



ECONOMIC CONJUNCTURE

Annual summary 2024

The Economy of Saint Pierre and Miquelon in 2024

In 2024, inflation continued to slow, reaching an annual average of +3.0% (after +5.0% in 2023). This deceleration was mainly attributable to the slowdown in food price increases, in line with developments observed in mainland France and Canada, as well as to the moderation of tobacco prices. Inflationary pressures nonetheless persisted, particularly for certain manufactured goods and for energy, due to higher electricity prices, which were offset by lower fuel and heating oil prices. For the second consecutive year, inflation in the archipelago remained above the national level (+2.0%).

Against this backdrop, household consumption held up, supported by a low unemployment environment (3.0%).

Activity remained strong in the main sectors of the economy, particularly in the fisheries sector, with catches reaching their highest level since 2019, while tourist arrivals recorded unprecedented levels thanks to the development of cruise tourism. The construction sector was mainly driven by the widening works at the Avel Mad Quay, as well as by the construction of a waste treatment facility in Miquelon.

Business investment was therefore largely linked to the port rehabilitation project. In volume terms, imports of intermediate goods increased due to imports of rock materials intended for the quay, while imports of capital goods declined. The contraction in outstanding loans granted to businesses continued for the fourth consecutive year, reflecting a climate of uncertainty, notably linked to demographic concerns, which discouraged local investment.

Total outstanding loans nevertheless increased, driven by household lending, and more specifically by the momentum of consumer credit. Deposit collection remained strong, supported by the reallocation of sight deposits towards liquid or short-term investments, as well as long-term placements, and by the capitalisation of interest, despite the interest rate cuts implemented in 2024.

Household consumption remains stable amid slowing inflation and a favourable labour market

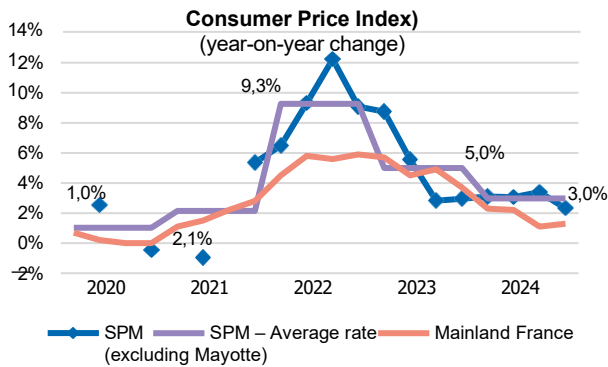
Inflation slows despite persistent pressures

In 2024, inflation slowed markedly, reaching an annual average of +3.0%, after +5.0% in 2023. Despite this decline, it remained above the +2% target set by the ECB and above the national level (+2.0% in 2024).

Over the past year, inflation was driven mainly by higher prices for food and non-alcoholic beverages (+2.9%, after +6.1% in 2023) electricity (+14.1%, after +26.1%) and healthcare products (+6.1%, after +7.2%).

To a lesser extent, price increases for vehicles (+4.6%, after +8.7%) and restaurant services (+5.5%, after +5.3%) also contributed to inflationary pressures.

The slowdown in food prices is part of a broader trend, also observed in mainland France (+0.9% in 2024 after +11.2%) and in Canada (+2.7% after +7.5%).



Sources: Prefecture, Insee © IEDOM

Similarly, the slowdown in vehicle prices mirrored the decline observed in Canada (-0.2%) and the sharp deceleration recorded in mainland France (+0.4% after +3.8%). Only restaurant services experienced a slightly more pronounced increase than in 2023.

