



Government of the Cayman Islands

ESO STRATEGIC PLAN 2015-2018

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The Economics and Statistics Office
Ministry of Finance and Economic Development

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1. Introduction

The Cayman Islands' Economics and Statistics Office (ESO) provides basic information on the country's people and economy, and is the official national statistics office.

Although it is not easily recognized, information provided by national statistical and economic research agencies can have significant impacts on the lives of people through various uses of their outputs and services such as the following:

- providing a basis for changes in the compensation paid to workers and pensioners, as well utility charges and fees paid by the general public;
- providing a basis for setting fiscal policy (the government's budget and priorities);
- guiding public sector investment, private sector business planning and marketing decisions;
- influencing the way in which people view their country's economic prospects and challenges through the provision of economic reports;
- providing a basis for the government's sovereign credit ratings which in turn influences interest rates paid by the government and businesses in the global capital market; and
- guiding the government's social assistance programs aimed at alleviating the quality of life of the poor.

For many leading economies, knowledge has developed into the third factor of production, next to capital and labour. The rapidly emerging environment of the "information economy" further underpins the importance of the ESO's role as an information resource. In the new information economy, greater focus is being centred on the generation and use of economic information as a resource, in addition to a greater emphasis being placed on human capital as the principal producer, repository, and disseminator of information. Organisations continually aim to maximize profitability or value for money, and performance, and increase the productivity of human resources. To achieve this objective, an even greater reliance is placed on the utilization of sound information. In short, good statistics allied to appropriate government policies, business and individual plans can change things radically for the better.

Planning Process

This **Strategic Plan for 2015-2018** was prepared using key inputs as follows:

- Updates as of December 2015 of the relevant sections of ESO's Strategic Plan for prior years including the national situation analysis. The prior years' plans have incorporated recommendations prepared in 2005 by the Caribbean Technical Assistance Centre (CARTAC) for improving the statistical system of the Cayman Islands. These recommendations were based on an assessment of the system as of May 2005 and the results of consultations with key officials of then Portfolio of Finance and Economics, the ESO and the Chamber of Commerce;
- Policies and programs approved for implementation by the Ministry of Finance and Economic Development, including on succession planning;
- An assessment of ESO's current accomplishments, strengths, weaknesses, opportunities and threats (SWOT) as of December 2015; and

- Recommendations by regional and international agencies regarding improvements in the scope and quality of statistics, including recommendations from the CARTAC July 2015 System of National Accounts Mission.

Key Stakeholders

The following contributors play a fundamental role in the successful implementation of this Plan:

- The Cabinet as provider of official guidance being a key user of statistics and economic reports, and the provider of adequate financial resources.
- The Ministry of Finance and Economic Development as facilitator in the provision of budgetary, HR, logistical, advocacy, and policy support.
- Other producers of statistical information e.g. statutory bodies, government and private entities. Some of these are members of the National Statistical Coordination Committee which was established in February 2013 and convened in May 2013.
- Data users whose needs are being met through this plan and are continuously requested to give constructive feedback in assisting the ESO's aim to improve its services.
- Businesses, organisations, and the general public as key users of statistics and survey respondents and advocates.
- International and regional organizations as providers of technical assistance especially with regards to the implementation of international or regional statistical standards, and as users of ESO's statistics and reports especially for global and regional economic surveillance.
- ESO management and staff as the key implementers of this Plan.

2. Business Model, Environmental and Organizational Context

Business Model

The ESO is a department of the Ministry of Finance and Economic Development, Government of the Cayman Islands and is made up of two technically independent units:

- ◇ the **Statistics Section** comprising of three Units (Balance of Payments, System of National Accounts and Social Statistics) is responsible for producing the country's official national socio-economic statistics and for providing statistical assistance to third parties, mainly government organizations. It liaises with international and regional bodies on statistical matters. Its statistical operations are governed by the Statistics Law (2011 Revision); and
- ◇ the **Economics Section** is responsible for generating the official macroeconomic forecasts mandated in the Public Management and Financial Law, and the requisite macroeconomic modeling, monitoring, reporting and research. It also provides research and other technical assistance to other agencies.

