

## EXPORT-IMPORT PRICE INDEX

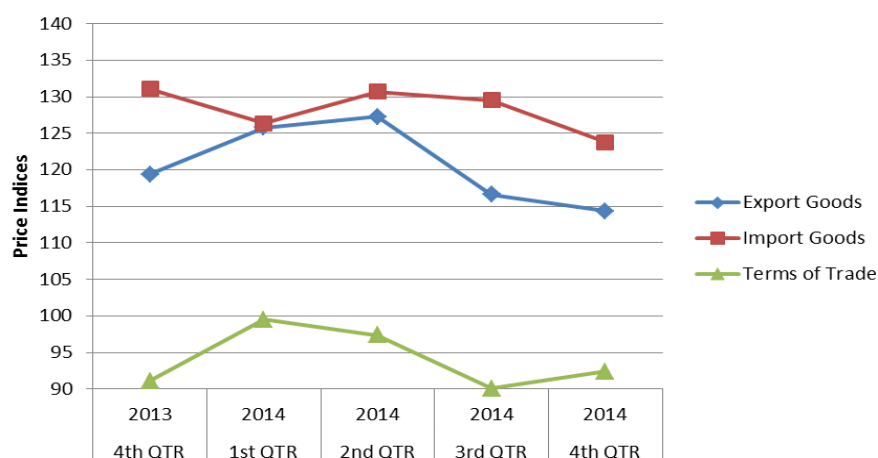
### OCTOBER-DECEMBER 2014

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 fourth quarter of 2014.

### PERFORMANCE OF INDEX

- ❖ Import commodity prices decreased by 4.4 percent for the period October to December 2014 and by 5.5 percent for the 12 month period ending December 2014.
- ❖ Export commodity prices decreased by 1.9 percent for the quarter and by 4.2 percent for the 12 month period ending December 2014.
- ❖ The terms of trade, as measured by the ratio of export prices to import prices, increased by 2.6 percent in the quarter and by 1.4 percent for the 12 months since December 2013.

#### Terms of Trade as at December 2014



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### TERMS OF TRADE TABLE

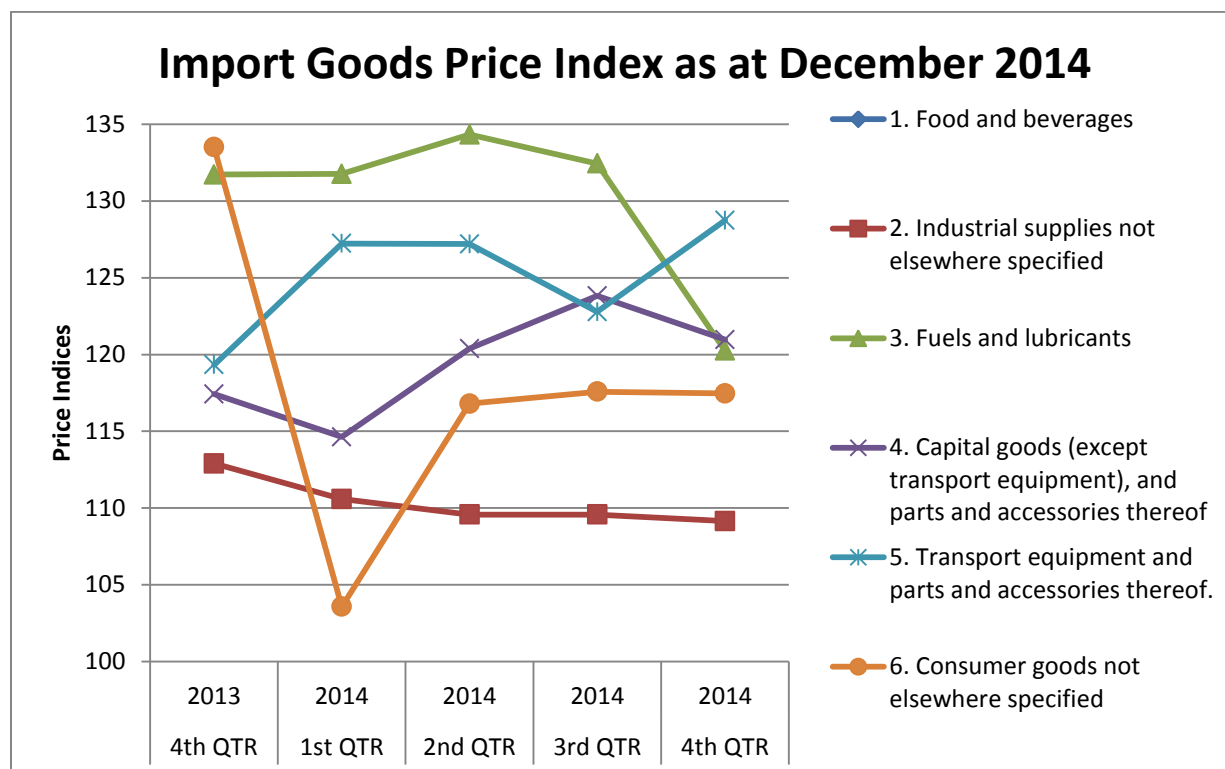
4th QTR 2007=100	4th QTR 2013(R)	1st QTR 2014(R)	2nd QTR 2014(R)	3rd QTR 2014(R)	4th QTR 2014	2013	4th QTR % Change	12 Month % Change
<b>Export Goods</b>	119.37	125.77	127.24	116.61	114.38	116.42	-1.9	-4.2
<b>Import Goods</b>	131.07	126.37	130.67	129.50	123.80	131.10	-4.4	-5.5
<b>Terms of Trade</b>	91.08	99.53	97.38	90.04	92.39	88.80	2.6	1.4

