



Cayman Islands
Government



THE CAYMAN ISLANDS' GROSS DOMESTIC PRODUCT (GDP) REPORT 2023



December 2024



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ABBREVIATIONS AND ACRONYMS

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

1. EXECUTIVE SUMMARY

- 1.1 The Cayman Islands' Gross Domestic Product (GDP) Report 2023 presents the GDP estimates for 2019 - 2023. The estimates were calculated using all three approaches to calculating GDP: i.e. the production, income, and expenditure approaches.
- 1.2 Nominal (current) purchasers' price GDP for the Cayman Islands grew to CI\$6,034.3 million in 2023, and an estimated nominal GDP per person (i.e. GDP per capita) of CI\$72,119.9.
- 1.3 Real GDP at purchasers' price (i.e. GDP at constant 2015 prices or GDP adjusted for inflation) increased to CI\$5,052.1 million in 2023. The corresponding per capita real GDP for 2023 was estimated at CI\$60,380.6.
- 1.4 The Cayman Islands' economy expanded again in 2023. Inflation-adjusted GDP grew by 5.8 percent in 2023, the same pace at which it expanded in 2022. The positive economic outturn in 2023 continued the recovery from the decline in 2020, when the economy contracted by 5.0 percent. Prior to the decline in 2020, the economy posted nine consecutive years of positive economic performance since 2011 (1.2%), 2012 (1.2%), 2013 (1.3%), 2014 (2.7%), 2015 (2.8%), 2016 (3.2%), 2017 (3.2%) 2018 (4.3%), and 2019 (3.9%). The positive economic performance in 2023 was broad-based, with 15 of the 18 industries expanding relative to 2022.
- 1.5 The five largest contributors to the 5.8 percent growth in real purchasers' price GDP in 2023 (i.e. their percent change weighted by their share of GDP) were: (i) professional, scientific & technical activities (1.4 percentage points); (ii) financial & insurance services (0.9 percentage points); (iii) hotel & restaurant services (0.8 percentage points); (iv) human health & social work (0.5 percentage points); and (v) transport & storage services (0.5 percentage points).
- 1.6 The six industries posting the largest change in constant price GDP in 2023 were: (i) hotel & restaurant services (22.1%); (ii) transport & storage (18.7%); (iii) other services (13.3%); (iv) water supply, sewerage & waste management (10.2%); (v) human health & social works (10.1%); and (vi) professional, scientific & technical activities (9.9%). Financial & insurance services grew by 2.8 percent in 2023, from 3.8 percent and 3.3 percent in 2022 and 2021, respectively.
- 1.7 The 5-year geometric average growth rate (2019-2023) showed an average annual constant price GDP growth of 3.0 percent for the total economy. For 2023, 16 of 18 industries posted positive average growth rates over the 5-year review period. The highest average expansion over the period was posted by human health & social

work services (9.6%), followed by public administration & defence (5.8%); education services (5.5%); professional, scientific & technical activities (5.2%); and mining & quarrying (5.0%). Financial & insurance services expanded by an average rate of 2.7 percent over the period. Due primarily to the pandemic-induced shocks in 2020 and 2021, negative average growth rates were posted by hotel & restaurant services (-2.4%), and transport & storage activities (-1.1%).

- 1.8 The share of financial & insurance services in total constant price GDP continued to decline, reaching 30.4 percent in 2023 from 31.4 percent in 2022, 31.9 percent in 2021 and 32.4 percent in 2020. The other industries making up the top seven in terms of share of GDP in 2023 are (i) professional, scientific & technical activities, which comprises primarily legal and accounting services (14.4%); (ii) real estate activities (7.6%); (iii) wholesale & retail trade (6.5%); (iv) public administration & defence, which consists primarily of central government operations (5.8%); (v) human health & social work (4.9%); and (vi) hotels & restaurants (4.1%). There were increases in the share of constant price GDP for 5 industries in 2023, 8 industries posted a reduction in their shares, while 5 remained unchanged.

- 1.9 All income components of GDP grew in 2023, led by operating surplus/mixed-income which increased by 10.9 percent to reach CI\$2,086.6 million. This was followed by compensation of employees, which grew by 10.0 percent to CI\$2,788.5 million, consumption of fixed capital, which increased by 5.8 percent to CI\$309.1 million, while taxes (less subsidies) on production and imports reached CI\$850.2 million after increasing by 1.2 percent.

- 1.10 Total compensation of employees as a share of GDP rose to 46.2 percent in 2023 from 45.7 percent in 2022. The share of operating surplus/mixed-income increased in 2023 to 34.6 percent, from 33.9 percent in 2022, after declining to 33.8 percent in 2021 from 35.4 percent in 2020. Consumption of fixed capital as a share of GDP continued to decline in 2023 for the third consecutive year, reaching 5.1 percent, from 5.3 percent in 2022 and 5.6 percent in 2021. Net taxes on production and imports as a share of GDP declined to 14.1 percent in 2023, from 15.1 percent in 2022.

- 1.11 The expenditure of resident households on goods and services, as measured by nominal Household Final Consumption Expenditure (HFCE), increased by 7.4 percent to CI\$3,275.1 million in 2023, adding to the 10.3 percent increase in 2022, and 9.4 percent in 2021. Government's final consumption expenditure grew by 8.9 percent in 2023 to reach CI\$697.7 million, while that for non-profit institutions serving households grew by 6.6 percent to CI\$41.7 million. Investment in capital goods and buildings (as measured by nominal Gross Fixed Capital Formation-GFCF)

rose to CI\$1,098.6 million in 2023, an increase of 0.9 percent. Total exports of goods and services reached CI\$3,746.5 million in 2023 after increasing by 8.9 percent compared to 2022. Imports of goods and services also increased in 2023 to reach CI\$2,826.2 million. The value of net exports (i.e. exports less imports) grew to CI\$920.3 million in 2023 from CI\$737.7 million in 2022 and CI\$563.1 million in 2021.

- 1.12 The share of final consumption expenditure in nominal GDPE decreased for the second consecutive year to 66.4 per cent in 2023 from 67.1 per cent in 2022 and 67.9 per cent in 2021. The second-largest share was posted by gross fixed capital formation (18.2%), after contracting from 19.6 percent in 2022. The share of net exports increased in 2023 to 15.2 percent from 13.3 percent in 2022. The share of changes in inventories increased year over year to 0.3 percent in 2023 when compared to 0.1 percent in 2022.
- 1.13 Gross National Product (GNP) - which adds investment income earned by residents from investments abroad and subtracts the investment income paid to foreigners from their investments within the Cayman Islands – increased to CI\$4,704.0 million in 2023. The 6.8 percent increase in GNP in 2023 primarily resulted from the CI\$484.2 million increase in nominal GDP, coupled with the CI\$550.7 million decrease in property income paid to the rest of the world (i.e. the outflow from the local economy) and the CI\$735.5 million decrease in property income received from the rest of the world.

2. INTRODUCTION

2.1 Importance of the System of National Accounts (SNA)

The SNA is a system of accounts that is used globally to measure the economic performance of countries and jurisdictions. It utilizes internationally accepted standards issued by the United Nations and the International Monetary Fund (among others). In the context of the Cayman Islands, its main uses are to:

- a. Comply with the Public Management & Finance Act (2018 Revision), which requires the reporting of gross domestic product in the Strategic Policy Statement. Governments generally use SNA statistics as key indicators for evaluating the potential and actual macroeconomic impact and sustainability of fiscal policies.
- b. Provide data that can assist government departments, local businesses, and non-government organisations with market research (e.g., preparing business plans).
- c. Comply with data requirements of foreign investors and creditors. For example, data from the SNA are required for inclusion in official borrowing documents (i.e., Offering Memorandum or Private Placement Memorandum). These statistics are necessary for assessing the worthiness of the jurisdiction as an investment site and/or the worthiness of its entities as borrowers.
- d. Comply with data requirements of international credit rating agencies, which provide credit ratings for the Cayman Islands government and private entities that borrow from the global financial market.
- e. Compare the performance and structure of Cayman's economy to other economies, i.e. for international comparison.
- f. Provide necessary data for conducting of economic impact assessments of hurricanes and other disasters, which are required by funding and other donor agencies. As pointed out by previous teams from the Economics Commission for Latin America and the Caribbean (ECLAC), the GDP statistics by sector for Cayman are necessary for calculating the economic impact of disasters in each sector and, therefore, the approximate amount of resources required for the reconstruction of these sectors.
- g. Provide data for government departments and business associations to forecast, simulate and monitor overall economic performance and the contribution of individual sectors.

2.2 Key data sources

The GDP estimates contained in this report are based on the Annual National Accounts Survey (ANAS) conducted among all relevant establishments included in the ESO Business Register. The survey was conducted from April to June 2023. It should be noted that all information provided via the survey is treated with the strictest confidence as per Sections 8, 17 and 18 of the Statistics Act (2016 Revision). Information from the survey is supplemented by secondary data provided by various government ministries, departments and statutory authorities, including the Cayman Islands Monetary Authority (CIMA), Department of Agriculture, Public Transport Unit, Health Services Authority, and other informal interviews with industry sources.

As in any survey, the response rate to the ANAS is mainly a function of the appreciation and understanding of the respondents on how the data will be used. It is hoped that this report will be an instrument to demonstrate the potential uses of the SNA to the business sector, business associations, and those providing services to businesses in the Cayman Islands.

2.3 Valuation of Gross Domestic Product (GDP)

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

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

2.4 Improvement in methodology

The System of National Accounts (SNA) - as practised globally by official statistical agencies - is ever-evolving. As such, there will be adjustments in the methodology used to derive the estimates from time to time. This includes refinement of the estimation process, availability of new and improved data sources, etc. The GDP series for the Cayman Islands included in this report benefits from improvements in, and refinements of, the data sources and methodology in the compilation process.

3. GROSS DOMESTIC PRODUCT ESTIMATES-THE PRODUCTION APPROACH

3.1 Overview of GDP at purchasers' prices

The Cayman Islands' Gross Domestic Product (GDP) Report 2023 presents the GDP estimates for 2019-2023.¹ The GDP for the Cayman Islands is compiled using all three approaches to measuring GDP. The primary estimates are compiled using the production approach (GDPP) supplemented with the income approach (GDPI). The third approach - GDP by expenditure (GDPE) - is only available for data years 2015 onwards.

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

This section takes a detailed look at GDPP (the main calculation methodology used in the SNA for the Cayman Islands) through the presentation of tables and graphs showing the 2023 GDP estimates by industry. GDPI and GDPE will be detailed in Sections 4 and 5, respectively.

The economic rebound for the Cayman Islands continued in 2023, even though there were lingering effects from the global pandemic that started in 2020. Inflation-adjusted GDP at purchasers' price grew by 5.8 percent in 2023, the same growth rate posted for 2022. The positive economic performance in 2023 was the third consecutive year of economic expansion after the economy contracted in 2020 by 5.0 percent. The decline in 2020 reversed nine years of economic growth going back to 2011. The positive economic outturn in 2023 (5.8%) represents the joint highest annual rate of increase in real GDP posted for the Cayman economy (for the directly calculated GDP series)², the second highest growth was posted in 2021 (4.9%). The growth in 2023 resulted in an average annual expansion of 3.0 percent for the five-year period 2019-2023.

Both the service and the goods-producing industries expanded in 2023, posting growth of 6.4 percent and 1.1 percent, respectively. The growth in services was broad-based, with all 14 industries registering increased output in 2023. The five largest increases in output posted by service industries in 2023 came from hotel & restaurant services (22.1%);

¹GDP by income components and GDP by expenditure are provided for the period 2018-2023.

²The calculated GDP series started in 2006. Prior to 2006 GDP estimates for the Cayman Islands were derived using indicators, not direct calculations.

transport & storage activities (18.7%); other services (13.3%); and water supply, sewerage & waste management activities (10.2%), and human health & social work (10.1%). Construction services was the only goods-producing industry to have expanded in 2023, posting growth of 3.0 percent. Agriculture & fishing (-8.9%), mining & quarrying activities (-3.3%), and manufacturing (-2.0%) all registered a decline in output in 2023.

Table 1 shows the total value of domestic output for 2019 to 2023. Domestic output relates to all entities that have a physical presence in the Cayman Islands; therefore, for the most part, they exclude entities registered in the Cayman Islands but have no physical presence in the country. The table shows the current and constant (i.e. inflation-adjusted) price estimates of GDP valued at both basic and purchasers' prices. The table also shows the per capita indicators relating to the respective GDP aggregates.

Table 1: Cayman Islands Main GDP Aggregates and Per Capita Indicators					
Main Aggregates (CI\$'000)	2019	2020	2021 ^R	2022 ^R	2023
GDP (Current Basic Prices)	4,668,790.2	4,494,073.6	4,750,912.6	5,223,824.4	5,686,993.6
GDP (Constant Basic 2015 Prices)	4,269,855.8	4,093,494.2	4,249,363.8	4,507,474.7	4,781,479.8
GDP (Current Purchasers' Prices)	4,951,560.7	4,712,779.5	5,050,658.0	5,550,112.1	6,034,346.1
GDP (Constant Purchasers' 2015 Prices)	4,528,540.2	4,304,159.8	4,513,747.2	4,774,446.3	5,052,108.6
Mean Population ('000)	66.248	64.958	67.721	78.554	83.671
Per Capita Indicators (CI\$)	2019	2020	2021 ^R	2022 ^R	2023
GDP (Current Basic Prices)	70,474.4	69,184.3	70,154.2	66,499.8	67,968.5
GDP (Constant Basic 2015 Prices)	64,452.6	63,017.6	62,748.1	57,380.6	57,146.2
GDP (Current Purchasers' Prices)	74,742.8	72,551.2	74,580.4	70,653.5	72,119.9
GDP (Constant Purchasers' 2015 Prices)	68,357.4	66,260.7	66,652.1	60,779.2	60,380.6

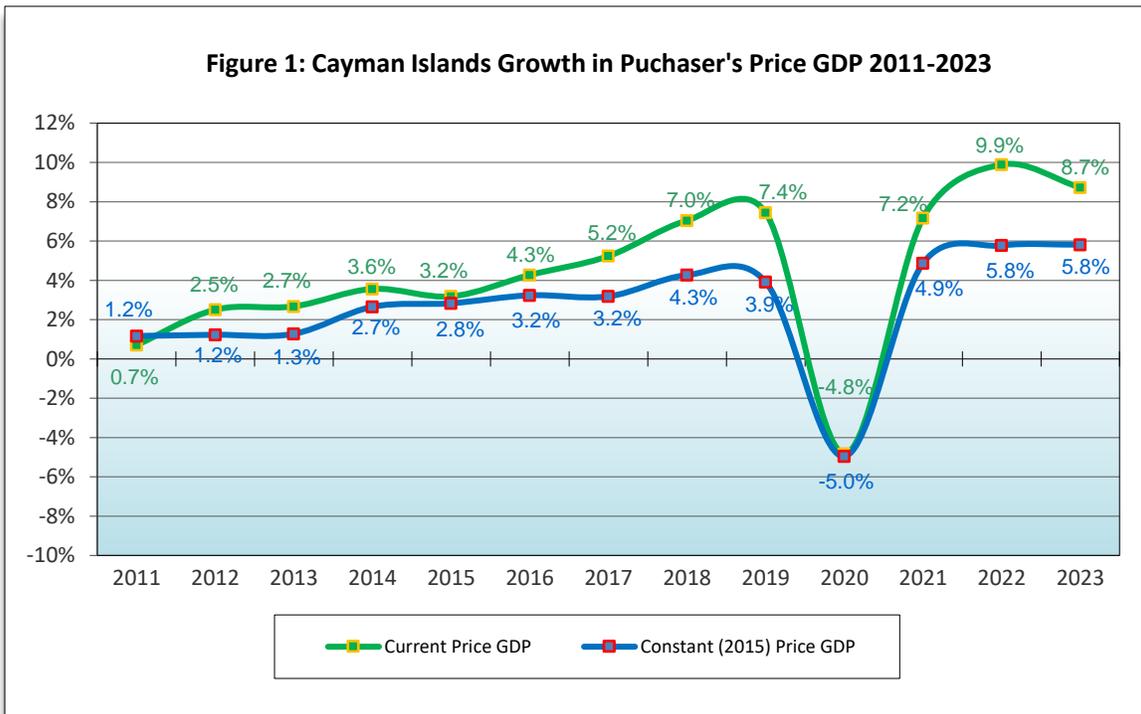
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Notes:

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

Despite the 5.8 percent growth in the overall real (purchasers' price) GDP³, real GDP per capita declined by 0.7 percent as the 6.5 percent increase in the estimated mid-year population eclipsed the growth in real GDP. Real GDP per capita declined for the second consecutive year in 2023, to reach CI\$60,380.6. Notwithstanding, nominal GDP per capita increased to CI\$72,119.9 in 2023 after growing by 2.1 percent from the CI\$70,653.5 recorded for 2022.

³Real GDP refers to GDP at constant (2015) prices, i.e. the inflation-adjusted GDP.

Figure 1 below shows the comparative growth rates of GDP at current and constant purchaser prices for 2011-2023.⁴ The graph reflects the ongoing economic recovery after the decline in 2020. The decline in 2020 ended nine consecutive years of economic growth since 2011. Real GDP grew by 5.8 percent in 2023, the joint highest annual rate of increase posted by the local economy for the directly calculated GDP series.⁵ This extends the economic recovery that started in 2021 (4.9%), and continued in 2022 (5.8%), after the decline in 2020 (-5.0%). In nominal terms, GDP increased by 8.7 percent in 2023, adding to the 9.9 percent growth in 2022, 7.2 percent in 2021, reversing the decline (-4.8%) posted for 2020.



3.2 GDP by industrial origin

The estimated real GDP (at purchasers' prices) for the Cayman Islands improved to CI\$5,052.1 million in 2023 from CI\$4,774.4 million in 2022. Positive economic performance was posted by 15 of the 18 industries in 2023. All service-producing industries recorded increased output in 2023. For goods-producing industries, 3 of 4 industries declined in 2023, i.e. agriculture & fishing activities (-8.9%), mining & quarrying

⁴The entire calculated GDP series runs from 2006-2023, therefore the growth rate series would then be 2007-2023. The GDP estimates up to 2005 are based on an indicator method and not direct calculations.

⁵The calculated GDP series started in 2006. Prior to 2006 GDP estimates for the Cayman Islands were derived using indicators, not direct calculations.

