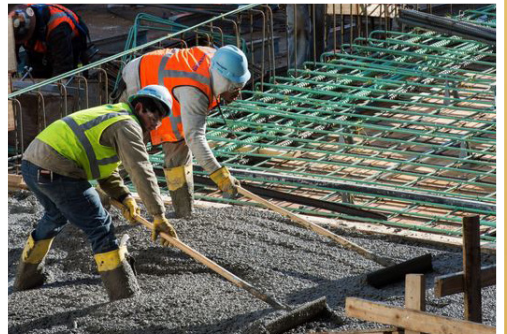




CAYMAN ISLANDS
GOVERNMENT



THE CAYMAN ISLANDS' ANNUAL ECONOMIC REPORT 2015



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1. Executive Summary

1.1 Gross domestic product (GDP) expanded anew in 2015 at an estimated rate of 2.0 percent, lower than the 2.4 percent growth a year ago although higher than the average growth (1.6%) of the last four years since the recession ended in 2010. It is also higher than the 1.7 percent expected growth as of the third quarter of 2015.

1.2 Growth was broad-based led by construction, other services (mainly employment activities of households), real estate, renting and business activities, government services, utilities, wholesale and retail, and financing and insurance.

1.3 Nominal GDP per capita income amounted to \$46,774, lower relative to the \$48,642 estimated for 2014. The effect of higher population coupled with deflation affected the nominal per capita income in 2015.

1.4 The average inflation rate in 2015 was -2.3 percent, as compared to 1.3 percent inflation a year ago. The deflation resulted mainly from the impact of a downtrend in global oil prices, and a continued downtrend in housing rentals.

1.5 Total employment increased by 4.0 percent to 39,138 from a year ago. The growth in employment pushed the unemployment rate down to 4.2 percent compared to 4.6 percent in 2014. The unemployment rate among Caymanians declined from 7.9 percent in 2014 to 6.2 percent in 2015. The unemployment rate among Non-Caymanians was 1.4 percent, and for permanent residents with rights to work, 6.6 percent.

1.6 In 2015, merchandise imports declined by 6.3 percent to settle at \$763.0 million, reflecting mainly a 39.2 percent decline in the value of mineral fuels, lubricants, and related materials. Non-oil imports rose by 2.0 percent propelled by the higher value of food and live animals and machinery and transport equipment.

1.7 Money supply (M2) expanded by 19.6 percent to register at \$5.9 billion (US\$7.1 billion) in 2015. This monetary expansion was due mainly to an increase in foreign currency deposits by 21.0 percent augmented by a 15.3 percent growth in the local currency denominated broad money.

1.8 Domestic credit from commercial banks grew by \$10.0 million (or 0.3%) to settle at \$2,981.2 million. Credit to the private sector increased by 1.0 percent while that to the public sector contracted by 5.5 percent. The increase in private sector credit was mainly for households' domestic property, and the business sector's general business activity.

1.9 The net foreign asset position of local commercial banks amounted to \$3.7 billion, higher by 68.9 percent from the previous year. The increase resulted mainly from a hike in foreign assets particularly total non-resident loans, which outweighed an increase in foreign liabilities mainly non-resident deposits.

1.10 The financial services industry continued to exhibit mixed performance. New company registrations and partnership registrations grew while mutual funds registration (including master funds), insurance licences, stock exchange listing, and banks and trusts declined.

1.11 In 2015, total visitors to the Cayman Islands grew by 5.5 percent to total 2.1 million. Cruise visitors increased by 6.7 percent while growth of air arrivals slowed down 0.7 percent following an average growth of 7.1 percent between 2010 and 2014.

1.12 Building intention indicators were mixed in 2015. The value of building permits in 2015 fell by 47.5 percent to settle at \$186.9 million after a hotel construction bumped up the overall value in 2014. On the other hand, the value of planning approvals rose by 11.5 percent to \$458.8 million.

1.13 The real estate sector recovered during the year as the total value of property transfers grew by 8.8 percent to \$612.2 million aided by the transfer of properties along Seven Mile Road.

1.14 The central government's overall surplus in 2015 reached \$116.1 million (or 4.2% of GDP), compared to \$93.2 million (or 3.4% of GDP) in 2014. Total outstanding debt contracted by \$23.0 million to \$511.0 million (or 18.5% of GDP) as at year end 2015.

1.15 GDP is projected to grow in 2016 by 2.1 percent, given an expected recovery in tourism-related services, stable growth in financing and insurance and growth in construction associated with private and public sector projects. The inflation rate is expected at 0.5 percent arising from a one-time impact of the minimum wage increase and pick-up in demand.

The Cayman Islands Economic Performance: Summary Indicators

Indicators	2013	2014	2015
Real GDP (\$million)*	2,494.3	2,554.1	2,604.8
GDP growth in real terms (%)*	1.5	2.4	2.0
Real GDP per capita (\$)*	44,352	44,814	44,109
Nominal GDP per capita (\$)*	47,096	48,642	46,774
Nominal GDP (\$million)*	2,648.7	2,772.2	2,762.2
Population (year-end)	55,747	58,238	60,413
<i>Of which</i> Caymanians	32,798	33,447	34,237
Population (mid-year)	56,212	56,993	59,054
Average inflation rate (%)	2.2	1.3	(2.3)
Employment	36,106	37,643	39,138
Unemployment rate (% of labour force)	6.3	4.6	4.2
Total imports (in \$million)	774.5	814.4	763.0
Total imports (% of GDP)	29.2	29.4	27.6
Total money supply (M2, in \$million)	5,888.4	4,932.4	5,898.0
Domestic credit (in \$million)	2,974.7	2,971.2	2,981.2
Mutual funds (including master funds)	11,379	11,010	10,940
Insurance licenses	788	787	739
Banking and trust licenses	213	198	184
Trust companies	117	110	118
Stock exchange listings	1,116	1,066	1,046
New company registrations	9,433	11,010	11,864
New partnership registrations	2,368	2,893	3,370
Stay-over tourists (in thousands)	345.4	382.8	385.4
Cruise ship passengers (in thousands)	1,375.9	1,609.6	1,716.8
Grand Cayman building permits (\$million)	181.5	356.1	186.9
Cayman Islands planning approvals (\$million)	463.7	411.6	458.8
Cayman Islands property transfers (\$million)	577.5	562.8	612.2
Overall fiscal balance of the central government (\$million)	70.8	93.2	116.1
Overall fiscal balance of the central government (% of GDP)	2.7	3.4	4.2
Outstanding debt of the central government (\$million)	559.9	534.0	511.0
Outstanding debt of the central government (% of GDP)	21.1	19.3	18.5

*Preliminary estimate for 2015 based on indicators.

2. Global and Regional Macroeconomic Environment

Despite the stronger economic performance in the Euro area, global growth slowed in 2015, led by economic downswings in the emerging markets and developing economies. This chapter review is culled from reports of International Monetary Fund and other international organizations.

2.1 Economic Growth

Global growth decelerated in 2015 as continuing difficulties slowed economic activity in emerging markets and developing economies coupled with lower than expected growth momentum in advance economies. In 2015, advanced economies grew by 1.9 percent as compared to 1.8 percent for the previous year. The Euro area had higher growth while the US managed a stable growth despite a weakened fourth quarter performance. Growth deceleration continued in emerging markets and developing economies with an aggregate growth of 4.0 percent in 2015, lower than the 4.6 percent achieved in 2014 as domestic demand slowed in China, while other large economies suffered downturns (see Table 2.1).

Table 2.1: Global Economic Growth

	2012	2013	2014	2015
	in Percent (%)			
World GDP	3.2	3.4	3.4	3.1
Advanced economies	1.4	1.4	1.8	1.9
US	2.8	2.2	2.4	2.4
Euro area	-0.7	-0.5	0.9	1.6
Japan	1.4	1.6	0.0	0.5
UK	0.3	1.7	2.9	2.2
Canada	1.7	2.0	2.5	1.2
Emerging market and developing countries	5.0	5.0	4.6	4.0
China	7.7	7.8	7.3	6.9
India	4.7	6.9	7.2	7.3

Source: International Monetary Fund (WEO, April 2016)

The US economy in 2015 maintained a stable 2.4 percent growth rate as the fourth quarter performance was marked with weak exports and domestic demand in addition to a decline in non-residential investment. The US labour market continued to improve in particular, employment, labour force participation and the unemployment rate were better than a year ago.

Most advanced economies posted positive economic performance, albeit slower than the previous year. The Canadian economy weakened with a 1.2 percent growth mainly due to decline in global market demand for oil. Growth in the UK and Japan were also weaker than expected.

Following the contraction in 2012 and 2013 and a mild recovery in 2014 with a 0.9 percent growth, economic pace in the Euro area was slightly stronger at 1.6 percent in 2015. The vast majority of the Euro area countries recorded improved economic performance in 2015 including France, although Germany's growth of 1.5 percent was slightly below the performance a year ago.

Emerging market and developing economies as a group expanded by 4.0 percent in 2015, lower than the 4.6 percent recorded in 2014. Growth weakened in China from 7.3 percent in 2014 to 6.9 percent in 2015 as excess industrial capacity was reduced, while Brazil and Russian experienced economic contractions.

Table 2.2: Caribbean Region Economic Growth

	2012	2013	2014	2015
	in Percent (%)			
Caribbean	2.4	2.8	4.7	4.0
Bahamas	2.2	0.0	1.0	0.5
Barbados	0.3	0.0	0.2	0.5
Trinidad & Tobago	1.3	2.3	-1.0	-1.8
Jamaica	-0.5	0.2	0.5	1.1
OECS				
Antigua & Barbuda	3.6	1.5	4.2	2.2
Dominica	-1.3	0.6	3.9	-4.3
Grenada	-1.2	2.4	5.7	4.6
St. Kitts & Nevis	-0.9	6.2	6.1	6.6
St. Lucia	-1.1	0.1	0.5	1.6
St. Vincent & the Grenadines	1.3	2.3	-0.2	1.6

Source: International Monetary Fund (WEO, April 2016)

The Caribbean region recorded a growth of 4.0 percent in 2015, a deceleration relative to the previous year, but nonetheless stronger than in 2012 and 2013 (see Table 2.2). Some of the Caribbean countries continued to post strong growth. St. Kitts and Nevis recorded three consecutive years of high growth followed by Grenada with strong growth for the last three years. In contrast, Trinidad and Tobago showed recessionary conditions in the last two consecutive years. The

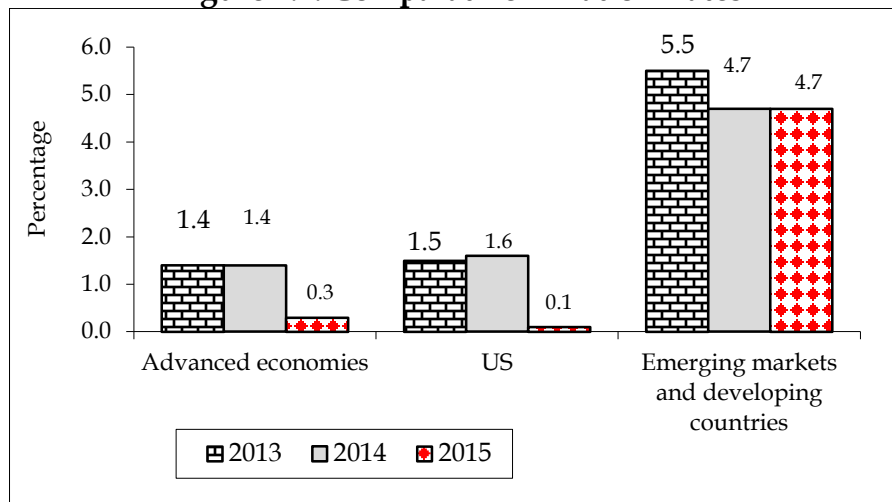
highest economic growth in the region was recorded in the Dominican Republic, with a 7.0 percent growth in 2015, following the 7.3 percent posted in 2014.

2.2 Inflation

Headline inflation in advanced economies declined to 0.3 percent in 2015 from 1.4 percent the previous year. Similarly, the average inflation in the US plummeted to 0.1 percent in 2015 from 1.6 percent in 2014 on account of lower oil prices. However, the general price level in emerging markets and developing economies was stable during the period.

In 2015, commodity prices were mostly lower than the previous year’s; global oil prices¹ were lower by 47.2 percent as the average price was at US\$50.79 a barrel. Prices of non-fuel primary commodities (based on world commodity exports weights) declined on average by 17.5 percent, of which, food and beverages fell by 17.1 and 3.1 percent, respectively.

Figure 2.1: Comparative Inflation Rates



Source: International Monetary Fund (WEO, April 2016)

The Caribbean region benefitted from lower oil prices to record lower average inflation in 2015, following two years of general price downtrends. In 2015, the Bahamas was one of the few countries in the region to record higher inflation than the previous year. In Trinidad and Tobago the average inflation was 4.7

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

percent as the average price of food and non-alcoholic beverages, and clothing and footwear, continued to sustain high inflation rate despite lower oil prices.

Table 2.3: Inflation Rates: Caribbean Region

	2012	2013	2014	2015
	in Percent (%)			
Caribbean	5.1	5.0	4.0	2.3
<i>of which:</i>				
Bahamas	2.0	0.4	1.2	1.9
Barbados	4.5	1.8	1.9	0.5
Trinidad & Tobago	9.2	5.2	5.7	4.7
Jamaica	6.9	9.4	8.3	4.7

Source: International Monetary Fund (WEO, April 2016)

2.3 International Finance

For the fifth consecutive year, the overall fiscal deficit among advanced economies continued to improve; it narrowed from 8.8 percent of GDP in 2010 to 3.4 percent in 2015. The U.S general government's fiscal deficit or net borrowing² narrowed consistently from 10.9 percent of GDP in 2010 to 3.7 percent in 2015. Similarly, the overall fiscal deficit of the Euro area ameliorated from 6.2 percent of GDP in 2010 to 2.0 percent in 2015. The UK fiscal deficit in 2015 showed improvement to 4.4 percent of GDP in 2015 from 9.6 percent of GDP in 2014.

Interest rate policies in the Euro zone and the United Kingdom remained stable, as the European Central Bank continued to stimulate economic activity in the Euro area with its low key interest rate³. The Canadian central bank reduced its overnight target rate from 1.0 percent to 0.75 percent in January with a further reduction to 0.5 percent in July. In the US, the Federal Reserve increased its federal funds rate (FFR) from a range of 0 to 0.25 percent to a range of 0.25 to 0.50 percent in December 2015 (see Table 2.4).

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.

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

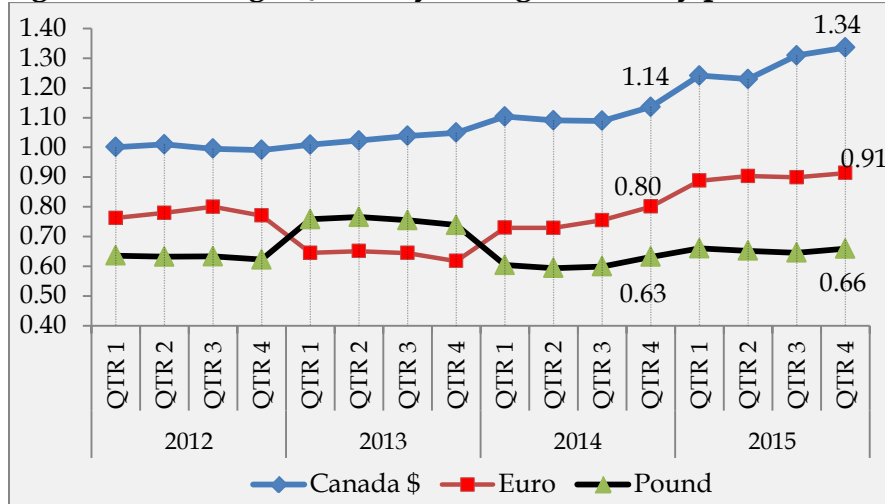
		US ¹	UK	Canada	Euro
Percentage (%)					
2014	Q1	0.13	0.50	1.00	0.25
	Q2	0.13	0.50	1.00	0.15
	Q3	0.13	0.50	1.00	0.05
	Q4	0.13	0.50	1.00	0.05
2015	Q1	0.13	0.50	0.75	0.05
	Q2	0.13	0.50	0.50	0.05
	Q3	0.13	0.50	0.50	0.05
	Q4	0.38	0.50	0.50	0.05

1. Mid-point of the FFR interest rate range is used in this table

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

The US dollar gradually gained value against major trading currencies. The largest average gain for the US dollar was against the Canadian dollar, an appreciation of approximately 15.8 percent during the year, partly due to its weakening oil exports. The Eurodollar depreciated gradually against the US dollar in 2015, by approximately 19.6 percent on average, as economic condition in the US was stronger than in the Euro currency area. The UK pound, for the most part, maintained its value against the US dollar after depreciating slightly during the first quarter of 2015. The Cayman Islands dollar by being pegged to the US dollar would have followed the same path as the US dollar against the three top currencies discussed above.

