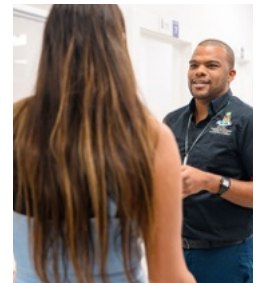
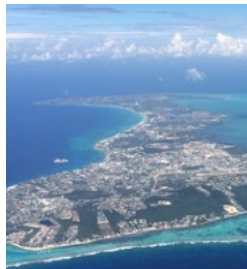


2026–2028

Strategic Policy Statement



Cayman Islands
Government

NCFC National Coalition
For Caymanians

gov.ky/priorities



**Prepared by the
Ministry of Finance and
Economic Development
and the Cabinet Office**



**Cayman Islands
Government**

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Message from the Premier

Honourable André M Ebanks, MP

Premier, and Minister for Financial Services and Commerce



People of the Cayman Islands,

The National Coalition For Caymanians (NCFC) Government is committed to building a stronger, fairer Cayman Islands in which every Caymanian has the opportunity to learn, work, prosper and live with dignity. Our vision is clear: A resilient society that preserves Caymanian identity while preparing our people and institutions for the demands of an evolving world.

The Strategic Policy Statement for 2026-2028 sets our priorities for our country's advancement. It is founded upon the NCFC Government's determination to resolve our country's longstanding problems; unify our people; and to be modern and innovative in our approach.

At this pivotal moment in our country's journey, we believe this will bring about meaningful improvement that empowers Caymanians at every stage of life, and for generations to come.

The SPS therefore includes plans for exceptional education – not only for qualifications, but as a foundation for work experience and lifelong opportunities. Education must open doors, nurture dreams and inspire us to be persons of character, knowledge and confidence. The SPS promotes learning at all ages, from the formative pre-school years to scholarships for mature students.

Cayman also demands a modern, fair and fit-for-purpose immigration and workforce system – one that secures tangible opportunities for Caymanians and when necessary, attracts essential talent as well. With reform already underway, this balance is possible to achieve and vital to ensuring our economy is both globally competitive and deeply rooted in Caymanian strength.

The NCFC Government's vision for education and immigration reform is about more than dollars. It's about having the good sense to build Cayman's resilience by preparing our workforce for the jobs of the future.

After appropriate consultation with local stakeholders including business owners, the SPS also outlines our plans to create conditions – from supporting small business start-ups to expanding apprenticeships for young Caymanians – in which Caymanian entrepreneurship can thrive, and in which our people can find meaningful work in a more diverse economy. Together, we can build a prosperous Cayman where every person can stand on their own two feet and reach their full potential.

A thriving society considers health as a prosperity indicator, and the NCFC Government recognises that healthcare is a right for us all. The SPS therefore includes wellness initiatives to prevent chronic illnesses, as well as outcomes to address the provision of comprehensive, accessible and affordable healthcare for acute and chronic conditions.

Moreover, the SPS speaks to how the NCFC Government intends to balance the development and infrastructure needed for a modern society, with preserving our treasured natural environment and cultural heritage.

Undoubtedly, for Cayman to be sustainable, our people must have access to safe, suitable housing and roads, while still enjoying our Islands' breathtaking beauty. And as we institutionalise our stories, traditions and values in our classrooms and communities, they will continue to season Caymanian culture and provide an enduring frame of reference for generations to come.

But even with the best goodwill in all of these areas, from education to healthcare to housing, there will be persons in our community who need assistance. The NCFC Government has included in the SPS support for families, young people, the elderly, and those living with disabilities, who find themselves in vulnerable circumstances.

Good people of the Cayman Islands, you should hear your voices throughout the NCFC Government's first SPS. Our country's current financial situation will not allow us to address all of our longstanding issues in one year, or even two years, but we refuse to kick cans down the road any longer.

We are acting decisively to address what you collectively have identified as some of our Islands' most pressing needs; and by closely aligning the high-level Strategic Policy Statement with the more detailed budget plan, we are focusing resources on issues that will have the greatest long-term benefit for our people.

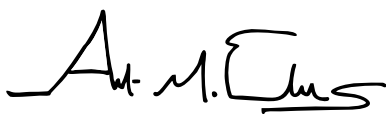
Yet as we alleviate pressure on the most critical issues, we will begin to turn our attention to problem-solving in less urgent areas, to continue enhancing Caymanians' quality of life.

In setting this SPS we recognise that the public service is the backbone of our success. We thank the leaders of public service for agreeing, without need for blame or judgement, that efficiency and accountability can improve. We will only look to the past for lessons learned. Our plans focus on the road ahead, to a public service that is increasingly people-centred – as it must be.

The NCFC Government also recognises that you, the people, are the lifeblood to our country's success. We respectfully and humbly ask you to stand with us as together we build a stronger, fairer Cayman Islands in which we can all be proud.

With mutual respect and resolve, we can chart a modern course that remains unshakably, unmistakably, Caymanian.

God bless you, and God bless our beloved Cayman Islands.



The Hon. André M Ebanks MP

The National Coalition For Caymanians Government

Message from the Minister for Finance and Economic Development

Honourable Rolston Anglin, JP, MP

Minister for Finance and Economic Development, and Minister for Education and Training



I am pleased and honoured to have the privilege of presenting the Government of the Cayman Islands Strategic Policy Statement (SPS) for the Financial Years 2026–2028.

I have been encouraged and energised by the tremendous collaborative effort across all Ministries, Portfolios and Offices of Government that has resulted in a pragmatic, prudent and transformative roadmap of how we will achieve our desired outcomes.

In any government, but especially in one as interconnected as that of the Cayman Islands, developing sound budget priorities is not the job of a single Ministry but a team effort. Collaboration across Government entities ensures that our resources are used wisely, efficiently, and in a way that reflects the real needs of our people.

When government entities communicate and coordinate their priorities, it strengthens transparency and accountability in the budget process. Everyone has a clearer understanding of where public funds are going, and how each entity's plans fit into the broader national vision.

Collaborative budgeting helps build public confidence. Citizens can trust that decisions are being made through cooperation, consultation, and careful planning – not in isolation. It shows that the Government is unified in its vision for the Cayman Islands' future.

In the end, the Budget is not just a financial document – it's a reflection of our shared priorities and values. By working together, Government entities can ensure that every dollar spent helps move the Cayman Islands toward a stronger, more sustainable, and more inclusive future.

The 2026–2028 SPS outlines the policy objectives and fiscal strategy of the National Coalition for Caymanians (NCFC) Government for next three financial years.

In addition to ensuring that the 2026–2028 SPS has been prepared in full compliance with the Public Management and Finance Act, we have taken a sustainable and realistic approach to the management of Government finances. Our overarching goal is to guarantee that we are using our financial resources to deliver maximum benefits to the Caymanian people.

Fiscal responsibility is one of the cornerstones of good governance, which safeguards economic resilience, sustains social development, and upholds the Islands' reputation as a well-managed and trustworthy jurisdiction.

The NCFC is committed to working collaboratively to achieve greater efficiencies in public services and thereby expand our capacity to provide high-quality services to our growing population.

The 2026-2028 SPS supports our economy by ensuring that Government policies encourage the development of private-sector activities which are in the best long-term interests of our beloved Cayman Islands.

While the NCFC provides leadership and stability, it is the private sector that drives innovation, creates jobs, and keeps our economy growing.

All of our policies have one clear goal: to build a strong, sustainable economy where businesses can thrive and people can prosper.

To secure our Islands' future, we must encourage economic diversification. Right now, our economy relies heavily on financial services and tourism. These industries have made Cayman prosperous and successful. But depending too much on just a few industries can leave us vulnerable.

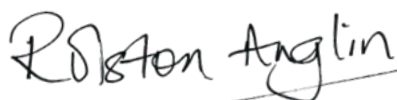
By developing new sectors such as technology, renewable energy, agriculture, and creative industries, we create more opportunities for Caymanians and make our economy stronger and more resilient.

The NCFC plays a key role in supporting economic diversification by investing in education, training, and digital infrastructure, and by creating policies that help small businesses and entrepreneurs grow.

The development of the 2026-2028 SPS has been a major undertaking involving both elected officials and public servants and I wish to thank all of the individuals and teams involved in this process over the past few months.

I must also commend the private sector's spirit of willingness to assist the NCFC with moulding the Islands' future path.

Finally, I am also grateful for the input, support and encouragement received from those that this SPS has been crafted to benefit – the Caymanian people.

A handwritten signature in black ink, reading "Rolston Anglin". The signature is written in a cursive, flowing style. Below the signature is a long, horizontal, slightly wavy line that extends across the width of the signature.

Honourable Rolston Anglin, MP

Minister for Finance and Economic Development

Cayman Islands Government

Strategic Policy Statement

The Cayman Islands Government's Strategic Policy Statement (SPS) outlines **the Government's policy priorities for the next three financial years** and establishes the foundation for the development of the Government's budget for the next two financial years.

The SPS is guided by Section 23 of the Public Management and Finance Act (2020 Revision) (PMFA), which stipulates that the SPS must contain economic forecasts and financial targets of the Government as prepared by the Ministry for Finance and Economic Development including an overview of operating revenue; operating expenses; borrowings; net worth; and net cash flows.

While this document includes important financial information, the SPS also presents the Government's policy objectives through its Broad and Specific Outcomes, which establish the purposes of the upcoming budget allocations.

Accordingly, the 2026–2028 SPS provides an overview of the Broad and Specific Outcomes before moving into the economic forecasts and financial targets. These Outcomes outline the Government's objectives while aligning funding to priority areas and also showcasing inter-Governmental links and shared responsibility on key projects.

This SPS demonstrates the Government's continued commitment to managing public finances responsibly, in order to ensure that compliance with the six Principles of Responsible Financial Management is maintained, as required by the PMFA.

The information contained herein is based on the professional judgement of Chief Officers, Chief Financial Officers, and staff in the Ministry for Finance and Economic Development, using the most recent information available on economic conditions and fiscal performance. The information considers, to the fullest extent possible, all Government decisions made up to 10 October 2025 and all other known circumstances that may have a material effect on the economic and fiscal outlook.

The forward-looking information provided in this document is based on a number of factors and assumptions. Forward-looking financial statements carry an element of inherent risk and uncertainty. As a result, actual results may differ from those forecasted.

Statement of Responsibility

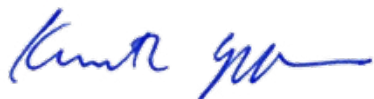
The forecast financial statements presented in this SPS have been prepared in accordance with the Public Management and Finance Act (2020 Revision) (the “PMFA”). The SPS provides forecast financial results and positions for the Core Government for the financial years ending 31 December 2026, 31 December 2027 and 31 December 2028.

The forecast financial statements were prepared by the Ministry for Finance and Economic Development, after consultation with Chief Officers and Chief Financial Officers in Government Ministries, Portfolios and Offices, and with their equivalents in Government Statutory Authorities and Government Companies. The Ministry used its best professional judgement in preparing these forecast statements. The forecast financial statements incorporate all Government decisions and circumstances as at 10 October 2025.

We accept responsibility for the accuracy and integrity of the financial information in these forecast financial statements and their compliance with the PMFA.

To the best of our knowledge, these forecast financial statements:

- a. are complete and reliable;
- b. fairly reflect the forecast financial position as at 31 December 2026, 31 December 2027 and 31 December 2028, and the forecast performance for the financial years ending 31 December 2026, 31 December 2027 and 31 December 2028;
- c. include all policy decisions and other circumstances that have, or may have, a material effect on the forecast statements; and
- d. comply with generally accepted accounting principles as defined by International Public Sector Accounting Standards (IPSAS), except for IPSAS 39, Employee Benefits, as it relates to the accounting for post-retirement benefits.



Kenneth Jefferson, JP

Financial Secretary and Chief Officer for
the Ministry for Finance and Economic
Development



Matthew Tibbetts

Accountant General
Ministry for Finance and Economic Development

Broad Outcomes 2026–2028



Education, Immigration, and Workforce Development

Strong Education and Immigration Systems that Support a Highly Skilled and Adaptable Caymanian Population.



Housing, Infrastructure and Environment

Sustainable Physical Development that Prioritises Affordable Housing, Ensures Resilient Infrastructure and Protects Nature.



Economy

A Diversified, Resilient Economy that Supports Prosperity and Innovation.



Health and Social Development

Healthy and Empowered People with Improved Quality of Life for All Ages.



Caymanian Identity, Culture, and Heritage

A Cohesive Society that Protects and Institutionalises Caymanian Identity and Culture.



Public Services

Efficient, Effective, Accountable and People-Centred Public Services.



Good Governance and Public Safety

A Secure, Well-Governed Country Demonstrated by Transparent Governance and Robust Public Safety Systems.

Definitions

The following definitions clarify the key terms used throughout the Strategic Policy Statement (SPS) and explain how the Cayman Islands Government plans, delivers, and measures outcomes across all levels of Government.

— Broad Outcome

A description of a desired future state in a focus area that the Government sets out to realise and achieve. Broad Outcomes represent long-term national goals and serve as the anchor for planning, budgeting, and performance across the Civil Service.

— Specific Outcome

A clear statement of the result to be achieved that signals progress toward a Broad Outcome. Specific Outcomes are assessed through performance indicators that demonstrate change over time.

— Initiatives and Programmes

Strategic efforts led or coordinated by Ministries and Portfolios, often involving their Departments and Units. These efforts drive policy reform, coordination, and major areas of work or investment. Programmes provide a structured framework through which related projects and services are aligned to achieve Specific Outcomes.

— Projects and Services

Operational activities delivered by Departments and Units under Ministerial oversight. Projects deliver defined outputs within scope, budget, and timeline, while Services sustain ongoing operations that support and maintain outcomes. Other public sector entities, including Statutory Authorities and Government Companies, contribute through aligned activities within their mandates.

