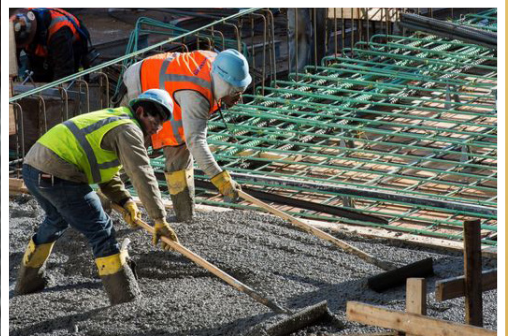
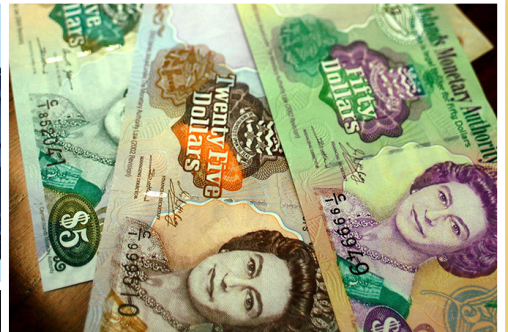




CAYMAN ISLANDS  
GOVERNMENT



# THE CAYMAN ISLANDS' THIRD QUARTER ECONOMIC REPORT 2024

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## Overview\*

- Advanced Economies grew at varying pace in the September 2024 led by the United States, which grew by 3.1%. Average inflation in the US declined to 3.0% from 4.4% in the same period of 2023.
- Cayman's gross domestic product (GDP) expanded by an estimated annualised rate of 3.3% in the first three quarters of 2024.
- The average Consumer Price Index rose by 2.4%, as all divisional indices except two increased for the period.
- Merchandise imports expanded by 11.8% to \$1,242.6 million due to increases in both oil imports and non-oil imports.
- Work permits increased by 0.8% to 36,359, while public sector employment rose by 4.0% to 4,812.
- Broad liquidity or money supply expanded by 1.7% as both local and foreign currency deposits held by residents increased.
- The weighted average lending rate for KYD fell by one (1) basis point (bp) to 9.01%, while the prime lending rate declined by 25 bps to 8.00%.
- Domestic credit expanded by 09% due to a 2.3% rise in credit to the private sector while credit to the public sector fell by 11.1%.
- Bank and trust company licences decreased by 10.6% to 84, while insurance licences rose by 2.0% to 720.
- The total number of funds registered in the Cayman Islands increased by 1.8% to 30,067, comprising 12,963 mutual funds (down 0.3%) and 17,104 private funds (up 3.5%).
- The number of listings on the Stock Exchange fell by 0.3% to 2,769, while market capitalization declined by 0.2% to \$870.4 billion.
- New company registrations increased by 19.7% to 9,025, while new partnership registrations grew by 7.7% to 2,954.
- Air arrivals rose by 2.3% to 330,514, while cruise visitors fell by 15.4% to 792,880.
- The value of building permits and project approvals contracted by 20.9% and 25.0%, respectively.
- The value property transfers rose by 8.5%, while volume declined by 4.0%.
- Electricity consumption increased by 4.3%, while water consumption rose by 7.2%.
- The central government's overall fiscal surplus increased to \$97.8 million compared to \$72.3 million in 2023.
- The total outstanding debt of the central government decreased to \$421.1 million from \$469.0 million a year ago.

\*Comparative data over the first nine months of 2022, except when otherwise indicated. Percentage calculations may not be exact due to rounding-off.



## 1. International Economy

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

Advanced Economies grew at varying paces in the third quarter of 2024. Higher consumer spending propelled strong growth in the US, while the Euro Area and Canada experienced slower growth. Economic activity in the UK was flat for the year.

The U.S. economy grew at an annualised rate of 3.1%, an acceleration in growth compared to 2.8% in the second quarter. The faster pace of growth was primarily reflected in consumer spending, exports, non-residential fixed investment, and federal government spending. Overall, 16 of 22 industry groups contributed to the third-quarter increase.

Canada's economy expanded at an annualized rate of 1.0%, a slowdown from 2.2% in the second quarter and 2.0% in the first quarter. The impact of higher household and government spending was partially offset by slower non-farm inventory accumulation, reduced business investment, and declining exports.

Economic growth in the Euro Area reached 0.4%, supported by higher household consumption, increased government spending, and growth in gross fixed capital formation. Economic activity in the United Kingdom (UK) was estimated to have remained flat in the quarter.

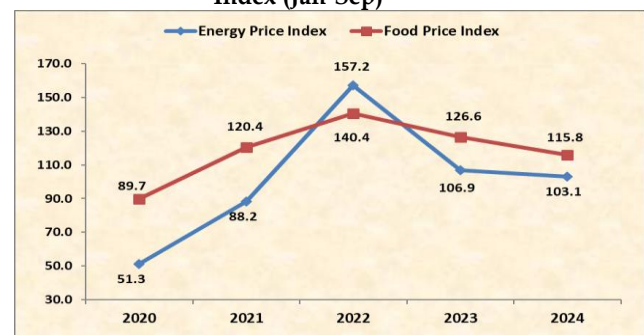
<sup>1</sup> Data sourced from the US Bureau of Economic Analysis, Statistics Canada, Office for National Statistics in the UK and the Eurostat.

### 1.2 Inflation<sup>2</sup>

Price increases in the world's major economies slowed for the first nine months of 2024. Inflation in the UK and the Euro Area moderated to 3.2% and 2.4%, relative to 7.6% and 6.4% in the same period in 2023. Similarly, the U.S. and the U.K. recorded rates of 3.0% and 2.5%, lower than the 4.4% and 4.3% recorded in 2023.

The general slowdown in the pace of inflation was in line with moderating energy and non-energy prices. The World Bank's energy price index declined by 3.6% over the review period, reflecting decreases in the prices of diesel, jet fuel, coal, and natural gas. Meanwhile, crude oil prices increased marginally by 0.5%, averaging US\$80.69 per barrel from January to September 2024.

**Figure 1: Global Crude Oil Prices and Food Prices Index (Jan-Sep)**



Source: World Bank commodity prices (The Pink Sheet)

The World Bank non-energy index increased by a marginal 0.6% for the year. The increase was primarily due to higher prices for beverages and raw materials. The sub-index for food declined by 8.5%, driven by reductions in oils, meat, and grains, which fell by 12.3% and 16.3%, respectively.

<sup>2</sup> Data obtained from the US' Bureau of Labour Statistics, Bank of Canada, Office for National Statistics and Eurostat.

### 1.3 Interest Rates and Exchange Rates<sup>3</sup>

All four major central banks cut their policy rates during the review quarter to counter the risk of an economic slowdown as inflationary pressures receded.

The US Federal Reserve lowered its policy rate by 50 basis points to a range of 4.75% to 5.00%. Similarly, the Bank of Canada reduced its policy rate by 50 basis points to 4.25%. The Bank of England and the European Central Bank (ECB) decreased their policy rates to 5.0% and 3.65%, respectively, down from 5.25% and 4.25% in June 2024.

In September 2024, the ECB announced a reduction in the spread between the rate on its main refinancing operations and the deposit facility rate, narrowing it to 15 basis points from the previous 25 basis points. The spread between the marginal lending facility and the main refinancing operations remained unchanged at 25 basis points. At the end of the review period, the policy interest rates for the marginal lending facility and the deposit facility were 3.9% and 3.5%, respectively.

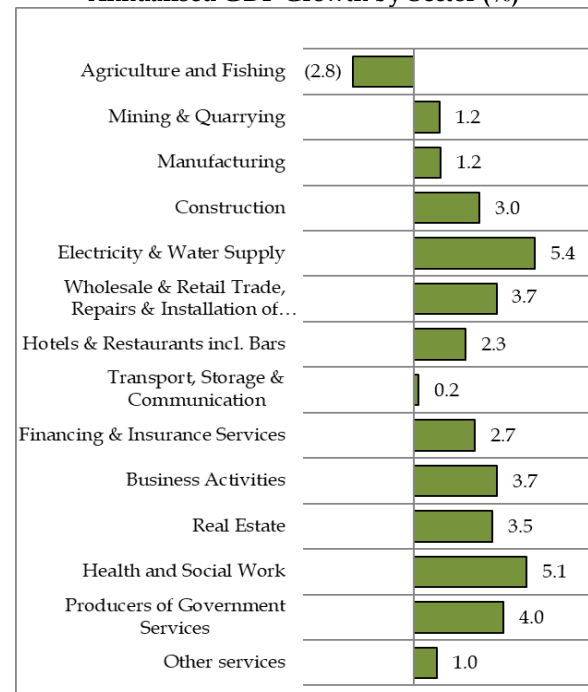
On average, the US Dollar declined nominally against two of the world's major traded currencies for the review period. Specifically, the US Dollar depreciated by 0.3% against the Euro and by 2.6% against the British Pound. In contrast, the Canadian Dollar strengthened by 1.8% against the US Dollar during the same period.

