

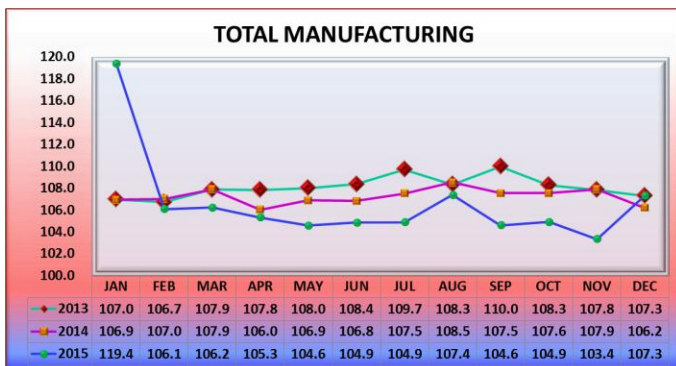
# PRODUCER PRICE INDEX (MANUFACTURING)

## DECEMBER 2015

The **Producer Price Index**<sup>1</sup> (PPI) measures the average change over time in the prices of goods and services produced by businesses as they leave the producer (i.e. Manufacturer). PPIs can be used to provide better deflators for national accounts and estimating Gross Domestic Product (GDP). The measurement is related to a fixed period, which is referred to as the base-period. The base-period is May 2011 and can be expressed as May 2011 =100. The indicators are obtained from a selected number of establishments, representative of each industry group. The source of the data for the Index is the monthly *Survey of Producer Prices*.

### Performance of the Producer Price Index

The **Producer Price Index (Manufacturing)** for December 2015 recorded an increase of **3.8%** when compared to November 2015.



The index for Beverages recorded an increase of **30.9%**, while decreases were recorded in the indices for Other Non-metallic Mineral Products (**6.2%**); Other Manufacturing (**3.9%**); Petroleum and Chemical Products (**0.9%**) and Fabricated Metal Products, except Machinery and Equipment (**0.5%**).

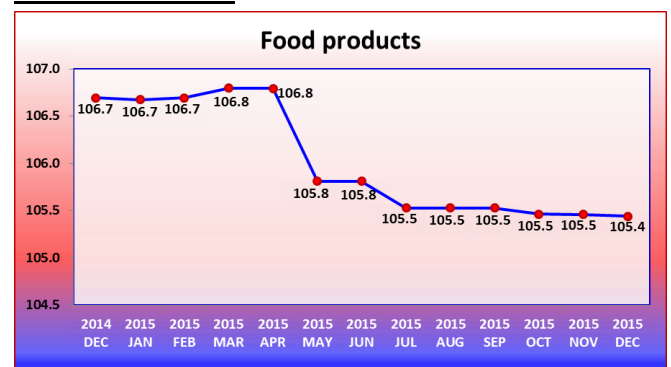
Five industries index values remained unchanged from November 2015 to December 2015. These industries are: Food Products; Wearing Apparel; Printing and Reproduction of Recorded Media; Rubber and Plastics Products and Furniture.

The year-on-year comparison of the PPI registered a slight increase of **0.2%**. This increase was due to

rises in the indices for Beverages (**31.1%**) and Wearing Apparel (**1.6%**). Decreases were recorded for Other Non-metallic Mineral Products (**17.2%**); Petroleum and Chemical Products (**9.9%**); Rubber and Plastics Products (**9.3%**); Fabricated Metal Products, except Machinery and Equipment (**8.4%**); Furniture (**7.3%**); Other Manufacturing (**6.5%**) and Food Products (**1.2%**).

Printing and Reproduction of Recorded Media remained unchanged for December 2015 when compared to December 2014.

### Performance of selected major industries: Food Production



The index for the Food Production sector remained unchanged in December 2015 from November 2015. There was however a decline in the sub-group index of Processing and preserving of fish, crustaceans and molluscs (**0.8%**).

