



Press release

October 25th, 2023

Cft: “Prioritize 2024 budget adoption and investments”

Philipsburg – Sint Maarten is expected to realize a surplus in its operational expenses in 2023. For now, the investments are lagging behind compared to the adopted 2023 budget. For long the Board of financial supervision Curaçao and Sint Maarten (Cft) has been concerned about the timely adoption of budgets. Cft has requested Sint Maarten to prioritize the adopting of the 2024 budget and to provide it with a multi-annual investment planning.

Up till now Sint Maarten has not managed to timely attain an adopted budget. The budget amendment has not been adopted either. Cft emphasizes the importance of disposing of sufficient capacity for this purpose. In recent years Sint Maarten has not succeeded to take its investments (except for the trust fund investments) to a higher level. Sint Maarten has included an amount of ANG 90 million for investments in the adopted 2023 budget. Sint Maarten has taken out a loan for the main part (ANG 61 million). Cft advises Sint Maarten to start executing the planned investments as soon as possible.

ENNIA and refinancing liquidity support

The Netherlands has linked a sustainable solution for the ENNIA-file to the refinancing for the liquidity support loans. Cft considers the solution Sint Maarten and Curaçao recently chose for, namely controlled liquidation, as less risky than a restart of ENNIA. Based on this solution Sint Maarten and the Netherlands have agreed on the refinancing of the liquidity support loans against an interest rate of 3.4 percent.

Tax

Cft discussed the fact that the reforms of the tax system and the modernization of the Tax Administration Office are lagging behind with the minister of Finance. These are necessary in order to increase the tax revenues. Sint Maarten is engaged in reforming the room tax on home rental to tourists and the introduction of a tourism tax at entry. Cft considers this a positive development but accentuates that a broader revision of the tax system still remains as necessary.

Health care and social funds

Sint Maarten is working on reforms in order to reduce the increasing deficits in the health care funds. Sint Maarten expects to make a major step forward with the introduction of a general health insurance in this regard. Cft has expressed its concerns about a timely implementation. Postponement can result in the country being confronted with extra expenses. Furthermore the country has a debt with the Social & Health Insurance (SZV). Repayment of this debt shall lead to an improvement of the SZV's financial position.

[End of press release]

Photo:

Nathan Roosberg

Caption:

The Board of financial supervision Curaçao and Sint Maarten consists of Elizabeth de Cuba (member upon proposal of Curaçao), chair Lidewijde Ongering, Julisa Frans (member upon proposal of Sint Maarten) and Hans Hoogervorst (member upon proposal of Nederland).



Note for the editing department – not for publication

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