

THE CAYMAN ISLANDS' QUARTERLY TRADE BULLETIN: JANUARY TO MARCH 2012

ES
ECONOMICS AND STATISTICS OFFICE
GOVERNMENT OF THE CAYMAN ISLANDS
Information on hand

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. The data presented in this bulletin are preliminary and subject to revision in the subsequent quarterly bulletin and annual report as new information are obtained.

Highlights

Trade Balance

The **visible trade deficit** (exports minus imports) in the first quarter 2012 increased by CI\$16.5 million (6.9%) and stood at CI\$181.7 million compared to the CI\$165.2 million recorded in the first quarter of 2011 (see Chart 1). This performance was largely as a result of the increased imports coupled with the fall in exports.

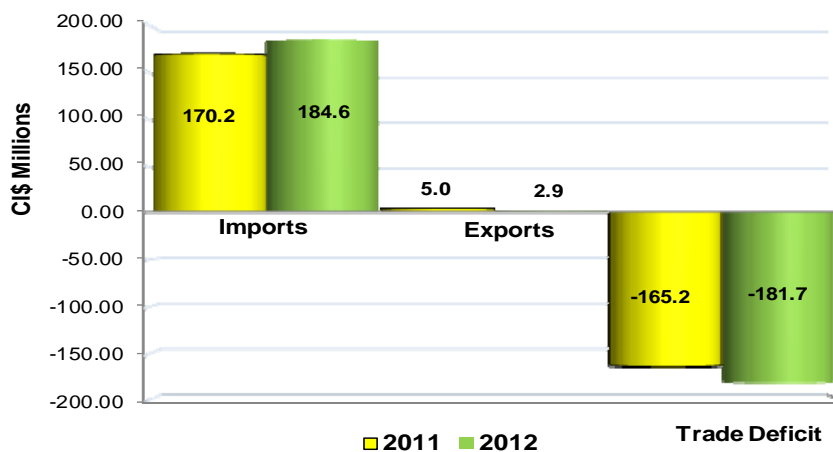
Imports

In the 1st quarter of 2012, the value of imports reached CI\$184.6 million, which was 8.4 percent higher than the CI\$170.2 million recorded for the same period in 2011. All categories experienced increases except Animal and Vegetable Oils (-36.7%), Chemical and Related Products (-8.2%), and Commodities and Transactions not elsewhere classified (-51%).

Exports

Exports from the Cayman Islands fell to CI\$2.9 million (42.6%) in the first quarter of 2012 as compared to the CI\$5.0 million recorded in the same quarter of 2011. The decrease in exports of commodities and transactions not elsewhere specified accounted for the sharp drop.

**Chart 1: Imports, Exports and Balance of Trade
January to March 2012**



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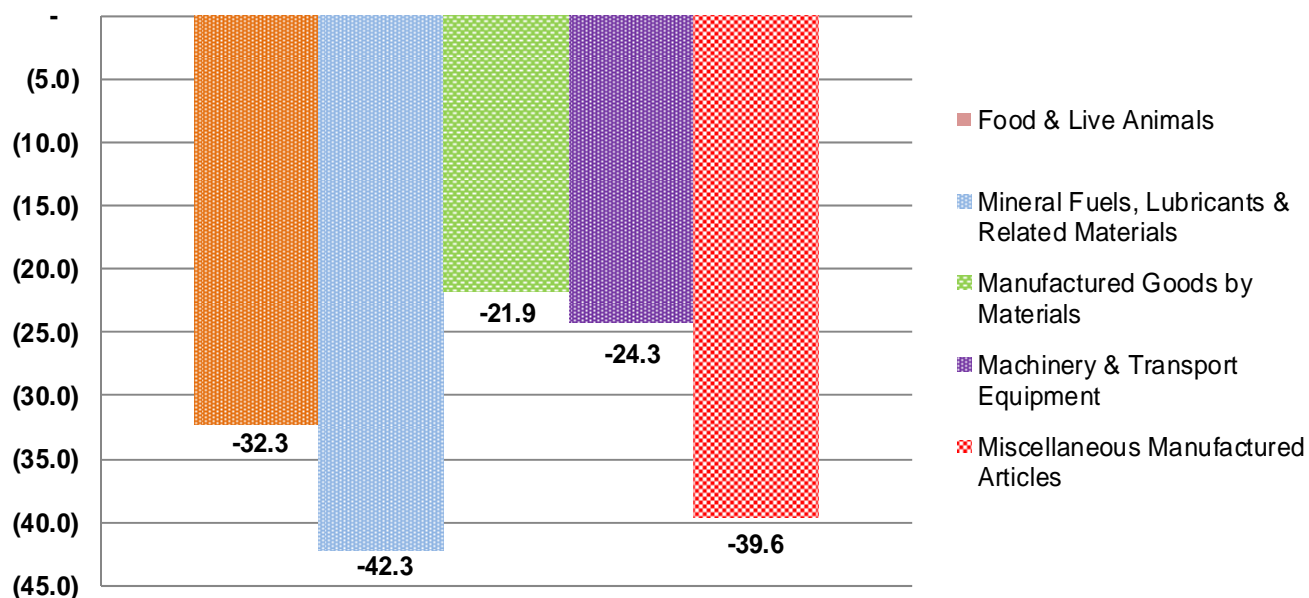
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**TABLE 1: IMPORTS, EXPORTS AND VISIBLE TRADE BALANCE BY
STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC) (CI\$ Millions)**

