



Cayman Islands
Government



THE CAYMAN ISLANDS' GROSS DOMESTIC PRODUCT (GDP) REPORT 2024



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HEESO
The Economics and Statistics Office



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ABBREVIATIONS AND ACRONYMS

ANAS	Annual National Accounts Survey
BOP	Balance of Payments
BR	Business Register
CARTAC	Caribbean Regional Technical Assistance Centre
CFC	Consumption of Fixed Capital
CIMA	Cayman Islands Monetary Authority
CI\$	Cayman Islands Dollars
COE	Compensation of Employees
CPI	Consumer Price Index
ECLAC	Economic Commission for Latin America and the Caribbean
ESO	Economics and Statistics Office
ESS	External Sector Statistics
FCE	Final Consumption Expenditure
FISIM	Financial Intermediation Services Indirectly Measured
GCF	Gross Capital Formation
GDP	Gross Domestic Product
GDPE	Gross Domestic Product by Expenditure
GDPI	Gross Domestic Product by Income
GDPP	Gross Domestic Product by Production
GDPS	Gross Domestic Product Survey
GFCE	Government Final Consumption Expenditure
GNDI	Gross National Disposable Income
GNI	Gross National Income
GNP	Gross National Product
GO	Gross Output
GVA	Gross Value Added
HBS	Household Budget Survey
HFCE	Household Final Consumption Expenditure
IC	Intermediate Consumption
IPI	Implicit Price Index
ISIC	International Standard Industrial Classification of Economic Activity
LFS	Labour Force Survey
NPISH	Non-Profit Institutions Serving Households
PPI	Producer Price Index
ROW	Rest of the World
SITC	Standard International Trade Classification
SNA	System of National Accounts
SUT	Supply & Use Tables
TTM	Trade & Transport Margin
WIP	Work in Progress

1. EXECUTIVE SUMMARY

- 1.1 The Cayman Islands' Gross Domestic Product (GDP) Report 2024 presents the GDP estimates for 2020 - 2024. The estimates were calculated using all three approaches to calculating GDP: i.e., the production, income, and expenditure approaches.
- 1.2 Nominal (current) purchasers' price GDP for the Cayman Islands grew to CI\$6,471.1 million in 2024, and an estimated nominal GDP per person (i.e., GDP per capita) of CI\$73,647.2.
- 1.3 Real GDP at purchasers' price (i.e., GDP at constant 2015 prices or GDP adjusted for inflation) increased to CI\$5,235.6 million in 2024. The corresponding per capita real GDP for 2024 was estimated at CI\$59,586.6.
- 1.4 The Cayman Islands' economy continued its upward trajectory in 2024. Inflation-adjusted GDP grew by 3.8 percent in 2024, albeit at a slower pace than the 5.8 percent growth in 2023. The positive economic performance in 2024 continued the recovery from the 2020 decline, when the economy contracted by 5.0 percent. Before the decline in 2020, the economy posted nine consecutive years of positive economic outturn since 2011 (1.2%), 2012 (1.2%), 2013 (1.3%), 2014 (2.7%), 2015 (2.8%), 2016 (3.2%), 2017 (3.2%) 2018 (4.3%), and 2019 (3.9%). The growth in 2024 was broad-based, with 16 of the 18 industries expanding compared to 2023.
- 1.5 The five largest contributors to the 3.8 percent growth in real purchasers' price GDP in 2024 (i.e. their percent change weighted by their share of GDP) were: (i) professional, scientific & technical activities (0.84 percentage points); (ii) financial & insurance services (0.77 percentage points); (iii) wholesale & retail trade (0.35 percentage points); (iv) human health & social work (0.33 percentage points); and (v) public administration & defence (0.29 percentage points).
- 1.6 The six industries posting the largest change in constant price GDP in 2024 were: (i) agriculture & fishing (16.2%); (ii) administrative & support service activities (9.4%); (iii) transport & storage (9.0%); (iv) human health & social works (6.7%); (v) professional, scientific & technical activities (5.8%); and (vi) wholesale & retail trade (5.5%). Financial & insurance services grew by 2.5 percent in 2024, down from 2.6 percent in 2023 and 3.8 percent in 2022, respectively.
- 1.7 The 5-year geometric average growth rate (2020-2024) showed an average annual constant price GDP growth of 2.9 percent for the total economy. For 2024, 16 of 18 industries posted positive average growth rates over the 5-year review period. The highest average growth over the period was posted by human health & social work

services (10.2%), followed by professional, scientific & technical activities (5.8%); public administration & defence (5.4%); education services (4.7%); and mining & quarrying (4.3%). Financial & insurance services expanded by an average rate of 2.7 percent over the period. Due primarily to the pandemic-induced shocks in 2020 and 2021, hotel & restaurant services posted a negative average growth rate (-3.5%), while transport & storage activities remained essentially flat (0.0%).

- 1.8 The share of financial & insurance services in total constant price GDP continued to decline, reaching 30.0 percent in 2024 from 30.4 percent in 2023, 31.4 percent in 2022, 31.9 percent in 2021, and 32.4 percent in 2020. The other industries comprising the top seven contributors to constant price GDP in 2024 were (i) professional, scientific & technical activities - primarily legal and accounting services (14.7%); (ii) real estate activities (7.5%); (iii) wholesale & retail trade (6.6%); (iv) public administration & defence, consisting primarily of central government operations (5.9%); (v) human health & social work (5.1%); and (vi) hotels & restaurants (4.0%). In 2024, 6 industries saw increases in their share of constant price GDP, 6 saw reductions, and 6 remained unchanged.
- 1.9 All income components of GDP grew in 2024. Operating surplus/mixed income posted the strongest growth, rising 7.2 percent to CI\$2,297.2 million. This was followed by compensation of employees, which increased by 5.8 percent to CI\$2,957.3 million. Taxes (less subsidies) on production and imports expanded by 5.6 percent, reaching CI\$892.7 million, while consumption of fixed capital reached CI\$323.9 million after increasing by 5.2 percent.
- 1.10 Total compensation of employees as a share of GDP contracted to 45.7 percent in 2024 from 45.9 percent in 2023. The share of operating surplus/mixed-income continued to increase in 2024 to reach 35.5 percent, from 35.2 percent in 2023, and 34.0 percent in 2022. Consumption of fixed capital as a share of GDP declined for the fourth consecutive year in 2024, reaching 5.0 percent, from 5.1 percent in 2023, 5.3 percent in 2022, and 5.6 percent in 2021. Net taxes on production and imports as a share of GDP declined to 13.8 percent in 2024, from 13.9 percent in 2023 and 15.0 percent in 2022.
- 1.11 The expenditure of resident households on goods and services, as measured by nominal Household Final Consumption Expenditure (HFCE), increased by 6.9 percent in 2024 to CI\$3,545.1 million, following growth of 8.8 percent in 2023 and 10.2 percent in 2022. Government final consumption expenditure rose by 8.4 percent in 2024 to CI\$756.3 million, while the final consumption expenditure for non-profit institutions serving households grew by 3.0 percent to CI\$44.3 million. Investment in capital goods and buildings (as measured by nominal Gross Fixed

Capital Formation-GFCF) rose to CI\$1,136.2 million in 2024, an increase of 5.3 percent. Total exports of goods and services expanded by 5.7 percent to CI\$4,028.6 million in 2024, while imports of goods and services grew 8.8 percent to CI\$3,094.1 million. Consequently, net exports (i.e., exports less imports) contracted to CI\$934.5 million in 2024, down from CI\$968.4 million in 2023 and CI\$737.7 million in 2022.

- 1.12 The share of final consumption expenditure in nominal GDPE increased to 67.7 percent in 2024, following two consecutive years of decline. Gross fixed capital formation accounted for the second-largest share at 17.7 percent, up marginally from 17.6 percent in 2023. The share of net exports decreased in 2024 to 14.6 percent from 15.8 percent in 2023. The share of changes in inventories also contracted year over year to 0.1 percent in 2024 from 0.2 percent in 2023.
- 1.13 Gross National Product (GNP) - which adds investment income earned by residents from investments abroad and subtracts the investment income paid to foreigners from their investments within the Cayman Islands – increased to CI\$5,282.9 million in 2024. The 14.0 percent increase in GNP in 2024 was driven primarily by the CI\$380.6 million increase in nominal GDP, coupled with the CI\$678.5 million reduction in property income paid to the rest of the world (i.e., the outflow from the local economy) and the CI\$410.2 million decrease in property income received from abroad.

2. INTRODUCTION

2.1 Importance of the System of National Accounts (SNA)

The SNA is an internationally standardized statistical framework used worldwide to measure the economic performance of countries and jurisdictions. It is based on internationally accepted methodological standards issued by the United Nations, the International Monetary Fund, and other global statistical bodies. In the context of the Cayman Islands, its main uses are to:

- a. Comply with the Public Management & Finance Act (2018 Revision), which mandates the reporting of gross domestic product (GDP) in the Strategic Policy Statement. Governments use SNA statistics as key indicators for evaluating the potential and actual macroeconomic impact and sustainability of fiscal policies.
- b. Provide data that can assist government agencies, local businesses, and non-government organisations in conducting market research and analysis (e.g., preparing business plans and other strategic decision-making processes).
- c. Fulfill the data requirements of foreign investors and creditors. For example, SNA-based statistics are often required for inclusion in official borrowing documents, such as an Offering Memorandum or a Private Placement Memorandum. These statistics are essential for assessing the investment attractiveness of the jurisdiction and/or the creditworthiness of its entities as borrowers.
- d. Comply with data requirements of international credit rating agencies, which provide credit ratings for the Cayman Islands government and private entities that borrow from the global financial market.
- e. Compare the performance and structure of Cayman's economy with those of other jurisdictions, international benchmarking, and cross-country economic analysis.
- f. Provide necessary data for conducting economic impact assessments of hurricanes and other disasters, as required by funding and donor agencies. Sectoral GDP statistics are critical for estimating the economic impact of disasters and other external shocks within each sector and for determining the resources required for sector-specific reconstruction and recovery.
- g. Provide data for government departments and business associations to forecast, simulate, and monitor overall economic performance and the contribution of individual sectors to the national economy.

2.2 Key data sources

The GDP estimates presented in this report are based primarily on the annual GDP survey (GDPS) administered to all relevant establishments listed in the ESO Business Register. The survey was conducted between April and June 2025. All information provided through the survey is treated with the strictest confidentiality in accordance with Sections 8, 17, and 18 of the Statistics Act (2016 Revision). Information from the survey is supplemented with secondary data provided by various government ministries, departments, and statutory authorities, including the Cayman Islands Monetary Authority (CIMA), the Department of Agriculture, the Public Transport Unit, the Health Services Authority, and other informal interviews with industry sources.

As in any survey, the response rate to the GDPS largely reflects respondents' understanding and appreciation of how the data will be used. It is hoped that this report will demonstrate the potential uses of the SNA to the business sector, industry associations, and service providers in the Cayman Islands.

2.3 Valuation of Gross Domestic Product (GDP)

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

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

2.4 Improvement in methodology

The System of National Accounts (SNA), as applied globally by official statistical agencies, is continuously evolving. As such, methodological adjustments, refinements to estimation techniques, and the integration of new or enhanced data are introduced periodically. The GDP series for the Cayman Islands presented in this report incorporates these ongoing improvements in the compilation methodology.

3. GROSS DOMESTIC PRODUCT ESTIMATES-THE PRODUCTION APPROACH

3.1 Overview of GDP at purchasers' prices

The Cayman Islands' Gross Domestic Product (GDP) Report 2024 presents the GDP estimates for 2020-2024.¹ The GDP for the Cayman Islands is compiled using all three approaches to measuring GDP. The primary estimates of GDP are compiled using the production approach (GDPP), supplemented by estimates compiled using the income approach (GDPI). The third approach - GDP by expenditure (GDPE) - is only available for data years 2015 onward.

The production approach to estimating GDP sums the value-added of all industries in the economy (i.e., the gross value of outputs minus the value of intermediate consumption). The income approach aggregates the incomes earned by the factors of production, i.e., compensation of employees, consumption of fixed capital, taxes less subsidies on production and imports, and operating surplus/mixed-income. The expenditure approach measures GDP as the sum of expenditures on final goods and services, capital investments, and net exports of goods and services (i.e., exports minus imports).

This section provides a detailed examination of GDPP (the main compilation methodology used in the SNA for the Cayman Islands) through tables and graphs showing the 2024 GDP estimates by industry. The income-based (GDPI) and expenditure-based (GDPE) approaches are presented in Sections 4 and 5, respectively.

The local economy continued its post-pandemic recovery in 2024, albeit at a moderated pace compared with the expansions in 2023 and 2022. Inflation-adjusted GDP at purchasers' prices increased by 3.8 percent in 2024, following growth of 5.8 percent in 2023 and 5.7 percent in 2022. The positive economic outturn in 2024 marks the fourth consecutive year of economic expansion, following the 5.0 percent contraction posted in 2020. The decline in 2020 reversed nine consecutive years of economic growth, dating back to 2011. The growth rate in 2024 exceeded the five-year (2020-2024) average annual GDP growth rate of 2.9 percent.

Both the service and the goods-producing industries expanded in 2024, posting growth of 3.9 percent and 2.3 percent, respectively. Growth in services was broad-based, with 13 of the 14 industries registering increased output in 2024. The five largest increases in production among the service industries in 2024 were recorded in administrative & support service activities (9.4%); transport & storage (9.0%); human health & social work (6.7%); professional, scientific & technical activities (5.8%); and wholesale & retail trade

¹GDP by income components and GDP by expenditure are provided for the period 2019-2024.

(5.5%). The information & communication service industry was the only service-producing industry to contract in 2024, declining by 1.0 percent.

Among the goods-producing industries, agriculture & fishing activities posted the strongest growth in 2024 at 16.2 percent. This was followed by mining & quarrying activities (5.1%) and construction activities (2.1%). Manufacturing was the only goods-producing industry to decline in 2024, contracting by 3.4 percent.

Table 1 presents the total value of domestic output for 2020 to 2024. Domestic output relates to all entities with a physical presence in the Cayman Islands and therefore generally excludes entities registered in the Cayman Islands but have no physical presence in the jurisdiction. The table provides GDP estimates at current and constant (i.e., inflation-adjusted) prices, valued at both basic and purchasers' prices. The table also includes the corresponding per capita indicators for the respective GDP aggregates.

Table 1: Cayman Islands Main GDP Aggregates and Per Capita Indicators					
Main Aggregates (CI\$'000)	2020	2021	2022^R	2023^R	2024
GDP (Current Basic Prices)	4,494,073.6	4,750,912.6	5,226,140.8	5,748,238.3	6,124,079.8
GDP (Constant Basic 2015 Prices)	4,093,494.2	4,249,363.8	4,506,424.7	4,779,993.4	4,962,737.0
GDP (Current Purchasers' Prices)	4,712,779.5	5,050,658.0	5,544,574.5	6,090,446.1	6,471,087.9
GDP (Constant Purchasers' 2015 Prices)	4,304,159.8	4,513,747.2	4,769,261.2	5,046,086.7	5,235,638.5
Mean Population ('000)	64.958	67.721	78.554	83.671	87.866
Per Capita Indicators (CI\$)	2020	2021	2022^R	2023^R	2024
GDP (Current Basic Prices)	69,184.3	70,154.2	66,529.3	68,700.5	69,697.9
GDP (Constant Basic 2015 Prices)	63,017.6	62,748.1	57,367.2	57,128.4	56,480.7
GDP (Current Purchasers' Prices)	72,551.2	74,580.4	70,583.0	72,790.4	73,647.2
GDP (Constant Purchasers' 2015 Prices)	66,260.7	66,652.1	60,713.2	60,308.7	59,586.6

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Notes:

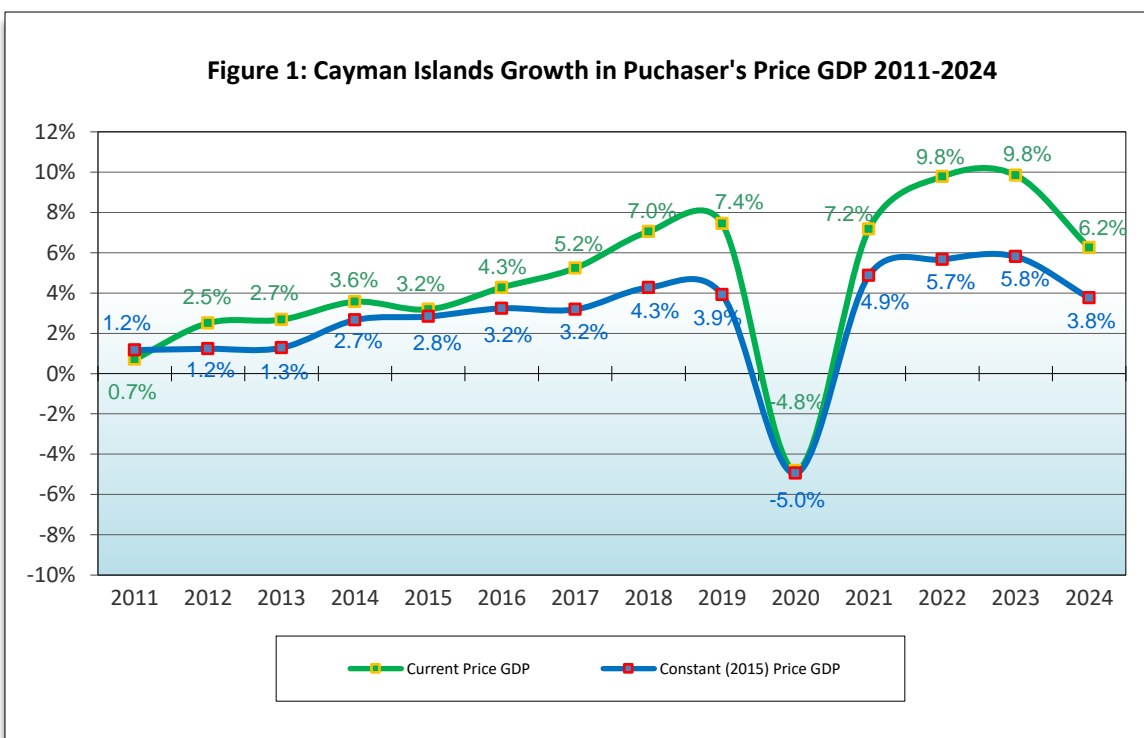
1. GDP at basic price excludes net taxes on goods and services.
2. GDP at purchasers' price includes net taxes on goods and services.
3. Mean population refers to the mid-year population.

Notwithstanding the 3.8 percent growth in real (purchasers' price) GDP², real GDP per capita declined by 1.2 percent as the estimated 5.0 percent increase in the mid-year population outpaced the growth in real GDP. Real GDP per capita declined for the third

²Real GDP refers to GDP at constant (2015) prices, i.e. the inflation-adjusted GDP.

consecutive year in 2024, to reach CI\$59,586.6. Despite the decline in real terms, nominal GDP per capita increased to CI\$73,647.2 in 2024, up 1.2 percent from CI\$72,790.4 in 2023.

Figure 1 below presents the comparative growth rates of GDP at current and constant purchasers' prices for 2011-2024.³ The graph illustrates the ongoing economic recovery following the 2020 decline, which ended nine consecutive years of economic growth. Real GDP grew by 3.8 percent in 2024, the lowest annual growth rate recorded in the post-pandemic period. The positive performance in 2024 extends the economic recovery that commenced in 2021 (4.9%), continued through 2022 (5.7%), and accelerated in 2023 (5.8%), after the decline in 2020 (-5.0%). In nominal terms, GDP increased by 6.2 percent in 2024, adding to the 9.8 percent growth in both 2022 and 2023, and 7.2 percent in 2021, which collectively reversed the 4.8 percent decline in 2020.



