



STATISTICAL RELEASE

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EXPORT AND IMPORT PRICE INDICES FOR THE QUARTER ENDING DECEMBER, 2021

Background notes

Definition

The Export and Import Price Indices (XMPI) are average measures of price changes of goods exported outside or imported into the country. The XMPI are used in various areas to do analysis such as Terms of Trade (ToT) which is the ratio of Export Price Index (XPI) to the Import Price Index (MPI).

The Export and Import Price Indices, which are compiled on a quarterly basis, covers both exports and imports of merchandise trade. These quarterly specification-based XMPI have been compiled and disseminated since the first quarter of 2013 up to the last quarter of 2017 with reference base period being the quarter ending March 2013. The updated XMPI has the fourth quarter of 2017 as the reference base period. The updated weights and the product sample for the XMPI used customs data for the years 2014 to 2016. Price collection for the updated XMPI was carried out during the period October-December 2017. This allowed for the compilation of the XMPI for the fourth quarter of 2017 using the new product and enterprise samples.

Weights and a reference period

The XMPI weights are based on values of imported and exported commodities for the period 2014 to 2016. A top-down approach was taken in the determination of the index structure, composition and the allocation of the weights. The aim was to maximize the indirect

representation of un-priced commodities in the index, through a chain of representation. The price reference period is the quarter ending December 2017.

Product Classification

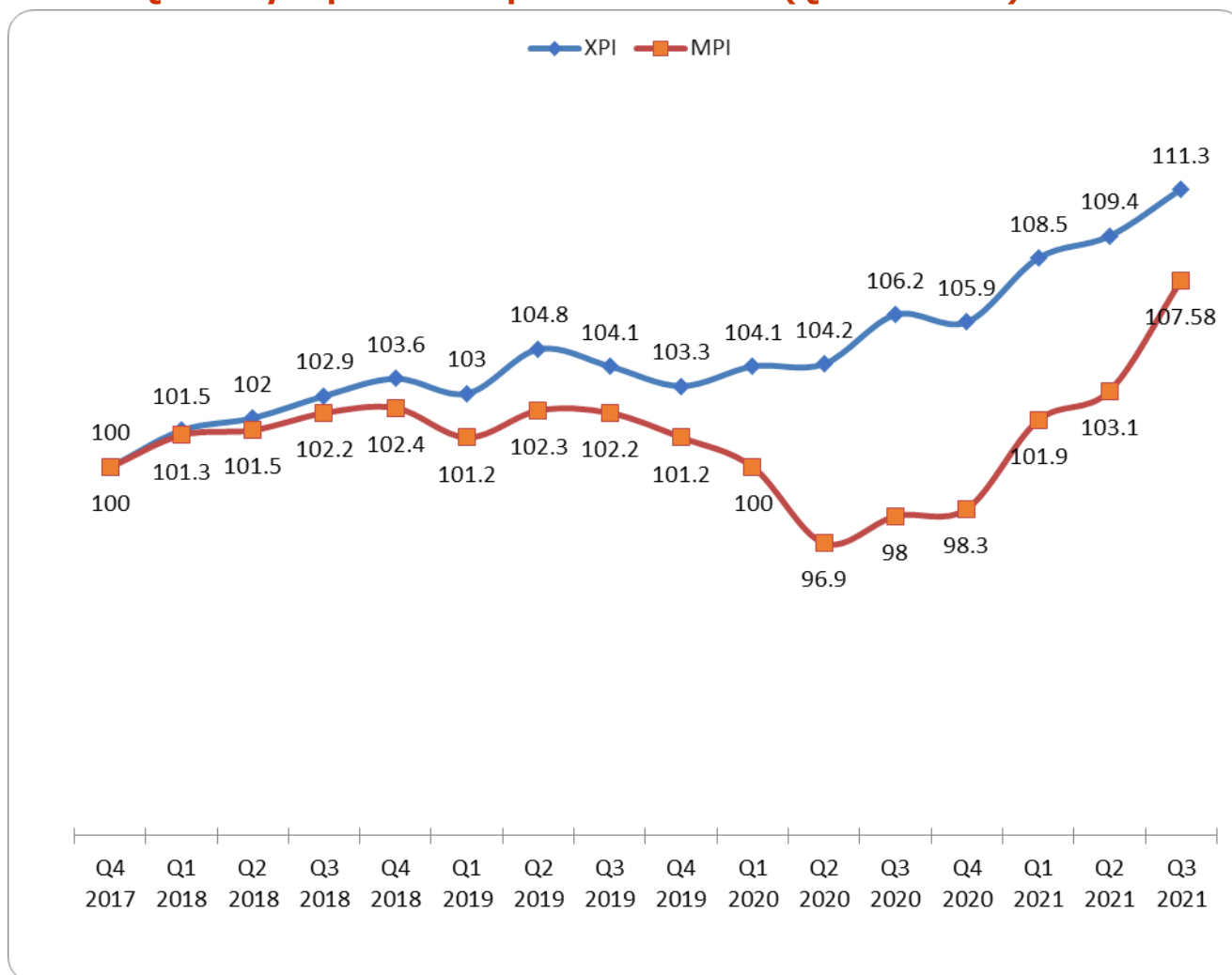
The products are classified according to the United Nations Harmonized Commodity Description and Coding System (HS). The HS is an international nomenclature for the classification of products.

