



CAYMAN ISLANDS  
GOVERNMENT



# THE CAYMAN ISLANDS' ANNUAL ECONOMIC REPORT 2020



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## 1. Executive Summary

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1.1 The world economy contracted in 2020 due to subdued economic activities especially travel restrictions to cope with the pandemic. Inflation moderated as demand slowed and commodity prices fell.

1.2 The Cayman Islands' real gross domestic product (GDP) contracted by an estimated rate of 6.7 percent in 2020, relative to the growth of 3.8 percent in 2019.

1.3 Contractions were reflected in most sectors, led by restaurants and accommodations, transport and the "other" sector.

1.4 Nominal GDP per capita income was estimated at \$68,674, lower than the \$72,658 recorded for 2019.

1.5 The average inflation rate in 2020 was 1.0 percent, compared to 6.0 percent a year ago. Inflationary pressures emanated mainly from rising food prices.

1.6 Total employment fell by 12.1 percent to 41,644 in 2020. The decline in employment outweighed a reduction in the labour force, which resulted in the unemployment rate rising to 5.2 percent. The unemployment rate among Caymanians was estimated at 8.3 percent.

1.7 In 2020, merchandise imports fell by 6.3 percent to reach \$1,114.4 million, reflecting declines of 37.0 percent and 2.2 percent in oil-related and non-oil imports, respectively.

1.8 Money supply (M2) expanded by 8.2 percent to reach \$8.2 billion in 2020. This monetary expansion was due to 18.7 percent and 4.6 percent increases in local currency deposits and foreign currency-denominated deposits, respectively.

1.9 Domestic credit from commercial banks expanded by 4.0 percent to settle at \$3,432.9 million. Credit to the private sector rose by 5.6 percent, while loans to the public sector declined by 14.0 percent.

1.10 Indicators of financial services generally improved in 2020. Insurance licenses, mutual funds registration, stock exchange listings and new partnership registration increased while bank and trust licenses, and new company registrations fell.

1.11 Total stay-over visitors contracted by 71.7 percent. Total stay-over arrivals declined by 75.8 percent, while cruise arrivals fell by 70.6 percent.

1.12 Indicators of construction were mixed in 2020. The value of building permits in Grand Cayman rose by 88.1 percent to \$555.6 million, mainly due to some commercial projects. In contrast, the value of planning approvals in Grand Cayman decreased by 0.8 percent to \$883.2 million.

1.13 Real estate activity declined during the year as the total value of property transfers fell by 6.4 percent to \$807.1 million, as both freehold and leasehold transfers decreased.

1.14 The central government recorded an overall deficit in 2020 of \$116.4 million relative to a surplus of \$101.9 million in 2019. The government's total outstanding debt declined to \$248.6 million (5.3 percent of GDP) at the end of 2020.

1.15 GDP is projected to rebound in 2021 by 1.2 percent, primarily due to the expected growth in construction. The inflation rate is expected at 2.1 percent arising principally from external pressures. The overall unemployment rate is projected at 5.0 percent.

**The Cayman Islands Economic Performance: Summary Indicators**

Indicators	2018	2019	2020
Real GDP (\$million)*	4,354.9	4,521.1	4,216.8
GDP growth in real terms (%)*	4.2	3.8	(6.7)
Real GDP per capita (\$)*	67,601	66,412	62,149
Nominal GDP per capita (\$)*	71,438	72,658	68,674
Nominal GDP (\$million)*	4,602.0	4,946.3	4,659.5
Population (year-end)	65,813	69,914	65,786
<i>Of which</i> Caymanians	36,705	37,363	37,815
Population (mid-year)	64,420	68,076	67,850
Average inflation rate (%)	3.0	6.0	1.0
Employment	44,887	47,394	41,644
Unemployment rate (% of labour force)	2.8	3.5	5.2
Total imports (in \$million)	1,042.8	1,189.7	1,114.4
Total imports (% of GDP)	22.7	24.1	23.9
Total money supply (M2, in \$million)	7,374.5	7,566.2	8,189.8
Domestic credit (in \$million)	3,066.3	3,300.9	3,432.9
Mutual funds (including master funds)	10,992	10,857	11,896
Insurance licenses	730	672	679
Banking and trust licenses	133	125	110
Trust companies	117	115	117
Stock exchange listings	1,699	2,078	2,336
New company registrations	16,326	12,822	11,731
New partnership registrations	5,007	4,328	4,510
Stay-over tourists (in thousands)	463.0	502.7	121.8
Cruise ship passengers (in thousands)	1,921.1	1,831.0	538.1
Grand Cayman building permits (\$million)	247.9	470.6	555.6
Cayman Islands planning approvals (\$million)	752.3	890.4	883.2
Cayman Islands property transfers (\$million)	1,143.7	862.2	807.1
Net lending of the central government (\$million)	133.6	101.9	(116.4)
Net lending of the central government (% of GDP)	2.9	2.1	(2.5)
Outstanding debt of the central government (\$million)	418.7	284.4	248.6
Outstanding debt of the central government (% of GDP)	9.1	5.7	5.3

\*Preliminary estimate for 2020 based on indicators.

## 2. Global and Regional Macroeconomic Environment

*Economic activity across all country groups succumbed to reduced global demand amidst Covid-19 related restrictions on travel and business activities in 2020. The fall in demand also weighed on inflation which moderated during the period.*

### 2.1 Economic Growth<sup>1</sup>

The world economy contracted by 3.3 percent in 2020 compared with a growth of 2.8 percent in 2019. This was due to reduced economic activity and higher unemployment associated with the novel coronavirus (COVID-19) pandemic. In particular, the pandemic disrupted global supply chains, restricted travel and transportation, and reduced consumer spending. The slowing demand coupled with a need to bolster healthcare also forced governments to increase spending while central banks relaxed monetary policy during the year. Consistent with the general contraction in economic activity, advanced economies declined by 5.0 percent for the year compared with a growth of 1.5 percent in 2019. Similarly, emerging markets and developing economies contracted by 2.2 percent compared with an increase of 3.6 percent in the preceding year (see Table 2.1). All the major advanced economies (G7) registered negative growth, with the UK, Italy and France recording the largest declines.

**Table 2.1: Global Economic Growth**

	2017	2018	2019	2020
	<b>% Change in GDP</b>			
World	3.8	3.6	2.8	(3.3)
Advanced Economies	2.2	2.1	1.5	(5.0)
United States	2.3	3.0	2.2	(3.5)
United Kingdom	1.7	1.3	1.4	(9.8)
Canada	3.0	2.4	1.9	(5.4)
Euro Area	2.6	1.9	1.3	(6.6)
Emerging Market and Developing Economies	4.8	4.5	3.6	(2.2)

Source: International Monetary Fund (World Economic Outlook (WEO), April 2021)

The US economy contracted by 3.5 percent in 2020 relative to a growth of 2.2 percent in 2019. This decline in activity was linked to reduced consumer spending, inventory investment, and exports which outweighed increases in housing

<sup>1</sup> This review is culled from reports of the International Monetary Fund and other international organizations.

investment and government spending. The reduction in consumer spending was reflected in lower expenditure on most commodities and services, while travel services was a key contributor to the falloff in exports. Economic growth in the UK fell to -9.8 percent from 1.4 percent in 2019. This was attributed mainly to reduced household spending and gross fixed investment.

Canada recorded a 5.4 percent decline in economic activity relative to a growth of 1.9 percent in 2019. The reduction was mainly due to weaker international trade and lower consumer and investment spending. In contrast, government spending rose to partially mitigate the impact of the declines. Economic activity in the Euro Area fell 6.6 percent relative to a rise of 1.3 percent in 2019. This primarily resulted from lower private consumption and business investment. There was also reduced trade in the region as a decline in exports outweighed a fall in imports.

The Caribbean recorded an economic contraction of 4.3 percent in 2020 compared with a growth of 3.3 percent in 2019 (see Table 2.2). This contraction was evident in all Caribbean countries except Guyana, which grew by 43.4 percent. Negative economic growth in the Caribbean mainly emanated from reduced business activity and lower demand for tourism from the major source markets, both of which reflected travel restrictions imposed to cope with the pandemic.

**Table 2.2: Caribbean Region Economic Growth<sup>2</sup>**

	2017	2018	2019	2020
	<b>% Change in GDP</b>			
Caribbean	2.7	4.7	3.3	(4.3)
Antigua & Barbuda	3.1	7.0	3.4	(17.3)
The Bahamas	3.1	3.0	1.2	(16.3)
Barbados	0.5	(0.6)	(0.1)	(17.6)
Dominican Republic	4.7	7.0	5.1	(6.7)
Grenada	4.4	4.1	1.9	(13.5)
Jamaica	0.7	1.8	1.0	(10.2)
Trinidad & Tobago	(3.0)	0.1	(1.2)	(7.8)

Source: International Monetary Fund (WEO, April 2021)

<sup>2</sup> The Caribbean comprises Antigua and Barbuda, The Bahamas, Barbados, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

## 2.2 Inflation

Global inflation moderated to 3.2 percent in 2020 from 3.5 percent in 2019 (see Table 2.3). This reflected a slower pace of inflation in most regions led by advanced economies, which moderated to 0.7 percent relative to 1.4 percent a year ago. Within this grouping, inflation in the US and UK fell to 1.2 percent and 0.9 percent from 1.8 percent for both in 2019. Inflation remained unchanged at 5.1 percent in emerging markets and developing economies.

**Table 2.3: Global Inflation**

	2017	2018	2019	2020
	<b>% Change in GDP</b>			
World	3.2	3.6	3.5	3.2
Advanced Economies	1.7	2.0	1.4	0.7
United States	2.1	2.4	1.8	1.2
United Kingdom	2.7	2.5	1.8	0.9
Canada	1.6	2.3	1.9	0.7
Euro Area	1.5	1.8	1.2	0.3
Emerging Market and Developing Economies	4.4	4.9	5.1	5.1

Source: International Monetary Fund (WEO, April 2021)

International commodity prices decreased by 9.9 percent in the review period, according to the IMF's Primary Commodities Price Index. This was due to declines in the energy and fertilizer indices. Within the energy index, there were declines in the prices of crude oil, natural gas and coal. In contrast, the agricultural and metals price indices rose by 1.1 percent and 14.5 percent, respectively.

**Table 2.4: Inflation Rates: Caribbean Region**

	2017	2018	2019	2020
	<b>% Change in Consumer Prices</b>			
Caribbean	3.8	3.7	2.8	7.7
Antigua & Barbuda	2.4	1.2	1.4	1.1
The Bahamas	1.5	2.3	2.5	0.0
Barbados	4.4	3.7	4.1	2.9
Dominican Republic	3.3	3.6	1.8	3.8
Grenada	0.9	0.8	0.6	(0.7)
Jamaica	4.4	3.7	3.9	5.2
Trinidad & Tobago	1.9	1.0	1.0	0.6

Source: International Monetary Fund (WEO, April 2021)

The Caribbean recorded inflation of 7.7 percent in 2020 relative to 2.8 percent in 2019 (see Table 2.4). High inflation levels in Haiti and Suriname, which recorded inflation of 20.5 percent and 52.1 percent, respectively, partly influenced this increase. Inflation rates also accelerated in Jamaica and the Dominican Republic, which registered inflation rates of 5.2 percent and 3.8 percent, respectively, in 2020.

### 2.3 International Finance<sup>3</sup>

Net borrowing<sup>4</sup> (overall fiscal deficit) as a percentage of GDP among advanced economies increased to 10.3 percent in 2020 from 1.5 percent in 2019. Within this category, the US and UK's net borrowing as a percentage of GDP rose to 15.8 percent and 13.4 percent from 5.7 percent and 2.3 percent in 2019, respectively. As a proportion of GDP, Canada and the Euro Area registered net borrowing balances of 10.7 percent and 6.3 percent in 2020 relative to net lending balances of 0.5 percent and 0.8 percent in 2019. Net borrowing for emerging markets and developing economies rose to 7.7 percent of GDP from 2.9 percent of GDP in 2019.

Policy interest rates of the major central banks were slashed during the first quarter of 2020 in an unprecedented response to the Covid-19 pandemic (see Table 2.5). This policy support, evidenced globally, was necessary to ease the financial burden on businesses and households as well as to provide a much-needed stimulus amidst weakened economic activity. The US' Federal Reserve Bank (FRB) reduced interest rates on two occasions in the year. On March 3, the FRB lowered the rate from a range of 1.50 percent to 1.75 percent to a range of 1.00 percent to 1.25 percent. On March 15, the rate was lowered by 1.0 percentage point to the range of 0.00 percent to 0.25 percent.

The Bank of England decreased its policy rate by 50 basis points done in two tranches in March. The Bank of Canada lowered its overnight target rate by half a percentage point on three separate occasions in March 2020 to settle 0.25 percent. The European Central Bank maintained the interest rate on its main refinancing operations at 0.00 percent to maintain favourable liquidity conditions and a sufficient degree of monetary accommodation.

**Table 2.5: Key Interest Rates (% , at the end of Quarter)**

<sup>3</sup> Source: International Monetary Fund (WEO, April 2021).

<sup>4</sup> Net lending/net borrowing is equal to total revenue less total expenditure. It is viewed as an indicator of the financial impact of governments' activities on the rest of the economy. A positive balance is referred to as net lending while a negative balance is referred to as net borrowing.

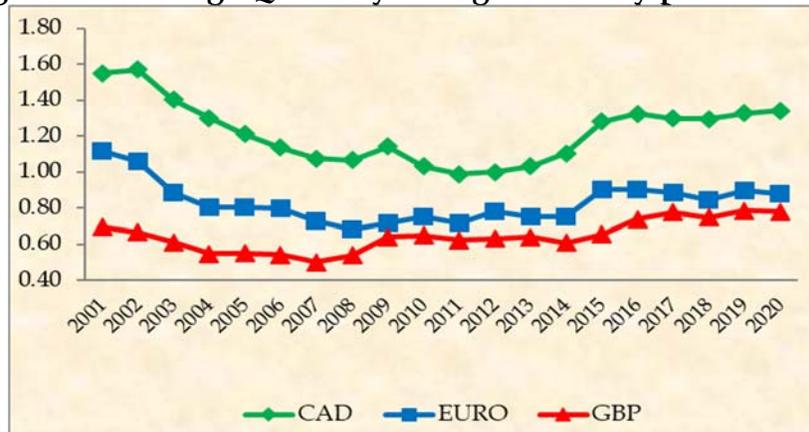
		US <sup>1</sup>	UK	Canada	Euro Area
Rates in %					
2019	Q1	2.38	0.75	1.75	0.00
	Q2	2.38	0.75	1.75	0.00
	Q3	1.88	0.75	1.75	0.00
	Q4	1.63	0.75	1.75	0.00
2020	Q1	0.13	0.10	0.25	0.00
	Q2	0.13	0.10	0.25	0.00
	Q3	0.13	0.10	0.25	0.00
	Q4	0.13	0.10	0.25	0.00

1. Mid-point of the federal funds rate range used in this table

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

The US Dollar weakened in value against two of the world’s major traded currencies (see Figure 2.1). The US Dollar declined in value by 0.5 percent and 1.9 percent against the Great Britain Pound Sterling (GBP) and the Euro, respectively. The US Dollar increased in value against the Canadian Dollar by 1.2 percent. In real terms<sup>5</sup>, the US Dollar weakened by 0.1 percent against the GBP and 0.9 percent against the Euro. Against the Canadian Dollar, the US Dollar strengthened by 1.7 percent. The Cayman Islands Dollar, by being pegged to the US Dollar, recorded similar movements with the greenback relative to the major traded currencies in both nominal and real terms.

**Figure 2.1: Average Quarterly Foreign Currency per U.S Dollar**



Source: United States Federal Reserve Bank

<sup>5</sup> The real exchange rate shows how much the goods and services in the domestic country (US) can be exchanged for the goods and services in a foreign country. Therefore, an increase indicates that goods and services in the US can be exchanged for more goods and services in the other countries.

## 2.4 Regional and International Tourism<sup>6</sup>

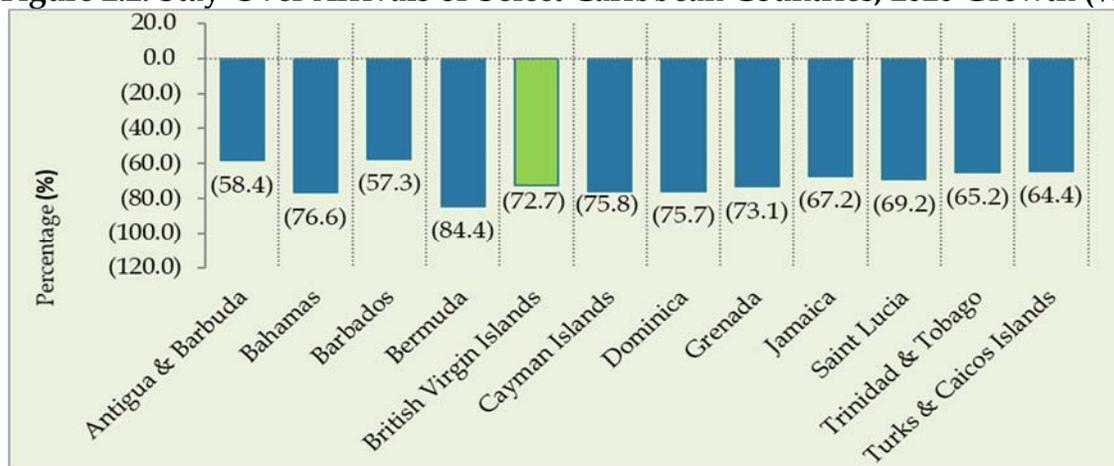
International tourist arrivals contracted by 74.0 percent in 2020 amidst the outbreak of the COVID-19 pandemic and travel restrictions aimed at minimizing its spread.

The Asian and Pacific region led the pace of contraction, falling by 84.0 percent relative to a growth of 4.0 percent in 2019. Arrivals to the Middle East and the African region both declined by 75.0 percent. In contrast, the European region declined by 70.0 percent. Arrivals to the Americas fell by 69.0 percent on the heels of moderate growth in the previous year. Among the sub-regions, the most severely impacted markets were North-East Asia, and South-East Asia, which contracted by 88.1 percent and 81.7 percent; respectively. A decline of 79.3 percent was also recorded in the Oceania market while, the North African region fell by 78.3 percent

Arrivals to the Caribbean declined by 65.5 percent in 2020 to reach 11.0 million relative to 31.5 million the previous year. Similar to Cayman, most of the region saw robust arrivals up to the middle of March 2020, when arrivals plummeted. As depicted in figure 2.2, the greatest declines were recorded in Bermuda (84.4%), Bahamas (76.6%), Cayman Islands (75.8%) and Dominica (75.7%).

