



THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: APRIL TO JUNE 2015



Information on hand

This publication 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 as new information are obtained.

Imports by Standard International Trade Classification (SITC)

Overview

For the second consecutive quarter, imports to the Cayman Islands trended down. In the second quarter of 2015, the value of imports fell by 9.0 percent to settle at CI\$182.9 million compared to the CI\$200.8 million for the same period in 2014 (see Chart 1).

Non-petroleum products accounted for 84.8 percent of total imports, which surpassed the 77.9 percent recorded in the second quarter of 2014. On the other hand, petroleum related products contribution to total imports was 15.2 percent, down from the 22.1 percent recorded in 2014.

For the first six months of 2015, imports fell by 11.0 percent, moving from CI\$404.4 million to CI\$359.8 million.

Imports by category

The decline in imports for the quarter ending June 2015 emanated from a significant drop in petroleum and related products of CI\$16.6 million (-37.5%). This largely reflects the lower oil prices in the international market compared to the same period a year ago.

Non-petroleum products also fell by 0.9 percent, largely arising from the drop in miscellaneous manufactured articles (-16.2%). Imports of professional equipment went down by 65.3 percent; this may be associated with the normalization of medical equipment imports following a build-up in 2014 related to the establishment of a new facility.

Food & live animal imports which comprises 21.5 percent of total imports, also fell by 2.0 percent. Within the food category, meat and meat preparations fell by 18.8 percent while vegetables and fruits fell by 12.9 percent.

During the period, US food export price indices (an indicator of Cayman's food import prices) fell at double-digit rates.

Beverages & tobacco fell by 3.2 percent to CI\$8.3 million while manufactured goods classified chiefly by materials fell by CI\$1.3 million (5.4%) to \$21.9 million, mainly due to decreases in construction materials.

On the other hand, imports of machinery and transport equipment grew by 11.5 percent to CI\$33.6 million. This is traced to an increase in aircraft and associated equipment while imports of road vehicles remained relatively stable.

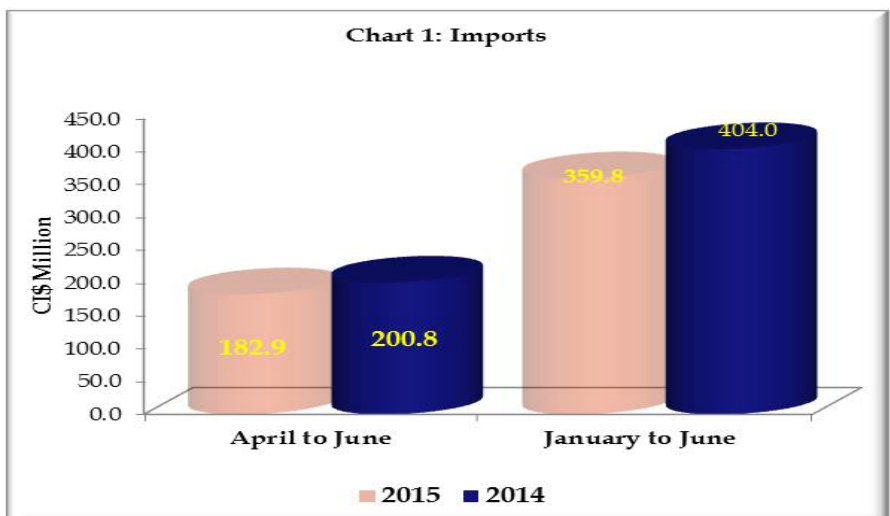


Table 1: Merchandise Imports by Standard International Trade Classification (SITC)			
Section	2015	2014	%
	Apr - Jun	Apr - Jun	Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & Live Animals	39.3	40.1	(2.0)
Beverages & Tobacco	8.3	8.6	(3.2)
Crude Materials (except fuels)	3.5	2.5	40.9
Animal & Vegetable Oils, Fats and Waxes	0.4	0.1	305.3
Chemical & Related Products	9.7	9.4	3.3
Manufactured Goods Classified Chiefly by Materials	21.9	23.2	(5.4)
Machinery & Transport Equipment	33.6	30.1	11.5
Miscellaneous Manufactured Articles	24.6	29.4	(16.2)
Commodities & Transactions Not Classified Elsewhere	13.7	13.1	4.6
Non-Petroleum Products	155.1	156.4	(0.9)
Mineral Fuels, Lubricants & Related Materials*	27.8	44.4	(37.5)
Total	182.9	200.8	(9.0)

