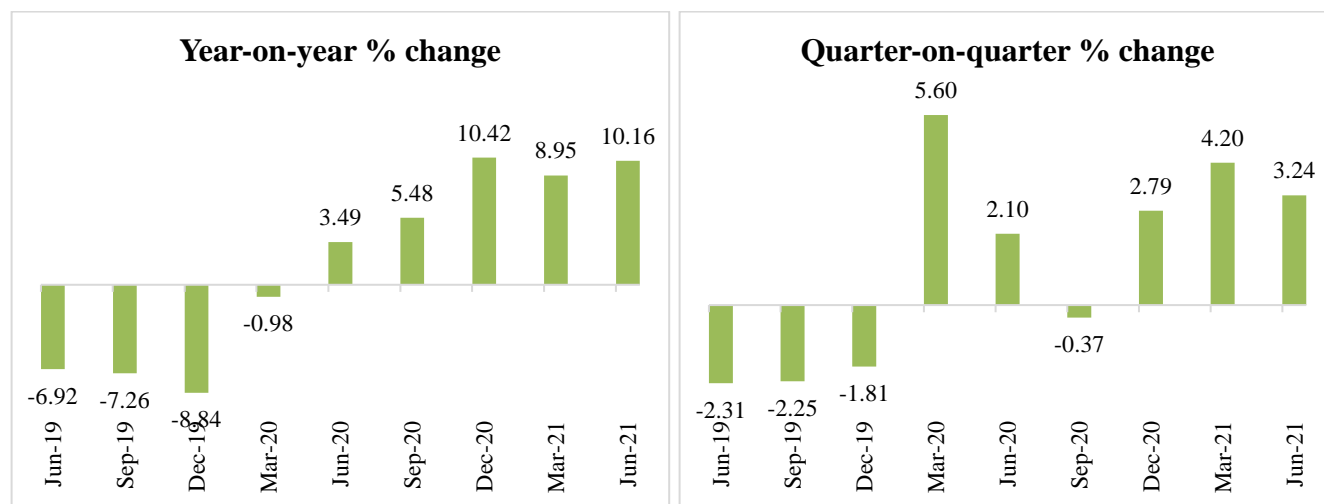




## Export and Import Price Index – Q1 (Jan-Mar) and Q2 (Apr-Jun), 2021

Release date: 12<sup>th</sup> January, 2022

### Export Price Index



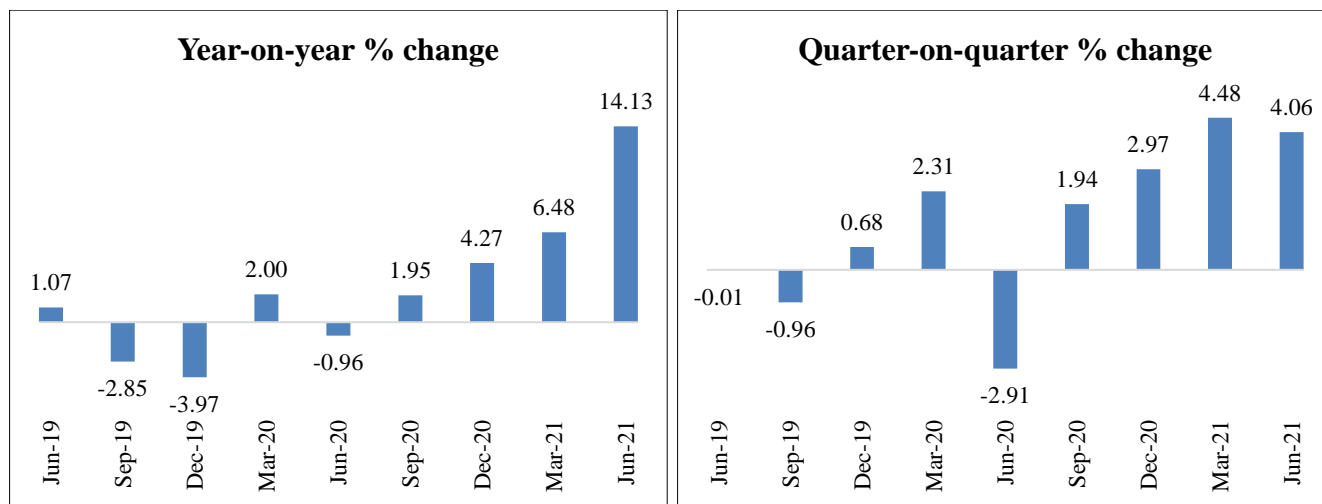
The export prices of goods increased by 8.95 percent and 10.16 percent in first and second quarter of 2021 respectively compared to the same quarter of previous year. The increase in both the quarters was mainly due to prices of base metals and other manufactures which increased by around 24 percent and 33 percent. The increase was mainly driven by increase in prices of ferro-silicon.

