



INFLATION TRENDING DOWN

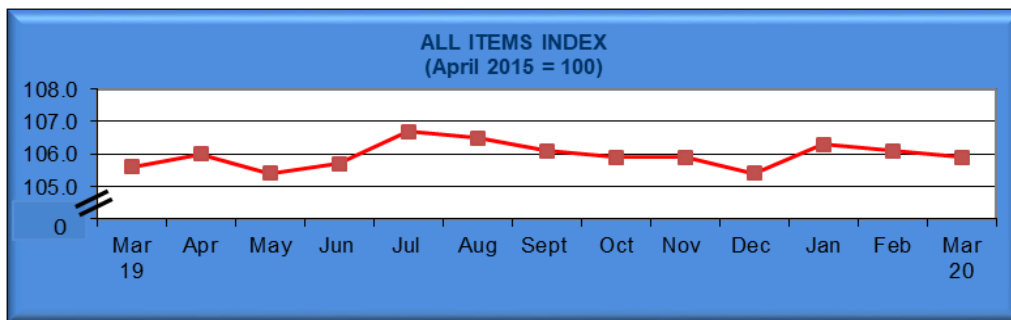
Consumers paid 0.3 per cent more in March 2020 than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). The level of inflation decreased 0.6 percentage point from February 2020.

Between February and March 2020, the average cost of goods and services in the CPI decreased 0.2 per cent. The all-items index decreased from 106.1 to 105.9 in March. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$105.90.

YEAR-TO-YEAR ANALYSIS

The Health & Personal Care sector continues to be the largest contributor to the year-over-year increase in the CPI. The cost of the Health & Personal Care basket increased 4.3 per cent.

In addition, the Food and Tobacco & Liquor sectors also impacted strongly on the annual rate of inflation, as price shifts in these sectors were 2.3 per cent and 3.9 per cent, respectively.



**Inflation
Rate
0.3%**

The compilation of the CPI involves the processing of several thousand price quotations. The Department of Statistics wishes to acknowledge the cooperation of the business community in supplying the required price data.

SUMMARY STATISTICS					
Period	Monthly		Period	Quarterly	
	Index	Annual per cent Change		Index	Annual per cent Change
2019			2018		
Mar	105.6	+1.2	Q1	104.1	+1.8
Apr	106.0	+1.0	Q2	105.0	+1.8
May	105.4	+0.3	Q3	105.2	+1.2
Jun	105.7	+0.7	Q4	105.0	+0.9
Jul	106.7	+1.2	2019		
Aug	106.5	+1.5	Q1	105.3	+1.2
Sept	106.1	+0.8	Q2	105.7	+0.7
Oct	105.9	+0.7	Q3	106.4	+1.1
Nov	105.9	+0.9	Q4	105.7	+0.7
Dec	105.4	+0.5	2020		
2020			Q1	106.1	+0.8
Jan	106.3	+1.0			
Feb	106.1	+0.9			
Mar	105.9	+0.3			

MONTH-TO-MONTH ANALYSIS

Tobacco & Liquor

The Tobacco & Liquor sector rose 0.6 per cent, as the average price of wine and spirits increased 2.1 per cent and 0.7 per cent, respectively.

Health & Personal Care

The Health & Personal Care sector was unchanged for the month. However, price movement was reported in the average cost of household medical supplies (+0.4 per cent) and toiletries, cosmetics and perfumes (+0.2 per cent).

Clothing & Footwear

No price movement was reported in the Clothing & Footwear sector.

Fuel & Power

The Fuel & Power sector was unchanged.

Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector was static for the month. The average cost of dinnerware and pots sets (+18.8 per cent) was offset by the average cost of bed linen sets (-11.4 per cent).

Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector dipped 0.1 per cent month-over-month. The average cost of pet food was down 2.4 per cent.

Food

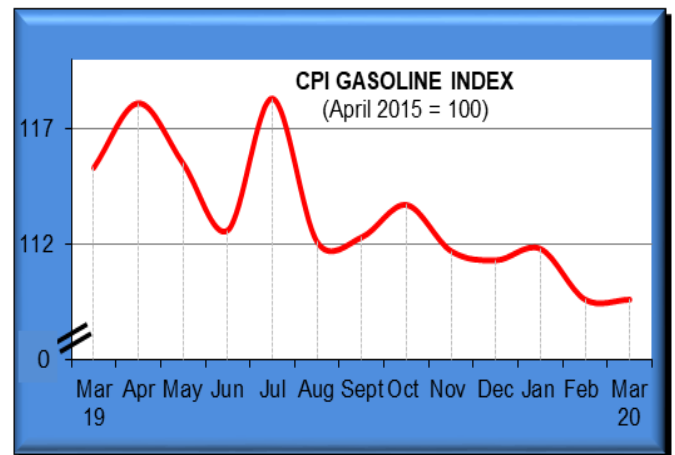
On average, food prices fell 0.3 per cent for the month. Among the items contributing to the decline were lettuce (-10.8 per cent), whipped cream (-8.8 per cent), fresh & frozen boneless pork loin (-7.4 per cent) and fresh & frozen boned pork loin (-5.3 per cent).

