



THE CAYMAN ISLANDS' QUARTERLY TRADE STATISTICS BULLETIN: JANUARY TO MARCH 2017



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.

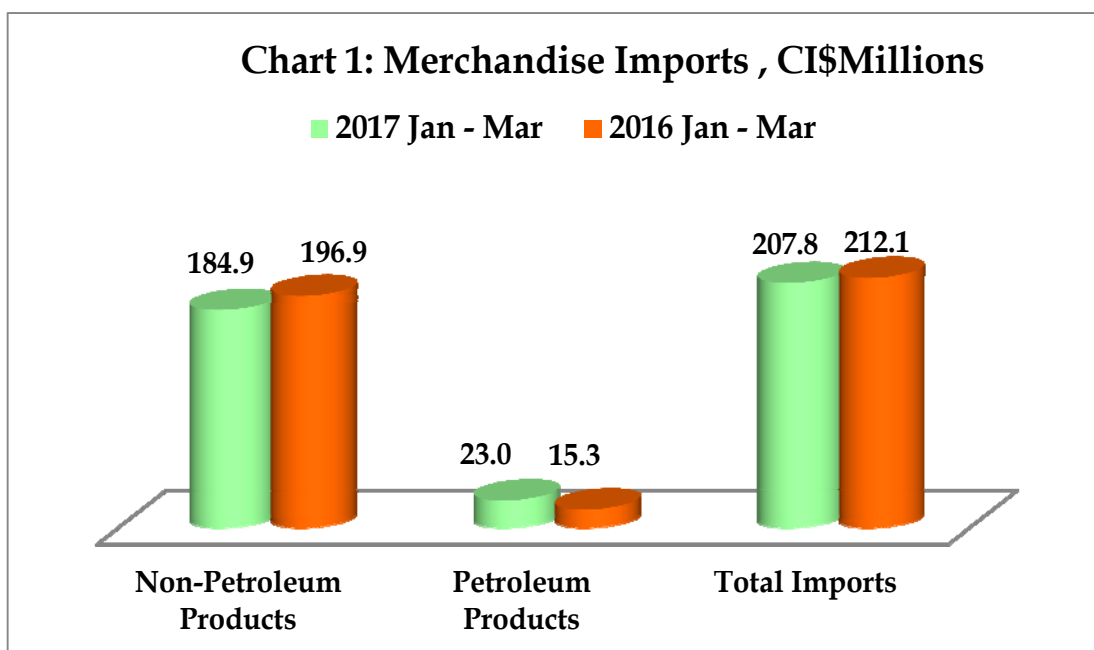
Overview

For the first quarter of 2017, merchandise imports into the Cayman Islands fell by 2.0 percent, to register at CI\$207.8 million, compared to the CI\$212.1 million recorded a year ago (see Chart 1)

This performance is due to an overall decrease in imports of non-petroleum products, largely in the machinery and transport equipment, chemical and related products and the commodities and transactions not classified elsewhere categories. Based on an analysis of broad economic categories, capital goods (except transport equipment), and industrial supplies drove the decline in imports.

As oil prices in the global market trended upward, the total value of petroleum and related-products went up by 50.4 percent to reach CI\$23.0 million relative to the CI\$15.3 million recorded in the same quarter in 2016. The increase is also attributed to an overall rise in the volume of imports of these products.

Imports from the USA, Japan, Jamaica, Germany declined during the quarter. On the other hand, imports from the UK increased significantly by 96.5 percent.



Imports by Standard International Trade Classification (SITC)

For the first three months of 2017, the total value of non-petroleum products which comprise 89 percent of total imports, fell by 6.1 percent with three of the eight major SITC sections contracting.

The section “**commodities and transactions not classified elsewhere**” decreased by 46.4 percent to settle at CI\$19.3 million. This was mainly due to the 89.2 percent drop in imports of gold bullion, which fell from CI\$14.7 million in 2016 to CI\$1.6 million in 2017. In addition, items imported via the airport and courier and post office facilities fell.