Mineral product, cement and electricity group also recorded increase of more than 5 percent in both the quarters while chemicals, plastics, textile and apparel group recorded a drop in price for both the quarter compared to the previous year.

Prices of wood, pulp and paper recorded an increase of 9.27 percent in second quarter of 2021 after a drop in prices since third quarter of 2018. Prices of food and beverages went up by 3.50 percent in first quarter but dropped in second quarter by 5.82 percent.

Quarter-on-quarter export prices for first quarter of 2021 went up by 4.20 percent and further rose by 3.24 percent in second quarter. All the group recorded an increase in the quarterly prices in both the first and second quarter except for food and beverages which recorded a decrease in both quarter by 2.32 percent and 8.26 percent in first and second quarter respectively.

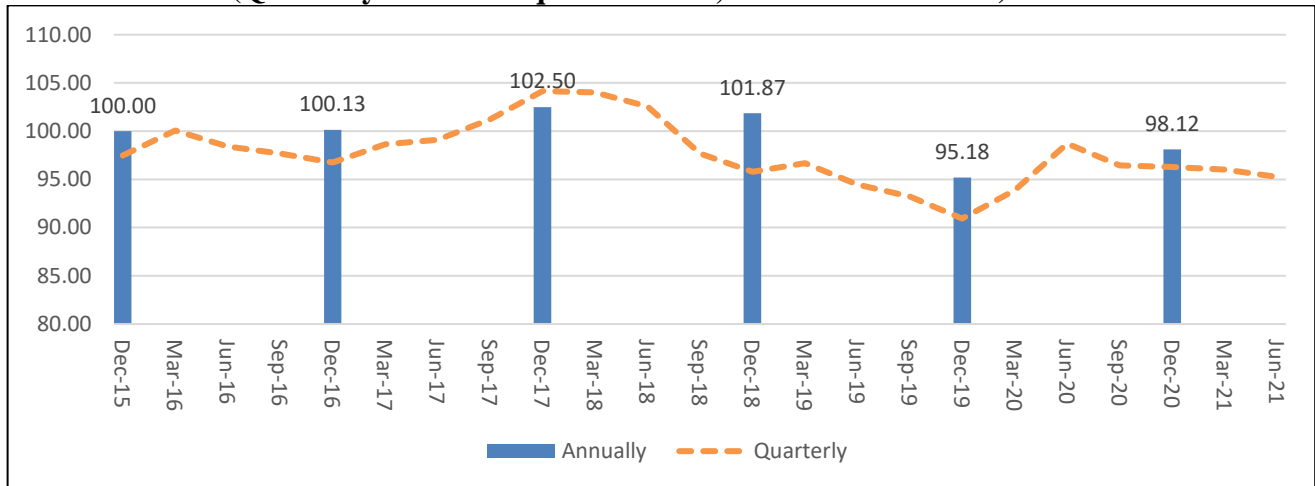
## Import Price Index



The year-on-year import prices of goods increased by 6.48 percent in first quarter and 14.13 percent in second quarter of 2021. The increase of 14.13 percent in second quarter was the highest thus far since 2015. The increase was driven by increase in price of metals and metal articles by 37.54 percent; and Mineral products, cement and electricity by 35.73 percent. Increase in price of ferrous products within metals and metal article was the main contributor with 24.54 percent in first quarter and 44.06 percent increase in the second quarter. The increase in mineral products, cement and electricity group was mainly due to Motor spirit (gasoline) including aviation spirit (petrol) which increased by about 48 percent; and Other light oils and preparations (HSD) which increased by 56 percent.

