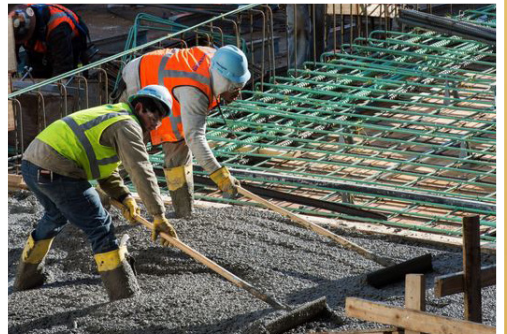




CAYMAN ISLANDS  
GOVERNMENT



# THE CAYMAN ISLANDS' ANNUAL ECONOMIC REPORT 2021



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## CONTENTS

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1. Executive Summary .....	3
2. Global and Regional Macroeconomic Environment.....	6
2.1 Economic Growth.....	6
2.2 Inflation.....	7
2.4 Regional and International Tourism .....	10
3. Macroeconomic Performance.....	12
3.1 Economic Growth.....	12
3.2 Inflation.....	14
3.3 Labour Force and Employment.....	16
3.4 External Sector .....	18
3.5 Money and Credit .....	21
4. Key Sector Developments .....	277
4.1 Financial Services .....	277
4.2 Tourism.....	366
4.3 Construction .....	377
4.4 Real Estate .....	40
4.5 Utilities and Telecommunications .....	40
5. Fiscal Operations of the Central Government .....	422
5.1 Overview .....	422
5.2 Revenue .....	433
5.3 Expenditure.....	466
5.4 Primary Balance.....	488
5.5 Net Financing and Debt Service Indicators.....	499
6. Macroeconomic Outlook for 2020.....	511
6.1 Global Outlook .....	51
6.2 Domestic Growth .....	522
6.3 Domestic Inflation.....	544
6.4 Domestic Labour Market.....	544
7. Acknowledgement.....	555
8. Statistical Appendix .....	566

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## **1. Executive Summary**

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1.1 The world economy expanded in 2021 due to increased economic activities and pent-up demand subsequent to lockdown measures. Inflation accelerated demand which outpaced supply.

1.2 The Cayman Islands' real gross domestic product (GDP) expanded by an estimated rate of 1.8 percent in 2021, relative to a contraction of 5.7 percent in 2020.

1.3 Growth is estimated for most sectors, led by construction and real estate activities. However, the continued closure of Cayman's borders led to further contraction of hotels and restaurants and some supporting sectors.

1.4 Nominal GDP per capita income was estimated at \$72,580, higher than the \$71,048 recorded for 2020.

1.5 The average inflation rate in 2021 was 3.3 percent, compared to 1.0 percent a year ago. Inflationary pressures emanated mainly from rising energy and food prices.

1.6 Total employment increased by 10.3 percent to 45,919 in 2021. The rise in employment lagged the expansion in the labour force, which resulted in the unemployment rate rising to 5.7 percent. The unemployment rate among Caymanians was estimated at 8.5 percent.

1.7 Merchandise imports rose by 15.0 percent to reach \$1,281.9 million, reflecting increases of 44.4 percent and 12.4 percent in oil-related and non-oil imports, respectively.

1.8 Money supply (M2) expanded by 5.7 percent to reach \$8.6 billion in 2021. This monetary expansion was due to 8.7 percent and 4.7 percent increases in local currency deposits and foreign currency-denominated deposits, respectively.

1.9 Domestic credit from commercial banks expanded by 7.2 percent to settle at \$3,679.7 million. Credit to the private sector rose by 8.7 percent, while loans to the public sector declined by 13.5 percent.

1.10 Indicators of financial services generally improved in 2021. Insurance licenses, mutual funds registration, stock exchange listings, new company registrations and new partnership registration increased while bank and trust licenses fell.

1.11 Total stay-over visitors contracted by 94.7 percent. Total stay-over arrivals declined by 85.8 percent, while there were no cruise arrivals.

1.12 Indicators of construction intentions were improved in 2021. The value of building permits in Grand Cayman rose by 29.1 percent to \$717.0 million, while the value of planning approvals in Grand Cayman increased by 10.6 percent to \$976.9 million.

1.13 Real estate activity surged as the total value of property transfers rose by 75.0 percent to \$1,413.2 million. Both freehold and leasehold transfers decreased.

1.14 The central government recorded an overall deficit in 2020 of \$117.2 million relative to a deficit of \$96.9 million in 2020. The government's total outstanding debt declined to \$222.7 million (4.5 percent of GDP) at the end of 2021.

1.15 GDP is projected to expand in 2022 by 3.4 percent, primarily due to expected recovery in the tourism and transport sector. The inflation rate is expected at 7.9 percent arising principally from external pressures. The overall unemployment rate is projected at 4.5 percent.

**The Cayman Islands Economic Performance: Summary Indicators**

Indicators	2019	2020	2021
Real GDP (\$million)*	4,526.7	4,269.4	4,347.9
GDP growth in real terms (%)*	3.9	(5.7)	1.8
Real GDP per capita (\$)*	66,495	62,924	63,524
Nominal GDP per capita (\$)*	72,754	68,887	71,811
Nominal GDP (\$million)*	4,952.8	4,674.0	4,915.2
Population (year-end)	69,914	65,786	71,105
<i>Of which</i> Caymanians	37,363	37,815	38,047
Population (mid-year)	66,248	65,786	67,721
Average inflation rate (%)	6.0	1.0	3.3
Employment	47,394	41,644	45,919
Unemployment rate (% of labour force)	3.5	5.2	5.7
Total imports (in \$million)	1,189.7	1,114.4	1,281.9
Total imports (% of GDP)	24.1	23.9	26.1
Total money supply (M2, in \$million)	7,566.2	8,189.8	8,660.2
Domestic credit (in \$million)	3,300.9	3,432.9	3,376.7
Mutual funds (including master funds)	10,857	11,896	12,719
Insurance licenses	672	679	686
Banking and trust licenses	125	110	101
Trust companies	115	117	114
Stock exchange listings	2,078	2,336	2,681
New company registrations	12,822	11,731	16,996
New partnership registrations	4,328	4,510	5,774
Stay-over tourists (in thousands)	502.7	121.8	17.3
Cruise ship passengers (in thousands)	1,831.0	538.1	-
Grand Cayman building permits (\$million)	470.6	555.6	717.0
Cayman Islands planning approvals (\$million)	890.4	883.2	976.9
Cayman Islands property transfers (\$million)	862.2	807.8	1,413.2
Net lending of the central government (\$million)	101.9	(96.9)	(117.2)
Net lending of the central government (% of GDP)	2.1	(2.1)	(2.4)
Outstanding debt of the central government (\$million)	284.4	248.6	222.7
Outstanding debt of the central government (% of GDP)	5.7	5.3	4.5

\*Preliminary estimate for 2021 based on indicators.

## 2. Global and Regional Macroeconomic Environment

*Economic activity across all country groups expanded amidst pent-up demand as consumers emerged from Covid-19-related restrictions on travel and business activities. The rise in demand led to some supply-chain constraints, which increased inflationary pressures.*

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

The world economy grew by 6.1 percent in 2021 compared with a contraction of 3.1 percent in 2020. This was due to increased economic activity, which responded to pent-up demand from consumers emerging from COVID-19 lockdown. The rise in demand was seen across most goods, services and economies. Consistent with the general expansion in economic activity, output in advanced economies rose by 5.2 percent for the year compared with a decline of 4.5 percent in 2020. Similarly, emerging markets and developing economies expanded by 6.8 percent compared with a contraction of 2.0 percent in the preceding year (see Table 2.1). All the major advanced economies (G7) showed some recovery during the year.

**Table 2.1: Global Economic Growth**

	2018	2019	2020	2021
	<b>% Change in GDP</b>			
World	3.6	2.9	-3.1	6.1
Advanced Economies	2.3	1.7	-4.5	5.2
United States	3.0	2.3	-3.4	5.7
United Kingdom	1.3	1.7	-9.3	7.4
Canada	2.4	1.9	-5.2	4.6
Euro Area	1.9	1.6	-6.4	5.3
Emerging Market and Developing Economies	4.5	3.7	-2.0	6.8

Source: International Monetary Fund (World Economic Outlook (WEO), April 2022)

Economic activity in the US economy rose by 5.7 percent in 2021 relative to a decline of 3.4 percent in 2020. The growth in activity was largely driven by higher consumer spending, investment, and exports. Consumption and investment rose on the heels of restrictive measures in the previous year. Economic growth in the UK rose to 7.4 percent from a contraction of 9.3 percent in 2020. This was attributed mainly to higher household spending and gross fixed investment.

<sup>1</sup> This review is culled from reports of the International Monetary Fund and other international organizations.

Canada recorded a 4.6 percent expansion in economic activity relative to a decline of 5.2 percent in 2020, mainly due to investment spending. Economic activity in the Euro Area rose by 5.3 percent relative to a fall of 6.4 percent in 2020. This largely emanated from increased consumption and business investment.

The Caribbean recorded economic growth of 3.5 percent in 2021 compared with a contraction of 4.3 percent in 2020 (see Table 2.2). This expansion reflected higher economic activities in most Caribbean countries. Growth in the region mainly emanated from a general rebound in demand, particularly for tourism services. Guyana, the Dominican Republic and Barbados recorded the highest percentage increases of 19.9 percent, 12.3 percent and 9.8 percent, respectively. In contrast, St Kitts and Nevis, Suriname and Haiti recorded the largest percentage contractions of 3.6 percent, 3.5 percent and 1.8 percent, respectively.

**Table 2.2: Caribbean Region Economic Growth<sup>2</sup>**

	2018	2019	2020	2021
	% Change in GDP			
Caribbean	4.7	3.3	-4.3	3.5
Antigua & Barbuda	7.0	4.9	-20.2	4.8
The Bahamas	3.0	0.7	-14.5	5.6
Barbados	-0.6	-1.3	-13.7	1.4
Dominican Republic	7.0	5.1	-6.7	12.3
Grenada	4.1	0.7	-13.8	5.6
Jamaica	1.8	1.0	-10.0	4.4
Trinidad and Tobago	0.1	-0.2	-7.4	-1.0

Source: International Monetary Fund (WEO, April 2022)

## 2.2 Inflation

Price pressures accelerated in 2021, with global inflation rising to 4.7 percent from 3.2 percent in 2020 (see Table 2.3). The faster pace of price increases reflected generally higher inflation in all regions led by advanced economies, which accelerated to 3.1 percent relative to 0.7 percent a year ago. Within this grouping, inflation in the US and UK rose to 4.7 percent and 2.6 percent from 1.2 percent and 0.9 percent, respectively, in 2020. Inflation accelerated to 5.9 percent in emerging markets and developing economies from 5.2 percent in 2020.

<sup>2</sup> The Caribbean comprises Antigua and Barbuda, The Bahamas, Barbados, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

**Table 2.3: Global Inflation**

	2018	2019	2020	2021
	<b>% Change in Prices</b>			
World	3.6	3.5	3.2	4.7
Advanced Economies	2.0	1.4	0.7	3.1
United States	2.4	1.8	1.2	4.7
United Kingdom	2.5	1.8	0.9	2.6
Canada	2.3	1.9	0.7	3.4
Euro Area	1.8	1.2	0.3	2.6
Emerging Market and Developing Economies	4.9	5.1	5.2	5.9

Source: International Monetary Fund (WEO, April 2022)

According to the IMF's Commodities Price Index, international commodity prices surged by 53.2 percent in the review period. This was relative to a 9.9 percent decline in the index for 2020 and occurred amidst rising demand and supply constraints. The simple average of crude oil prices rose by 67.3 percent for the period relative to a decline of 32.7 percent in the previous year. Similarly, the agricultural and metals price indices rose by 15.8 percent and 46.8 percent, respectively.

**Table 2.4: Inflation Rates: Caribbean Region**

	2018	2019	2020	2021
	<b>% Change in Prices</b>			
Caribbean	3.7	2.8	7.7	8.6
Antigua & Barbuda	1.2	1.4	1.1	1.6
The Bahamas	2.3	2.5	0.0	3.2
Barbados	3.7	4.1	2.9	3.0
Dominican Republic	3.6	1.8	3.8	8.2
Grenada	0.8	0.6	-0.7	1.2
Jamaica	3.7	3.9	5.2	5.9
Trinidad and Tobago	1.0	1.0	0.6	1.1

Source: International Monetary Fund (WEO, April 2021)

The Caribbean recorded inflation of 8.6 percent in 2021 relative to 7.7 percent in 2020 (see Table 2.4). Haiti and Suriname recorded the highest inflation rates of 15.9 percent and 59.1 percent, respectively. The general acceleration was reflected in all countries across the Caribbean.



### 2.3 International Finance<sup>3</sup>

Net borrowing<sup>4</sup> (overall fiscal deficit) as a percentage of GDP among advanced economies fell to 7.3 percent in 2021 from 10.5 percent in 2020. Within this category, the US and UK's net borrowing as a percentage of GDP fell to 8.5 percent and 5.9 percent from 12.4 percent and 11.7 percent in 2020, respectively. As a proportion of GDP, Canada and the Euro Area registered net borrowing balances of 5.3 percent and 5.5 percent in 2021 relative to 10.9 percent and 7.2 percent in 2020. Net borrowing for emerging markets and developing economies fell to 5.3 percent of GDP from 9.0 percent of GDP in 2020.

Policy interest rates of the major central banks were maintained at low levels during the review period as they maintained an accommodative monetary policy stance to support economic recovery in the aftermath of pandemic restrictions (see Table 2.5). The US' Federal Reserve Bank (FRB) maintained its policy interest rate in the range of 0.00 percent to 0.25 percent.

The Bank of England maintained its policy rate for the first three quarters before raising it by 15 basis points to 0.25 percent in December 2021. The Bank of Canada maintained its overnight target rate at 0.25 percent during the year. Similarly, the European Central Bank maintained the interest rate on its main refinancing operations at 0.00 percent.

**Table 2.5: Key Interest Rates (% , at the end of Quarter)**

		US <sup>1</sup>	UK	Canada	Euro Area
Rates in %					
2020	Q1	0.13	0.10	0.25	0.00
	Q2	0.13	0.10	0.25	0.00
	Q3	0.13	0.10	0.25	0.00
	Q4	0.13	0.10	0.25	0.00
2021	Q1	0.13	0.10	0.25	0.00
	Q2	0.13	0.10	0.25	0.00
	Q3	0.13	0.10	0.25	0.00
	Q4	0.13	0.25	0.25	0.00

1. Mid-point of the federal funds rate range used in this table

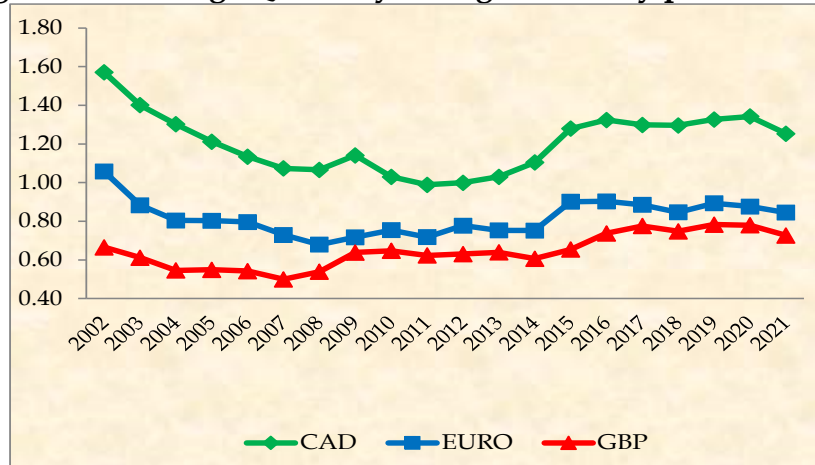
Source: Bank of England; US Federal Reserve Bank, European Central and Bank of Canada

<sup>3</sup> Source: International Monetary Fund (WEO, April 2021).

<sup>4</sup> Net lending/net borrowing is equal to total revenue less total expenditure. It is viewed as an indicator of the financial impact of governments' activities on the rest of the economy. A positive balance is referred to as net lending while a negative balance is referred to as net borrowing.

The US Dollar weakened on average against the world’s three major traded currencies (see Figure 2.1). On average, the US Dollar declined in value by 6.6 percent, 3.6 percent and 6.8 percent against the Canadian Dollar, Euro and the Great Britain Pound Sterling (GBP), respectively.

**Figure 2.1: Average Quarterly Foreign Currency per U.S Dollar**



Source: United States Federal Reserve Bank

#### 2.4 Regional and International Tourism<sup>5</sup>

International tourist arrivals expanded by 4.0 percent in 2021 despite remaining 72.0 percent below pre-pandemic levels.

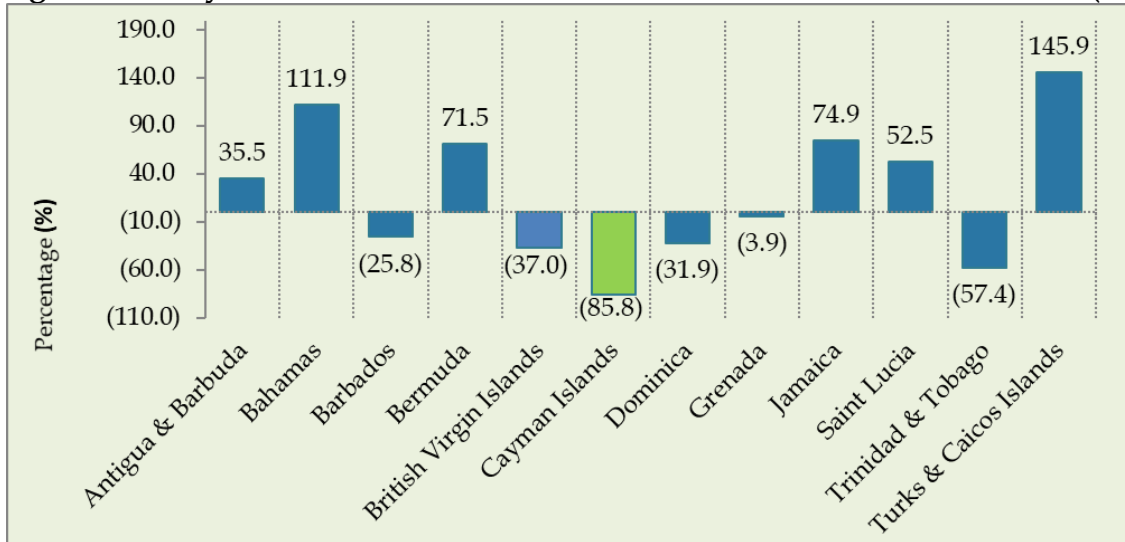
The growth in arrivals largely reflected a rise in vaccination rates among travellers combined with softer travel restrictions due to increased cross-border coordination and protocols. Regional growth was led by Europe and the Americas, which increased by 19.0 percent and 17.0 percent, respectively. Arrivals in the African region rose by 12.0 percent, while arrivals to the Middle East declined further by 24.0 percent. Asia and the Pacific region declined by 65.0 percent when compared to 2020 levels. For the year, tourism is estimated to have contributed \$ 1.9 trillion directly to gross domestic product relative to \$1.6 trillion in 2020.

The Caribbean recorded an estimated 19.0 million tourist visits across all regional destinations. This represented a 68.9 percent growth and largely resulted from increased travel confidence, high demand for travel and the creation of the enabling environment for travel to occur. Despite the strong rebound, arrivals during the year were 40.6 percent lower than the pre-pandemic levels in 2019. As

<sup>5</sup> Source: World Tourism Organization and Caribbean Tourism Organization.

depicted in figure 2.2, the greatest increases were recorded in the Turk & Caicos Islands (145.9%), Bahamas (111.9%), Jamaica (74.9%) and Bermuda (71.5%). The Cayman Islands recorded the largest percentage decline for the period (85.8%).

**Figure 2.2: Stay-Over Arrivals of Select Caribbean Countries, 2021 Growth (%)**



Source: World Tourism Organization, Caribbean Tourism Organization and other official sources.

### 3. Macroeconomic Performance

*Pent-up demand and robust growth in financial services led to an expansion in domestic output for the year. Rising global demand coupled with supply chain constraints added upward pressures on prices and resulted in higher inflation. Additionally, the continued closure of the labour-intensive tourism sector led to a rise in unemployment.*

#### 3.1 Economic Growth

The Cayman Islands' real Gross Domestic Product (GDP) is estimated to have expanded by 1.8 percent in 2021, a rebound from the contraction of 5.7 percent observed in 2020. In real terms, gross domestic product is estimated at \$4,347.9 million, relative to \$4,269.4 million in 2020 (see Table 3.1). Growth for the year was in the context of increased economic activity globally, as economies responded to stimulus measures to cope with the pandemic and pent-up demand.

Cayman's per capita income in real terms fell by 1.1 percent to \$64,203 as 2.9 percent growth in the mid-year resident population outweighed the expansion in in real income. In nominal terms, the estimated per capita income was \$72,580, approximately 2.2 percent higher than in 2020.

