



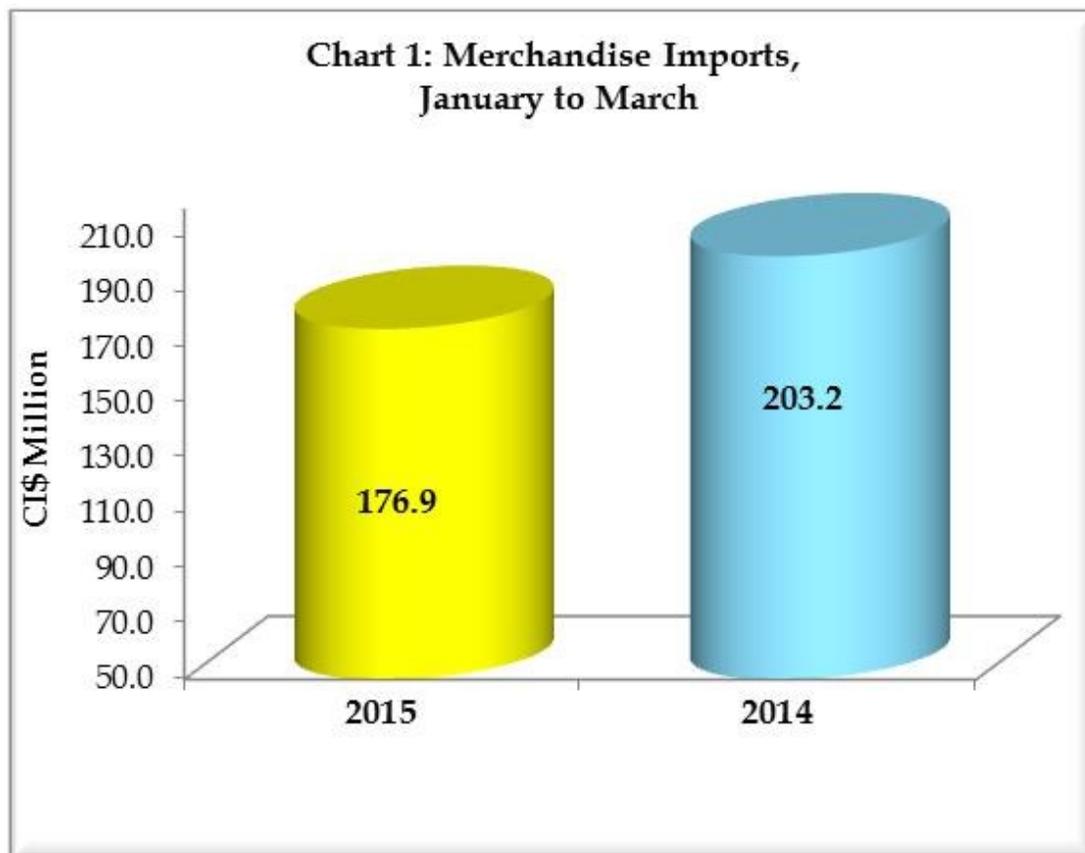
THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: JANUARY TO MARCH 2015

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

Overview

In the first quarter of 2015, the total value of merchandise imports amounted to CI\$176.9 million. This is lower by CI\$26.3 million (or 12.9%) compared to the level recorded for the same period in 2014 (see Chart 1).

The decline in merchandise imports occurred mainly among petroleum and related products, which fell by \$20.5 million (or 45.9%) as international oil prices were significantly lower in the first quarter than in the comparative period a year ago. Non petroleum and related products which accounted for 86.3 percent of total imports slid by \$5.8 million (or 3.6%).



Imports by Standard International Trade Classification (SITC)

For the quarter ending March 2015, the trend of imports in the eight major **non-petroleum** categories was mixed.

Food & live animals which comprised the largest category of merchandise imports had a strong growth amounting to \$5 million or 12.6 percent over the same period in the previous year.

The specific items that pushed food imports significantly were miscellaneous edible products (32.7%) and dairy products (8.2%).

On the other hand, fruits and vegetables, another large group within this category, fell by 11.9 percent.

The category of “commodities and transactions not classified elsewhere (33.1%)” also posted a robust increase of \$3.9 million or 33.1 percent compared to a year ago. Under this category, the largest share came from imports that arrived through couriers and the airports which altogether increased by 39.4 percent in the first quarter.

Chemical and related products also showed a 9.9 percent increase while crude materials was higher by 8.9 percent.

In contrast, machinery and transport equipment, and miscellaneous manufactured materials recorded significant declines.

The CI\$6.4 million fall in the machinery and transportation category is traced to a decrease in road vehicles, aircraft equipment and telecommunications equipment.

Manufactured goods classified chiefly by materials also fell by 8.5 percent to CI\$21.4 million. Refractory construction materials which comprised the bulk of this group, dropped by 30.7 percent.

Miscellaneous manufactured articles declined significantly by 20.6 percent, to CI\$26.2 million and was largely due to a decrease in professional and scientific equipment imports.

Total value of **mineral fuels and related materials imports** declined by 45.9 percent. While the quantities imported for both gasoline and diesel remained relatively stable, the average price per unit of both gasoline and diesel fell significantly. Gas prices dropped by 42.5 percent while diesel prices fell by 49.8 percent. This decline reflects the trend in the first quarter fuel costs worldwide.