<sup>3</sup> Data sourced from the US Federal Reserve, Bank of England, Bank of Canada and European Central Bank.

## 2. GDP Growth and Macroeconomic Forecasts

Real Gross Domestic Product (GDP) expanded by an estimated annualised rate of 3.3% in the first nine months of 2024 compared to the same period of 2023. Available indicators suggest that the Islands' output expanded across most sectors, with only one contracting.

**Figure 2: Estimated First Nine Months of 2024 Annualised GDP Growth by Sector (%)**



Source: Economics and Statistics Office

The rise in output for the period was primarily linked to robust demand for services. Electricity and water supply are estimated to have expanded by 5.4%, while health and social work, as well as government services, grew by 5.1% and 4.0%, respectively. The construction sector expanded by an

estimated 3.0%, while wholesale and retail trade rose by 3.7%.

Finance and insurance services, which continue to be the largest contributor to GDP, expanded by 2.7% during the review period (see Figure 2). Notable expansions in economic activity were also estimated in business services and real estate activities, which rose by 3.7% and 3.5%, respectively.

The increase in output for the period was moderated by a deceleration in the growth of stayover arrivals and a reduction in cruise arrivals. The hotel and restaurant sector is estimated to have expanded by 2.3%, while the transport, storage, and communication sector is estimated to have grown by 0.2%.

The strong performance of the economy in the first three quarters of the year has led to an upward revision of the Calendar year forecast. Economic activity in the Islands is now projected to increase by 3.1% for 2024, with demand for auxiliary services expected to remain strong (see Table 1).

Despite international commodity prices remaining low, the uptick in prices during the third quarter, combined with robust domestic demand, is expected to add additional price pressures for the year. Consequently, the forecasted average inflation for 2024 has been revised upwards to 2.6%.

**Table 1: Macroeconomic Performance**

	2021	2022	2023	Projection 2024
	Percent (%)			
Real GDP	4.9	5.8	5.8	3.1
CPI Inflation	3.3	9.5	3.8	2.6
Unemployment Rate	5.7	2.1	3.3	2.4

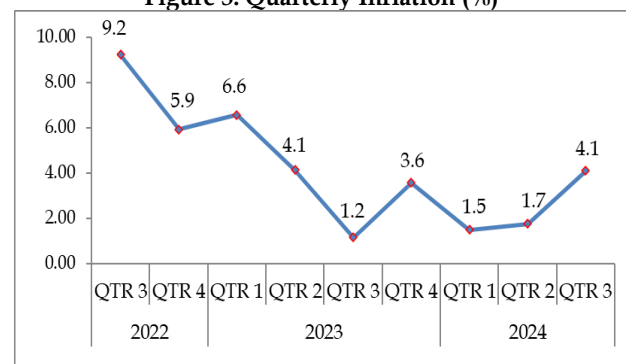
Source: Economics and Statistics Office

Robust economic activity and a narrowing of the gap between the demand and supply of labour have resulted in unemployment remaining close to its natural level. As a result, the projected unemployment rate for the year has been revised downwards to 3.3%.

### 3. Inflation

Inflation averaged 2.4% over the first nine months of 2024, down from 3.9% for the same period in 2023 (see Table 2). Inflation for the three corresponding quarters were 1.5%, 1.7% and 4.1%, respectively (see Figure 3)<sup>4</sup>.

**Figure 3: Quarterly Inflation (%)**



Source: Economics and Statistics Office

The average inflation for the nine months was primarily driven by price increases in most

<sup>4</sup> See also 'The Cayman Islands Consumer Price Index Report: September 2024,' [www.eso.ky](http://www.eso.ky)

categories, with the education and communication indices showing the largest absolute increases of 9.1% and 8.9%, respectively. The rise in the education index was attributed to increases in all subcategories, with secondary education costs increasing by 13.0% and pre-primary education rising by 10.7%. Higher costs for telephone and telefax equipment and services drove the growth in communication.

**Table 2: Average Inflation (%)**

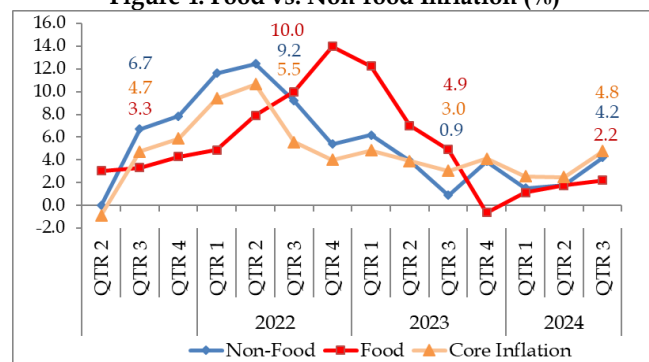
Categories	Avg. Inflation Rates (%)	
	9-Months 2023	9-Months 2024
Food & Non-alcoholic Beverages	8.0	1.7
Alcohol and Tobacco	4.0	(0.2)
Clothing and Footwear	4.5	0.2
Housing and Utilities	4.1	3.6
Household Equipment	10.7	1.4
Health	1.4	2.9
Transport	2.0	(0.2)
Communication	(1.0)	8.9
Recreation and Culture	3.6	0.8
Education	2.3	9.1
Restaurants and Hotels	4.8	0.6
Misc. Goods and Services	3.0	2.1
Overall CPI Inflation	3.9	2.4

Source: Economics and Statistics Office

Housing and utilities increased by 3.6%, driven by rental for housing, electricity, gas, other fuels, water supply and other miscellaneous services related to the dwelling. Higher prices were also observed in the categories of health (up 2.9%), miscellaneous goods (up 2.1%), food & non-alcoholic beverage (up 1.7%), household equipment (up 1.4%), recreation and culture (up 0.8%), restaurant and hotels (up 0.6%) and clothing and footwear (up 0.2%).

Despite the general increase, the alcohol and tobacco, as well as the transport indices, saw declines of 0.2% each. Falling wine and beer prices drove the decline in alcohol and tobacco, while the fall in transport was due to lower prices for spare parts and accessories, as well as fuel and passenger transport by air.

**Figure 4: Food vs. Non-food Inflation (%)**



\*Core inflation is measured as inflation excluding food, electricity, and fuel

Source: Economics and Statistics Office

Non-food prices for the quarter rose by 4.2%, up from 0.9% in the corresponding quarter of 2023. Similarly, core inflation (excluding food, electricity, and fuel) increased by 4.8% compared to 3.1% in 2023 (see Figure 4).

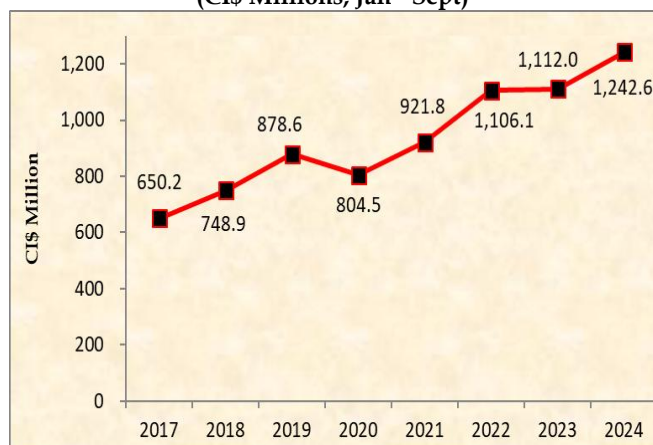
#### 4. International Trade<sup>5</sup>

Merchandise imports climbed by 11.8% to \$1,242.6 million at the end of September 2024, compared to \$1,112.0 million in the same period of 2023 (see Figure 5). The growth was evident across most categories, except for inedible crude materials (excluding fuels), which decreased by 21.6%, and animal and vegetable oils, fats, and waxes, which declined by 0.5%.

<sup>5</sup> A detailed trade report is posted at [www.eso.ky](http://www.eso.ky)

The total value of non-petroleum imports for the review period rose by \$109.0 million (or 11.4%) to \$1,066.2 million. The largest absolute increases within the category were commodities and transactions not classified elsewhere (up 119.2% or \$32.1 million), manufactured goods classified chiefly by material (up 19.5% or \$24.7 million), and machinery and transport equipment (up 10.7% or \$23.5 million).

**Figure 5: Merchandise Imports**  
(CIS\$ Millions, Jan - Sept)



Source: Cayman Islands Customs and Border Control and ESO

Within petroleum imports, the value of mineral fuels, lubricants and related materials increased by 14.0% to \$176.5 million. This increase was largely due to a rise in the cost of imported fuels, despite a decline in the total volume of imported fuels for the period.

