



Sint Maarten Towards autonomy

The Dutch island territory of Sint Maarten may soon achieve autonomous status, marking a new chapter and a host of new opportunities for the Caribbean destination.

Spanning just 60 square meters, the island of Sint Maarten-Saint Martin is the smallest landmass in the world to be shared by two governments. The French side, which accounts for two thirds of the space, is a Guadeloupe commune, while the Dutch side is part of the Netherlands Antilles, one of the countries that make up the Kingdom of the Netherlands.

On 15th December this year, however, Sint Maarten may become autonomous from the Antilles group and attain the status currently enjoyed by two other Netherlands territories, Curaçao and Aruba. This would mark a major turning point in the region's history, with the

guesthouses, all-inclusive resorts and time-share properties. There is also a wide selection of luxurious vacation villas available for rent. Wescot-Williams says: "The recent construction of condominiums will bring a different class of people to the island, and that will give us an opportunity to grow further. We will continue to expand employment opportunities through diversification and maintain our competitive edge through investment and expansion."

Sint Maarten is a Caribbean paradise, home to some of the region's most beautiful beaches and its largest lagoon. The island is popular as a wedding and honeymoon destination,

president of PJIA.

"We have put a lot of effort into ensuring the airport fits critical



Sarah Wescot-Williams
Leader of the Government

international standards, and the comfort of the passengers arriving is as key as their safety and security."

With the industry predicted to grow at between 2.5% and 3% a year, the PJIA president hopes the airport will reach full capacity by 2015. "The agreement with Jet Blue, which recently started flights here from New York, is a very important step towards this and complements the services provided by American Airlines, our traditional partner. At a time when the disposable income of the average traveler is under pressure, these partnerships provide crucial possibilities.

"We are continuing to meet with different carriers to increase the uplift coming from both the U.S. and Europe," he says.

Holiday is currently negotiating a frequency

"This is the perfect time to begin to diversify."

Commissioner Sarah Wescot-Williams, Leader of the Government

local government increasing their control of health, education, taxes and other matters, and their capacity to implement new laws.

For Commissioner Sarah Wescot-Williams, achieving country status is a welcome move that will bring increased opportunities. "Over the last few years, we have witnessed a tremendous growth in the economy, so this is the perfect time to begin to diversify," she says. "The marine industry offers huge possibilities, for example, as does technology. The fiber optics industry has received major investment and still has opportunities. As a government, we consider all of these to be complementary to the tourism industry, which is our main driver and will remain our major asset."

Tourism began on the Dutch side of the island in 1950, with the construction of the Little Bay resort near Philipsburg in the south. Over the next 35 years, an impressive amount of development took place, and today, there is something to suit all budgets and tastes, from five-star, world-renowned hotels to charming

and has become the yachting center of the Caribbean, attracting some of the world's most impressive mega-yachts. Although accommodations construction has reached its peak, the government is keen to attract more tourists, and investing heavily in the industry's supporting infrastructure.

"The harbor and the airport are perfect examples of this," says Wescot-Williams. "The harbor is being expanded to accommodate larger ships. The cruise market is an important segment of our tourism industry and we adequate facilities for visitors. Meanwhile, the airport needs to reinforce its hub function."

Princess Juliana International Airport (PJIA) already caters for 1.6 million passengers but has a capacity for some 2.5 million. It recently opened a new terminal, which will do much to facilitate tourism growth. "The airport plays a vital role for tourism and the economic development of the island, and the opening of its new terminal is the single most important asset for our economy," says Eugene Holiday,

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increase with United Airlines from once a week to daily. "We also welcome Spirit, which flies from Fort Lauderdale in Florida, Air France and KLM. We want to expand frequencies with both major and low-cost airlines that would allow visitors to be able to visit any day of the week, in the U.S. and Europe. We are particularly interested in the U.K. market," he says.

The airport company has experienced a 59% slump in its cargo activities since 2006. "This is mainly due to shifts in cargo coming from the neighboring islands and major ongoing projects, such as the new terminal's construction, but overall, cargo is still one of our major assets," Holiday assures.

More training is being given to the airport's 1,000-plus staff "to ensure they understand their mission to provide safe and quality services," Holiday says. "Our employees are obviously aware of the importance of tourism for the island's growth and future sustainability. The combination of safety, security and excellent customer service is therefore vital to attracting passengers here. Sint Maarten doesn't just stand out because of its climate, attractions and sandy beaches; it stands out because it has friendly and open people."

Winair is also looking to grow. The government-owned regional airline was created in 1961 to handle air traffic between St. Bart's and Sint Maarten. In 1976, it started flying to St. Eustacius as well, and since then has grown to include Antigua, St. Kitts and Nevis, Montserrat, Tortola and Anguilla. Despite the challenges of being a fairly small player in an industry affected by volatile oil prices, high airport taxes and other mitigating factors, Winair is a stable company that is keen to build profit-making synergies throughout the region.

"We started outsourcing our passenger handling because it wasn't economically viable," says Edwin Hodge, CEO and President. "One of our biggest advantages is our code-sharing agreement with U.S. Airlines that has been in place since 2001. That gives us excellent exposure on the Eastern coast of the U.S. We are a prestigious airline that takes safety and customer service very seriously, but we need to be more viable and

ambitious. Our employees are the force that will keep us ahead."

Aside from tourism, Maria Buncamper-Molanus, Commissioner for Economic Affairs, explains the options for investors. "We want to attract



Maria Buncamper-Molanus, Commissioner for Economic Affairs

investment that does not require too much labor or puts a strain on our social fabric and infrastructure.

We have to get away from hotel building and encourage investment that provides income to the low and middle bracket."

Telecommunications is one such area. The Sint Maarten Telephone Group of Companies, (Smitcom), which includes Telem and TelCell, is integrating in order to play a stronger role within the region and tap into international markets. Buncamper-Molanus says: "Before we open the sector further, we need to establish a telecoms policy to determine how we want it developed. We are promoting investments that will benefit the present telecoms infrastructure, either for Internet or mobile services. We encourage it, and have put in the basis for new technologies to develop, but the first step is to install the cables and infrastructure, which we want to be used as much as possible."


With 30,000 subscribers, mobile operator TelCell is responsible for 40-45% of the Smitcom's revenues, and has 51% of the mobile market, despite being the smallest operator, thanks to its state-of-the-art technology. It was the first to introduce SMS services in the Netherlands Antilles, and is continuing to focus on innovation and keeping prices competitive. "In terms of the restructuring, the core business will remain the same. It is just the packaging which is changing," says Brian Mingo, GM. The company is now looking for a partner that could help open new markets. "The advantage of Sint Maarten is that we are located between the U.S. and South America," he says. "In terms of expansion, we need to get out off the island, and catch the revenues that we are losing at home. Our strength is that we have the best mobiles."

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Sint Maarten (Dutch side) at a Glance

Population: 41,000

Capital: Philipsburg

Languages: English, Dutch and others.

Trade: Sint Maarten is free of both export and import customs duties.

Opportunities: Tourism and construction, telecommunications, restaurant equipment, manufactured goods, electronics and clothing.

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