

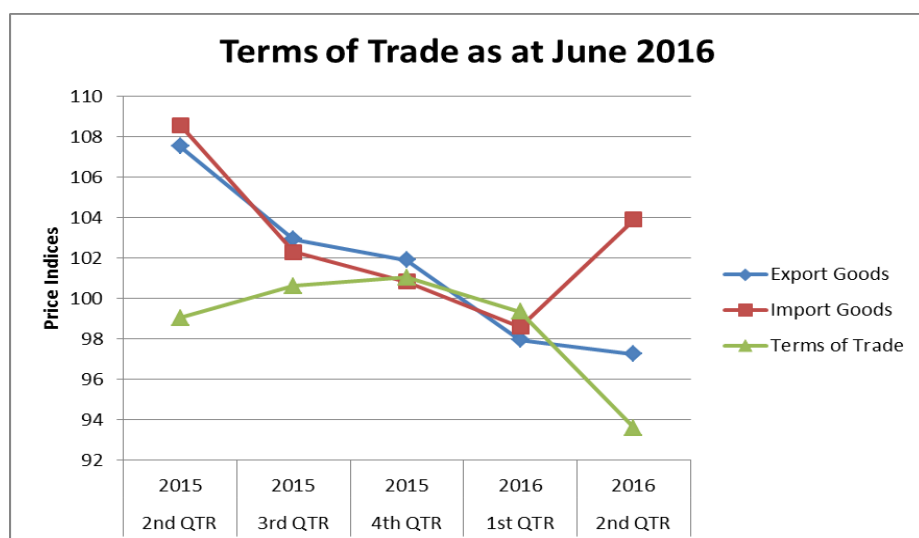
## EXPORT-IMPORT PRICE INDEX

### APRIL-JUNE 2016

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 2016.

### PERFORMANCE OF INDEX

- ❖ Import commodity prices increased by 5.4 percent for the period April to June 2016 but declined by 4.3 percent for the 12 month period ending June 2016.
- ❖ Export commodity prices decreased by 0.7 percent for the quarter and by 9.6 percent for the 12 month period ending June 2016.
- ❖ The terms of trade, as measured by the ratio of export prices to import prices, decreased by 5.8 percent in the quarter and by 5.5 percent for the 12 months since June 2015.



