



THE CAYMAN ISLANDS' QUARTERLY TRADE BULLETIN: JULY TO SEPTEMBER 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 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

Highlights

In the third quarter of 2013, total value of imports reached CI\$188.6 million, 0.2 percent lower than the CI\$189.0 million recorded for the same period in 2012 (see Chart 1).

The slight fall followed the second quarter decline of 2.3 percent and first quarter growth of 1.3 percent. Imports in the three quarters totalled \$559.8million, 0.4 percent below the same period in 2012. However, it is 2.3 percent higher relative to the same period in 2011.

Imports by Standard International Trade Classification

Third Quarter Imports

The overall reduction in imports is due to a continuing fall in non-petroleum products (-2.6%) as petroleum products rose by 8.1 percent. Non-petroleum imports stood at CI\$147.3 million while petroleum imports amounted to CI\$45.1 million.

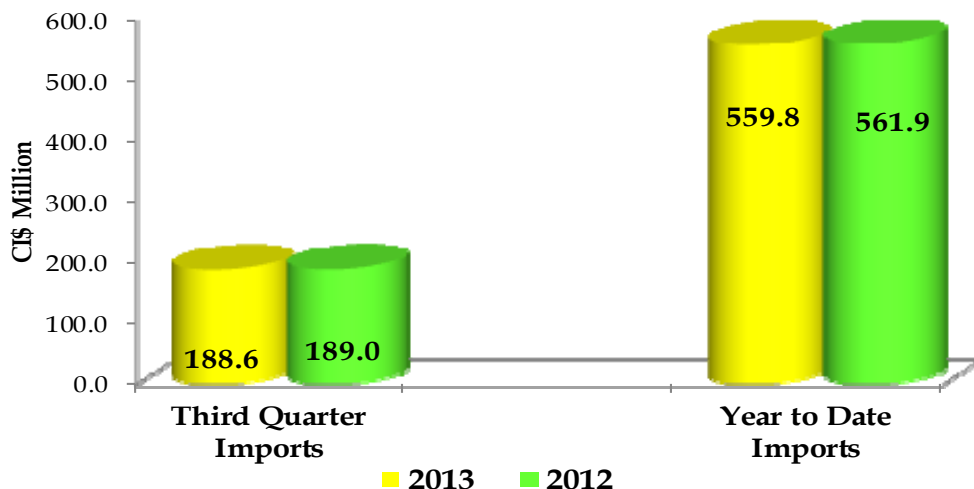
The largest SITC group among non-petroleum imports - food and live animals - rose minimally by 0.2 percent

to reach CI\$31.2 million

Manufactured goods classified chiefly by materials, and miscellaneous manufactured articles were also higher by 4.1 percent and 5.1 percent respectively.

In contrast, a significant drop was exhibited by machinery and transport equipment with a 20.3% reduction. Specifically, demand for imported road

**Chart 1: Imports July to September
& Year to Date 2012, 2013**



vehicles dropped by 15.1 percent. Other items in the machinery and equipment group that showed a downward demand include office machines (-63.4%); power-generating machinery (-53.6%); general industrial machinery (-17.7%); telecommunications equipment (-37.2%); and aircraft, boats and associated parts (-18.5%). Offsetting these declines were a sharp increase in demand for specialized machinery (31.0%) and a modest growth in electrical machinery (0.9%).

Meanwhile, total imports of fuel, lubricants and related materials reached CI\$45.1 million, up by 8.1 percent from the CI\$41.7 million recorded for the third quarter of 2012.

Imports in the First Three Quarters

The first nine months of 2013 recorded a reduction of 2.1 percent in the value of non-petroleum products.

Lower imports were recorded in miscellaneous manufactured articles (-15.0%), commodities not classified

elsewhere (-13.7%) and machinery & transport equipment (-2.6%).

Imports in other classifications showed higher values from a year ago: crude materials (except fuels) (12.9%), food & live animals (6.8%) and manufactured goods classified chiefly by materials (4.9%).

Mineral fuel & lubricants for the first nine months of 2013 also showed an increase of 5.6 percent to total CI\$129.6 million, as compared to the CI\$122.7 million recorded in 2012.