The volume of fuel imports declined by 1.3% to 45.5 million imperial gallons (Table 3). Gas, aviation fuel and propane registered lower import volumes of 13.5%, 7.2% and 13.6%, respectively. In contrast, diesel fuel increased by 6.0% to 29.1 million imperial gallons. The rise in diesel imports corresponded with increased electricity production and

consumption over the review period (see Table 20 in Section 11).

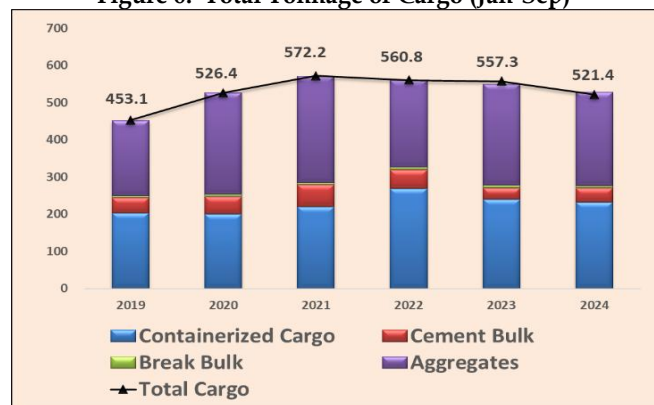
**Table 3: Quantity of Fuel Imports (Jan-Sep)**

	2022	2023	2024	% Change
Millions of Imperial Gallons				
Total Fuel	38.7	46.1	45.5	(1.3)
Diesel	26.0	27.4	29.1	6.0
Gas	9.6	11.9	10.3	(13.5)
Aviation Fuel	1.8	4.5	4.2	(7.2)
Propane	1.4	2.3	2.0	(13.6)

Source: Cayman Islands Port Authority

The volume of landed cargo decreased by 6.4% to a total of 521,407 tonnes at the end of the review period (Figure 6). This decline was driven by a 36.7% reduction in bagged cement to 5,759 tonnes, a 2.9% decrease in containerised cargo to 232,152 tonnes, a 6.8% decline in break bulk to 5,401 tonnes, and a 7.6% decrease in aggregates to 251,642 tonnes. Partially offsetting these declines was a 22.6% increase in bulk cement, which rose to a total of 37,970 tonnes. Aggregates and containerised cargo represented 92.8% of total landed cargo at the end of September 2024.

**Figure 6: Total Tonnage of Cargo (Jan-Sep)**



Source: Cayman Islands Port Authority

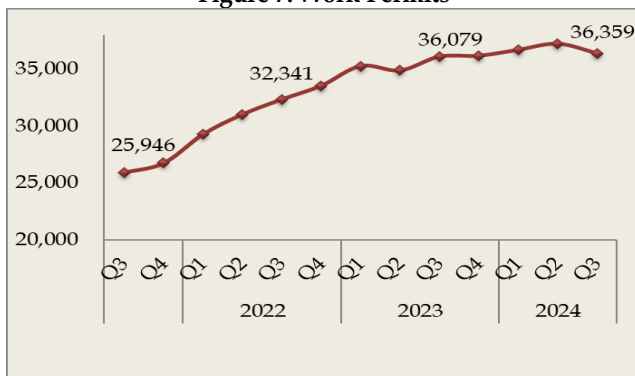


## 5. Employment

### 5.1. Work Permits

There were 36,359 active work permits at the end of September 2024, up by 0.8% from 36,079 for the same period in 2023. The construction sector accounted for the largest share, with 6,331 permits (17.4%), followed by the accommodation and food services sector, which had 6,088 permits (16.7%). When combined, these two sectors account for more than one-third of the permits issued during the period.

**Figure 7: Work Permits**



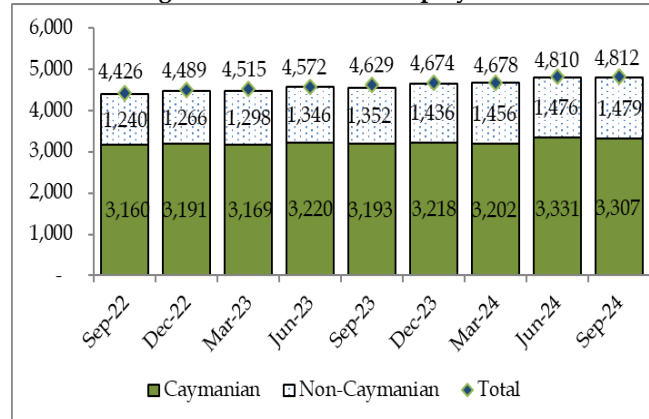
Sources: WorkForce Opportunities and Residency Cayman, Economics & Statistics Office

Compared to June 2024, the number of work permits decreased by 2.3% (or 837), primarily due to a 5.7% decrease in permits for administrative and support service activities, which accounted for 238 permits.

### 5.2. Public Sector Employment

The number of civil servants employed by the government increased by 4.0% as of the end of September 2024, reaching 4,812, compared to the same period in 2023. Caymanians represented 68.7% (3,307) of the workforce, while non-Caymanians accounted for the remaining 31.3% (1,505).

**Figure 8: Civil Service Employment**

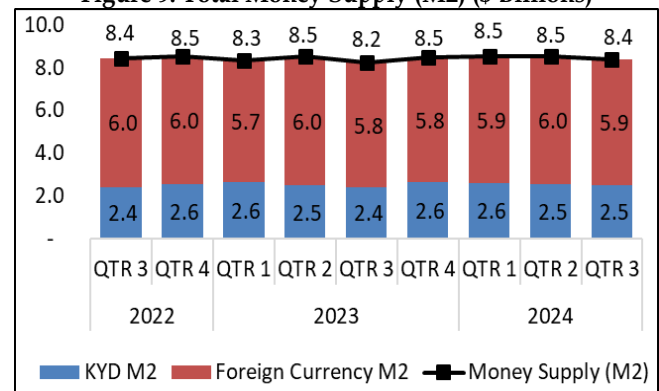


Source: Portfolio of the Civil Service

## 6. Money & Banking

Liquidity conditions in Cayman's banking system improved in the first nine months of the year as interest rates began a downward trajectory. Specifically, broad liquidity (M2), which comprises CI dollar-denominated money and foreign currency deposits, expanded by 1.7% to \$8,368.5 million (see Figure 9 and Table 4). The rising supply of funds to the system resulted from increases in both foreign and local currency deposits.

**Figure 9: Total Money Supply (M2) (\$ Billions)**



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

Total CI dollar-denominated deposits rose by 4.0% (or \$90.7 million), while currency in circulation expanded by 6.1% (or \$9.4 million) compared to the same period of 2023. The higher local currency deposits were reflected in both demand deposits (up by 1.2%) and long-term deposits (up by 6.0%). The reduction in interest rates over the period may have supported additional liquidity in the system. There was a 0.7% increase in foreign currency deposits, reflecting a 1.1% rise in US dollar-denominated deposits.

**Table 4: Monetary and Banking Summary Indicators (\$ millions)**

	Sep-23	Sep-24	% Change
<b>Total Assets</b>	<b>8,228.1</b>	<b>8,368.5</b>	<b>1.7</b>
<b>Net Foreign Assets</b>	<b>5,089.3</b>	<b>5,621.9</b>	<b>10.5</b>
Monetary Authority	176.9	199.0	12.5
Commercial Banks	4,912.4	5,422.9	10.4
<b>Net Domestic Assets</b>	<b>3,138.8</b>	<b>2,746.6</b>	<b>(12.5)</b>
Domestic credit	4,217.6	4,254.0	0.9
Claims on central government	427.8	381.6	(10.8)
Claims on other public sector	17.3	14.3	(17.1)
Claims on private sector	3,772.5	3,858.1	2.3
Other items net	(1,078.8)	(1,507.4)	39.7
<b>Broad Liquidity</b>	<b>8,228.1</b>	<b>8,368.5</b>	<b>1.7</b>
Broad money (KYD) M2	2,400.9	2,500.9	4.2
Currency in circulation	153.8	163.2	6.1
<b>KYD Deposits</b>	<b>2,247.1</b>	<b>2,337.8</b>	<b>4.0</b>
Demand deposits	919.1	930.4	1.2
Time and savings deposits	1,328.0	1,407.4	6.0
FOREX deposits	5,827.2	5,867.6	0.7
of which: US dollars	5,417.3	5,475.3	1.1
<i>US dollars share (%)</i>	<i>93.0</i>	<i>93.3</i>	

Source: Cayman Islands Monetary Authority & Economics and Statistics Office

The improvement in broad money liquidity represents an increase in the liabilities of the monetary and banking system. A corresponding expansion on the asset side supports this. The growth in assets was mainly reflected in foreign assets.

