



OFFICE OF THE
PREMIER
CAYMAN ISLANDS GOVERNMENT

**2022-2024 Strategic Policy Statement remarks
By Premier Hon. G. Wayne Panton, MP, JP
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Parliament**

Mr. Speaker, three months ago today the people of the country peacefully exercised their democratic right in the general election when 17,404 citizens of the Cayman Islands turned out to have their voices heard and elect a new administration to lead the Cayman Islands for the next four years.

One week after polling day we stood in this Honourable House and on the precincts of Parliament, and took our oaths as Members of Parliament and Ministers of Cabinet to serve the people of this great country and on that day I was given the great privilege and honour to take my oath of office as Premier of the Cayman Islands.

Today I have the honour and pleasure of presenting to the Country the details – really adding to those presented earlier by the Minister of Finance - of the PACT Government’s policy plans and proposals and the financial projections for the upcoming three years in the 2022-2024 Strategic Policy Statement or SPS.

The SPS is a roadmap, if you will, to the Government’s broad budgetary policies and does not delve into the grit of the budget details, which will come later this year.

But, Mr. Speaker, importantly, the revenue forecasts reflected in this document do not include any new revenue measures during this SPS period. The forecasts assume the ongoing successful prevention of the transmission of the COVID virus and are therefore more dependent on assumptions about future economic conditions. Revenues are expected to increase over the SPS forecast period, surpassing pre-COVID-19 levels. As the Tourism Sector begins to recover, other major sectors of the local economy are showing tremendous resilience and growth. The

expansion of the construction sector is expected to result in increased demand for goods and services - driving additional revenue from import duties and other consumption-based revenue items.

Despite the impact of the COVID-19 pandemic on the Government's financial performance and forecast financial results, the Government remains committed to maintaining fiscal prudence and being in full compliance with the Principles of Responsible Financial Management, as prescribed by the Public Management and Finance Act or PMFA, throughout the SPS period.

Mr. Speaker I wish to commend the men and women of the PACT Government for their day-to-day running of the Government and attention to core public sector activities. We came together to develop not only this SPS but to set clear key strategic policies.

As you would know sir, the PACT Government took over administration of the Cayman Islands after the snap general

election in April and since the day of swearing in we have hit the ground running.

As a team we are growing from strength to strength on a daily basis and keeping foremost in our vision our guiding principles of being a government that is People-driven, Accountable, Competent and Transparent.

Our collective goal is to responsibly improve the quality of life for this and future generations of Caymanians. Broadly speaking, our vision is of a Cayman that is held up as one of the most sustainable countries in the world where all of its citizens can thrive; a country that is a peaceful and prosperous place and known for its resourcefulness, its diligence, its excellence and its innovativeness.

Mr. Speaker, before I speak to the SPS, I will address a couple of matters of importance for the record of this assembly of Parliament.

We have before us two looming issues of importance to the nation; the re-opening of our borders to travelers to help us boost our economy and the recent spate of gun crimes.

I will start with the latter; if we do not address the crime problem head on, there will be nothing here for visitors to want to comfortably enjoy.

But, Mr. Speaker, you and others would know that I am at heart an optimist.

It is at times like these that I recall the words of that great American baseball pitcher Leroy Satchel Paige: “Never let your head hang down. Never give up and sit down and grieve. Find another way. And don’t pray when it rains if you don’t pray when the sun shines”.

We’re having some sprinkles now.

And it is right now that we as a nation need to be doing some praying as part of the solution.

Friday night I sent a message to the nation saying that I was grieved and saddened by the shocking outbreak of recent gun crimes. Mr. Speaker, we have seen two more young Caymanian men shot down in the prime of their lives, and to what end? The only thing these acts did was leave loved ones devastated. The Royal Cayman Islands Police Service has been resolute and robust in its response to these crimes and we salute the Commissioner and his team for facing these challenges head on. The National Security Council has also adopted measures to fight gun crime and we continue to meet to come up with other strategies.

I am keenly aware that the social ills such as the inequity and the disenfranchisement that has led to a sub-culture of gun possession and criminality didn't emerge overnight. This Government, I want to clearly state, is committed to addressing the deep rooted issues as a matter of priority and that is something we will focus on as a priority over the next four years.

Mr. Speaker the second large challenge facing us since taking office was and still is the safe reopening of our borders to visitors. Since taking office we have turned much of our attention to the COVID-related regulations we inherited from the previous administration. Some of those regulations have been extended, while some have been amended.