Vision. We envision the Cayman Islands to be on par with other countries having official statistics and economic monitoring systems that are geared to local developmental needs, and compliant with international standards issued by the United Nations (UN) Statistical Commission and its affiliate agencies.

Mission. ESO's mission is to facilitate decision-making in the public and private sectors by providing relevant, credible, timely and user-friendly statistics and economic analysis.

Strategies. Our general approach in implementing our mission includes:

- Adhering to legal mandates, primarily the Statistics Law (2011 Revision);
- Improving the robustness of currently produced statistics and developing new statistics based on local needs and according to international standards to the extent possible;
- Building internal human and statistical resources;
- Promoting community ownership through outreach programs and wider public access to information such as through our website www.eso.ky;
- Coordinating with local producers of statistics, through the National Statistical Coordination Committee, in promoting the development of a national statistical system underpinned by good statistical practices; and
- Networking with regional and international statistical bodies and economic organizations, and participating in their projects that are beneficial to the Cayman Islands' statistical system.

Services and Products

ESO produces three (3) broad types of goods and services:

- Publication of statistical reports and conduct of statistical services;
- Monitoring and reporting on the economy; and
- Policy and technical advice on economic and statistics matters.

The Statistics Section's publication of reports and conduct of statistical services are in accordance with the Statistics Law (2011 Revision) and internationally accepted standards. Among these are:

- Population and housing census, the most recent of which was held in 2010;
- Labor force surveys and household budget surveys;
- Consumer price index (CPI) surveys;
- Overseas trade and balance of payments;
- Gross domestic product and other system of national accounts (SNA) production and income approach indicators based on annual national account surveys;
- Household register;
- Business register; and
- Compendium of sector statistics compiled from various sources.

For FY 2015-16 and the next two fiscal years, statistical publications and services will include:

- A household budget survey leading to the revision of the CPI basket;
- A second round of labor force survey (April edition) in addition to the October edition;
- New social statistics: life expectancy, etc:
- Expenditure-based estimation of gross domestic product;
- Technical assistance in the form of Census-based data sets, projections and simulations; and
- International investment position and detailed financial and capital accounts of the balance of payments.

Over the long-term, the following products and services will also be considered for development based on demand from local users, international agencies as well as the need to improve the quality of GDP estimates:

- Supply and use tables;
- Producer's price indices; and
- SNA satellite accounts (e.g. tourism satellite accounts)

The Economics Unit monitors and reports on the economy by providing the following:

- Quarterly economic reports that summarize trends of national indicators (imports, employment, CPI, money supply and credit to sectors) and sector indicators (finance, tourism, housing and property transfers);
- Annual economic reports comprising of: (a) the global and regional economic performance and outlook including global tourism and finance; (b) local macroeconomic performances; (c) fiscal performance, sector developments and (d) outlook for the following year;
- Country data requested by international and regional agencies, and by the private sector; and

Economic policy and technical advice includes the preparation of forecasts of GDP growth, inflation, employment and the current account of the balance of payments as presented in the Strategic Policy Statement of the government. Economic studies or research including economic impact studies are also conducted depending on requests by the government or regional organizations.

Business Environment

A number of major international and regional trends support the growing importance of a sound statistical and socio-economic analysis program for the Cayman Islands. These include:

- The information economy.** With greater reliance on information to provide the value-added in business, government and our personal lives, the need for an accurate, timely information base is more crucial. Statistics are one element of the infrastructure needed to operate effectively in this new economy. Good statistics coupled with good analysis produce useful information for decision-making. The demand for new statistics over the long-term will drive a demand for new statistical skills, expertise and services at ESO.
- Increased competition in the global economy.** With globalization comes increased competition, greater rules on trade and transactions, and increased demands from international agencies and oversight committees, all of which require information that are compliant with international standards.

