



THE CAYMAN ISLANDS' ANNUAL ECONOMIC REPORT 2013

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1. Executive Summary

1.1 In 2013, gross domestic product (GDP) rose at an estimated rate of 1.2 percent from a year ago. This performance was underpinned by an expansion in the services sector as the secondary and primary sectors declined.

1.2 Given a mid-year population of 56,212, real per capita income (GDP per person) amounted to \$44,208, an improvement over the 2012 level of \$43,732.

1.3 External demand for stay-over tourism services, and financial and insurance services led the growth in economic activity during the year. Domestic demand for transport, storage and communication services was also robust.

1.4 The average inflation rate in 2013 was 2.2 percent, higher than the 1.2 percent a year ago in view of price hikes for a number items led by alcohol and tobacco, household equipment, clothing and footwear, education and miscellaneous goods and services.

1.5 Total employment was estimated at 36,070 which is 0.9 percent lower than a year ago. The unemployment rate rose slightly to 6.3 percent compared to 6.2 percent in 2012 due to a higher unemployment rate for non-Caymanians. Unemployment rate among Caymanians decline from 10.5 percent in 2012 to 9.4 percent in 2013.

1.6 Merchandise imports rose by 2.1 percent to \$774.5 million, reflecting mainly the higher value of fuel imports which rose by 9.7 percent.

1.7 Total money supply (M2) expanded by 12.2 percent to register at \$5.9 billion (US\$7.1 billion) in 2013. This expansion emanated from a 15.5 percent increase in foreign currency deposits which outweighed a 0.3 percent contraction in the local currency denominated broad money.

1.8 Domestic credit from commercial banks contracted by \$75.9 million (or 2.5%) to settle at \$2,974.7 million. The public sector continued to reduce its indebtedness to the local banking sector, this time by 5.8 percent while that of the private sector contracted by 2.0 percent. The latter was due to a 3.0 percent decline in credit to households which outweighed a marginal growth of 0.1 percent in credit to businesses.

1.9 The net foreign asset position of local commercial banks which measures transactions with non-residents amounted to \$3.1 billion, higher by 16.5 percent

(or by \$445.1 million) from the previous year. The increase resulted as the sharp decline in foreign liabilities outweighed the decline in foreign assets.

1.10 The financial services industry continued to exhibit a mixed performance. New partnerships, insurance licences and new company registrations grew while declines were recorded for mutual funds registration (excluding master funds which are not new registrations), stock exchange listing, and banks and trusts.

1.11 Air arrivals, boosted by more airlift capacity, grew by 7.4 percent in 2013. However, cruise visitors plummeted by 8.7 percent as some cruise lines bypassed Cayman due to lack of berthing facilities. This resulted in a 5.9 percent decline in total visitor arrivals to reach 1.72 million in 2013.

1.12 The economic performance of the construction sector is estimated to have declined slightly in 2013 in real terms (after adjusting for inflation) as supported by volume indicators including a decline in cement volume.

1.13 Building intention indicators in nominal terms increased in 2013. Value of building permits rose to \$181.5 million (or 16.0%) in 2013 and the value of planning approvals also rose by 171.1 percent to reach \$463.7 million.

1.14 Real estate activity in 2013 was marked by a few high-valued transactions that pushed total value of property transfers by 34.3 percent to \$577.5 million. The number of transferred properties fell by 2.5 percent to 1,766.

1.15 The central government's overall balance in 2013 (total revenue minus total expenditure) recorded a surplus of \$70.8 million (or 2.7% of GDP), compared to a deficit of \$27.6 million (or 1.1% of GDP) in 2012, due to the growth in revenue and reduction in expenditure. The central government's total outstanding debt contracted by \$26.3 million to \$559.9 million (or 21.0% of GDP) as at December 2013.

1.16 GDP growth projection for 2014 is placed at 1.9 percent in view of expected growth in stay-over tourism, financial services and construction. The inflation rate in 2014 is expected at 1.8 percent arising from imported food price trends.

The Cayman Islands Economic Performance: Summary Indicators

Indicators	2011	2012	2013
Real GDP (\$million)*	2,420.1	2,454.5	2485.0
GDP growth in real terms (%)*	0.9	1.4	1.2
Real GDP per capita (\$)*	43,781	43,732	44,208
Nominal GDP per capita (\$)*	45,475	45,896	47,415
Nominal GDP (\$million)*	2,513.7	2,575.9	2,665.3
Population (year-end)	55,517	56,732	55,691
<i>Of which</i> Caymanians	31,325	32,201	32,765
Population (mid-year)	55,277	56,125	56,212
Average inflation rate (%)	1.3	1.2	2.2
Employment	35,267	36,401	36,070
Unemployment rate (% of labour force)	6.3	6.2	6.3
Total imports (in \$million)	759.5	758.5	774.5
Total imports (% of GDP)	30.3	29.5	29.1
Total money supply (M2, in \$million)	4,752.9	5,248.6	5,888.4
Domestic credit (in \$million)	3,106.6	3,050.6	2,974.7
Mutual funds**	9,258	10,841	11,379
Insurance licenses	766	768	788
Banking and trust licenses	234	222	213
Trust companies	123	118	118
Stock exchange listings	1,156	1,157	1,116
New company registrations	9,064	8,971	9,433
Stay-over tourists (in thousands)	309.1	321.7	345.4
Cruise ship passengers (in thousands)	1,401.5	1,507.4	1,375.9
Grand Cayman building permits (\$million)	183.1	156.4	181.5
Cayman Islands planning approvals (\$million)	251.8	171.0	463.8
Cayman Islands property transfers (\$million)	657.9	430.0	577.5
Overall fiscal balance of the central government (\$million)	(56.8)	(27.6)	70.8
Overall fiscal balance of the central government (% of GDP)	(2.3)	(1.1)	2.7
Outstanding debt of the central government (\$million)	613.4	586.2	559.9
Outstanding debt of the central government (% of GDP)	24.5	22.8	21.0

*Estimated for 2013.

** Includes master funds in 2012 and 2013

2. Global and Regional Macroeconomic Environment

The global economy expanded in 2013, albeit lower than the previous year with varying degrees of growth across regions. This review is based on information culled from the International Monetary Fund and other international organizations.

2.1 Economic Growth

Global demand picked up in the second half of 2013, which pushed global output by 3.0 percent, slightly lower than the 3.2 percent recorded in the preceding year. The uptick in global economic activity originated mainly from the advanced economies led by the United States (US), as the strong growth of emerging economies in prior years moderated. The advanced economies altogether expanded by 1.3 percent, slightly weaker than the 1.4 percent growth recorded in 2012. Emerging and developing countries continued to record the strongest performance as compared to other regions of the world in 2013, at a rate of 4.7 percent although this is lower than the 5.0 percent achieved in 2012 (see Table 2.1).

Table 2.1: Global Economic Growth

	2010	2011	2012	2013
	in Percent (%)			
World GDP	5.2	3.9	3.2	3.0
Advanced economies	3.0	1.7	1.4	1.3
US	2.5	1.8	2.8	1.9
Euro area	2.0	1.6	-0.7	-0.5
Japan	4.7	-0.5	1.4	1.5
UK	1.7	1.1	0.3	1.8
Canada	3.4	2.5	1.7	2.0
Emerging market and developing countries	7.6	6.4	5.0	4.7
China	10.4	9.3	7.7	7.7
India	10.3	6.6	4.7	4.4

Source: International Monetary Fund (WEO, April 2014)

Economic recovery in the US slowed in 2013 with a 1.9 percent growth, contributed largely by the faster-than-expected 3.25 percent growth in the second half of 2013. The latter was led by buoyant domestic demand, robust inventory accumulation, and strong export growth. A hefty fiscal consolidation effort was estimated by the IMF to have shaved-off between 1.25 and 1.5 percentage points from GDP growth.

Most of the advanced economies generally posted stronger economic performance in 2013. The economies of Canada and Japan strengthened in 2013 to record a growth of 2.0 percent and 1.5 percent, respectively.

Economic activity in the Euro area shrunk for the second consecutive year, this time by 0.5 percent, albeit an improvement on the 0.7 percent decline in 2012. The area continued to be impacted by the sovereign debt crisis in periphery countries in 2011 and 2012 which led to fiscal weakening and weak domestic demand. Germany turned out a weaker economic performance (0.5%) in 2013 compared to 2012 (0.9%). Economic activity in Italy, Spain, Greece, Portugal, Finland, Cyprus and Slovenia declined, while France and Belgium posted improved growth rates. With easier credit conditions and increased consumer confidence, growth in the United Kingdom (UK) improved to 1.8 percent in 2013 from 0.3 percent in 2012.

Economic expansion slowed to 4.7 percent in emerging and developing economies in 2013 as the Asian sub-region posted lower growth with domestic demand decelerating, mitigated by revival of exports to advanced economies. China, the largest Asian economy, led the performance with a 7.7 percent GDP growth during this period.

The Caribbean region remained constrained by high debt levels and weak competitiveness. In 2013, growth was estimated at 2.8 percent, an improvement over the previous year. Stronger paces of economic activity were seen in the Bahamas (1.9%), Dominican Republic (4.1%), Haiti (4.3%), Trinidad and Tobago (1.6%) and Guyana (4.8%). Growth was recorded in all of the English-speaking Caribbean economies with the exception of Barbados and St. Lucia.

Table 2.2: Caribbean Region Economic Growth

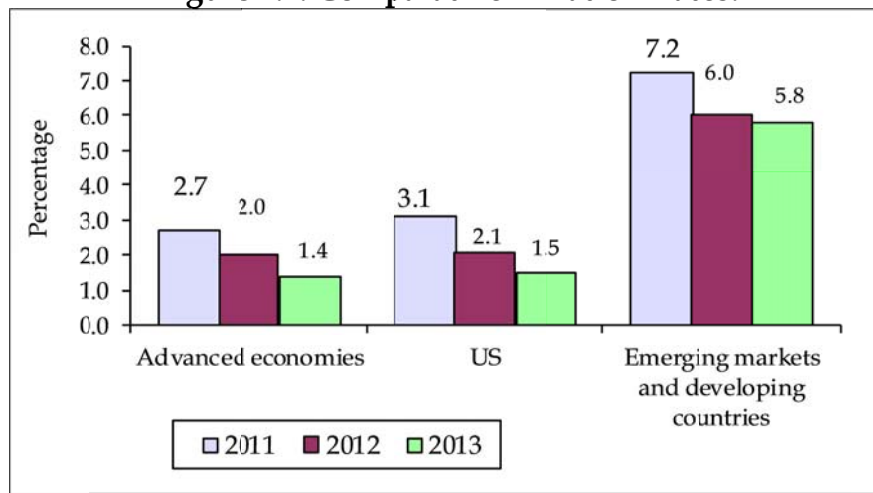
	2010	2011	2012	2013
	in Percent (%)			
Caribbean	3.4	2.8	2.4	2.8
Bahamas	1.0	1.7	1.8	1.9
Barbados	0.2	0.8	0.0	-0.7
Trinidad & Tobago	0.2	-2.6	1.2	1.6
Jamaica	-1.4	1.4	-0.5	0.5
OECS				
Antigua & Barbuda	-8.6	-2.1	2.8	0.5
Dominica	1.2	0.2	-1.1	0.8
Grenada	-0.5	0.8	-1.8	1.5
St. Kitts & Nevis	-3.8	-1.9	-0.9	1.7
St. Lucia	-0.7	1.4	-1.3	-1.5
St. Vincent & the Grenadines	-2.3	0.3	1.5	2.1

Source: International Monetary Fund (WEO, April 2014)

2.2 Inflation

Movements in the general price levels across major economic regions remained moderate in 2013. Average inflation among advanced economies was estimated at 1.4 percent in 2013, with that of the US at 1.5 percent. Commodity prices were generally lower than the previous year; global oil prices were also lower by 0.9 percent recording an average price of US\$104.07 a barrel.

Figure 2.1: Comparative Inflation Rates:



Source: International Monetary Fund (WEO, April 2014)

Weak domestic demand restrained inflationary pressures in the Caribbean. However, higher imported food prices in most countries contributed to the 5.0 percent average inflation rate in the Caribbean region.

Table 2.3: Inflation Rates: Caribbean Region

	2010	2011	2012	2013
	in Percent (%)			
Caribbean	7.1	7.2	5.1	5.0
<i>of which:</i>				
Bahamas	1.3	3.2	2.0	0.3
Barbados	5.8	9.4	4.5	2.3
Trinidad & Tobago	10.5	5.1	9.3	5.2
Jamaica	12.6	7.5	6.9	9.4

Source: International Monetary Fund (WEO, April 2014)

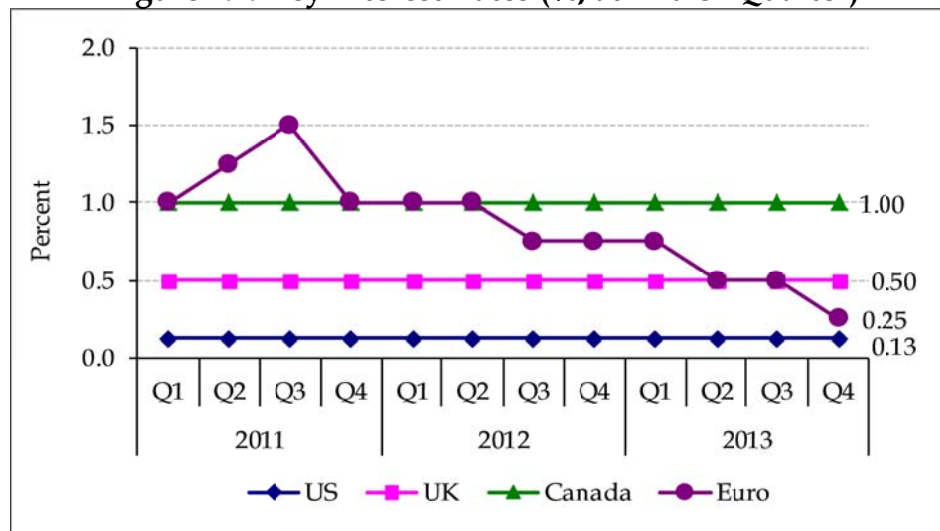
2.3 International Finance

The overall fiscal deficit among advanced economies continued to improve, as it narrowed from 8.2 percent of GDP in 2011 to 7.3 percent in 2012 and now to 5.9

percent in 2013. The US general government’s fiscal deficit or net borrowing¹ narrowed from 9.7 percent of GDP in 2012 to 7.3 percent of GDP in 2013. Similarly, the overall fiscal deficit of the Euro area improved slightly from 3.7 percent of GDP in 2012 to 3.0 percent of GDP in 2013; similarly, the UK fiscal deficit ameliorated in 2013 moving down to 5.8 percent of GDP from 8.0 percent in 2012.

During 2013, interest rate policies across major markets remained stable except for the Euro zone. The European Central Bank in an effort to stimulate economic activity in the Euro zone economy lowered its key interest rate² twice during the year from 0.75 percent to 0.5 percent in the second quarter, and in the last quarter down to 0.25 percent. In the US, the Federal Reserve maintained its interest rate from December 2008 to a range of 0 to 0.25 percent; two years ago, it announced its intention to hold it stable until 2014 (see Figure 2.2).

Figure 2.2: Key Interest Rates (% , at End of Quarter)



Source: Bank of England, Federal Reserve Bank, European Central Bank & Bank of Canada

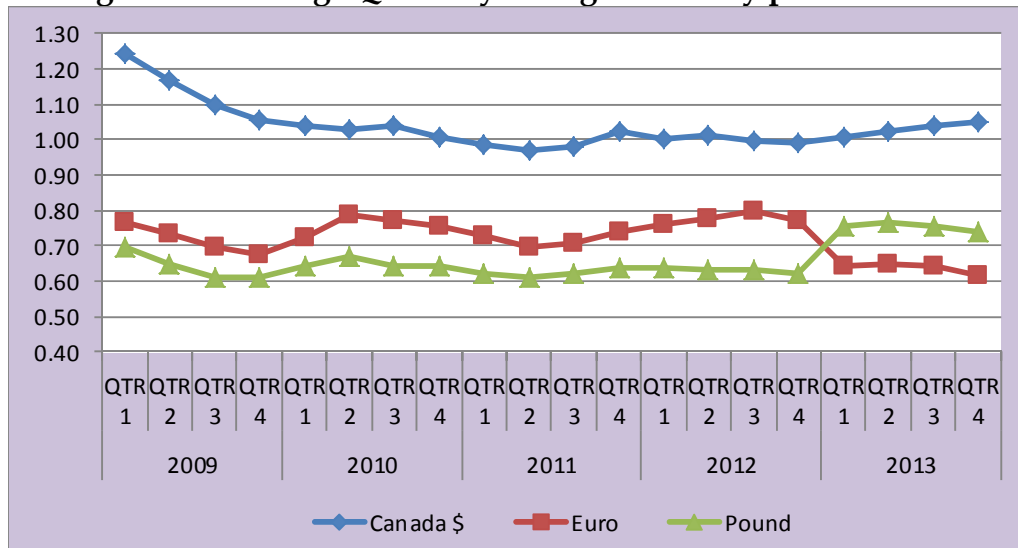
The U.S dollar gradually gained value against the Canadian dollar during the year. The Euro dollar appreciated against the U.S dollar in the first quarter of 2013 and remained relatively constant during the year while the UK pound depreciated during the first quarter and strengthened marginally during the year

¹ Net lending/borrowing is equal to total revenue less total expenditure less net acquisition of nonfinancial assets and liabilities. It is viewed as an indicator of the financial impact of governments’ activity on the rest of the economy.

² The ECB’s key interest rate is for main refinancing operations which provide the bulk of liquidity to the banking system.

as exhibited in Figure 2.3. The Cayman Islands dollar by virtue of being pegged to the U.S dollar would have followed the same path as the US dollar during the review period.

Figure 2.3: Average Quarterly Foreign Currency per U.S dollar



Source: United States Federal Reserve Bank

2.4 Regional and International Tourism³

As reported by the World Tourism Organization, the tourism sector remained resilient to changing market conditions despite prolonged economic and global challenges. Globally, tourist arrivals performed well above expectations at year-end 2013 with a total of 1,087 million being recorded, an increase of 5.0 percent over 2012.

The strongest demand for international tourism was noted for destinations in Asia and the Pacific, and Africa (both up by 6%). Similarly, in Europe, demand was upbeat with a 5 percent increase in inbound passengers. Moreover, the leading sub-regions in terms of growth were South-East Asia (10%), Central and Eastern Europe (7%), Southern and Mediterranean Europe (6%) and North Africa (6%).

Within the Caribbean, arrivals on the whole increased by 1.8 percent over the previous year’s arrivals of 24.6 million. According to the Caribbean Tourism

³ Sources of basic information: World Tourism Organization website, Caribbean Tourism Organization website.

Organization (CTO) “the Caribbean region continued to be adversely affected by relatively weak economic conditions which persist in its key markets.”

