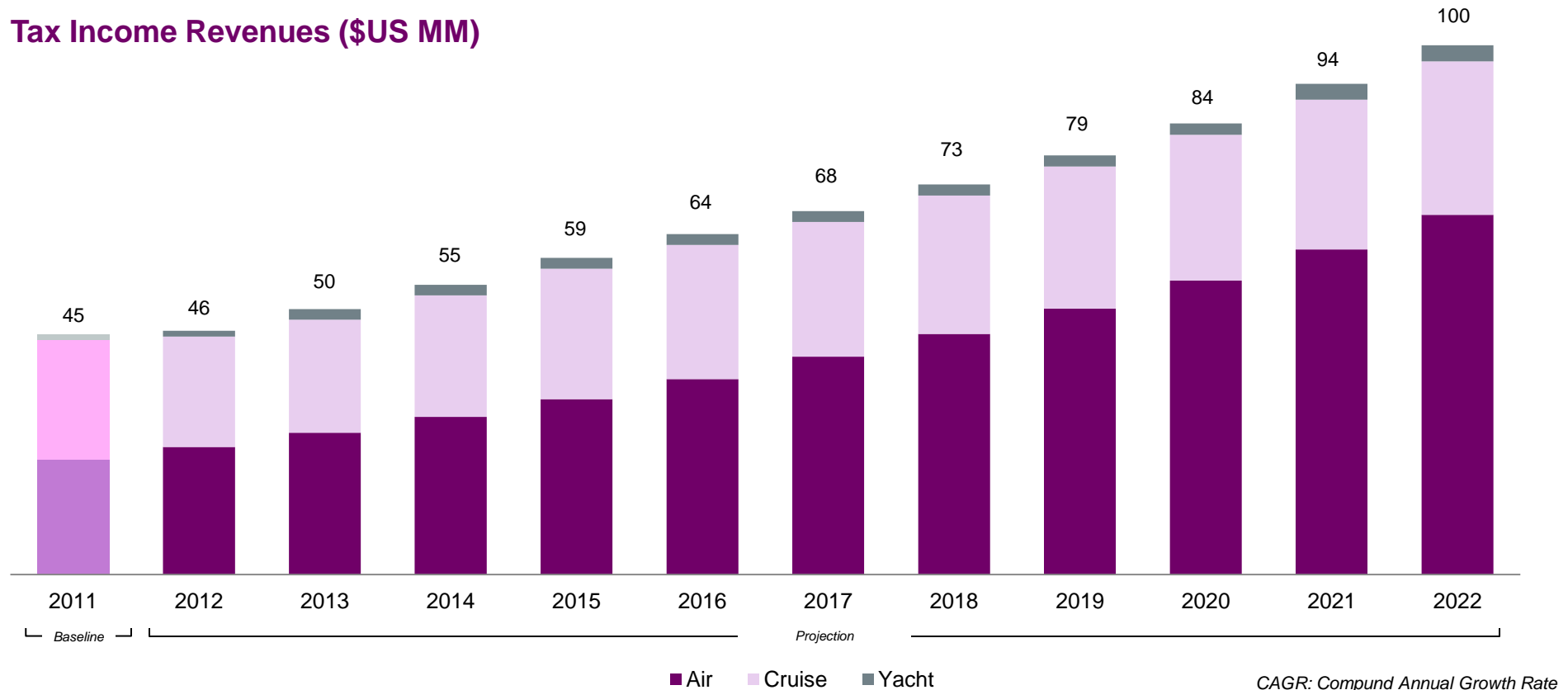
Visitor Expenditures (\$US)



Air arrivals expenditure: increase from \$357 MM to \$1,355MM by 2022 (\$1,511 to \$2,814 per trip*) by 2022
Cruise arrival expenditure: increase from \$65MM to \$115MM by 2022 (from \$156 to \$263 per trip),

Tax income contribution is expected to grow to \$100MM by 2022: More tax revenues to benefit tourism sector

