

**Overseas Trade Statistics  
Of  
The Cayman Islands  
2002**

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## OVERSEAS TRADE STATISTICS 2002

### INTRODUCTION

1. In all but a few countries trade statistics are compiled from computerized records maintained by Customs Departments. They are based on documents which are completed by importers, exporters or their agents, who are obliged to record the appropriate statistical code number against each commodity. National trade classifications are generally based upon the system recommended by the Customs Cooperation Council (CCC) and which directly links to the United Nations Standard International Trade Classification (SITC) used in all statistical publications.

2. The routine tasks of the statistical organization are then confined to checking the credibility of the data and making adjustments for special cases etc. A computerized Customs system is currently being used in the Cayman Islands. However, only a small number of the importers do their own coding.

3. The volume of imports has grown to such an extent that it would take considerably longer than a year for the staff concerned to fully process one year's documents. The last year to be fully coded was 1981 (published in 1985) and for the years from 1985 onwards only a sample of documents have been coded using a simplified commodity coding system (see below). Full details of the commodities and quantities imported into the Cayman Islands are unlikely to be available until such time as the administrative system at Customs has been upgraded. For the years 1982 to 1984 estimates of total value of imports only are available.

#### Simplified System of Import Statistics for 1985 Onwards

4. The key objective was the production of an estimate of total trade with as much detail as was compatible with available resources. From 1985, the total value of imports was determined for each port from Customs cash books. All high value documents (over \$25,000 or so) and a sample of low value customs documents were coded and scaled up to the control total for each port. Furthermore, for large regular importers (where the invoices attached to the warrants are extremely detailed), a series of standard percentages for commodities were established and used instead of fully coding each warrant.

5. One further simplification was to reduce the number of commodity headings in the Cayman Islands' classification from 400 to about 110. This was achieved by combining the lower value headings into wider groupings. Around 50 of the most important headings were retained. The present headings, like those which they replaced, are defined in terms of the Standard International Trade Classification, and from 1991 the headings were amended slightly to match the new "Revision 3".

These SITC codes enable the figures for the Cayman Islands to be compared with those for other countries at the two digit Division level.

6. The advantages of the simplified system have been somewhat eroded since 1985 by the increasing number of documents, the need to change the data processing system and the loss of skilled staff, needed to provide information for market research. For 1989 and 1991, therefore, reductions in the processing burden, including halving the sample of low-value consignments, have been made. Sampling naturally reduces the precision of the estimates but this loss has been limited by the reduction in the number of commodity headings now being used.

#### Conversion to the Harmonized System of Classification

7. In 1991 the Cayman Islands adopted a version of the Harmonized System of Classification which is the basis for reporting in this Overseas Trade Report. This system of classification gives more detail than in previous years. While there is no direct concordance for some items an attempt has been made to compare imports with previous years where possible.

#### Export Statistics

8. Before January 1986 exports were not well documented by the Customs Department. From the beginning of 1986, however, documents for goods for export (or re-export; for repair for instance) have been required. As the value of exports from the Cayman Islands is very low it has been assumed that exports for each of the years 1982-1984 were around \$1.0 million and a little higher for 1985. The statistics for 1986 and after were compiled from the export entries lodged with the Customs Department. However, many of these export entries have no stated value, and estimates have had to be made by Statistics Office staff.

#### Coverage

9. **Included** in import and export statistics in this publication are: goods sent abroad and returned for repair; goods re-exported as incorrect or faulty since they cannot be easily identified at the time of import; and the personal effects of migrants and their cars. The two latter categories are separately identified within export statistics but not within import statistics.

10. **Excluded** are: goods in transit or other Trans-shipments not destined for the Cayman market (e.g. Lobster tails Trans-shipped to Florida); and parcel post exports for which no records are kept.

11. The values recorded for import statistics are CIF (Cost, Insurance and Freight) - they are based on the values declared by importers and accepted by Customs, including freight and insurance charges, but they do not include import

duties or other local costs. Exports are valued FOB (Free on Board) - that is, the cost of delivery to the docks excluding onward freight and insurance costs.

12. The values recorded for imports and exports over a particular period represent the documents brought to account by Customs during that period, and they will therefore include some goods actually arriving towards the end of the previous period.

#### Abbreviations, rounding and symbols

13. In tables where figures have been rounded to the nearest final digit there may be an apparent slight discrepancy between the sum of the constituent items and the total as shown.