**6.1. Net Foreign Assets (NFA).** During the first nine months of 2024, there was a 10.5% build-up in NFA, bringing the total in the system to \$5.6 billion. The higher NFA was due to expansions of 12.5% and 10.4% in commercial bank's NFA and the NFA of the monetary authority, respectively.

The higher NFA for commercial banks was achieved through a reduction in foreign liabilities, which more than offset a marginal decline in foreign assets. Foreign liabilities fell by 18.0% (or \$575.2 million) due to a 26.8% decline in non-resident deposits. In contrast, other liabilities rose by 52.3% for the period (see Table 5).

**Table 5: Net Foreign Assets (\$ millions)**

	Sep-23	Sep-24	% Change
<b>Net Foreign Assets</b>	<b>5,089.3</b>	<b>5,621.9</b>	<b>10.5</b>
Monetary Authority	176.9	199.0	12.5
Commercial Banks	4,912.4	5,422.9	10.4
<b>Foreign Assets</b>	<b>8,099.9</b>	<b>8,035.2</b>	<b>(0.8)</b>
Bal. with Banks & Branches	3,189.8	3,175.4	(0.5)
Total Investment	4,127.4	4,050.7	(1.9)
Total Non-Resident Loans	782.7	809.1	3.4
<b>Foreign Liabilities</b>	<b>3,187.5</b>	<b>2,612.3</b>	<b>(18.0)</b>
Total Non-Resident Deposits	2,834.7	2,075.1	(26.8)
Other Liabilities	352.8	537.2	52.3

Source: Cayman Islands Monetary Authority & Economics and Statistics Office

Foreign assets declined by 0.8% (or \$64.7 million), reflecting a 1.9% (or \$76.7 million) reduction in foreign investments and a 0.5% (or \$14.4 million) decline in balances with banks and branches. In contrast, non-resident loans rose by 3.4% (or \$26.4 million).

**6.2. Net Domestic Assets/Domestic Credit.** Total domestic credit within the financial system expanded by 0.9%, reflecting an increase in loans extended to the private

sector. Private sector credit rose by 2.3% to \$3,858.1 million. In contrast, loans to the public sector declined by 11.1% to \$395.9 million. Within the public sector, credit to the central government fell by 10.8%, while loans to other parastatals declined by 17.1%.

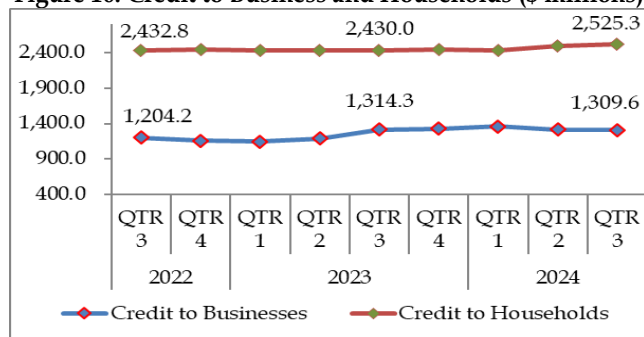
**Table 6: Domestic Credit (\$ millions)**

	Sep-23	Sep-24	% Change
<b>Domestic Credit</b>	<b>4,217.6</b>	<b>4,254.0</b>	<b>0.9</b>
Credit to Public Sector	445.2	395.9	(11.1)
Credit to Central Government	427.8	381.6	(10.8)
Credit to Other Public Sector	17.3	14.3	(17.1)
Credit to Private Sector	3,772.5	3,858.1	2.3

Source: Cayman Islands Monetary Authority & Economics and Statistics Office

Credit extended to households rose by 3.9% to \$2,525.3 million, while business credit fell by 0.4% to \$1,309.6 million. Loans to non-profit organisations contracted by 18.0% to \$23.1 million.

**Figure 10: Credit to Business and Households (\$ millions)**



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

The rise in household credit was observed across all categories, led by loans for domestic properties, which increased by 2.9% (or \$63.9 million). Loans for motor vehicles, miscellaneous activities, and education and technology increased by 19.9% (or \$11.2 million), 9.9% (or \$20.4 million), and 15.3% (or \$0.4 million), respectively.

The decline in business credit was mainly driven by a reduction in loans issued to the utilities sector and real estate agents, and rental and leasing companies. Credit to the utilities sector fell by 94.6% (or \$86.4 million), while loans to real estate agents, rental and leasing companies contracted by 18.4% (or \$64.3 million). Despite the general decline, credit extended to the construction sector and general business activities showed noticeable increases of 31.1% and 14.6% for the review period (Figure 10 and Table 7).

**Table 7: Net Credit to the Private Sector (\$ Millions)**

	Sep-23	Sep-24	% Change
<b>Total Private Sector Credit</b>	<b>3,772.4</b>	<b>3,858.0</b>	<b>2.3</b>
<b>Credit to Businesses</b>	<b>1,314.3</b>	<b>1,309.6</b>	<b>(0.4)</b>
<b>Production &amp; Manufacturing</b>	<b>301.8</b>	<b>276.4</b>	<b>(8.4)</b>
Mining	4.6	5.5	20.9
Manufacturing	9.0	7.9	(11.8)
Utilities	91.4	4.9	(94.6)
Construction	196.9	258.1	31.1
<b>Services</b>	<b>134.2</b>	<b>160.7</b>	<b>19.7</b>
Accommodation, Food, Bar & Entertainment Services	69.4	64.8	(6.7)
Transportation, Storage & Communications	5.5	10.3	87.3
Education, Recreational & Other Professional Services	59.3	85.6	44.4
<b>Trade and Commerce</b>	<b>867.5</b>	<b>861.1</b>	<b>(0.7)</b>
Wholesale & Retail Sales Trade	129.0	130.3	1.0
Real Estate Agents, Rental and Leasing Companies	350.4	286.0	(18.4)
Other Business Activities (General Business Activity)	388.1	444.8	14.6
<b>Other Financial Corporations</b>	<b>10.8</b>	<b>11.4</b>	<b>5.4</b>
<b>Credit to Households</b>	<b>2,430.0</b>	<b>2,525.3</b>	<b>3.9</b>
Domestic Property	2,166.1	2,229.5	2.9
Motor Vehicles	56.1	67.3	19.9
Education and Technology	2.5	2.9	15.3
Miscellaneous*	205.3	225.6	9.9
<b>NonProfit Organizations</b>	<b>28.1</b>	<b>23.1</b>	<b>(18.0)</b>

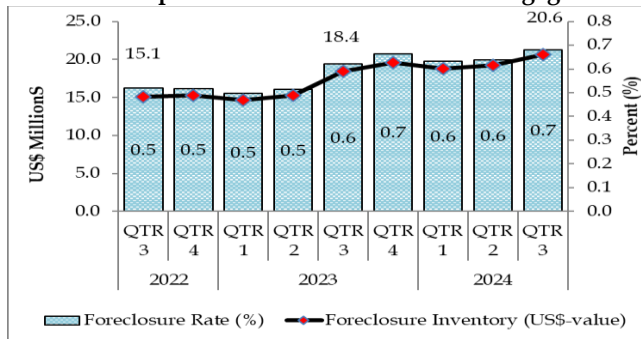
Source: Cayman Islands Monetary Authority & Economics and Statistics Office

### 6.3. Residential Mortgage Foreclosures.

Data from CIMA indicate that five residential properties were foreclosed upon in the third quarter of 2024. This was relative to two (2) foreclosures in the same quarter of 2023 and one foreclosure in the previous quarter.

As of September 2024, there were 62 properties in the foreclosure inventory valued at US\$20.6 million. This reflected an increase from the 57 properties valued at US\$18.3 million a year ago. The foreclosure inventory accounted for 0.7% of the total value of residential mortgages, which totaled \$3.0 billion (see Figure 11).

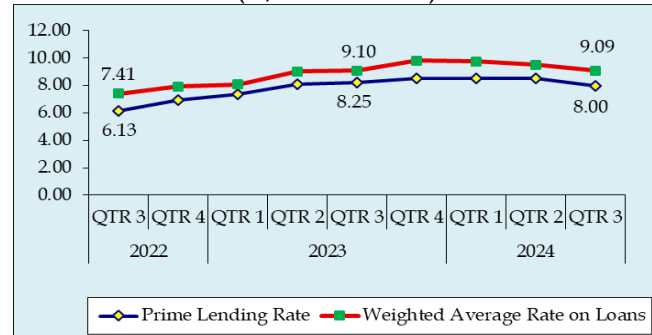
**Figure 11: Residential Mortgages Foreclosures Inventory and Proportion to Total Residential Mortgages**



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

**6.4. Interest Rates.** The Cayman Islands' prime lending rate fell by 25 basis points (bps) to 8.00% for the review period. Consistently, the KYD weighted average lending contracted by one (1) basis point to 9.09% (see Figure 12).