(-3.3%) and manufacturing activities (-2.0%). Table 2 below shows real GDP by industry in purchasers' prices.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 2: GDP AT CONSTANT BASIC & PURCHASERS' PRICES, 2015=100 (CI\$'000)					
INDUSTRY	2019	2020	2021^R	2022^R	2023
01 Agriculture & Fishing	17,306.0	16,913.8	18,621.9	18,699.6	17,029.0
02 Mining & Quarrying	10,506.1	10,933.9	12,221.7	12,751.8	12,335.5
03 Manufacturing	40,780.5	38,031.7	41,984.8	40,713.6	39,905.2
04 Electricity, Gas & Air Conditioning Supply	65,186.3	62,513.3	64,047.4	65,504.5	70,701.9
05 Water Supply, Sewerage & Waste Management	40,817.7	38,787.4	39,156.5	42,058.6	46,357.7
06 Construction	176,740.4	179,197.5	192,962.7	197,809.9	203,782.9
07 Wholesale & Retail Trade	291,691.7	287,186.5	294,424.7	311,134.9	326,848.4
08 Transport & Storage	154,436.6	93,442.8	85,711.4	118,788.2	140,983.6
09 Hotels & Restaurants	250,968.8	122,407.2	105,620.8	170,498.8	208,135.6
10 Information & Communication	119,906.1	118,007.5	123,115.4	127,402.3	130,151.0
11 Financial & Insurance Services	1,378,451.7	1,395,966.9	1,441,643.5	1,496,811.6	1,538,168.1
12 Real Estate Activities	378,847.0	368,065.2	376,362.4	378,861.9	382,536.0
13 Professional, Scientific & Technical Activities	583,695.6	619,212.1	650,176.3	662,011.5	727,493.0
14 Administrative & Support Service Activities	114,920.7	108,175.8	112,596.9	118,088.8	123,293.5
15 Public Administration & Defence	237,996.9	246,924.3	260,854.8	276,396.6	294,191.4
16 Education Services	109,423.7	108,958.5	116,053.8	122,094.5	132,700.9
17 Human Health & Social Work	164,377.0	176,429.7	208,498.8	224,640.9	247,317.6
18 Other Services	133,803.0	102,340.2	105,310.2	123,206.8	139,548.7
GDP at Constant Basic (2015) Prices	4,269,855.8	4,093,494.2	4,249,363.8	4,507,474.7	4,781,479.8
Add: Taxes Less Subsidies on Products	258,684.4	210,665.5	264,383.4	266,971.6	270,628.8
GDP at Constant Purchasers' (2015) Prices	4,528,540.2	4,304,159.8	4,513,747.2	4,774,446.3	5,052,108.6

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3.3 GDP rates of growth by industry

Table 3 shows the growth rate of real GDP disaggregated by industry. The Cayman Islands economy recorded growth of 5.8 percent in 2023, which resulted in a 5-year (2019-2023) average growth rate of 3.0 percent. The economic expansion in 2023 resulted from growth in both the goods-producing (1.1%) and service-producing industries (6.4%).

Three (3) of the four (4) goods-producing industries recorded lower levels of activity in 2023 when compared to 2022. The increase in the goods-producing industries resulted in a five-year annual average growth rate of 3.9 percent. The service-producing industries also registered growth, with all service-producing industries recording higher levels of activity in 2023 when compared to 2022. This widespread growth led to a five-year annual average growth rate of 3.1 percent.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN						
TABLE 3: RATE OF GROWTH OF GDP AT CONSTANT BASIC & PURCHASERS' PRICES, 2015=100						
INDUSTRY	2019	2020	2021	2022	2023	5-Year Average
Goods Producing Industries	8.6%	-0.1%	8.5%	1.6%	1.1%	3.9%
01 Agriculture & Fishing	4.4%	-2.3%	10.1%	0.4%	-8.9%	0.5%
02 Mining & Quarrying	8.6%	4.1%	11.8%	4.3%	-3.3%	5.0%
03 Manufacturing	5.0%	-6.7%	10.4%	-3.0%	-2.0%	0.5%
06 Construction	10.0%	1.4%	7.7%	2.5%	3.0%	4.9%
Service Producing Industries	4.0%	-4.4%	3.5%	6.4%	6.4%	3.1%
04 Electricity, Gas & Air Conditioning Supply	7.0%	-4.1%	2.5%	2.3%	7.9%	3.0%
05 Water Supply, Sewerage & Waste Management	2.8%	-5.0%	1.0%	7.4%	10.2%	3.2%
07 Wholesale & Retail Trade	5.9%	-1.5%	2.5%	5.7%	5.1%	3.5%
08 Transport & Storage	3.9%	-39.5%	-8.3%	38.6%	18.7%	-1.1%
09 Hotels & Restaurants	6.8%	-51.2%	-13.7%	61.4%	22.1%	-2.4%
10 Information & Communication	5.0%	-1.6%	4.3%	3.5%	2.2%	2.7%
11 Financial & Insurance Services	2.5%	1.3%	3.3%	3.8%	2.8%	2.7%
12 Real Estate Activities	2.5%	-2.8%	2.3%	0.7%	1.0%	0.7%
13 Professional, Scientific & Technical Activities	3.2%	6.1%	5.0%	1.8%	9.9%	5.2%
14 Administrative & Support Service Activities	4.2%	-5.9%	4.1%	4.9%	4.4%	2.3%
15 Public Administration & Defence	7.1%	3.8%	5.6%	6.0%	6.4%	5.8%
16 Education Services	7.7%	-0.4%	6.5%	5.2%	8.7%	5.5%
17 Human Health & Social Work	4.9%	7.3%	18.2%	7.7%	10.1%	9.6%
18 Other Services	8.1%	-23.5%	2.9%	17.0%	13.3%	2.4%
GDP at Constant Basic (2015) Prices	4.3%	-4.1%	3.8%	6.1%	6.1%	3.2%
Taxes Less Subsidies on Products	-1.9%	-18.6%	25.5%	1.0%	1.4%	0.5%
GDP at Constant Purchasers' (2015) Prices	3.9%	-5.0%	4.9%	5.8%	5.8%	3.0%

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

3.3.1 Goods-producing industries

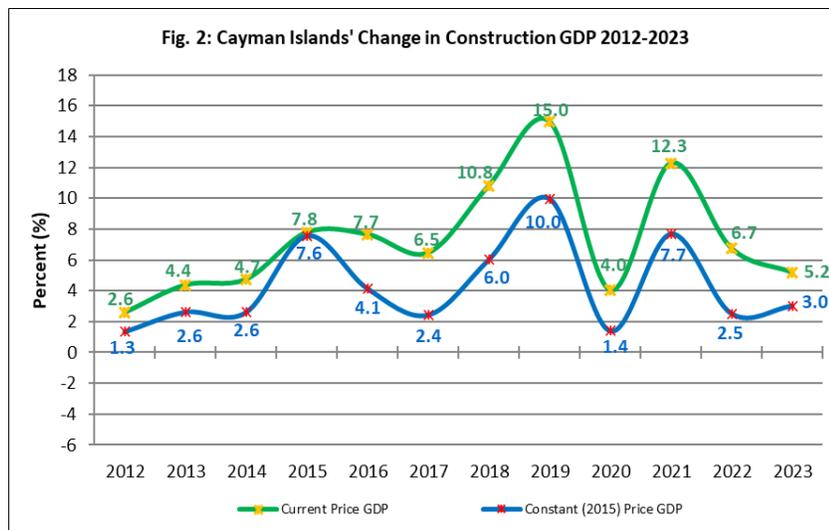
The goods-producing industries registered its third consecutive year of growth in 2023, posting an increase of 1.1 percent, growing at a slower pace when compared to the 1.6 percent increase realized in 2022. The higher levels of output were due mainly to the improved performance of construction activities.

The activities of **agriculture & fishing** declined by 8.9 percent in 2023, reversing the 0.4 percent growth recorded in 2022. This decline resulted in a five-year annual average growth rate of 0.5 percent. The decreased activity in 2023 was due mainly to reduced output in the sub-groups relating to the growing of crops and capture fishing.

Mining & quarrying activities decreased by 3.3 percent in 2023 when compared to 2022. This reversed eight consecutive years of growth in the industry, resulting in a five-year annual average growth rate of 5.0 percent. The reduction in output in mining & quarrying was realized in the context of an increase in the imports of construction aggregate, which increased by 12.3 percent in 2023 (moving to 356,588 tons in 2023 up from 317,606 tons in 2022).⁶

The **manufacturing industry** registered a decline of 2.0 percent in 2023, declining for the second consecutive year. This resulted in a five-year annual average growth rate of 0.5 percent. The decline in 2023 was however tempered by an increase in the manufacture of food products, beverages and tobacco products.

The value added of **construction activities** increased by 3.0 percent in 2023. This continues the robust performance of the industry resulting in a five-year annual average growth rate of 4.9 percent. The increased output in 2023 was largely due to improvements in building construction, road construction, construction of utility projects and building installation.



⁶Source: https://www.caymanport.com/wp-content/uploads/cargo_stats.pdf

3.3.2 Service-producing industries

In 2023, the service-producing industries grew by 6.4 percent, the same rate of increase posted in 2022. The improvement in 2023 led to a five-year annual average growth of 3.1 percent. The expansion was broad-based, driven by higher levels of activity in all industries, led by hotel & restaurants; transport & storage; other services; water supply, sewerage & waste management; and human health & social work.

Electricity, gas & air conditioning supply industry registered a growth of 7.9 percent in 2023, outpacing the 2.3 percent increase in activity in 2022. The industry posted a five-year annual average growth of 3.0 percent. The expansion was largely influenced by a 7.8 percent increase in electricity consumption, which rose to 727,023 megawatt-hours (Mwhrs) in 2023 from 674,124 Mwhrs in 2022.⁷ The increase is due mainly to increases in both commercial and residential electricity consumption.

The **water supply, sewerage & waste management industry** grew by 10.2 percent in 2023. This increased activity led to a five-year annual average growth of 3.2 percent. The improved output of the industry was propelled by growth in water supply and sewerage services. The growth in water supply services was mainly attributed to the increase in the consumption of desalinated water which moved from 2,085.9 million US gallons in 2022 to 2,297.7 million US gallons in 2023.

Wholesale & retail trade recorded growth of 5.1 percent in 2023, resulting in a five-year annual average growth rate of 3.5 percent. The improved performance of the industry was partly influenced by an increase in the aggregate demand related to the 3.9 percent increase in the year-end population, which moved to 84,738 in 2023 from 81,546 in 2022.

Transport & storage activities continued to grow amidst the recovery of tourism-related activities, growing by 18.7 percent in 2023. This represents a second consecutive year of growth following the 38.6 percent growth in 2022. Notwithstanding the increased activity in 2022 and 2023, the industry recorded a five-year annual average decline of 1.1 percent. The improved activity in the industry was broad-based, with all sub-industries recording increased output. The growth was positively influenced by a 16.6 percent increase in passenger air transport activities.

⁷This represents electricity consumption for Grand Cayman; data for the Sister Islands was unavailable.

The hotels & restaurants industry posted the largest growth in 2023 for the second consecutive year. The industry grew by 22.1 percent in 2023. This improved performance came as the industry continues to recover to pre-pandemic levels of output. The growth in the industry may be attributed to the 51.0 percent increase in stay-over visitors, which rose to 429.3 thousand in 2023 from 284.3 thousand in 2022. Accommodation activities grew by 29.6 percent in 2023, when compared to 2022. Restaurant services



also continued their resurgence, growing by 9.3 per cent in 2023, albeit at a slower pace than the 22.6 per cent increase recorded in 2022. Figure 3 highlights the continued positive relationship between real GDP for the hotels & restaurants industry and the stay-over (air arrival) visitors. However, it should be noted that while both maintain a positive relationship, other underlying factors influence the movements in GDP for the hotels & restaurants industry.

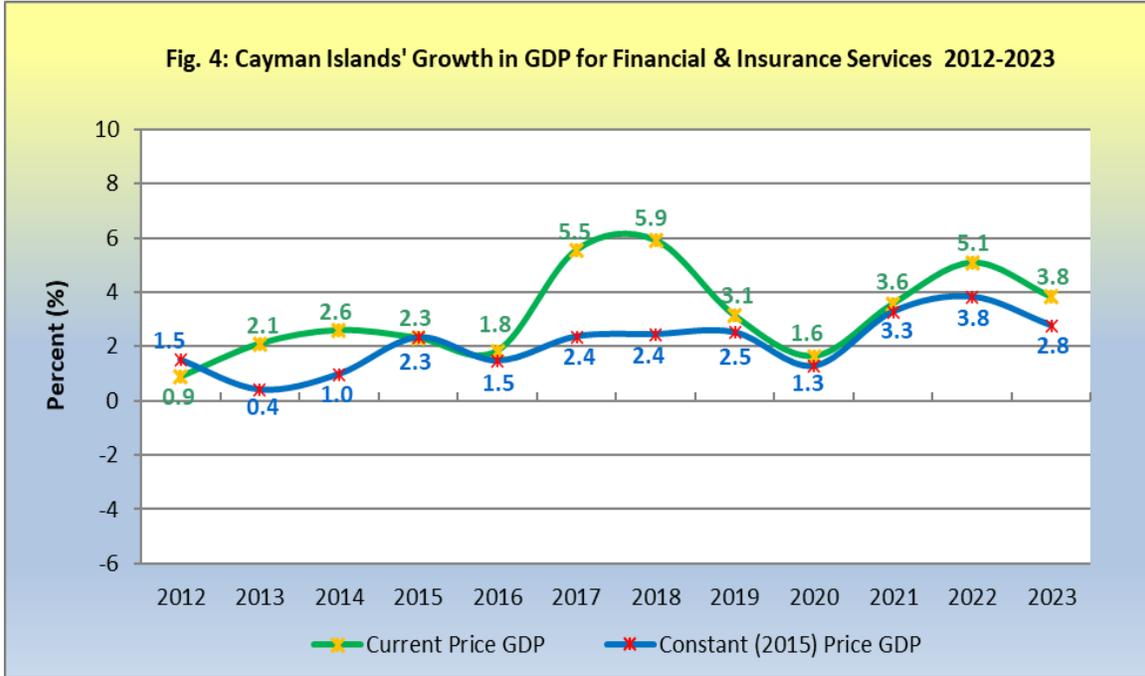
Information & communication activities increased by 2.2 percent in 2023, the third consecutive year of increase following the 1.6 percent decline in 2020. The expansion resulted in a five-year annual average growth rate of 2.7 percent. The improved performance of the industry was widespread with increases in all sub industries, led by motion picture & video production activities, and telecommunication services which grew by 9.2 percent and 2.3 percent, respectively.

The **financial & insurance services industry** maintained its consistent performance, expanding by 2.8 percent in 2023. The steady growth resulted in a five-year annual average growth rate of 2.7 percent. The performance of the industry was broad-based, with all sub-industries expanding in 2023. The improved activity in the industry emanated from the growth in other financial services⁸ (8.8%), auxiliary financial services⁹ (3.7%),

⁸Other financial services include credit unions, building societies, remittance services, property trusts services, etc.

⁹Auxiliary financial services include portfolio management services, stock exchange services, security brokers, etc.

insurance and pension funding services (2.4%) and banking institutions (the largest sub-industry), which increased by 2.0 percent. Figure 4 provides a graphical display of the performance of the sector over the period 2012-2023.



Real estate activities grew by 1.0 percent in 2023, a continuation of the 0.7 percent increase in 2022. The increased activity may be attributed to increased output in the renting of commercial buildings (5.1%), renting of residential buildings (1.4%), and operations of owner-occupied dwellings (1.1%). The decline was somewhat restrained by a 5.6 percent decline in other real estate activities¹⁰. The unfavourable performance of other real estate activities reflects the 11.8 percent decline in the total value of property transfers in the Cayman Islands in 2023 (from CI\$1,250.2 million in 2022 to CI\$1,102.4 million in 2023)¹¹.

The **professional, scientific & technical activities** industry recorded an increase of 9.9 percent in 2023, outpacing the growth of 1.8 percent in 2022. The industry recorded a five-year annual average growth rate of 5.2 percent, resulting from continued expansion since 2009. The performance in 2023 was positively impacted by increases in the value added of accounting services (11.9%) and legal services (10.0%).

¹⁰Other real estate activities include real estate agents and brokers and property managers.

¹¹Table 16.04a Compendium of Statistics 2023 (pg. 166)

Administrative & support service activities grew by 4.4 percent in 2023, recording growth for the third consecutive year. The growth in 2023 led to a five-year annual average growth rate of 2.3 percent. The expansion was fuelled by increased activity in administrative & support services - which includes landscaping activities and labour recruitment services (8.3%) and building cleaning activities (1.9%). Growth in the industry was tempered by declines in car rental services (-6.5%), and securities activities (-0.3%).

Public administration & defence activities registered a growth of 6.4 percent in 2023, slightly outpacing the 6.0 percent recorded in 2022. This resulted in a five-year annual average growth rate of 5.8 percent. The expansion in public administration services was due mainly to the 4.1 per cent increase in the number of core government employees, resulting in an 11.4 percent increase in personnel costs. Compensation of employees for core government increased to CI\$443.5 million in 2023 from CI\$398.2 million in 2022¹².

Education services recorded an increase of 8.7 percent in 2023, the third consecutive year of growth. The increase in activity resulted in a five-year annual average growth rate of 5.5 percent. Growth in both public education (12.4%) and private education (4.1%) contributed to the improved output of the industry.

The **human health & social work industry** maintained its trend of robust growth, growing by 10.1 percent in 2023 compared to the 7.7 percent increase in 2022, and 18.2 percent in 2021. The improved performance in 2023 resulted in the highest five-year annual average growth of all industries in the economy (9.6%). The sustained improvement may be attributed to increased output in both private and public health services. Private health services expanded by 10.6 percent, while public health services grew by 9.4 percent. The strong growth came amidst an increase in the population.

The value added of **other services** grew by 13.3 percent in 2023. The growth in the industry may be attributed to a 26.7 percent increase in private arts, entertainment & recreation amidst the continued return to normalcy of tourism related activities. The increase in private arts, entertainment & recreation was due mainly to the growth in water sports activities (59.3%). Personal & household services also positively impacted the improved output, increasing by 13.0 percent.

In summary, economic activity in the Cayman Islands increased for a third consecutive year in 2023 as the economy maintained its post-pandemic resurgence. The economy expanded by 5.8 percent in 2023 when compared to 2022. This expansion led to a five-year annual average growth rate of 3.0 percent for the local economy. The general increase in the aggregate demand for goods and services associated with the increase in

¹²Table 13.01 Compendium of Statistics 2023 (pg. 144)

the resident population combined with the growth in stay-over visitors fuelled the increased domestic economic activity. Tourist-related activities expanded as stay-over visitors and cruise visitors returned to the island in larger volumes, however, not at the pre-pandemic levels. The continual growth in financial & insurance services, professional, scientific & technical activities, human health & social work services, and construction activities continued to drive the performance of the local economy and provide a positive outlook for the continued growth of the economy in the future.

