

### Summary Economic Indicators: First Quarter 2008\*

- The Consumer Price Index rose by 2.5%, mainly due to higher average prices of household equipment, clothing and education and medical services.
- Merchandise imports rose by 11.0% to register at \$235.7 million.
- Current work permits grew by 6.7% on account of increases in financial services, business services and tourism-related work permits.
- Money supply contracted by 19.8% due to strong decline in quasi-money comprising primarily of foreign currency deposits held by residents.
- Prime lending rate fell to 5.25% from 8.25% while weighted average rate fell to 9.29% from 10.55%
- Air arrivals grew by 9.0% while cruise passengers decreased by 14.3%.
- Mutual funds increased by 1,159 (or 13.6%).
- Bank and trust company registrations declined anew by 1.8% while insurance licenses rose by 2.1% to settle at 788.
- Stock exchange listings increased by 287 stocks or 37.8% while stock market capitalization increased by US\$50.1 billion (or 41.4%) to reach US\$171.0 billion.
- New company registrations declined by 1.0% to total 3,362.
- Building permits fell by 10.3% to settle at 262, valued at \$76.5 million.
- The number of property transfers went up by 26.4%, while total value rose by 24.6%.

\*Comparative data over the first quarter of 2007. Percentage calculations may not be exact due to rounding-off.

## 1. Overview

First quarter indicators (as summarized above) suggest that the Cayman Islands economy is poised to achieve the projected annual real GDP growth in 2008 of approximately 1.5%.

### Upside performance

Financial services continued to be resilient despite uncertainties in the source markets. During this period, mutual funds grew by 13.6%, trust companies by 2.2%, and insurance licences by 2.1%.

Total imports during the first quarter amounted to CI\$235.7 million, up by 11.0%.

Prime interest rates declined to 5.25% as compared to 8.25% a year ago.

Current work permits grew moderately by 6.7% as compared to a year ago. All sectors except construction had positive growth, led by the financial services and business services.

Stay-over visitors increased during the first quarter for the third consecutive year, though at a declining rate. In 2008, a moderate increase of 9.0% was recorded compared to 13.2% in the first quarter of 2007. The growth in stay-over visitors was overshadowed by a decline in cruise visitors.

Net credit to the private sector rose by 7.6%, with credit to households increasing sharply by 18.8%. Credit to businesses also rose by 7.0%.

The real estate market rebounded in the first quarter as the total value of transferred properties rose by 24.6% from a year ago to reach \$136.7 millions.

**Downside risks**

The consumer price index (CPI) for the first quarter of 2008 was up 2.5%; however, the increase was lower compared to the same period last year when it rose by 4.4%.

Cruise visitors fell by 14.3% and pulled down total visitor arrivals by 11.5%.

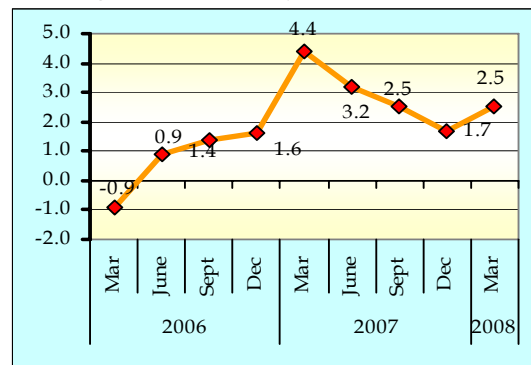
New companies registration declined by 1.0%.

Building permits declined by 10.3%, with the value of building permits plummeting by 29.5% to settle at \$76.5 million.

**2. Inflation**

The Consumer Price Index (CPI) stood at 150.9 in the first quarter, up by 2.5% from March 2007, on account mainly of increasing price indices for household equipment (6.2%), clothing (5.2%) and education and medical services (4.0%).

Figure 1: Quarterly Inflation (%)



Source: Economics and Statistics Office

The increase in the price index for household equipment by 6.2% is mainly on account of increases in the average price of furniture and floor coverings by 11.9%.

Clothing price index rose by 5.2% due to increases in the average price of boys' and girls' clothing by 15.3%.

The price index for education and medical services moved up by 4.0% as a result of higher average cost of both medical care (up 5.2%) and education (up 3.1%). For medical care the average fees for visits to doctors, dentists, and opticians increased. Meanwhile tuition for school and college coupled with price increases for books and newspapers increased the price index for education.