Methodology

Selection of items: In the selection of items, a top - down procedure was applied in three steps. First, the major 2-digit HS chapters contributing to the total value of imports in terms of the sum of values for the year 2014 to 2016 were selected for direct inclusion in the indices. As a result, 14 chapters (2-digit HS codes) were selected for imports and 12 chapters for exports out of 99 chapters representing 80 percent or more depending on the degree of concentration. Secondly, the process was repeated at 4-digit level of HS; 73 items were selected for imports and 19 items were selected for exports. Finally, the procedure was repeated at the 8-digit level of the HS by selecting 178 items for imports and 23 items for exports. The result of these procedures was the derivation of the structure and composition of the indices.

The XMPI has incorporated a number of methodological improvements including the use of geometric means for compiling elementary index aggregates, the use of an improved index compilation system, and improved procedures for collecting and processing prices. The Laspeyres index formula was used to compute higher level aggregates for the XMPI. **Chart 1** depicts trends of XPI and MPI in the selected quarters.

Chart 1: Quarterly Export and Import Price Indices (Q4 2017=100)



Note: Q1=January-March, Q2=April-June, Q3=July-September, Q4=October-December

Export Price Index

Structure of the XPI

The XPI covers 12 chapters out of 99 chapters, namely; (i) Fish and crustacean, mollusk and other aquatic invertebrate, (ii) Edible vegetables and certain roots and tubers, (iii) Edible fruits and nuts, peel of citrus fruit or melons, (iv) Coffee, tea, mate and spices, (v) Oil seed, oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder, (vi) Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes, (vii) Residues & waste from the food industries; prepared animal fodder, (viii) Tobacco and manufactured tobacco substitutes, (ix) Cotton, (x) Wadding, felt & nonwoven; yarns; twine, cordage, etc, (xi) Glass and glassware and (xii) Natural/cultured pearls, precious stones and metals, coin, etc. The sample of twelve chapters constitute 80 percent of total value of exports, aggregated from 2014 to 2016.

Quarterly Export Price Index

The overall export price index during the fourth quarter of 2021 increased by 2.1 percent to 113.6 compared to 111.3 recorded in the third quarter. This development was largely attributed to the increase in world market prices of animal/vegetable fats and oil, cotton and sisal. Likewise, when compared to the corresponding quarter of 2020, the export price index increased by 7.3 percent (**Table 1**).