3.2 GDP by industrial origin

The estimated real GDP (at purchasers' prices) for the Cayman Islands improved to CI\$5,235.6 million in 2024, up from CI\$5,046.1 million in 2023. Sixteen of the eighteen industries posted growth in 2024, while one goods-producing and one service-producing industry recorded lower economic output. In the goods-producing industries,

³The entire calculated GDP series runs from 2006-2024, therefore the growth rate series would then be 2007-2024. The GDP estimates up to 2005 are based on an indicator method and not direct calculations.

manufacturing contracted by 3.4 percent in 2024. Information & communication services (-1.0%) is the only service-producing industry to have declined in 2024. Table 2 below presents real GDP by industry at purchasers' prices.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 2: GDP AT CONSTANT BASIC & PURCHASERS' PRICES, 2015=100 (CIS\$'000)					
INDUSTRY	2020	2021	2022	2023	2024
01 Agriculture & Fishing	16,913.8	18,621.9	18,689.8	17,014.7	19,770.1
02 Mining & Quarrying	10,933.9	12,221.7	12,779.1	12,367.8	12,996.4
03 Manufacturing	38,031.7	41,984.8	39,169.1	38,511.8	37,201.6
04 Electricity, Gas & Air Conditioning Supply	62,513.3	64,047.4	65,456.7	70,684.6	72,729.4
05 Water Supply, Sewerage & Waste Management	38,787.4	39,156.5	42,036.4	47,344.0	49,278.1
06 Construction	179,197.5	192,962.7	195,962.4	199,064.9	203,224.2
07 Wholesale & Retail Trade	287,186.5	294,424.7	310,906.9	326,751.6	344,596.3
08 Transport & Storage	93,442.8	85,711.4	121,315.6	141,831.5	154,658.7
09 Hotels & Restaurants	122,407.2	105,620.8	170,427.8	208,280.1	210,112.4
10 Information & Communication	118,007.5	123,115.4	127,144.2	130,003.7	128,643.2
11 Financial & Insurance Services	1,395,966.9	1,441,643.5	1,495,713.5	1,534,049.0	1,572,878.1
12 Real Estate Activities	368,065.2	376,362.4	378,599.8	383,653.2	390,977.5
13 Professional, Scientific & Technical Activities	619,212.1	650,176.3	662,418.9	729,531.0	771,967.1
14 Administrative & Support Service Activities	108,175.8	112,596.9	118,096.4	122,396.9	133,926.4
15 Public Administration & Defence	246,924.3	260,854.8	277,208.0	295,090.2	309,862.3
16 Education Services	108,958.5	116,053.8	122,025.9	133,345.4	137,722.6
17 Human Health & Social Work	176,429.7	208,498.8	225,305.2	250,685.9	267,443.0
18 Other Services	102,340.2	105,310.2	123,169.2	139,387.1	144,749.7
GDP at Constant Basic (2015) Prices	4,093,494.2	4,249,363.8	4,506,424.7	4,779,993.4	4,962,737.0
Add: Taxes Less Subsidies on Products	210,665.5	264,383.4	262,836.4	266,093.3	272,901.5
GDP at Constant Purchasers' (2015) Prices	4,304,159.8	4,513,747.2	4,769,261.2	5,046,086.7	5,235,638.5

R-revised

3.3 GDP rates of growth by industry

Table 3 represents the growth rate of real GDP disaggregated by industry. The Cayman Islands economy expanded by 3.8 percent in 2024, resulting in a five-year (2020-2024) average annual growth rate of 2.9 percent. The economic expansion in 2024 reflected growth in both the goods-producing (2.2%) and service-producing industries (3.1%).

Three of the four goods-producing industries recorded higher activity in 2024 than in 2023, contributing to a five-year average annual growth rate of 2.2 percent. The service-producing industries also expanded, with 13 of 14 service-producing industries recording increased activity in 2024. This broad-based growth resulted in a five-year average annual growth rate of 3.1 percent for the service sector.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN						
TABLE 3: RATE OF GROWTH OF GDP AT CONSTANT BASIC & PURCHASERS' PRICES, 2015=100						
INDUSTRY	2020	2021	2022	2023	2024	5-Year Average
Goods Producing Industries	-0.1%	8.5%	0.3%	0.1%	2.3%	2.2%
01 Agriculture & Fishing	-2.3%	10.1%	0.4%	-9.0%	16.2%	2.7%
02 Mining & Quarrying	4.1%	11.8%	4.6%	-3.2%	5.1%	4.3%
03 Manufacturing	-6.7%	10.4%	-6.7%	-1.7%	-3.4%	-1.8%
06 Construction	1.4%	7.7%	1.6%	1.6%	2.1%	2.8%
Service Producing Industries	-4.4%	3.5%	6.4%	6.4%	3.9%	3.1%
04 Electricity, Gas & Air Conditioning Supply	-4.1%	2.5%	2.2%	8.0%	2.9%	2.2%
05 Water Supply, Sewerage & Waste Management	-5.0%	1.0%	7.4%	12.6%	4.1%	3.8%
07 Wholesale & Retail Trade	-1.5%	2.5%	5.6%	5.1%	5.5%	3.4%
08 Transport & Storage	-39.5%	-8.3%	41.5%	16.9%	9.0%	0.0%
09 Hotels & Restaurants	-51.2%	-13.7%	61.4%	22.2%	0.9%	-3.5%
10 Information & Communication	-1.6%	4.3%	3.3%	2.2%	-1.0%	1.4%
11 Financial & Insurance Services	1.3%	3.3%	3.8%	2.6%	2.5%	2.7%
12 Real Estate Activities	-2.8%	2.3%	0.6%	1.3%	1.9%	0.6%
13 Professional, Scientific & Technical Activities	6.1%	5.0%	1.9%	10.1%	5.8%	5.8%
14 Administrative & Support Service Activities	-5.9%	4.1%	4.9%	3.6%	9.4%	3.1%
15 Public Administration & Defence	3.8%	5.6%	6.3%	6.5%	5.0%	5.4%
16 Education Services	-0.4%	6.5%	5.1%	9.3%	3.3%	4.7%
17 Human Health & Social Work	7.3%	18.2%	8.1%	11.3%	6.7%	10.2%
18 Other Services	-23.5%	2.9%	17.0%	13.2%	3.8%	1.6%
GDP at Constant Basic (2015) Prices	-4.1%	3.8%	6.0%	6.1%	3.8%	3.1%
Taxes Less Subsidies on Products	-18.6%	25.5%	-0.6%	1.2%	2.6%	1.1%
GDP at Constant Purchasers' (2015) Prices	-5.0%	4.9%	5.7%	5.8%	3.8%	2.9%

R-revised

Note: Average growth rate represents the geometric mean of the annual growth rates.

3.3.1 Goods-producing industries

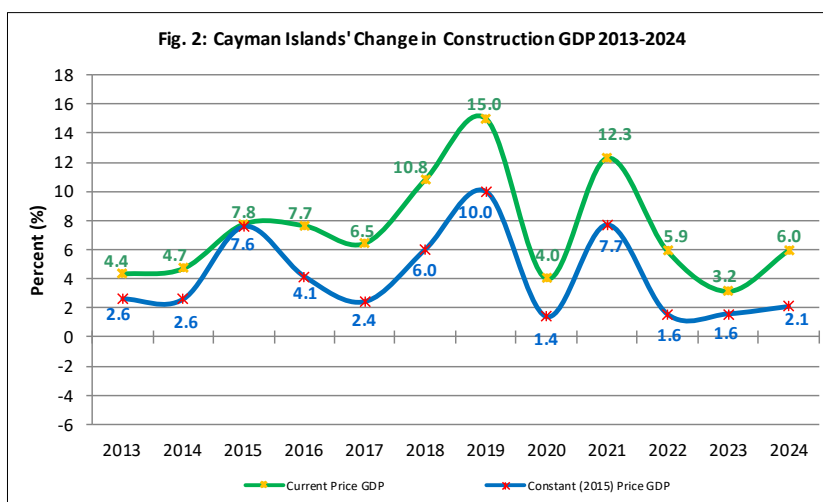
The goods-producing industries registered their fourth consecutive year of growth in 2024, expanding by 2.3 percent and outpacing the marginal 0.1 percent growth realized in 2023. The overall improvement in output was driven by increased activity across all goods-producing industries, except manufacturing, which declined.

Agriculture & fishing posted the highest rate of growth among all industries in 2024, increasing by 16.2 percent and reversing the 9.0 percent decline recorded in 2023. This performance resulted in a five-year average annual growth rate of 2.7 percent. The increase in activity in 2024 was driven mainly by higher output in the sub-groups relating to the growing of crops, growing of ornamental flowers, and fishing activities.

Mining & quarrying activities grew by 5.1 percent in 2024, reversing the 3.2 percent decline registered in 2023 and resulting in a five-year average annual growth rate of 4.3 percent. The increase in the output of mining & quarrying occurred in the context of a 14.3 percent reduction in the imports of construction aggregate, which fell to 305,701 tons in 2024, down from 356,588 tons in 2023.⁴

The **manufacturing industry** registered a 3.4 percent decline in 2024, marking the third consecutive year of decline. This resulted in a five-year average annual growth rate of -1.8 percent. The overall decline in 2024 was partially tempered by increased activity in the manufacture of food products and beverages, as well as boat repair activities.

The value added of **construction activities** increased by 2.1 percent in 2024. This continues the industry's robust performance and results in a five-year average annual growth rate of 2.8 percent. The increased output in 2024 was driven largely by increased activity in building construction and building installation.



⁴Source: https://www.caymanport.com/wp-content/uploads/cargo_stats.pdf

3.3.2 Service-producing industries

In 2024, the service-producing industries expanded for the fourth consecutive year, growing by 3.9 percent, a slowing of the 6.4 percent posted in 2023. The performance led to an average annual growth rate of 3.1 percent over the five-year period. The expansion in 2024 was broad-based, with increased activity across all industries except information & communication services. The growth was led by administrative & support service activities, transport & storage services, and human health & social work.

The electricity, gas & air conditioning supply industry registered a 2.9 percent growth in 2024, a deceleration from the 8.0 percent increase in 2023. The industry posted a five-year average annual growth of 2.2 percent. The expansion was largely driven by a 3.1 percent increase in electricity consumption, which rose to 749,337 megawatt-hours (MWh) in 2024 from 727,023 MWh in 2023.⁵ The increase in electricity consumption is mainly due to higher commercial and residential consumption.

The **water supply, sewerage & waste management industry** grew by 4.1 percent in 2024. This increased activity led to a five-year average annual growth of 3.8 percent. The industry's improved output was driven by growth in water supply and garbage collection services. The growth in water supply services was mainly attributed to higher consumption of desalinated water, which rose from 2,333.6 million US gallons in 2023 to 2,436.6 million US gallons in 2024.⁶

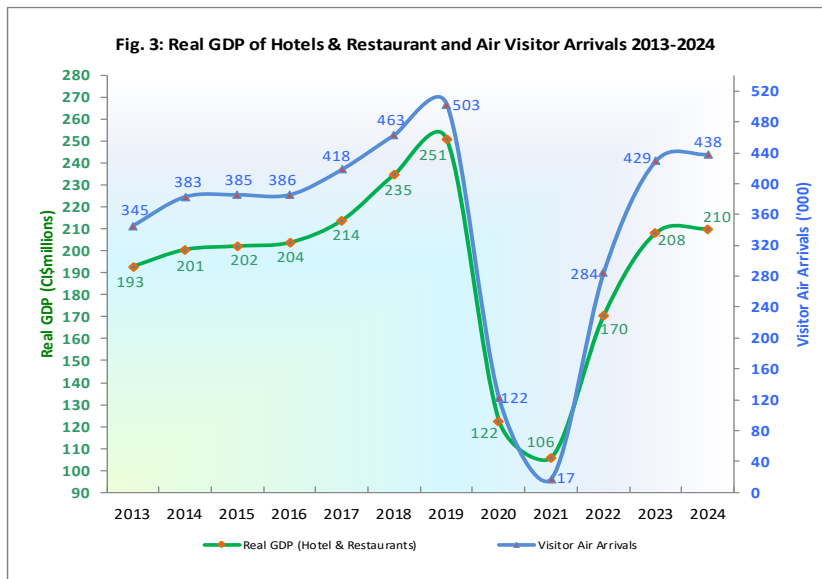
Wholesale & retail trade recorded growth of 5.5 percent in 2024, bringing the five-year average annual growth rate to 3.4 percent. The industry's improved performance was partly influenced by an increase in aggregate demand, driven by a 4.8 percent year-end population increase to 88,833 in 2024 from 84,738 in 2023.

Transport & storage activities continued on its upward trajectory, growing by 9.0 percent in 2024. This marks a third consecutive year of growth, following 16.9 percent growth in 2023 and 41.5 percent in 2022. Despite the ongoing expansion, the five-year average annual growth rate was 0.0 percent as the industry continues to recover from the global pandemic. The improved activity in the industry was broad-based, with the land transport and air transport sub-industries recording increased output. The growth was positively influenced by a 12.7 percent increase in passenger air transport activities.

⁵This represents electricity consumption for Grand Cayman; data for the Sister Islands was unavailable.

⁶Table 4.14 (pg. 42) Annual Economic Report 2024.

The **hotels & restaurants industry** expanded by 0.9 percent in 2024, marking a significant deceleration from the 22.2 percent posted in 2023 as the industry continues its recovery to pre-pandemic output levels. The modest growth in 2024 was partly supported by a 2.0 percent increase in stay-over visitors, which rose to 437.8 thousand in 2024 from 429.3 thousand in 2023. Accommodation activities contracted marginally by 0.2 percent in 2024, primarily driven by the 3.2 percent decline in hotel services. In contrast, restaurant services maintained a positive trajectory, growing by 3.0 per cent in 2024, albeit at a slower pace than the 9.4 per cent increase recorded in 2023. Figure 3 highlights the positive relationship between real GDP for the hotels & restaurants industry and the stay-over (air arrival) visitors. However, it should be noted that while the two variables trend together, other underlying factors influence the movements in GDP for the hotels & restaurants industry.



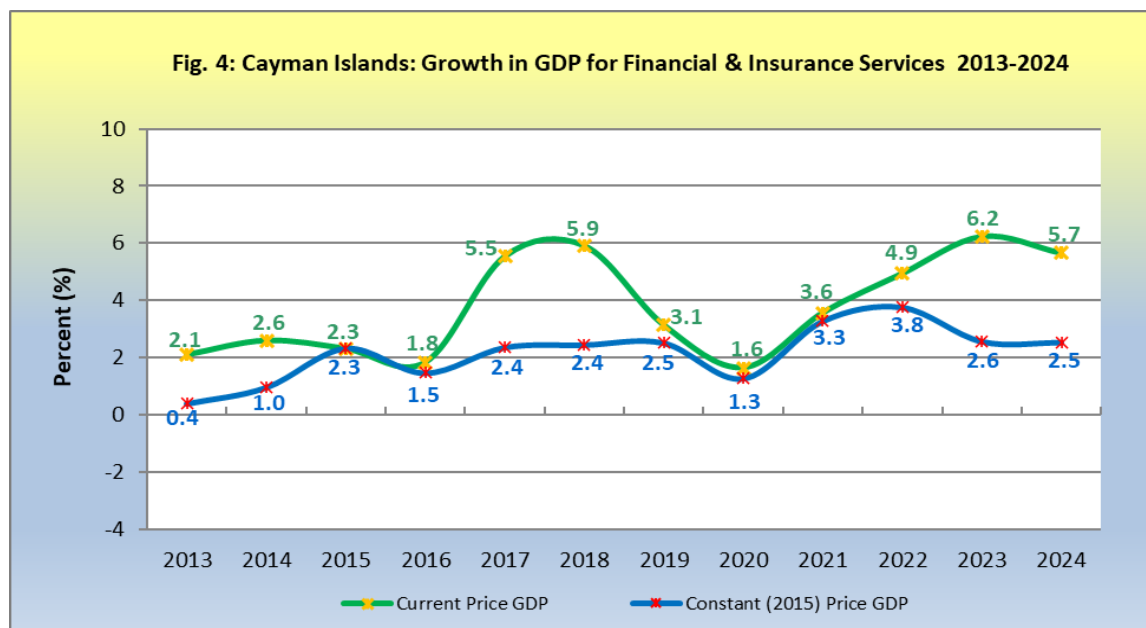
Information & communication activities declined by 1.0 percent in 2024, reversing the 2.2 percent growth recorded in 2023. This downturn resulted in a five-year average annual growth rate of 1.4 percent for the industry. The performance of the industry was mainly impacted by declines in broadcasting and telecommunication services, which fell by 4.8 percent and 0.6 percent, respectively.

The **financial & insurance services industry** maintained its consistent performance, expanding by 2.5 percent in 2024. The sustained growth resulted in a five-year average annual growth rate of 2.7 percent. The industry's performance was broad-based, with all sub-industries recording increased activity during the year. The improved activity in the industry was led by other financial services⁷ (6.0%), followed by insurance and pension funding services (3.0%), auxiliary financial services⁸ (2.9%), and banking institutions (the

⁷Other financial services include credit unions, building societies, remittance services, property trusts services, etc.

⁸Auxiliary financial services include portfolio management services, stock exchange services, security brokers, etc.

largest sub-industry), which increased by 1.7 percent. Figure 4 presents a graphical illustration of the sector's performance over the period 2013-2024.



Real estate activities continued their sustained growth in 2024, expanding by 1.9 percent following the 1.3 percent increase in 2023. The overall improvement in the industry was supported by higher activity in renting commercial buildings (7.0%), renting residential buildings (2.1%), and operations of owner-occupied dwellings (0.7%). The growth was partially dampened by a 0.2 percent decline in other real estate activities.⁹ The unfavourable performance of other real estate activities occurred despite the 6.0 percent increase in the total value of property transfers in the Cayman Islands in 2024, which rose from CI\$1,102.4 million in 2023 to CI\$1,169.0 million in 2024.¹⁰

The **professional, scientific & technical activities** industry recorded a 5.8 percent increase in 2024, moderating from the 10.1 percent growth posted in 2023. The industry posted a five-year average annual growth rate of 5.8 percent, driven by continued expansion since 2009. The positive performance in 2024 was driven largely by increases in the value added of legal services (10.0%) and accounting services (4.9%).

The growth in **administrative & support service activities** accelerated to 9.4 percent in 2024, from the 3.6 percent growth recorded in 2023. The growth in 2024 led to a five-year average annual growth rate of 3.1 percent. The expansion was broad-based, with all sub-industries recording increases in value added. Growth was driven primarily by

⁹Other real estate activities include real estate agents and brokers and property managers.

¹⁰Table 16.04a Compendium of Statistics 2023 (pg. 166)

heightened activity in landscaping services (15.1%), securities services (15.0%), car rental services (12.0%), and building cleaning activities (7.7%).

Public administration & defence activities maintained its growth trajectory, increasing by 5.0 percent in 2024. This resulted in a five-year average annual growth rate of 5.4 percent. The expansion in public administration services was due mainly to the 4.3 per cent increase in the number of core government employees,¹¹ which contributed to a 3.9 percent increase in personnel costs. Compensation of employees for the core government increased to CI\$460.6 million in 2024, up from CI\$443.5 million in 2023.¹²

Education services recorded a 3.3 percent increase in 2024, marking the fourth consecutive year of growth and yielding a five-year average annual growth rate of 4.7 percent. The higher output levels were driven primarily by a 7.1 percent expansion in the public education sub-industry. This was partially offset by a 1.8 percent contraction in private education activities.

The **human health & social work industry** maintained its trend of robust expansion in 2024, growing by 6.7 percent, following an 11.3 percent increase in 2023. This performance resulted in the highest five-year average annual growth among all industries of 10.2 percent. The continued strengthening of the sector was supported by increased output in both private and public health services. Private health services expanded by 10.8 percent, while public health services grew by 1.1 percent.

The value added of **other services** increased by 3.8 percent in 2024, driven by broad-based expansions across all sub-industries. Personal & household services grew by 6.0 percent, while private arts, entertainment & recreation grew by 4.8 percent, supported by the ongoing rebound in tourism-related activities. The increase in private arts, entertainment & recreation was due mainly to the growth in fitness services (11.3%) and water sports activities (5.6%).

In summary, economic activity in the Cayman Islands increased for a fourth consecutive year in 2024, albeit at a moderated pace compared to 2023. The economy expanded by 3.8 percent in 2024, extending the post-pandemic recovery and resulting in a five-year (2020-2024) average annual growth rate of 2.9 percent. The expansion was supported by increased aggregate demand for goods and services driven by the resident population growth, combined with higher stay-over visitor arrivals. The continued robust growth in financial & insurance services, professional, scientific & technical activities, human health & social work services, and construction activities further underpinned the overall

¹¹Table 10.06d Compendium of Statistics 2024 (pg. 110)

¹²Table 13.01 Compendium of Statistics 2024 (pg. 144)

outturn. These structural drivers strengthen the medium-term growth prospects of the domestic economy and support a positive outlook for continued expansion.

3.4 Contribution to growth in GDP by industry

The contribution to GDP growth reflects the weighted impact of industry-level changes on the overall change in GDP. Industry changes in GDP are weighted by their share of total GDP to provide a more comprehensive measure of their impact on aggregate GDP growth. As such, contributions to growth capture two simultaneous effects: the magnitude of the percentage change in the industry and its relative importance in total GDP.

Figure 5 reveals the contribution of the various industries to the 3.8 percent increase in real GDP in 2024. The five largest impacts on the performance in 2024 were (i) professional, scientific & technical activities – made up primarily of legal and accounting services (0.84 percentage points); (ii) financial & insurance services (0.77 percentage points); (iii) wholesale & retail trade (0.35 percentage points); (iv) human health & social work (0.33 percentage points); and (v) public administration & defence (0.29 percentage points).