Food prices continued on its upward trajectory at 3.5%. Some of the highest movers were non-alcoholic drinks, fish and fruits and vegetables.

The other indices recording increases over the first quarter of 2007 were housing (1.0%), personal goods and services (0.9%) and alcohol and tobacco (0.8%).

The first quarter CPI also increased by 2.6% compared to the last quarter ended December 2007 as a result of increasing price indices for housing,

alcohol and tobacco, and education and medical services.

**Table 2: Quarter 1 Inflation by Categories**

CPI Major Categories	Inflation Rates (%)		
	2006	2007	2008
Food	2.7	4.7	3.5
Alcohol & tobacco	3.8	2.8	0.8
Housing	-8.1	4.4	1.0
Clothing	0.8	2.0	5.2
Household equipment	-4.7	6.6	6.2
Transport & communication	2.4	1.8	3.9
Education & medical	1.3	2.2	4.0
Personal goods & services	6.1	7.2	0.9
All items	-0.9	4.4	2.5

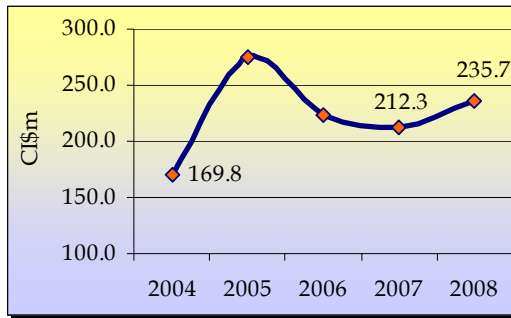
Source: Economics and Statistics Office

### 3. Trade

Preliminary data for the first quarter of 2008 indicate that merchandise imports rose by 11.0% to \$235.7 million compared to the comparative quarter in 2007 (see Figure 4).

In absolute terms, merchandise imports grew by \$23.4 million, on account of a \$10.1 million increase (or 44.5%) in the value of fuel (motor gasoline, diesel and aviation fuel). The increase in the value of fuel can be traced directly to higher oil prices in the world market. In contrast, the quantity of fuel imports grew moderately by 5.8% to settle at 11.6 million imperial gallons.

Figure 3: QTR 1 Merchandise Imports



Source: Customs Department and ESO

#### 4. Work Permits

In the first quarter 2008, total current work permits<sup>1</sup> climbed from 24,794 in 2007 to 26,451 – an increase of 6.7% (see Table 4.1).

Table 4.1: Work Permits

	Qtr 1 2007	Qtr 1 2008
<b>Total</b>	<b>24,794</b>	<b>26,451</b>
Trades/Technical/Skilled	11,247	11,608
Unskilled	8,998	9,781
Professional	3,668	4,275
Administrative/Managerial	881	787

Source: Immigration Department

<sup>1</sup> Current work permits include all permits in operation within the Cayman Islands at a point in time. Work permits issued includes one-year renewals, work permit grants for more than one-year, temporary work permit and temporary work permits extensions. The work permits dataset is not standardized with respect to duration of the permit.

Current work permits rose in all categories except in the Administrative/Managerial class – which fell by 10.7% to 787 in 2008.

The ‘Professional’ category recorded double digit increases of 16.5% to settle at 4,275.

‘Trades/Technical/Skilled’ remained the largest class, accounting for 43.9% of current work permits. This increased by 3.2% from 11,247 in March 2007.

Work permits for all industries rose except construction which fell slightly by 0.6% to 6,344 in 2008 compared to a year ago (see Table 3.2). Nonetheless, this industry continues to employ the largest share of work permits (approximately 24.0%) so far in 2008.

Strong stay-over arrivals boosted work permits in the restaurant & bar industry, which rose by 12.1% from 2,360 in 2007 to 2,646 in 2008. Hotel and condominiums also recorded a jump in work permit demand by 11.7%.

Work permits for financial services grew by 11.4% from 2,004 as at March 2007 to 2,233 this period.

