



Press release

July 7th, 2021

Cft: "Get financial management and timely adoption of the budget in order"

Philipsburg – The government of Sint Maarten is facing great challenges with regard to the (multi-annual) budget. The budget for the current year 2021 reveals a deficit of approximately 20 percent of the Gross Domestic Product and has still not been adopted by the Governor. Sint Maarten will have to work actively and methodically to reduce the budget deficit and create a surplus. This way the standards of the Kingdom Act on financial supervision (Rft) can be met and a start can be made on paying off the country's very high debts. In order to make health care and social security sustainable, structural reforms aimed at limiting expenditure are inevitable. The Board of financial supervision (Cft) again urges to put the financial management in order and to timely adopt the budgets and annual accounts. Only this way can the government and parliament get "in control" again.

Halfway through the year Sint Maarten has not yet adopted the 2021 budget. According to the Rft, this should already have been the case on December 15th of the previous year. The Board considers this situation as one of concern; by now all attention should be focused again on the 2022 budget. In this budget a plan on how to convert budget deficits into surpluses should be included.

In order to limit the deficit in the budget as much as possible, measures must be taken to increase revenues and reduce expenditure. One of the options for this is to align the health insurance premium for civil servants with that for employees in the private sector. A second possibility is to raise considerably the wage limit for health and accident insurance. A third option is to make politicians pay as well for their health insurance and pension.

The tax compliance needs significant improvement. In this way a fair burden sharing amongst citizens and companies, the ending of unfair competition and the limiting of the deficit in the national budget can be achieved.

The Final Act for the 2020 budget stipulates amongst others that the unemployment pay period for political authorities will be shortened from 2 to 1 year. The Cft appreciates this as a step in the right direction.

The members of the Cft Curaçao and Sint Maarten visited Sint Maarten from July 5th to 7th where they held talks with the Governor, the Prime Minister, the Minister of Finance, the Minister of Public Health, Social Development and Labor and the Finance Committee of Parliament.

Sint Eustatius

On July 5th, the Cft Bonaire, Sint Eustatius and Saba visited Sint Eustatius and had conversations with the Government Commissioner, the Acting Government Commissioner, the Island Council, the Head of Operations and the Head of Finance. The Cft is impressed by the number of ongoing and completed projects and the improvements in financial management since its previous visit in 2019.

[End of press release]



Photographer:

Cft

Caption:

The Cft urges again to put the financial management in order and to timely adopt the budgets and annual accounts.

Note for the editing department – not for publication

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