



# RETAIL SALES INDEX

YEAR-TO-YEAR ANALYSIS

December 2013

## DECLINE IN RETAIL SALES

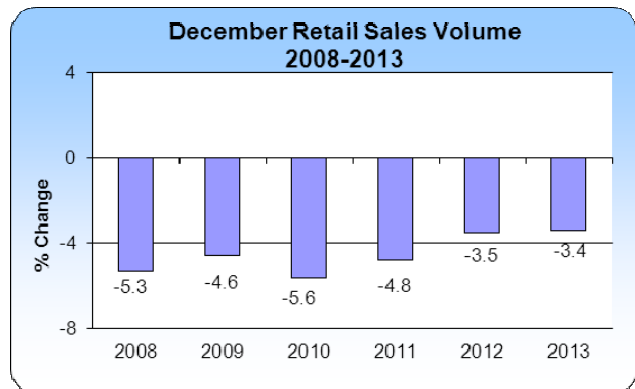
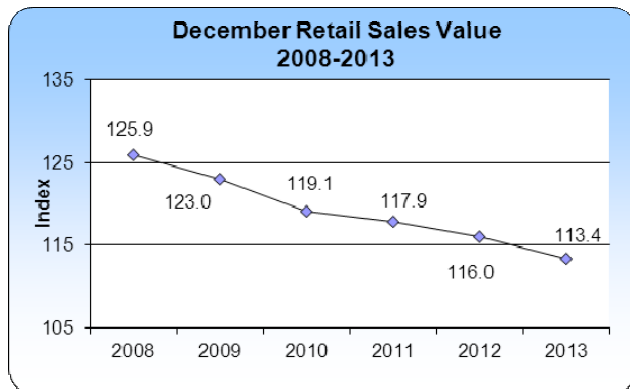
Total retail sales in December fell 2.2 per cent. Consumers spent an estimated \$101.5 million on retail goods during the month. Motor vehicle retailers registered the largest decrease in sales of 10.8 per cent. In contrast, retailers of building materials reported the largest increase in sales of 2.4 per cent.

Residents returning to the Island declared overseas purchases valued at \$7.5 million during

December 2013. This contributed to a combined local and overseas spending total of \$109 million.

After adjusting for the annual retail sales rate of inflation, measured at 1.2 per cent in December, the volume of retail sales decreased by 3.4 per cent.

There were 24 shopping days during the month, one more than in December 2012.



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>2012</b>								
Dec	116.0	-1.6	-3.5	103.8	7.4	+21.3	111.2	-0.4
<b>2013</b>								
Jan	82.9	+3.0	-0.9	74.2	4.4	-2.2	78.6	+2.7
Feb	78.4	-1.8	-4.2	70.2	3.4	+3.0	73.6	-1.6
Mar	94.7	-1.1	-2.9	84.7	3.7	+2.8	88.4	-0.9
Apr	91.4	-1.3	-3.0	81.8	5.4	-10.0	87.2	-1.9
May	95.7	+1.3	+0.4	85.6	5.4	-3.6	91.0	+1.0
Jun	100.9	-0.8	-2.2	90.3	4.5	-10.0	94.8	-1.3
Jul	110.7	+4.1	+2.2	99.1	4.5	-13.5	103.6	+3.2
Aug	91.6	-3.2	-4.1	82.0	6.5	-8.5	88.5	-3.6
Sep	88.0	-4.4	-6.3	78.8	4.9	-9.3	83.7	-4.7
Oct	91.6	+0.1	-0.9	81.9	4.1	-22.6	86.0	-1.2
Nov	95.8	+4.7	+3.7	85.7	6.1	-9.0	91.8	+3.6
<b>Dec</b>	<b>113.4</b>	<b>-2.2</b>	<b>-3.4</b>	<b>101.5</b>	<b>7.5</b>	<b>+1.4</b>	<b>109.0</b>	<b>-2.0</b>

**Motor Vehicle Stores**

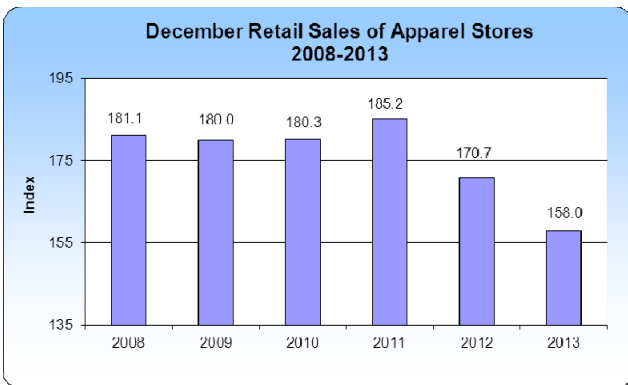
Sales of motor vehicles contracted 10.8 per cent in December 2013. Lower consumer demand during the month led to a year-over-year decline in the number of cars and motorcycles sold.