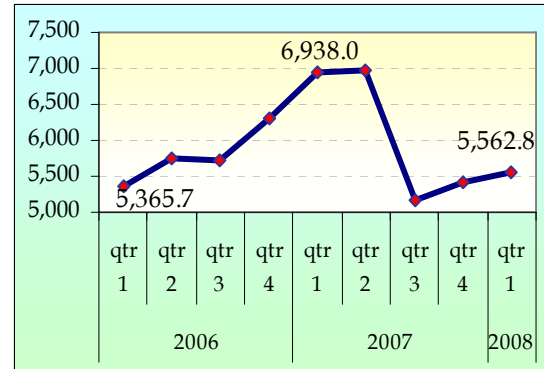
**Table 4.2: Work Permits for All Industries**

	Mar-07	Mar-08	% Change 2007/08
Construction	6,381	6,344	(0.6)
Financial services	2,004	2,233	11.4
Restaurant & bars	2,360	2,646	12.1
Hotels and condominiums	692	773	11.7
Business services	2,684	2,948	9.8
Wholesale & retail	2,952	3,106	5.2
Private households w/ Employed people	3,934	4,181	6.3
Community, social & personal services	1,362	1,540	13.1
All other industries	2,425	2,680	10.5
<b>Total</b>	<b>24,794</b>	<b>26,451</b>	<b>6.7</b>
CI Government contracts	1,342	1,479	10.2

Source: Immigration Department and ESO

## 5. Money & Banking

Total money supply (M2) which is equal to the monetary liabilities of the monetary and domestic banking system reached \$5.6 billion as of the first quarter of 2008. (This marked the second consecutive quarter of recovery since money supply fell in the third quarter of 2007). However, it was significantly less than the \$6.9 billion registered in the first quarter of 2007.

**Figure 5.1: Total Money Supply (M2)  
in CI\$ millions**


Source: Cayman Islands Monetary Authority

As for the asset side of the balance sheet, net foreign assets declined by \$1.5 million (or 27.1%), which more than offset the increase in net domestic assets of \$194.1 million (see Table 5.1).

**Table 5.1: Monetary and Banking  
Summary Indicators (CI\$ millions)**

	Mar-07	Mar-08	% Change
<b>Net Foreign Assets</b>	<b>5,583.5</b>	<b>4,069.1</b>	<b>-27.1</b>
Monetary Authority	96.3	105.1	9.1
Commercial Banks	5,487.2	3,964.1	-27.8
<b>Net Domestic Assets</b>	<b>2,061.7</b>	<b>2,255.8</b>	<b>9.4</b>
<b>Other Items</b>	<b>-707.2</b>	<b>-762.2</b>	<b>-2.1</b>
<b>Total Assets</b>	<b>6,938.0</b>	<b>5,562.8</b>	<b>-7.0</b>
Narrow Money (M1)	309.4	337.6	9.1
Quasi Money	6,628.6	5,225.1	-21.2
<b>Monetary Liabilities (M2)</b>	<b>6,938.0</b>	<b>5,562.8</b>	<b>-19.8</b>

Source: Cayman Islands Monetary Authority

**Net foreign assets.** As shown in Table 5.2, net foreign assets of the Cayman Islands Monetary Authority (CIMA) and the commercial banks fell by 27.1% during the review

period. This was mainly attributed to strong growth in total non-resident deposits, contributing to an increase in foreign liabilities (\$2,027.3 million) that was significantly higher than the rise in foreign assets (\$504.1 million).

**Table 5.2: Net Foreign Assets (CI\$ millions)**

	Mar-07	Mar-08	% Change
<b>Net Foreign Assets</b>	<b>5,583.5</b>	<b>4,069.1</b>	<b>-27.1</b>
Monetary Authority	96.3	105.1	9.1
Commercial Banks	5,487.2	3,964.1	-27.8
<b>Foreign Assets</b>	<b>7,069.9</b>	<b>7,574.0</b>	<b>7.1</b>
Bal. with Banks & Branches	4,175.8	4,494.7	7.6
Total Investment	1,487.1	1,312.8	-11.7
Total Non-Resident Loans	1,406.9	1,766.5	25.6
<b>Foreign Liabilities</b>	<b>1,582.7</b>	<b>3,610.0</b>	<b>128.1</b>
Total Non-Resident Deposit	1,069.7	3,482.7	225.6
Other Liabilities	513.0	127.3	-75.2

Source: Cayman Islands Monetary Authority

**Net domestic assets.** Total net domestic assets or total net domestic credit provided by the commercial banking sector increased by 9.4% since March 2007. Credit allocation to the public and private sectors expanded by 33.6% (\$47.9 million) and 7.6% (\$146.3 million) respectively. The former could be associated with increased government borrowing to finance capital expenditures. As well, a decline in lending rates is believed to have boosted private sector borrowing.

