

LABOUR FORCE NEWS

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SUMMARY

Results from the latest Labour Force Survey conducted in October 2002 reveal that during the reference period, September 29 – October 5, 2002 there were 28,905 persons in the Labour Force. This figure was made up of 27,354 employed and 1,551 unemployed persons giving an unemployment rate of 5.4 percent. This represents a considerable improvement over the situation, which followed the aftermath of September 11, 2001. Comparative figures for October 2001 put the labour force at 27,971 with 25,862 persons employed and 2,109 unemployed and an unemployment rate of 7.5 percent.

The October 2002 Labour Force Survey results were however only marginally different from those for the survey conducted in April 2002. In April, the labour force numbered 28,740 comprising of 27,103 employed and 1,637 unemployed persons and an unemployment rate of 5.7 percent.

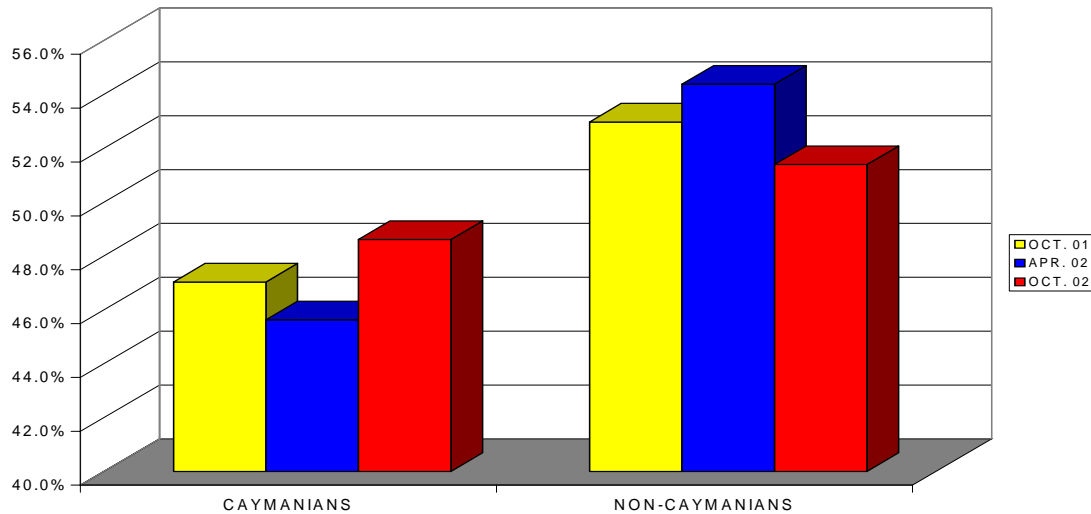
The main features of the October 2002 Labour Force survey results were the shifts in labour market trends relating to the number and proportion of Caymanians in the work force and a reduction in the number of non-Caymanians employed when compared with figures from the April Labour Force Survey. The number of Caymanian workers increased by roughly 1000 or 8.7 percent between April and October 2002. At the same time the number of employed non-Caymanians declined by almost 800 persons. The latter figure is supported by work permit data, from the Immigration Department, which registered a decline between March 31 and September 30, 2002.

THE LABOUR FORCE

The Labour Force comprises persons 15 years and over residing in the country who are employed or actively seeking work during the reference period. It excludes persons attending school full time who were not engaged in part time employment. It also excludes those attending school full time who did not actively seek work during the reference period. A further breakdown of the 28,905 persons revealed the following:

- In a reversal of trends, the proportion of non-Caymanians in the labour force declined. Non-Caymanians numbering 14,855 accounted for 51.4 percent of the labour force. This contrasts with 14,816 or 53 percent in October 2001 and 15,627 or 54.4 percent in April 2002.
- Males made up the larger portion of the Labour Force accounting for 50.6 percent. This is in contrast with data from October 2001 and April 2002 where males accounted for 48.5 and 48.7 percent respectively.
- 16,659 persons representing 57.3 percent of the Labour Force resided in George Town, 5,757 persons or 19.9 percent in West Bay, 4,100 or 14.2 percent in Bodden Town, 575 or 2.0 percent in North Side, 787 or 2.7 percent in East End and 1,117 or 3.9 percent in Cayman Brac.