Figure 2.2: Average Quarterly Foreign Currency per U.S dollar



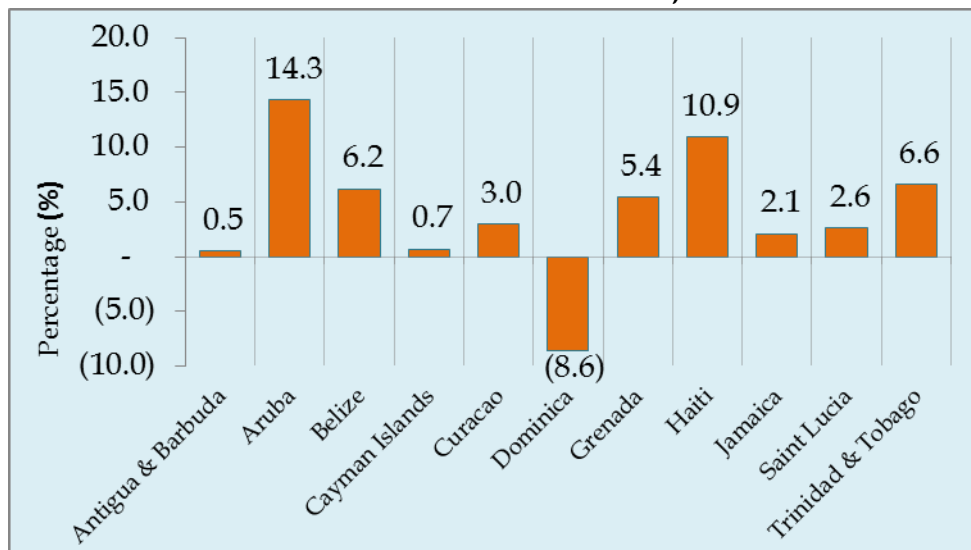
Source: United States Federal Reserve Bank

2.4 Regional and International Tourism⁴

International tourism produced another robust performance in 2015 amidst natural disasters, regional instability in the Middle East and slower global growth. As reported by the World Tourism Organization, international tourist arrivals increased by 4.4 percent in 2015 to 1,184 million travellers.

Mixed visitor growth rates were reported across regions. Worldwide visitor growth in advanced economies (5.0%) outperformed emerging economies in general (4.0%). Europe, the Americas, and Asia and the Pacific were the top-ranking regions registering 5.0-percent increases, ahead of a 3.0-percent rise for the Middle East. Based on limited data available, arrivals to Africa declined 3.0 percent mainly due to the drop in visitors to North Africa.

**Figure 2.3: Stay-Over Arrivals Growth (%)
Selected Caribbean Countries, 2015**



Sources: World Tourism Organization and Caribbean Tourism Organization websites

For the first time, the Caribbean region outperformed every major tourism region with visitors (air and cruise) increasing by 7.0 percent to 28.7 million. According to the Caribbean Tourism Organization (CTO), the solid performance of the region was supported by sustained economic recovery in essential markets, a strong US dollar, and falling oil prices. Overall, all source markets reported higher demand for Caribbean vacations. Tourist arrivals from South America improved the most (18.3%) followed by the traditional source markets: US

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

(6.3%), Canada (4.5%) and Europe (4.2%). Additionally, intra-regional travel peaked to 1.7 million trips, 11.4 percent higher than a year ago as travel to larger destinations such as Cancun, Cozumel, Dominican Republic, Cuba, Haiti, and Suriname intensified.

In 2015, the top fastest growing destinations in 2015 for stay-over arrivals in the Caribbean were Aruba (14.3%), Haiti (10.9%), Trinidad and Tobago (6.6%), Belize (6.2%) and Grenada (5.4%). All other countries recorded more modest increases in stay-over arrivals, except Dominica, which declined by 8.6 percent.

Meanwhile, cruise tourism expanded 1.3 percent to reach 24.4 million as growth moderated from last year's 8.0 percent. This performance is attributed to a 2.0 percent contraction in cruise visitors during the summer months which outweighed a bumper winter season. The Eastern Caribbean sub-region recorded the highest growth of 3.3 percent from the performances of Trinidad and Tobago (104.0%), Bonaire (74.2%) and British Virgin Islands (43.1%).

3. Macroeconomic Performance

The year in review was marked by GDP growth in real terms, reduction in the unemployment rate to the lowest level since 2008 and a deflation in the general price level.

3.1 Economic Growth

The Cayman Islands economy recorded another year of economic expansion bringing the last five years average real gross domestic product (GDP) growth to 1.7 percent. In 2015, GDP growth was estimated at 2.0 percent, lower than the 2.4 percent recorded for 2014 but higher than the average of the last five years. In real terms, gross domestic product is estimated at \$2,604.8 million (see Table 3.1).

Table 3.1: Cayman Islands' Gross Domestic Product

	2011	2012	2013	2014	2015E
GDP at Current Prices (\$M)	2,519.3	2,575.4	2,648.7	2,772.2	2,762.2
<i>Current GDP growth (%)</i>	1.9	2.2	2.8	4.7	(0.4)
Per Capita GDP at constant 2007 prices (CI\$) ¹	43,920	43,799	44,352	44,814	44,109
GDP at constant 2007 prices (\$M)	2,427.8	2,458.2	2,494.3	2,554.1	2,604.8
<i>Real GDP growth (%)</i>	1.2	1.3	1.5	2.4	2.0

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 decreased to \$44,109 from \$44,814 as the mid-year population growth outweighed real GDP growth. In nominal terms, the estimated average income was \$46,774, approximately 3.8 percent lower than in 2014, on account of the decline in the consumer price index inflation rate.

The services sector which accounted for 94.7 percent of GDP in 2015, led the economic performance with a 1.9 percent growth rate. Except for lower growth in hotels and restaurants, economic expansion was seen in all other sectors led by real estate, renting and business activities (mainly legal and accounting services);

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

other services (mainly employment activities of households); utilities; and financing and insurance services (see Table 3.2).

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

	2012	2013	2014	2015E	% Change
	Millions of Cayman Islands Dollars				
Primary Sectors	28.5	28.6	28.1	29.2	3.8
Agriculture & Fishing	9.2	9.3	10.1	10.3	2.1
Mining & Quarrying	19.3	19.2	18.0	18.9	4.8
Secondary Sectors	98.6	101.1	104.0	108.4	4.2
Manufacturing	22.5	23.1	23.7	24.0	1.1
Construction	76.1	78.0	80.3	84.4	5.2
Services Sectors	2,331.1	2,364.7	2,421.9	2,467.1	1.9
Electricity & Water Supply	93.4	93.8	95.9	98.0	2.1
Wholesale & Retail Trade, Repairs & Installation of Machinery	204.9	208.6	213.5	215.9	1.1
Hotels & Restaurants incl. Bars	140.7	143.5	150.5	149.4	(0.7)
Transport, Storage & Communication	213.0	214.6	216.6	218.2	0.7
Financing & Insurance Services	1,038.5	1,041.8	1,052.6	1,066.0	1.3
Real Estate, Renting & Business Activities	611.3	622.1	643.0	661.8	2.9
Producers of Government Services	329.2	338.0	343.2	351.1	2.3
Other Services	78.7	79.6	83.6	86.5	3.4
Financial Services Indirectly Measured (FISIM)*	378.4	377.3	377.1	379.7	0.7
GDP constant at basic prices	2,458.2	2,494.3	2,554.1	2,604.8	2.0
Growth (%)	1.3	1.5	2.4	2.0	

E Preliminary estimates based on sector economic indicators

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

The real estate, renting and business activities sector was estimated to have increased by 2.9 percent with business services dominating the growth

supported by higher registration of companies and partnerships for the second consecutive year. The real estate sector traded more properties (see Section 4.4).

Other services, which included activities of households as employers, expanded by 3.4 percent in 2015 as work permits for “domestic workers” increased. GDP generated by the utilities sector was higher by 2.1 percent as consumption of both electricity and water grew in 2015 with the increase in population. The growth in utilities was also due to lower cost, particularly fuel cost.

The financing and insurance services sector which accounted for approximately 41.0 percent of GDP was estimated to have expanded by 1.3 percent. Insurance services, included under this rubric, grew by 1.1 percent as growth in gross premiums outweighed net claims. Growth in financing services remained suppressed as lackluster demand continued in external markets; the sector’s growth by approximately 0.7 percent in 2015 was due mainly to higher interest income in the local banking sector as the weighted average interest spread widened and domestic credit grew.

The market value of goods and services produced in 2015 by the construction sector suggest that it expanded anew by 5.2 percent. A key indicator - the value volume of building materials including imported cement - was higher during the period.

The wholesale and retail trade sector had an estimated growth of 1.1 percent, bolstered by growth in non-oil merchandise imports which grew by 2.0 percent (see Section 3.4).

Growth in the transportation, storage and communication sector was estimated at 0.7 percent. This expansion benefitted from a combination of a higher number of cruise visitor arrivals coupled with the higher volume of cargo transportation. Telecommunication indicators (paid calls in minutes) continued on a downward trajectory.

Government services expanded anew by 2.3 percent, due mainly to the combined effects of marginally higher staff levels and a 4.0 percent increase in salaries as the cost of living adjustment (COLA) for central government employees in mid-year 2015.

The accommodation sector was negatively affected in 2015 by the slowdown in the growth of stay-over visitors, following years of steady growth averaging 7.1

percent between 2010 and 2014. The GDP from the hotels and restaurants sector was estimated to have decreased by 0.7 percent.

3.2 Inflation

In 2015, the average consumer price index declined by 2.3 percent compared to an average increase of 1.3 percent a year ago. This deflation occurred as downward pressure on prices of oil, and oil-related goods and services outweighed upward pressure caused by an expansion in demand from higher population.

Table 3.3: Average Inflation Rates

Categories	Avg. Inflation Rates	
	2014	2015
Food & Non-alcoholic Beverages	2.4	1.6
Alcohol and Tobacco	0.1	0.6
Clothing and Footwear	-0.7	3.0
Housing and Utilities	-0.4	-6.9
Household Equipment	7.4	0.2
Health	-0.2	0.3
Transport	2.4	-4.8
Communication	0.9	3.3
Recreation and Culture	2.2	1.5
Education	2.8	3.8
Restaurants and Hotels	4.6	-1.5
Misc. Goods and Services	0.8	-0.8
Overall CPI Inflation	1.3	-2.3

Source: Economics and Statistics Office

Several price indices directly contributed to the overall deflation: housing and utilities, transport, restaurants and hotels, and miscellaneous goods and services. The price index for housing and utilities fell by 6.9 percent with the housing component affected by declines in average actual and imputed rent for owner occupied housing due mainly to an excess supply of houses. The average cost of utilities decreased as electricity, gas and other fuels, and water supply and miscellaneous services fell

by 18.7 percent and 8.5 percent, respectively. The lower average cost of utilities was propelled by plummeting oil prices in the world market; for example, the Europe Brent Crude Spot Price (FOB)⁶ traded in December 2014 at US\$62.34 per barrel which declined to US\$38.01 per barrel in December 2015. Similarly, the transport index fell by 4.8 percent as the fuel component (operation of personal transport equipment) declined by 19.0 percent. The restaurants and hotels index fell by 1.5 percent as average hotel room rates decreased by 13.8 percent.

⁶ Source: U.S. Energy Information Administration (EIA), website: <http://www.eia.gov>

Despite the overall decline in the average inflation, the following categories registered increases: education, communication, clothing and footwear, food and non-alcoholic beverages, recreation and culture, health and household equipment. The education index was higher by 3.8 percent due mainly to higher fees of pre-primary and primary, and secondary education. The growth in the price index for communication in 2015 was attributable primarily to increased cost of phones and phone services. Higher average prices for clothing and footwear pushed the average index up by 3.0 percent.

Table 3.4: Selected Quarterly Inflation Rates

		CPI Inflation	Non Food Inflation	Core Inflation*	CPI: Excluding; Housing & Utilities	Food Inflation	Housing & Utilities Inflation	Electricity Inflation
% Change over the same Quarter a Year Ago								
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
2015	QTR 1	-0.4	-0.7	0.7	-0.1	2.9	-1.1	-13.6
	QTR 2	-3.6	-4.1	-2.1	-0.7	1.2	-9.4	-25.7
	QTR 3	-2.9	-3.3	-1.8	0.1	1.5	-8.8	-18.4
	QTR 4	-2.5	-2.8	-1.2	0.5	0.8	-8.4	-17.2
Annual Average 2015		-2.3	-2.8	-1.1	0.0	1.6	-6.9	-18.7

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

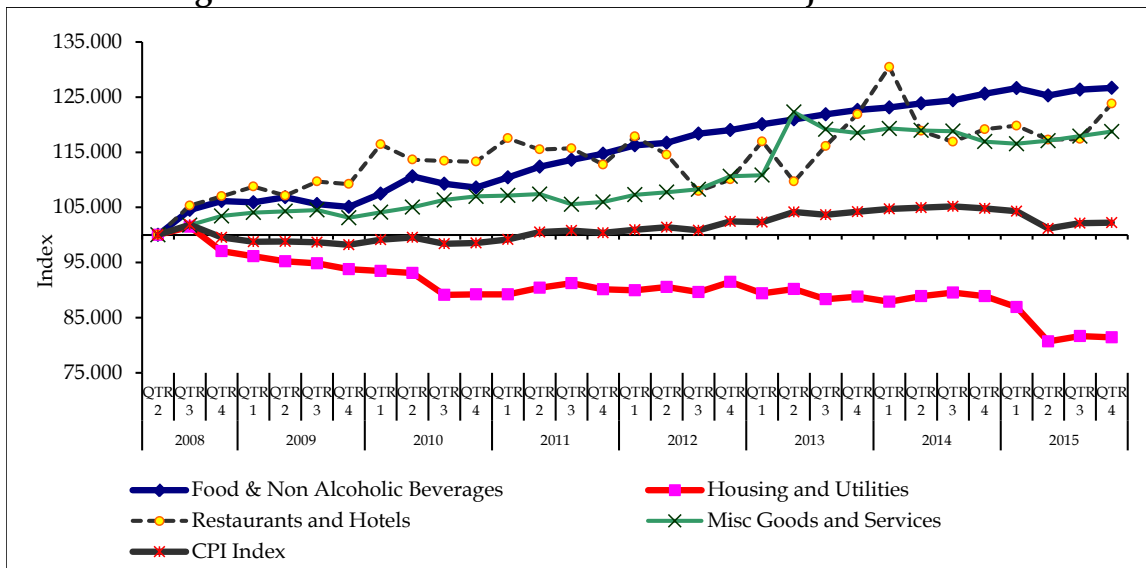
Source: Economics & Statistics Office

Table 3.4 shows “core inflation rate” that is, overall inflation rate without food and non-alcoholic beverages, electricity and fuel. Core inflation declined by 1.1 percent in 2015 compared to a year ago when core inflation stood at 1.4 percent. The average electricity rate was lower by 18.7 percent during the year as all quarters recorded double-digit declines. Compared to a year ago, food and non-alcoholic beverages recorded an inflation rate of 1.6 percent. Alternatively, non-food inflation was -2.8 percent as falling oil and related products is a component under this rubric.

The food and non-alcoholic index continued to trend upward since the second quarter of 2008 (see Figure 3.1). The food index reached 126.7 in 2015, or 26.7 percent higher than the second quarter of 2008 (an average of 4.1% rise annually for the last six and a half years). The housing and utilities index trended downwards since the second quarter of 2008, as the index was at 81.4 as at the end of 2015, an indication of lower housing and utilities cost by an average of

18.6 percent (or an annual decline of 2.9 percent) for the last six and half years. From 2008, hotels and restaurants, education, and miscellaneous goods and services were higher by 23.8 percent, 19.1 percent, and 18.7 percent, respectively.

Figure 3.1: Inflation Indices for Selected Major Divisions



Source: Economics & Statistics Office

3.3 Labour Force and Employment

Against a background of economic recovery, improvements in labour market indicators continued in 2015 with a further reduction in unemployment.

The labour force expanded 3.6 percent (or 1,403) to 40,870 in 2015. This growth is attributed to a 12.1 percent increase in Non-Caymanian labour supply offsetting a decline in Caymanians and Permanent Residents WRW, by 0.6 and 8.4 percent, respectively. The overall labour force participation rates (LFPR) stood at 82.2 percent, 0.4 percentage points higher than a year ago. The LFPR of Caymanians declined (from 76.6% in 2014 to 75.6%) and Permanent Residents WRW (from 90.5% to 88.4%). In contrast, the LFPR of Non-Caymanians improved during the review period from 91.6 percent in 2014 to 92.0 percent in 2015.

