



GOVERNMENT OF BERMUDA
The Cabinet Office
Department of Statistics

Labour Productivity Indicators 1996-2006



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FOREWORD

This is the first official publication which endeavours to thoroughly monitor productivity developments in Bermuda. The annual Employment Survey (ES) and the annual Economic Activity Survey (EAS), conducted by the Department of Statistics, provide the relevant data for the compilation of labour productivity indicators. Although there are still data limitations regarding the capital factor of production and hence capital and multi-factor productivity indicators, this by no means prohibit the production of a series of labour productivity indicators for the Bermuda economy and its key industries for the period 1996-2006.

Productivity indicators, whether for the economy or by economic sector, provide a tool or competitive measure to improve organizational performance and establish a link between corporate performance and government policy formation. At the national level, such a measure can facilitate: the evaluation of the relation between wage increases, inflation and productivity; labour productivity indicators by sectors; unit labour cost; effective labour, employment and labour market reform and policy development; and monitoring of competitiveness. At another level, users benefit in the form of more information to facilitate: strategic labour-related planning in government; improved ability of companies to compare their operations to the sector; increased informational resources with which trade unions can plan their negotiation strategies and; greater awareness of labour market trends by job seekers, employment-sourcing centres and training agencies.

This report includes indicators as well as methodological notes and describes the measurement challenges and data choices that were made as well as the remaining measurement problems. Nonetheless, a report of this nature does not examine the reasons for the patterns seen in the data series. This series adds to the body of statistical information currently disseminated by the Department.

I particularly commend Ms. Tashema Bholanath, Census & Survey Officer, who worked both diligently and meticulously to bring this report to fruition. Many hours were spent in investigative research and reading to ensure that the methodological concepts and definitions were in alignment with international standards. Her technical expertise and ability to bring all the pieces of the report together and produce a publication of excellence is greatly valued.

Additionally, the contributions to the text and tables of this report are gratefully acknowledged. The assiduous work of Mr. Steven Holdipp, Business Statistician, Mr. Crispin Boney, Research Statistician, Mr. Ron Farier, Economic Statistician, Ms. Tammy-Lyn Botelho and Ms. Deoin Wilson, Statistical Officers I, Mr. Jabbar Jackson, Statistical Officer II, and Ms. Penny Grant, Technical Officer cannot go unmentioned. Their diligence and continued commitment to the Statistics work programme are greatly appreciated.



VALERIE ROBINSON-JAMES

Chief Statistician

Department of Statistics

March, 2008

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NOTES, SYMBOLS AND ABBREVAITIONS

A hyphen (–) between years, for example, 1996 – 2006, indicates the full period involved, including the beginning and end years. A point (.) is used to indicate decimals. Zero (0) means a magnitude of zero or less than half the unit employed. Reference to “dollars” (\$) indicates Bermuda (BDA) dollars. Details and percentages in tables do not necessarily add to totals on account of rounding. The data contained in this report are themselves subject to future revision. Other symbols and abbreviations used are as follows:

-	Not Applicable
BCEA	Bermuda Classification of All Economic Activity
BDA	Bermuda
BDA\$	Bermuda Dollar (unless otherwise stated)
\$	Bermuda Dollar (unless otherwise stated)
()	Deficit, decrease or negative number
%	Percent
AES	Annual Employment Survey
EAS	Economic Activity Survey
FISIM	Financial Intermediation Services Indirectly Measured
GDP	Gross Domestic Product
GVA	Gross Value Added
IBE	International Business Enterprise
ILO	International Labour Organization
LMI	Labour Market Indicators
M	Million
n.e.c.	Not Elsewhere Classified
OECD	Organization for Economic Cooperation and Development
ISIC	International Standard Industrial Classification of all Economic Activities
ULC	Unit Labour Costs
UK	United Kingdom
UNSD	United Nations Statistics Division
USA	United States of America

METHODOLOGICAL AND CONCEPTUAL GUIDELINES

METHODOLOGY

The OECD recommended methodology for measuring productivity¹ was employed for the calculation of the labour productivity indicators presented in this publication. Below are some guidelines of the adaptation of the OECD methodology in the Bermuda context.

COVERAGE

This report provides annual estimates of labour productivity growth and levels in 3 tiers for the period 1996 to 2006. The tiers and indicators are as follows:

1. **National Economy** – where labour productivity indicators are presented based on Gross Domestic Product (GDP) and measured as:
 - GDP (at current market prices) per capita
 - GDP (at constant 1996 market prices) per hour worked
 - GDP (at constant 1996 market prices) per filled job
 - Unit Labour Costs (ULCs) or compensation per unit of GDP (at constant 1996 market prices)

2. **Industry Level** – where labour productivity indicators are based on Gross Value Added (GVA) at constant 1996 basic prices and are presented by the contribution of major economic activities to aggregate productivity growth and levels and differences in labour productivity by economic activity; and measured as:
 - GVA per filled job
 - GVA per hour worked
 - ULCs or compensation per unit of GVA

3. **Selected Economic Activities** – where labour productivity indicators are based on Gross Value Added (GVA) at current basic prices and are presented by the contribution of sub-sector activities to the industry's productivity growth and levels and differences in the industry's labour productivity by sub-sector activity; and measured as:
 - GVA per filled job
 - GVA per hour worked
 - ULCs or compensation per unit of GVA

¹ OECD. (2001). *Measuring Productivity. Measurement of Aggregate and Industry-Level Productivity Growth. OECD Manual.*

SOURCES OF DATA

This report combines – to the extent possible – a consistent set of data on GDP, GVA, labour input (measured as total actual hours worked or number of jobs filled), and unit labour costs (measured as compensation). Datasets of two main sources were used:

1. **Annual Economic Activity Survey (EAS)** – a survey of economic activity conducted annually by the Economics Division of the Department of Statistics.
2. **Annual Employment Survey (ES)** – a census of business establishments conducted annually by the Business Division of the Department of Statistics. It includes the self-employed and employing households.

DATA CHOICES, DEFINITIONS AND LIMITATIONS

OUTPUT DATA

The data choices for GDP and GVA are consistent and were derived from the EAS. No adjustments were made to individual industry's GVA to account for financial intermediation services (FISIM), which were not explicitly charged to individual industries, as there are problems in breaking down FISIM between final consumers (households) and intermediate consumers (businesses and government). Adjustments were, however, made to overall GVA to account for FISIM. GDP and GVA estimates are provided for calendar years.

Output: It is measured as GDP or GVA at constant (1996) prices for the entire economy, using the United Nations 1993 System of National Accounts (SNA 1993) methodology. It measures the value of goods and services, produced within an establishment, which become available for use outside that establishment, plus any goods and services produced for own final use.

Gross Domestic Product (GDP): Estimates of GDP are derived from the annual EAS. It is the sum of the gross value added (GVA) of all resident producers at producers' prices, plus taxes less subsidies on imports.

Gross Value Added (GVA): It is a measure of the contribution to GDP by an individual producer, industry, or sector. It measures the increased or newly created value generated by the production process in question, gross of any capital used up in the production process.

Value added is a surrogate measure used for output in labour productivity estimation. The value added concept of labour productivity shows the time profile of how productively labour is used to generate value added. The growth rate of value added productivity is less dependent on any change in the ratio between intermediate inputs and labour, or the degree of vertical integration. Value added productivity measures tend to be less sensitive to process of substitution between materials plus services and labour. Value-added based labour productivity is the single most frequently computed productivity statistic.

Constant Prices: For analytical purposes, GDP at constant prices are obtained by directly factoring changes over time in the values of flows and of goods and services into two components reflecting changes in the price of the goods and services concerned and changes in their volumes. Estimates at constant prices are usually derived by deflating the current values by price indices or by extrapolating base year current values by appropriate volume indices. Both are equivalent to expressing current period quantities at base period prices.

Basic Price: The amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale.

Market Price: The amounts of money willing buyers pay to acquire goods or services from willing sellers for transactions. It includes any tax payable and excludes any subsidy receivable.

Gross: It is a common means of referring to values before deducting consumption of fixed capital.

INPUT DATA

Labour Input: The estimates of labour productivity included in this report refer to GDP or GVA per hour worked or per filled job. GDP per hour worked requires estimates of trends of total actual hours worked (as against total normal hours worked), which is a simple aggregate of actual hours worked per week derived from the annual AES. Total hours worked (actually worked and paid for), as reported by the AES for 2000 and 2003, were adjusted since there were public holidays falling within the fixed monthly reference week. Given the fixed monthly reference week, annual actual working hours are derived using a direct method; that is, annualizing actual weekly hours worked, and not adjusting for special events, such as public holidays falling outside the reference week and reported on a job basis. However, the method used can be summarized by the following identity, considering weekly reference period for reporting hours worked:

$$\text{Annual hours per worker} = \text{weekly hours actually worked} \times 52 \text{ weeks}$$

According to the 1993 System of National Accounts (SNA93), total hours actually worked is the preferred aggregate measure of labour input for productivity analysis, as it reflects the volume of work engaged per year in self-employment and paid jobs for the production of goods and services by resident units of production.² One shortcoming of this measure, though, is that it takes no account of changes in the aggregate quality of labour due to, for example, an increase in the prevalence of highly qualified people in the work force.

The input measure of employment uses number of jobs filled (those with more than one job are counted more than once). SNA93 recommends the use of number of jobs filled over the number of employees (headcount or actual numbers engaged) as the preferred measure of employment since it is deemed more

² OECD. (2003d). “*Measuring hours worked in OECD countries*”. Note by the Secretariat, DSTI/EAS/IND/SWP (2003) 10, November 3, Paris. www.oecd.org/dataoecd/30/41/29867131.pdf (accessed September 7, 2007).

useful in indicating how industry-specific needs for labour shape the production.³ This report uses the number of jobs filled although it takes no account of changes in the mix of full-time and part-time employees, or, say, changes in overtime.

Both labour input measures of actual hours worked and jobs filled underlie the estimates of labour productivity used in this report. Measurement and choice of labour input data is certainly a limitation of this report and indicators should be guided by the notes and assumptions accompanying the analyses, tables, and charts.

UNIT LABOUR COSTS

Compensation of Employees: This is taken from the EAS which collects data on wages, salaries, and benefits. It is the total gross remuneration (before any deductions), in cash and in kind, payable by resident producers to employees in return for work done by the latter during the accounting period. Included are: employee insurance benefits, employee pension contributions, overtime payments, bonuses, stock options, severance pay, redundancy pay, commissions, cost of living allowances, director's fees, vacation and sick pay, death benefits, advisory board fees, as well as the cost of meals, housing and other benefits covered for employees. Entertainment expenses are included only if incurred for such activities as employee Christmas parties, beach barbeques, freelance staff, etc.

Unit Labour Costs: It measures the average cost of labour per unit of output and are calculated as the ratio of total labour costs to real output.

OTHER CONCEPTS USED

Base Year: It is the period that provides the weights for an index. The base year in use is 1996.

Index Numbers: It is a statistical measure designed to show changes and comparisons in variables over some specific characteristics, e.g., time, geographic location, etc. In its simplest interpretation, an index is a ratio of one value such that it expresses a given value in terms of its value relative to a base value. A price relative is a simplest example of an index number and is the ratio of a price of a commodity in a given period to the price in another period, usually the base period. The price index is the average of the proportionate change in the price, while a volume index is the average of the proportionate change in quantities, of a specified set of goods and services between two periods of time.

Productivity: It is commonly defined as a ratio of a volume measure of output to a volume measure of input use.

Productivity Growth: It is the change in the level from year to year.

³ OECD. (2005). *The OECD Structural Analysis (STAN) database for industrial analysis*. <http://www.oecd.org/dataoecd/53/21/34464010.doc> (accessed September 7, 2007).

Productivity Level: It is the value of output per unit of input.

Estimates of productivity levels are more uncertain than estimates of productivity growth, and the measures should be interpreted with caution.

BASIC FORMULAE

Annual Growth Rate: $= [(Current\ Year \div Previous\ Year) - 1] \times 100$

Labour Productivity:

(GDP or) GVA Per Hour Worked $= (GDP\ or)\ GVA \div Total\ Actual\ Hours\ Worked$

(GDP or) GVA Per Filled Job $= (GDP\ or)\ GVA \div Total\ Number\ of\ Filled\ Jobs$

Labour Utilization $= Total\ Actual\ Hours\ Worked \div Population$

Unit Labour Costs: $= Compensation \div GDP\ (or)\ GVA$

RECOMMENDATION

Labour input for an industry is most appropriately measured as the number of hours actually worked compared to a mere headcount of employee jobs. The underlying importance of choosing “hours actually worked” as the variable of labour input in productivity measurement is that it bears a closer relation to the amount of productive services provided by workers than simply headcounts (jobs or persons). Employee jobs may not accurately reflect changes in the average work time per employee. Over time, there tends to be larger differences in the average hours worked per person (on account of more paid vacations, shorter or shift in “normal” hours for full-time workers, variations in overtime, absence from work, and greater use of part-time work) than in rates of change of the number of jobs filled.

Most countries, when reporting labour productivity indicators, use the measure of growth in output produced for each hour worked. In view of the above, and in concert with the OECD recommendation, labour productivity in terms of the ***growth in output per hour worked*** would be the most appropriate measure of labour productivity in the Bermuda context.

OVERVIEW

What is productivity? Why is it important? Productivity, simply put, is a measure of the efficiency with which the output of a plant, industry, sector, or economy is produced.⁴ It is commonly defined as a ratio of a volume measure of output to a volume measure of inputs; and measures how efficiently production inputs are being used in the economy to generate outputs. In other words, it is the amount of output per unit of input. A nation that achieves productivity growth produces more goods and services from its labour, capital, land, energy, and other resources. The amount by which output growth exceeds input growth is the productivity improvement. Economist Paul Krugman, in his book *The Age of Diminishing Expectations*, says: "Productivity isn't everything but in the long run it is almost everything. A country's ability to improve its standard of living over time depends almost entirely on its ability to raise its output per worker."⁵ Productivity growth can generate higher income. Benefits might also accrue in the form of lower output prices. In the long run, the most important determinant of growth, competitiveness, and increases in living standards is labour productivity. There is a general understanding in the productivity literature that productivity is considered a key source of standard of living and economic growth but to answer more specific analytical questions, different measures of productivity are required. Therefore, the key to future growth and prosperity is increasing the productivity of the economy's workforce.

The intended objective of productivity measurement is almost invariably comparison, over time, of industries, or branches of industries. The basic statistics presented in this report form a means for international comparisons and country assessments. Estimates of labour productivity serve as an official yardstick of economic performance and are used to measure progress with regards to explicit policy targets.⁶ Further, this productivity data may also be used in the analysis of the labour market. It constitutes an important element in modeling the productive capacity of the economy to gauge its position in the business cycle and to forecast economic growth. In addition, the degree to which the economy's capacity is used informs analysts about the pressures from economic demand and thereby about the risk of inflationary developments. During a period of productivity growth, it is possible to raise real wages and other incomes without increasing inflationary pressures. Also, industries that experience higher rates of productivity growth than others can enhance their international competitiveness.

Productivity growth can be measured in a variety of ways by relating changes in output to changes in one or more inputs to production. The simplest, most common, single-factor productivity measure is labour productivity which links output to labour input. Total productivity relates to changes in output to changes in hours worked or relates output to changes in numbers of jobs filled. Labour productivity, or output per hour of labour input or per filled job, is the most popular measure of productivity because labour is the most important input and is relatively easier to measure than other inputs. It can be expressed as the amount of

⁴ John Robertson. (2001). Productivity Growth, American Style. *EconSouth*, 3(1), 3. Federal Reserve Bank of Atlanta. p. 3.

⁵ Paul Krugman. (1994). *The Age of Diminished Expectations*. MIT Press.

⁶ OECD. (2006). *OECD Compendium of Productivity Indicators 2006*. p. 68.
http://www.oecdwash.org/PDFFILES/comp_product_indicators.pdf (accessed September 7, 2007).

goods and services produced (output) by a worker in a job or by one hour of work. It is not simply about working harder nor necessarily an indicator of effort per worker. It is the ratio of output to labour inputs and indicates how efficiently labour is used in production. Within labour intensive industries, labour productivity is used to determine the efficiency of the organization. At the national level, it may also be used to determine a nation's standard of living relative to other nations.

Labour productivity is a partial productivity measure of the personal capacities of workers or the intensity of their effort. It reflects the joint influence of multiple factors. Labour productivity changes reflect the combination of changes in capital, as well as technical, organizational, and efficiency change within and between firms, the influence of economies of scale, varying degrees of capacity utilization, and measurement errors.

This measure, however, is useful in the analysis of micro-macro links, such as the industry contribution to economy-wide labour productivity and economic growth. At the aggregate level, value-added based labour productivity forms a direct link to a widely used measure of living standards - income per capita. From a policy perspective, value-added based labour productivity is important as a reference statistic in wage bargaining. The advantages of this measure are the ease of computation and readability.

More efficient technologies and production processes may ultimately bring about substantial increases in productivity, incomes, and standard of living that would strategically position the Bermuda economy for greater efficiency. This report, therefore, focuses on the labour productivity measure at 3 levels, namely: the national economy, its industries, and selected economic activities. It contains information on the interpretation and methodology as employed by the Department of Statistics in the compilation of this publication. It is anticipated that these labour productivity indicators, combined with other information, such as data on inflation and wages, will allow researchers and analysts to study relations of productivity, competitiveness, income, living standards, and the like.

HIGHLIGHTS

This report focuses on labour productivity indicators in three broad areas. The first section presents economy-wide indicators of labour productivity growth and levels. It shows that:

- Over 1996 – 2006, there was a fluctuating trend in GDP per hour worked. In 2006, the highest hourly contribution to GDP by workers was \$56.35. This compares to the lowest in 1996 where it was \$45.23. Labour productivity grew fastest in 2001 by 9.5%.
- Labour productivity, in terms of output per filled job, increased from \$78,369 to \$83,553 in 1996 to 1998; then experienced a decline in 1999 and 2000 of \$80,614 and \$82,617, respectively, but rebounded in 2001 to \$85,143. The increase in the dollar value of labour productivity was sustained to 2006 where the level peaked at \$100,060.
- Bermuda's labour productivity, in terms of output per hour worked, is one of the highest relative to many other countries of the world. In 2005, Bermuda recorded \$56.02 as its labour productivity when compared to a highest of \$64.69 as reported by the OECD⁷ for Luxembourg, \$48.32 for the USA, \$40.12 for the UK and \$38.50 for Canada.
- In 2005, Bermuda's GDP per hour worked was \$56.02 as compared to \$43.33 for the G7⁸ countries, \$40.10 for the North American countries, and \$36.42 for the OECD countries⁹.
- The highest level of per capita income (\$83,935) was evident in 2006, which was also the year where GDP per hour worked was highest (\$56.35).
- Per capita income was already relatively high in 2006. It has grown by 86.5% since 1996, 48.7% since 2000, and by approximately 10% over 2005.
- Growth in the income levels of working residents is explained more by the growth in their level of productivity than their level of labour utilization. In other words, the growth in the level of output per hour worked contributes more to the growth in the level of income than the growth in the level of hours worked per person.
- There has been increased reward for labour's contribution to output as indicated by the rising unit labour costs.

⁷ OECD. (2006). *Compendium of Productivity Indicators 2006*. p. 72.
<http://www.oecd.org/dataoecd/4/22/37574961.pdf> (accessed September, 2007).

⁸ Group of 7 industrialized nations: Canada, France, Germany, Italy, Japan, United Kingdom and United States

⁹ OECD. (2006).

The second section presents indicators of labour productivity growth and levels by industry.

- Services related economic activities¹⁰ produced the highest value added per labour unit in each year under consideration; followed by industrial economic activities¹¹; while agriculture, forestry and fishing recorded the least gross value added per unit of labour.
- A few of the services sectors have accounted for the bulk of labour productivity growth, namely: real estate and renting services, international business activity, and financial intermediation; while the electricity, gas and water supply sector also showed a relatively high GVA per hour worked over 1996-2006.
- Overall, however, total hours worked for total employment was low for the real estate and renting services and electricity, gas, and water supply economic activities. Hence, their labour productivity could be explained by a lower level of labour utilization implying that fewer people are contributing to the GVA and therefore levels of GVA per hour worked are high.
- On the other hand, for the international business activity and financial intermediation, total hours worked for total employment is high but the level of GVA is remarkably high contributing to a combined total of about 40% of overall GVA in 2006. Hence, in the period 1996-2006, the higher levels of GVA relative to hours worked may explain the high levels of labour productivity in these sectors.
- Wholesale and retail trade and retail services, transport and communication, and business activities remain important.
- Typically, hotels and restaurants recorded one of the lowest GVA per hour worked over the entire period considered. In 2006, labour productivity in this sector was \$23.94 when compared to \$545.46 for the real estate and renting services and \$118.29 for the international business activities.
- Industries with relatively high GVA per filled job, but whose annual growth may be negative or minute, were the greatest contributors to overall labour productivity growth, as in the case of real estate and renting services.

¹⁰ *BCEA Rev. 1. Industrial Sections 06 to 15.*

¹¹ *BCEA Rev. 1 Industrial Sections 02 to 05.*

- Industries with relatively low GVA per filled job, but whose annual growth may be substantial, contributed only marginally to overall labour productivity growth, as in the case of the hotels and restaurants industry.
- Industries which have relatively high output per filled job with corresponding rapid growth rates, as in the case of financial intermediation and international business, also contributed greatly to the aggregate labour productivity growth.
- Unit labour costs were highest in the public administration; education, health, and social work; and international business activities industries. The reward for labour's contribution to one dollar of output was lowest in real estate and renting services and electricity, gas, and water sectors.

The third section of this report presents indicators of productivity growth and levels for two selected industries, namely: hotels and restaurants, and international business activities. It shows that:

- Within the sub-sectors of the hotels and restaurants industry large differences in the rate of productivity growth are observed.
- Hotels and members clubs and restaurants, cafés, canteens, and catering activities were typically the highest contributing sub-sectors to the industry's labour productivity growth; over 80% annually.
- In most years, hotels and members club alone contributed more than half of the industry's labour productivity growth.
- The variation in labour productivity growth and levels across international business activities was also considerable. The yearly labour productivity growth and levels were as a result of developments in one sub-sector - insurance risk-taking activities.
- The business activity sub-sector led the way in terms of both the value of output per hour worked and per filled job.
- Unit labour costs within the international business industry seemed to have remained unchanged from 10 years ago.



*Labour Productivity
Analysis*



National Economy

INDICATORS OF PRODUCTIVITY GROWTH AND LEVELS

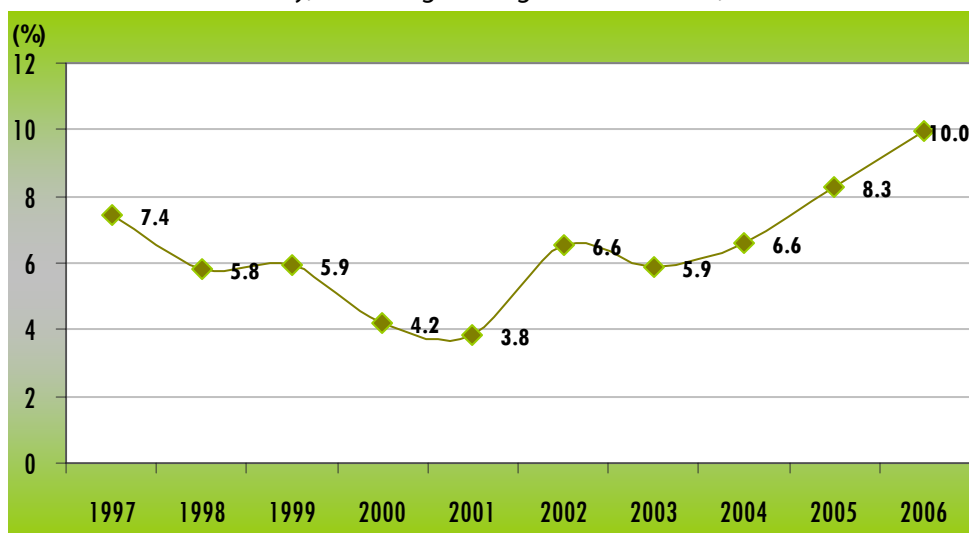
LABOUR PRODUCTIVITY – BASED ON GROSS DOMESTIC PRODUCT (GDP)

1. NATIONAL ECONOMY

I. GDP PER CAPITA

Growth in GDP per capita remains one of the core indicators of economic performance. Estimates of the increase in GDP per capita in Bermuda for the period 1996 to 2006 show that, overall, rates of growth of GDP per capita were relatively high, and more so, for the last 3 years. The largest increase was evident in 2006 over 2005 where there was a 10% growth in GDP per capita or an increase from \$76,338 to \$83,935. The lowest rate of growth in GDP per capita was recorded in 2001 where there was a 3.8% growth over the year 2000 or an increase from \$56,459 to \$58,615 (see Chart 1.1 and Box 1.1).

Chart 1.1
GROWTH IN GDP PER CAPITA
Total Economy, Percentage Change at Annual Rate, 1997-2006



Box 1.1
GDP PER CAPITA
1996-2006

1996	\$44,998
1997	\$48,334
1998	\$51,148
1999	\$54,459
2000	\$56,459
2001	\$58,615
2002	\$62,464
2003	\$66,128
2004	\$70,508
2005	\$76,338
2006	\$83,935

GDP per capita ranged from \$44,998 in 1996 to \$83,935 in 2006 (see Box 1.1). These are relatively high income levels when compared to other countries of the world; and, in fact, Bermuda's GDP per capita ranked number one in the world in 2006¹².

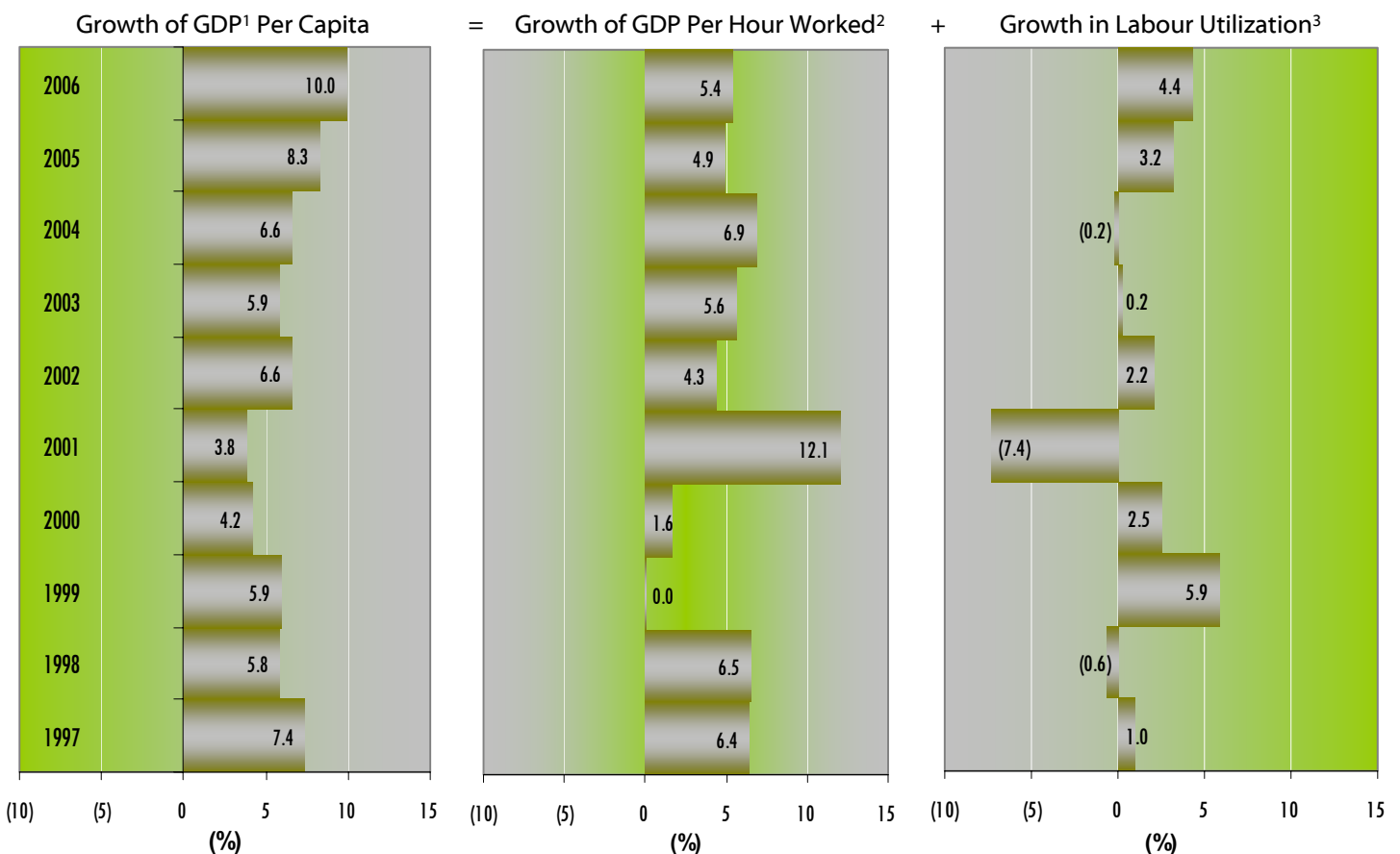
The growth in GDP per capita can be broken down into two components: one component that is due to labour productivity growth, measured as GDP per hour worked, and another that is due to increased labour utilization, measured as hours worked per capita. Growing labour utilization may have considerable impacts on the growth of GDP per capita. A slowing or declining rate of labour utilization, as evidenced from Chart 1.2, from 2002 to 2004 of 2.2% to -0.2%, combined with comparatively high labour productivity growth, from 4.3% to 6.9%, may be indicative of greater use of capital or of failure to employ low-productivity workers. On

¹² P. Coutsouki, P. (2006). *GDP – per Capita (PPP) 2006*. http://www.photius.com/rankings/economy/gdp_per_capita_2006_0.html (accessed January, 2008).

the other hand, an increase in the rate of labour utilization, as is evident from 2005 to 2006 of 3.2% to 4.4%, coupled with high labour productivity growth of 4.9% to 5.4%, may be indicative of fully utilizing workers in the productive process.

The differences in income reflect a combination of labour productivity and labour utilization. Labour productivity level is typically the most significant factor in determining differences in income. As can be seen from Chart 1.2, in most years, much of the growth in income levels was as a result of the growth in labour productivity levels. The increase in labour input per capita may be due to relatively long working hours, multiple jobs, and high rates of labour force participation. Labour use, as measured by hours worked per capita, was generally low. This could be because of disparities in working hours and low participation of working-age population in the labour market. This, therefore, suggests that growth in the income levels of working residents is explained more by the growth in their level of productivity than their level of labour utilization. In other words, the growth in the level of output per hour worked contributes more to the growth in the level of income than the growth in the level of hours worked per person.

