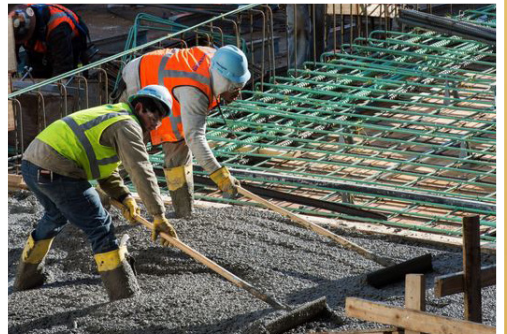




CAYMAN ISLANDS
GOVERNMENT



THE CAYMAN ISLANDS'
**ANNUAL
ECONOMIC
REPORT
2014**



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1. Executive Summary

1.1 Gross domestic product (GDP) grew at an estimated rate of 2.1 percent in 2014, an improvement over the 1.4 percent growth a year ago, as domestic demand expanded from population growth while external demand was driven from strong tourist arrivals.

1.2 Growth was broad-based on the production side, led by tourism-related service sectors (hotels and restaurants; wholesale and retail; and transport, storage and communication). However, financing and insurance, and government services declined.

1.3 Nominal per capita income (GDP per person) increased to \$48,095, an improvement over the \$47,170 in 2013.

1.4 Supported by a downtrend in global oil prices, the average inflation rate in 2014 was 1.3 percent, lower than the 2.2 percent a year ago.

1.5 Total employment was estimated at 37,723, 4.5 percent higher than a year ago. Consequently the unemployment rate fell to 4.7 percent compared to 6.3 percent in 2013. Unemployment rate among Caymanians declined from 9.4 percent in 2013 to 7.9 percent in 2014, the non-Caymanians' from 3.1 percent to 1.5 percent.

1.6 In 2014, merchandise imports grew by 5.0 percent to \$813.3 million, reflecting mainly the higher value of non-oil imports which rose by 7.8 percent stemming a decline in the value of oil-related imports.

1.7 Money supply (M2) contracted by 16.2 percent to register at \$4.9 billion (US\$5.9 billion) in 2014. This is traced to a drop in foreign currency deposits by 22.1 percent which outweighed a 9.3 percent growth in the local currency denominated broad money.

1.8 In 2014, domestic credit from commercial banks contracted by \$3.5 million (or 0.1%) to settle at \$2,971.2 million. Credit to the private sector increased by 0.8 percent while that of the public sector contracted by 6.8 percent. The increase in private sector credit is due mainly to the household sector's miscellaneous and motor vehicle borrowings as the business sector's borrowings declined.

1.9 The net foreign asset position of local commercial banks amounted to \$2.2 billion, lower by 30.7 percent (or by \$996.3 million) from the previous year. The decrease resulted mainly from a sharp decline in foreign assets (mainly balances with banks and branches) which outweighed a reduction in foreign liabilities.

1.10 The financial services industry continued to exhibit a mixed performance. New company and partnership registrations grew while declines were recorded for mutual funds registration including master funds, insurance licences, stock exchange listing, and banks and trusts.

1.11 Total visitors to the Cayman Islands grew by 15.8 percent to total 1.99 million in 2014. Air arrivals increased by 10.8 percent and cruise visitors rebounded with a 17.0 percent growth following the contraction a year ago by 8.7 percent.

1.12 Building intention indicators was mixed in 2014. Value of building permits rose to \$356.1 million (or 96.2%) mainly due to hotel construction while the value of planning approvals fell by 11.2 percent to settle at \$411.6 million.

1.13 Notwithstanding an increase in the number of property transfers by 6.3 percent, total value of property transfers fell by 2.6 percent to \$562.8 million.

1.14 The central government's overall balance in 2014 (total revenue minus total expenditure) recorded a surplus of \$93.2 million (or 3.4% of GDP), compared to a surplus of \$70.8 million (or 2.7% of GDP) in 2013. The central government's total outstanding debt contracted by \$25.9 million to \$534.0 million (or 19.5% of GDP) as at year end 2014.

1.15 GDP growth projection for 2015 is placed at 2.1 percent in view of expected sustained growth in tourism services and construction which will positively impact other sectors, as well as a modest recovery in financial services. The inflation rate in 2015 is expected at 1.5 percent arising from growth in domestic demand.

The Cayman Islands Economic Performance: Summary Indicators

Indicators	2012	2013	2014
Real GDP (\$million)*	2,457.9	2,492.9	2,544.7
GDP growth in real terms (%)*	1.2	1.4	2.1
Real GDP per capita (\$)*	43,794	44,348	44,649
Nominal GDP per capita (\$)*	45,986	47,170	48,095
Nominal GDP (\$million)*	2,580.9	2,651.5	2,741.1
Population (year-end)	56,732	55,747	58,238
<i>Of which</i> Caymanians	32,201	32,765	33,447
Population (mid-year)	56,125	56,212	56,993
Average inflation rate (%)	1.2	2.2	1.3
Employment	36,401	36,106	37,723
Unemployment rate (% of labour force)	6.2	6.3	4.7
Total imports (in \$million)	758.5	774.5	813.3
Total imports (% of GDP)	29.4	29.2	29.7
Total money supply (M2, in \$million)	5,248.6	5,888.4	4,932.4
Domestic credit (in \$million)	3,050.6	2,974.7	2,971.2
Mutual funds (including master funds)	10,841	11,379	11,010
Insurance licenses	768	788	787
Banking and trust licenses	222	213	198
Trust companies	118	117	110
Stock exchange listings	1,157	1,116	1,066
New company registrations	8,971	9,433	11,010
Stay-over tourists (in thousands)	321.7	345.4	382.8
Cruise ship passengers (in thousands)	1,507.4	1,375.9	1,609.6
Grand Cayman building permits (\$million)	156.4	181.5	356.1
Cayman Islands planning approvals (\$million)	171.0	463.7	411.6
Cayman Islands property transfers (\$million)	430.0	577.5	562.8
Overall fiscal balance of the central government (\$million)	(27.6)	70.8	93.2
Overall fiscal balance of the central government (% of GDP)	(1.1)	2.7	3.4
Outstanding debt of the central government (\$million)	586.2	559.9	534.0
Outstanding debt of the central government (% of GDP)	22.7	21.1	19.5

*Estimated for 2014.

2. Global and Regional Macroeconomic Environment

The global economy expanded in 2014, with most regions of the world expanding by varying degrees of growth. This review is based on information culled from the International Monetary Fund and other international organizations.

2.1 Economic Growth

Global growth in 2014 remained at 3.4 percent similar to a year ago. Advanced economies picked up additional strength while emerging market and developing economies slowed. The former, led by the United States (US) and the United Kingdom (UK), had a combined growth of 1.8 percent, higher than the 1.4 percent recorded in 2013. Emerging markets and developing countries had an aggregate growth of 4.6 percent, lower than the 5.0 percent achieved in 2013, as the larger economies including China and Brazil faced softer domestic demand growth (see Table 2.1).

Table 2.1: Global Economic Growth

	2011	2012	2013	2014
	in Percent (%)			
World GDP	3.9	3.2	3.4	3.4
Advanced economies	1.7	1.4	1.4	1.8
US	1.8	2.8	2.2	2.4
Euro area	1.6	-0.7	-0.5	0.9
Japan	-0.5	1.4	1.6	-0.1
UK	1.1	0.3	1.7	2.6
Canada	2.5	1.7	2.0	2.5
Emerging market and developing countries	6.4	5.0	5.0	4.6
China	9.3	7.7	7.8	7.4
India	6.6	4.7	6.9	7.2

Source: International Monetary Fund (WEO, April 2015)

With an upbeat performance in the last three quarters of 2014, the US economy improved on its 2013 performance with a 2.4 growth rate. A more vibrant domestic market benefitted from steady job creation and income growth, lower oil prices and improved consumer confidence. Economic growth was also influenced by higher non-residential investment which outweighed a decline in energy sector investment caused by lower oil prices.

In 2014, most of the advanced economies generally posted stronger economic performance with the exception of Japan which regressed by 0.1 percent. The Canadian economy strengthened with a 2.5 percent growth mainly due to increased exports.

Economic activity in the Euro area was revived in 2014 with a 0.9 percent growth following two consecutive years of contraction. Germany turned in a much improved performance with a 1.6 percent growth in 2014 compared to the preceding year. The economies of Italy, Finland and Cyprus declined in activity, while France, Spain, Greece, Portugal and Belgium posted improved growth rates. With the easing of financial market conditions and increased domestic demand, growth in the United Kingdom (UK) was higher at 2.6 percent in 2014 from 1.8 percent in 2013

Emerging market and developing economies as a group expanded by 4.6 percent in 2014, lower than the 5.0 percent recorded in 2013. The Asian sub-region faced slower growth in domestic demand coupled with lower export demand from advanced economies.

With the revival in international tourism, the Caribbean region recorded growth of 4.7 percent in 2014, a vast improvement over the previous three years, Stronger paces of economic activity were seen in most jurisdictions led by St. Kitts and Nevis (7.0%), and the Dominican Republic (7.3%).

Table 2.2: Caribbean Region Economic Growth

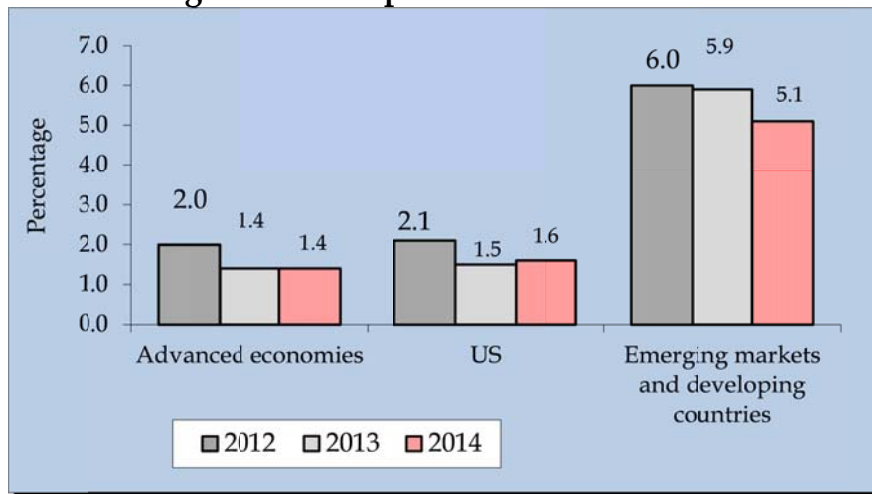
	2011	2012	2013	2014
	in Percent (%)			
Caribbean	2.8	2.4	2.8	4.7
Bahamas	1.1	1.0	0.7	1.3
Barbados	0.8	0.0	0.0	-0.3
Trinidad & Tobago	0.0	1.4	1.7	1.1
Jamaica	1.4	-0.5	0.2	0.5
OECS				
Antigua & Barbuda	-1.9	3.6	1.8	2.4
Dominica	-0.1	-1.4	-0.9	1.1
Grenada	0.8	-1.2	2.4	1.5
St. Kitts & Nevis	-1.9	-0.9	3.8	7.0
St. Lucia	1.3	0.6	-0.5	-1.1
St. Vincent & the Grenadines	0.2	1.1	2.4	1.1

Source: International Monetary Fund (WEO, April 2015)

2.2 Inflation

Headline inflation was stable at 1.4 percent in advanced economies while it fell to 5.1 percent in emerging markets and developing economies as oil prices declined. Commodity prices were generally lower than the previous year’s; global oil prices¹ were also lower by 7.5 percent as the average price was recorded at US\$58.14 a barrel. Non-fuel average prices (based on world commodity exports weights) declined by 4.0 percent during the period.

Figure 2.1: Comparative Inflation Rates:



Source: International Monetary Fund (WEO, April 2015)

Weak domestic demand and lower oil prices exerted downward inflationary pressures in the Caribbean. A few exceptions were seen in the economies of Trinidad and Tobago, Bahamas and Barbados, caused mainly by prices of food and household products. In Trinidad and Tobago, food inflation for the last six months of 2014 averaged 15.8 percent.

Table 2.3: Inflation Rates: Caribbean Region

	2011	2012	2013	2014
	in Percent (%)			
Caribbean	7.2	5.1	5.0	4.0
<i>of which:</i>				
Bahamas	3.2	2.0	0.4	1.2
Barbados	9.4	4.5	1.8	1.9
Trinidad & Tobago	5.1	9.3	5.2	7.0
Jamaica	7.5	6.9	9.4	7.1

Source: International Monetary Fund (WEO, April 2015)

¹ Simple average of prices of U.K. Brent, Dubai Fateh, and West Texas Intermediate crude oil.

2.3 International Finance

The overall fiscal deficit among advanced economies continued to improve, as it narrowed from 6.8 percent of GDP in 2012 to 5.0 percent in 2013 and further to 4.6 percent in 2014. The US general government's fiscal deficit or net borrowing² narrowed from 5.8 percent of GDP in 2013 to 5.3 percent in 2014. Similarly, the overall fiscal deficit of the Euro area improved slightly from 2.9 percent of GDP in 2013 to 2.7 percent in 2014. The UK fiscal deficit in 2014 stayed constant at 5.7 percent of GDP.

Interest rate policies across major markets remained stable except for the Euro zone. The European Central Bank in a continuation of efforts to stimulate economic activity in the Euro area lowered its key interest rate³ twice during the year from 0.25 percent to 0.15 percent in the second quarter, and in the last quarter down to 0.05 percent. In the US, the Federal Reserve maintained its interest rate from December 2008 to a range of 0 to 0.25 percent (see Table 2.4).

Table 2.4: Key Interest Rates (% , at End of Quarter)

		US	UK	Canada	Euro
Percentage (%)					
2013	Q1	0.13	0.50	1.00	0.75
	Q2	0.13	0.50	1.00	0.50
	Q3	0.13	0.50	1.00	0.50
	Q4	0.13	0.50	1.00	0.25
2014	Q1	0.13	0.50	1.00	0.25
	Q2	0.13	0.50	1.00	0.15
	Q3	0.13	0.50	1.00	0.05
	Q4	0.13	0.50	1.00	0.05

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

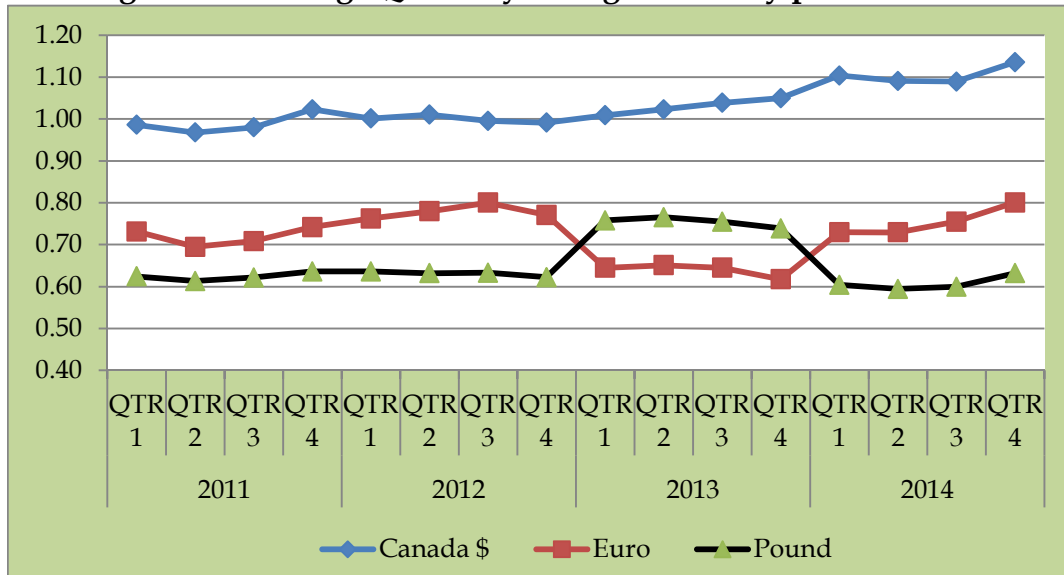
The U.S dollar gradually gained value against the Canadian dollar during the year. The Euro dollar depreciated against the U.S dollar in the first quarter of 2014 and gradually declined in relative value during the year while the UK pound appreciated during the first quarter and marginally worsened in value towards the last quarter of the year as exhibited in Figure 2.3. The Cayman

² 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.

