



RETAIL SALES INDEX

December 2010

RETAIL SALES FELL BY 3.2 PER CENT

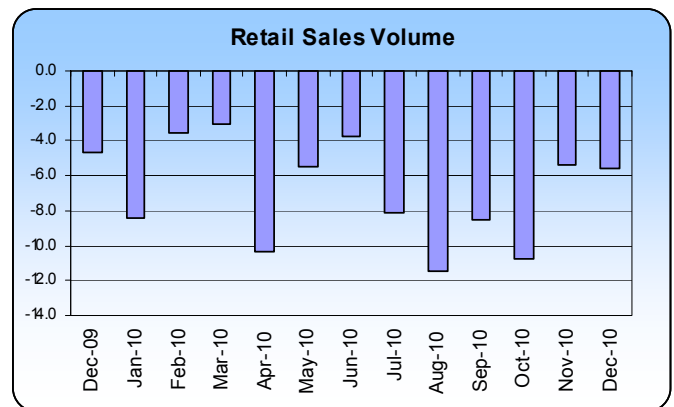
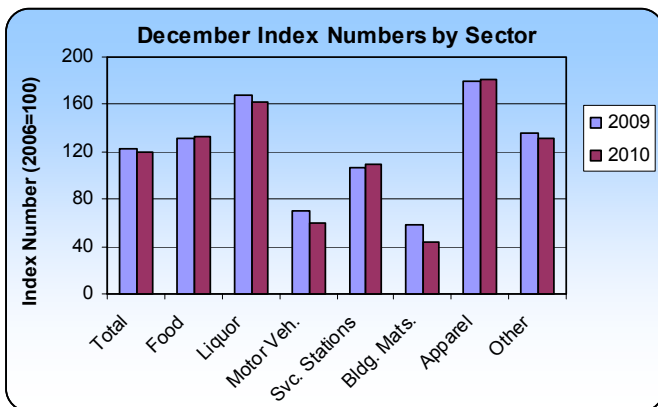
Local retail sales totalled an estimated \$106.6 million during December 2010. This represented a decline of 3.2 per cent or \$3.5 million less than in December 2009. Motor vehicle outlets and building material suppliers suffered the largest percentage declines. Additionally, liquor stores and retailers within the all other store types sector also reported falling sales.

Overseas purchases declared by residents returning to the Island from business and

vacation trips totalled \$8.0 million, an increase of 1.3 per cent above 2009 levels. Combined local and overseas spending fell by 2.9 per cent to \$114.6 million during the month.

After adjusting for the annual retail sales rate of inflation, measured at 2.6 per cent in December 2010, the volume of retail sales contracted by 5.6 per cent.

There were 24 shopping days in December 2010, the same as in 2009.



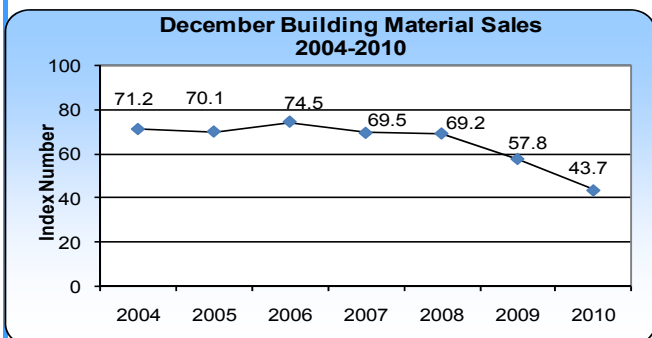
The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

SUMMARY STATISTICS

Period	Total Retail Sales Index*	Annual % Change in Retail Sales		Total Retail Sales Estimate (\$M)	Overseas Purchases Declared by Returning Residents		Combined Retail Sales (Local + Overseas)	
		Value	Volume		Value (\$M)	% Change	Value (\$M)	% Change
2009								
Dec ^R	123.0	-2.3	-4.6	110.1	7.9	+6.6	118.0	-1.8
2010								
Jan	87.2	-5.4	-8.4	78.0	5.0	-9.1	83.0	-5.7
Feb	84.3	-1.6	-3.5	75.5	3.8	-7.3	79.3	-1.9
Mar	99.9	-0.8	-3.0	89.4	4.6	+4.5	94.0	-0.5
Apr	95.7	-7.8	-10.3	85.7	6.1	-11.6	91.8	-8.0
May	99.9	-3.8	-5.5	89.4	6.4	-12.3	95.8	-4.4
Jun	104.0	-2.4	-4.4	93.1	5.7	+14.0	98.8	-1.5
Jul	105.8	-6.0	-8.1	94.7	5.4	+8.0	100.1	-5.3
Aug	94.6	-9.5	-11.5	84.7	7.8	-3.7	92.5	-9.0
Sep	92.4	-5.9	-8.5	82.7	5.4	-12.9	88.1	-6.4
Oct	94.0	-8.3	-10.8	84.1	5.6	+9.8	89.7	-7.3
Nov	93.4	-2.8	-5.4	83.6	7.9	+2.6	91.5	-2.4
Dec	119.1	-3.2	-5.6	106.6	8.0	+1.3	114.6	-2.9

