

EXPORT-IMPORT PRICE INDEX

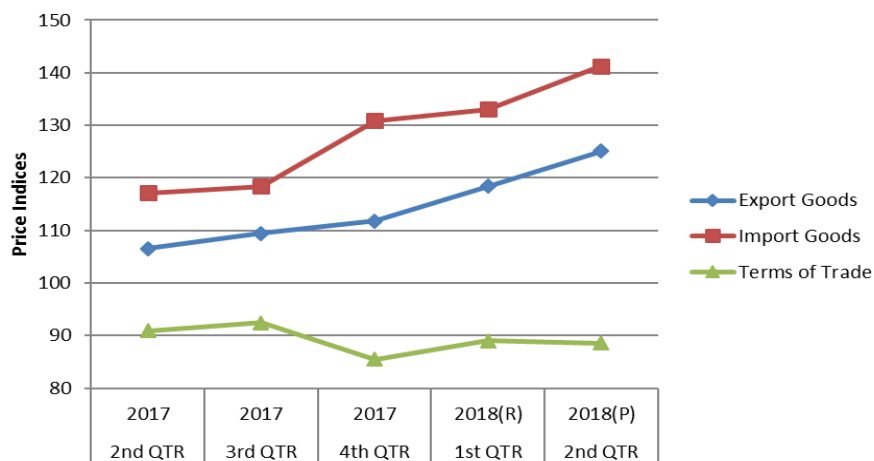
APRIL-JUNE 2018

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 2018.

PERFORMANCE OF INDEX

- ❖ Import commodity prices increased by 6.2 percent for the period April to June 2018 and by 20.6 percent for the 12 month period ending June 2018.
- ❖ Export commodity prices increased by 5.7 percent for the quarter and by 17.4 percent for the 12 month period ending June 2018.
- ❖ The terms of trade, as measured by the ratio of export prices to import prices, decreased by 0.5 percent in the quarter and by 2.6 percent for the 12 months since June 2017.

Terms of Trade as at June 2018



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TERMS OF TRADE TABLE

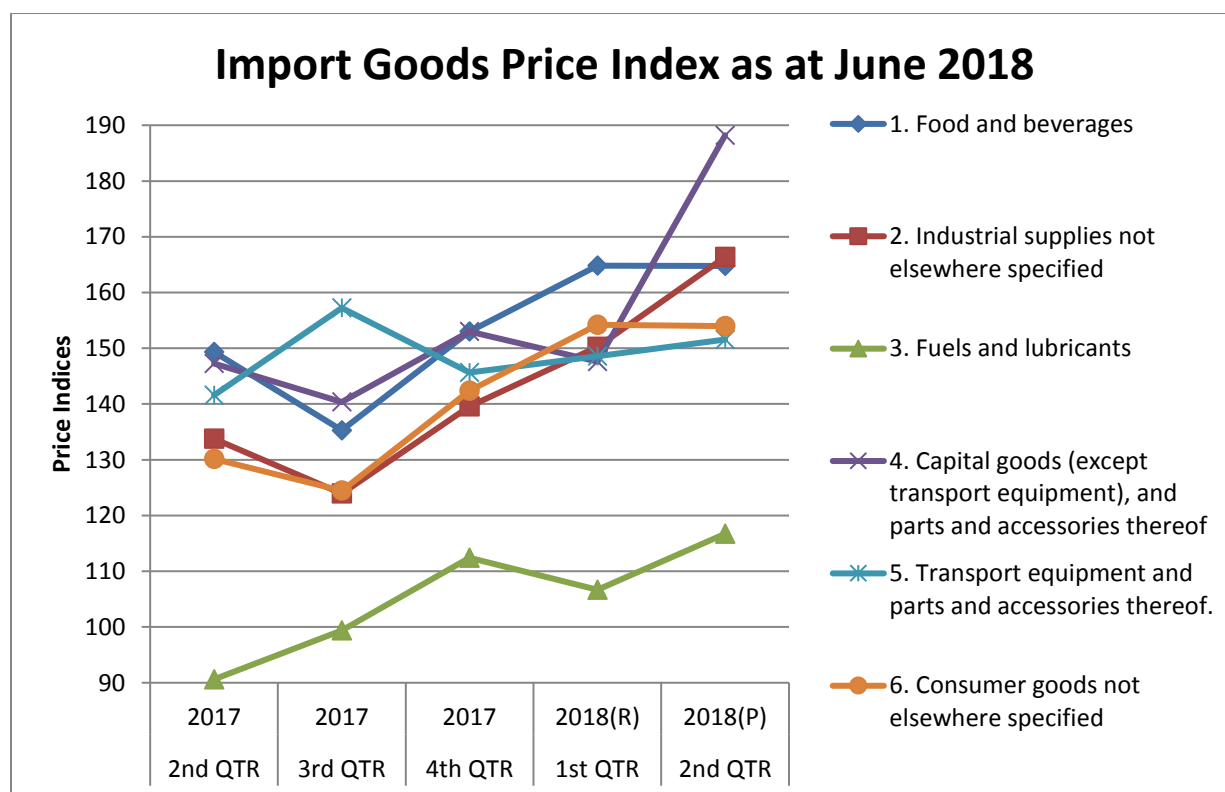
4th QTR 2007=100	2nd QTR 2017	3rd QTR 2017	4th QTR 2017	1st QTR 2018(R)	2nd QTR 2018(P)	2017	2nd QTR % Change	12 Month % Change
Export Goods	106.53	109.44	111.83	118.40	125.12	103.75	5.7	17.4
Import Goods	117.16	118.34	130.87	133.06	141.30	119.95	6.2	20.6
Terms of Trade	90.93	92.48	85.45	88.98	88.55	86.50	-0.5	-2.6