³ The ECB's key interest rate is for main refinancing operations which provide the bulk of liquidity to the banking system.

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 2.2: Average Quarterly Foreign Currency per U.S dollar



Source: United States Federal Reserve Bank

2.4 Regional and International Tourism⁴

Based on recent World Tourism Organisation figures, demand for international tourism notwithstanding the threat of a global pandemic linked to the *ebola* virus, exceeded expectations in 2014. International tourist arrivals in 2014 totalled 1,138 million, 4.7 percent higher than a year ago with an additional 51 million visitors travelling worldwide.

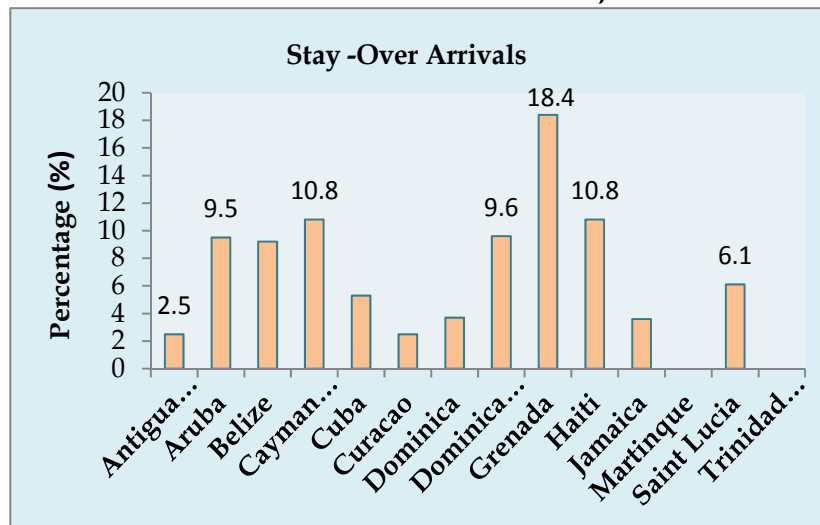
Tourism growth disaggregated by region reveal that the Americas displayed the fastest growth with arrivals increasing by 7.0 percent, followed by Asia and Pacific with a 5.0 percent increase. Both Europe and the Middle East regions recorded modest growth (4.0%). Africa managed to gain by 2.0 percent despite the pandemic scare. Amongst the sub-regions, North American destinations were the best performing with an 8.0 percent increase in arrivals.

Within the Caribbean, strong demand throughout 2014 resulted in the region welcoming a record total of 26.3 million visitors (cruise and stay-over), a 5.4 percent rise over the previous year. All source markets recorded rising inflows

⁴ Sources of basic information: World Tourism Organization website and Caribbean Tourism Organization websites.

to the region; however the US and Canadian markets maintained their pole position with arrivals respectively increasing by 5.5 percent and 5.7 percent.

**Figure 2.3: Stay- Over Arrivals Growth (%)
Selected Caribbean Countries, 2014**



The top five comparable destinations in terms of stay-over arrivals from January to December 2014 were Grenada (18.4%), Cayman Islands (10.8%), Haiti (10.8%), Dominican Republic (9.6%) and Aruba (9.5%). According to the Caribbean Tourism Organisation (CTO) resurgence in demand for Caribbean vacations is underpinned by “political and economic conditions, increased airline seat capacity, improved airport facilities, increased room stock – as recognized hotel chains established themselves in our destinations – and new initiatives in the marketplace.”

Caribbean cruise tourism likewise reported a strong year expanding by 8.0 percent to 23.9 million cruise passengers in 2014 as compared to last year’s 2.7 percent growth. Cruise arrivals across the jurisdictions generally increased with only three islands recording declines (Antigua, Aruba and Barbados).

3. Macroeconomic Performance

The domestic economy strengthened in 2014 to its highest GDP growth since 2007, as well as a record employment level. The increase in general price level moderated mainly due to falling oil prices.

3.1 Economic Growth

The year 2014 marked the fourth consecutive year that the Cayman Islands recorded expansion in economic activity, this time by an estimated 2.1 percent which is higher than the 1.4 percent recorded for 2013. In real terms, gross domestic product (GDP) is estimated to have reached \$2,544.7 million (see Table 3.1).

Table 3.1: Cayman Islands' Gross Domestic Product

	2010	2011	2012	2013	2014E
GDP at Current Prices (\$M)	2,472.7	2,519.3	2,580.9	2,651.5	2,741.1
<i>Current GDP growth (%)</i>	(2.2)	1.9	2.4	2.7	3.4
Per Capita GDP at constant 2007 prices (CI\$) ¹	43,209	43,781	43,732	44,348	44,649
GDP at constant 2007 prices (\$M)	2,399.0	2,427.8	2,457.9	2,492.9	2,544.7
<i>Real GDP growth (%)</i>	(2.7)	1.2	1.2	1.4	2.1

¹ Using mid- year population figures.

^E Preliminary estimates based on sector economic indicators

Source: Economics & Statistics Office

The average income of residents in the Cayman Islands as measured by per capita GDP at constant prices⁵ increased by 0.7 percent to \$44,649. In nominal terms, the estimated average income is \$48,095, approximately 2.0 percent higher than the previous year.

The services sector which accounted for 95 percent of GDP in 2014, led the economic performance with a 2.1 percent growth rate. Expansion was strongest in the following service sectors: hotels and restaurants, wholesale and retail trade, transport, storage and communication, other services and utilities (see Table 3.2).

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

Value added from the hotels and restaurants sector was estimated to have increased by 10.0 percent, primarily as a result of the 10.8 percent increase in stay-over visitors (see also Section 4.2).

The wholesale and retail trade sector had an estimated growth of 6.4 percent, bolstered by growth in non-oil and petroleum-related merchandise imports which grew by 7.8 percent (see Section 3.4).

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

	2011	2012	2013	2014E	% Change
Millions of Cayman Islands Dollars					
Primary Sectors	26.9	28.6	28.0	28.2	0.8
Agriculture & Fishing	9.1	9.3	9.0	9.1	0.9
Mining & Quarrying	17.8	19.3	19.0	19.1	0.7
Secondary Sectors	96.9	98.9	99.1	100.5	1.4
Manufacturing	21.6	22.4	22.5	22.6	0.4
Construction	75.3	76.4	76.6	77.9	1.7
Services Sectors	2,304.0	2,330.4	2,365.7	2,415.9	2.1
Electricity & Water Supply	93.7	93.4	93.8	96.4	2.8
Wholesale & Retail Trade, Repairs & Installation of Machinery	202.2	204.9	208.2	221.6	6.4
Hotels & Restaurants incl. Bars	136.3	140.5	148.8	163.7	10.0
Transport, Storage & Communication	209.5	213.1	216.1	226.0	4.6
Financing & Insurance Services	1,023.1	1,037.3	1,050.6	1,048.1	(0.2)
Real Estate, Renting & Business Activities	598.6	609.7	615.3	623.8	1.4
Producers of Government Services	323.4	328.6	334.0	331.6	(0.7)
Other Services	76.3	78.4	79.1	82.7	4.5
Financial Services Indirectly Measured (FISIM)*	359.3	375.6	380.3	378.1	(0.6)
GDP constant at basic prices	2,427.8	2,457.9	2,492.9	2,544.7	2.1
Growth (%)	1.2	1.2	1.4	2.1	

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.

Growth in the transportation, storage and communication sectors was estimated at 4.6 percent. The expansion in this sector benefitted from a combination of growth in visitor arrivals – air arrivals and cruise visitors – and higher volume of cargo transportation. Telecommunication indicators (number of phones and paid minutes) continued to show a downward trend during the year.

Other services, which included activities of households as employers, expanded by 4.5 percent in 2014; a key indicator - work permits for “domestic workers” – increased by 4.6 percent. Higher GDP value added (by 2.8%) was also recorded for the utilities industry as both electricity and water production and consumption increased.

Value added from real estate, renting and business activities was estimated to have increased by 1.4 percent, as business services led the way, enhanced by higher registration of companies. The real estate sector traded more properties in 2014, however, the value of property transfers declined which resulted in marginal expansion in GDP value added from this sector.

The financing and insurance services sector which accounted for approximately 41.2 percent of GDP was estimated to have contracted by 0.2 percent (see also Section 4.1). Value added from insurance services grew by a record pace of 1.1 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 contraction by approximately 0.6 percent as indicated by interest income in the local banking sector.

Volume indicators of activity for the construction sector (total quantity of imported cement and building materials) suggest that this sector’s estimated value added expanded in 2014.

The GDP contribution of government services contracted by 0.7 percent due mainly to the combined effects of lower staff levels as the fiscal austerity measures continued in an effort to maintain sustainable fiscal prudence and adherence with the Framework of Fiscal Framework (FFR)⁶ which is now part of the Public Management and Finance Law (PMFL) (see also Section 5).

⁶ An agreement between the Cayman Islands Government and Foreign Commonwealth Office (FCO) which is now embodied in the laws, that is, the Public Management and Finance Law (PMFL) of the Cayman Islands.

3.2 Inflation

Despite a rise in market demand, the increase in the consumer price index (1.3%) was lower than the previous year's (2.2%), supported by a downtrend in oil prices.

Table 3.3: Average Inflation Rates

Categories	Avg Inflation Rates (%)	
	2013	2014
Food & Non-alcoholic Beverages	3.2	2.4
Alcohol and Tobacco	9.8	0.1
Clothing and Footwear	4.8	-0.7
Housing and Utilities	-1.4	-1.6
Household Equipment	6.1	7.4
Health	0.9	-0.2
Transport	2.3	2.3
Communication	0.7	0.9
Recreation and Culture	-1.0	2.2
Education	4.6	2.7
Restaurants and Hotels	3.2	4.5
Misc. Goods and Services	8.5	0.7
Overall CPI Inflation	2.2	1.3

Source: Economics & Statistics Office

In 2014, all major categories in the CPI basket recorded higher price levels on average, except for housing and utilities, health, and clothing and footwear (see Table 3.3). The strong growth in the household equipment index by 7.4 percent is due primarily to higher prices of various household appliances, specifically, furniture sets, kitchen appliances, bed-linens and cleaning agents. The restaurants and hotels index increased by 4.5 percent as hotels room rates increased with strong demand for hotel rooms from stay-over visitors which pushed up the average price per room, in particular during the tourism high season. The education index was higher by 2.7 percent due mainly to higher fees of pre-primary and primary education as well as secondary education. The higher price index for transport in 2014 was precipitated by adjustments in driving permits fees coupled with increases in ground and air transport cost, in particular, to Jamaica and Miami.

Table 3.4 shows “core inflation rate” or overall inflation rate without food and non-alcoholic beverages, electricity and fuel. Similar to the trend in headline inflation described above, the core inflation was slightly lower at 1.4 percent in 2014 compared to 2.1 percent a year ago. The excluded items from the core

inflation were on the downtrend in 2014. The average electricity rate declined by 0.5 percent during the year, most notably in the last quarter when it fell by 5.7 percent. Food and non-alcoholic beverages recorded an inflation rate of 2.4 percent, which is lower than the 3.2 percent recorded a year ago. The increase in the local food index correspond approximately to the increase in the US food index as over 90 percent of all merchandise imports are imported from the USA.

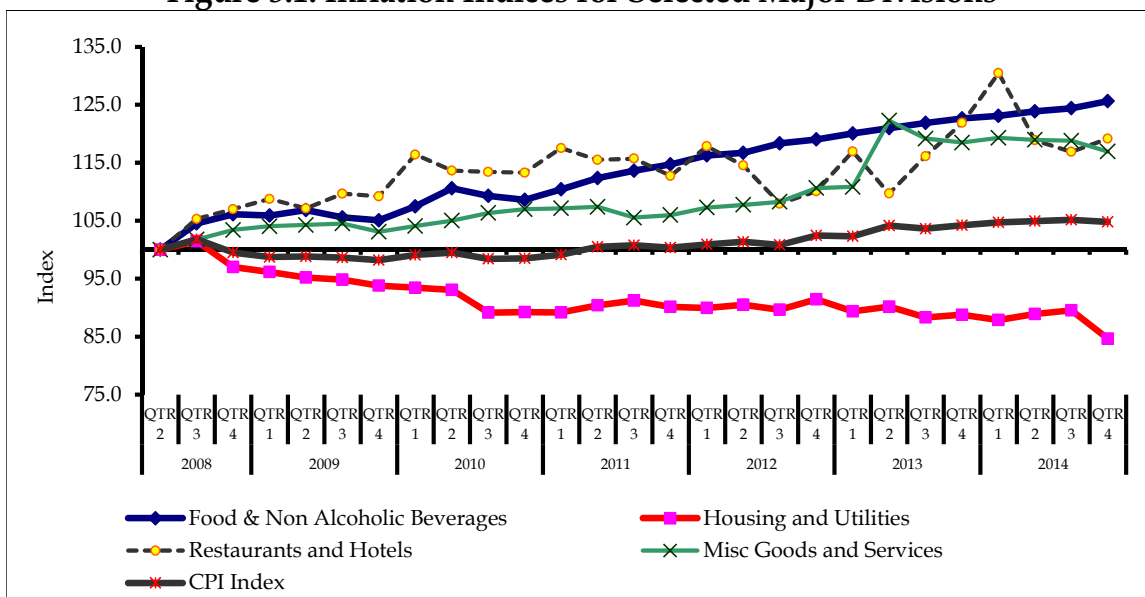
Table 3.4: Selected Quarterly Inflation Rates

		% Change over the same Quarter a Year Ago						
		CPI Inflation	Non Food Inflation	*Core Inflation	CPI: Excluding: Housing & Utilities	Food Inflation	Housing & Utilities Inflation	Electricity Inflation
2013	QTR 1	1.4	1.2	1.1	2.5	3.3	-0.6	0.8
	QTR 2	2.7	2.6	2.8	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	2.0	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
2014	QTR 1	2.3	2.3	2.4	4.4	2.5	-1.7	3.7
	QTR 2	0.7	0.6	0.8	1.9	2.4	-1.4	-1.2
	QTR 3	1.5	1.4	1.5	1.5	2.1	1.4	1.1
	QTR 4	0.6	0.4	0.9	0.8	2.4	0.1	-5.7
Annual average 2014		1.3	1.2	1.4	2.2	2.4	-0.4	-0.5

*Core inflation is CPI inflation which excludes food and non-alcoholic beverages, electricity and fuel

Source: Economics & Statistics Office

Figure 3.1: Inflation Indices for Selected Major Divisions



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 125.6 in 2014, approximately 25.6 percent higher from the second quarter of 2008, or an average of 4.3 percent annually for the last six years. During 2014, food inflation has been consistently above 2.0 percent in all four quarters and was highest at 2.5 percent in the first quarter as depicted in Table 3.4.

3.3 Labour Force and Employment

Broadening economic recovery improved labour market indicators in 2014, as evidenced by higher employment and lower unemployment.

