

Trade Indices Report, March 2024



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1. Introduction

1.1 Background

Import and export price indices are economic indicators that measure changes in the prices of goods traded between countries. The indices provide insight into the competitiveness of a country's goods and trade balance. This report presents export and import indices and terms of trade indices covering the period January 2019 to March 2024. A basket of export and import products was selected and weighted according to their values. The Laspeyres price index was used to compute the export and import price indices, using January 2019 as the base period. The trade indices are being resuscitated having been last done in 1987.

1.2 Methodology

In computing the indices, respective unit values of exports and imports obtained from trade data were used.

1.2.1 Terms of Trade (TOT)

Terms of Trade is the ratio of the index of exports and the index of import prices.

1.2.2 Export Price Index (EPI):

The export price index is a measure of the percentage change in the prices of goods that a country sells to other nations during a specific period. It is a useful tool to evaluate how competitive a country's exports are in the global market. An increase in the export price index indicates that a country is receiving higher prices for exported goods, which positively impacts the trade balance.

1.2.3 Import Price Index (IPI):

The import price index measures the percentage change in the prices of goods that a country buys from other nations during a specific period. It is used to evaluate the effects of changes in the cost of imports. An increase in the import price index indicates that the cost of imported goods is rising.

1.2.4 Terms of Trade (TOT):

The indicator is used to evaluate how much imports a country can buy for a unit of its exports and is computed as follows:

$$\text{Terms of Trade} = \frac{\text{Price Index of Exports}}{\text{Price Index of Imports}} \times 100$$

- If a country's TOT is above 100, it has a favourable or positive terms of trade, implying that for the same amount of exports, it can purchase more imports.
- If a country's terms of trade (TOT) is below 100, it implies an unfavourable or negative balance of trade, meaning that for the same amount of exports, it can purchase fewer imports.

2. Export and Import Indices

The all items export index dropped by 2.0% month on month from 399.1 in February to 391.1 in March 2024 whilst the all items import index increased marginally by 0.9 percent from 383.3 to 386.9 in the same period respectively.

Table 1: Month on Month Changes in Export and Import all Items Indices from February to March 2024

Month	All Items Export Index	All Items Import Index	Terms of Trade
Feb-24	399.1	383.3	104.1
Mar-24	391.1	386.9	101.1
Month on Month Changes	-2.0	0.9	-2.9

The all items export index increased by 4.6% from 374.0 in March 2023 to 391.1 in March 2024. However, the all items import index decreased year-on-year by 6.2 percent from 412.3 in March 2023 to 386.9 in March 2024.

Table 2: Year on Year Changes in Export and Import all Items Indices March 2023 to March 2024

Year	All Items Export Index	All Items Import Index
Mar-23	374.0	412.3
Mar-24	391.1	386.9
Year on Year Changes	4.6	-6.2

