

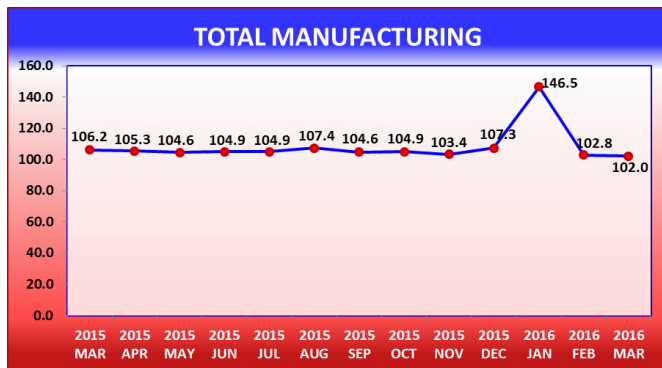
PRODUCER PRICE INDEX (MANUFACTURING)

MARCH 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 March 2016 recorded a small decline of **0.8%** when compared to February 2016.



The chief components of this decline are the index for Other Manufacturing (**38.3%**); Petroleum and Chemical Products (**1.5%**) and Fabricated Metal Products, except Machinery and Equipment (**0.8%**). Increases were recorded in the indices for Beverages (**3.1%**) and Wearing Apparel (**1.3%**).

The indices for five industries remained unchanged from February 2016 to March 2016. These industries are: Food Products; Printing and Reproduction of Recorded Media; Rubber and Plastics Products; Other Non-metallic Mineral Products and Furniture.

The year-on-year comparison of the PPI registered a decrease of **3.9%**. This decrease can be attributed

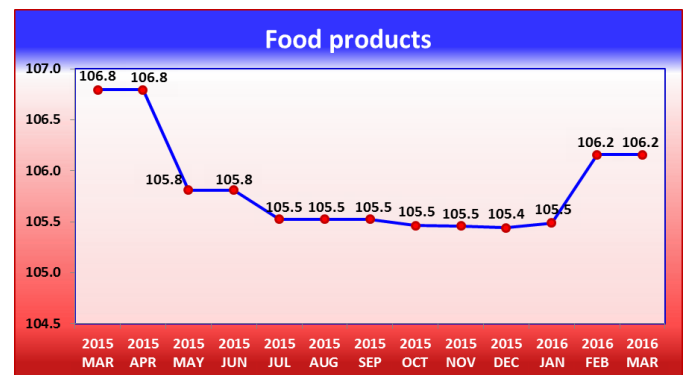
to falls in the indices of Other Non-metallic Mineral Products (**18.3%**); Fabricated Metal Products, except Machinery and Equipment (**10.7%**); Rubber and Plastics Products (**9.3%**); Other Manufacturing (**8.7%**); Furniture (**7.3%**); Petroleum and Chemical Products (**2.0%**) and Food Products (**0.6%**). Increases were recorded in the indices for Wearing Apparel of **1.3%** and Beverages (**1.2%**).

The index for Printing and Reproduction of Recorded Media remained unchanged in March 2016.

Performance of selected major industries:

Food Production

The index for the Food Production sector showed no change in March 2016 from February 2016.



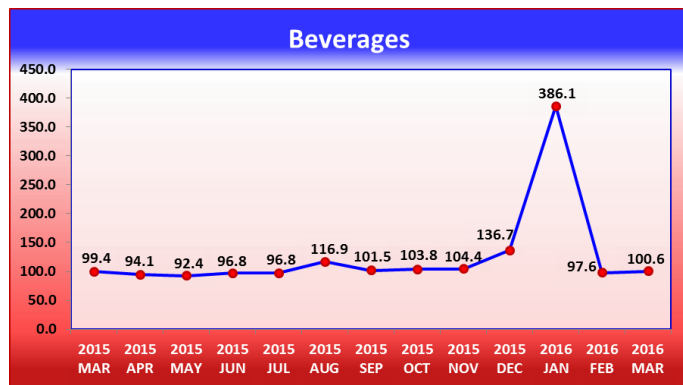
¹A detailed methodology on the Producer Price Index is available on our website: http://www.barstats.gov.bb/files/documents/Producer_Price_Index_Manufacturing_Methodology.pdf

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 year-on-year index for March 2016 fell by **0.6%** under the index for February 2016. This decline can be attributed to the sub-group indices for Sugar (**21.9%**) and Prepared animal feeds (**8.2%**). Although there was a decline in the index of Food Production, increases were recorded in the sub-group indices for Dairy Products (**6.7%**); Processing and preserving of fish, crustaceans and molluscs (**3.1%**) and Other food products n.e.c. (**0.3%**).

Beverages

The Beverages index increased in March 2016 by **3.1%**, over the index for February 2016. This can be attributed to the sub-group index for Distilling, rectifying and blending of spirits which recorded an increase of **6.9%**.



