**DOF Economic Bulletin on Imports**

26 June 2015

         For the month of April, total imports dropped by 12.8%, largely on the back of much lower international oil prices. Average Dubai crude oil prices for the first four months of the year fell by 44.3%. In the same period, import value of fossil fuels dropped by 43.5% but import volume rose 7.8%.

         Year-to-date total imports declined by 6.2%. Excluding fuels, however, show that imports actually rose by 4.6%, albeit a deceleration from last year's 11.5% growth.

**Table 1: Imports by Major Commodity Type**

|  |  |  |  |
| --- | --- | --- | --- |
|   | Level (USD Billion) |   | Growth Rate (%) |
|   |   |   |   | Jan-April |   | April |   | Jan-Apr |
| Commodity | Apr-14 | Apr-15 |   | 2014 | 2015 |   | 2014 | 2015 |   | 2014 | 2015 |
| Capital Goods |      1.19 |      1.35 |   |      5.13 |      5.69 |   |   (18.9) |     13.0 |   |     (3.9) |     10.9 |
| Raw Materials & Intermediate Goods |      2.08 |      1.81 |   |      8.82 |      8.69 |   |     19.2 |   (12.8) |   |     22.8 |     (1.4) |
| Mineral Fuels, Lubricant & Related Materials |      1.43 |      0.66 |   |      4.84 |      2.74 |   |     11.7 |   (53.9) |   |        8.6 |   (43.5) |
| Consumer Goods |      0.63 |      0.82 |   |      2.78 |      3.12 |   |        2.1 |     30.3 |   |     14.0 |     12.0 |
| Special Transactions |      0.03 |      0.04 |   |      0.14 |      0.14 |   |   (17.9) |     21.7 |   |   (17.4) |        1.3 |
| Total Imports |      5.37 |      4.68 |   |    21.71 |    20.38 |   |        4.1 |   (12.8) |   |     10.8 |     (6.2) |
| Total Imports ex Fuels |      3.93 |      4.02 |   |    16.87 |    17.64 |   |        1.6 |        2.2 |   |     11.5 |        4.6 |
| Source of Basic Data: NSO |   |   |   |   |   |   |   |   |   |   |   |

**Table 2: Dubai Crude Oil Price, VOPI and Sectoral PMI**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 |
| Dubai crude oil    ($/bbl) |   104.01 |   104.94 |   104.15 |   104.73 |   105.60 |     45.98 |     55.83 |     54.91 |     58.80 |    63.69 |
| VOPI (MISSI) |   104.30 |   107.10 |   104.20 |   114.20 |   124.20 |   110.80 |   108.10 |   121.00 |   115.80 |   |
| VOPI Growth, y-o-y (%) |        4.40 |        5.93 |            -   |     10.77 |     12.70 |        6.23 |        0.93 |     16.12 |        1.40 |   |
| PMI |   |   |   |   |   |   |   |   |   |   |
| MFG |     54.99 |     55.41 |     55.66 |     53.68 |     58.34 |     55.59 |     53.69 |     54.93 |     52.16 |    53.82 |
| Retail & Wholesale |     55.21 |     51.62 |     57.80 |     54.29 |     57.44 |     49.92 |     52.76 |     60.47 |     53.70 |    52.15 |
| Services |     59.98 |     61.12 |     66.07 |     59.51 |     66.19 |     57.24 |     62.27 |     59.89 |     59.94 |    59.71 |
| Sources of Basic Data: NSO; PISM; World Bank |   |   |

DOF View

         Reports on the apparent decline in imports suggest "some slowing in domestic demand." A closer examination at the data, that is, by excluding fuels, point to an increase in imports.

         Monthly Integrated Survey of Selected Industries (MISSI) actually show that the manufacturing sector has expanded in the first four months as shown by positive growth rates in the VOPI.

         Also, the Purchasing Managers' Index  (PMI) show that economic activity is expanding in manufacturing, trade and services. PMI for the three sectors have been above 50 in the past four months.