The share of the Non-Caymanian labour force ameliorated to 41.7 percent (17,023), Permanent Residents WRW share of the workforce declined to 10.4 percent and Caymanian labour force totalled 19,575 or 47.9 percent of the labour force.

Employment expanded by 4.0 percent to 39,138 persons or an additional 1,495 person employed compared to the 37,643 in 2014. The number of employed Caymanians and Non-Caymanians recorded positive gains in employment while Permanent Residents WRW declined by 12.1 percent.

Table 3.5: Summary of Labour Force Indicators

Labour Force Indicators	2014R	2015
Population	58,238	60,413
Working Age Population	47,896	49,369
Labour Force	39,467	40,870
Total Employed	37,643	39,138
Total Unemployed	1,112	1,732
Unemployed Rate (%)	4.6	4.2
Caymanian Population	33,447	34,237
Working Age Population	25,714	25,906
Labour Force	19,689	19,575
Total Employed	18,127	18,366
Total Unemployed	1,562	1,209
Unemployed Rate (%)	7.9	6.2
Permanent Residents Population*	5,923	5,188
Working Age Population	5,680	4,963
Labour Force	4,666	4,273
Total Employed	4,537	3,990
Total Unemployed	129	283
Unemployed Rate (%)	2.8	6.6
Non -Caymanian Population	18,868	20,988
Working Age Population	16,502	18,500
Labour Force	15,112	17,023
Total Employed	14,979	16,783
Total Unemployed	134	240
Unemployed Rate (%)	0.9	1.4

R - Revised

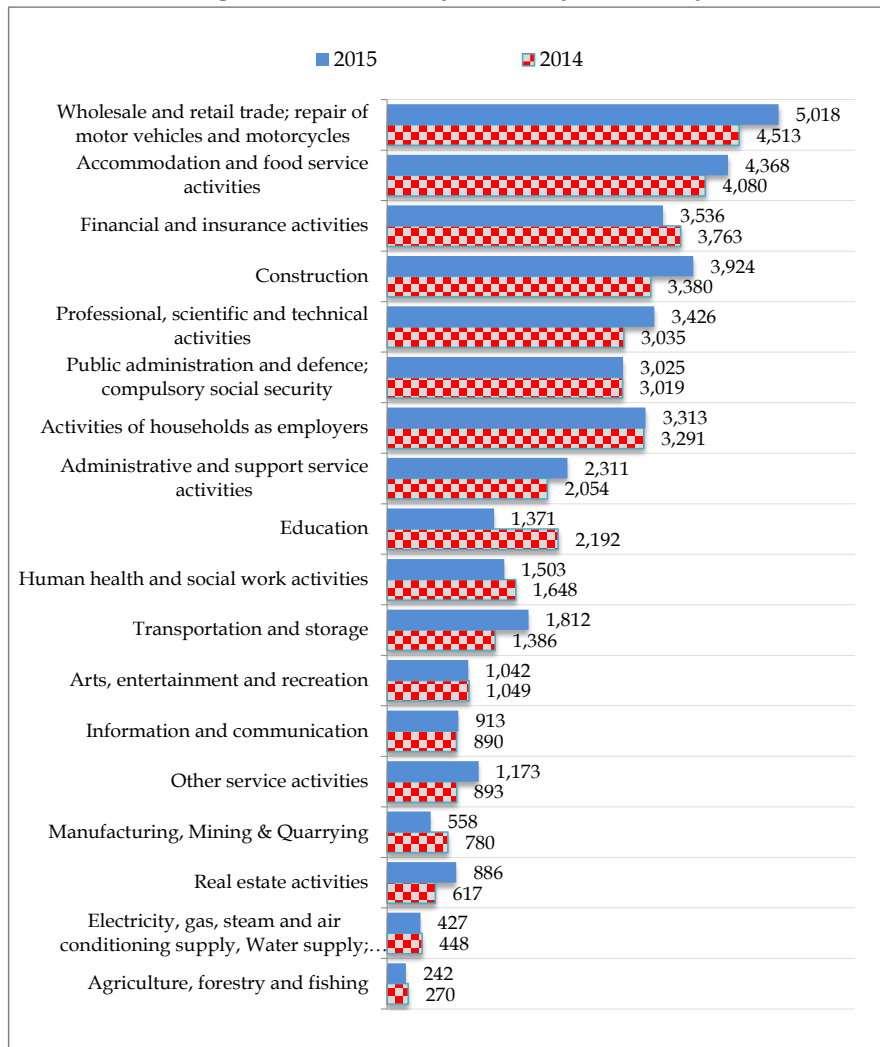
* With rights to work (WRW) only

Source: Fall Labour Force Surveys (2014, 2015), ESO

As depicted in Figure 3.2, industries with the strongest gains in employment in 2015 relative to 2014 were real estate (43.6%), other service activities (31.4%) and transportation and storage (30.7%). Meanwhile, moderate job growth was

recorded in construction, professional, scientific and technical activities, administrative and support service activities.

Figure 3.2: Employment by Industry



Source: Fall Labour Force Surveys (2014, 2015), ESO

The unemployment rate fell for the second consecutive year, this time by 0.4 percentage points from 4.6 percent to 4.2 percent in 2015. A total of 1,732 persons were unemployed, a reduction of 127 persons from a year ago. The decline in unemployed persons is traced solely to the drop for Caymanians as the Non-Caymanian and Permanent Residents WRW went up. The low unemployment rate among non-Caymanians is consistent with the requirements under the Immigration Law as only non-Caymanians with work permits remain in the

labour force with those looking for work and available for work comprising of largely dependents of work permit holders.

3.4 External Sector

Merchandise Imports. In 2015, total merchandise imports fell by 6.3 percent to \$763.0 million. This contraction in goods imports was due to the lower value of petroleum-related products arising from the plummeting world crude oil prices. Oil and petroleum imports declined by 39.2 percent from \$163.9 million in 2014 to \$99.7 million, notwithstanding an increase in fuel import volume. Correspondingly, the share of fuel imports to total imports fell from 20.1 percent of total imports to 13.1 percent in 2015.

Meanwhile, non-oil related imports increased by 2.0 percent to \$663.3 million during 2015, a slowdown from last year’s 7.3 percent increase. Non-oil imports was led by the higher value of imports of machinery and transport equipment (up by 16.0%), crude materials except fuel (up by 11.0%) and other commodities not classified elsewhere (up by 11.9%). Declines were recorded for manufactured goods (down by 1.2%) and miscellaneous manufactured articles (down by 13.4%) as well as beverages and tobacco and chemicals and related products.

Analysing imports by broad economic category (BEC) reveals that imports of consumption goods, while accounting for the largest share of imports 42.0 percent, decreased by 1.3 percent relative to 2014. Capital goods increased by 17.1 percent, traced to higher imports of other electrical machines and motors, and generators for electrical production. Intermediate goods increased marginally by 0.3 percent.

Figure 3.3: Imports by Broad Economic Categories

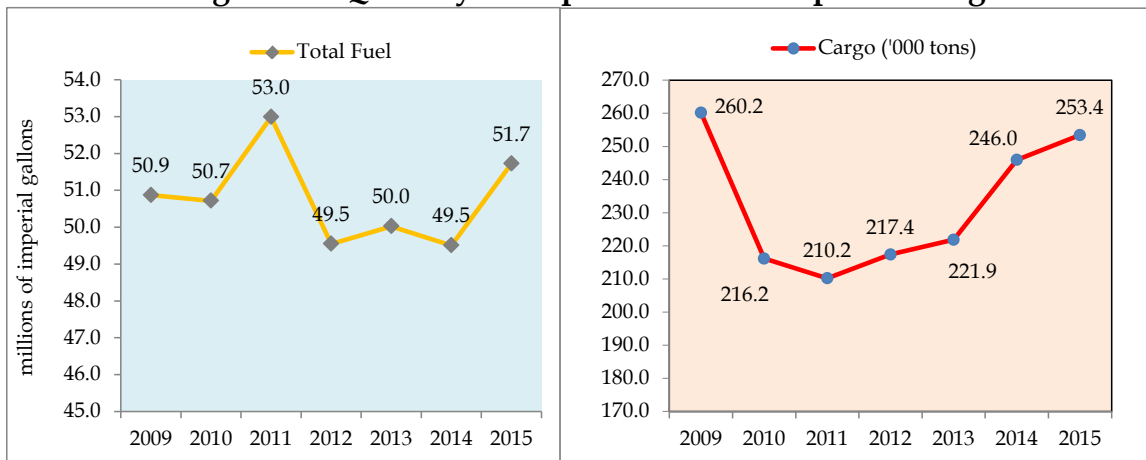


Source: Economics & Statistics Office

The imported volume of fuel posted double-digit growth for propane and aviation fuels by 38.5 and 28.4 percent, respectively, while moderate increases were seen for gasoline and diesel.

Overall, the volume of imported cargo increased by 10.6 percent to 253.4 thousand tons, the highest since 2009. Imported aggregates and other building materials increased by 1.9 and 10.9 percent, respectively.

Figure 3.4: Quantity of Imported Fuel & Imported Cargo



Source: Customs Department and Port Authority of the Cayman Islands

Exports. Mainly consisting of re-exports (temporary imports which are re-exported), total merchandise exports was CI\$16.9 million in 2015, 22.7 percent lower than the previous year.

Current account⁷. In 2015, the current account deficit was estimated to have narrowed by 2.1 percent to \$603.1 million or 23.1 percent of GDP due mainly to lower merchandise imports. Additionally, the inflow of funds arising from higher visitor expenditure increased, albeit at a slower rate than the in 2014. Receipts from financial and business services increased during the period, supported by higher registration of new companies and partnerships.

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)

	2012	2013	2014	2015E
Current Account Balances				
Trade balance	(641.1)	(597.6)	(644.5)	(599.6)
Exports	45.4	103.3	89.3	85.8
Imports, f.o.b.	(686.4)	(700.9)	(733.8)	(685.5)
Services, net	521.7	589.2	723.8	724.1
Receipts	1,395.2	1,500.2	1,559.2	1,601.3
o/w tourism visitor expenditure	400.2	409.7	462.3	476.4
o/w financial services	398.1	398.2	362.4	384.1
Payments	(873.5)	(911.0)	(835.5)	(877.2)
Net income	(267.0)	(441.5)	(535.77)	(565.37)
Transfers, net	(146.3)	(155.6)	(159.6)	(162.2)
Current Account Balance	(532.7)	(605.4)	(616.1)	(603.1)
<i>Percent of GDP (%)</i>	<i>(21.7)</i>	<i>(24.3)</i>	<i>(24.1)</i>	<i>(23.1)</i>
Financial and Capital Account, net*				
	537.2	607.5	614.5	616.3
Balance of Payments	4.5	2.1	(1.6)	13.2
Change in Reserves**	(4.5)	(2.1)	1.6	(13.2)

^E Estimated based on selected economic indicators

*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

During the period, travel receipts were estimated at \$476.4 million, up by 3.1 percent due to strong growth in cruise visitors and marginal improvement in air arrivals. Meanwhile, total revenue from financial services was estimated at \$384.1 million, up by 6.0 percent as new company registrations and new partnership registrations expanded. On the other hand, the outflow of workers' remittances is estimated to have grown slightly as foreign employment increased.

3.5 Money & Credit⁸

Broad liquidity. Broad liquidity (M2) comprising of CI dollar-denominated and foreign currency deposits expanded by 19.6 percent (\$965.6 million), a

⁸ Some additions and percentage changes may not be accurate due to rounding to one decimal place.

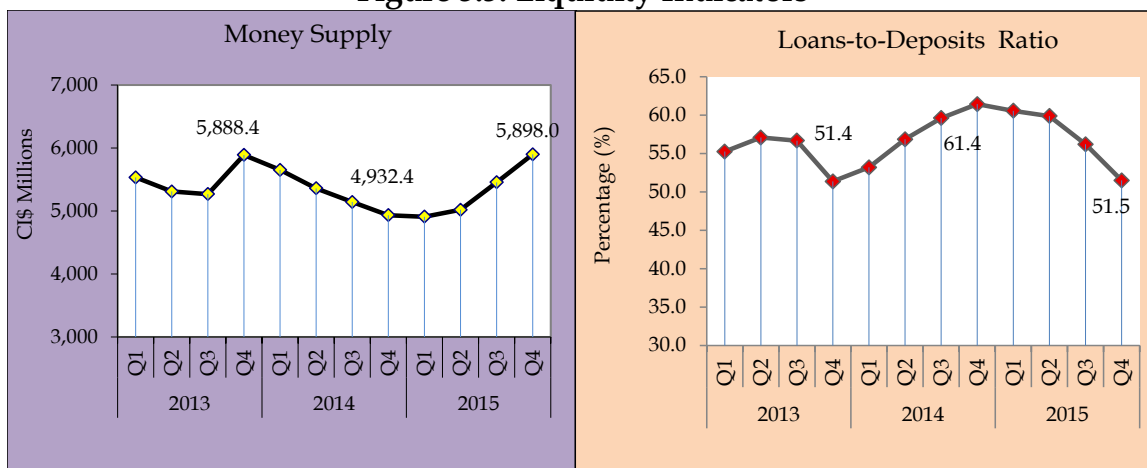
turnaround from last year’s 16.2 percent contraction (see Figure 3.5 and Table 3.7). The resulting M2 to nominal GDP ratio (a measure of the degree of financial deepening) increased from 177.9 percent in 2014 to 213.5 percent in 2015. The increase shows that households and businesses continued to rely on commercial bank lending for financing on one hand, and for cash transactions and savings on the other hand. The combined effect is a higher money supply resulting from the money creation process within the banking system. This increase in the M2/GDP ratio in 2015 was driven by the strong growth rate of foreign currency deposits and the combined effect of higher quantity of money in circulation and local currency deposits.

The expansion in total money supply, the fastest since 2006, resulted from a 21.0 percent rise in foreign currency deposits. Local currency-denominated broad money advanced by 15.3 percent to \$1,394.5 million owing to a 12.8 percent rise in currency in circulation and a 15.6 percent increase in KYD deposits.

As a proportion of the overall money stock in 2015, foreign currency deposits comprised the largest share of 76.4 percent, followed by KYD deposits (21.8%) and KYD currency in circulation (1.8%).

During the review period, the overall loan-to-deposit ratio of commercial banks moderated, reflecting higher deposits which outweighed the marginal increase in loan balance. This ratio averaged 51.5 percent in 2015 as compared to 61.4 percent in 2014, indicating that commercial banks are more liquid than a year ago.

Figure 3.5: Liquidity Indicators



Source: Cayman Islands Monetary Authority & ESO

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

	Dec-13	Dec-14	Dec-15	% Change
Total Assets	5,888.4	4,932.4	5,898.0	19.6
Net Foreign Assets	3,249.3	2,281.7	3,795.4	66.3
Monetary Authority	101.5	100.2	110.8	10.6
Commercial Banks	3,147.8	2,181.5	3,684.6	68.9
Net Domestic Assets	2,639.1	2,650.7	2,102.5	(20.7)
Domestic credit	2,974.7	2,971.2	2,981.2	0.3
Claims on central government	262.7	243.6	226.5	(7.0)
Claims on other public sector	75.2	70.1	70.0	(0.1)
Claims on private sector	2,636.8	2,657.5	2,684.7	1.0
Other items net	(335.6)	(320.5)	(878.7)	174.2
Broad Liquidity	5,888.4	4,932.4	5,898.0	19.6
Broad money (KYD) M2	1,106.6	1,209.1	1,394.5	15.3
Currency in circulation	96.2	95.5	107.7	12.8
KYD Deposits	1,010.4	1,113.6	1,286.8	15.6
Demand deposits	403.1	460.6	505.3	9.7
Time and savings deposits	607.3	653.0	781.6	19.7
FOREX deposits	4,781.8	3,723.3	4,503.4	21.0
<i>of which: US dollars</i>	4,219.3	3,382.0	4,158.6	23.0
<i>US dollars share (%)</i>	88.2	90.8	92.3	

Source: Cayman Islands Monetary Authority & ESO

On the assets side, the expansion of broad liquidity is associated with a 68.9 percent increase in net foreign assets of local commercial banks. Domestic credit expanded by 0.3 percent (or \$10 million) mainly due to growth in private sector borrowings.

Net foreign assets. Net foreign assets (NFA) of the Cayman Islands Monetary Authority (CIMA) and commercial banks expanded by 10.6 percent and 68.9 percent, respectively (see Table 3.8). CIMA's NFA rose by \$10.6 million during the review period, following a 1.3 percent decline a year earlier. The increase in commercial banks' NFA stemmed from the 64.0 percent increase in foreign assets which outweighed a 60.3 percent increase in foreign liabilities. The growth in foreign assets emanated from higher non-resident loans which more than tripled while balances in banks and branches and investments had double-digit increases. On the other hand, foreign liabilities expanded by 60.3 percent due mainly to higher non-resident deposits.

