



Annual Inflation Rate +4.5%

TECHNICAL NOTE

Computational errors were found in the annual average inflation rate per cent change section of the Consumer Price Index (CPI) publications for 2018 to 2022. Corrections have been made and noted by an r (revision).

ANNUAL INFLATION RISING

Consumers paid 4.5 per cent more in January 2023 than they did a year ago for the basket of goods and services included in the CPI. This level of inflation was up 0.4 percentage points from the December 2022 annual inflation rate of 4.1 per cent.

Between December 2022 and January 2023, the average cost of goods and services in the CPI increased 0.4 per cent. The all-items index rose from 113.3 to 113.7. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$113.70.

YEAR-TO-YEAR ANALYSIS

Transport & Foreign Travel

The Transport & Foreign Travel sector was the largest contributor to the twelve-month increase in the CPI (+10.1 per cent). On average, the greatest annual increases were reported in the price of overseas accommodations (+50.4 per cent) and airfares (+19.4 per cent).

Food

In the twelve months to January 2023, the Food sector increased 10.1 per cent. The major contributors to the annual increase in the sector were the average cost of fruit juices (+34.5 per cent), ice cream (+24.7 per cent) and frozen entrees (+15.4 per cent). The largest year-to-year decreases were prunes (-12.7 per cent) and raisins (-10.1 per cent).

Education, Recreation, Entertainment & Reading

Year-over-year, the Education, Recreation, Entertainment & Reading sector rose by 3.9 per cent. The average cost of pet care (+3.3 per cent) increased.

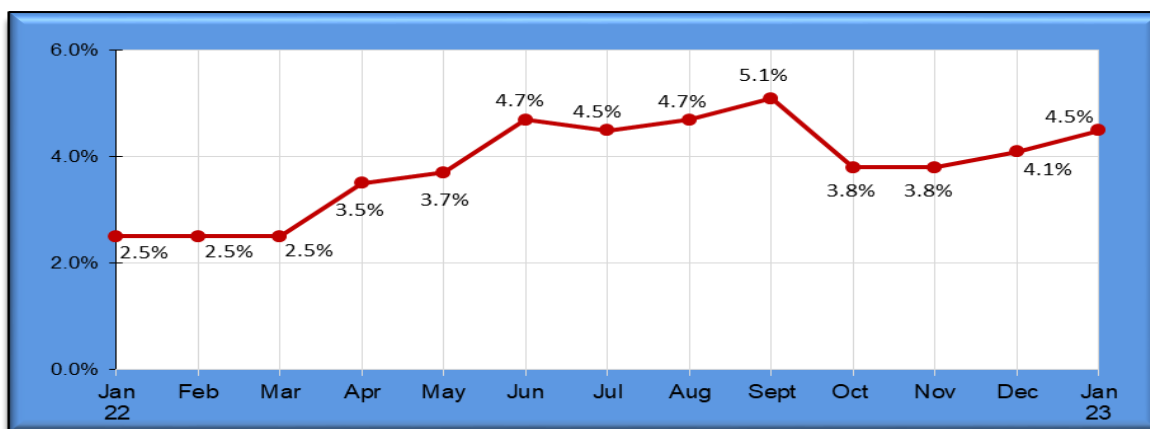
Clothing & Footwear

The annual increase in the Clothing & Footwear sector was 4.4 per cent. On average, infant clothing (+24.3 per cent), watches (+18.6 per cent), men's shoes (+10.7 per cent) and men's underwear (+8.3 per cent) rose.

Health & Personal Care

The annual increase in the Health & Personal Care sector was 3.3 per cent. On average, the price of self-prescribed medicines and household medical supplies rose 6.9 per cent while toiletries, cosmetics and perfumes advanced 4.6 per cent.