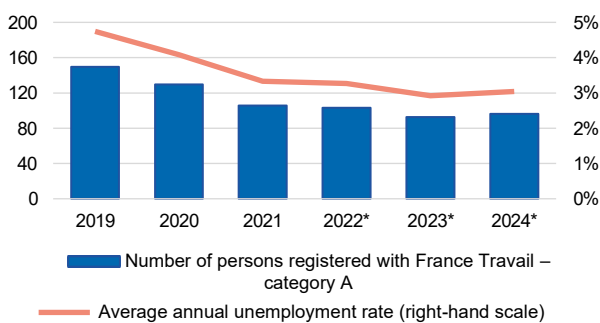
Lastly, the appreciation of the euro against the Canadian dollar (with EUR 1 trading at an average of CAD 1.48 in 2024, i.e. +1.5% year-on-year) helped to curb inflation by reducing the cost of goods imported from Canada.

The labour market remains at full employment

In 2024, the estimated unemployment rate¹ stood at 3.0% of the labour force, representing a slight increase of 0.1 percentage point year-on-year. This rise is explained by an increase in the number of category A jobseekers registered at month-end (DEFM), which averaged 96 persons over the year, compared with 93 the previous year.

The annual average number of DEFM in categories A, B and C, meanwhile, remained stable year-on-year at 173 persons. The labour market in Saint Pierre and Miquelon therefore remained at full employment in 2024.

Labour market situation



Source: France travail © IEDOM

* Annual average of category A jobseekers/labour force based on the latest 2021 census published by INSEE in 2024

In this context, despite a slight decline in the number of new job vacancies published by France Travail (239 in 2024 compared with 252 in 2023), all economic sectors in the archipelago reported recruitment difficulties. Public administration (23.8%) and the retail trade/accommodation and food services sector (28.9%) accounted for more than half of the new job vacancies published in 2024.

¹ The annual unemployment rate is calculated based on the annual average number of category A jobseekers, relative to the latest available figure for the labour force (2021 census published in 2024 by INSEE).

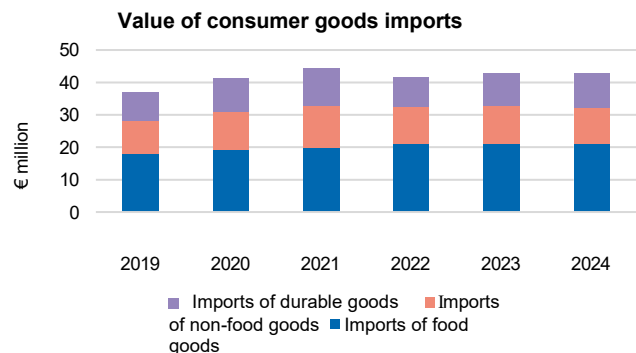
It should be noted that these vacancies reflect only part of the positions available on the labour market, as not all firms publish their offers on the France Travail platform, instead relying on alternative recruitment channels (word-of-mouth, classified advertising websites).

Household consumption holds up in 2024

In 2024, household consumption, as measured by imports of consumer goods, slightly increased in value (+0.2% after +3.2% in 2023), but more markedly in volume (+4.2% after +6.4% in 2023).

The slowdown in food price inflation was accompanied by an increase in the volume of food imports (+3.9%), while their value remained virtually stable over the year (+0.1%).

Imports of durable goods also recorded stronger growth in volume (+13.6%) than in value (+6.0%). In particular, imports of vehicles for private individuals rose sharply both in value (+45.6%) and in volume (+36.3%). This momentum was confirmed by new vehicle registrations, which increased by 42.8% in 2024, reaching 207 units compared with 145 in 2023.



Source: Customs © IEDOM

Lastly, imports of other non-durable goods declined both in value (-4.5%) and in volume (-3.5%), notably due to the sharp contraction in imports intended for private use² (-41.2% in value and -16.6% in volume), as well as in imports of clothing (-10.0% in value and -24.9% in volume) and footwear (-28.0% in value and -22.2% in volume).

By contrast, imports of pharmaceutical products increased significantly in value (+11.5%), while their volume growth remained more moderate (+3.2%), reflecting the inflation observed in the territory for healthcare products over the year.

The momentum in consumption was accompanied by a further increase in outstanding consumer credit granted to households (+6.5% to EUR 27.4 million after +4.2% in 2023).

