



**OFFICE OF THE
PREMIER**
CAYMAN ISLANDS GOVERNMENT

Premier's Plan for Sustainable Economic Success

9th December 2010

Background

Today, we must stand together in the spirit of solidarity to ensure a prosperous and sustainable future and in doing so, we seek to build upon the strong foundation diligently laid by our forefathers. For the present and future generations, we must work together to chart a path for sustainable economic success.

This plan presents a framework that signifies a new standard by which the Public Sector will interrelate not only amongst ourselves, but with the Private Sector and the People of this country who contribute to and depend on the success of our economy.

The singular and overarching priority of Government is to bring about a successful and sustainable economic turnaround. The challenges presented by the current global economic downturn coupled with the Government's financial situation require unique measures to tackle this particular crisis.

Input and suggestions from across the private sector as well as from within the civil service has been plentiful. The sheer volume of these suggestions has necessitated the creation of a central, high level framework to ensure the recommendations from the various groups can be analysed, organized and formulated into distinct action plans with clear and measurable priorities and timelines for implementation.

The challenge of an economic turnaround must be tackled on many fronts and must be based on a profound and genuine desire to ensure a return to excellence and sustainability in the way business is conducted - both in the public as well as private sectors. The Cayman Islands are still one of the best places to live and work in the world, but we have allowed a narrow segment of society to gain a disproportionate voice in an attempt to create divisiveness and fear.

The purpose of this plan is therefore twofold: first, to outline a mechanism for encouraging input and analysis that allows the public and private sectors to efficiently and effectively work together for the betterment of the country. Second, to establish the process through which implementation of selected national priority measures can be achieved in a timely manner.

It is therefore anticipated that this plan will be continually evolving as the mechanisms for cooperation and coordination between the public and private sectors become even more effective and efficient. The issues to be addressed are complex and dynamic- and will also be

continually evolving. Therefore the quality and flexibility of this new plan, instead of attempting to define a prescribed solution to fix Cayman's economic situation, will provide us with the ability to arrive at better solutions and a better mechanism to implement successful outcomes.

Along with continued concerted efforts to ensure fairness through a whole host of good governance and social strategies, it is critical to build an organic ground swell of public emotion to rebuild the camaraderie and trust between all who call Cayman home and intend to make a future here. This will take engagement of public, private, media and civil society and indeed most importantly people at all levels in our community. It must be a real and honest effort.

In order for the country to succeed, it requires positive efforts from each of us everyday. With your help and commitment to the success of the country, we aim to deliver less talk and better results that benefit us all.

Critical Considerations for Economic Recovery and Sustainable Success

Employment and Career Opportunities

At its most basic level, economic activity is about employment. Whether you are a self-employed entrepreneur or work for a business, your productive effort helps to drive the economy forward. Goods and services are created, which are either consumed locally or exported overseas.

Through employment, individuals receive an income that allows them to save (an investment for their future) or consume the goods and services created by businesses. The more good employees in the economy, the greater the levels of production, and the greater the levels of savings and consumption.

Recent history has demonstrated what happens when businesses close or downsize and productive members of our small community become unemployed or go overseas – consumption falls and local businesses also struggle.

In the Cayman economy, the majority of economic activity is concentrated in two sectors: Financial Services and Tourism. The consumers of the goods and services produced in these two sectors are mainly individuals and businesses from around the world.

To compete globally, it is essential that the Cayman Islands be known for quality, innovation and leadership in these two sectors. A good international reputation increases the demand for the services we provide - and when this demand is well established, sustained over many years and continues to increase, tangible opportunities are available for people living here to have careers with real opportunities for growth within these key sectors.

The third, and often less recognized sector of the Cayman economy, is Development. While driven to a large extent by the other two sectors, it is important to recognize its contribution to the overall economy. Table 1 provides a snapshot of the variety of jobs created by these three sectors. Success and growth of the economy in the three sectors has a substantial impact on these and other jobs.

With the downturn in the global economy, demand has fallen for various goods and services historically provided by within the financial services and tourism sectors, and consequently, demand has fallen within the development sector. Falling demand creates difficulties for businesses, which in turn reduces their levels of employment.

