



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

The total value of merchandise goods imported into the country in the third quarter of 2015 amounted to CI\$178.8 million. This represents a 9.1 percent contraction from the CI\$196.6 million a year ago (see Chart 1). (The quarter is the third consecutive period of decline in imports, with the first quarter recording the highest decline).

The contraction in imports, largely reflects a decline of 31.8 percent in petroleum-related products which accounts for 15.0 percent of total imports.

For the first nine months of 2015, merchandise imports fell from a year ago by 10.3 percent to \$538.5 million, reflecting the downward trend in the value of petroleum-related products.

Imports by category

For the quarter ending September 2015, non-petroleum products totalled CI\$151.9 million, lower by 3.3 percent relative to the corresponding period in 2014. This reduction was primarily driven by miscellaneous goods classified chiefly by materials, miscellaneous manufactured articles and beverages.

Miscellaneous manufactured goods fell by 21.1 percent, largely on account of a drop in professional and scientific equipment (-54.8%), furniture parts (-26.2%), and road vehicles (-5.1%).

The decline in manufactured goods classified chiefly by materials mainly reflect a fall in paper and paper products, and construction materials.

Beverages and tobacco fell by 3.6 percent to \$6.4 million with beverages falling by 1.0 percent to reach \$5.8 million while tobacco fell by 23.9 percent to \$0.6 million.

Moving in the opposite direction was the transport and equipment division, which grew by 11.9 percent. Office machines, telecommunication & sound recording equipment, and electrical machines led the growth in this division.

Petroleum related products contracted and reached \$26.9 million, down from \$39.5 million recorded in the comparable period in 2014. This decline was dominated by the continuing downtrend of oil prices, as the quantity of fuel imports was on the uptrend.

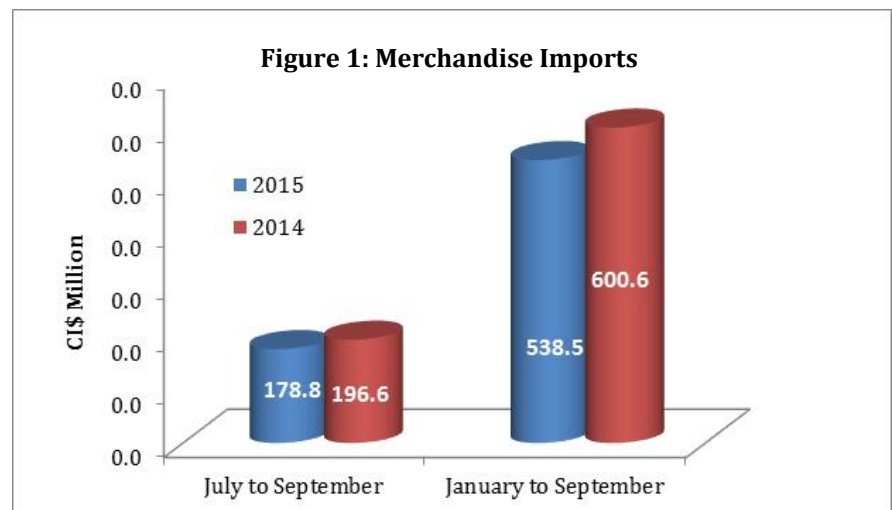


Table 1: Merchandise Imports by Standard International Trade Classification (SITC)			
Section	2015 Jul - Sep	2014 Jul - Sep	% Change
	CI\$ M	CI\$ M	
Food & Live Animals	38.9	38.1	2.1
Beverages & Tobacco	6.4	6.7	(3.6)
Crude Materials (except fuels)	3.3	3.3	(0.9)
Animal & Vegetable Oils, Fats and Waxes	0.4	0.2	56.8
Chemical & Related Products	9.8	10.9	(9.6)
Manufactured Goods Classified Chiefly by Materials	20.5	22.1	(7.1)
Machinery & Transport Equipment	35.0	31.3	11.9
Miscellaneous Manufactured Articles	23.9	30.3	(21.1)
Commodities & Transactions Not Classified Elsewhere	13.7	14.3	(4.3)
Non-Petroleum Products	151.9	157.1	(3.3)
Mineral Fuels, Lubricants & Related Materials*	26.9	39.5	(31.8)
Total	178.8	196.6	(9.1)

* Also referred to as petroleum and related products.