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### TERMS OF TRADE TABLE

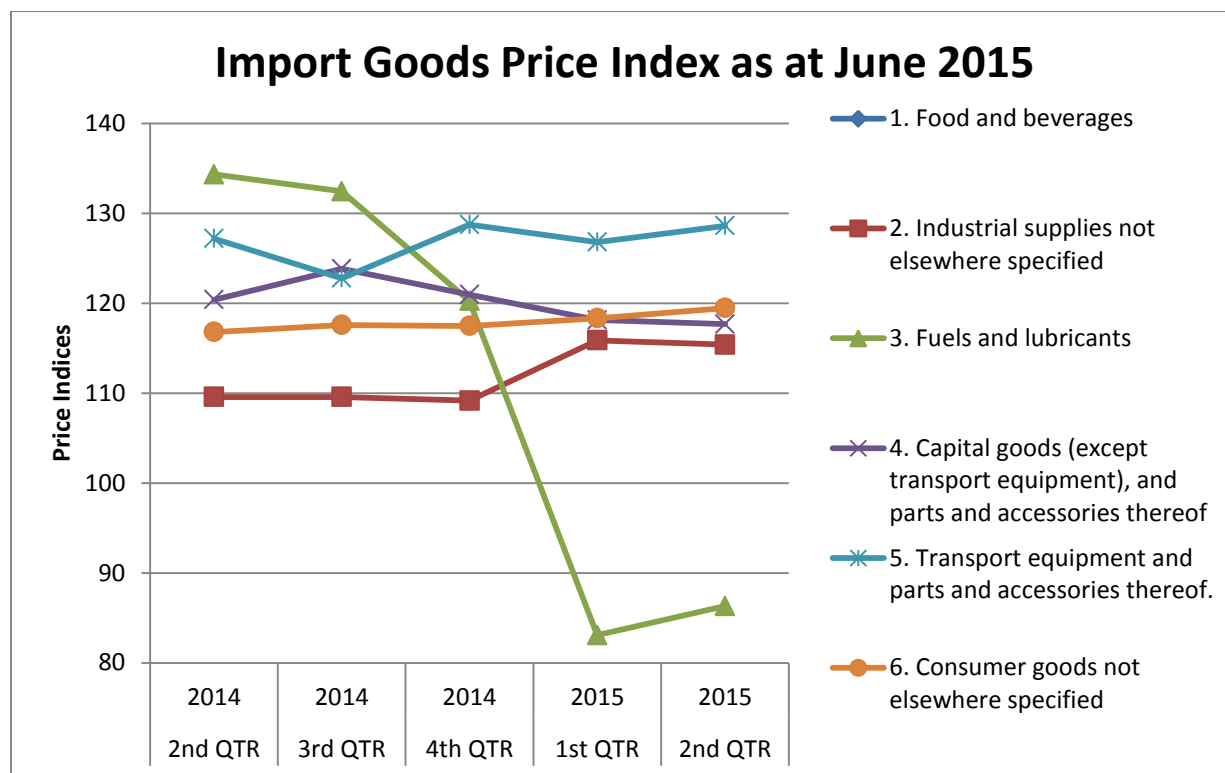
4th QTR 2007=100	2nd QTR 2015	3rd QTR 2015	4th QTR 2015	1st QTR 2016	2nd QTR 2016	2015	2nd QTR % Change	12 Month % Change
Export Goods	107.53	102.92	101.90	97.94	97.25	105.00	-0.7	-9.6
Import Goods	108.57	102.29	100.85	98.59	103.90	104.74	5.4	-4.3
Terms of Trade	99.04	100.62	101.05	99.34	93.60	100.25	-5.8	-5.5

## ANALYSIS OF EXPORT-IMPORT PRICE INDICES

### Import Price Index for Goods

During the second quarter of 2016, Fuels and Lubricants and Capital Goods both increased by 10.8 percent and 0.5 percent respectively. Food and Beverages increased by 0.1 percent while Consumer Goods declined by 0.1 percent. In contrast, Transport equipment and Industrial Supplies recorded increases of 0.5 percent and 3.2 percent respectively.

However, for the 12 month period ending June 2016, Fuels and Lubricants declined by 20.9 percent while Capital Goods increased by 9.1 percent. Industrial Supplies and Food and Beverages prices both declined by 2.3 percent and 1.3 percent respectively. In contrast, Transport equipment and Consumer Goods both posted increases of 4.1 percent and 13.4 percent respectively.

