



MINISTER FOR FINANCE & ECONOMIC DEVELOPMENT'S SPEAKING NOTES

ON THE SUPPLEMENTARY FUNDING APPROVED FOR THE EXTENDED 2026 FUEL RELIEF PROGRAMME

30 SEPTEMBER 2026 MEETING OF PARLAMENT

Mister Speaker, pursuant to section 11(6) of the Public Management and Finance Act (2026 Revision), I rise to make this Statement to Members of this Honourable House with respect to supplementary funding of \$3.0 million approved by Cabinet, pursuant to section 11(5) of the Act, for the extension of the 2026 Fuel Relief Programme.

Mister Speaker, the 2026 Fuel Relief Programme was introduced in May of this year as a temporary measure to reduce the impact of higher international fuel prices on electricity, transportation and household energy costs in the Cayman Islands. The Programme was initially approved for the period 1 June to 30 September 2026.

Continued uncertainty and volatility in global energy markets, together with the Cayman Islands' reliance on imported fuel, mean that households and businesses remain exposed to elevated fuel and electricity costs. Mister Speaker, the Government has therefore extended the Programme for a further three months, from 1 October to 31 December 2026.

Mister Speaker, the extended Programme continues the temporary relief measures already in place, including:

1. a 100 per cent waiver of import duties on gasoline, diesel and propane imported during the period 1 October to 31 December 2026;
2. a cap of 18 cents per kilowatt hour on residential electricity fuel charges. Residential customers using between 101 and 3,500 kilowatt hours per month are eligible for relief on the first 2,000 kilowatt hours of consumption; and
3. automatic application of the electricity relief through Caribbean Utilities Company and Island Energy, so eligible customers do not need to apply.

At September 2026 fuel cost rates, the electricity cap and fuel duty waiver combined can provide savings of around \$70 per month for a household using 1,200 kilowatt hours of electricity. The electricity assistance is expected to benefit nearly 95 per cent of households across all three Islands.

Mister Speaker, between 1 June and 31 August 2026, the Programme provided approximately \$11.351 million in Government support. This comprised \$3.920 million in electricity rebates and \$7.431 million in gasoline, diesel and propane import duties forgone.

The additional \$3.0 million in supplementary funding approved by Cabinet will increase the 2026 appropriation for *TP 118 - Electricity Assistance Programme*. The funding will meet the cost of continuing the electricity relief through 31 December 2026.

Mister Speaker, section 11(5) of the Public Management and Finance Act allows Cabinet to approve supplementary funding where an “exceptional circumstance” exists. The Act requires four conditions to be met. The Government is satisfied that the extension of the Programme meets those conditions.

First, the circumstances giving rise to the need for the Programme are beyond the control of Cabinet. International geopolitical conflict, including the ongoing United States/Iran conflict, and the resulting volatility in global oil and energy markets are external events that the Government cannot control.

Second, the scale, timing and duration of these events, and the associated increases in global fuel prices, could not reasonably have been anticipated when the 2026 Budget was prepared and approved in late November/early December 2025. The need to continue a large-scale temporary fuel and electricity relief programme through the end of 2026 was therefore not contemplated at that time.

Third, the economic and social impact on the Cayman Islands is significant. Because we rely on imported fuel for electricity generation and transportation, higher global fuel prices affect electricity bills, transportation costs, household budgets and business operating costs across the Islands. Without relief, consumers would face higher fuel and electricity costs and increased financial pressure.

Fourth, the relief must continue without interruption in order to be effective. The existing Programme ends on 30 September 2026. Delaying the extension until completion of the normal supplementary appropriation process under section 12 could result in a break in the relief and reduce the Government's ability to respond to the immediate impact of higher energy costs. In these circumstances, the required timescale makes the ordinary section 12 procedure impractical.

Mister Speaker, Core Government is still forecast to remain in full compliance with the Principles of Responsible Financial Management in 2026 taking the \$3.0 million supplementary funding into account.

Mister Speaker, the extension of the Programme is a temporary and targeted response to external energy cost pressures. It provides continued support to households and businesses through the end of 2026 while the Government continues to monitor the country's financial position and longer-term energy resilience measures.

Thank you, Mister Speaker.