

IF YOU WANT TO KNOW WHAT THE FUTURE HOLDS, THEN SHAPE IT!

I remember hearing this story again and again in Cayman – that historically, most of the men went to sea and the women looked after everything at home. Even today, Cayman has a female Governor, Premier and Minister of Finance, and Chief Justice. No wonder Cayman is the best run country in the Caribbean! 🤔 (I mean, there's a lot to unpack here but, another time!) Not that Cayman doesn't [have its challenges](#), but on a regional scale (and I dare say even internationally) it is rare to find such a small, highly open economy, with such low debt, high living standard, and thriving private sector based on an ease of doing business and a secure environment. And apart from the historically outsized role that women have played in Cayman's success, so has its acute openness.

In the Caribbean, we are all highly open economies; most of what we consume comes from abroad, and most of what we sell (to earn the money to import and consume) is sold abroad / to foreigners. Most of the investment in our economies has historically come from overseas. We rely on the outside world more than the domestic, but in Cayman's case, that openness manifests in a willingness to engage with the outside world, not just in terms of trade in goods and services, but in terms of people and their expertise, ideas and opportunities. The United Nations of the Cayman Islands, where over 100 nationalities don't just co-exist but thrive, is highly unique and is a real treasure, especially given today's geo-political realities.

I think Cayman's acute openness is its superpower, but also its vulnerability – because the external forces of the climate crisis and the ever-changing and unfair application of regulations, are heightening the risks to Cayman's prosperity. Economic diversification is one mechanism to mitigate some of these risks and Cayman's existing openness presents a meaningful path to diversification. Like those Caymanian men who went out to sea to bring back a bounty for their families and communities, Cayman Enterprise City (CEC) deliberately curates globally progressive knowledge-based industries to bring to Cayman's shores, actively future-proofing the economy and positioning Caymanians for the next wave of socio-economic progress.

| CAYMAN'S ACUTE OPENNESS IS A VULNERABILITY, BUT ALSO ITS SUPERPOWER

My team and I have assessed [CEC's socio-economic impact](#) again this year, and our findings confirm that for the 12 years since inception, CEC has had a socio-economic impact approaching USD1 billion. To put this into context, this is almost the same as (92%) the value of total Work Permit fees collected by Government in the 12 years to 2022! The number of local vendors doing business with CEC has grown from 108 in 2020 to 187 in 2023 - a 73% increase in 3 years. Furthermore, CEC member companies provide high-value employment with wages exceeding those of Cayman's labour force on average. Last year alone, Caymanians employed by CEC member companies increased by 10% y/y, while the number of Caymanians/permanent residents employed at the CEC Special Economic Zone jumped 88% (since they began tracking in 2020) to 128 in 2023.

According to the [Future of Jobs Report 2023](#), "All but 2 technologies are expected to be net job creators in the next 5 years" and Cayman's only "Rising Star" sector is ICT. Furthermore, the sectors with the highest social returns in Cayman are Real Estate, Financial Services, Utilities, and ICT. Fully 77% of Caymanian-held jobs at CEC member companies are in sectors with high social returns and increasing global demand. Given that CEC's members are predominantly ICT-focused, CEC is mitigating Cayman's socio-economic vulnerabilities by providing the platform for Cayman to compete successfully in progressive sectors on a global scale.

I think every country in the Caribbean needs a CEC; not just for economic diversification it creates, or the progressive employment and entrepreneurship opportunities it provides its people, or the USD1 billion socio-economic impact in 12 years since inception, but because CEC holds itself accountable. And in the Caribbean, accountability drives results. CEC isn't obligated to conduct an economic impact assessment, but it does so voluntarily each year. This demonstrates that CEC takes its role in shaping Cayman's socio-economic future very seriously, in delivering results for Caymanians now, and for the future generations to come.

