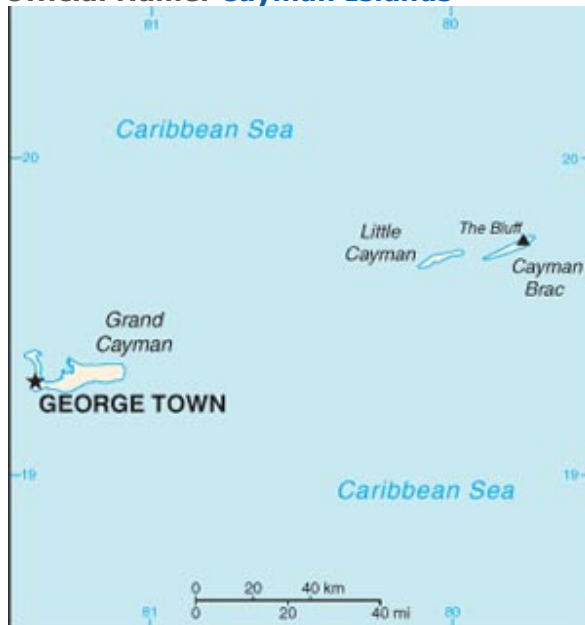




## Official Name: Cayman Islands



## PROFILE

### Geography

Area: 259 sq. km. (100 sq. mi.) on three islands: Grand Cayman (76 sq. mi.), Cayman Brac (14 sq. mi.), and Little Cayman (10 sq. mi.).

Capital: George Town (pop. 20,626) (1999 Census).

Terrain: Low-lying limestone base surrounded by coral reefs.

Climate: Tropical.

### People

Nationality: *Noun and adjective*--Caymanian(s).

Population (2009 est.): 55,400.

Annual growth rate (2009 est.): 2.2%.

Ethnic groups: Afro-European 40%, African 20%, European 20%, other 20%.

Religious affiliations: United Church, Anglican, other Protestant, Roman Catholic.

Language: English.

Education: *Years compulsory*--to age 16. *Literacy* (age 15 and over)--98%.

Health: *Infant mortality rate* (2008)--7.1/1,000. *Life expectancy*--males 77.68 years; females 83 years.

Work force (2007 est.): 36,476.

### Government

Type: British Overseas Territory.

Constitution: 1972; called the Cayman Islands Order; modified 1994.

Branches: *Executive*--Governor and Governor-in-Cabinet (representing British monarch), Cabinet. *Legislative*--unicameral Legislative Assembly (15 elected, three appointed members). *Judicial*--Summary Court, Grand Court, Cayman Islands Court of Appeal, Her Majesty's Privy Council.

Subdivisions: Eight districts.

Political parties: People's Progressive Movement, United Democratic Party.

Suffrage: Universal at 18.

### **Economy**

GDP per capita (2009 estimate): U.S. \$46,516.

GDP (2009 est., purchasing power parity): \$2.577 billion.

Growth rate (2009 est.): -6.0%.

Natural resources: Scenic beaches and underwater attractions, favorable climate.

Agriculture: *Products*--Minor production of vegetables and livestock, turtle farming, aquaculture.

Industry: *Types*--tourism, banking, insurance, mutual funds, finance, and construction.

Trade: *Exports* (2009 est.)--\$11.2 million: turtle products, manufactured consumer goods. *Major market*--United States. *Imports* (2009 est.)--\$855.1 million: machinery, manufactures, food, fuels, chemicals. *Major suppliers*--U.S., Jamaica, U.K., Netherlands Antilles, Japan.

Official exchange rate (fixed): CI \$0.83=U.S. \$1.

### **HISTORICAL HIGHLIGHTS**

The Cayman Islands remained largely uninhabited until the 17th century. A variety of people settled on the islands, including pirates, refugees from the Spanish Inquisition, shipwrecked sailors, deserters from Oliver Cromwell's army in Jamaica, and slaves. The majority of Caymanians are of African and British descent, with considerable interracial mixing.

Great Britain took formal control of the Cayman Islands, along with Jamaica, under the Treaty of Madrid in 1670. Following several unsuccessful attempts, permanent settlement of the islands began in the 1730s. The Cayman Islands historically have been popular as a tax-exempt destination. Legend has it that Caymanians in 1788 rescued the crews of a Jamaican merchant ship convoy which had struck a reef at Gun Bay and that the Caymanians were rewarded with King George III's promise to never again impose any tax.

The Cayman Islands, initially administered as a dependency of Jamaica, became an independent colony in 1959; they now are a self-governing British Overseas Territory.

### **ECONOMY**

The Cayman Islands economy continues to suffer the effects of the 2009 global recession, which severely damaged the territory's financial sector. The government is now seeking new ways of retaining international businesses and their employees; in February 2010, Premier McKeever Bush announced that the government would offer foreigners the opportunity to purchase permanent residency in the Cayman Islands for \$1 million. The government has also announced plans to sell off public assets before July 2010 to address U.K. Government concerns over the territory's budget deficit.

