



RETAIL SALES INDEX

March 2011

RETAIL SALES FELL BY 5.5 PER CENT

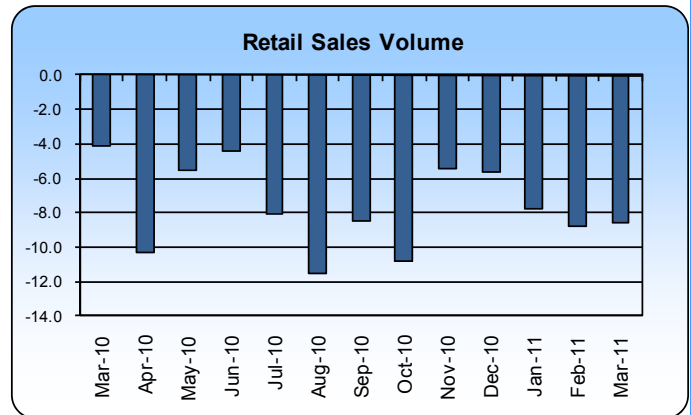
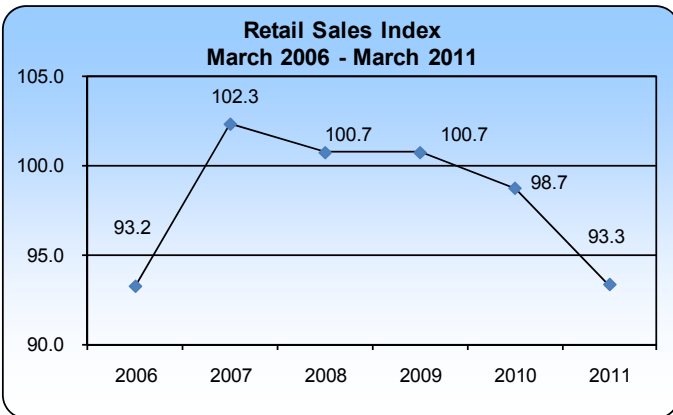
There was a general downturn in consumer spending for the retail industry during March 2011. All retail sectors experienced year-over-year sales declines with the exception of service stations, which recorded a marginal gain. Gross sales receipts for local retailers dipped 5.5 per cent to an estimated \$83.5 million. This was \$4.8 million below the \$88.3 million earned in sales receipts in March 2010.

Residents returning from business and vacation

trips declared \$4.3 million in overseas purchases, a decrease of 6.5 per cent compared to the same month of last year. Combined local and overseas spending totalled \$87.8 million, 5.5 per cent less than in 2010.

After adjusting for the annual retail sales rate of inflation, measured at 3.3 per cent in March 2011, the volume of retail sales contracted by 8.6 per cent.

There were 27 shopping days in March 2011, the same as in 2010.