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 87.7 percent in 2015 which is higher than the 85.6 percent recorded in 2014. The increase indicates that foreign currency continued to be a primary source of funding in the Cayman Islands which can be considered a “pseudo dollarized economy.” Foreign deposits provide a strong support for the fixed exchange rate under the currency board system.

Table 3.8: Net Foreign Assets, CI\$ million

	Dec-13	Dec-14	Dec-15	% Change
Net Foreign Assets	3,249.3	2,281.7	3,795.4	66.3
Monetary Authority	101.5	100.2	110.8	10.6
Commercial Banks	3,147.8	2,181.5	3,684.6	68.9
Foreign Assets	6,182.6	5,132.9	8,416.4	64.0
Bal. with Banks & Branches	4,408.3	2,865.4	3,260.8	13.8
Total Investment	910.3	1,370.3	2,208.6	61.2
Total Non-Resident Loans	864.0	897.2	2,947.0	228.5
Foreign Liabilities	3,034.7	2,951.4	4,731.7	60.3
Total Non-Resident Deposits	2,815.6	2,806.8	4,549.1	62.1
Other Liabilities	219.1	144.6	182.7	26.3

Source: Cayman Islands Monetary Authority & ESO

Net domestic credit. Net domestic credit mildly increased by 0.3 percent to \$2,981.2 million, led by higher indebtedness by the private sector in 2015. Credit allocated to the private sector rose by 1.0 percent as lending to businesses and households expanded by 0.9 and 1.2 percent, respectively. During the period, the public sector’s outstanding debt declined by 5.5 percent as the central government continued a policy of debt amortization with minimal new borrowings in adherence with the requirements of the Framework of Fiscal Responsibility (FFR) (see Table 3.9).

Table 3.9: Net Domestic Credit, CI\$ million

	Dec-13	Dec-14	Dec-15	% Change
Domestic Credit	2,974.7	2,971.2	2,981.2	0.3
Domestic Credit to Public Sector	337.9	313.7	296.5	(5.5)
Domestic Credit to Private Sector	2,636.8	2,657.5	2,684.7	1.0

Source: Cayman Islands Monetary Authority & ESO

Credit to households which accounted for 61.8 percent of the banking sector's domestic credit, increased by \$21.5 million to \$1,843.1 million.

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

	2013	2014	2015	% Change
Total	2636.8	2657.5	2684.7	1.0
Credit to Businesses	838.9	819.6	827.3	0.9
Production & Manufacturing	301.3	169.2	165.5	(2.2)
Agriculture, Fishing and Mining	12.7	20.0	8.3	(58.3)
Manufacturing	20.5	14.1	18.7	32.5
Utilities	2.4	15.7	12.9	(18.0)
Construction	265.7	119.4	125.6	5.2
Services	95.5	82.1	65.6	(20.1)
Accommodation, Food, Bar & Entertainment Services	55.0	27.7	15.4	(44.3)
Communications	18.5	17.4	17.4	0.4
Education, Recreational & Other Professional Services	22.0	37.1	32.8	(11.6)
Trade and Commerce	410.3	465.4	483.9	4.0
Wholesale & Retail Sales Trade	71.3	72.3	68.5	(5.2)
Real Estate Agents, Rental and Leasing Companies	140.7	211.9	211.7	(0.1)
Other Business Activities (General Business Activity)	198.2	181.3	203.7	12.4
Other Financial Corporations	31.8	102.9	112.2	9.1
Credit to Households	1797.9	1821.6	1843.1	1.2
Domestic Property	1537.6	1524.9	1553.6	1.9
Motor Vehicles	30.6	34.2	41.2	20.3
Education and Technology	5.2	6.0	6.3	5.7
Miscellaneous*	224.5	256.5	242.0	(5.7)
NonProfit Organizations	0.0	16.3	14.3	(12.2)

*Miscellaneous include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority & ESO

Except for 'miscellaneous loans', which fell by 5.7 percent, credit growth eased up across all lending categories (see Table 3.10). Credit for domestic property was up by 1.9 percent, albeit it decelerated from 3.6 percent in 2014; motor vehicles loans grew by 20.3 percent in 2015 and, education and technology by 5.7 percent. The higher demand for credit is consistent with the rising weighted average interest rates on KYD loans.

In 2015, credit to the business sector, which accounts for 38.2 percent of total credit to the private sector, increased by 0.9 percent (or \$7.7 million) to \$827.3

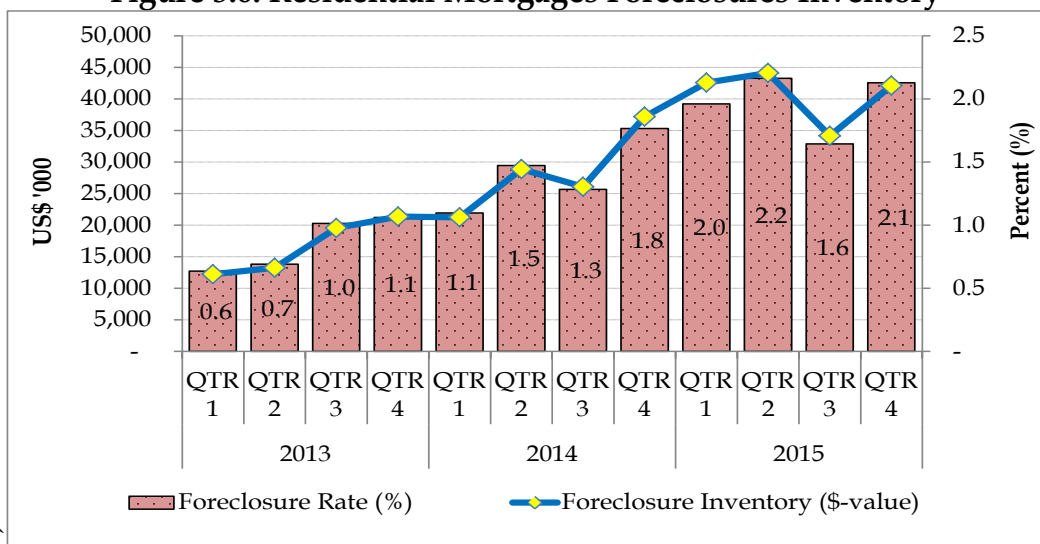
million. Credit to services sector of the economy registered the second consecutive year of decline, falling this time by 20.1 percent on the heels of a 14.0 percent drop in 2014. Lower outstanding loans were recorded for accommodation, food, bar, and entertainment services; and education, recreational & other professional services. Credit to production and manufacturing also contracted by 2.2 percent as the decline in loans to agriculture, fishing and mining, and utilities offset increased credit to the construction and manufacturing sectors. Credit to trade and commerce grew by 4.0 percent, with loans for general business activity improving by 12.4 percent to \$203.7 million. Loans to other financial corporations rose by 9.1 percent to \$112.1 million.

During the review period, foreign currency-denominated loans to residents comprised 47.8 percent of total loans, slightly down from 48.7 percent in 2014 (99.1% of which is in US dollars).

Residential mortgage foreclosures. Data from CIMA show that the average foreclosure inventory in 2015 reached 162 properties amounting to US\$40.4 million. These represent an increase over the figures for 2014 of 145 properties valued at US\$28.4 million (see Figure 3.6 for quarterly trends).

Similarly, the average quarterly foreclosure rate (foreclosure inventory over total residential mortgages) inched upwards from 1.41 percent in 2014 to 1.96 percent in 2015.

Figure 3.6: Residential Mortgages Foreclosures Inventory



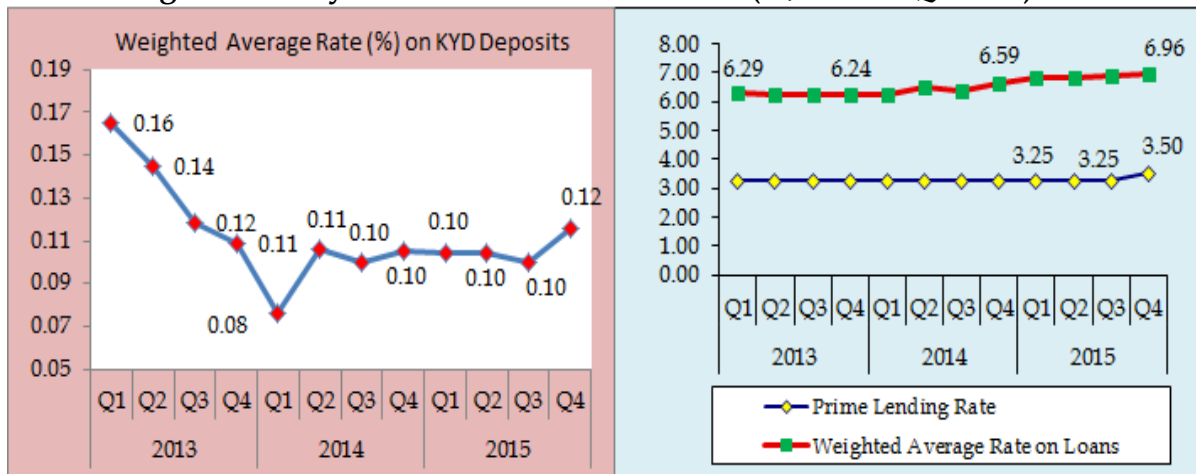
Source: Cayman Islands Monetary Authority & Economics and Statistics Office

Interest rates. In view of the increase of the Federal Funds Target Rate (FFTR) in December 2015, the Cayman Islands prime lending rate changed for the first time in seven years, rising by 25 basis points from 3.25 percent to 3.50 percent.

As depicted in Figure 3.7, KYD weighted average interest rate on outstanding loans increased by a further 36 basis points on the 6.59 percent interest rate in the fourth quarter of 2014 to 6.96 percent in 2015, the highest level observed since the first quarter of 2011.

The weighted average rate on KYD deposits increased to 0.12 percent at the end of 2015 from 0.11 percent the previous year (see Figure 3.6).

Figure 3.7: 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 growth, albeit the stay-over market slowed down. The construction sector leading indicators posted mixed signals while the total value of real estate transfers continued to grow. The utilities sector comprising electricity and water grew during the year.

4.1 Financial Services

As in prior years, the financial services indicators posted mixed results. Although registration of new companies, new partnerships and master-funds maintained positive momentum, other indicators declined.

Banks & Trusts. The Cayman Islands remains a key conduit of international finance, ranking sixth in the world based on the value of the banking sector's international position on assets and fifth based on liabilities. However, in the midst of a slowdown in global flows as at end of 2015, the value of international assets declined by 18.4 percent to US\$1,175.3 billion while liabilities declined by 18.2 percent to US\$1,221.8 billion.

The reduction in international assets stems mainly from a US\$242.4 billion reduction in loans to developed countries coupled with a decline in other assets, valued at US\$37.9 billion.

The international position includes \$27.3 billion of foreign currency assets and \$63.0 billion of foreign currency liabilities booked by domestic banks; these were booked in the domestic economy with other legally domiciled licensed entities considered as resident entities⁹. (On the other hand, domestic (KYD) currency denominated assets stood at US\$2.3 billion while liabilities totaled US\$1.9 billion).

Amidst sustained challenges in global banking, the registration of banks and trust licenses maintained a downward trend falling by 7.1 percent to 184 in 2015 relative to a year ago. As shown in Table 4.2, 'Class A' banks contracted by 1 to 12 while 'Class B' banks fell by 13 to 172. The majority of the 'Class B' banks are

⁹ Inclusive of domestic positions in foreign currency of non-banks which are all entities that are not a deposit taking institution (General Government, Non-Financial Corporations, Households, Non-Bank Financial Corporations, etc.)

Table 4.1: Bank & Trust Companies, 2012-2015

	2012	2013	2014	2015	2014-2015 % Change
Banks and Trust Licences	222	213	198	184	(7.1)
<i>Of which:</i> Class 'A'	15	15	13	12	(7.7)
Class 'B'	207	198	185	172	(7.0)
Trust companies	118	117	110	118	7.3
Trust Companies (unrestricted)	52	50	47	57	21.3
Trust companies (Restricted)	66	67	63	61	(3.2)
Assets and Liabilities	US\$ Billions				
International Positions					
Assets	1,436.2	1,405.7	1,439.8	1,175.3	(18.4)
Liabilities	1,483.7	1,457.4	1,493.6	1,221.8	(18.2)
Cross-Border Positions (Foreign and Domestic Currency)					
Assets	1,403.2	1,375.4	1,415.0	1,148.0	(18.9)
Liabilities	1,428.3	1,416.7	1,443.3	1,158.8	(19.7)
Domestic Positions (Foreign Currency)					
Assets	33.0	30.3	24.8	27.3	10.1
Liabilities	55.4	40.7	50.3	63.0	25.2

Source: Cayman Islands Monetary Authority, Bank of International Settlements (BIS)

branches (118) and subsidiaries (47) of international banks from North America, Europe, and South America.

Shrinkage in the 'Class B' banks, which are legally restricted to conduct business offshore with non-residents, reflect recent loss and increasing difficulties of Caribbean banks in maintaining correspondent banking relationships with global banks engage in 'de-risking' behaviour. In 'de-risking', banks resorted to engaging in cost efficiencies following increased competition, consolidations and merger, risk considerations and the heightened regulatory¹⁰ compliance requirements.

The reduction in bank licences is traced to declines from the United States and Europe, the leading source regions for licensing. Since 2012, their combined

¹⁰ The regulatory requirements include the requirements of the Financial Action Task Force (FATF) anti-money laundering and counterterrorism financing (AML/CTF) standards and the supplementing guidelines issued by the Bank for International Settlements (BIS).

share fell from 112 (50.5%) to 79 (39.9%) in 2015. The South America and the Middle East regions also licenced fewer banks while the Caribbean & Central America, Canada & Mexico remain unchanged. However, listings from Asia & Australia increased by 1.

Table 4.2: Total Number of Banks by Region, 2012- 2015

	2012	2013	2014	2015
	Number of Banks			
Europe	62	56	48	44
USA	50	45	42	35
Caribbean & Central America	19	22	23	23
Asia & Australia	24	24	22	23
Canada & Mexico	19	18	18	18
South America	39	39	37	36
Middle East & Africa	9	9	8	5
	222	213	198	184

Source: Cayman Islands Monetary Authority

Insurance. Licensing activity weakened in the insurance sector with the total number of insurers decreasing by 48 (or 6.1%) from a year ago, to 739 in 2015. The decline is due to the reduction in ‘captive’ insurance licenses as the domestic insurers increased in the review period.

Class A (domestic) insurers. As at the end of December 2015, the number of domestic insurers increased by 3 (or 10.7%) to 31, the highest level in ten years. During the review period, ‘Class A’ external insurers increased by 2 and ‘Class A’ local insurer by 1.

Based on unaudited consolidated financial statements as at September 2015, gross premium of domestic insurance licensees in the first nine months amounted to \$357.9 million. Health insurance accounted for the largest share of total premiums with 46.1 percent, followed by marine and aviation (13.3%) and liability (5.7%).

Ceded premiums¹¹ amounted to \$ 85.5 million equivalent to 23.9 percent share of the gross premium. The largest share (67.4%) of ceded premiums was for property insurance followed by health (26.1%).

Net claims amounted to \$157.7 million with the majority of payments (67.9%) being health-related claims.

Table 4.3: Insurance Companies, 2012-2015

	2012	2013	2014	2015	% Change
Total Insurance Licences	768	788	787	739	(6.1)
Class 'A' Licences (Domestic)	27	27	28	31	10.7
Class 'B' Licences (Captives)	741	719	724	679	(6.2)
Class 'C' Licences		40	34	28	(17.6)
Class 'D' Licences		2	1	1	-
Financial Position of Captives	US\$ Billions				
Premiums	11.8	12.6	12.1	12.8	5.4
Net Income*	2.1	0.6	1.3	1.9	43.9
Net Worth	15.1	13.9	12.3	15.5	25.6
Total Assets	88.1	69.2	51.5	59.1	14.7

* 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. Overall, the total number of insurers was 708 at the end of 2015, a decrease of 51 (or 6.7%) compared to 2014. Class C, which comprises the special purpose vehicles (SPV) and Class B, which includes captives and segregated portfolio companies (SPC) declined by 17.6 percent and 6.2 percent, respectively, from a year ago. On the other hand, reinsurance (Class D) licenses remained stable at 1.

