

7. FOREIGN TRADE & BALANCE OF PAYMENTS



Foreign Trade and Balance of Payments

The foreign trade statistics comprise imports of goods to and the exports of goods from the Cayman Islands. The trade statistics are compiled mainly from the computerized records maintained by the Customs Department. These records are derived from the documents submitted by all traders (importers, exporters and agents) who are required to record the statistical codes (which are based on the Cayman Islands Tariff Code (CITC)), and the value and quantity of the goods imported or exported. In keeping with international standards, exports are recorded at “free on board” (f.o.b) while imports are recorded at cost, insurance and freight (c.i.f).

The Economics and Statistics Office (ESO) reviews and edits the data obtained from the Customs Department. These are then supplemented or verified by other trade data from the United States Bureau of Census, and the statistical offices of the United Kingdom and Jamaica. The data is then converted into the United Nations Standard of International Trade Classification (SITC revision 3). Hence, the main task for ESO is to compile and check the credibility of the data, and more importantly, classify them into tables that can be useful for analysis.

The foreign trade statistics tables in this chapter cover only merchandise (visible) trade. Trade in services (tourism, financial services, etc) is not covered here. However, the expansion of the foreign trade statistics to include trade in services statistics is one of the medium term objectives of the ESO.

The balance of payments (BOP) is a system of accounts that measure the economic transactions of a country’s residents against the residents of the rest of the world. Along with the System of National Accounts, this is used universally in evaluating the economic performance of countries and jurisdictions using accepted international standards issued by the International Monetary Fund.

In 2007, the Economics and Statistics office (ESO) as part of its strategic plan to expand its economic statistics, undertook a project to develop the BOP in stages. The first stage was the compilation of the Current Account.

The current account records transactions covering inflows and outflows of goods and services, investment income and current transfers. The sum of the balances from these types of transactions determines whether the Cayman Islands current account is in surplus or deficit.

A current account deficit indicates the extent to which Cayman Islands is drawing on the resources of the world for current consumption and investment; while a surplus will show the extent to which Cayman Islands is providing resources to the rest of the world in terms of capital and financial flows.

7.01 Imports, Exports and Balance of Merchandise Trade, 1993 - 2009

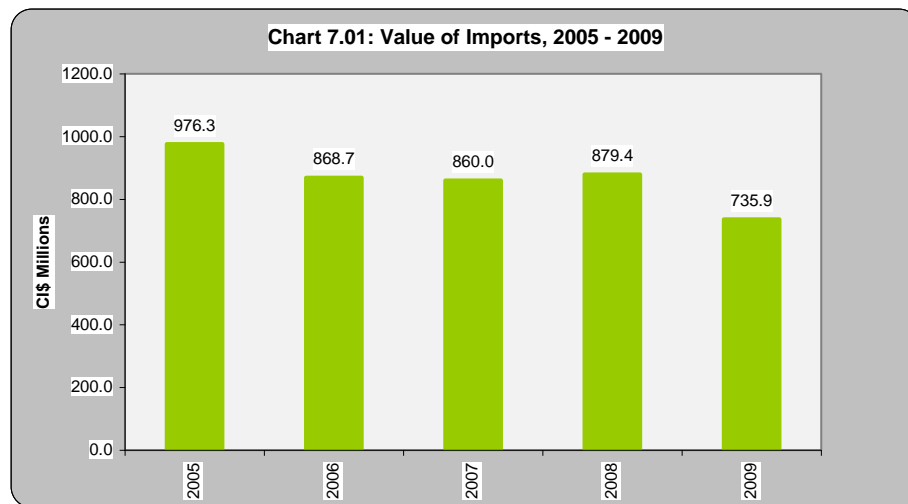
Ci\$ millions

Year	Imports (CIF)	Yr/Yr % change	Exports (FOB)	Yr/Yr % change	Balance of Trade
1993	261.1	(6.2)	1.8	(51.4)	(259.3)
1994	272.9	4.5	2.0	11.1	(270.9)
1995	332.5	21.8	3.4	70.0	(329.1)
1996	314.9	(5.3)	2.2	(35.3)	(312.7)
1997	428.4	36.0	1.8	(18.2)	(426.6)
1998	448.2	4.6	1.0	(44.4)	(447.2)
1999	471.7	5.2	1.2	20.0	(470.5)
2000	574.9	21.9	3.2	166.7	(571.7)
2001	514.5	(10.5)	3.5	9.4	(511.0)
2002	496.0	(3.6)	2.3	(34.3)	(493.7)
2003	546.2	10.1	19.7	756.5	(526.5)
2004	718.9	31.6	11.9	(39.6)	(707.0)
2005	976.3	35.8	42.8	260.0	(933.5)
2006	868.7	(11.0)	13.9	(67.6)	(854.9)
2007	860.0	(1.0)	17.9	28.9	(842.1)
2008	879.4 ^R	2.3	12.4	-30.5	(867.0)
2009	735.9	(16.3)	16.0	28.4	(719.9)