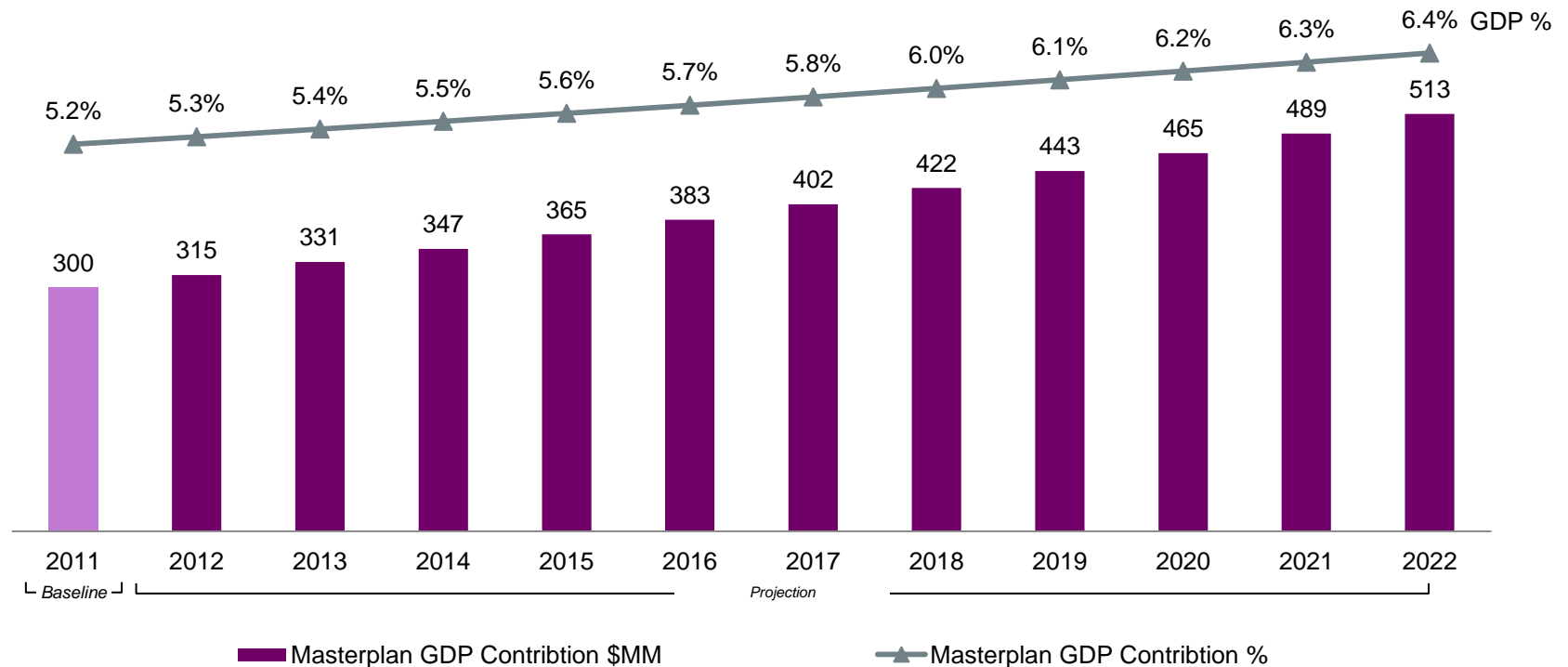
Tax Income Revenues (\$US MM)



Air tax revenues is expected to reach \$68 MM by 2022
Cruise tax revenues is expected to reach \$29MM by 2022

Direct contribution to GDP is expected to increase from \$300MM to \$513MM by 2022 (5% yearly growth)

