



RETAIL SALES FELL BY 0.8 PER CENT

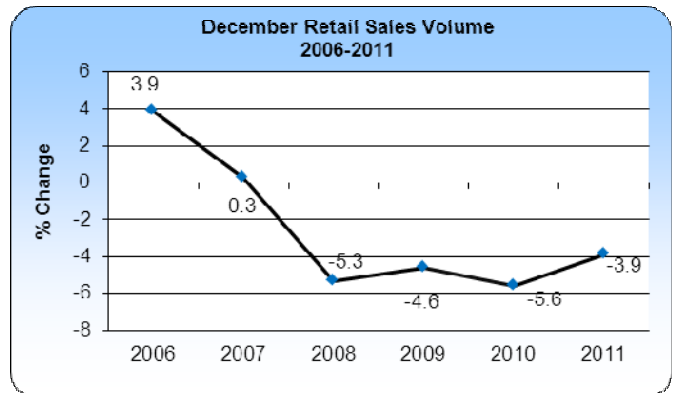
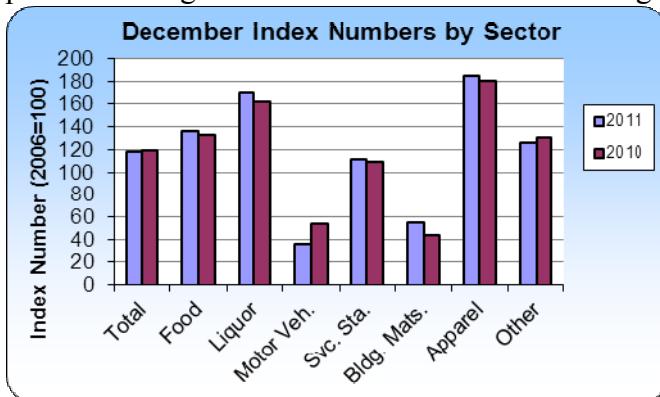
Local retail sales totalled \$105.7 million during December 2011. This represented a decrease of 0.8 per cent or \$0.9 million less than in December 2010. Sales activity increased in five of the seven retail sectors. Retailers of building materials registered the largest gain in sales of 26.7 per cent. In contrast, sales of motor vehicles decreased 34.0 per cent.

Residents returning to the Island declared overseas purchases of goods valued at \$6.1 million during

December 2011. This was 23.8 per cent lower than the \$8.0 million declared in December 2010. Combined local and overseas spending totalled \$111.8 million.

After adjusting for the annual retail sales rate of inflation, measured at 4.0 per cent in December 2011, the volume of retail sales fell by 3.9 per cent.

There were 23 shopping days during the month, one less than in December 2010.

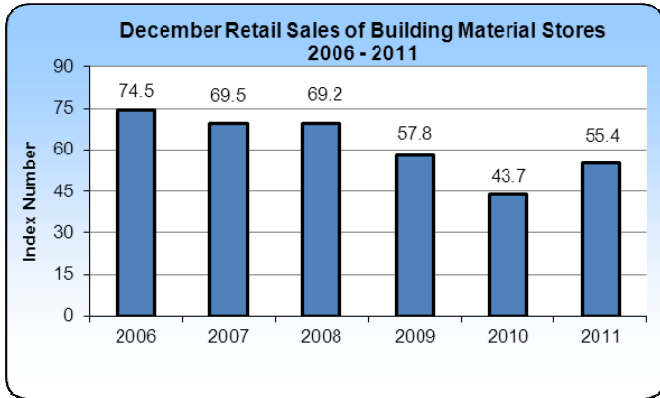


The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

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
2010								
Dec ^R	119.1	-3.2	-5.6	106.6	8.0	+1.3	114.6	-2.9
2011								
Jan	83.3	-5.9	-7.8	74.6	5.1	+2.0	79.7	-5.4
Feb	78.5	-5.8	-8.8	70.3	3.5	-7.9	73.8	-5.9
Mar	93.3	-5.5	-8.6	83.5	4.3	-6.5	87.8	-5.5
Apr	96.1	-0.9	-3.6	86.0	6.1	0.0	92.1	-0.9
May	92.2	-4.1	-7.9	82.5	6.3	-1.6	88.8	-4.0
Jun	101.3	-2.7	-6.3	90.6	4.9	-14.0	95.5	-3.3
Jul	100.4	-5.0	-8.5	90.0	5.3	-1.9	95.2	-4.8
Aug	94.8	0.0	-2.3	85.0	7.5	-3.8	92.3	-0.4
Sep	92.3	-0.1	-3.2	82.6	5.7	+5.6	88.3	+0.2
Oct	91.2	-3.0	-6.5	81.7	5.7	+1.8	87.4	-2.7
Nov	91.1	-2.7	-5.4	81.5	5.9	-25.3	87.4	-4.6
Dec	118.1	-0.8	-3.9	105.7	6.1	-23.8	111.8	-2.4

Building Material Stores

Sales of building materials grew 26.7 per cent during December 2011, marking the first rise in December sales since 2006. Along with promotional sales, this increase was driven by demand for building supplies for both residential and on-going commercial construction projects.