Meanwhile, cruise tourism on the whole expanded by 2.7 percent to total 21.8 million although the regional performance varied vastly from a decline of 21.8 percent in Grenada to a growth of 45.1 percent in Curacao. Despite the variation in cruise visitors, the Cruise Lines International Association (CLIA)⁴ reported that the Caribbean is the leading cruise destination and accounted for 45.3 percent of global ship deployments.

Growth in the total regional tourism was strongest for the Dutch Caribbean territories (4.9%), followed by the US territories (3.7%) and the Caribbean Community (CARICOM) region (0.2%). The sub-region Organization of Eastern Caribbean States (OECS) recorded a growth of 0.1 percent.

⁴ CLIA is the world’s largest industry trade association with representation in North and South America, Europe, Asia and Australia.

3. Macroeconomic Performance

The domestic economy strengthened in 2013. However, this was not strong enough to improve the labour market. The general price level increased mainly due to higher international food prices and the impact of domestic revenue measures.

3.1 Economic Growth

Economic output increased for the third consecutive year, this time by 1.2 percent although slightly lower than the 1.4 percent recorded for 2012. In real terms, gross domestic product (GDP) reached \$2,485 million (see Table 3.1).

Table 3.1: Cayman Islands' Gross Domestic Product

	2009	2010	2011	2012	2013E
GDP at Current Prices (\$M)	2,528.9	2,472.7	2,513.7	2,575.9	2,665.3
Current GDP growth (%)	(4.9)	(2.2)	1.7	2.5	3.5
Per Capita GDP at constant 2007 prices (CI\$) ¹	43,619	43,209	43,781	43,732	44,208
GDP at constant 2007 prices (\$M)	2,464.8	2,399.0	2,420.1	2,454.5	2,485.0
Real GDP growth (%)	(6.3)	(2.7)	0.9	1.4	1.2

¹ Using mid- year population figures.

^E Preliminary estimates based on sector economic indicators

Source: Economics & Statistics Office

Per capita income at constant prices⁵ increased by 1.0 percent as the increase in GDP outweighed the growth in the mid-year population.

In 2013, growth was fuelled by the services sector which accounts for approximately 95 percent of GDP. In particular, expansion was strongest in the following sectors: hotels and restaurants, transport, storage and communication, and financing and insurance services (see Table 3.2).

GDP value added from the hotels and restaurants sector was estimated to have increased by 6.6 percent as a result of higher number of stay-over visitors, which grew by 7.4 percent (see also Section 4.2).

The transportation, storage and communication sectors had estimated growth of 2.4 percent, bolstered by the combination of growth in stay-over tourism and higher volume of cargo transportation. Marginal expansion in

⁵ GDP at constant 2007 prices divided by the mid-year population

telecommunication activities was also estimated, arising from growth in broadband connections.

Table 3.2: Real GDP at 2007 prices by Sector (\$ million)

	2010	2011	2012	2013E	% Change
Millions of Cayman Islands Dollars					
Primary Sectors	27.0	26.9	27.8	27.6	(0.9)
Agriculture & Fishing	8.8	9.1	9.3	9.1	(2.3)
Mining & Quarrying	18.3	17.8	18.5	18.5	(0.2)
Secondary Sectors	99.6	95.8	98.4	97.7	(0.7)
Manufacturing	22.1	21.7	22.5	22.3	(0.9)
Construction	77.5	74.1	75.9	75.4	(0.7)
Services Sectors	2,272.4	2,297.5	2,328.2	2,359.7	1.4
Electricity & Water Supply	94.2	93.7	93.4	93.3	(0.1)
Wholesale & Retail Trade, Repairs & Installation of Machinery	198.5	202.2	205.1	200.7	(2.1)
Hotels & Restaurants incl. Bars	128.8	136.3	140.4	149.6	6.6
Transport, Storage & Communication	208.5	208.8	211.4	216.4	2.4
Financing & Insurance Services	1,017.2	1,018.4	1,033.3	1,050.7	1.7
Real Estate, Renting & Business Activities	592.5	598.6	608.6	616.7	1.3
Producers of Government Services	322.3	322.6	327.8	322.8	(1.5)
Other Services	75.8	76.3	78.2	79.9	2.2
Financial Services Indirectly Measured (FISIM)*	365.3	359.5	370.0	370.4	0.1
GDP constant at basic prices	2,399.0	2,420.2	2,454.4	2,485.0	1.2
Growth (%)	(2.7)	0.9	1.4	1.2	

E Preliminary estimates based on sector economic indicators

*Financial Intermediation Services Indirectly Measured (FISIM) is the difference between the interest rates charged to borrowers and the interest rates paid to lenders. It is an implicit charge to customers for the service provided by financial intermediaries.

The financing and insurance services sector which accounted for approximately 42.3 percent of GDP was estimated to have expanded anew by 1.7 percent (see also Section 4.1). Value added from insurance services grew by a record pace of 7.5 percent as growth in gross premiums outweighed net claims. Growth of financing services remained subdued in view of the continuing softness of

external markets resulting in the sector's marginal growth of 0.1 percent as indicated by interest income in the local banking sector.

Value added from real estate, renting and business activities was estimated to have increased by 1.3 percent, as both business services and real estate activities were enhanced by higher registration of companies and property transfers respectively.

However, a number of sectors had setbacks in 2013. Volume indicators of activity for the construction sector (total quantity of imported cement) suggest that this sector's estimated value added declined. Similarly, a decline in imports of non-oil related goods adjusted for inflation indicates a fall in wholesale and retail trade activity which is estimated at 2.1 percent. The GDP contribution of government services contracted by 1.5 percent due mainly to the combined effects of lower staff levels and a reduction in government capital expenditure as the fiscal austerity measures continued (see also Section 5).

3.2 Inflation

In 2013, consumer prices rose on average by 2.2 percent, as compared to 1.2 percent in the preceding year. This is traced mainly to higher prices of alcohol and tobacco, household equipment, clothing and footwear, education, food and non-alcoholic beverages, and miscellaneous goods and services.

Table 3.3: Average Inflation Rates

Categories	Avg Inflation Rates (%)	
	2012	2013
Food & Non-alcoholic Beverages	4.3	3.2
Alcohol and Tobacco	3.8	9.8
Clothing and Footwear	6.6	4.8
Housing and Utilities	0.2	-1.4
Household Equipment	0.8	6.1
Health	2.5	0.9
Transport	3.0	2.3
Communication	-0.1	0.7
Recreation and Culture	-1.8	-1.0
Education	0.5	4.6
Restaurants and Hotels	-1.9	3.2
Misc. Goods and Services	1.9	8.5
Overall CPI Inflation	1.2	2.2

Source: Economics & Statistics Office

In 2013, all major categories in the CPI basket recorded higher price levels on average, except for housing and utilities and recreation and culture (see Table 3.3). The strong growth in alcohol and tobacco index by 9.8 percent is due primarily to higher import duties implemented as a revenue measure in September 2012. Miscellaneous goods and services also showed a sharp increase which is mainly associated with the price movement for health insurance premiums arising from higher benefits and contribution towards an indigent fund.

Table 3.4 shows “core inflation rate” or overall inflation rate without food and non-alcoholic beverages and electricity. In 2013, core inflation was 2.1 percent while overall average rate was 2.2 percent as overall inflation was influenced more by categories other than the historically volatile food and non-alcoholic beverages, and utilities categories. Electricity increased on average by 1.4 percent while food recorded a higher inflation rate of 3.2 percent. Although slightly lower than in 2012, the United Nations food agency reported that overall global food prices for 2013 are among the highest on record.

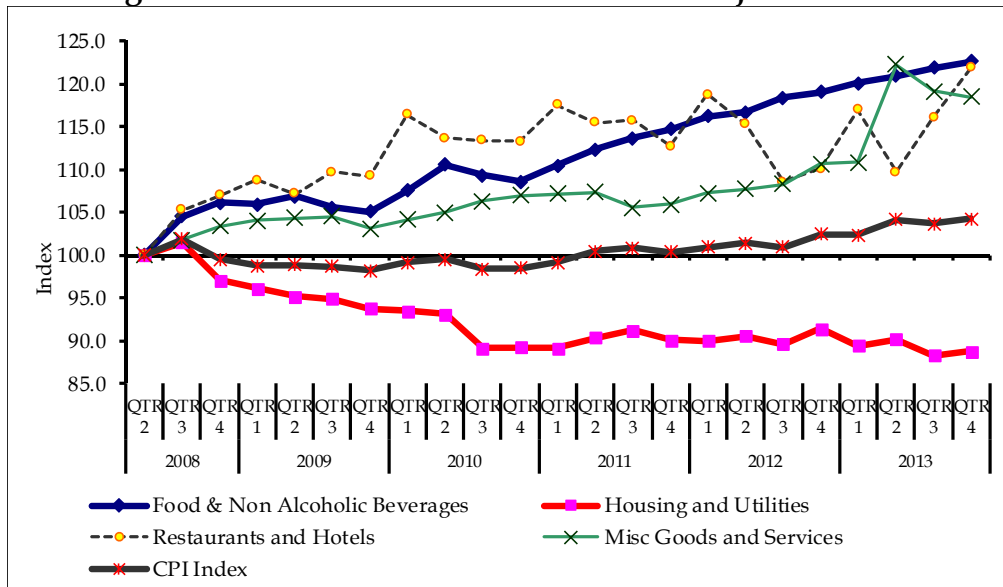
Table 3.4: Selected Quarterly Inflation Rates

		% Change over the same Quarter a Year Ago						
		CPI Inflation	Non Food Inflation	CPI: Excluding: Food & Electricity	CPI: Excluding: Housing & Utilities	Food Inflation	Housing & Utilities Inflation	Electricity Inflation
2012	QTR 1	1.8	1.5	1.3	2.3	5.3	0.9	4.2
	QTR 2	0.9	0.6	0.6	1.3	3.8	0.1	1.1
	QTR 3	0.1	-0.4	0.0	1.0	4.2	-1.7	-5.5
	QTR 4	2.1	1.9	1.7	2.4	3.7	1.5	5.5
Annual average 2012		1.2	0.9	0.9	1.8	4.3	0.2	1.3
2013	QTR 1	1.4	1.2	1.2	2.5	3.3	-0.6	0.8
	QTR 2	2.7	2.6	2.6	4.4	3.7	-0.4	2.8
	QTR 3	2.8	2.8	2.6	5.1	3.0	-1.4	4.7
	QTR 4	1.7	1.6	1.9	4.2	3.0	-2.9	-2.8
Annual average 2013		2.2	2.0	2.1	4.0	3.2	-1.3	1.4

Source: Economics & Statistics Office

From the second quarter of 2008 (see Figure 3.1), the food and non-alcoholic beverages index held a consistent upward trajectory. The food index reached 122.7 in 2013, approximately 22.7 percent higher from the second quarter of 2008, or an average of 4.5 percent annually for the last five years. During 2013, food inflation has been consistently above 3.0 percent in all four quarters and was highest at 3.7 percent in the second quarter as depicted in Table 3.4.

Figure 3.1: Inflation Indices for Selected Major Divisions



Source: Economics & Statistics Office

3.3 Labour Force and Employment

In 2013, the labour force contracted by 0.8 percent, to 38,483, consistent with the reduction in population. The labour force participation rate, which indicates the size of available labour relative to the working age population, fell 0.7 percentage points from 83.7 percent in 2012 to 83.0 percent.

Unlike in previous years where there were more non-Caymanians in the labour force, there were slightly more Caymanians in 2013. This outturn could be associated with changes in the Island’s immigration policies in addition to the slow economic recovery which dampened the demand for foreign labour.

Overall, employment declined by 0.9 percent (656) to 36,070. However, Caymanian employment increased by 6.1 percent to 17,501 as Non-Caymanian employment contracted by 6.7 percent to 19,165. Consistent with the latter, work permits compared to a year ago fell by 6.5 percent to 19,432.

Table 3.5: Summary of Labour Force Indicators

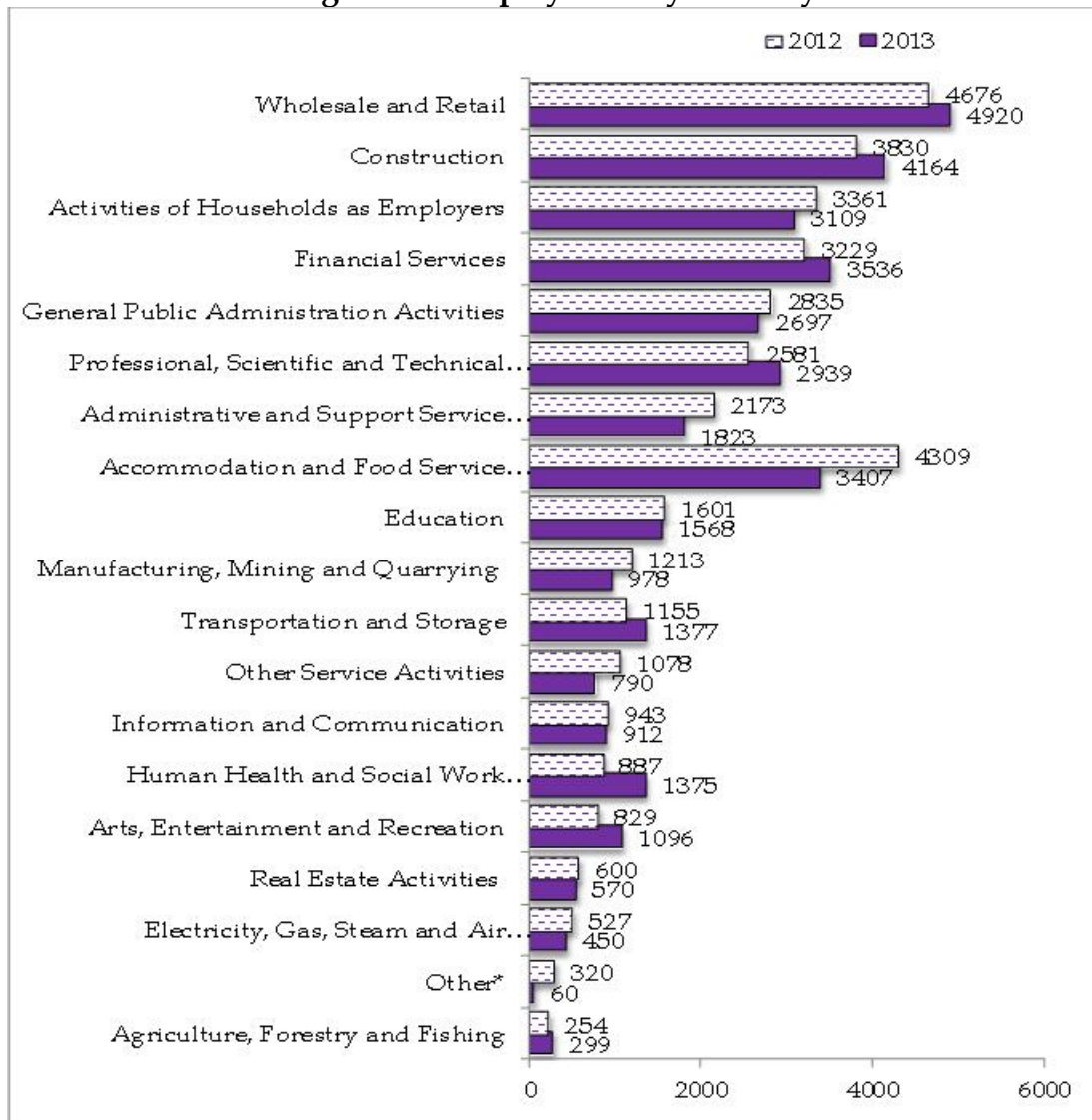
Labour Force Indicators	2011	2012	2013
Population	55,517	56,732	55,691
Working Age Population	45,450	46,375	46,348
Labour Force	37,620	38,811	38,483
Total Employed	35,267	36,401	36,070
Total Unemployed	2,353	2,410	2,413
Unemployed Rate (%)	6.3	6.2	6.3
Caymanian Population	31,325	32,201	32,795
Working Age Population	23,569	24,547	25,471
Labour Force	17,701	18,418	19,317
Total Employed	15,969	16,493	17,501
Total Unemployed	1,732	1,925	1,817
Unemployed Rate (%)	9.8	10.5	9.4
Non -Caymanian Population	24,192	24,531	22,926
Working Age Population	21,881	21,828	20,877
Labour Force	19,919	20,393	19,165
Total Employed	19,298	19,908	18,569
Total Unemployed	621	485	596
Unemployed Rate (%)	3.1	2.4	3.1

Source: Economics & Statistics Office

At an industry level, the largest increases in annual employment growth were in human health and social work activities (55.0%); arts, entertainment and recreation (32.2%); transportation and storage (19.2%); and agriculture, forestry and fishing (17.7%). Positive performances, albeit more moderate, were also recorded for wholesale and retail (5.2%), construction (8.7%) professional, scientific, technical (13.9%) and financial services (9.5%).

However, contraction in employment was experienced in a few industries including electricity, gas, steam and air conditioning supply, water supply and sewerage (-14.6%); accommodation and food services (-20.9%) and other service activities (-26.7%). The employment activities of households also declined for the third consecutive year.

Figure 3.2: Employment by Industry



*Other includes "Don't Know/Not Stated" responses and extra-territorial organizations
 Source: Economics & Statistics Office

The unemployment rate picked up slightly in 2013 to 6.3 percent resulting from a deterioration of economic activity among the non-Caymanians which outweighed the improvement seen among Caymanians.

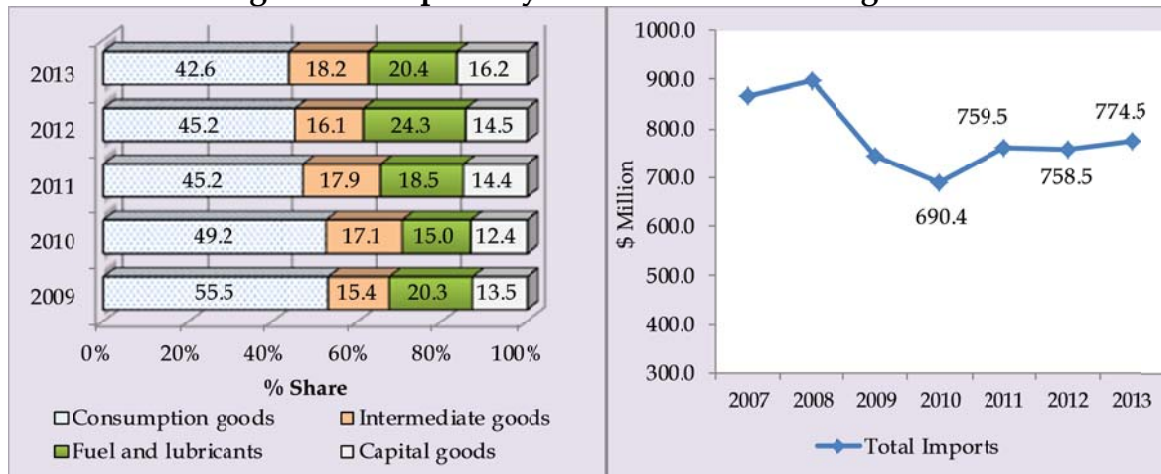
3.4 External Sector

Imports. In 2013, total merchandise imports grew by 2.1 percent to reach \$774.5 million, the highest since 2008. This growth was due mainly to oil and petroleum products which increased by 9.7 percent as the average price of fuel imports increased in 2013.