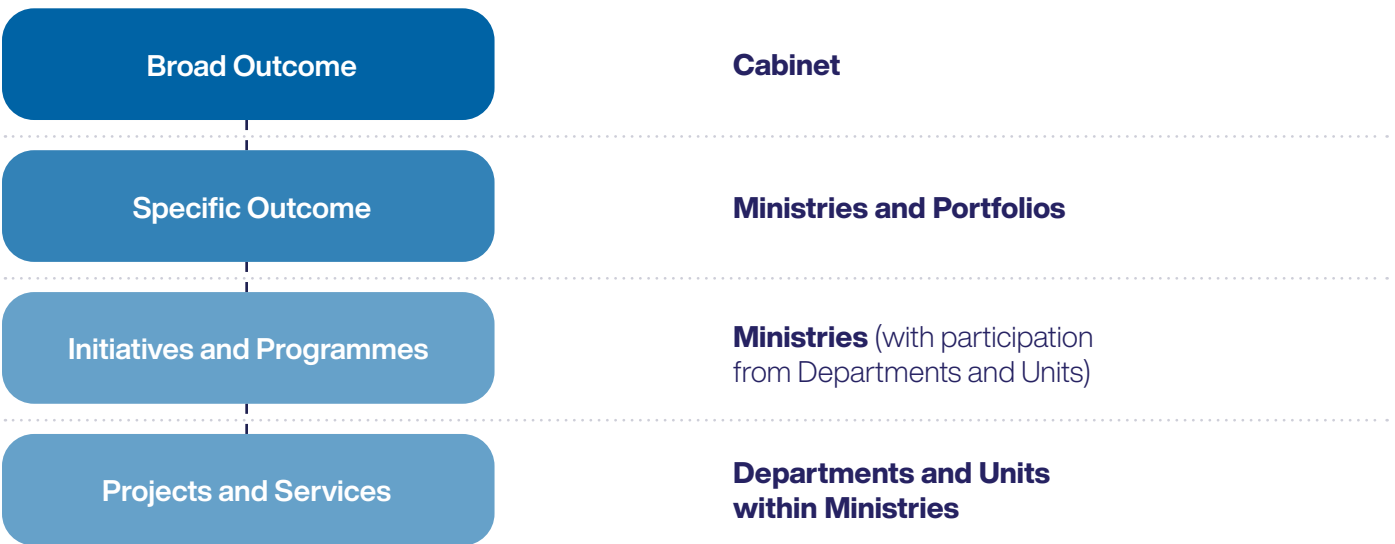
Together, these components define what Government seeks to achieve (Broad and Specific Outcomes) and how those results are delivered through coordinated strategic and operational action across the Civil Service.



How Government Delivers Outcomes

The Cayman Islands Government achieves results through a system that connects political priorities to administrative delivery.

Each level works in partnership, ensuring shared accountability and alignment across the public sector.



This structure recognises that strategic direction is set by Cabinet, translated into measurable outcomes by Ministries, and realised through coordinated delivery by Departments and Units, with contribution from the wider public sector.

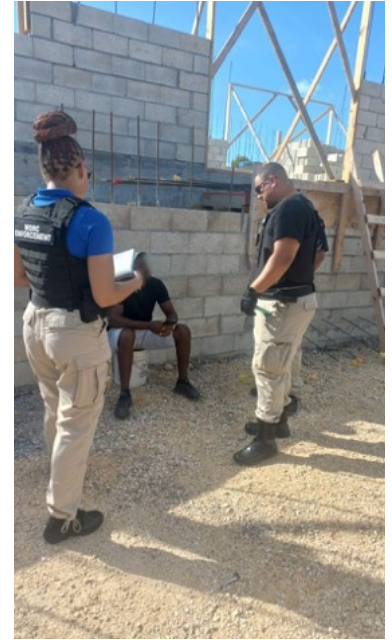
Achieving Broad and Specific Outcomes

Broad Outcomes represent the long-term national goals that guide Government priorities. Specific Outcomes translate those goals into measurable results that demonstrate progress over time. Together, they define what the Cayman Islands Government is working to achieve.

Initiatives and Programmes provide the structure and coordination needed to pursue these outcomes strategically, while Projects and Services turn plans into action through day-to-day delivery.

When these layers work together, they ensure coherence between policy intent, resourcing, and performance across the Civil Service.

By linking budgets and performance indicators to Outcomes, Government moves from measuring activity to demonstrating impact, showing how collective effort delivers progress toward the country's long-term vision.





Education, Immigration, and Workforce Development

Strong Education and Immigration Systems that Support a Highly Skilled and Adaptable Caymanian Population

The NCFC remains steadfast in its vision of a future where every Caymanian is empowered to learn, grow, and thrive. Building a strong, resilient nation led by a versatile population begins with ensuring that our education is world class and designed to open doors at every stage of the learning journey. It is about more than just exams, grades, and degrees; it is about having the conviction to shape not only our own futures, but the education and opportunities of those who follow us.

Equally vital is a modern, fair, and fit-for-purpose immigration system that protects employment opportunities for our people, while welcoming the talent needed to support our economy. Together with reforms in labour, pensions, and workforce planning, these efforts strengthen the foundation of a society that supports honest effort, integrity and results.

Outcome Highlights

01

Future focused: Reforming and maintaining quality, well-rounded, modern, and fit-for-purpose education and immigration systems that ensure equitable access at all stages of learning, employment, and retirement.

02

Legislation led: Ensuring that all legislative reform is strategic, sustainable, effective, transparent, and adequate to protect current and future Caymanians, whether employers or employees.

03

Policy driven: Enabling public-service entities across Government by ensuring that they are performance-driven and effectively resourced to achieve their policy objectives.

By investing in our people, we are investing in our shared future—one that shines with Caymanian talent, pride, and promise; a future shaped by Caymanians, for Caymanians, where every person can learn, work, and prosper in a nation built to endure.

Specific Outcomes

- 1 Ensure equitable access to a quality, well-rounded education system at all stages of learning.
- 2 Enable a modern, relevant, and future-focused education system.
- 3 Develop and implement holistic and effective pathways to transition Caymanians from education or unemployment to employment.
- 4 Reform and maintain a modern, fit-for-purpose and effective immigration system that protects the rights of current and future Caymanians.
- 5 Develop and implement a national workforce strategy and human capital plan, including a national qualifications framework.
- 6 Develop and implement inclusion frameworks for persons with intellectual, developmental and physical disabilities to move from education to employment.
- 7 Pursue a National Labour and Pensions Reform Strategy to ensure long-term sustainability, transparency, and adequacy of working conditions and retirement benefits.
- 8 Ensure the public-service entities responsible for education, immigration, labour, employment and pensions are resourced and high performing, to be able to achieve the policy objectives.
- 9 Create pathways to encourage more Caymanians to pursue careers in healthcare, technology and other emerging industries.

Key Projects and Initiatives

Launch Talent Graduate Programme:

establishing an effective pathway to assist returning Caymanian scholarship graduates in transitioning to employment.

Enhance Regulatory Systems:

promoting Caymanian employment opportunities by ensuring compliance with Immigration, Labour and Pension Acts.

Establish National Workforce Strategy:

preparing Caymanians for economic opportunities by facilitating job matching via a workforce database.

Reform Pensions Regime:

reviewing changes to private-sector pension legislation to promote long-term financial security for Caymanian pensioners.

Develop Holistic Education Policy:

ensuring equity, inclusion, and continuity across all stages of learners' education journey.

Review Preschool Subsidy Programme:

conducting a review of the Early Childhood Assistance Programme (ECAP) subsidy for eligible families.

Establish Multidisciplinary School Teams:

partnering with other agencies to establish school-based support teams to provide additional assistance to vulnerable students.

Expand the Lighthouse School:

commencing the development and construction of the expanded Lighthouse School to increase capacity.

Align Scholarship Criteria to Workforce:

developing a framework to ensure the criteria for scholarship grants align with the projected labour market.

Post-Compulsory National Needs Review:

conducting a review of post-compulsory educational offerings to align them with nationally needed skills.



Housing, Infrastructure and Environment

Sustainable Physical Development that Prioritises Affordable Housing, Ensures Resilient Infrastructure and Protects Nature.

The NCFC is committed to delivering sustainable development that addresses our community's most pressing needs. We will prioritise quality affordable housing that provides security and stability for Caymanian families, invest in resilient infrastructure that can withstand tomorrow's challenges, and implement policies that protect our natural environment today and for future generations.

We are dedicated to fostering civic pride by maintaining our public spaces and communities to the highest standards, creating environments that reflect the beauty and dignity our Islands deserve. We will modernise our roads to reduce congestion and improve safety, develop efficient public transport systems that connect our communities, and enhance our air and cargo ports to support our growing economy.

Through public-sector planning and community engagement, we are charting a course toward a society where every Caymanian has access to secure housing, where infrastructure supports economic prosperity, and where our natural heritage is preserved and celebrated. This is our commitment: to build a resilient, sustainable and thriving Cayman Islands. Where development enhances quality of life, and where the beauty of our surroundings reflects the values we hold dear as a nation.

Outcome Highlights

01

Affordable and accessible housing: Enhance family stability through increased supply of housing units that are within the financial reach of Caymanians.

02

Modern, resilient infrastructure: Invest in resilient infrastructure such as roads, air and cargo ports, the undersea cable and public transport.

03

Protect nature and preserve our natural heritage: Implement sustainable environmental initiatives to address issues such as beach erosion and climate change.

By focusing on sustainable development, we will blend progress with responsible stewardship of our infrastructure and ecosystems.

Specific Outcomes

- 1** Implement a national housing policy and aligned housing systems across Grand Cayman and the Sister Islands to address housing security for all residents.
- 2** Ensure an increased supply of affordable housing units.
- 3** Update and adopt a National Development Plan supported by updated development and planning legislation.
- 4** Ensure the Cayman Islands has modern, fit-for-purpose and future-ready infrastructure systems including transport, utilities and telecomms.
- 5** Develop and implement the priority aspects of the national energy policy including accelerating the adoption of renewable and transitional sources of energy to lower costs for consumers.
- 6** Develop and implement a national coastal management strategy, with a priority focus on historical issues such as acute beach erosion.
- 7** Develop and implement a sustainable, cost-effective waste management strategy and plan.
- 8** Maintain healthy populations of key species through close monitoring.
- 9** Develop and implement a national stormwater management strategy to protect residents.
- 10** Implement the priority aspects of the National Climate Change Policy.
- 11** Expand the number of nationally and internationally protected areas and or national parks.
- 12** Ensure accessible, well-maintained public buildings, essential infrastructure, parks and greenspaces to preserve their value and enhance community well-being.

Key Projects and Initiatives

Build Affordable Housing: developing and allocating housing for eligible Caymanians.

Launch Home Assisted Mortgage: assisting first-time and low-income Caymanian homebuyers in accessing mortgage financing through government guarantees.

Expand Home Energy Efficient Retrofit: helping more Caymanians reduce their energy consumption through education and energy efficiency retrofits.

Advance Road Infrastructure: delivering long-term road planning, traffic engineering, and modelling, such as the East-West Arterial extension.

Launch Sister Islands Initiative: developing infrastructure to improve resilience and support sustainable growth in Cayman Brac and Little Cayman.

Update the National Development Plan: modernising development planning through an updated national plan and supporting legislation for long-term prosperity.

Conduct Public-Sector Building Audits: analysing energy use, identifying opportunities for improvement and developing recommendations for savings.

Implement National Beach Resilience Plan: developing sustainable coastal protection and replenishment with private-sector partnerships.

Develop Hawksbill Species Conservation Plan: saving the hawksbill turtle from extinction.

Address Waste Management: implementing a sustainable, cost-effective waste management strategy and plan, inclusive of reuse, recycle and composting initiatives.



Economy

A Diversified, Resilient Economy that Supports Prosperity and Innovation

The Cayman Islands has earned a reputation as one of the strongest economies in the region, earning international recognition as a globally competitive world-class financial services centre and thriving tourism destination. Yet, prosperity today cannot be taken for granted. In an increasingly volatile, uncertain and complex world, we must ensure the benefits of a strong economy are evident on the balance sheets of successful businesses and felt in the daily lives of our people.

A resilient economy is one that withstands shocks, whether from global financial downturns or natural disasters and still provides opportunities for its people to survive and thrive. For the Cayman Islands, resilience means diversifying beyond our traditional industries into emerging sectors such as technology, healthcare, reinsurance, and education. We are committed to maintaining our reputation for excellence and securing prosperity for our people by strengthening local commerce and empowering entrepreneurs to build businesses that create wealth and reflect Caymanian talent.

Central to this vision is our unwavering commitment to robust regulatory frameworks that protect investors, maintain market integrity, and uphold our international standing. Yet regulation alone is not enough, we must strike the right balance, fostering an environment in which innovation flourishes and entrepreneurship thrives. By supporting emerging industries and maintaining the highest standards of governance, we will build an economy that is resilient and dynamic, inclusive, and positioned for sustainable growth in the decades ahead.

Outcome Highlights

01

Protect and grow established industries: Enhance diversification across key sectors, and foster partnerships to ensure industries remain resilient and competitive.

02

Strengthen emerging industries: Invest in research, and innovation and training in technology, healthcare and education, to enhance competitiveness.

03

Robust and adaptable regulatory frameworks: Adapt and maintain high standards of governance that reinforce Cayman's reputation as a leading financial hub.

By anticipating risks and seizing opportunities, we will create a resilient and inclusive economy that drives sustainable growth, empowers Caymanians, and secures long-term well-being for all citizens.

Specific Outcomes

- 1** Foster globally competitive financial, maritime and aviation services sectors underpinned by robust, transparent regulatory frameworks.
- 2** Cultivate a resilient, inclusive and diversified economic centre by strengthening local commerce and empowering entrepreneurship.
- 3** Position the Cayman Islands as a centre of excellence for technology and healthcare.
- 4** Grow the reinsurance sector and obtain National Association of Insurance Companies (NAIC) equivalency to enhance our global competitiveness.
- 5** Develop and implement a national tourism strategy to optimise benefits while protecting, growing and diversifying target markets and airline routes.
- 6** Optimise the national flag carrier to support the local economy and international trade and as an air bridge for the Sister Islands.
- 7** Enhance existing trade routes and explore the establishment of new trade partners.
- 8** Facilitate and promote an expanded portfolio of attractions for visitors and residents.
- 9** Advance long-term economic development through a national strategy supported by robust data collection, analysis, and foresight to enable sustainable growth.
- 10** Facilitate a productive, climate-resilient agricultural sector that strengthens food security and supports healthy diets.

Key Projects and Initiatives

Maintain International Financial Reputation:

preparing for the Caribbean Financial Action Task Force's fifth-round mutual evaluation.

Reform Commerce Legislation:

modernising and consolidating the legislative framework to ensure its relevance in the current and future business environment.

Launch GENIUS Programme:

engaging Caymanian graduates in developing sector-specific solutions while building talent to support future government projects.

Develop Reinsurance Initiatives:

obtaining National Association of Insurance Commissioners Qualified Jurisdiction Status.

Establish Made in Cayman Certification:

promoting Caymanian products and services while boosting consumer confidence, national pride and export potential.

Implement Submarine Cable Modernisation Project:

enhancing resilience of critical information and communications technology infrastructure.

Update National Tourism Plan:

engaging with Department of Tourism stakeholders to update the plan and all tourism development strategies.

Launch Beautification and Enhancement Committee:

implementing district beautification and enhancement initiatives in collaboration with stakeholders.

Expand Trade Development:

establishing a framework for trade development, focused on reducing the cost of imports to help lower the cost of living.

Implement Digital Transformation:

advancing digital and AI technologies to improve efficiency and data-driven decisions across public and private sectors.