Tourism to the Cayman Islands also took a hit due to the global recession, falling year-on-year in the first three quarters of 2009.

In the fourth quarter, however, tourism numbers rose 1% year-on-year, providing hope that tourism will continue to grow in 2010.

Although Caymanians enjoy one of the highest standards of living in the world, about 90% of the islands' food and consumer goods must be imported.

From the earliest settlement of the Cayman Islands, economic activity was hindered by isolation and a limited natural resource base. The harvesting of sea turtles to resupply passing sailing ships was the first major economic activity on the islands, but local stocks were depleted by the 1790s. Agriculture, while sufficient to support the small early settler population, has always been limited by the scarcity of available land.

The advent of modern transportation and telecommunications in the 1950s led to the emergence of what are now considered the Cayman Islands' "twin pillars" of economic development: international finance and tourism. In 2004, there were more than 70,000 companies registered in the Cayman Islands, including 446 banks and trust companies. Forty of the world's largest banks are present in the Cayman Islands.

It is estimated that financial services represent 40% and tourism between 30%-40% of gross domestic product. Unspoiled beaches, duty-free shopping, scuba diving, and deep-sea fishing draw almost a million visitors to the islands each year.

Education is compulsory to the age of 16 and is free to all Caymanian children. Schools follow the British educational system. The government operates 10 primary, one special education, and two high schools. In addition, there is a university and a law school.

## **GOVERNMENT AND POLITICAL CONDITIONS**

The Cayman Islands' physical isolation under early British colonial rule allowed the development of an indigenous set of administrative and legal traditions which were codified into a Constitution in 1959. Although still a British Overseas Territory, the islands today are self-governed in nearly all respects. The Constitution, or Cayman Islands Order, that now governs the islands came into effect in 1972 and was amended in 1994.

The Cayman Islands' political system is very stable, bolstered by a tradition of restrained civil governance, sustained economic prosperity, and its relative isolation from foreign policy concerns by virtue of its colonial relationship with the United Kingdom. Public discussion revolves around public sector expenditure and social services, the pace of additional economic development, and the status of the large foreign national community on the islands.

### **Government Structure**

The Cayman Islands form a British Overseas Territory with a large measure of self-government. The present constitution, which came into effect in 1972, provides for a system of government headed by a Governor, a Legislative Assembly, and a Cabinet, which administers the islands. The Governor is recruited from the U.K. Government Service, serves as the British government administrator, and retains responsibility for the civil service, defense, external affairs, and internal security.

The Governor also chairs the Cabinet and appoints to the Cabinet the Chief Secretary, the Attorney General, and the Financial Secretary, while the Legislative Assembly elects the Cabinet's other five members. Unlike other Caribbean Overseas Territories there is no Chief Minister but a Leader of Government Business. The Leader of Government Business is an elected politician,

while the Chief Secretary is the most senior civil servant. Currently, the Leader of Government Business is also the Minister of Financial Services, Tourism and Development.

Responsibility for defense and external affairs resides with the United Kingdom; however, the Chief Secretary has responsibility for the Portfolio of Internal and External affairs, and the Cayman Government may negotiate certain bilateral matters directly with foreign governments. The elected members of the Cabinet divide the remaining administrative portfolios.

The 18-seat unicameral Legislative Assembly is presided over by an independent speaker. Elections are held at the discretion of the Governor at least every 4 years. Members of the Assembly may introduce bills, which, if passed, are then approved, returned, or disallowed by the Governor. The U.K. Government also reserves the right to disallow bills approved by the Governor.

The four-tiered judicial system is based on English common law and colonial and local statutes. The Cayman Islands Court of Appeal is the highest court on the islands, but Her Majesty's Privy Council sitting in London may hear a final appeal.

### **Political Coalitions**

Since 2000, there have been two official political parties: The United Democratic Party (UDP) and the People's Progressive Movement (PPM). While there has been a shift to political parties, many contending for an office still run as independents. In May 2009 elections, the United Democratic Party (UDP) defeated the incumbent People's Progressive Movement, receiving nine of the 15 seats. The next election is scheduled for 2013.

### **Principal Government Officials**

Head of State--Queen Elizabeth II

Governor--Duncan Taylor

Leader of Government Business--W. McKeeva Bush

The Cayman Islands are represented in the United States by the [United Kingdom Embassy](#) at 3100 Massachusetts Avenue, Washington DC 20008; tel: 202-462-1340; fax: 202-898-4255.

The Cayman Islands Department of Tourism, with offices in Miami, New York, Houston, and Chicago, also may provide travel information.

### **U.S.-CAYMANIAN RELATIONS**

Although the [United Kingdom](#) is responsible for the Cayman Islands' defense and external affairs, important bilateral issues are often resolved by negotiations between the Cayman Government and foreign governments, including the United States. Despite close historic and political links to the U.K. and Jamaica, geography and the rise of tourism and international finance in the Cayman Islands' economy has made the United States its most important foreign economic partner. Following a dip in tourists from the United States after September 11, 2001, over 200,000 U.S. citizens traveled by air to the Cayman Islands in 2004; some 4,761 Americans were resident there as of 2005.

