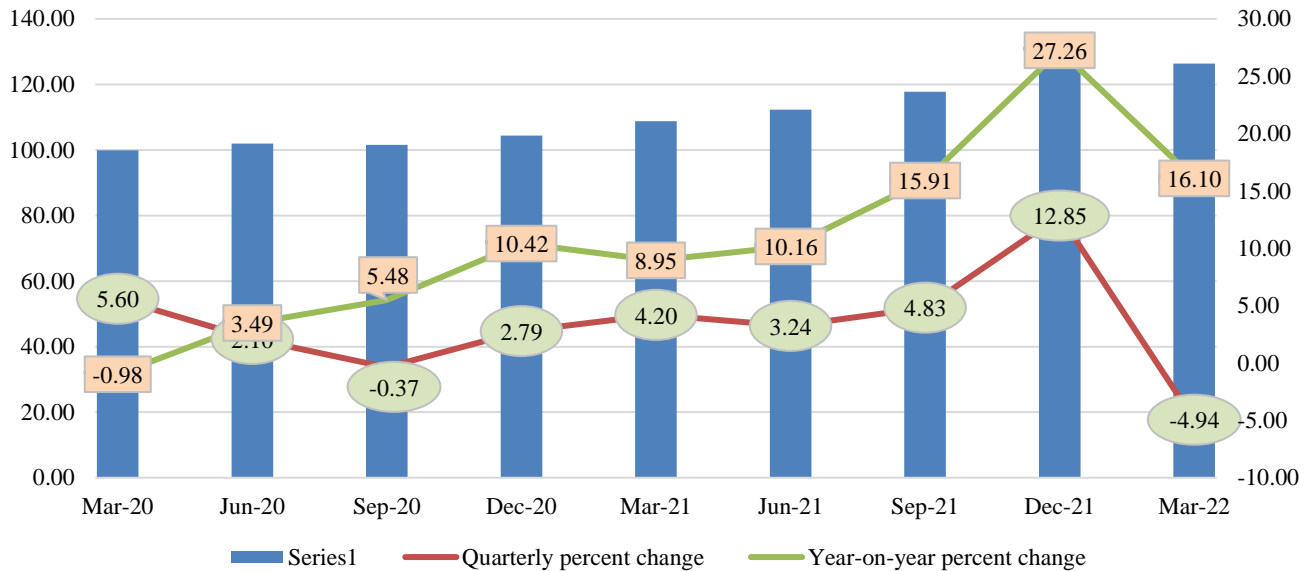




Export and Import Price Index: First Quarter (Jan - Mar), 2022

Release date: 26th August, 2022

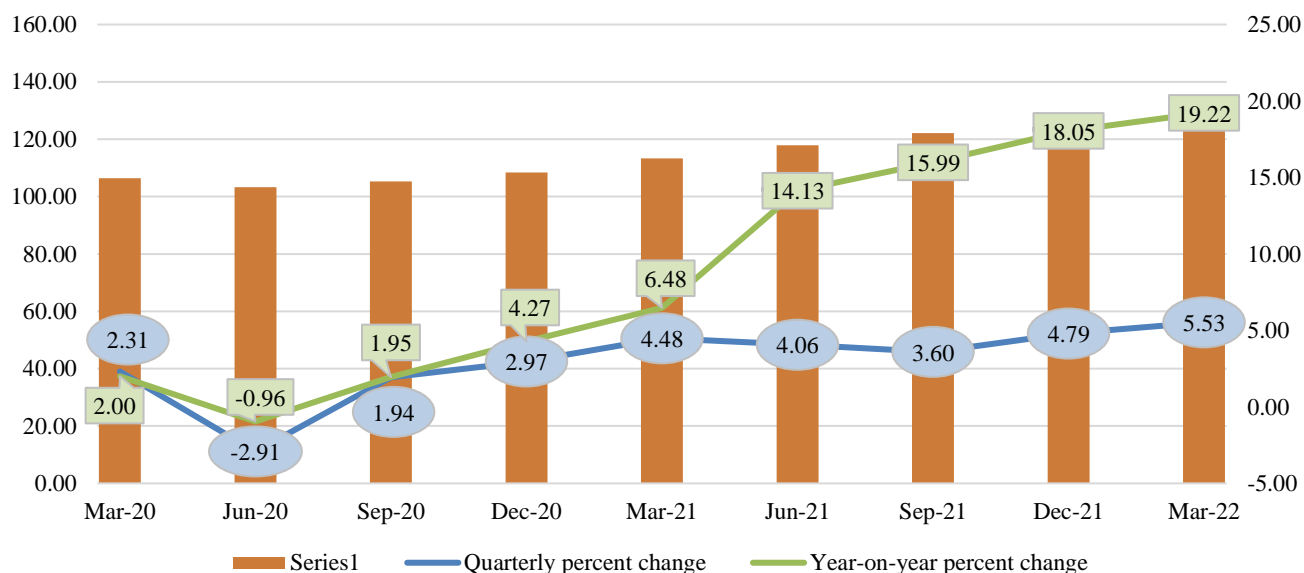
Export Price Index



The price of exported goods rose 16.10 percent in first quarter of 2022 compared to the same quarter of previous year. The rate was a drop by 11.17 percentage point compared to 27.26 percent increase in the previous quarter. Base metal and other manufactures group was the main contributor for the increase in Q1 2022 recording an increase of 59.85 percent contributing to about 91 percent of the total increase. Chemicals, plastic, textile and apparel group recorded the second highest increase with 41.48 percent over the past one year, however, it contributed to around 3 percent of the total increase due to low share in the overall basket. On the other hand, mineral products, cement and electricity increased by only 1.21 percent but contributed around 6 percent to the overall increase. Prices of food and beverages; and wood, pulp and paper dropped by 2.43 percent and 0.61 percent respectively.