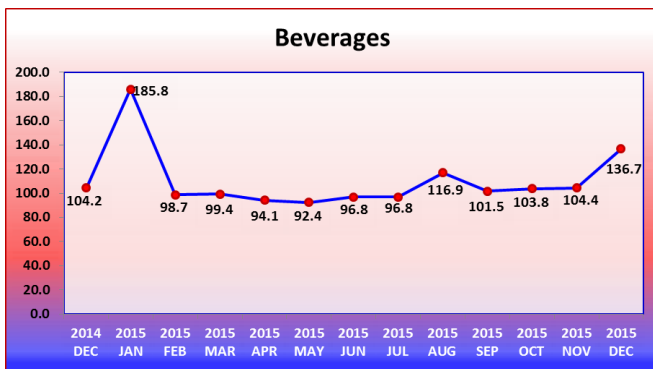
<sup>1</sup>A detailed methodology on the Producer Price Index is available on our website: [http://www.barstats.gov.bb/files/documents/Producer\\_Price\\_Index\\_Manufacturing\\_Methodology.pdf](http://www.barstats.gov.bb/files/documents/Producer_Price_Index_Manufacturing_Methodology.pdf)

<sup>2</sup>“Other manufacturing industries” in this Index is a combination of ISIC Rev. 4 groups 16, 26 and 27. 16- Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials 26-Manufacture of paper and paper products 27-Manufacture of electrical equipment

A comparison of the indices for December 2015 and December 2014 showed a decline of **1.2%**. The sub-group indices for Sugar (**21.9%**); Prepared animal feeds (**8.2%**) and Processing and preserving of meat (**0.3%**) continue to be the main contributors to this decline. Despite the overall decrease in the index for the Food Production sector, there were increases in the sub-group indices for Processing and preserving of fish, crustaceans and molluscs (**6.9%**) and Other food products n.e.c. (**0.3%**).

### Beverages

The Beverages index for December 2015 made a notable increase of **30.9%**, when compared to the index for November 2015.

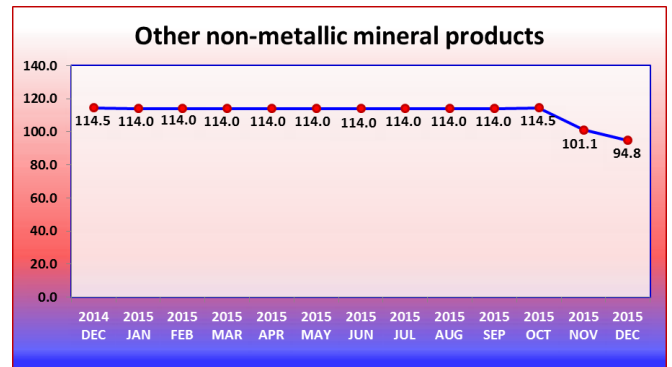


This increase can be attributed to a **64.1%** rise in the sub-group index for Distilling, rectifying and blending of spirits.

The year-on-year index for December 2015 recorded an increase of **31.1%**. The sub-group indices for Distilling, rectifying and blending of spirits (**44.9%**) and Soft drinks: production of mineral waters and other bottled waters (**26.6%**) contributed to the increase of the index.

### Other Non-Metallic Mineral Products

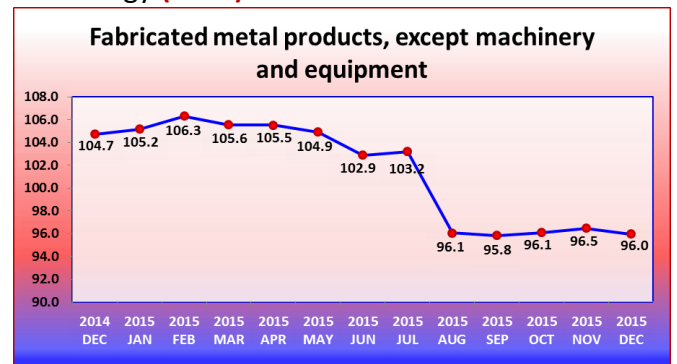
The index for the Other Non-Metallic Mineral Products sector significantly fell in December 2015 (**6.2%**), over the previous month November. This decline can be attributed to a decrease in the sub-group indices for Cement, lime and plaster (**15.6%**) and Articles of concrete, cement and plaster (**0.7%**).



