



Press release

June 27th, 2018

Raymond Gradus (Cft): "Getting the economy rolling again, working towards a balanced budget and realizing liquidity support should be the focus of Sint Maarten"

Philipsburg - From the 25th of June until the 27th, the Board of financial supervision Curaçao and Sint Maarten (Cft) visited Sint Maarten. During its visit, Cft stressed the importance of working towards a balanced budget in the near future. For 2018 however, liquidity support will be necessary in the short term. The need to improve financial management, solve the persistent IT-problems and acquire technical assistance were also topics of discussion.

Upon arrival in Sint Maarten, Cft met with the Governor of Sint Maarten, the Minister of Finance, the Council of Ministers and the Financial Committee of Parliament. Cft also met with different stakeholders such as SZV, the tax office, the General Audit Chamber, the member of the steering committee on behalf of Sint Maarten and with parties involved with the reconstruction.

Regarding the 2018 budget, Cft once again expressed its concerns regarding the precarious liquidity position and the current deficit. Raymond Gradus (Cft): "Despite the difficult situation, it is important to take measures to achieve a balanced budget again as soon as possible". With this, Cft referred to its opinion that Sint Maarten should limit the budgeted deficit as much as possible. Cost-cutting measures, broadening the tax base and an increased tax-compliance are of the utmost importance to achieve this. During the meeting with SZV their experience with improving compliance was shared with Cft. Sint Maarten will be in need of additional liquidities soon to meet its financial obligations and therefore a request is sent to the Kingdom Council of Ministers. The current challenges of Sint Maarten regarding public finances were extensively discussed with the newly installed Minister of Finance, who acknowledged these challenges and elaborated on his own ambitions for the coming years.

Important efforts were made by Sint Maarten to present various budgetary documents in the last few months. Not only was the budget 2018 finally signed off by the Governor, also the report on the second half of 2017 and the report regarding the first quarter of 2018 were received by Cft. Although most of these documents were sent to Cft after their deadline, progress is made by Sint Maarten in striving towards these deadlines. The annual accounts for 2013 until 2016 however, are still due.

Although Sint Maarten succeeded in decreasing the backlog in financial reporting, financial management remains inadequate and the IT-problems continue to exist. Cft stressed the importance of technical assistance in this regard since Sint Maarten has not been able to improve financial management and solve the IT-problems on its own. Cft was informed that Sint Maarten is indeed working on additional capacity to address these issues, but it has yet to be realized. The necessity for improving the budgetary cycle becomes more important in order to improve the quality of the reports and thus substantiate the liquidity need for 2018. The procedure regarding a quarterly liquidity settlement has been discussed between the Cft and the government. Such a procedure has the advantage that new information on income and expenditures can be incorporated. Monthly updates regarding the income and expenditures also allow for a better assessment of the liquidity position and the expected deficit.

Of crucial importance is the manner in which the economy of Sint Maarten is recovering. Cft was pleased to receive the finalized National Recovery and Resilience Plan, which outlines the recovery needs and presents an implementation framework for the recovery plan. It is of the utmost importance that the economic growth of Sint Maarten will be stimulated through reconstruction efforts. Stagnation in the reconstruction efforts could have a negative impact on the economic growth and could delay the process of working towards a balanced budget. The recovery and especially the reconstruction of the airport is not only in the interest of Sint Maarten, but also Sint Eustatius and Saba as Sint Maarten serves as an important hub for these islands.

This visit of the Board was also marked by the farewell of the fellow members Sybilla Dekker and Maria Plantz. Sybilla Dekker stops as per July 1st of this year; she was member of the Cft from the summer of



2012 on. Sybilla Dekker about her period at the Cft: "*This is my second visit since the hurricanes. I am aware of the enormous challenges lying ahead and the resilience of the people of Sint Maarten continues to impress me*". For Maria Plantz it is also the last visit, since she was nominated as State Council for Sint Maarten as per October 1st. As per July 1st, 2018 the Cft will consist of Raymond Gradus (chairman), Gregory Damoen (Curaçao) and Henk Kamp (the Netherlands). The successor from Sint Maarten will be known soon.

[End of press release]

Caption:

Cft Chairman Raymond Gradus: "Getting the economy rolling again, working towards a balanced budget and realizing liquidity support should be the focus of Sint Maarten".

Photographer:

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