Chart 1.2
GROWTH IN GDP PER CAPITA – THE CONTRIBUTION OF PRODUCTIVITY AND LABOUR UTILIZATION
 Total Economy, Percentage Change at Annual Rate, 1997-2006



Notes:

¹ All references to GDP in this Chart refer to GDP in Current Market Prices

² All references to "Hours Worked" refer to *Actual* Hours Worked

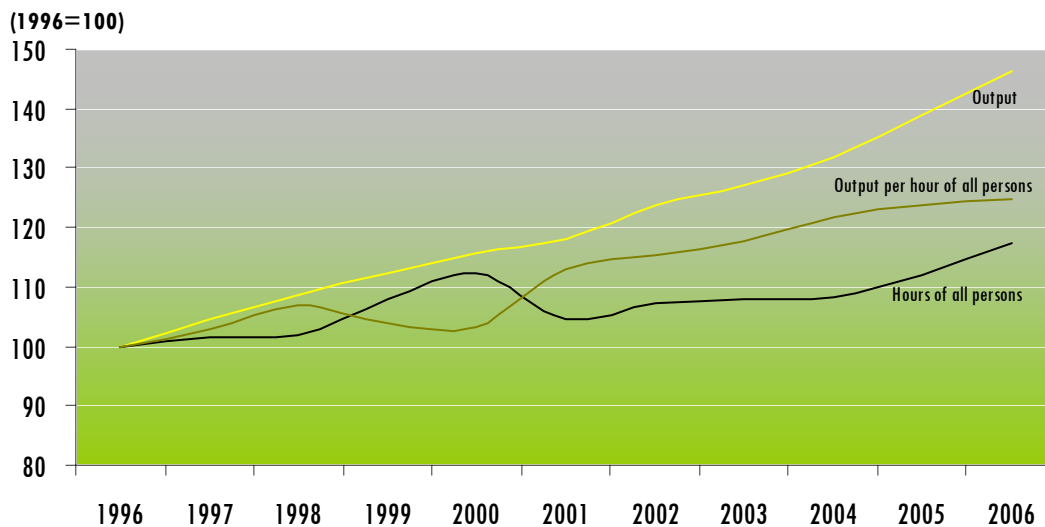
³ Labour Utilization is measured as Hours Worked Per Capita

Some years may not add up exactly since adjustments were not made to the data on annual actual hours worked

II. GDP PER HOUR WORKED

Chart 1.3 shows that output in the economy has increased during the past decade and the growth rate of output per hour almost matched the rate of output growth, in most years. This development means that overall labour input in the economy hardly rose at all over the decade. Increases in productivity over the years may be as a result of any of a number of contributing factors that can raise the level of output faster than the increase in labour input. For instance, labour productivity, may have increased because capital spending increased relative to labour or because of a combination of labour and capital (multi-factor) inputs.

Chart 1.3
LABOUR PRODUCTIVITY, OUTPUT AND HOURS IN THE BERMUDA ECONOMY
(1996 = 100), 1996-2006



Overall productivity growth can be affected by industry-level productivity as labour productivity growth can differ widely among economic activities. In part, this fact reflects different rates of adoption of new technologies in industries and different rates of success with that technology. For the overall economy, productivity declines in one industry can offset growth in another, masking the fact that the aggregate sources of productivity growth can vary across industries. This will further be discussed in the next sub-section of this report.

In the period 1996 to 2006, estimates of GDP per hour worked for Bermuda showed that rates of labour productivity growth varied considerably. There was a huge increase in the rate of labour productivity in 2001 of 9.5% over 2000. This marked the largest shift in labour productivity seen in the 11-year period. This increase was followed by a significant decline in the rate of labour productivity growth to 2.1% in 2002. The rate of labour productivity growth recovered in 2004 where it was 3.4% but the growth rate progressively declined through to 2006. There was a slower paced growth in labour productivity of only 0.6% in 2006 over 2005 (see Table 1.1 and Chart 1.4).

Labour productivity, in constant 1996 dollars, increased from \$45.23 to \$48.30 in 1996 to 1998; then declined in 1999 and 2000 or from \$47.04 to \$46.64, respectively; but rebounded in 2001 to \$51.05. The increase in the dollar value of labour productivity was sustained to 2006 where the level peaked at \$56.35 as a result of slight steady increases (see Table 1.1 and Chart 1.5).

Table 1.1
TOTAL GDP, GDP PER HOUR WORKED, & ANNUAL GROWTH RATE OF GDP PER HOUR WORKED
 Total Economy, 1996-2006

Years	GDP in Constant 1996 Market Prices (BDA\$M)	GDP Per Hour Worked	
		BDA\$	Growth (%)
1996	2,714.14	45.23	-
1997	2,840.04	46.60	3.0
1998	2,951.33	48.30	3.7
1999	3,051.16	47.04	(2.6)
2000	3,140.84	46.64	(0.8)
2001	3,201.13	51.05	9.5
2002	3,356.06	52.14	2.1
2003	3,453.22	53.30	2.2
2004	3,578.36	55.11	3.4
2005	3,769.27	56.02	1.7
2006	3,970.99	56.35	0.6

Chart 1.4
GROWTH IN GDP PER HOUR WORKED
 Total Economy, Percentage Change at Annual Rate, 1997-2006

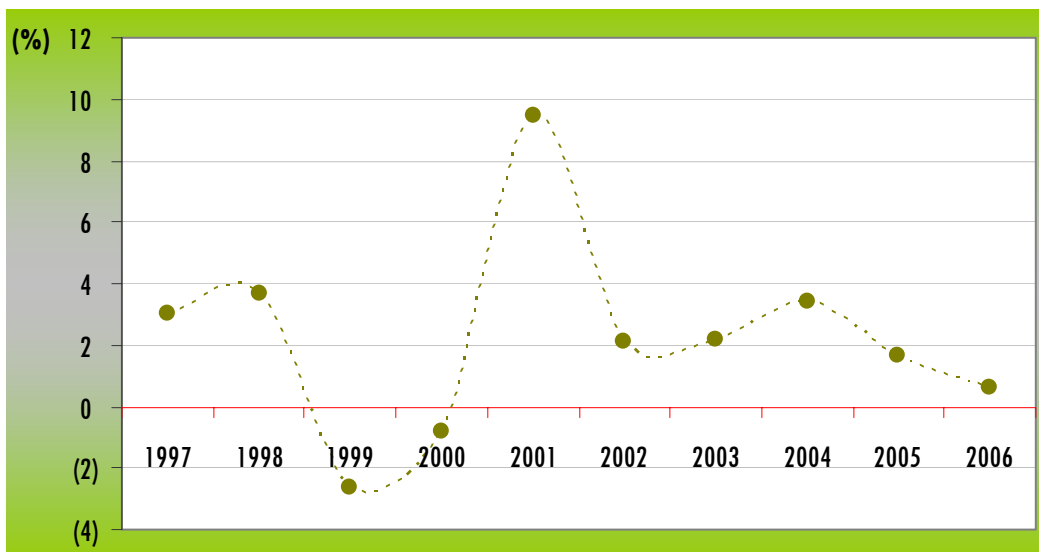
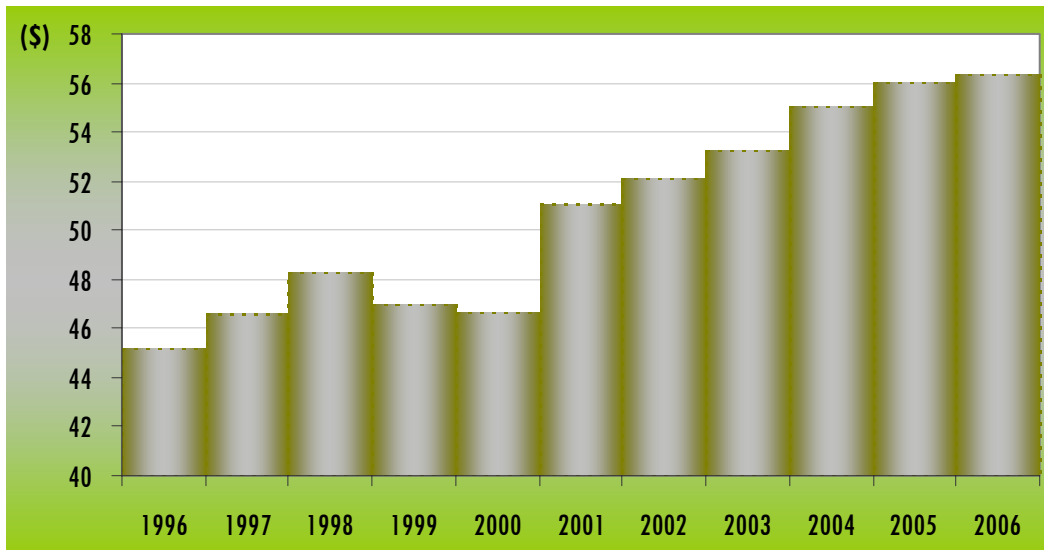


Chart 1.5
GDP PER HOUR WORKED
 Total Economy, in BDA\$, 1996-2006



III. GDP PER FILLED JOB

In the period 1996 to 2006, estimates of GDP per filled job showed that rates of labour productivity growth varied, as in the case of GDP per hour worked. Despite fluctuations, the rates remained positive during the period under consideration, with the exception of 1999. In 1999, there was a 3.5% decline in the real GDP per filled job or from \$83,553 to \$80,614. The largest move seen in the 11-year period was an increase in the rate of labour productivity in 2002 of 4.2% over 2001, or from \$85,143 to \$88,749. This increase was then followed by a decline in the rate of labour productivity growth in both 2003 and 2004 of 3.3% and 1.8%, respectively. This key measure of workplace efficiency recovered in 2005 where it rose by 3.86%, up from a 1.8% gain in 2004. This was equivalent to an increase from \$93,276 to \$96,776. The growth rate slowed again in 2006 to 3.4% where GDP per filled job reached its highest of \$100,060, the last year in the 11-year period (see Table 1.2 and Chart 1.6).

Labour productivity, in constant 1996 dollars, increased from \$78,369 to \$83,553 in 1996 to 1998; then experienced a decline in 1999 and 2000 of \$80,614 and \$82,617, respectively; but rebounded in 2001 to \$85,143. The increase in the dollar value of labour productivity was sustained to 2006 where the level peaked at \$100,060 as a result of slight steady increases (see Table 1.2 and Chart 1.7).

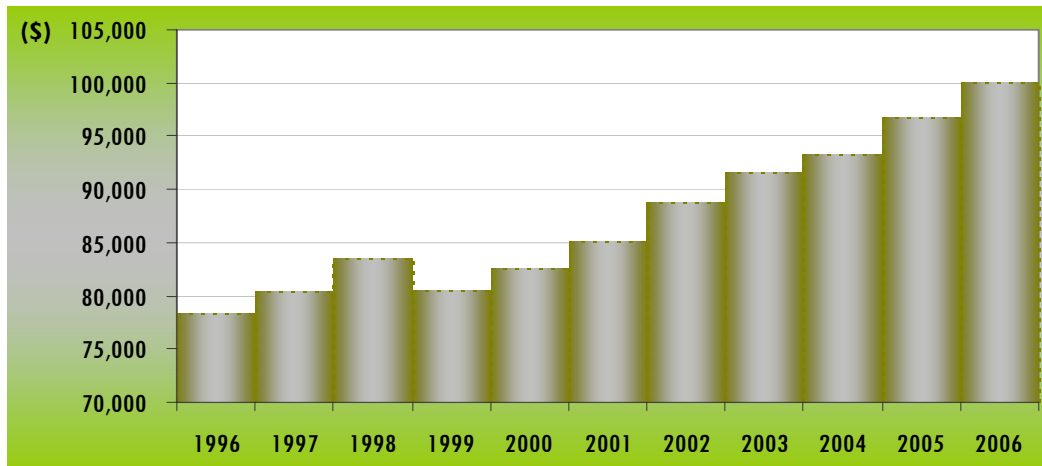
Table 1.2
TOTAL GDP, GDP PER FILLED JOB, AND ANNUAL GROWTH RATE OF GDP PER FILLED JOB
 Total Economy, 1996-2006

Years	GDP in Constant 1996 Market Prices (BDA\$M)	GDP Per Filled Job	
		BDA\$	Growth (%)
1996	2,714.14	78,368.69	-
1997	2,840.04	80,463.40	2.7
1998	2,951.33	83,552.56	3.8
1999	3,051.16	80,614.02	(3.5)
2000	3,140.84	82,616.67	2.5
2001	3,201.13	85,143.28	3.1
2002	3,356.06	88,749.31	4.2
2003	3,453.22	91,631.32	3.3
2004	3,578.36	93,276.39	1.8
2005	3,769.27	96,779.34	3.8
2006	3,970.99	100,060.22	3.4

Chart 1.6
GROWTH IN GDP PER FILLED JOB
 Total Economy, Percentage Change at Annual Rate, 1997-2006



Chart 1.7
GDP PER FILLED JOB
Total Economy, in BDA\$, 1996-2006



IV. UNIT LABOUR COSTS

A well-known measure of international competitiveness combines labour cost and productivity into a single measure, unit labour costs (ULCs). ULC is computed as the average cost of labour per unit of output and is calculated as the ratio of total labour costs to real output. In broad terms, unit labour costs show how much output the economy receives relative to wages, or labour cost per unit of output. In other words, ULC is estimated by the ratio of labour compensation to real GDP. It is also the equivalent of the ratio between labour compensation per labour input (per hour or per filled job) worked and labour productivity.

Table 1.3
TOTAL GDP, UNIT LABOUR COSTS & CHANGE IN UNIT LABOUR COSTS
Total Economy, 1996-2006

Years	GDP in Constant 1996 Market Prices (BDA\$M)	Compensation Per Unit of GDP in Constant 1996 Market Prices (BDA\$)	Change in Compensation Per Unit of GDP in Constant 1996 Market Prices (%)
1996	2,714.14	0.57	-
1997	2,840.04	0.60	6.7
1998	2,951.33	0.61	1.6
1999	3,051.16	0.63	2.0
2000	3,140.84	0.63	0.5
2001	3,201.13	0.70	11.0
2002	3,356.06	0.72	3.3
2003	3,453.22	0.74	3.3
2004	3,578.36	0.78	4.4
2005	3,769.27	0.83	7.0
2006	3,970.99	0.88	5.3

Unit labour costs represent a direct link between productivity and the cost of labour used in generating output. A rise in the economy’s unit labour costs represents an increased reward for labour’s contribution to output. Table 1.3 shows an increasing trend in the real dollar value of ULCs, ranging from \$0.57 in 1996 to \$0.88 in 2006 (see Chart 1.7). In other words, the average cost of labour in 2006 was \$0.88 for one dollar of output. 2001, the year of the highest annualized efficiency gain, also recorded the largest increase in labour costs. There was an 11% increase in the compensation per unit of real GDP. On the other hand, 2000 recorded the lowest growth in the reward for labour’s contribution to output, where there was only a 0.5% increase in the amount paid for one dollar of output generated (see Chart 1.8). However, when the rise in labour costs is higher than the rise in labour productivity, as is evident in the Bermudian economy, there may be a threat to the economy’s cost competitiveness, if other costs are not adjusted in compensation (see Tables 1.1-1.3).

Chart 1.8
COMPENSATION PER UNIT OF GDP
 Total Economy, in BDA\$, 1996-2006

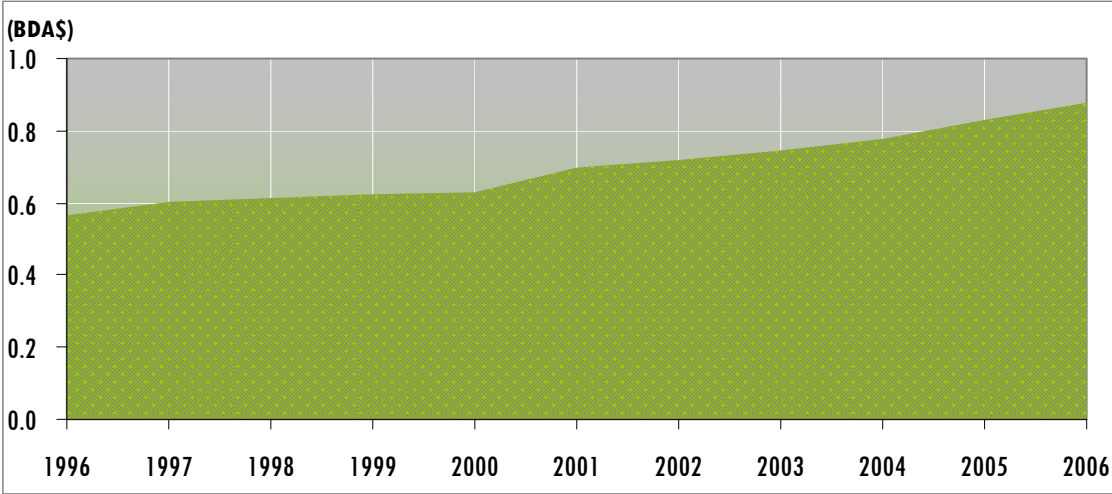
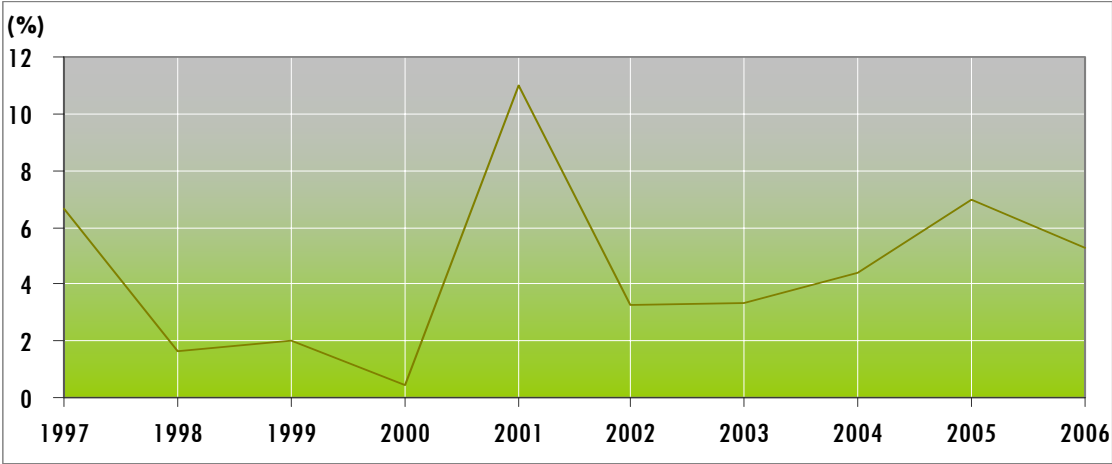


Chart 1.9
GROWTH IN COMPENSATION PER UNIT OF GDP
 Total Economy, Percentage Change at Annual Rate, 1997-2006



Nonetheless, the precise interpretation of a change in ULCs depends on the source from which the change originates. For example, an increase in labour costs may result from upward wage pressure or from a slow downward productivity growth. One possibility for productivity slowdown may be a rise in the sector's share of output, lack of technological progress, or slow reform in product or labour markets. Countries with rapid productivity growth rates are better positioned to sell their products and services at lower prices. However, competitiveness is not only determined by productivity, but also by the cost of inputs in the productivity process. Countries with low levels of ULCs relative to other countries may be regarded as competitive.¹³ ULCs should not be interpreted as a comprehensive measure of competitiveness, but as a reflection of cost competitiveness. Though, importantly, unit labour cost measures deal exclusively with the cost of labour, they should also be considered in relation to changes in the cost of capital, especially in advanced economies.¹⁴

¹³ B. van Ark, E. Stuivenwold, & G. Ypma. (2005). *Unit Labour Costs, Productivity and International Competitiveness*, Research memorandum GD-80, Groningen Growth and Development Centre. p. 2.

¹⁴ *Key Indicators of the Labour Market (KILM): 2001-2002*. International Labour Organisation, Geneva, 2002, p. 622.; *OECD System of Unit Labour Cost Indicators*. OECD, 2007, Paris.



Industry Level

LABOUR PRODUCTIVITY – BASED ON GROSS VALUE ADDED (GVA)

2. INDUSTRY LEVEL

I. CONTRIBUTION OF MAJOR ECONOMIC ACTIVITIES TO AGGREGATE PRODUCTIVITY GROWTH AND LEVELS

The indicators shown in this sub-section simply measure value added per filled job. The ratio of gross value added, in constant 1996 basic prices, to employment provides an indication of which industries yielded relatively high value added per unit of labour input. Although total employment is not the best measure of labour input, a reasonably clear pattern emerged.

Rates of productivity improvement are not uniform across the whole economy; they can differ appreciably from industry to industry. Estimates of labour productivity dissected by industry examined industry changes in labour productivity (the ratio of output to labour input). However, these figures must be read with some care, as part of the rise in labour productivity may have been due to 'capital deepening' (an increase in the ratio of capital to labour) or to changes in intermediate inputs. The breakdown of productivity growth by major activity can show which group(s) of economic activities is particularly important for overall productivity performance. For analytical purposes, economic activities were grouped as: (1) agriculture, forestry and fishing, (2) industries, and (3) services. Agriculture, forestry and fishing consist of industries classified in the Bermuda Classification of Economic Activities (BCEA Rev. 1) industrial section 01 or product group P01. Industries consist of mining and quarrying, manufacturing, electricity, gas and water supply, and construction or BCEA Rev. 1 industrial sections 02 through 05, or product groups P02 to P05. For services, BCEA Rev. 1 industrial sections 06 through 15 were grouped, or product groups P06 to P15 (see Appendix II).

Table 2.1
CONTRIBUTION TO OVERALL GROWTH OF GVA PER FILLED JOB
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1997-2006

Major Classification	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Contribution to Overall Growth Rates (Percentage Points)¹										
Agriculture, Forestry, & Fishing	0.02	0.03	(0.08)	0.02	0.04	0.03	0.03	(0.00)	0.02	0.01
Industries	0.30	0.34	(0.42)	0.28	0.35	0.42	0.33	0.12	0.34	0.27
Services	2.46	3.44	(3.38)	2.17	2.86	4.01	2.91	1.50	3.44	3.42
Total Economy (%)	2.77	3.81	(3.88)	2.46	3.24	4.47	3.27	1.62	3.80	3.70
Percentage Contribution to Overall Growth Rates										
Agriculture, Forestry, & Fishing	0.6	0.8	2.0	0.7	1.1	0.7	1.0	(0.0)	0.5	0.4
Industries	10.8	8.9	10.8	11.2	10.8	9.5	10.0	7.4	9.1	7.3
Services	88.6	90.3	87.2	88.1	88.1	89.8	89.0	92.6	90.4	92.4
Total Economy	100.0	100.0	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

GVA is in Constant 1996 Basic Prices

¹ Since labour productivity can be calculated as the difference between the rate of growth of output or value added and the rate of growth of labour input, sector contribution = (percentage share of each sector in value added x aggregate rate of growth of value added) less (percentage share in total number of filled jobs x aggregate rate of growth of number of filled jobs)

Notably, industries predominantly involved in services-related activities have accounted for the bulk of labour productivity growth over 1996 to 2006 and have continued to produce the highest value added per labour unit both in terms of dollar value and percentage growth. The services sector contributed over 85% of the growth in overall labour productivity over the period and as much as 92.6% in 2004 and remained high to 92.4% in 2006. For instance, in 2006, of the 3.7% growth in GVA per filled job, 0.01 percentage point or 0.4% was as a result of agriculture, forestry and fishing; 0.27 percentage point or 7.3% was as a result of industries; and 3.43 percentage points or 92.4% was as a result of services-related activities. A similar trend was evident in years when there was negative aggregate growth in GVA per filled job, as was seen in 1999. Services-related activities contributed 87.2% or 3.38 percentage points of the deficit, while agriculture, forestry and fishing and industries contributed to 2% or -0.08 percentage points and 10.8% or -0.42 percentage points, respectively. Agriculture, forestry and fishing activities, on the other hand, produce the least value added per filled job and industries contributed marginally (see Table 2.1 and Chart 2.1). In some years, services-related industries were as productive as the average industry. In other years, these industries were more than twice as productive as the average industry (see Table 2.2).

Chart 2.1
CONTRIBUTION TO GROWTH OF GVA PER FILLED JOB
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 Annual Growth Rates & Contributions in Percentage Points, 1997-2006

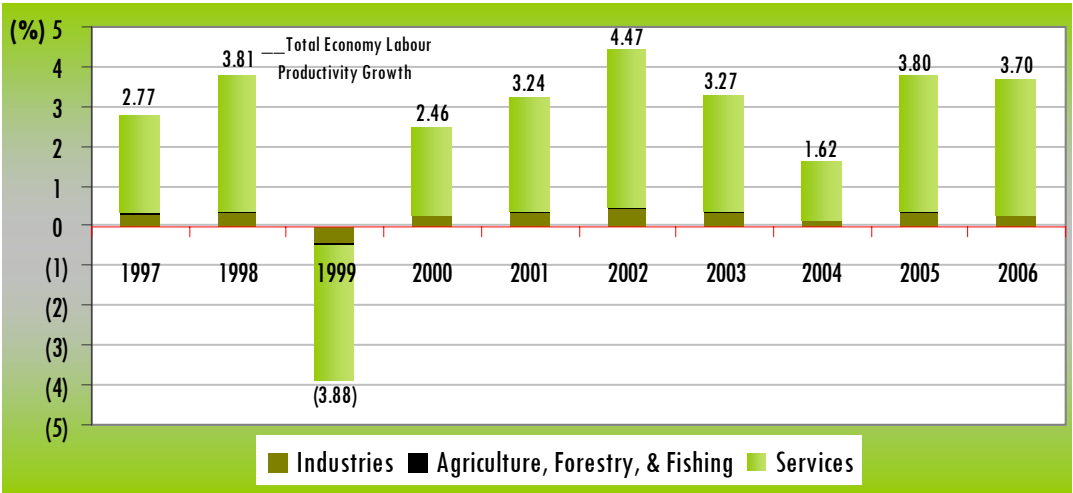


Table 2.2 shows that in 2006, on the average, the gross value added or output for a filled job in services-related activities was \$109,451, an increase of 6.6% over 2005. This was the highest growth in the GVA per filled job in services-related activities over the decade. In contrast, this level of GVA per filled job in services was more than twice the output per filled job (\$50,721) in agriculture, forestry and fishing activities, in 2006 (see Chart 2.2 and Chart 2.3).

A trend seemed to have emerged between labour productivity in the aggregate economy and services-related activities. The trend observed in GVA per filled job and growth in these values at the aggregate level moved in line with the trend of these indicators in services-related activities. In other words, unlike the other two major classifications of economic activities, which have not shown any clear pattern; labour productivity growth in services-related activities remained positive, with the exception of 1999, where there was a decline by -5.2%. This decline matched a corresponding decline in overall labour productivity growth in 1999, which dipped by -3.9% (see Table 2.2 and Charts 2.2 and 2.3). In addition, services-related activities generally account for over 90% of the total gross value added in constant 1996 basic prices.¹⁵ Therefore, changes in labour productivity in services-related activities has been driving overall labour productivity.

Table 2.2
GVA PER FILLED JOB BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1996-2006

Years	Total Economy		Agriculture, Forestry & Fishing		Industry		Services	
	(BDA\$)	Growth (%)	(BDA\$)	Growth (%)	(BDA\$)	Growth (%)	(BDA\$)	Growth (%)
1996	74,268	-	52,599	-	85,167	-	76,742	-
1997	76,326	2.8	57,078	8.5	83,365	(2.1)	80,009	4.3
1998	79,232	3.88	55,215	(3.3)	71,755	(13.9)	85,108	6.3
1999	76,159	(3.9)	46,433	(15.9)	82,449	14.9	80,692	(5.2)
2000	78,036	2.5	47,415	2.1	80,941	(1.8)	82,941	2.8
2001	80,567	3.2	42,719	(9.9)	76,313	(5.7)	88,097	6.2
2002	84,169	4.5	43,741	2.4	74,334	(2.6)	92,272	4.7
2003	86,921	3.3	47,336	8.2	76,499	2.9	94,469	2.4
2004	88,329	1.6	49,667	4.9	76,557	0.1	97,024	2.7
2005	91,688	3.8	50,451	1.6	79,367	3.7	102,707	5.9
2006	95,082	3.7	50,721	0.5	75,377	(5.0)	109,451	6.6

¹⁵Department of Statistics (2007). *Bermuda Gross Domestic Product by Industry, 2006 Highlights – Press Release*.

Chart 2.2
LEVEL OF GVA PER FILLED JOB
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$, 1996-2006

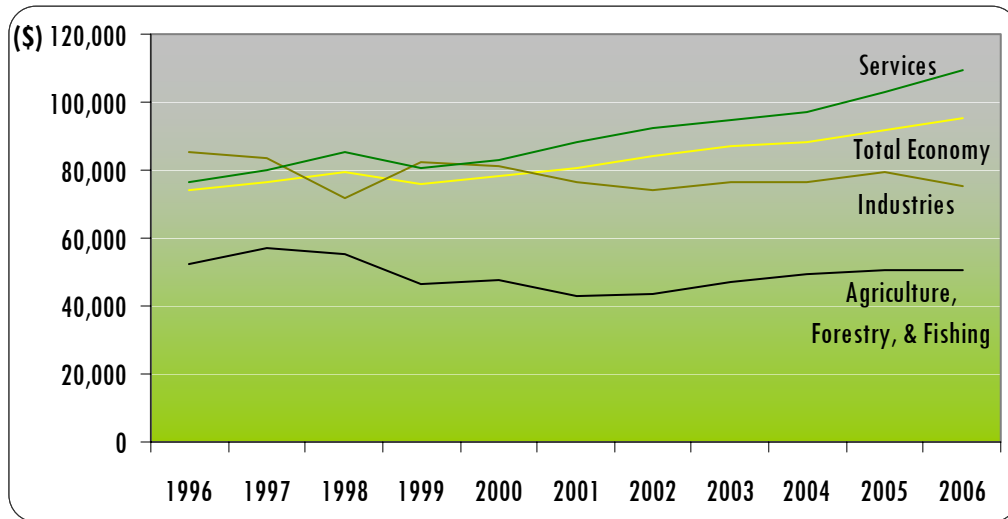
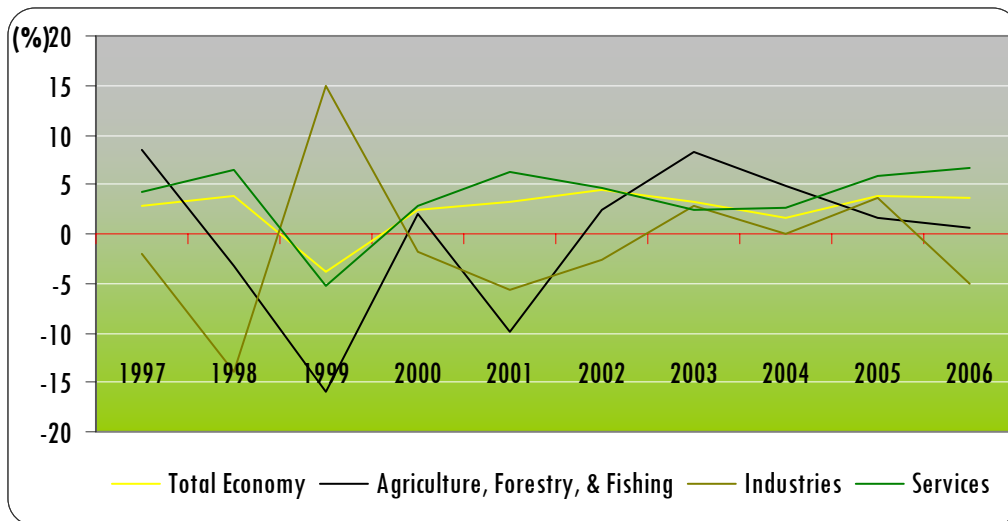


Chart 2.3
GROWTH IN GVA PER FILLED JOB
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 Percentage Change at Annual Rate, 1997-2006



II. DIFFERENCES IN LABOUR PRODUCTIVITY BY ECONOMIC ACTIVITY

1. BY EMPLOYMENT

Over the period 1996 to 2006, with the exception of 1999 and 2001, 3 of the 15 economic activities contributed the most to the overall labour productivity growth. These are: (1) international business activities, (2) real estate and renting services, and (3) financial intermediation. Together, these economic activities accounted for between 42.2% (2003) and as much as 75.6% (2004) of the overall labour productivity growth. In 2006, these 3 industries contributed 63.8% of the aggregate labour productivity growth. However, in 2001, the 3 major contributing industries were: international business activities, wholesale and retail trade and retail services, and financial intermediation. These accounted for 35.9% of the growth in overall labour productivity in 2001. If coupled with real estate and renting services, these industries accounted for 45.4% of the overall growth. There were 3 different key industries in 1999 – hotels and restaurants, wholesale and retail trade and retail services, and public administration – which together account for 54.1% of the overall labour productivity growth in that year. (See Table 2.3).