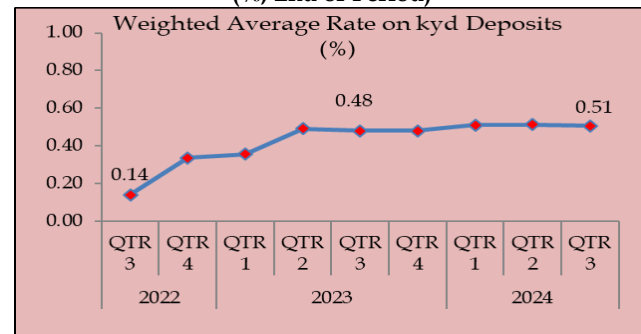
**Figure 12: KYD Lending Rates (% End of Period)**



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

As depicted in Figure 13, the weighted average savings rate on KYD deposits increased by 3 basis points to 0.51% for the period.

**Figure 13: KYD Weighted Average Savings Rates (% End of Period)**



Source: Cayman Islands Monetary Authority & ESO

## 7. Financial Services

Financial services indicators for the first nine months of 2024 were generally mixed, with four of the eight indicators increasing and three declining.

### 7.1 Banks & Trust

The number of bank and trust licenses in Cayman declined to 84 at the end of the review period compared to 94 for the same period in 2023 (see Table 8). This contraction



was due to Class 'B' licensees falling to 73, relative to the 83 in the previous year. Class 'A' licensees remained unchanged at 11 for the third consecutive year.

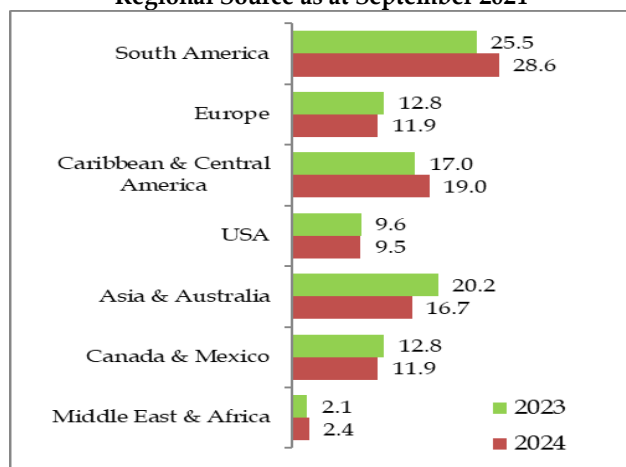
**Table 8: Bank & Trust Companies**

	Sep 2022	Sep 2023	Sep 2024	% Change
<b>Bank and Trust</b>	<b>98</b>	<b>94</b>	<b>84</b>	<b>(10.6)</b>
Class A	11	11	11	0.0
Class B	87	83	73	(12.0)
<b>Trust Companies</b>	<b>115</b>	<b>113</b>	<b>110</b>	<b>(2.7)</b>
Restricted	57	56	54	(3.6)
Unrestricted	58	57	56	(1.8)

Source: Cayman Islands Monetary Authority

The total number of trust companies declined to 110, down from 113 for the same period in the previous year. Restricted trust licensees fell to 54 from 56, while unrestricted trust licensees decreased to 56 from 57 in 2023.

The leading source markets for registered banks during the period were South America, with 24 banks (or 28.6%), the Caribbean and Central America, with 16 banks (or 19.0%), and Asia and Australia, with 14 banks (or 16.7%).

**Figure 14: Percentage Proportion of Registered Banks by Regional Source as at September 2024**


Source: Cayman Islands Monetary Authority

## 7.2 Insurance

As of the end of September 2024, a total of 720 insurance companies were registered in the Cayman Islands. This represented a 2.0% increase compared to 706 in 2023. The main contributor to the increase was the addition of 17 captive licensees, bringing the total to 696. Class A licensees, which represent domestic licences, declined by 11.1% (or 3) to 24.

**Table 9: Insurance Companies**

	Sep 2022	Sep 2023	Sep 2024	% Change
Domestic - Class 'A'	25	27	24	(11.1)
Captives	668	679	696	2.5
Class 'B'	639	653	670	2.6
Class 'C'	22	18	17	(5.6)
Class 'D'	7	8	9	12.5
<b>Total</b>	<b>693</b>	<b>706</b>	<b>720</b>	<b>2.0</b>

Class B: captives and segregated portfolio companies;

Class C: special purpose vehicles

Class D: other insurance vehicles

Source: Cayman Islands Monetary Authority

Within captives, the number of Class B and Class D licensees increased by 2.6% (17 licensees) and 12.5% (1 licensee), respectively, bringing their totals to 670 and 9, respectively. In contrast, the number of Class C licensees declined to 17, a decrease of 1 licensee, or 5.6%.

**Table 10: Captive Insurance Licences by Primary Class of Business**

	Sep-23	Sep-24	% Change	% Proportion
Healthcare	191	187	(2.1)	26.9
Workers' Compensation	150	150	0.0	21.6
Property	72	72	0.0	10.3
General Liability	96	103	7.3	14.8
Professional Liability	58	55	(5.2)	7.9
Other	112	129	15.2	18.5
<b>Total</b>	<b>679</b>	<b>696</b>	<b>2.5</b>	<b>100.0</b>

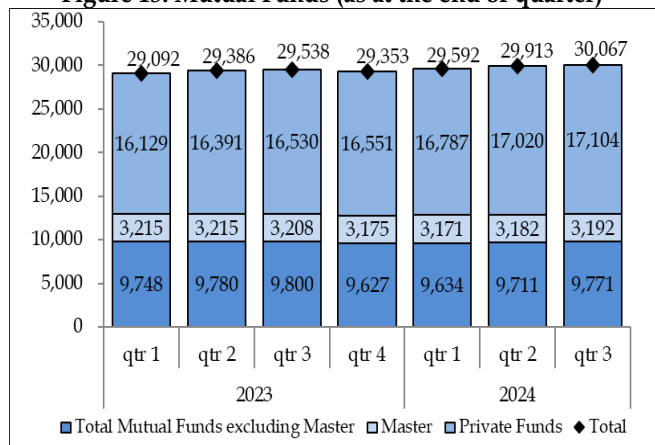
Source: Cayman Islands Monetary Authority

The top two primary classes within the captive insurance market were Healthcare and Workers' Compensation, holding shares of 26.9% and 21.6%, respectively (see Table 10). North America was the largest source market for captive insurance, with 619 licenses, representing 88.9%.

### 7.3 Registered Funds

At the end of September 2024, the total number of funds registered in the Cayman Islands increased by 1.8% to 30,067. Private funds totalled 17,104, up 574 or 3.5% from the same period in 2023. Mutual funds, on the other hand, declined by 0.3% to 12,963. All mutual fund sub-categories fell, except for registered funds, which increased by 0.1%. Master funds, administered funds, licensed funds and limited investor funds declined to 3,192 (down 16), 259 (down 24), 48 (down 4) and 621 (down 11), respectively.

**Figure 15: Mutual Funds (as at the end of quarter)**



Source: Cayman Islands Monetary Authority

### 7.4 Stock Exchange

Listings on the Cayman Islands Stock Exchange declined by 0.3% to 2,769 compared to the same period in 2023 (see Table 11). The decline was attributed to reductions in investment funds, down 1 to 115; debt

securities, down 36 to 213; and insurance-linked securities, down 4 to 32. In contrast, specialist debt securities rose by 34 (1.4%) to 2,406, while primary equity securities remained at 3 listings, with no listings for secondary equity securities or retail debt securities.

**Table 11: Number of Stock Listings by Instrument (as at end September)**

Instrument	2022	2023	2024	% Change
Investment Fund Security	107	116	115	(0.9)
Specialist Debt Security	2,264	2,372	2,406	1.4
Corporate & Sovereign Debt Security	254	249	213	(14.5)
Primary Equity Security	3	3	3	0.0
Secondary Equity Security	1	0	0	-
Insurance Linked Security	40	36	32	(11.1)
Retail Debt Security	1	0	0	-
<b>Total</b>	<b>2,670</b>	<b>2,776</b>	<b>2,769</b>	<b>(0.3)</b>

Source: Cayman Islands Stock Exchange

The market capitalisation of the exchange decreased by 0.2% to US\$870.4 billion, driven by declines in four of the seven listed instruments. Investment fund securities fell by 54.5% to \$8.8 billion, corporate & sovereign debt securities declined by 23.7% to \$113.8 billion, while primary equity securities and insurance-linked securities dropped by 6.3% and 20.9%, respectively.

