



CAYMAN ISLANDS
GOVERNMENT



THE CAYMAN ISLANDS' THIRD QUARTER ECONOMIC REPORT 2025

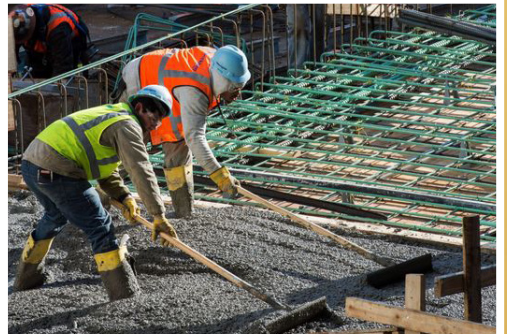


Table of Contents

<u>Overview*</u>	1
<u>1. International Economy</u>	2
<u>2. GDP Growth and Macroeconomic Forecasts</u>	3
<u>3. Inflation</u>	4
<u>4. International Trade</u>	6
<u>5. Employment</u>	7
<u>6. Money & Banking</u>	7
<u>6.1. Net Foreign Assets (NFA)</u>	8
<u>6.2. Net Domestic Assets/Domestic Credit</u>	9
<u>6.3. Residential Mortgage Foreclosures</u>	10
<u>7. Financial Services</u>	11
<u>7.1 Banks & Trust</u>	11
<u>7.2 Insurance</u>	12
<u>7.3 Registered Funds</u>	12
<u>7.4 Stock Exchange</u>	13
<u>7.5 New Company Registration</u>	13
<u>7.6. Partnerships</u>	14
<u>8. Tourism</u>	14
<u>8.2 Cruise Arrivals</u>	14
<u>9. Construction</u>	14
<u>9.1. Building Permits</u>	15
<u>9.2. Project Approvals</u>	15
<u>10. Real Estate</u>	16
<u>11. Utilities</u>	17
<u>11.1 Electricity</u>	17
<u>11.2. Water</u>	17
<u>12. Fiscal Operations of the Central Government</u>	17
<u>12.1 Revenue</u>	18
<u>12.2. Expenditure</u>	19
<u>12.3 Investment in Non-financial Assets</u>	21
<u>12.4. Net Financing and Debt</u>	21
<u>ACKNOWLEDGMENT</u>	23

Overview*

- Advanced Economies generally rose at a faster pace in September 2025 led by the United States, which grew by 4.4% while average inflation in the decelerated to 2.7%.
- Cayman's gross domestic product (GDP) expanded by an estimated annualised rate of 2.8% in the first three quarters of 2025.
- The average Consumer Price Index rose by 1.2%, with all divisional indices except one increased for the period.
- Merchandise imports expanded by 7.0% to \$1,330.2 million due to increases in both oil imports and non-oil imports.
- Work permits increased by 0.2% to 36,425, while public sector employment rose by 2.3% to 4,925.
- Broad liquidity or money supply expanded by 3.9% as both local and foreign currency deposits held by residents increased.
- The weighted average lending rate for KYD fell by 56 basis point (bp) to 8.54%, while the prime lending rate declined by 67 bps to 7.33%.
- Domestic credit expanded by 6.0% due to a 3.8% rise in credit to the private sector and a 27.0% increase in public sector borrowings.
- Bank and trust company licences decreased by 6.0% to 79, while insurance licences rose by 3.1% to 742.
- The total number of funds registered in the Cayman Islands increased by 2.6% to 30,860, comprising 13,119 mutual funds (up 1.2%) and 17,741 private funds (up 3.6%).
- The number of listings on the Stock Exchange fell by 1.0% to 2,741, while market capitalization declined by 4.2% to \$833.9 billion.
- New company registrations increased by 10.9% to 10,013, while new partnership registrations grew by 18.2% to 2,493.
- Air arrivals rose by 2.4% to 338,385, while cruise visitors fell by 1.9% to 777,557.
- The value of building permits contracted by 6.1%, while project approvals rose by 165.5%, respectively.
- The value property transfers rose by 4.3%, while volume declined by 5.1%.
- Electricity consumption increased by 1.4%, while water consumption rose by 6.2%.
- The central government's overall fiscal surplus increased to \$86.0 million compared to \$97.8 million in 2024.
- The total outstanding debt of the central government decreased to \$393.7 million from \$421.1 million a year ago.

*Comparative data over the first nine months of 2024, except when otherwise indicated. Percentage calculations may not be exact due to rounding.

1. International Economy

1.1 Economic Growth¹

Global growth among advanced economies was mixed at the end of the third quarter of 2025, with varied performance across countries. The United States, Canada, and the Euro Area recorded faster growth than in the previous quarter, while the United Kingdom (UK) saw a more subdued expansion.

The U.S. economy expanded at an annualised rate of 4.4% in the third quarter, up from 3.8% in the second quarter. Growth was supported by broad-based contributions from consumer spending, exports, government expenditure, and investment. Eighteen of the twenty-two major industry groups contributed positively to output, underscoring the strength and diversity of the expansion.

Canada's economy grew by 2.6%, reversing the 1.8% contraction recorded in the second quarter. The improvement was driven by a strengthening in the trade balance, as imports declined while exports increased. Higher levels of capital investment, particularly government-led capital expenditure, also bolstered economic activity.

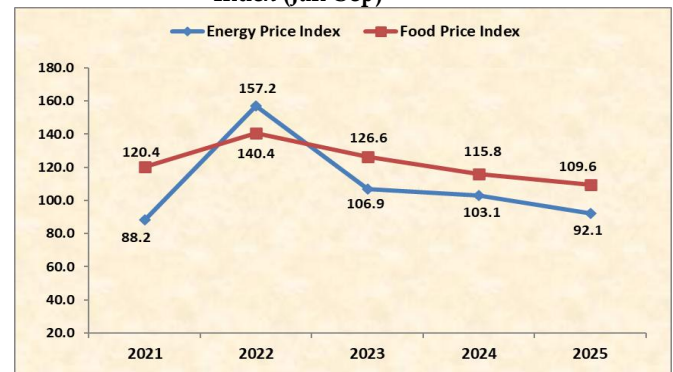
The Euro Area and the UK recorded modest growth of 0.2% and 0.1%, respectively. In the Euro Area, household consumption, government spending, gross fixed capital formation, and inventory accumulation all contributed positively to GDP. In the UK, the slight expansion reflected gains across 12 of

the 20 GDP subsectors, indicating a narrow but positive base of growth.

1.2 Inflation²

Inflationary pressures across the world's major economies continued to ease during the first nine months of 2025. Inflation declined to 2.7% in the U.S., 2.0% in Canada, and 2.2% in the Euro Area. The United Kingdom recorded the highest rate at 4.0%, up from 3.2% in 2024. The moderation in global inflation broadly matched movements in commodity prices. The World Bank's price indices showed a 10.6% decline in energy prices, while the food index fell by 5.4%.

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



Source: World Bank commodity prices (The Pink Sheet)

The decline in energy prices was broad-based, with reductions recorded across major fuel categories, including crude oil, jet fuel, diesel, and coal. Crude oil prices averaged US\$69.21 per barrel from January to September 2025, down from US\$80.69 per barrel over the same period in 2024. Similarly, the fall in food prices was mainly due to a 10.6% fall in grain prices for the period.

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

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

1.3 Interest Rates and Exchange Rates³

Monetary policy developments in the third quarter of 2025 reflected modest easing across most advanced economies as inflation continued to moderate. The U.S. Federal Reserve, the Bank of Canada, and the Bank of England each reduced their policy rates by 25 basis points relative to the June quarter, while the European Central Bank (ECB) maintained its policy stance.

The Federal Reserve lowered its target range to 4.00%–4.25%, down from 4.25%–4.50% at the end of June. Over the same period, the Bank of Canada reduced its policy rate to 2.5%, and the Bank of England lowered its rate to 4.00%. In contrast, the ECB left all three of its key rates unchanged: the main refinancing rate at 2.1%, the marginal lending facility at 2.4%, and the deposit facility at 2.0%.