Consistent with population increase, the labour force grew by 2.8 percent to 39,582 persons. Growth in both Caymanian and non-Caymanian groups were recorded at 1.8 percent and 3.7 percent respectively. The overall participation rate slid marginally to 82.6 percent although the rate for Caymanians showed a sharp increase (from 75.8% in 2013 to 82.6%) compared to those of non-Caymanians which fell from 91.8 percent to 89.7 percent. This may be due in part to greater government efforts to facilitate Caymanian employment through the National Workforce Development Agency.

Table 3.5: Summary of Labour Force Indicators

Labour Force Indicators	2012	2013	2014
Population	56,732	55,747	58,238
Working Age Population	46,375	46,394	47,896
Labour Force	38,811	38,521	39,582
Total Employed	36,401	36,106	37,723
Total Unemployed	2,410	2,415	1,859
Unemployed Rate (%)	6.2	6.3	4.7
Caymanian Population	32,201	32,798	33,447
Working Age Population	24,547	25,497	25,714
Labour Force	18,418	19,337	19,689
Total Employed	16,493	17,518	18,127
Total Unemployed	1,925	1,818	1,562
Unemployed Rate (%)	10.5	9.4	7.9
Non -Caymanian Population	24,531	22,949	24,791
Working Age Population	21,828	20,898	22,182
Labour Force	20,393	19,185	19,893
Total Employed	19,908	18,588	19,595
Total Unemployed	485	597	298
Unemployed Rate (%)	2.4	3.1	1.5

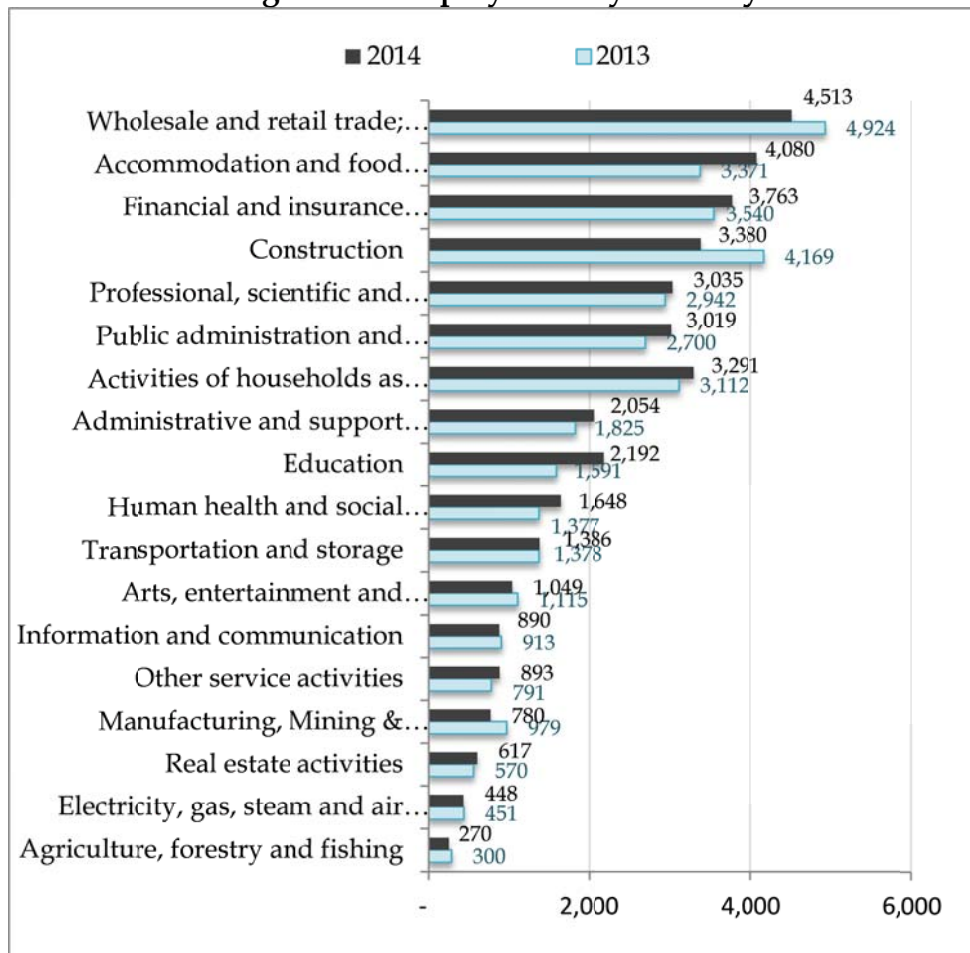
Source: Economics & Statistics Office

The share of non-Caymanians in the labour force has steadily declined over the years, partly reflecting the impact of policy measures to lower reliance on foreign labour. In 2014, the non-Caymanian labour force totalled 50.3 percent of the labour force, lower than the 52.5 percent in the previous year.

In 2014, overall employment increased significantly (4.5%) to a record level of 37,723. Employment growth was recorded for both Caymanians (3.5%) and non-Caymanians (5.4%). Consistent with the latter, work permits issued by the Immigration Departments rose 8.5 percent to 21,076.

The unemployment rate fell 1.6 percentage points to 4.7 percent in 2014, the lowest since 2008. Overall, a total of 1,859 persons were unemployed. The Caymanian unemployment rate fell 1.5 percentage points to 7.9 percent with 1,562 unemployed persons; the rate for Non-Caymanians was estimated at 1.5 percent with 298 unemployed persons.

Figure 3.2: Employment by Industry



Source: Economics & Statistics Office

As depicted in Figure 3.2, several sectors recorded strong employment growth in 2014 led by education (37.7%), accommodation and food services (21.0%) and human health and social work activities (19.7%). In education, higher demand for teachers and teaching professionals is corroborated by the 10.6 increase in under -15 (children) population.

Employment growth were also recorded in the other service sectors (12.9%), administrative and support services (12.6%), public administration and defence (11.8%), real estate activities (8.2%), financial and insurance activities (6.3%), professional, scientific and technical activities (3.1%) and transportation and storage (0.6%). Employment activities of households as employers also increased by 5.8 percent following three years of downturn; the growth in 2014 coincided with population growth and per capita income (GDP) growth.

In a reversal of last year's gains, contractions were recorded in wholesale and retail (-8.4%), and construction (-18.9%). Declining employment was also noted in primary industry sectors of agriculture, forestry and fishing (-9.8%) and manufacturing, mining and quarrying (-20.3%), information and communication (-2.5%), arts, entertainment and recreation (-5.9%) and electricity, gas, steam and air conditioning supply, water supply; sewerage etc. (-0.5%).

3.4 External Sector

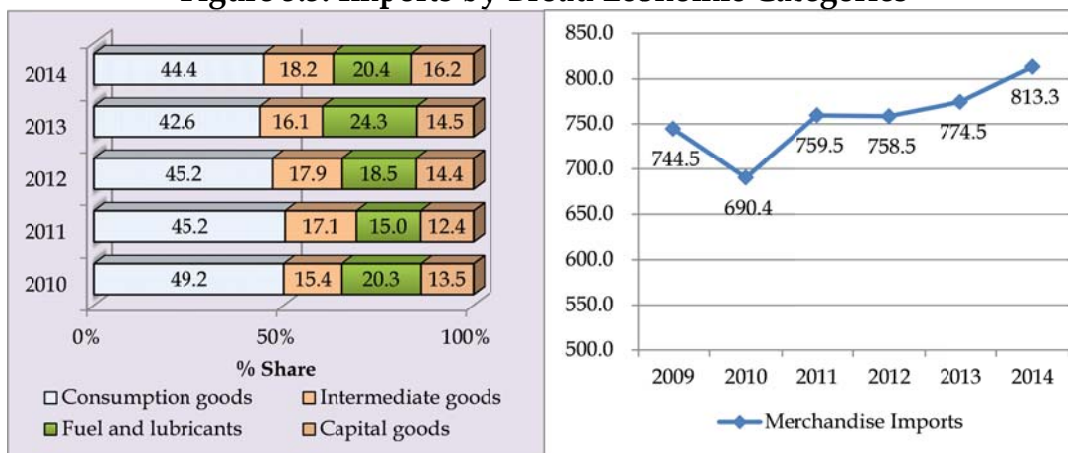
Imports. Total merchandise imports grew by 5.0 percent to reach \$813.3 million in 2014. This growth was due mainly to non-petroleum products which increased by 7.8 percent to register at \$653.9 million, outweighing a 4.8 percent decline in petroleum-related imports due to the global price downtrend.

Analysing imports by broad economic categories (BEC) reveals that the value of imported consumption goods increased by 9.6 percent, resulting in an increase in its share of imports to 44.4 percent. In general, non-petroleum imports that have relatively high elasticity with respect to local population and stay-over tourist arrivals led the growth: food and live animals (17.4%), and beverages and tobacco (5.2%). Miscellaneous manufactured articles increased by 7.3 percent, with strong growth from furniture and parts thereof.

Capital goods and intermediate goods increased by 5.7 percent and 2.4 percent. Machinery and transport equipment went up by 7.8 percent, traced mainly to higher number and value of motor cars under CIF value less than \$20,000.

Imported fuel grew slightly in terms of quantity in 2014; however, the total value declined by 4.7 percent to \$156.5 million as the price of crude oil in the world market plummeted during the last quarter of the year. The average price of BRENT crude declined from US\$107.94 per barrel in the beginning of January to US\$55.27 per barrel as at December 2014. A similar decline was recorded with West Texas Intermediate (WTI) declining from US\$95.14 per barrel to US\$53.45 per barrel between January and December 2014.

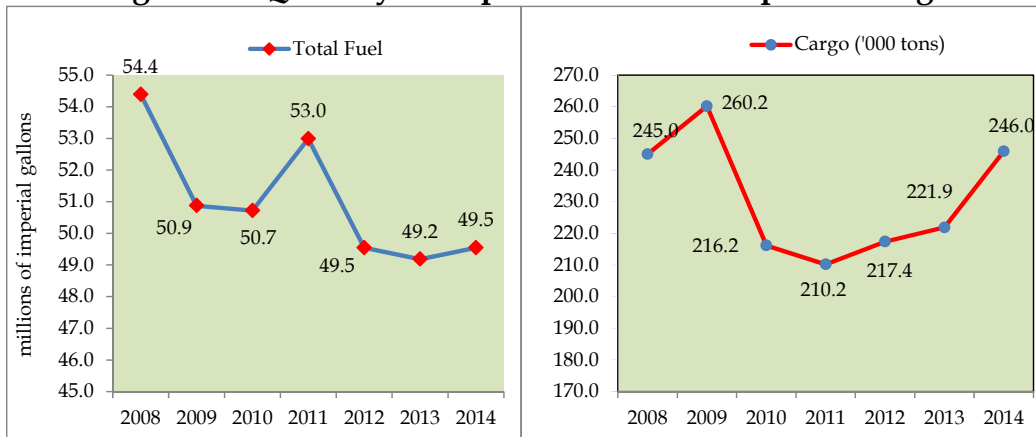
Figure 3.3: Imports by Broad Economic Categories



Source: Economics and Statistics Office

Consistent with the rise in imports of goods, the overall volume of imported cargo grew by 10.9 percent to 246.0 thousand tonnes from the 221.9 thousand tonnes imported in 2013. The overall quantity of fuel imports increased by 0.3 million imperial gallons (or 0.6%) in 2014. The quantity of diesel and aviation fuel increased by 0.8 percent and 3.2 percent, respectively. However, gas and propane imports decline during the period.

Figure 3.4: Quantity of Imported Fuel and Imported Cargo



Source: Customs Department and Port Authority of the Cayman Islands

Exports. In 2014, total merchandise exports reached \$21.9 million, a 13.4 percent decrease compared to the previous year. Exports consisted mainly of re-exports of goods, mostly personnel effects.

Current Account⁷. The country’s current account deficit was estimated to have narrowed by 0.3 percent to \$586.6 million, or 23.1 percent of GDP in 2014 due mainly to an increase in the inflow of funds arising from higher visitor expenditure, financial and business services.

Travel receipts during the period was estimated at \$462.3 million, up by 12.8 percent due to strong growth in air arrivals and recovery in cruise visitors. Meanwhile, total receipts from financial services was estimated at \$398.1 million, up by 2.1 percent as new company registrations rebounded from the decline a year ago. On the other hand, outflow of workers’ remittances is estimated to have grown as foreign employment increased.

⁷ The current account of the balance of payments measures the total value of the country’s transaction against the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest of the world compared to its receipts from these transactions.

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

	2011	2012	2013	2014E
Current Account Balances				
Trade balance*	(602.4)	(641.1)	(597.8)	(625.6)
Exports	84.6	45.4	103.1	103.9
Imports, f.o.b.	(687.0)	(686.4)	(700.9)	(729.5)
Services, net	410.0	521.7	518.2	573.5
Receipts	1,351.9	1,395.2	1,425.6	1,503.9
o/w tourism visitor expenditure	369.7	400.2	409.7	462.3
o/w financial services	396.1	398.1	390.1	398.1
Payments	(941.8)	(873.5)	(907.3)	(930.5)
Net income	(118.2)	(267.0)	(373.1)	(386.96)
Transfers, net	(145.6)	(146.3)	(135.8)	(147.6)
Current Account Balance	(456.1)	(532.7)	(588.4)	(586.6)
<i>Percent of GDP (%)</i>	(18.8)	(21.7)	(23.6)	(23.1)
Financial and Capital Account, net**	461.4	537.2	590.5	585.1
Balance of Payments	5.3	4.5	2.1	(1.6)
Change in Reserves***	(5.3)	(4.5)	(2.1)	1.6

^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

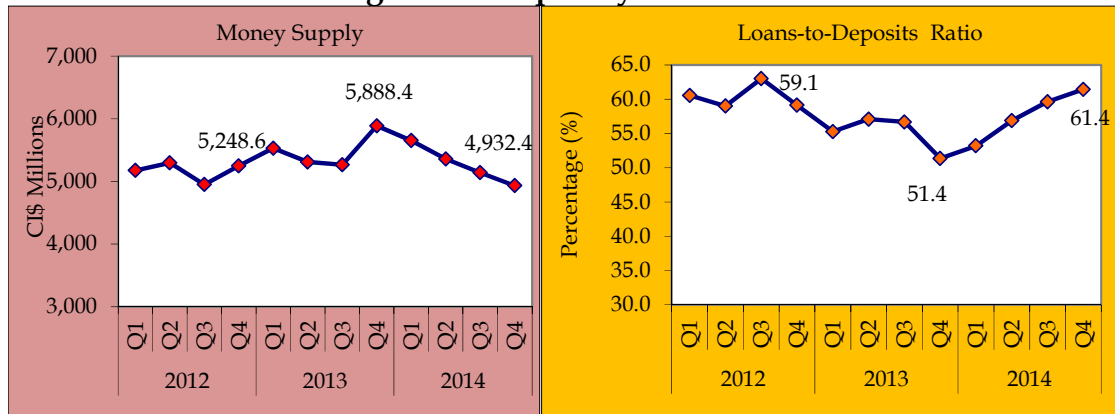
Source: Economics and Statistics Office

3.5 Money & Credit

Broad Liquidity. As at December 2014, broad liquidity (M2) which comprises CI dollar-denominated money and foreign currency deposits contracted. Following a growth of 12.2 percent in 2013, M2 contracted by 16.2 percent to reach \$4,932.4 million in 2014 (see Figure 3.5 and Table 3.7). The resulting M2 to GDP ratio fell to 179.9 percent in 2014 from 222.1 percent in 2013.

The contraction in total money supply is traced to a 22.0 percent reduction in foreign currency deposits amounting to \$1,058.5 million. These deposits contributed approximately 75.5 percent of broad liquidity, a reduction from 81.2

percent a year ago. In particular, US dollar-denominated deposits declined by 19.8 percent as of end December 2014.

