



RETAIL SALES DROP BY 6 PER CENT

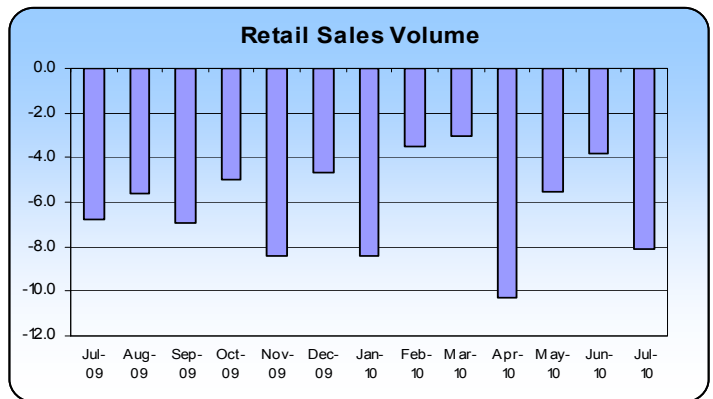
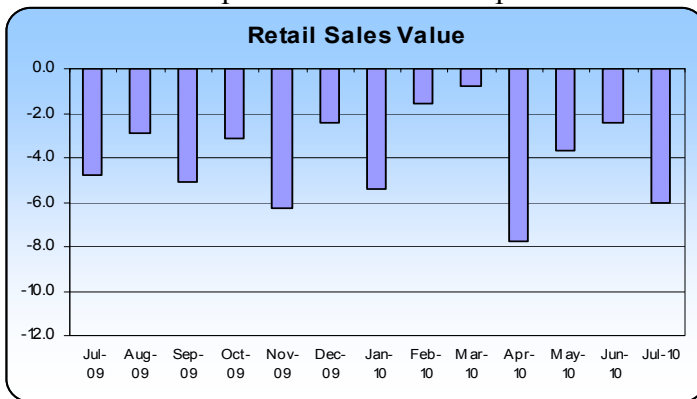
Consumers spent an estimated \$94.7 million on retail sales during the month of July 2010. This represented a decrease of 6 per cent or \$6 million less than total sales recorded in the same month of last year. Retail sales have consistently declined for sixteen consecutive months since March 2009 when there was no movement in sales activity. Building materials and motor vehicle retailers suffered the largest declines in sales this month.

Residents returning to the Island from business and vacation trips declared overseas purchases of

goods valued at \$5.4 million during July 2010. This was 8 per cent higher than the \$5 million declared during July of last year. Combined local and overseas spending totalled \$100.1 million during the month.

After adjusting for the annual retail sales rate of inflation, measured at 2.4 per cent in July 2010, the volume of retail sales contracted by 8.1 per cent.

There were 25 shopping days in July 2010, the same as in July 2009.



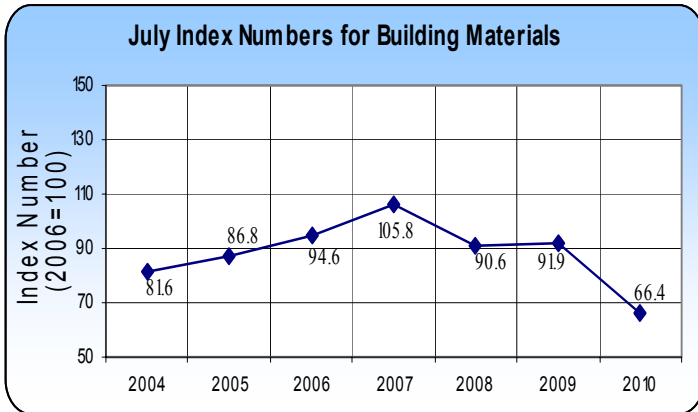
The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

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
2009								
Jul ^R	112.5	-4.3	-6.4	100.7	5.0	-2.5	105.7	-4.2
Aug	104.5	-2.9	-5.6	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
2010								
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