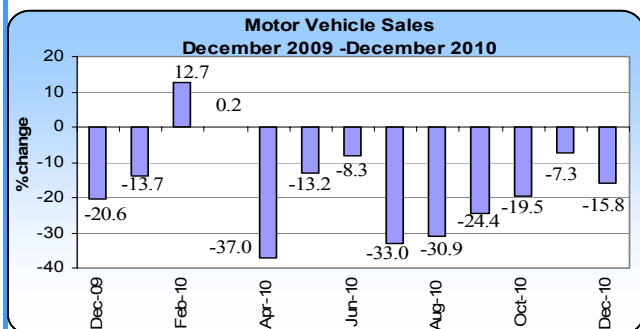
Building Materials

The December 2010 sales index for building materials and hardware supplies stores fell 24.4 per cent to its lowest sales level on record of 43.7 index points. This drop was reflective of the decline in construction activity, which translated into weaker demand for construction materials.



Motor Vehicle Stores

Motor vehicle retailers experienced another month of falling sales. The 15.8 per cent sales decline within the sector marked the ninth consecutive month of negative sales growth. This was largely due to a decrease in the sales volume of motor vehicles throughout the period.



All Other Store Types

Gross receipts by retailers within the all other store types sector declined 3.7 per cent during December 2010. Boat and marine supplies retailers suffered a 29.3 per cent drop in sales during the month. Sales receipts for furniture, appliance & electronics decreased 7.7 per cent. Sales of pharmaceutical products fell 2.2 per cent. In contrast, tourist-related stores was the only sub-sector experiencing higher sales levels, and reported a 7.8 per cent rise in sales year-

over-year.

Food and Liquor Stores

Food sales were 0.6 per cent higher than in December 2009. This growth was due to a 2.4 per cent increase in the price of food. Over the same period, liquor sales dipped 3 per cent during the month.

Apparel Stores

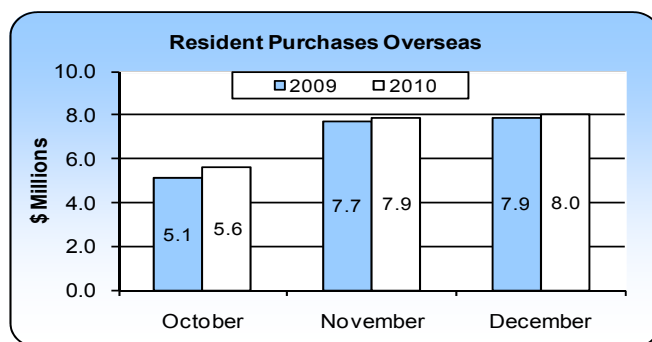
Apparel stores reported a 0.2 per cent rise in sales revenue during December 2010, a fractional increase over the sales levels recorded in December 2009.

Service Stations

Service stations reported a 2.3 per cent growth year-over-year. The increase in service station sales was attributed, in part, to a 7.2 per cent rise in the price of gasoline over the same period.

Resident Purchases Overseas

Overseas purchases declared by travelling residents edged up \$0.1 million to \$8 million. Outlays on apparel purchases grew by 1.7 per cent and accounted for approximately half the value of total declarations made.



Retail Sales for 2010

Local retail sales for the entire year fell 5 per cent to an estimated \$1.04 billion compared to \$1.10 billion in 2009. Combined local and overseas retail sales dropped 4 per cent to an estimated \$1.12 billion from \$1.17 billion in 2009.

