



PRESS RELEASE 2016-002

Central bank president urges structural reforms

“Not given the needed attention”

WILLEMSTAD/PHILIPSBURG – President of the Centrale Bank van Curaçao en Sint Maarten, Dr. Emsley Tromp, said that despite the considerably lower international fuel prices that resulted in reduced inflationary pressures, growth remained modest so far in both Curaçao and Sint Maarten. In particular, the effects of the lower inflationary pressures on private spending seemed to remain contained. “Our economies have not realized a higher growth path because the implementation of structural reforms to improve our investment climate has not been given the needed attention on the national policy agendas,” Tromp said in the Bank’s Quarterly Bulletin for the third quarter of 2015.

“Therefore, both countries need to expand their policy agendas with measures aimed at improving our competitiveness in the medium and long term by focusing on improving educational attainment, addressing skill mismatches in the labor market, and enhancing productivity,” Tromp urged. “These measures also should be reflected in the government budgets, which seem to have focused primarily on meeting the conditions of financial supervision. Hence, ways should be explored to include growth-oriented policies, while maintaining a balanced current budget.

“In the case of Sint Maarten, one of the main lessons of the past five years is that to achieve sustainable public finances, the government will have to structurally increase its revenues. In particular, increasing tax revenues is imperative for Sint Maarten to be able to cover its expenditures. Otherwise, the country will remain in a vicious circle of unbalanced budgets and increasing arrears,” Dr. Tromp concluded in addition.

The complete text of the Bank’s Quarterly Bulletin for the third quarter of 2015 can be viewed on its website <http://www.centralbank.cw/qb-2015-3>

January 15, 2016

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN