

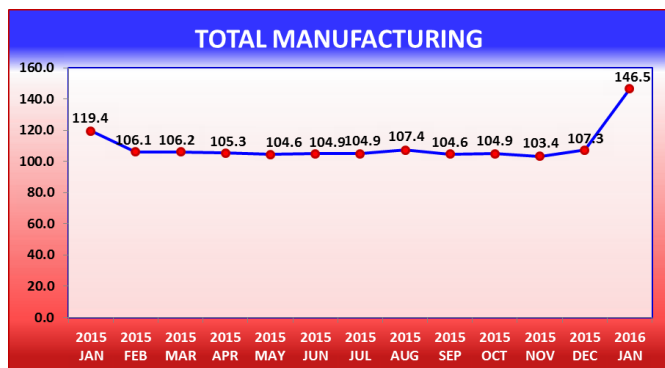
PRODUCER PRICE INDEX (MANUFACTURING)

JANUARY 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 January 2016 recorded a significant increase of **36.5%** when compared to December 2015.



A major contributor to this increase is the index for Beverages (**182.4%**). Other Indices recording increases are Other Manufacturing (**76.1%**) and Petroleum and Chemical Products (**5.7%**). Decreases were recorded in the indices for Fabricated Metal Products, except Machinery and Equipment (**1.2%**) and Other Non-metallic Mineral Products (**0.5%**).

The indices for five industries remained unchanged from December 2015 to January 2016. 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 an increase of **22.7%**. This increase was due to

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

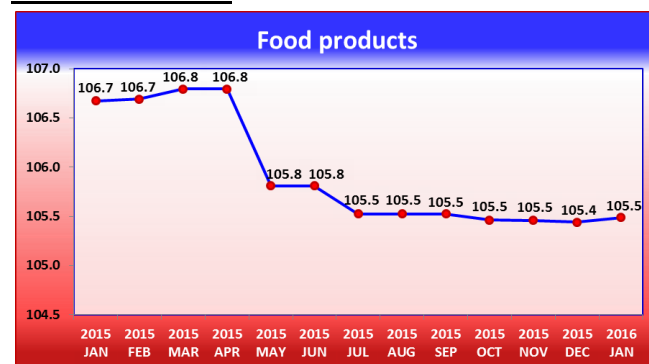
²“Other manufacturing industries” in this Index is a combination of ISIC Rev. 4 groups 16, 26 and 27. 16- Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials 26-Manufacture of paper and paper products 27-Manufacture of electrical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

major upsurges in the indices for Beverages (**107.8%**); Other Manufacturing (**80.0%**) and Wearing Apparel (**1.6%**). Decreases were recorded for Other Non-metallic Mineral Products (**17.3%**); Fabricated Metal Products, except Machinery and Equipment (**9.9%**); Rubber and Plastics Products (**9.3%**); Petroleum and Chemical Products (**7.3%**); Furniture (**7.3%**); and Food Products (**1.1%**).

Once again the index for Printing and Reproduction of Recorded Media remained unchanged for January 2016 when compared to January 2015.

Performance of selected major industries:

Food Production



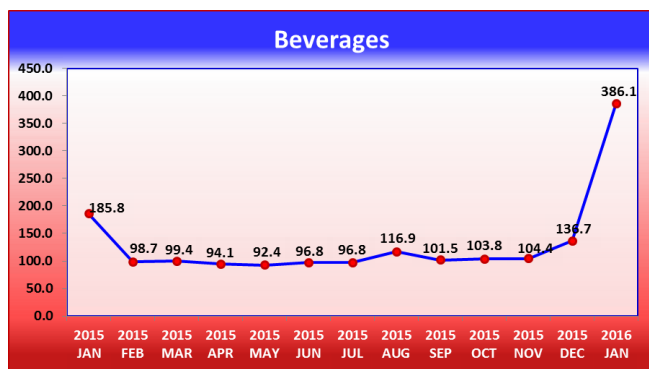
The index for the Food Production sector continued unchanged in January 2016 from December 2015. There was however a decline in the sub-group index of Processing and preserving of fish, crustaceans and molluscs (**1.2%**), while the

sub-group index of Processing and preserving of meat recorded a slight increase of **0.3%**.

A comparison of the indices for January 2016 and January 2015 showed a decline of **1.1%**. The sub-group indices for Sugar (**21.9%**) and Prepared animal feeds (**8.2%**) are the main contributors to this drop. Even though there was an overall decrease in the index for the Food Production sector, increases were recorded in the sub-group indices for Processing and preserving of fish, crustaceans and molluscs (**6.6%**) and Other food products n.e.c. (**0.3%**).

Beverages

The Beverages index for January 2016 made a notable increase of **182.4%**, when compared to the index for December 2015.



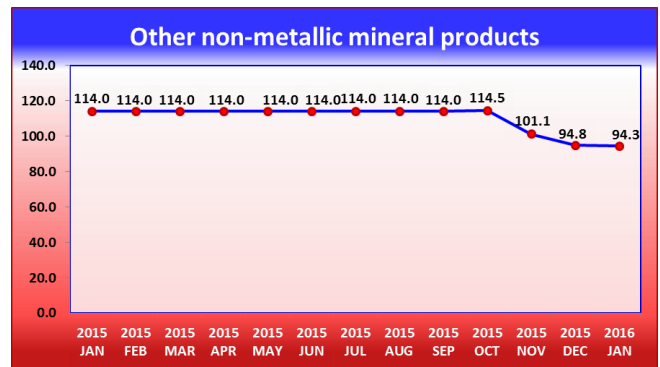
The sub-group index for Distilling, rectifying and blending of spirits recorded a high growth of **302.1%**, which was the main contributor of the increase.

