



THE CAYMAN ISLANDS' SYSTEM OF NATIONAL ACCOUNTS REPORT 2014

NOVEMBER 2015



THE ECONOMICS AND STATISTICS OFFICE

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The estimation of the Gross Domestic Product is dependent on a wide range of data gathered from administrative records and a specially designed survey – the Annual National Accounts Survey (ANAS). This data gathering involves the participation of a large number of individuals, organizations and institutions. The Economics and Statistics Office (ESO) acknowledges the assistance and cooperation of all those individuals, government departments and agencies, non-governmental organizations and the private sector that supplied the relevant data utilized in the composition of this report. The ESO anticipates the continued support and cooperation of these individuals and entities.

This report was produced by the System of National Accounts (SNA) Unit of the ESO. Some field work assistance was provided by the Survey Staff of the Social Statistics Unit of the ESO. The general support and effort of the ESO staff is acknowledged and greatly appreciated.

ABBREVIATIONS AND ACRONYMS

AAC	Aggregate Advisory Committee
AAGR	Average Annual Growth Rate
ANA	Annual National Accounts
ANAS	Annual National Accounts Survey
BEC	Classification by Broad Economic Categories
BR	Business Register
CARTAC	Caribbean Regional Technical Assistance Centre
CIDOT	Cayman Islands Department of Tourism
CIF	Cost, Insurance, Freight
CIMA	Cayman Islands Monetary Authority
CISNA	Cayman Islands System of National Accounts
CI\$	Cayman Islands Dollars
COE	Compensation of Employees
CPI	Consumer Price Index
CRE	Central Register of Establishments
ECLAC	Economic Commission for Latin America and the Caribbean
ESO	Economics and Statistics Office
FISIM	Financial Intermediation Services Indirectly Measured
FOB	Free On Board
GDP	Gross Domestic Product
GO	Gross Output
GVA	Gross Value Added
HBS	Household Budget Survey
IMF	International Monetary Fund
IPI	Implicit Price Index
ISIC	International Standard Industrial Classification of Economic Activity
LFS	Labour Force Survey
NEC	Not Elsewhere Classified
NPISG	Non-Profit Institutions Serving Government
NPISH	Non-Profit Institutions Serving Household
PPI	Producer Price Index
PSPB	Public Sector Pension Board
ROW	Rest of the World
SBU	Simple Blow Up
SITC	Standard International Trade Classification
SNA	System of National Accounts
SR	Sample Ratio
UNSD	United Nation Statistics Division

1. EXECUTIVE SUMMARY

- 1.1 The Cayman Islands' System of National Accounts Report 2014 presents the gross domestic product (GDP) estimates for the period 2010–2014. The estimates were calculated using both the production and income approaches. The production approach to estimating GDP is obtained by summing the value added of all industries within the economy (i.e. the gross value of outputs minus the value of intermediate consumption). The income approach is obtained by summing the income earned by the factors of production, i.e. compensation of employees, consumption of fixed capital, taxes less subsidies on production and imports and operating surplus/mixed income. The income approach estimates GDP in current purchasers' prices.
- 1.2 Gross Value Added (GVA) is defined as the difference between gross output (essentially sales) of producers and the value of their intermediate inputs (goods and services that are used up in the production process, excluding fixed assets whose consumption is recorded as consumption of fixed capital).
- 1.3 The concept of GDP for the economy as a whole is that it should measure the total GVA for all producers resident in the economy. The overall estimate of Cayman Islands' GDP comprises the value added of 18 industries as classified using the International Standard Industrial Classification (ISIC) Revision 4. The data shown are the most recent estimates of GDP and include any revisions (to previously published data) due to revised figures obtained from businesses during the most recent Annual National Accounts Survey. In general, figures for the most recent year (2014) are to be regarded as preliminary.
- 1.4 GDP estimates in this report are presented in both basic prices and purchaser's (market) prices. The main difference between basic and purchasers' price is the taxes less subsidies (net taxes) on product. A tax on a product is a tax that is payable per unit of some good or service. The tax may be a specific amount of money per unit or a specified percentage of the value of the goods or services. In the Cayman Islands, taxes on product are primarily taxes and duties on imports, and other taxes on product excluding taxes and duties on import (e.g. hotel occupancy tax).
- 1.5 For 2014, nominal (current) basic price GDP for the Cayman Islands stood at CI\$2,772.2 million which resulted in an estimated per capita nominal GDP of CI\$48,641.9.

- 1.6 Real GDP at basic price (i.e. GDP at constant 2007 prices or GDP adjusted for inflation) stood at CI\$2,554.1 million in 2014. The corresponding per capita GDP for 2014 was estimated at CI\$44,813.6.
- 1.7 The domestic economy continued the expansion started in 2011 registering growth in real GDP of 2.4 percent in 2014 when compared to 2013. This represented the fourth consecutive year of growth following the 1.2 percent growth recorded in 2011, 1.3 percent in 2012 and 1.5 percent in 2013. The increase in 2014 represents the first year since 2007 that the economy had recorded growth above 2 percent.
- 1.8 The top six industries in terms of rate of GDP growth in 2014 are: (i) Agriculture & Fishing (8.3%); (ii) Other Services – consisting of diving, snorkelling & related activities, hairdressers, barbers and spas (5.1%); (iii) Human Health & Social Work (4.9%); (iv) Hotel & Restaurants (4.9%); (v) Administrative & Support Services Activities – which consists mainly of security and car rental services (4.8%); and (vi) Professional, Scientific & Technical Activities – which includes legal and accounting services (4.4%). The Financial & Insurance Services industry posted growth of 1.0 percent in 2014, after growing by 0.3 percent in 2013 and 1.5 percent in 2012.
- 1.9 The expansion in the domestic economy in 2014 was tempered by declines in only two industries: (i) Mining & Quarrying (-6.4%); and (ii) Information and Communication (-1.1%).
- 1.10 The Average Annual Growth Rate (AAGR) over the five-year period (2010-2014) showed average annual GDP growth of 0.7 percent. The Hotel & Restaurants industry showed the highest average expansion over the period of 4.5 percent, followed by Agriculture & Fishing (2.7%), Professional, Scientific & Technical Activities (2.6%); Human Health & Social Work (2.6%); and Administrative & Support Services Activities (2.2%). Financial and Insurance Services was flat over the period, recording an average growth rate of 0.0 percent. The Construction industry showed the greatest rate of contraction over the period posting an average decline of 3.9 percent, followed by Mining & Quarrying (-2.2%); Information and Communication (-0.9%); and Manufacturing (-0.6%).

- 1.11 Financial and Insurance Services maintained its position as the largest single direct contributor to real GDP in 2014 accounting for 41.2 percent of total GDP. This represents a continued decline in the contribution of the industry from the 41.8 percent recorded for 2013. The other industries making up the top six contributors include: (i) Professional, Scientific & Technical Activities, which includes legal and accounting services (14.4%); (ii) Real Estate Activities (8.6%); (iii) Wholesale & Retail Trade (8.4%); (iv) Public Administration & Defense - which consists primarily of central government operations (7.5%); and (v) Hotels and Restaurants (5.9%). 2014 saw no change in the relative ranking of the industries within the Cayman Islands' economy.
- 1.12 All income components of GDP recorded growth in 2014 when compared to the previous period. The highest increase was recorded by Taxes (less subsidies) on Production and Imports¹ (8.6%), followed by Operating Surplus/Mixed Income² (5.4%), Consumption of Fixed Capital³ (5.3%) and Compensation of Employees⁴ (3.4%).
- 1.13 In 2014, total compensation of employees increased to CI\$1,489.7 million or 49.8 percent of GDP; total operating surplus/mixed reached CI\$809.4 million or 27.0 percent of GDP; consumption of fixed capital was estimated at CI\$187.3 million or 6.3 percent of GDP while total taxes on production and imports (less subsidies) was valued at CI\$506.5 million or 16.9 percent of GDP.

¹ Taxes on production and imports consists of:

- a. Taxes on products - taxes on goods and services that become payable when the goods are produced, sold, imported or otherwise disposed of by their producers, e.g. taxes and duties on import and other taxes on product excluding taxes and duties on import (e.g. hotel occupancy tax).
- b. Other taxes on production - all taxes excluding taxes on products that establishments incur as a result of engaging in production (e.g. business and professional licences, building permit fees, property tax, stamp duties, etc.).

² Operating Surplus/Mixed income – operating surplus is the measure of the surplus accruing from production. It may be used in macro-economics as a proxy for total pre-tax profit income. The term "mixed income" is used when operating surplus cannot be distinguished from wage income, i.e. mixed income is a combination of operating surplus and implicit remuneration for work done by owner.

³ Consumption of fixed capital is the decline, during the course of the accounting period, in the current value of the stock of fixed and intangible assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage.

⁴ Compensation of employees is defined as the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the latter during the accounting period.

2. INTRODUCTION

2.1 Importance of the SNA

The SNA is a system of accounts that is used globally to measure the economic performance of countries and jurisdictions using accepted international standards issued by the United Nations and the International Monetary Fund (among others). In the context of the Cayman Islands, its main uses are to:

- a. Comply with the Public Management & Finance Law (2013 Revision) which requires the reporting of gross domestic product in the Strategic Policy Statement. Governments in general use the SNA statistics as key indicators for evaluating the potential and actual macro-economic impact and sustainability of fiscal policies.
- b. Comply with data requirements of foreign investors and creditors. For example, data from the SNA are required for inclusion in official borrowing documents (i.e., Offering Memorandum or Private Placement Memorandum). These statistics are necessary to making an assessment of the worthiness of the jurisdiction as an investment site and/or the worthiness of its entities as borrowers.
- c. Comply with data requirements of international credit rating agencies which provide credit ratings for the Cayman Islands Government and private entities who borrow from the global financial market.
- d. Provide necessary data for the conduct of economic impact assessments of hurricanes and other disasters, which are required by funding and other donor agencies. As pointed out by previous teams from the Economics Commission for Latin America and the Caribbean (ECLAC), the GDP statistics by sector for Cayman are necessary in calculating the economic impact of disasters in each sector and therefore, the approximate amount of resources required for the reconstruction of these sectors.
- e. Provide data necessary for government departments and business associations to monitor the economic performance and contribution of their respective sectors; and
- f. Provide data that can assist government departments, local businesses and non-government organizations in preparing business plans or determining the level of assistance to businesses. These statistics help determine the “*buying power*” or the size of the local market, the potential growth of the market, and alternative sectors for investment.

2.2 Key Data Sources

The SNA estimates contained in this report are based on the Annual National Accounts Survey (ANAS) conducted among all establishments included in the ESO Business Register. The survey was conducted during the period March to May 2015. Information from the survey is supplemented by secondary data provided by various government ministries, departments and statutory authorities including the Cayman Islands Monetary Authority (CIMA), Department of Agriculture, Public Transport Unit, Health Services Authority and other informal interviews with industry sources.

As in any survey, the response rate to the ANAS is mainly a function of the appreciation and understanding of the respondents on how the data will be used. It is hoped that this report will be an instrument in demonstrating the potential uses of the SNA to the business sector, business associations and those providing services to the businesses in the Cayman Islands.

2.3 Valuation of Gross Domestic Product (GDP)

Some tables are presented at both basic and purchasers' (i.e. market) price. The main difference between basic and purchasers' price is the taxes less subsidies (net taxes) on products. Taxes on products are taxes on goods and services that become payable when the goods are produced, sold, imported or otherwise disposed of by their producer. The tax may be a specific amount of money per unit or a specified percentage of the value of the goods or services. The following are the categories of this type of tax:

- a. Taxes and duties on imports
- b. Other taxes on product excluding taxes and duties on import (e.g. hotel occupancy tax).

2.4 Improvement in Methodology

The System of National Accounts (SNA) is ever evolving, and as such from time to time there will be adjustments in the methodology used to derive the estimates. This covers the gamut from refinement of the estimation process, to the availability of new and improved data sources. In this vein, the Economics and Statistics Office (ESO) is continually seeking to improve the quality of the GDP estimates.

On July 21-30, 2015, the ESO hosted the Real Sector Advisor (RSA) from Caribbean Regional Technical Assistance Centre (CARTAC) to review the Cayman Islands' SNA. The review covered, inter alia, the current methodology as well as the data sources. To the extent that is possible at this time, the pertinent recommendations stemming from the review have been incorporated into the estimates in this report for the years 2012 and onward.

3. GROSS DOMESTIC PRODUCT ESTIMATES-PRODUCTION APPROACH

3.1 Overview of GDP at basic and purchasers' prices

The Cayman Islands' System of National Accounts Report 2014 presents the gross domestic product (GDP) estimates for the period 2010-2014.⁵ The estimates were calculated using both the production and income approaches. The production approach to estimating GDP is obtained by summing the value added of all industries within the economy (i.e. the gross value of outputs minus the value of intermediate consumption). The income approach is obtained by summing the income earned by the factors of production - compensation of employees, consumption of fixed capital, taxes less subsidies on production and imports, and operating surplus/mixed income.

This section presents a series of tables and figures showing various presentations of the preliminary 2014 estimates of GDP by industry as follows:

- Main aggregates of GDP and the per capita indicators (Table 1);
- GDP at constant prices by industrial origin (Table 2);
- Goods and service-producing industries' contribution to GDP at constant basic prices (Table 3);
- Industry ranking by contribution to GDP at constant (2007) basic prices (Table 4);
- GDP rate of growth at constant prices (Table 5);
- GDP at current basic and purchasers' prices (Table 6);
- Detailed value added by industries (Table 7);
- GDP implicit price index (Table 8); and
- Production and cost components of value added (Table 9).

The Cayman Islands' economy continued on its upward trajectory in 2014 as it registered a fourth consecutive year of annual economic expansion. Total value of goods and services produced in 2014 (as reflected by the real GDP) increased by 2.4 percent over 2013. This represents a higher rate of increase than the 1.5 percent registered in 2013 and the most significant expansion posted in the last four years. The economy grew by an average annual rate of 0.7 percent over the period 2010-2014 as the economy continued to recover from the impact of the global recession in the latter part of the last decade.

