

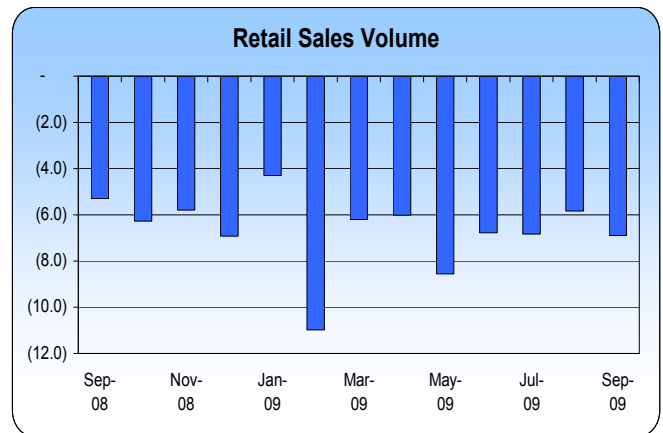
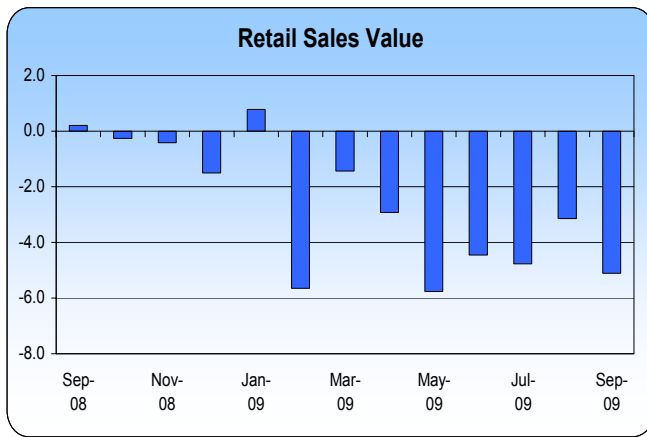


## RETAIL SALES FALL 5 PER CENT

Despite easing inflation and the resulting increase in purchasing power, buyers spent \$7 million less on retail goods this month compared to September 2008. An estimated \$87 million was spent on retail goods, falling 5 per cent short of revenue a year ago. The retail industry showed little evidence of stabilising as food and liquor stores were the only ones to record positive sales growth this month.

After adjusting for the annual retail sales rate of inflation, measured at 1.9 per cent in September 2009, the volume of retail sales shrank by 7 per cent. Fewer quantities of retail goods have been sold every month of 2009, compared with 2008.

There were 25 shopping days during the month, unchanged from September 2008.



The RSI is based currently 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>2008</b>								
Aug	107.8	+3.4	-2.3	96.5	8.4	+13.5	104.9	+3.4
Sep <sup>R</sup>	102.3	+0.2	-5.3	93.5	5.5	-6.4	97.0	-0.2
Oct	105.9	-0.3	-6.3	94.8	5.2	+6.7	100.0	+0.1
Nov	102.7	-0.4	-5.8	91.9	8.4	-5.4	100.3	-0.9
Dec	123.8	-1.5	-6.9	110.8	7.4	-5.0	118.2	-1.7
<b>2009</b>								
Jan	94.4	+0.8	-4.3	84.5	5.5	-5.2	90.0	+0.4
Feb	85.9	-5.6	-11.0	76.9	4.1	-4.7	81.0	-5.6
Mar	99.2	-1.4	-6.2	88.8	4.4	-13.7	93.2	-2.1
Apr	103.2	-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 <sup>R</sup>	111.9	-4.8	-6.8	100.2	5.0	-2.5	105.2	-4.7
Aug <sup>R</sup>	104.4	-3.1	-5.8	93.4	8.1	-3.6	101.5	-3.2
<b>Sep</b>	<b>97.1</b>	<b>-5.1</b>	<b>-6.9</b>	<b>86.9</b>	<b>6.2</b>	<b>+12.7</b>	<b>93.1</b>	<b>-4.0</b>

**Further decline in apparel sales**

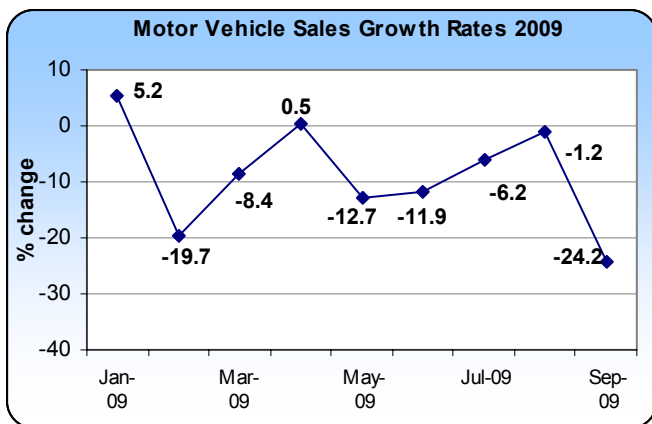
Although September’s 10 per cent decline in apparel sales was the smallest setback for the year, it marked another month of weak sales for apparel retailers. The last positive sales gain dates back to June 2008.

**Lower prices lead to lower sales at gasoline stations**

As fuel prices dropped, so did sales at gasoline stations during the month. The 11 per cent fall in service station revenue was directly related to the 15 per cent fall in the price of fuel. Shorter opening hours at some service stations also factored into the weaker sales performance.

