



# THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: APRIL TO JUNE 2014

This publication of the quarterly bulletin is produced by the Economics and Statistics Office. It reflects ESO's commitment towards expanding the trade statistical data base to meet the demands of the public and private sectors. This bulletin complements "The Cayman Islands' Annual Foreign Trade Statistics Report" which is normally produced six months after the year in review and includes data on exports and the trade balance. The data presented in this bulletin are preliminary and subject to revision in the subsequent quarterly bulletin and annual report

## Imports by Standard International Trade Classification (SITC)

### Overview

In the second quarter of 2014, total value of imports grew by 9.4 percent to reach CI\$196.1 million, CI\$16.9 million higher than the CI\$179.2 million recorded for the same period in 2013 (see Chart 1).

Non-petroleum products which accounted for 77.4 percent of total imports, increased by 8.7 percent, while petroleum related products increased by 12.2 percent on account of higher volumes and price increases.

For the first six months of 2014, imports increased by 7.1 percent, moving from CI\$372.6

million to CI\$399.1 million.

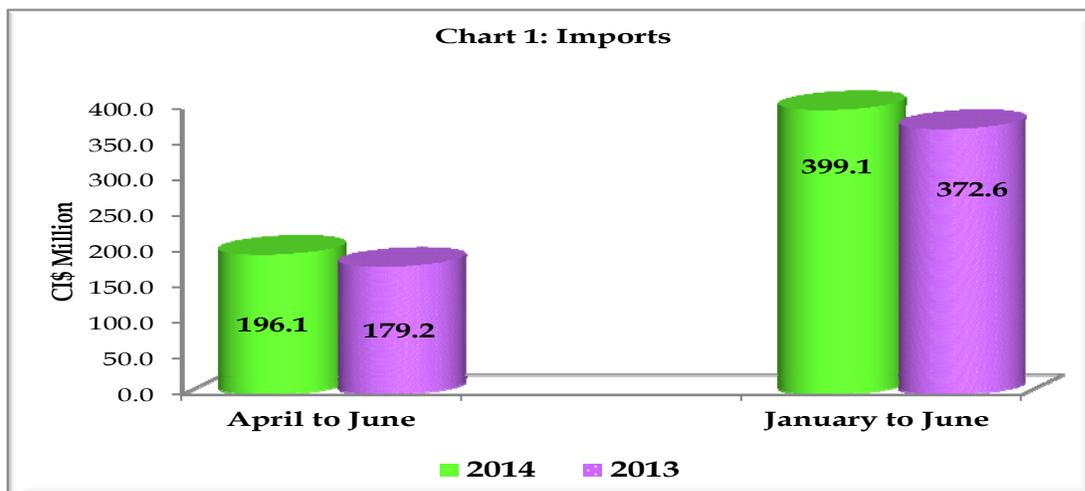
**Imports by category**  
For the quarter ending June 2014, all major non-petroleum groups grew except for machinery and transport equipment. The largest of these groups, food & live animals went up by 21.1 percent to reach CI\$40.1 million, compared to the same period in 2013.

Within the food category, meat and meat preparations increased by 10.4 percent to CI\$7.3 million, dairy products grew by 42.1 percent to CI\$4.7 million, while fruits and vegetables fell by 3.9 percent to

reach \$7.6 million.

Beverages & tobacco grew by 17.9 percent to CI\$8.6 million while manufactured goods classified chiefly by materials grew by CI\$2.2 million (9.8%) to \$24.5 million, mainly due to increases in some construction materials such as metal structures.

On the other hand, imports of machinery and transport equipment fell by 10.9 percent to CI\$24.9 million. This is traced to a decrease in road vehicles, telecommunications and aircraft equipment.



