



RETAIL SALES SUMMARY

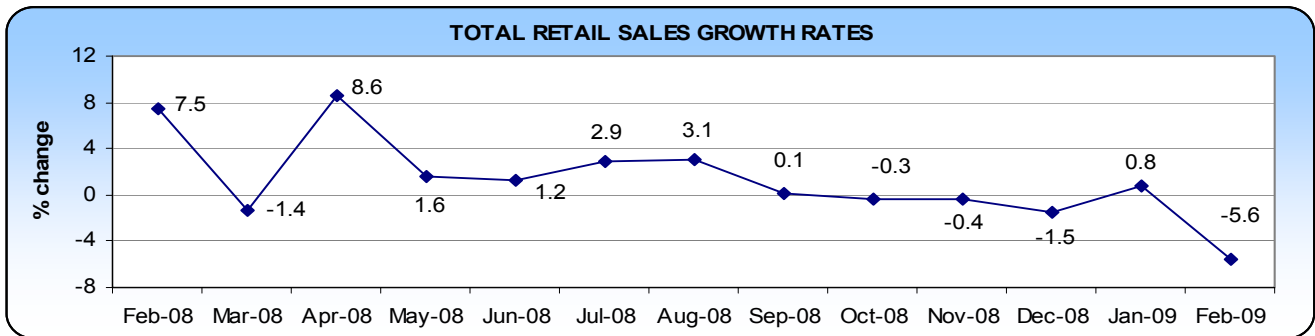
Total retail sales for February 2009 fell 5.6%, following a fractional gain of 0.8% in January 2009. Gross turnover was measured at \$76.9 million, \$4.6 million below the \$81.5 million recorded for the same period last year. The retail sales index stood at 85.9 index points.

All sectors of the index reported significant declines in sales activity during the month, with the exception of food stores, which experienced steady growth. The Apparel, Motor Vehicle, Service

Station and Building Material sectors all recorded double-digit declines in sales revenue.

After adjusting for the **annual retail sales rate of inflation**, measured at 6.0% in February 2009, the volume of retail sales fell by 11.0%.

There were 24 shopping days during the month, one less than February 2008.

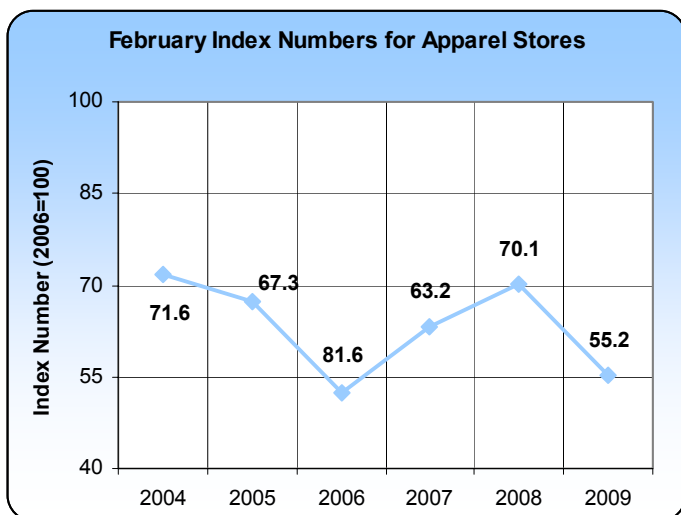


The RSI is currently based on a matched sample of reporting retail stores. The sales data are collected from these stores through a monthly mail survey. The Department of Statistics wishes to acknowledge the continuous support of the business community in supplying the required sales data.