Despite the slowdown in license registration, the financial performance of captives as measured by key variables strengthened in 2015. Net premiums totalled US\$12.8 billion, 5.4 percent higher than a year ago and in contrast to last year's 4.0 percent decline. Total assets improved by 14.7 percent to total US\$59.1 million and overall net worth rose by 25.6 percent to US\$15.5 billion.

¹¹ Ceded premiums are premiums paid or payable by the insurance company to another insurer for reinsurance protection.

As shown in Table 4.5, the composition of the captive industry is similar to previous years; North America remains the dominant risk location accounting for 89.8 percent of insurance captives registered. The shares of captives from other regions were as follows: the Caribbean and Latin America (3.1%); Europe (2.0%), Africa, Asia and Middle East (1.0%); Pacific Rim (0.3%), and the rest of the world (3.8%).

Table 4.4: Captive Insurance Licences by Risk Location, 2012-2015

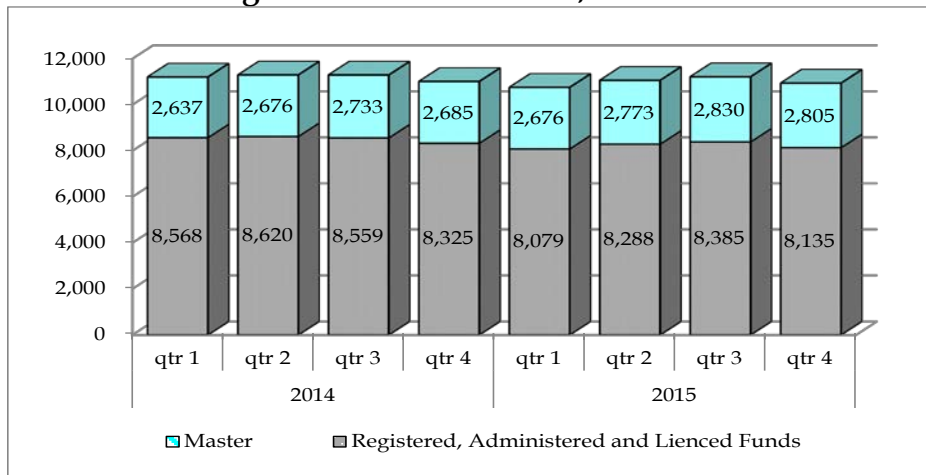
	2012	2013	2014	2015
Number of Companies				
Africa, Asia & Middle East	4	6	6	7
Caribbean & Latin America	23	24	23	22
Europe	15	14	15	14
North America	671	687	684	636
Pacific Rim	2	2	2	2
Other	26	28	29	27
	741	761	759	708
Total Captive Companies by Primary Class of Business				
	2012	2013	2014	2015
Number of Companies				
Healthcare	265	271	270	239
Workers' Compensation	156	162	167	149
Property	91	91	84	76
General Liability	72	76	77	76
Professional Liability	68	68	68	61
Other	89	93	93	107
	741	761	759	708

Source: Cayman Islands Monetary Authority

Mutual funds. Registered mutual funds totalled 10,940 in 2015, 0.6 percent lower than a year earlier despite strong growth in the 'master funds' category which rose by 4.5 percent in 2015.

The number of registered funds maintained a downward trend, falling by 2.3 percent from 7,835 in 2014 to 7,654 in 2015. Administered and licensed mutual funds also followed a similar pattern of decline falling respectively by 1.6 percent to 380, and 2.9 percent to 101 in 2015.

Figure 4.1: Mutual Funds, 2014-2015



Source: Cayman Islands Monetary Authority

The number of terminated mutual funds totalled 1,642 exceeding the 1,416 new registrations. According to the Investment and Securities Division (ISD) of Cayman Islands Monetary Authority (CIMA), higher terminations are partly attributed to a ‘clean-up’ following enactment of the new Director Registration and Licensing Law (DRLL) in June 2014. Other reasons cited by the ISD includes liquidation, the culmination of the fund, transfer to other jurisdictions, the fund never having carried on business, and the fund no longer being economically viable.

Stock exchange. In 2015, the Cayman Islands Stock Exchange (CSX) listings declined by 20 to settle at 1,046 as compared to the listing from a year ago. Growth in the listing of sovereign debt securities (up by 36) was offset by declines in the mutual funds listing (down by 33) and insurance linked securities (down by 24).

Table 4.5: Stock Listings, 2012-2015.

Instruments	2012	2013	2014	2015
Total	1,157	1,116	1,066	1,046
Mutual Funds	343	320	279	246
Specialist Debt	600	587	562	564
Insurance Linked Security	91	82	67	43
Sovereign Debt Securities	117	121	150	186
Primary Equity	4	4	6	6
Secondary Equity	2	2	2	1

Source: Cayman Islands Stock Exchange

Despite the fall in the number of listings, total market capitalisation increased by 15.4 percent to US\$195.3 billion, the highest since the inception of CSX. The increase was due to higher specialist debt¹² and sovereign debt securities¹³, which combined to account for 91.8 percent of the total market value of traded shares, increasing respectively by 5.9 percent and 32.0 percent.

Table 4.6: Market Capitalization (US\$ Billions), 2012-2015¹⁴

Instruments	2012	2013	2014	2015
Total	166.5	172.6	169.3	195.3
Mutual Funds	14.5	11.3	9.4	10.0
Specialist Debt	74.0	78.0	79.2	83.9
Insurance Linked Security	9.8	11.5	8.1	5.9
Sovereign Debt Securities	64.7	68.6	72.2	95.3
Primary Equity	2.7	2.3	0.3	0.2
Secondary Equity	0.8	0.9	0.1	0.1

Source: Cayman Islands Stock Exchange

Companies registry. The total number of registered companies declined marginally by 0.6 percent to 98,838 in 2015 when compared to 2014. This reduction stems from the removal of 12,062 companies eclipsing the addition of 11,864 new companies to the registry. The number of exempt companies in the registry grew by 0.8 percent, as the newly registered exempt companies outweighed the number of terminations in that category. Exempt company remains the preferred vehicle for the conduct of business accounting for 84.4 percent of all incorporated companies. The number of foreign companies, which are companies registered in Cayman but incorporated elsewhere, was higher by 9.2 percent as the number of terminated companies in the category was less than half of the newly registered foreign companies. Meanwhile, both non-resident and resident companies similarly contracted by 12.1 percent as in both categories, the number of terminations significantly exceeded the new registrations.

¹² Specialist Debt Securities include debentures, debenture stock, loan stock, bonds, certificates of deposit and any other instrument creating or acknowledging indebtedness.

¹³ A debt security issued by a national government within a given country and denominated in a foreign currency.

¹⁴ 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.

In the aggregate, new company registrations expanded by 7.8 percent to 11,864 in 2015 as growth softened from the 19.0 percent recorded a year earlier. Registration of exempt companies, which represents 89.9 percent of all new companies, increased by 6.9 percent while double-digit growth were recorded for other company types: non-resident (up by 37.9%), resident (up by 23.5%) and foreign companies (up by 10.5%).

Table 4.7: Company Registrations, 2012-2015

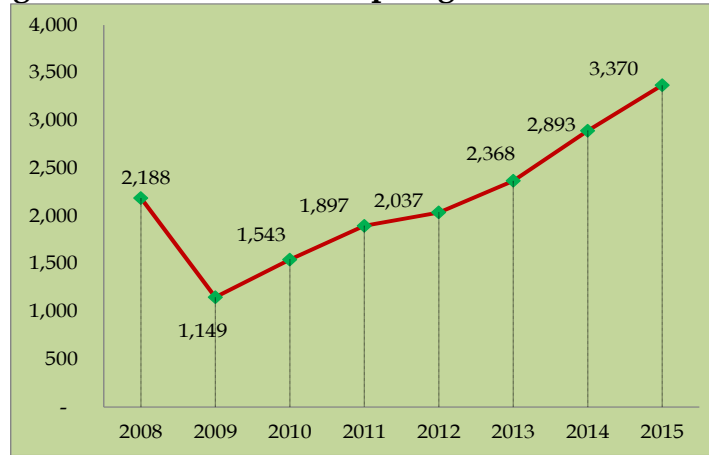
	2012	2013	2014	2015	2014-2015 % Change
Total Company Registrations	93,612	95,530	99,459	98,838	(0.6)
Exempt	75,754	78,070	82,413	83,045	0.8
Non-Resident	8,206	7,200	6,213	5,462	(12.1)
Resident	6,476	6,755	7,037	6,186	(12.1)
Foreign	3,176	3,505	3,796	4,145	9.2
New Company Registrations	8,971	9,433	11,010	11,864	7.8
Exempt	7,940	8,380	9,981	10,666	6.9
Non-Resident	69	48	29	40	37.9
Resident	506	430	408	504	23.5
Foreign	456	575	592	654	10.5

Source: Cayman Islands General Registry

The number of terminated companies accelerated in the review period, rising from 7,602 in 2014 to 12,062 in 2015. Of these terminations, 71.6 percent were removed by the Registrar, which originated mainly from the exempt category, 24.0 percent were voluntarily dissolutions primarily from the exempt category, and 2.2 percent were voluntary cessations of foreign companies. The number of terminations also increased for resident companies, with 1,385 companies removed in 2015 as compared to 150 in the previous year. Resident company's removal by the Registrar, accounting for 98.0 percent (or 1,367), was the overwhelming basis.

Partnerships registration. Registration of new partnerships in 2015 stood at 3,370, 16.5 higher than a year ago. Foreign partnership, a new class of partnership introduced in 2014, climbed from 32 to settle at 77 in 2015, a 140.6 percent increase. Active partnerships increased by 16.0 percent to 18,041 as compared to 2014. The addition of 2,153 partnerships in the period overshadowed the 979 terminated partnerships.

Figure 4.2: New Partnership Registrations, 2007-2015

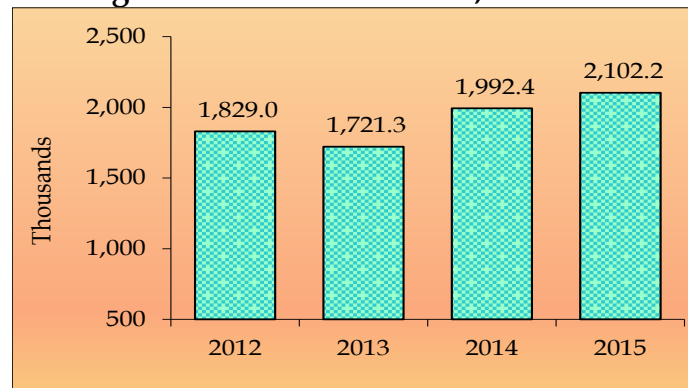


Source: Cayman Islands General Registry

4.2 Tourism

Visitor arrivals peaked at 2.1 million in 2015 (see Figure 4.3). However, the pace of arrivals growth slowed to 5.5 percent from last year’s 15.7 percent hike, with stay-over and cruise arrivals increasing by 0.7 and 6.7 percent, respectively.

Figure 4.3: Tourist Arrivals, 2012-2015



Source: Department of Tourism

Stay-over arrivals. The Cayman Islands in 2015 welcomed the highest number of stay-over arrivals on record, 385,378 visitors. Nevertheless, air arrivals growth weakened from the 10.8 percent a year ago to 0.7 percent, below the 4.4 percent global and 7.0 percent regional growth averages.

The slower stay-over growth is mainly due to a decline in visitors from Europe by 5.8 percent in contrast to last year’s 30.9 percent increase. Meanwhile, visitors from Canada fell 2.4 percent compared to last year’s 5.5 percent increase. Arrivals from the US, the leading source market for stay-over visitors

representing 75.7 percent (or 291,759) of all stay-over arrivals increased by 1.3 percent; this is noticeably lower than the 8.5 percent recorded in 2014.

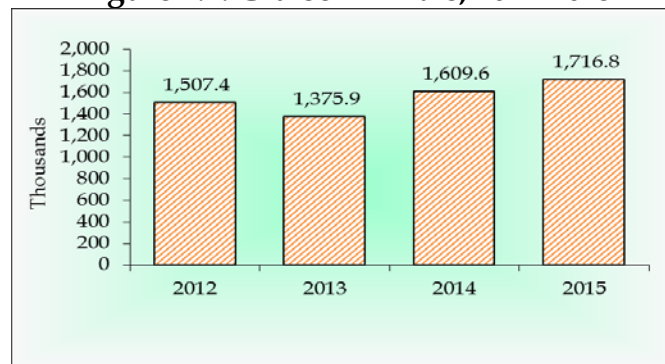
Table 4.8: Stay-over Arrivals by Country of Origin, 2012-2015

	2012	2013	2014	2015	Absolute	%
					Change	Change
In thousands						
USA	253.2	265.4	288.0	291.8	3.8	1.3
Europe	21.4	27.8	36.4	34.3	(2.1)	(5.8)
Canada	24.1	23.6	24.9	24.3	(0.6)	(2.4)
Other	23.0	28.5	33.5	35.0	1.5	4.5
Total	321.7	345.4	382.8	385.4	2.6	0.7
% Share of USA	78.7	76.9	75.2	75.7		

Source: Department of Tourism

Cruise market. The cruise ship sector remained the largest contributor of visitors to the Cayman Islands in 2015. Cruise ship visitors reached 1,716,812, the highest since 2007; however, growth slowed from the 17.0 percent in 2014 to 6.7 percent in 2015. A 2.3 percent reduction in the number of cruise ship calls was also noted, which totaled 575 at year-end.

Figure 4.4: Cruise Arrivals, 2012-2015



Source: Department of Tourism

4.3 Construction

Construction indicators posted another year of mixed performance in 2015 with the total value and number of planning permissions recording opposite movements.

Building Permits. The value of building permits decreased by 47.5 percent to \$186.9 million in 2015 following the previous year’s surge in the hotel and apartment categories.

In the residential sector, permit values decreased by 19.7 percent to \$138.1 million as compared to a year ago. The decline is traced to a 42.5 percent contraction in apartment values from last year's elevated value of \$72.3 million (which included a \$53.0 million condominium development), as well as a 3.1 percent contraction in house values.

Meanwhile, permit values in the non-residential sector edged upwards by 6.9 percent to \$34.0 million. The commercial category increased by 2.2 percent to \$26.3 million, boosted by a \$5.0 million 'fit out' in the Camana Bay development. In the government category, building expenditure reached \$6.3 million, the highest level since 2011. Notable projects included the re-development of the Owen Roberts International Airport (\$5.3 million) and classroom construction (\$650,000). The industrial category rose from \$0.2 million to \$1.4 million owing to a \$500,000 project by Caribbean Utilities Company (CUC) and a \$400,000 expansion of a brewery.

**Table 4.9: Grand Cayman Building Permits (\$ Millions),
2012-2015**

	2012	2013	2014	2015	% Change
	Millions of CI\$				
Houses	103.0	86.2	99.6	96.5	(3.1)
Apartments	15.4	26.9	72.3	41.6	(42.5)
Commercial	15.1	44.3	25.7	26.3	2.2
Industrial	1.2	3.6	0.2	1.4	689.8
Hotel	10.0	-	142.1	4.6	(96.8)
Government	3.0	0.4	5.9	6.3	8.3
Other	8.7	20.1	10.4	10.3	(0.8)
Total	156.4	181.5	356.1	186.9	(47.5)

Source: Cayman Islands Planning Department

Permit values in the 'Other' category slightly declined by 0.8 percent to \$10.3 million at year-end.

Annual building permit numbers increased for the first time since 2009 rising by 36.5 percent to 736. The higher number of building permits originated in 'other' permits category, which rose by 131.4 percent to 354. All categories recorded positive increases except the houses and government categories.

Table 4.10: Grand Cayman Building Permits, 2012-2015

	2012	2013	2014	2015	% Change
Houses	347	290	252	223	(11.5)
Apartments	54	46	45	65	44.4
Commercial	100	116	73	75	2.7
Industrial	4	3	3	7	133.3
Hotel	1	0	4	5	25.0
Government	17	3	9	7	(22.2)
Other	214	187	153	354	131.4
Total	737	645	539	736	36.5

Source: Cayman Islands Planning Department

Project Approvals. Following last year's decline, project approval values increased by 11.5 percent to \$458.8 million during the review period. Future construction intentions for most categories grew, except for houses (-8.2%), other (-56.1%) and hotels (-98.7%).

