



MINISTRY OF
FINANCIAL SERVICES,
COMMERCE & ENVIRONMENT
CAYMAN ISLANDS GOVERNMENT

Government Administration Building
133 Elgin Avenue, Box 126
Grand Cayman KY1-9000
CAYMAN ISLANDS
www.caymanfinance.gov.ky

**Report on the
Public
Consultation on
the Liberalisation
of Sunday
Trading**

February 20

2015

Introduction

In response to local commerce needs, the Cayman Islands Ministry of Commerce has conducted public consultation regarding liberalising, or relaxing, its Sunday Trading Law.

Conducted on the Ministry's behalf through the Department of Commerce and Investment, the consultation was announced in the Hon. Premier's 2014/15 Budget Address, delivered on 26 May 2014.

The consultation, which was held from 1 August to 30 September 2014, sought the views of all interested members of the public, including local trade associations and religious organisations.

Overview

Sunday trading in the Cayman Islands is governed by The Sunday Trading Law (2003 Revision), which determines which businesses may open on a 'prohibited' day (defined as Sundays, Good Friday and Christmas Day).

In general, section 5 of the law states that 'a person shall not sell, offer or expose for sale any goods, ware or merchandise on a prohibited day'. The law also specifies, by schedule, those premises that are exempt from the law; and grants Cabinet the power to vary the schedule (see Appendix 1).

Today it generally is recognised that the social and economic landscape has evolved significantly since this law was enacted, first by an Order of the UK in 1964, and subsequently by local legislation in 1986. Since then many countries, including the UK and several of its Overseas Territories and Crown Dependencies, have revised their policies on Sunday trading restrictions.

Worldwide, there remain a variety of ways in which restrictions on Sunday trading are imposed in various countries. These include limitations on operating hours, exemptions for certain business types, and exemptions based on the size of a business (for example, for large retail outlets such as supermarkets).

In the Cayman Islands, the liberalisation of our Sunday trading regime has been debated for almost a decade. Notable periods include 2005 and 2013, when the Chamber of Commerce conducted two surveys of its membership.

The Consultation Process

The purpose of the Ministry's consultation process was to ensure that Government had a clear understanding of the arguments both for and against the liberalisation of Sunday trading. The consultation document outlined seven common arguments in favour of liberalisation, and seven common arguments against it. So as to better facilitate a balanced discussion, on numerous occasions it was stated that Government had not taken a view on the appropriate course of action.

In regard to the consultation outcomes, it should be noted that the process did not attempt to facilitate a statistically robust analysis of opinions on the issue of Sunday trading. As such, the results provide only an indication of those individuals and associations that chose to comment.

To encourage the public to participate in the consultation, Minister Panton appeared several times on radio talk shows and news segments, and news releases, bulletin boards, and public service announcements were published and aired. Two public meetings also were held, facilitated by Minister Panton, which drew 33 attendees. Of the total responses received, 294 were submitted via the Ministry's online survey; 24 were written submissions to the Ministry; and two petitions against liberalising Sunday trading were received, one with 68 signatures and the other with 76 signatures.

