

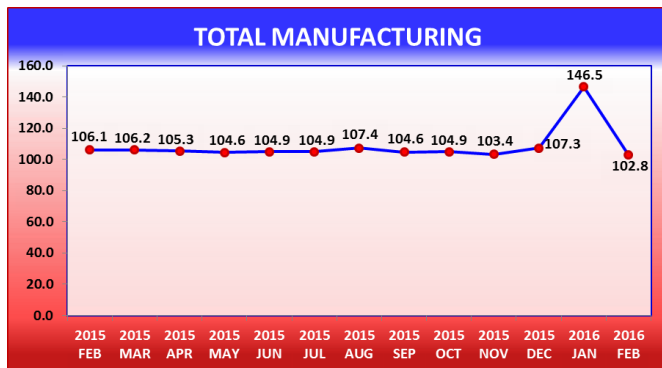
PRODUCER PRICE INDEX (MANUFACTURING)

FEBRUARY 2016

The **Producer Price Index**¹ (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 February 2016 decrease by **29.8%** when compared to January 2016.



The main elements of this decrease are the index for Beverages (**74.7%**); Other Manufacturing (**11.5%**) and Other Non-metallic Mineral Products (**1.2%**). Increases were recorded in the indices for Food Products (**0.6%**); Fabricated Metal Products, except Machinery and Equipment (**0.3%**) and Petroleum and Chemical Products (**0.1%**).

The indices for four industries remained unchanged from January 2016 to February 2016. These industries are: Wearing Apparel; Printing and Reproduction of Recorded Media; Rubber and Plastics Products and Furniture.

The year-on-year comparison of the PPI registered a decrease of **3.1%**. This decrease can be attributed

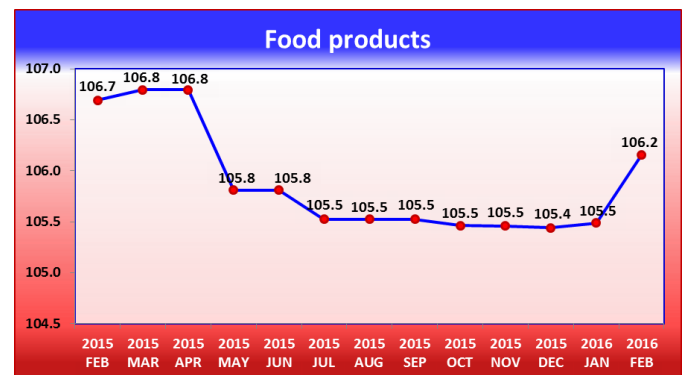
to falls in the indices of Other Non-metallic Mineral Products (**18.3%**); Fabricated Metal Products, except Machinery and Equipment (**10.6%**); Rubber and Plastics Products (**9.3%**); Furniture (**7.3%**); Beverages (**1.1%**); Food Products (**0.5%**) and Petroleum and Chemical Products (**0.2%**). The index for Other Manufacturing recorded an increase of **49.8%**.

The indices unchanged in January 2016 are Wearing Apparel and Printing and Reproduction of Recorded Media.

Performance of selected major industries:

Food Production

The index for the Food Production sector made an increase of **0.6%**, in February 2016 from January 2016. There were increases in the sub-group indices of Dairy Products (**6.7%**) and Processing and preserving of fish, crustaceans and molluscs (**1.9%**).