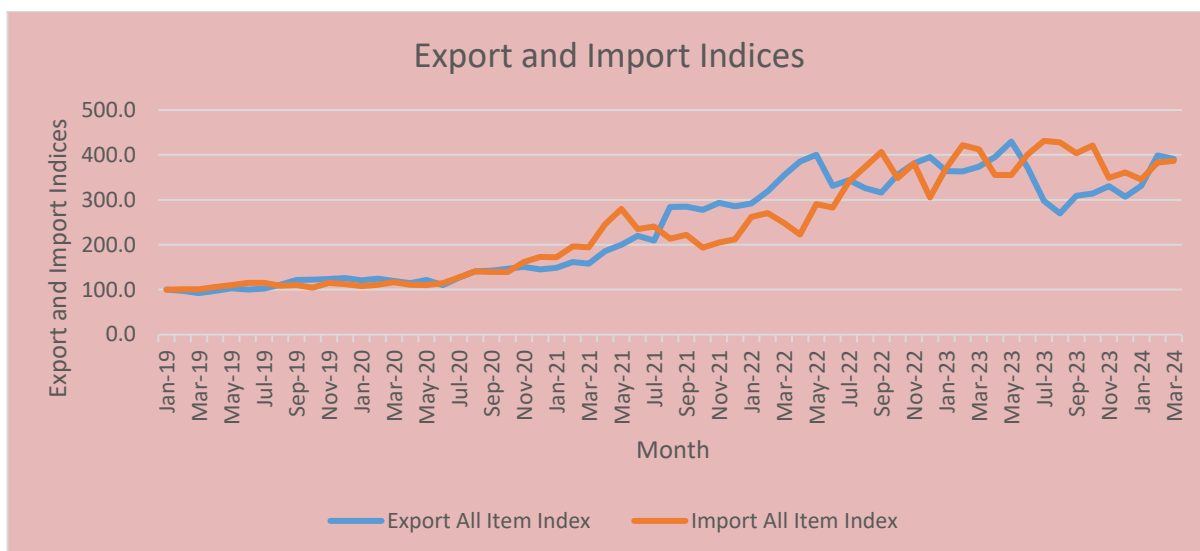


Figure 1: Export and Import Indices January 2019 to February 2024

3. Terms of Trade Index

The terms of trade index remained favourable in March 2024 although the all month-on-month all items terms of trade index dropped by 2.9 percent from 104.1 in February 2024 to 101.1 in March 2024. Consequently, the Terms of Trade year-on-year index increased by 11.4 percent from 90.7 in March 2023 to 101.1 in March 2024.

Table 3: Month on Month Changes in Terms of Trade Index February 2024 to March 2024

Month	Terms of Trade
Feb 24	104.1
Mar 24	101.1
Month on Month Changes	-2.9

Table 4: Year on Year Changes in Terms of Trade Indices March 2023 to March 2024

Year	Terms of Trade
Mar 2023	90.7
Mar 2024	101.1
Year on Year Changes	11.4

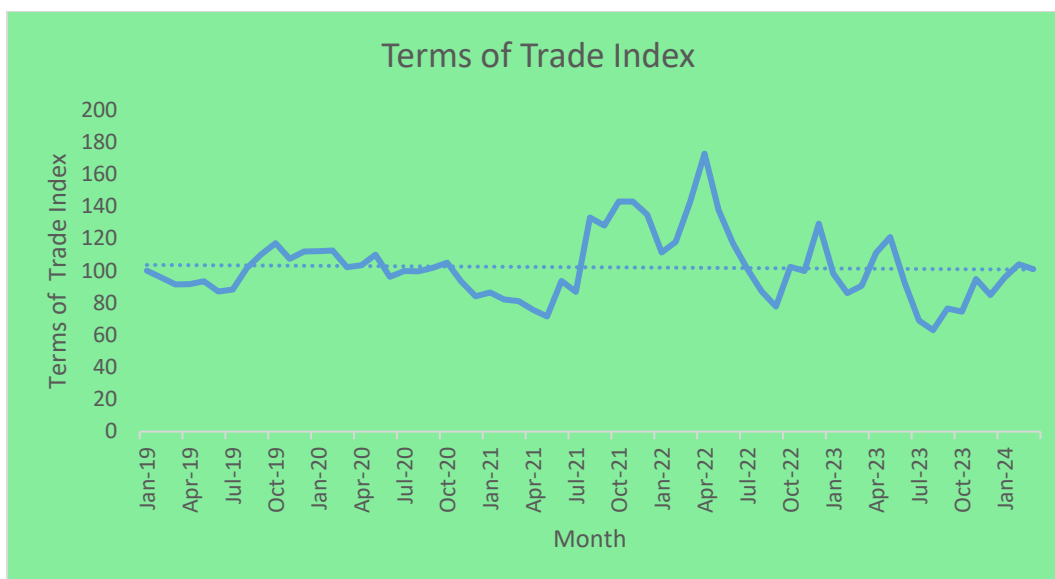


Figure 2: Monthly Terms of Trade Indices 2019 to 2024

4. Quarterly Export and Import Indices

The average quarter to quarter export indices increased by 17.9 percent from 317.2 in the fourth quarter 2023 to 373.9 in the first quarter 2024 whilst import indices dropped by 1.4 percent from 377.0 to 371.9 in the same period respectively.