Fig. 5: Cayman Islands: Industry Contribution to Percent Change in Real GDP 2024

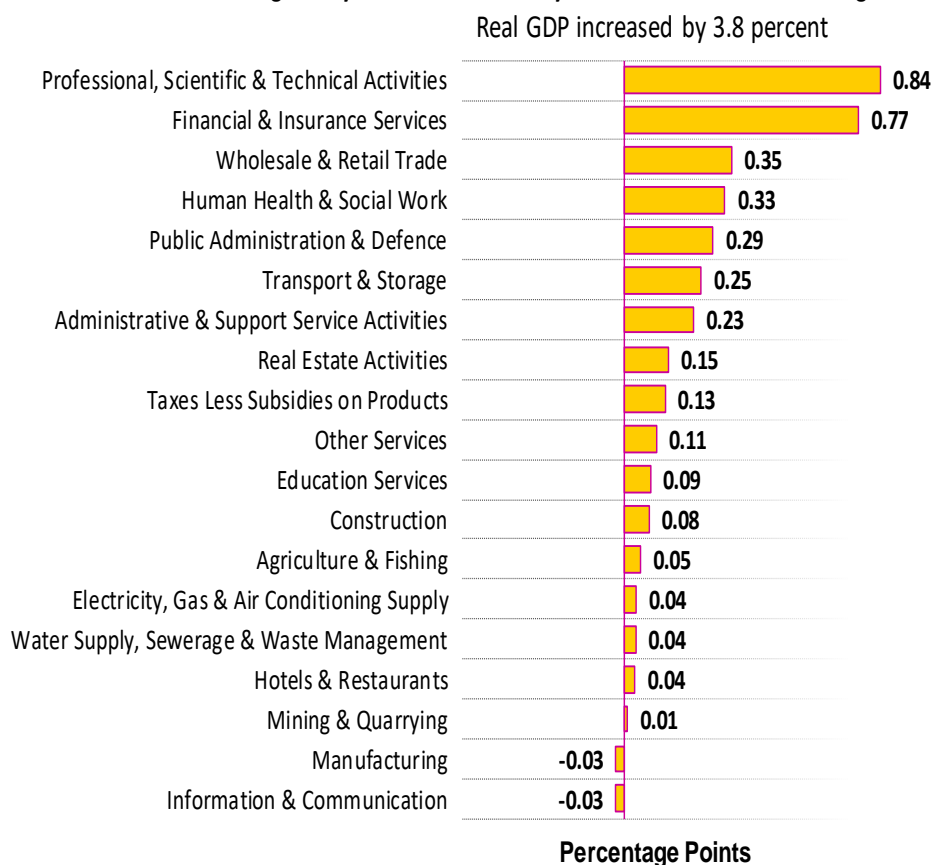


Table 4 presents the industry contribution to the annual economic performance of the local economy for 2020-2024.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 4: INDUSTRY CONTRIBUTION TO GROWTH IN GDP AT CONSTANT PURCHASERS' PRICES, 2015=100					
INDUSTRY	2020	2021	2022^R	2023^R	2024
Goods Producing Industries	-0.01%	0.5%	0.02%	0.01%	0.1%
01 Agriculture & Fishing	-0.01%	0.04%	0.002%	-0.04%	0.05%
02 Mining & Quarrying	0.01%	0.03%	0.01%	-0.01%	0.01%
03 Manufacturing	-0.06%	0.09%	-0.06%	-0.01%	-0.03%
06 Construction	0.05%	0.32%	0.07%	0.07%	0.08%
Service Producing Industries	-3.9%	3.1%	5.7%	5.7%	3.5%
04 Electricity, Gas & Air Conditioning Supply	-0.06%	0.04%	0.03%	0.11%	0.04%
05 Water Supply, Sewerage & Waste Management	-0.04%	0.01%	0.06%	0.11%	0.04%
07 Wholesale & Retail Trade	-0.10%	0.17%	0.37%	0.33%	0.35%
08 Transport & Storage	-1.35%	-0.18%	0.79%	0.43%	0.25%
09 Hotels & Restaurants	-2.84%	-0.39%	1.44%	0.79%	0.04%
10 Information & Communication	-0.04%	0.12%	0.09%	0.06%	-0.03%
11 Financial & Insurance Services	0.39%	1.06%	1.20%	0.80%	0.77%
12 Real Estate Activities	-0.24%	0.19%	0.05%	0.11%	0.15%
13 Professional, Scientific & Technical Activities	0.78%	0.72%	0.27%	1.41%	0.84%
14 Administrative & Support Service Activities	-0.15%	0.10%	0.12%	0.09%	0.23%
15 Public Administration & Defence	0.20%	0.32%	0.36%	0.37%	0.29%
16 Education Services	-0.01%	0.16%	0.13%	0.24%	0.09%
17 Human Health & Social Work	0.27%	0.75%	0.37%	0.53%	0.33%
18 Other Services	-0.69%	0.07%	0.40%	0.34%	0.11%
GDP at Constant Basic (2015) Prices	-3.9%	3.6%	5.7%	5.7%	3.6%
Taxes Less Subsidies on Products	-1.06%	1.25%	-0.03%	0.07%	0.13%
GDP at Constant Purchasers' (2015) Prices	-5.0%	4.9%	5.7%	5.8%	3.8%

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3.5 Share of GDP by industry

The combined share of the goods-producing industries continued to decline in 2024, falling to 5.2 percent of total GDP from 5.3 percent in 2023 and 5.6 percent in 2022. The decline resulted from a decrease in the shares of manufacturing activities. Correspondingly, the share of service-producing industries increased to 89.6 per cent in 2024, up from 89.4 percent in 2023 and 88.9 percent in 2022. This emanated from the rising shares of wholesale & retail trade, transport & storage, professional, scientific & technical activities, administrative & support service activities, public administration & defence, and human health & social work. The gains were partially offset by declining shares of hotels & restaurants, information & communication, financial & insurance services, and real estate activities. The share of net taxes on production and imports decreased to 5.2 percent in 2024 from 5.3 percent in 2023 and 5.5 percent in 2022.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 5: INDUSTRY SHARE OF GDP AT CONSTANT PURCHASERS' PRICES, 2015=100					
INDUSTRY	2020	2021	2022^R	2023^R	2024
Goods Producing Industries	5.7%	5.9%	5.6%	5.3%	5.2%
01 Agriculture & Fishing	0.4%	0.4%	0.4%	0.3%	0.4%
02 Mining & Quarrying	0.3%	0.3%	0.3%	0.2%	0.2%
03 Manufacturing	0.9%	0.9%	0.8%	0.8%	0.7%
06 Construction	4.2%	4.3%	4.1%	3.9%	3.9%
Service Producing Industries	89.4%	88.3%	88.9%	89.4%	89.6%
04 Electricity, Gas & Air Conditioning Supply	1.5%	1.4%	1.4%	1.4%	1.4%
05 Water Supply, Sewerage & Waste Management	0.9%	0.9%	0.9%	0.9%	0.9%
07 Wholesale & Retail Trade	6.7%	6.5%	6.5%	6.5%	6.6%
08 Transport & Storage	2.2%	1.9%	2.5%	2.8%	3.0%
09 Hotels & Restaurants	2.8%	2.3%	3.6%	4.1%	4.0%
10 Information & Communication	2.7%	2.7%	2.7%	2.6%	2.5%
11 Financial & Insurance Services	32.4%	31.9%	31.4%	30.4%	30.0%
12 Real Estate Activities	8.6%	8.3%	7.9%	7.6%	7.5%
13 Professional, Scientific & Technical Activities	14.4%	14.4%	13.9%	14.5%	14.7%
14 Administrative & Support Service Activities	2.5%	2.5%	2.5%	2.4%	2.6%
15 Public Administration & Defence	5.7%	5.8%	5.8%	5.8%	5.9%
16 Education Services	2.5%	2.6%	2.6%	2.6%	2.6%
17 Human Health & Social Work	4.1%	4.6%	4.7%	5.0%	5.1%
18 Other Services	2.4%	2.3%	2.6%	2.8%	2.8%
GDP at Constant Basic (2015) Prices	95.1%	94.1%	94.5%	94.7%	94.8%
Taxes Less Subsidies on Products	4.9%	5.9%	5.5%	5.3%	5.2%
GDP at Constant Purchasers' (2015) Prices	100.0%	100.0%	100.0%	100.0%	100.0%

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Table 6 below presents the share of the eighteen (18) industries and their corresponding rankings over the review period. The rankings reflect the relative importance of an industry to the Cayman Islands economy, based on its direct share of real GDP. The table also provides a graphical representation of changes in industry rankings in 2024.

Only two industries registered a change in relative ranking in 2024. Administrative & support service improved by one rank, moving from 13th in 2023 to 12th in 2024, while information & communication services declined by one rank, moving from 12th in 2023 to 13th in 2024.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN											
TABLE 6: INDUSTRY SHARE OF GDP AT CONSTANT PURCHASERS' PRICES, 2015=100											
Ranking					Change	INDUSTRY	% Share of GDP				
2020	2021	2022	2023	2024	24/23		2020	2021	2022	2023	2024
1	1	1	1	1	▬	Financial & Insurance Services	32.4	31.9	31.4	30.4	30.0
2	2	2	2	2	▬	Professional, Scientific & Technical Activities	14.4	14.4	13.9	14.5	14.7
3	3	3	3	3	▬	Real Estate Activities	8.6	8.3	7.9	7.6	7.5
4	4	4	4	4	▬	Wholesale & Retail Trade	6.7	6.5	6.5	6.5	6.6
5	5	5	5	5	▬	Public Administration & Defence	5.7	5.8	5.8	5.8	5.9
7	6	6	6	6	▬	Human Health & Social Work	4.1	4.6	4.7	5.0	5.1
8	11	8	7	7	▬	Hotels & Restaurants	2.8	2.3	3.6	4.1	4.0
6	7	7	8	8	▬	Construction	4.2	4.3	4.1	3.9	3.9
13	13	12	9	9	▬	Transport & Storage	2.2	1.9	2.5	2.8	3.0
12	12	10	10	10	▬	Other Services	2.4	2.3	2.6	2.8	2.8
10	9	11	11	11	▬	Education Services	2.5	2.6	2.6	2.6	2.6
11	10	13	13	12	⬆	Administrative & Support Service Activities	2.5	2.5	2.5	2.4	2.6
9	8	9	12	13	⬇	Information & Communication	2.7	2.7	2.7	2.6	2.5
14	14	14	14	14	▬	Electricity, Gas & Air Conditioning Supply	1.5	1.4	1.4	1.4	1.4
15	16	15	15	15	▬	Water Supply, Sewerage & Waste Management	0.9	0.9	0.9	0.9	0.9
16	15	16	16	16	▬	Manufacturing	0.9	0.9	0.8	0.8	0.7
17	17	17	17	17	▬	Agriculture & Fishing	0.4	0.4	0.4	0.3	0.4
18	18	18	18	18	▬	Mining & Quarrying	0.3	0.3	0.3	0.2	0.2
						GDP at Constant Basic (2015) Prices	95.1	94.1	94.5	94.7	94.8
						<i>Add: Taxes Less Subsidies on Products</i>	4.9	5.9	5.5	5.3	5.2
						GDP at Constant Purchasers' (2015) Prices	100.0	100.0	100.0	100.0	100.0

The share of financial & insurance services declined for the fourth consecutive year in 2024, but maintained its dominance as the industry with the largest share of real GDP for the Cayman Islands. The industry's share contracted to 30.0 percent in 2024, down from 30.4 percent in 2023 and 31.4 percent in 2022. This represented the largest percentage-point decline among all industries in 2024 (-0.4 percentage points).

The share of the professional, scientific & technical activities industry increased by 0.2 percentage points to 14.7 percent, up from 14.5 percent in 2023, thereby consolidating its position as the second-largest contributor to real GDP.

Other notable contributors to real GDP in 2024 included real estate activities, wholesale & retail trade, public administration & defence, human health & social work, hotels & restaurants service, and construction. The share of real estate activities declined slightly to 7.5 percent in 2024, down from 7.6 percent in 2023. Meanwhile, wholesale & retail trade (6.6 percent), public administration & defense (5.9 percent), and human health & social work (5.1 percent) saw increases in their share in 2024. The share of hotels & restaurant services fell to 4.0 percent in 2024, down from 4.1 percent in 2023, and the share of construction services remained unchanged.

3.6 Industry GDP at current prices

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 7: GDP AT CURRENT BASIC & PURCHASERS' PRICES (CI\$'000)					
INDUSTRY	2020	2021	2022	2023	2024
01 Agriculture & Fishing	20,519.3	22,939.1	26,026.4	24,844.3	29,291.3
02 Mining & Quarrying	12,756.6	14,426.6	15,756.6	13,906.8	16,040.6
03 Manufacturing	43,210.6	50,241.8	50,434.9	54,387.9	56,008.5
04 Electricity, Gas & Air Conditioning Supply	72,654.8	75,919.3	78,005.5	83,262.4	93,388.5
05 Water Supply, Sewerage & Waste Management	38,807.2	39,562.8	41,967.6	47,303.2	48,245.3
06 Construction	215,951.4	242,470.5	256,817.1	264,969.2	280,783.8
07 Wholesale & Retail Trade	280,959.5	311,487.2	351,771.8	365,457.2	390,294.9
08 Transport & Storage	104,402.8	93,974.3	134,567.8	163,162.8	191,378.3
09 Hotels & Restaurants	119,478.0	77,440.2	194,026.7	313,137.6	326,260.5
10 Information & Communication	128,390.1	140,177.9	146,399.1	150,471.2	147,405.7
11 Financial & Insurance Services	1,507,951.4	1,561,712.8	1,638,905.5	1,741,178.8	1,839,636.0
12 Real Estate Activities	427,546.4	449,174.5	482,422.9	503,615.6	528,672.4
13 Professional, Scientific & Technical Activities	692,985.5	765,611.7	802,719.2	897,057.2	972,666.6
14 Administrative & Support Service Activities	114,399.7	121,801.6	137,624.4	152,202.6	166,745.1
15 Public Administration & Defence	291,621.5	312,927.6	338,219.7	368,281.4	387,118.4
16 Education Services	121,285.3	134,730.6	145,420.8	166,523.6	175,887.1
17 Human Health & Social Work	194,162.4	230,692.6	256,736.9	289,465.9	314,622.6
18 Other Services	106,991.0	105,621.6	128,317.9	149,010.6	159,634.2
GDP at Current Basic Prices	4,494,073.6	4,750,912.6	5,226,140.8	5,748,238.3	6,124,079.8
Add: Taxes Less Subsidies on Products	218,705.9	299,745.3	318,433.7	342,207.7	347,008.1
GDP at Current Purchasers' Prices	4,712,779.5	5,050,658.0	5,544,574.5	6,090,446.1	6,471,087.9

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3.7 Detailed value added by industry

TABLE 8: DETAILED VALUE ADDED BY INDUSTRY		CURRENT/NOMINAL (CIS\$'000)					CONSTANT/REAL (CIS\$'000)				
INDUSTRY	2020	2021	2022 ^R	2023 ^R	2024	2020	2021	2022 ^R	2023 ^R	2024	
AGRICULTURE & FISHING	20,519.3	22,939.1	26,026.4	24,844.3	29,291.3	16,913.8	18,621.9	18,689.8	17,014.7	19,770.1	
Growing of Agricultural Crops	16,573.2	19,510.4	20,879.6	19,164.2	24,189.7	14,413.4	16,188.6	15,946.3	13,987.6	16,735.2	
Farming of Animals	1,580.7	1,258.6	1,158.6	1,973.6	1,622.6	1,053.5	1,071.9	801.7	1,204.9	1,188.2	
Capture Fishing	2,365.4	2,170.1	3,988.2	3,706.5	3,479.0	1,447.0	1,361.4	1,941.8	1,822.2	1,846.7	
MINING & QUARRYING	12,756.6	14,426.6	15,756.6	13,906.8	16,040.6	10,933.9	12,221.7	12,779.1	12,367.8	12,996.4	
Quarrying incl. Stone, Sand and Gravel	12,756.6	14,426.6	15,756.6	13,906.8	16,040.6	10,933.9	12,221.7	12,779.1	12,367.8	12,996.4	
MANUFACTURING	43,210.6	50,241.8	50,434.9	54,387.9	56,008.5	38,031.7	41,984.8	39,169.1	38,511.8	37,201.6	
Food Products, Beverages and Tobacco Products	12,096.2	12,467.7	15,006.1	18,802.9	19,684.4	10,980.5	11,184.4	11,863.2	12,928.5	13,492.9	
Builders' Carpentry and Joinery, incl. Furniture and Rubber and Plastic Product	3,443.5	5,398.9	4,716.4	5,286.8	4,761.7	2,845.0	4,177.2	3,382.2	2,996.8	2,816.0	
Non-Metallic Mineral Products (incl. Glass and Glass Products, Concrete, Cement)	16,151.7	19,416.6	17,393.8	15,566.2	15,676.4	13,770.3	15,368.4	13,688.7	12,374.1	10,452.6	
Basic Metals, Fabricated Metal Products, Machinery & Equipment	4,770.6	5,670.5	5,476.8	5,861.7	5,784.8	4,022.2	4,646.9	3,945.0	4,037.4	3,955.6	
Other Manufacturing Goods n.e.c.	6,748.6	7,288.1	7,841.9	8,870.3	10,101.2	6,413.6	6,607.8	6,289.9	6,174.9	6,484.6	
ELECTRICITY, GAS & AIR CONDITIONING SUPPLY	72,654.8	75,919.3	78,005.5	83,262.4	93,388.5	62,513.3	64,047.4	65,456.7	70,684.6	72,729.4	
Production, Collection and Distribution of Electricity and the Manufacture of Ice	72,654.8	75,919.3	78,005.5	83,262.4	93,388.5	62,513.3	64,047.4	65,456.7	70,684.6	72,729.4	
WATER SUPPLY, SEWERAGE & WASTE MANAGEMENT	38,807.2	39,562.8	41,967.6	47,303.2	48,245.3	38,787.4	39,156.5	42,036.4	47,344.0	49,278.1	
Water Collection, Treatment and Distribution, Sewerage and Waste Collection	38,807.2	39,562.8	41,967.6	47,303.2	48,245.3	38,787.4	39,156.5	42,036.4	47,344.0	49,278.1	
CONSTRUCTION	215,951.4	242,470.5	256,817.1	264,969.2	280,783.8	179,197.5	192,962.7	195,962.4	199,064.9	203,224.2	
Construction (incl building installation, building completion, etc.)	215,951.4	242,470.5	256,817.1	264,969.2	280,783.8	179,197.5	192,962.7	195,962.4	199,064.9	203,224.2	
WHOLESALE & RETAIL TRADE	280,959.5	311,487.2	351,771.8	365,457.2	390,294.9	287,186.5	294,424.7	310,906.9	326,751.6	344,596.3	
Wholesale & Retail Trade	280,959.5	311,487.2	351,771.8	365,457.2	390,294.9	287,186.5	294,424.7	310,906.9	326,751.6	344,596.3	
TRANSPORT & STORAGE	104,402.8	93,974.3	134,567.8	163,162.8	191,378.3	93,442.8	85,711.4	121,315.6	141,831.5	154,658.7	
Transport	49,600.2	42,728.6	60,111.3	71,837.3	81,149.2	41,742.0	35,273.2	55,710.0	65,175.7	70,110.0	
Supporting Activities for Transport (incl Cargo)	44,746.0	40,122.6	62,268.1	78,314.7	96,886.6	42,128.5	40,295.7	55,648.5	65,870.0	73,497.6	
Post and Courier Activities	10,056.6	11,123.1	12,188.4	13,010.8	13,342.4	9,572.3	10,142.4	9,957.1	10,785.8	11,051.0	
HOTELS & RESTAURANTS	119,478.0	77,440.2	194,026.7	313,137.6	326,260.5	122,407.2	105,620.8	170,427.8	208,280.1	210,112.4	
Hotels & Other Short-Term Accommodations Activities	65,974.1	22,448.8	123,081.0	231,952.0	238,043.3	73,728.4	54,009.9	107,171.7	139,428.1	139,180.0	
Restaurants, Bars & Other Food Service Activities	53,503.9	54,991.4	70,945.7	81,185.7	88,217.1	48,678.8	51,610.9	63,256.2	68,852.0	70,932.4	
INFORMATION & COMMUNICATION	128,390.1	140,177.9	146,399.1	150,471.2	147,405.7	118,007.5	123,115.4	127,144.2	130,003.7	128,643.2	
Motion Picture Projection, Radio & TV Programming and Broadcasting and Telecommunications Activities	98,617.0	108,907.3	110,897.3	113,785.8	110,424.4	91,013.7	95,721.8	98,134.0	100,624.6	99,884.5	
Publishing, Printing and Computer & Data Processing Services	29,773.1	31,270.6	35,501.8	36,685.5	36,981.3	26,993.8	27,393.6	29,010.2	29,379.1	28,758.7	

