

EXPORT-IMPORT PRICE INDEX

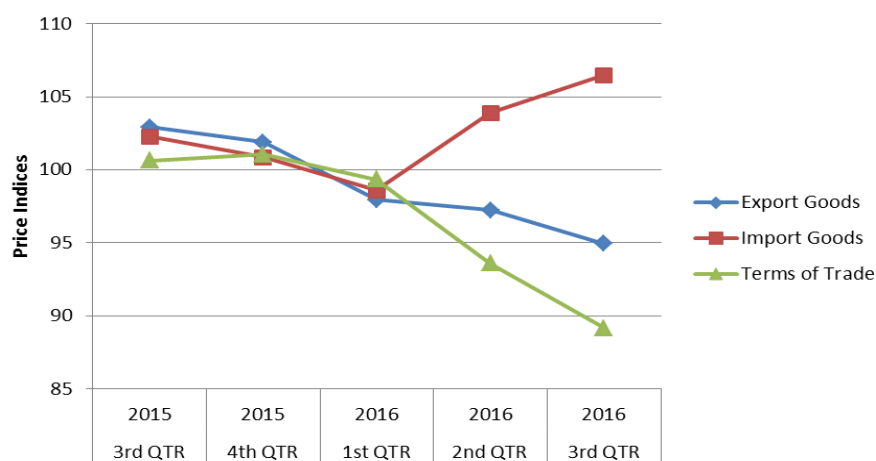
JULY-SEPTEMBER 2016

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 third quarter of 2016.

PERFORMANCE OF INDEX

- ❖ Import commodity prices increased by 2.5 percent for the period July to September 2016 and by 4.1 percent for the 12 month period ending September 2016.
- ❖ Export commodity prices declined by 2.4 percent for the quarter and by 7.8 percent for the 12 month period ending September 2016.
- ❖ The terms of trade, as measured by the ratio of export prices to import prices, decreased by 4.7 percent in the quarter and by 11.4 percent for the 12 months since September 2015.

Terms of Trade as at September 2016



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TERMS OF TRADE TABLE

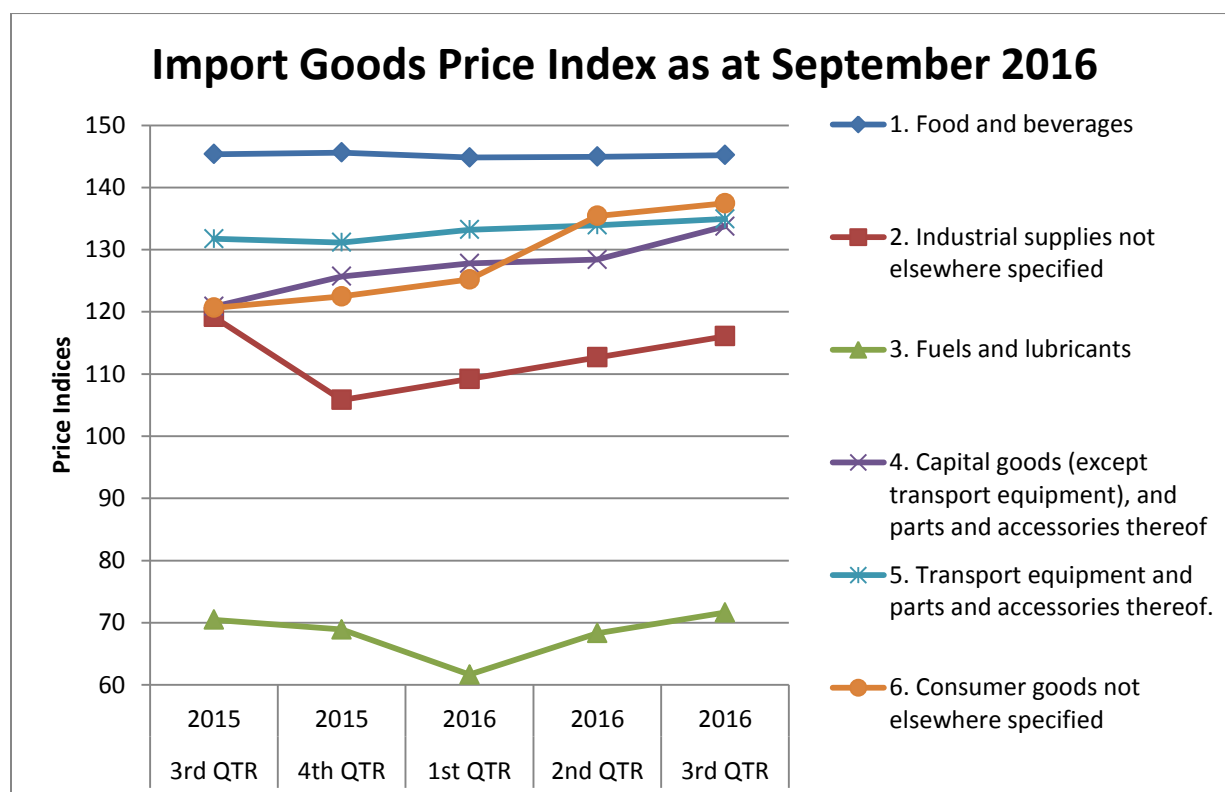
4th QTR 2007=100	3rd QTR 2015	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	2015	3rd QTR % Change	12 Month % Change
Export Goods	102.92	101.90	97.94	97.25	94.94	105.00	-2.4	-7.8
Import Goods	102.29	100.85	98.59	103.90	106.47	104.74	2.5	4.1
Terms of Trade	100.62	101.05	99.34	93.60	89.17	100.25	-4.7	-11.4