Table 4.11: Cayman Islands Planning Approvals (\$Millions), 2012-2015

	2012	2013	2014	2015	% Change
Millions of CI\$					
Houses	86.1	100.9	125.9	115.6	(8.2)
Apartments	17.3	48.2	132.5	152.7	15.2
Hotels	-	143.0	4.6	0.1	(98.7)
Commercial	12.7	118.8	9.2	39.7	331.9
Government	12.3	5.1	3.4	50.1	1363.7
Industrial	9.6	5.2	17.0	48.5	185.5
Other	33.0	42.5	119.0	52.2	(56.1)
Total	171.0	463.7	411.6	458.8	11.5

Source: Cayman Islands Planning Department

In the residential sector, project approval values increased by 3.8 percent to \$268.2 million. Construction intentions for a luxury condominium development in George Town (\$50.0 million) and condominiums in the North Sound area (\$45.0 million) helped push the apartment values up by 15.2 percent to \$152.7 million. Building intentions in the house category, while declining by 8.2 percent, still exceeded 100 million owing to the inclusion of several multi-million dollar houses.

The non-residential sector which reflects large-scale projects in the commercial, government and industrial segments surged from \$29.6 million in 2014 to \$138.3 million in 2015. In the government category, re-development of the airport totaled \$50.0 million, while the industrial category included the \$40.0 million project for the realignments of the Esterly Tibbetts Arterial Road system. Continued expansion of the Camana Bay development contributed \$17.5 million to the commercial category.

The total number of project approvals eased downwards by 3.8 percent after climbing to 1,029 last year. The contraction of approvals can be traced to the lower numbers for houses (-4.9%), apartments (-25.0%) and other (-4.5%) notwithstanding the positive growth in non-residential approvals.

Table 4.12: Cayman Islands Planning Approvals, 2012- 2015

	2012	2013	2014	2015	% Change
Houses	334	273	247	235	(4.9)
Apartments	38	32	56	42	(25.0)
Hotels	0	3	2	1	(50.0)
Commercial	51	53	30	40	33.3
Government	14	10	15	15	0.0
Industrial	17	14	6	14	133.3
Other	626	586	673	643	(4.5)
Total	1,080	971	1,029	990	(3.8)

Source: Cayman Islands Planning Department

Certificates of Occupancy. Certificates of occupancy declined in both value and volume in 2015.

The number of certificates of occupancy fell by 11.8 percent to 298 compared to last year. Decline in certificates issued to houses, which is the main type of certificate, along with the contraction in commercial, industrial and other segments countered improvements in apartment and government.

The value of certificates of occupancy also fell by 22.6 percent to \$132.9 million after increasing to \$171.7 million last year. The values in all segments except for the hotel segment fell.

Table 4.13: Certificates of Occupancy Grand Cayman, 2012-2015

Sectors	2012	2013	2014	2015	%
					Change
Houses	245	176	218	171	(21.6)
Apartments	45	47	26	45	73.1
Hotel	0	0	1	1	0.0
Government	7	5	2	3	50.0
Commercial	70	68	65	62	(4.6)
Industrial	2	3	3	-	(100.0)
Other	24	16	23	16	(30.4)
Total	393	315	338	298	(11.8)

Source: Cayman Islands Planning Department

Table 4.14: Certificates of Occupancy Grand Cayman, 2012-2015

Sectors	2012	2013	2014	2015	%
					Change
Millions in CI\$					
Houses	53.0	52.9	85.8	71.5	(16.6)
Apartments	16.4	37.3	43.6	22.9	(47.5)
Hotel	0.0	0.0	1.0	10.0	900.0
Government	0.4	8.4	1.7	0.8	(55.9)
Commercial	52.8	11.8	29.7	23.1	(22.4)
Industrial	1.0	1.6	0.6	-	(100.0)
Other	1.6	6.8	9.3	4.7	(49.7)
Total	125.3	118.8	171.7	132.9	(22.6)

Source: Cayman Islands Planning Department

4.4 Real Estate

Real estate performance strengthened during the review period. The total value of property transfers improved by 8.8 percent while volume rose to 1,918, a 2.2 percent increase.

Table 4.15: Property Transfers, 2012-2015

	2012	2013	2014	2015	% Change
Freehold					
number	1,696	1,569	1,718	1,787	4.0
value (CI\$M)	418.1	538.8	533.7	592.4	11.0
Leasehold					
number	116	197	159	131	(17.6)
value (CI\$M)	11.9	38.7	29.1	19.8	(31.9)
Total					
number	1,812	1,766	1,877	1,918	2.2
value (CI\$M)	430.0	577.5	562.8	612.2	8.8

Source: Lands and Survey Department

Following last year's decline in value, the trading of freehold properties increased by 11.0 percent to \$592.4 million. The volume of freehold transfers also increased for the second consecutive year, totaling 1,787, a moderate 4.0 percent growth.

Improvement in freehold properties activity included increased sales of multi-million condominiums in the last quarter of 2015¹⁵. The activity on leasehold properties, however, repeated last year's downtrend as it plunged further by 31.9 percent in value coinciding with the fall in leasehold numbers by 17.6 percent.

4.5 Utilities and Telecommunications

Utilities. Demand indicators continued to improve in 2015. Water consumption increased by 0.4 percent to 1,718.9 million US gallons, while water production decreased to 1,925 million US gallons. Demand for electricity advanced further, reiterating last year's performance.

¹⁵ Coldwell Bankers Market Report Winter 2015/2016

Table 4.16 Utilities Production/Consumption, 2012-2015

	2012	2013	2014	2015	% Change
Millions of US Gallons					
Water Production	2,012.5	1,888.9	2,053.1	1,925.0	(6.2)
Water Consumption	1,679.8	1,630.9	1,710.8	1,718.1	0.4
'000 of megawatt hrs					
Electricity Production (Net)	587.1	595.6	604.7	623.7	3.1
Electricity Consumption	547.8	555.7	564.1	582.0	3.2
Residential	254.4	261.0	266.7	276.9	3.8
Commercial	287.1	288.1	290.7	298.3	2.6
Public	6.3	6.6	6.7	6.7	0.7
Total Customers	27,035	27,364	27,784	28,204	1.5
Residential	23,075	23,358	23,685	24,007	1.4
Commercial	3,960	4,006	4,099	4,197	2.4

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

Driven by large commercial development, warmer weather, and customer growth, electricity consumption rose to 582 thousand megawatt hours. This represents a 3.2 percent growth from the same period last year. Residential and commercial consumption increased by 3.8 percent and 2.6 percent bolstered by additions to the customer base.

Table 4.17: Telecommunication Sector Indicators, 2012-2015

	2012	2013	2014	2015	% Change
Fixed and mobile handsets in operation	136,226	134,753	123,962	126,778	2.3
Total fixed & mobile domestic & int'l minutes ('000)	316,468	267,959	247,162	207,807	(15.9)
Fixed and mobile domestic minutes ('000)	208,642	190,711	178,737	140,794	(21.2)
Fixed and mobile int'l retail minutes ('000)	107,826	77,248	68,425	67,013	(2.1)
Broadband connections	19,325	20,335	23,469	27,383	16.7

Source: Information Communication and Technology Authority (ICTA)

Telecommunications. After trending downward for six consecutive years, fixed and mobile handsets in operation showed positive growth of 2.3 percent in 2015. The total fixed mobile domestic and international calls, however, continued to

plummet, falling by 15.9 percent to 207,807 thousand minutes. However, broad band connections further increased which may be associated with the increase in the country's population along with greater variety of available free on-line applications including internet phones.

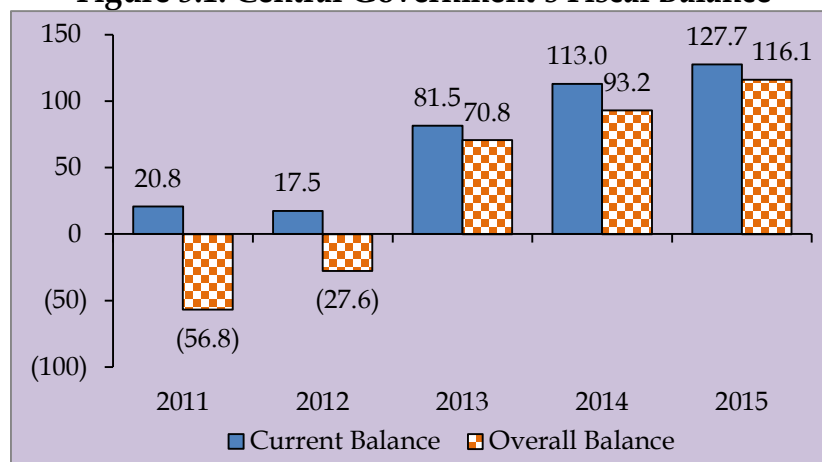
5. Fiscal Operations of the Central Government

The central government posted its third consecutive year of fiscal surplus in 2015, generated from a higher revenue collection and a lower level of overall expenditure. This performance led to a decline in the central government’s outstanding debt.

5.1 Overview

For the third consecutive year, the central government recorded an overall fiscal surplus. In 2015, the overall fiscal surplus stood at \$116.1 million, an improvement on the \$93.2 million in 2014 (see Figure 5.1). The expansion in the overall surplus directly resulted from an increase in total revenue by 1.2 percent to \$672.6 million coupled with a 1.5 percent decline in total expenditure (see Table 5.1).

Figure 5.1: Central Government’s Fiscal Balance



Source: Cayman Islands Treasury Department and ESO

In 2015, central government fiscal operations posted a current surplus¹⁶ of \$127.7 million - an increase of \$14.7 million - generated by the growth in current revenue and augmented with a decrease in current expenditure.

Revenue increases emanated from a higher coercive revenue collection, led by other taxes. Total spending was lower as a result of a reduction in capital spending and recurrent expenditure.

¹⁶ 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, 2012-2015

	2012	2013	2014	2015	% Change 2014/15
Millions of Cayman Islands Dollars					
Total Revenue	564.6	635.2	664.3	672.6	1.2
Total Expenditure	615.6	590.5	597.4	588.6	(1.5)
Current Expenditure	547.1	553.7	551.3	544.9	(1.2)
<i>of which :</i>					
Other Executive Expenses	7.1	4.0	3.6	4.5	25.0
Gross Capital Expenditure & Net Lending	68.5	36.8	46.1	43.7	(5.2)
Net Capital Expenditure & Net Lending (Gross less Depreciation)	45.1	10.7	19.8	11.6	(41.4)
Current Balance	17.5	81.5	113.0	127.7	13.0
Overall Balance	(27.6)	70.8	93.2	116.1	24.6
Financing	27.6	(70.8)	(93.2)	(116.1)	
Net Borrowing	(25.9)	(16.5)	(33.9)	(22.8)	
Change in Cash	(53.5)	54.3	59.3	93.3	57.3

Source: Cayman Islands Treasury Department

5.2 Revenue

Central government's total revenue grew by 1.2 percent to reach \$672.6 million. This growth outpaced the overall revenue base (nominal GDP) resulting in an improvement in the revenue-to-GDP ratio from 24.0 percent in 2014 to 24.4 percent in 2015.

Growth in revenue was due to higher coercive revenue, up by 1.0 percent or \$6.5 million, and augmented by a simultaneous 5.3 percent increase in non-coercive revenue. Specifically, the increases emanated from fines, other taxes, sale of goods and services and investment revenue.

Table 5.2: Revenue Collection of Central Government

Revenue Sources	2012	2013	2014	2015	% Change 2014/15
Millions of Cayman Islands Dollars					
Total Revenue	564.6	635.2	664.3	672.6	1.2
Coercive Revenue	504.9	584.7	630.1	636.6	1.0
Taxes on Int'l Trade & Transactions	167.2	173.3	177.9	172.0	(3.3)
Domestic Taxes on Goods & Services	296.6	377.3	408.7	407.6	(0.3)
Taxes on Property	36.7	31.3	41.6	41.1	(1.2)
Fines	1.3	1.6	1.6	2.1	31.3
Other Taxes	3.1	1.2	0.3	13.8	4,500.0
Non-coercive Revenue	59.7	50.5	34.2	36.0	5.3
Sale of Goods & Services	55.0	48.9	33.0	34.7	5.2
Investment Revenue	0.3	1.1	0.8	1.0	25.0
Other Operating Revenue	4.4	0.5	0.4	0.3	(25.0)

Source: Cayman Islands Treasury Department

Coercive revenue from domestic taxes on goods and services. Revenue from domestic taxes yielded \$407.6 million in 2015, which was \$1.1 million or 0.3 percent lower than the collections of a year ago as collections from the financial services industry fell with a few exceptions. Higher collections were raised from ICTA licenses and royalties, tourism accommodation charges, work permit and residency-related fees and other domestic taxes as depicted in Table 5.3.

Table 5.3: Domestic Taxes on Goods and Services

	2012	2013	2014	2015	% Change 2014/15
Millions of Cayman Islands Dollars					
Domestic Taxes					
Various financial service licenses	152.3	215.0	239.9	234.9	(2.1)
ICTA licences & royalties	8.4	9.0	5.4	7.7	43.4
Work permit fees and residency fees	65.0	71.6	77.0	78.0	1.4
Other stamp duties	7.4	8.3	7.8	7.6	(2.9)
Traders' licenses	6.1	6.0	5.9	5.3	(9.5)
Other domestic taxes	57.4	67.4	72.7	74.0	1.8
<i>Of which:</i>					
Tourism accommodation charges	12.2	15.8	19.5	21.5	10.4
Motor vehicle charges	9.3	10.7	11.6	10.1	(13.0)
Domestic Taxes on Good & Services	296.6	377.3	408.7	407.6	(0.3)

Source: Cayman Islands Treasury Department

Revenue from various financial service licenses declined in 2015, the first time since 2007 when company fees from exempt companies precipitated a decline. As depicted in Table 5.4, revenue from most company fees, banks and trust licenses, insurance licenses, mutual fund administration fees and security investment fell. The sharpest downturns were from banks and trusts (down by \$2.9 million), mutual fund administration fees (down by \$2.6 million) and other company fees (down by \$1.9 million). The revenue trend from these sources generally followed the trend of sector performance indicators (see Section 4.1), except for other company fees which fell in spite of an increase in new company registration. Revenue collected from security investments and insurance licences increased by \$0.1 million and \$0.6 million, respectively. Upbeat collection was registered in new partnership registrations which rose by 9.3 percent or \$3.1 million.

Table 5.4: Domestic Taxes on Goods and Services

	2012	2013	2014	2015	Absolute	%
					Change	Change
Millions of Cayman Islands Dollars						
Various financial services	152.3	215.0	239.9	234.9	(5.0)	-2.1
Banks and trust licenses	22.4	34.9	34.4	31.6	(2.9)	-8.3
Insurance licenses	7.6	8.7	9.3	8.7	(0.6)	-6.9
Other company fees - Residents	2.4	2.3	3.0	2.5	(0.4)	-15.1
Other company fees - Non-Residents	4.3	4.7	4.0	3.7	(0.3)	-7.5
Other company fees - Exempt	54.6	73.6	89.4	88.1	(1.3)	-1.5
Other company fees - Foreign	3.7	4.6	5.8	6.0	0.1	2.2
Partnership fees	10.9	26.5	33.1	36.1	3.1	9.3
Mutual fund administration	34.8	45.0	45.3	42.7	(2.6)	-5.7
Money services licenses	2.9	2.4	2.4	2.4	0.1	2.8
Security investments	8.5	12.2	13.2	13.1	(0.1)	-0.7

Source: Cayman Islands Treasury Department

From Table 5.3, fees collected from work permits and residency-related fees rose by 1.4 percent to total \$78.0 million. The increase in work permit and residency-related fees benefitted from an 8.0 percent growth in work permits. Revenue yields from traders' licences declined by 9.5 percent to settle at \$5.3 million during the period.

Collections from Information and Communication Technology Authority (ICTA) licences fees grew by 43.4 percent to reach \$7.7 million. Other stamp duties declined by 2.9 percent to \$7.6 million despite a modest increase in the total value of traded properties.

Tourism accommodation tax, a component of 'other domestic taxes' grew by 10.4 percent despite the marginal growth in stay-over arrivals (0.7%). The increase in this category helped offset a 13-percent decline in motor vehicle charges and raise the total amount of 'other domestic taxes' by 1.8 percent.

Coercive revenue from international trade and transactions. In 2015, taxes on international trade and transactions fell by 3.3 percent to settle at \$172.0 million.

Receipts from international trade and transactions as a share of coercive revenue deteriorated in 2015 to 27.0 percent, compared to 28.3 percent for the previous year. The decline resulted from lower duties collected from gasoline and diesel imports and tobacco products, which outweighed the moderate increases in all other categories. Revenue from fuel imports declined as the quantity of motor

gas went down by 2.1 percent and the total value of propane slipped by 44.1 percent. The quantity of imported tobacco and related products imported also declined.