Online Survey

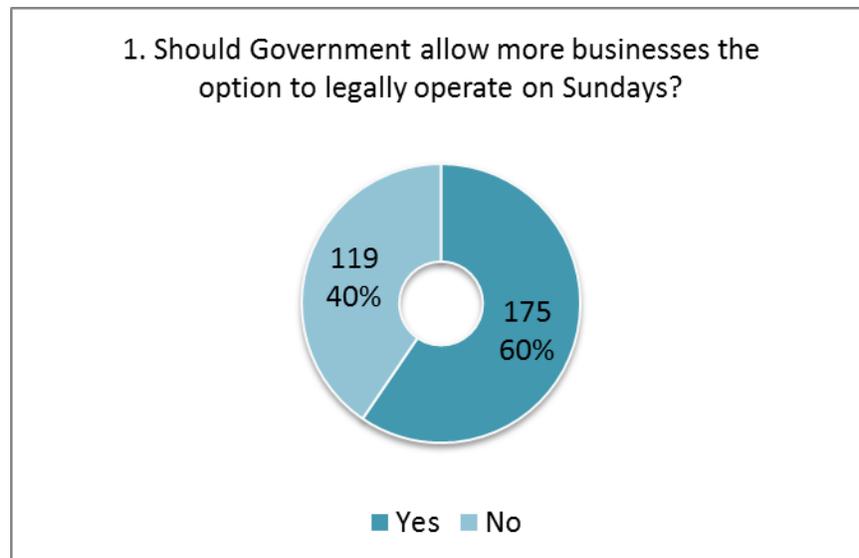
The online survey was conducted from 10 September to 30 September. Although only one response was permitted per IP address, it is possible that a respondent could have repeated the survey using different computers.

A complete list of survey questions is shown in Appendix 3. The profile of the respondents is shown in the table below.

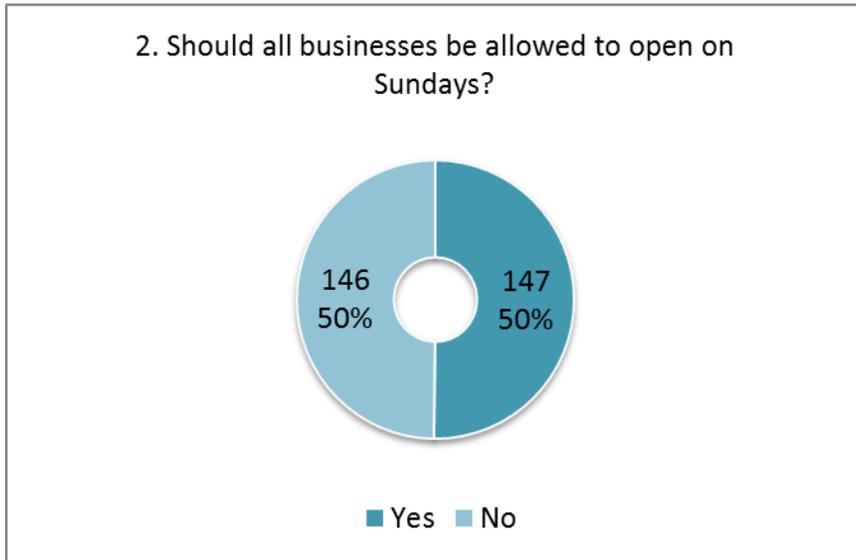
Table 1: Demographic Data from Online Survey Respondents

Industry	Age		District		
Construction	11	< 18 years old	1	West Bay	47
Government	30	18-24 years old	9	George Town	167
Financial Services	131	25-34 years old	68	Bodden Town	52
Tourism	28	35-44 years old	80	North Side	4
Wholesale or Retail	21	45-54 years old	64	East End	5
Utilities	11	55-64 years old	46	Cayman Brac or Little Cayman	19
Real Estate	15	65 or older	26		
Education	23				
Healthcare	11				
Arts, Entertainment or Recreation	8				
Student	5				
Total	294		294		294

Results, as shown below, show support for the liberalisation of Sunday trading by a ratio of 3 to 2.



There was an even split in opinion regarding a complete opening of Sunday trading for all businesses.



Roughly 63% of respondents supported restricted opening hours. In a follow-up question, 52% of respondents selected that this restriction should allow for opening hours of fewer than four hours.



Further breakdown of the support for the liberalisation of Sunday trading by demographic data are shown in the tables below.

