



STATISTICAL RELEASE

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EXPORT AND IMPORT PRICE INDICES FOR THE QUARTER ENDING DECEMBER 2023

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, cover both exports and imports of merchandise trade. These quarterly specifications based XMPI have been compiled and disseminated since the first quarter of 2013 up to the last quarter of 2022 with reference base period being the quarter ending December 2017. The updated XMPI has the first quarter of 2023 as the reference base period. The updated weights and the product sample for the XMPI used customs data for the years 2019 to 2021. Price collection for the updated XMPI was carried out during the period November -December 2023. This allowed for the compilation of the XMPI for the first quarter of 2023 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 2019 to 2021. A top-down approach was taken in the determination of the index structure, composition and the allocation of the weights. The aim was to maximise the indirect representation of un-priced commodities in the index, through a chain of representation. The price reference period is the quarter ending March 2023.

Product Classification

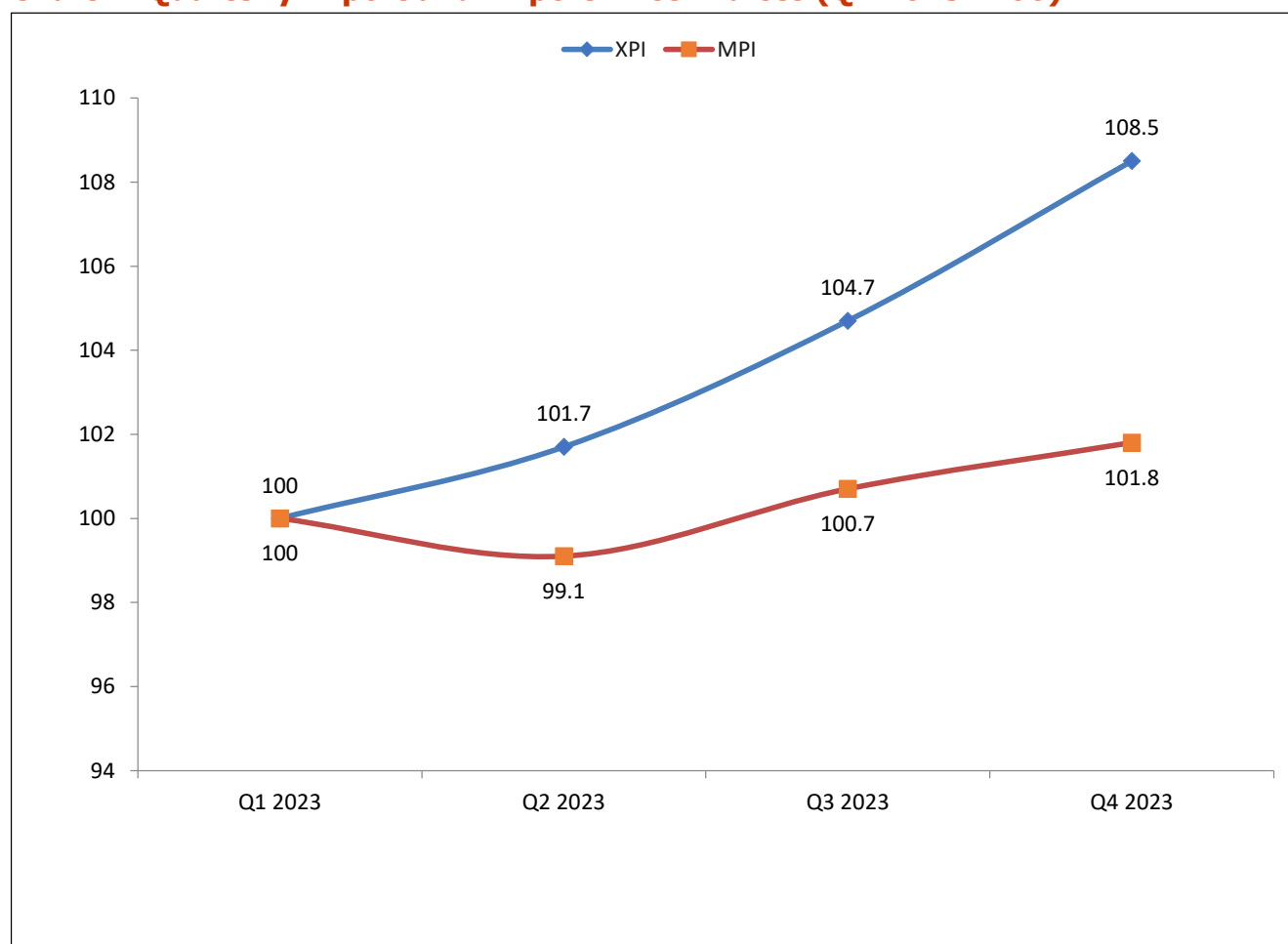
The products are classified according to the United Nations Harmonized Commodity Description and Coding System (HS). The HS is an international nomenclature for the classification of products.

