

## EXPORT-IMPORT PRICE INDEX

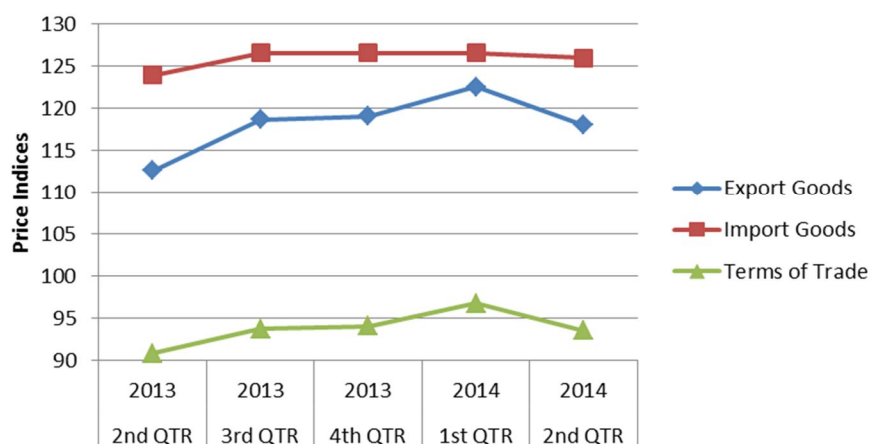
### APRIL-JUNE 2014

The Export and Import Price Index (XMPI), along with the Retail Price Index and the Producer Price Index, is designed to capture the change in prices in Barbados. Foreign trade price indices allow policy makers to analyze the impact of international trade on growth and inflation in the domestic economy. The XMPI will be used to deflate the foreign trade component in the expenditure approach for calculating Gross Domestic Product at current prices thus deriving Gross Domestic Product at constant prices. The XMPI will also be a useful tool in tracking trade flows in real terms by breaking down changes in the value of traded goods and services into price changes, volume changes, or both. In addition, export and import price indices provide an early indicator of inflation pressures on the domestic economy as well as an input for a variety of other purposes including negotiations for trade agreements, analyzing the effects of exchange rates, and measuring competitiveness. This document specifically covers the movement of export and import prices within Barbados for the second quarter of 2014.

### PERFORMANCE OF INDEX

- ❖ Import commodity prices decreased by 0.4 percent for the period April to June 2014 but increased by 1.8 percent for the 12 month period ending June 2014.
- ❖ Export commodity prices declined by 3.7 percent for the quarter but increased by 4.8 percent for the 12 month period ending June 2014.
- ❖ The terms of trade, as measured by the ratio of export prices to import prices, decreased by 3.3 percent in the quarter, but increased by 3.0 percent for the 12 months since June 2013.