Table 5: Quarter on Quarter Changes in Export and Import Indices

Quarter	Export Index	Import Index
Q4-23	317.2	377.0
Q1-24	373.9	371.9
Quarter on Quarter Changes in Indices	17.9	-1.4

The average year on-year quarterly export indices increased by 1.8 percent from 367.2 in the first quarter 2023 to 373.9 in the first quarter 2024 whilst the year-on-year import indices dropped by 7.4 percent from 401.7 to 371.9 in the same period respectively.

Table 6: Year on Year Quarterly Changes in Export and Import Indices

Quarter	Export Index	Import Index
Q1-23	367.2	401.7
Q1-24	373.9	371.9
Year on Year Changes in Indices	1.8	-7.4

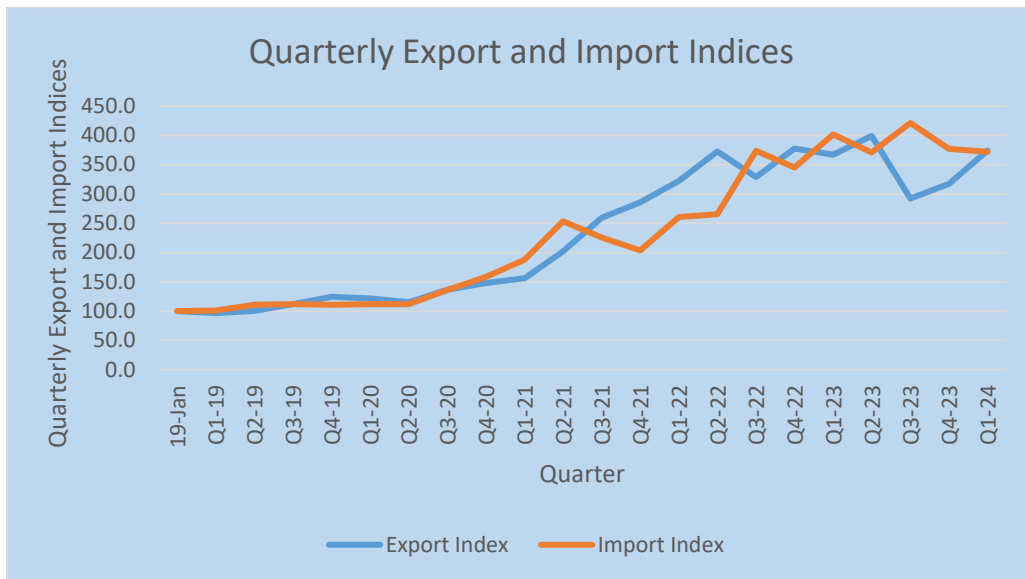


Figure 3: Quarterly Export and Import Indices 2019 to 2024

5. Quarterly Terms of Trade Indices

The quarterly terms of trade index increased by 18.4 percent from 84.8 in the fourth quarter 2023 to 100.4 in the first quarter 2024.

Table 7: Quarter on Quarter Changes in Terms of Trade Indices

Quarter	Terms of Trade
Q4-23	84.8
Q1-24	100.4
Quarter on Quarter Changes in Indices	18.4

The year-on year quarterly terms of trade index also increased by 9.5 percent from 91.7 in the first quarter 2023 to 100.4 in the first quarter 2024.