ANALYSIS OF EXPORT-IMPORT PRICE INDICES

Import Price Index for Goods

During the second quarter of 2018, Fuels and Lubricants and Capital Goods both increased by 9.4 percent and 27.5 percent respectively. Food and Beverages remained constant while Consumer Goods declined by 0.2 percent. In contrast, Transport Equipment and Industrial Supplies both recorded increases of 2.0 percent and 10.7 percent respectively.

However, for the 12 month period ending June 2018, Fuels and Lubricants prices increased by 28.8 percent while Capital Goods also increased by 27.8 percent. Industrial Supplies and Food and Beverages prices both recorded increases of 24.4 percent and 10.3 percent respectively. Similarly, Transport Equipment and Consumer Goods also posted increases of 7.0 percent and 18.3 percent respectively.

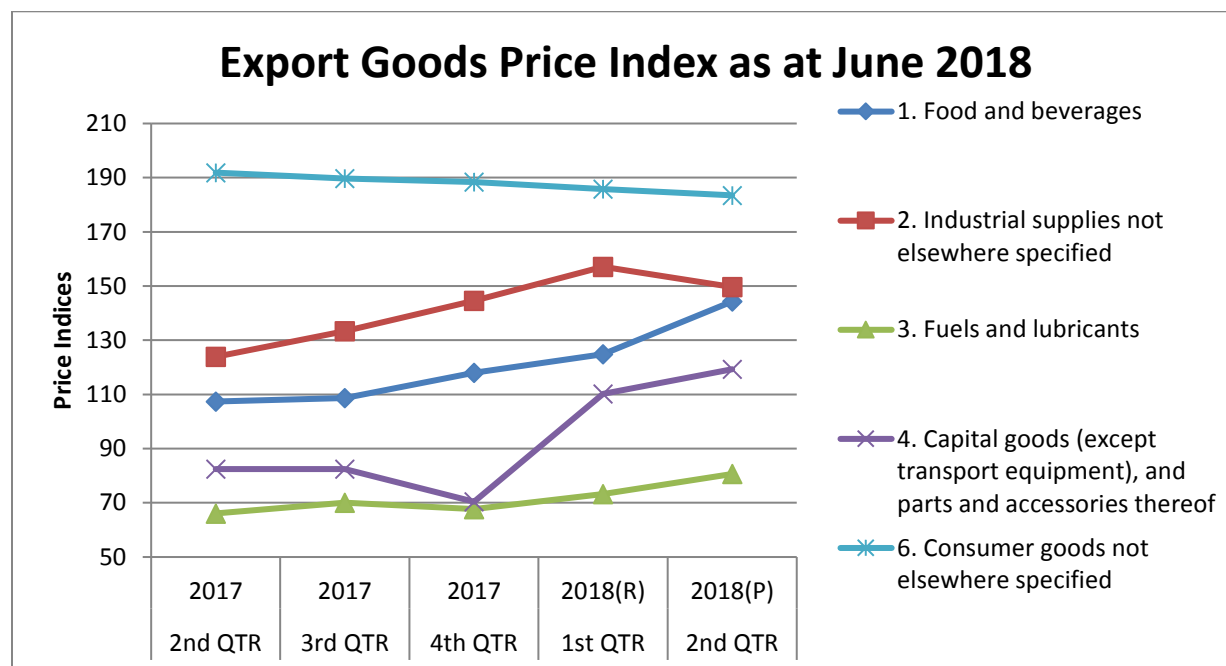


Export Price Index for Goods

During the second quarter of 2018, Fuels and Lubricants prices increased by 10.2 percent while Consumer Goods prices declined by 1.2 percent. Industrial Supplies decreased by 4.8 percent while Food and Beverages prices increased by 15.5 percent. Capital Goods prices increased by 8.2 percent.