TABLE 8 cont'd: DETAILED VALUE ADDED BY INDUSTRY	CURRENT/NOMINAL (CIS'000)					CONSTANT/REAL (CIS'000)				
INDUSTRY	2020	2021	2022 ^R	2023 ^R	2024	2020	2021	2022 ^R	2023 ^R	2024
FINANCIAL & INSURANCE SERVICES	1,507,951.4	1,561,712.8	1,638,905.5	1,741,178.8	1,839,636.0	1,395,966.9	1,441,643.5	1,495,713.5	1,534,049.0	1,572,878.1
Monetary Institutions (incl. CIMA)	749,655.5	774,374.2	812,833.6	868,212.0	917,045.7	664,534.2	679,948.7	690,385.4	702,373.4	714,259.7
Other Financial Institutions & Financial Services	314,198.8	331,800.7	343,326.3	381,438.7	414,298.6	296,646.6	321,541.1	335,724.2	353,828.3	364,855.2
Insurance, Pension Funding (incl. Auxiliary Activities)	444,097.1	455,537.9	482,745.5	491,528.1	508,291.7	434,786.0	440,153.7	469,603.9	477,847.3	493,763.2
REAL ESTATE ACTIVITIES	427,546.4	449,174.5	482,422.9	503,615.6	528,672.4	368,065.2	376,362.4	378,599.8	383,653.2	390,977.5
Operating of Owner-Occupied Dwellings	217,774.1	214,543.0	242,549.7	245,654.3	248,298.7	188,165.5	181,138.9	183,262.1	185,510.2	186,734.4
Renting of Residential Buildings	105,228.6	110,218.6	118,360.1	131,945.8	141,510.1	87,380.8	89,920.1	90,952.0	92,327.9	94,277.2
Renting of Commercial Buildings	60,861.8	65,712.0	68,018.6	71,803.5	83,344.2	54,095.8	57,057.6	58,026.3	60,810.1	65,056.4
Other Real Estate Activities	43,681.9	58,701.0	53,494.5	54,212.0	55,519.4	38,423.1	48,245.8	46,359.4	45,004.9	44,909.5
PROFESSIONAL, SCIENTIFIC & TECHNICAL ACTIVITIES	692,985.5	765,611.7	802,719.2	897,057.2	972,666.6	619,212.1	650,176.3	662,418.9	729,531.0	771,967.1
Legal Activities	330,364.1	359,764.8	363,608.2	390,970.0	440,125.1	300,816.0	312,649.8	309,878.6	342,463.4	376,862.1
Accounting & Auditing Activities	226,537.0	255,479.6	275,701.8	323,326.3	348,720.1	192,672.8	204,270.6	216,913.9	242,999.3	254,928.7
Other Professional, Scientific & Technical Activities	136,084.3	150,367.3	163,409.1	182,760.9	183,821.4	125,723.3	133,255.9	135,626.4	144,068.4	140,176.3
ADMINISTRATIVE & SUPPORT SERVICE ACTIVITIES	114,399.7	121,801.6	137,624.4	152,202.6	166,745.1	108,175.8	112,596.9	118,096.4	122,396.9	133,926.4
Administrative and Support Service to Businesses (incl. Renting of Machinery & Equipment)	114,399.7	121,801.6	137,624.4	152,202.6	166,745.1	108,175.8	112,596.9	118,096.4	122,396.9	133,926.4
PUBLIC ADMINISTRATION & DEFENCE	291,621.5	312,927.6	338,219.7	368,281.4	387,118.4	246,924.3	260,854.8	277,208.0	295,090.2	309,862.3
Public Administration and Defence	291,621.5	312,927.6	338,219.7	368,281.4	387,118.4	246,924.3	260,854.8	277,208.0	295,090.2	309,862.3
EDUCATION SERVICES	121,285.3	134,730.6	145,420.8	166,523.6	175,887.1	108,958.5	116,053.8	122,025.9	133,345.4	137,722.6
Public Education	66,915.7	72,202.5	76,911.4	87,889.8	94,532.3	61,249.3	64,620.4	67,709.8	76,104.2	81,500.9
Private Education	54,369.6	62,528.1	68,509.4	78,633.8	81,354.8	47,709.2	51,433.4	54,316.1	57,241.1	56,221.7
HUMAN HEALTH & SOCIAL WORK	194,162.4	230,692.6	256,736.9	289,465.9	314,622.6	176,429.7	208,498.8	225,305.2	250,685.9	267,443.0
Public Health and Social Services	89,943.8	98,004.5	112,107.3	125,581.4	132,030.1	80,455.9	87,732.8	96,241.4	106,402.3	107,525.5
Private Health & Social Services	104,218.6	132,688.1	144,629.6	163,884.5	182,592.5	95,973.8	120,766.0	129,063.8	144,283.6	159,917.5
OTHER SERVICES	106,991.0	105,621.6	128,317.9	149,010.6	159,634.2	102,340.2	105,310.2	123,169.2	139,387.1	144,749.7
Private Arts, Entertainment & Recreation	24,871.7	19,553.2	31,482.9	41,257.6	44,783.9	24,417.1	19,860.7	28,433.0	35,985.7	37,713.3
Personal & Household Services (incl. Activities of Membership Organization)	41,061.3	45,623.1	50,538.5	57,837.8	64,315.2	36,865.1	41,633.9	44,581.7	49,326.6	52,290.1
Private Households with Employed Persons	41,058.0	40,445.2	46,296.5	49,915.2	50,535.1	41,058.0	43,815.7	50,154.5	54,074.8	54,746.4
VALUE ADDED/GDP AT BASIC PRICES	4,494,073.6	4,750,912.6	5,226,140.8	5,748,238.3	6,124,079.8	4,093,494.2	4,249,363.8	4,506,424.7	4,779,993.4	4,962,737.0
TAXES LESS SUBSIDIES ON PRODUCTS	218,705.9	299,745.3	318,433.7	342,207.7	347,008.1	210,665.5	264,383.4	262,836.4	266,093.3	272,901.5
GROSS DOMESTIC PRODUCTS AT PURCHASERS' PRICES	4,712,779.5	5,050,658.0	5,544,574.5	6,090,446.1	6,471,087.9	4,304,159.8	4,513,747.2	4,769,261.2	5,046,086.7	5,235,638.5

R-revised

3.8 Implicit price index by industry

The GDP Implicit Price Index (IPI) is an economy-wide measure of inflation derived by dividing the current price GDP (nominal GDP) by the constant price GDP (real GDP). This index measures the implicit prices of all final goods and services produced in the local economy. It serves as an indicator of overall inflationary tendencies in the economy, complementing measures such as the Consumer Price Index (CPI) and the Producer Price Index (PPI). Unlike the CPI and PPI, which are derived directly from collected price data, the IPI is obtained indirectly from the GDP estimates at constant and current prices.

Table 9 below presents the industry-level IPI for the Cayman Islands for 2017-2024. The IPI by industry provides insights into the inflationary tendency at the industry level. Economy-wide inflation (as measured by the purchasers' price GDP IPI) increased by 2.4 percent in 2024, easing from the 3.8 percent in 2023. By comparison, Inflation (as measured by the CPI) increased by 2.6 percent in 2024.

CAYMAN ISLANDS GROSS DOMESTIC (GDP) TABLES								
TABLE 9: GDP IMPLICIT PRICE INDEX (IPI), 2015=100								
INDUSTRY	2017	2018	2019	2020	2021	2022	2023	2024
01 Agriculture & Fishing	109.7	113.6	118.5	121.3	123.2	139.3	146.0	148.2
02 Mining & Quarrying	106.8	107.0	112.7	116.7	118.0	123.3	112.4	123.4
03 Manufacturing	101.2	105.7	109.7	113.6	119.7	128.8	141.2	150.6
04 Electricity, Gas & Air Conditioning Supply	103.1	113.5	114.4	116.2	118.5	119.2	117.8	128.4
05 Water Supply, Sewerage & Waste Management	101.8	102.3	105.2	100.1	101.0	99.8	99.9	97.9
06 Construction	107.4	112.3	117.4	120.5	125.7	131.1	133.1	138.2
07 Wholesale & Retail Trade	100.1	100.9	102.0	97.8	105.8	113.1	111.8	113.3
08 Transport & Storage	102.3	103.4	106.0	111.7	109.6	110.9	115.0	123.7
09 Hotels & Restaurants	106.0	109.7	116.2	97.6	73.3	113.8	150.3	155.3
10 Information & Communication	105.6	105.0	110.3	108.8	113.9	115.1	115.7	114.6
11 Financial & Insurance Services	103.5	107.0	107.6	108.0	108.3	109.6	113.5	117.0
12 Real Estate Activities	101.2	100.0	113.5	116.2	119.3	127.4	131.3	135.2
13 Professional, Scientific & Technical Activities	103.8	106.4	110.7	111.9	117.8	121.2	123.0	126.0
14 Administrative & Support Service Activities	102.7	105.0	106.9	105.8	108.2	116.5	124.4	124.5
15 Public Administration & Defence	105.7	108.5	112.5	118.1	120.0	122.0	124.8	124.9
16 Education Services	101.7	104.0	109.6	111.3	116.1	119.2	124.9	127.7
17 Human Health & Social Work	99.7	102.4	103.0	110.1	110.6	114.0	115.5	117.6
18 Other Services	100.7	102.1	105.9	104.5	100.3	104.2	106.9	110.3
GDP Implicit Deflator at Basic Prices	103.2	105.7	109.3	109.8	111.8	116.0	120.3	123.4
Add: Taxes Less Subsidies on Products	99.5	105.9	109.3	103.8	113.4	121.2	128.6	127.2
GDP Implicit Deflator at Purchasers' Prices	103.0	105.7	109.3	109.5	111.9	116.3	120.7	123.6
GDP IPI (Basic Prices) percentage change	2.1%	2.5%	3.4%	0.4%	1.8%	3.7%	3.7%	2.6%
GDP IPI (Purchasers' Prices) percentage change	2.0%	2.7%	3.4%	0.1%	2.2%	3.9%	3.8%	2.4%
CPI percentage change	2.0%	3.0%	6.0%	1.0%	3.3%	9.5%	3.8%	2.6%

3.9 Production and cost components of value-added by industry

Table 10 below shows the production components (i.e., gross value added, gross output, and intermediate consumption) and cost/income components (i.e., compensation of employees, consumption of fixed capital, operating surplus, and other net taxes on production) by industry. Gross output represents the total value of goods and services produced by an establishment (i.e., sales). Gross output can be used by businesses to gauge their market share in a particular industry. Intermediate consumption comprises the goods and services used up in production, excluding fixed assets whose use is recorded as consumption of fixed capital. Gross value added is defined as gross output less intermediate consumption. GDP via the production approach is the sum of the value-added of all resident producers. GDP via the income approach is calculated as the sum of compensation of employees, operating surplus/mixed-income, consumption of fixed capital, and taxes on production and imports less subsidies on production and imports.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN							
TABLE 10: PRODUCTION AND COST COMPONENTS OF VALUE ADDED AT CURRENT BASIC & PURCHASERS' PRICES 2024 (CIS\$'000)							
INDUSTRY	Production Components			Cost/Income Components			
	Gross Value Added ^{1, 1a, 1b}	Gross Output	Intermediate Consumption	Compensation of Employees	Operating Surplus/Mixed Income	Consumption of Fixed Capital ²	Taxes less Subsidies on Production
01 Agriculture & Fishing	29,291.3	39,532.9	10,241.6	9,713.1	18,240.3	827.5	510.4
02 Mining & Quarrying	16,040.6	33,653.3	17,612.7	10,731.9	3,160.0	1,589.9	558.9
03 Manufacturing	56,008.5	123,936.3	67,927.8	29,729.8	21,619.8	3,245.3	1,413.6
04 Electricity, Gas & Air Conditioning Supply	93,388.5	262,247.4	168,858.9	23,003.8	29,362.4	38,519.9	2,502.4
05 Water Supply, Sewerage & Waste Management	48,245.3	87,177.0	38,931.7	23,246.2	15,449.9	8,464.1	1,085.1
06 Construction	280,783.8	996,396.2	715,612.4	200,961.6	55,221.4	6,428.1	18,172.7
07 Wholesale & Retail Trade	390,294.9	615,050.7	224,755.8	171,970.9	173,242.6	27,181.2	17,900.1
08 Transport & Storage	191,378.3	362,950.7	171,572.4	122,044.2	46,420.1	19,409.2	3,504.8
09 Hotels & Restaurants	326,260.5	671,637.7	345,377.3	183,097.0	127,646.9	5,979.6	9,537.0
10 Information & Communication	147,405.7	235,242.9	87,837.2	62,304.8	52,879.0	16,229.7	15,992.3
11 Financial & Insurance Services	1,839,636.0	3,498,176.5	1,658,540.6	523,836.0	920,788.8	41,500.4	353,510.7
12 Real Estate Activities	528,672.4	905,770.3	377,097.9	75,401.0	383,248.8	67,073.4	2,949.3
13 Professional, Scientific & Technical Activities	972,666.6	1,330,760.9	358,094.2	599,501.0	261,141.7	11,029.1	100,994.9
14 Administrative & Support Service Activities	166,745.1	224,870.2	58,125.1	109,155.6	43,861.2	7,139.4	6,589.0
15 Public Administration & Defence	387,118.4	551,106.6	163,988.2	358,252.6	0.0	28,514.1	351.7
16 Education Services	175,887.1	223,790.5	47,903.4	149,265.0	8,574.0	17,426.0	622.1
17 Human Health & Social Work	314,622.6	480,335.4	165,712.9	218,300.4	74,755.9	16,422.1	5,144.2
18 Other Services	159,634.2	255,622.5	95,988.2	86,771.7	61,603.6	6,943.8	4,315.1
Total	6,124,079.8	10,898,258.1	4,774,178.3	2,957,286.6	2,297,216.3	323,922.7	545,654.2
GDP at Current Basic Prices/Total	6,124,079.8						
Add: Taxes Less Subsidies on Products	347,008.1						
GDP at Current Purchasers' Prices	6,471,087.9						

Notes

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

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

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

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

3.10 GDP Cross-Classified by Industry and Institutional Sectors

Institutional sectors group economic agents by their principal functions, behaviours, and objectives. All resident economic units are assigned to one (and only one) of the following five institutional sectors: i) financial companies; ii) non-financial companies; iii) general government; iv) non-profit institutions serving households; and v) households.

Table 11 below presents GDP cross-classified by industry and institutional sectors as detailed as the available data permit. For 2024, corporations (financial & non-financial) accounted for CI\$5,108.2 million (83.4%) of the nominal (current) basic price GDP for the Cayman Islands. The activities of the general government across all industries contributed CI\$717.1 million (11.7%), and households added CI\$298.8 million (4.9%).

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 11: GDP CROSS-CLASSIFIED BY INDUSTRY AND INSTITUTIONAL SECTORS AT CURRENT PRICES 2024 (CI\$'000)					
INDUSTRY	INSTITUTIONAL SECTORS				
	Total Value Added¹	Non-Financial Corporations²	Financial Corporations	General Government	Households
01 Agriculture & Fishing	29,291.3	29,291.3	-	-	-
02 Mining & Quarrying	16,040.6	16,040.6	-	-	-
03 Manufacturing	56,008.5	56,008.5	-	-	-
04 Electricity, Gas & Air Conditioning Supply	93,388.5	93,388.5	-	-	-
05 Water Supply, Sewerage & Waste Management ³	48,245.3	48,245.3	-	-	-
06 Construction	280,783.8	267,158.7	-	13,625.1	-
07 Wholesale & Retail Trade	390,294.9	390,294.9	-	-	-
08 Transport & Storage	191,378.3	101,613.2	-	89,765.1	-
09 Hotels & Restaurants	326,260.5	326,260.5	-	-	-
10 Information & Communication	147,405.7	147,405.7	-	-	-
11 Financial & Insurance Services	1,839,636.0	-	1,839,636.0	-	-
12 Real Estate Activities	528,672.4	280,373.7	-	-	248,298.7
13 Professional, Scientific & Technical Activities	972,666.6	972,666.6	-	-	-
14 Administrative & Support Service Activities	166,745.1	166,745.1	-	-	-
15 Public Administration & Defence ⁴	387,118.4	-	-	387,118.4	-
16 Education Services	175,887.1	81,354.8	-	94,532.3	-
17 Human Health & Social Work	314,622.6	182,592.5	-	132,030.1	-
18 Other Services ⁵	159,634.2	109,099.1	-	-	50,535.1
GDP at Current Basic Prices/Total	6,124,079.8	3,268,539.0	1,839,636.0	717,071.0	298,833.8
Add: Taxes Less Subsidies on Products	347,008.1				
GDP at Current Purchasers' Prices	6,471,087.9				

Notes

1. Discrepancies between the total and the sum of the components are due to rounding.
2. Data for non-profit institutions serving households (NPISH) included here due to level of disaggregation and to protect confidentiality.
3. Waste management for general government is included in Public Administration.
4. Includes public arts, entertainment and recreation
5. Other services include private arts, entertainment & recreation, activities of households as employers, etc.

3.11 Gross National Product (GNP)

Gross National Product (GNP) measures the total value of all goods and services produced by a country's residents and businesses, regardless of where production occurs. While most of the production of resident entities usually takes place in the jurisdiction, some production may take place abroad. In addition, some primary income generated within the country may accrue to non-residents. Whereas GDP accounts for the value of goods and services produced within the country, GNP reflects the total output of a country's residents regardless of their location. It is calculated by adjusting the GDP for the net flows (inflows minus outflows) in investment income. GNP is derived as GDP plus any income earned by residents from foreign investments (income received from the rest of the world), minus the income earned inside the country by foreign residents (income paid to the rest of the world).

GNP for the Cayman Islands increased by 14.0 percent in 2024 to CI\$5,282.9 million, up from CI\$4,633.9 million in 2023. Inflows of property income declined by 7.4 percent to CI\$5,134.7 million, while the outflows of property income decreased by 9.7 percent to CI\$6,322.9 million. As a result, the outflows of net property income narrowed from CI\$1,456.5 million in 2023 to CI\$1,188.2 million in 2024.

CAYMAN ISLANDS SYSTEM OF NATIONAL ACCOUNTS AGGREGATES						
TABLE 12: GROSS NATIONAL PRODUCT AT CURRENT PURCHASERS' PRICES (CI\$'000)						
Item Description	2019	2020	2021	2022 ^R	2023 ^R	2024
GROSS DOMESTIC PRODUCT (GDP)¹	4,951,560.7	4,712,779.5	5,050,658.0	5,544,574.5	6,090,446.1	6,471,087.9
Plus Property Income from the rest of the world:	3,588,896.7	2,251,810.5	2,694,262.3	4,114,866.9	5,544,917.2	5,134,714.5
Foreign direct investment income received ²	28,321.3	431,926.6	515,744.5	739,039.6	17,242.1	23,801.3
Portfolio & other investment income received ³	3,560,575.4	1,819,883.9	2,178,517.7	3,375,827.2	5,527,675.1	5,110,913.2
Less Property Income paid to the rest of the world:	4,828,365.2	3,353,181.6	3,338,099.2	5,260,422.6	7,001,465.2	6,322,939.0
Foreign direct investment income paid	2,182,394.1	1,700,723.3	2,088,495.3	3,548,538.4	3,434,838.6	2,561,362.5
Portfolio & other investment income paid	2,645,971.1	1,652,458.3	1,249,603.9	1,711,884.2	3,566,626.5	3,761,576.5
GROSS NATIONAL PRODUCT (GNP)¹	3,712,092.2	3,611,408.4	4,406,821.0	4,399,018.8	4,633,898.2	5,282,863.3

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Notes:

1. GDP & GNP at current purchasers' prices.
2. Foreign direct investment represents investments holdings or ownership of 10% or more.
3. Portfolio investment represents investments holdings or ownership of less than 10%.

3.12 GNI, GNDI, Gross National Savings & Net Lending¹³

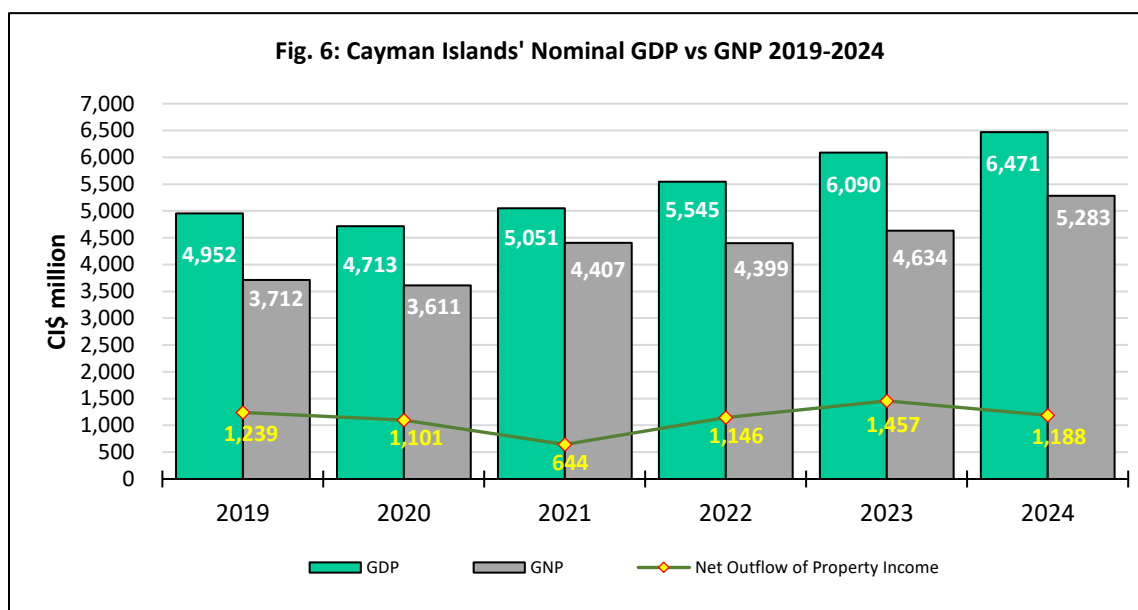
Gross National Income (GNI) is the total value of the gross balances of primary income across all economic sectors. GNI is derived by adjusting the GNP for the net compensation of employees (COE). Net COE represents the income earned by Cayman residents from abroad minus compensation paid by Cayman-resident entities to workers abroad. Gross National Disposable Income (GNDI) measures the income available for final consumption and gross savings, and is calculated as GNI plus the net inflow of current transfers (e.g., remittances). Gross saving is the excess of current income over current expenditure and is derived by subtracting final consumption expenditure from GNDI. Net lending represents the net resources the total economy makes available to the rest of the world (if positive) or receives from the rest of the world (if negative).

