



## RETAIL SALES DROP BY 9.5 PER CENT

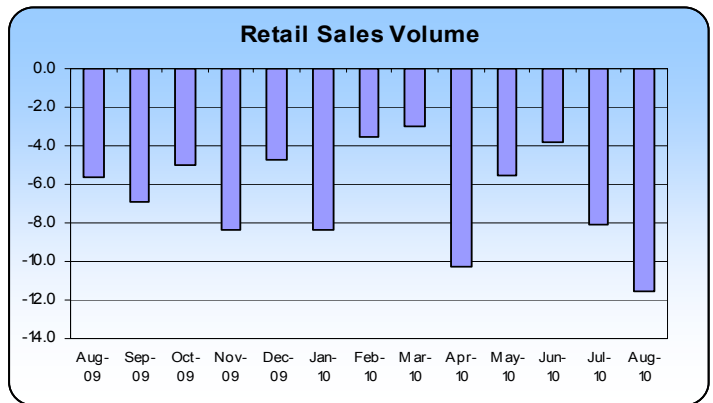
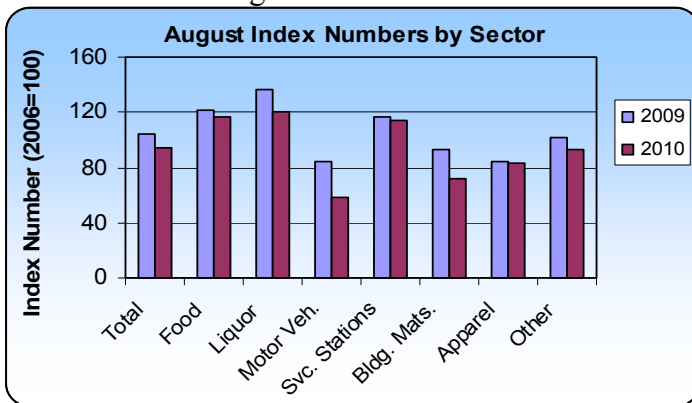
During the month of August 2010, consumers spent an estimated \$84.7 million on retail sales. This represented a decrease of \$8.8 million or 9.5 per cent less than total sales recorded in the same month of last year. August marked the seventeenth consecutive month of declining sales activity and the largest year-over-year percentage decline reported since the 9.5 per cent decrease recorded in May of 1992.

The value of overseas purchases declared by residents returning to the Island from business

and vacation trips was \$7.8 million during August 2010. This was 3.7 per cent lower than the \$8.1 million declared in the same month of last year. Combined local and overseas spending totalled \$92.5 million during the month.

After adjusting for the annual retail sales rate of inflation, measured at 2.2 per cent in August 2010, the volume of retail sales contracted by 11.5 per cent.

There were 26 shopping days in August 2010 the same as in August 2009.



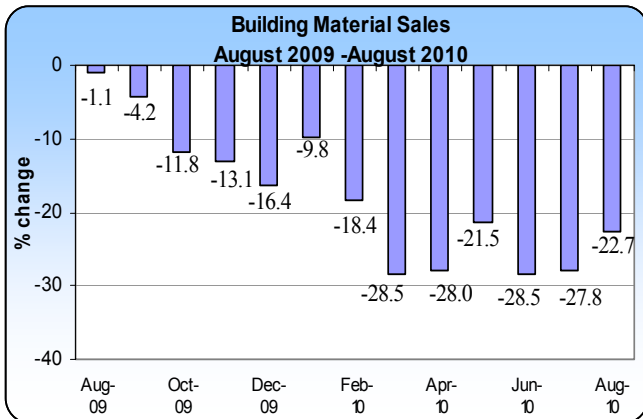
The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

### 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
<b>2009</b>								
Aug <sup>R</sup>	104.5	-2.9	-5.5	93.5	8.1	-3.6	101.6	-2.9
Sep	97.1	-5.1	-6.9	86.9	6.2	+12.3	93.1	-4.1
Oct	102.4	-3.1	-5.0	91.7	5.1	-2.5	96.8	-3.1
Nov	97.0	-6.3	-8.4	86.8	7.7	-8.6	94.5	-6.4
Dec	122.9	-2.4	-4.7	110.0	7.9	+6.6	117.9	-1.8
<b>2010</b>								
Jan	87.2	-5.4	-8.4	78.0	5.0	-9.1	83.0	-5.7
Feb	84.3	-1.6	-3.5	75.5	3.8	-7.3	79.3	-1.9
Mar	99.9	-0.8	-3.0	89.4	4.6	+4.5	94.0	-0.5
Apr	95.7	-7.8	-10.3	85.7	6.1	-11.6	91.8	-8.0
May	99.9	-3.8	-5.5	89.4	6.4	-12.3	95.8	-4.4
Jun	104.0	-2.4	-4.4	93.1	5.7	+14.0	98.8	-1.5
Jul	105.8	-6.0	-8.1	94.7	5.4	+8.0	100.1	-5.3
<b>Aug</b>	<b>94.6</b>	<b>-9.5</b>	<b>-11.5</b>	<b>84.7</b>	<b>7.8</b>	<b>-3.7</b>	<b>92.5</b>	<b>-9.0</b>