**Table 3.1: Cayman Islands' Gross Domestic Product**

	2016	2017	2018	2019	2020	2021E
GDP at Current Prices (CI\$M)	4,091.1	4,305.2	4,608.5	4,952.8	4,674.0	4,915.2
<i>Current GDP growth (%)</i>	4.3	5.2	7.0	7.5	(5.6)	5.2
Per Capita GDP at current prices (CI\$) <sup>1</sup>	69,277	70,708	71,538	74,761	71,048	72,580
GDP at constant 2015 prices (CI\$M)	4,050.6	4,179.5	4,357.9	4,526.7	4,269.4	4,347.9
<i>Real GDP growth (%)</i>	3.2	3.2	4.3	3.9	(5.7)	1.8
Per Capita GDP at constant 2015 prices (CI\$)	68,591	68,644	67,648	68,329	64,898	64,203

<sup>1</sup> Using mid-year population figures.

E Preliminary based on sector economic indicators

Source: Economics and Statistics Office

Actual indicators point to recovery across most sectors of the economy for the year. Growth was led by the construction sector, which rose by 7.9 percent. The sector has shown robust increases in recent years owing to a rise in demand and a number of public sector capital projects, including major road expansions. The services sector, which accounted for 88.8 percent of GDP, increased by 1.0 percent and reflected mixed results in key sub-sectors (see Table 3.2).

**Table 3.2: Real GDP (at 2015 Prices) by Sector**

	2018	2019	2020	2021E	% Change
Millions of Cayman Islands Dollars					
<b>Primary Sectors</b>	<b>26.3</b>	<b>27.8</b>	<b>26.9</b>	<b>27.6</b>	<b>2.6</b>
Agriculture & Fishing	16.6	17.3	17.0	17.2	1.1
Mining & Quarrying	9.7	10.5	9.8	10.3	5.3
<b>Secondary Sectors</b>	<b>199.6</b>	<b>217.0</b>	<b>211.7</b>	<b>226.6</b>	<b>7.1</b>
Manufacturing	38.8	40.3	37.4	38.7	3.3
Construction	160.7	176.7	174.2	187.9	7.9
<b>Services Sectors</b>	<b>3,868.3</b>	<b>4,023.3</b>	<b>3,823.9</b>	<b>3,861.0</b>	<b>1.0</b>
Electricity & Water Supply	100.6	106.0	100.9	102.3	1.4
Wholesale & Retail Trade, Repairs & Installation of Machinery	275.5	291.7	282.7	298.0	5.4
Hotels & Restaurants incl. Bars	234.9	251.0	117.5	92.3	(21.4)
Transport, Storage & Communication	262.8	274.3	204.2	177.6	(13.0)
Financing & Insurance Services	1,344.7	1,378.9	1,392.4	1,416.9	1.8
Business Activities and Admin	675.9	698.3	730.2	750.4	2.8
Real Estate	369.6	379.1	367.7	390.7	6.3
Health and Social Work	156.7	163.1	173.4	179.9	3.8
Producers of Government Services	323.9	347.1	354.1	365.7	3.3
Other Services	123.7	133.8	100.8	87.1	(13.6)
Taxes less Subsidies on Products	263.8	258.6	207.0	232.7	12.4
<b>GDP constant at purchasers' prices</b>	<b>4,357.9</b>	<b>4,526.7</b>	<b>4,269.4</b>	<b>4,347.9</b>	<b>1.8</b>
Growth (%)	4.3	3.9	(5.7)	1.8	

E- Preliminary estimates based on sector economic indicators

Real estate activities continued to expand during the year, with activities in the sector rising by 6.3 percent. Financing and insurance services, which account for approximately 32.6 percent of GDP, is estimated to have expanded by 1.8 percent. This is mainly due to a rise in insurance activities evidenced by a rise in net premium across most categories. Business activities which comprise legal and accounting services, rose by 3.2 percent, while administrative and support services increased by 0.1 percent.

The impact of pent-up demand from Covid-19 restrictions was reflected in the wholesale and retail trade sector, which expanded by 5.4 percent. Health and

social services as well as other government services also expanded during the year as the government continued to navigate the impact of the pandemic.

In contrast to the general recovery in most sectors, the hotel and restaurant sector contracted further by 21.4 percent. The Island's borders remained closed to tourists for the majority of the year, with a soft reopening in the last two months. The closure of the islands' ports to visitors led to a similar contraction in the transportation sector. As a result, the transport, storage and communication sector is estimated to have contracted by 13.0 percent. Notably, the impact of a 31.9 percent fall in transport and storage was partly offset by a 1.6 percent increase in communication. The continued lack of tourism activity also contributed to a 13.6 percent fall in the 'other' sector.

### **3.2 Inflation**

Rising international demand amidst supply chain constraints and labour shortages spurred a surge in inflation during the year. Consumer prices rose by 3.3 percent relative to 1.0 percent for 2020. Price pressures during the year were influenced by a rebound in international activities as economies emerged from post-COVID-19 lockdown measures. Global supply chains were impacted by a 6-day blockage of the Suez Canal and other global supply bottlenecks. These impediments led to a shortage of both final goods and inputs, which further exacerbated supply shortages. Additionally, manufacturing and distribution was slowed by labour market mismatches as economies emerged from lockdown and measures.

All divisional indices rose for the year, led by increase prices for food, miscellaneous goods and transport. The index for food and non-alcoholic beverages rose by 3.8 percent, reflecting annual increases of 13.7 percent in meat products, 10.8 percent in vegetables and 9.1 percent in milk, cheese and eggs.

**Table 3.3: Average Inflation Rates**

Categories	Avg. Inflation Rates (%)	
	2020	2021
Food & Non-alcoholic Beverages	5.1	3.8
Alcohol and Tobacco	0.8	0.4
Clothing and Footwear	3.9	2.0
Housing and Utilities	0.7	3.2
Household Equipment	1.6	2.6
Health	2.3	3.5
Transport	(0.8)	4.4
Communication	5.9	3.7
Recreation and Culture	(3.2)	1.7
Education	4.2	1.4
Restaurants and Hotels	(0.3)	2.8
Misc. Goods and Services	1.2	5.0
<b>Overall CPI Inflation</b>	<b>1.0</b>	<b>3.3</b>

The average price index for miscellaneous goods and services increased by 5.0 percent, while the transport index rose by 4.4 percent.

The rise in the index for miscellaneous goods and services was largely due to increases in the costs of most goods and services for personal care and grooming services. Higher transportation cost was largely due to a general rise in international fuel prices and was reflected in both land and air transport. Rising fuel cost was also reflected in the index

for housing and utilities, with the sub-index for electricity, gas and other fuels rising by 13.0 percent. The price index for health increased by 3.5 percent for the period as the Islands continued to navigate the impacts of the pandemic.

**Table 3.4: Selected Quarterly Inflation Rates (%)**

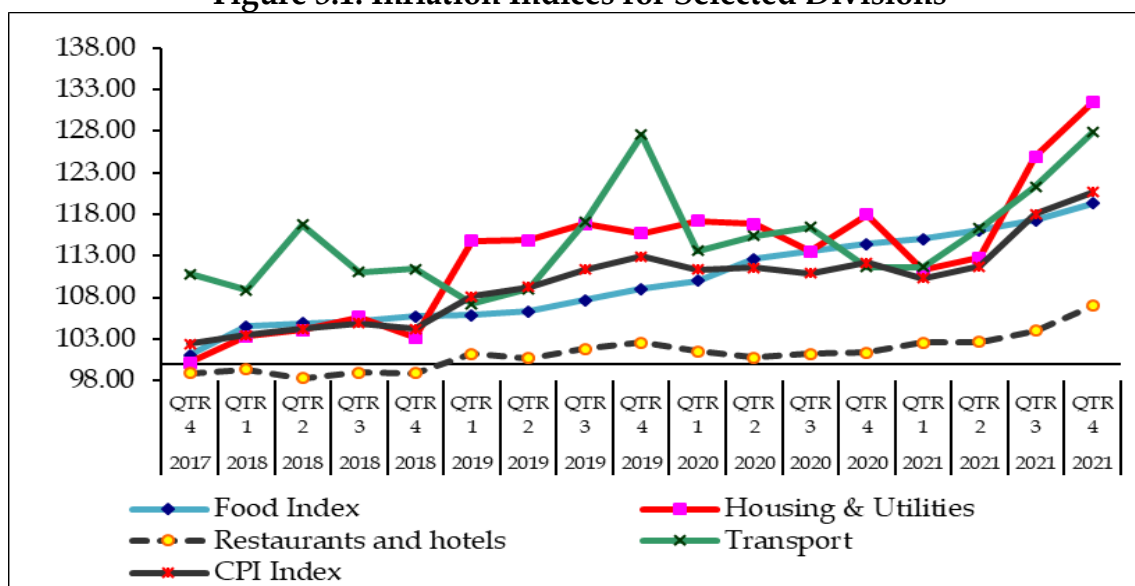
		CPI Inflation	Non Food Inflation	Core Inflation*	CPI Excluding Housing & Utilities	Food Inflation	Housing & Utilities Inflation	Electricity and Fuel Inflation
% Change over the same Quarter a Year Ago								
2020	QTR 1	3.0	2.9	3.5	3.5	3.9	2.1	(1.9)
	QTR 2	2.1	1.9	2.9	2.4	6.0	1.7	(6.1)
	QTR 3	(0.4)	(0.8)	1.7	0.9	5.5	(2.8)	(20.0)
	QTR 4	(0.7)	(1.0)	0.3	(2.0)	5.0	2.0	(12.2)
<b>Annual Average 2020</b>		<b>1.0</b>	<b>0.7</b>	<b>2.1</b>	<b>1.2</b>	<b>5.1</b>	<b>0.8</b>	<b>(10.0)</b>
2021	QTR 1	(1.0)	(1.3)	(0.2)	1.3	4.6	(5.1)	7.7
	QTR 2	0.2	(0.0)	(0.9)	2.1	3.0	(3.5)	26.1
	QTR 3	6.4	6.7	4.7	4.5	3.3	10.1	26.6
	QTR 4	7.6	7.9	5.9	5.5	4.3	11.5	0.0
<b>Annual Average 2021</b>		<b>3.3</b>	<b>3.3</b>	<b>2.4</b>	<b>3.4</b>	<b>3.8</b>	<b>3.2</b>	<b>15.1</b>

\* CPI Inflation excluding food and non-alcoholic beverages, electricity and fuels.

Source: Economics and Statistics Office

Core inflation, which is the overall inflation without food and non-alcoholic beverages, electricity and fuel, increased by 2.4 percent in 2021 compared to 2.1 percent a year ago (see Table 3.4). The average cost of electricity and fuels was higher by 15.1 percent for the year. Concurrently, the rise in non-food inflation averaged 3.3 percent compared to a year ago when it went up by 0.7 percent. The Specific indices confirm the general increase in prices for the period, with the sharpest increases seen in the indices related to energy and food prices.

Figure 3.1: Inflation Indices for Selected Divisions



Source: Economics and Statistics Office

### 3.3 Labour Force and Employment

Cayman’s labour force expanded by 10.9 percent to 48,688 in 2021 (see Table 3.5) as the uptick in demand and economic activities attracted increased labour. There were increases in all segments, with the number of Permanent Residents with Rights to Work (WRW) rising by 25.4 percent to 4,440, Non-Caymanians rose by 16.2 percent to 22,236, and Caymanians increased by 3.6 percent to 22,012. Give the general uptick in persons entering the labour market, the overall Labour Force Participation Rate (LFPR) rose from 80.4 percent in 2020 to 82.1 percent in 2021. The LFPR of Caymanians and Permanent Residents with Rights to Work (WRW) increased while the LFPR on Non-Caymanians remained flat.



**Table 3.5: Summary of Labour Force Indicators**

<b>FALL</b>			
	<b>2020</b>	<b>2021</b>	<b>% Change</b>
<b>Total Population</b>	<b>65,786</b>	<b>71,105</b>	<b>8.1</b>
Working Age Population	54,620	59,275	8.5
Labour Force	43,922	48,688	10.9
Employed	41,644	45,919	10.3
Unemployed	2,279	2,769	21.5
Unemployment Rate	5.2	5.7	9.4
Labour Force Participation Rate	80.4	82.1	2.2
<b>Caymanian Population</b>	<b>37,815</b>	<b>38,047</b>	<b>0.6</b>
Working Age Population	29,520	30,089	1.9
Labour Force	21,249	22,012	3.6
Employed	19,490	20,148	3.4
Unemployed	1,759	1,864	6.0
Unemployment Rate	8.3	8.5	2.0
Labour Force Participation Rate	72.0	73.2	1.6
<b>Permanent Residents Population</b>	<b>5,866</b>	<b>5,157</b>	<b>(12.1)</b>
Working Age Population*	4,258	4,958	16.4
Labour Force	3,540	4,440	25.4
Employed	3,441	4,164	21.0
Unemployed	99	276	178.3
Unemployment Rate	2.8	6.2	121.6
Labour Force Participation Rate	83.1	89.6	7.8
<b>Non-Caymanian Population</b>	<b>22,105</b>	<b>27,901</b>	<b>26.2</b>
Working Age Population	20,842	24,228	16.2
Labour Force	19,134	22,236	16.2
Employed	18,713	21,607	15.5
Unemployed	421	629	49.4
Unemployment Rate	2.2	2.8	28.6
Labour Force Participation Rate	91.8	91.8	(0.0)

\* With rights to work (WRW) only

Source: ESO Fall Labour Force Survey (2020) and the Cayman Islands' 2021 Census of Population and Housing Report

Employment increased by 10.3 percent (or 2,275) to 45,919 in the year. Caymanian employment rose by 3.4 percent (or 658) to 20,148. The number of employed Permanent Residents WRW expanded by 21.0 percent (or 723) to 4,164, while employed Non-Caymanians increased by 15.5 percent (or 2,894) to 21,607.

The unemployment rate rose to 5.7 percent from 5.2 percent in 2020. This increase resulted from higher unemployment in all segments. The number of unemployed Caymanians rose by 21.5 percent (or 490) to 2,769, the number of unemployed Permanent Residents WRW increased by 178.3 percent (or 177) to 276, while unemployed Non-Caymanians increased by 49.4 percent (or 208) to 629.

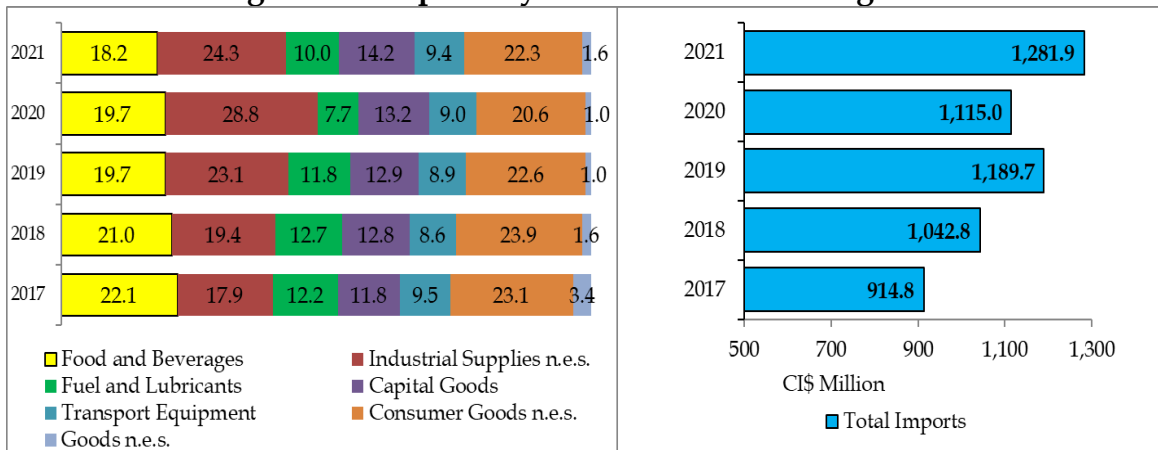
### 3.4 External Sector

**Merchandise Imports.** The value of merchandise imports rose by 15.0 percent to \$1,281.9 million, reflecting increases in both fuel and non-fuel imports. The extensive growth in imports was driven by a rebound in economic activity, which led to a rise in prices. The value of non-fuel imports increased by 12.4 percent to \$1,153.0 million. All categories increased except for *commodities and transactions not elsewhere classified*. The major contributors to the increase in non-fuel imports were *machinery and transport equipment* (up 21.1 percent to \$286.7 million), *manufactured goods* (up 31.5 percent to \$177.7 million), and *miscellaneous manufactured articles* (up 17.1 percent to \$264.7 million).

The value of fuel imports rose by 44.0 percent to \$128.9 million, reflecting both an increase in price and volume. Global crude oil prices rose to an average of US\$69.1 per barrel in 2021 from an average of US\$41.3 per barrel in 2020, according to the IMF's Commodity Price Data. Consistent with the increase in fuel imports, its share of total imports rose from 8.0 percent in 2020 to 10.1 percent in 2021.

Regarding imports by Broad Economic Category (BEC), all categories increased except industrial supplies not elsewhere specified. The categories registering the largest percentage increases were goods not elsewhere specified, which increased by 80.5 percent to \$21.0 million; fuels and lubricants, which rose by 49.0 percent to \$127.6 million; consumer goods not elsewhere specified, which increased by 24.7 percent to \$285.9 million; and capital goods, which increased by 23.5 percent to \$182.3 million. Industrial supplies not elsewhere specified, which accounted for the largest share of imports (24.3 percent), declined by 3.0 percent to \$311.8 million.

Figure 3.2: Imports by Broad Economic Categories

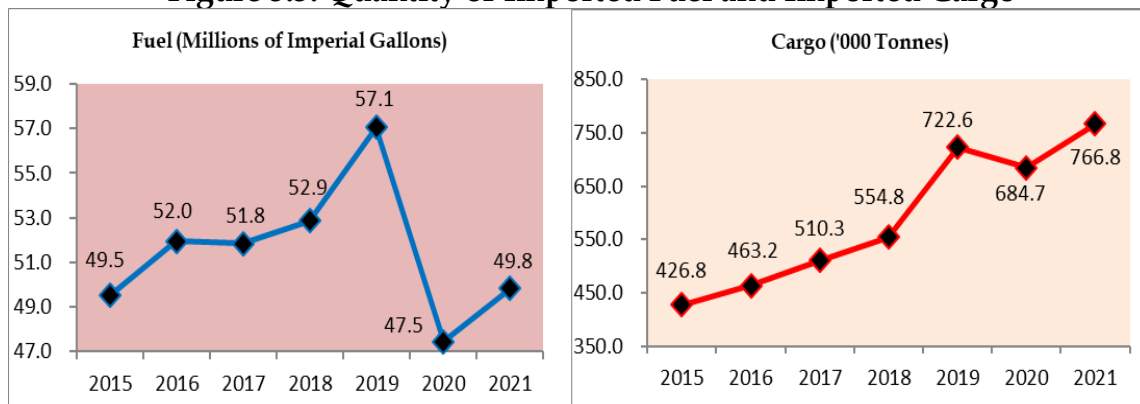


Source: Economics and Statistics Office

The imported volume of fuel expanded by 5.0 percent to 49.8 million imperial gallons for the year. This increase was reflected in two of the four categories. Diesel and gas imports rose by 13.7 percent and 1.1 percent, respectively. In contrast, the importation of aviation fuel fell by 77.7 percent, while propane imports contracted by 16.9 percent. Diesel continued to account for the bulk of fuel imports into the Islands, contributing 73.3 percent of the imported volume in 2021.

Cargo imports rebounded by 12.0 percent to 766.8 thousand tonnes, with all categories increasing. Imported aggregates rose by 10.8 percent to 384.4 thousand tonnes, cement (bulk) increased by 32.3 percent to 79.7 thousand tonnes, breakbulk cargo increased by 27.5 percent to 8.8 thousand tonnes, while containerized cargo rose by 8.4 percent to 293.1 thousand tonnes.

Figure 3.3: Quantity of Imported Fuel and Imported Cargo



Source: Customs Department and Port Authority of the Cayman Islands

**Exports:** The value of merchandise exports, which consists mainly of re-exports, decreased by 19.6 percent to \$14.3 million in 2021. This deterioration was primarily due to reduced exports of fuel and machinery, and transport equipment.

**Current account<sup>6</sup>:** The current account deficit of the balance of payments is estimated to have deteriorated in 2021 to \$1,021.5 million or 20.8 percent of GDP (see Table 3.6). Contractions in tourism receipts outweigh higher receipts from financial services. The income account is also estimated to have shrunk during the year. The goods sub-account is also estimated to have deteriorated in line with the rise in imports which is an outflow in the current account.