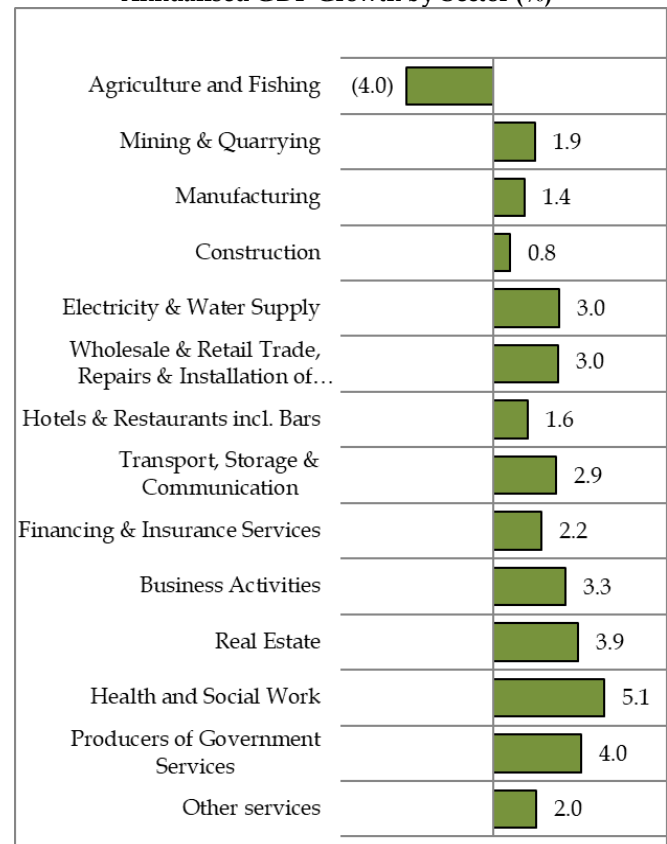
Currency movements during the review period showed the U.S. dollar weakening against two of the three major international currencies. The dollar depreciated by 2.9% against the euro and 3.0% against the British pound. In contrast, the dollar appreciated by 2.8% against the Canadian dollar.

2. GDP Growth and Macroeconomic Forecasts

Economic activity strengthened in the first nine months of 2025, with Real Gross Domestic Product (GDP) rising at an estimated annualised rate of 2.8% compared with the same period in 2024. Indicators point to broad-based expansion across the Islands’

economy, with output increasing in nearly all major sectors and only one sector recording a contraction.

Figure 2: Estimated First Nine Months of 2025 Annualised GDP Growth by Sector (%)



Source: Economics and Statistics Office

The rise in output during the period was driven primarily by sustained, broad-based demand for services, underscoring the central role of services to the Islands’ economy. General services continued to perform strongly, with government services increasing by 4.0% and health services by 5.1%. These reflected both population-related demand pressures and ongoing investment in public service delivery. Real estate activities rose by 3.9%, while electricity and water consumption

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

increased by 3.0%, signalling higher overall economic and residential activity.

Finance and insurance services, remaining the largest contributor to GDP, expanded by 2.2% (see Figure 2). This growth was supported by another period of robust performance in insurance services, as the Islands continue to benefit from favourable global market conditions and their competitive position as a financial hub. Additional momentum came from business services and wholesale & retail trade, which grew by 3.3% and 3.0%, respectively, indicating resilient domestic and corporate demand.

Tourism-related activity also strengthened as the sector continued its recovery. The hotels and restaurants industry is estimated to have expanded by 1.6%, supported by rising visitor arrivals and improving occupancy levels. Similarly, the transport, storage, and communication sector grew by an estimated 2.9%.

The strong performance of the economy in the first three quarters of the year has prompted an upward revision to the calendar-year forecast. Economic activity in the Islands is now projected to increase by 2.9% in 2025, supported by sustained demand for auxiliary services (see Table 1). With international commodity prices remaining low and expected to stay subdued in the near term, external deflationary pressures are projected to outweigh the impact of domestic demand. As a result, the forecast for average inflation in 2025 has been revised downward to 1.3%.

Table 1: Macroeconomic Performance

	2022	2023	2024	Projection 2025
	Percent (%)			
Real GDP	5.7	5.8	3.8	2.9
CPI Inflation	9.5	3.8	2.5	1.3
Unemployment Rate	2.13	3.3	2.4	2.6

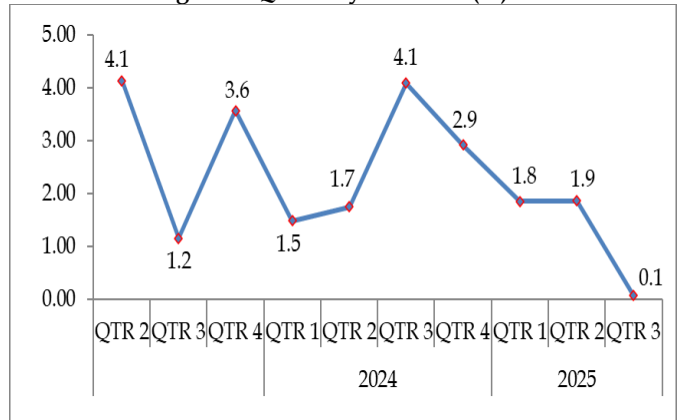
Source: Economics and Statistics Office

Robust economic activity, combined with a narrowing gap between labour demand and supply, has kept unemployment close to its natural rate. Consequently, the projected unemployment rate for the year has been revised down to 2.6%.

3. Inflation

Inflation for January to September 2025 averaged 1.2%, down from 2.4% over the same period in 2024 (see Table 2). The quarterly rates also softened, with inflation at 1.8%, 1.9%, and 0.1% in the first, second, and third quarters, respectively (see Figure 4)⁴.

Figure 3: Quarterly Inflation (%)



Source: Economics and Statistics Office

Price movements across the twelve categories were mixed over the nine-month period.

⁴ See also ‘The Cayman Islands Consumer Price Index Report: September 2025,’ www.eso.ky

Despite the moderation in the overall rate, several divisions registered notable increases. Restaurants and hotels recorded a 6.6% increase, driven by higher catering costs, while accommodation prices declined.

The education and communication indices rose by 7.3% and 7.1%, respectively. The increase in education reflected higher prices across all levels of schooling, while the rise in communication was attributed to higher charges for telephone and telefax services.

Table 2: Average Inflation (%)

Categories	Avg. Inflation Rates (%)	
	9-Months 2024	9-Months 2025
Food & Non-alcoholic Beverages	1.7	3.5
Alcohol and Tobacco	(0.2)	2.2
Clothing and Footwear	0.2	0.6
Housing and Utilities	3.6	(1.9)
Household Equipment	1.4	1.1
Health	2.9	2.5
Transport	(0.2)	2.5
Communication	8.9	7.1
Recreation and Culture	0.8	1.0
Education	9.1	7.3
Restaurants and Hotels	0.6	6.6
Misc. Goods and Services	2.1	0.8
Overall CPI Inflation	2.4	1.2

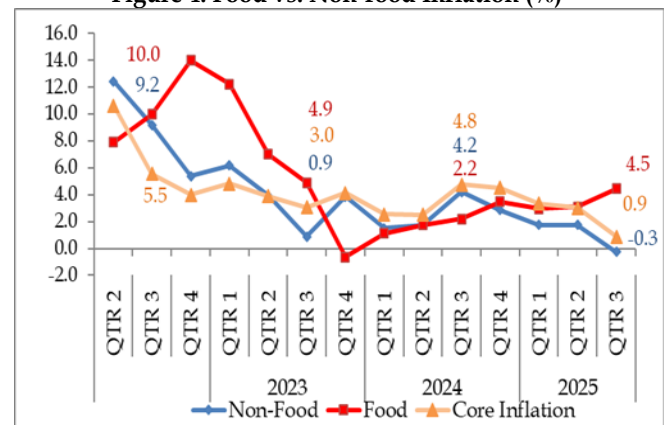
Source: Economics and Statistics Office

Food and non-alcoholic beverages rose by 3.5%, driven mainly by higher prices in the beverage sub-division. Alcohol and tobacco increased by 2.2%, as rising prices across both subdivisions reversed the decline seen in the previous year. Transport also rose by 2.5%, compared with a fall of 0.2% in 2024. Health prices increased by 2.5%, driven primarily by higher costs for other medicinal

products. More moderate increases were recorded for clothing and footwear (0.6%), miscellaneous goods and services (0.8%), recreation and culture (1.0%), and household equipment (1.1%).

In contrast to these increases, housing and utilities declined by 1.9%. This reflected lower electricity and water supply costs, as well as reduced prices for materials used in the maintenance and repair of dwellings.

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



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

Source: Economics and Statistics Office

Non-food inflation fell by 0.3% in the third quarter of 2025, compared with a 4.2% rise in the same period of 2024. Core inflation also eased, slowing to 0.9% from 4.8% a year earlier, reflecting reduced price pressures in most non-volatile components (see Figure 4).

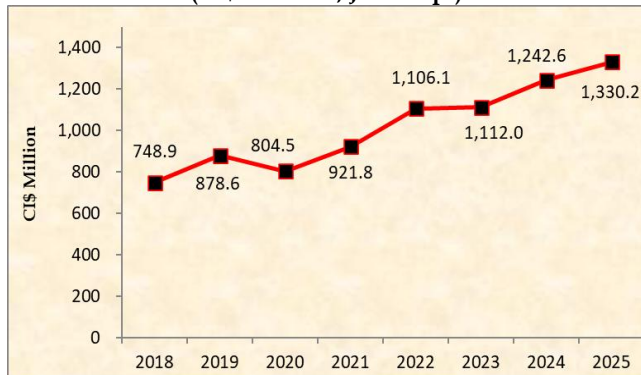
4. International Trade⁵

Consumer demand remained resilient in the first three quarters of the year, with merchandise imports rising by 7.0% to \$1,330.2 million (see Figure 5). The increase in

⁵ A detailed trade report is posted at www.eso.ky

imports was broad-based, with eight of the ten Standard International Trade Classification (SITC) categories recording growth, signalling sustained and diversified demand for goods over the period.

