



# THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: APRIL TO JUNE 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 second consecutive quarter, the total value of imports to the Cayman Islands grew, this time by 7.1 percent to reach \$194.7 million compared to \$181.8 million a year ago (see Chart 1). The increase was due to the 10.0 percent rise in non-petroleum product imports, which accounted for 87% of the total value of imports. On the other hand, the value of petroleum and petroleum-related products continued to decline, contracting by 8.8 percent to reach \$25.3 million, as oil prices continued to fall relative to last year's prices.

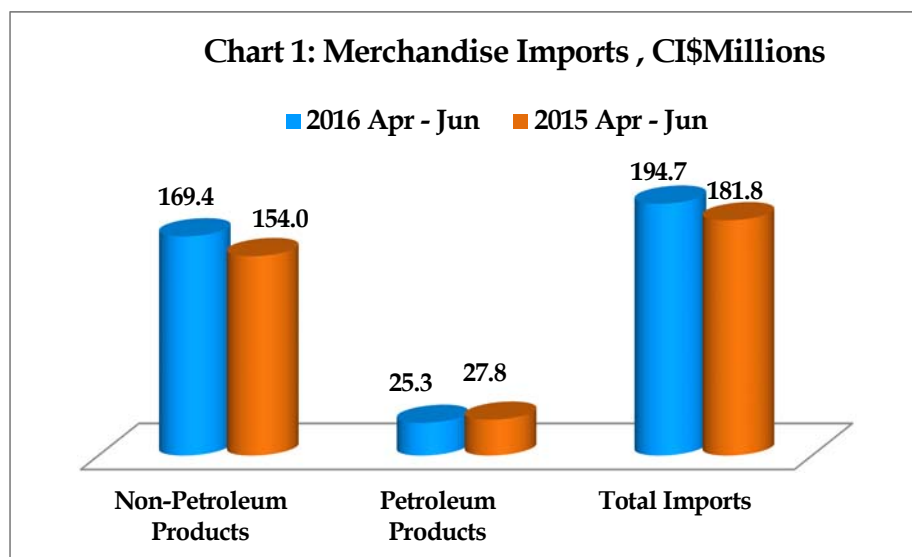
The second quarter imports brings the total cumulative value of imports in the first six months of the year to \$392.6 million, 9.5 percent higher compared to a year ago. Non-petroleum products increased by 14.8 percent while petroleum and petroleum related products fell by 21.8 percent.

### Imports by category

For the quarter ending June 2016, seven of the eight major non-petroleum import categories recorded increases in total value.

**Manufactured goods classified chiefly by materials** showed a 16.6 percent increase to settle at \$25.4 million. This was generated largely from the purchase of manufactures of non-metal goods which grew by 32.6 percent to \$6.7 million. In contrast, paper and paper related products fell by 6.7 percent to \$1.2 million, while rubber products recorded a larger decline of 23.8 percent to \$1.2 million.

**Machinery and transport** equipment posted an increase of 15.2 percent to \$38.7 million. This was driven by greater demand for road vehicles and electrical machinery and apparatus, power generating machinery and other specialised machinery.



## Imports by Standard International Trade Classification (SITC)

**Chemical and related products** grew by 13.4 percent to \$10.6 million in the second quarter from a year ago, arising from the increased imports of medicinal and pharmaceutical products, disinfectants and insecticides.

**Miscellaneous manufactured articles** expanded by 13.8 percent during the period to reach \$28.1 million. The three largest groups in this section namely furniture, clothing and other miscellaneous goods, recorded increases while imports of footwear, professional and scientific equipment and photographic equipment contracted.

Imports of **food and live animals** fell marginally by 0.2 percent to \$39.66 million. This mainly reflected the movement of dairy products (-19.0%), fish and fish preparations (-7.8%), cereal and cereal preparation (-9.6%) and miscellaneous product items (-5.7%). However, vegetable and fruits recorded an increase of 4.3 percent.

