



Press release

May 29, 2026

Cft: “Major risks at government entities and social funds”

Philipsburg – The Board of financial supervision (Cft) observes substantial risks to Sint Maarten’s public finance at several state-owned enterprises. Furthermore, the executive organization for social security funds, SZV, is going through difficult times. If no measures are taken, the reserves will be depleted, which will have major consequences for public finance. In addition to the delayed 2026 budget, Sint Maarten is currently working on a timely budget for 2027. It is important that this budget adequately addresses the risks to the country.

Sint Maarten does not yet have an active participations policy in place, which has caused issues at government entities to arise. Telecom company TELEM, energy and water supplier GEBE and postal services PSS, among others, face limited financial possibilities and are under great pressure. It is important that solutions are put in place and that governance issues are addressed. A complete and adequately functioning Supervisory Board and Management Board is a prerequisite for effectively implementing change.

Simultaneously, the government of Sint Maarten must address the acute risks to public finance at the entities by means of a clear strategy, which means that agreements must be made with the distressed entities regarding financial sustainability or market solutions. Looking ahead, the Cft recommends to implement an effective participations policy as soon as possible, and to execute this with the required capacity and expertise, so as to ensure that these issues will not arise again.

Focus on a timely budget

Aside from the aforementioned issue, Sint Maarten has been facing considerable delays in the budgetary process for years. This year also, the budget is adopted far too late. At the earliest, the 2026 budget will be adopted halfway through the year, which frustrates the possibilities to make policy and to address risks. In practice, plans and investments are postponed time and again.

The Kingdom Council of Ministers has requested Sint Maarten to draw up an improvement plan for the budgetary process. The government actively reacted to this request. Sint Maarten started drawing up the 2027 budget timely, and shared an extensive planning with the Cft. Also, early on in the process, the government came to an agreement regarding the expenditure framework. At the same time, the Cft now observes that there are hitches in the process due to the fact that not all ministries submit information on time. The Cft urges the Council of Ministers as a whole to take its responsibility. Only with a proper contribution of all involved, the 2027 budget can be adopted before the start of the new budgetary year, in accordance with the objective set.

Affordability of healthcare and pensions is at stake

An acute risk for the coming years that must be addressed in the 2027 budget are the deficits at the healthcare funds. Annually, the healthcare funds, under the management of the Executive Organization Social and Health Insurances (SZV), incur losses of approximately XCG 35 million. Until now, these deficits – which now amount to approximately XCG 500 million – have been absorbed by means of reserves of the



other funds, mainly of the pension fund AOV. Within a few years, these reserves will be depleted, which puts the affordability of healthcare and pensions for the citizens of Sint Maarten under great pressure.

The Cft has pointed out the severity of the situation several times already. There is no more time to lose. The measures that Sint Maarten has identified, must be implemented. According to Sint Maarten, the implementation of a general health insurance (GHI) will lead to a reduction of the annual deficits. It is essential that the corresponding legislation is implemented as from the most recent target date of January 1, 2027.

Aside from the GHI, other measures must be implemented that lead to income and/or cost reductions. Sint Maarten is aiming at the introduction of a tourist tax as from January 1, 2027, and work is in progress to reform the tax system and the tax authorities, which should lead to improved tax collection and compliance. This provides possibilities for the country to cover the deficits in social security, as well as to make other priority expenses. In its current state, the liquidity of the country is too limited and the risks are too high, also considering the current geopolitical situation. Now is the time to act.

End of press release

Picture:

Nathan Roosberg

Photo caption:

Cft: "The government of Sint Maarten needs to address the acute risks to public finance at the entities by means of a clear strategy."

Note for the editor – not for publication

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