ANNUAL INFLATION RATE INCREASES

Consumers paid 0.2 per cent more in February 2021 than they did a year ago for the basket of goods and services included in the Consumer Price Index (CPI). This level of inflation rose from the January 2021 annual rate of negative 0.3 per cent.

Between January 2021 and February 2021 the average cost of goods and services in the CPI increased 0.3 per cent. The all-items index rose from 106.0 to 106.3 in February 2021. This means that the basket of goods and services that cost $100.00 in April 2015 now costs $106.30.

YEAR-TO-YEAR ANALYSIS

On a year-over-year basis, the Health & Personal Care sector was the largest contributor to the increase in the CPI. On average, the cost of Health & Personal Care items increased 2.1 per cent. This rise was attributed to higher health insurance premiums (+2.8 per cent).

The Food and Education, Recreation, Entertainment & Reading sectors also impacted strongly on the annual rate of inflation, as price shifts in these sectors measured 2.0 per cent and 1.7 per cent, respectively.


ALL ITEMS INDEX
(April 2015 = 100)
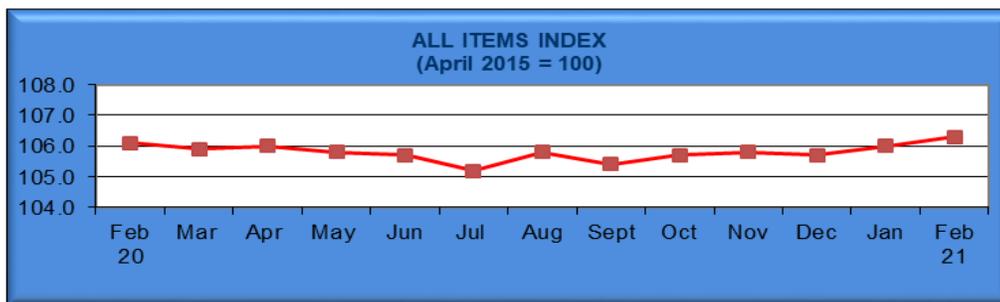
Annual Inflation Rate +0.2%

The compilation of the CPI involves the processing of several thousand price quotations. The Department of Statistics wishes to acknowledge the cooperation of the business community in supplying the required price data.

SUMMARY STATISTICS

Period	Monthly Index	Annual per cent Change		Period	Quarterly Index	Annual per cent Change
2020				**2018**		
Jan	106.3	+1.0		Q1	104.1	+1.8
Feb	106.1	+0.9		Q2	105.0	+1.8
Mar	105.9	+0.3		Q3	105.2	+1.2
Apr	106.0	+0.0		Q4	105.0	+0.9
May	105.8	+0.4				
June	105.7	+0.0		**2019**		
Jul	105.2	-1.4		Q1	105.3	+1.2
Aug	105.8	-0.7		Q2	105.7	+0.7
Sept	105.4	-0.7		Q3	106.4	+1.1
Oct	105.7	-0.2		Q4	105.7	+0.7
Nov	105.8	-0.1				
Dec	105.7	+0.3		**2020**		
				Q1	106.1	+0.8
2021				Q2	105.8	+0.1
Jan	106.0	-0.3		Q3	105.5	-0.8
Feb	106.3	+0.2		Q4	105.7	+0.0

MONTH-TO-MONTH ANALYSIS

Transport & Foreign Travel

The Transport & Foreign Travel sector climbed 2.2 per cent in February due to increased airfares (+7.4 per cent) and overseas hotel accommodations (+6.8 per cent).

CPI GASOLINE INDEX
(April 2015 = 100)
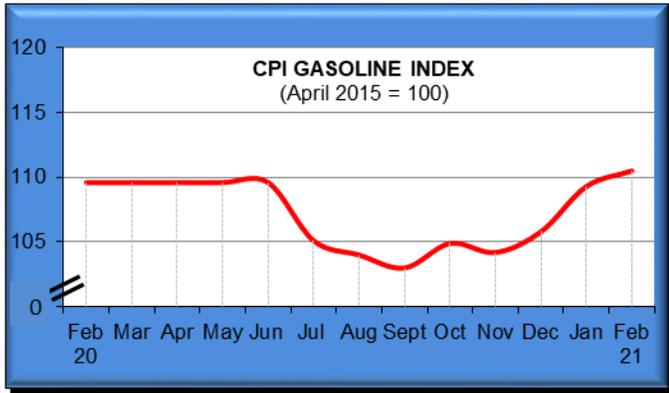
Education, Recreation, Entertainment & Reading

The Education, Recreation, Entertainment & Reading sector increased 0.2 per cent. The average cost of pleasure boats rose 1.8 per cent.