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

Section	2013	2012	% Change
	Jul - Sep	Jul - Sep	
	CI\$ M	CI\$ M	
Food & Live Animals	31.2	31.1	0.2
Beverages & Tobacco	6.3	6.8	(7.0)
Crude Materials (except fuels)	3.0	1.9	55.2
Mineral Fuels, Lubricants & Related Materials	45.1	41.7	8.1
Animal & Vegetable Oils, Fats and Waxes	0.1	0.0	186.9
Chemical & Related Products	10.5	9.6	9.4
Manufactured Goods Classified Chiefly by Materials	25.6	24.6	4.1
Machinery & Transport Equipment	24.9	31.3	(20.3)
Miscellaneous Manufactured Articles	29.1	27.7	5.1
Commodities & Transactions Not Classified Elsewhere	12.9	14.3	(9.7)
Non-petroleum Products Total	143.5	147.3	(2.6)
Total	188.6	189.0	(0.2)

Section	2013	2012	%
	Jan - Sep	Jan - Sep	Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & Live Animals	99.6	93.3	6.8
Beverages & Tobacco	21.0	20.6	1.8
Crude Materials (except fuels)	7.9	7.0	12.9
Mineral Fuels, Lubricants & Related Materials	129.6	122.7	5.6
Animal & Vegetable Oils, Fats and Waxes	0.3	0.1	141.5
Chemical & Related Products	28.9	26.1	10.5
Manufactured Goods Classified Chiefly by Materials	69.9	66.6	4.9
Machinery & Transport Equipment	81.3	83.5	(2.6)
Miscellaneous Manufactured Articles	82.5	97.1	(15.0)
Commodities & Transactions Not Classified Elsewhere	38.7	44.8	(13.7)
Non-petroleum products Total	430.2	439.2	(2.1)
Total	559.8	561.9	(0.4)

Imports by Countries of Origin

Third Quarter Imports

Imports from the USA, Cayman Islands' main trading partner, rose by 3.7 percent in the third quarter of 2013 compared to the same period in 2012.

Imports from all other countries were down for the third quarter 2013.

Swiss imports recorded the largest percentage decrease (-85.3%) compared to that of any other trading partner.

Imports from Panama (-78.2%), Germany (-70.9%), Mexico (-67.2%), Cuba (-60.2%) and Jamaica (-37.7%) also fell significantly in the third quarter 2013 as compared to the same period in 2012 (Table 3).

Imports in the First Three Quarters

For the first nine months ending September 2013, the value of goods imported from Germany and the USA increased

by 3.9 percent and 2.8 percent respectively compared to the same period in 2012.

However, imports from the rest of the trade partners registered declines, with imports from Switzerland recording the largest percentage drop of 93.1 percent, followed by the United Kingdom (-54.4%), Panama (-44.4%) and Mexico (-44.3%) (Table 4).

Table 3: Imports by Country of Origin			
Country	2013 Jul - Sep	2012 Jul - Sep	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	176.7	170.4	3.7
Jamaica	1.9	3.0	(37.7)
Japan	1.0	1.6	(40.0)
United Kingdom	1.7	2.9	(40.6)
Cuba	0.2	0.5	(60.2)
Canada	0.4	0.9	(55.8)
Switzerland	0.1	0.9	(85.3)
Germany	0.3	0.9	(70.9)
Panama	0.2	1.0	(78.2)
Mexico	0.2	0.5	(67.2)
Others	6.0	6.3	(5.1)
Total	188.6	189.0	(0.2)

Table 4: Imports by Country of Origin			
Country	2013 Jan - Sep	2012 Jan - Sep	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	517.5	503.4	2.8
Jamaica	6.4	7.0	(9.2)
Japan	2.7	3.2	(16.0)
United Kingdom	4.7	10.4	(54.4)
Cuba	0.8	1.4	(39.8)
Canada	1.4	2.3	(40.1)
Switzerland	0.5	7.1	(93.1)
Germany	2.34	2.25	3.9
Panama	1.0	1.8	(44.4)
Mexico	1.2	2.2	(44.3)
Others	21.2	20.9	1.5
Total	559.8	561.9	(0.4)

Imports by Broad Economic Categories

Third Quarter Imports

Classification of imports by Broad Economic Categories (BEC) shows specific demand by households and industries for the third quarter of 2013 as compared to a year ago.