The economic expansion in 2014 was realized through growth in the service industries (2.1%) as well as the goods-producing industries (1.9%). The growth in the service industries emanated from all industries except for Information & Communication, which declined by 1.1 percent. Five of these industries recorded growth above 4 percent led by Other Services – consisting of diving, snorkelling & related activities, hairdressers, barbers and spas, etc. (5.1%); Human Health & Social Work (4.9%); Hotel & Restaurants

⁵ GDP by income components is provided for the period 2009-2014.

(4.9%); Administrative & Support Services Activities – which consists mainly of security and car rental services (4.8%); and Professional, Scientific & Technical Activities – which includes legal and accounting services (4.4%)⁶.

Table 1 below shows the total value of domestic output for the years 2010 to 2014. Domestic output relates to all entities that have a physical presence in the Cayman Islands; therefore, they exclude entities registered in the Cayman Islands but have no physical presence in the country. The table shows the current and constant (i.e. inflation adjusted) price estimates of GDP valued in both basic and purchasers' prices. The table also show the per capita indicator relating to the respective GDP aggregates.

The 2.4 percent increase in the overall real GDP⁷, translated into a 1.0 percent increase in the real GDP per capita as there was a 1.4 percent increase in the estimated mid-year population. The inflation-adjusted per capita GDP (at basic prices) increased to CI\$44,813.57 in 2014 from CI\$44,351.52 in 2013.

Table 1: System of National Accounts Main Aggregates and Per Capita Indicators

Main Aggregates (CI\$'000)	2010	2011	2012 ^R	2013 ^R	2014
GDP (Current Basic Prices)	2,472,720.2	2,519,255.6	2,575,384.8	2,648,661.7	2,772,246.2
GDP (Constant Basic Prices)	2,398,999.7	2,427,776.4	2,458,228.8	2,494,329.6	2,554,059.9
GDP (Current Purchasers' Prices)	2,646,332.1	2,712,661.6	2,776,388.0	2,851,951.5	2,992,845.4
GDP (Constant Purchasers' Prices)	2,561,951.6	2,591,901.3	2,623,775.3	2,657,046.9	2,730,753.5
Mean Population ('000)	55.5	55.3	56.1	56.2	57.0
Per Capita Indicators (CI\$)	2010	2011	2012 ^R	2013 ^R	2014
GDP (Current Basic Prices)	44,536.7	45,575.1	45,886.6	47,095.7	48,641.9
GDP (Constant Basic Prices)	43,208.9	43,920.2	43,799.2	44,351.5	44,813.6
GDP (Current Purchasers' Prices)	47,663.6	49,074.0	49,467.9	50,710.4	52,512.5
GDP (Constant Purchasers' Prices)	46,143.8	46,889.3	46,748.8	47,244.8	47,913.8

Notes:

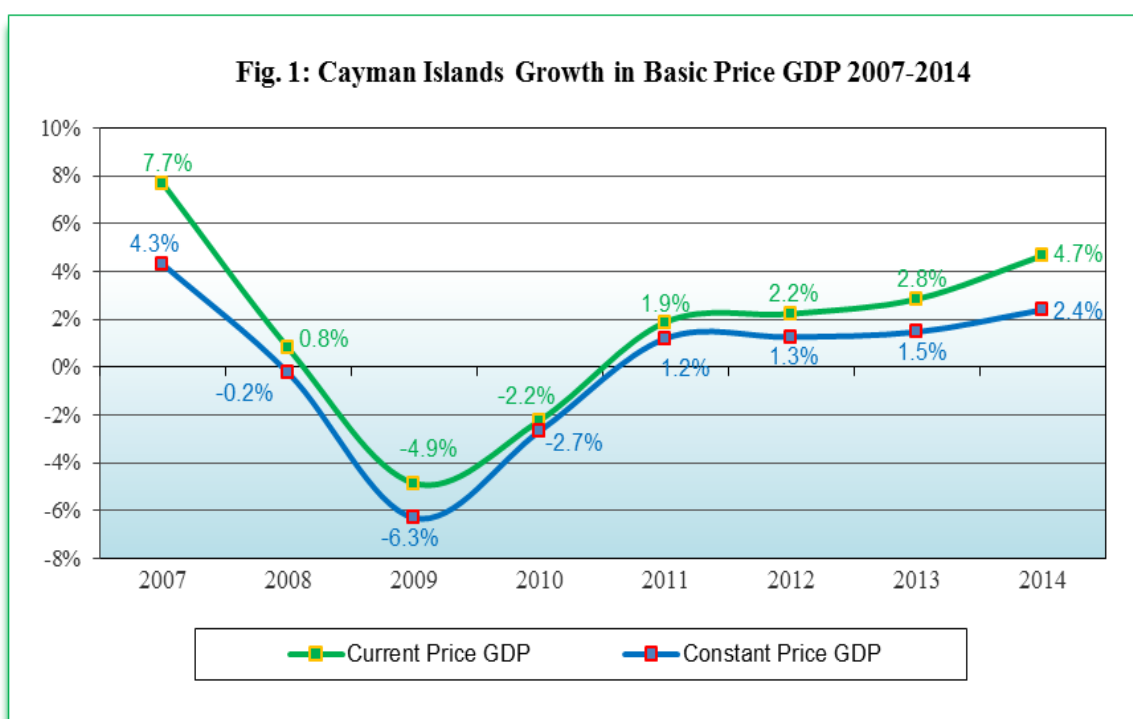
1. GDP at basic price excludes net taxes on goods and services
2. GDP at purchasers' price includes net taxes on goods and services
3. Mean Population refers to the mid-year population

R-revised

⁶ See Table 5.

⁷ Real GDP refers to GDP at constant (2007) prices, i.e. the inflation-adjusted GDP

Figure 1 below shows the comparative growth rates of GDP at current and constant basic prices for the period 2007-2014.⁸ As can be seen in the graph, GDP at constant prices grew by 2.4 percent in 2014 following on the 1.5 percent expansion registered in 2013. GDP at current prices grew by 4.7 percent in 2014, an increase compared to the 2.8 percent in 2013. The graph shows the economy bottoming out in 2009 when the constant price GDP declined by 6.3 percent in the midst of the global recession. The economy has steadily recovered since 2009, returning to positive growth since 2011.



⁸ This represents the growth rate for the entire calculated GDP series which runs from 2006-2014 (the growth rate series would then be 2007-2014). The GDP estimates up to 2006 are based on an indicator method and not direct calculations.

3.2 GDP by industrial origin

Estimated real GDP (at basic prices) for the Cayman Islands increased to CI\$2,554.1 million in 2014 from the CI\$2,494.3 million recorded for 2013. There was growth in the economic activity of sixteen (16) of the eighteen (18) industries led by the growth in the activities of agriculture & fishing. Table 2 below provides a breakdown of real GDP by industrial sectors in basic prices.⁹ The table also shows the real GDP in purchasers' prices.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 2: GDP AT CONSTANT BASIC & PURCHASERS' PRICES, 2007=100 (CI\$'000)					
INDUSTRIAL SECTORS	2010	2011	2012 ^R	2013 ^R	2014
01 Agriculture & Fishing	8,763.3	9,081.7	9,179.5	9,341.4	10,120.8
02 Mining & Quarrying	18,263.6	17,826.9	19,297.2	19,234.2	18,009.4
03 Manufacturing	22,053.8	21,632.4	22,468.0	23,105.8	23,723.1
04 Electricity, Gas & Air Conditioning Supply	59,252.8	59,463.3	58,778.5	59,585.4	60,505.1
05 Water Supply, Sewerage & Waste Management	34,994.0	34,209.4	34,616.7	34,218.4	35,402.9
06 Construction	77,500.3	75,256.9	76,088.4	78,000.7	80,297.5
07 Wholesale & Retail Trade	198,458.0	202,236.4	204,935.8	208,554.4	213,535.1
08 Transport & Storage	94,595.2	95,672.9	97,367.0	99,608.5	102,869.5
09 Hotels & Restaurants	128,813.2	136,316.3	140,664.5	143,465.4	150,483.4
10 Information & Communication	113,883.3	113,804.3	115,605.5	115,027.1	113,773.5
11 Financial & Insurance Services	1,017,164.7	1,023,138.1	1,038,447.8	1,041,827.1	1,052,624.0
12 Real Estate Activities	214,577.8	213,330.3	214,484.2	215,886.1	218,792.2
13 Professional, Scientific & Technical Activities	327,583.3	334,150.6	342,757.3	351,796.5	367,205.5
14 Administrative & Support Service Activities	50,298.8	51,158.2	54,045.3	54,394.1	57,004.2
15 Public Administration & Defense	181,368.5	181,715.0	186,107.5	190,291.7	190,985.7
16 Education Services	65,652.1	65,127.2	65,675.1	66,801.8	67,325.9
17 Human Health & Social Work	75,319.2	76,589.7	77,374.7	80,894.9	84,858.5
18 Other Services	75,790.0	76,343.4	78,765.4	79,594.6	83,633.7
Total	2,764,331.8	2,787,053.0	2,836,658.5	2,871,627.8	2,931,149.8
Less: Financial Services Indirectly Measured (FISIM)	365,332.1	359,276.6	378,429.7	377,298.3	377,089.9
GDP at Constant Basic Prices	2,398,999.7	2,427,776.4	2,458,228.8	2,494,329.6	2,554,059.9
Add: Taxes Less Subsidies on Products	162,951.9	164,124.9	165,546.5	162,717.3	176,693.6
GDP at Constant Purchasers' Prices	2,561,951.6	2,591,901.3	2,623,775.3	2,657,046.9	2,730,753.5

R-revised

⁹ The classification of the industrial sectors is according to the International Standard Industrial Classification of all Economic Activities (ISIC) Revision 4 which is an activity based classification. The detailed ISIC Rev. 4 classification is presented in Appendix 3.

3.3 Contribution to GDP by industry

Table 3 shows the industries classified as goods-producing and service-producing. There was no change in the combined share of the goods-producing (5.2%) and the service producing industries (94.8%) since 2012. The share of the services-producing industries has remained stable despite the decline in the share of financial and insurance services as the share of other industries (mainly professional, scientific and technical activities and hotel and restaurant activities) have increased.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 3: INDUSTRY CONTRIBUTION TO GDP AT CONSTANT BASIC PRICES, 2007=100					
INDUSTRY	2010	2011	2012 ^R	2013 ^R	2014
Goods Producing Industries	5.3%	5.1%	5.2%	5.2%	5.2%
01 Agriculture & Fishing	0.4%	0.4%	0.4%	0.4%	0.4%
02 Mining & Quarrying	0.8%	0.7%	0.8%	0.8%	0.7%
03 Manufacturing	0.9%	0.9%	0.9%	0.9%	0.9%
06 Construction	3.2%	3.1%	3.1%	3.1%	3.1%
Service Producing Industries	94.7%	94.9%	94.8%	94.8%	94.8%
04 Electricity, Gas & Air Conditioning Supply	2.5%	2.4%	2.4%	2.4%	2.4%
05 Water Supply, Sewerage & Waste Management	1.5%	1.4%	1.4%	1.4%	1.4%
07 Wholesale & Retail Trade	8.3%	8.3%	8.3%	8.4%	8.4%
08 Transport & Storage	3.9%	3.9%	4.0%	4.0%	4.0%
09 Hotels & Restaurants	5.4%	5.6%	5.7%	5.8%	5.9%
10 Information & Communication	4.7%	4.7%	4.7%	4.6%	4.5%
11 Financial & Insurance Services	42.4%	42.1%	42.2%	41.8%	41.2%
12 Real Estate Activities	8.9%	8.8%	8.7%	8.7%	8.6%
13 Professional, Scientific & Technical Activities	13.7%	13.8%	13.9%	14.1%	14.4%
14 Administrative & Support Service Activities	2.1%	2.1%	2.2%	2.2%	2.2%
15 Public Administration & Defense	7.6%	7.5%	7.6%	7.6%	7.5%
16 Education Services	2.7%	2.7%	2.7%	2.7%	2.6%
17 Human Health & Social Work	3.1%	3.2%	3.1%	3.2%	3.3%
18 Other Services	3.2%	3.1%	3.2%	3.2%	3.3%
Less: Financial Services Indirectly Measured (FISIM)	15.2%	14.8%	15.4%	15.1%	14.8%
GDP at Constant Basic Prices	100.0%	100.0%	100.0%	100.0%	100.0%

R-revised

An examination of the contribution of the various industries to the domestic economy is useful in discerning their relative ranking. Table 4 below shows the contribution of the eighteen (18) industries as well as their ranking over the period under review. The rankings reflect the relative importance of an industry (as it pertains to contribution to real GDP) to the Cayman Islands' economy. The relative ranking of the industries remained unchanged in 2014 when compared to 2013 despite changes in the individual contribution of ten (10) of the eighteen (18) industries. Of the ten industries registering a change in their contribution, four registered increases while six registered declines.