**CIF** - Cost, Insurance and Freight  
Value including insurance and freight charges

**FOB** - Free on Board  
Value excluding insurance and freight charges

**SITC** - Standard International Trade Classification  
(Revision 3 is used in this publication)

**HS** - Cayman Islands Simplified Harmonized System of Classification.

**CI Code** - Cayman Islands Tariff Code (prior to 1991)

**RE-EXPORTS** - Goods imported and subsequently exported without undergoing any processing, repackaging or other value added activities

.. - not available

- - nil or negligible  
(less than half the final digit shown)

**NES or nes** - not elsewhere specified

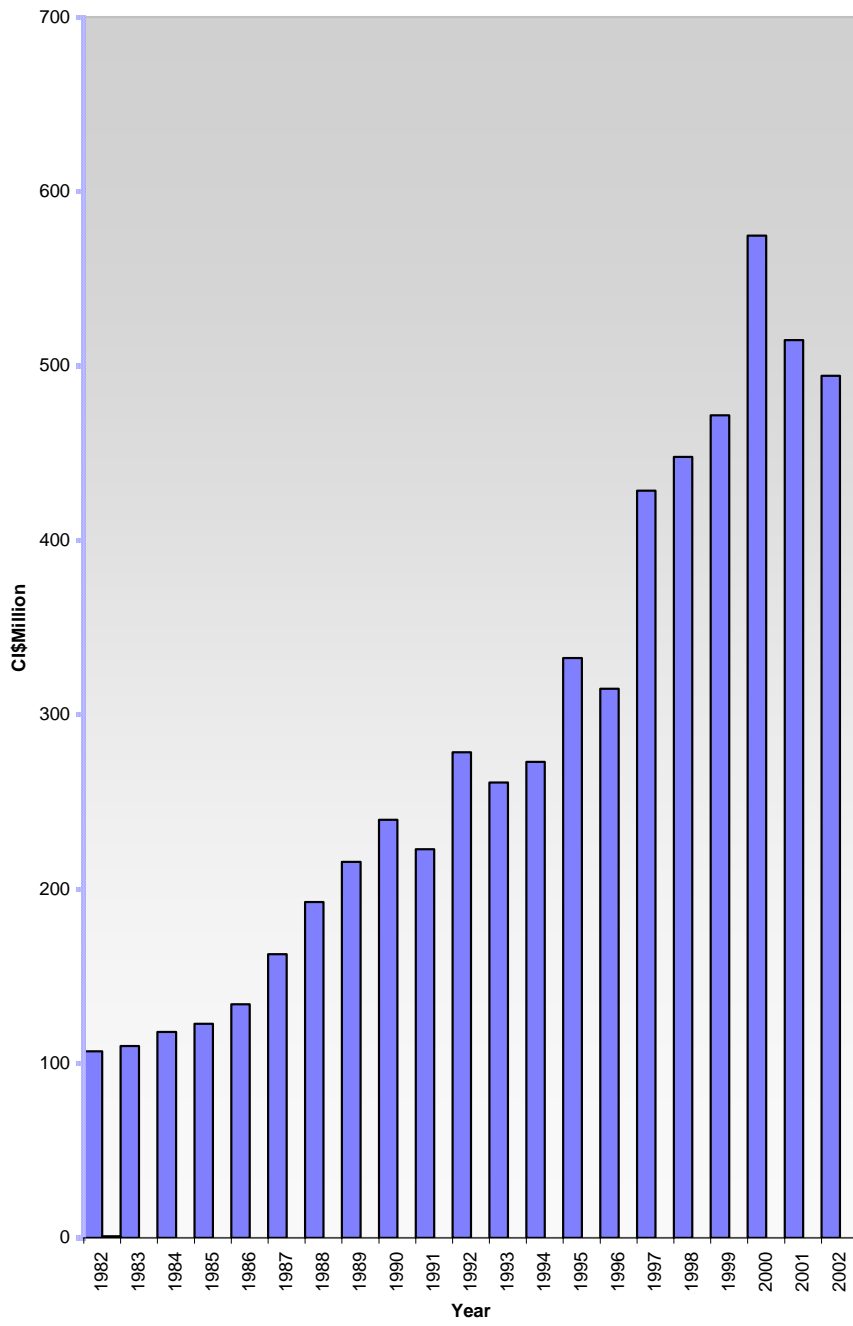
## COMMENTARY ON 2002

14. The total value of goods imported in 2002 amounted to CI\$494.4 million. This represents a -4.0 percent decrease from the previous year of 2001. (Table 1). Imports, excluding fuel, amounted to CI\$445.1 million in 2002 and also showed a -4.6 percent decrease over the same period. The volume of fuel imports declined -8.1 percent to 40.7 million imperial gallons in 2002. The value of fuel imports increased by 10.4 percent in 2002 to CI\$51.3 million (Table 6), reflecting a rise in international oil prices in 2002. The decrease in imports for 2002 was partially due to the events of September 11, 2001. Since the Cayman Islands economy is so closely linked with trends in the USA, the results had a trickle-down effect. However, the amount of imports is expected to increase again in 2003.
15. Imports in 2002 decreased in all but the fourth quarter, which increased by CI\$7.1 million up 5.6 percent from the previous year. (Table 2)
16. Exports in 2002 amounted to CI\$3.0 million - a very small figure compared to imports of CI\$494.4 million. (Table 1) The visible trade deficit was therefore CI\$491.4 million, a decrease of -4.0 percent compared to 2001. This trade deficit was largely covered by earnings from invisible exports from the Financial and Tourism sectors.
17. The analysis of Imports by Broad Economic categories (Table 3 & Chart 2) shows that Intermediate Consumption Goods remained the predominant category with a share of 51 percent of imports. Transport and Fuel accounted for approximately 19.0 percent of total imports, Consumer Goods for 11.0 percent, and Capital Goods accounted for another 19.0 percent of imports.
18. Import figures by Major Countries of Origin are somewhat distorted due to the complexities of the transshipment-through-USA trading methods. Table 9 shows that the majority of goods were imported from the USA with a 68.8 percent share. However, this figure may be overstated due to the lack of country identification marks on some large mixed consignments imported from wholesalers in the USA.
19. The Netherlands Antilles was the predominant source of refined oil imports. It accounted for 10.0 percent of total imports in 2002, and was the second largest source of imports. The United Kingdom was third, with 0.8 percent and the Switzerland fourth, with 0.7 percent.

