



THE CAYMAN ISLANDS' QUARTERLY TRADE BULLETIN: APRIL TO JUNE 2013

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 bulleting complements "The Cayman Islands' Annual Foreign Trade Statistics Report" which is normally produced five months after the year in review. The data presented in this bulletin are preliminary and subject to revision in the subsequent quarterly bulletins and annual report as new information is obtained.

Highlights

Imports

Preliminary trade statistics for the second quarter of 2013 reveal that imports fell by 2.3 percent from \$182.4 million in 2012 to \$178.2 million (Chart 1).

The reduction in imports was due to a fall in non-petroleum products as petroleum and petroleum-related products rose by 1.3 percent on account of price increases.

With the second quarter performance, overall imports in the first six months of 2013 fell by 0.5 percent, from \$372.9 million during the same period in 2012 to \$371.2 million. This resulted mainly from contractions in several non-petroleum products with few exceptions such as food imports which grew by 10.2 percent.

On the other hand, the total value of petroleum and petroleum-related imports increased by 4.4 in the first six months of 2013 in comparison with the same period in 2012.

Exports

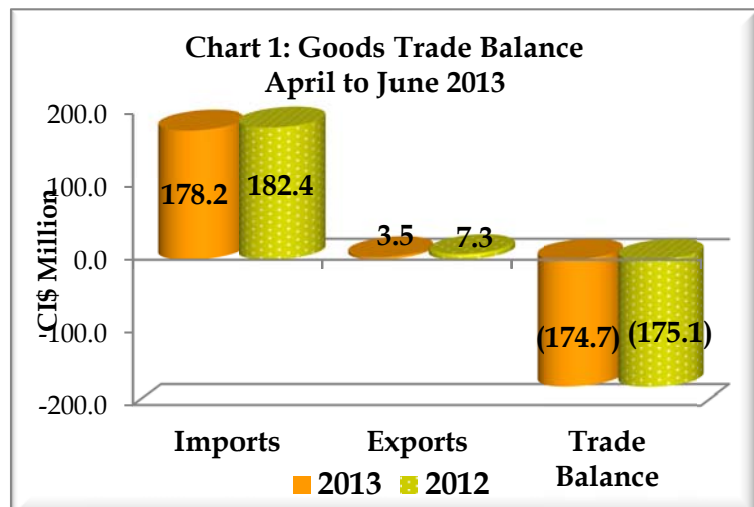
For the three months ending June 2013, export earnings fell significantly by 51.7 percent. Six of the 10 export categories experienced declines, notably crude materials, chemicals & related products, and machinery & equipment.

The first six months of 2013 also experienced a reduction of 42.8 percent in the value of goods exported to \$5.8 million from \$10.2 million in the comparative period of 2012.

Trade Balance

With the decline in imports, and despite the sharp fall in exports, the merchandise trade deficit narrowed to \$174.7 million in the second quarter of 2013 from \$175.1 million during the same period in 2012.

However, the trade deficit increased to \$365.4 million in the first half of 2013, compared to the \$362.7 million recorded for the same period in 2012.

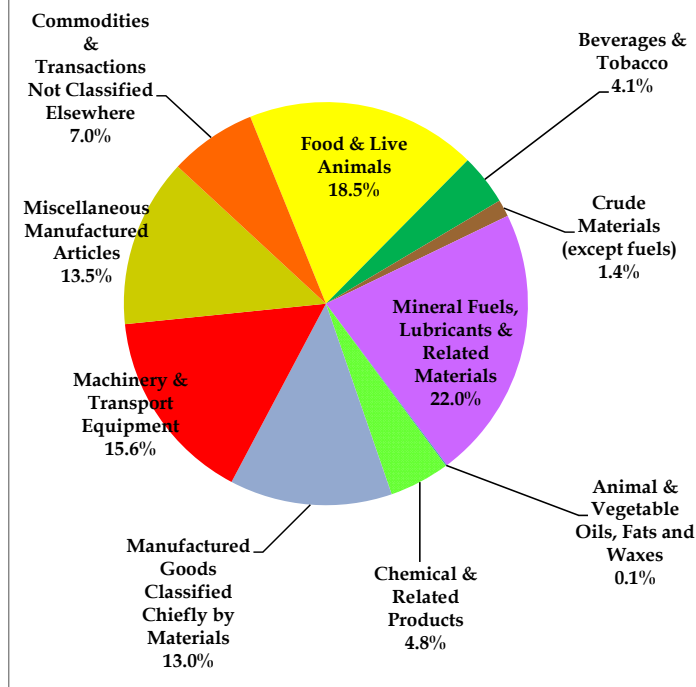


Commentary on Imports

Table 1: Merchandise Imports by Standard International Trade Classification (SITC)