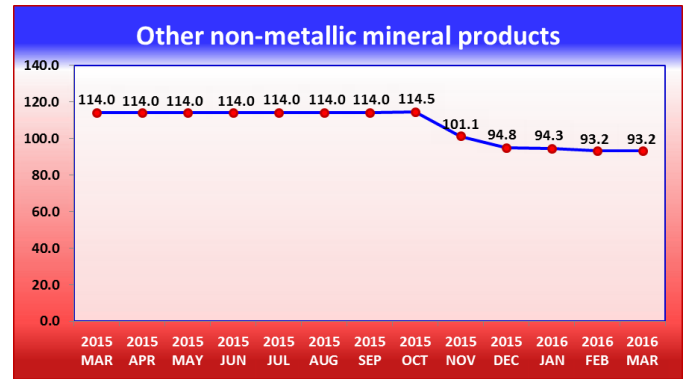
The year-on-year index for March 2016 recorded an increase of **1.2%**. The sub-group index for Soft drinks: production of mineral waters and other bottled waters was the main contributor, with an increase of **26.6%**. A decrease was recorded in the sub-group index for Distilling, rectifying and blending of spirits (**10.9%**).

Other Non-Metallic Mineral Products

The index for Other Non-Metallic Mineral Products remained unchanged from February 2016 to March 2016.

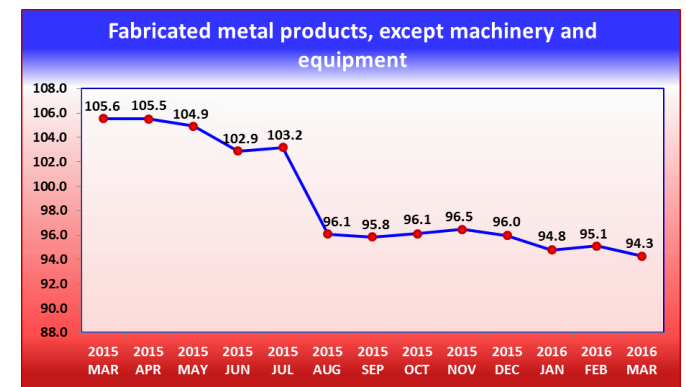
A decrease of **18.3%** was recorded for the March 2016 Index, when compared to the same month in 2015. This fall can be credited to a decline in the sub-group indices for Cement, lime and plaster

(**37.8%**) and Articles of concrete, cement and plaster (**2.5%**).



Fabricated Metal Products, except machinery and equipment

A comparison of the index of Fabricated Metal Products, except machinery and equipment showed a decrease of **0.8%** in March 2016, over the previous month. This decline is due to a **2.1%** fall in the subgroup index for Forging, pressing, stamping, and roll-forming of metal; powder metallurgy.



In March 2016 the year-on-year index for Fabricated Metal Products, except machinery and equipment recorded a decrease of **10.7%**. 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 (**13.9%**). An increase was recorded for Other fabricated metal products n.e.c. (**9.9%**).

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

INDUSTRY	ISIC REV. 4	WEIGHTS	2016 JAN	2016 FEB	2016 MAR	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	106.2	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	100.6	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	111.6	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	101.9	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	90.7	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	93.2	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	94.3	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	95.9	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	99.8	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	102.0	106.2	105.3	104.6	104.9	104.9	107.4	104.6	104.9	103.4	107.3



DID YOU KNOW ...?

There has been a gradual increase in the annual average of the Index for Alcoholic Beverages and Tobacco over the years 2010 to 2015.

Source: Barbados Statistical Service
Monthly Indices of Retail Prices for 2010 -2015

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

INDUSTRY	ISIC REV. 4	WEIGHTS	2016 MAR	2016 FEB	CHANGE		2016 MAR	2015 MAR	CHANGE	
					POINTS	%			POINTS	%
Food Products	10	50.1	106.2	106.2	0.0	0.0	106.2	106.8	-0.6	-0.6
Beverages	11	15.1	100.6	97.6	3.0	3.1	100.6	99.4	1.2	1.2
Wearing Apparel	14	0.7	111.6	110.1	1.4	1.3	111.6	110.1	1.4	1.3
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	101.9	103.5	-1.5	-1.5	101.9	104.0	-2.0	-2.0
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	93.2	0.0	0.0	93.2	114.0	-20.8	-18.3
Fabricated Metal Products, except Machinery and Furniture	25	10.0	94.3	95.1	-0.8	-0.8	94.3	105.6	-11.3	-10.7
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	99.8	161.7	-61.9	-38.3	99.8	109.3	-9.6	-8.7
TOTAL MANUFACTURING	10 - 31	100.0	102.0	102.8	-0.8	-0.8	102.0	106.2	-4.2	-3.9

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

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