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



Source: Cayman Islands Customs and Border Control & ESO

Non-petroleum imports rose by \$111.1 million (10.4%) to \$1,177.3 million, up from \$1,066.2 million in the corresponding period of 2024. Miscellaneous manufactured articles, machinery and transport equipment, and food and live animals were the three largest categories of non-petroleum imports, accounting for 21.7%, 19.8%, and 17.8% of the total, respectively. These categories were also the primary drivers of growth, with import values increasing by \$40.7 million (16.4%), \$19.3 million (7.9%), and \$26.0 million (12.4%), respectively.

In contrast, the value of imported mineral fuels, lubricants, and related materials declined by \$23.6 million (13.4%). This decrease reflected lower jet fuel and diesel prices, driven by lower average crude oil prices.

The decline in value was driven by lower prices, as the volume of imported fuel

increased by 5.1% to 47.8 million imperial gallons (see Table 3). Diesel imports grew by 4.6% to 30.4 million imperial gallons, gasoline increased by 2.4% to 10.5 million imperial gallons, aviation fuel edged up by 7.2% to 4.5 million imperial gallons, and propane expanded by 20.6% to 2.4 million imperial gallons.

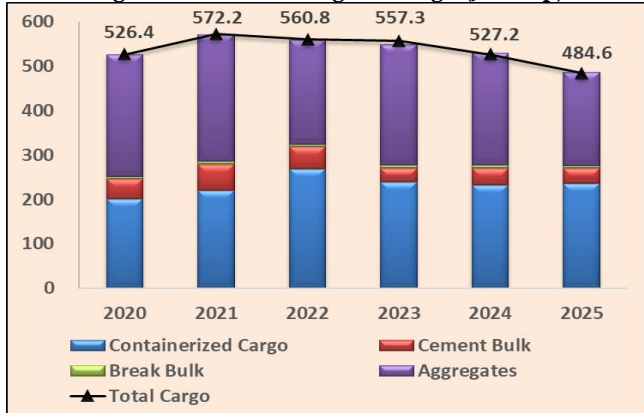
Table 3: Quantity of Fuel Imports (Jan-Sep)

	2023	2024	2025	% Change
	Millions of Imperial Gallons			
Total Fuel	46.1	45.5	47.8	5.1
Diesel	27.4	29.1	30.4	4.6
Gas	11.9	10.3	10.5	2.4
Aviation Fuel	4.5	4.2	4.5	7.2
Propane	2.3	2.0	2.4	20.6

Source: Cayman Islands Port Authority

Landed cargo decreased by 8.1% to 484,563 tonnes at the end of September 2025 (see Figure 7). The decline was driven by reductions in aggregates, which fell to 210,643 tonnes (down 16.3%); bulk cement, which declined to 34,333 tonnes (down 9.6%); break-bulk cargo, which dropped to 4,225 tonnes (down 21.8%); and bagged cement, which contracted to 3,559 tonnes (down 38.2%). In contrast, containerized cargo, including bagged cement, increased by 1.4% to 235,362 tonnes.

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



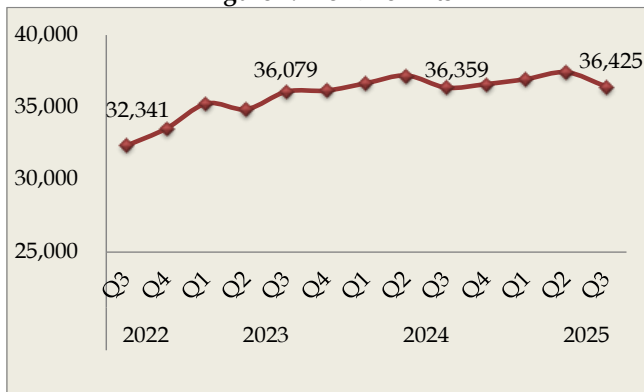
Source: Cayman Islands Port Authority

5. Employment

5.1. Work Permits

The number of active work permits in Cayman rose to 36,425 at the end of September 2025, a 0.2% increase of 66 permits over the corresponding period in 2024. The financial and insurance sector was among the largest contributors to the increase, adding 178 permits. Accommodation and food service activities, which account for the largest share of active permits, also rose by 140 permits, an increase of 2.3%.

Figure 7: Work Permits



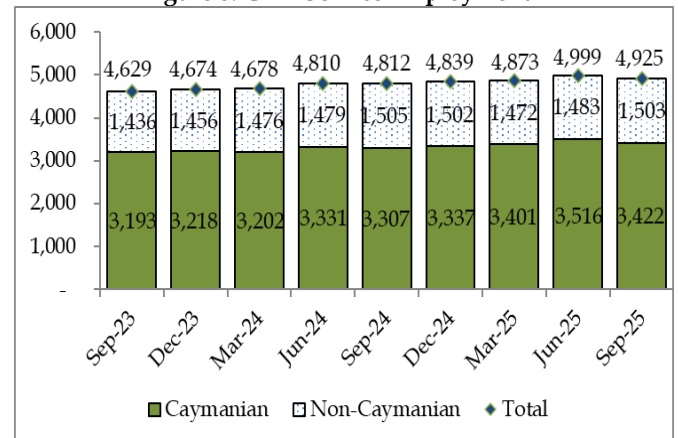
Sources: Workforce Opportunities and Residency Cayman, Economics & Statistics Office

In contrast, notable reductions were recorded in construction and wholesale and retail trade, which together registered a 647-permit decrease, or 5.8%. Compared with the June 2025 quarter, the total number of work permits decreased by 2.7% (or 993), with reductions observed across 16 of the 19 industries.

5.2. Public Sector Employment

At the end of September 2025, the total number of civil servants increased to 4,925, up 2.3% from 4,812 in September 2024. This growth was driven by a 3.5% increase in employed Caymanians, whose numbers rose by 115 to 69.5% of the public sector workforce. In contrast, the number of non-Caymanian civil servants edged down by 0.1% to 1,503 employees.

Figure 8: Civil Service Employment



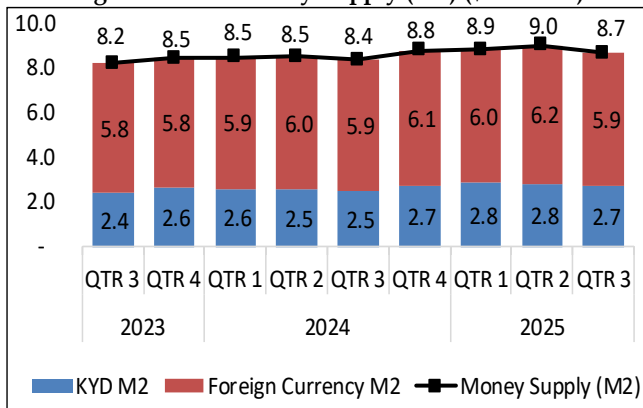
Source: Portfolio of the Civil Service

6. Money & Banking

Broad liquidity in Cayman's banking system rose by 3.9% in the first nine months of the year as interest rates continued on a downward trajectory. Broad liquidity (M2), which comprises CI-dollar-denominated

money and foreign currency deposits, increased to \$8.7 billion, up from \$8.4 billion in 2024 (see Figure 9 and Table 4). The higher supply of funds in the system reflected increases in both foreign and local currency deposits.

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



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

The growth in CI-dollar-denominated liquidity was notable, with deposits increasing by 10.5% (or \$246.4 million) and currency in circulation rising by 1.5% (or \$2.5 million) relative to the same period in 2024. The higher local currency deposits were reflected in both demand deposits (up 5.2%) and long-term deposits (up 14.1%).

The reduction in interest rates over the period, coupled with higher population and output levels, supported additional liquidity in the system. There was a 1.3% increase in foreign currency deposits, reflecting a 1.7% rise in US dollar-denominated deposits.

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

	Sep-24	Sep-25	% Change
Total Assets	8,368.5	8,691.8	3.9
Net Foreign Assets	5,621.9	5,317.6	(5.4)
Monetary Authority	199.0	209.0	5.0
Commercial Banks	5,422.9	5,108.6	(5.8)
Net Domestic Assets	2,746.6	3,374.2	22.8
Domestic credit	4,254.0	4,508.7	6.0
Claims on central government	381.6	488.3	28.0
Claims on other public sector	14.3	14.7	2.7
Claims on private sector	3,858.1	4,005.6	3.8
Other items net	(1,507.4)	(1,134.5)	(24.7)
Broad Liquidity	8,368.5	8,691.8	3.9
Broad money (KYD) M2	2,500.9	2,749.9	10.0
Currency in circulation	163.2	165.7	1.5
KYD Deposits	2,337.8	2,584.2	10.5
Demand deposits	930.4	978.7	5.2
Time and savings deposits	1,407.4	1,605.5	14.1
FOREX deposits	5,867.6	5,941.9	1.3
of which: US dollars	5,475.3	5,567.5	1.7
<i>US dollars share (%)</i>	93.3	93.7	

Source: Cayman Islands Monetary Authority & Economics and Statistics Office

The improvement in broad money liquidity reflects an expansion in the liabilities of the monetary and banking system. This increase in liabilities supported growth on the asset side, particularly in net domestic assets, while net foreign assets declined.