Cruise arrivals declined by 72.0 percent to 8.5 million, compared to 30 million last year.

**Figure 2.2: Stay-Over Arrivals of Select Caribbean Countries, 2020 Growth (%)**



Source: World Tourism Organization, Caribbean Tourism Organization and other official sources.

<sup>6</sup> Source: World Tourism Organization and Caribbean Tourism Organization.

### 3. Macroeconomic Performance

*Restrictive measures and a fall in global demand led to a fall in economic activity and employment for the year. The reduction in demand also reduced inflationary pressures.*

#### 3.1 Economic Growth

The Cayman Islands' real Gross Domestic Product (GDP) is estimated to have contracted by 6.7 percent in 2020, A sharp change in direction relative to the 3.8 percent growth observed in 2019. In real terms, gross domestic product is estimated at \$4,216.8 million, relative to \$4,521.1 million in 2019 (see Table 3.1). The economic contraction was in tandem with the sharp reduction in global economic activity, which fell as varying restrictions dwarfed both supply and demand. The contraction interrupted a period of steady growth in the islands where growth averaged 3.5 percent per year in the five years before the pandemic.

**Table 3.1: Cayman Islands' Gross Domestic Product**

	2015	2016	2017	2018	2019	2020E
GDP at Current Prices (CI\$M)	3,923.5	4,091.1	4,305.2	4,602.0	4,946.3	4,659.5
<i>Current GDP growth (%)</i>	3.2	4.3	5.2	6.9	7.5	(5.8)
Per Capita GDP at current prices (CI\$) <sup>1</sup>	66,438	66,705	68,212	71,438	72,658	68,674
GDP at constant 2015 prices (CI\$M)	3,923.5	4,050.6	4,179.5	4,354.9	4,521.1	4,216.8
<i>Real GDP growth (%)</i>	2.8	3.2	3.2	4.2	3.8	(6.7)
Per Capita GDP at constant 2015 prices (CI\$) <sup>1</sup>	66,438	66,045	66,221	67,601	66,412	62,149

<sup>1</sup> Using mid-year population figures.

E Preliminary based on sector economic indicators

Source: Economics and Statistics Office

Cayman's per capita income in real terms declined by 6.4 percent to \$62,149 as the contraction in growth outweighed a fall in the mid-year resident population. In nominal terms, the estimated per capita income was \$68,674, approximately 5.5 percent lower than in 2019.

Actual indicators point to declines across most sectors of the economy in 2020. The services sector, which accounted for 89.4 percent of GDP, led the reduction with a fall of 6.4 percent (see Table 3.2).

**Table 3.2: Real GDP (at 2015 Prices) by Sector**

	2017	2018	2019	2020E	% Change
Millions of Cayman Islands Dollars					
<b>Primary Sectors</b>	<b>25.6</b>	<b>26.3</b>	<b>27.5</b>	<b>29.4</b>	<b>6.8</b>
Agriculture & Fishing	16.4	16.6	17.2	19.4	12.7
Mining & Quarrying	9.2	9.7	10.3	10.0	(2.9)
<b>Secondary Sectors</b>	<b>187.7</b>	<b>201.8</b>	<b>219.7</b>	<b>210.5</b>	<b>(4.2)</b>
Manufacturing	36.1	38.8	40.5	39.1	(3.5)
Construction	151.6	162.9	179.2	171.4	(4.4)
<b>Services Sectors</b>	<b>3,737.5</b>	<b>3,861.9</b>	<b>4,014.3</b>	<b>3,759.3</b>	<b>(6.4)</b>
Electricity & Water Supply	97.9	99.9	105.6	101.2	(4.2)
Wholesale & Retail Trade, Repairs & Installation of Machinery	261.2	275.2	291.7	279.2	(4.3)
Hotels & Restaurants incl. Bars	214.1	233.1	249.2	58.2	(76.6)
Transport, Storage & Communication	258.1	263.1	275.6	236.0	(14.4)
Financing & Insurance Services	1,312.6	1,341.1	1,375.9	1,379.4	0.3
Business Activities and Admin	652.4	675.7	691.5	656.3	(5.1)
Real Estate	362.0	369.5	379.5	384.6	1.3
Health and Social Work	148.2	156.7	163.4	189.2	15.7
Producers of Government Services	312.6	323.9	346.6	371.4	7.2
Other Services	118.5	123.7	135.2	103.8	(23.2)
Taxes less Subsidies on Products	228.7	264.9	259.6	217.6	(16.2)
<b>GDP constant at purchasers' prices</b>	<b>4,179.5</b>	<b>4,354.9</b>	<b>4,521.1</b>	<b>4,216.8</b>	<b>(6.7)</b>
Growth (%)	3.2	4.2	3.8	(6.7)	

E- Preliminary estimates based on sector economic indicators

The hotel and restaurant sector bore the brunt of the negative impacts associated with the pandemic. Global restrictions on travel coupled with a sharp decline in income significantly halted activity in the sector for the year. Consequently, the sector's value-added fell by 76.6 percent in the year, following an increase of 6.9 percent in 2019. The contraction in the sector was reflected in stay-over arrivals, which fell by 75.8 percent, and cruise arrivals which declined by 70.6 percent for the year.

Restrictions on air travel and the collapse of stay-over tourism reduced transportation activity. As a result, the transport, storage and communication sector is estimated to have contracted by 14.4 percent. Notably, the impact of a 31.5

percent fall in transport and storage was partly offset by a 7.5 percent increase in communication.

The fall in tourism activity and restrictions on movements and services during the year also led to a 23.2 percent fall in the 'other' sector. This sector includes arts, entertainment activities and domestic household activities, areas that were significantly impeded by government restrictions and lower tourist demand. The wholesale and retail trade sector declined by 4.3 percent, reflecting the overall fall in demand. The impact was partly tempered by stimulus measures implemented by the government to boost income and support businesses.

The financing and insurance services sector, which accounted for approximately 32.7 percent of GDP, was estimated to have expanded by 0.3 percent. This was mainly due to a rise in insurance activities evidenced by a rise in net premium across most categories. This increase was partly tempered by an estimated contraction in the domestic banking sector which occurred despite a rise in credit.

Despite the general contraction in the overall economy, efforts by the Government to combat the pandemic and subsequently, to support the local economy resulted in some sectors expanding. The health and social work sector is estimated to have grown by 15.7 percent due to increased mobilization and purchases. Other Government services are also estimated to have expanded by 7.2 percent for the period.

### **3.2 Inflation**

Contractions in demand coupled with falling crude oil prices subdued inflationary pressures during the year. Specifically, consumer prices rose by 1.0 percent relative to 6.0 percent for 2019. Price pressures during the year were tempered by a decline in demand, which reflected the lower domestic population level and reduced activities from the lockdown measures. Repressed international activities also moderated inflationary pressures in the US, Cayman's primary source market for imports.

**Table 3.3: Average Inflation Rates**

Categories	Avg. Inflation Rates (%)	
	2019	2020
Food & Non-alcoholic Beverages	2.1	5.1
Alcohol and Tobacco	3.2	0.8
Clothing and Footwear	4.3	3.9
Housing and Utilities	11.0	0.7
Household Equipment	3.7	1.6
Health	1.4	2.3
Transport	2.9	(0.8)
Communication	7.7	5.9
Recreation and Culture	8.7	(3.2)
Education	4.9	4.2
Restaurants and Hotels	2.8	(0.3)
Misc. Goods and Services	0.5	1.2
<b>Overall CPI Inflation</b>	<b>6.0</b>	<b>1.0</b>

Source: Economics and Statistics Office

Nine divisional indices rose for the year while three declined. Food and non-alcoholic beverages recorded the sharpest increase, rising by 5.1 percent. The uptick in food prices was mainly associated with annual increases of 13.7 percent in fruits, 7.4 percent in milk, cheese and eggs and 6.7 percent in oils and fats. Moderate price increases were also seen in communication, education and clothing and footwear, which rose by 5.9 percent, 4.2 percent and 3.9 percent, respectively. Communication prices increased in the context of rising demand from additional persons working

from home and increased digital communication during the curfew period. The index for education mainly reflected a rise in tuition cost while most subdivisions of clothing and footwear increased.

**Table 3.4: Selected Quarterly Inflation Rates (%)**

		CPI Inflation	Non Food Inflation	Core Inflation*	CPI Excluding Housing & Utilities	Food Inflation	Housing & Utilities Inflation	Electricity and Fuel Inflation
% Change over the same Quarter a Year Ago								
2019	QTR 1	4.5	4.7	4.8	1.2	1.3	11.1	3.7
	QTR 2	4.8	5.0	6.2	2.0	1.4	10.4	(3.8)
	QTR 3	6.1	6.4	7.7	3.9	2.4	10.6	(2.6)
	QTR 4	8.4	8.8	9.5	6.6	3.1	12.1	3.1
<b>Annual Average 2019</b>		<b>6.0</b>	<b>6.2</b>	<b>7.1</b>	<b>3.4</b>	<b>2.1</b>	<b>11.1</b>	<b>0.1</b>
2020	QTR 1	3.0	2.9	3.5	3.5	3.9	2.1	(6.1)
	QTR 2	2.1	1.9	2.9	2.4	6.0	1.7	(20.0)
	QTR 3	(0.4)	(0.8)	1.7	0.9	5.5	(2.8)	(12.2)
	QTR 4	(0.7)	(1.0)	0.3	(2.0)	5.0	2.0	0.0
<b>Annual Average 2020</b>		<b>1.0</b>	<b>0.7</b>	<b>2.1</b>	<b>1.2</b>	<b>5.1</b>	<b>0.8</b>	<b>(9.6)</b>

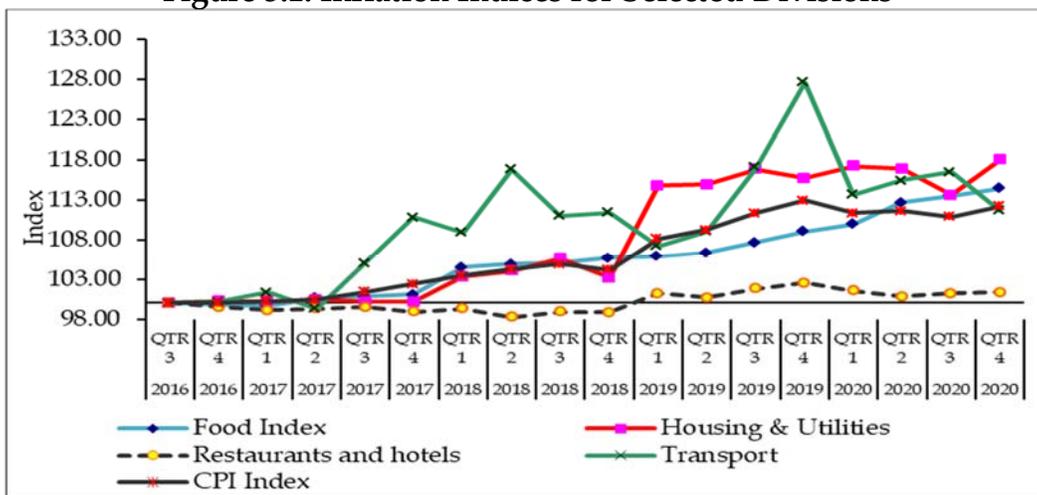
\* CPI Inflation excluding food and non-alcoholic beverages, electricity and fuels.

Source: Economics and Statistics Office

Despite the increases in most divisions, reductions in international oil prices led to a contraction of 12.2 percent in the electricity sub-index and a 0.8 percent fall in the transportation index. The index for restaurants and hotels declined by 0.3 percent due to a fall in the cost for packaged vacations as tourism numbers fell. Recreation and culture fell 3.2 percent during the year owing to the slowdown in demand emanating from shutdown measures.

Core inflation, the overall inflation without food and non-alcoholic beverages, electricity and fuel, reflected an increase of 2.1 percent in 2020 compared to 7.1 percent a year ago (see Table 3.4). The average cost of electricity and fuels was lower by 9.6 percent for the year. At the same time, the rise in non-food inflation averaged 0.7 percent compared to a year ago when it went up by 6.2 percent.

Figure 3.1: Inflation Indices for Selected Divisions



Source: Economics and Statistics Office

### 3.3 Labour Force and Employment

Cayman’s labour force declined by 10.5 percent to 43,922 in 2020 (see Table 3.5) as persons left the Islands and stopped searching for jobs amidst the pandemic. There were reductions in all segments, with the number of Non-Caymanians declining by 16.6 percent to 19,134, Caymanians decreased by 0.1 percent to 21,249, and Permanent Residents With Rights to Work (WRW) fell by 27.3 percent to 3,540. Consequent to persons withdrawing from the labour market, the Labour Force Participation Rate (LFPR) declined from 82.8 percent in 2019 to 80.4 percent in 2020. Similar to the fall in the labour force, there were declines in the LFPRs for all three segments of the labour force.

**Table 3.5: Summary of Labour Force Indicators**

<b>FALL</b>			
	<b>2019</b>	<b>2020</b>	<b>% Change</b>
<b>Total Population</b>	<b>69,914</b>	<b>65,786</b>	<b>(5.9)</b>
Working Age Population	59,262	54,620	(7.8)
Labour Force	49,089	43,922	(10.5)
Employed	47,394	41,644	(12.1)
Unemployed	1,695	2,279	34.5
Unemployment Rate	3.5	5.2	48.6
Labour Force Participation Rate	82.8	80.4	(2.9)
<b>Caymanian Population</b>	<b>37,363</b>	<b>37,815</b>	<b>1.2</b>
Working Age Population	29,359	29,520	0.5
Labour Force	21,269	21,249	(0.1)
Employed	20,068	19,490	(2.9)
Unemployed	1,201	1,759	46.5
Unemployment Rate	5.6	8.3	48.2
Labour Force Participation Rate	72.4	72.0	(0.6)
<b>Permanent Residents Population</b>	<b>6,955</b>	<b>5,866</b>	<b>(15.7)</b>
Working Age Population*	5,190	4,258	(18.0)
Labour Force	4,872	3,540	(27.3)
Employed	4,696	3,441	(26.7)
Unemployed	177	99	(44.1)
Unemployment Rate	3.6	2.8	(22.2)
Labour Force Participation Rate	93.9	83.1	(11.5)
<b>Non-Caymanian Population</b>	<b>25,596</b>	<b>22,105</b>	<b>(13.6)</b>
Working Age Population	24,713	20,842	(15.7)
Labour Force	22,948	19,134	(16.6)
Employed	22,630	18,713	(17.3)
Unemployed	318	421	32.4
Unemployment Rate	1.4	2.2	57.1
Labour Force Participation Rate	92.9	91.8	(1.2)

\* With rights to work (WRW) only

Source: ESO Fall Labour Force Surveys (2020)

Employment fell by 12.1 percent (or 5,750) to 41,644 in the year. Caymanian employment declined by 2.9 percent (or 578) to 19,490. The number of employed Permanent Residents WRW contracted by 26.7 percent (or 1,255) to 3,441, while employed Non-Caymanians declined by 17.3 percent (or 3,917) to 18,713.

The unemployment rate rose to 5.2 percent from 3.5 percent in 2019. This increase resulted from higher unemployment among Caymanians and Non-Caymanians. The number of unemployed Caymanians rose by 46.5 percent (or 558) to 1,759, while and Non-Caymanians increased by 32.4 percent (or 103) to 421. Conversely, the number of unemployed Permanent Residents WRW decreased by 44.1 percent (or 78) to 99.

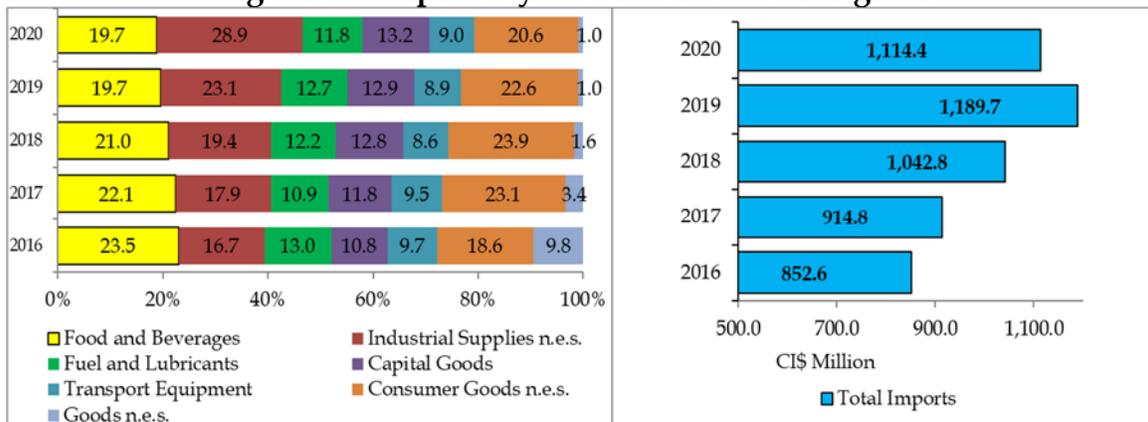
### 3.4 External Sector

**Merchandise Imports.** Contractions in both fuel and non-fuel imports led a to 6.3 percent reduction in the value of merchandise imports which fell to \$1,114.4 million for the year. Lockdown and curfew measures implemented to mitigate the spread of the pandemic resulted in reduced household and business spending as businesses closed, unemployment rose, and tourism spending vanished. The value of fuel imports fell by 37.0 percent to \$88.8 million, reflecting both a lower price and volume. Global crude oil prices declined to an average of US\$41.26 per barrel in 2020 from an average of US\$61.41 per barrel in 2019, according to the World Bank’s Commodity Price Data. Consistent with the sharp decline in fuel import, its share of total imports fell from 11.8 percent in 2019 to 8.0 percent in 2020.

The importation of non-fuel products declined by 2.2 percent to \$1,025.5 million. All categories decreased except for *commodities and transactions not elsewhere classified*, and *chemicals and related products*. The major contributors to the decline in non-fuel imports were *miscellaneous manufactured articles* (down 5.9 percent to \$225.8 million), *machinery and transport equipment* (down 5.4 percent to \$236.3 million), and *beverages and tobacco* (down 17.0 percent to \$41.8 million).

