



Government of the Cayman Islands

PRE-ELECTION ECONOMIC AND FINANCIAL UPDATE

For the financial periods ending 31 December 2017 and 2018

26th April 2017

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1. INTRODUCTION

Purpose and Content

Section 26 of the Public Management and Finance Law (2013 Revision) (the PMFL), as amended, provides for the Chief Officer of the Ministry responsible for Finance to Gazette a Pre-Election Economic and Financial Update (PREFU) not more than forty-two days, nor less than twenty-eight days before the date of a General Election. The Cayman Islands' next General Election will be held on 24 May 2017.

The purpose of the PREFU is to provide updated information on the economic and financial outlook of the Government of the Cayman Islands (Government). The information in this report takes into account, to the fullest extent possible, all Government decisions made by 24 April 2017, and all other circumstances that may have a material effect on the financial and economic outlook.

The PMFL requires that the PREFU provide:

- Economic forecasts for the current 18-month financial period and for the next financial year;
- Forecast financial statements for the Core Government and the Entire Public Sector for the 18 month financial period and for the next financial year;
- A statement specifying the date on which the economic forecasts and forecast financial statements were prepared (see table on page 3); and
- An explanation of how the Core Government forecast financial statements accord with the Principles of Responsible Financial Management.

The PREFU for the current financial period covers 18-months: 1 July 2016 – 31 December 2017 (2016/17). This is consistent with the provisions of the Public Management and Finance (Amendment) Law, 2015 which reflects Government's policy-decision to transition the Government's financial year from the previous 1 July - 30 June period to a 1 January – 31 December period. This 18-month financial year provides a transitional period in order to change the Government's financial year from the previous 1 July - 30 June to a 1 January – 31 December period.

Therefore the 2016/17 financial forecasts (for an 18 month period) are not directly comparable with those of a usual forecast period of 12 months - e.g. the forecast 12-month financial year ending 31 December 2018.

Dates on which the Forecasts and Information were Finalised

Economic Forecasts	25 April 2017
Economic Data	25 April 2017
Financial Forecasts	24 April 2017
Specific Fiscal Risks	24 April 2017
Text finalised	26 April 2017

The current 18-month financial period ends on 31 December 2017, and is referred to in this document as *2016/17*.

The PREFU allows for the assessment of the Government's financial performance against the financial policy objectives and strategies set out in the Plan and Estimates document for 2016/17.

Information in the PREFU is based on the year-to-date actual results, the representations and judgements provided by Chief Financial Officers of Ministries, Portfolios, Offices, Statutory Authorities and Government Owned Companies (Public Authorities), and the professional judgement of staff in the Ministry of Finance and Economic Development, using the most recent information available on economic conditions, financial performance and estimated outturn.

The PREFU also contains forward-looking information which is based on a number of factors and assumptions. Such information involves known risks. However, unknown risks and uncertainties could cause actual results to differ materially from those forecasted.


2. STATEMENT OF RESPONSIBILITY

This Pre-Election Economic and Financial Update (PREFU) was prepared in accordance with the provisions of Section 26 of the Public Management and Finance Law (2013 Revision), as amended. We accept overall responsibility for the integrity of the disclosures contained in this PREFU, and the consistency and completeness of the information in accordance with the requirements of this Law.

We attest that, to the fullest extent possible, the information contained herein reflects the best professional judgment of the Ministry of Finance and Economic Development and takes into account all Government decisions and available economic and financial information as at 25 April 2017.

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

- (a) complete and reliable;
- (b) fairly reflect the forecast financial positions and performance for the financial periods ending 31 December 2017 and 2018;
- (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 practices as defined by International Public Sector Accounting Standards (IPSAS), except for IPSAS 25, Employee Benefits, as it relates to the accounting for post-retirement benefits and IPSAS 6, Consolidated and Separate Financial Statements, as it relates to the non-consolidation of the Public Service Pensions Board.



Kenneth Jefferson, JP
Financial Secretary & Chief Officer of the Ministry of Finance and Economic Development



Matthew Tibbetts
Accountant General, Ministry of Finance and Economic Development

26 April 2017

3. EXECUTIVE SUMMARY

Real economic growth of 2.5 percent is forecast for the 18-month financial period ending 31 December 2017. Thereafter, the economy is expected to grow of 2.6 percent in 2018. Inflation is expected to increase from 0.6 percent in 2016/17 to 2.3 percent in 2018. Over the corresponding period, the unemployment rate is estimated to fall from 4.2 percent in 2016/17 to 3.6 percent by December 2018.

For the 18-month period ending 31 December 2017, Government's Operating Surplus is forecast to be \$48.1 million. This amount is \$1.5 million more than the \$46.6 million originally budgeted. The Operating Surplus is forecast to improve to \$75.3 million for 2018.

Core Government is forecast to have closing bank account balances totalling \$353.5 million for the year ending 31 December 2017. This amount is \$12.3 million more than the \$341.2 million shown in the 2016/17 original budget. Thereafter, closing bank account balances are forecast to be \$334.4 million at the end of financial year 2018.

For the Entire Public Sector (EPS), closing bank balance for financial year 2016/17 is forecast to be \$465.1 million; this amount is \$37.8 million more than the \$427.3 million shown in the 2016/17 budget. For financial year 2018, EPS closing bank balances are forecast to be \$436.1 million.

Core Government debt is forecast to be \$451.1 million at the end of financial year 2016/17. This amount is expected to further decrease to \$420.7 million at the end of financial year 2018.

For the EPS, the closing debt balance for 2016/17 is forecast to be \$506.7 million, thereafter, this balance is forecast to decrease to \$462.9 million at the end of 2018.

The Government is forecast to be in full compliance with the Principles of Responsible Financial Management throughout the forecast period.

Table 1 below shows the key economic and financial indicators over the forecast period. These are discussed in further detail throughout this document.

Table 1- Summary of the Main Economic and Financial Forecasts

	2016/17 Forecast	2018 Forecast
Economic (%)	%	%
Real GDP Growth	2.5	2.6
Consumer Price Index (Inflation)	0.6	2.3
Overall Unemployment Rate	4.2	3.6
Financial (\$ millions)		
EPS Net Operating Surplus	48.1	75.3
EPS Closing Bank Account Balances	465.1	436.1
EPS Government Debt	506.7	462.9

4. ECONOMIC OUTLOOK

This economic update reports on the Islands' macroeconomic performance in the current 2016/17 financial year and the forecasts and assumptions for 2018. It focuses on four core indicators:

- Gross domestic product (GDP) growth;
- Consumer price inflation;
- Employment; and
- Current account of the balance of payments.

Macro-economic Performance

GDP Growth: The Islands' Gross Domestic Product (GDP) is estimated to have grown by 2.7 percent in 2016. This is based on actual indicators for 2016 which point to a stable level of activity in hotels and restaurants, and expansion across all other industrial sectors.

The construction industry remained robust with an estimated expansion of 4.5 percent in 2016, sustaining the growth trend observed since 2012, albeit it was weaker than the recorded growth of 6.1 percent in 2015 due to the completion of major development projects in the second half of 2016. The estimated expansion rate for 2016 reflects the growth of imported building materials during the period.

Real estate, renting and business activity had an estimated growth of 4.6 percent for 2016, as the increased population supported economic activity. The increase was boosted by a 6.0 percent increase in the volume of property transfers.

Other industries that showed healthy rates of economic expansion are electricity and water supply, and transport, storage and communication with growth of 5.6 percent and 1.5 percent, respectively. These performances may be partly associated with the higher level of population in the Islands, as well as the increase in economic activity across most sectors.

Wholesale and retail trade expanded by 2.0 percent, as indicated by a rise in the importation of non-oil products during 2016. This sector benefitted from the multiplier effects of the performance of the construction sector as well as other sectors which altogether generated higher employment in 2016 compared to 2015.

Indicators for the financial services sector which accounts for approximately 40 percent of GDP point to a slightly improved performance in 2016, with growth estimated at 1.8 percent, compared to a 1.7 percent growth in 2015. This is traced mainly to a stronger domestic lending activity by commercial banks, as the listing and licensing activities for all services fell, except for captive insurance which recorded a modest growth of 0.4 percent.

The economic performance of the hotels and restaurants industry was impacted by a slowdown in the growth of arrivals in the fourth quarter in 2016. During the latter period, arrivals from both the air and cruise segments fell by 12.6 percent compared to the same period in 2015, after a strong growth of 4.7 percent in the first three quarters of 2016.

Table 1: Key Economic Variables

	2015	2016	2017	2018
			Forecast	
Real Gross Domestic Product (GDP)				
Growth % ^P	2.8	2.7	2.3	2.6
Consumer Price Index (CPI) %	(2.3)	(0.6)	1.8	2.3
Number of Employed	39,139	40,411	40,860	41,807
Unemployment Rate %	4.2	4.2	4.2	3.6
Caymanian	6.2	7.1	6.1	4.9
Permanent Residents (WRW)	6.6	3.8	6.9	6.7
Non-Caymanian	1.4	1.2	1.3	1.2
Current A/C Balance (\$M) ^P	(626.9)	(644.5)	(687.3)	(744.3)
Current A/C (% of GDP) ^P	(22.0)	(22.2)	(22.8)	(23.4)

P - The GDP growth for 2016 is a preliminary estimate based on actual indicators as of December 2016. The current account balance for 2016 takes into account actual trade data as of December 2016, and projections of the other current account components.

Source: Cayman Islands Government's Economics and Statistics Office

Inflation: In the calendar year 2016, the deflation observed in 2015 continued but at a slower pace of 0.6 percent compared to 2.3 percent in 2015. Several price indices directly contributed to the overall deflation, particularly housing and utilities which was affected mainly by the lower average rates for electricity and water associated with the downtrend in oil prices. The latter also cut average prices for transportation.

However, there were inflationary pressures during 2016 which emanated mainly from restaurants, recreation and culture, education and communication. These price uptrends may be generally associated with the growth in local demand resulting from higher population and employment levels.

Employment¹: Economic growth in 2016 was supported by growth in labour supply. The total labor force strengthened to 42,196, an expansion of 3.2 percent over the previous year. The increase in supply emanated from both local and foreign markets. The former was made up of the Caymanian labour force and Permanent Residents (with rights to work); these together comprised 24,508 persons or 58.1 percent of the total labour force. The Non-Caymanian labour force, which includes persons married to Caymanians and awaiting Permanent Residence and persons working by operation of law, was estimated at 17,688 or 41.9 percent of the total labour force.

The robust growth of the domestic economy spurred an increase in demand for labour as total employment improved by 3.2 percent from a year ago and reached 40,411 in 2016. The wholesale and retail trade industry remained the top employer among all industries, followed by construction. With the growth in labor demand almost at pace with the growth in labour supply, the overall unemployment rate was stable at 4.2 percent in 2016.

Current Account of the Balance of Payments²: The growth in local economic activity was accompanied by higher demand for goods from abroad, which consequently increased the deficit on the current account of the balance of payments.

During 2016, total merchandise imports increased by 2.8 percent to \$854.2 million from a year ago. This increase reflected higher imports of non-fuel products. The importation of passenger motor vehicles recorded the highest surge of 47.9 percent. In contrast, the total value of petroleum and related products continued to fall, this time by 14.3 percent, as the total quantity and average prices of oil imports declined.

In addition to the higher payments for merchandize imports, the current account deficit in 2016 was also impacted by a slowdown in the two major sources of current account receipts: tourist arrivals and financial services. Total arrival of tourists from abroad fell by 0.2 percent by end 2016 to settle at 2.1 million, with stay-over arrivals experiencing almost no growth. All categories of financial services also showed lower activity except for the registration of captive insurance entities which had a slight improvement of 0.4 percent in 2016 compared to 2015.

The Islands' current account deficit on the balance of payments in 2016 is projected at \$644.5 million or 22.2 percent of GDP.

¹ The labour force indicators are taken from the Labour Force Survey Fall (October) 2016, with the comparable indicators taken from the Labour Force Survey in Fall (October) 2015.

² 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.

Forecasts and Assumptions for 2017 and 2018

GDP Growth: Barring major disruptions from the external environment, the economic growth of the Cayman Islands in 2017 and 2018 is expected to remain higher than the average growth over the last five years of 1.8 percent, driven largely by private investments.

The construction sector is expected to continue leading the economic expansion, with an acceleration in activity foreseen starting in the second half of 2017 from private sector investment projects such as the Ironwood Golf course, expansion of the Esterley Tibbetts highway and the planned construction of a new five-star hotel. Additionally, approved public sector projects such as the George Town Cruise Berthing project and continuation of the Linford Pierson highway and the Owen Roberts airport expansion projects are also expected to contribute to growth over the medium-term.

The recently completed and forthcoming projects aimed at increasing the accommodation capacity for tourist arrivals are assumed to boost growth in hotels and restaurants, and recreation and culture. This forecast is also conditional on improving markets particularly the United States of America (USA) which remains the dominant market of the Islands' tourist services. Based on forecasts as of April 2017, the USA is expected to turn-in improved economic performance, with growth of 2.3 percent and 2.5 percent in 2017 and 2018 respectively³. The forecast for tourism-related services further assumes continued product enhancements and diversification of source markets.