¹A detailed methodology on the Producer Price Index is available on our website:

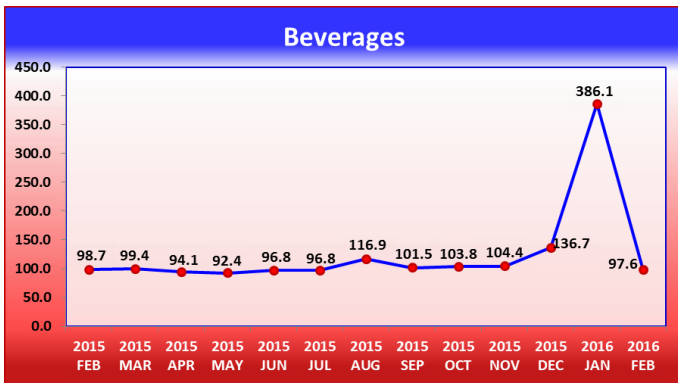
http://www.barstats.gov.bb/files/documents/Producer_Price_Index_Manufacturing_Methodology.pdf

²“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

The index for February 2016 fell by **0.5%** under the index for January 2016. The sub-group indices for Sugar (**21.9%**) and Prepared animal feeds (**8.2%**) are the main contributors to this decline. Despite the overall drop in the index of Food Production, increases were recorded in the sub-group indices for Processing and preserving of fish, crustaceans and molluscs (**7.8%**); Dairy Products (**6.7%**) and Other food products n.e.c. (**0.3%**).

Beverages

The Beverages index for February 2016 made a noticeable decrease of **74.7%**, in contrast to the index for January 2016. This can be attributed to the sub-group index for Distilling, rectifying and blending of spirits which recorded a significant decrease of **86.9%**.

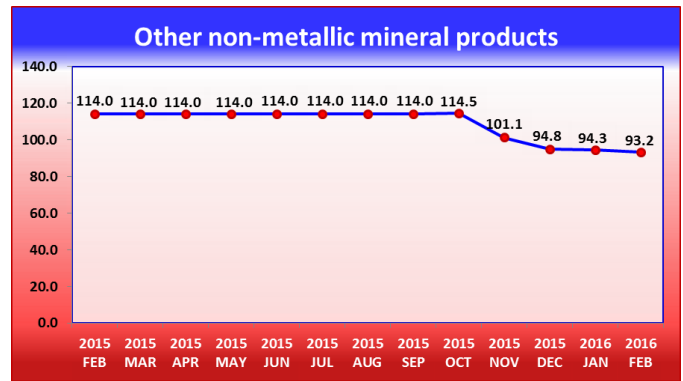


The year-on-year index for February 2016 recorded a far smaller decrease of **1.1%**. The sub-group index for Distilling, rectifying and blending of spirits (**15.4%**) contributed heavily to this decrease. Soft drinks: production of mineral waters and other bottled waters increased by **26.6%**.

Other Non-Metallic Mineral Products

In February 2016 the index for Other Non-Metallic Mineral Products sector decreased by **1.2%**, over the previous month January. A **1.7%** decrease in the sub-group index for Articles of concrete, cement and plaster was the main contributor of the decline.

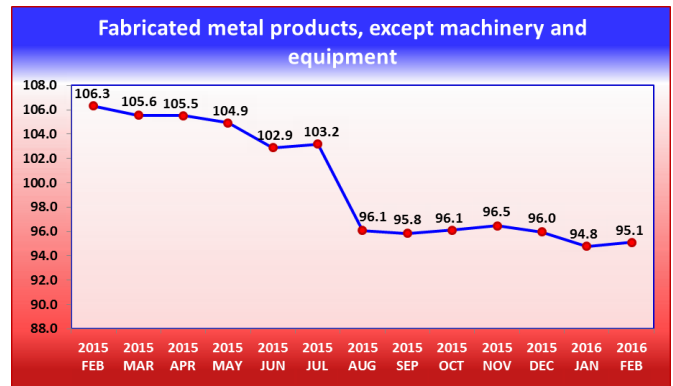
The comparison of the prices for February 2016 and February 2015, in this sector showed a



decrease of **18.3%**. This fall can be credited to a decline in the sub-group indices for Cement, lime and plaster (**37.8%**) and Articles of concrete, cement and plaster (**2.5%**).