Machinery and transport equipment fell by 4.9 percent to total CI\$43.3 million. On the downward trend were imports of machinery specialized for particular industries (by 26.0%); telecommunication, sound and recording equipment (by 11.7%); and other electrical machines (by 30.3%). In contrast, imports of power generating machinery (largely motors and generators) rose by 12.9 percent. Imports of general industrial machinery and equipment and parts recorded an increase of 17.7 percent while road vehicles grew by 3.7 percent.

Chemical and related products recorded a decline by 6.7 percent to level at \$9.7 million. Leading the downtrend in this section were medicinal and pharmaceutical products (down by 14.6%), essential oils perfume and toiletries (by 4.1%) and other chemical material and products (by 36.3%).

In contrast to the above downtrends, the total value of **food & live animals** imports rose by 4.0 percent over the same period in 2016. Nine of the ten categories in this section recorded growth, with the sharpest increases posted for cereal and preparations (38.7%) and fish and fish preparations (20.6%). In contrast, meat and meat preparations fell by 21.3 percent.

Miscellaneous manufactured articles grew by 11.7 percent to reach CI\$31.3 million. Increases were recorded for all groups except travel goods, handbags and similar containers (down by 41.6%), and photographic equipment and supplies, other optical goods and watches and clocks (down by 5.8%). Imports of furniture and parts recorded the largest increase of 43.0 percent to total CI\$8.1 million, while apparels and clothing accessories imports grew by 11.2 percent to reach CI\$6.1 million.

Manufactured goods classified chiefly by materials was also higher by 7.8 percent from a year ago to reach CI\$23.8 million. This was mainly generated from manufactured metal products which had an increase of 55.2 percent to \$10.0 million. Paper and paper products grew by 6.1 percent. Imports of iron and steel registered an increase of 7.2 percent. However, non-metal manufactured imports contracted in value by 30.9 percent to \$6.2 million, mainly due to the fall in cement and lime refractory.

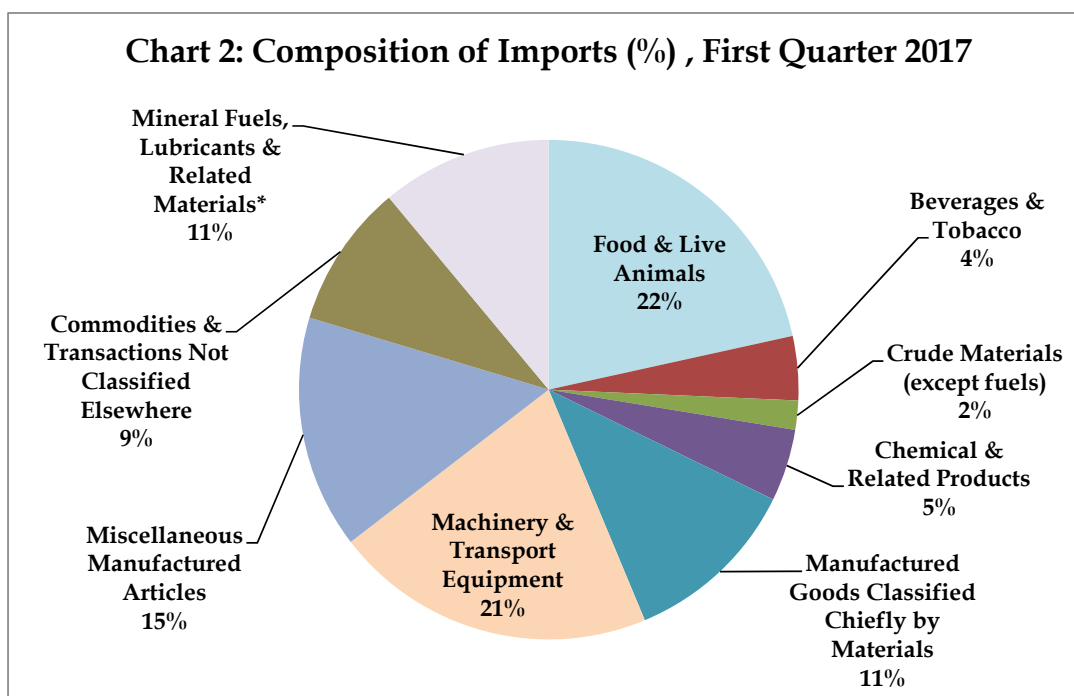
Beverages and tobacco recorded a 6.1 percent increase and stood at CI\$8.6 million. This was primarily due to the rise in imported water, non alcoholic drinks and alcoholic drinks except beers, and unsweetened spirits (less than 50% alcohol). Cigarettes and cigars imports expanded by 45.1 and 28.1 percent respectively.