The above-cited sectors are expected to boost employment and stimulate growth in domestic demand for services in several sectors such as wholesale and retail trade; transport, storage and communication; real estate, renting and business activities; and electricity and water supply.

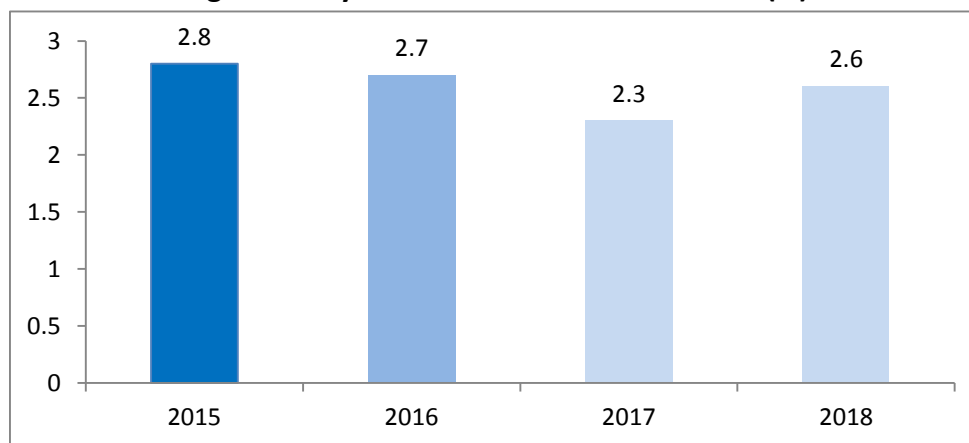
The financial services sector is assumed to sustain its recent performance over the medium-term, conditional mainly on continuing growth in domestic lending and a rebound in the financial listing and licensing business. A downside risk is posed by the current monetary stance of the US Federal Reserve Bank to gradually increase interest rates which is likely to impact domestic lending rates and may dampen demand for borrowings.

In view of the Framework for Financial Responsibility, the Government's direct expenditure is not expected to increase its contribution to economic growth.

³ All forecast indicators for the USA and other countries, and international commodity prices assumed in this PREFU are based on the *World Economic Outlook* (International Monetary Fund, April 2017 Update).

The above external and domestic assumptions support a forecasted growth in real GDP for 2017 of 2.3 percent, followed by growth of 2.6 percent for 2018 (see Table 1 on page 8 and Figure 1 below). The forecasted modest slowdown in 2017 is premised primarily on the start of new capital spending projects toward the second half of 2017.

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



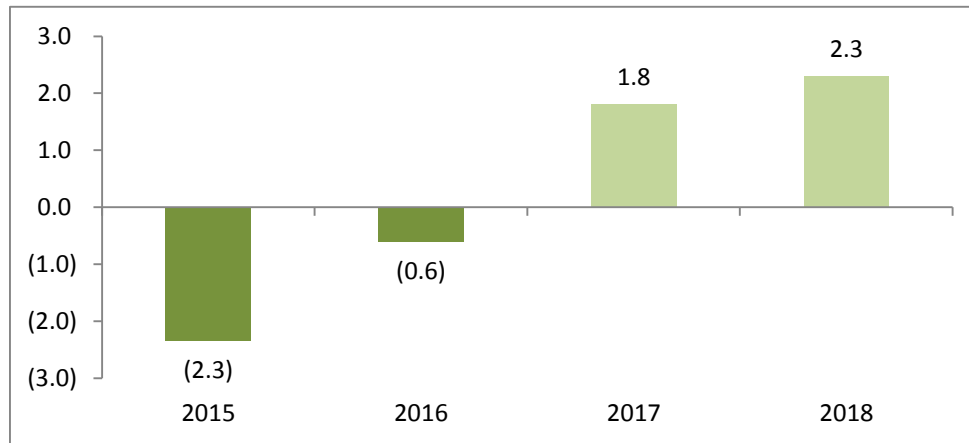
Note: Data for 2015 is an actual estimate; 2016 is a preliminary estimate; 2017-18 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

Inflation rate⁴: A gradual increase in the population level and higher demand for construction-related goods and services are assumed to push up the general price levels over the medium-term. The forecasted acceleration of consumer prices in the USA from 1.3 percent in 2016 to 2.7 percent in 2017 and 2.4 percent in 2018 is also expected to induce inflationary pressure on local prices, given that majority of merchandise imports are sourced from US markets. In addition, oil prices are foreseen to rise by 28.9 percent in 2017 but will decline marginally by 0.3 percent in 2018. The average inflation rate is forecasted at 0.6 percent for the 2016/17 period and 2.3 percent for 2018 (see Table 1 and Figure 2 on page 8 and page 12, respectively).

⁴ The inflation forecasts are based on the 2008 Consumer Price Index (CPI) basket which will be in use for reporting inflation rates up to the second quarter of 2017. Starting in the third quarter of 2017, the inflation rates to be reported will be based on the 2016 CPI basket. The forecasts will be revised accordingly in future economic updates.

Figure 2: Cayman Islands' Inflation Rates (%)



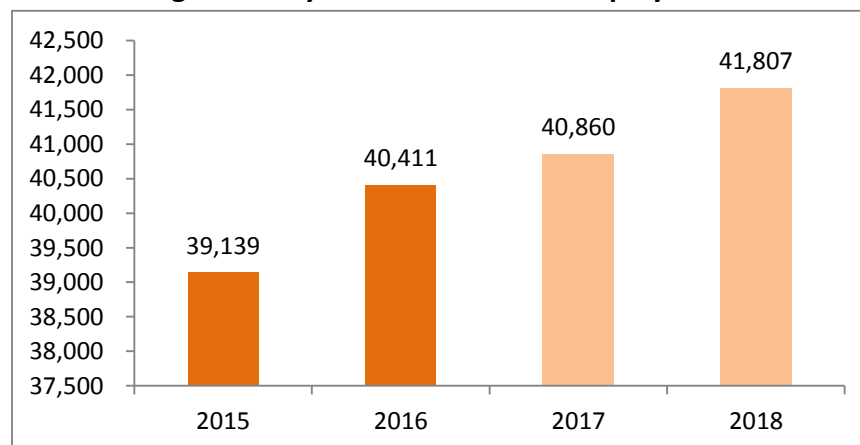
Note: CPI inflation rates for 2015 and 2016 are actual estimates; 2017-18 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

Employment and labour force: The demand for labour is expected to track the GDP growth forecasts. An increase in employment opportunities is expected from planned development projects including those that are anticipated to start in the second half of 2017. Over the medium-term, new employment is also expected from the Islands' hotel industry with the completion of new facilities and the renovation of existing ones.

The National Pension (Amendment) Law, 2016 is foreseen by some business leaders to impact the employment of Non-Caymanians. It is assumed that a proportion of unemployed Caymanians will replace resigning expatriate workers beginning in the last quarter of 2017 and continuing in 2018 (see Table 1 on page 8 and Figure 3 below).

Figure 3: Cayman Islands' Total Employment



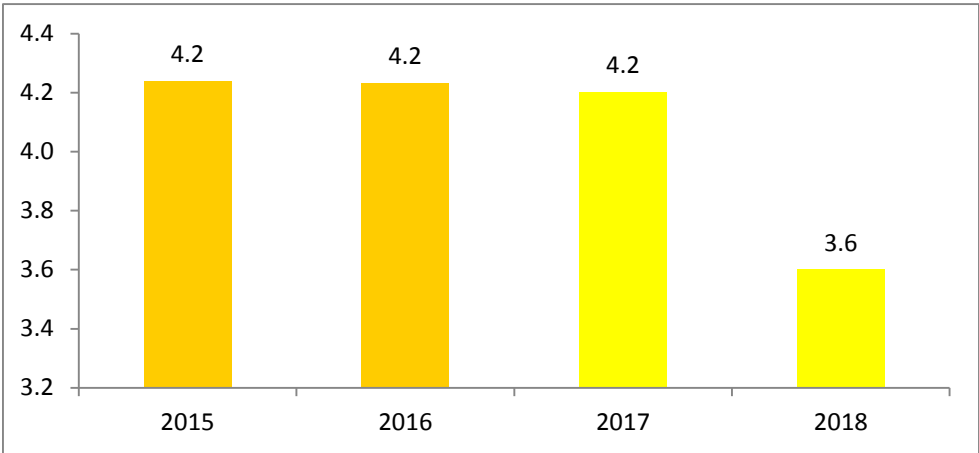
Note: Employment for 2015 and 2016 are actual estimates; 2017-18 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

The supply of local labour force is assumed to increase at the average historical growth rate of the working age population. The forecasted increase in local labour supply (Caymanians and Permanent Residents with rights to work) stems mainly from the natural increase in the working age population.

Given the projected rise in the labour force and employment, the unemployment rate is forecasted at 4.2 percent of the labour force in 2017. The unemployment rate is then expected to improve to 3.6 percent in 2018 (see Table 1 on page 8 and Figure 4 below).

**Figure 4: Cayman Islands’ Unemployment Rates
(% of Labour Force)**

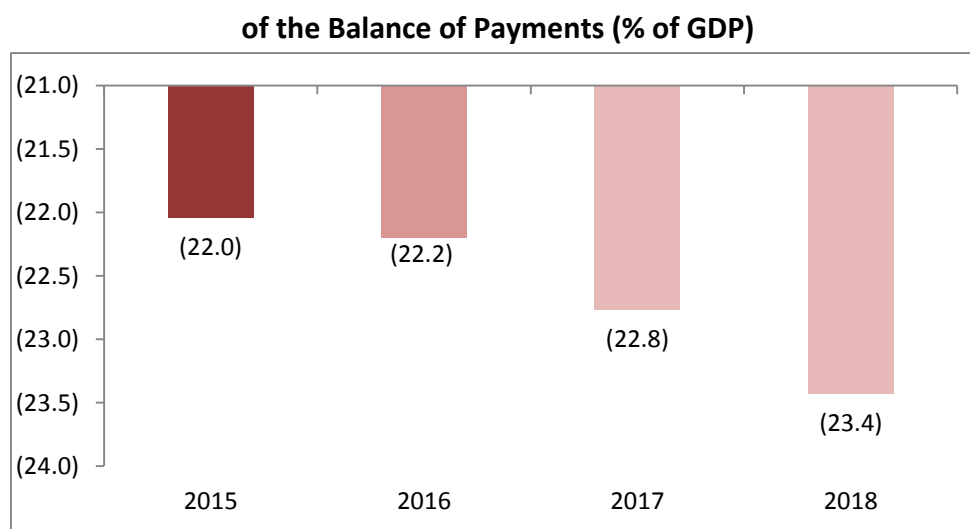


Note: The rates for 2015 and 2016 are actual estimates; 2017-18 are forecasts

Source: Cayman Islands Government’s Economics and Statistics Office

Current account of the balance of payments: The current account deficit is forecasted to be higher at 22.8 percent of GDP in 2017, and will further increase to 23.4 percent in 2018 (see Table 1 on page 8 and Figure 5 below). These movements are consistent with assumed increases in payments for the importation of goods for new private sector projects. It is also assumed that improvements in current account receipts from new tourism-related projects will partially offset the impact of higher merchandise imports.

Figure 5: Cayman Islands' Current Account



Note: Data for 2015 is an actual estimate; 2016 is a preliminary estimate; 2017-18 are forecasts

Source: Cayman Islands Government's Economics and Statistics Office

5. FISCAL OUTLOOK

Introduction

This section provides the Government's financial forecasts for 2016/17 and 2018.

In accordance with the requirements of the Public Management and Finance Law (2013 Revision), as amended, the financial forecasts take the form of a full set of accrual based forecast financial statements. The key forecast financial statements are:

- A Forecast Position Statement, which reports the assets and liabilities Government expects to have at the end of each financial year for the forecast period, and the resulting Net Worth (which is the key measure of the Government's financial position);
- A Forecast Statement of Financial Performance, which reports the forecast Operating Revenues and Operating Expenses measured on an accruals basis and the resulting Net Operating Surplus (which is the key measure of Government's Financial Performance);
- A Forecast Statement of Cash Flows, which reports the Operating, Investing (asset-related) and Financing (borrowing-related) cash flows for the forecast period and the resulting Net Increase/Decrease in cash and cash equivalents (which is the measure of the Government's cash position); and
- A Forecast Statement of Changes in Net Worth, which reports the forecast increase or decrease in Net Worth and its composition (which is the key measure of the amount citizens have invested in the Government).

In accordance with the requirements of the PMFL, the forecast financial statements provide two sets of figures: one for the Core Government; and one for the Entire Public Sector. Both sets include the financial activity (Statement of Financial Performance, Position Statement and Statement of Cash Flows) of Public Authorities (Statutory Authorities and Government Owned Companies).