Figure 3.5: Liquidity Indicators


Source: Cayman Islands Monetary Authority & ESO

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

	Dec-11	Dec-12	Dec-13	Dec-14	% Change
Total Assets	4,752.9	5,248.6	5,888.4	4,932.4	(16.2)
Net Foreign Assets	2,446.7	2,801.8	3,249.3	2,281.7	(29.8)
Monetary Authority	94.6	99.1	101.5	100.2	(1.3)
Commercial Banks	2,352.1	2,702.7	3,147.8	2,181.5	(30.7)
Net Domestic Assets	2,306.2	2,446.8	2,639.1	2,650.7	0.4
Domestic credit	3,106.6	3,050.6	2,974.7	2,971.2	(0.1)
Claims on central government	293.7	278.3	262.7	243.6	(7.3)
Claims on other public sector	88.6	80.4	75.2	70.1	(6.8)
Claims on private sector	2,724.3	2,691.9	2,636.8	2,657.5	0.8
Other items net	(800.4)	(603.8)	(335.6)	(320.5)	(4.5)
Broad Liquidity	4,752.9	5,248.6	5,888.4	4,932.4	(16.2)
Broad money (KYD) M2	935.9	1,110.3	1,106.6	1,209.1	9.3
Currency in circulation	89.7	86.9	96.2	95.5	(0.7)
KYD Deposits	846.1	1,023.4	1,010.4	1,113.6	10.2
Demand deposits	237.7	337.0	403.1	460.6	14.3
Time and savings deposits	608.4	686.4	607.3	653.0	7.5
FOREX deposits	3,817.0	4,138.3	4,781.8	3,723.3	(22.1)
of which: US dollars	3,251.6	3,517.9	4,219.3	3,382.0	(19.8)
US dollars share (%)	85.2	85.0	88.2	90.8	

Source: Cayman Islands Monetary Authority & ESO

In contrast to the foreign currency deposit trend, local currency-denominated broad money expanded by 9.3 percent as local currency (KYD) deposits increased by \$103.2 million to \$1,209.1 million although currency in circulation contracted marginally by 0.7 percent to \$95.5 million. The increase in KYD deposits resulted from a 14.3 percent increase in demand deposits and 7.5 percent increase in time and savings deposits.

The overall domestic loan-to-deposit ratio of commercial banks which is an indicator of overall liquidity (a higher ratio indicates relatively less liquidity) averaged 51.4 percent in 2013 and increased to 61.4 percent in 2014 (see Figure 3.5). The movement of this ratio may be due to temporary flows of highly liquid and mobile money.

On the assets side, the reduction in broad liquidity is associated with a 30.7 percent cut in net foreign assets of local commercial banks. Net domestic credit also fell by 0.1 percent, largely due to a fall in public sector borrowings.

Net foreign assets. Net foreign assets (NFA) of the Cayman Islands Monetary Authority's (CIMA) and commercial banks' contracted by 1.3 percent and 30.7 percent respectively (see Table 3.8). CIMA's NFA fell by \$1.3 million, reflecting the reduction in the level of external investment which outweighed increases in both external interest receivable and stocks of numismatic.

The decrease in commercial banks' NFA stemmed from lower levels of foreign assets by 17.0 percent, although foreign liabilities also dropped by 2.7 percent. Although foreign investment expanded by 50.5 percent, balances with foreign banks and branches slid by 35 percent.

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 85.5 percent in 2014 which is slightly lower than the 88.9 percent in 2013. This is an indication that foreign currency continued to be an important source of funding in the Cayman Islands' and can be somewhat considered a "pseudo dollarized economy," supporting the fixed exchange rate under the currency board system.

Table 3.8: Net Foreign Assets, CI\$ million

	Dec-11	Dec-12	Dec-13	Dec-14	% Change
Net Foreign Assets	2,446.7	2,801.8	3,249.3	2,281.7	(29.8)
Monetary Authority	94.6	99.1	101.5	100.2	(1.3)
Commercial Banks	2,352.1	2,702.7	3,147.8	2,181.5	(30.7)
Foreign Assets	6,049.7	6,444.8	6,182.6	5,132.9	(17.0)
Bal. with Banks & Branches	3,569.2	4,059.4	4,408.3	2,865.4	(35.0)
Total Investment	963.3	1,111.5	910.3	1,370.3	50.5
Total Non-Resident Loans	1,517.2	1,273.9	864.0	897.2	3.8
Foreign Liabilities	3,697.6	3,742.0	3,034.7	2,951.4	(2.7)
Total Non-Resident Deposits	3,580.2	3,584.8	2,815.6	2,806.8	(0.3)
Other Liabilities	117.4	157.2	219.1	144.6	(34.0)

Source: Cayman Islands Monetary Authority & ESO

Net domestic credit. In 2014, net domestic credit declined marginally by 0.1 percent to \$2,971.2 million as commercial banks' credit to the public sector declined for the fourth consecutive year. The central government continued on a program of reducing its total outstanding debt to conform to the Framework of Fiscal Responsibility (FFR) (see Table 3.9). Credit allocated to the private sector grew by 0.8 percent due mainly to higher credit to households.

Table 3.9: Net Domestic Credit, CI\$ million

	Dec-11	Dec-12	Dec-13	Dec-14	% Change
Domestic Credit	3,106.6	3,050.6	2,974.7	2,971.2	(0.1)
Domestic Credit to Public Sector	382.3	358.7	337.9	313.7	(7.2)
Domestic Credit to Private Sector	2,724.3	2,691.9	2,636.8	2,657.5	0.8

Source: Cayman Islands Monetary Authority & ESO

Credit to households has consistently comprised majority of the banking sector's domestic credit; in 2014, this further grew by 1.3 percent to reach \$1,821 million. Lending activities for all categories grew, except for domestic property which went down by 0.8 percent (see Table 3.10). The miscellaneous category which include consolidated debt, insurance, medical and travel loans led the growth, with a total increase amounting to \$32.0 million (or 14.3 percent) between December 2013 and December 2014. Motor vehicle loans grew by \$3.6 million (or 11.8%), coinciding with the vehicle imports growth by 580 during the year. Education and technology loans also grew during the period, this time by 15.4 percent to \$6.0 million. Credit for domestic property contracted during the year as net amortization amounted to \$12.7 million. Despite its decline, property

loans remained the single largest form of domestic credit, amounting to \$1,524.9 million in 2014.

In 2014, credit to the business sector contracted by 2.3 percent, continuing a general downward trend since 2010. Credit to production and manufacturing as well as services posted declines while those for trade and commerce and other financial corporations increased. Credit to production and manufacturing, and services sectors declined by 43.8 percent and 14.0 percent respectively as loan to construction companies and accommodation, food, bar, and entertainment services declined. (Loans to construction companies declined mainly due to reclassification). Wholesale and retail credit increased by 1.4 percent to \$72.3 million and real estate agents, rental and leasing companies increased by 50.6 percent to \$211.9 million. (The increase in loans to the latter category is due to a new classification system according to purpose from the previous classification according to collateral).

During the review period, foreign currency-denominated loans to residents comprised 48.5 percent of total loans, slightly down from 50.7 percent in 2013.

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

	Dec-11	Dec-12	Dec-13	Dec-14	% Change
Total	2,724.4	2,691.9	2,636.7	2,657.6	0.8
Credit to Businesses	1,008.0	838.1	838.8	819.7	(2.3)
Production & Manufacturing	410.5	324.1	301.3	169.2	(43.8)
<i>of which; Construction</i>	351.9	282.4	265.7	119.4	(55.1)
Services	167.1	129.4	95.5	82.1	(14.0)
<i>of which;</i>					
Accommodation, Food, Bar & Entertainment Services	116.3	92.6	55.0	27.7	(49.6)
Trade and Commerce	383.6	343.5	410.2	465.5	13.5
Wholesale & Retail Sales Trade	78.1	58.0	71.3	72.3	1.4
Real Estate Agents, Rental and Leasing Companies	136.5	128.6	140.7	211.9	50.6
Other Business Activities (General Business Activity)	169.0	156.9	198.2	181.3	(8.5)
Other Financial Corporations	46.8	41.1	31.8	102.9	223.6
Credit to Households	1,716.2	1,853.7	1,797.9	1,821.6	1.3
Domestic Property	1,487.1	1,540.9	1,537.6	1,524.9	(0.8)
Motor Vehicles	36.8	33.0	30.6	34.2	11.8
Education and Technology	4.5	4.3	5.2	6.0	15.4
Miscellaneous*	187.8	275.5	224.5	256.5	14.3
NonProfit Organizations	0.2	0.1	-	16.3	

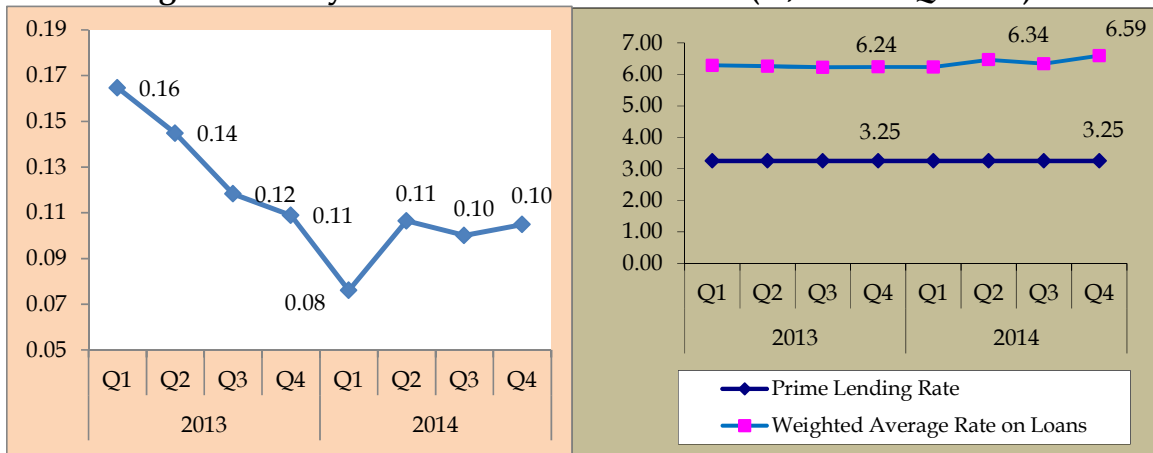
*Miscellaneous include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority & ESO

Interest Rates. As depicted in Figure 3.6, the weighted average KYD rate on outstanding loans increased by 35 basis points to 6.59 percent while the prime lending rate remained constant over the review period. The weighted average loan interest rate spread over Cayman prime was 3.34 percentage points, up from 2.99 percentage points a year ago. The weighted average loan interest rate spread over the weighted average savings rate stood at 6.49 percentage points compared to 6.13 percentage points a year ago.

The weighted average KYD rate on deposits decreased to 0.10 percent at the end of 2014 from 0.11 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 tourism services recorded another year of strong growth. The construction industry leading indicators posted mixed signals while the total value of real estate transfers showed a slowing of high valued transfers. The utilities sector comprising electricity and water grew during the year.

4.1 Financial Services

In 2014, the financial services sector posted mixed results with only new partnership and new company registrations showing improvement in their business volume indicators.

Banks & trusts. The Cayman Islands remained as one of the top international financial centres in the world in 2014, ranking sixth internationally based on value of cross-border assets and fifth based on cross-border liabilities. Total assets as well as liabilities grew in 2014, recovering declines registered in 2013.

Notwithstanding the international rankings, registration of banks and trust licences continued on a downward trajectory. In 2014, bank and trust licences declined anew from the previous year by 7.0 percent to 198; over a longer period, this represented a decline by 198 compared to the 382 in 2002 or almost 50 percent reduction over the last thirteen years. This downtrend is seen as a function mainly of structural changes in global banking arising from greater competition that in turn induces consolidation measures.

Table 4.1: Bank & Trust Companies, 2011-2014

	2011	2012	2013	2014	2013-2014 % Change
Banks and Trust Licences	234	222	213	198	(7.0)
<i>Of which:</i> Class 'A'	15	15	15	13	(13.3)
Class 'B'	219	207	198	185	(6.6)
Trust companies	123	118	117	110	(6.0)
Trust Companies (unrestricted)	54	52	50	47	(6.0)
Trust companies (Restricted)	69	66	67	63	(6.0)
International Position	US\$ Billions				
Assets*	1,569.8	1,442.2	1,403.9	1,477.3	5.2
Liabilities*	1,631.7	1,489.6	1,451.7	1,523.2	4.9

* Assets and liabilities are as at September in 2014

Source: Cayman Islands Monetary Authority

Banks and trust are licenced according to market operations in two broad classes - “Class A” which allows financial institutions to conduct business with residents and “Class B” which allows business with non-residents only. “Class A” licences fell by 2 licenses to 15 while “Class B” was reduced by 13 to total 185. As shown in Table 4.2, most of the reduction in bank listings in 2014 is traced to European banks resulting in the decline of this region’s share from 26.3 percent a year ago to 24.2 percent. Over recent years, the number of licenses for banks from Europe and USA has gradually declined as their combined total in 2014 represents a reduction by 32 licenses (or 26%) from just three (3) years ago.

Table 4.2: Total Number of Banks by Region, 2011- 2014

	2011	2012	2013	2014
Number of Banks				
Europe	66	62	56	48
USA	56	50	45	42
Caribbean & Central America	19	19	22	23
Asia & Australia	23	24	24	22
Canada & Mexico	18	19	18	18
South America	43	39	39	37
Middle East & Africa	9	9	9	8
	234	222	213	198
Percentage distribution				
Europe	28.2	27.9	26.3	24.2
USA	23.9	22.5	21.1	21.2
Caribbean & Central America	8.1	8.6	10.3	11.6
Asia & Australia	9.8	10.8	11.3	11.1
Canada & Mexico	7.7	8.6	8.5	9.1
South America	18.4	17.6	18.3	18.7
Middle East & Africa	3.8	4.1	4.2	4.0
	100.0	100.0	100.0	100.0

Source: Cayman Islands Monetary Authority

The sector’s total international assets stood at US\$1,477.3 billion as at September 2014, while total international liabilities were US\$1,523.2 billion. As at June 2014, the portion of international assets and liabilities domiciled in the domestic economy were US\$34.3 billion and US\$60.0 billion of assets and liabilities, respectively.

Insurance. Overall, licensing activity in this industry in 2014 was relatively stable compared to 2013 although there were declines in key financial indicators for captives (premiums, net worth and total assets).

Class A (domestic) insurers. The total number of domestic insurers increased by one to 28 in 2014. Based on unaudited consolidated financial statements as at June 2014, gross premium of domestic insurance licensees for the first half of the year was 7.6 percent higher compared to the same period in 2013, settling at \$254.7 million. Health insurance had the largest share of gross premiums (37.9%), followed by property insurance (24.1%) and liability insurance (5.7%).

Ceded premiums⁸ amounted to \$67.9 million; as a share of gross premium, this increased slightly from 20.1 percent a year ago to 26.7 percent. Property insurance had the highest percentage (76.8%) of ceded premiums.

Net claims increased by 14.2 percent to \$81.5 million; majority of payments (78.0%) were health-related claims.

Total net income of the industry was \$77.7 million, 14.2 percent higher than a year ago.

Table 4.3: Insurance Companies, 2011-2014

	2011	2012	2013	2014	% Change
Total Insurance Licences	766	768	788	787	(0.1)
Class 'A' Licences (Domestic)	27	27	27	28	3.7
Class 'B' Licences (Captives)	739	741	719	724	0.7
Class 'C' Licences			40	34	(15.0)
Class 'D' Licences			2	1	(50.0)
Financial Position of Captives	US\$ Billions				
Premiums	11.8	11.8	12.6	12.1	(4.0)
Net Income*	1.0	2.1	0.6	1.3	116.7
Net Worth	14.2	15.1	13.9	12.3	(11.5)
Total Assets	68.5	88.1	69.2	51.5	(25.6)

* Due to rounding off, these figures may not show explicit changes

Source: Cayman Islands Monetary Authority

Class B, C and D or captives (international) insurers. The number of class B, C and D insurers declined by 2 to total 759 during the period. Class B insurers comprised of 585 captives including segregated portfolio companies (SPC) which increased by 14 licences and 139 segregated portfolio companies which fell by 9

⁸ Ceded premiums are premiums paid or payable by the insurance company to another insurer for reinsurance protection.

licences. Both special purpose vehicles (SPVs) or Class C licenses and reinsurance (Class D) licenses also registered declines.