% OF PERSONS IN THE LABOUR FORCE BY CAYMANIAN STATUS



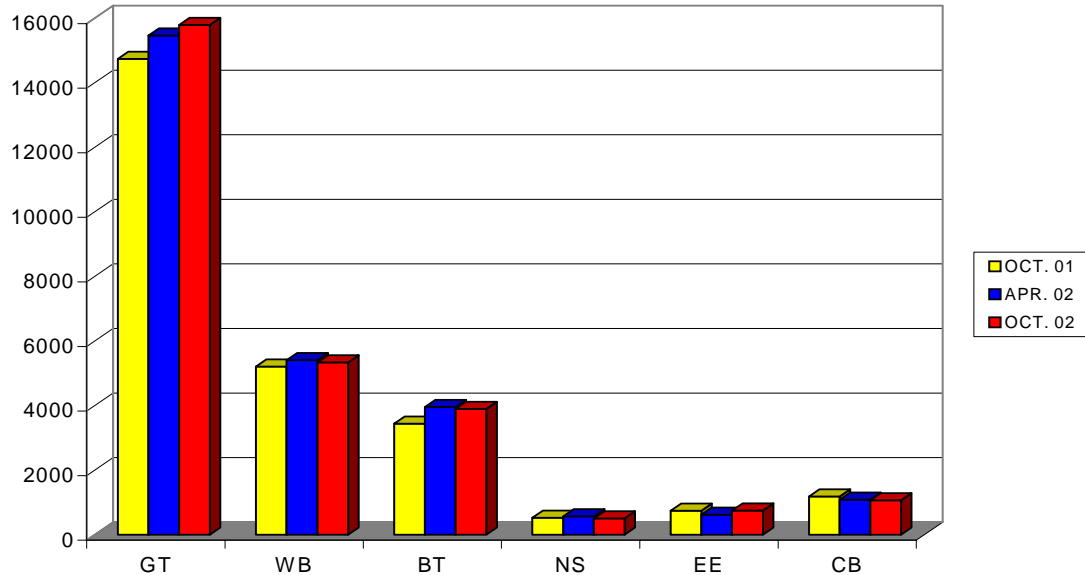
- 0.8 percent of the Labour Force or 220 persons were from the 15 – 17 age group, 10.7 percent or 3,106 persons belonged to the 18 – 24 age group. 30.4 percent or 8,799 persons were from the 25 – 34 age group, 30.7 percent or 8,883 persons came from the 35 – 44 age group and 7,896 persons or 27.3 percent were from the 45 and over category.

THE EMPLOYED

A person is defined as being employed if he/she worked for pay, profit or family gain for at least one hour during the reference week for which the survey was conducted

- 27,354 persons or 94.6 percent of the Labour Force comprising of 13,752 males and 13,602 females were employed.
- 52.5 percent or 14,362 of all persons employed in October 2002 were non-Caymanian. The corresponding figures for April 2002 and October 2001 were 15,147 or 55.9 percent and 13,383 or 54.2 percent respectively.
- The number of employed Caymanians has increased steadily. The number of Caymanian workers increased by 9.7 percent between October 2001 and October 2002 growing from 11,844 in October 2001 to 12,992 in October 2002.
- 15,792 persons or 57.7 percent of the employed resided in George Town, 5,339 or 19.5 percent in West Bay, 3,896 or 14.2 percent in Bodden Town, 509 or 1.9 percent in North Side, 752 or 2.7 percent in East End and 1,067 or 3.9 percent in Cayman Brac.

NUMBER OF PERSONS EMPLOYED BY DISTRICT



- The Wholesale/Retail sector was the largest employer of persons accounting for 3,672 or 13.4 percent of the employed labour force. Hotels and Restaurants employed 3,269 persons or 12.0 percent of the employed labour force. Construction accounted for 3,039 or 11.1 percent, Business Services with 2,802 persons or 10.2 percent, Banking and Insurance employed 2,597 persons or 9.5 percent, and the Household sector with 2,398 persons or 8.8 percent were the other major employment generating sectors.

Comparisons with the October 2001 and April 2002 Labour Force Surveys reveal that:

- The number of persons employed increased from 25,862 in October 2001 to 27,345 in October 2002 or by 5.8 percent. There was however only a marginal increase between April and October 2002 when the number of persons employed increased by just over 250 persons or by 0.9 percent. The seemingly large increase between October 2001 and October 2002 can be attributed to the high unemployment rate registered in 2001 as a result of the global effects of the September 11 crisis.
- The major contributing sectors to employment displayed some fluctuations between October 2001, April 2002 and October 2002. Employment in the wholesale and retail sector while registering an increase in October 2002 over the April figure did not quite reach the level of October 2001. 3,672 persons were employed in this sector in October 2002 as compared with 3,490 in April and 3,898 in October 2001. Employment levels in the Hotels and restaurants sector remained relatively stable between October and April 2002 but were significantly higher than the October 2001

figure. Employment in this sector numbered 3,269, 3,330 and 2,747 in October 2002, April 2002 and October 2001 respectively.