Health and Social Development

Healthy and Empowered People with an Improved Quality of Life for All Ages

We recognise that every discussion about sustainable growth must start and end with a people-centric mindset at the forefront. When families can afford the essentials for living and have access to healthcare and employment opportunities, they can achieve not only economic prosperity but also social stability and overall well-being. Our comprehensive, soon-to-be launched National Health Strategy, addresses these realities head-on, establishing modern regulatory frameworks and measurable quality standards that ensure affordable, accessible care for all Caymanians. We are implementing clinical pathways for careers in healthcare and improving access to affordable healthcare through programmes such as the HEARTS initiative to better manage chronic illnesses. New legislative frameworks will protect persons with disabilities and support enhanced resources for human services agencies.

Organised youth sports programmes, quality enrichment activities, and community wellness initiatives build physical and social development across all ages. For our elderly population, we are creating integrated care systems combining healthcare, in-home services, and social engagement.

Outcome Highlights

01

Affordable, accessible healthcare: Develop a comprehensive healthcare system with modern standards that improves mental and physical health outcomes for all.

02

Holistic approach to eldercare: Integrate healthcare, social and community services to enhance the well-being and quality of life of older persons.

03

Equip and empower our youth: Invest in education, skills development, mentorship and innovation to enable youth to thrive and shape Cayman's future.

When Caymanians have the health, protection, and support to participate fully in society, families thrive and communities prosper.

Specific Outcomes

- 1 Provide affordable and accessible health services for all vulnerable Caymanians.
- 2 Enhance and create Public Health Programmes that improve health outcomes for all.
- 3 Create a national framework to measure and monitor the standards and quality of care for all.
- 4 Ensure the Cayman Islands has a modern regulatory framework for the healthcare system.
- 5 Promote physical health and social development by providing the necessary infrastructure, equipment and coaching for organised youth sports programmes.
- 6 Facilitate enrichment, social development and life skills programmes for children and young adults.
- 7 Develop and maintain community wellness initiatives to reduce the incidence of preventable chronic illnesses.
- 8 Develop a comprehensive elder care system that combines high-quality healthcare, in-home care services, and social engagement programmes for older persons.
- 9 Develop and implement a comprehensive National Health Strategy and Plan to improve physical and mental health outcomes across communities.
- 10 Develop and implement a legislative framework to protect and support the well-being and inclusion of all vulnerable adults.

Key Projects and Initiatives

Packaged Support Services:

implementing integrated support to address common barriers to employment like childcare and transportation.

Launch HEARTS Initiative:

improving the prevention and control of cardiovascular diseases by targeting hypertension control.

Implement the National Health Strategy:

outlining a comprehensive vision for the health system to be more resilient and inclusive.

Safeguard Vulnerable People:

monitoring and reviewing the Child Safeguarding framework and the introducing of adult safeguarding.

Develop National Mental Health Policy:

introducing new policies on youth mental health and building on existing youth mental health programmes.

Launch Community Wellness Initiatives:

using sports for all ages and abilities to reduce medical issues, obesity and support an active lifestyle.

Implement Youth Empowerment Plan:

enhancing the programmes of the Youth Services Unit and encouraging young entrepreneurs.

Bolster Social Development Legislation:

strengthening legal protections and support systems for vulnerable populations.

Enact the Anti-Sexual Harassment Act, 2025:

implementing the policies and programmes to advance equity in the Cayman Islands.

Promote an Age-Friendly Society:

creating comprehensive programmes and policies that enable older persons to actively participate in society.



Caymanian Identity, Culture, and Heritage

A Cohesive Society that Protects and Institutionalises Caymanian Identity and Culture

We recognise the critical need to preserve, celebrate, and share Caymanian cultural identity. Introducing and strengthening legislative frameworks will safeguard our history. Digital archives will ensure our stories outlive us and are accessible to all. Cultural education programmes will reach every school level. Enhanced spaces and community events will make Caymanian celebrations constant. Our population strategy will balance growth with preservation, ensuring future generations inherit not just prosperity, but a Cayman Islands that still feels like home.

Outcome Highlights

01

Identity, heritage and culture definition: Protect historical sites, accurately preserve facts and artefacts and support creative initiatives that reflect our traditions.

02

Legislative framework and policy development: Establish frameworks and legislation that preserve Caymanian culture and heritage.

03

Education, experience and access: Spread learning opportunities, teach essentials skills and provide opportunities for all residents to gain hands-on experience.

Caymanians who deeply know their roots shape the future confidently, grounded in who they are and ready for who they will become. Identity encoded is identity empowered.

Specific Outcomes

- 1

Implement an updated fit-for-purpose national strategy to promote and preserve Cayman Islands culture and heritage and create a comprehensive narrative of Caymanian identity.
- 2

Develop a framework and legislation to preserve and protect our Caymanian culture and heritage.
- 3

Implement a national population strategy that maintains a high quality-of-life, preserves cultural heritage and protects natural resources for Caymanians and residents.
- 4

Enhance and expand resources, programmes and spaces for preserving, showcasing, and celebrating Caymanian identity, heritage and culture.
- 5

Deliver a comprehensive cultural education programme across all school levels to foster national identity and pride.
- 6

Build and maintain a comprehensive digital archive and interactive platform to document, preserve, and make Caymanian cultural heritage accessible for future generations.
- 7

Create a comprehensive narrative of our national identity by documenting historical milestones, preserving cultural heritage, and weaving together traditional values with future aspirations to foster unity and shared purpose across our community.

Key Projects and Initiatives

Foster Caymanian Heritage Appreciation: establishing an onboarding programme of Cayman's cultural traditions and heritage for work permit holders.	Safeguard Cultural and Community Spaces: managing and maintaining public parks, cemeteries, docks, boat ramps, beaches, and public spaces.	Advance Celebrate Cayman: further developing and revitalising Caymanian culture, heritage, and community through events and public education.	Establish New Memorial Centres: developing two memorial centres to commemorate Ms Reba Dilbert and honour the Cayman Islands' Uniformed Services.	Enhance the Arts: investing in the visual, literary and performing arts to support our society.
Enrich Visitor Experiences: weaving in local heritage, culture and identity in traditional and modern ways.	Diversify Cayman Islands Tourism Product: supporting eco-tourism, cultural festivals, promoting the Sister Islands, and new attraction experiences.	Produce Culture and Heritage Textbooks: developing textbooks on Cayman's history and culture for students at primary and secondary school levels.	Launch Caymanian School Identity Framework: defining culturally grounded schools and ensuring all schools reflect a unified, local identity.	Establish School-Heritage Partnerships: creating school partnerships with historical sites like the National Museum to promote field-based learning.



Public Services

Efficient, Effective, Accountable and People-Centred Public Services

We are determined to support and facilitate a high-performing public service built on the values of passion, integrity and professionalism, and the foundations of respect, integrity, collaboration, and evidence-based policymaking. By providing clear direction, adequate resources, and meaningful opportunities for professional development, we will empower our public servants to excel in their roles. With purposeful collaboration between elected officials and public servants, we will create a public service that stands as a model of excellence, not just in the Caribbean, but globally.

The NCFC deeply values and respects the hardworking men and women of the civil service and employees of Statutory Authorities and Government Companies who serve with commitment every day.

Outcome Highlights

01

Customer-centred service delivery: expand access to government services (both in person and online) across districts, enhancing convenience for residents outside of George Town.

02

Professional, high-performing workforce: unified by purpose and driven by excellence, the Civil Service will consistently deliver government's priorities, including agreed strategic initiatives required to complete the 2024-2026 Civil Service Strategic Plan.

03

Embedding sustainability and innovation: improve efficiency and sustainability by implementing e-Parliament and e-Cabinet platforms and expanding digital services. These innovative solutions will accelerate and automate workflows, ensuring that our public service works smarter, greener and more efficiently.

The NCFC recognises that efficient, effective, accountable, and people-centred public services are fundamental to the prosperity of the Cayman Islands. These services form the backbone of our society, touching every aspect of our lives, from education and health to essential infrastructure and public safety. Achieving this broad outcome is not merely an administrative goal; it is a commitment to ensuring that every resident, business, and visitor experiences a public sector that operates with excellence, integrity, and responsiveness.

Specific Outcomes

- 1

Facilitate streamlined, integrated, and high-performing public service operations.
- 2

Facilitate well-resourced, digitally enabled government departments and agencies that effectively deliver customer-centric services.
- 3

Cultivate a skilled, agile, and accountable public-sector workforce through continuous training, safe and supportive workplaces, and performance-based incentives aligned with government priorities.
- 4

Embed sustainability practices and policies across the civil service and SAGCs to improve socioeconomic and environmental outcomes.
- 5

Adopt a responsible, ethical, and innovative approach to digital strategies and artificial intelligence, which enhances service delivery, protects rights and privacy, strengthens public trust, and positions the Cayman Islands as a forward-looking jurisdiction.
- 6

Ensure efficiently managed essential public infrastructure and buildings across their full life cycle.
- 7

Enhance the management and rehabilitation of offenders to support reduced recidivism and safer communities.

Key Projects and Initiatives

Establish Civil Service Performance Incentive Framework: boosting civil service productivity and engagement and fostering a high-performance culture.	Enhancing Accountability: modernising disciplinary provisions to enhance efficiency, effectiveness, and accountability within the public service.	Enhance Vehicle Registration and Compliance: streamlining customer services and strengthening enforcement partnerships for regulatory compliance.	Operational Enhancements in the Department of Planning: enhancing operations with AI integration, Building Code alignment, and streamlined processes.	Enhance Digital Inclusion Programmes: launching the National ID Programme and implementing GOV. KY improvements to optimise access to online services.
Implement Enterprise Risk Management: safeguarding the Cayman Islands by introducing mechanisms to identify and mitigate national, strategic and operational risks which threaten the Cayman Islands and the delivery of public services.	Transform Civil Service Learning: expanding corporate learning to support Caymanian career progression, organisational performance and the realisation of a skilled, agile and accountable public sector.	Establish Civil Service Career Pathways: promoting the diversity of career pathways available within the civil service, as Cayman's single largest employer, to enhance talent sourcing and retention, succession planning and overall employee engagement.	Establish a Whole of Government Performance Framework: promoting ownership for the delivery of Government's strategic initiatives at all levels, including at the ministry, departmental and individual levels.	Enhance Policy Delivery: continuing the capacity building of the policy professionals across the civil service through training, development and innovation.



Good Governance and Public Safety

A Secure, Well-Governed Country Demonstrated by Transparent Governance and Robust Public Safety Systems

The NCFC envisions a country where transparent governance, leadership integrity, robust public safety, and accountable institutions form the bedrock of our society. We believe that when government operates openly and effectively, it creates an environment where families feel secure, businesses can flourish, and every Caymanian can pursue their aspirations with confidence. Good governance is about managing resources, building trust, upholding the rule of law, and ensuring that leaders and public institutions serve the people with integrity and competence.

From modernising our budgeting processes to enhancing emergency preparedness, from improving road safety to safeguarding our digital infrastructure, every initiative outlined here is designed to build a more secure, prosperous, and well-governed nation. When government works as it should: transparently, efficiently, and in service of the people, the entire country benefits, and that is the foundation upon which we will build our shared future.

Outcome Highlights

01

Budget and reporting modernisation: adopt new technologies and frameworks to focus on outcomes, standardise procedures to provide greater transparency on resource allocation and improve the clarity of budget and reporting documents.

02

Public service laws, policies and frameworks: update these to strengthen good governance, improve effectiveness and enhance competitiveness.

03

Government communications: enhance communications to be more accessible, responsive and clear, building public trust through consistent and meaningful engagement with all Caymanians.

By achieving these outcomes, we will create a Cayman Islands that builds on its strong global reputation, strengthens social cohesion, and protects the rights and well-being of all residents. The NCFC is committed to earning and maintaining the public's trust through consistent, ethical conduct, responsive service delivery, and unwavering adherence to the principles that make democratic governance work.

Specific Outcomes

- 1** Implement outcome-based budgeting, maintain sound fiscal and debt management, and develop innovative revenue strategies to ensure resources are directed to national priorities and sustainable public finances.
- 2** Strengthen national security through effective law enforcement, public safety and border control for the safety and protection of all residents of, and visitors to the Cayman Islands.
- 3** Maintain and strengthen emergency preparedness measures to ensure the safety and well-being of all residents of, and visitors to the Cayman Islands.
- 4** Prioritise community safety, reduce traffic-related injuries and fatalities, and promote responsible road use through effective infrastructure, enforcement, and public education.
- 5** Enhance information management infrastructure and protocols to protect government systems, critical infrastructure, and residents' data, including from cyber threats.
- 6** Review and update the legislative, regulatory and policy frameworks that govern public services to enhance efficiency, competitiveness, accountability, and sustainability in delivering value to the public.
- 7** Strengthen transparency, accountability, and public trust by providing a framework to regularly monitor public-sector performance and ensure clear and responsive government communications.
- 8** Strengthen good governance as characterised by effective Constitutional Commissions and Offices, active citizen participation, strong accountability mechanisms, and ethical leadership that fosters public trust and delivers equitable services to all Caymanians.
- 9** Facilitate an effective and efficient Parliament that operates with transparency, integrity, and effectiveness.
- 10** Reform the legal framework for campaign financing to improve transparency of political funding.

Key Projects and Initiatives

Update Budgeting and Reporting:

modernising the budgeting and reporting framework to focus on outcomes, improve clarity, and streamline preparation.

Update Public Service Legislation:

modernising the legal framework governing the public service, ensuring an effective, professional operation.

Implement Border Management and Intelligence Systems:

strengthening enforcement and facilitating secure movement of legitimate passengers and cargo.

Adopt a Parliamentary Code of Conduct:

establishing a clear set of ethical standards and behavioural expectations for serving legislators.

Transition to New Prison Facility:

introducing critical remediation to existing prison facilities in preparation for a modern correctional facility.

Enhance the Standards in Public Life Act:

strengthening the legal framework that governs ethical behaviour for all public servants and officials.

Evaluate Opportunities for Electoral Reform:

exploring democratic reforms to ensure the electoral process is fair, representative, and accessible.

Reform Campaign Finance Rules:

regulating money in politics and reducing the influence of wealth on electoral processes and policymaking.

Launch Domain Awareness Radar:

providing real-time monitoring of Cayman's waters and airspace to enhance national border and maritime security.

Develop Government Performance Framework:

strengthening transparency, accountability, and stakeholder trust in the Cayman Islands Government.

Cayman Islands Government

Entity Mandates

Caymanian Employment and Immigration

The Ministry for Caymanian Employment and Immigration plays a central role in promoting the employment of Caymanians. It is responsible for the regulation of Immigration services and oversees national pension and labour matters.

The Ministry delivers people-centered, forward-focused services for Caymanians that enhance workforce skills and promote economic well-being. It fosters strong partnerships and facilitates information sharing while ensuring compliance with regulatory requirements. It ensures the development of fair, efficient and sustainable systems and legislation across employment, immigration, labour and pension that support the long-term growth and prosperity of the Cayman Islands.

