

# Cayman Islands



## General

Discovered by Columbus in 1503 the three Cayman Islands (Grand Cayman, Cayman Brac and Little Cayman) are situated 268 km north-west of Jamaica in the Caribbean Sea. The Islands have an area of about 260 sq km. 'Cayman' comes from a Carib word meaning crocodiles, which were found on their shores by the Spanish. The Islands have been in British possession since 1670. The vast majority of the population live on the largest of the three islands, Grand Cayman. English is the only language.

## Constitutional status

The Cayman Islands are an Overseas Territory with a large measure of self-government. The Governor retains responsibility for the civil service, defence, external affairs and security. The Constitution, which came into effect in 1972, provides for a system of government headed by a Governor, an Executive Council and Legislative Assembly. Unlike other Caribbean Overseas Territories there is no Chief Minister.

The Legislative Assembly comprises the Speaker, who acts as President, three Official Members (the Chief Secretary, the Financial Secretary and the Attorney General) and fifteen elected Members. Elections are held every four years, most recently in November 1996. However, there are no organised political parties.

The Constitution also provides for an Executive Council consisting of the Governor as Chairman, three Official Members and five Members drawn from the elected Members of the Assembly. As Ministers, the five elected Members of Executive Council have responsibility for the conduct of such government business as is allocated to them by the Governor.



### Law and order

The judicial system is based on English common law. There are two courts: the Summary Court (a lower court) and the Grand Court, which has unlimited civil and criminal jurisdiction. There is a Court of Appeal.

### Current issues – conservation

The mangrove wetlands of the Caymans give the area an importance for biodiversity much greater than their small area would suggest.

The Cayman Islands will also be the first Overseas Territory to have the Protocol on Specially Protected Areas and Wildlife extended to it. The Islands have 25 endemic species of plants and reptiles.

A botanical park and bird sanctuary on Grand Cayman provide safe environments for endangered species of birds and lizards.

The National Trust is engaged in long-term projects to preserve the unique wildlife and flora indigenous to Cayman Brac. Little Cayman is host to a wide variety of flora, fauna, and birdlife.

It also has its own bird sanctuary which is a designated Ramsar site.

Over 200 species of birds have been recorded in the Islands.

The Cayman Islands Government has set world standards in marine conservation. The Cayman Islands Turtle Farm serves as a breeding ground for the Green Turtle. After being bred and hatched on the farm they are released into the ocean. This has led to an increase in the previously diminishing sea turtle population.

### Economy (tourism and offshore finance)

The Cayman Islands have one of the highest standards of living in the Caribbean. GDP per capita was US\$30,120 in 1998. The economy is based on tourism – there were over 1.2 million visitors in 1997 (most from the US) – and on the Cayman Islands' status since 1966 as an international offshore finance centre. At the end of 1998 there were 585 bank and trust companies, 475 captive insurance companies, 1,978 licensed or registered mutual funds and 41,173 registered companies. The Cayman Islands Monetary Authority and the Cayman Islands Stock Exchange were established in 1997.

The principal sources of government revenue are import duties, company, bank and trust licence fees and stamp duties. There is no income tax, company tax, estate or excise duty. Although imports outstrip exports by about 100:1, the visible trade gap is more than offset by invisible earnings from the tourism and financial services sectors.

### UK development assistance

The Cayman Islands receive no direct financial aid from Britain.

#### Key Facts

<b>Currency</b>	Cayman Islands Dollar
<b>Rate of exchange</b>	CI\$ = US\$1.20 (fixed rate)
<b>GDP per capita</b>	US\$30,120 (estimated 1998)
<b>GDP growth</b>	5.5% (1997)
<b>Government revenue</b>	CI\$249.9 million (estimated 1998)
<b>Government expenditure</b>	CI\$195.25 million (estimated 1998)
<b>UK exports</b>	£9.76 million (1998)
<b>UK imports</b>	£0.32 million (1998)
<b>Population</b>	36,600 (1997)
<b>Unemployment rate</b>	4.2% (1997)
<b>Capital</b>	George Town (on Grand Cayman)

# Falkland Islands



## General

The Falkland Islands are an archipelago situated in the South Atlantic about 770 km north east of Cape Horn and 483 km from the nearest point on the South American mainland. The Islands have a total land area of 12,173 sq km (more than half the size of Wales).

The distinctive coastal and inland habitats of the Falklands, such as stands of tussock grass, support a rich variety of flora and fauna including several endemic species.

The Islands were first sighted in the sixteenth century, but the first known landing was made in 1690 by British naval captain John Strong, who named them after Viscount Falkland, First Lord of the Admiralty at the time. A British settlement was established in 1766 and, although this was withdrawn in 1774 on economic grounds, British sovereignty was never relinquished. There was no indigenous or settled population on the Islands before 1833, when British occupation of the Islands was resumed and this has continued until the present day.