We extended the pensions holiday, the tourism workers' stipend and the health insurance continuation programme because these programmes and initiatives provide essential relief for our people and businesses who have suffered much because of COVID.

I reiterate my appreciation to the former administration for getting us through the hard days of COVID lockdown.

Now, Mr. Speaker, we have a plan to reopen our borders, but nothing we come up with will work safely unless everyone in the Cayman Islands who is capable of taking the COVID vaccine take it. We must realise the goal of vaccinating 80 per cent of our

population and we will continue to use the population figure of 71,100.

I am begging everyone in this country who has not taken the vaccine – not from a position of weakness but from a position of concern for the health of this country - to help us reach our goal.

We cannot remain closed to the outside world forever. We have to let people come back into our country to help us rebuild.

Mr. Speaker, ours is a phased plan based largely, once again, on the vaccination numbers. It is a topic I will continue to emphasize until we reach our goal. At any point our plan can be pulled back but that decision will be based on assessments at each phase.

These assessments will be based on medical science and data.

It could be that as we welcome people back into our Islands we may have to wear masks again. We may have to get back into the habit of social distancing in certain circumstances. We may again lower the limits placed on the numbers of people allowed at public gatherings depending on the current advice and circumstances at

the time and we have to remain cautious. Just look at fellow Overseas Territory the British Virgin Islands. When I spoke at the Chamber Legislative Luncheon last week I told the audience that BVI had to enact harsh restrictions because the number of COVID cases was 480 at that point. It had gone from near zero to 480 in one week. As of Monday that number had – in their Chief Medical Officer’s words – grown exponentially to 1,147. Two people have died and four were in intensive care.

Their Dr. Ronald George said, and I quote, “I must appeal to everyone’s understanding that the BVI is now in an advanced state of community transmission and therefore all persons are presently at risk of contracting COVID-19”.

Those are words I do not want to hear our Chief Medical Officer Dr. Joh Lee repeat in our beloved Cayman Islands.

And by the way, of the 18 hospitalisations for COVID in BVI since 4 July, 17 of those patients had not been vaccinated. If current trends continue, the BVI could see as many as 5,500 cases of

COVID in the next two weeks, according to their national epidemiologist. That will constitute a public Health disaster for them as much as it would for us.

We do not want this happening in the Cayman Islands! So once again, if you haven't been vaccinated and you are able, please do so. Do not wait. The lives of our people are at stake. In fact, your life may be at stake. In fact for each individual, their lives may be at stake if they are not vaccinated.

Do not let those people spreading misinformation either deliberately or inadvertently, mislead you. The vaccine is safe. Billions of people have been vaccinated safely and yes the vaccine has been approved – do not listen to the mischief that it is not approved; do not listen to the mischief that it is a grand experiment. The reality is it is the only real solution we have to regaining some degree of normalcy with open borders while still protecting the health and lives of our people.

We have said it before and again it bears repeating: Nothing is of greater importance to me and my government than the well-being of our people. We have worked tirelessly, deliberating diligently and seeking to strike the right balance for the safe and successful reopening of our broader economy, including specifically tourism.

As I said earlier Mr. Speaker, everything we have done has been based on our guiding principles – being a government that is People-driven, Accountable, Competent and Transparent.

It is those guiding principles that have led us to develop our broad outcomes for this SPS. At the heart of these broad outcomes is one critically important thing and that is improving the lives of our people. They are:

- Improving education to promote lifelong learning and greater economic mobility
- Ensuring an equitable, sustainable and successful healthcare system
- Providing solutions to improve the well-being of our people so they can achieve their full potential
- Strengthening good governance for more effective government

- Supporting climate change resilience and sustainable development
- Increasing social justice in the workforce
- Using sports to enhance the lives of our people
- Building a modern infrastructure to ensure a successful future for our Islands
- Improve our Financial Services as an industry, product and economic driver for our Islands
- Improve our tourism, as an industry, product and added economic driver

Mr. Speaker, when the PACT Government met to discuss our goals and ambitions for this SPS and the country's future, we all agreed that education is a top priority and we drilled down on what needs to be done to ensure that the next generation – and those that come after – are well equipped to help lead our country. We believe that education is the most worthwhile investment of our country's most precious resources.

