



# THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: JULY TO SEPTEMBER 2017



*Information on hand*

This publication is produced by the Economics and Statistics Office from data supplied by the Customs Department supplemented by imports data from the US. The data presented in this bulletin are preliminary and subject to revision in the subsequent quarterly bulletins and annual report as new information are obtained.

## Imports by Standard International Trade Classification (SITC)

### Overview

For the third consecutive quarter, the total value of imports to the Cayman Islands decreased, this time by 9.8 percent to reach \$193.82 million compared to \$214.79 million a year ago (see Chart 1). However, excluding the value of gold and related products, imports fell by only 2.1 percent for the quarter. The value of petroleum and petroleum-related products increased during the quarter by 5.2 percent to reach \$26.21 million; however, non-petroleum products fell by 11.7 percent.

The outturn for the third quarter brought the value of imports for **the first nine months of the year** to \$605.35 million, 4.4 percent lower than the level a year ago. Petroleum and petroleum related products increased by 16.1 percent while non-petroleum products fell by 6.8 percent. The latter emanated from a sharp drop in gold imports in the first three quarters of 2017 compared to the previous year.

### Imports by category

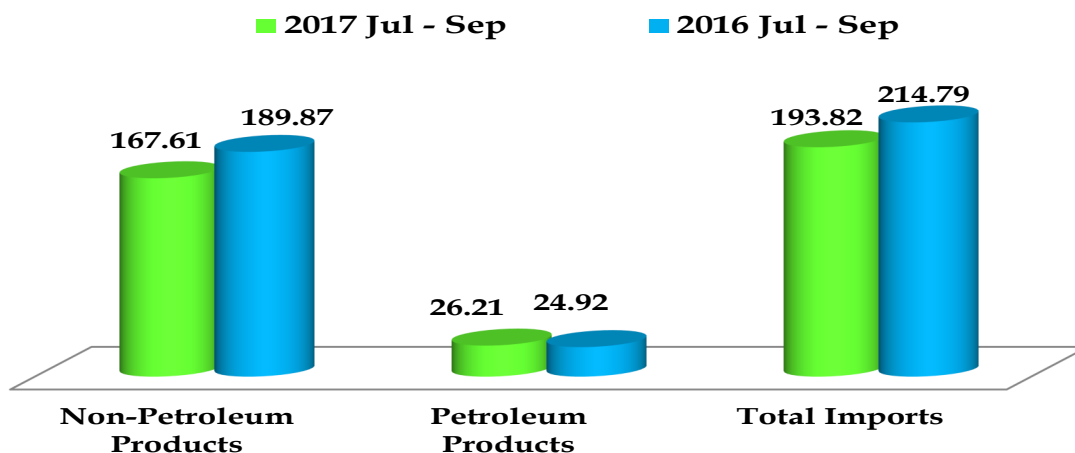
For the quarter ending September 2017, five of the eight major non-petroleum import categories recorded decreases in total value.

**Commodities & transaction not classified elsewhere** was reduced by 51.1 percent due primarily to declines in the imports of gold bullion by 82.1 percent.

**Chemicals & related products** had a reduction in all major subcategories except medicinal and pharmaceutical products which increased by 22.4 percent. Organic chemicals declined by 36.4 percent.

**Machinery and transport equipment** decreased by 10.3 percent to \$36.99 million. This was driven by lower importation of road vehicles, electrical machinery, and telecommunication and sound recording and reproducing equipment.

**Chart 1: Merchandise Imports , CI\$Millions**



## Imports by Standard International Trade Classification (SITC)

**Food and live animal** imports recorded a reduction of 4.6 percent. This reduction primarily reflected reduced imports of vegetables and fruit, which declined by 45.8 percent. However, there was an increase in the imports of dairy products and eggs by 54.9 percent for the quarter under review.

**Miscellaneous manufactured articles** recorded a marginal reduction of 0.8 percent due to reduced importation of furniture and parts thereof by 11.5 percent. However the increase in imports of articles of plastic was not sufficient to reverse the decline in the overall sub-category.

In contrast to the above trends, three divisions posted higher imports in the third quarter relative to the same period a year ago.

**Crude materials (except fuel) imports** had a positive growth, this time by 24.3 percent with increases in all major sub-categories.

**Manufactured goods classified chiefly by materials** recorded an increase of 9.1 percent settling at \$26.01 million for the quarter. This reflected increases in building material imports by 14.3 percent. However, imports of cement reflected a reduction of 35.6 percent.