Overall export price decreased by 4.94 percent in Q1, 2022 compared to Q4, 2022 also associated with the drop in price of ferro-silicon by 17.59 percent in the past three months. Food and beverages, and wood, pulp and paper group also decreased over the previous quarter, while prices of mineral products, cement and electricity, and chemicals, plastics textiles and apparel went up by about 1 percent and 11 percent respectively.

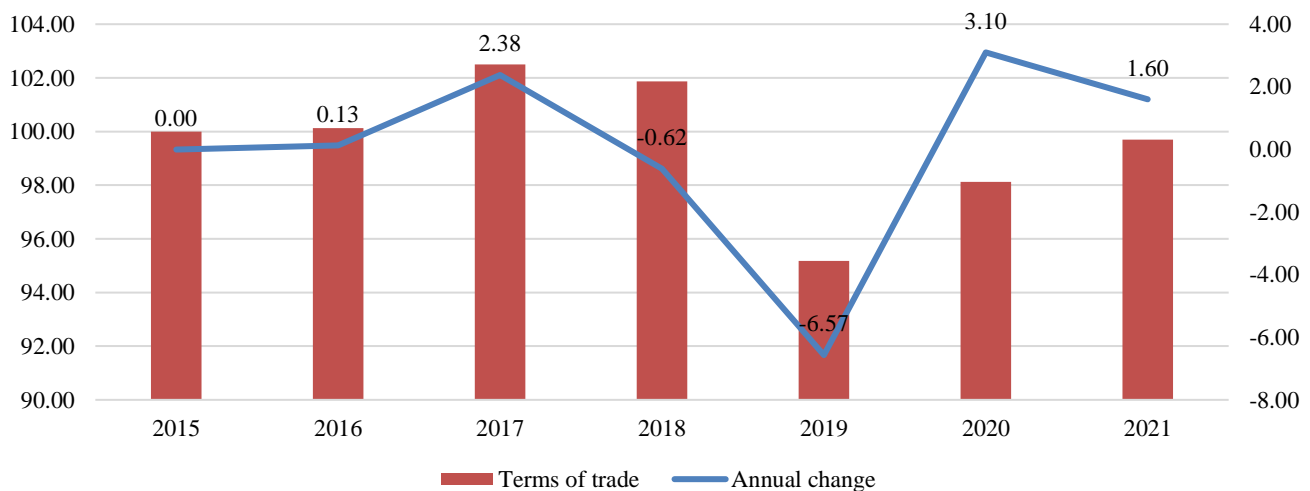
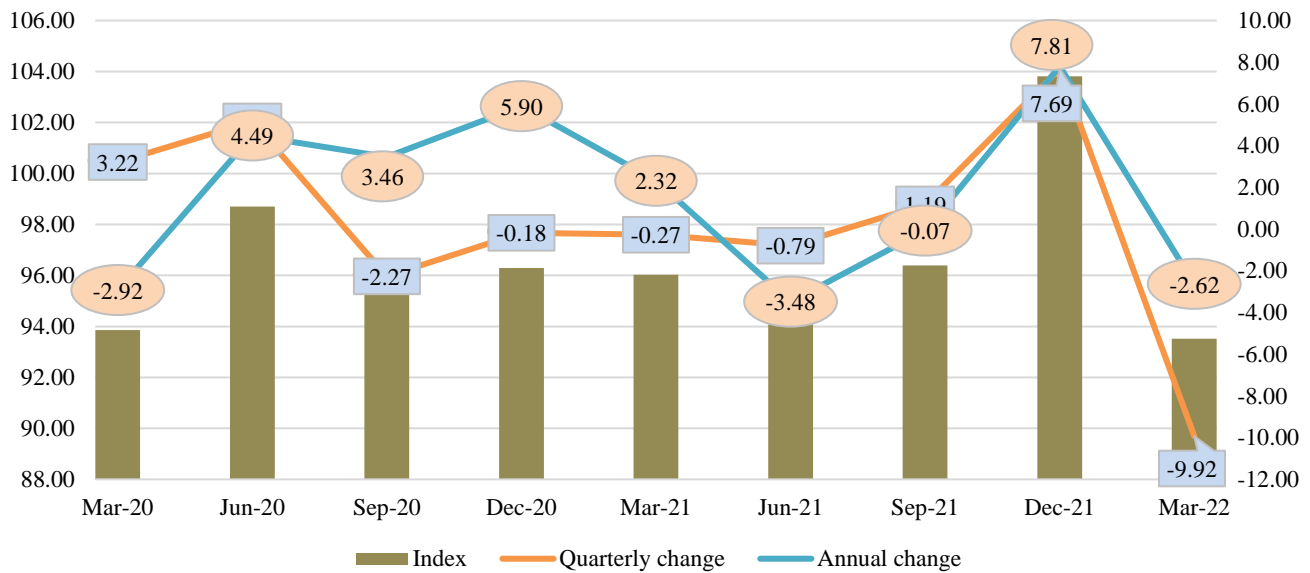
Import Price Index



The year-on-year inflation rate for import goods continue to rise further with 19.22 percent increase in Q1, 2022 compared to the price for same period last year. Within import, all groups recorded an increase in the past one year with metal and metal articles recording the highest increase with 37.18 percent followed by chemicals, plastics, textile and apparel with 30.98 percent increase. With 29.68 percent increase, mineral products, cement and electricity group contributed to 28 percent of the overall increase making it the highest contributor. Machinery, appliances and other manufactures recorded the lowest increase among the groups with around 7 percent increase.

