



## Annual Inflation Rate +2.8%

### YEAR-OVER-YEAR INFLATION ANALYSIS

Consumers paid 2.8 per cent more in July than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation increased 0.1 percentage point from the June 2023 annual inflation rate of 2.7 per cent.

#### Food

The Food sector was the largest contributor to the twelve-month increase in the CPI (+5.9 per cent). Factoring into the annual increase was the cost of ice cream (+27.6 per cent), fresh and frozen lamb chops (+23.4 per cent) and dry breakfast cereals (+22.2 per cent). In contrast, the annual average price of onions (-22.1 per cent), spareribs (-11.5 per cent) and condensed milk (-7.1 per cent) decreased.

### Education, Recreation, Entertainment & Reading

Year-over-year, the Education, Recreation, Entertainment & Reading sector rose 3.4 per cent. The average cost of pet care (+6.1 per cent) increased.

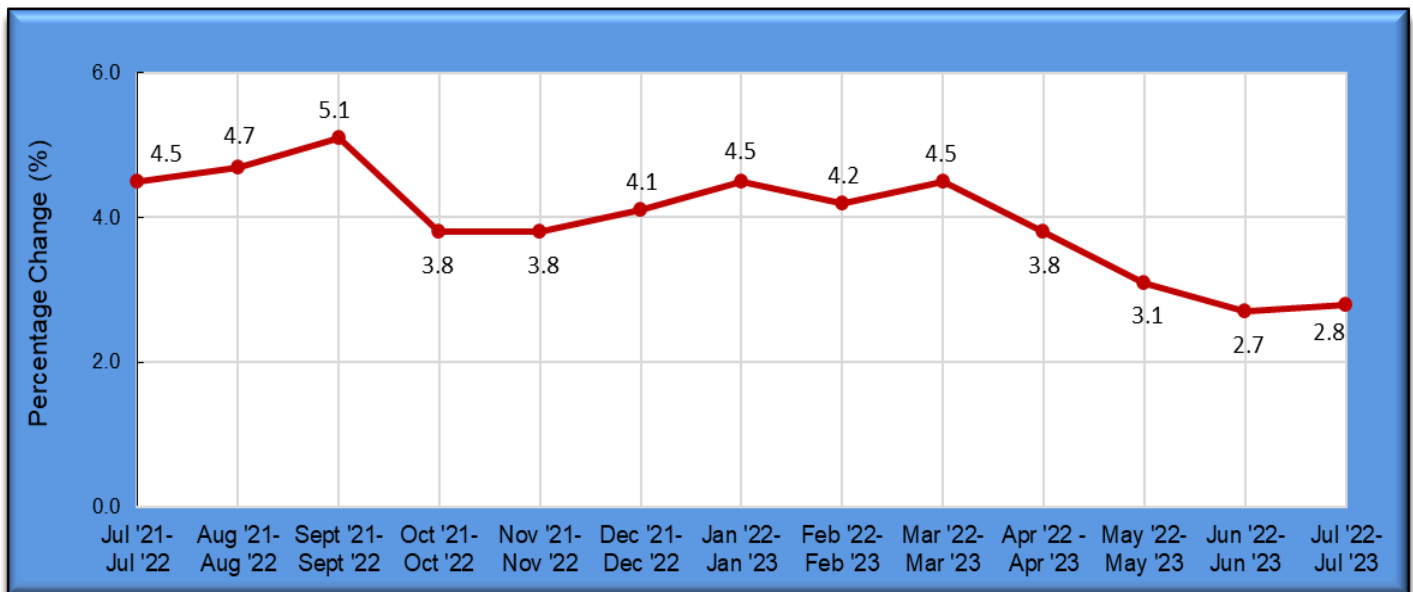
#### Rent

In the twelve months to July 2023, the Rent sector increased 1.9 per cent. The average cost of properties not subject to rent control advanced 2.7 per cent annually.

### Transport & Foreign Travel

The annual increase in the Transport & Foreign Travel sector was 3.0 per cent. Notable annual increases were reported in the cost of overseas hotel accommodations (+28.0 per cent) and motorcycles (+7.3 per cent).