The 8.8 percent decline in petroleum products is traced mainly to price reductions across all fuel types. The quantity of gasoline and aviation fuel also fell, although the quantity of diesel increased by 13.7 percent to pull up overall fuel quantity by percent from a year ago.

<b>Table 1: Merchandise Imports by Standard International Trade Classification (SITC), CI\$Million</b>			
Section	2016 Apr - Jun	2015 Apr - Jun	% Change
Food & Live Animals <sup>1</sup>	39.66	39.74	(0.2)
Beverages & Tobacco	8.7	8.3	5.5
Crude Materials (except fuels)	3.4	3.5	(2.9)
Chemical & Related Products	10.6	9.4	13.4
Manufactured Goods Classified Chiefly by Materials	25.4	21.8	16.6
Machinery & Transport Equipment	38.7	33.6	15.2
Miscellaneous Manufactured Articles	28.1	24.7	13.8
Commodities & Transactions Not Classified Elsewhere	14.7	13.1	12.7
<b>Non-Petroleum Products</b>	<b>169.4</b>	<b>154.0</b>	<b>10.0</b>
<b>Mineral Fuels, Lubricants &amp; Related Materials*</b>	<b>25.3</b>	<b>27.8</b>	<b>(8.8)</b>
<b>Total</b>	<b>194.7</b>	<b>181.8</b>	<b>7.1</b>

\* 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 six months of 2016, the value of non-petroleum products grew by 14.8 percent to reach \$352.0 million, compared to \$306.7 million recorded in the same period of 2015.

**Machinery and transport equipment** led the growth, surging by 46.2 percent to reach \$84.3 million in the first two quarters of the year. Machinery specialized for particular industries grew by 233%, largely due to the increase in construction and mining machinery. Purchase of road vehicles picked up by 50.3 percent to reach \$33.8 million. Additionally, electrical machinery and apparatus appliances saw a 80.6 percent increase in value.

**Crude materials (except fuel)** grew by 13.4 percent, while chemical and related products recorded a 10.8 rise, driven by the uptrend in chemical materials, soaps, detergent, paints and varnishes.

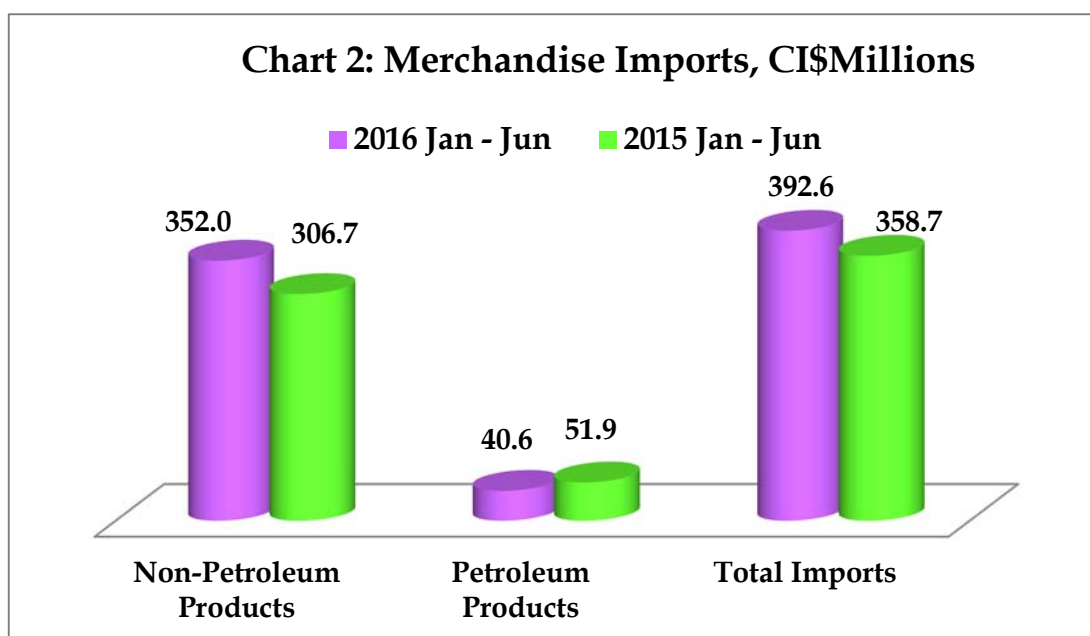
**Miscellaneous manufactured articles** recorded an increase of 10.7 percent and stood at \$56.2 million. Accounting for this growth were the rise in value of furniture, clothing and reading materials.

