



OFFICE OF THE
PREMIER
CAYMAN ISLANDS GOVERNMENT

2021 New Year's message
By Premier Hon. Alden McLaughlin, MBE, JP, MP

As we bid farewell to 2020 I know we will all be sharing the hope that 2021 is a much better year.

Undoubtedly 2020 will be remembered as the year that everything changed, as the COVID-19 virus spread from Asia across the whole world in a matter of mere months, causing havoc to the health systems in many countries and bringing first sickness and death and then economic hardship as the world battled the disease.

Over 81 million people worldwide have been infected, with infections rising as far too many countries experience a resurgence. Tragically, some 1.8 million people have died

because of the virus, including two people here at home. As infections increase, inevitably so too will deaths.

It was back in January that we started planning for the possible arrival of the virus on our shores, and held the first press briefing on February 3rd to update the public on those plans. Despite any efforts to keep the virus away the public health advice that we received indicated that it was not a case of whether it would arrive here, but rather when.

On March 12th that advice proved true when we had our first confirmed case of COVID-19. That triggered the implementation of our COVID-19 response plans - with the closing of our borders, the introduction of the hard and soft curfew regimes and the other public health measures to help eradicate the virus in the community and to protect health and life. Those measures were hard on all of us, but I remain convinced that the swift and decisive action we took helped to contain the community spread. The phased opening of our local business sectors, starting at the

end of May and continuing through July, along with increased testing, helped keep our community safe as we opened up. With our safety secured I am grateful that much of our local commerce has been able to return.

Regardless of how well most of us are doing there are those of you who have lost jobs or are working reduced hours because of the harsh economic realities of the pandemic. As in most countries, it is those working in tourism and hospitality who have been hardest hit.

The various relief programmes initiated by Government have helped many during these tough times. The ability to access your pension, combined with the pension holiday and the direct financial assistance provided by Government to tourism workers and businesses has helped ease the financial pain until we can once again safely welcome tourists back to our shores in numbers.

The private sector and civil society have also helped in significant ways, including through charitable assistance to those in need.

The temporary loss of our tourism sector has also left a hole in Government's revenues. However, Government's financial stewardship over the past seven years provided significant cash reserves, some \$522 million at the start of this year, as a buffer against an economic downturn. This has allowed us the ability to fund the fight against the virus while keeping the country running and providing economic assistance to families and businesses.

I am pleased that the Minister of Finance and his team successfully negotiated a US\$403 million standby line of credit with a consortium of local banks to provide added funding should Government need it. As things currently stand, the line of credit will not be needed until perhaps the second half of 2021.

The Minister of Finance and his team also separately negotiated a Government Guaranteed Loan scheme with five local banks. This loan scheme is fully managed by the banks and will assist eligible

Caymanian businesses obtain the necessary bank financing, with government backing, to allow them to remain in business, serve their clients, and keep staff employed during the period of the economic downturn.

These initiatives, combined with those from the private sector, will help families and businesses survive the months ahead as we move from responding to the virus to rebuilding - particularly our tourism and hospitality sectors.

Rebuilding will take time and it will take resolute effort, but I have every confidence that our Islands and our people will emerge stronger from the challenges we have faced.

The availability of vaccines early in the New Year offers the safest way for us to open up our country and our economy more broadly. Our first shipment of vaccines will arrive in early January and we will then roll out our national vaccination plan.

By March we hope to have successfully vaccinated and protected a sufficiently large number of our population, including all of those

at most risk. If we can achieve that target, we should be able to open our borders once again.

However, having struggled so hard to get through the worst of this crisis, we are determined to keep Cayman safe. Therefore, we will require that arriving travellers have also been vaccinated and received both a negative COVID-19 test before arriving, and a second negative test on arrival, along with any other public health requirements. Travellers not meeting these requirements will have to quarantine.

Despite the focus on COVID-19, we have been able to progress key Government projects including improvements to our road network to reduce traffic congestion; enhancing the Owen Roberts Airport runway; and the work to cap the landfill and to move closer to a final contract signing for a modern waste to energy facility. Work on the new John Grey High School is also progressing.

In February the European Union included our Islands on its list of non-cooperative jurisdictions for tax purposes. We worked diligently throughout the COVID shutdown to address their concerns and in October we succeeded in having Cayman removed from the list by the EU; a very good result for our Islands in a not so good year.

As 2020 ends there is much that as a Caymanian and as Premier that brings me great satisfaction and hope for our future.

Despite the challenges of COVID-19, our economy will strengthen with growing private sector confidence, and increasing investment. This confidence was recently demonstrated with the announcement by Aster DM Healthcare of their intended phased investment in a US\$350 million medical facility, focused on specialist healthcare tourism, an assisted living and independent living facility, and a medical school on Grand Cayman, as well as a medical clinic on Cayman Brac. Construction should begin in mid-2021. These types of projects are hugely welcomed as they

help to further diversify and strengthen our economy, providing opportunities for Caymanians now and into the future.

As I reflect on the last seven and a half years I am proud at how much this Government and the last administration I led have achieved.

In coming into office in 2013 we faced an economy struggling to grow at just over 1% and with Caymanian unemployment at 10.5%. Tourism numbers were the lowest they had been in over a decade; the development and construction sectors were hurting and small businesses were struggling.