3.4 Contribution to growth in GDP by industry

The contribution to growth in GDP shows the weighted impact of the industry-level changes on the overall change in GDP. The industry changes in GDP are weighted by their share of GDP to present a more comprehensive examination of the impact on the change in GDP. Contributions to growth reflect two effects: the magnitude of the percentage change in the industry and the relative importance of the industry in total GDP.

Figure 5 reveals the contribution of the various industries to the 5.8 percent increase in real GDP in 2023. The five largest impacts on the positive performance in 2023 were (i) professional, scientific & technical activities – made up primarily of legal and accounting services (1.39 percentage points); (ii) financial & insurance services (0.87 percentage points); (iii) hotel & restaurants (0.79 percentage points); (iv) human health & social work (0.47 percentage points); and (v) transport & storage services (0.46 percentage points).

Fig. 5: Cayman Islands: Industry Contribution to Percent Change in Real GDP 2023
Real GDP increased by 5.8 percent

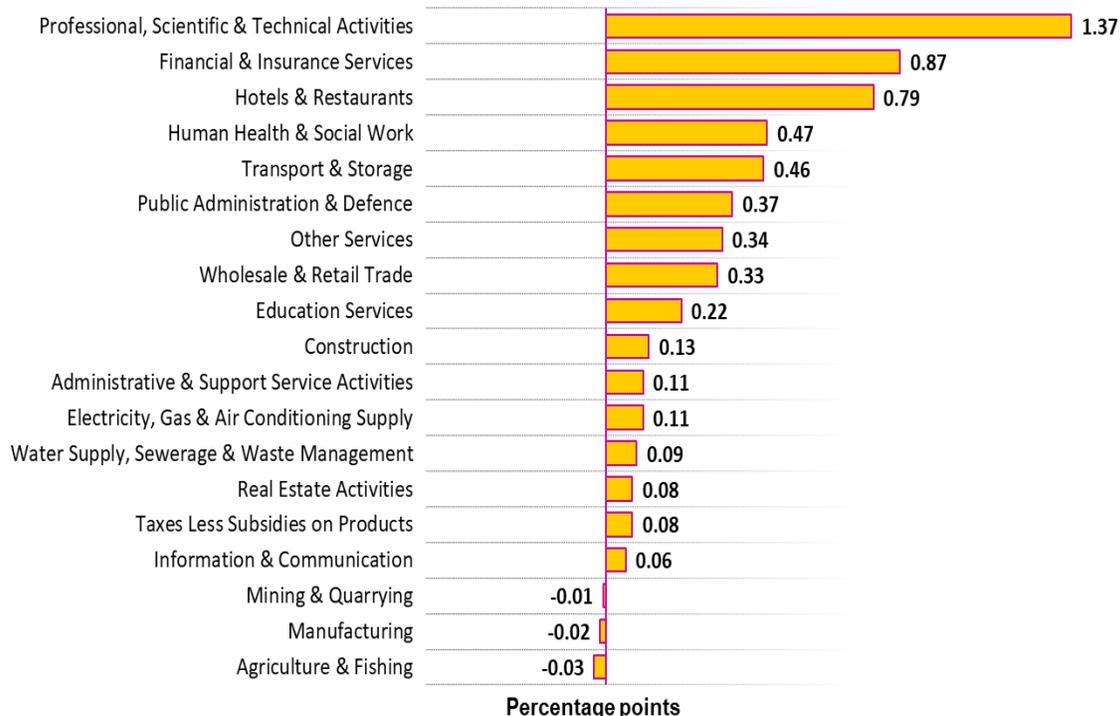


Table 4 shows the industry contribution to the annual economic performance of the local economy for 2019-2023.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 4: INDUSTRY CONTRIBUTION TO GROWTH IN GDP AT CONSTANT PURCHASERS' PRICES, 2015=100					
INDUSTRY	2019	2020	2021^R	2022^R	2023
Goods Producing Industries	0.4%	-0.01%	0.5%	0.1%	0.1%
01 Agriculture & Fishing	0.02%	-0.01%	0.04%	0.002%	-0.03%
02 Mining & Quarrying	0.02%	0.01%	0.03%	0.01%	-0.01%
03 Manufacturing	0.04%	-0.06%	0.09%	-0.03%	-0.02%
06 Construction	0.37%	0.05%	0.32%	0.11%	0.13%
Service Producing Industries	3.6%	-3.9%	3.1%	5.6%	5.7%
04 Electricity, Gas & Air Conditioning Supply	0.10%	-0.06%	0.04%	0.03%	0.11%
05 Water Supply, Sewerage & Waste Management	0.03%	-0.04%	0.01%	0.06%	0.09%
07 Wholesale & Retail Trade	0.37%	-0.10%	0.17%	0.37%	0.33%
08 Transport & Storage	0.13%	-1.35%	-0.18%	0.73%	0.46%
09 Hotels & Restaurants	0.37%	-2.84%	-0.39%	1.44%	0.79%
10 Information & Communication	0.13%	-0.04%	0.12%	0.09%	0.06%
11 Financial & Insurance Services	0.77%	0.39%	1.06%	1.22%	0.87%
12 Real Estate Activities	0.21%	-0.24%	0.19%	0.06%	0.08%
13 Professional, Scientific & Technical Activities	0.42%	0.78%	0.72%	0.26%	1.37%
14 Administrative & Support Service Activities	0.11%	-0.15%	0.10%	0.12%	0.11%
15 Public Administration & Defence	0.36%	0.20%	0.32%	0.34%	0.37%
16 Education Services	0.18%	-0.01%	0.16%	0.13%	0.22%
17 Human Health & Social Work	0.18%	0.27%	0.75%	0.36%	0.47%
18 Other Services	0.23%	-0.69%	0.07%	0.40%	0.34%
GDP at Constant Basic (2015) Prices	4.0%	-3.9%	3.6%	5.7%	5.7%
Taxes Less Subsidies on Products	-0.12%	-1.06%	1.25%	0.06%	0.08%
GDP at Constant Purchasers' (2015) Prices	3.9%	-5.0%	4.9%	5.8%	5.8%

R-revised

3.5 Share of GDP by industry

The combined share of the goods-producing industries continued to decline in 2023, reaching 5.4 percent of the total GDP from 5.7 percent in 2022 and 5.9 percent in 2021. The decline resulted from a decrease in the shares of all goods-producing industries. Consequently, the share of the service-producing industries increased to 89.2 per cent in 2023 from 88.8 percent in 2022 and 88.3 percent in 2021. This emanated from the increases in the shares of transport & storage, hotels & restaurants, professional, scientific & technical activities, health & social work, and other services. The gains were offset by the declines in the shares of information & communication, financial & insurance services, real estate activities, and administrative & support services. The share of net taxes decreased to 5.4 percent in 2023 from 5.6 percent in 2022 and 5.9 percent in 2021.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 5: INDUSTRY SHARE OF GDP AT CONSTANT PURCHASERS' PRICES, 2015=100					
INDUSTRY	2019	2020	2021^R	2022^R	2023
Goods Producing Industries	5.4%	5.7%	5.9%	5.7%	5.4%
01 Agriculture & Fishing	0.4%	0.4%	0.4%	0.4%	0.3%
02 Mining & Quarrying	0.2%	0.3%	0.3%	0.3%	0.2%
03 Manufacturing	0.9%	0.9%	0.9%	0.9%	0.8%
06 Construction	3.9%	4.2%	4.3%	4.1%	4.0%
Service Producing Industries	88.9%	89.4%	88.3%	88.8%	89.2%
04 Electricity, Gas & Air Conditioning Supply	1.4%	1.5%	1.4%	1.4%	1.4%
05 Water Supply, Sewerage & Waste Management	0.9%	0.9%	0.9%	0.9%	0.9%
07 Wholesale & Retail Trade	6.4%	6.7%	6.5%	6.5%	6.5%
08 Transport & Storage	3.4%	2.2%	1.9%	2.5%	2.8%
09 Hotels & Restaurants	5.5%	2.8%	2.3%	3.6%	4.1%
10 Information & Communication	2.6%	2.7%	2.7%	2.7%	2.6%
11 Financial & Insurance Services	30.4%	32.4%	31.9%	31.4%	30.4%
12 Real Estate Activities	8.4%	8.6%	8.3%	7.9%	7.6%
13 Professional, Scientific & Technical Activities	12.9%	14.4%	14.4%	13.9%	14.4%
14 Administrative & Support Service Activities	2.5%	2.5%	2.5%	2.5%	2.4%
15 Public Administration & Defence	5.3%	5.7%	5.8%	5.8%	5.8%
16 Education Services	2.4%	2.5%	2.6%	2.6%	2.6%
17 Human Health & Social Work	3.6%	4.1%	4.6%	4.7%	4.9%
18 Other Services	3.0%	2.4%	2.3%	2.6%	2.8%
GDP at Constant Basic (2015) Prices	94.3%	95.1%	94.1%	94.4%	94.6%
Taxes Less Subsidies on Products	5.7%	4.9%	5.9%	5.6%	5.4%
GDP at Constant Purchasers' (2015) Prices	100.0%	100.0%	100.0%	100.0%	100.0%

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Table 6 below shows the share of the eighteen (18) industries as well as their ranking over the period under review. The rankings reflect the relative importance of an industry (as it pertains to its direct share of real GDP) to the economy of the Cayman Islands. The change in the relative ranking of the industries in 2023 is also shown graphically in the table. There were changes in the relative ranking of four (4) of the eighteen (18) industries in 2023 compared to 2022. Hotels & restaurants services and transport & storage activities improved their rankings in 2023, while construction activities and information & communication services experienced a decrease in ranking. The most significant change in ranking was posted by transport & storage activities and information & communication services, which both moved 3 places. Transport & storage activities improved its ranking from 12th in 2022 to 9th in 2023, returning to its pre-pandemic ranking. The ranking for information & communication services fell from 9th to 12th.

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN											
TABLE 6: INDUSTRY SHARE OF GDP AT CONSTANT PURCHASERS' PRICES, 2015=100											
Ranking					Change 23/22	INDUSTRY	% Share of GDP				
2019	2020	2021	2022	2023			2019	2020	2021	2022	2023
1	1	1	1	1	▬	Financial & Insurance Services	30.4	32.4	31.9	31.4	30.4
2	2	2	2	2	▬	Professional, Scientific & Technical Activities	12.9	14.4	14.4	13.9	14.4
3	3	3	3	3	▬	Real Estate Activities	8.4	8.6	8.3	7.9	7.6
4	4	4	4	4	▬	Wholesale & Retail Trade	6.4	6.7	6.5	6.5	6.5
6	5	5	5	5	▬	Public Administration & Defence	5.3	5.7	5.8	5.8	5.8
8	7	6	6	6	▬	Human Health & Social Work	3.6	4.1	4.6	4.7	4.9
5	8	11	8	7	↑	Hotels & Restaurants	5.5	2.8	2.3	3.6	4.1
7	6	7	7	8	↓	Construction	3.9	4.2	4.3	4.1	4.0
9	13	13	12	9	↑	Transport & Storage	3.4	2.2	1.9	2.5	2.8
10	12	12	10	10	▬	Other Services	3.0	2.4	2.3	2.6	2.8
13	10	9	11	11	▬	Education Services	2.4	2.5	2.6	2.6	2.6
11	9	8	9	12	↓	Information & Communication	2.6	2.7	2.7	2.7	2.6
12	11	10	13	13	▬	Administrative & Support Service Activities	2.5	2.5	2.5	2.5	2.4
14	14	14	14	14	▬	Electricity, Gas & Air Conditioning Supply	1.4	1.5	1.4	1.4	1.4
15	15	16	15	15	▬	Water Supply, Sewerage & Waste Management	0.9	0.9	0.9	0.9	0.9
16	16	15	16	16	▬	Manufacturing	0.9	0.9	0.9	0.9	0.8
17	17	17	17	17	▬	Agriculture & Fishing	0.4	0.4	0.4	0.4	0.3
18	18	18	18	18	▬	Mining & Quarrying	0.2	0.3	0.3	0.3	0.2
						GDP at Constant Basic (2015) Prices	94.3	95.1	94.1	94.4	94.6
						<i>Add: Taxes Less Subsidies on Products</i>	<i>5.7</i>	<i>4.9</i>	<i>5.9</i>	<i>5.6</i>	<i>5.4</i>
						GDP at Constant Purchasers' (2015) Prices	100.0	100.0	100.0	100.0	100.0

The share of financial & insurance services continued to decline in 2023 but maintained its dominance as the industry with the largest share of real GDP for the Cayman Islands. The share of the industry contracted to 30.4 percent in 2023, down from the 31.4 percent share in 2022, and 31.9 percent in 2021. The share of the industry declined in six of the previous seven years, posting the largest decline of all industries in 2023 (-0.9 percentage points).

The share of the professional, scientific & technical activities industry increased by 0.5 percentage points, moving to 14.4 percent, from 13.9 percent in 2022. This reversed the decline in share posted for 2022, returning to the same level for 2021 and 2022.

Other notable shares of real GDP in 2023 came from real estate activities, wholesale & retail trade, public administration & defence, human health & social work, hotels & restaurants service, and construction. Real estate activities fell to 7.6 percent in 2023, down from 7.9 percent in 2022, and 8.3 in 2021. The share of construction services contracted to 4.0 percent in 2023 from 4.1 percent in 2022. There was an increase in the share of human health & social work (from 4.7 in 2022 to 4.9 in 2023) and hotels & restaurants service (from 3.6 in 2022 to 4.1 in 2023). There were no changes in the share of wholesale & retail trade, and public administration & defence.

3.6 Industry GDP at current prices

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 7: GDP AT CURRENT BASIC & PURCHASERS' PRICES (CI\$'000)					
INDUSTRY	2019	2020	2021^R	2022^R	2023
01 Agriculture & Fishing	20,515.2	20,519.3	22,939.1	26,026.7	25,076.0
02 Mining & Quarrying	11,839.8	12,756.6	14,426.6	15,756.6	13,434.5
03 Manufacturing	44,730.4	43,210.6	50,241.8	53,936.2	58,416.0
04 Electricity, Gas & Air Conditioning Supply	74,568.5	72,654.8	75,919.3	78,006.8	82,958.6
05 Water Supply, Sewerage & Waste Management	42,951.9	38,807.2	39,562.8	41,968.2	46,331.9
06 Construction	207,573.3	215,951.4	242,470.5	258,811.8	272,208.0
07 Wholesale & Retail Trade	297,638.8	280,959.5	311,487.2	351,749.4	365,535.3
08 Transport & Storage	163,773.4	104,402.8	93,974.3	126,783.1	160,620.5
09 Hotels & Restaurants	291,679.7	119,478.0	77,440.2	194,028.6	296,380.7
10 Information & Communication	132,296.5	128,390.1	140,177.9	146,405.8	150,156.5
11 Financial & Insurance Services	1,483,668.9	1,507,951.4	1,561,712.8	1,641,117.4	1,703,767.9
12 Real Estate Activities	429,825.8	427,546.4	449,174.5	482,115.8	499,339.1
13 Professional, Scientific & Technical Activities	646,213.4	692,985.5	765,611.7	802,726.0	894,784.3
14 Administrative & Support Service Activities	122,794.8	114,399.7	121,801.6	137,568.2	151,347.2
15 Public Administration & Defence	267,795.9	291,621.5	312,927.6	337,196.3	367,053.0
16 Education Services	119,928.9	121,285.3	134,730.6	145,405.7	165,361.2
17 Human Health & Social Work	169,261.7	194,162.4	230,692.6	255,903.0	285,124.0
18 Other Services	141,733.3	106,991.0	105,621.6	128,318.5	149,098.7
GDP at Current Basic Prices	4,668,790.2	4,494,073.6	4,750,912.6	5,223,824.4	5,686,993.6
Add: Taxes Less Subsidies on Products	282,770.5	218,705.9	299,745.3	326,287.8	347,352.5
GDP at Current Purchasers' Prices	4,951,560.7	4,712,779.5	5,050,658.0	5,550,112.1	6,034,346.1

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3.7 Detailed value added by industry