20. Some figures in the 2002 Overseas Trade publication may show sharp spikes in either direction due to the inconsistent manner in which they are classified using the current Customs Tariff. At present, a new tariff is in the works and is expected to bring all import figures in line with international standards

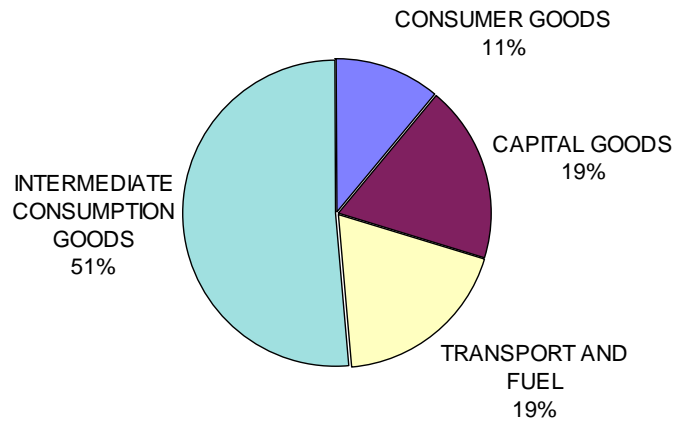
MICHAEL GODFREY  
ECONOMICS & STATISTICS OFFICE  
JANUARY 2004

Annual Imports, 1982 - 2002





### Imports by Broad Economic Category, 2002



**TABLE 1: IMPORTS, EXPORTS AND BALANCE OF VISIBLE  
TRADE  
1982-2002**

CI\$ millions

<b>Year<sup>3</sup></b>	<b>Imports (CIF)</b>	<b>Yr/Yr % change</b>	<b>Exports<sup>1,3</sup> (FOB)</b>	<b>Balance<sup>2</sup> of Trade</b>
1982	107.0	6.6	1.0	-106.0
1983	110.0	2.8	1.0	-109.0
1984	118.0	7.3	1.0	-117.0
1985	122.7	4.0	1.5	-121.2
1986	134.0	9.2	2.2	-131.8
1987	162.6	21.3	1.8	-160.8
1988	192.6	18.5	1.9	-190.7
1989	215.6	11.9	2.1	-213.5
1990	239.7	11.2	3.1	-236.6
1991	222.9	-7.0	2.5	-220.4
1992	278.4	24.9	3.7	-274.7
1993	261.1	-6.2	1.8	-259.3
1994	272.9	4.5	2.2	-270.7
1995	332.5	21.8	3.4	-329.1
1996	314.9	-5.3	2.2	-312.7
1997	428.4	36.0	2.2	-426.2
1998	447.8	4.5	1.0	-446.8
1999	471.7	5.3	1.2	-470.5
2000	574.7	21.8	2.0	-572.7
2001	514.9	-10.4	2.4	-512.5
2002	494.4	-4.0	3.0	-491.4

**NOTES**

1. Export figures prior to 1982 exclude migrants' cars and personal effects. These items are included for all years for imports.
2. The negative balances are exaggerated because imports include insurance and freight whereas exports do not.
3. Figures for year 1976-79 and 1982-84 are estimates. See text.
4. This figure excludes the cost of the leasing rights purchased by Cayman Airways for two Boeing 727 aircraft.
3. Figures for the years 1982-1984 are estimates.

**TABLE 2: IMPORTS BY QUARTER  
1999-2002**

CIS\$ millions

<b>YEAR</b>	<b>JAN - MAR</b>	<b>APR - JUN</b>	<b>JUL - SEP</b>	<b>OCT - DEC</b>	<b>TOTAL</b>
1999	105.9	103.6	112.7	149.5	471.7
2000	125.5	159.9	139.8	149.5	574.7
2001	133.0	131.7	124.0	126.2	514.9
2002	119.1	121.1	121.0	133.3	494.5
<b>Percentages:</b>					
1999	22.4	22.0	23.9	31.7	100
2000	21.8	27.8	24.3	26.0	100
2001	25.8	25.6	24.1	24.5	100
2002	24.1	24.5	24.5	26.9	100
1999 - 2002 Average	23.6	25.0	24.2	27.3	100