**Table 3.6: Balance of Payments (in CI\$ million)**

	2018	2019	2020	2021
<b>Current Account Balances</b>				
Trade balance	(682.2)	(748.0)	(517.6)	(664.1)
Exports	257.8	361.8	510.3	518.0
Imports, f.o.b.	(940.1)	(1109.7)	(1027.9)	(1182.0)
Services, net	1,883.3	1,966.6	1,471.3	1,343.3
Receipts	3,041.3	3,142.4	2,532.9	2,434.6
o/w tourism visitor expenditure	880.1	770.1	187.4	11.2
o/w financial services	1,149.2	1,143.6	1,063.5	1,147.7
Payments	(1,158.1)	(1,175.8)	(1,061.7)	(1,091.3)
Net income	(1,391.3)	(1,281.7)	(1,206.5)	(1,300.3)
Credits	3,549.5	3,593.9	1,731.0	1,744.4
Debits	(4,940.9)	(4,875.6)	(2,937.5)	(3,044.7)
Transfers, net	(582.6)	(476.0)	(383.5)	(400.3)
<b>Current Account Balance<sup>7</sup></b>	<b>(772.9)</b>	<b>(539.0)</b>	<b>(636.3)</b>	<b>(1,021.5)</b>
<i>Percent of GDP (%)</i>	<i>(16.8)</i>	<i>(10.9)</i>	<i>(13.6)</i>	<i>(20.8)</i>

<sup>E</sup> Estimated based on key economic indicators

\*Merchandise good exports plus goods procured in ports plus net export of goods under merchanting. Estimate for 2021 only includes merchandise goods and goods procured in port.

Source: Economics and Statistics Office

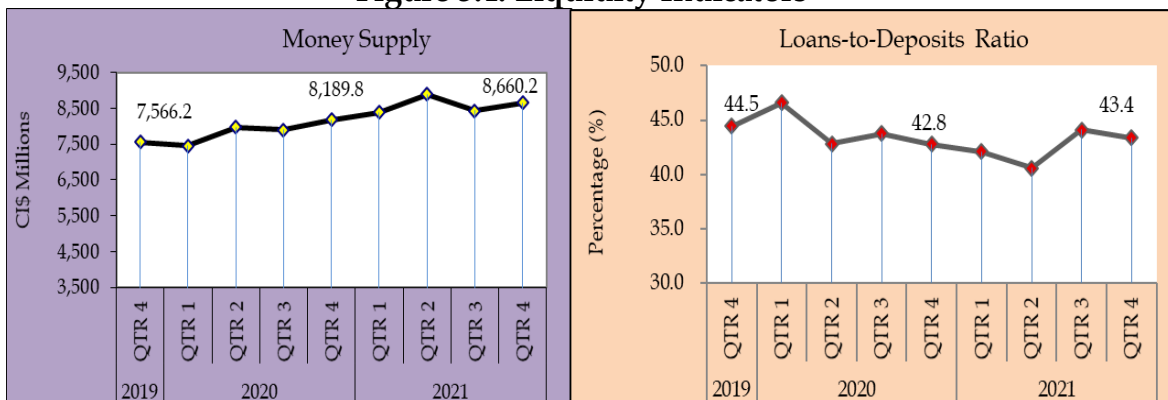
<sup>6</sup> The current account of the balance of payments measures the total value of the country's transaction against the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest of the world compared to its receipts from these transactions.

### 3.5 Money and Credit<sup>7</sup>

**Broad liquidity:** Cayman’s economy continued to rely heavily on the financial system during the year. Broad liquidity (M2) expanded by 5.7 percent (\$470.4 million) relative to 2020 (see Figure 3.4 and Table 3.7). The reliance on the banking system was also evidenced by the ratio of broad liquidity to nominal GDP (a measure of financial deepening), which stood at 176.2percent at the end of 2021 relative to 175.2 percent at the end of 2020.

The expansion in money supply was due to an 8.5 percent rise in local currency-denominated money, which reflected increases of 8.7 percent and 5.5 percent in KYD deposits and currency in circulation, respectively. Higher liquidity during the period could be attributed to the continued money velocity of stimulus injections in the economy during the second half of 2020 and early 2021. Additionally, foreign currency deposits by residents grew by 4.7 percent for the year to \$6.1 billion. The growth in KYD deposits meant that its share of the total money stock increased to 27.0 percent, while the share of foreign currency deposits fell to 71.0 percent. The contribution of currency in circulation remained relatively stable at 2.0 percent of the total money supply.

**Figure 3.4: Liquidity Indicators**



Source: Cayman Islands Monetary Authority and ESO

The robust increase in deposits for the period was outperformed by a faster pace of growth in loans. Consequently, the overall loans-to-deposits ratio rose to 43.4 percent relative to 42.8 percent at the end of 2020. More generally, the rise in deposit funding allowed commercial banks to increase net foreign assets and net domestic assets by 2.0 percent and 15.4 percent, respectively.

<sup>7</sup> Some additions and percentage changes may not be exact due to rounding to one decimal place.

**Table 3.7: Monetary and Banking Summary, in CI\$ million**

	Dec-19	Dec-20	Dec-21	% Change
<b>Total Assets</b>	<b>7,566.2</b>	<b>8,189.8</b>	<b>8,660.2</b>	5.7
<b>Net Foreign Assets</b>	<b>5,330.5</b>	<b>5,890.1</b>	<b>6,007.1</b>	2.0
Monetary Authority	153.8	181.8	192.8	6.0
Commercial Banks	5,176.7	5,708.3	5,814.4	1.9
<b>Net Domestic Assets</b>	<b>2,235.7</b>	<b>2,299.7</b>	<b>2,653.0</b>	15.4
Domestic credit	3,300.9	3,432.9	3,679.7	7.2
Claims on central government	230.9	198.6	175.6	(11.6)
Claims on other public sector	45.1	38.7	29.7	(23.2)
Claims on private sector	3,024.9	3,195.6	3,474.4	8.7
Other items net	(1,065.2)	(1,133.2)	(1,026.7)	(9.4)
<b>Broad Liquidity</b>	<b>7,566.2</b>	<b>8,189.8</b>	<b>8,660.2</b>	5.7
Broad money (KYD) M2	<b>1,953.2</b>	<b>2,317.1</b>	<b>2,513.2</b>	8.5
Currency in circulation	140.4	164.4	173.5	5.5
<b>KYD Deposits</b>	<b>1,812.9</b>	<b>2,152.7</b>	<b>2,339.7</b>	8.7
Demand deposits	775.3	937.4	1,055.6	12.6
Time and savings deposits	1,037.5	1,215.3	1,284.1	5.7
FOREX deposits	5,613.0	5,872.7	6,146.9	4.7
<i>of which: US dollars</i>	5,203.1	5,332.6	5,671.6	6.4
<i>US dollars share (%)</i>	92.7	90.8	92.3	

Source: Cayman Islands Monetary Authority and ESO

**Net foreign assets:** Net foreign assets (NFA) of the Cayman Islands Monetary Authority (CIMA) and commercial banks expanded by 6.0 percent and 1.9 percent, respectively (see Table 3.8). CIMA's NFA rose by \$10.9 million during the review period, a smaller increase than the \$28.1million seen a year earlier. The build-up in commercial banks' NFA occurred in the context of a 0.4 percent expansion in foreign assets and was supported by a 2.5 percent reduction in foreign liabilities.

The rise in foreign assets was due to a build-up in foreign investments, which expanded by 18.1 percent (\$662.1 million). The impact of the rise in investments was partially offset by reductions in foreign currency balances held with banks and branches and lower foreign currency non-resident loans of 13.5 percent and 8.5 percent, respectively. In contrast, foreign liabilities declined on account of a 3.1

percent fall in non-resident deposits. The reduction in foreign liabilities was stymied by a rise in other liabilities, which rose by 3.0 percent.

The ratio of foreign currency-denominated liabilities to total liabilities (a financial soundness indicator that measures the relative importance of foreign currency funding within the banking system) stood at 79.0 percent in 2021, lower than the 80.0 percent recorded in 2020. Foreign currency liabilities continued to be the primary source of funding in the Cayman Islands, which can be considered a “pseudo dollarized economy.” The large ratio of foreign currency deposits provides strong support for the fixed exchange rate under the existing currency board system.

**Table 3.8: Net Foreign Assets, CI\$ million**

	Dec-19	Dec-20	Dec-21	% Change
<b>Net Foreign Assets</b>	<b>5,330.5</b>	<b>5,890.1</b>	<b>6,007.1</b>	2.0
Monetary Authority	153.8	181.8	192.8	6.0
Commercial Banks	5,176.7	5,708.3	5,814.4	1.9
<b>Foreign Assets</b>	<b>9,467.7</b>	<b>8,752.9</b>	<b>8,783.8</b>	0.4
Bal. with Banks & Branches	4,606.7	3,985.0	3,448.3	(13.5)
Total Investment	3,373.3	3,652.5	4,314.6	18.1
Total Non-Resident Loans	1,487.7	1,115.4	1,021.0	(8.5)
<b>Foreign Liabilities</b>	<b>4,290.9</b>	<b>3,044.7</b>	<b>2,969.4</b>	(2.5)
Total Non-Resident Deposits	3,956.0	2,740.6	2,656.3	(3.1)
Other Liabilities	334.9	304.1	313.1	3.0

Source: Cayman Islands Monetary Authority and ESO

**Net domestic credit:** Domestic credit expanded by 7.2 percent to \$3,679.7 million in 2021. This was driven by increased lending to the private sector, while credit to the public sector declined. Credit extended to the private sector rose by 8.7 percent, reflecting expansions of 12.7 percent and 7.2 percent in businesses and household lending, respectively. A reduction in public sector borrowing partially offset the impact of these increases. The falloff in public sector credit reflected reductions of 11.6 percent and 23.2 percent in loans to the central government and parastatals, respectively.

**Table 3.9: Net Domestic Credit, CI\$ million**

	Dec-19	Dec-20	Dec-21	% Change
<b>Domestic Credit</b>	<b>3,300.9</b>	<b>3,432.9</b>	<b>3,679.7</b>	<b>7.2</b>
Credit to Public Sector	276.0	237.3	205.3	(13.5)
Credit to Central Government	230.9	198.6	175.6	(11.6)
Credit to Other Public Sector	45.1	38.7	29.7	(23.2)
Credit to Private Sector	3,024.9	3,195.6	3,474.4	8.7

Source: Cayman Islands Monetary Authority and ESO

**Table 3.10: Net Credit to the Private Sector, CI\$ million**

	Dec-19	Dec-20	Dec-21	% Change
<b>Total Private Sector Credit</b>	<b>3,024.9</b>	<b>3,195.6</b>	<b>3,474.4</b>	<b>8.7</b>
<b>Credit to Businesses</b>	<b>937.5</b>	<b>1,035.4</b>	<b>1,166.8</b>	<b>12.7</b>
<b>Production &amp; Manufacturing</b>	<b>217.0</b>	<b>236.7</b>	<b>207.3</b>	<b>(12.4)</b>
Mining	4.6	4.4	4.9	10.9
Manufacturing	8.0	8.9	8.4	(5.9)
Utilities	16.8	16.4	8.2	(49.8)
Construction	187.6	207.0	185.8	(10.2)
<b>Services</b>	<b>102.4</b>	<b>117.0</b>	<b>126.3</b>	<b>8.0</b>
Accommodation, Food, Bar & Entertainment Services	60.9	65.6	68.3	4.2
Transportation, Storage & Communications	21.5	28.8	28.9	0.4
Education, Recreational & Other Professional Services	20.0	22.6	29.0	28.6
<b>Trade and Commerce</b>	<b>584.6</b>	<b>652.9</b>	<b>812.4</b>	<b>24.4</b>
Wholesale & Retail Sales Trade	57.8	70.2	102.3	45.6
Real Estate Agents, Rental and Leasing Companies	262.6	281.5	318.9	13.3
Other Business Activities (General Business Activity)	264.2	301.1	391.2	29.9
<b>Other Financial Corporations</b>	<b>33.5</b>	<b>28.8</b>	<b>20.8</b>	<b>(27.8)</b>
<b>Credit to Households</b>	<b>2,068.8</b>	<b>2,139.1</b>	<b>2,293.1</b>	<b>7.2</b>
Domestic Property	1,771.8	1,887.8	2,033.1	7.7
Motor Vehicles	57.3	58.8	58.4	(0.7)
Education and Technology	4.7	4.2	3.3	(20.8)
Miscellaneous*	235.0	188.4	198.3	5.3
<b>NonProfit Organizations</b>	<b>18.6</b>	<b>21.1</b>	<b>14.5</b>	<b>(31.5)</b>

\*Miscellaneous include consolidated debt, insurance, medical & travel

Source: Cayman Islands Monetary Authority and ESO



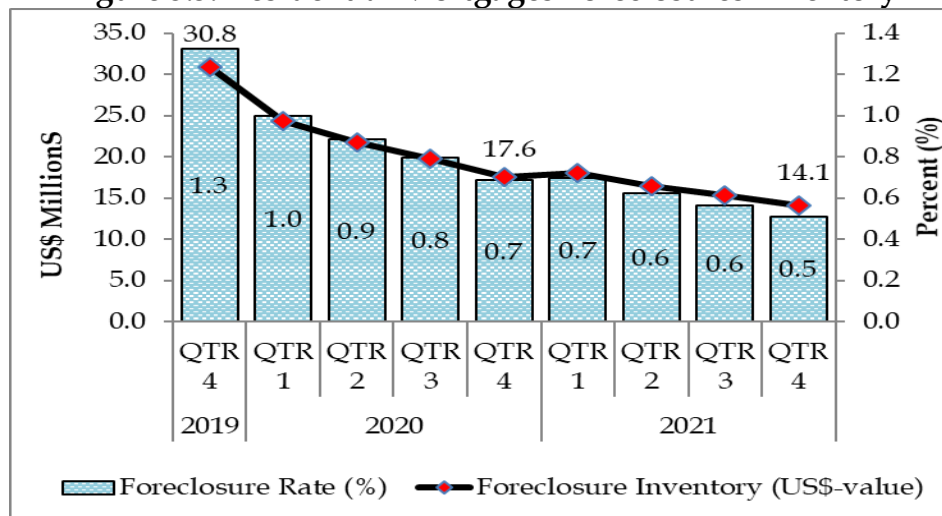
Credit extended to businesses rose by 12.7 percent for the year to \$1,166.8 million (see Table 3.10). The trade and commerce sector reflected the largest expansion of \$159.5 million (or 24.4%). Credit to the services sector rose by \$9.3 million (or 8.0%), while credit to the production and manufacturing sector and other financial corporations declined by 12.4 percent and 28.7 percent, respectively.

Household loans, which accounted for two-thirds of the banking sector’s domestic credit portfolio, increased by 7.2 percent (or \$154.0 million) to \$2,293.1 million in 2021. Growth in consumer loans was driven by increases of 7.7 percent and 5.3 percent in loans for domestic properties and miscellaneous services, respectively. In contrast, motor vehicle loans fell by 0.7 percent, while credit extended to the education and technology sector fell by 20.8 percent.

**Residential mortgage foreclosures:** Data from CIMA showed that the average foreclosure inventory in 2021 reached 49 properties valued at US\$14.1 million. This represents a reduction from 61 properties valued at US\$17.6 million in 2020 (see Figure 3.5).

Similarly, the average foreclosure rate (the value of foreclosure inventory over the total value of residential mortgages) inched downwards to 0.5 percent in 2021 from 0.7 percent in 2020.

**Figure 3.5: Residential Mortgages Foreclosures Inventory**



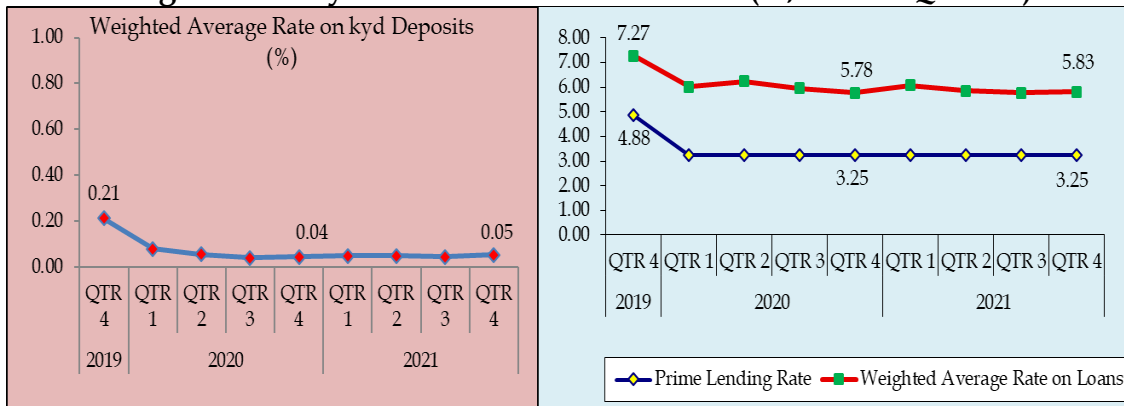
Source: Cayman Islands Monetary Authority and Economics and Statistics Office

**Interest rates:** The Federal Funds Target Rate (FFTR) remained unchanged during the year, which supported Cayman’s prime lending rate remaining

unchanged at 3.25 percent at the end of 2021. Despite a stable prime rate, the weighted average rate on KYD loans increased slightly by 5 basis points to 5.83 percent (see Figure 3.6).

The weighted average rate on KYD deposits also increased slightly, by 1 basis point to 0.05 percent at the end of 2021.

**Figure 3.6: Cayman Islands' Interest Rates (% , End of Quarter)**



Source: Cayman Islands Monetary Authority and ESO

## 4. Key Sector Developments

*Cayman's financial services industry generally improved while stay-over tourist arrivals dwindled. Construction indicators suggest increased activity while the total value of real estate transfers surged. Electricity consumption increased while water consumption declined.*

### 4.1 Financial Services

The financial services industry expanded in 2021, with most indicators rising for the period. Insurance licenses, mutual funds registration, stock exchange listings, new company registrations and new partnership registration increased while bank and trust licenses fell.

**Banks & Trusts:** The total value of international banking assets domiciled in the Cayman Islands declined by 12.9 percent to US\$518.3 billion in 2021 relative to the previous year. Similarly, international liabilities domiciled locally fell by 13.0 percent to US\$517.5 billion (see Table 4.1). The Islands' financial system had cross-border assets of US\$503.0 billion, a decline of 13.1 percent, and liabilities of \$470.8 billion, a decline of 12.5 percent relative to end-2020. In the aggregate, all reporting countries recorded cross-border assets of US\$35,053.4 billion (down 1.6 percent) and cross-border liabilities of US\$31,641.8 billion (up 0.2 percent), respectively.

Banks with domestic positions had US\$15.3 billion in foreign currency assets and US\$46.7 billion in foreign currency liabilities at the end of 2021 (Table 4.1). These assets and liabilities were registered in the domestic economy with other legally domiciled licensed entities considered as resident entities<sup>8</sup>. Further, these banks had US\$2.7 billion in domestic currency assets and US\$3.2 billion in domestic currency liabilities.

The number of bank and trust licensees continued its downward trend, declining by 9 (or 8.2 percent) to 101 at the end of 2021. This decline was concentrated in 'Class B' banks which decreased by 9.9 percent to 91. There was one additional 'Class A' bank during the period, bringing the total to 10 (8 subsidiaries and 2 private & affiliates). The decline in 'Class B' banks resulted in an industry structure of 62 branches, 20 subsidiaries and 9 privates & affiliates.

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<sup>8</sup> Inclusive of domestic positions in foreign currency of non-banks which are all entities that are non-deposit taking institutions (General Government, Non-Financial Corporations, Households, Non-Bank Financial Corporations, etc.).

**Table 4.1: Bank & Trust Companies, 2018-2021**

	2018	2019	2020	2021	% Change
<b>Bank and Trust Licensees</b>	<b>133</b>	<b>125</b>	<b>110</b>	<b>101</b>	<b>(8.2)</b>
<i>Of which:</i> Class 'A'	11	9	9	10	11.1
Class 'B'	122	116	101	91	(9.9)
<b>Trust Companies</b>	<b>117</b>	<b>115</b>	<b>117</b>	<b>114</b>	<b>(2.6)</b>
Trust Companies (Unrestricted)	57	56	57	56	(1.8)
Trust Companies (Restricted)	60	59	60	58	(3.3)
<b>Assets and Liabilities</b>	<b>US\$ Billion</b>				
Total Position					
Assets	670.1	660.4	595.4	518.3	(12.9)
Liabilities	671.5	659.8	594.6	517.5	(13.0)
Cross-Border Position (Foreign and Domestic Currency)					
Assets	652.5	639.5	579.0	503.0	(13.1)
Liabilities	622.2	609.7	537.8	470.8	(12.5)
Domestic Position (Foreign Currency)					
Assets	17.7	20.8	16.4	15.3	(6.4)
Liabilities	49.3	50.1	56.8	46.7	(17.8)

Source: Cayman Islands Monetary Authority, Bank of International Settlements (BIS)

'Class B' banks, which are legally restricted from conducting business offshore with non-residents, continued to reflect both local and international regulatory changes. The decline in the number of these banks was reflected in all regions except Canada, Mexico, the Middle East and Africa (see Table 4.2). The USA recorded the largest decline of 16.7 percent. Despite declining by two, South America retained its rank as Cayman's largest source market contributing 21.8 percent. The Caribbean & Central America, which has the second-largest market share (17.3 percent contribution), declined from 20 to 19. Asia and Australia (16.4 percent contribution) fell from 17 to 16.