With regards to imports by Broad Economic Category (BEC), all categories recorded declines except industrial supplies not elsewhere specified. The categories registering the largest declines were fuels and lubricants, which fell by 39.5 percent to \$84.9 million; consumer goods not elsewhere specified, which decreased by 14.6 percent to \$229.1 million; and food and beverages, which shrank by 6.4 percent to \$219.4 million. Industrial supplies not elsewhere specified, which accounted for the largest share of imports (28.9 percent), increased by 16.8 percent to \$46.2 million.

Figure 3.2: Imports by Broad Economic Categories

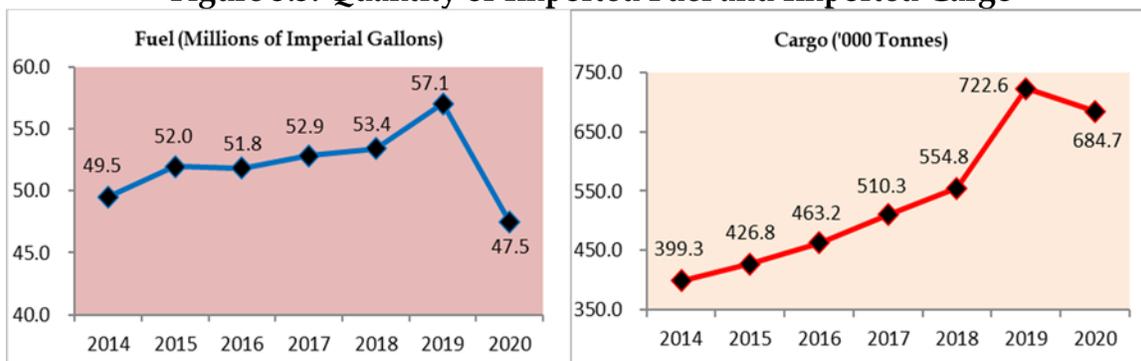


Source: Economics and Statistics Office

The volume of fuel imports contracted by 16.8 percent to 47.5 million imperial gallons for the year. This reduction was observed in all categories, with diesel and gas imports declining by 6.4 percent and 25.0 percent to 32.1 million and 11.0 million imperial gallons, respectively. Importation of aviation fuel fell by 56.6 percent to 2.4 million imperial gallons, while propane import contracted by 24.8 percent to 1.9 million imperial gallons. Diesel continued to account for the bulk of fuel imports into the Islands, contributing 67.7 percent of the imported volume in 2020.

Cargo imports dropped by 5.3 percent to 684.7 thousand tonnes, with all categories declining except for cement (bulk). Imported aggregates declined by 8.4 percent to 347.0 thousand tonnes, containerized cargo fell by 2.9 percent to 270.4 thousand tonnes and breakbulk cargo contracted by 13.3 percent to 7.0 thousand tonnes. In contrast, imported cement (bulk) rose by 4.6 percent to 60.3 thousand tonnes.

Figure 3.3: Quantity of Imported Fuel and Imported Cargo



Source: Customs Department and Port Authority of the Cayman Islands

**Exports:** The value of merchandise exports, which consists mainly of re-exports, decreased by 55.5 percent to \$18.4 million in 2020. This deterioration was primarily due to reduced exports of fuel and miscellaneous manufactured articles.

**Current account<sup>7</sup>:** The current account deficit of the balance of payments is estimated to have deteriorated in 2020 to \$982.2 million or 21.2 percent of GDP (see Table 3.6). Contractions in tourism receipts are expected to outweigh the lower deficits estimated for the goods and income sub-accounts. Tourism receipts are expected to contract due to the significant falloff in the sector. The goods sub-account is estimated to improve in line with the fall in imports, an outflow in the current account.

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

	2017R	2018	2019	2020
<b>Current Account Balances</b>				
Trade balance	(518.6)	(682.2)	(773.2)	(731.8)
Exports	308.7	257.8	297.5	301.9
Imports, f.o.b.	(827.3)	(940.1)	(1070.6)	(1033.7)
Services, net	1,836.3	1,883.3	1,966.6	1,381.9
Receipts	2,878.1	3,041.3	3,142.4	2,508.5
o/w tourism visitor expenditure	659.4	880.1	770.1	187.4
o/w financial services	1,102.2	1,149.2	1,143.6	1,157.9
Payments	(1,041.8)	(1,158.1)	(1,175.8)	(1,126.6)
Net income	(1,421.5)	(1,391.3)	(1,202.1)	(1,135.4)
Transfers, net	(622.5)	(582.6)	(476.0)	(497.0)
<b>Current Account Balance<sup>7</sup></b>	<b>(726.2)</b>	<b>(772.9)</b>	<b>(484.7)</b>	<b>(982.2)</b>
<i>Percent of GDP (%)</i>	<i>(16.9)</i>	<i>(16.8)</i>	<i>(9.8)</i>	<i>(21.2)</i>

<sup>E</sup> Estimated based on key economic indicators

\*Merchandise good exports plus goods procured in ports plus net export of goods under merchanting. Estimate for 2020 only includes merchandise goods and goods procured in port.

Source: Economics and Statistics Office

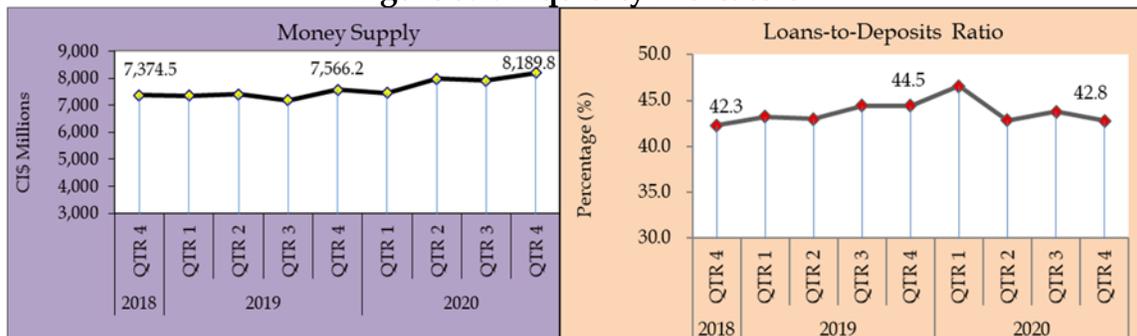
<sup>7</sup> The current account of the balance of payments measures the total value of the country's transaction against the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest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

### 3.5 Money and Credit<sup>8</sup>

**Broad liquidity:** Liquidity conditions improved in 2020, with broad liquidity (M2) expanding by 8.2 percent (\$623.6 million) relative to 2019 (see Figure 3.4 and Table 3.7). The rise in liquidity reflected increased activity and reliance on the financial sector for household and commercial transactions. The reliance on the banking system was also evidenced by the ratio of broad liquidity to nominal GDP (a measure of financial deepening) which stood at 172.8 percent at the end of 2020 relative to 153.0 percent at the end of 2019.

The expansion in money supply was due to a 12.4 percent rise in local currency-denominated money, which reflected increases of 18.7 percent and 17.1 percent in KYD deposits and currency in circulation, respectively. Higher deposits during the period may have been influenced by increased pension withdrawals during the second year, as employees responded to the government’s pension withdrawal initiative aimed at boosting income amidst the fall-out from the decline in tourism. Additionally, foreign currency deposits by residents grew by 4.6 percent for the year to \$5.9 billion. The growth in KYD deposits meant that its share of the total money stock increased to 26.3 percent, while the share of foreign currency deposits fell to 71.7 percent. Currency in circulation accounted for the remaining 2.0 percent of the total money supply.

Figure 3.4: Liquidity Indicators



Source: Cayman Islands Monetary Authority and ESO

The sharp increase in deposits during the review period outpaced an expansion in credit and resulted in the overall loans-to-deposits ratio deteriorating to 42.8 percent relative to 44.5 percent at the end of 2019. The rise in funding through deposits allowed commercial banks to increase net foreign assets and net domestic assets by 10.5 percent and 2.9 percent, respectively.

<sup>8</sup> Some additions and percentage changes may not be exact due to rounding to one decimal place.

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

	Dec-18	Dec-19	Dec-20	% Change
<b>Total Assets</b>	<b>7,374.5</b>	<b>7,566.2</b>	<b>8,189.8</b>	8.2
<b>Net Foreign Assets</b>	<b>5,305.1</b>	<b>5,330.5</b>	<b>5,889.8</b>	10.5
Monetary Authority	135.8	153.8	181.5	18.0
Commercial Banks	5,169.3	5,176.7	5,708.3	10.3
<b>Net Domestic Assets</b>	<b>2,069.4</b>	<b>2,235.7</b>	<b>2,300.0</b>	2.9
Domestic credit	3,066.3	3,300.9	3,432.9	4.0
Claims on central government	157.2	230.9	198.6	(14.0)
Claims on other public sector	50.1	45.1	38.7	(14.0)
Claims on private sector	2,859.1	3,024.9	3,195.6	5.6
Other items net	(996.9)	(1,065.2)	(1,132.9)	6.4
<b>Broad Liquidity</b>	<b>7,374.5</b>	<b>7,566.2</b>	<b>8,189.8</b>	8.2
Broad money (KYD) M2	<b>1,737.6</b>	<b>1,953.2</b>	<b>2,317.1</b>	18.6
Currency in circulation	126.6	140.4	164.4	17.1
<b>KYD Deposits</b>	<b>1,611.0</b>	<b>1,812.9</b>	<b>2,152.7</b>	18.7
Demand deposits	643.4	775.3	937.4	20.9
Time and savings deposits	967.6	1,037.5	1,215.3	17.1
FOREX deposits	5,636.9	5,613.0	5,872.7	4.6
of which: US dollars	5,262.0	5,203.1	5,332.6	2.5
<i>US dollars share (%)</i>	93.3	92.7	90.8	

Source: Cayman Islands Monetary Authority and ESO

**Net foreign assets:** Net foreign assets (NFA) of the Cayman Islands Monetary Authority (CIMA) and commercial banks expanded by 18.0 percent and 10.3 percent, respectively (see Table 3.8). CIMA's NFA rose by \$27.7 million during the review period, higher than the increase of \$18.0 million seen a year earlier. The build-up in commercial banks' NFA occurred in the context of a 29.0 percent reduction in foreign liabilities, which outweighed a 7.5 percent fall in foreign assets.

Foreign liabilities declined on account of lower non-resident deposits and other liabilities, which fell by 30.7 percent and 9.2 percent, respectively. The decline in foreign assets was due to reductions in foreign currency balances held with banks and branches and lower foreign currency non-resident loans. These were partly offset by an 8.3 percent rise in foreign currency investments.

The ratio of foreign currency-denominated liabilities to total liabilities (a financial soundness indicator that measures the relative importance of foreign currency funding within the banking system) stood at 80.0 percent in 2020, lower than the 84.0 percent recorded in 2019. Foreign currency liabilities continued to be a primary source of funding in the Cayman Islands, which can be considered a "pseudo dollarized economy." The large ratio of foreign currency deposits

provides strong support for the fixed exchange rate under the currency board system.

**Table 3.8: Net Foreign Assets, CI\$ million**

	Dec-18	Dec-19	Dec-20	% Change
<b>Net Foreign Assets</b>	<b>5,305.1</b>	<b>5,330.5</b>	<b>5,889.8</b>	<b>10.5</b>
Monetary Authority	135.8	153.8	181.5	18.0
Commercial Banks	5,169.3	5,176.7	5,708.3	10.3
<b>Foreign Assets</b>	<b>8,664.5</b>	<b>9,467.7</b>	<b>8,752.9</b>	<b>(7.5)</b>
Bal. with Banks & Branches	4,172.8	4,606.7	3,985.0	(13.5)
Total Investment	2,741.9	3,373.3	3,652.5	8.3
Total Non-Resident Loans	1,749.8	1,487.7	1,115.4	(25.0)
<b>Foreign Liabilities</b>	<b>3,495.2</b>	<b>4,290.9</b>	<b>3,044.7</b>	<b>(29.0)</b>
Total Non-Resident Deposits	3,230.3	3,956.0	2,740.6	(30.7)
Other Liabilities	264.9	334.9	304.1	(9.2)

Source: Cayman Islands Monetary Authority and ESO

**Net domestic credit:** Domestic credit expanded by 4.0 percent to \$3,432.9 million in 2020, driven by increased lending to the private and public sector. Credit extended to the private sector rose by 5.6 percent, reflecting expansions of 10.4 percent and 3.4 percent in businesses and household lending, respectively. The impact of these increases was partially offset by a reduction in public sector borrowing. The falloff in public sector credit was in the context of a 14.0 percent fall in credit to both the central government and parastatals.

**Table 3.9: Net Domestic Credit, CI\$ million**

	Dec-18	Dec-19	Dec-20	% Change
<b>Domestic Credit</b>	<b>3,066.3</b>	<b>3,300.9</b>	<b>3,432.9</b>	<b>4.0</b>
Credit to Public Sector	207.2	276.0	237.3	(14.0)
Credit to Central Government	157.2	230.9	198.6	(14.0)
Credit to Other Public Sector	50.1	45.1	38.7	(14.0)
Credit to Private Sector	2,859.1	3,024.9	3,195.6	5.6

Source: Cayman Islands Monetary Authority and ESO

Credit extended to businesses rose by 10.4 percent for the year to \$1,035.4 million (see Table 3.10). The trade and commerce sector reflected the largest expansion of \$68.3 million (or 11.7%). Credit to the services sector and the production and manufacturing sector rose by 14.3 percent and 9.1 percent, respectively. The

impact of these increases was partially offset by a 14.1 percent reduction in credit to other financial corporations.

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

	Dec-18	Dec-19	Dec-20	% Change
<b>Total Private Sector Credit</b>	<b>2,859.1</b>	<b>3,024.9</b>	<b>3,195.6</b>	<b>5.6</b>
<b>Credit to Businesses</b>	<b>717.4</b>	<b>937.5</b>	<b>1,035.4</b>	<b>10.4</b>
<b>Production &amp; Manufacturing</b>	<b>215.6</b>	<b>217.0</b>	<b>236.7</b>	<b>9.1</b>
Agriculture, Fishing and Mining	4.9	4.6	4.4	(3.1)
Manufacturing	13.8	8.0	8.9	10.5
Utilities	58.5	16.8	16.4	(2.1)
Construction	138.4	187.6	207.0	10.3
<b>Services</b>	<b>95.2</b>	<b>102.4</b>	<b>117.0</b>	<b>14.3</b>
Accommodation, Food, Bar & Entertainment Services	42.9	60.9	65.6	7.7
Transportation, Storage & Communications	23.4	21.5	28.8	34.1
Education, Recreational & Other Professional Services	28.9	20.0	22.6	13.1
<b>Trade and Commerce</b>	<b>363.3</b>	<b>584.6</b>	<b>652.9</b>	<b>11.7</b>
Wholesale & Retail Sales Trade	35.0	57.8	70.2	21.5
Real Estate Agents, Rental and Leasing Companies	145.2	262.6	281.5	7.2
Other Business Activities (General Business Activity)	183.1	264.2	301.1	14.0
<b>Other Financial Corporations</b>	<b>43.4</b>	<b>33.5</b>	<b>28.8</b>	<b>(14.1)</b>
<b>Credit to Households</b>	<b>2,063.1</b>	<b>2,068.8</b>	<b>2,139.1</b>	<b>3.4</b>
Domestic Property	1,780.9	1,771.8	1,887.8	6.5
Motor Vehicles	61.1	57.3	58.8	2.6
Education and Technology	5.8	4.7	4.2	(10.9)
Miscellaneous*	215.3	235.0	188.4	(19.9)
<b>NonProfit Organizations</b>	<b>78.6</b>	<b>18.6</b>	<b>21.1</b>	<b>13.6</b>

\*Miscellaneous include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority and ESO

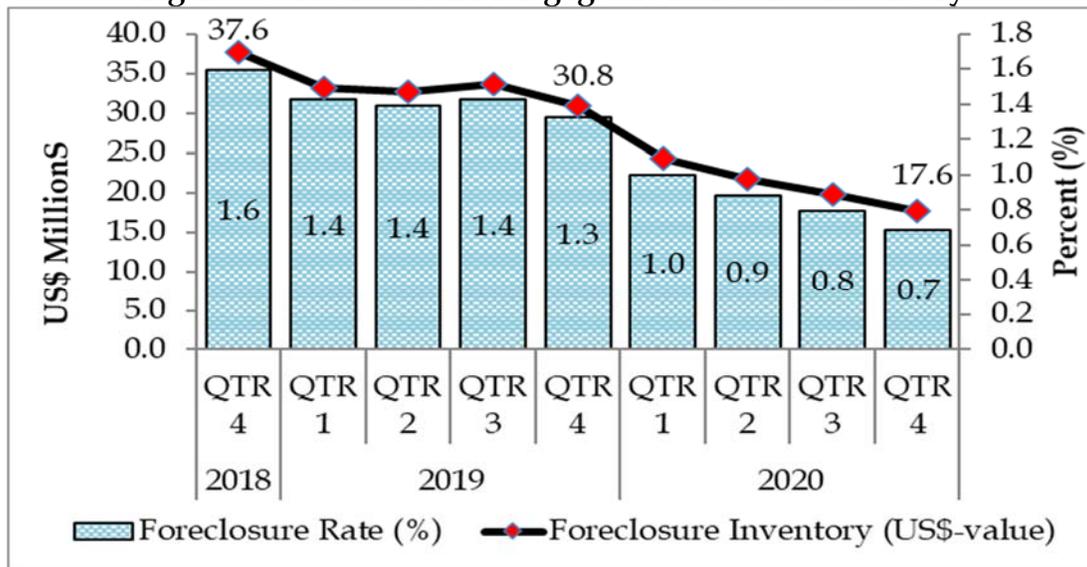
Credit to households, which accounted for more than two-thirds of the banking sector's domestic credit portfolio, increased by 3.4 percent (or \$70.3 million) to \$2,139.1 million in 2020. Growth in consumer loans was driven by increases of 6.5 percent and 2.6 percent in loans for domestic properties and motor vehicle loans, respectively. In contrast, there were reductions in the amount of credit extended

to education and technology and miscellaneous services, which fell by 10.9 percent and 19.9 percent, respectively.

**Residential mortgage foreclosures:** Data from CIMA showed that the average foreclosure inventory in 2020 reached 61 properties valued at US\$17.6 million. This represents a reduction from 110 properties valued at US\$30.8 million in 2019 (see Figure 3.5).