CAYMAN ISLANDS SYSTEM OF NATIONAL ACCOUNTS AGGREGATES						
TABLE 13: NATIONAL INCOME, NATIONAL DISPOSABLE INCOME, SAVINGS & NET LENDING (CIS\$'000)						
Item Description	2019	2020	2021	2022 ^R	2023 ^R	2024
GROSS DOMESTIC PRODUCT (GDP)	4,951,560.7	4,712,779.5	5,050,658.0	5,544,574.5	6,090,446.1	6,471,087.9
Plus Net Property Income from/to the rest of the world:	-1,239,468.5	-1,101,371.1	-643,836.9	-1,145,555.7	-1,456,547.9	-1,188,224.5
<i>plus</i> Property income received from the rest of the world	3,588,896.7	2,251,810.5	2,694,262.3	4,114,866.9	5,544,917.2	5,134,714.5
<i>less</i> Property income paid to the rest of the world	4,828,365.2	3,353,181.6	3,338,099.2	5,260,422.6	7,001,465.2	6,322,939.0
Plus Net Compensation of Employees from/to the rest of the world:	-42,223.3	-40,707.1	-19,127.0	-39,720.5	-66,909.3	-56,117.4
<i>plus</i> Compensation of employees received from the rest of the world	5,020.2	2,196.3	713.5	2,314.8	762.9	1,444.7
<i>less</i> Compensation of employees paid to the rest of the world	47,243.5	42,903.4	19,840.5	42,035.4	67,672.2	57,562.1
GROSS NATIONAL INCOME (GNI)	3,669,868.9	3,570,701.3	4,387,694.1	4,359,298.3	4,566,988.9	5,226,746.0
Plus Net Current Transfers from/to the rest of the world:	-476,023.1	-395,742.8	-611,166.9	-212,927.3	-105,423.3	-379,899.2
<i>plus</i> Current transfers received from the rest of the world	1,374,397.7	1,321,288.6	3,139,626.5	3,749,672.2	5,228,449.0	4,833,355.8
<i>less</i> Current transfers paid to the rest of the world	1,850,420.7	1,717,031.5	3,750,793.4	3,962,599.5	5,333,872.3	5,213,255.0
GROSS NATIONAL DISPOSABLE INCOME (GNDI)	3,193,845.8	3,174,958.4	3,776,527.2	4,146,370.9	4,461,565.5	4,846,846.8
Final Consumption Expenditures	3,168,133.1	3,088,388.8	3,388,246.0	3,735,455.8	4,056,076.2	4,345,760.9
GROSS NATIONAL SAVINGS	25,712.8	86,569.7	388,281.2	410,915.1	405,489.4	501,085.9
Plus Net Capital Transfers from/to the rest of the world:	-370.3	-1,106.3	-1,182.2	767.8	-1,038.2	-1,109.1
<i>plus</i> Capital transfers received from the rest of the world	928.3	40.3	7.5	924.4	198.3	0.0
<i>less</i> Capital transfers paid to the rest of the world	1,298.6	1,146.6	1,189.7	156.6	1,236.5	1,109.1
Less Gross Capital Formation:	802,618.6	902,940.7	1,041,888.1	1,084,443.5	1,091,673.6	1,140,218.9
Gross fixed capital formation	797,216.1	891,088.0	1,039,374.7	1,080,490.1	1,078,895.6	1,136,232.9
Changes in inventories	5,402.5	11,852.7	2,513.4	3,953.3	12,778.0	3,986.0
NET LENDING(+)/NET BORROWING(-)	-777,276.1	-817,477.3	-654,789.1	-672,760.6	-687,222.4	-640,242.1

R-revised

¹³ GNI-Gross National Income = GDP + Net Property Income + Net Compensation from abroad.
GNDI-Gross National Disposable Income = GNI + Net Current Transfers

GNI increased by 14.4 percent in 2024 to reach CI\$5,226.7 million, adding to the 4.8 percent growth posted in 2023. The net flow of property income (i.e., income received from the rest of the world minus income paid to the rest of the world) improved to -CI\$1,188.2 million in 2024, compared to -CI\$1,456.5 million in 2023. Net compensation of employees (compensation received from the rest of the world minus that paid to the rest of the world) improved to -CI\$56.1 million in 2024, from -CI\$66.9 million in 2023.¹⁴ Compensation received from the rest of the world increased by 89.4 percent in 2024, rising to CI\$1.4 million from CI\$0.8 million in 2023. Meanwhile, compensation paid to employees abroad contracted by 14.9 percent to CI\$57.6 million in 2024, down from CI\$67.7 million in 2023.



Gross National Disposable Income (GNDI) for the Cayman Islands was estimated at CI\$4,846.8 million in 2024, reflecting an 8.6 percent increase. This represents an increase in the income available to fund final consumption and savings. Inflows of current transfers decreased by 7.6 percent to CI\$4,833.4 million in 2024, while outflows of current transfers decreased by 2.3 percent to CI\$5,213.3 million.¹⁵ Gross national savings rose to CI\$501.1 million in 2024, remaining positive for the sixth consecutive year.

Net borrowing declined to CI\$640.2 million in 2024, down from CI\$687.2 million in 2023. The Cayman Islands remains a net borrower, primarily due to the financing of capital investments, which supports the long-term growth potential of the local economy.

¹⁴The negative figures for net property income and net compensation of employees means that the outflows are greater than the inflows.

¹⁵Current transfers are transactions where the originator does not receive something of economic value in return, e.g. workers' remittances, donations, tax payments, foreign aid, and grants.

4. GROSS DOMESTIC PRODUCT ESTIMATES-THE INCOME APPROACH

4.1 GDP and rate of growth of GDP at purchasers' prices by income

Cayman Islands' GDP at current purchasers' prices increased to CI\$6,471.1 million in 2024, yielding a year-on-year growth of 6.2 percent compared to the CI\$6,090.4 million posted in 2023. This positive outturn extends the recovery started in 2021 following the 4.8 percent decline in 2020, which itself ended nine consecutive years of nominal GDP growth since the 2.9 percent decline in 2010. Tables 14a and 14b present the components of GDP by income and their respective growth rates. As shown in Table 14b, all four income components increased in 2024, led by operating surplus/mixed-income (7.2%), followed by compensation of employees (5.8%), taxes less subsidies (net taxes) on production and imports (5.6%), and consumption of fixed capital (5.2%).

TABLE 14a: GROSS DOMESTIC PRODUCT (GDP) BY INCOME AT CURRENT PRICES (CI\$'000)

Type of Income	2019	2020	2021	2022 ^R	2023 ^R	2024
Compensation of Employees (COE)	2,168,720.7	2,162,438.6	2,286,441.9	2,536,289.0	2,795,222.5	2,957,286.6
Operating Surplus\Mixed Income	1,832,540.6	1,668,215.3	1,709,112.5	1,883,587.3	2,142,392.3	2,297,216.3
Consumption of Fixed Capital	266,056.1	279,896.5	283,985.7	292,552.8	307,795.3	323,922.7
Taxes less Subsidies on Production and Imports	684,243.2	602,229.0	771,118.0	832,145.5	845,036.1	892,662.3
Gross Domestic Product at Purchasers' Prices	4,951,560.7	4,712,779.5	5,050,658.0	5,544,574.5	6,090,446.1	6,471,087.9

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TABLE 14b: PERCENTAGE GROWTH of GDP BY INCOME AT CURRENT PURCHASERS' PRICES

Type of Income	Percentage Growth					
	2019	2020	2021	2022 ^R	2023 ^R	2024
Compensation of Employees (COE)	5.0	(0.3)	5.7	10.9	10.2	5.8
Operating Surplus\Mixed Income	12.1	(9.0)	2.5	10.2	13.7	7.2
Consumption of Fixed Capital	5.7	5.2	1.5	3.0	5.2	5.2
Taxes less Subsidies on Production and Imports	4.2	(12.0)	28.0	7.9	1.5	5.6
Gross Domestic Product at Purchasers' Prices	7.4	(4.8)	7.2	9.8	9.8	6.2

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Total compensation of employees (COE)¹⁶ increased to CI\$2,957.3 million in 2024, up from CI\$2,795.2 million in 2023. The 5.8 percent growth in 2024 represents a deceleration from the 10.2 percent posted in 2023 and a continuation of the recovery trajectory

¹⁶COE is defined as the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the latter during the accounting period.

following the decline in 2020. The continued increase in total compensation in 2024 was supported by the 1.5 percent growth in the number of employed persons, which increased to 59,393 from 58,504 in 2023.¹⁷ The largest increase in total compensation occurred in the hotel & restaurant industry, which continued to rebound from the effects of the global pandemic. Total compensation in this industry has now surpassed the pre-pandemic level.

Operating surplus/mixed-income¹⁸ grew by 7.2 percent in 2024, following the 13.7 percent increase in 2023. Despite the tempering of its growth rate in 2024, operating surplus/mixed-income posted the highest rate of expansion among all components of GDP by income.

Consumption of fixed capital¹⁹ posted the lowest increase among the income components in 2024, growing by 5.2 percent, matching the rate posted in 2023. This continued the upward trend following growth of 3.0 percent in 2022 and 1.5 percent in 2021.

Taxes (less subsidies) on production and imports²⁰ registered the second-lowest increase in 2024, growing by 5.6 percent, marking an acceleration from the 1.5 percent growth recorded in 2023. The stronger performance in 2024 was driven primarily by the growth in taxes on production.

4.2 Income Share of GDP at purchasers' prices

TABLE 15: PERCENTAGE SHARE of GDP BY INCOME AT CURRENT PRICES

Type of Income	2019	2020	2021	2022 ^R	2023 ^R	2024
Compensation of Employees (COE)	43.8	45.9	45.3	45.7	45.9	45.7
Operating Surplus\Mixed Income	37.0	35.4	33.8	34.0	35.2	35.5
Consumption of Fixed Capital	5.4	5.9	5.6	5.3	5.1	5.0
Taxes less Subsidies on Production and Imports	13.8	12.8	15.3	15.0	13.9	13.8
Gross Domestic Product at Purchasers' Prices	100.0	100.0	100.0	100.0	100.0	100.0

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¹⁷Table 3.5 Annual Economic Report 2024 (pg. 18).

¹⁸Operating Surplus is the measure of the surplus accruing from production. Mixed-income is a combination of operating surplus and implicit remuneration for work done by the owner.

¹⁹Consumption of fixed capital is the decline, during the course of the accounting period, in the current value of the stock of fixed and intangible assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage.

²⁰This includes import duties, hotel occupancy tax, business and professional licences, building permit fees, property tax, stamp duties, etc.

The share of COE in GDP marginally declined to 45.7 percent in 2024, from 45.9 in 2023, following an increase to 45.7 percent in 2022. The decrease in share in 2024 occurred despite a 1.5 percent increase in the employed labour force.

The share of operating surplus/mixed-income increased for the third consecutive year in 2024, increasing to 35.5 percent from 35.2 percent in 2023 and 34.0 percent in 2022. Operating surplus/mixed-income increased to CI\$2,297.2 million in 2024, up from CI\$2,142.4 million in 2023. (See Table 14a).

The share of net taxes declined to 13.8 percent in 2024, down from 13.9 percent in 2023. Net taxes on production and imports reached CI\$892.7 million in 2024, up from CI\$845.0 million in 2023.

Consumption of fixed capital (the smallest income component) recorded its fourth consecutive annual decline in share in 2024, contracting to 5.0 percent from 5.1 percent in 2023 and 5.3 percent in 2022. Despite the reduction in its share, consumption of fixed capital increased to CI\$323.9 million in 2024, up from CI\$307.8 million in 2023.

4.3 Income components of GDP at purchasers' prices

4.3.1 Compensation of employees (COE)

Table 16 below shows the breakdown of total compensation by industry in the Cayman Islands for the period 2019-2024.

TABLE 16: COMPENSATION OF EMPLOYEES (CI\$'000)

INDUSTRY	2019	2020	2021	2022 ^R	2023 ^R	2024
Agriculture & Fishing	8,161.5	7,984.1	8,379.3	8,653.6	8,528.0	9,713.1
Mining & Quarrying	7,720.4	7,850.3	9,107.5	9,723.3	9,532.4	10,731.9
Manufacturing	24,635.6	23,285.1	25,100.1	26,538.5	29,704.7	29,729.8
Electricity, Gas & Air Conditioning Supply	16,967.2	15,402.7	17,040.2	18,143.8	20,319.9	23,003.8
Water Supply, Sewerage & Waste Management	16,992.2	18,393.5	19,553.8	20,405.5	22,567.7	23,246.2
Construction	152,652.5	154,358.8	165,680.5	184,396.4	199,097.5	200,961.6
Wholesale & Retail Trade	143,688.9	144,382.6	145,467.9	158,604.0	164,371.2	171,970.9
Transport & Storage	99,803.6	95,201.9	91,050.5	100,140.6	111,015.0	122,044.2
Hotels & Restaurants	161,828.7	108,882.8	89,099.6	123,104.3	158,339.6	183,097.0
Information & Communication	53,306.7	51,798.9	55,851.5	59,628.7	62,344.8	62,304.8
Financial & Insurance Services	381,410.8	395,894.0	409,570.3	451,164.2	499,154.2	523,836.0
Real Estate Activities	55,617.9	53,982.4	63,268.9	65,676.9	71,295.0	75,401.0
Professional, Scientific & Technical Activities	405,809.8	427,774.5	479,778.9	533,816.2	574,984.2	599,501.0
Administrative & Support Service Activities	85,768.4	82,389.4	87,609.5	96,221.8	101,855.3	109,155.6
Public Administration & Defence	248,319.2	269,676.5	290,020.9	312,574.0	342,302.8	358,252.6
Education Services	103,995.7	107,701.9	114,043.9	121,556.0	139,640.6	149,265.0
Health and Social Work	135,536.3	144,617.9	160,673.1	181,694.4	202,288.0	218,300.4
Other Services	66,505.6	52,861.3	55,145.5	64,246.6	77,881.8	86,771.7
TOTAL	2,168,720.7	2,162,438.6	2,286,441.9	2,536,289.0	2,795,222.5	2,957,286.6

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The three largest contributors to total compensation in the Cayman Islands in 2024 were:

- Professional, scientific & technical activities (mainly legal and accounting services) with CI\$599.5 million or 20.3 percent of total compensation, down from the 20.6 percent in 2023;
- Financial & insurance services with CI\$523.8 million or 17.7 percent of total compensation, slightly down from 17.9 percent in 2023 and 17.8 percent posted in 2022; and
- Public administration & defence with CI\$358.3 million or 12.1 percent of total compensation. This represents a decline in share from 12.3 percent in 2022 and 2023.

The combined share of the three leading industries in total compensation generated in the Cayman Islands declined to 50.1 percent in 2024, down from 50.7 percent in 2023 and 51.2 percent in 2022. All three industries posted a decline in share of total compensation in 2024. Overall, hotel & restaurant services registered the largest gain in share, increasing

to 6.2 percent in 2024 from 5.7 percent in 2023. Construction activities posted the largest decline in share, falling to 6.8 percent in 2024, down from 7.1 percent in 2023.

4.3.2 Operating surplus/mixed-income

TABLE 17: OPERATING SURPLUS AND MIXED INCOME (CIS\$'000)						
INDUSTRY	2019	2020	2021	2022 ^R	2023 ^R	2024
Agriculture & Fishing	11,130.9	11,321.2	13,297.8	16,101.2	15,032.4	18,240.3
Mining & Quarrying	2,174.3	2,658.4	3,096.0	3,811.3	1,885.5	3,160.0
Manufacturing	16,266.6	16,094.7	21,001.4	19,488.9	20,079.3	21,619.8
Electricity, Gas & Air Conditioning Supply	24,001.0	21,921.7	23,522.5	24,579.1	24,912.6	29,362.4
Water Supply, Sewerage & Waste Management	16,974.7	11,807.4	11,355.7	13,103.9	15,813.7	15,449.9
Construction	36,364.3	43,679.5	55,304.4	48,444.6	42,378.5	55,221.4
Wholesale & Retail Trade	115,102.7	96,447.7	123,830.4	148,662.2	156,529.7	173,242.6
Transport & Storage	43,861.5	(12,929.9)	(16,738.4)	13,028.0	30,339.9	46,420.1
Hotels & Restaurants	112,485.2	(2,202.4)	(25,090.8)	57,226.5	140,163.4	127,646.9
Information & Communication	46,328.2	46,031.0	52,333.3	54,987.9	54,689.3	52,879.0
Financial & Insurance Services	817,340.8	829,646.0	797,008.9	810,773.2	875,629.4	920,788.8
Real Estate Activities	318,156.7	316,487.8	331,949.1	361,102.0	370,140.0	383,248.8
Professional, Scientific & Technical Activities	154,608.9	181,118.9	193,085.9	163,980.7	221,152.0	261,141.7
Administrative & Support Service Activities	24,807.1	20,062.6	21,904.1	28,312.9	36,732.8	43,861.2
Pblic Administration & Defence	-	-	-	-	-	-
Education Services	4,669.6	2,222.8	5,993.7	7,995.2	9,211.0	8,574.0
Health and Social Work	22,090.6	37,467.5	54,702.6	57,817.1	67,450.2	74,755.9
Other Services	66,177.7	46,380.6	42,555.7	54,172.6	60,252.4	61,603.6
TOTAL	1,832,540.6	1,668,215.3	1,709,112.5	1,883,587.3	2,142,392.3	2,297,216.3

R-revised

Operating surplus/mixed-income for financial & insurance services increased in 2024, consolidating its position as the largest contributor of the total at CIs\$920.8 million. The second-largest share was posted by real estate activities (CIs\$383.2 million), followed by professional, scientific & technical activities (CIs\$261.1 million). Mining & quarrying activities recorded the strongest increase in operating surplus in 2024, increasing by 67.6 percent and reversing the 50.5 percent decline noted in 2023. In contrast, hotel & restaurant services posted the most significant decline, with operating surplus/mixed-income decreasing by 8.9 percent in 2024, after surging by 144.9 percent in 2023. Overall, total operating surplus/mixed-income increased to CIs\$2,297.2 million in 2024, up from CIs\$2,142.4 million in 2023.

4.3.3 Consumption of fixed capital

TABLE 18: CONSUMPTION OF FIXED CAPITAL (C\$'000)						
INDUSTRY	2019	2020	2021	2022 ^R	2023 ^R	2024
Agriculture & Fishing	788.2	786.7	786.5	791.8	798.6	827.5
Mining & Quarrying	1,578.0	1,882.5	1,757.0	1,755.3	1,987.7	1,589.9
Manufacturing	2,648.3	2,816.0	2,976.9	3,165.5	3,230.3	3,245.3
Electricity, Gas & Air Conditioning Supply	31,088.7	32,838.0	32,844.3	32,751.3	35,492.3	38,519.9
Water Supply, Sewerage & Waste Management	8,289.1	7,928.6	7,907.1	7,620.8	8,022.3	8,464.1
Construction	5,014.9	5,717.6	6,665.5	6,468.0	6,621.2	6,428.1
Wholesale & Retail Trade	24,899.4	26,564.7	27,153.6	28,403.0	27,422.0	27,181.2
Transport & Storage	17,093.9	19,831.5	17,431.9	18,858.3	18,771.5	19,409.2
Hotels & Restaurants	10,478.3	7,270.6	7,109.7	6,433.3	6,235.7	5,979.6
Information & Communication	19,488.6	18,747.5	17,647.5	15,840.7	17,009.3	16,229.7
Financial & Insurance Services	31,720.3	38,517.9	41,149.3	41,694.8	41,552.7	41,500.4
Real Estate Activities	54,295.6	55,081.9	51,534.7	52,920.5	59,305.7	67,073.4
Professional, Scientific & Technical Activities	7,569.2	8,227.5	8,892.2	9,179.9	9,647.1	11,029.1
Administrative & Support Service Activities	7,111.4	7,665.9	7,467.7	7,428.7	7,409.7	7,139.4
Public Administration & Defence	19,245.3	21,673.7	22,697.3	25,292.6	25,665.8	28,514.1
Education Services	10,765.8	10,832.8	14,109.6	15,271.2	17,026.3	17,426.0
Health and Social Work	8,082.1	8,494.0	10,924.2	12,369.9	14,897.0	16,422.1
Other Services	5,899.2	5,019.4	4,930.9	6,307.2	6,700.1	6,943.8
TOTAL	266,056.1	279,896.5	283,985.7	292,552.8	307,795.3	323,922.7

R-revised

As presented in Table 18 above, the largest share of consumption of fixed capital – CFC (i.e., depreciation of fixed assets) in 2024 was recorded in real estate activities (C\$67.1 million), reflecting the significant fixed assets base of the industry. This was followed by financial & insurance services (C\$41.5 million), electricity, gas & air conditioning supply (C\$38.5 million), public administration & defence activities (C\$28.5 million), and wholesale and retail trade activities (C\$27.2 million). The relatively high levels of depreciation for electricity supply services and information and communication services, compared with their respective shares of GDP, reflect the capital-intensive nature of these industries.