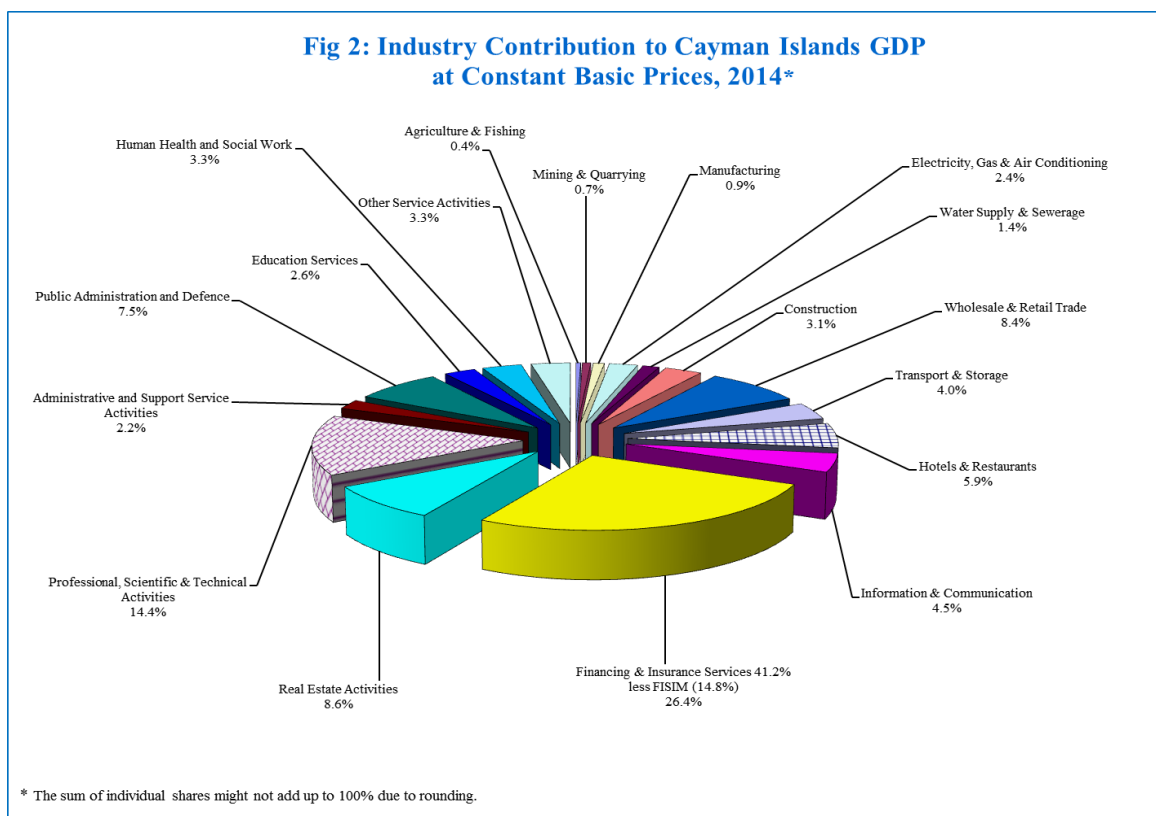
TABLE 4: INDUSTRY CONTRIBUTION TO GDP AT CONSTANT BASIC PRICES, 2007=100										
Ranking					INDUSTRY	% Contribution to GDP				
2010	2011	2012	2013	2014		2010	2011	2012	2013	2014
1	1	1	1	1	Financial & Insurance Services	42.4	42.1	42.2	41.8	41.2
2	2	2	2	2	Professional, Scientific & Technical Activities	13.7	13.8	13.9	14.1	14.4
3	3	3	3	3	Real Estate Activities	8.9	8.8	8.7	8.7	8.6
4	4	4	4	4	Wholesale & Retail Trade	8.3	8.3	8.3	8.4	8.4
5	5	5	5	5	Public Administration & Defense	7.6	7.5	7.6	7.6	7.5
6	6	6	6	6	Hotels & Restaurants	5.4	5.6	5.7	5.8	5.9
7	7	7	7	7	Information & Communication	4.7	4.7	4.7	4.6	4.5
8	8	8	8	8	Transport & Storage	3.9	3.9	4.0	4.0	4.0
11	9	10	9	9	Human Health & Social Work	3.1	3.2	3.1	3.2	3.3
10	10	9	10	10	Other Services	3.2	3.1	3.2	3.2	3.3
9	11	11	11	11	Construction	3.2	3.1	3.1	3.1	3.1
12	12	12	12	12	Education Services	2.7	2.7	2.7	2.7	2.6
13	13	13	13	13	Electricity, Gas & Air Conditioning Supply	2.5	2.4	2.4	2.4	2.4
14	14	14	14	14	Administrative & Support Service Activities	2.1	2.1	2.2	2.2	2.2
15	15	15	15	15	Water Supply, Sewerage & Waste Management	1.5	1.4	1.4	1.4	1.4
16	16	16	16	16	Manufacturing	0.9	0.9	0.9	0.9	0.9
17	17	17	17	17	Mining & Quarrying	0.8	0.7	0.8	0.8	0.7
18	18	18	18	18	Agriculture & Fishing	0.4	0.4	0.4	0.4	0.4
					Less: Financial Services Indirectly Measured (FISIM)	15.2	14.8	15.4	15.1	14.8
					GDP at Constant Basic Prices	100.0	100.0	100.0	100.0	100.0

Financial and Insurance Activities maintained its dominance as the largest single direct contributor to the real GDP of the Cayman Islands accounting for 41.2 percent in 2014. This represents a decline from the 41.8 percent realized in 2013 which was also a decline from the 42.2 percent in 2012. The decline in absolute share of 0.6 percentage points in 2014 is the largest decline of any industry. The decline in the share of this industry over the review period is due to the fact that the industry is growing at lower rates than the other large industries.

Professional, Scientific & Technical Activities continued to increase its share of real GDP and maintained its position as the second largest contributor. 2014 saw the industry's contribution further increasing to 14.4 percent from the 14.1 percent recorded in 2013. This 0.3 percentage point increase represents the largest increase of any industry. The performance of this industry is primarily attributed to legal and accounting services which continued to experience increased activity with the recovery of the financial services industry.

Other significant contributions to real GDP in 2014 came from Real Estate Activities (8.6%) notwithstanding its decline from the 8.7 percent in 2013. Wholesale & Retail Trade maintained its 8.4 percent share in 2014. The contribution of Public Administration & Defense declined in 2014 to 7.5 percent from the 7.6 percent realized in 2013. Hotel & Restaurant Activities remained the sixth largest contributor while increasing its contribution to total real GDP. It recorded contribution of 5.9 percent in 2014 up from 5.8 percent in 2013, 5.7 percent in 2012, 5.6 percent in 2011, and 5.4 percent in 2010. This reflected the continued vibrancy in the stay-over segment of tourism activity.

Construction held firmly to eleventh place in 2014 as has been the case since 2011. This represents a stemming of its slide down the ranking from a high of sixth place in 2008. It posted a contribution of 3.1 percent in 2014, similar to that recorded for 2011, 2012 and 2013.



3.4 GDP rates of growth by industry

Table 5 shows the growth rate of real GDP broken down by industry. The local economy recorded a growth of 2.4 percent in 2014 which resulted in a 0.7 percent average annual growth rate over the five-year period (2010-2014). The expansion in the domestic economy in 2014 resulted from growth in both service-producing industries (2.1%) and goods-producing industries (1.9%).

The five-year average annual growth for the goods-producing industries showed a decline of 2.7 percent despite three consecutive years of growth from 2012 to 2014. Meanwhile for the service-producing industries, the five-year average growth rate revealed an expansion of 0.7 percent.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN						
TABLE 5: RATE OF GROWTH OF GDP AT CONSTANT BASIC & PURCHASERS' PRICES, 2007=100						
INDUSTRY	2010	2011	2012 ^R	2013 ^R	2014	5-Year Average
Goods Producing Industries	-18.0%	-2.2%	2.6%	2.1%	1.9%	-2.7%
01 Agriculture & Fishing	-1.5%	3.6%	1.1%	1.8%	8.3%	2.7%
02 Mining & Quarrying	-10.1%	-2.4%	8.2%	-0.3%	-6.4%	-2.2%
03 Manufacturing	-10.2%	-1.9%	3.9%	2.8%	2.7%	-0.6%
06 Construction	-23.0%	-2.9%	1.1%	2.5%	2.9%	-3.9%
Service Producing Industries	-2.3%	1.0%	1.7%	1.2%	2.1%	0.7%
04 Electricity, Gas & Air Conditioning Supply	-0.7%	0.4%	-1.2%	1.4%	1.5%	0.3%
05 Water Supply, Sewerage & Waste Management	-3.8%	-2.2%	1.2%	-1.2%	3.5%	-0.5%
07 Wholesale & Retail Trade	-8.3%	1.9%	1.3%	1.8%	2.4%	-0.2%
08 Transport & Storage	-1.4%	1.1%	1.8%	2.3%	3.3%	1.4%
09 Hotels & Restaurants	6.6%	5.8%	3.2%	2.0%	4.9%	4.5%
10 Information & Communication	-4.3%	-0.1%	1.6%	-0.5%	-1.1%	-0.9%
11 Financial & Insurance Services	-3.4%	0.6%	1.5%	0.3%	1.0%	0.0%
12 Real Estate Activities	-1.8%	-0.6%	0.5%	0.7%	1.3%	0.0%
13 Professional, Scientific & Technical Activities	1.4%	2.0%	2.6%	2.6%	4.4%	2.6%
14 Administrative & Support Service Activities	-1.9%	1.7%	5.6%	0.6%	4.8%	2.2%
15 Public Administration & Defense	-3.1%	0.2%	2.4%	2.2%	0.4%	0.4%
16 Education Services	-2.3%	-0.8%	0.8%	1.7%	0.8%	0.0%
17 Human Health & Social Work	0.6%	1.7%	1.0%	4.5%	4.9%	2.6%
18 Other Services	-0.1%	0.7%	3.2%	1.1%	5.1%	2.0%
Total	-3.1%	0.8%	1.8%	1.2%	2.1%	0.6%
Financial Services Indirectly Measured (FISIM)	-6.1%	-1.7%	5.3%	-0.3%	-0.1%	-0.6%
GDP at Constant Basic Prices	-2.7%	1.2%	1.3%	1.5%	2.4%	0.7%
Taxes Less Subsidies on Products	-3.4%	0.7%	0.9%	-1.7%	8.6%	1.0%
GDP at Constant Purchasers' Prices	-2.7%	1.2%	1.2%	1.3%	2.8%	0.7%

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Note: Average Annual Growth Rate (AAGR) represents the arithmetic mean of the annual growth rates.

3.4.1 Goods-producing industries

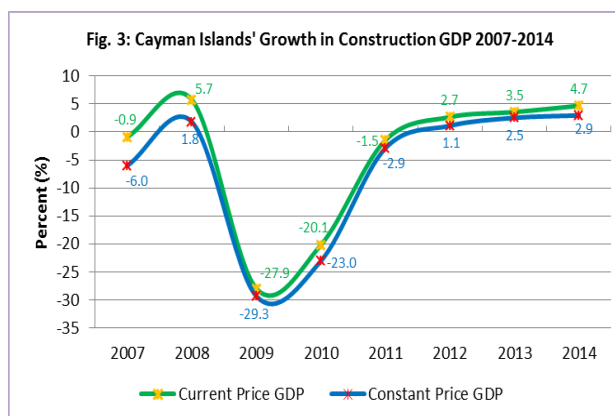
The 1.9 percent growth in the goods-producing industries for 2014 followed two previous years of expansion. This improved performance resulted from increased activity in Agriculture & Fishing, Construction and Manufacture while Mining and Quarrying recorded a contraction.

In 2014, Agriculture & Fishing posted its highest rate of growth compared to the increases posted in the three previous years. The activity grew by 8.3 percent in 2014, following growth of 1.8 percent, 1.1 percent and 3.6 percent in 2013, 2012 and 2011 respectively. The higher output level is attributable to the recovery in the fishing subgroup from the lower outturn in activity in 2013.

The Mining and Quarrying industry contracted in 2014 for the second consecutive year resulting in a decline in the five-year annual average rate of 2.2 percent. The 6.4 percent decline in 2014 was the second largest contraction for the past five years following the 10.1 percent decline in 2010.

The Manufacturing industry grew by 2.7 percent in 2014 continuing on the expansion that started in 2012. However, despite growing for the third successive year the industry recorded a five-year annual average decline of 0.6 percent. The improved performance in 2014 reflected the higher demand for concrete and concrete products.

The value added of Construction activity expanded by 2.9 percent in 2014, outpacing the 2.5 percent growth rate registered in 2013. The higher output levels resulted from the increased activity in building construction. However, the expansion for the past three years was not able to offset the declines posted in 2010 (-23%) and 2011 (-2.9%). This resulted in a five-year annual average decline of 3.9 percent. The graph illustrates an upward climb from 2007 to 2008 which represents an increase in constant price GDP of 1.8 percent in 2008, from a decline of 6.0 percent in 2007. However, there was a decline in 2009 of 29.3 percent as shown by the sharp downward slope on the graph between 2008 and 2009. The decline in 2011 (-2.9%) suggested an improvement when compared to 2010, which declined 23.0 percent. The industry started to grow in 2012 with a 1.1 percent increase and maintained marginal growth rates between 2013 and 2014 of 2.5 percent and 2.9 percent respectively.



3.4.2 Service-producing industries

The service-producing industries recorded the fourth consecutive year of growth in 2014. The segment grew by 2.1% in 2014 outpacing the growth levels in the previous three years. The expansion was fuelled by increased activities in Hotels & Restaurants and Professional, Scientific & Technical activities. The only activity within the services-producing industries to have contracted in 2014 was Information and Communication.

The Electricity, Gas & Air Conditioning Supply industry recorded its second consecutive year of expansion in 2014, growing by 1.5 percent. This is a marginally higher growth rate than the 1.4 percent growth in 2013. This expansion occurred against the background of a 1.5 percent increase in electricity consumption, which moved from 575,160 megawatt hours (Mwhrs) in 2013 to 583,736 megawatt hours (Mwhrs) in 2014. The increase is attributed to higher commercial and residential electricity consumption.

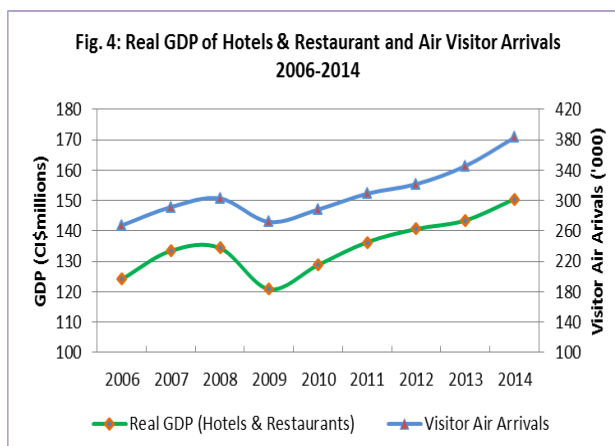
The Water Supply, Sewerage and Waste Management industry recorded a turn-around in 2014 with growth of 3.5 percent from a decline of 1.2 percent in 2013. This resulted from an increase in water consumption which moved from 1,630.9 million US gallons in 2013 to 1,650.8 million US gallons in 2014.

Wholesale & Retail trade continued on its growth trajectory, with a 2.4 percent increase in 2014. Despite this representing the fourth successive year of growth following increases 2011 to 2013, the five-year annual average growth rate for the industry shows a 0.2 percent decline due to the significant drop in 2010. The increase in 2014 is due in part to a 4.5 percent increase in year-end resident population which increased domestic demand (as reflected in the increase in total imports of consumer and intermediate goods in 2014).