In the case of the Cayman Islands, its large off-shore financial services sector is dependent on competitive credit ratings which are in turn influenced by the Government's sovereign rating from international credit rating agencies. It is, therefore, essential to have macroeconomic information that is comparable to other jurisdictions and in compliance with set international standards. It is imperative that ESO has at any time the technical capacity embodied in its human resources and data infrastructure that will allow it to cope with changes in methodologies and analytical tools.

- Greater reliance on and benefits from information technology and telecommunications.** Technology can help lower costs of collecting, processing, analyzing and disseminating data. The speed at which all of these activities can take place has increased and providing access to the results has improved. With technology providing benefits to people in so many aspects of their lives, client-users are also demanding better timeliness of and access to statistics and information products.

The ESO website www.eso.ky has been the key platform for ESO's data dissemination to the local community. Since 2006, this has been continually restructured and updated, largely with external HR. However, ESO should also increasingly consider the development of IT competency among its internal staff to improve the timeliness of its responses to changing demands for more user-friendly statistics.

- Heightened awareness of privacy and confidentiality issues.** The public demands that all information collected remains secure. Those individuals, businesses, households, and organizations that provide survey information need to be assured that the information they provide is not shared with other parts of government or third parties. They need to be confident that any information produced by statistical agencies will never be linked back to the individual or business, household or organization. The Statistics Law (2011 Revision) provides this much needed security as it mandates that all individual or identifiable information collected by ESO through

surveys of households and businesses are confidential. Accordingly, ESO staff must at all times maintain the highest level of professionalism.

- **Financial management initiative.** The FMI has brought to the fore the importance of economic statistics in national policy-making. The Public Management and Finance Law requires the Strategic Policy Statement (SPS) to provide forecasts for five (5) key economic indicators: economic growth, inflation, unemployment, employment and the current account position of the balance of payments. These forecasts are required in the context of medium-to-long term financial projections. At any time, the ESO must have the technical expertise among its staff that will enable the delivery of these statutory requirements.
- **National economic risks assessment and management.** Another rationale for developing the macroeconomic data infrastructure of the Cayman Islands emerged from the recent experience in measuring the economic impact of hurricane Ivan in September 2004, and hurricane Paloma in November 2008. A more systematic or detailed impact assessment of these disasters on the economic growth for each sector, or on the flow of household income and expenditures and balance of payments were not made possible as required, due to the lack of the requisite accounts. Economic planning for national risk management or post-disaster reconstruction work can be better undertaken with the use of these accounts should the need arise in the future. Thus, it is important to ensure the availability of ESO staff with specialist skills in compiling macroeconomic accounts, forecasting and economic impact analysis.
- **Global financial and macroeconomic risks.** The recent period of global financial crisis which precipitated from the sub-prime mortgage crisis in the United States and spread to other major financial centres emphasizes the need for more robust comparative data on the various economic sectors which could only be generated from a system of national accounts (SNA). Such data set facilitates a comparative assessment of the vulnerability of the local sectors to the crisis, and informs the government's policy response. This factor reiterates the need to put a high priority on the development of skills in SNA estimation and macroeconomic forecasting.
- **Growing demand for statistics by local users.** Over the years, private sector use of statistics produced by ESO has grown. To name a few, businesses and pension plans have been relying on the consumer price indices. Private consulting firms have used SNA/GDP estimates for economic impact studies. Population and demographic information have been requested for business planning and educational planning. This growing interaction with local users highlight the need for a strategic plan to ensure that ESO should have the motivation, planning and management skills to steer the organization towards more user-based statistical development.
- **Scarcity of resources.** Funds available for government activities are limited. Policy and program decisions will need to be based on objective indicators and monitored to show they are meeting their objectives. Administrative data can be used to complement survey data in program monitoring to reduce costs and minimize the response burden wherever possible. The response burden especially for enterprises must be kept as low as possible. ESO's key staff must be specialists to preserve the

integrity of their statistical outputs and at the same time, they must be flexible in providing value-added skills to other parts of the ESO statistical production process.

Box 1:

The National Statistical Coordination Committee

Cooperation among government agencies is increasingly expected to facilitate a more efficient use of public sector resources in in data collection. As espoused in the UN Fundamental Principles of Statistics (Principle 8), "coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system."

