



## RETAIL SALES DROP BY FIVE PER CENT

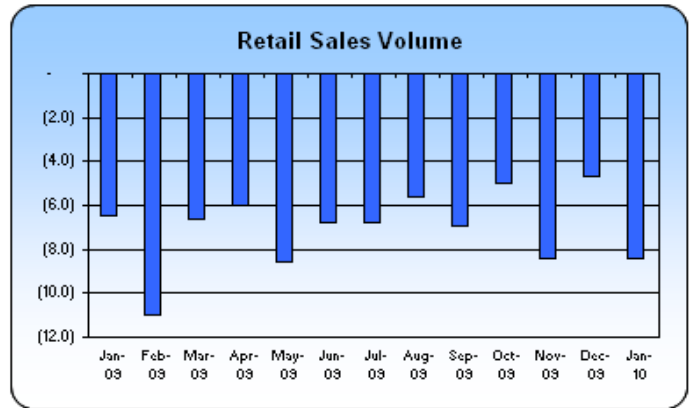
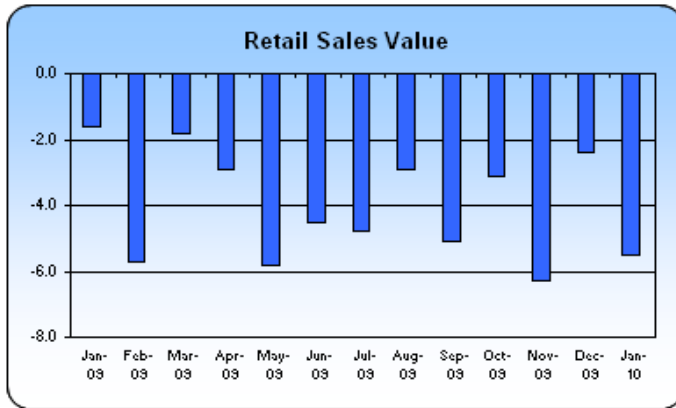
Consumers spent an estimated \$78 million on retail sales in January 2010. This spending level was 5 per cent below or \$5 million less than the \$83 million in retail sales recorded for January 2009. The retail sales index stood at 87.2 points.

The downturn in consumer spending was driven primarily by weak sales within the motor vehicle sector and all other store types, both of

which experienced double-digit year-over-year declines in sales revenue.

After adjusting for the annual rate of inflation, measured at 3.2 per cent in January, the volume of retail sales plunged 8 per cent. This reflected an overall decline in the volume of sales or the total quantity of goods sold in the retail sector for the month.

There were 26 shopping days during the month, the same as in January 2009.



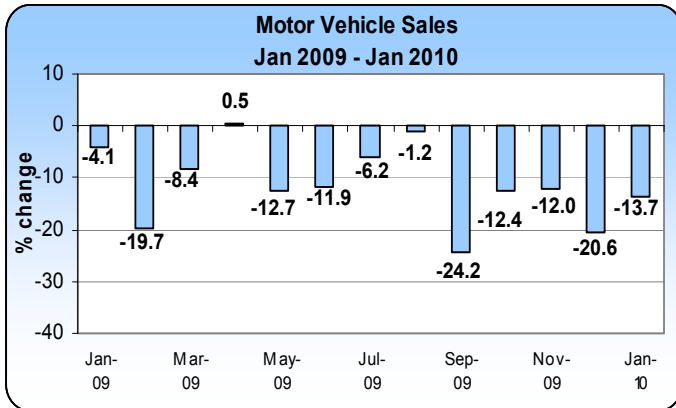
The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

### 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>								
Jan <sup>R</sup>	92.2	-1.6	-6.5	82.6	5.5	-5.2	88.0	-1.8
Feb	85.8	-5.7	-11.0	76.8	4.1	-4.7	80.9	-5.7
Mar	98.8	-1.8	-6.6	88.5	4.4	-13.7	92.9	-2.4
Apr	103.1	-2.9	-6.0	92.3	6.9	+9.5	99.2	-2.2
May	100.1	-5.8	-8.6	89.6	7.3	+8.0	96.9	-4.8
Jun	106.5	-4.5	-6.8	95.4	5.0	-2.5	100.4	-4.4
Jul	111.9	-4.8	-6.8	100.2	5.0	-2.5	105.2	-4.7
Aug	104.5	-2.9	-5.6	93.5	8.1	-3.6	101.6	-2.9
Sep	97.1	-5.1	-6.9	86.9	6.2	+12.3	93.1	-4.1
Oct	102.4	-3.1	-5.0	91.7	5.1	-2.5	96.8	-3.1
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	<b>87.2</b>	<b>-5.4</b>	<b>-8.4</b>	<b>78.0</b>	<b>5.0</b>	<b>-9.1</b>	<b>83.0</b>	<b>-5.7</b>

## Motor Vehicle Stores

Retailers of motor vehicles experienced a decline in sales for the ninth consecutive month. Dealers reported a drop in sales of 14 per cent in January 2010, when compared to the sales level recorded in 2009. The reduction in sales was partly attributed to lower consumer demand for vehicle brand models currently in stock.