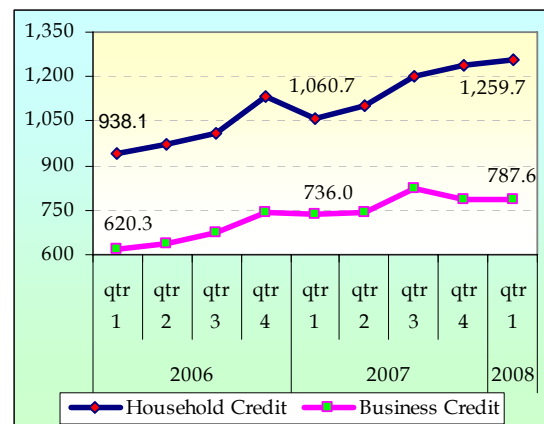
**Table 5.3: Net Domestic Assets (CI\$ millions)**

	Mar 2007	Mar 2008	% Change
<b>Net Domestic Assets</b>	<b>2,061.7</b>	<b>2,255.8</b>	<b>9.4</b>
Net Domestic Credit to Public Sector	142.5	190.4	33.6
Net Domestic Credit to Private Sector	1,919.2	2,065.4	7.6

Source: Cayman Islands Monetary Authority

Domestic credit to the private sector is sub-divided into credit to businesses and households. Figure 5.4 shows that both credit to both businesses and households increased anew in the first quarter of 2008.

**Figure 5.2: Credit to Businesses and Households**



Source: Cayman Islands Monetary Authority

Credit to households, which accounted for 61.0% of the total credit to the private sector, expanded by 18.8% (or \$199 million) in March 2008 compared to the same period last year. The leading component of household loans is the mortgage and property category which rose by \$84.8 million (or 8.8%) to total



\$1,053.2 million. Other credit to households increased by \$78.9 million (or 176.0%) primarily because of a large increase in consolidated debt. Loans for vehicles grew considerably by \$36.6 million (82.5%) during the period.

Lending to the business sector-which accounted for 38.1% of total credit to the private sector- rose by 7.0% over the review period. This resulted from increases in real estate business credit (42.5%) and utilities (93.5 %) which offset the contraction in construction (-41.5%), trade & commerce (-19.6%) and the hospitality industry (-10.9%).

**Table 5.5: Net Credit to the Private Sector  
(CI\$ millions)**

	Mar-07	Mar-08	% Change
<b>Total</b>	<b>1,919.2</b>	<b>2,065.4</b>	<b>7.6</b>
<b>Credit to Businesses</b>	<b>736.0</b>	<b>787.6</b>	<b>7.0</b>
<i>of which</i>			
Construction	148.4	86.8	-41.5
Hotels, Restaurants and Bars	65.6	58.4	-10.9
Real Estate, Renting & Other	232.1	330.6	42.5
Utilities (Electricity, Gas & Water	7.5	14.5	93.5
Trade & Commerce	90.4	72.7	-19.6
Others	192.1	224.5	16.9
<b>Credit to Households</b>	<b>1,060.7</b>	<b>1,259.7</b>	<b>18.8</b>
Domestic Property	968.4	1,053.2	8.8
Motor Vehicles	44.4	81.0	82.5
Education & Technology	3.0	1.8	-41.6
Others <sup>1</sup>	44.9	123.8	176.0
<b>Other NonProfit Organisations</b>	<b>122.5</b>	<b>18.1</b>	<b>-85.2</b>

<sup>1</sup> 'Others' include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority

**Money supply.** Total money supply (M2) reached \$5.6 billion (US\$6.7

billion) in March 2008, compared to \$7.0 billion in the same period last year. The decline is a direct result of a larger decrease in quasi money<sup>2</sup> offsetting the increase in narrow money (see Table 5.6).

Quasi money fell by 21.2% (or \$1,403.4 million) to \$5,225.1 million as at March 2008. The decline directly follows from the fall in its three components – savings deposits, fixed deposits and foreign currency deposits. Foreign currency deposits recorded the greatest decrease of \$1,375.8 million (or 23.1%), partially due to the reduction in holdings of U.S. foreign deposits in response to falling U.S. interest rates.