Cabinet Office

The Cabinet Office provides frank and politically neutral policy advice to the Governor, Premier, and Cabinet and coordinates the development and implementation of cross-Ministerial, national policies. The Office also provides administrative support for the Premier, Cabinet, and National Security Council. The Cabinet Office oversees a number of key agencies that help the public stay informed and safe by sharing updates about Government activities, weather disturbances, and natural or human-made hazards, as well as overseeing the Cayman Islands Government Office in the UK which serves as the hub and advocate for Caymanians and residents living in the UK.

District Administration and Home Affairs

The Ministry for District Administration and Home Affairs strengthens national security, public safety, and community resilience by investing in modern emergency response infrastructure, intelligence systems, and offender management frameworks. It is equally committed to enhancing the quality of life in the Sister Islands through improved government services, critical infrastructure, heritage preservation, youth development, and inclusive programmes for vulnerable populations.

At the strategic level, the Ministry advances accountability and governance by embedding enterprise risk management, performance monitoring, and digital transformation across its portfolio. Through this approach, the Ministry ensures that the Honourable Minister and Cabinet are supported with sound policy advice, effective programme delivery, and a culture of accountability that aligns with the Government's Strategic Broad Outcomes.

Education and Training

The Ministry for Education and Training leads the development and governance of the Cayman Islands' education system. It sets national policy and standards, oversees early childhood, secondary and tertiary education, and supports technical, vocational, and adult learning. The Ministry strengthens accountability and modernises the curriculum and assessments to align skills training with the country's evolving economic needs. It also promotes student

well-being through cross-sector partnerships and provides oversight to public libraries and the Sunrise Adult Training Centre to empower people to learn, contribute, and thrive.

Finance and Economic Development

The Ministry for Finance and Economic Development plays the central role of managing the Government's financial affairs and advancing its goals of transparency, accountability, and fiscal responsibility. It is responsible for developing and disseminating macroeconomic and statistical information, formulating sound budgetary and fiscal policies, and advising Cabinet on national economic forecasts and public financial management. The Ministry also leads efforts to strengthen procurement practices across the public service, ensuring that processes are open, transparent, and competitive to achieve value for money.

Financial Services and Commerce

The Ministry for Financial Services and Commerce is mandated to safeguard and enhance the Cayman Islands' position as a globally competitive and well-regulated financial centre, while driving sustainable growth in domestic commerce. This mandate is delivered by advancing international compliance in the financial, maritime and aviation sectors, fostering local business development, protecting intellectual property, and combating illicit finance as a globally respected financial services centre of excellence.

Health, Environment and Sustainability

The Ministry for Health, Environment and Sustainability leads government efforts to improve public health, protect the environment, and advance long-term sustainability. Bringing together healthcare, environmental management and climate resilience under one portfolio, the Ministry works to ensure safe, healthy communities now and for future generations. It oversees critical services such as mental health care,

mosquito control, environmental health, and health regulation, while guiding national policy on issues such as marine conservation, waste management and food security.

Office of the Commissioner of Police

The Office of the Commissioner of Police (OCP), comprising the Royal Cayman Islands Police Service, Cayman Islands Coast Guard, and Cayman Islands Regiment, is mandated to safeguard the security, stability, and resilience of the Cayman Islands. Through professional policing, maritime security, and national resilience capabilities, the OCP works to prevent and reduce crime, protect life and property, secure Cayman's borders, and respond effectively to natural and man-made threats. Its mandate is underpinned by good governance, accountability, and strong interagency and community partnerships, ensuring the safety and confidence of the public while preserving Cayman's reputation as a safe and peaceful jurisdiction.

Planning, Lands, Agriculture, Housing, and Infrastructure

The Ministry for Planning, Lands, Agriculture, Housing, and Infrastructure is responsible for the Cayman Islands' infrastructure development through the creation, facilitation, and oversight of cutting-edge policies, legislation, plans, projects, and programmes that provide smart development, well-organised land administration, connected infrastructure, and resilient systems that improve the quality of life for the people of the Cayman Islands.

Cayman Islands Government

Entity Mandates

Portfolio of the Civil Service

The Portfolio of the Civil Service is responsible for supporting Her Excellency the Governor and the Deputy Governor in the fulfillment of their obligations for the Civil Service in the areas of HR policies and compliance, public sector management and reform, and good governance practices.

Portfolio of Legal Affairs

The Portfolio of Legal Affairs (PoLA or Portfolio) provides legal support to Government entities, statutory authorities, public bodies and authorities through a comprehensive range of core legal services. These consist of the provision of legal advice and representation in litigation (before all tiers of the courts as well as tribunals) in civil matters, legislative drafting, law reform and law revision. It also provides tertiary legal education at both the undergraduate and postgraduate levels, as well as financial intelligence.

To promote consistency and best practice in contract management, PoLA will review and refine guidance on the use of standard form contracts and provide sensitisation to Government entities on their effective application. The Portfolio will also maintain its central function in legislative drafting, promoting public education and engagement in the legislative process to strengthen transparency and accessibility. In addition, the laws of the Cayman Islands will remain under continuous review with a view to their systematic development and reform, supported by an expanded social media presence designed to increase public awareness and participation in law reform initiatives. The Portfolio will further advance its commitment to legal education through the continuation of its affiliation with the University

of Liverpool, thereby supporting the professional growth and academic development of law within the Cayman Islands.

Social Development and Innovation

The Ministry of Social Development and Innovation is responsible for strengthening the social fabric of the Cayman Islands by delivering inclusive, people-focused services and advancing digital transformation across government. It works to enhance quality of life by ensuring all individuals and families have access to the support, resources, and tools they need - while modernising services through secure, innovative technologies that improve delivery, accountability, and long-term resilience.

Tourism and Trade Development

The Ministry for Tourism and Trade Development is responsible for implementing government's policies relating to tourism and trade development.

It positions the tourism industry as a driver of sustainable and resilient economic growth by maintaining a strong focus on high-value source markets and an exceptional experience for visitors, while promoting our authentic Caymanian identity and supporting career opportunities and development for Caymanians. It is responsible for developing a strategic approach to Trade Development that ensures a diversified and resilient economy and supports prosperity and innovation.

By leveraging and expanding trade relationships, strengthening linkages between tourism and other emerging sectors, and implementing a comprehensive National Tourism Plan, the Ministry aims to bolster resilience and create an enabling

framework for the diversification of tourism and trade, ultimately contributing to a more dynamic and sustainable Cayman Islands economy.

Youth, Sports, Culture and Heritage

The Ministry of Youth, Sports, Culture and Heritage ensures that policies and legislation robustly support talent identification and development, youth empowerment; awareness and preservation of culture and heritage; and an active, healthy lifestyle for all residents.

This will be met by providing policy advice, administrative services, governance support and the delivery of a range of programmes and services to the public. In addition to the core administrative duties of the Ministry, the statutory authorities and government entities included in the Ministry's remit are: National Gallery of the Cayman Islands, Cayman Islands National Museum and Cayman National Cultural Foundation.



Economic Overview

This section presents a review of the domestic and global economic performance in 2024 and updated macroeconomic forecasts for 2025 to 2028, along with their major underlying assumptions.

Global Economic Performance and Forecasts 2024–2028¹

Global output expanded by 3.3 percent in 2024, propelled by higher global demand, slightly above the 3.1 percent forecast at the beginning of the year. This higher global demand was largely attributed to a resilient performance by the United States (U.S.) economy and several emerging market and developing economies. Notably, rising demand for artificial intelligence technologies prompted substantial investments in both the U.S. and some emerging market economies. Despite the higher-than-expected performance, global growth remained below the 3.7 percent 10-year average preceding the pandemic.

Global growth of 3.3% beats forecast, fuelled by U.S. consumer demand and AI investments.

In 2024, advanced economies experienced modest economic growth, with overall output rising by 1.8 percent, matching the pace set in 2023. This steady performance reflected a balance between persistent inflationary pressures and robust consumer demand. The U.S. economy stood out among its peers, demonstrating growth of 2.8 percent for 2024. The performance of the U.S. economy was based on the combination of a strong labour market, solid household spending, and a surge in investment linked to artificial intelligence technologies. Growth in the U.S. is expected to decelerate to 1.9 percent in 2025, with an average increase of 2.0 percent between 2026 and 2028. Global economic activity is projected to slow to 3.0 percent in 2025 before accelerating to 3.1 percent in 2026. Over the medium term, global economic growth is expected to average 3.2 percent annually.

International Developments & Risks

The projection for global growth over the medium term is framed by mounting risks stemming from rising protectionism, fragile supply chains, and persistent geopolitical tensions. These shifting policies have the potential to stoke inflationary pressures and suppress global demand. The resurgence of tariff measures, particularly among large economies, has compelled small, trade-dependent economies such as the Cayman Islands to ignite public discussion around trade partners and routes.

Economic outlook clouded by geopolitical tensions and supply chain fragility.

Conflicts in strategic regions, such as Eastern Europe, the Middle East, and parts of Asia, could also disrupt energy flows, reroute trade, and trigger financial market volatility. At the same time, supply chain vulnerabilities, exposed during the pandemic and exacerbated by climate and weather-related disruptions, continue to challenge service continuity and cost stability. The International Monetary Fund (IMF) in its July 2025 update noted that the global uncertainty index has remained elevated since spiking at the beginning of the year, and this has the potential to weigh more heavily on economic activity. Furthermore, the implementation of additional tariff measures by the U.S. in August 2025 has added to global uncertainties and increased the potential for inflationary pressures.

¹ This assessment is based generally on the *World Economic Outlook*, International Monetary Fund (IMF), April and July 2025 update.

Table 1: Comparative Macroeconomic Indicators and Forecasts (%)²

		Forecast				
	2023	2024	2025	2026	2027	2028
Real GDP Growth (%)						
Cayman Islands	5.8	3.1	2.6	2.2	2.5	2.2
United States	2.8	2.1	1.9	2.0	2.0	2.1
Advanced Economies	1.8	1.8	1.5	1.6	1.8	1.8
World	3.5	3.3	3.0	3.1	3.2	3.2
Consumer Price Index (avg. %)						
Cayman Islands	3.8	2.6	2.3	2.6	2.3	2.2
United States	4.1	3.0	2.5	2.5	2.3	2.1
Advanced Economies	4.6	2.6	2.5	2.3	2.1	2.1
Unemployment %						
Cayman Islands	3.3	2.4	2.8	2.9	2.7	3.0
United States	3.6	4.0	4.2	4.2	4.2	4.3
Advanced Economies	4.1	4.3	4.4	4.4	4.3	4.2
Current Account of the Balance of Payments (% of GDP)						
Cayman Islands*	-9.8	-11.8	-12.9	-14.1	-13.9	-14.6
United States	-3.3	-3.9	-3.7	-3.2	-3.0	-2.6
Advanced Economies	-1.4	-1.6	-1.7	-1.4	-1.4	-1.1

* The GDP growth and current account balance for 2024 are preliminary estimates based on actual indicators. Sources: IMF World Economic Outlook (April 2025) for the United States and other global data; and the Cayman Islands Government, Economic and Statistics Office for the Cayman Islands data.

2. ESO forecasts are updated Quarterly as new information from external sources becomes available.

Cayman's imports rose by 8.3 percent to reach \$1.7 billion in 2024 and increased further in the first half of 2025. This underscores the Islands' deepening reliance on foreign goods, including refined petroleum. This growing dependency exposes the economy to sustained inflationary risks, particularly from volatile global commodity prices, as uncertainties persist. As an island nation with limited domestic production, fluctuations in crude oil prices have a direct and compounding effect on transportation, electricity, and consumer goods, driving inflation across multiple sectors. The situation is further complicated by Cayman's trade ties with major economies like the U.S. and China, albeit more indirect, where escalating geopolitical tensions threaten supply chain stability. Moreover, with the U.S. Federal Reserve expected to loosen monetary policy in the near term, the downward pressure on inflation may weaken; nonetheless, some imported price shocks and eroding purchasing power are expected.

The Cayman Islands' Economic Performance in 2024

GDP Growth

Gross Domestic Product (GDP) is estimated to have expanded by 3.1 percent in 2024 (see Figure 1), based on economic indicators for the year. The growth in the economy was broad-based, though financial services and construction emerged as the main drivers, supported by sustained domestic demand across auxiliary industries. The services sector, which accounted for 89.1 percent of total GDP, grew by 2.9 percent. The expansion in services was led by a 2.9 percent rise in financing and insurance services, which benefited from increased global demand and Cayman's rising share in the international insurance market. Business and administrative services expanded by 3.1 percent, while continued investment in large-scale developments and elevated market activity drove construction and real estate activities to grow by 3.0 percent and 2.9 percent, respectively.

Economic growth of 3.1% driven by financial services, construction and resilient domestic demand.

The wholesale and retail trade sector grew by 3.7 percent, driven by sustained domestic demand. This potentially reflects rising consumer confidence and purchasing power, likely fuelled by higher employment levels and increased disposable income. Meanwhile, the electricity and water sector expanded by 3.6 percent, supported by a warmer climate, growing tourism activity, and population growth. This expansion also points to infrastructure resilience and continued investment in capacity to meet rising demand. The hotels and restaurants sector recorded a 2.0 percent increase, indicating a moderation in the pace of growth in stay-over arrivals and lacklustre performance of the cruise tourism sector. To support and sustain growth across the broader economy, government services expanded by 2.5 percent, while health services rose by 3.0 percent. The increases highlight these sectors' critical role in promoting population well-being and economic stability.

Human Development Index

The Human Development Index (HDI) for the Cayman Islands rose to 0.897 in 2023, up from 0.877 in 2022. This places the Islands among the top 40 countries reported by the United Nations and marks the highest HDI recorded in the region. The Cayman Islands have consistently ranked in the upper tier of global human development, outperforming many advanced economies and underscoring the nation's high standard of living. This upward trend reflects the success of long-term investments in education, healthcare, and economic opportunities, which are key pillars of sustainable development. It also signals the effectiveness of policy frameworks aimed at enhancing social welfare and inclusive growth.

Cayman retains a high Human Development Index, while Quality of Life continues to improve.

Similarly, the quality-of-life (QoL) score for Cayman showed a marginal improvement in the Fall 2024 survey compared to the Spring 2024 survey. Overall, the score remains relatively high, with most sub-components reflecting an index above 80. This suggests a stable and maturing economy where citizens continue to enjoy strong social and economic conditions.

Notably, the lowest-ranked components of the quality-of-life index were “Employment & Job Quality” and “Natural & Living Environment” which were the only categories to record sub-index scores below 80. These results highlight areas for targeted improvement, particularly as the Islands seek to balance economic expansion with environmental sustainability and labour market inclusivity. Addressing these gaps could unlock further gains in both HDI and quality-of-life metrics, reinforcing Cayman’s global reputation as a premier destination for living, working, and investing.