Overall, non-oil related imports remained stable at \$603.6 million. However, certain goods associated with the strong demand for stay-over tourism services were on the uptrend. These include food and live animals which rose by 8.2 percent, beverages and tobacco (3.4%), and machinery and transport equipment (1.0%).

Analysing imports by broad economic categories (BEC) reveals that the value of imported consumption goods declined by 4.2 percent, resulting to a decline in its share of imports to 42.6 percent, the lowest in recent years. Capital goods and intermediate goods increased by 3.5 percent and 6.6 percent, respectively; these may be associated with the rise in “productive capacity” of the growth sectors.

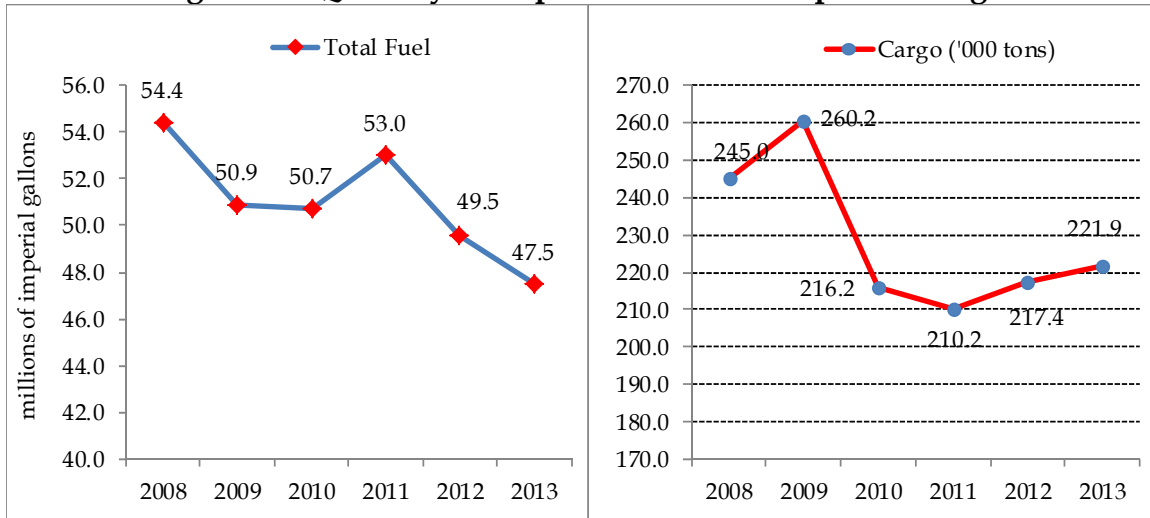
Figure 3.3: Imports by Broad Economic Categories



Source: Economics and Statistics Office

With the rise in imports of goods, the overall volume of imported cargo grew by 2.1 percent to 221.9 thousand tons. The overall quantity of fuel imports fell by 2 million imperial gallons (or 4%) in 2013.

Figure 3.4: Quantity of Imported Fuel and Imported Cargo



Source: Customs Department and Port Authority of the Cayman Islands

Exports. Total merchandise exports in 2013 reached \$25.3 million, a 49.2 percent increase compared to the previous year. Exports consisted mainly of re-exports of goods.

Current Account. The country’s current account deficit was estimated to have narrowed by 1.3 percent to \$479.5 million, or 18.0 percent of GDP in 2013 (see Table 3.6) due mainly to an increase in the inflow of funds arising from higher visitor expenditure and business services.

Expected inflows from tourism visitor expenditure dominated the inflow of funds. This was estimated at \$409.7 million, up by 2.4 percent due to strong growth in air arrivals. Meanwhile, receipts from financial services were estimated at \$405.7 million, up by 1.8 percent as new company registrations rebounded from the decline a year ago. Workers remittances were marginally lower as foreign employment decreased.

Table 3.6: Balance of Payments (in CI\$ million)*

	2009	2010	2011	2012	2013E
Current Account Balances					
Trade balance	(619.7)	(587.5)	(602.4)	(603.4)	(612.0)
Exports	38.7	32.9	84.5	83.0	83.8
Imports, f.o.b.	(658.4)	(620.4)	(687.0)	(686.4)	(695.8)
Services, net	471.1	507.3	410.1	529.1	562.8
Receipts	1,281.2	1,363.7	1,351.9	1,398.9	1,428.3
o/w tourism visitor expenditure	457.1	323.5	369.7	400.2	409.7
o/w financial services	379.0	410.9	396.1	398.5	405.7
Payments	(810.1)	(856.4)	(941.8)	(869.7)	(865.5)
Net income	(87.2)	(185.6)	(118.2)	(264.5)	(285.3)
Transfers, net	(177.8)	(143.9)	(145.6)	(146.9)	(145.0)
Current Account Balance	(413.6)	(409.6)	(456.1)	(485.6)	(479.5)
<i>Percent of GDP (%)</i>	(16.4)	(16.6)	(18.1)	(18.9)	(18.0)
Financial and Capital Account, net**	412.6	400.2	461.4	490.1	481.6
Balance of Payments	(1.0)	(9.4)	5.3	4.5	2.1
Change in Reserves***	1.0	9.4	(5.3)	(4.5)	(2.1)

^E Estimated based on selected economic indicators

f.o.b – Free on board (excludes insurance and freight)

* Trade balance include goods only; exports include “goods under merchanting” which are shipment of Cayman-registered companies that did not enter the country.

**Financial and capital account includes overall errors and omissions

*** Changes in foreign currency reserves of the Cayman Islands Monetary Authority’s Currency Board

Source: Economics and Statistics Office

3.5 Money & Credit

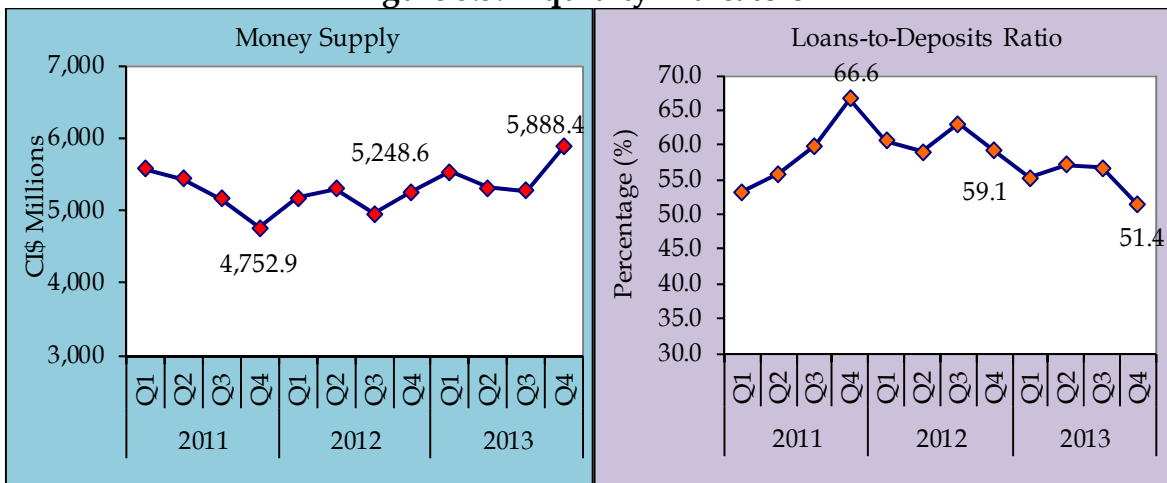
Broad Liquidity. Cayman’s economy remained highly liquid. Broad liquidity (M2) comprising CI dollar-denominated money and foreign currency deposits expanded for the second consecutive year with double-digit growth. Following a growth of 10.4 percent in 2012, M2 expanded by 12.2 percent to reach \$5,888.4 million in 2013 (see Figure 3.5 and Table 3.7). The resulting M2 to GDP ratio went up to 220.9 percent in 2013 from 203.5 percent in 2012.

The expansion in M2 is traced to a 15.5 percent increase in foreign currency deposits which contributed 81.2 percent of broad liquidity; of these, US dollar-denominated deposits increased by 19.9 percent.

Meanwhile, broad money comprising of local currency (KYD) deposits and currency in circulation contracted marginally by 0.3 percent to \$1,106.6 million. This is traced to a decrease in KYD deposits by 1.3 percent while currency in circulation grew by 10.7 percent.

The overall loan-to-deposit ratio of commercial banks which is another indicator of overall liquidity fell due to higher total deposits and a lower loan balance. This ratio averaged 59.1 percent in 2012 and improved to 51.4 percent in 2013.

Figure 3.5: Liquidity Indicators



Source: Cayman Islands Monetary Authority & ESO

Table 3.7: Monetary and Banking Summary, in CI\$ million

	Dec-10	Dec-11	Dec-12	Dec-13	% Change
Total Assets	5,307.4	4,752.9	5,248.6	5,888.4	12.2
Net Foreign Assets	3,056.5	2,446.7	2,801.8	3,249.3	16.0
Monetary Authority	89.4	94.6	99.1	101.5	2.4
Commercial Banks	2,967.1	2,352.1	2,702.7	3,147.8	16.5
Net Domestic Assets	2,250.9	2,306.2	2,446.8	2,639.1	7.9
Domestic credit	3,008.1	3,106.6	3,050.6	2,974.7	(2.5)
Claims on central government	219.0	293.7	278.3	262.7	(5.6)
Claims on other public sector	59.8	88.6	80.4	75.2	(6.5)
Claims on private sector	2,729.3	2,724.3	2,691.9	2,636.8	(2.0)
Other items net	(757.2)	(800.4)	(603.8)	(335.6)	(44.4)
Broad Liquidity	5,307.4	4,752.9	5,248.6	5,888.4	12.2
Broad money (KYD) M2	981.1	935.9	1,110.3	1,106.6	(0.3)
Currency in circulation	85.2	89.7	86.9	96.2	10.7
KYD Deposits	895.9	846.1	1,023.4	1,010.4	(1.3)
Demand deposits	298.9	237.7	337.0	403.1	19.6
Time and savings deposits	597.0	608.4	686.4	607.3	(11.5)
FOREX deposits	4,326.2	3,817.0	4,138.3	4,781.8	15.5
<i>of which: US dollars</i>	3,632.8	3,251.6	3,517.9	4,219.3	19.9
<i>US dollars share (%)</i>	84.0	85.2	85.0	88.2	

Source: Cayman Islands Monetary Authority & ESO

On the assets side, the expansion of broad liquidity was associated with a 16.5 percent increase in net foreign assets of local commercial banks. Net domestic assets rose by 7.9 percent (or \$192.3 million) notwithstanding a contraction in domestic credit by 2.5 percent.

Net foreign assets. Net foreign assets (NFA) of the Cayman Islands Monetary Authority's (CIMA) expanded by 2.4 percent while that of commercial banks' rose by 16.5 percent during the period (see Table 3.8). CIMA's NFA rose by \$2.4 million during the period, dominated by a \$2.7 million increase in external investment which outweighed reductions in both external interest receivable and stocks of numismatic. The increase in commercial banks' NFA stemmed from a decrease in foreign liabilities by 18.9 percent which outweighed a reduction in foreign assets (-4.1%). The reduction in foreign liabilities was dominated by a fall-off in non-resident deposits while the downward movement in foreign assets was mainly due to lower non-resident loans and investments.

The ratio of foreign currency-denominated liabilities to total liabilities (a financial soundness indicator which measures the relative importance of foreign currency funding within total liabilities) stood at 82.6 percent in 2013 which is slightly higher than the 80.2 percent in 2012 and the 80.3 percent in 2011. This is an indication that foreign currency continued to be an important source of funding in the Cayman Islands' "pseudo dollarized economy," supporting the fixed exchange rate under the currency board system.

Table 3.8: Net Foreign Assets, CI\$ million

	Dec-10	Dec-11	Dec-12	Dec-13	% Change
Net Foreign Assets	3,056.5	2,446.7	2,801.8	3,249.3	16.0
Monetary Authority	89.4	94.6	99.1	101.5	2.4
Commercial Banks	2,967.1	2,352.1	2,702.7	3,147.8	16.5
Foreign Assets	6,140.1	6,049.7	6,444.8	6,182.6	(4.1)
Bal. with Banks & Branches	3,785.8	3,569.2	4,059.4	4,408.3	8.6
Total Investment	906.7	963.3	1,111.5	910.3	(18.1)
Total Non-Resident Loans	1,447.6	1,517.2	1,273.9	864.0	(32.2)
Foreign Liabilities	3,173.0	3,697.6	3,742.0	3,034.7	(18.9)
Total Non-Resident Deposits	3,076.2	3,580.2	3,584.8	2,815.6	(21.5)
Other Liabilities	96.8	117.4	157.2	219.1	39.4

Source: Cayman Islands Monetary Authority & ESO

Net domestic credit. In 2013, net domestic credit declined by 2.5 percent to \$2,974.7 million as commercial banks' credit to both the public and private sectors declined for the second consecutive year. Credit to the public sector was reduced by 5.8 percent to \$337.9 million as the central government continued on a program of reducing its total outstanding debt (see Tables 3.7 and 3.9). Credit allocated to the private sector fell by 2.0 percent as credit to households contracted.

Table 3.9: Net Domestic Credit, CI\$ million

	Dec-10	Dec-11	Dec-12	Dec-13	% Change
Domestic Credit	3,008.1	3,106.6	3,050.6	2,974.7	(2.5)
Domestic Credit to Public Sector	278.8	382.3	358.7	337.9	(5.8)
Domestic Credit to Private Sector	2,729.3	2,724.3	2,691.9	2,636.8	(2.0)

Source: Cayman Islands Monetary Authority & ESO

Credit to households regressed by 3.0 percent in 2013. This is associated with lower lending for all categories of credit to households except for educational and technology purposes (see Table 3.10). Credit for domestic property fell by

\$3.3 million in 2013, which is consistent with the decline in value of building permits for houses. Nonetheless, the household sector on the whole remained the dominant borrower from domestic banks with a share of 68.2 percent of total loans in 2013. In particular, borrowings for domestic property amounted to \$1,537.6 million or 58.3 percent of total domestic credit in 2013.

In 2013, credit to the business sector posted a 0.1 percent increase after consistently falling from 2010 to 2012. The resulting share to total private sector credit of 31.8 percent is higher than the 31.1 percent a year ago. All major sectors except credit to trade and commerce recorded declines in borrowings, with the largest decline in the services sectors. Credit to wholesale and retail increased by 22.9 percent to \$71.3 million although most of the increase was in the first half of the year.

During the review period, foreign currency-denominated loans to residents comprised 50.7 percent of total loans, slightly up from 50.6 percent in 2012.

Table 3.10: Net Credit to the Private Sector, CI\$ million

	Dec-10	Dec-11	Dec-12	Dec-13	% Change
Total	2,729.3	2,724.4	2,691.9	2,636.7	(2.1)
Credit to Businesses	1,049.6	1,008.0	838.1	838.8	0.1
Production & Manufacturing	291.9	410.5	324.1	301.3	(7.0)
<i>of which; Construction</i>	218.5	351.9	282.4	265.7	(5.9)
Services	210.8	167.1	129.4	95.5	(26.2)
<i>of which;</i>					
Accommodation, Food, Bar & Entertainment Services	113.4	116.3	92.6	55.0	(40.6)
Trade and Commerce	454.0	383.6	343.5	410.2	19.4
Wholesale & Retail Sales Trade	67.3	78.1	58.0	71.3	22.9
Real Estate Agents, Rental and Leasing Companies	364.1	136.5	128.6	140.7	9.4
Other Business Activities (General Business Activity)	22.6	169.0	156.9	198.2	26.3
Other Financial Corporations	92.9	46.8	41.1	31.8	(22.6)
Credit to Households	1,679.3	1,716.2	1,853.7	1,797.9	(3.0)
Domestic Property	1,458.5	1,487.1	1,540.9	1,537.6	(0.2)
Motor Vehicles	49.8	36.8	33.0	30.6	(7.3)
Education and Technology	4.7	4.5	4.3	5.2	20.9
Miscellaneous*	166.3	187.8	275.5	224.5	(18.5)
NonProfit Organizations	0.4	0.2	0.1	-	(100.0)

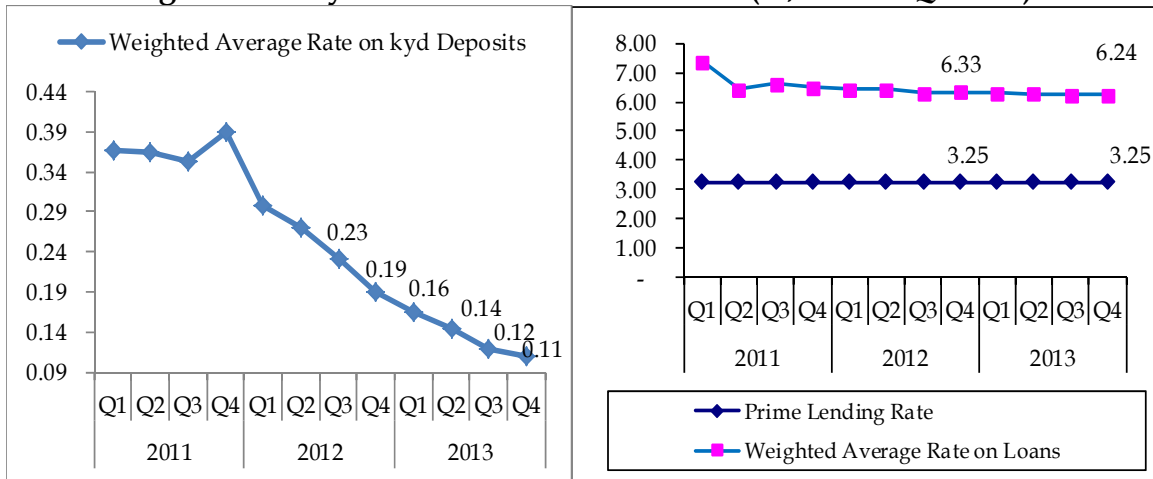
*Miscellaneous include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority & ESQ

Interest Rates. As depicted in Figure 3.6, the weighted average lending rate continued on its downward trajectory since the beginning of 2012. In 2013, the weighted average KYD rate on outstanding loans slid downwards by 8 basis points to 6.24 percent while the prime lending rate remained constant over the review period. The weighted average loan interest rate spread over Cayman prime averaged 3.0 percentage points, marginally down from 3.1 percentage points a year ago. The weighted average loan interest rate spread over the weighted average savings rate remained stable at 6.12 percentage points for the last two years.