**Beverages and tobacco** imports increased by 6.0 percent relative to the previous year's third quarter. This reflected tobacco imports growing by 63.1 percent. Importation of beverages was reduced slightly by 2.1 percent, partially offsetting the increase in tobacco imports.

**Mineral fuels, lubricants & related materials** imports grew largely on account of higher prices of fuels by 17.1 percent on average especially motor fuel which increased by 18.8 percent. However, the overall quantity of imported fuel declined by 0.53 percent mainly due to lower diesel and jet fuel imports.

**Table 1: Merchandise Imports by Standard International Trade Classification (SITC), CI\$Million**

Section	2017 Jul - Sep	2016 Jul - Sep	% Change
Food & Live Animals <sup>1</sup>	42.05	44.07	(4.6)
Beverages & Tobacco	7.90	7.45	6.0
Crude Materials (except fuels)	3.99	3.21	24.3
Chemical & Related Products	9.26	11.24	(17.6)
Manufactured Goods Classified Chiefly by Materials	26.01	23.85	9.1
Machinery & Transport Equipment	36.99	41.26	(10.3)
Miscellaneous Manufactured Articles	24.96	25.16	(0.8)
Commodities & Transactions Not Classified Elsewhere	16.45	33.63	(51.1)
<b>Non-Petroleum Products</b>	<b>167.61</b>	<b>189.87</b>	<b>(11.7)</b>
<b>Mineral Fuels, Lubricants &amp; Related Materials*</b>	<b>26.21</b>	<b>24.92</b>	<b>5.2</b>
<b>Total</b>	<b>193.82</b>	<b>214.79</b>	<b>(9.8)</b>

\* Also referred to as petroleum and related products.

1: includes animal & vegetable oils, fats and waxes

## Imports by Standard International Trade Classification (SITC)

The first nine months of 2017 reflected an overall reduction in imports. The value of non-petroleum products declined by 6.8 percent bringing the year-to-date total to \$567.89 million compared to \$529.34 million for the same period of 2016. This was largely the effect of the decline in gold imports for the first three quarters of the year. Excluding gold imports, the value of total non-petroleum imports increased by 0.85 percent.

**Crude materials (except fuel)** had a year-to-date increase of 20.9 percent with cork & wood, and crude animal and vegetable materials both recording double-digit increases of 34.1 and 32.7 percent, respectively.

Imports of **miscellaneous manufactured articles** increased by 4.8 percent to \$81.49 million. Imports of furniture increased by 10.8 percent for the period, despite the reduction recorded for the third quarter. Additionally, there was a significant increase in the imports of miscellaneous manufactured articles not elsewhere specified by 3.9 percent reflecting increased importation of articles of plastic by 27.4 percent.

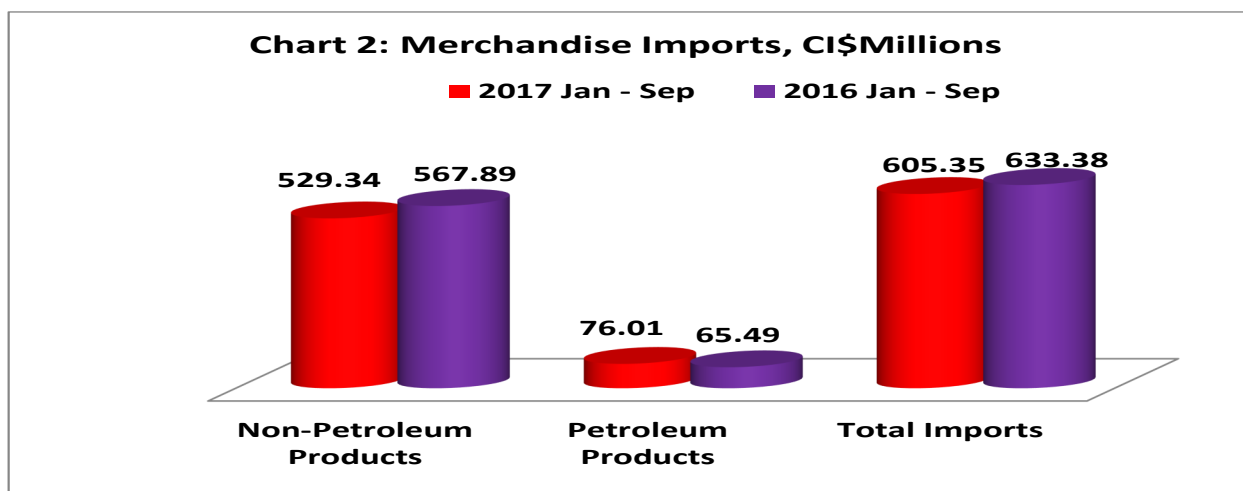
For the January to September 2017 period, **food and live animals** increased by 2.0 percent due to increases in all major sub-categories except vegetables and fruit which declined by 12.2 percent.