Table 8: Year on Year Quarterly Changes in Terms of Trade Indices

Quarter	Terms of Trade
Q1-23	91.7
Q1-24	100.4
Year on Year Changes in Indices	9.5

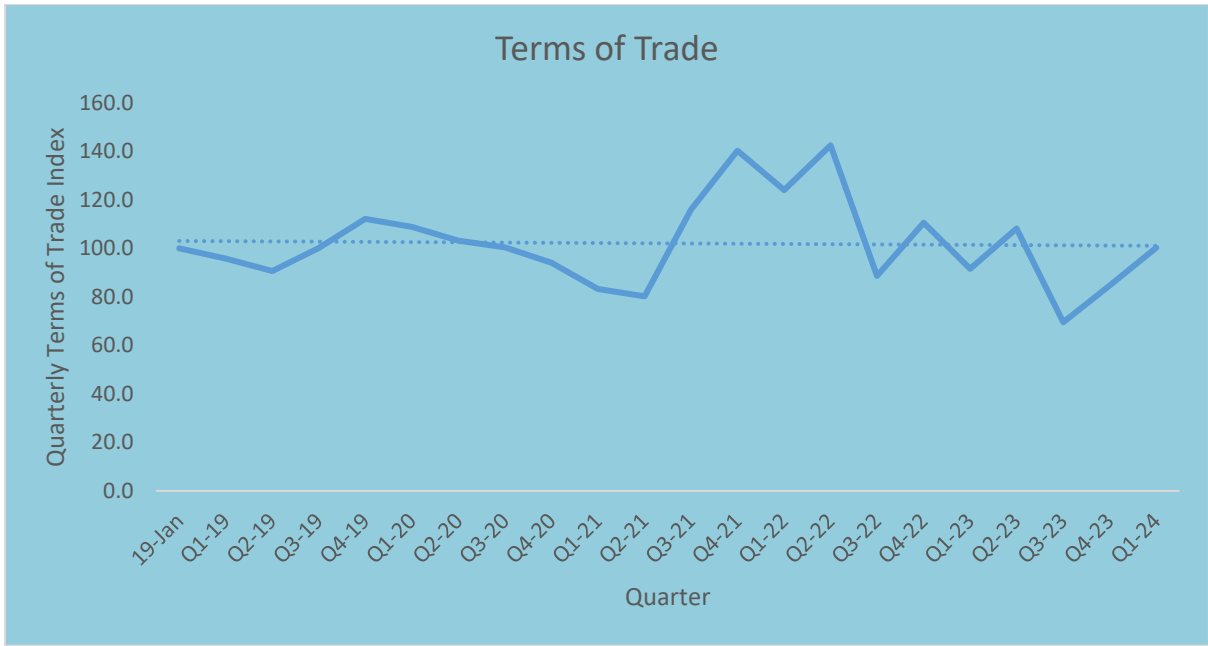


Figure 4: Quarterly Terms of Trade Indices 2019 to 2024

6. Appendix 1. Tables

Table 9: Monthly Export and Import Indices and Terms of Trade Indices: 2019 to 2024.

Month	Export Index	Import Index	Terms of Trade
Jan-19	100.0	100.0	100.0
Feb-19	97.2	101.2	96.0
Mar-19	92.5	101.0	91.5
Apr-19	97.2	106.1	91.6
May-19	103.5	110.6	93.5
Jun-19	100.5	115.4	87.1
Jul-19	102.3	115.7	88.4
Aug-19	111.0	109.1	101.7
Sep-19	122.0	110.6	110.3
Oct-19	122.7	104.6	117.2
Nov-19	124.2	115.5	107.5
Dec-19	126.2	112.7	112.0
Jan-20	121.3	108.1	112.2
Feb-20	124.7	110.8	112.5
Mar-20	119.4	116.9	102.2
Apr-20	114.6	110.7	103.5
May-20	121.4	110.4	110.0
Jun-20	110.0	114.4	96.2
Jul-20	126.9	127.1	99.8
Aug-20	140.7	141.1	99.7
Sep-20	142.3	139.8	101.8
Oct-20	146.9	139.8	105.1
Nov-20	151.0	161.9	93.3
Dec-20	145.5	173.0	84.1
Jan-21	148.8	172.0	86.5
Feb-21	161.5	196.5	82.2
Mar-21	157.9	194.7	81.1