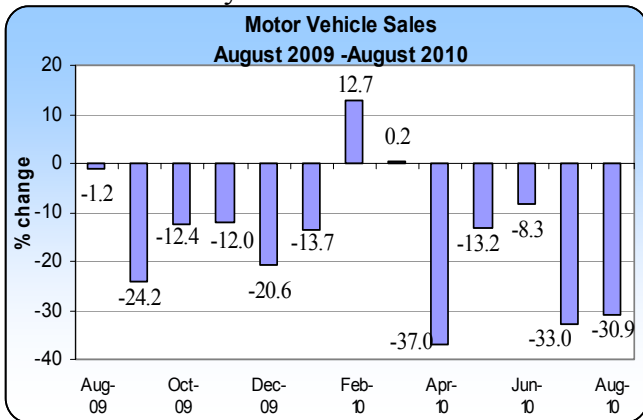
### Building Materials

For the thirteenth consecutive month, retailers of building materials and hardware supplies reported declines in sales revenue. Gross receipts within this sector fell 22.7 per cent from August 2009. This drop was reflective of the overall reduction of building activity in the construction industry.



### Motor Vehicle Stores

Weak consumer demand for the current inventory of vehicle models led to another dismal sales month for motor vehicle retailers. Sales revenue plummeted by more than 30 per cent during the month, marking the third such occurrence this year.



### All Other Store Types

Gross receipts within the all other store types sector fell by 8.9 per cent. While each subsector experienced declines, retail stores in the boat and marine supplies subsector suffered the largest sales drop, reporting a 33.8 per cent fall during August 2010. Retailers of furniture, appliances, and electronics stores reported a

decrease of 13.1 per cent during the month. Additionally, sales revenue of pharmaceutical retail outlets and tourist related stores fell 4.8 per cent and 3 per cent, respectively.

### Food and Liquor Stores

Food stores reported a 4.3 per cent decrease in gross receipts during August 2010, despite a 3.4 per cent increase in the price of food. Receipts from liquor sales fell by 11.7 per cent during the same period. Sales of these items were negatively affected by one less Saturday during the month, compared to last year.

### Apparel Stores

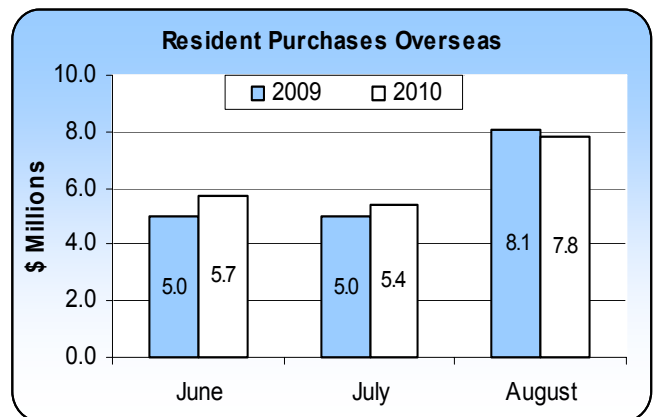
Apparel retailers reported a sales decrease of 1.4 per cent, the weakest decline of all sectors during August 2010.

### Service Stations

Sales at service stations were 2.1 per cent below the previous year's level. Gasoline prices during the same period rose by 0.5 per cent year-over-year.

### Resident Purchases Overseas

Residents returning from overseas declared \$7.8 million worth of purchases, a decrease of 3.7 per cent per cent over August 2009. Resident overseas spending on clothing and apparel accounted for approximately half of the value of all goods declared. However, total purchases of these goods fell 1.4 per cent, aligning with the same percentage drop experienced by local apparel retailers.