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

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

During the fourth quarter of 2014, Fuels and Lubricants and Capital Goods both declined by 9.2 percent and 2.3 percent respectively. Food and Beverages prices also decreased by 2.8 percent while Transport equipment increased by 4.9 percent. In contrast, Industrial Supplies and Consumer Goods posted declines in the fourth quarter of 2014 with Industrial Supplies declined by 0.4 percent while Consumer goods prices declined by 0.1 percent.

However, for the 12 month period ending December 2014, Fuels and Lubricants declined by 8.7 percent while Capital Goods increased by 3.0 percent. Transport equipment increased by 7.9 percent while Food and Beverages prices increased over the 12 month period by 0.7 percent. In contrast, Industrial Supplies and Consumer Goods both posted declines of 3.3 percent and 12.0 percent respectively.

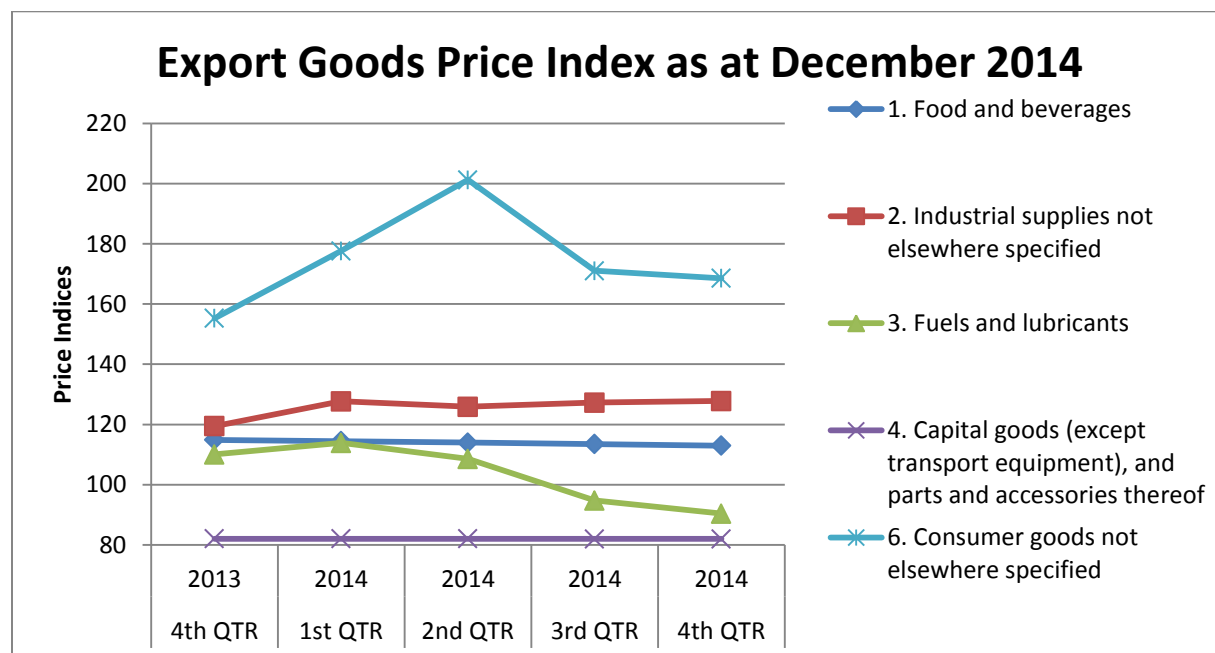


### **Export Price Index for Goods**

During the fourth quarter of 2014, Fuels and Lubricants and Consumer Goods both declined by 4.6 percent and 1.5 percent respectively. Industrial Supplies increased by 0.4 percent while Food and Beverages declined by 0.5 percent. Capital Goods continued to remain constant.

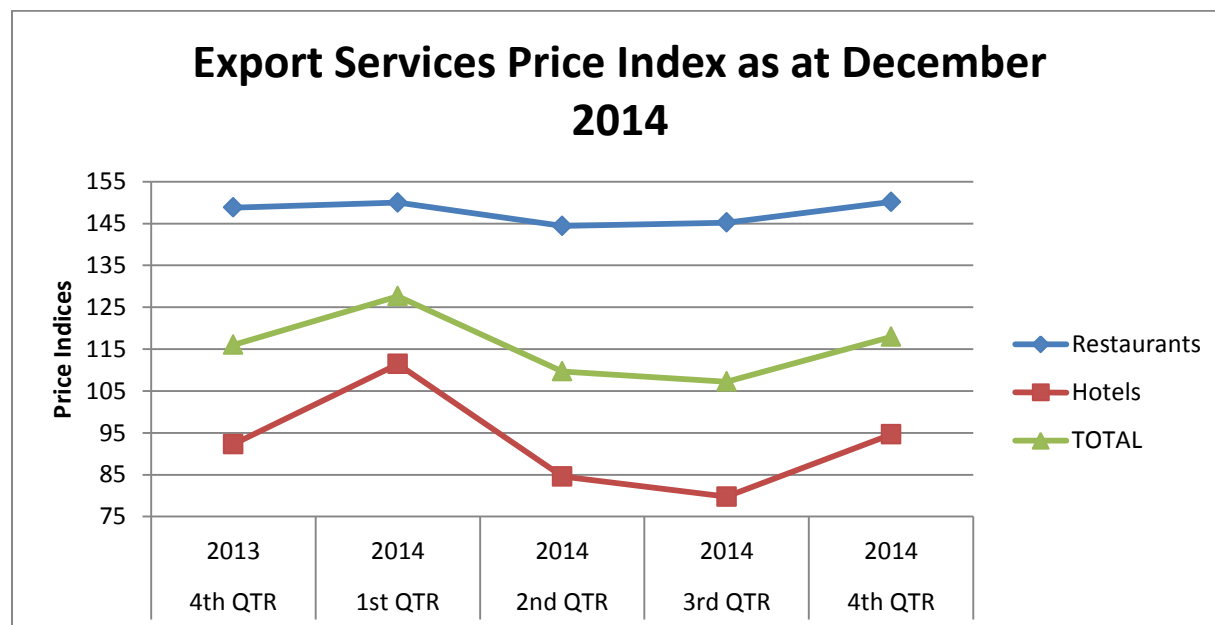
However, for the 12 month period ending December 2014, Fuels and Lubricants declined by 17.8 percent while Consumer goods rose by 8.6 percent over the same time period. Industrial

Supplies increased 7.0 percent over the 12 month period while Foods and Beverages declined by 1.6 percent. Capital Goods decreased by 0.1 percent over the same period.