## All Other Store Types

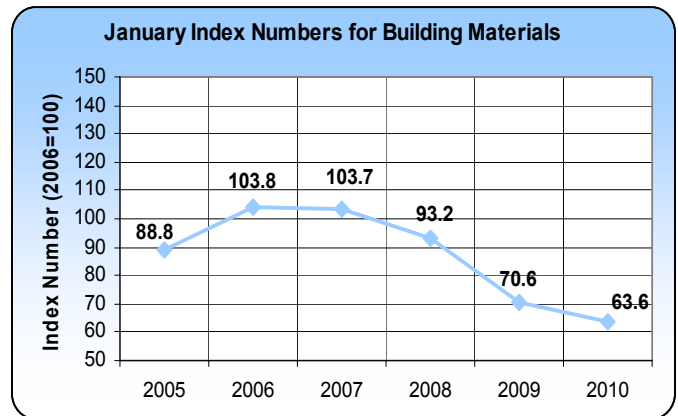
The all other store types sector reported a drop in sales revenue of 12 per cent, primarily due to consumers spending significantly less on household goods. Among other items in this sector, sales of pharmaceutical items and tourist related items decreased 3 per cent and 6 per cent, respectively, compared with the same period in 2009.

## Service Stations

Service Stations registered an 11 per cent rise in sales revenue in January. The increase in year-over-year sales was directly attributed to a 15 per cent rise in the price of fuel during the month.

## Building Materials

Purchases of building materials and supplies contracted by 10 per cent in January. There was a drop in the level of contract sales activity for this sector, which is indicative of the slowdown in the construction industry.



## Food and Liquor stores

Gross receipts for food stores were down 1 per cent in January 2010, despite a 3 per cent increase in the price of food year-over-year. Additionally, liquor store sales decreased 6 per cent during the same period.

## Apparel Stores

Sales activity at apparel stores gained ground for January 2010 with a marginal growth of 1 per cent. This marked the first positive sales gain since June 2008. In contrast, overseas retail spending by returning residents declined 9 per cent during the same period.

**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>120.4</b>	-4.9	<b>103.9</b>	-1.3	<b>81.4</b>	-10.2	<b>103.6</b>	-11.4	<b>86.2</b>	-7.4	<b>90.2</b>	-13.6	<b>101.1</b>	-5.4
<b>2007</b>																
Dec	125.7	+2.1	119.5	+7.6	142.3	+2.1	70.0	-15.8	103.1	+5.8	69.5	-6.7	214.6	+2.1	144.2	+2.0
<b>2008</b>																
Jan	93.7	+0.0	105.2	+6.8	75.8	-0.5	85.6	-22.9	100.4	+8.7	93.2	-10.1	75.9	+6.1	91.3	+4.5
Feb	91.0	+7.5	99.5	+5.7	82.8	+4.0	89.2	-0.9	97.0	+11.7	84.6	+9.3	70.1	+11.0	92.2	+11.5
Mar	100.7	-1.6	107.9	+2.0	98.8	+6.1	96.7	-6.6	111.6	+10.7	95.0	-18.7	91.5	-3.8	98.0	+1.2
Apr	106.3	+9.1	111.5	+8.2	93.7	-3.9	99.3	+17.3	120.4	+10.5	107.7	+7.6	100.0	+7.8	103.1	+8.9
May	106.3	-2.4	117.1	+9.4	116.3	+5.8	85.1	-27.0	125.5	+9.2	100.8	+6.8	116.4	+1.1	108.5	-0.3
Jun	111.5	+1.4	114.4	+3.4	112.4	-4.3	92.3	+9.8	127.1	+12.7	99.1	-3.2	131.3	+2.1	109.6	-4.4
Jul	117.5	+3.7	128.4	+13.9	151.0	+6.7	104.8	-1.6	140.7	+15.4	90.6	-14.4	100.4	-8.2	120.4	+2.6
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
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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 <sup>R</sup>	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	85.8	-5.7	107.7	+8.3	79.3	-4.3	71.6	-19.7	81.2	-16.3	75.2	-11.1	55.2	-21.2	84.9	-8.0
Mar	98.8	-1.8	113.6	+5.2	83.9	-15.1	88.6	-8.4	94.3	-15.5	105.1	+10.6	72.7	-20.5	97.2	-0.8
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
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Jul	111.9	-4.8	136.4	+6.2	145.4	-3.7	98.3	-6.2	117.2	-16.7	91.9	+1.5	82.5	-17.8	106.0	-11.9
Aug	104.5	-2.9	123.6	+3.7	115.3	+4.4	84.7	-1.2	116.4	-11.1	92.7	-1.1	82.5	-19.7	101.6	-3.9
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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>																
<b>Jan</b>	<b>87.2</b>	<b>-5.4</b>	<b>112.0</b>	<b>-0.9</b>	<b>76.2</b>	<b>-5.7</b>	<b>70.8</b>	<b>-13.7</b>	<b>102.1</b>	<b>+10.5</b>	<b>63.6</b>	<b>-9.8</b>	<b>59.9</b>	<b>+0.7</b>	<b>83.7</b>	<b>-12.3</b>

(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  
 \* The yearly series reflect annual changes

## 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.

Published by the Government of Bermuda  
March 2010

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