The weighted average KYD rate on deposits decreased to 0.11 percent at the end of 2013 from 0.19 percent the previous year (see Figure 3.6).

Figure 3.6: Cayman Islands’ Interest Rates (% , End of Quarter)



Source: Cayman Islands Monetary Authority & ESO

4. Key Sector Developments

Cayman's financial services industry posted mixed performance while stay-over tourism expanded anew. Key construction industry leading indicators trended upwards while the total value of real estate transfers rebounded. The utilities sector comprising electricity and water had mixed results.

4.1 Financial Services

The Cayman Islands financial services sector posted mixed results with insurance licences, new partnership and new company registrations showing improvement in their business volume indicators.

Banks & trusts. In 2013, the Cayman Islands remained as one of the top international financial centres in the world, ranking sixth internationally based on value of cross-border assets and fifth based on cross-border liabilities. However, registration of banks and trust licences continued on a downward trajectory. The former declined anew, and is now down by 30.8 percent since 2005, from 308 to 213 by 2013. This resulted as banks continued their cost-saving and consolidation measures.

Table 4.1: Bank & Trust Companies, 2010-2013

	2010	2011	2012	2013	2012-2013 % Change
Banks and Trust Licences	246	234	222	213	-4.1
<i>Of which:</i> Class 'A'	17	15	15	15	0.0
Class 'B'	228	219	207	198	-4.3
Class 'B' Restricted	1				
Trust companies	127	123	118	118	0.0
Trust Companies (unrestricted)	51	54	52	51	-1.9
Trust companies (Restricted)	76	69	66	67	1.5
International Position	US\$ Billions				
Assets	1,782.7	1,569.8	1,442.2	1,403.9	-2.7
Liabilities	1,853.4	1,631.7	1,489.6	1,451.7	-2.5

Source: Cayman Islands Monetary Authority

In 2013, Class A licences remained constant at 15 while Class B licences were reduced by 9 to total 198. As shown in Table 4.2, most of the reduction in bank

listings in 2013 is traced to US and European banks resulting in the decline of these regions' combined share from 50.4 percent a year ago to 47.4 percent.

Table 4.2: Number of Banks by Region, 2010- 2013

	2010	2011	2012	2013
	Number of Banks			
Europe	72	66	62	56
USA	67	56	50	45
Caribbean & Central America	19	19	19	22
Asia & Australia	25	23	24	24
Canada & Mexico	14	18	19	18
South America	41	43	39	39
Middle East & Africa	8	9	9	9
	246	234	222	213
	Percentage distribution			
Europe	29.3	28.2	27.9	26.3
USA	27.2	23.9	22.5	21.1
Caribbean & Central America	7.7	8.1	8.6	10.3
Asia & Australia	10.2	9.8	10.8	11.3
Canada & Mexico	5.7	7.7	8.6	8.5
South America	16.7	18.4	17.6	18.3
Middle East & Africa	3.3	3.8	4.1	4.2
	100.0	100.0	100.0	100.0

Source: Cayman Islands Monetary Authority

The sector's total international assets stood at US\$1,403.9 billion in 2013, lower by 2.7 percent while total international liabilities declined by 2.5 percent to US\$1,451.7 billion.

Insurance. The insurance industry comprised of 788 companies of which there were 27 Class A (domestic) insurers and 761 Class B (international) captives as at December 2013. Total insurance licenses grew by 2.6 percent to 788 as Class 'B' licences increased while Class 'A' licences remained constant at 27 (see Table 4.3).

Class A (domestic) insurers. The total number of domestic insurers remained constant at 27 for the last three years. Based on unaudited consolidated financial statements, gross premium of domestic insurance licensees in 2013 was 10.9 percent higher from a year ago, settling at \$445.0 million. Health insurance had the largest share of gross premiums (40.8%), followed by property insurance (25.8%) and motor insurance (5.3%).

Ceded premiums⁶ amounted to \$120.4 million; as a share of gross premium, this decreased slightly from 32.6 percent a year ago to 27.0 percent. Property insurance had the highest percentage (66.1%) of ceded premiums.

Net claims increased by 2.5 percent to \$132.3 million as the vast majority of payments (83.2%) were health related claims.

Total net income of the industry was \$126.5 million, 16.5 percent higher than a year ago.

Class B, C and D or Captives (International) Insurers. A total of 20 new captive licenses were issued during the year which represented an increase of 2.7 percent to total 761. B licenses consisted of over 406 pure captives, 148 segregated portfolio companies (SPC) and 126 group captives⁷. Added to these were Class C or special purpose vehicles (SPVs) (40) and Class 'D' or reinsurance companies (2). During the year, segregated portfolio company expanded by 11.3 percent to 148 while other captives declined by 6.0 percent.

Table 4.3: Insurance Companies, 2010-2013

	2010	2011	2012	2013	% Change
Total Insurance Licences	768	766	768	788	2.6
Class 'A' Licences (Domestic)	30	27	27	27	0.0
Class 'B' Licences (Captives)	738	739	741	761	2.7
Unrestricted	680				
Restricted	58				
Financial Position of Captives	US\$ Billions				
Premiums	8.7	11.8	11.8	12.6	6.8
Net Income*	1.3	1.0	2.1	0.6	-71.4
Net Worth	13.4	14.2	15.1	13.9	-7.9
Total Assets	58.0	68.5	88.1	69.2	-21.5

Source: Cayman Islands Monetary Authority

⁶ Ceded premiums are premiums paid or payable by the insurance company to another insurer for reinsurance protection.

⁷ A segregated portfolio company is a single legal entity within which may be various segregated portfolios; the assets and liabilities of each segregated portfolio are legally separate from those of the other segregated portfolios.

Net premiums for captives grew by 6.8 percent to settle at US\$12.6 billion in 2013. Assets under management declined by 21.5 percent to US\$69.2 billion while net income dipped by 71.4 percent to total US\$0.6 billion and net worth by 7.9 percent to settle at US\$13.9 billion.

North America continued to dominate the risk location for Cayman’s captive market, comprising 90.3 percent of total companies registered. The rest originated from Caribbean and Latin America (3.2%); Europe (1.8%), Africa, Asia and Middle East (0.8%); Pacific Rim (0.3%), and the rest of the world (3.6%)(see Table 4.4).

Healthcare and workers’ compensation remained the dominant primary business of Cayman’s captive licensees, with a combined share of 56.9 percent of total captives.

Table 4.4: Captive Insurance Licences by Risk Location, 2010-2013

	2010	2011	2012	2013
	Number of Companies			
Africa, Asia & Middle East	4	4	4	6
Caribbean & Latin America	24	23	23	24
Europe	13	14	15	14
North America	668	669	671	687
Pacific Rim	2	2	2	2
Other	27	27	26	28
	738	739	741	761

Total Captive Companies by Primary Class of Business

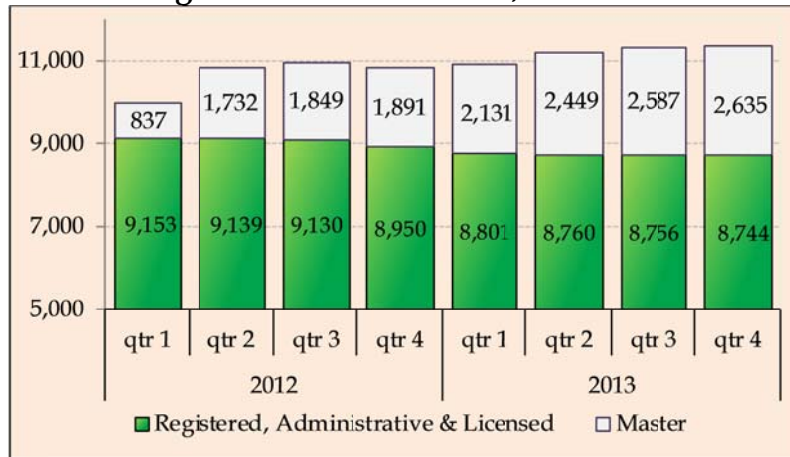
	2010	2011	2012	2013
	Number of Companies			
Healthcare	263	265	265	271
Workers' Compensation	160	161	156	162
Property	88	91	91	91
General Liability	72	71	72	76
Professional Liability	64	68	68	68
Other	91	83	89	93
	738	739	741	761

Source: Cayman Islands Monetary Authority

Mutual funds. In 2013, registered mutual funds totalled 11,379, higher by 5.0 percent from a year ago. The increase is due entirely to the new category “master fund” by virtue of the Mutual Funds (Amendment) Law (2011) enacted in

December 2011. Total registration excluding the master funds fell by 2.3 percent to 8,950.

Figure 4.1: Mutual Funds, 2012-2013



Source: Cayman Islands Monetary Authority

During the review period, new registrations totalled 1,808 while 1,320 were terminated. Among the key reasons for termination is liquidation/wound-up which accounted for 80 percent; exemption under the Mutual Funds Law; technical non-compliance with the mutual fund law; and non-existence of business after the granting of licence.

Stock exchange. In 2013, the Cayman Islands Stock Exchange (CSX) listings declined by 41 to settle at 1,116 as compared to the listing of the previous year. The decline is traced to mutual fund listings (down by 23) and specialist debt (down by 13).

Table 4.5: Stock Listings, 2011-2013.

Instruments	2011	2012	2013
Total	1,156	1,157	1,116
Mutual Funds	347	343	320
Specialist Debt	702	600	587
Insurance Linked Security		91	82
Sovereign Debt Securities	101	117	121
Primary Equity	4	4	4
Secondary Equity	2	2	2

Source: Cayman Islands Stock Exchange

Despite the decline in the number of listings, the total market capitalization increased by 3.7 percent to reach US\$172.6 billion, propelled by growth in specialist debt⁸ and sovereign debt securities⁹ (see Table 4.6).

Table 4.6: Market Capitalization (US\$ billions), 2011-2013¹⁰

Instruments	2011	2012	2013
Total	143.8	166.5	172.6
Mutual Funds	23.0	14.5	11.3
Specialist Debt	80.4	74.0	78.0
Insurance Linked Security		9.8	11.5
Sovereign Debt Securities	36.9	64.7	68.6
Primary Equity	2.8	2.7	2.3
Secondary Equity	0.7	0.8	0.9

Source: Cayman Islands Stock Exchange

Companies registry. In 2013, the number of registered companies increased by 2.0 percent to 95,530. This performance resulted as a greater number of new company registrations outweighed the number of terminated companies. The number of new registrations increased by 5.1 percent to total 9,433 (see Table 4.7). Exempt companies grew by 5.5 percent and remained the largest proportion of total companies. Foreign companies increased by 26.1 percent while resident and non-resident companies decreased by 15.0 percent and 30.4 percent, respectively.

The number of terminated companies stood at 6,473, the lowest number of terminations for the last three years. Of these terminations, 49.6 percent were removed by the Registrar which originated mainly from the exempt category, 42.5 percent were voluntarily dissolutions mainly from the exempt category and 3.2 percent were voluntary cessation of foreign companies. Meanwhile, 118 resident companies were also removed from the registry.

⁸ Specialist Debt Securities include debentures, debenture stock, loan stock, bonds, certificates of deposit and any other instrument creating or acknowledging indebtedness.

⁹ A debt security issued by a national government within a given country and denominated in a foreign currency.

¹⁰ The figures for mutual funds and domestic equity refer to market capitalization. Figures for specialist debt, Eurobond and secondary equity is based on par values.

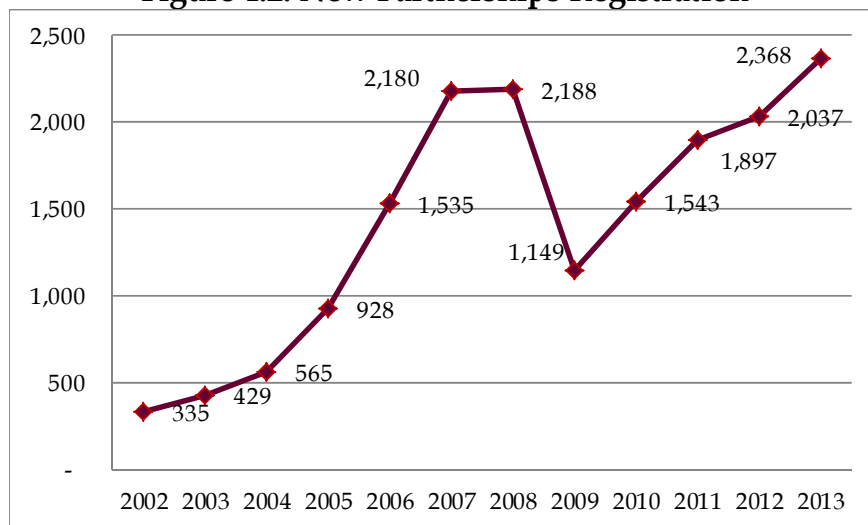
Table 4.7: Company Registrations, 2010-2013

	2010	2011	2012	2012-2013	
				2013	% Change
Total Company Registrations	91,206	92,964	93,612	95,530	2.0
Exempt	72,994	74,782	75,754	78,070	3.1
Non-Resident	9,651	9,060	8,206	7,200	-12.3
Resident	5,829	6,193	6,476	6,755	4.3
Foreign	2,732	2,929	3,176	3,505	10.4
New Company Registrations	8,157	9,064	8,971	9,433	5.1
Exempt	7,104	7,980	7,940	8,380	5.5
Non-Resident	230	156	69	48	-30.4
Resident	432	485	506	430	-15.0
Foreign	391	443	456	575	26.1

Source: Cayman Islands General Registry

Partnerships registry. Registration of new partnerships continued its upward trend which started in 2010, reaching 2,368 in 2013, higher than the peak pre-crisis level. It is also greater by 16.2 percent when compared to 2012. The total number of active partnerships amounted to 14,396 as at the end of December 2013, representing a growth of 10.8 percent over a year ago as higher number of new registrations outweighed the 698 partnerships dissolved during the period.

Figure 4.2: New Partnerships Registration

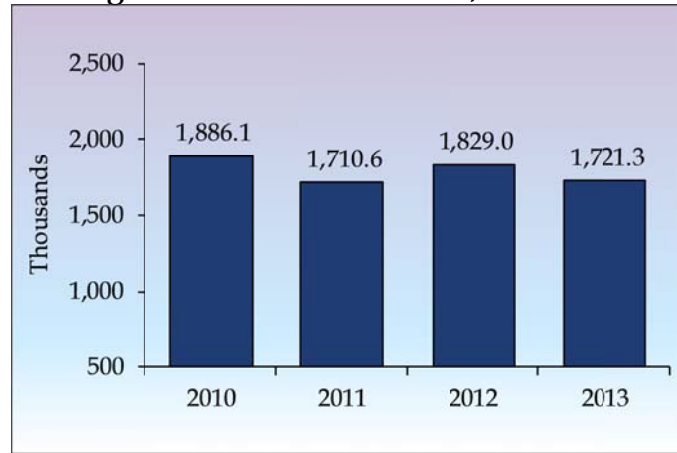


Source: Cayman Islands General Registry

4.2 Tourism

In 2013, total visitor arrivals to the Cayman Islands declined by 5.9 percent to settle at 1,721.3 thousand at year-end. Although the stay-over segment continued its robust growth with a 7.4 percent increase, the cruise segment had another year of downswing with an 8.7 percent decline.

Figure 4.3: Tourist Arrivals, 2010-2013



Sources: Immigration Department (stay-over arrivals), Ports Authority (cruise arrivals) and Department of Tourism

Stay-over market. Stay-over arrivals in the Cayman Islands grew for the fourth consecutive year since 2009. At year-end 2013, a total of 345,387 persons visited the country, 7.4 percent higher than a year ago. This growth performance was higher than the global (5.0%) and regional (1.8%) growth.

Table 4.8: Stay-over Arrivals by Country of Origin, 2010-2013

	2010	2011	2012	2013	Absolute Change	% Change
In Thousands						
USA	228.5	242.9	253.2	265.4	12.2	4.8
Northeast	83.8	85.7	85.4	92.9	7.5	8.8
Midwest	49.2	52.6	57.2	58.8	1.6	2.8
Southeast	42.1	45.7	45.9	46.4	0.5	1.1
Southwest	38.3	42.1	46.9	49.3	2.4	5.1
West Coast	15.1	16.8	17.8	18.0	0.2	1.0
Europe	19.9	21.1	21.4	27.8	6.4	30.0
Canada	19.5	24.6	24.1	23.6	(0.5)	(1.9)
Other	20.5	20.4	23.0	28.5	5.5	23.9
Total	288.4	309.0	321.7	345.4	23.7	7.4
% Share of USA	79.2	78.6	78.7	76.9		

Sources: Immigration Department and Department of Tourism

The growth in stay-over arrivals is traced to the sharp increase in arrivals from Europe (30%) which includes arrivals of Spanish passport-holders from Cuba. With the improved condition of the US economy, all its regions registered higher arrivals for the Cayman Islands. The Canadian market continued to soften, posting the only decline in 2013 (see Table 4.8).

The performance from the US Northeast region was boosted by greater airlift as a new direct Cayman/New York and Boston service route was started in November of 2012 following an agreement with JetBlue Airways.

Additionally, the hosting of sporting events during the period aided in the growth of air arrivals. Cayman hosted the CONCACAF Under-15 football competition and the Caribbean Equestrian Association Junior Jumping Competition.

On the supply side, three local hotels (i.e. Sunshine Suites, The Westin Grand Cayman Seven Mile Beach and Spa and the Grand Cayman Marriott Beach Resort) were presented Awards of Excellence from the widely recognized online travel agency, Travelocity. This annual award acknowledges the best hotels, based on performance determined by sales and bookings, as well as customer experience.

The 117-room Grand Caymanian Resort completed its rebranding in June to become the Holiday Inn following months of renovations to meet the expected standards of its franchise parent company (Inter-Continental Hotels Group). The Westin also concluded its \$9-million renovation earlier in the year, while the Grand Cayman Beach Suites received approval to expand its current structure by two stories, boosting its capacity from 53 rooms to 71. Meanwhile, the Courtyard Marriott was demolished to allow for construction of the planned 10-storey Kimpton Hotel which is scheduled to open in late 2016 with 263 rooms and 56 residences.