	THE BAHAMAS	BARBADOS	THE CAYMAN ISLANDS
UPDATE	<p>Despite serious crimes -21% for 2023, a level 2 travel advisory was issued by the US in Jan 2024. IMF estimates growth of 4.3% for 2023; however, the National Statistical Inst. reported growth of 2.6%; mining & quarrying +37%, agriculture +27%, and accommodation & food svcs +26%. For H1 FY2024, govt revenue rose +3.5% with VAT accounting for 55%, +7.8%. Expenditure increased +0.6% y/y with interest payments up +7.2%. The deficit for H1 was 197% of target for the entire FY. Inflation fell to 1.3% in Jan from 1.9% in Dec 2023; with health +5.3%, furniture and household equipment +4.9%, and utilities +3.5%. Public sector debt fell to 86.4%/GDP in 2023 from 91.5% in 2022, but in monetary terms rose +3% y/y. External debt was up +2.1% y/y and domestic debt +3.7%. For Jan-Feb 2024, air arrivals increased +5% and cruise arrivals +14%. Usable reserves reached USD1.3 billion or 4.1 months of imports In Feb. USD deposits were up +4% y/y. The Central Bank announced relaxed foreign exchange controls, including higher limits for commercial banks USD sales to the public.</p>	<p>The FY2025 budget was presented in March. Compared to revised estimates, revenue is projected up +10% to BBD3.5 billion and expenditure up +11% to BBD4.6 billion (on a cash basis). The overall deficit is projected to fall to 1.8%/GDP from 2% in the previous FY. Several tax credits were introduced to support digitization and environmental studies. Contingent liabilities of State-Owned Enterprises remain a fiscal risk and can impact the primary fiscal balance target according to Fitch. The female labour force participation rate fell to 58.1% in 2023, from 59% in 2022, while total labour force participation declined -0.6pp y/y to 62.3%. Unemployment was 7.9% down from 8.4% in 2022. Jan-Feb stopover arrivals rose +8.9% and in-transit cruise arrivals +12.7% y/y. The IMF estimates growth of 4.4% for 2023. IMF and WB project growth of 3.9% and 3.7% respectively for 2024. Debt/GDP fell to 114.6% in Feb 2024 from 119.6% in 2022. In Feb, net FX reserves +17.7% y/y to USD1.36 billion or roughly 8 months of imports.</p>	<p>The labour force expanded +5.1% y/y in Q4 2023 with the Caymanian and Permanent Resident labour growing +8.1% y/y. Non-Caymanian labour grew +2.6%, representing 54% of total labour force, marginally down 1.3pp. Unemployment increased +1.2pp y/y to 3.3%. Female labour force participation rose +1.1pp to 86.7% and males was reduced -0.9pp to 86.7%. The population is estimated to have grown +3.9% y/y. Real GDP grew +4.0% for Jan-Sept 2023 y/y; hotels and restaurants +26.4%, finance and Insurance +3.1%, manufacturing +3.1% and construction +1.8%. Overall growth for 2023 is estimated at 3.8%. Active Work Permits grew +11.6% with construction accounting for 17.7% of the total. Ave inflation for 2023 was 3.8% y/y, down from 9.5% in 2022. Dec 2023 inflation for household equipment & maintenance rose +9.3%, housing & utilities +5.9% and transport +4.1% y/y. Key stage 2 SAT results show only 26% of students meeting expectations for reading, writing and mathematics, and 59% for grammar, punctuation, and spelling. For Jan-Feb 2024, air arrivals grew +7.4% and cruise -10.6% y/y.</p>
TOURISM	<p>Stay-over: 2024: 297,743 (Feb) @105% of 2023 Cruise: 2024: 1,551,107 (Feb) @114% of 2023</p>	<p>Stay-over: 2024: 147,703 (Feb) @109% of 2023 Cruise: 2024: 180,983 (Feb) @113% of 2019</p>	<p>Stay-over: 2024: 80,054 (Feb) @107% of 2023 Cruise: 2024: 275,672 (Feb) @89% of 2023</p>
GROWTH	2022: 14.4% (IMF) / 2023: 4.3 (IMF prelim)	2022: 13.8% (IMF) / 2023: 4.4 (IMF prelim)	2022: 3.8% / 2023: 3.1% (prelim)
RESERVES	<p>External Reserves USD Millions (Jan 2010 - Feb 2024)</p> <p>Source: Central Bank of The Bahamas, Marla Dukharan</p>	<p>International Reserves USD Millions (Jan 2010 - Mar 2024)</p> <p>Source: Central Bank of Barbados, Marla Dukharan</p>	<p>Foreign Reserve Assets USD millions (Dec 2017 - June 2023)</p> <p>Source: CIMA, Marla Dukharan</p>
OUTLOOK	<p>The IMF expects 2.3% growth in 2024, then falling below 1.8% through 2029. The Central Bank expects growth of around 2% as the economy reverts to its usual 1-2% average.</p>	<p>The Central Bank expects growth of 4% for 2024 as the tourism sector is anticipated to fully recover to the pre-pandemic level. The IMF projected 3.7% for 2024, then falling to 2-3% for the foreseeable future.</p>	<p>The Gov't expects growth of 2.2% in 2024 - an upward adjustment from 1.6%. For 2025-2027, growth is projected to average 2.5% per annum.</p>