Exports for 1998-2000 are estimated. Export figures for 2003-2008 are based on new data from US, Jamaica and UK and include domestic exports and re-exports.

The export figures were compiled from imports data from the US Census Bureau, the UK Trade information website and the Jamaica Statistics Office.

The high imports figure in 2005 is due to reconstruction after Hurricane Ivan in 2004.



Source: Customs Department and Economics and Statistics Office

7.02

Imports by SITC Sections, 2005 - 2009

Section	(CIS\$000's), percent of total				
	2005	2006	2007	2008	2009
0 Food & live animals	53,267 5.5%	44,877 5.2%	61,025 7.1%	92,550 10.5%	94,353 12.8%
1 Beverages & Tobacco	20,990 2.1%	24,396 2.8%	25,106 2.9%	34,111 3.9%	33,729 4.6%
2 Crude Materials	13,680 1.4%	11,240 1.3%	11,237 1.3%	10,948 1.2%	8,972 1.2%
3 Petroleum Products and Gas	76,220 7.8%	70,035 8.1%	105,417 12.3%	142,632 16.2%	88,016 12.0%
4 Animal & Vegetable Oils, Fats and Waxes	36 0.0%	5 0.0%	164 0.0%	127 0.0%	72.6 0.0%
5 Chemical & related products	22,051 2.3%	26,093 3.0%	27,536 3.2%	30,256 3.4%	26,973 3.7%
6 Manufactured Goods Classified Chiefly by Materials	107,756 11.0%	56,243 6.5%	75,590 8.8%	77,559 8.8%	47325 6.4%
7 Machinery & Transport equipt.	168,185 17.2%	94,861 10.9%	101,781 11.8%	95,055 10.8%	66,419 9.0%
8 Miscellaneous Manufactured Articles	319,066 32.7%	460,051 53.0%	399,127 46.4%	359,953 40.9%	324,801 44.1%
9 Commodities & Transactions Not classified elsewhere	195,071 20.0%	80,946 9.3%	53,054 6.2%	36,225 4.1%	45,206 6.1%
ALL IMPORTS	976,321 100%	868,749 100%	860,036 100%	879,416 100%	735,865 100%

Notes:

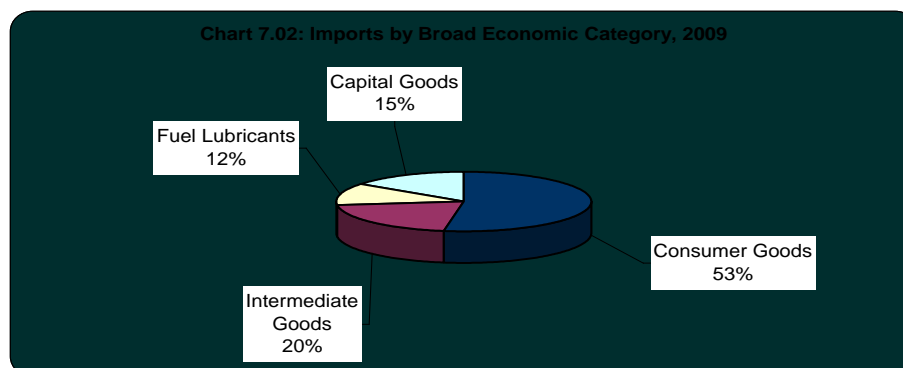
Sections 8 and 9 could be grossly overstated due to improper tariff classification
*SITC (Standard International Trade Classification)