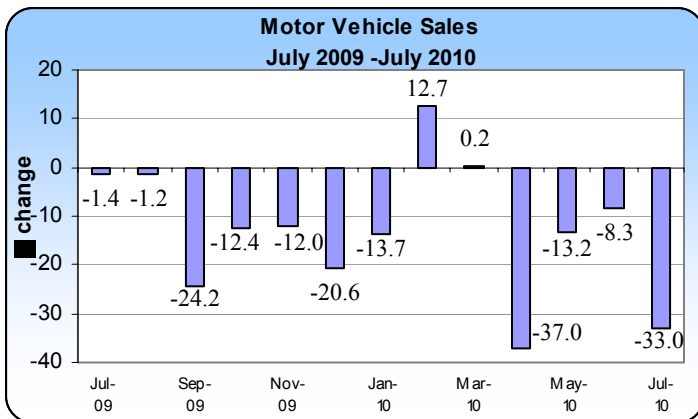
Building Materials

The adverse effects of the economic recession continued to impact retailers of building materials and hardware supplies as gross receipts for this sector fell 27.7 per cent compared to last year. This performance marked one year of continuous negative sales within the sector.



Motor Vehicle Stores

Gross revenues for motor vehicles sales plunged 33 per cent during July 2010 when compared to the same month of last year. This can be attributed in part to a general decrease in sales volume, that is the quantity of motor vehicles sold.



All Other Store Types

Retailers within the all other store types sector reported a 1.2 per cent decrease in sales revenue. Retailers of marine and boat supplies reported the largest decrease within the sector as their sales revenue fell by 15.2 per cent.

Furniture and appliance sales fell by 7 per cent. Additionally, pharmaceutical sales decreased by 2 per cent. In contrast, increases in both air and cruise arrivals prompted a substantial increase in sales for tourist related stores as gross receipts climbed 24.3 per cent above last year's sales level.

Food and Liquor Stores

Gross receipts for food stores increased by 1 per cent in July 2010. During the same period, food prices rose by 3.1 per cent while liquor sales were up by 3.3 per cent year-over-year.

Apparel Stores

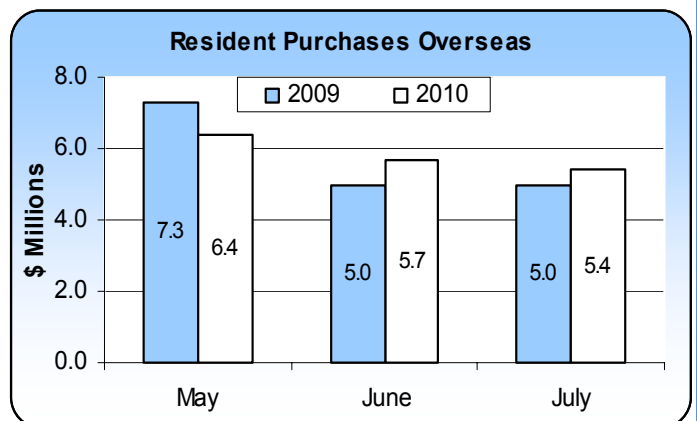
Apparel retailers reported a 1 per cent decrease in sales revenue during the month of July 2010 compared to the same month of last year.

Service Stations

Service stations reported a sales increase of 1.6 per cent for July 2010. Fuel prices for the month were approximately 4.4 per cent higher than July 2009 indicating a decrease in sales volume this month.

Resident Purchases Overseas

Residents returning from overseas declared \$5.4 million worth of purchases, an increase of 8 per cent per cent over July 2009.



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	+4.0	100.0	+6.1	100.0	+3.6	100.0	-1.5	100.0	+11.7	100.0	+7.0	100.0	-9.0	100.0	+7.6
2007	104.3	+4.2	106.5	+6.5	104.4	+4.4	95.1	-5.1	106.0	+6.0	96.4	-3.6	109.3	+9.3	106.2	+6.1
2008	106.0	+1.6	114.9	+7.8	105.2	+0.8	90.7	-4.6	116.9	+10.3	93.0	-3.5	104.3	-4.6	106.8	+0.6
*2009	102.0	-3.8	120.2	+4.7	103.9	-1.3	80.8	-10.9	104.3	-10.8	86.2	-7.4	90.2	-13.6	101.1	-5.4
2008																
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	107.6	+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
2009																
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 ^R	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	104.5	-2.9	123.6	+3.7	115.3	+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	+5.7	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
2010																
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

(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
September 2010

The Cabinet Office
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
E-mail: statistics@gov.bm
Website: www.statistics.gov.bm