#### Terms of Trade as at June 2014



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### TERMS OF TRADE TABLE

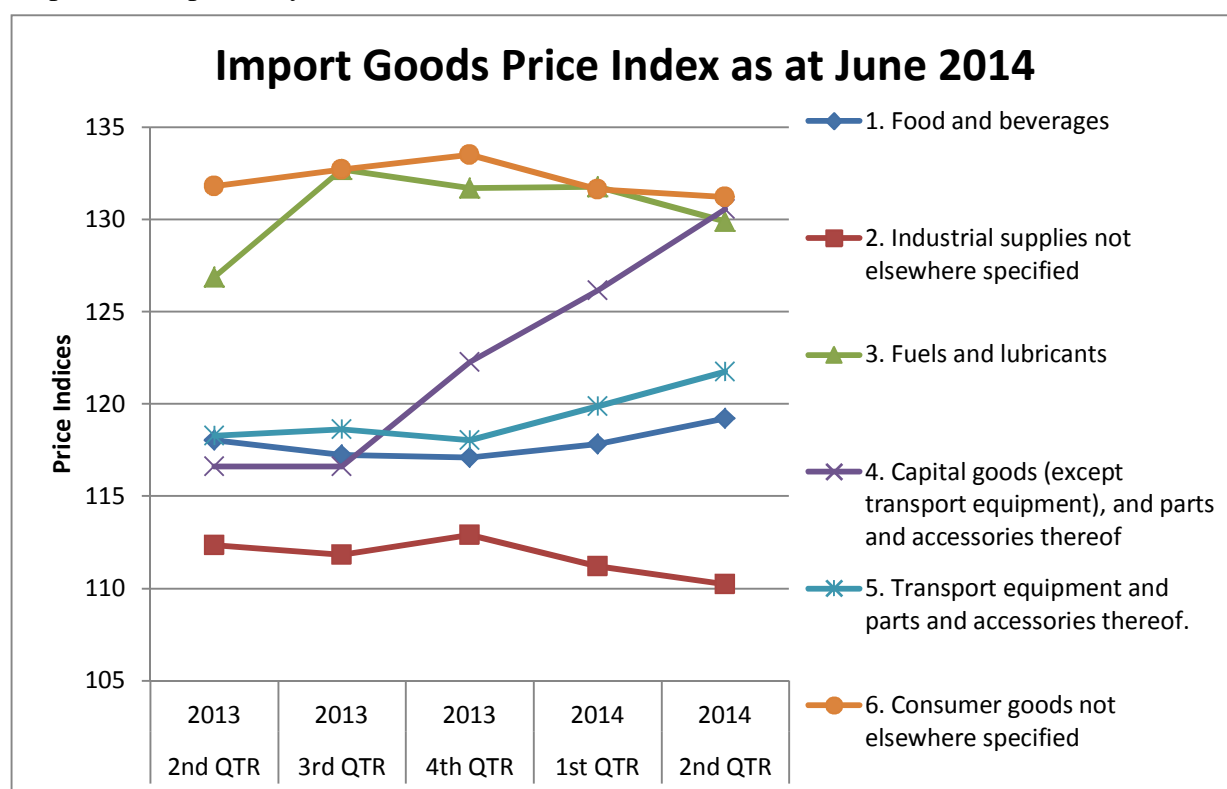
	2nd QTR	3rd QTR	4th QTR	1st QTR	2nd QTR		2nd QTR %	12 Month %
4th QTR 2007=100	2013	2013	2013(R)	2014(R)	2014(P)	2013	Change	Change
Export Goods	112.62	118.69	119.09	122.53	118.04	116.35	-3.7	4.8
Import Goods	123.92	126.58	126.60	126.55	126.01	126.33	-0.4	1.8
Terms of Trade	90.88	93.77	94.08	96.83	93.61	92.10	-3.3	3.0

## **ANALYSIS OF EXPORT-IMPORT PRICE INDICES**

### **Import Price Index for Goods**

During the second quarter of 2014, Fuels and Lubricants declined by 1.4 percent while Food and Beverages prices rose by 1.2 percent. Transport equipment and Capital Goods both increased by 1.5 percent and 3.5 percent respectively. In contrast, Industrial Supplies and Consumer Goods posted declines in both the second quarter of 2014 with Industrial Supplies declined by 0.9 percent while Consumer goods prices declined by 0.3 percent.

However, for the 12 month period ending June 2014, Fuels and Lubricants and Food and Beverages both increased by 2.4 percent and 1.0 percent respectively. Transport equipment and Capital Goods both increased over the 12 month period by 2.9 percent and 11.9 percent respectively. Industrial Supplies and Consumer Goods both posted declines of 1.9 percent and 0.4 percent respectively.

