



Annual Inflation Rate +4.1%

ANNUAL INFLATION MOVES UP

Consumers paid 4.1 per cent more in December than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation was up 0.3 percentage points from the November 2022 annual inflation rate of 3.8 per cent.

Between November and December 2022, the average cost of goods and services in the CPI increased 0.2 per cent. The all-items index rose from 113.1 to 113.3. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$113.30.

YEAR-TO-YEAR ANALYSIS

Food

The Food sector continues to be the largest contributor to the twelve-month increase in the CPI (+10.3 per cent). The major contributors to the annual increase in the sector were the average cost of lettuce (+59.1 per cent), pasta (+57.3 per cent), eggs (+56.6 per cent) and cooking oil (+51.5 per cent). The largest year-to-year decreases were frozen spare ribs (-4.9 per cent), boneless pork loin (-2.5 per cent) and coffee (-2.1 per cent).

Transport & Foreign Travel

In the twelve months to December 2022, the Transport & Foreign Travel sector increased 6.4 per cent. On average, annual increases were reported in the price of overseas accommodations (+25.9 per cent), airfares (+5.4 per cent), premium fuel (+6.7 per cent) and mixed fuel (+6.3 per cent).

Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector impacted the annual rate of inflation by 4.0 per cent. The average cost of pet care and upkeep (+4.0 per cent) and magazines (+2.2 per cent) increased.

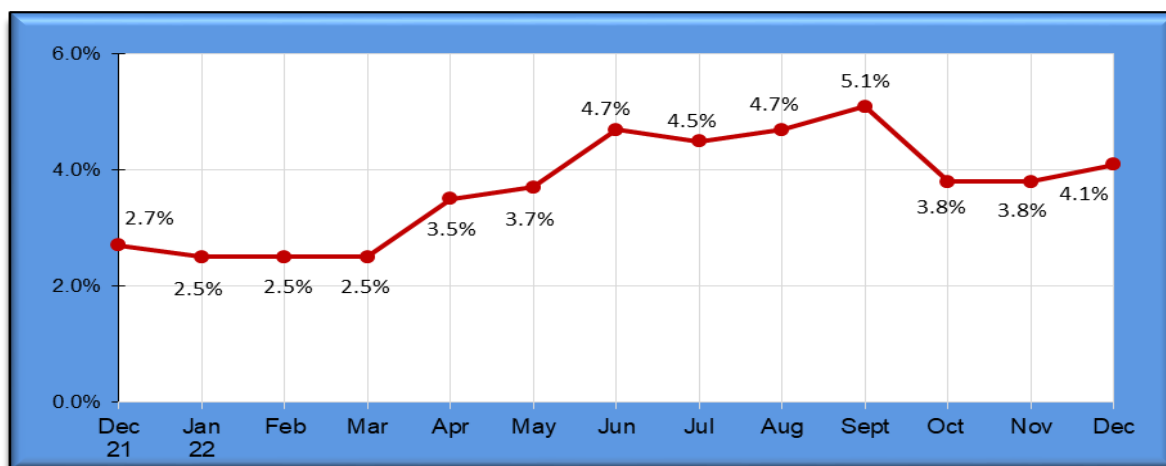
Health & Personal Care

The annual increase in the Health & Personal care sector was 3.3 per cent. On average, the price of self-prescribed medicines and household medical supplies rose 7.1 per cent while prescribed medications were up 0.5 per cent.

Household Goods, Services & Supplies

Year-over-year, the Household Goods, Services and Supplies sector was up 4.3 per cent. The average cost of cellular telephone subscriptions (+2.8 per cent) and landline telephone access (+1.8 per cent) were the drivers behind the annual increase.

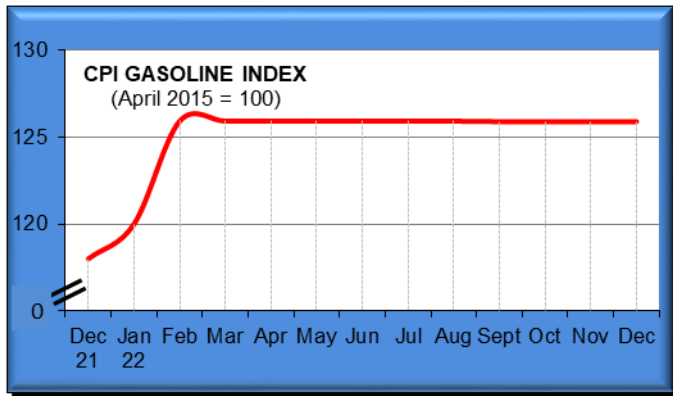
YEAR-TO-YEAR INFLATION RATES (April 2015 = 100)



MONTH-TO-MONTH ANALYSIS

Transport & Foreign Travel

The Transport & Foreign Travel sector increased 1.3 per cent in response to a rise in the average cost of overseas hotel accommodations (+28.6 per cent). In contrast, the average cost of airfares fell 5.3 per cent.



Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector rose 0.5 per cent for the month. The average cost of cellular telephone subscriptions (+2.8 per cent) and landline telephone access (+1.8 per cent) increased.

Education, Recreation, Entertainment & Reading

Despite the 0.4 per cent increase in the average cost of pet care and upkeep, the Education, Recreation, Entertainment & Reading sector was static in December.