The quarter-on-quarter (current quarter compared to previous quarter) import prices also recorded higher increase in both quarters due to increase in prices of fuel and ferrous products. In first quarter, the highest quarterly increase was recorded in mineral products, cement and electricity with 11.58 percent while transport equipment; and machinery, appliances and other manufactures recorded a drop in price by 2.52 percent and 1.03 percent respectively. In second quarter, all other groups recorded an increase except for wood, pulp and paper which decreased by 5.81 percent.

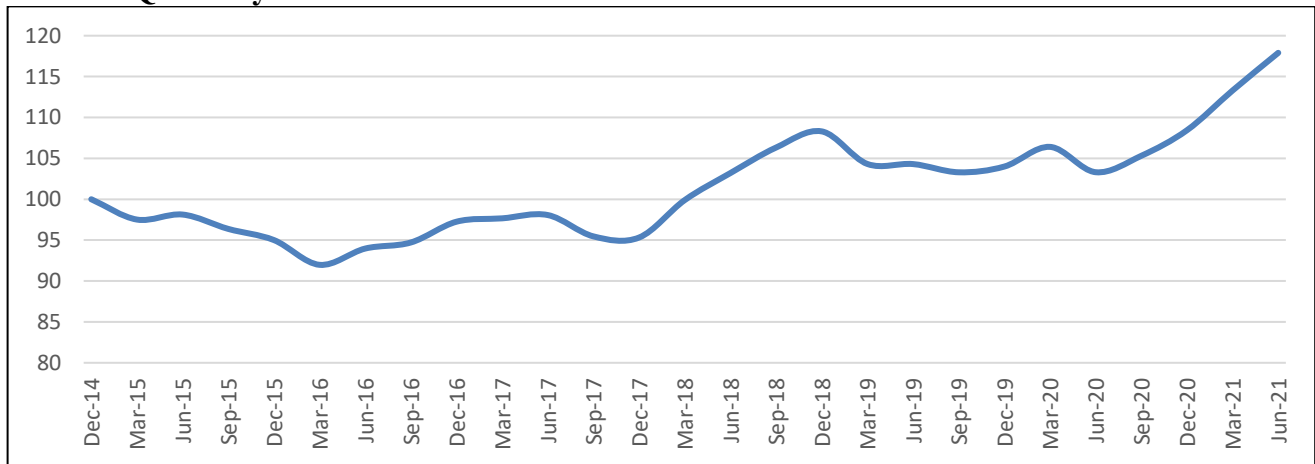
**Terms of Trade (Quarterly: Dec 2014 quarter = 100, Annual: 2015 = 100)**



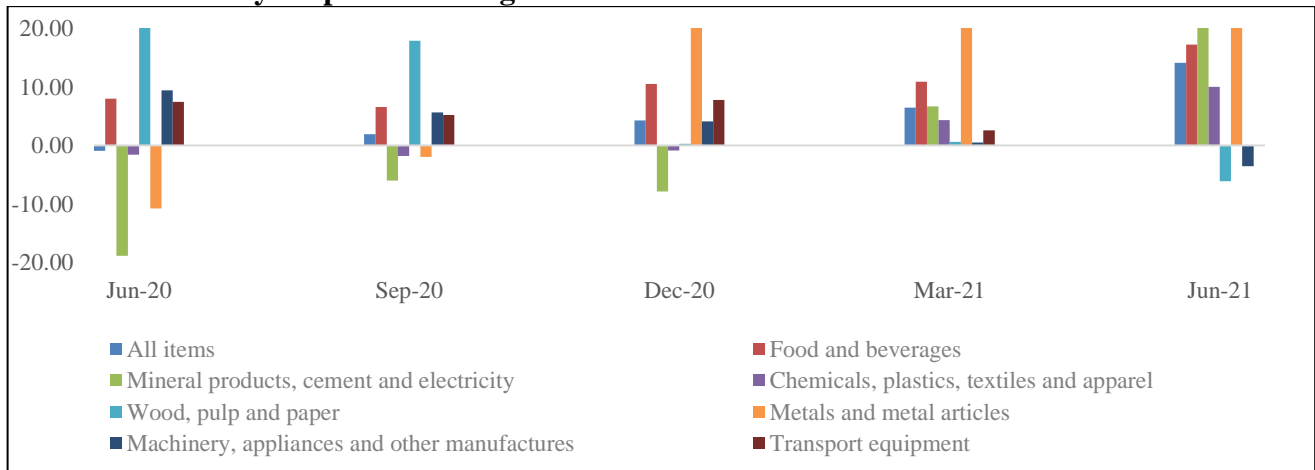
The terms of trade index improved in first quarter of 2021 by 2.32 percent compared to first quarter of 2020, however, it declined in second quarter by 3.48 percent compared to the same quarter of previous year. The quarterly terms of trade declined by 0.27 percent in first quarter 2021 compared to the fourth quarter of 2020 and further declined in second quarter by 0.79 percent from first quarter of 2021. 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.

