



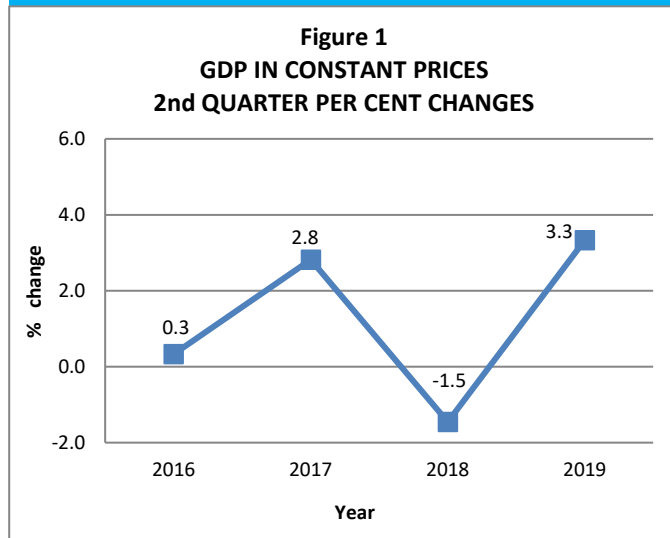
# QUARTERLY GROSS DOMESTIC PRODUCT BY EXPENDITURE

QUARTER 2/2019

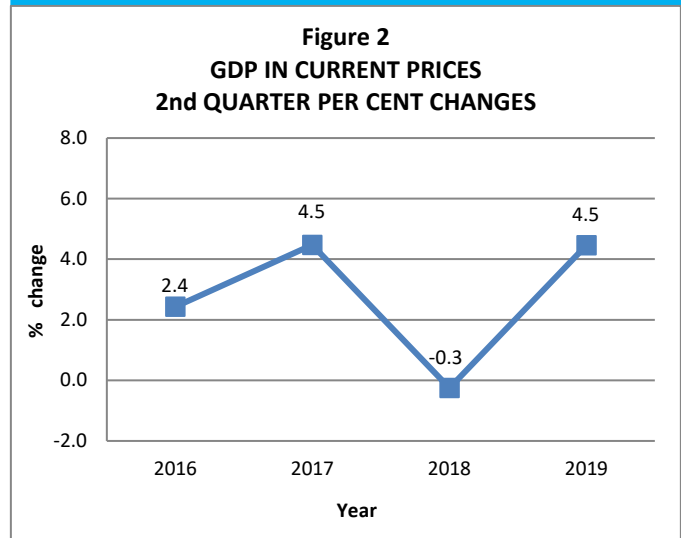
## POSITIVE GDP GROWTH RECORDED FOR 2<sup>ND</sup> QTR 2019

During the second quarter 2019, quarterly Gross Domestic Product (GDP) at constant prices was estimated at \$1,145.3 million (Table 1). This represented a 3.3 per cent increase year-over-year (Figure 1). The main driver was investment in machinery and equipment as reflected in gross capital formation. In current prices, nominal GDP increased 4.5 per cent (Figure 2; Table 2). Overall inflation for the 2<sup>nd</sup> quarter, as measured by the implicit price index, increased 1.1 per cent.

### CONSTANT GDP UP 3.3%



### CURRENT GDP UP 4.5%



## YEAR-OVER-YEAR HIGHLIGHTS (CONSTANT PRICES)

- After adjusting for inflation, Household Final Consumption decreased 2.4 per cent year-over-year to \$587.2 million (Table 1). During the second quarter, households spent less on clothing, furniture, electricity, motor vehicles and accommodation services.
- Government Final Consumption increased 4.2 per cent due to higher wages and salaries. Spending on goods and services remained constant year-over-year. (Table 1).
- Gross Capital Formation (i.e. investment in fixed assets) grew by 45.6 per cent (Table 1). Gross Capital Formation related to Construction registered a 11.8 per cent increase during the period reflecting a variety of projects such as office refurbishments, civil works such as road, dock and bridge refurbishments, as well as continued work on the power station construction, airport project and hotel development. Investment in Machinery and Equipment grew by 74.5 per cent due mostly to investment in generators related to the power station upgrade and two radar apparatuses. One radar was for the Bermuda Airport Authority's Doppler Weather Radar System and the other was for the National Aeronautics and Space Administration's Space Launch Tracking System.
- The net surplus on trade in goods and services decreased \$48.3 million or 38.2 per cent (Table 1), due mostly to a rise in the Imports of Goods which have a downward effect on GDP growth. Imports of Goods grew 24.9 percent due mostly to imports of machinery and finished equipment as part of investment in capital formation. Payments for the Imports of Services rose 1.4 per cent due to construction/engineering services. Exports of Services rose 2.5 per cent during the period reflecting increased earnings from the export of travel services and insurance services which offset a decline in financial services receipts.