Rent

The Rent sector declined 0.4 per cent in March. The average cost of properties not subject to rent control dipped 0.9 per cent.

Transport & Foreign Travel

The Transport & Foreign Travel sector abated 0.6 per cent for the month. The decline was mainly due to a 3.9 per cent drop in the average price of airfares.



COMPUTING PRICE INCREASES

The Department of Statistics receives calls daily requesting the rate of inflation over specific periods of time. The following calculations are provided to guide users as to how to compute rates of price increases. The monthly index numbers can be obtained from our website: <https://www.gov.bm/departments/statistics>.

A) Month-to-Month Price Change

The price change between November and October, 2015 is calculated as follows:

$$= \frac{\text{Nov 15 index} - \text{Oct 15 index}}{\text{Oct 15 index}} \times 100$$

$$= \frac{100.5 - 100.6}{100.6} \times 100$$

$$= -0.1\%$$

B) Year-to-Year Price Change

The price change between December 2015 and December, 2014 is calculated as follows:

$$= \frac{\text{Dec 15 index} - \text{Dec 14 index}}{\text{Dec 14 index}} \times 100$$

$$= \frac{100.5 - 98.7}{98.7} \times 100$$

$$= 1.8\%$$

C) Particular Period Price Change

The price change between April 2014 and January, 2016 is calculated as follows:

$$= \frac{\text{Jan 16 index} - \text{Apr 14 index}}{\text{Apr 14 index}} \times 100$$

$$= \frac{100.3 - 98.3}{98.3} \times 100$$

$$= 2.0\%$$

BERMUDA CONSUMER PRICE INDEX

APRIL 2015 = 100

	All Items	Food	Rent	Clothing & Footwear	Tobacco & Liquor	Fuel & Power	Household Goods, Services & Supplies	Transport & Foreign Travel	Education, Recreation, Entertain. & Reading	Health & Personal Care
2013 WEIGHT	1000	115	267	25	31	39	116	130	147	130
ANNUAL AVERAGE (per cent)										
2015	+1.5	+2.7	+0.6	+1.3	+1.2	-8.9	+2.1	-1.3	+0.9	+7.8
2016	+1.5	+1.9	+1.0	+0.4	+5.1	-3.3	+1.6	-2.2	+3.3	+4.5
2017	+1.9	+2.2	+0.1	+1.5	+7.8	+7.8	+0.5	+3.6	+2.0	+1.3
2018	+1.4	+2.1	+0.2	+1.5	+4.3	+5.8	-0.2	+0.3	+2.1	+3.1
2019	+1.0	+2.7	+0.9	+1.9	+3.8	+1.1	Nil	-3.0	+0.4	+3.4
MONTHLY (per cent)										
2018										
Jan	-0.2	+1.2	Nil	Nil	+0.3	-1.5	-0.1	-1.9	+0.1	Nil
Feb	+0.3	-0.7	Nil	Nil	Nil	Nil	+0.2	+2.6	-0.1	Nil
Mar	+0.2	+0.2	Nil	Nil	-0.2	Nil	Nil	+0.8	+0.5	Nil
Apr	+0.6	+0.3	Nil	+0.1	+0.6	Nil	-1.0	+1.4	+0.4	+2.9
May	+0.2	+1.0	Nil	Nil	+0.2	+3.8	Nil	-1.2	+0.4	Nil
Jun	-0.1	+0.2	Nil	Nil	+0.8	+1.4	Nil	-1.8	-0.1	Nil
Jul	+0.4	+0.1	Nil	+2.5	Nil	+3.9	-0.1	+1.5	-0.1	Nil
Aug	-0.5	-0.3	-0.4	Nil	+0.2	-1.4	+0.2	-2.3	-0.1	Nil
Sept	+0.4	+0.3	Nil	Nil	+0.2	+1.5	+0.2	+1.3	+0.5	Nil
Oct	-0.1	+0.4	+0.1	-0.1	-0.1	Nil	-0.1	-1.0	Nil	Nil
Nov	-0.2	-0.1	+0.1	Nil	Nil	-0.6	Nil	-1.5	-0.1	Nil
Dec	-0.1	+0.3	Nil	Nil	+0.3	-1.8	Nil	-0.3	Nil	Nil
2019										
Jan	+0.2	+1.0	+0.5	+0.4	+0.3	Nil	+0.1	-0.7	+0.1	Nil
Feb	Nil	-0.2	+0.5	Nil	+0.2	Nil	+0.1	-0.9	Nil	Nil
Mar	+0.4	-0.1	+0.9	Nil	+0.4	Nil	Nil	+2.1	-0.4	-0.1
Apr	+0.4	-0.2	-0.1	Nil	+1.0	Nil	Nil	+0.4	+0.1	+2.3
May	-0.6	+0.3	-2.0	Nil	+0.8	+1.0	-0.2	-1.6	+0.1	Nil
Jun	+0.3	+1.0	-0.4	Nil	+1.1	+0.8	Nil	+0.7	-0.2	+1.4
Jul	+0.9	+0.4	+2.1	+0.2	-0.6	Nil	Nil	+2.7	+0.2	+0.1
Aug	-0.2	-0.1	+0.2	Nil	+0.2	Nil	+0.1	-1.7	-0.3	Nil
Sept	-0.4	+0.2	-0.2	Nil	+1.1	Nil	Nil	-3.0	+0.4	Nil
Oct	-0.2	-0.1	-0.9	+0.5	-0.3	-4.2	+0.1	+0.8	+0.1	+0.4
Nov	Nil	+0.5	-0.2	Nil	-0.7	-2.7	Nil	+0.9	Nil	Nil
Dec	-0.5	-0.1	Nil	Nil	+0.2	-1.5	-0.4	-2.8	Nil	Nil
2020										
Jan	+0.9	+0.8	+0.9	Nil	-0.4	+6.4	+0.3	+2.2	+0.1	Nil
Feb	-0.2	Nil	-0.5	Nil	+0.8	Nil	+0.1	-0.7	Nil	Nil
Mar	-0.2	-0.3	-0.4	Nil	+0.6	Nil	Nil	-0.6	-0.1	Nil
Mar '20	105.9	111.1	101.8	106.2	125.0	110.6	103.0	96.3	108.6	112.9
Mar '20	+0.3	+2.3	-1.5	+0.7	+3.9	-0.6	Nil	-3.0	+0.5	+4.3