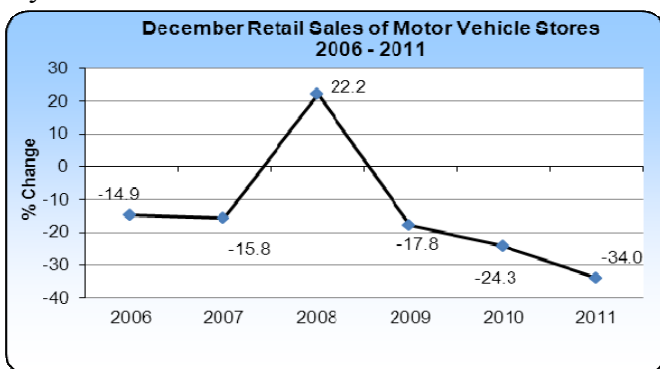


Service Stations

Sales receipts within the service stations sector were 1.6 per cent higher during December 2011. Retailers attributed this increase to the 8.2 per cent rise in the cost of gasoline.

Motor Vehicle Stores

Gross receipts of motor vehicle retailers fell 34.0 per cent. Compared to last year, consumers purchased fewer units of motor vehicles at comparatively lower prices. There were 41 fewer cars sold in December 2011 versus December 2010. The number of motorcycles sold declined by 18 units.



Apparel Stores

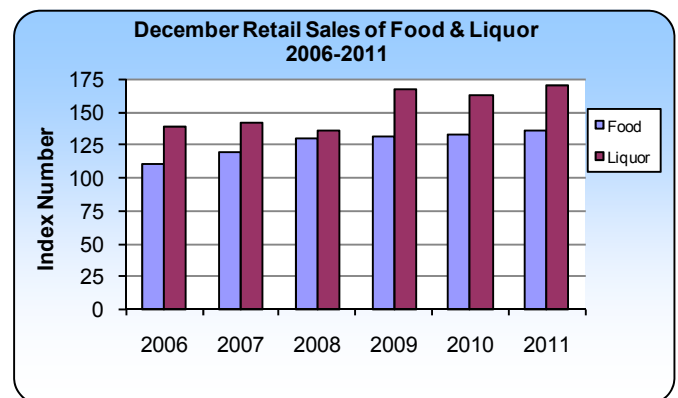
Sales revenue for apparel stores rose 2.4 per cent during the month, a moderate increase over the sales levels recorded in December 2010.

All Other Store Types

Sales within the all other stores type sector declined by 3.4 per cent during December 2011. Tourist-related stores recorded a drop in sales of 9.5 per cent during the month. Sales of pharmaceutical products fell by 6.7 per cent while gross receipts for boat and marine supplies edged down 0.5 per cent. In contrast, sales of furniture, appliances and electronics rose 2.2 per cent year-over year.

Food and Liquor Stores

Food store retailers benefitted from two extra Saturday shopping days in December 2011, leading to a 2.7 per cent gain in gross receipts compared to the previous year. During the same period, liquor sales rose by 4.7 per cent.



Resident Purchases Overseas

Overseas purchases declared by travelling residents decreased by 23.8 per cent to \$6.1 million. This lower level of spending reflected in part, the impact of the higher Customs duty charged on goods declared at the airport. Spending on clothing and footwear decreased by \$0.9 million. Expenditure on electronics and photographic equipment, and computer hardware contracted by \$0.2 million and \$0.1 million, respectively.

Retail Sales for 2011

Local retail sales for the entire year fell 3.0 per cent to an estimated \$1.01 billion compared to \$1.04 billion in 2010. Combined local and overseas retail sales dropped 3.3 per cent to an estimated \$1.08 billion from \$1.12 billion in 2010.

