

Chapter 9

Foreign Trade

Summary of Foreign Trade

This chapter presents data on imports and exports. Imports is the major element in the economy of Palau. Imports are valued at *free on board (f.o.b)*. Total imports in 2001 was \$95,744,049 and went up to \$96,773,220 in 2002, an increase of \$1,029,171. In 2002, total imports by commodity shows that *Other Transportable goods* constituted the highest share of 35 percent; *Metal Products, Machinery and Equipment* constitute 31 percent. Total imports by the national government shows it decreased by \$2.2 million since 2001 while state government imports increased by \$1.3 million. About 43 percent of the total imports were from USA and 40 percent were from Asia.

Fish and Garment are the two main exports in Palau. Migratory fish exports decreased from 2,030,697 Killograms in 2001 to 1,323,146 Killograms in 2002. Garment values went up from \$8.5 million in 2001 to \$33.6 million in 2002.

Total imports increased between 1999 and 2000 before decreasing by almost \$30 million in 2001, and remaining steady for 2002, at about \$97 million. The largest major category of imports was transportation goods (about \$34 million in 2002), followed by metal products, machinery, and equipment (about \$30 million), and food products (about \$28 million).

Table 9.1 Total Imports by Type of Commodity: 1999 to 2002

(US \$)

Type of Commodities	Imports, fob value			
	1999 *	2000	2001	2002
Total	\$ 104,074,660	\$ 123,712,059	\$ 95,744,049	\$ 96,773,220
Agriculture, forestry and fishery products	3,254,937	3,028,199	3,656,474	2,910,623
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Ores and minerals; electricity, gas and water	554,669	1,418,628	1,300,104	1,299,690
Plastering materials, ores, lime and cement	554,669	1,418,628	1,300,104	1,299,690
Food products, beverages and tobacco; textiles, apparel and leather products	25,257,209	30,345,906	26,886,630	27,926,333
Food products	12,108,941	12,506,127	13,106,114	12,311,006
Beverages	4,464,780	5,207,807	5,034,920	5,643,697
Tobacco products	2,152,237	2,567,418	2,130,749	1,434,205
Leather and hide products	182,873	149,583	131,164	128,810
Yarns, twine, cordage, rope, cotton, fibres and fabrics, silk and wool	2,904,269	5,625,959	3,436,264	4,795,665
Carpets and other textile floor coverings	61,233	73,178	45,078	541,206
Apparel	2,902,250	3,809,628	2,321,002	2,666,531
Footwear and headgear	480,626	406,206	681,339	405,213
Other transportable goods, except metal products, machinery and equipment	37,453,016	39,589,422	33,548,754	34,183,424
Mineral fuels, oils and products of	15,005,369	16,427,536	11,824,551	11,132,259
Pharmaceutical products	1,289,395	1,650,831	1,520,319	1,233,423
Fertilizers	42,403	167,904	88,362	68,841
Tanning or dyeing extracts, paints, varnishes and inks	1,515,607	845,068	649,460	992,204
Perfumery, cosmetics or toilet preparations	620,500	636,857	635,216	603,394
Soap and other cleaning agents	1,056,404	1,165,864	1,281,594	1,228,188
Explosives	167,334	110,836	94,570	207,612
Plastic articles	1,580,948	2,501,289	1,894,881	1,604,330
Wood and articles of wood	1,965,543	2,394,358	2,206,911	2,043,422
Paper and articles of paper	1,827,286	1,527,034	1,899,092	2,064,405
Printed material, publications etc.	1,040,495	1,158,673	598,976	498,198
Articles of stone, plaster and cement	585,806	276,361	295,374	529,556
Glass and ceramic	415,991	280,350	374,175	632,941
Furniture, fittings and bedding, prefabricated buildings	2,868,689	1,561,644	1,181,572	1,993,231
Toys, games and sports equipment	661,577	760,933	725,798	683,279
Other transportable goods, except metal products, machinery and equipment	6,809,669	8,123,885	8,277,905	8,668,141
Metal products, machinery and equipment	37,554,830	49,329,904	30,352,087	30,453,150
Photographic or cinematographic goods	131,626	112,193	1,271,041	1,223,759
Iron, steel, aluminium, copper and other metal articles	10,065,178	13,158,241	8,265,159	7,677,829
Tools and implements	1,024,248	638,466	914,786	804,914
Machinery and mechanical appliances	8,243,701	11,034,212	4,815,247	4,190,985
Electrical machinery	6,653,892	13,817,479	7,292,858	7,601,328
Vehicles	8,964,868	8,914,472	7,044,873	7,847,258
Ships, boats and floating structures	1,439,834	483,366	415,406	595,556
Optical, photographic, checking, medical instruments and apparatus, clocks, etc.	1,010,889	1,107,018	319,426	341,576
Arms and ammunition	20,593	64,458	13,291	169,945

Sources: Customs Division, and UNDP-Public Sector Development Project Office, Ministry of Finance

Note: (*) A new customs recording system began in April 1999 and so an estimate of the full year was made by rating up the nine months by a factor of 12/9. Data for prior years were compiled in different system and thus not comparable.