Table 2: Merchandise Imports by Standard International Trade Classification (SITC), Year to Date			
Section	2015 Jan - Sep	2014 Jan - Sep	% Change
	CI\$ M	CI\$ M	
Food & Live Animals	122.9	118.1	4.1
Beverages & Tobacco	22.9	24.0	(4.4)
Crude Materials (except fuels)	9.4	8.2	14.6
Animal & Vegetable Oils, Fats and Waxes	1.0	0.4	175.2
Chemical & Related Products	29.2	29.0	0.5
Manufactured Goods Classified Chiefly by Materials	63.8	68.6	(7.0)
Machinery & Transport Equipment	92.6	91.9	0.8
Miscellaneous Manufactured Articles	74.7	92.6	(19.3)
Commodities & Transactions Not Classified Elsewhere	43.2	39.3	9.9
Non-Petroleum Products	459.7	472.0	(2.6)
Mineral Fuels, Lubricants & Related Materials*	78.8	128.6	(38.7)
Total	538.5	600.6	(10.3)

For the first nine months of 2015, merchandise imports fell by 10.3 percent to \$538.5 million compared to \$600.6 million recorded in the same period in 2014.

Imports of petroleum products were down by 38.7 percent to settle at \$78.8 million. This reflects the fall in fuel prices as quantity of fuel imports increased by 12.2 percent from the same period in 2014.

Reductions were also recorded in beverage and tobacco (-4.4%), manufactured goods

classified chiefly by materials (-7.0%) and miscellaneous manufactured goods (-19.3%).

The fall in beverage and tobacco imports follows the reduction of the US export price index of the commodity in the January to September 2015 period.

The drop in manufactured goods classified chiefly by materials is traced mainly to the contraction of iron and steel and other building material purchases.

On the other hand, commodities and transactions not classified elsewhere recorded an increase of 9.9 mainly coming from imports via the courier services and air terminal, and increases in imports of gold coins and other coins.

Machinery and transport equipment and chemical and related products imports remained relatively stable, recording a slight increase of 0.8 percent and 0.5 percent respectively.

Imports by Countries of Origin

For the quarter ending September 2015, imports from most of the major country sources declined.

Purchases from the US fell by 17.5 percent, to \$147.1 million compared to \$178.4 million for the comparable period in 2014. (This coincides with the overall decline in total US exports during in the third quarter compared to a year ago). The 17.5 percent decline can be traced directly to the reduction in the value of petroleum-related imports.

Imports from Panama and Switzerland fell by 66.2 percent and 26.1 percent respectively. These correlate

with the drop in imports of alcoholic beverages and furniture from Panama, and watches from Switzerland.

Imports from the United Kingdom also showed a decline, falling by 16.0 percent due to a contraction in trade for food items and pharmaceuticals.

In contrast, imports from Jamaica grew by 13.9 percent while Japan saw a 39.7 percent increase as vehicle imports rose.

Increases were also recorded in imports from Germany and Canada by 89.6 percent and 87.1 percent respectively.

For the first three quarters, imports from the USA fell by 15.9 percent largely influenced by the decline in fuel imports.

Imports from Cuba grew from \$0.8 million in 2014 to \$0.9 million in 2015, traced primarily to the increased imports of cigars and cigarettes.

Additionally, higher imports from Germany (61.8%), Canada (57.9%), Japan (26.6%), and Jamaica (23.6%) were recorded.

Double-digit declines were recorded for purchases from Mexico (-12.5%), and the UK (-12.1%).

Table 3: Imports by Country of Origin			
Country	2015 Jul - Sep	2014 Jul - Sep	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	147.1	178.4	(17.5)
Jamaica	2.6	2.3	13.9
Japan	2.3	1.6	39.7
United Kingdom	1.3	1.6	(16.0)
Cuba	0.2	0.3	(21.2)
Canada	0.6	0.3	87.1
Switzerland	0.3	0.4	(26.1)
Germany	1.5	0.8	89.6
Panama	0.2	0.5	(66.2)
Mexico	0.7	0.8	(10.7)
Others	22.0	9.7	127.7
Total	178.8	196.6	(9.1)

Table 4: Imports by Country of Origin, Year to Date			
Country	2015 Jan - Sep	2014 Jan - Sep	% Change
		<u>CI\$ M</u>	
United States	464.8	552.6	(15.9)
Jamaica	7.2	5.9	23.6
Japan	5.0	3.9	26.6
United Kingdom	4.0	4.6	(12.1)
Cuba	0.9	0.8	12.4
Canada	1.3	0.9	57.9
Switzerland	1.8	0.7	140.0
Germany	2.9	1.8	61.8
Panama	0.9	0.8	2.1
Mexico	2.0	2.3	(12.5)
Others	47.7	26.3	81.6
Total	538.5	600.6	(10.3)

Imports by Broad Economic Categories

Classifying imports by Broad Economic Categories shows declines in most categories. In addition to fuel lubricants which dipped by 38.9 percent, all sub-categories of consumer goods not elsewhere classified dropped to bring the aggregate amount down by 16.2 percent (or \$6.7 million).

Bucking the downtrend, capital goods mainly parts and accessories of non-transport machine and equipment rose in the third quarter from a year ago.

All sub-categories of food and beverages category also increased, except for processed food mainly for industry (-1.0%). Primary (unprocessed) food for households expanded sharply during the quarter by more than 300 percent.

