



QUARTERLY GROSS DOMESTIC PRODUCT BY EXPENDITURE

QUARTER 2/2020 (Base Year: 2013)

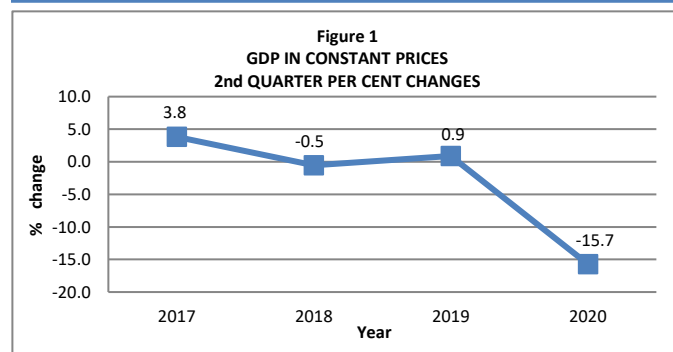
Technical Note: Data in this publication are provisional and subject to revisions based on the availability of updated source data, improved methodologies, new data sources and/or revised international standards for compiling national accounts.

GDP DECLINE OF -15.7 PER CENT FOR 2ND QTR 2020

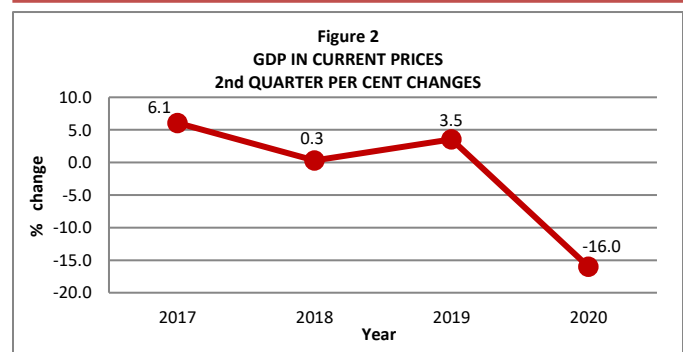
During the second quarter 2020, quarterly Gross Domestic Product (GDP) at constant prices was estimated at \$1,368.0 million (Table 1), decreasing 15.7 per cent year-over-year (Figure 1). The decline in growth was influenced primarily by double-digit declines in final consumption and gross capital formation due to restrictions imposed on some economic activity as mitigation efforts to reduce the spread of the Coronavirus 2019 (COVID-19) pandemic. In contrast, the net surplus external balance of goods and services rose substantially as less money was spent on imported goods and services.

In current prices, GDP decreased 16.0 per cent (Figure 2; Table 2). Overall inflation for the 2nd quarter, as measured by the implicit price index, decreased 0.4 per cent.

CONSTANT GDP DOWN 15.7%



CURRENT GDP DOWN 16.0%



YEAR-OVER-YEAR HIGHLIGHTS (CONSTANT PRICES)

- After adjusting for inflation, Household Final Consumption decreased 18.0 per cent year-over-year to \$671.3 million (Table 1). Expenditure on durable goods and services experienced the largest declines. For durable goods, spending fell 33.4 per cent with fewer purchases of motor vehicles, furniture and major household appliances. Spending on services contracted 14.7 per cent with the largest declines recorded for travel-dependent services such as accommodation and air transport. Catering services and personal care services also decreased significantly. Consumption of non-durable goods fell 6.5 per cent despite large increases in expenditure on food and beverages.
- Government Final Consumption decreased 4.0 per cent to \$203.4 million (Table 1) which reflected mostly lower payments for employee overheads and other personnel costs.
- Gross Capital Formation (i.e. investment in fixed assets) fell 55.6 per cent to \$152.3 million (Table 1). Gross Capital Formation related to Construction registered a 40.5 per cent decrease while investment in Machinery and Equipment fell 66.8 per cent, both reflecting limited investment and restricted economic activity during the second quarter.
- The net surplus on trade in goods and services increased 37.0 per cent to \$341.0 million (Table 1). This growth reflected mostly lower expenditure on the Imports of Goods and Services. Payments for the Imports of Goods fell sharply by 48.0 per cent due to decreases in imported fuel, machinery and equipment. Imports of Services decreased 39.9 per cent as payments for freight transport fell and residents spent less on travel services. Exports of Services were 19.0 per cent lower as receipts from travel services dipped significantly due to travel restrictions. Exports of Goods also fell 41.3 per cent due primarily to less fuel sold to visiting airlines.