Section	2013	2012	% Change
	Apr - Jun CIS\$ M	Apr - Jun CIS\$ M	
Food & Live Animals	33.0	29.7	10.9
Beverages & Tobacco	7.3	7.0	3.1
Crude Materials (except fuels)	2.4	2.4	0.2
Mineral Fuels, Lubricants & Related Materials	39.1	38.6	1.3
Animal & Vegetable Oils, Fats and Waxes	0.2	0.0	361.1
Chemical & Related Products	8.6	9.0	(4.4)
Manufactured Goods Classified Chiefly by Materials	23.2	20.2	14.6
Machinery & Transport Equipment	27.9	27.8	0.5
Miscellaneous Manufactured Articles	24.1	31.0	(22.1)
Commodities & Transactions Not Classified Elsewhere	12.5	16.6	(24.9)
Non-petroleum Products Total	139.1	143.8	(3.2)
Total	178.2	182.4	(2.3)

Chart 2: Percentage Distribution of Total Imports by SITC Classification, April-June 2013



The downtrend in imports in the second quarter is traced to non-petroleum products which recorded a reduction of 3.2 percent, from \$143.8 million to \$139.1 million during the same period a year ago. This was largely on account of the drop in miscellaneous manufactured articles (22.1%), commodities and transactions not classified elsewhere (24.9%), chemicals & related products (4.4%), and crude materials (except fuels) (0.2%).

In contrast, the value of imports of food and live animals showed an increase of 10.9 percent while beverages & tobacco increased by 3.1 percent.

The value of imported petroleum products, notably mineral fuels, lubricants and related materials, which accounted for approximately 22.0 percent of imports, rose by 1.3 percent to \$39.1 million. This is attributed to an increase of 8.1 percent in the average price per unit of fuel, which was moderated by a 4.4 percent decline in quantity.

With the second quarter performance, the first six months of 2013 recorded a reduction of 1.8 percent in the value of imports of non-petroleum products. Lower imports payments were experienced in miscellaneous manufactured articles (23.0%), commodities not classified elsewhere (15.6%) and crude materials (except fuel) (2.9%). In contrast, higher payments were recorded for imports of food & live animals (10.2%), machinery and transport equipment (8.0%), chemicals & related products (11.2%), beverages & tobacco (6.0%).

Minerals fuel & lubricants for the first half of 2013 also showed an increase of 4.4 percent to total \$84.5 million, from the \$81.0 million recorded in 2012 (Table 2).

Table 2: Merchandise Imports by Standard International Trade Classification (SITC)(Year to Date)

Section	2013	2012	% Change
	Jan - Jun	Jan - Jun	
	CIS M	CIS M	
Food & Live Animals	68.5	62.1	10.2
Beverages & Tobacco	14.7	13.9	6.0
Crude Materials (except fuels)	5.0	5.1	(2.9)
Mineral Fuels, Lubricants & Related Materials	84.5	81.0	4.4
Animal & Vegetable Oils, Fats and Waxes	0.2	0.1	131.5
Chemical & Related Products	18.3	16.5	11.2
Manufactured Goods Classified Chiefly by Materials	44.4	42.1	5.4
Machinery & Transport Equipment	56.4	52.2	8.0
Miscellaneous Manufactured Articles	53.4	69.4	(23.0)
Commodities & Transactions Not Classified Elsewhere	25.8	30.5	(15.6)
Non-petroleum products Total	286.6	291.9	(1.8)
Total	371.2	372.9	(0.5)

