



Press release

May 6th, 2014

Immediate solution needed for payment arrears to APS and SZV Age Bakker (Cft): 'Careful monitoring is needed to keep the budget 2014 balanced'

Philipsburg – The execution of the 2014 budget is well on its way, according to the Board of financial supervision (College financieel toezicht - Cft) but careful monitoring is needed. Moreover, the multi-year estimates are under pressure due to the deficits over the period 2010-2013 that need to be compensated no later than 2015. Finally, the payment arrears to the APS and SZV require Government's immediate attention.

The Board visited Sint Maarten on May 6th, which was the third visit to the Wescott-Williams III administration. Meetings were held with the acting Governor, the Minister of Finance, the Council of Ministers and the financial committee of Parliament. Main topics of discussion were the execution of the 2014 budget, sustainability in public borrowing as well as public financial management.

2014 budget execution

The first three months of 2014 show that the budget 2014 was realistic on the revenue side. So far, revenue is up 3 million compared to the current budget. However, the fiscal year 2013 was closed with an ANG 20 million deficit that needs to be compensated no later than in 2015. Furthermore the plans to cut expenditures on personnel and healthcare have not resulted in any draft legislation or decision making by the Council of ministers, which puts severe pressure on the budget 2015. Both healthcare and personnel expenses show a significant increase and the personnel expenses already consume 45% of the budget. 'Close monitoring of revenues and expenses is necessary to ensure that the year 2014 ends with a balanced outcome', states Cft Chairman Age Bakker.

Borrowing for capital investments

During the first quarter of 2014, the Cft has approved three loans that total ANG 143,5 million of which ANG 60 million, or 3% of GDP, is for new capital expenditure projects. A further ANG 43,5 million was financed for capital expenditures in 2011 and 2012 which will be used to strengthen the reserves and liquidity position. Finally, an ANG 40 million loan was approved to refinance and finalize the new Government building. Sint Maarten has indicated that it wants to borrow an additional ANG 30 million to purchase the Emilio Wilson Estate. Cft is awaiting the budget amendment that, after adoption by Parliament, will be sent to the Cft for its advice. The Cft and the minister of Finance will further discuss the possibilities to sustain the current healthy debt ratio.

Public financial management

The Cft will continue to focus on the improvement of public financial management, which is another important pillar of the Kingdom Law of financial supervision. In particular, it was discussed with Government that the payment arrears to the APS and SZV will need to be cleared before the budget 2015 is presented to Parliament.

[End of press release]

Caption:

During the press conference the Cft also introduced Mr. Hyden Gittens, who is the successor Mr. Max Pandt as per May 1st, 2014 as a member of the Cft for Bonaire, St. Eustatius and Saba. Mr. Max Pandt has been a Cft member from 2008 to 2014.

Note for the editing department – not for publication

Contact person Board:
Secretariat Board of financial supervision



Kees van Nieuwamerongen - Secretary

Telephone (09) 461-9081 / (09) 461-9082 / (09) 461-9084

Email info@cft.an

Internet www.cft.sx

Press contacts:

Jefka Martha-Alberto

Telephone (09) 512-6861