Transport and Storage activity grew by 3.3 percent in 2014. This represents the highest growth rate compared to the three previous years of positive outturn. This also resulted in a five-year annual average expansion of 1.4 percent. The positive performance of the industry was fuelled by the 3.3 percent increase in the Transport Services sub-industry and the 4.3 percent increase in the Supporting Transport Activities group. The main contributors to the positive results in transport services were sea transport (9.2%) and land transport (3.6%). The industry grew despite a decline of 5.6 percent in the Post and Courier sub-industry.

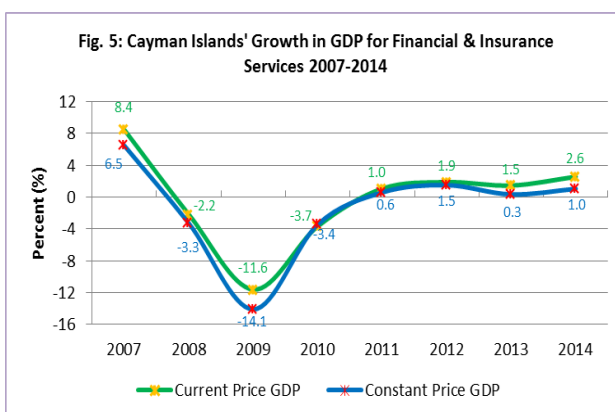
The Hotels and Restaurants industry recorded its fifth consecutive year of growth, increasing by 4.9 percent in 2014. The industry posted the largest five-year annual average growth (4.5%) of all industries. The performance of the industry was influenced by the 10.8 percent increase in the number of stay-over visitors, moving from 345.4

thousands in 2013 to 382.8 thousands in 2014. The graph illustrates a positive relationship between real GDP for the Hotels & Restaurants industry and the visitor air arrivals (i.e. real GDP and visitor arrivals are always trending in a similar direction). Real GDP for Hotels & Restaurants grew between 2007 and 2008 while visitor arrivals were trending in a similar direction as illustrated by the slope of both lines. The decline in visitor air arrivals for 2009 contributed to a sharper decline in the sector's activities, again illustrating the relationship between the two. As visitor arrivals trended up between 2010 and 2014, real GDP of the sector also started moving in a similar direction. However, it should be noted that while both maintained a positive relationship, there are other underlying factors which underpin the various movements in real GDP for hotel & restaurants.



Information and Communication activities recorded a second consecutive year of decline, contracting by 1.1 percent in 2014. This is a faster rate of contraction than the 0.5 percent decline in 2013. The industry declined over the review period except for 2012 when it posted growth of 1.6 percent. The contraction in 2014 is attributed to a 2.7 percent decline in the Telecommunications sub-industry.

The Financial and Insurance Services industry posted a higher growth rate in 2014 (1.0%) compared to 2013 (0.3%). However, despite four consecutive years of expansion this did not offset the 3.4 percent decline in 2010 as the five-year annual average growth remained flat at 0.0 percent. Only two sub-industries made positive contributions in 2014, Monetary Institutions (1.0%) and Insurance Services (2.6%). The performance of the industry was inhibited by the decline in the activity of other financial institutions and financial services (-0.3%). The graph shows the evolution in the performance of the sector over the period 2007-2014. It shows how the industry has grappled with the effects of the global recession and also shows some evidence of recovery.



In the heights of the recession (2009), the real GDP of the industry declined by 14.1 percent but have since showed signs of recovery with a lower rate of decline of 3.4 percent in 2010. The industry returned to growth in 2011 (0.6%) and recorded the highest growth rate in the post-recession period when it expanded by 1.5 percent in 2012. The growth was tempered in 2013 (0.3%) but accelerated in 2014 (1.0%).

Real Estate Activities grew by 1.3 percent in 2014 representing its third consecutive year of increased activity following growth in 2013 (0.7%) and 2012 (0.5%). The industry continued to recover from two years of decline in 2010 (-1.8%) and 2011 (-0.6%). The driving force behind the expansion in 2014 was increased activity in all four sub-industries: Operations of Owner-Occupied Dwellings (1.1%), Renting of Residential Buildings (1.1%), Renting of Commercial Buildings (0.3%) and Other Real Estate Activities, mainly real estate agents and brokers, (5.2%).

The Professional, Scientific & Technical Activities industry posted an expansion in real GDP of 4.4 percent in 2014. This is one of three industries registering growth in all five years in the period under review, i.e. 2010 (1.4%), 2011 (2.0%), 2012 (2.6%), 2013 (2.6%). The industry registered a five-year annual average growth of 2.6 percent. The performance in 2014 was attributed to the increase in value added of legal services (5.8%) and accounting services (4.0%).

The growth of 4.8 percent in 2014 for Administrative & Support Service Activities represented a faster rate of growth than 2013 (0.6%). The growth in the industry continued to be dominated by increases in car rental services (4.5%) and security activities (6.3%).

Public Administration & Defense posted a marginal growth of 0.4 percent in 2014, the fourth consecutive year of expansion following the 2.2 percent increase in 2013, 2.4 percent in 2012 and 0.2 percent in 2011. The increase in 2014 is influenced by the 4.1 percent increase in the personnel cost of core government which moved from CI\$235.75 million in 2013 to CI\$244.8 million in 2014.

Education Services grew by 0.8 percent in 2014. This is the third straight year of growth, adding to the increases of 1.7 percent in 2013 and 0.8 percent in 2012. The result is an indication that the industry has now moved closer to recovering from the declines of 2.3 percent in 2010 and 0.8 percent in 2011. Leading this expansion in 2014, as was the case in 2013, are increases in both the Public and Private Education sub-industries of 0.3 percent and 1.7 percent respectively.

Human Health and Social Work expanded by 4.9 percent in 2014, slightly improving on the 4.5 percent increase in 2013. Total value added in the industry grew for all five years in the review period resulting in an average growth rate of 2.6 percent. The activity of private health services again led the way in 2014, growing by 9.2 percent. The growth in this segment of the industry is influenced by the entrance of a new player. The activity of public health & social service also contributed with growth of 2.9 percent.

The value added of the Other Services industry grew by 5.1 percent in 2014 after three previous years of increases. The most significant contributions came from activities of private households with employed persons and activities arts, entertainment and recreation with increases of 5.8 percent and 6.3 percent respectively. With an 8.2 percent increase, diving and related activity (which is directly impacted by the growth in stay-over visitors) led the expansion in the Arts, Entertainment and Recreation sub-industry.

In summary, the Cayman Islands' economy continued to grow in 2014 adding to the three previous years of expansion. On average, the economy has grown over the past five years, albeit marginally. The rate of expansion has accelerated every year since the economy returned to growth in 2011. Domestic economic activity was buoyed by the continued recovery in the financial and construction services. The continued growth in stay-over visitors, lower gas prices and increase in the number of company registration are all positive indicators for continued expansion of the domestic economy.

3.5 Industrial Sector GDP at Current Prices

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 6: GDP AT CURRENT BASIC & PURCHASERS' PRICES (CIS\$'000)					
INDUSTRIAL SECTORS	2010	2011	2012 ^R	2013 ^R	2014
01 Agriculture & Fishing	8,814.0	9,226.4	9,533.3	9,680.4	10,660.1
02 Mining & Quarrying	20,295.6	18,624.3	19,991.1	20,271.5	17,916.4
03 Manufacturing	23,216.3	23,281.9	24,417.9	25,375.8	26,711.8
04 Electricity, Gas & Air Conditioning Supply	54,574.6	55,235.1	55,729.5	59,735.0	59,574.9
05 Water Supply, Sewerage & Waste Management	35,867.8	33,414.7	35,696.2	34,148.7	35,786.6
06 Construction	85,116.0	83,860.4	86,086.2	89,128.2	93,285.7
07 Wholesale & Retail Trade	203,302.9	211,591.2	218,529.9	225,103.6	236,799.9
08 Transport & Storage	98,801.0	100,699.4	103,323.0	108,505.3	117,774.8
09 Hotels & Restaurants	137,431.1	147,805.7	156,076.9	168,841.4	188,279.9
10 Information & Communication	101,917.3	101,676.9	102,346.5	101,066.8	101,586.6
11 Financial & Insurance Services	1,056,103.7	1,067,176.9	1,087,112.7	1,102,876.1	1,131,030.7
12 Real Estate Activities	218,323.2	220,588.8	223,219.2	222,113.7	227,205.8
13 Professional, Scientific & Technical Activities	338,810.6	346,434.6	362,030.6	375,436.4	398,160.3
14 Administrative & Support Service Activities	52,524.5	53,540.0	56,540.2	57,014.6	61,079.1
15 Public Administration & Defense	180,483.8	179,069.2	187,210.0	189,371.0	194,077.4
16 Education Services	68,235.7	67,132.3	68,379.7	70,232.0	71,366.5
17 Human Health & Social Work	75,572.1	79,917.5	84,140.7	90,321.7	94,490.7
18 Other Services	79,346.0	80,105.2	83,953.4	88,051.0	95,436.4
Total	2,838,736.0	2,879,380.4	2,964,317.0	3,037,273.0	3,161,223.4
Less: Financial Services Indirectly Measured (FISIM)	366,015.8	360,124.8	388,932.1	388,611.3	388,977.2
GDP at Current Basic Prices	2,472,720.2	2,519,255.6	2,575,384.8	2,648,661.7	2,772,246.2
Add: Taxes Less Subsidies on Products	173,612.0	193,406.0	201,003.2	203,289.8	220,599.2
GDP at Current Purchasers' Prices	2,646,332.1	2,712,661.6	2,776,388.0	2,851,951.5	2,992,845.4

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3.6 Detailed Value Added by Industry

Table 7: DETAILED VALUE ADDED BY INDUSTRY		CURRENT (CIS\$'000)					CONSTANT (CIS\$'000)				
INDUSTRIAL SECTOR		2010	2011	2012 ^R	2013 ^R	2014	2010	2011	2012 ^R	2013 ^R	2014
AGRICULTURE & FISHING		8,814.0	9,226.4	9,533.3	9,680.4	10,660.1	8,763.3	9,081.7	9,179.5	9,341.4	10,120.8
Growing of Agricultural Crops		5,074.3	5,385.1	5,520.1	6,009.4	6,567.7	5,139.1	5,382.8	5,440.1	5,761.3	6,205.2
Farming of Animals		1,019.0	1,114.0	1,004.7	1,002.0	992.1	903.6	971.7	901.8	902.8	805.7
Capture Fishing		2,720.7	2,727.3	3,008.5	2,669.1	3,100.3	2,720.7	2,727.3	2,837.7	2,677.3	3,109.9
MINING & QUARRYING		20,295.6	18,624.3	19,991.1	20,271.5	17,916.4	18,263.6	17,826.9	19,297.2	19,234.2	18,009.4
Quarrying incl. Stone, Sand and Gravel		20,295.6	18,624.3	19,991.1	20,271.5	17,916.4	18,263.6	17,826.9	19,297.2	19,234.2	18,009.4
MANUFACTURING		23,216.3	23,281.9	24,417.9	25,375.8	26,711.8	22,053.8	21,632.4	22,468.0	23,105.8	23,723.1
Food Products, Beverages and Tobacco Products		11,022.5	11,754.7	12,333.1	12,518.3	13,626.2	10,065.2	10,421.7	10,792.5	10,890.1	11,085.2
Builders' Carpentry and Joinery, incl. Furniture and Rubber and Plastic Product		2,934.4	2,238.3	2,443.8	2,838.3	2,902.0	2,895.5	2,184.8	2,383.2	2,742.1	2,924.1
Non-Metallic Mineral Products (incl. Glass and Glass Products, Concrete, Cement)		2,200.5	2,185.4	2,412.5	2,625.0	2,949.7	2,145.6	2,103.1	2,294.8	2,419.3	2,751.6
Basic Metals, Fabricated Metal Products, Machinery & Equipment		3,915.3	3,705.0	3,729.5	3,779.3	3,733.5	3,863.4	3,616.7	3,664.2	3,719.3	3,787.0
Other Manufacturing Goods n.e.c.		3,143.6	3,398.5	3,499.1	3,614.9	3,500.4	3,084.1	3,306.1	3,333.3	3,335.1	3,175.3
ELECTRICITY, GAS & AIR CONDITIONING SUPPLY		54,574.6	55,235.1	55,729.5	59,735.0	59,574.9	59,252.8	59,463.3	58,778.5	59,585.4	60,505.1
Production, Collection and Distribution of Electricity and the Manufacture of Ice		54,574.6	55,235.1	55,729.5	59,735.0	59,574.9	59,252.8	59,463.3	58,778.5	59,585.4	60,505.1
WATER SUPPLY, SEWERAGE & WASTE MANAGEMENT		35,867.8	33,414.7	35,696.2	34,148.7	35,786.6	34,994.0	34,209.4	34,616.7	34,218.4	35,402.9
Water Collection, Treatment and Distribution, Sewerage and Waste Collection		35,867.8	33,414.7	35,696.2	34,148.7	35,786.6	34,994.0	34,209.4	34,616.7	34,218.4	35,402.9
CONSTRUCTION		85,116.0	83,860.4	86,086.2	89,128.2	93,285.7	77,500.3	75,256.9	76,088.4	78,000.7	80,297.5
Construction (incl building installation, building completion, etc.)		85,116.0	83,860.4	86,086.2	89,128.2	93,285.7	77,500.3	75,256.9	76,088.4	78,000.7	80,297.5
WHOLESALE AND RETAIL TRADE & REPAIRS		203,302.9	211,591.2	218,529.9	225,103.6	236,799.9	198,458.0	202,236.4	204,935.8	208,554.4	213,535.1
Wholesale & Retail Trade		203,302.9	211,591.2	218,529.9	225,103.6	236,799.9	198,458.0	202,236.4	204,935.8	208,554.4	213,535.1
TRANSPORT AND STORAGE		98,801.0	100,699.4	103,323.0	108,505.3	117,774.8	94,595.2	95,672.9	97,367.0	99,608.5	102,869.5
Transport		40,090.0	40,188.6	41,394.5	43,956.3	47,843.6	40,933.2	41,212.3	42,058.9	43,452.7	44,882.6
Supporting Activities for Transport (incl Cargo)		52,229.4	53,781.7	55,002.4	57,535.9	63,200.2	47,672.6	48,401.5	49,170.0	50,059.7	52,231.5
Post and Courier Activities		6,481.5	6,729.2	6,926.1	7,013.1	6,731.0	5,989.3	6,059.1	6,138.2	6,096.2	5,755.4
HOTELS & RESTAURANTS		137,431.1	147,805.7	156,076.9	168,841.4	188,279.9	128,813.2	136,316.3	140,664.5	143,465.4	150,483.4
Hotels and Restaurants (incl Bars)		137,431.1	147,805.7	156,076.9	168,841.4	188,279.9	128,813.2	136,316.3	140,664.5	143,465.4	150,483.4
INFORMATION AND COMMUNICATION		101,917.3	101,676.9	102,346.5	101,066.8	101,586.6	113,883.3	113,804.3	115,605.5	115,027.1	113,773.5
Motion Picture Projection, Radio & TV Programming and Broadcasting and Telecommunications Activities		78,165.2	77,323.3	77,214.3	76,205.7	75,116.8	90,433.1	89,818.8	90,552.4	89,731.8	87,271.4
Publishing, Printing and Computer & Data Processing Services		23,752.1	24,353.6	25,132.2	24,861.1	26,469.8	23,450.2	23,985.5	25,053.1	25,295.3	26,502.1