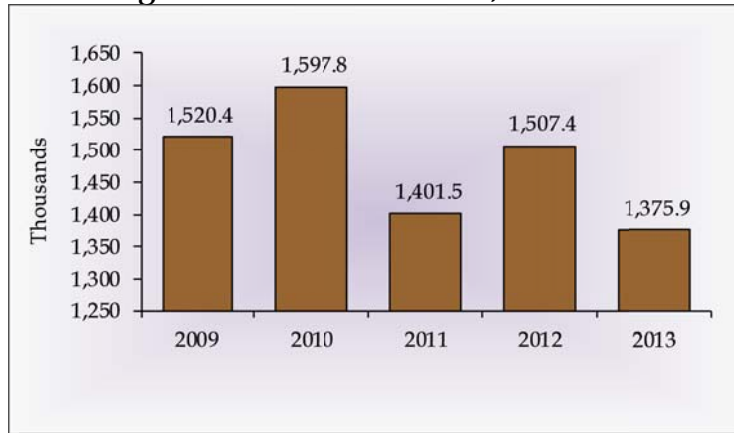
Cruise market. The recovery of cruise arrivals in 2012 was not sustained in 2013, as this plummeted by 8.7 percent to 1,375,872 (see Figure 4.5). This is the lowest number of cruise arrivals since 2001.

The major reason for the decline in the cruise arrivals is an 8.6 percent reduction in the number of local cruise ship calls to total 480 at year-end. In 2012, Carnival Cruise Line announced it was reducing ships call to the Cayman Islands while Florida-Caribbean Cruise Association (FCCA) confirmed that cruise passenger arrivals from Carnival were expected to fall in 2013 as ships by-pass Grand Cayman in favor of ports with cruise berthing facilities. (In 2013, preparatory

activities towards constructing a cruise berthing facility were hastened following stalled efforts in the past).

Cruise passengers per day averaged 3,770 persons in 2013 which was 360 visitors less than the average a year ago.

Figure 4.5: Cruise Arrivals, 2009-2013



Source: Ports Authority and Department of Tourism

4.3 Construction

Construction indicators were mixed in 2013. Large-scale projects mainly in the non-residential sector drove up the total value of building permits amidst a continued downtrend in the number of permits and project approvals.

Building permits. A leading indicator of construction intention, the value of building permits increased in 2013 - the first time in four years - by 16.0 percent (\$25.1 million) to \$181.5 million. The improved performance is attributed to the commercial, apartment, industrial and other segments.

Table 4.9: Grand Cayman Building Permits (\$Millions), 2010-2013

	2010	2011	2012	2013	% Change
Houses	93.1	87.9	103.0	86.2	(16.3)
Apartments	49.4	37.4	15.4	26.9	74.7
Commercial	45.3	39.5	15.1	44.3	193.4
Industrial	3.2	0.5	1.2	3.6	200.0
Hotel	-	-	10.0	-	(100.0)
Government	2.0	6.9	3.0	0.4	(86.7)
Other	12.6	10.9	8.7	20.1	131.0
Total	205.6	183.1	156.4	181.5	16.0

Source: Cayman Islands Planning Department

The value of permits for the non-residential sector rose by 64.8 percent to \$48.3 million, following last year's 37.5 percent contraction. In particular, the commercial and industrial segments grew respectively by 193.4 percent and 200.0 percent. The notable projects were the \$25.0-million Health City Hospital, a \$4.0-million four-storey office building and a \$4.6-million marina dock expansion. Restraint in government expenditure and the completion of the Morritt's Hotel expansion saw declines in both the government and hotel segments.

In the residential sector, permit values fell by 4.5 percent from \$118.4 million in 2012 to \$113.1 million. The apartment segment rose by 74.7 percent; however, this was offset by a 16.3 percent contraction for houses. Nonetheless, the overall decline of the sector in 2013 is an improvement over the 5.4 percent fall a year earlier and double-digit decreases of the two previous years.

Table 4.10: Grand Cayman Building Permits, 2010-2013

	2010	2011	2012	2013	% Change
Houses	390	348	347	290	(16.4)
Apartments	114	77	54	46	(14.8)
Commercial	120	112	100	116	16.0
Industrial	7	1	4	3	(25.0)
Hotel	-	-	1	0	(100.0)
Government	12	15	17	3	(82.4)
Other	347	270	214	187	(12.6)
Total	990	823	737	645	(12.5)

Source: Cayman Islands Planning Department

The volume of building permits slid further by 12.5 percent from 737 in 2012 to 645 in 2013. With the exception of the commercial segment, which recorded a 16.0 percent increase, all categories recorded double-digit contraction. This may be associated with falling demand for buildings as evidenced by declining price indices for rented and owner-occupied housing.

Project Approvals. Following progressively weak performance over the past five years, the value of project approvals significantly recovered in 2013. In year-on-year terms, project approval values soared 171.1 percent to \$463.7 million.

Table 4.11: Cayman Islands Planning Approvals (\$Millions), 2010-2013

	2010	2011	2012	2013	% Change
Houses	99.9	123.9	86.1	100.9	17.2
Apartments	36.3	27.5	17.3	48.2	178.6
Hotels	-	-	-	143.0	
Commercial	93.7	25.9	12.7	118.8	835.4
Government	12.7	15.2	12.3	5.1	(58.5)
Industrial	1.3	18.2	9.6	5.2	(45.8)
Other	86.5	41.1	33.0	42.5	28.6
Total	330.5	251.8	171.0	463.7	171.1

Source: Cayman Islands Planning Department

The non-residential sector was the main focus of construction intentions, contributing 50.0 percent (\$233.0 million) to overall approval values. Both the commercial and hotel segments rebounded strongly, which is traced respectively to the \$50.0 million Health City Hospital and \$139.0 million Kimpton Hotel. (The latter would be Grand Cayman's first major hotel project approval in ten years). In the absence of any significant project, deepening contraction was recorded for the government (-58.5%) and industrial (-45.8%) segments.

On the residential side, approval values increased by 44.1 percent to \$149.1 million in 2013, as the 17.2 percent rise in houses was supported by a 178.6 percent jump in apartment values. Significantly, this is the first annual increase in apartment values in four years.

During the review period, the number of project approvals declined by 9.0 percent to total 983 in 2013.

Table 4.12: Cayman Islands Planning Approvals, 2010-2013

	2010	2011	2012	2013	% Change
Houses	354	367	334	273	(18.3)
Apartments	75	52	38	32	(15.8)
Hotels	0	0	0	3	-
Commercial	48	38	51	53	3.9
Government	17	16	14	22	57.1
Industrial	6	10	17	14	(17.6)
Other	576	558	626	586	(6.4)
Total	1,076	1,041	1,080	983	(9.0)

Source: Cayman Islands Planning Department

Certificates of Occupancy. Reflecting the significant slowdown in construction activity of earlier years, the number of certificates of occupancy issued in 2013 fell by 19.8 percent from the previous year. All categories fell except for apartments and industrial buildings.

Table 4.13: Certificates of Occupancy Grand Cayman, 2010-2013

Sectors	2010	2011	2012	2013	% Change
Houses	308	212	245	176	(28.2)
Apartments	92	44	45	47	4.4
Hotel	0	0	0	0	-
Government	10	5	7	5	(28.6)
Commercial	93	78	70	68	(2.9)
Industrial	3	5	2	3	50.0
Other	107	47	24	16	(33.3)
Total	613	391	393	315	(19.8)

Source: Cayman Islands Planning Department

Similarly, the total value of properties granted with completion approval decreased anew in 2013 by 5.2 percent to \$118.8 million, traced largely to the sharp fall in the commercial category.

Table 4.14: Certificates of Occupancy Grand Cayman (\$Millions), 2010-2013

Sectors	2010	2011	2012	2013	% Change
Houses	67.0	57.1	53.0	52.9	(0.3)
Apartments	43.4	19.2	16.4	37.3	127.0
Hotel	0.0	0.0	0.0	0.0	0.0
Government	1.6	50.6	0.4	8.4	2006.9
Commercial	26.7	20.0	52.8	11.8	(77.7)
Industrial	1.6	0.2	1.0	1.6	57.0
Other	5.1	3.4	1.6	6.8	335.8
Total	145.4	150.5	125.3	118.8	(5.2)

Source: Cayman Islands Planning Department

4.4 Real Estate

The year 2013 saw a strong rebound in the total value of traded properties notwithstanding a decline in activity. The former grew by 34.3 percent to reach \$577.5 million, a reversal of last year's 34.6 percent contraction. The number of

transactions continued to decline, albeit at a slower rate, falling 2.5 percent to 1,766 in 2013 as compared to the 3.9 percent fall a year ago.

Table 4.15: Property Transfers, 2010-2013

	2010	2011	2012	2013	% Change
Freehold					
number	1,619	1,708	1,696	1,569	(7.5)
value (CIS\$M)	307.2	632.1	418.1	538.8	28.9
Leasehold					
number	168	178	116	197	69.8
value (CIS\$M)	9.2	25.8	11.9	38.7	226.1
Total					
number	1,787	1,886	1,812	1,766	(2.5)
value (CIS\$M)	316.4	657.9	430.0	577.5	34.3

Source: Lands and Survey Department

Amongst property types, traded freehold property value rose 28.9 percent from \$418.1 million in 2012 to \$538.8 million. This increase is traced to a singularly large transaction - the registration of the Ritz Carlton Hotel (\$143.9 million) - along with the sale of several multi-million dollar homes earlier in the year. However, the volume of freehold transfers fell anew by 7.5 percent to 1,569, the lowest level in a decade.

Meanwhile, leasehold properties which are primarily commercial saw renewed activity in 2013. The number of properties traded increased 68.9 percent from 116 to 197 in 2013. Correspondingly, the value of traded leaseholds, plausibly reflecting an improved business expectation, surged by 226.1 percent from \$11.9 million to \$38.7 million.

4.5 Utilities and Telecommunications

Utilities. Both production and consumption indicators for the utilities sector trended in opposite directions in 2013. Water services fell while electricity recovered. Water consumption dipped in 2013 by 2.9 percent which dampened local water production by 6.1 percent (see Table 4.16).

Table 4.16: Utilities Production/Consumption, 2010-2013

	2010	2011	2012	2013	% Change
Millions of US Gallons					
Water Production	1,970.9	1,977.6	2,012.5	1,888.9	(6.1)
Water Consumption	1,704.5	1,697.8	1,679.8	1,630.9	(2.9)
'000 of megawatt hrs					
Electricity Production (Net)	593.5	594.0	587.1	595.6	1.4
Electricity Consumption	553.8	554.0	547.8	555.7	1.4
Residential	262.5	258.8	254.4	261.0	2.6
Commercial	285.0	289.0	287.1	288.1	0.4
Public	6.2	6.2	6.3	6.6	4.2
Total Customers	26,151	26,636	27,035	27,364	1.2
Residential	22,311	22,731	23,075	23,358	1.2
Commercial	3,840	3,905	3,960	4,006	1.2

Source: Cayman Islands Water Authority, Cayman Water Company, Caribbean Utilities Company

After three consecutive years of decline and despite a 1.4 percent overall inflation in electricity prices, electricity consumption recovered across residential, commercial and public users. The increase in demand for both the residential and commercial categories can be partly attributed to the increase in customers for both categories by 1.2 percent. As reported by the Caribbean Utilities Company (CUC), "electricity sales revenue for the year ended December 31, 2013 were primarily higher due to growth in customers and warmer weather conditions that affected customer air conditioning use."

Telecommunications. During the year, the number of telephone lines decreased by 1.1 percent which correlated with a decline in paid telecommunication minutes particularly for international calls. The possible reasons include the slowdown in some financial service activities as well the rise of internet-based and wireless substitutes. The latter is the only segment that registered sustained growth in recent years; in 2013, this grew by 5.2 percent.

Table 4.17: Telecommunication Sector Indicators, 2011-2013

	2011	2012	2013	% Change
Fixed and mobile handsets in operation	134,006	136,226	134,753	(1.1)
Total fixed & mobile domestic & int'l minutes ('000)	411,001	316,468	267,959	(15.3)
Fixed and mobile domestic minutes ('000)	231,692	208,642	190,711	(8.6)
Fixed and mobile int'l retail minutes ('000)	179,309	107,826	77,248	(28.4)
Broadband connections	18,816	19,325	20,335	5.2

Source: Information Communication and Technology Authority (ICTA)

Both local telecommunications providers, Digicel and LIME, announced immediate plans later in the year to drastically reduce roaming rates for customers. While LIME offered these savings for roaming in the U.S. alone, Digicel also included coverage across the Caribbean and Central America (excluding Guyana). Additionally, both companies launched their 4G Long Term Evolution (LTE) network in November which allows faster mobile data speeds beyond that of the 4G network introduced two years earlier. This new feature allows for quicker and higher quality streaming, sharing or multi-tasking on mobile devices. Meanwhile, Logic (a voice and data provider) expanded its fiber-optic network to boost internet speed, as well as launched new services including LogicTV. The company plans to invest \$54 million in new fiber installations during the next five years.

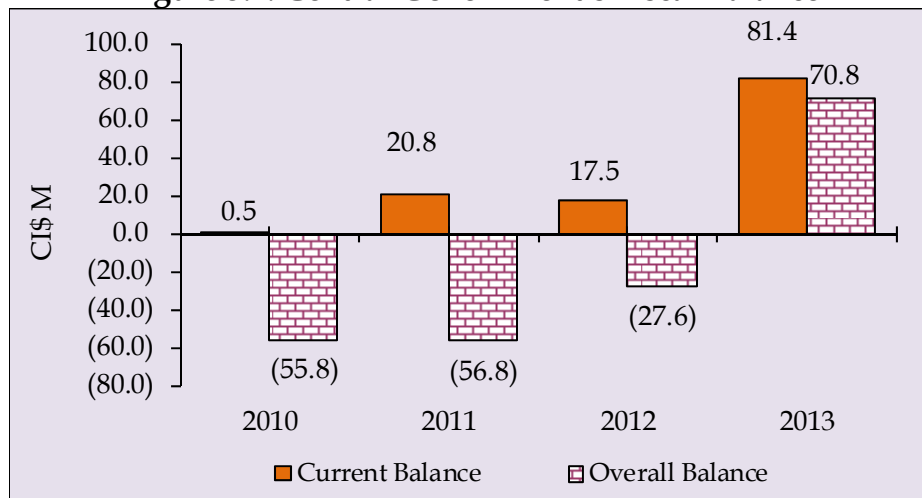
5. Fiscal Operations of the Central Government

The central government’s overall fiscal balance turned from a deficit in 2012 to a surplus in 2013 as revenue collection improved while overall expenditure declined. The improvement in fiscal position led to a decline in the central government’s outstanding debt.

5.1 Overview

The central government recorded an overall fiscal surplus amounting to \$70.8 million in 2013 as compared to a deficit of \$27.6 million in 2012 (see Figure 5.1). This resulted from an increase in total revenue by 12.5 percent to \$635.1 million, while total expenditure declined by 4.7 percent to settle at \$564.3 million (see Table 5.1).

Figure 5.1: Central Government’s Fiscal Balance



Source: Cayman Islands Treasury Department and ESO

The improvement in total revenue which outweighed an increase in current expenditure yielded a current surplus¹¹ of \$81.4 million which is significantly higher than the \$17.5 million achieved a year ago.

During the period, the increase in revenue emanated from a higher coercive revenue collection which remains dominated by domestic taxes on goods and services. Total expenditure decreased due to a reduction in capital spending while recurrent expenditure rose.

¹¹ Current surplus (deficit) is total revenue (coercive revenue plus non-coercive revenue) less current expenditure. In some years, there were other expenses (extraordinary expenses and other executive expenses) which were also added to current expenditure.

Table 5.1: Summary of Fiscal Operations, 2010-2013

	2010	2011	2012	2013	% Change 2012/13
Millions of Cayman Islands Dollars					
Total Revenue	517.7	545.9	564.6	635.1	12.5
Total Expenditure	573.5	602.7	592.2	564.3	(4.7)
Current Expenditure	517.2	525.1	547.1	553.7	1.2
<i>of which :</i>					
Other Executive Expenses	3.2	3.3	7.1	4.0	(43.7)
Net Capital Expenditure & Net Lending	56.3	77.6	45.1	10.6	(76.5)
Current Balance	0.5	20.8	17.5	81.4	365.1
Overall Balance	(55.8)	(56.8)	(27.6)	70.8	(356.5)
Financing	55.8	56.8	27.6	(70.8)	(356.5)
Net Borrowing	80.7	20.3	(25.9)	(16.5)	(36.4)
Change in Cash	24.9	(36.5)	(53.5)	54.3	(201.4)

Source: Cayman Islands Treasury Department

5.2 Revenue

In 2013, central government revenue grew by 12.5 percent to reach \$635.1 million. This growth was higher than nominal GDP growth resulting to an improvement in the revenue-to-GDP ratio from 21.9 percent in 2012 to 23.8 percent in 2013.

Total revenue comprises both coercive (92.1%) and non-coercive (7.9%) revenue. As displayed in Table 5.2, coercive revenue which totalled \$584.7 million rose by \$79.8 million, or 15.8 percent compared to the preceding year (see Table 5.2). However, non-coercive revenue declined by 15.6 percent to total \$50.4 million

Table 5.2: Revenue Collection of Central Government

Revenue Sources	2010	2011	2012	2013	% Change 2012/13
Millions of Cayman Islands Dollars					
Total Revenue	517.7	545.9	564.6	635.1	12.5
Coercive Revenue	460.8	489.3	504.9	584.7	15.8
Taxes on Int'l Trade & Transactic	158.5	162.2	167.2	173.3	3.6
Domestic Taxes on Goods & Serv	279.4	289.5	296.6	377.3	27.2
Taxes on Property	21.3	36.4	36.7	31.3	(14.7)
Fines	1.6	1.2	1.3	1.6	23.1
Other Taxes	0.0	0.0	3.1	1.2	(61.3)
Non-coercive Revenue	56.9	56.6	59.7	50.4	(15.6)
Sale of Goods & Services	56.2	55.8	55.0	48.9	(11.1)
Investment Revenue	0.1	0.6	0.3	1.1	266.7
Other Operating Revenue	0.6	0.2	4.4	0.4	(90.9)

Source: Cayman Islands Treasury Department

Coercive revenue from international trade and transactions. In 2013, taxes on international trade and transactions rose by 3.6 percent to reach \$173.3 million.

Table 5.3: Revenue from Import Duties

	2010	2011	2012	2013	Absolute Change	% Change 2012/13
	Millions of Cayman Islands Dollars					
Import Duties	143.9	149.1	153.0	158.2	5.2	3.4
Gasoline/Diesel	29.0	35.5	34.0	35.1	1.1	3.1
Alcoholic Beverages	16.8	16.6	16.6	17.1	0.5	3.3
Motor Vehicles	8.3	8.7	10.8	10.3	(0.5)	(4.3)
Tobacco Products	4.7	4.7	5.4	7.0	1.6	28.8
Other Import Duties	85.1	83.6	86.2	88.7	2.5	2.9
Cruise Ship Departure Charges	9.6	8.4	9.1	8.3	(0.8)	(9.3)
Environmental Protection Fund Fees	5.0	4.7	5.1	5.2	0.1	2.0
Departure Tax				1.7	1.7	
Taxes on International Trade	158.5	162.2	167.2	173.3	6.1	3.6

Source: Cayman Islands Treasury Department

The increased revenue from international trade and transactions is traced mainly to higher receipts from tobacco products, departure tax, fuel imports, alcoholic beverages and other import duties. Tobacco revenue increased by 28.8 percent to \$7.0 million as the rate of duty increased effective September 2012. Similarly, a new airport departure tax was introduced during the period which yielded \$1.7 million to the consolidated fund. The increase from alcoholic beverages can be associated with an increase in duty by thirty (30) cents per liter. Higher revenue intake from fuel imports was likely obtained by the higher importation for fuel.

