

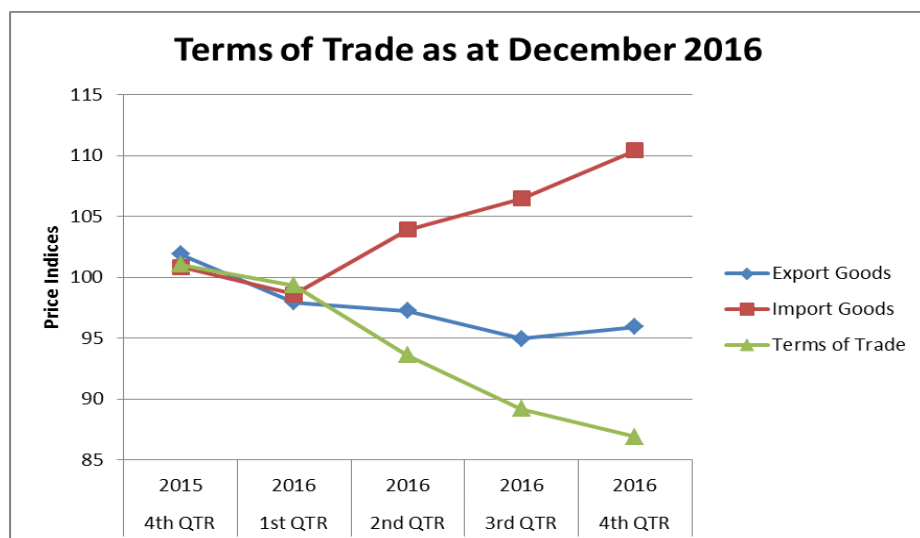
EXPORT-IMPORT PRICE INDEX

OCTOBER-DECEMBER 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 fourth quarter of 2016.

PERFORMANCE OF INDEX

- ❖ Import commodity prices increased by 3.7 percent for the period October to December 2016 and by 9.5 percent for the 12 month period ending December 2016.
- ❖ Export commodity prices increased by 1.1 percent for the quarter but declined by 5.9 percent for the 12 month period ending December 2016.
- ❖ The terms of trade, as measured by the ratio of export prices to import prices, decreased by 2.6 percent in the quarter and by 14.0 percent for the 12 months since December 2015.



In this bulletin:

Analysis of:-

- Import Prices on Goods 1
- Export Prices on Goods 1
- Export Prices on Services 2

Appendix of Tables:

- Export Goods Price Index 3
- Export Services Price Index 3
- Import Goods Price Index 4

TERMS OF TRADE TABLE

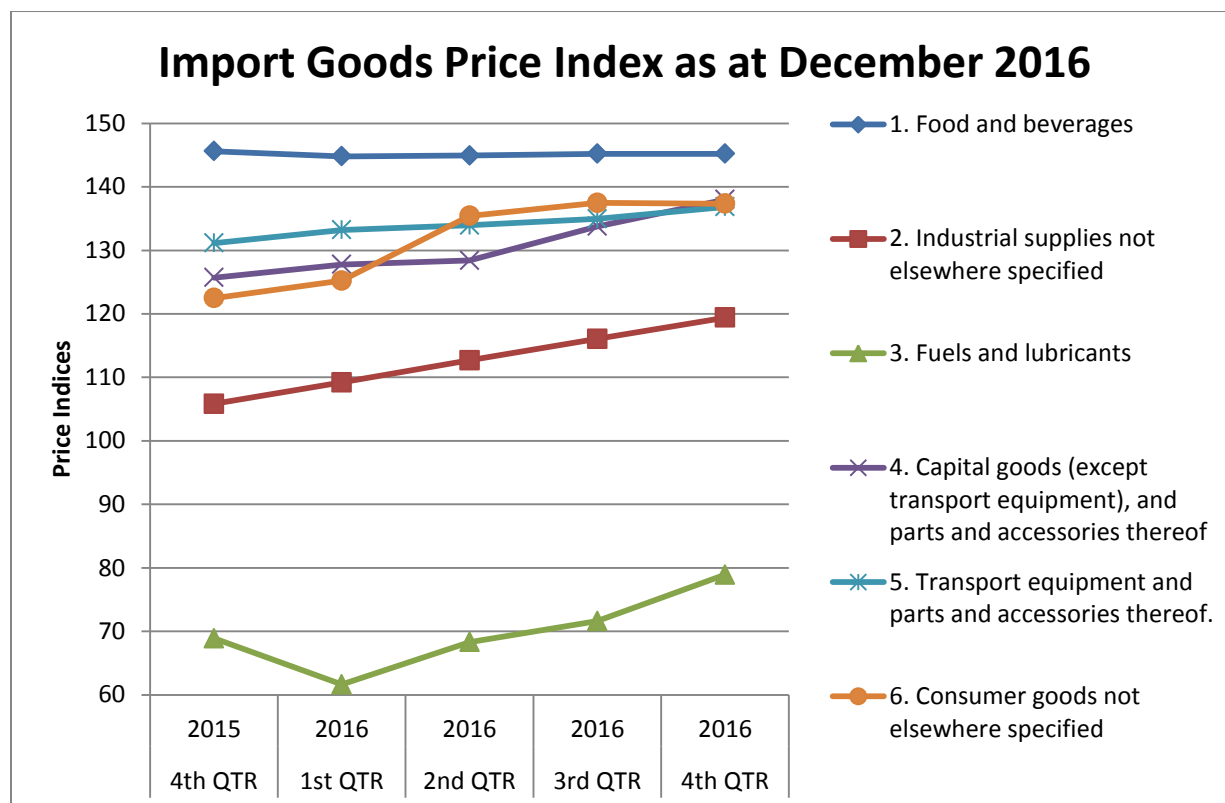
4th QTR 2007=100	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	4th QTR 2016	2015	4th QTR % Change	12 Month % Change
Export Goods	101.90	97.94	97.25	94.94	95.94	105.00	1.1	-5.9
Import Goods	100.85	98.59	103.90	106.47	110.42	104.74	3.7	9.5
Terms of Trade	101.05	99.34	93.60	89.17	86.89	100.25	-2.6	-14.0