Table 1: Quarterly Export Price Indices by Chapter (Q4 2017= 100)

HS Code	Description	Weight	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	% Change Previous Quarter	% Change the same quarter last year
		100.0	105.9	108.5	109.4	111.3	113.6	2.1	7.3
03	Fish & crustacean, mollusk & other aquatic	6.2	95.0	97.8	111.8	111.9	111.7	-0.2	17.5
07	Edible vegetables and certain roots and tubers	11.4	109.3	107.0	106.3	111.7	112.2	-0.5	1.7
08	Edible fruit and nuts; peel of citrus fruit or melons	17.4	70.5	68.7	68.7	68.7	68.3	-0.7	-3.1
09	Coffee, tea, mate and spices	4.3	94.5	104.9	104.6	114.2	116.1	1.7	22.9
12	Oil seed, oleagi fruits; miscell grain, seed, fruit etc	4.2	136.7	136.7	126.2	130.1	129.9	-0.1	-4.9
15	Animal/veg fats & oil & their cleavage products; etc	7.4	109.7	107.9	107.9	112.5	129.7	15.3	18.2
23	Residues & waste from the food indust; prepr ani	6.2	100.2	104.8	108.8	112.2	104.8	-6.7	4.6
24	Tobacco and manufactured tobacco substitutes	5.9	105.5	104.3	104.5	102.6	102.4	-0.2	-3.0
52	Cotton	1.0	107.6	107.8	109.8	110.3	120.8	9.5	12.3
56	Wadding, felt & nonwoven; yarns; twine, cordage,	4.9	100.1	106.9	107.3	106.0	113.4	6.9	13.3
70	Glass and glassware	2.2	108.5	117.0	118.3	118.0	118.0	0.0	8.8
71	Natural/cultured pearls, prec stones & metals, coin	28.9	133.5	137.9	138.4	137.8	137.5	-0.2	3.0

Note: Q1=January-March, Q2=April-June, Q3=July-September, Q4=October-December

Sub-indices by Chapter

This section gives detailed analysis on the movements of export price indices by chapter:

Chapter 03: Fish and crustacean, mollusk and other aquatic invertebrate

The index for "Fish and crustacean, mollusk and other aquatic invertebrates" which account for 6.2 percent of the total weight, decreased marginally by 0.2 percent to 111.7 in the fourth quarter from 111.7 recorded in the third quarter of 2021. However, when compared to the corresponding quarter of 2020, the index increased by 17.5 percent.

Chapter 07: Edible vegetables and certain roots and tubers

This chapter contributed 11.4 percent of the total weight of the exported commodities. The index decreased slightly by 0.5 percent to 112.2 in the fourth quarter of 2021 from 112.7 registered in the previous quarter. In comparison with the same quarter in the previous year, the index increased by 1.7 percent.

Chapter 08: Edible fruits and nuts, peel of citrus fruit or melons

The export price index for “Edible fruits and nuts”, which accounts for 17.4 percent of the total weight, decreased marginally by 0.7 percent to 68.3 from 68.7 recorded in the third quarter of 2021. Similarly, when compared with the same quarter in the previous year, the index decreased by 3.1 percent.

Chapter 09: Coffee, tea, mate and spices

This chapter contributed 4.3 percent of the total weight of exported commodities. During the fourth quarter of 2021, the index for “coffee, tea, mate and spices” increased by 1.7 percent to 116.1 from 114.2 recorded in the previous quarter. The performance was largely explained by the increase in prices of coffee in the world market, attributed by weather-related production shortfalls in Brazil—the major producer of coffee in the world. Likewise, when compared to the corresponding quarter of 2020, the index increased by 22.9 percent.

Chapter 12: Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder

This chapter accounts for 4.2 percent of the total weight. During the fourth quarter of 2021, the index for “Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder” decreased slightly by 0.1 percent to 129.9 from 130.1 recorded in the third quarter of 2021. The same trend was observed in the corresponding quarter of 2020.

Chapter 15: Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes

The export price index for “Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes”, accounts for 7.4 percent of the total weight for exports. The index increased by 15.3 percent during the fourth quarter of 2021 to 129.7 from 112.5 registered in the previous quarter. The performance was largely attributed to elevated prices of cooking oil in the world market owing to rising global demand amid supply shortages. In comparison with the corresponding quarter of 2020, the index increased by 18.2 percent.