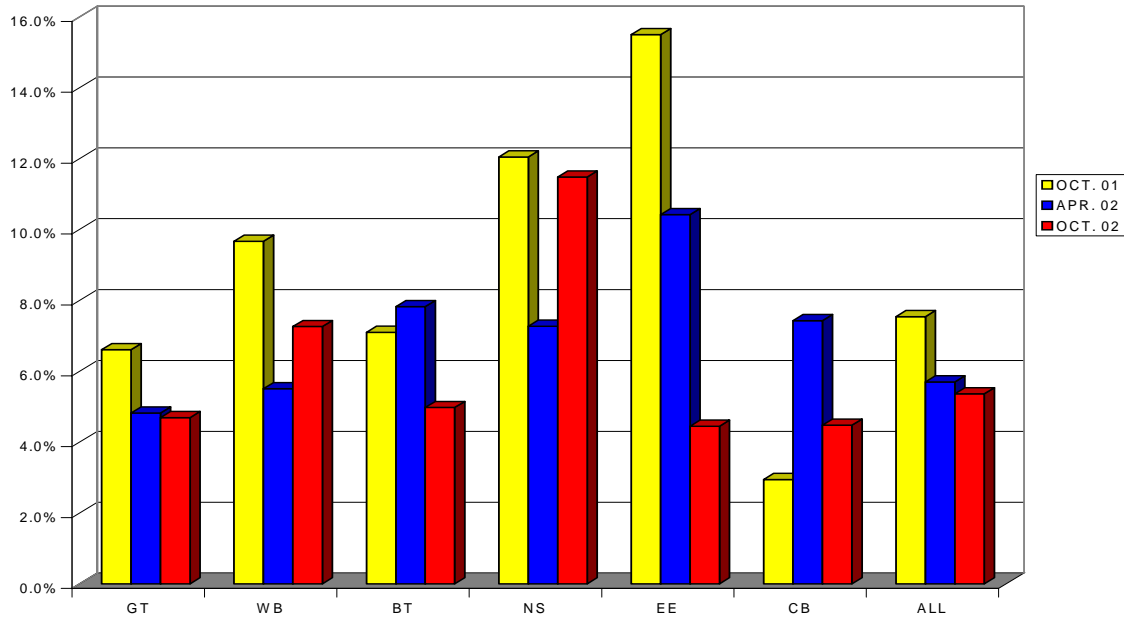
- Employment in the construction sector has remained relatively steady over the period with a slight drop in October 2002. Employment in this sector numbered 3,039 in October 2002, 3,197 in April 2002 and 3,137 in October 2001.
- Employment in the banking and insurance sector continued to decline in October 2002. 2,597 persons were employed during this period as compared with 3,059 in April 2002 and 3,297 in October 2001. The business services sector made up for some of this short fall with increases in the number of persons employed. This sector employed 2,802 persons in October 2002, 2,451 in April 2002 and 2,076 in October 2001.

THE UNEMPLOYED

An individual is defined as being unemployed if he/she was available to work and had actively sought work during the reference period. The figures for the October 2002 survey reveal declining numbers of unemployed persons and unemployment rates particularly among Caymanians.

