



RETAIL SALES SUMMARY

Retail sales fell by 4.5% in June 2009 marking the fifth consecutive month of declining sales. Consumers purchased an estimated \$95.4 million in retail goods, or \$4.4 million less than was spent in the same period last year. All store types with the exception of food stores recorded lower sales revenue this month.

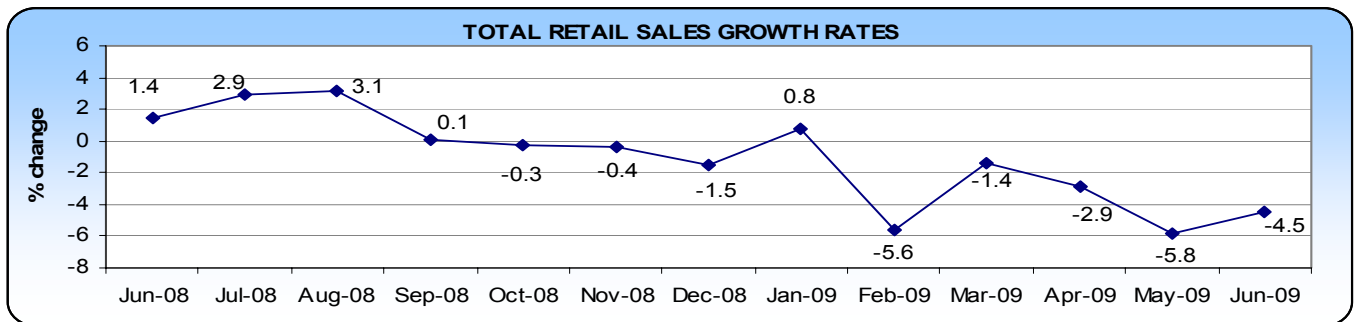
In comparison, the June level of sales activity generated by Bermuda's major trading partners showed marginal signs of recovery.

In the UK, retail sales grew 1.4%, mostly driven by

stronger apparel sales. The US and Canada reported fractional increases in sales of 0.6% and 0.5%, respectively; due primarily to higher gas prices.

After adjusting for the **annual retail sales rate of inflation**, measured at 2.5% in June 2009, the volume of retail sales fell by 6.8%. June 2009 marked the fourteenth consecutive month since May 2008, of declining sales volume.

There were 25 shopping days during the month, the same as in June 2008.



The RSI is based currently on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

SUMMARY STATISTICS								
Period	Total Retail Sales Index*	Annual % Change in Retail Sales		Total Retail Sales Estimate (\$M)	Overseas Purchases Declared by Returning Residents		Combined Retail Sales (Local + Overseas)	
		Value	Volume		Value (\$M)	% Change	Value (\$M)	% Change
2008								
May	106.3	-2.4	-7.1	95.1	6.8	+7.3	101.9	-1.8
Jun	111.5	+1.4	-3.8	99.8	5.1	+11.5	104.9	+1.8
Jul	116.6	+2.9	-2.3	104.3	5.1	+0.6	109.4	+2.8
Aug	107.4	+3.1	-2.6	96.1	8.4	+13.5	104.5	+3.9
Sep	102.3	+0.1	-5.3	91.5	5.5	-6.4	97.0	-0.3
Oct	105.9	-0.3	-6.3	94.8	5.2	+6.7	100.0	+0.1
Nov	102.7	-0.4	-5.8	91.9	8.4	-5.4	100.3	-0.9
Dec	123.8	-1.5	-6.9	110.8	7.4	-5.0	118.2	-1.7
2009								
Jan	94.4	+0.8	-4.3	84.5	5.5	-5.2	90.0	+0.4
Feb	85.9	-5.6	-11.0	76.9	4.1	-4.7	81.0	-5.6
Mar	99.2	-1.4	-6.2	88.8	4.4	-13.7	93.2	-2.1
Apr	103.2	-2.9	-6.0	92.3	6.9	9.5	99.2	-2.2
May	100.1	-5.8	-8.6	89.6	7.3	8.0	96.9	-4.8
Jun	106.5	-4.5	-6.8	95.4	5.0	-2.0	100.4	-4.4