Tourism Direct contribution to GDP

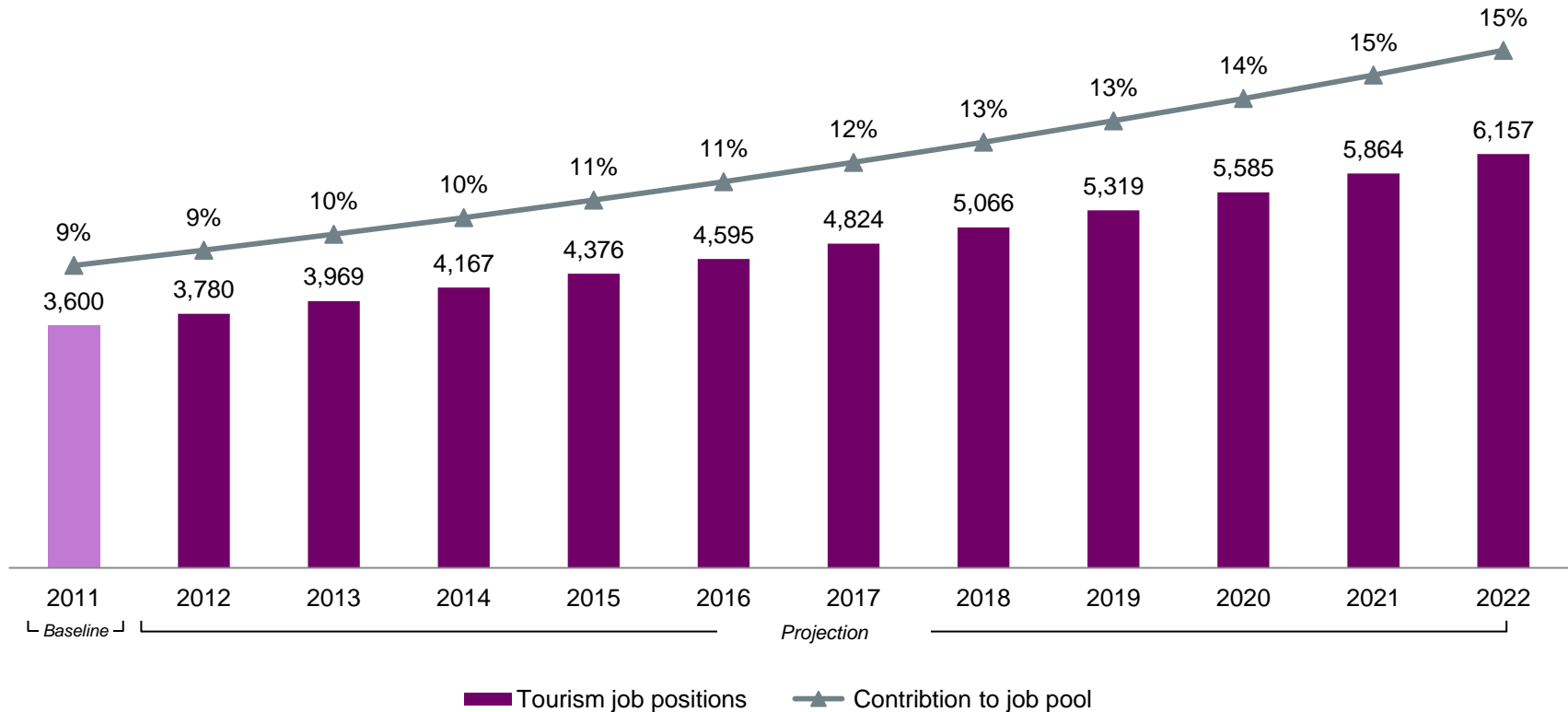


GDP organic growth rate is expected to increase at a 3%* steady rate, meaning that the tourism industry would grow at a higher rate and therefore its contribution to the economy will increase from 5.2% to 6.4%

* source: World Bank /US CIA projections

Direct job positions supported by the Tourism Industry are expected to increase from 3,600 in 2011 (9% of job pool) to 6,157 by 2022 (15% of job pool)

Tourism Direct Job positions and % of Job Pool



60% of the expected jobs are in hotels
40% of the jobs are across the industry



Now what?

The Tourism Plan reinvents and reenergizes the tourism industry Bermuda

New opportunities: New positioning, new products, new destination hubs, new niche markets

Reduce seasonality and realigns air vs. cruise

Build pride in tourism sector

Improves quality

Makes business sense: supports business

Sustainable: social, environmental, economic

Creates value



Now what?

Where should you start?

Don't need major investment to start

Need Quick Wins

Investment in people and organisation of current resources

Collaboration, organisation, common objectives

People with energy and determination



The Tourism Master Plan is achievable and implementable...a great opportunity for Bermuda



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Thank you