**Manufactured goods classified chiefly by materials** grew by 10.0 percent reflecting increases in construction materials, largely iron and steel structures, metal goods and other construction materials. Paper products and related paper products also saw an increase in imports.

**Commodities and transactions not classified elsewhere** grew by 26.5 percent, driven by uptrends in gold coins, other gold items and imports via the airport and courier terminals.

Imports of **food and live animals** fell marginally by 2.4 percent, mirroring the negative performance in the second quarter.

For the year to date, the total value of **petroleum and petroleum related products** fell by 21.8 percent to \$40.6 million compared to \$51.9 million of the same period in 2015. The downtrend is largely associated with falling fuel prices. Overall, the total quantity of imported fuel declined slightly by 0.1 percent, as higher importation of diesel partly offset the drop in quantity of both gasoline and aviation jet fuel.



**Table 2: Merchandise Imports by Standard International Trade Classification (SITC), CI\$Million**

Section	2016	2015	%
	Jan - Jun	Jan - Jun	Change
	CI\$ M	CI\$ M	
Food & Live Animals <sup>1</sup>	82.6	84.7	(2.4)
Beverages & Tobacco	16.9	16.5	2.4
Crude Materials (except fuels)	6.9	6.1	13.4
Chemical & Related Products	21.0	19.0	10.8
Manufactured Goods Classified Chiefly by Materials	47.5	43.2	10.0
Machinery & Transport Equipment	84.3	57.6	46.2
Miscellaneous Manufactured Articles	56.2	50.7	10.7
Commodities & Transactions Not Classified Elsewhere	36.6	29.0	26.5
<b>Non-Petroleum Products</b>	<b>352.0</b>	<b>306.7</b>	<b>14.8</b>
<b>Mineral Fuels, Lubricants &amp; Related Materials*</b>	<b>40.6</b>	<b>51.9</b>	<b>(21.8)</b>
<b>Total</b>	<b>392.6</b>	<b>358.7</b>	<b>9.5</b>

\* 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 June 2016, imports from the USA grew by 7.3 percent to reach \$167.6 million compared to \$156.2 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 Mexico and Japan also increased, traced mainly to a rise in the importation of road vehicles.

Increases in imports were also noted for goods originating from Jamaica (11.4%), United Kingdom (13.9%), Cuba (8.6%) and Canada (42.9%).

A decline of 69.6 percent was recorded in imports from Switzerland, largely resulting from the drop in the purchase of watches.

Inflow of goods from Germany and Panama also recorded declines of 15.1 percent and 7.8 percent respectively.

For the first six months of 2016, imports from most of the Cayman Islands' trading partners increased except for those from Cuba, Switzerland and Panama.

Imports from Japan recorded the highest growth of 203.5 percent, largely on account of vehicle imports.

Inflows from Germany also picked up by 84.9 percent, reflecting the surge in purchases during the first quarter mainly for vehicle parts.

Importation from Mexico picked up by 43.9 percent, which is also traced to vehicle imports.

