



RETAIL SALES DIP BY TWO PER CENT

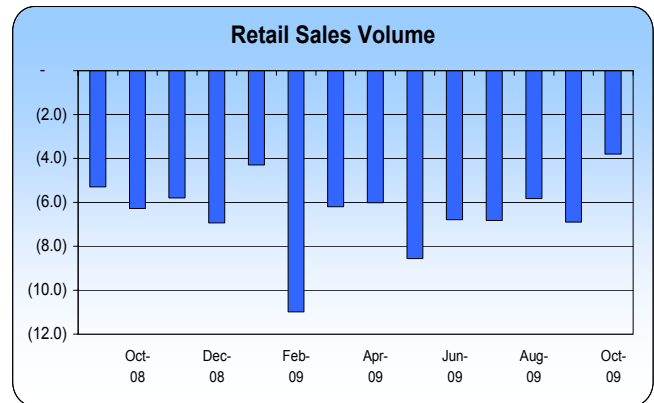
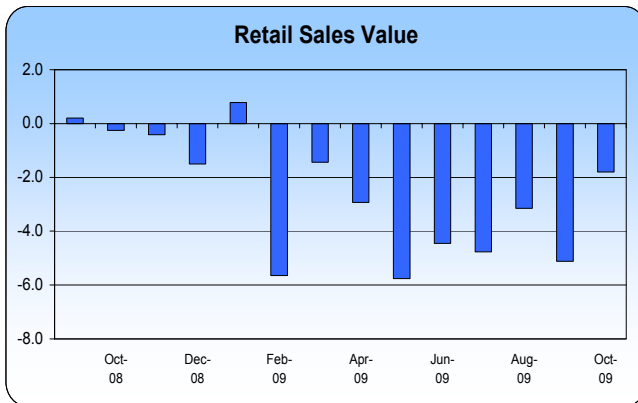
Retail sales declined by 2 per cent in October 2009. Total spending was reported as \$93 million, \$2 million less than October 2008. The October 2009 index stood at 103.8 index points.

The last time Bermuda reported growth in the RSI was January 2009, with a fractional increase of less than 1 per cent. The largest contributors to the decline in the index were the motor vehicle stores

and building materials stores sectors.

After adjusting for the **annual retail sales rate of inflation**, measured at 1.9 per cent in October 2009, the volume of retail sales fell by 4 per cent. This reflected an overall decrease in the total quantity of goods sold in the retail sector for the month.

There were 27 shopping days during the month, one more than in October 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								
Sep	102.3	+0.2	-5.3	93.5	5.5	-6.4	97.0	-0.2
Oct ^R	105.7	-0.5	-6.5	94.6	5.2	+6.7	99.8	-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	-2.5	100.4	-4.4
Jul	111.9	-4.8	-6.8	100.2	5.0	-2.5	105.2	-4.7
Aug	104.4	-3.1	-5.8	93.4	8.1	-3.6	101.5	-3.2
Sep	97.1	-5.1	-6.9	86.9	6.2	+12.7	93.1	-4.0
Oct	103.8	-1.8	-3.8	92.9	5.2	0.0	98.1	-1.7

Apparel sales

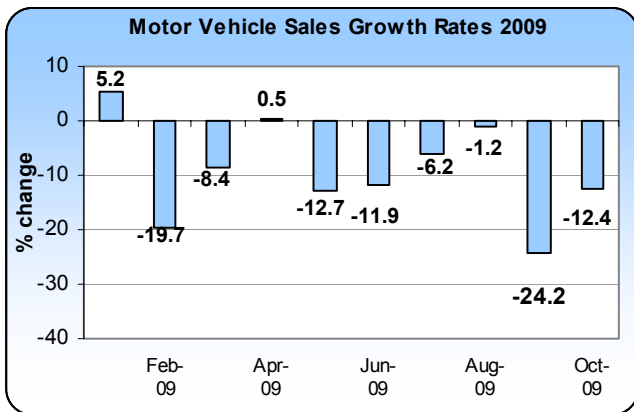
In an attempt to lure costumers back into outlets, retailers have offered a number of incentives including longer opening hours and bargain prices. However, these incentives have not yet translated into stronger sales activity for the sector, which recorded a 3 per cent decline in October 2009.

Service Stations

The service stations sector registered an 8 per cent reduction in sales revenue for the month of October following an 11 per cent decline in September 2009. The fall in revenue was directly attributed to plummeting fuel prices.