The Core Government comprises:

- The Legislative Assembly;
- Ministries and Portfolios;
- Judicial Administration; and
- Offices for the Auditor General, Cabinet, the Information Commissioner, the Complaints Commissioner (the latter two offices will be superseded by the Ombudsman), and the Director of Public Prosecution.

Core Government also includes the Operating Surpluses/Deficits of Public Authorities as a single line in the Statement of Financial Performance entitled 'Net (Profit)/Loss in Public Authorities'. Similarly, the Net Worth of Public Authorities is recognised in a single line in the Position Statement entitled 'Net Worth of Public Authorities'.

The Entire Public Sector includes the same information as for the Core Government plus the revenues, expenses, assets and liabilities of Public Authorities on a line-by-line basis by aggregating them with the revenues, expenses, assets and liabilities of the Core Government. Transactions, balances and unrealised gains and losses on transactions between entities are eliminated on combination. The key measures of Government's financial performance (i.e. Net Operating Surplus, Net Worth) are the same for both the Core Government and the Entire Public Sector.

Update on Current Year's Financial Performance

For the 18-month financial period ending 31 December 2017, Government's **Operating Surplus** is forecast to be \$48.1 million. This amount is \$1.5 million more than the \$46.6 million originally budgeted.

The higher than expected operating performance is due to an increase in Operating Revenue.

Key revenue items indicating higher than budgeted amounts include:

- Alcoholic Beverages Duty and Motor Vehicle Duty, Gasoline and Diesel Duty, totaling \$11.1 million more than budgeted, due to growth in the local economy and increased demand for goods and services; and
- Stamp Duty-Land Transfers and Building Permit fees, totaling \$7.3 million more than budgeted, due to robust real estate development and resale markets.

Total Operating Expenses and non-operating expense excluding Profit/Loss in Public Authorities is forecast to be \$881.4 million for the financial year ending 31 December 2017 compared to that shown in the 2016/17 original budget of \$861.5 million. The following are material variances which have occurred during the year:

- **Personnel Costs** are forecast to be \$406.4 million, this amount is \$4.2 million higher than the original budget and is mainly due to increased funding required to address the pay stagnation of Civil Servants, and increases in the staff complement of the Department of Education Services, Commissions Secretariat and the Mosquito Research and Control Unit;
- **Supplies and Consumables Costs** are forecast to be \$7.0 million higher than the original budget. This is mainly due to increased costs for larvicide to prevent the spread of mosquito-borne diseases;
- **Outputs from Public Authorities** are forecast to be \$0.7 million higher than the original budget due to increased utilization at the Health Services Authority;
- **Outputs from Non-Governmental Organisations** are forecast to be \$7.2 million higher than the original budget due to an increase in the cost of providing medical care at overseas institutions for indigents and services for refugees; and
- **Transfer Payments** are forecast to be \$2.6 million higher than the original 2016/17 budget primarily due to increased scholarships awarded.

In addition, **Gains on Foreign Exchange Transactions** are forecast to be less than budget by \$1.0 million.

As a sector, Statutory Authorities and Government Owned Companies, collectively called **Public Authorities**, are forecast to make a Net Loss of \$1.2 million in 2016/17. This performance is \$1.7 million below than the budgeted profit of \$0.5 million.

Core Government is forecast to have closing **bank account balances** totalling \$353.5 million for the financial year ending 31 December 2017. This amount is \$12.3 million more than the \$341.2 million shown in the 2016/17 original budget and is directly related to the higher than expected revenue performance. For the Entire Public Sector (EPS), closing bank balance for financial year 2016/17 is forecast to be \$465.1 million; this amount is \$37.8 million more than the \$427.3 million shown in the 2016/17 budget.

Core Government **debt** is forecast to be \$451.1 million at the end of financial year 2016/17. For the Entire Public Sector, the closing debt balance for 2016/17 is forecast to be \$506.7 million. It is expected that Core Government will fund Public Authorities \$10.0 million for the voluntary additional repayment of debt in the financial year 2016/17.

Core Government initially budgeted to spend \$100.0 million on **investing activities** (the purchase of property, plant and equipment, Equity Investments and granting of loans, placement of fixed deposits (with maturities in excess of 90 days) less investment receipts for financial year 2016/17; however, the 2016/17 forecast shows \$104.1 million which is approximately \$4.1 million more than budgeted.

During the 2016/17 financial year, Cabinet approved changes to various appropriations under Section 11(5) of the Public Management and Finance Law (2013 Revision), see Appendix 2 (page 65).

These approvals amended the appropriations shown in the original 2016/17 Plan and Estimates. The approvals transferred underspends in certain budgetary allocations to compensate for over expenditures in other areas, where practical.

Forecast Financial Performance for Financial Year 2018

For financial years 2018 Government's **Net Surplus** is forecast to be \$75.3 million. Specific details associated with the change in operating performance are outlined in the forecast assumptions, in Appendix 1 (starting at page 30).

The **Public Authorities** are forecast to improve in their operating performance: forecasting a surplus of \$2.7 million in 2018 (see page 41).

Core Government closing **cash balances** are forecast to be \$334.4 million at the end of financial year 2018 (see page 40).

For financial year 2018, the EPS closing cash balances are forecast to be \$436.1 million (see page 40).

Core Government **debt** is forecast to be \$420.7 million at the end of financial year 2018 (see page 44).

For the Entire Public Sector, the forecast debt is \$462.9 million at the end of 2018 (see page 44).

Equity Investments made by Government into Public Authorities are expected to remain at similar levels over the forecast period as those shown in the 2016/17 budget (see page 67).

The Government's **capital expenditure program** is determined by the specific policies of the Government. Appendix 3 indicates Equity Investments by Government into Public Authorities, Ministries and Portfolios and Government's and planned Executive Assets: totals of \$80.3 million for financial year 2018. This forecast takes into account, to the fullest extent possible, all Government decisions made before the issue of the PREFU. Therefore, there is a risk of variations to the forecasts by any policy decisions taken after the finalisation of the PREFU.

The table below summarises the financial outlook for the Core Government and the Entire Public Sector during the forecast period.

Government of the Cayman Islands							
Fiscal Outlook for Core Government and Entire Public Sector							
For the Period Ending 31 December 2017 and 2018							
	<u>Core Government</u>				<u>Entire Public Sector</u>		
	2016/17 Budget	2016/17 18-Month Forecast	2018 Forecast		2016/17 Budget	2016/17 18-Month Forecast	2018 Forecast
Operating Statement							
Operating Revenue	908,634	930,679	699,168		1,233,419	1,237,614	928,288
Operating Expenses	826,967	845,969	605,431		1,147,177	1,149,816	829,425
Net (Profit)/Loss in Public Authorities	526	1,184	(2,680)				
Financing Expense & (Gains)/Losses on foreign exchange transactions	34,517	35,458	21,159		39,618	39,731	23,605
Net Surplus	46,624	48,067	75,258		46,624	48,067	75,258
Balance Sheet							
Debt Balance at Period-End	451,114	451,088	420,682		462,430	506,702	462,905
Net Assets	1,192,085	1,225,247	1,300,505		1,192,085	1,225,247	1,300,505
Cash Flow							
Net Operating Cash Flows	79,068	103,185	83,359		100,266	129,015	84,675
Net Investing Cash Flows	(99,944)	(104,072)	(12,187)		(143,432)	(104,387)	(11,740)
Net Financing Cash Flows	(52,305)	(52,264)	(30,279)		(70,352)	(80,639)	(44,383)
Cash Balance at beginning of period	414,392	89,093	35,942		540,830	203,523	149,989
Net Increase/ (Decrease) in Cash	(73,181)	(53,151)	40,893		(113,518)	(56,011)	28,552
Cash and cash equivalents at end of period (Deposits held < 90 Days)	341,211	35,942	76,835		427,312	147,512	178,541
Fixed Deposits (Maturity > 90 Days)	-	317,546	257,546		-	317,546	257,546
Total Cash and Deposits	341,211	353,488	334,381		427,312	465,058	436,087

6. RISKS AND SCENARIOS

Introduction

Financial and economic forecasting carries certain inherent risks. The constant policy assumption which underpins the PREFU's forecasts do not take into account natural disasters (such as hurricanes), international legislation which may have an adverse impact on the Financial Services Industry, policy measures which may be imposed by the UK Government or other material shocks to the local economy.

The Cayman Islands will hold its next General Elections on 24 May 2017. The financial and economic performance of the Cayman Islands is largely influenced by the policies of the Government of the day. Any changes to Cabinet following the General Election outcome therefore poses some risk to the forecast positions outlined.

The forecasted position in the PREFU outlines the trajectory of the financial outlook under current policy settings. Changes around the economy or future Government policy can have large impacts on projections of the underlying revenues, expenditures and cash balances.

Economic Risks

The PREFU is premised on a constant-policy assumption and does not contemplate any material shocks to the economy. The Cayman Islands' two main economic pillars (Financial Services and Tourism) are dependent on the global economy. Material changes to the global economic landscape could have the potential to materially change the forecast position.

The economic forecast also assumes the continuation/commencement of major private sector construction projects in the Cayman Islands, during the forecast period. If these projects do not come to fruition, it will negatively impact the forecast unemployment rate, GDP growth and other economic indicators.

General Fiscal Risks

Revenue: The revenue forecasts do not reflect any new Revenue Measures; instead the revenue increases reflect growth of the economy. That growth is based on the completion of major development projects and growth in wholesale and retail trade industry. Changes in those economic factors could negatively impact the forecast revenue.

Expenditure: The expenditure forecast takes into account current policies and plans of the Government which may change during the forecast period, and as a result there is a risk that forecast expenditure could be higher or lower than planned.

Borrowing: The Government is not expected to incur any additional conventional borrowings over the forecast period other than the utilisation of small overdraft for operations.

Other Risks

Interest rate risk: The Government utilizes the local banking system for short term deposits at the prevailing interest rate.

There are a number of Public Authorities that have loans with floating/ variable interest rates. As a result, these agencies are subject to risk due to fluctuations in interest for those financial instruments.

Litigation risk: The Government is sometimes engaged in litigation arising in the ordinary course of its business. While it is not believed that any such litigation will individually, or in aggregate, have a material adverse financial effect on the Government, there is a risk that the Courts could rule unfavorably with regards to the Government in any pending matter.

Credit risk: The Government is forecast to have trade receivables of approximately \$25.2 million at the end of financial year 2016/17. The Government is exposed to credit-related losses in the event of non-performance by counter parties to these financial instruments.

The Government extended several loans for overseas medical care, and is exposed to credit-related losses in respect of these instruments due to tenure, nature and purpose associated with this type of loan.

7. OVERVIEW OF FINANCIAL FORECASTS

These forecasts have been prepared using a “constant policy” assumption which means that all Government policies reflected in the 2016/17 Budget, and all Cabinet decisions made up to 24 April 2017, are reflected in these forecasts.

Figure 1 and 2 summarises the 2016/17 and 2018 financial forecasts for the Core Government and the Entire Public Sector respectively.

Figure 1
Core Government Forecast Operating Revenues and Expenses

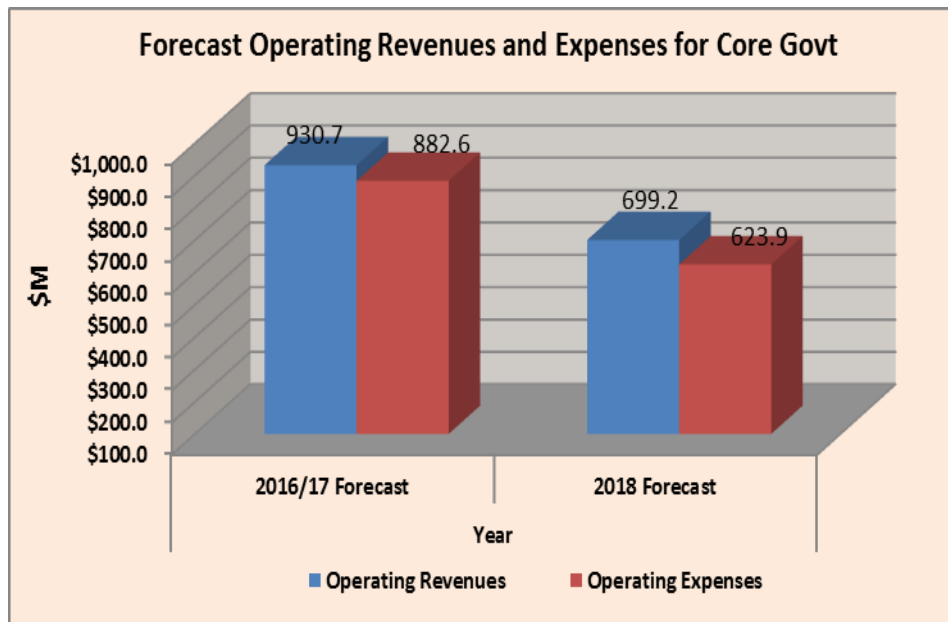
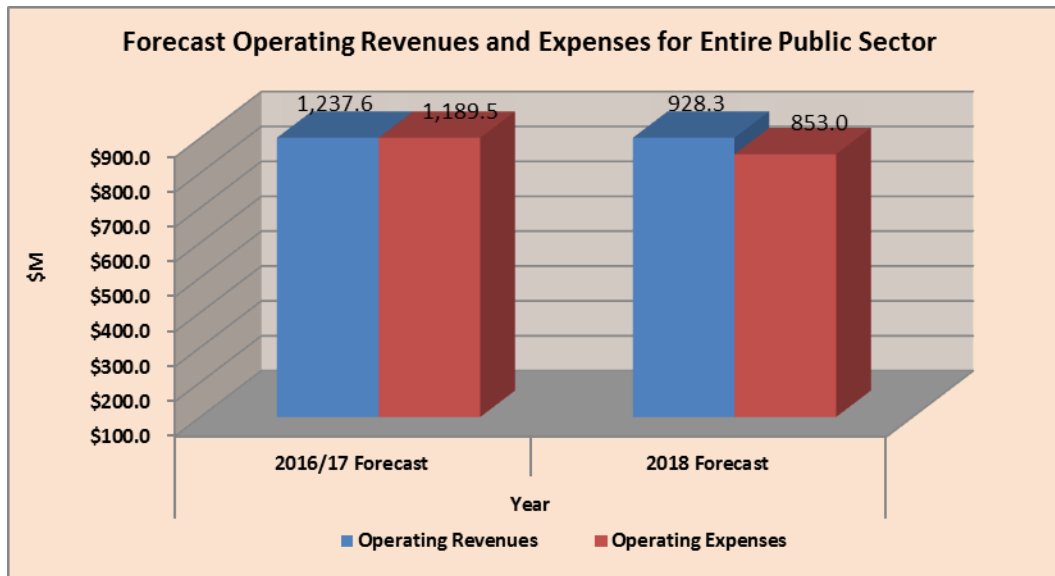