<b>Table 3: Imports by Country of Origin</b>			
<b>Country</b>	<b>2016 Apr - Jun</b>	<b>2015 Apr - Jun</b>	<b>% Change</b>
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	167.6	156.2	7.3
Jamaica	3.01	2.7	11.4
Japan	3.81	1.7	121.2
United Kingdom	2.02	1.8	13.9
South Korea	0.61	2.7	(77.4)
Cuba	0.31	0.3	8.6
Canada	0.45	0.3	42.9
Switzerland	0.27	0.9	(69.6)
Germany	0.72	0.8	(15.1)
Panama	0.41	0.4	(7.8)
Mexico	0.73	0.6	20.1
Others	14.73	13.4	10.2
<b>Total</b>	<b>194.7</b>	<b>181.8</b>	<b>7.1</b>

<b>Table 4: Imports by Country of Origin, Year to Date</b>			
<b>Country</b>	<b>2016 Jan - Jun</b>	<b>2015 Jan - Jun</b>	<b>% Change</b>
	<u>CI\$ M</u>	<u>CI\$ M</u>	
United States	335.9	317.5	5.8
Jamaica	5.72	4.63	23.6
Japan	8.20	2.70	203.5
United Kingdom	3.70	2.71	36.7
South Korea	2.12	3.42	(38.0)
Cuba	0.68	0.69	(2.1)
Canada	0.90	0.72	23.7
Switzerland	0.89	0.94	(5.3)
Germany	2.72	1.47	84.9
Panama	0.70	0.71	(0.7)
Mexico	1.89	1.31	43.9
Others	29.24	21.87	33.7
<b>Total</b>	<b>392.6</b>	<b>358.7</b>	<b>9.5</b>

## Imports by Broad Economic Categories

Analysis of imports by final use, that is by Broad Economic Categories, shows that during the second quarter, all categories of imports rose except for fuel and lubricants.

Capital goods increased significantly by 25.8 percent reflecting increases in machinery and equipment imports, while transport and equipment grew by 7.7 percent. Among the latter, passenger vehicles increased by 6.5 percent while vehicles for industrial purposes grew by 63.1 percent.

Imports in the category “industrial supplies not elsewhere classified” increased by 18.4 percent. Processed supplies, which comprise the larger component of this category, rose by 17.3 percent.

Total imports of consumer goods not elsewhere specified amounted to \$39.4 million in the second quarter, rising by 11.1 percent over the same period a year ago. All three sub-categories recorded robust growth, with non-durable goods recording the fastest pace.

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

Broad Economic Categories	2016 2nd Qtr	2015 2nd Qtr	% Change
<b>1. Food &amp; Beverages</b>	<b>46,497.5</b>	<b>46,345.3</b>	<b>0.3%</b>
<b>11. Primary</b>	<b>9,149.0</b>	<b>10,835.6</b>	<b>-15.6%</b>
111. Mainly for industry	6.7	27.6	-75.7%
112. Mainly for household consumption	9,142.3	10,808.0	-15.4%
<b>12. Processed</b>	<b>37,348.5</b>	<b>35,509.7</b>	<b>5.2%</b>
121. Mainly for industry	2,801.2	2,943.7	-4.8%
122. Mainly for household consumption	34,547.3	32,566.0	6.1%
<b>2. Industrial supplies not elsewhere specified</b>	<b>31,587.0</b>	<b>26,675.9</b>	<b>18.4%</b>
21. Primary	2,912.7	2,225.0	30.9%
22. Processed	28,674.4	24,450.9	17.3%
<b>3. Fuels and Lubricants</b>	<b>25,113.2</b>	<b>27,668.6</b>	<b>-9.2%</b>
31. Primary	-	-	
32. Processed	25,113.2	27,668.6	-9.2%
321. Motor spirits	5,213.3	7,092.7	-26.5%
322. Other	19,899.9	20,575.9	-3.3%
<b>4. Capital goods (except transport equipment)</b>	<b>20,968.2</b>	<b>16,670.9</b>	<b>25.8%</b>
41. Capital goods (except transport equipment)	16,180.5	12,986.6	24.6%
42. Parts and accessories	4,787.7	3,684.3	29.9%
<b>5. Transport equipment, and parts and accessories thereof</b>	<b>17,532.7</b>	<b>16,283.3</b>	<b>7.7%</b>
51. Passenger motor cars	11,244.6	10,559.5	6.5%
52. Other	2,893.9	2,260.8	28.0%
521. Industrial	1,760.7	1,079.4	63.1%
522. Non-industrial	1,133.2	1,181.3	-4.1%
53. Parts and accessories	3,394.2	3,463.0	-2.0%
<b>6. Consumer goods not elsewhere specified</b>	<b>39,398.4</b>	<b>35,460.4</b>	<b>11.1%</b>
61. Durable	12,901.7	12,058.8	7.0%
62. Semi-durable	9,838.9	9,198.4	7.0%
63. Non-durable	16,657.8	14,203.3	17.3%
<b>7. Goods not elsewhere specified</b>	<b>13,597.4</b>	<b>12,693.9</b>	<b>7.1%</b>
<b>TOTAL IMPORTS</b>	<b>194,694.4</b>	<b>181,798.3</b>	<b>7.1%</b>