**Import Price Index (Dec 2014 quarter = 100)**

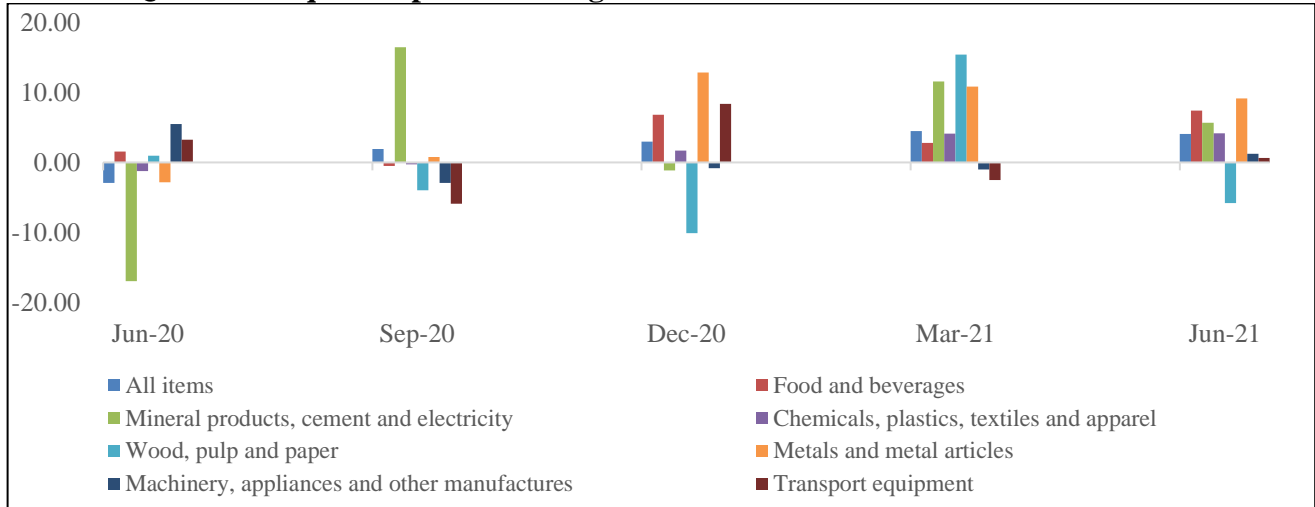
**Chart 1: Quarterly index**



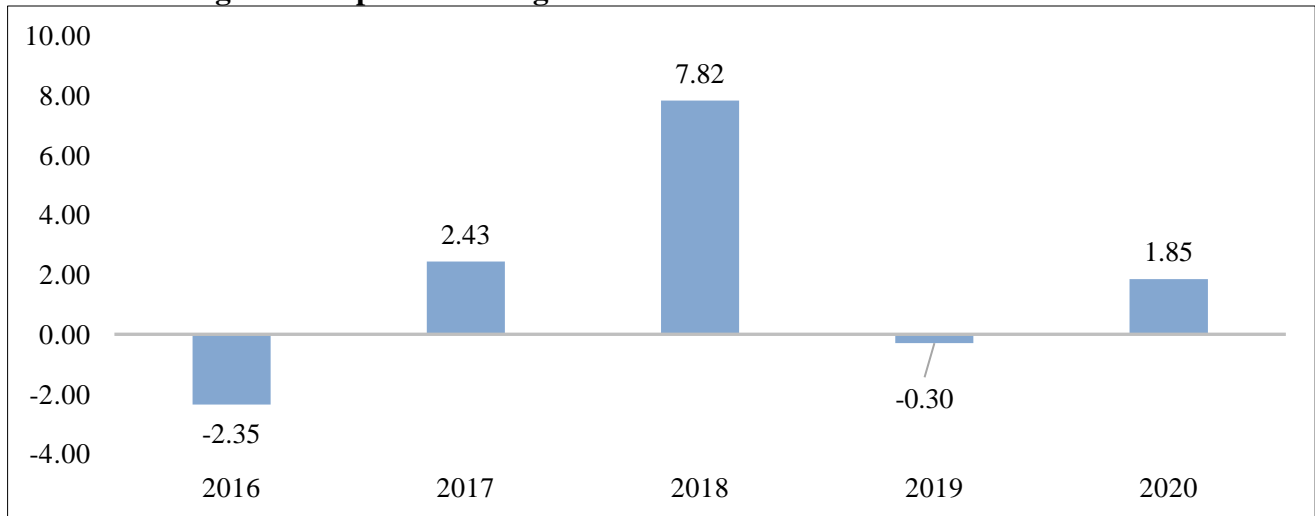
**Chart 2: Year-on-year percent change**