The comparison of the prices for December 2015 and December 2014, in this sector recorded a decrease of **17.2%**. This decrease can be attributed to a drop in the sub-group indices for Cement, lime and plaster (**37.8%**) and Articles of concrete, cement and plaster (**0.7%**).

### Fabricated Metal Products, except machinery and equipment

A decrease of **0.5%** was recorded for the index of Fabricated Metal Products, except machinery and equipment in December 2015, when compared to the previous month. This decline is due to the fall in the subgroup index for Forging, pressing, stamping, and roll-forming of metal; powder metallurgy (**1.2%**).



In December 2015 the year-on-year index for Fabricated Metal Products, except machinery and equipment fell by **8.4%**. This was reflected in the sub-group indices for Structural Metal Products (**14.1%**) and Forging, pressing, stamping, and roll-forming of metal; powder metallurgy (**7.8%**). Other fabricated metal products n.e.c. recorded an increase of **10.0%**.

<sup>1</sup>A detailed methodology on the Producer Price Index is available on our website: [http://www.barstats.gov.bb/files/documents/Producer\\_Price\\_Index\\_Manufacturing\\_Methodology.pdf](http://www.barstats.gov.bb/files/documents/Producer_Price_Index_Manufacturing_Methodology.pdf)

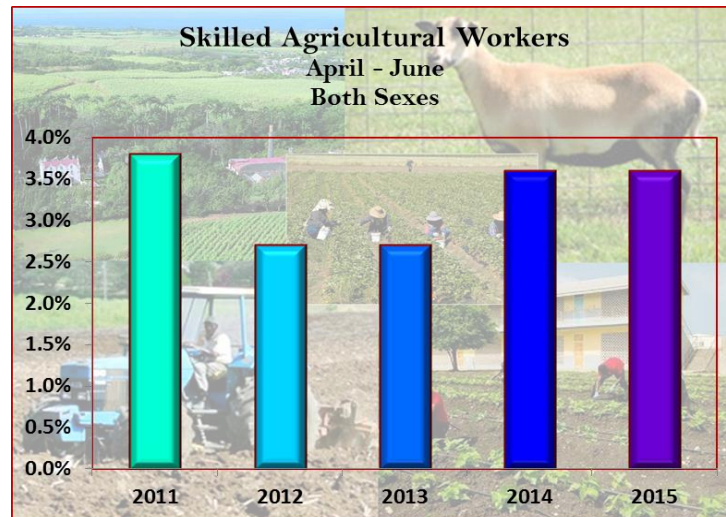
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**PRODUCER PRICE INDEX**  
(May 2011=100)  
December 2015

Table 1A: PPI (Manufacturing) by Industry for the period December 2014 to December 2015 and 2015 annual average.