6.1. Net Foreign Assets (NFA) contracted during the first nine months of 2025, falling by 5.4% to \$5.3 billion. The decline reflected a reduction in commercial banks' NFA, partly offset by an increase in the NFA of the monetary authority. Commercial banks' NFA fell by 5.8% to \$5.1 billion, while the monetary authority's NFA rose by 5.0% to \$209.0 million.

The lower NFA for commercial banks resulted from reductions in foreign assets, which more than offset a decline in foreign liabilities. Within foreign assets, balances with banks

and branches fell by 22.2%, while investments and non-resident loans declined by 1.1% and 22.4%, respectively. Foreign liabilities also decreased by 23.6% (or \$617.0 million) due to a 31.6% reduction in non-resident deposits (see Table 5).

Table 5: Net Foreign Assets (\$ millions)

	Sep-24	Sep-25	% Change
Net Foreign Assets	5,621.9	5,317.6	(5.4)
Monetary Authority	199.0	209.0	5.0
Commercial Banks	5,422.9	5,108.6	(5.8)
Foreign Assets	8,035.2	7,103.9	(11.6)
Bal. with Banks & Branches	3,175.4	2,469.0	(22.2)
Total Investment	4,050.7	4,007.2	(1.1)
Total Non-Resident Loans	809.1	627.7	(22.4)
Foreign Liabilities	2,612.3	1,995.3	(23.6)
Total Non-Resident Deposits	2,075.1	1,419.0	(31.6)
Other Liabilities	537.2	576.3	7.3

Source: Cayman Islands Monetary Authority & Economics and Statistics Office

6.2. Net Domestic Assets/Domestic Credit.

Total domestic credit within the financial system expanded by 6.0%, reflecting an increase in loans extended to both the public and private sectors. Private sector credit rose by 3.8% to \$4,005.7 million, while loans to the public sector increased by 27.0% to \$503.0 million. Within the public sector, credit to the central government expanded by 28.0%, and loans to other public entities grew by 2.7%. This broad-based rise in domestic credit contributed significantly to the strong growth in net domestic assets over the period.

Table 6: Domestic Credit (\$ millions)

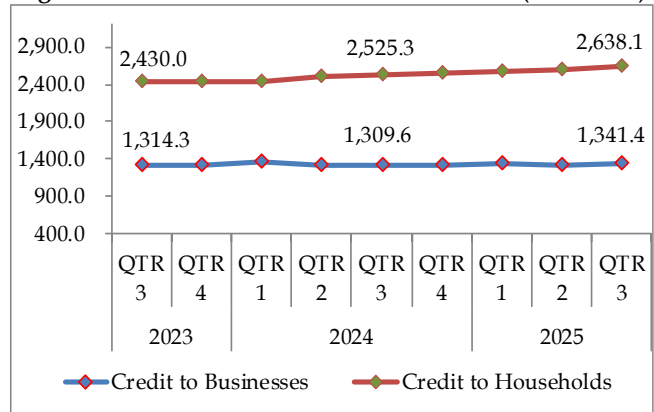
	Sep-24	Sep-25	% Change
Domestic Credit	4,254.0	4,508.7	6.0
Credit to Public Sector	395.9	503.0	27.0
Credit to Central Government	381.6	488.3	28.0
Credit to Other Public Sector	14.3	14.7	2.7
Credit to Private Sector	3,858.1	4,005.6	3.8

Source: Cayman Islands Monetary Authority & Economics and Statistics Office

Within the private sector, credit extended to households rose by 4.5% to \$2,638.1 million, while business credit expanded by 2.4% to \$1,341.4 million. Loans to non-profit organisations also increased, rising by 11.8% to \$25.8 million. This broad-based growth in private-sector lending underscores continued demand for credit across households, businesses, and the non-profit sector.

The rise in household credit was observed across most categories, with only one area recording a decline. Loans for domestic properties reflected the strongest absolute increase, rising by 4.4% (or \$97.6 million). Credit for motor vehicles and miscellaneous activities also expanded, increasing by 14.6% (\$9.8 million) and 2.6% (\$5.9 million), respectively. In contrast, credit extended for education and technology purposes declined by 16.7% (or \$0.5 million).

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



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

The increase in business credit was driven primarily by higher lending to the construction, utilities, and wholesale and retail sectors. Credit to the construction sector rose by 29.5% (or \$76.2 million), while loans to utilities and trading companies increased by

477.7% (or \$23.5 million) and 9.6% (or \$12.5 million), respectively. Despite overall expansion, credit to other professional services and real estate companies declined by 41.7% and 28.5%, respectively (Figure 10 and Table 7).

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

	Sep-24	Sep-25	% Change
Total Private Sector Credit	3,858.0	4,005.3	3.8
Credit to Businesses	1,309.6	1,341.4	2.4
Production & Manufacturing	276.4	377.0	36.4
Mining	5.5	6.0	9.1
Manufacturing	7.9	8.2	3.7
Utilities	4.9	28.5	477.7
Construction	258.1	334.3	29.5
Services	160.7	119.7	(25.5)
Accommodation, Food, Bar & Entertainment Services	64.8	63.0	(2.8)
Transportation, Storage & Communications	10.3	12.8	24.8
Education, Recreational & Other Professional Services	85.6	43.9	(48.8)
Trade and Commerce	861.1	829.0	(3.7)
Wholesale & Retail Sales Trade	130.3	142.8	9.6
Real Estate Agents, Rental and Leasing Companies	286.0	257.5	(10.0)
Other Business Activities (General Business Activity)	444.8	428.7	(3.6)
Other Financial Corporations	11.4	15.7	38.3
Credit to Households	2,525.3	2,638.1	4.5
Domestic Property	2,229.5	2,327.0	4.4
Motor Vehicles	67.3	77.1	14.6
Education and Technology	2.9	2.4	(16.7)
Miscellaneous*	225.6	231.5	2.6
NonProfit Organizations	23.1	25.8	11.8

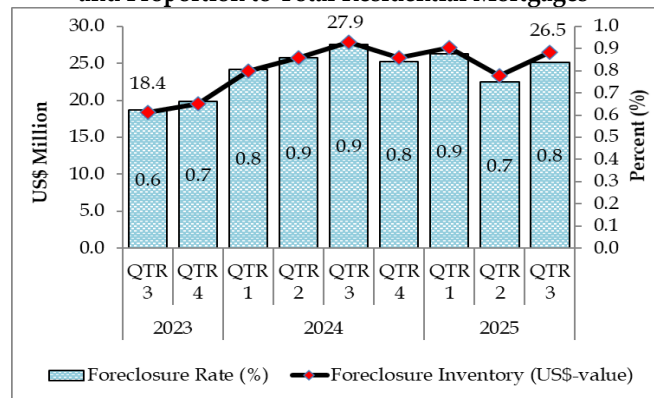
Source: Cayman Islands Monetary Authority & Economics and Statistics Office

6.3. Residential Mortgage Foreclosures.

CIMA data indicate that only one residential property was foreclosed in the third quarter of 2025. This was relative to five (5) foreclosures in the same quarter of 2024 and one foreclosure in the previous quarter.

As of September 2025, there were 87 properties in the foreclosure inventory valued at US\$26.5 million. This is relative to 75 properties valued at US\$27.5 million a year ago. The foreclosure inventory accounted for 0.8% of the total value of residential mortgages, which totalled \$3.2 billion (see Figure 11).

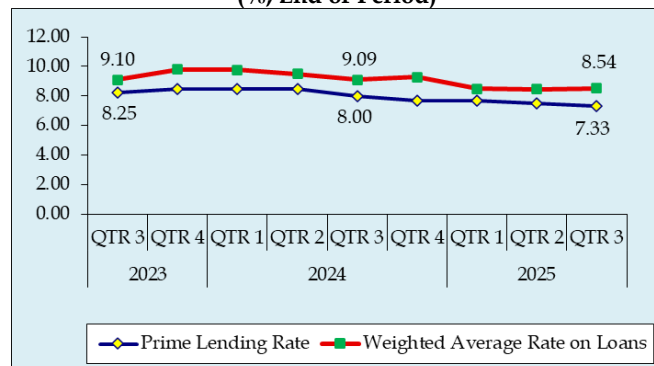
Figure 11: Residential Mortgages Foreclosures Inventory and Proportion to Total Residential Mortgages



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

6.4. Interest Rates. The Cayman Islands' prime lending rate fell by 67 basis points (bps) 7.33% for the review period. Consistently, the KYD weighted average lending rate contracted by 56 basis points to 8.54% (see Figure 12).