**Double digit decline in vehicle sales**

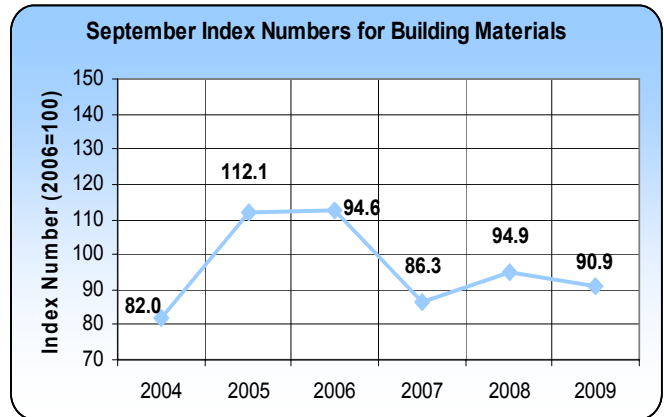
The motor vehicle sector experienced its largest monthly decline since January 2008. Plagued by weak demand for current vehicles in stock, retailers collected 24 per cent less revenue from vehicle sales this month.



**Weak sales at building material stores**

The near completion of major construction projects negatively impacted sales at building material stores this month. Barring the increased sales in March and July 2009, sales have decreased every month of 2009. The 4

per cent fall in sales reflected the general construction slow-down islandwide and the resulting lower demand for construction materials.



**Food and liquor store sales increase**

The 6 per cent growth in food sales in September mirrored a similar increase in food prices during the month. September’s sales figures also showed a 1 per cent increase in the volume of food sold. Liquor sales recorded a marginal increase compared to the previous year.

**Mixed performances among other store types**

The all other stores sector which includes retailers of furniture, pharmaceuticals, electronics and tourist items, experienced a 9 per cent decline in sales. Furniture sales tumbled 29 per cent while retailers of tourist-related goods attributed a 20 per cent decline in revenue to less visitor spending. In contrast, pharmaceutical sales grew 5 per cent this month.

# 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>	+3.9	<b>100.0</b>	+6.1	<b>100.0</b>	+3.6	<b>100.0</b>	-1.6	<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>	+4.3	<b>106.5</b>	+6.5	<b>104.4</b>	+4.4	<b>95.1</b>	-5.0	<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<sup>f</sup></b>	<b>105.7</b>	+1.3	<b>114.0</b>	+7.0	<b>105.7</b>	+1.2	<b>90.6</b>	-4.7	<b>114.9</b>	+8.4	<b>92.9</b>	-3.7	<b>104.5</b>	-4.4	<b>107.4</b>	+1.2
<b>2007</b>																
Jun	110.0	+2.6	110.6	+8.0	117.4	+8.2	84.1	-17.5	112.8	+4.7	102.4	+12.1	128.6	+4.0	114.6	+1.6
Jul	113.3	+9.8	112.8	+4.8	141.5	+19.9	106.5	+14.6	121.9	+10.5	105.8	+11.9	109.4	+9.7	117.3	+12.0
Aug	104.2	+4.0	106.5	+6.8	112.5	+3.4	92.2	-9.7	107.1	+1.9	96.6	+0.0	106.3	+11.8	107.6	+5.6
Sep	102.1	+0.5	107.6	+3.1	98.8	-8.5	87.5	-11.5	109.7	-1.1	86.3	-23.3	105.0	+10.6	105.5	+10.2
Oct	106.2	+7.3	110.7	+10.3	84.0	+7.3	107.4	-0.6	111.8	+7.4	105.2	+9.5	98.3	+4.2	105.0	+8.5
Nov	103.1	+1.9	102.2	+4.7	100.2	+4.2	87.1	-16.6	102.4	+6.8	99.1	-0.8	112.3	+12.0	109.4	+2.7
Dec	125.7	+2.5	119.5	+7.6	142.3	+2.1	70.0	-14.2	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	98.1	-1.3
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	107.8	+2.3	119.9	+12.7	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 <sup>R</sup>	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	105.9	-0.3	121.5	+9.8	84.9	+1.1	93.9	-12.5	118.3	+5.8	94.6	-10.1	91.9	-6.5	102.9	-2.0
Nov	102.7	-0.4	110.9	+8.6	101.9	+1.6	76.0	-12.7	100.3	-2.1	94.8	-4.3	102.2	-9.0	108.5	-0.8
Dec	123.8	-1.5	125.4	+5.0	136.2	-4.3	85.5	+22.2	91.0	-11.7	69.1	-0.6	178.6	-16.8	147.5	+2.2
<b>2009</b>																
Jan	94.4	+0.8	116.3	+10.5	80.7	+6.5	90.0	+5.2	88.1	-12.2	77.5	-16.9	64.8	-14.7	92.3	+1.0
Feb	85.9	-5.6	107.7	+8.3	79.3	-4.3	71.6	-19.7	81.2	-16.3	75.2	-11.1	55.2	-21.2	85.1	-7.7
Mar	99.2	-1.4	114.5	+6.1	86.7	-12.2	88.6	-8.4	94.3	-15.5	105.1	+10.6	72.7	-20.5	97.3	-0.8
Apr	103.2	-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	-8.0
May	100.1	-5.8	121.2	+3.5	112.5	-3.3	74.3	-12.7	104.9	-16.4	92.2	-8.5	96.8	-16.8	101.2	-6.7
Jun	106.5	-4.5	121.5	+6.2	110.7	-1.5	81.3	-11.9	105.1	-17.4	90.6	-8.5	105.0	-20.0	107.0	-2.3
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<b>Sep</b>	<b>97.1</b>	<b>-5.1</b>	<b>116.2</b>	<b>+5.6</b>	<b>98.9</b>	<b>+0.3</b>	<b>71.5</b>	<b>-24.2</b>	<b>108.2</b>	<b>-10.8</b>	<b>90.9</b>	<b>-4.2</b>	<b>85.4</b>	<b>-9.6</b>	<b>90.7</b>	<b>-8.5</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.

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