



Annual Inflation Rate +2.5%

ANNUAL INFLATION DOWN SLIGHTLY

Consumers paid 2.5 per cent more in January than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation slipped 0.2 percentage points from the December 2021 annual inflation rate of 2.7 per cent.

Between December 2021 and January 2022, the average cost of goods and services in the CPI was unchanged. The all-items index remained at 108.6. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$108.60.

YEAR-TO-YEAR ANALYSIS

The Transport & Foreign Travel sector continued to be the largest contributor to the twelve-month increase in the CPI (+9.4 per cent). On average, annual increases were reported in the cost of premium fuels and mixed fuels, 9.8 per cent and 8.0 per cent, respectively.

The Food sector and the Health & Personal Care sector also continue to impact strongly on the annual rate of

inflation, as price shifts in these sectors were 4.7 per cent and 3.3 per cent, respectively.

Items in the Food sector such as frozen spare ribs (+28.1 per cent), corn on the cob (+13.7 per cent) and rice (+9.0 per cent) reported notable annual average increases. Within the Health & Personal Care sector, the cost of health insurance (+4.7 per cent) and prescription medicines (+2.3 per cent) increased.

Year-over-year, the Education, Recreation, Entertainment & Reading sector climbed 3.0 per cent in response to the rising cost of boat repairs (+9.7 per cent) and televisions (+8.8 per cent). On an annual basis, Clothing & Footwear prices rose 0.7 per cent as the cost of jewellery climbed 7.4 per cent. The Rent sector (-0.6 per cent) and the Fuel & Power sector (-5.7 per cent) registered offsetting declines. The average cost of properties not subject to rent control decreased 2.0 per cent while the monthly tariff for 700 residential kilowatts hours of electricity dropped 34.4 per cent compared to the corresponding month last year.

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			2019		
Jan	106.0	-0.3	Q1	105.3	+1.2
Feb	106.3	+0.2	Q2	105.7	+0.7
Mar	106.7	+0.8	Q3	106.4	+1.1
Apr	107.0	+0.9	Q4	105.7	+0.7
May	107.3	+1.4	2020		
June	107.0	+1.2	Q1	106.1	+0.8
July	107.5	+2.2	Q2	105.8	+0.1
Aug	107.5	+1.6	Q3	105.5	-0.8
Sept	107.7	+2.2	Q4	105.7	Nil
Oct	108.3	+2.5	2021		
Nov	108.8	+2.8	Q1	106.3	+0.2
Dec	108.6	+2.7	Q2	107.1	+1.2
2022			Q3	107.6	+2.0
Jan	108.6	+2.5	Q4	108.6	+2.7

MONTH-TO-MONTH ANALYSIS

Food

The Food sector increased 0.8 per cent in January. Contributing to the increase was the average price of bread (+8.0 per cent), onions (+6.5 per cent) and raisins (+4.7 per cent).

Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector increased 0.2 per cent for the month. The average cost of childcare services rose 3.4 per cent.

Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector edged up 0.1 per cent in January in response to a 1.2 per cent rise in pet food prices.

Health & Personal Care

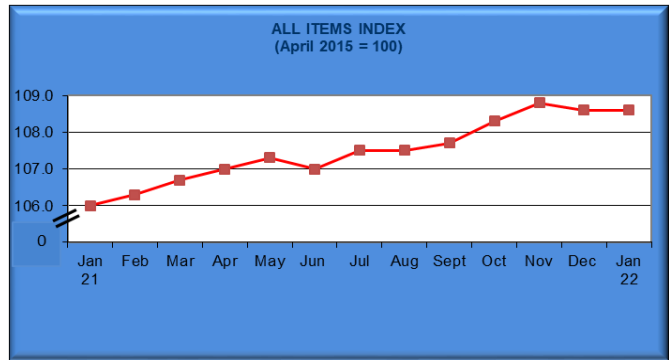
The Health & Personal Care sector advanced 0.1 per cent as the average cost of self-prescribed medicines and household medical supplies increased 0.7 per cent.

Rent

The Rent sector inched up 0.1 per cent for the month as properties subject to rent control rose 0.1 per cent.

Tobacco & Liquor

The Tobacco & Liquor sector slid 0.1 per cent for the month. The average price of beer and wine declined 0.3 per cent and 0.1 per cent, respectively.



Clothing & Footwear

The Clothing & Footwear sector dipped 0.1 per cent due to decline in the average cost of women’s shirts (-0.7 per cent) and jewellery (-0.2 per cent).

Fuel & Power

In response to a 6.3 per cent decrease in the fuel adjustment rate the Fuel & Power sector fell 2.0 per cent.

Transport & Foreign Travel

Overseas airfares fell 6.3 per cent in January. As a result, the Transport & Foreign Travel sector declined 0.8 per cent for the month. In contrast, the average cost of premium fuels and mixed fuels rose 1.7 per cent and 1.6 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/departments/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										
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
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
Jan '22	108.6	118.7	100.0	108.2	126.3	101.7	106.0	101.2	113.7	119.1
Jan '22	+2.5	+4.7	-0.6	+0.7	+0.4	-5.7	+1.4	+9.4	+3.0	+3.3
Jan '21										

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	Jan 22
Bermuda	+1.4	+1.0	Nil	+1.5	+2.5
United States¹	+2.4	+1.8	+1.2	+4.7	+7.5
Canada²	+2.3	+1.9	+0.7	+3.4	+5.1
United Kingdom³	+3.3	+2.6	+1.5	+4.1	+7.8

Sources:

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

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