Source: Customs Department and Economics and Statistics Office

7.03

Imports by Broad Economic Category, 2005 - 2009

CATEGORY	2005	2006	2007	2008	2009
<i>CI\$ millions</i>					
CONSUMER GOODS					
Total	392.5	435.0	396.3	406.9	387.3
Food and Beverages	88.3	93.9	118.5	130.7	132.1
Clothing and footwear	9.3	8.6	10.3	9.6	8.0
Other	294.9	332.4	267.5	266.6	247.2
INTERMEDIATE GOODS					
Total	281.0	188.9	207.1	183.6	150.0
Construction	98.9	48.5	63.4	63.2	37.7
Others	182.1	140.5	143.7	120.4	112.3
FUEL & LUBRICANTS	76.2	70.0	105.4	142.6	88.0
CAPITAL GOODS					
Total	226.6	174.8	151.2	146.2	110.6
Transportation	127.2	75.6	64.7	70.8	48.9
Others	99.4	99.2	86.6	75.4	61.7
ALL IMPORTS	976.3	868.7	860.0	879.4	735.9
<i>Percent</i>					
CONSUMER GOODS					
Total	40.2	50.1	46.1	46.3	52.6
Food and Beverages	9.0	10.8	13.8	14.9	18.0
Clothing and footwear	1.0	1.0	1.2	1.1	1.1
Other	30.2	38.3	31.1	30.3	33.6
INTERMEDIATE GOODS					
Total	28.8	21.7	24.1	20.9	20.4
Construction	10.1	5.6	7.4	7.2	5.1
Others	18.6	16.2	16.7	13.7	15.3
FUEL & LUBRICANTS	7.8	8.1	12.3	16.2	12.0
CAPITAL GOODS					
Total	23.2	20.1	17.6	16.6	15.0
Transportation	13.0	8.7	7.5	8.1	6.6
Others	10.2	11.4	10.1	8.6	8.4
ALL IMPORTS	100	100	100	100	100



Source: Customs Department and Economics and Statistics Office

7.04 Imports By Major Countries Of Origin, 2005 - 2009

Country	(CIS\$ million), percent of total				
	2005	2006	2007	2008	2009
United States ¹	757.8 77.6%	656.6 75.6%	657.6 76.5%	653.9 74.4%	556.8 75.7%
Netherlands Antilles ²	85.6 8.8%	73.0 8.4%	74.0 8.6%	138.6 15.8%	84.6 11.5%
Jamaica	6.9 0.7%	4.5 0.5%	5.5 0.6%	5.7 0.6%	6.3 0.9%
Japan	10.5 1.1%	6.3 0.7%	7.3 0.9%	4.0 0.5%	2.2 0.3%
United Kingdom	6.9 0.7%	4.5 0.5%	5.5 0.6%	3.0 0.3%	3.9 0.5%
Cuba	- 0.0%	3.9 0.4%	4.9 0.6%	1.8 0.2%	1.4 0.2%
Canada	6.3 0.6%	2.6 0.3%	3.6 0.4%	2.1 0.2%	1.4 0.2%
Switzerland	4.2 0.4%	1.8 0.2%	2.8 0.3%	3.0 0.3%	1.2 0.2%
Germany	1.6 0.2%	1.7 0.2%	2.7 0.3%	2.0 0.2%	1.2 0.2%
Mexico	2.4 0.2%	0.7 0.1%	1.7 0.2%	2.8 0.3%	2.0 0.3%
Other ³	94.1 9.6%	113.1 13.0%	94.4 11.0%	62.7 7.1%	74.8 10.2%
TOTAL IMPORTS	976.3 100%	868.7 100%	860.0 100%	879.4 100%	735.9 100%

Notes:

¹ Import figures from the USA tend to be overstated while those from other countries tend to be underestimated, due to the shipment of Cayman Islands bound imports through Florida.

² Most of the oil imported from Curacao, Netherlands Antilles originate from Venezuela, although some come from elsewhere (eg. United States & Trinidad and Tobago).