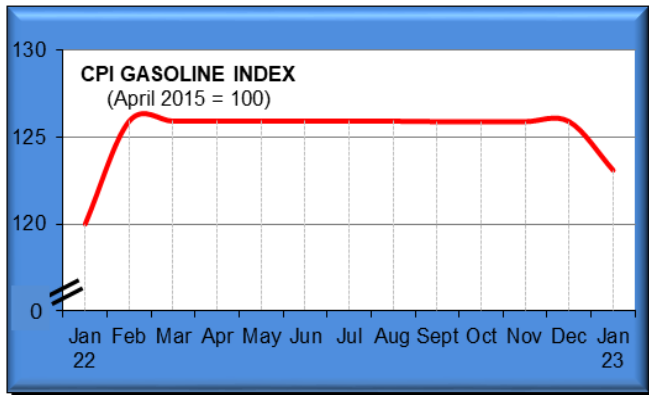
YEAR-TO-YEAR INFLATION RATES
(April 2015 = 100)



MONTH-TO-MONTH ANALYSIS

Transport & Foreign Travel

The Transport & Foreign Travel sector advanced 2.7 per cent in January 2023. Increases were reported in the average cost of overseas hotel accommodations (+20.1 per cent), car repair and maintenance (+6.8 per cent) and air fares (+6.2 per cent). In contrast, the average cost of premium fuel dipped 2.2 per cent.



Food

On average, prices within the Food sector rose 0.6 per cent for the month. Consumers saw increases in the price of oranges (+12.5 per cent), eggs (+10.1 per cent), red grapes (+6.6 per cent) and ice cream (+3.7 per cent).

Tobacco & Liquor

The Tobacco & Liquor sector climbed 1.3 per cent. Increases were reported in the average price of wines (+4.0 per cent) and beer (+0.4 per cent).

Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector rose 0.3 per cent for the month. The average cost of television subscriptions increased 1.6 per cent.

Rent

Despite the 0.1 per cent increase in the average cost of properties subjected to rent control, the Rent sector was static for the month.

Clothing & Footwear

The Clothing & Footwear sector rose 0.4 per cent. On average, the price of women’s sweaters and shirts rose 17.3 per cent while men’s shirts and jackets rose 0.9 per cent and 0.2 per cent, respectively. In addition, the average cost of watches rose 2.4 per cent.

Health & Personal Care

The Health & Personal Care sector advanced 0.1 per cent. The average cost of hand sanitizer rose 7.1 per cent.

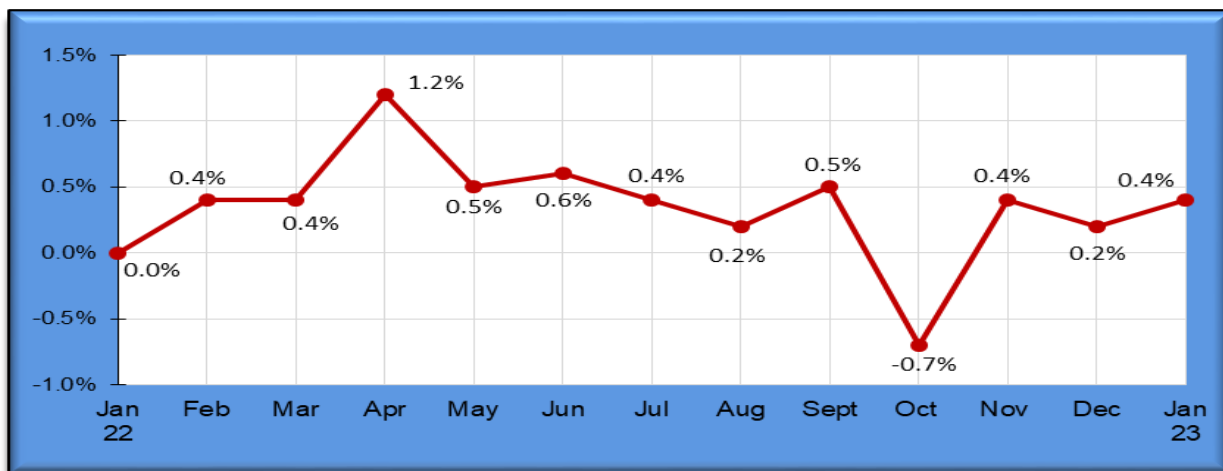
Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector declined 0.1 per cent, as the average cost of pet care fell 0.1 per cent.

