



Remarks

By:

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Minister for the Cabinet Office

2018 4TH QUARTER GDP STATISTICS / FEBRUARY CPI 9TH MAY, 2019

Thank you for joining me.

Last week I reported the results from the 2018 4th Quarter Bulletin of Statistics which signaled positive growth for our economy.

Today, I am pleased to highlight some further good economic news for Bermuda.

Before I release the data. I realize that there are those who do not speak in statistical terms.

GDP, which is Gross Domestic Product, is one of the primary indicators to measure the health of the economy. GDP measures the value of all goods and services produced in an economy in a given period of time, usually quarterly or yearly.

The GDP statistics that I will refer to are in constant prices which reflects the value of produced goods and services, but it uses consumer and producer price indices to remove the effects of rising price levels (inflation).

This Government highlighted in February 2019 that our 2nd Quarter constant GDP increased 0.8 %, and the 3rd Quarter GDP increased 1.6% year-over-year.

Today I am happy to report that the 2018 Fourth Quarter GDP in constant prices indicates that our economy has experienced a third straight quarter of positive growth.

Our 2018 4th Quarter GDP increased year-over-year by 1.5 % to \$1.15 billion. In other words if you add the value of all final goods and services produced in the fourth quarter it comes to \$1.15 billion.

Here are a few of the year-over-year highlights from the 4th Quarter GDP publication:

- Growth was driven mostly by an increase in the net surplus on trade in goods and services. This surplus balance on trade in goods and services increased by 24.8 % which equates to \$30.4 million.
- Gross capital formation, which reflects investment in construction and machinery and equipment, increased 1.5%.

I also wish to share some results from the **February 2019 Consumer Price Index** publication.

The Consumer Price Index (CPI) is a measure of the change in the price of a basket of consumer goods and services. The CPI includes:

- Food
 - Rent
 - Transport and Foreign Travel
 - Health and Personal Care
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- The level of inflation decreased 0.2 percentage points from the 1.3 per cent measured in January 2019 to 1.1% in February 2019.
 - The lower rate of inflation is good for households as the rise in the cost of consumer goods and services slowed in comparison to January 2019.

Some other areas of note for the February CPI:

- Between January 2019 and February 2019, the average cost of goods and services in the CPI was unchanged.
- The all-items index remained at 105.2 in February.
- The Rent sector rose 0.5 per cent for the month; and the average cost of household repair materials increased 3.7 per cent.

As I indicated last week, overall, this Government is making progress by implementing policies that stimulate our economy.

Our economic progress translates into good news for Bermuda.

Thank You.