

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 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	Delegate 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 buccaners, 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 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 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 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 governed by the Organic Law of 21st February 2007 and exercises all the powers devolved to municipalities, the department and the region, as well as the powers which have been transferred to it by the State. The new Territory is now responsible for taxation, road transport, road systems, tourism, urban planning, housing, the environment, and for setting up and organising the services provided by public institutions. 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 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 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.

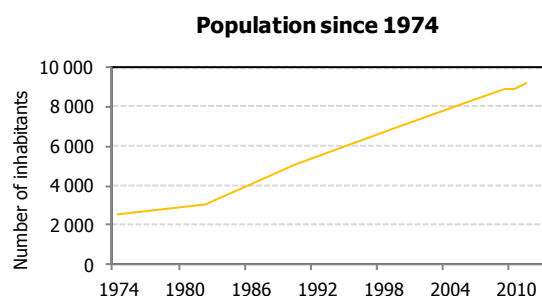
The euro continues to be Saint-Barthélemy's currency. A monetary agreement on maintaining the euro has been signed between the European Union and French Republic, which continues to apply the European Union's legal acts and regulations to Saint-Barthélemy. This is necessary for the functioning of the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

A GROWING AND DIVERSE POPULATION

In 2011, the population of the local authority of Saint-Barthélemy stood at 9,171 inhabitants, *i.e.* 2,319 more people compared to 1999. The annual population growth rate stood at 2.5% between 1999 and 2011. This annual growth was much lower than the high rate in the 1980s (+6.4%).

In 2011, according to INSEE, 63.6% of the population of Saint-Barthélemy was aged between 24 and 64, and 9.4% were 65 or over. There has been little change in the age structure of the population since 1999, but the fall in the proportion of under 24s (27.0%) and the increase in the mean age (37.3 in 2011, against 35.4 in 1999) show that the population is ageing. Furthermore, the island is characterised by the increasing presence of a foreign population (15.8%), mainly comprising European nationals. In 2007, almost 50% of foreigners were Portuguese, 8% American and 6% Belgian.

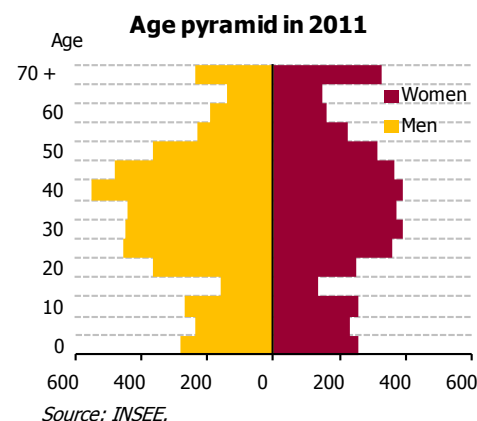
Over the period 1999-2010, the birth rate rose slightly, from 12.0‰ to 12.7‰. This rate is similar to mainland France (12.3‰ in 2013).



Source: INSEE.

Demographic indicators	Saint-Barthélemy	Mainland France
Population (at 01/01/2011, millions pour la France)	9,171	63.1
Percentage of under 24s (2011)	27.0	30.7
Percentage of 25-64 year-olds (2011)	63.6	52.4
Percentage aged 65 and older (2011)	9.4	16.9
Population density (inhab./km ² , at 01/01/2011)	437	116 ⁽¹⁾
Average annual population growth rate (%)	2.5 ⁽²⁾	0.5 ^{(3)*}
Birth rate (for 1,000 inhabitants, 2010)	12.7	12.9*
Mortality rate (for 1,000 inhabitants, 2010)	4.6	8.5*

*Mainland France and overseas departments, excl. Mayotte; (1) Ratio between the population in mainland France in 2011 and its surface area of 545,965 km²; (2) Between 1999 and 2010; (3) Between 2006-2011. Source: INSEE - RP 2011 Use of main Civil Registry statistics.



Source: INSEE.

ECONOMY AT A GLANCE

In 2014, the CEROM (rapid economic accounts for Overseas Territories) partnership estimated GDP per capita in Saint-Barthélemy at EUR 35,700¹ in 2010, against EUR 26,000 in 1999. In 11 years, there has been a marked increase in GDP per capita, in conjunction with sustained population growth. It is above the national average (EUR 29,905 in 2010) and one of the highest for French regions, but remains below the GDP per capita for the Île-de-France region.