This estimated unemployment rate is almost equivalent to the actual unemployment rate calculated retrospectively using INSEE data for the corresponding year.

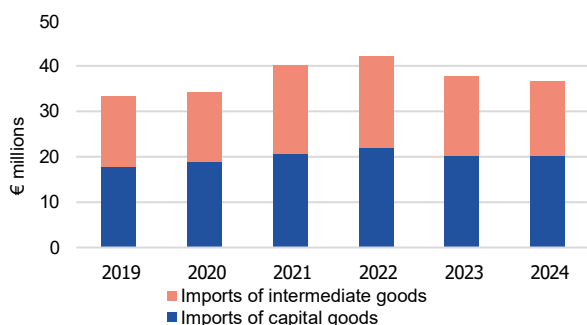
² A detailed breakdown of this category was not available at the time of publication.

2024 marked by the start of port rehabilitation works in Miquelon

In 2024, the volume of imports of investment goods rose sharply (+27.5% year-on-year), while their value declined slightly (-2.5%).

This development reflects the momentum of imports of intermediate goods, which increased in volume (+32.2%) but declined in value (-5.2%), in connection with imports of rock materials intended for the widening works at the Avel Mad Quay in Miquelon, the main construction project of 2024. Financed by the State to the amount of EUR 1.9 million, the quay widening represents a key initial stage ahead of the repair works scheduled for 2025. By way of reminder, the convergence and transformation contract provides for a total allocation of EUR 13 million over the 2024–2027 period for the rehabilitation of the archipelago's port infrastructure.

Value of investment goods imports



Source: Customs © IEDOM

Imports of capital goods, for their part, remained stable in value (-0.1%), despite a sharp contraction in volume (-27.0%, i.e. around 873 tonnes in 2024 compared with nearly 1,200 tonnes in 2023). This decline is mainly attributable to a base effect, following the import in 2023 of two vessels intended for professional fishing. However, this decrease in value was offset by higher-value imports of passenger vehicles (+24.5%), electrical equipment (+11.4%) — notably linked to the renewal of France Télévisions' sound equipment — and mechanical machinery (+3.0%).

Lastly, the increase in registrations of commercial vehicles (113 in 2024 compared with 75 in 2023) confirms the rise in imports observed. At the same time, outstanding investment loans granted to businesses declined (-7.45% after +0.8%), amounting to EUR 32.6 million³.

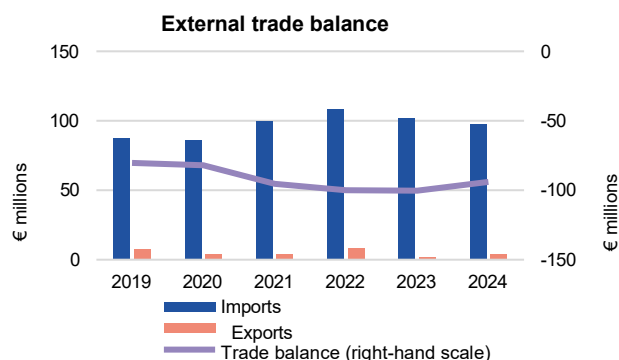
Imports decline sharply

In 2024, total imports to the archipelago fell by EUR 4.4 million compared with 2023, reaching EUR 97.7 million (-4.4%). This development is mainly attributable to the sharp decline in fuel imports over the year (-16.7% in value),

³ Scope of locally established financial institutions.

in connection with the year-on-year decrease in energy prices. In volume terms, the reduction in fuel imports was more moderate (-6.5%).

By contrast, total exports increased over the year (+EUR 1.9 million), rising to just over EUR 3.6 million⁴.