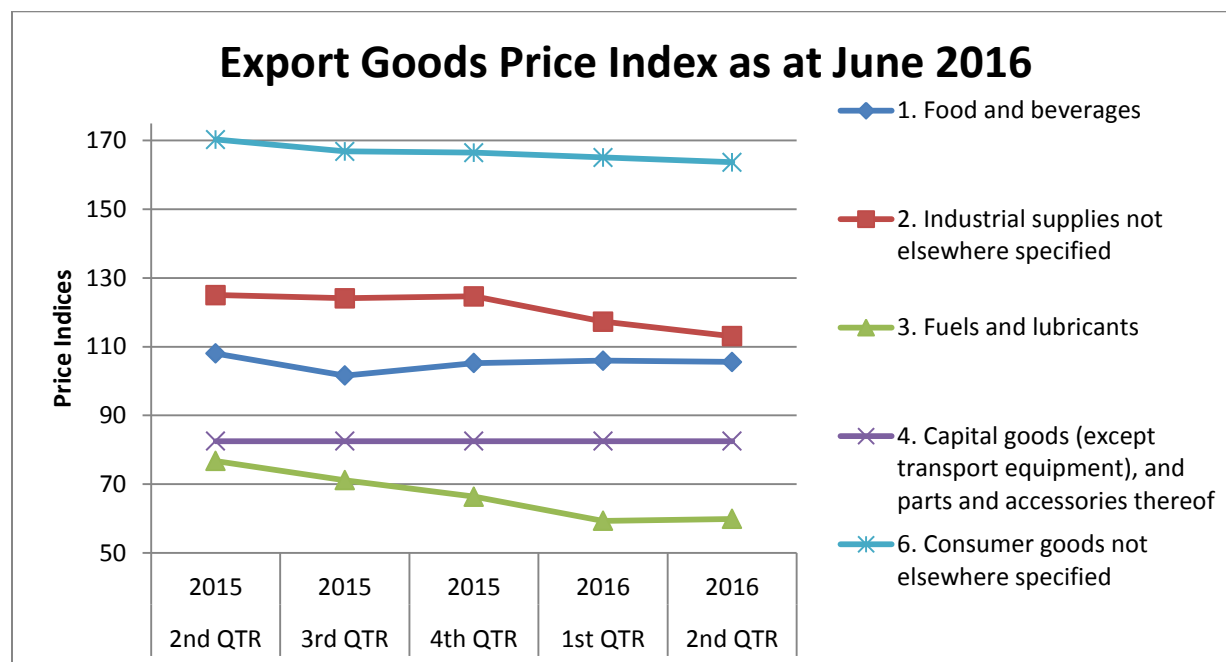


### Export Price Index for Goods

During the second quarter of 2016, Fuels and Lubricants prices increased by 1.0 percent while Consumer Goods prices declined by 0.8 percent. Industrial Supplies declined by 3.6 percent while Food and Beverages also decreased by 0.3 percent. Capital Goods prices remained constant.

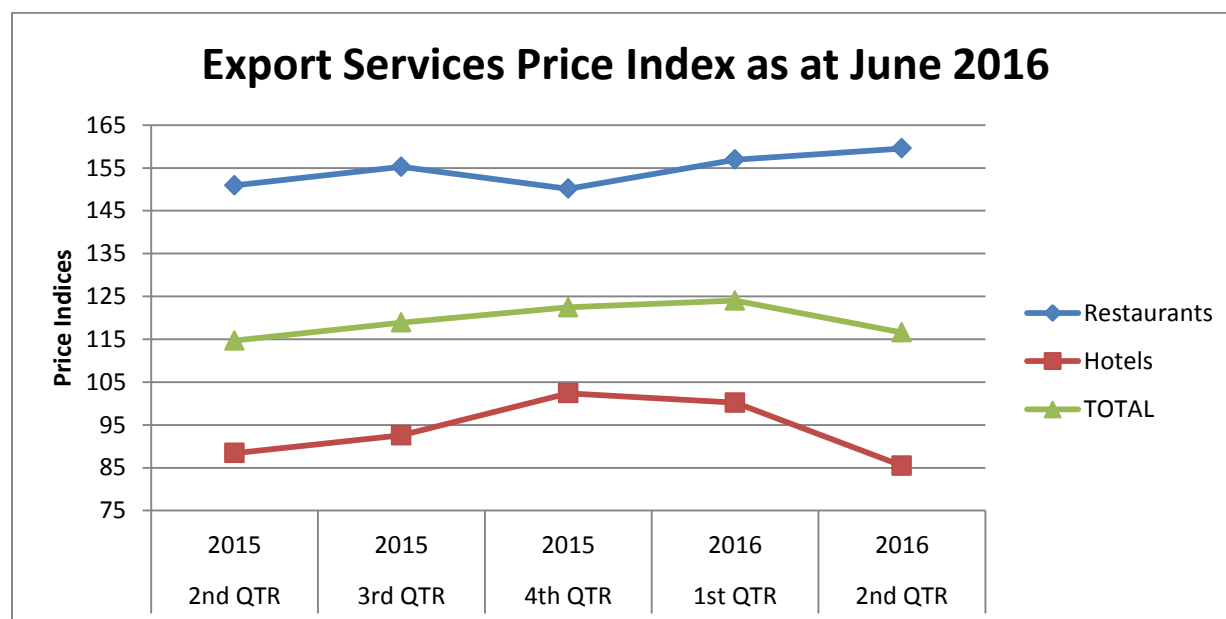
However, for the 12 month period ending June 2016, Fuels and Lubricants and Consumer Goods prices declined by 22.0 percent and by 3.9 percent respectively. Capital Goods prices remained

constant while Industrial Supplies and Foods and Beverages recorded declines of 9.6 percent and 2.3 percent respectively.