| 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 |
| 2008 | | | | | | | | |
| Jan | 93.7 | +0.0 | -2.7 | 83.9 | 5.8 | +16.0 | 89.7 | +0.9 |
| Feb | 91.0 | +7.5 | +5.1 | 81.5 | 4.3 | +7.5 | 85.8 | +7.5 |
| Mar | 100.9 | -1.4 | -3.9 | 90.3 | 5.1 | +54.5 | 95.4 | +0.6 |
| Apr | 105.8 | +8.6 | +4.3 | 94.7 | 6.3 | +0.0 | 101.0 | +8.0 |
| May | 110.6 | +1.6 | -3.3 | 99.0 | 6.8 | +7.3 | 105.8 | +1.9 |
| Jun | 111.3 | +1.2 | -4.0 | 99.6 | 5.1 | +11.5 | 104.7 | +1.6 |
| Jul | 116.6 | +2.9 | -2.3 | 104.3 | 5.1 | +0.6 | 109.4 | +2.8 |
| Aug | 107.4 | +3.1 | -2.6 | 96.1 | 8.4 | +13.5 | 104.5 | +3.9 |
| 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 |

Apparel Stores

Gross turnover for this sector fell 21.2% in February 2009 from a 14.7% decline in January. This marked one of the largest declines in sales activity since the closure of one of the Island's largest department stores in 2005. In contrast, retailers experienced an 11.0% increase in February 2008.



Motor Vehicle Stores

Sales of motor vehicles fell by 19.7% following the 5.2% gain reported in the previous month. This marks the weakest sales performance since May 2008. A softening in consumer demand and lower stock levels aided in the sectors decline in sales.

Service Stations

Service station dealers reported their fourth consecutive month of sales declines as fuel prices continued to fall. Sales in this sector decreased 16.3% in February 2009, while the cost of fuel fell 4.4% when compared to February 2008.

Building Material Stores

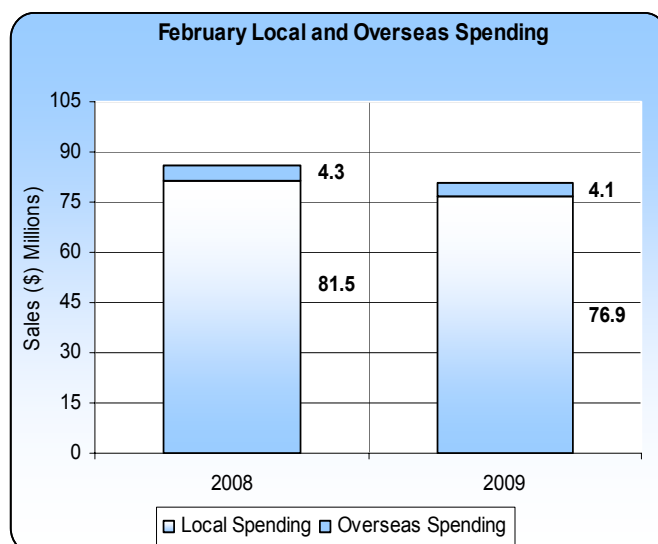
Purchases of building materials and supplies retracted in February for the fifth consecutive month, reflecting lower levels of construction activity. Building material sales declined 11.1% year-over-year, compared to a 9.3% rise in February 2008.

All Other Store Types

The all other store types sector reported a drop in sales revenue of 7.7%, as consumers spent significantly less on household goods and tourist related items. Among other items, sales of pharmaceutical products decreased by 2.7% while sales of furniture decreased by 1.3% when compared with a year earlier.

Food Stores

Food stores continued to experience positive gains as revenues for the sector advanced 8.3% in February 2009. However, stronger sales can be directly attributed to the 8.4% rise in food prices during the same period.



Overseas spending

Residents returning to the Island from business and vacation trips declared overseas purchases of roughly \$4.1 million during the month of February 2009. This level of spending fell 4.7% below the \$4.3 million spent in February of 2008.

Combined local and overseas retail sales totaled \$81.0 million in February 2009, marking a substantial decline of 5.6% year-over-year.