Table 7 cont'd: DETAILED VALUE ADDED BY INDUSTRY

INDUSTRIAL SECTOR	2010	2011	2012 ^R	2013 ^R	2014	2010	2011	2012 ^R	2013 ^R	2014
FINANCIAL & INSURANCE SERVICES	1,056,103.7	1,067,176.9	1,087,112.7	1,102,876.1	1,131,030.7	1,017,164.7	1,023,138.1	1,038,447.8	1,041,827.1	1,052,624.0
Monetary Institutions (incl. CIMA)	616,462.2	623,720.3	629,242.5	641,128.3	656,123.1	561,429.9	562,951.8	568,837.9	571,559.1	577,492.0
Other Financial Institutions & Financial Services	240,824.9	242,890.7	248,205.6	249,541.5	254,606.2	250,915.0	253,371.3	256,187.9	255,775.5	255,055.1
Insurance, Pension Funding (incl. Auxiliary Activities)	198,816.6	200,565.9	209,664.6	212,206.3	220,301.3	204,819.8	206,814.9	213,422.0	214,492.5	220,076.9
REAL ESTATE ACTIVITIES	218,323.2	220,588.8	223,219.2	222,113.7	227,205.8	214,577.8	213,330.3	214,484.2	215,886.1	218,792.2
Operating of Owner-Occupied Dwellings	78,798.9	81,283.6	81,805.6	83,140.6	82,094.0	79,764.7	80,105.7	81,070.0	82,843.1	83,718.5
Renting of Residential Buildings	60,583.9	58,607.3	59,959.7	57,834.0	60,672.4	59,726.3	57,628.7	57,763.1	57,479.5	58,086.9
Renting of Commercial Buildings	57,025.1	58,431.5	58,025.2	56,756.8	58,381.7	52,791.0	53,073.8	52,378.1	51,447.7	51,612.9
Other Real Estate Activities	21,915.4	22,266.4	23,428.8	24,382.2	26,057.7	22,295.9	22,522.2	23,273.0	24,115.9	25,373.9
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	338,810.6	346,434.6	362,030.6	375,436.4	398,160.3	327,583.3	334,150.6	342,757.3	351,796.5	367,205.5
Business Activities (incl. Legal & Accounting Services)	338,810.6	346,434.6	362,030.6	375,436.4	398,160.3	327,583.3	334,150.6	342,757.3	351,796.5	367,205.5
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	52,524.5	53,540.0	56,540.2	57,014.6	61,079.1	50,298.8	51,158.2	54,045.3	54,394.1	57,004.2
Administrative and Support Service to Businesses (incl. Renting of Machinery & Equipment)	52,524.5	53,540.0	56,540.2	57,014.6	61,079.1	50,298.8	51,158.2	54,045.3	54,394.1	57,004.2
PUBLIC ADMINISTRATION AND DEFENSE	180,483.8	179,069.2	187,210.0	189,371.0	194,077.4	181,368.5	181,715.0	186,107.5	190,291.7	190,985.7
Public Administration and Defense	180,483.8	179,069.2	187,210.0	189,371.0	194,077.4	181,368.5	181,715.0	186,107.5	190,291.7	190,985.7
EDUCATION SERVICES	68,235.7	67,132.3	68,379.7	70,232.0	71,366.5	65,652.1	65,127.2	65,675.1	66,801.8	67,325.9
Public Education	44,523.0	43,299.4	43,365.5	43,634.8	44,145.8	43,231.8	42,883.5	42,980.9	43,278.8	43,401.1
Private Education	23,712.7	23,832.9	25,014.2	26,597.1	27,220.6	22,420.3	22,243.7	22,694.2	23,523.0	23,924.8
HEALTH AND SOCIAL WORK	75,572.1	79,917.5	84,140.7	90,321.7	94,490.7	75,319.2	76,589.7	77,374.7	80,894.9	84,858.5
Public Health and Social Services	52,894.9	56,769.3	59,213.2	63,034.8	64,998.6	53,475.1	54,248.2	53,781.6	55,520.2	57,149.0
Private Health & Social Services	22,677.2	23,148.2	24,927.5	27,286.9	29,492.1	21,844.1	22,341.6	23,593.1	25,374.7	27,709.5
OTHER SERVICES	79,346.0	80,105.2	83,953.4	88,051.0	95,436.4	75,790.0	76,343.4	78,765.4	79,594.6	83,633.7
Private Arts, Entertainment & Recreation	27,480.9	27,884.5	29,774.6	30,774.2	33,232.6	25,309.4	25,513.7	26,903.1	27,332.4	29,044.6
Personal & Household Services (incl. Activities of Membership Organization)	30,479.1	30,589.3	31,221.2	32,551.6	33,709.1	29,204.6	29,309.6	29,303.7	29,679.8	30,707.1
Private Households with Employed Persons	21,386.0	21,631.3	22,957.6	24,725.2	28,494.7	21,276.0	21,520.0	22,558.6	22,582.5	23,882.0
FINANCIAL SERVICES Indirectly Measured (FISIM)	366,015.8	360,124.8	388,932.1	388,611.3	388,977.2	365,332.1	359,276.6	378,429.7	377,298.3	377,089.9
VALUE ADDED AT BASIC PRICES	2,472,720.2	2,519,255.6	2,575,384.8	2,648,661.7	2,772,246.2	2,398,999.7	2,427,776.4	2,458,228.8	2,494,329.6	2,554,059.9
TAXES LESS SUBSIDIES ON PRODUCTS	173,612.0	193,406.0	201,003.2	203,289.8	220,599.2	162,951.9	164,124.9	165,546.5	162,717.3	176,693.6
GROSS DOMESTIC PRODUCTS AT PURCHASERS' PRICES	2,646,332.1	2,712,661.6	2,776,388.0	2,851,951.5	2,992,845.4	2,561,951.6	2,591,901.3	2,623,775.3	2,657,046.9	2,730,753.5

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3.7 Implicit Price Index by Industry

The GDP Implicit Price Index (IPI) is an indicator for inflation calculated by dividing the current price GDP (nominal GDP) by the constant price GDP (Real GDP). This index measures the implicit prices of all goods and services included in the GDP for the economy. It is used to gauge the inflationary tendency in the economy similar to the Consumer Price Index (CPI) and the Producer Price Index (PPI) but is the broadest measure of the price level of the three. The IPI is derived indirectly from the estimates of GDP in constant and current prices unlike the CPI or PPI which are derived directly from the collected price data for the items included in the index.

Table 8 below shows the IPI by industry for the Cayman Islands for the period 2006-2014. This IPI by industry provides information on the inflationary tendency of the economy as a whole as well as at the industry level. The interpretation of the table is to show how prices have moved year over year or relative to the base. The inflation rate using the GDP IPI is derived as the percentage change in the index from one period to the next. The IPI for the base year (in this case 2007) is equal to 100.

CAYMAN ISLANDS GROSS DOMESTIC (GDP) TABLES									
TABLE 8: GDP IMPLICIT PRICE INDEX (IPI), 2007=100									
INDUSTRIAL SECTORS	2006	2007	2008	2009	2010	2011	2012	2013	2014
01 Agriculture & Fishing	94.2	100.0	100.5	100.6	100.6	101.6	103.9	103.6	105.3
02 Mining & Quarrying	100.9	100.0	105.2	110.0	111.1	104.5	103.6	105.4	99.5
03 Manufacturing	95.6	100.0	102.6	101.3	105.3	107.6	108.7	109.8	112.6
04 Electricity, Gas & Air Conditioning Supply	94.0	100.0	80.3	86.6	92.1	92.9	94.8	100.3	98.5
05 Water Supply, Sewerage & Waste Management	100.5	100.0	94.6	95.3	102.5	97.7	103.1	99.8	101.1
06 Construction	94.8	100.0	103.9	105.9	109.8	111.4	113.1	114.3	116.2
07 Wholesale & Retail Trade	95.4	100.0	99.3	101.9	102.4	104.6	106.6	107.9	110.9
08 Transport & Storage	99.3	100.0	103.9	102.7	104.4	105.3	106.1	108.9	114.5
09 Hotels & Restaurants	98.8	100.0	103.8	107.6	106.7	108.4	111.0	117.7	125.1
10 Information & Communication	94.5	100.0	97.1	92.6	89.5	89.3	88.5	87.9	89.3
11 Financial & Insurance Services	98.2	100.0	101.1	104.1	103.8	104.3	104.7	105.9	107.4
12 Real Estate Activities	98.4	100.0	103.9	102.3	101.7	103.4	104.1	102.9	103.8
13 Professional, Scientific & Technical Activities	98.1	100.0	102.7	103.1	103.4	103.7	105.6	106.7	108.4
14 Administrative & Support Service Activities	97.9	100.0	102.4	103.0	104.4	104.7	104.6	104.8	107.1
15 Public Administration & Defense	91.3	100.0	102.1	101.1	99.5	98.5	100.6	99.5	101.6
16 Education Services	94.6	100.0	103.3	103.8	103.9	103.1	104.1	105.1	106.0
17 Human Health & Social Work	94.6	100.0	96.6	97.2	100.3	104.3	108.7	111.7	111.4
18 Other Services	96.9	100.0	104.3	103.9	104.7	104.9	106.6	110.6	114.1
Total	97.1	100.0	101.2	102.5	102.7	103.3	104.5	105.8	107.8
Less: Financial Services Indirectly Measured (FISIM)	98.2	100.0	102.1	101.6	100.2	100.2	102.8	103.0	103.2
GDP Implicit Deflator at Basic Prices	96.9	100.0	101.0	102.6	103.1	103.8	104.8	106.2	108.5
Add: Taxes Less Subsidies on Products	96.2	100.0	104.1	103.3	106.5	117.8	121.4	124.9	124.8
GDP Implicit Deflator at Purchasers' Prices	96.8	100.0	101.3	102.6	103.3	104.7	105.8	107.3	109.6
GDP IPI (Basic Prices) percentage change		3.2%	1.0%	1.5%	0.5%	0.7%	1.0%	1.4%	2.2%
GDP IPI (Purchasers' Prices) percentage change		3.3%	1.3%	1.4%	0.6%	1.3%	1.1%	1.4%	2.1%
CPI percentage change		2.9%	4.1%	-1.5%	0.3%	1.3%	1.2%	2.2%	1.3%

3.8 Production and Cost Components of Value Added by Industry

Table 9 below shows the production components (gross value added, gross output and intermediate consumption) and cost components (compensation of employees, consumption of fixed capital, operating surplus and other net taxes on production) by industry. Gross output is the defined as the total value of goods and services produced by an establishment (basically sales). Gross output can be used by businesses to gauge their market share in a particular industry. Intermediate consumption refers to the goods and services that are used up in the production process, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The gross value added is the excess of the gross output over the intermediate consumption. GDP via the production approach is the sum of the value added of all entities operating in the economy.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN							
TABLE 9: PRODUCTION AND COST COMPONENTS OF VALUE ADDED AT CURRENT BASIC & PURCHASERS' PRICES 2014 (CIS\$'000)							
INDUSTRIAL SECTORS	Production Components			Cost/Income Components			
	Gross Value Added ^{1, 1a}	Gross Output	Intermediate Consumption	Compensation of Employees	Operating Surplus/Mixed Income	Consumption of Fixed Capital ²	Taxes less Subsidies on Production
01 Agriculture & Fishing	10,660.1	19,364.2	8,704.1	4,379.8	5,270.4	666.6	343.2
02 Mining & Quarrying	17,916.4	33,732.4	15,816.1	10,202.8	5,548.4	1,996.5	168.7
03 Manufacturing	26,711.8	46,758.7	20,046.9	11,855.9	13,234.2	1,246.6	375.1
04 Electricity, Gas & Air Conditioning Supply	59,574.9	206,090.7	146,515.8	13,275.6	22,850.5	21,133.6	2,315.2
05 Water Supply, Sewerage & Waste Management	35,786.6	71,217.6	35,431.0	20,037.6	9,779.3	5,827.8	141.8
06 Construction	93,285.7	250,124.9	156,839.3	56,114.3	32,809.1	2,249.2	2,113.1
07 Wholesale & Retail Trade	236,799.9	342,557.5	105,757.6	110,571.1	97,478.4	23,025.5	5,725.0
08 Transport & Storage	117,774.8	212,615.5	94,840.7	72,686.9	32,902.5	11,417.5	768.0
09 Hotels & Restaurants	188,279.9	331,288.5	143,008.6	91,183.0	87,161.4	8,600.2	1,335.4
10 Information & Communication	101,586.6	178,531.1	76,944.5	44,123.7	25,779.3	23,627.2	8,056.4
11 Financial & Insurance Services	1,131,030.7	1,611,776.8	480,746.1	360,829.8	511,230.5	27,647.2	231,323.2
12 Real Estate Activities	227,205.8	369,161.0	141,955.2	33,773.1	159,945.4	20,818.2	12,669.2
13 Professional, Scientific & Technical Activities	398,160.3	539,259.5	141,099.1	241,859.9	131,058.4	7,255.9	17,986.1
14 Administrative & Support Service Activities	61,079.1	86,191.3	25,112.2	48,194.0	5,883.7	5,270.3	1,731.2
15 Public Administration & Defense	194,077.4	279,643.3	85,565.9	170,903.2	0.0	10,928.6	20.3
16 Education Services	71,366.5	92,649.3	21,282.8	60,695.8	5,099.0	5,512.6	59.1
17 Human Health & Social Work	94,490.7	135,210.9	40,720.3	84,361.6	5,996.1	3,845.5	287.4
18 Other Services	95,436.4	147,888.1	52,451.7	54,610.5	46,312.8	6,262.6	475.8
Total	3,161,223.4	4,954,061.3	1,792,837.9	1,489,658.4	1,198,339.4	187,331.3	285,894.3
Less: Financial Services Indirectly Measured (FISIM)	388,977.2						
GDP at Current Basic Prices	2,772,246.2						
Add: Taxes Less Subsidies on Products	220,599.2						
GDP at Current Purchasers's Prices	2,992,845.4						

Notes

1. Discrepancies between the total and the sum of the components are due to rounding

1a. Gross Value Added (Production) = Gross Output - Intermediate Consumption

1b. Gross Value Added (Income) = Compensation of Employees + Operating Surplus/Mixed income + Consumption of Fixed Capital + Taxes less Subsidies on Production

2. Accounting depreciation is used as a proxy for Consumption of Fixed Capital

4. GROSS DOMESTIC PRODUCT ESTIMATES-THE INCOME APPROACH

4.1 GDP and Rate of Growth of GDP at Purchasers' Prices by Income

The Cayman Islands' Gross Domestic Product (GDP) at current purchasers' prices for 2014 stood at CI\$2,992.8 million. The components of GDP by type of income and their rates of growth are shown in Tables 9a and 9b below.

