



# QUARTERLY GROSS DOMESTIC PRODUCT BY EXPENDITURE

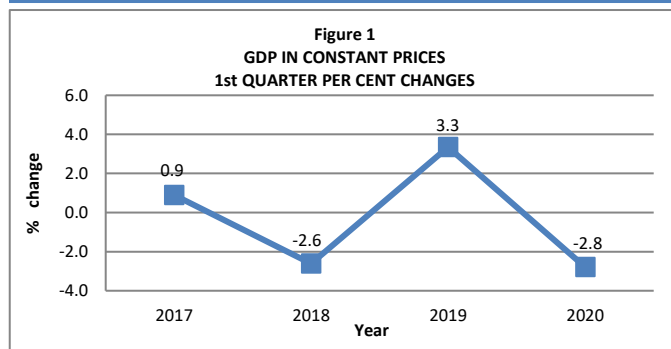
QUARTER 1/2020 (Base Year: 2013)

**Technical Note:** Data in this publication are provisional and subject to revisions based on the availability of updated source data, improved methodologies, new data sources and/or revised international standards for compiling national accounts.

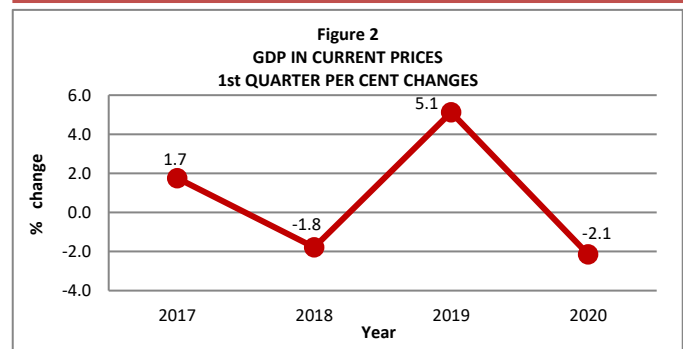
## CORONAVIRUS IMPACT LEADS TO GDP DECLINE OF -2.8 PER CENT FOR 1<sup>ST</sup> QTR 2020

During the first quarter 2020, quarterly Gross Domestic Product (GDP) at constant prices was estimated at \$1,756.2 million (Table 1), decreasing 2.8 per cent year-over-year (Figure 1). The decline in growth was influenced primarily by the response to reduce the spread of the Coronavirus (COVID-19) pandemic. This response led to the physical closure of some retail stores and the L.F. Wade International Airport along with the switch to remote work for most businesses. These efforts resulted in declines in consumption expenditure, lower investment in capital goods (capital formation) and a fall in exports of services mostly due to lower visitor expenditure. In current prices, nominal GDP decreased 2.1 per cent (Figure 2; Table 2). Overall inflation for the 1<sup>st</sup> quarter, as measured by the implicit price index, increased 0.7 per cent.

### CONSTANT GDP DOWN 2.8%



### CURRENT GDP DOWN 2.1%



### YEAR-OVER-YEAR HIGHLIGHTS (CONSTANT PRICES)

- After adjusting for inflation, Household Final Consumption decreased 4.0 per cent year-over-year to \$743.7 million (Table 1). The onset of the COVID-19 pandemic in Bermuda and an ensuing curfew hours and closure order for the L.F. Wade International Airport and some stores adversely affected household spending during the first quarter. Spending on durable goods such as furniture and vehicles decreased 11.2 per cent while consumption of services such as catering, personal care and accommodation fell 2.2 per cent. In contrast, spending on non-durable goods increased 4.3 per cent due mostly to purchases of food and beverages.
- Government Final Consumption decreased 5.9 per cent to \$192.1 million (Table 1) reflecting lower payments for employee overheads and other personnel costs.
- Gross Capital Formation (i.e. investment in fixed assets) fell 8.4 per cent to \$230.2 million (Table 1). Gross Capital Formation related to Construction registered a 10.0 per cent decrease. Investment in Machinery and Equipment fell 6.1 per cent due mostly to lower investment in parts for electric generators, static converters and articles of iron/steel.
- The net surplus on trade in goods and services increased 1.7 per cent to \$590.3 million (Table 1). This growth reflected mostly lower expenditure on the Imports of Goods and Services. Payments for the Imports of Services decreased 9.9 per cent due to construction/engineering services and air passenger transport services. Conversely, Imports of Goods grew 1.4 per cent. Exports of Services fell 0.5 per cent during the period influenced mostly by lower earnings from travel services which offset increases in insurance services, financial services and legal services receipts. Exports of Goods increased 0.2 per cent year-over-year.