In the Cayman Islands, this shall be facilitated by the National Statistical Coordination Committee (NSCC) which was established in February 2013 and convened in May 2013. It has four (4) core functions:

- a. **Foster closer relations and linkages among producers of data in the public sector.** This includes establishing cooperative agreements regarding the sharing of data and statistical resources within the bounds of the agencies' operational laws and policies.
- b. **Promote international statistical standards, classification systems, procedures and methods.** This may specifically involve the preparation of proposals for external funding of projects that can assist in the adoption of international standards, classification systems, methods and procedures.
- c. **Facilitate capacity building, statistical planning and prioritization.** This would include technical assistance and training from external organizations such as the CARICOM, and from among member agencies. NSCC shall also be invited to make recommendations on the prioritization of statistical programs to be pursued by ESO, to ensure that these will be driven by local data needs.
- d. **Conduct statistical dissemination and outreach.** The NSCC shall plan and implement joint activities that will broaden the understanding and use of statistics in the community, and engender a wider support for statistical activities. These activities will include the celebration of the Annual National Statistics Week and the International Year of Statistics 2013.

Legislative Framework

The statistical services of the ESO are mandated by the Statistics Law (2011 Revision). Prior to 2011, the earlier version of the Law was subjected to reviews, such as by the Caribbean Assistance Technical Centre (2005). Several recommendations were forwarded to improve the

following aspects of the Law and make it compliant with the UN's fundamental principles of official statistics:

- Definition and delineation of the functions of each actor in the statistical system including the Governor, the Financial Secretary (or minister in charge of the statistics office), a national statistical steering or coordination committee, the statistics office, the chief statistician, other government offices and public entities involved in statistics and the respondents.
- Relationship with regional and international organizations, professional societies and research institutions and trade and other associations.
- Preparation of a work plan, release calendar and annual report.
- Expanding the list of census and other statistics covered by the law.
- Statistical operations and data collections including those related to statistical personnel; and
- Securing data confidentiality and imposing higher penalties for non-compliance.

In August 2010, some of the concerns raised above were addressed through an amendment of the Statistics Law as follows:

- Updating of the institutional structure and explicitly stating that the Economics and Statistics Office is the Unit of the Ministry for Finance in charge of collecting data for census and other national surveys as specified under Section 7 of the Law;
- Mandating the data collection for the system of national accounts and the balance of payments;
- Providing that all individual information collected under the Law are confidential information;
- Mandating the issuance of annual publication and dissemination calendars; and
- Updating of fines for non-compliance by respondents and for the breaching of confidentiality by survey staff.