BERMUDA RETAIL SALES INDEX

Average Monthly Sales (I)

2006=100

Period	Total Retail Stores		Food Stores (2)		Liquor Stores (3)		Motor Vehicle Stores		Service Stations		Building Material Stores		Apparel Stores		All Other Store Types	
2005	96.2	+8.2	94.2	+10.0	96.6	+8.2	101.6	+22.0	89.5	+14.6	93.5	+12.6	109.9	-7.8	93.0	+6.5
2006	100.0	+4.0	100.0	+6.1	100.0	+3.6	100.0	-1.5	100.0	+11.7	100.0	+7.0	100.0	-9.0	100.0	+7.6
2007	104.3	+4.2	106.5	+6.5	104.4	+4.4	95.1	-5.1	106.0	+6.0	96.4	-3.6	109.3	+9.3	106.2	+6.1
2008	106.0	+1.6	114.9	+7.8	105.2	+0.8	90.7	-4.6	116.9	+10.3	93.0	-3.5	104.3	-4.6	106.8	+0.6
2009	102.5	-3.3	119.9	+4.4	111.7	+6.1	84.2	-7.2	105.1	-10.1	87.0	-6.5	89.2	-14.5	99.8	-6.5
*2010	97.5	-4.9	120.2	+0.3	109.5	-1.9	69.9	-16.9	110.1	+4.7	65.0	-25.2	87.1	-2.3	95.5	-4.3
2008																
Oct	105.7	-0.5	121.6	+9.8	84.9	+1.0	94.0	-12.5	121.7	+8.9	92.7	-11.9	89.4	-9.0	103.0	-1.9
Nov	103.5	+0.4	113.8	+11.4	101.9	+1.6	76.0	-12.7	106.2	+3.7	94.8	-4.3	98.8	-12.0	108.2	-1.0
Dec	125.9	+0.2	129.8	+8.6	136.2	-4.3	85.5	+22.2	100.4	-2.6	69.2	-0.5	181.1	-15.6	142.6	-1.1
2009																
Jan	92.2	-1.6	113.0	+7.4	80.7	+6.5	82.1	-4.1	92.4	-8.0	70.6	-24.3	59.4	-21.7	95.4	+4.4
Feb	85.7	-5.8	105.2	+5.8	79.3	-4.3	71.9	-19.4	88.9	-8.3	75.2	-11.1	55.2	-21.3	85.5	-7.2
Mar	100.7	0.0	113.6	+5.2	83.9	-15.1	88.6	-8.4	100.2	-10.2	105.1	+10.6	72.7	-20.5	94.8	-3.2
Apr	103.1	-2.9	120.1	+7.7	99.6	+6.3	99.8	+0.5	98.1	-18.6	102.6	-4.7	84.0	-16.0	94.8	-8.1
May	103.8	-2.4	121.0	+3.3	99.5	-14.4	100.3	+17.9	100.8	-19.6	102.6	+1.8	83.8	-28.0	95.3	-12.1
Jun	106.5	-4.5	121.5	+6.2	110.7	-1.5	77.0	-16.6	115.8	-8.9	90.6	-8.5	105.0	-20.0	106.5	-2.8
Jul	112.5	-4.3	136.4	+6.2	145.4	-3.7	103.3	-1.4	115.9	17.6	91.9	+1.4	82.5	-17.8	106.1	-11.9
Aug	104.5	-2.9	121.6	+2.0	136.9	+23.9	84.8	-1.0	116.4	-11.1	92.7	-1.1	84.1	-18.1	101.5	-4.0
Sep	98.2	-4.0	117.5	+6.9	119.2	+20.9	74.5	-21.0	108.4	-10.6	90.8	-4.3	85.4	-9.6	90.6	-8.6
Oct	102.5	-3.0	125.5	+3.2	104.5	+23.1	89.9	-4.3	110.0	-9.6	81.1	-12.5	87.1	-2.6	94.9	-7.8
Nov	96.1	-7.1	110.6	-2.8	112.8	+10.7	67.0	-11.8	105.4	-0.8	82.4	-13.1	91.3	-7.6	95.9	-11.4
Dec ^R	123.0	-2.3	132.0	+1.7	167.5	+23.0	70.3	-17.8	106.6	+6.2	57.8	-16.4	180.0	-0.6	136.2	-4.5
2010																
Jan	87.2	-5.4	112.0	-0.9	76.2	-5.7	70.8	-13.7	102.1	+10.5	63.6	-9.8	59.9	+0.7	83.7	-12.3
Feb	84.3	-1.6	107.5	+2.2	77.8	-1.9	81.0	+12.7	97.7	+9.9	61.4	-18.4	51.6	-6.5	78.9	-7.7
Mar	99.9	-0.8	120.0	+5.7	88.1	+5.0	88.8	+0.2	114.4	+14.2	75.2	-28.5	75.4	+3.6	90.8	-4.3
Apr	95.7	-7.8	115.7	-4.4	95.4	-4.1	63.3	-37.0	115.8	+14.8	73.9	-28.0	78.3	-6.6	97.3	+2.1
May	99.9	-3.8	121.5	+0.4	98.5	-1.0	87.1	-13.2	106.0	+5.1	80.6	-21.4	84.3	+0.6	90.8	-4.7
Jun	104.0	-2.4	124.0	+2.1	113.0	+2.1	70.6	-8.3	118.7	+2.5	64.8	-28.5	107.2	+2.1	105.0	-1.4
Jul	105.8	-6.0	137.8	+1.0	150.2	+3.3	69.2	-33.0	117.8	+1.6	66.4	-27.7	81.7	-1.0	104.8	-1.2
Aug	94.6	-9.5	116.4	-4.3	120.9	-11.7	58.6	-30.9	113.9	-2.1	71.7	-22.7	82.9	-1.4	92.5	-8.9
Sep	92.4	-5.9	120.2	+2.3	121.8	+2.2	56.3	-24.4	108.3	-0.1	61.4	-32.4	74.6	-12.6	89.4	-1.3
Oct	94.0	-8.3	124.4	-0.9	98.9	-5.4	72.4	-19.5	111.1	+1.0	56.9	-29.8	76.2	-12.5	86.4	-9.0
Nov	93.4	-2.8	110.2	-0.4	111.1	-1.5	62.1	-7.3	105.9	+0.5	60.7	-26.3	93.5	+2.4	95.8	-0.1
Dec	119.1	-3.2	132.8	+0.6	162.4	-3.0	59.2	-15.8	109.0	+2.3	43.7	-24.4	180.3	+0.2	131.2	-3.7