TABLE 8: DETAILED VALUE ADDED BY INDUSTRY		CURRENT/NOMINAL (CIS\$'000)					CONSTANT/REAL (CIS\$'000)				
INDUSTRY	2019	2020	2021 ^R	2022 ^R	2023	2019	2020	2021 ^R	2022 ^R	2023	
AGRICULTURE & FISHING	20,515.2	20,519.3	22,939.1	26,026.7	25,076.0	17,306.0	16,913.8	18,621.9	18,699.6	17,029.0	
Growing of Agricultural Crops	15,991.1	16,573.2	19,510.4	20,879.9	19,357.1	14,448.4	14,413.4	16,188.6	15,954.6	13,989.9	
Farming of Animals	1,535.3	1,580.7	1,258.6	1,158.6	2,011.8	1,120.9	1,053.5	1,071.9	802.2	1,216.7	
Capture Fishing	2,988.7	2,365.4	2,170.1	3,988.2	3,707.1	1,736.6	1,447.0	1,361.4	1,942.8	1,822.4	
MINING & QUARRYING	11,839.8	12,756.6	14,426.6	15,756.6	13,434.5	10,506.1	10,933.9	12,221.7	12,751.8	12,335.5	
Quarrying incl. Stone, Sand and Gravel	11,839.8	12,756.6	14,426.6	15,756.6	13,434.5	10,506.1	10,933.9	12,221.7	12,751.8	12,335.5	
MANUFACTURING	44,730.4	43,210.6	50,241.8	53,936.2	58,416.0	40,780.5	38,031.7	41,984.8	40,713.6	39,905.2	
Food Products, Beverages and Tobacco Products	11,973.2	12,096.2	12,467.7	15,016.5	17,277.7	11,146.7	10,980.5	11,184.4	11,871.5	12,499.3	
Builders' Carpentry and Joinery, incl. Furniture and Rubber and Plastic Product	4,148.0	3,443.5	5,398.9	4,719.7	5,327.6	3,522.3	2,845.0	4,177.2	3,384.6	2,985.2	
Non-Metallic Mineral Products (incl. Glass and Glass Products, Concrete, Cement)	15,538.4	16,151.7	19,416.6	20,872.2	21,362.3	13,817.9	13,770.3	15,368.4	15,215.4	14,199.1	
Basic Metals, Fabricated Metal Products, Machinery & Equipment	5,126.8	4,770.6	5,670.5	5,480.6	5,613.1	4,342.9	4,022.2	4,646.9	3,947.7	3,971.0	
Other Manufacturing Goods n.e.c.	7,944.1	6,748.6	7,288.1	7,847.3	8,835.3	7,950.7	6,413.6	6,607.8	6,294.3	6,250.5	
ELECTRICITY, GAS & AIR CONDITIONING SUPPLY	74,568.5	72,654.8	75,919.3	78,006.8	82,958.6	65,186.3	62,513.3	64,047.4	65,504.5	70,701.9	
Production, Collection and Distribution of Electricity and the Manufacture of Ice	74,568.5	72,654.8	75,919.3	78,006.8	82,958.6	65,186.3	62,513.3	64,047.4	65,504.5	70,701.9	
WATER SUPPLY, SEWERAGE & WASTE MANAGEMENT	42,951.9	38,807.2	39,562.8	41,968.2	46,331.9	40,817.7	38,787.4	39,156.5	42,058.6	46,357.7	
Water Collection, Treatment and Distribution, Sewerage and Waste Collection	42,951.9	38,807.2	39,562.8	41,968.2	46,331.9	40,817.7	38,787.4	39,156.5	42,058.6	46,357.7	
CONSTRUCTION	207,573.3	215,951.4	242,470.5	258,811.8	272,208.0	176,740.4	179,197.5	192,962.7	197,809.9	203,782.9	
Construction (incl building installation, building completion, etc.)	207,573.3	215,951.4	242,470.5	258,811.8	272,208.0	176,740.4	179,197.5	192,962.7	197,809.9	203,782.9	
WHOLESALE & RETAIL TRADE	297,638.8	280,959.5	311,487.2	351,749.4	365,535.3	291,691.7	287,186.5	294,424.7	311,134.9	326,848.4	
Wholesale & Retail Trade	297,638.8	280,959.5	311,487.2	351,749.4	365,535.3	291,691.7	287,186.5	294,424.7	311,134.9	326,848.4	
TRANSPORT & STORAGE	163,773.4	104,402.8	93,974.3	126,783.1	160,620.5	154,436.6	93,442.8	85,711.4	118,788.2	140,983.6	
Transport	72,540.4	49,600.2	42,728.6	52,421.9	69,930.1	70,584.4	41,742.0	35,273.2	53,136.8	63,745.5	
Supporting Activities for Transport (incl Cargo)	81,745.5	44,746.0	40,122.6	62,188.4	78,164.1	75,034.8	42,128.5	40,295.7	55,687.4	66,988.2	
Post and Courier Activities	9,487.5	10,056.6	11,123.1	12,172.8	12,526.4	8,817.5	9,572.3	10,142.4	9,964.0	10,250.0	
HOTELS & RESTAURANTS	291,679.7	119,478.0	77,440.2	194,028.6	296,380.7	250,968.8	122,407.2	105,620.8	170,498.8	208,135.6	
Hotels & Other Short-Term Accommodations Activities	215,366.1	65,974.1	22,448.8	123,082.2	215,195.3	183,214.8	73,728.4	54,009.9	107,216.3	138,997.5	
Restaurants, Bars & Other Food Service Activities	76,313.7	53,503.9	54,991.4	70,946.4	81,185.5	67,753.9	48,678.8	51,610.9	63,282.5	69,138.2	
INFORMATION & COMMUNICATION	132,296.5	128,390.1	140,177.9	146,405.8	150,156.5	119,906.1	118,007.5	123,115.4	127,402.3	130,151.0	
Motion Picture Projection, Radio & TV Programming and Broadcasting and Telecommunications Activities	101,627.8	98,617.0	108,907.3	110,902.3	113,769.9	90,719.1	91,013.7	95,721.8	98,333.2	100,674.8	
Publishing, Printing and Computer & Data Processing Services	30,668.7	29,773.1	31,270.6	35,503.5	36,386.6	29,187.1	26,993.8	27,393.6	29,069.1	29,476.2	

TABLE 8 cont'd: DETAILED VALUE ADDED BY INDUSTRY	CURRENT/NOMINAL (CIS'000)					CONSTANT/REAL (CIS'000)				
INDUSTRY	2019	2020	2021 ^R	2022 ^R	2023	2019	2020	2021 ^R	2022 ^R	2023
FINANCIAL & INSURANCE SERVICES	1,483,668.9	1,507,951.4	1,561,712.8	1,641,117.4	1,703,767.9	1,378,451.7	1,395,966.9	1,441,643.5	1,496,811.6	1,538,168.1
Monetary Institutions (incl. CIMA)	716,464.1	724,460.5	748,094.8	784,202.9	812,106.9	636,839.7	644,176.2	658,306.2	669,327.9	683,786.2
Other Financial Institutions & Financial Services	303,339.1	303,638.9	320,540.6	331,698.6	350,978.9	288,049.2	287,311.6	311,306.5	325,834.2	339,885.5
Insurance, Pension Funding (incl. Auxiliary Activities)	463,865.7	479,852.0	493,077.5	525,215.9	540,682.1	453,562.8	464,479.1	472,030.8	501,649.6	514,496.4
REAL ESTATE ACTIVITIES	429,825.8	427,546.4	449,174.5	482,115.8	499,339.1	378,847.0	368,065.2	376,362.4	378,861.9	382,536.0
Operating of Owner-Occupied Dwellings	205,746.8	217,774.1	214,543.0	242,545.6	245,569.7	185,153.1	188,165.5	181,138.9	183,496.5	185,524.1
Renting of Residential Buildings	109,531.7	105,228.6	110,218.6	118,358.1	131,447.0	93,237.1	87,380.8	89,920.1	91,068.3	92,334.8
Renting of Commercial Buildings	66,784.2	60,861.8	65,712.0	67,718.5	71,488.9	58,751.6	54,095.8	57,057.6	57,878.4	60,841.4
Other Real Estate Activities	47,763.1	43,681.9	58,701.0	53,493.6	50,833.6	41,705.2	38,423.1	48,245.8	46,418.7	43,835.7
PROFESSIONAL, SCIENTIFIC & TECHNICAL ACTIVITIES	646,213.4	692,985.5	765,611.7	802,726.0	894,784.3	583,695.6	619,212.1	650,176.3	662,011.5	727,493.0
Legal Activities	315,050.7	330,364.1	359,764.8	363,611.4	392,723.6	291,607.2	300,816.0	312,649.8	309,997.2	341,065.2
Accounting & Auditing Activities	194,403.8	226,537.0	255,479.6	275,704.2	323,041.4	167,328.4	192,672.8	204,270.6	216,996.9	242,914.4
Other Professional, Scientific & Technical Activities	136,758.9	136,084.3	150,367.3	163,410.5	179,019.3	124,760.0	125,723.3	133,255.9	135,017.4	143,513.4
ADMINISTRATIVE & SUPPORT SERVICE ACTIVITIES	122,794.8	114,399.7	121,801.6	137,568.2	151,347.2	114,920.7	108,175.8	112,596.9	118,088.8	123,293.5
Administrative and Support Service to Businesses (incl. Renting of Machinery & Equipment)	122,794.8	114,399.7	121,801.6	137,568.2	151,347.2	114,920.7	108,175.8	112,596.9	118,088.8	123,293.5
PUBLIC ADMINISTRATION & DEFENCE	267,795.9	291,621.5	312,927.6	337,196.3	367,053.0	237,996.9	246,924.3	260,854.8	276,396.6	294,191.4
Public Administration and Defence	267,795.9	291,621.5	312,927.6	337,196.3	367,053.0	237,996.9	246,924.3	260,854.8	276,396.6	294,191.4
EDUCATION SERVICES	119,928.9	121,285.3	134,730.6	145,405.7	165,361.2	109,423.7	108,958.5	116,053.8	122,094.5	132,700.9
Public Education	62,005.7	66,915.7	72,202.5	76,890.7	87,850.5	58,662.1	61,249.3	64,620.4	67,691.3	76,083.0
Private Education	57,923.2	54,369.6	62,528.1	68,515.0	77,510.7	50,761.6	47,709.2	51,433.4	54,403.2	56,617.8
HUMAN HEALTH & SOCIAL WORK	169,261.7	194,162.4	230,692.6	255,903.0	285,124.0	164,377.0	176,429.7	208,498.8	224,640.9	247,317.6
Public Health and Social Services	82,281.0	89,943.8	98,004.5	111,271.9	123,366.4	77,161.0	80,455.9	87,732.8	95,522.8	104,522.2
Private Health & Social Services	86,980.7	104,218.6	132,688.1	144,631.1	161,757.6	87,216.0	95,973.8	120,766.0	129,118.0	142,795.4
OTHER SERVICES	141,733.3	106,991.0	105,621.6	128,318.5	149,098.7	133,803.0	102,340.2	105,310.2	123,206.8	139,548.7
Private Arts, Entertainment & Recreation	49,916.3	24,871.7	19,553.2	31,487.7	40,904.0	46,599.4	24,417.1	19,860.7	28,453.0	36,055.4
Personal & Household Services (incl. Activities of Membership Organization)	45,088.9	41,061.3	45,623.1	50,534.3	58,279.5	40,475.4	36,865.1	41,633.9	44,599.2	49,418.4
Private Households with Employed Persons	46,728.1	41,058.0	40,445.2	46,296.5	49,915.2	46,728.1	41,058.0	43,815.7	50,154.5	54,074.8
VALUE ADDED/GDP AT BASIC PRICES	4,668,790.2	4,494,073.6	4,750,912.6	5,223,824.4	5,686,993.6	4,269,855.8	4,093,494.2	4,249,363.8	4,507,474.7	4,781,479.8
TAXES LESS SUBSIDIES ON PRODUCTS	282,770.5	218,705.9	299,745.3	326,287.8	347,352.5	258,684.4	210,665.5	264,383.4	266,971.6	270,628.8
GROSS DOMESTIC PRODUCTS AT PURCHASERS' PRICES	4,951,560.7	4,712,779.5	5,050,658.0	5,550,112.1	6,034,346.1	4,528,540.2	4,304,159.8	4,513,747.2	4,774,446.3	5,052,108.6

R-revised

3.8 Implicit price index by industry

The GDP Implicit Price Index (IPI) is a measure of inflation calculated by dividing the current price GDP (nominal GDP) by the constant price GDP (real GDP). This index measures the implicit prices of all final goods and services produced in the local economy. It is used to gauge inflationary tendencies in the economy, similar to the Consumer Price Index (CPI) and the Producer Price Index (PPI). The IPI is derived indirectly from the estimates of GDP in constant and current prices, unlike the CPI or PPI, which are derived directly from the collected price data for the items included in the index.

Table 9 below shows the IPI by industry for the Cayman Islands for the period 2016-2023. The IPI by industry provides information on the inflationary tendency at the industry level.

Economy-wide inflation (as measured by the purchasers' price GDP IPI) increased by 2.7 percent in 2023, a slowing of 3.9 percent in 2022. Inflation (as measured by the CPI) increased by 3.8 percent in 2023.

CAYMAN ISLANDS GROSS DOMESTIC (GDP) TABLES								
TABLE 9: GDP IMPLICIT PRICE INDEX (IPI), 2015=100								
INDUSTRY	2016	2017	2018	2019	2020	2021	2022	2023
01 Agriculture & Fishing	107.2	109.7	113.6	118.5	121.3	123.2	139.2	147.3
02 Mining & Quarrying	107.8	106.8	107.0	112.7	116.7	118.0	123.6	108.9
03 Manufacturing	99.8	101.2	105.7	109.7	113.6	119.7	132.5	146.4
04 Electricity, Gas & Air Conditioning Supply	108.1	103.1	113.5	114.4	116.2	118.5	119.1	117.3
05 Water Supply, Sewerage & Waste Management	100.7	101.8	102.3	105.2	100.1	101.0	99.8	99.9
06 Construction	103.4	107.4	112.3	117.4	120.5	125.7	130.8	133.6
07 Wholesale & Retail Trade	98.5	100.1	100.9	102.0	97.8	105.8	113.1	111.8
08 Transport & Storage	100.9	102.3	103.4	106.0	111.7	109.6	106.7	113.9
09 Hotels & Restaurants	104.0	106.0	109.7	116.2	97.6	73.3	113.8	142.4
10 Information & Communication	102.5	105.6	105.0	110.3	108.8	113.9	114.9	115.4
11 Financial & Insurance Services	100.4	103.5	107.0	107.6	108.0	108.3	109.6	110.8
12 Real Estate Activities	100.1	101.2	100.0	113.5	116.2	119.3	127.3	130.5
13 Professional, Scientific & Technical Activities	101.6	103.8	106.4	110.7	111.9	117.8	121.3	123.0
14 Administrative & Support Service Activities	101.3	102.7	105.0	106.9	105.8	108.2	116.5	122.8
15 Public Administration & Defence	102.7	105.7	108.5	112.5	118.1	120.0	122.0	124.8
16 Education Services	101.2	101.7	104.0	109.6	111.3	116.1	119.1	124.6
17 Human Health & Social Work	100.4	99.7	102.4	103.0	110.1	110.6	113.9	115.3
18 Other Services	100.3	100.7	102.1	105.9	104.5	100.3	104.1	106.8
GDP Implicit Deflator at Basic Prices	101.1	103.2	105.7	109.3	109.8	111.8	115.9	118.9
Add: Taxes Less Subsidies on Products	99.3	99.5	105.9	109.3	103.8	113.4	122.2	128.4
GDP Implicit Deflator at Purchasers' Prices	101.0	103.0	105.7	109.3	109.5	111.9	116.2	119.4
GDP IPI (Basic Prices) percentage change	1.1%	2.1%	2.5%	3.4%	0.4%	1.8%	3.7%	2.6%
GDP IPI (Purchasers' Prices) percentage change	1.0%	2.0%	2.7%	3.4%	0.1%	2.2%	3.9%	2.7%
CPI percentage change	-0.7%	2.0%	3.0%	6.0%	1.0%	3.3%	9.5%	3.8%

3.9 Production and cost components of value-added by industry

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

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN							
TABLE 10: PRODUCTION AND COST COMPONENTS OF VALUE ADDED AT CURRENT BASIC & PURCHASERS' PRICES 2023 (CI\$'000)							
INDUSTRY	Production Components			Cost/Income Components			
	Gross Value Added ^{1a, 1b}	Gross Output	Intermediate Consumption	Compensation of Employees	Operating Surplus/Mixed Income	Consumption of Fixed Capital ²	Taxes less Subsidies on Production
01 Agriculture & Fishing	25,076.0	34,466.5	9,390.5	8,567.2	15,215.0	805.0	488.8
02 Mining & Quarrying	13,434.5	29,851.7	16,417.1	9,696.2	1,254.1	2,009.9	474.2
03 Manufacturing	58,416.0	133,252.7	74,836.7	29,948.8	23,610.1	3,467.0	1,390.1
04 Electricity, Gas & Air Conditioning Supply	82,958.6	255,279.5	172,320.9	20,319.9	24,847.5	35,253.7	2,537.6
05 Water Supply, Sewerage & Waste Management	46,331.9	82,511.8	36,179.9	22,578.7	14,844.0	8,022.2	886.9
06 Construction	272,208.0	995,071.2	722,863.1	199,147.3	49,930.6	6,792.6	16,337.5
07 Wholesale & Retail Trade	365,535.3	577,854.2	212,318.9	161,266.3	156,797.7	30,163.9	17,307.4
08 Transport & Storage	160,620.5	320,756.3	160,135.8	112,751.2	25,629.6	19,214.5	3,025.2
09 Hotels & Restaurants	296,380.7	628,749.5	332,368.8	151,022.1	131,109.0	6,050.3	8,199.4
10 Information & Communication	150,156.5	237,545.0	87,388.5	61,188.6	55,685.0	17,009.3	16,273.5
11 Financial & Insurance Services	1,703,767.9	3,311,039.0	1,607,271.1	494,448.1	842,308.4	40,955.5	326,056.0
12 Real Estate Activities	499,339.1	858,812.0	359,472.9	70,234.4	366,991.1	59,250.7	2,862.9
13 Professional, Scientific & Technical Activities	894,784.3	1,239,703.9	344,919.6	583,188.1	210,114.9	10,207.4	91,273.9
14 Administrative & Support Service Activities	151,347.2	206,973.0	55,625.8	105,451.3	32,356.8	7,453.7	6,085.5
15 Public Administration & Defence	367,053.0	529,069.7	162,016.7	341,156.1	0.0	25,701.4	195.5
16 Education Services	165,361.2	214,281.3	48,920.1	138,562.4	9,575.0	16,576.4	647.4
17 Human Health & Social Work	285,124.0	410,373.1	125,249.1	201,043.0	65,852.5	13,582.6	4,646.0
18 Other Services	149,098.7	241,913.3	92,814.6	77,911.8	60,467.7	6,578.7	4,140.5
Total	5,686,993.6	10,307,503.5	4,620,509.9	2,788,481.4	2,086,589.1	309,094.8	502,828.3
GDP at Current Basic Prices/Total	5,686,993.6						
Add: Taxes Less Subsidies on Products	347,352.5						
GDP at Current Purchasers' Prices	6,034,346.1						

Notes

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

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

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

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

3.10 GDP Cross-Classified by Industry and Institutional Sectors

Institutional sectors group economic agents by their main function and the nature of their activity, i.e. their principal functions, behaviours and objectives. All local economic agents are grouped into one (and only one) of the following five institutional sectors: i) financial companies; ii) non-financial companies; iii) general government; iv) non-profit institutions serving households; and v) households.

Table 11 below shows GDP cross-classified by industry and institutional sectors as detailed as the available data would allow. Corporations (financial & non-financial) accounted for CI\$4,728.7 million (83.1%) of nominal (current) basic price GDP for the Cayman Islands in 2023. The activities of the general government across all industries contributed CI\$662.8 million (11.7%), and households added CI\$295.5 million (5.2%).