A decline in the number of cruise visitors led to lower revenue from cruise ship departure charges.

Other import duties increased by 2.9 percent to \$88.7 million on account of increases in several non-oil imports categories.

Receipts from international trade and transactions as a share of coercive revenue declined in 2013 to 29.6 percent, lower than the 33.1 percent for the last two years. In recent years, a higher reliance was being placed on revenue generated from domestic goods and services which experienced rate increases over the last few years.

Coercive revenue from domestic taxes on goods and services. Revenue from domestic taxes yielded \$377.3 million in 2013, which was \$80.7 million higher

than the collections of a year ago. Increases were recorded across the main categories except for traders' licences as depicted in Table 5.4.

Table 5.4: Domestic Taxes on Goods and Services

	2010	2011	2012	2013	% Change 2012/13
Millions of Cayman Islands Dollars					
Domestic Taxes					
Various financial service licenses	143.0	149.5	152.3	215.0	41.2
ICTA licences & royalties	7.9	6.9	8.4	9.0	7.1
Work permit fees and residency fees	56.7	58.5	65.0	71.6	10.2
Other stamp duties	8.1	7.1	7.4	8.3	12.2
Traders' licenses	3.6	5.9	6.1	6.0	(1.6)
Other domestic taxes	57.8	61.6	57.4	67.4	17.4
Domestic Taxes on Good & Services	279.4	289.5	296.6	377.3	27.2

Source: Cayman Islands Treasury Department

Of the total increase in domestic taxes in 2013 amounting to \$80.7 million, 77.7 percent (or \$62.7 million) were from financial services. The largest share of financial services fees arose mainly from company fees, partnership fees, bank and trust licences and mutual fund administration fees. Collections from company fees went up by \$20.1 million to total \$85.2 million, as a result of new fees implemented during the financial year, augmented by an additional 462 new companies registered. Revenue from new partnership fees increased by \$15.6 million to total \$26.5 million due to a 16.2 percent increase in new partnership registrations. Higher revenue from bank and trust licences by \$12.5 million came as a result of revenue measures implemented within the financial year 2012/13. Collections from mutual funds fees increased by \$10.2 million as a new category 'Master Funds' was added to the mutual funds law with associated new fees (see Section 4.1).

Despite a slight decline in the volume of work permits, fees from this source and related residency fees rose by 10.2 percent to total \$71.6 million, aided by better collection procedures. Revenue yields from traders' licences declined by 1.6 percent to settle at \$6.0 million during the period.

Collections from Information and Communication Technology Authority (ICTA) licences improved by 7.1 percent to reach \$9.0 million while other stamp duties also rose by 12.2 percent to \$8.3 million.

Other domestic taxes comprising of a host of different fees increased by 17.4 percent (or \$10.0 million) to settle at \$67.4 million, of which tourist

accommodation charges had a strong performance (up by \$3.6 million) on the heels of strong growth in stay-over tourism for 2013. Additionally, revenues from local company and corporate management fees, and tax and trust undertakings increased by \$1.7 million and \$0.62 million, respectively.

Other coercive revenue. As depicted in Table 5.2, revenue from taxes on property fell in 2013 by 14.7 percent to \$31.3 million following the strong performance for the years 2011 and 2012 which resulted from unusual sales of high valued properties along the Seven Mile road during those years.

Non-coercive revenue. Revenue from this source turned in a total of \$50.4 million, 15.6 percent lower than a year ago. Sales of goods and services generated \$48.9 million, lower by \$6.1 million compared to the preceding year; however, most of this resulted from a reclassification of non-coercive revenue to coercive revenue. Other operating revenue reverted to its normal level in 2013 following a higher-than-normal inflow in 2012 generated from the land-swap deal on the ForCayman Alliance public-private partnership.

5.3 Expenditure

Total expenditure amounted to \$564.3 million, 4.7 percent lower than the previous year's level (see Table 5.1). As a proportion of GDP, total expenditure also decreased from 23.0 percent in 2012 to 21.2 percent in 2013. The decrease in expenditure was due to a 76.5 percent reduction in net capital expenditure and net lending, which outweighed a 1.2 percent increase in current expenditure.

Current expenditure. In 2013, total current expenditure increased by 1.2 percent to \$553.7 million due to increases in most expense types except supplies and consumables, interest payments and other executive expenses.

Table 5.5: Current Expenditure of the Central Government

	2010	2011	2012	2013	% Change 2012/13
	Millions of Cayman Islands Dollars				
Current Expenditure	517.2	525.1	547.1	553.7	1.2
Personnel Costs	224.8	216.4	226.5	235.7	4.1
Supplies & Consumables	86.4	89.2	94.1	86.8	(7.8)
Subsidies	125.2	131.6	131.7	137.0	4.0
Transfer Payments	29.7	31.0	30.5	32.3	5.9
Depreciation	20.0	20.7	23.4	26.1	11.5
Interest Payments	27.9	32.9	33.8	31.8	(5.9)
Other Executive Expenses	3.2	3.3	7.1	4.0	(43.7)

Source: Cayman Islands Treasury Department

Personnel costs rose by 4.1 percent to \$235.7 million (see Table 5.5) which can be attributed to an increase of \$14.1 million for past service pensions coupled with higher health care cost of \$1.0 million. Payment for wages and salaries declined by \$5.6 million to \$176.0 million which was in part caused by a decline in the number of civil servants by 55 persons (or 1.5%) to total 3,579.

Subsidies increased to \$137.0 million, of which the vast majority are subventions to public entities. The largest share went to Health Service Authority (\$30.1 million), Cayman Islands National Insurance Company (\$27.2 million) and Cayman Airways Limited (\$19.0 million). Outlays to non-government suppliers included payments for tertiary care at various overseas institutions amounting to \$16.2 million.

Transfer payments which are social benefits to protect a target segment of the population against certain social risks increased by 5.9 percent to reach \$32.3 million. During the period, depreciation increased by 11.5 percent to \$26.1 million.

Funds spent on supplies and consumables decreased by 7.8 percent to total \$86.8 million during the period while interest payments went down by 5.9 percent to \$31.8 million in view of lower debt stock.

Other executive expenses. Other executive expenses comprise expenditures mainly for social intervention projects and other government measures which are not categorised as transfer payments or subsidies to public authorities. In 2013, this declined by \$3.1 million as it reverted to “normal level of expenditures” of \$4.0 million. Some of the major expense includes payments to Caribbean Catastrophic Risk Insurance Facility (\$0.6 million), Constituency Office Allowance (\$0.7 million), Judicial Expenses (\$0.8 million), and Court of Appeals expenses (\$0.5 million). (In 2012, there were compensation claims paid amounting to \$2.1 million).

Capital expenditure and net lending. In 2013, total spending on capital expenditure and net lending reached \$36.7 million (or 1.4% of GDP) which was 46.4 percent lower than the preceding year. After adjusting downwards for depreciation, net capital expenditure and net lending declined by 76.5 percent to \$10.6 million.

Table 5.6: Capital Expenditure and Net Lending of Central Government

	2010	2011	2012	2013	% Change 2012/13
	Millions of Cayman Islands Dollars				
Gross Capital Expenditure and Net Lending	76.3	98.3	68.5	36.7	(46.4)
Capital Acquisition (now Equity Investments)	28.1	62.2	37.6	9.5	(74.7)
Equity Injections and Working Capital support to Public Entities	14.9	20.0	20.8	19.2	(7.7)
Capital Development (now Executive Assets)	37.7	16.0	8.4	8.1	(3.6)
Net Lending	(4.4)	0.1	1.7	(0.1)	(105.9)
Net Capital Expenditure and Net Lending	56.3	77.6	45.1	10.6	(76.5)
Depreciation	20.0	20.7	23.4	26.1	11.5

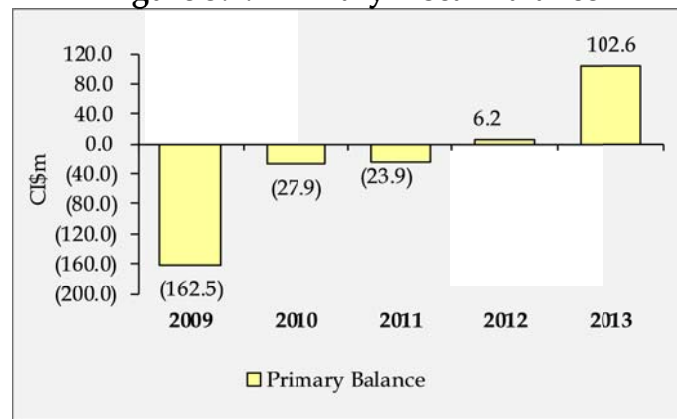
Source: Cayman Islands Treasury Department

The reductions are consistent with the fiscal policy stance set in the Framework of Fiscal Responsibility (FFR) to reduce government expenditures. Equity investment declined by 74.7 percent to \$9.5 million while expenditures on executive assets amounted to \$8.1 million, down by 3.6 percent compared to a year ago. Equity injections and working capital support to public entities declined by 7.7 percent to \$19.2 million; these included \$9.6 million for Turtle Farm and \$4.3 million for Cayman Airways.

5.4 Primary Balance

The primary balance is the overall fiscal balance excluding interest payments and is a standard indicator of the central government’s capacity to service debt obligations. In 2013, the primary balance improved from a small surplus of \$6.2 million or 0.2 percent of GDP in 2012 to a healthy surplus of \$102.6 million or 3.8 percent of GDP following the reduction in interest payments and the sharp increase in the overall fiscal balance as previously discussed.

Figure 5.2: Primary Fiscal Balance



Source: Cayman Islands Treasury Department and ESO

5.5 Net Financing and Debt Service Indicators

The overall surplus of \$70.8 million resulted in an increase in net cash of \$54.3 million after loan repayments and disbursements (see Table 5.7). Debt payments totalled \$26.5 million while disbursement amounted to \$10.0 million. The latter are proceeds of short-term deposits of public authorities held by the central government.

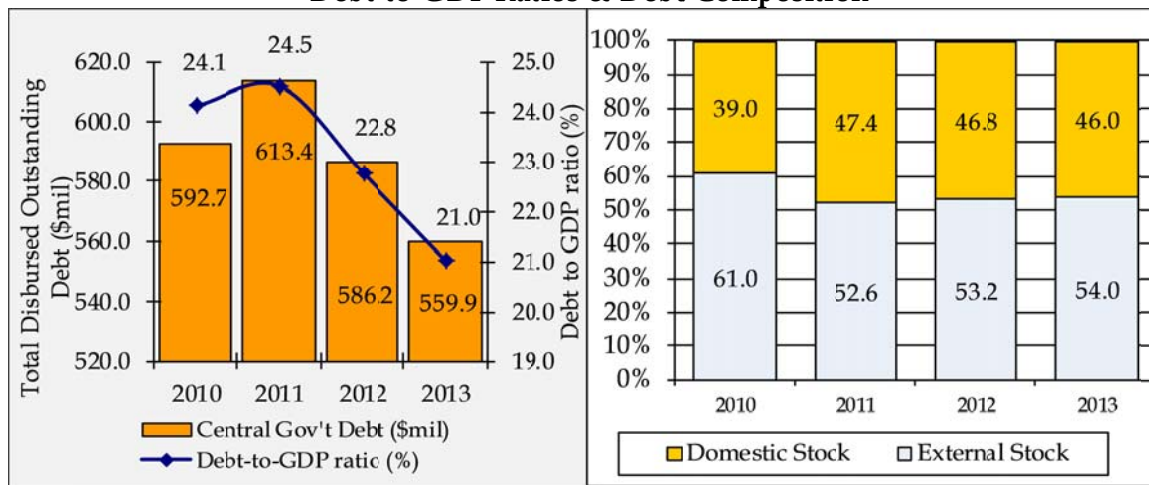
Table 5.7: Financing of Central Government

	2010	2011	2012	2013	% Change 2012/13
Millions of Cayman Islands Dollars					
Financing	55.8	56.8	27.6	(70.8)	(356.5)
Net Borrowing	80.7	20.3	(25.9)	(16.5)	(36.4)
Disbursements	106.7	154.2	0.0	10.0	
Loan Repayment	(25.9)	(133.9)	(25.9)	(26.5)	2.2
Change in Cash	25.0	(36.5)	(53.5)	54.3	(201.4)

Source: Cayman Islands Treasury Department

The loan repayment in 2013 resulted in a reduction in the central government’s outstanding debt to \$559.9 million as at the end of December 2013 (see Figure 5.3) from \$586.2 million as at end 2012, or a reduction of \$26.3 million.¹² This placed the debt-to-GDP ratio at 21.0 percent, lower than the 22.8 percent as at December 2012. In 2013, the outstanding debt comprised 54.0 percent from external sources and 46.0 percent from domestic sources.

Figure 5.3: Central Government’s Outstanding Debt, Debt-to-GDP Ratios & Debt Composition



Source: Cayman Islands Treasury Department, ESO

¹² Central government’s outstanding debt comprises debt managed directly by the Treasury Department and excludes government-guaranteed debt and other contingent liabilities.

The central government's debt service-to-current revenue ratio fell to 9.2 percent in 2013, consistent with the current fiscal policy based on the Framework of Fiscal Agreement (FFR) that seeks a reduction in the central government debt stock (see Table 5.8). (This is a significant improvement compared to 2011 when a high ratio (30.6%) resulted from a bridge or short-term loan facility that was borrowed and repaid during the course of the year). Similarly, interest payments-to-current revenue ratio declined to 5.0 percent. Additionally, the debt service to GDP ratio stood at 2.2 percent as amortisation of debt continued with lower interest payments.

Table 5.8: Central Government Debt Service Indicators

Debt Service Indicators	2010	2011	2012	2013
	Percentage (%)			
Interest Payments - to - Current Revenue Ratio	5.4	6.0	6.0	5.0
Debt Service - to - GDP Ratio	2.2	6.7	2.3	2.2
Debt Service - to - Current Revenue Ratio	10.4	30.6	10.6	9.2

Source: Cayman Islands Treasury Department, Economics and Statistics Office

6. Macroeconomic Outlook for 2014

The Cayman Islands' economy in 2014 is projected to further improve, conditional on continued growth in tourism and financial services augmented with construction of public-private projects. Domestic inflation is projected to be lower due to a downward pull from housing vacancies.

6.1 Global Outlook¹³

Global economic output is forecast to grow at 3.6 percent in 2014 which is higher than the 3.0 percent recorded in 2013 (see Table 6.1). The advanced economies which are the main markets for the Cayman Islands' financial and tourism services are projected to turn in higher economic performance, growing at 2.2 percent in 2014. The US is projected strong economic growth from 1.9 percent in 2013 to 2.8 percent in 2014. The Euro area, after being suppressed by fiscal vulnerabilities particularly in the peripheral countries, is projected to emerge out of recessionary conditions with growth of 1.2 percent. Canada's economic output is also expected to improve from 2.0 percent in 2013 to 2.3 percent in 2014. The UK's forecast growth for 2014 is 2.9 percent, stronger than the 1.8 percent in 2013.

Table 6.1: Macroeconomic Indicators 2010-2015

	2010	2011	2012	2013	Projections	
					2014	2015
Real GDP growth (%)						
Cayman Islands	(2.9)	0.9	1.4	1.2	1.9	2.0
United States	2.4	1.8	2.8	1.9	2.8	3.0
World	5.2	4.0	3.2	3.0	3.6	3.9
Consumer Prices Inflation (CPI) (%)						
Cayman Islands	0.3	1.3	1.2	2.2	1.8	2.2
United States	(0.3)	3.1	2.1	1.5	1.4	1.6
Advanced economies	1.5	2.7	2.0	1.4	1.5	1.6
Unemployment Rate (%)						
Cayman Islands	6.2	6.3	6.2	6.3	6.1	5.8
United States	9.6	9.0	8.1	7.4	6.4	6.2
Advanced economies	8.3	7.9	8.0	7.9	7.5	7.3

Sources: International Monetary Fund (April 2014) for data on the US, World and Advanced Economies, and Economics and Statistics Office for Cayman Islands data.

¹³ This global outlook is based on information culled from the International Monetary Fund (April 2014) and other international organizations.

Average oil prices are projected to increase by 0.1 percent while non-fuel commodity prices by 3.5 percent in 2014. Average inflation rates for the U.S. and the advanced economies are expected to be lower at 1.4 percent and 1.5 percent, respectively compared to 2013.

6.2 Domestic Growth

In 2014, economic output in the Cayman Islands is projected to expand by 1.9 percent mainly on the back of private investment projects (see Tables 6.1 and 6.2). The latter includes a new accommodation facility which is foreseen to push the growth in the construction sector. Other sectors, with the exception of government services, are projected to benefit and show improvement in economic activity in 2014.

Tourism is projected to contribute to growth especially from stay-over arrivals, in view of global growth projections. The United Nations World Tourism Organisation (UNWTO) forecasts continued growth in 2014 of between 4 and 4.5 percent in international tourism in 2014 as well as 3 to 4 percent for the Americas. In line with these projections, particularly for the Americas, stay-over tourism activity in the Cayman Islands is expected to be robust. This outlook is supported by an increase of 5.2 percent in stay-over arrivals for the first three months of 2014.

Robust demand for tourism industries is also expected to be enhanced by the opening of the Health City Hospital. This will effectively launch a new medical tourism industry for the Cayman Islands.

With improved conditions in the source markets particularly the US, cruise arrivals are expected to rebound in 2014 following a strong downturn in 2013. In the first three months of 2014, actual cruise arrivals reached 534,017, higher by 3.3 percent compared to a year ago.

Financial service sectors are expected to contribute moderate growth, generated mainly from expanding external demand for insurance services and companies registration as well as local demand for financial services. Financial services indicators for the first three months of 2014 show that new company registrations are higher by 20.3 percent although mutual funds excluding the master funds category declined by 2.6 percent.