Figure 2
Entire Public Sector Forecast Operating Revenues and Expenses



Compliance with Principles of Responsible Financial Management

The ratios required by the Principles of Responsible Financial Management are all calculated in accordance with the Framework for Financial Responsibility (FFR).

The following definitions accord with the FFR:

Operating Revenue consists of coercive and non-coercive revenue as defined in the PMFL.

Expenditure, unless otherwise specified, refers to all public expenditure (inclusive of grants, capital and recurrent expenditure).

Public Borrowing includes:

- conventional borrowing from commercial and concessional institutions;
- the capitalized value of all alternative financing transactions (including PFI/PPP arrangements) that will place future financial obligations (in terms of increased expenditure or reduced revenue) on the Cayman Islands Government;
- the risk weighted debts and PPP/PFI arrangements of Statutory Authorities, Government Corporations and Companies;
- borrowing that is contracted by the Cayman Islands Government, but then on-lent; and
- any other debt guaranteed by the Cayman Islands Government.

Public borrowing taken out to clear “informal debt” or debt owed by one Public Sector entity or another (including arrears of such debts), will be treated as new debt.

Debt Service is defined as annual payments resulting from public borrowing commitments and finance leases or any other form of borrowing. This includes all borrowings of the Entire Public Sector and not just those of the Core Government. It also includes any other debt guaranteed by the Cayman Islands Government.

With imminent gazettal of the Public Management and Finance (Amendment) (No. 2) Law any additional repayments of debt that are voluntarily made are now excluded for the Debt Service calculation.

Net Debt is defined as the total outstanding value of public borrowing minus liquid assets.

Liquid Assets are defined as the lowest balance of liquid funds at the disposal of the Cayman Islands Government during the financial year. These funds should not be pledged against budgeted expenses or liabilities of any form.

Compliance with Principles of Responsible Financial Management

Principle		
	2016/17 PREFU Forecast	2018 PREFU Forecast
Operating surplus: should be positive (Operating surplus = core government operating revenue – core government operating expenses)	Complies Surplus = \$48.1 million	Complies Surplus = \$75.3 million
Net Worth: should be positive (Net worth = core government assets – core government liabilities)	Complies Net worth = \$1,225.2 million	Complies Net worth = \$1,300.5 million
Debt Servicing: Debt servicing cost for the year should be no more than 10% of core government revenue (Debt servicing = interest + principal repayments + other debt servicing expenses of EPS)	Complies Debt Servicing = 9.95%	Complies Debt Servicing = 8.98%
Net Debt: should be no more than 80% of core government revenue (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 unrestricted liquid assets)	Complies Net debt = 30.6%	Complies Net debt = 25.4%
Cash Reserves should be no less than 90 days estimated executive expenses (Cash reserves = core government cash and other liquid assets - restricted cash reserves)	Complies Cash reserves = 177 days	Complies Cash reserves = 159 days
Financial risks should be managed prudently so as to minimise risk	Complies Adequate fiscal and risk management plans are in place. Hurricane preparedness strategy in place.	Complies Adequate fiscal and risk management plans are in place. Hurricane preparedness strategy in place.

Statement on Compliance with the Principles of Responsible Financial Management

The forecast financial statements included in this PREFU shows that the Government will maintain full compliance with the Principles of Responsible Financial Management relating to **Operating Surplus, Net Worth, Net Debt Ratio, Debt Servicing Ratio, Cash Reserve days** and the management of **Financial Risks** throughout the forecast period.

8. CONCLUSION

As required by the Public Management and Finance Law (2013 Revision), as amended, this Pre-Election Economic and Financial Update presents the financial and macroeconomic forecasts and assumptions for the current financial year and the succeeding two financial years, and related commentary on the current trajectory of Government finances.

The economic forecast shows positive indicators for growth and reduced unemployment over the forecast period.

The forecasts are contingent on stable international economic conditions, private sector growth and the absence of economic shocks resulting from natural disasters or adverse international legislation.

For the financial year ending 31 December 2017, the Government is forecast to have an Operating Surplus of \$48.1 million. This forecast result is \$1.5 million more than the \$46.6 million originally budgeted, and results from higher than expected Revenue compared to the amount initially budgeted.

Core Government is forecast to have closing bank account balances totalling \$353.5 million for the year ending 31 December 2017. This amount is \$12.3 million more than the \$341.2 million shown in the 2016/17 original budget.

For the Entire Public Sector (EPS), closing bank balances for financial year 2016/17 is forecast to be \$465.1 million; this amount is \$37.8 million more than the \$427.3 million shown in the 2016/17 budget.

Core Government debt is forecast to be \$451.1 million at the end of financial year 2016/17. This accords with the original budget as all debt service obligations are expected to be met. For the wider Entire Public Sector, the closing debt balance is forecast to be \$506.7 million at the end of 2016/17.

The Government is forecast to be in full compliance with the Principles of Responsible Financial Management throughout the forecast period.

The information in this PREFU document is based on the year-to-date actual results, the representations and judgements provided by Chief Financial Officers of Ministries, Portfolios, Offices, Statutory Authorities and Government Owned Companies (Public Authorities), and the professional judgement of staff in Ministry of Finance and Economic Development, using the most recent information available on economic conditions, financial performance and estimated outturn.

9. APPENDIX 1

Government Forecast Financial Statements

For Financial Years Ending 31 December 2017 and 2018

**GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2017 AND 2018**

Statement of Accounting Policies

General Accounting Policies

Reporting entity

These forecast financial statements are for the Government of the Cayman Islands. They encompass the Core Government and the Entire Public Sector as required by the Public Management and Finance Law (2013 Revision), as amended. The reporting entities comprise:

- Ministries and Portfolios;
- Statutory Authorities;
- Government Owned Companies; and
- The Audit Office, the Office of the Complaints Commissioner, the Office of the Information Commissioner, Cabinet and the Director of Public Prosecution.

In the accounts of the Core Government, Public Authorities are accounted for on an equity accounting basis. The accounts for the Entire Public Sector show all agencies on a fully consolidated basis.

Basis of preparation

The forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards (IAS), or the United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the period.

Reporting Period

The reporting periods are the financial periods ending 31 December 2017 and 2018.

Comparability of Forecast Financial Statements

The 2016/17 financial period covers 18-months (1 July 2016 – 31 December 2017) as a transitional period in order to change the Government's financial year from the previous 1 July - 30 June to a 1 January – 31 December year. Therefore, the 2016/17 financial forecasts are not directly comparable with those of a usual forecast of 12 months – e.g. the forecast financial year ending 31 December 2018.

Basis of Consolidation

These financial statements utilise the equity method of combination at Central Government level for its investment in Statutory Authorities and Government Companies. The Entire Public Sector includes the same information as for the Core Government plus the revenues, expenses, assets and liabilities of Public Authorities on a line-by-line basis by aggregating them with the revenues, expenses, assets and liabilities of the Core Government. Transactions, balances and unrealised gains and losses on transactions between entities are eliminated on combination.

**GOVERNMENT OF THE CAYMAN ISLANDS
FORECAST FINANCIAL STATEMENTS
FOR THE PERIODS ENDING 31 DECEMBER 2017 AND 2018**

Statement of Significant Assumptions

General Forecast Assumptions

These forecast financial statements were finalised on 24 April 2017. They have been prepared under a “constant policy assumption” and take into consideration all of the Assented legislation and Cabinet decisions made up to 24 April 2017.

The forecast uses the most recent estimate for the results of the 18-month financial period 2016/17 as its base.

The forecast excludes measures which are unlikely to come to fruition during the forecast period due to the absence of policies or execution.

Unless stated otherwise in the specific forecast assumptions, revenues are expected to generally increase by 2.5% (a linkage to GDP growth expected) from 2016/17 to 2018.

Unless stated otherwise in the specific forecast assumptions section, expenditure increases are forecast to be in line with general inflation. Those increases exclude certain known costs (such as those paid for subscriptions, interest, court settlements etc.) or areas where specific strategies are forecast to curb the rate of expenditure.

These forecasts combine the realities of inflation and changes in volume, with expected savings from further efficiency measures.

Macroeconomic Assumptions

- Demographic trends remain constant;
- Rates underlying coercive revenue and the application of those rates are unchanged unless otherwise stated;
- Rates underlying user fees and charges and the application of those rates are unchanged;
- Debt servicing assumptions are based on assumed interest rates and current borrowing agreements;
- The exchange rate between the Cayman Dollar and the U.S. Dollar remains fixed; and
- No material contingent liabilities or other claims become actual liabilities.

Specific Forecast Assumptions

The following are specific **revenue assumptions** for the numbers shown in the forecast financial statements:

The revenue forecast does not include any new revenue measures. Revenues are expected to generally increase by 2.5% from 2016/17 to 2018. Revenue items showing an upward trajectory in 2016/17 include:

- Alcoholic Beverages Duty, Motor Vehicle Duty, Gasoline and Diesel Duty, totalling \$11.1 million more than budgeted, due to growth in the local economy and increased demand for goods and services.
- Stamp Duty on Land Transfers and Building Permit fees, totalling \$7.3 million more than budget, due to robust real estate development and resale markets.

The projections established are underpinned by assumptions that growth in the local economy is expected to result in increased demand for goods and services which are expected to drive revenue from import duties and other consumption based revenue items.

The financial services revenues including Banks & Trust Companies Fees and Company Fees show a decline due to lower activity over the forecast period.

Should the jurisdiction experience a significant negative economic shock in these areas, the financial position would be expected to deteriorate and not be consistent with the projections.

The following specific **expense assumptions** were used in producing the expenditure forecasts for the 2016/17 and 2018 financial years:

- Personnel Costs are forecast to be \$4.2 million more per year than budgeted expenditure in 2016/17 due to recent award of increments to address pay stagnation for Civil Servants who demonstrated good performance and who had not received an incremental increase for more than for three years; an increase in the number of teachers; increase staffing costs for the management of and control of mosquito-borne diseases. Staff costs are expected to increase in 2018 to bolster resources for public safety and the roll-out the National Tourism Plan;
- Supplies and Consumables are forecast to increase in 2016/17 due to increases in costs of mosquito larvicide and adulticide and incremental funding for key tourism projects;
- Financing expenses are expected to decrease over the forecast period as the Government's outstanding debt is reduced by repayments and no new borrowings are undertaken until the end of the forecast period;
- Transfer Payments increase by \$2.7 million in 2016/17 due to a higher number of scholarship recipients than budgeted. These costs remain at a comparable level in 2018;
- Outputs from Public Authorities increased throughout the forecast period due to additional service requests from Government; and
- Outputs from Non-Governmental Organisations are \$7.6 million higher than the original budget due to an increase in the cost of providing medical care at overseas institutions for indigents and services for refugees. "Medical Care at Various Overseas Providers" increased by \$4.0 million and, expenditures on for "Services for Irregular Migrants" increased by \$3.6 million. A similar level of costs is expected to continue over the next year.

The following specific assumptions are made with regards to **Borrowings** in the 2016/17 and 2018 financial years:

- Core Government will incur no new borrowings throughout the forecast period; and
- Public Authorities are not expected to incur any additional conventional borrowings over the forecast period other than the utilisation of small overdraft for operations. However, it is assumed that a Public Authority will utilise a temporary overdraft facility of \$8 million in the last quarter of 2017. It is envisaged that this overdraft amount will be fully repaid in 2018.