Section	Imports		Exports		Visible Balance of Trade	
	2011 1st Qtr	2012 1st Qtr	2011 1st Qtr	2012 1st Qtr	2011 1st Qtr	2012 1st Qtr
0 Food & Live Animals	29.0	32.4	0.1	0.1	-28.86	-32.34
1 Beverages & Tobacco	6.7	6.7	0.0	0.0	-6.72	-6.75
2 Crude Materials	2.5	2.5	0.3	0.2	-2.18	-2.34
3 Mineral Fuels, Lubricants & Related Materials	35.3	42.3	0.0	0.0	-35.34	-42.35
4 Animal & Vegetable Oils, Fats and Waxes	0.1	0.04	0.0	0.0	-0.06	-0.04
5 Chemical & Related Products	7.9	7.3	0.0	0.0	-7.91	-7.26
6 Manufactured Goods Classified Chiefly by Materials	15.9	21.9	0.0	0.0	-15.91	-21.90
7 Machinery & Transport Equipment	23.3	24.5	0.1	0.2	-23.22	-24.28
8 Miscellaneous Manufactured Articles	34.9	39.7	0.0	0.1	-34.88	-39.57
9 Commodities & Transactions Not Classified Elsewhere	14.6	7.2	4.5	2.3	-10.13	-4.84
Total	170.2	184.6	5.0	2.9	-165.19	-181.68

**Chart 2: Visible Balance of Trade Deficit:
Selected Categories, January to March 2012 (CI\$ Million)**



Commentary on Imports

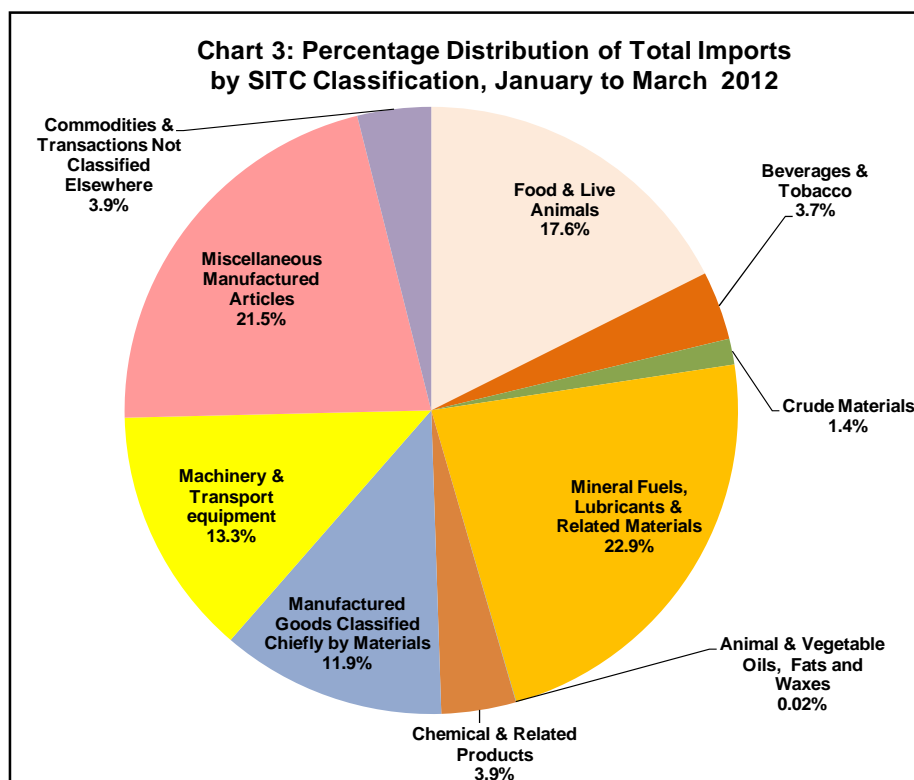
Overall, the non-petroleum imports which stood at \$134.9 million in the first quarter of 2011 increased by 5.5 percent to a total of CI\$ 142.3 million in the first quarter of 2012 .