**Table 6.2: Real GDP at 2007 prices by Sector
with Projections for 2014 (\$ million)**

	2011	2012	2013E	2014P	% Change
Millions of Cayman Islands Dollars					
Primary Sectors	26.9	27.8	27.6	28.0	1.4
Agriculture & Fishing	9.1	9.3	9.1	9.2	0.7
Mining & Quarrying	17.8	18.5	18.5	18.8	1.7
Secondary Sectors	95.8	98.4	97.7	100.9	3.3
Manufacturing	21.7	22.5	22.3	22.2	(0.4)
Construction	74.1	75.9	75.4	78.7	4.4
Services Sectors	2,297.5	2,328.2	2,359.7	2,403.5	1.9
Electricity & Water Supply	93.7	93.4	93.3	94.7	1.5
Wholesale & Retail Trade, Repairs & Installation of Machinery	202.2	205.1	200.7	211.4	5.3
Hotels & Restaurants incl. Bars	136.3	140.4	149.6	157.0	5.0
Transport, Storage & Communication	208.8	211.4	216.4	221.0	2.1
Financing & Insurance Services	1,018.4	1,033.3	1,050.7	1,067.2	1.6
Real Estate, Renting & Business Activities	598.6	608.6	616.7	629.1	2.0
Producers of Government Services	322.6	327.8	322.8	316.3	(2.0)
Other Services	76.3	78.2	79.9	80.5	0.8
Financial Services Indirectly Measured (FISIM)*	359.5	370.0	370.4	373.7	0.9
GDP constant at basic prices	2,420.2	2,454.4	2,485.0	2,532.4	1.9
Growth (%)	0.9	1.4	1.2	1.9	

E Preliminary estimates based on sector economic indicators and P for Projection

*Financial Intermediation Services Indirectly Measured (FISIM) is the difference between the interest rates charged to borrowers and the interest rates paid to lenders. It is an implicit charge to customers for the service provided by financial intermediaries.

Source: Economics & Statistics Office

6.3 Domestic Inflation

The consumer price index (CPI) is forecasted at 1.8 percent in 2014. Upward pressure is expected from higher imported inflation as international food prices are on the rise while upbeat demand for construction-related goods and services arising from higher project intentions are expected to have moderate impact on overall inflation. Downward inflationary pressures are likely to come from household rents as current level of housing vacancies may remain without a significant increase in local population size.

7. Acknowledgement

The Economics and Statistics Office gratefully acknowledges the assistance of the following local companies and agencies in generating the data sets used in this edition of the Annual Economic Report:

**Caribbean Utilities Company
Cayman Islands Customs Department
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Cayman Islands Monetary Authority
Cayman Islands Planning Department
Cayman Islands Stock Exchange
Cayman Islands Treasury Department
Cayman Islands Water Authority
Cayman Water Company
Department of Immigration
Information & Communication Technology Authority
Maritime Authority of Cayman Islands
Port Authority of the Cayman Islands**

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Table A1: Gross Domestic Product

Year	Nominal GDP (CI\$M)	Real GDP 2007 Prices (CI\$M)	Mid-Year Population (000s)	Real GDP Per Capita (\$)	Real GDP Growth (%)
1998	1,534.7	2,065.0	38.1	54,200	5.8
1999	1,663.9	2,134.9	39.0	54,740	3.4
2000	1,739.0	2,155.8	40.2	53,628	1.0
2001	1,784.0	2,167.8	41.4	52,362	0.6
2002	1,860.6	2,205.2	42.5	51,888	1.7
2003	1,929.5	2,249.3	43.6	51,590	2.0
2004	2,032.5	2,269.5	44.2	51,300	0.9
2005	2,322.7	2,416.9	48.4	49,986	6.5
2006	2,448.9	2,528.1	52.0	48,627	4.6
2007	2,637.1	2,637.1	54.1	48,744	4.3
2008	2,657.9	2,630.5	56.0	46,975	(0.2)
2009	2,528.9	2,464.8	56.5	43,619	(6.3)
2010	2,472.7	2,399.0	55.5	43,209	(2.9)
2011	2,513.7	2,420.1	55.3	43,781	0.9
2012	2,575.9	2,454.5	56.1	43,732	1.4
2013	2,665.3	2,485.0	56.2	44,240	1.2

Source: Cayman Islands Government, Economics & Statistics Office

Table A2: Consumer Price Index & Inflation

(June 2008=100)

Year	Index Year-end	Index Average	Average Inflation Rate (%)
1995	67.2	66.7	2.5
1996	69.3	68.4	2.6
1997	71.3	70.3	2.7
1998	73.0	72.4	3.0
1999	78.7	77.3	6.8
2000	79.9	79.4	2.7
2001	80.5	80.3	1.1
2002	82.9	82.3	2.4
2003	83.4	82.8	0.6
2004	92.7	86.5	4.4
2005	92.7	92.8	7.3
2006	94.2	93.5	0.8
2007	95.8	96.2	2.9
2008	99.5	100.1	4.1
2009	98.2	98.6	(1.5)
2010	98.5	98.9	0.3
2011	100.4	100.2	1.3
2012	102.5	101.4	1.2
2013	104.2	103.6	2.2

Source: Cayman Islands Government, Economics & Statistics Office

Table A3: Labour Force and Employment

Year	Labour Force	Total Employed	Total Unemployed	Unemployment Rate (%)
1995	19,820	18,845	980	4.9
1996	20,410	19,370	1,040	5.1
1997	21,620	20,725	895	4.1
1998	22,725	21,820	905	4.0
2001	27,971	25,862	2,109	7.5
2002	28,905	27,355	1,550	5.4
2003	29,905	28,827	1,079	3.6
2004	30,257	28,946	1,311	4.3
2005	36,767	35,464	1,303	3.5
2006	35,959	35,016	943	2.6
2007	37,431	36,026	1,405	3.8
2008	38,999	37,450	1,549	4.0
2009	38,269	35,958	2,311	6.0
2010	37,313	34,983	2,330	6.2
2011	37,620	35,267	2,353	6.3
2012	38,811	36,401	2,410	6.2
2013	38,483	36,070	2,413	6.3

Source: Cayman Islands Government, Economics & Statistics Office

Note:

No Labour Force Surveys were conducted in 1999 and 2000

*2004 results are derived from Spring LFS and not Fall 2004 LFS on account of hurricane Ivan in September 2004.

Table A4: Composition of the Employed Labour Force

<i>Year</i>	Total	Caymanian	Non-Caymanian
1995	18,845	10,490	8,355
1996	19,370	10,705	8,665
1997	20,725	10,390	10,335
1998	21,820	11,525	10,295
2001	25,862	12,479	13,383
2002	27,355	12,993	14,362
2003	28,827	13,973	14,854
2004	28,946	14,775	14,171
2005	35,464	18,025	17,439
2006	35,016	17,621	17,395
2007	36,026	16,520	19,506
2008	37,450	16,518	20,932
2009	35,958	16,048	19,910
2010	34,983	15,794	19,189
2011	35,267	15,969	19,298
2012	36,401	16,493	19,908
2013	36,070	17,501	18,569

Source: Cayman Islands Government, Economics & Statistics Office

Note:

No Labour Force Surveys were conducted in 1999 and 2000

*2004 results are derived from Spring LFS and not Fall 2004 LFS on account of hurricane Ivan in September 2004.

Table A5: Composition of the Unemployed Labour Force

Year	Total Unemployed	Caymanian	Non-Caymanian
1995	978	703	275
1996	1,049	692	357
1997	895	579	316
1998	907	609	298
2001	2,109	1,311	798
2002	1,550	1,058	492
2003	1,079	857	222
2004	1,311	887	424
2005	1,303	1,039	264
2006	943	682	261
2007	1,405	1,029	376
2008	1,549	1,169	380
2009	2,311	1,680	631
2010	2,330	1,713	617
2011	2,353	1,732	621
2012	2,410	1,925	485
2013	2,413	1,817	596

Source: Cayman Islands Government, Economics & Statistics Office

Note:

No Labour Force surveys were conducted by the Statistics Office in 1999 or 2000

Table A6: The Employed by Industry

Year	Agric., Fish, Manufacturing, Construction, Utilities	Wholesale, Retail, Hotel & Restaurant	Transport, Postal & Communications	Insurance, Financial & Business	Public Administration Education, Health & Social Services	Recreation, Community & Personal	Others	Total
1993	2,790	4,310	1,345	3,610	1,980	1,960	-	15,995
1994	2,995	4,715	1,205	2,920	2,425	2,570	-	16,830
1995	2,640	5,555	1,785	3,570	2,270	3,025	-	18,845
1996	3,545	5,375	1,125	3,840	2,220	3,265	-	19,370
1997	3,505	5,580	1,475	4,025	2,660	3,480	-	20,725
1998	3,660	6,175	1,450	4,230	2,475	3,830	-	21,820
2001	4,608	6,644	1,347	5,373	3,908	3,982	-	25,862
2002	4,923	6,932	1,640	5,399	4,364	4,087	10	27,355
2004	5,456	7,286	1,446	6,099	4,188	4,427	-	28,946
2006	8,258	8,011	1,477	7,648	4,801	4,821	-	35,016
2007	7,695	7,310	2,058	7,734	5,487	4,923	819	36,026
2008	7,836	9,032	1,687	8,793	5,066	4,664	370	37,499
2009	6,892	7,870	1,710	7,493	5,050	4,869	33	33,920
2010	5,437	8,114	2,213	8,568	5,607	4,945	100	34,984
2011	5,175	7,962	2,456	8,552	5,478	5,572	71	35,267
2012	5,824	8,985	2,098	8,583	5,323	5,268	319	36,401
2013	5,891	8,327	2,289	8,868	5,640	5,034	21	36,070

Source: October Labour Force Surveys, Cayman Islands Government, Economics & Statistics Office

Note:

No Labour Force surveys were conducted by the Statistics Office in 1999, 2000 and 2005

2004 and 2006 Labour Force Surveys refer to the Spring Labour Force

2010 refers to the 2010 Census

Table A7: Work Permits

Year	Total
1995	10,198
1996	9,951
1997	11,314
1998	12,885
1999	...
2000	14,284
2001	13,883
2002	15,779
2003	17,123
2004	20,508
2005	21,763
2006	22,393
2007	26,350
2008	26,516
2009	23,531
2010	20,452
2011	19,852
2012	20,789
2013	19,432

Source: 1995-1999 data from Economics and Statistics Office;
2000-2009 data from Immigration Department.

Table A8: Merchandise Trade, CI\$ Millions

Year	Imports	Exports	Trade Balance
1995	331.6	3.4	(328.2)
1996	314.9	2.2	(312.7)
1997	423.7	1.8	(421.9)
1998	447.8	1.0	(446.8)
1999	452.2	1.2	(451.0)
2000	575.7	2.0	(573.7)
2001	514.5	2.4	(512.1)
2002	496.1	3.0	(493.1)
2003	546.2	19.5	(526.7)
2004	718.9	11.9	(707.0)
2005	976.4	42.8	(933.6)
2006	868.7	13.9	(854.8)
2007	867.8	17.9	(849.9)
2008	898.7	12.4	(886.3)
2009	744.5	16.0	(728.5)
2010	690.4	11.1	(679.3)
2011	759.5	18.1	(741.4)
2012	758.5	17.0	(741.5)
2013	774.5	25.3	(749.2)

Source of basic data: Cayman Islands Customs Department and Economics & Statistics Office

Table A9: Imports by Standard International Trade Classification (CI\$ Millions)

	2006	2007	2008	2009	2010	2011	2012	2013
Total Imports	868.7	867.8	898.7	744.5	690.4	759.5	758.5	774.5
Food and Live Animals	81.7	91.8	95.1	90.8	113.2	119.0	127.4	137.9
Beverages and Tobacco	24.8	25.2	28.9	29.4	27.5	27.4	29.0	30.0
Inedible Crude Materials	12.0	9.5	12.6	9.3	8.9	9.3	8.9	9.9
Mineral Fuels, Lubricants and Related Materials	71.6	126.9	185.3	112.8	128.0	184.4	155.1	170.9
Animal and Vegetable Oils, Fats and Waxes	0.0	0.0	0.1	0.0	0.3	0.3	0.2	0.2
All Chemical & Rel. Prods N.E.C.	32.8	28.1	31.2	26.6	31.5	32.3	36.9	38.4
Manufactured Goods (classified chiefly by material)	129.3	118.1	96.1	85.8	78.5	77.4	92.8	94.5
Machinery & Transport Equipment	155.9	138.0	119.7	92.6	97.9	108.3	116.1	117.3
Misc. Manufactured Articles	274.6	273.3	268.9	226.2	134.5	131.2	131.0	120.9
Commodities and Transactions Not Classified Elsewhere	86.0	56.9	60.9	70.9	70.2	69.9	61.3	54.4

Source of basic data: Cayman Islands Customs Department and Economics & Statistics Office

Table A10: Domestic Credit from Retail Banks, CI\$ Millions

	Dec-2009	Dec-2010	Dec-2011	Dec-2012	Dec-2013
Total	2,598.1	2,729.3	2,724.3	2,691.9	2,636.8
Credit to Business	971.3	1,049.5	1,007.8	838.1	838.9
Production & Manufacturing	149.4	291.9	410.5	324.1	301.3
Agriculture, Fishing and Mining	7.0	7.1	15.8	11.9	12.7
Manufacturing	7.0	9.3	25.1	27.2	20.5
Utilities	20.6	57.0	17.6	2.6	2.4
Construction	114.9	218.5	351.9	282.4	265.7
Services	260.1	210.8	167.1	129.4	95.5
Accommodation, Food, Bar & Entertainment Services	130.5	113.4	116.3	92.6	55.0
Transportation, Storage & Communications	27.7	5.0	25.8	14.9	18.5
Education, Recreational & Other Professional Services	101.9	92.4	24.9	21.8	22.0
Trade and Commerce	519.0	454.0	383.6	343.5	410.3
Wholesale & Retail Sales Trade	79.8	67.3	78.1	58.0	71.3
Real Estate Agents, Rental and Leasing Companies	425.9	364.1	136.5	128.6	140.7
Other Business Activities (General Business Activity)	13.4	22.6	169.0	156.9	198.2
Other Financial Corporation	42.6	92.9	46.8	41.1	31.8
Credit to Households	1,626.7	1,679.3	1,716.2	1,853.7	1,797.9
Domestic Property	1,375.6	1,458.5	1,487.1	1,540.9	1,537.6
Motor Vehicles	70.2	49.8	36.8	33.0	30.6
Education and Technology	3.2	4.7	4.5	4.3	5.2
Miscellaneous*	177.7	166.3	187.8	275.5	224.5
Non-Profit Organization	0.2	0.4	0.2	0.1	0.0

*Miscellaneous include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority

Table A11: Financial Services Indicators

Year	Bank & Trust Licences	Insurance Licences	Captive Insurance Premiums (US\$B)	Mutual Funds	New Companies Registered	Stock Market Cap*. (US\$B)	Stock Listings
2003	347	671	4.9	4,808	7,254	43.94	735
2004	318	720	5.6	5,932	8,892	53.57	857
2005	301	759	6.7	7,106	10,210	75.56	1,015
2006	291	767	7.1	8,134	12,277	111.52	1,225
2007	281	793	7.5	9,413	14,232	168.33	1,748
2008	278	805	7.7	9,870	11,861	167.70	1,579
2009	266	808	7.5	9,523	7,863	162.92	1,312
2010	246	768	8.7	9,438	8,157	145.65	1,113
2011	234	766	11.8	9,258	9,064	143.84	1,156
2012	222	768	11.8	10,841**	8,971	166.50	1,157
2013	213	788	12.6	11,379**	9,433	172.53	1,116

Source: Cayman Islands Monetary Authority, Cayman Islands Stock Exchange, Cayman Islands General Registry

* Cap = Capitalization

** Includes master funds

Table A12: Banks & Trust Licences

Year	Class A Banks			Class B Banks			Total
	Bank & Trust	Bank	Total Bank & Trust	Bank & Trust	Bank	Total Bank & Trust	
2003	21	4	25	130	192	322	347
2004	19	3	22	118	178	296	318
2005	16	3	19	113	169	282	301
2006	16	3	19	112	160	272	291
2007	14	5	19	106	156	262	281
2008	13	5	18	96	164	260	278
2009	12	5	17	95	154	249	266
2010	12	5	17	87	142	229	246
2011	12	3	15	83	136	219	234
2012	12	3	15	78	129	207	222
2013	12	3	15	73	125	198	213

Source: Cayman Islands Monetary Authority

Table A13: Insurance Licences

Year	Class A (Domestic) Insurers	Class B (international) Insurers			Total Insurance Companies
	Total Class A	Captives Excluding SPCs	Captives- SPCs Only	Total Class B	
2002	27	539	61	600	627
2003	27	565	79	644	671
2004	27	604	89	693	720
2005	26	632	101	733	759
2006	27	623	117	740	767
2007	28	641	124	765	793
2008	28	652	125	777	805
2009	28	650	130	780	808
2010	30	619	119	738	768
2011	27	615	124	739	766
2012	27	608	133	741	768
2013	27	571	148	761	788

Source: Cayman Islands Monetary Authority

Table A14: Mutual Funds Domiciled in the Cayman Islands

Year	Administered Funds	Licensed Funds	Registered Funds	Master	Total
2002	641	51	3,593	-	4,285
2003	592	48	4,168	-	4,808
2004	616	67	5,249	-	5,932
2005	598	79	6,429	-	7,106
2006	548	105	7,481	-	8,134
2007	543	119	8,751	-	9,413
2008	510	129	9,231	-	9,870
2009	448	131	8,944	-	9,523
2010	435	133	8,870	-	9,438
2011	424	120	8,714	-	9,258
2012	408	121	8,421	1,891	10,841
2013	398	111	8,235	2,635	11,379

Source: Cayman Islands Monetary Authority

Table A15: New Companies Registered in the Cayman Islands

Year	Exempt	Non-Resident	Resident	Foreign	Total
2002	5,795	768	310	143	7,016
2003	5,941	692	439	182	7,254
2004	7,480	674	530	208	8,892
2005	8,694	595	650	271	10,210
2006	10,735	569	588	385	12,277
2007	12,691	533	531	477	14,232
2008	10,536	293	510	522	11,861
2009	6,764	220	487	392	7,863
2010	7,104	230	432	391	8,157
2011	7,980	156	485	443	9,064
2012	7,940	69	506	456	8,971
2013	8,380	48	430	575	9,433

Source: Companies Registrar

Table A16: Money and Banking Survey: Monetary Assets (CI\$ Millions)

	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13
Total Assets	5,949.6	5,307.4	4,752.9	5,248.7	5,888.4
Net Foreign Assets	3,981.1	3,056.5	2,446.7	2,801.9	3,249.3
Monetary Authority	100.4	89.4	94.6	99.1	101.5
Commercial Banks	3,880.7	2,967.1	2,352.1	2,702.7	3,147.8
Net Domestic Assets	1,968.5	2,250.9	2,306.2	2,446.8	2,639.1
Domestic Credit	2,836.8	3,008.1	3,106.6	3,050.6	2,974.7
Claims on central government	172.1	219.0	293.7	278.3	262.7
Claims on other public sector	66.5	59.8	88.6	80.4	75.2
Claims on private sector	2,598.1	2,729.3	2,724.3	2,691.9	2,636.8
Other items (net)	(868.3)	(757.2)	(800.4)	(603.8)	(335.6)
Broad Liquidity	5,949.6	5,307.4	4,752.9	5,248.7	5,888.4
Broad money (KYD) M2	962.2	981.1	935.9	1,110.4	1,106.6
Currency in circulation	87.5	85.2	89.7	86.9	96.2
KYD Deposits	874.6	895.9	846.1	1,023.4	1,010.5
Demand deposits	254.5	298.9	237.7	337.0	403.1
Time and savings deposits	620.1	597.0	608.4	686.4	607.4
FOREX deposits	4,987.5	4,326.2	3,817.0	4,138.3	4,781.8
Of which: US dollars	4,316.0	3,632.8	3,251.6	3,517.9	4,219.3