Table 2.3
PERCENTAGE CONTRIBUTION TO GROWTH OF VALUE ADDED PER FILLED JOB
BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 1997-2006

Industrial Classification of Economic Activity	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
15 International Business Activity	18.2	14.2	4.6	14.9	12.8	20.3	18.43	31.2	24.4	28.7
10 Real Estate and Renting Services	27.5	17.1	(10.5)	18.4	10.5	15.7	12.60	27.3	19.1	18.4
09 Financial Intermediation	13.3	11.1	4.8	12.6	10.9	11.9	11.21	17.1	14.9	17.6
06 Wholesale and Retail Trade and Retail Services	7.2	9.8	17.2	8.6	11.3	9.1	10.01	6.4	8.2	7.1
11 Business Activities	9.7	8.5	9.1	8.7	9.2	8.5	8.61	6.9	7.4	6.7
08 Transport and Communications	7.9	7.5	7.9	7.4	7.4	6.7	6.79	5.5	6.1	5.8
13 Education, Health, and Social Work	6.6	6.9	8.5	6.5	6.8	6.9	7.02	5.2	5.4	4.7
05/02 Construction and Quarrying	5.6	4.0	6.8	6.4	6.	4.9	6.15	3.6	5.7	3.9
12 Public Administration	(1.2)	4.7	15.9	3.4	6.6	3.8	5.38	(2.0)	2.1	1.5
04 Electricity, Gas, and Water Supply	3.0	2.5	0.2	2.6	1.9	2.6	2.09	3.2	2.2	2.3
07 Hotels and Restaurants	0.8	7.6	21.1	4.9	8.8	5.2	6.33	(3.1)	2.2	2.0
03 Manufacturing	2.3	2.5	3.8	2.3	2.4	2.0	1.79	0.6	1.1	1.1
01 Agriculture, Forestry, and Fishing	0.6	0.8	2.0	0.7	1.1	0.7	0.96	(0.0)	0.5	0.4
14 Other Community, Social, and Personal Services	(1.3)	3.0	8.6	2.7	4.0	1.8	2.62	(2.0)	0.5	(0.0)
Total Economy	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

However, the wholesale and retail trade and retail services, business activities, transport and communication, and education health and social work sectors remained vital to the Bermuda economy - contributing about one-quarter to one-third to the overall growth in labour productivity.

Generally, agriculture, forestry and fishing, other community, social and personal services, manufacturing, and hotels and restaurants contributed the least to overall labour productivity growth. Their combined contribution ranged from as low as 2.3% (1997) to as high as 35.5% (1999) and this high was only as a result of the large contribution of hotels and restaurants in that year. These economic activities are typically highly labour intensive, have a high proportion of low-skilled jobs and are not considered high-technology sectors. However, the relatively low ratios of value added to employment in these sectors could be partly due to the fact that these economic activities cover a diverse range of activities.

One noted exception was evident in the electricity, gas and water supply sector, which seemed to have a relatively high GVA per filled job but contributed marginally to the overall labour productivity growth. This could be explained by its small share of the economy's overall output. In general, those industries which account for greater shares in overall output are the same industries with high GVA per filled job and contributed the most to overall labour productivity growth.

There was a 14.1% growth in labour productivity in the hotels and restaurants industry in 2006. This was an increase in the output per filled job from \$41,041 to \$46,836, which was equivalent to a 1.9% contribution to the overall labour productivity growth. On the other hand, labour productivity in real estate and renting services, which declined by -0.7% in 2006 or from \$1M to \$0.9M, was the second largest contributor (18.4%) to overall labour productivity growth. In 2006, GVA per filled job in financial intermediation and international business activities, which grew by 17.4% or from \$170,558 to \$200,208 and 11.8% or from \$186,450 to \$208,452, respectively, were two of the three major contributors to overall labour productivity growth (see Charts 2.4 and 2.5). Therefore, industries with relatively high GVA per filled job, but whose growth may be negative or minute, were the greatest contributors to overall labour productivity growth, as in the case of real estate and renting services. On the other hand, industries with relatively low GVA per filled job, but whose growth may be substantial, contributed only marginally to overall labour productivity growth, as in the case of the hotels and restaurants industry. Nonetheless, there are industries which have relatively high output per filled job with corresponding rapid growth rates, as in the case of financial intermediation and international business, which also contribute greatly to the aggregate labour productivity growth. (See Tables 2.3-2.5). This is linked to their growing share in total value added which is reflected in stronger labour productivity growth.

Table 2.4
GVA PER FILLED JOB BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$, 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	52,600	57,077	55,216	46,433	47,416	42,720	43,740	47,336	49,667	50,451	50,721
03 Manufacturing	73,547	75,036	79,199	61,424	61,355	56,998	63,435	53,964	59,221	58,699	66,737
04 Electricity, Gas, and Water Supply	127,899	127,464	141,534	164,599	162,992	180,992	200,212	188,882	186,212	185,120	199,529
05/02 Construction and Quarrying	79,251	76,100	53,007	77,322	76,155	68,496	60,709	69,223	68,254	73,507	65,031
06 Wholesale and Retail Trade and Retail Services	55,470	57,317	60,154	56,698	56,687	65,473	64,279	66,151	71,813	77,022	76,420
07 Hotels and Restaurants	35,800	35,359	41,311	37,751	37,277	39,762	41,877	40,364	39,030	41,041	46,836
08 Transport and Communications	88,424	92,298	98,332	76,614	78,681	76,663	80,221	80,715	81,758	89,045	91,010
09 Financial Intermediation	97,703	110,226	111,831	118,959	124,522	140,441	133,092	142,680	155,464	170,558	200,208
10 Real Estate and Renting Services	1,915,969	1,916,728	2,133,732	1,090,810	1,079,612	1,094,123	960,438	949,822	948,627	1,000,820	993,665
11 Business Activities	100,083	107,856	110,809	77,330	75,865	72,564	75,695	77,640	80,877	81,357	80,323
12 Public Administration	31,564	29,122	31,317	29,765	33,737	38,558	39,841	41,215	41,523	43,157	46,131
13 Education, Health, and Social Work	74,546	75,020	65,744	68,966	73,716	71,608	79,517	82,094	79,181	76,156	75,322
14 Other Community, Social, and Personal Services	25,795	26,344	33,827	40,885	44,099	39,794	35,201	34,597	34,511	35,298	35,981
15 International Business Activity	139,670	146,125	143,976	128,513	132,559	143,665	179,170	177,415	178,932	186,450	208,452
Total Economy (GVA Per Filled Job)	74,268	76,326	79,232	76,159	78,036	80,567	84,169	86,921	88,329	91,688	95,082

Table 2.5
PERCENTAGE CHANGE IN GVA PER FILLED JOB
BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1997-2006

Industrial Classification of Economic Activity	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	8.5	(3.3)	(15.9)	2.1	(9.9)	2.4	8.2	4.9	1.6	0.5
03 Manufacturing	2.0	5.6	(22.4)	(0.1)	(7.1)	11.3	(14.9)	9.7	(0.9)	13.7
04 Electricity, Gas, and Water Supply	(0.3)	11.0	16.3	(1.0)	11.0	10.6	(5.7)	(1.4)	(0.6)	7.8
05/02 Construction and Quarrying	(4.0)	(30.4)	45.9	(1.5)	(10.1)	(11.4)	14.0	(1.4)	7.7	(11.5)
06 Wholesale and Retail Trade and Retail Services	3.3	5.0	(5.8)	0.0	15.5	(1.8)	2.9	8.6	7.3	(0.8)
07 Hotels and Restaurants	(1.2)	16.8	(8.6)	(1.3)	6.7	5.3	(3.6)	(3.3)	5.2	14.1
08 Transport and Communications	4.4	6.5	(22.1)	2.7	(2.6)	4.6	0.6	1.3	8.9	2.2
09 Financial Intermediation	12.8	1.5	6.4	4.7	12.8	(5.2)	7.2	9.0	9.7	17.4
10 Real Estate and Renting Services	0.0	11.3	(48.9)	(1.0)	1.3	(12.2)	(1.1)	(0.1)	5.5	(0.7)
11 Business Activities	7.8	2.7	(30.2)	(1.9)	(4.4)	4.3	2.6	4.2	0.6	(1.3)
12 Public Administration	(7.7)	7.5	(5.0)	13.3	14.3	3.3	3.5	0.8	3.9	6.9
13 Education, Health, and Social Work	0.6	(12.4)	4.9	6.9	(2.9)	11.0	3.2	(3.6)	(3.8)	(1.1)
14 Other Community, Social, and Personal Services	2.1	28.4	20.9	7.9	(9.8)	(11.5)	(1.7)	(0.3)	2.3	1.9
15 International Business Activity	4.6	(1.5)	(10.7)	3.2	8.4	24.7	(1.0)	0.9	4.2	11.8
Total Economy	2.8	3.8	(3.9)	2.5	3.2	4.5	3.3	1.6	3.8	3.7

Chart 2.4
GVA PER FILLED JOB BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
In BDA\$, 2006

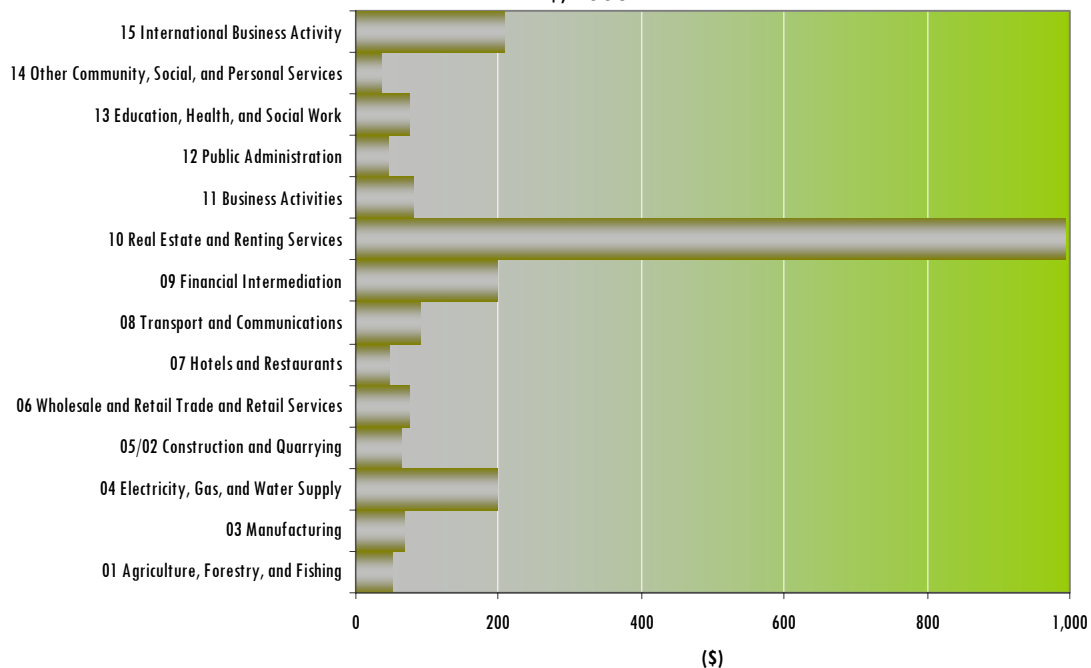
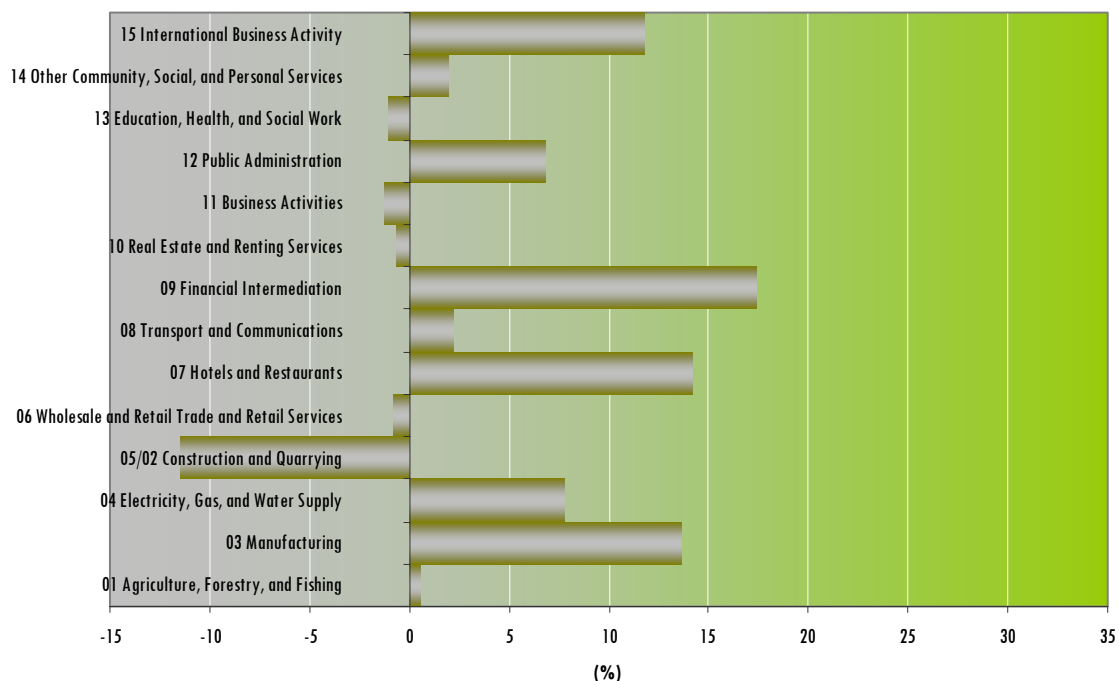


Chart 2.5
GROWTH IN GVA PER FILLED JOB BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 Percentage Change at Annual Rate, 2006



2. BY HOURS WORKED

GVA per hour worked by economic activity showed a similar trend as with GVA per filled job. That is, real estate and renting services, international business activities and financial intermediation were the industries which yielded substantial productivity gains. Labour productivity in terms of GVA per hours worked in International business activities showed a long term upward trend, moving from \$78.74 in 1996 to \$118.29 in 2006. In other words, for one hour worked in international business in 2006, there was \$118.29 in output. There was also an upward trend in financial intermediation from 1996 to 2005, where output for one hour worked ranged from \$54.35 to \$100.85. However, output per hour worked dropped in 2006 to \$91.06 in this industry. On the other hand, although output per hour worked in real estate and renting services was the highest for all industries, it actually declined in value over the period 1996 to 2006, ranging from \$1,384.49 to \$545.46. The electricity, gas and water supply sector showed relatively high GVA per hour worked and this may be explained by its low share in total hours worked. (See Table 2.6 and Charts 2.6-2.7).

Industries which showed relatively low GVA per hour worked are the same as those industries with relatively low GVA per filled job. These are: hotels and restaurants, other community, social and personal services, and agriculture, forestry and fishing. In each year of the period 1996 to 2006, output per hour worked was below \$30 in both the hotels and restaurants and other community, social and personal services industries. (See Table 2.6 and Charts 2.6-2.7).

Table 2.6
GVA PER HOUR WORKED BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$, 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	33.49	36.13	34.67	28.24	27.97	26.41	25.83	27.92	27.55	28.16	26.67
03 Manufacturing	39.68	40.89	43.45	33.11	33.05	32.04	35.50	30.17	34.63	32.62	36.07
04 Electricity, Gas, and Water Supply	68.11	70.07	76.59	90.98	75.71	86.57	92.89	87.74	116.88	116.20	120.63
05/02 Construction and Quarrying	40.70	38.78	27.21	40.39	38.74	34.80	30.84	34.94	34.48	36.22	31.74
06 Wholesale and Retail Trade and Retail Services	31.63	32.81	34.17	32.11	30.49	38.21	36.42	37.47	41.42	43.61	43.30
07 Hotels and Restaurants	19.23	19.21	22.00	20.57	18.98	21.88	22.42	21.62	21.29	22.57	23.94
08 Transport and Communications	44.25	47.45	49.74	41.78	41.80	41.71	44.04	43.97	44.54	48.43	48.68
09 Financial Intermediation	54.35	61.19	62.10	63.98	68.81	85.91	78.68	83.91	91.54	100.85	91.06
10 Real Estate and Renting Services	1,384.49	1,342.09	1,470.93	672.97	617.91	651.07	549.45	551.84	550.38	565.92	545.46
11 Business Activities	57.49	63.21	65.29	46.13	44.48	46.02	47.14	47.70	49.74	49.50	47.00
12 Public Administration	21.82	19.84	21.05	22.48	24.58	28.12	27.88	27.05	27.24	27.89	34.50
13 Education, Health, and Social Work	47.72	46.93	44.15	47.03	48.88	52.27	56.52	56.38	57.73	48.91	49.18
14 Other Community, Social, and Personal Services	16.51	16.99	21.39	24.79	26.09	25.93	22.94	22.94	23.20	23.29	23.67
15 International Business Activity	78.74	82.62	81.88	72.26	72.01	84.49	102.51	101.05	105.04	106.92	118.29
Total Economy (GVA Per Hour Worked)	42.86	44.20	45.81	44.44	44.06	48.31	49.45	50.56	52.18	53.08	53.55

Notes:

All References to "Hours Worked" Refer to Actual Hours Worked

¹ GVA Per Hour Worked = [GVA in Constant 1996 Basic Prices / Total Hours Worked for Total Employment] or [Quantity Index of GVA / Quantity Index of Labour Input]

Chart 2.6
GVA PER HOUR WORKED BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$, 2006

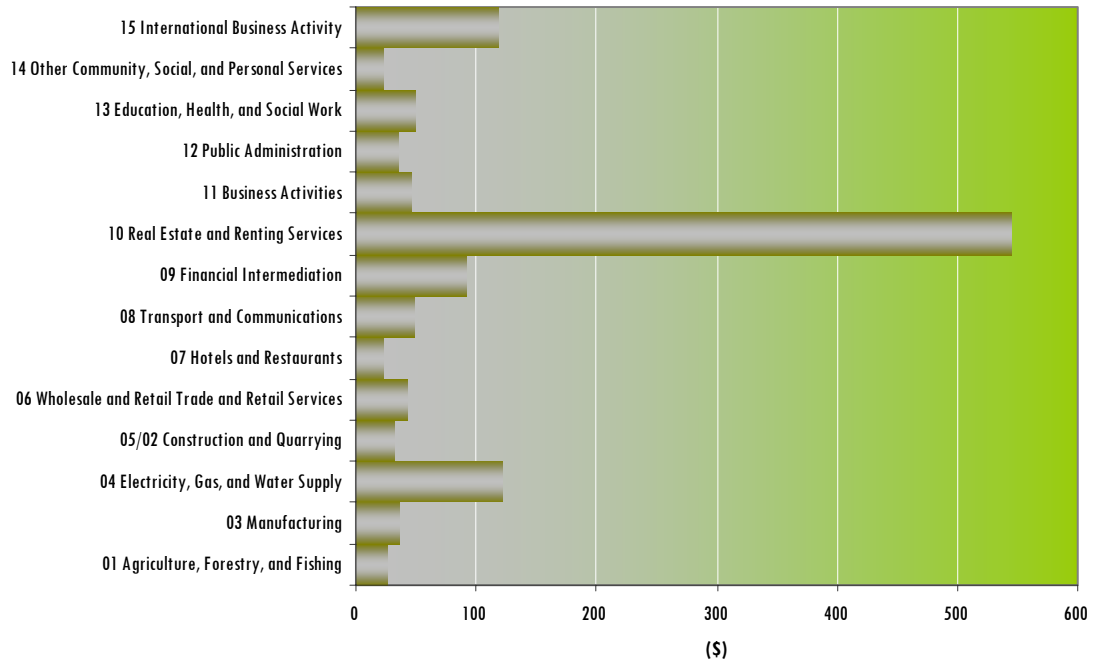
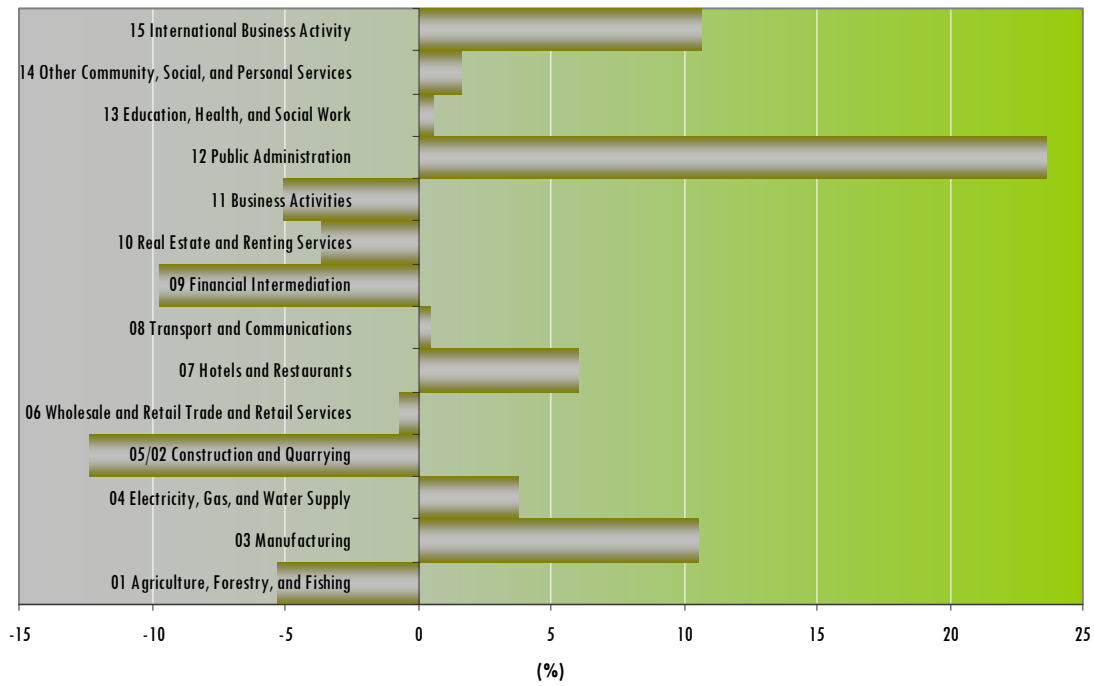


Chart 2.7
GROWTH IN GVA PER HOUR WORKED
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 Percentage Change at Annual Rate, 2006



III. UNIT LABOUR COSTS BY ECONOMIC ACTIVITY

The data does not present any clear association between relative productivity levels and relative labour cost levels. Whereas some of the differences cancelled out at the aggregate level, differences in industry and product composition would be quite important at a more detailed level. Over the period 1996 to 2006, unit labour costs, measured as compensation per unit of output, were highest in the industries: public administration; education, health and social work; and international business activities. The rise over the period in these three sectors' unit labour costs represented an increased reward for labour's contribution to output. Table 2.7 shows an increasing trend in the real dollar value of ULCs. ULCs in international business activities increased from \$0.85 in 1996 to \$1.26 in 2006. ULCs in public administration ranged from \$1.10 in 1996 to \$1.43 in 1999; in 2000 it was \$1.39. In other words, in 2006, one dollar of output contributed by international business activities cost, on average, \$1.26 relative to wage; one dollar of output contributed by the public administration sector cost, on average, \$1.36. (See Table 2.7 and Chart 2.8). This, therefore, means that for international business to be a highly productive sector it also had higher costs of labour used to generate output. In contrast, however, public administration and education, health and social work industries are not the most productive but incur some of the highest costs of labour to generate their output. However, when the rise in labour costs is higher than the rise in labour productivity, as is evident in these sectors and in most years, there may be a threat to the economy's cost competitiveness, if other costs are not adjusted in compensation. Financial intermediation, on the other hand, had lower rates of growth in labour costs when compared to growth rates in labour productivity.

A noticeable change in compensation for each dollar of real GVA was in real estate and renting services, which moved from \$0.03 in 1996 to \$0.35 in 2006. The reward for labour's contribution for one dollar of output was lowest in this sector along with the electricity gas and water sector, over the period 1996 to 2006.

Chart 2.8
UNIT LABOUR COSTS BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$, 2006

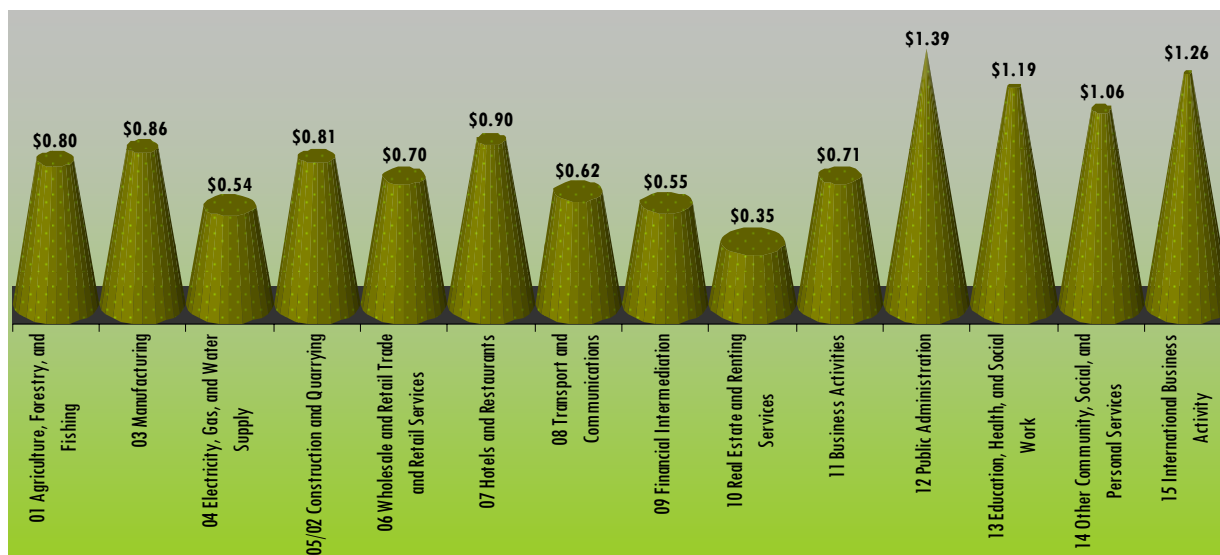


Table 2.7
UNIT LABOUR COSTS BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$, 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	0.45	0.47	0.16	0.14	0.45	0.58	0.62	0.68	0.72	0.72	0.80
03 Manufacturing	0.68	0.70	0.70	0.69	0.69	0.74	0.72	0.83	0.84	0.82	0.86
04 Electricity, Gas, and Water Supply	0.47	0.48	0.44	0.45	0.45	0.45	0.43	0.51	0.50	0.52	0.54
05/02 Construction and Quarrying	0.51	0.49	0.73	0.44	0.43	0.74	0.84	0.82	0.80	0.73	0.81
06 Wholesale and Retail Trade and Retail Services	0.62	0.63	0.66	0.65	0.67	0.64	0.64	0.68	0.66	0.64	0.70
07 Hotels and Restaurants	0.67	0.70	0.72	0.74	0.76	0.76	0.83	0.86	0.88	0.97	0.90
08 Transport and Communications	0.52	0.52	0.55	0.57	0.55	0.59	0.61	0.59	0.61	0.61	0.62
09 Financial Intermediation	0.53	0.51	0.53	0.53	0.50	0.51	0.58	0.58	0.64	0.59	0.55
10 Real Estate and Renting Services	0.03	0.03	0.08	0.09	0.08	0.23	0.17	0.14	0.13	0.34	0.35
11 Business Activities	0.64	0.66	0.62	0.73	0.67	0.74	0.71	0.79	0.82	0.87	0.71
12 Public Administration	1.10	1.21	1.15	1.43	1.40	1.16	1.19	1.22	1.28	1.34	1.39
13 Education, Health, and Social Work	0.85	1.08	0.96	0.97	1.01	1.04	0.94	1.03	1.07	1.14	1.19
14 Other Community, Social, and Personal Services	0.63	0.80	0.77	0.85	0.91	0.81	0.81	0.91	1.00	0.95	1.06
15 International Business Activity	0.85	0.89	0.88	0.94	0.92	1.06	1.03	1.07	1.12	1.18	1.26
Total Economy	0.60	0.64	0.65	0.66	0.67	0.74	0.76	0.79	0.82	0.88	0.92



*Selected
Economic Activities*

LABOUR PRODUCTIVITY – BASED ON GROSS VALUE ADDED (GVA)

3. SELECTED ECONOMIC ACTIVITIES

1. HOTELS AND RESTAURANTS

Although the hotels and restaurants industry is commonly perceived as a main driver of the economy, its contribution to aggregate productivity growth has become relatively less important in recent years due to its contribution to the tourism industry (see previous section). The indicators shown in this sub-section simply measure labour productivity for the sub-sectors of the hotel and restaurants industry in an effort to explain the levels and growth of productivity in this sector. The 7 sub-sectors of this industry, as classified by the Bermuda Classification of Economic Activity (BCEA Rev. 1), are: (1) hotels and members club; (2) cottages; (3) apartment hotels; (4) guest houses; (5) other short-stay accommodation; (6) restaurants, cafés, canteens, and catering activities; and (7) bars, nightclubs, and other related activities. Productivity growth (GVA in current prices per filled job) in this industry abated in 1999 and in 2002. It only began recovering in 2005. Within the sub-sectors of the hotels and restaurants industry, large differences in labour productivity are observed.

