

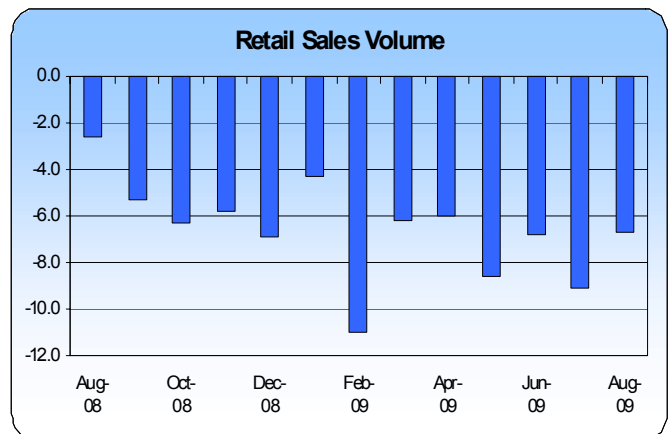
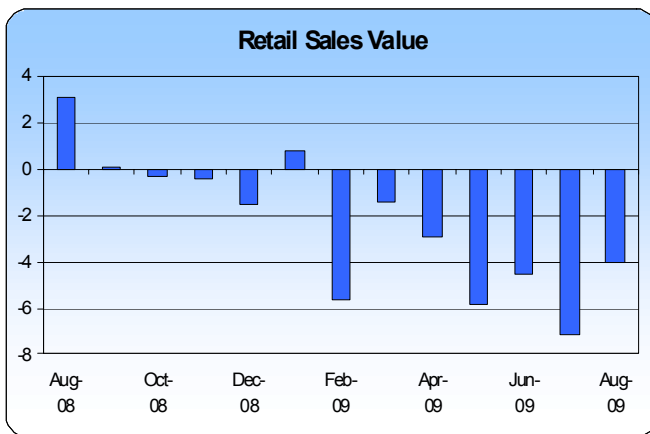


RETAIL SALES RECEDED 4 PER CENT

Consumers paid an estimated \$93 million in retail goods, or \$4 million less than was spent in the same period last year. Apparel sales exerted the biggest downward impact on the year-on-year decline. Nearly all sectors were negatively affected by lower sales, with the exception of food and liquor stores which recorded gains in revenue.

After adjusting for the annual retail sales rate of inflation, measured at 6 per cent in August 2009, the volume of retail sales shrank by 7 per cent. This was the sixteenth consecutive month of declines in the volume of retail sales.

There were 27 shopping days during the month, two days more than in August 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
2008								
Jul	117.5	+3.7	-1.5	105.2	5.1	+0.6	110.3	+3.6
Aug ^R	107.8	+3.4	-2.3	96.5	8.4	+13.5	104.9	+3.4
Sep	102.3	+0.1	-5.3	91.5	5.5	-6.4	97.0	-0.3
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
2009								
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 ^R	110.0	-6.4	-8.5	98.4	5.0	-2.5	103.4	-6.3
Aug	103.5	-4.0	-6.7	92.6	8.1	-3.6	100.7	-4.0

Apparel sales experience further declines

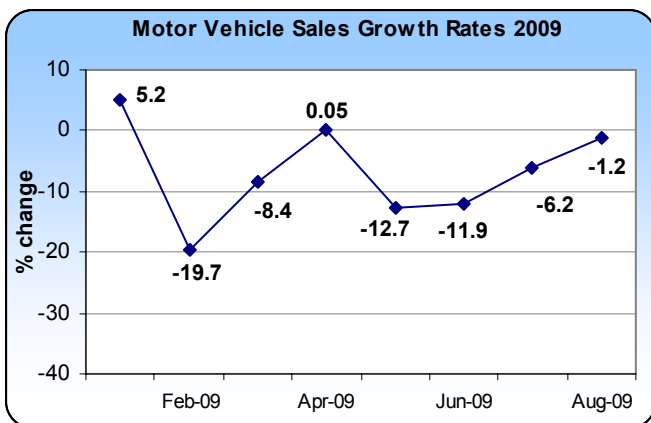
Apparel store retailers felt the impact of reduced customer spending, as sales fell 20 per cent during August. This marked the fourteenth consecutive month of sluggish sales.

Lower sales at gasoline stations

Fuel pump sales decreased 11 per cent in August 2009 when compared to the same period of 2008. The reduced earnings was partly attributed to a 10 per cent decline in the price of fuel year – over – year.

