



THE CAYMAN ISLANDS' QUARTERLY TRADE BULLETIN: APRIL TO JUNE 2012

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 bulletin and annual report as new information is obtained.

Highlights

Imports

The value of merchandise imports declined by 6.3 percent to \$182.9 million for the second quarter ended June 2012 as compared to a year ago. Despite the overall decline, the following increases were registered in the broad economic categories; food and beverages, industrial supplies not elsewhere specified, capital goods not elsewhere classified, and consumer goods not elsewhere classified. Alternatively, declines were recorded in fuels and lubricants and other goods not else classified (see Table 5).

For the first six months of the calendar year 2012, merchandise imports grew by 1.2 percent to total \$369.9 million as compared to the first half of 2011. This growth was dominated by growth in food and beverages, industrial supplies not elsewhere classified, transport, equipment parts and accessories, and consumer goods not elsewhere classified (see Table 6).

Exports

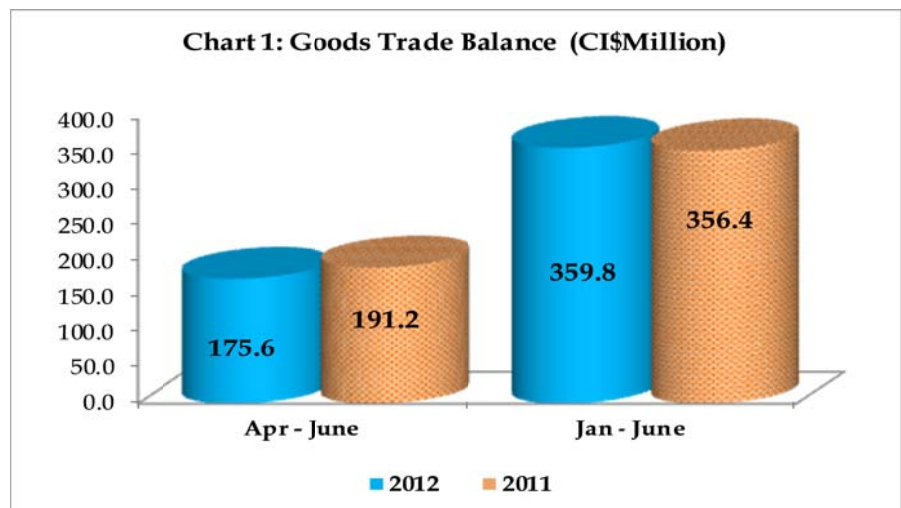
In the second quarter 2012, there was a significant overall increase in the value of goods exported from the Cayman Islands, by 82.4 percent, to \$7.3 million when compared to the same period in 2011 (see Table 7).

A comparison of goods exported from the Cayman Islands in the first half of 2012 as compared to the same period in 2011, revealed that exports increased by 12.7 percent, to reach \$10.2 million (see Table 8).

Trade Balance

The trade balance on goods, which is the value of goods exported less the value of goods imported ameliorated by 8.2 percent to \$175.6 million during the second quarter (see Chart 1).

Comparing the first half of 2012 with the similar period a year ago, indicated that the trade deficit stood at \$359.8 million compared to \$356.4 million a year ago.



