



Annual Inflation Rate +3.8%

ANNUAL INFLATION DIPS

Consumers paid 3.8 per cent more in October than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation decreased 1.3 percentage points from the September 2022 annual inflation rate of 5.1 per cent.

Between September 2022 and October 2022, the average cost of goods and services in the CPI decreased 0.7 per cent. The all-items index declined from 113.4 to 112.6. 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 continued to be the largest contributor to the twelve-month increase in the CPI (+10.3 per cent). The major contributors to the annual increase in the sector were the average cost of cooking oil (+53.1 per cent), pasta (+52.4 per cent), eggs (+37.3 per cent) and bananas (+23.9 per cent).

The Health & Personal care sector influenced the year-over-year increase at 4.8 per cent. On average, annual increases were reported in the price of self-prescribed medicines and household medical supplies (+6.7 per cent) and toiletries, cosmetics and perfumes (+4.1 per cent).

In the twelve months to October 2022, the Fuel & Power sector increased 5.1 per cent. Compared to October 2021 the fuel adjustment cost for 700 residential kilowatts hours of electricity increased 1.6 per cent.

The Education, Recreation, Entertainment & Reading sector impacted the annual rate of inflation by 4.4 per cent. The average cost of pet supplies and up-keep rose 3.2 per cent. On average, the entrance cost for movie theaters and shows rose 6.2 per cent.

Year-over-year, the Household Goods, Services and Supplies sector was up 3.7 per cent. The average cost of dining room furniture (+36.1 per cent), living room furniture (+16.6 per cent) and bedroom furniture (+16.0 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		
Oct	108.3	+2.5	Q1	106.1	+0.8
Nov	108.8	+2.8	Q2	105.8	+0.1
Dec	108.6	+2.7	Q3	105.5	-0.8
			Q4	105.7	Nil
2022			2021		
Jan	108.6	+2.5	Q1	106.3	+0.2
Feb	109.0	+2.5	Q2	107.1	+1.2
Mar	109.4	+2.5	Q3	107.6	+2.0
Apr	110.7	+3.5	Q4	108.6	+2.7
May	111.3	+3.7			
June	112.0	+4.7	2022		
July	112.6	+4.5	Q1	109.0	+2.5
Aug	112.8	+4.7	Q2	111.3	+3.9
Sept	113.4	+5.1	Q3	112.9	+4.9*
Oct	112.6	+3.8			

*A typographical error was found on February 22, 2023, reported initially as +4.7.

MONTH-TO-MONTH ANALYSIS

Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector rose 0.5 per cent. Price increases were reported in the average cost of living room furniture (+7.8 per cent), bedroom furniture (+7.1 per cent) and dining room furniture (+4.9 per cent).

Clothing & Footwear

The Clothing & Footwear sector rose 1.6 per cent for the month. On average price increases were reported for men’s pants (+7.9 per cent), women’s dress suits (+3.6 per cent), men’s underwear (+2.6 per cent) and women’s underwear (+1.3 per cent).

Health & Personal Care

Despite the rise in the average cost of self-prescribed medication and household medical supplies (+2.2 per cent), the Health & Personal Care sector was unchanged for the month.

Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector rose 0.1 per cent as the average cost of pet supplies and up-keep increased 0.5 per cent.

Tobacco & Liquor

Following the 0.1 per cent decline in September, the Tobacco & Liquor sector advanced 0.2 per cent in October. The average cost of spirits (+0.6 per cent) and cigarettes (+0.4 per cent) rose for the month.

Rent

The Rent sector was unchanged for the month.

Food

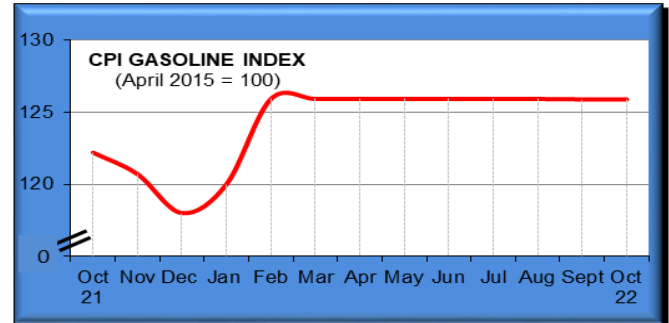
On average, food prices dropped 0.1 per cent due to monthly food specials. Items contributing to the decrease were onions (-29.9 per cent) and green peppers (-24.7 per cent). In contrast, the average cost of vegetable shortening (+18.7) and cooking oil (+10.6 per cent) increased.

Fuel & Power

In response to the 16.1 per cent decrease in the fuel adjustment rate, the Fuel & Power sector slid 4.1 per cent in October.

Transport & Foreign Travel

The Transport & Foreign Travel sector was down 4.6 per cent. The decline was attributed to the decrease in the average cost of airfares (-17.0 per cent) and overseas hotel accommodations (-9.5 per cent). In contrast, the average cost of new motorcycles and cars increased (+2.6 per cent) and (+0.9 per cent), respectively.



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, Entertainment & 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										
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
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
Jul	+0.4	+1.1	+0.1	+2.1	-0.1	+1.5	+0.1	+0.5	Nil	+0.1
Aug	+0.2	+1.0	Nil	Nil	+0.6	Nil	+0.5	-0.9	+0.4	Nil
Sept	+0.5	+1.3	+0.3	Nil	-0.1	Nil	+0.2	+0.9	+0.9	Nil
Oct	-0.7	-0.1	Nil	+1.6	+0.2	-4.1	+0.5	-4.6	+0.1	Nil
Oct '21	108.5*	115.6	99.8	108.3	124.0	108.3*	105.7	104.6	113.2	117.3
Sept '22	113.4	127.8	100.8	110.7	125.1	118.7	109.1	111.5	118.1	122.9
Oct '22	112.6	127.7	100.8	112.5	125.3	113.8	109.6	106.4	118.2	122.9
Oct '22	+3.8	+10.3	+1.0	+3.9	+1.0	+5.1	+3.7	+1.7	+4.4	+4.8
Oct '21										

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

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, is 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 period 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. An index number alone 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	Oct 22
Bermuda	+1.4	+1.0	Nil	+1.5	+3.8
United States¹	+2.4	+1.8	+1.2	+4.7	+7.7
Canada²	+2.3	+1.9	+0.7	+3.4	+6.9
United Kingdom³	+3.3	+2.6	+1.5	+4.1	+14.2

Sources:

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

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Department of Statistics
Cedar Park Centre,
48 Cedar Avenue, Hamilton HM 11

P.O. Box HM 3015
Hamilton HM MX, Bermuda

Tel: (441) 297-7761, Fax: (441) 295-8390

Website: <https://www.gov.bm/department/statistics>