New car sales down; new cycle sales up

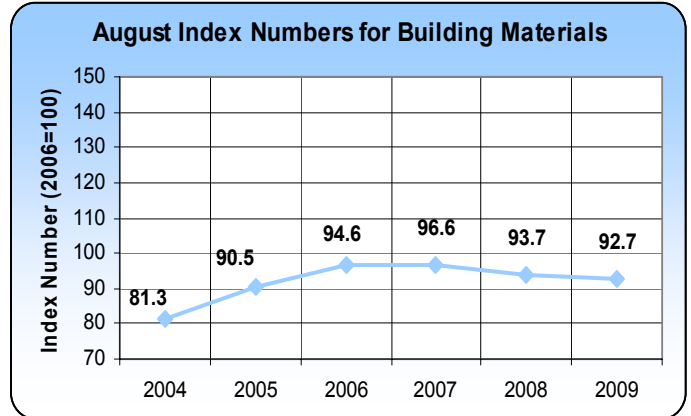
The motor vehicle sector experienced its fourth consecutive month of declining sales. Dealers reported a 1 per cent fall in sales revenue in August 2009. Lower revenue was attributed to weak consumer demand for vehicle models currently in stock. In contrast, cycle sales more than quadrupled compared with August 2008.



Building material sales declined

Building material sales fell this month compared with the same period last year. Gross sales dipped 1 per cent, registering the

sixth decline for the first eight months in 2009. Lower sales was associated mostly with a contraction in new construction starts and slower workloads.

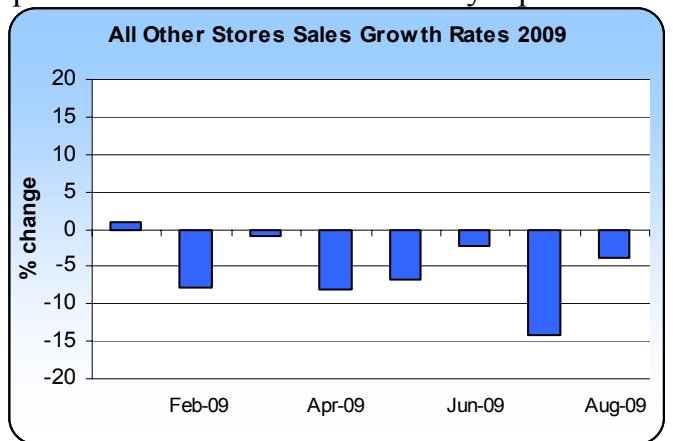


Negligible growth in food sales; liquor sales increase

A 5 per cent rise in food prices boosted sales for grocery stores by less than 1 per cent. Liquor sales, however, increased by 4 per cent over the same period in 2008.

Weaker sales at other stores

The all other stores sector which includes retailers of furniture, pharmaceuticals, electronics and tourist items, experienced a 4 per cent decline in sales. Retailers of tourist-related goods and household supplies reported lower sales revenue of 14 per cent and 7 per cent, respectively. In contrast, pharmaceutical sales increased by 5 per cent.



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	
2005	96.2	+8.2	94.2	+10.0	96.6	+8.2	101.6	+22.0	89.5	+14.6	93.5	+12.6	109.9	-7.8	93.0	+6.5
2006	100.0	+3.9	100.0	+6.1	100.0	+3.6	100.0	-1.6	100.0	+11.7	100.0	+7.0	100.0	-9.0	100.0	+7.6
2007	104.3	+4.3	106.5	+6.5	104.4	+4.4	95.1	-5.0	106.0	+6.0	96.4	-3.6	109.3	+9.3	106.2	+6.1
2008^f	105.7	+1.3	114.0	+7.0	105.7	+1.2	90.6	-4.7	114.9	+8.4	92.9	-3.7	104.5	-4.4	107.4	+1.2
2007																
May	108.8	+0.6	107.0	+5.7	109.9	+2.8	116.6	+4.8	114.9	+7.3	94.3	-30.4	115.2	+8.4	108.8	+3.1
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
2008																
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 ^R	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
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2009																
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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
Jul ^R	110.0	-6.4	130.1	+1.4	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	103.5	-4.0	120.3	+0.3	115.4	+4.4	84.7	-1.2	116.4	-11.1	92.7	-1.1	82.5	-19.7	101.6	-3.9

(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

Please note that numbers may not add due to rounding.

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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