The quarter-on-quarter (current quarter compared to previous quarter) import price also continues to rise with 5.53 percent in Q1 2022 which was the highest quarterly increase since 2015. With 17.05 percent increase, transport equipment contributed the highest to the overall quarterly increase with around 32 percent contribution. It was followed by mineral products, cement and electricity which increased by 6.98 percent contributing around 21 percent to the overall increase. Wood, pulp and paper group although had the second highest increase with 11.98 percent, contributed only about 9 percent of the total increase.

Terms of Trade



After a high increase in terms of trade both for quarterly and annual in the previous quarter, the terms of trade index in Q1, 2022 dropped to 93.51 which is a decline of 2.62 percent compared to the same quarter of previous year. The quarterly drop in terms of trade of 9.92 percent is the highest so far since 2015.

Increase in terms of trade means more quantity of imports that can be funded by a fixed quantity of exports while decrease in terms of trade means smaller quantity of imports can be funded by a fixed quantity of exports.

Export Price Index (Dec 2014 quarter = 100)

Chart 1: Year-on-year percent change

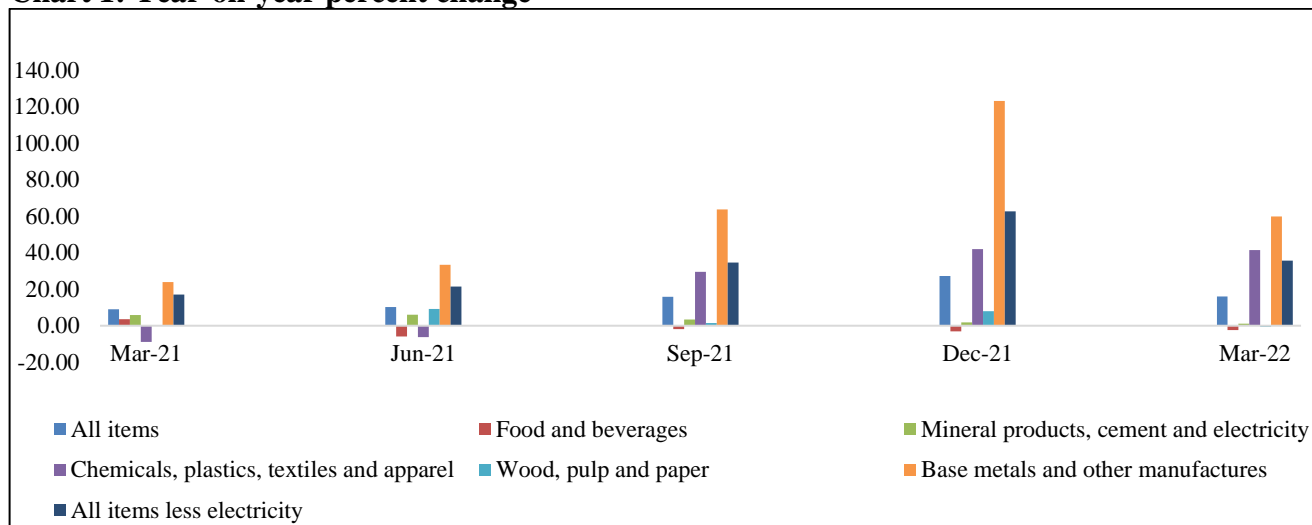


Chart 2: Quarter-on-quarter percent change

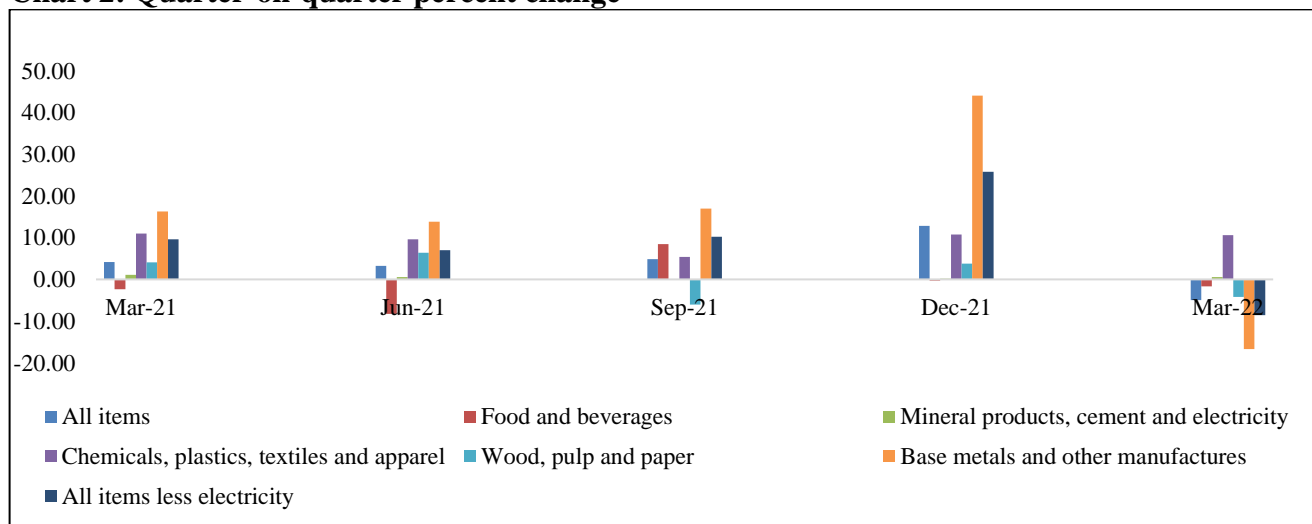
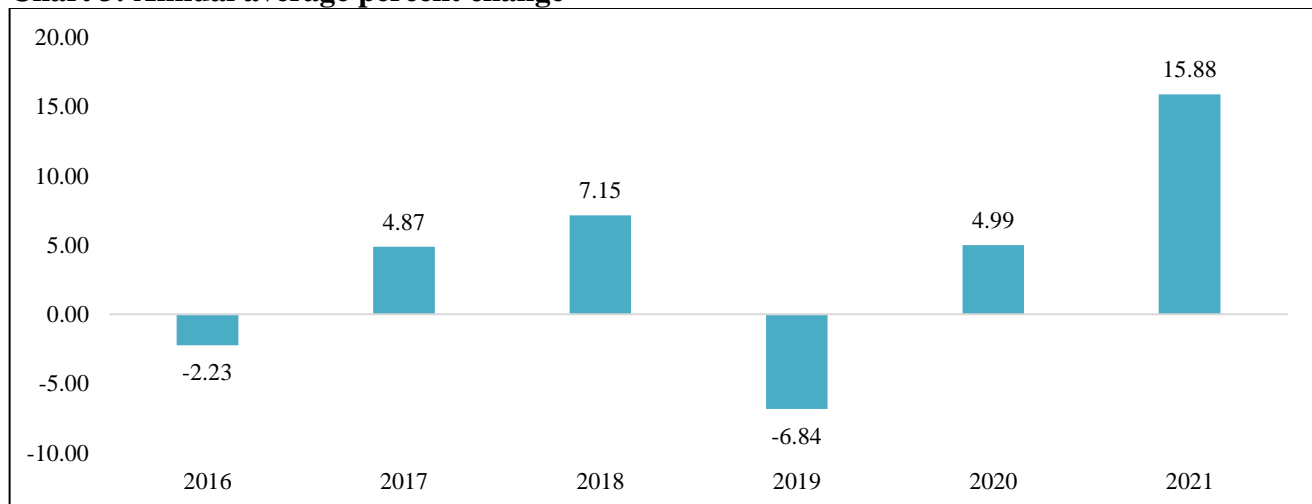


Chart 3: Annual average percent change



Import Price Index (Dec 2014 quarter = 100)