Table 5.5: Revenue from Import Duties

	2012	2013	2014	2015	Absolute Change	% Change 2014/15
Millions of Cayman Islands Dollars						
Import Duties	153.0	158.2	162.6	156.0	(6.6)	(4.1)
Gasoline/Diesel	34.0	35.10	33.2	20.5	(12.7)	(38.3)
Alcoholic Beverages	16.6	17.10	17.8	18.8	1.0	5.6
Motor Vehicles	10.8	10.30	12.3	13.2	0.9	7.3
Tobacco Products	5.4	7.00	8.4	7.2	(1.2)	(14.3)
Other Import Duties	86.2	88.70	90.9	96.3	5.4	5.9
Cruise Ship Departure Charges	9.1	8.20	9.7	10.3	0.6	6.2
Environmental Protection Fund Fees	5.1	5.20	5.6	5.7	0.1	1.8
Departure Tax		1.70				
Taxes on International Trade	167.2	173.3	177.9	172.0	(5.9)	(3.3)

Source: Cayman Islands Treasury Department

Revenue from motor vehicles increased by 7.3 percent to \$13.2 million as the value of vehicles imported increased to \$43.6 million in 2015.

Cruise visitors grew by 6.7 percent in 2015 which led to an increase in receipts from cruise ship departure charges by 6.2 percent to \$10.3 million while revenue from environmental protection fund fees went up by 1.8 percent to \$5.7 million. Similarly, other import duties increased by 5.9 percent to \$96.3 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 fell in 2015 by 1.2 percent to \$41.1 million. The vast majority of collections resulted from the sale of properties along the Seven Mile Road during the year. Additionally, fines increased by 31.3 percent to \$2.1 million which was dominated by higher court fines.

Other taxes showed a significant increase in 2015 from \$0.3 million in 2014 to \$13.8 million. This was due to a change in the Law reducing the number of years that proceeds of liquidation of entities are held in trust from six years to four years.

Non-coercive revenue. Non-coercive revenue increased by 5.3 percent to total \$36.0 million. The increase emanated mainly from an increase in sales of goods

and services to \$34.7 million in 2015 and investment income which grew by 25.0 percent to \$1.0 million.

5.3 Expenditure

In 2015, total central government expenditure amounted to \$588.6 million, 1.5 percent lower than the previous year's level (see Table 5.1). As a proportion of GDP, total expenditure decreased to 21.3 percent in 2015 from 21.6 percent in 2014. The lower level of total expenditure was due to a 5.2 percent decrease in gross capital expenditure and net lending and a 1.2 percent reduction in current expenditure.

Current expenditure. Current expenditure decreased for the second consecutive year. This dropped by 1.2 percent in 2015 to \$544.9 million due to lower spending in all spending categories except depreciation and other executive expenses.

Table 5.6: Current Expenditure of the Central Government

	2012	2013	2014	2015	% Change 2014/15
	Millions of Cayman Islands Dollars				
Current Expenditure	547.1	553.7	551.3	544.9	(1.2)
Personnel Costs	226.5	235.7	244.8	243.8	(0.4)
Supplies & Consumables	94.1	86.8	93.1	83.8	(10.0)
Subsidies	131.7	137.0	126.7	125.2	(1.2)
Transfer Payments	30.5	32.3	27.6	27.5	(0.4)
Depreciation	23.4	26.1	26.3	32.1	22.1
Interest Payments	33.8	31.8	29.2	28.0	(4.1)
Other Executive Expenses	7.1	4.0	3.6	4.5	25.0

Source: Cayman Islands Treasury Department

Personnel costs declined by 0.4 percent to \$243.8 million (see Table 5.6), notwithstanding an increase in salaries starting in July 2015 as well as a 1.1 percent rise in the total number of employees, which reached 3,591 in 2015. The fall can be traced to pension expenses of the central government which dropped by 11.2 percent to \$22.1 million. Payment for wages and salaries was higher by \$3.6 million to total \$186.8 million. Additionally, health care cost remained relatively stable during the period.

Payment of subsidies to public entities and non-governmental organizations declined by 1.2 percent to settle at \$125.2 million. Statutory Authorities which had decreased budgetary support in 2015 included the Health Services Authority (down by \$3.4 million), Cayman Airways (down by \$1.5 million), and the

National Roads Authority (down by \$1.2 million). The reduction to the NRA resulted as revenue generated from fuel importation was ring-fenced (excluded from the consolidated fund) and transferred to NRA beginning in 2015. In contrast to this general downtrend, allocation to the Cayman Islands National Insurance Company was increased by \$1.4 million and allocation for medical care to various overseas providers was also higher by \$3.7 million.

Transfer payments which are social benefits to support a target segment of the population against certain social risks declined marginally by 0.4 percent to reach \$27.5 million. Transfer payments for financial assistance to the poor (“poor relief”) was cut by \$0.5 million.

Funds spent on supplies and consumables declined by 10.0 percent to total \$83.8 million on account of lower cost relating to the purchase of services, operating leases, utilities and other supplies and consumables. Interest payments went down by 4.1 percent to \$28.0 million as debt repayments lowered the outstanding debt to \$511.0 million from \$534.0 million in 2014.

Other executive expenses. Other executive expenses comprise expenditures mainly for social intervention projects and other government measures which are not classified as transfer payments or subsidies to public authorities. In 2015, this rose by \$0.9 million to \$4.5 million. The significant increase emanated in judicial expenses (up by \$0.23 million), constituency office allowance (up by \$0.2 million), and Court of Appeals expenses (up by \$0.3 million).

Capital expenditure and net lending. Total spending on capital expenditure and net lending reached \$43.7 million (or 1.6% of GDP) which was 5.2 percent lower than the preceding year. After adjusting downwards for depreciation, net capital expenditure and net lending was lower by 41.4 percent to \$11.6 million.

Table 5.7: Capital Expenditure and Net Lending of Central Government

	2012	2013	2014	2015	% Change 2014/15
	Millions of Cayman Islands Dollars				
Gross Capital Expenditure and Net Lending	68.5	36.8	46.1	43.7	(5.2)
Capital Acquisition (now Equity Investments)	37.6	9.6	12.9	14.8	14.7
Equity Injections and Working Capital support to Public Entities	20.8	19.2	26.8	19.6	(26.9)
Capital Development (now Executive Assets)	8.4	8.1	5.8	8.9	53.4
Net Lending	1.7	(0.1)	0.6	0.4	(33.3)
Net Capital Expenditure and Net Lending	45.1	10.7	19.8	11.6	(41.4)
Depreciation	23.4	26.1	26.3	32.1	22.1

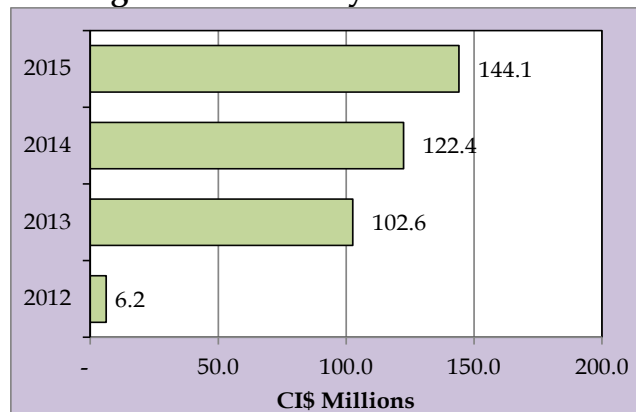
Source: Cayman Islands Treasury Department

Equity investment/capital acquisition grew by 14.7 percent to \$14.8 million while expenditures on executive assets amounted to \$8.9 million, up by 53.4 percent compared to a year ago. Equity injections and working capital support to public entities fell by 26.9 percent to \$19.6 million.

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 ameliorated from a surplus of \$122.4 million or 4.4 percent of GDP in 2014 to a surplus of \$144.1 million in 2015 or 5.2 percent of GDP following the reduction in interest payments and an improvement in the overall fiscal balance.

Figure 5.2: Primary Fiscal Balance



Sources: Cayman Islands Treasury Department and ESO

5.5 Net Financing and Debt Service Indicators

Improvement in the overall surplus to \$116.1 million resulted in an increase in net cash of \$93.3 million after loan repayments and disbursements (see Table 5.8). Debt payments during the review period totalled \$22.8 million.

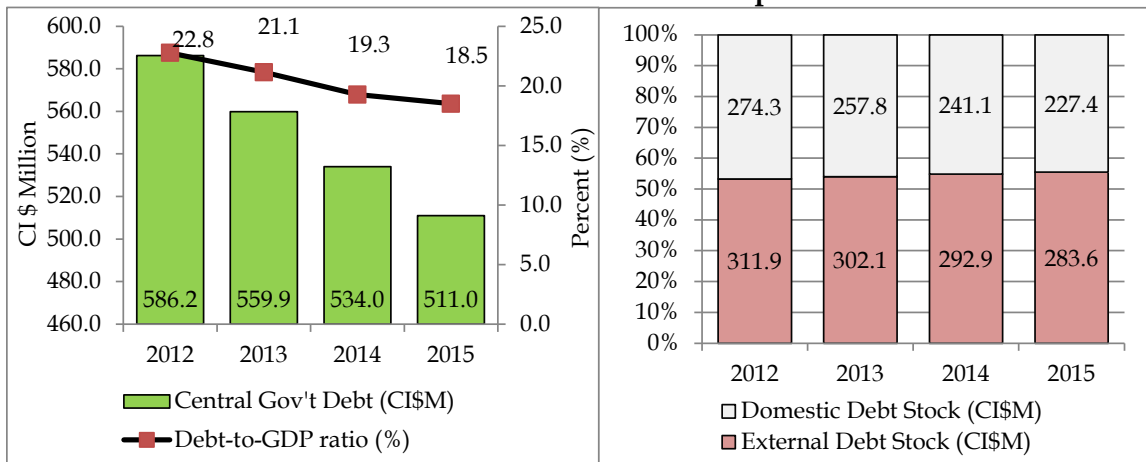
Table 5.8: Financing of Central Government

	2012	2013	2014	2015	% Change 2014/15
Millions of Cayman Islands Dollars					
Financing	27.6	(70.8)	(93.2)	(116.1)	
Net Borrowing	(25.9)	(16.5)	(33.9)	(22.8)	
Disbursements	0.0	10.0	0.0	0.0	
Loan Repayment	(25.9)	(26.5)	(33.9)	(22.8)	
Change in Cash	(53.5)	54.3	59.3	93.3	57.3

Source: Cayman Islands Treasury Department

Loan repayments resulted in a reduction in the central government’s outstanding debt to \$511.0 million as at the end of December 2015 (see Figure 5.3) from \$534.0 million as at end 2014, or a reduction of \$23.0 million.¹⁷ The reduction in debt placed the debt-to-GDP ratio at 18.5 percent, lower than the 19.3 percent as at December 2014. In 2014, the outstanding debt comprised 55.5 percent from external sources and 44.5 percent from domestic commercial banks.

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



Source: Cayman Islands Treasury Department, ESO

The central government’s debt service-to-current revenue ratio slid to 7.6 percent in 2015 (see Table 5.9). The debt service-to-GDP ratio stood at 1.8 percent while interest payments-to-current revenue ratio declined to 4.2 percent.

Table 5.9: Central Government Debt Service Indicators

Debt Service Indicators	2012	2013	2014	2015
	Percentage (%)			
Interest Payments - to - Current Revenue Ratio	6.0	5.0	4.4	4.2
Debt Service - to - GDP Ratio	2.3	2.2	2.3	1.8
Debt Service - to - Current Revenue Ratio	10.6	9.2	9.5	7.6

Source: Cayman Islands Treasury Department, Economics and Statistics Office

¹⁷ Central government’s outstanding debt comprised; debt managed directly by the Treasury Department and excludes government-guaranteed debt and other contingent liabilities.

6. Macroeconomic Outlook for 2016

The Cayman Islands' economy in 2016 is projected to grow at a slightly higher pace, conditional on higher investment through public-private projects upbeat growth in tourism, stable demand for financial services and. Domestic inflation is expected to be low due to timid global price hikes and excess renting capacity in housing.

6.1 Global Outlook¹⁸

Global growth is forecasted to remain modest at 3.2 percent in 2016, marginally higher than in 2015 (see Table 6.1). The advanced economies are anticipated to expand by 1.9 percent and 2.0 percent in 2016 and 2017, respectively. The U.S is foreseen to generate a stable output growth of 2.4 percent in 2016, and 2.5 percent in 2017. Despite weakening net exports from the strengthening of the US dollar and slower growth in trading partners, U.S economic growth is expected to reflect support from lower energy prices and accommodating monetary policies, although gradual tightening of interest rates is foreseen.

Table 6.1: Macroeconomic Indicators 2013-2017

	2013	2014	2015	Projections	
				2016	2017
Real GDP growth (%)					
Cayman Islands	1.5	2.4	2.0	2.1	2.1
United States	1.5	2.4	2.4	2.4	2.5
World	3.3	3.4	3.1	3.2	3.5
Consumer Prices Inflation (CPI) (%)					
Cayman Islands	2.2	1.3	(2.3)	0.5	1.5
United States	1.5	1.6	0.1	0.8	1.5
Advanced economies	1.4	1.4	0.3	0.7	1.5
Unemployment Rate (%)					
Cayman Islands	6.3	4.6	4.2	4.7	4.4
United States	7.4	6.2	5.3	4.9	4.8
Advanced economies	7.9	7.3	6.7	6.3	6.2

Sources: International Monetary Fund (April 2016) for data on the US, World, and Advanced Economies, and the Economics and Statistics Office for Cayman Islands data.

¹⁸ This global outlook is based on information culled from the International Monetary Fund (April 2016) and other international organizations.

Medium-term growth prospects in the Euro area is challenged by weakening external demand, the lagged effects of the debt crisis and slow productivity growth. These are expected to dampen the overall growth impact of lower prices, modest fiscal expansion, and supportive financial conditions. The Euro zone economic growth is projected at 1.5 percent and 1.6 percent for 2016 and 2017, respectively. Canada's economic expansion is expected to softly pick-up in the medium term to 1.5 percent in 2016 and 1.9 percent in 2017, due mainly to an expected increase in public investment and more competitive currency despite the economic fall-off from lower oil prices. Domestic private demand and lower energy prices are anticipated to spearhead medium-term economic expansion in the UK where growth is projected at 1.9 percent in 2016, and 2.2 percent in 2017.

A lower global headline inflation is projected, mainly due to lower global oil and commodity prices. Oil prices¹⁹ are projected to decrease by 31.6 percent on average while non-fuel commodity prices will also be lower by 9.4 percent in 2016. In the United States, average inflation is projected at 0.8 percent, higher than the 0.1 percent in 2015 due to tightening labour market, although oil prices will continue to exert downward pressure on prices. Average inflation in the advanced economies is expected at 0.7 percent for 2016 and 1.5 percent for 2017.

6.2 Domestic Growth

Economic output in the Cayman Islands is projected to expand by 2.1 percent in 2016 and 2017, as most of the economic sectors are expected to contribute moderate growth led by construction, business services, other services, financing and insurance and hotels and restaurants (see Tables 6.1 and 6.2).

Demand for construction services is expected to be sustained by on-going and proposed projects. These include the expansion of the Owen Roberts International Airport, and the building of Kimpton hotel. Another private sector project is the large-scale road engineering work connecting the West Bay Road and the Esterley Tibbetts Highway. Projects in the pipeline include the re-development of the former Hyatt Beach Suites hotel and a new hotel to be attached to the Health City Hospital.

Although the Framework for Fiscal Responsibility constrains the central government's spending ability, a few public sector projects are expected to boost

¹⁹ Simple average of prices of U.K. Brent, Dubai Fateh, and West Texas Intermediate Crude Oil. The average price of oil in U.S. dollars a barrel was \$50.79 in 2015; the assumed price based on futures market is \$34.75 in 2016 and \$40.99 in 2017. *Source: World Economic Outlook (WEO) by the International Monetary Funds (IMF).*

domestic investment. In addition to the airport expansion project, the George Town cruise ship berthing facility is also in the planning stage.

**Table 6.2: Real GDP at 2007 Prices by Sector
With Projections for 2016 (\$ million)**

	2013	2014	2015E	2016P	% Change
Millions of Cayman Islands Dollars					
Primary Sectors	28.6	28.1	29.2	29.9	2.5
Agriculture & Fishing	9.3	10.1	10.3	10.6	2.3
Mining & Quarrying	19.2	18.0	18.9	19.4	2.5
Secondary Sectors	101.1	104.0	108.4	112.5	3.8
Manufacturing	23.1	23.7	24.0	24.3	1.5
Construction	78.0	80.3	84.4	88.2	4.4
Services Sectors	2,364.7	2,421.9	2,468.2	2,517.1	2.0
Electricity & Water Supply	93.8	95.9	98.0	99.2	1.3
Wholesale & Retail Trade, Repairs & Installation of Machinery	208.6	213.5	215.9	219.2	1.5
Hotels & Restaurants incl. Bars	143.5	150.5	149.4	151.3	1.3
Transport, Storage & Communication	214.6	216.6	219.3	221.3	0.9
Financing & Insurance Services	1,041.8	1,052.6	1,066.0	1,080.2	1.3
Real Estate, Renting & Business Activities	622.1	643.0	661.8	679.9	2.7
Producers of Government Services	338.0	343.2	351.1	352.8	0.5
Other Services	79.6	83.6	86.5	96.5	11.6
Financial Services Indirectly Measured (FISIM)*	377.3	377.1	379.7	383.3	1.0
GDP constant at basic prices	2,494.3	2,554.1	2,605.8	2,659.6	2.1
Growth (%)	1.5	2.4	2.0	2.1	

^E Preliminary estimates based on sector economic indicators. ^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

Indirectly, the projects are foreseen to stimulate economic expansion in other auxiliary sectors, particularly wholesale and retail, transportation and the utilities sectors.