Similarly, the average foreclosure rate (the value of foreclosure inventory over the total value of residential mortgages) inched downwards to 0.7 percent in 2020 from 1.3 percent in 2019.

**Figure 3.5: Residential Mortgages Foreclosures Inventory**



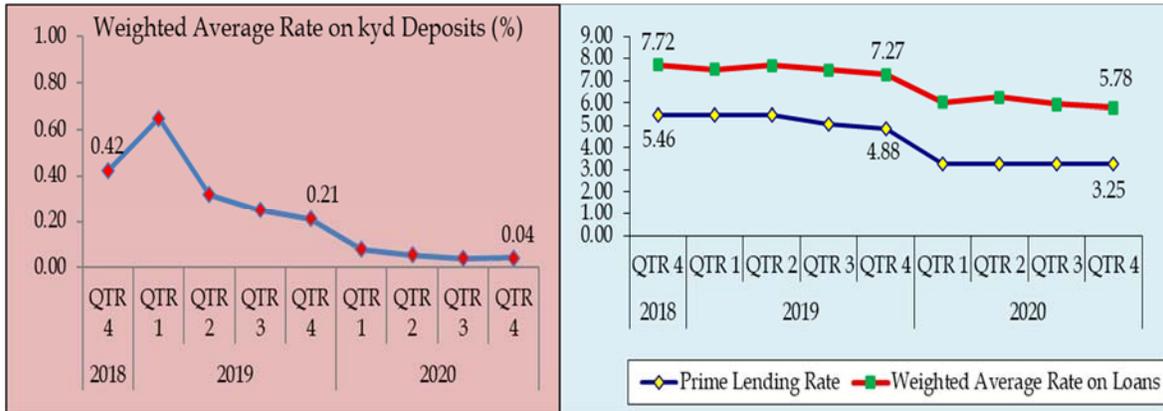
Source: Cayman Islands Monetary Authority and Economics and Statistics Office

**Interest rates:** A reduction in the Federal Funds Target Rate (FFTR) in the first quarter of 2020 supported a decline in Cayman’s prime lending rate, which fell by 163 basis points to 3.25 percent at the end of 2020.

Consistent with the reduction in the prime rate, the weighted average rate on KYD loans fell during the period by 149 basis points to 5.78 percent (see Figure 3.6).

The weighted average rate on KYD deposits declined to 0.04 percent at the end of 2020 from 0.21 percent the previous year.

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



Source: Cayman Islands Monetary Authority and ESO

## 4. Key Sector Developments

*Cayman's financial services industry generally improved while stay-over tourist arrivals dwindled. Construction indicators suggest increased activity, while the total value of real estate transfers declined. The utilities sector comprising electricity and water declined during the year.*

### 4.1 Financial Services

Indicators of financial services generally improved in 2020. Insurance licenses, mutual funds registration, stock exchange listings and new partnership registration increased while bank and trust licenses, and new company registrations fell.

**Banks & Trusts:** The total value of international banking assets domiciled in the Cayman Island declined by 9.8 percent to US\$595.4 billion in 2020 relative to the previous year. Similarly, international liabilities domiciled locally fell by 9.9 percent to US\$594.6 billion (see Table 4.1). Concerning cross-border positions, the Cayman Islands had assets of US\$579.0 billion, a decline of 9.5 percent, and liabilities of \$537.8 billion, a decline of 11.8 percent, both relative to end-2019. The declines resulted in Cayman losing ground in the international financial space, with the Islands' position in terms of assets falling to 16<sup>th</sup> relative to 14<sup>th</sup> in 2019. The position in terms of liabilities was stable at 14<sup>th</sup>. In the aggregate, all reporting countries recorded cross-border assets and liabilities of US\$35,609.5 billion (up 14.9 percent) and US\$31,584.9 billion (up 14.6 percent), respectively.

Banks with domestic positions had US\$16.4 billion in foreign currency assets and US\$56.8 billion in foreign currency liabilities at the end of 2020 (Table 4.1). These assets and liabilities were registered in the domestic economy with other legally domiciled licensed entities considered as resident entities<sup>9</sup>. Further, these banks had US\$2.6 billion in domestic currency assets and US\$3.2 billion in domestic currency liabilities.

The number of bank and trust licensees sustained its downward trend, declining by 15 (or 12.0 percent) to 110 at the end of 2020. This decline was concentrated in 'Class B' banks which decreased by 12.9 percent to 101. The number of 'Class A'

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<sup>9</sup> Inclusive of domestic positions in foreign currency of non-banks which are all entities that are non-deposit taking institutions (General Government, Non-Financial Corporations, Households, Non-Bank Financial Corporations, etc.).

banks remained unchanged at 9 and comprised 7 subsidiaries and 2 private & affiliates. The decline in 'Class B' banks resulted in an industry structure of 66 branches, 23 subsidiaries and 12 privates & affiliates.

**Table 4.1: Bank & Trust Companies, 2017-2020**

	2017	2018	2019	2020	% Change
<b>Bank and Trust Licensees</b>	<b>148</b>	<b>133</b>	<b>125</b>	<b>110</b>	<b>(12.0)</b>
<i>Of which:</i> Class 'A'	11	11	9	9	-
Class 'B'	137	122	116	101	(12.9)
<b>Trust Companies</b>	<b>118</b>	<b>117</b>	<b>115</b>	<b>117</b>	<b>1.7</b>
Trust Companies (Unrestricted)	57	57	56	57	(1.8)
Trust Companies (Restricted)	61	60	59	60	(1.7)
<b>Assets and Liabilities</b>	<b>US\$ Billion</b>				
Total Position					
Assets	931.9	670.1	660.4	595.4	(9.8)
Liabilities	932.1	671.5	659.8	594.6	(9.9)
Cross-Border Position (Foreign and Domestic Currency)					
Assets	914.7	652.5	639.5	579.0	(9.5)
Liabilities	874.4	622.2	609.7	537.8	(11.8)
Domestic Position (Foreign Currency)					
Assets	17.2	17.7	20.8	16.4	(21.4)
Liabilities	57.7	49.3	50.1	56.8	13.5

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

The contraction in the number of 'Class B' banks, which are legally restricted to conduct business offshore with non-residents, continued to reflect both local and international regulatory changes. The decline in the number of bank and trust licensees was reflected in all regions except the Middle East & Africa (see Table 4.2). Europe and Asia & Australia recorded the largest declines of 25.0 percent and 15.0 percent, respectively. South America, Cayman's largest source market (23.6 percent contribution), fell from 28 to 26. Caribbean & Central America which has the second-largest market share (18.2 percent contribution), declined from 22 to 20. The USA (16.4 percent contribution) and Asia & Australia (15.5 percent contribution) saw reductions from 20 to 18 and 17, respectively. The number of licensees in Europe (13.6 percent contribution) fell from 20 to 15.

**Table 4.2: Number of Banks by Region, 2017–2020**

	2017	2018	2019	2020	% Change
<b>Number of Banks</b>					
Europe	32	27	20	15	(25.0)
USA	24	22	20	18	(10.0)
Caribbean & Central America	20	24	22	20	(9.1)
Asia & Australia	21	20	20	17	(15.0)
Canada & Mexico	15	13	13	12	(7.7)
South America	33	25	28	26	(7.1)
Middle East & Africa	3	2	2	2	0.0
<b>Total</b>	<b>148</b>	<b>133</b>	<b>125</b>	<b>110</b>	<b>(12.0)</b>

Source: Cayman Islands Monetary Authority

**Insurance:** Licensing activities in the year improved, with the total number of insurers increasing by 7 (or 1.0 percent) to 679 (see Table 4.3).

Class A (domestic) insurers. The number of domestic insurers rose by 1 (or 3.8%) to 27 during the review period. This was due to an increase in ‘Class A’ external insurers from 17 to 18 while ‘Class A’ local insurers remained unchanged at 9.

According to unaudited consolidated financial statements at the end of 2020, domestic insurance licensees generated underwriting income of US\$260.4 million. This resulted from a net earned premium of US\$686.7 million, exceeding underwriting expenses of US\$426.3 million.

Net earned premium reflected gross written premiums of US\$792.1 million, assumed premiums of US\$160.8 million and ceded premiums<sup>10</sup> of -US\$253.3 million. Health insurance accounted for the largest proportion of gross premiums with US\$340.6 million (or 43.0 percent) followed by property with US\$230.8 million (or 29.1 percent). The largest share of ceded premiums was attributed to property insurance -US\$194.2 million of the total (or 76.7 percent). Net claims and adjustment expenses, the largest component within underwriting expenses, amounted to US\$333.3 million, with most of the payments being health-related claims of US\$224.9 million (or 67.5 percent).

<sup>10</sup> Ceded premiums are premiums paid or payable by the insurance company to another insurer for reinsurance protection. Negative figures indicate losses.

**Table 4.3: Insurance Companies, 2017 - 2020**

	2017	2018	2019	2020	% Change
<b>Total Insurance Licensees</b>	724	730	672	679	1.0
Class 'A' Licences (Domestic)	28	27	26	27	3.8
Class 'B' Licences (Captives)	669	674	618	624	1.0
Class 'C' Licences (Captives)	24	25	23	23	-
Class 'D' Licences (Captives)	3	4	5	5	-
<b>Total Captives</b>	<b>696</b>	<b>703</b>	<b>646</b>	<b>652</b>	<b>0.9</b>
<b>Financial Position of Captives</b>	<b>US\$ Billion</b>				
Premiums	12.4	15.4	18.0	20.9	16.2
Net Income*					
Net Worth					
Total Assets	61.1	68.7	68.9	70.8	2.7

Source: Cayman Islands Monetary Authority

Class B, C, and D or captives (international) insurers: The number of captives increased by 6 (or 0.9 percent) to 652. This was due solely to an increase in Class 'B' licensees as Class 'C' and Class 'D' companies remained unchanged. Pure captives accounted for the majority of international insurers (43.1%), followed by segregated portfolio companies (21.3%) and group captives (19.2%).

The rise in the number of captives was supported by a 16.2 percent rise in net premiums to US\$20.9 billion. Similarly, total assets increased by 2.7 percent to US\$70.8 billion at the end of the review period.

As shown in Table 4.4, the composition of the captive industry was similar to the preceding years. North America maintained its position as the dominant risk location, accounting for 90.0 percent of registered captives.

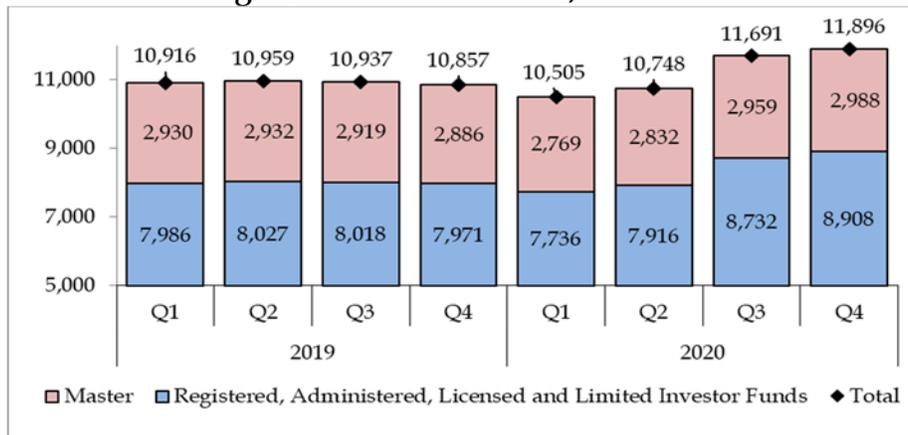
**Table 4.4: Captive Insurance Licences by Risk Location and Primary Class of Business, 2017-2020**

	2017	2018	2019	2020
Number of Companies				
Africa, Asia & Middle East	7	6	4	6
Caribbean & Latin America	19	19	18	22
Europe	12	11	7	6
North America	625	632	585	587
Pacific Rim	2	2	1	2
Other	31	33	31	29
	<b>696</b>	<b>703</b>	<b>646</b>	<b>652</b>
	2017	2018	2019	2020
Number of Companies				
Healthcare	223	227	210	200
Workers' Compensation	152	152	137	146
Property	66	69	64	64
General Liability	79	80	75	78
Professional Liability	62	59	55	55
Other	114	116	105	109
	<b>696</b>	<b>703</b>	<b>646</b>	<b>652</b>

Source: Cayman Islands Monetary Authority

**Mutual Funds:** The number of mutual funds totalled 11,896 at the end of 2020, 9.6 percent higher than at the end of 2019. This was due to improvements in most categories, with master and registered funds increasing by 3.5 percent to 2,988 and 4.7 percent to 7,972, respectively. Limited investor fund, which was introduced during the second quarter of 2020, ended the year at 583. There were declines in the number of administered and licensed funds, which fell by 0.3 percent to 294 and 7.8 percent to 59.

**Figure 4.1: Mutual Funds, 2019-2020**



Source: Cayman Islands Monetary Authority

**Stock Exchange.** The number of stock listings on the Cayman Islands Stock Exchange (CSX) rose by 12.4 percent to reach a record 2,336 (see Table 4.5). This increase was attributed mainly to higher listings for specialist debt securities<sup>11</sup>, which rose by 21.5 percent to 1,879. Sovereign debt securities<sup>12</sup> rose by 0.7 percent to 291. In contrast, there were lower listings for mutual funds, which fell by 36.6 percent to 123. Insurance-linked securities declined by 9.8 percent to 37, while retail debt securities fell by 50.0 percent to 1. There were no changes in the listings for primary equities and secondary equities.

**Table 4.5: Stock Listings, 2017-2020.**

Instruments	2017	2018	2019	2020	% Change
<b>Total</b>	<b>1,238</b>	<b>1,699</b>	<b>2,078</b>	<b>2,336</b>	<b>12.4</b>
Mutual Funds	216	224	194	123	(36.6)
Specialist Debt Security	702	1,128	1,547	1,879	21.5
Insurance Linked Security	42	47	41	37	(9.8)
Sovereign Debt Security	272	293	289	291	0.7
Primary Equity	4	4	4	4	0.0
Secondary Equity	1	1	1	1	0.0
Retail Debt Security	1	2	2	1	(50.0)

Source: Cayman Islands Stock Exchange

Consistent with the increase in listings, market capitalization rose by 7.5 percent to a record US\$458.8 billion. This mainly reflected an increase in specialist debt securities, which rose by 10.9 percent to US\$292.8 billion. For the year specialist debt securities accounted for 63.8 percent of the total market capitalization. Sovereign debt securities and mutual funds increased by 1.8 percent to US\$147.6 billion and 7.1 percent to US\$12.2 billion, respectively. There were also marginal increases for primary and secondary equities. In contrast, there were lower levels of market capitalization for insurance-linked securities (down 6.1 percent to \$5.0 billion) and retail debt securities (down 46.3 percent to \$0.5 billion).

<sup>11</sup> Specialist Debt Securities include debentures, debenture stock, loan stock, bonds, certificates of deposit and any other instrument creating or acknowledging indebtedness.

<sup>12</sup> Sovereign debt securities are those issued by a national government within a given country and denominated in a foreign currency.

**Table 4.6: Market Capitalization (US\$ Billions), 2017-2020<sup>13</sup>**

Instruments	2017	2018	2019	2020	% Change
<b>Total</b>	<b>241.4</b>	<b>310.2</b>	<b>427.0</b>	<b>458.8</b>	<b>7.5</b>
Mutual Funds	11.0	11.5	11.4	12.2	7.1
Specialist Debt Security	132.1	190.4	263.9	292.8	10.9
Insurance Linked Security	5.4	6.1	5.4	5.0	(6.1)
Sovereign Debt Security	92.3	100.9	145.0	147.6	1.8
Primary Equity	0.2	0.4	0.3	0.4	20.8
Secondary Equity	0.1	0.0	0.1	0.3	458.6
Retail Debt Security	0.4	0.8	0.9	0.5	(46.3)

Source: Cayman Islands Stock Exchange

**Company Registration:** The total number of registered companies increased by 1.8 percent to a record 111,568 at the end of 2020 (see Table 4.7). This improvement was due to the addition of 11,731 companies which offset the termination of 8,989 companies. The Exempt category continued to be the preferred vehicle for the conduct of business, accounting for 83.0 percent of all incorporated companies. The number of exempt and resident companies in the registry rose by 0.8 percent and 6.6 percent to 92,550 and 7,322, respectively. The number of foreign companies, which are companies registered in Cayman but incorporated elsewhere, increased by 5.6 percent to 5,623. Foundation companies rose by 8.2 percent to 158, while limited liability companies increased by 30.5 percent to 3,118. In contrast, the number of non-resident companies declined by 6.6 percent to 2,797.

New company registrations decreased by 8.5 percent to 11,731 in 2020. Exempt companies recorded the largest absolute decline falling by 10.4 percent to 9,360. Non-resident and resident companies also declined, decreasing by 48.0 percent and 12.2 percent, respectively. There was also a reduction in the number of foundation companies by 21.8 percent. Diverting from the declining trend, there were respective increases in new registrations of foreign companies and limited liability companies by 8.2 percent and 6.3 percent, respectively. The number of terminated companies decreased from 10,796 in 2019 to 8,989 in 2020.

<sup>13</sup> The figures for mutual funds and domestic equity refer to market capitalization. Figures for specialist debt, Eurobond and secondary equity is based on par values.

**Table 4.7: Company Registrations, 2017-2020**

	2017	2018	2019	2020	% Change
<b>Total Company Registrations</b>	<b>99,327</b>	<b>107,309</b>	<b>109,556</b>	<b>111,568</b>	<b>1.8</b>
Exempt	83,675	90,179	91,833	92,550	0.8
Non-Resident	3,871	3,461	2,994	2,797	(6.6)
Resident	6,291	6,837	6,867	7,322	6.6
Foreign	4,601	5,029	5,326	5,623	5.6
Foundation*	-	93	146	158	8.2
Limited Liability Companies	889	1,710	2,390	3,118	30.5
<b>New Company Registrations</b>	<b>13,046</b>	<b>16,326</b>	<b>12,822</b>	<b>11,731</b>	<b>(8.5)</b>
Exempt	11,138	13,812	10,448	9,360	(10.4)
Non-Resident	25	15	25	13	(48.0)
Resident	583	726	738	648	(12.2)
Foreign	589	761	694	751	8.2
Foundation*	-	84	55	43	(21.8)
Limited Liability Companies	711	928	862	916	6.3

Source: Cayman Islands General Registry

**Partnership Registration:** The total number of registered partnerships increased by 9.7 percent to a record 31,733 at the end of 2020 (see Table 4.8). The increase reflected a rise in the number of new partnerships, which exceeded the number of terminated partnerships for the review period. Exempt limited partnerships, which accounts for 98.1 percent of total partnerships, increased by 9.4 percent to 31,144. The number of foreign partnerships rose by 26.9 percent to 570, while the number of limited partnerships declined by 9.5 percent to 19.