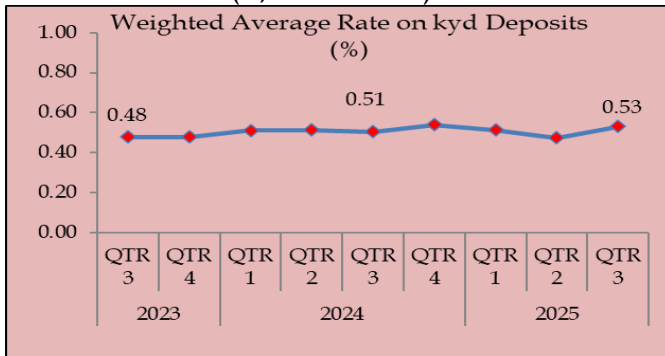
Figure 12: KYD Lending Rates (% End of Period)



Source: Cayman Islands Monetary Authority & Economics and Statistics Office

As depicted in Figure 13, the weighted-average savings rate on KYD deposits increased by 3 basis points to 0.53% over the period.

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



Source: Cayman Islands Monetary Authority & ESO

7. Financial Services

Financial services indicators generally strengthened during the first nine months of 2025, with five of the eight indicators increasing.

7.1 Banks & Trust

The number of bank and trust licences declined by 6.0% to 79 at the end of September 2025 (see Table 8). The reduction was primarily driven by a 6.8% decrease in Class B licences, which fell to 68. In contrast, the number of Class A licences remained unchanged at 11 for the fourth consecutive year.

Over the same period, trust company registrations recorded a modest increase of 1.8%, adding two entities and bringing the total to 112. This growth reflected a 3.6% rise in restricted trust licences to 58, while the number of unrestricted trust licences remained steady at 54.

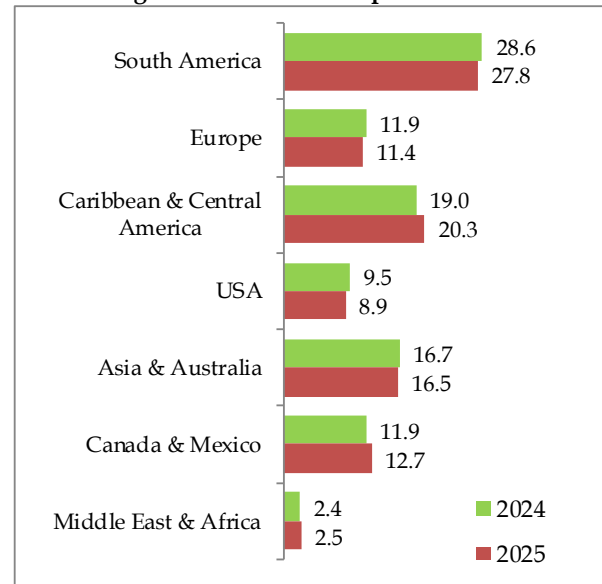
Table 8: Bank & Trust Companies

	Sep 2023	Sep 2024	Sep 2025	% Change
Bank and Trust	94	84	79	(6.0)
Class A	11	11	11	0.0
Class B	83	73	68	(6.8)
Trust Companies	113	110	112	1.8
Restricted	56	54	54	0.0
Unrestricted	57	56	58	3.6

Source: Cayman Islands Monetary Authority

Among the seven banking source markets with entities in Cayman, four regions recorded declines. The number of banks from South America fell by two to 22, representing 27.8% of the total. Asia and Australia also declined by one to 13 banks, accounting for 16.5%. Together, these two regions accounted for 44.3% of all banks operating in the jurisdiction.

Figure 14: Percentage Proportion of Registered Banks by Regional Source as at September 2025



Source: Cayman Islands Monetary Authority

7.2 Insurance

There were 742 insurance companies operating in the Cayman Islands at the end of September 2025, representing a 3.1% increase from the 720 registered in 2024. This expansion was driven primarily by growth in captive insurance licences, which rose by 3.3% to 719. In contrast, the number of Class A licences declined from 24 to 23 over the period.

Table 9: Insurance Companies

	Sep 2023	Sep 2024	Sep 2025	% Change
Domestic - Class 'A'	27	24	23	(4.2)
Captives	679	696	719	3.3
Class 'B'	653	670	694	3.6
Class 'C'	18	17	16	(5.9)
Class 'D'	8	9	9	0.0
Total	706	720	742	3.1

Class B: captives and segregated portfolio companies;

Class C: special-purpose vehicles

Class D: other insurance vehicles

Source: Cayman Islands Monetary Authority

Within captive insurance, Class B licences increased by 24 to reach 694. Class C licences fell by one to 16, a decline of 5.9%, while Class D licences remained unchanged at nine.

Table 10: Captive Insurance Licences by Primary Class of Business

	Sep-23	Sep-24	Sep-25	% Change	% Proportion
Healthcare	191	187	190	1.6	26.4
Workers' Compensation	150	150	152	1.3	21.1
Property	72	72	77	6.9	10.7
General Liability	96	103	105	1.9	14.6
Professional Liability	58	55	58	5.5	8.1
Other	112	129	137	6.2	19.1
Total	679	696	719	3.3	100.0

Source: Cayman Islands Monetary Authority

Healthcare and Workers' Compensation remained the leading classes in the captive insurance market, accounting for 26.4% and 21.1%, respectively (see Table 10). In terms of

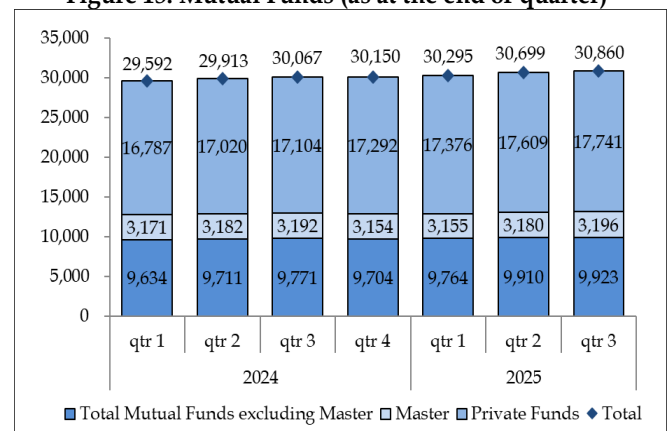
geographic origin, North America remained the principal source of captive insurers, with the number of licences rising by 3.2% to 639, accounting for 88.9% of the total.

7.3 Registered Funds

The total number of funds domiciled in the Cayman Islands rose to 30,860, a 2.6% increase from 30,067 in 2024. Growth was recorded across both market segments, with private funds expanding by 3.7% and mutual funds increasing by 1.2%.

Mutual funds totalled 13,119 during the review period, up by 1.2% from a year earlier. The increase was driven primarily by higher registered and master funds, which reached 9,024 and 3,196, respectively. In contrast, administered funds, licensed funds, and limited investor funds recorded declines over the period. At the same time, the number of private funds rose by 3.6% to 17,741, underscoring sustained demand for alternative investment vehicles in the post-pandemic environment.

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



Source: Cayman Islands Monetary Authority

7.4 Stock Exchange

Total listings on the Cayman Islands Stock Exchange fell by 1.0% to 2,741 at the end of September 2025 (see Table 11). Specialist debt securities declined by 0.4% to 2,397, while corporate and sovereign debt securities fell by 14.6% to 182. Primary equity securities dropped by 33.3% to 2, and insurance-linked securities decreased by 6.3% to 30. These declines were partly offset by an increase in investment fund securities, which rose by 13.0% to 130. While there were no secondary equity or retail debt securities on record for the period.

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

Instrument	2024	2025	% Change
Investment Fund Security	115	130	13.0
Specialist Debt Security	2,406	2,397	(0.4)
Corporate & Sovereign Debt Security	213	182	(14.6)
Primary Equity Security	3	2	(33.3)
Secondary Equity Security	0	0	-
Insurance Linked Security	32	30	(6.3)
Retail Debt Security	0	0	-
Total	2,769	2,741	(1.0)

Source: Cayman Islands Stock Exchange

The market capitalisation of listed entities declined by 4.2% to US\$833.9 billion (see Table 12). The reduction reflected a contraction in four major instruments: specialist debt securities (down 4.1%), corporate and sovereign debt securities (down 11.3%), primary equity securities (down 58.8%), and insurance-linked securities (down 3.4%). Conversely, the value of investment fund securities rose sharply by 85.2%.