Fabricated Metal Products, except machinery and equipment

Fabricated Metal Products, except machinery and equipment recorded an increase of **0.3%** in the index of February 2016, when compared to the previous month. This rise is due to a **0.8%** increase in the subgroup index for Forging, pressing, stamping, and roll-forming of metal; powder metallurgy.



In February 2016 the year-on-year index for Fabricated Metal Products, except machinery and equipment dropped by **10.6%**. 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 (**13.5%**). An increase was recorded for Other fabricated metal products n.e.c. (**9.9%**).

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(May 2011=100)
February 2016

Table 1A: PPI (Manufacturing) by Industry for the period February 2015 to February 2016.

INDUSTRY	ISIC REV. 4	WEIGHTS	2016 JAN	2016 FEB	2015 FEB	2015 MAR	2015 APR	2015 MAY	2015 JUN	2015 JUL	2015 AUG	2015 SEP	2015 OCT	2015 NOV	2015 DEC
Food Products	10	50.1	105.5	106.2	106.7	106.8	106.8	105.8	105.8	105.5	105.5	105.5	105.5	105.5	105.4
Beverages	11	15.1	386.1	97.6	98.7	99.4	94.1	92.4	96.8	96.8	116.9	101.5	103.8	104.4	136.7
Wearing Apparel	14	0.7	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1
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
Petroleum and Chemical Products	19,20	5.1	103.3	103.5	103.7	104.0	102.5	103.0	102.3	105.5	105.7	99.7	99.4	98.7	97.8
Rubber and Plastics Products	22	1.5	90.7	90.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	90.7	90.7	90.7
Other Non-metallic Mineral Products	23	11.5	94.3	93.2	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.0	114.5	101.1	94.8
Fabricated Metal Products, except Machinery and Equipment	25	10.0	94.8	95.1	106.3	105.6	105.5	104.9	102.9	103.2	96.1	95.8	96.1	96.5	96.0
Furniture	31	1.7	95.9	95.9	103.5	103.5	103.5	103.5	96.3	96.3	96.3	96.3	96.3	95.9	95.9
Other Manufacturing	16,26,27	1.8	182.8	161.7	107.9	109.3	108.5	109.8	108.9	107.5	116.9	110.0	114.4	108.0	103.8
TOTAL MANUFACTURING	10 - 31	100.0	146.5	102.8	106.1	106.2	105.3	104.6	104.9	104.9	107.4	104.6	104.9	103.4	107.3



DID YOU KNOW ... ?

The number of cruise ships arriving in Barbados is at its highest between November and April.

Source: Barbados Statistical Service
Tourist Arrivals for January to September (2011 -2015)

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Table 1B: PPI (Manufacturing) Comparison of February 2016 to January 2016 and February 2015.

INDUSTRY	ISIC REV. 4	WEIGHTS	2016 FEB	2016 JAN	CHANGE		2016 FEB	2015 FEB	CHANGE	
					POINTS	%			POINTS	%
Food Products	10	50.1	106.2	105.5	0.7	0.6	106.2	106.7	-0.5	-0.5
Beverages	11	15.1	97.6	386.1	-288.5	-74.7	97.6	98.7	-1.1	-1.1
Wearing Apparel	14	0.7	110.1	110.1	0.0	0.0	110.1	110.1	0.0	0.0
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	103.5	103.3	0.1	0.1	103.5	103.7	-0.2	-0.2
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	93.2	94.3	-1.1	-1.2	93.2	114.0	-20.8	-18.3
Fabricated Metal Products, except Machinery and Furniture	25	10.0	95.1	94.8	0.3	0.3	95.1	106.3	-11.2	-10.6
Other Manufacturing	31	1.7	95.9	95.9	0.0	0.0	95.9	103.5	-7.5	-7.3
	16,26,27	1.8	161.7	182.8	-21.1	-11.5	161.7	107.9	53.8	49.8
TOTAL MANUFACTURING	10 - 31	100.0	102.8	146.5	-43.7	-29.8	102.8	106.1	-3.3	-3.1

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.*

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