In general, if employment falls, economic activity falls and it becomes more difficult to maintain the standard of living to which we are all accustomed. This tends to affect those in lower socio-economic brackets greater than others, and in some cases, can affect multiple generations due to the reliance on debt to support their lifestyle.

Generating employment and career opportunities in the three key sectors is therefore an essential component to turning the Cayman economy around. It is essential not only in the short-term, but across multiple generations to ensure a brighter future.

This plan demonstrates Government's commitment to working with the private sector to create the right business environment by making changes to policies and processes so that as the global economy improves, demand also increases for services within our three key sectors, and that more, sustainable career opportunities (and not just 'jobs') within these sectors are available for our people. This will be a key indicator of sustainable economic success.

Table 1: Examples of jobs provided to our people by the three key sectors

TOURISM	FINANCIAL SERVICES	DEVELOPMENT
Accountant Advertising professional Artist Audio/Visual Personnel Banquet Manager Bartender Boat Captain Car Rental Clerk Caterer Chef Concierge Deck Hand Dive Instructor Event planner Fisherman Flight Attendant Front desk clerk Gardener General Manager Golf Pro Graphic designer Greeter Housekeeper Interior decorator Lifeguard Maintenance man Marketing professional Marriage officer Masseuse Musician Pilot Procurement Officer Quality Assurance Reservations agent Security guard Taxi driver Tennis Pro Tour guide, Tour operator Travel Agent Waiter/ Waitress Watersports operator	Accounts manager Actuary Administrative Assistant Auditor Bank manager Bank Teller Banker Bookkeeper Broker Business Analyst Client Relationship Manager Compliance officer Corporate Secretary Courier Data entry clerk Director Event planner Filing clerk Fund administration manager Fund administrator Human Resources Mgr Insolvency practitioner Insurance Manager Investment manager IT professional Lawyer Legal Secretary Loans officer Paralegal Public Accountant Public relations professional Reconciliations clerk Risk Manager Secretary Security officer Statistician Systems analyst Treasury analyst Trust Company manager Trust officer Underwriter	Air-conditioning technicians Appliance installation and repair Architects, designers and draftsmen Blinds and soft furnishing suppliers and installers Building Maintenance and repair Building supply Companies Construction management Dry wall installers and finishers Electricians, masons, carpenters, plumbers, painters Engineers Environmental Impact Assessment specialists Facility and property management Floor and Roof Tile installation Green technology expertise Heavy equipment and Trucking operators Hurricane protection assembly and installers Interior designers/decorators IT, TV, Security installation and monitoring Land surveyors Landscaping Metal fabricators Paving and asphalt workers Pool construction and maintenance Project management Property Valuation Quantity surveyors Quarries and Dredging workers Real estate agents and developers Rental and sales management Roof installers Signage and marketing designers and installers Utility providers (water, sewer, electricity, propane, telephone, TV etc) Well drillers Window and Doors specialists

Positive Business and Employment Environment

It must be recognized that the business partners, whether local or international, who have long established a presence in the Cayman Islands, have helped to sustain this economy by providing employment, career opportunities, as well as the high quality goods and services that improve our standard of living. Additionally, many of these businesses are good corporate citizens, providing scholarships and training opportunities for many Caymanians and supporting social programmes and community projects. Most importantly, they are the most significant contributors to the Government's purse via payments for work permits and duties on the goods they import as well as licensing and regulatory fees.

We must therefore always keep in focus the importance of maintaining and promoting a positive business and employment environment. While some might argue that we are simply experiencing the downside of the economic cycle, this is no excuse to ignore the growing concerns being raised by many established local businesses and those trying to conduct business for the first time in the Cayman Islands.

Businesses will establish themselves and grow when they feel welcomed and have access to effective, efficient and high quality support services. The connection between businesses and employment is undeniable. A business that is established and growing will be in a position to employ people.

While maintaining the highest standards and best practices, we must return to the values and principles that made us successful. We want the Cayman Islands to be a place that remains attractive to the best and brightest talent. Therefore another key indicator of sustainable economic success will be when businesses once again feel welcomed and are able to effectively work within the policy and regulatory frameworks and are encouraged to continue to remain and grow.

The framework outlined in this plan seeks to ensure that this balance will be maintained by facilitating ongoing dialogue and collaboration between the public and private sectors.