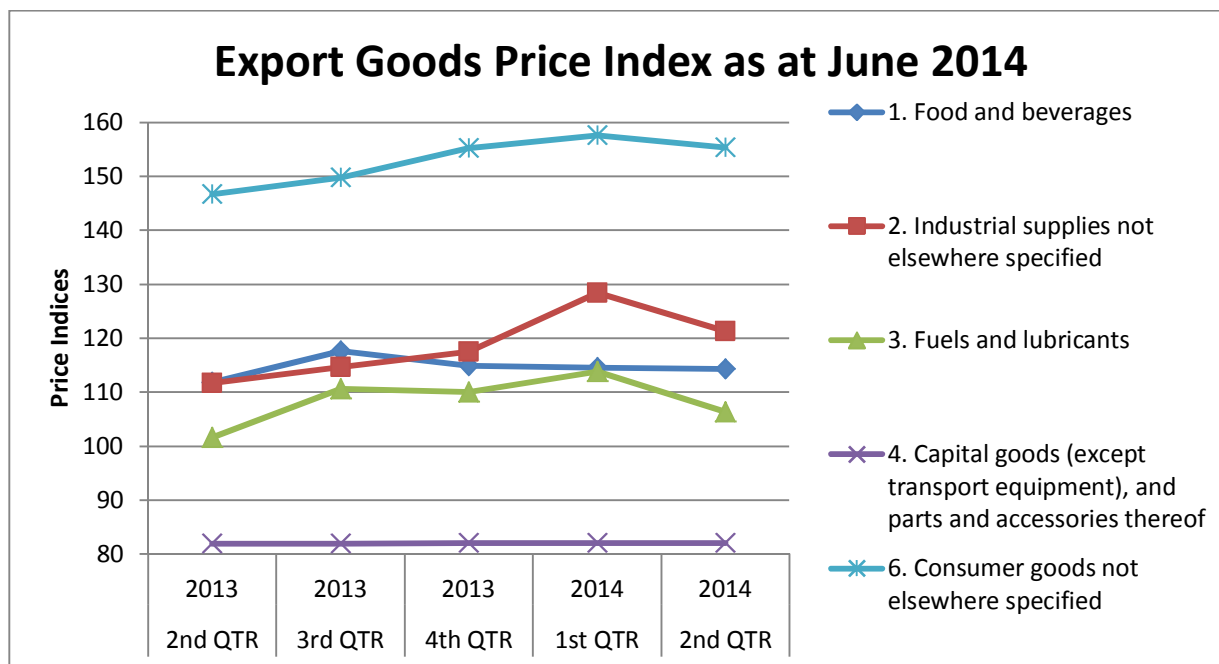


### **Export Price Index for Goods**

During the second quarter of 2014, Fuels and Lubricants and Consumer Goods both declined by 6.6 percent and 1.4 percent respectively. Capital Goods remained constant while there were declines recorded in Industrial Supplies and Food and Beverages of 5.5 percent and 0.3 percent respectively.

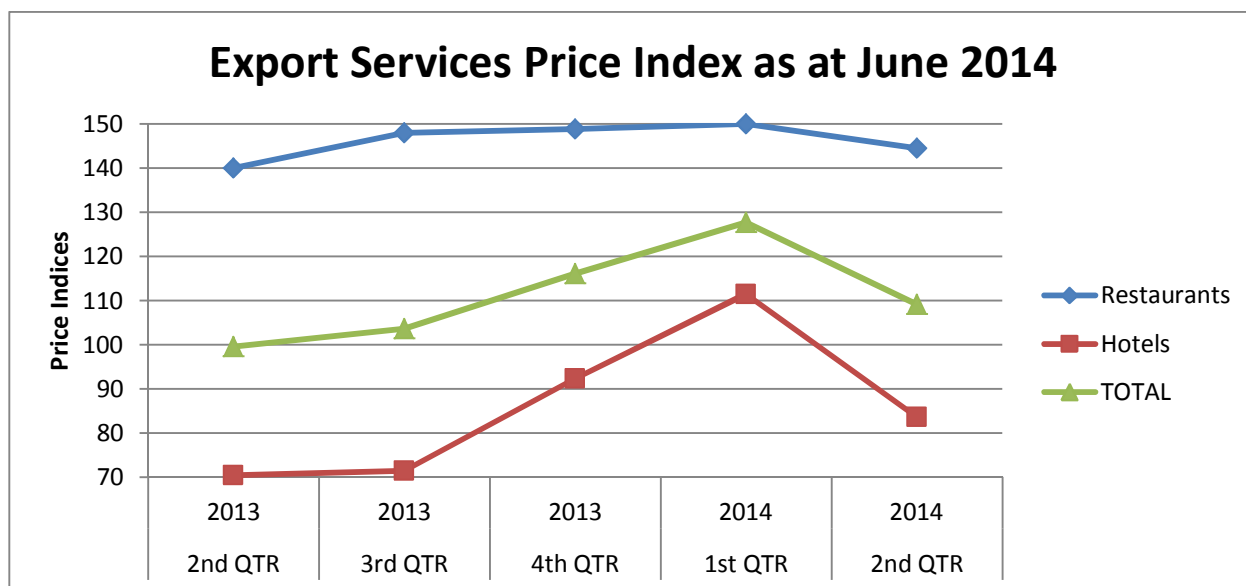
However, for the 12 month period ending June 2014, Fuels and Lubricants increased by 4.7

percent while Consumer goods rose by 5.9 percent over the same time period. Industrial Supplies increased 8.7 percent over the 12 month period while Foods and Beverages and Capital Goods recorded increases of 0.7 percent and 0.2 percent respectively over the same period.