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 | 106.0 | +1.6 | 114.3 | +7.3 | 105.8 | +1.3 | 90.7 | -4.6 | 114.9 | +8.4 | 93.1 | -3.5 | 104.3 | -4.6 | 107.3 | +1.1 |
| 2006 | | | | | | | | | | | | | | | | |
| Oct | 99.0 | +1.3 | 100.4 | +1.1 | 78.3 | -16.5 | 108.1 | -2.4 | 104.1 | +9.1 | 96.0 | -15.5 | 94.4 | +19.8 | 96.8 | +4.5 |
| Nov | 101.2 | +5.5 | 97.6 | +2.9 | 96.2 | +7.8 | 104.4 | -3.3 | 95.9 | +9.8 | 99.9 | -6.1 | 100.3 | +12.9 | 106.4 | +14.1 |
| Dec | 122.7 | +6.4 | 111.1 | +6.7 | 139.5 | +6.7 | 81.6 | -16.5 | 97.5 | +12.7 | 74.5 | +6.4 | 210.2 | +15.4 | 141.4 | +8.1 |
| 2007 | | | | | | | | | | | | | | | | |
| Jan | 93.7 | +12.2 | 98.5 | +8.9 | 76.2 | +6.4 | 111.0 | +24.0 | 92.3 | +5.5 | 103.7 | -0.1 | 71.5 | +28.8 | 87.4 | +14.2 |
| Feb | 84.6 | -0.4 | 94.1 | +8.7 | 79.7 | +2.3 | 90.0 | -21.8 | 86.9 | +5.1 | 77.4 | -5.9 | 63.2 | +20.5 | 82.7 | -3.1 |
| Mar | 102.3 | +9.9 | 105.8 | +8.9 | 93.1 | +6.4 | 103.6 | +4.5 | 100.8 | +5.8 | 116.8 | +6.9 | 95.2 | +20.7 | 96.8 | +13.2 |
| Apr | 97.4 | +2.0 | 103.1 | +1.6 | 97.5 | -1.8 | 84.7 | -11.2 | 108.9 | +12.9 | 100.1 | -3.7 | 92.8 | +4.4 | 94.6 | +7.8 |
| 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 ^f | 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 | 100.9 | -1.4 | 110.4 | +4.3 | 98.9 | +6.2 | 96.7 | -6.7 | 111.7 | +10.8 | 94.1 | -19.4 | 90.8 | -4.6 | 96.8 | -0.1 |
| Apr | 105.8 | +8.6 | 112.5 | +9.1 | 95.3 | -2.2 | 96.7 | +14.2 | 120.4 | +10.5 | 109.0 | +8.9 | 97.6 | +5.3 | 101.6 | +7.4 |
| May | 110.6 | +1.6 | 117.1 | +9.4 | 116.3 | +5.8 | 88.3 | -24.3 | 125.5 | +9.2 | 102.2 | +8.3 | 116.2 | +0.9 | 109.7 | +0.8 |
| Jun | 111.3 | +1.2 | 112.8 | +2.0 | 112.4 | -4.3 | 92.3 | +9.8 | 126.6 | +12.2 | 96.4 | -5.9 | 129.0 | +0.3 | 112.6 | -1.7 |
| Jul | 116.6 | +2.9 | 124.7 | +10.6 | 156.4 | +10.5 | 106.8 | +0.3 | 140.9 | +15.6 | 96.3 | -9.0 | 103.9 | -5.1 | 117.0 | -0.2 |
| Aug | 107.4 | +3.1 | 118.4 | +11.2 | 110.5 | -1.8 | 82.7 | -10.3 | 127.9 | +19.4 | 96.0 | -0.6 | 101.3 | -4.6 | 107.8 | +0.3 |
| Sep | 102.3 | +0.1 | 113.1 | +5.1 | 98.6 | -0.3 | 94.3 | +7.8 | 119.0 | +8.5 | 86.4 | +0.1 | 93.6 | -10.8 | 99.5 | -5.7 |
| 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 |
| 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 |

(1) Includes household supplies but excludes alcoholic beverages.

(2) Does not include sales to bars, clubs, hotels and restaurants.

(3) Index numbers are subject to revisions

* The yearly series reflect annual changes

* 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 eight 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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