The consumer price index (CPI) measures the price evolution for a basket of consumer goods and services that represents average consumption by private households in an economy.

The UNCTAD commodity price index is a Laspeyres index measuring the price of a bundle of main commodities exported by developing economies relative to the price in the base year 2000. The overall index can be additively decomposed into subindices of individual commodity groups.

The special drawing right is a basket of main currencies (United States dollar, euro, yuan, yen and pound sterling) regularly reviewed by the International Monetary Fund. Thus, changes in the value of the special drawing right result, as a weighted average, from changes in the basket of currencies included.

Economies that experienced noticeable inflation, as indicated by a growth in consumer prices of greater than 2 per cent, in 2016 comprised primarily transition economies as well as most developing economies in America, Africa (except Western Africa), Southern and Western Asia and Oceania. Inflation rates greater than 12 per cent were recorded for some economies, including Argentina, Kazakhstan, Ukraine, Venezuela and several African economies.

As in the previous year, 2016 was characterized by a depreciation of currencies for most main exporting economies, except Japan, relative to the United States dollar. The exchange rates of the pound sterling (down from 1.53 to 1.35) and the yuan (down from 0.16 to 0.15) to the dollar showed a particularly strong fall, whereas the value of the euro reduced only slightly from US$1.109 to US$1.106.
Commodities free-market prices

In 2016, free market prices of the main commodities exported by developing economies showed, on average, a moderate and steady month-on-month growth. As a result, in the second half of the year commodity prices were higher than the previous year, and in December the year-on-year growth rate reached 16 per cent. Thus, 2016 marked a trend reversal after years of decline. This can be expected to have a positive impact on the terms of trade for developing economies with a strong reliance on commodities exports.

Prices of the different commodity groups

Price increases across commodity groups were not synchronous. In the first half of 2016, the strongest growth was recorded in the prices of fuels and all food, particularly vegetable oilseeds and oils; in the second half of the year, prices increased mainly for minerals, ores and metals and agricultural raw materials. By contrast, prices for all food steadily fell during the second half of the year, driven by a fall in prices of food other than tropical beverages, vegetable oilseeds and vegetable oils.