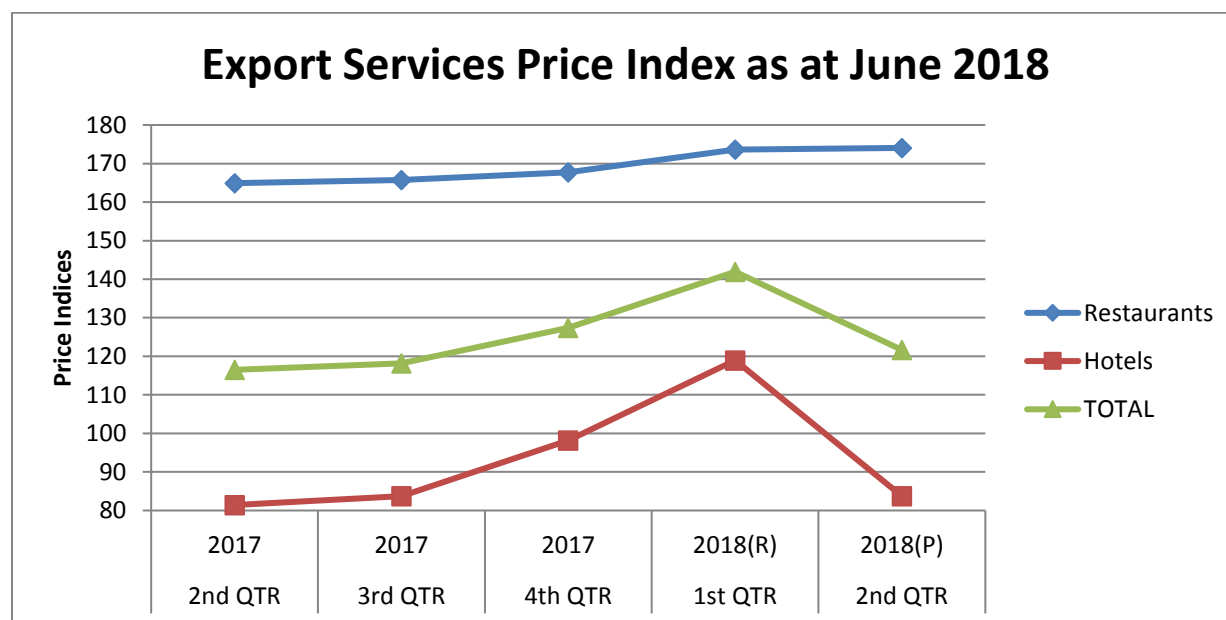
However, for the 12 month period ending June 2018, Fuels and Lubricants prices increased by 22.0 percent while Consumer Goods prices declined by 4.4 percent. Capital Goods prices increased

by 44.6 percent. Similarly, Industrial Supplies and Foods and Beverages recorded increases of 20.8 percent and 34.4 percent respectively.



Export Price Index for Services

Export travel services decreased by 14.3 percent for the quarter as restaurant prices increased by 0.2 percent while hotel prices declined by 29.7 percent. However, during the 12 month period ending June 2018, hotel prices increased by 2.8 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 2017	3rd QTR 2017	4th QTR 2017	1st QTR 2018(R)	2nd QTR 2018(P)	2017	2nd QTR % Change	12 Month % Change
1. Food and beverages	107.40	108.73	118.06	124.91	144.31	109.57	15.5	34.4
2. Industrial supplies not elsewhere specified	123.90	133.33	144.61	157.11	149.63	129.36	-4.8	20.8
3. Fuels and lubricants	66.09	70.02	67.64	73.20	80.65	60.26	10.2	22.0
4. Capital goods (except transport equipment), and parts and accessories thereof	82.50	82.50	70.40	110.24	119.30	79.48	8.2	44.6
5. Transport equipment and parts and accessories thereof.	--	--	--	--	--	--	--	--
6. Consumer goods not elsewhere specified	191.87	189.70	188.35	185.79	183.48	182.13	-1.2	-4.4
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
TOTAL	106.53	109.44	111.83	118.40	125.12	103.75	5.7	17.4

EXPORT SERVICES PRICE INDEX

Travel 4th QTR 2007=100	2nd QTR 2017	3rd QTR 2017	4th QTR 2017	1st QTR 2018(R)	2nd QTR 2018(P)	2017	2nd QTR % Change	12 Month % Change
Restaurants	164.91	165.75	167.75	173.64	174.05	165.11	0.2	5.5
Hotels	81.42	83.71	98.14	118.95	83.68	96.42	-29.7	2.8
TOTAL	116.49	118.17	127.38	141.92	121.64	125.27	-14.3	4.4

IMPORT GOODS PRICE INDEX

B.E.C. Imports 4th QTR 2007=100	2nd QTR 2017	3rd QTR 2017	4th QTR 2017	1st QTR 2018(R)	2nd QTR 2018(P)	2017	2nd QTR % Change	12 Month % Change
1. Food and beverages	149.30	135.29	153.01	164.81	164.75	146.07	0.0	10.3
2. Industrial supplies not elsewhere specified	133.76	123.93	139.56	150.24	166.37	131.68	10.7	24.4
3. Fuels and lubricants	90.61	99.38	112.42	106.66	116.72	96.38	9.4	28.8
4. Capital goods (except transport equipment), and parts and accessories thereof	147.27	140.36	153.02	147.58	188.20	145.82	27.5	27.8
5. Transport equipment and parts and accessories thereof.	141.58	157.23	145.63	148.56	151.55	146.03	2.0	7.0
6. Consumer goods not elsewhere specified	130.14	124.44	142.35	154.21	153.95	132.86	-0.2	18.3
7. Goods not elsewhere specified	--	--	--	--	--	--	--	--
TOTAL	117.16	118.34	130.87	133.06	141.30	119.95	6.2	20.6

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.