**Manufactured goods** classified chiefly by **materials** netted a 5.3 percent increase in the first three quarters of the year, driven primarily by increases in manufactures of metals not elsewhere specified of 21.7 percent which was influenced by three consecutive quarter growth in building materials.

For the calendar year to September period, **commodities and transactions not classified elsewhere** fell by 47.3 percent. This was due to the significant decline in the imports of gold for all three quarters of the review period of 2017 compared to the corresponding period of 2016.

**Chemicals and related products** decreased by 6.6 percent for the first nine months of 2017, driven primarily by reductions in imports of household paints, varnishes, lacquers & dyes by 16.7 percent. There was also a reduction in the imports of chemical materials and products not elsewhere specified.

For the year to date, the total value of **petroleum and petroleum related products** grew by 16.01 percent to \$76.01 million, boosted by an overall increase in the average price and quantity of imports of petroleum by 19.3 and 18.3 percent, respectively.



**Table 2: Merchandise Imports by Standard International Trade Classification (SITC), CI\$Million**

Section	2017	2016	%
	Jan - Sep	Jan - Sep	Change
	CI\$ M	CI\$ M	%
Food & Live Animals <sup>1</sup>	129.23	126.64	2.0
Beverages & Tobacco	23.88	24.31	(1.8)
Crude Materials (except fuels)	12.14	10.04	20.9
Chemical & Related Products	30.13	32.25	(6.6)
Manufactured Goods Classified Chiefly by Materials	75.22	71.41	5.3
Machinery & Transport Equipment	122.64	125.53	(2.3)
Miscellaneous Manufactured Articles	85.42	81.49	4.8
Commodities & Transactions Not Classified Elsewhere	50.68	96.22	(47.3)
<b>Non-Petroleum Products</b>	<b>529.34</b>	<b>567.89</b>	<b>(6.8)</b>
<b>Mineral Fuels, Lubricants &amp; Related Materials*</b>	<b>76.01</b>	<b>65.49</b>	<b>16.1</b>
<b>Total</b>	<b>605.35</b>	<b>633.38</b>	<b>(4.4)</b>

\* Also referred to as petroleum and related products.

1: includes animal & vegetable oils, fats and waxes.

## Imports by Countries of Origin

For the quarter ending September 2017, imports from the **USA** fell by 8.7 percent to reach \$158.83 million compared to \$173.91 million recorded for the same quarter of 2016. This outturn reflected reductions in the diesel and aviation jet fuels imported from the **USA**.

Imports from **Japan** declined by 24.4 percent primarily due to a significant reduction in the number of vehicles imported from this country.

There were also significant reductions in the imports from **Germany** (61.8 %).

These reductions were partially offset by increased importation of goods from **Jamaica** (40.5%), **United Kingdom** (2.0%), **South Korea** (40.4%), **Cuba** (258.8%), **Canada** (15.4%), **Switzerland** (58.3%), **Panama** (1885.7%), and **Mexico** (156.5%).

For the first nine months of 2017, the overall reduction in imports was again attributed to the contraction in imports from the **USA**. This occurred even with the marginal increase for the second quarter of 2017.

Also contributing to the overall decline was the reduction in imports from **Germany** (41.6%) and **Japan** (15.3%), with both declines reflecting reduced motor car imports for the January to September period. Imports from **Switzerland** recorded a marginal overall reduction despite consecutive increases for the June and September quarters.

**Cayman's** imports from **Jamaica** went up by 38.8 percent, with imports from the **UK** also among the countries posting increases. The increased imports from the **UK** reflected greater importation of machinery and equipment and motor vehicles.

The large increase in imports from **Cuba** for the third quarter reversed the marginal declines recorded for the first two quarters of 2017.