**Table 12: Market Capitalisation by Instruments**  
(US\$ Billion as of the end of September)

Instruments	2022	2023	2024	% Change
Investment Fund Security	17.6	19.3	8.8	(54.5)
Specialist Debt Security	596.4	698.5	743.7	6.5
Corporate & Sovereign Debt Security	147.6	149.2	113.8	(23.7)
Primary Equity Security	0.5	0.5	0.4	(6.3)
Secondary Equity Security	0.1	0.0	0.0	-
Insurance Linked Security	4.6	4.6	3.6	(20.9)
Retail Debt Security	0.4	0.0	0.0	-
<b>Total</b>	<b>767.3</b>	<b>872.0</b>	<b>870.4</b>	<b>(0.2)</b>

Source: Cayman Islands Stock Exchange

Specialist debt security was the only instrument that recorded an increase in value, rising by 6.5% to \$743.7 billion.

## 7.5 New Company Registration

The number of new companies registered in the first three quarters of the year increased by 19.7% to a total of 9,025 (see Table 13). All company categories recorded higher registration except resident companies, which declined by 3.5% to 554. Exempt companies saw the largest nominal increase, rising by 1,004 to 6,811 new registrations. This was followed by foundation companies (FDN), which grew from 309 to 477.

**Table 13: New Company Registrations (Jan-Sep)**

	2022	2023	2024	% Change
<b>Total</b>	<b>9,826</b>	<b>7,538</b>	<b>9,025</b>	<b>19.7</b>
Exempt	7,543	5,807	6,811	17.3
Non-Resident	11	6	9	50.0
Resident	591	574	554	(3.5)
Foreign	706	489	544	11.2
FDN	236	168	477	183.9
LLC	739	494	630	27.5

Source: Registrar of Companies.

## 7.6. Partnerships

At the end of September 2024, 2,954 new partnerships were registered, up from 2,743 during the same period in 2023 (see Table 14). Exempt partnerships, which accounted for 96.1% of new partnerships, increased by 8.3% to 2,838. Foreign partnerships added 111 new entities, while limited partnerships and limited liability partnerships (LLPs) recorded 2 and 3 new registrations, respectively.

**Table 14: New Partnership Registrations (Jan-Sep)**

	2022	2023	2024	% Change
<b>Total</b>	<b>3,826</b>	<b>2,743</b>	<b>2,954</b>	<b>7.7</b>
Exempt	3,690	2,620	2,838	8.3
Foreign	132	120	111	(7.5)
LI	0	0	2	-
LLP	4	3	3	-

Source: Registrar of Companies

## 8. Tourism

Total visitor arrivals declined to 1,123,394 for the first three quarters of 2024. This reduction was attributed to a decline in cruise arrivals, while stay-over arrivals increased during the period.

### 8.1 Air Arrivals

Stay-over arrivals increased by 2.3% to 330,514 in the review period. All regional markets recorded increases, led by the USA market. Air arrivals originating from the US increased by 2.0% to 275,623. The European, Canadian and 'Other' markets also increased by 5.7%, 2.6%, and 4.4%, respectively.

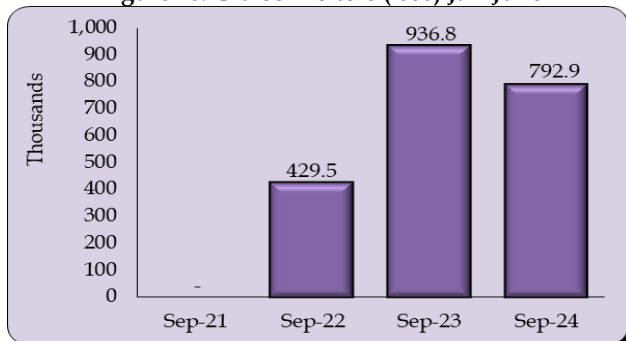
**Table 15: Air Arrivals by Region (Jan-Sep)**

	2022	2023	2024	% Change
In Thousands				
USA	147.6	270.2	275.6	2.0
Europe	10.8	14.1	14.9	5.7
Canada	11.0	20.5	21.1	2.6
Others	11.3	18.2	19.0	3.9
<b>Total</b>	<b>180.6</b>	<b>323.0</b>	<b>330.5</b>	<b>2.3</b>
USA (% share)	81.7	83.6	83.4	

Source: Department of Tourism

## 8.2 Cruise Arrivals

Cruise arrivals declined by 15.4% to 792,880 for the review period. The reduction in cruise arrivals occurred as the number of cruise ship calls to Cayman's port fell by 58 to 241.

**Figure 16: Cruise Visitors ('000) Jan-June**


Source: Tourism Department

## 9. Construction

Construction indicators declined for the first three-quarters of 2024. Despite an increase in volume, both building permits and project approvals contracted in value.

### 9.1. Building Permits

The value of building permits fell for the second consecutive year nine-month period, falling by 20.9% to \$468.1 million. The decline was seen across all categories except houses and hotels (see Table 16).

**Table 16: Building Permits (Jan-Sep)**

	Building Permits (CIS\$ Mil)			% Change
	2022	2023	2024	
Residential	322.7	357.9	356.6	(0.3)
Houses	122.5	56.1	83.3	48.6
Apartments	200.3	301.8	273.3	(9.4)
Commercial	93.2	97.4	89.5	(8.1)
Industrial	8.4	2.0	0.3	(87.7)
Hotel	297.0	-	7.0	-
Government	1.8	4.5	4.1	(8.8)
Other	98.7	130.0	10.6	(91.8)
<b>Total</b>	<b>821.9</b>	<b>591.8</b>	<b>468.1</b>	<b>(20.9)</b>

Source: Cayman Islands Planning Department

Residential permits contracted by 0.3% (or \$1.2 million), owing to a 9.4% (or \$28.5 million) reduction in permits for apartments. The contraction in the value of permits for apartments was partly offset by a 48.6% (or \$27.3 million) increase in permits for houses. Similarly, permits in the 'other' category declined by 91.8% (or \$119.4 million).

Permits for commercial buildings contracted by 8.1%, while industrial and government permits declined by 87.7% and 8.8%, respectively. The hotels category was the only other category, outside of houses, to increase during the period. This was due to two permits valued at \$7.0 million in the category versus no issued permits in the previous year.



**Table 17: Number of Building Permits (Jan-Sep)**

	Number of Permits			%
	2022	2023	2024	
Residential	419	260	280	7.7
Houses	273	135	168	24.4
Apartments	146	125	112	(10.4)
Commercial	75	60	57	(5.0)
Industrial	6	9	6	(33.3)
Hotel	4	-	2	-
Government	9	9	20	122.2
Other	312	210	248	18.1
<b>Total</b>	<b>825</b>	<b>548</b>	<b>613</b>	<b>11.9</b>

Source: Cayman Islands Planning Department

Despite the reduction in value, the number of building permits issued for the period increased by 11.9% to 613.

## 9.2. Project Approvals

The total value of project approvals contracted to \$367.4 million, a 25.0% decrease compared to the same period in 2023. This decline was mainly due to the non-recurrence of two large-scale hotel projects approved in 2023. Project approvals in the hotels category decreased by 89.1% (or \$147.2 million). Additionally, approvals in the 'other' category declined by 58.5% (or \$45.6 million).

Despite the overall decline in project approvals, residential approvals increased by 15.9%, with approvals in the houses and apartment categories rising by 34.2% and 5.5%, respectively. Additionally, approvals for commercial, industrial and government projects rose by 89.8%, 70.4% and 2,047.0%, respectively.

**Table 18: Project Approvals (Jan-Sep)**

	Project Approvals (CI\$ Mil)			%
	2022	2023	2024	
Residential	332.0	212.6	246.3	15.9
Houses	161.2	76.9	103.2	34.2
Apartments	170.8	135.7	143.1	5.5
Commercial	51.9	18.3	34.7	89.8
Industrial	22.9	15.5	26.5	70.4
Hotel	77.0	165.2	18.0	(89.1)
Government	7.8	0.5	9.7	2,047.0
Other	28.9	78.0	32.3	(58.5)
<b>Total</b>	<b>520.5</b>	<b>490.0</b>	<b>367.4</b>	<b>(25.0)</b>

Source: Cayman Islands Planning Department

Consistent with the increasing value of project approvals for most categories, the total number of project approvals increased by 15.7%, reaching 707 for the period (See Table 19).