**Table 4.2: Number of Banks by Region, 2018–2021**

	2018	2019	2020	2021	Change %
<b>Number of Banks</b>					
Europe	27	20	15	13	(13.3)
USA	22	20	18	15	(16.7)
Caribbean & Central America	24	22	20	19	(5.0)
Asia & Australia	20	20	17	16	(5.9)
Canada & Mexico	13	13	12	12	-
South America	25	28	26	24	(7.7)
Middle East & Africa	2	2	2	2	-
<b>Total</b>	<b>133</b>	<b>125</b>	<b>110</b>	<b>101</b>	<b>(8.2)</b>

Source: Cayman Islands Monetary Authority

**Insurance:** The total number of insurers licensed in the Cayman Islands increased by 7 (or 1.0 percent) to 686 (see Table 4.3). This was due to a rise in the number of ‘captive’ insurance licensees during the review period.

Class A (domestic) insurers. The number of domestic insurers declined by 2 (or 7.4%) to 25 during the review period. This was due to a reduction in the number of external licensees from 18 to 16, while locally incorporated licensees remained unchanged at 9.

According to unaudited consolidated financial statements at the end of 2021, domestic insurance licensees generated underwriting income of US\$316.6 million. This resulted from a net earned premium of US\$762.5 million, exceeding underwriting expenses of US\$445.9 million.

Net earned premium reflected gross written premiums of US\$890.0 million, assumed premiums of US\$172.7 million and ceded premiums<sup>9</sup> of -US\$297.6 million. Health insurance accounted for the largest proportion of gross premiums with US\$366.3 million (or 41.2 percent) followed by property with US\$178.7 million (or 31.3 percent). The largest share of ceded premiums was attributed to property insurance of -US\$234.8 million (or 78.9 percent). Net claims and adjustment expenses, the largest component within underwriting expenses, amounted to US\$374.4 million, with most of the payments being health-related claims of US\$284.3 million (or 75.9 percent).

<sup>9</sup> Ceded premiums are premiums paid or payable by the insurance company to another insurer for reinsurance protection. Negative figures indicate losses.

**Table 4.3: Insurance Companies, 2018 - 2021**

	2018	2019	2020	2021	% Change
<b>Total Insurance Licensees</b>	<b>730</b>	<b>672</b>	<b>679</b>	<b>686</b>	<b>1.0</b>
Class 'A' Licences (Domestic)	27	26	27	25	(7.4)
Class 'B' Licences (Captives)	674	618	624	634	1.6
Class 'C' Licences (Captives)	25	23	23	21	(8.7)
Class 'D' Licences (Captives)	4	5	5	6	20.0
<b>Total Captives</b>	<b>703</b>	<b>646</b>	<b>652</b>	<b>661</b>	<b>1.4</b>
<b>Financial Position of Captives</b>	<b>US\$ Billion</b>				
Premiums	15.4	18.0	20.9	23.1	10.9
Net Income*					
Net Worth					
Total Assets	68.7	68.9	70.8	75.2	6.3

Source: Cayman Islands Monetary Authority

Class B, C, and D or captives (international) insurers: The number of captives grew by 9 (or 1.4 percent) to 661. This was attributed to increases in Class 'B' and Class 'D' licensees of 1.6 percent to 634 and 20.0 percent to 6, respectively. In contrast, Class 'C' companies declined by 2 (or 8.7 percent) to 21. Pure captives (41.3%) accounted for the majority of this segment of the market, followed by segregated portfolio companies (22.4 percent) and group captives (19.2 percent).

The rise in the number of captives supported a 10.9 percent rise in net premiums to US\$23.1 billion. Similarly, total assets increased by 6.3 percent to US\$75.2 billion at the end of the review period.

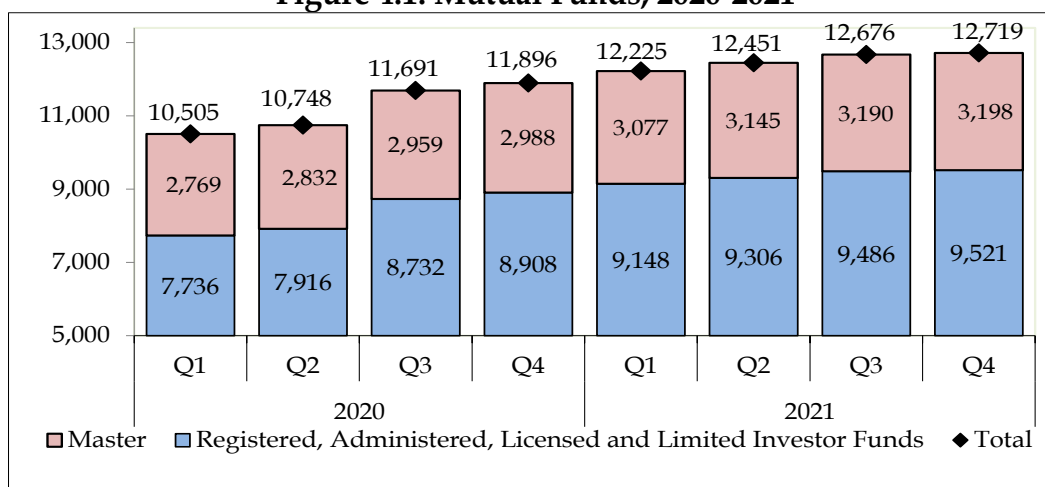
As shown in Table 4.4, the composition of the captive industry was similar to the preceding years. North America maintained its position as the dominant risk location, accounting for 89.9 percent of registered captives.

**Table 4.4: Captive Insurance Licences by Risk Location and Primary Class of Business, 2018-2021**

	2018	2019	2020	2021
Number of Companies				
Africa, Asia & Middle East	6	4	6	7
Caribbean & Latin America	19	18	22	23
Europe	11	7	6	7
North America	632	585	587	594
Pacific Rim	2	1	2	2
Other	33	31	29	28
	<b>703</b>	<b>646</b>	<b>652</b>	<b>661</b>
Number of Companies				
Healthcare	227	210	200	198
Workers' Compensation	152	137	146	148
Property	69	64	64	66
General Liability	80	75	78	82
Professional Liability	59	55	55	57
Other	116	105	109	110
	<b>703</b>	<b>646</b>	<b>652</b>	<b>661</b>

Source: Cayman Islands Monetary Authority

**Mutual Funds:** The number of mutual funds totalled 12,719 at the end of 2021, 6.9 percent higher than at the end of 2020. This was due to improvements in most categories, with registered and master funds increasing by 6.6 percent and 7.7 percent to 8,499 and 3,198, respectively. Limited investor fund, which was introduced during the second quarter of 2020, increased by 15.3 percent to 672. At the same time, administered funds rose by 0.3 percent to 295. In contrast, the number of licensed funds fell by 6.8 percent to 55.

**Figure 4.1: Mutual Funds, 2020-2021**


Source: Cayman Islands Monetary Authority

**Stock Exchange.** Listings on the Cayman Islands Stock Exchange (CSX) rose by 14.8 percent to reach a record 2,681 (see Table 4.5). This increase was mainly attributed to a higher listing for specialist debt securities<sup>10</sup>, which rose by 20.6 percent (387) to 2,266. Additionally, insurance-linked securities<sup>11</sup> rose by 2.7 percent to 38. In contrast, there were lower listings for mutual funds (down 10.6 percent to 110), sovereign debt securities (down 10.0 percent to 262) and primary equities (down 25.0 percent to 3). There were no changes in the secondary equities and retail debt securities listings.

**Table 4.5: Stock Listings, 2018-2021.**

Instruments	2018	2019	2020	2021	% Change
<b>Total</b>	<b>1,699</b>	<b>2,078</b>	<b>2,336</b>	<b>2,681</b>	<b>14.8</b>
Mutual Funds	224	194	123	110	-10.6
Specialist Debt Security	1,128	1,547	1,879	2,266	20.6
Insurance Linked Security	47	41	37	38	2.7
Sovereign Debt Security	293	289	291	262	-10.0
Primary Equity	4	4	4	3	-25.0
Secondary Equity	1	1	1	1	0.0
Retail Debt Security	2	2	1	1	0.0

Source: Cayman Islands Stock Exchange

<sup>10</sup> Specialist Debt Securities include debentures, debenture stock, loan stock, bonds, certificates of deposit and any other instrument creating or acknowledging indebtedness.

<sup>11</sup> Sovereign debt securities are those issued by a national government within a given country and denominated in a foreign currency.



Total market capitalization rose by 75.9 percent to a record US\$807.2 billion (see Table 4.6). The surge in value resulted predominantly from an increase in specialist debt securities of 118.5 percent to US\$639.8 billion. These securities accounted for 79.3 percent of the total market value of traded shares. Additionally, mutual funds, primary equities, and retail debt securities increased by 21.2 percent to US\$14.8 billion, 13.7 percent to US\$0.4 billion, and 3.8 percent to US\$0.5 billion, respectively. In contrast, there were lower levels of market capitalization for insurance-linked securities (down 2.6 percent to US\$4.9 billion); sovereign debt securities (down 0.7 percent to US\$146.6 billion); and secondary equities (down 49.4 percent to \$0.2 billion).

**Table 4.6: Market Capitalization (US\$ Billions), 2018-2021<sup>12</sup>**

Instruments	2018	2019	2020	2021	% Change
<b>Total</b>	<b>310.2</b>	<b>427.0</b>	<b>458.8</b>	<b>807.2</b>	<b>75.9</b>
Mutual Funds	11.5	11.4	12.2	14.8	21.2
Specialist Debt Security	190.4	263.9	292.8	639.8	118.5
Insurance Linked Security	6.1	5.4	5.0	4.9	-2.6
Sovereign Debt Security	100.9	145.0	147.6	146.6	-0.7
Primary Equity	0.4	0.3	0.4	0.4	13.7
Secondary Equity	0.0	0.1	0.3	0.2	-49.4
Retail Debt Security	0.8	0.9	0.5	0.5	3.8

Source: Cayman Islands Stock Exchange

**Company Registration:** The total number of registered companies increased by 4.9 percent to 116,996 at the end of 2021 (see Table 4.7). This improvement was due to the addition of 16,748 companies which offset the termination of 12,006 companies. The Exempt category continued to be the preferred vehicle for the conduct of business, accounting for 82.2 percent of all incorporated companies. The number of exempt and resident companies in the registry rose by 4.0 percent and 4.2 percent to 96,213 and 7,627, respectively. The number of foreign companies, which are companies registered in Cayman but incorporated elsewhere, increased by 6.7 percent to 6,001. There were increases in foundation companies of 95.6 percent to 309 and limited liability companies of 39.4 percent to 4,345. In contrast, the number of non-resident companies recorded a decline of 10.6 percent to 2,501.

<sup>12</sup> The figures for mutual funds and domestic equity refer to market capitalization. Figures for specialist debt, Eurobond and secondary equity is based on par values.

New company registrations rose by 42.8 percent to a record 16,748 in 2021 (Table 4.7). Exempt companies represented 80.1 percent of all new registrations and grew by 43.3 percent to 13,413. Non-resident and resident companies also grew, increasing by 15.4 percent to 15 and 30.4 percent to 845, respectively. Additionally, foundation companies rose by 281.4 percent to 164, while limited liability companies increased by 59.9 percent to 1,465.

**Table 4.7: Company Registrations, 2018-2021**

	2018	2019	2020	2021	2021/2020 % Change
<b>Total Company Registrations</b>	<b>107,309</b>	<b>109,556</b>	<b>111,568</b>	<b>116,996</b>	<b>4.9</b>
Exempt	90,179	91,833	92,550	96,213	4.0
Non-Resident	3,461	2,994	2,797	2,501	-10.6
Resident	6,837	6,867	7,322	7,627	4.2
Foreign	5,029	5,326	5,623	6,001	6.7
Foundation*	93	146	158	309	95.6
Limited Liability Companies	1,710	2,390	3,118	4,345	39.4
<b>New Company Registrations</b>	<b>16,326</b>	<b>12,822</b>	<b>11,731</b>	<b>16,748</b>	<b>42.8</b>
Exempt	13,812	10,448	9,360	13,413	43.3
Non-Resident	15	25	13	15	15.4
Resident	726	738	648	845	30.4
Foreign	761	694	751	846	12.6
Foundation*	84	55	43	164	281.4
Limited Liability Companies	928	862	916	1,465	59.9

Source: Cayman Islands General Registry

The number of terminated companies increased from 8,989 in 2020 to 12,006 in 2021. Of the terminations, 7,048 companies were removed by the Registrar, which originated mainly from the exempt category; 2,663 companies were voluntarily dissolved, primarily from the exempt category; 328 foreign companies were voluntarily ceased; 254 companies deregistered and moved to another jurisdiction; and 219 companies merged. Exempt companies accounted for the majority of terminations in the current and previous years, increasing from 7,524 in 2020 to 9,660 in 2021

**Partnership Registration:** The total number of registered partnerships increased by 10.5 percent to a record 35,075 at the end of 2021 (see Table 4.8). There were

5,774 new partnerships which exceeded the 2,045 partnerships terminated in the review period. Exempt limited partnerships, which accounted for 97.9 percent of total partnerships, grew by 10.3 percent to 34,343. The number of foreign partnerships rose by 24.7 percent to 711, while the number of limited partnerships declined by 94.7 percent to 1. The number of limited liability partnerships increased from 19 to 20.

New partnership registrations rose by 28.0 percent to 5,774 (see Table 4.8). This improvement was due primarily to an increase of 28.5 percent in exempt limited partnerships to 5,597. Foreign partnerships rose by 1.9 percent to 157, while limited liability partnerships rose by 19 to 20.

The number of terminated partnerships rose from 1,641 in 2020 to 2,045 in 2021. This was due to increases in the number of exempted limited partnerships and limited partnerships from 1,620 to 2,014 and 2 to 19, respectively.

**Table 4.8: Partnership Registrations, 2018-2021**

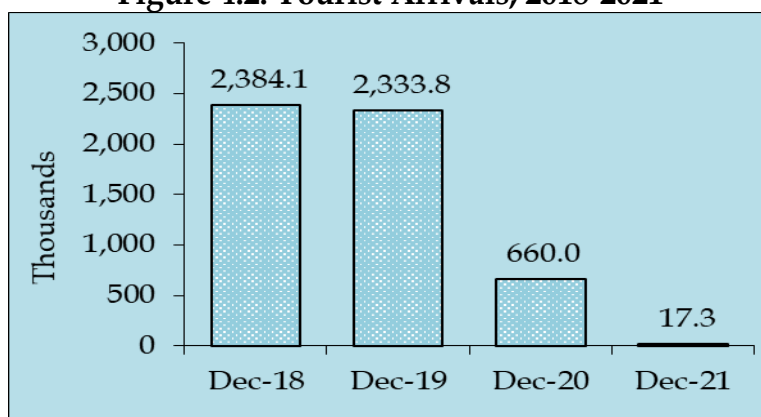
	2018	2019	2020	2021	2021/2020 % Change
<b>Total Partnership Registrations</b>	<b>26,381</b>	<b>28,939</b>	<b>31,734</b>	<b>35,075</b>	<b>10.5</b>
Exempt Limited	26,011	28,469	31,144	34,343	10.3
Foreign	349	449	570	711	24.7
Limited	21	21	19	1	(94.7)
Limited Liability*	-	-	1	20	1,900.0
<b>New Partnership Registrations</b>	<b>5,007</b>	<b>4,328</b>	<b>4,510</b>	<b>5,774</b>	<b>28.0</b>
Exempt Limited	4,917	4,218	4,355	5,597	28.5
Foreign	90	110	154	157	1.9
Limited	-	-	-	-	-
Limited Liability*	-	-	1	20	1,900.0

Source: Cayman Islands General Registry

## 4.2 Tourism

During the review period, the tourism sector continued to be negatively impacted by the effects of the covid-19 pandemic and travel restrictions. Total visitor arrivals declined by 94.7 percent to 17,308 from 660,000 in 2020. There were no cruise visitors during the period while stay-over arrivals fell precipitously.

**Figure 4.2: Tourist Arrivals, 2018-2021**



Source: Department of Tourism

**Stay-over arrivals.** Stay-over arrivals to the Cayman Islands declined sharply for the second consecutive year, falling by 85.8 percent to 17,308. Regional markets were impacted by the emergence of new strains of the Covid-19 virus and travel restrictions. Notably, the USA market, which is the largest contributor to stay-over arrivals, recorded the largest decline of 90.4 percent. As the new strains of the virus spread, namely the Delta and Omicron variants, there was a spike in the 4<sup>th</sup> quarter of the year, which limited the Islands' ability to effectively reopen the sector.

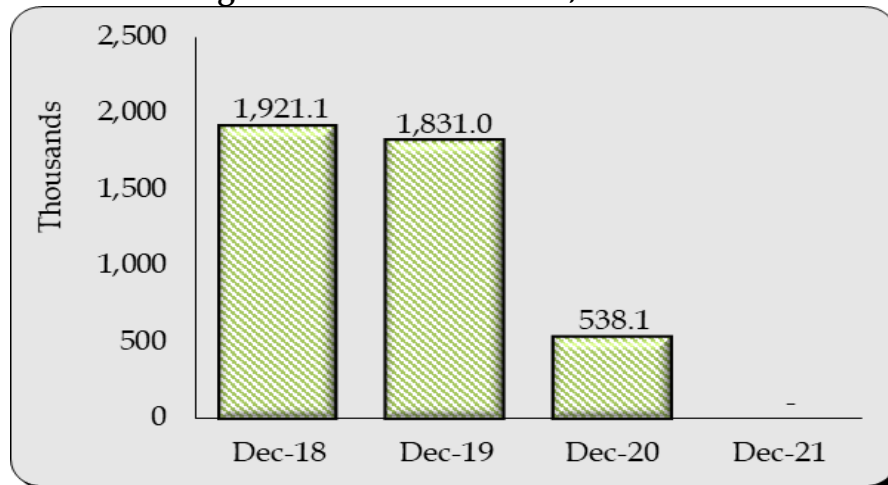
**Table 4.9: Stay-over Arrivals by Country of Origin, 2018-2021**

	2018	2019	2020	2021	% Change
	In Thousands				
<b>USA</b>	385.3	418.6	99.1	9.5	(90.4)
<b>Europe</b>	22.8	24.1	6.3	2.7	(57.1)
<b>Canada</b>	26.6	30.1	11.4	1.8	(84.1)
<b>Others</b>	28.2	29.9	5.0	3.3	(35.0)
<b>Total</b>	463.0	502.7	121.8	17.3	(85.8)
USA (% share)	83.2	83.3	81.4	55.0	

Source: Department of Tourism

**Cruise market.** There were no cruise arrivals during the year as cruise ports remained closed for the year.

**Figure 4.3: Cruise Arrivals, 2018-2021**



Source: Department of Tourism

### 4.3 Construction

Construction intentions, as indicated by planning permissions, generally increased for 2021. Building permits increased in both value and volume and the value of project approvals rose while the number of approvals declined. Certificates of occupancy volume increased while the total value of the units certified fell.

**Building Permits:** The total value of building permits increased by 29.1 percent to reach \$717.0 million. The rise in value was largely driven by increases in the hotels and ‘other’ categories. The hotels’ category rose by \$90.0 million and reflected two hotel projects relative to the previous year when there were no hotel permits. The ‘other’ category increased by 122.0 percent, owing largely to a swimming pool and Sauna project, approval for a church project and the installation of a generator for an apartment complex. Increases were also seen in the commercial and government categories.

The rise in building permit value was limited by a decline in the value of residential business permits by 5.8 percent. This was due to declines of 10.3 percent and 2.0 percent in the houses and apartment categories, respectively. The industrial category also declined, falling by 15.0 percent.

Consistent with the rise in building permit values, the volume of permits rose by 15.4 percent to 1,183.

**Table 4.10: Grand Cayman Building Permits 2019-2021**

	Building Permits (CI\$ Mil)			%		Number of Permits			%
	2019	2020	2021	Change		2019	2020	2021	Change
Residential	348.5	349.0	328.9	(5.8)	Residential	516	499	576	15.4
<i>Houses</i>	127.8	158.3	142.1	(10.3)	<i>Houses</i>	350	334	382	14.4
<i>Apartments</i>	220.7	190.7	186.9	(2.0)	<i>Apartments</i>	166	165	194	17.6
Commercial	21.8	137.2	149.5	8.9	Commercial	86	77	98	27.3
Industrial	3.0	8.3	7.1	(15.0)	Industrial	6	10	12	20.0
Hotel	0.2	-	90.0	-	Hotel	1	-	2	-
Government	9.2	1.2	8.8	655.79	Government	22	4	20	400.0
Other	88.0	59.8	132.8	122.0	Other	618	435	475	9.2
<b>Total</b>	<b>470.6</b>	<b>555.6</b>	<b>717.0</b>	<b>29.1</b>	<b>Total</b>	<b>1,249</b>	<b>1,025</b>	<b>1,183</b>	<b>15.4</b>

Source: Cayman Islands Planning Department

**Project Approvals:** The total value of project approvals in Grand Cayman rose by 10.6 percent to \$976.9 million for the year. Similar to the increase in building permits this increase was largely concentrated in the hotels and ‘other’ sector, albeit mostly due to different projects.

The hotels' sector expanded by 100.0 percent or \$160.4 million, reflecting the value of two large hotel projects, one of which was included in the building permit data. Both projects have an estimated value of \$80.0 million and are to be constructed in the districts of George Town and West Bay.