Table 9a: GROSS DOMESTIC PRODUCT (GDP) BY INCOME AT CURRENT PRICES (CI\$'000)						
Type of Income	2009	2010	2011	2012 ^R	2013 ^R	2014
Compensation of Employees	1,396,727.0	1,358,148.3	1,378,493.5	1,418,280.9	1,440,262.3	1,489,658.4
Operating Surplus\Mixed Income	793,494.0	760,284.0	777,408.3	788,240.1	767,551.0	809,362.2
Consumption of Fixed Capital	174,170.9	174,355.6	172,184.2	175,058.9	177,950.5	187,331.3
Taxes less Subsidies on Production and Imports	338,664.4	353,544.3	384,575.6	394,808.2	466,187.7	506,493.4
Gross Domestic Product at Purchasers' Prices	2,703,056.2	2,646,332.1	2,712,661.6	2,776,388.0	2,851,951.5	2,992,845.4

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Table 9b: PERCENTAGE GROWTH of GDP BY INCOME AT CURRENT PURCHASERS' PRICES						
Type of Income	Percentage Growth					
	2009	2010	2011	2012 ^R	2013 ^R	2014
Compensation of Employees	(4.2)	(2.8)	1.5	2.9	1.5	3.4
Operating Surplus\Mixed Income	(7.9)	(4.2)	2.3	1.4	(2.6)	5.4
Consumption of Fixed Capital	0.3	0.1	(1.2)	1.7	1.7	5.3
Taxes less Subsidies on Production and Imports	(10.8)	4.4	8.8	2.7	18.1	8.6
Gross Domestic Product at Purchasers' Prices	(5.9)	(2.1)	2.5	2.3	2.7	4.9

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Total GDP at current purchasers' prices grew by 4.9 percent in 2014 when compared to 2013 (see Table 9b above). All income component increased in 2014 led by taxes less subsidies (net taxes) on production and imports (8.6%), followed by operating surplus/mixed income (5.4%), consumption of fixed capital (5.3%) and compensation of employees (3.4%).

Total compensation of employees¹⁰ amounted to CI\$1,489.7 million in 2014, an increase of 3.4 percent when compared 2013. This represents an increase on the 1.5 percent growth posted in 2013. This reflects the 4.5 percent increase in the number of employed person over the same period which moved to 37,723 in 2014 from 36,106 in 2013.

¹⁰ COE is defined as the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the latter during the accounting period.

Operating surplus/mixed income¹¹ grew by 5.4 percent in 2014 after declining by 2.6 percent in 2013. This represents the highest rate of increase since 2007 and is an indication that businesses are beginning to realize the benefits of the upswing in the economy.

Taxes (less subsidies) on production and imports¹² continued on its upward trend in 2014 albeit at a slower rate than that in 2013. It increased by 8.6 in 2014 following an 18.1 percent increase in 2013. The increase in the net taxes component is due to (among other things) an increase in the receipt from import duties resulting from higher levels of imports, growth in the number of registered companies and higher fees (e.g. hotel occupancy tax rate was increased in October 2013).

4.2 Contribution to GDP at Purchasers' Prices

Table 10: PERCENTAGE CONTRIBUTION to GDP BY INCOME AT CURRENT PRICES

Type of Income	2009	2010	2011	2012 ^R	2013 ^R	2014
Compensation of Employees	51.7	51.3	50.8	51.1	50.5	49.8
Operating Surplus\Mixed Income	29.4	28.7	28.7	28.4	26.9	27.0
Consumption of Fixed Capital	6.4	6.6	6.3	6.3	6.2	6.3
Taxes less Subsidies on Production and Imports	12.5	13.4	14.2	14.2	16.3	16.9
Gross Domestic Product at Purchasers' Prices	100.0	100.0	100.0	100.0	100.0	100.0

R-revised

Compensation of employees (COE) dipped below 50 percent of GDP in 2014 for the first time since 2007 as the growth in current price GDP outpaced the growth in compensation. COE accounted for 49.8 percent of GDP in 2014, down from the 50.5 percent posted for 2013. This continued on the downward trend started in 2012.

The second largest contribution (27.0%) came from operating surplus/mixed income with a total value of CI\$809.4 million in 2014. There was a marginal increase in its share in 2014, reversing the downward trend that started in 2006.

The share of net taxes increased in 2014 to 16.9 percent up from the 16.3 percent in 2013. This is a continuation of the upswing after seeming to have levelled off at 14.2 percent in 2012 and 2011.

¹¹ Operating Surplus is the measure of the surplus accruing from production. Mixed income is a combination of operating surplus and implicit remuneration for work done by owner.

¹² This includes import duties, hotel occupancy tax, business and professional licences, building permit fees, property tax, stamp duties, etc.

The share of consumption of fixed capital¹³ increased slightly to 6.3 percent in 2014, from 6.2 percent in 2013. This reflects an increase in the value of this component from CI\$178.0 million in 2013 to CI\$187.3 million in 2014.

4.3 Income Components of GDP at Purchasers' Prices

4.3.1 Compensation of employees (COE)

Table 11 below shows the breakdown of total compensation by industry in the Cayman Islands for the period 2009-2014.

Table 11: COMPENSATION OF EMPLOYEES (CI\$'000)						
Industry	2009	2010	2011	2012 ^R	2013 ^R	2014
Agriculture & Fishing	4,046.4	3,916.3	4,127.2	3,925.4	3,982.4	4,379.8
Mining & Quarrying	13,104.9	12,171.6	11,390.7	11,544.5	11,408.9	10,202.8
Manufacturing	11,647.1	11,002.6	10,755.1	11,258.0	11,432.0	11,855.9
Electricity, Gas & Air Conditioning Supply	13,555.7	12,732.6	12,731.5	12,808.7	12,671.4	13,275.6
Water Supply, Sewerage & Waste Management	15,563.0	15,701.3	15,888.0	19,000.8	19,108.3	20,037.6
Construction	62,514.3	50,431.2	53,464.1	54,547.5	52,386.4	56,114.3
Wholesale & Retail Trade	118,125.5	110,572.8	110,799.3	110,387.9	105,397.1	110,571.1
Transport & Storage	68,808.1	66,449.6	67,329.8	69,499.5	69,108.9	72,686.9
Hotels & Restaurants	68,579.8	70,517.7	82,021.6	83,355.8	85,807.9	91,183.0
Information & Communication	44,825.5	44,909.9	46,434.7	47,068.6	44,472.5	44,123.7
Financial & Insurance Services	351,066.9	344,424.5	341,896.8	349,801.5	357,600.5	360,829.8
Real Estate Activities	34,347.3	32,712.3	32,017.2	32,069.5	32,387.3	33,773.1
Professional, Scientific & Technical Activities	200,464.0	203,190.8	206,426.7	217,892.4	230,322.3	241,859.9
Administrative & Support Service Activities	41,034.4	41,294.2	42,171.4	44,618.0	46,647.3	48,194.0
Public Administration and Defense	170,675.9	160,222.3	160,562.5	166,511.1	166,835.0	170,903.2
Education Services	62,956.6	61,125.8	59,764.2	59,442.5	60,088.3	60,695.8
Health and Social Work	63,740.5	65,544.5	69,438.7	72,620.6	77,536.0	84,361.6
Other Services	51,671.1	51,228.5	51,273.8	51,928.7	53,070.0	54,610.5
TOTAL	1,396,727.0	1,358,148.3	1,378,493.5	1,418,280.9	1,440,262.3	1,489,658.4

R-revised

The distribution of total compensation in the Cayman Islands was dominated by the following three industries in 2014:

- The Financial and Insurance Services industry with CI\$360.8 million in compensation or 24.2 percent of the total compensation;

¹³ Consumption of fixed capital is the decline, during the course of the accounting period, in the current value of the stock of fixed and intangible assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage.

- Professional, Scientific and Technical Activities (including legal and accounting services) with CI\$241.9 million or 16.2 percent of total compensation; and
- Public Administration & Defense with CI\$170.9 million or 11.5 percent of total compensation.

The three above-mentioned industries accounted for 51.9 percent of the total compensation generated in the Cayman Islands in 2014. This represents a slight decline of the 52.4 percent recorded in 2013.

4.3.2 Operating surplus/mixed income¹⁴

Table 12: OPERATING SURPLUS AND MIXED INCOME (CI\$'000)						
Industry	2009	2010	2011	2012 ^R	2013 ^R	2014
Agriculture & Fishing	3,992.3	3,989.5	4,162.6	4,638.5	4,750.4	5,270.4
Mining & Quarrying	6,655.6	5,558.3	4,639.5	5,637.8	6,228.4	5,548.4
Manufacturing	11,711.1	10,684.7	10,962.3	11,599.8	12,386.0	13,234.2
Electricity, Gas & Air Conditioning Supply	20,474.2	23,028.8	22,615.7	20,879.5	23,407.4	22,850.5
Water Supply, Sewerage & Waste Management	13,247.4	13,090.8	11,393.5	10,417.7	9,024.4	9,779.3
Construction	38,260.8	30,397.9	26,282.3	27,552.5	32,601.5	32,809.1
Wholesale & Retail Trade	75,773.8	68,296.9	75,446.3	82,535.6	92,980.4	97,478.4
Transport & Storage	18,623.6	22,044.3	23,550.9	23,579.6	28,614.8	32,902.5
Hotels & Restaurants	55,449.9	59,486.4	58,322.0	65,049.8	74,614.4	87,161.4
Information & Communication	39,059.0	31,227.2	28,126.4	28,328.6	29,994.0	25,779.3
Financial & Insurance Services	590,576.4	540,327.0	546,690.5	558,986.3	505,600.2	511,230.5
Real Estate Activities	155,927.4	155,069.7	158,201.0	161,122.4	157,059.2	159,945.4
Professional, Scientific & Technical Activities	116,673.1	119,024.9	121,827.9	124,705.3	121,914.3	131,058.4
Administrative & Support Service Activities	5,210.1	4,805.6	5,041.4	6,091.2	3,923.1	5,883.7
Public Administration and Defense	-	-	-	-	-	-
Education Services	2,634.5	3,084.3	2,961.5	3,336.9	4,466.1	5,099.0
Health and Social Work	5,561.3	6,096.6	6,374.8	7,330.5	8,214.8	5,996.1
Other Services	29,238.1	30,087.0	30,934.5	35,380.2	40,382.7	46,312.8
Sub-Total	1,189,068.6	1,126,299.8	1,137,533.2	1,177,172.2	1,156,162.2	1,198,339.4
Less Financial Services Indirectly Measured (FISIM)	395,574.6	366,015.8	360,124.8	388,932.1	388,611.3	388,977.2
TOTAL	793,494.0	760,284.0	777,408.3	788,240.1	767,551.0	809,362.2

R-revised

¹⁴ As shown in Table 12, the total amount of this income type comprises two parts:

- The amount before deducting implicit charges for financial intermediation services (FISIM) across industries, equivalent to CI\$1,198.3 million in 2014; and
- The total amount after deducting overall FISIM (CI\$809.4 million). The FISIM paid by producer is part of their intermediate consumption (goods and services that are used up in the production process, excluding fixed assets whose consumption is recorded as consumption of fixed capital). Ideally, FISIM should be apportioned across the various spending industries. However the currently available data does not permit this exercise.

The three largest contributors to operating surplus/mixed income in 2014 were Financial and Insurance Services, Real Estate Activities and Professional, Scientific and Technical Activities, accounting for 66.9 percent of the total. This represents a decline from the 67.9 percent recorded in 2013.

The Financial and Insurance Services industry accounted for the largest share of operating surplus/mixed income of CI\$511.2 million in 2014. The second largest share was recorded by the Real Estate Activities industry (CI\$159.9 million), followed by the Professional, Scientific and Technical Activities industry with CI\$131.1 million.