(1) Index numbers are subject to revisions

(2) Includes household supplies but excludes alcoholic beverages

(3) Does not include sales to bars, clubs, hotels and restaurants

* The yearly series reflect annual changes

EXPLANATORY NOTES

The **Retail Sales Index (RSI)** was first developed in 1982. It is a key economic indicator used to assess the current performance of sales activity in the retail sector of the economy.

The RSI is a self-weighting index. This means that stores reporting a large value of sales have a greater impact on the movement of the index than stores reporting a low level of sales activity.

The **RSI** serves to:

- 1) measure monthly and annual movements of retail sales
- 2) provide an estimated gross turnover of sales in the local retail sector
- 3) act as a barometer of change in the level of demand for both the domestic and tourist markets

The index is structured into seven broad sectors:

- Food Stores
- Liquor Stores
- Motor Vehicle Dealers
- Service Stations
- Building Materials
- Apparel Stores
- All Other Store Types

Total retail stores across the seven sectors represent roughly 70% of all retail activity on the Island. The base period 2006 recorded a gross turnover in retail sales of \$1.1 billion.

Retail outlets that participate in the retail sales survey and trade in similar types of goods are grouped into these seven sectors. It is important to note that sector classifications are not interchangeable with commodity classifications. This is because most retail outlets sell several kinds of commodities. The sector classification generally reflects the individual commodity or the commodity group, which is the primary source of the establishment's receipts, or some mixture of commodities, which characterizes the establishment's business.

CONCEPTS AND DEFINITIONS

Retail Trade

Retail trade is the sector of the economy that includes establishments that are engaged in the sale of merchandise for personal or household consumption and in the rendering of services that are incidental to the sale of the merchandise.

Retail Establishment

A retail establishment is one that operates at a fixed place of business and is engaged in sales activities to attract the general public to buy merchandise.

Value Sales

The dollar value of a quantity of goods and services sold for cash or credit. Sales include the amounts received from customers for: immediate and layaway purchases; rentals; installations; maintenance; repairs and alterations.

Gross Sales

Gross sales are sales for which no deductions have been made for the return of merchandise, allowances and discounts.

Volume Sales

The dollar value of a quantity of goods and services sold at current retail market prices adjusted to eliminate the effect of price change.

Estimated Gross Turnover

Estimated gross turnover is the total value of retail sales generated in the retail sector. It is calculated by applying the all-items index number for the current month to the average monthly sales figure determined in the base year.

Base Period

This is the time period used as a reference point for measuring the shift in the value of retail sales. The base period for the Bermuda RSI is 2006.

Overseas Purchases

Overseas purchases reflect the value of goods declared by residents through HM Customs while travelling on vacation or business trips.

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