The following specific assumptions are made with regards to a total of \$80.2 million of **Capital Investments** in the 2018 financial year:

- \$29.5 million of capital investments into Statutory Authorities and Government Owned Companies to allow these agencies to meet their debt service obligations and to assist in the funding of operational losses;
- \$50.7 million will be invested in various Ministries and Portfolios primarily to fund the following major items:
 - Continued improvement to our education infrastructure and completion of the John Gray High School;
 - Continued development of the Islands Road Network infrastructure;
 - Development of a mental health facility;
 - Development of a youth facility;
 - Development of a Cayman Brac Multi-Purpose Centre;
 - Upgrade of sporting facilities;
 - Continued development of the integrated solid waste management system;
 - Purchase of land for conservation; and
 - Revitalization of George Town.

Contingent Liabilities

Environmental Remediation

The Government currently operates waste landfill sites in all three of the Cayman Islands. The capping of these landfills is currently out for bidding.

Legal Proceedings & Disputes

In relation to legal matters, estimates are developed by the Office of the Attorney General using current facts and known circumstances.

The factors considered in developing legal provisions include merits and jurisdiction of the litigation, the nature and number of other similar current and past litigation cases, the nature of the subject matter of the litigation, the likelihood of settlement and current state of settlement discussions, if any.

The Government is sometimes engaged in litigation arising in the ordinary course of its business. It does not believe that any such litigation will individually or in aggregate, have a material adverse financial effect. It is Government's policy to rigorously assert its position in such cases. Should the Government be unsuccessful in these matters, it does not expect the outcome to materially affect the results of its operations or financial position.

Post-Retirement Health Care

In addition to the Past Service Pension Liability, the Government also recognizes its obligations for the future health care costs of Civil Servants who earned that benefit based on their service prior to retirement with the Government.

Prior to 2005, Civil Servants who worked for a minimum of 10 years with the Government were entitled to a health care benefit upon retirement. However, the Public Service Management Law, which was introduced in 2005, requires that the employee puts in the same 10 years of qualifying service and also retires from the Civil Service in order to obtain such benefits in the future.

The results of health care liability actuarial valuation, completed in September 2016, estimated the post-retirement health care obligation as at 30 June 2016 to be \$1.7 billion with the post-retirement medical expense totaling \$141 million for the year ended 30 June 2016. The assumptions of the actuarial valuation have not been accepted by the Government and therefore the post-retirement health care obligation and related expenditure has not been formally recognised on the Statements of Financial Position and Performance.

Therefore for all intents and purpose, the Government is on a “pay-as-you-go” plan in respect of post-retirement health care liabilities. Currently, no long term assets have been established to start offsetting the Government’s post-retirement health care liability.

Forecast Financial Statements

Government of the Cayman Islands
Forecast Position Statement (\$000's)
For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	2016/17 Budget	2016/17 Forecast	2018 Forecast	2016/17 Budget	2016/17 Forecast	2018 Forecast
Current Assets						
Cash and Cash Equivalents (see Cash Summary on page 40)	341,211	35,942	76,835	428,901	157,062	179,112
Marketable Securities and Deposits	-	-	-	-	174	175
Loans Made	735	859	916	3,079	3,873	4,080
Trade Receivables	30,936	25,169	27,538	45,904	42,131	44,621
Inventories	3,401	4,570	4,642	21,549	15,035	20,361
Prepayments	7,343	4,541	4,485	12,484	8,521	10,708
Other Receivables	8,623	6,569	8,286	4,431	2,377	6,094
Total Current Assets	392,249	77,650	122,702	516,348	229,173	265,151
Non-Current Assets						
Loans	360	370	470	31,503	29,983	31,550
Trade Receivables	-	-	-	-	415	394
Other Receivables	-	150	150	-	151	151
Inventories	-	-	-	-	2,821	2,821
Investments (see Cash Summary on page 40)	831	318,377	258,377	101,806	428,466	373,466
Property, plant and equipment	1,366,904	1,392,197	1,420,888	1,731,585	1,739,470	1,799,428
Intangible Assets	3,869	4,043	2,843	5,943	6,242	4,797
Investment Property	-	-	-	-	15,046	14,609
Net Worth of Public Authorities	369,261	380,036	412,297	-	-	-
Total Non-Current Assets	1,741,225	2,095,173	2,095,025	1,870,837	2,222,594	2,227,216
Total Assets	2,133,474	2,172,823	2,217,727	2,387,185	2,451,767	2,492,367
Current Liabilities						
Trade Payables	27,591	15,790	17,369	19,379	12,621	10,895
Other Payables and Accruals	39,542	25,787	27,369	49,359	37,804	37,591
Bank overdraft	-	-	-	1,589	9,550	571
Unearned Revenue	16,332	45,671	45,231	28,077	55,080	50,264
Employee Benefits	7,970	8,304	6,516	10,473	10,371	8,544
Unfunded Pension Liability	21,400	17,100	11,400	-	23,562	15,841
Borrowings	30,280	30,280	287,023	41,819	43,729	301,529
Total Current Liabilities	143,115	142,932	394,908	150,696	192,717	425,235
Non-Current Liabilities						
Other Payables and accruals	-	-	-	268	2,048	1,633
Unearned Revenue	10,500	13,995	13,115	10,500	23,545	22,668
Borrowings	420,834	420,808	133,659	420,611	462,973	161,376
Currency Issued	-	-	-	97,500	106,876	106,876
Unfunded post retirement health care	-	-	-	34,231	57,034	76,620
Unfunded Pension Liability	366,940	369,840	375,540	481,294	381,327	397,454
Total Non-Current Liabilities	798,274	804,643	522,314	1,044,404	1,033,803	766,627
Total Liabilities	941,389	947,575	917,222	1,195,100	1,226,520	1,191,862
Total Assets Less Total Liabilities	1,192,085	1,225,248	1,300,505	1,192,085	1,225,247	1,300,505
Net Assets						
Reserves	173,851	175,695	168,937	173,849	237,118	229,478

Cash Summary (\$000's)

Description	<u>Core Government</u>			<u>Entire Public Sector</u>		
	2016/17 18-Month Budget	2016/17 18-Month Forecast	2018 Forecast	2016/17 18-Month Budget	2016/17 18-Month Forecast	2018 Forecast
Cash and cash equivalents (Fixed Deposits held with maturity of less than 90 Days)	341,211	35,942	76,835	428,901	157,062	179,112
Add: Investments (Fixed Deposits held with maturity of more than 90 Days)	-	317,546	257,546	-	317,546	257,546
Less: Overdrafts	-	-	-	1,589	9,550	571
Total Cash Balances	341,211	353,488	334,381	427,312	465,058	436,087

Government of the Cayman Islands
Forecast Statement of Financial Performance (\$000's)
For the Periods Ending 31 December 2017 and 2018

				<u>Core Government</u>	<u>Entire Public Sector</u>		
	Note	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
Coercive Revenue							
Levies on International trade and transactions		244,072	255,172	175,931	244,072	255,172	175,931
Domestic Levies on Goods and Services		543,025	542,907	425,769	543,025	542,907	425,769
Levies on Property		57,387	60,387	38,385	57,387	60,387	38,385
Fines		5,089	5,089	3,539	5,089	5,089	3,539
Other Executive Revenue		2,416	2,416	13,314	2,416	2,416	13,314
Total Coercive Revenue	1	851,989	865,971	656,938	851,989	865,971	656,938
Revenue							
Sale of Outputs (Goods and Services) to Others	2	51,832	57,276	36,848	367,261	361,957	269,584
Investment Revenue	3	4,628	7,100	5,057	6,609	8,650	823
Donations		60	225	225	1033	536	543
Other Revenue		25	107	100	6527	500	400
Total Revenue		56,545	64,708	42,230	381,430	371,643	271,350
Total Operating Revenue		908,534	930,679	699,168	1,233,419	1,237,614	928,288
Operating Expenses							
Personnel Costs	4	402,293	406,443	279,630	609,046	614,302	426,275
Supplies and Consumables	5	134,318	140,346	104,093	332,598	279,630	201,594
Leases	5	7,949	5,677	3,591	13,190	13,910	11,085
Depreciation	6	39,674	39,400	28,562	72,159	73,246	50,089
Litigation Costs		722	589	501	3,078	589	504
Outputs from non-governmental organisations	7	34,365	41,560	34,010	34,365	41,560	34,010
Outputs from Public Authorities	8	152,574	153,239	112,675	-	-	-
Transfer payments	9	48,929	51,564	36,508	48,929	51,564	36,508
Net (Profit)/Loss in Public Authorities	10	(520)	1,184	(2,680)	-	-	-
Other Operating Expenses		7,089	7,152	5,860	33,812	75,016	69,359
Total Operating Expenses		827,393	847,154	602,751	1,147,177	1,149,816	829,425
Surplus from Operating Activities		81,141	83,525	96,417	86,242	87,798	98,863
Financing expense	11	38,991	38,969	23,667	43,810	43,242	26,113
(Gains) on foreign exchange transactions		(4,474)	(3,511)	(2,508)	(4,192)	(3,511)	(2,508)
Total Non-Operating Revenue and Expenses		34,517	35,458	21,159	39,618	39,731	23,605
Net Surplus		46,624	48,067	75,258	46,624	48,067	75,258

Government of the Cayman Islands
Forecast Statement of Cash Flows (\$'000's)
For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	2016/17 18-Month Budget	2016/17 18-Month Forecast	2018 Forecast	2016/17 18-Month Budget	2016/17 18-Month Forecast	2018 Forecast
Cash Flows from Operating Activities						
Receipts						
Coercive receipts	852,991	890,544	648,767	852,988	890,544	648,767
Sale of Goods and Services	56,491	56,232	33,510	357,445	358,317	243,780
Interest received	4,562	4,901	4,200	5,414	5,002	4,310
Other receipts/ Donations	24,311	24,886	16,685	26,430	26,701	18,387
Payments						
Personnel Costs	(412,811)	(406,359)	(285,223)	(619,129)	(613,890)	(425,169)
Suppliers	(150,080)	(146,570)	(110,006)	(355,462)	(351,959)	(280,818)
Outputs from Public Authorities	(150,655)	(156,956)	(112,675)	-	-	-
Outputs from Non-Governmental Suppliers	(34,957)	(49,789)	(34,010)	(34,957)	(49,789)	(34,010)
Transfer Payments	(48,895)	(50,227)	(36,508)	(48,895)	(50,227)	(36,508)
Other payments	(22,430)	(24,018)	(17,180)	(41,357)	(42,050)	(29,293)
Interst paid	(39,459)	(39,459)	(24,201)	(42,211)	(43,634)	(24,771)
Net cash flows from Operating Activities	79,068	103,185	83,359	100,266	129,015	84,675
Cash Flows from Investing Activities						
Receipts						
Capital withdrawal/Dividends from Public Authorities	3,077	2,851	3,937	-	-	-
Loans Made (LM's) and Maturity of Fixed Deposits	1,043	298,135	317,946	1,043	298,135	377,946
Payments						
Purchase of property, plant and equipment	(67,836)	(70,667)	(46,643)	(141,950)	(106,197)	(71,840)
Equity Injection in Public Authorities	(35,208)	(38,066)	(29,581)	-	-	-
Loans Made/ Placement of Fixed Deposits	(1,020)	(296,325)	(257,846)	(2,525)	(296,325)	(317,846)
Net cash flows from Investing Activities	(99,944)	(104,072)	(12,187)	(143,432)	(104,387)	(11,740)
Cash Flows from Financing Activities						
Proceeds from Borrowings	-	-	-	-	-	-
Repayment of Borrowings	(52,305)	(52,264)	(30,279)	(70,352)	(80,639)	(44,383)
Net Cashflows from Financing Activities	(52,305)	(52,264)	(30,279)	(70,352)	(80,639)	(44,383)
Net increase/(decrease) in cash and cash equivalents	(73,181)	(53,151)	40,893	(113,518)	(56,011)	28,552
Cash and cash equivalents at beginning of period	414,392	89,093	35,942	540,830	203,523	149,989
Cash and cash equivalents at end of period (Deposits held with	341,211	35,942	76,835	427,312	147,512	178,541
Fixed Deposits (Maturity greater than 90 Days)	-	317,546	257,546	-	317,546	257,546
Total Cash and Deposits	-	353,488	334,381	-	465,058	436,087
Restricted Cash Balances	173,851	175,695	168,937	173,851	175,695	168,937
Operating Cash Balances	167,360	177,793	165,444	253,461	289,363	267,150
Total Cash Balances	341,211	353,488	334,381	427,312	465,058	436,087

Government of the Cayman Islands
Forecast Statement of Changes in Net Worth (\$'000's)
For the Periods Ending 31 December 2017 and 2018

