

Declining population worries wealthy nation's premier

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(AP) — The population of the Cayman Islands is falling, preliminary census statistics show, sparking worries about how a diminishing work force will affect the wealthy British territory's economy.

Premier McKeeva Bush announced the population dip March 24 and warned it has the potential to harm the Caribbean territory.

The tiny offshore tax haven 150 miles south of Cuba already has seen a number of multinational operations move their place of incorporation to Ireland, Switzerland and other locales over the past year.

Estimates in 2008 projected the Caymans would have a total of just over 57,000 people now and officials expected the population would continue to increase. But preliminary 2010 census results say the population has declined to 54,878, Bush said.

"The new census results accordingly compel government to continue pushing for policies that will promote sustainable population growth," Bush said. "While we do not want a runaway population spiral, what we do need is sustainable growth that can spur healthy local economic growth."

He said a final census report, with more in-depth demographic information, will be delivered later in the year and help guide his government's response.

With tens of thousands of companies registered in the offshore haven, there are more firms than people. But most incorporated companies have no employees or physical offices on the islands.

Last year, Bush's government announced a novel way of luring more wealthy people to the islands. His government proposed to offer permanent residency to financial sector workers with a net worth of more than \$10 million in exchange for \$1 million.