



## Press Release

January 25, 2013

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### **Sint Maarten and Cft foresee a balanced budget 2013**

**Philipsburg – During the last three days the Board of financial supervision, Cft, met the Governor, the Prime-Minister, the Minister of Finance together with the Vice Prime-Minister, the Council of Ministers and Parliament. The last visit dated back to October 2012. The Minister of Finance presented a more complete budget 2013 compared to prior years. Within two weeks the government will send the budget to the Cft in which the outcome of the discussions will be reflected.**

#### **Draft budget 2013**

The budget contains provisions for eliminating payment arrears created during 2010 and 2011 through payment arrangements with the APS and the SZV. The government proposes to increase revenues to improve public services, mainly by strengthening tax compliance and increasing turn over tax on alcohol and tobacco and taxes related to casino's, altogether ANG 50 million on a total budget of ANG 476 million (budget 2012 ANG 434 million, actual 2012 ANG 416 million).

Sint Maarten requested the Cft for an advice on the draft 2013 budget. A negative advice was given on December 24, 2012. In the opinion of the Cft a multi-year perspective is required in fiscal planning, expenditure policy and budgeting as well as a fundamental review of the existing tax and healthcare system. The Cft considers that the risks associated with the realization of these revenues are significant and therefore suggested a cautious approach. This is needed also to prevent the country from running into liquidity problems. A balanced budget is also a prerequisite to borrow for capital investments and projects.

The Cft advised the Minister of Finance to take only half of these revenues into account in the budget 2013 and to include the other half into the budget by means of a budget amendment during the year if these revenues are realized. The Cft and the Council of Ministers agreed that an 8% increase in revenues compared to the realization of 2012 is acceptable, which would constitute a doubling compared to the 2012 realization. This results in a budget total of ANG 449 million and the expenditures will be brought in line accordingly.

Another discussion concerned the expenses legally payable to the SZV. The SZV proposed to cancel arrears of approximately ANG 55 million out of ANG 86 million provided that future fund deficits, legal reserves and government premiums are paid as stipulated by law. The expenditures related to fund deficits and legal reserves amount to ANG 16 million. It was agreed that these additional expenses will be compensated by measures determined by the Minister of Finance.

It was also agreed that Government will submit legislation to gradually increase the pension age and send same to the Council of Advice as soon as possible.



[End of Press Release]

**Caption:**

Sint Maarten and Cft foresee a balanced budget 2013.

**Note for the editing department - not for publication**

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