New partnership registrations rose by 4.2 percent to 4,510. This improvement was due primarily to an increase of 3.2 percent in exempt limited partnerships to 4,355. Foreign and limited partnerships recorded growth of 40.0 and 100.0 percent to 154 and 1, respectively.

The number of terminated partnerships decreased from 1,665 in 2019 to 1,641 in 2020. This decline was due to a reduction in the number of terminated exempted limited partnerships, which fell from 1,658 to 1,620.

Table 4.8: Partnership Registrations, 2017-2020

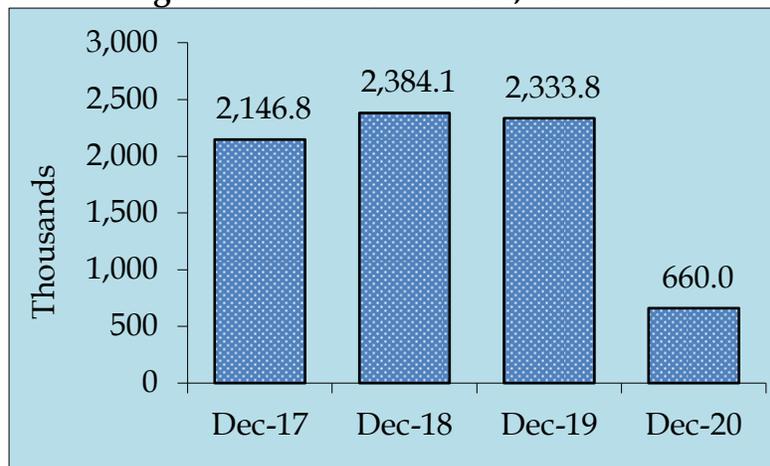
	2017	2018	2019	2020	% Change
<b>Total Partnership Registrations</b>	<b>22,655</b>	<b>26,381</b>	<b>28,939</b>	<b>31,733</b>	<b>9.7</b>
Exempt Limited	22,346	26,011	28,469	31,144	9.4
Foreign	286	349	449	570	26.9
Limited	23	21	21	19	(9.5)
<b>New Partnership Registrations</b>	<b>3,872</b>	<b>5,007</b>	<b>4,328</b>	<b>4,510</b>	<b>4.2</b>
Exempt Limited	3,774	4,917	4,218	4,355	3.2
Foreign	97	90	110	154	40.0
Limited	1	-	-	-	0.0
Limited Liability*	-	-	-	1	100.0

Source: Cayman Islands General Registry

## 4.2 Tourism

Stay-over visitor arrivals to the Cayman Islands plunged during 2020 as global travel slowed drastically and the Islands implemented travel restriction measures to cope with the pandemic. Despite strong arrivals in the first quarter of the year, a miniscule number of stay-over visitors in the ensuing months led to a 71.7 percent contraction in total visitors to 659,959 visitors.

Figure 4.2: Tourist Arrivals, 2017-2020



Source: Department of Tourism

**Stay-over arrivals** Stayover arrivals declined by 75.8 percent to 121,819 for the year. This decline was attributed to travel restrictions which caused visitors from all regional markets to fall. Visitors from the USA and Canada contracted by 76.3

percent and 62.3 percent, respectively. Arrivals from Europe fell by 73.8 percent for the year, while visitors from ‘other’ regions decreased by 83.2 percent.

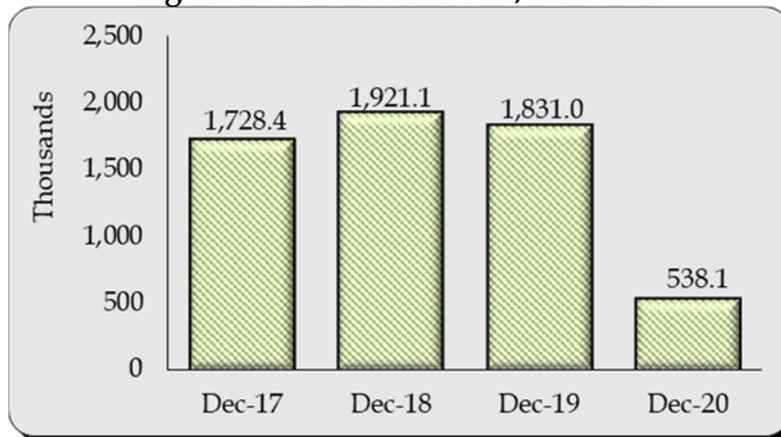
**Table 4.9: Stay-over Arrivals by Country of Origin, 2017-2020**

	2017	2018	2019	2020	% Change
In Thousands					
USA	341.0	385.3	418.6	99.1	(76.3)
Europe	24.3	22.8	24.1	6.3	(73.8)
Canada	24.8	26.6	30.1	11.4	(62.3)
Others	28.4	28.2	29.9	5.0	(83.2)
<b>Total</b>	<b>418.4</b>	<b>463.0</b>	<b>502.7</b>	<b>121.8</b>	<b>(75.8)</b>
USA (% share)	81.5	83.2	83.3	81.4	

Source: Department of Tourism

**Cruise market.** Cruise arrivals totalled 538,140 for the year, representing a 70.6 percent decline from the same time last year. This contraction reflected the closure of the Island’s cruise port at the end of March to reduce the effects of the covid-19 outbreak. The cruise port remained closed for the remainder of the year, resulting in no cruise arrivals after the first quarter.

**Figure 4.3: Cruise Arrivals, 2017-2020**



Source: Department of Tourism

### 4.3 Construction

Indicators for building intentions displayed somewhat mixed results for the year, with the value of building permits and certificate of occupancy increasing while the value of project approvals fell. Notably, the contraction in project approvals was mainly due to one large hotel project in 2019.

**Building Permits:** The total value of building permits increased by 18.1 percent to reach \$555.6 million. The residential and commercial sectors drove the rise in value. Building permits for residential properties increased marginally by 0.2 percent to \$349.0 million for the year. This growth reflected a 23.9 percent uptick in permits for houses, the impact of which was partly offset by a 13.6 percent fall in permits for apartments. The increase in value for houses was due to approvals for several high-end houses during the period.

The commercial category rose by 530.4 percent or \$115.5 million and reflected permits for several multi-tenant buildings. The Industrial category also increased 179.2 percent or \$5.3 million.

Despite the rise in building permit values, the volume of permits fell by 17.9 percent to 1,025.

**Table 4.10: Grand Cayman Building Permits 2017-2020**

	Building Permits (CI\$ Mil)				%	Number of Permits				%
	2017	2018	2019	2020	Change	2017	2018	2019	2020	Change
Residential	170.3	153.4	348.5	349.0	0.2	336	379	516	499	(3.3)
Houses	107.8	93.5	127.8	158.3	23.9	255	260	350	334	(4.6)
Apartments	62.5	59.8	220.7	190.7	(13.6)	81	119	166	165	(0.6)
Commercial	41.4	42.1	21.8	137.2	530.4	89	93	86	77	(10.5)
Industrial	3.6	-	3.0	8.3	179.2	5	2	6	10	66.7
Hotel	2.8	-	0.2	-	(100.0)	2	1	1	-	(100.0)
Government	0.2	14.0	9.2	1.2	(87.41)	8	16	22	4	(81.8)
Other	16.5	38.4	88.0	59.8	(32.0)	439	469	618	435	(29.6)
<b>Total</b>	<b>234.7</b>	<b>247.9</b>	<b>470.6</b>	<b>555.6</b>	<b>18.1</b>	<b>879</b>	<b>960</b>	<b>1,249</b>	<b>1,025</b>	<b>(17.9)</b>

Source: Cayman Islands Planning Department

**Project Approvals:** The total value of project approvals in Grand Cayman fell by 0.8 percent to \$883.2 million for the year. This contraction primarily reflected the non-recurrence of two projects which took place in the previous year.

The hotels sector contracted by 100.0 percent or \$187.7 million, reflecting the value of two projects approved in 2019. Declines were also observed in the government and 'other' sector, which fell by \$6.1 million and \$45.8 million, respectively.

In stark contrast, residential approvals rose by 59.0 percent to \$499.5 million, reflecting increases of 1.2 percent and 89.7 percent in houses and apartments,

respectively. The main project in the apartment category is a large scale 10-storey apartment complex valued at over \$180 million.

The number of project approvals increased by 11.9 percent for the year, with all categories except two growing over the period.

**Table 4.11: Grand Cayman Planning Approvals, 2017-2020**

	Project Approvals (CI\$ Mil)				%		Number of Approvals				%
	2017	2018	2019	2020	Change		2017	2018	2019	2020	Change
Residential	338.6	255.1	314.1	499.5	59.0	Residential	359	245	320	348	8.7
Houses	118.4	104.6	109.0	110.3	1.2	Houses	276	191	245	258	5.3
Apartments	220.3	150.5	205.2	389.1	89.7	Apartments	83	54	75	90	20.0
Commercial	50.1	37.4	48.9	74.2	51.9	Commercial	34	17	32	16	(50.0)
Industrial	74.2	1.6	4.4	26.1	493.5	Industrial	19	5	7	7	-
Hotel	246.8	-	187.7	-	(100.0)	Hotel	3	-	2	-	(100.0)
Government	4.5	1.3	7.7	1.6	(79.3)	Government	14	4	10	14	40.0
Other	84.5	456.9	327.6	281.8	(14.0)	Other	727	451	377	452	19.9
<b>Total</b>	<b>798.7</b>	<b>752.3</b>	<b>890.4</b>	<b>883.2</b>	<b>(0.8)</b>	<b>Total</b>	<b>1,156</b>	<b>722</b>	<b>748</b>	<b>837</b>	<b>11.9</b>

Source: Cayman Islands Planning Department

**Certificates of Occupancy:** The value of certificates of occupancy (CO) increased by 54.2 percent, to \$316.5 million for 2020, its highest level since 2009 when the value was \$279.6 million. Certificates for apartments showed the strongest absolute growth of 118.1 percent.

The total number of occupancy certificates issued fell by 12.6 percent to 380.

**Table 4.12: Certificates of Occupancy Grand Cayman, 2017-2020**

	Certificate of Occupancy (CI\$ Million)				%		Number of Certificates				%
	2017	2018	2019	2020	Change		2017	2018	2019	2020	Change
Residential	88.9	138.3	169.1	239.8	41.9	Residential	246	269	318	298	(6.3)
Houses	72.5	78.8	90.6	68.8	(24.1)	Houses	207	194	242	187	(22.7)
Apartments	16.4	59.5	78.4	171.1	118.1	Apartments	39	75	76	111	46.1
Commercial	13.5	24.3	25.1	16.2	(35.5)	Commercial	68	66	86	54	(37.2)
Industrial	-	2.5	2.4	2.9	17.9	Industrial	1	7	4	8	100.0
Hotel	2.3	3.7	4.9	-	(100.0)	Hotel	8	2	2	-	(100.0)
Government	9.5	0.5	0.4	51.8	14,426.0	Government	5	5	3	4	33.3
Other	3.2	3.8	3.5	5.9	70.0	Other	13	19	22	16	(27.3)
<b>Total</b>	<b>117.4</b>	<b>173.1</b>	<b>205.3</b>	<b>316.5</b>	<b>54.2</b>	<b>Total</b>	<b>341</b>	<b>368</b>	<b>435</b>	<b>380</b>	<b>(12.6)</b>

Source: Cayman Islands Planning Department

#### 4.4 Real Estate

Real estate activity, as indicated by property transfer value and volume contracted in 2020. The value of property transfers totalled \$807.1 million, a decline of 6.4 percent relative to the previous year. The reduction was traced to lower values for both freehold and leasehold property transfers. The value of freehold property transfers fell by 5.7 percent, while leasehold transfers declined by 18.7 percent. Consistently, the total number of property transfers declined by 1.9 percent to reach 2,074.

**Table 4.13: Property Transfers, 2017-2020**

	Dec-17	Dec-18	Dec-19	Dec-20	% Change
<b>Freehold</b>					
number	1,875	2,070	1,922	1,914	(0.4)
value (CI\$M)	798.0	855.8	816.4	769.8	(5.7)
<b>Leasehold</b>					
number	194	220	192	160	(16.7)
value (CI\$M)	32.2	287.9	45.8	37.2	(18.7)
<b>Total</b>					
number	2,069	2,290	2,114	2,074	(1.9)
value (CI\$M)	830.2	1,143.7	862.2	807.1	(6.4)

Source: Lands and Survey Department

#### 4.5 Utilities

**Utilities:** Curfew measures implemented in the second quarter of the year, coupled with the sharp decline in tourism activity, reduced the commercial demand for electricity and water in 2020.

Water consumption declined by 5.2 percent to 1,952 million gallons. Consistently, production was reduced by 4.9 percent, as major distributors moved to reduce costs associated with oversupply.

Electricity consumption contracted by 3.5 percent to 644.3 thousand megawatt-hours for 2020. Lower consumption was linked to a decline in the average consumption of commercial and public service customers. Notwithstanding the decline, both the commercial and residential customer base increased during the year. Commercial consumption declined by 11.7 percent to 282.5 thousand megawatt-hours, while public consumption fell by 6.3 percent to settle at 5.5

thousand megawatt-hours. As more persons remained indoors amidst the curfew orders and increase work from home arrangements, residential consumption levels increased by 4.2 percent to 356.6 thousand megawatt-hours. Residential customers consumed 13.3 megawatt-hours of electricity on average in 2020, up from 13.2 megawatt-hours in the previous year. Commercial customers consumed 62.3 megawatt-hours on average, down from 70.9 megawatt-hours in 2019.

**Table 4.14 Utilities Production/Consumption, 2017-2020**

	Dec-17	Dec-18	Dec-19	Dec-20	% Change
Millions of US Gallons					
Water Production	2,279.1	2,424.0	2,518.8	2,390.9	(5.1)
Water Consumption	1,907.2	2,009.4	2,058.9	1,952.0	(5.2)
'000 of megawatt hrs					
Electricity Production (Net)	654.4	641.8	678.8	651.5	(4.0)
Electricity Consumption	621.8	628.8	667.7	644.3	(3.5)
Residential	312.8	314.0	342.1	356.6	4.2
Commercial	302.1	308.4	320.1	282.5	(11.7)
Public	6.9	6.5	5.5	5.2	(6.3)
Total Customers	29,160	29,822	30,537	31,293	2.5
Residential	24,853	25,409	26,023	26,754	2.8
Commercial	4,307	4,413	4,514	4,539	0.6

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

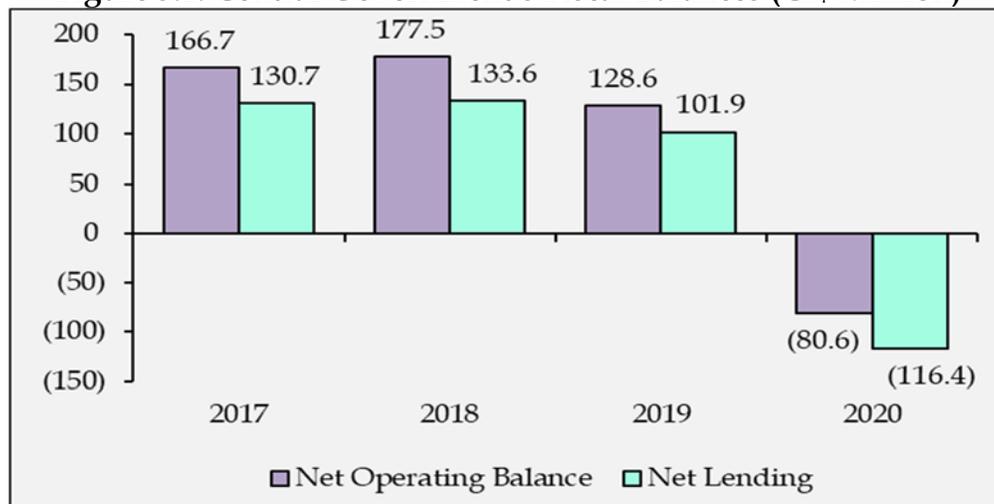
## 5. Fiscal Operations of the Central Government

The central government recorded a deficit in 2020 due mainly to falling revenue and increased expenditure on stimulus measures to mitigate the negative impact of the pandemic.

### 5.1 Overview

Restrictions on business activities, lower demand, and reduced fees for some sectors led to a reduction in government revenue for the year. In contrast, expenditure increased due to higher spending on healthcare and other stimulus measures. Consequently, the central government incurred a net borrowing (overall deficit) of \$116.4 million in 2020, relative to net lending (overall surplus) of \$101.9 million in 2019 (see Figure 5.1). The overall deficit was equivalent to 2.5 percent GDP for the year.

**Figure 5.1: Central Government’s Fiscal Balances (CI\$ Million)**



Source: Cayman Islands Treasury Department and ESO

The fiscal deficit resulted from a fall in revenue in tandem with a simultaneous increase in expenditure. The decline in revenue was due to contractions in both taxes (coercive revenue) and other revenue (non-coercive revenue), while the rise in expenditure was due to increases in both expenses (current expenditure) and net investment in non-financial assets (capital expenditure). Consistent with the deficit in the overall balance, the central government net operating balance<sup>14</sup> recorded a deficit of \$80.6 million in 2020.

<sup>14</sup> Net operating balance is revenue minus expense.

**Table 5.1: Summary of Fiscal Operations, 2017-2020**

	2017	2018	2019	2020	% Change
<b>Millions of Cayman Islands Dollars</b>					
<b>Revenue</b>	753.2	830.2	860.0	797.4	(7.3)
<b>Expense</b>	586.4	652.6	731.4	878.0	20.0
<b>Net Operating Balance</b>	166.7	177.5	128.6	(80.6)	(162.7)
Net Investment in Non-Financial Assets	36.1	43.9	26.6	35.8	34.5
<b>Expenditure</b>	622.5	696.6	758.1	913.8	20.5
<b>Net Lending</b>	130.7	133.6	101.9	(116.4)	(214.2)
<b>Financing:</b>					
Net Acquisition of Financial Assets	95.8	102.7	(185.0)	(152.2)	(17.7)
Net Incurrence of Liabilities	(34.8)	(30.9)	(287.0)	(35.8)	(87.5)

Source: Cayman Islands Treasury Department

## 5.2 Revenue

Revenue decreased by 7.3 percent to \$797.4 million due to reduced domestic activities in line with lockdown measures as well as a fall in demand. The reduction in revenue reflected declines in taxes, down 6.7 percent to \$739.3 million, and other revenue, down 14.0 percent to \$58.1 million. Taxes on international trade and transactions and taxes on goods and services were the major contributors to the decline in the central government's revenue. The revenue-to-GDP ratio fell to 17.1 percent from 17.4 percent in 2019 as the pace of reduction in revenue was greater than the pace of contraction in GDP.