## QUARTERLY GDP BY EXPENDITURE

**Table 1 : GDP by Expenditure – CONSTANT PRICES (BD\$ millions) <sup>(1,2,3)</sup>  
(2013=100)<sup>(6)</sup>**

	2019R Q1	2019 Q2	2019 Q3	2019R Q4	2020P Q1
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>974.9</b>	<b>1,019.2</b>	<b>1,004.8</b>	<b>995.5</b>	<b>935.7</b>
Household Final Consumption	770.9	814.2	809.2	801.0	743.7
Government Final Consumption	204.0	205.1	195.6	194.5	192.1
<b>GROSS CAPITAL FORMATION</b>	<b>251.2</b>	<b>342.0</b>	<b>230.4</b>	<b>223.2</b>	<b>230.2</b>
Construction	143.9	139.3	131.4	129.2	129.5
Machinery and Equipment	107.3	202.7	99.0	94.0	100.7
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>580.5</b>	<b>291.6</b>	<b>323.4</b>	<b>384.4</b>	<b>590.3</b>
Exports of Goods and Services	1,001.5	835.8	777.3	804.1	996.8
Exports of Goods	13.0	14.3	14.4	14.5	13.1
Exports of Services	988.5	821.5	762.9	789.6	983.8
Imports of Goods and Services	421.0	544.2	453.9	419.7	406.6
Imports of Goods	241.2	352.2	259.6	238.8	244.5
Imports of Services	179.7	192.1	194.3	180.9	162.0
<b>GROSS DOMESTIC PRODUCT</b>	<b>1,806.6</b>	<b>1,652.8</b>	<b>1,558.6</b>	<b>1,603.1</b>	<b>1,756.2</b>
<b>Percentage Changes <sup>(4)</sup> (%)</b>					
	2019R Q1	2019 Q2	2019 Q3	2019R Q4	2020P Q1
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>+0.8</b>	<b>+0.4</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-4.0</b>
Household Final Consumption	+0.4	-0.4	-0.9	-0.5	-3.5
Government Final Consumption	+2.5	+4.0	-0.2	0.0	-5.9
<b>GROSS CAPITAL FORMATION</b>	<b>+17.3</b>	<b>+36.6</b>	<b>-8.0</b>	<b>1.8</b>	<b>-8.4</b>
Construction	+15.5	+3.5	-3.5	-0.4	-10.0
Machinery and Equipment	+19.9	+75.1	-13.4	+4.9	-6.1
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>+2.3</b>	<b>-13.7</b>	<b>+9.0</b>	<b>+1.2</b>	<b>+1.7</b>
Exports of Goods and Services	+3.6	+2.1	+0.6	-3.8	-0.5
Exports of Goods	-16.8	-8.3	-6.7	+0.8	+0.2
Exports of Services	+3.9	+2.3	+0.8	-3.9	-0.5
Imports of Goods and Services	+5.4	+13.2	-4.6	-8.0	-3.4
Imports of Goods	+10.5	+20.9	-4.4	-9.4	+1.4
Imports of Services	-0.8	+1.5	-4.9	-6.1	-9.9
<b>GROSS DOMESTIC PRODUCT</b>	<b>+3.3</b>	<b>+3.1</b>	<b>-0.1</b>	<b>+0.3</b>	<b>-2.8</b>

1. Data are provisional and subject to revision
2. Data are not seasonally adjusted
3. Numbers may not add due to rounding
4. All percentage changes refer to the corresponding quarter of the previous year
5. R – Revised; P - Provisional
6. The base year for the quarterly GDP is now updated to 2013. The data series has been benchmarked to align with the higher total levels for the rebased annual GDP. Please refer to the GDP Rebasing (Base Year 2013) document at [www.gov.bm/annual-gross-domestic-product](http://www.gov.bm/annual-gross-domestic-product) for further details on rebasing.