QUARTERLY GDP BY EXPENDITURE

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

	2019R Q2	2019R Q3	2019R Q4	2020R Q1	2020P Q2
FINAL CONSUMPTION EXPENDITURE	1,030.6	1,023.2	1,013.7	947.1	874.7
Household Final Consumption	818.8	818.9	812.9	748.5	671.3
Government Final Consumption	211.9	204.3	200.9	198.6	203.4
GROSS CAPITAL FORMATION	343.1	231.1	225.4	224.5	152.3
Construction	146.0	135.0	134.3	126.0	86.8
Machinery and Equipment	197.1	96.1	91.1	98.5	65.5
EXTERNAL BALANCE OF GOODS AND SERVICES	249.0	276.7	348.4	604.4	341.0
Exports of Goods and Services	793.0	730.5	768.0	1,010.3	639.4
Exports of Goods	14.3	14.4	14.5	13.1	8.4
Exports of Services	778.6	716.1	753.5	997.3	631.0
Imports of Goods and Services	544.0	453.8	419.6	406.0	298.4
Imports of Goods	351.9	259.5	238.6	244.4	182.9
Imports of Services	192.1	194.3	180.9	161.5	115.5
GROSS DOMESTIC PRODUCT	1,622.7	1,531.1	1,587.5	1,776.0	1,368.0
Percentage Changes ⁽⁴⁾ (%)					
	2019R Q2	2019R Q3	2019R Q4	2020R Q1	2020P Q2
FINAL CONSUMPTION EXPENDITURE	+1.1	+0.6	+0.9	-2.6	-15.1
Household Final Consumption	-0.5	-0.5	+0.2	-2.8	-18.0
Government Final Consumption	+7.9	+5.0	+4.0	-2.0	-4.0
GROSS CAPITAL FORMATION	+37.0	-7.7	+2.8	-9.6	-55.6
Construction	+8.5	-0.8	+3.6	-12.1	-40.5
Machinery and Equipment	+70.3	-16.0	+1.7	-6.1	-66.8
EXTERNAL BALANCE OF GOODS AND SERVICES	-26.4	-7.2	-9.3	+0.9	+37.0
Exports of Goods and Services	-3.1	-5.4	-8.1	-1.0	-19.4
Exports of Goods	-8.3	-6.7	+0.8	+0.2	-41.3
Exports of Services	-3.0	-5.4	-8.3	-1.0	-19.0
Imports of Goods and Services	+13.3	-4.3	-7.2	-3.5	-45.1
Imports of Goods	+20.8	-4.5	-9.4	+1.4	-48.0
Imports of Services	+1.7	-4.1	-4.0	-10.1	-39.9
GROSS DOMESTIC PRODUCT	+0.9	-2.2	-1.3	-2.4	-15.7

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 for further details on rebasing.

QUARTERLY GDP BY EXPENDITURE

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

	2019R Q2	2019R Q3	2019R Q4	2020R Q1	2020P Q2
FINAL CONSUMPTION EXPENDITURE	1,143.9	1,139.6	1,117.1	1,054.1	978.0
Household Final Consumption	912.3	915.3	896.7	836.0	755.4
Government Final Consumption	231.6	224.4	220.4	218.2	222.6
GROSS CAPITAL FORMATION	355.7	243.0	236.5	239.1	162.5
Construction	159.9	147.7	146.5	141.4	97.5
Machinery and Equipment	195.8	95.2	90.0	97.8	65.0
EXTERNAL BALANCE OF GOODS AND SERVICES	348.6	369.8	417.8	715.8	411.9
Exports of Goods and Services	914.8	845.8	856.7	1,139.9	726.2
Exports of Goods	14.7	14.7	14.4	12.8	8.2
Exports of Services	900.1	831.1	842.3	1,127.0	718.0
Imports of Goods and Services	566.2	476.0	438.9	424.0	314.3
Imports of Goods	359.3	267.2	244.8	250.7	188.6
Imports of Services	207.0	208.8	194.1	173.4	125.7
GROSS DOMESTIC PRODUCT	1,848.2	1,752.4	1,771.5	2,009.1	1,552.4