	<u>Entire Public Sector</u>			
	Reserves	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
Balance at 30 June 2016	183,410	522,158	471,612	655,022
Changes in net worth for 2016/17				
Transfers	53,708	-	(53,708)	-
Net revenue/ expenses recognised directly in net worth	53,708	-	(53,708)	-
Surplus/(deficit) for the period 2016/17	-	-	48,067	48,067
Total recognised revenues and expenses for the period	53,708	-	(5,641)	48,067
Balance at 31 December 2017 carried forward	237,118	522,158	465,971	1,225,247
				0
	Reserves	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
Balance at 31 December 2017 brought forward	237,118	522,158	465,971	1,225,247
Changes in net worth for 2018				
Transfers	(7,640)	-	7,640	-
Net revenue/ expenses recognised directly in net worth	(7,640)	-	7,640	-
Surplus/(deficit) for the period 2018			75,258	75,258
Total recognised revenues and expenses for the period	(7,640)	-	82,898	75,258
Balance at 31 December 2018	229,478	522,158	548,869	1,300,505

Government of the Cayman Islands
Statement of Borrowings - Core Government
For the Periods Ending 31 December 2017 and 2018

	Forecast 2016/17	Forecast 2018
Foreign Currency Debt (\$CI 000's)		
Not later than one year	30,280	287,023
Between one and two years	312,752	25,724
Between two and five years	68,908	69,100
Later than five years	39,148	38,835
Total Foreign Currency - Core Govt. Debt	451,088	420,682

Government of the Cayman Islands
Statement of Borrowings - Entire Public Sector
For the Periods Ending 31 December 2017 and 2018

	Forecast 2016/17	Forecast 2018
Local Currency Debt (000's)		
Not later than one year	2,430	740
Between one and two years	740	779
Between two and five years	2,463	2,593
Later than five Years	1,867	958
Total Local Currency Debt	7,500	5,070
Foreign Currency Debt (\$CI 000s)		
Not later than one year	40,552	300,787
Between one and two years	325,094	28,206
Between two and five years	85,952	85,834
Later than five years	47,604	43,008
Total Foreign Currency Debt	499,202	457,835
Total Public Debt	506,702	462,905

Notes to the Forecast Financial Statements

Notes to Forecast Financial Statements

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 1: COERCIVE REVENUE						
Levies on International Trade and Transactions						
Import Duties						
Alcoholic Beverages Duty	27,444	29,044	19,429	27,444	29,044	19,429
Gasoline and Diesel Duty	13,587	19,587	17,275	13,587	19,587	17,275
Motor Vehicle Duty	17,315	20,815	14,150	17,315	20,815	14,150
Other Import Duty	152,146	152,147	101,114	152,146	152,147	101,114
Tobacco Products Duty	11,676	11,676	7,931	11,676	11,676	7,931
Other Levies on International Trade and Transactions						
Cruise Ship Departure Charges	13,934	13,934	10,114	13,934	13,934	10,114
Environmental Protection Fund Fees	7,970	7,970	5,918	7,970	7,970	5,918
Total Levies on International Trade and Transactions	244,072	255,172	175,931	244,072	255,172	175,931
Domestic Levies on Goods and Services						
Accreditation Grant	153	-	-	153	-	-
Annual fee for Certificate of Direct Investment - Fee equivalent to that payable for a work permit	-	-	28	-	-	28
Annual Permanent Resident Work Permit Fee	20,387	20,387	13,565	20,387	20,387	13,565
Banks and Trust Licenses	31,242	29,497	29,007	31,242	29,497	29,007
Birth, Deaths & Marriages Registration	162	151	106	162	151	106
Broadcasting Licenses	-	-	-	-	-	-
Building Permit Fees	2,117	6,437	1,412	2,117	6,437	1,412
Business Premise Fee	-	-	-	-	-	-
Business Staffing Plan Board Fees	67	67	62	67	67	62
Business Visitors Permit	1	1	1	1	1	1
Caymanian Status Fees	1,066	1,066	731	1,066	1,066	731
Cinematographic Licenses	-	18	12	-	18	12

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 1: COERCIVE REVENUE						
Domestic Levies on Goods and Services (continued)						
CUC - License	2,363	2,363	1,575	2,363	2,363	1,575
Debit Transaction Fees	4,303	4,303	3,152	4,303	4,303	3,152
Dependant of Caymanian Grant Fee	3	3	1	3	3	1
EZG- Special Economic Zone Employment Certificate Grant Fee	425	425	289	425	425	289
Firearms Licenses	69	69	32	69	69	32
FPW - Final WP Non-renewal (90days) - Grant	11	11	2	11	11	2
General Search Fees	533	547	289	533	547	289
Grant of Temporary Work Permit - Seasonal Worker	46	46	41	46	46	41
Grant of Temporary Work Permit - Entertainer	-	-	2	-	-	2
Health Practitioners' Board Fee	722	722	632	722	722	632
Hotel Licenses	323	323	193	323	323	193
ICTA Licences	11,443	11,443	7,629	11,443	11,443	7,629
Immigration Non-Refundable Repatriation Fee	2,148	2,148	1,276	2,148	2,148	1,276
Insurance Licenses	10,116	9,450	10,382	10,116	9,450	10,382
Insurance Stamp Duty	1,843	1,843	1,263	1,843	1,843	1,263
Issue Fee for Certificate of Direct Investment	-	-	20	-	-	20
Issue Fee for Specialist Caregiver Certificate	39	39	33	39	39	33
Key Employee Designation	-	-	-	-	-	-
Land Registry Fees	1,733	1,733	1,155	1,733	1,733	1,155
Law Firm Operational	3,280	3,650	2,500	3,280	3,650	2,500
Lease of Crown Lands	-	-	-	-	-	-
Legal Practitioner Fee	2,175	2,175	1,400	2,175	2,175	1,400
Liquor Licenses	1,233	1,192	616	1,233	1,192	616
Local Co. and Corp. Mgmt. Fees	2,627	3,057	2,629	2,627	3,057	2,629
Local Company Control License Grants/Renewals	-	550	385	-	550	385
Local Vessel Licenses	530	-	37	530	-	37

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 1: COERCIVE REVENUE						
Domestic Levies on Goods and Services (continued)						
Miscellaneous Licenses	86	86	64	86	86	64
Money Services Licence	40	66	25	40	66	25
Money Transfer Fees	3,743	3,743	-	3,743	3,743	-
Motor Vehicle Charges	3,115	3,115	2,076	3,115	3,115	2,076
Motor Vehicle Drivers Licences	770	770	528	770	770	528
Limited Liability Companies	2,401	1,166	1,166	2,401	1,166	1,166
Motor Vehicle Environmental Tax	1,203	1,203	819	1,203	1,203	819
Mutual Fund Administrators	47,615	49,159	46,758	47,615	49,159	46,758
Notary Public Fees	412	462	317	412	462	317
Other Company Fees - Exempt	110,937	108,725	93,398	110,937	108,725	93,398
Other Company Fees - Foreign	8,896	8,330	7,709	8,896	8,330	7,709
Other Company Fees - Non-Resident	2,179	2,727	1,909	2,179	2,727	1,909
Other Company Fees - Resident	3,369	3,095	2,869	3,369	3,095	2,869
Other Stamp Duty	12,920	12,920	8,373	12,920	12,920	8,373
Package Charges	1,759	1,759	1,196	1,759	1,759	1,196
Partnership Fees	52,361	52,111	41,127	52,361	52,111	41,127
Patents and Trademarks	2,167	1,562	1,727	2,167	1,562	1,727
PCW - Provision for continuation of work permit - Grant	2,401	2,401	1,634	2,401	2,401	1,634
Planning Fees	1,039	1,039	692	1,039	1,039	692
Public Records	176	212	106	176	212	106
Public Transport - Drivers Licenses	-	-	18	-	-	18
Public Transport - Operator Licenses	-	-	15	-	-	15
Residency & Employ. Rights Cert.- Surviving Spouse of a Caymanian	2,862	2,862	6	2,862	2,862	6
Residency & Employment Rights Certificate by Dependent of a P.	4	4	172	4	4	172
Residency & Employment Rights Certificate Issue Fee	127	127	1,956	127	127	1,956
Residency and Employment Rights Certificate by Spouse of a Caymanian	248	248	184	248	248	184
Residency Certificate for Persons of Independent Means Grant Fee	585	585	462	585	585	462
RFI - Permanent Residence - Persons of Independent Means	949	949	602	949	949	602

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 1: COERCIVE REVENUE						
Domestic Levies on Goods and Services (continued)						
Roads Development Fund Fee	12,488	12,488	8,000	12,488	12,488	8,000
Security Investments	17,632	17,632	16,842	17,632	17,632	16,842
Ship Registration Fees	194	194	-	194	194	-
Spear Gun Licenses	9	9	6	9	9	6
Special Marriage Licenses	98	98	70	98	98	70
Stamp Duty - Online Meter (Executive)	500	500	333	500	500	333
Tax and Trust Undertakings	15,597	15,597	10,000	15,597	15,597	10,000
Temporary Residency and Employment Rights Certificate to Spouse of a Caymanian	-	-	2	-	-	2
Tobacco Dealer Registration fees	164	206	82	164	206	82
Tourism Fines	-	-	-	-	-	-
Tourist Accommodation Charges	24,779	24,779	20,216	24,779	24,779	20,216
Tower Licence Fees	-	-	-	-	-	-
Traders Licenses	6,770	6,836	4,750	6,770	6,836	4,750
Trust Registration Fees	985	1,036	698	985	1,036	698
W.I.Z. - Boat Licensing	5	5	3	5	5	3
Work Permits Fees	99,758	99,758	67,940	99,758	99,758	67,940
Working Under Operation of Law Fees	162	162	151	162	162	151
Website - Recovery Fees	360	317	250	360	317	250
HRS-Administrative Fines for Health Insurance Offences	-	150	60	-	150	60
Total Domestic Levies on Goods and Services	543,025	542,907	425,769	543,025	542,907	425,769

Government of the Cayman Islands
Forecast Statement of Financial Performance (\$'000's)
For the Periods Ending 31 December 2017 and 2018

	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 1: COERCIVE REVENUE (continued)						
Levies on Property						
Infrastructure Fund Fees	1,000	1,000	667	1,000	1,000	667
Land Holding Companies Share Transfer Charges	300	300	288	300	300	288
Stamp Duty - Land Transfer	55,000	58,000	36,667	55,000	58,000	36,667
Timeshare Ownership Charges	1,087	1,087	764	1,087	1,087	764
Total Levies on Property	57,387	60,387	38,385	57,387	60,387	38,385
Fines						
Compounded Penalties	57	57	38	57	57	38
Court Fines	4,000	4,000	2,800	4,000	4,000	2,800
Customs Fines	42	42	28	42	42	28
Immigration Fines	654	654	445	654	654	445
Procedural Fines	336	336	228	336	336	228
Total Fines	5,089	5,089	3,539	5,089	5,089	3,539
Other Executive Revenue						
Proceeds of Crime Law (PoCL)	2,416	2,416	13,314	2,416	2,416	13,314
Total Other Executive Revenue	2,416	2,416	13,314	2,416	2,416	13,314
TOTAL COERCIVE REVENUE	851,989	865,971	656,938	851,989	865,971	656,938

Government of the Cayman Islands
Forecast Statement of Financial Performance (\$000's)
For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 2: SALE OF GOODS AND SERVICES						
Fees and Charges						
Agricultural Department Fees	394	394	263	394	394	263
Annual Work Permit Application Fees (Entity)	1,733	1,733	1,197	1,733	1,733	1,197
APA - Appeal to Board against decision made by an Immigration Officer Application Fee	17	17	11	17	17	11
Application Fee for Specialist Caregiver Certificate	8	8	6	8	8	6
Authentication and Apostille of Documents Fees	3,229	3,229	2,256	3,229	3,229	2,256
Bailiff Fees	-	1	-	-	1	-
Business Staffing Plan Application Fees (Entity)	27	27	18	27	27	18
BVX - Business Visitors Permit - Express Determination Fee	56	56	43	56	56	43
Cabinet Appeal Fees (formerly Executive Council Appeal Fees)	99	99	56	99	99	56
Cayman angel Investors Network	-	-	-	-	-	-
Caymanian Status Application Fees (Entity)	300	300	205	300	300	205
Customised Motor Vehicle Licence Plate Fees	45	45	30	45	45	30
Customs Special Attendance Fees	1,154	1,154	702	1,154	1,154	702
Dependant of a Caymanian Admin Fee	3	3	2	3	3	2
Disinsection Fees	4	4	-	4	4	-
Drivers Examination Fees	303	303	202	303	303	202
Duplicate Vehicle Log Books	57	57	38	57	57	38
Environmental Service Fees		29	21		29	21
Examination Fees	2,901	2,901	1,934	2,901	2,901	1,934
Express Fee - Work Permits	1,804	1,804	1,213	1,804	1,804	1,213
External Training	25	25	17	25	25	17

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$'000's)