The year-on-year index for January 2016 also recorded a notable increase of **107.8%**. The sub-group indices for Distilling, rectifying and blending of spirits (**139.6%**) 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

In January 2016 the index for Other Non-Metallic Mineral Products sector decreased by **0.5%**, over the previous month December. This decline can be attributed to a drop in the sub-group index for Articles of concrete, cement and plaster (**0.8%**).

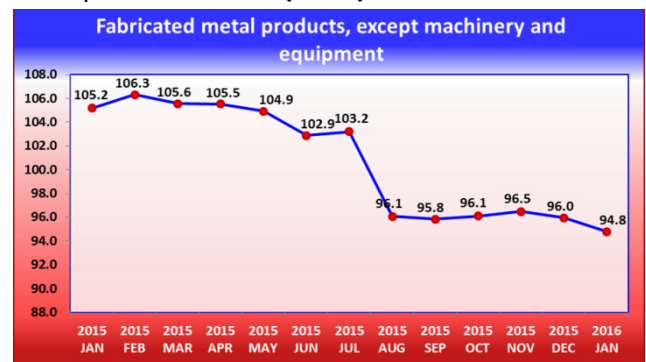
The comparison of the prices for January 2016 and January 2015, in this sector showed a decline of



17.3%. This decline can be attributed to a fall in the sub-group indices for Cement, lime and plaster (**37.8%**) and Articles of concrete, cement and plaster (**0.8%**).

Fabricated Metal Products, except machinery and equipment

A decrease of **1.2%** was recorded for the index of Fabricated Metal Products, except machinery and equipment in January 2016, 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 (**6.1%**). There was an increase in Other fabricated metal products n.e.c. (**9.9%**).



In January 2016 the year-on-year index for Fabricated Metal Products, except machinery and equipment declined by **9.9%**. 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 (**11.9%**). Other fabricated metal products n.e.c. also recorded an increase of **9.9%**.

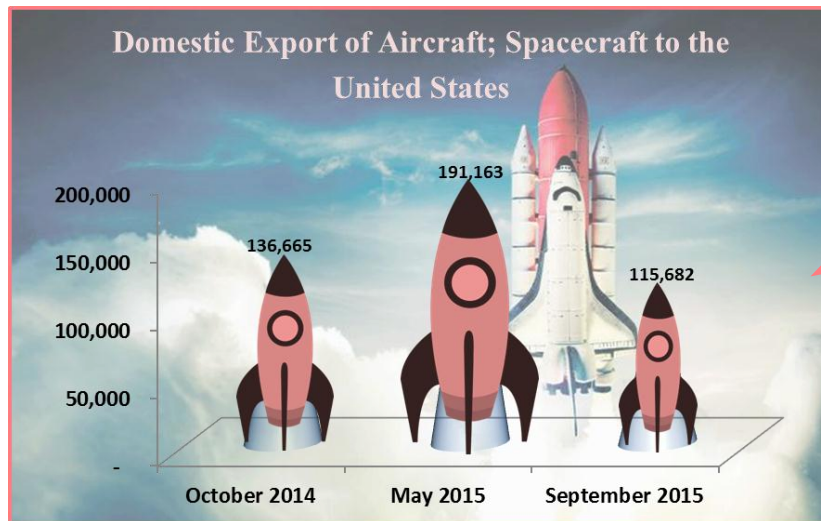
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(May 2011=100)
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Table 1A: PPI (Manufacturing) by Industry for the period January 2015 to January 2016.

INDUSTRY	ISIC REV. 4	WEIGHTS	2016 JAN	2015 JAN	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	106.7	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	185.8	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	108.4	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	111.5	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	100.0	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	114.0	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	105.2	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	103.5	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	101.6	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	119.4	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 ...?

Barbados is involved in the making of parts for aircrafts and spacecrafts?

Source: Barbados Statistical Service
Monthly Trade Bulletins
(October 2014, May 2015 and September 2015)

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(May 2011=100)
January 2016

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

INDUSTRY	ISIC REV. 4	WEIGHTS	2016 JAN	2015 DEC	CHANGE		2016 JAN	2015 JAN	CHANGE	
					POINTS	%			POINTS	%
Food Products	10	50.1	105.5	105.4	0.0	0.0	105.5	106.7	-1.2	-1.1
Beverages	11	15.1	386.1	136.7	249.4	182.4	386.1	185.8	200.2	107.8
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	103.3	97.8	5.5	5.7	103.3	111.5	-8.2	-7.3
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	94.3	94.8	-0.5	-0.5	94.3	114.0	-19.7	-17.3
Fabricated Metal Products, except Machinery and Furniture	25	10.0	94.8	96.0	-1.2	-1.2	94.8	105.2	-10.4	-9.9
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	182.8	103.8	79.0	76.1	182.8	101.6	81.2	80.0
TOTAL MANUFACTURING	10 - 31	100.0	146.5	107.3	39.2	36.5	146.5	119.4	27.1	22.7

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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