4.3.4 Taxes less subsidies on production and imports

TABLE 19: TAXES less SUBSIDIES ON PRODUCTION AND IMPORTS (CIS\$'000)						
INDUSTRY	2019	2020	2021	2022 ^R	2023 ^R	2024
Other Taxes less Subsidies on Production	401,472.7	383,523.1	471,372.7	513,711.7	502,828.3	545,654.2
Agriculture & Fishing	434.5	427.3	475.6	479.8	485.3	510.4
Mining & Quarrying	367.2	365.3	466.1	466.7	501.2	558.9
Manufacturing	1,179.9	1,014.8	1,163.3	1,242.1	1,373.7	1,413.6
Electricity, Gas & Air Conditioning Supply	2,511.6	2,492.5	2,512.3	2,531.3	2,537.6	2,502.4
Water Supply, Sewerage & Waste Management	696.0	677.7	746.3	837.4	899.5	1,085.1
Construction	13,541.6	12,195.6	14,820.2	17,508.1	16,872.0	18,172.7
Wholesale & Retail Trade	13,947.9	13,564.5	15,035.3	16,102.5	17,134.3	17,900.1
Transport & Storage	3,014.5	2,299.3	2,230.2	2,540.9	3,036.5	3,504.8
Hotels & Restaurants	6,887.6	5,527.1	6,321.7	7,262.7	8,398.9	9,537.0
Information & Communication	13,173.1	11,812.7	14,345.6	15,941.8	16,427.9	15,992.3
Financial & Insurance Services	253,197.0	243,893.6	313,984.4	335,273.2	324,842.4	353,510.7
Real Estate Activities	1,755.6	1,994.3	2,421.9	2,723.4	2,874.9	2,949.3
Professional, Scientific & Technical Activities	78,225.5	75,864.6	83,854.7	95,742.3	91,273.9	100,994.9
Administrative & Support Service Activities	5,108.0	4,281.7	4,820.3	5,661.1	6,204.9	6,589.0
Public Administration & Defence	231.5	271.4	209.4	353.1	312.8	351.7
Education Services	497.8	527.9	583.3	598.4	645.7	622.1
Health and Social Work	3,552.8	3,583.0	4,392.7	4,855.4	4,830.7	5,144.2
Other Services	3,150.7	2,729.7	2,989.5	3,591.5	4,176.3	4,315.1
Taxes less Subsidies on Products	282,770.5	218,705.9	299,745.3	318,433.7	342,207.7	347,008.1
TOTAL	684,243.2	602,229.0	771,118.0	832,145.5	845,036.1	892,662.3

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Table 19 presents two data sets:

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

The share of other taxes less subsidies on production in total taxes increased in 2024, driven by an 8.5 percent rise in this component, which outpaced the 1.4 percent increase in taxes less subsidies on products. As a result, the share of net other taxes on production increased to 61.1 percent in 2024, up from 59.5 percent in 2023, while the share of taxes less subsidies on product decreased to 38.9 percent in 2024, from 40.5 percent in 2023. The value of net other taxes on production increased to C\$545.7 million in 2024, up from C\$502.8 million in 2023. This increase was supported in part by higher revenues from

financial service licences and fees, coupled with increased revenues from work permit fees.

Financial & insurance services recorded the most significant increase in share in 2024, rising to 39.6 percent from 38.4 percent in 2023. The largest decline in share occurred in information & communication services, which fell to 1.8 percent in 2024 from 1.9 percent in 2023.

5. GROSS DOMESTIC PRODUCT ESTIMATES-THE EXPENDITURE APPROACH

5.1 Introduction

GDP by expenditure (GDPE) measures GDP as the sum of final expenditures by households and government, gross capital formation (i.e., investments), and exports minus imports. GDPE reflects the value of final purchases of goods and services within the economy, adjusted by adding the value of exports - which represent goods and services produced domestically and sold to non-resident households and businesses – and subtracting imports, which are goods and services produced abroad. GDPE is the third approach used to estimate GDP in the Cayman Islands, complementing the two other approaches, i.e., GDP by production (GDPP) and GDP by income (GDPI), as presented earlier in Chapters 3 and 4. A more detailed explanation of GDPE and the compilation methodology is provided in Appendix A1.5.

5.2 GDP by Expenditure (GDPE)

The estimated nominal GDP for the Cayman Islands (calculated using the expenditure approach) grew to CI\$6,420.5 million in 2024, up from CI\$6,116.1 million in 2023. This represents the fourth consecutive year of increase, following CI\$5,557.6 million in 2022, CI\$4,993.3 million in 2021, and CI\$4,722.0 million in 2020.

The performance in 2024 resulted from growth in two of the four components of GDPE, namely final consumption expenditure (FCE) (7.1%) and gross fixed capital formation (GFCF) (5.3%). The expansion was tempered by declines in net exports (-3.5%) and changes in inventories (-68.8%), reversing the growth seen in these components over the previous two years.

Table 20 below presents a detailed disaggregation of the components of nominal GDPE. The largest expenditure component - Household Final Consumption Expenditure (HFCE) - contributed CI\$3,545.1 million to nominal GDPE in 2024. Gross fixed capital formation contributed the second-largest share (CI\$1,136.2 million), followed by net exports

(CI\$934.5 million), final consumption expenditure of general government (CI\$756.3 million), final consumption expenditure of non-profit institutions serving households (CI\$44.3 million), and changes in inventories (CI\$4.0 million).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 20: GDP BY EXPENDITURE AT CURRENT PURCHASERS' PRICES (CI\$'000)						
Expenditure Components	2019	2020	2021	2022 ^R	2023 ^R	2024
Final Consumption Expenditure (FCE):	3,168,133.1	3,088,388.8	3,388,312.9	3,735,455.8	4,056,076.2	4,345,760.9
Households (HFCE)	2,641,864.3	2,527,621.7	2,766,453.7	3,048,354.4	3,315,121.3	3,545,119.0
General Government (GFCE)	493,065.2	528,137.0	585,861.4	647,997.4	697,921.2	756,302.1
Non-Profit Institutions Serving Households	33,203.5	32,630.0	35,997.8	39,104.0	43,033.7	44,339.8
Gross Fixed Capital Formation (GFCF):	797,216.1	891,088.0	1,039,374.7	1,080,490.1	1,078,895.6	1,136,232.9
Buildings and Infrastructure	405,780.6	454,591.9	536,411.8	578,436.6	608,771.1	619,900.3
Machinery and Equipment	125,804.4	129,437.6	165,735.7	175,465.9	189,355.2	187,913.8
Transport Equipment	63,176.2	73,620.4	88,767.6	82,541.3	87,393.5	95,821.8
Office and Computing Machinery	36,784.9	41,864.4	44,126.2	39,061.3	36,591.5	51,503.7
Other Capital Goods ¹	165,670.1	191,573.7	204,333.4	204,985.0	156,784.3	181,093.3
Changes in Inventories	5,402.5	11,852.7	2,513.4	3,953.3	12,778.0	3,986.0
Net Exports:	933,246.7	730,690.6	563,057.6	737,683.2	968,397.5	934,494.6
Exports of Goods and Services ²	3,185,765.1	2,800,790.2	2,882,164.9	3,441,059.5	3,812,512.3	4,028,634.6
Less Imports of Goods and Services	2,252,518.4	2,070,099.5	2,319,107.3	2,703,376.3	2,844,114.9	3,094,139.9
GDP by Expenditure at Purchasers' Prices	4,903,998.4	4,722,020.1	4,993,258.6	5,557,582.4	6,116,147.2	6,420,474.5
Statistical Discrepancy	47,562.3	(9,240.7)	57,399.4	(13,007.9)	(25,701.2)	50,613.4
GDP by Production at Purchasers' Prices	4,951,560.7	4,712,779.5	5,050,658.0	5,544,574.5	6,090,446.1	6,471,087.9

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Notes:

1. Other capital goods include cultivated biological assets, intellectual property products, cost of ownership transfer on non-produced assets and acquisitions less disposal of valuables.
2. Total exports here deviates from the total exports published in the BOP report as the figure here excludes goods under merchanting which is currently excluded from the GDP (by production) estimates as the data was not available during the 2015 base year estimates.

The table above also presents a comparison of GDP calculated using the production approach (GDPP), which is the reference methodology used to compile GDP for the Cayman Islands. The table shows the discrepancy between GDPE and the reference methodology (GDPP).

Table 21 below presents the components of real (inflation-adjusted) GDP by expenditure for the Cayman Islands. Estimated real GDPE grew to CI\$5,204.3 million in 2024 from CI\$5,059.0 million in 2023, CI\$4,791.8 million in 2022, CI\$4,510.7 million in 2021, CI\$4,298.4 million in 2020, and CI\$4,485.8 million in 2019. Inflation-adjusted household final consumption expenditure rose to CI\$2,799.8 million in 2024. This was followed by real gross fixed capital formation (CI\$899.6 million), real net exports (CI\$874.2 million), final consumption expenditure of general government (CI\$593.1 million), final consumption expenditure of NPISH (CI\$34.6 million), and changes in inventories (CI\$3.0 million).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 21: GDP BY EXPENDITURE AT CONSTANT PURCHASERS' PRICES, 2015=100 (CI\$'000)						
Expenditure Components	2019	2020	2021	2022^R	2023^R	2024
Final Consumption Expenditure (FCE):	2,924,750.5	2,802,895.6	3,033,975.1	3,209,530.5	3,279,728.2	3,427,495.3
Households (HFCE)	2,452,998.6	2,314,796.8	2,508,157.1	2,641,430.0	2,689,235.7	2,799,767.2
General Government (GFCE)	441,926.4	458,747.2	494,078.3	535,579.0	555,964.6	593,093.9
Non-Profit Institutions Serving Households	29,825.4	29,351.5	31,739.7	32,521.5	34,527.9	34,634.2
Gross Fixed Capital Formation (GFCF):	733,837.1	793,515.3	893,235.4	875,648.4	859,867.9	899,583.1
Buildings and Infrastructure	358,651.4	392,331.9	416,680.9	414,856.3	422,202.9	425,636.8
Machinery and Equipment	125,394.3	128,348.9	162,783.9	164,762.4	177,167.4	175,461.7
Transport Equipment	63,025.1	73,508.5	87,649.8	78,364.6	81,738.1	86,542.1
Office and Computing Machinery	46,224.5	55,672.7	59,817.3	51,392.4	48,454.5	71,263.7
Other Capital Goods ¹	140,541.7	143,653.3	166,303.5	166,272.8	130,304.9	140,678.8
Changes in Inventories	4,319.9	9,493.6	3,732.2	1,311.4	3,297.6	2,984.6
Net Exports:	822,912.7	692,483.9	579,722.8	705,261.0	916,089.9	874,248.4
Exports of Goods and Services	2,889,214.0	2,553,771.3	2,606,095.2	2,921,596.1	3,110,240.8	3,192,453.7
Less Imports of Goods and Services	2,066,301.3	1,861,287.4	2,026,372.4	2,216,335.1	2,194,150.8	2,318,205.3
GDP by Expenditure at Purchasers' Prices	4,485,820.2	4,298,388.4	4,510,665.5	4,791,751.4	5,058,983.6	5,204,311.3
Statistical Discrepancy	42,720.1	5,771.3	3,081.8	(22,490.2)	(12,896.9)	31,327.2
GDP by Production at Purchasers' Prices	4,528,540.2	4,304,159.8	4,513,747.2	4,769,261.2	5,046,086.7	5,235,638.5

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Notes:

1. Other capital goods include cultivated biological assets, intellectual property products, cost of ownership transfer on non produced assets and acquisitions less disposal of valuables.

5.3 GDPE rates of growth by component

Table 22 shows the nominal growth of the expenditure components of GDP. All components posted positive performances in 2024 except for net exports and changes in inventories. HFCE rose by 6.9 percent, while final consumption expenditure of general government increased by 8.4 percent, and final consumption expenditure of NPISH grew by 3.0 percent. Gross fixed capital formation (GFCF) expanded by 5.3 percent, reflecting continued investment activity. The performance was tempered by the declines in changes in inventories (68.8%) and net exports (3.5%).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE							
TABLE 22: RATE OF GROWTH OF GDP BY EXPENDITURE AT CURRENT PRICES (%)							
Expenditure Components	Percentage Growth						
	2018	2019	2020	2021	2022 ^R	2023 ^R	2024
Final Consumption Expenditure (FCE):	6.9	10.2	(2.5)	9.7	10.2	8.6	7.1
Households (HFCE)	7.2	9.8	(4.3)	9.4	10.2	8.8	6.9
General Government (GFCE)	5.4	13.6	7.1	10.9	10.6	7.7	8.4
Non-Profit Institutions Serving Households	5.3	(2.5)	(1.7)	10.3	8.6	10.0	3.0
Gross Fixed Capital Formation (GFCF)	20.4	9.3	11.8	16.6	4.0	(0.1)	5.3
Changes in Inventories	(49.7)	(6.4)	119.4	(78.8)	57.3	223.2	(68.8)
Net Exports	(6.0)	(4.7)	(21.7)	(22.9)	31.0	31.3	(3.5)
Exports of Goods and Services	5.7	3.5	(12.1)	2.9	19.4	10.8	5.7
Less Imports of Goods and Services	12.3	7.4	(8.1)	12.0	16.6	5.2	8.8

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The real (inflation-adjusted) growth rates of the expenditure component of GDP are presented in Table 23. There was growth posted for HFCE (4.1%), final consumption expenditure of general government (6.7%), final consumption expenditure of NPISH (0.3%), and GFCF (4.6%). These gains were moderated by the decline in changes in inventories (-9.5%) and net exports (-4.6%).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE							
TABLE 23: RATE OF GROWTH OF GDP BY EXPENDITURE AT CONSTANT PRICES, 2015=100 (%)							
Expenditure Components	Percentage Growth						
	2018	2019	2020	2021	2022 ^R	2023 ^R	2024
Final Consumption Expenditure (FCE):	4.8	5.5	(4.2)	8.2	5.8	2.2	4.5
Households (HFCE)	5.5	4.8	(5.6)	8.4	5.3	1.8	4.1
General Government (GFCE)	1.2	9.9	3.8	7.7	8.4	3.8	6.7
Non-Profit Institutions Serving Households	(0.6)	(5.8)	(1.6)	8.1	2.5	6.2	0.3
Gross Fixed Capital Formation (GFCF)	17.6	4.6	8.1	12.6	(2.0)	(1.8)	4.6
Changes in Inventories	(49.8)	(20.5)	119.8	(60.7)	(64.9)	151.4	(9.5)
Net Exports	(5.7)	(3.7)	(15.8)	(16.3)	21.7	29.9	(4.6)
Exports of Goods and Services	4.5	1.8	(11.6)	2.0	12.1	6.5	2.6
Less Imports of Goods and Services	9.6	4.2	(9.9)	8.9	9.4	(1.0)	5.7

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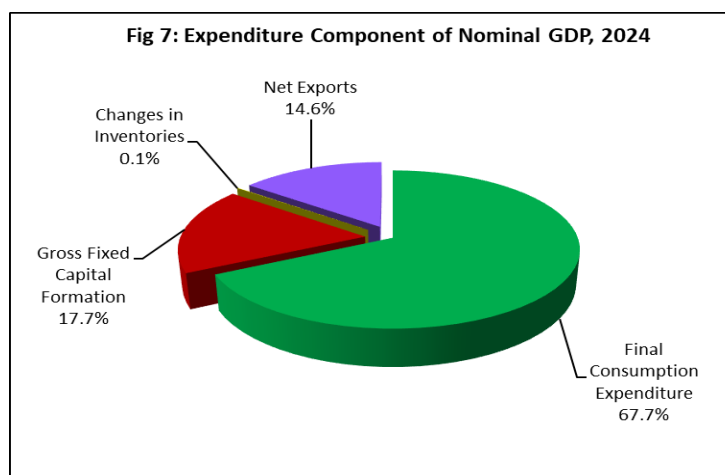
5.4 Contribution to GDPE by Component

Table 24 presents the contributions of the individual expenditure components to the overall nominal GDPE.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE							
TABLE 24: PERCENTAGE SHARE OF GDPE AT CURRENT PRICES (%)							
Expenditure Components	2018	2019	2020	2021	2022 ^R	2023 ^R	2024
Final Consumption Expenditure (FCE):	62.6	64.6	65.4	67.9	67.2	66.3	67.7
Households (HFCE)	52.4	53.9	53.5	55.4	54.9	54.2	55.2
General Government and NPISH	10.2	10.7	11.9	12.5	12.4	12.1	12.5
Gross Fixed Capital Formation (GFCF)	15.9	16.3	18.9	20.8	19.4	17.6	17.7
Changes in Inventories	0.1	0.1	0.3	0.1	0.1	0.2	0.1
Net Exports	21.3	19.0	15.5	11.3	13.3	15.8	14.6
GDP by Expenditure at Purchasers' Prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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The table shows the continued dominance of FCE as the main contributor to nominal GDPE. This is illustrated in Figure 7, which presents the component shares for 2024. FCE increased its share of GDPE to 67.7 percent in 2024, up from 66.3 percent in 2023, further increasing its dominance. This represents the second-highest share for this component over the review period, marginally below the 67.9 percent peak in 2021. The lowest FCE share (61.8%) was recorded in 2017.



GFCF accounted for 17.7 percent of GDPE in 2024, a slight increase from 17.6 percent in 2023, thereby maintaining its position as the second-largest contributor. This increase reverses two consecutive years of decline from 20.8 percent in 2021 to 19.4 percent in 2022.

Net exports posted a decline in share for the first time in three years, falling to 14.6 percent in 2024, following two consecutive years of increases in 2023 (15.8%) and 2022 (13.3%). Net exports was one of two expenditure components to record a reduction in

share in 2024, following the reduction in the share of changes in inventories, which declined to 0.1 percent from 0.2 percent in 2023. The contribution of the aggregate final consumption expenditure of general government and NPISH reversed two consecutive years of decline in 2024, to reach 12.5 percent, matching its highest share previously recorded in 2021

5.5 Expenditure Components of GDP

This section provides a detailed examination of the performance of the individual expenditure components contributing to GDP.

5.5.1 Household Final Consumption Expenditure (HFCE)

HFCE comprises the spending by resident households on goods and services, whether the expenditures occur within the economic territory or abroad.

Table 25 presents the total nominal HFCE disaggregated by expenditure division. Household expenditure (as measured by HFCE) increased by 6.9 percent in 2024 to reach CI\$3,545.1 million, up from CI\$3,315.1 million in 2023. This represents the fourth consecutive year of growth following increases of 8.8 percent in 2023, 10.2 percent in 2022, and 9.4 percent in 2021, after a decline of 4.3 percent in 2020. The decline in 2020 followed four consecutive years of growth in 2019 (9.8%), 2018 (7.2%), 2017 (3.0%), and 2016 (4.3%).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE								
TABLE 25: Nominal Household Final Consumption Expenditure (HFCE) by COICOP Division (CI\$'000) ¹								
Expenditure (COICOP) Division:	2017	2018	2019	2020	2021	2022	2023	2024
Food and non-alcoholic beverages	170,748.8	209,036.8	236,486.4	247,071.2	253,967.5	294,965.1	324,558.6	362,984.9
Alcoholic beverages and tobacco	46,122.2	56,935.5	56,743.9	46,730.6	50,726.1	62,285.9	60,584.2	66,725.4
Clothing and footwear	68,944.7	75,076.8	120,818.1	137,299.3	164,588.3	174,463.1	195,203.0	218,244.6
Housing, water, electricity, gas and other fuels	545,724.6	562,256.8	631,833.4	628,202.4	641,455.3	726,552.7	769,156.4	803,119.5
Furnishings, household equipment and routine household maintenance	110,290.2	123,894.4	147,669.7	143,650.0	148,989.3	151,345.0	160,334.8	170,692.6
Health	169,852.9	188,639.0	202,074.5	200,652.2	252,430.1	280,872.1	317,373.9	352,836.9
Transport	309,397.4	304,587.2	308,016.6	200,075.7	245,219.8	288,384.8	331,586.6	346,883.6
Communication	73,805.5	76,886.1	81,141.0	81,060.5	83,558.9	80,885.2	82,929.5	84,366.9
Recreation and culture	103,383.1	117,953.8	126,904.6	124,218.0	138,926.0	137,063.9	151,651.6	165,391.6
Education	78,396.3	81,596.6	88,201.3	82,748.0	92,892.6	105,969.8	121,355.3	125,592.2
Restaurant and hotels	171,804.7	183,650.3	194,656.7	169,205.0	194,816.9	220,215.6	258,641.7	274,280.3
Miscellaneous goods & services	395,947.2	426,046.7	447,318.1	466,708.8	498,882.8	525,351.1	541,745.5	574,000.4
Grand Total	2,244,417.5	2,406,560.0	2,641,864.3	2,527,621.7	2,766,453.7	3,048,354.4	3,315,121.3	3,545,119.0

Notes:

1. The Classification of Individual Consumption According to purpose (COICOP), is an international classification system used to classify individual consumption expenditures incurred by households. It includes categories such as food, clothing and footwear, housing, water, electricity, and gas and other fuels, etc.

