



THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: JULY TO SEPTEMBER 2016



Information on hand

This publication is produced by the Economics and Statistics Office from data supplied by the Customs Department. The data presented in this bulletin are preliminary and subject to revision in the subsequent quarterly bulletins and annual report as new information are obtained.

Imports by Standard International Trade Classification (SITC)

Overview

For the third quarter 2016, the total value of imports to the Cayman Islands grew by 8.6 percent to reach \$194.0 million compared to \$178.7 million a year ago (see Chart 1). The increase this quarter maintained the trends shown in the first and second quarters of the year.

The overall increase emanated from the rise of 11.4 percent in non-petroleum product imports, which accounted for 87.1 percent of the total value of imports. On the other hand, the value of petroleum and petroleum-related products declined, contracting by 7.4 percent to settle at \$24.9 million.

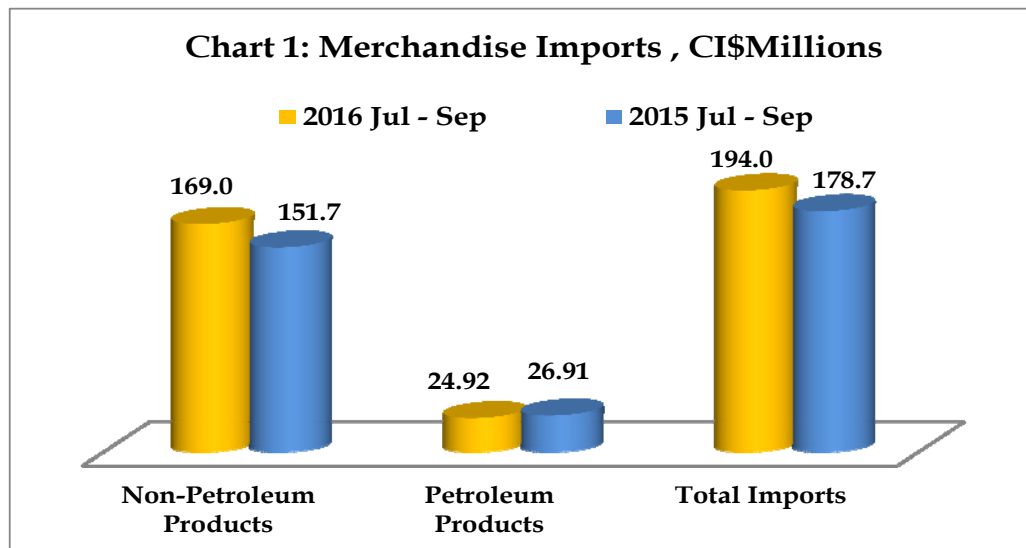
The third quarter imports bring the total cumulative value of imports for the first nine months of the year to \$586.6 million, 9.2 percent higher than a year ago. Non-petroleum products increased by 13.6 percent while petroleum and petroleum related products fell by 16.9 percent.

Imports by category

For the quarter ending September 2016, six of the eight major non-petroleum Standard International Trade Classification import categories recorded increases in total value.

Machinery and transport equipment went up by 17.8 percent to \$41.3 million. This was driven mainly by increases in demand for road vehicles (45.6%), power generating machinery (25.2%), office equipment (47.0%) and other specialised machinery (98.9%). However, telecommunications equipment fell by 17.3 percent to \$3.9 million.

Manufactured goods classified chiefly by materials showed a 16.7 percent increase to reach \$23.9 million. This was generated mostly from the imports of metal products which grew by 35.0 percent to \$12.7 million. Paper and paper related products also rose by 42.5 percent to \$1.8 million, while rubber products recorded an increase of 23.0 percent to \$1.3 million. In contrast, manufactured non-metal mineral not elsewhere classified fell 5.2 percent to \$4.9 million.



Imports by Standard International Trade Classification (SITC)

Chemical and related products grew by 14.7 percent to \$11.2 million in the third quarter from a year ago, due mainly from the increased imports of plastic products, chemical materials and products and essential oils, perfume and cleaning products.

Imports of **food and live animals** rose by 12.4 percent to \$44.1 million. This mainly reflected the movement of vegetables and fruits (up by 13.7%) fish and fish preparations (up by 10.9%), cereal and cereal preparation (up by 97.7%) and miscellaneous product items (up by 13.8%). However, the value of dairy products and meat and meat preparations fell by 0.9 percent and 6.3 percent, respectively.

Miscellaneous manufactured articles expanded by 6.4 percent during the period to reach \$25.2 million. Two of the three largest groups in this section namely furniture and clothing, recorded increases while imports of other miscellaneous goods and photographic equipment contracted.

Mineral fuels, lubricants and related materials fell by 7.4 percent with petroleum products declining by 6.5 percent. This is attributed partly to the fuel prices which remained at low levels and partly to lower quantities. The quantity and value of gasoline and diesel fuel fell, although the quantity and value of aviation fuel increased compared to a year ago.