Chart 4: Year-on-year percent change

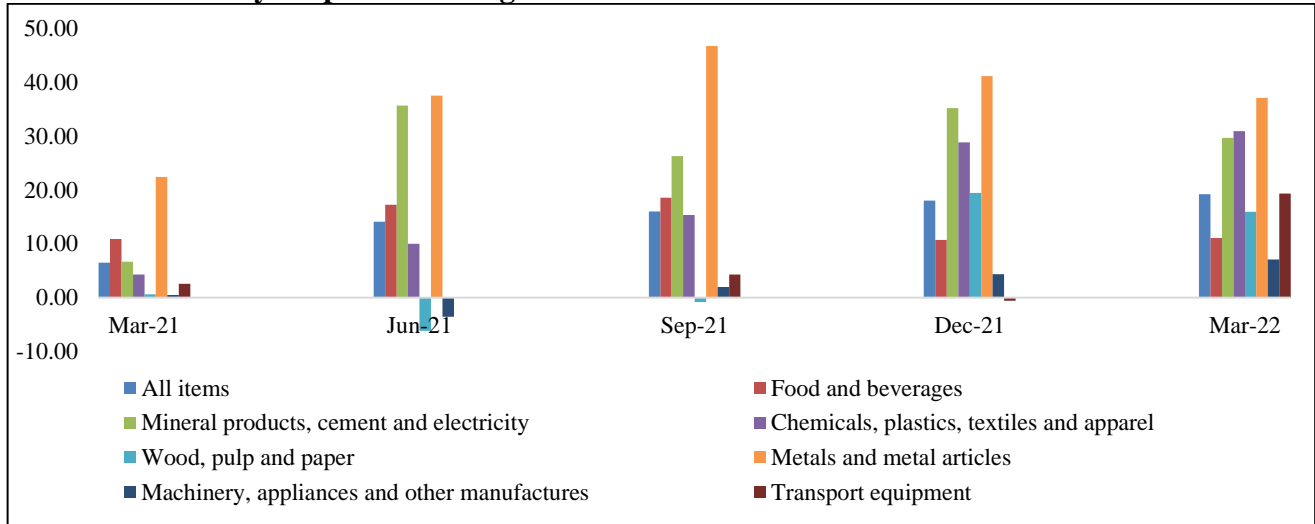


Chart 5: Quarter-on-quarter percent change

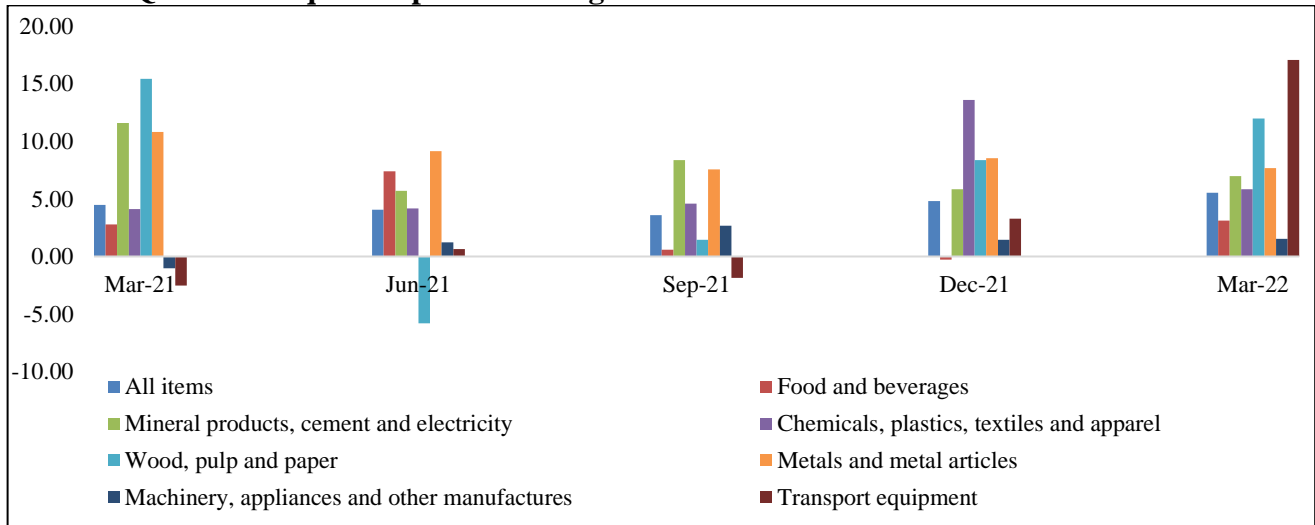


Chart 6: Average annual percent change

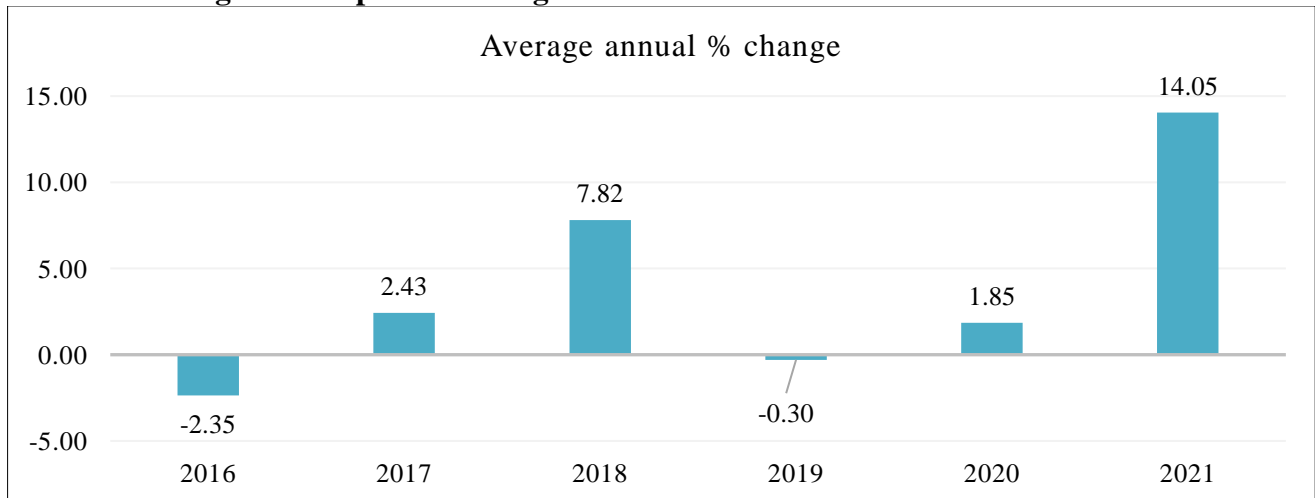


Table 1: Export Price Index (Dec 2014 quarter = 100)

Quarter	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Base metals and other manufactures	All items less electricity
Mar-17	96.34	98.51	107.41	88.81	100.62	82.01	90.96
Jun-17	97.19	91.66	108.40	93.13	100.31	84.42	92.61
Sep-17	96.64	87.43	107.17	88.05	117.18	86.87	91.80
Dec-17	99.29	87.55	107.21	84.00	114.25	96.22	95.75
Mar-18	103.92	89.23	107.73	86.00	112.41	108.96	102.10
Jun-18	105.85	91.16	108.56	91.64	105.82	111.73	104.24
Sep-18	103.85	90.96	108.38	92.68	107.07	105.47	101.38
Dec-18	103.74	88.13	109.04	92.93	96.56	105.31	101.22
Mar-19	100.85	90.81	110.66	91.12	93.90	95.02	97.38
Jun-19	98.53	88.63	111.55	87.92	84.42	89.01	94.23
Sep-19	96.31	87.31	111.48	86.72	93.17	83.32	91.29
Dec-19	94.57	88.00	111.21	89.49	62.65	79.39	88.98
Mar-20	99.87	87.40	112.14	93.96	64.95	95.14	96.66
Jun-20	101.96	88.12	112.51	100.13	63.12	100.68	99.63
Sep-20	101.59	91.63	115.28	76.37	63.88	95.85	99.09
Dec-20	104.42	92.61	117.32	77.19	62.29	101.35	103.19
Mar-21	108.81	90.46	118.63	85.65	64.85	117.88	113.15
Jun-21	112.33	82.99	119.28	93.87	68.98	134.23	121.04
Sep-21	117.75	90.00	119.17	98.93	64.83	156.98	133.38
Dec-21	132.89	89.74	119.37	109.58	67.30	226.14	167.84
Mar-22	126.32	88.26	120.06	121.18	64.46	188.44	153.44