Fast forward to 2019 and we had a Cayman economy that was the best in the region. Growth averaged over 3% during the previous five years with Caymanian unemployment below 5%.

Tourism had grown by record numbers while financial services business activity grew at almost 4% on average. The development sector was booming and in 2019 alone nearly 750

projects were approved with a combined total value of over \$890 million; a tremendous accomplishment by any measure.

It was Government's political leadership and strong financial stewardship over those seven years that provided the business sector with the confidence to invest and fuel the economic growth that created opportunities and thousands of new jobs for Caymanians. Even against the backdrop of a global pandemic and challenging economic times those investments are continuing.

Continued investment is critical to the rebuilding of our economy; and investment will continue as long as the business sector remains confident in the political and fiscal leadership Government is providing.

This Government, and the last, has certainly demonstrated fiscal leadership by creating substantial surpluses over seven years that were used to reduce debt by more than half, rebuild cash reserves and to fund large infrastructure projects from cash

without increasing taxation or debt. Few other past administrations can claim similar accomplishments.

This administration, however, has an unprecedented track record of delivery to set alongside the achievements of the previous administration that I had the honour also to lead.

And this is before even considering the significant Constitutional advancements, the creation of an independent Parliament, and many significant pieces of Legislation, such as the Legal Services Act, which will benefit Caymanians far into the future.

These accomplishments did not occur by happenstance but through sound planning, judgement and leadership. The very same planning, judgement, and leadership that prepared the country financially for an economic downturn and helped guide these Islands through the worst of 2020.

And so, heading into this New Year, and into an election season, I take considerable heart that on all the main issues that matter to

Caymanians, residents and investors, we continue to head in the right direction.

Our Financial Services Industry remains robust and despite recent challenges will grow from strength to strength.

The development sector as I have said also remains strong.

Over time we will see tourism recover, which will further help our economic growth.

Newer sectors such as healthcare tourism will continue to expand and become an even more important part of a diversified economy, whilst simultaneously significantly improving medical care for those who live here.

Our Islands have been made safer with the launch of our new Customs and Border Control service that is using the latest intelligence-led approaches to detect and arrest criminals entering our borders, bringing in drugs and weapons or illicit cash.

Our Coastguard is protecting our waters and making those waters safer for us to enjoy. Our second helicopter has strengthened the ability of the RCIPS Air Operations Unit to fight crime and to assist in the protection of seas and in search and rescue.

And with the launch of the Cayman Islands Regiment we have the start of an important uniformed institution that will be trained, as we have already seen, to help keep us safe in times of hazards.

The government has also provided more assistance to those in need by greatly increasing the stipends paid to veterans and seafarers and increased the ex gratia payments for those on social assistance.

We are building a new mental health facility and we have opened Habakkuk House so that separate specialist care can be provided for adults and children with special needs.

The improvements in education are bearing fruit as seen by improving exam results and the work of teachers to drive

improvements in standards as being evidenced by the school inspectorate.

This past year has seen work started to cap the George Town Landfill, further serving to reduce fire risks. In the coming year, I expect work to begin on the new waste to energy plant that, when complete, will allow us to close the landfill for good.

The Government has helped more Caymanians to achieve the dream of homeownership. Our reductions in stamp duty to first time Caymanian homeowners and support for the extended Guaranteed Home Assisted Mortgage scheme are making homes more affordable while housing units provided by the National Housing Development Trust are making more homes available for young Caymanian families.

We have achieved much over this term. But we know there is still more to deal with, particularly with the pandemic and its consequences. We will not waver in our commitment to deliver on the ambitions we share for our people. We came together as

a government of national unity and in this time of crisis, that unity has been more important than ever. We need to remain united and resolute as we see through what we have started and enable Cayman to grow and recover, ensuring that all Caymanians have the opportunity to share in the success we believe our country can enjoy.

In January on National Heroes Day, we will begin the year-long celebrations for our Seafarers, an integral part of our history, identity and heritage. I am confident that as the vaccine programmes roll out both here in Cayman and across the world, there will potentially be much more to celebrate in 2021.

We can look forward with renewed confidence. It is a confidence born not just in the success of science in defeating the virus but forged in the history of our people. In a short sixty years, Cayman has grown to become a modern economic powerhouse. That has happened because of the resilience and entrepreneurial spirit of our people.

The last year has not dimmed that spirit. Indeed, if anything, our shared experience has renewed that spirit – I see evidence of that all around me. From the way, our community has come together to help each other to the dozens of small businesses starting up with advice from the new Small Business Centre.

From our new Parliament to volunteers working on community clean-ups and environmental projects. From the students in our schools, working hard to succeed in difficult circumstances, to the front-line workers who responded so magnificently when our community needed it.

Cayman is the place I am proud to call my home and I am humbled and honoured to serve as Premier of these Islands.

This year has been a tougher time than any of us can remember. Yet as a country we have come through the worst of this crisis and while there is still a long road to travel, as I have said, we are on the right path.

Let us face 2021 with a proud self-confidence that we will come back stronger. Most importantly, let us face 2021 together. It is our unity of purpose that has brought us to this position and it is our unity of purpose that will deliver us the rest of the way.

I wish each and every one of you a Happy and Healthy New year. May God bless our people, and May God continue to bless these Cayman Islands.

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