

Saint-Barthélemy at a Glance

STRUCTURAL CHARACTERISTICS

Capital	Gustavia
Surface area	21 km ² (25 km ² with its islets)
Geographical location	Antilles Arc - Paris at 6,500 km, New York at 2,500 km, Guadeloupe at 230 km
Languages	French, English, Creole
Currency	Euro
Status	Overseas Territory (OT) and Overseas Country and Territory (OCT)
National representation	1 MP, 1 senator, 1 representative at the Economic, Social and Environmental Council
State representation	Delegate Prefect for the two islands

Historical milestones

The island of Saint-Barthélemy is located to the northwest of Guadeloupe at the limit between the Greater and Smaller Antilles, near the American Virgin Islands. It was discovered by Christopher Columbus in 1493 and occupied by the French from 1648 onwards. For many years it was a refuge for the Caribbean Indians, then buccaneers, until Louis XVI transferred it to the King of Sweden in 1785 in exchange for warehousing rights in Gothenburg. The island's main village was subsequently renamed Gustavia after the King of Sweden, Gustave III. France recovered possession of Saint-Barthélemy under the treaty of 10th August 1877, which was ratified by the Law of 2nd March 1878. It was then annexed to Guadeloupe and became a municipality of the latter in 1947.

The administrative status of Saint-Barthélemy as a municipality of the department of Guadeloupe ended in 2007. The process of statutory changes initiated in the previous decade by the islands of Saint-Martin and Saint-Barthélemy gave rise to the adoption of a new status as a French Overseas Territory on 21st February 2007, following the electoral poll of 7th December 2003. It was approved by 95.5% of voters in Saint-Barthélemy in the referendum.

Institutional organisation

The new French Overseas Territory of Saint-Barthélemy was officially founded on 15th July 2007 with the establishment of its Territorial Council, comprising 19 members elected for 5 years. Saint-Barthélemy is now governed by the Organic Law of 21st February 2007 and exercises all the powers devolved to the municipality, department and region, as well as the powers which have been transferred to it by the State of France. The new territory is now responsible for taxation, seaports, road systems, land in the public domain, immigration work permit policy, and the creation and organisation of the services on the territory's public institutions, but also for urban planning, construction, housing, the environment and energy. It may also adapt laws and regulations related to land in the public domain and education. However, the French State remains competent for criminal, commercial, monetary, banking and financial law. A Delegate Prefect represents the French State and Government within the Overseas Territories of the Saint-Martin and Saint-Barthélemy islands. The prefecture is located in Marigot (Saint-Martin) and has an office in Gustavia (Saint-Barthélemy). A single seat for both Saint-Barthélemy and Saint-Martin was created in French National Assembly in 2012 following the creation of two separate seats in the Senate in 2007.

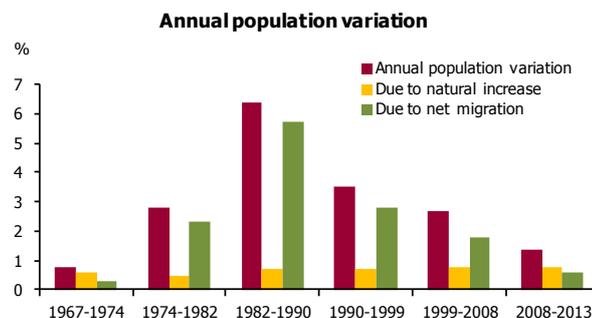
At the European level, the change in Saint-Barthélemy's status from an Outermost Region (OR) to an Overseas Country and Territory (OCT) as of 1st January 2012 was approved on 29th October 2011 by a unanimous vote of the European Council. In addition to no longer being subject to European standards, the OCT status allows the Territory to benefit from responsibility for customs.

The euro continues to be Saint-Barthélemy's currency. A monetary agreement on maintaining the euro has been signed between the European Union and French Republic, which continues to apply the European Union's legal acts and regulations to Saint-Barthélemy that are necessary for the functioning of the economic and monetary union.