**Food and Liquor Stores**

Receipts from food sales slipped 0.9 per cent compared to December 2012. In addition, liquor stores reported a 5.7 per cent drop in gross receipts during the same period. The decline in food and liquor sales reflect a decrease in volume, as the price of food and liquor increased 2.8 per cent and 4.3 per cent, respectively.

**Apparel Stores**

Aggregate sales for apparel stores dropped 7.5 per cent compared to last year. Retailers attribute this decline to less consumer demand year-over-year. This is a result of a shift in the timing of sales events which occurred a month earlier in 2013 (November) compared to 2012 (December).



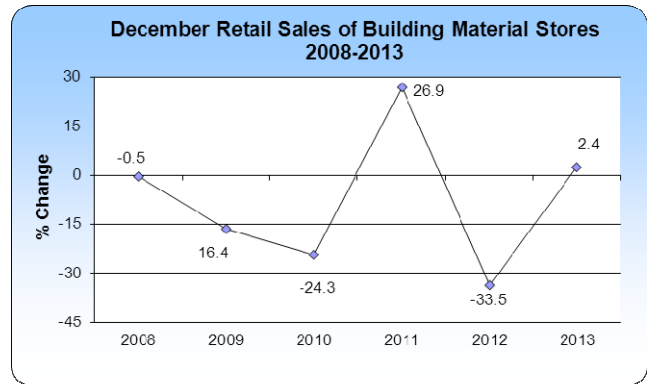
**Service Stations**

Sales receipts for service stations fell 4.8 per cent during December 2013. This decline was partly attributed to the 3.6 per cent drop in fuel prices year-over-year.

**Building Material Stores**

Sales of building materials increased for the second consecutive month. Gross sales revenue

rose 2.4 per cent during December 2013. The increase in sales was due to an increased demand for commercial and residential products.

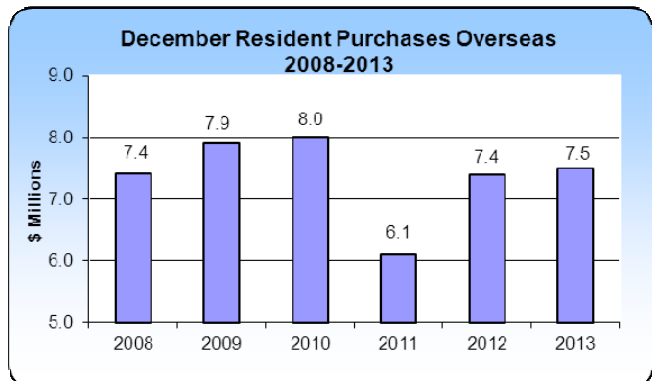


**All Other Store Types**

Sales receipts for the all other store types sector increased fractionally by 0.9 per cent during December 2013. Gross receipts for tourist-related stores rose 4.0 per cent. Sales of furniture, appliances and electronics increased 1.8 per cent. In contrast, sales for boat and marine retailers abated 24.5 per cent while pharmaceutical sales dropped 0.4 per cent during the month.

**Resident Purchases Overseas**

Residents declared \$7.5 million or 1.4 per cent more in overseas purchases when compared to the same month of the previous year. Higher outlays on clothing & footwear, was the main contributor to the overall increase in the total value of declarations.