Food

On average, food prices advanced 0.3 per cent in February. Among the main items contributing to the increase were potato chips (+7.2 per cent), cantaloupes (+6.7 per cent) and green peppers (+3.5 per cent).

Household Goods, Services & Supplies

The Household Goods, Services & Supplies sector was unchanged for the month. The average cost of cellular telephones and telephones (+2.5 per cent) was offset by the average cost of food wraps & garbage bags (-0.7 per cent) and cleaning materials (-0.3 per cent).

Rent

The Rent sector was static.

Health & Personal Care

Despite the increase in toiletries, cosmetics & perfumes (+0.1 per cent), the Health & Personal Care sector was constant.

Fuel & Power

Following the 1.0 per cent rise in January, the Fuel & Power sector reported no price movement.

Clothing & Footwear

The Clothing & Footwear sector reported no changes for the month.

Tobacco & Liquor

The Tobacco & Liquor sector dropped 0.8 per cent. On average, consumers paid 2.5 per cent less for wines.

COMPUTING PRICE INCREASES

The Department of Statistics receives calls daily requesting the rate of inflation over specific periods of time. The following calculations are provided to guide users as to how to compute rates of price increases. The monthly index numbers can be obtained from our website: https://www.gov.bm/department/statistics.

A) Month-to-Month Price Change

The price change between January and February 2020 is calculated as follows:

$$= \frac{\text{Jan 20 index} - \text{Feb 20 index}}{\text{Feb 20 index}} \times 100$$

$$= \frac{106.3 - 106.1}{106.1} \times 100$$

$$= -0.2\%$$

B) Year-to-Year Price Change

The price change between March 2020 and March 2019 is calculated as follows:

$$= \frac{\text{Mar 20 index} - \text{Mar 19 index}}{\text{Mar 19 index}} \times 100$$

$$= \frac{105.9 - 105.6}{105.6} \times 100$$

$$= 0.3\%$$

C) Particular Period Price Change

The price change between February 2020 and March 2018 is calculated as follows:

$$= \frac{\text{Feb 20 index} - \text{Mar 18 index}}{\text{Mar 18 index}} \times 100$$

$$= \frac{106.1 - 104.3}{104.3} \times 100$$

$$= 1.7\%$$

APRIL 2015 = 100

	All Items	Food	Rent	Clothing & Footwear	Tobacco & Liquor	Fuel & Power	Household Goods, Services & Supplies	Transport & Foreign Travel	Education, Recreation, Entertain. & Reading	Health & Personal Care
2013 WEIGHT	1000	115	267	25	31	39	116	130	147	130
ANNUAL AVERAGE (per cent)										
2016	+1.5	+1.9	+1.0	+0.4	+5.1	-3.3	+1.6	-2.2	+3.3	+4.5
2017	+1.9	+2.2	+0.1	+1.5	+7.8	+7.8	+0.5	+3.6	+2.0	+1.3
2018	+1.4	+2.1	+0.2	+1.5	+4.3	+5.8	-0.2	+0.3	+2.1	+3.1
2019	+1.0	+2.7	+0.9	+1.9	+3.8	+1.1	Nil	-3.0	+0.4	+3.4
2020	+0.0	+4.5	-1.8	+0.9	+2.3	-1.8	+0.3	-4.6	+1.1	+2.8
MONTHLY (per cent)										
2019										
Jan	+0.2	+1.0	+0.5	+0.4	+0.3	Nil	+0.1	-0.7	+0.1	Nil
Feb	Nil	-0.2	+0.5	Nil	+0.2	Nil	+0.1	-0.9	Nil	Nil
Mar	+0.4	-0.1	+0.9	Nil	+0.4	Nil	Nil	+2.1	-0.4	-0.1
Apr	+0.4	-0.2	-0.1	Nil	+1.0	Nil	Nil	+0.4	+0.1	+2.3
May	-0.6	+0.3	-2.0	Nil	+0.8	+1.0	-0.2	-1.6	+0.1	Nil
Jun	+0.3	+1.0	-0.4	Nil	+1.1	+0.8	Nil	+0.7	-0.2	+1.4
Jul	+0.9	+0.4	+2.1	+0.2	-0.6	Nil	Nil	+2.7	+0.2	+0.1
Aug	-0.2	-0.1	+0.2	Nil	+0.2	Nil	+0.1	-1.7	-0.3	Nil
Sept	-0.4	+0.2	-0.2	Nil	+1.1	Nil	Nil	-3.0	+0.4	Nil
Oct	-0.2	-0.1	-0.9	+0.5	-0.3	-4.2	+0.1	+0.8	+0.1	+0.4
Nov	Nil	+0.5	-0.2	Nil	-0.7	-2.7	Nil	+0.9	Nil	Nil
Dec	-0.5	-0.1	Nil	Nil	+0.2	-1.5	-0.4	-2.8	Nil	Nil
2020										
Jan	+0.9	+0.8	+0.9	Nil	-0.4	Nil	+0.3	+2.2	+0.1	Nil
Feb	-0.2	Nil	-0.5	Nil	+0.8	Nil	+0.1	-0.7	Nil	Nil
Mar	-0.2	-0.3	-0.4	Nil	+0.6	Nil	Nil	-0.6	-0.1	Nil
Apr	+0.1	+0.8	-0.3	+0.5	+0.8	Nil	+0.1	-1.7	+0.1	+1.2
May	-0.2	+0.7	-0.9	Nil	-0.5	Nil	Nil	+0.1	Nil	Nil
Jun	-0.1	+0.2	-0.5	Nil	+0.1	Nil	Nil	-0.4	+0.1	Nil
Jul	-0.5	+0.1	-0.4	Nil	-0.2	-3.4	+0.1	-1.9	Nil	Nil
Aug	+0.6	+0.5	+0.3	Nil	+0.3	Nil	+0.1	+0.2	+1.7	+0.8
Sept	-0.4	+0.3	-1.3	Nil	+0.9	Nil	+0.1	-1.3	+0.1	Nil
Oct	+0.3	+0.1	+1.2	+0.2	-0.6	Nil	+0.3	+0.1	+0.1	Nil
Nov	+0.1	-0.2	-0.2	Nil	+0.1	Nil	+0.2	+1.5	-0.2	Nil
Dec	-0.1	-0.3	+0.5	Nil	-0.6	Nil	+0.7	-2.2	-0.1	Nil
2021										
Jan	+0.3	-0.1	+0.5	+0.5	+0.3	+1.0	Nil	+1.5	-0.1	Nil
Feb	+0.3	+0.3	Nil	Nil	-0.8	Nil	Nil	+2.2	+0.2	Nil
Feb '21	**106.3**	**113.7**	**100.6**	**107.4**	**124.8**	**107.9**	**104.5**	**94.5**	**110.6**	**115.3**
Feb '21 / Feb '20	**+0.2**	**+2.0**	**-1.6**	**+1.2**	**+0.5**	**-2.4**	**+1.4**	**-2.5**	**+1.7**	**+2.1**