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

Instruments	2024	2025	% Change
Investment Fund Security	8.8	16.3	85.2
Specialist Debt Security	743.7	713.0	(4.1)
Corporate & Sovereign Debt Security	113.8	100.9	(11.3)
Primary Equity Security	0.4	0.2	(58.8)
Secondary Equity Security	0.0	0.0	-
Insurance Linked Security	3.6	3.5	(3.4)
Retail Debt Security	0.0	0.0	-
Total	870.4	833.9	(4.2)

Source: Cayman Islands Stock Exchange

7.5 New Company Registration

At the end of September 2025, the number of new companies registered in the Cayman Islands increased by 10.9% (or 988) to 10,013 (see Table 13). Exempt companies accounted for the majority of new registrations, representing 77.3% of the total, and rose by 13.6% (or 926) to 7,737. Additional increases were recorded among non-resident companies, which expanded by 44.4% to 13; foreign companies, which grew by 11.6% to 607; and limited liability companies, which increased by 21.1% to 763. In contrast, registrations of resident and foundation companies declined over the period.

Table 13: New Company Registrations (Jan-Sep)

	2023	2024	2025	% Change
Total	7,538	9,025	10,013	10.9
Exempt	5,807	6,811	7,737	13.6
Non-Resident	6	9	13	44.4
Resident	574	554	505	(8.8)
Foreign	489	544	607	11.6
FDN	168	477	388	(18.7)
LLC	494	630	763	21.1

Source: Registrar of Companies.

7.6. Partnerships

New partnership registrations totalled 3,493 at the end of the review period, up from 2,954 in 2024 (see Table 14). This represented an increase of 539 registrations, or 18.2%. Exempt partnerships accounted for 96.1% of the growth, rising by 525 to reach 3,363. Foreign partnerships increased by 13 to 124, while limited liability partnerships edged up by one to four. The number of limited partnerships remained unchanged at two, consistent with the previous year.

Table 14: New Partnership Registrations (Jan-Sep)

	2023	2024	2025	% Change
Total	2,743	2,954	3,493	18.2
Exempt	2,620	2,838	3,363	18.5
Foreign	120	111	124	11.7
LI	0	2	2	-
LLP	3	3	4	33.3

Source: Registrar of Companies

8. Tourism

Total visitor arrivals declined to 1,115,942 for the first three quarters of the year. This decline was due to a reduction in cruise arrivals, as air arrivals increased for the period.

8.1 Air Arrivals

Stay-over arrivals increased by 2.4% to 338,385 in the review period, supported by growth across all major source markets. Visitor arrivals growth was led by the USA market, which rose by 2.2% to 281,816. Air arrivals from Canada and 'Other regional markets' also expanded by 5.0% and 2.9%, respectively. Meanwhile, arrivals from the European market edged up slightly, by 0.5% to 14,947.

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

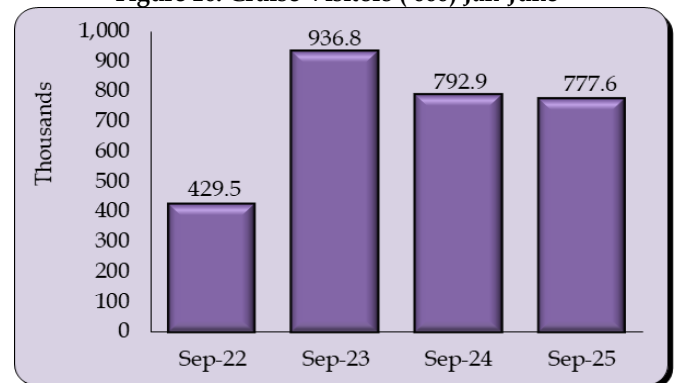
	2023	2024	2025	% Change
In Thousands				
USA	270.2	275.6	281.8	2.2
Europe	14.1	14.9	14.9	0.5
Canada	20.5	21.1	22.1	5.0
Others	18.2	19.0	19.5	2.9
Total	323.0	330.5	338.4	2.4
USA (% share)	83.6	83.4	83.3	

Source: Department of Tourism

8.2 Cruise Arrivals

Cruise arrivals declined by 1.9% to 777,557 in the review period. The contraction occurred despite a rise in the number of cruise vessels visiting the Islands. This reflects a shift to generally smaller vessels calling at Cayman's port during the period. Notably, port Calls to Cayman rose to 258 vessels, up from 241 in the same period in 2024.

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



Source: Tourism Department

9. Construction

Construction intentions were mixed for the first three quarters of 2025. Building permits declined in value despite an increase in applications. While project approvals rose in value, the number of projects fell.

9.1. Building Permits

For the third consecutive year, building permit values for the January–September period fell, declining by 6.1% to \$439.6 million. The reduction stemmed mainly from reductions in residential, commercial, and government categories (see Table 16).

Table 16: Building Permits (Jan-Sep)

	Building Permits (CI\$ Mil)			%
	2023	2024	2025	
Residential	357.9	356.6	327.5	(8.2)
Houses	56.1	83.3	94.6	13.5
Apartments	301.8	273.3	232.9	(14.8)
Commercial	97.4	89.5	20.0	(77.7)
Industrial	2.0	0.3	7.3	2,837.6
Hotel	-	7.0	12.7	81.9
Government	4.5	4.1	1.2	(71.6)
Other	130.0	10.6	70.9	568.6
Total	591.8	468.1	439.6	(6.1)

Source: Cayman Islands Planning Department

Residential permits declined by 8.2% (or \$29.1 million) during the period, driven by a decline in apartment values. Permits in the apartment category fell by \$40.8 million (14.8%) owing to fewer high-end projects. In contrast, house permits increased by 13.5%, partially offsetting the overall decline in residential activity.

Permits for commercial properties contracted sharply by 77.7% to \$20.0 million. Government permits also declined significantly, falling by 71.6% (or \$3.0 million) to \$1.2 million.

Despite the overall decline, there were increases in three core categories. Industrial permits rose to \$7.3 million relative to \$0.3 million in the same period of 2024. This was largely driven by one large warehouse project.

The hotel category increased by 81.9% (or \$5.7 million), largely driven by a single \$11.0 million project. The “other” permits category increased 568.6% (or \$60.3 million), driven mainly by elevator and pool installations.

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

	Number of Permits			%
	2023	2024	2025	
Residential	260	280	391	39.6
Houses	135	168	251	49.4
Apartments	125	112	140	25.0
Commercial	60	57	57	-
Industrial	9	6	9	50.0
Hotel	-	2	4	100.0
Government	9	20	24	20.0
Other	210	248	271	9.3
Total	548	613	756	23.3

Source: Cayman Islands Planning Department

Despite the decline in total value, the number of building permits issued continued to rise, increasing by 143 (or 23.3%) to 756.

9.2. Project Approvals

The value of project approvals surged to \$975.4 million in the review period, up 165.5% from the same period in 2024. All categories recorded growth, except one. Residential approvals rose by 22.7% to \$302.3 million, reflecting strong gains in both the apartment and house segments, which increased by 24.9% and 19.7%, respectively.

Commercial approvals increased by 61.3% to \$55.9 million, supported by approvals for three large mixed-use buildings. Government approvals also expanded, rising by 126.8% (or \$12.3 million), driven by additions to existing buildings and a new civic centre project. Hotel approvals were significantly boosted by two major projects, pushing the category’s value

to \$273.2 million, up from \$18.0 million in the corresponding period of 2024. Similarly, “Other” approvals rose sharply to \$314.1 million from \$32.3 million, largely reflecting installations such as elevators and pools.

Despite the broad-based increases, industrial approvals declined by 69.7% (or \$18.4 million) over the review period.

Table 18: Project Approvals (Jan-Sep)

	Project Approvals (CI\$ Mil)			% Change
	2023	2024	2025	
Residential	212.6	246.3	302.3	22.7
Houses	76.9	103.2	123.5	19.7
Apartments	135.7	143.1	178.8	24.9
Commercial	18.3	34.7	55.9	61.3
Industrial	15.5	26.5	8.0	(69.7)
Hotel	165.2	18.0	273.2	1,417.7
Government	0.5	9.7	21.9	126.8
Other	78.0	32.3	314.1	871.8
Total	490.0	367.4	975.4	165.5

Source: Cayman Islands Planning Department

The total number of project approvals declined by 9.9% to 637. This reduction was driven by decreases in house, industrial, and “other” approvals, which fell by 34.7%, 33.3%, and 2.7%, respectively.

Table 19: Project Approvals (Jan-Sep)

	Number of Approvals			% Change
	2023	2024	2025	
Residential	273	308	238	(22.7)
Houses	164	213	139	(34.7)
Apartments	109	95	99	4.2
Commercial	18	11	21	90.9
Industrial	8	6	4	(33.3)
Hotel	3	1	2	100.0
Government	3	11	12	9.1
Other	306	370	360	(2.7)
Total	611	707	637	(9.9)

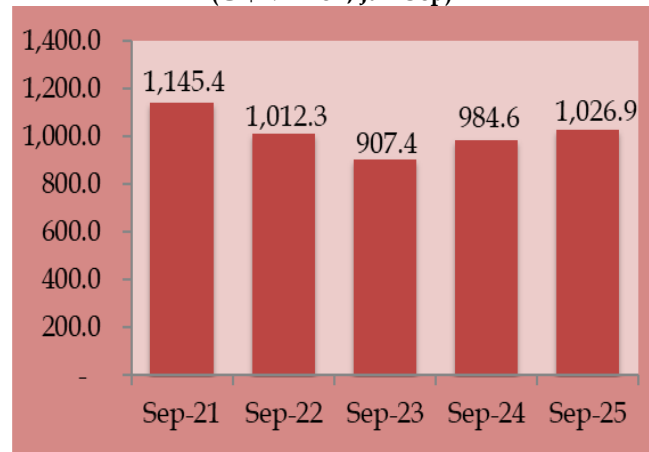
Source: Cayman Islands Planning Department.