### Export Price Index for Services

Export travel services declined 14.5 percent for the quarter as both restaurant and hotels prices decreased by 3.7 percent and 25.0 percent respectively. However, during the 12 month period ending June 2014, hotel prices increased by 9.5 percent reflecting the usual seasonal pattern for this time of year.



## APPENDIX

### EXPORT GOODS PRICE INDEX

B.E.C.	2nd QTR	3rd QTR	4th QTR	1st QTR	2nd QTR		2nd QTR %	12 Month %
Exports 4th QTR 2007=100	2013	2013	2013(R)	2014(R)	2014(P)	2013	Change	Change
1. Food and beverages	111.82	117.67	114.85	114.59	114.3	114.52	-0.3	2.2
2. Industrial supplies not elsewhere specified	111.65	114.62	117.45	128.45	121.35	113.54	-5.5	8.7
3. Fuels and lubricants	101.59	110.63	110.04	113.86	106.40	107.35	-6.6	4.7
4. Capital goods (except transport equipment), and parts and accessories thereof	81.85	81.93	82.03	82.03	82.03	81.92	0.0	0.2
5. Transport equipment and parts and accessories thereof.	--	--	--	--	--	--	--	--
6. Consumer goods not elsewhere specified	146.71	149.76	155.27	157.55	155.33	149.35	-1.4	5.9
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>112.62</b>	<b>118.69</b>	<b>119.09</b>	<b>122.53</b>	<b>118.04</b>	<b>116.35</b>	<b>-3.7</b>	<b>4.8</b>

### EXPORT SERVICES PRICE INDEX

Travel 4th QTR 2007=100	2nd QTR 2013	3rd QTR 2013	4th QTR 2013(R)	1st QTR 2014(R)	2nd QTR 2014(P)	2013	2nd QTR % Change	12 Month % Change
Restaurants	139.94	147.94	148.81	149.98	144.41	143.82	-3.7	3.2
Hotels	70.46	71.49	92.28	111.44	83.59	94.58	-25.0	18.5
<b>TOTAL</b>	<b>99.64</b>	<b>103.6</b>	<b>116.02</b>	<b>127.63</b>	<b>101.26</b>	<b>115.26</b>	<b>-14.5</b>	<b>9.5</b>

### **IMPORT GOODS PRICE INDEX**

<b>B.E.C. Imports 4th QTR 2007=100</b>	<b>2nd QTR 2013</b>	<b>3rd QTR 2013</b>	<b>4th QTR 2013(R)</b>	<b>1st QTR 2014(R)</b>	<b>2nd QTR 2014(P)</b>	<b>2013</b>	<b>2nd QTR % Change</b>	<b>12 Month % Change</b>
<b>1. Food and beverages</b>	118.03	117.23	117.10	117.82	119.21	117.67	1.2	1.0
<b>2. Industrial supplies not elsewhere specified</b>	112.34	111.82	112.90	111.21	110.21	114.24	-0.9	-1.9
<b>3. Fuels and lubricants</b>	126.86	132.71	131.71	131.76	129.88	131.48	-1.4	2.4
<b>4. Capital goods (except transport equipment), and parts and accessories thereof</b>	116.62	116.61	122.25	126.16	130.54	117.93	3.5	11.9
<b>5. Transport equipment and parts and accessories thereof.</b>	118.28	118.63	118.02	119.88	121.73	118.57	1.5	2.9
<b>6. Consumer goods not elsewhere specified</b>	131.80	132.71	133.50	131.62	131.22	132.45	-0.3	-0.4
<b>7. Goods not elsewhere specified</b>	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>123.92</b>	<b>126.58</b>	<b>126.58</b>	<b>126.55</b>	<b>126.10</b>	<b>126.33</b>	<b>-0.4</b>	<b>1.8</b>

*The Barbados Statistical Service would also like to express its sincere thanks to all those officers at the many business establishments who give their continued cooperation with their timely responses to our quarterly surveys. This Export Import Price Index could not have been done without your support.*