**Chart 3: Quarter-on-quarter percent change**

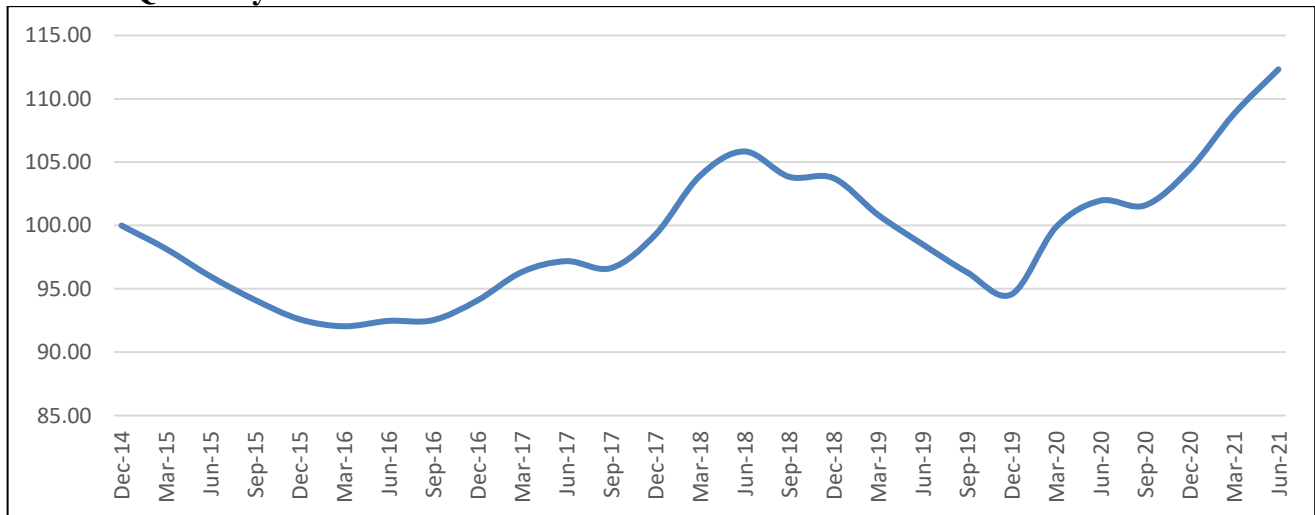


**Chart 4: Average annual percent change**

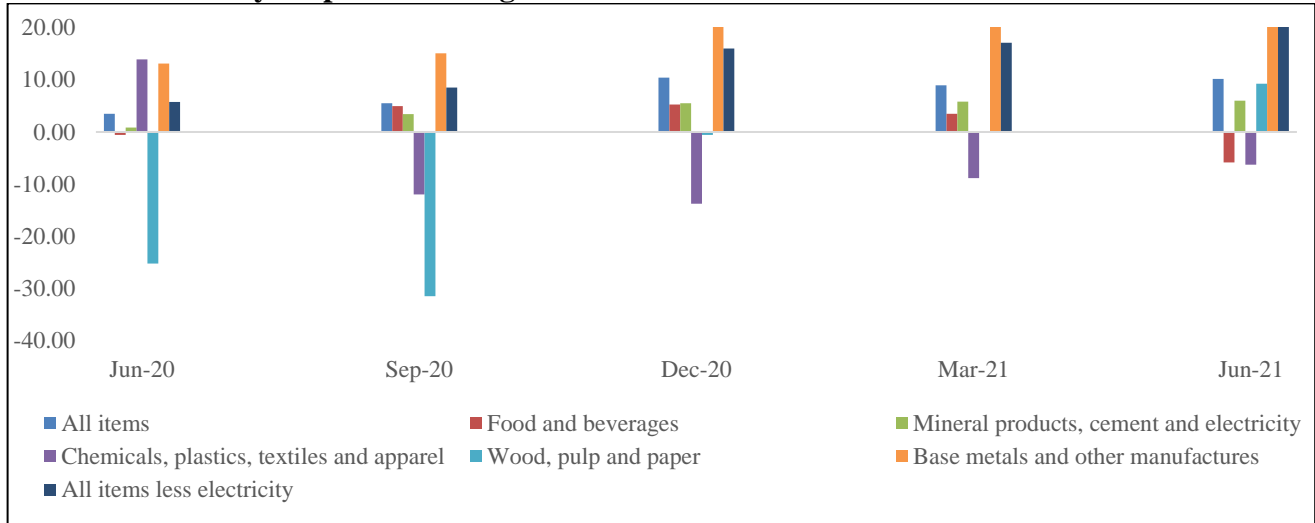


**Export Price Index (Dec 2014 quarter = 100)**

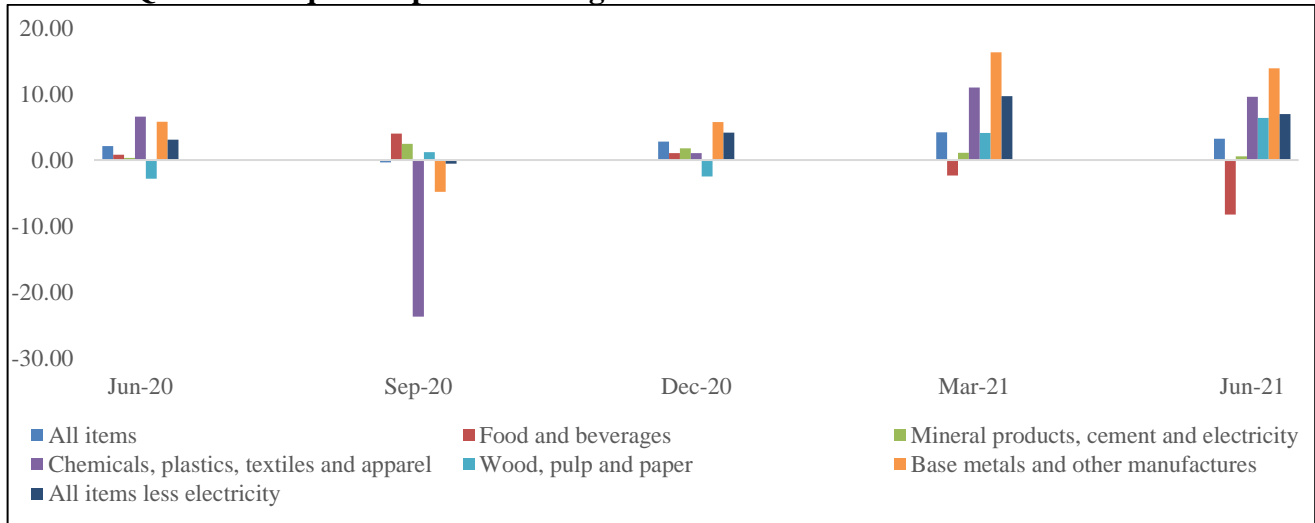
**Chart 5: Quarterly index**



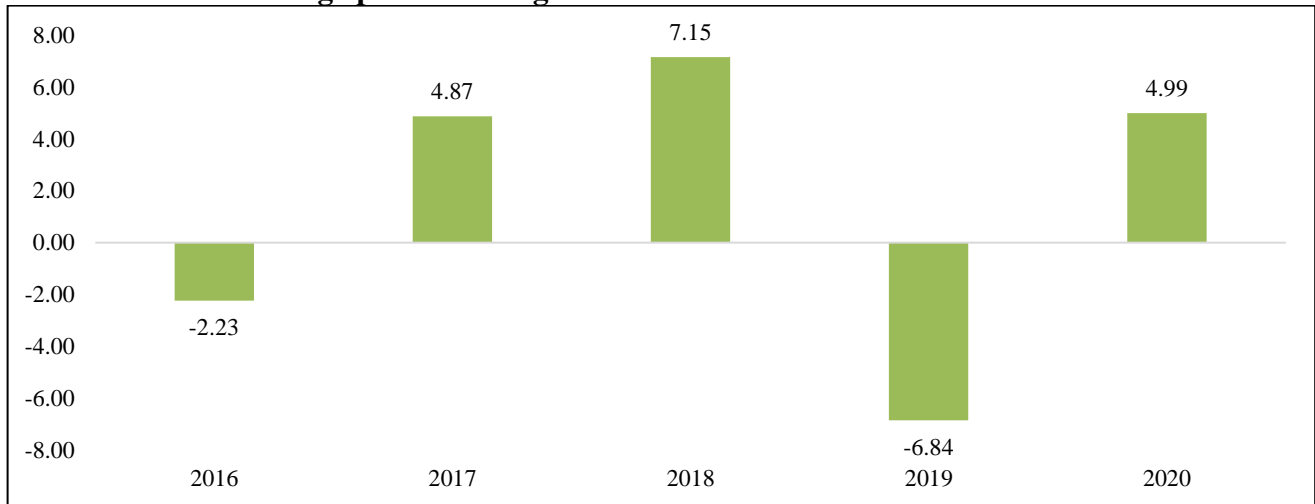
**Chart 6: Year-on-year percent change**



**Chart 7: Quarter-on-quarter percent change**



**Chart 8: Annual average 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
Jun-16	92.47	108.45	100.94	92.47	103.94	76.04	89.17
Sep-16	92.53	105.07	100.81	92.66	107.81	76.98	89.25
Dec-16	94.08	100.58	104.13	89.64	108.78	78.79	89.56
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

**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
Jun-17	5.10	-15.48	7.39	0.71	-3.49	11.02	3.86
Sep-17	4.44	-16.79	6.30	-4.98	8.70	12.84	2.86
Dec-17	5.53	-12.96	2.95	-6.30	5.03	22.12	6.91
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

**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
Sep-16	0.06	-3.11	-0.13	0.21	3.73	1.23	0.09