ANALYSIS OF EXPORT-IMPORT PRICE INDICES

Import Price Index for Goods

During the third quarter of 2016, Fuels and Lubricants prices increased by 4.9 percent while Capital Goods also increased by 4.2 percent. Consumer Goods and Food and Beverages increased by 1.5 percent and 0.2 percent respectively. Similarly, Industrial Supplies and Transport Equipment posted increases of 0.8 percent and 3.0 percent respectively.

However, for the 12 month period ending September 2016, Fuels and Lubricants and Capital Goods both increased by 1.6 percent and 10.7 percent respectively. Industrial Supplies and Food and Beverages both recorded declines of 2.6 percent and 0.1 percent respectively. In contrast, Transport equipment and Consumer Goods both posted increases of 2.4 percent and 13.9 percent respectively.

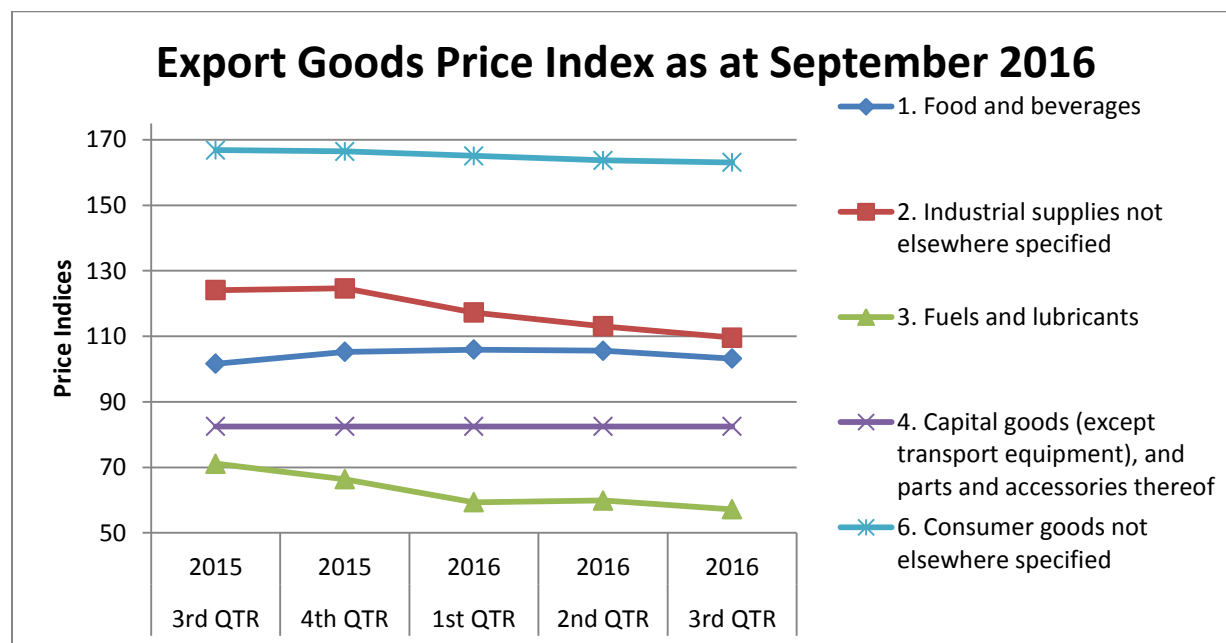


Export Price Index for Goods

During the third quarter of 2016, Fuels and Lubricants and Consumer Goods both declined by 4.6 percent and 0.4 percent respectively. Capital Goods remained constant while there were declines recorded in Industrial Supplies and Food and Beverages of 3.1 percent and 2.3 percent respectively.

