



## Annual Inflation Rate +2.4%

### YEAR-OVER-YEAR INFLATION ANALYSIS

Consumers paid 2.4 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 decreased 0.4 percentage points from the July 2023 annual inflation rate of 2.8 per cent.

#### Food

The Food sector was the largest contributor to the twelve-month increase in the CPI (+5.6 per cent). Factoring into the annual increase was the cost of sugar (+40.1 per cent), pineapples (+23.1 per cent) and baby food (+10.9 per cent). In contrast, the annual average price of eggs (-18.0 per cent), green peppers (-17.2 per cent) and tenderloin (-12.4 per cent) decreased.

#### Rent

In the twelve months to August 2023, the Rent sector increased 2.1 per cent. The average cost of properties not subject to rent control advanced 3.0 per cent annually. In addition, household repair and maintenance cost rose 1.3 per cent.

### Education, Recreation, Entertainment & Reading

Year-over-year, the Education, Recreation, Entertainment & Reading sector rose 3.1 per cent. The average cost of pleasure boats (+12.7 per cent) increased.

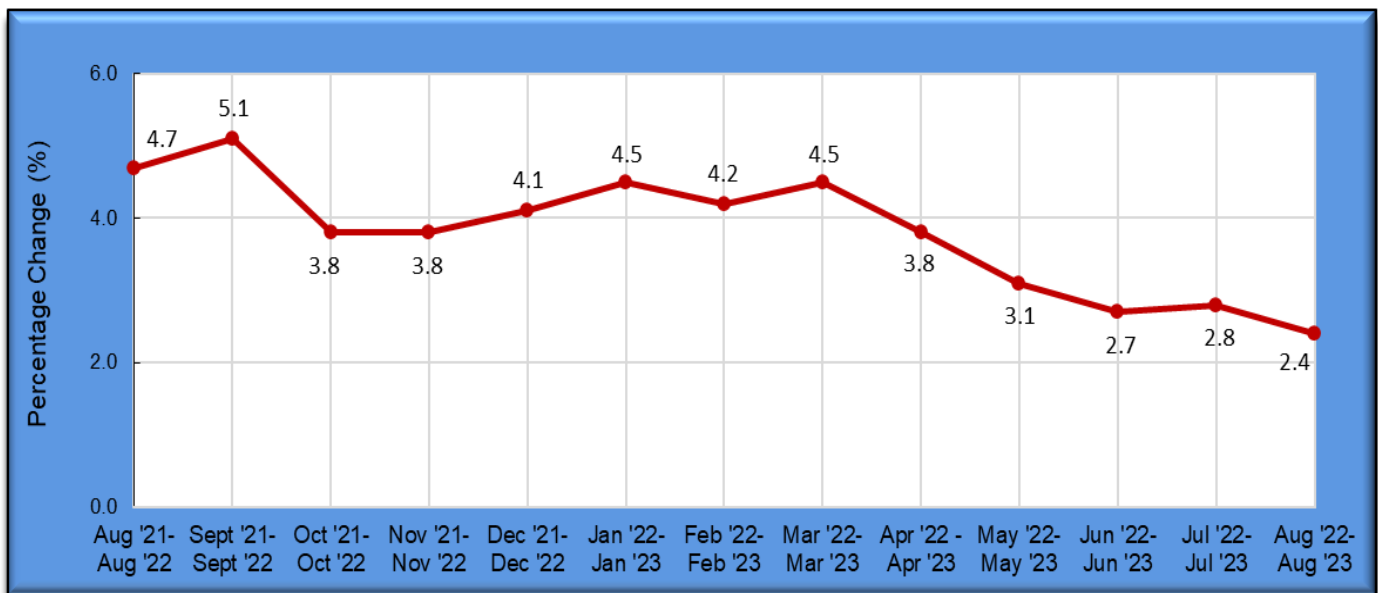
### Health & Personal Care

The annual increase in the Health & Personal Care sector was 2.2 per cent. On average, the price of self-prescribed medicines and household medical supplies rose 1.6 per cent while toiletries, cosmetics and perfumes advanced 2.1 per cent.

### Transport & Foreign Travel

Year-over-year, the annual increase in the Transport & Foreign Travel sector increased 1.7 per cent. The average cost of airfares (+5.9 per cent) and new cars (+1.8 per cent) rose.

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



**MONTH-OVER-MONTH INFLATION ANALYSIS**

Between July 2023 and August 2023, the average cost of goods and services in the CPI declined 0.2 per cent. The all-items index decreased from 115.7 to 115.5. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$115.50.

**Food**

The Food sector rose 0.7 per cent for the month. On average, the main items contributing to the increase were the cost of onions (+19.1 per cent), beef and turkey franks (+13.3 per cent) and pineapples (+8.2 per cent). In contrast, the average cost of baked beans (-5.5 per cent) and green peppers (-5.1 per cent) declined.

