



Press release

December 5th, 2014

Age Bakker (Cft): 'Budget 2015 first priority for incoming government'

Philipsburg – According to the Cft the incoming government needs to amend the 2015 budget urgently in accordance with the legal requirements and resolve the long pending issue of payment arrears to APS and SZV.

The Board visited Sint Maarten from December 3rd to December 5th, which was the last visit to the Wescott-Williams III administration. Meetings were held with the Governor, the deputy Prime Minister, the minister of Finance, the Council of Ministers and the Central Committee of Parliament. Main topics of discussion were the 2014 budget execution, the draft budget 2015 and the payment arrears with SZV and APS. Chairman Age Bakker also held a presentation on the experiences with financial supervision on Sint Maarten for the members of the SHTA during a membership mixer at the University of Sint Maarten.

2014 budget execution

The 2014 budget execution is expected to end with a deficit of approximately ANG 10 million if no additional measures are taken. The deficit is caused by higher personnel expenditures and lower revenues than budgeted. The Cft was informed that government is currently exploring the possibilities to raise dividends from the government owned entities to cover the deficit. The Cft reminded government that any remaining deficits need to be compensated in future budgets.

2015 draft budget

In October 2014 government presented the draft 2015 budget for advice. In its advice, the Cft has recommended to lower the budgeted revenues of ANG 445 million to the level of approximately ANG 426 million, reflecting the level of revenues which were actually realized during the last few years. The Cft has been informed by the government that the budget 2015 including the necessary adjustments will not be ready before the legal deadline of December 15. It was agreed that government will formally request for a postponement until January 31, 2015. The Cft will honor this request which will enable the incoming government to present an amended budget in accordance with the Cft advice. The Cft stresses the importance of preserving a timely presentation of the budgets, a goal which has seen considerable improvement this year. Therefore the Cft will have to revert to procedures in the Kingdom Law if the deadline is not met.

Multi annual approach

It has been a continuous challenge for Sint Maarten to balance the budget. This reflects the ongoing discussion on the appropriate size of government for the country Sint Maarten. The Cft recognizes the desirability of formulating a multi annual approach for building up government institutions and providing the appropriate level of public services. The Cft has noted earlier that government revenues do not keep pace with economic growth and therefore strengthening of the tax system should be a priority for the incoming government.

Payment arrears

The Cft points out the lack of progress to solve the existing payment arrears with both SZV and APS. This situation cannot be allowed to continue. The Cft advises the incoming government to solve this problem with the greatest urgency.

[End of press release]

Caption: Age Bakker (Cft): 'Budget 2015 first priority for incoming government'

Note for the editing department – not for publication

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