4.3.3 Consumption of fixed capital

Table 13: CONSUMPTION OF FIXED CAPITAL (CI\$'000)						
Industry	2009	2010	2011	2012 ^R	2013 ^R	2014
Agriculture & Fishing	634.9	650.1	662.4	693.8	644.6	666.6
Mining & Quarrying	2,398.7	2,388.9	2,408.6	2,613.7	2,427.6	1,996.5
Manufacturing	1,195.8	1,207.0	1,245.6	1,214.5	1,208.5	1,246.6
Electricity, Gas & Air Conditioning Supply	16,623.9	17,589.1	18,017.9	19,957.7	21,336.4	21,133.6
Water Supply, Sewerage & Waste Management	5,734.4	6,931.6	5,985.5	6,113.4	5,858.0	5,827.8
Construction	4,125.5	2,773.9	2,525.2	2,483.9	2,325.5	2,249.2
Wholesale & Retail Trade	20,207.0	19,867.8	20,618.8	20,762.7	20,874.1	23,025.5
Transport & Storage	10,470.8	9,709.3	9,245.9	9,665.1	10,167.8	11,417.5
Hotels & Restaurants	5,084.7	6,509.9	6,516.2	6,677.1	7,405.8	8,600.2
Information & Communication	19,731.6	19,056.0	20,040.3	19,408.3	18,435.6	23,627.2
Financial & Insurance Services	28,114.9	28,142.7	27,214.6	26,757.1	27,860.6	27,647.2
Real Estate Activities	23,152.4	21,212.3	20,894.5	19,987.3	20,357.2	20,818.2
Professional, Scientific & Technical Activities	7,299.5	6,982.6	7,180.5	7,503.8	7,356.1	7,255.9
Administrative & Support Service Activities	5,772.7	5,599.1	5,301.5	4,718.4	4,966.6	5,270.3
Public Administration and Defense	10,177.4	11,726.4	9,739.3	10,761.7	10,494.0	10,928.6
Education Services	4,132.4	3,969.6	4,359.1	5,549.7	5,622.8	5,512.6
Health and Social Work	3,351.1	3,812.7	3,949.1	4,035.7	4,383.2	3,845.5
Other Services	5,963.3	6,226.6	6,279.3	6,155.1	6,226.2	6,262.6
TOTAL	174,170.9	174,355.6	172,184.2	175,058.9	177,950.5	187,331.3

R-revised

Consumption of fixed capital or the depreciation cost of capital represented only 6.3 percent of the GDP in 2014 (see Table 10). This is consistent with the economic structure of the Cayman Islands which is driven by services rather than by manufacturing.

As presented in Table 13 above, the largest amounts of depreciation in 2014 occurred in the Financing and Insurance Services industry (CI\$27.6 million), followed by Information & Communication (CI\$23.6 million), Wholesale and Retail Trade (CI\$23.0

million), Electricity, Gas & Air Conditioning Supply (CI\$21.1 million), and Real Estate Activities (CI\$20.8 million). Though the Electricity, Gas & Air Conditioning Supply and Information & Communication industries are relatively small in terms of their contribution to GDP, they have significant depreciation because of the capital intensive nature of the industries.

4.3.4 Taxes less subsidies on production and imports

Table 14: TAXES less SUBSIDIES ON PRODUCTION AND IMPORTS (CI\$'000)						
Industry	2009	2010	2011	2012	2013	2014
Other Taxes less Subsidies on Production	164,472.1	179,932.3	191,169.6	193,805.0	262,897.9	285,894.3
Agriculture & Fishing	270.0	258.0	274.1	275.6	302.9	343.2
Mining & Quarrying	185.1	176.9	185.5	195.1	206.6	168.7
Manufacturing	321.7	322.0	318.9	345.7	349.3	375.1
Electricity, Gas & Air Conditioning Supply	1,052.1	1,224.0	1,870.0	2,083.6	2,319.8	2,315.2
Water Supply, Sewerage & Waste Management	136.2	144.3	147.6	164.4	157.9	141.8
Construction	1,688.6	1,513.0	1,588.7	1,502.2	1,814.9	2,113.1
Wholesale & Retail Trade	6,505.7	4,565.3	4,726.9	4,843.7	5,852.0	5,725.0
Transport & Storage	621.8	597.8	572.9	578.8	613.8	768.0
Hotels & Restaurants	868.8	917.1	946.0	994.2	1,013.3	1,335.4
Information & Communication	6,489.3	6,724.2	7,075.5	7,541.0	8,164.7	8,056.4
Financial & Insurance Services	126,500.6	143,209.5	151,375.0	151,567.8	211,814.7	231,323.2
Real Estate Activities	10,065.8	9,329.0	9,476.0	10,039.9	12,309.9	12,669.2
Professional, Scientific & Technical Activities	8,490.8	9,612.3	10,999.4	11,929.1	15,843.8	17,986.1
Administrative & Support Service Activities	785.5	825.6	1,025.8	1,112.5	1,477.7	1,731.2
Public Administration and Defense	9.8	11.0	8.2	17.5	16.3	20.3
Education Services	44.7	56.0	47.5	50.6	54.7	59.1
Health and Social Work	111.5	118.3	154.9	154.0	187.8	287.4
Other Services	324.1	328.1	376.8	409.2	397.8	475.8
Taxes less Subsidies on Products	174,192.3	173,612.0	193,406.0	201,003.2	203,289.8	220,599.2
TOTAL	338,664.4	353,544.3	384,575.6	394,808.2	466,187.7	506,493.4

Table 14 shows two data sets:

1. Other taxes on production net of other subsidies on production charged to industries; and
2. Taxes net of subsidies charged to buyers of products and imports.

Net other taxes on production accounted for 56.4 percent of the total in 2014 exactly as it was in 2013. Despite the unchanged ratio, net taxes on production increased to CI\$285.9 million in 2014 from CI\$262.9 million in 2013, an increase of 8.7 percent. This increase was due to an increase in the number of registered companies, among other things.

The industry breakdown of other taxes on production shows that the Financial and Insurance Services industry accounted for 80.9 percent of the total in 2014, a marginal increase from 80.6 percent in 2013. The growth in share emphasizes the continued importance of the industry as a revenue base for the central government.

APPENDIX 1: KEY CONCEPTS AND DEFINITIONS

A1.1 Classifications in the National Accounts

The main building blocks in the system of national accounts are classifications. These are used in different ways and situations throughout the system. The system of national accounts involves a large number of economic transactions in goods and services that are undertaken by a number of economic agents. The function of the national accounts is to organize and group the basic units of transactions to provide meaningful information. The classification system also guarantees comparability over time and internationally.

The Cayman Islands' national accounts use the International Standard Industrial Classification of all Economic Activities (ISIC) for the classifications of industries, as follows (see also Appendix 3):

- i. Agriculture, Forestry and Fishing
- ii. Mining and Quarrying
- iii. Manufacturing
- iv. Electricity, Gas, Steam and Air Conditioning Supply
- v. Water Supply; Sewerage, Waste Management and Remediation Activities
- vi. Construction
- vii. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
- viii. Transport and Storage
- ix. Accommodation and Food Service Activities
- x. Information and Communication
- xi. Financial and Insurance Activities
- xii. Real Estate Activities
- xiii. Professional, scientific and Technical Activities
- xiv. Administrative and Support Service Activities
- xv. Public Administration and Defense; Compulsory Social Security
- xvi. Education
- xvii. Health and Social Work
- xviii. Other Services

It should be noted that establishments owned or controlled by government are excluded from the industry "Public Administration and Defense" using the following criteria:

- (a) if the prices they charge for the goods and services they produce are economically significant;
- (b) if they are operated and managed like a corporation; and

- (c) if they have a complete set of accounts such that their operating surplus, savings, assets and liabilities can be separately identified and measured. These establishments are included in the industries in which their principal activity falls.

A1.2 Measuring Gross Domestic Product (GDP) using the Production Approach

This approach calculates GDP as the sum of the value added of all industries. This is the difference between gross output (essentially sales) of producers and the value of their intermediate inputs (that is purchases of commodities that are used up in the production of other commodities):

$$\text{Gross Output} - \text{Intermediate Input} = \text{Value Added}$$

The production account for industries allows for the compilation of GDP using the production approach. It records the production of goods and services as defined by the production boundary. Output generated from the production process is recorded as a resource on the left hand side of the 'T' account and the inputs used up in the production process is recorded as a use on the right hand side of the account. The value added is the balancing item for this account.

Production Account of a Producer

Uses (Debit)		Resources (Credit)	
Intermediate consumption	30	Gross Output	100
		Market	95
		For own final use	5
		Other non-market	0
Gross Value Added	70		

A1.2.1 Valuation of output, intermediate consumption and value added

Output can be valued at either basic or producers' prices. The SNA93 recommends basic prices for the valuation of output; intermediate consumption should be valued at purchasers' price.

Basic price is defined as the amount receivable by the producer from the purchase of a unit of good or service less any tax payable, plus any subsidy receivable as a consequence of its production or sale. Separately invoiced transport charges by the producer are excluded.

Producer's price (net of all valued tax (VAT)) is the amount receivable by the producer from the purchase of a unit of good or service less any VAT invoiced to the purchaser. Separately invoiced transport charges by the producer are excluded.

Purchaser's value is the amount paid by the purchaser, excluding any deductible VAT but includes any transport charges paid separately by the purchaser for delivery of the goods.

The above three concepts are related as follows:

- Basic Price
 - plus* taxes on product excluding VAT
 - less* subsidies on product
- Equals Producer's Price
 - plus* trade and transport margins
 - plus* non- deductible VAT
- Equals Purchaser's Price

It should be noted that in the Cayman Islands, there is no VAT; hence, producers' prices is the same as purchasers' price if there are no trade and transport margins.

A1.3 Measuring Gross Domestic Product at Constant Prices

The change in GDP results from the contribution of (i) the quantity of goods and services produced and (ii) the price at which these goods and services are sold. GDP at current prices reflects both these contributions as the production of the period is measured at the prices at that period. GDP at constant prices, on the other hand, reflects only the change in quantities produced. This indicator measures the production of the period at the prices of another period referred to as the base year.

GDP at constant price is a measure of the real growth, which takes place within an economy. The rate of change of GDP at constant prices from period to period is often used to assess the economic performance of a country as it shows only the change in the volume of goods and services produced as the price effect is removed. In theory, correcting for inflation refers to the process of revaluing current production using the average prices prevailing in the base year as follows:

$$\text{GDP at current prices} = \text{Quantity}_t \times \text{Price}_t$$

(Current quantities of goods and services produced multiplied by their current prices)

$$\text{GDP at constant prices} = \text{Quantity}_t \times \text{Price}_0$$

(Current quantities of goods and services produced multiplied by their prices in a year chosen as the base year)¹⁵.

Movement in GDP at constant prices over time indicates whether the economy is growing or is in decline. An increase in GDP at constant prices means that output is

¹⁵ The base year chosen for the Cayman Islands System of National Accounts is 2007.

growing faster than the rate of inflation and hence the economy is considered to be growing. The reverse would be true for a fall in GDP at constant prices.

The explanation given above is an oversimplification of the actual computation but is necessary to convey what the process is intended to accomplish. The final estimates of GDP contain different components which all have to be adjusted for inflation. Even though the process of deflation varies depending on the industry, the process always entails the compilation of indices. The deflation process can be effected by either directly deflating the current price estimates with a price index (usually the CPI) or by extrapolating the base year estimates by a volume index.¹⁶ The two approaches might also be used simultaneously.

The process recommended by the SNA to estimate GDP at constant prices is to deflate both gross output and intermediate consumption separately and then subtract the latter from the former. Basically, the recommendation is that estimations be made for both gross output and intermediate consumption at constant prices; taking the difference would yield GDP at consistent prices. This is referred to as double deflation and though intuitively appealing, it is difficult to apply in practice as it requires detailed data of good quality on price indicators for both gross output and intermediate inputs.

The alternative to double deflation is the use of a single indicator to extrapolate or deflate GDP at current prices. Although single indicators are generally unsuitable in industries where the relationship between value-added, gross output and intermediate consumption vary significantly from one year to the other, they are less sensitive to errors in other industries and hence extensively used.¹⁷ The single indicator method was the method of choice for the Cayman Islands and hence is discussed below in more details.

The single indicator method used in the Cayman Islands is the extrapolation of base year value added by a volume index of gross output. Where relevant quantity data were available, the volume index was calculated directly. In the absence of quantity data, the volume index was calculated indirectly by deflating gross output at current prices by the appropriate price index from the CPI. This approach tends to be the most frequently used single indicator and is based on the assumption that the ratio of value added to gross output in current prices remains unchanged at constant prices. This assumption might hold in the short run but becomes progressively less relevant in the long run hence periodic rebasing of the constant price estimates is recommended.

¹⁶ In the base year the current and constant estimates are the same.

¹⁷ The agriculture industry is one such industry where the relationship between gross output, intermediate consumption and valued added vary significantly from one year to another due to disease, weather conditions, etc.

Another single indicator approach is the deflation of current value added by a price index of gross output. SNA defines a price index as “an average of the proportionate changes in the prices of a specified set of goods or services between two periods of time.” This approach is referred to as single deflation due to the fact that only the current value added is deflated and not the gross output and the intermediate consumption. The ideal price index for this approach would be one based on wholesale or producer prices. However, these types of indices are not always available; as a result indices based on retail or consumer prices (e.g. CPI) are used. The disadvantage with using the CPI in this case is that the CPI relates specifically to price movements of goods and services purchased by households for consumption and so should not be used as a deflator for gross output destined for non-household consumption.

Extrapolation of value added by a volume index of employment is another single indicator method employed in the Cayman Islands System of National Accounts. This method entails the use of proxy indicators of gross output, such as hours worked, or numbers employed to extrapolate gross value added in the base year. These proxy indicators are most often used in services industries where it is difficult to specify direct volume measures. The weakness of this method is that it assumes constant labour productivity between the base year and subsequent years. This assumption inevitably leads to mismatches between employment and gross output hence the necessity for frequent revisions. According to accepted convention, where this method is employed an explicit assumption should be made about growth in labour productivity of about 1% per year.

Material input is another proxy indicator that can be used to extrapolate base year gross value added. This volume index should comprise of the most important material inputs to the production process. This method is usually employed in industries with heterogeneous output (e.g. construction, garment manufacturing, manufacturing of bakery products, etc). This method also necessitates frequent rebasing to account for changes in the ratio of gross output to value added and inputs.

A1.4 Measuring Gross Domestic Product (GDP) using the Income Approach

The income approach measures GDP as the sum of all income accruing to the factors of production. With this approach, GDP is calculated as sum of the compensation of employees, operating surplus/mixed income, consumption of fixed capital and taxes on production and imports less subsidies on production and imports.

$$\begin{aligned} \text{GDP} = & \text{Compensation of Employees} \\ & + \text{Consumption of Fixed Capital} \\ & + \text{Operating Surplus} \\ & + \text{Taxes on production and imports} \\ & - \text{Subsidies on production and imports} \end{aligned}$$

The definitions employed in the calculation of each of the above components are discussed below.