INDUSTRY	ISIC REV. 4	WEIGHTS	2015 JAN	2015 FEB	2015 MAR	2015 APR	2015 MAY	2015 JUN	2015 JUL	2015 AUG	2015 SEP	2015 OCT	2015 NOV	2015 DEC	2014 DEC	2015 ANNUAL
Food Products	10	50.1	106.7	106.7	106.8	106.8	105.8	105.8	105.5	105.5	105.5	105.5	105.5	105.4	106.7	106.0
Beverages	11	15.1	185.8	98.7	99.4	94.1	92.4	96.8	96.8	116.9	101.5	103.8	104.4	136.7	104.2	110.6
Wearing Apparel	14	0.7	108.4	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	108.4	110.0
Printing and Reproduction of Recorded Media	18	2.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6	109.6
Petroleum and Chemical Products	19,20	5.1	111.5	103.7	104.0	102.5	103.0	102.3	105.5	105.7	99.7	99.4	98.7	97.8	108.6	102.8
Rubber and Plastics Products	22	1.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	90.7	90.7	100.0	97.7
Other Non-metallic Mineral Products	23	11.5	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.5	101.1	94.8	114.5	111.4
Fabricated Metal Products, except Machinery and Equipment	25	10.0	105.2	106.3	105.6	105.5	104.9	102.9	103.2	96.1	95.8	96.1	96.5	96.0	104.7	101.2
Furniture	31	1.7	103.5	103.5	103.5	103.5	103.5	96.3	96.3	96.3	96.3	96.3	95.9	95.9	103.5	99.2
Other Manufacturing	16,26,27	1.8	101.6	107.9	109.3	108.5	109.8	108.9	107.5	116.9	110.0	114.4	108.0	103.8	111.0	108.9
<b>TOTAL MANUFACTURING</b>	<b>10 - 31</b>	<b>100.0</b>	<b>119.4</b>	<b>106.1</b>	<b>106.2</b>	<b>105.3</b>	<b>104.6</b>	<b>104.9</b>	<b>104.9</b>	<b>107.4</b>	<b>104.6</b>	<b>104.9</b>	<b>103.4<sup>R</sup></b>	<b>107.3</b>	<b>107.1</b>	<b>106.6</b>

R – Revised



**DID YOU KNOW ...?**

After making a 0.9% rise in 2014, the percentage of skilled agricultural workers remained steady in 2015 at **3.6%** of the Labour Force.

Source: Barbados Statistical Service  
Continuous Household Labour Force Survey

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**PRODUCER PRICE INDEX**  
(May 2011=100)  
December 2015

Table 1B: PPI (Manufacturing) Comparison of December 2015 to November 2015 and December 2014.

INDUSTRY	ISIC REV. 4	WEIGHTS	2015 DEC	2015 NOV	CHANGE		2015 DEC	2014 DEC	CHANGE	
					POINTS	%			POINTS	%
Food Products	10	50.1	105.4	105.5	0.0	0.0	105.4	106.7	-1.3	-1.2
Beverages	11	15.1	136.7	104.4	32.2	30.9	136.7	104.2	32.4	31.1
Wearing Apparel	14	0.7	110.1	110.1	0.0	0.0	110.1	108.4	1.7	1.6
Printing and Reproduction of Recorded Media	18	2.6	109.6	109.6	0.0	0.0	109.6	109.6	0.0	0.0
Petroleum and Chemical Products	19,20	5.1	97.8	98.7	-0.9	-0.9	97.8	108.6	-10.8	-9.9
Rubber and Plastics Products	22	1.5	90.7	90.7	0.0	0.0	90.7	100.0	-9.3	-9.3
Other Non-metallic Mineral Products	23	11.5	94.8	101.1	-6.3	-6.2	94.8	114.5	-19.7	-17.2
Fabricated Metal Products, except Machinery and	25	10.0	96.0	96.5	-0.5	-0.5	96.0	104.7	-8.8	-8.4
Furniture	31	1.7	95.9	95.9	0.0	0.0	95.9	103.5	-7.5	-7.3
Other Manufacturing	16,26,27	1.8	103.8	108.0	-4.2	-3.9	103.8	111.0	-7.2	-6.5
<b>TOTAL MANUFACTURING</b>	<b>10 - 31</b>	<b>100.0</b>	<b>107.3</b>	<b>103.4</b>	<b>4.0</b>	<b>3.8</b>	<b>107.3</b>	<b>107.1</b>	<b>0.2</b>	<b>0.2</b>

NOTE: Any errors are due to rounding of decimal places.

*The BSS wishes to  
acknowledge the  
cooperation of the  
business community in  
supplying the required  
data.*

<sup>1</sup>A detailed methodology on the Producer Price Index is available on our website: [http://www.barstats.gov.bb/files/documents/Producer\\_Price\\_Index\\_Manufacturing\\_Methodology.pdf](http://www.barstats.gov.bb/files/documents/Producer_Price_Index_Manufacturing_Methodology.pdf)

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