Source: Customs © IEDOM

Activity increases in the main sectors of the economy

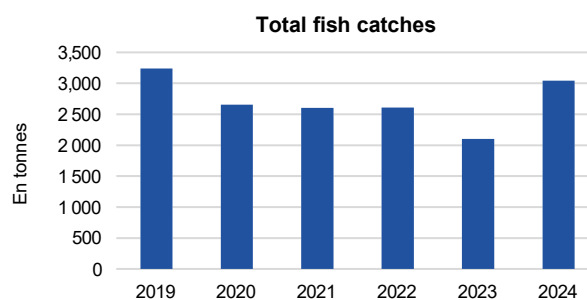
The fisheries sector reaches its highest level since 2019

In 2024, fisheries activity improved markedly, with fish catches increasing by 41.7% year-on-year.

This growth was mainly driven by higher sea cucumber catches (+50.7% year-on-year, reaching nearly 2,164 tonnes), supported by the resumption of activity of the Cap Marie, which returned to sea between July and September 2024 to harvest its sea cucumber quota.

In addition, due to a less favourable snow crab fishing season (-19.9% year-on-year, to just over 367 tonnes), fishers shifted more towards sea cucumber fishing as well as scallop fishing, which also recorded a sharp increase (+339.5% year-on-year, to nearly 219 tonnes). Lobster catches also rose significantly (+30.4% year-on-year, to just over 33 tonnes).

Lastly, the year was marked by a fishing campaign targeting **Atlantic halibut**, carried out by a vessel operator from the archipelago in the NAFO international waters.



Source: DTAM, Maritime Division © IEDOM

⁴ By way of reminder, almost all fish catches are landed in Canada. As a result, they are not recorded by the French customs authorities, which makes analysis of the external trade balance difficult.

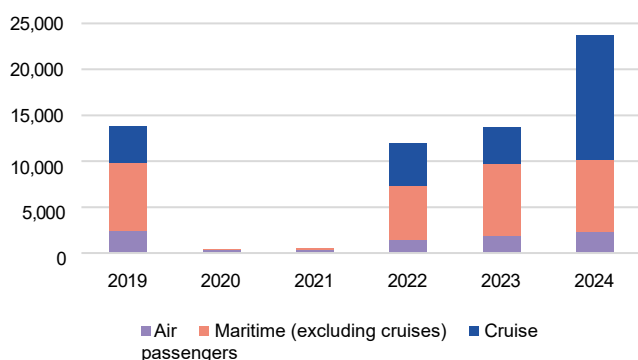
Catches of this species increased by 55.8% year-on-year, reaching just over 178 tonnes, including 30 tonnes of black halibut quota exchanged for Greenland halibut.

Overall, around 2,975 tonnes of seafood products were harvested, reaching their highest level since 2019. As in previous years, catches remained concentrated on a limited number of species.

Tourist arrivals reach an unprecedented level driven by cruise traffic

In 2024, foreign tourist arrivals reached a new record, with 23,667 foreign visitors recorded, representing a year-on-year increase of 72.1%. This growth was mainly driven by the expansion of cruise tourism, which rose by 234.5%, reaching 13,522 passengers. By way of comparison, the archipelago welcomed an average of 4,020 cruise passengers between 2015 and 2023 (excluding the health crisis). This increase was largely attributable to a significant rise in the number of port calls, with 19 vessels received in 2024 compared with an average of 11 between 2015 and 2023 (excluding 2020 and 2021).

Foreign tourists by mode of arrival



Source: Border Police © IEDOM

Excluding cruise passengers, the number of foreign tourists arriving by sea remained almost stable (-0.5% year-on-year, i.e. 7,810 passengers). This level nevertheless remains 11.9% higher than the average observed over the 2015–2023 period (excluding 2020 and 2021).

By contrast, the number of foreign visitors arriving by air increased sharply compared with 2023 (+25.5% year-on-year, i.e. 2,335 passengers) and was also up by 27.5% compared with the 2015–2023 average (excluding 2020 and 2021).