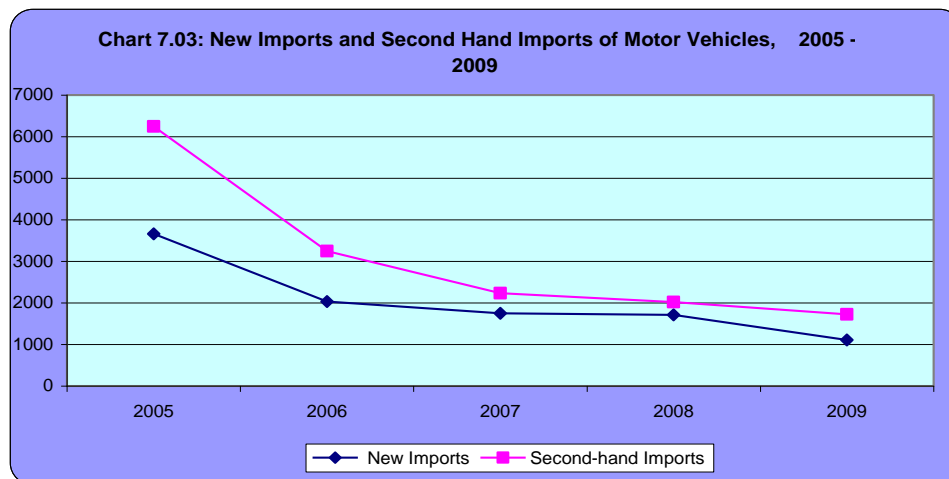
³ The figures for other countries were taken from the customs database and could be overstated due to misclassification of country codes.

Source: Customs Department and Economics and Statistics Office

7.05 Imported Motor Vehicles, Inspected and Licensed, 2005 - 2009

	2005	2006	2007	2008	2009
New Imports					
Cars	2,459	1,352	1,183	1,246	875
Trucks	845	338	300	289	170
Buses	21	12	10	11	8
Motor Cycles	270	209	164	126	27
Special Vehicles	20	17	7	-	1
Trailers	43	105	85	39	27
Total new imports	3,658	2,033	1,749	1,711	1,108
Second-hand Imports					
Cars	4,740	2,387	1,659	1,509	1,262
Trucks	1,239	425	364	317	263
Buses	54	24	14	14	22
Motor Cycles	50	98	74	98	108
Special Vehicles	102	29	25	10	7
Trailers	60	281	98	71	61
Total second-hand	6,245	3,244	2,234	2,019	1,723
Total vehicle imports					
Cars	7,199	3,739	2,842	2,755	2,137
Trucks	2,084	763	664	606	433
Buses	75	36	24	25	30
Motor Cycles	320	307	238	224	135
Special Vehicles	122	46	32	10	8
Trailers	103	386	183	110	88
Total vehicle imports	9,903	5,277	3,983	3,730	2,831

Source: Customs Department & Vehicle and Drivers' Licensing Department



7.06

The Cayman Islands Current Account BOP, 2006 - 2007

(\$'Million)

	2006			2007		
	Credit	Debit	Net	Credit	Debit	Net
I. CURRENT ACCOUNT	3,167.9	3,518.5	(350.6)	3,613.3	4,004.5	(391.2)
<i>GOODS AND SERVICES</i>	1,316.6	1,307.7	8.9	1,356.7	1,356.4	0.3
A. GOODS	23.0	772.2	(749.1)	24.0	764.3	(740.3)
General merchandise	21.5	764.5	(743.0)	22.1	756.8	(734.7)
Goods procured in ports by carriers	1.5	7.7	(6.1)	1.9	7.5	(5.6)
B. SERVICES	1,293.6	535.5	758.0	1,332.7	592.0	740.6
Transportation	40.7	119.1	(78.4)	40.3	115.0	(74.8)
Sea transport	15.9	86.9	(70.9)	15.4	86.0	(70.6)
Air transport	21.9	32.3	(10.3)	22.3	29.0	(6.7)
Other supporting and auxiliary transport services	2.8	-	2.8	2.5		2.5
Travel	446.2	85.4	360.7	417.4	100.2	317.2
Insurance services	19.8	150.2	(130.5)	23.5	173.1	(149.7)
Financial services	578.1	115.6	462.5	676.7	135.3	541.4
Other business services	140.3	49.7	90.7	117.5	52.6	65.0
Government services, n.i.e.	68.6	15.5	53.1	57.3	15.8	41.4
II. INCOME	1,794.9	1,945.3	(150.4)	2,195.6	2,387.1	(191.4)
1. Compensation of employees including border, seasonal, and other workers	0.2		0.2	0.2	-	0.2
2. Investment Income	1,794.7	1,945.3	(150.6)	2,195.5	2,386.9	(191.4)
Direct investment	28.5	376.8	(348.3)	129.4	466.4	(337.0)
Portfolio investment	445.3	53.3	392.0	585.0	56.1	528.9
Other investments	1,320.9	1,515.2	(194.3)	1,481.1	1,864.4	(383.4)
III CURRENT TRANSFERS	56.4	265.5	(209.1)	61.0	261.1	(200.1)

Source: Economics and Statistics Office