BERMUDA RETAIL SALES INDEX

**Average Monthly Sales (1)
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	
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	102.1	-3.6	119.9	+4.4	112.7	+7.1	82.0	-9.6	106.0	-9.3	86.1	-7.4	89.7	-14.0	100.3	-6.1
*2010	97.3	-4.7	120.5	+0.5	115.6	+2.5	67.7	-17.5	111.5	+5.2	64.3	-25.3	87.6	-2.4	95.7	-4.6
*2011	94.4	-3.0	119.8	-0.6	113.6	-1.7	51.1	-24.5	116.1	+4.1	63.7	-1.0	88.7	+1.3	92.1	-3.7
2009																
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	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	88.5	-4.0	114.6	+1.4	93.0	+15.2	70.8	-13.7	102.0	+10.4	64.7	-8.4	60.2	+1.3	83.9	-12.1
Feb	83.3	-2.8	106.6	+1.3	94.5	+19.2	81.0	+12.7	97.7	+9.9	59.8	-20.5	51.6	-6.5	75.7	-11.5
Mar	98.7	-1.9	119.9	+5.6	107.2	+27.8	88.8	+0.2	114.5	+14.3	75.2	-28.4	63.7	-12.4	90.9	-4.2
Apr	97.0	-6.6	116.9	-3.4	115.7	+16.3	63.3	-36.9	115.8	+14.8	73.9	-28.0	83.1	-0.8	97.2	+2.0
May	96.2	-3.6	120.8	-0.4	97.9	-13.0	64.5	-13.2	119.5	+7.1	72.5	-21.5	96.4	+7.2	96.2	-4.9
Jun	104.0	-2.4	125.1	+2.9	113.0	+2.1	70.7	-8.2	118.8	+2.6	64.8	-28.5	107.2	+2.1	103.9	-2.5
Jul	105.7	-6.1	137.8	+1.0	150.2	+3.3	69.2	-33.0	117.8	+1.6	66.4	-27.8	81.7	-1.0	104.3	-1.7
Aug	94.8	-9.3	116.4	-4.3	120.9	-11.7	58.6	-30.9	115.5	-0.8	71.7	-22.6	82.9	-1.4	93.0	-8.4
Sep	92.4	-5.9	120.2	+2.3	121.8	+2.2	56.3	-24.4	109.8	+1.3	61.4	-32.4	74.1	-13.3	89.4	-1.4
Oct	94.1	-8.2	124.4	-0.9	98.9	-5.4	73.2	-18.6	112.0	+1.8	56.9	-29.8	76.2	-12.5	86.3	-9.1
Nov	93.6	-2.6	110.2	-0.4	111.1	-1.5	62.6	-6.6	105.9	+0.5	60.7	-26.3	93.6	+2.5	96.4	+0.5
Dec ^R	119.1	-3.2	132.8	+0.6	162.4	-3.0	59.2	-24.3	109.2	+2.4	43.7	-24.3	180.3	+0.2	131.0	-3.8
2011																
Jan	83.3	-5.9	112.1	-2.2	85.8	-7.7	57.2	-19.2	103.6	+1.6	55.9	-13.6	57.0	-5.3	78.6	-6.3
Feb	78.5	-5.8	104.8	-1.7	90.3	-4.4	59.3	-26.8	99.1	+1.4	51.0	-14.7	53.3	+3.3	72.5	-4.2
Mar	93.3	-5.5	115.3	-3.8	102.1	-4.8	69.9	-21.3	116.4	+1.7	64.1	-14.8	63.1	-0.9	89.1	-2.0
Apr	96.1	-0.9	124.7	+6.7	122.0	+5.4	51.6	-18.5	121.1	+4.6	67.1	-9.2	81.5	-1.9	91.4	-6.0
May	92.2	-4.1	115.2	-4.6	90.7	-7.4	63.1	-2.2	124.2	+3.9	66.7	-7.9	93.0	-3.5	91.2	-5.2
Jun	101.3	-2.7	123.0	-1.6	111.7	-1.2	53.1	-24.9	127.1	+7.0	64.5	-0.4	110.8	+3.3	100.5	-3.2
Jul	100.4	-5.0	135.2	-1.9	145.0	-3.4	38.3	-44.7	128.2	+8.8	66.7	+0.4	86.5	+5.8	97.4	-6.6
Aug	94.8	0.0	116.8	+0.4	122.8	+1.5	55.7	-4.9	123.6	+7.0	64.4	-10.2	85.0	+2.5	93.3	+0.3
Sep	92.3	-0.1	116.3	-3.2	116.6	-4.3	48.4	-14.1	116.9	+6.5	70.2	+14.4	83.8	+13.1	88.2	-1.3
Oct	91.2	-3.0	123.5	-0.7	96.0	-2.9	43.4	-40.6	112.7	+0.6	71.3	+25.3	78.7	+3.3	83.5	-3.2
Nov	91.1	-2.7	114.0	+3.4	110.7	-0.4	38.3	-38.8	108.8	+2.7	66.8	+10.0	86.9	-7.1	93.2	-3.3
Dec	118.1	-0.8	136.4	+2.7	170.0	+4.7	35.1	-34.0	110.9	+1.6	55.4	+26.7	184.5	+2.4	126.5	-3.4

(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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