Increases were also seen in the industrial, government and houses category, which rose by 3.7 percent, 86.1 percent and 6.9 percent, respectively. In contrast, approvals for apartments fell by 53.5 percent, while approvals for the commercial category fell by 47.9 percent.

Despite the rise in value, the number of project approvals contracted by 4.1 percent as declines in the number of houses and ‘other’ permits outweighed increases in all other categories.

**Table 4.11: Grand Cayman Planning Approvals, 2019-2021**

	Project Approvals (CI\$ Mil)			%		Number of Approvals			%
	2019	2020	2021	Change		2019	2020	2021	Change
Residential	314.1	499.5	298.9	(40.2)	Residential	320	348	363	4.3
Houses	109.0	110.3	118.0	6.9	Houses	245	258	243	(5.8)
Apartments	205.2	389.1	180.9	(53.5)	Apartments	75	90	120	33.3
Commercial	48.9	74.2	38.7	(47.9)	Commercial	32	16	30	87.5
Industrial	4.4	26.1	27.1	3.7	Industrial	7	7	14	100.0
Hotel	187.7	-	160.4	-	Hotel	2	-	3	-
Government	7.7	1.6	3.0	86.1	Government	10	14	15	7.1
Other	327.6	281.8	448.9	59.3	Other	377	452	378	(16.4)
<b>Total</b>	<b>890.4</b>	<b>883.2</b>	<b>976.9</b>	<b>10.6</b>	<b>Total</b>	<b>748</b>	<b>837</b>	<b>803</b>	<b>(4.1)</b>

Source: Cayman Islands Planning Department

**Certificates of Occupancy:** The value of certificates of occupancy (CO) declined by 23.7 percent, to \$241.5 million for 2021. Contractions were seen in all categories with only the houses and commercial categories increasing over the period. The apartments and government categories recorded the largest absolute declines, falling by 30.3 percent and 92.0 percent, respectively.

The total number of occupancy certificates issued rose by 6.6 percent to 405.

**Table 4.12: Certificates of Occupancy Grand Cayman, 2019-2021**

	Certificate of Occupancy (CI\$ Million)			%		Number of Certificates			%
	2019	2020	2021	Change		2019	2020	2021	Change
Residential	169.1	239.8	214.1	(10.7)	Residential	318	298	311	4.4
Houses	90.6	68.8	94.8	37.8	Houses	242	187	179	(4.3)
Apartments	78.4	171.1	119.3	(30.3)	Apartments	76	111	132	18.9
Commercial	25.1	16.2	19.5	20.5	Commercial	86	54	66	22.2
Industrial	2.4	2.9	0.4	(84.6)	Industrial	4	8	3	(62.5)
Hotel	4.9	-	0.6	-	Hotel	2	-	4	-
Government	0.4	51.8	4.2	(92.0)	Government	3	4	4	-
Other	3.5	5.9	2.7	(53.5)	Other	22	16	17	6.3
<b>Total</b>	<b>205.3</b>	<b>316.5</b>	<b>241.5</b>	<b>(23.7)</b>	<b>Total</b>	<b>435</b>	<b>380</b>	<b>405</b>	<b>6.6</b>

Source: Cayman Islands Planning Department

#### 4.4 Real Estate

Real Estate activity, as indicated by property transfer value and volume, recovered in 2021. Following a two-year decline, the value of property transfers rose by 75.0 percent to \$1,413.2 million. This growth was traced to a rise in the values of both freehold and leasehold transfers. The value of freehold transfers increased by 74.7 percent, while leasehold transfers rose by 79.4 percent. Consistently, the total number of property transfers increased by 53.8 percent to 3,200.

**Table 4.13: Property Transfers, 2018-2021**

	Dec-18	Dec-19	Dec-20	Dec-21	% Change
<b>Freehold</b>					
number	2,070	1,922	1,920	2,983	55.4
value (CI\$M)	855.8	816.4	770.6	1,346.5	74.7
<b>Leasehold</b>					
number	220	192	160	217	35.6
value (CI\$M)	287.9	45.8	37.2	66.8	79.4
<b>Total</b>					
number	2,290	2,114	2,080	3,200	53.8
value (CI\$M)	1,143.7	862.2	807.8	1,413.2	75.0

Source: Lands and Survey Department

#### 4.5 Utilities

**Utilities:** A general recovery in economic activity coupled with a higher population level supported a partial recovery in utility consumption. Notwithstanding, water consumption declined marginally for the year, possibly due to the lack of activity in the tourism sector for the period.

Water consumption declined by 0.3 percent to 1,946.4 million gallons. In contrast, production increased by 3.4 percent, as major distributors moved to ensure adequate supply as the economy continued to recover.

Electricity consumption expanded by 2.5 percent to 660.5 thousand megawatt-hours for 2021. The rise in consumption was linked to a general increase in residential and commercial customers. The growth in consumption was partially offset by a fall in the average consumption of customers, particularly residential



customers. This is in a context where residential consumption increased in 2020 amidst lock-down measures.

Residential consumption rose by 1.4 percent to 361.6 thousand megawatt-hours, while commercial consumption increased by 4.0 percent to 293.8 thousand megawatt-hours. In contrast, public consumption fell by 3.4 percent to settle at 5.0 thousand megawatt-hours. On average, residential customers consumed 13.1 megawatt-hours of electricity in 2021, down from 13.3 megawatt-hours in the previous year. Commercial customers consumed 63.4 megawatt-hours on average, up from 62.2 megawatt-hours in 2020.

**Table 4.14 Utilities Production/Consumption, 2018-2021**

	Dec-18	Dec-19	Dec-20	Dec-21	% Change
Millions of US Gallons					
Water Production	2,424.0	2,518.8	2,395.4	2,477.4	3.4
Water Consumption	2,009.4	2,058.9	1,952.0	1,946.4	(0.3)
'000 of megawatt hrs					
Electricity Production (Net)	641.8	678.8	651.5	662.0	1.6
Electricity Consumption	628.8	667.7	644.3	660.5	2.5
Residential	314.0	342.1	356.6	361.6	1.4
Commercial	308.4	320.1	282.5	293.8	4.0
Public	6.5	5.5	5.2	5.0	(3.4)
Total Customers	29,822	30,537	31,293	32,185	2.9
Residential	25,409	26,023	26,754	27,552	3.0
Commercial	4,413	4,514	4,539	4,633	2.1

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

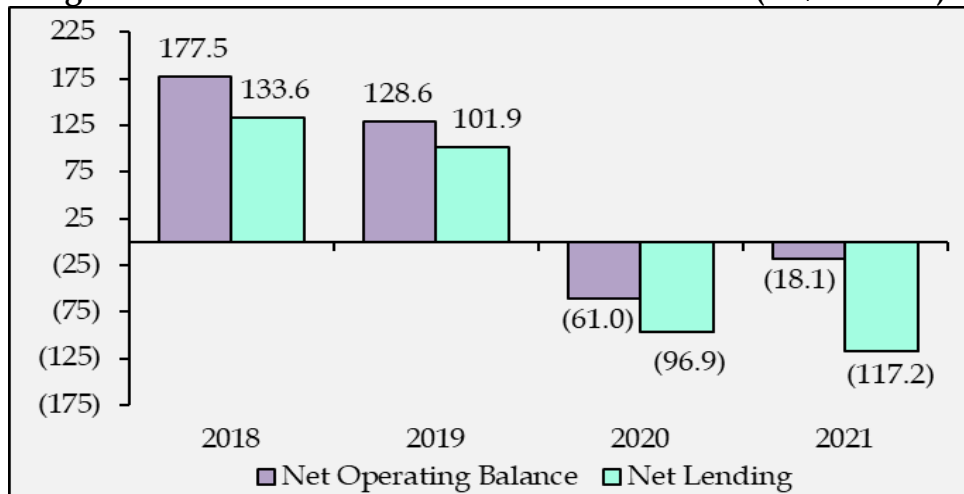
## 5. Fiscal Operations of the Central Government

The central government recorded a deficit for the second consecutive year in 2021. The deficit occurred as the government increased expenditure which out weighed growth in revenue.

### 5.1 Overview

Rising social welfare costs to combat the impact of the pandemic and increased capital expenditure led to a sharp increase in expenditure for the year. Despite a strong expansion in revenue, the central government recorded a deficit for the period as the rise in expenditure outweighed the rise in revenue. Net borrowing (overall deficit) rose by 21.0 percent to \$117.2 million in 2021 relative to 2020 (see Figure 5.1). The overall deficit was equivalent to 2.4 percent of GDP.

**Figure 5.1: Central Government’s Fiscal Balances (CI\$ Million)**



Source: Cayman Islands Treasury Department and ESO

The rise in expenditure was due to increases in both expenses (current expenditure) and net investment in non-financial assets (capital expenditure). While the expansion in revenue was due to higher taxes (coercive revenue), in contrast, other revenue (non-coercive revenue) declined. Consistent with the deficit in the overall balance, the central government's net operating balance<sup>13</sup> recorded a deficit of \$18.1 million in 2021.

<sup>13</sup> Net operating balance is revenue minus expense.

**Table 5.1: Summary of Fiscal Operations, 2018-2021**

	2018	2019	2020	2021	% Change 2021/20
<b>Millions of Cayman Islands Dollars</b>					
<b>Revenue</b>	830.2	860.0	797.4	961.1	20.5
<b>Expense</b>	652.6	731.4	858.4	979.2	14.1
<b>Net Operating Balance</b>	177.5	128.6	(61.0)	(18.1)	(70.4)
Net Investment in Non-Financial Assets	43.9	26.6	35.9	99.1	176.4
<b>Expenditure</b>	696.6	758.1	894.2	1,078.3	20.6
<b>Net Lending</b>	133.6	101.9	(96.9)	(117.2)	21.0
<b>Financing:</b>					
Net Acquisition of Financial Assets	102.7	(185.0)	(132.7)	(143.1)	7.8
Net Incurrence of Liabilities	(30.9)	(287.0)	(35.8)	(25.9)	(27.8)

Source: Cayman Islands Treasury Department

## 5.2 Revenue

Revenue increased by 20.5 percent to \$961.1 million due to higher tax revenue. The expansion in revenue reflected a rise in tax revenue by 23.2 percent to \$911.1 million. In contrast other revenue declined by 13.8 percent to \$50.0 million. Taxes on goods and services and taxes on property were the major contributors to the increase. The revenue-to-GDP ratio increased to 19.6 percent from 17.1 percent in 2020 as the pace of growth in revenue was greater than the pace of expansion in GDP.

**Table 5.2: Revenue Collection of Central Government**

	2018	2019	2020	2021	% Change 2021/20
<b>Millions of Cayman Islands Dollars</b>					
<b>Revenue</b>	830.2	860.0	797.4	961.1	20.5
<b>Taxes</b>	773.0	792.5	739.3	911.1	23.2
Taxes on Int'l Trade & Transactions	199.1	210.9	178.7	206.4	15.5
Taxes on Goods & Services	469.4	511.0	460.5	557.7	21.1
Taxes on Property	83.0	67.0	67.3	108.3	61.0
Other Taxes	21.5	3.6	32.9	38.7	17.9
<b>Other Revenue</b>	57.2	67.5	58.0	50.0	(13.8)
Sale of Goods & Services	40.2	43.6	39.2	39.9	1.8
Investment Revenue	12.2	18.4	8.5	4.8	(43.9)
Fines, Penalties and Forfeits	2.7	2.9	3.0	4.6	54.8
Transfers n.e.c.	2.1	2.5	7.3	0.7	(90.2)

Source: Cayman Islands Treasury Department

**Taxes on goods and services:** Revenue from this category amounted to \$557.7 million, 21.1 percent higher than the amount collected in 2020 (see Table 5.3). All categories increased for the period led by work permit and residency fees, financial services licences and “Other Domestic taxes”. As a share of tax revenue, taxes on goods and services declined to 61.2 percent from 62.3 percent in 2020.

**Table 5.3: Taxes on Domestic Goods and Services**

	2018	2019	2020	2021	% Change 2021/20
<b>Millions of Cayman Islands Dollars</b>					
Financial Services Licences	260.8	273.8	264.8	281.8	6.4
ICTA Licences & Royalties	7.5	8.6	7.9	8.4	5.9
Work Permit and Residency Fees	87.3	99.0	86.8	107.4	23.7
Other Stamp Duties	10.6	13.4	12.1	18.9	56.3
Traders' Licences	5.9	5.7	6.2	6.2	0.7
Other Domestic Taxes	97.4	110.6	82.7	135.0	63.2
<i>Of which:</i>					
Tourist Accommodation Charges	32.7	36.5	10.3	1.0	(90.2)
Motor Vehicle Charges	11.5	11.4	10.6	12.5	18.1
<b>Taxes on Goods &amp; Services</b>	<b>469.4</b>	<b>511.0</b>	<b>460.5</b>	<b>557.7</b>	<b>21.1</b>

Source: Cayman Islands Treasury Department

Work permit and residency fees increased by 23.7 percent to \$107.4 million, consistent with a rise in the number of work permits issued. Revenue collected from ICTA licences and royalties rose by 5.9 percent to \$8.4 million. Other stamp duties increased by 56.3 percent to \$18.9 million. This was consistent with a rise in the value of property transfers.

Other domestic taxes grew by 63.2 percent to \$135.0 million. Notably, revenue generated from motor vehicle charges rose by 18.1 percent to \$12.5 million, while revenue from tourist accommodation charges declined by 90.2 percent to \$1.0 million

Revenue from financial services licences expanded by 6.4 percent to \$281.8 million (see Table 5.4). Six of the ten categories had higher revenue levels, with other company fees - exempt (up 9.4 percent to \$109.5 million) and mutual fund administrators (up 11.2 percent to \$49.6 million), recording the largest absolute increases.

**Table 5.4: Financial Services Licences**

	2018	2019	2020	2021	% Change 2021/20
<b>Millions of Cayman Islands Dollars</b>					
<b>Financial Services Licences</b>	<b>260.8</b>	<b>273.8</b>	<b>264.8</b>	<b>281.8</b>	<b>6.4</b>
Bank and Trust Licences	29.4	28.5	27.5	26.6	(3.2)
Insurance Licences	8.8	8.7	8.7	9.4	7.7
Other Company Fees - Exempt	2.9	104.4	100.1	109.5	9.4
Other Company Fees - Foreign	2.5	8.4	7.6	9.0	18.3
Other Company Fees - Non-Resident	98.0	2.2	2.1	2.0	(4.8)
Other Company Fees - Resident	7.1	2.6	2.6	3.1	19.4
Partnership Fees	51.8	60.4	62.1	63.4	2.0
Mutual Fund Administrators	44.0	43.1	44.6	49.6	11.2
Money Services Licences	0.0	0.1	0.1	0.0	(2.0)
Security Investment Business Licences	16.2	15.3	9.4	9.2	(2.2)

Source: Cayman Islands Treasury Department

**Taxes on Property:** Revenue from taxes on property surged by 61.0 percent to \$108.3 million in 2021 (Table 5.2). The main contributor to this increase was stamp duty on land transfers which increased by 59.9 percent to \$104.9 million.

**Taxes on international trade and transactions:** Collections in this category rose by 15.5 percent to \$206.4 million as import duties increased (see Table 5.5). The share of tax revenue contributed by international trade decreased to 22.7 percent from 24.2 percent in 2020.

**Table 5.5: Taxes on International Trade and transactions**

	2018	2019	2020	2021	% Change 2021/20
<b>Millions of Cayman Islands Dollars</b>					
<b>Import Duties</b>	<b>181.1</b>	<b>193.1</b>	<b>173.4</b>	<b>206.0</b>	<b>18.9</b>
Gasoline/Diesel	14.7	16.0	13.7	14.9	9.0
Alcoholic Beverages	22.3	23.8	21.1	19.5	(7.5)
Motor Vehicles	17.2	18.0	15.3	21.6	41.3
Tobacco Products	7.8	8.5	8.3	7.7	(7.4)
Other Import Duties	119.2	126.8	115.0	142.3	23.8
<b>Other Levies</b>	<b>18.0</b>	<b>17.8</b>	<b>5.4</b>	<b>0.3</b>	<b>(94.1)</b>
Cruise Ship Departure Charges	11.5	11.0	3.3	(0.0)	(100.1)
Environmental Protection Fund Fees	6.4	6.8	2.1	0.3	(84.5)
<b>Taxes on International Trade and Transactions</b>	<b>199.1</b>	<b>210.9</b>	<b>178.7</b>	<b>206.4</b>	<b>15.5</b>

Source: Cayman Islands Treasury Department

Import duties rose by 18.9 percent to \$206.0 million as three of the five categories of duties increased. Duties collected on gasoline/diesel and motor vehicles grew by 9.0 percent and 41.3 percent to \$14.9 million and \$21.6 million, respectively. Other import duties increased by 23.8 percent to \$142.3 million. In contrast, duties on alcoholic beverages and tobacco products declined by 7.5 percent and 7.4 percent to \$19.5 million and \$7.7 million, respectively.

Other levies on international transactions declined by 94.1 percent to \$0.3 million. In this category, environmental protection fund fees fell by 84.5 percent to \$0.3 million, while there was no revenue collected from cruise ship departures in the year. The lack of cruise ship departure charges resulted from the closure of the island cruise port for the year.

**Other taxes:** Proceeds from the liquidation of entities led to a rise in other taxes to \$38.7 million from \$32.9 million in the previous year.

**Other revenue (non-coercive revenue):** Revenue from this category decreased by 13.8 percent to \$50.0 million in 2021. This reflected declines in investment revenue, which fell by 43.9 percent to \$4.8 million and transfers not elsewhere classified (other operating revenue), which fell by 90.2 percent to \$0.7 million. Revenue collected from fines, penalties and forfeits and the sale of goods and services increased during the review period.

### 5.3 Expenditure

The central government expenditure rose to \$1,078.3 million in 2021 compared with \$894.2 million in the previous year (Table 5.1). Expenditure as a proportion of GDP increased to 21.9 percent in 2021 from 19.1 percent in 2020 as a result of the expansion in expenditure outweighing the growth in GDP. The higher level of expenditure was due to increases of \$120.8 million and \$63.3 million in government's expenses and net investment in non-financial assets, respectively.

**Expense (current expenditure):** The operational expenses of the central government increased by 14.1 percent to \$979.2 million, reflecting higher spending in all categories except interest payments and use of goods and services (see Table 5.6).

Compensation of employees (personnel costs) rose by 6.4 percent to \$375.5 million in 2021. This was mainly due to increases in salaries and wages (including employee pension contributions), healthcare remuneration and unfunded pension liability.

**Table 5.6: Expense of the Central Government**

	2018	2019	2020	2021	% Change 2021/20
	<b>Millions of Cayman Islands Dollars</b>				
<b>Expense</b>	<b>652.6</b>	<b>731.4</b>	<b>858.4</b>	<b>979.2</b>	<b>14.1</b>
Compensation of Employees	283.5	330.6	353.0	375.5	6.4
Use of Goods and Services	97.3	116.6	134.1	129.2	(3.6)
Subsidies	166.5	180.0	208.2	215.8	3.6
Social Benefits	36.2	39.5	69.7	140.0	100.8
Consumption of Fixed Capital	32.6	36.0	38.7	50.1	29.4
Interest	24.0	22.1	13.3	11.6	(12.3)
Other Expense	12.6	6.7	41.4	56.9	37.4

Source: Cayman Islands Treasury Department

Social benefits<sup>14</sup> (transfer payments) rose by 100.8 percent to \$140.0 million and included the continuation of some stimulus measures provided by the government to individuals most adversely impacted by the pandemic. The sports and cultural tourism assistance programmes, support for business initiatives, scholarships and bursaries facilitated most of these transfers.

Consumption of fixed capital (depreciation) increased by 29.4 percent to \$50.1 million. This increase was largely due to a revaluation of depreciation expenses on buildings. Other expense, which comprises central government's non-capital spending not classified in any of the other categories, rose by 37.4 percent to \$56.9 million. This was linked to spending on supplies of \$49.6 million to combat COVID-19.

Payment of subsidies to public entities (statutory authorities and government-owned companies) and non-governmental organizations increased by 3.6 percent to \$215.8 million. Non-governmental organizations received \$13.3 million more in subsidies to total \$56.7 million, while the allocation to public entities was lowered \$5.7 million to \$43.4 million. With regards to the increased allocation to non-governmental organizations, sports programmes and medical care to overseas providers were the main beneficiaries.

Despite the higher levels of expense overall, use of goods and services (supplies and consumables) declined by 3.6 percent to \$129.2 million. This was due mainly to a reduction in spending on goods, down 54.2 percent to \$22.5 million. Similarly,

<sup>14</sup> These are current transfers receivable by households intended to provide for needs that arise from social risks associated with sickness, unemployment, retirement, housing, education or family circumstances.

interest payment fell by 12.3 percent to \$11.6 million and was consistent with the reduction in the debt stock.

**Investment in non-financial assets (capital expenditure):** The Central government invested \$149.2 million (3.0% of GDP) in non-financial assets for 2021, relative to \$73.2 million (1.6% of GDP) in 2020. Net investment in non-financial assets, which is the total investment in non-financial assets less depreciation, increased by 176.4 percent to \$99.1 million.

