



THE CAYMAN ISLANDS' QUARTERLY TRADE BULLETIN: JANUARY TO MARCH 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 six months after the year in review. The data presented in this bulletin are preliminary and subject to revision in the subsequent quarterly bulleting and annual report as new information is obtained.

Highlights

Imports

Merchandise imports increased by 1.3 percent to CI\$192.9 million for the first quarter ended March 2013 as compared to the CI\$190.5 recorded in March 2012.

Six of the ten trade categories recorded increases with chemical and related products recording the largest increase of 30.1 percent.

On the other hand, four of the categories recorded decreases, namely crude materials (except fuels), manufactured goods classified chiefly by materials, miscellaneous manufactured articles, and commodities and transactions not classified elsewhere (Table 1).

With regards to importation of goods by country of origin, imports from five of Caymans' trading partners experienced growth, namely Panama, Canada, Cuba, and to a lesser extent, the USA. Imports from four countries registered declines.

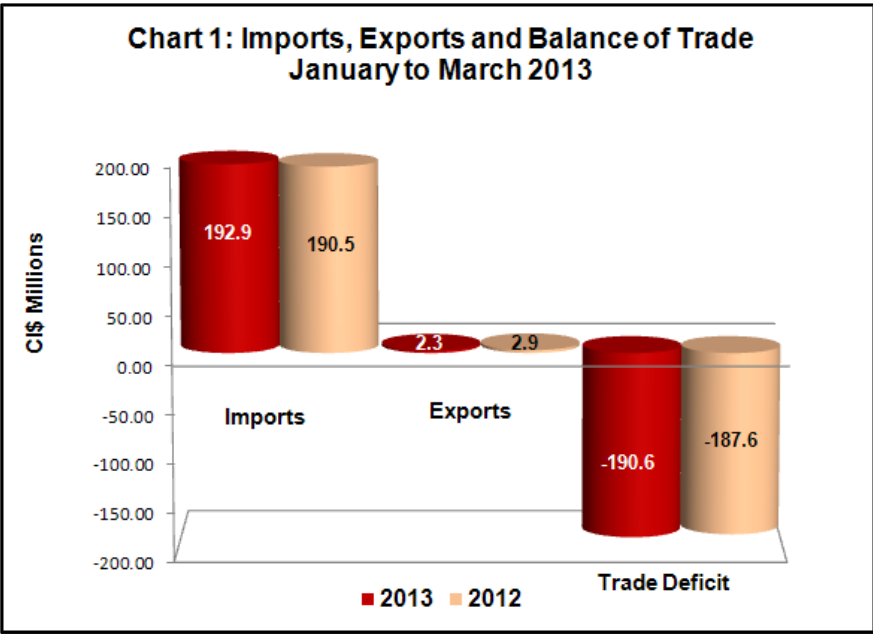
Exports

For the first three months of 2013, total exports decreased by 20.2 percent, to CI\$2.3 million when compared to the CI\$2.9 million recorded for the same period in 2012.

The largest decline of 80.3 percent was recorded for chemical and related products, while manufactured goods classified chiefly by materials increased significantly by 105.0 percent.

Trade Balance

For the first quarter of 2013, the trade balance (exports minus imports), deteriorated by 1.6 percent to register a deficit of CI\$190.6 million, compared to the CI\$187.6 million recorded for the same period in 2012. This resulted from the decline in exports as well as the increase in imports.



Total Imports

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

Section	2013	2012	%
	Jan - Mar	Jan - Mar	
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & Live Animals	35.48	32.41	9.5
Beverages & Tobacco	7.45	6.84	9.1
Crude Materials (Except Fuels)	2.52	2.67	(5.8)
Mineral Fuels, Lubricants & Related Materials	45.41	42.35	7.2
Animal & Vegetable Oils, Fats and Waxes	0.07	0.06	3.6
Chemical & Related Products	9.70	7.46	30.1
Manufactured Goods Classified Chiefly by Materials	21.19	21.87	(3.1)
Machinery & Transport Equipment	28.52	24.47	16.6
Miscellaneous Manufactured Articles	29.28	38.43	(23.8)
Commodities & Transactions Not Classified Elsewhere	13.31	13.95	(4.6)
Total	192.93	190.50	1.3