Net premiums for captives fell by 4.0 percent to settle at US\$12.1 billion in 2014. Total assets under management declined by 25.6 percent to US\$51.5 billion while net income surged by 116.7 percent to total US\$1.3 billion. Overall net worth declined by 11.5 percent to settle at US\$12.3 billion.

The decline in captives is traced to lower activity from North America, albeit this remains the dominant risk location comprising 90.1 percent of total companies registered. In terms of class of business, the reduction is traced largely to property insurance.

Table 4.4: Captive Insurance Licences by Risk Location, 2011-2014

	2011	2012	2013	2014
	Number of Companies			
Africa, Asia & Middle East	4	4	6	6
Caribbean & Latin America	23	23	24	23
Europe	14	15	14	15
North America	669	671	687	684
Pacific Rim	2	2	2	2
Other	27	26	28	29
	739	741	761	759

Total Captive Companies by Primary Class of Business

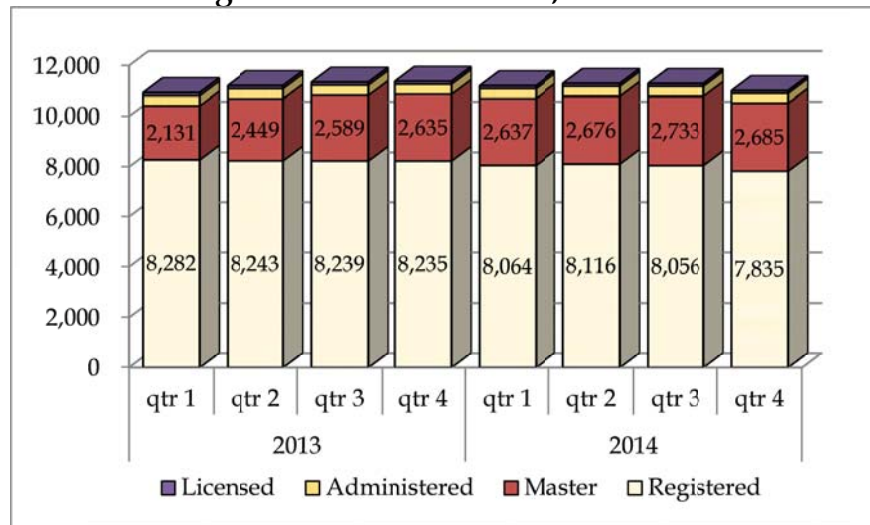
	2011	2012	2013	2014
	Number of Companies			
Healthcare	265	265	271	270
Workers' Compensation	161	156	162	167
Property	91	91	91	84
General Liability	71	72	76	77
Professional Liability	68	68	68	68
Other	83	89	93	93
	739	741	761	759

Source: Cayman Islands Monetary Authority

Mutual funds. Registered mutual funds fell by 3.2 percent from 11,379 in 2013 to 11,010 in 2014. The decline occurred despite growth in the new category “master fund” by 1.9 percent. The latter was created by the Mutual Funds Law (2011) Amendment enacted in December 2011.

Excluding master funds, the number of registered mutual funds declined anew in 2014, by 4.9 percent to 7,835. This has consistently trended downwards from a high of 9,231 in 2008. Administered mutual funds also dipped by 3.0 percent to 386 compared to a year ago, continuing the downtrend from a high of 543 in 2007. Similarly, licensed mutual funds declined from a high of 133 in 2010 to 104 in 2014; in 2014, this posted a 6.3 percent reduction.

Figure 4.1: Mutual Funds, 2013-2014



Source: Cayman Islands Monetary Authority

In 2014, new registrations totalled 1,287 while 1,492 were terminated. According to the Investment and Securities Division (ISD) of Cayman Islands Monetary Authority (CIMA), the primary reason for the increase in terminations is due to the introduction of the new Director Registration and Licensing Law (“DRLL”) in June 2014. The ISD-CIMA noted that many funds submitted documentation for de-registration as directors sought to ensure that the list of entities on which they acted were correct. Overall, it appears that more funds de-register with CIMA once they make the decision to wind down operations, to avoid incurring the additional expenses of annual fees and/or the production of audited accounts. This is attributed to the DRLL and the heightened responsibility now placed on directors to ensure compliance by their funds.

Other key reasons for funds termination include:

- Liquidation (wind-up/down of the fund);
- The fund qualifying for Section 4 subsection (4) exemption under the Mutual Funds Law;
- The fund may never have carried on business;

- The fund may no longer meet the definition of a mutual fund as defined in the Mutual Funds Law, such as a closed-ended fund; and
- Transfer to another jurisdiction.

Stock exchange. In 2014, the Cayman Islands Stock Exchange (CSX) listings declined by 50 (4.5%) to settle at 1,066 as compared to the listing of the previous year. The decline is traced to mutual fund listings (down by 41) and specialist debt (down by 25).

Table 4.5: Stock Listings, 2011-2014.

Instruments	2011	2012	2013	2014
Total	1,156	1,157	1,116	1,066
Mutual Funds	347	343	320	279
Specialist Debt	702	600	587	562
Insurance Linked Security		91	82	67
Sovereign Debt Securities	101	117	121	150
Primary Equity	4	4	4	6
Secondary Equity	2	2	2	2

Source: Cayman Islands Stock Exchange

Similarly, total market capitalization fell by 1.9 percent to US\$169.3 billion, which is attributed to mutual funds, insurance-linked securities and primary equity. Market capitalization of specialist debt⁹ and sovereign debt securities¹⁰ increased during the period (see Table 4.6).

Table 4.6: Market Capitalization (US\$ billions), 2011-2014¹¹

Instruments	2011	2012	2013	2014
Total	143.8	166.5	172.6	169.3
Mutual Funds	23.0	14.5	11.3	9.4
Specialist Debt	80.4	74.0	78.0	79.2
Insurance Linked Security		9.8	11.5	8.1
Sovereign Debt Securities	36.9	64.7	68.6	72.2
Primary Equity	2.8	2.7	2.3	0.3
Secondary Equity	0.7	0.8	0.9	0.1

Source: Cayman Islands Stock Exchange

⁹ Specialist Debt Securities include debentures, debenture stock, loan stock, bonds, certificates of deposit and any other instrument creating or acknowledging indebtedness.

¹⁰ A debt security issued by a national government within a given country and denominated in a foreign currency.

¹¹ 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.

Companies registry. The number of registered companies increased by 4.1 percent to total 99,459 in 2014. This performance resulted as a greater number of new company registrations outweighed the number of terminated companies.

The number of new registrations increased by 16.7 percent to total 11,010 (see Table 4.7). New exempt companies grew by 19.1 percent and remained the largest proportion of total companies. New foreign companies increased by 3.0 percent while resident and non-resident companies decreased by 5.1 percent and 39.6 percent, respectively.

Table 4.7: Company Registrations, 2011-2014

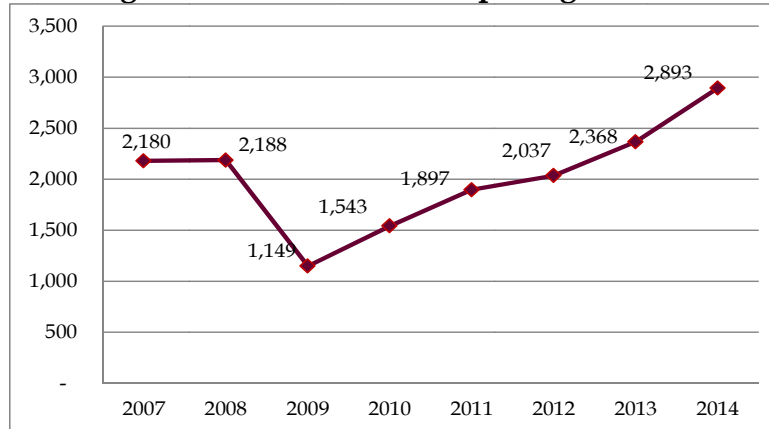
	2011	2012	2013	2014	2013-2014
					% Change
Total Company Registrations	92,964	93,612	95,530	99,459	4.1
Exempt	74,782	75,754	78,070	82,413	5.6
Non-Resident	9,060	8,206	7,200	6,213	-13.7
Resident	6,193	6,476	6,755	7,037	4.2
Foreign	2,929	3,176	3,505	3,796	8.3
New Company Registrations	9,064	8,971	9,433	11,010	16.7
Exempt	7,980	7,940	8,380	9,981	19.1
Non-Resident	156	69	48	29	-39.6
Resident	485	506	430	408	-5.1
Foreign	443	456	575	592	3.0

Source: Cayman Islands General Registry

The number of terminated companies stood at 6,499 in 2014. Of these terminations, 51.7 percent (or 3,357) were removed by the Registrar (these originated mainly from the exempt category; 40.9 percent (or 2,660) were voluntarily dissolutions mainly from the exempt category; and 4.1 percent were voluntary cessation of foreign companies. Meanwhile, 122 resident companies were also removed from the registry.

Partnerships registry. Registration of new partnerships continued its upward trend which started in 2010, reaching 2,893 in 2014, higher than the peak pre-crisis level. When compared to the preceding year, new partnerships improved by 22.2 percent. The total number of active partnerships reached 15,455 as at the end of December 2014, representing a growth of 7.7 percent over a year ago as higher number of new registrations outweighed the partnerships dissolved during the period.

Figure 4.2: New Partnerships Registration

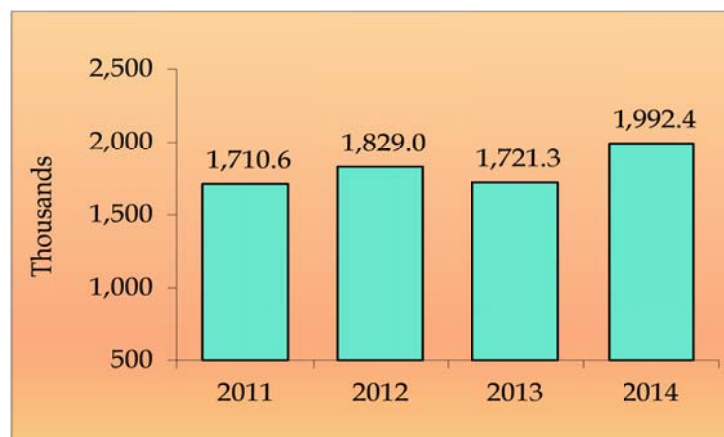


Source: Cayman Islands General Registry

4.2 Tourism

Total visitor arrivals to the Cayman Islands grew to its highest level since 2007, reaching almost two (2) million in 2014. Compared to a year ago, this represented an improvement by 15.7 percent. Both stay-over and cruise segments recorded double-digit growth of 10.8 percent and 17.0 percent respectively.

Figure 4.3: Tourist Arrivals, 2011-2014



Sources: Department of Tourism

Stay-over market. By year-end 2014, the Cayman Islands welcomed 382,816 visitors, 10.8 percent higher than in 2013. For a third straight year, Cayman’s strong performance surpassed both global (5.3%) and regional (4.7%) growth averages.

The acceleration in arrivals is traced to three factors: (a) the improving economic activity and employment indicators in traditional source markets (US regional markets) as well as emerging tourism markets particularly in Europe; and (b) greater marketing efforts on the jurisdiction.

As shown in Table 4.8, Europe presented an outstanding growth of 30.9 percent over the previous year with the region's passengers exceeding 30,000 for the first time. Arrivals from the US (Cayman's main source market) also posted solid performance with overall arrivals increasing by 8.4 percent. The best performing US region, the Northeast, registered double digit growth (12.0%), supported by enhanced airlift services from the New York & Boston gateways.

The destination's re-branding and development of tourism niches such as sports tourism can also be cited as positive factors in the growth of stay-over arrivals. Cayman hosted international tournaments for volleyball, football and kite surfing while earning multiple international travel awards including the coveted "Destination of the Year" by the Caribbean Travel Journal and "World's Leading Dive Destination" from the World Travel Awards.

Table 4.8: Stay-over Arrivals by Country of Origin, 2011-2014

	2011	2012	2013	2014	Absolute Change	% Change
In thousands						
USA	242.9	253.2	265.4	288.0	22.5	8.5
Northeast	85.7	85.4	92.9	104.1	11.1	12.0
Midwest	52.6	57.2	58.8	61.5	2.6	4.5
Southeast	45.7	45.9	46.4	49.0	2.6	5.6
Southwest	42.1	46.9	49.3	54.0	4.8	9.7
West Coast	16.8	17.8	18.0	19.4	1.4	8.0
Europe	21.1	21.4	27.8	36.4	8.6	30.9
Canada	24.6	24.1	23.6	24.9	1.3	5.4
Other	20.4	23.0	28.5	33.5	5.0	17.7
Total	309.0	321.7	345.4	382.8	37.5	10.8
% Share of USA	78.6	78.7	76.9	75.2		

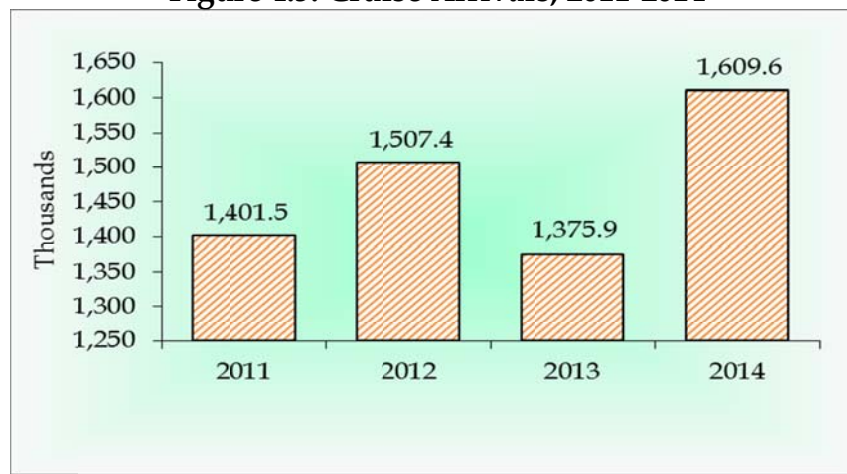
Sources: Department of Tourism

Cruise market. Similar to the stay-over market, cruise arrivals performed strongly in 2014 with a 17.0 percent growth, reversing last year's 8.7 percent

contraction. Cruise passengers reached 1,609,555 at year end 2014, the highest level since 2007.

The robust performance was generated through an additional 82 port calls as compared to a year ago. As one of the top five destinations in the Caribbean, the Cayman Islands received 562 port calls by year end 2014. Cruise passengers per day averaged 4,410, an increase of 640 from last year.

Figure 4.5: Cruise Arrivals, 2011-2014



Source: Department of Tourism

4.3 Construction

On the whole, the direction of construction intention indicators was mixed in 2014. The value of approvals declined by 11.2 percent while the value of building permits and certificates of occupancy increased. Further, the number of approvals and certificates increased whilst the number of building permits fell.

Building permits. Building permit values rose for a second consecutive year, increasing this time by 96.2 percent to \$356.1 million. This is traced to greater intentions in tourism-related development as well as residential and government buildings.

