



24 April 2023

## **ESO Issues Response**

The Economics and Statistics Office (ESO) has acknowledged that an elderly couple, one of whom is sick, might be overwhelmed in participating in the office's Household Budget Survey (HBS) currently underway.

Responding to an article on a local news media site, ESO Director Adolphus Laidlow reiterated that the ESO apologises for any inadvertent inconvenience or pain caused to the elderly and sick householder in taking the survey. "That was not our intention," he noted.

The Director reiterated and confirmed that an ESO enumerator would meet with them and help complete the form. He said such an arrangement has been made, and he thanked them for it. "We will work with them to get the requisite information sought in the survey," he said.

Expressing sincere appreciation and gratitude to all those who have complied with the HBS, the Director urged the 2,400 households to complete the forms as they fall due throughout the survey.

He emphasised that the ESO aims to collect vital information necessary but not cause hardship. He acknowledged that there is no leeway under the law for his office to make exceptions.

One of ESO's main functions is to collect statistics from the community, as per the Statistics Act (2016 Revision), to provide a vital service to the community and better inform Government and private sectors for both to function efficiently.

The crucial Household Budget Survey (HBS) from **randomly selected households** once every five years. The statistics collected in the HBS provide the economic pulse of the community and, more importantly, inform Government to better plan and create programmes for the community.

Consequently, non-collection of such data will adversely impact both information collection and actions to be planned for the welfare of the community.

The HBS, in particular, is fundamental for updating the consumer price index (CPI), used mainly to inform the public and private sectors' need for cost of living adjustments (CoLA) or salary review, pension income review and electricity charges review. Even some court cases dealing with monetary compensation or allowances use the CPI as their guide.

Additionally, the statistics also form the basis for arriving at macro-economic indicators such as GDP growth, GDP per capita and the unemployment rate. Further, the primary data helps Government to calculate the total economic impact of government spending or private sector investment in the economy. This, in turn, helps with the evaluation of fiscal policies or projects, including the construction of a new waste processing unit or a new hotel project.

The ESO reiterated that all its activities are governed strictly under the Statistics Act, including, as required, the need to remind persons not complying with the survey of the possible consequences of not following the mandatory requirements.

The HBS is mandatory under the law, and the households are not targeted but selected on a purely random basis. Also, all information provided is confidential and cannot be subject to Freedom of Information queries.

Under the Act, householders refusing or avoiding taking the HBS **can** become liable for a possible fine of up to **\$5,000** if found guilty due to a summary court conviction. There are time deadlines for the ESO whereby reminders have to be sent to non-complying households under the practice of the Act.

The reminders are sent as notices of non-compliance, also as per the requirements of the law, and not as threatening letters.

Given the pervasive use of the CPI, some countries have a continuous HBS, the Director explained. Without mechanisms for continuous HBS, the best practice is for the government to conduct this type of survey every five years. This is the global model the Cayman Islands follows.

He noted, "Participating in the HBS 2023 is an important national statistical exercise. More importantly, it is your contribution as a responsible member of society and a law-abiding resident

of the Cayman Islands. We are very thankful to everyone who responds for their willing support and active cooperation. You provide a vital service to your community.”

ESO conducts the HBS using its enumerators, who are trained interviewers. They conduct the interviews with the householder as a key informant or other members of the household over 18 years and who made expenditures within the past 12 months. The household members have to make themselves available to the enumerators to enable them to conduct their job.

(The original notice of selection to the householder and the first notice of non-compliance with the Act are attached to this response.)

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