Table 1: Merchandise Imports by Standard International Trade Classification (SITC), C1\$Million

Section	2016 Jul - Sep	2015 Jul - Sep	% Change
Food & Live Animals ¹	44.1	39.2	12.4
Beverages & Tobacco	7.4	6.4	15.9
Crude Materials (except fuels)	3.2	3.3	(1.5)
Chemical & Related Products	11.2	9.8	14.7
Manufactured Goods Classified Chiefly by Materials	23.9	20.4	16.7
Machinery & Transport Equipment	41.3	35.0	17.8
Miscellaneous Manufactured Articles	25.2	23.6	6.4
Commodities & Transactions Not Classified Elsewhere	12.8	14.0	(8.4)
Non-Petroleum Products	169.0	151.7	11.4
Mineral Fuels, Lubricants & Related Materials*	24.9	26.9	(7.4)
Total	194.0	178.7	8.6

* Also referred to as petroleum and related products.

1: includes animal & vegetable oils, fats and waxes

Imports by Standard International Trade Classification (SITC)

In the first nine months of 2016, the value of non-petroleum products grew by 13.6 percent to reach \$521.1 million, compared to \$458.5 million recorded in the same period of 2015.

Machinery and transport equipment led the growth, surging by 35.5 percent to reach \$125.5 million in the first three quarters of the year. Machinery specialized for particular industries grew by 183.0 percent, largely due to the increase in construction and mining machinery. Imports of road vehicles were up by 48.7 percent to reach \$51.1 million. Additionally, electrical machinery, apparatus and appliances saw a 38.2 percent increase in value.

Commodities and transactions not classified elsewhere grew by 15.1 percent, driven by up-trends in gold coins, gold bullion and other non-gold items. Imports via the airport and courier terminals recorded a slight increase of 2.6 percent.

Miscellaneous manufactured articles recorded an increase of 9.4 percent and stood at \$81.3 million. Accounting for this growth was the rise in the value of furniture (28.5%), clothing (16.8%) and reading materials (58.9%).

Manufactured goods classified chiefly by materials grew by 12.2 percent reflecting increases in construction materials, principally iron and steel structures, metal products and other construction materials. Paper products and related paper products also saw an increase in imports.

Crude materials (except fuel) grew by 8.2 percent, while chemical and related products recorded a 12.1 rise, driven by the uptrend in chemical materials, soaps, paints and varnishes. Imports of **food and live animals** increased marginally by 2.3 percent, compared to the same period in 2015.

For the year to date, the total value of **petroleum and petroleum related products** fell by 16.9 percent to \$65.5 million compared to \$78.8 million of the same period in 2015.

Chart 2: Merchandise Imports, C1\$Millions

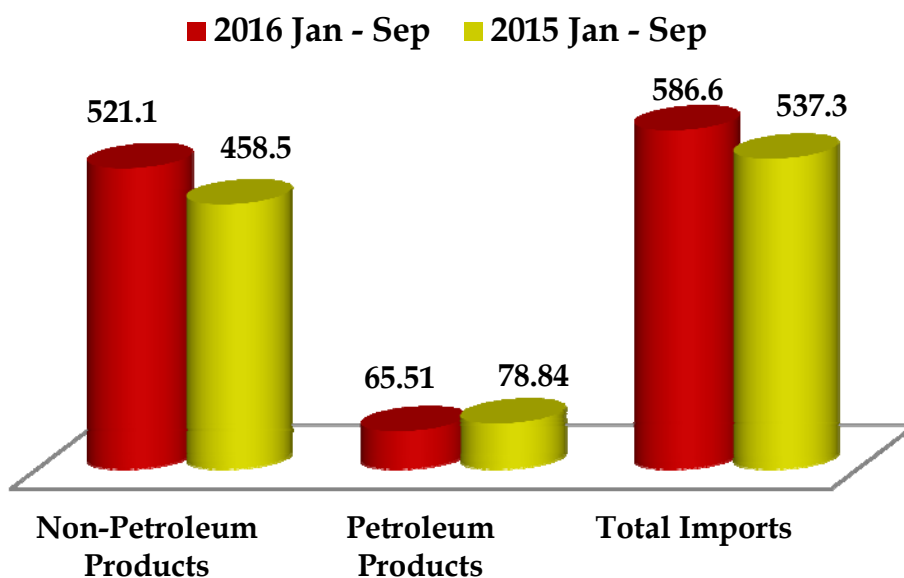


Table 2: Merchandise Imports by Standard International Trade Classification (SITC), Year to Date

