



## Annual Inflation Rate +4.5%

### TECHNICAL NOTE

There was an inaccuracy in the compilation of the monthly index numbers for the Fuel & Power sector of the Consumer Price Index (CPI). The new index numbers and old index numbers for this sector and the All-Items Index are available at <https://www.gov.bm/bermuda-business-statistics>. An expanded note is provided on page four.

### ANNUAL INFLATION DIPS

Consumers paid 4.5 per cent more in July than they did a year ago for the basket of goods and services included in the CPI. This level of inflation decreased 0.2 percentage points from the June 2022 annual inflation rate of 4.7 per cent.

Using the revised All-Items Index number for June 2022 (112.2) and the July 2022 index number (112.6), the average cost of goods and services in the CPI increased 0.4 per cent. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$112.60.

### YEAR-TO-YEAR ANALYSIS

The Food sector was the largest contributor to the twelve-month increase in the CPI (+9.0 per cent). On average, increases were reported in the cost of bread (+20.7 per cent), potatoes (+23.2 per cent) and fruit juices (+18.4 per cent).

The Transport & Foreign Travel sector impacted the annual rate of inflation with a year-over-year increase of +8.0 per cent. On average, annual increases were reported in the price of overseas hotel stays (+34.2 per cent) and air fares (+17.5 per cent).

The Education, Recreation, Entertainment & Reading sector also impacted strongly on the annual rate of inflation (+4.4 per cent). The average cost of pet care and up-keep rose 2.6 per cent.

Year-over-year, the Health & Personal Care sector was up 4.7 per cent. The average cost of self-prescribed medicines and household medical supplies (+6.1 per cent) and toiletries, cosmetics and perfumes (+3.5 per cent) reported increases.

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
<b>2021</b>			<b>2020</b>		
July	107.5	+2.2	Q1	106.1	+0.8
Aug	107.5	+1.6	Q2	105.8	+0.1
Sept	107.7	+2.2	Q3	105.5	-0.8
Oct	108.3	+2.5	Q4	105.7	Nil
Nov	108.8	+2.8	<b>2021</b>		
Dec	108.6	+2.7	Q1	106.3	+0.2
<b>2022</b>			Q2	107.1	+1.2
Jan	108.6	+2.5	Q3	107.6	+2.0
Feb	109.0	+2.5	Q4	108.6	+2.7
Mar	109.4	+2.5	<b>2022</b>		
Apr	110.7	+3.5	Q1	109.0	+2.5
May	111.3	+3.7	Q2	111.3	+3.9
June	112.0	+4.7			
July	112.6	+4.5			

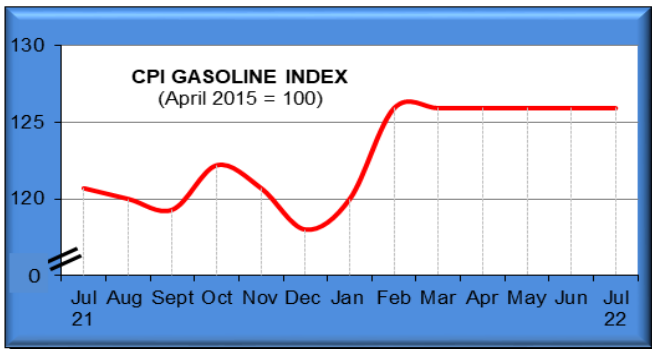
**MONTH-TO-MONTH ANALYSIS**

**Food**

The Food sector rose 1.1 per cent for July. Increases were reported in the average cost of bread (+10.5 per cent), pineapples (+7.4 per cent) and fruit juices (+5.7 per cent).

**Transport & Foreign Travel**

The Transport & Foreign Travel sector increased 0.5 per cent for the month. Travellers saw higher prices in the average cost of air fares (+7.7 per cent). In contrast, overseas hotel accommodations and car rental prices fell 13.4 per cent and 8.1 per cent, respectively.



**Clothing & Footwear**

The Clothing & Footwear sector increased 2.1 per cent. The leading contributors behind the increase were the average cost of watches (+15.8 per cent), women’s skirts and shorts (+12.9 per cent), men’s shoes (+10.7 per cent), men’s jackets (+5.7 per cent) and boy’s shirts and pants (+4.7 per cent).

**Fuel & Power**

The Fuel & Power sector was up 1.5 per cent as the fuel adjustment clause increased 6.5 per cent in July.