Government Finances

Government's finances depend heavily upon the revenues generated by the business and employment environment and these revenues in turn fund our social safety net. This is why a careful balance is required to ensure that Government's limited resources are spent wisely. Sharp increases in Government revenue measures (fees, duties, etc.), while appearing

to drive up revenue, can drive away business. When this happens it impacts the employment environment and increases demands on Government's social safety net.

By promoting discipline in Government spending, and strategically prioritizing projects, this plan will seek to direct Government's limited resources to target key areas that stimulate economic growth, enhance the business environment and ultimately create employment and career opportunities.

True sustainable economic success will be achieved when Government's Finances return to a position of strength and expenditures are focused on national priorities the country can afford.

Partnership with the Private Sector

It should be recognised that the private sector in Cayman has become widely fragmented. Numerous associations and groups exist that claim broad or narrow membership; some specialised, others more general. This fragmentation makes it difficult for Government to hone in on key issues as there are often many voices clamouring for attention.

In terms of the Cayman economy, there is a general appreciation for the main industries of Financial Services and Tourism. Our Government believes the time is long overdue to officially recognize Development as the third pillar of our economy given the importance of construction, real estate and the many related industries within this sector- to our economy and employment. In order to focus attention on the key issues facing these industries, three key industry councils have been formed that have responsibilities in these three industries:

The Financial Services Council	Funds; Banking & Trusts; Insurance; Accounting; Companies & Directorships; Structured Finance; Legal; Regulatory; Business Development
The Tourism Advisory Council	Human Capital; Watersports; Accommodations; Attractions & Amenities; Conferences, Events & Festivals; Food, Beverage & Entertainment; Cruise; Transportation
The National Investment Council	Construction; Real Estate; General Commerce; Economic Diversification

These three councils are examples of the leaders of industry and senior government officials working in a collaborative fashion for the betterment of the country. They are mechanisms to ensure effective and efficient dialogue between the public and private sectors, while allowing all key stakeholders to have a voice in our economic enhancement efforts. With each council recognising the segments of their respective industries, their responsibilities will include:

- ensuring effective two-way communication between the council and relevant industry associations;
- providing a point of contact for businesses and individuals not affiliated with an association; and
- filtering and advising on ideas and suggestions in order to focus attention on matters of national priority.

These three councils are available to consult with the industries that they represent and associations and individuals are invited to submit stimulus ideas for consideration to the appropriate contact as below.

Financial Services Council Chair – Winston Connolly

Tourism Advisory Council Chair – Karie Bergstrom

National Investment Council Chair – William Peguero

Public Service Co-ordination and Stimulus Implementation

There is tremendous talent and commitment to excellence within the public sector but bureaucracy has caused the system to lack real accountability and results. We are committed to taking the difficult but important steps to evolve to an environment of effective accountability and enhanced results.

To move the country forward, and to effectively tackle and solve the challenging issues of our time, a more responsive working relationship between the political directorate and the public service must be forged. In order to achieve this, the Office of the Premier has initiated high level, monthly government meetings between all Ministers and Chief Officers to address the state of national priorities.

This internal forum will provide a regular opportunity to:

- raise and discuss common issues affecting the operation of Government across Ministries and Portfolios along with proposed solutions;
- provide updates on major projects and initiatives that have cross-agency implications;
- provide status reports on the implementation of stimulus initiatives and to identify bottlenecks in the implementation process; and
- identify and implement Public Sector efficiency and effectiveness measures.

Given the ongoing work of Government, there is a danger that an excessive focus on process over substance will hinder the implementation of important stimulus measures. Clear accountability and responsibilities are necessary, but by themselves are not sufficient conditions to ensure success. Effective communication and coordination across agencies is also essential to achieve results.

To address this latter concern, Cabinet has established a Stimulus Implementation Group (SIG) headed by a National Strategic Advisor. The core SIG is comprised of a small number of key senior public servants, with additional members from the public sector and the private sector co-opted as necessary.

The SIG is working across Government Ministries and Portfolios to enhance the pace and quality of implementation of national priority projects and initiatives that are intended to provide the required economic stimulus.