CAYMAN ISLANDS GDP BY INDUSTRIAL ORIGIN					
TABLE 11: GDP CROSS-CLASSIFIED BY INDUSTRY AND INSTITUTIONAL SECTORS AT CURRENT PRICES 2023 (CI\$'000)					
INDUSTRY	INSTITUTIONAL SECTORS				
	Total Value Added¹	Non-Financial Corporations²	Financial Corporations	General Government	Households
01 Agriculture & Fishing	25,076.0	25,076.0	-	-	-
02 Mining & Quarrying	13,434.5	13,434.5	-	-	-
03 Manufacturing	58,416.0	58,416.0	-	-	-
04 Electricity, Gas & Air Conditioning Supply	82,958.6	82,958.6	-	-	-
05 Water Supply, Sewerage & Waste Management ³	46,331.9	46,331.9	-	-	-
06 Construction	272,208.0	259,464.9	-	12,743.1	-
07 Wholesale & Retail Trade	365,535.3	365,535.3	-	-	-
08 Transport & Storage	160,620.5	88,796.0	-	71,824.5	-
09 Hotels & Restaurants	296,380.7	296,380.7	-	-	-
10 Information & Communication	150,156.5	150,156.5	-	-	-
11 Financial & Insurance Services	1,703,767.9	-	1,703,767.9	-	-
12 Real Estate Activities	499,339.1	253,769.5	-	-	245,569.7
13 Professional, Scientific & Technical Activities	894,784.3	894,784.3	-	-	-
14 Administrative & Support Service Activities	151,347.2	151,347.2	-	-	-
15 Public Administration & Defence ⁴	367,053.0	-	-	367,053.0	-
16 Education Services	165,361.2	77,510.7	-	87,850.5	-
17 Human Health & Social Work	285,124.0	161,757.6	-	123,366.4	-
18 Other Services ⁵	149,098.7	99,183.5	-	-	49,915.2
GDP at Current Basic Prices/Total	5,686,993.6	3,024,903.4	1,703,767.9	662,837.5	295,484.9
Add: Taxes Less Subsidies on Products	347,352.5				
GDP at Current Purchasers' Prices	6,034,346.1				

Notes

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

3.11 Gross National Product (GNP)

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

GNP for the Cayman Islands increased by 6.8 percent in 2023 to CI\$4,704.0 million from CI\$4,404.6 million in 2022. Inflows of property income declined by 17.9 percent to reach CI\$3,379.4. There was also a decline in outflows of property income (-10.5%) to CI\$4,709.6. These changes resulted in an increase in the outflows of net property income from CI\$1,145.6 in 2022 to CI\$1,330.4 in 2023.

CAYMAN ISLANDS SYSTEM OF NATIONAL ACCOUNTS AGGREGATES						
TABLE 12: GROSS NATIONAL PRODUCT AT CURRENT PURCHASERS' PRICES (CI\$'000)						
Item Description	2018	2019	2020 ^R	2021 ^R	2022 ^R	2023
GROSS DOMESTIC PRODUCT (GDP)¹	4,608,463.6	4,951,560.7	4,712,779.5	5,050,658.0	5,550,112.1	6,034,346.1
PlusProperty Income from the rest of the world:	3,544,331.4	3,588,896.7	2,251,810.5	2,694,262.3	4,114,866.9	3,379,394.5
Foreign direct investment income received ²	32,258.1	28,321.3	431,926.6	515,744.5	739,039.6	23,213.0
Portfolio & other investment income received ³	3,512,073.3	3,560,575.4	1,819,883.9	2,178,517.7	3,375,827.2	3,356,181.5
LessProperty Income paid to the rest of the world:	4,896,078.6	4,828,365.2	3,353,181.6	3,338,099.2	5,260,422.6	4,709,758.3
Foreign direct investment income paid	2,214,466.3	2,182,394.1	1,700,723.3	2,088,495.3	3,548,538.4	2,702,314.8
Portfolio & other investment income paid	2,681,612.3	2,645,971.1	1,652,458.3	1,249,603.9	1,711,884.2	2,007,443.5
GROSS NATIONAL PRODUCT (GNP)¹	3,256,716.5	3,712,092.2	3,611,408.4	4,406,821.0	4,404,556.4	4,703,982.3

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Notes:

1. GDP & GNP at current purchasers' prices.
 2. Foreign direct investment represents investments holdings or ownership of 10% or more.
 3. Portfolio investment represents investments holdings or ownership of less than 10%.
- * 2020 revision based exclusively on changes in the compilation methodology for the BOP components in the table.

3.12 GNI, GNDI, Gross National Savings & Net Lending¹³

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

CAYMAN ISLANDS SYSTEM OF NATIONAL ACCOUNTS AGGREGATES						
TABLE 13: NATIONAL INCOME, NATIONAL DISPOSABLE INCOME, SAVINGS & NET LENDING (CIS\$'000)						
Item Description	2018	2019	2020 ^R	2021 ^R	2022 ^R	2023
GROSS DOMESTIC PRODUCT (GDP)	4,608,463.6	4,951,560.7	4,712,779.5	5,050,658.0	5,550,112.1	6,034,346.1
Plus Net Property Income from/to the rest of the world:	-1,351,747.2	-1,239,468.5	-1,101,371.1	-643,836.9	-1,145,555.7	-1,330,363.8
<i>plus</i> Property income received from the rest of the world	3,544,331.4	3,588,896.7	2,251,810.5	2,694,262.3	4,114,866.9	3,379,394.5
<i>less</i> Property income paid to the rest of the world	4,896,078.6	4,828,365.2	3,353,181.6	3,338,099.2	5,260,422.6	4,709,758.3
Plus Net Compensation of Employees from/to the rest of the world:	-39,595.6	-42,223.3	-40,707.1	-19,127.0	-39,720.5	-61,881.7
<i>plus</i> Compensation of employees received from the rest of the world	5,176.4	5,020.2	2,196.3	713.5	2,314.8	762.9
<i>less</i> Compensation of employees paid to the rest of the world	44,772.0	47,243.5	42,903.4	19,840.5	42,035.4	62,644.6
GROSS NATIONAL INCOME (GNI)	3,217,120.9	3,669,868.9	3,570,701.3	4,387,694.1	4,364,835.9	4,642,100.6
Plus Net Current Transfers from/to the rest of the world:	-582,623.9	-476,023.1	-395,742.8	-611,166.9	-212,927.3	-165,544.9
<i>plus</i> Current transfers received from the rest of the world	1,321,538.5	1,374,397.7	1,321,288.6	3,139,626.5	3,749,672.2	4,197,101.8
<i>less</i> Current transfers paid to the rest of the world	1,904,162.3	1,850,420.7	1,717,031.5	3,750,793.4	3,962,599.5	4,362,646.7
GROSS NATIONAL DISPOSABLE INCOME (GNDI)	2,634,497.0	3,193,845.8	3,174,958.4	3,776,527.2	4,151,908.6	4,476,555.7
Final Consumption Expenditures	2,874,677.6	3,168,133.1	3,088,388.8	3,388,246.0	3,730,505.3	4,014,530.3
GROSS NATIONAL SAVINGS	-240,180.6	25,712.8	86,569.7	388,281.2	421,403.3	462,025.4
Plus Net Capital Transfers from/to the rest of the world:	615.7	-370.3	-1,106.3	-1,182.2	767.8	-1,038.2
<i>plus</i> Capital transfers received from the rest of the world	1,972.7	928.3	40.3	7.5	924.4	198.3
<i>less</i> Capital transfers paid to the rest of the world	1,357.0	1,298.6	1,146.6	1,189.7	156.6	1,236.5
Less Gross Capital Formation:	735,296.3	802,618.6	902,940.7	1,041,888.1	1,092,687.1	1,114,577.4
Gross fixed capital formation	729,523.2	797,216.1	891,088.0	1,039,374.7	1,088,733.7	1,098,573.2
Changes in inventories	5,773.1	5,402.5	11,852.7	2,513.4	3,953.3	16,004.1
NET LENDING(+)/NET BORROWING(-)	-974,861.2	-777,276.1	-817,477.3	-654,789.1	-670,516.0	-653,590.1

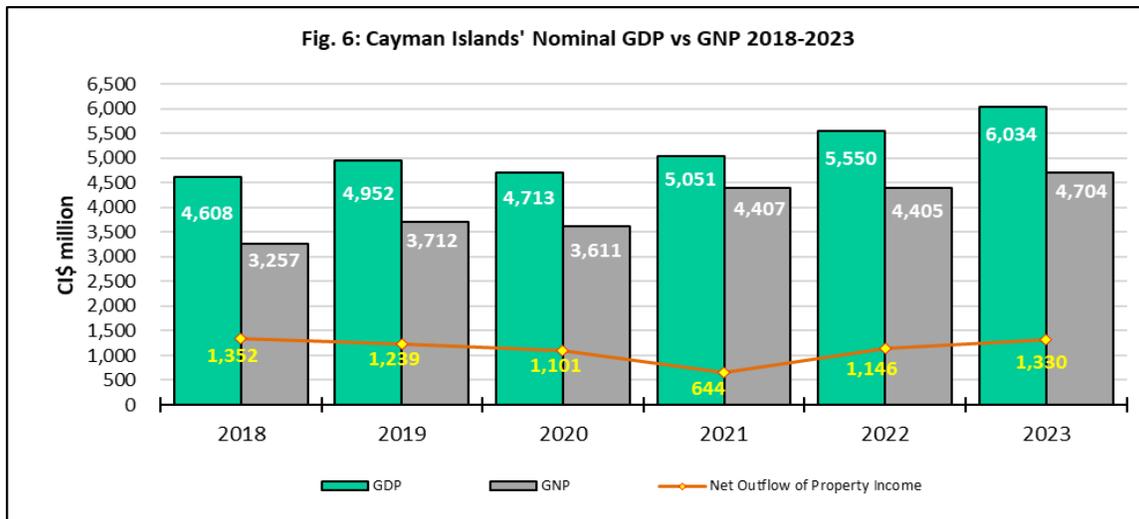
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2020 revision based exclusively on changes in the compilation methodology for the BOP components in the table.

¹³ GNI-Gross National Income = GDP + Net Property Income + Net Compensation from abroad.

GNDI-Gross National Disposable Income = GNI + Net Current Transfers

GNI increased by 6.4 percent in 2023 to reach CI\$4,642.1 million, reversing the 0.5 percent decrease posted for 2022. The net flow of property income (i.e. income received from the rest of the world less income paid to the rest of the world) moved to -CI\$1,330.4 million in 2023, from -CI\$1,145.6 million in 2022. Compensation of employees received from the rest of the world less that paid to the rest of the world (i.e. net compensation) moved to -CI\$61.9 million in 2023, from -CI\$39.7 million in 2022.¹⁴ Compensation from the rest of the world declined in 2023, after rebounding in 2022. It declined by 67.0 percent to CI\$0.8 million in 2023, from CI\$2.3 million in 2022. Compensation paid to employees abroad grew by 49.0 percent in 2023 to CI\$62.6 million from CI\$42.0 million in 2022.



Gross National Disposable Income (GNDI) for the Cayman Islands was estimated at CI\$ 4,476.6 million in 2023, after increasing by 7.8 percent. This represents an increase in the income available to fund final consumption and savings. Inflows of current transfers grew by 11.9 percent to reach CI\$4,197.1 million in 2023. Outflows of current transfers also increased in 2023, increasing by 10.1 percent to reach CI\$4,362.6 million.¹⁵ Gross national savings increased to CI\$462.0 million in 2023, remaining positive for the fifth consecutive year.

Net borrowing declined to CI\$653.6 million in 2023, from CI\$670.5 million in 2022. The Cayman Islands remains a net borrower, primarily due to the funding of capital investments, which bode well for the long-term growth of the economy.

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

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

4. GROSS DOMESTIC PRODUCT ESTIMATES-THE INCOME APPROACH

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

Cayman Islands' GDP at current purchasers' prices for 2023 increased to CI\$6,034.3 million, growing by 8.7 percent when compared to the CI\$5,550.1 million posted for 2022. The positive outturn in 2023 continues the rebound started in 2021 after the 4.8 percent decline recorded in 2020. The decline in 2020 followed 9 consecutive years of growth (in nominal terms) since the economy last declined in 2010, when it contracted by 2.9 percent. The components of GDP by income and their rates of growth are shown in Tables 14a and 14b below. Table 14b reveals that all four income components increased in 2023, led by operating surplus/mixed-income (10.9%), followed by compensation of employees (10.0%), consumption of fixed capital (5.8%), and taxes less subsidies (net taxes) on production and imports (1.2%).

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

Type of Income	2018	2019	2020	2021 ^R	2022 ^R	2023
Compensation of Employees (COE)	2,065,128.7	2,168,720.7	2,162,438.6	2,286,441.9	2,535,917.5	2,788,481.4
Operating Surplus\Mixed Income	1,634,742.6	1,832,540.6	1,668,215.3	1,709,112.5	1,881,907.4	2,086,589.1
Consumption of Fixed Capital	251,726.6	266,056.1	279,896.5	283,985.7	292,287.8	309,094.8
Taxes less Subsidies on Production and Imports	656,865.8	684,243.2	602,229.0	771,118.0	839,999.5	850,180.8
Gross Domestic Product at Purchasers' Prices	4,608,463.6	4,951,560.7	4,712,779.5	5,050,658.0	5,550,112.1	6,034,346.1

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

Type of Income	Percentage Growth					
	2018	2019	2020	2021 ^R	2022 ^R	2023
Compensation of Employees (COE)	4.7	5.0	(0.3)	5.7	10.9	10.0
Operating Surplus\Mixed Income	9.9	12.1	(9.0)	2.5	10.1	10.9
Consumption of Fixed Capital	2.2	5.7	5.2	1.5	2.9	5.8
Taxes less Subsidies on Production and Imports	9.7	4.2	(12.0)	28.0	8.9	1.2
Gross Domestic Product at Purchasers' Prices	7.0	7.4	(4.8)	7.2	9.9	8.7

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Total compensation of employees (COE)¹⁶ increased to CI\$2,788.5 million in 2023, from CI\$2,535.9 in 2022. The 10.0 percent increase in 2023 is a deceleration on the 10.9 percent posted in 2022 and a continuation of the growth trajectory after the decline in

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

2020. The continued recovery in total compensation in 2023 was driven by the 3.8 percent increase in the number of employed persons, which moved to 58,504 from 56,355 in 2022.¹⁷ The most significant increase in total compensation was experienced in hotel & restaurant services as the activity continued to recover from the effects of the global pandemic. However, total compensation in this industry is still below the pre-pandemic level.

Operating surplus/mixed-income¹⁸ grew by 10.9 percent in 2023 following on the 10.1 percent increase in 2022. The growth in 2023 continued the claw back of the value lost in 2020 as the 2023 levels now exceed the pre-pandemic level.

Consumption of fixed capital¹⁹ posted the second-lowest increase of the income components in 2023, growing by 5.8 percent. This adds to the 2.9 percent and 1.5 percent growth posted in 2022 and 2021, respectively.

Taxes (less subsidies) on production and imports²⁰ registered the lowest increase in 2023, growing by 1.2 percent after increasing by 8.9 percent in 2022. The performance in 2023 was due primarily to the growth in taxes outstripping the increases in subsidies.

4.2 Income Share of GDP at purchasers' prices

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

Type of Income	2018	2019	2020	2021 ^R	2022 ^R	2023
Compensation of Employees (COE)	44.8	43.8	45.9	45.3	45.7	46.2
Operating Surplus/Mixed Income	35.5	37.0	35.4	33.8	33.9	34.6
Consumption of Fixed Capital	5.5	5.4	5.9	5.6	5.3	5.1
Taxes less Subsidies on Production and Imports	14.3	13.8	12.8	15.3	15.1	14.1
Gross Domestic Product at Purchasers' Prices	100.0	100.0	100.0	100.0	100.0	100.0

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The share of COE increased in 2023 to 46.2 percent, from 45.7 in 2022, after declining to 45.3 percent in 2021. The increase in share in 2022 results (in part) from the growth in the employed labour force.

¹⁷Table 10.01b Compendium of Statistics 2023 (pg. 97)

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

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

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

The share of operating surplus/mixed-income increased for a second consecutive year in 2023, moving to 34.6 percent, from 33.9 percent in 2022. This income component surpassed the CI\$ 2 billion mark for the first time in 2023, increasing to CI\$2,086.6 million from CI\$1,881.9 million in 2022. (See Table 14a).

The share of net taxes declined in 2023 to 14.1 percent, from 15.1 percent in 2022. Net taxes on production and imports reached CI\$850.2 million in 2023, from CI\$840.0 million in 2022.

Consumption of fixed capital (the smallest of the income components) posted its third consecutive annual decline in share in 2023, contracting to 5.1 percent, from 5.3 percent in 2022 and 5.6 in 2021. Despite the decline in share, consumption of fixed capital increased to CI\$309.1 million in 2023, from CI\$292.3 million in 2022.

4.3 Income components of GDP at purchasers' prices

4.3.1 Compensation of employees (COE)

Table 16 below shows the breakdown of total compensation by industry in the Cayman Islands for the period 2018-2023.

TABLE 16: COMPENSATION OF EMPLOYEES (CI\$'000)						
INDUSTRY	2018	2019	2020	2021 ^R	2022 ^R	2023
Agriculture & Fishing	7,707.6	8,161.5	7,984.1	8,379.3	8,653.6	8,567.2
Mining & Quarrying	7,252.2	7,720.4	7,850.3	9,107.5	9,723.3	9,696.2
Manufacturing	22,928.5	24,635.6	23,285.1	25,100.1	27,588.0	29,948.8
Electricity, Gas & Air Conditioning Supply	16,342.3	16,967.2	15,402.7	17,040.2	18,143.8	20,319.9
Water Supply, Sewerage & Waste Management	16,116.0	16,992.2	18,393.5	19,553.8	20,405.5	22,578.7
Construction	133,238.2	152,652.5	154,358.8	165,680.5	184,396.4	199,147.3
Wholesale & Retail Trade	136,936.6	143,688.9	144,382.6	145,467.9	158,604.0	161,266.3
Transport & Storage	96,216.2	99,803.6	95,201.9	91,050.5	100,140.6	112,751.2
Hotels & Restaurants	153,094.1	161,828.7	108,882.8	89,099.6	123,104.3	151,022.1
Information & Communication	51,088.8	53,306.7	51,798.9	55,851.5	59,628.7	61,188.6
Financial & Insurance Services	372,076.1	381,410.8	395,894.0	409,570.3	451,584.5	494,448.1
Real Estate Activities	53,365.8	55,617.9	53,982.4	63,268.9	65,562.3	70,234.4
Professional, Scientific & Technical Activities	405,266.2	405,809.8	427,774.5	479,778.9	533,816.2	583,188.1
Administrative & Support Service Activities	82,433.0	85,768.4	82,389.4	87,609.5	96,231.8	105,451.3
Public Administration & Defence	223,652.9	248,319.2	269,676.5	290,020.9	311,691.3	341,156.1
Education Services	93,727.4	103,995.7	107,701.9	114,043.9	121,539.7	138,562.4
Health and Social Work	129,937.1	135,536.3	144,617.9	160,673.1	180,859.1	201,043.0
Other Services	63,749.8	66,505.6	52,861.3	55,145.5	64,244.2	77,911.8
TOTAL	2,065,128.7	2,168,720.7	2,162,438.6	2,286,441.9	2,535,917.5	2,788,481.4

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The three dominant industries as it relates to the distribution of total compensation in the Cayman Islands in 2023 are:

- Professional, scientific & technical activities (mainly legal and accounting services) with CI\$583.2 million or 20.9 percent of total compensation, a decrease from the 21.1 percent in 2022;
- Financial & insurance services with CI\$494.4 million or 17.7 percent of the total compensation, down from 17.8 percent in 2022 and 17.9 percent posted in 2020; and
- Public administration & defence with CI\$341.2 million or 12.2 percent of total compensation. This represents a decline in share from 12.3 percent in 2022 and 12.7 percent in 2021.