**Table 5.7: Investment in Non-Financial Assets of the Central Government**

	2018	2019	2020	2021	% Change 2021/20
<b>Millions of Cayman Islands Dollars</b>					
<b>Gross Investment in Non-Financial Assets</b>	<b>76.5</b>	<b>62.6</b>	<b>74.6</b>	<b>149.2</b>	<b>100.1</b>
Fixed Assets	76.5	62.1	73.2	147.7	101.7
Capital Investment in Ministries and Portfolios	20.2	23.5	35.7	75.8	112.1
Capital Investment in Statutory Authorities and Government Owned Companies	31.6	23.0	20.8	30.2	45.4
Executive Assets	24.8	15.5	16.7	41.7	149.5
Inventories		0.6	1.4	1.6	15.3
<b>Net Investment in Non-Financial Assets</b>	<b>43.9</b>	<b>26.6</b>	<b>35.9</b>	<b>99.1</b>	<b>176.4</b>
Consumption of Fixed Capital	32.6	36.0	38.7	50.1	29.4

Source: Cayman Islands Treasury Department

Within fixed assets, capital investment in ministries and portfolios rose by 112.1 percent to \$75.8 million. Increased spending of \$21.3 million by the Ministry of Education, Youth, Sports, Agriculture and Lands and \$5.5 million by the Ministry of Commerce, Planning and Infrastructure were the primary contributors. Capital investment in statutory authorities and government-owned companies rose by 45.4 percent to \$30.2 million. The higher investment resulted mainly from a rise in expenditure of \$9.8 million and \$2.1 million on Cayman Islands Airport Authority and Cayman Turtle Farm Limited, respectively. Capital expenditure on executive assets increased by 149.5 percent to \$41.7 million. This outturn emanated mainly from increased spending on land purchases and road expansion projects. The central government's inventories rose by 15.3 percent to \$1.6 million.

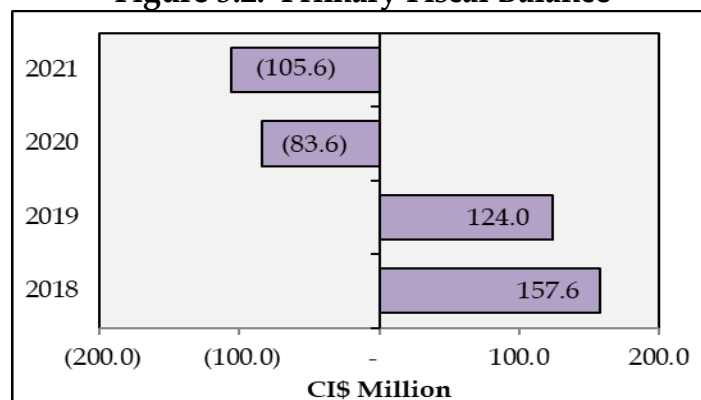
#### 5.4 Primary Balance

The primary balance is defined as net lending excluding interest payments and is a standard indicator of the central government's capacity to service debt obligations. The primary balance increased to a deficit of \$105.6 million in 2021



from a deficit of \$83.6 million in 2020. The primary balance as a percentage of GDP decreased to -2.1 percent in the review period from -1.8 percent in 2020.

**Figure 5.2: Primary Fiscal Balance**



Sources: Cayman Islands Treasury Department and ESO

### 5.5 Financing and Debt Service Indicators

Net acquisition of financial assets<sup>15</sup>, which includes the reduction in cash balance from the deficit, deteriorated to -\$143.1 million in 2021 from -\$132.7 million a year ago (see Table 5.8). The negative value is in the context of the government running a deficit and reducing its financial assets to cope with the impact of the pandemic. Net incurrence of liabilities amounted to -\$25.9 million relative to -\$35.8 million in 2020. This reflected loan repayment of \$34.2 million, which outweighed loan disbursement of \$8.4 million during the review period.

**Table 5.8: Financing of Central Government**

	2018	2019	2020	2021	% Change 2021/20
<b>Millions of Cayman Islands Dollars</b>					
<b>Financing:</b>					
Net Acquisition of Financial Assets	102.7	(185.0)	(132.7)	(143.1)	(7.8)
Net Incurrence of Liabilities	(30.9)	(287.0)	(35.8)	(25.9)	27.8
Disbursements	0.0	0.0	0.0	8.4	-
Loan Repayment	30.9	287.0	35.8	34.2	(4.5)

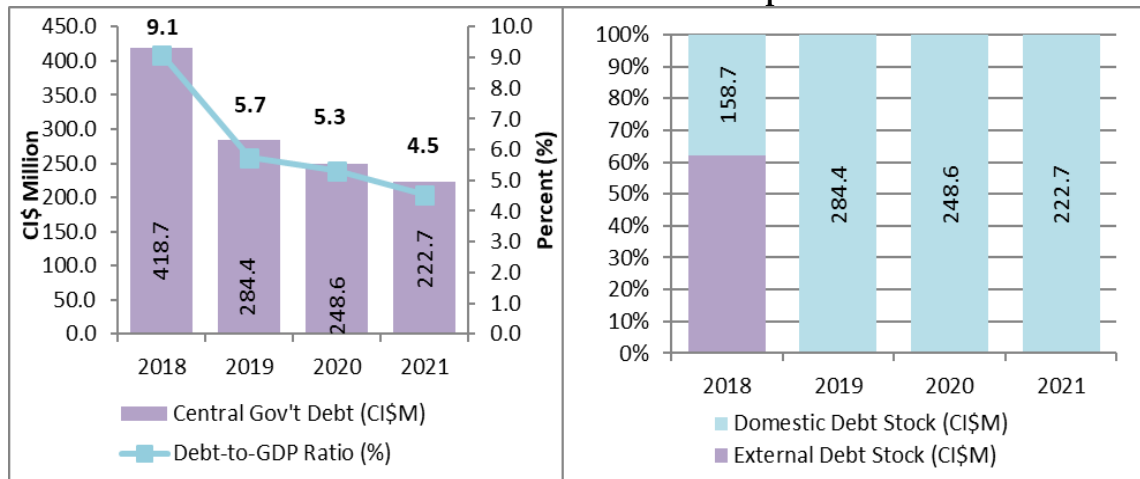
Source: Cayman Islands Treasury Department

Loan repayments during the year resulted in a reduction in the central government's outstanding debt, which fell by 10.4 percent to \$222.7 million at the

<sup>15</sup> This is defined as the acquisition of financial assets less the disposal of financial assets. A negative figure implies that the disposal of financial assets is greater than acquisition.

end of 2021 (see Figure 5.3)<sup>16</sup>. The reduction in debt placed the debt-to-GDP ratio at 4.5 percent relative to 5.3 percent at the end of 2020. The outstanding debt at the end of 2021 reflected liabilities owed to domestic commercial banks.

**Figure 5.3: Central Government’s Outstanding Debt, Debt-to-GDP Ratios and Debt Composition**



Source: Cayman Islands Treasury Department, ESO

All of the central government’s debt service indicators declined (improved) during 2021. Notably, the interest payments-to-revenue ratio decreased to 1.2 percent from 1.7 percent in 2020 (see Table 5.9). The debt service-to-GDP and debt service-to-revenue ratios fell to 0.9 percent and 4.8 percent in 2021 from 1.1 percent and 6.2 percent in 2020, respectively.

**Table 5.9: Central Government Debt Service Indicators**

Debt Service Indicators	2018	2019	2020	2021
Interest Payments-to-Revenue Ratio	2.9	2.6	1.7	1.2
Debt Service-to-GDP Ratio	1.2	6.2	1.1	0.9
Debt Service-to-Revenue Ratio	6.6	35.9	6.2	4.8

Source: Cayman Islands Treasury Department, Economics and Statistics Office

<sup>16</sup> Central government’s outstanding debt comprises debt managed directly by the Treasury Department and excludes government-guaranteed debt and other contingent liabilities.

## 6. Macroeconomic Outlook for 2022

*The Islands' economy is projected to grow by 3.4 percent in 2022 as the tourism sector begins to recover amidst the full reopening of borders. Domestic inflation is expected to accelerate sharply relative to 2021 as international commodity prices rise, while unemployment is expected to moderate in line with the improvement in production.*

### 6.1 Global Outlook<sup>17</sup>

Global economic recovery is projected to decelerate to a growth of 3.6 percent in 2022 as supply chain constraints as well as increased uncertainty about geopolitical tensions and monetary policies limit economic activities (see Table 6.1). Output in advanced economies is anticipated to rise by 3.3 percent in 2022, followed by further growth of 2.4 percent in 2023. The US economy is projected to expand by 3.7 percent in 2022 and 2.3 percent in 2023. Growth in these advanced economies should be driven by sustained demand for both goods and services, particularly durables and travel services. However, there is a rising risk that the growth forecast will be adjusted downwards to accommodate for tightening monetary policies across advanced economies to cope with rising inflation levels

**Table 6.1: Macroeconomic Indicators 2018-2023**

	2018	2019	2020	Estimate 2021	Projections 2022 2023	
<b>Real GDP growth (%)</b>						
Cayman Islands	4.3	3.9	-5.7	1.8	3.4	3.0
United States	2.9	2.3	-3.4	5.7	3.7	2.3
World	3.6	2.9	-3.1	6.1	3.6	3.6
Advanced Economies	2.3	1.7	-4.5	5.2	3.3	2.4
<b>Consumer Prices Index (avg. %)</b>						
Cayman Islands	3.0	6.0	1.0	3.3	7.9	3.6
United States	2.4	1.8	1.2	4.7	7.7	2.9
Advanced Economies	2.0	1.4	0.7	3.1	5.7	2.5
<b>Unemployment (%)</b>						
Cayman Islands	2.8	3.5	5.2	5.7	4.5	4.4
United States	3.9	3.7	8.1	5.4	3.5	3.5
Advanced Economies	5.1	4.8	6.6	5.6	4.7	4.7

Sources: International Monetary Fund (April 2022 WEO) for data on the US, World, and Advanced Economies, and the Economics and Statistics Office for Cayman Islands data.

<sup>17</sup> This global outlook is based on information culled from the International Monetary Fund (April 2022 World Economic Outlook) and other international organizations.

Global inflation is projected to accelerate as demand outpaces the recovery in supply. Labour shortages and supply chain constraints are expected to limit the rise in supply. Additionally, the conflict between Russia and Ukraine is expected to support elevated crude oil and commodity prices for most of the year. Crude oil prices are projected to rise by 54.7 percent in 2022, while the price index for food and beverage is expected to grow by 14.0 percent. In the United States, average inflation is projected at 7.7 percent, higher than the 4.7 percent recorded in 2021. Average inflation among advanced economies is expected at 5.7 percent for 2022 and 2.5 percent for 2023.

## **6.2 Domestic Growth**

Economic growth in the Cayman Islands is expected to remain robust over the near term despite the rising risk of economic contractions among major trading partners. Growth is expected to be driven by residual pent-up demand and the initial recovery of the tourism sector, which fully reopened in the first quarter of the year. Economic output in the Cayman Islands is projected to rise by 3.4 percent in 2022. Most industries are expected to expand for the year, led by hotels and restaurants, along with transport and storage (see Tables 6.1 and 6.2). Notwithstanding the projection for growth it is anticipated that the impact of tighter monetary policies and rising interest rates will dampen demand and weigh on growth towards the latter part of the year.

Activity in the tourism and transport sector is expected to drive the economic expansion for 2022 as the island's borders reopen and the hotel sector recovers partially from lockdown measures. Consequently, the **hotels and restaurants** sector is expected to expand by 20.5 percent in 2022. The transport sector is also expected to improve due to a rise in air and road travel to accommodate the increased tourist visitors. **Transport storage and communication** activities are projected to rise by 15.0 percent in 2022.

The **construction sector** is expected to reflect continued growth with several large-scale private sector projects, including many high-end apartment complexes and some hotel projects, expected to continue driving growth. Hotel projects expected to remain active in 2022 include the NCB Hilton Hotel, the new Hyatt Hotel (Pageant Beach site), the Mandarin Oriental Hotel at Beach Bay, and the Indigo Hotel. Additionally, government projects such as the construction of a mental health facility and continued road expansions should contribute to growth over the medium term. The sector is projected to expand by 4.6 percent in 2022.

The multiplier effect of the growth in the construction sector, which has the highest interlinkages with the local economy and the recovery of the tourism sector is expected to support activity in auxiliary sectors. **Electricity and water supply** is projected to expand by 3.4 percent in 2022, while the **wholesale and retail** sector is anticipated to rise by 4.5 percent in 2022.

**Table 6.2: Real GDP at (2015 Prices) by Sector (\$ million)\***

	2019	2020	2021E	2022P	% Change
<b>Millions of CI\$</b>					
<b>Primary Sectors</b>	<b>27.8</b>	26.9	<b>27.6</b>	<b>28.5</b>	<b>3.3</b>
Agriculture & Fishing	17.3	17.0	17.2	17.8	3.0
Mining & Quarrying	10.5	9.8	10.3	10.7	3.7
<b>Secondary Sectors</b>	<b>217.0</b>	211.7	<b>226.6</b>	<b>236.2</b>	<b>4.3</b>
Manufacturing	40.3	37.4	38.7	39.7	2.6
Construction	176.7	174.2	187.9	196.6	4.6
<b>Services Sectors</b>	<b>4,023.3</b>	3,823.9	<b>3,861.0</b>	<b>3,985.0</b>	<b>3.2</b>
Electricity & Water Supply	106.0	100.9	102.3	105.8	3.4
Wholesale & Retail Trade, Repairs & Installation of Machinery	291.7	282.7	298.0	311.3	4.5
Hotels & Restaurants incl. Bars	251.0	117.5	92.3	111.3	20.5
Transport, Storage & Communication	274.3	204.2	177.6	204.2	15.0
Financing & Insurance Services	1,378.9	1,392.4	1,416.9	1,433.4	1.2
Business Activities and Admin	698.3	730.2	750.4	764.1	1.8
Real Estate	379.1	367.7	390.7	394.8	1.0
Health and Social Work	163.1	173.4	179.9	183.5	2.0
Producers of Government Services	347.1	354.1	365.7	373.0	2.0
Other Services	133.8	<b>100.8</b>	87.1	103.5	18.8
<b>Taxes less Subsidies on Products</b>	<b>258.6</b>	<b>207.0</b>	<b>232.7</b>	<b>246.5</b>	<b>5.9</b>
<b>GDP constant at purchasers prices</b>	<b>4,526.7</b>	<b>4,269.4</b>	<b>4,347.9</b>	<b>4,496.2</b>	3.4
Growth (%)	3.9	(5.7)	1.8	3.4	

Source: Economics and Statistics Office

\* 2021 figures are advance estimates based on key indicators; 2022 figures are projections.

The persistence of domestic demand and continued appetite for the islands financial services is anticipated to support continued growth in finance and insurance services. The sector is projected to grow by 1.2 percent. The rising uncertainty associated with the geopolitical tensions is expected to weigh on

growth in business activities, notwithstanding, the sector is expected to show some growth for the year. **Business activities and administrative services**<sup>18</sup>, is anticipated to expand by 1.8 percent for the year. The **real estate** sector is expected to decelerate to a growth of 1.0 percent as higher interest rates weigh on demand.

### **6.3 Domestic Inflation**

The consumer price index (CPI) inflation rate is forecasted at 7.9 percent in 2022, an acceleration relative to the 3.3 percent observed in 2021. Higher prices in the US, Caymans' main trading partner is expected to drive inflationary pressures for the year. Additionally, the projected rise in commodity prices for 2022 should also drive some inflationary pressures. Domestic demand pressures for goods and real estate are also anticipated to propel higher inflation levels. Inflation in the US rose to 8.3 percent for the first half of 2022, while domestic inflation rose to 11.2 percent for the first quarter of the year.

### **6.4 Domestic Labour Market**

The demand for labour is expected to track the GDP growth forecasts, with increased employment opportunities expected from the full reopening of the tourism sector. The expected increased demand for labour is expected to synergize with the Government's policy to prioritize the integration of Caymanians into the labour market. Notwithstanding, the rise in demand is expected to outweigh domestic supply and add downward pressure on unemployment. Given the projected rise in the labour force and employment, the unemployment rate is forecast at 4.5 percent of the labour force in 2022.

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<sup>18</sup> This sector is comprised mainly of legal services, accounting and auditing services, business management and consultancy firms, corporate managers and corporate service providers, engineering services, architectural quantity surveying and mapping services, construction-related project management, etc.

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## 7. Acknowledgement

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**Caribbean Utilities Company**  
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**Cayman Islands Land and Surveys Department**  
**Cayman Islands Monetary Authority**  
**Cayman Islands Planning Department**  
**Cayman Islands Stock Exchange**  
**Cayman Islands Treasury Department**  
**Cayman Islands Water Authority**  
**Cayman Water Company**  
**Department of Immigration**  
**The Utility Regulation and Competition Office (OfReg)**  
**Maritime Authority of the Cayman Islands**  
**Port Authority of the Cayman Islands**

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**8. Statistical Appendix**

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Table A1: Gross Domestic Product.....	57
Table A2: Consumer Price Index and Inflation .....	58
Table A3: Labour Force and Employment .....	59
Table A4: Composition of the Employed Labour Force.....	60
Table A5: Composition of the Unemployed Labour Force.....	61
Table A6: Work Permits .....	62
Table A7: Merchandise Trade .....	69
Table A8: Imports by Standard International Trade Classification.....	70
Table A9: Monetary Assets and Liabilities.....	65
Table A10: Domestic Credit to the Private Sector by Retail Banks.....	66
Table A11: Financial Services Indicators .....	67
Table A12: Banks & Trust Licences .....	68
Table A13: Insurance Licences .....	69
Table A14: Mutual Funds Domiciled in the Cayman Islands .....	70
Table A15: New Companies Registered in the Cayman Islands.....	71
Table A16: Visitor Arrivals ('000) and Cruise Ship Calls .....	72
Table A17: Occupancy Rates and Length of Stay.....	73
Table A18: Total Stay-Over Arrivals by Country of Origin.....	74
Table A19: Property Transfers: Number and Value .....	75
Table A20: Number of Project Approvals in Grand Cayman .....	76
Table A21: Value of Project Approvals in Grand Cayman .....	77
Table A22: Number of Project Approvals in the Sister Islands.....	78
Table A23: Value of Project Approvals in the Sister Islands .....	79
Table A24: Building Permits in Grand Cayman.....	79
Table A25: Water Production and Consumption.....	80
Table A26: Electricity Production and Consumption in Grand Cayman.....	81
Table A27: Summary of Central Government Operations .....	82
Table A28: Central Government Debt and Self- Financing Debt.....	83
Table A29: Fiscal Operations.....	84



**Table A1: Gross Domestic Product**

Year	Nominal GDP (CIS\$M)	Real GDP 2015 Prices (CIS\$M)	Mid-Year Population (000s)	Real GDP Per Capita (\$)	Real GDP Growth (%)
1998	2,207.83	3,152.02	38.1	82,730	5.8
1999	2,393.70	3,259.19	39.0	83,569	3.4
2000	2,501.74	3,291.78	40.2	81,885	1.0
2001	2,566.48	3,311.53	41.4	80,085	0.6
2002	2,676.68	3,367.83	42.5	78,992	1.7
2003	2,775.80	3,435.18	43.6	78,836	2.0
2004	2,923.97	3,466.10	44.2	78,419	0.9
2005	3,341.46	3,691.40	48.4	76,269	6.5
2006	3,523.00	3,861.20	52.0	74,254	4.6
2007	3,721.90	3,983.30	54.1	73,628	3.2
2008	3,821.70	3,969.10	56.0	70,877	-0.4
2009	3,568.00	3,683.30	56.5	65,191	-7.2
2010	3,464.00	3,583.30	55.5	64,540	-2.7
2011	3,488.40	3,625.20	55.3	65,583	1.2
2012	3,575.80	3,669.80	56.1	65,352	1.2
2013	3,671.50	3,716.70	56.2	66,052	1.3
2014	3,802.40	3,815.40	56.9	66,946	2.7
2015	3,923.50	3,923.50	59.1	66,439	2.8
2016	4,091.09	4,050.58	61.3	66,045	3.2
2017	4,305.22	4,179.55	63.1	66,221	3.2
2018	4,608.46	4,357.90	64.4	67,648	4.3
2019	4,952.79	4,526.69	68.1	66,495	3.9
2020	4,673.97	4,269.39	67.9	62,924	-5.7
2021 <sup>P</sup>	4,915.17	4,347.91	67.6	64,349	1.8

Source: Economics and Statistics Office

<sup>P</sup> Preliminary

**Table A2: Consumer Price Index and Inflation**  
(September 2016=100)

Year	Index Year-end	Index Average	Average Rate (%)	Inflation
1996	67.5	66.6		2.5
1997	69.4	68.4		2.7
1998	71.1	70.5		3.0
1999	76.7	75.4		7.0
2000	77.8	77.3		2.6
2001	78.4	78.2		1.2
2002	80.7	80.2		2.5
2003	81.2	80.6		0.5
2004	90.3	84.2		4.5
2005	90.3	90.4		7.3
2006	91.8	91.0		0.7
2007	93.3	93.7		2.9
2008	97.0	97.6		4.1
2009	95.7	96.1		-1.5
2010	96.0	96.4		0.3
2011	97.8	97.6		1.3
2012	99.8	98.8		1.2
2013	101.5	100.9		2.2
2014	102.1	102.2		1.2
2015	99.6	99.8		-2.3
2016	100.0	99.1		-0.7
2017	102.4	101.1		2.0
2018	104.2	104.5		3.3
2019	112.9	110.4		5.7
2020	112.2	111.5		1.0
2021	120.8	115.2		3.3

Source: Economics and Statistics Office

**Table A3: Labour Force and Employment**

Year	Labour Force	Total Employed	Total Unemployed	Unemployment Rate (%)
1996	20,410	19,370	1,040	5.1
1997	21,620	20,725	895	4.1
1998	22,725	21,820	905	4.0
2001	27,971	25,862	2,109	7.5
2002	28,905	27,355	1,550	5.4
2003	29,905	28,827	1,079	3.6
2004	30,257	28,946	1,311	4.3
2005	36,767	35,464	1,303	3.5
2006	35,959	35,016	943	2.6
2007	37,431	36,026	1,405	3.8
2008	38,999	37,450	1,549	4.0
2009	38,269	35,958	2,311	6.0
2010	37,313	34,983	2,330	6.2
2011	37,620	35,267	2,353	6.3
2012	38,811	36,401	2,410	6.2
2013	38,521	36,106	2,415	6.3
2014	39,467	37,643	1,824	4.6
2015	40,870	39,138	1,732	4.2
2016	42,196	40,411	1,785	4.2
2017	42,941	40,856	2,085	4.9
2018	46,178	44,887	1,291	2.8
2019	49,089	47,394	1,695	3.5
2020	43,922	41,644	2,279	5.2
2021	48,688	45,919	2,769	5.7

Source: Economics and Statistics Office

Note:

No Labour Force Surveys (LFS) were conducted in 1999 and 2000. Data for 2004 are derived from the Spring LFS and not the Fall LFS on account of hurricane Ivan in September 2004. All other years reflect the results of the Fall LFS.