* Also referred to as petroleum and related products.

Table 2: Merchandise Imports by Standard International Trade Classification (SITC), Year to Date			
Section	2015	2014	%
	Jan - Jun	Jan - Jun	Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
Food & Live Animals	84.0	80.0	5.0
Beverages & Tobacco	16.5	17.3	(4.7)
Crude Materials (except fuels)	6.1	4.9	25.1
Animal & Vegetable Oils, Fats and Waxes	0.7	0.1	356.5
Chemical & Related Products	19.3	18.2	6.5
Manufactured Goods Classified Chiefly by Materials	43.3	46.6	(7.0)
Machinery & Transport Equipment	57.6	60.6	(4.9)
Miscellaneous Manufactured Articles	50.8	62.3	(18.5)
Commodities & Transactions Not Classified Elsewhere	29.4	24.9	18.1
Non-Petroleum Products	307.8	314.9	(2.3)
Mineral Fuels, Lubricants & Related Materials*	51.9	89.1	(41.7)
Total	359.8	404.0	(11.0)

For the first six months of 2015, the value of non-petroleum products fell by 2.3 percent to settle at CI\$307.8 million, compared to CI\$314.9 million recorded for the same period in 2014.

The largest decline was posted in miscellaneous manufactured articles at 18.5 percent and was largely due to the decrease in the professional equipment (including medical equipment) and the “catch-all” sub-category “other miscellaneous articles not elsewhere classified.”

Additionally, manufactured goods classified chiefly by materials experienced a 7.0 percent decline. Beverages and tobacco also dipped in the first six months by 4.7 percent.

Despite the contraction in the second quarter, imports of food and live animals recorded an overall expansion of 5.0 percent in the first six months.

Chemicals and unrelated products also increased by 6.5 percent, as demand for organic and inorganic chemicals and plastics posted triple-digit increases in the first six months

of the year.

Imports of petroleum products for the first half of 2015 recorded a decline of 41.7 percent to total CI\$51.9 million, from CI\$89.1 million recorded in 2014.

While the quantities imported for both diesel and aviation fuel increased, the import of motor gasoline recorded a decrease. On average, prices for fuel in 2015 fell significantly, reflecting the world-wide drop in fuel prices.

Imports by Countries of Origin

For the quarter ending June 2015, imports from the Cayman Islands’ main trading partner, the USA, fell by 14.8 percent to CI\$156.3 million, compared to CI\$183.5 million recorded for the same period in 2014. Largely accounting for the decrease was the huge decline in the value of petroleum and related products. There was also a general decline in the US commodity export price indices.

For the same period, significant declines were also recorded for imports from United Kingdom (-11.5%), Mexico (-26.4%), and Canada (-0.7%).

The drop in imports from Mexico is account of the fall in imports of items

classified as transportation.

There was also a significant decline in imports of watches from Switzerland.

Imports from a number of countries were on the up-trend, including Jamaica (12.4%), United Kingdom (36.0%) and Panama (11.1%).

The sharp increase in imports from Japan reflected primarily a higher quantity of vehicles.

The 24.2 percent rise in imports from Germany was largely on account of the fall in the value of imports of machinery and auto parts.

For the first six months of 2015, imports from the USA fell by 15.1 percent to CI\$317.7 million. These are consistent with falling US export prices.