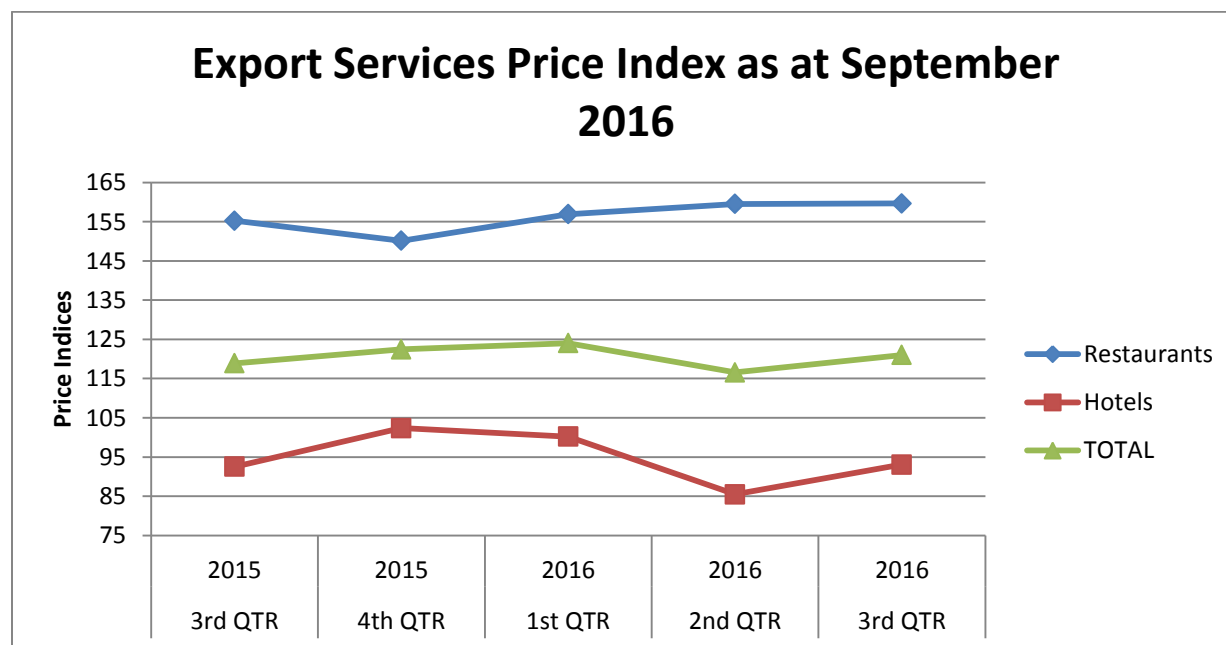
However, for the 12 month period ending September 2016, Fuels and Lubricants and Consumer Goods both declined by 19.6 percent and 2.3 percent respectively. Industrial Supplies declined

by 11.7 percent while Food and Beverages increased by 1.5 percent. Capital Goods remained constant.



Export Price Index for Services

Export travel services increased by 3.8 percent for the quarter as restaurant and hotel prices increased by 0.1 percent and 8.9 percent respectively. However, during the 12 month period ending September 2016, hotel prices increased by 0.5 percent reflecting the usual seasonal pattern for this time of year.



APPENDIX

EXPORT GOODS PRICE INDEX

B.E.C. Exports 4th QTR 2007=100	3rd QTR 2015	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	2015	3rd QTR % Change	12 Month % Change
1. Food and beverages	101.62	105.24	105.92	105.57	103.18	105.67	-2.3	1.5
2. Industrial supplies not elsewhere specified	124.11	124.64	117.28	113.07	109.62	125.94	-3.1	-11.7
3. Fuels and lubricants	71.13	66.35	59.32	59.90	57.17	72.63	-4.6	-19.6
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	166.85	166.46	165.09	163.70	163.08	167.96	-0.4	-2.3
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
TOTAL	102.92	101.90	97.94	97.25	94.94	105.00	-2.4	-7.8

EXPORT SERVICES PRICE INDEX

Travel 4th QTR 2007=100	3rd QTR 2015	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	2015	3rd QTR % Change	12 Month % Change
Restaurants	155.24	150.14	156.94	159.55	159.67	152.23	0.1	2.9
Hotels	92.55	102.38	100.20	85.48	93.06	101.46	8.9	0.5
TOTAL	118.88	122.44	124.03	116.59	121.04	122.78	3.8	1.8

IMPORT GOODS PRICE INDEX

B.E.C. Imports 4th QTR 2007=100	3rd QTR 2015	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	2015	3rd QTR % Change	12 Month % Change
1. Food and beverages	145.35	145.62	144.81	144.94	145.20	146.95	0.2	-0.1
2. Industrial supplies not elsewhere specified	119.17	105.83	109.19	112.68	116.07	114.07	3.0	-2.6
3. Fuels and lubricants	70.48	68.90	61.64	68.30	71.62	77.19	4.9	1.6
4. Capital goods (except transport equipment), and parts and accessories thereof	120.85	125.71	127.78	128.41	133.76	120.59	4.2	10.7
5. Transport equipment and parts and accessories thereof.	131.76	131.15	133.21	133.94	134.95	129.58	0.8	2.4
6. Consumer goods not elsewhere specified	120.65	122.49	125.22	135.42	137.47	120.23	1.5	13.9
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
TOTAL	102.29	100.85	98.59	103.90	106.47	104.74	2.5	4.1

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.