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 2019 to 2021 were selected for direct inclusion in the indices. As a result, 16 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; 76 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 165 items for imports and 25 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 data. 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 (Q1 2023=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 99 chapters, namely; (i) Fish and crustaceans, molluscs and other aquatic invertebrates, (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) Cereals, (vi) Oil seed, oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder, (vii) Tobacco and manufactured tobacco substitutes, (viii) Ores, slag and ash, (ix) Salt; sulphur; earths and stone; plastering materials; lime and cement, (x) Cotton, (xi) Wadding, felt & nonwoven; yarns; twine, cordage, etc and (xii) Natural or cultured pearls, precious stones and metals, coin, etc. The sample of twelve chapters constitutes 80 percent of the total value of exports, aggregated from 2019 to 2021.,

Quarterly Export Price Index

The overall Export Price Index during the quarter ending December 2023 increased by 3.6 percent to 108.5 from 104.7 recorded in the previous quarter. This development was largely attributed to the increase in prices of coffee, fish, cement and tobacco products (**Table 1**).

Table 1: Quarterly Export Price Indices by Chapter (Q1 2023= 100)

HS Code Description		Weight	Q1	Q2	Q3	Q4	% Change Previous Quarter
			2023	2023	2023	2023	
		100.0	100.0	101.7	104.7	108.5	3.6
03	Fish & crustacean, mollusk & other	3.4	100.0	101.9	110.6	120.8	9.1
07	Edible vegetables and certain roots and	4.8	100.0	113.0	109.6	112.5	2.7
08	Edible fruit and nuts; peel of citrus fruit or	6.6	100.0	98.4	101.7	106.1	4.4
09	Coffee, tea, mate and spices	4.8	100.0	97.9	96.9	111.3	14.8
10	Cereals	4.7	100.0	101.2	102.5	105.8	3.2
12	Oil seed, oleagi fruits; miscell grain, seed,	4.7	100.0	102.2	103.9	106.5	2.5
24	Tobacco and manufactured tobacco	3.5	100.0	107.1	111.8	118.3	5.8
25	Salt; sulphur; earth & ston; plastering mat;	2.2	100.0	102.4	103.8	112.8	8.7
26	Ores, slag and ash	3.6	100.0	99.7	103.8	107.2	3.2
52	Cotton	2.0	100.0	99.1	104.4	88.7	-15.0
56	Wadding, felt & nonwoven; yarns; twine,	0.6	100.0	92.8	102.7	106.0	3.2
71	Natural/cultured pearls, prec stones &	59.0	100.0	105.2	104.5	105.9	1.4

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, molluscs and other aquatic invertebrate

The index for "Fish and crustacean, molluscs and other aquatic invertebrates" which accounts for 3.4 percent of the total weight, increased by 9.1 percent to 120.8 in the fourth quarter of 2023 from 110.6 recorded in the third quarter. The performance was largely attributed to the increase in the prices of Nile perch and frozen fillets in the world market, on account of increased demand during end year festive period.

Chapter 07: Edible vegetables and certain roots and tubers

This chapter contributed 4.8 percent of the total weight of the exported commodities. During the fourth quarter of 2023, the index increased by 2.7 percent to 112.5 from 109.6 that was recorded in the third quarter of 2023. The performance was largely attributed to the increase in world market prices of pigeon peas, due to increased demand from India.

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

During the fourth quarter of 2023, the export price index for “Edible fruits and nuts”, which accounts for 6.6 percent of the total weight, increased by 4.4 percent to 106.1 from 101.7 recorded in the previous quarter. The performance was largely associated with the increase in prices of cashew nuts in the world market.