Apparel Stores

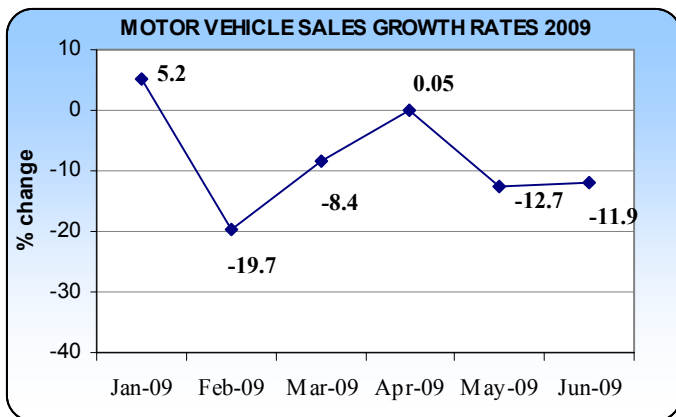
Clothing retailers continued to struggle as gross sales declined by 20% in June 2009. June marked the seventh consecutive month of double-digit sales declines. Conservative consumer spending on apparel was also reflected in overseas purchases as residents spent 2.5% less on clothing items compared to last year.

Service Stations

Fuel pump sales fell 17.4% in June 2009 as a direct result of an identical decrease in the price of gasoline. Falling prices have negatively impacted local sales, as reflected in double-digit declines in revenue dating back to December 2008.

Motor Vehicle Stores

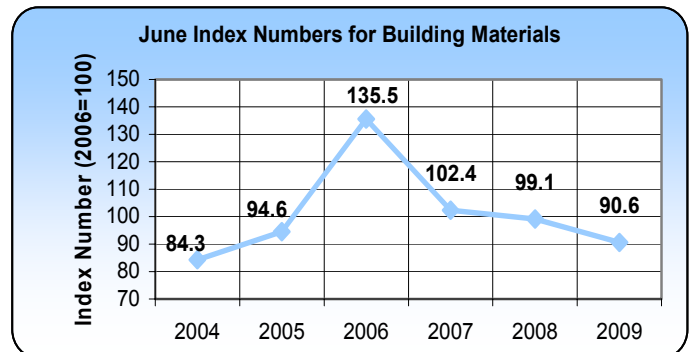
The motor vehicle sector posted a decline in sales for the fourth month since January this year. Dealers reported a decline of 11.9% in gross sales in June 2009. The decline was attributed to weak consumer demand for vehicle models currently in inventory.



Building Material Stores

Building materials and hardware suppliers registered their fifth month of declining sales revenue for the year. Gross sales fell 8.5% in June following a similar decline in May. Lower

sales revenue can be attributed to the knock-on effects of reduced building projects in the construction industry.



Food Stores

Gross receipts for food stores advanced 6.2% in June 2009, much stronger than the 3.4% recorded in June 2008. This increase can be partially attributed to the 5.2% rise in the cost of food items during the month.

All Other Store Types

The all other store types sector reported a drop in sales revenue of 2.3%, as consumers spent significantly less on household goods (-9.5%) and miscellaneous items (-5.3%). Sales of marine supplies also decreased by 0.2%, while pharmaceutical sales increased 9.4% compared with a year earlier.

Overseas Spending

Residents returning to the Island declared overseas purchases of goods valued at \$5.0 million. This level of spending reflected a decrease of 2.0%, or \$0.1 million below the previous year.

Combined local and overseas retail sales totalled \$100.4 million during the month, a decrease of \$4.5 million year-over-year. Overseas spending represented 5.0% of total retail sales this month, fractionally higher (+0.1%) than its share in June 2008.