Inflation

The average Consumer Price Index (CPI) rose by 2.6 percent in 2024, marking a moderation from the 3.8 percent recorded in 2023. This deceleration in inflation occurred within the broader context of a global slowdown, reflecting the lagged effects of synchronised monetary tightening across advanced economies and a reduced pace of growth in international commodity prices. Despite the overall easing in inflationary pressures, three divisions experienced an accelerated pace of price growth during the year. Notably, the education index rose by 10.4 percent, communication by 9.8 percent, and health by 3.2 percent. These increases suggest persistent cost pressures, possibly driven by structural factors such as rising input costs, technological upgrades, and demographic shifts in demand.

Employment

The expansion of the local economy in 2024, particularly in the labour-intensive tourism sector, contributed to a rise in labour demand. According to the Fall 2024 Labour Force Survey, total employment increased by 1.2 percent to reach 59,393. This employment growth outpaced a 0.5 percent increase in the labour force, resulting in a decline in the overall unemployment rate to 2.4 percent. Notably, the unemployment rate among Caymanians fell to 4.6 percent, down from 5.0 percent in the previous year. The improved labour market dynamics reflect not only stronger economic activity but also some targeted policy interventions. Government efforts to enhance efficiency

in the work permit system and improve broader labour market operations may have helped reduce frictional unemployment, minimising the period of displacement for Caymanians and improving job-matching outcomes.

Current Account of the Balance of Payments³

Increased domestic activity and a growing population spurred a rise in merchandise imports during 2024. The increase in imports outpaced gains in export-oriented services such as financial and accommodation services. It resulted in the current account deficit of the Balance of Payments widening for the year. Total merchandise imports rose by 8.3 percent to \$1,654.0 million, reflecting heightened demand for consumer goods, construction materials, and energy inputs. This surge in imports underscores the economy’s expansionary momentum but also signals increased external dependency. The Islands’ current account deficit is projected at \$755.9 million, equivalent to 11.8 percent of GDP for 2024. While this level of deficit is not uncommon for small, open economies with high import penetration, it highlights the importance of maintaining competitiveness in Cayman’s services exports and managing external vulnerabilities. Further, it underscores the importance of financial services and tourism-related income to balance the Islands’ trade and sustain macroeconomic stability.

3. The current account of the balance of payments measures the total value of the Islands’ transactions against the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest of the world compared to its receipts from these transactions.

59.4K

Total
employment

↘ 2.4%

Unemployment
rate

↗ 10.89

Human
Development
Index (HDI) in 2023

3.1%

GDP Growth in
2024

Economic Forecasts and Assumptions for 2025 to 2028

The strategic policy statement 2026–2028 includes economic forecasts which consider the probabilities of future economic variables, offering a broader view of uncertainty than single-point forecasts by generating a range of potential outcomes. This approach improves economic decision-making, risk assessment, and resource allocation by estimating likelihoods.

For short-term forecasts, there is high confidence that forecast values will materialise. However, certainty decreases as the horizon lengthens. Longer-term forecasts are more susceptible to unforeseen economic changes, making them less precise than short-term predictions.

The gross domestic product, inflation, unemployment rate, and current account of the balance of payment include a depiction of the expected forecast band from 2025 to 2028, incorporating unforeseen upside and downside uncertainties.

Worst-case scenarios: Higher upside risk is anticipated for inflation, ranging from an additional 0.7% to 3.3% over the period. Real GDP growth rate downside uncertainty, that is, lower growth, ranges from 0.2% to 1.2% over the period. The unemployment rate upside risk ranges from a higher rate of 0.2% to 1.1%. The current account of the balance of payment downside risk can worsen from 0.5% to 3.0% over the forecast period.

GDP Growth

Firm demand for the export of Cayman's services is expected to support economic expansion over the near term. The domestic economy is projected to grow by 2.6 percent in 2025, before moderating to 2.2 percent in 2026. Growth is expected to rebound slightly to 2.5 percent in 2027 and ease again to 2.2 percent in 2028, reflecting a stable but measured expansion trajectory.

Despite deepening global uncertainties and risks associated with shifting tariff regimes, consumer demand remained resilient in 2024. This buoyancy translated into broad-based gains across Cayman's financial services sector, alongside an uptick in stay-over arrivals. This momentum continued into 2025, with the first half of the year recording a 1.7 percent increase in insurance licenses and a 2.6 percent rise in total fund registrations. Additionally, new company registrations grew by 6.3 percent, while new partnership registrations increased by 24.7 percent.

These gains underscore the sector's dynamism and global appeal. The financial services sector is expected to maintain its robust performance over the medium term, supported by stable international demand, which historically strengthens during periods of global uncertainty. Government efforts to enhance regulatory compliance, particularly to ensure a favourable Financial Action Task Force (FATF) review, are also likely to reinforce investor confidence and sustain growth in the sector.

Moreover, with the U.S. Federal Reserve poised to ease monetary policy in the final quarter of the year, the local banking system could benefit from increased demand for credit, further stimulating financial services activity. Given these assumptions, the finance and insurance services sector is projected to expand by 3.1 percent in 2025, followed by a deceleration to 2.2 percent in 2026. Over the medium term, growth in the industry is expected to average 2.1 percent annually. Business services, including legal and accounting activities, are forecast to grow by 2.7 percent in 2025 and maintain an average annual growth rate of 2.5 percent between 2026 and 2028.

According to the World Tourism Organisation, an estimated 1.4 billion international tourists travelled globally in 2024, an increase of approximately 11.0 percent compared to the previous year. This surge in global travel demand supported continued expansion in Cayman's stay-over tourism throughout 2024 and into 2025. For the first half of 2025, stay-over arrivals rose by 3.4 percent.

This strong demand is expected to persist through the remainder of the year, fuelling further growth in the restaurants and accommodations sector. The sector is projected to expand by 3.3 percent in 2025, followed by average annual growth of 4.0 percent between 2026 and 2028. Robust demand for accommodation services is also anticipated to support moderate growth in the transportation sector. However, slower growth in cruise arrivals and domestic trade is expected to temper growth in transport. The transportation sector is projected to grow by 2.1 percent in 2025, with a similar average growth through to 2028.

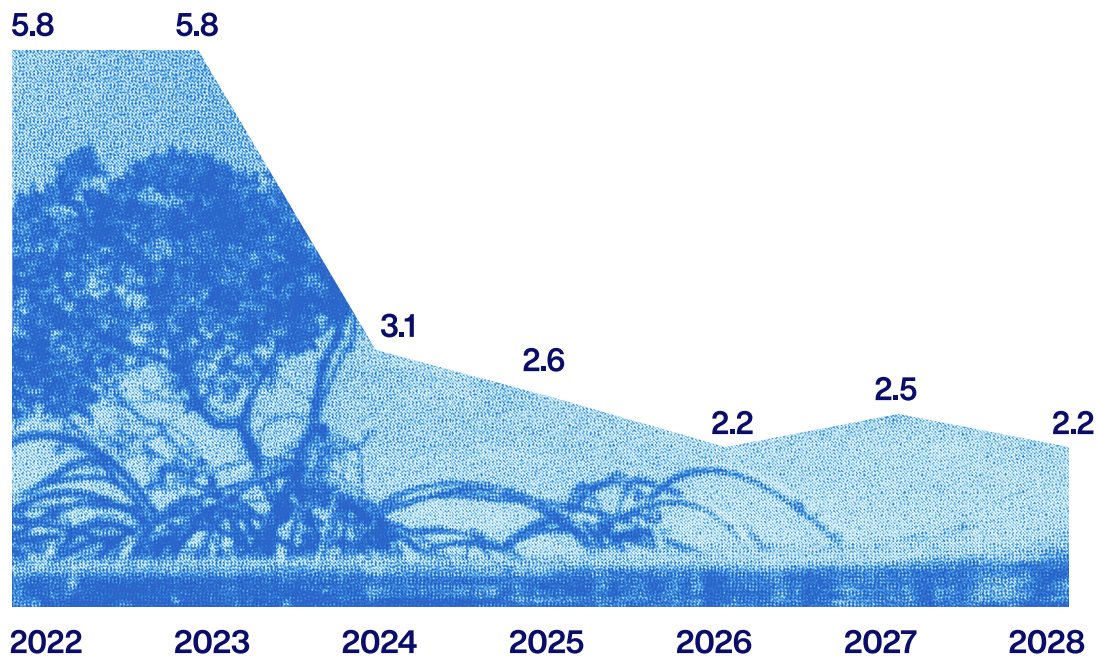
The sustained demand for Cayman's services is expected to generate positive spill-over effects in several auxiliary sectors. The wholesale and retail trade sector is forecast to grow by 2.4 percent in 2025, maintaining a similar pace between 2026 and 2028. The utility sector (electricity and water supply) is projected to expand by 3.1 percent in 2025, driven by

rising residential and commercial consumption. Over the medium term, growth in this sector is expected to average 2.2 percent annually. To support the broader expansion, government services are forecast to grow by 2.7 percent in 2025 and average 2.3 percent per year between 2026 and 2028.

Despite the projected strength in external demand, elevated interest rates throughout the first half of 2025 and a gradual rise in the cost of living are expected to dampen domestic consumption. Demand for construction services is projected to slow over the medium term as several large-scale projects are completed, and high borrowing costs constrain residential investment.

Nonetheless, the sector is expected to benefit from several hotel and commercial developments, as well as public infrastructure initiatives. Based on these assumptions, the construction sector is projected to expand by 4.0 percent in 2025, followed by average growth of 2.2 percent annually between 2026 and 2028. Real estate activity is also expected to moderate in the near term due to persistent high interest rates and elevated mortgage costs. However, a potential decline in interest rates in the final quarter of the year could provide a modest boost to the sector. Additionally, continued population growth and expansion in key sectors are expected to support stable demand in the rental market. The real estate sector is projected to grow by 1.8 percent in 2025 and average 1.9 percent annually between 2026 and 2028.

Figure 1: Cayman Islands' Real GDP Growth (%)



Human Development Index

The Government’s commitment to complete the new high school in Cayman Brac and continued investment in existing school facilities should sustain the high educational standard explicit in the HDI. The government’s drive to improve gender equality through the enactment of the Anti-Sexual Harassment Act, 2025 and implementing the policies and programmes to advance equity in the Cayman Islands. Additionally, the government’s key priorities to increase affordable housing, improve public transportation and lower the cost of living are expected to reduce social inequality and further raise the living standards in the Islands.

Inflation Rate⁴

For the first six months of 2025, the World Bank’s energy price index declined by 9.9 percent compared to the same period in 2024, driven mainly by a 14.6

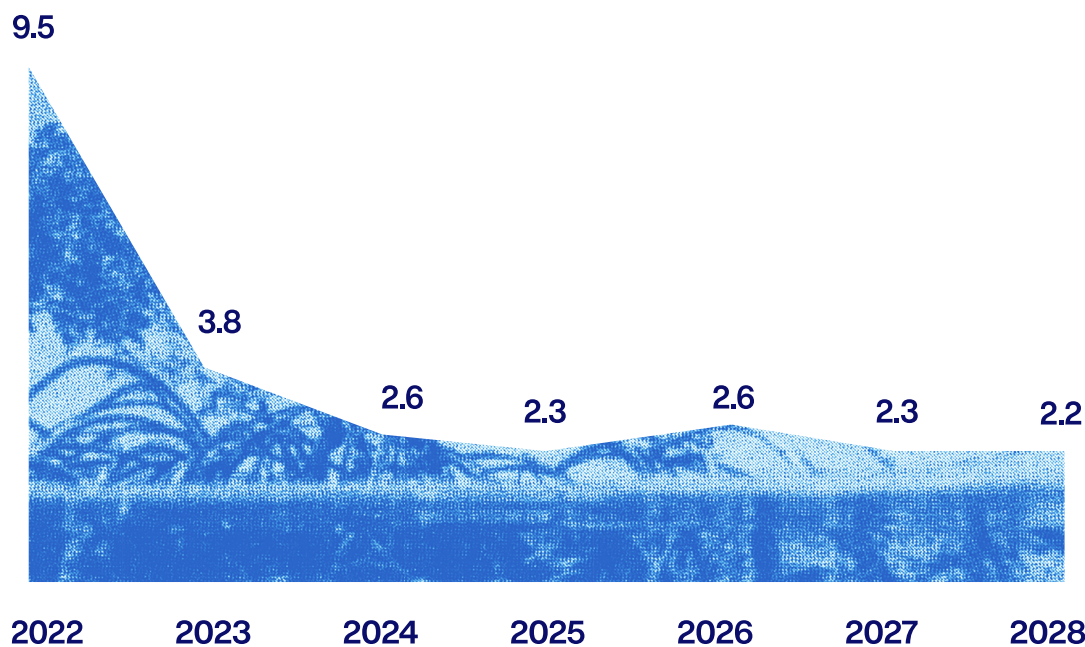
percent drop in crude oil prices. Similarly, the food price index fell by 5.5 percent over the same period.

Global price declines ease inflationary pressures, but tariffs and trade tensions pose upside risks.

These reductions are expected to exert downward pressure on inflation in the near term. Looking ahead, the IMF projects that crude oil prices will contract by 15.5 percent in 2025 and decline further by an average of 1.6 percent annually between 2026 and 2028. The international food price index is also forecast to contract by an average of 0.6 percent per year over the forecast window. These trends suggest a continued easing in imported price pressures over the near to medium term.

Additionally, the delayed residual effects of tight monetary policy, maintained by the U.S. Federal Reserve until the third quarter of 2025, are expected to strengthen disinflationary forces. However, upward pressures may arise from higher tariffs on US imports, as

^{*4}Figure 2: Cayman Islands’ Inflation Rates (%)



most of Cayman's imports are sourced through the U.S. Furthermore, with the U.S. Federal Reserve expected to shift its stance and lower its policy rate in the final quarter of the year, inflation expectations might begin to increase. Considering these dynamics, inflation in the Cayman Islands is projected at 2.3 percent in 2025. The full effect of tariff measures is anticipated to materialise in 2026, causing a slight rise in inflation to 2.6 percent. Over the medium term, the inflation rate is forecasted to average 2.3 percent annually between 2027 and 2028. Notably, the risks to the inflation outlook remain skewed to the higher side, as the Islands navigate the tail end of the hurricane season amid ongoing geopolitical and trade tensions.