In contrast, M1 or narrow money supply, used mainly for transaction purposes, expanded by 9.1% to total \$337.6 million as at March 2008, reflecting a 2.2% (\$1.7 million) increase in currency in circulation and an 11.3% (\$26.5 million) rise in total demand deposits.

<sup>2</sup> Quasi money includes deposits of Cayman Islands' residents in other currencies including US dollars.

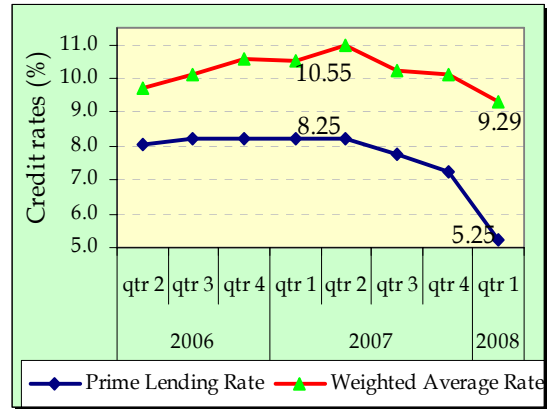
**Table 5.6: Money Supply (CI\$ millions)**

	Mar-07	Mar-08	% Change
<b>Monetary Liabilities (M2)</b>	6,938.0	5,562.8	-19.8
<b>Narrow Money (M1)</b>	309.4	337.6	9.1
Currency with public	74.1	75.7	2.2
Total demand deposits	235.4	261.9	11.3
<b>Quasi Money</b>	6,628.6	5,225.1	-21.2
Savings deposits	194.0	190.4	-1.9
Fixed Deposits	476.7	452.7	-5.0
Foreign Currency Deposits	5,957.8	4,582.0	-23.1

Source: Cayman Islands Monetary Authority

**Interest Rates.** The Cayman Islands prime lending rate consistently fell by a cumulative total of 3.0 percentage points since the third quarter of 2007 until it reached 5.5% in the first quarter of 2008. The decline mirrored the reduction in US Federal Funds rate of an equivalent magnitude during the period. Similarly, the weighted average rate on outstanding loans followed a falling trend. At the end of the first quarter of 2008, the weighted average rate was 9.29% compared to 10.55% at the end of the first quarter of 2007 (see Figure 5.3A).

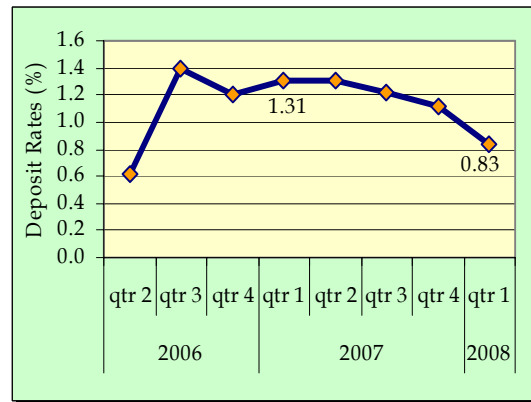
**Figure 5.3A: CI\$ Interest Rates (%)**



Source: Cayman Islands Monetary Authority

Consistent with the decline in the prime lending rate, the savings deposit rate fell since the third quarter of 2007, from 1.31% in March 2007 to 0.83% in March 2008 (see Figure 5.3B).

**Figure 5.3B: CI\$ Savings Deposit Interest Rate (%)**



Source: Cayman Islands Monetary Authority

## 6. Financial Services

Financial services indicators were on the uptrend despite the current global financial difficulties induced by the US mortgage crisis since



August 2007. Upward trajectories were seen in insurance company licences, mutual funds, stock exchange listings and market capitalisation. However, new company registrations and bank and trust licences posted declines.

### 6.1 Banks & Trust

The worldwide ongoing consolidations continued to impact on bank and trust licences, with their total number declining by 5 from a year ago to reach 277 as at March 2008. Nevertheless, licences for trust companies rose by 3 to tally at 139.