Imports from Cuba grew from CI\$0.5 million in 2015 to CI\$0.7 million in 2014, traced primarily to the increased imports of cigars and cigarettes.

Additionally, imports from Switzerland, Jamaica and Germany grew by 300.6 percent, 17.4 percent, and 41.1 percent respectively.

However, goods imported from Mexico fell by 13.4 percent, while goods from United Kingdom declined by 10.1 percent.

Table 3: Imports by Country of Origin			
Country	2015 Apr - Jun	2014 Apr - Jun	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	156.3	183.5	(14.8)
Jamaica	2.7	2.3	17.6
Japan	1.7	1.2	46.2
United Kingdom	1.8	2.0	(11.5)
Cuba	0.3	0.2	56.1
Canada	0.3	0.3	(0.7)
Switzerland	0.9	0.01	14677.9
Germany	0.8	0.7	24.2
Panama	0.4	0.2	98.4
Mexico	0.6	0.8	(26.4)
Others	17.0	9.6	77.4
Total	182.9	200.8	(9.0)

Table 4: Imports by Country of Origin, Year to Date			
Country	2015 Jan - Jun	2014 Jan - Jun	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	317.7	374.2	(15.1)
Jamaica	4.6	3.6	29.9
Japan	2.7	2.3	17.4
United Kingdom	2.7	3.0	(10.1)
Cuba	0.7	0.5	28.6
Canada	0.7	0.5	39.2
Switzerland	1.5	0.4	300.6
Germany	1.5	1.0	41.1
Panama	0.7	0.4	85.7
Mexico	1.3	1.5	(13.4)
Others	25.6	16.6	54.7
Total	359.8	404.0	(11.0)

Imports by Broad Economic Categories

Classification of imports by Broad Economic Categories (BEC) shows that during the second quarter of 2015, consumer items fell by 12.3 percent, with semi-durable goods registering the steepest decline of 32.6 percent. During the same period, price indices of consumer goods imported from the US were generally on the downtrend.

Imports associated with physical investment moved upwards. Capital goods grew by 13.3 percent. US export price indices for capital goods registered slight price increases during the quarter compared to the same period a year ago. However, transport equipment slipped by 1.9 percent.

Imports for industrial use showed mixed trends. The largest of these, industrial supplies not elsewhere specified, was on the uptrend (6.7%). However, primary and processed food mainly for industry and transport items for industrial use moved in the opposite direction.

TABLE 5a: IMPORTS BY BROAD ECONOMIC CATEGORY (CI\$000's)

Broad Economic Categories	2015 2nd Qtr	2014 2nd Qtr	% Change
1. Food & Beverages	46,345.3	46,633.1	-0.6%
11. Primary	10,897.4	10,789.9	1.0%
111. Mainly for industry	27.6	77.0	-64.1%
112. Mainly for household consumption	10,869.8	10,712.9	1.5%
12. Processed	35,447.9	35,843.3	-1.1%
121. Mainly for industry	2,943.7	3,055.4	-3.7%
122. Mainly for household consumption	32,504.2	32,787.9	-0.9%
2. Industrial supplies not elsewhere specified	26,741.1	25,072.5	6.7%
21. Primary	2,225.0	1,724.4	29.0%
22. Processed	24,516.0	23,348.1	5.0%
3. Fuels and Lubricants	27,668.6	44,257.8	-37.5%
31. Primary	-	-	
32. Processed	27,668.6	44,257.8	-37.5%
321. Motor spirits	7,092.7	11,866.0	-40.2%
322. Other	20,575.9	32,391.9	-36.5%
4. Capital goods (except transport equipment)	16,760.1	14,791.1	13.3%
41. Capital goods (except transport equipment)	12,990.2	11,556.1	12.4%
42. Parts and accessories	3,769.9	3,235.0	16.5%
5. Transport equipment, and parts and accessories thereof	16,283.3	16,599.4	-1.9%
51. Passenger motor cars	10,559.5	10,391.4	1.6%
52. Other	2,260.8	2,869.6	-21.2%
521. Industrial	1,079.4	1,240.8	-13.0%
522. Non-industrial	1,181.3	1,628.9	-27.5%
53. Parts and accessories	3,463.0	3,338.4	3.7%
6. Consumer goods not elsewhere specified	35,684.9	40,676.3	-12.3%
61. Durable	11,973.1	12,828.7	-6.7%
62. Semi-durable	8,861.7	13,155.0	-32.6%
63. Non-durable	14,850.1	14,692.5	1.1%
7. Goods not elsewhere specified	13,374.2	12,802.9	4.5%
TOTAL IMPORTS	182,857.4	200,833.3	-9.0%