<b>Table 1: Merchandise Imports by Standard International Trade Classification (SITC)</b>			
<b>Section</b>	<b>2014</b>	<b>2013</b>	<b>%</b>
	<b>Apr - Jun</b>	<b>Apr - Jun</b>	<b>Change</b>
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & Live Animals	40.1	33.1	21.1
Beverages & Tobacco	8.6	7.3	17.9
Crude Materials (except fuels)	2.5	2.4	1.4
Animal & Vegetable Oils, Fats and Waxes	0.1	0.1	82.1
Chemical & Related Products	9.4	8.6	9.3
Manufactured Goods Classified Chiefly by Materials	24.5	22.3	9.8
Machinery & Transport Equipment	24.9	27.9	(10.9)
Miscellaneous Manufactured Articles	28.4	24.9	13.8
Commodities & Transactions Not Classified Elsewhere	13.3	13.0	2.8
<b>Non-Petroleum Products</b>	<b>151.7</b>	<b>139.6</b>	<b>8.7</b>
<b>Mineral Fuels, Lubricants &amp; Related Materials*</b>	<b>44.4</b>	<b>39.6</b>	<b>12.2</b>
<b>Total</b>	<b>196.1</b>	<b>179.2</b>	<b>9.4</b>

\* Also referred to as petroleum and related products.

<b>Table 2: Merchandise Imports by Standard International Trade Classification (SITC), Year to Date</b>			
<b>Section</b>	<b>2014</b>	<b>2013</b>	<b>%</b>
	<b>Jan - Jun</b>	<b>Jan - Jun</b>	<b>Change</b>
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & Live Animals	80.0	68.6	16.6
Beverages & Tobacco	17.3	14.7	17.6
Crude Materials (except fuels)	4.9	5.0	(1.1)
Animal & Vegetable Oils, Fats and Waxes	0.1	0.1	18.5
Chemical & Related Products	18.2	18.3	(0.8)
Manufactured Goods Classified Chiefly by Materials	47.9	43.5	10.1
Machinery & Transport Equipment	56.0	56.4	(0.8)
Miscellaneous Manufactured Articles	60.5	54.2	11.6
Commodities & Transactions Not Classified Elsewhere	25.1	26.3	(4.4)
<b>Non-Petroleum Products</b>	<b>310.0</b>	<b>287.1</b>	<b>8.0</b>
<b>Mineral Fuels, Lubricants &amp; Related Materials*</b>	<b>89.1</b>	<b>85.4</b>	<b>4.3</b>
<b>Total</b>	<b>399.1</b>	<b>372.6</b>	<b>7.1</b>

**For the first six months of 2014**, the value of non-petroleum products increased by 8.0 percent to reach \$310.0 million, compared to \$287.1 million recorded for the same period in 2013.

Imports of food and live animals, which accounts for 20.0 percent of total imports grew by 16.6 percent, to \$80.0 million from \$68.6 million in 2013.

Additionally, beverages and tobacco imports rose by 17.6 percent to \$17.3 million.

Higher imports payments was recorded for manufactured goods classified chiefly by materials (10.1%).

In contrast, crude materials except fuels fell by 1.1 percent, while chemicals and unrelated products fell by 0.8 percent.

Imports of petroleum products for the first half of 2014 also recorded an increase of 4.3 percent to total \$89.1 million, from \$85.4 million recorded in 2013.

## Imports by Countries of Origin

**For the quarter ending June 2014**, imports from the Cayman Islands' main trading partner, the USA, rose by 11.8 percent to \$182.2 million, compared to \$163.0 million recorded for the same period in 2013.

Increases were also recorded for imports from Jamaica (12.4%), United Kingdom (36.0%) and Panama (11.1%).

For the same period, significant declines were recorded for imports from Japan (-31.7%), Cuba (-34.1%), Switzerland (-96.3%) and Germany (-69.2%).

The sharp drop in imports from Japan reflected primarily in vehicles. The value of imports of cigars and cigarettes from Cuba fell.

Meanwhile, there was a drop in imports of watches from Switzerland.

The significant drop in imports from Germany was largely on account of the fall in the value of imports of machinery and auto parts.

**For the first six months of 2014**, imports from the USA continued on the upward trend and grew by 9.7 percent to \$372.8 million accounting for percent of total imports.

Imports from Cuba grew sharply moving from \$0.6 million in 2013 to \$3.7 million in 2014. Largely accounting for this increase was the rise in importation of cigars and cigarettes.