Table 26 shows the share of each expenditure division in total nominal HFCE.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE								
TABLE 26: Share of Nominal Household Consumption Expenditure (HFCE) by COICOP Division								
Expenditure (COICOP) Division:	2017	2018	2019	2020	2021	2022	2023	2024
Food and non-alcoholic beverages	7.6%	8.7%	9.0%	9.8%	9.2%	9.7%	9.8%	10.2%
Alcoholic beverages and tobacco	2.1%	2.4%	2.1%	1.8%	1.8%	2.0%	1.8%	1.9%
Clothing and footwear	3.1%	3.1%	4.6%	5.4%	5.9%	5.7%	5.9%	6.2%
Housing, water, electricity, gas and other fuels	24.3%	23.4%	23.9%	24.9%	23.2%	23.8%	23.2%	22.7%
Furnishings, household equipment and routine household maintenance	4.9%	5.1%	5.6%	5.7%	5.4%	5.0%	4.8%	4.8%
Health	7.6%	7.8%	7.6%	7.9%	9.1%	9.2%	9.6%	10.0%
Transport	13.8%	12.7%	11.7%	7.9%	8.9%	9.5%	10.0%	9.8%
Communication	3.3%	3.2%	3.1%	3.2%	3.0%	2.7%	2.5%	2.4%
Recreation and culture	4.6%	4.9%	4.8%	4.9%	5.0%	4.5%	4.6%	4.7%
Education	3.5%	3.4%	3.3%	3.3%	3.4%	3.5%	3.7%	3.5%
Restaurant and hotels	7.7%	7.6%	7.4%	6.7%	7.0%	7.2%	7.8%	7.7%
Miscellaneous goods & services	17.6%	17.7%	16.9%	18.5%	18.0%	17.2%	16.3%	16.2%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

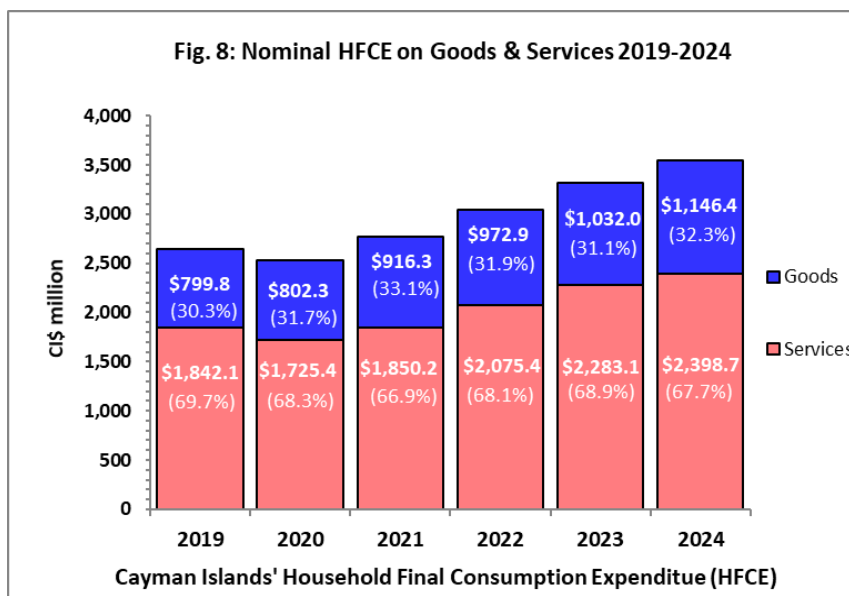
The division with the largest share of HFCE is housing, water, electricity, gas, and other fuels, with expenditure totalling CI\$803.1 million or 22.7 percent.²¹ Rounding out the top six divisions were miscellaneous goods and services (CI\$574.0 million or 16.2%), food and non-alcoholic beverages (CI\$363.0 million or 10.2%), health (CI\$352.8 million or 10.0%), transport (CI\$346.9 million or 9.8%), and restaurant & hotels (CI\$274.3 million or 7.7%). Collectively, the top six divisions accounted for 76.6 percent of total nominal HFCE.

The remaining 23.4 percent of nominal HFCE was accounted for by clothing and footwear (CI\$218.2 million or 6.2%), furnishings, household equipment & routine household maintenance (CI\$170.7 million or 4.8%), recreation and culture (CI\$165.4 million or 4.7%), education (CI\$125.6 million or 3.5%), communication (CI\$84.4 million or 2.4%), and alcohol beverages and tobacco (CI\$66.7 million or 1.9%).

²¹ This division includes actual rent for housing, imputed rent (for owner-occupied housing), utilities & related services, gas and other fuels.

Figure 8 presents a disaggregation of nominal HFCE into goods and services. The graph shows the general increase in the share of goods in HFCE in 2024, following two consecutive years of decline in 2023 and 2022.

Cayman resident households purchased a total of CI\$1,146.4 million in goods in 2024, up from CI\$1,032.0 million in 2023, CI\$972.9 million in 2022, CI\$916.3



million in 2021, CI\$802.3 million in 2020, and CI\$799.8 million in 2019. Household expenditure on goods remained dominated by food & non-alcoholic beverages, followed by clothing & footwear, and transport-related goods.

The share of expenditure on goods reversed two consecutive years of declining share, increasing to 32.3 percent in 2024, up from 31.1 percent in 2023. This follows the shares posted in 2022 (31.9%), 2021 (33.1%), 2020 (31.7%), and 2019 (30.3%).

Consumption of services by Cayman residents reached a record high of CI\$2,398.7 million in 2024, up from CI\$2,283.1 million in 2023. This follows the CI\$2,075.4 million in 2022, CI\$1,850.2 million in 2021, CI\$1,725.3 million in 2020, and CI\$1,842.1 million in 2019. Expenditure on services was dominated by actual & imputed rent, financial & insurance services, medical services, and hotel & restaurant services.

The share of nominal HFCE on services purchased by households declined for the first time in three years, falling to 67.7 percent in 2024. This follows shares of 68.9 percent in 2023, 68.1 percent in 2022, 66.9 percent in 2021, 68.3 percent in 2020, and 69.7 percent in 2019.

5.5.2 Government final consumption expenditure (GFCE)

GFCE is derived as the output of the general government minus the value of any sales of goods and services by the government. It includes government purchases of goods and services from businesses and is distributed as social transfers to households.

In nominal terms, GFCE continued its year-on-year growth, reaching CI\$756.3 million in 2024, up from CI\$697.9 million in 2023. This follows the CI\$648.0 million in 2022, CI\$585.9 million in 2021, CI\$528.1 million in 2020, CI\$493.1 million in 2019, and CI\$434.1 million in 2018.²²

5.5.3 Final consumption expenditure of NPISH

Non-profit institutions serving households (NPISH) are private, voluntary, non-market producers that provide goods and services to households for free or at prices below market prices. Similar to GFCE, the FCE of NPISH is derived as the output of these entities minus any market sales of goods and services, and is compiled from their production accounts from the GDPP compilation.

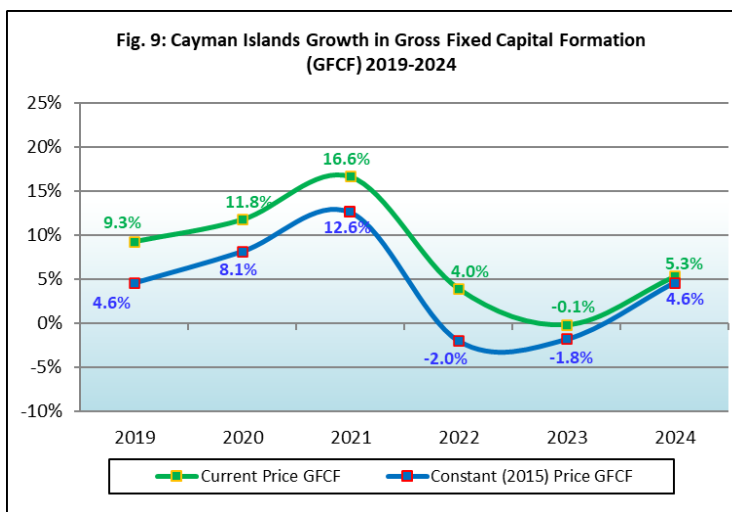
In 2024, the final consumption expenditure of NPISH increased to CI\$44.3 million from CI\$43.0 million in 2023, CI\$39.1 million in 2022, CI\$36.0 million in 2021, CI\$32.6 million in 2020, CI\$33.2 million in 2019, and CI\$34.0 million in 2018.

5.5.4 Gross fixed capital formation (GFCF)

Gross fixed capital formation (GFCF) refers to the acquisition of fixed assets minus their disposal. For businesses and the government, fixed assets are those assets used repeatedly or continuously in the production process over multiple accounting periods. For households, fixed assets consist of additions to the stock of residential buildings and major improvements to existing dwellings.

Figure 9 presents the growth in GFCF in both nominal and real terms from 2019 to 2024.

The graph shows that current-price GFCF increased year-on-year in the review period, except in 2023 when there was a marginal contraction of 0.1 percent. Current-price GFCF grew by 5.3 percent in 2024, marking a return to positive growth after the decline in the previous year. Prior to that decline, nominal GFCF grew by 4.0 percent in 2022, 16.6



²²See Table 20

percent in 2021, 11.8 percent in 2020, and 9.3 percent in 2019. The current price GFCF rose to CI\$1,136.2 million in 2024, up from CI\$1,078.9 million in 2023.

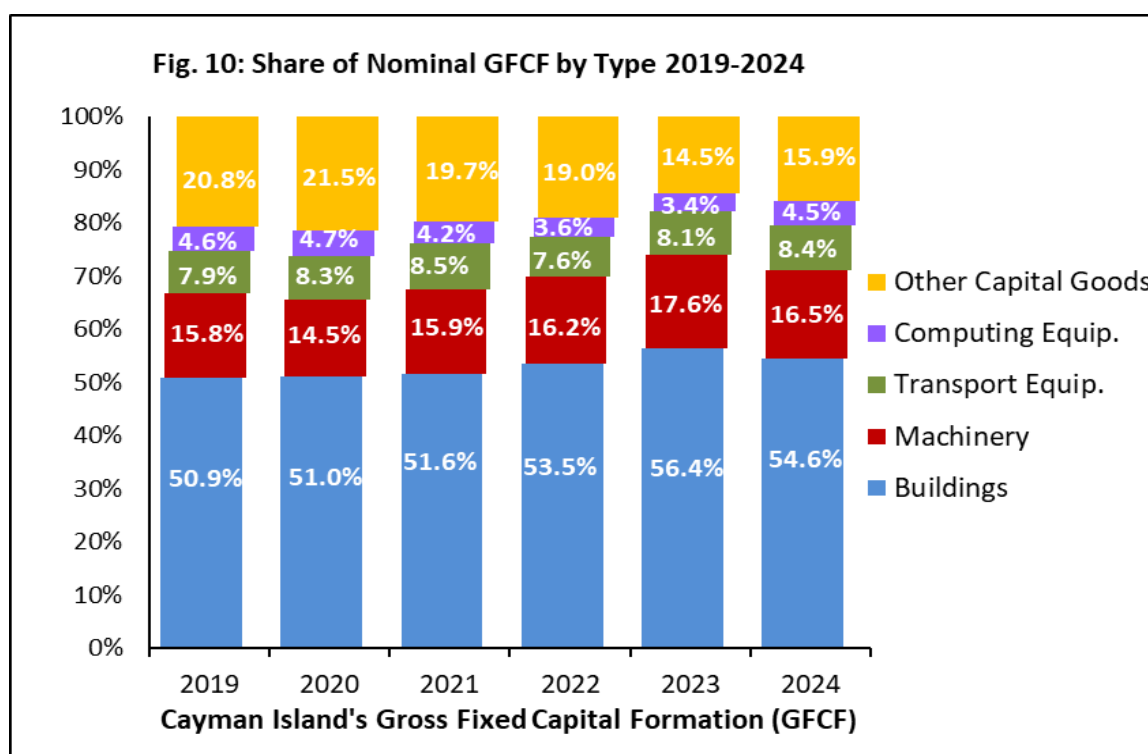
Table 27 and Figure 10 provide a disaggregation of GFCF by type, showing both the value of each component and its contribution to total GFCF. GFCF is disaggregated into buildings & other infrastructure, machinery & equipment, transport equipment, office & computing machinery, and other capital goods.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 27: GROSS FIXED CAPITAL FORMATION BY TYPE AT CURRENT PRICES (CI\$'000)						
Expenditure Component	2019	2020	2021	2022 ^R	2023 ^R	2024
Gross Fixed Capital Formation (GFCF):	797,216.1	891,088.0	1,039,374.7	1,080,490.1	1,078,895.6	1,136,232.9
Buildings and Infrastructure	405,780.6	454,591.9	536,411.8	578,436.6	608,771.1	619,900.3
Machinery and Equipment	125,804.4	129,437.6	165,735.7	175,465.9	189,355.2	187,913.8
Transport Equipment	63,176.2	73,620.4	88,767.6	82,541.3	87,393.5	95,821.8
Office and Computing Machinery	36,784.9	41,864.4	44,126.2	39,061.3	36,591.5	51,503.7
Other Capital Goods ¹	165,670.1	191,573.7	204,333.4	204,985.0	156,784.3	181,093.3

R-revised

Notes:

1. Other capital goods include cultivated biological assets, intellectual property products, cost of ownership transfer on non produced assets and acquisitions less disposal of valuables.



Buildings & infrastructure further consolidated its position as the largest component of GFCF. The share of the addition to the stock of buildings & infrastructure declined to 54.6 percent (CI\$619.9 million) in 2024, compared with 56.4 percent (CI\$608.8 million) in 2023, 53.5 percent (CI\$578.4 million) in 2022, 51.6 percent (CI\$536.4 million) in 2021, 51.0 percent (CI\$454.6 million) in 2020, and 50.9 percent (CI\$405.8 million) in 2019.

The value of the addition to the stock of machinery & equipment (compiled from merchandise import data) declined marginally to CI\$187.9 million in 2024, down from CI\$189.4 million in 2023. This compares with CI\$175.5 million in 2022, CI\$165.7 million in 2021, CI\$129.4 million in 2020, and CI\$125.8 million in 2019. Notwithstanding the fall in its share to 16.5 percent in 2024 from 17.6 percent in 2023, machinery and equipment maintained its position as the second-largest component of GFCF, having moved into this position for the first time in 2023. This followed shares of 16.2 percent in 2022, 15.9 percent in 2021, 14.5 percent in 2020 (its lowest share in the review period), and 15.8 percent in 2019.

The value of transport equipment in GFCF represents expenditure by businesses (i.e., non-households) on this type of asset. The component maintained its fourth-place ranking in 2024, posting a value of CI\$95.8 million (8.4%). This follows the CI\$87.4 million (8.1%) in 2023, CI\$82.5 million (7.6%) in 2022, CI\$88.8 million (8.5%) in 2021, CI\$73.6 million (8.3%) in 2020, and CI\$63.2 million (7.9%) in 2019.

The share of GFCF for office & computing machinery remained the smallest component, retaining its fifth-place ranking in 2024. Its share increased to 4.5 percent in 2024, up from its previous low of 3.4 percent in 2023, reversing three consecutive years of decline. This follows the previous lowest in 2022 (3.6%) and before that, 2021 (4.2%). The growth in 2024 reflects a value increase to CI\$51.5 million, up from CI\$36.6 million in 2023. This follows CI\$39.1 million (3.6%) in 2022, CI\$44.1 million (4.2%) in 2021, CI\$41.9 million (4.7%) in 2020, and CI\$36.8 million (4.6%) in 2019.

Other capital goods posted an increase in share of GFCF to 15.9 percent in 2024 (CI\$181.1 million), following a decline to their lowest share of 14.5 percent in 2023 (CI\$156.8 million). Despite this improvement, the component retained its third-place ranking, having fallen from second position in 2023. In earlier years, the share of other capital goods amounted to 19.0 percent (CI\$205.0 million) in 2022, 19.7 percent (CI\$204.3 million) in 2021, 21.5 percent (CI\$191.6 million) in 2020, and 20.8 percent (CI\$165.7 million) in 2019.

5.5.5 Changes in inventories

The derivation of the value of changes in inventories is based on estimates of stock changes (of goods produced or purchased) reported by businesses on the annual business survey. The nominal value of changes in inventories was estimated at CI\$4.0 million in 2024 from CI\$12.8 million in 2023, CI\$4.0 million in 2022, CI\$2.5 million in 2021, CI\$11.9 million in 2020, and CI\$5.4 million in 2019.²³

5.5.6 Net export of goods and services (X-M)

Net export refers to the value of exports minus the value of imports of goods and services. Imports and exports have opposite effects on GDPE; exports add to GDPE, while imports subtract from GDPE.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 28: EXPORT & IMPORTS AT CURRENT PRICES (CI\$'000)						
Expenditure Components	2019	2020	2021	2022	2023 ^R	2024
Net Exports:	933,246.7	730,690.6	563,057.6	737,683.2	968,397.5	934,494.6
Exports of Goods and Services	3,185,765.1	2,800,790.2	2,882,164.9	3,441,059.5	3,812,512.3	4,028,634.6
Exports of Goods ¹	199,610.8	59,292.9	19,065.6	138,083.2	187,036.6	173,849.4
Exports of Services	2,986,154.3	2,741,497.2	2,863,099.3	3,302,976.3	3,625,475.7	3,854,785.2
Imports of Goods and Services	2,252,518.4	2,070,099.5	2,319,107.3	2,703,376.3	2,844,114.9	3,094,139.9
Imports of Goods	1,189,705.1	1,114,978.7	1,276,453.0	1,498,704.8	1,526,638.2	1,654,043.2
Imports of Services	1,062,813.2	955,120.8	1,042,654.3	1,204,671.5	1,317,476.6	1,440,096.8

R-revised

Notes:

1. Exports of goods here deviate from the figure published in the Balance of Payments (BOP) report, as the figure here excludes goods under merchanting. Merchanting is currently excluded from the GDP by production estimates as the data was not included in the 2015 base year estimates due to the data being unavailable at the time.

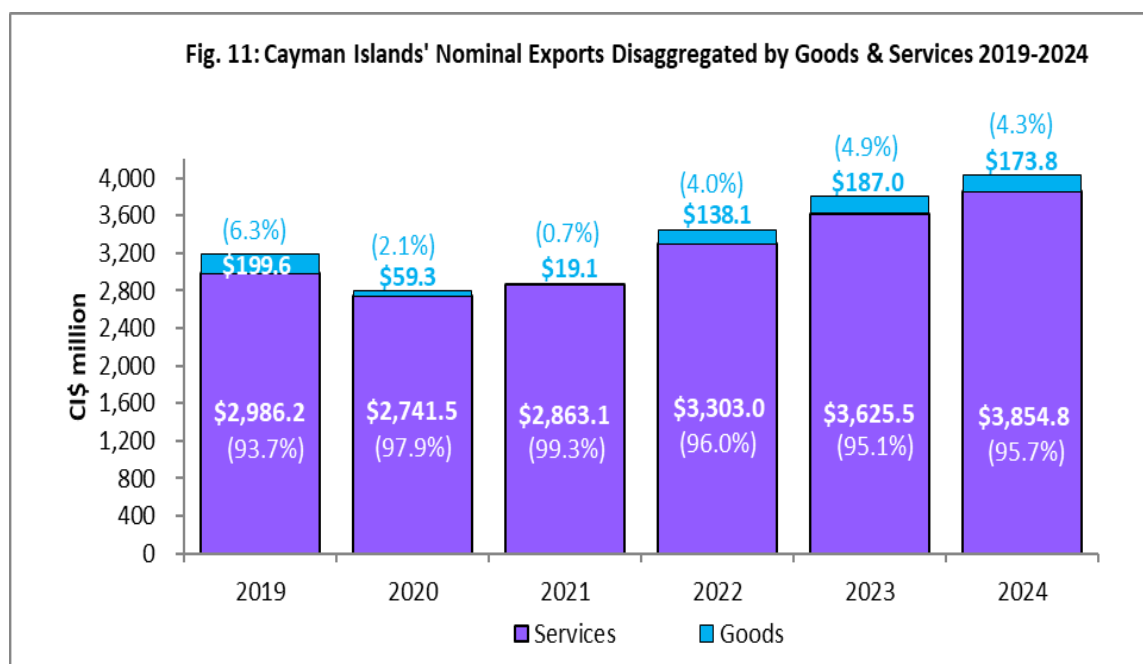
Net exports of goods and services at current prices amounted to CI\$934.5 million in 2024, resulting from exports of CI\$4,028.6 million and imports of CI\$3,094.1 million. Net exports declined by 3.5 percent in 2024, marking the first reduction in three years and reversing the consecutive increases of 31.3 percent in 2023 and 31.0 percent in 2022. These gains followed three successive annual declines of -22.9 percent in 2021, -21.7 percent in 2020, and -4.7 percent in 2019. Both total exports and imports increased in 2024, with the growth in total imports (8.8%) outpacing the growth in total exports (5.7%), resulting in

²³See Table 20

an overall decrease in net exports. This development reflects heightened demand for imported goods and services, partly due to the increase in the population.