Current Supply of HR and Organizational Structure

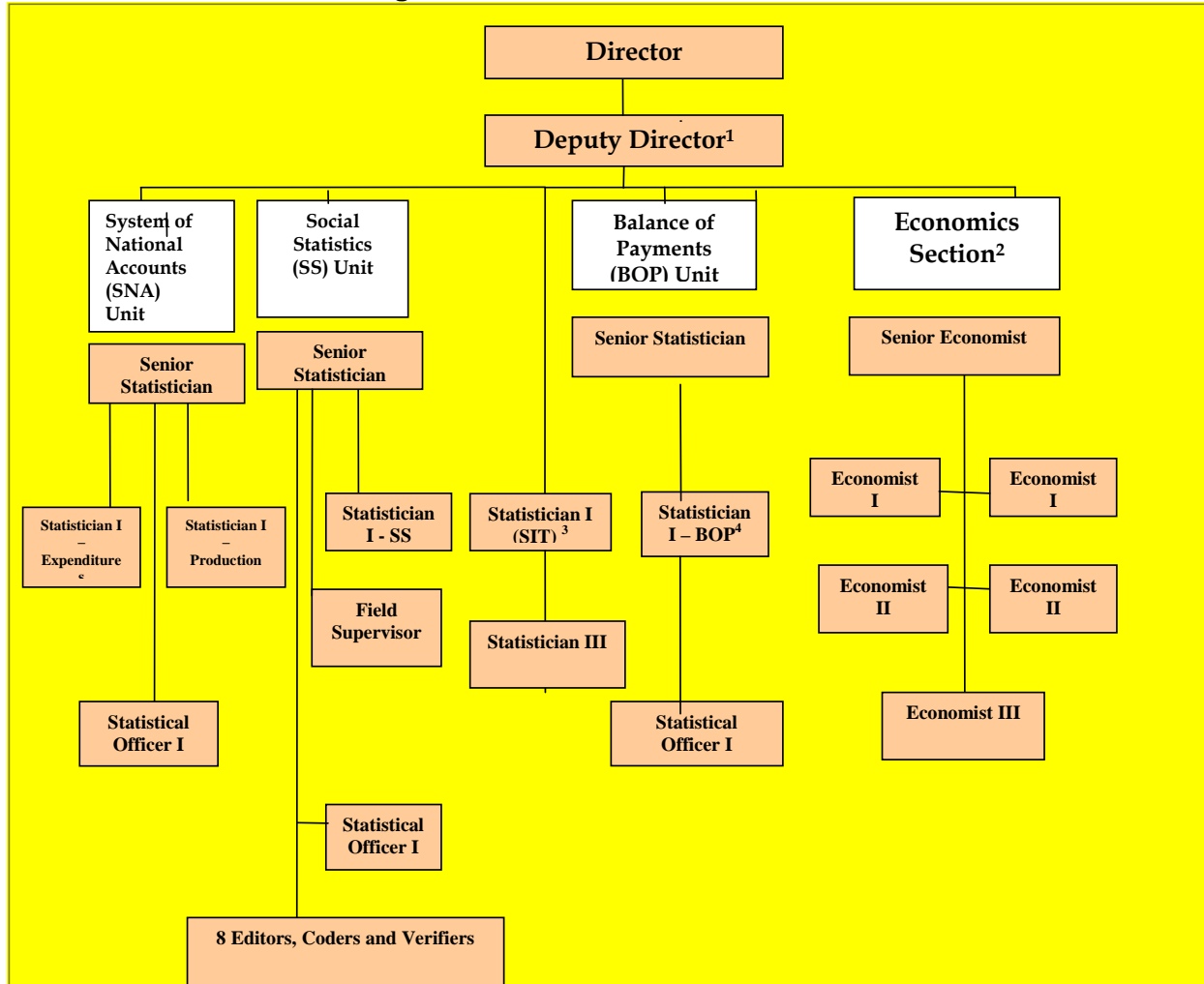
Human resources (HR) comprise the key infrastructure of ESO. Over the years, the size, composition and structure of ESO's HR have changed to meet the increasing demand for its services as mentioned above, and the introduction of changes in statistical methodologies in compliance with standards. From 11 posts in 2006, this has since grown to 26, although only 20 are filled up as of December 2015.

The key changes since 2006 were mainly in the Statistics Section which has grown from a core staff of 5 positions in 2006 to 16 positions (currently, only 15 of these are filled up). Structurally, the major changes are as follows:

- (a) The setting up of the System of National Accounts Unit comprising of three new positions;
- (b) The setting up of the Balance of Payments Unit comprising of one new position and two previous positions; and
- (c) The setting up of the Social Statistics Unit comprising of eleven new positions and two previous positions.

In 2006, the Statistics Section had a core staff of one Chief Statistician, one Statistician 1, one Survey Supervisor and two Statistical Officers 1. The current organizational structure is presented below:

ESO Organizational Chart as of December 2015



1 Also serves as Chief Statistician.

2 Economics Section is technically independent from the Statistics Section and the technical supervision of the Chief Statistician.

3 SIT - Statistical IT

4 Statistician 1 (BOP) – the post is currently filled up by a staff member who was transferred to the Customs Department in July 2015.

Succession Planning

Personnel Regulations (2006) Section 52 sets the mandate for succession planning:

“(1) In accordance with the requirements of section 55(1) (c) of the Law (to recognize the need for the advancement of Caymanians in all parts of civil service), a chief officer shall establish and regularly review and update a staff succession plan for his civil service entity.