CONTRIBUTION OF SUB-SECTORS TO THE INDUSTRY'S PRODUCTIVITY GROWTH AND LEVELS

There were fluctuating labour productivity levels within the hotels and restaurants industry. As a result, the growth in the industry's labour productivity also varied over the decade. The growth in GVA per filled job ranged from as low as -7.6% (1999) to as much as 22% (1998). In 2006, this industry recorded a 12.8% growth in labour productivity.

These ratios of value added to employment in this industry are partly due to the fact that this industry covers a diverse range of activities – from cafés and canteens to hotels and members clubs. The more detailed activity breakdown presented in this section reveals which sub-sector(s) actually contributed to this industry's labour productivity trend.

Hotels and members clubs and restaurants, cafés, canteens, and catering activities contributed over 80% of the labour productivity growth in any given year, while the other five sub-sectors contributed less than 20% of the labour productivity growth. In 1997, 81.1% of the growth in this industry's labour productivity growth was attributed to the two major contributors, while 18.9% was as a result of the other five sub-sectors. Thereafter, a similar trend was seen in each year. In 2006, 89.6% of the growth in labour productivity was attributed to the two major contributors whereas only 10.4% was as a result of the other five sub-sectors. (See Table 3.1.1 and Chart 3.1.1).



Table 3.1.1
CONTRIBUTION TO HOTELS AND RESTAURANTS GROWTH OF GVA PER FILLED JOB BY SUB-SECTOR CLASSIFICATION
1997-2006

Hotels and Restaurants Sub-Sectors	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Contribution to Industry Productivity Growth Rate (Percentage Points)¹										
Hotels and Members Clubs	1.07	15.12	(4.97)	0.14	4.65	4.15	(0.77)	(0.32)	7.40	6.63
Cottages	0.23	1.17	(0.69)	0.00	0.94	0.55	(0.09)	(0.04)	0.60	0.81
Apartment Hotels	0.04	0.31	(0.12)	(0.05)	0.18	0.13	(0.01)	0.02	0.28	0.16
Guest Houses	0.02	0.11	(0.07)	(0.01)	0.09	0.05	(0.04)	0.01	0.10	0.06
Other Short-Stay Accommodation	0.00	0.03	(0.01)	(0.01)	0.01	0.01	0.00	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	0.39	5.02	(1.61)	1.48	2.91	2.56	(0.34)	(0.20)	4.02	4.82
Bars, Nightclubs, etc.	0.05	0.28	(0.14)	(0.06)	0.27	0.15	(0.08)	(0.01)	0.31	0.31
Total Hotels & Restaurants Industry (%)	1.80	22.04	(7.62)	1.49	9.05	7.59	(1.33)	(0.56)	12.70	12.78
Percentage Contribution to Industry Productivity Growth Rate										
Hotels and Members Clubs	59.5	68.6	65.3	9.2	51.4	54.6	57.9	58.5	58.3	51.9
Cottages	12.6	5.3	9.1	0.3	10.4	7.2	7.1	7.7	4.7	6.3
Apartment Hotels	2.2	1.4	1.6	(3.5)	2.0	1.7	0.5	(3.7)	2.2	1.2
Guest Houses	1.4	0.5	0.9	(0.8)	1.0	0.7	3.4	(1.1)	0.8	0.5
Other Short-Stay Accommodation	0.2	0.1	0.2	(0.5)	0.1	0.2	(0.2)	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	21.6	22.8	21.2	99.4	32.1	33.7	25.6	36.4	31.6	37.7
Bars, Nightclubs, etc.	2.6	1.3	1.8	(4.1)	3.0	1.9	5.8	2.2	2.4	2.4
Total Hotels and Restaurants Industry	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

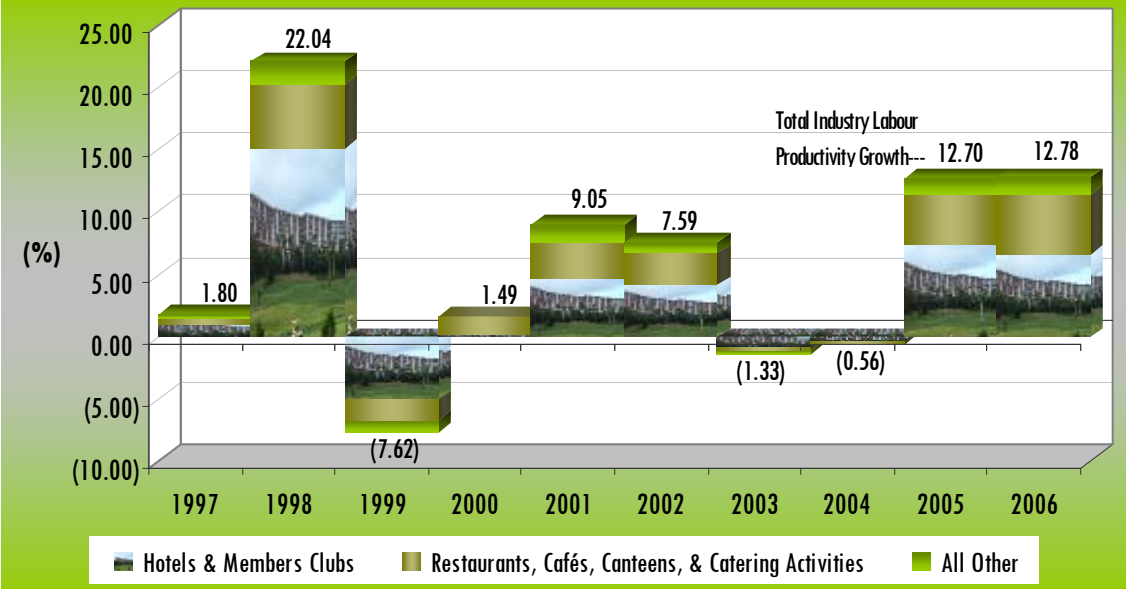
GVA is in Current Basic Prices

¹ Since labour productivity can be calculated as the difference between the rate of growth of output or value added and the rate of growth of labour input, sub-sector contribution = (percentage share of each sub-sector in value added x industry's rate of growth of value added) less (percentage share in industry's total number of filled jobs x industry's rate of growth of total number of filled jobs).

Table 3.1.1 shows that, in most years considered, hotels and members club contributed to more than half of the growth of GVA per filled job. For instance, in 2006, 51.9% of the growth in labour productivity in this industry was attributed to the contribution of hotels and members clubs. This means, in 2006, hotels and members clubs yielded 6.63 percentage points of the 12.8% growth in labour productivity in the hotels and restaurants industry. Restaurants, cafés, canteens and catering activities contributed 37.7% or 4.82 percentage points of the labour productivity growth (12.8%) in 2006. A notable exception is evident in 2000. Most of the 1.5% growth in 2000 was as a result of this sub-sector, measured at 99.4%. (See Chart 3.1.1)

In contrast, the other five sub-sectors contributed marginally, and sometimes negatively, to the labour productivity growth in the hotels and restaurants industry. Therefore, productivity levels and growth at the industry level are not necessarily representative of the levels and growth at the sub-sector or even business level. (See Table 3.1.1 and Chart 3.1.1)

Chart 3.1.1
CONTRIBUTION TO GROWTH OF GVA PER FILLED JOB
BY SUB-SECTOR CLASSIFICATION OF THE HOTELS AND RESTAURANTS INDUSTRY
 Annual Growth Rates & Contributions in Percentage Points, 1997-2006



DIFFERENCES IN THE INDUSTRY'S LABOUR PRODUCTIVITY BY SUB-SECTOR CLASSIFICATION

I. GVA PER FILLED JOB

The dollar amount of output per filled job was lowest in the cottages sub-sector in most years. In 2006, the level of labour productivity, for instance, was \$40,021 per job filled in the cottages industry. In 2000, 2001, and 2004 however, hotels and members club recorded the lowest labour productivity level. In 2003, apartment hotels yielded the lowest level of labour productivity of \$38,979. Over the years, no particular sub-sector consistently yielded the highest level of productivity. In 2006, however, the output per job filled was highest for restaurants, cafés, canteens, and catering activities (\$64,774), which was equivalent to 25.5% increase over 2005. On the other hand, in both 2004 and 2005, apartment hotels recorded the highest output per job filled, \$93,320 and \$81,573, respectively. (See Table 3.1.2)

There have been sharp declines in the growth of output per filled job in apartment hotels and guest houses in the last few years. In 2006, there has further been a marked decline in labour productivity growth of 33% and 27.2% in these two sub-sectors, respectively. (See Table 3.1.2)

Table 3.1.2 shows that the levels of GVA per filled job in two sub-sectors (hotels and members clubs and restaurants, cafés, canteens, and catering activities) were higher in 2006 than the levels shown over the past decade; more than twice the levels recorded in 1996. In contrast, the other sub-sectors' levels of labour productivity actually declined from the levels recorded in the earlier years.

II. GVA PER HOUR WORKED

No particular trend was evident from a study of output per hour worked. Nonetheless, a look at the most recent three-year period revealed that output per hour worked was highest for apartment hotels and lowest for restaurants, cafés, canteens, and catering activities. However, despite relatively high levels of labour productivity for apartment hotels, there has actually been a decline during this period. Output per hour worked in this sub-sector declined from \$63.71 in 2004 by 14.3% in 2005 and subsequently by 27.5% in 2006. In contrast, although output per hour worked was lowest for restaurants, cafés, canteens, and catering activities, there has actually been an increase in these levels during this period. Labour productivity increased at an annual rate of 5.3% from 2004 to 2005, or from \$23.14 to \$24.36, which was then followed by a further increase by 23.4% in 2006. (See Table 3.1.3)

Table 3.1.3 shows that the levels of GVA per hour worked in two sub-sectors (hotels and members clubs and restaurants, cafés, canteens, and catering activities) were higher in 2006 than the levels shown over the past decade; more than twice the levels recorded in 1996. In contrast, the other sub-sectors' levels of labour productivity fluctuated over the period.

Table 3.1.2
GVA PER FILLED JOB FOR THE HOTELS AND RESTAURANTS INDUSTRY
 In BDA\$, Percentage Change at Annual Rate, 1996-2006

Hotels and Restaurants Sub-Sectors	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GVA Per Filled Job (BDA\$)											
Hotels and Members Clubs	30,395.41	31,984.36	42,950.42	48,935.18	51,894.56	43,579.26	53,724.30	49,957.48	46,703.89	57,719.98	62,089.43
Cottages	-	-	-	44,797.14	53,623.66	57,360.62	37,417.05	45,649.10	49,686.72	36,238.71	40,021.25
Apartment Hotels	-	-	-	55,517.90	87,588.65	83,479.68	72,171.52	38,978.82	95,319.61	81,573.35	54,629.59
Guest Houses	-	-	-	59,713.75	73,330.98	115,718.36	52,634.16	114,297.54	85,470.03	73,393.93	53,402.66
Other Short-Stay Accommodation	-	-	-	170,487.78	127,865.83	88,312.75	121,241.07	-	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	27,568.15	26,743.04	26,002.16	22,980.82	18,740.65	39,120.71	43,433.09	44,324.01	46,778.81	51,630.99	64,774.03
Bars, Nightclubs, etc.	-	-	-	181,626.89	126,257.38	126,133.23	48,882.93	70,840.96	51,314.26	51,365.77	59,729.04
Total Hotels and Restaurants Industry	35,800.15	36,443.97	44,476.53	41,087.42	41,698.17	45,471.27	48,922.10	48,269.86	48,001.81	54,095.67	61,010.50
Growth in GVA Per Filled Job (%)											
Hotels and Members Clubs	-	5.2	34.3	13.9	6.1	(16.0)	23.3	(7.0)	(6.5)	23.6	7.6
Cottages	-	-	-	-	19.7	7.0	(34.8)	22.0	8.8	(27.1)	10.4
Apartment Hotels	-	-	-	-	57.8	(4.7)	(13.6)	(46.0)	144.5	(14.4)	(33.0)
Guest Houses	-	-	-	-	22.8	57.8	(54.5)	117.2	(25.2)	(14.1)	(27.2)
Other Short-Stay Accommodation	-	-	-	-	(25.0)	(30.9)	37.3	(100.0)	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	-	-	-	-	(18.5)	108.8	11.0	2.1	5.5	10.4	25.5
Bars, Nightclubs, etc.	-	(3.0)	(2.8)	(11.6)	(30.5)	(0.1)	(61.3)	44.9	(27.6)	0.1	16.3
Total Hotels and Restaurants Industry	-	1.8	22.0	(7.6)	1.5	9.1	7.6	(1.3)	(0.6)	12.7	12.8

Note:
 GVA is in Current Basic Prices

Table 3.1.3
GVA PER HOUR WORKED FOR THE HOTELS AND RESTAURANTS INDUSTRY
 In BDA\$, Percentage Change at Annual Rate, 1996-2006

Hotels and Restaurants Sub-Sectors	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GVA Per Hour Worked (BDA\$)											
Hotels and Members Clubs	16.37	17.26	22.78	26.88	25.39	24.88	29.94	27.06	26.67	34.73	33.19
Cottages	-	-	-	23.88	31.60	29.80	19.19	23.84	27.66	20.51	22.20
Apartment Hotels	-	-	-	34.91	55.87	57.61	48.91	26.39	63.71	54.60	39.56
Guest Houses	-	-	-	39.22	40.08	71.70	31.69	71.94	55.40	45.64	33.54
Other Short-Stay Accommodation	-	-	-	89.42	578.58	42.19	55.78	-	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	14.71	14.75	13.87	12.23	10.06	20.35	21.89	23.11	23.14	24.36	30.06
Bars, Nightclubs, etc.	-	-	-	94.67	21.75	89.97	29.42	42.21	33.65	34.13	34.10
Total Hotels and Restaurants Industry	19.23	19.80	23.63	22.33	21.23	25.02	26.20	25.86	26.18	29.75	31.18
Growth in GVA Per Hour Worked (%)											
Hotels and Members Clubs	-	5.4	32.0	18.0	(5.5)	(2.0)	20.4	(9.6)	(1.5)	30.2	(4.5)
Cottages	-	-	-	-	32.3	(5.7)	(35.6)	24.2	16.1	(25.9)	8.3
Apartment Hotels	-	-	-	-	60.1	3.1	(15.1)	(46.1)	141.5	(14.3)	(27.5)
Guest Houses	-	-	-	-	2.2	78.9	(55.8)	127.0	(23.0)	(17.6)	(26.5)
Other Short-Stay Accommodation	-	-	-	-	547.1	(92.7)	32.2	(100.0)	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	-	-	-	-	(17.7)	102.2	7.6	5.6	0.1	5.3	23.4
Bars, Nightclubs, etc.	-	0.3	(5.9)	(11.9)	(77.0)	313.7	(67.3)	43.5	(20.3)	1.4	(0.1)
Total Hotels and Restaurants Industry	-	3.0	19.4	(5.5)	(4.9)	17.9	4.7	(1.3)	1.3	13.6	4.8

Note:
 GVA is in Current Basic Prices

III. UNIT LABOUR COSTS

Although labour productivity levels have increased from 2005 to 2006 in the restaurants, cafés, canteens, and catering activities, unit labour costs have actually declined. That is, in 2006, employer’s paid workers \$0.62 to generate one dollar of output as compared to \$0.74 in 2005, a decline of 17%. In addition, there has been a decline in unit labour costs in hotels and members clubs in the last two years. For each dollar of output generated by this sub-sector, the cost incurred was \$0.75 in 2005 and \$0.74 in 2006, a decline of 5% and 0.6%, respectively. In contrast, while labour productivity levels have declined in the last two years for apartment hotels and guest houses, there has been an increase in the cost of labour to generate output. For instance, in 2006, compensation for each dollar of GVA in the apartment hotels sub-sector increased from \$0.43 in 2005 to \$0.47 in 2006, an increase of 8.9%. Likewise, labour costs in the guest houses sub-sector increased from \$0.36 in 2005 to \$0.48 in 2006, a 31% increase. (See Table 3.1.4)

Table 3.1.4 shows that unit labour costs in two sub-sectors (guest houses and bars, nightclubs, etc.) were higher in 2006 than the levels shown over the past decade; approximately twice the levels recorded in 1996. In contrast, compensation for each dollar of output by restaurants, cafés, canteens, and catering activities was lowest in 2006 for the entire period under review although its labour productivity had increased. Labour cost for each dollar of output by apartment hotels in 2006, although slightly changing over the years, recorded the same level as ten years ago. (See Table 3.1.4 and Chart 3.1.2).

Chart 3.1.2
UNIT LABOUR COSTS BY SUB-SECTOR OF THE HOTELS AND RESTAURANTS INDUSTRY
 In BDA\$, 1996 and 2006



Table 3.1.4
UNIT LABOUR COSTS FOR THE HOTELS AND RESTAURANTS INDUSTRY
 In BDA\$, Percentage Change at Annual Rate, 1996-2006

Hotels and Restaurants Sub-Sectors	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Compensation Per Unit of GVA (BDA\$)											
Hotels and Members Clubs	0.71	0.72	0.65	0.66	0.65	0.66	0.71	0.73	0.78	0.75	0.74
Cottages	0.52	0.54	0.64	0.64	0.64	0.78	0.89	0.67	0.62	0.68	0.77
Apartment Hotels	0.47	0.46	0.51	0.51	0.51	0.34	0.44	0.50	0.39	0.43	0.47
Guest Houses	0.24	0.26	0.34	0.34	0.34	0.26	0.47	0.55	0.36	0.36	0.48
Other Short-Stay Accommodation	0.44	0.22	0.24	0.24	0.24	0.00	0.00	-	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	0.71	0.69	0.84	0.84	0.95	0.73	0.68	0.72	0.69	0.74	0.62
Bars, Nightclubs, etc.	0.49	0.47	0.38	0.40	0.40	0.23	0.80	0.72	0.62	0.77	0.78
Total Hotels and Restaurants Industry	0.67	0.67	0.67	0.68	0.68	0.66	0.71	0.72	0.72	0.73	0.69
Growth in Compensation Per Unit of GVA (%)											
Hotels and Members Clubs	-	1.3	(8.8)	0.9	(1.6)	1.3	7.4	2.6	7.9	(5.0)	(0.6)
Cottages	-	3.5	20.2	0.0	0.0	3.5	15.3	(25.1)	(7.6)	10.0	13.1
Apartment Hotels	-	(1.2)	11.4	0.0	0.0	(1.2)	31.9	12.1	(21.2)	9.8	8.9
Guest Houses	-	10.4	30.3	0.0	0.0	10.4	80.5	16.5	(33.6)	0.0	31.0
Other Short-Stay Accommodation	-	(51.1)	9.1	0.0	0.0	(100.0)	-	-	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	-	(2.7)	22.1	(0.8)	12.8	(2.7)	(6.4)	5.8	(4.4)	7.3	(17.0)
Bars, Nightclubs, etc.	-	(4.1)	(18.9)	3.1	1.0	(4.1)	241.8	(10.5)	(13.8)	24.7	1.0
Total Hotels and Restaurants Industry	-	0.7	(0.1)	0.7	0.6	0.7	6.6	1.5	0.5	1.8	(5.6)

Note:
 GVA is in Current Basic Prices

2. INTERNATIONAL BUSINESS ACTIVITIES

Over the years this industry has had considerable impact on the economy, contributing significantly to the economic prosperity of the country. However, a closer look at the diverse composition of this industry revealed which sub-sectors, in fact, were the driving forces of this industry. International business activities, according to the BCEA Rev. 1, comprise of 12 sub-sectors, namely:

- (1) Financial and related activity;
- (2) Insurance risk-taking activity;
- (3) Insurance brokerage activities;
- (4) Insurance management;
- (5) Insurance activities, n.e.c.
- (6) Petroleum exploration and refining;
- (7) Commodity trading activities;
- (8) Transport activities;
- (9) Communication activities;
- (10) Real estate activities of IBEs;
- (11) Business services activity; and
- (12) Business activity



The variation in GVA (in current basic prices) per filled job within this industry and across international business activities is considerable.

CONTRIBUTION OF SUB-SECTORS TO THE INDUSTRY'S PRODUCTIVITY GROWTH AND LEVELS

The yearly labour productivity growth and levels in international business activities were as a result of developments in one sub-sector. Insurance risk-taking activities was the main driver of this industry's labour productivity. For instance, in 2006, 64% of the growth in labour productivity, or 10.41 percentage points of 16.3% was attributed to insurance risk-taking activities. Its contribution to the growth rate actually increased from 61.9% in 2005 to 64% in 2006. Although its relative contribution is significant in these two years, it in fact declined from the 83.1% recorded in 2004. The contribution to labour productivity growth in the last few years is consistent with the sizeable contributions in earlier years. For instance, in 1996, insurance risk-taking activities accounted for 52.1% of the growth in labour productivity in international business activities. At the same time, much of the decline in the industry's labour productivity growth can be explained by insurance risk-taking activities, as in the case of 1999. (See Table 3.2.1 and Chart 3.2.1).

Financial and related activity was the second largest contributor to the industry's labour productivity growth. However, its contribution has declined since 1996 and only started recovering in 2002, which was then followed by a decline in 2003 and 2004. Its contribution improved again in 2005 and 2006. In 1997, financial and related activity contributed 36.5% of the 7.7% growth in labour productivity (2.83 percentage points). In 2006, however, its contribution was 17.4% of the 16.3% labour productivity growth (2.83 percentage points). (See Table 3.2.1 and Chart 3.2.1).

Table 3.2.1
CONTRIBUTION TO INTERNATIONAL BUSINESS ACTIVITIES GROWTH OF GVA PER FILLED JOB BY SUB-SECTOR CLASSIFICATION
1997-2006

International Business Activities	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Contribution Industry Productivity Growth Rate (Percentage Points)¹										
Financial & Related Activity	2.83	0.68	(1.84)	1.18	1.96	5.80	0.19	0.02	1.16	2.83
Insurance Risk-Taking Activity	4.03	1.52	(2.32)	2.06	4.87	13.39	1.47	4.48	5.50	10.41
Insurance Brokerage Activities	0.59	0.17	(0.56)	0.28	0.54	0.73	(0.01)	0.09	0.39	0.91
Insurance Management	0.10	(0.32)	(1.20)	1.18	0.76	1.54	(0.15)	0.02	0.44	0.33
Insurance Activities, n.e.c.	(0.14)	(0.44)	(0.58)	0.26	0.94	2.13	0.14	0.29	0.16	0.49
Petroleum Exploration & Refining	(0.65)	0.07	(0.05)	0.04	0.06	0.11	(0.02)	0.01	0.01	0.01
Commodity Trading Activities	(0.20)	(0.11)	(0.83)	0.30	1.61	0.79	(0.10)	0.02	0.21	0.01
Transport Activities	(0.09)	0.07	(0.43)	0.13	0.13	0.31	(0.07)	(0.15)	(0.03)	0.04
Communication Activities	0.19	(0.04)	(0.18)	0.12	0.26	0.44	0.03	0.05	0.16	0.13
Real Estate Activities of IBEs	0.01	-	(0.01)	(0.00)	(0.00)	(0.01)	0.01	0.02	0.00	0.01
Business Services Activity	0.07	(0.79)	(0.20)	0.14	0.23	1.00	0.19	(0.13)	0.27	0.12
Business Activity	0.98	0.67	0.15	0.55	0.03	1.98	0.31	0.67	0.61	0.97
Total International Business Industry (%)	7.74	1.47	(8.06)	6.24	11.41	28.21	1.99	5.39	8.89	16.27
Percentage Contribution to Industry Productivity Growth Rate										
Financial & Related Activity	36.5	46.0	22.8	18.9	17.2	20.6	9.6	0.4	13.0	17.4
Insurance Risk-Taking Activity	52.1	103.5	28.8	33.1	42.7	47.5	74.0	83.1	61.9	64.0
Insurance Brokerage Activities	7.6	11.4	6.9	4.5	4.8	2.6	(0.6)	1.7	4.4	5.6
Insurance Management	1.3	(21.9)	14.9	19.0	6.7	5.5	(7.7)	0.3	4.9	2.1
Insurance Activities, n.e.c.	(1.8)	(30.0)	7.2	4.1	8.3	7.6	6.8	5.4	1.9	3.0
Petroleum Exploration & Refining	(8.4)	4.6	0.7	0.6	0.5	0.4	(0.8)	0.2	0.2	0.1
Commodity Trading Activities	(2.6)	(7.6)	10.3	4.8	14.1	2.8	(4.9)	0.4	2.4	0.1
Transport Activities	(1.1)	4.6	5.3	2.0	1.2	1.1	(3.7)	(2.8)	(0.3)	0.3
Communication Activities	2.4	(2.4)	2.3	1.9	2.3	1.5	1.4	0.8	1.9	0.8
Real Estate Activities of IBEs	0.2	-	0.1	(0.0)	(0.0)	(0.0)	0.5	0.3	0.0	0.1
Business Services Activity	1.0	(53.6)	2.5	2.3	2.0	3.6	9.6	(2.3)	3.0	0.8
Business Activity	12.7	45.4	(1.9)	8.8	0.3	7.0	15.7	12.5	6.8	5.9
Total International Business Industry	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

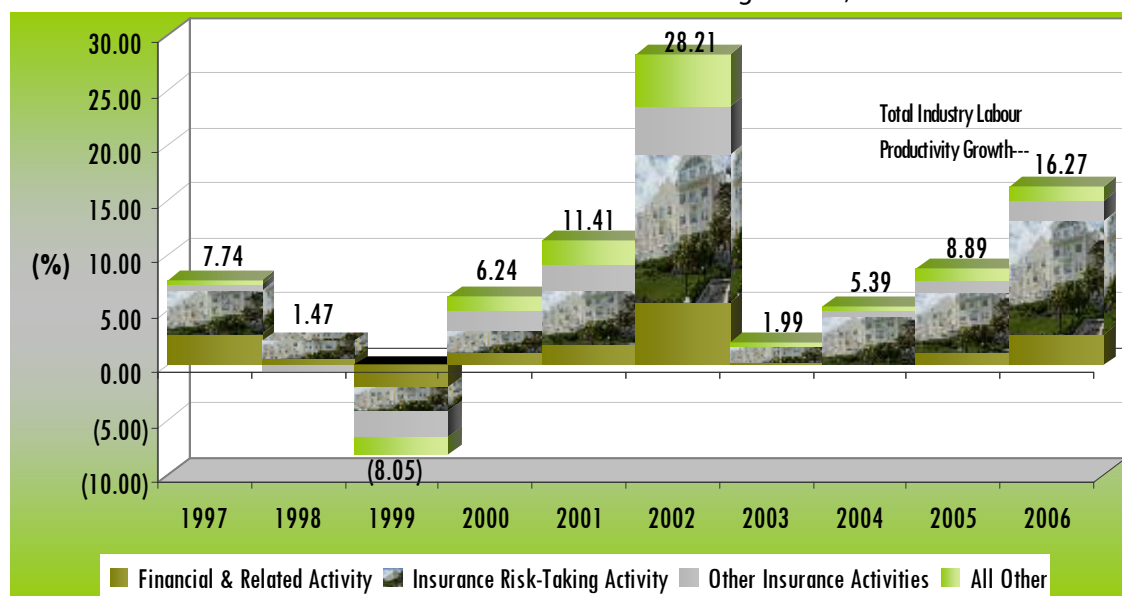
Notes:

GVA is in Current Basic Prices

¹ Since labour productivity can be calculated as the difference between the rate of growth of output or value added and the rate of growth of labour input, sub-sector contribution = (percentage share of each sub-sector in value added x industry's rate of growth of value added) less (percentage share in industry's total number of filled jobs x industry's rate of growth of total number of filled jobs).

In a number of years, other insurance activities, comprising of three sub-sectors, apart from insurance risk-taking activities, also played an important role in the growth of GVA per filled jobs. For instance, in 2002, 15.6% of the labour productivity growth was attributed to other insurance activities. In 2005 and 2006, this group of sub-sectors contributed 11.2% and 10.6%, respectively, to the growth in labour productivity. All other sub-sectors were of marginal or negative importance in explaining the growth of GVA per filled job in the international business activities industry. (See Table 3.2.1 and Chart 3.2.1).

Chart 3.2.1
CONTRIBUTION TO GROWTH OF GVA PER FILLED JOB
BY SUB-SECTOR CLASSIFICATION OF THE INTERNATIONAL BUSINESS ACTIVITIES INDUSTRY
 Annual Growth Rates & Contributions in Percentage Points, 1997-2006



DIFFERENCES IN THE INDUSTRY'S LABOUR PRODUCTIVITY BY SUB-SECTOR CLASSIFICATION

I. GVA PER FILLED JOB

Although insurance risk-taking activity contributed most to the industry's labour productivity growth, it was the business activity sub-sector which actually has the highest dollar value of GVA per filled job from 1999 to 2006. GVA per filled job in this sub-sector peaked at \$1.85M in 2006. This could be explained by the ratio of output to jobs filled. In 1996 and 1997, financial and related activity recorded the highest GVA per filled jobs. Nonetheless, GVA per filled job in insurance risk-taking activities has been increasing since 2000 and recorded a 15.8% increase in 2006. (See Table 3.2.2)

In the short term, elevated productivity can mean slower job creation. This can therefore explain the levels of GVA per job filled from 2003 to 2006. International business activities seemed to have done more with comparatively smaller increases of human resources.