Food and Live Animals rose by CI\$3.6 million to reach CI\$32.4 million in the first quarter of 2012 (an 11.8% increase), up from CI\$29.0 million in the first quarter 2011. Meanwhile, the total value of Fuel, Lubricants and Related Materials increased to CI\$42.3 million in the first quarter of 2012, up from the CI\$35.3 million for the same period in 2011.

In contrast, Chemical and Related Products fell by CI\$0.6 million (8.2%) when compared to 2011. Commodities and Transactions, not classified elsewhere declined by CI\$7.4 million (51.0%), while Animal and Vegetable Oils fell 36.7 percent to CI\$0.04 million.

Chart 3 presents the major classifications of imports and their percentage share to total imports.

Section	Percent Change
Food & Live Animals	11.8
Beverages & Tobacco	0.5
Crude Materials	2.6
Mineral Fuels, Lubricants & Related Materials	19.8
Animal & Vegetable Oils, Fats and Waxes	-36.7
Chemical & Related Products	-8.2
Manufactured Goods Classified Chiefly by Materials	37.6
Machinery & Transport Equipment	5.0
Miscellaneous Manufactured Articles	13.7
Commodities & Transactions Not Classified Elsewhere	-51.0
TOTAL IMPORTS	8.4



Imports: Countries of Origin

The USA maintained its position as the Cayman Islands' main trade partner with its value of total imports increasing in the first quarter of 2012. Imports from the USA rose by 8.1 percent, reaching CI\$166.6 million.

The United Kingdom was in second place with imports totalling CI\$5.0 million up from CI\$1.4 million, a 252.8 percent increase over the first quarter 2011. This was largely a result of the importation of additional paper products.

Imports from Jamaica in the first quarter 2012 amounted to CI\$2.1 million, a 105.8 percent increase over the same period in 2011. Increases in imported goods were also recorded for Japan

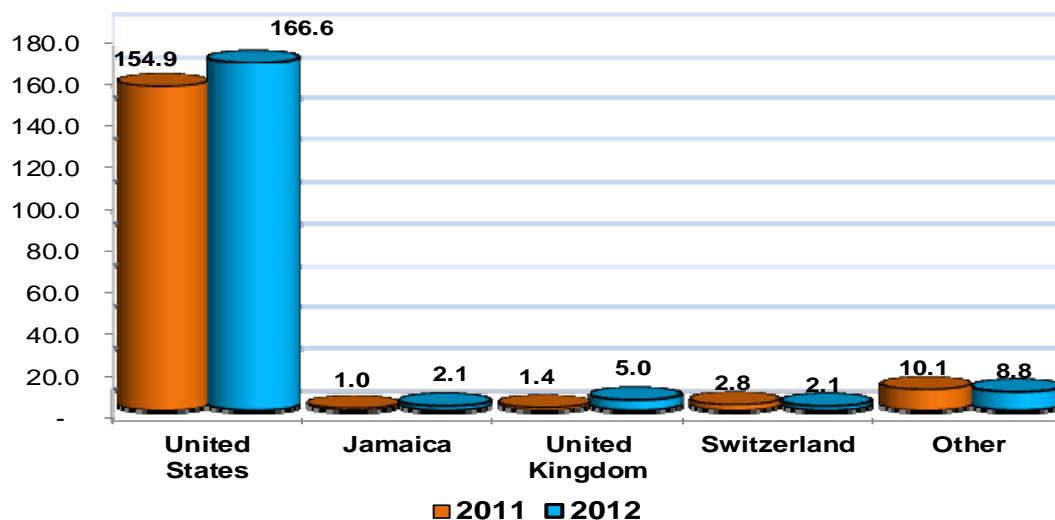
(11.2%), Canada (46.6%), Mexico (643.2%) and Panama (178.1%) when compared to the first quarter of 2011.