ANALYSIS OF EXPORT-IMPORT PRICE INDICES

Import Price Index for Goods

During the fourth quarter of 2016, Fuels and Lubricants and Capital Goods prices both increased by 10.2 percent and 3.2 percent respectively. Food and Beverages remained constant while Consumer Goods declined by 0.1 percent. In contrast, Industrial Supplies and Transport equipment posted increases of 2.9 percent and 1.4 percent respectively.

However, for the 12 month period ending December 2016, Fuels and Lubricants increased by 14.5 percent while Capital Goods also increased by 9.8 percent. Industrial Supplies increased by 12.8 percent while Food and Beverages prices declined by 0.3 percent. In contrast, Transport equipment and Consumer Goods both posted increases of 4.3 percent and 12.1 percent respectively.

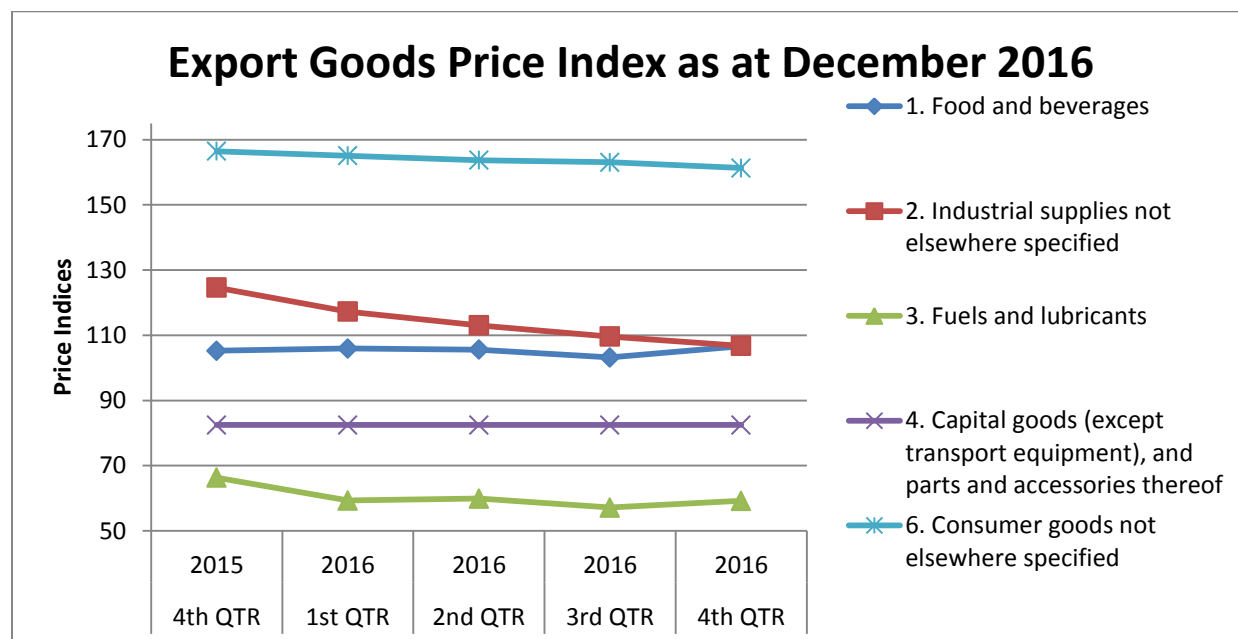


Export Price Index for Goods

During the fourth quarter of 2016, Fuels and Lubricants prices increased by 3.6 percent while Consumer Goods declined by 1.1 percent. Industrial Supplies declined by 2.6 percent while Food and Beverages increased by 3.4 percent. Capital Goods continued to remain constant.

