



RETAIL SALES INDEX

May 2011

RETAIL SALES DROP BY 4.1 PER CENT

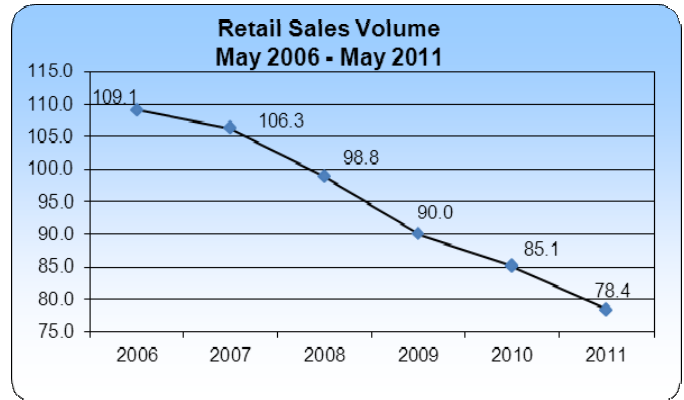
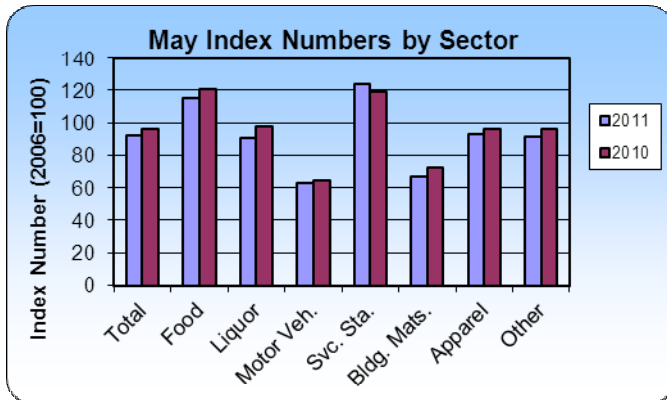
Retail sales in May 2011 declined by 4.1 per cent below the \$86.1 million recorded in May 2010. Consumer demand weakened for all retail sectors with the exception of service stations as sales receipts for this sector increased by 3.9 per cent. Building material stores and liquor stores experienced the largest declines in sales of 7.9 and 7.4 per cent, respectively.

Residents returning to the Island declared overseas purchases of goods valued at \$6.3

million during May 2011. This was 1.6 per cent lower than the \$6.4 million declared in May 2010. Combined local and overseas spending totalled \$88.8 million.

After adjusting for the annual retail sales rate of inflation, measured at 4.0 per cent in May 2011, the volume of retail sales fell by 7.9 per cent.

There were 25 shopping days during the month, the same as in May 2010.



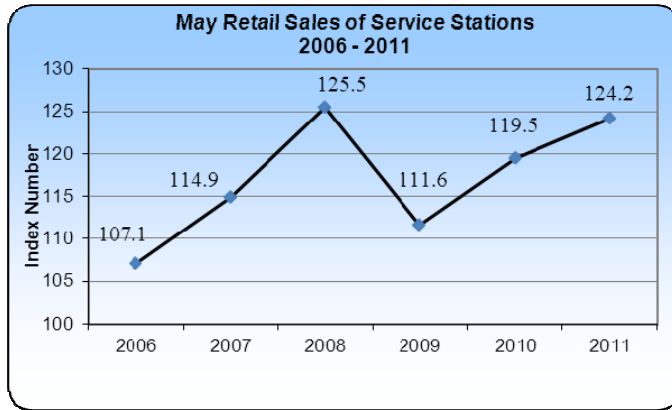
The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

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								
May ^R	96.2	-3.6	-5.4	86.1	6.4	-12.3	92.5	-4.3
Jun	104.0	-2.4	-4.4	93.1	5.7	+14.0	98.8	-1.6
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	-5.4
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
Apr	96.1	-0.9	-3.6	86.0	6.1	0.0	92.1	-0.9
May	92.2	-4.1	-7.9	82.5	6.3	-1.6	88.8	-4.0

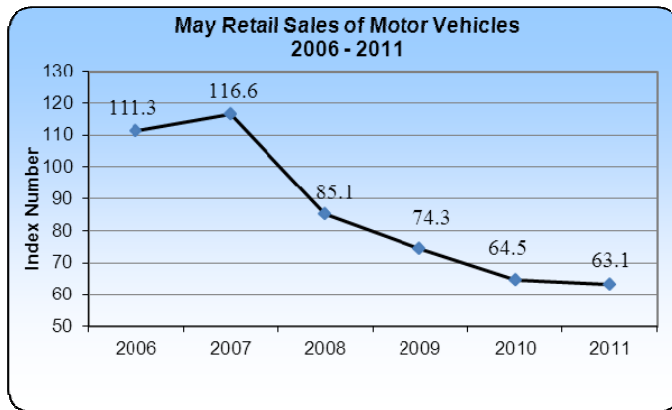
Service Stations

Service station sales rose by 3.9 per cent when compared to sales levels of May 2010. However, the higher level of sales receipts reflected more of a price increase than quantity sold. The cost of fuel during May 2011 increased 17.9 per cent year-over-year.