Figure 11 shows the disaggregation of total exports into goods and services, in both value and share. Export of services increased to CI\$3,854.8 million in 2024, up from CI\$3,625.5 million in 2023, CI\$3,303.0 million in 2022, CI\$2,863.1 million in 2021, CI\$2,741.5 million in 2020, and CI\$2,986.2 million in 2019. The bar graph shows the clear dominance of services in total exports, reflecting the service-oriented structure of the local economy.

The share of services in total exports increased to 95.7 percent in 2024, following two consecutive years of decline to 95.1 percent in 2023 and 96.0 percent in 2022. This follows 99.3 percent in 2021, 97.9 percent in 2020, and 93.7 percent in 2019.



Total export of goods from the Cayman Islands declined to CI\$173.8 million in 2024, reversing two consecutive years of growth in 2023 (CI\$187.0 million) and 2022 (CI\$138.1 million). This followed two consecutive annual declines to a low of CI\$19.1 million in 2021 and CI\$59.3 million in 2020, after reaching a peak of CI\$199.6 million in 2019.

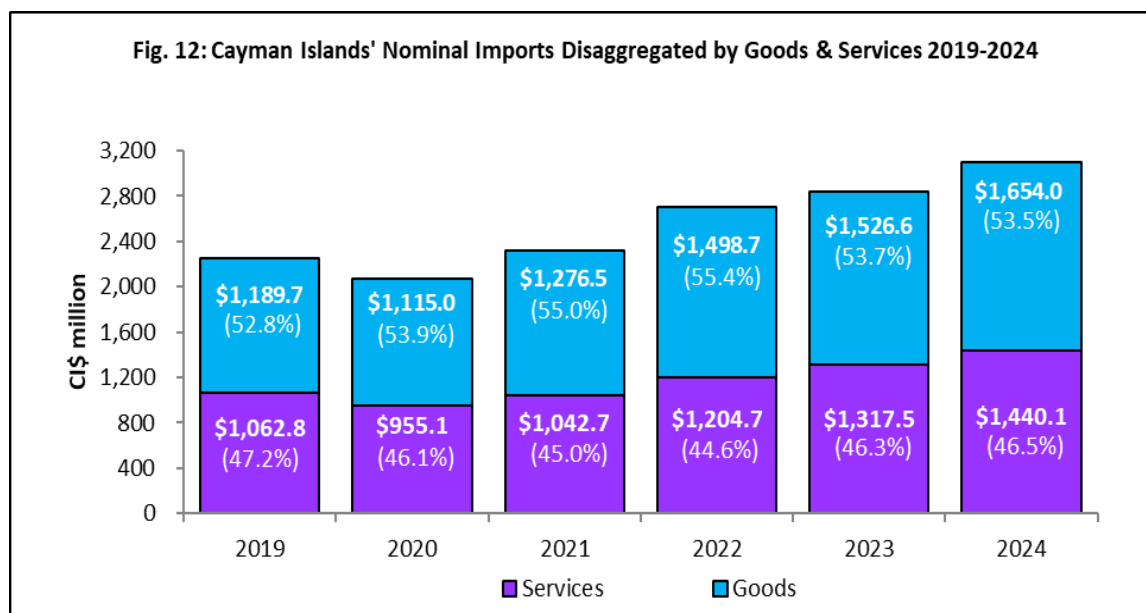
The share of goods in total exports declined for the first time in three years, to 4.3 percent in 2024, from 4.9 percent in 2023 and 4.0 percent in 2022. This followed the historically low of 0.7 percent posted in 2021, after 2.1 percent in 2020, and 6.3 percent in 2019. Goods exports are dominated by on-island purchases of visitors, i.e., tourist expenditure

on goods. They also include the purchase of aviation fuel (from local suppliers) by foreign airlines.

Total imports increased by 8.8 percent in 2024 to CI\$3,094.1 million, following growth of 5.2 percent in 2023 (CI\$2,844.1 million) and 16.6 percent in 2022 (CI\$2,703.4 million). The increase in imports in 2024 was driven by increases in both goods (8.3%) and services (9.3%).

The disaggregation of total imports into goods and services shows a decline in the share of goods for the second consecutive year, following five years of increases. The share of goods in total imports fell marginally to 53.5 percent in 2024, down from 53.7 percent in 2023. This followed 55.4 percent in 2022, 55.0 percent in 2021, 53.9 percent in 2020 and 52.8 percent in 2019.

Services accounted for 46.5 percent of imports in 2024, up from 46.3 percent in 2023, marking the second consecutive year of increase, after five consecutive years of decline in share. This followed on shares of 44.6 percent in 2022, 45.0 percent in 2021, 46.1 percent in 2020, and 47.2 percent in 2019. There was CI\$1,440.1 million in services imported by Cayman Islands' resident individuals and companies in 2024, up from CI\$1,317.5 million in 2023. This follows imports of CI\$1,204.7 million in 2022, CI\$1,042.7 million in 2021, CI\$955.1 million in 2020 and CI\$1,062.8 million in 2019.



The share of goods in total imports declined to 53.5 percent in 2024, marginally down from 53.7 percent in 2023. This followed a record high in 2022 (55.4%), which marked the fifth consecutive year-on-year increase in share after moving to 55.0 percent in 2021, 53.9

percent in 2020, 52.8 percent in 2019, and 49.7 percent in 2018. Total goods imported reached CI\$1,654.0 million in 2024, compared with CI\$1,526.6 million in 2023, CI\$1,498.7 million in 2022, CI\$1,276.5 million in 2021, CI\$1,115.0 million in 2020 and CI\$1,189.7 million in 2019

5.6 Implicit price index by expenditure components

The GDPE Implicit Price Index (IPI) measures the implicit price of the expenditure components of GDP. It is derived by dividing the current-price GDPE (i.e., nominal GDPE) by the constant-price GDPE (i.e., real GDPE). The GDPE IPI provides an indirect indicator of inflationary pressures in the economy based on the expenditure components of GDP.

Table 29 presents the IPI by expenditure component for the Cayman Islands for the period 2016-2024. The IPI by final expenditure provides insights into inflationary tendency at the component level. The IPI for the base year (in this case, 2015) is equal to 100.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE								
TABLE 29: GDP BY EXPENDITURE IMPLICIT PRICE INDEX (IPI), 2015=100								
Expenditure Component	2017	2018	2019	2020	2021	2022	2023	2024
Final Consumption Expenditure:	101.6	103.7	108.3	110.2	111.7	116.4	123.7	126.8
Households	101.2	102.9	107.7	109.2	110.3	115.4	123.3	126.6
General Government	103.7	108.0	111.6	115.1	118.6	121.0	125.5	127.5
Non-Profit Institutions Serving Households	101.5	107.5	111.3	111.2	113.4	120.2	124.6	128.0
Gross Fixed Capital Formation:	101.6	104.0	108.6	112.3	116.4	123.4	125.5	126.3
Buildings and Infrastructure	103.2	108.0	113.1	115.9	128.7	139.4	144.2	145.6
Machinery and Equipment	98.5	99.9	100.3	100.8	101.8	106.5	106.9	107.1
Transport Equipment	99.3	100.1	100.2	100.2	101.3	105.3	106.9	110.7
Office and Computing Machinery	84.4	82.6	79.6	75.2	73.8	76.0	75.5	72.3
Other Capital Goods	106.5	107.7	117.9	133.4	122.9	123.3	120.3	128.7
Changes in Inventories	106.1	106.3	125.1	124.8	67.3	301.5	387.5	133.6
Net Exports:	114.9	114.6	113.4	105.5	97.1	104.6	105.7	106.9
Exports of Goods and Services	107.2	108.5	110.3	109.7	110.6	117.8	122.6	126.2
Imports of Goods and Services	103.3	105.8	109.0	111.2	114.4	122.0	129.6	133.5
GDPE Implicit Deflator at Purchasers' Prices	104.5	105.9	109.3	109.9	110.7	116.0	120.9	123.4
GDPP Implicit Deflator at Purchasers' Prices	103.0	105.7	109.3	109.5	111.9	116.3	120.7	123.6
GDPE IPI (Purchasers' Prices) percentage change	3.3%	1.3%	3.3%	0.5%	0.8%	4.8%	4.2%	2.0%
GDPP IPI (Purchasers' Prices) percentage change	2.0%	2.7%	3.4%	0.1%	2.2%	3.9%	3.8%	2.4%
CPI percentage change	2.0%	3.0%	6.0%	1.0%	3.3%	9.5%	3.8%	2.6%

APPENDIX 1: KEY CONCEPTS AND DEFINITIONS

A1.1 Classifications in the National Accounts

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

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

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

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

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

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

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

This approach calculates GDP as the sum of the value added of all industries in the economy. This is the difference between gross output (essentially sales) of producers and the value of their intermediate inputs. Intermediate inputs refer to goods and services that are used up in the production process, excluding fixed assets whose consumption is recorded as consumption of fixed capital, i.e. purchases of commodities that are used up in the production of other commodities:

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

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

Production Account of a Producer

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

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

Output can be valued at either basic or producers' prices. The SNA 2008 recommends basic prices for the valuation of output; intermediate consumption should be valued at purchasers' price.

GDP estimates in this report are presented in both basic prices and purchaser's (market) prices. The main difference between basic and purchasers' price is the taxes less subsidies (or net taxes) on products. A tax on a product is a tax that is payable per unit of some good or service. The tax may be a specific amount of money per unit or a specified percentage of the value of the goods or services. In the Cayman Islands, taxes on products

are primarily taxes and duties on imports, stamp duty and other taxes on product, excluding taxes and duties on imports (e.g. hotel occupancy tax).

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

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

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

The above three concepts are related as follows:

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

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

A1.3 Measuring Gross Domestic Product at Constant Prices

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

GDP at constant price is a measure of the real growth which takes place within an economy. The rate of change of GDP at constant prices from period to period is often used to assess the economic performance of a country as it shows only the change in the volume of goods and services produced as the price effect is removed. In theory,

correcting for inflation refers to the process of revaluing current production using the average prices prevailing in the base year as follows:

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

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

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

(Current quantities of goods and services produced multiplied by their prices in a year chosen as the base year)²⁴.

Movement in GDP at constant prices over time indicates whether the economy is growing or is in decline. An increase in GDP at constant prices means that output is growing faster than the rate of inflation, and hence the economy is considered to be growing. The reverse would be true for a fall in GDP at constant prices.

The explanation given above is an oversimplification of the actual computation but is necessary to convey what the process is intended to accomplish. The final estimates of GDP contain different components, which all have to be adjusted for inflation. Even though the process of deflation varies depending on the industry, the process always entails the compilation of indices. The deflation process can be effected by either directly deflating the current price estimates with a price index (usually the CPI) or by extrapolating the base year estimates by a volume index.²⁵ The two approaches might also be used simultaneously.

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

The alternative to double deflation is the use of a single indicator to extrapolate the GDP at constant prices or deflate GDP at current prices. Although single indicators are unsuitable in industries where the relationship between value-added, gross output, and intermediate consumption vary significantly from one year to the other, they are less

²⁴ The current base year for the Cayman Islands System of National Accounts is 2015.

²⁵ In the base year the current and constant estimates are the same.

sensitive to errors in other industries and hence extensively used.²⁶ The single indicator method was the method of choice for the Cayman Islands and hence is discussed below in more detail.

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

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

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

²⁶The agriculture industry is one such industry where the relationship between gross output, intermediate consumption and valued added vary significantly from one year to another due to disease, weather conditions, etc.

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

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

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

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

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

A1.4.1 Compensation of employees (COE)

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

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

A1.4.1a Gross wages and salaries

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

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

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

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

A1.4.1b Employers' social contribution

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

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

A1.4.2 Consumption of fixed capital

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

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

A1.4.3 Taxes on production and imports

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

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

A1.4.4 Subsidies on production and imports

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

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

A1.4.5 Operating surplus/mixed-income

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

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

A1.5 Measuring Gross Domestic Product (GDP) using the Expenditure Approach

GDP by expenditure (GDPE) is the third approach to calculating GDP in the Cayman Islands, along with the Production and Income approach. GDPE measures GDP as the sum of the final purchases of goods and services. Added to final purchases is the value of exports as they represent goods and services produced domestically and sold to non-resident households and businesses. Imports are subtracted as they represent goods and services produced by other economies.

The expenditure approach is a method of measuring GDP by calculating all spending throughout the economy. A more detailed explanation shows GDPE as the sum of (a) household and government spending on goods and services; (b) investment in fixed capital (construction of buildings & other infrastructure, machinery, and equipment); (c) changes in inventories; and (d) exports less imports of goods and services following the economic formula: $GDPE = C + G + I + (X - M)$, where C represents the consumption expenditure by households (HFCE), G is the consumption expenditure by government (GFCE), "I" represents gross capital formation plus changes in inventories (GCF), X is the value of exports, and M is the value of Imports. The individual components/subgroups comprising GDPE are Final Consumption Expenditure, Gross Fixed Capital Formation, Changes in Inventory, and Net Exports.

A1.5.1 Household final consumption expenditure (HFCE)

HFCE consists of expenditures incurred by resident households on the consumption of goods and services, whether that expenditure is incurred within the economic territory or abroad. Technically, this includes purchases of consumer goods and services, the value of barter transactions, goods and services received in kind, and goods and services produced and consumed by the same household (e.g., a farmer consuming some of the agricultural products he produced or a dressmaker making a dress for herself). HFCE excludes expenditure on fixed assets in the form of dwellings and valuables, as these are included in capital formation.²⁷

For the Cayman Islands, HFCE is estimated using data from a combination of Import data and domestic data collected through the annual business survey. Data collected through the sources mentioned above are used to extrapolate the 2015 benchmark estimates, which were compiled from the Household Budget Survey (HBS) in 2015. The HBS was conducted over 12 months, from January to December 2015. The data from this survey

²⁷Valuables are produced goods of considerable value that are not used primarily for purposes of production or consumption but are held as stores of value over time. HFCE includes household expenditure on other fixed assets (other than dwelling and valuables) like motor vehicles, furniture, major appliances, etc.

were classified according to the Classification of Individual Consumption According to Purpose (COICOP).

A1.5.2 Government final consumption expenditure (GFCE)

GFCE is derived as the output of general government less any sales of goods and services by government. It includes government purchases of goods and services from businesses and distributed as social transfers to households. GFCE includes both collective and individual consumption expenditure by government. Individual consumption expenditure includes goods and services provided by government where the benefits can be assigned to individual households or units (e.g. education, health, etc.). Collective consumption refers to goods and services whose benefits are not easily assigned to individual units (e.g. public security, street lighting, etc.). GFCE is derived (with some adjustments) from the production accounts of general government from the compilation of GDPP.

A1.5.3 Final consumption expenditure of NPISH

Non-profit institutions serving households (NPISH) are private, voluntary, non-market producers who provide goods or services to households for free or at prices below market prices. These are separate legal entities with their main resources (apart from those derived from occasional sales) being derived from voluntary contributions in cash or in-kind from households in their capacity as consumers, from payments made by general governments, etc. Examples include churches and religious societies, sports and other clubs, trade unions, etc. Similar to GFCE, the FCE of NPISH is derived as the output of these entities minus any sales of goods and services and is compiled from their production accounts from the GDPP compilation.

A1.5.4 Gross fixed capital formation (GFCF)

GFCF is measured by the total value of the producers' acquisitions, less disposals of fixed assets. It includes investment in fixed capital by households, businesses, and government. GFCF relates to the addition to the available stock of fixed assets and not the change in ownership of the existing stock. That is, the value of buildings & infrastructure in GFCF represents the addition (in the reporting period) to the existing stock and is not the actual value of the total stock of buildings & infrastructure as of the end of the period. Business GFCF includes the construction of new commercial buildings, major improvements to the existing stock, acquisition less disposal of machinery & equipment, and investment in intangible fixed assets (e.g. computer software, research & development, etc.). GFCF for government includes investment in assets such as roads, schools, hospitals, etc. The machinery & equipment portion of GFCF is compiled using imports of these types of goods

as there is no domestic production. For households, GFCF refers to additions to the stock of residential buildings and to major improvements to the existing stock.

A1.5.5 Changes in inventories

Simply put, the change in inventory is the amount companies add to the inventories of the goods they plan to sell and materials used in the production process. It is calculated as the difference between the closing and opening stock levels during the accounting period. Positive changes in inventories add to GDP, while negative changes reduce GDP. The underlying concept is that businesses will increase inventories to address an increase in the demand for a certain good. That increase in demand positively contributes to GDP. On the other hand, businesses will reduce inventories when the demand for goods declines; the decline in demand reduces GDP. The change in inventories for the Cayman Islands is based on estimates of stock changes reported by businesses in the annual business survey.

A1.5.6 Net export of goods and services (X-M)

Net export refers to the exports of goods and services minus imports of goods and services. Imports and exports have opposite effects on GDP. Exports add to GDP, and imports subtract from GDP. Exports consist of sales of domestically produced goods and services to non-residents (e.g., expenditure on goods & services by visitors to the Cayman Islands). Imports consist of the purchase of goods and services by residents from non-resident producers. Data on the export and import of goods is derived from external trade statistics, while the data on the export and import of services is gleaned from the BOP data produced by the ESO.

APPENDIX 2: IMPLEMENTATION OF THE CAYMAN ISLANDS' SNA

A2.1 Introduction

This section provides an overview of the work done in developing the System of National Accounts for the Cayman Islands. It examines the classification system employed in delineating institutional units into specific industries. This is fundamental to the measurement of output and value added by industry. The section also examines the main sources of data used in compiling the estimates. The annual Gross Domestic Product (GDP)²⁸ Survey was the main data source and was supplemented by data from government accounts and other administrative sources. The section concludes by examining the estimation techniques employed in deriving gross value added by industry at current and constant prices.

A2.2 Coverage of industries

As indicated in Appendix 1, all active business units were classified according to the International Standard Industrial Classification (ISIC) Revision 4, which is the industrial classification scheme recommended by the SNA 2008 manual.²⁹ In accordance with SNA 2008 and ISIC guidelines, business units were assigned codes based on their principal economic activity.³⁰ The ISIC Revision 4 was adapted to accommodate a more detailed disaggregation of economic activity. For the most part, estimation and analysis were done at the product group level (5-digit ISIC code). However, some estimation had to be done at the class level (4-digit code) due to data constraints.

The concept of GDP for the economy as a whole is that it should measure the total GVA for all producers resident in the economy. The overall estimate of the Cayman Islands' GDP comprises the value added of 18 industries as classified using ISIC Rev. 4. The data shown are the most recent estimates of GDP and include any revisions (to previously published data) due to revised figures obtained from businesses during the most recent GDP Survey. In general, figures for the most recent year are to be regarded as preliminary.

²⁸ The survey name was changed to the gross domestic product survey for the 2025 survey, before that it was called the annual national accounts survey.

²⁹ The System of National Accounts Manual 2008 (SNA 2008) is the manual that guides the compilation of GDP estimates. It outlines the internationally accepted methodologies and rules that govern the derivation of estimates of GDP. Relevant aspects of SNA 2008 have been incorporated in the Cayman Islands' National Accounts.

³⁰ The principal activity of a business is the activity whose value added exceeds that of any other activity carried out by the business.

A2.3 Data sources

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

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

The consumer price index (CPI) was predominantly used in computing gross value added at constant 2015 prices. The CPI is used in two ways: (1) gross output (at current prices) of some industries is deflated by a relevant price index of CPI items, or groups of items, to derive the inflation-adjusted gross output (gross output at constant prices). The series of gross output constant is then used to formulate a volume index, which is then used to extrapolate base year gross value added to derive gross value added (at constant prices). (2) The gross value added (at current prices) of some activities are deflated directly by a relevant price index of CPI items, or groups of items to derive gross value added (at constant prices). This method is utilized in the absence of relevant volume indicators. The CPI was also used in estimating the current price gross value added of owner-occupied dwellings and fishing industries.

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

sales of goods and services (work permits, departmental sales, etc.), and other revenue (interest, fines and forfeitures, etc.).

A2.4 Revision policy

Revisions are undertaken periodically to improve the System of National Accounts. New and revised data from regular surveys, administrative records, audited financial statements from companies, public sector accounts, etc., are incorporated into the system as they become available. The previous two year's estimates are revised (as necessary) when current-year estimates are being generated, except at the completion of a rebasing process where the entire GDP series might be revised.

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

A - Agriculture, Forestry and Fishing

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

B - Mining and Quarrying

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

C - Manufacturing

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

D - Electricity, Gas, Steam and Air Conditioning Supply

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

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

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

F - Construction

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

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

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

H - Transportation and storage

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

I - Accommodation and Food Service Activities

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

J - Information and Communication

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

K - Financial and Insurance Activities

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

L - Real Estate Activities

- 68-Real estate activities

M - Professional, Scientific and Technical Activities

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

N - Administrative and Support Service Activities

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

O - Public Administration and Defence; Compulsory Social Security

- 84-Public administration and defence; compulsory social security

P - Education

- 85-Education

Q - Human Health and Social Work Activities

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

R - Arts, Entertainment and Recreation

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

S - Other Service Activities

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

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

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

U - Activities of Extraterritorial Organizations and Bodies

- 99-Activities of extraterritorial organizations and bodies