Employment

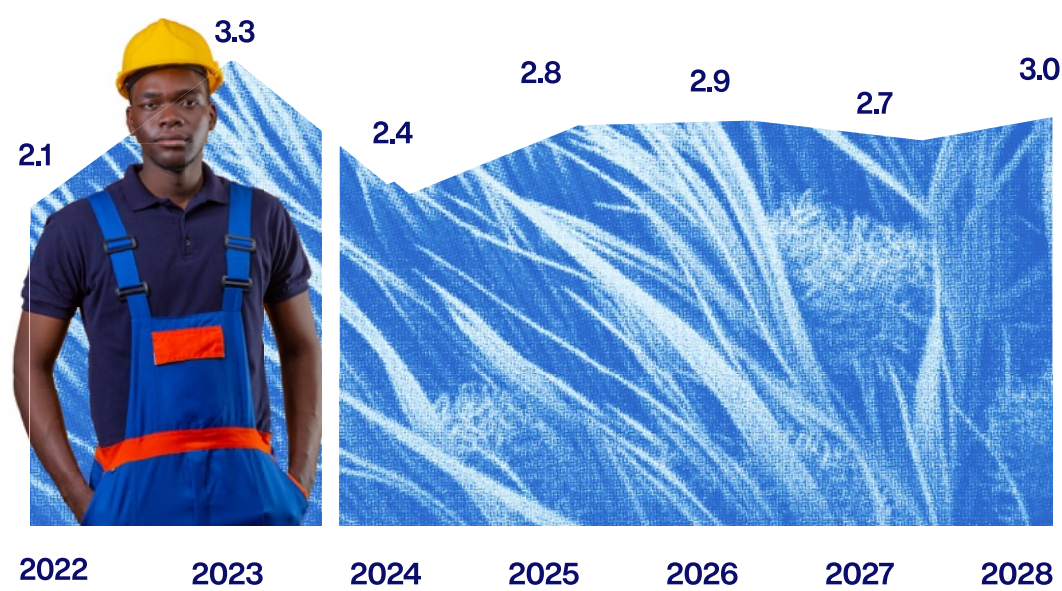
Labour demand is expected to closely track the projected path of GDP growth, with new employment opportunities emerging particularly from expansion

in the accommodation sector and auxiliary industries. Over the near term, increased activity in tourism-related services is anticipated to drive job creation, reinforcing the economy's service-oriented growth trajectory.

The tightening labour market, evidenced by rising employment levels and falling unemployment rates, signals healthy demand across key sectors. As the economy continues to expand, maintaining labour market flexibility and investing in workforce development will be essential to sustaining inclusive growth. The Government's policy aimed at prioritising Caymanian youth through targeted training and mentorship programmes is expected to enhance access to employment and reduce unemployment among local workers. Initiatives to increase Caymanian participation in the hospitality sector should further support employment gains.

The unemployment rate is forecast to be 2.8 percent in 2025 (see Figure 3) . Over the medium term, the rate is expected to fluctuate around this level, reflecting its

Figure 3: Cayman Islands' Unemployment Rates (% of Labour Force)



Note: Figures for 2025-28 are forecasts. Source: Economics and Statistics Office

proximity to the estimated natural rate of unemployment and the economy’s continued absorption of available labour.

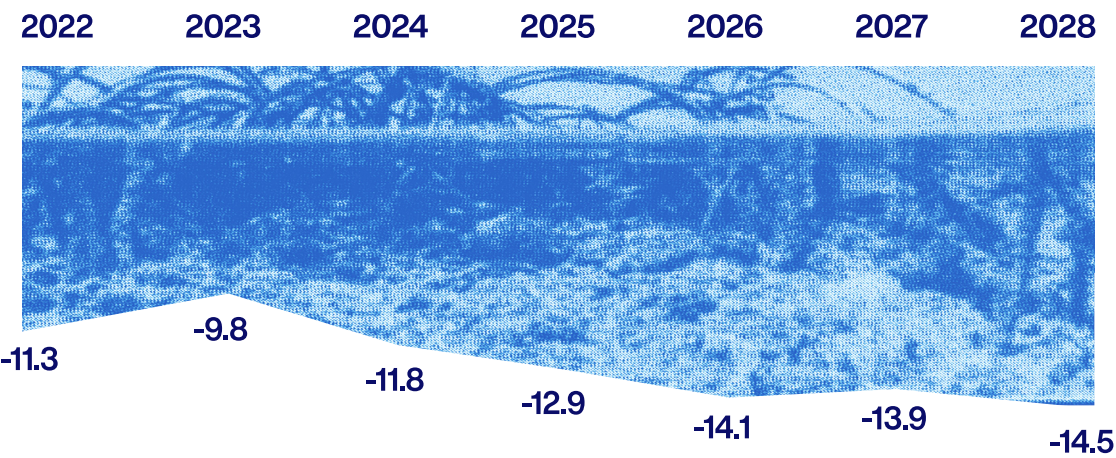
Current Account of the Balance of Payments (BOP)

The current account deficit is forecast to widen over the medium term, as consumer imports continue at a strong pace and the hotel and restaurant sector transitions into a phase of steadier, slower growth. This deterioration in the BOP current account is primarily driven by increased merchandise imports and higher net payments on the income account. However, these pressures are expected to be partially offset by rising receipts from accommodation and financial services,

two sectors that continue to anchor Cayman’s external earnings. Additionally, it is assumed that new tourism-related developments will begin generating revenue over the medium term, further supporting current account inflows.

The sustained growth in financial services and tourism-related income remains critical to mitigating trade imbalances and preserving macroeconomic stability; therefore, continued competitiveness in these export-oriented sectors will be essential to cushioning the impact of elevated import demand and maintaining a stable external balance. The current account deficit is projected to reach 12.9 percent of GDP in 2025 and average 14.2 percent between 2026 and 2028 (see Figure 4).

Figure 4: Cayman Islands’ Current Deficit of the Balance of Payments (% of GDP)



Note: Data for 2024 is a preliminary estimate; figures for 2025-28 are forecasts. Source: Economics and Statistics Office

Fiscal Forecasts

This SPS provides medium-term economic and financial forecasts for the Government for the next three financial years covering the period 1 January 2026 to 31 December 2028 (the “SPS Period”) along with the Government’s Broad and Specific Outcomes which will guide the development and implementation of Government’s policies during this period.

In addition, this SPS sets the parameters for the preparation of the detailed 2026 and 2027 Budgets and provides the Operating Expenditure and Capital Investment targets to be achieved by each Ministry, Portfolio, and Office over the next three financial years.

Summary of Key Fiscal Indicators

	Forecast			
Key Fiscal Indicators	2025 \$'000s	2026 \$'000s	2027 \$'000s	2028 \$'000s
Core Government Operating Revenue	1,184,558	1,252,393	1,295,990	1,315,497
Core Government Operating Expenditure	1,174,284	1,245,828	1,286,622	1,301,611
Core Government Operating (Deficit)/Surplus	10,274	6,565	9,369	13,887
Statutory Authorities and Government Companies Net Operating (Deficit)/Surplus	(13,112)	(4,473)	(7,195)	(7,339)
Entire Public Sector Operating (Deficit)/Surplus	(2,838)	2,092	2,174	6,548
Core Government Year-End Cash Balances	414,167	439,282	464,311	486,211
Core Government Debt	505,239	578,859	633,702	654,634

The Government remains committed to maintaining fiscal prudence and expects to be in full compliance with the Principles of Responsible Financial Management, as prescribed by the PMFA, throughout the SPS Period.

Operating Revenues, which total \$3.9 billion over the SPS Period, are driven by the continued strong performance anticipated in the financial services sector and a continuing rebound of the tourism sector post the COVID-19 pandemic.

Past Fiscal Performance

2023 Unaudited Financial Results and Analysis

Revenues	Original Budget \$'000s	Actual \$'000s	Dollar Variance over/(under) \$'000s
Coercive Revenue	934,655	982,718	48,063
Sales of Goods & Services	41,426	47,195	5,769
Investment Revenue	1,733	28,222	26,489
Donations	203	1,276	1,073
Other Revenue	116	704	588
Total Revenues	978,133	1,060,115	81,982
Expenses			
Personnel Costs	459,331	443,485	(15,846)
Supplies and Consumables	149,161	155,977	6,816
Depreciation & Amortisation	47,504	54,810	7,306
Finance Costs	16,962	18,468	1,506
Litigation Costs	1,770	1,189	(581)
Outputs to Statutory Authorities and Government Companies	164,821	190,361	25,540
Outputs from Non-Governmental Suppliers	50,822	79,425	28,603
Transfer Payments	52,892	73,777	20,885
Total Other (Gains)/Losses	(1,169)	(4,785)	(3,616)
Other Executive Expenses	8,275	6,852	(1,423)
Total Expenses	950,369	1,019,559	69,190
Core Government Surplus	27,764	40,556	12,792
Surplus /(Deficit) of Statutory Authorities and Government Companies	(19,087)	18,643	37,730
Entire Public Sector Operating Surplus	8,677	59,199	50,522

Surplus from Operating Activities

The Core Government's unaudited Surplus for the 2023 Financial Year was \$40.5 million. This figure represents a \$12.8 million improvement from the Surplus of \$27.7 million estimated in the original 2023 budget.

Operating Revenues

The unaudited total revenue for 2023 was \$1,060.1 million (or \$1.06 billion), which was \$82.0 million higher than the original 2023 budget. The main positive variances (shown in brackets below) were:

- Work Permit Fees (+\$21.6 million): reflecting increased labour demand supported by strong economic performance.
- Tourist Accommodation Charges (\$17.0 million): boosted by the rebound in stayover tourism following the reopening of borders in 2022.
- Stamp Duty - Land Transfers (\$10.0 million): the result of higher-than-expected volumes of high-value property transactions.
- Mutual Fund Administrators Licence Fees (\$4.6 million): reflecting growth in the volume of registered funds.

Operating and Financing Expenses

The unaudited Operating and Financing Expenses for the Core Government totaled \$1,019.5 million (or \$1.019 billion) in 2023, which was \$69.2 million higher than the original budget of \$950.3 million.

The main variances were::

- **Outputs from Statutory Authorities and Government Companies (SAGCs)**, which recorded a negative variance of \$25.4 million, largely due to increased funding requirements for the Health Services Authority and the Cayman Islands National Insurance Company.
- **Outputs from Non-Governmental Suppliers**, which exceeded budget by \$28.6 million, mainly attributable to Tertiary Medical Care at Various Overseas and Local Providers (with a variance of \$33.9 million); and
- **Transfer Payments**, which amounted to \$73.8 million, or \$20.9 million more than the original

2023 budget. The variance primarily reflects policy changes that expanded scholarship and financial assistance programmes, including:

- increases in local and overseas undergraduate scholarships from \$20,000 to \$30,000 per annum;
- increases in overseas postgraduate scholarships from \$25,000 to \$35,000 per annum;
- expanded coverage for ICCI students to include 100% of tuition and books;
- expanded support for A-level students to include full tuition at local providers; and
- an increase in Permanent Financial Assistance to \$1,250 per month.

These cost pressures were partially offset by lower-than-expected **Personnel Costs**, which underspent the budget by \$15.8 million, primarily due to recruitment delays and vacancy management.

Performance of Statutory Authorities and Government Companies

- SAGCs produced a Net Operating Surplus of \$18.6 million for 2023.
- This amount was \$37.7 million higher than the \$19.1 million Net Operating Deficit forecasted in the original 2023 budget.
- This was primarily due to significant surpluses earned by Cayman Islands Monetary Authority, Cayman Islands National Insurance Company, Civil Aviation Authority, and Water Authority of the Cayman Islands.
- Deficits were incurred by other SSAGCs with the result that the overall performance of the sector was a net surplus of \$18.6 million for 2023.

2024 Unaudited Financial Results

Revenues	Original Budget \$'000s	Actual \$'000s	Variance over/ (under) \$'000s
Coercive Revenue	1,033,428	1,044,694	11,266
Sales of Goods & Services	50,153	51,120	967
Investment Revenue	11,167	28,773	17,606
Donations	30	2,265	2,235
Other Revenue	94	213	119
Total Revenues	1,094,872	1,127,065	32,193
Expenses			
Personnel Costs	500,720	460,650	(40,070)
Supplies and Consumables (including Leases)	175,411	168,489	(6,922)
Depreciation and Amortisation	58,976	52,777	(6,199)
Finance Costs	18,358	17,182	(1,176)
Litigation Costs	1,786	1,389	(397)
Outputs from Statutory Authorities and Government Companies	179,098	193,300	14,202
Outputs from Non-Governmental Suppliers	43,767	81,067	37,300
Transfer Payments	66,512	79,147	12,635
Total Other (Gains)/Losses	43	(3,832)	(3,905)
Other Executive Expenses	7,227	6,856	(371)
Total Expenses	1,051,898	1,057,025	5,127
Core Government Surplus	42,974	70,040	27,096
Surplus /(Deficit) of Statutory Authorities and Government Companies	(1,676)	13,122	14,798
Entire Public Sector Operating Surplus	41,298	83,162	41,864

Surplus from Operating Activities

The Core Government's unaudited Surplus for the 2024 Financial Year was \$70.0 million. This figure represents \$27.1 million improvement from the Surplus of \$42.9 million estimated in the original 2024 budget.

Operating Revenues

The unaudited total revenue for 2024 was \$1,127 million (or \$1.127 billion), which was \$32.2 million higher than the original 2024 budget. The main positive variances (shown in brackets below), were:

- Stamp Duty - Land Transfers (\$21.2 million) - driven by higher-than-expected volumes of high-value property transactions. Total revenue for the year was \$88.7 million, which was 31% above projection.

- Work Permit Fees (\$11.0 million) - reflective of continued demand for workers as a result of strong economic performance.
- DCI Penalties and Fines (\$6.3 million) - an unbudgeted revenue stream arising from compliance inspection fines issued under the Department of Commerce and Investment.
- Other/Miscellaneous Stamp Duty (\$6.3 million) - attributable to sustained high demand in the real estate market.
- Private Fund Fees (\$5.2 million) - higher than anticipated due to growth in the number of registered funds.
- Motor Vehicle Charges (\$5.9 million) - reflect a greater-than-expected volume of vehicle imports.
- Partnership Fees (\$4.7 million) - owing to an increase in the growth rate of registered partnerships; and
- Tourist Accommodation Charges (\$3.2 million) - supported by increased stayover tourism, the addition of new hotels, and higher room rates.

Operating and Financing Expenses

Operating Expenses, Financing and Non-Operating Costs of Core Government for the year ended 31 December 2024 were \$1,057 million (or \$1.057 billion); this amount was \$5.1 million more than the full year budget of \$1,051.9 million.

Personnel Costs of \$460.7 million were \$40.0 million less than the budget of \$500.7 million. While this appears to represent savings, it is mainly attributed to delayed recruitment and conservative budgeting, rather than actual expenditure reductions.

Supplies and Consumables, including Leases, were \$168.5 million for the period and were \$6.9 million less than the full year budget.