Chapter 09: Coffee, tea, mate and spices

This chapter contributed 4.8 percent of the total weight of exported commodities. During the fourth quarter of 2023, the index for “coffee, tea, mate and spices” increased by 14.8 percent to 111.3 from 96.9 recorded in the previous quarter. The performance was partly attributed to the increase in coffee prices in the world market owing to a fall in supply in Brazil and Vietnam, top producers of Arabica and Robusta coffee, respectively. Additionally, rise in tensions in the Red Sea has prompted some shipping lines to re-route their coffee-carrying vessels.

Chapter 10: Cereals

The export price index for “cereal” accounts for 4.7 percent of the total weight for exports. During the fourth quarter of 2023, the index increased by 3.2 percent to 105.8 from 102.5 recorded in the preceding quarter. The performance was largely attributed to the increase in the prices of rice in the world market resulting from concerns about the impact of El Niño and the influence of export restrictions imposed by India.

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

This chapter accounts for 4.7 percent of the total weight. During the fourth quarter of 2023, the index for “Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder” increased by 2.5 percent to 106.5 from 103.9 recorded in the previous quarter. The performance was largely attributed by the increase in prices of sesamum seeds in the world market, due to increased seasonal demand for the month of December.

Chapter 24: Tobacco and manufactured tobacco substitutes

This chapter accounts for 3.5 percent of the total weight. During the fourth quarter of 2023, the index increased by 5.8 percent to 118.3 from 111.8 recorded in the previous quarter. The performance was largely attributed by the increase in the prices of VFC lamina (tobacco leaf) in the world market, as a results of increased taxation on tobacco products.

Chapter 25: Salt; sulphur; earth and stone; plastering material; lime and cement

The export price index for "Salt; sulphur; earth and stone; plastering material; lime and cement", accounting for 2.2 percent of the total weight, increased by 8.7 percent to 112.8 in the fourth quarter of 2023 from 103.8 recorded in the previous quarter. The performance was largely attributed to the increase in overall prices of construction materials including cement.

Chapter 26: Ores, slag and ash

The export price index for "Ores, slag and ash", which accounts for 3.6 percent of the total weight, increased by 3.2 percent to 107.2 in the fourth quarter of 2023 from 103.8 recorded in the preceding quarter. The performance was largely attributed by the increase in prices of silver ores and concentrates in the world market.

Chapter 52: Cotton

During the third quarter of 2023, the export price index for "Cotton", which accounts for 2.0 percent of the total weight, decreased by 15.0 percent to 88.7 compared to 104.4 in the third quarter. The performance was largely attributed to the fall in demand of cotton in the world market as a result of decline in global consumption attributed to concerns of a slowdown in global growth.

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

The chapter contributes 0.6 percent of the total weight of exported commodities. During the fourth quarter of 2023, the index increased by 3.2 percent to 106.0 from 102.7 recorded in the previous quarter. The performance was largely attributed to the increase in prices of sisal rope and yarn in the world market.

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

The export price index for "Natural or cultured pearls, precious stones and metals, coin etc", which accounts for 59.0 percent of the total weight of exported commodities, increased by 1.4 percent to 105.9 in the fourth quarter of 2023 from 104.5 recorded in the preceding quarter. The performance was largely associated with the increase in the world-market prices of gold mostly driven by anticipated interest rate cuts by the U.S. Federal Reserve in the recent future.

Import Price Index

Structure of the MPI

The MPI covers 16 chapters out of 99 chapters, namely; (i) Cereals, (ii) Animal fats and oil & their cleavage product, (iii) Sugars and sugar confectionery, (iv) Mineral fuels, oils and product of their distillation, (v) Pharmaceutical products, (vi) Fertilisers, (vii) Miscellaneous chemical products, (viii) Plastics and articles thereof, (ix) Rubber and articles thereof, (x) Other made up textile articles; sets; worn clothing etc, (xi) Iron and steel, (xii) Articles of iron and steel, (xiii) Nuclear reactors, boilers, machinery and machinery appliance, parts, (xiv) Electrical machinery equipment parts thereof; sound recorder etc, (xv) Vehicles other than railway or transport way roll-stock, parts and accessories and (xvi) Optical, photographic, cinematographic, measuring, checking, precision, etc. The sampled sixteen chapters constitute 80 percent of total value of imports aggregated from 2019 to 2022.