DEMOGRAPHY: LIMITED POPULATION GROWTH

In 2013, the population of Saint-Barthélemy stood at 9,279 inhabitants. During the period 2008-2013, the number of inhabitants rose by an annual average of 1.4%, a growth well below the high rate in the 1990s (+6.4% a year), but much higher than at national level (+0.5% a year over the same period). This population growth, which until now was driven by net migration has been lately mainly due to natural increase.

Since 1999, the Territory's population distribution by age has changed very little, but the increase in the average age (37.3 years in 2013, against 35.4 years in 1999) reflects a slight ageing of the population. On average, the island's residents remain younger than the national population (40.8 years- old in 2013).



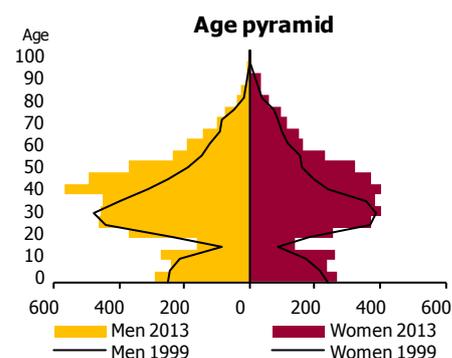
Source: INSEE, population survey - main exploitation - Civil Registry

Demographic indicators	Saint-Barthélemy	Mainland France
Population (at 01/01/2013, in millions for France)	9,279	65.8
Percentage of under 25s (2013)	27.0%	30.3%
Percentage of 25-64 year-olds (2013)	63.6%	51.8%
Percentage aged 65 and older (2013)	9.4%	17.9%
Population density (inhab/km ² , at 01/01/2013)	442	115
Annual average population growth rate (%)	1.4	0.5*
	(avg. 08-13)	(avg. 08-13)
Birth rate (for 1,000 inhabitants, 2013)	12.8	12.3*
Mortality rate (for 1,000 inhabitants, 2013)	4.1	8.7*

*Mainland France and overseas departments, excl. Mayotte.

The population densities are obtained by dividing the number of inhabitants in 2013 by the surface area (for Saint-Barthélemy: 21 km² and for mainland France: 552,000 km²).

Source: INSEE, 2013 population survey - main exploitation, statistics from the Civil Registry.



Source: INSEE, 1999 and 2013 population surveys - main exploitation.

THE ECONOMY AT A GLANCE

Between 1999 and 2010, Saint-Barthélemy's economy, along with sustained population growth, showed strong economic growth (+5.4% a year in value). This growth was partly due to the development of high-end tourism. The territory's GDP per capita stood at EUR 35,700¹ in 2010, against EUR 26,000 in 1999, *i.e.* a level much higher than the French national average (EUR 29,905 in 2010). It does, however, remain lower than the GDP per capita in the Île-de-France (Greater Paris) region (EUR 49,779, the highest GDP per capita among the regions in France).

The island of Saint-Barthélemy is heavily dependent on the outside, as power generation is exclusively based on fossil fuels. Electricity generation and consumption have been constantly rising due to the island's economic development and population growth. In 2015, generation reached over 113,000 MWh, with an average annual growth of 4.7% between 2005 and 2015. At the same time, the island is experiencing a chronic water shortage due to the low level of rainfall and lack of natural resources for drinking water. In order to meet its drinking water supply needs, Saint-Barthélemy consequently has several seawater desalination plants.

The Territory's sound finances and absence of debt allow it to support certain sectors such as the construction industry and thereby support the economic development of the island.

Main economic indicators	Saint-Barthélemy	Mainland France
GDP per capita (constant euros, 2010)	35,700 ⁽¹⁾	29,905
AAGR* of GDP in value (% , 1999-2010)	5.4	1.4 ⁽²⁾
Unemployment rate (% , 2012)	4.3 ⁽³⁾	9.9 ⁽⁴⁾

(1) CEROM estimation. (2) In volume between 1999 and 2009.