Table 2: Support by Industry / Occupation

Industry/Occupation	Yes		No		Total
Arts, entertainment or recreation	4	50%	4	50%	8
Construction	9	82%	2	18%	11
Education	6	35%	11	65%	17
Financial services	89	69%	40	31%	129
Government	17	59%	12	41%	29
Healthcare	5	50%	5	50%	10
Real estate (including rental properties)	6	50%	6	50%	12
Tourism	13	50%	13	50%	26
Utilities	8	89%	1	11%	9
Wholesale or retail	8	40%	12	60%	20
Retired	5	36%	9	64%	14
Student	4	100%	0	0%	4
Other	1	20%	4	80%	5
Total	175	60%	119	40%	294

Table 3: Support for Sunday Trading by District

District	Yes		No		Total
Bodden Town	24	46%	28	54%	52
Cayman Brac or Little Cayman	15	79%	4	21%	19
East End	3	60%	2	40%	5
George Town	105	63%	62	37%	167
North Side	3	75%	1	25%	4
West Bay	25	53%	22	47%	47
Total	175	60%	119	40%	294

Table 4: Support for Sunday Trading by Age

Age	Yes		No		Total
Younger than 18 years old	1	100%	0	0%	1
18-24 years old	6	67%	3	33%	9
25 to 34 years old	56	82%	12	18%	68
35 to 44 years old	48	60%	32	40%	80
45 to 54 years old	39	61%	25	39%	64
55 to 64 years old	17	37%	29	63%	46
65 or older	8	31%	18	69%	26
Total	175	60%	119	40%	294

Analysis of Comments and Submissions

The following analysis of the submissions made during the consultation process is separated by major stakeholder group. Cross-cutting issues are presented at the end of this section.

Consumers

One of the primary reasons given in support for liberalising Sunday trading was convenience. This recognised that those who work six days a week may need Sunday to shop, as well as the fact that, even with the best planning, there are groceries and other items that may need to be purchased on Sunday.

An interesting perspective presented was that by allowing restaurants, as opposed to grocery stores, to open on Sunday supports a bias towards allowing food purchases on Sunday through outlets that are more expensive. This restriction may therefore be of some concern to the approximately 82 businesses that are engaged in the retailing of food supplies (see Table 5).

Table 5: Estimated Number of Licences for Food Retailers by Size of Business

	Number of Licenses
Food Retailers / Merchants 800 sqft	55
Food Retailers / Merchants 801 - 1200 sqft	6
Food Retailers / Merchants 1201 - 1500 sqft	1
Food Retailers / Merchants 1501 - 2000 sqft	2
Food Retailers / Merchants 2001 - 4000 sqft	4
Food Retailers / Merchants > 4000 sqft	14
Total Food Retailers / Merchants	82

Source: Department of Commerce and Investment, September 2014

The needs of the tourism industry were also highlighted, with respondents noting that stay-over guests in timeshare accommodations are affected by shops being closed on Sunday. A counter-argument to this point was that tourist accommodations can just as easily provide better notice to their guests before arrival, and that such a situation lends itself as a potential opportunity to provide a 'kitchen stocking' service, where goods can be ordered in advance before visitors arrive on Sunday.

Overall, there was a high degree of reference to consumer choice as a basis for further liberalisation of Sunday trading. Respondents in favour of liberalising Sunday trading said those who do not wish to engage in trade on Sundays are free to do so, but this should not affect those who do wish to make purchases on Sundays.

Businesses

There appears to be a mixed reaction from businesses on the opportunities presented by a liberalisation of Sunday trading. On the one hand, there were expressions of support for the potential for increased sales that would result. The counterpoint, however, was that consumers have fixed budgets, and adding

another day to sell would not result in an overall sales increase for the week. Additionally, some respondents said the increase in operational costs for the additional day would outweigh any potential increase in revenue.

Some business owners also stated that they would feel pressured to open if their competitors decided to open on Sundays. Not opening was perceived as having an impact on consumer buying habits, which posed a long-term concern for shop owners.

One strong point made was that once the rules have been determined, consistent enforcement action by the Government is necessary. Otherwise, there is a bias against those institutions that follow the rules, which puts them at a disadvantage to their competition.