10. Real Estate

Activity in the real estate market reflected a slowdown in the number of transactions, with transactions increasingly concentrated in higher-value properties. The total value of traded properties rose by 4.3% to \$1,026.9 million for the period.

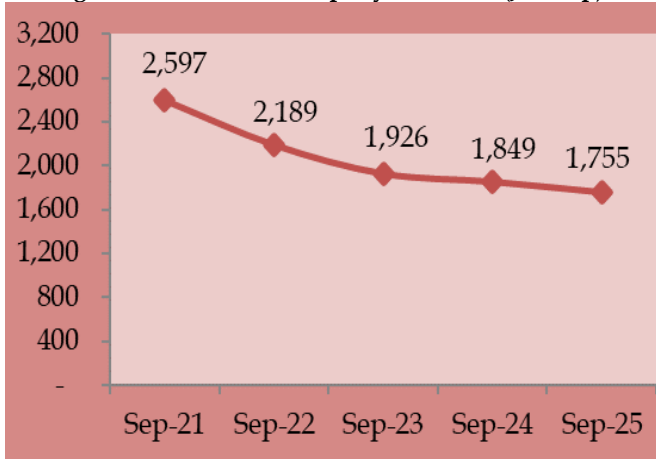
This expansion was driven entirely by freehold transfers, which increased by 9.3% to \$992.8 million. In contrast, leasehold transfers fell sharply, declining by 55.6% to \$34.0 million.

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



Source: Lands & Survey Department

The number of properties transferred during the review period declined by 124, or 5.1%, to 1,755. This marks the fourth consecutive year of contraction in traded properties for corresponding periods. The reduction was driven by a decline in freehold transfers, while leasehold transfers increased.

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


Source: Lands & Survey Department

11. Utilities

11.1 Electricity

Electricity consumption increased by 1.4% to 579.0 thousand mega-watt hours (MWh) for the first nine months of 2025. The additional consumption traces to a rise in both commercial and residential consumption. Residential consumption increased by 0.3%, and commercial consumption rose by 2.7%.

Commercial consumption increased by 2.7% due to higher customer counts and higher average consumption. The number of commercial customers rose by 1.7% to 4,862, while the average consumption of commercial customers grew by 1.0%. The rise in residential consumption was driven by an increase in the customer base, as each customer's average consumption fell. The residential customer base increased by 2.4% to 29,935, while average consumption fell by 2.0%.

Consistent with the rise in demand, electricity production expanded by 1.2% to 585.3 thousand megawatt-hours (MWh).

Table 20: Utilities Production and Consumption

	Sep-24	Sep-25	% Change
Millions of US Gallons			
Water Production	2,344.3	2,516.3	7.3
Water Consumption	1,893.8	2,010.4	6.2
'000 of megawatt hrs			
Electricity Production (Net)	578.6	585.3	1.2
Electricity Consumption	570.9	579.0	1.4
Residential	312.8	313.9	0.3
Commercial	254.9	261.8	2.7
Public	3.2	3.2	1.2
Total Customers	34,028	34,797	2.3
Residential	29,247	29,935	2.4
Commercial	4,781	4,862	1.7

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

11.2. Water

Water consumption expanded by 6.2% to 2,010.4 million gallons for the period. Water production expanded by 7.3% to meet demand.

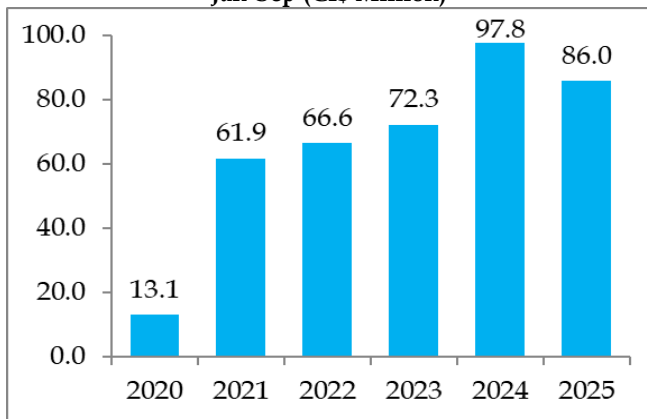
12. Fiscal Operations of the Central Government⁶

Net lending (fiscal surplus) amounted to \$86.0 million at the end of September 2025, a 12.1% decline from the \$97.8 million recorded in 2024 (see Figure 20 and Table 21). The lower surplus stemmed from expenditure rising more quickly than total revenue. The increase

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

in total spending was driven mainly by higher current expenditure, while the government's net investment in non-financial assets (comprising net capital outlays) declined. Revenue growth was supported by stronger collections, despite a fall in income from 'other' revenue sources.

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



Source: Cayman Islands Treasury Department & ESO

Net operating balance (current balance), which is revenue minus expenses, decreased by 10.8% to \$115.7 million from January to September 2025, relative to the same period in the previous year.

Table 21: Summary of Fiscal Operations

	Sep-24	Sep-25	% Change
	CI\$ Million		
Revenue	914.0	970.4	6.2
Expense	784.3	854.8	9.0
Net Operating Balance	129.6	115.7	(10.8)
Net Investment in Nonfinancial Assets ¹	31.8	29.7	(6.6)
Total Expenditure	816.1	884.5	8.4
Net Lending (Overall Balance)	97.8	86.0	(12.1)
Financing:			
Net Acquisition of Financial Assets	65.6	74.6	13.6
Net Incurrence of Liabilities	(32.2)	(11.4)	(64.6)

Source: Cayman Islands Treasury Department & ESO

12.1 Revenue

Total government revenue rose by 6.2% to \$970.4 million at the end of September 2025 (see Table 22). This growth was driven entirely by higher tax receipts, which increased by 7.0% and accounted for 92.8% of total revenue.

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

	Sep-24	Sep-25	% Change
	CI\$ Million		
Revenue	914.0	970.4	6.2
Taxes	841.5	900.7	7.0
Taxes on International Trade & Transactions	185.2	189.9	2.6
Taxes on Goods & Services	581.8	634.8	9.1
Taxes on Property	71.7	74.8	4.5
Other Taxes	2.9	1.1	(60.3)
Other Revenue	72.4	69.7	(3.7)
Sale of Goods & Services	40.7	38.2	(6.1)
Investment Revenue	23.6	16.9	(28.5)
Fines, Penalties and Forfeits	6.8	12.6	85.4
Transfers n.e.c.	1.3	2.0	58.7

Source: Cayman Islands Treasury Department & ESO

Taxes totalled \$900.7 million at the end of the review period, an increase from \$841.5 million in the corresponding period of 2024. The expansion in tax revenue was broad-based, with three of the four major tax categories recording gains. Taxes on goods and services were the primary driver, rising by 9.1% (or \$53.0 million), indicating stronger domestic consumption and higher taxable transaction volumes relative to the previous year.

Revenue collected from taxes on goods & services recorded the largest nominal increase, contributing \$634.8 million to total tax revenue and accounting for 65.4% of overall collections (see Table 23). The growth in domestic taxes was supported by stronger inflows from financial services (up 12.9%),

work permit and residency fees (up 3.7%), traders' licences (up 2.0%), and other domestic taxes (up 6.3%). The pattern points to continued resilience in domestic demand and sustained activity in key service-based sectors.

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

	Sep-24	Sep-25	% Change
	CI\$ Million		
Financial Services Licences	358.9	405.3	12.9
ICTA Licences & Royalties	6.7	6.3	(6.4)
Work Permit and Residency Fees	95.0	98.5	3.7
Other Stamp Duties	15.0	12.1	(19.4)
Traders' Licences	6.8	6.9	2.0
Other Domestic Taxes	99.5	105.8	6.3
Of which:			
Tourist Accommodation Charges	33.4	36.1	8.0
Motor Vehicle Charges	7.6	7.3	(3.7)
Taxes on Goods & Services	581.8	634.8	9.1

Source: Cayman Islands Treasury Department & Economics and Statistics Office

All sub-categories within financial services licences contributed positively, with total receipts rising to \$405.3 million from \$358.9 million in 2024. Growth was led primarily by exempt company fees and private fund fees, reflecting ongoing sectoral expansion and firm registrations. Meanwhile, other domestic taxes rose to \$105.8 million, driven in part by an 8.0% increase in tourist accommodation charges, as stay-over arrivals increased.