**Table 4.9: Grand Cayman Building Permits
(\$Millions), 2011-2014**

	2011	2012	2013	2014	% Change
Millions of CI\$					
Houses	87.9	103.0	86.2	99.6	15.5
Apartments	37.4	15.4	26.9	72.3	168.8
Commercial	39.5	15.1	44.3	25.7	(41.9)
Industrial	0.5	1.2	3.6	0.2	(95.1)
Hotel	-	10.0	-	142.1	-
Government	6.9	3.0	0.4	5.9	1,364.5
Other	10.9	8.7	20.1	10.4	(48.3)
Total	183.1	156.4	181.5	356.1	96.2

Source: Cayman Islands Planning Department

On the residential side, permit values rebounded by 52.0 percent to \$171.9 million, the highest since 2009. Both the house and apartment categories recorded strong growth, particularly the latter which almost tripled in value as it was boosted by a \$53.0 million, 10-storey condominium project of the Dart Group.

Permits for hotel development totalling \$142.1 million represented 39.9 percent of all building permits, primarily on account of the \$139-million Kimpton Hotel. The renovation of an existing hotel added a further \$3.1 million.

In 2014, non-residential permit values continued its volatile movement. The commercial category declined sharply while the industrial category had near-zero activity. Permits for government, reflecting the improving fiscal position rose to \$5.9 million, in contrast to the low levels of spending in the preceding two years. Notable government projects include a \$3.5-million custody facility and a \$1.5-million sports facility upgrade.

Table 4.10: Grand Cayman Building Permits, 2011-2014

	2011	2012	2013	2014	% Change
Houses	348	347	290	252	(13.1)
Apartments	77	54	46	45	(2.2)
Commercial	112	100	116	73	(37.1)
Industrial	1	4	3	3	-
Hotel	-	1	0	3	-
Government	15	17	3	9	200.0
Other	270	214	187	154	(17.6)
Total	823	737	645	539	(16.4)

Source: Cayman Islands Planning Department

The total number of building permits maintained its downward trend for a fifth year. Overall, building permits fell 16.4 percent to 539 with only the government category recording an increase.

Project Approvals. Future construction intentions, following last year’s unusually strong performance, eased downwards by 11.2 percent to \$411.6 million in 2014.

**Table 4.11: Cayman Islands Planning Approvals
(\$Millions), 2011-2014**

	2011	2012	2013	2014	% Change
Millions of CI\$					
Houses	123.9	86.1	100.9	125.9	24.7
Apartments	27.5	17.3	48.2	132.5	174.9
Hotels	-	-	143.0	4.6	(96.8)
Commercial	25.9	12.7	118.8	9.2	(92.3)
Government	15.2	12.3	5.1	3.4	(32.9)
Industrial	18.2	9.6	5.2	17.0	227.0
Other	41.1	33.0	42.5	119.0	180.3
Total	251.8	171.0	463.7	411.6	(11.2)

Source: Cayman Islands Planning Department

In the residential sector, approval values surged 73.3 percent to \$258.4 million. Approval of “Gran Palazzo” - the first major condominium development since 2009 - pushed the total value of the apartments segment above the \$100.0 million mark. (This \$78.1 million North Sound development consists of 10 six- storey buildings).

Overall intentions in the non-residential sector shrunk, particularly in the commercial segment. The industrial segment bucked the trend with an expansion of over 200 percent.

Meanwhile, the overall number of project approvals rose 4.7 percent to 1,029 following last year’s 9.0 percent contraction. The increase is traced to apartments (75.0%) and other (14.8%) with the rest of the categories declining.

Table 4.12: Cayman Islands Planning Approvals, 2010-2014

	2011	2012	2013	2014	% Change
Houses	367	334	273	247	(9.5)
Apartments	52	38	32	56	75.0
Hotels	0	0	3	2	(33.3)
Commercial	38	51	53	30	(43.4)
Government	16	14	22	15	(31.8)
Industrial	10	17	14	6	(57.1)
Other	558	626	586	673	14.8
Total	1,041	1,080	983	1,029	4.7

Source: Cayman Islands Planning Department

Certificates of Occupancy. Certificates of occupancy, as the final type of building permission, lag behind project approvals and building permits. Mirroring the upturn in construction activity in 2013, the number of certificates increased by 7.3 percent to 338 in 2014. Positive growth in houses (23.9%) and other (43.8%) outweighed decreases in the remaining components.

Table 4.13: Certificates of Occupancy Grand Cayman, 2011-2014

Sectors	2011	2012	2013	2014	% Change
Houses	212	245	176	218	23.9
Apartments	44	45	47	26	(44.7)
Hotel	0	0	0	1	-
Government	5	7	5	2	(60.0)
Commercial	78	70	68	65	(4.4)
Industrial	5	2	3	3	0.0
Other	47	24	16	23	43.8
Total	391	393	315	338	7.3

Source: Cayman Islands Planning Department

Similarly, the total value of properties granted with completion approval rose 44.6 percent from \$118.0 million in 2013 to \$171.7 million. This increase is mainly attributed to completion of multi-million dollar residences in both the house and apartment segments alongside Phase 1 of the Health City Hospital in the commercial category.

Table 4.14: Certificates of Occupancy Grand Cayman (\$Millions), 2011-2014

Sectors	2011	2012	2013	2014	% Change
Millions of CI\$					
Houses	57.1	53.0	52.9	85.8	62.3
Apartments	19.2	16.4	37.3	43.6	17.0
Hotel	0.0	0.0	0.0	1.0	-
Government	50.6	0.4	8.4	1.7	(79.8)
Commercial	20.0	52.8	11.8	29.7	152.9
Industrial	0.2	1.0	1.6	0.6	(62.5)
Other	3.4	1.6	6.8	9.3	36.1
Total	150.5	125.3	118.8	171.7	44.6

Source: Cayman Islands Planning Department

4.4 Real Estate

The recovery of the real estate sector staged in 2013 was not sustained during the review period. The total value of transfers dipped by 2.6 percent, notwithstanding an increase in the number of activity by 6.3 percent. The latter reached 1,878, the highest level since 2009.

Table 4.15: Property Transfers, 2011-2014

	2011	2012	2013	2014	% Change
Freehold					
number	1,708	1,696	1,569	1,718	9.5
value (CI\$M)	632.1	418.1	538.8	533.7	(1.0)
Leasehold					
number	178	116	197	160	(18.8)
value (CI\$M)	25.8	11.9	38.7	29.1	(24.9)
Total					
number	1,886	1,812	1,766	1,878	6.3
value (CI\$M)	657.9	430.0	577.5	562.8	(2.6)

Source: Lands and Survey Department

Trading of freehold properties slipped in value by 1.0 percent although the number of transfers rose by 9.5 percent. Among these was the multi-million dollar sale of existing condominium units and a site acquisition for two new major developments.

Activity for leasehold properties, following last's year strong performance, weakened in the review period. This type of property, largely commercial in nature, recorded a 24.9 percent drop in total value from \$38.7 million in 2013 to \$29.1 million. The number of transactions declined by 18.8 percent to 160.

4.5 Utilities and Telecommunications

Utilities. The production and consumption indicators for the utilities sector increased during 2014, supported by the growth in local population along with the increase in tourist arrivals. Both water consumption and production increased in 2014 by 4.9 percent and 8.7 percent respectively.

Table 4.16: Utilities Production/Consumption, 2010-2013

	2011	2012	2013	2014	% Change
Millions of US Gallons					
Water Production	1,977.6	2,012.5	1,888.9	2,053.1	8.7
Water Consumption	1,697.8	1,679.8	1,630.9	1,710.8	4.9
'000 of megawatt hrs					
Electricity Production (Net)	594.0	587.1	595.6	604.7	1.5
Electricity Consumption	554.0	547.8	555.7	564.2	1.5
Residential	258.8	254.4	261.0	266.7	2.2
Commercial	289.0	287.1	288.1	290.7	0.9
Public	6.2	6.3	6.6	6.7	2.2
Total Customers	26,636	27,035	27,364	27,784	1.5
Residential	22,731	23,075	23,358	23,685	1.4
Commercial	3,905	3,960	4,006	4,099	2.3

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

Residential demand for electricity increased by 2.2 percent during the period, partly resulting from a higher market base, and partly from higher average consumption. Commercial consumption grew slightly, as the number of users expanded.

Telecommunications. Since 2009, the number of operational fixed and mobile handsets has trended downwards reflecting the migration to internet-based

services. In 2014, the total number of handsets fell sharply to its lowest level. Demand in terms of paid minutes also contracted by 7.2 percent. In contrast, migration to broadband recorded its strongest growth (15.4% or 3,134 connections).

In terms of telecommunication developments, the island-wide roll-out of the new 4G LTE network was completed by DIGICEL in late 2013 and by LIME in 2014. This new network brought higher capacity and enhanced mobile data services.

Table 4.17: Telecommunication Sector Indicators, 2012-2014

	2012	2013	2014	% Change
Fixed and mobile handsets in operation	136,226	134,753	123,962	(8.0)
Total fixed & mobile domestic & int'l minutes ('000)	316,468	267,959	248,579	(7.2)
Fixed and mobile domestic minutes ('000)	208,642	190,711	180,154	(5.5)
Fixed and mobile int'l retail minutes ('000)	107,826	77,248	68,425	(11.4)
Broadband connections	19,325	20,335	23,469	15.4

Source: Information Communication and Technology Authority (ICTA)

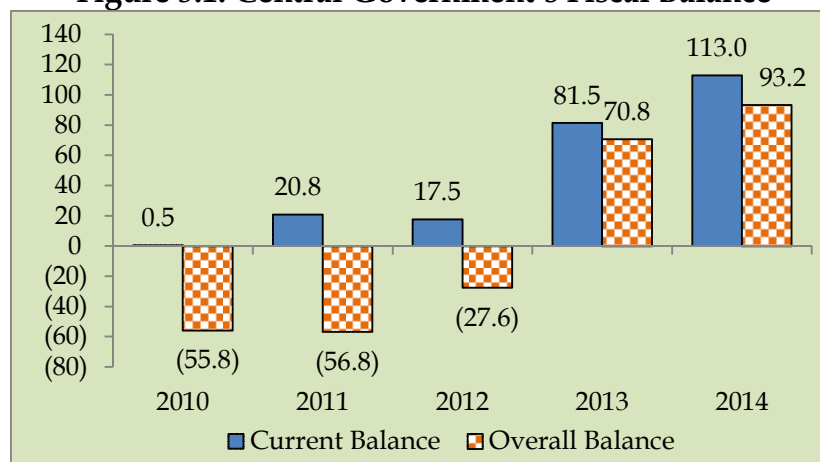
5. Fiscal Operations of the Central Government

The central government posted its second consecutive year of overall surplus in 2014 as the improvement in revenue collection outweighed an increase in overall expenditure. This performance led to a decline in the central government’s outstanding debt.

5.1 Overview

In 2014, the central government increased the overall fiscal surplus to \$93.2 million from \$70.8 million in 2013 (see Figure 5.1). This resulted from an increase in total revenue by 4.6 percent to \$664.3 million which outweighed a 1.2 percent increase in total expenditure (see Table 5.1).

Figure 5.1: Central Government’s Fiscal Balance



Source: Cayman Islands Treasury Department and ESO

During the period, a current surplus¹² of \$113.0 million was generated as the growth in current revenue exceeded the increase in current expenditure. The current surplus increased by \$31.5 million or 38.7 percent.

Revenue increases emanated from a higher coercive revenue collection, led by company fees. Total expenditure increased due to higher capital spending while recurrent expenditure fell slightly.

¹² 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, 2011-2014

	2011	2012	2013	2014	% Change 2013/14
Millions of Cayman Islands Dollars					
Total Revenue	545.9	564.6	635.2	664.3	4.6
Total Expenditure	623.4	615.6	590.5	597.4	1.2
Current Expenditure	525.1	547.1	553.7	551.3	(0.4)
<i>of which :</i>					
Other Executive Expenses	3.3	7.1	4.0	3.6	(10.0)
Gross Capital Expenditure & Net Lending	98.3	68.5	36.8	46.1	25.3
Net Capital Expenditure & Net Lending (Gross less Depreciation)	77.6	45.1	10.7	19.8	85.0
Current Balance	20.8	17.5	81.5	113.0	38.7
Overall Balance	(56.8)	(27.6)	70.8	93.2	31.6
Financing	56.8	27.6	(70.8)	(93.2)	
Net Borrowing	20.3	(25.9)	(16.5)	(33.9)	
Change in Cash	(36.5)	(53.5)	54.3	59.3	9.2

Source: Cayman Islands Treasury Department

5.2 Revenue

In 2014, total revenue grew by 4.6 percent to reach \$664.3 million. This outpaced the overall revenue base (nominal GDP) resulting to an improvement in the revenue-to-GDP ratio from 24.0 percent in 2013 to 24.2 percent in 2014.

The increase in revenue is attributed solely to coercive revenue which totalled \$630.1 million, higher by \$45.4 million or 7.8 percent compared to the preceding year. The increase was led by various financial services fees mainly from company fees, partnership fees and security investment.

Table 5.2: Revenue Collection of Central Government

Revenue Sources	2011	2012	2013	2014	% Change 2013/14
Millions of Cayman Islands Dollars					
Total Revenue	545.9	564.6	635.2	664.3	4.6
Coercive Revenue	489.3	504.9	584.7	630.1	7.8
Taxes on Int'l Trade & Transactions	162.2	167.2	173.3	177.9	2.7
Domestic Taxes on Goods & Services	289.5	296.6	377.3	408.7	8.3
Taxes on Property	36.4	36.7	31.3	41.6	32.9
Fines	1.2	1.3	1.6	1.6	0.0
Other Taxes	0.0	3.1	1.2	0.3	(75.0)
Non-coercive Revenue	56.6	59.7	50.5	34.2	(32.3)
Sale of Goods & Services	55.8	55.0	48.9	33.0	(32.5)
Investment Revenue	0.6	0.3	1.1	0.8	(27.3)
Other Operating Revenue	0.2	4.4	0.5	0.4	(20.0)

Source: Cayman Islands Treasury Department

Coercive revenue from domestic taxes on goods and services. In 2014, revenue from domestic taxes yielded \$408.7 million, which was \$31.4 million or 8.3 percent higher than the collections of a year ago. Increases were recorded for various financial service licences and other domestic taxes as depicted in Table 5.4.

Table 5.4: Domestic Taxes on Goods and Services

	2011	2012	2013	2014	% Change 2013/14
Millions of Cayman Islands Dollars					
Domestic Taxes					
Various financial service licenses	149.5	152.3	215.0	239.9	11.6
ICTA licences & royalties	6.9	8.4	9.0	5.4	(40.0)
Work permit fees and residency fees	58.5	65.0	71.6	65.8	(8.0)
Other stamp duties	7.1	7.4	8.3	7.8	(6.0)
Traders' licenses	5.9	6.1	6.0	5.9	(1.7)
Other domestic taxes	61.6	57.4	67.4	83.9	24.5
<i>Of which:</i>					
Tourism accommodation charges	11.1	13.0	17.2	19.5	13.3
Motor vehicle charges	9.0	9.3	10.7	11.6	8.6
Domestic Taxes on Good & Services	289.5	296.6	377.3	408.7	8.3

Source: Cayman Islands Treasury Department

In 2014, almost 80 percent of the increase in domestic taxes (or \$24.9 million) was from financial services, mainly from company fees, partnership fees and security investment. Collections from company fees went up by \$17.0 million to total \$102.2 million, as 11,010 new companies registered during the year, coupled with revenue reclassification from sale of goods and service under the rubric of non-coercive to company fees under coercive revenue. Revenue from new partnership fees increased by \$6.5 million to total \$33.1 million due mainly to a 22.1 percent increase in new partnership registrations. Revenue collected from security investments and insurance licences increased by \$1.1 million and \$0.6 million, respectively.