German imports recorded the largest decrease of CI\$0.9 million (62.7%) compared to that of other individual trading partners.

Imports from Switzerland fell from CI\$2.8 million in the first quarter 2011 to CI\$2.1 in the first quarter 2012, mainly as a result of the decline in the importation of watches.

Country	2011 1st Qtr	2012 1st Qtr	percent change
United States	154.09	166.62	8.1
Jamaica	1.02	2.10	105.8
Japan	0.77	0.86	11.2
United Kingdom	1.41	4.97	252.8
Cuba	0.47	0.30	-36.9
Canada	0.30	0.45	46.6
Switzerland	2.81	2.05	-26.8
Germany	2.35	0.88	-62.7
Panama	0.16	0.45	178.1
Mexico	0.10	0.72	643.2
Other	6.75	5.18	-23.2
TOTAL IMPORTS	170.23	184.57	8.4

**Chart 4: Imports by Country of Origin
January to March 2011 & 2012 (CI\$Millions)**



Imports: Broad Economic Categories

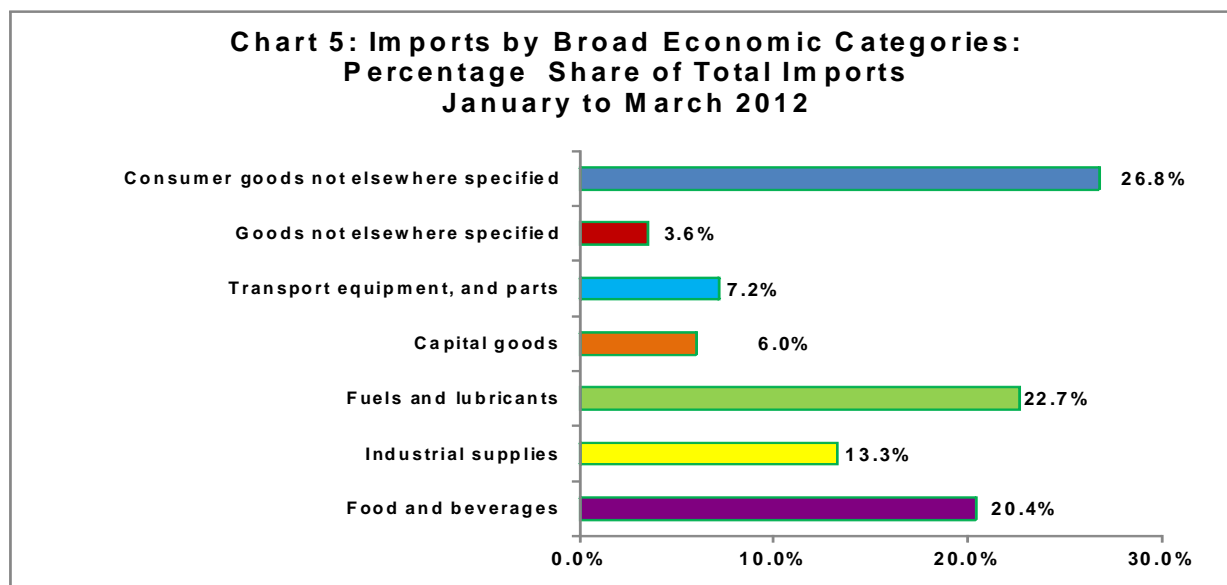
TABLE 4: IMPORTS BY BROAD ECONOMIC CATEGORIES