Table 3: Imports by Country of Origin

Country	2013	2012	% Change
	Apr - Jun	Apr - Jun	
	CIS M	CIS M	
United States	164.4	162.1	1.4
Jamaica	1.9	1.9	(2.9)
Japan	1.0	0.8	31.1
United Kingdom	1.4	2.5	(44.6)
Cuba	0.3	0.5	(48.2)
Canada	0.5	1.0	(52.4)
Switzerland	0.2	4.1	(96.2)
Germany	1.5	0.4	240.6
Panama	0.2	0.4	(44.8)
Mexico	0.6	0.9	(37.5)
Others	6.5	7.8	(16.7)
Total	178.2	182.4	(2.3)

For the six months ending June 2013, the value of goods imported from Germany increased by 58.3 percent. There were also increases in imports from Jamaica (12.1%), Japan (8.0%), other countries (3.5%), and the USA (2.4%). All other countries registered declines, with imports from Switzerland recording the largest drop of 94.3 percent (Table 4).

Imports by Country of Origin

During the quarter ending June 2013, imports from most of the Cayman Islands' main trading partners fell, except imports from Germany and Japan which recorded an increase of 240.6 percent and 31.1 percent respectively

The United States continues to be the Cayman Islands' dominant trading partner accounting for approximately 92.2 percent of imports. Total imports from the USA increased by 1.4 percent and stood at \$164.4 million compared to \$162.1 million for the same period in 2012.

Imports from Switzerland recorded the largest decrease (96.2 %) during this quarter (Table 3).

Table 4: Imports by Country of Origin

Country	2013	2012	% Change
	Jan - Jun	Jan - Jun	
	CIS M	CIS M	
United States	340.8	333.0	2.4
Jamaica	4.5	4.0	12.1
Japan	1.7	1.6	8.0
United Kingdom	3.0	7.5	(59.7)
Cuba	0.6	0.8	(27.1)
Canada	1.0	1.4	(30.3)
Switzerland	0.4	6.2	(94.3)
Germany	2.1	1.3	58.3
Panama	0.8	0.8	(3.9)
Mexico	1.0	1.7	(36.9)
Others	15.1	14.6	3.5
Total	371.0	372.9	(0.5)

Imports by Broad Economic Categories

Classification of imports by Broad Economic Categories (BEC) shows that for the second quarter of 2013, food and beverages which accounts for 21.6 percent of total imports recorded an increase of 8.4 percent while fuel & lubricants which accounts for 21.7 percent, showed an increase in value of 1.8 percent. Two other categories recorded decreases, notably industrial supplies (21.3%), and goods not elsewhere specified (1.2%) (Table 5).

Analysis of imports by BEC for the first half of 2013 compared to the same period in 2012 reveal that only one category, namely industrial supplies was on the downtrend.

Table 5: Imports by Broad Economic Categories

Broad Economic Categories	2013.0	2012.0	% Change
	Apr - Jun	Apr - Jun	
	CI\$ M	CI\$ M	
Food & beverages	38.4	35.4	8.4
Industrial supplies not elsewhere specified	32.6	41.4	(21.3)
Fuels and lubricants	38.7	38.0	1.8
Capital goods (except transport equipment)	15.9	15.8	0.2
Transport equipment, and parts and accessories thereof	12.9	12.9	0.1
Consumer goods not elsewhere specified	27.8	26.8	4.0
Goods not elsewhere specified	11.9	12.1	(1.2)
Total	178.2	182.4	(2.3)

Fuel & lubricants recorded an increase of 4.8 percent while food & beverages showed an increase of 9.0 percent. Additionally, capital goods and transport equipment, and parts and accessories thereof recorded increases of 9.2 percent and 7.1 percent respectively.

Table 6: Imports by Broad Economic Categories

Broad Economic Categories	2013	2012	% Change
	Jan - Jun	Jan - Jun	
	CI\$ M	CI\$ M	
Food & beverages	79.8	73.2	9.0
Industrial supplies not elsewhere specified	68.0	86.5	(21.4)
Fuels and lubricants	83.7	79.9	4.8
Capital goods (except transport equipment)	29.4	26.9	9.2
Transport equipment, and parts and accessories thereof	28.1	26.3	7.1
Consumer goods not elsewhere specified	57.3	56.4	1.5
Goods not elsewhere specified	24.9	23.7	4.8
Total	371.2	372.9	(0.5)

Commentary on Exports

Table 7: Merchandise Exports by Standard International Trade Classification (SITC)