Imports by Standard International Trade Classification (SITC)

Table 1: Merchandise Imports by Standard International Trade Classification (SITC)			
Section	2015 Jan - Mar	2014 Jan - Mar	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & Live Animals ¹	44.9	39.9	12.6
Beverages & Tobacco	8.2	8.7	(6.3)
Crude Materials (except fuels)	2.6	2.4	8.9
Chemical & Related Products	9.6	8.8	9.9
Manufactured Goods Classified Chiefly by Materials	21.4	23.4	(8.5)
Machinery & Transport Equipment	24.0	30.5	(21.2)
Miscellaneous Manufactured Articles	26.2	32.9	(20.6)
Commodities & Transactions Not Classified Elsewhere	15.7	11.8	33.1
Non-Petroleum Products	152.7	158.5	(3.6)
Mineral Fuels, Lubricants & Related Materials*	24.2	44.7	(45.9)
Total	176.9	203.2	(12.9)

* Also referred to as petroleum and related products.

1: includes animal & vegetable oils, fats and waxes

Imports by Countries of Origin

Imports from the Cayman Islands' main trading partner, the USA, fell by 15.4 percent to CI\$161.4 million, compared to the CI\$190.7 million recorded for the same period in 2014. Decreases in the mineral fuels and machinery and transport categories were the major contributors to the overall decline.

Decreases were also recorded for Japan (-12.9%), and the UK (-7.3%).

The sharp drop in imports from Japan reflected primarily the trade movement of Japanese vehicles, while items imported from the UK such as pharmaceuticals and food products contributed to the decline in goods from that country.

In contrast, imports from Switzerland recorded a significant increase of 72.1 percent reflecting an increase in jewellery and watch purchases.

Significant increases were recorded for imports from Canada (103.4%), Jamaica (52.0%), Germany (73.0%) and Panama (67.0%) in the first quarter 2015 as compared to the same period in 2014.

Goods from Canada included vehicles, furniture and pharmaceuticals.

Goods from Germany were mainly vehicles and parts, and from Jamaica, food and beverages.

Imports from Panama were mainly pharmaceuticals and various manufactured products.

The value of imports of cigars and cigarettes from Cuba also increased by 14.3 percent.

Table 2: Imports by Country of Origin

Country	2015 Jan - Mar	2014 Jan - Mar	% Change
		<u>CI\$ M</u>	
United States	161.4	190.7	(15.4)
Jamaica	1.9	1.3	52.0
Japan	1.0	1.1	(12.9)
United Kingdom	0.9	1.0	(7.3)
Cuba	0.4062	0.4	14.3
Canada	0.4057	0.2	103.4
Switzerland	0.64	0.37	72.1
Germany	0.62	0.36	73.0
Panama	0.3	0.15	67.0
Mexico	0.7	0.7	2.0
Others	8.6	7.0	23.5
Total	176.9	203.2	(12.9)

Imports by Broad Economic Categories

In general, imports in all broad economic categories (BEC) except food and beverages declined when compared to the same period in 2014.

Downtrends are seen in capital goods, transport equipment and semi-durable consumer goods. These had a combined reduction of approximately \$16 million, or 32.5 percent from the level a year ago.

A larger decline was posted in fuel and lubricant imports amounting to \$20.7 million or 46.6 percent from the same period in 2014.

In contrast, under the food and beverages category, processed food primarily for household consumption rose by \$5.4 million (or 15.9%).

Growth in purchases were also recorded for consumer durables (15.5%) and non-durables (6.2%).

Broad Economic Categories	2015	2014	%
	Jan - Mar	Jan - Mar	Change
1. Food & Beverages	51,397.8	46,927.2	9.5
11. Primary	8,993.3	9,583.6	(6.2)
111. Mainly for industry	74.3	137.8	(46.1)
112. Mainly for household consumption	8,919.0	9,445.7	(5.6)
12. Processed	42,404.5	37,343.6	13.6
121. Mainly for industry	3,178.0	3,484.1	(8.8)
122. Mainly for household consumption	39,226.5	33,859.5	15.9
2. Industrial supplies not elsewhere specified	25,073.2	25,750.1	(2.6)
21. Primary	1,928.9	1,420.4	35.8
22. Processed	23,144.3	24,329.8	(4.9)
3. Fuels and Lubricants	23,805.5	44,552.5	(46.6)
31. Primary	-	-	
32. Processed	23,805.5	44,552.5	(46.6)
321. Motor spirits	5,746.5	9,984.6	(42.4)
322. Other	18,059.0	34,568.0	(47.8)
4. Capital goods (except transport equipment)	12,836.4	19,381.1	(33.8)
41. Capital goods (except transport equipment)	10,250.8	17,398.0	(41.1)
42. Parts and accessories	2,585.6	1,983.1	30.4
5. Transport equipment, and parts and accessories thereof	12,317.9	15,037.6	(18.1)
51. Passenger motor cars	5,743.3	7,158.0	(19.8)
52. Other	3,059.8	4,299.2	(28.8)
521. Industrial	1,656.2	1,985.4	(16.6)
522. Non-industrial	1,403.6	2,313.9	(39.3)
53. Parts and accessories	3,514.8	3,580.4	(1.8)
6. Consumer goods not elsewhere specified	36,131.8	40,075.4	(9.8)
61. Durable	14,527.2	12,573.6	15.5
62. Semi-durable	7,936.9	14,634.8	(45.8)
63. Non-durable	13,667.8	12,867.1	6.2
7. Goods not elsewhere specified	15,337.9	11,472.4	33.7
TOTAL IMPORTS	176,900.6	203,196.4	(12.9)

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.

**Economic and Statistics Office
3rd Floor, Government Administration Building
133 Elgin Avenue
Grand Cayman, Cayman Islands
KY1-9000**

**Phone: (345) 949-0940
Fax: (345) 949-8782
www.eso.ky**

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