

## Saint-Barthélemy at a Glance

### STRUCTURAL CHARACTERISTICS

Capital	Gustavia
Surface area	21 km <sup>2</sup> (25 km <sup>2</sup> with its islets)
Geographical location	Antilles Arc - Paris at 6,500 km, New York at 2,500 km, Guadeloupe at 230 km
Languages spoken	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	Prefect

### 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 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 10<sup>th</sup> August 1877, which was ratified by the Law of 2<sup>nd</sup> March 1878. It was then annexed to Guadeloupe and became a municipality of the latter in 1946.

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 21<sup>st</sup> February 2007, following the electoral poll of 7<sup>th</sup> 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 15<sup>th</sup> July 2007 with the establishment of its Territorial Council, comprising 19 members elected for 5 years. Saint-Barthélemy is governed by the Organic Law of 21<sup>st</sup> February 2007 and exercises all the powers devolved to municipalities, the department and the region, as well as the powers that have been transferred to it by the State. The new territory is now responsible for taxation, road transport, seaports, road systems, the territory's land rights, access to work for foreigners and for setting up and organising the services provided by 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 State remains competent for criminal, commercial, monetary, banking and financial law. A Prefect represents the 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 seat in Parliament has been established for both islands, following a seat in the Senate, since the legislative elections in June 2012.

At the European level, the modification of Saint-Barthélemy's status from an Outermost Region (OR) to an Overseas Country and Territory (OCT) as of 1<sup>st</sup> January 2012 was approved on 29<sup>th</sup> 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. This is necessary for the functioning of the economic and monetary union.

## POPULATION WITH VARIOUS COMPONENTS

In 2010, the population of Saint-Barthélemy stood at 8,938 inhabitants, up 30.4% compared to 1999. The annual growth rate over the period reached 2.4%.

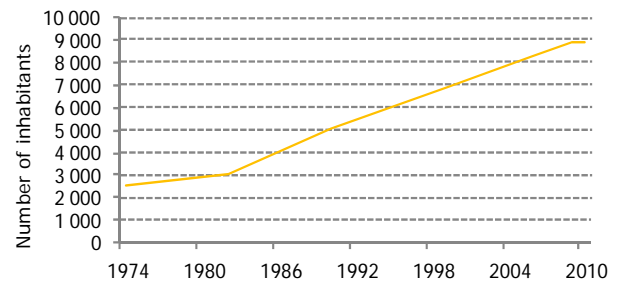
In 2009, 65.8% of Saint-Barthélemy's population was aged between 20 and 59 and 12.4% was 60 or older. The under 20s only accounted for 21.8% of inhabitants. Furthermore, the island is characterised by the presence of a foreign population (12.2%), mainly comprising European nationals. Some 50% of foreigners are Portuguese, 8% are American and 6% Belgian.

Over the period 1990-2009, the birth rate decreased from 13.4‰ in 1990 to 12.7‰ in 2009. This rate is lower than in Guadeloupe (13.7‰ in 2009) and mainland France (12.8‰ in 2009).

Demographic indicators	Saint-Barthélemy	France <sup>(1)</sup>
Population (thousands, millions for France, at 01/01/2010)	8,938	65.8
Percentage of under 20s (2009)	21.8	24.7
Percentage of 20-59 year-olds (2009)	65.8	51.5
Percentage of aged 60 and older (2009)	12.4	23.8
Population density (inhab/km <sup>2</sup> , at 01/01/2010)	425	115 <sup>(2)</sup>
Annual average population growth rate (%)	2.4 <sup>(3)</sup>	0.6 <sup>(4)</sup>
Birth rate (for 1,000 inhabitants, 2012)	12.7 <sup>(5)</sup>	12.6
Mortality rate (for 1,000 inhabitants, 2012)	4.6 <sup>(5)</sup>	8.7

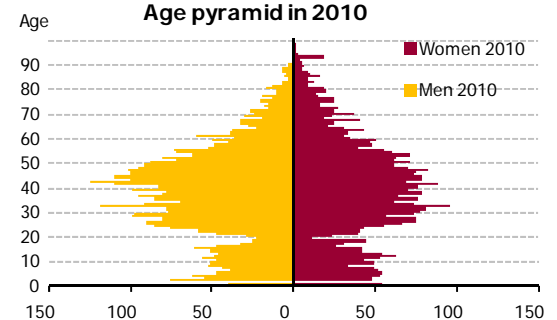
(1) At 01/01/2013, Insee 2012 population survey; (2) French population density in 2011; (3) Between 1999 and 2010; (4) Between 2003-2013; (5) Data 2009.  
Source: INSEE.

