



## NEGATIVE ANNUAL INFLATION REMAINS

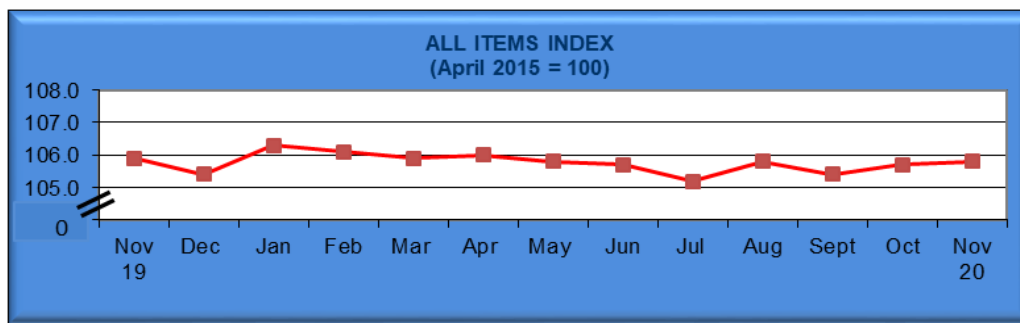
Consumers paid 0.1 per cent less than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). The annual rate of inflation remains negative for a fifth consecutive month.

Between October and November 2020, the average cost of goods and services in the CPI increased 0.1 per cent. The all-items index rose from 105.7 to 105.8 in November. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$105.80.

## YEAR-TO-YEAR ANALYSIS

The Transport & Foreign Travel sector was the largest contributor to the twelve-month decrease in the CPI (-5.3 per cent). The average price of overseas hotels dipped 19.0 per cent year-over-year.

The Rent sector also impacted strongly on the annual rate of inflation (-2.2 per cent) as properties not subject to rent control fell 5.4 per cent year-over-year. In contrast, the Food sector climbed 2.9 per cent between November 2019 and November 2020.



**Annual Inflation Rate -0.1%**

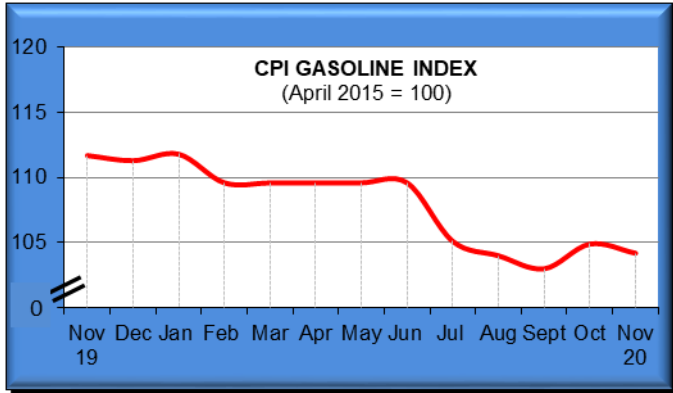
The compilation of the CPI involves the processing of several thousand price quotations. The Department of Statistics wishes to acknowledge the cooperation of the business community in supplying the required price data.

SUMMARY STATISTICS					
Period	Monthly		Period	Quarterly	
	Index	Annual per cent Change		Index	Annual per cent Change
<b>2019</b>			<b>2018</b>		
Nov	105.9	+0.9	Q1	104.1	+1.8
Dec	105.4	+0.5	Q2	105.0	+1.8
<b>2020</b>			Q3	105.2	+1.2
Jan	106.3	+1.0	Q4	105.0	+0.9
Feb	106.1	+0.9	<b>2019</b>		
Mar	105.9	+0.3	Q1	105.3	+1.2
Apr	106.0	+0.0	Q2	105.7	+0.7
May	105.8	+0.4	Q3	106.4	+1.1
June	105.7	+0.0	Q4	105.7	+0.7
Jul	105.2	-1.4	<b>2020</b>		
Aug	105.8	-0.7	Q1	106.1	+0.8
Sept	105.4	-0.7	Q2	105.8	+0.1
Oct	105.7	-0.2	Q3	105.5	-0.8
Nov	105.8	-0.1			

**MONTH-TO-MONTH ANALYSIS**

**Transport & Foreign Travel**

Transport & Foreign Travel sector prices advanced 1.5 per cent on average as increases in air fares (+8.0 per cent), overseas car rental costs (+6.2 per cent) and the cost of motorcycles (+1.9 per cent) aided in the sector increase.