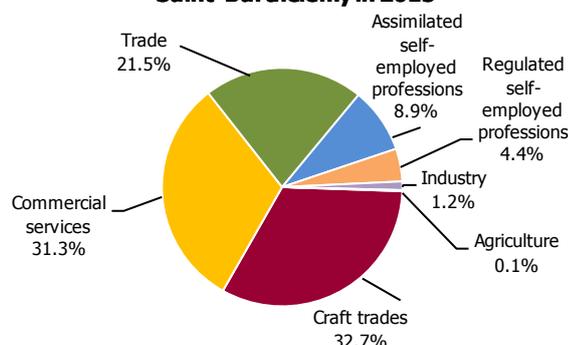
(3) Following the survey.

(4) Following ILO, on average for mainland France in 2012.

*Average annual growth rate

Sources: CEROM, Territory of Saint-Barthélemy, INSEE.

Breakdown of type of company activity in Saint-Barthélemy in 2015



Source: Multi-professional Economic Chamber.

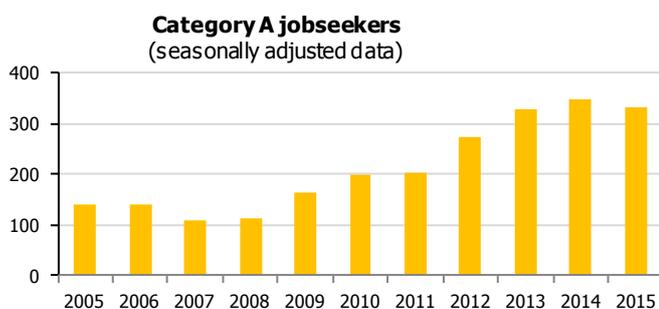
¹ In constant euros, CEROM note "Estimation of Saint-Barthélemy's GDP", October 2014.

High activity rate and low unemployment

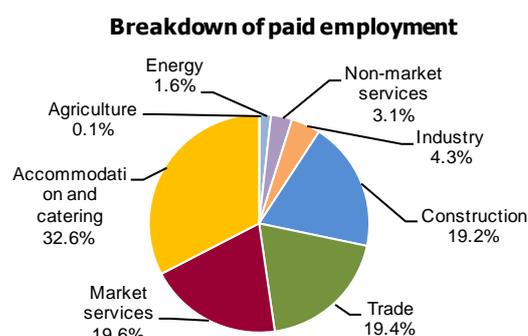
Saint-Barthélemy stands out for its high activity rate (86.1% in 2012), against 63.1% in Guadeloupe and 70.5% in mainland France, excluding the overseas departments, and a particularly low unemployment rate (4.3% in 2012). The number of working people has been constantly increasing since 1990. Between 1999 and 2012, it rose by 51.2% (*i.e.* an annual average of +3.2%). The island is characterised by a high proportion of self-employed activity, which accounted for over a third of employment in 2012, against 11.5% at national level.

As tourism is the engine of the territory's economy, the accommodation and catering sector is the largest employer and accounted for 32.6% of the workforce in 2015. The "other market services" sector, with 19.6% of employees, is the island's second largest employer, closely followed by the retail sector (19.4%) and construction industry (19.2%). Non-market services only account for 3.1% of paid employment.

The number of category A jobseekers according to French definition (jobseekers with no employment at all) has doubled over the decade, but remains at a limited level (332 people at the end of 2015). It fell by 4.6% year-on-year for the first time since 2011. Women account for the majority of jobseekers (55%). The proportion of under 25s stood at 7.2% in 2015.



Source: DIECCTE.



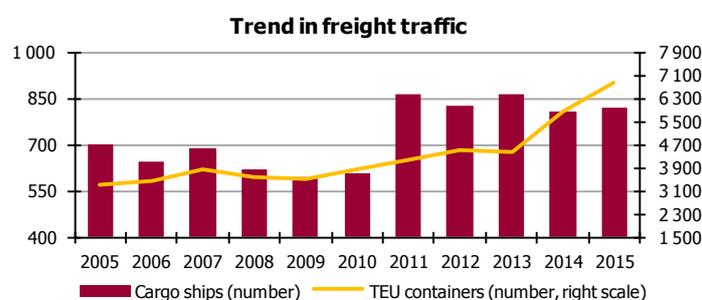
Source: Acoess - CGSS, 2015 figures.