Diagnostic Framework for Evaluating Stimulus Measures

The preceding sections outline a process for the generation of ideas and suggestions relating to economic stimulus measures. This dynamic process allows ideas to evolve and be shaped in such a way as to maximize economic benefits.

Early work by the SIG has compiled a list of over 250 suggestions from a variety of sources including input provided by the three councils, several associations (e.g. Cayman Finance, Cayman Contractors Association) and reports such as the Miller-Shaw Report, to name a few sources. Obviously, it is impractical to implement even half this number of suggestions simultaneously, given limits to resources. It therefore was necessary to utilize a diagnostic framework that allows the prioritization of measures and focus on a smaller, implementable list of high impact measures.

Stimulus measures may take the form of changes in policy, capital projects, or even refinement of existing Government services. To properly assess the most effective allocation of Government resources (time, staff, funds) to these measures, the following diagnostic framework was used.

Time-frame

Consideration was given both for the time necessary to implement a given measure as well as an expectation for when the benefits of the measure will accrue to the economy:

- Short-term immediate stimulus solutions – these are measures that will have an immediate positive impact on economic conditions;
- Medium-term strengthening of economic enhancement measures – these are measures that seek to ensure the continuation of positive benefits that result from the short-term stimulus activities;
- Long-term structural re-engineering for sustainable economic success – these are changes to underlying systems, structures and processes that will lead to long-term efficiencies and effectiveness in Government policy.

Impact Indicators

Stimulus measures may have a variety of different impacts on the economy. The following are the suggested indicators that would allow easy and comparable evaluation of the impact of each measure:

- Employment
- Economic Value Added (i.e. broader spending in the local economy)
- Cost of Doing Business (this may relate to current Government revenue streams, but can also encompass changes in Government processes that impact the bureaucracy facing local businesses)
- Government Revenue (one-time and recurrent)
- Government Expenditure (one-time and recurrent)
- Public Debt

Positive Safeguards

While all measures may be scored against the above impact indicators, they must also be evaluated against a set of sustainable development principles relating to the balance of economic, social, and environmental considerations. While more subjective, such an evaluation serves to guide the intent of the implementation of each measure to ensure that the positive outcome is enhanced while mitigating or minimizing negative, unintended effects.

Prioritization

Given the diagnostic framework outlined above, all stimulus measures can be categorized and priorities assigned. This assumes some degree of cross-Ministry coordination and a willingness to make trade-offs in light of budgetary constraints. The following categories were used to conceptually organize the stimulus measures:

- Human Capital Development
- Enhancement of the Business and Employment Climate

- Enhancement of Key Infrastructure
- Diversification of the Economy
- Enhancement of the Quality of Life
- Reform of Government (Implementable over the short, medium and long term)

To build a successful, sustainable economy, elements from all six of the above categories are necessary. In the long-term, deficiencies in any one area will have a negative impact on other areas. A balanced approach to the introduction of stimulus measures therefore encompasses consideration across categories and across time-frames.

Short Term Stimulus Measures

A turnaround in the local economy has already begun. Signs of renewed interest and potential growth are around the corner, yet to truly capitalize on the impending resurgence, much has to be done to affect major change. Results may not be visible overnight, but the momentum of the combined efforts of the public and private sectors will have a tremendously positive impact.

The framework set out in earlier sections recognizes the need for short, medium, and long-term stimulus measures. The immediate suggestions outlined in this document are those that are anticipated for short-term implementation. As a matter of Government policy under development, some specifics cannot be given until due process is completed, however, the thrust of Government's efforts should be evident.

Over the next 3 to 6 months, the following stimulus measures focus in particular on enhancing the business climate in Cayman. Making it easier to do business is a path to job creation and stronger economic activity. Consideration has also been given to measures that improve the quality of life, enhance the development of human capital and encourage economic diversification, but the affects of these measures will not likely be felt until the long-term. Nevertheless, implementation must begin now to allow adequate lead-time to prepare.

General Measures:

To provide some temporary relief to the cost of living, the SIG has engaged in discussion with several banks and commercial lenders to offer a voluntary moratorium on principal payments (in other words "interest-only" payments) starting in January 2011 for the next three to six months for loans that are in good standing. A commitment has been received from Cayman National Bank to support this initiative.

