**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.