# 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	
<b>2005</b>	<b>96.2</b>	+8.2	<b>94.2</b>	+10.0	<b>96.6</b>	+8.2	<b>101.6</b>	+22.0	<b>89.5</b>	+14.6	<b>93.5</b>	+12.6	<b>109.9</b>	-7.8	<b>93.0</b>	+6.5
<b>2006</b>	<b>100.0</b>	+4.0	<b>100.0</b>	+6.1	<b>100.0</b>	+3.6	<b>100.0</b>	-1.5	<b>100.0</b>	+11.7	<b>100.0</b>	+7.0	<b>100.0</b>	-9.0	<b>100.0</b>	+7.6
<b>2007</b>	<b>104.3</b>	+4.2	<b>106.5</b>	+6.5	<b>104.4</b>	+4.4	<b>95.1</b>	-5.1	<b>106.0</b>	+6.0	<b>96.4</b>	-3.6	<b>109.3</b>	+9.3	<b>106.2</b>	+6.1
<b>2008</b>	<b>106.0</b>	+1.6	<b>114.9</b>	+7.8	<b>105.2</b>	+0.8	<b>90.7</b>	-4.6	<b>116.9</b>	+10.3	<b>93.0</b>	-3.5	<b>104.3</b>	-4.6	<b>106.8</b>	+0.6
<b>*2009</b>	<b>102.0</b>	-3.8	<b>120.2</b>	+4.7	<b>103.9</b>	-1.3	<b>80.8</b>	-10.9	<b>104.3</b>	-10.8	<b>86.2</b>	-7.4	<b>90.2</b>	-13.6	<b>101.1</b>	-5.4
<b>2008</b>																
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	107.6	+3.2	119.3	+12.0	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	105.7	-0.5	121.6	+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	103.5	+0.4	113.8	+11.4	101.9	+1.6	76.0	-12.7	106.2	+3.7	94.8	-4.3	98.8	-12.0	108.2	-1.0
Dec	125.9	+0.2	129.8	+8.6	136.2	-4.3	85.5	+22.2	100.4	-2.6	69.2	-0.5	181.1	-15.6	142.6	-1.1
<b>2009</b>																
Jan	92.2	-1.6	113.0	+7.4	80.7	+6.5	82.1	-4.1	92.4	-8.0	70.6	-24.3	59.4	-21.7	95.4	+4.4
Feb	85.7	-5.8	105.2	+5.8	79.3	-4.3	71.9	-19.4	88.9	-8.3	75.2	-11.1	55.2	-21.3	85.5	-7.2
Mar	100.7	0.0	113.6	+5.2	83.9	-15.1	88.6	-8.4	100.2	-10.2	105.1	+10.6	72.7	-20.5	94.8	-3.2
Apr	103.1	-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	-8.1
May	103.8	-2.4	121.0	+3.3	99.5	-14.4	100.3	+17.9	100.8	-19.6	102.6	+1.8	83.8	-28.0	95.3	-12.1
Jun	106.5	-4.5	121.5	+6.2	110.7	-1.5	77.0	-16.6	115.8	-8.9	90.6	-8.5	105.0	-20.0	106.5	-2.8
Jul	112.5	-4.3	136.4	+6.2	145.4	-3.7	103.3	-1.4	115.9	17.6	91.9	+1.4	82.5	-17.8	106.1	-11.9
Aug <sup>R</sup>	104.5	-2.9	121.6	+2.0	136.9	+23.9	84.8	-1.0	116.4	-11.1	92.7	-1.1	84.1	-18.1	101.5	-4.0
Sep	97.1	-5.1	116.2	+5.7	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	102.4	-3.1	124.7	+2.6	86.8	+2.3	82.3	-12.4	112.6	-7.5	81.8	-11.8	87.1	-2.6	99.6	-3.3
Nov	97.0	-6.3	113.5	-0.3	93.7	-8.0	66.9	-12.0	106.0	-0.2	82.4	-13.1	91.3	-7.6	97.1	-10.3
Dec	122.9	-2.4	133.9	+3.2	139.4	+2.3	67.9	-20.6	107.2	+6.8	57.9	-16.4	179.9	-0.6	136.6	-4.2
<b>2010</b>																
Jan	87.2	-5.4	112.0	-0.9	76.2	-5.7	70.8	-13.7	102.1	+10.5	63.6	-9.8	59.9	+0.7	83.7	-12.3
Feb	84.3	-1.6	107.5	+2.2	77.8	-1.9	81.0	+12.7	97.7	+9.9	61.4	-18.4	51.6	-6.5	78.9	-7.7
Mar	99.9	-0.8	120.0	+5.7	88.1	+5.0	88.8	+0.2	114.4	+14.2	75.2	-28.5	75.4	+3.6	90.8	-4.3
Apr	95.7	-7.8	115.7	-4.4	95.4	-4.1	63.3	-37.0	115.8	+14.8	73.9	-28.0	78.3	-6.6	97.3	+2.1
May	99.9	-3.8	121.5	+0.4	98.5	-1.0	87.1	-13.2	106.0	+5.1	80.6	-21.4	84.3	+0.6	90.8	-4.7
Jun	104.0	-2.4	124.0	+2.1	113.0	+2.1	70.6	-8.3	118.7	+2.5	64.8	-28.5	107.2	+2.1	105.0	-1.4
Jul	105.8	-6.0	137.8	+1.0	150.2	+3.3	69.2	-33.0	117.8	+1.6	66.4	-27.7	81.7	-1.0	104.8	-1.2
<b>Aug</b>	<b>94.6</b>	<b>-9.5</b>	<b>116.4</b>	<b>-4.3</b>	<b>120.9</b>	<b>-11.7</b>	<b>58.6</b>	<b>-30.9</b>	<b>113.9</b>	<b>-2.1</b>	<b>71.7</b>	<b>-22.7</b>	<b>82.9</b>	<b>-1.4</b>	<b>92.5</b>	<b>-8.9</b>

(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.

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