

## ECLAC Mission Précis

**(Readers should note that these are preliminary highlights that were made available pending the release of the completed report.)**

The Economic Commission for Latin America and the Caribbean (ECLAC) is one of five regional commissions of the United Nations. It was founded for the purposes of contributing to the economic and social development of Latin America and the Caribbean, coordinating actions directed towards this end, and reinforcing economic relationships among the countries and with the other nations of the world.

In late November, an ECLAC-led mission arrived in Grand Cayman at the request of the Cayman Islands Government and the support of the United Nations Development Program. The purpose of the visit was to prepare a multi-sector, integrated damage and losses report. The ECLAC methodology was developed over the past decades and is recognized by international public and private sector organizations.

The work identifies impacts in three sectors: Social, Productive and Infrastructure. The impacts are classified in two ways: (1) damages - being the actual impact on physical assets; and (2) losses - being the effects on economic and social flows.

The major findings of the report are as follows:

- The total impact of the disaster on the Cayman Islands was CI\$2.8 billion. This is much greater than the total hurricane season damage this year to Grenada, Jamaica, Dominican Republic and Bahamas combined.
- The total amount of damage and losses is equivalent to about 183% of Gross Domestic Product.
- The amount of damage is estimated at \$75,700 per person, the highest ever encountered by ECLAC.
- Over 80% of the impact reflects damage and destruction of assets. Housing is the most significantly impacted. The remaining roughly 20% of the impact is in the form of losses to future flows.
- The observed capacity for the best year in the past decade resulted in construction permits for about CI\$400million, or one-sixth of the direct damage of CI\$2.8 billion.

Damages and losses by sector are as follows:

#### Social Sector

Total damage and losses to the social sector amounted to CI\$1.5 billion, or 53% of the total impact. The most severely affected subsector being Housing, which had a total impact of CI\$1.4 billion. The impact on education totaled CI\$44.8 million.

#### Productive Sector

The total impact to the productive sector equaled to CI\$931.4 million, or 33% of the total impact. The two most impacted subsectors being Commerce and Tourism. Commerce suffered an impact of CI\$463.4 million and tourism experienced a total impact of CI\$462.4 million.

#### Infrastructure Sector

The total damage and losses to the infrastructure sector amounted to CI\$407 million or 14% of the total impact. The most severely impacted subsector was Road Transport, which had a total impact of CI\$194.9 million, followed by telecommunications at CI\$79.5 million.

#### Public Finances

Turning to the health of public finances, the overall fiscal balance of Government was CI\$24.3 million pre-Ivan. Now Government has an overall fiscal balance of negative CI\$38.7 million post-Ivan. This is a change of over CI\$63 million in government's financial position.

#### Macro-economic Impacts

The ECLAC study also projected a drop in Cayman Islands' GDP from the pre-storm level of 3.1% down to negative growth rate or contraction of -2.2% after the storm. The Consumer Price Index is expected increase from 1.9% to 3.1%.