Quarterly Import Price Index

The overall Import Price Index for the quarter ending December 2023 increased by 1.1 percent to 101.8 from 100.7 recorded in the previous quarter. The increase was mainly attributed to a surge in global market prices of iron, steel and cereals. (**Table 2**).

Table 2: Quarterly Import Price Indices by Chapter (Q1 2023= 100)

							% Change
		Weight	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Previous
HS Code	Description	Overall					Quarter
		100.0	100.0	99.1	100.7	101.8	1.1
10	Cereals	3.2	100.0	94.0	90.6	95.6	5.5
15	Animal/veg fats & oil & their cleavage products; etc	2.7	100.0	100.2	104.4	107.8	3.2
17	Sugars and sugar confectionery	1.6	100.0	101.1	111.3	109.6	-1.6
27	Mineral fuels, oils & product of their distillation; etc	23.8	100.0	89.7	99.4	95.3	-4.2
30	Pharmaceutical products	5.3	100.0	100.9	106.4	109.8	3.2
31	Fertilisers	2.4	100.0	95.8	96.4	99.1	2.8
38	Miscellaneous chemical products	3.3	100.0	96.3	82.7	86.8	5.0
39	Plastics and articles thereof	7.1	100.0	100.2	100.6	80.7	-19.8
40	Rubber and articles thereof	2.5	100.0	97.1	96.8	98.9	2.2
63	Other made up textile articles; sets; worn clothing etc	1.9	100.0	106.6	103.9	106.9	2.9
72	Iron and steel	7.0	100.0	101.6	102.2	113.6	11.1
73	Articles of iron and steel	4.4	100.0	97.2	102.3	105.7	3.3
84	Nuclear reactors, boilers, mchy & mech appliance; parts	13.6	100.0	103.5	107.0	107.2	0.2
85	Electrical mchy equip parts thereof; sound recorder etc	8.3	100.0	107.0	104.5	105.2	0.7
87	Vehicles o/t railw/tranw rool-stock, pts & accessories	10.8	100.0	95.5	101.2	103.7	2.5
90	Optical, photo, cine, meas, checking, precision, etc	2.1	100.0	98.5	101.3	103.0	1.7

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 3.2 percent of the total weight. During the fourth quarter of 2023, the import price index for “Cereals” increased by 5.5 percent to 95.6 from 90.6 recorded in the third quarter. The performance was attributed by the increase of wheat prices in the world market, driven by robust demand and supply constraints, as a result of weather problems at major export ports and tensions in the Black Sea.

Chapter 15: Animal fats and oil and their cleavage product

This chapter contributes 2.7 percent of the total weight of the imported commodities. During the fourth quarter of 2023, the index increased by 3.2 percent to 107.8 from 104.4 that was recorded in the previous quarter. The performance was largely attributed to a fall in supply of soybean and palm oil seeds due to global production constraints, together with increased demand levels associated with robust imports during the festive period by the world’s top importer—India.

Chapter 17: Sugars and sugar confectionery

This chapter contributes 1.6 percent of the total weight of the imported commodities. During the fourth quarter of 2023, the index decreased by 1.6 percent to 109.6 from 111.3 that was recorded in the previous quarter. The performance was associated with the decrease in sugar prices in the world market due to favourable production conditions in Brazil, low returns in the ethanol sector and restrictions imposed by the Indian government on the conversion of sugar cane to ethanol production.

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

During the fourth quarter of 2023, import price index for “Mineral fuels, oils and product of their distillation” which contributes 23.8 percent to the total weight of the imported commodities, decreased by 4.2 percent to 95.3 from 99.4 recorded in the third quarter. The performance was associated with the decrease in prices of petrol and diesel in the world market due to uncertainty on the continuation of OPEC+¹ supply cuts as well as subdued demand of crude.

¹ OPEC+ stands for organization of petroleum exporting countries and their partners.

