



## ANNUAL INFLATION MOVING UP

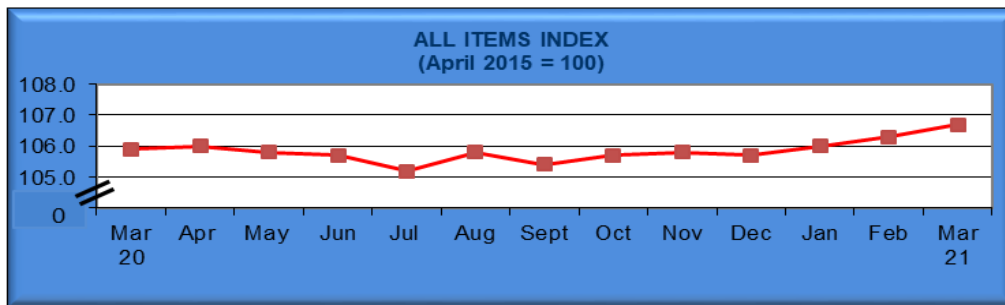
Consumers paid 0.8 per cent more in March 2021 than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation rose 0.6 percentage points from February 2021 annual inflation rate of 0.2 per cent.

Between February 2021 and March 2021 the average cost of goods and services in the CPI increased 0.4 per cent. The all-items index rose from 106.3 to 106.7 in March 2021. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$106.70.

## YEAR-TO-YEAR ANALYSIS

On a year-over-year basis, the Food sector was the largest contributor to the increase in the CPI (+2.6 per cent). On average, the cost of pineapples, fresh tenderloin steak and eggs rose 32.3 per cent, 21.2 per cent and 17.7 per cent, respectively.

The Health & Personal Care and Education, Recreation, Entertainment & Reading sectors also impacted strongly on the annual rate of inflation, as price shifts in these sectors measured 2.1 per cent and 1.8 per cent, respectively.



**Annual Inflation Rate +0.8%**

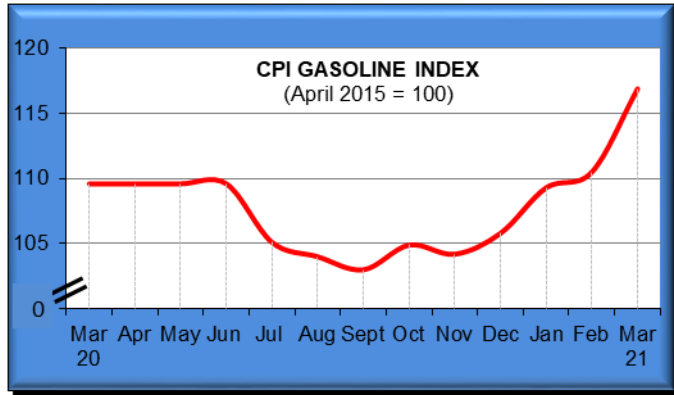
The compilation of the CPI involves the processing of several thousand price quotations. The Department of Statistics wishes to acknowledge the cooperation of the business community in supplying the required price data.

SUMMARY STATISTICS					
Period	Monthly		Period	Quarterly	
	Index	Annual per cent Change		Index	Annual per cent Change
<b>2020</b>			<b>2019</b>		
Jan	106.3	+1.0	Q1	105.3	+1.2
Feb	106.1	+0.9	Q2	105.7	+0.7
Mar	105.9	+0.3	Q3	106.4	+1.1
Apr	106.0	+0.0	Q4	105.7	+0.7
May	105.8	+0.4			
June	105.7	+0.0	<b>2020</b>		
Jul	105.2	-1.4	Q1	106.1	+0.8
Aug	105.8	-0.7	Q2	105.8	+0.1
Sept	105.4	-0.7	Q3	105.5	-0.8
Oct	105.7	-0.2	Q4	105.7	+0.0
Nov	105.8	-0.1			
Dec	105.7	+0.3	<b>2021</b>		
			Q1	106.3	+0.2
<b>2021</b>					
Jan	106.0	-0.3			
Feb	106.3	+0.2			
Mar	106.7	+0.8			

**MONTH-TO-MONTH ANALYSIS**

**Transport & Foreign Travel**

The Transport & Foreign Travel sector rose 2.2 per cent for the month. The increase was mainly due to increases in the average cost of overseas car rentals (+11.1 per cent) and premium fuels (+5.8 per cent).



**Rent**

The Rent sector edged up 0.2 per cent as the average cost of properties not subject to rent control rose 0.3 per cent.

**Food**

Food prices moved up 0.3 per cent in March. On average, items contributing to the increase were boneless fresh and frozen pork loin (+13.3 per cent), cantaloupes (+6.7 per cent) and eggs (+2.7 per cent).

**Health & Personal Care**

The Health & Personal Care sector was unchanged for the month. However, price movement was reported in the average cost of self-prescribed medications and household medical supplies (-0.6 per cent) and toiletries, cosmetics and perfumes (+0.9 per cent).

**Household Goods, Services & Supplies**

The Household Goods, Services & Supplies sector was static in March. The average cost of cleaning materials (-0.6 per cent) was offset by the average cost in detergents & bleaches (+1.9 per cent).

**Tobacco & Liquor**

The Tobacco & Liquor sector was unchanged for the month. The average cost of beer (-0.8 per cent) was offset by the average cost of wines (+0.7 per cent).

**Fuel & Power**

The Fuel & Power sector was static.

**Education, Recreation, Entertainment & Reading**

The Education, Recreation, Entertainment & Reading sector was unchanged for the month.

**Clothing & Footwear**

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

**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/departement/statistics>.

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

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

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

$$= \frac{106.3 - 106.1}{106.1} \times 100$$

$$= -0.2\%$$

**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, Entertainment & 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>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>2020</b>	+0.0	+4.5	-1.8	+0.9	+2.3	-1.8	+0.3	-4.6	+1.1	+2.8
<b>MONTHLY ( per cent)</b>										
<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
Dec	-0.1	-0.3	+0.5	Nil	-0.6	Nil	+0.7	-2.2	-0.1	Nil
<b>2021</b>										
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
<b>Mar '21</b>	<b>106.7</b>	<b>114.0</b>	<b>100.8</b>	<b>107.4</b>	<b>124.9</b>	<b>107.9</b>	<b>104.5</b>	<b>96.5</b>	<b>110.5</b>	<b>115.3</b>
<b>Mar '21</b>	<b>+0.8</b>	<b>+2.6</b>	<b>-1.0</b>	<b>+1.2</b>	<b>-0.1</b>	<b>-2.4</b>	<b>+1.5</b>	<b>+0.2</b>	<b>+1.8</b>	<b>+2.1</b>
<b>Mar '20</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

	2017	2018	2019	2020	Mar 21
<b>Bermuda</b>	+1.9	+1.4	+1.0	+0.0	+0.8
<b>United States<sup>1</sup></b>	+2.1	+2.4	+1.8	+1.2	+2.6
<b>Canada<sup>2</sup></b>	+1.6	+2.3	+1.9	+0.7	+2.2
<b>United Kingdom<sup>3</sup></b>	+3.6	+3.3	+2.6	+1.5	+1.5

### Sources:

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

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