Mr. Speaker, many people may be shocked by the new reality that one of the issues we face is that of hungry children.

And study after study has shown that hungry children are poor students. They have poor cognition and educational performance,

they are more likely to repeat a grade, come to school late or miss school altogether. We know for a fact we have children who come to our public schools who have missed meals.

I have spent time with PTAs and the incredible parents who have all spent time to try to address these issues. I see the concern on their faces and I share the need with them to have this issue addressed.

Mr. Speaker, this PACT Government has, as one of its goals, to continue to improve education beginning with a basic step – to ensure that all of our students are fed, giving them the foundation to earn a great education. For some time the Education Ministry has had a policy of no child goes hungry; the time for talk is over, we are backing that policy with resources.

We also plan to increase offerings in public high schools to allow for the re-introduction of A-Levels, expand the scholarship age limit for post-graduate degree programmes and incentivize Caymanians to continue life-long learning by up-skilling

themselves. I am pleased that the Honourable Minister for Education agreed to join our Government and to serve, for the first time in recent history, as a consecutive Education Minister. This provides continuity and an opportunity to see better outcomes from an improved policy approach.

Mr. Speaker, there is no greater indication of our Government's focus on health than the request of the Honourable Minister of Health to have her ministry renamed the Ministry of Health and Wellness. Strengthening our healthcare system comes with having a healthier population. To ensure we build a successful and sustainable healthcare system, we will incentivize Caymanian medical professionals to return home to work, move to a more efficient Health Services Authority where all clients will experience less waiting time and we will revamp CINICO, expanding services.

Our elderly and aging population can also count on a Government that will help establish additional assisted living homes and

retirement facilities through public/private partnerships that meet their needs. That will definitely include East End as it will all the districts and constituencies.

Mr. Speaker, I have said on many occasions that the PACT Government wants to create in Cayman a country where all of its citizens thrive. We want to provide solutions to improve the wellbeing of our people so they achieve their full potential in our society. We will offer full support to the family system and communities by providing financial assistance to help working families offset the costs of day care services, and increase the number of recreational parks, civic centres, and multi-purpose halls.

Additionally we have heard the voices of our people loud and clear; therefore our government – and this goes particularly to young people who feel their opportunities are fast disappearing - will offer government-guaranteed home assisted mortgages, more quality affordable housing and we will enact legislation to reform

the current pensions system to provide greater retirement protections.

We will reform work permit fees, end dependency on cheap labour, increase labour enforcement and increase the minimum wage with an eye toward a workable solution.

As we work to continue to improve the lives of our people, we need to take a hard look at social justice in the workplace. We believe we should establish a national job criteria list to reduce the number of misleading employment ads as well as implement a system to match all work permit applications to unemployed Caymanians with the relevant skills and experience. There should also be a joint approach between WORC and the Ministry of Education to match available jobs to new graduates. Our Deputy Premier and Honourable Minister for Border Control and Labour has his fingers on the pulse of the employment of our people.

We need to have a healthy community of people who will take up these jobs and as such the PACT Government encourages a

culture in our community of being active through public education campaigns, the promotion of academic opportunities through sports and ensuring that sports development is funded to enhance the lives of our people. Our Honourable Minister for Youth, Sports, Culture and Heritage is very passionate about this area and he is keenly aware of the power and role that sports plays in bridging the social divisions and differences in building a stronger, more active and connected community.

Mr. Speaker, you have heard me often say that if we do not do enough to take care of our environment, then we will have nothing left for our people or our visitors. This Government is serious about supporting climate change resilience and sustainable development. Most importantly we are committed to reviewing and revising the National Development Plan without which we would just be paying lip service to future generations. I thank my Government for supporting me and bringing in a new ministry focused on sustainable development and climate resilience.

Our Government sees us reducing the number of second-hand cars that are imported from Japan and promoting the use of electric vehicles in the public transportation system. There should be stiffer fines for environmental violations and mangrove buffer zones that have been damaged should be replanted.

We also need to do a better job of educating our children and the wider public about our environment and the negative effects of climate change on every aspect of our lives.

In order to have a sustainable environment, we have to also turn our attention to a modern infrastructure to ensure a successful future for our Islands. A planned successful future includes public education and consultation on national infrastructure development, the provision of money for a new subsea fibre optic-telecommunications cable to ensure we remain connected to the world and an effective national storm water management plan that includes remediation of chronic flooding areas. These are all

things that our Honourable Minister for Planning, Agriculture, Housing and Infrastructure is passionate about.