**Table 5.2: Revenue Collection of Central Government**

	2017	2018	2019	2020	% Change
<b>Millions of Cayman Islands Dollars</b>					
<b>Revenue</b>	753.2	830.2	860.0	797.4	(7.3)
<b>Taxes</b>	702.4	773.0	792.5	739.3	(6.7)
Taxes on Int'l Trade & Transactions	178.0	199.1	210.9	178.7	(15.3)
Taxes on Goods & Services	451.0	469.4	511.0	460.5	(9.9)
Taxes on Property	69.7	83.0	67.0	67.3	0.4
Other Taxes	3.7	21.5	3.6	32.9	813.1
<b>Other Revenue</b>	50.7	57.2	67.5	58.1	(14.0)
Sale of Goods & Services	40.0	40.2	43.6	39.2	(10.1)
Investment Revenue	7.1	12.2	18.4	8.5	(53.9)
Fines, Penalties and Forfeits	2.6	2.7	2.9	3.0	1.3
Transfers n.e.c.	1.0	2.1	2.5	7.4	190.4

Source: Cayman Islands Treasury Department

**Taxes on goods and services:** Revenue from this category amounted to \$460.5 million, 9.9 percent lower than the amount collected in 2019 (see Table 5.3). All categories declined except traders' licences. Tourist accommodation charges, work permit and residency fees, and financial services licences accounted for the largest declines in revenue. As a share of tax revenue, taxes on goods and services declined to 62.3 percent from 64.5 percent in 2019.

**Table 5.3: Taxes on Domestic Goods and Services**

	2017	2018	2019	2020	% Change
<b>Millions of Cayman Islands Dollars</b>					
Financial Services Licences	249.0	260.8	273.8	264.8	(3.3)
ICTA Licences & Royalties	8.9	7.5	8.6	7.9	(7.8)
Work Permit and Residency Fees	88.9	87.3	99.0	86.8	(12.4)
Other Stamp Duties	10.6	10.6	13.4	12.1	(9.7)
Traders' Licences	5.8	5.9	5.7	6.2	8.1
Other Domestic Taxes	87.8	97.4	110.6	82.7	(25.2)
<i>Of which:</i>					
Tourist Accommodation Charges	24.6	32.7	36.5	10.3	(71.9)
Motor Vehicle Charges	11.1	11.5	11.4	10.6	(7.5)
<b>Taxes on Goods &amp; Services</b>	<b>451.0</b>	<b>469.4</b>	<b>511.0</b>	<b>460.5</b>	<b>(9.9)</b>

Source: Cayman Islands Treasury Department

Revenue collected from ICTA licences and royalties fell by 7.8 percent to \$7.9 million. Work permit and residency fees decreased by 12.4 percent to \$86.8, consistent with a decline in the number of work permits. Other stamp duties decreased by 9.7 percent to \$12.1 million. This was consistent with a reduction in the value of property transfers.

Other domestic taxes fell by 25.2 percent to \$82.7 million. Notably, revenue from tourist accommodation charges declined by 71.9 percent to \$10.3 million, while revenue generated from motor vehicle charges fell by 7.5 percent to \$10.6 million.

Revenue from financial services licences decreased by 3.3 percent to \$264.8 million (see Table 5.4). Six of the ten categories registered lower revenue with security investment business licences (down 38.4 percent to \$9.4 million) and other company fees - exempt (down 4.1 percent to \$100.1 million), recording the largest declines.

**Table 5.4: Financial Services Licences**

	2017	2018	2019	2020	% Change
	<b>Millions of Cayman Islands Dollars</b>				
<b>Financial Services Licences</b>	<b>249.0</b>	<b>260.8</b>	<b>273.8</b>	<b>264.8</b>	<b>(3.3)</b>
Bank and Trust Licences	29.2	29.4	28.5	27.5	(3.7)
Insurance Licences	8.8	8.8	8.7	8.7	0.8
Other Company Fees - Exempt	2.5	2.9	104.4	100.1	(4.1)
Other Company Fees - Foreign	2.9	2.5	8.4	7.6	(9.5)
Other Company Fees - Non-Resident	95.6	98.0	2.2	2.1	(6.6)
Other Company Fees - Resident	6.7	7.1	2.6	2.6	(1.0)
Partnership Fees	47.1	51.8	60.4	62.1	2.8
Mutual Fund Administrators	41.9	44.0	43.1	44.6	3.4
Money Services Licences	0.0	0.0	0.1	0.1	0.0
Security Investment Business Licences	14.3	16.2	15.3	9.4	(38.4)

Source: Cayman Islands Treasury Department

**Taxes on international trade and transactions:** Collections in this category fell by 15.3 percent to \$178.7 million as all categories declined (see Table 5.5). The share of tax revenue contributed by international trade decreased to 24.2 percent from 26.6 percent in 2019.

Import duties fell by 10.2 percent to \$173.3 million as all categories of duties contracted. Duties collected on gasoline/diesel and alcoholic beverages declined by 14.4 percent and 11.3 percent to \$13.7 million and \$21.1 million, respectively. Motor vehicle duties decreased by 15.1 percent to \$15.3 million, while duties collected from tobacco products fell by 2.1 percent to \$8.3 million.

**Table 5.5: Taxes on International Trade and transactions**

	2017	2018	2019	2020	% Change
	<b>Millions of Cayman Islands Dollars</b>				
<b>Import Duties</b>	<b>161.9</b>	<b>181.1</b>	<b>193.1</b>	<b>173.4</b>	<b>(10.2)</b>
Gasoline/Diesel	14.2	14.7	16.0	13.7	(14.4)
Alcoholic Beverages	20.8	22.3	23.8	21.1	(11.3)
Motor Vehicles	16.6	17.2	18.0	15.3	(15.1)
Tobacco Products	7.0	7.8	8.5	8.3	(2.1)
Other Import Duties	103.4	119.2	126.8	115.0	(9.3)
Cruise Ship Departure Charges	10.4	11.5	11.0	3.3	(70.2)
Environmental Protection Fund Fees	5.7	6.4	6.8	2.1	(69.4)
<b>Taxes on International Trade and Transactions</b>	<b>178.0</b>	<b>199.1</b>	<b>210.9</b>	<b>178.7</b>	<b>(15.3)</b>

Source: Cayman Islands Treasury Department

Other import duties declined by 9.3 percent to \$115.0 million. Environmental protection fund fees fell by 69.4 percent to \$2.1 million, while revenue collected from cruise ship departures fell by 70.2 percent to \$3.3 million. The reduction in cruise ship departure charges resulted from the closure of the island cruise port after the first quarter of the year.

**Taxes on Property:** Revenue from taxes on property rose by 0.4 percent to \$67.3 million in 2020 (Table 5.2). The significant contributor to this increase was stamp duty on land transfers which decreased by 1.6 percent to \$65.6 million.

**Other taxes:** Proceeds from the liquidation of entities led to a rise in other taxes to \$32.9 million from \$3.6 million in the previous year.

**Other revenue (non-coercive revenue):** Revenue from this category decreased by 14.0 percent to \$58.1 million in 2020. This reflected declines in the sale of goods and services, which fell by 10.1 percent to \$39.2 million, and investment revenue, which fell by 53.9 percent to \$8.5 million. The decline in investment revenue was due primarily to lower interest receipts on securities, deposits and cash. Revenue collected from fines, penalties and forfeits and transfers not elsewhere classified (other operating revenue) increased during the review period.

### **5.3 Expenditure**

The central government recorded expenditure of \$913.8 million in 2020 compared with \$758.1 million in the previous year (Table 5.1). Expenditure as a proportion of GDP increased to 19.6 percent in 2020 from 15.3 percent in 2019 as a result of the expansion in expenditure and reduction in GDP. The higher level of expenditure was due to increases of \$146.5 million and \$9.2 million in government's expenses and net investment in non-financial assets, respectively.

**Expense (current expenditure):** The operational expense of the central government increased by 20.0 percent to \$878.0 million, reflecting higher spending in all categories except interest payments (see Table 5.6).

Compensation of employees (personnel costs) rose by 17.0 percent to \$386.8 million in 2020. This was due to increases in salaries and wages (including employee pension contributions) and increased healthcare remuneration.

**Table 5.6: Expense of the Central Government**

	2017	2018	2019	2020	% Change
	<b>Millions of Cayman Islands Dollars</b>				
<b>Expense</b>	<b>586.4</b>	<b>652.6</b>	<b>731.4</b>	<b>878.0</b>	<b>20.0</b>
Compensation of Employees	273.6	283.5	330.6	386.8	17.0
Use of Goods and Services	86.7	97.3	116.6	120.6	3.4
Subsidies	133.1	166.5	180.0	208.2	15.7
Social Benefits	29.9	36.2	39.5	69.7	76.7
Consumption of Fixed Capital	32.8	32.6	36.0	38.7	7.6
Interest	25.6	24.0	22.1	13.3	(39.9)
Other Expense	4.8	12.6	6.7	40.6	508.0

Source: Cayman Islands Treasury Department

Use of goods and services (supplies and consumables) increased by 3.4 percent to total \$120.6 million. This was due mainly to increased spending on goods, up 98.3 percent to \$34.9 million.

Payment of subsidies to public entities (statutory authorities and government-owned companies) and non-governmental organizations increased by 15.7 percent to \$208.2 million. Public entities received \$34.9 more in subsidies to total \$164.9 million, while non-governmental organizations had a lower allocation of \$6.7 million in subsidies to total \$43.4 million. With regards to public entities, Cayman Airways Limited, Health Services Authority and Cayman Islands Monetary Authority accounted for the largest increases in subsidies.

Social benefits<sup>15</sup> (transfer payments) rose by 76.7 percent to \$69.7 million and included some of the stimulus measures provided by the government to the individuals most adversely impacted by the pandemic. The sports and cultural tourism assistance programmes, financial assistance for the poor, scholarships and bursaries, and temporary financial assistance facilitated most of these transfers.

Consumption of fixed capital (depreciation) increased by 7.6 percent to \$38.7 million. The main contributors were the depreciation of aeroplanes and computer hardware. Interest payment fell by 39.9 percent to \$13.3 million and was consistent with the reduction in the debt stock.

<sup>15</sup> These are current transfers receivable by households intended to provide for needs that arise from social risks associated with sickness, unemployment, retirement, housing, education or family circumstances.

Other expense which comprises central government's non-capital spending not classified in any of the other categories rose by \$33.9 million to \$40.6 million. This was linked to spending on supplies of \$34.4 million to combat COVID-19.

**Investment in non-financial assets (capital expenditure):** The Central government invested \$74.5 million (1.6% of GDP) in non-financial assets for 2020, relative to \$62.6 million (1.3% of GDP) in 2019. Net investment in non-financial assets, which is the total investment in non-financial assets less depreciation, increased by 34.5 percent to \$35.8 million.

**Table 5.7: Investment in Non-Financial Assets of the Central Government**

	2017	2018	2019	2020	% Change
<b>Millions of Cayman Islands Dollars</b>					
<b>Gross Investment in Non-Financial Assets</b>	<b>68.9</b>	<b>76.5</b>	<b>62.6</b>	<b>74.5</b>	<b>19.0</b>
Fixed Assets	68.9	76.5	62.1	73.2	17.9
Capital Investment in Ministries and Portfolio:	9.6	20.2	23.5	35.7	52.1
Capital Investment in Statutory Authorities and Government Owned Companies	43.8	31.6	23.0	20.7	(10.0)
Executive Assets	15.5	24.8	15.5	16.7	7.7
Inventories			0.6	1.4	140.7
<b>Net Investment in Non-Financial Assets</b>	<b>36.1</b>	<b>43.9</b>	<b>26.6</b>	<b>35.8</b>	<b>34.5</b>
Consumption of Fixed Capital	32.8	32.6	36.0	38.7	7.6

Source: Cayman Islands Treasury Department

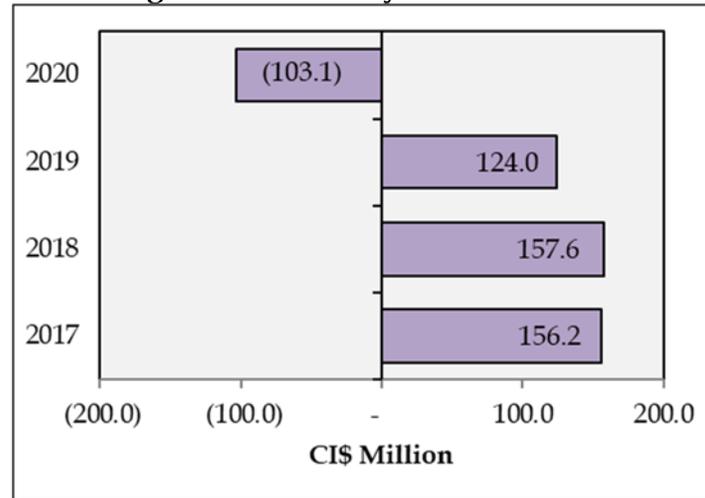
Within fixed assets, capital investment in ministries and portfolios rose by 52.1 percent to \$35.7 million. Increased spending of \$12.6 million by the Ministry of Education, Youth, Sports, Agriculture and Lands and \$5.3 million by the Ministry of Health, Environment, Culture and Housing were the primary contributors. Capital investment in statutory authorities and government-owned companies declined by 10.0 percent to \$20.7 million. This decline resulted mainly from reduced expenditure of \$5.2 million and \$3.0 million on Cayman Turtle Farm Limited and Cayman Islands National Insurance Company, respectively. Capital expenditure on executive assets increased by 7.7 percent to \$16.7 million. This outturn emanated mainly from increased spending on land purchases and road expansion projects. The central government's inventories rose by 140.7 percent to \$1.4 million.

#### 5.4 Primary Balance

The primary balance is defined as net lending excluding interest payments and is a standard indicator of the central government's capacity to service debt obligations. The primary balance decreased to a deficit of \$103.1 million in 2020

from a surplus of \$124.0 million in 2019. The primary balance as a percentage of GDP decreased to -2.2 percent in the review period from 2.5 percent in 2019.

Figure 5.2: Primary Fiscal Balance



Sources: Cayman Islands Treasury Department and ESO

### 5.5 Financing and Debt Service Indicators

Net acquisition of financial assets<sup>16</sup>, which includes the cash balance, remained negative despite improving to \$152.2 million in 2020 from \$185.0 million a year ago (see Table 5.8). The negative value is in the context of the government running a deficit to cope with the impact of the pandemic. Net incurrence of liabilities amounted to -\$35.8 million relative to -\$287.0 million in 2019, reflecting loan payments in the year. There were no loan disbursements during the review period and the previous year.

Table 5.8: Financing of Central Government

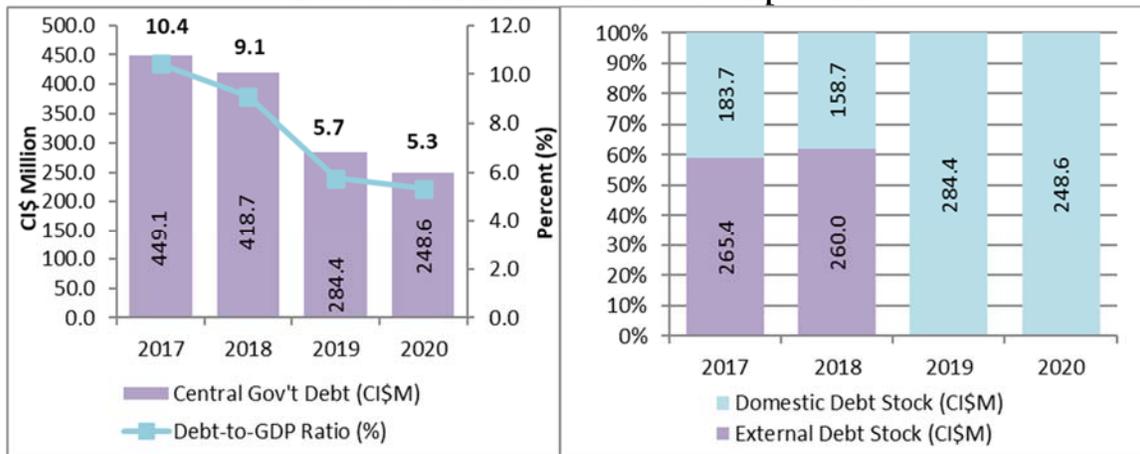
	2017	2018	2019	2020	% Change
<b>Millions of Cayman Islands Dollars</b>					
<b>Financing:</b>					
Net Acquisition of Financial Assets	95.8	102.7	(185.0)	(152.2)	17.7
Net Incurrence of Liabilities	(34.8)	(30.9)	(287.0)	(35.8)	87.5
Disbursements	0.0	0.0	0.0	0.0	-
Loan Repayment	34.8	30.9	287.0	35.8	(87.5)

Source: Cayman Islands Treasury Department

<sup>16</sup> This is defined as the acquisition of financial assets less the disposal of financial assets. A negative figure implies that the disposal of financial assets is greater than acquisition.

Loan repayments during the year resulted in a reduction in the central government’s outstanding debt, which fell to \$248.6 million at the end of 2020 from \$284.4 million at the end of 2019 (see Figure 5.3)<sup>17</sup>. The reduction in debt and GDP placed the debt-to-GDP ratio at 5.3 percent relative to 5.7 percent at the end of 2019. The outstanding debt at the end of 2020 was comprised only of liabilities owed to domestic commercial banks.

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



Source: Cayman Islands Treasury Department, ESO

All of the central government’s debt service indicators declined during 2020. Notably, the interest payments-to-revenue ratio decreased to 1.7 percent from 2.6 percent in 2019 (see Table 5.9). The debt service-to-GDP and debt service-to-revenue ratios both fell to 1.1 percent and 6.2 percent in 2020 from 6.2 percent and 35.9 percent in 2019, respectively.