Imports by Broad Economic Categories

Analysis of the first half of 2015 compared to the same period in 2014, reveal that all BEC categories except for food and beverages fell. Fuel and lubricants accounted for the highest decline, falling by 42.0 percent. Investments goods such as capital goods and transport equipment recorded decreases of 13.4 percent and 9.6 percent respectively. Consumer goods not elsewhere classified contracted by 11.1 percent.

TABLE 5b: IMPORTS BY BROAD ECONOMIC CATEGORY (C1\$000's)

Broad Economic Categories	2015	2014	% Change
	JAN-JUN	JAN-JUN	
1. Food & Beverages	97,743.1	93,560.3	4.5%
11. Primary	19,890.7	20,373.4	-2.4%
111. Mainly for industry	101.9	214.8	-52.6%
112. Mainly for household consumption	19,788.8	20,158.6	-1.8%
12. Processed	77,852.4	73,186.9	6.4%
121. Mainly for industry	6,121.7	6,539.5	-6.4%
122. Mainly for household consumption	71,730.7	66,647.4	7.6%
2. Industrial supplies not elsewhere specified	51,814.2	50,822.7	2.0%
21. Primary	4,153.9	3,144.8	32.1%
22. Processed	47,660.3	47,677.9	0.0%
3. Fuels and Lubricants	51,474.0	88,810.3	-42.0%
31. Primary	-	-	
32. Processed	51,474.0	88,810.3	-42.0%
321. Motor spirits	12,839.2	21,850.5	-41.2%
322. Other	38,634.8	66,959.8	-42.3%
4. Capital goods (except transport equipment)	29,596.6	34,172.2	-13.4%
41. Capital goods (except transport equipment)	23,241.0	28,954.1	-19.7%
42. Parts and accessories	6,355.6	5,218.1	21.8%
5. Transport equipment, and parts and accessories thereof	28,601.2	31,637.1	-9.6%
51. Passenger motor cars	16,302.9	17,549.4	-7.1%
52. Other	5,320.6	7,168.9	-25.8%
521. Industrial	2,735.6	3,226.2	-15.2%
522. Non-industrial	2,585.0	3,942.7	-34.4%
53. Parts and accessories	6,977.8	6,918.8	0.9%
6. Consumer goods not elsewhere specified	71,816.7	80,751.8	-11.1%
61. Durable	26,500.3	25,402.3	4.3%
62. Semi-durable	16,798.5	27,789.8	-39.6%
63. Non-durable	28,517.9	27,559.6	3.5%
7. Goods not elsewhere specified	28,712.1	24,275.3	18.3%
TOTAL IMPORTS	359,758.0	404,029.7	-11.0%

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.

**Economic and Statistics Office
3rd Floor, Government Administration Building
133 Elgin Avenue
Grand Cayman, Cayman Islands
KY1-9000**

Phone: (345) 949-0940

Fax: (345) 949-8782

www.eso.ky

Publications Produced by the Economics and Statistics Office

**Annual Foreign Trade Statistics Reports
Balance of Payments Reports
Labour Force Survey Reports
Compendium of Statistics
Quarterly Trade Bulletin**

**Consumer Price Index (CPI) Reports
System of National Accounts Reports
Quarterly Economic Reports
Annual Economic Reports
Census Reports**