



Annual Inflation Rate +3.7%

ANNUAL INFLATION TRENDING UP

Consumers paid 3.7 per cent more in May than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This was the highest recorded level of inflation since December 2007 when the annual inflation rate was 3.6 per cent.

Between April 2022 and May 2022, the average cost of goods and services in the CPI increased 0.5 per cent. The all-items index rose from 110.7 to 111.3. This means that the basket of goods and services that cost \$100.00 in April 2022 now costs \$111.30.

YEAR-TO-YEAR ANALYSIS

The Transport & Foreign Travel sector continued to be the largest contributor to the twelve-month increase in the CPI (+8.4 per cent). On average, annual increases were reported in the price of overseas hotel stays (+51.0 per cent), air fares (+12.0 per cent), premium fuels (+7.5 per cent) and mixed fuels (+7.1 per cent).

Food sector prices climbed 6.4 per cent annually. Notable increases were reported in the cost of tenderloin (+18.4 per cent), frozen entrees (+11.4 per cent), fruit juices (+10.8 per cent) and baby food (+9.4 per cent).

The Education, Recreation, Entertainment & Reading sector also impacted strongly on the annual rate of inflation (+5.3 per cent). The average cost of the local newspaper climbed 25.0 per cent. The average cost of pleasure boats advanced 20.0 per cent.

Year-over-year, the Health & Personal Care sector was up 4.3 per cent. The average cost of health insurance premiums (+6.0 per cent), toiletries, cosmetics and perfumes (+3.6 per cent), prescription medicines (+2.4 per cent) and self-prescribed medicines and household medical supplies (+1.4 per cent) increased.

The Household Goods, Services & Supplies sector rose 2.9 per cent over the last twelve months. Dining room and bedroom furniture prices increased 44.7 per cent and 11.1 per cent, respectively.

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
2021			2020		
May	107.3	+1.4	Q1	106.1	+0.8
June	107.0	+1.2	Q2	105.8	+0.1
July	107.5	+2.2	Q3	105.5	-0.8
Aug	107.5	+1.6	Q4	105.7	Nil
Sept	107.7	+2.2			
Oct	108.3	+2.5	2021		
Nov	108.8	+2.8	Q1	106.3	+0.2
Dec	108.6	+2.7	Q2	107.1	+1.2
			Q3	107.6	+2.0
2022			Q4	108.6	+2.7
Jan	108.6	+2.5			
Feb	109.0	+2.5	2022		
Mar	109.4	+2.5	Q1	109.0	+2.5
Apr	110.7	+3.5			
May	111.3	+3.7			

MONTH-TO-MONTH ANALYSIS

Transport & Foreign Travel

The Transport & Foreign Travel sector moved up 3.2 per cent over the previous month, reflecting a price increase in the average cost of airfares (+17.6 per cent). In contrast, the average cost of overseas car rentals and hotel accommodations slid 7.1 per cent and 4.6 per cent, respectively.

Food

The Food sector moved up 0.8 per cent in May. Increases were reported in the average cost of cantaloupes (+20.7 per cent), fruit juices (+6.2 per cent), dry breakfast cereals (+4.0 per cent) and soft drinks (+1.6 per cent).

Education, Recreation, Entertainment & Reading

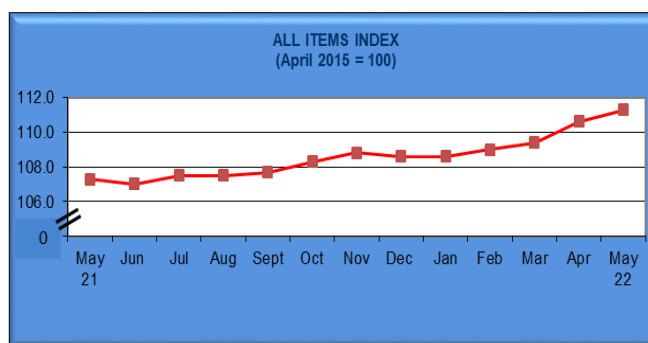
The Education, Recreation, Entertainment & Reading sector advanced 0.3 per cent for the month. Price increases were reported in the average cost of televisions (+17.1 per cent), sporting fees (+4.7 per cent), toys and games (+2.8 per cent) and club membership subscriptions (+2.6 per cent).

Rent

Following the 0.2 per cent increase in April, the Rent sector was static for the month.

Fuel & Power

The Fuel & Power sector rose 0.2 per cent as the average cost of a cylinder of propane gas rose 5.6 per cent.



Health & Personal Care

The rise in the average cost of toiletries, cosmetics and perfumes (+0.4 per cent) was offset by a decline in the cost of self-prescribed medicines and household medical supplies (-0.4 per cent). As a result, the Health & Personal Care sector was unchanged.

Clothing & Footwear

The Clothing & Footwear sector was stable for the month.

Tobacco & Liquor

The Tobacco & Liquor sector dipped 0.1 per cent as the average cost of wines and beer fell 0.7 per cent, and 0.4 per cent, respectively.

Household Goods, Services & Supplies

Increases in the average cost of refrigerators and deep freezers (+5.4 per cent) and minor household appliances (+4.6 per cent) was offset by the decrease in the average cost of other major household appliances (-10.9 per cent). The Household Goods, Services & Supplies sector did not change.

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
2013 WEIGHT	1000	115	267	25	31	39	116	130	147	130
ANNUAL AVERAGE (per cent)										
2017	+1.9	+2.2	+0.1	+1.5	+7.8	+7.8	+0.5	+3.6	+2.0	+1.3
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
MONTHLY (per cent)										
2020										
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
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
May '22	111.3	121.1	100.3	108.4	124.7	111.3	108.2	109.3	116.4	121.6
May '22 May '21	+3.7	+6.4	+0.3	+1.5	-0.1	+1.2	+2.9	+8.4	+5.3	+4.3

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	May 22
Bermuda	+1.4	+1.0	Nil	+1.5	+3.7
United States¹	+2.4	+1.8	+1.2	+4.7	+8.6
Canada²	+2.3	+1.9	+0.7	+3.4	+7.7
United Kingdom³	+3.3	+2.6	+1.5	+4.1	+11.7

Sources:

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

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