**Rent**

The Rent sector inched up 0.1 per cent as the average cost of properties not subject to rent control rose 0.2 per cent.

**Health & Personal Care**

The average cost of self-prescribed medication & household medical supplies rose 2.0 per cent. In response the Health & Personal Care sector moved up 0.1 per cent.

**Household Goods, Services & Supplies**

The Household Goods, Services & Supplies sector rose 0.1 per cent as the average cost of food wraps & trash bags increased 2.5 per cent.

**Tobacco & Liquor**

The Tobacco & Liquor sector slipped 0.1 per cent for the month as the average cost of beers fell 0.5 per cent.

**Education, Recreation, Entertainment & Reading**

The Education, Recreation, Entertainment & Reading sector was unchanged for the month.

**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/bermuda-business-statistics>.

**A) Month-to-Month Price Change**

The price change between February 2020 and January 2020 is calculated as follows:

$$= \frac{\text{Feb 20 index} - \text{Jan 20 index}}{\text{Jan 20 index}} \times 100$$

$$= \frac{106.1 - 106.3}{106.3} \times 100$$

$$= -0.2\%$$

**B) Year-to-Year Price Change**

The price change between March 2020 and March 2019 is calculated as follows:

$$= \frac{\text{Mar 20 index} - \text{Mar 19 index}}{\text{Mar 19 index}} \times 100$$

$$= \frac{105.9 - 105.6}{105.6} \times 100$$

$$= 0.3\%$$

**C) Particular Period Price Change**

The price change between February 2020 and March 2018 is calculated as follows:

$$= \frac{\text{Feb 20 index} - \text{Mar 18 index}}{\text{Mar 18 index}} \times 100$$