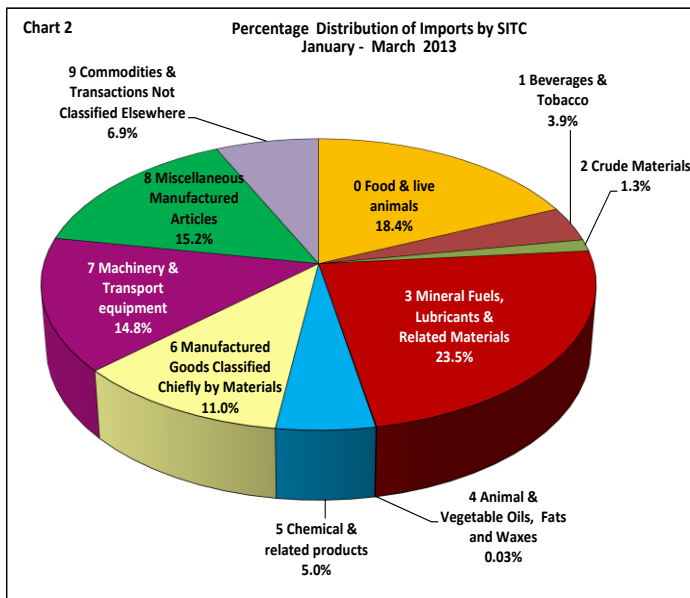
The overall growth of imports in the first quarter was due to a rebound in fuel imports as non-fuel imports slipped.

Fuel imports (fuel, lubricants and related materials in Table 1) increased by 7.2 percent to total \$45.4 million, compared to the \$42.4 million recorded for the same period in 2012. This performance is largely due to a general increase in the price of fuel.

The total value of imported non-petroleum products recorded a slight decrease of 0.4 percent to \$147.5 million. This performance was largely due to decreases in miscellaneous manufactured items (23.8%); crude materials except fuel (5.8%); and manufactured goods classified chiefly by materials (3.1%).

In contrast, chemical and related products recorded an increase of 30.1 percent, machinery and transport equipment, 16.6 percent. Additionally, imports of beverages and tobacco rose by 9.1 percent and food and live animals by 9.5 percent.

As in the previous periods, fuel imports dominated total merchandise imports of the Cayman Islands accounting for 23.5 percent (Chart 2).



Imports by Country of Origin

The United States continues to be the Cayman Islands’ dominant trading partner accounting for 91.5 percent of total imports. For the first quarter of 2013, imports from the United States increased by 3.3 percent to reach CI\$176.44 million.

In addition, imports from Panama and Jamaica registered increases of 29.5 percent and 25.7 percent respectively, while Canada registered a growth of 17.8 percent. Growth in imported goods was also recorded for Cuba (11.3%) compared to the first quarter of 2012.

In contrast, imports from Switzerland recorded a sharp decrease of \$1.85 million (90.5%) compared to other individual trading partners. The United Kingdom also decreased from \$5.01 million to \$1.64 million (67.2%).

Country	2013	2012	% Change
	Jan-Mar	Jan-Mar	
	CI\$ M	CI\$ M	
United States	176.44	170.88	3.3
Jamaica	2.64	2.10	25.7
Japan	0.75	0.86	(12.3)
United Kingdom	1.64	5.01	(67.2)
Cuba	0.33	0.30	11.3
Canada	0.53	0.45	17.8
Switzerland	0.20	2.05	(90.5)
Germany	0.61	0.88	(30.8)
Panama	0.58	0.45	29.5
Mexico	0.46	0.72	(36.1)
Others	8.75	6.81	28.5
Total	192.93	190.50	1.3

Imports from Germany and Mexico also recorded declines of 30.8 percent and 36.1 percent respectively.

Imports by Broad Economic Categories

To facilitate economic analysis, imports are categorized by Broad Economic Categories (BEC).

From Table 3, the sharpest increase in imports by BEC was recorded for capital goods (except transport equipment). This rose by 22.1 percent to CI\$13.53 million. Key examples of such goods are telecommunication equipment, motors and generators, and hand tools.