(2) The purpose of the succession plan shall be to develop a pool of Caymanians within the civil service entity with the skills and experience that would make them realistic candidates for key managerial and technical positions in the civil service entity should they choose to apply for those positions when they become vacant.

(3) The succession plan should identify-

- (a) the key managerial and technical positions in the civil service entity for which developing or maintaining capability for that position is important to the operation of the civil service entity;
- (b) the current and future skill sets required to develop that capability;
- (c) sources or means to develop those skill sets;
- (d) at least two Caymanians staff members for each key managerial and technical position whose skills can be develop to the required level; and
- (e) the process and timeline for developing those staff members.

(4) In selecting Caymanian staff members to be developed in accordance with clause (3) (d) the chief officer shall-

- (a) select those staff members of the basis of their existing skills, experience and abilities and their potential to carry-out the duties of the managerial or technical position they shall be developed for; and
- (b) take into account the requirements for section 55 (1) (d), (e) and (f) of the Law to provide opportunities for the enhancement of the abilities of all individuals employees and to recognize the employment requirements of women and persons with disabilities.

(5) Where, due to the technical skills required, it is not practical or feasible to identify at least two Caymanians to be developed for a technical position under clause 3(d) and (e), the succession plan shall identify the alternative means and process by which Caymanians will be developed so that they have the necessary skills for the technical position over the long term.”

Accordingly, the Ministry approved the implementation of a succession plan for the ESO in September 2011. This updated Strategic Plan therefore incorporates the resources required in implementing the succession plan.

Core Values and Principles of Official Statistics

Consistent with the provisions of the Statistics Law (2011 Revision), the Personnel Regulations for Public Service Values and Conduct, the following values serve to govern the operations and conduct of the management and staff of the ESO:

Our Core Values at ESO
<p>Confidentiality: in keeping with the Statistics Law (2011 Revision), we maintain strict confidentiality in the management of all data provided by primary data collection (survey) respondents.</p>
<p>Integrity: We maintain professionalism and objectivity in the provision of statistics and policy advice by adhering to international and/ or regional standards in data compilation and dissemination, and by using verifiable tools of analysis.</p>
<p>Community ownership: We promote the participation and ownership of the local community, policy-makers, households, non-government organizations, business sectors and the public sector- as active users of data on one hand, and as sources of data with critical roles to play in raising Cayman's national statistics to international standards.</p>
<p>Transparency and accountability: We maintain transparency in the treatment of statistical data and economic information, namely, methods used, operations, concepts, and sources.</p>

In addition, as a national statistics office, the ESO adheres to the United Nations Fundamental Principles of Official Statistics.

Box 2

UN Fundamental Principles of Official Statistics

[Principle 1.](#) *Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honor citizens' entitlement to public information.*

[Principle 2.](#) *To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.*

[Principle 3.](#) *To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics.*

[Principle 4.](#) *The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.*

[Principle 5.](#) *Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents.*

[Principle 6.](#) *Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.*

[Principle 7.](#) *The laws, regulations and measures under which the statistical systems operate are to be made public.*

[Principle 8.](#) *Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.*

[Principle 9.](#) *The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels.*

[Principle 10.](#) *Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries.*

Source: UN Statistical Division

3. SWOT Analysis

In an attempt to assess the ability of the ESO to implement this Plan, an analysis of its current strengths, weaknesses, opportunities and threats was conducted. The following is a summary of the findings:

Strengths

Services

1. Continued expansion of the statistical publications. Starting 2015, the following are added:
 - The International Investment Position Report, the first edition of which is published in 2015 and covering the years 2012-2014; and
 - Labour Force Survey Report (Spring edition).
2. Additional resources from the Ministry of Finance and Economic Development were provided for the conduct of the Household Budget Survey (HBS) 2015, which will lead to new statistical outputs such as a new CPI basket and household expenditures for the estimation of GDP by expenditures approach.
3. The timing of statistical reports continues to adhere as close as possible to the Statistical Publication Calendar which is considered a good practice in the International Monetary Fund's General Data Dissemination System.
4. Web-based dissemination system through www.eso.ky. However, continuing improvement of this site remains vital in making it more user-friendly.
5. The metadata of all major statistics are included as part of the statistical reports, to facilitate better understanding of the data sets. However, there remains a need to develop these metadata as separate documents for easy access among data users.