Commentary on Imports

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

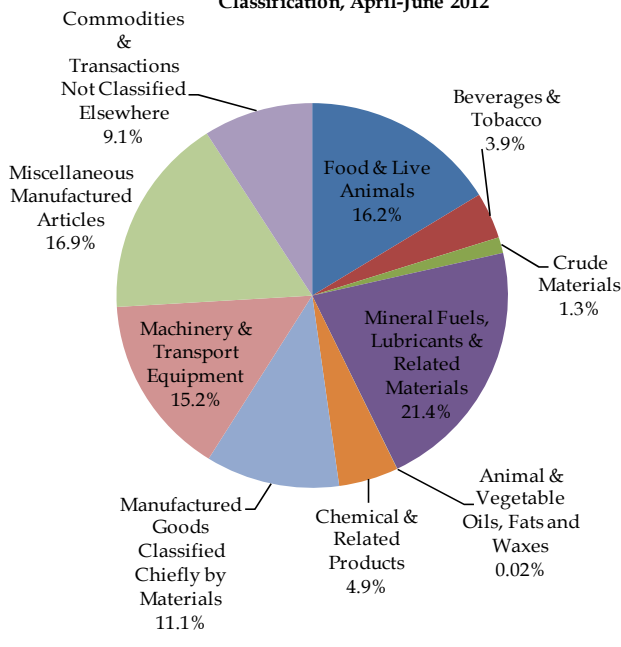
Section	2012	2011	% Change
	Apr - Jun	Apr - Jun	
	Ci\$ M	Ci\$ M	
Food & Live Animals	29.70	28.95	2.6
Beverages & Tobacco	7.10	7.00	1.3
Crude Materials	2.43	2.70	(10.0)
Mineral Fuels, Lubricants & Related Materials	39.15	55.22	(29.1)
Animal & Vegetable Oils, Fats and Waxes	0.04	0.11	(68.5)
Chemical & Related Products	9.03	7.58	19.2
Manufactured Goods Classified Chiefly by Materials	20.27	20.37	(0.5)
Machinery & Transport	27.74	27.84	(0.3)
Miscellaneous Manufactured Articles	30.90	28.27	9.3
Commodities & Transactions Not Classified Elsewhere	16.58	17.22	(3.7)
Total	182.9	195.3	(6.3)

\$143.7 million. This performance was largely on account of the increases in chemical and related products which rose by 19.2 percent, miscellaneous manufactured articles by 9.3 percent and food and live animals by 2.6 percent. Miscellaneous manufactured items and, food and live animals accounted for approximately 16.9 percent and 16.2 percent of imports respectively.

In contrast, petroleum products largely mineral fuels, lubricants and related materials, which accounts for 21.4 percent of imports, fell significantly by 29.1 percent. This performance was largely as result of the drop in both the quantity imported and the average cost of fuel, which fell by approximately 25 percent and 10 percent respectively.

Animal and vegetable oil, fats and waxes also registered a huge decline of 68.5 percent, while crude materials fell by 10.0 percent.

Chart 2: percentage Distribution of Total Imports by SITC Classification, April-June 2012



For the six months ending June 2012, the overall imports of non-petroleum products recorded an increase of 4.9 percent. Largely accounting for this performance was the rise in imports of food and live animals (6.9%); chemicals and related products (6.1%); manufactured goods classified chiefly by materials (15.8%) and miscellaneous manufactured articles (10.3%). (see Table 2)

Conversely, for the months January to June, 2012 the total value of fuel, lubricants and related materials fell by 10.0 percent to total \$81.5 million, compared to the \$90.6 million recorded for the same period in 2011, (see Table 2). Imports for animal and vegetable oils, fats and waxes registered a 42.8 percent decline while crude materials fell by 7.0 percent and commodities not classified elsewhere fell by 14.1 percent.

During the second quarter of 2012, the total value of non-petroleum products imports increased by 2.6 percent, from \$140.0 million to

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

Section	2012	2011	% Change
	Jan-June	Jan-June	
	CI\$ M	CI\$ M	
Food & Live Animals	61.9	57.9	6.9
Beverages & Tobacco	13.8	13.7	0.3
Crude Materials	4.8	5.2	(7.0)
Mineral Fuels, Lubricants & Related Materials	81.5	90.6	(10.0)
Animal & Vegetable Oils, Fats and Waxes	0.1	0.2	(42.8)
Chemical & Related Products	16.4	15.5	6.1
Manufactured Goods Classified Chiefly by Materials	42.0	36.3	15.8
Machinery & Transport	52.3	51.1	2.2
Miscellaneous Manufactured Articles	69.7	63.2	10.3
Commodities & Transactions Not Classified Elsewhere	27.4	31.8	(14.1)
Total	369.9	365.5	1.2

Imports by Country of Origin

Comparing the second quarter of 2012 with the second quarter of 2011, showed the United States retaining its number one position as the Cayman Islands' main trade partner even though its value of total imports decreased by 8.4 percent, reaching \$162.6 million.

Additionally, imports from Panama fell from \$0.6 million in the second quarter 2011 to \$0.4 (41.9%) in the second quarter 2012, while imports from Germany recorded the largest decrease of \$1.5 million (78.1%) compared to other individual trading partners (see Table 3).