**Table 19: Project Approvals (Jan-Sep)**

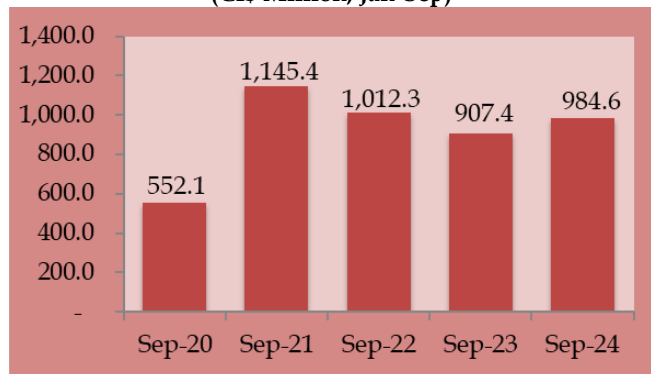
	Number of Approvals			%
	2022	2023	2024	
Residential	387	273	308	12.8
Houses	280	164	213	29.9
Apartments	107	109	95	(12.8)
Commercial	29	18	11	(38.9)
Industrial	15	8	6	(25.0)
Hotel	3	3	1	(66.7)
Government	2	3	11	266.7
Other	348	306	370	20.9
<b>Total</b>	<b>784</b>	<b>611</b>	<b>707</b>	<b>15.7</b>

Source: Cayman Islands Planning Department.

## 10. Real Estate

Real estate activity, as measured by the value and volume of traded properties, was mixed for the review period. The value of traded properties increased while the total volume declined. The total value of traded properties increased by 8.5% to \$984.6 million, exhibiting an inflexion point relative to declines in the corresponding period of the last two years.

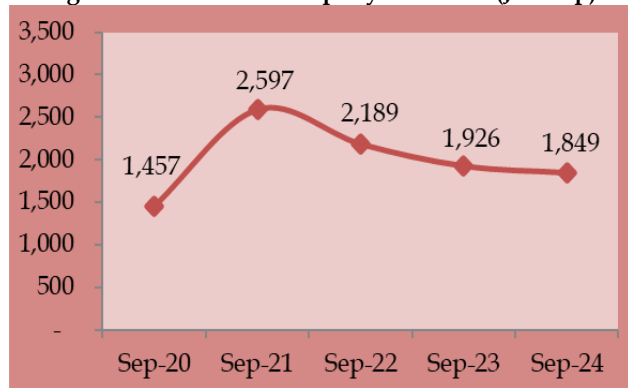
**Figure 17: Value of Property Transfers:**  
(CI\$ Million, Jan-Sep)



Source: Lands & Survey Department

The rise in transfer value reflected expansions in both freehold and leasehold transfers. Freehold transfers increased by 6.9% to \$908.0 million, while leasehold transfers rose by 31.8% to \$76.6 million.

**Figure 18: Number of Property Transfers (Jan-Sep)**



Source: Lands & Survey Department

The number of property transfers declined by 77 or 4.0% to 1,849, representing the third consecutive year of decline in traded properties. Both the number of freehold and leasehold transfers contracted.

## 11. Utilities

### 11.1 Electricity

Electricity consumption rose 4.3% to 570.9 thousand megawatt-hours (MWh) in the first three quarters of 2024. The higher consumption level was attributed to expansions in both residential and commercial consumption, which rose by 4.4% and 4.5%, respectively. The rise in commercial consumption was due to an increase in both the number of customers and their average consumption. The number of commercial customers rose by 1.5% to 4,781, while the average consumption of commercial customers grew by 2.9%.

**Table 20: Utilities Production and Consumption**

	Sep-23	Sep-24	% Change
Millions of US Gallons			
Water Production	2,129.3	2,344.3	10.1
Water Consumption	1,766.2	1,893.8	7.2
'000 of megawatt hrs			
Electricity Production (Net)	550.9	578.6	5.0
Electricity Consumption	547.3	570.9	4.3
Residential	299.6	312.8	4.4
Commercial	244.1	254.9	4.5
Public	3.7	3.2	(12.9)
Total Customers	33,503	34,028	1.6
Residential	28,794	29,247	1.6
Commercial	4,709	4,781	1.5

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

The rise in residential consumption also reflected increases in both the number of customers and the average consumption of each customer. The residential customer base increased by 1.6% to 29,247, while average consumption rose by 2.8%. Consistent with the rise in demand, electricity production

expanded by 5.0% to 578.6 thousand megawatt-hours (MWh).

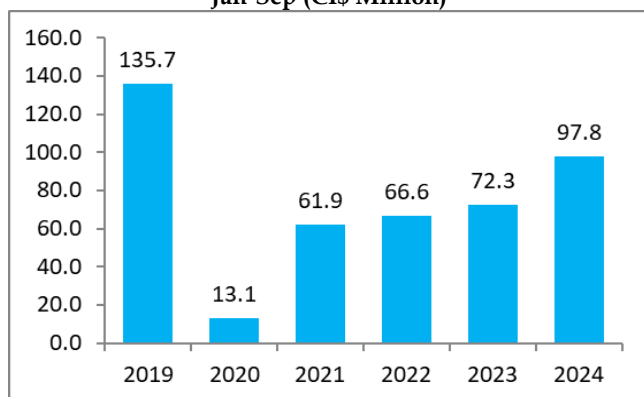
### 11.2. Water

Water consumption expanded during the first nine months of the year by 7.2%, while production increased by 10.1%.

## 12. Fiscal Operations of the Central Government<sup>6</sup>

The net lending (fiscal surplus) of the central government increased to a total of \$97.8 million by the end of the first nine months of 2024, compared to \$72.3 million in 2023 (see Figure 19 and Table 21).

**Figure 19: Central Government's Overall Fiscal Balance Jan-Sep (CI\$ Million)**



Source: Cayman Islands Treasury Department & Economics and Statistics Office

The higher overall surplus was driven by an increase in revenues, which more than offset a rise in expenditures. Revenue growth was observed in both the tax and 'other' revenue categories. The rise in spending was attributed to higher current expenditure, while the government's net investment in

non-financial assets, including net capital expenditure and net lending, declined.

The **net operating balance (current balance)**, which is revenue minus expense, increased to \$129.6 million (up by 20.6%) for the review period.

**Table 21: Summary of Fiscal Operations**

	Sep-23	Sep-24	% Change
CI\$ Million			
<b>Revenue</b>	846.1	914.0	8.0
<b>Expense</b>	738.6	784.3	6.2
<b>Net Operating Balance</b>	107.5	129.6	20.6
Net Investment in Nonfinancial Assets <sup>1</sup>	35.2	31.8	(9.6)
<b>Total Expenditure</b>	773.7	816.1	5.5
<b>Net Lending (Overall Balance)</b>	72.3	97.8	35.3
<b>Financing:</b>			
Net Acquisition of Financial Assets	35.8	65.6	83.4
Net Incurrence of Liabilities	(36.5)	(32.2)	11.9

Source: Cayman Islands Treasury Department & Economics and Statistics Office

### 12.1 Revenue

For the first nine-month of 2024, revenue totalled \$914.0 million, reflecting an 8.0% increase over the same period in 2023 (see Table 22). This growth was attributed to a 7.1% increase in tax revenue, which accounted for 92.1% of total revenue. The remaining 7.9% originated from other revenue sources, which experienced a growth of 20.3%.

<sup>6</sup> The ESO follows the Government Finance Statistics Manual (2014 Edition) framework for presenting and analyzing fiscal operations.

**Table 22: Revenue of the Central Government (Jan-Sep)**

	Sep-23	Sep-24	% Change
	CI\$ Million		
<b>Revenue</b>	<b>846.1</b>	<b>914.0</b>	<b>8.0</b>
<b>Taxes</b>	<b>785.9</b>	<b>841.5</b>	<b>7.1</b>
Taxes on International Trade & Transactions	184.0	185.2	0.7
Taxes on Goods & Services	537.7	581.8	8.2
Taxes on Property	63.7	71.7	12.4
Other Taxes	0.5	2.9	482.7
<b>Other Revenue</b>	<b>60.2</b>	<b>72.4</b>	<b>20.3</b>
Sale of Goods & Services	32.5	40.7	25.4
Investment Revenue	21.2	23.6	11.3
Fines, Penalties and Forfeits	5.3	6.8	29.7
Transfers n.e.c.	1.3	1.3	(1.0)

Source: Cayman Islands Treasury Department & Economics and Statistics Office

**Taxes** for the review period totaled \$841.5 million, compared to \$785.9 million in the previous year. All four tax categories recorded higher collections, with the largest increases seen in property taxes, which rose by 12.4%, and taxes on goods and services, which grew by 8.2%.

**Revenue collected from taxes on goods & services** rose by 8.2% (or \$44.2 million) to \$581.8 million, accounting for 63.7% of revenue collected (see Table 23) for the period. All sub-categories contributed positively to this growth, with the largest nominal increase stemming from financial services licences, which rose by \$34.5 million (or 10.6%) to a total of \$358.9 million. This was followed by other domestic taxes, which grew by 4.4%, and other stamp duties, which increased by 17.6%.