Population since 1974



Source: INSEE.

Age pyramid in 2010



Source: INSEE.

## ECONOMY AT A GLANCE

In 2005, the CEROM (Rapid Economic Accounts for Overseas Territories) partnership estimated Saint-Barthélemy's GDP at EUR 179m in 1999, *i.e.* EUR 26,000 per capita, a level higher than in mainland France at the same date (EUR 22,664).

According to the Multi-professional Economic Chamber, the number of registered companies in Saint-Barthélemy stood at 4,908 in 2012, including 41.2% with a service activity. Trade accounts for 14.5% of companies and the construction and public works sector 15.2%. Industry, agriculture and water and energy production continue to be poorly represented.

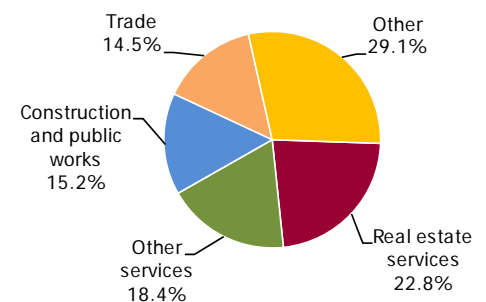
Saint-Barthélemy's power generation is almost exclusively based on fossil fuels, meaning it is highly dependent on the outside. Electricity consumption has continued to increase over the recent period (except in 2008) due to economic development and population growth: +61.2% between 2001 and 2011. It reached its highest level in 2012 with a consumption of 99,231 MWh. Furthermore, Saint Barthélemy has 4 seawater desalination units to meet its drinking water supply needs: one classic distillation unit and 3 reverse osmosis units.

Due to its financial stability and the absence of debt, the territory enjoys appreciable room for manoeuvre and the island's construction and public works sector is driven by public procurement.

Key economic indicators	Saint-Barthélemy	France
GDP (billions of constant euros, 1999)	0.2 <sup>(1)</sup>	1,367
Per capita GDP (euros, 1999)	26,000 <sup>(1)</sup>	22,664
Total revenues of the Territory (EUR M, 2012)	69.7	-
Total expenditure of the Territory (EUR M, 2012)	47.1	-
Local authority debt (% of GDP, 2012)	0	9 <sup>(2)</sup>

(1) CEROM estimation (1999); (2) Public debt notified or in the sense of Maastricht.  
Sources: INSEE, Customs, Employment agency, Cerom, Territory of Saint-Barthélemy.

Breakdown by sector of business activity in Saint-Barthélemy in 2012



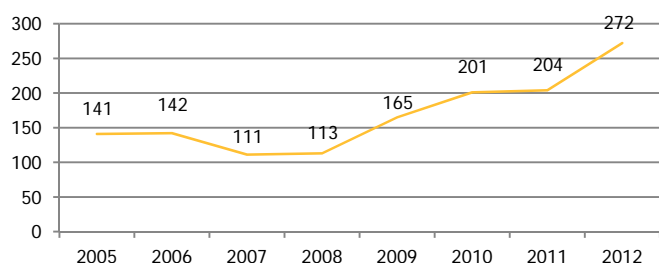
Source: Multi-professional Economic Chamber.

## Low unemployment rate

Saint-Barthélemy is characterised by a very low unemployment rate (3.2% in 2009) and a high rate of economic activity (83.4%, against 67.2% in Guadeloupe and 70.9% in mainland France). The territory's working population is continuing to increase: +38.9% between 1999 and 2009. This upward trend is due to the extensive use of outside labour to meet increasing needs linked to tourism development on the island.

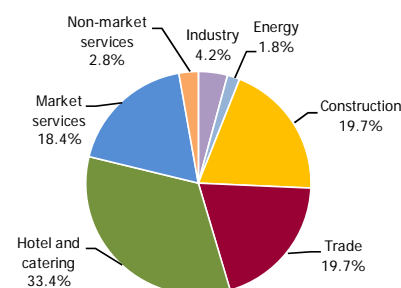
The tourism industry and the other market services account for over half of paid employment (55.5%), including almost 37% in the hotel and catering industry, against 9.0% in Guadeloupe. The retail sector is the island's second largest employer with 19.7% of paid employees. This is the same level as the construction industry (19.7% against 8.5% in Guadeloupe).

Number of jobseekers



Source: DIECCTE - DEFMA, raw data.