Table 2: Year-on-year percent change

Quarter	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Base metals and other manufactures	All items less electricity
Mar-18	7.87	-9.42	0.30	-3.16	11.72	32.86	12.25
Jun-18	8.91	-0.55	0.15	-1.60	5.49	32.35	12.55
Sep-18	7.46	4.03	1.14	5.27	-8.63	21.41	10.44
Dec-18	4.49	0.67	1.71	10.63	-15.48	9.45	5.72
Mar-19	-2.95	1.78	2.72	5.95	-16.46	-12.79	-4.63
Jun-19	-6.92	-2.77	2.75	-4.07	-20.22	-20.34	-9.60
Sep-19	-7.26	-4.01	2.86	-6.43	-12.98	-21.00	-9.95
Dec-19	-8.84	-0.15	1.99	-3.70	-35.12	-24.61	-12.09
Mar-20	-0.98	-3.76	1.33	3.12	-30.83	0.13	-0.74
Jun-20	3.49	-0.58	0.86	13.89	-25.23	13.11	5.74
Sep-20	5.48	4.95	3.41	-11.94	-31.44	15.04	8.54
Dec-20	10.42	5.24	5.49	-13.75	-0.57	27.66	15.97
Mar-21	8.95	3.50	5.79	-8.85	-0.15	23.90	17.07
Jun-21	10.16	-5.82	6.02	-6.25	9.27	33.32	21.48
Sep-21	15.91	-1.78	3.38	29.54	1.49	63.78	34.61
Dec-21	27.26	-3.10	1.75	41.96	8.03	123.13	62.64
Mar-22	16.10	-2.43	1.21	41.48	-0.61	59.85	35.60

Table 3: Quarter-on-quarter percent change

Quarter	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Base metals and other manufactures	All items less electricity
Jun-17	0.88	-6.95	0.92	4.86	-0.31	2.94	1.82
Sep-17	-0.56	-4.62	-1.14	-5.46	16.82	2.89	-0.88
Dec-17	2.74	0.13	0.04	-4.60	-2.51	10.77	4.30
Mar-18	4.67	1.92	0.49	2.39	-1.61	13.25	6.64
Jun-18	1.85	2.17	0.77	6.56	-5.86	2.54	2.09
Sep-18	-1.89	-0.22	-0.16	1.14	1.19	-5.61	-2.74
Dec-18	-0.10	-3.11	0.61	0.26	-9.82	-0.15	-0.15
Mar-19	-2.79	3.04	1.48	-1.94	-2.76	-9.77	-3.80
Jun-19	-2.31	-2.40	0.80	-3.52	-10.09	-6.33	-3.23
Sep-19	-2.25	-1.49	-0.06	-1.36	10.36	-6.39	-3.11
Dec-19	-1.81	0.79	-0.24	3.19	-32.76	-4.72	-2.53
Mar-20	5.60	-0.68	0.83	5.00	3.67	19.84	8.63
Jun-20	2.10	0.82	0.33	6.56	-2.81	5.82	3.08
Sep-20	-0.37	3.99	2.46	-23.73	1.19	-4.79	-0.55
Dec-20	2.79	1.07	1.77	1.07	-2.48	5.73	4.14
Mar-21	4.20	-2.32	1.12	10.97	4.11	16.32	9.65
Jun-21	3.24	-8.26	0.55	9.59	6.36	13.86	6.97
Sep-21	4.83	8.45	-0.09	5.39	-6.01	16.95	10.20
Dec-21	12.85	-0.29	0.17	10.76	3.81	44.05	25.83
Mar-22	-4.94	-1.65	0.58	10.59	-4.22	-16.67	-8.58

Table 4: Average annual index (2015=100) and percent change

Year	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Base metals and other manufactures	All items less electricity
2015	100	100	100	100	100	100	100
2016	97.77	99.35	102.13	95.02	107.50	89.03	95.73
2017	102.53	86.68	107.93	90.90	104.29	102.49	99.66
2018	109.85	85.15	108.93	92.45	104.28	126.08	109.72
2019	102.33	84.00	111.76	91.19	81.60	100.37	99.92
2020	107.45	85.63	115.21	87.68	62.70	114.21	106.86
2021	124.51	83.84	119.67	98.95	65.47	181.33	141.96

Percent change

2016	-2.23	-0.65	2.13	-4.98	7.50	-10.97	-4.27
2017	4.87	-12.75	5.68	-4.33	-2.98	15.12	4.11
2018	7.15	-1.76	0.92	1.70	-0.01	23.02	10.09
2019	-6.85	-1.36	2.60	-1.36	-21.75	-20.40	-8.93
2020	4.99	1.94	3.09	-3.85	-23.15	13.80	6.95
2021	15.88	-2.09	3.87	12.85	4.41	58.76	32.85

Table 5: Import Price Index (Dec 2014 quarter = 100)

