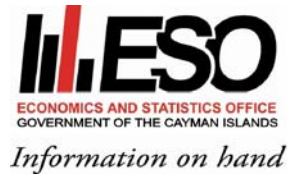




# THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: JANUARY TO MARCH 2016



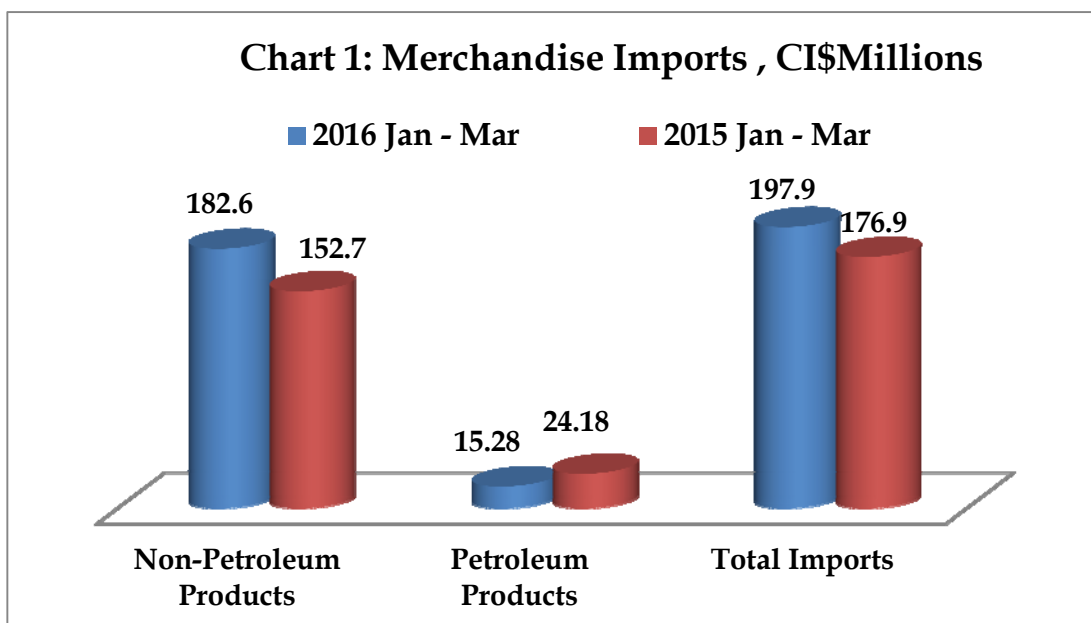
This publication is produced by the Economics and Statistics Office from data supplied by the Customs Department. The data presented in this bulletin are preliminary and subject to revision in the subsequent quarterly bulletins and annual report as new information are obtained.

## Overview

In the first quarter of 2016, the total value of merchandise imports into the Cayman Islands amounted to CI\$197.9 million. This is higher by CI\$21.0 million (or 11.9%) compared to the level recorded for the same period in 2015 (see Chart 1).

The increase is due to non-petroleum products which accounted for 92.3 percent of total imports and rose by CI\$29.9 million (or 19.6%) to reach CI\$182.6 million. An analysis of imports by broad economic categories shows that capital goods went up by 85.0 percent to reach \$23.71 million and transport equipment also grew by 77.0 percent to CI\$21.80 million. In contrast, food and beverages slid by 3.4 percent, due to a reduction in processed food imports. The latter may be partly associated with the deflation in food prices noted in the United States during the period in review.

The value of petroleum and petroleum-related products continued to decline, this time by 36.8 percent to settle at CI\$15.28 million, as oil prices in the global market continued to trend downward relative to a year ago. The quantity of diesel and gasoline imports fell by 2.1 percent and 23.9 percent respectively.



## Imports by Standard International Trade Classification (SITC)

For the quarter ending March 2016, the trend of imports in the eight major **non-petroleum** categories or SITC sections was mixed.

**Machinery and transport equipment** grew by 89.7 percent to reach CI\$45.56 million, the largest increase across all sections resulting in this section's share in total imports of 23 percent (see Chart 2). All groups of imports under this section registered double-digit increases, with electrical machinery having the sharpest rise of 162.5 percent to CI\$10.90 million. Road vehicles also went up during the quarter by 109.2 percent to CI\$18.82 million. Other significant increases were recorded in specialized machinery (by 467.1%), telecommunication equipment (40.6%), office machines (37.0%), aircraft parts (31.7%), power generating equipment (29.5%) and general industrial machinery (27.3%).

**Miscellaneous manufactured articles** showed a 7.8 percent increase to reach CI\$28.1 million. The three largest groups in this section registered increases: furniture (by 12.4%), clothing (30.9%) and other miscellaneous articles (3.4%).

**Manufactured goods classified chiefly by materials** also increased by 3.3 percent to CI\$22.1 million. This was mainly generated from manufactures of metal which had an increase of 29.5 percent to \$2.2 million, and non-metal manufactures imports which expanded in value by 7.0 percent to \$8.9 million.