In addition, the Cayman Islands Development Bank will be assisting small local businesses with a voluntary moratorium on payments for the months of January and February of 2011.

Presently under consideration is the reduction of import duties on select items on a temporary basis beginning in January 2011. Further announcements will be made to clarify which imported items will qualify for these reductions as they are implemented. These reductions are intended to provide additional relief to the present cost of living.

The successful PRIDE Clean-up campaigns are once again being undertaken, employing between 700 and 800 people. This campaign is providing much needed income to people who would otherwise be unemployed.

A temporary reduction in the price on Turtle Meat for December 2010 will also be implemented to coincide with the holiday season.

Government will attempt to “Buy Caymanian” whenever feasible in order to support local companies across all industries when purchasing services or undertaking projects. Government should lead by example. Part of stimulating the economy is ensuring local companies get work. This can be encouraged throughout the public sector immediately.

Business Climate Measures:

To create a better business climate, several aspects of immigration reform will be implemented. First, enhancements to options for residency will be undertaken in order to attract foreign investors and high net-worth individuals. These include:

- A 25-year renewable residency certificate with a right to work, offered to any person exercising substantial management or control over an approved company establishing a substantial business presence in the islands;
- A 25-year renewable residency certificate without a right to work for individuals investing in developed real estate of \$500, 000 dollars;
- Permanent residency for individuals investing in developed real estate valued at least \$2.5 million dollars.

Additionally, we will be reviewing visa requirements to better facilitate legitimate business travellers and visitors from China. Visa exemptions will be put in place for Jamaican nationals who hold validated US, UK or Canadian visas. To assist established local businesses, a new 1 – 5 day business visa will also be introduced for those business travellers visiting for legitimate business purposes.

In an effort to become more customer friendly, procedures at the airport are being reviewed so that business travellers attending meetings on the island will be greeted by a truly welcoming atmosphere.

These changes in immigration policy will make the Cayman Islands more attractive to investors, make it easier to do business, and bring stability to business generally.

The financial services industry is a keystone of the success that the Cayman Islands has achieved over the last forty years. We must ensure that our financial industry's international image is a positive one and continue to demonstrate to the world that we are a leading and innovative financial centre with high standards of excellence.

One of the ways to achieve this is to increase the number of financial services operations with a physical presence in the Cayman Islands. In collaboration with key financial sector stakeholders, a promotional strategy to encourage physical presence in financial services operations will be unveiled in the first quarter of 2011. This strategy will, at the very least, bring our jurisdiction on par with our competitors in terms of international promotional and marketing efforts. The success of this promotional strategy, will not only address what is known as the "substantial presence" issue, but it will also create new white-collar jobs by supporting top quality organizations to combine their talent with the talent present in the Cayman Islands.

The tourism industry is a vital sector of our economy. To ensure that our tourism product remains attractive and competitive with an increase in the dollars tourists spend in Cayman, we will:

- Develop and implement strategies to increase target market visitor arrivals;
- Improve the tangible and intangible visitor experience via driving for a more customer-friendly product and facilitating improvements to the Spotts dock;
- Develop a private and public strategy for national beautification and coordinate efforts for island-wide beautification;
- Cayman Airways and the Department of Tourism are now working in close alignment to make the best use of the national airline and to work with sports organizations to develop a sports tourism strategy.

We know how important airlift is to the success of the destination and over the past 5 months we have worked hard to confirm and support new airlift. This effort has been led by

Cayman Airways who will provide new and improved service from Washington DC and Chicago this winter season, and earlier this year started providing non-stop Miami service to Cayman Brac. Beyond that, we have supported the start of new non-stop service from Toronto operated by WestJet.

Additionally, Delta has confirmed that they are starting non-stop service from JFK – a service that ceased after Hurricane Ivan and this move reflects their increasing confidence in the destination. Most recently, United confirmed that they too will be adding service and will provide additional frequencies from Washington DC to Grand Cayman. In total, we expect to have an additional 11 weekly non-stop flights this upcoming winter. Furthermore, Cayman Airways' increased connectivity with Virgin through Miami, Kingston and Montego Bay, and Havana enhance the opportunities for travel from the UK and continental Europe.