**Table 6.1: Bank & Trust Companies**

	Mar 2007	Mar 2008	% Change
<b>Bank and Trust</b>	<b>282</b>	<b>277</b>	<b>-1.8</b>
Class "A"	18	19	5.6
Class "B"	262	257	-1.9
<i>Of which: Class</i>			
Class "B" restricted	2	1	-50.0
<b>Trust Companies</b>	<b>136</b>	<b>139</b>	<b>2.2</b>
Restricted	85	88	3.5
Unrestricted	51	51	0.0

Source: Cayman Islands Monetary Authority

Class 'A' bank & trust licences increased by 1 to 19, while Class 'B' licences declined by 5, to settle at 257, since March 2007.

Applicants from the USA and Europe continued to dominate Cayman's banking licensees accounting for 28.2% and 29.2% respectively with the remainder being distributed as follows: South America, 15.5%; Asia and Australia,

10.5%; Caribbean and Central America, 7.6%; Canada and Mexico 5.1%; and Middle East and Africa, 4.0%.

### 6.2 Insurance

Cayman Islands continued to be a favoured domicile for insurance companies with the total number of insurance licences expanding by 16 (or 2.1%) – from 772 in March 2007, to 788 as at March 2008.

Class 'A' insurance licences increased by one to record at 28, while Class 'B' (captive) licences rose by 15 to register at 760 over the review period.

**Table 6.2A: Insurance Companies**

	Mar 2007	Mar 2008	% Change
Class 'A'	27	28	3.7
Class 'B'	745	760	2.0
<b>Total</b>	<b>772</b>	<b>788</b>	<b>2.1</b>

Source: Cayman Islands Monetary Authority

Captive insurance licences continued to be dominated by the following primary classes: healthcare (36.3%), workers' compensation (21.1%), property (11.1%), general liability (9.1%), professional liability (8.3%) and others (14.1%). North America continues to be the leading risk location, accounting for 86.7% of the total registered captive companies.

**Table 6.2B: Captive Insurance Licences by Primary Class of Business, March 2008**

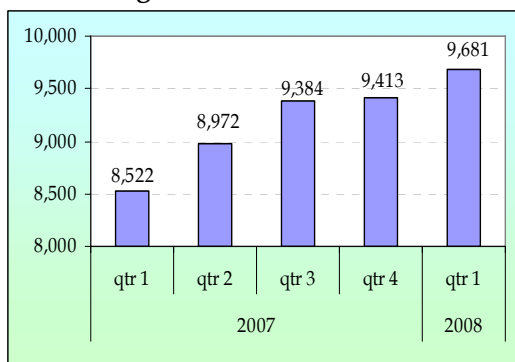
	licences	%
Healthcare	276	36.3
Workers' Compensation	160	21.1
Property	84	11.1
General Liability	69	9.1
Professional Liability	63	8.3
Other	108	14.1
<b>Total</b>	<b>760</b>	<b>100.0</b>

Source: Cayman Islands Monetary Authority

Premiums for captives improved by about US\$600 million to register at US\$7.6 billion as at the end of March 2008.

### 6.3 Mutual Funds

Total mutual funds rose by 13.6% or 1,159 since March 2007, to settle at 9,681 by the end of March 2008.

**Figure 6.3: Mutual Funds**


Source: Cayman Islands Monetary Authority

### 6.4 Stock Exchange

During the review period, stock listings at the Cayman Islands Stock Exchange (CSX) rose by 37.8% to tally at 1,789 by the end of March 2008. Total stock market

capitalisation was recorded at US\$171.0 billion, from US\$120.9 billion a year ago, an increase of US\$50.1 billion.

**Table 6.4: Market Capitalization by Instruments**

Instruments	Market Cap (US\$billion)	
	Mar 2007	Mar 2008
Mutual Funds	83.5	94.3
Specialist Debt	26.8	53.9
Eurobond	8.5	20.7
International Equity	1.9	1.9
Domestic Equity	0.2	0.2
<b>Total</b>	<b>120.9</b>	<b>171.0</b>

Source: Cayman Islands Stock Exchange

### 6.5 New Company Registration

Total new company registrations fell in March 2008 to 3,362 from 3,396 in the same period last year. This was a direct result of decreases in the registration of both resident and non-resident companies which offset the increase in foreign companies while exempt companies remained unchanged at 3,008. Resident and non-resident companies fell by 11 (or 7.3%) and 82 (or 55.0%) respectively to tally at 140 and 67 in that order. The registration of foreign companies increased by 59 (or 67.0%) to reach 147 at the end of March 2008.