**Household Goods, Services & Supplies**

The Household Goods, Services & Supplies sector increased 0.2 per cent for the month. The average cost of refrigerators and freezers rose 10.8 per cent. Additionally, consumers paid more for stoves (+6.2 per cent).

**Tobacco & Liquor**

The Tobacco & Liquor sector rose 0.1 per cent reflecting an increase in the average price of beer (+0.5 per cent).

**Clothing & Footwear**

The Clothing & Footwear sector was unchanged for the month.

**Health & Personal Care**

The Health & Personal Care sector was static for the month. A 0.1 per cent drop in the average cost of toiletries, cosmetics and perfumes was offset by increased average costs of self-prescribed medicines and household medical supplies (+0.2 per cent).

**Fuel & Power**

There was no price movement in the Fuel & Power sector.

**Food**

Within the Food sector, prices dipped 0.2 per cent for the month. Price decreases were reported in the average cost of potatoes (-9.3 per cent), cheeses (-5.5 per cent) and fresh and frozen pork lions (-5.0 per cent).

**Education, Recreation, Entertainment & Reading**

The Education, Recreation, Entertainment & Reading sector declined 0.2 per cent in November. The average cost of personal computers and toys, games and hobbies were down 4.5 per cent and 3.9 per cent, respectfully.

**Rent**

The Rent sector slipped 0.2 per cent. The decrease was attributed to a 0.5 per cent fall in the average rent for units not subject to rent control.

**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/departments/statistics>.

**A) Month-to-Month Price Change**

The price change between November and October, 2015 is calculated as follows:

$$= \frac{\text{Nov 15 index} - \text{Oct 15 index}}{\text{Oct 15 index}} \times 100$$

$$= \frac{100.5 - 100.6}{100.6} \times 100$$

$$= -0.1\%$$

**B) Year-to-Year Price Change**

The price change between December 2015 and December, 2014 is calculated as follows:

$$= \frac{\text{Dec 15 index} - \text{Dec 14 index}}{\text{Dec 14 index}} \times 100$$

$$= \frac{100.5 - 98.7}{98.7} \times 100$$

$$= 1.8\%$$

**C) Particular Period Price Change**

The price change between April 2014 and January, 2016 is calculated as follows:

$$= \frac{\text{Jan 16 index} - \text{Apr 14 index}}{\text{Apr 14 index}} \times 100$$

