



OFFICE OF THE
PREMIER
CAYMAN ISLANDS GOVERNMENT

Statement on UK's leaving EU

By Premier Hon. Alden McLaughlin, MBE, JP, MLA

24 June, 2016

Mister Speaker as you would be aware our friends in the United Kingdom have cast their votes to leave the European Union.

Mister Speaker, this referendum was a question for the United Kingdom and its voters but we all expected that the impact of a decision to leave would be felt far beyond the shores of the United Kingdom and would have had political consequences within the UK. It was also expected that there would be uncertainty within

financial markets.

This has certainly proved to be the case with Prime Minister Cameron advising today that he will be stepping down as Prime Minister by October and a no confidence motion being brought against the leader of the opposition, Jeremy Corbyn.

And as we have seen, the world markets are now trying to come to grips with the implications of the referendum. There are also other ramifications that will continue to flow from this decision in the weeks and months ahead.

Mister Speaker, it is not clear whether the transition to a new Prime Minister will be an internal matter for the Conservative Party or whether the UK will face fresh elections in a few months.

There is the distinct likelihood of another Scottish independence referendum. Additionally, Northern Ireland, which voted to stay, will no doubt consider its options. These all point to the possibility of a breakup of the United Kingdom.

Mister Speaker, Cayman has certainly benefited from the United Kingdom's link to the European Union in tangible and intangible ways. For example we have been eligible for EU passports, which provided the ability to live, work and travel freely within the EU.

Cayman and all of the Overseas Territories will need to follow closely the political and economic discussions and developments over the course of the coming days, weeks and months.

Of immediate concern though is the question of how any new UK government will view the Overseas Territories, particularly in a new construct of a United Kingdom that is no longer united.

Over in the United States a presidential election looms with the possibility of a radically different kind of political figure becoming the leader of the most powerful nation on earth.

Without question, the world is in for a period of great uncertainty over the course of the next year and perhaps beyond.

There will no doubt be some stormy waters to navigate before the new reality emerges and political and economic calm returns.

In this sea of uncertainty Cayman is an increasingly attractive place to live, work, invest and do business.

Mister Speaker, the sound financial position of the Cayman Islands Government and the growing strength of our economy make us an excellent option for businesses and investors looking for a safe haven amid the current political and economic turmoil.

Even as we watch carefully the developments, we intend to seize the opportunities created by the current uncertainties to build on the economic success this Government has already achieved.

I am confident in the continued success of Cayman's economy. We have for years engaged with the world on matters relating to our financial services industry and we will continue to do so. Our

voice will be heard as we have strong links with many partner jurisdictions as well as international institutions.

Businesses based in the Cayman Islands will continue to benefit from that and they, like us, can remain confident in our future.

There will be much to be done as the UK and EU begin to determine a timeframe to unwind their existing relationship and work toward putting in place new arrangements for future cooperation, trade, migration and security.

Some have said this process could take as much as two years to complete and so for us in the Cayman Islands the full impact of the leave decision will not be immediately known, as much will depend on what new arrangements will be made between the UK and EU.

I expect to speak to the Minister for Overseas Territories, James Duddridge, early next week to get an indication on the

immediate way forward and the perceived impact the decision will have on the Overseas Territories.

In addition, I will attend the pre-JMC meeting in TCI next month with the Overseas Territories to discuss this issue in detail.

Mister Speaker, it is too early to make predictions or to be able to say what the full impact of the leave decision will be. But certainly it will be profound. It will impact not just the UK and its citizens resident there, but the Overseas Territories, Crown Dependencies and indeed the wider world.

I will continue to monitor developments and engage with the UK Government over the coming days and as soon as the way ahead becomes clear, I will make a further statement.

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