



Annual Inflation Rate +3.1%

ANNUAL INFLATION TRENDING DOWN

Consumers paid 3.1 per cent more in May than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation declined 0.7 percentage points from the April 2023 annual inflation rate of 3.8 per cent.

Between April 2023 and May 2023, the average cost of goods and services in the CPI dipped 0.1 per cent. The all-items index decreased from 115.1 to 115.0. This means that the basket of goods and services that cost \$100.00 in April 2023 now costs \$115.00.

YEAR-TO-YEAR ANALYSIS

Food

The Food sector was the largest contributor to the twelve-month increase in the CPI (+8.3 per cent). Factoring into the annual increase was the cost of pineapples (+49.0 per cent), ice cream (+31.8 per cent), and fruit juices (+29.1 per cent). In contrast, the annual average price of onions (-26.7 per cent), green peppers (-21.1 per cent) and boneless pork loin (-15.3 per cent) decreased.

Transport & Foreign Travel

In the twelve months to May 2023, the Transport & Foreign Travel sector increased 3.9 per cent. Notable annual increases were reported in the cost of overseas hotel accommodations (+35.2 per cent) and motorcycles (+6.6 per cent). In contrast, the annual average price of air fares declined 2.4 per cent.

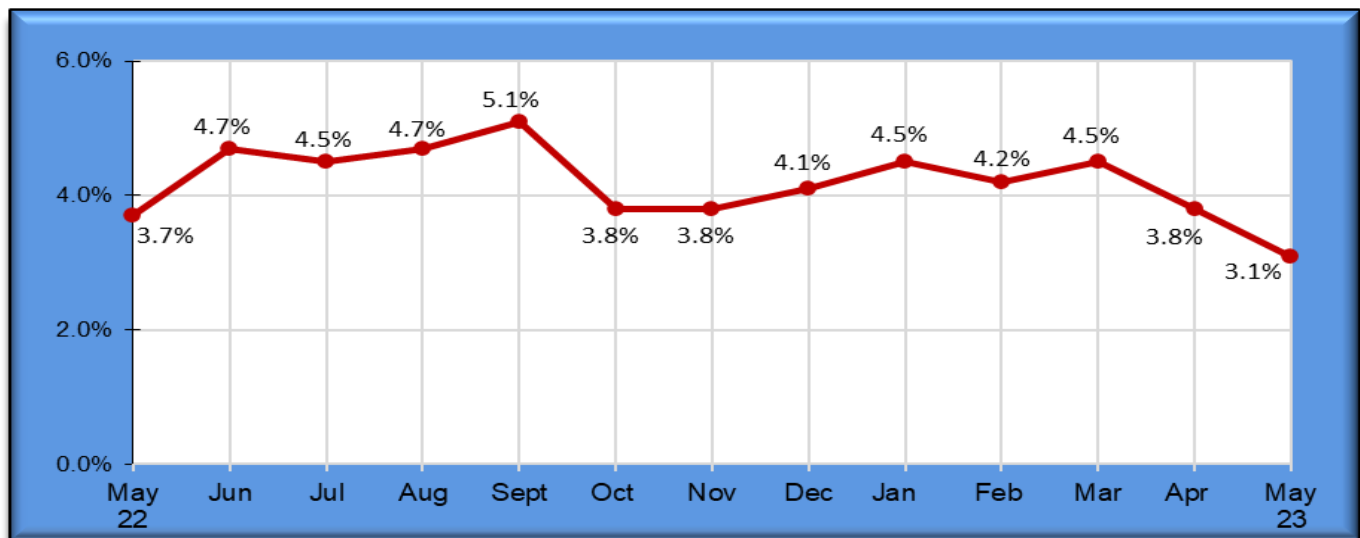
Education, Recreation, Entertainment & Reading

Year-over-year, the Education, Recreation, Entertainment & Reading sector rose 3.2 per cent. The average cost of pleasure boats (+18.4 per cent) increased. In contrast, the annual average price of televisions fell 10.8 per cent.

Health & Personal Care

The annual increase in the Health & Personal Care sector was 3.2 per cent. The average cost of self-prescribed medicines and household medical supplies (+6.0 per cent) and toiletries, cosmetics and perfumes (+2.5 per cent) increased.

YEAR-TO-YEAR PERCENTAGE CHANGE IN ALL ITEMS INDEX
(April 2015 = 100)



MONTH-TO-MONTH ANALYSIS

Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector rose 0.3 per cent for the month. The average price of pleasure boats climbed 3.5 per cent. In contrast, the average cost of sports and fitness club membership declined 2.1 per cent.

Rent

The increase in the average rent of properties subject to rent control (+0.1 per cent) and properties not subject to rental control (+0.1 per cent) contributed to the 0.1 per cent rise in the Rent sector.

Health & Personal Care

The Health & Personal Care sector rose 0.1 per cent. The average cost of self-prescribed medicines and household medical supplies (+2.7 per cent) and toiletries, cosmetics and perfumes (+0.7 per cent) increased.

Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector was unchanged for the month. The rise in the average cost of cleaning materials (+2.4 per cent) was offset by the decline in the average cost of food wraps and trash bags (-1.7 per cent).

Tobacco & Liquor

The Tobacco & Liquor sector inched up 0.1 per cent, as the average price of spirits (+1.5 per cent) and wines (+0.1 per cent) increased. In contrast, the average price of beer (-1.0 per cent) was down.

Fuel & Power

The Fuel & Power sector was static for the month.

Clothing & Footwear

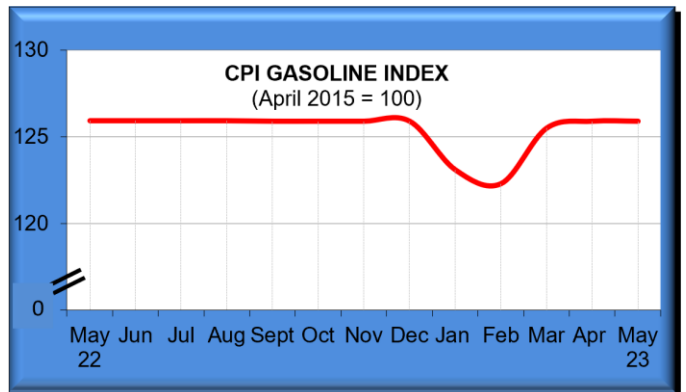
The Clothing & Footwear sector was unchanged.

Food

The Food sector dipped 0.2 per cent in May. Price decreases were reported in the average cost of green peppers (-18.8 per cent), boneless pork loin (-16.5 per cent) and onions (-5.8 per cent). In contrast, the average cost of red grapes (+13.3 per cent), sugar (+7.2 per cent) and butter (+5.2 per cent) rose.

Transport & Foreign Travel

The Transport & Foreign Travel sector slid 0.9 per cent. The average cost of overseas hotel accommodations (-3.5 per cent) and air fares (-2.8 per cent) decreased.



MONTH-TO-MONTH PERCENTAGE CHANGE IN ALL ITEMS INDEX (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 PERCENTAGE CHANGE										
2018	+1.4	+2.1	+0.2	+1.6	+4.2	+5.9	-0.2	+0.2	+2.1	+3.1
2019	+1.0	+2.7	+0.9	+1.9	+3.8	+1.0	Nil	-3.0	+0.4	+3.4
2020	Nil	+3.0	-1.8	+0.9	+2.4	-1.8	+0.3	-4.5	+1.1	+2.9
2021	+1.5	+1.9	-0.3	+0.9	-0.6	-5.0	+1.7	+6.4	+2.0	+2.3
2022	+4.0	+7.9	+0.3	+2.2	+0.5	+10.5	+2.9	+7.6	+4.4	+4.0
MONTHLY PERCENTAGE CHANGE										
2021										
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
Feb	+0.1	-0.2	+0.6	Nil	-0.1	Nil	Nil	-0.3	+0.5	-0.1
Mar	+0.6	+0.3	+0.1	Nil	+3.5	Nil	+0.1	+2.2	+0.8	Nil
Apr	+0.5	+0.4	+0.1	-2.2	+1.1	+0.5	+0.1	+1.0	+0.1	+2.0
May	-0.1	-0.2	+0.1	Nil	+0.1	Nil	Nil	-0.9	+0.3	+0.1
ANNUAL PERCENTAGE CHANGE										
May '23	+3.1	+8.3	+1.6	+1.9	+6.3	-6.0	+2.4	+3.9	+3.2	+3.2
May '22										
MONTHLY INDEX										
May '22	111.5*	121.1	100.3	108.4	124.7	117.0*	108.2	109.3	116.4	121.6
Apr '23	115.1	131.3	101.8	110.5	132.5	110.0	110.8	114.6	119.8	125.4
May '23	115.0	131.1	101.9	110.5	132.6	110.0	110.8	113.6	120.1	125.5

* 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			2021		
May	111.3	+3.7	Q1	106.3	+0.2
June	112.0	+4.7	Q2	107.1	+1.2
July	112.6	+4.5	Q3	107.6	+2.0
Aug	112.8	+4.7	Q4	108.6	+2.7
Sept	113.4	+5.1	2022		
Oct	112.6	+3.8	Q1	109.0	+2.5
Nov	113.1	+3.8	Q2	111.3	+3.9
Dec	113.3	+4.1	Q3	112.9	+4.9
2023			Q4	113.0	+4.1
Jan	113.7	+4.5	2023		
Feb	113.8	+4.2	Q1	114.0	+4.6
Mar	114.5	+4.5			
Apr	115.1	+3.8			
May	115.0	+3.1			

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 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 per cent.

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	May 23
Bermuda	+1.0	Nil	+1.5	+4.0	+3.1
United States¹	+1.8	+1.2	+4.7	+8.0	+4.0
Canada²	+1.9	+0.7	+3.4	+6.8	+7.7
United Kingdom³	+2.6	+1.5	+4.1	+11.6	+11.3

Sources:

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

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