$$= \frac{100.3 - 98.3}{98.3} \times 100$$

$$= 2.0\%$$

# 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, & Reading	Health & Personal Care
<b>2013 WEIGHT</b>	1000	115	267	25	31	39	116	130	147	130
<b>ANNUAL AVERAGE ( per cent)</b>										
<b>2015</b>	+1.5	+2.7	+0.6	+1.3	+1.2	-8.9	+2.1	-1.3	+0.9	+7.8
<b>2016</b>	+1.5	+1.9	+1.0	+0.4	+5.1	-3.3	+1.6	-2.2	+3.3	+4.5
<b>2017</b>	+1.9	+2.2	+0.1	+1.5	+7.8	+7.8	+0.5	+3.6	+2.0	+1.3
<b>2018</b>	+1.4	+2.1	+0.2	+1.5	+4.3	+5.8	-0.2	+0.3	+2.1	+3.1
<b>2019</b>	+1.0	+2.7	+0.9	+1.9	+3.8	+1.1	Nil	-3.0	+0.4	+3.4
<b>MONTHLY ( per cent)</b>										
<b>2018</b>										
Sept	+0.4	+0.3	Nil	Nil	+0.2	+1.5	+0.2	+1.3	+0.5	Nil
Oct	-0.1	+0.4	+0.1	-0.1	-0.1	Nil	-0.1	-1.0	Nil	Nil
Nov	-0.2	-0.1	+0.1	Nil	Nil	-0.6	Nil	-1.5	-0.1	Nil
Dec	-0.1	+0.3	Nil	Nil	+0.3	-1.8	Nil	-0.3	Nil	Nil
<b>2019</b>										
Jan	+0.2	+1.0	+0.5	+0.4	+0.3	Nil	+0.1	-0.7	+0.1	Nil
Feb	Nil	-0.2	+0.5	Nil	+0.2	Nil	+0.1	-0.9	Nil	Nil
Mar	+0.4	-0.1	+0.9	Nil	+0.4	Nil	Nil	+2.1	-0.4	-0.1
Apr	+0.4	-0.2	-0.1	Nil	+1.0	Nil	Nil	+0.4	+0.1	+2.3
May	-0.6	+0.3	-2.0	Nil	+0.8	+1.0	-0.2	-1.6	+0.1	Nil
Jun	+0.3	+1.0	-0.4	Nil	+1.1	+0.8	Nil	+0.7	-0.2	+1.4
Jul	+0.9	+0.4	+2.1	+0.2	-0.6	Nil	Nil	+2.7	+0.2	+0.1
Aug	-0.2	-0.1	+0.2	Nil	+0.2	Nil	+0.1	-1.7	-0.3	Nil
Sept	-0.4	+0.2	-0.2	Nil	+1.1	Nil	Nil	-3.0	+0.4	Nil
Oct	-0.2	-0.1	-0.9	+0.5	-0.3	-4.2	+0.1	+0.8	+0.1	+0.4
Nov	Nil	+0.5	-0.2	Nil	-0.7	-2.7	Nil	+0.9	Nil	Nil
Dec	-0.5	-0.1	Nil	Nil	+0.2	-1.5	-0.4	-2.8	Nil	Nil
<b>2020</b>										
Jan	+0.9	+0.8	+0.9	Nil	-0.4	Nil	+0.3	+2.2	+0.1	Nil
Feb	-0.2	Nil	-0.5	Nil	+0.8	Nil	+0.1	-0.7	Nil	Nil
Mar	-0.2	-0.3	-0.4	Nil	+0.6	Nil	Nil	-0.6	-0.1	Nil
Apr	+0.1	+0.8	-0.3	+0.5	+0.8	Nil	+0.1	-1.7	+0.1	+1.2
May	-0.2	+0.7	-0.9	Nil	-0.5	Nil	Nil	+0.1	Nil	Nil
Jun	-0.1	+0.2	-0.5	Nil	+0.1	Nil	Nil	-0.4	+0.1	Nil
Jul	-0.5	+0.1	-0.4	Nil	-0.2	-3.4	+0.1	-1.9	Nil	Nil
Aug	+0.6	+0.5	+0.3	Nil	+0.3	Nil	+0.1	+0.2	+1.7	+0.8
Sept	-0.4	+0.3	-1.3	Nil	+0.9	Nil	+0.1	-1.3	+0.1	Nil
Oct	+0.3	+0.1	+1.2	+0.2	-0.6	Nil	+0.3	+0.1	+0.1	Nil
Nov	+0.1	-0.2	-0.2	Nil	+0.1	Nil	+0.2	+1.5	-0.2	Nil
<b>Nov '20</b>	<b>105.8</b>	<b>113.9</b>	<b>99.6</b>	<b>106.9</b>	<b>126.3</b>	<b>106.8</b>	<b>103.6</b>	<b>93.1</b>	<b>110.7</b>	<b>115.3</b>
<b>Nov '20</b> <b>Nov '19</b>	<b>-0.1</b>	<b>+2.9</b>	<b>-2.2</b>	<b>+0.7</b>	<b>+2.2</b>	<b>+1.2</b>	<b>+0.7</b>	<b>-5.3</b>	<b>+2.0</b>	<b>+2.2</b>

## 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, are 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 time period which is 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 of time. An index number on its own 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

	2016	2017	2018	2019	Nov 20
<b>Bermuda</b>	+1.5	+1.9	+1.4	+1.0	-0.1
<b>United States<sup>1</sup></b>	+1.3	+2.1	+2.4	+1.8	+1.2
<b>Canada<sup>2</sup></b>	+1.4	+1.6	+2.3	+1.9	+1.0
<b>United Kingdom<sup>3</sup></b>	+1.8	+3.6	+3.3	+2.6	+0.9

### Sources:

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

January 2020

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

Website: <https://www.gov.bm/department/statistics>