BERMUDA RETAIL SALES INDEX

Average Monthly Sales (1) 2006=100

Period	Total Retail Stores		Food Stores (2)		Liquor Stores (3)		Motor Vehicle Stores		Service Stations		Building Material Stores		Apparel Stores		All Other Store Types	
2005	96.2	+8.2	94.2	+10.0	96.6	+8.2	101.6	+22.0	89.5	+14.6	93.5	+12.6	109.9	-7.8	93.0	+6.5
2006	100.0	+3.9	100.0	+6.1	100.0	+3.6	100.0	-1.6	100.0	+11.7	100.0	+7.0	100.0	-9.0	100.0	+7.6
2007	104.3	+4.3	106.5	+6.5	104.4	+4.4	95.1	-5.0	106.0	+6.0	96.4	-3.6	109.3	+9.3	106.2	+6.1
2008^f	105.7	+1.3	114.0	+7.0	105.7	+1.2	90.6	-4.7	114.9	+8.4	92.9	-3.7	104.5	-4.4	107.4	+1.2
2007																
Mar	102.3	+9.9	105.8	+8.9	93.1	+6.4	103.6	+4.5	100.8	+5.8	116.8	+6.9	95.2	+20.7	96.8	+13.2
Apr	97.4	+2.0	103.1	+1.6	97.5	-1.8	84.7	-11.2	108.9	+12.9	100.1	-3.7	92.8	+4.4	94.6	+7.8
May	108.8	+0.6	107.0	+5.7	109.9	+2.8	116.6	+4.8	114.9	+7.3	94.3	-30.4	115.2	+8.4	108.8	+3.1
Jun	110.0	+2.6	110.6	+8.0	117.4	+8.2	84.1	-17.5	112.8	+4.7	102.4	+12.1	128.6	+4.0	114.6	+1.6
Jul	113.3	+9.8	112.8	+4.8	141.5	+19.9	106.5	+14.6	121.9	+10.5	105.8	+11.9	109.4	+9.7	117.3	+12.0
Aug	104.2	+4.0	106.5	+6.8	112.5	+3.4	92.2	-9.7	107.1	+1.9	96.6	+0.0	106.3	+11.8	107.6	+5.6
Sep	102.1	+0.5	107.6	+3.1	98.8	-8.5	87.5	-11.5	109.7	-1.1	86.3	-23.3	105.0	+10.6	105.5	+10.2
Oct	106.2	+7.3	110.7	+10.3	84.0	+7.3	107.4	-0.6	111.8	+7.4	105.2	+9.5	98.3	+4.2	105.0	+8.5
Nov	103.1	+1.9	102.2	+4.7	100.2	+4.2	87.1	-16.6	102.4	+6.8	99.1	-0.8	112.3	+12.0	109.4	+2.7
Dec	125.7	+2.5	119.5	+7.6	142.3	+2.1	70.0	-14.2	103.1	+5.8	69.5	-6.7	214.6	+2.1	144.2	+2.0
2008																
Jan	93.7	+0.0	105.2	+6.8	75.8	-0.5	85.6	-22.9	100.4	+8.7	93.2	-10.1	75.9	+6.1	91.3	+4.5
Feb	91.0	+7.5	99.5	+5.7	82.8	+4.0	89.2	-0.9	97.0	+11.7	84.6	+9.3	70.1	+11.0	92.2	+11.5
Mar	100.7	-1.6	107.9	+2.0	98.8	+6.1	96.7	-6.6	111.6	+10.7	95.0	-18.7	91.5	-3.8	98.1	-1.3
Apr	106.3	+9.1	111.5	+8.2	93.7	-3.9	99.3	+17.3	120.4	+10.5	107.7	+7.6	100.0	+7.8	103.1	+8.9
May	106.3	-2.4	117.1	+9.4	116.3	+5.8	85.1	-27.0	125.5	+9.2	100.8	+6.8	116.4	+1.1	108.5	-0.3
Jun ^r	111.5	+1.4	114.4	+3.4	112.4	-4.3	92.3	+9.8	127.1	+12.7	99.1	-3.2	131.3	+2.1	109.6	-4.4
Jul	116.6	+2.9	124.7	+10.6	156.4	+10.5	106.8	+0.3	140.9	+15.6	96.3	-9.0	103.9	-5.1	117.0	-0.2
Aug	107.4	+3.1	118.4	+11.2	110.5	-1.8	82.7	-10.3	127.9	+19.4	96.0	-0.6	101.3	-4.6	107.8	+0.3
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Feb	85.9	-5.6	107.7	+8.3	79.3	-4.3	71.6	-19.7	81.2	-16.3	75.2	-11.1	55.2	-21.2	85.1	-7.7
Mar	99.2	-1.4	114.5	+6.1	86.7	-12.2	88.6	-8.4	94.3	-15.5	105.1	+10.6	72.7	-20.5	97.3	-0.8
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Jun	106.5	-4.5	121.5	6.2	110.7	-1.5	81.3	-11.9	105.1	-17.4	90.6	-8.5	105.0	-20.0	107.0	-2.3