**Table 5.9: Central Government Debt Service Indicators**

Debt Service Indicators	2017	2018	2019	2020
Interest Payments-to-Revenue Ratio	3.4	2.9	2.6	1.7
Debt Service-to-GDP Ratio	1.4	1.2	6.2	1.1
Debt Service-to-Revenue Ratio	8.0	6.6	35.9	6.2

Source: Cayman Islands Treasury Department, Economics and Statistics Office

<sup>17</sup> Central government’s outstanding debt comprises debt managed directly by the Treasury Department and excludes government-guaranteed debt and other contingent liabilities.

## 6. Macroeconomic Outlook for 2021

*The Islands' economy is projected to grow by 1.2 percent in 2021 as businesses navigate the continued impact of the pandemic with minimal local restrictions. Domestic inflation is expected to accelerate relative to 2020 as international commodity prices rise, while unemployment is expected to moderate in line with the improvement in production.*

### 6.1 Global Outlook<sup>18</sup>

Global economic activity is expected to recover by 6.0 percent in 2021 as advanced countries inoculate the majority of their population and increases in global demand gathers pace (see Table 6.1). Output in advanced economies is anticipated to rise by 5.4 percent in 2021, followed by further growth of 3.6 percent in 2022. The US economy is projected to expand by 6.4 percent in 2021 and 3.5 percent in 2022. The economic surge in the U.S. and other advanced economies should be supported by continued reduction in global lockdown measures and increased travel and consumption as restrictions are further reduced and business activity increases.

**Table 6.1: Macroeconomic Indicators 2017-2022**

	2017	2018	2019	Estimate 2020	Projections 2021	Projections 2022
<b>Real GDP growth (%)</b>						
Cayman Islands	3.2	4.2	3.8	-6.7	1.2	4.6
United States	2.3	3.0	2.2	-3.5	6.4	3.5
World	3.8	3.6	2.8	-3.3	6.0	4.4
Advanced Economies	2.2	2.1	1.5	-5.0	5.4	3.6
<b>Consumer Prices Index (avg. %)</b>						
Cayman Islands	2.0	3.0	6.0	1.0	2.1	1.9
United States	2.1	2.4	1.8	1.2	2.3	2.4
Advanced Economies	1.8	2.1	1.5	0.8	1.7	1.8
<b>Unemployment (%)</b>						
Cayman Islands	4.9	2.8	3.5	5.2	5.0	4.4
United States	4.4	3.9	3.7	8.1	5.8	4.2
Advanced Economies	5.0	4.6	4.3	6.5	5.8	5.0

Sources: International Monetary Fund (April 2021 WEO) for data on the US, World, and Advanced Economies, and the Economics and Statistics Office for Cayman Islands data.

<sup>18</sup> This global outlook is based on information culled from the International Monetary Fund (April 2021 World Economic Outlook) and other international organizations.

Global inflation is projected to accelerate as demand outpaces the recovery in supply, where supply chains continue to navigate the dynamism of the post-pandemic era. A sharp increase in crude oil prices<sup>19</sup> in the first half of the year and further projection for all commodity prices to rise is expected also to add inflationary pressures over the medium term. Oil prices are projected to rise by 41.7 percent in 2021, while non-fuel commodity prices are expected to grow by 16.1 percent for the year. In the United States, average inflation is projected at 2.3 percent, higher than the 1.2 percent recorded in 2020. Average inflation among advanced economies is expected at 1.7 percent for 2021 and 1.8 percent for 2022.

## 6.2 Domestic Growth

Economic activity in the Cayman Islands is expected to recover partly as local businesses navigate the year with minimal domestic restrictions relative to 2020. Notwithstanding, demand should remain constrained in 2021 as the island remains relatively closed for most of the year. This subdued demand is expected to improve over the medium term as the tourism sector rebounds. Economic output in the Cayman Islands is projected to rise by 1.2 percent in 2021. Most industries are expected to contribute to the increase in 2021, led by construction; however, some industries such as hotels and restaurants along with transport and storage, are expected to fall even lower as the islands continue to enforce quarantine measures (see Tables 6.1 and 6.2).

The **construction sector** is expected to lead the economic recovery, with several large-scale private sector projects, including many high-end apartment complexes and some hotel projects expected to spur further growth. Hotel projects expected to remain robust in 2021 include the NCB Hilton Hotel, the new Hyatt Hotel (Pageant Beach site), the starting of the Mandarin Hotel at Beach Bay, and the Indigo Hotel. Additionally, government projects such as work on the John Grey High School, the construction of a mental health facility and continued road expansions should contribute to growth over the medium term. The sector is projected to expand by 10.3 percent in 2021.

The multiplier effect of the growth in the construction sector, which has the highest interlinkage with the local economy, is expected to boost activity in some auxiliary sectors. **Electricity and water supply** is projected to expand by 2.6 percent in 2021, while the **wholesale and retail** sector is anticipated to rise by 2.1 percent in 2021. The **real estate** sector is expected to remain robust with a growth of 2.2 percent as

<sup>19</sup> Simple average of prices of U.K. Brent, Dubai Fateh, and West Texas Intermediate Crude Oil.  
Source: *World Economic Outlook (WEO)* by the International Monetary Fund (IMF).

construction and investment continue to increase. Continued growth is also expected from the health sector and other government services.

**Table 6.2: Real GDP at (2015 Prices) by Sector (\$ million)\***

	2018	2019	2020E	2021P	% Change
<b>Millions of CI\$</b>					
<b>Primary Sectors</b>	<b>26.3</b>	<b>27.5</b>	<b>29.4</b>	<b>30.9</b>	5.2
Agriculture & Fishing	16.6	17.2	19.4	20.2	4.5
Mining & Quarrying	9.7	10.3	10.0	10.7	6.7
<b>Secondary Sectors</b>	<b>201.8</b>	<b>219.7</b>	<b>210.5</b>	<b>231.2</b>	9.9
Manufacturing	38.8	40.5	39.1	42.2	8.2
Construction	162.9	179.2	171.4	189.0	10.3
<b>Services Sectors</b>	<b>3,861.9</b>	<b>4,014.3</b>	<b>3,759.3</b>	<b>3,782.4</b>	0.6
Electricity & Water Supply	99.9	105.6	101.2	103.8	2.6
Wholesale & Retail Trade, Repairs & Installation of Machinery	275.2	291.7	279.2	285.0	2.1
Hotels & Restaurants incl. Bars	233.1	249.2	58.2	6.5	(88.8)
Transport, Storage & Communication	263.1	275.6	236.0	214.7	(9.1)
Financing & Insurance Services	1,341.1	1,375.9	1,379.4	1,419.6	2.9
Business Activities and Admin	675.7	691.5	656.3	677.5	3.2
Real Estate	369.5	379.5	384.6	393.0	2.2
Health and Social Work	156.7	163.4	189.2	204.5	8.1
Producers of Government Services	323.9	346.6	371.4	385.5	3.8
Other Services	123.7	135.2	103.8	92.3	(11.1)
<b>Taxes less Subsidies on Products</b>	<b>264.9</b>	<b>259.6</b>	<b>217.6</b>	<b>224.2</b>	3.0
<b>GDP constant at purchasers prices</b>	<b>4,354.9</b>	<b>4,521.1</b>	<b>4,216.8</b>	<b>4,268.7</b>	1.2
Growth (%)	4.2	3.8	(6.7)	1.2	

Source: Economics and Statistics Office

\* 2020 figures are advance estimates based on key indicators; 2021 figures are projections.

The latest outlook of increased activity globally should support robust demand for Caymans financial services. This is expected to boost activities in the **business activities and administrative services** sector<sup>20</sup>, which remained relatively robust in 2020. The sector is anticipated to expand by 3.2 percent for the year. Continued

<sup>20</sup> This sector is comprised mainly of legal services, accounting and auditing services, business management and consultancy firms, corporate managers and corporate service providers, engineering services, architectural quantity surveying and mapping services, construction-related project management, etc.

growth in domestic lending and international demand is expected to further expand finance and insurance services, which is projected to grow by 2.9 percent.

Activity in the tourism and transport sector is expected to remain repressed for 2021 as the island's borders remain closed for the first three quarters of the year, with partial restrictions expected even after reopening in the last quarter. Consequently, the **hotels and restaurants** sector is expected to contract further by 88.0 percent in 2021. The transport sector is also expected to worsen due to the continued closure of the Islands' border, with the national carrier continuing to operate on a restricted schedule. **Transport storage and communication** activities are projected to contract by 9.1 percent in 2021.

### **6.3 Domestic Inflation**

The consumer price index (CPI) inflation rate is forecasted at 2.1 percent in 2021, an acceleration relative to the 1.0 percent observed in 2020. Higher prices in the US, Caymans' main trading partner is expected to add some inflationary pressure for the year. Inflation in the US rose to 5.0 percent for the first five months of 2021 relative to the same period of the previous year. Additionally, the projected rise in commodity prices for 2021 should also drive some inflationary pressures. Notwithstanding, falling prices in the first quarter of the year should offset some of the increases expected in the remaining three quarters.

### **6.4 Domestic Labour Market**

The demand for labour is expected to track the GDP growth forecasts with increased employment opportunities expected from planned construction projects. However, the tourism industry's continued closure will result in further restructuring in the local labour market as businesses are forced to recalibrate their business models. The Government's policy to prioritize the integration of displaced Caymanians into the workforce is expected to shift labour market dynamics and minimize the impact of displacements on the overall unemployment figure. Given the projected rise in the labour force and employment, the unemployment rate is forecast at 5.0 percent of the labour force in 2021.

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**Cayman Islands Land and Surveys Department**  
**Cayman Islands Monetary Authority**  
**Cayman Islands Planning Department**  
**Cayman Islands Stock Exchange**  
**Cayman Islands Treasury Department**  
**Cayman Islands Water Authority**  
**Cayman Water Company**  
**Department of Immigration**  
**The Utility Regulation and Competition Office (OfReg)**  
**Maritime Authority of the Cayman Islands**  
**Port Authority of the Cayman Islands**

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**Table A1: Gross Domestic Product**

Year	Nominal GDP (CI\$M)	Real GDP 2015 Prices (CI\$M)	Mid-Year Population (000s)	Real GDP Per Capita (\$)	Real GDP Growth (%)
1998	2,207.83	3,152.02	38.1	82,730	5.8
1999	2,393.70	3,259.19	39.0	83,569	3.4
2000	2,501.74	3,291.78	40.2	81,885	1.0
2001	2,566.48	3,311.53	41.4	80,085	0.6
2002	2,676.68	3,367.83	42.5	78,992	1.7
2003	2,775.80	3,435.18	43.6	78,836	2.0
2004	2,923.97	3,466.10	44.2	78,419	0.9
2005	3,341.46	3,691.40	48.4	76,269	6.5
2006	3,523.00	3,861.20	52.0	74,254	4.6
2007	3,721.90	3,983.30	54.1	73,628	3.2
2008	3,821.70	3,969.10	56.0	70,877	-0.4
2009	3,568.00	3,683.30	56.5	65,191	-7.2
2010	3,464.00	3,583.30	55.5	64,540	-2.7
2011	3,488.40	3,625.20	55.3	65,583	1.2
2012	3,575.80	3,669.80	56.1	65,352	1.2
2013	3,671.50	3,716.70	56.2	66,052	1.3
2014	3,802.40	3,815.40	56.9	66,946	2.7
2015	3,923.50	3,923.50	59.1	66,439	2.8
2016	4,050.58	4,091.09	61.3	66,045	3.2
2017	4,179.55	4,305.22	63.1	66,221	3.2
2018	4,354.85	4,602.00	64.4	67,601	4.2
2019	4,521.08	4,946.28	68.1	66,412	3.8
2020 <sup>P</sup>	4,216.80	4,659.51	67.9	62,149	-6.7

Source: Economics and Statistics Office

<sup>P</sup> Preliminary

**Table A2: Consumer Price Index and Inflation**  
(September 2016=100)

Year	Index Year-end	Index Average	Average Rate (%)	Inflation
1996	67.5	66.6		2.5
1997	69.4	68.4		2.7
1998	71.1	70.5		3.0
1999	76.7	75.4		7.0
2000	77.8	77.3		2.6
2001	78.4	78.2		1.2
2002	80.7	80.2		2.5
2003	81.2	80.6		0.5
2004	90.3	84.2		4.5
2005	90.3	90.4		7.3
2006	91.8	91.0		0.7
2007	93.3	93.7		2.9
2008	97.0	97.6		4.1
2009	95.7	96.1		-1.5
2010	96.0	96.4		0.3
2011	97.8	97.6		1.3
2012	99.8	98.8		1.2
2013	101.5	100.9		2.2
2014	102.1	102.2		1.2
2015	99.6	99.8		-2.3
2016	100.0	99.1		-0.7
2017	102.4	101.1		2.0
2018	104.2	104.5		3.3
2019	112.9	110.4		5.7
2020	112.2	111.5		1.0

Source: Economics and Statistics Office

**Table A3: Labour Force and Employment**

Year	Labour Force	Total Employed	Total Unemployed	Unemployment Rate (%)
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
2016	42,196	40,411	1,785	4.2
2017	42,941	40,856	2,085	4.9
2018	46,178	44,887	1,291	2.8
2019	49,089	47,394	1,695	3.5
2020	43,922	41,644	2,279	5.2

Source: Economics and Statistics Office

Note:

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

**Table A4: Composition of the Employed Labour Force**

Year	Total	Caymanian	Permanent Resident WRW	Non-Caymanian
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	4,537	14,979
2015	39,138	18,366	3,990	16,783
2016	40,411	18,525	4,404	17,482
2017	40,856	19,259	4,158	17,439
2018	44,887	20,751	3,843	20,292
2019	47,394	20,068	4,696	22,630
2020	41,644	19,490	3,441	18,713

Source: Economics and 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. PR-WRW data for the years prior to 2014 are included as part of Non-Caymanian data.

**Table A5: Composition of the Unemployed Labour Force**

Year	Total	Caymanian	Permanent Residents WRW	Non-Caymanian
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
2016	1,785	1,406	173	206
2017	2,085	1,515	190	380
2018	1,291	996	188	108
2019	1,695	1,201	177	318
2020	2,279	1,759	99	421

Source: Economics and 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. PR-WRW data for the years prior to 2014 are included as part of Non-Caymanian data.

**Table A6: Work Permits**

<b>Year</b>	<b>Total</b>
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
2016	24,158
2017	25,305
2018	26,657
2019	27,514
2020	25,085

Source: WORC

1995-1999 data from Economics and  
Statistics Office

**Table A7: Merchandise Trade (CI\$ Million)**

<b>Year</b>	<b>Imports</b>	<b>Exports</b>	<b>Trade Balance</b>
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	19.7	(526.5)
2004	718.9	11.9	(707.0)
2005	976.3	42.8	(933.5)
2006	873.5	13.9	(859.6)
2007	857.6	17.9	(839.7)
2008	898.7	27.1	(871.6)
2009	779.6	23.0	(756.6)
2010	726.3	20.3	(706.0)
2011	801.6	30.6	(771.0)
2012	800.4	32.4	(768.0)
2013	816.6	42.8	(773.8)
2014	852.9	40.1	(812.8)
2015	821.9	54.0	(767.9)
2016	852.6	48.1	(804.5)
2017	914.8	32.2	(882.5)
2018	1,042.8	34.4	(1,008.4)
2019R	1,189.7	41.5	(1,148.2)
2020P	1,114.4	18.4	(1,095.9)

<sup>R</sup> Revised

<sup>P</sup> Preliminary

Source: Cayman Islands Customs Department and Economics and Statistics Office

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019R	2020P
<b>Total Imports</b>	<b>801.6</b>	<b>800.4</b>	<b>816.6</b>	<b>852.3</b>	<b>821.4</b>	<b>852.1</b>	<b>914.8</b>	<b>1,042.8</b>	<b>1,189.7</b>	<b>1,114.4</b>
Food and Live Animals	119.9	128.0	138.9	162.0	166.3	171.0	175.0	188.1	194.9	189.4
Beverages and Tobacco	27.4	28.9	30.0	31.5	30.9	34.4	34.1	41.6	50.3	41.8
Inedible Crude Materials	9.3	9.0	9.9	11.2	12.5	14.5	16.4	17.2	23.3	21.6
Mineral Fuels, Lubricants and Related Materials	202.1	173.0	189.3	178.5	106.8	93.2	112.2	133.2	140.9	88.8
Animal and Vegetable Oils, Fats and Waxes	0.3	0.2	0.2	0.6	1.5	1.1	0.6	1.6	1.7	1.6
Chemicals and Related Products n.e.s.	32.3	36.9	38.4	39.8	39.3	43.5	54.8	74.1	80.8	86.7
Manufactured Goods (classified chiefly by material)	77.4	92.7	94.5	91.7	90.7	95.2	110.7	124.4	135.6	135.0
Machinery and Transport Equipment	108.3	115.9	117.3	126.9	147.1	171.2	193.1	214.1	249.8	236.3
Miscellaneous Manufactured Articles	131.2	131.2	120.9	131.9	114.2	116.4	185.0	224.5	240.0	225.8
Commodities and Transactions n.e.s.	93.4	84.6	77.2	78.2	112.0	111.6	33.1	23.9	72.4	87.4

<sup>R</sup> Revised

<sup>P</sup> Preliminary

n.e.s. - not elsewhere specified

Source: Cayman Islands Customs Department and Economics and Statistics Office

**Table A9: Monetary Assets and Liabilities, CI\$ Million**

	2015	2016	2017	2018	2019	2020
<b>Total Assets</b>	5,898.0	6,155.3	7,285.9	7,374.5	7,566.2	8,189.8
<b>Net Foreign Assets</b>	3,795.4	3,883.0	4,954.5	5,305.1	5,330.5	5,889.8
Monetary Authority	110.8	122.2	126.6	135.8	153.8	181.5
Commercial Banks	3,684.6	3,760.8	4,827.9	5,169.3	5,176.7	5,708.3
<b>Net Domestic Assets</b>	2,102.5	2,272.3	2,331.3	2,069.4	2,235.7	2,300.0
<b>Domestic Credit</b>	2,981.2	3,083.9	3,188.5	3,066.3	3,300.9	3,432.9
Claims on central Government	226.5	211.0	182.8	157.2	230.9	198.6
Claims on other public sector	70.0	64.0	55.5	50.1	45.1	38.7
Claims on private sector	2,684.7	2,809.0	2,950.2	2,859.1	3,024.9	3,195.6
<b>Other Items (net)</b>	(878.7)	(811.6)	(857.2)	(996.9)	(1,065.2)	(1,132.9)
<b>Broad Liquidity</b>	5,898.0	6,155.3	7,285.9	7,374.5	7,566.2	8,189.8
<b>Broad money (KYD) M2</b>	5,898.0	6,155.3	7,285.9	7,374.5	7,566.2	8,189.8
Currency in circulation	1,394.5	1,534.3	1,649.8	1,737.6	1,953.2	2,317.1
KYD Deposits	107.7	115.6	119.5	126.6	140.4	164.4
Demand Deposits	1,286.8	1,418.7	1,530.3	1,611.0	1,812.9	2,152.7
Time and savings deposits	505.3	595.9	648.0	643.4	775.3	937.4
<b>FOREX deposits</b>	781.6	822.8	882.3	967.6	1,037.5	1,215.3
Of which: US dollars	4,503.4	4,621.0	5,636.0	5,636.9	5,613.0	5,872.7