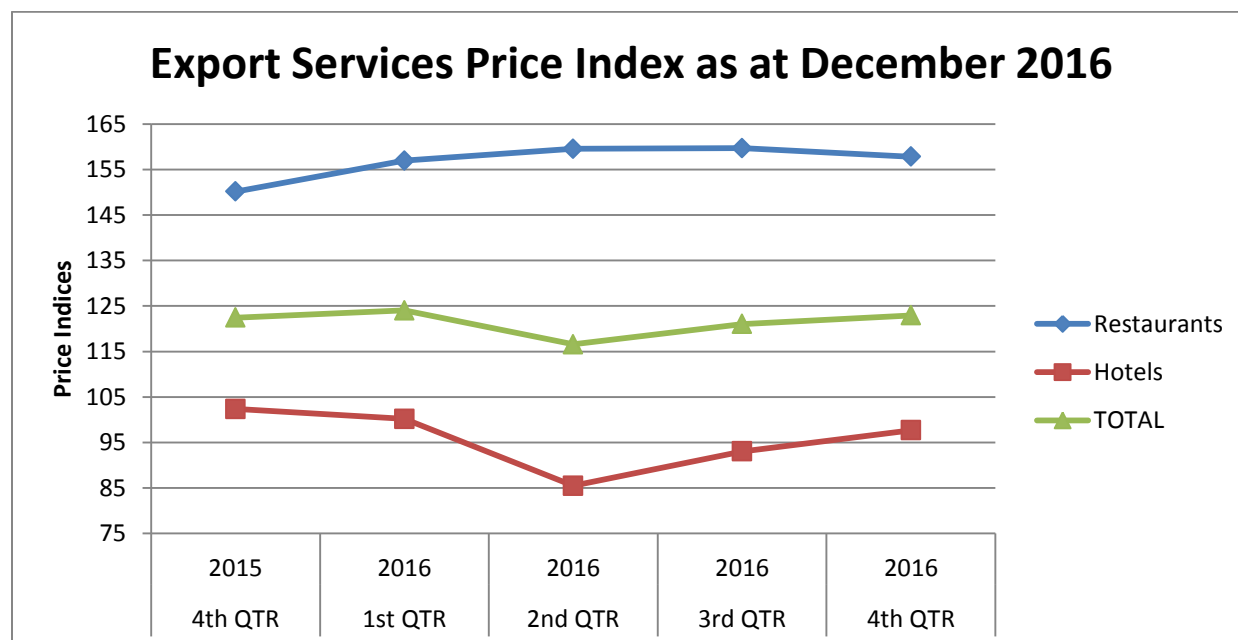
However, for the 12 month period ending December 2016, Fuels and Lubricants and Consumer Goods declined by 10.7 percent and 3.1 percent respectively. Industrial Supplies declined by

14.3 percent while Food and Beverages increased by 1.4 percent. Capital Goods continued to remain constant.



Export Price Index for Services

Export travel services increased by 1.6 percent for the quarter as restaurant prices declined by 1.2 percent while hotel prices increased by 5.0 percent. However, during the 12 month period ending December 2016, hotel prices declined by 4.6 percent reflecting the usual seasonal pattern for this time of year.



APPENDIX

EXPORT GOODS PRICE INDEX

B.E.C. Exports 4th QTR 2007=100	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	4th QTR 2016	2015	4th QTR % Change	12 Month % Change
1. Food and beverages	105.24	105.92	105.57	103.18	106.69	105.67	3.4	1.4
2. Industrial supplies not elsewhere specified	124.64	117.28	113.07	109.62	106.77	125.94	-2.6	-14.3
3. Fuels and lubricants	66.35	59.32	59.90	57.17	59.22	72.63	3.6	-10.7
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	166.46	165.09	163.70	163.08	161.28	167.96	-1.1	-3.1
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
TOTAL	101.90	97.94	97.25	94.94	95.94	105.00	1.1	-5.9

EXPORT SERVICES PRICE INDEX

Travel 4th QTR 2007=100	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	4th QTR 2016	2015	4th QTR % Change	12 Month % Change
Restaurants	150.14	156.94	159.55	159.67	157.81	152.23	-1.2	5.1
Hotels	102.38	100.20	85.48	93.06	97.69	101.46	5.0	-4.6
TOTAL	122.44	124.03	116.59	121.04	122.94	122.78	1.6	0.4

IMPORT GOODS PRICE INDEX

B.E.C. Imports 4th QTR 2007=100	4th QTR 2015	1st QTR 2016	2nd QTR 2016	3rd QTR 2016	4th QTR 2016	2015	4th QTR % Change	12 Month % Change
1. Food and beverages	145.62	144.81	144.94	145.20	145.21	146.95	0.0	-0.3
2. Industrial supplies not elsewhere specified	105.83	109.19	112.68	116.07	119.40	114.07	2.9	12.8
3. Fuels and lubricants	68.90	61.64	68.30	71.62	78.91	77.19	10.2	14.5
4. Capital goods (except transport equipment), and parts and accessories thereof	125.71	127.78	128.41	133.76	138.00	120.59	3.2	9.8
5. Transport equipment and parts and accessories thereof.	131.15	133.21	133.94	134.95	136.84	129.58	1.4	4.3
6. Consumer goods not elsewhere specified	122.49	125.22	135.42	137.47	137.35	120.23	-0.1	12.1
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
TOTAL	100.85	98.59	103.90	106.47	110.42	104.74	3.7	9.5

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.