



THIRD QUARTER MACRO MONITOR REPORT 2013

Executive Summary / Press Release

The Department of Economic Affairs, Transportation and Telecommunication (EVT) produce on a quarterly basis the MacroMonitor. This publication of the Third Quarter Macro Monitor provides an overview of the macro-economic developments of St. Maarten. In addition, special editions of the Macro Monitor are produced that cover specific global events that can impact our local economy.

Preliminary projections on selected key economic indicators were determined based on the economic developments of the third quarter of 2013. A brief overview of the key indicators for 2013 includes; GDP growth projected at approximately 1.3%. EVT's preliminary projections for cruise tourism for 2013 stands to decrease with 3% while Stay-over is projected to have a low growth of 0.9%. Inflation is projected to decrease to 2.5%, while export and imports of goods and services are projected to increase 1.4% and 3.7% respectively. A trade surplus is forecasted since, exports the nominal value of exports is projected higher than imports.

The low growth projection is based on the performance of the External Sector for the period January to September 2013, in which cruise arrivals have decreased with 3.11%, while Stay-over arrivals only experienced a 1.3% increase when compared to the same period for 2012.

Hotel and Timeshare occupancy rate for the months July to September of 2013 were positive, based on figures received from the St. Maarten Hotel and Tourism Association (SHTA). Analysis indicates that for the period July- September of 2013, hotel occupancy stood at an average 9 percent higher than the same period of 2012. Likewise Timeshare occupancy rate stood at an average 3.3 percent higher in 2013 than 2012, for the months July- September. This development is substantiated with the fact since some hotels and timeshare units were under renovations for the period, visitors eventually revert to booking with others that are members of the SHTA.

For the period January to September, Government revenues amounted to an estimated Naf 319.5 million which is a 1 percent decrease compared to the same period of 2012. With expenditures, this also decreased by one percent when comparing the same period. Total expenditures were Naf 327.2 million in 2013 compared to 332.1 million in 2012. Although the drop in expenditures, analysis indicates that there was an increase in the budget deficit of Naf 7.7 million for the period January to September 2013.



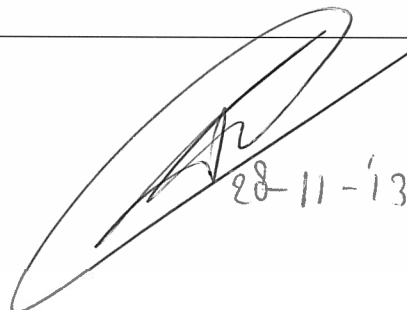
Ministerie van Toerisme, Economische Zaken, Verkeer en Telecommunicatie
Ministry of Tourism, Economic Affairs, Transport and Telecommunication

Analysis of the International Sector and the various markets presents an optimistic outlook for 2013. The selected economies of the various regions show signs of growth and recovery. For this third quarter of 2013, the North American region contributed 62.78% of St. Maarten's Stayover tourism and the European region 22.01%. The Caribbean, South American and the Rest of the World region, (which comprises of Asian and African countries), they contributed between 3 and 6 percent towards St. Maarten's overall stay over tourism.

The Caribbean region had the largest percentage growth of arrivals of 6.9% for the period January to September and is projected to have an overall growth of 10.4% for 2013. Slight growth of 0.7% is projected from the North American market for 2013 since for this period January to September of this year only 3.2% growth was achieved mainly stemming from Canada. Preliminary projections from the European market indicate a drop of 0.7% and the Rest of the World (Asian and African continent) is projected to increase by 5.9%. The South American Market presents preliminary projection of decreasing by 9.4%.

Once again EVT would like to reiterate that the forecasting figures are preliminary since they are derived from the economic developments of the various sectors during each quarter. EVT would also like to take the initiative to thank all the internal and external stakeholders who have been supportive with the provision of data. Therefore it is important to emphasize that the quarterly publication analysis is again reliant on the provision of up to date and timely submission of economic data. For further information on this MacroMonitor report, the Department of Economic Affairs, Transport and Telecommunication can be contacted, via telephone number 1-721-549-0220. Inquiries may be made via EVT.Inquiries@sintmaartengov.org. Copies of the report can be obtained via the Government website www.sintmaartengov.org, located under the Ministry of Tourism, Transport and Telecommunication, via the Department of Economic Affairs, Transportation and Telecommunication.

MINISTER OF TOURISM, ECONOMIC AFFAIRS, TRANSPORT & TELECOMMUNICATION


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