The total value of **petroleum and related products** grew by 50.4 percent due to both price and quantity increases. The average per unit prices of gasoline and diesel increased by 43.6 percent and 47.4 percent, respectively, reflecting the continuing trend in fuel costs worldwide. The quantity of imported gasoline and diesel also increased, rising by 30.1 and 17.0 percent, respectively.

| Table 1: Merchandise Imports by Standard International Trade Classification (SITC), CI\$Million | | | |
|--|---------------------------|---------------------------|---------------------|
| Section | 2017 Jan - Mar | 2016 Jan - Mar | % Change |
| Food & Live Animals* | 44.8 | 43.1 | 4.0 |
| Beverages & Tobacco | 8.6 | 8.1 | 6.1 |
| Crude Materials (except fuels) | 3.9 | 3.5 | 13.3 |
| Chemical & Related Products | 9.7 | 10.4 | (6.7) |
| Manufactured Goods Classified Chiefly by Materials | 23.8 | 22.1 | 7.8 |
| Machinery & Transport Equipment | 43.3 | 45.6 | (4.9) |
| Miscellaneous Manufactured Articles | 31.3 | 28.1 | 11.7 |
| Commodities & Transactions Not Classified Elsewhere | 19.3 | 36.1 | (46.4) |
| Non-Petroleum Products | 184.9 | 196.9 | (6.1) |
| Mineral Fuels, Lubricants & Related Materials* | 23.0 | 15.3 | 50.4 |
| Total | 207.8 | 212.1 | (2.0) |

* Includes animal & vegetable oils, fats and waxes

** Also referred to as petroleum and related products.



Imports by Countries of Origin

Imports from the Cayman Islands' largest trading partner, the USA, fell by 0.8 percent to CI\$167.6 million, compared to the CI\$168.9 million recorded for the same period in 2016. Largely contributing to the decline was the fall in imports of petroleum products (by 25.6%), machinery and transport categories (by 5.8%) and commodities and transactions not elsewhere classified (by 13.2%). Meanwhile, imports of food and live animals and manufactured goods classified chiefly by materials registered increases.

Imports from Japan fell by 23.7 percent mainly due to the fall in machinery and equipment (by 25.0%), while miscellaneous manufactured goods increased (by 34.6%).

Decreases were also recorded in the total value of imports from Jamaica (by 13.8%), Germany (by 58.1%), and Mexico (by 27.2%).

Imports of machinery and equipment from both Germany and Jamaica fell. Imports of food and beverages from Jamaica and manufactured goods from Germany also reflected decreases.

Items imported from the UK grew by 96.5 percent largely on account of higher values of machinery and equipment, beverages and miscellaneous manufactured goods.

Imports from Panama reflected an increase in food and live animals and chemicals and related products.

Goods imported from Canada also increased in value, largely in machinery and equipment, manufactured goods and beverages, while crude material imports fell.