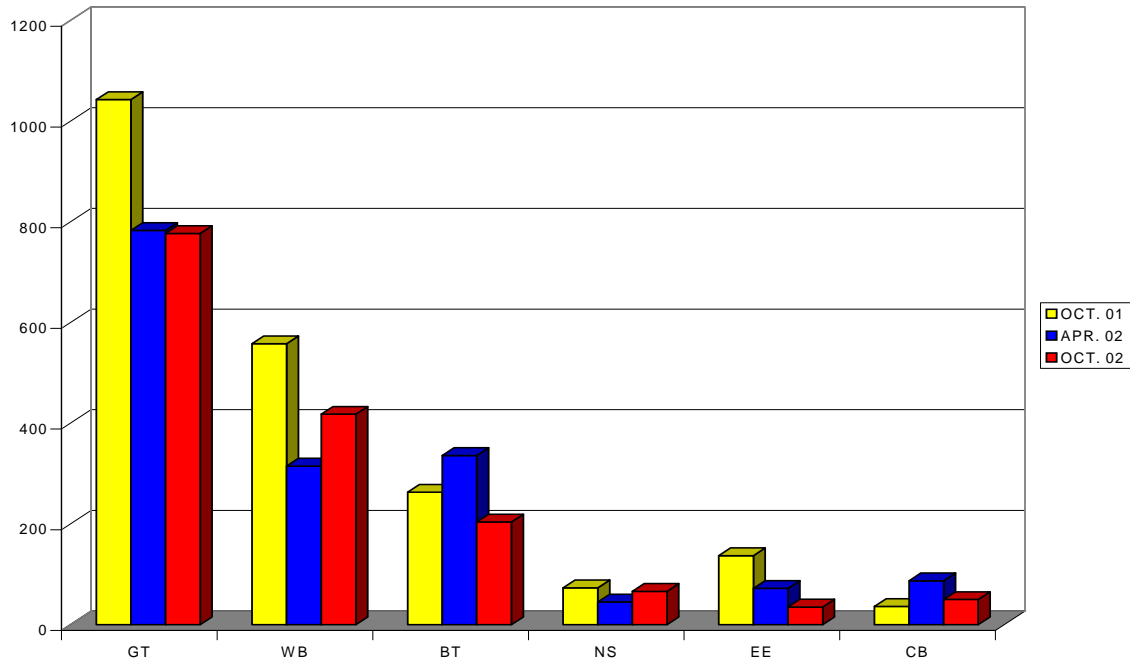
- 1,551 persons representing 5.4 percent of the Labour Force were categorised as being unemployed in October 2002.
- 1,058 Caymanians were recorded as being unemployed in October 2002 as compared with 1,157 in April 2002 and 1,311 in October 2001. These figures translate to unemployment rates of 7.5, 8.8 and 10.0 percent respectively.
- Unemployment rates varied significantly between the districts with North Side registering the highest rate and East End the lowest in October 2002.

UNEMPLOYMENT RATES BY DISTRICT



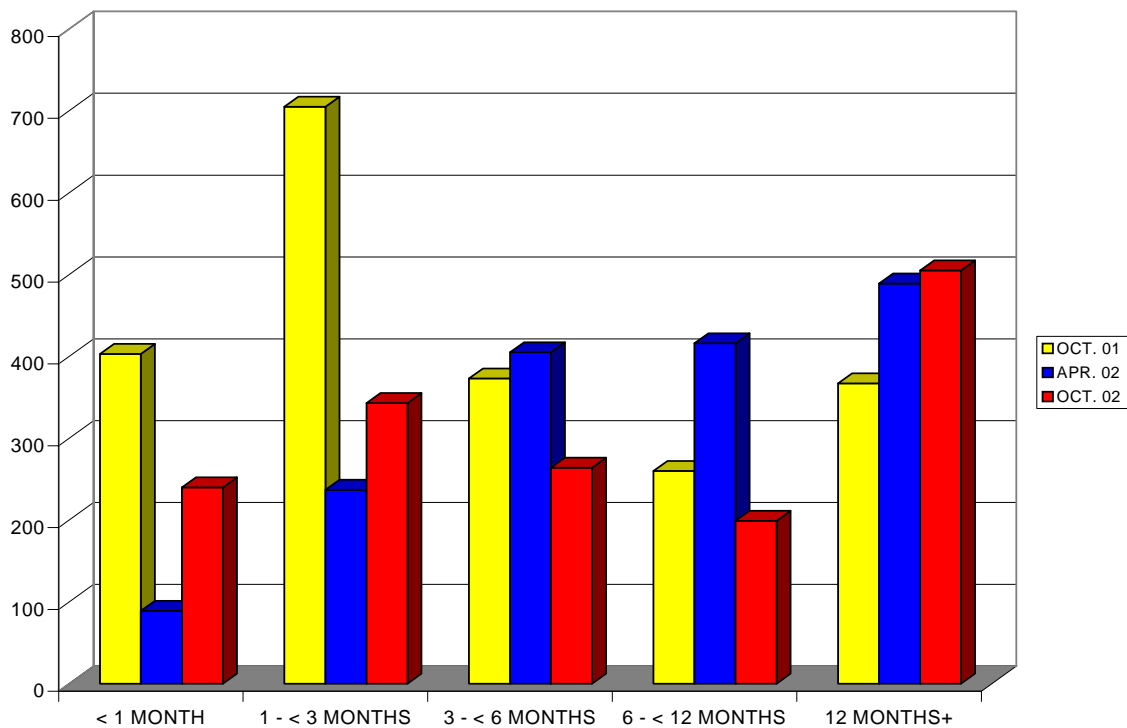
- Only one district registered double digit rates of unemployment in October 2002 as compared with two in October 2001. North Side with 66 unemployed persons had the highest unemployment rate of 11.5 percent.
- 777 persons were unemployed in George Town, 418 in West Bay, 204 in Bodden Town, 35 in East End and 50 in Cayman Brac in October 2002. These translated to unemployment rates of 4.7, 7.3, 5.0, 4.4 and 4.5 percent respectively.