Section	2016	2015	% Change
	Jan - Sep	Jan - Sep	
	CI\$ M	CI\$ M	
Food & Live Animals ¹	126.7	123.9	2.3
Beverages & Tobacco	24.3	22.9	6.2
Crude Materials (except fuels)	10.2	9.4	8.2
Chemical & Related Products	32.3	28.8	12.1
Manufactured Goods Classified Chiefly by Materials	71.4	63.6	12.2
Machinery & Transport Equipment	125.5	92.6	35.5
Miscellaneous Manufactured Articles	81.3	74.4	9.4
Commodities & Transactions Not Classified Elsewhere	49.4	42.9	15.1
Non-Petroleum Products	521.1	458.5	13.6
Mineral Fuels, Lubricants & Related Materials*	65.5	78.8	(16.9)
Total	586.6	537.3	9.2

* Also referred to as petroleum and related products.

1: includes animal & vegetable oils, fats and waxes.

Imports by Countries of Origin

For the quarter ending September 2016, imports from the USA grew by 16.0 percent to reach \$170.5 million compared to \$147.0 million recorded for the same period in 2015. The increase is traced mainly to purchases of manufactured goods, machinery and equipment and miscellaneous manufactured articles.

Imports from South Korea and Japan also increased, traced mainly to an increase in the importation of road vehicles.

Increases in imports were also noted for goods originating from Jamaica (12.5%), and the United Kingdom (87.2%)

A decline of 55.7 percent was recorded in imports from Switzerland, largely resulting from a drop in the purchase of watches.

Goods from Germany and Panama also recorded declines of 2.5 percent and 53.0 percent, respectively.

For the first nine months of 2016, imports from the USA, the United Kingdom, Jamaica, Japan, Mexico and Germany all increased. However, goods from Cuba, Switzerland, Canada, South Korea and Panama all declined.

Imports from Japan recorded the highest growth of 147.8 percent, largely on account of vehicle imports.

Inflows from Germany and Mexico also picked up by 41.2 and 26.1 percent, respectively, reflecting mainly the increase in vehicles and parts thereof during the third quarter.

Table 3: Imports by Country of Origin			
Country	2016 Jul - Sep	2015 Jul - Sep	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	170.51	146.98	16.0
Jamaica	2.94	2.61	12.5
Japan	4.09	2.26	81.3
United Kingdom	2.49	1.33	87.2
South Korea	0.99	0.72	38.4
Cuba	0.17	0.21	(20.4)
Canada	0.37	0.62	(41.1)
Switzerland	0.12	0.27	(55.7)
Germany	1.44	1.47	(2.5)
Panama	0.07	0.16	(53.0)
Mexico	0.69	0.73	(5.9)
Others	10.09	21.30	(52.6)
Total	194.0	178.7	8.6

Table 4: Imports by Country of Origin, Year to Date			
Country	2016 Jan - Sep	2015 Jan - Sep	% Change
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	506.38	464.49	9.0
Jamaica	8.66	7.24	19.6
Japan	12.29	4.96	147.8
United Kingdom	6.19	4.04	53.3
South Korea	3.11	4.13	(24.7)
Cuba	0.85	0.90	(6.3)
Canada	1.26	1.35	(6.2)
Switzerland	1.01	1.21	(16.6)
Germany	4.16	2.94	41.2
Panama	0.77	0.86	(10.2)
Mexico	2.57	2.04	26.1
Others	39.33	43.17	(8.9)
Total	586.6	537.3	9.2

Imports by Broad Economic Categories

Analysis of imports by final use, that is, by Broad Economic Categories shows that during the third quarter, all categories of imports rose except for fuel and lubricants and goods not elsewhere specified.

Transport equipment increased significantly by 37.5 percent reflecting increases in road vehicles and specialized equipment imports.

Imports of capital goods continued to grow in the third quarter by 2.1 percent. However, this represents a slow-down compared to the 85.0 percent growth in the first quarter and 25.8 percent in the second quarter.

Importation of consumer goods across the various categories was on the uptrend.

Food and beverages grew by 12.5 percent. Processed food for household consumption which comprised the largest portion of this category had a hefty increase of 13.6 percent.

Total imports of consumer goods not elsewhere specified amounted to \$37.8 million in the third quarter, increasing by 10.7 percent over the same period a year ago. All three sub-categories recorded strong growth, with non-durable goods recording the fastest pace.