Quarter	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Metals and metal articles	Machinery, appliances and other manufactures	Transport equipment
Mar-17	97.66	109.69	101.45	96.08	98.67	77.86	103.89	109.50
Jun-17	98.07	113.74	99.50	96.92	98.58	84.79	100.69	110.23
Sep-17	95.46	112.51	95.76	96.05	90.74	82.18	101.07	99.15
Dec-17	95.32	112.15	94.78	94.12	91.65	82.49	101.33	100.79
Mar-18	99.90	112.53	100.82	97.20	104.85	96.98	101.06	105.72
Jun-18	103.20	111.58	106.07	100.05	112.32	99.03	105.35	109.10
Sep-18	106.32	111.89	111.37	103.99	105.88	102.27	110.26	109.19
Dec-18	108.30	113.20	111.54	110.18	108.07	102.80	112.29	115.58
Mar-19	104.31	114.04	102.62	104.01	107.00	105.14	108.97	107.83
Jun-19	104.30	114.69	106.68	102.68	103.88	98.47	107.31	111.01
Sep-19	103.30	115.68	107.13	102.61	103.05	90.28	107.87	106.73
Dec-19	104.00	119.13	108.05	103.37	108.96	80.87	108.58	112.83
Mar-20	106.40	121.99	104.12	102.29	125.36	90.39	111.35	115.56
Jun-20	103.31	123.90	86.47	101.04	126.58	87.83	117.45	119.29
Sep-20	105.31	123.27	100.69	100.78	121.54	88.52	113.99	112.26
Dec-20	108.44	131.65	99.54	102.48	109.28	99.89	113.04	121.63
Mar-21	113.30	135.30	111.06	106.70	126.12	110.69	111.88	118.56
Jun-21	117.91	145.32	117.37	111.15	118.79	120.81	113.25	119.31
Sep-21	122.15	146.19	127.19	116.25	120.51	129.93	116.27	117.08
Dec-21	128.01	145.77	134.62	132.05	130.58	141.01	117.97	120.91
Mar-22	135.08	150.31	144.02	139.76	146.23	151.84	119.79	141.52

Table 6: Year-on-year percent change

Quarter	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Metals and metal articles	Machinery, appliances and other manufactures	Transport equipment
Mar-18	2.29	2.58	-0.62	1.16	6.26	24.56	-2.72	-3.45
Jun-18	5.24	-1.90	6.61	3.23	13.93	16.79	4.62	-1.03
Sep-18	11.38	-0.55	16.30	8.26	16.68	24.45	9.10	10.12
Dec-18	13.61	0.94	17.68	17.06	17.91	24.62	10.81	14.68
Mar-19	4.42	1.34	1.79	7.00	2.05	8.41	7.83	1.99
Jun-19	1.07	2.79	0.57	2.63	-7.52	-0.57	1.86	1.76
Sep-19	-2.85	3.38	-3.81	-1.32	-2.67	-11.73	-2.17	-2.25
Dec-19	-3.97	5.24	-3.13	-6.18	0.83	-21.33	-3.30	-2.38
Mar-20	2.00	6.98	1.45	-1.65	17.16	-14.03	2.18	7.16
Jun-20	-0.96	8.03	-18.94	-1.60	21.86	-10.80	9.45	7.46
Sep-20	1.95	6.56	-6.01	-1.79	17.94	-1.95	5.68	5.19
Dec-20	4.27	10.51	-7.88	-0.87	0.29	23.52	4.11	7.80
Mar-21	6.48	10.91	6.67	4.31	0.61	22.46	0.48	2.60
Jun-21	14.13	17.29	35.73	10.01	-6.16	37.54	-3.58	0.01
Sep-21	15.99	18.59	26.32	15.36	-0.85	46.78	2.00	4.29
Dec-21	18.05	10.73	35.25	28.86	19.50	41.16	4.36	-0.59
Mar-22	19.22	11.09	29.68	30.98	15.95	37.18	7.07	19.37

Table 7: Quarter-on-quarter percent change

Quarter	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Metals and metal articles	Machinery, appliances and other manufactures	Transport equipment
Jun-17	0.41	3.69	-1.92	0.87	-0.09	8.91	-3.07	0.66
Sep-17	-2.66	-1.08	-3.75	-0.89	-7.95	-3.08	0.37	-10.05
Dec-17	-0.14	-0.33	-1.02	-2.01	1.00	0.38	0.26	1.65
Mar-18	4.80	0.34	6.37	3.27	14.40	17.56	-0.26	4.90
Jun-18	3.30	-0.84	5.21	2.93	7.13	2.11	4.24	3.19
Sep-18	3.02	0.28	5.00	3.94	-5.73	3.27	4.67	0.08
Dec-18	1.86	1.17	0.15	5.95	2.07	0.52	1.84	5.86
Mar-19	-3.68	0.74	-7.99	-5.60	-0.99	2.27	-2.95	-6.71
Jun-19	-0.01	0.57	3.96	-1.28	-2.92	-6.35	-1.53	2.95
Sep-19	-0.96	0.86	0.42	-0.06	-0.80	-8.32	0.52	-3.86
Dec-19	0.68	2.99	0.85	0.74	5.74	-10.42	0.66	5.72
Mar-20	2.31	2.40	-3.64	-1.05	15.05	11.77	2.55	2.42
Jun-20	-2.91	1.57	-16.95	-1.22	0.98	-2.83	5.48	3.23
Sep-20	1.94	-0.51	16.44	-0.26	-3.98	0.78	-2.94	-5.89
Dec-20	2.97	6.80	-1.15	1.69	-10.09	12.85	-0.83	8.34
Mar-21	4.48	2.77	11.58	4.12	15.41	10.81	-1.03	-2.52
Jun-21	4.06	7.40	5.68	4.17	-5.81	9.14	1.22	0.64
Sep-21	3.60	0.60	8.36	4.59	1.45	7.55	2.67	-1.87
Dec-21	4.79	-0.28	5.84	13.59	8.36	8.53	1.46	3.27
Mar-22	5.53	3.11	6.98	5.83	11.98	7.68	1.54	17.05