Source: Cayman Islands Monetary Authority and ESO

Table A17: Visitor Arrivals ('000) and Cruise Ship Calls

Year	Stay-Over	Cruise	Total Arrivals	Cruise Ship Calls
1998	404.2	871.4	1,275.6	518
1999	394.7	1,035.5	1,430.2	638
2000	354.1	1,030.9	1,385.0	612
2001	334.1	1,214.8	1,548.9	711
2002	302.8	1,574.8	1,877.6	732
2003	293.5	1,819.0	2,112.5	825
2004	259.9	1,693.3	1,953.2	732
2005	167.8	1,799.0	1,966.8	784
2006	267.3	1,930.1	2,197.4	802
2007	291.5	1,715.7	2,007.2	657
2008	302.9	1,553.1	1,855.9	570
2009	272.0	1,520.4	1,792.3	547
2010	288.3	1,597.8	1,886.1	570
2011	309.1	1,401.5	1,710.6	523
2012	321.7	1,507.4	1,829.0	525
2013	345.4	1,375.9	1,721.3	480

Source: Immigration Department, Ports Authority and Cayman Islands Department of Tourism

Table A18: Occupancy Rates and Length of Stay

Year	Hotel Occupancy Rates (%)	Apt/Condo Occupancy Rates (%)	Hotel Length of Stay (Days)	Apt/Condo Length of Stay (Days)
1998	73.1	52.3	5.0	7.0
1999	71.8	46.9	4.7	5.8
2000	62.4	46.8	4.6	7.0
2001	55.3	43.1	4.5	7.3
2002	50.6	40.2	4.8	7.3
2003	51.2	37.7	4.7	7.4
2004	61.7	43.1	4.9	6.8
2005	55.8	46.0	4.9	6.7
2006	59.4	40.7	4.5	6.6
2007	61.7	42.5	4.7	6.7
2008	62.2	44.0	4.5	6.4
2009	59.0	43.9	4.4	6.9
2010	68.2	44.1	4.4	6.8
2011	n/a	n/a	n/a	n/a
2012	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a

Source: Cayman Islands Department of Tourism

Table A19: Total Stay-Over Arrivals by Country of Origin ('000)

Year	USA	Europe	Canada	Others	Total Arrivals
1995	266.2	37.3	14.1	43.8	361.4
1996	274.7	33.5	16.2	48.8	373.2
1997	278.7	32.7	18.2	51.6	381.2
1998	295.2	34.7	18.4	55.9	404.2
1999	280.3	34.5	18.9	61.0	394.7
2000	281.6	22.6	15.0	34.3	354.1
2001	270.1	20.4	13.6	34.9	334.1
2002	244.9	17.9	13.6	26.2	302.8
2003	232.4	18.2	14.1	28.8	293.5
2004	205.2	15.3	12.1	27.3	259.9
2005	118.8	12.7	10.5	25.8	167.8
2006	217.4	16.7	14.9	18.3	267.3
2007	231.9	20.4	17.4	21.9	291.5
2008	240.5	21.3	18.5	22.6	302.9
2009	215.0	19.1	17.3	20.6	272.0
2010	228.5	19.9	19.5	20.5	288.3
2011	242.9	21.1	24.6	20.4	309.1
2012	253.2	21.4	24.1	23.0	321.7
2013	265.4	27.8	23.6	28.5	345.4

Source: Immigration Department and Cayman Islands Department of Tourism

Table A20: Property Transfers: Number and Value (in CI\$ Millions)

Year	Freehold		Leasehold		Total Transfers	
	Number	Value	Number	Value	Number	Value
1995	1,729	191.2	127	3.6	1,856	194.8
1996	2,055	267.2	153	3.3	2,208	270.5
1997	2,151	281.8	125	6.1	2,279	287.9
1998	2,344	317.2	128	2.3	2,472	319.5
1999	2,293	222.5	201	7.4	2,494	229.9
2000	1,868	257.3	143	2.3	2,011	259.6
2001	1,846	172.8	181	0.8	2,027	173.6
2002	1,842	269.9	147	4.1	1,989	274.0
2003	2,357	324.3	205	1.7	2,562	326.0
2004	2,335	339.2	127	1.9	2,462	341.1
2005	2,640	450.8	245	1.4	2,885	452.2
2006 ¹	2,777	691.1	179	4.1	2,956	695.2
2007	2,190	544.7	360	23.3	2,512	551.0
2008	2,289	558.1	323	76.2	2,612	634.3
2009	2,045	397.0	242	19.5	2,287	416.5
2010	1,619	307.2	168	9.2	1,787	316.4
2011	1,708	632.1	178	25.8	1,886	657.9
2012	1,696	418.1	116	11.9	1,812	430.0
2013	1,569	538.8	125	0.6	1,694	539.4

Source: Cayman Islands Lands & Survey Department

¹ Property transfers numbers and values were revised for 2006 only.

Leasehold transfers include lease transfers and subleases.

Table A21: Number of Project Approvals in Grand Cayman

Year	Apts./ Condos	Houses	Commercial	Government	Hotel	Industrial	Other	Total
2000	96	369	34	21	1	16	511	1,048
2001	79	309	45	7	3	11	442	896
2002	88	327	83	4	5	17	424	948
2003	129	385	67	12	-	34	504	1,131
2004	111	359	52	6	1	17	427	973
2005	132	532	95	15	4	26	394	1,198
2006	222	336	70	15	1	30	574	1,248
2007	112	437	56	10	1	14	493	1,123
2008	103	424	43	7	-	11	580	1,168
2009	109	426	46	3	-	12	526	1,122
2010	73	327	43	9	-	5	505	962
2011	52	332	36	14	-	9	496	939
2012	38	313	46	7	-	16	570	990
2013	26	246	41	19	2	9	476	819

Source: Cayman Islands Planning Department

Table A22: Value of Project Approvals in Grand Cayman (CI\$ Million)

Year	Apt/ Condos	Houses	Commercial	Government	Hotel	Industrial	Other	Total
2000	90.6	63.3	21.2	21.0	75.0	14.4	24.7	310.1
2001	44.5	54.2	18.0	0.8	1.7	5.5	24.4	149.1
2002	82.0	60.6	48.9	0.8	9.7	9.9	24.4	236.3
2003	65.9	80.0	29.0	55.1	-	7.1	29.4	266.5
2004	153.7	67.5	133.2	3.9	45.0	7.3	45.7	456.3
2005	194.9	105.8	103.9	3.7	16.2	20.5	66.1	511.2
2006	294.3	74.8	119.8	7.5	6.0	44.4	74.2	620.9
2007	88.9	131.3	71.7	54.5	55.0	8.4	59.1	468.9
2008	141.5	110.3	125.4	18.5	-	11.1	74.0	480.9
2009	170.0	122.0	29.0	0.1	-	2.6	97.5	421.2
2010	35.9	93.9	92.5	3.6	-	1.0	84.8	311.7
2011	27.5	116.5	25.8	15.1	-	16.6	40.3	241.8
2012	17.3	81.9	11.7	5.2	-	8.1	28.1	152.3
2013	36.4	94.1	57.1	4.2	4.0	3.3	85.6	284.7

Source: Cayman Islands Planning Department

Table A23: Number of Project Approvals in the Sister Islands

Year	Houses	Apt/Condo	Hotel	Government	Commercial	Industrial	Other	Total
2000	49	3	-	7	6	7	53	125
2001	41	7	-	5	9	3	46	111
2002	21	2	-	5	2	9	74	113
2003	29	3	-	4	14	2	60	112
2004	36	1	-	11	13	4	75	140
2005	43	4	-	5	9	1	73	135
2006	39	-	1	10	5	10	67	132
2007	35	6	-	9	5	-	49	104
2008	40	5	2	3	5	1	53	109
2009	34	2	-	3	2	-	62	103
2010	27	2	-	8	5	1	71	114
2011	35	-	-	2	2	1	62	102
2012	21	-	-	7	5	1	56	90
2013	29	1	-	3	2	1	56	92

Source: Cayman Islands Planning Department

Table A24: Value of Project Approvals in the Sister Islands (CI\$ Millions)

Year	Houses	Apt/Condo	Hotel	Government	Commercial	Industrial	Other	Total
2000	5.2	3.2	-	1.0	0.5	1.6	1.0	12.4
2001	-	2.8	-	2.1	1.1	1.1	0.8	8.0
2002	3.2	0.2	-	0.3	0.3	1.2	2.3	7.6
2003	4.1	0.8	-	0.1	1.4	0.4	0.7	7.4
2004	6.6	0.1	-	0.3	1.9	4.0	0.7	13.7
2005	5.9	1.3	-	0.2	0.6	0.5	0.8	9.3
2006	6.7	-	5.5	2.7	0.7	1.6	0.8	17.9
2007	6.5	23.9	-	2.1	0.3	-	3.5	36.2
2008	7.8	8.2	6.9	0.1	1.0	-	3.9	27.9
2009	5.8	0.7	-	2.0	1.1	-	3.3	12.8
2010	6.0	0.4	-	9.1	1.3	0.4	1.8	19.0
2011	7.4	-	-	0.1	0.1	1.6	0.8	9.9
2012	4.2	-	-	7.1	1.0	1.5	4.9	18.7
2013	5.9	0.5	-	0.7	0.2	0.0	2.6	9.8

Source: Cayman Islands Planning Department

Table A25: Building Permits in Grand Cayman

Category	Number					Value (CI\$M)				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Apartment/ Condo	171	114	77	54	46	92.7	49.4	37.4	15.4	26.9
Houses	532	390	348	347	290	146.4	93.1	87.9	103.0	86.2
Commercial	116	120	112	100	116	49.5	45.3	39.5	15.1	44.3
Government	16	12	15	17	3	28.8	2.0	6.9	3.0	0.4
Hotel	-	-	-	1	-	-	-	-	10.0	-
Industrial	7	7	1	4	3	2.6	3.2	0.5	1.2	3.6
Other	303	347	270	214	187	35.0	12.6	10.9	8.7	20.1
Total	1,145	990	823	737	645	355.0	205.6	183.1	156.4	181.5

Source: Cayman Islands Planning Department

Table A26: Water Production and Consumption, Millions of US Gallons

Year	Production¹	Consumption
1995	592.9	637.6
1996	631.0	678.1
1997	730.7	779.8
1998	808.9	849.4
1999	874.3	908.8
2000	986.5	1,028.5
2001	1,097.4	1,069.2
2002	1,147.9	1,056.1
2003	1,197.9	1,173.7
2004	1,291.3	1,252.7
2005	1,371.6	1,301.7
2006	1,639.6	1,560.7
2007	1,720.8	1,657.7
2008	1,730.3	1,646.1
2009	1,959.1	1,741.8
2010	1,970.9	1,704.5
2011	1,977.6	1,697.8
2012	2,012.5	1,752.6
2013	1,888.9	1,630.9

Source: Cayman Islands Water Authority, Cayman Water Company

¹ Excludes Non-Potable Water

Table A27: Electricity ('000 megawatt hours)

Year	Production*	Consumption			
		Domestic	Industrial/ Commercial	Public Lighting	Total
1995	297.4	118.1	147.5	3.3	268.9
1996	309.7	124.6	153.8	3.1	281.4
1997	347.8	140.3	168.7	3.3	312.3
1998	381.1	158.9	181.3	3.3	343.5
1999	390.4	168.2	191.5	3.3	363.0
2000	426.5	179.5	203.1	3.4	386.0
2001	449.3	189.7	213.9	3.5	407.0
2002	466.1	200.4	221.0	4.2	425.6
2003	489.7	211.2	228.5	4.5	444.2
2004	433.4	183.1	191.5	4.1	378.7
2005	463.2	200.3	222.4	5.0	427.8
2006	535.7	228.2	258.0	5.3	491.5
2007	546.1	249.4	279.4	5.4	534.2
2008	578.4	251.7	290.3	5.7	547.7
2009	597.4	263.1	290.7	6.0	559.8
2010	593.5	262.5	284.9	6.2	553.8
2011	594.0	258.8	289.0	6.2	554.0
2012	587.1	254.4	287.1	6.3	547.8
2013	595.6	261.0	288.1	6.6	555.7

Source: Caribbean Utilities Company

- Net generation/production is reported from 2007

Table A28: Summary of Central Government Operations (CI\$ Millions)

Year	Total Revenue	Current Expenditure	Gross Capital Expenditure and Net Lending	Total Expenditure	Current Balance	Overall Balance
1996	190.7	161.8	34.1	195.5	27.8	(4.7)
1997	214.4	187.2	46.5	233.5	26.6	(19.1)
1998	248.6	214.7	31.3	244.8	33.9	3.8
1999	275.7	245.2	37.6	280.9	30.5	(5.3)
2000	278.2	268.4	43.2	311.2	9.3	(33.0)
2001	285.4	290.6	26.1	316.6	(6.2)	(31.2)
2002	314.1	278	17.6	295.7	36.1	18.4
2003	326.2	283.7	21.2	305.2	42.5	21.0
2004	336.4	349.2	29.2	378.1	(13.2)	(41.7)
2005	428.6	381.8	47.5	430.3	87.5	(1.7)
2006	500.4	393.5	39.6	433.1	106.9	67.3
2007	513.0	446.1	105.9	552.0	66.9	(39.0)
2008	522.2	521.5*	150.6	653.2	0.8	(131.0)
2009	473.7	535.6	141.7	655.7	(61.8)	(181.9)
2010	515.4	519.3	76.3	573.5	0.5	(55.8)
2011	545.8	526.9	98.3	602.7	20.8	(56.8)
2012	564.6	547.1	68.5	592.2	17.5	(27.6)
2013	635.1	553.7	36.7	564.3	81.4	70.8

*Annual depreciation is added to current expenditure but deducted from total expenditure starting 2008

Source: Cayman Islands Treasury Department

Note:

Interdepartmental purchases and services and vehicle and equipment maintenance fees were netted in current expenditure from 1992 to 1999.

Table A29: Central Government Debt and Self- Financing Debt, (CI\$M) a/

Year	Disbursed Outstanding Debt	Drawings	Exchange (Gain)/ Loss	Amortisation	Interest Payments
1996	67.6	22.4		6.6	3.4
1997	82.9	25.5		8.7	4.5
1998	93.8	21.5		10.9	5.9
1999	98.3	18.2		13.1	5.6
2000	107.8	23.8		14.3	7.0
2001	143.5	49.7		14.0	6.8
2002	132.1	10.9	(0.3)	21.3	3.8
2003	143.9	136.9		124.5	5.1
2004	157.6	23.3		9.5	7.3
2005	180.9	39.0		11.4	9.5
2006	179.7	10.0		14.5	8.9
2007	210.5	52.3	(0.2)	16.4	9.6
2008	354.9	166.2	(0.5)	20.7	11.7
2009	513.5	184.3		25.9	19.4
2010	592.7	106.7	(0.2)	25.9	27.9
2011	613.4	154.2	0.3	133.9	32.9
2012	586.2	-	(0.2)	25.9	33.8
2013	559.9	0.7	0.1	26.5	31.8

Source: Cayman Islands Treasury Department

a/ Self-financing debt refers to the loans raised by the central government on behalf of agencies which are required to reimburse the servicing of these loans.

Table A30: Fiscal Operations (CIS\$ Millions)

	2008	2009	2010	2011	2012	2013
Total Revenue	522.2	473.8	517.7	545.9	564.6	635.1
Current Revenue	522.2	473.8	517.7	545.9	564.6	635.1
Coercive Revenue	457.9	431.0	460.8	489.3	504.9	584.7
Taxes on International Trade & Transactions	176.9	152.0	158.5	162.2	167.2	173.3
Domestic Taxes on Goods & Services	238.0	248.2	279.4	289.5	296.6	377.3
Taxes on Property	41.1	23.9	21.3	36.4	36.7	31.3
Fines	1.9	2.4	1.6	1.2	1.3	1.6
Other Taxes	0.0	4.5	0.0	0.0	3.1	1.2
Non-coercive Revenue	64.3	42.8	56.9	56.6	59.7	50.4
Sale of Goods & Services	59.7	41.8	56.2	55.8	55.0	48.9
Investment Revenue	4.2	0.3	0.1	0.6	0.3	1.1
Other Operating Revenue	0.4	0.7	0.6	0.2	4.4	0.4
Total Expenditure	653.2	655.7	573.5	602.7	592.2	564.3
Current Expenditure	521.4	535.6	517.2	525.1	547.1	553.7
Personnel Costs	245.2	236.6	224.8	216.4	226.5	235.7
Supplies & Consumables	97.8	84.5	86.4	89.2	94.1	86.8
Subsidies	105.5	122.5	125.2	131.6	131.7	137.0
Transfer Payments	28.4	27.2	29.7	31.0	30.5	32.3
Depreciation	18.8	21.6	20.0	20.7	23.4	26.1
Interest Payments	11.7	19.4	27.9	32.9	33.8	31.8
Extraordinary Expenses	1.7	20.1	0.0	0.0	0.0	0.0
Other Executive Expenses	12.3	3.7	3.2	3.3	7.1	4.0
Gross Capital Expenditure & Net Lending	150.6	141.7	76.3	98.3	68.5	36.7
Capital Acquisition (now Equity Injections)	40.7	105.4	28.1	62.2	37.6	9.5
Equity Injections and Working Capital support to Public Entities			14.9	20.0	20.8	19.2
Capital Development (now Executive Assets)	109.9	35.2	37.7	16.0	8.4	8.1
Net Lending	0.0	1.1	(4.4)	0.1	1.7	(0.1)
Net Capital Expenditure & Net Lending	131.8	120.1	56.3	77.6	45.1	10.6
Depreciation	18.8	21.6	20.0	20.7	23.4	26.1
Primary Balance	(119.3)	(162.5)	(27.9)	(23.9)	6.2	102.6
Current Balance	0.8	(61.8)	0.5	20.8	17.5	81.4
Overall Balance	(131.0)	(181.9)	(55.8)	(56.8)	(27.6)	70.8
Financing	131.0	181.9	55.8	56.8	27.6	(70.8)
Net Borrowing	145.5	158.4	80.7	20.3	(25.9)	(16.5)
Disbursements	166.2	184.3	106.7	154.2	0.0	10.0
Loan Repayment	(20.7)	(25.9)	(25.9)	(133.9)	(25.9)	(26.5)
Change in Cash	14.5	(23.5)	24.9	(36.5)	(53.5)	54.3

Source: ESO and Treasury Department