WHAT IS THE CONSUMER PRICE INDEX?

The Consumer Price Index (CPI) is a statistical tool used for measuring changes in the general level of prices of consumer goods and services purchased by private households.

The index measures price movements of a given quality and quantity of goods and services. The mix of these consumer goods and services comprising the index, are figuratively thought of as a “shopping basket.” In constructing this “shopping basket”, the selected goods and services are organized first by commodity type. They are then divided into sub-components and assigned to a major expenditure group. The Bermuda CPI is structured into nine expenditure groups or sectors:

- Food
- Rent
- Clothing & Footwear
- Tobacco & Liquor
- Fuel & Power
- Transport & Foreign Travel
- Household Goods, Services & Supplies
- Education, Recreation, Entertainment & Reading
- Health & Personal Care

CONCEPTS AND DEFINITIONS

Base Period

The time period which is used as a reference point for measuring the price change of goods and services. The base period for the Bermuda CPI is April 2015.

Price Index Number

A single figure that shows how a set of prices has changed over a specified period of time. An index number on its own means nothing. It must be compared with an index number from another period to have meaning. For example, a comparison of the index number 97.2 for January 2014 with 100.4 for January 2016, reveals that prices have increased by 3.3 percent.

Laspeyres Equation

The CPI is computed using this statistical equation. This formula calculates the total amount of money a household needs today to purchase the same basket of goods and services that it bought in the base period, April 2015.

WEIGHTED AVERAGE

A mathematical formula that takes into account the relative importance of an item’s price change compared to the overall change in the sector or CPI.

Inflation

Inflation is the process of rising prices, resulting in diminishing purchasing power of a given sum of money.

Cost of Living Index

Many individuals refer to the CPI as a cost-of-living index. The CPI is an index of pure price change only. A cost-of-living index reflects the changes in buying or consumption patterns that consumers would ordinarily make to adjust to any change in the price of a good or service.

A COMPARISON OF RATES OF INFLATION (%) Selected Countries & Bermuda

	2016	2017	2018	2019	Mar 20
Bermuda	1.5	1.9	1.4	1.0	+0.3
United States¹	1.3	2.1	2.4	1.8	+1.5
Canada²	1.4	1.6	2.3	1.9	+0.9
United Kingdom³	1.8	3.6	3.3	2.6	+2.6

Sources:

1. US Bureau of Labour Statistics
2. Statistics Canada
3. UK Office of National Statistics

May 2020

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