Motor Vehicles

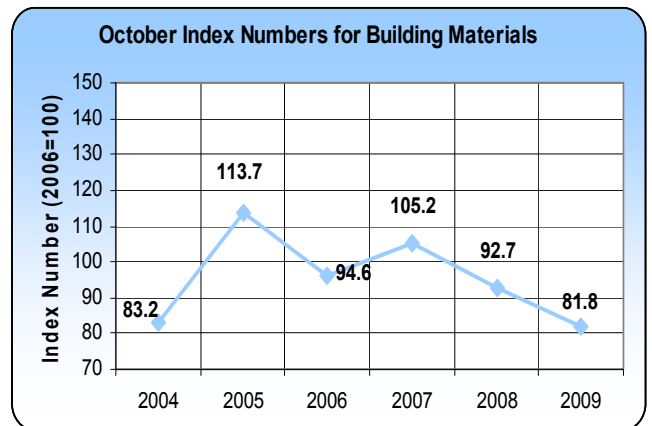
Weaker demand for current models in stock translated into a 12 per cent cutback in sales at motor vehicle dealerships. In comparison, sales of motorcycles have been on the rise.



Building Materials

A reduction in the level of construction activity translated into double-digit sale declines within the building materials sector. The building materials sector declined 12 per

cent compared to the same period last year.



Food and Liquor stores

Food stores were the largest contributor to the retail sales index for the month of October 2009. Gross receipts rose 5 per cent year-over-year. Most of the growth was due to the cost of food items increasing by 2.8 per cent. Additionally, liquor sales increased 2 per cent compared to the same period of 2008.

All Other Store Types

All other stores, which include retailers of furniture, appliances, electronics and pharmaceuticals, registered a 1 per cent decline in October. This performance reflected lower consumer spending on tourist-related goods and appliances and electronic sales, with both sector sub-groupings falling by 7 per cent. In contrast, pharmacies experienced stronger sales activity with a 4 per cent increase in revenue.

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	105.8	+1.4	114.3	+7.3	105.2	+0.8	90.7	-4.6	115.7	+9.1	93.0	-3.5	104.4	-4.5	107.2	+1.0
2007																
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	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	117.5	+3.7	128.4	+13.9	151.0	+6.7	104.8	-1.6	140.7	+15.4	90.6	-14.4	100.4	-8.2	120.4	+2.6
Aug	107.8	+2.3	119.9	+12.7	110.5	-1.8	85.7	-7.1	130.9	+22.3	93.7	-3.0	102.7	-3.4	105.7	-1.7
Sep	102.3	+0.2	110.0	+2.2	98.6	-0.3	94.3	+7.8	121.3	+10.6	94.9	+10.0	94.4	-10.0	99.1	-6.1
Oct ^R	105.7	-0.5	121.5	+9.8	84.9	+1.0	94.0	-12.5	121.7	+8.9	92.7	-11.9	89.4	-9.0	103.0	-1.9
Nov	102.7	-0.4	110.9	+8.6	101.9	+1.6	76.0	-12.7	100.3	-2.1	94.8	-4.3	102.2	-9.0	108.5	-0.8
Dec	123.8	-1.5	125.4	+5.0	136.2	-4.3	85.5	+22.2	91.0	-11.7	69.1	-0.6	178.6	-16.8	147.5	+2.2
2009																
Jan	94.4	+0.8	116.3	+10.5	80.7	+6.5	90.0	+5.2	88.1	-12.2	77.5	-16.9	64.8	-14.7	92.3	+1.0
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
Apr	103.2	-2.9	120.1	+7.7	99.6	+6.3	99.8	+0.5	98.1	-18.6	102.6	-4.7	84.0	-16.0	94.8	-8.0
May	100.1	-5.8	121.2	+3.5	112.5	-3.3	74.3	-12.7	104.9	-16.4	92.2	-8.5	96.8	-16.8	101.2	-6.7
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
Jul	111.9	-4.8	136.4	+6.2	145.4	-3.7	98.3	-6.2	117.2	-16.7	91.9	+1.5	82.5	-17.8	106.0	-11.9
Aug	104.4	-3.1	123.3	+2.8	115.4	+4.4	84.7	-1.2	116.4	-11.1	92.7	-1.1	82.5	-19.7	101.6	-3.9
Sep	97.1	-5.1	116.2	+5.6	98.9	+0.3	71.5	-24.2	108.2	-10.8	90.9	-4.2	85.4	-9.6	90.7	-8.5
Oct	103.8	-1.8	127.3	+4.8	86.8	+2.3	82.3	-12.4	112.6	-7.5	81.8	-11.8	87.1	-2.6	101.6	-1.3

(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
December 2009

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