Broad Economic Categories	2013	2012	% Change
	Jan-Mar	Jan-Mar	
	CI\$ M	CI\$ M	
Food & Beverages	41.39	37.79	9.5
Industrial Supplies Not Elsewhere Specified	24.68	26.23	(5.9)
Fuels and Lubricants	45.05	41.91	7.5
Capital Goods (Except Transport Equipment)	13.53	11.09	22.1
Transport Equipment, and Parts and Accessories Thereof	15.27	13.41	13.9
Consumer Goods Not Elsewhere Specified	40.10	48.46	(17.2)
Specified	12.90	11.62	11.0
Total	192.93	190.50	1.3

The second highest growth among the BEC was recorded for transport equipment and parts and accessories thereof, which grew by 13.9 percent. In particular, motor vehicles, boats and power generating machinery recorded the highest growth rates.

Meanwhile, food and beverages, which accounted for approximately 21.5 percent of total imports, increased by 9.5 percent to reach \$41.39 million.

Fuel and lubricants comprised 23.4 percent of total imports, recorded an increase of 7.5 percent to reach \$45.05 million in the first quarter 2013 when compared to the \$41.91

million achieved in the corresponding quarter of 2012.

On the downtrend were industrial supplies not elsewhere classified (-5.9%) and consumer goods not elsewhere specified (-17.2%).

Total Exports

The first quarter of 2013 showed a decrease in merchandise exports of 20.2 percent when compared to the similar period in 2012. The value of goods exported totaled \$2.28 million compared to \$2.86 million recorded a year ago.

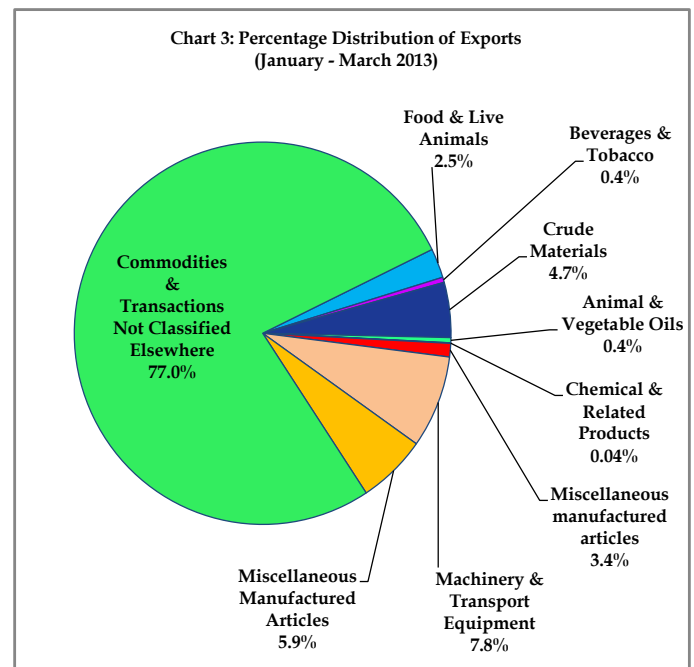
Decreases were recorded for chemical and related products (80.3%), miscellaneous manufactured articles (37.1%) and commodities and transactions not classified elsewhere (20.5%).

In contrast, a sharp increase was recorded for manufactured goods chiefly by materials (105.0%). Machinery and transport equipment also posted growth (15.9%).

For the first quarter of 2013, commodities and transactions not classified elsewhere dominated merchandise exports accounting for 77.0 percent of total exports. This category is made up of small unclassified items and in some periods it included personal household effects of returning expatriates.

Table 4: Merchandise Exports by Standard International Trade Classification (SITC)

Section	2013	2012	%
	Jan-Mar	Jan-Mar	
	Ci\$ (000's)	Ci\$ (000's)	
Food & Live Animals	56.8	56.8	-
Beverages & Tobacco	10.0	9.8	2.5
Crude Materials (Except Fuels)	106.2	196.2	(45.9)
Animal & vegetable oils, fats and waxes	10.0	0.0	
Chemical & Related Products	1.0	5.2	(80.3)
Manufactured Goods			
Classified Chiefly by Materials	26.0	12.7	105.0
Machinery & Transport Equipment	178.5	154.0	15.9
Miscellaneous Manufactured Articles	135.1	214.8	(37.1)
Commodities & Transactions Not Classified Elsewhere	1,756.7	2,208.9	(20.5)
Total	2,280.2	2,858.3	(20.2)



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 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.

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.

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