



Annual Inflation Rate +2.5%

ANNUAL INFLATION UNCHANGED

Consumers paid 2.5 per cent more in March than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation was the same as the February 2022 annual inflation rate of 2.5 per cent.

Between February 2022 and March 2022, the average cost of goods and services in the CPI increased 0.4 per cent. The all-items index rose from 109.0 to 109.4. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$109.40.

YEAR-TO-YEAR ANALYSIS

The Transport & Foreign Travel sector continued to be the largest contributor to the twelve-month increase in the CPI (+7.9 per cent). On average, annual increases were reported in the costs of overseas hotel accommodations (+50.3 per cent) and air fares (+7.9 per cent).

The Education, Recreation, Entertainment & Reading sector and the Food sector also impacted strongly on the annual rate of inflation, as price shifts in these sectors were 5.0 per cent and 4.9 per cent, respectively.

The Food sector reported increases in the cost of top round beef (+29.3 per cent), frozen spare ribs (+28.8 per cent), red grapes (+27.2 per cent), imported lettuce (+20.9 per cent) and apples (+13.6 per cent).

Within the Education, Recreation, Entertainment & Reading sector, reading materials such as magazines, books and newspapers rose 16.3 per cent year-over-year. In addition, entrance fees to sporting events increased 5.7 per cent.

The Rent sector declined 0.7 per cent year-over-year. The annual average cost of properties not subject to rent control dipped 2.4 per cent.

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
2021			2020		
Mar	106.7	+0.8	Q1	106.1	+0.8
Apr	107.0	+0.9	Q2	105.8	+0.1
May	107.3	+1.4	Q3	105.5	-0.8
June	107.0	+1.2	Q4	105.7	Nil
July	107.5	+2.2			
Aug	107.5	+1.6	2021		
Sept	107.7	+2.2	Q1	106.3	+0.2
Oct	108.3	+2.5	Q2	107.1	+1.2
Nov	108.8	+2.8	Q3	107.6	+2.0
Dec	108.6	+2.7	Q4	108.6	+2.7
2022			2022		
Jan	108.6	+2.5	Q1	109.0	+2.5
Feb	109.0	+2.5			
Mar	109.4	+2.5			

MONTH-TO-MONTH ANALYSIS

Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector grew 1.7 per cent in March in response to an increase in the cost of the local newspaper (+25.0 per cent).

Transport & Foreign Travel

The Transport & Foreign Travel sector rose 0.7 per cent for the month. Price increases were reported for the average costs for overseas hotel accommodations and overseas car rentals. Both categories were up 8.8 per cent.

Food

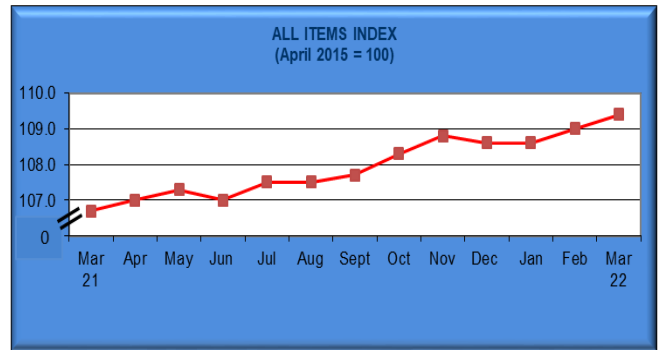
Food prices inched up 0.2 per cent in March. On average, items contributing primarily to the increase were vegetable juice (+13.5 per cent), canned tuna fish (+7.9 per cent) and milk (+3.3 per cent). The rise in prices in the food sector was tempered by the decline in items such as red grapes (-6.7 per cent), frozen broccoli and spinach (-6.6 per cent) and sweet biscuits (-6.4 per cent).

Rent

The Rent sector edged up 0.1 per cent as the average cost of properties subjected to rent control rose 0.2 per cent for the month.

Clothing & Footwear

The Clothing & Footwear sector was static.



Household Goods, Services & Supplies

Despite the increase in the average cost bed linens (+1.4 per cent), the Household Goods, Services & Supplies sector was unchanged in March.

Fuel & Power

The Fuel & Power sector reported no price movement for the month.

Tobacco & Liquor

Tobacco & Liquor prices declined 0.2 per cent as an increase in the average cost of wines (+0.6 per cent) was offset by a decline in the average cost of beer (-1.9 per cent).

Health & Personal Care

The Health & Personal Care sector decreased 0.1 per cent for the month. On average, price declines were reported for COVID-19 at home antigen tests (-17.4 per cent) and self-prescribed medicines & household medical supplies (-0.2 per cent).

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/department/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, Entertain. & Reading	Health & Personal Care
2013 WEIGHT	1000	115	267	25	31	39	116	130	147	130
ANNUAL AVERAGE (per cent)										
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
2020	Nil	+4.5	-1.8	+0.9	+2.3	-1.8	+0.3	-4.6	+1.1	+2.8
2021	+1.5	+0.4	-0.3	+1.0	-0.6	-5.0	+1.7	+6.4	+2.0	+2.3
MONTHLY (per cent)										
2020										
Jan	+0.9	+0.8	+0.9	Nil	-0.4	Nil	+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
Apr	+0.1	+0.8	-0.3	+0.5	+0.8	Nil	+0.1	-1.7	+0.1	+1.2
May	-0.2	+0.7	-0.9	Nil	-0.5	Nil	Nil	+0.1	Nil	Nil
Jun	-0.1	+0.2	-0.5	Nil	+0.1	Nil	Nil	-0.4	+0.1	Nil
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
2021										
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
2022										
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
Mar '22	109.4	119.6	100.1	108.2	126.1	101.7	106.1	104.1	116.0	119.0
Mar '22	+2.5	+4.9	-0.7	+0.7	+1.0	+0.3	+1.5	+7.9	+5.0	+3.2
Mar '21										

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

	2018	2019	2020	2021	Mar 22
Bermuda	+1.4	+1.0	Nil	+1.5	+2.5
United States¹	+2.4	+1.8	+1.2	+4.7	+8.5
Canada²	+2.3	+1.9	+0.7	+3.4	+6.7
United Kingdom³	+3.3	+2.6	+1.5	+4.1	+9.0

Sources:

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

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