According to the Multi-professional Economic Chamber (CEM), the number of economic entities in Saint-Barthélemy stood at 5,054 in 2013: 64.7% of them have a service activity. Trade accounts for 15.4% of companies and the construction sector 14.9%. Industry, agriculture and water and energy production remain poorly represented.

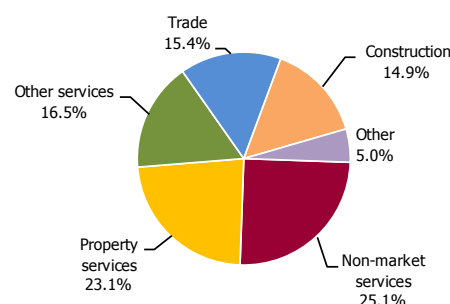
Power generation is almost exclusively based on fossil fuels, meaning Saint-Barthélemy is highly dependent on the outside. Electricity consumption has continued to increase due to economic development and population growth: +54.7% between 2003 and 2013, with an average annual growth rate of 4.5%. It reached its highest level in 2013. At the same time, Saint-Barthélemy has 4 seawater desalination units to meet its drinking water supply needs.

Due to its financial stability and the absence of debt, the territory enjoys appreciable room for manoeuvre and the construction industry is supported by public procurement.

Breakdown by business sector in Saint-Barthélemy in 2013

Key economic indicators	Saint-Barthélemy	France
GDP per capita (constant euros, 2010)	35,700 ⁽¹⁾	29,905
Actual revenues of the territory (EUR M, 2013)	68.6	-
Actual expenditure of the territory (EUR M, 2013)	52.2	-
Debt of the territory (% of GDP, 2013)	0	8.5 ⁽²⁾

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



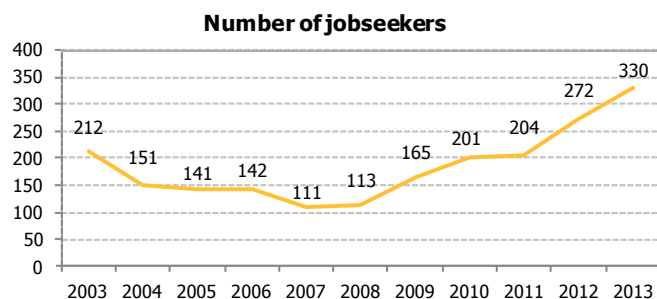
Source: Multi-professional Economic Chamber.

¹ In constant euros.

High level of activity

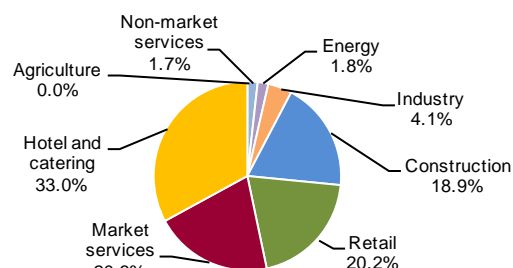
Saint-Barthélemy is characterised by a very low unemployment rate (4.3% in 2011) and a high rate of activity (86.8% in 2011, against 68.2% in Guadeloupe and 72.6% in mainland France). The working population continued to increase (+50.7%) between 1999 and 2011. The island is marked by the weight of self-employment, which accounted for 34.2% of employment in 2011, against 18.7% in Guadeloupe and 12.6% in mainland France.

As tourism is a major industry in Saint-Barthélemy, accommodation and catering is the island's largest employer: it accounted for 33.0% of the workforce in 2013, against 5.9% in Guadeloupe. The retail sector was the island's second largest employer, with 20.2% of employees, closely followed by the construction industry (18.9%, against 8.5% in Guadeloupe).



Source: DIECCTE - DEFM A, raw data.