Table 3.2.2
GVA PER FILLED JOB FOR THE INTERNATIONAL BUSINESS ACTIVITIES INDUSTRY
 In BDA\$, Percentage Change at Annual Rate, 1996-2006

International Business Activities	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GVA Per Filled Job (BDA\$)											
Financial & Related Activity	474,251.16	310,828.65	212,820.86	107,629.68	136,023.57	131,912.03	197,786.66	184,743.03	139,548.54	170,981.61	244,922.83
Insurance Risk-Taking Activity	192,421.17	229,012.22	231,810.49	158,385.48	147,764.84	213,615.95	259,703.21	262,643.50	337,363.43	349,875.25	405,024.29
Insurance Brokerage Activities	149,984.43	174,382.97	186,505.68	115,078.42	114,555.86	127,301.55	119,257.10	154,918.32	157,769.98	182,444.35	244,433.56
Insurance Management	76,379.35	91,557.70	104,483.85	166,261.42	175,649.27	92,529.88	117,615.01	122,223.74	140,429.23	158,870.65	132,680.61
Insurance Activities, n.e.c.	77,432.48	78,624.14	62,470.86	98,179.98	119,315.03	229,868.23	339,648.10	271,657.59	283,783.09	172,976.24	204,254.88
Petroleum Exploration & Refining	22,851.87	19,464.92	-	141,321.23	141,321.23	133,660.92	142,181.07	104,814.90	165,249.30	128,528.45	110,379.35
Commodity Trading Activities	31,153.04	22,148.77	105,047.19	89,734.95	95,771.32	267,108.74	115,083.08	113,087.57	146,181.72	170,145.95	95,885.23
Transport Activities	101,893.34	58,305.43	177,317.65	77,446.89	78,868.75	64,293.21	94,367.54	102,895.76	65,615.40	55,776.30	127,771.04
Communication Activities	-	-	98,926.09	131,122.85	145,464.41	228,557.60	245,949.88	256,689.30	241,719.53	599,744.16	398,051.87
Real Estate Activities of IBEs	-	-	-	-	-	-	5,685.95	489,374.00	508,935.67	153,721.56	332,308.53
Business Services Activity	-	-	28,590.28	138,316.30	181,398.42	137,715.24	277,452.01	454,728.18	109,834.16	149,017.71	115,098.74
Business Activity	131,528.90	146,182.77	-	779,270.21	863,501.41	67,903.31	1,360,515.12	1,137,333.78	1,681,492.86	1,560,838.78	1,849,043.21
Total International Business Industry	139,669.65	150,480.77	152,686.88	140,378.42	149,142.77	166,162.62	213,032.57	217,268.74	228,987.16	249,346.38	289,920.39
Growth in GVA Per Filled Job (%)											
Financial & Related Activity	-	(34.5)	(31.5)	(49.4)	26.4	(3.0)	49.9	(6.6)	(24.5)	22.5	43.3
Insurance Risk-Taking Activity	-	19.0	1.2	(31.7)	(6.7)	44.6	21.6	1.1	28.5	3.7	15.8
Insurance Brokerage Activities	-	16.3	7.0	(38.3)	(0.5)	11.1	(6.3)	29.9	1.8	15.6	34.0
Insurance Management	-	19.9	14.1	59.1	5.7	(47.3)	27.1	3.9	14.9	13.1	(16.5)
Insurance Activities, n.e.c.	-	1.5	(20.5)	57.2	21.5	92.7	47.8	(20.0)	4.5	(39.1)	18.1
Petroleum Exploration & Refining	-	(14.8)	-	-	-	(5.4)	6.4	(26.3)	57.7	(22.2)	(14.1)
Commodity Trading Activities	-	(28.9)	374.3	(14.6)	6.7	178.9	(56.9)	(1.7)	29.3	16.4	(43.7)
Transport Activities	-	(42.8)	204.1	(56.3)	1.8	(18.5)	46.8	9.0	(36.2)	(15.0)	129.1
Communication Activities	-	-	-	32.6	10.9	57.1	7.6	4.4	(5.8)	148.1	(33.6)
Real Estate Activities of IBEs	-	-	-	-	-	-	-	8506.7	4.0	(69.8)	116.2
Business Services Activity	-	-	-	383.8	31.2	(24.1)	101.5	63.9	(75.9)	35.7	(22.8)
Business Activity	-	11.1	-	-	10.8	(92.1)	1903.6	(16.4)	47.9	(7.2)	18.5
Total International Business Industry	-	7.7	1.5	(8.1)	6.2	11.4	28.2	2.0	5.4	8.9	16.3

Notes:
 GVA is in Current Basic Prices

II. GVA PER HOUR WORKED

The business activity sub-sector was leading the way from 2002 in terms of the amount an employee produces for every hour on the job. In 2004, GVA per hour worked was highest (\$1000.09) in this sub-sector when compared with all others in any given year. Labour productivity in Insurance risk-taking activities seemed consistent from 2001, increasing steadily. In 2006, output per hour worked in this sub-sector was \$233.52, an increase of 17.1%. Output per hour worked in the financial and related activity sub-sector increased by 37.8% or from \$96.26 in 2005 to \$132.71. (See Table 3.2.3).

III. UNIT LABOUR COSTS

A striking observation made from Chart 3.1.2 is that unit labour costs seemed to have remained about the same over the years. In other words, compensation in 2006 seemed to be unchanged from ten years ago. In a few sub-sectors' the reward for each dollar of output in 2006 has actually declined from 1996. For instance, compensation for each dollar of output in business activity was \$0.13 in 2006 as compared to \$0.45 in 1996. (See Table 3.2.4)

Chart 3.2.2
UNIT LABOUR COSTS BY SUB-SECTOR OF THE INTERNATIONAL BUSINESS ACTIVITIES INDUSTRY
 In BDA\$, 1996 and 2006

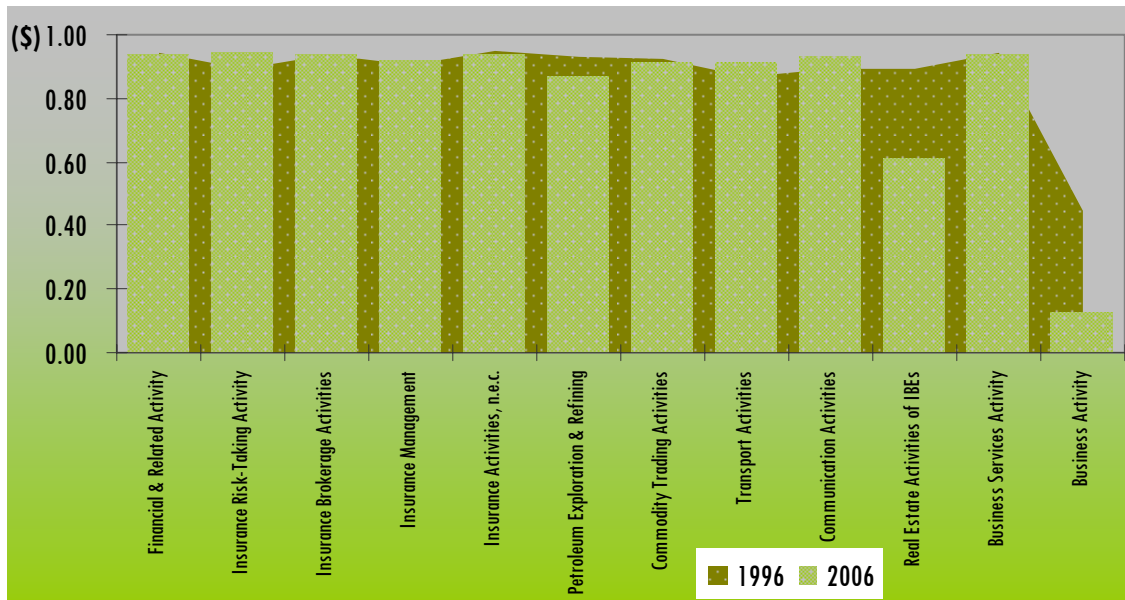


Table 3.2.3
GVA PER HOUR WORKED FOR THE INTERNATIONAL BUSINESS ACTIVITIES INDUSTRY
 In BDA\$, Percentage Change at Annual Rate, 1996-2006

International Business Activities	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GVA Per Hour Worked (BDA\$)											
Financial & Related Activity	266.14	172.16	113.30	60.20	67.62	75.45	111.62	94.26	77.95	96.29	132.71
Insurance Risk-Taking Activity	102.71	128.85	131.39	91.68	88.98	129.55	153.72	175.35	198.95	199.40	233.52
Insurance Brokerage Activities	85.34	104.51	122.47	66.96	62.76	78.13	69.91	82.24	92.38	100.94	133.31
Insurance Management	43.18	51.57	62.39	100.26	105.97	57.67	72.91	73.48	88.06	97.85	82.22
Insurance Activities, n.e.c.	46.26	47.16	37.72	55.15	65.68	140.37	205.17	147.54	181.87	104.33	114.92
Petroleum Exploration & Refining	12.48	10.08	-	85.54	88.58	83.78	97.38	98.49	100.42	71.46	66.67
Commodity Trading Activities	17.29	13.61	51.22	43.23	44.17	147.12	56.01	65.37	81.68	91.31	52.47
Transport Activities	53.47	26.46	110.16	40.23	36.71	31.56	46.28	53.10	32.86	31.47	67.17
Communication Activities	-	-	37.20	58.62	66.31	135.60	120.60	149.59	132.94	322.79	209.72
Real Estate Activities of IBEs	-	-	-	-	-	-	3.31	285.18	296.58	89.58	193.65
Business Services Activity	-	-	17.28	83.48	66.50	69.23	138.57	86.20	72.89	91.45	67.95
Business Activity	79.67	85.98	-	434.38	597.81	49.85	867.46	903.79	1,000.09	926.09	980.47
Total International Business Industry	78.74	85.08	86.84	78.93	81.02	97.72	121.89	123.75	134.43	142.99	164.52
Growth in GVA Per Hour Worked (%)											
Financial & Related Activity	-	(35.3)	(34.2)	(46.9)	12.3	11.6	48.0	(15.6)	(17.3)	23.5	37.8
Insurance Risk-Taking Activity	-	25.4	2.0	(30.2)	(2.9)	45.6	18.7	14.1	13.5	0.2	17.1
Insurance Brokerage Activities	-	22.5	17.2	(45.3)	(6.3)	24.5	(10.5)	17.6	12.3	9.3	32.1
Insurance Management	-	19.4	21.0	60.7	5.7	(45.6)	26.4	0.8	19.9	11.1	(16.0)
Insurance Activities, n.e.c.	-	2.0	(20.0)	46.2	19.1	113.7	46.2	(28.1)	23.3	(42.6)	10.2
Petroleum Exploration & Refining	-	(19.2)	-	-	3.6	(5.4)	16.2	1.1	2.0	(28.9)	(6.7)
Commodity Trading Activities	-	(21.3)	276.3	(15.6)	2.2	233.0	(61.9)	16.7	24.9	11.8	(42.5)
Transport Activities	-	(50.5)	316.4	(63.5)	(8.8)	(14.0)	46.7	14.7	(38.1)	(4.2)	113.4
Communication Activities	-	-	-	57.6	13.1	104.5	(11.1)	24.0	(11.1)	142.8	(35.0)
Real Estate Activities of IBEs	-	-	-	-	-	-	-	8506.7	4.0	(69.8)	116.2
Business Services Activity	-	-	-	383.0	(20.3)	4.1	100.2	(37.8)	(15.4)	25.5	(25.7)
Business Activity	-	7.9	-	-	37.6	(91.7)	1640.1	4.2	10.7	(7.4)	5.9
Total International Business Industry	-	8.1	2.1	(9.1)	2.6	20.6	24.7	1.5	8.6	6.4	15.1

Notes:
 GVA is in Current Basic Prices

Table 3.2.4
UNIT LABOUR COSTS FOR THE INTERNATIONAL BUSINESS ACTIVITIES INDUSTRY
 In BDA\$, Percentage Change at Annual Rate, 1996-2006

International Business Activities	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Compensation Per Unit of GVA (BDA\$)											
Financial & Related Activity	0.94	0.94	0.92	0.92	0.72	0.90	0.93	0.92	0.91	0.91	0.94
Insurance Risk-Taking Activity	0.90	0.91	0.87	0.94	0.94	0.91	0.91	0.92	0.93	0.94	0.94
Insurance Brokerage Activities	0.94	0.93	0.91	0.91	0.91	0.92	0.92	0.94	0.91	0.92	0.94
Insurance Management	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.92	0.92	0.92
Insurance Activities, n.e.c.	0.95	0.95	0.91	0.91	0.91	0.93	0.94	0.94	0.94	0.91	0.93
Petroleum Exploration & Refining	0.93	0.91	0.90	0.90	0.90	0.88	0.92	0.90	0.88	0.90	0.87
Commodity Trading Activities	0.93	0.89	0.95	0.95	0.95	0.95	0.92	0.91	0.89	0.94	0.91
Transport Activities	0.87	0.87	0.79	0.89	0.89	0.90	0.87	0.90	0.89	0.86	0.91
Communication Activities	0.89	0.89	0.91	0.92	0.92	0.84	0.95	0.94	0.91	0.91	0.93
Real Estate Activities of IBEs	0.89	0.88	-	-	-	-	0.83	0.50	0.71	0.91	0.61
Business Services Activity	0.94	0.94	0.89	0.89	0.89	0.86	0.91	0.92	0.94	0.93	0.93
Business Activity	0.45	0.45	0.04	0.06	0.06	0.90	0.09	0.06	0.04	0.05	0.13
Total International Business Industry	0.85	0.86	0.83	0.86	0.82	0.91	0.87	0.88	0.88	0.88	0.90
Growth in Compensation Per Unit of GVA (%)											
Financial & Related Activity	-	0.1	(2.9)	0.1	(21.9)	26.3	2.8	(1.3)	(0.9)	0.5	2.5
Insurance Risk-Taking Activity	-	2.0	(4.8)	8.4	0.2	(3.3)	(0.9)	1.5	1.4	0.5	0.9
Insurance Brokerage Activities	-	(0.3)	(2.7)	0.6	(0.1)	0.5	0.4	1.4	(2.5)	0.7	1.9
Insurance Management	-	0.8	(0.1)	0.1	(0.2)	(0.4)	0.5	(0.5)	0.9	0.5	(0.5)
Insurance Activities, n.e.c.	-	(0.3)	(4.1)	0.1	0.1	2.2	1.5	0.1	(0.8)	(2.6)	2.5
Petroleum Exploration & Refining	-	(2.5)	(0.7)	-	-	(2.1)	4.6	(3.1)	(2.0)	2.3	(3.0)
Commodity Trading Activities	-	(3.7)	6.5	-	-	(0.4)	(2.7)	(1.0)	(2.0)	4.7	(2.3)
Transport Activities	-	0.2	(9.9)	12.7	0.0	1.6	(3.3)	3.7	(1.2)	(3.1)	5.1
Communication Activities	-	0.3	2.2	0.2	-	(8.1)	12.4	(0.3)	(3.0)	(0.8)	2.3
Real Estate Activities of IBEs	-	(1.0)	-	-	-	-	-	(39.4)	39.8	29.0	(33.2)
Business Services Activity	-	(0.3)	(5.2)	-	-	(4.0)	6.9	0.6	1.9	(0.7)	0.5
Business Activity	-	0.5	(90.6)	51.9	(5.3)	1365.0	(90.1)	(30.1)	(43.2)	44.1	149.3
Total International Business Industry	-	0.9	(3.3)	3.4	(5.0)	11.7	(4.8)	0.8	(0.1)	0.9	2.3

Notes:
 GVA is in Current Basic Prices



*Labour Productivity
Tables & Charts*



National Economy

Table I-1
GDP PER FILLED JOB AND GDP PER HOUR WORKED
1996-2006

VARIABLES	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Output											
GDP (BDA\$M)*	2,714.14	2,840.04	2,951.33	3,051.16	3,140.84	3,201.13	3,356.06	3,453.22	3,578.36	3,769.27	3,970.99
GDP Index ³ (1996 = 100)	100.00	104.64	108.74	112.42	115.72	117.94	123.65	127.23	131.84	138.87	146.31
GDP Annual Growth Rate ⁴ (%)		4.64	3.92	3.38	2.94	1.92	4.84	2.90	3.62	5.33	5.35
Labour Input											
Average Annual Hours Worked Corresponding to Employment ^{5**}	1,732.80	1,726.75	1,729.70	1,713.80	1,771.30	1,667.70	1,701.98	1,719.32	1,692.68	1,727.46	1,775.55
Total Employment (Number of Jobs Filled) ^{***}	34,633	35,296	35,323	37,849	38,017	37,597	37,815	37,686	38,363	38,947	39,686
Total Employment (Number of Jobs Filled) Index ⁶	100.00	101.91	101.99	109.29	109.77	108.56	109.19	108.82	110.77	112.46	114.59
Annual Growth Rate of Total Employment (Number of Jobs Filled) ⁷		1.91	0.08	7.15	0.44	(1.10)	0.58	(0.34)	1.80	1.52	1.90
Total Annual Hours Worked for Total Employment ⁸ (Millions)	60.01	60.95	61.10	64.87	67.34	62.70	64.36	64.79	64.94	67.28	70.46
Total Annual Hours Index ⁹ (1996 = 100)	100.00	101.56	101.81	108.09	112.21	104.48	107.25	107.97	108.21	112.11	117.42
Annual Growth Rate of Total Hours Worked for Total Employment ¹⁰ (%)		1.56	0.25	6.17	3.81	-6.89	2.65	0.67	0.22	3.61	4.73
GDP Per Filled Job ¹¹ (BDA\$)	78,369	80,463	83,553	80,614	82,617	85,143	88,749	91,631	93,276	96,779	100,060
GDP Per Filled Job Index ¹² (1996 = 100)	100.00	102.67	106.61	102.87	105.42	108.64	113.25	116.92	119.02	123.49	127.68
Annual Growth Rate of GDP Per Filled Job ¹³ (%)		2.67	3.84	(3.52)	2.48	3.06	4.24	3.25	1.80	3.76	3.39
GDP Per Hour Worked ¹⁴ (Labour Productivity) (BDA\$)	45.23	46.60	48.30	47.04	46.64	51.05	52.14	53.30	55.11	56.02	56.35
GDP Per Hour Worked Index ¹⁵ (1996 = 100)	100.00	103.03	106.81	104.01	103.13	112.89	115.30	117.84	121.84	123.87	124.60
Annual Growth Rate of GDP Per Hour Worked ¹⁶ (%)		3.03	3.66	(2.62)	(0.84)	9.46	2.14	2.21	3.40	1.67	0.59

Notes:

¹ All References to Gross Domestic Product (GDP) Refers to GDP Data in Constant 1996 Market Prices

² All references to "Hours Worked" refer to *Actual Hours Worked*

³ GDP Index = [Current Year GDP / Base Year (1996 = 100) GDP] x 100

⁴ GDP Annual Growth Rate = [(Current Year GDP / Previous Year GDP) - 1] x 100 or [(Current Year GDP Index / Previous Year GDP Index) - 1] x 100

⁵ Average Annual Hours Worked for All Job Holders = Average Weekly Hours Worked x 52 Weeks where Average Weekly Hours Worked = Total Weekly Hours Worked / Total Filled Positions

⁶ Total Employment Index = [Current Year Total Number of Jobs Filled / Base Year (1996 = 100) Total Number of Jobs Filled] x 100

⁷ Annual Growth Rate of Total Employment = [(Current Year Total Employment / Previous Year Total Employment) - 1] x 100 or [(Current Year Total Employment Index / Previous Year Total Employment Index) - 1] x 100

⁸ Total Annual Hours Worked for Total Employment = (Total Employment x Average Annual Hours Worked Per Job) or (Total Weekly Hours Worked * 52 Weeks)

⁹ Total Annual Hours Index = [Current Year Total Annual Hours Worked for Total Employment / Base Year (1996 = 100) Total Annual Hours Worked for Total Employment] x 100

¹⁰ Annual Growth Rate of Total Hours Worked for Total Employment = [(Current Year Total Hours Worked for Total Employment / Previous Year Total Hours Worked for Total Employment) - 1] x 100 or [(Current Year Total Annual Hours Index / Previous Year Total Annual Hours Index) - 1] x 100

¹¹ GDP Per Filled Job = GDP in Constant 1996 Market Prices / Total Number of Filled Jobs

¹² GDP Per Filled Job Index = [Current Year GDP Per Filled Job / Base Year (1996 = 100) GDP Per Filled Job] x 100

¹³ Annual Growth Rate of GDP Per Filled Job = [(Current Year GDP Per Filled Job / Previous Year GDP Per Filled Job) - 1] x 100 or [(Current Year GDP Per Filled Job Index / Previous Year GDP Per Filled Job Index) - 1] x 100

¹⁴ GDP Per Hour Worked = GDP in Constant 1996 Market Prices / Total Hours Worked for Total Employment

¹⁵ GDP Per Hour Worked Index = [Current Year GDP Per Hour Worked / Base Year (1996 = 100) GDP Per Hour Worked] x 100 or (GDP Index / Total Annual Hours Index) x 100

¹⁶ Annual Growth Rate of GDP Per Hour Worked = [(Current Year GDP Per Hour Worked / Previous Year GDP Per Hour Worked) - 1] x 100 or [(Current Year GDP Per Hour Worked Index / Previous Year GDP Per Hour Worked Index) - 1] x 100

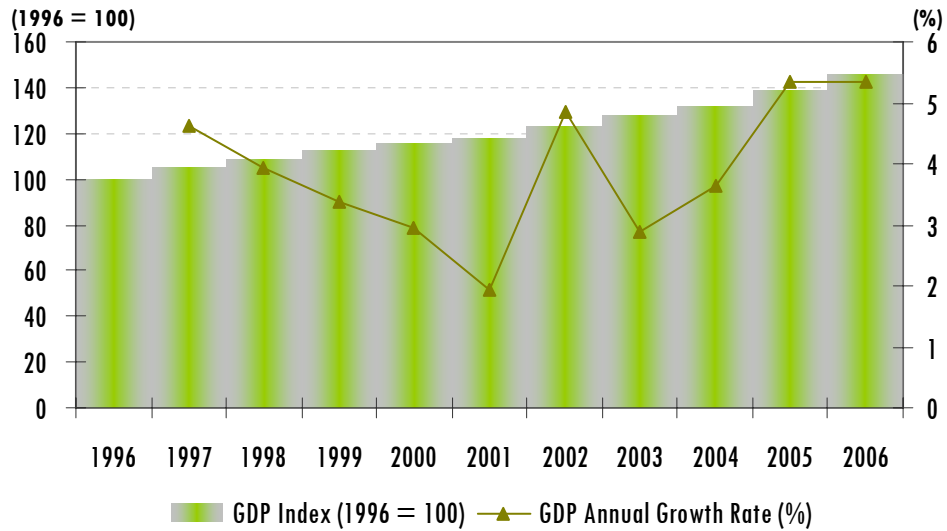
Sources of Data:

* Bermuda Gross Domestic Product by Industry, 2006 Highlights - Press Release

** Labour Market Indicators (LMI) Fact Sheet on the Labour Market Indicators 2003-2005, August 2006; Annual Employment Survey Database

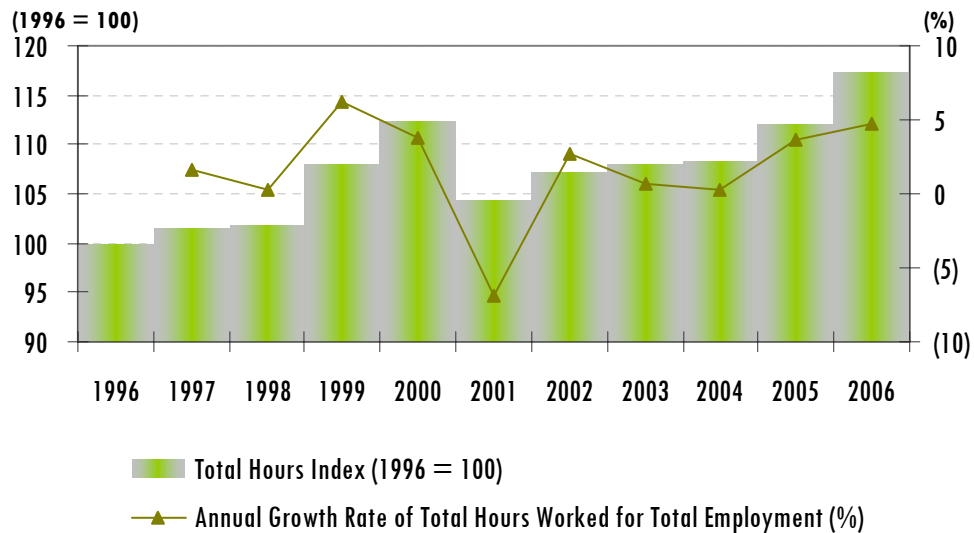
*** Annual (June) The Bermuda Job Marker: Employment Briefs; Annual Employment Survey Database

Chart I-1
GDP (CONSTANT 1996 MARKET PRICES) INDEX & ANNUAL GROWTH RATE
 Total Economy, (1996 = 100), Percentage Change at Annual Rate, 1996-2006



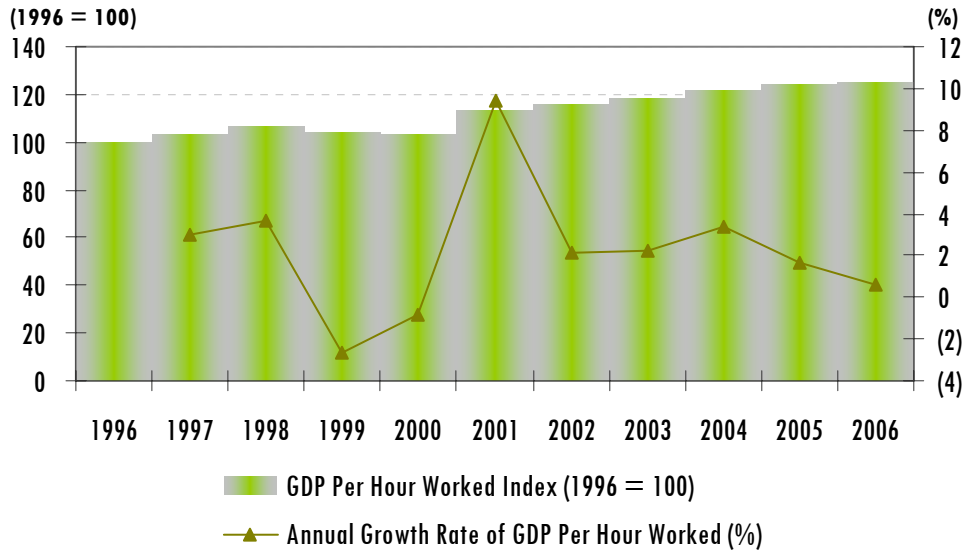
Source: Table I-1

Chart I-2
TOTAL HOURS INDEX & ANNUAL GROWTH RATE OF TOTAL HOURS WORKED FOR TOTAL EMPLOYMENT
 Total Economy, (1996 = 100), Percentage Change at Annual Rate, 1996-2006



Source: Table I-1

Chart I-3
GDP PER HOUR WORKED INDEX & ANNUAL GROWTH RATE OF GDP PER HOUR WORKED
 Total Economy, (1996 = 100), Percentage Change at Annual Rate, 1996-2006



Source: Table I-1

Chart I-4
GDP PER FILLED JOB INDEX AND ANNUAL GROWTH RATE OF GDP PER FILLED JOB
 Total Economy, (1996 = 100), Percentage Change at Annual Rate, 1996-2006



Source: Table I-1

Table I-2
BERMUDA'S GDP PER HOUR WORKED
RELATIVE TO SELECTED COUNTRIES AND MAIN COUNTRY GROUPINGS
 Total Economy, in US\$, 2004 & 2005

COUNTRIES	2004	2005
Mexico	13.50	14.23
New Zealand	26.40	27.98
Japan	32.50	34.37
Canada	35.20	38.50
Australia	34.70	40.09
United Kingdom (UK)	39.60	40.12
United States of America (USA)	46.30	48.32
Bermuda (BDA\$)	55.11	56.02
Norway	56.60	63.48
Luxembourg	55.90	64.69

MAIN COUNTRY GROUPINGS	2004	2005
OECD	34.70	36.42
EU-19 ²	37.00	38.38
OECD-Europe ³	37.20	38.62
North America	38.30	40.10
Euro-Zone ⁴	40.20	41.90
G7	41.40	43.33

Notes:

¹ GDP Data is in Constant 1996 Market Prices

² Excluding Turkey

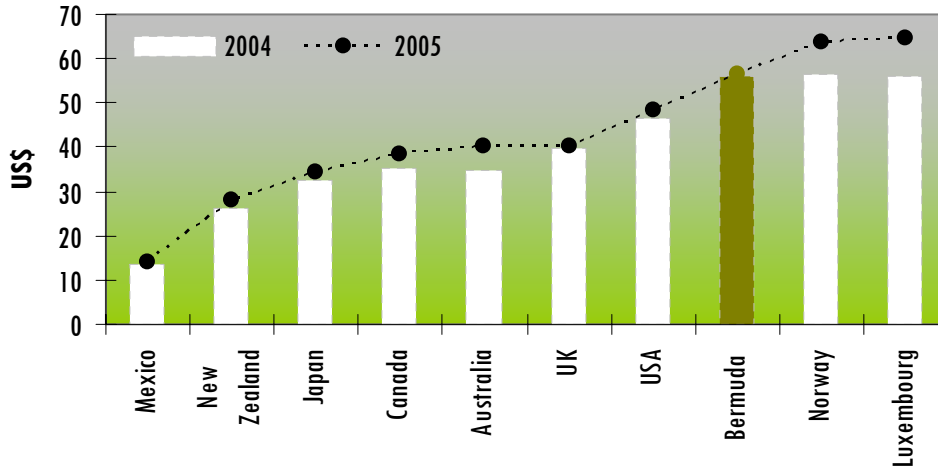
³ All EU members that are also OECD member countries

⁴ Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain

Sources of Data:

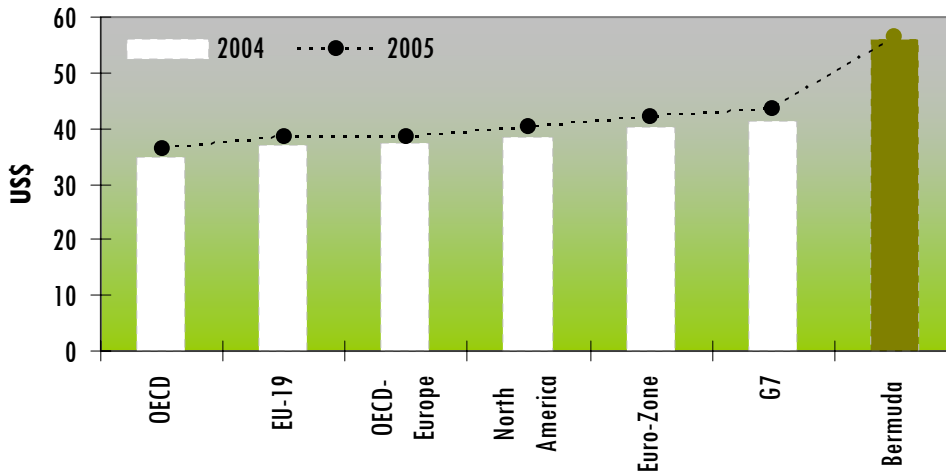
OECD Productivity Database, September 2005, 2006.

