

## Trade Indices Report, April 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 April 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 term 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 1.3% month-on-month from 391.1 in March to 386.2 in April 2024 whilst the all items import index increased by 8.2 percent from 386.9 to 418.8 in the same period respectively.

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

Month	All Items Export Index	All Items Import Index
Mar-24	391.1	386.9
Apr-24	386.2	418.8
Month on Month Changes	-1.3	8.2

The all items export index dropped by 2.3% year-on-year from 395.2 in April 2023 to 386.2 in April 2024. The all items import index increased by 17.9 percent from 355.1 to 418.8 in the same period respectively

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

Year	All Items Export Index	All Items Import Index
Apr-23	395.2	355.1
Apr-24	386.2	418.8
Year on Year Changes	-2.3	17.9

### 3. Terms of Trade Index

The Terms of Trade Index was unfavorable in April 2024. Month-on-month all items terms of trade index dropped by **8.8** percent from **101.1** in March 2024 to **92.2** in April 2024.

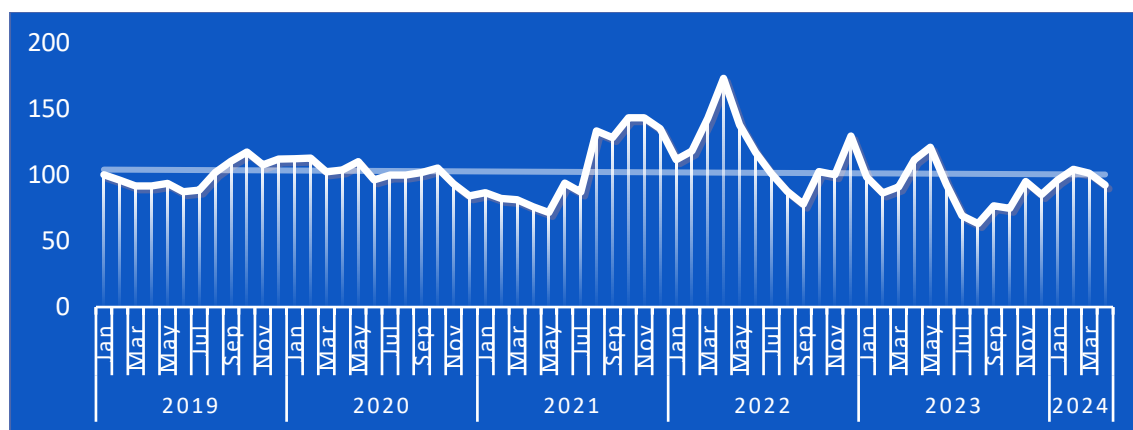
**Table 3: Month-on-Month Changes in Terms of Trade Index March 2024 to April 2024**

Month	Terms of Trade
Mar 24	101.1
Apr 24	92.2
<b>Month-on-Month Changes</b>	<b>-8.8</b>

The Terms of Trade year-on-year index decreased by 17.2 percent from 111.3 in April 2023 to 92.2 in April 2024.

**Table 4: Year-on-Year Changes in Terms of Trade Indices April 2023 to April 2024**

Year	Terms of Trade
April 2023	111.3
April 2024	92.2
<b>Year-on-Year Changes</b>	<b>-17.2</b>



**Figure 1: Monthly Terms of Trade Indices 2019 to 2024**

#### 4. Appendix 1. Tables

**Table 5: 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
Apr-24	386.2	418.8	92.2

## 5. 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:**

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