## Imports by Broad Economic Categories

For the first half of 2016, most of the categories showed increases except for food and beverages, and fuel and lubricants.

Capital goods grew by 51.5 percent reflecting two consecutive quarters of increase. Transport equipment and parts similarly recorded a strong pace of growth of 37.5 percent.

Imports for industrial purposes increased by 14.7 percent of which processed goods grew by 12.6 percent.

Food and beverage imports fell marginally by 1.6 percent with both primary and processed foods declining. Importation of primary and processed food mainly for industry experienced sharper declines relative to those for household consumption.

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

Broad Economic Categories	2016	2015	%
	JAN-JUN	JAN-JUN	Change
<b>1. Food &amp; Beverages</b>	<b>96,141.4</b>	<b>97,743.1</b>	<b>-1.6%</b>
<b>11. Primary</b>	<b>19,587.0</b>	<b>19,804.1</b>	<b>-1.1%</b>
111. Mainly for industry	31.9	61.6	-48.2%
112. Mainly for household consumption	19,555.1	19,742.5	-0.9%
<b>12. Processed</b>	<b>76,554.4</b>	<b>77,939.1</b>	<b>-1.8%</b>
121. Mainly for industry	5,707.2	6,121.7	-6.8%
122. Mainly for household consumption	70,847.3	71,817.4	-1.4%
<b>2. Industrial supplies not elsewhere specified</b>	<b>59,434.6</b>	<b>51,820.8</b>	<b>14.7%</b>
21. Primary	5,767.7	4,153.9	38.9%
22. Processed	53,666.9	47,666.9	12.6%
<b>3. Fuels and Lubricants</b>	<b>40,181.9</b>	<b>51,474.0</b>	<b>-21.9%</b>
31. Primary	-	-	
32. Processed	40,181.9	51,474.0	-21.9%
321. Motor spirits	8,217.2	12,839.2	-36.0%
322. Other	31,964.7	38,634.8	-17.3%
<b>4. Capital goods (except transport equipment)</b>	<b>44,682.5</b>	<b>29,486.3</b>	<b>51.5%</b>
41. Capital goods (except transport equipment)	30,506.0	23,237.4	31.3%
42. Parts and accessories	14,176.6	6,248.9	126.9%
<b>5. Transport equipment, and parts and accessories thereof</b>	<b>39,334.0</b>	<b>28,601.2</b>	<b>37.5%</b>
51. Passenger motor cars	25,781.2	16,302.9	58.1%
52. Other	7,093.3	5,320.6	33.3%
521. Industrial	3,967.5	2,735.6	45.0%
522. Non-industrial	3,125.8	2,585.0	20.9%
53. Parts and accessories	6,459.5	6,977.8	-7.4%
<b>6. Consumer goods not elsewhere specified</b>	<b>78,429.7</b>	<b>71,332.5</b>	<b>9.9%</b>
61. Durable	27,209.6	26,607.0	2.3%
62. Semi-durable	20,098.1	17,170.3	17.1%
63. Non-durable	31,122.0	27,555.2	12.9%
<b>7. Goods not elsewhere specified</b>	<b>34,409.9</b>	<b>28,216.1</b>	<b>22.0%</b>
<b>TOTAL IMPORTS</b>	<b>392,614.0</b>	<b>358,674.0</b>	<b>9.5%</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 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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