The increase in receipts from financial service licences was mainly driven by higher fees

collected from exempt and foreign companies, as well as higher partnership fees.

**Table 23: Domestic Tax Collection of the Central Government (CI\$ Million)**

	Sep-23	Sep-24	% Change
	CI\$ Million		
Financial Services Licences	324.4	358.9	10.6
ICTA Licences & Royalties	5.5	6.7	21.6
Work Permit and Residency	93.0	95.0	2.1
Fees	12.8	15.0	17.6
Other Stamp Duties	6.7	6.8	1.0
Traders' Licences	95.3	99.5	4.4
Other Domestic Taxes			
Of which:			
Tourist Accommodation	35.4	33.4	(5.4)
Charges	9.7	7.6	(21.6)
Motor Vehicle Charges			
<b>Taxes on Goods &amp; Services</b>	<b>537.7</b>	<b>581.8</b>	<b>8.2</b>

Source: Cayman Islands Treasury Department & Economics and Statistics Office

**Tax receipts on international trade and transactions** increased by 0.7% (or \$1.2 million) to a total of \$185.2 million (Table 22). The increased inflow was driven by a 1.2% rise in import duties, which accounted for 95.4% of the revenue collected in this category. Gasoline and diesel, motor vehicle and other import duties were the main contributors to the higher collection.

**Taxes on property** grew by 12.4% during the review period, reaching a total of \$71.7 million (Table 22). This increase was largely attributed to an 18.8% uptick in stamp duty on land transfer and a 12.6% rise in infrastructure fund fees. Notably, stamp duty on land transfer represents 95.6% of the total property tax collected.

**Other taxes**, which include miscellaneous income, rose sharply to \$2.9 million at the end of September 2024, compared to \$496,000 in



the same period of 2023. This increase was due to a \$2.3 million inflow from liquidated entities.

**Other revenue** increased to \$72.4 million, a 20.3% or \$12.2 million increase compared to 2023 (Table 22). This growth was attributed to higher receipts from the sale of goods and services (up \$8.2 million), investment revenue (up \$2.4 million), and fines, penalties, and forfeits (up \$1.6 million).

## 12.2. Expenditure

For the first nine-months of 2024, central government expenditure totaled \$816.1 million, an increase of 5.5% from \$773.7 million in 2023. The increase resulted from a rise in expenses, which outweighed a reduction in capital spending.

**Expenses (current expenditure)** increased to \$784.3 million (up by 6.2%) due to higher spending in six of the seven categories (see Table 24).

Compensation of employees (personnel costs), which accounts for 43.5% of government expenses, totalled \$341.0 million, representing a 5.4% increase from 2023. Of the total compensation expenditure, \$249.3 million (a 5.8% increase) was allocated to salaries and wages, including employee pension contributions. And \$60.0 million (up 6.6%) was allocated to healthcare.

Use of goods and services (supplies and consumables) increased by 8.9% to \$119.4 million. Purchase of services (up 6.7%), goods (up 13.3%) and general insurance (up 31.5%) were the main contributors to the increase in spending.

**Table 24: Expenses of the Central Government (Jan-Sep)**

	Sep-23	Sep-24	% Change
	CI\$ Million		
<b>Expense</b>	<b>738.6</b>	<b>784.3</b>	<b>6.2</b>
Compensation of Employees	323.6	341.0	5.4
Use of Goods and Services	109.7	119.4	8.9
Consumption of Fixed Capital	40.5	41.0	1.2
Subsidies	196.2	203.6	3.8
Social Benefits	50.0	61.1	22.0
Interest	13.5	13.0	(3.7)
Other Expense	5.2	5.3	2.9

Source: Cayman Islands Treasury Department & Economics and Statistics Office

Consumption of fixed capital (depreciation) increased to \$41.0 million, 1.2% higher than the \$40.5 million recorded in 2023. The additional allocation was mainly directed towards depreciation of computer hardware (up 37.3%) and the depreciation of buildings (up 5.2%).

Subsidy payments to statutory authorities, government-owned companies and private suppliers was the second highest expense category (26.0% of overall expense) with total spending of \$203.6 million. This represents an increase of 3.8%, mainly due to a 27.6% (or \$11.1 million) rise in the allocation distributed to the Health Services Authority.

Social benefits (transfer payments) increased to \$61.1 million compared to \$50.0 million in 2023. The rise in social transfers was largely directed towards financial assistance (poor relief), seamen ex-gratia, scholarships and bursaries. Other operating expenses increased to \$5.3 million, representing a 2.9% rise.

Interest expenses declined by 3.7% to \$13.0 million at the end of the review period. This mainly resulted from a 6.9% reduction in

interest on borrowings consistent with a lower debt stock.

### 12.3 Investment in Non-financial Assets

Gross investment in non-financial assets (gross capital expenditure) decreased by 3.8% to \$72.8 million at the end of September 2024 (see Table 25). Consistent with the higher depreciation expense, net investment in non-financial assets also fell by 9.6% to \$31.8 million.

**Table 25: Investment in Non-Financial Assets (Jan-Sep)**

	Sep-23	Sep-24	% Change
	CIS\$ Million		
<b>Gross Investment in Non-Financial Assets</b>	<b>75.7</b>	<b>72.8</b>	<b>(3.8)</b>
Fixed Assets	72.5	73.8	1.9
Capital Investment in Ministries and Portfolios	22.7	16.2	(28.4)
Capital Investment in Statutory Authorities and Government Owned Companies	23.5	23.2	(1.4)
Executive Assets	26.3	34.4	30.9
Inventories	3.2	(1.1)	(133.6)
<b>Net Investment in Non-Financial Assets</b>	<b>35.2</b>	<b>31.8</b>	<b>(9.6)</b>

Source: Cayman Islands Treasury Department & Economics and Statistics Office

Within fixed assets, a rise in executive assets outweighed contractions in expenditure on ministries and portfolios as well as statutory authorities and government-owned companies. Capital investment in executive assets rose to \$34.4 million, reflecting a 30.9% uptick over the comparable period in 2023. Increased investments were primarily used for land purchases and major roadworks (expansion projects).

Capital investment in ministries and portfolios decreased to \$16.2 million, a 28.4%

decline. The Ministry of Education, Youth, Sports, Agriculture, and Lands, as well as the Ministry of Sustainability and Climate Resiliency, received lower investment over the review period. Similarly, investment in statutory authorities and government-owned companies declined by 1.4% to \$23.2 million.

### 12.4. Net Financing and Debt

Net acquisition of financial asset, which assumes the cash balance from the fiscal surplus and loan payments/disbursements, totalled \$65.6 million at the end of September 2024. During the same period, the government reduced its liabilities by \$32.2 million. There was no loan disbursed in the first nine months of 2024 (see Table 26).

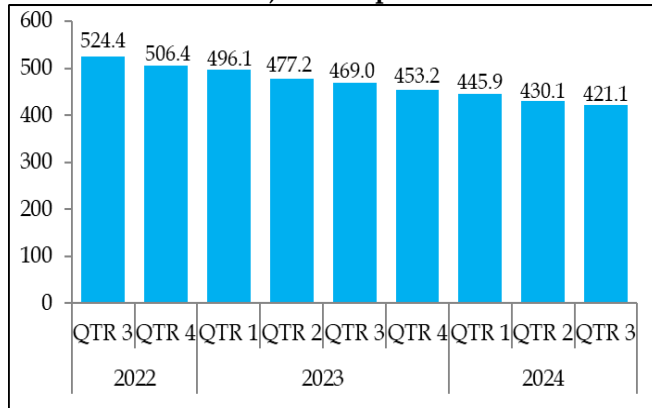
**Table 26: Net Financing**

	Sep-23	Sep-24	% Change
	CIS\$ Million		
<b>Financing:</b>			
Net Acquisition of Financial Assets	35.8	65.6	83.4
Net Incurrence of Liabilities	(36.5)	(32.2)	(11.9)
Incurrence (Disbursement)	0.0	0.0	-
Reduction (Loan Repayment)	36.5	32.2	(11.9)

Source: Cayman Islands Treasury Department

Central government's outstanding debt stock declined to \$421.1 million at the end of the third quarter of 2024 (see Figure 20). This downward trajectory of the debt represented a 10.2% reduction compared to the \$469.0 million debt stock for the same period of 2023.

**Figure 20: Central Government Outstanding Debt (CIS\$ Million) as at September**



Source: Cayman Islands Treasury Department

During the review period, key fiscal ratios showed an improvement. Interest expenses as a percentage of total expenses decreased from 1.8% to 1.7%, and interest expenses as a percentage of revenue dropped from 1.6% to 1.4%. Additionally, the central government's debt service-to-revenue ratio declined to 4.9%, a one percentage point reduction.

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