Fees collected from work permits and related residency fees fell by 8.0 percent to total \$65.8 million. Revenue yields from traders' licences declined by 1.7 percent to settle at \$5.9 million during the period.

Collections from Information and Communication Technology Authority (ICTA) licences fees declined by 40.0 percent to reach \$5.4 million while other stamp duties also declined by 6.0 percent to \$7.8 million.

Other domestic taxes which comprised of a host of different fees increased by 24.3 percent (or \$16.4 million) to settle at \$83.8 million, of which tourist accommodation charges had a strong performance (up by \$2.3 million or 13.3%) due mainly to strong growth in stay-over tourism. Additionally, revenues from planning fees, and tax and trust undertakings increased by \$0.45 million and \$0.93 million, respectively.

Coercive revenue from international trade and transactions. In 2014, taxes on international trade and transactions rose by 2.7 percent to reach \$177.9 million.

Table 5.3: Revenue from Import Duties

	2011	2012	2013	2014	Absolute Change	% Change 2013/14
Millions of Cayman Islands Dollars						
Import Duties	149.1	153.0	158.2	162.6	4.4	2.8
Gasoline/Diesel	35.5	34.0	35.10	33.2	(1.9)	(5.4)
Alcoholic Beverages	16.6	16.6	17.10	17.8	0.7	4.1
Motor Vehicles	8.7	10.8	10.30	12.3	2.0	19.4
Tobacco Products	4.7	5.4	7.00	8.4	1.4	20.0
Other Import Duties	83.6	86.2	88.70	90.9	2.2	2.5
Cruise Ship Departure Charges	8.4	9.1	8.20	9.7	1.5	18.3
Environmental Protection Fund Fees	4.7	5.1	5.20	5.6	0.4	7.7
Departure Tax			1.70		(1.7)	(100.0)
Taxes on International Trade	162.2	167.2	173.3	177.9	4.6	2.7

Source: Cayman Islands Treasury Department

Receipts from international trade and transactions as a share of coercive revenue improved in 2014 to 28.2 percent, compared to 27.3 percent for the last two years. The increase is traced mainly to higher receipts from tobacco products, motor vehicles, alcoholic beverages and other import duties. Motor vehicles revenue increased by 19.0 percent to \$12.3 million as 15,125 motor vehicles valued at CI\$43.4 million were imported in 2014. Revenue from tobacco products increased by 20.8 percent to CI\$8.4 million.

Revenue from fuel imports declined as the price of fuel plummeted on the international market.

Departure tax revenue was removed from the central government's consolidated fund and was transferred to the Airport Authority for future airport development.

Cruise visitors rebounded in 2014 which led to an increase in cruise ship departure charges by 17.5 percent to CI\$9.7 million. Similarly, other import duties increased by 2.5 percent to \$90.9 million on account of increases in several non-oil import categories.

Other coercive revenue. As depicted in Table 5.2, revenue from taxes on property grew in 2014 by 32.9 percent to \$41.6 million which resulted from sale of properties along the Seven Mile area during the year.

Non-coercive revenue. Due to reclassification from this category to coercive revenue, revenue from this source dipped by 32.3 percent to total \$34.2 million. The reclassification directly reflected on the decline of sales of goods and services to \$33.0 million in 2014. Investment income also declined by 27.3 percent to \$0.8 million.

5.3 Expenditure

Total expenditure amounted to \$597.4 million, 1.2 percent higher than the previous year's level (see Table 5.1). However, as a proportion of GDP, total expenditure decreased from 22.3 percent in 2013 to 21.8 percent in 2014. The increase in the nominal expenditure level was due to a 25.3 percent increase in gross capital expenditure and net lending, which offset a 0.4 percent reduction in current expenditure.

Current expenditure. Current expenditure decreased for the first time since 2010. Total current expenditure decreased by 0.4 percent to \$551.3 million due to lower spending on subsidies, transfers, interest payments and other executive expenses.

Table 5.5: Current Expenditure of the Central Government

	2011	2012	2013	2014	% Change 2013/14
Millions of Cayman Islands Dollars					
Current Expenditure	525.1	547.1	553.7	551.3	(0.4)
Personnel Costs	216.4	226.5	235.7	244.8	3.9
Supplies & Consumables	89.2	94.1	86.8	93.1	7.3
Subsidies	131.6	131.7	137.0	126.7	(7.5)
Transfer Payments	31.0	30.5	32.3	27.6	(14.6)
Depreciation	20.7	23.4	26.1	26.3	0.8
Interest Payments	32.9	33.8	31.8	29.2	(8.2)
Other Executive Expenses	3.3	7.1	4.0	3.6	(10.0)

Source: Cayman Islands Treasury Department

Personnel costs rose by 3.9 percent to \$244.8 million (see Table 5.5) which can be attributed to an increase in healthcare cost, pension expense and payment for salaries and wages. Government payment towards employees' pensions (\$24.9 million) more than doubled when compared to the preceding year (\$11.3 million). Payment for wages and salaries was higher by \$7.1 million to total \$183.1 million, notwithstanding a slight decline in the number of civil servants by 26 persons (or 0.7%) to total 3,553. The increase included a one-time gratuity for all civil servants in 2014.

Payment of subsidies (which are considered as outputs purchased from public entities and non-governmental organizations) declined by 7.5 percent to \$126.7 million. Majority of these were subventions or budgetary support to public entities. The largest reductions in 2014 were payments to National Roads Authority (NRA) (down by \$5.2 million), Cayman Islands Monetary Authority (CIMA) (lower by \$4.0 million) and to various medical care overseas providers (down by \$3.5 million). Reductions were also seen in financial contributions to primary and secondary private schools, services for refugees and legal aid services.

Transfer payments which are social benefits to protect a target segment of the population against certain social risks declined by 14.6 percent to reach \$27.6 million. Lower transfer payments were made to scholarships and bursaries (down by \$0.72 million), Seamen Ex-Gratia payment (lower by \$0.54) and housing assistance which was cut by \$0.5 million. Nation-building and church-based support was reduced to nil.

Funds spent on supplies and consumables rose by 7.3 percent to total \$93.1 million on account of an increase in cost relating to purchase of services. Interest payments went down by 8.2 percent to \$29.2 million as the total outstanding debt was lowered by \$25.9 million to total \$534.0 million.

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 2014, this declined by \$0.4 million to \$3.6 million. Some of the major expense includes payments to Caribbean catastrophic risk insurance facility (\$0.5 million), constituency office allowance (\$0.4 million), judicial expenses (\$0.8 million), and Court of Appeals expenses (\$0.3 million).

Capital expenditure and net lending. Total spending on capital expenditure and net lending reached \$46.1 million (or 1.7% of GDP) which was 25.6 percent

higher than the preceding year. After adjusting downwards for depreciation, net capital expenditure and net lending grew by 86.8 percent to \$19.8 million.

Table 5.6: Capital Expenditure and Net Lending of Central Government

	2011	2012	2013	2014	% Change 2013/14
Millions of Cayman Islands Dollars					
Gross Capital Expenditure and Net Lending	98.3	68.5	36.7	46.1	25.6
Capital Acquisition (now Equity Investments)	62.2	37.6	9.5	12.9	35.8
Equity Injections and Working Capital support to Public Entities	20.0	20.8	19.2	26.8	39.6
Capital Development (now Executive Assets)	16.0	8.4	8.1	5.8	(28.4)
Net Lending	0.1	1.7	(0.1)	0.6	(700.0)
Net Capital Expenditure and Net Lending	77.6	45.1	10.6	19.8	86.8
Depreciation	20.7	23.4	26.1	26.3	0.8

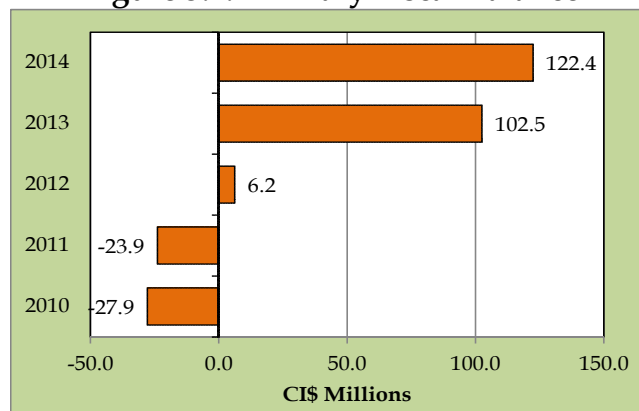
Source: Cayman Islands Treasury Department

Equity investment grew by 35.8 percent to \$12.9 million while expenditures on executive assets amounted to \$5.8 million, down by 28.4 percent compared to a year ago. Equity injections and working capital support to public entities rose by 39.6 percent to \$26.8 million; these included \$10.9 million for Turtle Farm and \$6.2 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. The primary balance improved from a surplus of \$102.5 million or 3.9 percent of GDP in 2013 to a surplus of \$122.4 million in 2014 or 4.5 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 \$93.2 million resulted in an increase in net cash of \$59.3 million after loan repayments and disbursements (see Table 5.7). Debt payments totalled \$33.9 million which include an \$8.0 million repayment of a loan borrowed from public authorities by the central government.

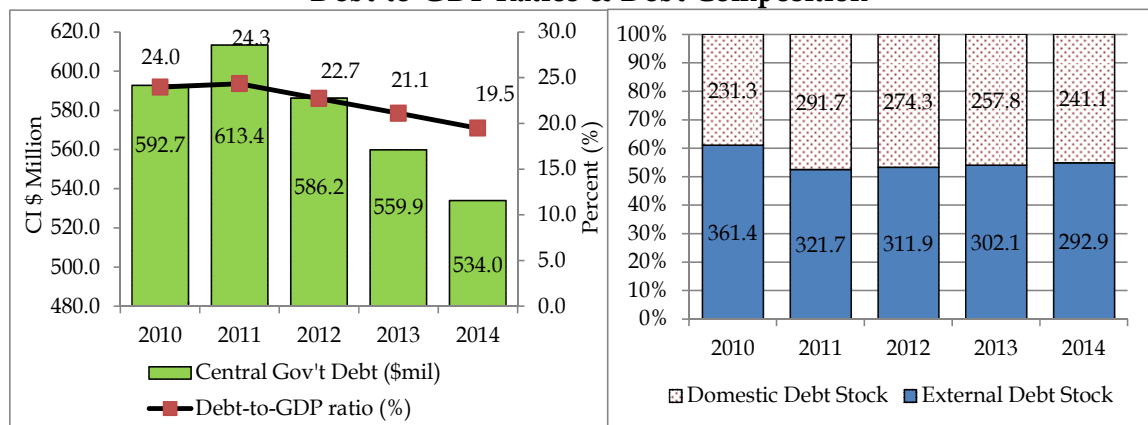
Table 5.7: Financing of Central Government

	2011	2012	2013	2014	% Change 2013/14
Millions of Cayman Islands Dollars					
Financing	56.8	27.6	(70.8)	(93.2)	
Net Borrowing	20.3	(25.9)	(16.5)	(33.9)	
Disbursements	154.2	0.0	10.0	0.0	
Loan Repayment	(133.9)	(25.9)	(26.5)	(33.9)	
Change in Cash	(36.5)	(53.5)	54.3	59.3	9.2

Source: Cayman Islands Treasury Department

In 2014, loan repayments resulted in a reduction in the central government’s outstanding debt to \$534.0 million as at the end of December 2014 (see Figure 5.3) from \$559.9 million as at end 2013, or a reduction of \$25.9 million.¹³ This placed the debt-to-GDP ratio at 19.5 percent, lower than the 21.1 percent as at December 2013. In 2014, the outstanding debt comprised 54.9 percent from external sources and 45.1 percent from domestic sources.

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



Source: Cayman Islands Treasury Department, ESO

¹³ 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 increased to 9.5 percent in 2014; this includes the repayment of a temporary loan from the statutory authorities (see Table 5.8). The debt service to GDP ratio stood at 2.3 percent as amortisation of debt continued with lower interest payments. Interest payments-to-current revenue ratio declined to 4.4 percent.

Table 5.8: Central Government Debt Service Indicators

Debt Service Indicators	2011	2012	2013	2014
	Percentage (%)			
Interest Payments - to - Current Revenue Rat	6.0	6.0	5.0	4.4
Debt Service - to - GDP Ratio	6.6	2.3	2.2	2.3
Debt Service - to - Current Revenue Ratio	30.6	10.6	9.2	9.5

Source: Cayman Islands Treasury Department, Economics and Statistics Office

6. Macroeconomic Outlook for 2015

The Cayman Islands' economy in 2015 is projected to further improve, conditional on sustained growth in tourism and higher investment through public-private projects. Domestic inflation is projected to be slightly higher due to steeper demand for goods and services.

6.1 Global Outlook¹⁴

Overall global growth is forecasted to be stronger in 2015 at 3.5 percent (see Table 6.1). The advanced economies, the Cayman Islands' main sources of financial and tourism services, are projected to expand at their highest economic performance since 2007, growing at 2.4 percent in 2015 and 2016. In particular, the US is foreseen to generate output growth of 3.1 percent in 2015 and 2016.

Table 6.1: Macroeconomic Indicators 2011-2016

	2011	2012	2013	2014	Projections	
					2015	2016
Real GDP growth (%)						
Cayman Islands	1.2	1.2	1.4	2.1	2.1	2.2
United States	1.6	2.3	2.2	2.4	3.1	3.1
World	4.2	3.4	3.4	3.4	3.5	3.8
Consumer Prices Inflation (CPI) (%)						
Cayman Islands	1.3	1.2	2.2	1.3	1.5	1.8
United States	3.1	2.1	1.5	1.6	0.1	1.5
Advanced economies	2.7	2.0	1.4	0.6	0.1	1.1
Unemployment Rate (%)						
Cayman Islands	6.3	6.2	6.3	4.7	4.7	4.6
United States	9.0	8.1	7.4	6.2	5.5	5.1
Advanced economies	7.9	8.0	7.9	10.2	9.7	9.3

Sources: International Monetary Fund (April 2015) for data on the US, World and Advanced Economies, and Economics and Statistics Office for Cayman Islands data.

Economic recovery in the Euro area is projected with output growth of 1.5 percent and 1.6 percent for 2015 and 2016 respectively. Canada's economic expansion is expected to slow-down to 2.2 percent in 2015 and 2.0 percent in 2016, due mainly to a moderation in oil-related investments. Economic activity in

¹⁴ This global outlook is based on information culled from the International Monetary Fund (April 2015) and other international organizations.

the UK is forecasted to pace slightly higher at 2.7 percent in 2015, and slightly lower at 2.3 percent in 2016.

Headline inflation in 2015 and 2016 is expected to be pulled down by global oil price trends. Average oil prices are projected to decrease by 39.6 percent while non-fuel commodity prices will also be lower by 14.1 percent in 2015. Average inflation rates for the U.S. and the advanced economies are expected to be significantly lower at 0.1 percent and 0.4 percent, respectively compared to 2014.

6.2 Domestic Growth

Economic output in the Cayman Islands is projected to expand by 2.1 percent in 2015, mainly from sustained strong growth in tourist arrivals as well as higher public and private investment projects (see Tables 6.1 and 6.2).

The outlook for international tourism remains positive in 2015 as the improving world economy and declining oil prices increase the demand for travel. The UNWTO forecasts international tourism arrivals to grow between 3 and 4 percent with stronger performance for the Americas region at 4 and 5 percent.

For the Cayman Islands, approximately 80 percent of stay-over tourism is from the US which is expected to generate robust private consumption expenditure growth in 2015. Historically, a strong positive correlation exists between stay-over tourism in the Cayman Islands and private consumption expenditure in the US.