Rent

The Rent sector inched up 0.1 per cent. The increase was attributed to the 0.1 per cent rise in the average rent for controlled properties.

Clothing & Footwear

The Clothing & Footwear sector was unchanged for the month.

Fuel & Power

There was no price movement in the Fuel & Power sector.

Tobacco & Liquor

The increase in the average cost of spirits (+0.7 per cent) was offset by the decrease of the average cost of beer (-0.1 per cent) and wines (-0.5 per cent). As a result, the Tobacco & Liquor sector was unchanged for the month.

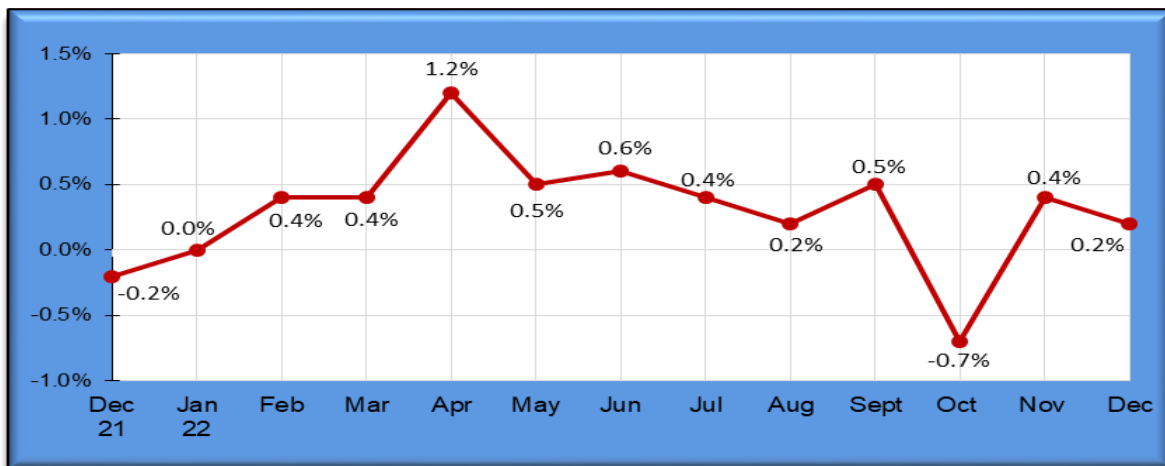
Health & Personal Care

The Health & Personal Care sector decreased 0.1 per cent for the month. The average cost of at-home rapid antigen test decreased 1.2 per cent. In contrast, the average cost of prescribed medicines and toiletries, cosmetics and perfumes both rose 0.3 per cent.

Food

The Food sector was down 0.1 per cent. The average cost of frozen spare ribs (-15.3 per cent), boneless pork loin (-13.0 per cent) and apples (-5.6 per cent) decreased.

MONTH-OVER-MONTH INFLATION RATES (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
2013 WEIGHT	1,000	115	267	25	31	39	116	130	147	130

ANNUAL AVERAGE INFLATION RATE (per cent)

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
2022	+4.0	+7.9	+0.3	+2.2	+0.4	+9.5	+2.9	+8.5	+4.4	+4.0

MONTHLY INFLATION RATE (per cent)

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
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

ANNUAL INFLATION RATE (per cent)

Dec '22	+4.1	+10.3	+1.1	+3.9	-1.0	+4.9	+4.3	+6.4	+4.0	+3.3
Dec '21										

MONTHLY INDEX

Dec '21	108.8*	117.8	99.9	108.3	126.4	108.5*	105.8	102.0	113.6	119.0
Nov '22	113.1	130.0	100.9	112.5	125.1	113.8	109.7	107.1	118.2	123.0
Dec '22	113.3	129.9	101.0	112.5	125.1	113.8	110.3	108.5	118.2	122.9

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

SUMMARY STATISTICS					
Period	Monthly		Period	Quarterly	
	Index	Annual per cent Change		Index	Annual per cent Change
2021			2020		
Dec	108.6	+2.7	Q1	106.1	+0.8
2022			Q2	105.8	+0.1
Jan	108.6	+2.5	Q3	105.5	-0.8
Feb	109.0	+2.5	Q4	105.7	Nil
Mar	109.4	+2.5	2021		
Apr	110.7	+3.5	Q1	106.3	+0.2
May	111.3	+3.7	Q2	107.1	+1.2
June	112.0	+4.7	Q3	107.6	+2.0
July	112.6	+4.5	Q4	108.6	+2.7
Aug	112.8	+4.7	2022		
Sept	113.4	+5.1	Q1	109.0	+2.5
Oct	112.6	+3.8	Q2	111.3	+3.9
Nov	113.1	+3.8	Q3	112.9	+4.9
Dec	113.3	+4.1	Q4	113.0	+4.1

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%

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, 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 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

	2019	2020	2021	2022	Dec 22
Bermuda	+1.0	Nil	+1.5	+4.0	+4.1
United States¹	+1.8	+1.2	+4.7	+8.0	+6.5
Canada²	+1.9	+0.7	+3.4	+6.8	+6.3
United Kingdom³	+2.6	+1.5	+4.1	+11.6	+13.4

Sources:

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

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