## QUARTERLY GDP BY EXPENDITURE

**Table 1 : GDP by Expenditure – CONSTANT PRICES (BD\$ millions) <sup>(1,2,3)</sup>**  
(2006=100)

	2018R Q2	2018R Q3	2018R Q4	2019 Q1	2019 Q2
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>780.5</b>	<b>785.4</b>	<b>804.7</b>	<b>803.8</b>	<b>773.9</b>
Household Final Consumption	601.4	607.7	628.8	619.1	587.2
Government Final Consumption	179.1	177.7	175.9	184.8	186.6
<b>GROSS CAPITAL FORMATION</b>	<b>201.4</b>	<b>201.1</b>	<b>174.4</b>	<b>200.7</b>	<b>293.3</b>
Construction	92.9	93.9	90.5	100.3	103.9
Machinery and Equipment	108.5	107.2	83.9	100.4	189.4
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>126.5</b>	<b>96.6</b>	<b>163.3</b>	<b>304.2</b>	<b>78.2</b>
Exports of Goods and Services	570.7	537.7	583.5	701.5	584.8
Exports of Goods	3.3	3.3	3.1	2.8	3.1
Exports of Services	567.4	534.4	580.4	698.7	581.8
Imports of Goods and Services	444.3	441.0	420.2	397.3	506.7
Imports of Goods	238.7	223.6	213.6	199.2	298.2
Imports of Services	205.5	217.5	206.6	198.1	208.5
<b>GROSS DOMESTIC PRODUCT</b>	<b>1,108.4</b>	<b>1,083.2</b>	<b>1,142.4</b>	<b>1,308.8</b>	<b>1,145.3</b>
<b>Percentage Changes <sup>(4)</sup> (%)</b>					
	2018R Q2	2018R Q3	2018R Q4	2019 Q1	2019 Q2
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>-2.2</b>	<b>-3.3</b>	<b>-1.8</b>	<b>+0.8</b>	<b>-0.8</b>
Household Final Consumption	-2.2	-2.9	-2.8	+0.5	-2.4
Government Final Consumption	-2.5	-4.6	+1.6	+1.7	+4.2
<b>GROSS CAPITAL FORMATION</b>	<b>-11.7</b>	<b>+23.0</b>	<b>-1.9</b>	<b>+17.6</b>	<b>+45.6</b>
Construction	-13.3	+11.3	+1.1	+15.7	+11.8
Machinery and Equipment	-10.3	+35.5	-4.9	+19.5	+74.5
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>+28.8</b>	<b>-0.9</b>	<b>+28.5</b>	<b>+2.2</b>	<b>-38.2</b>
Exports of Goods and Services	+5.0	+10.4	+15.0	+4.3	+2.5
Exports of Goods	+3.2	-5.9	-9.0	-16.8	-8.2
Exports of Services	+5.0	+10.5	+15.2	+4.4	+2.5
Imports of Goods and Services	-0.2	+13.2	+10.5	+5.9	+14.0
Imports of Goods	-4.6	+17.6	+16.8	+10.6	+24.9
Imports of Services	+5.3	+9.0	+4.6	+1.6	+1.4
<b>GROSS DOMESTIC PRODUCT</b>	<b>-1.5</b>	<b>+0.9</b>	<b>+1.6</b>	<b>+3.4</b>	<b>+3.3</b>

1. Data are preliminary and subject to revision
2. Data are not seasonally adjusted
3. Numbers may not add due to rounding
4. All percentage changes refer to the corresponding quarter of the previous year
5. R - Revised

## QUARTERLY GDP BY EXPENDITURE

**Table 2 : GDP by Expenditure – CURRENT PRICES (BD\$ millions) <sup>(1,2,3)</sup>**  
(2006=100)

	2018R Q2	2018R Q3	2018R Q4	2019 Q1	2019 Q2
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>1,028.9</b>	<b>1,037.4</b>	<b>1,069.5</b>	<b>1,080.2</b>	<b>1,037.2</b>
Household Final Consumption	785.8	793.3	828.1	825.8	779.4
Government Final Consumption	243.1	244.2	241.5	254.4	257.8
<b>GROSS CAPITAL FORMATION</b>	<b>228.7</b>	<b>229.6</b>	<b>201.5</b>	<b>232.0</b>	<b>329.7</b>
Construction	117.0	118.6	114.7	127.9	133.3
Machinery and Equipment	111.7	111.0	86.9	104.1	196.4
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>245.7</b>	<b>207.1</b>	<b>268.0</b>	<b>461.0</b>	<b>203.5</b>
Exports of Goods and Services	785.3	742.6	780.7	942.7	811.8
Exports of Goods	4.6	4.5	4.1	3.7	4.1
Exports of Services	780.8	738.0	776.6	939.0	807.7
Imports of Goods and Services	539.6	535.4	512.7	481.7	608.4
Imports of Goods	285.1	266.9	257.9	235.9	344.0
Imports of Services	254.4	268.6	254.8	245.8	264.3
<b>GROSS DOMESTIC PRODUCT</b>	<b>1,503.3</b>	<b>1,474.2</b>	<b>1,539.1</b>	<b>1,773.2</b>	<b>1,570.4</b>