WHAT IS THE CONSUMER PRICE INDEX?

The Consumer Price Index (CPI) is a statistical tool used for measuring changes in the general level of prices of consumer goods and services purchased by private households.

The index measures price movements of a given quality and quantity of goods and services. The mix of these consumer goods and services comprising the index, are figuratively thought of as a "shopping basket." In constructing this "shopping basket", the selected goods and services are organized first by commodity type. They are then divided into sub-components and assigned to a major expenditure group. The Bermuda CPI is structured into nine expenditure groups or sectors:

- Food
- Rent
- Clothing & Footwear
- Tobacco & Liquor
- Fuel & Power
- Transport & Foreign Travel
- Household Goods, Services & Supplies
- Education, Recreation, Entertainment & Reading
- Health & Personal Care

CONCEPTS AND DEFINITIONS

Base Period

The time period which is used as a reference point for measuring the price change of goods and services. The base period for the Bermuda CPI is April 2015.

Price Index Number

A single figure that shows how a set of prices has changed over a specified period of time. An index number on its own means nothing. It must be compared with an index number from another period to have meaning. For example, a comparison of the index number 97.2 for January 2014 with 100.4 for January 2016, reveals that prices have increased by 3.3 percent.

Laspeyres Equation

The CPI is computed using this statistical equation. This formula calculates the total amount of money a household needs today to purchase the same basket of goods and services that it bought in the base period, April 2015.

WEIGHTED AVERAGE

A mathematical formula that takes into account the relative importance of an item's price change compared to the overall change in the sector or CPI.

Inflation

Inflation is the process of rising prices, resulting in diminishing purchasing power of a given sum of money.

Cost of Living Index

Many individuals refer to the CPI as a cost-of-living index. The CPI is an index of pure price change only. A cost-of-living index reflects the changes in buying or consumption patterns that consumers would ordinarily make to adjust to any change in the price of a good or service.

A COMPARISON OF RATES OF INFLATION (%)
Selected Countries & Bermuda

	2017	2018	2019	2020	Feb 21
Bermuda	+1.9	+1.4	+1.0	+0.0	+0.2
United States[1]	+2.1	+2.4	+1.8	+1.2	+1.7
Canada[2]	+1.6	+2.3	+1.9	+0.7	+1.1
United Kingdom[3]	+3.6	+3.3	+2.6	+1.5	+1.4

Sources:
1. US Bureau of Labour Statistics
2. Statistics Canada
3. UK Office of National Statistics

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