
Note on reweighting and methodology changes for Export and Import Unit Value Indices (Publication number P0142.7).

The Export and Import Unit Value Indices (XMUVIs) will be reweighted from the January 2016 statistical release, to be published on 31 March 2016. The weights will be based on 2015 trade transactions. The current weights are based on 2014 trade transactions. The weights are updated annually (with effect from January).

Stats SA aims to continually improve its methodologies to enhance the quality of statistical information and to be in line with international best practices. The main principle of the XMUVIs is to get as close as possible to an actual price, based on the trade data supplied. Using more detailed trade data being made available to Stats SA, methodological changes will be made to the XMUVIs to make improvements that would not have been possible without the more detailed data. The following changes will be introduced from the January 2016 statistical release:

- The use of moving averages in calculating the XMUVIs will be discontinued. The use of moving averages not only numbed out some of the movements in the XMUVIs, but affected the timing of the movements. See the graphs in the appendix for examples of UVIs calculated with and without moving averages.
- The 'Other' component will be excluded from trade data (where applicable) in the compilation of the monthly XMUVIs. Tariffs classified as 'Other' usually have a wide variety of products contained in them, making comparability difficult. Thus removing 'Other' increases homogeneity and improves comparability of products.
- A geometric mean will be applied when calculating unit values per trader (previously an arithmetic mean was applied).
- Unit values will be calculated on a trader-country level. In the current XMUVI calculations, all transactions of a specific trader transacting in a specific tariff category are grouped together and the UV is calculated regardless of the country of origin or destination. In the new XMUVIs, UVs are calculated for each trader transacting in a specific tariff category with a specific country of origin or destination. For example Trader XXX will have a UV for widgets imported from China, and a UV for widgets imported from Mexico. The advantage of the change is to improve comparability and homogeneity.

No revisions will be made to the official published data up to December 2015. However, an analytical series will be available from January 2014 illustrating the changes.

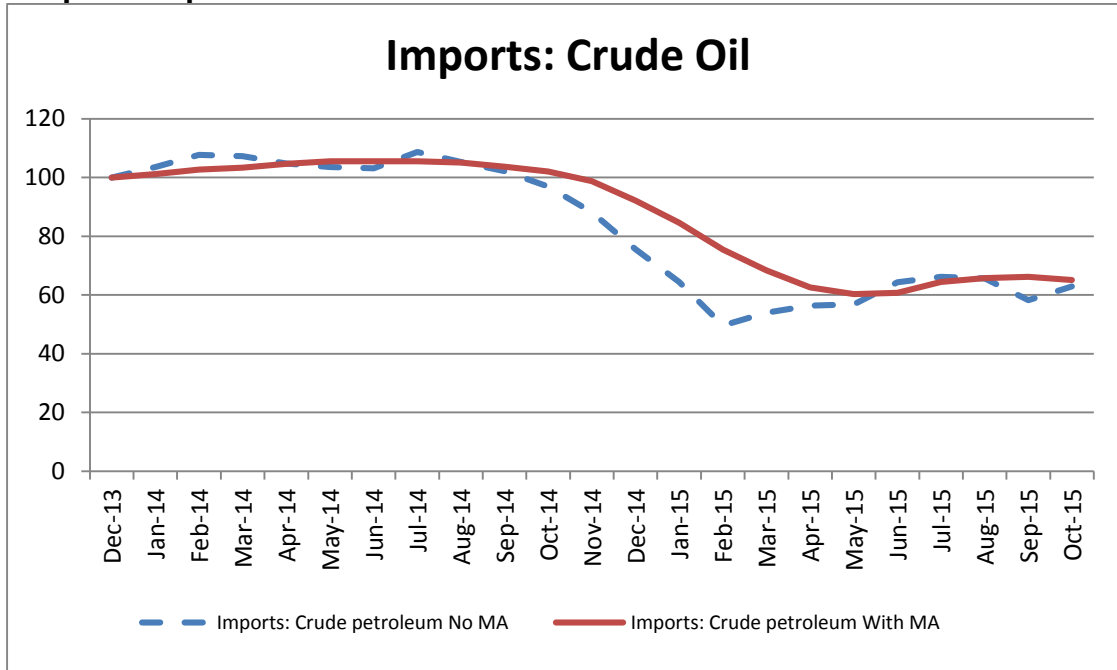
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Appendix

Graph 1: Imports of Crude Oil



Graph 2: Exports of Metal Ores