Chapter 23: Residues & waste from the food industries; prepared animal fodder

The export price index for "Residues & waste from the food industries; prepared animal fodder", which accounts for 6.2 percent of the total weight, decreased by 6.7 percent to 104.8 in the fourth quarter of 2021 from 112.2 recorded in the previous quarter. This development was due to reduced demand for certain animal fodder in the neighbouring countries. In contrast, when compared to the same quarter of 2020, the index increased by 4.6 percent.

Chapter 24: Tobacco and manufactured tobacco substitutes

This chapter accounts for 5.9 percent of the total weight. During the fourth quarter of 2021, the index decreased marginally by 0.2 percent to 102.4 from 102.6 recorded in the previous quarter. Likewise, when compared to a similar quarter of 2020, the index decreased by 3.0 percent.

Chapter 52: Cotton

During the fourth quarter of 2021 the export price index for "Cotton", which accounts for 1.0 percent of the total weight, increased significantly by 9.5 percent to 120.8 compared to 110.3 recorded in the third quarter of 2021. The increase in the index was supported by higher cotton prices in the world market owing to supply chain disruption and growing demand. Similarly, when compared with the same quarter in the preceding year, the index increased by 12.3 percent.

Chapter 56: Wadding, felt & nonwoven; yarns; twine, cordage, etc.

This chapter contributed 4.9 percent of the total weight of exported commodities. During the fourth quarter of 2021 "Wadding, felt & nonwoven; yarns; twine, cordage, etc" increased by 6.9 percent to 113.4 from 106.6 recorded in the previous quarter. The performance was mainly explained by improved demand. The same trend was observed in the same quarter of 2020.

Chapter 70: Glass and glassware

During the fourth quarter of 2021, the export price index for "Glass and glassware", which accounts for 2.2 percent of the total weight, remained unchanged at 118.0 from the preceding quarter. Notwithstanding, when compared to a similar quarter in the previous year, the index increased by 8.8 percent.

Chapter 71: Natural/cultured pearls, precious stones and metals, coin etc.

The export price index for “Natural/cultured pearls, precious stones and metals, coin etc”, which account for 28.9 percent of the total weight of exported commodities, decreased slightly by 0.2 percent to 137.5 in the fourth quarter of 2021 from 138.4 recorded in the previous quarter.

Import Price Index

Structure of the MPI

The MPI covers 14 chapters out of 99 chapters, namely; (i) Cereals, (ii) Animal fats and oil & their cleavage product, (iii) Mineral fuels, oils and product of their distillation, (iv) Pharmaceutical products, (v) Fertilisers, (vi) Miscellaneous chemical products, (vii) Plastics and articles thereof, (viii) Rubber and articles thereof, (ix) Iron and steel, (x) Articles of iron and steel, (xi) Nuclear reactors, boilers, machinery and machinery appliance, parts, (xii) Electrical machinery equipment parts thereof; sound recorder etc, (xiii) Vehicles other than railway/transport way roll-stock, parts and accessories and (xiv) Optical, photo, cine, meas, checking, precision, etc. The sampled fourteen chapters constitute 80 percent of total value of imports aggregated from 2014 to 2016.

Quarterly Import Price Index

The overall Import Price Index for the fourth quarter of 2021 increased by 2.2 percent to 109.9 from 107.6 recorded in the third quarter, mainly due to higher prices of iron and steel, cereals, fertilisers and petroleum products. Likewise, when compared to the same quarter of 2020, the index increased by 9.8 percent (**Table 2**).