Demand by households for primary and processed food and beverage fell by 1.7 percent and 2.1 percent respectively. However,

consumer durables, semi-durables and non-durables imports increased overall by 9.2 percent.

Demand by industries was also mixed. Imports of processed food and beverages, transport equipment and parts was higher. However, industrial supplies not elsewhere specified (such as intermediate materials) dropped sharply by 16.9 percent.

Imports in the First Three Quarters

Household imports of food and beverages, and semi-durable consumer goods showed an aggregate increase. Industries' imports for processed food and beverages, transport equipment and parts also rose; however, there was a 6.6 percent drop in industrial supplies not elsewhere specified (such as intermediate materials).

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

	2013	2012	% change	2013	2012	% change
	3rd Qtr	3rd Qtr	JUL-SEP 2013/2012	JAN-SEP	JAN-SEP	JAN-SEP 2013/2012
1. Food & Beverages	35,229.7	35,886.0	-1.8%	115,049.7	109,123.0	5.4%
11. Primary	8,319.6	8,470.4	-1.8%	27,969.5	26,625.4	5.0%
111. Mainly for industry	61.8	70.6	-12.5%	124.0	259.9	-52.3%
112. Mainly for household consumption	8,257.8	8,399.7	-1.7%	27,845.6	26,365.4	5.6%
12. Processed	26,910.2	27,415.6	-1.8%	87,080.2	82,497.6	5.6%
121. Mainly for industry	1,109.8	1,057.2	5.0%	3,164.8	2,727.4	16.0%
122. Mainly for household consumption	25,800.3	26,358.4	-2.1%	83,915.5	79,770.2	5.2%
2. Industrial supplies not elsewhere specified	35,209.2	37,689.8	-6.6%	103,161.1	124,152.5	-16.9%
21. Primary	2,349.2	2,413.6	-2.7%	5,769.2	12,279.2	-53.0%
22. Processed	32,860.0	35,276.2	-6.8%	97,391.9	111,873.4	-12.9%
3. Fuels and Lubricants	44,772.9	41,259.8	8.5%	128,482.4	121,134.4	6.1%
31. Primary						
32. Processed	44,772.9	41,259.8	8.5%	128,482.4	121,134.4	6.1%
321. Motor spirits	7,911.8	6,956.8	13.7%	30,845.1	25,145.6	22.7%
322. Other	36,861.0	34,303.0	7.5%	97,637.3	95,988.9	1.7%
4. Capital goods (except transport equipment)	17,192.8	17,066.6	0.7%	46,580.9	43,976.0	5.9%
41. Capital goods (except transport equipment)	13,701.3	14,657.0	-6.5%	37,835.1	36,497.5	3.7%
42. Parts and accessories	3,491.5	2,409.5	44.9%	8,745.9	7,478.5	16.9%
5. Transport equipment, and parts and accessories thereof	11,377.3	14,141.8	-19.5%	39,521.7	40,410.7	-2.2%
51. Passenger motor cars	6,132.9	7,761.2	-21.0%	19,859.1	21,011.2	-5.5%
52. Other	2,406.8	2,659.6	-9.5%	10,610.1	8,734.8	21.5%
521. Industrial	814.1	680.8	19.6%	3,502.3	2,360.4	48.4%
522. Non-industrial	1,592.7	1,978.8	-19.5%	7,107.8	6,374.4	11.5%
53. Parts and accessories	2,837.6	3,721.1	-23.7%	9,052.6	10,664.7	-15.1%
6. Consumer goods not elsewhere specified	32,801.9	30,046.1	9.2%	90,107.0	86,487.1	4.2%
61. Durable	13,070.9	12,084.3	8.2%	35,068.6	35,323.9	-0.7%
62. Semi-durable	5,133.7	3,891.3	31.9%	13,194.5	9,230.3	42.9%
63. Non-durable	14,597.2	14,070.4	3.7%	41,843.9	41,932.9	-0.2%
7. Goods not elsewhere specified	12,046.1	12,937.5	-6.9%	36,896.5	36,657.5	0.7%
TOTAL IMPORTS	188,629.9	189,027.5	-0.2%	559,799.4	561,941.2	-0.4%

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 Harmonised Tariff Code (CIHTC). The CIHTC 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. 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 pro-

declarations using the new Cayman Islands Harmonised Tariff Code (CIHTC), 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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