Section	2013	2012	% Change
	Apr - Jun	Apr - Jun	
	CI\$ (000's)	CI\$ (000's)	
Food & Live Animals	30.0	57.5	(47.8)
Beverages & Tobacco	6.7	0.0	-
Crude Materials	101.7	1,293.9	(92.1)
Mineral fuels, lubricants and related materials	20.6	0.0	-
Animal & vegetable oils, fats and waxes	8.4	0.0	-
Chemical & Related Products	19.2	217.5	(91.2)
Manufactured Goods Classified Chiefly by Materials	49.1	377.2	-
Machinery & Transport Equipment	170.7	622.9	(72.6)
Miscellaneous Manufactured Articles	119.6	247.0	(51.6)
Commodities & Transactions Not Classified Elsewhere	3,006.3	4,499.8	(33.2)
Total	3,532.2	7,315.9	(51.7)

Table 8: Merchandise Exports by Standard International Trade Classification (SITC)(Year to Date)

Section	2013	2012	% Change
	Jan - Jun	Jan - Jun	
	CI\$ (000's)	CI\$ (000's)	
Food & Live Animals	86.8	114.3	(24.1)
Beverages & Tobacco	16.7	0.0	-
Crude Materials	207.8	1,490.1	(86.1)
Mineral fuels, lubricants and related materials	20.6	0.0	-
Animal & vegetable oils, fats and waxes	18.4	0.0	-
Chemical & Related Products	20.2	222.7	(90.9)
Manufactured Goods Classified Chiefly by Materials	75.1	389.9	(80.7)
Machinery & Transport Equipment	349.2	776.9	(55.1)
Miscellaneous Manufactured Articles	254.7	461.8	(44.8)
Commodities & Transactions Not Classified Elsewhere	4,763.0	6,708.8	(29.0)
Total	5,812.4	10,164.5	(42.8)

The value of goods exported during the second quarter of 2013 fell significantly by 51.7 percent to \$3.5 million, compared to \$7.3 million recorded for the same period in 2012. Largely

accounting for this performance was the 92.1 percent decline in crude materials. It must be noted that an unusually large value of scrap materials was exported during the second quarter of 2012 (Table 7).

For the period under review, machinery & transport equipment and chemical & related products recorded huge declines of 72.6 percent and 91.2 percent respectively.

The first half of 2013 saw exports contracting by 42.8 percent; this rate of decline is slightly lower than that of the second quarter.

The value of exports reached a total of \$5.8 million for the first six months of 2013 compared to \$10.2 million achieved in 2012.

Decreases were recorded for most of the categories, notably, chemicals and related products (90.9%), crude materials (86.1%), and manufactured goods classified chiefly by materials (80.7%).

Exports of beverages & tobacco, mineral fuels, lubricants and related materials and animal and vegetable oils, fats and waxes all recorded increases.

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 Cayman Islands Tariff Code (CITC). The CITC 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).

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. This will require an upgrade of the current administrative system based at the Cayman Islands Customs Department. At present, only a small proportion of commodities have both quantity and value of imports.

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 and export statistics in this publication are goods sent abroad and returned for repair and goods re-exported as incorrect or faulty since they cannot be easily identified at the time of import. Excluded are goods in transit or other trans-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 and exports 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

Exports

Exports are a combination of both domestic and re-exports. Domestic exports include goods produced in the country, extracted from its natural resources or manufactured in the country. These include goods of foreign origin which have been assembled or transformed in the country.

Re-exports are goods of foreign origin which have not been materially transformed while in the Cayman

Exports data are obtained from the counterpart statistical agencies abroad namely, the US Census Bureau, the Jamaica Statistical Institute, and the UK Trade Data Online website. They include domestic exports and re-exports; however, the majority of the exports are re-exports.

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. Exports are valued at free on board (f.o.b.), which is the value at which goods were sold by the exporters, including all local charges to the exporting vessel or aircrafts. Freight and insurance are not included.

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

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

Other Publications Produced by the Economics and Statistics Office

**Annual Foreign Trade Statistics Reports
Balance of Payment Reports
Labour Force Reports
Compendium of Statistics
Census Reports**

**Consumer Price Index (CPI) Reports
System of National Accounts Reports
Quarterly Economic Reports
Annual Economic Reports**