Table 3: Imports by Country of Origin

Country	2012	2011	% Change
	April-June	April-June	
	CI\$ M	CI\$ M	
United States	162.62	177.61	(8.4)
Jamaica	1.91	1.70	12.2
Japan	0.75	0.33	129.2
United Kingdom	2.50	1.32	89.6
Cuba	0.54	0.36	51.9
Canada	0.97	0.31	216.7
Switzerland	4.14	1.86	122.5
Germany	0.43	1.95	(78.1)
Panama	0.37	0.63	(41.9)
Mexico	0.94	0.71	33.2
Other	7.76	8.49	(8.6)
Total	182.9	195.3	(6.3)

Goods imported from Switzerland totalled \$4.1 million up from \$1.9 million, a 122.5 percent increase over the second quarter 2011. This was largely a result of an increase in the importation of watches.

Increases in imported goods were also recorded for the UK (89.6%), Japan (129.2%), Canada (216.7%), Mexico (33.2%), Cuba (51.9%) and Jamaica (12.2%) compared to the second quarter of 2011.

For the six months ending June 2012, the value of goods imported from most of our trading partners recorded increases with the United Kingdom and Canada registering significant increases of 175.1 percent and 131.6 percent respectively, while Mexico increased by 86.0 percent. However, the value of imports from the United States was relatively stable increasing by only 0.2 percent while imports from Germany fell by 69.7 percent (see Table 4).

Imports by Broad Economic Categories

Under the rubric Broad Economic Categories (BEC), fuel and lubricants, which accounted for 21.0 percent of total imports, recorded a decline of 30.0 percent to reach \$38.5 million in the second quarter 2012 when compared to the \$54.9 million reached in the corresponding quarter of 2011. A decline of 28.5 percent was also recorded in the Goods not elsewhere classified. Meanwhile, increases were recorded in some categories such as the food and beverages (3.6%), industrial supplies not elsewhere classified (21.6%) and capital goods (3.8%) (see Table 5).

Table 4: Imports by Country of Origin

Country	2012	2011	%
	Jan-June	Jan-June	
	CI\$ M	CI\$ M	Change
United States	332.43	331.69	0.2
Jamaica	4.00	2.72	47.0
Japan	1.61	1.10	46.4
United Kingdom	7.51	2.73	175.1
Cuba	0.84	0.83	1.3
Canada	1.41	0.61	131.6
Switzerland	5.52	4.67	18.2
Germany	1.30	4.30	(69.7)
Panama	0.82	0.79	2.9
Mexico	1.49	0.80	86.0
Other	12.98	15.25	(14.9)
Total	369.91	365.49	1.2

Analysis of imports by BEC for the first half of 2012 over the same period in 2011 revealed that, fuel and lubricants showed a 10.5 percent decline from \$89.8 million to \$80.4 million. The decline in fuel and lubricants is largely attributable to the fall of approximately 2.9 percent in the average fuel price as well as the 10.1 percent drop in quantities imported (see Table 6).

Table 5: Imports by Broad Economic Categories

Broad Economic Categories	2012	2011	%
	April-June	April-June	
	CI\$ M	CI\$ M	Change
Food & beverages	35.46	34.22	3.6
Industrial supplies not elsewhere specified	27.94	22.97	21.6
Fuels and lubricants	38.49	54.95	(30.0)
Capital goods (except transport equipment), and parts and accessories thereof	15.48	14.92	3.8
Transport equipment, and parts and accessories thereof	13.20	13.16	0.3
Consumer goods not elsewhere specified	40.27	38.13	5.6
Goods not elsewhere specified	12.10	16.92	(28.5)
Total	182.9	195.3	(6.3)

Meanwhile, food and beverages, which accounted for approximately 19.0 percent of total imports, increased by 7.0 percent to \$72.9 million. Increases were also recorded in industrial supplies not elsewhere specified (27.1%) and transport equipment (11.0%). Capital goods fell by 2.3 percent while goods not elsewhere classified fell by 28.9 percent, (Table 6).