### Export Price Index for Services

Export travel services decreased by 6.0 percent for the quarter as restaurant prices increased by 1.7 percent while hotel prices declined by 14.7 percent. However, during the 12 month period ending June 2016, hotel prices declined by 3.3 percent reflecting the usual seasonal pattern for this time of year.



## APPENDIX

### EXPORT GOODS PRICE INDEX

B.E.C. Exports 4th QTR 2007=100	2nd QTR 2015	3rd QTR 2015	4th QTR 2015	1st QTR 2016	2nd QTR 2016	2015	2nd QTR % Change	12 Month % Change
1. Food and beverages	108.05	101.62	105.24	105.92	105.57	105.67	-0.3	-2.3
2. Industrial supplies not elsewhere specified	125.01	124.11	124.64	117.28	113.07	125.94	-3.6	-9.6
3. Fuels and lubricants	76.76	71.13	66.35	59.32	59.90	72.63	1.0	-22.0
4. Capital goods (except transport equipment), and parts and accessories thereof	82.50	82.50	82.50	82.50	82.50	82.54	0.0	0.0
5. Transport equipment and parts and accessories thereof.	--	--	--	--	--	--	--	--
6. Consumer goods not elsewhere specified	170.30	166.85	166.46	165.09	163.70	167.96	-0.8	-3.9
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>107.53</b>	<b>102.92</b>	<b>101.90</b>	<b>97.94</b>	<b>97.25</b>	<b>105.00</b>	<b>-0.7</b>	<b>-9.6</b>

### EXPORT SERVICES PRICE INDEX

Travel 4th QTR 2007=100	2nd QTR 2015	3rd QTR 2015	4th QTR 2015	1st QTR 2016	2nd QTR 2016	2015	2nd QTR % Change	12 Month % Change
Restaurants	150.90	155.24	150.14	156.94	159.55	152.23	1.7	5.7
Hotels	88.42	92.55	102.38	100.20	85.48	101.46	-14.7	-3.3
<b>TOTAL</b>	<b>114.66</b>	<b>118.88</b>	<b>122.44</b>	<b>124.03</b>	<b>116.59</b>	<b>122.78</b>	<b>-6.0</b>	<b>1.7</b>

### **IMPORT GOODS PRICE INDEX**

<b>B.E.C. Imports 4th QTR 2007=100</b>	<b>2nd QTR 2015</b>	<b>3rd QTR 2015</b>	<b>4th QTR 2015</b>	<b>1st QTR 2016</b>	<b>2nd QTR 2016</b>	<b>2015</b>	<b>2nd QTR % Change</b>	<b>12 Month % Change</b>
<b>1. Food and beverages</b>	146.80	145.35	145.62	144.81	144.94	146.95	0.1	-1.3
<b>2. Industrial supplies not elsewhere specified</b>	115.39	119.17	105.83	109.19	112.68	114.07	3.2	-2.3
<b>3. Fuels and lubricants</b>	86.31	70.48	68.90	61.64	68.30	77.19	10.8	-20.9
<b>4. Capital goods (except transport equipment), and parts and accessories thereof</b>	117.66	120.85	125.71	127.78	128.41	120.59	0.5	9.1
<b>5. Transport equipment and parts and accessories thereof.</b>	128.61	131.76	131.15	133.21	133.94	129.58	0.5	4.1
<b>6. Consumer goods not elsewhere specified</b>	119.46	120.65	122.49	125.22	135.42	120.23	8.1	13.4
<b>7. Goods not elsewhere specified</b>	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>108.57</b>	<b>102.29</b>	<b>100.85</b>	<b>98.59</b>	<b>103.90</b>	<b>104.74</b>	<b>5.4</b>	<b>-4.3</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.*