



# RETAIL SALES INDEX

October 2010

## RETAIL SALES FALL BY 8.3 PER CENT

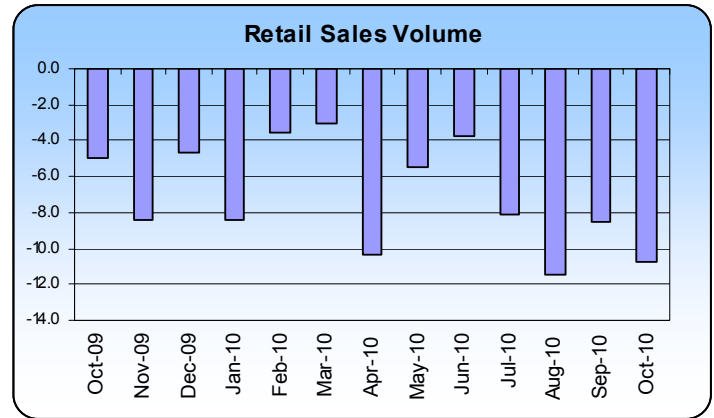
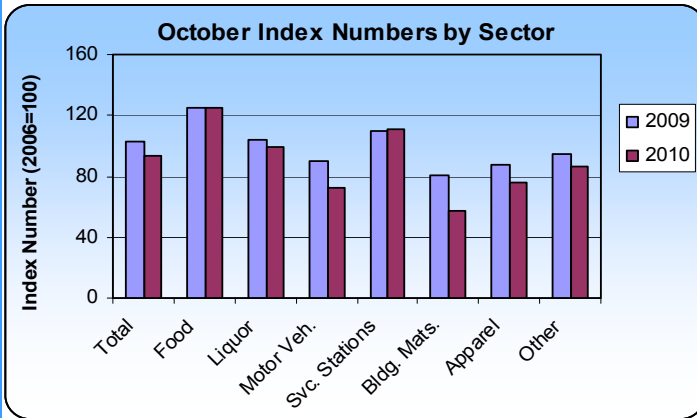
During October 2010, consumers spent an estimated \$84.1 million on retail sales. This represented a decrease of 8.3 per cent or \$7.6 million less than in October 2009. All sectors in the retail industry reported year-over-year sales declines with the exception of service stations, which reported a minimal increase in sales revenue.

Residents returning to the Island from business and vacation trips declared overseas purchases

of \$5.6 million during October 2010. As a result, combined local and overseas spending totalled \$89.7 million during the month, down 7.3 per cent from the October 2009 levels.

After adjusting for the annual retail sales rate of inflation, measured at 2.7 per cent in October 2010, the volume of retail sales contracted by 10.8 per cent.

There were 26 shopping days in October 2010, one less than in 2009.



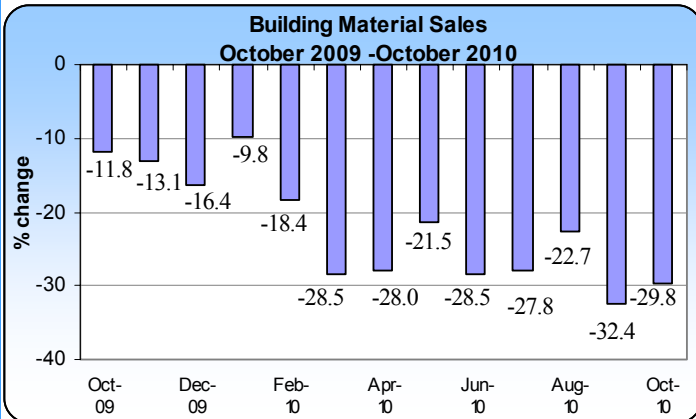
The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

### 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
<b>2009</b>								
Oct <sup>R</sup>	102.5	-3.0	-4.9	91.7	5.1	-2.5	96.8	-3.0
Nov	97.0	-6.3	-8.4	86.8	7.7	-8.6	94.5	-6.4
Dec	122.9	-2.4	-4.7	110.0	7.9	+6.6	117.9	-1.8
<b>2010</b>								
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
<b>Oct</b>	<b>94.0</b>	<b>-8.3</b>	<b>-10.8</b>	<b>84.1</b>	<b>5.6</b>	<b>+9.8</b>	<b>89.7</b>	<b>-7.3</b>

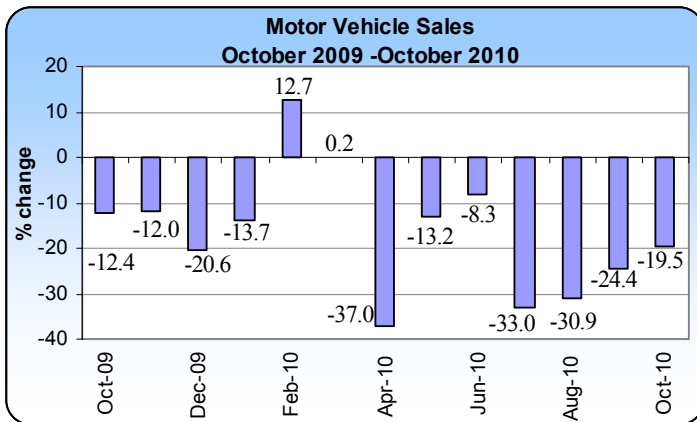
### Building Materials

The sales index for building material stores fell to 56.9 points, the lowest monthly sales level on record for this sector. Sales revenue of building materials and hardware retailers plunged 29.8 per cent during October 2010. The general decline in building activity within the construction industry led to lower demand for construction materials.



