



Annual Inflation Rate +4.7%

ANNUAL INFLATION UP

Consumers paid 4.7 per cent more in August than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation increased 0.2 percentage points from the July 2022 annual inflation rate of 4.5 per cent.

Between July 2022 and August 2022, the average cost of goods and services in the CPI increased 0.2 per cent. The all-items index rose from 112.6 to 112.8. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$112.80.

YEAR-TO-YEAR ANALYSIS

The Food sector was the largest contributor to the twelve-month increase in the CPI (+9.5 per cent). On average, increases were reported in the cost of fruit juices (+21.9 per cent), bread (+21.1 per cent), frozen entrees (+20.7 per cent) and delicatessen meals (+7.2 per cent).

The Transport & Foreign Travel sector impacted the annual rate of inflation with a year-over-year increase of 9.1 per cent. On average, annual increases were reported in the price of overseas hotel stays (+53.7 per cent), airfares (+14.3 per cent), car fuel (+4.9 per cent) and new cars (+2.2 per cent).

The Education, Recreation, Entertainment & Reading sector also impacted the annual rate of inflation (+4.8 per cent). The average cost of televisions and pleasure boats rose 18.0 per cent and 13.1 per cent, respectively.

Rising fuel costs placed upward pressure on the annual inflation rate for the Fuel and Power sector (+15.2 per cent). Compared to August 2021, the fuel adjustment cost for 700 residential kilowatts hours of electricity advanced 49.2 per cent. In addition, the average cost of propane fuel increased 11.9 per cent.

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
2021			2020		
Aug	107.5	+1.6	Q1	106.1	+0.8
Sept	107.7	+2.2	Q2	105.8	+0.1
Oct	108.3	+2.5	Q3	105.5	-0.8
Nov	108.8	+2.8	Q4	105.7	Nil
Dec	108.6	+2.7	2021		
2022			Q1	106.3	+0.2
Jan	108.6	+2.5	Q2	107.1	+1.2
Feb	109.0	+2.5	Q3	107.6	+2.0
Mar	109.4	+2.5	Q4	108.6	+2.7
Apr	110.7	+3.5	2022		
May	111.3	+3.7	Q1	109.0	+2.5
June	112.0	+4.7	Q2	111.3	+3.9
July	112.6	+4.5			
Aug	112.8	+4.7			

MONTH-TO-MONTH ANALYSIS

Food

The Food sector increased 1.0 per cent in August. Notable price changes were observed for tenderloin (+8.4 per cent), frozen entrees (+3.4 per cent) and soft drinks (+2.9 per cent). In addition, delicatessen meals increased 0.8 per cent.

Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector moved up 0.4 per cent. The average cost of pleasure boats and video disc players increased 7.3 per cent and 3.5 per cent, respectively.

Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector rose 0.5 per cent for the month. Consumers experienced higher prices in the average cost of air conditioners (+38.3 per cent), water delivery (+13.0 per cent) and refrigerators and freezers (+4.8 per cent).

Tobacco & Liquor

The Tobacco & Liquor sector advanced 0.6 per cent. Price increases were recorded for beer (+1.7 per cent), wines (+0.6 per cent) and spirits (+0.4 per cent).

Fuel & Power

Following the 1.5 per cent increase in July, the Fuel & Power sector was unchanged in August.

Clothing & Footwear

The Clothing & Footwear sector reported no price movement for the month.

Rent

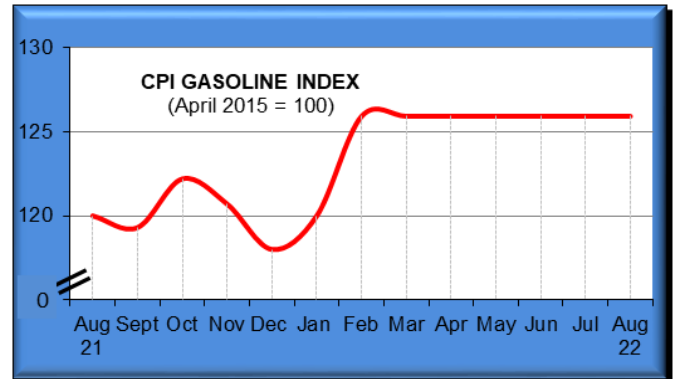
The Rent sector was unchanged for the month. The 1.6 per cent rise in the average cost of household repair and maintenance goods was offset by the 0.2 per cent decline in rental properties not subject to rent control.

Health & Personal Care

The Health & Personal Care sector was static for the month.

Transport & Foreign Travel

The Transport & Foreign Travel sector lost ground in August, declining 0.9 per cent. The average cost of airfares and motorcycles slipped 9.4 per cent and 0.8 per cent, respectively.



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:

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

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

$$= 1.7\%$$

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, Entertain. & Reading	Health & Personal Care
2013 WEIGHT	1000	115	267	25	31	39	116	130	147	130
ANNUAL AVERAGE (per cent)										
2017	+1.9	+2.2	+0.1	+1.5	+7.8	+7.8	+0.5	+3.6	+2.0	+1.3
2018	+1.4	+2.1	+0.2	+1.5	+4.3	+5.8	-0.2	+0.3	+2.1	+3.1
2019	+1.0	+2.7	+0.9	+1.9	+3.8	+1.1	Nil	-3.0	+0.4	+3.4
2020	Nil	+4.5	-1.8	+0.9	+2.3	-1.8	+0.3	-4.6	+1.1	+2.8
2021	+1.5	+0.4	-0.3	+1.0	-0.6	-5.0	+1.7	+6.4	+2.0	+2.3
MONTHLY (per cent)										
2020										
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
Dec	-0.1	-0.3	+0.5	Nil	-0.6	Nil	+0.7	-2.2	-0.1	Nil
2021										
Jan	+0.3	+0.1	+0.5	+0.5	+0.3	+1.0	Nil	+1.5	-0.1	Nil
Feb	+0.3	+0.3	Nil	Nil	-0.8	Nil	Nil	+2.2	+0.2	Nil
Mar	+0.4	+0.3	+0.2	Nil	Nil	Nil	Nil	+2.2	Nil	Nil
Apr	+0.3	Nil	Nil	-0.6	+0.1	+1.5	+0.3	+0.7	Nil	+1.1
May	+0.3	-0.1	-0.7	Nil	-0.1	+0.2	+0.3	+3.7	+0.1	Nil
Jun	-0.3	+0.5	-0.3	Nil	-1.3	-14.1	Nil	+0.8	+0.9	+0.7
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
Aug '21	107.7*	115.2	100.6	108.0	123.7	103.0*	105.2	101.3	111.7	117.5
Jul '22	112.6	124.8	100.5	110.7	124.4	118.7	108.4	111.5	116.6	122.9
Aug '22	112.8	126.1	100.5	110.7	125.2	118.7	108.9	110.5	117.1	122.9
Aug '22	+4.7	+9.5	-0.1	+2.5	+1.2	+15.2	+3.5	+9.1	+4.8	+4.6
Aug '21										

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

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

	2018	2019	2020	2021	Aug 22
Bermuda	+1.4	+1.0	Nil	+1.5	+4.7
United States¹	+2.4	+1.8	+1.2	+4.7	+8.3
Canada²	+2.3	+1.9	+0.7	+3.4	+7.0
United Kingdom³	+3.3	+2.6	+1.5	+4.1	+12.3

Sources:

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

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