Outputs from SAGCs were \$193.3 million which is \$14.2 million more than the original budget. The overspend was mainly due to HEA 2 - Provision of Medical Care for Indigents, where actual expenditure surpassed the original budget of \$13.5 million. The shortfall highlights the risks of underestimating demand for essential

services, requiring supplementary funding via Sections 11(5) and 12 of the Public Management and Finance Act (2020 Revision).

Outputs from Non-Governmental Suppliers (NGS) of \$81.1 million were \$37.3 million more than the budget of \$43.8 million. The primary driver was NGS 55 - Tertiary Care at Local and Overseas Institutions which recorded an actual cost of \$58.0 million against the initial budget of \$18.6 million. The budget assumptions understated the true cost trajectory necessitating significant supplementary allocations via section 11(5) and 12 of the Public Management and Finance Act (2020 Revision).

Transfer Payments of \$79.1 million were \$12.6 million more than the initial 2024 budget. This variance is mainly due to the Ex-Gratia Benefit Payments to Seafarers and Veterans (\$2.5 million negative variance) and Financial Assistance (\$5.0 million negative variance). In 2024, the financial assistance policy was expanded to provide higher levels of support for accommodation, food, and utilities while also introducing financial assistance in areas such as rental deposits, internet and transportation costs to better meet recipients' basic needs.

Additional targeted relief included a \$400 stipend for long term financial assistance recipients and Seafarers and Veterans, a one-time summer stipend for bus wardens and bus drivers and a \$250 holiday stipend for all long-term assistance recipients and Seafarers and Veterans.

To ensure sufficient funds were available, supplementary funding was approved, via Sections 11(5) and 12 of the Public Management and Finance Act (2020 Revision). SAGCs recorded a combined Net Operating Surplus of \$13.1 million which was a \$14.8 million favourable variance to the budgeted deficit of \$1.7 million that was projected for the sector.

Financial Forecasts:

1 January 2026 - 31 December 2028

CIG Forecast Statement of Financial Performance

	SPS Forecast (Amount in CI\$'000s)			
	2025	2026	2027	2028
Revenues				
Coercive Revenue	1,112,411	1,194,860	1,236,782	1,254,334
Sales of Goods & Services	50,962	45,689	46,747	47,682
Investment Revenue	19,219	11,500	12,100	12,900
Donations	1,870	344	361	361
Other Revenue	96	-	-	220
Total Revenues	1,184,558	1,252,393	1,295,990	1,315,497
Expenses				
Personnel Costs	507,452	569,268	585,313	591,166
Supplies and Consumables	172,568	194,043	201,919	203,938
Depreciation and Amortisation	63,198	72,457	74,384	75,871
Finance Costs	14,669	21,483	30,726	33,048
Output from Statutory Authorities & Government Companies	211,478	223,960	228,949	228,949
Output from Non-Governmental Suppliers	84,235	72,415	72,456	73,905
Transfer Payments	104,687	81,423	81,723	83,357
Other (Gains)/Losses	(43)	(100)	(120)	(122)
Other Operating Expenses	14,317	9,383	9,592	9,784
Litigation Costs	1,723	1,496	1,680	1,714
Total Expenses	1,174,284	1,245,828	1,286,622	1,301,610
Core Government Surplus	10,274	6,565	9,368	13,887
(Deficit) of Statutory Authorities and Companies	(13,112)	(4,473)	(7,195)	(7,339)
Entire Public Sector Operating (Deficit)/ Surplus	(2,838)	2,092	2,173	6,548

The Government's financial forecasts (Financial Years 2026–2028), as shown on the previous page, are based on information and decisions known at 10 October 2025.

Over the past decade, the Cayman Islands has expanded its services and invested in infrastructure without introducing any significant new revenue measures. As expenditure continues to grow, it has become clear that to maintain our high standards of living and deliver on the expectations of our people, it is necessary to introduce new, targeted revenue measures - particularly within the financial services sector, which is the cornerstone of our economy.

These proposed measures are strategically aligned with our long-term vision for fiscal sustainability. Their inclusion in the SPS reflects government's commitment to:

- Strengthening Fiscal Resilience - ensuring the country has stable, predictable revenues to fund essential services and infrastructure.
- Leveraging Global Positioning - capturing fair contributions from the financial services industry while maintaining Cayman's competitiveness; and
- Supporting Communities - creating the fiscal space to invest in housing, healthcare, education, and social programmes that directly benefit our people.

The latest revenue estimates show that the Government is projected to generate \$3.86 billion in revenue over the SPS Period (2026–2028). However, the medium-term outlook will be influenced by a challenging global environment characterised by heightened strategic tension, protracted conflicts, increasing trade protectionism, and the growing impact of climate change.

Despite these uncertainties, the financial services sector is showing tremendous resilience and growth over the SPS Period. The financial and insurance services sector is expected to remain a key driver of growth, supported by rising fund registrations, new company formations, and increased insurance licenses. The sector is projected to expand by **3.1% in 2025**, before moderating to **2.2% in 2026**, with growth averaging **2.1% annually** over the medium term. Business services, including legal and accounting activities, are also forecast to contribute steadily, with growth of **2.7% in 2025** and an average of **2.5% per year** between 2026 and 2029. Together, these sectors highlight the resilience and global competitiveness of Cayman's services economy.

Core Government total Operating Expenditure for the SPS Period is forecast to be \$3.83 billion. The Government

is taking definitive steps to maintain a sustainable level of Operating Expenditure. Growth in Operating Expenditures is primarily due to health care insurance premium increases (which impact on Personnel Costs), and a number of other proposals for education, health and security being pursued by the Government.

Outputs from SAGCs are expected to be stable over the SPS Period. The Government will be seeking opportunities to reduce the level of output/subsidy to SAGCs, as well as mandating efficiency gains in their operations.

Transfer Payments are projected to rise over the SPS Period, driven mainly by higher allocations for Scholarships and Bursaries as the Government expands investment in education. At the same time, costs related to Financial Assistance are expected to remain elevated.

Outputs from Non-Governmental Suppliers are projected to rise over the SPS Period, driven primarily by NGS 55 - Tertiary Medical Care for the Uninsured and Underinsured at both local and overseas institutions. This area remains a significant source of fiscal pressure, as the cost of providing tertiary care for indigent persons has shown considerable volatility in recent years.

Looking ahead, new initiatives are being introduced to strengthen the financial industry's resilience and promote further sustainable growth. These proposals will be prioritised carefully against available fiscal resources and assessed against the Principles of Responsible Financial Management, value for money and the expected benefits.

The medium-term fiscal outlook will remain influenced by both global uncertainties and domestic pressures. Against this backdrop, the Government will continue to adopt a phased and prudent approach - balancing plans with affordability - to ensure that the Cayman Islands remain resilient, competitive, and committed to the well-being of its people.

CIG Forecast Statement of Financial Position

	SPS Forecast (Amount in CI\$'000s)			
	2025	2026	2027	2028
Current Assets				
Cash and cash equivalents	414,167	439,282	464,311	486,211
Trade receivables	16,717	16,127	14,904	15,286
Other receivables	31,140	30,774	29,706	30,300
Inventories	7,426	5,671	5,669	5,782
Prepayments	16,917	15,296	14,865	15,162
Loans	311	59	54	55
Biological Assets	72	72	72	72
Total Current Assets	486,749	507,281	529,581	552,869
Non-Current Assets				
Trade receivables	427	427	427	427
Other Receivables	157	1,309	1,324	1,309
Investments	831	831	831	831
Loans	52,260	50,480	47,146	50,480
Net Worth - Public Entities	679,558	703,262	723,418	703,262
Property, plant and equipment	2,190,472	2,238,472	2,258,648	2,253,465
Right-of-use Assets	36,619	26,832	19,774	19,379
Intangible assets	8,059	10,945	14,915	15,213
Total Non-Current Assets	2,968,383	3,032,557	3,066,483	3,075,433
Total Assets	3,455,132	3,539,838	3,596,063	3,628,302
Current Liabilities				
Trade payables	36,073	40,369	41,905	42,743
Other payables and accruals	95,970	101,089	102,621	104,673
Lease Liability	9,196	9,045	8,628	8,221
Unearned Revenue	107,593	107,554	109,325	111,512

[continued on next page]

	SPS Forecast (Amount in CI\$'000s)			
	2025	2026	2027	2028
Current Liabilities				
Employee entitlements	10,701	15,916	16,812	17,148
Unfunded pension liability	24,312	24,312	24,312	24,312
Current portion of borrowings	50,380	57,157	64,068	64,068
Total Current Liabilities	334,224	355,442	367,671	372,678
Non-Current Liabilities				
Trade Payables	64	64	64	64
Lease Liability	28,571	23,441	17,175	16,658
Unearned Revenue	13,532	13,215	13,374	13,641
Unfunded Pension Liability	131,830	131,830	131,830	131,830
Long-term portion of borrowings	454,859	521,702	569,634	590,566
Total Non-Current Liabilities	628,857	690,252	732,076	752,760
Total Liabilities	963,080	1,045,694	1,099,748	1,125,438
Net Assets	2,492,052	2,494,144	2,496,316	2,502,864
Net Worth				
Reserves and restricted funds	205,751	224,284	243,414	261,995
Revaluation reserve	854,465	854,465	854,465	854,465
Current year surplus	(2,838)	2,092	2,174	6,548
Other accumulated surpluses	1,434,674	1,413,303	1,396,263	1,379,857
Total Net Worth	2,492,052	2,494,144	2,496,316	2,502,864

The Government's Net Worth position is projected to remain relatively stable at \$2.5 billion over the SPS period 2026–2028 with no substantial shifts anticipated for the overall position during this period.

The Government is expected to close the 2026 fiscal year with a cash balance of \$439.3 million, \$464.3 million in 2027 and \$486.2 million in 2028. Amounts in Restricted Funds such as the General Reserves, Environmental Protection Fund, and the National Disaster Fund are forecast to be \$224.3 million at the end of 2026.

The Government plans to incur debt of \$321.0 million to finance critical long-term capital investments over the SPS period.

CIG Forecast Statement of Cash Flows from Operating Activities

	SPS Forecast (Amount in CI\$'000s)			
	2025	2026	2027	2028
Cash Flows from Operating Activities				
Operating Cash Inflows				
Coercive receipts	1,079,038	1,165,825	1,223,177	1,239,282
Outputs to other Government agencies	2,563	2,088	3,331	3,331
Sale of goods and services - third party	50,452	43,861	49,302	44,351
Interest received	19,027	11,500	12,100	12,900
Donations /Grants received	11,966	2,925	3,070	361
Operating Cash Outflows				
Personnel costs	(507,452)	(561,268)	(577,313)	(586,166)
Supplies and consumables	(173,690)	(174,639)	(191,823)	(193,741)
Outputs from public authorities	(211,478)	(223,960)	(228,949)	(228,949)
Outputs from non-Governmental suppliers	(83,235)	(72,415)	(75,056)	(73,905)
Transfer payments	(100,687)	(81,423)	(89,022)	(83,357)
Financing/interest payments	(14,669)	(21,483)	(30,726)	(33,048)
Other payments	(24,317)	(9,383)	(9,592)	(9,592)
Net Cash Flows from Operating Activities	47,518	81,629	88,499	91,466
Cash Flows from Investing Activities				
Investing Cash Inflows				
Proceeds from sale of Loans/investments	3,300	3,106	3,339	3,214
Receipt of Dividends/Capital withdrawals	4,700	2,600	3,370	3,000
Investing Cash Outflows				
Purchase of property, plant and equipment and Equity injections paid to public authorities	(160,250)	124,448	113,771	85,460
Net Cash Flows used by Investing Activities	(152,250)	(118,742)	(107,062)	(79,246)
Cash Flows from Financing Activities				
Borrowings	150,000	124,000	112,000	85,000
Repayment of borrowings	150,000	(50,380)	(57,157)	(64,068)
Lease Payments Principal	-	(11,392)	(11,251)	(11,251)
Repayment of Deposits from Public Entities	(15,300)	-	-	-
Net Cash Flows from Financing Activities	84,942	62,228	43,592	9,681
Net Increase/(Decrease) in Cash and Cash Equivalents	(19,789)	25,115	25,029	21,901
Cash and Cash Equivalents at Beginning of Period	433,956	414,167	439,282	464,311
Cash and Cash Equivalents at End of Period	414,167	439,282	464,311	486,211

The Forecast Statement of Cash Flows indicates year-on-year increases in cash flows from operating activities over the SPS period. This improvement reflects anticipated revenue growth driven by modest economic expansion, coupled with continued control over overall Government expenditure.

Operating cash flows are projected to generate approximately \$81.6 million in 2026, increasing to \$88.5 million in 2027 and \$91.5 million in 2028.

Consistent with the Government's policy priorities, net investing cash flows are targeted to fund critical capital investments throughout the SPS period. The Government plans to invest up to \$160.2 million in 2025, with an additional \$323.7 million in capital projects forecast between 2026 and 2028.

To support these strategic initiatives, a total of \$321.0 million in borrowings will be allocated over the SPS period to finance long-term capital investments that strengthen the foundation for sustainable national development.

Forecast Statement of Changes in Net Worth

The Government's Net Worth position is projected to remain relatively stable at \$2.5 billion over the SPS period 2026–2028, with no significant increases or decreases anticipated in its overall financial position during this period.

	Statutory Reserves	Revaluation Reserve	Accumulated Surplus/ (Deficits)	Total
Balance at 31 December 2024	191,768	854,465	1,448,658	2,494,891
Changes in Net Worth for 2025				
Transfers	13,983	-	(13,983)	-
Surplus for the period 2025	-	-	(2,838)	(2,838)
Balance at 31 December 2025	205,751	854,465	1,431,836	2,492,052
Changes in Net Worth for 2026				
Transfers	18,533	-	(18,533)	-
Surplus for the period 2026	-	-	2,092	2,092
Balance at 31 December 2026	224,284	854,465	1,415,396	2,494,144
Changes in Net Worth for 2027				
Transfers	19,130	-	(19,130)	-
Surplus for the period 2027	-	-	2,174	2,174
Balance at 31 December 2027	243,414	854,465	1,398,439	2,496,316
Changes in Net Worth for 2028				
Transfers	18,581	-	(18,581)	-
Surplus for the period 2028	-	-	6,548	6,548
Balance at 31 December 2028	261,995	854,465	1,386,406	2,502,864

Operating Expenditure Targets / Allocation by Ministers, Official Members and Entities

The Government considered strategic goals and objectives within the context of its overall fiscal strategy. Where a critical need was identified and the Government could afford to fund it, appropriate resources were directed to the relevant area. These targets were established to ensure that they are sustainable over the medium-term so that the targets are consistent with the Principles of Responsible Financial Management.

The allocations to Ministers and Official Members in respect to the following Entities are shown in the table below.