Breakdown of paid employment

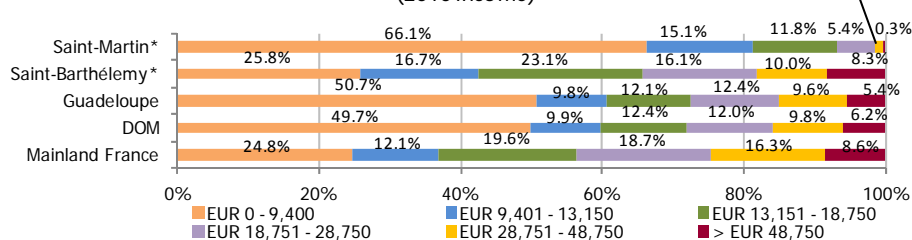


Source: Unédic, provisional figures 2012.

## Incomes significantly higher than in the overseas departments

The distribution by household income bracket in the territory of Saint-Barthélemy is significantly different from in the overseas departments. It is, however, similar to the distribution in mainland France. In comparison with the latter, the island has proportionately as many fiscal households in the upper income bracket (above EUR 48,750). In 2008, 8.3% of fiscal households had incomes above EUR 48,750.

Breakdown of number of fiscal households per reference tax income bracket (2010 income)



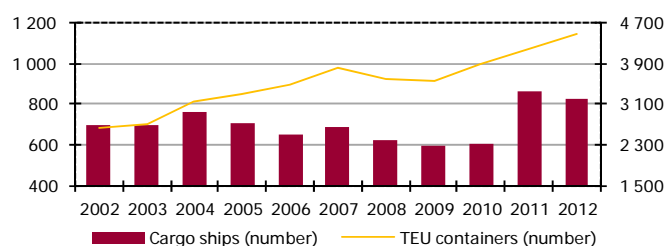
Source: DGFIP.

\*2008 income.

## Imports mainly maritime and constantly rising

The bulk of Saint-Barthélemy's imported goods come from the United States, *via* the Tropical Shipping Company, and mainland France, *via* CMA-CGM, whose cargo transits through the Guadeloupe Port Caraïbes. The momentum triggered by the upturn in activity in 2011 continued in 2012, with a total of 4,490 twenty-foot equivalent units (TEUs) unloaded, representing an increase of 7.2%.

Freight traffic since 2002



Source: Port of Gustavia.

## MAIN SECTORS OF ACTIVITY

The structure of Saint-Barthélemy's economy is characterised by the predominance of both market and non-market services. The main economic sectors are tourism and construction and public works. Following a sharp fall in the number of tourists from 2008 onwards, the tourism industry continued its recovery, which started in 2011. The construction and public works sector, which was impacted by the tourism crisis and the introduction of the new town planning code, for its part remains dependent on public procurement.

Key sector indicators	2012	Trend (1) 12/06
Number of member hotels <sup>(2)</sup>	20	-8.5%
Number of B&Bs	400	-6.6%
Passengers arriving by ferry	81,723	3.9%
Passengers arriving by yacht	40,383	1.9%
Number of cruise passengers	46,471	0.3%

	2012	Trend (1) 12/06
Passengers at the airport	152,816	-2.2%
Building permit applications	266	-0.7%
Building permits issued	235	3.6%
Cement consumption	15,181	5.1%

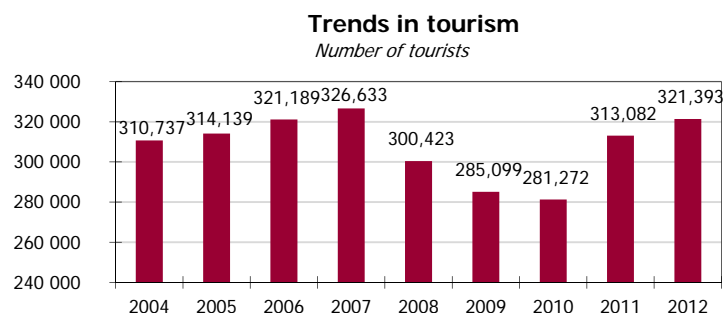
(1) Average annual growth rate. (2) Members of the hotels association.

Sources: Hotel Operators' Association, Port of Gustavia, Gustave III Airport, Ciments Antillais, Territory of Saint-Barthélemy.

## High-end tourism drives the economy

Tourism is the island's main economic activity. It includes the hotel-catering sector, which in 2010 accounted for 35.5% of the workforce, against 5.4% in Guadeloupe and 26.7% in Saint-Martin. Saint-Barthélemy's economy 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 comprises approximately 70% villas and 30% hotels.