### Percentage Changes <sup>(4)</sup> (%)

	2018R Q2	2018R Q3	2018R Q4	2019 Q1	2019 Q2
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>-0.5</b>	<b>-1.8</b>	<b>0.0</b>	<b>+2.6</b>	<b>+0.8</b>
Household Final Consumption	-0.7	-1.7	-1.2	+2.2	-0.8
Government Final Consumption	+0.3	-2.1	+4.0	+4.0	+6.0
<b>GROSS CAPITAL FORMATION</b>	<b>-10.9</b>	<b>+23.5</b>	<b>-0.3</b>	<b>+19.1</b>	<b>+44.1</b>
Construction	-12.1	+13.0	+2.8	+17.8	+13.9
Machinery and Equipment	-9.6	+37.1	-4.1	+20.7	+75.8
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>+13.6</b>	<b>+0.9</b>	<b>+19.4</b>	<b>+2.4</b>	<b>-17.2</b>
Exports of Goods and Services	+5.0	+10.7	+15.5	+5.0	+3.4
Exports of Goods	+8.9	-1.0	-7.2	-16.7	-9.7
Exports of Services	+5.0	+10.8	+15.6	+5.1	+3.5
Imports of Goods and Services	+1.6	+15.1	+13.5	+7.7	+12.8
Imports of Goods	-3.0	+17.9	+19.2	+11.4	+20.7
Imports of Services	+7.2	+12.4	+8.3	+4.3	+3.9
<b>GROSS DOMESTIC PRODUCT</b>	<b>-0.3</b>	<b>+1.8</b>	<b>+2.9</b>	<b>+4.5</b>	<b>+4.5</b>

1. Data are preliminary and subject to revision
2. Data are not seasonally adjusted
3. Numbers may not add due to rounding
4. All percentage changes refer to the corresponding quarter of the previous year
5. R - Revised

## DEFINITIONS AND NOTES

### Household Consumption

Household final consumption expenditure consists of the expenditure incurred by resident households on individual consumption goods and services including those sold at prices that are not economically significant. Household consumption in this publication represents “actual final consumption of households” since it includes goods and services as social transfers in kind from general government and non-profit institutions serving households. Household consumption also includes indirect estimates of consumption such as the imputed rent of residents living in their own dwellings.

### Government Consumption

Government consumption expenditure consists of expenditure incurred by general government on both individual consumption goods and services and collective consumption services. Individual consumption includes expenditure used for the direct satisfaction of individual needs like health and education. Collective consumption includes expenditure used to satisfy the collective needs of members of the community like defence and environmental protection.

### Gross Capital Formation

Gross fixed capital formation consists of net acquisitions (acquisitions less disposals) of fixed assets. Capital assets are goods that are intended for use in a production process and that are expected to last for more than one year. Examples of capital assets are machinery and equipment.

### Exports of Goods and Services

This category includes merchandise exports, re-exports of goods such as the sales of fuel to foreign airlines, exports of services and direct purchases in the domestic market by non-residents.

### Imports of Goods and Services

This category includes merchandise imports, imports of services and direct purchases abroad by residents.

## REVISIONS POLICY

Revisions to the previously published series may be made each quarter. The frequency and cause of these revisions are as follows:

- **Quarterly:** additional data becoming available for the latest quarters, which is used to replace existing estimates; revisions to quarterly data (e.g. revisions to data from the Balance of Payments survey data or the monthly Survey of Retail Sales), which will be incorporated as soon as possible to maintain consistency between published macroeconomic statistics.
- **Annual:** introduction of annual data following the release of the latest annual national accounts each year; annual updating of the weights used to combine component series to totals, and subsequent chaining.
- **Irregular:** for example, methodological changes. However, note that revisions of this nature are, as far as possible, incorporated to coincide with the annual cycle of revisions outlined above.

October 2019

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](mailto:statistics@gov.bm)  
Website: [www.gov.bm/quarterly-gross-domestic-product](http://www.gov.bm/quarterly-gross-domestic-product)