The aggregate share of the three above-mentioned industries of the total compensation generated in the Cayman Islands in 2023 declined to 51.0 percent, from 51.1 percent in 2022, and 51.6 percent in 2021. All three industries posted a decline in share of total compensation in 2023. Overall, hotel & restaurant services registered the largest gain in share, moving to 5.4 percent in 2023 from 4.9 percent in 2022. Wholesale & retail trade activities posted the largest loss of share in 2023, declining to 5.8 percent, from 6.3 percent in 2022.

4.3.2 Operating surplus/mixed-income

TABLE 17: OPERATING SURPLUS AND MIXED INCOME (CI\$'000)						
INDUSTRY	2018	2019	2020	2021 ^R	2022 ^R	2023
Agriculture & Fishing	9,999.9	11,130.9	11,321.2	13,297.8	16,101.5	15,215.0
Mining & Quarrying	1,048.0	2,174.3	2,658.4	3,096.0	3,810.3	1,254.1
Manufacturing	14,631.7	16,266.6	16,094.7	21,001.4	22,171.3	23,610.1
Electricity, Gas & Air Conditioning Supply	21,585.6	24,001.0	21,921.7	23,522.5	24,580.4	24,847.5
Water Supply, Sewerage & Waste Management	16,351.2	16,974.7	11,807.4	11,355.7	13,104.5	14,844.0
Construction	30,631.2	36,364.3	43,679.5	55,304.4	50,478.4	49,930.6
Wholesale & Retail Trade	102,958.3	115,102.7	96,447.7	123,830.4	148,639.8	156,797.7
Transport & Storage	39,036.2	43,861.5	(12,929.9)	(16,738.4)	5,243.3	25,629.6
Hotels & Restaurants	91,639.7	112,485.2	(2,202.4)	(25,090.8)	57,228.4	131,109.0
Information & Communication	37,467.8	46,328.2	46,031.0	52,333.3	54,994.6	55,685.0
Financial & Insurance Services	793,991.4	817,340.8	829,646.0	797,008.9	812,417.2	842,308.4
Real Estate Activities	261,187.6	318,156.7	316,487.8	331,949.1	360,914.2	366,991.1
Professional, Scientific & Technical Activities	118,800.9	154,608.9	181,118.9	193,085.9	163,987.6	210,114.9
Administrative & Support Service Activities	21,365.1	24,807.1	20,062.6	21,904.1	28,241.3	32,356.8
Public Administration & Defence	-	-	-	-	-	-
Education Services	1,381.7	4,669.6	2,222.8	5,993.7	7,999.8	9,575.0
Health and Social Work	19,112.6	22,090.6	37,467.5	54,702.6	57,818.6	65,852.5
Other Services	53,553.8	66,177.7	46,380.6	42,555.7	54,176.1	60,467.7
TOTAL	1,634,742.6	1,832,540.6	1,668,215.3	1,709,112.5	1,881,907.4	2,086,589.1

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The operating surplus/mixed-income for financial & insurance services increased in 2023 to consolidate its position as the largest share of the total at CI\$842.3 million. The second-largest share was posted by real estate activities (CI\$367.0 million), followed by professional, scientific & technical activities (CI\$210.1 million). Hotel & restaurant services and transport & storage services posted the largest increase in operating surplus in 2023 as the industries reversed two consecutive years of negative operating surplus in 2020 and 2021. The negative operating surplus was primarily due to the impact of the global pandemic on tourism expenditure. Total operating surplus reached CI\$2 billion for the first time, increasing to CI\$2,086.6 million in 2023, surpassing the pre-pandemic level of CI\$1,832.5 million posted in 2019.

4.3.3 Consumption of fixed capital

TABLE 18: CONSUMPTION OF FIXED CAPITAL (CI\$'000)						
INDUSTRY	2018	2019	2020	2021^R	2022^R	2023
Agriculture & Fishing	706.5	788.2	786.7	786.5	791.8	805.0
Mining & Quarrying	1,647.8	1,578.0	1,882.5	1,757.0	1,755.3	2,009.9
Manufacturing	2,500.6	2,648.3	2,816.0	2,976.9	2,912.8	3,467.0
Electricity, Gas & Air Conditioning Supply	29,060.9	31,088.7	32,838.0	32,844.3	32,751.3	35,253.7
Water Supply, Sewerage & Waste Management	7,543.7	8,289.1	7,928.6	7,907.1	7,620.8	8,022.2
Construction	4,506.1	5,014.9	5,717.6	6,665.5	6,456.1	6,792.6
Wholesale & Retail Trade	24,567.6	24,899.4	26,564.7	27,153.6	28,403.0	30,163.9
Transport & Storage	15,766.8	17,093.9	19,831.5	17,431.9	18,858.3	19,214.5
Hotels & Restaurants	5,550.4	10,478.3	7,270.6	7,109.7	6,433.3	6,050.3
Information & Communication	19,654.3	19,488.6	18,747.5	17,647.5	15,840.7	17,009.3
Financial & Insurance Services	31,360.7	31,720.3	38,517.9	41,149.3	41,694.8	40,955.5
Real Estate Activities	53,357.0	54,295.6	55,081.9	51,534.7	52,920.5	59,250.7
Professional, Scientific & Technical Activities	7,235.0	7,569.2	8,227.5	8,892.2	9,179.9	10,207.4
Administrative & Support Service Activities	6,789.8	7,111.4	7,665.9	7,467.7	7,428.7	7,453.7
Public Administration & Defence	17,274.0	19,245.3	21,673.7	22,697.3	25,292.1	25,701.4
Education Services	10,106.4	10,765.8	10,832.8	14,109.6	15,271.2	16,576.4
Health and Social Work	8,098.1	8,082.1	8,494.0	10,924.2	12,369.9	13,582.6
Other Services	6,001.0	5,899.2	5,019.4	4,930.9	6,307.2	6,578.7
TOTAL	251,726.6	266,056.1	279,896.5	283,985.7	292,287.8	309,094.8

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As presented in Table 18 above, the largest share of consumption of fixed capital (i.e. depreciation) in 2023 occurred in real estate services (CI\$59.3 million) due to the level of fixed assets involved in the activity. This is followed by financial & insurance services (CI\$41.0 million), electricity, gas & air conditioning supply services (CI\$35.3 million), wholesale and retail trade activities (CI\$30.2 million), and public administration & defence activities (CI\$25.7 million). The share of depreciation for electricity services and information and communication services is disproportionately large relative to their share of GDP because of the capital-intensive nature of these activities.

4.3.4 Taxes less subsidies on production and imports

TABLE 19: TAXES less SUBSIDIES ON PRODUCTION AND IMPORTS (CIS\$'000)						
INDUSTRY	2018	2019	2020	2021^R	2022^R	2023
Other Taxes less Subsidies on Production	377,598.3	401,472.7	383,523.1	471,372.7	513,711.7	502,828.3
Agriculture & Fishing	415.7	434.5	427.3	475.6	479.8	488.8
Mining & Quarrying	405.9	367.2	365.3	466.1	467.7	474.2
Manufacturing	1,006.1	1,179.9	1,014.8	1,163.3	1,264.0	1,390.1
Electricity, Gas & Air Conditioning Supply	2,160.5	2,511.6	2,492.5	2,512.3	2,531.3	2,537.6
Water Supply, Sewerage & Waste Management	582.1	696.0	677.7	746.3	837.4	886.9
Construction	12,151.2	13,541.6	12,195.6	14,820.2	17,480.9	16,337.5
Wholesale & Retail Trade	13,564.9	13,947.9	13,564.5	15,035.3	16,102.5	17,307.4
Transport & Storage	2,704.3	3,014.5	2,299.3	2,230.2	2,540.9	3,025.2
Hotels & Restaurants	7,518.4	6,887.6	5,527.1	6,321.7	7,262.7	8,199.4
Information & Communication	11,588.7	13,173.1	11,812.7	14,345.6	15,941.8	16,273.5
Financial & Insurance Services	241,199.5	253,197.0	243,893.6	313,984.4	335,420.9	326,056.0
Real Estate Activities	1,763.8	1,755.6	1,994.3	2,421.9	2,718.9	2,862.9
Professional, Scientific & Technical Activities	70,271.2	78,225.5	75,864.6	83,854.7	95,742.3	91,273.9
Administrative & Support Service Activities	5,172.7	5,108.0	4,281.7	4,820.3	5,666.3	6,085.5
Public Administration & Defence	253.5	231.5	271.4	209.4	212.9	195.5
Education Services	491.8	497.8	527.9	583.3	595.0	647.4
Health and Social Work	3,266.3	3,552.8	3,583.0	4,392.7	4,855.4	4,646.0
Other Services	3,081.9	3,150.7	2,729.7	2,989.5	3,591.0	4,140.5
Taxes less Subsidies on Products	279,267.4	282,770.5	218,705.9	299,745.3	326,287.8	347,352.5
TOTAL	656,865.8	684,243.2	602,229.0	771,118.0	839,999.5	850,180.8

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Table 19 shows two data sets:

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

There was a decrease in the share of taxes less subsidies on production in total taxes in 2023, resulting from a 2.1 percent decrease in this component, coupled with a 6.5 percent increase in net other taxes less subsidies on products. The share of net taxes on products increased to 40.9 percent of the total in 2023 from 38.8 percent in 2022. The share of net taxes less subsidies on production (i.e. net other taxes on production) decreased to 59.1 percent in 2023 from 61.2 percent in 2022. The value of net taxes on production decreased to CI\$502.8 million in 2023 from CI\$513.7 million in 2022. This decrease is due

in part to the reduction in revenue generated from financial service licences and fees outstripping the increase in work permit fees.

The share of professional, scientific & technical services in total net taxes on production posted the most significant decrease in 2023, moving to 18.2 percent, from 18.6 percent in 2022. The largest increase in share was posted by wholesale & retail trade activities, moving to 34.4 percent in 2023 from 31.3 percent in 2022.

5. GROSS DOMESTIC PRODUCT ESTIMATES-THE EXPENDITURE APPROACH

5.1 Introduction

GDP by expenditure (GDPE) constitutes all final expenditures by households and government, investments, and exports minus imports. In other words, GDPE measures GDP as the sum of the final purchases of goods and services. Added to final purchases is the value of exports, which represents goods and services produced domestically and sold to non-resident households and businesses. Imports are subtracted as they represent goods and services produced by other economies. GDPE represents the third approach to calculating GDP in the Cayman Islands, adding to the other two approaches, i.e. GDP by the production approach (GDPP) and GDP by the income approach (GDPI), as presented earlier in Chapters 3 and 4. See Appendix A1.5 for a more detailed explanation of GDPE and the compilation methodology.

5.2 GDP by Expenditure (GDPE)

The estimated nominal GDP for the Cayman Islands (calculated using the expenditure approach) grew to CI\$6,049.4 million in 2023 from the CI\$5,560.9 million recorded for 2022. This increase added to the growth experienced for 2022 (11.4%) and 2021 (5.7%), following the decline in 2020 (-3.7%).

The performance in 2023 resulted from growth in all four components of GDPE, namely final consumption expenditure (FCE) (7.6%), gross fixed capital formation (GFCF) (0.9%), net exports (24.8%) and changes in inventories (304.8%).

Table 20 below presents a detailed disaggregation of the components of nominal GDPE. The largest expenditure component - Household Final Consumption Expenditure (HFCE) - contributed CI\$3,275.1 million to nominal GDPE in 2023. Gross fixed capital formation contributed the second-largest share (CI\$1,098.6 million), followed by net exports (CI\$920.3 million), final consumption expenditure of general government (CI\$697.7

million), final consumption expenditure of non-profit institutions serving households (CI\$41.7 million), and changes in inventories (CI\$16.0 million).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 20: GDP BY EXPENDITURE AT CURRENT PURCHASERS' PRICES (CI\$'000)						
Expenditure Components	2018	2019	2020	2021 ^R	2022 ^R	2023
Final Consumption Expenditure (FCE):	2,874,677.6	3,168,133.1	3,088,388.8	3,388,246.0	3,730,505.3	4,014,530.3
Households (HFCE)	2,406,560.0	2,641,864.3	2,527,621.7	2,766,386.8	3,050,434.7	3,275,124.0
General Government (GFCE)	434,072.9	493,065.2	528,137.0	585,861.4	640,920.6	697,678.8
Non-Profit Institutions Serving Households	34,044.8	33,203.5	32,630.0	35,997.8	39,150.0	41,727.5
Gross Fixed Capital Formation (GFCF):	729,523.2	797,216.1	891,088.0	1,039,374.7	1,088,733.7	1,098,573.2
Buildings and Infrastructure	358,863.1	405,780.6	454,591.9	536,411.8	586,560.3	628,105.4
Machinery and Equipment	128,435.8	125,804.4	129,437.6	165,735.7	175,465.9	189,355.2
Transport Equipment	49,429.8	63,176.2	73,620.4	88,767.6	82,541.3	87,393.5
Office and Computing Machinery	44,417.2	36,784.9	41,864.4	44,126.2	39,061.3	36,591.5
Other Capital Goods ¹	148,377.3	165,670.1	191,573.7	204,333.4	205,104.9	157,127.6
Changes in Inventories	5,773.1	5,402.5	11,852.7	2,513.4	3,953.3	16,004.1
Net Exports:	979,261.8	933,246.7	730,690.6	563,057.6	737,683.2	920,272.1
Exports of Goods and Services ²	3,077,415.5	3,185,765.1	2,800,790.2	2,882,164.9	3,441,059.5	3,746,458.6
Less Imports of Goods and Services	2,098,153.7	2,252,518.4	2,070,099.5	2,319,107.3	2,703,376.3	2,826,186.5
GDP by Expenditure at Purchasers' Prices	4,589,235.7	4,903,998.4	4,722,020.1	4,993,191.7	5,560,875.5	6,049,379.8
Statistical Discrepancy	19,228.0	47,562.3	(9,240.7)	57,466.3	(10,763.4)	(15,033.7)
GDP by Production at Purchasers' Prices	4,608,463.6	4,951,560.7	4,712,779.5	5,050,658.0	5,550,112.1	6,034,346.1

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Notes:

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

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

Table 21 below shows the estimated values of expenditure on real (inflation-adjusted) GDP, which grew to CI\$5,061.5 million in 2023 from CI\$4,784.6 million in 2022, CI\$4,510.7 million in 2021, and CI\$4,298.4 million in 2020. Inflation-adjusted household final consumption expenditure rose to CI\$2,686.8 million in 2023. This was followed by real net exports (CI\$905.9 million), real gross fixed capital formation (CI\$875.2 million), final consumption expenditure of general government (CI\$557.5 million), final consumption expenditure of NPISH (CI\$33.2 million), and changes in inventories (CI\$2.9 million).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 21: GDP BY EXPENDITURE AT CONSTANT PURCHASERS' PRICES, 2015=100 (CI\$'000)						
Expenditure Components	2018	2019	2020	2021 ^R	2022 ^R	2023
Final Consumption Expenditure (FCE):	2,773,398.5	2,924,750.5	2,802,895.6	3,033,975.1	3,196,611.7	3,277,426.3
Households (HFCE)	2,339,796.6	2,452,998.6	2,314,796.8	2,508,157.1	2,640,696.7	2,686,756.9
General Government (GFCE)	401,934.2	441,926.4	458,747.2	494,078.3	523,370.9	557,469.9
Non-Profit Institutions Serving Households	31,667.7	29,825.4	29,351.5	31,739.7	32,544.0	33,199.6
Gross Fixed Capital Formation (GFCF):	701,743.1	733,837.1	793,515.3	893,235.4	881,394.3	875,216.2
Buildings and Infrastructure	332,367.1	358,651.4	392,331.9	416,680.9	420,594.8	435,238.9
Machinery and Equipment	128,513.9	125,394.3	128,348.9	162,783.9	164,762.4	177,167.4
Transport Equipment	49,380.7	63,025.1	73,508.5	87,649.8	78,364.6	81,738.1
Office and Computing Machinery	53,745.3	46,224.5	55,672.7	59,817.3	51,392.4	48,454.5
Other Capital Goods ¹	137,736.1	140,541.7	143,653.3	166,303.5	166,280.2	132,617.2
Changes in Inventories	5,430.8	4,319.9	9,493.6	3,732.2	1,313.4	2,918.7
Net Exports:	854,317.9	822,912.7	692,483.9	579,722.8	705,261.0	905,941.3
Exports of Goods and Services	2,837,400.2	2,889,214.0	2,553,771.3	2,606,095.2	2,921,596.1	3,085,598.8
Less Imports of Goods and Services	1,983,082.3	2,066,301.3	1,861,287.4	2,026,372.4	2,216,335.1	2,179,657.6
GDP by Expenditure at Purchasers' Prices	4,334,890.3	4,485,820.2	4,298,388.4	4,510,665.5	4,784,580.5	5,061,502.5
Statistical Discrepancy	23,010.3	42,720.1	5,771.3	3,081.8	(10,134.2)	(9,393.9)
GDP by Production at Purchasers' Prices	4,357,900.7	4,528,540.2	4,304,159.8	4,513,747.2	4,774,446.3	5,052,108.6

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Notes:

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

5.3 GDPE rates of growth by component

Table 22 shows the growth in the nominal values of the expenditure components of GDP. All components posted positive performances in 2023. The performance in 2023 resulted

from growth in HFCE (7.4%), final consumption expenditure of general government (8.9%), final consumption expenditure of NPISH (6.6%), GFCF (0.9%), changes in inventories (304.8%) and net exports (24.8%).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE							
TABLE 22: RATE OF GROWTH OF GDP BY EXPENDITURE AT CURRENT PRICES (%)							
Expenditure Components	Percentage Growth						
	2017	2018	2019	2020	2021 ^R	2022 ^R	2023
Final Consumption Expenditure (FCE):	3.2	6.9	10.2	(2.5)	9.7	10.1	7.6
Households (HFCE)	3.0	7.2	9.8	(4.3)	9.4	10.3	7.4
General Government (GFCE)	4.4	5.4	13.6	7.1	10.9	9.4	8.9
Non-Profit Institutions Serving Households	7.2	5.3	(2.5)	(1.7)	10.3	8.8	6.6
Gross Fixed Capital Formation (GFCF)	8.2	20.4	9.3	11.8	16.6	4.7	0.9
Changes in Inventories	300.6	(49.7)	(6.4)	119.4	(78.8)	57.3	304.8
Net Exports	11.6	(6.0)	(4.7)	(21.7)	(22.9)	31.0	24.8
Exports of Goods and Services	11.0	5.7	3.5	(12.1)	2.9	19.4	8.9
Less Imports of Goods and Services	10.7	12.3	7.4	(8.1)	12.0	16.6	4.5