Table 2: Quarterly Import Price Indices by Chapter (Q4 2017= 100)

HS Code	Description	Weight	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q42021	% Change Previous Quarter	% Change same Quarter last year
		96.9	98.3	101.9	103.1	107.6	109.9	2.2	11.8
10	Cereals	109.9	110.3	119.0	120.1	120.1	122.7	2.2	11.2
15	Animal/veg fats & oil & their cleavage products; etc	98.0	98.3	98.3	98.3	98.3	98.1	-0.2	-0.2
27	Mineral fuels, oils & product of their distillation; etc	56.0	68.9	83.7	87.5	96.5	103.6	7.4	50.4
30	Pharmaceutical products	103.7	104.6	104.7	104.7	106.2	104.4	-1.7	-0.2
31	Fertilisers	102.4	103.8	107.1	109.5	136.0	141.4	3.9	36.2
38	Miscellaneous chemical products	90.9	89.3	97.8	96.9	98.3	97.5	-0.8	9.2
39	Plastics and articles thereof	92.2	96.1	104.2	109.7	117.8	118.1	0.2	22.9
40	Rubber and articles thereof	100.1	98.3	96.4	93.2	93.6	111.0	18.6	12.9
72	Iron and steel	87.1	82.6	84.1	88.9	101.6	104.8	3.2	26.9
73	Articles of iron and steel	104.5	105.4	107.8	107.8	110.9	111.0	0.1	5.3
84	Nuclear reactors, boilers, mchy & mech appliance; parts	116.1	117.4	117.1	117.7	118.4	119.0	0.5	1.4
85	Electrical mchy equip parts thereof; sound recorder etc	103.6	107.2	108.1	108.7	108.8	108.1	-0.6	0.8
87	Vehicles o/t railw/tranw rool-stock, pts & accessories	102.0	103.5	106.9	109.5	109.0	109.3	0.3	5.6
90	Optical, photo, cine, meas, checking, precision, etc	90.6	90.8	91.4	90.6	90.6	90.0	-0.7	-0.9

Note: Q1=January-March, Q2=April-June, Q3=July-September, Q4=October-December

Sub-indices by Chapter

This section analyses movements of import price indices for each chapter.

Chapter 10: Cereals

This chapter accounts for 4.1 percent of the total weight. During the fourth quarter of 2021, the import price index for “Cereals” increased by 2.2 percent at 122.7 in comparison to the previous quarter value at 120.1. Similarly, when compared to the same quarter in the previous year, the index increased by 11.8 percent.

Chapter 15: Animal fats and oil and their cleavage product

This chapter contributes 4.2 percent of the total weight of the imported commodities. During the fourth quarter of 2021, the index decreased slightly by 0.2 percent at 98.1 compared to the previous quarter which was at 98.3. A similar trend was observed in the same quarter of 2020.

Chapter 27: Mineral fuels, oils and product of their distillation

During the fourth quarter of 2021, import price index for “Mineral fuels, oils and product of their distillation” which contributes 21.7 percent to the total weight of the imported commodities, increased by 7.4 percent to 103.6 from 96.5 recorded in the third quarter. The

performance was explained by the increase in prices of crude oil and petroleum products in the world market, following global demand-supply mismatch. Similarly, when compared to the corresponding quarter of 2020, the index increased by 50.4 percent.

Chapter 30: Pharmaceutical products

The index for "Pharmaceutical products" which represents about 5.2 percent of the total weight, decreased by 1.7 percent to 104.4 in the fourth quarter of 2021 from 106.2 recorded in the previous quarter. When compared to the same quarter in the previous year, the index slightly decreased by 0.2 percent.

Chapter 31: Fertilisers

The index for "Fertilisers" which accounts for 1.8 percent of the total weight of the imported commodities, rose by 3.9 percent to 141.4 in the fourth quarter of 2021 from 136.0 in the third quarter. This outcome was a result of rising demand and input costs coupled with lower global production. In comparison with the corresponding quarter in the preceding year, the index increased by 36.2 percent.

Chapter 38: Miscellaneous chemical products

The index for "Miscellaneous chemical products" which accounts for 2.0 percent of the total weight, slightly decreased by 0.8 percent in the fourth quarter of 2021 to 97.5 from 98.3 in the third quarter. When compared to the similar quarter last year, the index increased by 9.2 percent.