For the Periods Ending 31 December 2017 and 2018

	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 2: SALE OF GOODS AND SERVICES						
Fees and Charges (continued)						
FPA - Final WP Non-renewal (90days) - Admin		3	2		3	2
Freedom of Information Fees	2	2	1	2	2	1
Funds Received From Department of Tourism (DOT) Events	-	-	5	-	-	5
Funds Received from RCY Events	17	17	5	17	17	5
Garbage Fees	2,568	3,345	2,972	2,568	3,345	2,972
Heavy Equipment Application Fees	3	3	2	3	3	2
IT Consultancy	3	3	-	3	3	-
Land Survey Fees	168	168	112	168	168	112
Law School Fees	779	779	665	779	779	665
Legal Practitioner Fees	2,175	2,175	1,500	2,175	2,175	1,500
Local Companies Administration Fees	5	16	8	5	16	8
Mail Terminal Credits	550	500	333	550	500	333
Maintenance of Buildings (Labour)	9	9	6	9	9	6
Mapping Services		165	110		165	110
Motor Vehicle Inspection Fees	2,028	2,028	1,352	2,028	2,028	1,352

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 2: SALE OF GOODS AND SERVICES						
Fees and Charges Contd.						
Naturalisation and Registration Fees	712	713	470	712	713	470
Online Planning System Fees	-	-	-	-	-	-
Other Company Fees - Exempt (Entity)	223	303	159	223	303	159
Other Immigration Fees	2,074	2,074	1,375	2,074	2,074	1,375
Other Labour Charges - PWD (Cayman Brac)		2	20		2	20
Passport Fees	906	906	608	906	906	608
PCA - Provision for Continuation of WP - Amendment - Admin	-	3	1	-	3	1
PCG - Provision for Continuation of WP - Amend	-	2	1	-	2	1
Pension Plan Registration Fees	136	1,364	909	136	1,364	909
Permanent Residence Application Fees (Entity)		0	0		0	0
Permanent Residence/Residency & Employment Rights Certificate	126	126	83	126	126	83
Private Sector Computing Fees	5,392	5,809	2,800	5,392	5,809	2,800
Professional Legal Fees	158	150	100	158	150	100
Public Library Fees	30	30	20	30	30	20
PWA - Provision for continuation of work permit - Admin	-	158	47	-	158	47
Recycling Fees	30	40	30	30	40	30
Refund Processing Fees	3	4	2	3	4	2
Residency & Employment Rights Cert. - Surviving spouse of a Caym	2	2	3	2	2	3
Residency & Employment Rights Certificate Admin Fee	435	435	283	435	435	283
Residency and Employment Rights Certificate by the Dependant of	42	42	35	42	42	35
Residency and Employment Rights Certificate by the Spouse of a C	234	234	154	234	234	154
Residency Certificate for Persons of Independent Means Admin Fe	20	20	-	20	20	-
Restoration of Seized Goods	3	3	2	3	3	2
RFA - Permanent Residence - Persons of Independent Means - Ren	2	2	1	2	2	1
RGA - Variation of Permanent Residence - Person of Independent	3	3	2	3	3	2

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 2: SALE OF GOODS AND SERVICES						
Fees and Charges Contd.						
Sale of Custom Forms	8	40	26	8	40	26
School Fees	227	227	151	227	227	151
Special Econ. Zone – Trade Certificate Renewal Fee	23	26	27	23	26	27
Special Marriage License Application Fee	33	33	23	33	33	23
Temporary Work Permit Application Fees (Entity)	1,515	1,515	992	1,515	1,515	992
Tourist Reservation Fees	-	-	2	-	-	2
Tower Licence Fees		248	140		248	140
Trade and Business Administration Fees	526	712	369	526	712	369
Transcript Fees	3	3	2	3	3	2
TWP Entertainer Application Fee	1	1	-	1	1	-
Variation/Amendment Fee for BSP	73	73	50	73	73	50
Vault Sales (Cemetery Fees)	-	238	172	-	238	172
Vehicle And Equip. Maintenance Fees	53	53	35	53	53	35
Vehicle Bank Liens	77	77	51	77	77	51
Vehicle Change of Ownership	281	281	188	281	281	188
Vehicle Disposal Fees	1,279	2,179	1,000	1,279	2,179	1,000
VWA - Visitor's Work Visa Application Fee	298	298	201	298	298	201
Warehousing	1,369	1,369	952	1,369	1,369	952
Web Receipts	700	700	467	700	700	467
Work Under Operation of Law Fees	15	15	17	15	15	17
RJA - Residency Certificate (Substantial Business Presence) Application Fee	6	6	-	6	6	-
Fees and Charges - SAGC	-	-	-	120,380	106,892	85,229
Total Fees and Charges	38,017	42,450	27,614	158,160	149,342	112,843

Government of the Cayman Islands
Forecast Statement of Financial Performance (\$000's)
For the Periods Ending 31 December 2017 and 2018

	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 2: SALE OF GOODS AND SERVICES (continued)						
General Sales						
Auction Receipts	-	3	-	-	3	-
Canteen Sales	135	135	-	135	135	-
Inventory Spare Parts	-	83	55	-	83	55
Miscellaneous Sales	-	9	9	-	9	9
Other Postal Business	84	84	56	84	84	56
Philatelic Sales	30	30	20	30	30	20
Police Clearances	1,309	1,309	844	1,309	1,309	844
Postal Stamps	2,407	2,250	1,500	2,407	2,250	1,500
Prison Craft Sales	15	15	-	15	15	-
Prison Sales	45	45	-	45	45	-
Sale Of Advertising Space	536	536	500	536	536	500
Sale of Agric. Supplies/Produce	2,109	2,100	1,400	2,109	2,100	1,400
Sale Of Gazettes And Subscriptions	1,047	1,047	700	1,047	1,047	700
Sale Of Laws	30	30	24	30	30	24
Temporary Work Permit - Seasonal Worker	2	2	3	2	2	3
General Sales - SAGC	-	-	-	146,022	97,665	69,619
Total General Sales	7,749	7,677	5,111	153,771	105,342	74,730
Rentals						
Equipment Rental - PWD (Cayman Brac)	15	15	9	15	15	9
Postal Box Rental Fees	1522	1,522	1,015	1522	1,522	1,015
Rental - School Canteens	81	81	54	81	81	54
Rentals - Craft Market	90	90	60	90	90	60
Rentals - Government Housing	38	38	26	38	38	26
Rentals - Marco Giglioili	-	-	-	0	-	-
Rentals - Other (Formerly Tower Building)	27	27	18	27	27	18
Rentals - Other Properties	94	94	60	94	94	60
Rentals - Town Halls	39	39	26	39	39	26
Rentals - SAGC	-	-	-	3,539	3,476	2,298
Total Rentals	1,906	1,906	1,268	5,445	5,382	3,566
Other Goods and Services Revenue						
Births, Deaths and Marriages						
GIS Applications	251	251	167	251	251	167
GPS Licences	32	32	21	32	32	21
Internal Audit Service Fees	-	44	30	-	-	-
Miscellaneous Licencing Receipts	84	84	71	84	84	71
Miscellaneous Receipts	252	795	248	252	795	248
Other Goods and Services Revenue - SAGC	-	-	-	49,266	100,729	77,939
Total Other Goods and Services Revenue	619	1,206	537	49,885	101,891	78,446
Sales of Services to Public Entities	3,541	4,036	2,318	-	-	-
TOTAL SALES OF GOODS AND SERVICES	51,832	57,275	36,848	367,261	361,957	269,584

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 6: DEPRECIATION						
Depreciation of aeroplanes	64	64	43	2,590	2,590	2,646
Depreciation of boats	445	503	335	445	503	335
Depreciation of buildings	16,523	15,838	11,029	29,395	31,980	22,335
Depreciation of computer	2,657	2,500	3,080	4,408	3,683	2,785
Depreciation of computer software	1,767	1,694	1,194	2,953	2,776	2,143
Depreciation of furniture and fittings	1,007	994	679	1,890	1,868	1,393
Depreciation of leasehold	257	259	225	670	623	494
Depreciation of office equipment	601	576	410	1,108	1,061	877
Depreciation of other assets	862	912	581	2,414	1,026	594
Depreciation of other infrastructure assets	1,543	1,540	1,240	2,871	1,540	1,240
Depreciation of other plant and equipment	2,976	2,959	2,006	7,527	7,258	4,586
Depreciation Water Reticulation and Sewerage	7	7	4	4,046	6,048	2,584
Depreciation of roads and sidewalks	8,138	8,138	5,425	8,138	8,138	5,425
Depreciation of vehicle	2,827	3,417	2,311	3,704	4,153	2,654
Total Depreciation	39,674	39,400	28,562	72,159	73,246	50,089

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government			Entire Public Sector		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 7: OUTPUTS FROM NON-GOVERNMENT OUTPUT SUPPLIERS						
NGS 1 - Organize, Administer and Execute the Cayman Islands Fishing Tournament	30	30	30	30	30	30
NGS 2- Legal Aid	3,990	3,990	2,700	3,990	3,990	2,700
NGS 3 - Organization of Batabano Festival	45	45	30	45	45	30
NGS 4 - Aids and First Aid Education Program	33	33	22	33	33	22
NGS 7 - Management of Small Business Development	345	345	230	345	345	230
NGS20 - Employee Assistance Programme	218	218	145	218	218	145
NGS 24 - Spaying and Neutering of Dogs and Cats	65	65	43	65	65	43
NGS 25 - Teaching of Tertiary Education Course (ICCI)	135	135	90	135	135	90
NGS 26 - Organization of the Miss Cayman Committee Pageant	75	75	50	75	75	50
NGS 34 - Primary and Secondary Education by Private Schools	2,295	2,295	1,530	2,295	2,295	1,530
NGS 38-Services for Refugees	405	3,600	3,600	405	3,600	3,600
NGS 47 Mentoring Cayman Programme	9	9	6	9	9	6
NGS 53 - Palliative Care Nursing - Hospice Care	120	120	71	120	120	71
NGS 54 - Social Marketing for Prevention of HIV/AIDS - Cayman Aids Foundation	68	68	45	68	68	45
NGS 55 - Tertiary Medical Care at Various Overseas and Local Providers	17,166	21,166	19,000	17,166	21,166	19,000
NGS 57 - Gardening Projects and Landscaping	5	5	3	5	5	3
NGS 58 Elite Athletes Programme	118	118	79	118	118	79
NGS 59 Youth Development Programme	290	290	193	290	290	193
NGS 60 Sports Programmes	1,058	1,058	705	1,058	1,058	705
NGS 62 Community Development, Prevention and Beautification Programmes	50	50	33	50	50	33
NGS 63 School Lunch and Uniform Programmes	186	186	124	186	186	124

Government of the Cayman Islands
Forecast Statement of Financial Performance (\$000's)
For the Periods Ending 31 December 2017 and 2018

	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 7: OUTPUTS FROM NON-GOVERNMENT OUTPUT SUPPLIERS (continued)						
NGS 64 Care of the Indigent, Elderly and Disabled Persons	2,100	2,100	1,400	2,100	2,100	1,400
NGS 65 National Council of Voluntary Organization and Children Services	176	230	117	176	230	117
NGS 66 Foster Care for Children	338	338	225	338	338	225
NGS 67 Community Programmes	226	226	151	226	226	151
NGS 68 Rental Accommodation for Persons in Need	2,920	2,920	1,947	2,920	2,920	1,947
NGS 70 Burial Assistance for Indigents	225	225	150	225	225	150
NGS 71 Support for Battered Women and Children	482	482	321	482	482	321
NGS 72 Therapeutic Services for Young Persons	38	38	25	38	38	25
NGS 74 - Preservation of Natural Environments and Places of Historic Significance	855	855	770	855	855	770
NGS 76 - Sexual Trauma Children & Adolescent Recovery (STAR)	43	43	29	43	43	29
NGS 77- Music Therapy Without Borders (Wellness Centre)	54	-	-	54	-	-
NGS 79 - Cayman Islands Protective Services (K9-Security Services)	44	44	32	44	44	32
NGS 82 Other Sports Programmes	137	137	91	137	137	91
NGS 83 - Other Health & Cultural Programs	21	21	21	21	21	21
Total Non-Government Organizations	34,365	41,560	34,010	34,365	41,560	34,010

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

Core Government

Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
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NOTE 8: OUTPUTS FROM PUBLIC AUTHORITIES

Auditors Oversight Authority	473	473	315
Cayman Airways Ltd	24,695	24,695	17,306
Cayman Islands Development Bank	850	850	567
Cayman Islands Monetary Authority	20,750	20,750	15,500
Cayman Islands National Insurance Company	43,310	43,310	35,234
Cayman Maritime Administration	539	539	419
Cayman National Museum	1,231	1,231	821
Children and Youth Services Foundation	3,267	3,267	2,178
Utility Regulation and Competition Office	698	698	733
Health Services Authority	44,010	44,675	30,931
Information and Communications Technology Authority			
National Gallery	603	603	443
National Cultural Foundation	943	943	660
National Drug Council	955	955	645
National Housing Community Development Trust	871	871	581
National Roads Authority	-	-	-
Sister Island Affordable Housing	108	108	150
Tourism Attractions Board	2,945	2,945	1,961
University College of the Cayman Islands	6,325	6,325	4,231
Total Outputs from Public Authorities	152,574	153,239	112,675