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The growth rates of the expenditure component of GDP in real (inflation-adjusted) terms are shown in Table 23. There was growth posted for HFCE (1.7%), final consumption expenditure of general government (6.5%), final consumption expenditure of NPISH (2.0%), changes in inventories (122.2%) and net exports (28.5%). The growth was moderated by the decline in GFCF (0.7%).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE							
TABLE 23: RATE OF GROWTH OF GDP BY EXPENDITURE AT CONSTANT PRICES, 2015=100 (%)							
Expenditure Components	Percentage Growth						
	2017	2018	2019	2020	2021 ^R	2022 ^R	2023
Final Consumption Expenditure (FCE):	1.7	4.8	5.5	(4.2)	8.2	5.4	2.5
Households (HFCE)	1.6	5.5	4.8	(5.6)	8.4	5.3	1.7
General Government (GFCE)	2.2	1.2	9.9	3.8	7.7	5.9	6.5
Non-Profit Institutions Serving Households	6.1	(0.6)	(5.8)	(1.6)	8.1	2.5	2.0
Gross Fixed Capital Formation (GFCF)	4.9	17.6	4.6	8.1	12.6	(1.3)	(0.7)
Changes in Inventories	291.1	(49.8)	(20.5)	119.8	(60.7)	(64.8)	122.2
Net Exports	3.0	(5.7)	(3.7)	(15.8)	(16.3)	21.7	28.5
Exports of Goods and Services	6.2	4.5	1.8	(11.6)	2.0	12.1	5.6
Less Imports of Goods and Services	7.9	9.6	4.2	(9.9)	8.9	9.4	(1.7)

R-revised

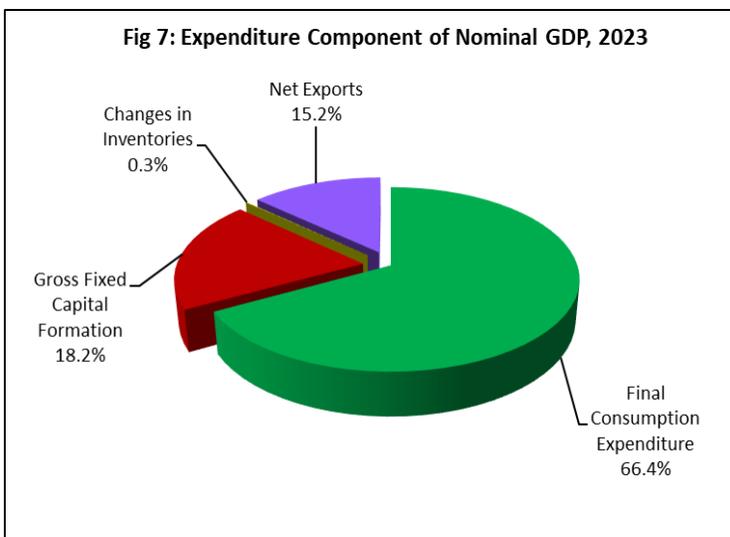
5.4 Contribution to GDPE by Component

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

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE							
TABLE 24: PERCENTAGE SHARE OF GDPE AT CURRENT PRICES (%)							
Expenditure Components	2017	2018	2019	2020	2021	2022 ^R	2023
Final Consumption Expenditure (FCE):	61.8	62.6	64.6	65.4	67.9	67.1	66.4
Households (HFCE)	51.6	52.4	53.9	53.5	55.4	54.9	54.1
General Government and NPISH	10.2	10.2	10.7	11.9	12.5	12.2	12.2
Gross Fixed Capital Formation (GFCF)	13.9	15.9	16.3	18.9	20.8	19.6	18.2
Changes in Inventories	0.3	0.1	0.1	0.3	0.1	0.1	0.3
Net Exports	24.0	21.3	19.0	15.5	11.3	13.3	15.2
GDP by Expenditure at Purchasers' Prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0

R-revised

The table shows the continued dominance of FCE as the main contributor to nominal GDPE. This is highlighted in the graphical display of the component shares for 2023, shown in Figure 7. For the second time since 2017, FCE decreased its share of GDPE to 66.4 percent in 2023 from 67.1 percent in 2022. Despite the second consecutive reduction in share, the value for 2023 represents the third-highest share ever recorded for this component over the review period. The lowest share over the period (61.8%) was posted in 2017. GFCF also registered a second consecutive share reduction in 2023 to 18.2 percent following the 19.6 percent posted in 2022. Despite the smaller share, GFCF maintained its relative ranking as the second-largest component of nominal GDPE. Net Exports recorded a second-consecutive year of increase in share in 2023 (15.2%) following the 13.3 percent posted in 2022. This reversed four consecutive years of decline in the share from 11.3 percent in 2021 (which is the lowest share recorded to date), 15.5 percent in 2020, 19.0 percent in 2019, 21.3 percent in 2018, and 24.0 percent in 2017. Net exports was one of two expenditure components



to post an increase in share in 2023, following the marginal increase in the share of changes in inventories. The contribution of the aggregate final consumption expenditure of general government and NPISH remained constant in 2023 at 12.2 percent compared to the similar percentage posted in 2022.

5.5 Expenditure Components of GDP

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

5.5.1 Household Final Consumption Expenditure (HFCE)

HFCE consists of expenditures incurred by resident households on the consumption of goods and services, whether that expenditure is incurred within the economic territory or abroad.

Table 25 shows total nominal HFCE disaggregated by expenditure division. Household expenditure (as measured by HFCE) increased by 7.4 percent in 2023 to reach CI\$3,275.1 million, from CI\$3,050.4 million in 2022. This is a third consecutive year of increase following the 10.3 percent increase in 2022 and 9.4 percent increase in 2021, after declining by 4.3 percent in 2020. The decline in 2020 followed four consecutive years of increase since 2019 (9.8%), 2018 (7.2%), 2017 (3.0%), and 2016 (4.3%).

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE								
TABLE 25: Nominal Household Final Consumption Expenditure (HFCE) by COICOP Division (CI\$'000) ¹								
Expenditure (COICOP) Division:	2016	2017	2018	2019	2020	2021	2022	2023
Food and non-alcoholic beverages	156,259.8	170,748.8	209,036.8	236,486.4	247,071.2	253,967.5	294,965.1	319,010.2
Alcoholic beverages and tobacco	44,840.2	46,122.2	56,935.5	56,743.9	46,730.6	50,726.1	62,285.9	60,185.0
Clothing and footwear	67,826.1	68,944.7	75,076.8	120,818.1	137,299.3	164,588.3	174,463.1	168,186.6
Housing, water, electricity, gas and other fuels	533,649.8	545,724.6	562,256.8	631,833.4	628,202.4	641,455.3	726,552.7	768,922.2
Furnishings, household equipment and routine household maintenance	102,758.0	110,290.2	123,894.4	147,669.7	143,650.0	148,989.3	151,345.0	160,469.7
Health	194,041.7	169,852.9	188,639.0	202,074.5	200,652.2	252,430.1	280,872.1	312,368.5
Transport	286,840.5	309,397.4	304,587.2	308,016.6	200,075.7	245,219.8	287,341.3	333,117.8
Communication	70,149.7	73,805.5	76,886.1	81,141.0	81,060.5	83,558.9	80,885.2	82,808.9
Recreation and culture	99,973.3	103,383.1	117,953.8	126,904.6	124,218.0	138,926.0	136,956.0	145,860.1
Education	75,545.7	78,396.3	81,596.6	88,201.3	82,748.0	92,892.6	105,969.8	120,097.3
Restaurant and hotels	163,152.0	171,804.7	183,650.3	194,656.7	169,205.0	194,816.9	220,215.6	255,067.2
Miscellaneous goods & services	384,234.9	395,947.2	426,046.7	447,318.1	466,708.8	498,882.8	528,582.7	549,030.2
Grand Total	2,179,271.8	2,244,417.5	2,406,560.0	2,641,864.3	2,527,621.7	2,766,453.7	3,050,434.7	3,275,124.0

Notes:

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

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

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE								
TABLE 26: Share of Nominal Household Consumption Expenditure (HFCE) by COICOP Division								
Expenditure (COICOP) Division:	2016	2017	2018	2019	2020	2021	2022	2023
Food and non-alcoholic beverages	7.2%	7.6%	8.7%	9.0%	9.8%	9.2%	9.7%	9.7%
Alcoholic beverages and tobacco	2.1%	2.1%	2.4%	2.1%	1.8%	1.8%	2.0%	1.8%
Clothing and footwear	3.1%	3.1%	3.1%	4.6%	5.4%	5.9%	5.7%	5.1%
Housing, water, electricity, gas and other fuels	24.5%	24.3%	23.4%	23.9%	24.9%	23.2%	23.8%	23.5%
Furnishings, household equipment and routine household maintenance	4.7%	4.9%	5.1%	5.6%	5.7%	5.4%	5.0%	4.9%
Health	8.9%	7.6%	7.8%	7.6%	7.9%	9.1%	9.2%	9.5%
Transport	13.2%	13.8%	12.7%	11.7%	7.9%	8.9%	9.4%	10.2%
Communication	3.2%	3.3%	3.2%	3.1%	3.2%	3.0%	2.7%	2.5%
Recreation and culture	4.6%	4.6%	4.9%	4.8%	4.9%	5.0%	4.5%	4.5%
Education	3.5%	3.5%	3.4%	3.3%	3.3%	3.4%	3.5%	3.7%
Restaurant and hotels	7.5%	7.7%	7.6%	7.4%	6.7%	7.0%	7.2%	7.8%
Miscellaneous goods & services	17.6%	17.6%	17.7%	16.9%	18.5%	18.0%	17.3%	16.8%
Grand Total	100.0%							

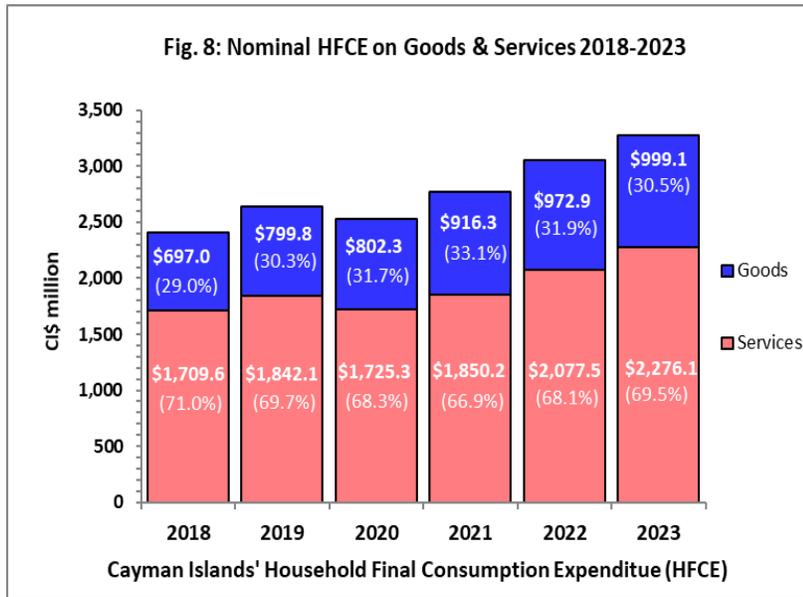
The division with the largest share of HFCE is housing, water, electricity, gas and other fuels, with a share of CI\$768.9 million or 23.5 percent.²¹ Making up the top six divisions are miscellaneous goods and services (CI\$549.0 million or 16.8%), transport (CI\$333.1 million or 10.2%), food and non-alcoholic beverages (CI\$319.0 million or 9.7%), health (CI\$312.4 million or 9.5%), and restaurant & hotels (CI\$255.1 million or 7.8%). The top six divisions accounted for 77.5 percent of the total nominal HFCE.

The remaining 22.5 percent of nominal HFCE was accounted for by clothing and footwear (CI\$168.2 million or 5.1%), furnishings, household equipment & routine household maintenance (CI\$160.5 million or 4.9%), recreation and culture (CI\$145.9 million or 4.5%), education (CI\$120.1 million or 3.7%), communication (CI\$82.8 million or 2.5%), and alcohol beverages and tobacco (CI\$60.2 million or 1.8%)

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

Figure 8 shows a disaggregation of nominal HFCE into goods and services. The graph

shows the general increase in the share of goods in HFCE up to 2021, followed by two (2) consecutive years of declining share in 2022 and 2023. Cayman resident households purchased a total of CI\$999.1 million in goods in 2023. This represents an increase from 2022 (CI\$972.9 million), 2021 (CI\$916.3 million), 2020 (CI\$802.3 million), 2019 (CI\$799.8 million), and 2018 (CI\$697.0 million).



The purchase of food & non-alcoholic beverages continued to dominate household expenditure on goods, followed by clothing & footwear, and transport-related goods.

The share of expenditure on goods declined for the second time in eight years to reach 30.5 percent of total HFCE in 2023. This follows the shares posted in 2022 (31.9%), 2021 (33.1%), 2020 (31.7%), 2019 (30.3%), and 2018 (29.0%).

The consumption of Cayman residents of services increased to CI\$2,276.1 million in 2023 compared to CI\$2,077.5 million in services in 2022. This follows the CI\$1,850.2 million in 2021, CI\$1,725.3 million in 2020, CI\$1,842.1 million in 2019, and CI\$1,709.6 million in 2018. Expenditure on services was dominated by actual & imputed rent, financial & insurance services, medical services, and hotel & restaurant services.

The share of nominal HFCE on services purchased by households in 2023 increased for the second consecutive year moving to 69.5 percent from 68.1 percent in 2022. This follows on the 66.9 percent in 2021, 68.3 percent in 2020, 69.7 percent in 2019, and 71.0 percent in 2018.

5.5.2 Government final consumption expenditure (GFCE)

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

percent, in 2020, 2019, and 2018 respectively. The positive performance increased the current price GFCF to CI\$1,098.6 million in 2023, from the CI\$1,088.7 million in 2022.

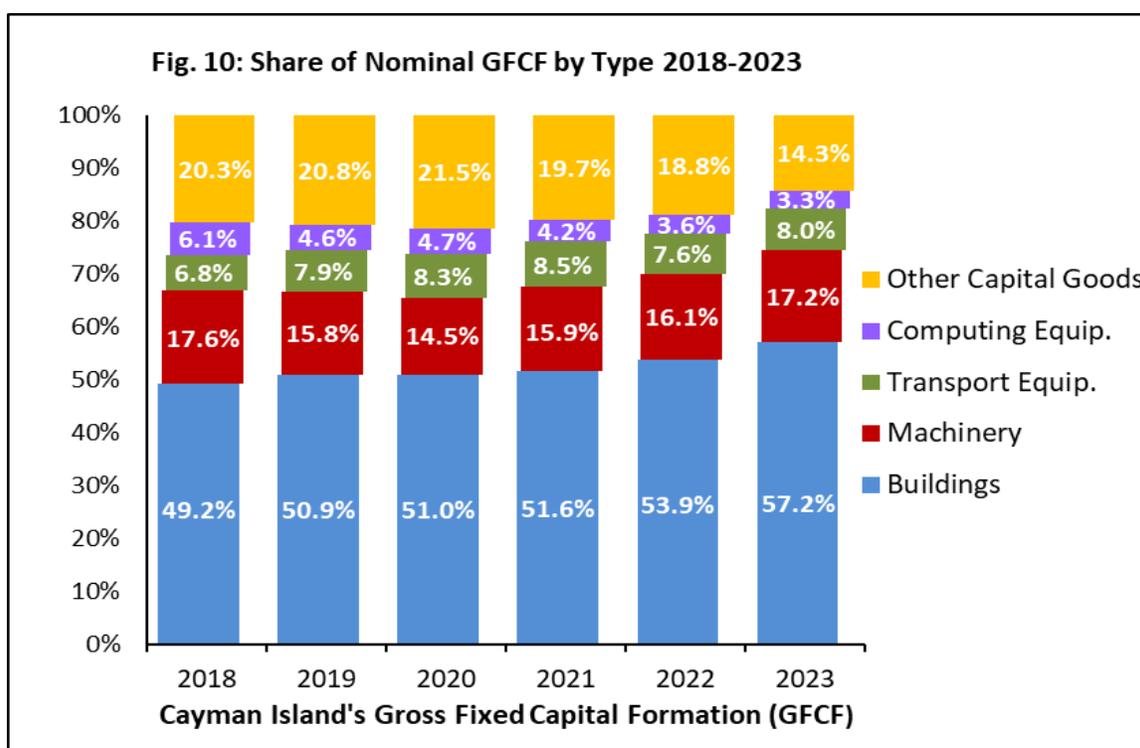
Table 27 and Figure 10 provide a disaggregation of GFCF by type and show the value of the components and their contribution to total GFCF. GFCF is disaggregated into buildings & other infrastructure, machinery & equipment, transport equipment, office & computing machinery, and other capital goods.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 27: GROSS FIXED CAPITAL FORMATION BY TYPE AT CURRENT PRICES (CI\$'000)						
Expenditure Component	2018	2019	2020	2021	2022 ^R	2023
Gross Fixed Capital Formation (GFCF):	729,523.2	797,216.1	891,088.0	1,039,374.7	1,088,733.7	1,098,573.2
Buildings and Infrastructure	358,863.1	405,780.6	454,591.9	536,411.8	586,560.3	628,105.4
Machinery and Equipment	128,435.8	125,804.4	129,437.6	165,735.7	175,465.9	189,355.2
Transport Equipment	49,429.8	63,176.2	73,620.4	88,767.6	82,541.3	87,393.5
Office and Computing Machinery	44,417.2	36,784.9	41,864.4	44,126.2	39,061.3	36,591.5
Other Capital Goods ¹	148,377.3	165,670.1	191,573.7	204,333.4	205,104.9	157,127.6

R-revised

Notes:

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



Buildings & infrastructure reinforced its position as the largest component of GFCF. The share of the addition to the stock of buildings & infrastructure jumped to 57.2 percent in 2023 (CI\$628.1 million) from the 53.9 percent in 2022 (CI\$586.6 million), 51.6 percent (CI\$536.4 million) in 2021, 51.0 percent (CI\$454.6 million) in 2020, 50.9 percent (CI\$405.8 million) in 2019, and 49.2 percent (CI\$358.9 million) in 2018.