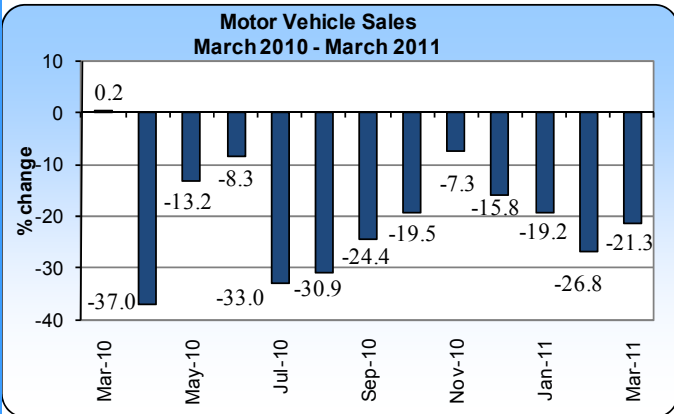


The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

| 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 |
| 2010 | | | | | | | | |
| Mar ^R | 98.7 | -2.0 | -4.1 | 88.3 | 4.6 | +4.5 | 92.9 | -1.6 |
| 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 |
| Oct | 94.0 | -8.3 | -10.8 | 84.1 | 5.6 | +9.8 | 89.7 | -7.3 |
| Nov | 93.4 | -2.8 | -5.4 | 83.6 | 7.9 | +2.6 | 91.5 | -2.4 |
| Dec | 119.1 | -3.2 | -5.6 | 106.6 | 8.0 | +1.3 | 114.6 | -2.9 |
| 2011 | | | | | | | | |
| Jan | 83.3 | -5.9 | -7.8 | 74.6 | 5.1 | +2.0 | 79.7 | -5.3 |
| Feb | 78.5 | -5.8 | -8.8 | 70.3 | 3.5 | -7.9 | 73.8 | -5.9 |
| Mar | 93.3 | -5.5 | -8.6 | 83.5 | 4.3 | -6.5 | 87.8 | -5.5 |

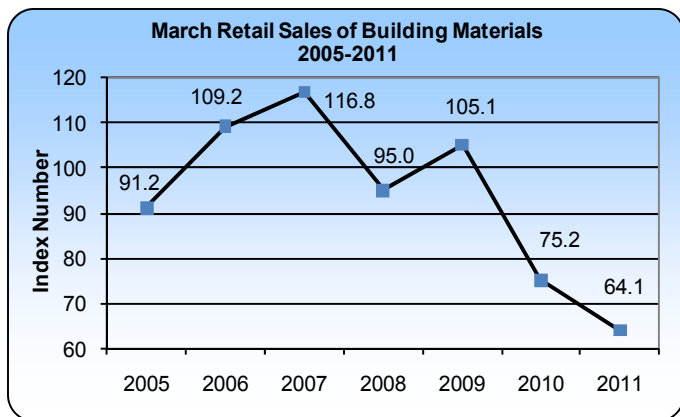
Motor Vehicle Stores

Sales of motor vehicles plummeted 21.3 per cent year-over-year. This decline reflected 42 fewer cars sold which offset a 24.6 per cent jump in the sales volume of motorcycles. Retailers attribute this shift in the choice of vehicle purchase to the increase in gasoline prices, which seems to have led consumers to favour purchasing motorcycles over cars.



Building Materials

Fewer contract jobs continued to plague retailers of building materials, who reported continued lower sales during the month. The downturn in construction activity has led to softened demand for building supplies, resulting in a 14.8 per cent decline in sales from hardware stores.



Food and Liquor Stores

Sales of food fell 3.8 per cent in March 2011, while food prices increased by 1.6 per cent year-over-year. Over the same period, liquor sales dipped 4.8 per cent.

All Other Store Types

Gross receipts within the all other store types sector slipped 2 per cent below last year's level. Sales receipts from boat and marine supplies stores fell 27.7 per cent while sales of furniture, appliances & electronics decreased 6.6 per cent. During the same period, sales of pharmaceutical products fell 3 per cent. In contrast, sales of souvenirs, t-shirts & jewellery at tourist-related stores climbed by 53.4 per cent during the month, reflecting increased visitor arrivals and sales promotions.

Apparel Stores

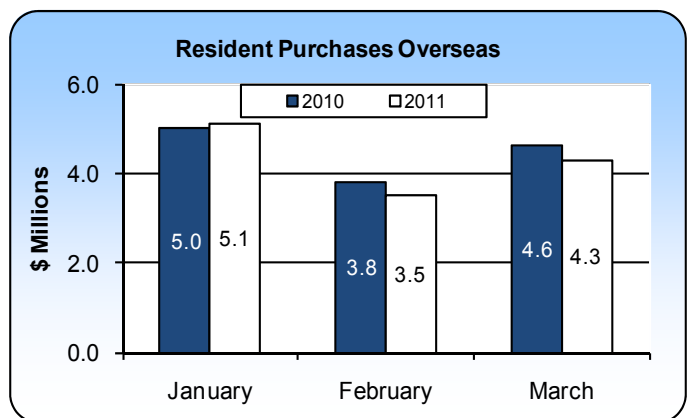
Sales by local apparel outlets slipped 0.9 per cent during the month. Apparel sales levels have declined year-over-year each March since 2008.

Service Stations

Service stations was the only retail sector to experience positive sales growth during the month, reporting a 1.7 per cent increase in sales revenue. This increase was fuelled by a spike in gasoline prices, which surged 11.2 per cent above March 2010.