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

Broad Economic Categories	2016 3rd Qtr	2015 3rd Qtr	% Change
1. Food & Beverages	49,646.0	44,110.2	12.5%
11. Primary	8,950.9	8,563.1	4.5%
111. Mainly for industry	39.5	38.7	2.0%
112. Mainly for household consumption	8,911.4	8,524.3	4.5%
12. Processed	40,695.1	35,547.2	14.5%
121. Mainly for industry	1,744.3	1,259.7	38.5%
122. Mainly for household consumption	38,950.7	34,287.4	13.6%
2. Industrial supplies not elsewhere specified	33,336.0	27,323.3	22.0%
21. Primary	5,585.4	2,961.3	88.6%
22. Processed	27,750.6	24,362.0	13.9%
3. Fuels and Lubricants	24,672.5	26,725.7	-7.7%
31. Primary	-	-	
32. Processed	24,672.5	26,725.7	-7.7%
321. Motor spirits	4,096.0	5,656.0	-27.6%
322. Other	20,576.5	21,069.7	-2.3%
4. Capital goods (except transport equipment)	19,681.6	19,279.6	2.1%
41. Capital goods (except transport equipment)	14,680.3	12,846.3	14.3%
42. Parts and accessories	5,001.3	6,433.3	-22.3%
5. Transport equipment, and parts and accessories thereof	19,408.4	14,119.5	37.5%
51. Passenger motor cars	11,857.7	8,447.4	40.4%
52. Other	4,335.4	2,776.9	56.1%
521. Industrial	3,535.8	1,612.4	119.3%
522. Non-industrial	799.6	1,164.5	-31.3%
53. Parts and accessories	3,215.3	2,895.2	11.1%
6. Consumer goods not elsewhere specified	37,758.4	34,120.9	10.7%
61. Durable	14,910.0	13,578.3	9.8%
62. Semi-durable	8,783.3	8,285.4	6.0%
63. Non-durable	14,065.1	12,257.2	14.8%
7. Goods not elsewhere specified	9,460.4	12,972.5	-27.1%
TOTAL IMPORTS	193,963.2	178,651.7	8.6%

Imports by Broad Economic Categories

In the first nine months of 2016, every category of imports by final use, except for fuel and lubricants, showed increases.

Transport equipment and parts grew by 37.5 percent, arising mainly from the sharp increases in the first quarter (77.0%) and third quarter (37.5%).

The value of capital good imports recorded a high pace of growth of 32.0 percent which is largely due to the purchase of power generating

machinery (up by 22.0%), other specialized machinery (183.0%), industrial machinery (27.2%) and office equipment (26.6%).

Other imports of goods for industrial purposes increased by 17.2 percent of which processed goods grew by 13.0 percent.

Consumer goods also rose, with processed food and beverages mainly for household consumption rising by 3.5 percent, non-durable consumer goods by 13.5 percent and durable consumer goods by 4.8%.

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

Broad Economic Categories	2016	2015	% Change
	JAN-SEP	JAN-SEP	
1. Food & Beverages	145,787.4	141,853.4	2.8%
11. Primary	28,537.9	28,367.1	0.6%
111. Mainly for industry	71.4	100.3	-28.8%
112. Mainly for household consumption	28,466.5	28,266.8	0.7%
12. Processed	117,249.5	113,486.2	3.3%
121. Mainly for industry	7,451.5	7,381.4	0.9%
122. Mainly for household consumption	109,798.0	106,104.8	3.5%
2. Industrial supplies not elsewhere specified	92,770.6	79,144.1	17.2%
21. Primary	11,353.1	7,115.2	59.6%
22. Processed	81,417.5	72,028.9	13.0%
3. Fuels and Lubricants	64,854.4	78,199.8	-17.1%
31. Primary	-	-	-
32. Processed	64,854.4	78,199.8	-17.1%
321. Motor spirits	12,313.2	18,495.2	-33.4%
322. Other	52,541.2	59,704.5	-12.0%
4. Capital goods (except transport equipment)	64,364.1	48,765.9	32.0%
41. Capital goods (except transport equipment)	45,186.2	36,083.7	25.2%
42. Parts and accessories	19,177.9	12,682.2	51.2%
5. Transport equipment, and parts and accessories thereof	58,742.4	42,720.7	37.5%
51. Passenger motor cars	37,638.9	24,750.2	52.1%
52. Other	11,428.7	8,097.5	41.1%
521. Industrial	7,503.3	4,348.0	72.6%
522. Non-industrial	3,925.4	3,749.5	4.7%
53. Parts and accessories	9,674.7	9,873.0	-2.0%
6. Consumer goods not elsewhere specified	116,188.1	105,453.4	10.2%
61. Durable	42,119.6	40,185.3	4.8%
62. Semi-durable	28,881.4	25,455.7	13.5%
63. Non-durable	45,187.1	39,812.4	13.5%
7. Goods not elsewhere specified	43,870.2	41,188.6	6.5%
TOTAL IMPORTS	586,577.3	537,325.7	9.2%

Methodology, Explanatory Notes and Definitions

The Quarterly Trade Statistics Bulletin 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 System 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.

Trade Classification

The Cayman Islands version of the Harmonized System of Classification is the primary classification standard used for the Cayman Islands' foreign trade.

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.

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 minimise 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, some 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 currently uses the Total Revenue Integrated Processing System (TRIPS). The TRIPS 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.

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

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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