Canada remained the leading country of origin for foreign visitors, accounting for 44.1% of arrivals, although this share was lower than over the 2015–2023 period (65.6%, excluding 2020 and 2021). Visitor numbers from the United States grew sharply (+218.7% year-on-year), raising their share to 43.1%, compared with 18.8% over the 2015–2023 period (excluding 2020 and 2021). This increase, together with the rise in visitors from other nationalities (+121.4% year-on-year), was directly linked to the expansion of cruise tourism.

Imports destined for the construction sector increase in volume

In 2024, imports destined for the construction sector recorded a second consecutive year of strong growth in volume (+175.1% year-on-year, after +83.8% in 2023).

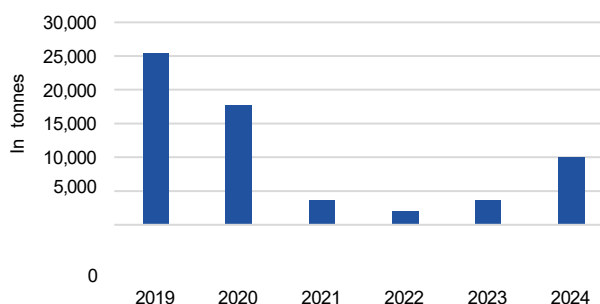
However, in value terms, imports to the sector declined slightly, amounting to EUR 3.1 million compared with EUR 3.3 million in 2023. This decrease reflects the composition of imports: the increase in volumes was largely driven by lower-cost materials (rock), while imports of higher value-added products, notably cement, declined.

The surge in volumes was therefore mainly supported by the shipment of around 8.6 thousand tonnes of rock from New Brunswick, intended for the widening works at the Avel Mad Quay in Miquelon.

In addition, imports of cast iron, aluminium, iron or steel structures and construction elements — including bridges and components, towers, pylons, pillars, frameworks, roofs, as well as doors, windows and balustrades — recorded a marked increase both in value and in volume.

A similar trend was observed for joinery products and timber framing components. These developments appear to be linked to the momentum in residential construction.

Volume of main imports destined for the construction sector



Source: Customs © IEDOM

By contrast, certain categories of materials recorded a sharp decline following the completion of the reconstruction works at the La Vigie dam. These included imports of hydraulic cements, mortars and concrete, paints and varnishes, and iron or steel bars used for concrete reinforcement.

Lastly, several major projects were undertaken by local authorities in 2024. The Territorial Authority financed asphalt surfacing works in the municipality of Saint-Pierre and also carried out works in the Miquelon – Langlade isthmus.

For its part, the municipality of Saint-Pierre invested in resurfacing city streets and in improving water supply and sanitation networks. Lastly, the municipality of Miquelon financed several projects, including the new waste treatment facility, the renovation of the slaughterhouse, and network works for the relocation of the village of Miquelon.

A banking market driven by households

Savings continue to increase year-on-year, despite interest rate cuts

At end-2024, financial assets held by locally established banking institutions (LEBIs) amounted to EUR 323.9 million, representing a year-on-year increase of 3.1%. Although interest rates on financial investments declined following the reduction in policy rates, deposits continued to be reallocated towards interest-bearing products, while capitalised interest contributed to the growth of short- and long-term investments.

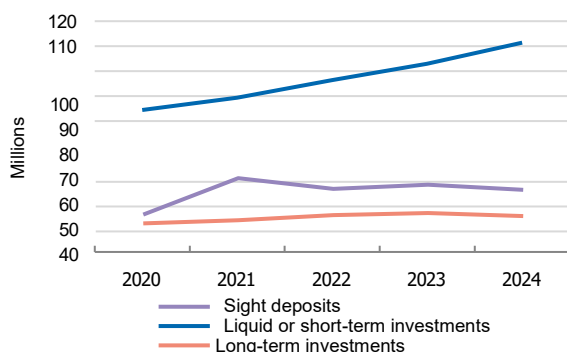
Sight deposits thus declined for the second consecutive year (-0.3% after -3.4% in 2023), while liquid or short-term investments rose sharply over the year (+6.0%, to EUR 136.8 million).