Chart I-5
BERMUDA'S GDP (CONSTANT 1996 MARKET PRICES)
PER HOUR WORKED RELATIVE TO SELECTED COUNTRIES
 Total Economy, in US\$, 2004 and 2005



Source: Table I-2

Chart I-6
BERMUDA'S GDP (CONSTANT 1996 MARKET PRICES) PER HOUR WORKED
RELATIVE TO SELECTED GROUPS OF COUNTRIES
 Total Economy, in US\$, 2004 and 2005



Source: Table I-2

Table I-3
GROWTH IN GDP PER CAPITA – THE CONTRIBUTION OF PRODUCTIVITY AND LABOUR UTILIZATION
1996-2006

VARIABLES	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Population ^{1*}	60,317	60,678	61,210	61,360	62,131	62,455	62,754	63,042	63,320	63,571	63,797
GDP (BDA\$M)	2,714.14	2,932.83	3,130.75	3,324.43	3,507.86	3,660.79	3,919.85	4,168.84	4,464.58	4,852.87	5,354.79
Total Annual Hours Worked ² (Millions)***	60.01	60.95	61.10	64.87	67.34	62.70	64.36	64.79	64.94	67.28	70.46
GDP Per Head of Population ³ (BDA\$)**	44,998	48,334	51,148	54,179	56,459	58,615	62,464	66,128	70,508	76,338	83,935
Growth in GDP Per Capita ⁴ (%)		7.41	5.82	5.93	4.21	3.82	6.57	5.87	6.62	8.27	9.95
GDP Per Hour Worked ⁵ (Labour Productivity) (BDA\$)	45.23	48.12	51.24	51.25	52.09	58.39	60.90	64.34	68.75	72.13	75.99
Growth in GDP Per Hour Worked ⁶ (Labour Productivity) (%)		6.40	6.48	0.02	1.64	12.08	4.32	5.64	6.86	4.91	5.35
Total Annual Hours Worked Per Head of Population ⁷ (Labour Utilization)	994.95	1,004.44	998.17	1,057.13	1,083.83	1,003.93	1,025.60	1,027.80	1,025.53	1,058.33	1,104.51
Growth in Total Annual Hours Worked Per Capita ⁸ (Labour Utilization) (%)		0.95	(0.62)	5.90	2.53	(7.37)	2.16	0.21	(0.22)	3.20	4.36

Notes:

Growth in GDP per Capita = Growth in GDP per Hour Worked or the Effect of Labour Utilization or Labour Productivity + Total Hours Worked Per Capita or Growth in Labour Utilization

All References to "Hours Worked" Refer to Actual Hours Worked

GDP in Current Market Prices

¹ Estimates except for 2000 which is from Population Census 2000

² GDP Per Head of Population = GDP in Current Market Prices / Population

³ Growth in GDP Per Capita = $\left(\frac{\text{Current Year GDP Per Head of Population}}{\text{Previous Year GDP Per Head of Population}} - 1\right) \times 100$

⁴ GDP Per Hour Worked = GDP in Current Market Prices / Total Annual Hours Worked for Total Employment

⁵ Growth in GDP Per Hour Worked = $\left(\frac{\text{Current Year GDP Per Hour Worked}}{\text{Previous Year GDP Per Hour Worked}} - 1\right) \times 100$

⁶ Total Annual Hours Worked = (Total Weekly Hours Worked x 52)

⁷ Total Annual Hours Worked per Head of Population = Total Annual Hours Worked / Population

⁸ Growth in Total Annual Hours Worked Per Capita = $\left(\frac{\text{Current Year Total Annual Hours Worked Per Capita}}{\text{Previous Year Total Annual Hours Worked Per Capita}} - 1\right) \times 100$

Sources of Data:

^{*} Department of Statistics Population. Estimates, except for the year 2000 which is from the 2000 Population Census

^{**} Bermuda Gross Domestic Product by Industry, 2006 Highlights - Press Release

^{***} Labour Market Indicators (LMI) Fact Sheet on the Labour Market Indicators 2003-2005, August 2006; 2003-2006, August 2007; Annual Employment Survey Database



Industry Level

Table II-1
EMPLOYMENT, GROSS VALUE ADDED, AND LABOUR PRODUCTIVITY BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1996-2006

Major Industrial Classification of Economic Activity	Gross Value Added (GVA) in Constant (1996) Basic Prices (BDA\$'000)*	Average Annual Hours Worked Corresponding to Employment**	Total Employment (Number of Jobs)***	Total Annual Hours Worked for Total Employment ('000)	GVA Per Hour Worked ¹ (BDA\$)	GVA Per Filled Job ² (BDA\$)
1996						
TOTAL ECONOMY	2,572,108 ³	1,732.80	34,633	60,012	42.86	74,268
Agriculture, Forestry, and Fishing ³	20,619	1,570.74	392	616	33.49	52,599
Industries ⁴	289,481	1,912.39	3,399	6,500	44.53	85,167
Services ⁵	2,366,868	1,715.07	30,842	52,896	44.75	76,742
1997						
TOTAL ECONOMY	2,693,993 ³	1,726.75	35,296	60,947	44.20	76,326
Agriculture, Forestry, and Fishing	22,831	1,579.76	400	632	36.13	57,078
Industries	296,781	1,909.63	3,560	6,798	43.66	83,365
Services	2,507,160	1,707.85	31,336	53,517	46.85	80,009
1998						
TOTAL ECONOMY	2,798,723 ³	1,729.70	35,323	61,098	45.81	79,232
Agriculture, Forestry, and Fishing	24,626	1,240.65	446	553	44.50	55,215
Industries	263,342	1,939.05	3,670	7,116	37.01	71,755
Services	2,655,952	1,712.28	31,207	53,435	49.70	85,108
1999						
TOTAL ECONOMY	2,882,535 ³	1,713.80	37,849	64,866	44.44	76,159
Agriculture, Forestry, and Fishing	26,049	1,661.40	561	932	27.95	46,433
Industries	345,214	1,875.87	4,187	7,854	43.95	82,449
Services	2,670,976	1,694.19	33,101	56,079	47.63	80,692

Table II-1 cont'd
EMPLOYMENT, GROSS VALUE ADDED, AND LABOUR PRODUCTIVITY BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1996-2006

Major Industrial Classification of Economic Activity	Gross Value Added (GVA) in Constant (1996) Basic Prices (BDA\$'000)*	Average Annual Hours Worked Corresponding to Employment**	Total Employment (Number of Jobs)***	Total Annual Hours Worked for Total Employment ('000)	GVA Per Hour Worked (BDA\$)	GVA Per Filled Job (BDA\$)
2000						
TOTAL ECONOMY	2,966,693 ³	1,771.30	38,017	67,340	44.06	78,036
Agriculture, Forestry, and Fishing	26,505	1,301.02	559	727	36.44	47,415
Industries	350,233	1,404.85	4,327	6,079	57.62	80,941
Services	2,747,906	1,318.59	33,131	43,686	62.90	82,941
2001						
TOTAL ECONOMY	3,029,093 ³	1,667.70	37,597	62,701	48.31	80,567
Agriculture, Forestry, and Fishing	26,016	1,617.81	609	985	26.41	42,719
Industries	335,319	1,929.62	4,394	8,479	39.55	76,313
Services	2,871,449	1,633.33	32,594	53,237	53.94	88,097
2002						
TOTAL ECONOMY	3,182,853 ³	1,701.98	37,815	64,360	49.45	84,169
Agriculture, Forestry, and Fishing	28,169	1,693.63	644	1,091	25.83	43,741
Industries	330,041	1,940.40	4,440	8,615	38.31	74,334
Services	3,020,144	1,669.80	32,731	54,654	55.26	92,272
2003						
TOTAL ECONOMY	3,275,715 ³	1,719.32	37,686	64,794	50.56	86,921
Agriculture, Forestry, and Fishing	30,011	1,528.83	634	969	30.96	47,336
Industries	338,967	1,632.89	4,431	7,235	46.85	76,499
Services	3,081,667	1,627.68	32,621	53,096	58.04	94,469

Table II-1 cont'd
EMPLOYMENT, GROSS VALUE ADDED, AND LABOUR PRODUCTIVITY BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 1996-2006

Major Industrial Classification of Economic Activity	Gross Value Added (GVA) in Constant (1996) Basic Prices (BDA\$'000)*	Average Annual Hours Worked Corresponding to Employment**	Total Employment (Number of Jobs)***	Total Annual Hours Worked for Total Employment ('000)	GVA Per Hour Worked (BDA\$)	GVA Per Filled Job (BDA\$)
2004						
TOTAL ECONOMY	3,388,573 ³	1,692.68	38,363	64,936	52.18	88,329
Agriculture, Forestry, and Fishing	32,035	1,802.91	645	1,163	27.55	49,667
Industries	356,219	1,887.53	4,653	8,783	40.56	76,557
Services	3,208,089	1,663.11	33,065	54,991	58.34	97,024
2005						
TOTAL ECONOMY	3,570,985 ³	1,727.46	38,947	67,279	53.08	91,688
Agriculture, Forestry, and Fishing	32,440	1,791.78	643	1,152	28.16	50,451
Industries	388,345	1,947.48	4,893	9,529	40.75	79,367
Services	3,431,544	1,694.00	33,411	56,598	60.63	102,707
2006						
TOTAL ECONOMY	3,773,414 ³	1,775.55	39,686	70,465	53.55	95,082
Agriculture, Forestry, and Fishing	34,845	1,901.97	687	1,307	26.67	50,721
Industries	376,510	1,981.09	4,995	9,896	38.05	75,377
Services	3,721,782	1,742.80	34,004	59,262	62.80	109,451

Notes:

All References to "Hours Worked" Refer to *Actual Hours Worked*

¹ GVA Per Hour Worked = Gross Value Added (GVA) of the Sector / Total Hours Worked for Total Sector Employment

² GVA Per Filled Job = Gross Value Added (GVA) of the Sector / Total Filled Jobs for the Sector

³ Excluding Financial Services Indirectly Measured (FISIM) or Imputed Service Charges

⁴ Agriculture = See BCEA Rev. 1 01 or P01 in Appendix II

⁵ Industry = See BCEA Rev. 1 02 + 03 + 04 + 05 in Appendix II

⁶ Services = See BCEA Rev. 1 06 + 07 + 08 + 09 + 10 + 11 + 12 + 13 + 14 + 15 in Appendix II

Sources of Data:

^{*} Bermuda Gross Domestic Product by Industry, 2006 Highlights - Press Release

^{**} Labour Market Indicators (LMI) Fact Sheet on the Labour Market Indicators 2003-2005, August 2006; 2003-2006, August 2007; Annual Employment Survey Database

^{***} Annual (June) The Bermuda Job Marker: Employment Briefs; Annual Employment Survey Database

Table II-2
CONTRIBUTION TO OVERALL GROWTH OF GVA PER HOUR WORKED
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1997-2006

Major Classification	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Contribution to Overall Growth Rates (Percentage Points)¹										
Agriculture, Forestry, & Fishing	0.02	0.03	(0.06)	(0.03)	0.14	0.00	0.01	0.03	(0.02)	(0.04)
Industries	0.32	0.32	(0.39)	(0.15)	1.24	0.13	0.19	0.31	0.02	(0.15)
Services	2.79	3.28	(2.54)	(0.69)	8.28	2.24	2.02	2.88	1.71	1.09
Total Economy (%)	3.13	3.63	(2.99)	(0.86)	9.66	2.37	2.23	3.22	1.71	0.89
Percentage Contribution to Overall Growth Rates										
Agriculture, Forestry, & Fishing	0.7	0.8	2.0	3.3	1.4	(0.2)	0.6	0.8	(1.0)	(4.6)
Industries	10.2	8.8	13.0	17.1	12.8	5.6	8.7	9.7	1.3	(17.3)
Services	89.2	90.4	85.0	79.6	85.8	94.5	90.6	89.5	99.7	121.9
Total Economy	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

GVA is in Constant 1996 Basic Prices

¹ Since labour productivity can be calculated as the difference between the rate of growth of output or value added and the rate of growth of labour input, sector contribution = (percentage share of each sector in value added x aggregate rate of growth of value added) less (percentage share in total actual hours worked x aggregate rate of growth of total hours worked)

Chart II-1
CONTRIBUTION TO GROWTH OF GVA PER HOUR WORKED
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
Annual Growth Rates & Contributions in Percentage Points, 1997-2006

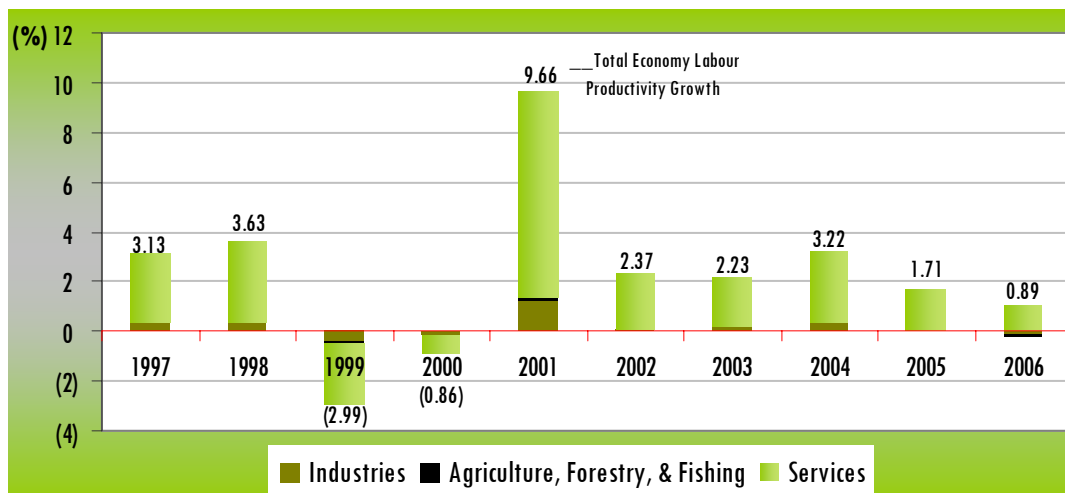
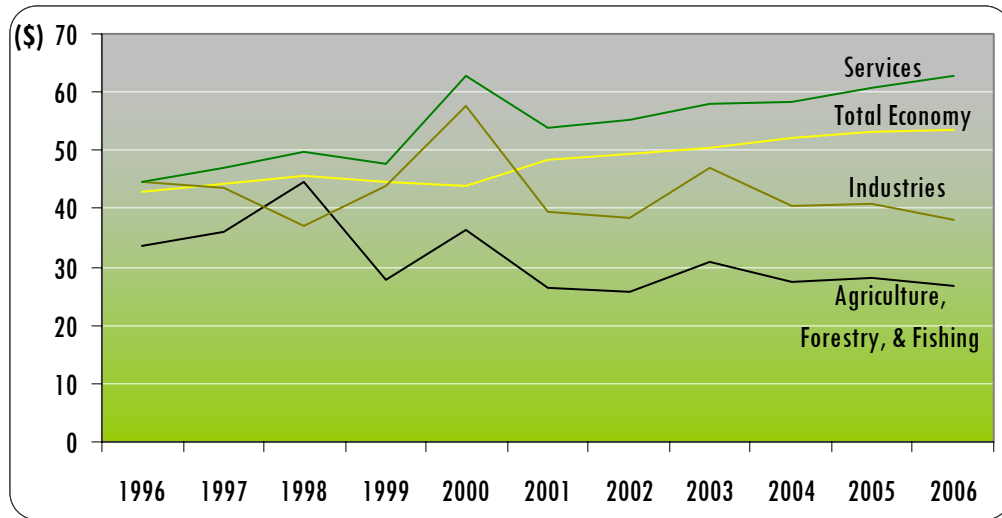
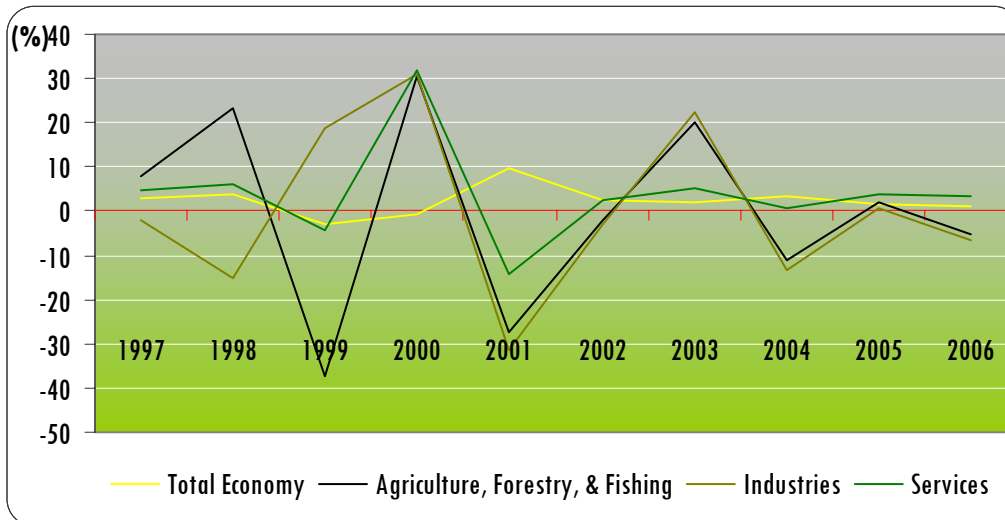


Chart II-2
LEVEL OF GVA PER HOUR WORKED BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$, 1996-2006



Source: Table II-1

Chart II-3
GROWTH IN GVA PER HOUR WORKED
BY MAJOR INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 Percentage Change at Annual Rate, 1997-2006



Source: Table II-1

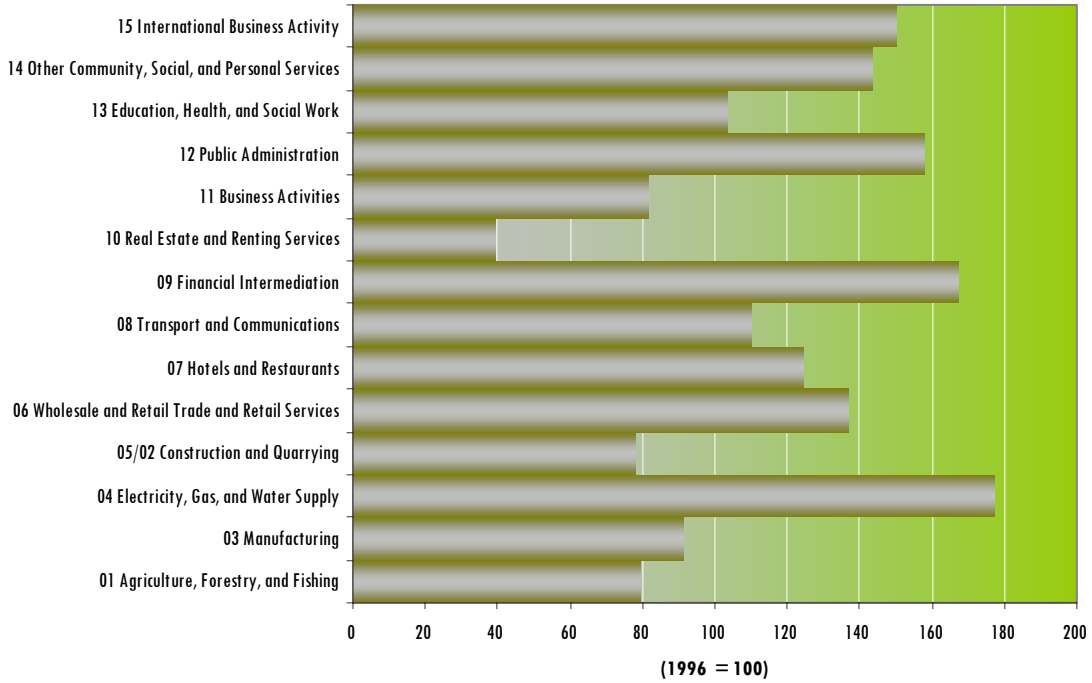
Table II-3
PERCENTAGE CONTRIBUTION TO GROWTH OF VALUE ADDED PER HOUR WORKED
BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1997-2006

Industrial Classification of Economic Activity	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
15 International Business Activity	16.9	14.5	4.1	(7.8)	10.4	29.7	22.3	20.9	40.7	83.7
10 Real Estate and Renting Services	24.4	17.9	(14.0)	(48.1)	4.4	28.4	17.9	14.4	40.7	72.0
09 Financial Intermediation	12.5	11.2	5.3	(5.1)	8.6	15.7	13.0	12.2	24.4	40.8
06 Wholesale and Retail Trade and Retail Services	7.9	9.5	18.8	30.9	12.9	4.8	8.4	9.6	3.1	(7.9)
11 Business Activities	9.3	8.6	8.8	10.5	9.5	7.6	8.2	8.3	5.4	(2.6)
08 Transport and Communications	7.3	7.5	8.9	11.1	8.4	5.3	6.3	6.5	3.9	(0.6)
13 Education, Health, and Social Work	7.0	6.9	6.5	5.2	6.2	7.6	7.1	6.6	3.9	(0.2)
05/02 Construction and Quarrying	5.2	3.8	8.4	12.0	8.2	1.0	5.0	5.9	(1.6)	(20.4)
12 Public Administration	1.5	4.5	12.5	22.8	7.6	(0.1)	3.3	4.4	(5.7)	(12.5)
04 Electricity, Gas, and Water Supply	2.8	2.5	0.1	(1.6)	1.6	3.7	2.5	2.2	3.9	6.7
07 Hotels and Restaurants	2.1	7.1	25.4	46.3	12.9	(3.3)	3.1	4.7	(12.4)	(37.6)
03 Manufacturing	2.2	2.4	4.5	6.7	3.1	0.9	1.3	1.6	(0.9)	(3.7)
14 Other Community, Social, and Personal Services	0.3	2.8	8.8	14.0	5.0	(1.1)	1.3	1.9	(4.3)	(13.3)
01 Agriculture, Forestry, and Fishing	0.7	0.8	2.0	3.3	1.4	(0.2)	0.6	0.8	(1.0)	(4.6)
Total Economy	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table II-4
PERCENTAGE CHANGE IN GVA PER HOUR WORKED
BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
1997-2006

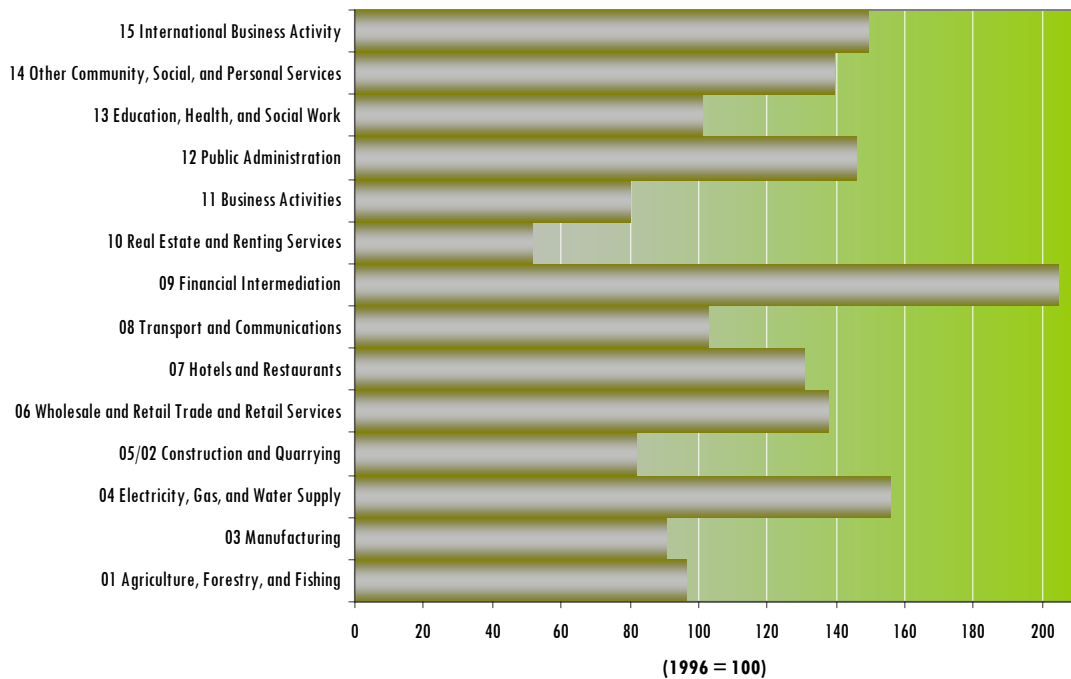
Industrial Classification of Economic Activity	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	7.9	(4.0)	(18.5)	(1.0)	(5.6)	(2.2)	8.1	(1.3)	2.2	(5.3)
03 Manufacturing	3.0	6.3	(23.8)	(0.2)	(3.1)	10.8	(15.0)	14.8	(5.8)	10.6
04 Electricity, Gas, and Water Supply	2.9	9.3	18.8	(16.8)	14.3	7.3	(5.6)	33.2	(0.6)	3.8
05/02 Construction and Quarrying	(4.7)	(29.8)	48.4	(4.1)	(10.2)	(11.4)	13.3	(1.3)	5.1	(12.4)
06 Wholesale and Retail Trade and Retail Services	3.7	4.1	(6.0)	(5.0)	25.3	(4.7)	2.9	10.5	5.3	(0.7)
07 Hotels and Restaurants	(0.1)	14.5	(6.5)	(7.8)	15.3	2.5	(3.6)	(1.6)	6.0	6.0
08 Transport and Communications	7.2	4.8	(16.0)	0.1	(0.2)	5.6	(0.2)	1.3	8.7	0.5
09 Financial Intermediation	12.6	1.5	3.0	7.6	24.9	(8.4)	6.7	9.1	10.2	(9.7)
10 Real Estate and Renting Services	(3.1)	9.6	(54.3)	(8.2)	5.4	(15.6)	0.4	(0.3)	2.8	(3.6)
11 Business Activities	9.9	3.3	(29.3)	(3.6)	3.5	2.4	1.2	4.3	(0.5)	(5.0)
12 Public Administration	(9.1)	6.1	6.8	9.3	14.4	(0.9)	(3.0)	0.7	2.4	23.7
13 Education, Health, and Social Work	(1.7)	(5.9)	6.5	3.9	7.0	8.1	(0.3)	2.4	(15.3)	0.6
14 Other Community, Social, and Personal Services	2.9	25.9	15.9	5.3	(0.6)	(11.5)	0.0	1.1	0.4	1.7
15 International Business Activity	4.9	(0.9)	(11.8)	(0.4)	17.3	21.3	(1.4)	4.0	1.8	10.6
Total Economy	3.1	3.6	(3.0)	(0.9)	9.7	2.4	2.2	3.2	1.7	0.9

Chart II-4
GVA PER HOUR WORKED INDEX BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 (1996 = 100), 2006



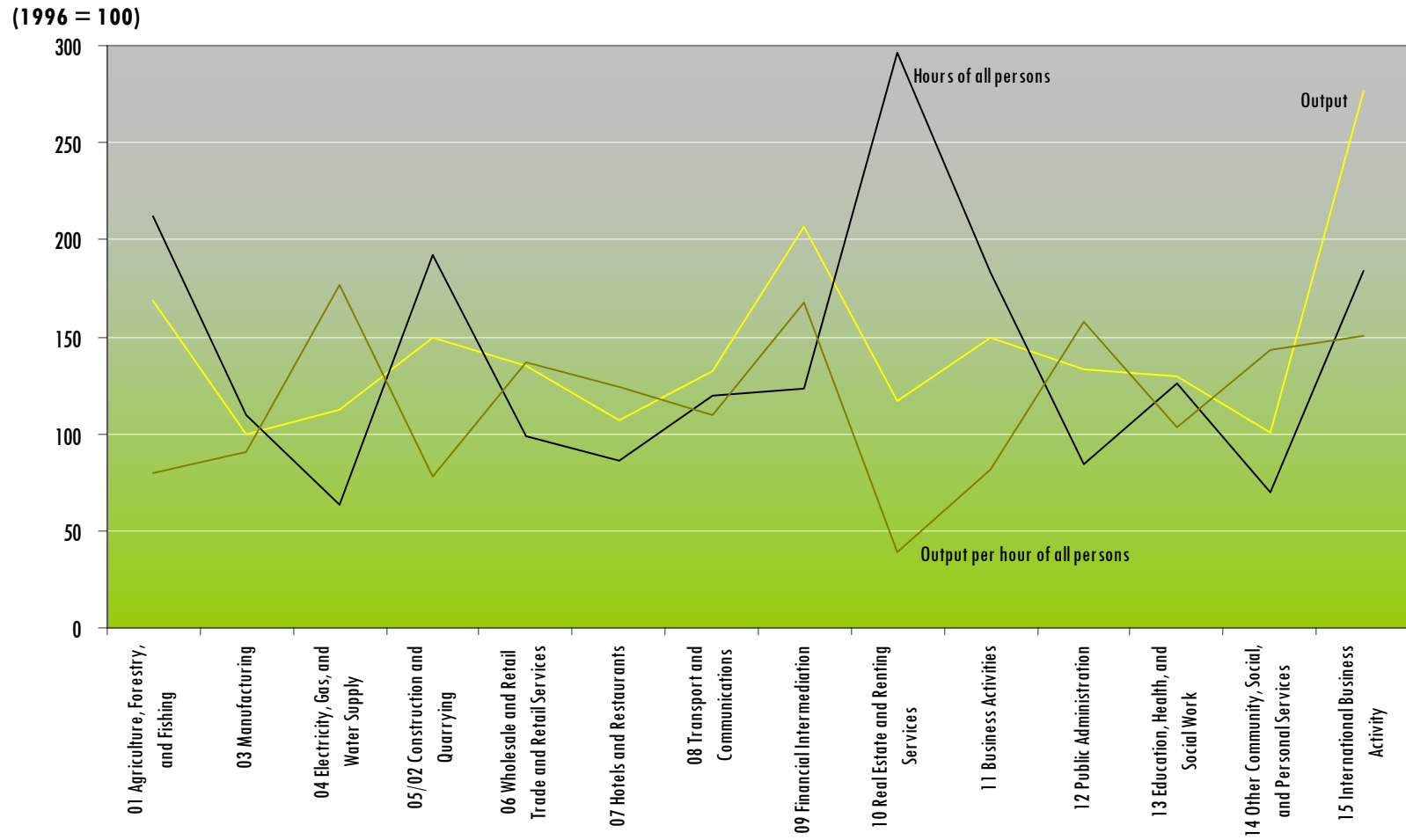
Source: Table AI-8

Chart II-5
GVA PER FILLED JOB INDEX BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 (1996 = 100), 2006



Source: Table AI-9

Chart II-6
LABOUR PRODUCTIVITY, OUTPUT, AND HOURS BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 (1996 = 100), 2006



Source: Tables AI-5 to AI-7

Chart II-7
LABOUR PRODUCTIVITY, OUTPUT, AND HOURS
BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 (1996 = 100), 1996-2006