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

	2015	2014	% change
	Jul-Sep	Jul-Sep	JUL-SEP 2015/2014
1. Food & Beverages	44,170.44	43,490.07	1.6
11. Primary	9,059.45	8,591.10	5.5
111. Mainly for industry	80.48	19.67	309.2
112. Mainly for household consumption	8,978.97	8,571.43	4.8
12. Processed	35,110.99	34,898.97	0.6
121. Mainly for industry	1,274.74	1,855.72	(31.3)
122. Mainly for household consumption	33,836.25	33,043.25	2.4
2. Industrial supplies not elsewhere specified	27,326.68	27,677.47	(1.3)
21. Primary	2,939.41	3,155.58	(6.9)
22. Processed	24,387.27	24,521.89	(0.5)
3. Fuels and Lubricants	26,747.61	39,243.87	(31.8)
31. Primary	-	-	
32. Processed	26,747.61	39,243.87	(31.8)
321. Motor spirits	5,656.04	6,934.69	(18.4)
322. Other	21,091.57	32,309.18	(34.7)
4. Capital goods (except transport equipment)	19,272.46	16,490.56	16.9
41. Capital goods (except transport equipment)	12,336.44	13,398.02	(7.9)
42. Parts and accessories	6,936.02	3,092.54	124.3
5. Transport equipment, and parts and accessories thereof	14,119.47	15,372.12	(8.1)
51. Passenger motor cars	8,447.36	9,589.81	(11.9)
52. Other	2,776.90	2,719.38	2.1
521. Industrial	1,612.36	1,287.07	25.3
522. Non-industrial	1,164.53	1,432.31	(18.7)
53. Parts and accessories	2,895.21	3,062.93	(5.5)
6. Consumer goods not elsewhere specified	34,422.50	41,096.09	(16.2)
61. Durable	13,589.37	14,110.90	(3.7)
62. Semi-durable	8,266.91	12,782.95	(35.3)
63. Non-durable	12,566.22	14,202.25	(11.5)
7. Goods not elsewhere specified	12,716.62	13,208.71	(3.7)
TOTAL IMPORTS	178,775.77	196,578.89	(9.1)

Imports by Broad Economic Categories

In the first three quarters of 2015, growth was recorded in food and beverages (3.6%), industrial supplies (0.8%) and goods not elsewhere specified (10.5%) as compared to the same period in 2014. The rest of the categories moved downward, with fuel and lubricants accounting for the highest decline as also shown in earlier analysis. A sharp fall in semi-durable consumer goods amounting to \$15.5 million (or 38.2%) pulled down the overall imports of consumer goods not elsewhere classified by 12.8 percent.

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

	2015	2014	% change
	JAN-SEP	JAN-SEP	JAN-SEP 2015/2014
1. Food & beverages	141,913.58	137,016.85	3.6
11. Primary	28,950.18	28,930.98	0.1
111. Mainly for industry	182.41	234.48	(22.2)
112. Mainly for household consumption	28,767.77	28,696.49	0.2
12. Processed	112,963.40	108,085.88	4.5
121. Mainly for industry	7,396.43	8,395.20	(11.9)
122. Mainly for household consumption	105,566.97	99,690.67	0.1
2. Industrial supplies not elsewhere specified	79,140.90	78,500.14	0.8%
21. Primary	7,093.29	6,300.36	12.6%
22. Processed	72,047.61	72,199.78	(0.2)
3. Fuels and Lubricants	78,221.64	128,054.21	(38.9)
31. Primary	-	-	
32. Processed	78,221.64	128,054.21	(38.9)
321. Motor spirits	18,495.24	28,785.22	(35.7)
322. Other	59,726.41	99,268.99	(39.8)
4. Capital goods (except transport equipment)	48,869.03	50,662.76	(3.5)
41. Capital goods (except transport equipment)	35,577.43	42,352.11	(16.0)
42. Parts and accessories	13,291.61	8,310.66	59.9
5. Transport equipment, and parts and accessories thereof	42,720.68	46,992.80	(9.1)
51. Passenger motor cars	24,750.23	27,139.16	(8.8)
52. Other	8,097.47	9,871.88	(18.0)
521. Industrial	4,347.97	4,496.85	(3.3)
522. Non-industrial	3,749.50	5,375.03	(30.2)
53. Parts and accessories	9,872.98	9,981.76	(1.1)
6. Consumer goods not elsewhere specified	106,239.17	121,847.86	(12.8)
61. Durable	40,089.62	39,513.24	1.5
62. Semi-durable	25,065.45	40,572.79	(38.2)
63. Non-durable	41,084.10	41,761.83	(1.6)
7. Goods not elsewhere specified	41,428.73	37,484.01	10.5
TOTAL IMPORTS	538,533.74	600,558.64	(10.3)

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 this 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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