Incomes higher than in the overseas departments

In Saint-Barthélemy, the incomes of tax residents² are markedly higher than in Guadeloupe and the overseas departments and are closer to those in France, excluding the overseas departments. For incomes in 2013, the majority of tax residents had incomes of between EUR 12,000 and EUR 20,000 (33.7% of the island's households, against 25.2% in mainland France). At the end of 2013, 46.3% of tax residents had incomes above EUR 20,000, against 45.6% at national level and just 28.2% in the overseas departments.

Rise in goods traffic over the decade

Imported goods in Saint-Barthélemy mainly come from the USA and mainland France, transiting through Guadeloupe. Traffic has increased overall during the decade. Despite the slowdown between 2005 and 2010, the trade port saw an upturn in activity in 2011 and its traffic has stabilised at a high level. In 2015, 822 cargo ships stopped at the island and 6,845 twenty-foot equivalent units (TEUs) were unloaded.



Source: Wharfage Authority.

MAIN ACTIVITY SECTORS

Saint-Barthélemy's economic dynamics are mainly related to its residential and high-end tourism sector. The real estate and construction sectors, which are dependent on tourism, rely on the development of this sector and are the other pillars of Saint-Barthélemy's economy.

Main sector indicators	2015	AAGR ⁽¹⁾ 05-15
Number of member hotels ⁽²⁾	30	-2.1%
Number of hotel rooms	544	-1.4%
Passengers arriving by ferry	91,763	3.1%
Passengers arriving by yacht	38,726	1.7%
Number of cruise passengers	63,647	1.5%

	2015	AAGR ⁽¹⁾ 05-15
Passengers at the airport	181,527	1.3%
Building permit applications	307	3.1%
Building permits issued	202	3.2%
Cement consumption	14,463	6.0%

(1) Average annual growth rate. (2) Members of the Association of Hotels and Villas.

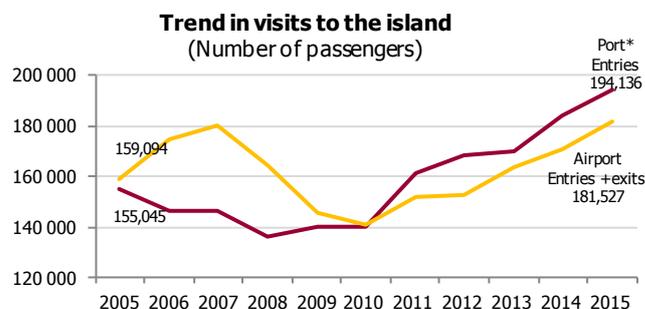
Sources: Association of Hotels and Villas, Port of Gustavia, Rémy de Haenen Airport, Lafarge Ciments Antillais, Territory of Saint-Barthélemy.

² Households established on the island after 15th July 2007 which do not have at least 5 years of residence in the territory (818 fiscal households for 2013 income). Tax returns as in mainland France. The tax residents of Saint-Barthélemy established on the island before 15th July 2007, as well as those established after this date and with at least 5 years of residence, are considered as foreign fiscal residents whose income earned in Saint-Barthélemy is not taxed.

High-end tourism: engine of the economy

Tourism is the island's main economic activity. It is mainly oriented towards a high-end U.S. customer base, attracted by the exclusive, safe and rare nature of the destination. The accommodation on offer is composed of 30% of hotels and 70% of luxury villas. The rental and sale market for these villas constitutes the basis of the island's real estate activity.

The economic and financial crisis which affected the United States in 2007 led to a continuous decline in the number of tourist visits to the island and lengths of stays until 2010. Since then, there has been sharp growth in the number of arrivals of visitors (annual average of +6.0% between 2010 and 2014) and, since 2013, it has exceeded the pre-crisis levels. This increase is due to the favourable context created by the depreciation of the euro against the dollar and an active diversification of the client base (arrival of European and South American tourists).