### YEAR-OVER-YEAR PERCENTAGE CHANGE IN ALL ITEMS INDEX (April 2015 = 100)

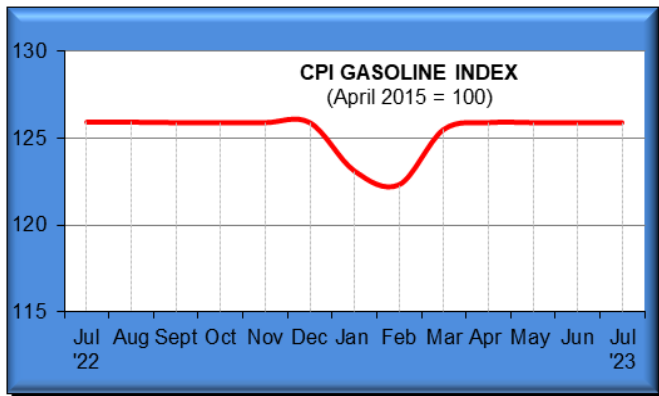


**MONTH-OVER-MONTH INFLATION ANALYSIS**

Between June 2023 and July 2023, the average cost of goods and services in the CPI rose 0.4 per cent. The all-items index increased from 115.2 to 115.7. This means that the basket of goods and services that cost \$100.00 in April 2015 now costs \$115.70.

**Transport & Foreign Travel**

The Transport & Foreign Travel sector rose 2.0 per cent. The average cost of overseas hotel accommodations (+4.2 per cent), airfares (+7.0 per cent) and motorcycles (+0.7 per cent) increased.



**Fuel & Power**

In response to the 12.7 per cent increase in the fuel adjustment clause in July, the Fuel & Power sector was up 2.9 per cent.

**Rent**

The increase in the average rent of properties not subject to rent control (+0.4 per cent) and properties subject to rent control (+0.1 per cent) contributed to the 0.2 per cent rise in the Rent sector.

**Food**

The Food sector edged up 0.2 per cent for the month. On average, the main items contributing to the increase were the cost of butter (+9.5 per cent), baked beans (+8.0 per cent) and sugar (+7.6 per cent). In contrast, the average cost of red grapes (-10.3 per cent) and apples (-8.8 per cent) declined.

**Household Goods, Services & Supplies**

The Household Goods, Services & Supplies sector was up 0.2 per cent. Price increases were reported in the average cost of food wraps and trash bags (+2.3 per cent) and cleaning materials (+0.7 per cent).

**Education, Recreation, Entertainment & Reading**

The Education, Recreation, Entertainment & Reading sector was unchanged for the month.

**Clothing & Footwear**

The Clothing & Footwear sector fell 0.1 per cent in July. Leading the decrease were the average price of infant clothing (-20.6 per cent) and female’s skirts and shorts (-6.2 per cent). In contrast, the average price of boys school shirts and pants (+16.1 per cent) and men’s jewellery (+1.3 per cent) increased.