Table 8: Average Annual index (2015=100) and percent change

Year	All items	Food and beverages	Mineral products, cement and electricity	Chemicals, plastics, textiles and apparel	Wood, pulp and paper	Metals and metal articles	Machinery, appliances and other manufactures	Transport equipment
2015	100	100	100	100	100	100	100	100
2016	97.65	107.77	97.75	97.84	94.30	80.47	101.52	104.69
2017	100.02	110.18	105.17	97.37	93.87	94.78	98.36	98.70
2018	107.84	110.49	115.01	104.66	106.55	116.11	103.16	103.31
2019	107.52	114.04	113.79	104.92	104.67	107.16	104.63	103.42
2020	109.50	123.44	105.29	103.50	118.51	105.88	110.24	110.89
2021	124.89	140.83	132.16	118.23	123.36	146.98	111.45	112.09

Percent change								
2016	-2.35	7.77	-2.25	-2.16	-5.70	-19.53	1.52	4.69
2017	2.43	2.24	7.60	-0.48	-0.45	17.79	-3.11	-5.72
2018	7.82	0.28	9.36	7.48	13.51	22.51	4.87	4.67
2019	-0.30	3.21	-1.07	0.25	-1.77	-7.71	1.43	0.10
2020	1.85	8.25	-7.47	-1.36	13.23	-1.20	5.36	7.23
2021	14.05	14.08	25.52	14.23	4.10	38.82	1.10	1.08

Table 9: Export weights (%)

Section	2014	2015	2016	2017	2018	2019	2020	2021
All items	100	100	100	100	100	100	100.00	100.00
Food and beverages	10.55	9.56	11.45	10.29	8.99	8.93	6.79	7.83
Mineral products, cement and electricity	46.19	50.39	53.45	51.33	47.84	62.44	70.64	59.19
Chemicals, plastics, textiles and apparel	7.45	9.49	7.64	7.03	4.65	2.98	1.53	1.10
Wood, pulp and paper	1.07	1.01	0.93	0.68	1.20	0.58	0.27	0.34
Base metals and other manufactures	34.75	29.56	26.53	30.66	37.33	25.07	20.77	31.55
All items less electricity	69.99	65.86	63.80	67.32	73.61	64.86	43.41	57.82

Table 10: Import weights (%)

Section	2014	2015	2016	2017	2018	2019	2020	2021
All items	100	100	100	100	100	100	100	100
Food and beverages	17.44	15.04	15.84	16.41	15.12	16.90	19.51	19.71
Mineral products, cement and electricity	26.72	20.84	21.25	23.57	26.45	25.36	19.49	19.58
Chemicals, plastics, textiles and apparel	10.88	9.64	9.23	9.63	10.28	11.52	11.13	13.31
Wood, pulp and paper	4.41	3.90	3.11	3.80	4.88	4.67	4.66	4.76
Metals and metal articles	17.46	15.33	10.76	11.77	11.09	13.04	9.96	7.42
Machinery, appliances and other manufactures	19.51	22.11	28.95	26.91	22.67	19.34	21.56	28.20
Transport equipment	3.58	13.14	10.85	7.90	9.50	9.16	13.68	7.02

Technical note

Export and Import Price Index (XMPI) is a measure of average price change over the period for goods and services that are exported and imported. The export and import price index for Bhutan includes only the goods and excludes the services component.

The data for compilation of export and import price index are sourced from the Trade Statistics published by the Department of Revenue and Customs (DRC), Ministry of Finance. Prices for both export and import are based on FOB (Free-on-Board) values. Price for computation of index is based on unit value derived from the trade statistics. For electricity, data is sourced from the Druk Green Power Corporation.

US Import Price Index is used as proxy for import of machinery and equipment as the unit value based on trade statistics is not sufficiently reliable. The US import price index is adjusted for changes in exchange rate between the Ngultrum and the US dollar.

Items selection – Export and import baskets are updated annually using the annual trade statistics data. Selection of items for the basket are based on factors such as *FOB values; quarterly unit values; coefficient of variation (CV); and count of number of quarters that unit values are present during the latest nine quarters.*

For 2022 basket items, there are 43 items in the Export basket (36 items exported to India and 7 items exported to countries other than India) and 131 items in the Import basket (118 items imported from India and 13 items imported from countries other than India).

Terms of Trade - Terms of trade indexes measure the relative price of exports in terms of import prices. It is calculated as the ratio of export prices to import prices and expressed in terms of 100. The terms of trade track the purchasing power of exports. It measures the changing quantity of imports that can be funded by a fixed quantity of exports. An increase in the terms of trade means that a larger quantity of imports can be funded by a fixed quantity of exports, while a decrease in the terms of trade means that a smaller quantity of imports can be funded by a fixed quantity of exports.

Frequency, timeline and revision - XMPI will be published on quarterly basis with a time lag of one quarter after the reference quarter. DRC provides provisional data for the first three quarters of the year and the finalized data for the year when providing the fourth quarter data. Hence, the index for the past three quarters may get revised when the final annual data is received.

Classification - Goods are classified using the Bhutan Trade Classification which is based on the International Harmonized System Classification

Weights - represents the relative importance of specific item to the overall exports or imports and determines the impact each item will have on the overall price change. Weights are updated annually along with annual basket selection.

Formula - Arithmetic Young upper-level formula is used to calculate the XMPI