## 7. Tourism

Total visitor arrivals for the first quarter of 2008 recorded a decrease of 11.5% over the comparative

period of 2007 despite the growth of air arrivals grew by 9.0%, as cruise arrivals fell by 14.3%.

### 6.1 Air Arrivals

Air arrivals totalled 94,650 visitors, which was 9.0% above the arrivals in the same quarter of 2007.

While the USA remained the largest source of arrivals, its growth of 6.6% was weaker compared to the growth of arrivals from Europe (10.8%), Canada (23.5%) and other countries (26.9%).

The USA contributed 79.8% of total arrivals, with the rest emanating from Europe (6.8%), Canada (8.7%) and other countries (4.8%) (see Table 6.1).

**Table 6.1: First Quarter Air Arrivals by Country of Origin, 2006-08**

				Absolute	%
	2006	2007	2008	Change	Change
<b>USA</b>	<b>62.4</b>	<b>70.8</b>	<b>75.5</b>	<b>4.7</b>	<b>6.6</b>
Northeast	22.0	25.4	27.7	2.3	9.2
Midwest	18.7	20.4	21.8	1.3	6.4
Southeast	11.1	12.0	12.5	0.5	4.2
Southwest	7.3	8.5	9.0	0.4	5.1
West Coast	3.4	4.4	4.5	0.1	2.4
<b>Europe</b>	<b>5.1</b>	<b>5.8</b>	<b>6.4</b>	<b>0.6</b>	<b>10.8</b>
<b>Canada</b>	<b>6.1</b>	<b>6.7</b>	<b>8.2</b>	<b>1.6</b>	<b>23.5</b>
<b>Other</b>	<b>3.0</b>	<b>3.6</b>	<b>4.5</b>	<b>1.0</b>	<b>26.9</b>
<b>Total</b>	<b>76.7</b>	<b>86.8</b>	<b>94.7</b>	<b>7.8</b>	<b>9.0</b>
<i>of which: USA (%)</i>	<b>81.5</b>	<b>81.6</b>	<b>79.8</b>		

Source: Department of Tourism

In January, US Airways launched its new route to the Boston region. It is

expected that this new addition will further enhance visitor arrivals in numbers to the Cayman Islands, particularly, in tandem with the airlines' Dividend Miles loyalty programme.

### Accommodation

Hotel *occupancy* rates improved favourably from 61.7% in the first quarter of 2007 to 74.2% this year. Similarly, occupancy levels for apartments strengthened from 42.5% to 58.5%.

During the stated period the *average length of stay* for hotels showed a decrease from 4.7 days to 4.5 days while the average length of stay at apartments increased from 6.7 days to 7.1 days.

### 6.2 Cruise Arrivals

During the first three months of 2008, cruise arrivals totalled 553,993 visitors, 14.3% below the arrivals in the first quarter of 2007.

The number of cruise ship calls at the George Town port decreased by 17.0% to 224 calls during the first quarter of 2008; this was the lowest growth recorded since 2005. Accordingly, cruise passengers per day averaged 6,155 persons, lower by 1,437 visitors per day compared to the first quarter of 2007.

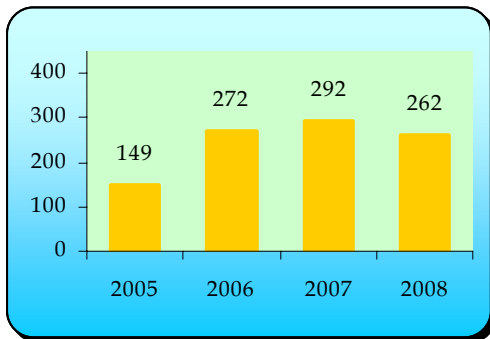
## 8. Construction

### Building Permits

After a record year in 2007, building permits (a leading indicator of construction activity) retreated by 10.3% to settle at 262 in the first quarter of 2008 (see Figure 8.1).

Compared to the same period last year, the total value of building permits issued in 2008 contracted by 29.5% to settle at \$76.5 million. This decline is attributable to the cooling off in the apartment/condominium segment of the residential property market, along with the absence of large-scale commercial and industrial projects.

**Figure 8.1: Building Permits, First Quarter 2005 - 2008**



Source: Cayman Islands Government, Planning Dept

In the commercial and industrial categories, the total value of building permits tumbled from \$55.5 million in 2007 to \$17.6 million in 2008.