Broad Economic Categories	(CI\$ Millions)		
	2011 1st Qtr	2012 1st Qtr	% Change
1. Food & Beverages	34.0	37.7	10.8
2. Industrial supplies not elsewhere specified	18.1	24.5	35.4
3. Fuels and Lubricants	34.9	41.9	20.2
4. Capital goods (except transport equipment), and parts and accessories thereof	12.4	11.1	-10.0
5. Transport equipment, and parts and accessories thereof	10.8	13.4	24.2
6. Consumer goods not elsewhere specified	45.9	49.4	7.7
7. Goods not elsewhere specified	14.2	6.6	-53.8
TOTAL IMPORTS	170.2	184.6	8.4

Goods classified by Broad Economic Categories (BEC) show that a significant portion of the increase in imports was due to Fuel and Lubricants, which accounted for 22.7 percent of total imports. This category increased by 20.2 percent to CI\$41.9 million as compared to CI\$34.9 million over the same period in 2011. This is largely a result of continued increases in fuel prices.

Meanwhile, Food and Beverages, which accounted for 20.4 percent of all imports, increased by 10.8 percent to CI\$37.7 million. Increases were also recorded in industrial supplies not elsewhere specified (35.4%). Transport equipment went up by 24.2 percent to CI\$13.4 million. Goods not elsewhere specified fell by 53.8 percent, while Capital goods decreased by 10.0 percent.

**Chart 5: Imports by Broad Economic Categories:
Percentage Share of Total Imports
January to March 2012**



Commentary on Exports

For the first quarter of 2012, merchandise exports decreased by 42.6 percent, recording a value of CI\$2.9 million compared to CI\$5.0 million in the same period of 2011.

Machinery and Transport Equipment and Miscellaneous Manufactured Articles were the only two sections recording an increase of 117.8 percent and 213.4 respectively.

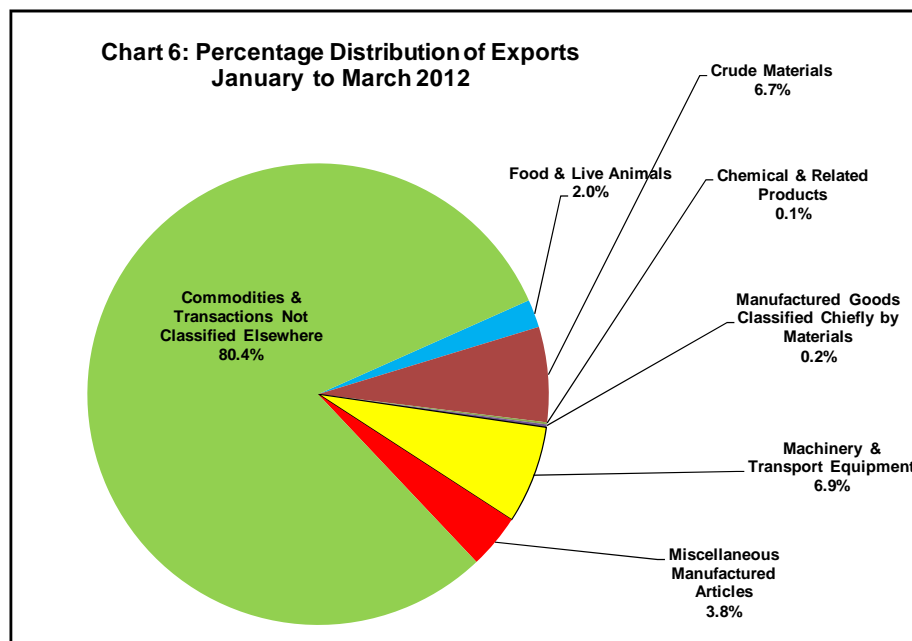


TABLE 5: EXPORTS BY SITC SECTIONS (CI\$000'S)

Section	2011 1st Qtr	2012 1st Qtr	<i>percent change</i>
Food & Live Animals	121.6	56.7	-53.4
Crude Materials	285.1	192.5	-32.5
Chemical & Related Products	0.0	4.2	-
Manufactured Goods Classified Chiefly by Materials	8.2	5.8	-29.3
Machinery & Transport Equipment	91.0	198.3	117.8
Miscellaneous Manufactured Articles	35.1	109.9	213.4
Commodities & Transactions Not Classified Elsewhere	4,496.7	2,324.1	-48.3
Total Exports	5,037.9	2,891.5	-42.6

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 improving the 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 Islands.

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.

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), that 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.

Valuation

All values are shown in Cayman Islands dollars (CI\$).

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