Data provided on trade and business licence holders suggest there are a significant number of retail operations that are affected by the restrictions on Sunday trading (see Table 6).

Table 6: Licensed Businesses Affected by Sunday Trading Restrictions

Business Licences	Total	%
Retailers Currently Allowed	100	2.3%
Retailers Not Allowed	655	14.9%
Others Currently Allowed*	735	16.7%
Others Not Allowed	2,908	66.1%
Total	4,398	

Source: Department of Commerce and Investment, September 2014

* Businesses licensed in areas covered by current exemptions.

Employees

Employee protection was a significant concern raised, as it was felt that workers would be exploited and not given a choice to work on Sundays. Concerns were expressed about discriminatory recruitment practices, and workers not being paid time-and-a-half for work on Sunday. Employees were seen to be in a weak position concerning their rights, and the significant potential for underreporting of employment violations was perceived.

A further sentiment was that allowing more Sunday trading would translate into higher demand for non-Caymanians.

In consideration that the main industries to be affected by liberalising Sunday trading are in the wholesale and retail sectors, Table 7 below provides some context in understanding the potential impact on the labour force. Employment in wholesale and retail is approximately 13.6% of the labour force, but it is noted that some employees in the retail sector are already in business types that are exempted from Sunday trading restrictions (e.g., in tourist-related businesses).

Table 7: Employment by Select Industries

Employment	Total	%	Caymanian	%	Non-Caymanian	%
Wholesale & Retail	4,920	13.6%	2,174	12.5%	2,746	14.7%
Accommodation	1,480	4.1%	746	4.3%	734	3.9%
Restaurants	1,888	5.2%	550	3.2%	1,338	7.2%
Other	27,782	77.0%	13,892	80.0%	13,890	74.2%
Total	36,070		17,362		18,708	

Source: Labour Force Survey 2013, Economics and Statistics Office

A significant concern that was expressed relates to the potential disruption for families by allowing more trading on Sunday. In particular, the potential impact this may have on children, where one or both parents would not be available to spend quality time with their family because of employment demands, was raised.

It was further argued that the wage income derived from extra work on Sunday may in some cases be offset by the need to hire someone to care for children that were left alone.

While the social costs that are implied by these concerns cannot be quantified, it is noted that one-third of the population consists of households of greater than two persons (see Table 8). Considering that not all families with children will be impacted, it is not possible to determine the proportion of families that may be affected by an increase in Sunday trading.

Table 8: Cayman Household Size

Household Size	
1 or 2 Persons	62.8%
> 2 Persons	37.2%

Source: The 2010 Census Report, Economics and Statistics Office

Cross-cutting Issues

While it is clear that the majority of respondents that were against Sunday trading presented their concerns based on religion, it is important to note that there also were individuals who expressed that, putting aside their own personal religious preferences, it was an individual’s right to choose what activities they pursued on either Saturday or Sunday.

Very little mention in the responses was made of the current Sunday restrictions being disadvantageous to Seventh-day Adventists, although this group does represent a significant part of the population (see Table 9).

Table 9: Religious Affiliation in Cayman Population

Religion	Total	%	Caymanian	%	Non-Caymanian	%
Seventh Day Adventist	5,054	9.4%	3,171	10.5%	1,883	8.0%
Other Religion	43,775	81.3%	24,801	81.8%	18,974	80.7%
None	5,005	9.3%	2,341	7.7%	2,664	11.3%
Total	53,834		30,313		23,521	

Source: The 2010 Census Report, Economics and Statistics Office

Often associated with the sentiments expressed from a religious perspective, the second cross-cutting concern related to the impact on Caymanian culture of liberalising Sunday trading. Of particular concern was the potential negative impact that increased Sunday trading would have on Sunday as a day of relaxation, where more trading would increase traffic, noise levels, and stress.

As a counterpoint, it was noted that culture evolves as society evolves, and that it is unrealistic to legislate for certain behaviour.