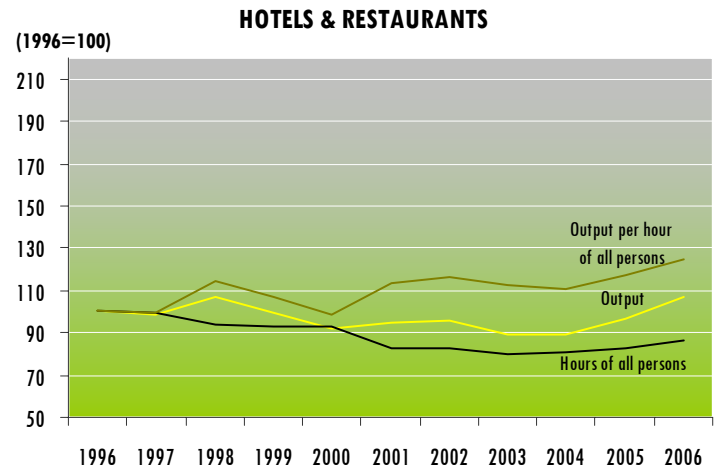
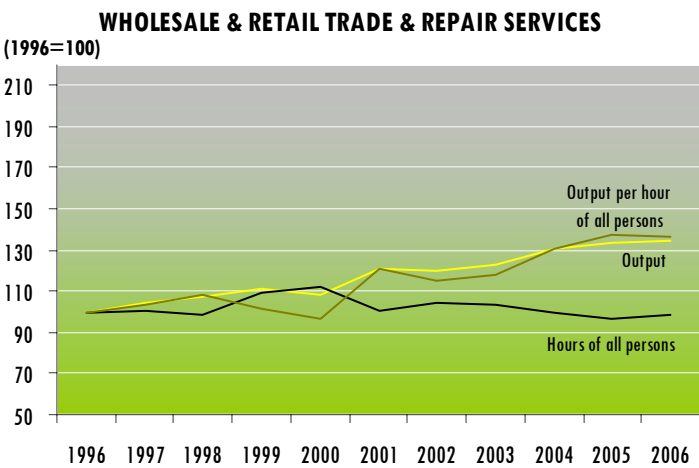
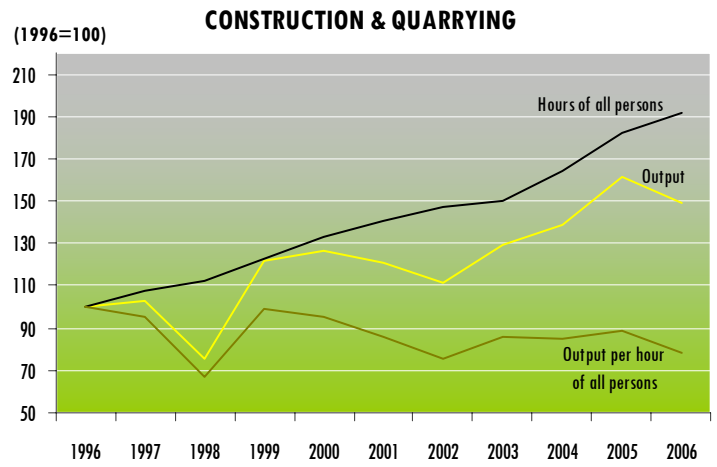
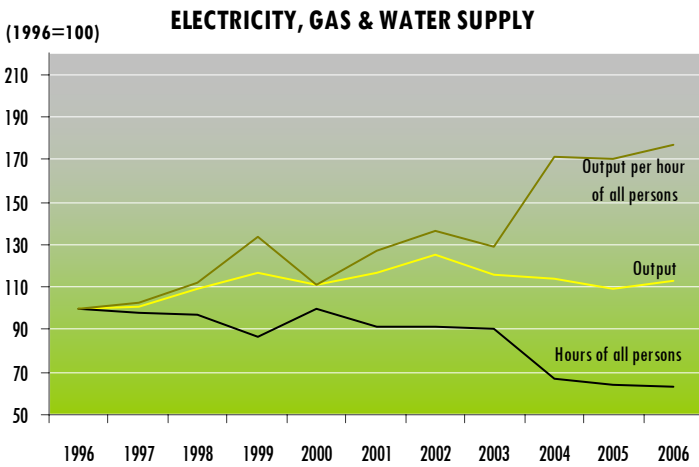
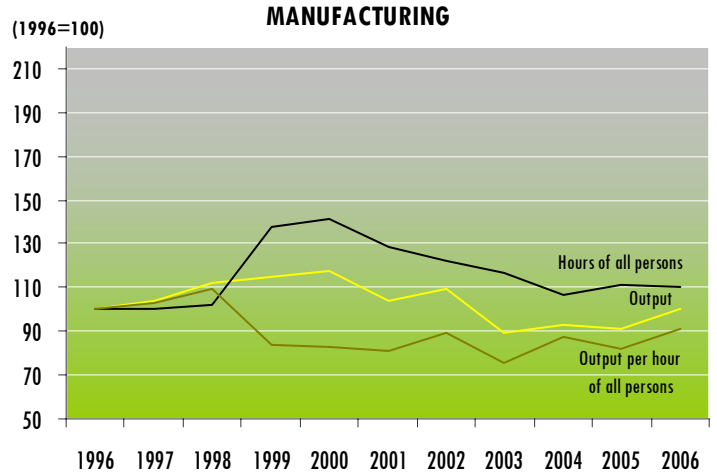
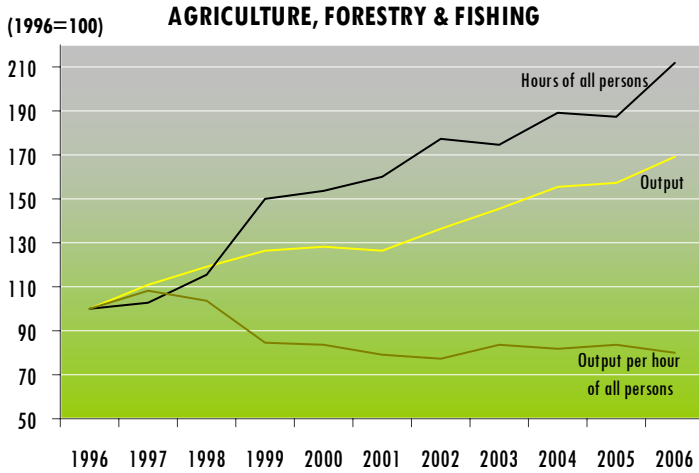


Chart II-7 cont'd
LABOUR PRODUCTIVITY, OUTPUT, AND HOURS
BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 (1996 = 100), 1996-2006

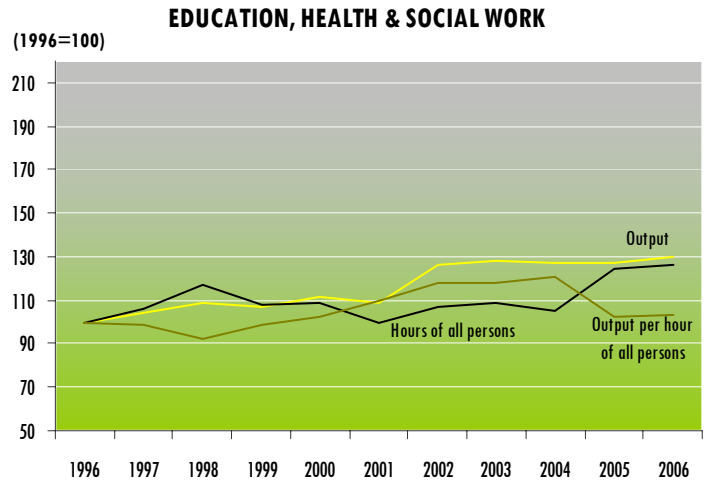
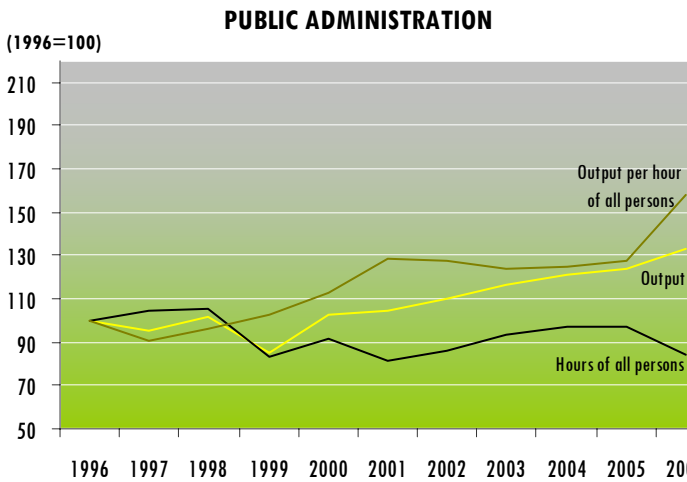
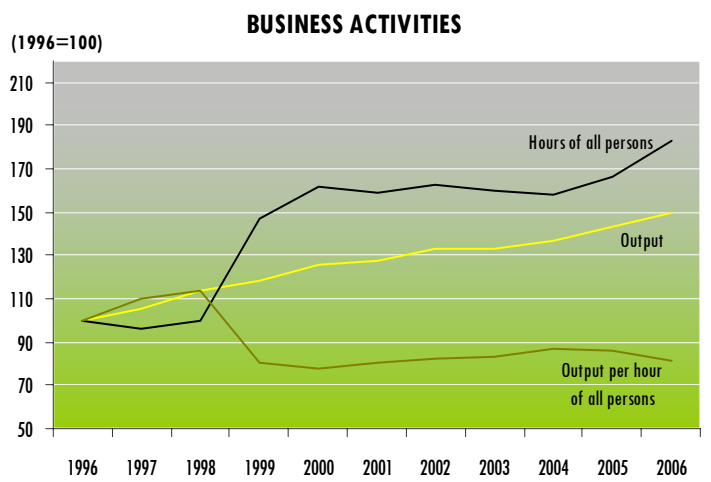
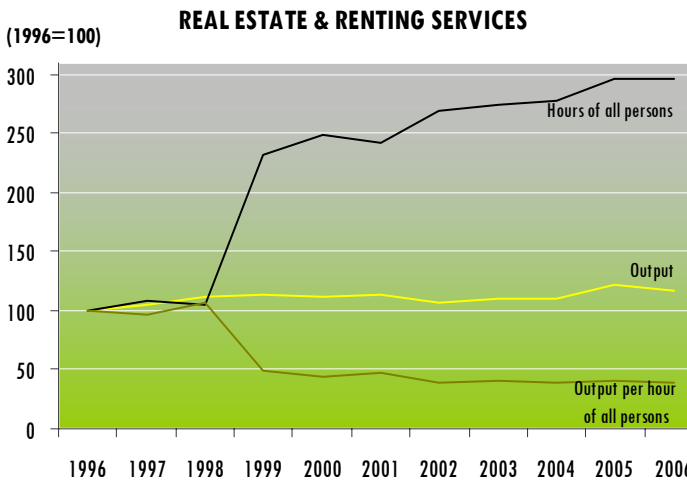
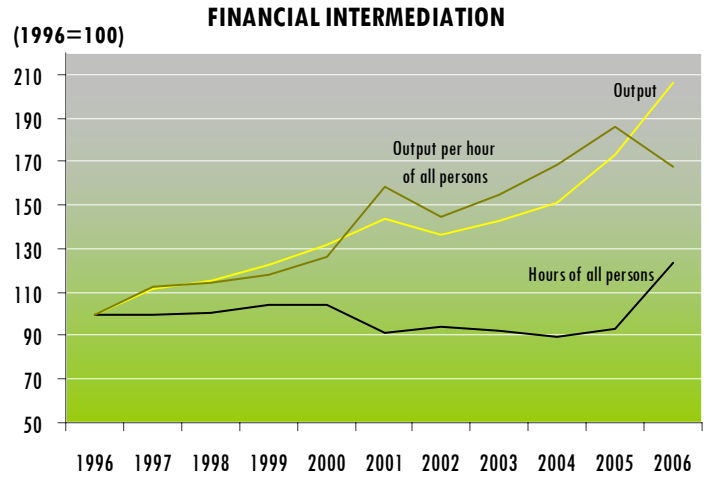
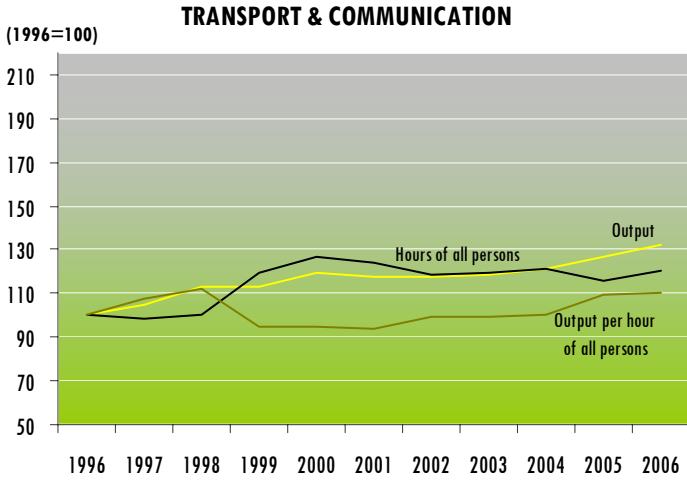
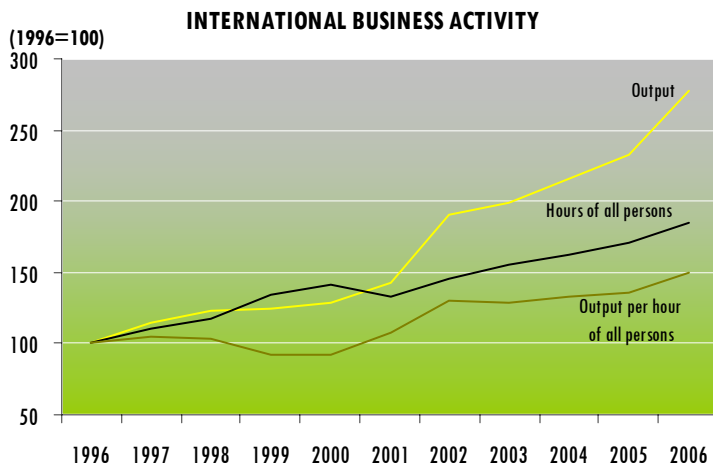
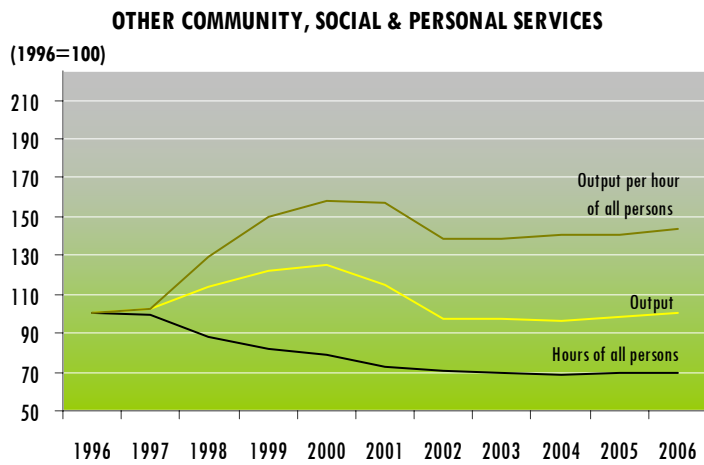


Chart II-7 cont'd
LABOUR PRODUCTIVITY, OUTPUT, AND HOURS
BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 (1996 = 100), 1996-2006



Source: Tables AI-5 to AI-7

Table II-5
CONTRIBUTION TO GROWTH OF GVA PER HOUR WORKED BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
Annual Growth Rates in Percentage Points, 1997-2006

Industrial Classification of Economic Activity	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	0.02	0.03	(0.06)	(0.03)	0.14	0.00	0.01	0.03	(0.02)	(0.04)
03 Manufacturing	0.07	0.09	(0.13)	(0.06)	0.29	0.02	0.03	0.05	(0.02)	(0.03)
04 Electricity, Gas, and Water Supply	0.09	0.09	0.00	0.01	0.16	0.09	0.06	0.07	0.07	0.06
05/02 Construction and Quarrying	0.16	0.14	(0.25)	(0.10)	0.79	0.02	0.11	0.19	(0.03)	(0.18)
06 Wholesale and Retail Trade and Retail Services	0.25	0.35	(0.57)	(0.27)	1.25	0.11	0.19	0.31	0.05	(0.07)
07 Hotels and Restaurants	0.06	0.26	(0.76)	(0.40)	1.25	(0.08)	0.07	0.15	(0.21)	(0.34)
08 Transport and Communications	0.23	0.27	(0.27)	(0.10)	0.81	0.13	0.14	0.21	0.07	(0.01)
09 Financial Intermediation	0.39	0.41	(0.16)	0.04	0.83	0.37	0.29	0.39	0.42	0.36
10 Real Estate and Renting Services	0.77	0.65	0.42	0.41	0.42	0.67	0.40	0.46	0.70	0.64
11 Business Activities	0.29	0.31	(0.26)	(0.09)	0.91	0.18	0.18	0.27	0.09	(0.02)
12 Public Administration	0.05	0.16	(0.38)	(0.20)	0.73	0.00	0.07	0.14	(0.10)	(0.11)
13 Education, Health, and Social Work	0.22	0.25	(0.19)	(0.04)	0.60	0.18	0.16	0.21	0.07	0.00
14 Other Community, Social, and Personal Services	0.01	0.10	(0.27)	(0.12)	0.48	(0.03)	0.03	0.06	(0.07)	(0.12)
15 International Business Activity	0.53	0.52	(0.12)	0.07	1.00	0.70	0.50	0.67	0.70	0.75
Total Economy (Growth in GVA Per Filled Job)	3.13	3.63	(2.99)	(0.86)	9.66	2.37	2.23	3.22	1.71	0.89

Note:
GVA is in Constant 1996 Basic Prices

Table II-6
CONTRIBUTION TO GROWTH OF GVA PER FILLED JOB BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
Annual Growth Rates in Percentage Points, 1997-2006

Industrial Classification of Economic Activity	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	0.02	0.03	(0.08)	0.02	0.04	0.03	0.03	(0.00)	0.02	0.01
03 Manufacturing	0.06	0.09	(0.15)	0.06	0.08	0.09	0.06	0.01	0.04	0.04
04 Electricity, Gas, and Water Supply	0.08	0.09	(0.01)	0.06	0.06	0.12	0.07	0.05	0.09	0.08
05/02 Construction and Quarrying	0.15	0.15	(0.27)	0.16	0.21	0.22	0.20	0.06	0.22	0.14
06 Wholesale and Retail Trade and Retail Services	0.20	0.37	(0.67)	0.21	0.37	0.41	0.33	0.10	0.31	0.26
07 Hotels and Restaurants	0.02	0.29	(0.82)	0.12	0.29	0.23	0.21	(0.05)	0.09	0.07
08 Transport and Communications	0.22	0.29	(0.30)	0.18	0.24	0.30	0.22	0.09	0.23	0.21
09 Financial Intermediation	0.37	0.42	(0.19)	0.31	0.35	0.53	0.37	0.28	0.57	0.65
10 Real Estate and Renting Services	0.76	0.65	0.41	0.45	0.34	0.70	0.41	0.44	0.73	0.68
11 Business Activities	0.27	0.32	(0.35)	0.21	0.30	0.38	0.28	0.11	0.28	0.25
12 Public Administration	(0.03)	0.18	(0.62)	0.08	0.21	0.17	0.18	(0.03)	0.08	0.06
13 Education, Health, and Social Work	0.18	0.26	(0.33)	0.16	0.22	0.31	0.23	0.08	0.21	0.17
14 Other Community, Social, and Personal Services	(0.04)	0.11	(0.34)	0.07	0.13	0.08	0.09	(0.03)	0.02	(0.00)
15 International Business Activity	0.50	0.54	(0.18)	0.37	0.41	0.91	0.60	0.50	0.93	1.06
Total Economy (Growth in GVA Per Filled Job)	2.77	3.81	(3.88)	2.46	3.24	4.47	3.27	1.62	3.80	3.70

Note:
GVA is in Constant 1996 Basic Prices



*Selected
Economic Activities*

Table III-1.1
CONTRIBUTION TO HOTELS AND RESTAURANTS GROWTH OF GVA PER HOUR WORKED BY SUB-SECTOR CLASSIFICATION
1997-2006

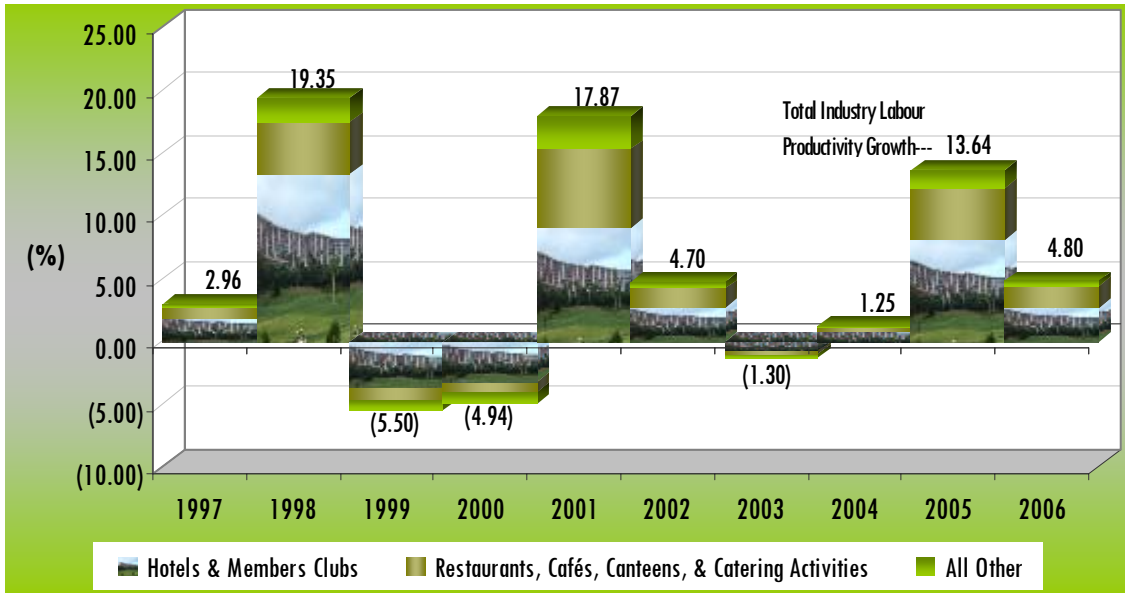
Hotels and Restaurants Sub-Sectors	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Contribution to Hotels and Restaurants Industry Growth Rate (Percentage Points)¹										
Hotels and Members Clubs	1.88	13.25	(3.77)	(3.25)	9.05	2.62	(0.77)	0.65	8.05	2.64
Cottages	0.23	1.17	(0.51)	(0.63)	1.80	0.31	(0.08)	0.12	0.69	0.17
Apartment Hotels	0.04	0.31	(0.10)	(0.14)	0.26	0.09	(0.02)	0.05	0.30	0.07
Guest Houses	0.02	0.11	(0.05)	(0.04)	0.13	0.03	(0.05)	0.02	0.10	0.02
Other Short-Stay Accommodation	0.00	0.03	(0.01)	(0.01)	0.02	0.01	0.00	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	0.74	4.20	(0.92)	(0.76)	6.24	1.54	(0.30)	0.37	4.16	1.78
Bars, Nightclubs, etc.	0.05	0.28	(0.13)	(0.10)	0.36	0.09	(0.08)	0.05	0.34	0.12
Total Hotels & Restaurants Industry (%)	2.96	19.35	(5.50)	(4.94)	17.87	4.70	(1.30)	1.25	13.64	4.80
Percentage Contribution to Overall Growth Rate										
Hotels and Members Clubs	63.4	68.5	68.6	65.9	50.7	55.9	59.5	52.3	59.0	54.9
Cottages	7.6	6.1	9.3	12.8	10.1	6.7	6.5	9.6	5.0	3.5
Apartment Hotels	1.3	1.6	1.8	2.7	1.5	1.8	1.2	3.8	2.2	1.4
Guest Houses	0.8	0.5	1.0	0.9	0.7	0.7	3.7	1.3	0.8	0.5
Other Short-Stay Accommodation	0.1	0.1	0.2	0.2	0.1	0.2	(0.3)	-	-	-
Restaurants, Cafés, Canteens, & Catering Activities	25.1	21.7	16.8	15.3	34.9	32.8	23.1	29.4	30.5	37.1
Bars, Nightclubs, etc.	1.6	1.5	2.3	2.1	2.0	1.9	6.4	3.6	2.5	2.6
Total Hotels and Restaurants Industry	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

GVA is in Current Basic Prices

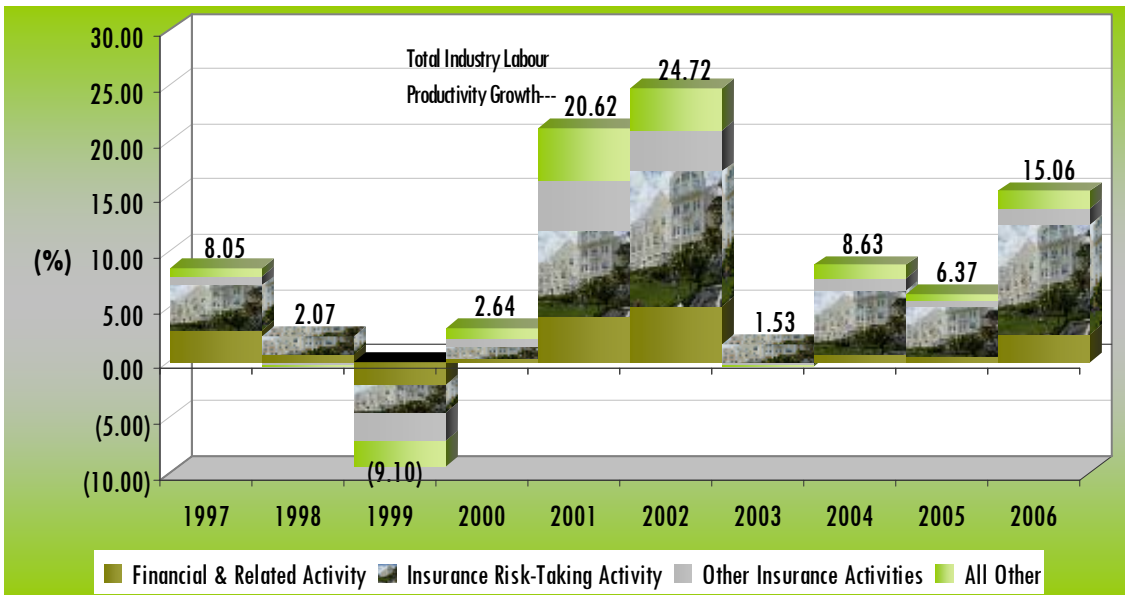
¹ Since labour productivity can be calculated as the difference between the rate of growth of output or value added and the rate of growth of labour input, sub-sector contribution = (percentage share of each sub-sector in value added x industry's rate of growth of value added) less (percentage share in industry's total annual number of actual hours worked x industry's rate of growth of total annual number of actual hours).

Chart III-1.1
CONTRIBUTION TO GROWTH OF GVA PER HOUR WORKED
BY SUB-SECTOR ACTIVITY OF THE HOTELS AND RESTAURANTS INDUSTRY
 Annual Growth Rates & Contributions in Percentage Points, 1997-2006



Source: Table III.1.1

Chart III-2.1
CONTRIBUTION TO GROWTH OF GVA PER HOUR WORKED
BY SUB-SECTOR ACTIVITY OF THE INTERNATIONAL BUSINESS INDUSTRY
 Annual Growth Rates & Contributions in Percentage Points, 1997-2006



Source: Table III.2.1

Table III-2.1
CONTRIBUTION TO INTERNATIONAL BUSINESS ACTIVITIES GROWTH OF GVA PER HOUR WORKED BY SUB-SECTOR CLASSIFICATION
1997-2006

International Business Activities Sub-Sectors	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Contribution Industry Productivity Growth Rate (Percentage Points)¹										
Financial & Related Activity	2.84	0.69	(2.07)	0.34	4.11	4.97	(0.06)	0.70	0.54	2.46
Insurance Risk-Taking Activity	4.09	1.66	(2.53)	1.01	7.72	12.26	1.64	5.72	4.49	9.97
Insurance Brokerage Activities	0.64	0.24	(0.60)	0.06	1.14	0.53	(0.08)	0.34	0.20	0.79
Insurance Management	0.16	(0.11)	(1.22)	0.69	2.04	1.20	(0.17)	0.39	0.22	0.29
Insurance Activities, n.e.c.	(0.03)	(0.33)	(0.64)	0.07	1.45	2.01	0.11	0.41	0.09	0.42
Petroleum Exploration & Refining	(0.70)	0.07	(0.05)	0.02	0.11	0.10	(0.00)	0.04	0.00	0.00
Commodity Trading Activities	(0.17)	(0.16)	(1.11)	(0.06)	2.40	0.39	(0.12)	0.15	0.09	(0.06)
Transport Activities	(0.14)	0.09	(0.52)	(0.06)	0.61	0.08	(0.11)	(0.07)	(0.11)	0.01
Communication Activities	0.19	(0.10)	(0.28)	0.03	0.41	0.36	0.03	0.07	0.15	0.12
Real Estate Activities of IBEs	0.01	-	(0.01)	(0.00)	0.01	(0.01)	0.01	0.02	0.00	0.01
Business Services Activity	0.07	(0.65)	(0.20)	0.04	0.50	0.87	(0.04)	0.16	0.12	0.07
Business Activity	1.08	0.67	0.13	0.52	0.12	1.96	0.32	0.70	0.59	0.96
Total International Business Industry (%)	8.05	2.07	(9.10)	2.64	20.62	24.72	1.53	8.63	6.37	15.06
Percentage Contribution to Industry Productivity Growth Rate										
Financial & Related Activity	35.2	33.4	22.7	12.8	20.0	20.1	(4.2)	8.2	8.5	16.4
Insurance Risk-Taking Activity	50.8	80.2	27.8	38.1	37.5	49.6	107.7	66.3	70.5	66.2
Insurance Brokerage Activities	8.0	11.7	6.5	2.4	5.5	2.2	(4.9)	3.9	3.1	5.3
Insurance Management	2.0	(5.5)	13.4	26.0	9.9	4.9	(11.2)	4.6	3.5	1.9
Insurance Activities, n.e.c.	(0.4)	(15.9)	7.1	2.6	7.0	8.1	7.1	4.8	1.5	2.8
Petroleum Exploration & Refining	(8.6)	3.3	0.6	0.7	0.6	0.4	0.0	0.4	0.0	0.0
Commodity Trading Activities	(2.1)	(7.6)	12.2	(2.1)	11.6	1.6	(7.8)	1.7	1.3	(0.4)
Transport Activities	(1.8)	4.6	5.8	(2.4)	3.0	0.3	(7.4)	(0.8)	(1.8)	0.1
Communication Activities	2.3	(4.6)	3.1	1.2	2.0	1.5	1.7	0.8	2.3	0.8
Real Estate Activities of IBEs	0.2	-	0.1	(0.1)	0.0	(0.0)	0.6	0.2	0.0	0.1
Business Services Activity	0.9	(31.6)	2.2	1.4	2.4	3.5	(2.8)	1.9	1.9	0.4
Business Activity	13.4	32.2	(1.5)	19.5	0.6	7.9	21.2	8.1	9.2	6.3
Total International Business Industry	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

GVA is in Current Basic Prices

¹ Since labour productivity can be calculated as the difference between the rate of growth of output or value added and the rate of growth of labour input, sub-sector contribution = (percentage share of each sub-sector in value added x industry's rate of growth of value added) less (percentage share in industry's total annual number of actual hours worked x industry's rate of growth of total annual number of actual hours worked).