Additionally, imports from Switzerland and Mexico grew by 6.6 % and 17.8% respectively. However, goods imported from Jamaica fell by 25.4 percent, while goods from Canada and Germany declined by 47.2 percent and 60.8 percent respectively.

<b>Table 3: Imports by Country of Origin</b>			
<b>Country</b>	<b>2014 Apr - Jun</b>	<b>2013 Apr - Jun</b>	<b>% Change</b>
	<u><b>CI\$ M</b></u>	<u><b>CI\$ M</b></u>	
United States	182.2	163.0	11.8
Jamaica	2.1	1.9	12.4
Japan	0.7	1.0	(31.7)
United Kingdom	1.9	1.4	36.0
Cuba	0.2	0.3	(34.1)
Canada	0.3	0.5	(30.3)
Switzerland	0.01	0.2	(96.3)
Germany	0.4	1.5	(69.2)
Panama	0.23	0.20	11.1
Mexico	0.5	0.6	(7.0)
Others	7.5	8.8	(15.0)
<b>Total</b>	<b>196.1</b>	<b>179.2</b>	<b>9.4</b>

<b>Table 4: Imports by Country of Origin, Year to Date</b>			
<b>Country</b>	<b>2014 Jan - Jun</b>	<b>2013 Jan - Jun</b>	<b>% Change</b>
	<u><b>CI\$ M</b></u>	<u><b>CI\$ M</b></u>	
United States	372.8	339.9	9.7
Jamaica	3.4	4.5	(25.4)
Japan	1.7	1.7	(1.3)
United Kingdom	2.9	3.0	(4.4)
Cuba	3.7	0.6	512.6
Canada	0.5	1.0	(47.2)
Switzerland	0.4	0.4	6.6
Germany	0.8	2.1	(60.8)
Panama	0.4	0.8	(51.6)
Mexico	1.2	1.0	17.8
Others	11.3	17.5	(35.6)
<b>Total</b>	<b>399.1</b>	<b>372.6</b>	<b>7.1</b>

## Imports by Broad Economic Categories

Classification of imports by Broad Economic Category (BEC) shows that during the second quarter of 2014, consumer items grew at double-digit rates. Food and beverages which contributes 23.8 percent to total imports grew by 20.9 percent. Consumer goods not elsewhere specified grew by 47.5 percent.

Fuel and lubricants imports which accounts for 22.6 percent of total imports also recorded an increase (13.2%). This may be traced to increases in both the value and quantity of fuel imports. The total value of fuel imports (diesel, gasoline and jet fuel) grew by 13.2 percent while the quantity increased by 8.0.

In contrast, imports associated with physical investment moved downwards. Capital goods and transport equipment declined by 6.5 percent and 11.8 percent respectively. Meanwhile, industrial supplies also fell significantly (-21.3%).

Analysis of the first half of 2014 compared to the same period in 2013, reveal that industrial goods not elsewhere classified fell by 24.2 percent and transport and equipment and parts therefore by 6.8 percent. Fuel and lubricants grew by 5.0 percent while food and beverages recorded a sharp increase of 17.0 percent.

Table 5: Imports by Broad Economic Categories

Broad Economic Categories	2014	2013	%
	Apr - Jun	Apr - Jun	Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & beverages	46.6	38.6	20.9
Industrial supplies not elsewhere specified	26.2	33.3	(21.3)
Fuels and lubricants	44.3	39.1	13.2
Capital goods (except transport equipment)	14.8	15.9	(6.5)
Transport equipment, and parts and accessories thereof	11.3	12.9	(11.8)
Consumer goods not elsewhere specified	39.8	27.0	47.5
Goods not elsewhere specified	13.0	12.4	4.1
<b>Total</b>	<b>196.1</b>	<b>179.2</b>	<b>9.4</b>