Chapter 30: Pharmaceutical products

The index for "Pharmaceutical products", which represents about 5.3 percent of the total weight, increased by 3.2 percent to 109.8 in the fourth quarter of 2023 from 106.4 recorded in the previous quarter. The increase was attributed to the increase in prices of antibiotics in the world market.

Chapter 31: Fertilisers

The index for "Fertilisers", which accounts for 2.4 percent of the total weight of the imported commodities, increased by 2.8 percent, from 99.1 recorded in the previous quarter to 96.4 recorded in the third quarter. The increase was attributed to the increase in the world market prices of urea, as a result of strengthening global demand.

Chapter 38: Miscellaneous chemical products

The index for "Miscellaneous chemical products" which accounts for 3.3 percent of the total weight, increased by 5.0 percent to 86.8 in the fourth quarter of 2023 from 82.7 recorded in the third quarter. The performance was attributed by the increase in production costs.

Chapter 39: Plastics and articles thereof

In the fourth quarter of 2023, the index for "Plastic and articles thereof" which contributes 7.1 percent to the total weight of imported commodities decreased by 19.8 percent to 80.7 from 100.6 recorded in the preceding quarter. The decrease was attributed to the decline in the prices of polyethylene in the world market.

Chapter 40: Rubber and articles thereof

This chapter contributes 2.5 percent to the total weight of imported commodities. During the fourth quarter of 2023, the index increased by 2.2 percent to 98.9 from 96.8 recorded in the third quarter. The increase was attributed to the increase in prices of tyres.

Chapter 63: Other made-up Textile Articles; Sets; worn Clothing etc

In the fourth quarter of 2023, the index for "Other made-up Textile Articles; Sets; worn Clothing etc" which contributes 1.9 percent to the total weight of imported commodities increased by 2.9 percent to 106.9 from 103.9 recorded in the preceding quarter.

Chapter 72: Iron and steel

During the fourth quarter of 2023, the index for “Iron and steel”, which accounts for 7.0 percent of the total weight, increased by 11.1 percent to 113.6 from 102.2 recorded in the third quarter. The increase was attributed to the increase in prices of iron and steel in the world market.

Chapter 73: Articles of iron and steel

This chapter contributes 4.4 percent of the total weight. In the fourth quarter of 2023, the index for “Articles of iron and steel” increased by 3.3 percent to 105.7 from 1032.3 recorded in the preceding quarter. The performance was mainly caused by increase of prices of articles of iron and steel in the world market.

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

The chapter accounts for 13.6 percent of the total weight of imported commodities. During the fourth quarter of 2023, the index for this chapter increased slightly by 0.2 percent to 107.2 from 107.0 recorded in the preceding quarter.

Chapter 85: Electrical machinery equipment and parts thereof

The index for “Electrical machinery equipment and parts thereof”, which accounts for 8.3 percent of the total weight, increased slightly by 0.7 percent to 105.2 in the fourth quarter of 2023 compared to 104.5 recorded in the previous quarter.

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

The index for “vehicles other than railway/transport ways roll-stock” which accounts for 10.8 percent of total weight, increased by 2.5 percent to 103.7 in the fourth quarter of 2023 from 101.2 recorded in the previous quarter. The performance was associated with the rise in prices of various brands of motor vehicles in the world market.

Chapter 90: Optical, photographic, cinematographic, measuring, checking, precision, etc.

This chapter accounts for 2.1 percent of the total weight. During the fourth quarter of 2023, the index increased by 1.7 percent to 99.3 from 101.3 recorded in the previous quarter.

Terms of Trade

The Terms of Trade Index is the ratio of Export Price Index to Import Price Index. The Exports Price Index was mostly influenced by prices of coffee, fish, cement and tobacco products while the Imports Price Index was driven by prices of iron, steel and cereals. Overall, during the fourth quarter of 2023, Terms of Trade remained favourable, increasing by 2.6 points to 106.6 from 104.0 recorded in the third quarter (**Table 3**). This implies that for every unit of goods exported, the country can obtain more units of imports.

Table 3: Quarterly Terms of Trade (Q1 2023 = 100)

Indices	2023			
	Q1	Q2	Q3	Q4
EXPI	100.0	101.7	104.7	108.5
MPI	100.0	99.1	100.7	101.8
TOT	100.0	102.6	104.0	106.6

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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