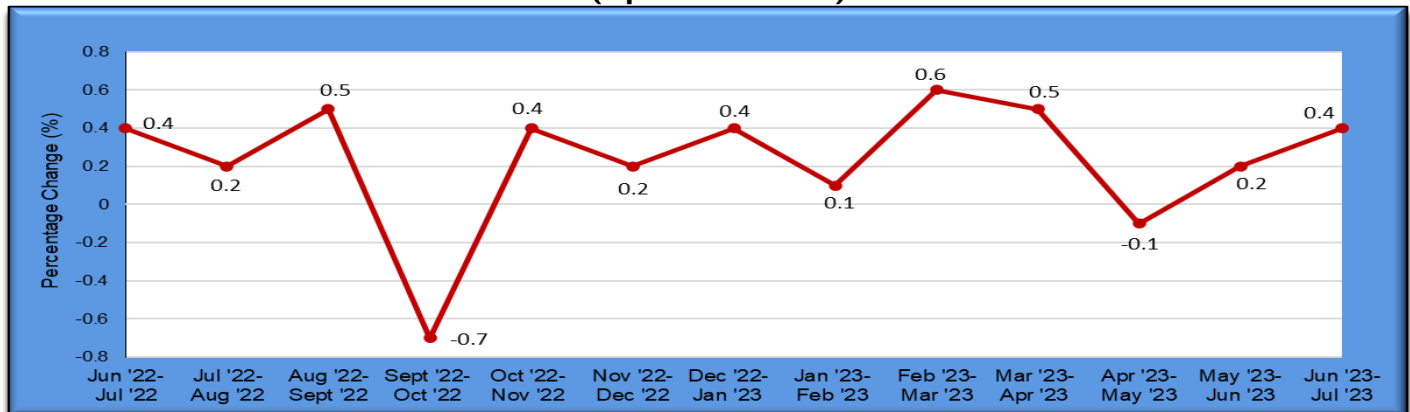
**Tobacco & Liquor**

The Tobacco & Liquor sector declined 0.3 per cent, as the average price of spirits (-1.8 per cent) decreased. In contrast, the average price of wines (+0.2 per cent) and beer (+0.1 per cent) increased.

**Health & Personal Care**

The Health & Personal Care sector fell 0.1 per cent in July. The average cost of self-prescribed medicines and household medical supplies declined 0.5 per cent.

**MONTH-OVER-MONTH PERCENTAGE CHANGE IN ALL ITEMS INDEX (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, Entertain. & Reading | Health & Personal Care |
|--------------------|-----------|------|------|---------------------|------------------|--------------|--------------------------------------|----------------------------|---|------------------------|
| <b>2013 WEIGHT</b> | 1,000     | 115  | 267  | 25                  | 31               | 39           | 116                                  | 130                        | 147   | 130                    |

## MONTHLY PERCENTAGE CHANGE

### 2022

|      |      |      |      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|------|------|------|
| 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 |

### 2023

|     |      |      |      |      |      |      |      |      |      |      |
|-----|------|------|------|------|------|------|------|------|------|------|
| Jan | +0.4 | +0.6 | Nil  | +0.4 | +1.3 | -3.9 | +0.3 | +2.7 | -0.1 | +0.1 |
| Feb | +0.1 | -0.2 | +0.6 | Nil  | -0.1 | Nil  | Nil  | -0.3 | +0.5 | -0.1 |
| Mar | +0.6 | +0.3 | +0.1 | Nil  | +3.5 | Nil  | +0.1 | +2.2 | +0.8 | Nil  |
| Apr | +0.5 | +0.4 | +0.1 | -2.2 | +1.1 | +0.5 | +0.1 | +1.0 | +0.1 | +2.0 |
| May | -0.1 | -0.2 | +0.1 | Nil  | +0.1 | Nil  | Nil  | -0.9 | +0.3 | +0.1 |
| Jun | +0.2 | +0.6 | +0.3 | Nil  | +0.1 | Nil  | Nil  | -1.0 | +0.4 | +0.2 |
| Jul | +0.4 | +0.2 | +0.2 | -0.1 | -0.3 | +2.9 | +0.2 | +2.0 | Nil  | -0.1 |

## MONTHLY INDEX

### 2022

|      |       |       |       |       |       |       |       |       |       |       |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Jul  | 112.6 | 124.8 | 100.5 | 110.7 | 124.4 | 118.7 | 108.4 | 111.5 | 116.6 | 122.9 |
| Aug  | 112.8 | 126.1 | 100.5 | 110.7 | 125.2 | 118.7 | 108.9 | 110.5 | 117.1 | 122.9 |
| Sept | 113.4 | 127.8 | 100.8 | 110.7 | 125.1 | 118.7 | 109.1 | 111.5 | 118.1 | 122.9 |
| Oct  | 112.6 | 127.7 | 100.8 | 112.5 | 125.3 | 113.8 | 109.6 | 106.4 | 118.2 | 122.9 |
| Nov  | 113.1 | 130.0 | 100.9 | 112.5 | 125.1 | 113.8 | 109.7 | 107.1 | 118.2 | 123.0 |
| Dec  | 113.3 | 129.9 | 101.0 | 112.5 | 125.1 | 113.8 | 110.3 | 108.5 | 118.2 | 122.9 |