**Rent**

The Rent sector remained at an increase of 0.2 per cent in August. On average household repair and maintenance cost increased 1.1 per cent.

**Tobacco & Liquor**

Following the 0.3 per cent decrease in July, the Tobacco & Liquor sector rose 0.4 per cent for month. The average price of beer (+1.8 per cent) increased.

**Education, Recreation, Entertainment & Reading**

The Education, Recreation, Entertainment & Reading sector inched up 0.1 per cent for the month as the average cost of pleasure boats increased 2.1 per cent.

**Fuel & Power**

The fuel & Power sector was unchanged.

**Clothing & Footwear**

The Clothing & Footwear sector was static for the month.

**Health & Personal Care**

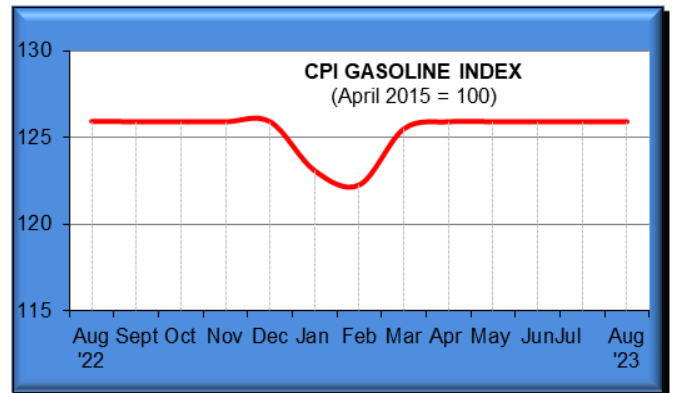
Despite the 0.1 per cent decrease in toiletries, cosmetics and perfumes, the Health & Personal Care sector was unchanged in August.

**Household Goods, Services & Supplies**

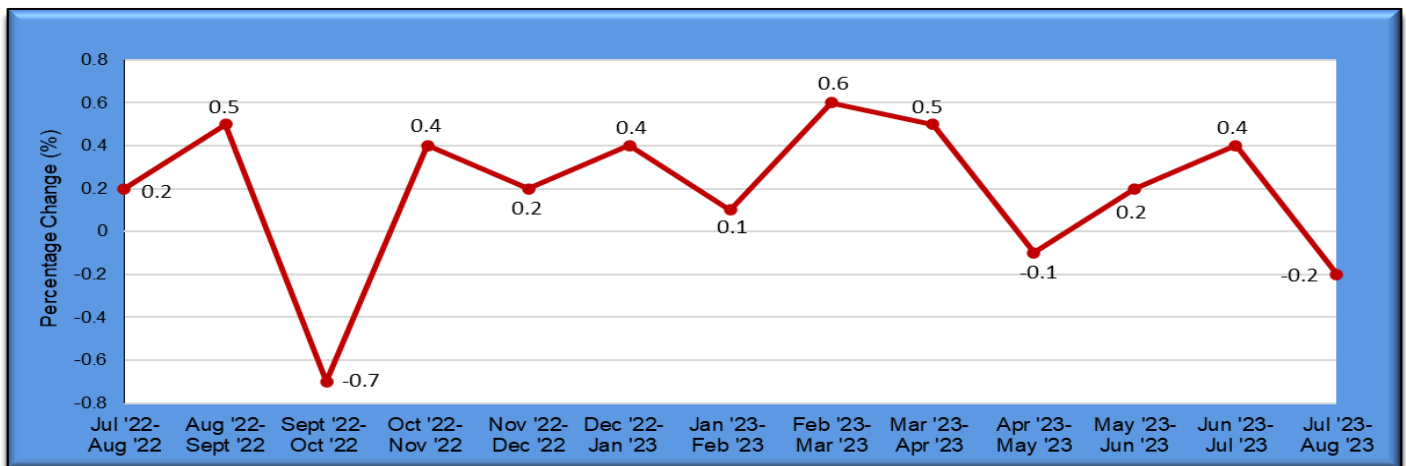
The Household Goods, Services & Supplies sector was unchanged. The average cost of detergents and bleaches (-1.3 per cent) decreased. In contrast, the average cost of metered water (+11.0 per cent) increased.

**Transport & Foreign Travel**

The Transport & Foreign Travel sector declined 2.1 per cent. The average cost of overseas hotel accommodations (-9.4 per cent) and airfares (-4.1 per cent) decreased. In contrast, the average cost of new cars rose 0.5 per cent.