The economic and financial crisis that affected the United States in 2007 led to a sharp fall in the number of tourist visits to the island and lengths of stays as early as 2008. However, since 2011, the island has recovered a volume close to the number of tourist visits in 2007, with 321,000 tourists.



Sources: *Gustave III Airport, Port of Gustavia.*

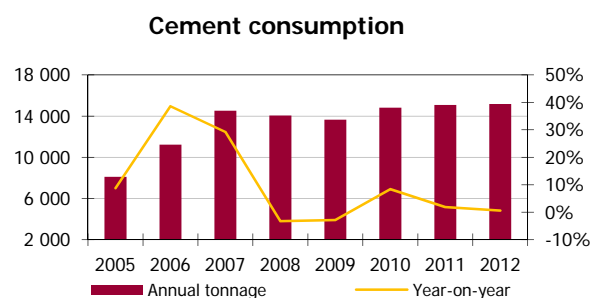
## Construction and public works sector holds up thanks to public procurement

The construction and public works sector is the other key activity in Saint-Barthélemy's economy. It is the second largest employment provider, with 19.7% of the workforce in 2012 according to Unédic. This is the same level as the retail sector, behind the hotel and catering industry.

The public works activity was well-oriented until 2007, as it benefited from the increase in infrastructure and housing needs brought about by the economic development of the island.

In 2008, activity in the sector experienced a slowdown. There was renewed dynamism in 2010 due to the high level of public procurement, which continued to support the activity in 2012. The volume of cement consumption remains high (15,181 tons).

However, the real estate market remains subdued due to the fall in the number of clients from the U.S.



Source: *Ciments Antillais.*

## FINANCING OF THE ECONOMY

At the end of 2012, Saint-Barthélemy's banking and financial activity was based on 6 credit institutions divided into 2 categories: banks affiliated to the French Bank Association (4 institutions) and mutual and cooperative banks (2 institutions). These institutions have a total of 9 bank branches and employ 49 officers. The equipment rate stands at one branch for 1,033 inhabitants, which is substantially higher than in Saint-Martin (one branch for 2,746 inhabitants) and mainland France (one branch for 1,618 inhabitants).

With a favourable economic context, performing loans allocated to clients in Saint-Barthélemy continue to increase at a rapid rate (+10.1% in 2012, +10.7% in 2011) and reached a volume of EUR 211m in 2012. This increase is mainly driven by the dynamism of real estate loans, mainly for households, for which outstanding loans rose by 9.9%. The upturn in business investment loans seen in 2011 was confirmed in 2012 (+10.9%, against +7.1% in 2011).

The financial assets collected (EUR 442.7m) rose by 3.9% in 2012, which was more moderate than in 2011. The slowdown can mainly be put down to overnight deposits (+4.9%, after +11.6% in 2011), the main financial assets held by the territory's economic agents (53.3% of the total).

Monetary and financial indicators	2008	2012
Number of inhabitants per bank branch	964	1,033
Number of inhabitants per ATM	867	845
Number of bank accounts per inhabitant	1.2	1.4
Financial assets of economic agents <sup>(1)</sup> (EUR M)	392.9	442.7
Healthy outstanding credit of economic agents <sup>(2)</sup> (EUR M)	150.4	211.0

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

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

Source: *Iedom.*

Business indicators	Dec. 2012
Average cost of corporate loans (Guadeloupe and North Islands, Jan. 2012)	5.3%
Financial assets <sup>(1)</sup> (EUR M)	121.5
Performing loans <sup>(2)</sup> (EUR M)	61.6
<i>incl. operating loans (%)</i>	<i>9.6</i>
<i>incl. investment loans (%)</i>	<i>69.2</i>
<i>incl. construction loans (%)</i>	<i>21.2</i>

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

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

Source: *Iedom.*

Household indicators	Dec. 2012
Financial assets <sup>(1)</sup> (EUR M)	307.4
Performing loans <sup>(2)</sup> (EUR M)	144.9
<i>incl. consumer loans (%)</i>	<i>9.4</i>
<i>incl. home loans (%)</i>	<i>90.6</i>

(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 31<sup>st</sup> December 2012.**

All IEDOM publications can be accessed and downloaded free of charge on the website [www.iedom.fr](http://www.iedom.fr)

Publication Director: Nicolas de SEZE - Editor-in-chief: Charles APANON

Edited and printed by: IEDOM

Printed: 27<sup>th</sup> September 2013 – Legal deposit: September 2013 – ISSN 1952-9619