**Table A4: Composition of the Employed Labour Force**

Year	Total	Caymanian	Permanent Resident WRW	Non-Caymanian
1996	19,370	10,705	-	8,665
1997	20,725	10,390	-	10,335
1998	21,820	11,525	-	10,295
2001	25,862	12,479	-	13,383
2002	27,355	12,993	-	14,362
2003	28,827	13,973	-	14,854
2004	28,946	14,775	-	14,171
2005	35,464	18,025	-	17,439
2006	35,016	17,621	-	17,395
2007	36,026	16,520	-	19,506
2008	37,450	16,518	-	20,932
2009	35,958	16,048	-	19,910
2010	34,983	15,794	-	19,189
2011	35,267	15,969	-	19,298
2012	36,401	16,493	-	19,908
2013	36,106	17,518	-	18,588
2014	37,643	18,127	4,537	14,979
2015	39,138	18,366	3,990	16,783
2016	40,411	18,525	4,404	17,482
2017	40,856	19,259	4,158	17,439
2018	44,887	20,751	3,843	20,292
2019	47,394	20,068	4,696	22,630
2020	41,644	19,490	3,441	18,713
2021*	45,919	20,148	4,164	21,607

Source: Economics and Statistics Office

**Note:**

No Labour Force Surveys were conducted in 1999 and 2000. 2004 results are derived from Spring LFS and not Fall 2004 LFS on account of hurricane Ivan in September 2004.

WRW: with rights to work. PR-WRW data for the years prior to 2014 are included as part of Non-Caymanian data.

\* Estimated from the 2021 Preliminary census report

**Table A5: Composition of the Unemployed Labour Force**

Year	Total	Caymanian	Permanent Residents WRW	Non-Caymanian
1996	1,049	692	-	357
1997	895	579	-	316
1998	907	609	-	298
2001	2,109	1,311	-	798
2002	1,550	1,058	-	492
2003	1,079	857	-	222
2004	1,311	887	-	424
2005	1,303	1,039	-	264
2006	943	682	-	261
2007	1,405	1,029	-	376
2008	1,549	1,169	-	380
2009	2,311	1,680	-	631
2010	2,330	1,713	-	617
2011	2,353	1,732	-	621
2012	2,410	1,925	-	485
2013	2,415	1,818	-	597
2014	1,824	1,562	129	134
2015	1,732	1,209	283	240
2016	1,785	1,406	173	206
2017	2,085	1,515	190	380
2018	1,291	996	188	108
2019	1,695	1,201	177	318
2020	2,279	1,759	99	421
2021	2,769	1,864	276	629

Source: Economics and Statistics Office

Note:

No Labour Force Surveys were conducted in 1999 and 2000. 2004 results are derived from Spring LFS and not Fall 2004 LFS on account of hurricane Ivan in September 2004.

WRW: with rights to work. PR-WRW data for the years prior to 2014 are included as part of Non-Caymanian data.

\* Estimated from the 2021 Preliminary census report

**Table A6: Work Permits**

<b>Year</b>	<b>Total</b>
1995	10,198
1996	9,951
1997	11,314
1998	12,885
1999	...
2000	14,284
2001	13,883
2002	15,779
2003	17,123
2004	20,508
2005	21,763
2006	22,393
2007	26,350
2008	26,516
2009	23,531
2010	20,452
2011	19,852
2012	20,789
2013	19,432
2014	21,076
2015	22,756
2016	24,158
2017	25,305
2018	26,657
2019	27,514
2020	25,085
2021	26,775

Source: WORC

1995-1999 data from Economics and  
Statistics Office

**Table A7: Merchandise Trade (CI\$ Million)**

<b>Year</b>	<b>Imports</b>	<b>Exports</b>	<b>Trade Balance</b>
1997	423.7	1.8	(421.9)
1998	447.8	1.0	(446.8)
1999	452.2	1.2	(451.0)
2000	575.7	2.0	(573.7)
2001	514.5	2.4	(512.1)
2002	496.1	3.0	(493.1)
2003	546.2	19.7	(526.5)
2004	718.9	11.9	(707.0)
2005	976.3	42.8	(933.5)
2006	873.5	13.9	(859.6)
2007	857.6	17.9	(839.7)
2008	898.7	27.1	(871.6)
2009	779.6	23.0	(756.6)
2010	726.3	20.3	(706.0)
2011	801.6	30.6	(771.0)
2012	800.4	32.4	(768.0)
2013	816.6	42.8	(773.8)
2014	852.9	40.1	(812.8)
2015	821.9	54.0	(767.9)
2016	852.6	48.1	(804.5)
2017	914.8	32.2	(882.5)
2018	1,042.8	34.4	(1,008.4)
2019	1,189.7	41.5	(1,148.2)
2020R	1,115.0	17.7	(1,097.3)
2021P	1,281.9	14.3	(1,267.7)

<sup>R</sup> Revised

<sup>P</sup> Preliminary

Source: Cayman Islands Customs Department and Economics and Statistics Office

**Table A8: Imports by Standard International Trade Classification**  
(CI\$ Million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020R	2021P
<b>Total Imports</b>	<b>800.4</b>	<b>816.6</b>	<b>852.3</b>	<b>821.4</b>	<b>852.1</b>	<b>914.8</b>	<b>1,042.8</b>	<b>1,189.7</b>	<b>1,115.0</b>	<b>1,281.9</b>
Food and Live Animals	128.0	138.9	162.0	166.3	171.0	175.0	188.1	194.9	189.4	196.0
Beverages and Tobacco	28.9	30.0	31.5	30.9	34.4	34.1	41.6	50.3	41.8	48.7
Inedible Crude Materials	9.0	9.9	11.2	12.5	14.5	16.4	17.2	23.3	21.0	25.3
Mineral Fuels, Lubricants and Related Materials	173.0	189.3	178.5	106.8	93.2	112.2	133.2	140.9	89.5	128.9
Animal and Vegetable Oils, Fats and Waxes	0.2	0.2	0.6	1.5	1.1	0.6	1.6	1.7	1.6	2.1
Chemicals and Related Products n.e.s.	36.9	38.4	39.8	39.3	43.5	54.8	74.1	80.8	86.7	110.5
Manufactured Goods (classified chiefly by material)	92.7	94.5	91.7	90.7	95.2	110.7	124.4	135.6	135.1	177.7
Machinery and Transport Equipment	115.9	117.3	126.9	147.1	171.2	193.1	214.1	249.8	236.5	286.7
Miscellaneous Manufactured Articles	131.2	120.9	131.9	114.2	116.4	185.0	224.5	240.0	226.1	264.7
Commodities and Transactions n.e.s.	84.6	77.2	78.2	112.0	111.6	33.1	23.9	72.4	87.3	41.3

<sup>R</sup> Revised

<sup>P</sup> Preliminary

n.e.s. - not elsewhere specified

Source: Cayman Islands Customs Department and Economics and Statistics Office



**Table A9: Monetary Assets and Liabilities, CI\$ Million**

	2016	2017	2018	2019	2020	2021
<b>Total Assets</b>	6,155.3	7,285.9	7,374.5	7,566.2	8,189.8	8,660.2
<b>Net Foreign Assets</b>	3,883.0	4,954.5	5,305.1	5,330.5	5,889.8	6,007.1
Monetary Authority	122.2	126.6	135.8	153.8	181.5	192.8
Commercial Banks	3,760.8	4,827.9	5,169.3	5,176.7	5,708.3	5,814.4
<b>Net Domestic Assets</b>	2,272.3	2,331.3	2,069.4	2,235.7	2,300.0	2,653.0
<b>Domestic Credit</b>	3,083.9	3,188.5	3,066.3	3,300.9	3,432.9	3,679.7
Claims on central Government	211.0	182.8	157.2	230.9	198.6	175.6
Claims on other public sector	64.0	55.5	50.1	45.1	38.7	29.7
Claims on private sector	2,809.0	2,950.2	2,859.1	3,024.9	3,195.6	3,474.4
<b>Other Items (net)</b>	(811.6)	(857.2)	(996.9)	(1,065.2)	(1,132.9)	(1,026.7)
<b>Broad Liquidity</b>	6,155.3	7,285.9	7,374.5	7,566.2	8,189.8	8,660.2
<b>Broad money (KYD) M2</b>	6,155.3	7,285.9	7,374.5	7,566.2	8,189.8	2,513.2
Currency in circulation	1,534.3	1,649.8	1,737.6	1,953.2	2,317.1	173.5
KYD Deposits	115.6	119.5	126.6	140.4	164.4	2,339.7
Demand Deposits	1,418.7	1,530.3	1,611.0	1,812.9	2,152.7	1,055.6
Time and savings deposits	595.9	648.0	643.4	775.3	937.4	1,284.1
<b>FOREX deposits</b>	822.8	882.3	967.6	1,037.5	1,215.3	6,146.9
Of which: US dollars	4,621.0	5,636.0	5,636.9	5,613.0	5,872.7	5,671.6

Source: Cayman Islands Monetary Authority and Economics & Statistics Office

**Table A10: Domestic Credit to the Private Sector by Retail Banks, CI\$ Million**

	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21
<b>Total</b>	<b>2,809.0</b>	<b>2,950.2</b>	<b>2,859.1</b>	<b>3,024.9</b>	<b>3,195.6</b>	<b>3,474.4</b>
<b>Credit to Businesses</b>	<b>907.6</b>	<b>884.1</b>	<b>717.4</b>	<b>937.5</b>	<b>1,035.4</b>	<b>1,166.8</b>
<b>Production &amp; Manufacturing</b>	<b>172.2</b>	<b>159.5</b>	<b>215.6</b>	<b>217.0</b>	<b>236.7</b>	<b>207.3</b>
Agriculture, Fishing and Mining	4.3	4.7	4.9	4.6	4.4	4.9
Manufacturing	9.6	4.1	13.8	8.0	8.9	8.4
Utilities	36.9	23.0	58.5	16.8	16.4	8.2
Construction	11.3	17.7	138.4	187.6	207.0	185.8
<b>Services</b>	<b>72.2</b>	<b>85.4</b>	<b>95.2</b>	<b>102.4</b>	<b>117.0</b>	<b>126.3</b>
Accommodation, Food, Bar & Entertainment Services	13.6	26.4	42.9	60.9	65.6	68.3
Transportation, Storage & Communications	19.4	24.1	23.4	21.5	28.8	28.9
Education, Recreational & Other Professional Services	39.2	34.9	28.9	20.0	22.6	29.0
<b>Trade and Commerce</b>	<b>525.6</b>	<b>578.6</b>	<b>363.3</b>	<b>584.6</b>	<b>652.9</b>	<b>812.4</b>
Wholesale & Retail Sales Trade	53.4	53.2	35.0	57.8	70.2	102.3
Real Estate Agents, Rental and Leasing Companies	194.6	132.0	145.2	262.6	281.5	318.9
Other Business Activities (General Business Activity)	277.6	393.4	183.1	264.2	301.1	391.2
<b>Other Financial Corporations</b>	<b>137.6</b>	<b>60.7</b>	<b>43.4</b>	<b>33.5</b>	<b>28.8</b>	<b>20.8</b>
<b>Credit to Households</b>	<b>1,882.7</b>	<b>1,992.5</b>	<b>2,063.1</b>	<b>2,068.8</b>	<b>2,139.1</b>	<b>2,293.1</b>
Domestic Property	1,600.9	1,719.8	1,780.9	1,771.8	1,887.8	2,033.1
Motor Vehicles	45.8	50.5	61.1	57.3	58.8	58.4
Education and Technology	5.9	6.4	5.8	4.7	4.2	3.3
Miscellaneous*	230.0	215.9	215.3	235.0	188.4	198.3
<b>Non-Profit Organizations</b>	<b>18.7</b>	<b>73.6</b>	<b>78.6</b>	<b>18.6</b>	<b>21.1</b>	<b>14.5</b>

\*Miscellaneous include consolidated debt, insurance, medical and travel

Source: Cayman Islands Monetary Authority

**Table A11: Financial Services Indicators**

Year	Bank & Trust Licensees	Insurance Licensees	Captive Insurance Premiums (US\$B)	Mutual Funds*	New Company Registrations	Stock Market Cap**. (US\$B)	Stock Listings
2006	291	767	7.1	8,134	12,277	111.5	1,225
2007	281	793	7.5	9,413	14,232	168.3	1,748
2008	278	805	7.7	9,870	11,861	167.7	1,579
2009	266	808	7.5	9,523	7,863	163.0	1,312
2010	246	768	8.7	9,438	8,157	145.7	1,113
2011	234	766	11.8	9,258	9,064	143.8	1,156
2012	222	768	11.8	10,841	8,971	166.5	1,157
2013	213	788	12.6	11,379	9,433	172.6	1,116
2014	198	788	12.1	11,010	11,010	169.3	1,066
2015	184	739	12.8	10,940	11,875	195.3	1,048
2016	159	740	14.6	10,586	11,174	195.6	1,022
2017	148	724	12.4	10,559	13,046	241.4	1,238
2018	133	730	15.4	10,992	16,326	310.2	1,699
2019	125	672	18.0	10,857	12,822	427.0	2,078
2020	110	679	20.9	11,896	11,731	458.8	2,336
2021	101	686	23.1	12,719	16,748	807.2	2,681

Source: Cayman Islands Monetary Authority, Cayman Islands Stock Exchange, Cayman Islands General Registry

\* Includes a new category called master funds starting in 2012

\*\*Cap = Capitalization

**Table A12: Banks & Trust Licensees**

Year	Class A Banks			Class B Banks			Overall Total
	Bank & Trust	Bank	Total	Bank & Trust	Bank	Total	
2006	16	3	19	112	160	272	291
2007	14	5	19	106	156	262	281
2008	13	5	18	96	164	260	278
2009	12	5	17	95	154	249	266
2010	12	5	17	87	142	229	246
2011	12	3	15	83	136	219	234
2012	12	3	15	78	129	207	222
2013	12	3	15	73	125	198	213
2014	10	3	13	66	119	185	198
2015	9	3	12	61	111	172	184
2016	7	4	11	53	95	148	159
2017	8	3	11	52	85	137	148
2018	8	3	11	46	76	122	133
2019	6	3	9	42	74	116	125
2020	6	3	9	37	64	101	110
2021	8	2	10	29	62	91	101

Source: Cayman Islands Monetary Authority

**Table A13: Insurance Licensees**

	Total Class A (Domestic Insurers)	Class B Captives Excluding SPCs	Class B Captives- SPCs Only	Total Class B,C,D (International Insurers)	Total Insurers
2006	27	623	117	740	767
2007	28	641	124	765	793
2008	28	652	125	777	805
2009	28	650	130	780	808
2010	30	619	119	738	768
2011	27	615	124	739	766
2012	27	608	133	741	768
2013	27	571	148	761	788
2014	28	586	139	760	788
2015	31	539	140	708	739
2016	29	536	147	711	740
2017	28	521	148	696	724
2018	27	525	149	703	730
2019	26	490	128	646	672
2020	27	486	138	652	679
2021	25	513	148	661	686

Source: Cayman Islands Monetary Authority

**Table A14: Mutual Funds Domiciled in the Cayman Islands**

Year	Administered Funds	Licensed Funds	Registered Funds	Master Funds	Limited Investor Funds*	Total
2006	548	105	7,481	-		8,134
2007	543	119	8,751	-		9,413
2008	510	129	9,231	-		9,870
2009	448	131	8,944	-		9,523
2010	435	133	8,870	-		9,438
2011	424	120	8,714	-		9,258
2012	408	121	8,421	1,891		10,841
2013	398	111	8,235	2,635		11,379
2014	386	104	7,835	2,685		11,010
2015	380	101	7,654	2,805		10,940
2016	363	90	7,293	2,840		10,586
2017	331	81	7,331	2,816		10,559
2018	317	75	7,654	2,946		10,992
2019	295	64	7,612	2,886		10,857
2020	294	59	7,972	2,988	583	11,896
2021	295	55	8,499	3,198	672	12,719

Source: Cayman Islands Monetary Authority

\* Commenced in Q2 2020

**Table A15: New Companies Registered in the Cayman Islands**

Year	Exempt	Non-Resident	Resident	Foreign	Foundation*	LLC	Total
2006	10,735	569	588	385	-	-	12,277
2007	12,691	533	531	477	-	-	14,232
2008	10,536	293	510	522	-	-	11,861
2009	6,764	220	487	392	-	-	7,863
2010	7,104	230	432	391	-	-	8,157
2011	7,980	156	485	443	-	-	9,064
2012	7,940	69	506	456	-	-	8,971
2013	8,380	48	430	575	-	-	9,433
2014	9,981	29	408	592	-	-	11,010
2015	10,672	40	506	657	-	-	11,875
2016	9,812	29	518	610	-	205	11,174
2017	11,138	25	583	589	-	711	13,046
2018	13,812	15	726	761	84	928	16,326
2019	10,448	25	738	694	55	862	12,822
2020	9,360	13	648	751	43	916	11,731
2021	13,413	15	845	846	164	1,465	13,413

Source: Companies Registrar

\*Commenced in February 2018.