The section "**commodities and transactions not classified elsewhere**" also posted a healthy increase of CI\$6.0 million or

37.8 percent compared to a year ago. Under this category, the largest share came from imports that arrived through couriers and the airports which altogether increased by 29.6 percent in the first quarter.

**Chemical and related products** also showed a 8.3 percent increase due mainly to imports of cosmetics and cleansing items.

**Crude materials** imports also went up significantly by 34.9 percent, mainly arising from fertilizers (up by 51.3%) and cork and wood (by 45.3%).

In contrast to the above uptrends, **food & live animals** imports showed a decline of CI\$2.0 million or 4.4 percent over the same period in the previous year. The consequent decline in this section's share to total imports now makes it the second largest section as compared to the previous quarter when it comprised the largest section. The specific items that affected food imports significantly were miscellaneous edible products (down by 16.1%) and animal feeds (down by 19.5%). On the other hand, fruits and vegetables rose by 19.6, meat and meat preparations by 10.1%, and fish and fish preparations by 8.1 percent.

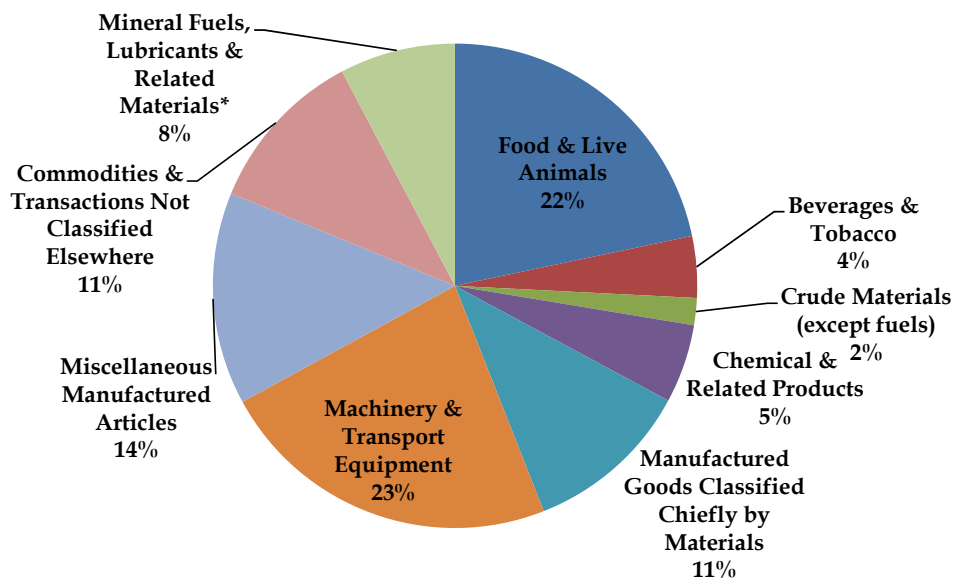
The total value of **petroleum and related products** declined by 36.8 percent due to both price and quantity reductions. The average per unit prices of gasoline and diesel fell by 32.8 percent and 37.5 percent, respectively, reflecting the continuing trend in fuel costs worldwide. The quantity of imported gasoline also dipped by 23.9 percent, and that of diesel by 2.1 percent.

<b>Table 1: Merchandise Imports by Standard International Trade Classification (SITC), CI\$Million</b>			
<b>Section</b>	<b>2016 Jan - Mar</b>	<b>2015 Jan - Mar</b>	<b>% Change</b>
Food & Live Animals <sup>1</sup>	43.0	44.9	(4.4)
Beverages & Tobacco	8.1	8.2	(0.9)
Crude Materials (except fuels)	3.57	2.64	34.9
Chemical & Related Products	10.40	9.60	8.3
Manufactured Goods Classified Chiefly by Materials	22.10	21.39	3.3
Machinery & Transport Equipment	45.56	24.02	89.7
Miscellaneous Manufactured Articles	28.05	26.02	7.8
Commodities & Transactions Not Classified Elsewhere	21.88	15.89	37.8
<b>Non-Petroleum Products</b>	<b>182.6</b>	<b>152.7</b>	<b>19.6</b>
<b>Mineral Fuels, Lubricants &amp; Related Materials*</b>	<b>15.28</b>	<b>24.18</b>	<b>(36.8)</b>
<b>Total</b>	<b>197.9</b>	<b>176.9</b>	<b>11.9</b>

\* Also referred to as petroleum and related products.

1: includes animal & vegetable oils, fats and waxes

**Chart 2: Composition of Imports (%) , First Quarter 2016**



## Imports by Countries of Origin

Imports from the Cayman Islands' main trading partner, the USA, rose 4.3 percent to CI\$168.24 million, compared to the CI\$161.35 million recorded for the same period in 2015. Imports of goods in the machinery and transport categories and commodities and transactions not elsewhere classified were the major contributors to the overall increase.

Increases were also recorded for Japan (348.7%), Germany (220.8%), Switzerland (871.5%) and the UK (79.8%).