The residential sector also suffered a 5.2% decline from \$49.6 million in

2007 to \$47.0 million in 2008. This can be traced to the softening in the apartment/ condominium segment which dropped in number from 70 in 2007 to 44 in 2008, with the total value also dropping from \$24.2 million to \$14.9 million.

Commencement of the newly planned educational campuses led to the government category rising to \$10.0 million in 2008.

**Table 8.1: Building Permits (CI\$M) First Quarter 2004-2008**

	2005	2006	2007	2008
Houses	9.3	23.7	25.4	32.1
Apartments	11.5	25.3	24.2	14.9
Commercial	14.3	24.7	34.1	17.4
Government	0	0.3	0.6	10.0
Industrial	0.9	3	21.4	0.2
Other	1.9	1.3	2.8	1.9
<b>Total</b>	<b>37.9</b>	<b>78.2</b>	<b>108.5</b>	<b>76.5</b>

Source: Cayman Islands Government, Planning Dept

### Project Approvals

Faltering construction intentions in the residential sector were offset by surging demand in the non-residential sectors, particularly the commercial and government segments.

The intention to expand existing and create new office spaces in the George Town district saw project approval in this category rise from \$8.1 million in 2007 to \$21.0 million in 2008.

In the government category, intention to build an emergency response centre increased project approval to \$17.0 million in 2008.

Within the residential sector, project approvals for houses and apartments/condominiums experienced double digit declines in value of 11.5% and 33.7%, respectively.

Overall, the number of approved applications fell to 289 from 337 in the same quarter of 2007.

**Table 8.2: Project Approval Values (CIS\$M)**

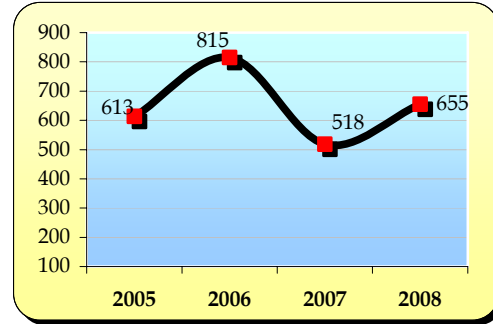
	2005	2006	2007	2008
Houses	19.7	21.8	33.9	30.0
Apartments	46.4	108.4	43.1	28.8
Commercial	2.8	21.4	8.1	21.0
Government	0.8	4.5	3.3	17.0
Industrial	2.8	0.3	0.0	4.2
Other	25.8	25.9	26.0	11.9
<b>Total</b>	<b>98.2</b>	<b>182.3</b>	<b>114.4</b>	<b>112.9</b>

Source: Planning Department

## 9. Real Estate

The real estate market rebounded in the first quarter 2008 after sluggish a performance in 2007.

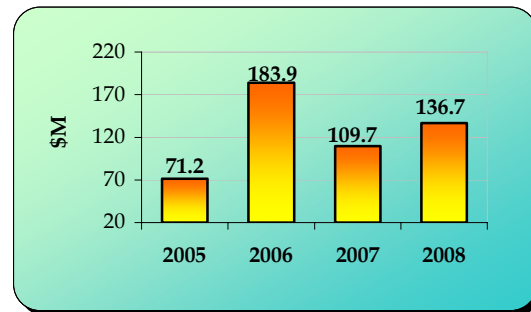
**Figure 9.1: Number of Property Transfers: First Quarter 2005-2008**



Source: Lands and Surveys Department

Transactions in the property market as measured by the number of transferred properties rose to 655 in first quarter 2008 compared to 518 in the same period last year. The value of transferred properties also rose by 24.6% to \$136.7 million (see Figure 9.2).

**Figure 9.2: Value of Property Transfers: First Quarter 2005-2008**



Source: Lands and Surveys Department

## ACKNOWLEDGMENT

The Economics and Statistics Office gratefully acknowledges the assistance of the following local companies, government offices and statutory authorities in generating the data sets used in this edition of the quarterly report:

**Cayman Islands Monetary Authority**  
**Cayman Islands Stock Exchange**  
**Customs Department**  
**Department of Tourism**  
**General Registry**  
**Immigration Department**  
**Lands and Survey Department**  
**Planning Department**