



## Annual Inflation Rate +2.5%

### ANNUAL INFLATION STATIC

Consumers paid 2.5 per cent more in February 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 the same as the January 2021 annual inflation rate of 2.5 per cent.

Between January 2022 and February 2022, the average cost of goods and services in the CPI rose 0.4 per cent. The all-items index increased slightly from 108.6 to 109.0. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$109.00.

### 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 (+13.9 per cent) and mixed fuels (+12.9 per cent).

The Food sector and the Education, Recreation, Education & Reading sector also strongly impact the annual rate of inflation, as price shifts in these sectors were 5.0 per cent and 3.2 per cent, respectively.

Items in the Food sector such as fresh and frozen lamb leg (+13.8 per cent), frozen green beans (+10.8 per cent) and rice (+9.8 per cent) reported notable annual average increases. Within the Education, Recreation, Entertainment & Reading sector, annual average increases were reported in the cost of pleasure boats (+20.0 per cent) and the cost of movie theatres and shows (+9.1 per cent).

Year-over-year, the Health & Personal Care sector advanced 3.3 per cent as the annual average cost of health insurance jumped 4.7 per cent. On an annual basis, the Household Goods, Services & Supplies sector rose 1.5 per cent as increases were reported in the average cost of dining room furniture (+30.3 per cent) and bedroom furniture (+14.7 per cent).

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>2021</b>			<b>2019</b>		
Feb	106.3	+0.2	Q1	105.3	+1.2
Mar	106.7	+0.8	Q2	105.7	+0.7
Apr	107.0	+0.9	Q3	106.4	+1.1
May	107.3	+1.4	Q4	105.7	+0.7
June	107.0	+1.2	<b>2020</b>		
July	107.5	+2.2	Q1	106.1	+0.8
Aug	107.5	+1.6	Q2	105.8	+0.1
Sept	107.7	+2.2	Q3	105.5	-0.8
Oct	108.3	+2.5	Q4	105.7	Nil
Nov	108.8	+2.8	<b>2021</b>		
Dec	108.6	+2.7	Q1	106.3	+0.2
<b>2022</b>			Q2	107.1	+1.2
Jan	108.6	+2.5	Q3	107.6	+2.0
Feb	109.0	+2.5	Q4	108.6	+2.7

**MONTH-TO-MONTH ANALYSIS**

**Transport & Foreign Travel**

The Transport & Foreign Travel sector climbed 2.2 per cent in February due to increases in the average cost of premium fuels (+4.9 per cent), mixed fuels (+4.6 per cent) and cars (+0.8 per cent).

**Food**

On average, food prices advanced 0.6 per cent in February. Among the main items contributing to the increase were eggs (+3.1 per cent), fresh milk (+1.9 per cent) and spices (+1.6 per cent).

**Education, Recreation, Entertainment & Reading**

The combined increases in the average cost of pleasure boats (+3.5 per cent), personal computers (+1.3 per cent) and televisions (+0.7 per cent) led to a 0.4 per cent increase in the Education, Recreation, Entertainment & Reading sector.

**Household Goods, Services & Supplies**

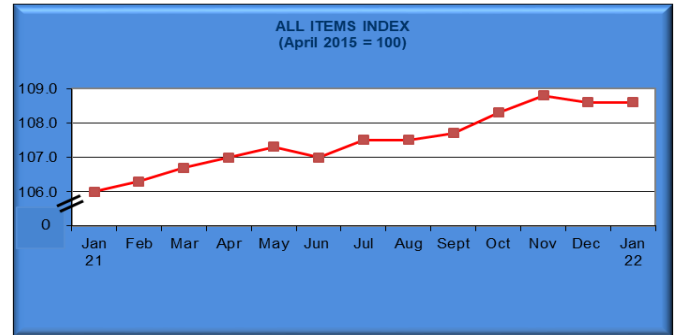
The Household Goods, Services & Supplies sector increased 0.1 per cent for the month. Price increases were reported in the average cost of washers & dryers (+5.3 per cent), stoves (+4.9 per cent) and refrigerators (+2.8 per cent).

**Rent**

The Rent sector was static as the average cost of properties subject to rent control rose fractionally (+0.1 per cent).

**Health & Personal Care**

Despite the 0.3 per cent increase in self-prescribed medicines and household medical supplies, the Health & Personal Care sector was unchanged.



**Tobacco & Liquor**

The Tobacco & Liquor sector was up 0.1 per cent. On average, consumers paid 0.6 per cent more for wines.

**Clothing & Footwear**

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

**Fuel & Power**

Following a 2.0 per cent decrease in January, the Fuel & Power sector was unchanged in February.

**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
<b>2013 WEIGHT</b>	1000	115	267	25	31	39	116	130	147	130
<b>ANNUAL AVERAGE ( per cent)</b>										
<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>	Nil	+4.5	-1.8	+0.9	+2.3	-1.8	+0.3	-4.6	+1.1	+2.8
<b>2021</b>	+1.5	+0.4	-0.3	+1.0	-0.6	-5.0	+1.7	+6.4	+2.0	+2.3
<b>MONTHLY ( per cent)</b>										
<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
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
<b>2022</b>										
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
<b>Feb '22</b>	<b>109.0</b>	<b>119.4</b>	<b>100.0</b>	<b>108.2</b>	<b>126.4</b>	<b>101.7</b>	<b>106.1</b>	<b>103.4</b>	<b>114.1</b>	<b>119.1</b>
<b>Feb '22</b>	<b>+2.5</b>	<b>+5.0</b>	<b>-0.6</b>	<b>+0.7</b>	<b>+1.3</b>	<b>+0.3</b>	<b>+1.5</b>	<b>+9.4</b>	<b>+3.2</b>	<b>+3.3</b>
<b>Feb '21</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

	2018	2019	2020	2021	Feb 22
<b>Bermuda</b>	+1.4	+1.0	Nil	+1.5	+2.5
<b>United States<sup>1</sup></b>	+2.4	+1.8	+1.2	+4.7	+7.9
<b>Canada<sup>2</sup></b>	+2.3	+1.9	+0.7	+3.4	+5.7
<b>United Kingdom<sup>3</sup></b>	+3.3	+2.6	+1.5	+4.1	+8.2

### Sources:

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

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