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

| Country | 2017 Jan - Mar | 2016 Jan - Mar | % Change |
|----------------|-------------------|-------------------|--------------|
| United States | 167.6 | 168.9 | (0.8) |
| Jamaica | 2.3 | 2.7 | (13.8) |
| Japan | 3.3 | 4.4 | (23.7) |
| United Kingdom | 3.3 | 1.7 | 96.5 |
| Cuba | 0.4 | 0.4 | (0.2) |
| Canada | 0.9 | 0.4 | 104.5 |
| Switzerland | 0.1 | 0.6 | (76.9) |
| Germany | 0.8 | 2.0 | (58.1) |
| Panama | 1.0 | 0.3 | 240.5 |
| Mexico | 0.8 | 1.2 | (27.2) |
| Others | 27.2 | 29.5 | (7.9) |
| Total | 207.8 | 212.1 | (2.0) |

Imports by Broad Economic Categories

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

During the first quarter of 2017, most categories showed an increase in total value when compared to the same period in 2016. Fuel and lubricants rose by 52.1 percent due to increases in both prices and quantity of fuel imports. Consumer goods and food and beverages also increased.

The importation of capital goods dipped during the first quarter of 2017, primarily on account of reductions in the value of parts and accessories. Industrial supplies also added to the downtrend.

On the other hand, transport equipment and parts grew by 3.0 percent, traced mainly to parts and transportation for industrial purposes. Imports of passenger motor cars recorded a slight decline.

Table 3: Imports by Broad Economic Categories (CI\$000's)

| Broad Economic Categories | 2017 | 2016 | % |
|--|------------------|------------------|---------------|
| | Jan - Mar | Jan - Mar | Change |
| 1. Food & Beverages | 51,679.6 | 49,753.0 | 3.9 |
| 11. Primary | 11,012.7 | 10,437.9 | 5.5 |
| 111. Mainly for industry | 33.5 | 25.2 | 33.0 |
| 112. Mainly for household consumption | 10,979.2 | 10,412.7 | 5.4 |
| 12. Processed | 40,666.9 | 39,315.1 | 3.4 |
| 121. Mainly for industry | 2,909.2 | 2,906.0 | 0.1 |
| 122. Mainly for household consumption | 37,757.7 | 36,409.1 | 3.7 |
| 2. Industrial supplies not elsewhere specified | 31,447.0 | 41,955.7 | (25.0) |
| 21. Primary | 3,952.7 | 16,942.3 | (76.7) |
| 22. Processed | 27,494.3 | 25,013.4 | 9.9 |
| 3. Fuels and Lubricants | 22,890.8 | 15,047.9 | 52.1 |
| 32. Processed | 22,890.8 | 15,047.9 | 52.1 |
| 321. Motor spirits | 5,611.7 | 3,004.0 | 86.8 |
| 322. Other | 17,279.1 | 12,043.9 | 43.5 |
| 4. Capital goods (except transport equipment) | 19,563.3 | 23,714.4 | (17.5) |
| 41. Capital goods (except transport equipment) | 14,812.6 | 14,325.4 | 3.4 |
| 42. Parts and accessories | 4,750.7 | 9,388.9 | (49.4) |
| 5. Transport equipment, and parts and accessories thereof | 22,453.9 | 21,801.2 | 3.0 |
| 51. Passenger motor cars | 14,121.3 | 14,536.6 | (2.9) |
| 52. Other | 4,756.0 | 4,199.4 | 13.3 |
| 521. Industrial | 3,088.4 | 2,206.8 | 40.0 |
| 522. Non-industrial | 1,667.6 | 1,992.6 | (16.3) |
| 53. Parts and accessories | 3,576.6 | 3,065.2 | 16.7 |
| 6. Consumer goods not elsewhere specified | 42,552.2 | 39,038.6 | 9.0 |
| 61. Durable | 18,174.9 | 14,307.8 | 27.0 |
| 62. Semi-durable | 9,090.6 | 10,266.6 | (11.5) |
| 63. Non-durable | 15,286.7 | 14,464.2 | 5.7 |
| 7. Goods not elsewhere specified | 17,224.1 | 20,812.5 | (17.2) |
| TOTAL IMPORTS | 207,810.9 | 212,123.3 | (2.0) |

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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