(1) Index numbers are subject to revisions

(2) Includes household supplies but excludes alcoholic beverages

(3) Does not include sales to bars, clubs, hotels and restaurants

* The yearly series reflect annual changes

EXPLANATORY NOTES

The **Retail Sales Index (RSI)** was first developed in 1982. It is a key economic indicator used to assess the current performance of sales activity in the retail sector of the economy.

The RSI is a self-weighting index. This means that stores reporting a large value of sales have a greater impact on the movement of the index than stores reporting a low level of sales activity.

The **RSI** serves to:

- 1) measure monthly and annual movements of retail sales
- 2) provide an estimated gross turnover of sales in the local retail sector
- 3) act as a barometer of change in the level of demand for both the domestic and tourist markets

The index is structured into seven broad sectors:

- Food Stores
- Liquor Stores
- Motor Vehicle Dealers
- Service Stations
- Building Materials
- Apparel Stores
- All Other Store Types

Total retail stores across the seven sectors represent roughly 70% of all retail activity on the Island. The base period 2006 recorded a gross turnover in retail sales of \$1.1 billion.

Retail outlets that participate in the retail sales survey and trade in similar types of goods are grouped into these seven sectors. It is important to note that sector classifications are not interchangeable with commodity classifications. This is because most retail outlets sell several kinds of commodities. The sector classification generally reflects the individual commodity or the commodity group, which is the primary source of the establishment's receipts, or some mixture of commodities, which characterizes the establishment's business.

CONCEPTS AND DEFINITIONS

Retail Trade

Retail trade is the sector of the economy that includes establishments that are engaged in the sale of merchandise for personal or household consumption and in the rendering of services that are incidental to the sale of the merchandise.

Retail Establishment

A retail establishment is one that operates at a fixed place of business and is engaged in sales activities to attract the general public to buy merchandise.

Value Sales

The dollar value of a quantity of goods and services sold for cash or credit. Sales include the amounts received from customers for: immediate and layaway purchases; rentals; installations; maintenance; repairs and alterations.

Gross Sales

Gross sales are sales for which no deductions have been made for the return of merchandise, allowances and discounts.

Volume Sales

The dollar value of a quantity of goods and services sold at current retail market prices adjusted to eliminate the effect of price change.

Estimated Gross Turnover

Estimated gross turnover is the total value of retail sales generated in the retail sector. It is calculated by applying the all-items index number for the current month to the average monthly sales figure determined in the base year.

Base Period

This is the time period used as a reference point for measuring the shift in the value of retail sales. The base period for the Bermuda RSI is 2006.

Overseas Purchases

Overseas purchases reflect the value of goods declared by residents through HM Customs while travelling on vacation or business trips.

Published by the Government of Bermuda
August 2009

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