Table 6: Imports by Broad Economic Categories

Broad Economic Categories	2014	2013	%
	Jan - Jun	Jan - Jun	Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & beverages	93.6	80.0	17.0
Industrial supplies not elsewhere specified	52.0	68.6	(24.2)
Fuels and lubricants	88.8	84.6	5.0
Capital goods (except transport equipment)	34.2	29.4	16.4
Transport equipment, and parts and accessories thereof	26.2	28.1	(6.8)
Consumer goods not elsewhere specified	79.9	56.5	41.4
Goods not elsewhere specified	24.4	25.4	(3.6)
<b>Total</b>	<b>399.1</b>	<b>372.6</b>	<b>7.1</b>

## Methodology, Explanatory Notes and Definitions

The Foreign Trade Statistics is produced by the Economics and Statistics Office (ESO).

The statistics are primarily obtained from the computerized records maintained by the Customs Department. These records are based on documents on the importation and exportation of goods as completed by importers, exporters or their agents who are required to record the appropriate statistical tariff code using the new Cayman Islands Customs Tariff Law 2012 (CICTL). The CICTL is based on the Harmonised System (Harmonised Commodity Description and Coding System) of the Customs Cooperation Council (CCC), and the Standard International Trade Classification (SITC) Revision 3.

The task of the ESO, therefore, is mainly to incorporate and check the credibility of the data, and classify them into tables that can be useful for analysis.

The process of classification is a time-intensive, laborious task as there have been a significant number of goods that are not classified or misclassified. The objective of the classification process has been to minimize the number of such cases; over the years, the number of commodities that are not classified by SITC codes has diminished.

In addition to the classification by SITC codes, ESO also classifies all imported commodities by Broad Economic Category (BEC) based on international guidelines issued by the United Nations (UN). The BEC is a three-digit classification, according to their main end-use based on the System of National Accounts (SNA) concepts.

### Limitations

In the Cayman Islands, a number of importers do not provide codes, or provide improper codes. Over the years, this issue required the ESO to vigilantly verify codes

and provide missing ones.

ESO continues to review the imports data with the aim of improving the accuracy, reliability and proper classification of the data.

Given the volume of imports, full details of the quantity and value of all imports are not available. At present, only a small proportion of commodities have both quantity and value of imports.

The Customs Department has introduced a new system, the Total Revenue Integrated Processing System (TRIPS). The TRIPS system is a revenue collection and management tool consisting of a series of processing modules and is based on the concept of distributed data processing with standard multi-user-facilities. The "Trader Identification" module is the core of the system from which all other modules interface. A "unique number" is assigned to individual and company traders

and a database of all registered traders is kept.

The system also enables electronic processing of customs declarations using the new Cayman Islands Customs Tariff Law (CICTL), which assigns a specific tariff code to each traded commodity.

Hopefully, this new system will address and resolve many of the current issues with foreign trade data by improving the quality and timeliness of trade statistics.

### Trade Classification

The Cayman Islands version of the Harmonized System of Classification is the primary classification standard used for the Cayman Islands' foreign trade. In addition, the Standard International Trade Classification (SITC) Rev 3, which is the classification of international trade issued by the United Nations (UN), is used for the compilation of both the imports and exports of goods.

### System of Trade

The "General Trade System" is the system of coverage used in the tabulation of merchandise in this report. Under this system, all goods entering the Cayman Islands are recorded as imports while all goods leaving the country are recorded as exports.

### Coverage

This report covers merchandise trade only. Trade in services are not included. Included in the import statistics in this publication are goods sent abroad and returned after repair. Excluded are goods in transit or other shipments not destined for the Cayman Islands' market, monetary gold and bullion, bank notes and coins in circulation; and parcel post exports for which no records are kept.

### Imports

Goods brought into the country directly by residents but are not declared are excluded by default for lack of documentation. The values recorded for imports over a particular period represent the documents brought to account by Customs during that period. They may also include some goods actually arriving towards the end of the previous period but are accounted for in the current period.

### Valuation

All values are shown in Cayman Islands dollars (CI\$). Imports are valued at cost, insurance and freight (c.i.f) which is the value up to the time of delivery at the port. It includes incidental charges but excludes customs or any other duty paid on arrival.

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