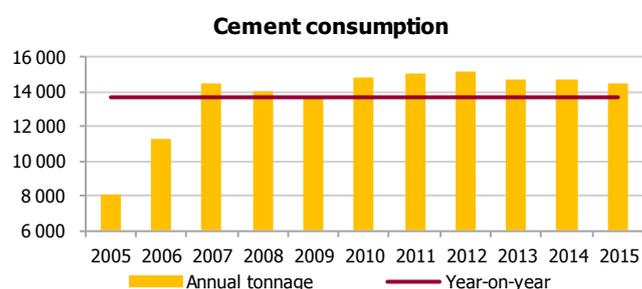
Sources: Rémy de Haenen Airport, Port of Gustavia.

*Liners, ferries, yachts.

Construction industry remains steady

The construction industry is the other key activity in Saint-Barthélemy's economy. It was the fourth largest employment provider in 2015, with 19.2% of the workforce.

The construction activity was well-oriented until 2007, benefiting from the increase in needs for infrastructure and housing brought about by the island's economic development. In 2008, there was a slowdown in activity in the sector due to the crisis, particularly in tourism, and the adoption of a new more restrictive urban planning law. Public procurement allowed an upturn in activity starting in 2010. In 2013, the completion of major works led to a slight decline in the dynamism of activity in the sector. The activity has remained at a good level, despite a slight downturn in 2015. The trend in the euro/dollar exchange rate since the end of 2014 offers opportunities and prospects on the private market, thereby taking over from public procurement, which is experiencing a marked slowdown.



Source : Lafarge Ciments Antilles

FINANCING OF THE ECONOMY

At the end of 2015, six credit institutions were established in Saint-Barthélemy: four institutions affiliated to the French Bank Association (AFB) and two mutual banks. These institutions have a total of nine bank branches and employ 40 officers. The equipment rate stands at one branch for 1,077 inhabitants and is substantially higher than in Guadeloupe (1 branch for 2,500 inhabitants).

The stock of outstanding performing loans allocated to clients in Saint-Barthélemy rose by 13.7% in 2015 and reached EUR 260.3m. The growth rate is the highest since 2007. Investment loans saw the highest increase with an average annual growth rate of 16.1% between 2011 and 2015. Similarly, home loans, which accounted for 64.8% of total outstanding performing loans in 2015, were dynamic (+9.3%). Consumer loans are following the same trend (+11.8%).

At the end of December 2015, the financial assets collected by credit institutions in Saint-Barthélemy stood at EUR 626.8m. The collection activity increased twice as fast as in 2014 (+14.9%, after +7.2%) and was higher than the average annual growth rate between 2011 and 2015 (+10.1%). Over the period, this dynamism was mainly due to overnight deposits (annual average of +13.0%), the main financial assets held by the territory's economic agents (58.4% of the total in 2015).

Monetary and financial indicators	2011	2015
Number of inhabitants per bank branch	1,004	1,077
Number of inhabitants per ATM	904	881
Number of current accounts per inhab.	1.4	1.6
Financial assets of economic agents ⁽¹⁾ (EUR M)	426.2	626.8
Outstanding performing loans of economic agents ⁽²⁾ (EUR M€)	191.6	260.3

(1) With local credit institutions, excl. La Banque Postale.

(2) Lending for all credit institutions, excl. La Banque Postale

Source: IEDOM.

Business indicators	2015
Financial assets ⁽¹⁾ (M€)	227.6
Outstanding performing loans ⁽²⁾ (M€)	100.5
Incl. operating loans (%)	3.3
Incl. investment loans (%)	70.2
Incl. real estate loans (%)	27.0

(1) With local credit institutions, excl. La Banque Postale.

(2) Lending for all credit institutions, excl. La Banque Postale.

Source: IEDOM.

Household indicators	2015
Financial assets ⁽¹⁾ (EUR M)	386.1
Outstanding performing loans ⁽²⁾ (EUR M)	156.4
Incl. consumer loans (%)	16.8
Incl. home loans (%)	139.6

(1) With local credit institutions, excl. La Banque Postale.

(2) Lending for all credit institutions, excl. La Banque Postale.

Source: IEDOM.

N.B.: The data used in this note are as of 31st December 2015, unless specified otherwise.

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Publication Director: H. GONSARD - Editor-in-chief: G. GENRE-GRANDPIERRE

Edited and printed by: IEDOM

Printed: September 2016 - Legal deposit: September 2016 - ISSN 1952-9619