Source: Cayman Islands Monetary Authority and Economics & Statistics Office

**Table A10: Domestic Credit to the Private Sector by Retail Banks, CI\$ Million**

	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
<b>Total</b>	<b>2,684.7</b>	<b>2,809.0</b>	<b>2,950.2</b>	<b>2,859.1</b>	<b>3,024.9</b>	<b>3,195.6</b>
<b>Credit to Businesses</b>	<b>827.3</b>	<b>907.6</b>	<b>884.1</b>	<b>717.4</b>	<b>937.5</b>	<b>1,035.4</b>
<b>Production &amp; Manufacturing</b>	<b>165.5</b>	<b>172.2</b>	<b>159.5</b>	<b>215.6</b>	<b>217.0</b>	<b>236.7</b>
Agriculture, Fishing and Mining	8.3	4.3	4.7	4.9	4.6	4.4
Manufacturing	18.7	19.6	14.1	13.8	8.0	8.9
Utilities	12.9	36.9	23.0	58.5	16.8	16.4
Construction	125.6	111.3	117.7	138.4	187.6	207.0
<b>Services</b>	<b>65.6</b>	<b>72.2</b>	<b>85.4</b>	<b>95.2</b>	<b>102.4</b>	<b>117.0</b>
Accommodation, Food, Bar & Entertainment Services	15.4	13.6	26.4	42.9	60.9	65.6
Transportation, Storage & Communications	17.4	19.4	24.1	23.4	21.5	28.8
Education, Recreational & Other Professional Services	32.8	39.2	34.9	28.9	20.0	22.6
<b>Trade and Commerce</b>	<b>483.9</b>	<b>525.6</b>	<b>578.6</b>	<b>363.3</b>	<b>584.6</b>	<b>652.9</b>
Wholesale & Retail Sales Trade	68.5	53.4	53.2	35.0	57.8	70.2
Real Estate Agents, Rental and Leasing Companies	211.7	194.6	132.0	145.2	262.6	281.5
Other Business Activities (General Business Activity)	203.7	277.6	393.4	183.1	264.2	301.1
<b>Other Financial Corporations</b>	<b>112.2</b>	<b>137.6</b>	<b>60.7</b>	<b>43.4</b>	<b>33.5</b>	<b>28.8</b>
<b>Credit to Households</b>	<b>1,843.1</b>	<b>1,882.7</b>	<b>1,992.5</b>	<b>2,063.1</b>	<b>2,068.8</b>	<b>2,139.1</b>
Domestic Property	1,553.6	1,600.9	1,719.8	1,780.9	1,771.8	1,887.8
Motor Vehicles	41.2	45.8	50.5	61.1	57.3	58.8
Education and Technology	6.3	5.9	6.4	5.8	4.7	4.2
Miscellaneous*	242.0	230.0	215.9	215.3	235.0	188.4
<b>Non-Profit Organizations</b>	<b>14.3</b>	<b>18.7</b>	<b>73.6</b>	<b>78.6</b>	<b>18.6</b>	<b>21.1</b>

\*Miscellaneous include consolidated debt, insurance, medical and travel

Source: Cayman Islands Monetary Authority

**Table A11: Financial Services Indicators**

Year	Bank & Trust Licensees	Insurance Licensees	Captive Insurance Premiums (US\$B)	Mutual Funds*	New Company Registrations	Stock Market Cap**. (US\$B)	Stock Listings
2006	291	767	7.1	8,134	12,277	111.5	1,225
2007	281	793	7.5	9,413	14,232	168.3	1,748
2008	278	805	7.7	9,870	11,861	167.7	1,579
2009	266	808	7.5	9,523	7,863	163.0	1,312
2010	246	768	8.7	9,438	8,157	145.7	1,113
2011	234	766	11.8	9,258	9,064	143.8	1,156
2012	222	768	11.8	10,841	8,971	166.5	1,157
2013	213	788	12.6	11,379	9,433	172.6	1,116
2014	198	788	12.1	11,010	11,010	169.3	1,066
2015	184	739	12.8	10,940	11,875	195.3	1,048
2016	159	740	14.6	10,586	11,174	195.6	1,022
2017	148	724	12.4	10,559	13,046	241.4	1,238
2018	133	730	15.4	10,992	16,326	310.2	1,699
2019	125	672	18.0	10,857	12,822	427.0	2,078
2020	110	679	20.9	11,896	11,731	458.8	2,336

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 A12: Banks & Trust Licensees**

Year	Class A Banks			Class B Banks			Overall Total
	Bank & Trust	Bank	Total	Bank & Trust	Bank	Total	
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
2016	7	4	11	53	95	148	159
2017	8	3	11	52	85	137	148
2018	8	3	11	46	76	122	133
2019	6	3	9	42	74	116	125
2020	6	3	9	37	64	101	110

Source: Cayman Islands Monetary Authority

**Table A13: Insurance Licensees**

	Total Class A (Domestic Insurers)	Class B Captives Excluding SPCs	Class B Captives- SPCs Only	Total Class B,C,D (International Insurers)	Total Insurers
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	760	788
2015	31	539	140	708	739
2016	29	536	147	711	740
2017	28	521	148	696	724
2018	27	525	149	703	730
2019	26	490	128	646	672
2020	27	486	138	652	679

Source: Cayman Islands Monetary Authority

**Table A14: Mutual Funds Domiciled in the Cayman Islands**

Year	Administered Funds	Licensed Funds	Registered Funds	Master Funds	Limited Investor Funds*	Total
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
2016	363	90	7,293	2,840		10,586
2017	331	81	7,331	2,816		10,559
2018	317	75	7,654	2,946		10,992
2019	295	64	7,612	2,886		10,857
2020	294	59	7,972	2,988	583	11,896

Source: Cayman Islands Monetary Authority

\* Commenced in Q2 2020

**Table A15: New Companies Registered in the Cayman Islands**

Year	Exempt	Non-Resident	Resident	Foreign	Foundation*	LLC	Total
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	10,672	40	506	657	-	-	11,875
2016	9,812	29	518	610	-	205	11,174
2017	11,138	25	583	589	-	711	13,046
2018	13,812	15	726	761	84	928	16,326
2019	10,448	25	738	694	55	862	12,822
2020	9,360	13	648	751	43	916	11,731

Source: Companies Registrar

\*Commenced in February 2018.

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

<b>Year</b>	<b>Stay-Over</b>	<b>Cruise</b>	<b>Total Arrivals</b>	<b>Cruise Ship Calls</b>
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	611
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	271.9	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	321.6	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
2016	385.5	1,711.8	2,097.3	577
2017	418.4	1,728.4	2,146.8	569
2018	463.0	1,921.1	2,384.1	636
2019	502.1	1,831.0	2,333.8	601
2020	121.8	538.1	660.0	192

Source: Immigration Department, Port Authority and 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
2016	300.6	29.2	23.3	32.4	385.5
2017	341.0	24.3	24.8	28.4	418.4
2018	385.3	22.8	26.6	28.2	463.3
2019	418.6	24.1	30.1	29.9	502.7
2020	99.1	6.3	11.4	5.0	121.8

Source: Immigration Department and Department of Tourism

**Table A19: Property Transfers: Number and Value, in CI\$ Million**

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 <sup>R</sup>	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	159	29.1	1,877	562.8
2015	1,787	592.4	131	19.8	1,918	612.2
2016	1,792	844.3	183	16.0	1,975	860.3
2017	1,875	798.0	194	32.2	2,069	830.2
2018	2,070	855.8	220	287.9	2,290	1,143.7
2019	1,922	816.4	192	45.8	2,114	862.2
2020	1,914	769.8	160	37.2	2,074	807.1

Source: Cayman Islands Lands and Survey Department

<sup>R</sup> = 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	53	10	3	14	586	971
2014	56	225	30	15	2	6	673	1029
2015	42	225	40	15	1	14	643	990
2016	57	238	39	6	5	13	614	972
2017	83	276	34	14	3	19	727	1156
2018	54	191	17	4	0	5	451	722
2019	75	245	32	10	2	7	377	748
2020	90	258	16	14	0	7	452	837

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	100.9	118.8	5.1	143.0	5.2	42.5	463.7
2014	132.5	129.9	9.2	3.4	4.6	17.0	119.0	411.6
2015	152.7	115.6	39.7	50.1	0.1	48.5	52.2	458.8
2016	71.5	106.4	152.8	14.2	1.9	20.2	39.8	406.7
2017	220.3	118.4	50.1	4.5	246.8	74.2	84.5	798.7
2018	150.5	104.6	37.4	1.3	-	1.6	456.9	752.3
2019	205.2	109.0	48.9	7.7	187.7	4.4	327.6	890.4
2020	389.1	110.3	74.2	1.6	0.0	26.1	281.8	883.2

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
2016	12	1	-	2	11	1	35	62
2017	25	1	-	3	2	-	29	60
2018	15	2	-	2	1	-	38	57
2019	18	3	0	2	2	0	22	47
2020	26	2	0	0	3	0	22	53

Source: Cayman Islands Planning Department

**Table A23: Value of Project Approvals in the Sister Islands, CI\$ Million**

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
2016	3.8	0.3	-	1.3	0.3	2.7	1.7	10.1
2017	4.7	-	-	0.4	0.1	-	1.1	6.2
2018	3.5	0.3	-	1.7	0.2	-	0.8	6.5
2019	3.9	2.9	0	2.1	0.2	0	0.2	9.2
2020								

Source: Cayman Islands Planning Department

**Table A24: Building Permits in Grand Cayman**

Category	Number					Value, CI\$ Million				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Apartment/ Condo	49	81	119	166	165	71.1	62.5	59.8	220.7	190.7
Houses	236	255	260	350	334	84.9	107.8	92.5	127.8	158.3
Commercial	79	89	93	86	77	40.2	41.4	42.1	21.7	137.2
Government	16	8	16	22	4	11.6	0.2	14.0	9.2	1.2
Hotel	13	2	1	0	0	4.4	2.8	0	0.2	-
Industrial	6	5	2	5	10	3.9	3.9	0	3.0	8.3
Other	405	439	469	619	435	30.8	16.5	38.4	107.8	59.8
<b>Total</b>	<b>804</b>	<b>879</b>	<b>960</b>	<b>1,249</b>	<b>1,025</b>	<b>247.0</b>	<b>234.7</b>	<b>247.9</b>	<b>490.3</b>	<b>555.6</b>

Source: Cayman Islands Planning Department

**Table A25: Water Production and Consumption**
**Millions of US Gallons**

<b>Year</b>	<b>Production<sup>1</sup></b>	<b>Consumption</b>
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
2016	2,192.6	1,854.4
2017	2,279.1	1,907.2
2018	2,424.0	2,009.4
2019	2,518.8	2,058.9
2020	2,390.9	1,952.0

Source: Cayman Islands Water Authority, Cayman Water Company

<sup>1</sup> Excludes Non-Potable Water

**Table A26: Electricity Production and Consumption in  
Grand Cayman ('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	564.1
2015	623.7	276.9	298.3	6.7	582.0
2016	650.3	299.1	300.8	6.8	606.7
2017	654.4	312.8	302.1	6.9	621.8
2018	641.8	314.0	308.1	6.5	628.8
2019	678.8	342.1	320.1	5.5	667.7
2020	651.5	356.6	282.5	5.2	644.3

Source: Caribbean Utilities Company

\*Net generation/production is reported from 2007

**Table A27: Summary of Central Government Operations, CI\$ Million**

Year	Revenue	Expense	Net Operating Balance	Net Investment in Non-Financial Assets	Expenditure	Net Lending (+)/Net Borrowing (-)
2002	314.0	278.0	36.0	17.7	295.7	18.3
2003	326.2	283.7	42.5	21.5	305.2	21.0
2004	336.4	349.2	(13.2)	28.9	378.1	(41.7)
2005	428.5	381.8	46.7	48.5	430.3	(1.8)
2006	500.4	393.5	106.9	39.6	433.1	67.3
2007	513.0	446.1	66.9	105.9	552.0	(39.0)
2008	522.2	502.7*	19.5	150.6	653.3	(131.1)
2009	473.7	535.6	(61.9)	141.7	677.3	(203.6)
2010	517.7	517.3	0.4	76.2	593.5	(75.8)
2011	545.8	525.2	20.6	98.3	623.5	(77.7)
2012	564.6	547.1	17.5	43.4 <sup>R</sup>	590.5 <sup>R</sup>	(25.9) <sup>R</sup>
2013	635.1	553.7	81.4	10.8 <sup>R</sup>	564.5 <sup>R</sup>	70.6 <sup>R</sup>
2014	664.2	551.2	112.9	17.2 <sup>R</sup>	568.5 <sup>R</sup>	95.7 <sup>R</sup>
2015	672.7	545.0	127.7	11.2 <sup>R</sup>	556.2 <sup>R</sup>	116.5 <sup>R</sup>
2016	705.9	585.8	120.1	19.2 <sup>R</sup>	605.0 <sup>R</sup>	101.0 <sup>R</sup>
2017	753.2	586.4	166.7	36.1 <sup>R</sup>	622.5 <sup>R</sup>	130.7 <sup>R</sup>
2018	830.2	652.6	177.5	43.9 <sup>R</sup>	696.6 <sup>R</sup>	133.6 <sup>R</sup>
2019	860.0	731.4	128.6	26.6 <sup>R</sup>	758.1 <sup>R</sup>	101.9 <sup>R</sup>
2020	797.4	878.0	(80.6)	35.8	913.8	(116.4)

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

<sup>R</sup> Revised

Source: Cayman Islands Treasury Department

**Table A28: Central Government Debt and Self- Financing Debt, CIS Million**

Year	Disbursed Outstanding Debt	Drawings	Exchange (Gain)/ Loss	Amortisation	Interest Payments
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
2016	483.9	-	(0.03)	27.1	27.1
2017	449.1	-	0.11	34.8	25.6
2018	418.7	-	0.023	30.9	24.0
2019	284.4	-	-	287.0	22.1
2020	248.6	-	-	35.8	13.3

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, C1\$ Million**

	2016	2017	2018	2019	2020
<b>Revenue</b>	<b>705.9</b>	<b>753.2</b>	<b>830.2</b>	<b>860.0</b>	<b>797.4</b>
<b>Taxes</b>	<b>662.8</b>	<b>702.4</b>	<b>773.0</b>	<b>792.5</b>	<b>739.3</b>
Taxes on International Trade & Transactions	174.3	178.0	199.1	210.9	178.7
Taxes on Goods & Services	425.2	451.0	469.4	511.0	460.5
Taxes on Property	58.7	69.7	83.0	67.0	67.3
Other Taxes	4.6	3.7	21.5	3.6	32.9
<b>Other Revenue</b>	<b>43.2</b>	<b>50.7</b>	<b>57.2</b>	<b>67.5</b>	<b>58.1</b>
Sale of Goods & Services	36.0	40.0	40.2	43.6	39.2
Investment Revenue	3.5	7.1	12.2	18.4	8.5
Fines, Penalties and Forfeits	3.2	2.6	2.7	2.9	3.0
Transfers n.e.c.	0.4	1.0	2.1	2.5	7.4
<b>Expenditure</b>	<b>605.0</b>	<b>622.5</b>	<b>696.6</b>	<b>758.1</b>	<b>913.8</b>
<b>Expense</b>	<b>585.8</b>	<b>586.4</b>	<b>652.6</b>	<b>731.4</b>	<b>878.0</b>
Compensation of Employees	254.5	273.6	283.5	330.6	386.8
Use of Goods and Services	93.6	86.7	97.3	116.6	120.6
Subsidies	137.8	133.1	166.5	180.0	208.2
Social Benefits	32.4	29.9	36.2	39.5	69.7
Consumption of Fixed Capital	34.2	32.8	32.6	36.0	38.7
Interest	27.1	25.6	24.0	22.1	13.3
Other Expense	6.2	4.8	12.6	6.7	40.6
<b>Gross Investment in Non-Financial Assets</b>	<b>53.3</b>	<b>68.9</b>	<b>76.5</b>	<b>62.6</b>	<b>74.5</b>
Fixed Investment	53.3	68.9	76.5	62.1	73.2
Capital Investment in Ministries and Portfolios	18.9	9.6	20.2	23.5	35.7
Capital Investment in Statutory Authorities and Government Owned Companies	22.3	43.8	31.6	23.0	20.7
Executive Assets	12.1	15.5	24.8	15.5	16.7
Inventories			0.0	0.6	1.4
<b>Net Investment in Non-Financial Assets</b>	<b>19.2</b>	<b>36.1</b>	<b>43.9</b>	<b>26.6</b>	<b>35.8</b>
<b>Primary Balance (Overall Balance w/o Interest Payments)</b>	<b>128.1</b>	<b>156.2</b>	<b>157.6</b>	<b>124.0</b>	<b>(103.1)</b>
<b>Net Operating Balance</b>	<b>120.1</b>	<b>166.7</b>	<b>177.5</b>	<b>128.6</b>	<b>(80.6)</b>
<b>Net Lending (+)/Net Borrowing (-)</b>	<b>101.0</b>	<b>130.7</b>	<b>133.6</b>	<b>101.9</b>	<b>(116.4)</b>
<b>Financing:</b>					
Net Acquisition of Financial Assets	73.8	95.8	102.7	(185.0)	(152.2)
Net Incurrence of Liabilities	(27.1)	(34.8)	(30.9)	(287.0)	(35.8)
Incurrence (Disbursement)	0.0	0.0	0.0	0.0	0.0
Reduction (Loan Repayment)	27.1	34.8	30.9	287.0	35.8

Source: Economics &amp; Statistics Office and Treasury Department