**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	94.2	-3.1	119.9	-0.4	113.4	-1.9	48.8	-27.8	116.2	+4.2	63.1	-1.9	89.0	+1.6	92.5	-3.3
2012	94.7	+0.5	127.6	+6.4	123.7	+9.1	45.3	-7.3	114.9	-1.1	57.2	-9.4	85.0	-4.5	90.6	-2.0
*2013	94.6	-0.2	131.6	+3.1	121.7	-1.6	45.8	+1.0	112.7	-2.0	48.6	-15.0	84.7	-0.3	89.4	-1.4
<b>2012</b>																
Jan	80.5	-3.6	114.1	+1.8	89.6	+4.5	35.1	-38.7	105.2	+1.7	61.9	+10.7	55.7	-2.2	74.1	-6.8
Feb	79.8	+1.9	111.1	+6.0	97.8	+8.3	43.8	-26.2	101.7	+2.8	55.3	+9.9	50.7	-2.9	75.1	+3.0
Mar	95.7	+1.9	126.3	+8.5	117.9	+15.4	49.9	-28.6	116.8	0.0	66.1	+4.5	65.4	+1.0	90.7	+1.3
Apr	92.7	-3.7	123.6	-0.9	124.6	+2.1	46.9	-9.7	113.7	-6.1	67.6	+0.7	78.3	-5.6	85.0	-7.0
May	94.4	+2.2	124.0	+7.6	98.0	+8.1	47.0	-25.6	118.8	-4.9	69.7	+5.0	88.9	-4.4	97.3	+6.1
Jun	101.7	+0.4	133.8	+8.7	122.2	+9.5	42.3	-18.7	118.3	-7.0	53.7	-16.8	104.3	-6.7	102.5	+1.5
Jul	106.4	+6.0	142.2	+5.0	145.1	+2.4	62.8	+64.2	118.9	-7.7	69.3	+6.1	87.6	+1.3	101.5	+4.2
Aug	94.6	+0.8	127.8	+9.4	146.9	+19.6	41.4	-17.5	125.3	+1.4	54.3	-12.6	81.2	-4.5	89.2	-4.3
Sep	92.1	+0.6	129.0	+10.9	146.3	+25.5	40.9	-2.7	117.9	+0.2	49.6	-27.3	76.8	-8.3	84.5	-4.7
Oct	91.5	+0.7	131.1	+6.2	103.3	+7.5	54.6	+43.3	113.3	+0.9	54.0	-24.2	71.9	-8.6	79.6	-5.7
Nov	91.5	+1.1	123.1	+8.0	121.9	+10.3	36.1	+9.6	116.5	+7.0	47.6	-28.7	87.9	+1.1	89.5	-4.2
Dec <sup>R</sup>	116.0	-1.6	145.2	+5.9	170.2	+0.1	42.6	+37.9	113.0	+1.9	36.9	-33.5	170.7 <sup>R</sup>	-7.8	118.2 <sup>R</sup>	-6.7
<b>2013</b>																
Jan	82.9	+3.0	122.3	+7.2	91.7	+2.4	46.2	+31.6	106.7	+1.4	43.2	-30.2	59.2	+6.1	73.7	-0.5
Feb	78.4	-1.8	115.4	+3.9	95.2	-2.7	36.9	-15.6	96.9	-4.7	44.7	-19.2	49.9	-1.7	73.6	-1.9
Mar	94.7	-1.1	135.1	+7.0	123.4	+4.7	41.0	-18.0	118.1	+1.1	59.7	-9.8	61.8	-5.4	84.1	-7.3
Apr	91.4	-1.3	126.6	+2.5	112.4	-9.8	49.0	+4.4	109.0	-4.2	53.7	-20.6	76.1	-2.8	84.1	-1.0
May	95.7	+1.3	133.6	+7.8	102.6	+4.7	46.0	-2.1	119.5	+0.6	55.3	-20.7	93.5	+5.2	93.9	-3.5
Jun	100.9	-0.9	136.6	+2.1	119.6	-2.2	38.8	-8.2	124.2	+4.4	46.9	-12.7	104.8	+0.5	99.0	-3.4
Jul	110.7	+4.1	155.5	+9.4	166.1	+14.5	59.1	-5.9	123.8	+4.1	61.3	-11.5	83.8	-4.4	106.1	+4.6
Aug	91.6	-3.2	126.2	-1.3	138.2	-5.9	40.1	-3.1	116.9	-6.7	44.8	-17.5	80.9	-0.4	86.7	-2.8
Sep	88.0	-4.4	124.2	-3.8	128.5	-12.1	48.3	+18.0	109.7	-7.0	41.0	-17.2	76.9	+0.1	78.3	-7.3
Oct	91.6	+0.2	132.0	+0.6	100.2	-3.0	59.7	+9.3	111.5	-1.6	46.8	-13.3	74.6	+3.8	79.5	-0.1
Nov	95.8	+4.7	127.5	+3.5	121.5	-0.4	46.1	+27.6	108.2	-7.1	47.7	+0.2	97.3	+10.7	93.9	+4.9
Dec	113.4	-2.2	143.9	-0.9	160.5	-5.7	38.0	-10.8	107.5	-4.8	37.8	+2.4	158.0	-7.5	119.2	+0.9

1) Index numbers are subject to revisions

\*The yearly series reflect annual changes

(2) Includes household supplies but excludes alcoholic beverages

\* Revisions are also reflected in the Summary Statistics on Page 1

(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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Published by the Government of Bermuda  
January 2014

The Cabinet Office  
Department of Statistics  
Cedar Park Centre,  
48 Cedar Avenue, Hamilton HM 11  
P.O. Box HM 3015  
Hamilton HM MX, Bermuda  
Tel: (441) 297-7761, Fax: (441) 295-8390  
E-mail: [statistics@gov.bm](mailto:statistics@gov.bm)