The value of the addition to the stock of machinery & equipment (compiled from merchandise import data) amounted to CI\$189.4 million in 2023 from CI\$175.5 million in 2022. This adds to the CI\$165.7 million in 2021, CI\$129.4 million in 2020, CI\$125.8 million in 2019, and CI\$128.4 million in 2018. Machinery and equipment moved to second place in the ranking for the first time in the review period after increasing its share for the third consecutive year to 17.2 percent in 2023, from the 16.1 percent in 2022 and 15.9 percent in 2021. This follows on its share in 2020 (14.5% - its lowest share in the review period), 2019 (15.8%), and 2018 (17.6%).

The value of transport equipment in GFCF represents expenditure by businesses (i.e. non-households) on this type of asset. The component maintained its fourth-place ranking in 2023, posting a value of CI\$87.4 million (8.0%). This follows the CI\$82.5 million (7.6%) in 2022, CI\$88.8 million (8.5%) in 2021, CI\$73.6 million (8.3%) in 2020, CI\$63.2 million (7.9%) in 2019, and CI\$49.4 million (6.8%) in 2018.

The share of GFCF for office & computing machinery remained in fifth place in 2023 after declining for the third consecutive year to 3.3 percent, which is also the lowest ever recorded. This follows the previous lowest in 2022 (3.6%) and prior to that 2021 (4.2%). The contraction in share resulted from the decrease in value to CI\$36.6 million in 2023 from CI\$ 39.1 million in 2022. This follows CI\$44.1 million (4.2%) in 2021, CI\$41.9 million (4.7%) in 2020, 36.8 million (4.6%) in 2019, and CI\$44.1 million (6.1%) in 2018. The value in 2018 remains the highest over the data period (2015-2023) for the office and machinery component.

Other capital goods posted their lowest relative share of 14.3 percent in 2023 (CI\$157.1 million) compared to the 18.8 percent (CI\$205.1 million) in 2022. This decline in share also saw this component moving down in ranking from second to third position. Following this was 19.7 percent (CI\$204.3 million) in 2021, 21.5 percent (CI\$191.6 million) in 2020, 20.8 percent (CI\$165.7 million) in 2019, and 20.3 percent (CI\$148.4 million) in 2018.

5.5.5 Changes in inventories

The derivation of the value of changes in inventories is based on estimates of stock changes (of goods produced or purchased) reported by businesses on the annual business survey. The nominal value of changes in inventories was estimated at CI\$16.0 million in

2023 from CI\$4.0 million in 2022, CI\$2.5 million in 2021, CI\$11.9 million in 2020, CI\$5.4 million in 2019, and CI\$5.8 million in 2018.²³

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

Net export refers to export less import of goods and services. Imports and exports have opposite effects on GDPE; exports add to GDPE, and imports subtract from GDPE.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE						
TABLE 28: EXPORT & IMPORTS AT CURRENT PRICES (CI\$'000)						
Expenditure Components	2018	2019	2020	2021	2022 ^R	2023
Net Exports:	979,261.8	933,246.7	730,690.6	563,057.6	737,683.2	920,272.1
Exports of Goods and Services	3,077,415.5	3,185,765.1	2,800,790.2	2,882,164.9	3,441,059.5	3,746,458.6
Exports of Goods ¹	184,267.5	199,610.8	59,292.9	19,065.6	138,083.2	172,777.2
Exports of Services	2,893,147.9	2,986,154.3	2,741,497.2	2,863,099.3	3,302,976.3	3,573,681.5
Imports of Goods and Services	2,098,153.7	2,252,518.4	2,070,099.5	2,319,107.3	2,703,376.3	2,826,186.5
Imports of Goods	1,042,810.2	1,189,705.1	1,114,978.7	1,276,453.0	1,498,704.8	1,526,638.1
Imports of Services	1,055,343.5	1,062,813.2	955,120.8	1,042,654.3	1,204,671.5	1,299,548.4

R-revised

Notes:

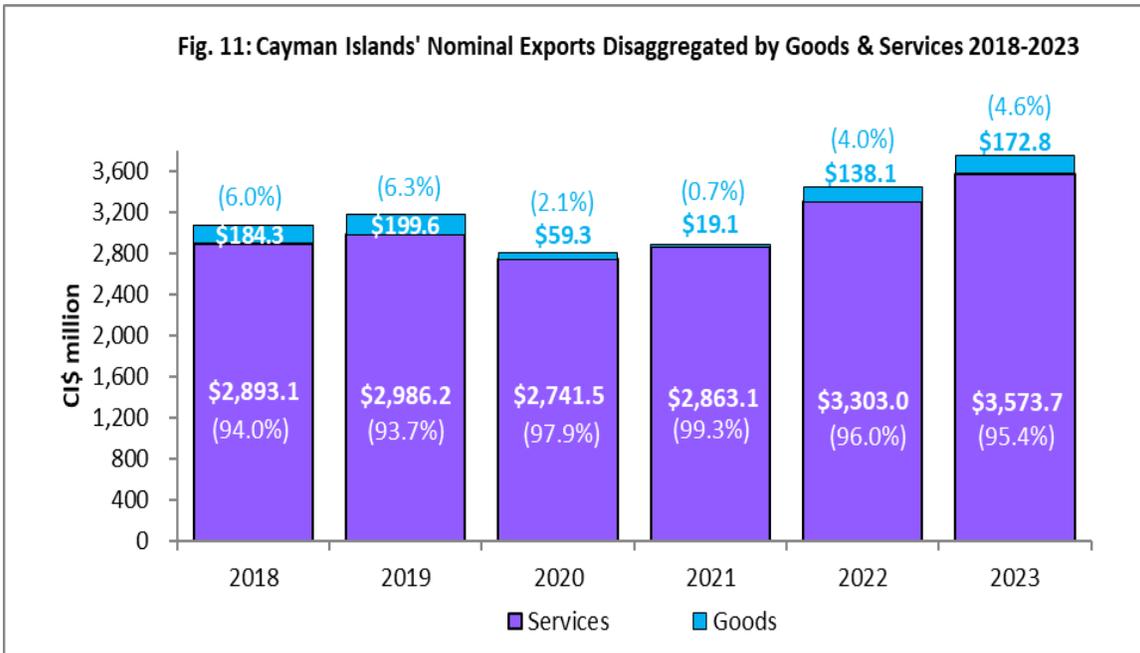
1. Exports of goods here deviate from the figure published in the BOP report as the figure here excludes goods under merchanting which is currently excluded from the GDP by production estimates as the data was not included in the 2015 base year estimates due to the data being unavailable at the time.

Net exports of goods and services at current prices for 2023 was CI\$920.3 million, resulting from exports of CI\$3,746.5 million and imports of CI\$2,826.2 million. Net exports increased for the second consecutive year after posting an increase of 24.8 percent in 2023. This follows the growth in 2022 of 31 percent after reversing the decline posted for the four previous years, 2021 (-22.9%), 2020 (-21.7%), 2019 (-4.7%), and 2018 (-6.0%). Total exports and imports increased in 2023 with the rate of increase in total exports outpacing that for imports hence an overall increase in net exports. This occurred as the general impact on aggregate demand of the global pandemic both locally and internationally continued to wane.

Figure 11 shows the disaggregation of total exports into goods and services in terms of value and share. Export of services for 2023 reached CI\$3,573.7 million increasing from CI\$3,303.0 million in 2022, CI\$2,863.1 million in 2021, CI\$2,741.5 million in 2020, CI\$2,986.2 million in 2019, and CI\$2,893.1 million in 2018. The bar graph shows the clear

²³See Table 20

domination of services in total exports as the domestic economy is primarily service-based in terms of GDP. Services declined its share for the second consecutive time as it posted a share of (95.4%) in 2023, after falling in 2022 (96.0%) for the first time in three years. This follows the high of 99.3 percent in 2021, 97.9 percent in 2020, 93.7 percent in 2019, and 94.0 percent in 2018.

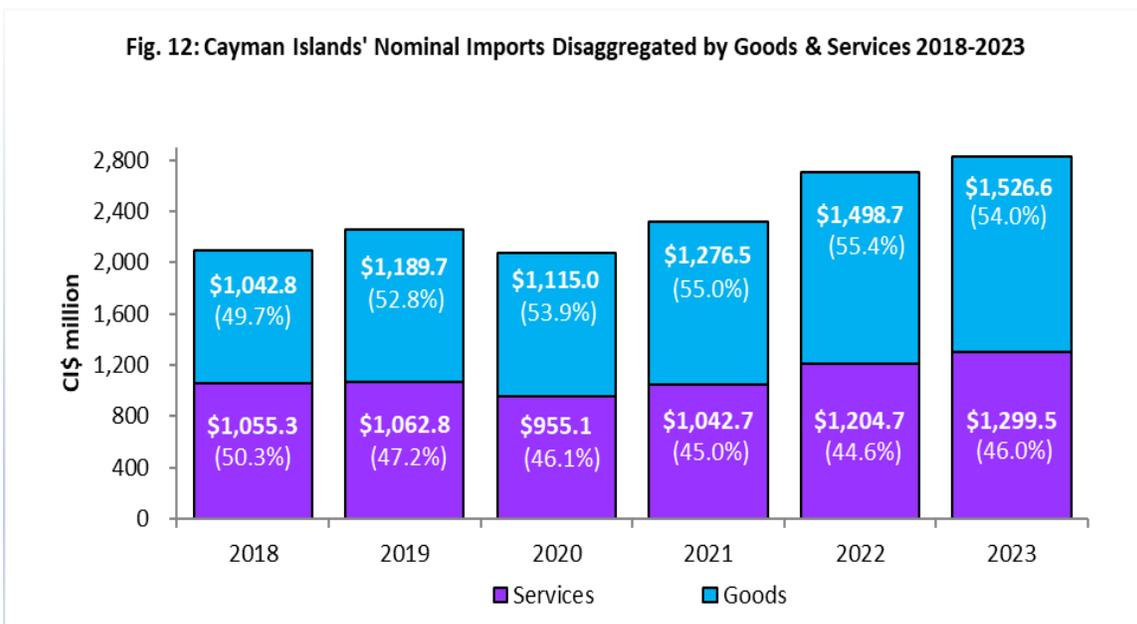


Total export of goods from the Cayman Islands continued to recover as it grew for the second consecutive year to CI\$172.8 million in 2023, adding to the CI\$138.1 posted in 2022. This is after two consecutive years of decline to its lowest value of CI\$19.1 million in 2021 and CI\$59.3 million in 2020. This follows its highest value of CI\$199.6 million in 2019, and CI\$184.3 million in 2018. The share of goods in total export increased for the second consecutive year to 4.6 percent, after posting 4.0 percent in 2022, a rebounding from its lowest level of 0.7 percent in 2021 and 2.1 percent in 2020. This was on the back of the 6.3 percent share in 2019, and 6.0 percent in 2018. The export of goods is dominated by the on-island purchases of visitors, i.e. tourist expenditure on goods. Goods exported would also include the purchase of aviation fuel (from local suppliers) by foreign airlines. The improvement in total exports of goods is attributed to the increase in visitor arrivals as tourist activity continued to recover from the impact of the global pandemic.

The disaggregation of total imports into goods and services shows a decline in the share of goods after 5 years of increases, with the reverse experienced for the share of services in total imports. The growth in total imports in 2023 slowed to 4.5 percent to reach CI\$2,826.2 million, adding to the 16.6 percent increase in 2022 (CI\$2,703.4 million), and

12.0 percent growth in 2021(CI\$2,319.1 million). The increase in imports in 2023 was due to the growth in both goods (1.9%) and services (7.9%).

Services accounted for 46.0 percent of imports in 2023 after reversing five consecutive years of decline in share, following the 44.6 percent in 2022, 45.0 percent in 2021, 46.1 percent in 2020, 47.2 percent in 2019, 50.3 percent in 2018, and 51.1 percent in 2017. There was CI\$1,299.5 million in services imported by Cayman Islands’ resident individuals and companies in 2023, an increase from the CI\$1,204.7 million in 2022. This follows from the CI\$1,042.7 million in 2021, CI\$955.1 million in 2020, CI\$1,062.8 million in 2019, and CI\$1,055.3 million in 2018.



The share of goods in total imports declined to 54.0 percent in 2023 after posting a record high in 2022 (55.4%) which was a fifth consecutive increase in share after moving to 55.0 percent in 2021, 53.9 percent in 2020, 52.8 percent in 2019, and 49.7 percent in 2018. Total goods imported reached CI\$1,526.6 million in 2023 from CI\$1,498.7 million in 2022, CI\$1,276.5 million in 2021, CI\$1,115.0 million in 2020, CI\$1,189.7 million in 2019, and CI\$1,042.8 in 2018.

5.6 Implicit price index by expenditure components

The GDPE Implicit Price Index (IPI) is a measure of the implicit price of the expenditure components of GDP. This index is derived by dividing the current price GDPE (i.e. nominal GDPE) by the constant price GDPE (i.e. real GDPE). The GDPE IPI indirectly measures inflationary tendency in the economy based on the expenditure components of GDP.

Table 29 below shows the IPI by expenditure component for the Cayman Islands for the period 2015-2023. The IPI by final expenditure provides information on the inflationary tendency by expenditure component. The IPI for the base year (in this case, 2015) is equal to 100.

CAYMAN ISLANDS GROSS DOMESTIC PRODUCT BY EXPENDITURE									
TABLE 29: GDP BY EXPENDITURE IMPLICIT PRICE INDEX (IPI), 2015=100									
Expenditure Component	2015	2016	2017	2018	2019	2020	2021	2022	2023
Final Consumption Expenditure:	100.0	100.1	101.6	103.7	108.3	110.2	111.7	116.7	122.5
Households	100.0	99.8	101.2	102.9	107.7	109.2	110.3	115.5	121.9
General Government	100.0	101.5	103.7	108.0	111.6	115.1	118.6	122.5	125.2
Non-Profit Institutions Serving Households	100.0	100.4	101.5	107.5	111.3	111.2	113.4	120.3	125.7
Gross Fixed Capital Formation:	100.0	98.5	101.6	104.0	108.6	112.3	116.4	123.5	125.5
Buildings and Infrastructure	100.0	100.4	103.2	108.0	113.1	115.9	128.7	139.5	144.3
Machinery and Equipment	100.0	98.5	98.5	99.9	100.3	100.8	101.8	106.5	106.9
Transport Equipment	100.0	99.2	99.3	100.1	100.2	100.2	101.3	105.3	106.9
Office and Computing Machinery	100.0	90.7	84.4	82.6	79.6	75.2	73.8	76.0	75.5
Other Capital Goods	100.0	94.8	106.5	107.7	117.9	133.4	122.9	123.3	118.5
Changes in Inventories	100.0	103.6	106.1	106.3	125.1	124.8	67.3	301.0	548.3
Net Exports:	100.0	106.1	114.9	114.6	113.4	105.5	97.1	104.6	101.6
Exports of Goods and Services	100.0	102.5	107.2	108.5	110.3	109.7	110.6	117.8	121.4
Imports of Goods and Services	100.0	100.6	103.3	105.8	109.0	111.2	114.4	122.0	129.7
GDPE Implicit Deflator at Purchasers' Prices	100.0	101.2	104.5	105.9	109.3	109.9	110.7	116.2	119.5
GDPP Implicit Deflator at Purchasers' Prices	100.0	101.0	103.0	105.7	109.3	109.5	111.9	116.2	119.4
GDPE IPI (Purchasers' Prices) percentage change		1.2%	3.3%	1.3%	3.3%	0.5%	0.8%	5.0%	2.8%
GDPP IPI (Purchasers' Prices) percentage change		1.0%	2.0%	2.7%	3.4%	0.1%	2.2%	3.9%	2.7%
CPI percentage change		-0.7%	2.0%	3.0%	6.0%	1.0%	3.3%	9.5%	3.8%

APPENDIX 1: KEY CONCEPTS AND DEFINITIONS

A1.1 Classifications in the National Accounts

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

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

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

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

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

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

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

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

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

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

Production Account of a Producer

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

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

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

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

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

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

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

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

The above three concepts are related as follows:

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

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

A1.3 Measuring Gross Domestic Product at Constant Prices

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A1.4.1 Compensation of employees (COE)

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

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

A1.4.1a Gross wages and salaries

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

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

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

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

A1.4.1b Employers' social contribution

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

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

A1.4.2 Consumption of fixed capital

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

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

A1.4.3 Taxes on production and imports

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

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

A1.4.4 Subsidies on production and imports

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

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

A1.4.5 Operating surplus/mixed-income

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

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

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

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

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

A1.5.1 Household final consumption expenditure (HFCE)

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

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

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

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

A1.5.2 Government final consumption expenditure (GFCE)

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

A1.5.3 Final consumption expenditure of NPISH

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

A1.5.4 Gross fixed capital formation (GFCF)

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

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

A1.5.5 Changes in inventories

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

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

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

APPENDIX 2: IMPLEMENTATION OF THE CAYMAN ISLANDS' SNA

A2.1 Introduction

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

A2.2 Coverage of industries

As indicated in Appendix 1, all active business units were classified according to the International Standard Industrial Classification (ISIC) Revision 4, which is the industrial classification scheme recommended by the SNA 2008 manual.²⁸ In accordance with SNA 2008 and ISIC guidelines, business units were assigned codes based on their principal economic activity.²⁹ The ISIC Revision 4 was adapted to accommodate a more detailed dis-aggregation of economic activity. For the most part, estimation and analysis were done at the product group level (5-digit ISIC code). However, some estimation had to be done at the class level (4-digit code) due to data constraints.

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

²⁸The System of National Accounts Manual 2008 (SNA 2008) is the manual that guides the compilation of GDP estimates. It outlines the internationally accepted methodologies and rules that govern the derivation of estimates of GDP. Relevant aspects of SNA 2008 have been incorporated in the Cayman Islands' National Accounts.

²⁹The principal activity of a business is the activity whose value added exceeds that of any other activity carried out by the business.

A2.3 Data sources

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

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

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

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

A2.4 Revision policy

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

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

A - Agriculture, Forestry and Fishing

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

B - Mining and Quarrying

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

C - Manufacturing

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

D - Electricity, Gas, Steam and Air Conditioning Supply

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

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

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

F - Construction

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

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

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

H - Transportation and storage

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

I - Accommodation and Food Service Activities

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

J - Information and Communication

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

K - Financial and Insurance Activities

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

L - Real Estate Activities

- 68-Real estate activities

M - Professional, Scientific and Technical Activities

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

N - Administrative and Support Service Activities

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

O - Public Administration and Defence; Compulsory Social Security

- 84-Public administration and defence; compulsory social security

P - Education

- 85-Education

Q - Human Health and Social Work Activities

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

R - Arts, Entertainment and Recreation

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

S - Other Service Activities

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

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

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

U - Activities of Extraterritorial Organizations and Bodies

- 99-Activities of extraterritorial organizations and bodies