



Press release 2020-022

“ROBUST EXPANSION IN THE TOURISM SECTOR”

Growth rebounded strongly in Sint Maarten in 2019

Willemstad/Philipsburg – “Following a decline of 6.6% in 2018 due to Hurricane Irma, real GDP growth rebounded strongly by 8.2% in 2019 in Sint Maarten. The economic growth in 2019 was underpinned primarily by the robust expansion in the tourism sector”, the interim president of the Centrale Bank van Curaçao en Sint Maarten (CBCS), Dr. Jose Jardim, explained in the 2019 Annual Report of the central bank. He added that Sint Maarten’s inflation eased significantly from 2.7% in 2018 to 0.4% in 2019 because of lower food prices.

According to Dr. Jardim, all sectors of Sint Maarten’s economy contributed to 2019’s real GDP expansion. Growth was particularly strong in the restaurants & hotels, transport, storage & communication, and wholesale & retail trade sectors. “Real value added in the restaurants & hotels sector turned around from a deep contraction in 2018 into a strong expansion in 2019 driven primarily by a surge in stay-over tourism. The gain in stay-over tourism was supported by the gradual increase in hotel room capacity and the improvement of the operational capacity of the Princess Juliana International Airport”, he explained. “Even though all main tourism markets recorded double-digit growth, the number of stay-over visitors was still below pre-hurricane levels”, he nuanced. “Meanwhile, growth in cruise tourism remained subdued due to increased competition from other Caribbean destinations and emerging destinations in Asia.”

The expansion in the transport, storage & communication sector was driven by increases in both airport-related and harbor activities. “Following the partial reopening of its main terminal building, the airport was able to handle more passengers. As a result and in line with the surge in stay-over tourism, total passenger traffic and the number of commercial landings at the airport rose. Furthermore, air transportation services provided by domestic carrier, Winair, increased. The expansion at the harbor reflected a rise in the number of ships piloted moderated by a decline in container movements”, he explained. “The positive outcome in the wholesale & retail trade sector was supported by an increase in both private consumption and tourism spending. Consistent with the robust growth in stay-over tourism, real value added

rose in the real estate, renting and other businesses sector. Particularly the timeshare sector and businesses that cater to the tourism industry posted positive results”, Dr. Jardim noted. “In the utilities sector, real output went up as reflected by increased water and electricity production. The financial intermediation sector also contributed positively to real GDP growth reflected by a rise in net interest income and other fees & income of the domestic commercial banks. Growth picked up in the manufacturing sector consistent with an increase in the number of yachts in and around the Simpson Bay Lagoon and the port of Philipsburg. Activities increased also in the construction sector, although at a slower pace than in 2018, as widespread post-Irma reconstruction activities passed their peak and new private construction projects started”, he concluded.

The complete text of the Report of the President and the Bank’s 2019 Annual Report can be viewed on the Bank’s website at www.centralbank.cw under the Publications section.

Willemstad, July 23, 2020

CENTRALE BANK VAN CURACAO EN SINT MAARTEN