Capacity-building

6. The competence of ESO staff members have so far led to five persons (or 20% of total staff complement) receiving the Chief Officer's Choice for the Employee of the month, and three persons receiving the Deputy Governor's Employee of the Month.
7. The flexibility of staff members in conducting new surveys have allowed ESO to implement new projects (such as the HBS 2015) as well as new methodology for existing surveys with minimal external consulting work.
8. New technologies are increasingly being adopted to improve efficiency, such as the use of tablets for the LFS and CPI surveys starting 2014, and a customized program for the Business Register. These are in addition to the customized CPI software and the Household Register program developed in earlier years.
9. New positions were approved for internal recruitment in FY 2015-16 – Economist I and Statistician 1 (Statistical IT). These will allow the implementation of succession plans among qualified Caymanians, and contribute to the long-term capacity-building of ESO.

10. There is an increasing pool of trained enumerators, particularly among Caymanians, achieved through continuous recruitment and training for household surveys.
11. ESO staff members continue to have access to CARICOM and CARTAC training programs depending on the subject and area of specialization, although some of the CARICOM training programs require funding from internal ESO budget which are not sometimes available.
12. In-house training of staff are available from supervisors; however, these have to be augmented in the future.

Weaknesses

13. Lack of actual staff vis-à-vis recommended staff requirement for BOP and SNA continues to hamper the adoption of recommendations towards the IMF General Data Dissemination System standards.
14. Lack of access to administrative records from other government departments to support the system of national accounts and balance of payments accounts.
15. Limited scope of population and vital statistics for the Cayman Islands.
16. Delays in retrieval of records-based data from other agencies for the Compendium of Statistics.
17. Delayed documentation of methodologies of censuses and surveys.
18. Lack of published quality standards.

Opportunities

19. Continuing demand for statistics for business planning, particularly CPI and employment data, and for social planning.
20. Greater demand for GDP/SNA and BOP statistics from the private sector, international credit agencies, creditors and investors, and other government departments.
21. Increasing demand for ESO technical assistance from other government agencies for surveys, such as those for the Minimum Wage Surveys in 2014 for the Ministry of Employment, and the Radio Listening Preference Survey for the Government Information Service/Radio Cayman in 2015. There is also a recommendation for ESO to conduct an Occupational Wage Survey in 2016.
22. Available technical assistance from the Caribbean Technical Assistance Centre (CARTAC) and other regional organizations, particularly for providing training and technical guidance to staff.

23. Improving private sector participation in surveys, with the Household Budget Survey 2015 achieving around 90 percent response rate. The response rate to the business surveys has also been increasing since 2013.
24. Establishment of the National Statistics Coordination Committee.
25. The regular holding of Statistics Week on an annual basis to highlight the role of official statistics in everyday life.

Threats (Challenges)

26. The need to (a) further improve the quality of statistics towards the IMF's General Data Dissemination System (GDDS) standards and (b) respond to demand for assistance by other departments for both economic advice and statistical services. Both of these require an increase in the number of ESO staff, e.g. at least one full-time Statistician 1 for SNA and BOP in the short-run.
27. Continued need for greater private sector participation (higher response rate, and improved quality of responses) especially among businesses. This need would even be greater when more detailed business surveys will be conducted in 2016 for the construction of a supply and use table. The latter is a key tool for economic impact analyses.

4. Goals and Strategies

The three inter-related goals of the ESO along with the strategies for FY 2015-2016 and the next two fiscal years are as follows:

Goal 1: Continuous upgrade of the scope and quality of national socio-economic information in the Cayman Islands in response to local needs and in compliance to international standards.