### Export Price Index for Services

Export travel services increased by 10.0 percent for the quarter as restaurant and hotel prices increased by 3.4 percent and 18.6 percent respectively. However, during the 12 month period ending December 2014, hotel prices increased by 2.5 percent reflecting the usual seasonal pattern for this time of year.



## APPENDIX

### EXPORT GOODS PRICE INDEX

<b>B.E.C. Exports 4th QTR 2007=100</b>	<b>4th QTR 2013(R)</b>	<b>1st QTR 2014(R)</b>	<b>2nd QTR 2014(R)</b>	<b>3rd QTR 2014(R)</b>	<b>4th QTR 2014</b>	<b>2013</b>	<b>4th QTR % Change</b>	<b>12 Month % Change</b>
<b>1. Food and beverages</b>	114.85	114.43	113.97	113.50	112.98	114.52	-0.5	-1.6
<b>2. Industrial supplies not elsewhere specified</b>	119.46	127.66	125.89	127.24	127.80	114.04	0.4	7.0
<b>3. Fuels and lubricants</b>	110.04	113.86	108.54	94.72	90.40	107.35	-4.6	-17.8
<b>4. Capital goods (except transport equipment), and parts and accessories thereof</b>	82.03	82.03	82.03	81.97	81.97	81.92	0.0	-0.1
<b>5. Transport equipment and parts and accessories thereof.</b>	--	--	--	--	--	--	--	--
<b>6. Consumer goods not elsewhere specified</b>	155.26	177.64	201.25	171.06	168.53	149.34	-1.5	8.6
<b>7. Goods not elsewhere specified</b>	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>119.37</b>	<b>125.77</b>	<b>127.24</b>	<b>116.61</b>	<b>114.38</b>	<b>116.42</b>	<b>-1.9</b>	<b>-4.2</b>

### EXPORT SERVICES PRICE INDEX

<b>Travel 4th QTR 2007=100</b>	<b>4th QTR 2013(R)</b>	<b>1st QTR 2014(R)</b>	<b>2nd QTR 2014(R)</b>	<b>3rd QTR 2014(R)</b>	<b>4th QTR 2014</b>	<b>2013</b>	<b>4th QTR % Change</b>	<b>12 Month % Change</b>
<b>Restaurants</b>	148.81	149.98	144.41	145.23	150.14	143.82	<b>3.4</b>	<b>0.9</b>
<b>Hotels</b>	92.28	111.44	84.55	79.75	94.61	94.58	<b>18.6</b>	<b>2.5</b>
<b>TOTAL</b>	<b>116.02</b>	<b>127.63</b>	<b>109.69</b>	<b>107.25</b>	<b>117.93</b>	<b>115.26</b>	<b>10.0</b>	<b>1.6</b>

### **IMPORT GOODS PRICE INDEX**

<b>B.E.C. Imports 4th QTR 2007=100</b>	<b>4th QTR 2013(R)</b>	<b>1st QTR 2014(R)</b>	<b>2nd QTR 2014(R)</b>	<b>3rd QTR 2014(R)</b>	<b>4th QTR 2014</b>	<b>2013</b>	<b>4th QTR % Change</b>	<b>12 Month % Change</b>
<b>1. Food and beverages</b>	151.82	154.70	158.92	157.27	152.90	154.71	-2.8	0.7
<b>2. Industrial supplies not elsewhere specified</b>	112.90	110.59	109.58	109.58	109.15	114.24	-0.4	-3.3
<b>3. Fuels and lubricants</b>	131.71	131.76	134.33	132.43	120.24	131.48	-9.2	-8.7
<b>4. Capital goods (except transport equipment), and parts and accessories thereof</b>	117.43	114.63	120.38	123.82	120.97	113.11	-2.3	3.0
<b>5. Transport equipment and parts and accessories thereof.</b>	119.33	127.22	127.19	122.78	128.74	119.54	4.9	7.9
<b>6. Consumer goods not elsewhere specified</b>	133.50	103.58	116.80	117.58	117.47	132.45	-0.1	-12.0
<b>7. Goods not elsewhere specified</b>	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>131.07</b>	<b>126.37</b>	<b>130.67</b>	<b>129.50</b>	<b>123.80</b>	<b>131.10</b>	<b>-4.4</b>	<b>-5.5</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.*