	CUBA	DOMINICAN REPUBLIC	GUYANA
UPDATE	<p>Protests erupted in several cities against austerity measures announced by the Gov't earlier this year. The economy minister Alejandro Gil Fernández was fired in early February and is being investigated after making "serious mistakes." In Mar 2024 official inflation was 33.17% y/y, up 1.1pp from Feb. Transport prices +48%, restaurant and hotels +41% and food +36.8%. At the end of Feb the Gov't sought assistance from the UN's World Food Program to provide powdered milk for children. The informal exchange rate continued to depreciate reaching CUP360:USD1 in mid-April 2024 from CUP265:USD1 at the start of the year. This depreciation and rising inflation have affected the purchasing power of consumers. Three shipments of oil arrived in Cuba this year from Russia to help relieve power and fuel shortages. Total tourist arrivals for Jan-Mar 2024 rose +7.5% y/y. 49% of tourists were from Canada, 8% from Russia and 6% from the USA. The performance of the tourism industry in 2023 was comparable to 2009.</p>	<p>Economic activity +6.2% y/y in Feb, which puts average growth for Jan-Feb at 5.4% y/y. For Feb y/y, activity rose for hotels and restaurants +12.8%, construction +9.7% and free zone manufacturing +9.4%. The mining sector contracted -15.5% for Feb 2024 YTD due to closure of the ferronickel extraction company in 2023. Association of Multiple Banks reported a 44% y/y increase in the construction sector credit portfolio for 2023. Free zone exports grew +7% y/y to USD1.2 billion for Jan-Feb 2024. Monetary poverty declined -4.7pp y/y to 23% in 2023 with extreme poverty -2.8% in 2022 to 3.2% in 2023. Headline inflation for Mar 2024 was 3.3% with prices for hotels & rest +6.4%, food +5.4% and education +5.5%. The Central Bank maintained a 7% policy rate in March. DOP195 billion in loans were provided to the productive sector through a liquidity provision program. Reserves declined -14% y/y in March to USD13.8 billion. Remittances grew +9% y/y in Jan with 85.7% from the US. The DOP depreciated 6.9% y/y to DOP59.17:USD1 in March from DOP55.10:USD1.</p>	<p>Manufacturing, and services sectors grew +25% and +10% y/y respectively in 2023. Sugar, rice and other manufacturing grew +27%, +5.5% and +32% y/y respectively. Admin & support services, accommodation and food svcs, and transport and storage grew +21%, +13% and +12% respectively. IMF's growth projection for 2024 +7.3pp to 33.9% and inflation expected to exceed 5% in the medium term. Exxon was granted approval to move forward with their 6th offshore project, expected to increase production capacity to about 1.3 million barrels/day. Gov't withdrew USD250 million from the NRF in March 2024 leaving USD2.36 billion, with an additional USD1.3 billion approved to be withdrawn for 2024. Inflation was 1.1% y/y in Feb, with food prices up by 2%. Loans to businesses and households expanded +12.5% and 3.8% y/y respectively in Feb 2024. Gov't reports that non-performing loans fell to 2.7% in 2023 compared to 12.1% in 2019. GPL plans to rent a power ship from Cuba for 2 years to address frequent blackouts due to generation shortfalls - also a problem in Cuba.</p>
TOURISM	<p>Stay-over: 2024: 809,238 (Mar) @ 108% of 2023</p> <p>Cruise : n/a</p>	<p>Stay-over: 2024: 1,498,061 (Feb) @ 112% of 2023</p> <p>Cruise: 2024: 602,985 (Feb) @115% of 2023</p>	<p>Stay-over: 2023: 319,056 (Dec) @ 101% of 2019</p> <p>Cruise : n/a</p>
GROWTH	2022: 2% / 2023: -1 to -2% (Min. of Fin.)	2022: 4.9% (IMF) / 2023: 2.4% (CB prelim)	2022: 62.3% (IMF) / 33.0% (IMF prelim)
RESERVES	n/a	<p>Net International Reserves USD Millions (Jan 2010 - Mar 2024)</p> <p>Source: Central Bank of the Dominican Republic, Marla Dukharan</p>	<p>Net International Reserves USD Millions (Jan 2015 - Feb 2024)</p> <p>Source: Bank of Guyana, Marla Dukharan</p>
OUTLOOK	Gov't projects growth of 2% for 2024, but we expect below 1.5%. ECLAC estimates growth of 1.4% - a downward adjustment from 1.7%.	Growth for 2024 is expected to be one of the strongest in the region at around 5.1% and 5.4% according to the World Bank and IMF respectively.	Gov't expects 34.3% growth this year while the IMF and World Bank project growth of 34% and 34.3% respectively. Growth is expected to average 17.2% for 2025-2029 according to the IMF.