**Table A16: Visitor Arrivals ('000) and Cruise Ship Calls**

Year	Stay-Over	Cruise	Total Arrivals	Cruise Ship Calls
1999	394.7	1,035.5	1,430.2	638
2000	354.1	1,030.9	1,385.0	612
2001	334.1	1,214.8	1,548.9	611
2002	302.8	1,574.8	1,877.6	732
2003	293.5	1,819.0	2,112.5	825
2004	259.9	1,693.3	1,953.2	732
2005	167.8	1,799.0	1,966.8	784
2006	267.3	1,930.1	2,197.4	802
2007	291.5	1,715.7	2,007.2	657
2008	302.9	1,553.1	1,855.9	570
2009	271.9	1,520.4	1,792.3	547
2010	288.3	1,597.8	1,886.1	570
2011	309.1	1,401.5	1,710.6	523
2012	321.6	1,507.4	1,829.0	525
2013	345.4	1,375.9	1,721.3	480
2014	382.8	1,609.6	1,992.4	562
2015	385.4	1,716.8	2,102.2	575
2016	385.5	1,711.8	2,097.3	577
2017	418.4	1,728.4	2,146.8	569
2018	463.0	1,921.1	2,384.1	636
2019	502.1	1,831.0	2,333.8	601
2020	121.8	538.1	660.0	192
2021	17.3	-	17.3	-

Source: Immigration Department, Port Authority and Department of Tourism



**Table A17: Occupancy Rates and Length of Stay**

Year	Hotel Occupancy Rates (%)	Apt/Condo Occupancy Rates (%)	Hotel Length of Stay (Days)	Apt/Condo Length of Stay (Days)
1999	71.8	46.9	4.7	5.8
2000	62.4	46.8	4.6	7.0
2001	55.3	43.1	4.5	7.3
2002	50.6	40.2	4.8	7.3
2003	51.2	37.7	4.7	7.4
2004	61.7	43.1	4.9	6.8
2005	55.8	46.0	4.9	6.7
2006	59.4	40.7	4.5	6.6
2007	61.7	42.5	4.7	6.7
2008	62.2	44.0	4.5	6.4
2009	59.0	43.9	4.4	6.9
2010	68.2	44.1	4.4	6.8
2011	n/a	n/a	n/a	n/a
2012	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a

Source: Cayman Islands Department of Tourism

**Table A18: Total Stay-Over Arrivals by Country of Origin ('000)**

Year	USA	Europe	Canada	Others	Total Arrivals
1995	266.2	37.3	14.1	43.8	361.4
1996	274.7	33.5	16.2	48.8	373.2
1997	278.7	32.7	18.2	51.6	381.2
1998	295.2	34.7	18.4	55.9	404.2
1999	280.3	34.5	18.9	61.0	394.7
2000	281.6	22.6	15.0	34.3	354.1
2001	270.1	20.4	13.6	34.9	334.1
2002	244.9	17.9	13.6	26.2	302.8
2003	232.4	18.2	14.1	28.8	293.5
2004	205.2	15.3	12.1	27.3	259.9
2005	118.8	12.7	10.5	25.8	167.8
2006	217.4	16.7	14.9	18.3	267.3
2007	231.9	20.4	17.4	21.9	291.5
2008	240.5	21.3	18.5	22.6	302.9
2009	215.0	19.1	17.3	20.6	272.0
2010	228.5	19.9	19.5	20.5	288.3
2011	242.9	21.1	24.6	20.4	309.1
2012	253.2	21.4	24.1	23.0	321.7
2013	265.4	27.8	23.6	28.5	345.4
2014	288.0	36.4	24.9	33.5	382.8
2015	291.8	34.3	24.3	35.0	385.4
2016	300.6	29.2	23.3	32.4	385.5
2017	341.0	24.3	24.8	28.4	418.4
2018	385.3	22.8	26.6	28.2	463.3
2019	418.6	24.1	30.1	29.9	502.7
2020	99.1	6.3	11.4	5.0	121.8
2021	9.5	2.7	1.8	3.3	17.3

Source: Immigration Department and Department of Tourism

**Table A19: Property Transfers: Number and Value, in CI\$ Million**

Year	Freehold		Leasehold		Total Transfers	
	Number	Value	Number	Value	Number	Value
1995	1,729	191.2	127	3.6	1,856	194.8
1996	2,055	267.2	153	3.3	2,208	270.5
1997	2,151	281.8	125	6.1	2,279	287.9
1998	2,344	317.2	128	2.3	2,472	319.5
1999	2,293	222.5	201	7.4	2,494	229.9
2000	1,868	257.3	143	2.3	2,011	259.6
2001	1,846	172.8	181	0.8	2,027	173.6
2002	1,842	269.9	147	4.1	1,989	274.0
2003	2,357	324.3	205	1.7	2,562	326.0
2004	2,335	339.2	127	1.9	2,462	341.1
2005	2,640	450.8	245	1.4	2,885	452.2
2006 <sup>R</sup>	2,777	691.1	179	4.1	2,956	695.2
2007	2,190	544.7	360	23.3	2,512	551.0
2008	2,289	558.1	323	76.2	2,612	634.3
2009	2,045	397.0	242	19.5	2,287	416.5
2010	1,619	307.2	168	9.2	1,787	316.4
2011	1,708	632.1	178	25.8	1,886	657.9
2012	1,696	418.1	116	11.9	1,812	430.0
2013	1,569	538.8	197	38.7	1,766	577.5
2014	1,718	533.7	159	29.1	1,877	562.8
2015	1,787	592.4	131	19.8	1,918	612.2
2016	1,792	844.3	183	16.0	1,975	860.3
2017	1,875	798.0	194	32.2	2,069	830.2
2018	2,070	855.8	220	287.9	2,290	1,143.7
2019	1,922	816.4	192	45.8	2,114	862.2
2020	1,920	770.6	160	37.2	2,080	807.1
2021	2,983	1,346.5	217	66.8	3,200	1,413.2

Source: Cayman Islands Lands and Survey Department

<sup>R</sup> = Revised

Leasehold transfers include lease transfers and subleases.

**Table A20: Number of Project Approvals in Grand Cayman**

Year	Apts/ Condos	Houses	Commercial	Government	Hotel	Industrial	Other	Total
2001	79	309	45	7	3	11	442	896
2002	88	327	83	4	5	17	424	948
2003	129	385	67	12	-	34	504	1,131
2004	111	359	52	6	1	17	427	973
2005	132	532	95	15	4	26	394	1,198
2006	222	336	70	15	1	30	574	1,248
2007	112	437	56	10	1	14	493	1,123
2008	103	424	43	7	-	11	580	1,168
2009	109	426	46	3	-	12	526	1,122
2010	73	327	43	9	-	5	505	962
2011	52	332	36	14	-	9	496	939
2012	38	313	46	7	-	16	570	990
2013	31	244	53	10	3	14	586	971
2014	56	225	30	15	2	6	673	1029
2015	42	225	40	15	1	14	643	990
2016	57	238	39	6	5	13	614	972
2017	83	276	34	14	3	19	727	1156
2018	54	191	17	4	0	5	451	722
2019	75	245	32	10	2	7	377	748
2020	90	258	16	14	0	7	452	837
2021	120	243	30	15	3	14	378	803

Source: Cayman Islands Planning Department

**Table A21: Value of Project Approvals in Grand Cayman, CI\$ Million**

Year	Apt/ Condos	Houses	Commercial	Government	Hotel	Industrial	Other	Total
2001	44.5	54.2	18.0	0.8	1.7	5.5	24.4	149.1
2002	82.0	60.6	48.9	0.8	9.7	9.9	24.4	236.3
2003	65.9	80.0	29.0	55.1	-	7.1	29.4	266.5
2004	153.7	67.5	133.2	3.9	45.0	7.3	45.7	456.3
2005	194.9	105.8	103.9	3.7	16.2	20.5	66.1	511.2
2006	294.3	74.8	119.8	7.5	6.0	44.4	74.2	620.9
2007	88.9	131.3	71.7	54.5	55.0	8.4	59.1	468.9
2008	141.5	110.3	125.4	18.5	-	11.1	74.0	480.9
2009	170.0	122.0	29.0	0.1	-	2.6	97.5	421.2
2010	35.9	93.9	92.5	3.6	-	1.0	84.8	311.7
2011	27.5	116.5	25.8	15.1	-	16.6	40.3	241.8
2012	17.3	81.9	11.7	5.2	-	8.1	28.1	152.3
2013	48.2	100.9	118.8	5.1	143.0	5.2	42.5	463.7
2014	132.5	129.9	9.2	3.4	4.6	17.0	119.0	411.6
2015	152.7	115.6	39.7	50.1	0.1	48.5	52.2	458.8
2016	71.5	106.4	152.8	14.2	1.9	20.2	39.8	406.7
2017	220.3	118.4	50.1	4.5	246.8	74.2	84.5	798.7
2018	150.5	104.6	37.4	1.3	-	1.6	456.9	752.3
2019	205.2	109.0	48.9	7.7	187.7	4.4	327.6	890.4
2020	389.1	110.3	74.2	1.6	0.0	26.1	281.8	883.2
2021	180.9	118.0	38.7	3.0	160.4	27.1	448.9	976.9

Source: Cayman Islands Planning Department

**Table A22: Number of Project Approvals in the Sister Islands**

Year	Houses	Apt/Condo	Hotel	Government	Commercial	Industrial	Other	Total
2000	49	3	-	7	6	7	53	125
2001	41	7	-	5	9	3	46	111
2002	21	2	-	5	2	9	74	113
2003	29	3	-	4	14	2	60	112
2004	36	1	-	11	13	4	75	140
2005	43	4	-	5	9	1	73	135
2006	39	-	1	10	5	10	67	132
2007	35	6	-	9	5	-	49	104
2008	40	5	2	3	5	1	53	109
2009	34	2	-	3	2	-	62	103
2010	27	2	-	8	5	1	71	114
2011	35	-	-	2	2	1	62	102
2012	21	-	-	7	5	1	56	90
2013	29	1	-	3	2	1	56	92
2014	22	-	-	1	6	-	30	59
2015	10	-	-	-	9	-	44	63
2016	12	1	-	2	11	1	35	62
2017	25	1	-	3	2	-	29	60
2018	15	2	-	2	1	-	38	57
2019	18	3	0	2	2	0	22	47
2020	26	2	0	0	3	0	22	53

Source: Cayman Islands Planning Department

**Table A23: Value of Project Approvals in the Sister Islands, CI\$ Million**

Year	Houses	Apt/Condo	Hotel	Government	Commercial	Industrial	Other	Total
2000	5.2	3.2	-	1.0	0.5	1.6	1.0	12.4
2001	-	2.8	-	2.1	1.1	1.1	0.8	8.0
2002	3.2	0.2	-	0.3	0.3	1.2	2.3	7.6
2003	4.1	0.8	-	0.1	1.4	0.4	0.7	7.4
2004	6.6	0.1	-	0.3	1.9	4.0	0.7	13.7
2005	5.9	1.3	-	0.2	0.6	0.5	0.8	9.3
2006	6.7	-	5.5	2.7	0.7	1.6	0.8	17.9
2007	6.5	23.9	-	2.1	0.3	-	3.5	36.2
2008	7.8	8.2	6.9	0.1	1.0	-	3.9	27.9
2009	5.8	0.7	-	2.0	1.1	-	3.3	12.8
2010	6.0	0.4	-	9.1	1.3	0.4	1.8	19.0
2011	7.4	-	-	0.1	0.1	1.6	0.8	9.9
2012	4.2	-	-	7.1	1.0	1.5	4.9	18.7
2013	5.9	0.5	-	0.7	0.2	0.0	2.6	9.8
2014	3.8	-	-	0.08	0.6	-	0.93	5.4
2015	3.4	-	-	-	2.1	-	0.7	6.1
2016	3.8	0.3	-	1.3	0.3	2.7	1.7	10.1
2017	4.7	-	-	0.4	0.1	-	1.1	6.2
2018	3.5	0.3	-	1.7	0.2	-	0.8	6.5
2019	3.9	2.9	0	2.1	0.2	0	0.2	9.2

Source: Cayman Islands Planning Department

**Table A24: Building Permits in Grand Cayman**

Category	Number					Value, CI\$ Million				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Apartment/ Condo	81	119	166	165	194	62.5	59.8	220.7	190.7	186.9
Houses	255	260	350	334	382	107.8	92.5	127.8	158.3	142.1
Commercial	89	93	86	77	98	41.4	42.1	21.7	137.2	149.5
Government	8	16	22	4	20	0.2	14.0	9.2	1.2	8.8
Hotel	2	1	0	0	2	2.8	0	0.2	-	90
Industrial	5	2	5	10	12	3.9	0	3.0	8.3	7.1
Other	439	469	619	435	475	16.5	38.4	107.8	59.8	132.8
<b>Total</b>	<b>879</b>	<b>960</b>	<b>1,249</b>	<b>1,025</b>	<b>1,183</b>	<b>234.7</b>	<b>247.9</b>	<b>490.3</b>	<b>555.6</b>	<b>717.0</b>

Source: Cayman Islands Planning Department

**Table A25: Water Production and Consumption**

Millions of US Gallons

Year	Production <sup>1</sup>	Consumption
1995	592.9	637.6
1996	631.0	678.1
1997	730.7	779.8
1998	808.9	849.4
1999	874.3	908.8
2000	986.5	1,028.5
2001	1,097.4	1,069.2
2002	1,147.9	1,056.1
2003	1,197.9	1,173.7
2004	1,291.3	1,252.7
2005	1,371.6	1,301.7
2006	1,639.6	1,560.7
2007	1,720.8	1,657.7
2008	1,730.3	1,646.1
2009	1,959.1	1,741.8
2010	1,970.9	1,704.5
2011	1,977.6	1,697.8
2012	2,012.5	1,752.6
2013	1,888.9	1,630.9
2014	2,053.1	1,710.8
2015	1,925.0	1,718.1
2016	2,192.6	1,854.4
2017	2,279.1	1,907.2
2018	2,424.0	2,009.4
2019	2,518.8	2,058.9
2020	2,395.4	1,952.0
2021	2,477.4	1,946.4

Source: Cayman Islands Water Authority, Cayman Water Company

<sup>1</sup> Excludes Non-Potable Water



**Table A26: Electricity Production and Consumption in  
Grand Cayman ('000-megawatt hours)**

Year	Production*	Consumption			
		Residential	Industrial/ Commercial	Public Lighting	Total
1995	297.4	118.1	147.5	3.3	268.9
1996	309.7	124.6	153.8	3.1	281.4
1997	347.8	140.3	168.7	3.3	312.3
1998	381.1	158.9	181.3	3.3	343.5
1999	390.4	168.2	191.5	3.3	363.0
2000	426.5	179.5	203.1	3.4	386.0
2001	449.3	189.7	213.9	3.5	407.0
2002	466.1	200.4	221.0	4.2	425.6
2003	489.7	211.2	228.5	4.5	444.2
2004	433.4	183.1	191.5	4.1	378.7
2005	463.2	200.3	222.4	5.0	427.8
2006	535.7	228.2	258.0	5.3	491.5
2007	546.1	249.4	279.4	5.4	534.2
2008	578.4	251.7	290.3	5.7	547.7
2009	597.4	263.1	290.7	6.0	559.8
2010	593.5	262.5	284.9	6.2	553.8
2011	594.0	258.8	289.0	6.2	554.0
2012	587.1	254.4	287.1	6.3	547.8
2013	595.6	261.0	288.1	6.6	555.7
2014	604.7	266.7	290.7	6.7	564.1
2015	623.7	276.9	298.3	6.7	582.0
2016	650.3	299.1	300.8	6.8	606.7
2017	654.4	312.8	302.1	6.9	621.8
2018	641.8	314.0	308.1	6.5	628.8
2019	678.8	342.1	320.1	5.5	667.7
2020	651.5	356.6	282.5	5.2	644.3
2021	662.0	361.6	293.8	5.0	660.5

Source: Caribbean Utilities Company

\*Net generation/production is reported from 2007

**Table A27: Summary of Central Government Operations, CI\$ Million**

Year	Revenue	Expense	Net Operating Balance	Net Investment in Non-Financial Assets	Expenditure	Net Lending (+)/Net Borrowing (-)
2002	314.0	278.0	36.0	17.7	295.7	18.3
2003	326.2	283.7	42.5	21.5	305.2	21.0
2004	336.4	349.2	(13.2)	28.9	378.1	(41.7)
2005	428.5	381.8	46.7	48.5	430.3	(1.8)
2006	500.4	393.5	106.9	39.6	433.1	67.3
2007	513.0	446.1	66.9	105.9	552.0	(39.0)
2008	522.2	502.7*	19.5	150.6	653.3	(131.1)
2009	473.7	535.6	(61.9)	141.7	677.3	(203.6)
2010	517.7	517.3	0.4	76.2	593.5	(75.8)
2011	545.8	525.2	20.6	98.3	623.5	(77.7)
2012	564.6	547.1	17.5	43.4 <sup>R</sup>	590.5 <sup>R</sup>	(25.9) <sup>R</sup>
2013	635.1	553.7	81.4	10.8 <sup>R</sup>	564.5 <sup>R</sup>	70.6 <sup>R</sup>
2014	664.2	551.2	112.9	17.2 <sup>R</sup>	568.5 <sup>R</sup>	95.7 <sup>R</sup>
2015	672.7	545.0	127.7	11.2 <sup>R</sup>	556.2 <sup>R</sup>	116.5 <sup>R</sup>
2016	705.9	585.8	120.1	19.2 <sup>R</sup>	605.0 <sup>R</sup>	101.0 <sup>R</sup>
2017	753.2	586.4	166.7	36.1 <sup>R</sup>	622.5 <sup>R</sup>	130.7 <sup>R</sup>
2018	830.2	652.6	177.5	43.9 <sup>R</sup>	696.6 <sup>R</sup>	133.6 <sup>R</sup>
2019	860.0	731.4	128.6	26.6 <sup>R</sup>	758.1 <sup>R</sup>	101.9 <sup>R</sup>
2020	797.4	858.4 <sup>R</sup>	(61.0) <sup>R</sup>	35.8 <sup>R</sup>	894.2 <sup>R</sup>	(96.9) <sup>R</sup>
2021	961.1	979.2	(18.1)	99.1	1,078.3	(117.2)

\*Annual depreciation is added to current expenditure but deducted from total expenditure starting 2008

<sup>R</sup> Revised

Source: Cayman Islands Treasury Department

**Table A28: Central Government Debt and Self- Financing Debt, CI\$ Million**

Year	Disbursed Outstanding Debt	Drawings	Exchange (Gain)/ Loss	Amortisation	Interest Payments
2002	132.1	10.9	(0.3)	21.3	3.8
2003	143.9	136.9	-	124.5	5.1
2004	157.6	23.3	-	9.5	7.3
2005	180.9	39.0	-	11.4	9.5
2006	179.7	10.0	-	14.5	8.9
2007	210.5	52.3	(0.2)	16.4	9.6
2008	354.9	166.2	(0.5)	20.7	11.7
2009	513.5	184.3	-	25.9	19.4
2010	592.7	106.7	(0.2)	25.9	27.9
2011	613.4	154.2	0.3	133.9	32.9
2012	586.2	-	(0.2)	25.9	33.8
2013	559.9	10.0	0.1	26.5	31.8
2014	534.0	-	(0.05)	33.9	29.2
2015	511.0	-	(0.12)	22.8	28.0
2016	483.9	-	(0.03)	27.1	27.1
2017	449.1	-	0.11	34.8	25.6
2018	418.7	-	0.023	30.9	24.0
2019	284.4	-	-	287.0	22.1
2020	248.6	-	-	35.8	13.3
2021	222.7	8.4	-	34.2	11.6

Source: Cayman Islands Treasury Department

a/ Self-financing debt refers to the loans raised by the central government on behalf of agencies which are required to reimburse the servicing of these loans.

**Table A29: Fiscal Operations, CI\$ Million**

	2017	2018	2019	2020	2021
<b>Revenue</b>	<b>753.2</b>	<b>830.2</b>	<b>860.0</b>	<b>797.4</b>	<b>961.1</b>
<b>Taxes</b>	<b>702.4</b>	<b>773.0</b>	<b>792.5</b>	<b>739.3</b>	<b>911.1</b>
Taxes on International Trade & Transactions	178.0	199.1	210.9	178.7	206.4
Taxes on Goods & Services	451.0	469.4	511.0	460.5	557.7
Taxes on Property	69.7	83.0	67.0	67.3	108.3
Other Taxes	3.7	21.5	3.6	32.9	38.7
<b>Other Revenue</b>	<b>50.7</b>	<b>57.2</b>	<b>67.5</b>	<b>58.0</b>	<b>50.0</b>
Sale of Goods & Services	40.0	40.2	43.6	39.2	39.9
Investment Revenue	7.1	12.2	18.4	8.5	4.8
Fines, Penalties and Forfeits	2.6	2.7	2.9	3.0	4.6
Transfers n.e.c.	1.0	2.1	2.5	7.3	0.7
<b>Expenditure</b>	<b>622.5</b>	<b>696.6</b>	<b>758.1</b>	<b>894.2</b>	<b>1,078.3</b>
<b>Expense</b>	<b>586.4</b>	<b>652.6</b>	<b>731.4</b>	<b>858.4</b>	<b>979.2</b>
Compensation of Employees	273.6	283.5	330.6	353.0	375.5
Use of Goods and Services	86.7	97.3	116.6	134.1	129.2
Subsidies	133.1	166.5	180.0	208.2	215.8
Social Benefits	29.9	36.2	39.5	69.7	140.0
Consumption of Fixed Capital	32.8	32.6	36.0	38.7	50.1
Interest	25.6	24.0	22.1	13.3	11.6
Other Expense	4.8	12.6	6.7	41.4	56.9
<b>Gross Investment in Non-Financial Assets</b>	<b>68.9</b>	<b>76.5</b>	<b>62.6</b>	<b>74.6</b>	<b>149.2</b>
Fixed Investment	68.9	76.5	62.1	73.2	147.7
Capital Investment in Ministries and Portfolios	9.6	20.2	23.5	35.7	75.8
Capital Investment in Statutory Authorities and Government Owned Companies	43.8	31.6	23.0	20.8	30.2
Executive Assets	15.5	24.8	15.5	16.7	41.7
Inventories		0.0	0.6	1.4	1.6
<b>Net Investment in Non-Financial Assets</b>	<b>36.1</b>	<b>43.9</b>	<b>26.6</b>	<b>35.9</b>	<b>99.1</b>
<b>Primary Balance (Overall Balance w/o Interest Payments)</b>	<b>156.2</b>	<b>157.6</b>	<b>124.0</b>	<b>(83.6)</b>	<b>(105.6)</b>
<b>Net Operating Balance</b>	<b>166.7</b>	<b>177.5</b>	<b>128.6</b>	<b>(61.0)</b>	<b>(18.1)</b>
<b>Net Lending (+)/Net Borrowing (-)</b>	<b>130.7</b>	<b>133.6</b>	<b>101.9</b>	<b>(96.9)</b>	<b>(117.2)</b>
<b>Financing:</b>					
Net Acquisition of Financial Assets	95.8	102.7	(185.0)	(132.7)	(143.1)
Net Incurrence of Liabilities	(34.8)	(30.9)	(287.0)	(35.8)	(25.9)
Incurrence (Disbursement)	0.0	0.0	0.0	0.0	8.4
Reduction (Loan Repayment)	34.8	30.9	287.0	35.8	34.2

Source: Economics &amp; Statistics Office and Treasury Department