Percentage Changes ⁽⁴⁾ (%)

	2019R Q2	2019R Q3	2019R Q4	2020R Q1	2020P Q2
FINAL CONSUMPTION EXPENDITURE	+2.7	+2.1	+2.1	-1.6	-14.5
Household Final Consumption	+1.0	+1.2	+1.4	-1.6	-17.2
Government Final Consumption	+9.8	+6.0	+4.9	-1.4	-3.9
GROSS CAPITAL FORMATION	+37.5	-6.6	+3.4	-8.4	-54.3
Construction	+10.9	+0.9	+4.9	-9.9	-39.0
Machinery and Equipment	+70.9	-16.3	+1.0	-6.3	-66.8
EXTERNAL BALANCE OF GOODS AND SERVICES	-15.4	-0.2	-3.2	+1.4	+18.1
Exports of Goods and Services	+0.6	-2.0	-4.8	-0.2	-20.6
Exports of Goods	-9.8	-10.0	-1.1	-2.4	-44.2
Exports of Services	+0.8	-1.8	-4.9	-0.2	-20.2
Imports of Goods and Services	+13.9	-3.4	-6.3	-2.8	-44.5
Imports of Goods	+20.7	-4.1	-9.3	+1.7	-47.5
Imports of Services	+3.8	-2.4	-2.2	-8.8	-39.3
GROSS DOMESTIC PRODUCT	+3.5	+0.3	+1.0	-1.4	-16.0

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 for further details on rebasing.

Table 3: Quarterly GDP at Different Revision Intervals

GDP: Total, Constant Prices

BD\$ millions

Period	Revision Interval				
	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
Q2-2019	1,145.3	1,652.8	1,652.8	1,652.8	1,622.7
Q3-2019*		1,558.6	1,558.6	1,558.6	1,531.1
Q4-2019			1,603.2	1,603.1	1,587.5
Q1-2020				1,756.2	1,776.0
Q2-2020					1,368.0

GDP: Total, Constant Prices

Growth rates (%)

Period	Revision Interval				
	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
Q2-2019	+3.3	+3.1	+3.1	+3.1	+0.9
Q3-2019*		-0.1	-0.1	-0.1	-2.2
Q4-2019			+0.3	+0.3	-1.3
Q1-2020				-2.8	-2.4
Q2-2020					-15.7

GDP: Total, Current Prices

BD\$ millions

Period	Revision Interval				
	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
Q2-2019	1,570.4	1,854.1	1,854.1	1,854.1	1,848.2
Q3-2019*		1,760.1	1,760.1	1,760.1	1,752.4
Q4-2019			1,766.5	1,766.5	1,771.5
Q1-2020				1,938.0	2,009.1
Q2-2020					1,552.4

GDP: Total, Current Prices

Growth rates (%)

Period	Revision Interval				
	Oct-Dec 2019	Jan-Mar* 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
Q2-2019	+4.5	+4.2	+4.2	+4.2	+3.5
Q3-2019*		+1.1	+1.1	+1.1	+0.3
Q4-2019			+1.0	+1.0	+1.0
Q1-2020				-2.1	-1.4
Q2-2020					-16.0

*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.

October 2020

Department of Statistics
Cedar Park Centre
48 Cedar Avenue, Hamilton HM 11
P.O. Box HM 3015
Hamilton HM MX, Bermuda

Tel: (441) 297-7761, Fax: (441) 295-8390

E-mail: statistics@gov.bm

Website: www.gov.bm/quarterly-gross-domestic-product



@BermudaStats