The population is almost all of British birth or descent and many can trace their origins in the Falklands back to the early nineteenth century. English is the national language and 99 per cent of the population speak English as their mother tongue. There are Anglican, Roman Catholic and non-conformist churches on the Falklands.

The Falklands were invaded and illegally occupied by Argentine military forces on 2 April 1982. A British task force was dispatched immediately. Following a conflict in which over 1,000 British and Argentine lives were lost, the Argentine forces surrendered on 14 June 1982.

## Constitutional status

Supreme authority is vested in HM the Queen and exercised by a Governor on her behalf, with the advice and assistance of the Executive and Legislative Councils and in accordance with the Falkland Islands Constitution Order (1985) as amended.

Universal adult suffrage was introduced in 1949. The voting age is 18. The Legislative Council has eight Members elected every four years and is chaired by the Governor. It also has two Ex Officio Members (the Chief Executive and the Financial Secretary), who do not have the right to vote.

The Executive Council comprises three Members of the Legislative Council elected annually by the eight elected Members of that Council from among their own number, and the same two Ex Officio Members who sit on the Legislative Council. In addition the Attorney General and Commander of British Forces in the Islands attend by invitation. The Governor is obliged to consult the Executive Council in the exercise of his functions except in specified circumstances (for example on defence and security issues, where he must consult and follow the advice of the Commander of the British Forces in the Islands).

## Law and order

The judicial and legal systems consist of a Supreme Court, a Magistrates' Court presided over by the senior magistrate and a Court of Summary Jurisdiction, presided over by a bench of two or more magistrates.

The Court of Appeal hears appeals from the Supreme Court. In some cases there is a final appeal to the Judicial Committee of the Privy Council. Both the Court of Appeal and the Judicial Committee of the Privy Council sit in London.

## Current issues

Argentina asserts a claim to sovereignty over the Falklands. But the British Government has no doubt about British sovereignty over them and does not regard this as negotiable. The British Government remains committed to defend the Islanders' right of self-determination. In exercise of this right the Islanders have repeatedly made known their wish to remain British.

## Economy

In the past economic development was hindered by the lack of natural resources on the Falklands, the small size of the population, and the remoteness of external markets. Wool was the traditional mainstay of the economy and principal export.

Since 1982 the pace of economic development has accelerated dramatically. This rapid growth resulted initially from the influx of aid from Britain but more recently from the development of fisheries. The size of fisheries revenues and their subsequent careful investment has enabled much-needed improvements to be made in infrastructure and the promotion of tourism and other enterprises which will assist in the diversification of the economy.

Offshore oil exploration is now also under way in the North Falklands Basin. In October 1996 the Falkland Islands Government awarded licences to five consortia for oil exploration and exploitation in Falklands waters. Exploratory drilling started on 27 April 1998 and ended 20 November 1998.

## UK development assistance

Following the 1982 conflict, Britain announced the provision of £31 million of financial aid. The final part of this was spent in 1992. Since then no further financial aid has been provided. The Islands are now self-sufficient in all areas except defence.

### Key Facts

<b>Currency</b>	Falkland Islands Pound (at par with UK£)
<b>GDP per capita</b>	£12,202 (1995/96 Coopers & Lybrand estimate)
<b>GDP growth (real)</b>	1% (1995/96 Coopers & Lybrand estimate)
<b>Government revenue</b>	£36 million (financial year ended December 97)
<b>Government expenditure</b>	£51 million (financial year ended December 97)
<b>UK exports</b>	£42.24 million (1998)
<b>UK imports</b>	£12.64 million (1998)
<b>Population</b>	2,221 (1996 Census)
<b>Unemployment rate</b>	Negligible
<b>Capital</b>	Stanley



# Gibraltar



## General

Gibraltar is a narrow rocky peninsula which rises steeply from the adjoining low-lying coast of south-western Spain. It has a total area of 5.8 sq km and is nearly 5 km long from north to south. British title to the Rock of Gibraltar is based on Article X of the Treaty of Utrecht, signed in 1713. Our title to the southern part of the isthmus connecting the Rock to Spain is based on continuous possession over a long period.

According to the most recent figures (1997) the population was 27,192 of whom 20,772 were Gibraltarians. The population claims descent mostly from the British, Genoese or Maltese. English is the official language, but Spanish is widely spoken. About four-fifths of the population are Roman Catholic, but there are also Protestant, Jewish, Hindu and Muslim communities.