Expectations for stay-over tourism in the Cayman Islands are also upbeat as a result of enhanced routes from the US and the new tourism developments in the pipeline. Marketing of the Cayman Islands as the “perfect Caribbean getaway and premier destination for superior service” is expected to be boosted with the Department of Tourism (DOT) welcoming two new firms to advance the ‘Caymankind’ brand positioning to core audiences. In 2014, the DOT earned international awards for its superior marketing, public relations and advertising initiatives.

For the first quarter of 2015, stay-over visitors grew by 5.7 percent; this is expected to be higher at 5.9 percent by the end of December 2015.

**Table 6.2: Real GDP at 2007 prices by Sector
With Projections for 2015 (\$ million)**

	2012	2013	2014E	2015P	% Change
	Millions of Cayman Islands Dollars				
Primary Sectors	28.6	28.0	28.2	28.6	1.3
Agriculture & Fishing	9.3	9.0	9.1	9.2	1.1
Mining & Quarrying	19.3	19.0	19.1	19.4	1.4
Secondary Sectors	98.9	99.1	100.5	103.3	2.7
Manufacturing	22.4	22.5	22.6	22.8	0.7
Construction	76.4	76.6	77.9	80.5	3.3
Services Sectors	2,330.4	2,365.7	2,415.9	2,466.2	2.1
Electricity & Water Supply	93.4	93.8	96.4	97.3	0.9
Wholesale & Retail Trade, Repairs & Installation of Machinery	204.9	208.2	221.6	228.7	3.2
Hotels & Restaurants incl. Bars	140.5	148.8	163.7	174.2	6.4
Transport, Storage & Communication	213.1	216.1	226.0	234.3	3.7
Financing & Insurance Services	1,037.3	1,050.6	1,048.1	1,066.4	1.7
Real Estate, Renting & Business Activities	609.7	615.3	623.8	639.7	2.5
Producers of Government Services	328.6	334.0	331.6	324.9	(2.0)
Other Services	78.4	79.1	82.7	84.5	2.2
Financial Services Indirectly Measured (FISIM)*	375.6	380.3	378.1	383.9	1.5
GDP constant at basic prices	2,457.9	2,492.9	2,544.7	2,598.1	2.1
Growth (%)	1.2	1.4	2.1		

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

In terms of cruise arrivals, the 2015-2016 Cruise Industry News Annual Report indicates a small decline in regional capacity as ships are repositioned from the Caribbean. Notwithstanding this projection, cruise arrivals to the Cayman Islands in the first three months of 2015 totalled 544,000, 0.2 percent higher than a year ago. This is expected to expand overall by 3.3 percent in 2015.

On-going projects are expected to further enhance the Cayman Islands as a tourist destination beyond 2015. Kimpton Hotel, comprising two 10-story towers with an anticipated completion date of 2016, will include 263 hotel rooms and five restaurants and lounges. Hotel bed capacity is also foreseen to be boosted with the redevelopment of the Hyatt Hotel. The expansion of the Owen Roberts International Airport is designed to welcome a higher traffic of arrivals. (Further demand for tourism services is also expected through health services for visitors at the Health City Hospital, supported by the expected granting of a license in the US.)

The projects are expected to positively impact other sectors, led by the construction sector, in the next two years.

In the financial services sector, growth is anticipated to remain stable throughout 2015 for new companies registration and insurance licences, as well as local financial intermediation services. On the other hand, financial services indicators for the first three months of 2015 show that the number of mutual funds, banks and trust licences declined.

6.3 Domestic Inflation

The consumer price index (CPI) inflation rate is forecasted to be slightly higher at 1.5 percent in 2015. Inflationary pressures are likely to come from household rents at the lower end of the rental market due to strong growth in the number of work permits holders in the latter half of 2014. In addition, international food prices are on the rise, albeit at a declining rate, while upbeat demand for construction-related goods and services arising from higher project intentions are expected to have moderate impact on overall inflation.

Lower oil price on the world market is expected to exert downward pressure on domestic oil prices and counter inflationary pressures from the above-mentioned sources.

7. Acknowledgement

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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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8. Statistical Appendix

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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	(2.7)
2011	2,519.3	2,427.8	55.3	43,920	1.2
2012	2,580.9	2,457.9	56.1	43,794	1.2
2013	2,651.5	2,492.9	56.2	44,348	1.4
2014	2,741.1	2,544.7	57.0	44,649	2.1

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
2014	104.8	104.9	1.3

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	38,521	36,106	2,415	6.3
2014	39,582	37,723	1,859	4.7

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	36,106	17,518	18,588
2014	37,723	18,127	19,595

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	2,415	1,818	597
2014	1,859	1,562	298

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 Services	Public Administration Education, Health & Social Services	Recreation, Community & Personal Services	Others	Total
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	320	36,401
2013	5,891	8,327	2,289	8,868	5,640	4,995	99	36,070
2014	4,878	8,593	2,276	9,469	6,859	5,233	415	37,723

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
2014	21,076

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)
2014	813.3	21.9	(791.4)

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	2014
Total Imports	868.7	867.8	898.7	744.5	690.4	759.5	758.5	774.5	813.3
Food and Live Animals	81.7	91.8	95.1	90.8	113.2	119.0	127.4	137.9	162.0
Beverages and Tobacco	24.8	25.2	28.9	29.4	27.5	27.4	29.0	30.0	31.5
Inedible Crude Materials	12.0	9.5	12.6	9.3	8.9	9.3	8.9	9.9	11.2
Mineral Fuels, Lubricants and Related Materials	71.6	126.9	185.3	112.8	128.0	184.4	155.1	170.9	162.7
Animal and Vegetable Oils, Fats and Waxes	0.0	0.0	0.1	0.0	0.3	0.3	0.2	0.2	0.6
All Chemical & Rel. Prods N.E.C.	32.8	28.1	31.2	26.6	31.5	32.3	36.9	38.4	39.8
Manufactured Goods (classified chiefly by material)	129.3	118.1	96.1	85.8	78.5	77.4	92.8	94.5	94.5
Machinery & Transport Equipment	155.9	138.0	119.7	92.6	97.9	108.3	116.1	117.3	126.4
Misc. Manufactured Articles	274.6	273.3	268.9	226.2	134.5	131.2	131.0	120.9	129.7
Commodities and Transactions Not Classified Elsewhere	86.0	56.9	60.9	70.9	70.2	69.9	61.3	54.4	54.9

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	Dec-2014
Total	2,598.1	2,729.3	2,724.3	2,691.9	2,636.8	2,657.5
Credit to Business	971.3	1,049.5	1,007.8	838.1	838.9	819.6
Production & Manufacturing	149.4	291.9	410.5	324.1	301.3	169.2
Agriculture, Fishing and Mining	7.0	7.1	15.8	11.9	12.7	20.0
Manufacturing	7.0	9.3	25.1	27.2	20.5	14.1
Utilities	20.6	57.0	17.6	2.6	2.4	15.7
Construction	114.9	218.5	351.9	282.4	265.7	119.4
Services	260.1	210.8	167.1	129.4	95.5	82.1
Accommodation, Food, Bar & Entertainment Services	130.5	113.4	116.3	92.6	55.0	27.7
Transportation, Storage & Communications	27.7	5.0	25.8	14.9	18.5	17.4
Education, Recreational & Other Professional Services	101.9	92.4	24.9	21.8	22.0	37.1
Trade and Commerce	519.0	454.0	383.6	343.5	410.3	465.4
Wholesale & Retail Sales Trade	79.8	67.3	78.1	58.0	71.3	72.3
Real Estate Agents, Rental and Leasing Companies	425.9	364.1	136.5	128.6	140.7	211.9
Other Business Activities (General Business Activity)	13.4	22.6	169.0	156.9	198.2	181.3
Other Financial Corporation	42.6	92.9	46.8	41.1	31.8	102.9
Credit to Households	1,626.7	1,679.3	1,716.2	1,853.7	1,797.9	1,821.6
Domestic Property	1,375.6	1,458.5	1,487.1	1,540.9	1,537.6	1,524.9
Motor Vehicles	70.2	49.8	36.8	33.0	30.6	34.2
Education and Technology	3.2	4.7	4.5	4.3	5.2	6.0
Miscellaneous*	177.7	166.3	187.8	275.5	224.5	256.5
Non-Profit Organization	0.2	0.4	0.2	0.1	0.0	16.3

*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
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
2014	198	787	12.1	11,010**	11,010	169.25	1,066

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	
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
2014	10	3	13	66	119	185	198

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
2014	28	585	139	759	787

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
2014	386	104	7,835	2,685	11,010

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
2014	9,981	29	408	592	11,010

Source: Companies Registrar

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

	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Total Assets	5,307.4	4,752.9	5,248.7	5,888.4	4,932.4
Net Foreign Assets	3,056.5	2,446.7	2,801.9	3,249.3	2,281.7
Monetary Authority	89.4	94.6	99.1	101.5	100.2
Commercial Banks	2,967.1	2,352.1	2,702.7	3,147.8	2,181.5
Net Domestic Assets	2,250.9	2,306.2	2,446.8	2,639.1	2,650.6
Domestic Credit	3,008.1	3,106.6	3,050.6	2,974.7	2,971.2
Claims on central government	219.0	293.7	278.3	262.7	243.6
Claims on other public sector	59.8	88.6	80.4	75.2	70.1
Claims on private sector	2,729.3	2,724.3	2,691.9	2,636.8	2,657.5
Other items (net)	(757.2)	(800.4)	(603.8)	(335.6)	(320.6)
Broad Liquidity	5,307.4	4,752.9	5,248.7	5,888.4	4,932.4
Broad money (KYD) M2	981.1	935.9	1,110.4	1,106.6	1,209.1
Currency in circulation	85.2	89.7	86.9	96.2	95.5
KYD Deposits	895.9	846.1	1,023.4	1,010.5	1,113.5
Demand deposits	298.9	237.7	337.0	403.1	460.6
Time and savings deposits	597.0	608.4	686.4	607.4	653.0
FOREX deposits	4,326.2	3,817.0	4,138.3	4,781.8	3,723.3
Of which: US dollars	3,632.8	3,251.6	3,517.9	4,219.3	3,382.0

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
2014	382.8	1,609.6	1,992.4	562

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
2014	288.0	36.4	24.9	33.5	382.8

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	197	38.7	1,766	577.5
2014	1,718	533.7	160	29.1	1,878	562.8

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
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	31	244	51	19	3	13	530	819
2014	56	225	24	14	2	6	643	970

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
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	48.2	97.1	118.6	5.0	143.0	5.2	39.9	453.9
2014	132.5	122.1	8.6	3.3	4.6	17.0	118.1	406.2

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
2014	22	-	-	1	6	-	30	59

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
2014	3.8	-	-	0.08	0.6	-	0.93	5.4

Source: Cayman Islands Planning Department

Table A25: Building Permits in Grand Cayman

Category	Number					Value (CI\$M)				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Apartment/ Condo	114	77	54	46	45	49.4	37.4	15.4	26.9	72.3
Houses	390	348	347	290	252	93.1	87.9	103.0	86.2	99.6
Commercial	120	112	100	116	73	45.3	39.5	15.1	44.3	25.7
Government	12	15	17	3	9	2.0	6.9	3.0	0.4	5.9
Hotel	-	-	1	-	3	-	-	10.0	-	142.1
Industrial	7	1	4	3	3	3.2	0.5	1.2	3.6	0.2
Other	347	270	214	187	154	12.6	10.9	8.7	20.1	10.4
Total	990	823	737	645	539	205.6	183.1	156.4	181.5	356.1

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
2014	2,053.1	1,710.8

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
2014	604.7	266.7	290.7	6.7	564.2

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
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	593.5	0.4	(55.8)
2011	545.8	526.9	98.3	623.5	20.8	(56.9)
2012	564.6	547.1	68.5	615.3	17.4	(27.7)
2013	635.1	553.7	36.7	590.5	81.4	70.7
2014	664.3	551.3	46.1	597.3	113.1	93.3

*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	10.0	0.1	26.5	31.8
2014	534.0	-	(0.05)	33.9	29.2

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 (CI\$ Millions)

	2008	2009	2010	2011	2012	2013	2014
	CI\$	CI\$	CI\$	CI\$	CI\$	CI\$	CI\$
Total Revenue	522.2	473.8	517.7	545.9	564.6	635.2	664.3
Current Revenue	522.2	473.8	517.7	545.9	564.6	635.2	664.3
Coercive Revenue	457.9	431.0	460.8	489.3	504.9	584.7	630.1
Taxes on International Trade & Transactions	176.9	152.0	158.5	162.2	167.2	173.3	177.9
Domestic Taxes on Goods & Services	238.0	248.2	279.4	289.5	296.6	377.3	408.7
Taxes on Property	41.1	23.9	21.3	36.4	36.7	31.3	41.6
Fines	1.9	2.4	1.6	1.2	1.3	1.6	1.6
Other Taxes	0.0	4.5	0.0	0.0	3.1	1.2	0.3
Non-coercive Revenue	64.3	42.8	56.9	56.6	59.7	50.5	34.2
Sale of Goods & Services	59.7	41.8	56.2	55.8	55.0	48.9	33.0
Investment Revenue	4.2	0.3	0.1	0.6	0.3	1.1	0.8
Other Operating Revenue	0.4	0.7	0.6	0.2	4.4	0.5	0.4
Total Expenditure	672.0	677.3	593.5	623.4	615.6	590.5	597.4
Current Expenditure	521.4	535.6	517.2	525.1	547.1	553.7	551.3
Personnel Costs	245.2	236.6	224.8	216.4	226.5	235.7	244.8
Supplies & Consumables	97.8	84.5	86.4	89.2	94.1	86.8	93.1
Subsidies	105.5	122.5	125.2	131.6	131.7	137.0	126.7
Transfer Payments	28.4	27.2	29.7	31.0	30.5	32.3	27.6
Depreciation	18.8	21.6	20.0	20.7	23.4	26.1	26.3
Interest Payments	11.7	19.4	27.9	32.9	33.8	31.8	29.2
Extraordinary Expenses	1.7	20.1	0.0	0.0	0.0	0.0	0.0
Other Executive Expenses	12.3	3.7	3.2	3.3	7.1	4.0	3.6
Gross Capital Expenditure & Net Lending	150.6	141.7	76.3	98.3	68.5	36.8	46.1
Capital Acquisition (now Equity Injections)	40.7	105.4	28.1	62.2	37.6	9.6	12.9
Equity Injections and Working Capital support to Public Entities			14.9	20.0	20.8	19.2	26.8
Capital Development (now Executive Assets)	109.9	35.2	37.7	16.0	8.4	8.1	5.8
Net Lending	0.0	1.1	(4.4)	0.1	1.7	(0.1)	0.6
Net Capital Expenditure & Net Lending	131.8	120.1	56.3	77.6	45.1	10.7	19.8
Depreciation	18.8	21.6	20.0	20.7	23.4	26.1	26.3
Primary Balance (Overall Balance w/o Interest Payments)	(119.3)	(162.5)	(27.9)	(23.9)	6.2	102.6	122.4
Current Balance	0.8	(61.8)	0.5	20.8	17.5	81.5	113.0
Overall Balance	(131.0)	(181.9)	(55.8)	(56.8)	(27.6)	70.8	93.2
Financing	131.0	181.9	55.8	56.8	27.6	(70.8)	(93.2)
Net Borrowing	145.5	158.4	80.7	20.3	(25.9)	(16.5)	(33.9)
Disbursements	166.2	184.3	106.7	154.2	0.0	10.0	0.0
Loan Repayment	(20.7)	(25.9)	(25.9)	(133.9)	(25.9)	(26.5)	(33.9)
Change in Cash	14.5	(23.5)	24.9	(36.5)	(53.5)	54.3	59.3

Source: ESO and Treasury Department