Table 9.2 Imports of National Government: 1999 to 2002 (US \$)

Government Ministries	Imports, f.o.b. value			
	1999 (9 months)	2000	2001	2002
Total	\$ 8,826,501	\$ 13,185,975	\$ 6,159,656	3,969,355
Ministry of Resources & Development	4,206,980	9,388,969	3,617,107	1,176,040
Ministry of Health	491,022	285,021	174,772	15,246
Ministry of Finance	3,468,687	3,288,008	1,645,746	1,313,955
Ministry of State	73,689	89,534	127,428	24,740
Others	586,123	134,443	594,603	972,942

Sources: Customs Division, and UNDP-Public Sector Development Project Office, Ministry of Finance

Table 9.3 Imports of State Governments: 1999 to 2002 (US \$)

State Governments	Imports, f.o.b. value			
	1999 (9 months)	2000	2001	2002
Total	\$ 228,591	\$ 850,213	\$ 254,101	1,669,534
Aimeliik State Government	-	25,000	-	25,000
Airai State Government	1,459	138,582	26,410	182,034
Hatothobei State Government	849	2,410	-	3,259
Kayangel State Government	295	-	-	295
Koror State Government	21,502	126,230	185,431	627,803
Ngaraard State Government	-	41,142	-	41,142
Ngarchelong State Government	103	-	-	371
Ngardmau State Government	1,358	-	-	1,358
Ngatpang State Government	-	52,756	42,250	101,464
Ngchesar State Government	202,555	137,860	10	349,542
Peleliu State Government	-	325,984	-	336,548
Sonsorol State Government	470	248	-	718

Sources: Customs Division, and UNDP-Public Sector Development Project Office, Ministry of Finance

Table 9.4 Imports of Republic of Palau: 1999 to 2002 (US \$)

Imports, fob	1999 *	2000	2001	2002
Imports, fob	104,074,660	123,712,059	95,744,049	96,773,220
Commercial	92,001,204	109,675,871	89,330,292	91,134,331
Ministries and State Govts.	12,073,456	14,036,188	6,413,757	5,638,889

Sources: Customs Division, and UNDP-Public Sector Development Project Office, Ministry of Finance

..... Data not available

Note: (*) Estimate for full 1999 year based on nine months data rated up by factor of 12/9.

National government imports have decreased from over \$13 million in 2000 to \$6 million in 2001 and \$4 million in 2002. The Ministry of Resources and Development had the largest percent of imports in each year, followed by the Ministry of Finance.

State government imports were smaller than National government imports, but, in 2002 were about half of the National imports. Koror State government had about \$600 thousand in 2002, followed by Ngchesar and Peleliu State governments at more than \$300 thousand each.

Commercial Imports fob for the Republic, at \$91 million in 2002, were about 94 percent of all imports. The Ministries and State governments made up the rest of the imports.

in 2002, the United States provided the largest amount of imports at \$42 million (43 percent of the total), followed by Guam (12 percent), Japan (9 percent), and Korea (also 9 percent).

Table 9.5 Imports by Country of Origin: 1999 to 2002**(US \$)**

Exporting Country	Imports (f.o.b.)			
	1999	2000	2001	2002
Total	77,837,578	123,712,059	95,744,049	96,773,220
Australia	1,093,951	1,738,504	1,378,597	1,616,630
New Zealand	48,953	144,910	127,404	147,275
Asia	35,110,608	53,938,016	36,894,759	38,288,411
China	891,881	886,683	2,658,888	1,031,654
Hong Kong	633,752	5,547,058	2,959,559	3,960,716
Japan	11,948,735	19,103,959	8,484,736	8,784,550
Korea	2,021,180	8,626,005	4,974,505	7,787,891
Philippines	2,296,860	3,371,136	2,883,302	3,373,899
Singapore	11,948,103	8,391,432	9,355,205	6,856,316
Taiwan	5,370,097	8,011,742	5,578,564	6,493,384
U.S.A.	28,689,678	40,714,613	41,842,860	41,630,797
Guam	8,380,796	17,237,935	11,771,313	11,358,490
Northern Mariana Islands	289,203	1,074,919	708,131	640,317
Other Countries	4,224,389	8,863,162	3,020,985	3,091,300

Sources: Customs Division, and UNDP-Public Sector Development Project Office, Ministry of Finance

.... Data not available

Notes: Data for 1999 were based on nine months period.

Table 9.6 Migratory Fish Exports by Month and Year: 1999 to 2002**(Kilograms)**

Month	Migratory Fish Exports			
	1999	2000	2001	2002
Total	2,559,508	2,333,981	2,030,697	1,323,146
January	133,793	208,108	80,020	83,908
February	139,007	181,911	121,012	65,586
March	62,571	106,462	117,862	71,597
April	184,693	150,318	112,329	116,905
May	125,588	185,462	160,661	113,533
June	128,735	142,980	91,584	114,113
July	291,980	253,159	96,593	77,149
August	397,155	249,715	298,122	121,020
September	333,108	370,109	245,234	128,943
October	245,786	174,954	242,730	152,397
November	222,619	158,691	231,052	105,868
December	294,473	152,112	233,498	172,127

Sources: UNDP-Public Sector Development Project Office, Ministry of Finance

Notes: (1) Fish exports include tuna fish, and other migratory fish such as blue marlin, swordfish, billfish, and skipjack

(2) Fish exports by locally based foreign fishing companies in Palau.

Table 9.7 Exports of Garment by Years: 1999 to 2002

Years	Quantity	Value (\$US)
1999	2,917,178	1,052,313
2000	31,530	1,449,666
2001	578,121	8,534,481
2002	425,305	33,626,484

Source: Customs Division, Ministry of Finance, Republic of Palau

Migratory fish exports have decreased each year since 1999, and amounted to only \$1.3 million in 2002, about half the total for 1999. Exports were generally higher in the second half of the year.