Ministers, Official Members, and Entities	2026 (\$'000s)	2027 (\$'000s)	2028 (\$'000s)
Oversight Committee of Parliament (Parliament)	14,176	14,367	14,591
Public Accounts Committee (Auditor General's Office)	5,081	5,231	5,358
Attorney General (Judicial Administration)	26,671	27,339	27,729
Attorney General (Director of Public Prosecutions)	7,703	7,779	7,897
Attorney General (Portfolio of Legal Affairs)	11,821	12,345	12,380
Deputy Governor (Portfolio of the Civil Service)	94,730	100,798	116,103
Premier (Cabinet Office)	24,255	24,743	24,731
Oversight Committee of Parliament (Office of the Ombudsman)	2,869	2,924	2,917
Premier (Office of the Commissioner of Police)	74,299	75,419	76,817
Minister for Finance and Economic Development	88,295	99,389	102,780
Minister for Caymanian Employment and Immigration	28,393	28,641	29,101
Minister for Education and Training	233,297	237,696	202,822
Minister for District Administration and Home Affairs	129,876	133,345	134,912
Minister for Youth, Sports, Culture and Heritage	17,734	20,049	20,370
Minister for Tourism and Trade Development	55,844	56,134	60,112
Minister for Financial Services and Commerce	72,039	76,168	75,493
Minister for Investments and Social Development	105,425	107,966	111,829
Minister for Planning, Lands, Agriculture, Housing and Infrastructure	86,470	88,928	94,395
Minister for Health, Environment and Sustainability	182,228	186,697	199,243

Capital Investments

The Government understands the value of sound capital investments that will revitalise the country's infrastructure, support economic growth, create jobs and improve our everyday quality of life. The projected expenditure for capital projects and equity investments over the SPS Period is \$323.7 million.

The Government will continue its prudent approach to public sector capital development over the medium term with specific emphasis on affordability and need.

Capital investments into Ministries, Portfolios and Offices, over the SPS Period will be made and, the following will be considered:

Education Infrastructure and Training Facilities:

The Government intends to expand and modernise the education and training infrastructure to meet growing demand for inclusive and high-quality learning environments. Investments focus on special education, vocational training, and support facilities that enhance access, inclusion, and lifelong learning opportunities across the Cayman Islands.

Health and Social Infrastructure: Planned investments will strengthen health and social infrastructure through upgraded facilities, digital health platforms, and modern

rehabilitation environments. The focus is on resilience, accessibility, and long-term service capacity to improve health outcomes and safeguard vulnerable populations.

National Infrastructure, Housing and Environment:

Investments in the Cayman Islands' foundational infrastructure including housing, roads, transport, utilities, and environmental assets, will enhance national resilience, connectivity, and sustainability while supporting economic diversification and improved quality of life.

Public Safety and Security: The Government aims to focus on the Islands' safety and security infrastructure to enhance border control, emergency response and disaster preparedness, ensuring a robust and coordinated public safety network.

Tourism, Heritage and Culture:

The Government will invest in tourism assets, cultural facilities, and recreational infrastructure that promote national pride, environmental conservation, and visitor engagement. The focus is on enhancing Cayman's tourism offering and preserving its cultural heritage through fit-for-purpose public spaces and attractions.



Compliance with Principles of Responsible Financial Management

Principle	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028
Operating Surplus: should be positive	Complies	Complies	Complies	Complies
(Operating surplus = Core Government operating revenue - Core Government operating expenses)	Surplus \$10.3 million	Surplus \$6.6 million	Surplus \$9.4 million	Surplus \$13.9 million
Net Worth: should be positive	Complies	Complies	Complies	Complies
(Net worth = Core Government assets - Core Government liabilities)	Net Worth \$2.5 billion	Net Worth \$2.5 billion	Net Worth \$2.5 billion	Net Worth \$2.5 billion
Borrowing: Debt servicing cost for the year should be no more than 10% of Core Government revenue	Complies	Complies	Complies	Complies
(Debt servicing = Interest + other debt servicing expenses + principal repayments for Core Government debt, Public Authorities debt and self-financing loans + or - contributions to / withdrawals from Sinking Fund)	Debt servicing 6.2 %	Debt servicing 6.6 %	Debt servicing 7.6 %	Debt servicing 7.6 %
Net Debt: should be no more than 80% of Core Government revenue	Complies	Complies	Complies	Complies
(Net debt = Outstanding balance of Core Government debt + outstanding balance of self-financing loan balance + weighted outstanding balance of Statutory Authority/ Government company guaranteed debt - Core Government liquid assets)	Net debt 17.2 %	Net debt 22.6 %	Net debt 25.2 %	Net debt 25.2 %
Cash Reserves should be no less than estimated executive expenses for 90 Days	Complies	Complies	Complies	Complies
(Cash reserves = Core Government unrestricted cash and general reserves)	Cash reserves 97.3 days	Cash reserves 94.8 days	Cash reserves 94.5 days	Cash reserves 95.3 days
Financial risks should be managed prudently so as to minimise risk	Complies	Complies	Complies	Complies
Insurance cover exists for all Government buildings, vehicles and major potential liabilities. Hurricane Preparedness Strategy in place.				

2026 Compliance



\$6.6

Million in 2026

Operating Surplus

Throughout the SPS Period (2026–2028) the Government is projected to remain in compliance with the requirement to maintain a positive Operating Surplus.



6.6%

2026 Debt Service or Borrowing Ratio

As per the FFR, this measure requires that the EPS Debt Servicing Cost (interest + principal repayments + other debt servicing expenses), be no more than 10% of Core Government revenue.

The Government is forecast to remain compliant throughout the SPS Period 2026–2028

\$2.5 billion

2026 Net Worth

The Government is forecast to maintain a positive Net Worth throughout the SPS Period 2026–2028



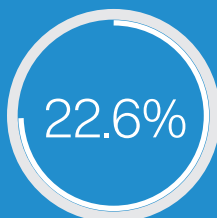
94.8 days



2026 Cash Reserves

The Government is required to achieve and maintain cash reserves (liquid assets) equivalent to at least 90 days of executive expenditures. For the purposes of the cash reserve days calculation, liquid assets are limited to unrestricted operating bank balances and General Reserves. This ratio is calculated at the point in the financial year when cash reserves are expected to be at their lowest point. This point usually occurs in December of each year given the current cycle for revenue inflows.

The Government is forecast to continue compliance throughout the SPS Period 2026–2028.



2026 Net Debt Ratio

The Government is required to maintain a Net Debt balance that is not greater than 80% of Core Government's revenue in a year. For the SPS Period 2026–2028, Net Debt is forecast to remain below this limit, achieving full compliance with this ratio.

2027 Compliance



\$9.4

Million in 2027

Operating Surplus

Throughout the SPS Period (2026–2028) the Government is projected to remain in compliance with the requirement to maintain a positive Operating Surplus.



7.6%

2027 Debt Service or Borrowing Ratio

As per the FFR, this measure requires that the EPS Debt Servicing Cost (interest + principal repayments + other debt servicing expenses), be no more than 10% of Core Government revenue.

The Government is forecast to remain compliant throughout the SPS Period 2026–2028

\$2.5 billion

2027 Net Worth

The Government is forecast to maintain a positive Net Worth throughout the SPS Period 2026–2028.



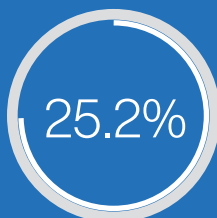
94.5 days



2027 Cash Reserves

The Government is required to achieve and maintain cash reserves (liquid assets) equivalent to at least 90 days of executive expenditures. For the purposes of the cash reserve days calculation, liquid assets are limited to unrestricted operating bank balances and General Reserves. This ratio is calculated at the point in the financial year when cash reserves are expected to be at their lowest point. This point usually occurs in December of each year given the current cycle for revenue inflows.

The Government is forecast to continue compliance throughout the SPS Period 2026–2028.



2027 Net Debt Ratio

The Government is required to maintain a Net Debt balance that is not greater than 80% of Core Government's revenue in a year. For the SPS Period 2026–2028, Net Debt is forecast to remain below this limit, achieving full compliance with this ratio.

2028 Compliance



\$13.9

Million in 2028

Operating Surplus

Throughout the SPS Period (2026–2028) the Government is projected to remain in compliance with the requirement to maintain a positive Operating Surplus.



7.6%

2028 Debt Service or Borrowing Ratio

As per the FFR, this measure requires that the EPS Debt Servicing Cost (interest + principal repayments + other debt servicing expenses), be no more than 10% of Core Government revenue.

The Government is forecast to remain compliant throughout the SPS Period 2026–2028

\$2.5 billion

2028 Net Worth

The Government is forecast to maintain a positive Net Worth throughout the SPS Period 2026–2028



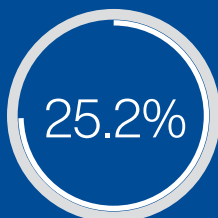
95.3 days



2028 Cash Reserves

The Government is required to achieve and maintain cash reserves (liquid assets) equivalent to at least 90 days of executive expenditures. For the purposes of the cash reserve days calculation, liquid assets are limited to unrestricted operating bank balances and General Reserves. This ratio is calculated at the point in the financial year when cash reserves are expected to be at their lowest point. This point usually occurs in December of each year given the current cycle for revenue inflows.

The Government is forecast to continue compliance throughout the SPS Period 2026–2028



2028 Net Debt Ratio

The Government is required to maintain a Net Debt balance that is not greater than 80% of Core Government's revenue in a year. For the SPS Period 2026–2028, Net Debt is forecast to remain below this limit, achieving full compliance with this ratio.



Public Sector Debt Profile and Debt Management Strategy

Core Government Debt Profile

Core Government Debt Portfolio as at 31 August 2025

Loan	FCIB Loan # 10444245	BOB 2019 Bond Refinancing	FCIB 2021 Convertible Loan	CIBC 2025 Tranche 1	CIBC 2025 Tranche 2
Currency	KYD	KYD	KYD	KYD	KYD
Guaranteed	No	No	No	No	No
Date of Origin	19-Apr-11	25-Nov-19	30-Jun-22	01-Aug-25	01-Oct-2025
Original Amount	154,228,978	152,238,928	330,000,000	20,937,500	129,062,500
Amortised or Bullet	Amortised	Amortised	Amortised	Amortised	Amortised
Current Balance KYD	15,422,846	94,725,774	266,202,859	20,937,500	-
Annual Principal KYD	15,422,846	10,200,000	22,000,000	1,395,833	8,750,000
Interest Rate	5.44%	5.44%	3.25%	5.32%	5.50%
Maturity Date	19-Apr-26	25-Nov-34	30-Jun-37	31-Aug-40	31-Aug-40
KYD Balance 31 Dec 2025	7,711,423	90,497,477	258,696,581	20,472,222	127,604,167
KYD Balance 31 Dec 2026	-	80,297,477	236,696,581	19,076,389	118,854,167
KYD Balance 31 Dec 2027	-	70,097,477	214,696,581	17,680,555	110,104,167
KYD Balance 31 Dec 2028	-	59,897,477	192,696,581	16,284,722	101,354,167

Public Authorities' Debt Portfolio as at 31 August 2025

Loan	Cayman Airways
Currency	KYD
Guaranteed	YES
Date of Origin	28-Feb-19
Original Amount	19,833,349
Amortised or Bullet	Amortised
Current Balance KYD	13,044,791
Annual Principal KYD	2,845,000
Interest Rate	US Prime - 1.75%
Maturity Date	28-Feb-29
KYD Balance 31 Dec 2025	12,096,458
KYD Balance 31 Dec 2026	10,273,250
KYD Balance 31 Dec 2027	8,450,041
KYD Balance 31 Dec 2028	6,626,833

Liability Management Plan

The Government consists of 'Core Government' (Ministries, Portfolios and Offices), plus SAGCs.

The Government is exposed to various contingent liabilities as part of its normal course of business. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may require an outflow of resources.

The main recurring contingent liabilities which have a financial impact for the Government are guarantees; litigation; and post-retirement healthcare benefits obligations.

Guarantees

The Government does not intend to issue any new guarantees during the SPS Period. It currently has outstanding guarantees in respect of:

- debt of SAGCs;
- the Government Guaranteed Home Assistance Mortgage (GGHAM) programme; and
- the Government Guarantee Loan Programme for medium and large-size businesses.

Debt of Statutory Authorities and Government Companies

In accordance with Section 50 of the Financial Regulations (issued under the authority of the PMFA), Government is expected to calculate the portion of the guaranteed debt of SAGCs in its assessment of the Net Debt Ratio, under the Framework for Fiscal Responsibility. Guarantees issued by the Government in respect of the debt of SAGCs are reflected in the calculation of the Net Debt ratio, to assess PMFA compliance, at the following rates:

- SAGCs that require an unpredictable level of budgetary support from the Cabinet, are given an 80% weighting;
- SAGCs that are financially stable and require predictable levels of budgetary support are given a 50% weighting; and
- where the SAGC has not required budgetary support during the last three years, a 20% weighting.

The Government Guaranteed Home Assistance Mortgage (GGHAM)

The GGHAM programme that is administered by the National Housing Development Trust was introduced on 9 November 2007 and, to date, has helped over 325 households achieve home ownership.

The initial 5-year GGHAM agreement provided approval for \$5.0 million to each of the six participating banks. Due to the high demand for this programme, some participating banks reached the maximum lending amounts, which required that additional funding be put in place.

The GGHAM approved amount is \$65.0 million. The Government's contingent liability in respect of this programme is approximately \$2.3 million.

Post Retirement Benefit Obligations

Past Service Pension Liability

The Government, through the Public Service Pensions Board (PSPB), operates both defined benefit and defined contribution pension schemes for Public Servants, Parliamentarians and the Judiciary. These Public Service Pension Plans have varying degrees of past service liabilities based on the contributions to the Pension Funds and the accrued length of service of the participants of the Pension Plans. The overall liability arising from the Pension Plans is recognised in Government's financial statements.

Presently, the PSPB is able to fund all of the monthly pension benefits from its existing resources, and with the regular receipt of monthly pension contributions from Core Government and other participating Public Sector Entities. This is expected to remain the position over the SPS Period.

Post Retirement Healthcare Liability

The Government acknowledges its obligations for the future healthcare costs of Civil Servants (including their dependents).

The Public Service Management Act requires Civil Servants to have a minimum of 10-years' qualifying service with the Core Government and also retire from the Civil Service in order to be entitled to a healthcare benefit upon retirement.

The results of the actuarial healthcare valuation, completed in May 2025, estimated the post-retirement healthcare obligation as at 31 December 2024 to be \$2.3 billion. The post-retirement healthcare obligation and any related expenditure have not been recognised on the Statements of Financial Position and Performance for Core Government.

The Government is operating on a "pay-as-you-go" plan with respect to post-retirement healthcare liabilities. Currently, no long-term assets are set aside in respect of the Government's post-retirement healthcare liability.



Cayman Islands
Government

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