Without question, we have created a stronger, more accountable and transparent financing structure at Cayman Airways; the national airline has stepped up and proven itself to be one of the single most important parts of the tourism turnaround plan. The National Airline has actively developed promotions with local hotels, overseas partners and the DOT has helped to generate thousands of incremental visitors this year alone.

We have actively promoted sports tourism with international calibre events on island that generate incremental visitation, generate positive publicity and create opportunities for local participation or coaching. Some of these include Volleyball, Squash, Football, Cycling, Swimming, the Marathon, martial arts, and baseball just to name a few. All of these have benefited from strategic support and sponsorship from the National Airline and the Department of Tourism, both of which are working very closely with private sector partners to maximize the economic benefit to the country.

The greater alignment between the private and public sector that is evolving with the Tourism Advisory Council and the Ministerial Council for Tourism and Development has focused efforts on priority items such as human capital development, national beautification projects, and enhancing the guest experience at our ports of entry/exit at Owen Roberts and the Cruise Passenger Terminal. The private sector contributions of time, energy and ideas have been greatly appreciated and the partnership between public and private sector is manifesting itself in positive industry results.

One particular matter which was of high importance to the Development Sector has already been implemented. Certificate of Occupancies ("CO's") are now a routine process that

no longer require the Director of Planning's review/signature and is now delegated to the Chief Building Control Officer and Assistant Building Control Officers.

A short term stimulus measure currently under consideration is whether a temporary reduction of stamp duty will be beneficial in helping to energize the real estate industry in conjunction with complementary measures from the private sector. We are in discussions with CIREBA on this matter.

Economic Diversification:

Turning to efforts to diversify the economy, the Government will also seek to fulfil its commitments to Dr. Devi Shetty for the proposed Narayana Cayman University Medical Centre. Government will continue to use our best endeavours to fulfil our obligations under the agreement. We hope to see the first phase of this hospital begin next year in the first quarter and we will work closely with Dr. Shetty's team to ensure the benefits anticipated to the Cayman Islands and Caymanians will be realized, such as employment and career opportunities, and economic spinoffs that will support local entrepreneurship.

Other high priority projects are being reviewed and the Government has committed to support those projects that prove to provide substantial benefits to the country. Specifically, ongoing progress is being made in relation to the George Town Cruise Port Development project, the Sewerage System, Road Works and the Waste to Energy Project.

Human Capital Development:

Under my Government's stewardship, the recommencement of the new high schools project will provide much needed additional stimulus to the struggling construction industry. Of particular note is the Ministry of Education's innovative approach, which will result in some 70 construction works packages being tendered this financial year. These packages are worth approximately \$14 million dollars. This approach will result in a wide range of contractors, large and small, benefiting, not just a select few. This will be a welcome relief to the many hard working Caymanian families who rely on the construction industry for their livelihood.

The new Primary Schools Building programme will commence in the first quarter of 2011, giving the construction industry an additional boost.

We must also acknowledge that high quality and relevant education and training are necessary for economic and employment growth and for social development. It can help individuals to become more employable and stay employable in our rapidly changing labour markets; it can also provide second chances for our young people and adults who find themselves unable to get a promotion or who now fill the unemployed registers at the Department of Employment Relations.

The Ministry of Education, Training and Employment is in the midst of the reorganisation of the Department of Employment Relations into a new Department of Labour and Pensions and a Human Capital Development Agency (the HCDA). The HCDA will focus our training and empowerment initiatives to position Caymanians to fully benefit as the economy improves.

In order to better prepare our young people to join the workforce, we will continue with the highly-regarded Passport 2 Success training program. The creation of jobs will be meaningless if young Caymanians cannot benefit from them.

Quality of Life Measures:

While there are ongoing affordable housing projects under the Ministry of Community Affairs and the Ministerial Council for Housing, an additional measure will be the inclusion of the Credit Union in the Government Guaranteed Housing Assistance Mortgage (GGHAM) programme.

Medium-Term & Long-Term Stimulus Measures

As the immediate focus has been the short-term stimulus measures, further review and discussion is still needed for those measures which would fall in the medium and long term categories. These measures, by their very nature, are more complex and involved and will take longer to evaluate and determine the best way forward. The medium term measures are considered to be those that can be implemented in the period from July 2011 to June 2012 or financial year 11/12 and the long term measures in the 12/13 budget year and beyond.