Fuel & Power

The Fuel & Power sector declined 3.9 per cent due to a 15.2 per cent decrease in the fuel adjustment clause.

MONTH-TO-MONTH INFLATION RATES (April 2015 = 100)



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	1,000	115	267	25	31	39	116	130	147	130
ANNUAL AVERAGE INFLATION RATE (per cent)										
2018	+1.4	+2.1	+0.2	+1.6 ^r	+4.2 ^r	+5.9 ^r	-0.2	+0.2 ^r	+2.1	+3.1
2019	+1.0	+2.7	+0.9	+1.9	+3.8	+1.0 ^r	Nil	-3.0	+0.4	+3.4
2020	Nil	+3.0 ^r	-1.8	+0.9	+2.4 ^r	-1.8	+0.3	-4.5 ^r	+1.1	+2.9 ^r
2021	+1.5	+1.9 ^r	-0.3	+0.9 ^r	-0.6	-5.0	+1.7	+6.4	+2.0	+2.3
2022	+4.0	+7.9	+0.3	+2.2	+0.5 ^r	+10.5 ^r	+2.9	+7.6 ^r	+4.4	+4.0

^r Revision

MONTHLY INFLATION RATE (per cent)

2021										
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
Nov	+0.4	+1.8	+0.1	Nil	-0.2	Nil	+0.1	+0.7	Nil	+0.1
Dec	+0.2	-0.1	+0.1	Nil	Nil	Nil	+0.5	+1.3	Nil	-0.1
2023										
Jan	+0.4	+0.6	Nil	+0.4	+1.3	-3.9	+0.3	+2.7	-0.1	+0.1

ANNUAL INFLATION RATE (per cent)

Jan '23	+4.5	+10.1	+1.0	+4.4	+0.3	+2.4	+4.3	+10.1	+3.9	+3.3
Jan '22										

MONTHLY INDEX

Jan '22	108.8*	118.7	100.0	108.2	126.3	106.8*	106.0	101.2	113.7	119.1
Dec '22	113.3	129.9	101.0	112.5	125.1	113.8	110.3	108.5	118.2	122.9
Jan '23	113.7	130.7	101.0	113.0	126.7	109.4	110.6	111.4	118.1	123.0

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

SUMMARY STATISTICS					
Period	Monthly		Period	Quarterly	
	Index	Annual Per Cent Change		Index	Annual Per Cent Change
2022			2020		
Jan	108.6	+2.5	Q1	106.1	+0.8
Feb	109.0	+2.5	Q2	105.8	+0.1
Mar	109.4	+2.5	Q3	105.5	-0.8
Apr	110.7	+3.5	Q4	105.7	Nil
May	111.3	+3.7			
June	112.0	+4.7	2021		
July	112.6	+4.5	Q1	106.3	+0.2
Aug	112.8	+4.7	Q2	107.1	+1.2
Sept	113.4	+5.1	Q3	107.6	+2.0
Oct	112.6	+3.8	Q4	108.6	+2.7
Nov	113.1	+3.8			
Dec	113.3	+4.1	2022		
2023			Q1	109.0	+2.5
Jan	113.7	+4.5	Q2	111.3	+3.9
			Q3	112.9	+4.9
			Q4	113.0	+4.1

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:

$$= \frac{\text{Feb 20 index} - \text{Mar 18 index}}{\text{Mar 18 index}} \times 100$$

$$= \frac{106.1 - 104.3}{104.3} \times 100$$

$$= 1.7\%$$

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

	2019	2020	2021	2022	Jan 23
Bermuda	+1.0	Nil	+1.5	+4.0	+4.5
United States¹	+1.8	+1.2	+4.7	+8.0	+6.4
Canada²	+1.9	+0.7	+3.4	+6.8	+5.9
United Kingdom³	+2.6	+1.5	+4.1	+11.6	+13.4

Sources:

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

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