Apr-21	185.9	245.4	75.7
May-21	200.1	279.8	71.5
Jun-21	220.3	235.3	93.6
Jul-21	209.2	240.8	86.9
Aug-21	284.2	213.6	133.0
Sep-21	284.6	222.1	128.1
Oct-21	277.5	194.0	143.1
Nov-21	293.7	205.1	143.1
Dec-21	285.9	211.9	134.9
Jan-22	292.2	262.2	111.4
Feb-22	319.0	270.3	118.0
Mar-22	354.9	248.3	142.9
Apr-22	385.5	223.0	172.9
May-22	400.6	290.9	137.7
Jun-22	331.1	283.0	117.0

Table 9 Continued: Monthly Export and Import Indices and Terms of Trade Indices: 2019 to 2024.

Month	Export Index	Import Index	Terms of Trade
Jul-22	344.3	340.9	101.0
Aug-22	326.2	373.2	87.4
Sep-22	316.4	406.9	77.8
Oct-22	356.5	348.1	102.4
Nov-22	380.9	381.1	100.0
Dec-22	395.3	305.6	129.3
Jan-23	364.1	370.8	98.2
Feb-23	363.4	421.9	86.1
Mar-23	374.0	412.3	90.7
Apr-23	395.2	355.1	111.3
May-23	429.8	355.5	120.9
Jun-23	372.0	401.2	92.7
Jul-23	297.6	431.3	69.0
Aug-23	270.0	428.0	63.1

Sep-23	309.3	403.8	76.6
Oct-23	313.8	420.8	74.6
Nov-23	330.7	348.8	94.8
Dec-23	307.1	361.5	85.0
Jan-24	331.4	345.6	95.9
Feb-24	399.1	383.3	104.1
Mar-24	391.1	386.9	101.1

Table 10: Average Quarterly Export and Import Indices and Terms of Trade: 2019 to 2024

Quarter	Export Index	Import Index	Terms of Trade
19-Jan	100.0	100.0	100.0
Q1-19	96.6	100.7	95.8
Q2-19	100.4	110.7	90.7
Q3-19	111.8	111.8	100.1
Q4-19	124.4	110.9	112.2
Q1-20	121.8	111.9	109.0
Q2-20	115.3	111.8	103.2
Q3-20	136.6	136.0	100.4
Q4-20	147.8	158.2	94.2
Q1-21	156.1	187.7	83.3
Q2-21	202.1	253.5	80.3
Q3-21	259.3	225.5	116.0
Q4-21	285.7	203.7	140.4
Q1-22	322.0	260.3	124.1
Q2-22	372.4	265.6	142.5
Q3-22	329.0	373.7	88.7
Q4-22	377.6	344.9	110.6
Q1-23	367.2	401.7	91.7
Q2-23	399.0	370.6	108.3
Q3-23	292.3	421.0	69.6
Q4-23	317.2	377.0	84.8
Q1-24	373.9	371.9	100.4

7. Appendix 2. Steps followed in computing Trade Indices

- a) A basket of export and import products was selected and weighted according to their values.
- b) Export unit values were computed by dividing export values by the quantity of goods exported.
- c) Import unit values were computed by dividing import values by the quantity of goods imported.
- d) Unit export value indices were used to compute export price indices
- e) Unit import value indices were used to compute import price indices

f) The Laspeyres price index was used to compute the export and import price indices.

The Laspeyres price index is an index formula used in price statistics for measuring the price development of the basket of goods and services consumed in the base period.

g) Terms of trade are computed using the formula:

$$\textit{Terms of Trade} = \frac{\textit{Price Index of Exports}}{\textit{Price Index of Imports}} \times 100$$