**QUARTERLY GDP BY EXPENDITURE**

**Table 2 : GDP by Expenditure – CURRENT PRICES (BD\$ millions) <sup>(1,2,3)</sup>  
(2013=100)<sup>(6)</sup>**

	2019R Q1	2019 Q2	2019 Q3	2019 Q4	2020P Q1
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>1,073.5</b>	<b>1,131.8</b>	<b>1,119.9</b>	<b>1,097.8</b>	<b>1,041.9</b>
Household Final Consumption	850.6	907.5	905.0	884.2	830.5
Government Final Consumption	223.0	224.3	215.0	213.6	211.4
<b>GROSS CAPITAL FORMATION</b>	<b>263.6</b>	<b>353.7</b>	<b>242.0</b>	<b>234.3</b>	<b>240.4</b>
Construction	156.8	152.3	143.8	141.4	140.4
Machinery and Equipment	106.7	201.4	98.1	92.8	100.0
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>643.4</b>	<b>368.6</b>	<b>398.2</b>	<b>434.4</b>	<b>655.7</b>
Exports of Goods and Services	1,079.8	934.8	874.2	873.4	1,080.8
Exports of Goods	13.2	14.7	14.7	14.4	12.8
Exports of Services	1,066.7	920.1	859.6	858.9	1,067.9
Imports of Goods and Services	436.4	566.2	476.0	438.9	425.0
Imports of Goods	246.4	359.3	267.2	244.8	250.7
Imports of Services	190.1	207.0	208.8	194.1	174.4
<b>GROSS DOMESTIC PRODUCT</b>	<b>1,980.5</b>	<b>1,854.1</b>	<b>1,760.1</b>	<b>1,766.5</b>	<b>1,938.0</b>

**Percentage Changes <sup>(4)</sup> (%)**

	2019R Q1	2019 Q2	2019 Q3	2019 Q4	2020P Q1
<b>FINAL CONSUMPTION EXPENDITURE</b>	<b>+3.2</b>	<b>+2.1</b>	<b>+0.8</b>	<b>+0.9</b>	<b>-2.9</b>
Household Final Consumption	+2.7	+1.1	+0.8	+0.8	-2.4
Government Final Consumption	+5.1	+6.0	+0.8	+0.9	-5.2
<b>GROSS CAPITAL FORMATION</b>	<b>+19.2</b>	<b>+36.7</b>	<b>-7.0</b>	<b>+2.4</b>	<b>-8.8</b>
Construction	+18.1	+5.6	-1.7	+1.2	-10.5
Machinery and Equipment	+20.7	+75.8	-13.8	+4.2	-6.3
<b>EXTERNAL BALANCE OF GOODS AND SERVICES</b>	<b>+3.4</b>	<b>-10.6</b>	<b>+7.5</b>	<b>+0.6</b>	<b>+1.9</b>
Exports of Goods and Services	+4.7	+2.8	+1.3	-3.0	+0.1
Exports of Goods	-16.8	-9.8	-10.0	-1.1	-2.4
Exports of Services	+5.0	+3.0	+1.5	-3.0	+0.1
Imports of Goods and Services	+6.6	+13.9	-3.4	-6.3	-2.6
Imports of Goods	+11.4	+20.7	-4.1	-9.3	+1.7
Imports of Services	+0.9	+3.8	-2.4	-2.2	-8.2
<b>GROSS DOMESTIC PRODUCT</b>	<b>+5.1</b>	<b>+4.2</b>	<b>+1.1</b>	<b>+1.0</b>	<b>-2.1</b>

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**Table 3: Quarterly GDP at Different Revision Intervals**