Motor Vehicle Stores

Retail sales of motor vehicles fell by 2.2 per cent during the year. This decline was attributed to fewer and less expensive vehicles purchased during the month of May compared to last year.



Apparel Stores

For the third consecutive month, aggregate sales for apparel stores were lower. Gross revenue sales fell 3.5 per cent compared to the 7.2 per cent increase recorded in May 2010.

All Other Store Types

During May 2011, the all other store types sector experienced a 5.2 per cent drop in sales receipts. Pharmaceutical retailers reported the largest decline in sales within this sector with a 6.6 per

cent decrease. Sales by retailers of furniture, appliances & electronics also fell by 4.9 per cent. Retailers of boat and marine supplies recorded the only increase within this sector, with sales increasing nearly 1 per cent.

Food and Liquor Stores

Gross receipts for food stores declined 4.6 per cent in May 2011 when compared to the same month of the previous year. Liquor sales also decreased by 7.4 per cent year-over-year.

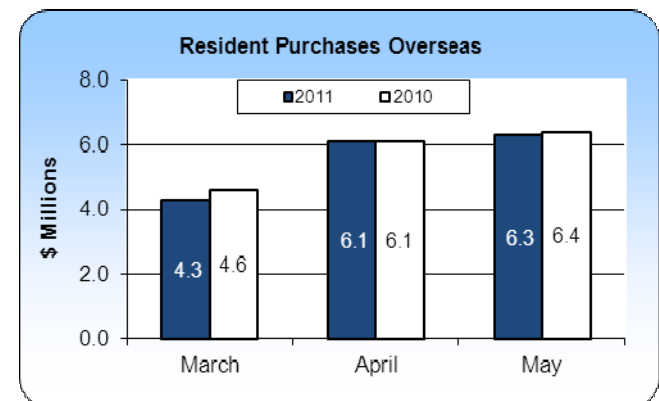
Building Materials

Reduced activity in the construction industry continued to negatively impact sales receipts for hardware and building material stores. Consumer spending dipped 7.9 per cent, representing a continuous decline in sales since August 2009.



Resident Purchases Overseas

Resident purchases overseas decreased by 1.6 per cent in May 2011 compared to the previous year. Overseas purchases totalled \$6.3 million, or \$1 million less than the same period of 2010.



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	97.2	-4.8	120.4	+0.4	115.6	+2.5	68.1	-17.0	111.2	+4.9	64.3	-25.3	87.6	-2.3	95.8	-4.6
2009																
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	103.8	-2.3	121.0	+8.5	99.5	+6.2	100.3	+1.0	100.8	-16.3	102.6	-4.7	83.8	-16.2	95.3	-7.5
May	99.8	-6.1	121.2	+3.5	112.5	-3.3	74.3	-12.7	111.6	-11.1	92.3	-8.4	89.9	-22.8	101.2	-6.7
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	+1.5	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	-4.4	110.0	-9.6	81.1	-12.5	87.1	-2.6	94.9	-7.9
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	-13.7	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	94.5	+19.2	81.0	+12.7	97.7	+9.9	59.8	-20.5	51.6	-6.5	75.7	-11.5
Mar	98.7	-1.9	119.9	+5.6	107.2	+27.8	88.8	+0.2	114.5	+14.3	75.2	-28.4	63.7	-12.4	90.9	-4.2
Apr	97.0	-6.6	116.9	-3.4	115.7	+16.3	63.3	-36.9	115.8	+14.8	73.9	-28.0	83.1	-0.8	97.2	+2.0
May ^R	96.2	-3.6	120.8	-0.4	97.9	-13.0	64.5	-13.2	119.5	+7.1	72.5	-21.5	96.4	+7.2	96.2	-4.9
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	-27.8	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	-4.4	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
Apr	96.1	-0.9	124.7	+6.7	122.0	+5.4	51.6	-18.5	121.1	+4.6	67.1	-9.2	81.5	-1.9	91.4	-6.0
May	92.2	-4.1	115.2	-4.6	90.7	-7.4	63.1	-2.2	124.2	+3.9	66.7	-7.9	93.0	-3.5	91.2	-5.2

(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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