Growth in domestic consumption is also assumed to aid the continued revival in local employment, particularly from the expected opening of the Kimpton Hotel in the last quarter of 2016.

In the financial services sector, growth is anticipated throughout 2016 for new companies registration and partnerships, as well as local financial intermediation services. For the first three months of 2016, financial services indicators show that the number of mutual funds increased while bank and trust licences declined.

The 2016 UNWTO forecasts for world tourism arrivals are between 3.5 percent and 4.5 percent for 2016. The Americas is expected to outperform the world with a projection between 4.0 and 5.0 percent as declining oil prices increase the demand for travel. The outlook for Caribbean tourism, following two years of record setting performance, remains positive in 2016. In the Cayman Islands, for the first three months of 2016, stay-over visitors fell by 2.5 percent; despite the decline, stay-over visitors is expected to be higher at 3.2 percent by the end of December 2016, contingent on the opening of the Kimpton Hotel and Condominiums. Cruise arrivals to the Cayman Islands in the first three months of 2016 totalled 610,090, 12.1 percent higher than the same period a year ago. Overall cruise arrivals is expected to expand by 5.6 percent in 2016.

6.3 Domestic Inflation

In 2016, the consumer price index (CPI) inflation rate is forecasted to be higher at 0.5 percent in 2016. For the second consecutive year, lower global oil prices and commodity prices are expected to exert downward pressure on CPI inflation. Upward inflationary pressure is foreseen from growth in demand for other goods and services arising from a higher population associated with the number of new work permits holders for the Kimpton hotel and other projects. Upbeat demand for construction-related goods and services arising from higher project intentions are also expected to have a moderate impact on overall inflation. The March 2016 implementation of the recent minimum wage is also assumed to have a slight impact on prices for goods and services with inelastic demand.

7. Acknowledgement

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Cayman Islands Planning Department
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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	2,575.4	2,458.2	56.1	43,799	1.3
2013	2,648.7	2,494.3	56.2	44,352	1.5
2014	2,772.2	2,554.1	57.0	44,814	2.4
2015	2,762.2	2,604.8	59.1	44,109	2.0

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
2015	102.2	102.4	(2.3)

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	39,467	37,643	1,824	4.6
2015	40,870	39,138	1,732	4.2

Source: Cayman Islands Government, Economics & Statistics Office

Note:

No Labour Force Surveys were conducted in 1999 and 2000. Data for 2004 are derived from Spring LFS and not Fall 2004 LFS on account of hurricane Ivan in September 2004. All other years reflect the results of Fall LFS.

Table A4: Composition of the Employed Labour Force

<i>Year</i>	Total	Caymanian	Non-Caymanian	Permanent Resident WRW
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	37,643	18,127	14,979	4,537
2015	39,138	18,366	16,783	3,990

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.

WRW: with rights to work

Table A5: Composition of the Unemployed Labour Force

Year	Total Unemployed	Caymanian	Permanent Residents WRW	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	1,824	1,562	129	134
2015	1,732	1,209	283	240

Source: Cayman Islands Government, Economics & Statistics Office

Note: No Labour Force surveys were conducted by the Statistics Office in 1999 or 2000.
WRW: with rights to work

Table A6: 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
2015	22,756

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

Table A7: 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	814.4	21.9	(792.5)
2015	763.0	16.9	(746.1)

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

Table A8: Imports by Standard International Trade Classification (CI\$ Millions)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Imports	868.7	867.8	898.7	744.5	690.4	759.5	758.5	774.5	814.4	763.0
Food and Live Animals	81.7	91.8	95.1	90.8	113.2	119.0	127.4	137.9	162.0	166.4
Beverages and Tobacco	24.8	25.2	28.9	29.4	27.5	27.4	29.0	30.0	31.5	30.3
Inedible Crude Materials	12.0	9.5	12.6	9.3	8.9	9.3	8.9	9.9	11.2	12.5
Mineral Fuels, Lubricants and Related Materials	71.6	126.9	185.3	112.8	128.0	184.4	155.1	170.9	163.9	99.7
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	1.5
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	39.3
Manufactured Goods (classified chiefly by material)	129.3	118.1	96.1	85.8	78.5	77.4	92.8	94.5	91.7	90.7
Machinery & Transport Equipment	155.9	138.0	119.7	92.6	97.9	108.3	116.1	117.3	126.9	147.1
Misc. Manufactured Articles	274.6	273.3	268.9	226.2	134.5	131.2	131.0	120.9	131.9	114.2
Commodities and Transactions Not Classified Elsewhere	86.0	56.9	60.9	70.9	70.2	69.9	61.3	54.4	54.9	61.4

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

Table A9: Domestic Credit from Retail Banks, CI\$ Millions

	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15
Total	2,729.3	2,724.3	2,691.9	2,636.8	2,657.5	2,684.7
Credit to Businesses	1,049.5	1,007.8	838.1	838.9	819.6	827.3
Production & Manufacturing	291.9	410.5	324.1	301.3	169.2	165.5
Agriculture, Fishing and Mining	7.1	15.8	11.9	12.7	20.0	8.3
Manufacturing	9.3	25.1	27.2	20.5	14.1	18.7
Utilities	57.0	17.6	2.6	2.4	15.7	12.9
Construction	218.5	351.9	282.4	265.7	119.4	125.6
Services	210.8	167.1	129.4	95.5	82.1	65.6
Accommodation, Food, Bar & Entertainment Services	113.4	116.3	92.6	55.0	27.7	15.4
Transportation, Storage & Communications	5.0	25.8	14.9	18.5	17.4	17.4
Education, Recreational & Other Professional Services	92.4	24.9	21.8	22.0	37.1	32.8
Trade and Commerce	454.0	383.6	343.5	410.3	465.4	483.9
Wholesale & Retail Sales Trade	67.3	78.1	58.0	71.3	72.3	68.5
Real Estate Agents, Rental and Leasing Companies	364.1	136.5	128.6	140.7	211.9	211.7
Other Business Activities (General Business Activity)	22.6	169.0	156.9	198.2	181.3	203.7
Other Financial Corporations	92.9	46.8	41.1	31.8	102.9	112.2
Credit to Households	1,679.3	1,716.2	1,853.7	1,797.9	1,821.6	1,843.1
Domestic Property	1,458.5	1,487.1	1,540.9	1,537.6	1,524.9	1,553.6
Motor Vehicles	49.8	36.8	33.0	30.6	34.2	41.2
Education and Technology	4.7	4.5	4.3	5.2	6.0	6.3
Miscellaneous*	166.3	187.8	275.5	224.5	256.5	242.0
NonProfit Organizations	0.4	0.2	0.1	0.0	16.3	14.3

*Miscellaneous include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority

Table A10: 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	788	12.1	11,010	11,010	169.25	1,066
2015	184	739	12.8	10,940	11,864	195.31	1,046

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

* Includes a new category called master funds starting in 2012

**Cap = Capitalization

Table A11: 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
2015	9	3	12	61	111	172	184

Source: Cayman Islands Monetary Authority

Table A12: 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,C,D	
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	586	139	759	788
2015	31	539	140	708	739

Source: Cayman Islands Monetary Authority

Table A13: Mutual Funds Domiciled in the Cayman Islands

Year	Administered Funds	Licensed Funds	Registered Funds	Master Funds	Total
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
2015	380	101	7,654	2,805	10,940

Source: Cayman Islands Monetary Authority

Table A14: 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
2015	10,666	40	504	654	11,864

Source: Companies Registrar

Table A15: Money and Banking Survey: Monetary Assets (CI\$ Millions)

	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15
Total assets	5,307.4	4,752.9	5,248.7	5,888.4	4,932.4	5,898.0
Net foreign assets	3,056.5	2,446.7	2,801.9	3,249.3	2,281.7	3,795.4
Monetary Authority	89.4	94.6	99.1	101.5	100.2	110.8
Commercial Banks	2,967.1	2,352.1	2,702.7	3,147.8	2,181.5	3,684.6
Net domestic assets	2,250.9	2,306.1	2,446.8	2,639.1	2,650.6	2,102.5
Domestic credit	3,008.1	3,106.5	3,050.6	2,974.7	2,971.2	2,981.2
Claims on central government	219.0	293.7	278.3	262.7	243.6	226.5
Claims on other public sector	59.8	88.6	80.4	75.2	70.1	70.0
Claims on private sector	2,729.3	2,724.3	2,691.9	2,636.8	2,657.5	2,684.7
Other items net	(757.2)	(800.4)	(603.8)	(335.6)	(320.6)	(878.7)
Broad liquidity	5,307.4	4,752.9	5,248.7	5,888.4	4,932.4	5,898.0
Broad money (M2 + FOREX deposits)	5,307.4	4,752.9	5,248.7	5,888.4	4,932.4	5,898.0
Broad money (KYD M2)	981.1	935.9	1,110.4	1,106.6	1,209.1	1,394.5
Currency in circulation	85.2	89.7	86.9	96.2	95.5	107.7
KYD Deposits	895.9	846.1	1,023.4	1,010.5	1,113.5	1,286.8
Demand deposits	298.9	237.7	337.0	403.1	460.6	505.3
Time and savings deposits	597.0	608.4	686.4	607.4	653.0	781.6
FOREX deposits	4,326.2	3,817.0	4,138.3	4,781.8	3,723.3	4,503.4
<i>of which:</i> US dollars	3,632.8	3,251.6	3,517.9	4,219.3	3,382.0	4,158.6

Source: Cayman Islands Monetary Authority and ESO

Table A16: Visitor Arrivals ('000) and Cruise Ship Calls

Year	Stay-Over	Cruise	Total Arrivals	Cruise Ship Calls
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
2015	385.4	1,716.8	2,102.2	575

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

Table A17: 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)
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 A18: 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
2015	291.8	34.3	24.3	35.0	385.4

Source: Immigration Department and Cayman Islands Department of Tourism

Table A19: 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 ^R	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
2015	1,787	592.4	131	19.8	1,918	612.2

Source: Cayman Islands Lands & Survey Department

^R = Revised

Leasehold transfers include lease transfers and subleases.

Table A20: 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
2015	42	225	31	15	1	14	599	927

Source: Cayman Islands Planning Department

Table A21: 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
2015	152.7	112.2	37.6	50.1	0.1	48.5	51.5	452.7

Source: Cayman Islands Planning Department

Table A22: 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
2015	10	-	-	-	9	-	44	63

Source: Cayman Islands Planning Department

Table A23: 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
2015	3.4	-	-	-	2.1	-	0.7	6.1

Source: Cayman Islands Planning Department

Table A24: Building Permits in Grand Cayman

Category	Number					Value (CI\$M)				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
Apartment/ Condo	77	54	46	45	65	37.4	15.4	26.9	72.3	41.6
Houses	348	347	290	252	223	87.9	103.0	86.2	99.6	96.5
Commercial	112	100	116	73	75	39.5	15.1	44.3	25.7	26.3
Government	15	17	3	9	7	6.9	3.0	0.4	5.9	6.3
Hotel	-	1	-	3	5	-	10.0	-	142.1	4.6
Industrial	1	4	3	3	7	0.5	1.2	3.6	0.2	1.4
Other	270	214	187	153	354	10.9	8.7	20.1	10.4	10.3
Total	823	737	645	539	736	183.1	156.4	181.5	356.1	186.9

Source: Cayman Islands Planning Department

Table A25: 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
2015	1,925.0	1,718.1

Source: Cayman Islands Water Authority, Cayman Water Company

¹ Excludes Non-Potable Water

Table A26: Electricity ('000 megawatt hours)

Year	Production*	Consumption			
		Residential	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
2015	623.7	276.9	298.3	6.7	582.0

Source: Caribbean Utilities Company

- Net generation/production is reported from 2007

Table A27: Summary of Central Government Operations (CI\$ Millions)

Year	Total Revenue	Current Expenditure	Gross Capital Expenditure and Net Lending	Total Expenditure	Current Balance	Overall Balance
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	615.6	17.5	(27.6)
2013	635.2	553.7	36.7	590.5	81.5	70.8
2014	664.3	551.3	46.1	597.4	113.0	93.2
2015	672.6	544.9	43.7	588.6	127.7	116.1

*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 A28: 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
2015	511.0	-	(0.12)	22.8	28.0

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 A29: Fiscal Operations (CI\$ Millions)

	2009	2010	2011	2012	2013	2014	2015
	CI\$	CI\$	CI\$	CI\$	CI\$	CI\$	CI\$
Total Revenue	473.8	517.7	545.9	564.6	635.2	664.3	672.6
Current Revenue	473.8	517.7	545.9	564.6	635.2	664.3	672.6
Coercive Revenue	431.0	460.8	489.3	504.9	584.7	630.1	636.6
Taxes on International Trade & Transactions	152.0	158.5	162.2	167.2	173.3	177.9	172.0
Domestic Taxes on Goods & Services	248.2	279.4	289.5	296.6	377.3	408.7	407.6
Taxes on Property	23.9	21.3	36.4	36.7	31.3	41.6	41.1
Fines	2.4	1.6	1.2	1.3	1.6	1.6	2.1
Other Taxes	4.5	0.0	0.0	3.1	1.2	0.3	13.8
Non-coercive Revenue	42.8	56.9	56.6	59.7	50.5	34.2	36.0
Sale of Goods & Services	41.8	56.2	55.8	55.0	48.9	33.0	34.7
Investment Revenue	0.3	0.1	0.6	0.3	1.1	0.8	1.0
Other Operating Revenue	0.7	0.6	0.2	4.4	0.5	0.4	0.3
Total Expenditure	677.3	593.5	623.4	615.6	590.5	597.4	588.6
Current Expenditure	535.6	517.2	525.1	547.1	553.7	551.3	544.9
Personnel Costs	236.6	224.8	216.4	226.5	235.7	244.8	243.8
Supplies & Consumables	84.5	86.4	89.2	94.1	86.8	93.1	83.8
Subsidies	122.5	125.2	131.6	131.7	137.0	126.7	125.2
Transfer Payments	27.2	29.7	31.0	30.5	32.3	27.6	27.5
Depreciation	21.6	20.0	20.7	23.4	26.1	26.3	32.1
Interest Payments	19.4	27.9	32.9	33.8	31.8	29.2	28.0
Extraordinary Expenses	20.1	0.0	0.0	0.0	0.0	0.0	0.0
Other Executive Expenses	3.7	3.2	3.3	7.1	4.0	3.6	4.5
Gross Capital Expenditure & Net Lending	141.7	76.3	98.3	68.5	36.8	46.1	43.7
Capital Acquisition (now Equity Injections)	105.4	28.1	62.2	37.6	9.6	12.9	14.8
Equity Injections and Working Capital support to Public Entities		14.9	20.0	20.8	19.2	26.8	19.6
Capital Development (now Executive Assets)	35.2	37.7	16.0	8.4	8.1	5.8	8.9
Net Lending	1.1	(4.4)	0.1	1.7	(0.1)	0.6	0.4
Net Capital Expenditure & Net Lending	120.1	56.3	77.6	45.1	10.7	19.8	11.6
Depreciation	21.6	20.0	20.7	23.4	26.1	26.3	32.1
Primary Balance (Overall Balance w/o Interest Payments)	(162.5)	(27.9)	(23.9)	6.2	102.6	122.4	144.1
Current Balance	(61.8)	0.5	20.8	17.5	81.5	113.0	127.7
Overall Balance	(181.9)	(55.8)	(56.8)	(27.6)	70.8	93.2	116.1
Financing	181.9	55.8	56.8	27.6	(70.8)	(93.2)	(116.1)
Net Borrowing	158.4	80.7	20.3	(25.9)	(16.5)	(33.9)	(22.8)
Disbursements	184.3	106.7	154.2	0.0	10.0	0.0	0.0
Loan Repayment	(25.9)	(25.9)	(133.9)	(25.9)	(26.5)	(33.9)	(22.8)
Change in Cash	(23.5)	24.9	(36.5)	(53.5)	54.3	59.3	93.3

Source: ESO and Treasury Department