**GDP: Total, Constant Prices**

BD\$ millions

Period	Revision Interval				
	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020
Q1-2019	1,339.5	1,308.8	1,803.2	1,803.2	1,806.6
Q2-2019		1,145.3	1,652.8	1,652.8	1,652.8
Q3-2019*			1,558.6	1,558.6	1,558.6
Q4-2019				1,603.2	1,603.1
Q1-2020					1,756.2

**GDP: Total, Constant Prices**

Growth rates (%)

Period	Revision Interval				
	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020
Q1-2019	+3.7	+3.4	+3.1	+3.1	+3.3
Q2-2019		+3.3	+3.1	+3.1	+3.1
Q3-2019*			-0.1	-0.1	-0.1
Q4-2019				+0.3	+0.3
Q1-2020					-2.8

**GDP: Total, Current Prices**

BD\$ millions

Period	Revision Interval				
	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020
Q1-2019	1,816.2	1,773.2	1,976.9	1,976.9	1,980.5
Q2-2019		1,570.4	1,854.1	1,854.1	1,854.1
Q3-2019*			1,760.1	1,760.1	1,760.1
Q4-2019				1,766.5	1,766.5
Q1-2020					1,938.0

**GDP: Total, Current Prices**

Growth rates (%)

Period	Revision Interval				
	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020
Q1-2019	+4.8	+4.5	+4.9	+4.9	+5.1
Q2-2019		+4.5	+4.2	+4.2	+4.2
Q3-2019*			+1.1	+1.1	+1.1
Q4-2019				+1.0	+1.0
Q1-2020					-2.1

\*The quarterly GDP by expenditure series was rebased and benchmarked to align with the higher total levels for the rebased annual GDP starting with the Q3- 2019 quarterly GDP publication produced in the period January to March 2020.

## DEFINITIONS AND NOTES

### Constant Price

A way of measuring the real change in output. A year is chosen as the base year. For any subsequent year, the output is measured using the price level of the base year. This excludes any nominal change in output and enables a comparison of the actual goods and services produced.

### Current Price

Also known as the market value, it is the price at which goods are currently being sold in the market.

### Exports of Goods and Services

This category includes merchandise exports, re-exports of goods such as the sales of fuel to foreign airlines, exports of services and direct purchases in the domestic market by non-residents.

### Government Consumption

Government consumption expenditure consists of expenditure incurred by general government on both individual consumption goods and services and collective consumption services. Individual consumption includes expenditure used for the direct satisfaction of individual needs like health and education. Collective consumption includes expenditure used to satisfy the collective needs of members of the community like defence and environmental protection.

### Gross Capital Formation

Gross fixed capital formation consists of net acquisitions (acquisitions less disposals) of fixed assets. Capital assets are goods that are intended for use in a production process and that are expected to last for more than one year. Examples of capital assets are machinery and equipment.

### Household Consumption

Household final consumption expenditure consists of the expenditure incurred by resident households on individual consumption goods and services including those sold at prices that are not economically significant. Household consumption in this publication represents “actual final consumption of households” since it includes goods and services as social transfers in kind from general government and non-profit institutions serving households. Household consumption also includes indirect estimates of consumption such as the imputed rent of residents living in their own dwellings.

### Imports of Goods and Services

This category includes merchandise imports, imports of services and direct purchases abroad by residents.

## REVISIONS POLICY

Revisions to the previously published series may be made each quarter. The frequency and cause of these revisions are as follows:

- **Quarterly:** additional data becoming available for the latest quarters, which is used to replace existing estimates; revisions to quarterly data (e.g. revisions to data from the Balance of Payments survey data or the monthly Survey of Retail Sales), which will be incorporated as soon as possible to maintain consistency between published macroeconomic statistics.
- **Annual:** introduction of annual data following the release of the latest annual national accounts each year; annual updating of the weights used to combine component series to totals and subsequent chaining.
- **Irregular:** for example, methodological changes. However, note that revisions of this nature are, as far as possible, incorporated to coincide with the annual cycle of revisions outlined above.

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