NUMBER OF UNEMPLOYED PERSONS BY DISTRICT



- The number of unemployed males was higher than females with 872 males as opposed to 678 females.
- The October 2002 unemployment rate for males was 6.0 percent and 4.7 percent for females. These compare with 6.7 percent for males and 4.7 percent for females in April 2002 and 8.6 and 7.8 percent for males and females respectively in October 2001.
- The number of first time job seekers, boosted by high school graduates, who were unsuccessful in obtaining work increased to 130 or 8.4 percent of the total number of unemployed in October 2002. 69 persons fell into this category in April, up from the 37 or 1.8 percent registered in October 2001.
- Based on the industry classification of the last job held, the construction, wholesale/retail and hotels/restaurants sectors accounted for about 45 percent of the unemployed. In October 2002, 314 persons or 20 percent of the unemployed had last worked in the construction industry. The figures for wholesale/retail and hotels/restaurants were 206 and 179 persons respectively.
- 583 persons or 37.6 percent of the unemployed persons in the October 2002 Labour Force survey had been out of work for less than three months. 264 persons or 17.0 percent were out of work for between 3 and 6 months and 505 or 32.6 percent for twelve months or more. In comparison, 326 persons or a little less than 20 percent of the unemployed had been out of work for less than three months in the April 2002 survey. In October 2001, 1,108 persons or 52.5 percent of those unemployed had been out of work for less than three months.

NUMBER OF UNEMPLOYED PERSONS BY LENGTH OF TIME UNEMPLOYED



- 5.1 percent of the unemployed (79 persons) were in the 15 – 17 age group, 23.0 percent or 367 persons came from the 18 – 24 age group. 385 persons representing 24.8 percent of the unemployed were between the ages of 25 and 34, 18.6 percent or 289 persons were in the 35 – 44 age group and 27.8 percent or 431 persons were from the 45 and over age group.
- Unemployment rates by age group ranged from 3.3 percent in the 35 – 44 category to 13.4 percent in the 15 – 24 age category. Rates of 11.8, 4.4 and 5.5 percent were observed in the 18 – 24, 35 – 44 and 45 and over categories respectively.
- The unemployment rate for persons 18 years and over in October 2002 was 5.1 percent. The corresponding rates for April 2002 and October 2001 were 5.4 and 7.3 percent respectively.

UNDER-EMPLOYMENT

Under-employment is defined using 30 hours a week as a reference point. Persons available to work longer hours but who worked for less than 30 hours due to unavailability of work are considered to be under employed.

- 1,271 or 4.6 percent of the employed labour force fell into this category during the October 2002 survey. Of these 579 or 45.5 percent sought additional work during the reference period. These figures are quite close to those recorded for October

2001. In October 2001, 1,157 persons or 4.5 percent of the employed work force were classified as under employed with 553 persons or 47.8 percent of them seeking additional hours. In April 2002, 758 persons or 2.8 percent of the employed work force fell into this category of which 305 persons or 40.2 percent actively sought additional work during the reference period.

POPULATION ESTIMATES

The population of the Cayman Islands excluding Little Cayman, during the week of September 29 – October 5, 2002, was estimated at 43,004 persons an increase of 0.9 percent over the April figure of 42,635 and 3.7 percent over the October 2001 figure of 41,451. This represents a decline in the inter-censal growth rate between the 1989 and 1999 censuses. The inter-censal growth rate was estimated at 4.5 percent.

The Labour Force Survey uses a systematic random sample of households by district. The sample fractions differ according to district. For the 2002 October Labour Force Survey the following district samples were used providing an overall sample of 7.6 percent of all households..

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|------------------------------------|------|
| ➤ North Side, East End Cayman Brac | 20% |
| ➤ Bodden Town | 10% |
| ➤ West Bay | 6.7% |
| ➤ George Town | 5% |

Little Cayman is excluded from the Survey.