APPENDIX I SOURCE DATA TABLES

Table AI-1
GDP IN CONSTANT 1996 MARKET PRICES
 In BDA\$'000, 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	20,619	22,831	24,626	26,049	26,505	26,016	28,169	30,011	32,035	32,440	34,845
03 Manufacturing	64,428	66,707	72,071	74,200	75,774	66,745	70,223	57,363	59,932	58,875	64,401
04 Electricity, Gas, and Water Supply	65,996	66,536	71,900	76,703	73,183	76,922	82,488	76,497	75,416	72,197	74,225
05/02 Construction and Quarrying	159,057	163,538	119,371	194,311	201,276	191,652	177,330	205,107	220,871	257,273	237,884
06 Wholesale and Retail Trade and Retail Services	270,528	281,771	289,281	299,760	293,301	328,022	324,996	331,749	352,603	361,387	364,907
07 Hotels and Restaurants	214,228	212,083	229,522	213,555	196,825	202,309	205,742	192,132	190,779	208,037	229,544
08 Transport and Communications	194,974	204,901	220,559	219,728	232,739	228,685	229,353	230,924	237,344	247,723	257,468
09 Financial Intermediation	281,775	314,915	324,198	345,814	371,574	406,015	383,571	402,500	425,504	487,627	581,002
10 Real Estate and Renting Services	440,673	461,931	492,892	497,410	491,223	503,296	471,575	481,560	487,594	535,439	514,719
11 Business Activities	219,482	231,028	248,878	259,442	275,163	279,082	293,089	291,615	300,457	314,933	328,603
12 Public Administration	141,027	134,195	144,091	120,666	145,405	147,832	155,219	164,120	170,411	175,044	187,705
13 Education, Health, and Social Work	186,887	195,428	202,950	199,311	207,879	203,939	236,403	239,386	238,019	237,760	242,613
14 Other Community, Social, and Personal Services	79,293	81,193	90,081	96,979	98,871	90,849	77,513	76,874	76,408	78,079	79,481
15 International Business Activity	338,001	389,715	413,500	418,311	434,926	481,420	642,683	670,807	728,970	785,515	935,740
Less: Financial Intermediation Services Indirectly Measured (FISIM)	104,860	132,779	145,198	159,704	157,952	203,691	195,501	174,930	207,769	281,346	359,723
Gross Value Added (GVA) in Basic Prices	2,572,108	2,693,993	2,798,723	2,882,535	2,966,693	3,029,093	3,182,853	3,275,715	3,388,573	3,570,985	3,773,414
Growth Rate (%)		4.74	3.89	2.99	2.92	2.10	5.08	2.92	3.45	5.38	5.67
Add: Taxes on Products	142,035	146,042	152,603	168,625	174,145	172,040	173,203	177,503	189,789	198,281	197,576
GDP in Constant 1996 Market Prices	2,714,143	2,840,036	2,951,327	3,051,160	3,140,838	3,201,132	3,356,055	3,453,218	3,578,362	3,769,265	3,970,990
Growth Rate (%)		4.64	3.92	3.38	2.94	1.92	4.84	2.90	3.62	5.33	5.35

Source of Data: Bermuda Gross Domestic Product by Industry, 2006 Highlights - Press Release

Table AI-2
EMPLOYMENT (NUMBER OF FILLED JOBS)
1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	392	400	446	561	559	609	644	634	645	643	687
03 Manufacturing	876	889	910	1,208	1,235	1,171	1,107	1,063	1,012	1,003	965
04 Electricity, Gas, and Water Supply	516	522	508	466	449	425	412	405	405	390	372
05/02 Construction and Quarrying	2,007	2,149	2,252	2,513	2,643	2,798	2,921	2,963	3,236	3,500	3,658
06 Wholesale and Retail Trade and Retail Services	4,877	4,916	4,809	5,287	5,174	5,010	5,056	5,015	4,910	4,692	4,775
07 Hotels and Restaurants	5,984	5,998	5,556	5,657	5,280	5,088	4,913	4,760	4,888	5,069	4,901
08 Transport and Communications	2,205	2,220	2,243	2,868	2,958	2,983	2,859	2,861	2,903	2,782	2,829
09 Financial Intermediation	2,884	2,857	2,899	2,907	2,984	2,891	2,882	2,821	2,737	2,859	2,902
10 Real Estate and Renting Services	230	241	231	456	455	460	491	507	514	535	518
11 Business Activities	2,193	2,142	2,246	3,355	3,627	3,846	3,872	3,756	3,715	3,871	4,091
12 Public Administration	4,468	4,608	4,601	4,054	4,310	3,834	3,896	3,982	4,104	4,056	4,069
13 Education, Health, and Social Work	2,507	2,605	3,087	2,890	2,820	2,848	2,973	2,916	3,006	3,122	3,221
14 Other Community, Social, and Personal Services	3,074	3,082	2,663	2,372	2,242	2,283	2,202	2,222	2,214	2,212	2,209
15 International Business Activity	2,420	2,667	2,872	3,255	3,281	3,351	3,587	3,781	4,074	4,213	4,489
Total Economy (GVA Per Hour Worked)	34,633	35,296	35,323	37,849	38,017	37,597	37,815	37,686	38,363	38,947	39,686
Growth Rate (%)		1.9	0.1	7.2	0.4	(1.1)	0.6	(0.3)	1.8	1.5	1.9

Sources of Data:

Labour Market Indicators (LMI) Fact Sheet on the Labour Market Indicators 2003-2005, August 2006; 2003-2006, August 2007; Annual (June) The Bermuda Job Marker: Employment Briefs; Annual Employment Survey Database

Table AI-3
AVERAGE ANNUAL HOURS WORKED¹ CORRESPONDING TO EMPLOYMENT
1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	1,570.74	1,579.76	1,592.41	1,643.98	1,695.20	1,617.81	1,693.63	1,695.20	1,802.91	1,791.78	1,901.97
03 Manufacturing	1,853.48	1,835.15	1,822.80	1,854.91	1,856.40	1,778.97	1,787.02	1,788.80	1,710.30	1,799.57	1,850.18
04 Electricity, Gas, and Water Supply	1,877.74	1,819.00	1,847.94	1,809.18	2,152.80	2,090.64	2,155.35	2,152.80	1,593.13	1,593.07	1,654.08
05/02 Construction and Quarrying	1,947.01	1,962.45	1,947.94	1,914.42	1,965.60	1,968.21	1,968.20	1,981.20	1,979.81	2,029.35	2,048.88
06 Wholesale and Retail Trade and Retail Services	1,753.69	1,747.02	1,760.67	1,765.60	1,859.00	1,713.38	1,764.78	1,765.40	1,733.94	1,766.23	1,764.73
07 Hotels and Restaurants	1,861.66	1,840.71	1,877.51	1,835.07	1,964.30	1,817.27	1,867.46	1,866.80	1,833.49	1,818.16	1,956.67
08 Transport and Communications	1,998.19	1,945.06	1,976.90	1,833.80	1,882.40	1,838.04	1,821.36	1,835.60	1,835.73	1,838.67	1,869.48
09 Financial Intermediation	1,797.71	1,801.49	1,800.90	1,859.44	1,809.60	1,634.72	1,691.64	1,700.40	1,698.26	1,691.26	2,198.60
10 Real Estate and Renting Services	1,383.88	1,428.17	1,450.60	1,620.89	1,747.20	1,680.50	1,747.98	1,721.20	1,723.59	1,768.49	1,821.71
11 Business Activities	1,740.78	1,706.34	1,697.25	1,676.32	1,705.60	1,576.91	1,605.81	1,627.60	1,625.93	1,643.62	1,708.91
12 Public Administration	1,446.71	1,467.96	1,487.57	1,324.20	1,372.80	1,371.29	1,429.09	1,523.60	1,524.09	1,547.26	1,337.29
13 Education, Health, and Social Work	1,562.22	1,598.47	1,489.23	1,466.51	1,508.16	1,369.84	1,406.78	1,456.00	1,371.67	1,557.00	1,531.49
14 Other Community, Social, and Personal Services	1,562.69	1,550.52	1,581.56	1,649.07	1,690.00	1,534.40	1,534.35	1,508.00	1,487.66	1,515.59	1,519.79
15 International Business Activity	1,773.87	1,768.72	1,758.33	1,778.42	1,840.80	1,700.33	1,747.81	1,755.78	1,703.45	1,743.80	1,762.22
Total Economy (GVA Per Hour Worked)	1,732.80	1,726.75	1,729.70	1,713.80	1,771.30	1,667.70	1,701.98	1,719.32	1,692.68	1,727.46	1,775.55

Notes:

All References to "Hours Worked" Refer to *Actual Hours Worked*

¹Average Annual Hours Worked for All Job Holders = [Average Weekly Hours Worked x 52 Weeks where Average Weekly Hours Worked] = [Total Weekly Hours Worked / Total Filled Positions]

Sources of Data:

Labour Market Indicators (LMI) Fact Sheet on the Labour Market Indicators 2003-2005, August 2006; 2003-2006, August 2007; Annual (June) The Bermuda Job Market: Employment Briefs; Annual Employment Survey Database

Table AI-4
TOTAL ANNUAL HOURS WORKED¹ CORRESPONDING TO EMPLOYMENT
('000), 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	616	632	710	922	948	985	1,091	1,075	1,163	1,152	1,307
03 Manufacturing	1,624	1,631	1,659	2,241	2,293	2,083	1,978	1,901	1,731	1,805	1,785
04 Electricity, Gas, and Water Supply	969	950	939	843	967	889	888	872	645	621	615
05/02 Construction and Quarrying	3,908	4,217	4,387	4,811	5,195	5,507	5,749	5,870	6,407	7,103	7,495
06 Wholesale and Retail Trade and Retail Services	8,553	8,588	8,467	9,335	9,618	8,584	8,923	8,853	8,514	8,287	8,427
07 Hotels and Restaurants	11,140	11,041	10,431	10,381	10,372	9,246	9,175	8,886	8,962	9,216	9,590
08 Transport and Communications	4,406	4,318	4,434	5,259	5,568	5,483	5,207	5,252	5,329	5,115	5,289
09 Financial Intermediation	5,185	5,147	5,221	5,405	5,400	4,726	4,875	4,797	4,648	4,835	6,380
10 Real Estate and Renting Services	318	344	335	739	795	773	858	873	886	946	944
11 Business Activities	3,818	3,655	3,812	5,624	6,186	6,065	6,218	6,113	6,040	6,362	6,991
12 Public Administration	6,464	6,764	6,844	5,368	5,917	5,258	5,568	6,067	6,255	6,276	5,441
13 Education, Health, and Social Work	3,916	4,164	4,597	4,238	4,253	3,901	4,182	4,246	4,123	4,861	4,933
14 Other Community, Social, and Personal Services	4,804	4,779	4,212	3,912	3,789	3,503	3,379	3,351	3,294	3,352	3,357
15 International Business Activity	4,293	4,717	5,050	5,789	6,040	5,698	6,269	6,639	6,940	7,347	7,911
Total Economy (GVA Per Hour Worked)	60,012	60,947	61,098	64,866	67,340	62,701	64,360	64,794	64,936	67,279	70,465
Growth Rate (%)		1.6	0.2	6.2	3.8	(6.9)	2.6	0.7	0.2	3.6	4.7

Notes:

All References to "Hours Worked" Refer to *Actual Hours Worked*

¹ Total Hours Worked for Total Employment = [Total Employment x Average Annual Hours Worked Per Job] or [Total Weekly Hours Worked * 52 Weeks]

Sources of Data:

Labour Market Indicators (LMI) Fact Sheet on the Labour Market Indicators 2003-2005, August 2006; 2003-2006, August 2007; Annual (June) The Bermuda Job Marker: Employment Briefs; Annual Employment Survey Database

Table AI-5
GVA INDEX¹ BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
(1996 = 100), 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	100.0	110.7	119.4	126.3	128.6	126.2	136.6	145.6	155.4	157.3	169.0
03 Manufacturing	100.0	103.5	111.9	115.2	117.6	103.6	109.0	89.0	93.0	91.4	100.0
04 Electricity, Gas, and Water Supply	100.0	100.8	109.0	116.2	110.9	116.6	125.0	115.9	114.3	109.4	112.5
05/02 Construction and Quarrying	100.0	102.8	75.1	122.2	126.5	120.5	111.5	129.0	138.9	161.8	149.6
06 Wholesale and Retail Trade and Retail Services	100.0	104.2	106.9	110.8	108.4	121.3	120.1	122.6	130.3	133.6	134.9
07 Hotels and Restaurants	100.0	99.0	107.1	99.7	91.9	94.4	96.0	89.7	89.1	97.1	107.2
08 Transport and Communications	100.0	105.1	113.1	112.7	119.4	117.3	117.6	118.4	121.7	127.1	132.1
09 Financial Intermediation	100.0	111.8	115.1	122.7	131.9	144.1	136.1	142.8	151.0	173.1	206.2
10 Real Estate and Renting Services	100.0	104.8	111.9	112.9	111.5	114.2	107.0	109.3	110.7	121.5	116.8
11 Business Activities	100.0	105.3	113.4	118.2	125.4	127.2	133.5	132.9	136.9	143.5	149.7
12 Public Administration	100.0	95.2	102.2	85.6	103.1	104.8	110.1	116.4	120.8	124.1	133.1
13 Education, Health, and Social Work	100.0	104.6	108.6	106.7	111.2	109.1	126.5	128.1	127.4	127.2	129.8
14 Other Community, Social, and Personal Services	100.0	102.4	113.6	122.3	124.7	114.6	97.8	97.0	96.4	98.5	100.2
15 International Business Activity	100.0	115.3	122.3	123.8	128.7	142.4	190.1	198.5	215.7	232.4	276.9
Total Economy (GVA Index)	100.0	104.7	108.8	112.1	115.3	117.8	123.7	127.4	131.7	138.8	146.7

Notes:

¹ GVA Index = [(Current Year GVA / Base Year (1996 = 100) GVA)] x 100
GVA is in Constant 1996 Basic Prices

Source of Data:

Table AI-1

Table AI-6
EMPLOYMENT INDEX¹ BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
(1996 = 100), 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	100.0	100.6	101.4	104.7	107.9	103.0	107.8	107.9	114.8	114.1	121.1
03 Manufacturing	100.0	99.0	98.3	100.1	100.2	96.0	96.4	96.5	92.3	97.1	99.8
04 Electricity, Gas, and Water Supply	100.0	96.9	98.4	96.4	114.7	111.3	114.8	114.7	84.8	84.8	88.1
05/02 Construction and Quarrying	100.0	100.8	100.1	98.3	101.0	101.1	101.1	101.8	101.7	104.2	105.2
06 Wholesale and Retail Trade and Retail Services	100.0	99.6	100.4	100.7	106.0	97.7	100.6	100.7	98.9	100.7	100.6
07 Hotels and Restaurants	100.0	98.9	100.9	98.6	105.5	97.6	100.3	100.3	98.5	97.7	105.1
08 Transport and Communications	100.0	97.3	98.9	91.8	94.2	92.0	91.2	91.9	91.9	92.0	93.6
09 Financial Intermediation	100.0	100.2	100.2	103.4	100.7	90.9	94.1	94.6	94.5	94.1	122.3
10 Real Estate and Renting Services	100.0	103.2	104.8	117.1	126.3	121.4	126.3	124.4	124.6	127.8	131.6
11 Business Activities	100.0	98.0	97.5	96.3	98.0	90.6	92.3	93.5	93.4	94.4	98.2
12 Public Administration	100.0	101.5	102.8	91.5	94.9	94.8	98.8	105.3	105.4	107.0	92.4
13 Education, Health, and Social Work	100.0	102.3	95.3	93.9	96.5	87.7	90.1	93.2	87.8	99.7	98.0
14 Other Community, Social, and Personal Services	100.0	99.2	101.2	105.5	108.2	98.2	98.2	96.5	95.2	97.0	97.3
15 International Business Activity	100.0	99.7	99.1	100.3	103.8	95.9	98.5	99.0	96.0	98.3	99.3
Total Economy (Total Annual Hours Index)	100.0	99.7	99.8	98.9	102.2	96.2	98.2	99.2	97.7	99.7	102.5

Notes:

¹ Employment Index = [Current Year Employment / Base Year (1996 = 100) Employment] x 100

Sources of Data:

Table AI-2

Table AI-7
TOTAL ANNUAL HOURS INDEX¹ BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
(1996 = 100), 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	100.0	102.6	115.3	149.8	153.9	160.0	177.1	174.6	188.9	187.1	212.2
03 Manufacturing	100.0	100.5	102.2	138.0	141.2	128.3	121.8	117.1	106.6	111.2	110.0
04 Electricity, Gas, and Water Supply	100.0	98.0	96.9	87.0	99.8	91.7	91.7	90.0	66.6	64.1	63.5
05/02 Construction and Quarrying	100.0	107.9	112.3	123.1	133.0	140.9	147.1	150.2	164.0	181.8	191.8
06 Wholesale and Retail Trade and Retail Services	100.0	100.4	99.0	109.1	112.5	100.4	104.3	103.5	99.5	96.9	98.5
07 Hotels and Restaurants	100.0	99.1	93.6	93.2	93.1	83.0	82.4	79.8	80.5	82.7	86.1
08 Transport and Communications	100.0	98.0	100.6	119.4	126.4	124.4	118.2	119.2	121.0	116.1	120.0
09 Financial Intermediation	100.0	99.3	100.7	104.3	104.2	91.2	94.0	92.5	89.7	93.3	123.1
10 Real Estate and Renting Services	100.0	108.1	105.3	232.2	249.8	242.9	269.7	274.2	278.3	297.3	296.5
11 Business Activities	100.0	95.7	99.9	147.3	162.1	158.9	162.9	160.1	158.2	166.7	183.1
12 Public Administration	100.0	104.7	105.9	83.1	91.5	81.3	86.1	93.9	96.8	97.1	84.2
13 Education, Health, and Social Work	100.0	106.3	117.4	108.2	108.6	99.6	106.8	108.4	105.3	124.1	126.0
14 Other Community, Social, and Personal Services	100.0	99.5	87.7	81.4	78.9	72.9	70.3	69.8	68.6	69.8	69.9
15 International Business Activity	100.0	109.9	117.6	134.9	140.7	132.7	146.1	154.7	161.7	171.1	184.3
Total Economy (Total Annual Hours Index)	100.0	101.6	101.8	108.1	112.2	104.5	107.3	108.0	108.2	112.1	117.4

Notes:

All References to "Hours" Refer to *Actual Hours Worked*

¹ Total Annual Hours Index = [Current Year Total Annual Hours Worked for Total Employment / Base Year (1996 = 100) Total Annual Hours Worked for Total Employment] x 100

Sources of Data:

Table AI-4

Table AI-8
GVA PER HOUR WORKED INDEX¹ BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
(1996 = 100), 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	100.0	107.9	103.5	84.3	83.5	78.9	77.1	83.4	82.3	84.1	79.6
03 Manufacturing	100.0	103.0	109.5	83.5	83.3	80.7	89.5	76.0	87.3	82.2	90.9
04 Electricity, Gas, and Water Supply	100.0	102.9	112.5	133.6	111.2	127.1	136.4	128.8	171.6	170.6	177.1
05/02 Construction and Quarrying	100.0	95.3	66.9	99.2	95.2	85.5	75.8	85.8	84.7	89.0	78.0
06 Wholesale and Retail Trade and Retail Services	100.0	103.7	108.0	101.5	96.4	120.8	115.2	118.5	130.9	137.9	136.9
07 Hotels and Restaurants	100.0	99.9	114.4	107.0	98.7	113.8	116.6	112.4	110.7	117.4	124.5
08 Transport and Communications	100.0	107.2	112.4	94.4	94.5	94.3	99.5	99.4	100.6	109.4	110.0
09 Financial Intermediation	100.0	112.6	114.3	117.7	126.6	158.1	144.8	154.4	168.4	185.6	167.6
10 Real Estate and Renting Services	100.0	96.9	106.2	48.6	44.6	47.0	39.7	39.9	39.8	40.9	39.4
11 Business Activities	100.0	109.9	113.6	80.2	77.4	80.0	82.0	83.0	86.5	86.1	81.8
12 Public Administration	100.0	90.9	96.5	103.0	112.6	128.9	127.8	124.0	124.9	127.8	158.1
13 Education, Health, and Social Work	100.0	98.4	92.5	98.6	102.4	109.6	118.5	118.2	121.0	102.5	103.1
14 Other Community, Social, and Personal Services	100.0	102.9	129.6	150.2	158.1	157.1	139.0	139.0	140.5	141.1	143.4
15 International Business Activity	100.0	104.9	104.0	91.8	91.5	107.3	130.2	128.3	133.4	135.8	150.2
Total Economy (GVA Per Hour Worked Index)	100.0	103.1	106.9	103.7	102.8	112.7	115.4	118.0	121.8	123.8	124.9

Notes:

All References to "Hours Worked" Refer to *Actual Hours Worked*

GVA is in Constant 1996 Basic Prices

¹ GVA Per Hour Worked Index = [Current Year GVA Per Hour Worked / Base Year (1996 = 100) GVA Per Hour Worked] x 100 or [GVA Index / Total Annual Hours Index]

Sources of Data:

Table II-1; Tables AI-5 and AI-7

Table AI-9
GVA PER FILLED JOB INDEX¹ BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
(1996 = 100), 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	100.0	108.5	105.0	88.3	90.1	81.2	83.2	90.0	94.4	95.9	96.4
03 Manufacturing	100.0	102.0	107.7	83.5	83.4	77.5	86.3	73.4	80.5	79.8	90.7
04 Electricity, Gas, and Water Supply	100.0	99.7	110.7	128.7	127.4	141.5	156.5	147.7	145.6	144.7	156.0
05/02 Construction and Quarrying	100.0	96.0	66.9	97.6	96.1	86.4	76.6	87.4	86.1	92.8	82.1
06 Wholesale and Retail Trade and Retail Services	100.0	103.3	108.4	102.2	102.2	118.0	115.9	119.3	129.5	138.9	137.8
07 Hotels and Restaurants	100.0	98.8	115.4	105.5	104.1	111.1	117.0	112.8	109.0	114.6	130.8
08 Transport and Communications	100.0	104.4	111.2	86.6	89.0	86.7	90.7	91.3	92.5	100.7	102.9
09 Financial Intermediation	100.0	112.8	114.5	121.8	127.5	143.7	136.2	146.0	159.1	174.6	204.9
10 Real Estate and Renting Services	100.0	100.0	111.4	56.9	56.4	57.1	50.1	49.6	49.5	52.2	51.9
11 Business Activities	100.0	107.8	110.7	77.3	75.8	72.5	75.6	77.6	80.8	81.3	80.3
12 Public Administration	100.0	92.3	99.2	94.3	106.9	122.2	126.2	130.6	131.6	136.7	146.2
13 Education, Health, and Social Work	100.0	100.6	88.2	92.5	98.9	96.1	106.7	110.1	106.2	102.2	101.0
14 Other Community, Social, and Personal Services	100.0	102.1	131.1	158.5	171.0	154.3	136.5	134.1	133.8	136.8	139.5
15 International Business Activity	100.0	104.6	103.1	92.0	94.9	102.9	128.3	127.0	128.1	133.5	149.3
Total Economy (GVA Per Filled Job Index)	100.0	102.8	106.7	102.6	105.1	108.5	113.3	117.0	118.9	123.5	128.0

Notes:

GVA is in Constant 1996 Basic Prices

¹ GVA Per Filled Job Index = [Current Year GVA Per Filled Job / Base Year (1996 = 100) GVA Per Filled Job] x 100 or [GVA Index / Employment Index]

Sources of Data:

Table II-1; Tables AI-5 and AI-6

Table AI-10
LABOUR COSTS BY INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY
 In BDA\$'000, 1996-2006

Industrial Classification of Economic Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
01 Agriculture, Forestry, and Fishing	9,246	10,637	3,818	3,559	11,835	15,005	17,565	20,469	22,954	23,457	27,729
03 Manufacturing	43,813	46,936	50,795	51,402	52,453	49,246	50,280	47,615	50,140	48,452	55,410
04 Electricity, Gas, and Water Supply	30,845	31,886	31,857	34,265	32,986	34,871	35,838	38,907	37,374	37,880	40,159
05/02 Construction and Quarrying	80,485	79,987	87,109	85,485	87,383	140,921	148,425	167,889	176,270	188,570	192,233
06 Wholesale and Retail Trade and Retail Services	169,072	178,239	192,102	194,749	196,778	210,775	209,486	225,868	234,108	232,099	255,492
07 Hotels and Restaurants	143,565	147,483	166,199	157,366	150,333	153,355	169,913	164,473	168,779	200,863	206,710
08 Transport and Communications	102,146	106,833	120,226	126,318	129,059	134,871	140,020	135,862	144,877	150,693	158,921
09 Financial Intermediation	150,116	160,294	171,625	181,625	184,966	206,208	223,730	233,920	271,583	290,025	321,178
10 Real Estate and Renting Services	13,707	15,418	38,877	46,296	40,864	117,002	79,660	68,887	64,425	182,136	178,878
11 Business Activities	141,486	153,462	154,464	188,131	184,690	206,580	209,193	231,165	246,537	275,119	231,914
12 Public Administration	154,599	162,791	165,411	172,360	204,123	170,983	184,529	200,971	217,810	233,890	260,842
13 Education, Health, and Social Work	158,790	210,217	194,138	192,844	209,230	212,345	223,039	246,155	255,214	270,211	287,746
14 Other Community, Social, and Personal Services	49,888	65,350	69,414	82,513	90,280	73,708	62,876	69,622	76,138	74,376	84,636
15 International Business Activity	288,533	345,542	365,156	393,514	400,469	508,806	664,659	720,517	817,199	928,740	1,177,138
Total Economy	1,536,291	1,715,075	1,811,189	1,910,428	1,975,448	2,234,676	2,419,215	2,572,322	2,783,408	3,136,512	3,478,985

Sources of Data:
 Annual Economic Activity Survey

APPENDIX II

BERMUDA CLASSIFICATION OF ALL ECONOMIC ACTIVITY

BROAD BCEA STRUCTURE SHOWING INDUSTRIAL SECTIONS AND RELATED PRODUCTS GROUPS

INDUSTRIAL SECTIONS		PRODUCT GROUPS	
Code	Description	Code	Description
01	Agriculture, forestry and fishing	P01	Agricultural, forestry and fishery products
02	Mining and quarrying	P02	Mining and quarrying products
03	Manufacturing	P03	Manufactured goods
04	Electricity, gas and water supply	P04	Electricity, gas and water
05	Construction	P05	Construction work
06	Wholesale and retail trade and repair service activities	P06	Wholesale and retail trade and repair services
07	Hotels and restaurants	P07	Hotel and restaurant services
08	Transport and communications	P08	Transport and communication services
09	Financial intermediation	P09	Financial intermediation services
10	Real estate and renting activities	P10	Real estate and renting services
11	Business activities	P11	Business services
12	Public administration	P12	Public administration services
13	Education, health and social work	P13	Education, health and social services
14	Other community, social and personal service activities	P14	Other community, social and personal services
15	International business activity	P15	International business services

**BCEA REV. 1 GOODS AND SERVICES IN PRODUCT GROUPS P07 AND P15
FOR INDUSTRIAL SECTIONS 07 AND 15**

07 HOTELS AND RESTAURANTS

Hotel and Members' Club Accommodation Services

- **** Hotel and members' club services of:
- 071110 Accommodation
 - 071110 Meal and beverage serving
 - 071110 Entertainment and recreation
 - 071110 Convention and meeting facilities

Cottage Accommodation Services

- **** Cottage colony services of:
- 071120 Accommodation
 - 071120 Meal and beverage serving
 - 071120 Entertainment and recreation
 - 071120 Convention and meeting facilities

Apartment Hotel Accommodation Services

- **** Apartment hotel services of:
- 071130 Accommodation with house-keeping facilities
 - 071130 Meal and beverage serving
 - 071130 Entertainment and recreation
 - 071130 Convention and meeting facilities

Guest House Accommodation Services

- **** Guest house services of:
- 071140 Accommodation
 - 071140 Meal and beverage serving
 - 071140 Entertainment and recreation

Other Short-Stay Accommodation Services

- 071900 Accommodation services of camping sites, youth hostels
- 071900 Letting services of other furnished short-stay accommodation

Meal and Beverage Serving and Catering Services

- 072100 Meal serving services
- 072100 Beverages serving services
- 072100 Take-away services
- 072100 Fast-food outlet services
- 072100 Caterer services, including the supply of prepared food to airlines
- 072100 "Meals on wheels" services
- 072100 Dining car services

Beverage Serving Services

- 072200 Beverages serving services of pubs, bars, nightclubs, beer halls, etc.
- 072200 Meal serving services
- 072200 Entertainment services

15 INTERNATIONAL BUSINESS ACTIVITY

Financial and Related Services of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 151100 Corporate finance and venture capital services
- 151100 Securities brokerage services
- 151100 Portfolio (investment) management services
- 151100 Trust services
- 151100 Financial holding company services
- 151100 Financial advisory and consultancy services
- 151100 Inter-company financing services

Insurance Risk-Taking Services of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 151200 Life insurance underwriting services
- 151200 Non-life insurance underwriting services
- 151200 Reinsurance services
- 151200 Group pension services

Insurance Brokerage Services of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 151300 Insurance brokerage and agency services

Insurance Management Services of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 151400 Insurance management services
- 151400 Insurance administration services
- 151400 Reinsurance management services

Insurance Services, n.e.c., of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 151900 Actuarial services
- 151900 Insurance claims adjustment services
- 151900 Insurance and pension consultancy services
- 151900 Salvage administration services
- 151900 Other services auxiliary to insurance

Petroleum Exploration and Refining Services of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 152100 Drilling services
- 152100 Crude and refined petroleum products

Commodity Trading Services of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 152200 Wholesale trade services
- 152200 Commodity brokerage services

Transport Services of IBEs

- **** Expenditure and employment in the domestic economy relating to:
- 152300 Transport services

Communications Services of IBEs

**** Expenditure and employment in the domestic economy relating to:
152400 Communication services

Real Estate Services of IBEs

**** Expenditure and employment in the domestic economy relating to:
152500 Property renting or leasing services
152500 Real estate development services
152500 Property management services

Machinery and Equipment Rental and Leasing Services of IBEs

**** Expenditure and employment in the domestic economy relating to:
152600 Machinery and equipment rental and leasing services

Business Services of IBEs

**** Expenditure and employment in the domestic economy relating to:
152700 Computer services
152700 Legal and accounting services
152700 Business and management consultancy services
152700 Architectural services
152700 Engineering consultancy services
152700 Other business services

Services of IBEs, n.e.c.

**** Expenditure and employment in the domestic economy relating to:
159000 Other unspecified services of IBEs

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