Gibraltar is a crossroads for bird migration and important for international studies of birds of prey and seabirds. The famous Barbary macaques are prospering – almost to pest proportions – as is a dolphin colony in the Bay. There are threats to biodiversity from invasive plant species.

## Constitutional status

Gibraltar's legislature, the House of Assembly, consists of a Speaker and 15 elected and 2 Ex Officio Members (the Financial and Development Secretary and the Attorney General). Elections take place every four years. The territory consists of a single constituency with a block voting system under which each elector may vote for up to eight candidates.

The last elections were held in May 1996 and were won by the Gibraltar Social Democrats with an absolute majority in the House of Assembly.

## Sovereignty

Under the Treaty of Utrecht, Spain has right of 'first refusal' should Britain decide to relinquish sovereignty over Gibraltar. The Spaniards have campaigned vigorously for Gibraltar to be returned to them. The British Government has reaffirmed that it stands by the commitment enshrined in the preamble to the 1969 Constitution: Her Majesty's Government will never enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes.

Over the years, the Gibraltarian people's sense of identity has been strengthened and the right of self-determination has become a theme in the territory. The British Government's policy is clear and long-standing; it supports the principle or right of self-determination, but this must be exercised in accordance with the other principles or rights in the United Nations Charter as well as other treaty obligations. In Gibraltar's case, because of the Treaty of Utrecht, this means that Gibraltar could become independent only with Spanish consent.



## Law and order

The law of Gibraltar is the common law of England and locally enacted Ordinances and subsidiary legislation. The Courts of Law consist of a (non-resident) Court of Appeal, a Supreme Court, the Court of First Instance and the Magistrates' Court.

## Gibraltar and the European Union

Gibraltar is within the European Union (EU) as part of UK membership by virtue of Article 227(4) of the Treaty of Rome. British Dependent Territory citizens from Gibraltar are defined as British nationals for EU purposes, thus giving them the right of free movement within the EU. Gibraltar has exemptions from Community policy in four areas; the Common Agriculture and Fisheries Policies, the Common Customs Tariff, the free movement of goods (but not services) and the levying of VAT. Although the Gibraltar Government is responsible for giving effect to European Community (EC) legislation in the territory, the UK is answerable to the European Court of Justice for the implementation and enforcement of EC obligations in Gibraltar. Gibraltarians do not have the vote in elections to the European Parliament. The UK has made clear that, as a result of a recent European Court of Human Rights ruling, it will seek amendment of the 1976 EC Act on Direct Elections which requires the unanimous agreement of all member states.

## Economy

In the past, the economy of Gibraltar was highly dependent on Ministry of Defence employment. However, in recent years it has undergone major structural change from a public sector to a private sector economy. Gibraltar is keen to secure its economic future by diversifying through increased tourism, the provision of financial services, and through the development of niche sectors which require little land, but offer high added value, for example satellite communications.

In February 1997, the Government of Gibraltar announced a package of measures to boost tourism, including grants and soft loans for hotels. This doubled the tourism sector's allocation in the May 1997 budget. Attracting more visits by cruise liners is one of Gibraltar's major objectives, and a new passenger terminal opened in October 1997.

Gibraltar's financial sector is regulated by a Financial Services Commissioner who reports to a Commission made up of senior UK and Gibraltar financial experts. In March 1997 the British Government gave the Financial Services Commission permission to 'passport' (i.e. authorise) Gibraltar-based insurance firms to operate elsewhere in the European Economic Area.

## Money laundering

Tough anti-money laundering legislation, on an all-crimes basis, came into force in Gibraltar on 1 January 1996. This legislation is to UK and EU standards. Gibraltar has also recently signed up to the recommendations of the Financial Action Task Force and has agreed to undergo mutual evaluation process within the Overseas Group of Banking Supervisors, of which it is a member. Gibraltar attaches importance to meeting internationally accepted standards.

## Illicit trafficking

Drug smuggling from Morocco to Spain, using fast launches based in Gibraltar, and tobacco smuggling directly to Spain, were matters of great concern in the mid-1990s. However, firm measures were taken by the previous and present Governments of Gibraltar to ban the fast launches and to licence the tobacco trade. As a result, smuggling using boats based in Gibraltar has almost completely disappeared.

## UK development assistance

Gibraltar receives no programme or structural aid from the UK.

### Key Facts

Currency	Gibraltar Pound (at par with UK£)
GDP per capita	£11,680 (1995/96)
GDP growth	0.34% (1995/96)
Government revenue	£122.1 million (1998/99)
Government expenditure	£122.8 million (1998/99)
UK exports	£81.08 million (1998)
UK imports	£10.08 million (1998)
Population	27,192 (1997)
Unemployment rate	13% (1997)