To realise the goals we have for our people and country, we need to ensure that our two major pillars of the economy – the Financial Services Industry and the Tourism Industry – are protected and allowed to flourish. But we also need to look to other industries for growth such as technology, healthcare and medicine – amongst others; in short, we must continue to our efforts to diversify.

We must redefine how we position the Cayman Islands as a tax-neutral jurisdiction, promote compelling initiatives to de-bunk tax haven myths, engage proactively with international political and regulatory organisations and network with key European Union, United Kingdom and United States stakeholders. Our Honourable Minister of Financial Services and Commerce is working hard with our stakeholders to keep the Cayman Islands at the forefront of the global Financial Services Industry.

We also know that we have to regrow and reimagine our tourism product to be competitive. We will do this through the better use of data by policy makers to ensure the approaches we take are sustainable and effective. These will be based on a revamped national tourism plan, diversification of our tourism product with a greater eco-tourism focus and rethinking how cruise tourism can best serve the Cayman Islands. The Honourable Minister for Tourism and Transport brings energy and passion to his two focus areas. I am confident that we will see more Caymanians joining, growing and prospering in the Tourism Industry during this Administration.

Mr. Speaker, we are not working in silos. All of our Ministers are being ably supported by our Parliamentary Secretaries who have uppermost in their minds our ambitions and goals.

All of these goals that have been mentioned pertain to the entire Cayman Islands and I want to emphasize our Sister Islands. On

Cayman Brac and Little Cayman we want to see growth, sustainable development and opportunity for our people there.

Of course at the heart of all of our decisions is good governance, which in turn leads to a more effective government. Shortly we will create fully-functioning constituency offices, work to implement district councils, introduce compliance officers for each Ministry and implement a Code of Conduct for both Parliament and Cabinet.

Frankly, Mr. Speaker, this is all going to take careful allocation of money. So I will go over some of the financial highlights of the SPS.

Operating Revenues, which total \$2.7 billion over the SPS period, are driven by the continued strong performance anticipated in the financial services sector and the local real estate market, together with the planned full reopening of the Cayman Islands borders to stayover tourism in November, 2021. Fees from the financial

services sector are expected to contribute revenue of \$1.1 billion over the three-year period ending 31 December, 2024.

Operating Expenditure, which totals \$2.6 billion over the SPS period, will be used over the next three years to fund our key priorities. The Government is forecast to maintain positive Operating Surpluses of \$25.5 million, \$34.3 million and \$65.2 million in 2022, 2023 and 2024, respectively.

Government is forecast to maintain Cash Balances of \$441.7 million or 167.1 days of executive expenses in 2022; \$352.5 million or 125.2 days of executive expenses in 2023; and \$291.6 million or 94.3 days of executive expenses in 2024.

The reason for the decrease in days over time, Mr. Speaker, is that Government intends to utilize the established \$330.5 million line of credit to help fund forecast capital expenditure. This borrowing was a provision made by the last administration based on the anticipated devastation to the economy from the COVID

pandemic. It was a reality that no one wanted to face, but one that is looming large.

I thank the past administration for their foresight and for the banks that agreed to lend this facility to the Cayman Islands Government.

Core Government's debt balance is forecast to be \$499.1 million at 31 December, 2022; \$446.4 million at 31 December, 2023; and \$398.8 million at 31 December, 2024.

Mr. Speaker, these are just some of the highlights of this SPS. We will know more about the country's finances when we return to Parliament later in the year to discuss the budget.

But what I will tell the members of this Honourable House and the public is that the recovery of the Cayman Islands' economy and the safety of the people are our top priorities at this point.

We recognize that choices have to be made within prudent financial limits to help counter the impact of the COVID-19 pandemic.

This Government remains steadfast in its commitment to delivering its programme to improve the quality of life for all Caymanians whilst balancing the need to manage the Country's finances in a People-driven, Accountable, Competent and Transparent manner.

I thank the Deputy Premier and Minister of Finance and Economic Development, the Financial Secretary and their entire team for their ardent work in putting this SPS together. We will gather again soon to work diligently on the budget.

I also thank all members of my team and the wider Civil Service who had a hand in this SPS for the period 2022-2024. Your dedication to this country – our country - and our people is profound and much appreciated.

Thank you Mr. Speaker.

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