A1.4.1 Compensation of employees (COE)

This is defined as the total remuneration (in cash and kind) paid by employers to employees for work done during the accounting period. Compensation consists of two components:

1. Gross wages and salaries
2. Employers' social contributions

A1.4.1a Gross wages and salaries

This is defined to include all payments which employees receive in respect of their work. Included are:

- (a) Commissions, tips, bonuses and gratuities;
- (b) Allowances such as housing, uniform and travelling;
- (c) Wages paid during vacation and sick leave;
- (d) Overtime payments; and
- (e) Wages and salaries in kind.

The following items are among the consumption goods and services provided by the employer to the employee without charge or at a markedly reduced cost, which are of clear and direct benefit to the employees as consumers and are therefore included as part of wages and salaries:

- (a) Meal and drinks;
- (b) Housing services that can be used by all members of the household;
- (c) Uniforms that employees choose to wear frequently outside of the workplace as well as at work;
- (d) Sports, recreation and holiday facilities for employees and their families;
- (e) Transportation to and from work, car parking; and
- (f) Nurseries for the children of employees.

A1.4.1b Employers' social contribution

This includes contributions paid by employers on behalf of their employees to social security schemes, private pension funds and insurances schemes. These are geared towards providing benefits for the employees in the event that circumstances affect their ability to earn income, such as sickness, accidents, redundancy, retirement, etc. These social contributions may be actual or imputed.

- Employers' actual social contributions - These consists of social contributions paid directly by employers for the benefit of their employees to social security funds, insurance enterprises or other instituted units responsible for the administration and management of social insurance schemes.
- Employers' imputed social contributions - Some employers provide social benefits directly to their employees or dependents out of their resources without the use of an insurance enterprise or special pension fund. Remuneration should therefore be imputed equal in value to the amount of social contributions that would be needed to secure the entitlement.

A1.4.2 Consumption of Fixed Capital

This is the cost of production associated with the decline in the value of fixed assets used in the production process. It can be viewed in general terms as the replacement cost of the fixed assets used up in the process of production.

The SNA recommends that this be valued using the actual or estimated prices of fixed assets prevailing at the time the production takes place but not the prices at the time the fixed asset was originally acquired. However, in the case of the Cayman Islands depreciation is used as a proxy for consumption of fixed capital.

A1.4.3 Taxes on production and imports

Taxes are compulsory, unrequited payments made to the government by other institutional units. Taxes are said to be unrequited because the government does not directly provide a specific good or service in return for the payments made. There are two types of taxes on production and imports:

1. Taxes on products are taxes on goods and services that become payable when the goods are produced, sold, imported or otherwise disposed of by their producers. The following are categories of this type of tax:
 - a) Taxes and duties on import

- b) Other taxes on product excluding taxes and duties on import (e.g. hotel occupancy tax).
2. Other taxes on production are all taxes excluding taxes on products that establishments incur as a result of engaging in production (e.g. business and professional licences, property tax, stamp duties).

A1.4.4 Subsidies on production and imports

It should be noted that in the Cayman Islands, subsidies as defined by SNA are negligible.

Subsidies are current unrequited transfers that government makes to resident producers and importers. These transfers or payments are based on the levels of production and/or the quantity and value of goods and services produced, imported or sold. Subsidies are seen as negative taxation as producers receive them rather than pay them. There are two types of subsidies on production and imports:

1. Subsidies on products – subsidies payable per unit of a good or service e.g. fertilizer sold to farmers;
2. Other subsidies on production - subsidies excluding subsidies on products that are paid to resident establishments as a result of engaging in production.

A1.4.5 Operating surplus/mixed income

Operating surplus/mixed income is the income accruing to the production process before deducting interest charges, rent or property incomes payable. It is equivalent to the excess of the value added over the sum of the compensation of employers, net taxes on production, and allowances for the consumption of fixed capital, i.e.:

Operating Surplus = Gross Value Added – (Compensation of Employees + net Taxes on Production and Imports + allowance for the Consumption of Fixed Capital)

APPENDIX 2: IMPLEMENTATION OF THE CAYMAN ISLANDS' SNA

A2.1 Introduction

This section provides an overview of the work done in developing the System of National Accounts for the Cayman Islands. It examines the classification system employed in delineating institutional units into specific industries. This is fundamental to the measurement of output and value added by industry. The section also examines the main sources of data used in compiling the estimates. The Annual National Accounts Survey was the main data source and was supplemented by data from government accounts and other administrative sources. The section concludes by examining the estimation techniques employed in deriving gross value added by industry at current and constant prices.

A2.2 Coverage of Industries

As indicated in Appendix 1, all active business units were classified according to the International Standard Industrial Classification (ISIC) Revision 4, which is the industrial classification scheme recommended by SNA93 manual.¹⁸ In accordance with SNA93 and ISIC guidelines, business units were assigned codes based on their principal economic activity.¹⁹ The ISIC Revision 4 was adapted to accommodate a more detailed disaggregation of economic activity. For the most part, estimation and analysis were done at the product group level (5-digit ISIC code). However, some estimation had to be done at the class level (4-digit code) due to data constraints.

A2.3 Data Sources

Gross value added at current and constant prices was compiled using data from a variety of primary and/or secondary sources. Primary sources relate to data collected and compiled by the Economics and Statistics Office (ESO). The main source of primary data was the Annual National Accounts Survey. Other primary data sources were the consumer price index (CPI), Labour Force Survey (LFS), Survey of Living Conditions (SLC) and the Household Budget Survey (HBS). Secondary data sources (i.e. sources external to the ESO) consist mostly of administrative records and data generated as by-products of the administrative process. Revenue and expenditure accounts of government and statutory agencies, merchandise trade data, and specified data from the

¹⁸ The System of National Accounts Manual 1993 (SNA93) is the manual that guides the compilation of GDP estimates. It outlines the internationally accepted methodologies and rules that govern the derivation of estimates of GDP. The SNA 2008 is now available and aspects have been incorporated in the Cayman Islands' National Accounts.

¹⁹ The principal activity of a business is the activity whose value added exceeds that of any other activity carried out by the business.

Cayman Islands Monetary Authority (CIMA) comprised the main secondary data sources.

The Annual National Accounts Survey is designed primarily to collect information from active business units on their income and expenditure. Questionnaires are hand-delivered to business units on Grand Cayman (entities for whom a physical address was available) and mailed to those in Cayman Brac and Little Cayman. The survey was administered to all establishments in ESO's Business Register. Data on government ministries and departments were obtained from government accounting reports.

The consumer price index (CPI) was predominantly used in computing gross value added at constant 2007 prices. The CPI is used in two ways: (1) The gross output (at current prices) of a number of industries are deflated by a relevant price index of CPI items, or groups of items to derive the inflation-adjusted gross output (gross output at constant prices). The series of gross output constant is then used to formulate a volume index which is then used extrapolate base year gross value added to derive gross value added (at constant prices). (2) The gross value added (at current prices) of some activities are deflated directly by a relevant price index of CPI items, or groups of items to derive gross value added (at constant prices). This method is utilized in the absence of relevant volume indicators. The CPI was also used in estimating the current price gross value added of owner-occupied dwellings and some groups within the agriculture and fishing industries.

The government accounts comprise a voluminous amount of data that had to be classified, partitioned and adjusted to suit national accounts purposes. Revenue and expenditure data were gathered from the government database and then exported to Excel where it was adjusted for national accounts purposes. The database allows for the generation of reports based on cost centres. Through this process, public administration was identified. Additionally, revenue was classified into three groups: taxes (customs duties, property tax, hotel occupancy tax, cruise ship departure tax, stamp duty, etc.), sales of goods and services (work permits, departmental sales, etc.) and other revenue (interest, fines and forfeitures, etc.).

A2.4 Revision Policy

In order to improve the System of National Accounts, revisions are undertaken periodically. New and revised data from regular surveys, administrative records, audited financial statements from companies, public sector accounts, etc. are incorporated into the system as they become available. The previous two year's estimates are revised (as necessary) when current year estimates are being generated.

APPENDIX 3: INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF ALL ECONOMIC ACTIVITIES (REVISION 4)

A - Agriculture, Forestry and Fishing

- 01-Crop and animal production, hunting and related service activities
- 02-Forestry and logging
- 03-Fishing and aquaculture

B - Mining and Quarrying

- 05-Mining of coal and ignite
- 06-Extraction of crude petroleum and natural gas
- 07-Mining of metal ores
- 08-Other mining and quarrying
- 09-Mining support service activities

C - Manufacturing

- 10-Manufacture of food products
- 11-Manufacture of beverages
- 12-Manufacture of tobacco products
- 13-Manufacture of textiles
- 14-Manufacture of wearing apparel
- 15-Manufacture of leather and related products
- 16-Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
- 17-Manufacture of paper and paper products
- 18-Printing and reproduction of recorded media
- 19-Manufacture of coke and refined petroleum products
- 20-Manufacture of chemicals and chemical products
- 21-Manufacture of pharmaceuticals, medicinal chemical and botanical products
- 22-Manufacture of rubber and plastics products
- 23-Manufacture of other non-metallic mineral products
- 24-Manufacture of basic metals
- 25-Manufacture of fabricated metal products, except machinery and equipment
- 26-Manufacture of computer, electronic and optical products
- 27-Manufacture of electrical equipment
- 28-Manufacture of machinery and equipment n.e.c.
- 29-Manufacture of motor vehicles, trailers and semi-trailers
- 30-Manufacture of other transport equipment
- 31-Manufacture of furniture
- 32-Other manufacturing
- 33-Repair and installation of machinery and equipment

D - Electricity, Gas, Steam and Air Conditioning Supply

- 35-Electricity, gas, steam and air conditioning supply

E - Water Supply; Sewerage, Waste Management and Remediation Activities

- 36-Water collection, treatment and supply
- 37-Sewerage
- 38-Waste collection, treatment and disposal activities; materials recovery
- 39-Remediation activities and other waste management services

F - Construction

- 41-Construction of buildings
- 42-Civil engineering
- 43-Specialized construction activities

G - Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles

- 45-Wholesale and retail trade and repair of motor vehicles and motorcycles
- 46-Wholesale trade, except of motor vehicles and motorcycles
- 47-Retail trade, except of motor vehicles and motorcycles

H - Transportation and storage

- 49-Land transport and transport via pipelines
- 50-Water transport
- 51-Air transport
- 52-Warehousing and support activities for transportation
- 53-Postal and courier activities

I - Accommodation and Food Service Activities

- 55-Accommodation
- 56-Food and beverage service activities

J - Information and Communication

- 58-Publishing activities
- 59-Motion picture, video and television programme production, sound recording and music publishing activities
- 60-Programming and broadcasting activities
- 61-Telecommunications
- 62-Computer programming, consultancy and related activities
- 63-Information service activities

K - Financial and Insurance Activities

- 64-Financial service activities, except insurance and pension funding
- 65-Insurance, reinsurance and pension funding, except compulsory social security
- 66-Activities auxiliary to financial service and insurance activities

L - Real Estate Activities

- 68-Real estate activities

M - Professional, Scientific and Technical Activities

- 69-Legal and accounting activities
- 70-Activities of head offices; management consultancy activities
- 71-Architectural and engineering activities; technical testing and analysis
- 72-Scientific research and development
- 73-Advertising and market research
- 74-Other professional, scientific and technical activities
- 75-Veterinary activities

N - Administrative and Support Service Activities

- 77-Rental and leasing activities
- 78-Employment activities
- 79-Travel agency, tour operator, reservation service and related activities
- 80-Security and investigation activities
- 81-Services to buildings and landscape activities
- 82-Office administrative, office support and other business support activities

O - Public Administration and Defence; Compulsory Social Security

- 84-Public administration and defence; compulsory social security

P - Education

- 85-Education

Q - Human Health and Social Work Activities

- 86-Human health activities
- 87-Residential care activities
- 88-Social work activities without accommodation

R - Arts, Entertainment and Recreation

- 90-Creative, arts and entertainment activities
- 91-Libraries, archives, museums and other cultural activities
- 92-Gambling and betting activities
- 93-Sports activities and amusement and recreation activities

S - Other Service Activities

- 94-Activities of membership organizations
- 95-Repair of computers and personal and household goods
- 96-Other personal service activities

T - Activities of Households as Employers; Undifferentiated Goods-and Services-Producing Activities of Households for Own Use

- 97-Activities of households as employers of domestic personnel
- 98-Undifferentiated goods- and services-producing activities of private households for own use

U - Activities of Extraterritorial Organizations and Bodies

- 99-Activities of extraterritorial organizations and bodies

APPENDIX 4: CENTRAL REGISTER OF ESTABLISHMENTS QUESTIONNAIRE



P.O. Box 127, Government Administration Building
George Town KY1-9000
Grand Cayman, Cayman Islands, B.W.I.
www.eso.ky, email: infostats@gov.ky
(1-345) 949-0940 Fax: (1-345) 949-8782



CENTRAL REGISTER OF ESTABLISHMENTS QUESTIONNAIRE

1. Legal Name: _____
2. Trading Name: _____
3. Address:

PO Box: _____ Postal Code: _____

Street Name and No: _____ District: _____

Telephone No.: _____ Fax No.: _____

Email address: _____ Website: _____
4. Contact Person:

Name: _____ Position: _____

Telephone: _____ Email address: _____
5. What is the legal form of this business? (tick in the appropriate box below)

<input type="checkbox"/> Corporation	<input type="checkbox"/> Sole proprietor
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Partnership
<input type="checkbox"/> Cooperative	<input type="checkbox"/> Other (please Specify) _____
6. In what year did this establishment begin operation? (Year of commencement) _____
7. What is the type of organization that best describes this establishment?

☐ Single establishment (without or independent of any subsidiary or branch) (Go to 10)

☐ Holding company/Head office with Branch or Subsidiary: ☐ Foreign ☐ Local

☐ Branch of another establishment: ☐ Foreign ☐ Local

Name of main office _____

☐ Subsidiary: ☐ Foreign ☐ Local (Go to 9)

Name of parent company _____
8. Number of Branches _____
9. Number of Subsidiaries _____

