



**PRESS RELEASE 2018-010**

*According to the CBCS:*

## **Both the public and private sectors are responsible for the reconstruction of Sint Maarten**

**WILLEMSTAD/PHILIPSBURG – Following Hurricane Irma, the Dutch government has made €550 million available in reconstruction aid to Sint Maarten to be managed by the World Bank. However, both the public and private sectors have a crucial role in the reconstruction of Sint Maarten.**

According to the Bank, the public and private sectors will have an important role in identifying, prioritizing, and implementing the projects for the reconstruction and economic recovery effort. Meanwhile, reconstruction aid offered by the Dutch government is bound to two conditions, i.e., the establishment of an Integrity Chamber and the strengthening of border controls through the assistance of the Royal Dutch Marechaussee. The Bank urges that for the aid to commence, the government must take the necessary actions to meet those requirements as soon as possible. In addition, measures should be taken to ease the adverse social-economic consequences of natural disasters, such as hurricanes, in the future. These measures should include establishing a disaster fund or joining an international catastrophe risk insurance scheme, providing facilities to improve bank financing in the aftermath of the disaster, and strengthening the financial education of the population, particularly in the area of insurance.

Unfortunately, the Bank has not yet been able to estimate real GDP growth for Sint Maarten during the third quarter of 2017 due to a lack of data, particularly on inflation, tourism, and public finances. Hurricane Irma damaged much of the infrastructure to compile and report fiscal and economic statistics. As a result, the quarterly bulletin does not include an analysis of the real sector and public sector developments in Sint Maarten during the July–September period of 2017. In its place is a literature review on the economic effects of natural disasters on island economies along with the preliminary real GDP projections of Sint Maarten in the wake of Hurricane Irma. According to the Bank's estimates, Sint Maarten's real GDP shrank by 4.4% in

2017. Meanwhile, for 2018, a real GDP contraction of 9.5% is projected. These estimates will be subject to revision as more data become available.

For the complete text of the Bank's quarterly bulletin for the third quarter of 2017, please visit the Bank's website at: [www.centralbank.cw/QB-2017-3](http://www.centralbank.cw/QB-2017-3)

Willemstad, March 7, 2018

CENTRALE BANK VAN CURACAO EN SINT MAARTEN