<b>Table 3: Imports by Country of Origin</b>			
<b>Country</b>	<b>2017 Jul - Sep</b>	<b>2016 Jul - Sep</b>	<b>% Change</b>
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	158.84	173.91	(8.7)
Jamaica	4.13	2.94	40.5
Japan	3.09	4.09	(24.4)
United Kingdom	2.54	2.49	2.0
South Korea	1.39	0.99	40.4
Cuba	0.61	0.17	258.8
Canada	0.90	0.78	15.4
Switzerland	0.19	0.12	58.3
Germany	0.55	1.44	(61.8)
Panama	1.39	0.07	1885.7
Mexico	1.77	0.69	156.5
Others	18.42	27.11	(32.1)
<b>Total</b>	<b>193.82</b>	<b>214.80</b>	<b>(9.8)</b>

<b>Table 4: Imports by Country of Origin, Year to Date</b>			
<b>Country</b>	<b>2017 Jan -Sep</b>	<b>2016 Jan -Sep</b>	<b>% Change</b>
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	498.17	513.57	(3.0)
Jamaica	12.02	8.66	38.8
Japan	10.41	12.29	(15.3)
United Kingdom	7.52	6.18	21.7
South Korea	4.08	3.11	31.2
Cuba	1.25	0.85	47.1
Canada	2.29	1.68	36.3
Switzerland	0.78	1.01	(22.8)
Germany	2.43	4.16	(41.6)
Panama	2.80	0.77	263.6
Mexico	3.84	2.57	49.4
Others	59.75	78.54	(23.9)
<b>Total</b>	<b>605.35</b>	<b>633.39</b>	<b>(4.4)</b>

## Imports by Broad Economic Categories

Analysis of imports by final use, that is by broad economic categories, shows that during the third quarter, only two of the categories of imports increased.

**Fuel and lubricants** showed a sizeable growth of 5.4 percent. Motor vehicle gas increased by 33.1 percent.

Other imported **consumer goods** increased slightly by 1.9 percent with the increase reflected in the semi-durable (7.8%) and durable (0.6%) goods sub-categories.

Other **industrial supplies** decreased by 31.6 percent with building materials and paper products being the major drivers.

In the **food and beverages** category, fruits both fresh and frozen, and vegetables (except potatoes and onions) along with milk products all saw significant decreases in total value this quarter.

**TABLE 5b: IMPORTS BY BROAD ECONOMIC CATEGORY (C\$000's)**

Broad Economic Categories	2017 3rd Qtr	2016 3rd Qtr	% Change 3rd Qtr
<b>1. Food &amp; Beverages</b>	<b>47,752.23</b>	<b>49,646.01</b>	<b>-3.8%</b>
<b>11. Primary</b>	<b>7,238.07</b>	<b>8,950.94</b>	<b>-19.1%</b>
111. Mainly for industry	110.22	39.52	178.9%
112. Mainly for household consumption	7,127.85	8,911.42	-20.0%
<b>12. Processed</b>	<b>40,514.16</b>	<b>40,695.07</b>	<b>-0.4%</b>
121. Mainly for industry	2,102.76	1,744.33	20.5%
122. Mainly for household consumption	38,411.40	38,950.74	-1.4%
<b>2. Industrial supplies not elsewhere specified</b>	<b>34,711.30</b>	<b>50,721.17</b>	<b>-31.6%</b>
21. Primary	2,564.11	2,481.79	3.3%
22. Processed	32,147.19	48,239.38	-33.4%
<b>3. Fuels and Lubricants</b>	<b>26,011.75</b>	<b>24,672.48</b>	<b>5.4%</b>
31. Primary	-	-	
32. Processed	26,011.75	24,672.48	5.4%
321. Motor spirits	5,451.16	4,095.95	33.1%
322. Other	20,560.59	20,576.53	-0.1%
<b>4. Capital goods (except transport equipment)</b>	<b>17,038.43</b>	<b>20,701.91</b>	<b>-17.7%</b>
41. Capital goods (except transport equipment)	13,743.91	15,700.57	-12.5%
42. Parts and accessories	3,294.52	5,001.34	-34.1%
<b>5. Transport equipment, and parts and accessories thereof</b>	<b>18,347.92</b>	<b>19,408.39</b>	<b>-5.5%</b>
51. Passenger motor cars	10,428.90	11,857.67	-12.0%
52. Other	4,430.36	4,335.44	2.2%
521. Industrial	2,736.62	3,535.81	-22.6%
522. Non-industrial	1,693.74	799.63	111.8%
53. Parts and accessories	3,488.66	3,215.28	8.5%
<b>6. Consumer goods not elsewhere specified</b>	<b>37,569.89</b>	<b>36,867.77</b>	<b>1.9%</b>
61. Durable	14,107.87	14,019.37	0.6%
62. Semi-durable	9,467.00	8,783.30	7.8%
63. Non-durable	13,995.02	14,065.10	-0.5%
<b>7. Goods not elsewhere specified</b>	<b>12,393.03</b>	<b>12,772.04</b>	<b>-3.0%</b>
<b>TOTAL IMPORTS</b>	<b>193,824.55</b>	<b>214,789.77</b>	<b>-9.8%</b>