Discussion of Results

Although there is some quantification of results in various elements of the consultation process, there is no basis on which to suggest that the respondents are representative of the Cayman population.

As such, the analysis that has been presented does not address the question of the potential economic impact of changes to the current Sunday Trading Law. The impact on individual businesses, the creation of jobs, and the impact on wages are factors that depend on particular circumstances for each business operating in Cayman. Likewise, the potential social impacts cannot be quantified. The impact on families and society in general depend, as well, on the particular circumstances of individuals.

However, the discussion on the possible liberalisation in Sunday trading has yielded an array of opinions. What is clear is that this issue affects individuals differently depending on their perspective – whether a consumer or a business owner, an employee with a family or one without, a tourist or a resident, a Saturday-keeper or a Sunday-keeper. The common thread to these perspectives is that participating in Sunday trading should largely be a matter of an individual’s choice.

The existing exemptions from the prohibitions on Sunday trading are listed in Appendix 4. This list recognises several goods that are seen as necessities, particularly relating to the essentials of living as well as Cayman’s integration in the global economy, and the movement of people through our ports. This recognition that there are goods considered to be necessities (which should be available for sale on any day of the week), and some minimum level of trade to support our tourism industry, suggests that Sunday trading should be available in relation to certain types of business establishment. Determining that only specific items are to be sold on Sunday leads to an unrealistic scenario of trying to enforce a system where retail outlets only engage in limited transactions on one day of a week.

Based on the views expressed in the consultation, there is some degree of consensus around the need to regularise a regime under which the sale of consumables (food items in particular) is allowed. In practice, this may have only a minor effect, primarily to businesses previously trading illegally, to fulfil legitimate consumer demands. There may be some additional competition from similar business that previously were closed on Sundays, and consideration also can be given to restricting this, based on the size of the operation (i.e., only allowing stores of a certain size to open).

Conclusion

A misperception that is evident from the majority of responses was that this consultation was focused on a desire by Government to make Sunday into a regular trading day. Interpreting the results of the survey, consultation questions, and media reports was therefore a challenge, as these largely reflected polar differences in opinion – from completely open trading, to completely closed trading.

Teasing through some of the feedback and examples that were submitted, there is a case for a change to the exemptions from the Sunday Trading Law – in particular, to allow for the operation of retailers primarily involved in the sale of food items.

Appendix 1: Arguments presented in the Consultation Document

Several reasons have been raised in support of the liberalisation of Sunday trading.

- a) To allow competition between all retailers on a Sunday.
- b) To benefit consumers, particularly in the costs of goods currently available for purchase on Sunday through limited retail outlets (such as gas stations).
- c) To improve consumer choice by having access to the same variety of goods as available on a weekday.
- d) To increase convenience to consumers to avoid peak shopping hours, and for more choice as to when to shop.
- e) To provide job opportunities for those who want to work on a Sunday and currently cannot, including existing employees, new employees, and student employees.
- f) To maximise efficiency and productivity across the whole retail sector, including reduced congestion and queuing at busier times and reduced wastage for retailers selling perishable goods.
- g) To address criticism that the current situation discriminates against those that hold a day other than Sunday as Sabbath.

Counter arguments to the liberalisation of Sunday trading are as follows.

- a) There is the potential that operating on Sunday will increase the variable costs of retailers, and it is not necessarily the case that the increase in costs will be outweighed by an increase in revenue.
- b) Shops may be forced to open on a Sunday just to match other stores that do so.
- c) Smaller shops operating illegally on Sunday (some of which may already be struggling to remain operational) could lose out to competition from larger stores.
- d) Some employees may feel they have to offer to work on Sunday when they would otherwise choose not to do so.
- e) Removing a 'weekly holiday' may further impact employees' health and welfare, as they may become overworked.
- f) There is a concern that allowing Sunday trading will be a threat to traditional Christian values.
- g) There is a risk of increased pressure on families, where the necessity for parents and guardians to 'make ends meet' will undermine family life and specifically, have a negative impact on children.