**MONTH-OVER-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
<b>2013 WEIGHT</b>	1,000	115	267	25	31	39	116	130	147	130
<b>ANNUAL AVERAGE PERCENTAGE CHANGE</b>										
<b>2018</b>	+1.4	+2.1	+0.2	+1.6	+4.2	+5.9	-0.2	+0.2	+2.1	+3.1
<b>2019</b>	+1.0	+2.7	+0.9	+1.9	+3.8	+1.0	Nil	-3.0	+0.4	+3.4
<b>2020</b>	Nil	+3.0	-1.8	+0.9	+2.4	-1.8	+0.3	-4.5	+1.1	+2.9
<b>2021</b>	+1.5	+1.9	-0.3	+0.9	-0.6	-5.0	+1.7	+6.4	+2.0	+2.3
<b>2022</b>	+4.0	+7.9	+0.3	+2.2	+0.5	+10.5	+2.9	+7.6	+4.4	+4.0
<b>MONTHLY PERCENTAGE CHANGE</b>										
<b>2022</b>										
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
<b>2023</b>										
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
Jun	+0.2	+0.6	+0.3	Nil	+0.1	Nil	Nil	-1.0	+0.4	+0.2
Jul	+0.4	+0.2	+0.2	-0.1	-0.3	+2.9	+0.2	+2.0	Nil	-0.1
Aug	-0.2	+0.7	+0.2	Nil	+0.4	Nil	Nil	-2.1	+0.1	Nil
<b>MONTHLY INDEX</b>										
<b>2022</b>										
Aug	112.8	126.1	100.5	110.7	125.2	118.7	108.9	110.5	117.1	122.9
Sept	113.4	127.8	100.8	110.7	125.1	118.7	109.1	111.5	118.1	122.9
Oct	112.6	127.7	100.8	112.5	125.3	113.8	109.6	106.4	118.2	122.9
Nov	113.1	130.0	100.9	112.5	125.1	113.8	109.7	107.1	118.2	123.0
Dec	113.3	129.9	101.0	112.5	125.1	113.8	110.3	108.5	118.2	122.9
<b>2023</b>										
Jan	113.7	130.7	101.0	113.0	126.7	109.4	110.6	111.4	118.1	123.0
Feb	113.8	130.4	101.6	113.0	126.6	109.4	110.6	111.1	118.7	122.9
Mar	114.5	130.8	101.7	113.0	131.0	109.4	110.7	113.5	119.7	122.9
Apr	115.1	131.3	101.8	110.5	132.5	110.0	110.8	114.6	119.8	125.4
May	115.0	131.1	101.9	110.5	132.6	110.0	110.8	113.6	120.1	125.5
Jun	115.2	131.9	102.2	110.5	132.7	110.0	110.8	112.5	120.6	125.7
Jul	115.7	132.2	102.4	110.4	132.3	113.2	111.0	114.8	120.6	125.6
Aug	115.5	133.1	102.6	110.4	132.8	113.2	111.0	112.4	120.7	125.6
<b>ANNUAL PERCENTAGE CHANGE</b>										
<b>Aug '23</b>										
<b>Aug '22</b>	+2.4	+5.6	+2.1	-0.3	+6.1	-4.6	+1.9	+1.7	+3.1	+2.2

SUMMARY STATISTICS		
Period	Monthly	
	Index	Annual Per Cent Change
<b>2022</b>		
Aug	112.8	+4.7
Sept	113.4	+5.1
Oct	112.6	+3.8
Nov	113.1	+3.8
Dec	113.3	+4.1
<b>2023</b>		
Jan	113.7	+4.5
Feb	113.8	+4.2
Mar	114.5	+4.5
Apr	115.1	+3.8
May	115.0	+3.1
Jun	115.2	+2.7
Jul	115.7	+2.8
Aug	115.5	+2.4

### 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 2022 and January 2022 is calculated as follows:

$$= \frac{\text{Feb 22 index} - \text{Jan 22 index}}{\text{Jan 22 index}} \times 100$$

$$= \frac{109.0 - 108.6}{108.6} \times 100$$

$$= 0.4\%$$

#### B) Year-to-Year Price Change

The price change between March 2022 and March 2021 is calculated as follows:

$$= \frac{\text{Mar 22 index} - \text{Mar 21 index}}{\text{Mar 21 index}} \times 100$$

$$= \frac{109.4 - 106.7}{106.7} \times 100$$

$$= 2.5\%$$

#### C) Particular Period Price Change

The price change between February 2022 and March 2020 is calculated as follows:

$$= \frac{\text{Feb 22 index} - \text{Mar 20 index}}{\text{Mar 20 index}} \times 100$$

$$= \frac{109.0 - 105.9}{105.9} \times 100$$

$$= 2.9\%$$

## 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.

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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>