## Imports by Broad Economic Categories

For the first nine months of 2017, four of the seven broad economic categories showed increases compared to the corresponding period of 2016. **Fuel and lubricants** rose by 16.5 percent, as both average prices and total volumes went up.

Transport equipment and parts went up by 6.7 percent, largely reflecting the increase in the value of commercial vehicles, power generating machinery and motor vehicles parts and accessories.

Other imported consumer goods increased by 3.6 percent. Growth occurred in the durable goods (9.7%) and semi-durable goods (2.2%) sub-categories.

Imports of industrial supplies not elsewhere classified decreased by 26.9 percent with processed goods (which includes gold imports) declining by 29.0 percent.

**TABLE 5b: IMPORTS BY BROAD ECONOMIC CATEGORY (CIS\$000's)**

Broad Economic Categories	2017 Jan-Sep	2016 Jan-Sep	% Change Jan-Sep
<b>1. Food &amp; Beverages</b>	<b>147,702.09</b>	<b>145,896.60</b>	<b>1.2%</b>
<b>11. Primary</b>	<b>28,762.30</b>	<b>28,248.84</b>	<b>1.8%</b>
111. Mainly for industry	171.17	71.42	139.7%
112. Mainly for household consumption	28,591.13	28,177.42	1.5%
<b>12. Processed</b>	<b>118,939.79</b>	<b>117,647.76</b>	<b>1.1%</b>
121. Mainly for industry	7,548.00	7,451.52	1.3%
122. Mainly for household consumption	111,391.79	110,196.24	1.1%
<b>2. Industrial supplies not elsewhere specified</b>	<b>99,354.11</b>	<b>135,869.36</b>	<b>-26.9%</b>
21. Primary	7,788.49	6,974.69	11.7%
22. Processed	91,565.62	128,894.67	-29.0%
<b>3. Fuels and Lubricants</b>	<b>75,508.40</b>	<b>64,833.53</b>	<b>16.5%</b>
31. Primary	-	-	
32. Processed	75,508.40	64,833.53	16.5%
321. Motor spirits	17,750.52	12,313.20	44.2%
322. Other	57,757.88	52,520.33	10.0%
<b>4. Capital goods (except transport equipment)</b>	<b>56,467.54</b>	<b>65,431.54</b>	<b>-13.7%</b>
41. Capital goods (except transport equipment)	45,038.74	46,253.64	-2.6%
42. Parts and accessories	11,428.80	19,177.90	-40.4%
<b>5. Transport equipment, and parts and accessories thereof</b>	<b>62,661.12</b>	<b>58,742.37</b>	<b>6.7%</b>
51. Passenger motor cars	37,122.43	37,638.90	-1.4%
52. Other	15,172.37	11,428.72	32.8%
521. Industrial	9,934.27	7,503.32	32.4%
522. Non-industrial	5,238.10	3,925.40	33.4%
53. Parts and accessories	10,366.32	9,674.75	7.1%
<b>6. Consumer goods not elsewhere specified</b>	<b>119,547.13</b>	<b>115,423.83</b>	<b>3.6%</b>
61. Durable	45,169.36	41,181.85	9.7%
62. Semi-durable	29,681.45	29,054.91	2.2%
63. Non-durable	44,696.32	45,187.07	-1.1%
<b>7. Goods not elsewhere specified</b>	<b>44,109.97</b>	<b>47,176.70</b>	<b>-6.5%</b>
<b>TOTAL IMPORTS</b>	<b>605,350.36</b>	<b>633,373.93</b>	<b>-4.4%</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 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 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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