Appendix 2: Consultation Questions

1. *Should Government allow businesses the option to legally operate on Sunday?*
2. *Should this be applied to all businesses or only to specified businesses (for example, only smaller retailers)?*
3. *If there is an option for businesses to legally operate on Sunday, should there be a restriction on the number of hours that a business may be open, and if so, what is your suggestion on the maximum number of hours allowed?*
4. *Are there any other updates that should be made to the Sunday Trading Law? What are those updates?*
5. *Is there a need to introduce greater protection against discrimination for employees that choose not to work on a Sunday?*
6. *Is such protection more applicable in certain industries and if so, which industries require specific consideration?*

Appendix 3: Questions in the Online Survey

1. *Should Government allow more businesses the option to legally operate on Sundays? [Yes / No]*
2. *Should all businesses be allowed to open on Sundays? [Yes / No]*
3. *If more businesses are allowed to legally operate on Sundays, should their hours be restricted? [Yes / No]*
4. *If you answered 'yes' to the previous questions, how many hours should businesses be allowed to open on Sundays? [Fewer than four hours / Four hours to eight hours]*
5. *Do you think there are other updates that should be made to the Sunday Trading Law? [Yes / No]*
6. *If you answered 'yes' to the previous question, what should those updates be?*
7. *Do employees who choose not to work on Sundays need greater protection against employer discrimination? [Yes / No]*
8. *If you answered 'yes' to the previous question, what kind of jobs do those employees hold?*
9. *Which district do you live in?*
10. *What is your age?*
11. *What do you do?*

Appendix 4: Current Exemptions to the Sunday Trading Law

1. Druggist shops and dispensaries in relation to the sale of medical stores only.
2. Restaurants, hotels and lodging houses.
3. Establishments for the sale of motor fuel or oils, in relation to the sale of those items.
4. Motor vehicle repair shops or service stations, in relation to the sale of those items and of spare parts for motor vehicles.
5. Establishments for the sale of bread ice, ice-cream, non-alcoholic beverages, milk, newspapers, bottled water and water in bulk, in relation to the sale of those items.
6. Establishments governed by any law for the time being in force in the Islands regulating the sale of intoxicating liquor, in relation to the sale of intoxicating liquor.
7. Establishments approved by the Governor in Council by publication in the Gazette for the sale of duty-free goods.
8. Establishments concerned in watersports or sightseeing attractions.
9. Establishments within the curtilage of a hotel in relation to the sale of souvenir items, toiletries and medical supplies.
10. Establishments engaged in the sale or supply of funeral caskets or flowers, in relation to the sale or supply of those items.
11. Establishments for the sale of victuals, stores or other necessities required for a ship or aircraft on arrival at or immediately before departure from a port or airport in the Islands, in relation to the sale of those items.
12. Hairdressing and beauty salons.
13. Airline and shipping offices.
14. Establishments carrying on retail business at an airport.
15. Establishments concerned in the rental of motorcars, motor-cycles or bicycles, or in the rental or charter of boats, in relation to such rentals or charters.
16. Establishments engaged in the sale or supply of toiletries, in relation to the sale or supply of those items.
17. Establishments engaged in the sale or supply of baby products (other than clothing and toys), in relation to the sale or supply of those items.
18. Establishments concerned in the provision of such essential services as may be prescribed by the Governor in Council by order.
19. Establishments in Grand Cayman selling, mainly to tourists, duty-free goods, locally produced goods or souvenir items, in relation to those goods, during the permitted opening hours of the prohibited days as specified by variation orders made, from time to time, under section 6(2).
20. Establishments engaged in the conduct of public cinematographic exhibitions, in relation to the exhibition, on Sundays between the hours of 2:00 p.m. and midnight of films which have been designated by the British or American Film Censorship Authorities as suitable for viewing by children aged seventeen years and under.