Breakdown of paid employment

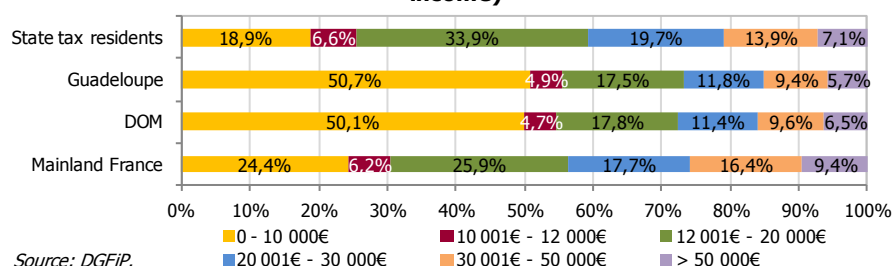


Source: Unédic, 2013 figures.

Incomes similar to national level

In Saint-Barthélemy, the incomes of State tax residents² are closer to those in mainland France than in Guadeloupe and the overseas departments. For incomes in 2011, the income bracket of between EUR 12,000 and EUR 20,000 is the highest (33.9% of households on the island, against 25.9% in mainland France), and 40.7% of tax residents had incomes above EUR 20,000, against just 27.5% in the overseas departments.

Breakdown by reference tax income bracket at 31/12/2012 (2011 income)

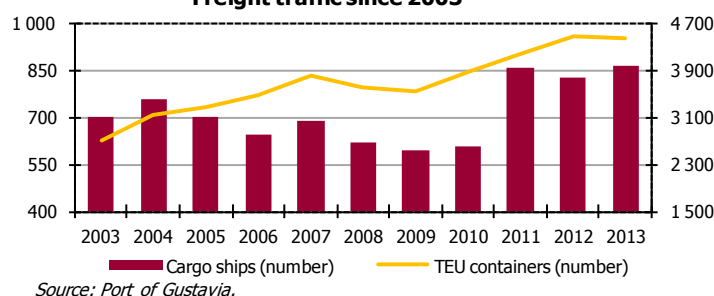


Source: DGFIP.

Rise in imports over the decade

The bulk of Saint-Barthélemy's imported goods come from the USA, *via* the Tropical Shipping Company, and mainland France, *via* CMA-CGM, through the Port of Guadeloupe. Traffic has increased overall over the decade, despite the slowdown between 2005 and 2010. Following an upturn in activity in 2011 and 2012, there was a slight decline in the activity of the commercial port in 2013. With a total of 4,464 twenty-foot equivalent units (TEUs) unloaded, the number of containers has fallen by 0.6%. However, there has been an increase in the number of cargo vessels that made stopovers, from 829 in 2012 to 863 in 2013.

Freight traffic since 2003



Source: Port of Gustavia.

MAIN SECTORS OF ACTIVITY

Saint-Barthélemy is characterised by an economy based on high-end residential tourism, with the predominance of the market services sector, real estate and construction. After a decline in the number of visits to the island, which began back in 2008, the tourist industry is recovering its vitality, following the upturn that began in 2011. The construction industry, which was also affected by the tourism crisis and the introduction of the new Town Planning Code, was supported by public procurement and had a less difficult year in 2012. In 2013, the construction industry was less dynamic due to the completion of certain major projects.

Main sector indicators	2013	Trend (1) 13/04
Number of member hotels ⁽²⁾	30	-1.4%
Number of hotel rooms	544	-1.2%
Passengers arriving by ferry	82,738	2.7%
Passengers arriving by yacht	39,485	1.0%
Number of cruise passengers	48,022	0.6%

(1) Average annual growth rate (2) Members of the Hotel Operators' Association

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

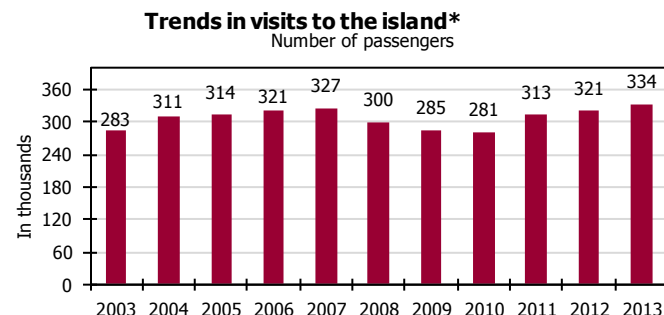
	2013	Trend (1) 13/04
Passengers at the airport	163,650	-0.7%
Building permit applications	344	2.4%
Building permits issued	231	2.2%
Cement consumption	14,750	3.1%

² Households established on the island after 15 July 2007, which do not have a minimum length of residence of 5 years in the territory. Tax returns are the same as in mainland France.