Government of the Cayman Islands
Forecast Statement of Financial Performance (\$'000's)
For the Periods Ending 31 December 2017 and 2018

	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 9: TRANSFER PAYMENTS						
TP 13 - Miss Cayman Scholarship	75	75	50		75	50
TP 30 - Local, Overseas Scholarships and Bursaries	17,117	19,153	14,815	75	19,153	14,815
TP 41 Poor Relief Payments	9,390	9,390	6,260	17,117	9,390	6,260
TP 43 Poor Relief Vouchers	2,325	2,325	1,550	9,390	2,325	1,550
TP 44 Temporary Poor Relief	45	45	30	2,325	45	30
TP 45 Youth After Care Payments	90	90	60	45	90	60
TP 46- Emergency Relief Payments	120	120	90	90	120	90
TP 47 Ex- Gratia Benefits to Seamen	9,009	9,009	6,006	120	9,009	6,006
TP 48 Benefit Payments to Ex-Servicemen	1,529	1,499	1,019	9,009	1,499	1,019
TP 49 Youth Programmes	131	141	87	1,529	141	87
TP 50 Pre-School Assistance	1,203	1,203	1,100	131	1,203	1,100
TP 51 - Other Educational Assistance	374	374	249	1,203	374	249
TP 56 - Employment Initiatives	2,257	2,151	1,505	374	2,151	1,505
TP 57 Children and Family Services Support	727	727	485	2,257	727	485
TP 58-Support for the Cayman Islands Red Cross	105	105	70	727	105	70
TP 60 Housing Assistance	557	557	371	105	557	371
TP 61 - Student Enrichment & Support Services (formally After School Programmes)	870	870	580	557	870	580
TP 63 - Support to Local Business Associations	168	168	140	870	168	140
TP 66 - Sister Islands Home Repairs Assistance	150	200	100	168	200	100
Assistance	659	719	439	150	719	439
TP 69-Support for the Bridge Foundation	150	150	100	659	150	100
TP 70 - Athlete Development Programme	0	742	501	150	742	501
TP 72 Other Youth and Sports Programmes	752	770	500	-	770	500
TP 73 - Other Health & Cultural Program Assistance	225	205	150	752	205	150
Livestock	113	113	75	225	113	75
TP 75 Needs Assessment Support	750	0	0	113	0	0
TP 76 - Assistance for Infrastructure Development	38	111	25	750	111	25
TP 78- Ex-Gratia Compensation	-	552	150	38	552	150
Total Transfer Payments	48,929	51,564	36,508	48,929	51,564	36,508

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$'000's)

For the Periods Ending 31 December 2017 and 2018

	Core Government		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 10: NET (PROFIT)/ LOSS OF PUBLIC AUTHORITIES			
Auditors Oversight Authority	40	41	31
Cayman Airways Ltd.	(334)	(334)	(550)
Cayman Islands Airport Authority	(13,109)	(13,109)	(9,144)
Cayman Islands Development Bank	(160)	(160)	(129)
Cayman Islands Monetary Authority	(598)	0	0
Cayman Islands National Insurance Company	8,585	7,690	2,030
Cayman National Cultural Foundation	233	233	139
Cayman Turtle Farm	10,834	10,418	6,688
Children and Youth Services Foundation	459	459	80
Civil Aviation Authority	(4,613)	(4,644)	(3,228)
Utility Regulation and Competition Office	(84)	(57)	(100)
Health Services Authority	(809)	721	330
Information Communications and Technology		0	0
Maritime Authority of the Cayman Islands	812	507	(350)
National Gallery	436	63	266
National Housing and Development Trust	1,735	1,734	1,119
National Museum	-	-	-
National Roads Authority	-	1,800	1,500
National Drug Council	-	15	0
Port Authority	874	873	1,414
Sister Islands Affordable Housing	39	(43)	8
Stock Exchange	(760)	(866)	(638)
Tourism Attraction Board	(4)	(16)	(32)
University College of the Cayman Islands	-	(45)	(73)
Water Authority	(4,096)	(4,096)	(2,041)
Total Net (Profit)/Loss of Public Authorities	(520)	1,184	(2,680)

Government of the Cayman Islands

Forecast Statement of Financial Performance (\$000's)

For the Periods Ending 31 December 2017 and 2018

	<u>Core Government</u>			<u>Entire Public Sector</u>		
	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018	Budget for FY 2016/17 (18-Months)	Forecast for FY 2016/17 (18-Months)	Forecast for 2018
NOTE 11: FINANCING EXPENSE						
Interest on Borrowings	38,891	38,969	23,667	43,389	42,896	26,113
Interest on Bank Overdraft	-	-	-	47	-	-
Other Borrowing Costs	-	-	-	377	346	-
Total Financing Expense	38,891	38,969	23,667	43,813	43,242	26,113

10. APPENDIX 2

Schedule of Changes made to the 2016/17 Appropriations

During Financial Period Ending 2016/17

Permitted by Section 11(5) of the Public Management and Finance Law (2013 Revision)

2016/17 Exceptional Circumstance Transactions (permitted by 11(5) and 11(6) of the Public Management and Finance Law (2013 Revision))				
Appropriation Code	Description	Original Budget	Changes for FY 2016/17	Forecast for FY 2016/17 (18 Months)
HCA 17	Aerodrome Fire Services	6,820,660	600,000	7,420,660
HCA 31	Supervision and Support of Children	3,206,155	17,760	3,223,915
HCA 30	Counselling and Support Services	7,237,462	50,000	7,287,462
PAH 15	Administration of Temporary Housing Initiative	5,034,765	(17,760)	5,017,005
PAH 8	Management of Special Projects	216,149	(41,000)	175,149
EGA 1	Policy Advice, Governance	8,838,424	(533,000)	8,305,424
EGA 5	Primary Education Services	30,392,872	1,201,682	31,594,554
EGA 6	Secondary Education Services	36,215,891	(971,825)	35,244,066
EGA 7	Education for students with special needs	10,959,854	1,987,784	12,947,638
EGA 10	Education Evaluation and support	9,185,239	(400,000)	8,785,239
HES 11	Mosquito Control Service	-	1,260,000	1,260,000
HEA 6	Medical Services in Cayman Brac and Little Cayman	5,167,737	87,500	5,255,237
NGS 38	Irregular Migrants	405,000	3,600,000	4,005,000
NGS 55	Overseas Tertiary Care	17,165,771	4,000,000	21,165,771
TP 30	Local and Overseas scholarship	15,894,035	2,036,620	17,930,655
TP 48	Benefit Payment to Veterans	1,528,800	(50,000)	1,478,800
TP 49	Youth Programmes and other NGOs	131,100	10,000	141,100
TP 66	Sister Islands Home Repairs Assistance	150,000	50,000	200,000
TP 67	Sports and Cultural Tourism Programmes Assistance	658,500	60,000	718,500
TP 72	Other Youth and Sports Programmes	751,838	20,000	771,838
TP 73	Other Youth and Sports Programme	225,000	(30,000)	195,000
TP 76	Assistance for Infrastructure Development	37,500	41,000	78,500
TP 78	Ex Gratia Compensation-Linford Pierson expansion	-	243,553	243,553
OE 102	Settlement of Claims	200,000	625,000	825,000
EI 1	Cayman Airways Limited	7,650,000	6,000,000	13,650,000
EI 4	CI Development Bank - Early repayment of debt	2,000,000	6,280,000	8,280,000
EI 29	Health Services Authority - Early repayment of debt	1,642,500	1,265,000	2,907,500
EI 34	Equity Injection Legal Affairs	75,000	(75,000)	-
EI 49	Cayman Turtle Farm - Early repayment of debt	12,700,000	1,412,000	14,112,000
EI 53	Ministry of Health-GMO Mosquito Programme	11,088,000	1,260,000	12,348,000
EI 54	Ministry of Community Affairs, Youth and Sports	5,500,000	(1,200,000)	4,300,000
EI 70	Enhanced Customs Tariff Support System	350,000	225,534	575,534
EI 71	Ministry of PLAHI	5,022,293	(700,000)	4,322,293
EI 74	Cayman Islands Airports Authority	7,500,000	(5,000,000)	2,500,000
EA 4	Land Purchase-Purchase of Smith Cove Public Beach for P	750,000	4,855,362	5,605,362
EA 55	Cayman Brac and Little Cayman Roads	1,799,500	(1,050,000)	749,500
EA 60	Bluff Playfield-Construction of Swimming Pool	900,000	1,000,000	1,900,000
EA 78	Government Office Accommodation	375,000	75,000	450,000
EA 125	Cayman Brac Emergency Shelter	2,000,000	(60,000)	1,940,000
EA 139	Little Cayman Boat Ramp	-	50,000	50,000
EA 144	Public Restrooms	100,000	(50,000)	50,000
EA 142	George Town Revitalisation	6,950,000	850,000	7,800,000
EA 147	Miscellaneous Infrastructure Development	-	750,000	750,000
TOTALS		226,825,045	29,735,210	256,560,255

11. APPENDIX 3

Capital Expenditure Details

for Financial Periods Ending 2016/17 and 2018

GOVERNMENT OF THE CAYMAN ISLANDS

Capital Investments

All figures are stated in 000s and in CI Dollars

	Original Budget FY 2016/17	Forecast for FY 2016/17 (18-Months)	Forecast for FY 2018
Equity Investments			
EI 11 - Ministry of Home Affairs, Health and Culture - Home Affairs	3,983	3,983	4,000
EI 12- Ministry of Education, Employment and Gender Affairs	13,663	13,663	16,169
EI 34 - Portfolio of Legal Affairs	75	34	34
EI 35 - Portfolio of Civil Service	508	508	75
EI 36 - Cabinet Office	2,305	2,305	-
EI 53 - Ministry of Home Affairs, Health and Culture - Health	11,088	12,348	4,720
EI 54 - Ministry of Community Affairs , Youth and Sports	5,500	4,300	2,326
EI 65- Ministry of Home Affairs, Health and Culture - Health-CINICO	600	600	-
EI 67 - Ministry of Financial Services, Commerce and Environment	602	814	500
EI 68 - Ministry of District Administration, Tourism and Transport	100	100	100
EI 70 - Ministry of Finance and Economic Development	350	350	305
EI 71 - Ministry of Planning, Lands, Agriculture, Housing and Infrastructure	5,022	4,322	3,848
EI 72 - Cayman National Cultural Foundation	50	217	50
EI 47 - Cayman National Gallery	72	72	211
EI 1 - Cayman Airways Limited	7,650	13,650	5,100
EI 74 - Cayman Islands Airport Authority	7,500	2,500	7,500
EI 4 - Cayman Islands Development Bank	2,000	8,280	2,250
EI 23 - Cayman Islands National Museum	240	240	800
EI 29 - Health Services Authority	1,643	2,908	1,000
EI 46 - University College of the Cayman Islands	-	-	1,282
EI 49 - Cayman Turtle Farm (1983) Limited	12,700	14,112	8,500
EI 57 - National Housing Development Trust	3,353	3,353	2,888
Total Equity Investments	79,004	88,658	61,658
Executive Assets			
	Original Budget FY 2016/17	Forecast for FY 2016/17 (18-Months)	Forecast for FY 2018
Executive Assets			
EA 4 - Land Purchase: Ongoing	750	5,605	500
EA 8 - Repairs to the Abattoir Building	175	175	117
EA 9- Land Purchase: Gazetted Claims	3,000	2,857	2,000
EA 30 - Cemetery Vaults - Grand Cayman	100	100	100
EA 36 - Miscellaneous Road Surface Upgrades	1,500	1,643	1,000
EA 37 - Farm Roads	75	75	50
EA 55 - Cayman Brac & Little Cayman Roads	1,800	750	1,225
EA 60 - Cayman Brac: Bluff Playfield	900	1,900	500
EA 78 - Government Accommodations Project	375	450	250
EA 95 - Cemetery Vaults - Cayman Brac and Little Cayman	26	26	25
EA 125 - Cayman Brac Emergency Shelter	2,000	1,940	1,500
EA 139 - Little Cayman Boat Launch Ramp	-	50	-
EA 142 - George Town Revitalization	6,950	7,800	4,633
EA 143 - Cruise Berthing Facility	500	500	350
EA 144 - Public Restrooms	100	50	-
EA 146 - Land Purchases - Conservation	6,000	6,000	6,000
EA 147 - Minor District Works	-	750	350
Total Executive Assets	24,250	30,670	18,600
Total Equity Investments and Executive Assets	103,213	109,372	80,258

GOVERNMENT OF THE CAYMAN ISLANDS**Capital Investments***All figures are stated in 000s and in CI Dollars***Summary**

Category	Original Budget FY 2016/17	Forecast for FY 2016/17 (18-Months)	Forecast for FY 2018
Capital Investments in Ministries and Portfolios	43,755	43,327	32,077
Capital Investments in Statutory Authorities and Government Owned Companies	35,208	35,374	29,581
Executive Assets	24,250	30,670	18,600
Total	103,213	109,372	80,258