Tax receipts on international trade and transactions increased to \$189.9 million, a 2.6% rise from the \$185.2 million recorded in 2024 (Table 22). Import duties, which account for 95.5% of revenue in this category, expanded by 2.6% or \$4.6 million, while other levies, representing the remaining 4.5%, grew

by 1.8% or \$0.2 million. The sub-category 'other import duty' was the primary source of growth, rising by 4.9% or \$6.1 million. In contrast, duties on alcoholic beverages, gasoline and diesel, motor vehicles, and tobacco products declined.

Taxes on property totalled \$74.8 million at the end of the review period (Table 22). The increase was driven primarily by higher stamp duty collections on land transfers, which rose by 3.0%, alongside a substantial 48.2% increase in infrastructure fund fees. These developments are consistent with the observed increase in the value of traded properties (see Section 10).

Other taxes fell by 60.3% to \$1.1 million, driven by an 81.6% reduction in proceeds from liquidated entities, which dropped from \$2.3 million in 2024 to \$425,000 at the end of the period.

Other revenue also decreased, moving from \$72.4 million to \$69.7 million. The composition of these receipts remained broadly unchanged: \$38.2 million from sales of goods and services, \$16.9 million from investment income, \$12.6 million from fines, penalties, and forfeits, and \$2.0 million from transfers not elsewhere classified.

12.2. Expenditure

From January to September 2025, central government expenditure increased by 8.4% (or \$68.3 million) to \$884.5 million. The expansion was driven by higher operating expenses, which more than offset the decline in capital spending.

Expenses (current expenditure) totalled \$854.8 million, up 9.0% year over year. Five of

the seven major categories contributed to the overall increase (see Table 24).

Compensation of employees rose to \$377.6 million, an increase of 10.7% or \$36.5 million. The growth was led by higher spending on salaries and wages, which reached \$278.3 million, up 11.7%. Additional increases were recorded in healthcare benefits at \$64.2 million (up 7.1%), employer/government pension contributions at \$30.1 million (up 4.2%), and other personnel-related costs at \$1.3 million (up 30.3%). These movements point to continued upward pressure from staffing requirements, wage adjustments, and benefit-related obligations.

Use of goods and services remained broadly stable at \$118.7 million, compared with \$119.4 million in 2024. Spending patterns were largely unchanged, with the main allocations directed toward purchased services (\$64.4 million), goods supplied (\$17.7 million), utilities (\$12.7 million), and general insurance (\$10.2 million). The minimal year-over-year movement suggests steady operational demand across ministries and agencies.

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

	Sep-24	Sep-25	% Change
	CI\$ Million		
Expense	784.3	854.8	9.0
Compensation of Employees	341.0	377.6	10.7
Use of Goods and Services	119.4	118.7	(0.5)
Consumption of Fixed Capital	41.0	45.9	12.0
Subsidies	203.6	212.8	4.5
Social Benefits	61.1	79.2	29.8
Interest	13.0	12.3	(5.2)
Other Expense	5.3	8.3	55.5

Source: Cayman Islands Treasury Department & Economics and Statistics Office

Consumption of fixed capital (depreciation) increased by 12.0% to \$45.9 million at the end of September 2025. The largest components were buildings (\$20.9 million), right-of-use assets (\$5.3 million), roads and pavements (\$4.8 million), and computer hardware (\$4.2 million).

Subsidy payments totalled \$212.8 million, a 4.5% increase over 2024. Higher transfers were directed towards both statutory authorities and government-owned companies (up \$5.2 million or 3.5%) and to non-government suppliers (up \$4.0 million or 7.2%). Increased allocations were directed to the Cayman Islands National Insurance Company, the University College of the Cayman Islands, the Health Services Authority, and private schools providing primary and secondary education. These increases point to rising demand for essential public services and continued support for key social institutions.

Social benefits (transfer payments) rose by 29.8% to \$79.2 million in 2025. Scholarships and bursaries, along with financial assistance (poor relief), accounted for roughly 80 percent of the increase, indicating expanded support for education and vulnerable households. Other operating expenses also rose sharply, by 58.7% to \$8.3 million, largely due to higher spending on claim settlements.

Interest expenses declined to \$12.3 million, down 5.2% from 2024. The reduction reflected lower interest payments as government borrowings declined, and interest obligations on deposits held by statutory authorities and government-owned companies fell.

12.3 Investment in Non-financial Assets

Gross investment in non-financial assets (gross capital expenditure) rose by 3.9% to \$75.6 million (see Table 25). In contrast, net investment in non-financial assets declined by 6.6% to \$29.7 million, as depreciation increased faster than additional capital spending. This indicates that while new investment expanded modestly, consumption of existing assets grew faster.

The rise in gross investment was driven primarily by higher spending on fixed assets, which increased by 5.2% to \$77.7 million. Within fixed assets, both capital investment in ministries and portfolios and spending on executive assets recorded gains, while capital investment in statutory authorities and government-owned companies contracted.

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

	Sep-24	Sep-25	% Change
	CI\$ Million		
Gross Investment in Non-Financial Assets	72.8	75.6	3.9
Fixed Assets	73.8	77.7	5.2
Capital Investment in Ministries and Portfolios	16.2	23.4	44.0
Capital Investment in Statutory Authorities and Government Owned Companies	23.2	16.3	(29.7)
Executive Assets	34.4	38.0	10.4
Inventories	(1.1)	(2.1)	95.1
Net Investment in Non-Financial Assets	31.8	29.7	(6.6)

Source: Cayman Islands Treasury Department & Economics and Statistics Office

Capital investment in ministries and portfolios increased by 44.0% to \$23.4 million, reflecting higher expenditure by the Ministry of Education & Training. Spending on

executive assets rose by 10.4% to \$38.0 million, supported by ongoing land acquisitions and continued investment in the central Scranton Park.

In contrast, capital investment in statutory authorities and government-owned companies fell from \$23.2 million to \$16.3 million, a decline of 29.7%. Lower spending was reported by both the National Housing Development Trust and the Cayman Islands Development Bank compared with the previous year, pointing to slower execution of capital projects within these entities.

12.4. Net Financing and Debt

Net acquisition of financial assets increased by 13.6 per cent to \$74.6 million at the end of the review period (see Table 26). This was supported by the higher assumed cash balances generated from the overall fiscal surplus. The government reduced its liabilities by \$11.4 million as debt repayment of \$32.3 million outweighed additional borrowings of \$20.9 million.

Table 26: Net Financing

	Sep-24	Sep-25	% Change
	CI\$ Million		
Financing:			
Net Acquisition of Financial Assets	65.6	74.6	13.6
Net Incurrence of Liabilities	(32.2)	(11.4)	(64.6)
Incurrence (Disbursement)	0.0	20.9	-
Reduction (Loan Repayment)	32.2	32.3	0.4

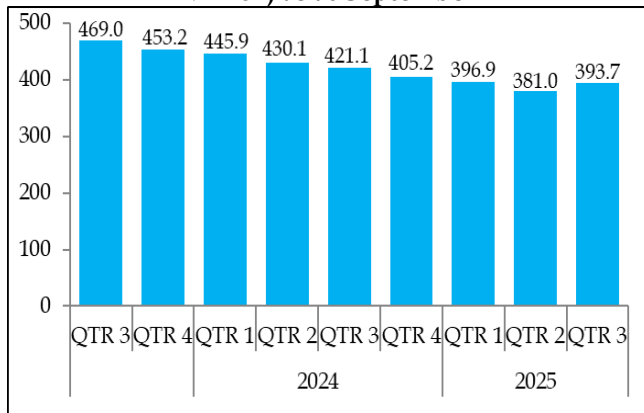
Source: Cayman Islands Treasury Department

Relative to 2024, the central government's debt stock fell by 6.5% to \$393.7 million at the end of September 2025 (see Figure 21). In comparison with the second quarter of 2025, the debt stock increased by \$12.7 million or

3.3%, reflecting the additional loan disbursement in August 2025.

Key fiscal ratios showed modest improvement over the review period. Interest expenses as a share of total expenses declined to 1.4% from 1.7% in 2024. Interest expenses as a share of revenue also eased to 1.3% compared with 1.4% in the previous year. In addition, the debt service to revenue ratio fell to 4.6% from 4.9%, indicating reduced pressure from servicing government debt.

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



Source: Cayman Islands Treasury Department

ACKNOWLEDGMENT

This Report was produced by the Economics Unit of the ESO.

General support from the ESO staff and the assistance of the following local companies, government offices and statutory authorities in generating the data sets used in this edition of the quarterly report is gratefully acknowledged:

Caribbean Utilities Company
Cayman Islands Customs & Border Control
Department of Tourism
General Registry
Cayman Islands Monetary Authority
Planning Department
Cayman Islands Stock Exchange
Treasury Department
Cayman Islands Water Authority
Cayman Water Company
Workforce Opportunities & Residency
Cayman
Lands and Survey Department
Port Authority of the Cayman Islands
Portfolio of the Civil Service
Regulations and Competition Office (OfReg)