### Motor Vehicle Stores

Gross receipts of motor vehicle retailers were 19.5 per cent below last year's level. This reflected a decrease in the number of cars sold. In contrast, the quantity of motorcycles sold during the same period increased.



### All Other Store Types

Sales revenue fell 9 per cent within the all other store types sector during October 2010. Tourist related stores suffered a 21.7 per cent decline, the largest within the sector. In addition, pharmaceutical retailers reported a sales decrease of 9.7 per cent while gross receipts

from furniture, appliance and electronics stores fell 5.5 per cent. Retailers of boat and marine supplies reported the only increase within this sector, as sales receipts climbed 11.1 per cent.

### Food and Liquor Stores

Retail sales in food stores slipped 0.9 per cent despite a 3.6 per cent increase in the average price of food items purchased. Meanwhile, liquor sales were down 5.4 per cent against sales levels reported in the same month of the previous year.

### Apparel Stores

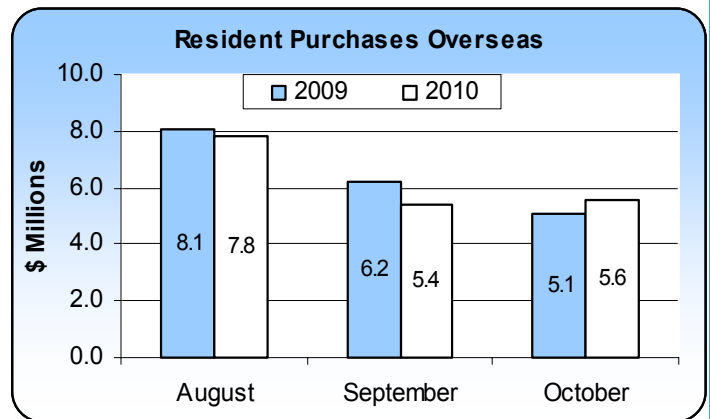
Although apparel retailers offered similar sales and promotions as in October 2009, fewer customers patronized these stores. As a result, consumer demand weakened by 12.5 per cent.

### Service Stations

Sales receipts of service stations rose 1 per cent during the month. This increase was due partly to a 2.5 per cent rise in the price of gasoline during the month of October.

### Resident Purchases Overseas

Residents returning from overseas declared \$5.6 million worth of goods during October 2010. This represented an increase of 9.8 per cent year-over-year or \$0.5 million more spent on overseas purchases.



**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	
<b>2005</b>	<b>96.2</b>	+8.2	<b>94.2</b>	+10.0	<b>96.6</b>	+8.2	<b>101.6</b>	+22.0	<b>89.5</b>	+14.6	<b>93.5</b>	+12.6	<b>109.9</b>	-7.8	<b>93.0</b>	+6.5
<b>2006</b>	<b>100.0</b>	+4.0	<b>100.0</b>	+6.1	<b>100.0</b>	+3.6	<b>100.0</b>	-1.5	<b>100.0</b>	+11.7	<b>100.0</b>	+7.0	<b>100.0</b>	-9.0	<b>100.0</b>	+7.6
<b>2007</b>	<b>104.3</b>	+4.2	<b>106.5</b>	+6.5	<b>104.4</b>	+4.4	<b>95.1</b>	-5.1	<b>106.0</b>	+6.0	<b>96.4</b>	-3.6	<b>109.3</b>	+9.3	<b>106.2</b>	+6.1
<b>2008</b>	<b>106.0</b>	+1.6	<b>114.9</b>	+7.8	<b>105.2</b>	+0.8	<b>90.7</b>	-4.6	<b>116.9</b>	+10.3	<b>93.0</b>	-3.5	<b>104.3</b>	-4.6	<b>106.8</b>	+0.6
<b>*2009</b>	<b>102.0</b>	-3.8	<b>120.2</b>	+4.7	<b>103.9</b>	-1.3	<b>80.8</b>	-10.9	<b>104.3</b>	-10.8	<b>86.2</b>	-7.4	<b>90.2</b>	-13.6	<b>101.1</b>	-5.4
<b>2008</b>																
Aug	107.6	+3.2	119.3	+12.0	110.5	-1.8	85.7	-7.1	130.9	+22.3	93.7	-3.0	102.7	-3.4	105.7	-1.7
Sep	102.3	+0.2	110.0	+2.2	98.6	-0.3	94.3	+7.8	121.3	+10.6	94.9	+10.0	94.4	-10.0	99.1	-6.1
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
<b>2009</b>																
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 <sup>R</sup>	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	97.0	-6.3	113.5	-0.3	93.7	-8.0	66.9	-12.0	106.0	-0.2	82.4	-13.1	91.3	-7.6	97.1	-10.3
Dec	122.9	-2.4	133.9	+3.2	139.4	+2.3	67.9	-20.6	107.2	+6.8	57.9	-16.4	179.9	-0.6	136.6	-4.2
<b>2010</b>																
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
<b>Oct</b>	<b>94.0</b>	<b>-8.3</b>	<b>124.4</b>	<b>-0.9</b>	<b>98.9</b>	<b>-5.4</b>	<b>72.4</b>	<b>-19.5</b>	<b>111.1</b>	<b>+1.0</b>	<b>56.9</b>	<b>-29.8</b>	<b>76.2</b>	<b>-12.5</b>	<b>86.4</b>	<b>-9.0</b>

\* The yearly series reflect annual changes

- (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

## 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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