Strategies:

- Further development of economic statistics:

Improvement of the SNA (GDP) along the recommendations of the CARTAC July 2015 mission, primarily the improvement of current estimation methods for the production approach, preparation of GDP expenditures approach, and the construction of a supply-and-use table;

Completion of the BOP accounts and the international investment position (IIP) such that changes in the latter would be consistent with the BOP financial accounts;

A stronger cooperation with the business community is critical to the above-mentioned strategies;

Revision of the current CPI basket in FY 2016/17 based on the results of the Household Budget Survey 2015; and

Economic forecasting will also continue to be sharpened, especially in view of the recent volatility of the financial and economic conditions of Cayman's major markets (the US and other advanced economies).

- Development of new social statistics in coordination with relevant agencies.

Further alignment of LFS concepts and methodology, and development of indicators along the recommendations of the 2013 International Conference of Labor Statisticians.

Wage data will be developed, subject to approval and implementation of the proposed Occupational Wage Survey in the latter half of 2016.

Inclusion of additional vital and health statistics, gender statistics, and environmental indicators, literacy and other related education statistics in the Compendium of Statistics will be considered, depending on availability of source data.

Goal 2: Sustained building of internal capacity for socio-economic data compilation and dissemination, especially among Caymanians in the context of merit-based succession planning.

Strategies:

- Implementation of a merit-based Succession Plan.

This plan is mandated by the Public Service Management Law. It requires supporting the development of identified Caymanians among the ESO staff through several modes including hands-on/on the-job training for higher level skills and positions; attendance in short-term courses, and enrolment in Bachelors degree in economics and statistics.

In some cases, identified Caymanians will need to be transitioned to higher positions through intermediate positions, for instance, editors/coders/verifiers need to experience being a Statistical Officer 1 to transition them for higher posts.

As of December 2015, two posts for internal recruitment were provided with budgetary support – Economist 1 and Statistician 1 (Statistical IT). Both are expected to be filled up by qualified Caymanians within the first six months of 2016.

- Further strengthening of statistical capacity.

The conduct of Census 2010 has opened wide the demand for technical assistance from ESO which cannot be currently met due to severe lack of statisticians. In addition, there is also need to develop health and vital statistics, gender statistics, environmental, education and related statistics as discussed above. To respond to these demands, it is critical that staff members be provided with continuous technical training.

Goal 3: Greater local use and ownership of the official statistical system.

Strategies:

- Providing the data needs of local organizations

ESO will continue to support community and business organizations which aim to promote the improvement and use of statistics. The website will be further improved in terms of user-friendliness, particularly in allowing users to generate their own graphs, tables and other data presentations online.

- Facilitating the wide use of the Census 2010 database

The Census 2010 database is the most comprehensive source of socio-economic and demographic information for policy-making and planning. ESO shall provide a public use file of the Census database to the general public through its website, and extend appropriate technical assistance to agencies that may have more specific data needs.

- Development of a national statistical coordination system

The ESO is not the only producer of statistics in government. In fact, ESO uses a number of administrative data produced by other departments. Some departments also

conduct surveys on their own with assistance from ESO. Therefore, the development of official statistics and the requisite statistical capacity-building in Cayman should not only focus on ESO but should be extended to other agencies, particularly the members of the National Statistics Coordination Committee (NSCC). It is therefore important for ESO to facilitate and coordinate an inclusive statistical development program. This is also consistent with Principle 8 of the UN Fundamental Principles of Official Statistics as shown in Section 2 of this document.

5. Critical Success Factors

The implementation of this Strategic Plan is contingent on the following factors:

- Availability of budget support and approval of specific positions to facilitate succession planning. For FY 2015/16, the approved budget for ESO operations amounts to \$1,738,446 which includes budget for the internal recruitment of an Economist I and Statistician 1 (Statistical IT), and support for HBS 2015 and a Spring edition of the LFS;
- Active and full cooperation from the community and business leaders particularly for the business surveys for the GDP and BOP/IIP statistics.
- Policy and other support from the Ministry of Finance and Economic Development.

The strategies detailed in Section 4 are also meant to facilitate these critical factors.