Chapter 39: Plastics and articles thereof

In the fourth quarter of 2021, the index for "Plastic and articles thereof" which contributes 6.2 percent to the total weight of imported commodities, slightly increased by 0.2 percent to 118.1 from 117.8 recorded in the previous quarter. Nonetheless, when compared to the corresponding quarter in 2020, the index increased by 22.9 percent.

Chapter 40: Rubber and articles thereof

This chapter, which contributes 2.8 percent to the total weight of imported commodities. The index increased by 18.6 percent to 111.0 in the fourth quarter from 93.6 recorded in the third quarter. This was due to global short supply coupled with the increased demand of rubber in

China—the major importer in the world. Similarly, when compared to the corresponding quarter in the previous year the index also increased by 12.9 percent.

Chapter 72: Iron and steel

In the fourth quarter of 2021, the index for “Iron and steel”, which accounts for 5.3 percent of the total weight, increased by 3.2 percent to 104.8 from 101.6 recorded in the third quarter. This was largely explained by insufficient global supply of steel to meet the increased demand. Likewise, the index increased by 26.9 percent when compared to the similar quarter of 2020.

Chapter 73: Articles of iron and steel

This chapter contributes 4.0 percent of the total weight. During the fourth quarter of 2021, the index for “Articles of iron and steel” rose from 110.9 to 111.0, equivalent to an increase of 0.1 percent compared to the previous quarter, consistent with the increase in prices of iron and steel. When compared to the same quarter in 2020, the index increased by 5.3 percent.

Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliance and parts

The index for “Boilers, machinery and machinery appliance” accounts for 15.2 percent of total weight of imported commodities. In the fourth quarter of 2021, the index increased slightly by 0.5 percent to 118.4 from 119.0 recorded in the previous quarter. A similar trend was observed in the corresponding quarter of 2020.

Chapter 85: Electrical machinery equipment and parts thereof

The index for “Electrical machinery equipment and parts thereof”, which accounts for 10.8 percent of the total weight, decreased marginally to 108.1 in the fourth quarter of 2021 from 108.8 attained in the previous quarter. Similarly, when compared to the same quarter in 2020, the index increased by 0.8 percent.

Chapter 87: Vehicles other than railway/transport ways roll-stock

The index for “vehicles other than railway/transport ways roll-stock” which accounts for 14.4 percent of total weight marginally decreased to 109.3 in the fourth quarter of 2021 from 109.0 recorded in the previous quarter. However, when compared to the corresponding quarter in 2020, the index increased by 5.6 percent.

Chapter 90: Optical, photo, cine, meas, checking, precision, etc.

This chapter accounts for 2.1 percent of the total weight. During the third quarter of 2021, the index decreased to 90.0 from 90.6 as recorded in the third quarter. The index also decreased marginally when compared to the corresponding quarter of 2020.

Terms of Trade

The Terms of Trade Index is the ratio of Export Price Index to Import Price Index. Exports Price Index was mostly influenced by world market prices of coffee, tea and edible vegetables while Imports Price Index was driven by prices of fertilisers, steel and petroleum products. Overall, during the fourth quarter of 2021, Terms of Trade remained favourable, albeit decreased slightly by 0.1 percentage point to 103.4 from 103.5 recorded in the third quarter (**Table 3**). This implies that for every unit of goods exported, the country can obtain more units of imports, thus reflecting increased competitiveness in the global market.

Table 3: Quarterly Terms of Trade (Q4 2017 = 100)

Indices	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EXPI	103.0	104.8	104.1	103.3	104.1	104.2	106.2	105.9	108.5	109.4	111.3	113.6
MPI	101.2	102.3	102.2	101.2	100.0	96.9	98.0	98.3	101.9	103.1	107.6	109.9
TOT	101.8	102.4	101.9	102.1	104.1	107.5	108.4	107.7	106.5	106.1	103.5	103.4

Note;

Q1=January-March, Q2=April-June, Q3=July-September, Q4=October-December

XPI = Export Price Index

MPI = Import Price Index

ToT = Terms of Trade

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