Imports from Japan reflected primarily the trade movement of Japanese vehicles.

Items imported from the UK such as pharmaceuticals and food products contributed to the increase in goods sourced from that country.

Imports from Switzerland reflected an increase in jewellery and watch purchases while goods from Germany were mainly vehicles and parts.

Increases were also recorded for imports from Jamaica (40.5%), Canada (8.7%), and Panama (11.7%) in the first quarter 2016 as compared to the same period in 2015.

Goods from Jamaica were mainly food and beverages while goods from Canada included vehicles, furniture and pharmaceuticals.

Imports from Panama were mainly pharmaceuticals and various manufactured products.

The value of imports of cigars and cigarettes from Cuba decreased by 9.6 percent.

**Table 2: Imports by Country of Origin, CI\$Million**

Country	2016 Jan - Mar	2015 Jan - Mar	% Change
United States	168.24	161.35	4.3
Jamaica	2.72	1.93	40.5
Japan	4.38	0.98	348.7
United Kingdom	1.68	0.94	79.8
Cuba	0.37	0.41	(9.6)
Canada	0.44	0.41	8.7
Switzerland	0.62	0.06	871.5
Germany	2.00	0.62	220.8
Panama	0.29	0.26	11.7
Mexico	1.16	0.71	64.2
Others	16.02	9.22	73.8
<b>Total</b>	<b>197.9</b>	<b>176.9</b>	<b>11.9</b>

## Imports by Broad Economic Categories

The classification of imports in broad economic categories (BEC) indicates the final use of imports.

Except for food and beverages and fuels and lubricants, all categories increased when compared to the same period in 2015. Uptrends are seen in capital goods (85.0%), transport equipment (77.0%), goods not elsewhere specified (34.1%) and non-food consumer goods (8.8%). Capital goods imports excluding transport equipment, parts and accessories had a hefty increase of 39.7 percent.

Passenger motor cars inclined by 153.1 percent.

An increase of 10.7 percent was also recorded in industrial supplies not elsewhere specified.

The reduction in food and beverages category is traced to processed food imports for industrial use (down by 8.6%) and household use (lower by 7.5%). Primary food products for household consumption had a robust growth of 16.5 percent.

**Table 3: Imports by Broad Economic Categories**

Broad Economic Categories	2016 Jan - Mar	2015 Jan - Mar	% Change
<b>1. Food &amp; Beverages</b>	<b>49,643.9</b>	<b>51,397.8</b>	<b>(3.4)</b>
<b>11. Primary</b>	<b>10,437.9</b>	<b>8,968.5</b>	<b>16.4</b>
111. Mainly for industry	25.2	34.0	(25.8)
112. Mainly for household consumption	10,412.7	8,934.5	16.5
<b>12. Processed</b>	<b>39,206.0</b>	<b>42,429.4</b>	<b>(7.6)</b>
121. Mainly for industry	2,906.0	3,178.0	(8.6)
122. Mainly for household consumption	36,300.0	39,251.3	(7.5)
<b>2. Industrial supplies not elsewhere specified</b>	<b>27,847.6</b>	<b>25,144.9</b>	<b>10.7</b>
21. Primary	2,855.1	1,928.9	48.0
22. Processed	24,992.5	23,216.0	7.7
<b>3. Fuels and Lubricants</b>	<b>15,068.8</b>	<b>23,805.5</b>	<b>(36.7)</b>
31. Primary	-	-	
32. Processed	15,068.8	23,805.5	(36.7)
321. Motor spirits	3,004.0	5,746.5	(47.7)
322. Other	12,064.8	18,059.0	(33.2)
<b>4. Capital goods (except transport equipment)</b>	<b>23,714.4</b>	<b>12,815.4</b>	<b>85.0</b>
41. Capital goods (except transport equipment)	14,325.4	10,250.8	39.7
42. Parts and accessories	9,388.9	2,564.6	266.1
<b>5. Transport equipment, and parts and accessories thereof</b>	<b>21,801.2</b>	<b>12,317.9</b>	<b>77.0</b>
51. Passenger motor cars	14,536.6	5,743.3	153.1
52. Other	4,199.4	3,059.8	37.2
521. Industrial	2,206.8	1,656.2	33.2
522. Non-industrial	1,992.6	1,403.6	42.0
53. Parts and accessories	3,065.2	3,514.8	(12.8)
<b>6. Consumer goods not elsewhere specified</b>	<b>39,031.3</b>	<b>35,872.1</b>	<b>8.8</b>
61. Durable	14,307.8	14,548.2	(1.7)
62. Semi-durable	10,259.3	7,971.9	28.7
63. Non-durable	14,464.2	13,352.0	8.3
<b>7. Goods not elsewhere specified</b>	<b>20,812.5</b>	<b>15,522.1</b>	<b>34.1</b>
<b>TOTAL IMPORTS</b>	<b>197,919.7</b>	<b>176,875.7</b>	<b>11.9</b>

## 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 individual and company traders and a database of all registered traders is kept.

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 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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