	JAMAICA	SURINAME	TRINIDAD AND TOBAGO
UPDATE	<p>The FY2025 budget presented in March estimated revenue at JMD1.02 trillion (+8.5% y/y) and expenditure at JMD1.02 trillion (+8.5% y/y), with fiscal surplus of 0.3%/GDP. FY2024 debt/GDP is estimated at 72%, down from 77% in FY2023. Fitch upgraded Jamaica from B+ to BB with +ive outlook. Inflation reached 5.6% y/y in March, within 4-6% target so BoJ maintained policy rate at 7%. Transport +10.1%, education +15.6% and restaurants & accommodation prices rose +7.1% y/y. Growth reached 2% for FY2024. Q4 2023 was the 11th consecutive quarter of growth, at 1.9% y/y. Goods producing industry expanded +2.3%, mining & quarrying +23.6%, agriculture +2.4%, construction +1.4% manufacturing -0.3%, services +1.8%, hotel and rest +5.2%, utilities +5.1% and transport +3.9%. For Q1 2024, bauxite and alumina production expanded +22.5% and +28% respectively. Air arrivals for Jan-Feb rose +7.4% y/y and cruise arrivals +29.7%. Poverty fell to 12.3% in 2023 from 13.9% in 2021. The World Bank also lauded Jamaica's economic recovery,</p>	<p>IMF disbursed USD62 million after the 5th review under the EFF, bringing total disbursements to ~USD323 million. A USD12 million financing agreement was signed with the IDB to support SMEs. The program is partially financed by a USD8 million loan from IDB and a USD2 million loan from the Green Climate Fund. For Dec 2023, the MEAI grew +1.5% y/y with activity in transport & storage +29.6%, accommodation & food svcs +19.5%, and information & comms +13.9%. At end-2023 total debt rose +20% y/y to SRD 124.1 billion with 78% being external. The SRD depreciated by around 17% y/y which contributed to the higher debt level. In Q4 2023, debt/GDP increased to 138% from 122.2% one year prior. The exchange rate began to appreciate at the end of 2023 reaching SRD35.4:USD1 in March 2024 from an average of SRD38.3:USD1 for June-Nov 2023. Inflation in Feb was 25.5% y/y, down from 57.9% one year prior, with prices for food services +37.2%, housing & utilities +36.5%, and transport +25.7%. In Feb 2024, the M0 money supply +38% y/y.</p>	<p>IMF estimates growth of 2.1% for 2023, with the energy sector contracting for the 10th consecutive year, by 3.1%, and the non-energy sector expanding +4.2% y/y. IMF expects a fiscal deficit of 2.7%/GDP in FY2024, up from 1.1% in FY2023, and an increase in the debt/GDP to 73.4%. Inflation reached 0.8% in Feb with prices +7.6% for health, +7.0% for communications and +4.9% for alcoholic beverages. The repo rate was maintained by the CBTT at 3.5% in March. In Q4 2023 unemployment rose +0.9pp to 4.1% vs Q3 2023. Net errors and omissions for Jan-Sept 2023 already crossed USD2 billion. This amounts to almost 40% of external debt outstanding at Dec 2023. The number of visitors for Carnival was 80% of 2019 levels, increasing by 5% y/y but average spending per visitor fell by 6%. For Q1 2024, sales of FX to the public were 24% higher than purchases of FX from the public. In March 2024, reserves declined -18.6% y/y to USD5.5 billion or 6.9 months of imports. There has been no update on the HSF since Sept 2023 with the latest report covering Q2 2023.</p>
TOURISM	<p>Stay-over: 2023: 2,394,916 (Oct) @ 109% of 2019</p> <p>Cruise: 2023: 930,800 (Oct) @76% of 2019</p>	n/a	<p>Stay-over: 2024: 89,711 (Mar) @110% of 2023</p> <p>Cruise: 2024: 91,087 (Mar) @158% of 2023</p>
GROWTH	2022: 5.2% (IMF) / 2023: 2.2% (IMF prelim)	2022: 2.4% (IMF) / 2023: 2.1% (IMF prelim)	2022: 1.5% / 2023: 2.1% (IMF prelim)
RESERVES	<p>Net International Reserves USD Millions (Jan 2010 - Mar. 2024)</p> <p>Source: Bank of Jamaica, Marla Dukharan</p>	<p>Foreign Currency Reserves USD Millions (Jan 2010 - Mar 2024)</p> <p>Source: Centrale Bank van Suriname, Marla Dukharan</p>	<p>Net Official Reserves USD Millions (Mar 2014 - Dec 2023)</p> <p>Source: MoF T&T, CBTT, Marla Dukharan</p>
OUTLOOK	<p>The World Bank and IMF project growth of 2.0% and 1.8% respectively for 2024. The IMF expects growth to remain between 1.6%-1.7% for 2025-2029.</p>	<p>The IMF program was extended until March 2025. The debt restructure completed in 2023 is expected to ease debt pressures. The IMF and World Bank project growth at 3.0% in 2024.</p>	<p>The IMF projects growth of 2.2% in 2024, Growth is expected to average 2.2% for 2025-2028. Gov't anticipates growth of around 2.7% for 2024 and 2025. We don't expect growth above 2% in the near future.</p>

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