Dec-16	1.68	-4.27	3.30	-3.25	0.90	2.35	0.35
Mar-17	2.39	-2.06	3.15	-0.93	-7.50	4.10	1.56
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

**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

**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

**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
Jun-16	93.97	107.18	92.20	92.33	99.25	69.57	104.37	111.49
Sep-16	94.71	113.52	93.63	97.98	95.44	65.42	104.55	110.80
Dec-16	97.25	113.22	96.50	99.29	95.24	73.79	105.12	111.96
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

**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
Jun-17	4.36	6.13	7.91	4.97	-0.68	21.88	-3.53	-1.13
Sep-17	0.79	-0.88	2.27	-1.97	-4.92	25.62	-3.33	-10.51
Dec-17	-1.99	-0.95	-1.78	-5.21	-3.77	11.79	-3.61	-9.98
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



**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
Sep-16	0.79	5.91	1.55	6.12	-3.85	-5.97	0.17	-0.62
Dec-16	2.68	-0.26	3.06	1.33	-0.20	12.80	0.55	1.05
Mar-17	0.42	-3.12	5.12	-3.23	3.60	5.51	-1.18	-2.20
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

**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
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

**Table 9: Export weights (%)**

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

**Table 10: Import weights (%)**

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

## 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 does not include 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. Data for electricity trade 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.*

There are 54 items in the Export basket (43 items exported to India and 11 items exported to countries other than India) and 123 items in the Import basket (109 items imported from India and 14 items imported from countries other than India). Overlapping items which are exported/imported to/from India and countries other than India are counted as separate item in the basket.

**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