Table 6: Imports by Broad Economic Categories

Broad Economic Categories	2012	2011	%
	Jan-June	Jan-June	
	CI\$ M	CI\$ M	Change
Food & beverages	72.9	68.2	7.0
Industrial supplies not elsewhere specified	52.2	41.1	27.1
Fuels and lubricants	80.4	89.8	(10.5)
Capital goods (except transport equipment), and parts and accessories thereof	26.7	27.3	(2.3)
Transport equipment, and parts and accessories thereof	26.5	23.9	11.0
Consumer goods not elsewhere specified	89.0	84.0	6.0
Goods not elsewhere specified	22.2	31.2	(28.9)
Total	369.9	365.4	1.2

Commentary on Exports

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

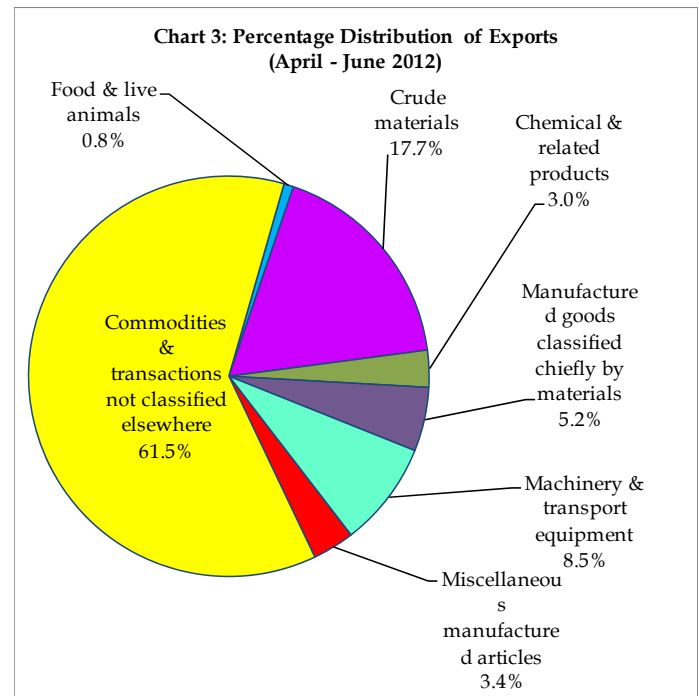
Section	2012	2011	% Change
	April-June	April-June	
	CI\$ (000's)	CI\$ (000's)	
Food & Live Animals	57.5	27.5	109.1
Crude Materials	1,293.9	323.7	299.8
Chemical & Related Products	217.5	210.2	3.5
Manufactured Goods Classified Chiefly by	377.2	328.9	14.7
Machinery & Transport Equipment	622.9	507.7	22.7
Miscellaneous Manufactured Articles	247.0	459.4	(46.2)
Commodities & Transactions Not Classified Elsewhere	4,499.8	2,153.5	109.0
Total	7,315.9	4,010.9	82.4

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

Section	2012	2011	% Change
	Jan-June	Jan-June	
	CI\$ (000's)	CI\$ (000's)	
Food & Live Animals	114.2	149.1	(23.4)
Crude Materials	1,486.4	608.8	144.2
Animal & Vegetable Oils,	221.7	210.2	5.5
Chemical & Related Products	383.0	337.1	13.6
Manufactured Goods Classified Chiefly by	821.2	598.8	37.2
Machinery & Transport	356.9	494.4	(27.8)
Miscellaneous Manufactured	6,824.0	6,650.3	2.6
Commodities & Transactions Not Classified Elsewhere	27.4	31.8	(14.1)
Total	10,234.8	9,080.6	12.7

The second quarter of 2012 showed a sharp increase in merchandise exports of 82.4 percent when compared to the similar period in 2011. The value of goods exported totaled \$7.3 million compared to \$4.0 million recorded in the second quarter of 2011. Increases were recorded in all categories with the exception of miscellaneous manufactured article which fell by 46.2 percent (see Table 7).

For the year to date 2012 over the same period in 2011, the value of exports increased by 12.7 percent to reach \$10.2 million as compared to the \$9.0 million attained for the same period in 2011. Increases were recorded in most of the sections, ranging from 2.6 percent (miscellaneous manufactured articles) to as much as 144.2 percent (crude materials). Meanwhile, machinery and transport equipment recorded the largest decline of 27.8 percent.



The large increases in the exports of crude materials, largely scrap metals, and also the re-exports of commodities and transactions not classified elsewhere, to the USA, was primarily responsible for the rise in the value of overall total of goods exported.

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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