Resident Purchases Overseas

During March 2011, returning residents declared overseas purchases of \$4.3 million, a decrease of 6.5 per cent below last year's declarations. This decline was heavily influenced by a 13.4 per cent drop in overseas purchases of apparel and clothing accessories over 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 | |
|------------------|---------------------|-------------|-----------------|-------------|-------------------|-------------|----------------------|--------------|------------------|-------------|--------------------------|--------------|----------------|-------------|-----------------------|-------------|
| 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 | 102.5 | -3.3 | 119.9 | +4.4 | 111.7 | +6.1 | 84.2 | -7.2 | 105.1 | -10.1 | 87.0 | -6.5 | 89.2 | -14.5 | 99.8 | -6.5 |
| *2010 | 97.5 | -4.9 | 120.3 | +0.3 | 113.9 | +2.0 | 69.9 | -17.0 | 110.1 | +4.8 | 65.0 | -25.3 | 86.2 | -3.4 | 95.3 | -4.5 |
| 2009 | | | | | | | | | | | | | | | | |
| 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 | 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 | 96.1 | -7.1 | 110.6 | -2.8 | 112.8 | +10.7 | 67.0 | -11.8 | 105.4 | -0.8 | 82.4 | -13.1 | 91.3 | -7.6 | 95.9 | -11.4 |
| Dec | 123.0 | -2.3 | 132.0 | +1.7 | 167.5 | +23.0 | 70.3 | -17.8 | 106.6 | +6.2 | 57.8 | -16.4 | 180.0 | -0.6 | 136.2 | -4.5 |
| 2010 | | | | | | | | | | | | | | | | |
| Jan | 88.5 | -4.0 | 114.6 | +1.4 | 93.0 | +15.2 | 70.8 | -13.8 | 102.0 | +10.4 | 64.7 | -8.4 | 60.2 | +1.3 | 83.9 | -12.1 |
| Feb | 83.3 | -2.8 | 106.6 | +1.3 | 94.4 | +19.0 | 81.0 | +12.7 | 97.7 | +9.9 | 59.8 | -20.5 | 51.6 | -6.5 | 75.7 | -11.5 |
| Mar ^R | 98.7 | -2.0 | 119.9 | +5.5 | 107.2 | +27.8 | 88.8 | +0.2 | 114.5 | 14.3 | 75.2 | -28.4 | 63.7 | -12.4 | 90.9 | -4.1 |
| 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 |
| Oct | 94.0 | -8.3 | 124.4 | -0.9 | 98.9 | -5.4 | 72.4 | -19.5 | 111.1 | +1.0 | 56.9 | -29.8 | 76.2 | -12.5 | 86.4 | -9.0 |
| Nov | 93.4 | -2.8 | 110.2 | -0.4 | 111.1 | -1.5 | 62.1 | -7.3 | 105.9 | +0.5 | 60.7 | -26.3 | 93.5 | +2.4 | 95.8 | -0.1 |
| Dec | 119.1 | -3.2 | 132.8 | +0.6 | 162.4 | -3.0 | 59.2 | -15.8 | 109.0 | +2.3 | 43.7 | -24.4 | 180.3 | +0.2 | 131.2 | -3.7 |
| 2011 | | | | | | | | | | | | | | | | |
| Jan | 83.3 | -5.9 | 112.1 | -2.2 | 85.8 | -7.7 | 57.2 | -19.2 | 103.6 | +1.6 | 55.9 | -13.6 | 57.0 | -5.3 | 78.6 | -6.3 |
| Feb | 78.5 | -5.8 | 104.8 | -1.7 | 90.3 | -4.3 | 59.3 | -26.8 | 99.1 | +1.4 | 51.0 | -14.7 | 53.3 | +3.3 | 72.5 | -4.2 |
| Mar | 93.3 | -5.5 | 115.3 | -3.8 | 102.1 | -4.8 | 69.9 | -21.3 | 116.4 | +1.7 | 64.1 | -14.8 | 63.1 | -0.9 | 89.1 | -2.0 |

(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.

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