As alluded to earlier in the report, there has been a whole host of suggestions and recommendations put forward from a wide range of entities both public and private. These have ranged, for example, from specific public service reform measures, utilization of Private Financing Initiatives (PFIs) to assist certain major capital projects, the creation a Contingency Fund, introduction of gaming or gambling, micro-financing for social business development, updating the development plans, comprehensive immigration reform, exploring the meeting and incentives market, updating and improving our development plan, becoming a seat of arbitration, redevelopment of dilapidated sites, development of a public transport system, developing a mega yacht facility, divestment of some government assets, to pension reform to allow more investment locally, just to name a few.

The Government has made a number of commitments to the United Kingdom Government in the approval of a 3 year plan. These have already been detailed in the Government's Strategic Policy Statement recently delivered to the Legislative Assembly. Government is severely limited in its borrowing and has committed to \$25 million a year in new capital projects funded by current revenues. These commitments include continued efficiency audits on Government agencies as it is clear that one of the keys to returning to improved economic performance is getting the operating costs of Government under control. Much progress has already been made in this regard with significant savings realized and we will continue to work with His Excellency the Governor (who has responsibility for the civil service) on this very critical and sensitive area. Government has also established an E-Government review team that is also looking at ways we can better use technology to improve our business processes.

The Strategic Policy Statement for FY 2011/12 recently delivered in the Legislative Assembly, lays out the Government's 19 broad outcome goals, which include tackling crime. An improving economy will likely positively impact on crime however as a Government and community we need to genuinely and sincerely commit to multidisciplinary approach which will

include better policing, social outreach strategies, improved education and technical vocation opportunities. Other broad outcomes include creating a vibrant yet stable economy, setting the stage for tourism success, improving education, developing our youth, addressing the needs of the elderly , focusing on small business and developing a better way forward for the Sister islands.

The need to protect our valuable resources and environment must place at the top of our collective agenda. We must place increasing emphasis on becoming more responsible in conserving our resources and becoming more efficient in our use of water and fossil fuels. Additionally, we must embrace the issues of climate change and the use of green technology.

We must also encourage and support the further development of agriculture and aquaculture, as it is important that we become increasingly self reliant. We must continue to find suitable niche markets for local production of goods for consumption both on and island and for the export market as is the case with Rum cakes and local brewery. The Swiss are renowned for banking and making watches, there is no reason why Cayman could not also develop new industry based on technology and innovation and become renowned for other products and services. The key is retention of human capital and knowledge and creating and fostering the social and welcoming atmosphere to attract and retain the best and brightest whether they be professional or skilled workers in financial services, tourism and development sectors, or in any of or other emerging sectors.

There is an abundance of knowledge and skills locally and we must also open our minds to the opportunities presented regionally and further afield to expand our markets. Caymanians were once world renowned as mariners, and there is no reason why we should not look to take our businesses further afield and develop new markets as we have much to offer in terms of knowledge and skills.

Government and the Private Sector must continue to work together to shape our collective vision for the Cayman Islands, remain open to new and sustainable ideas so that we can be assured of leaving a legacy of Quality, Innovation and Leadership for our children and grandchildren of which they can be truly proud.

Next Steps

It is important to highlight that the framework for economic stimulus presented in this report encompasses both the process for the generation of ideas as well as their implementation.

Although many suggestions have already been compiled, the Government continues to encourage the public and all interested parties to continue to provide feedback and suggestions through the key industry councils. These should be sent to the Council Chairpersons or the relevant representatives on the Council.

The measures presented are only those that (i) reflect national priorities and (2) have been evaluated with appropriate input to determine their feasibility for implementation in the short-term. This is by no means the end of this process. As conditions change, the framework allows for the dynamic interaction between Government and industry stakeholders to ensure flexibility and responsiveness. The plan will continue to evolve and mature and we continue to stress that it will take the involvement of our entire community and require innovative ideas and a strong commitment to excellence and sustainability.

Success will be based on the evolving partnership between the public and private sector, and a commitment from all of us to do what is in the national interest of our islands.