For U.S. and other foreign investors and businesses, the Cayman Islands' main appeal as a financial center is the absence of all major direct taxes, free capital movement, a minimum of government regulations, and a well-developed financial infrastructure.

With the rise in international narcotics trafficking, the Cayman Government entered into the Narcotics Agreement of 1984 and

the Mutual Legal Assistance Treaty of 1986 with the United States in order to reduce the use of its facilities for money laundering operations. In June 2000, The Cayman Islands was listed by multilateral organizations as a tax haven and a non-cooperative territory in fighting money laundering. The country's swift response in enacting laws limiting banking secrecy, introducing requirements for customer identification and record keeping, and for banks to cooperate with foreign investigators led to its removal from the list of non-cooperative territories in June 2001.

### **U.S. Representation**

The United States does not maintain diplomatic offices in the Cayman Islands. Diplomatic relations are conducted through the U.S. Embassy in London and the British Embassy in Washington, DC.

The Cayman Islands are, however, part of the consular district administered by the **U.S. Embassy** in Kingston, Jamaica. Inquiries regarding visas to the U.S. or other consular matters should be directed to the consular section of the U.S. Embassy, 142 Old Hope Road, Kingston 6, Jamaica; tel: (876) 702-6000; fax: (876) 702-6001. There also is a U.S. consular agent in the Cayman Islands to assist in providing services for American citizens. Address: Unit 222, Mirco Center, North Sound Road, Georgetown, Grand Cayman; tel: (345) 945-8173; fax: (345) 945-8192. For after-hours emergencies call the U.S. Embassy in Kingston, Jamaica, tel: (876) 702-6000. The Consular Agency in Georgetown is open to the public: M-W-F 0730 to 1100 and T-Th 1200 to 1530. The office is closed on U.S. and Caymanian public holidays.

### **TRAVEL AND BUSINESS INFORMATION**

The U.S. Department of State's Consular Information Program advises Americans traveling and residing abroad through Country Specific Information, Travel Alerts, and Travel Warnings. **Country Specific Information** exists for all countries and includes information on entry and exit requirements, currency regulations, health conditions, safety and security, crime, political disturbances, and the addresses of the U.S. embassies and consulates abroad. **Travel Alerts** are issued to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas that pose significant risks to the security of American travelers. **Travel Warnings** are issued when the State Department recommends that Americans avoid travel to a certain country because the situation is dangerous or unstable.

For the latest security information, Americans living and traveling abroad should regularly monitor the Department's Bureau of Consular Affairs Internet web site at <http://www.travel.state.gov>, where the current **Worldwide Caution**, **Travel Alerts**, and **Travel Warnings** can be found. **Consular Affairs Publications**, which contain information on obtaining passports and planning a safe trip abroad, are also available at <http://www.travel.state.gov>. For additional information on international travel, see <http://www.usa.gov/Citizen/Topics/Travel/International.shtml>.

The Department of State encourages all U.S. citizens traveling or residing abroad to register via the **State Department's travel registration** website or at the nearest U.S. embassy or consulate abroad. Registration will make your presence and whereabouts known in case it is necessary to contact you in an emergency and will enable you to receive up-to-date information on security conditions.

Emergency information concerning Americans traveling abroad may be obtained by calling 1-888-407-4747 toll free in the U.S. and Canada or the regular toll line 1-202-501-4444 for callers outside the U.S. and Canada.

The **National Passport Information Center** (NPIC) is the U.S. Department of State's single, centralized public contact center for U.S. passport information. Telephone: 1-877-4-USA-PPT (1-877-487-2778); TDD/TTY: 1-888-874-7793. Passport

information is available 24 hours, 7 days a week. You may speak with a representative Monday-Friday, 8 a.m. to 10 p.m., Eastern Time, excluding federal holidays.

Travelers can check the latest health information with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at 800-CDC-INFO (800-232-4636) and a web site at <http://www.cdc.gov/travel/default.aspx> give the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. The CDC publication "Health Information for International Travel" can be found at <http://www.cdc.gov/travel/contentYellowBook.aspx>.

#### **Further Electronic Information**

**Department of State Web Site.** Available on the Internet at <http://www.state.gov>, the Department of State web site provides timely, global access to official U.S. foreign policy information, including **Background Notes** and **daily press briefings** along with the directory of **key officers** of Foreign Service posts and more. The Overseas Security Advisory Council (OSAC) provides security information and regional news that impact U.S. companies working abroad through its website <http://www.osac.gov>

**Export.gov** provides a portal to all export-related assistance and market information offered by the federal government and provides trade leads, free export counseling, help with the export process, and more.

**STAT-USA/Internet**, a service of the U.S. Department of Commerce, provides authoritative economic, business, and international trade information from the Federal government. The site includes current and historical trade-related releases, international market research, trade opportunities, and country analysis and provides access to the **National Trade Data Bank**.