High-end tourism drives the economy

Tourism is the island's main economic activity and includes the hotel-catering sector. 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 in lengths of stays as early as 2008. In 2013, with some 334,000 passengers, the number of visits was higher than pre-crisis levels.



Sources: Gustave III Airport, Port of Gustavia

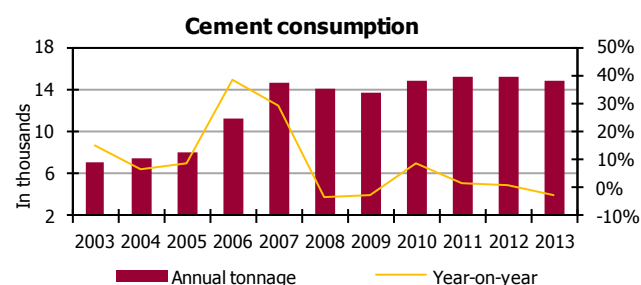
* Total flows - arrivals and departures

Construction industry supported by public procurement

The construction industry is the other key activity for Saint-Barthélemy's economy. With 18.9% of the workforce according to the Unédic in 2013, it is the 3rd largest sector to provide employment.

Activity in the construction industry saw a positive trend until 2007, benefitting from the increase in needs for infrastructure and housing due to the economic development of the island.

There was a slowdown in activity in 2008. There was renewed dynamism in 2010 due to the high level of public procurement. In 2013, the completion of large-scale projects prompted a loss of dynamism for activity in the sector. The volume of cement consumed fell by 2.8% (14,750 tonnes).



Source: Ciments Antillais.

FINANCING OF THE ECONOMY

At the end of December 2013, 6 credit institutions were established in Saint-Barthélemy, 4 affiliated to the French Bank Association and 2 are mutual and cooperative banks. These institutions have a total of 9 bank branches and employ 41 officers. The equipment rate stands at 1 branch for 1,044 inhabitants, which is substantially higher than in Guadeloupe (1 branch for 2,592 inhabitants) and mainland France (1 branch for 1,653 inhabitants in 2013).

Between 2009 and 2013, there was a sharp rise in outstanding performing loans, with an average annual growth rate of 8.0%. After having grown at a strong rate (+10.1% in 2012, +10.7% in 2011), outstanding performing loans allocated to clients in Saint-Barthélemy saw a slowdown in growth in 2013, which affected all segments (+2.4%, *i.e.* EUR +5.0m). In 2013, there was a 3.5% increase in housing, corporate and household loans, against +9.9% in 2012. Investment loans saw slower growth (+2.8%, after +10.9%) and there was a sharp decline in operating loans (-23.2%, after +53.9%). There was, however, a slight rise in consumer financing (+0.7% in 2013, against -10.8% in 2012).

There was also a sharp rise in the financial assets collected: an annual average of +13.1% between 2009 and 2013. In 2013, they rose at a high rate (+15.0% year-on-year), after a small increase in 2012 (+3.9%). The dynamism is mainly due to overnight deposits (+13.6%, after +4.9% in 2012), which are the main financial assets held by the territory's economic agents (52.6% of the total).

Monetary and financial indicators	2009	2013
Number of inhabitants per bank branch	989	1,044
Number of inhabitants per ATM	890	855
Number of bank accounts per inhabitant	2.5	2.8
Financial assets of economic agents ⁽¹⁾ (EUR M)	350.9	509.0
Healthy outstanding credit of economic agents ⁽²⁾ (EUR M)	158.9	216.1

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

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

Source: Iedom.

Business indicators	Dec. 2013
Financial assets ⁽¹⁾ (EUR M)	155.7
Performing outstanding loans ⁽²⁾ (EUR M)	60.1
<i>incl. operating loans (%)</i>	7.7
<i>incl. investment loans (%)</i>	72.8
<i>incl. property loans (%)</i>	19.5

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

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

Source: Iedom.

Household indicators	Dec. 2013
Financial assets ⁽¹⁾ (EUR M)	340.4
Performing outstanding loans ⁽²⁾ (EUR M)	151.0
<i>incl. consumer loans (%)</i>	9.0
<i>incl. home loans (%)</i>	91.0

(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 2013, unless mentioned otherwise.

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