$$= \frac{106.1 - 104.3}{104.3} \times 100$$

$$= 1.7\%$$

# 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, & Reading	Health & Personal Care
<b>2013 WEIGHT</b>	1000	115	267	25	31	39	116	130	147	130
<b>ANNUAL AVERAGE ( per cent)</b>										
<b>2017</b>	+1.9	+2.2	+0.1	+1.5	+7.8	+7.8	+0.5	+3.6	+2.0	+1.3
<b>2018</b>	+1.4	+2.1	+0.2	+1.5	+4.3	+5.8	-0.2	+0.3	+2.1	+3.1
<b>2019</b>	+1.0	+2.7	+0.9	+1.9	+3.8	+1.1	Nil	-3.0	+0.4	+3.4
<b>2020</b>	Nil	+4.5	-1.8	+0.9	+2.3	-1.8	+0.3	-4.6	+1.1	+2.8
<b>2021</b>	+1.5	+0.4	-0.3	+1.0	-0.6	-5.0	+1.7	+6.4	+2.0	+2.3
<b>MONTHLY ( per cent)</b>										
<b>2020</b>										
Jul	-0.5	+0.1	-0.4	Nil	-0.2	-3.4	+0.1	-1.9	Nil	Nil
Aug	+0.6	+0.5	+0.3	Nil	+0.3	Nil	+0.1	+0.2	+1.7	+0.8
Sept	-0.4	+0.3	-1.3	Nil	+0.9	Nil	+0.1	-1.3	+0.1	Nil
Oct	+0.3	+0.1	+1.2	+0.2	-0.6	Nil	+0.3	+0.1	+0.1	Nil
Nov	+0.1	-0.2	-0.2	Nil	+0.1	Nil	+0.2	+1.5	-0.2	Nil
Dec	-0.1	-0.3	+0.5	Nil	-0.6	Nil	+0.7	-2.2	-0.1	Nil
<b>2021</b>										
Jan	+0.3	+0.1	+0.5	+0.5	+0.3	+1.0	Nil	+1.5	-0.1	Nil
Feb	+0.3	+0.3	Nil	Nil	-0.8	Nil	Nil	+2.2	+0.2	Nil
Mar	+0.4	+0.3	+0.2	Nil	Nil	Nil	Nil	+2.2	Nil	Nil
Apr	+0.3	Nil	Nil	-0.6	+0.1	+1.5	+0.3	+0.7	Nil	+1.1
May	+0.3	-0.1	-0.7	Nil	-0.1	+0.2	+0.3	+3.7	+0.1	Nil
Jun	-0.3	+0.5	-0.3	Nil	-1.3	-14.1	Nil	+0.8	+0.9	+0.7
Jul	+0.5	+0.1	+0.2	+1.1	+0.1	+2.8	Nil	+1.5	+0.1	Nil
Aug	Nil	+0.5	+0.6	Nil	+0.3	Nil	+0.1	-1.8	+0.1	Nil
Sept	+0.2	+0.3	-0.4	Nil	+0.2	Nil	Nil	+0.2	+1.2	Nil
Oct	+0.6	+0.2	-0.4	+0.3	Nil	+6.9	+0.5	+3.1	+0.1	-0.2
Nov	+0.5	+1.7	+0.1	Nil	+2.3	Nil	Nil	-1.1	+0.4	+1.5
Dec	-0.2	Nil	Nil	Nil	-0.3	+0.2	+0.1	-1.4	Nil	-0.1
<b>2022</b>										
Jan	Nil	+0.8	+0.1	-0.1	-0.1	-2.0	+0.2	-0.8	+0.1	+0.1
Feb	+0.4	+0.6	Nil	Nil	+0.1	Nil	+0.1	+2.2	+0.4	Nil
Mar	+0.4	+0.2	+0.1	Nil	-0.2	Nil	Nil	+0.7	+1.7	-0.1
Apr	+1.2	+0.4	+0.2	+0.2	-1.0	+9.2	+2.0	+1.7	Nil	+2.2
May	+0.5	+0.8	Nil	Nil	-0.1	+0.2	Nil	+3.2	+0.3	Nil
Jun	+0.6	+2.0	+0.1	Nil	-0.2	Nil	+0.1	+1.5	+0.2	+1.0
<b>Jul</b>	<b>+0.4</b>	<b>+1.1</b>	<b>+0.1</b>	<b>+2.1</b>	<b>-0.1</b>	<b>+1.5</b>	<b>+0.1</b>	<b>+0.5</b>	<b>Nil</b>	<b>+0.1</b>
Jul '21	107.7*	114.5	100.0	108.0	123.3	103.0*	105.1	103.2	111.7	117.4
Jun '22	112.2*	123.5	100.4	108.4	124.5	117.0*	108.3	110.9	116.6	122.8
<b>Jul '22</b>	<b>112.6</b>	<b>124.8</b>	<b>100.5</b>	<b>110.7</b>	<b>124.4</b>	<b>118.7</b>	<b>108.4</b>	<b>111.5</b>	<b>116.6</b>	<b>122.9</b>
<u>Jul '22</u> Jul '21	<b>+4.5</b>	<b>+9.0</b>	<b>+0.5</b>	<b>+2.5</b>	<b>+0.9</b>	<b>+15.2</b>	<b>+3.1</b>	<b>+8.0</b>	<b>+4.4</b>	<b>+4.7</b>

\* This is not a revision to the official series but rather an indicative calculation of what it would look like if revisions were made.

## OLD AND NEW INDEXES FOR THE CONSUMER PRICE INDEX ALL-ITEMS INDEX AND FUEL & POWER SECTOR, JUNE 2016 TO JUNE 2022

There was an inaccuracy in the compilation of the Fuel and Power sector of the Consumer Price Index. Users are encouraged to review the old and new series for the All-Items Index and the Fuel & Power sector at <https://www.gov.bm/bermuda-business-statistics>. In alignment with the United Nations *Practical Guide to Producing Consumer Price Indices*, the new indexes have been provided for “indicative” purposes only as the Department of Statistics does not revise previously published inflation rates. Furthermore, this new series is published as the United Nations’ recommended method of informing users what the All-Items rate of inflation would have been if revisions to the Fuel and Power sector had been made. Comparisons between the old and new index numbers are presented with month-to-month percentage changes, year-over-year percentage changes and an absolute change table, which shows the absolute differences between old and new index numbers.

### 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.

#### R = Revised

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

	2018	2019	2020	2021	Jul 22
<b>Bermuda</b>	+1.4	+1.0	Nil	+1.5	+4.5
<b>United States<sup>1</sup></b>	+2.4	+1.8	+1.2	+4.7	+8.5
<b>Canada<sup>2</sup></b>	+2.3	+1.9	+0.7	+3.4	+7.6
<b>United Kingdom<sup>3</sup></b>	+3.3	+2.6	+1.5	+4.1	+12.3

**Sources:**

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

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