### 2023

|     |       |       |       |       |       |       |       |       |       |       |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Jan | 113.7 | 130.7 | 101.0 | 113.0 | 126.7 | 109.4 | 110.6 | 111.4 | 118.1 | 123.0 |
| Feb | 113.8 | 130.4 | 101.6 | 113.0 | 126.6 | 109.4 | 110.6 | 111.1 | 118.7 | 122.9 |
| Mar | 114.5 | 130.8 | 101.7 | 113.0 | 131.0 | 109.4 | 110.7 | 113.5 | 119.7 | 122.9 |
| Apr | 115.1 | 131.3 | 101.8 | 110.5 | 132.5 | 110.0 | 110.8 | 114.6 | 119.8 | 125.4 |
| May | 115.0 | 131.1 | 101.9 | 110.5 | 132.6 | 110.0 | 110.8 | 113.6 | 120.1 | 125.5 |
| Jun | 115.2 | 131.9 | 102.2 | 110.5 | 132.7 | 110.0 | 110.8 | 112.5 | 120.6 | 125.7 |
| Jul | 115.7 | 132.2 | 102.4 | 110.4 | 132.3 | 113.2 | 111.0 | 114.8 | 120.6 | 125.6 |

## ANNUAL PERCENTAGE CHANGE

|                |             |             |             |             |             |             |             |             |             |             |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Jul '23</b> | <b>+2.8</b> | <b>+5.9</b> | <b>+1.9</b> | <b>-0.3</b> | <b>+6.4</b> | <b>-4.6</b> | <b>+2.4</b> | <b>+3.0</b> | <b>+3.4</b> | <b>+2.2</b> |
| <b>Jul '22</b> |             |             |             |             |             |             |             |             |             |             |

| SUMMARY STATISTICS |         |                        |
|--------------------|---------|------------------------|
| Period             | Monthly |                        |
|                    | Index   | Annual Per Cent Change |
| <b>2022</b>        |         |                        |
| Jul                | 112.6   | +4.5                   |
| Aug                | 112.8   | +4.7                   |
| Sept               | 113.4   | +5.1                   |
| Oct                | 112.6   | +3.8                   |
| Nov                | 113.1   | +3.8                   |
| Dec                | 113.3   | +4.1                   |
| <b>2023</b>        |         |                        |
| Jan                | 113.7   | +4.5                   |
| Feb                | 113.8   | +4.2                   |
| Mar                | 114.5   | +4.5                   |
| Apr                | 115.1   | +3.8                   |
| May                | 115.0   | +3.1                   |
| Jun                | 115.2   | +2.7                   |
| Jul                | 115.7   | +2.8                   |

### 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 2022 and January 2022 is calculated as follows:

$$= \frac{\text{Feb 22 index} - \text{Jan 22 index}}{\text{Jan 22 index}} \times 100$$

$$= \frac{109.0 - 108.6}{108.6} \times 100$$

$$= 0.4\%$$

#### B) Year-to-Year Price Change

The price change between March 2022 and March 2021 is calculated as follows:

$$= \frac{\text{Mar 22 index} - \text{Mar 21 index}}{\text{Mar 21 index}} \times 100$$

$$= \frac{109.4 - 106.7}{106.7} \times 100$$

$$= 2.5\%$$

#### C) Particular Period Price Change

The price change between February 2022 and March 2020 is calculated as follows:

$$= \frac{\text{Feb 22 index} - \text{Mar 20 index}}{\text{Mar 20 index}} \times 100$$

$$= \frac{109.0 - 105.9}{105.9} \times 100$$

$$= 2.9\%$$

## WHAT IS THE CONSUMER PRICE INDEX?

The 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 per cent.

### 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.

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