In detail, term deposits recorded a strong increase (+13.6%, to EUR 51.1 million), as did Livret A savings accounts (+11.6%, to EUR 38.1 million). By contrast, ordinary savings accounts and youth savings accounts declined (-7.9% and -18.3%, respectively).

Long-term investments also increased (+4.3%, to EUR 59.4 million), driven by the rise in housing savings plans (PEL) (+11.6%, to EUR 25 million).

The increase in deposits concerned all economic agents: businesses, which accounted for 18.2% of total savings (EUR 59.0 million, up 7.1%), and households, which held 73.4% of total savings (EUR 237.6 million, up 1.4%).

Household financial investments



Sources: SURFI, SCR, RUBA © IEDOM

Deposits held by other economic agents also recorded strong growth, rising by 12.3% to reach EUR 25.4 million.

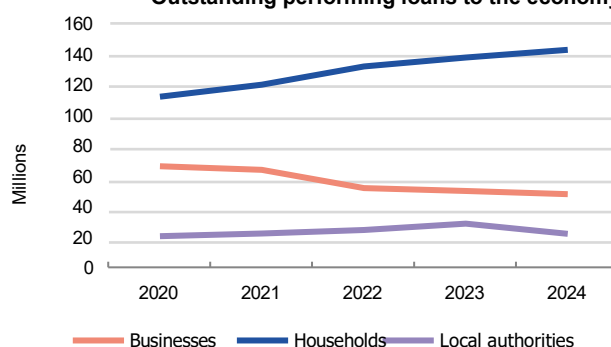
The overall upward trend was also confirmed for assets placed with banking institutions not established locally, which increased by 3.0%, driven by liquid investments.

Outstanding loans remain dynamic, except for businesses

In 2024, outstanding performing loans granted to economic agents established locally in Saint Pierre and Miquelon increased (+3.3% after +0.3% in 2023), reaching EUR 198.9 million. This rise was mainly driven by growth in consumer credit to households (+6.5%), the pace of which remained strong.

Growth in outstanding housing loans to households slowed to +0.3%, after +4.8% in 2023. Several factors explain this slowdown: the gradual end of land sales in the Graves district in 2023, which had boosted mortgage lending between 2021 and 2023, as well as rising construction costs and the higher cost of living, which have led households to adopt a wait-and-see approach. Despite renovation support schemes and lower interest rates over the course of 2024, the archipelago's property market remains tight.

Outstanding performing loans to the economy



Sources: SURFI, SCR, RUBA © IEDOM

Outstanding loans to businesses continued their downward trend for the fourth consecutive year (-4.7%, to EUR 44.5 million). This overall decline nevertheless masks disparities between loan categories.

Outstanding investment loans granted to businesses fell (-7.5%, to EUR 32.6 million), as did operating loans (-5.6%, to EUR 6.7 million).

The prevailing climate of uncertainty, particularly regarding demographic developments in the territory (population decline and ageing), continues to weigh on business development initiatives.

By contrast, outstanding real estate loans to businesses rose sharply (+18.9% year-on-year), reaching EUR 4.4 million.

Lastly, within the scope of banking institutions not established locally (NLEBIs), outstanding performing loans declined by 8.0%, amounting to EUR 41.7 million.

Credit risk in the local banking market remains moderate. The overall doubtful loan ratio thus stood at 1.7% at end-December 2024.

2025 outlook: Towards lower inflation amid an uncertain environment?

Despite an expected slowdown in inflation in 2025, the current uncertain geopolitical environment could generate renewed inflationary pressures. Although inflation forecasts remain downward oriented in mainland France and Canada, and the recent reduction in regulated electricity tariffs in February 2025 supports this trend, announcements by the US administration regarding increases in customs duties, as well as trade tensions between the United States and Canada, could significantly affect the prices of imported goods in the archipelago.

At the sectoral level, the outlook for 2025 remains uncertain for the fisheries sector, despite an exceptional third quarter in 2024. The momentum surrounding sea cucumber fishing and the opportunities offered by the arrival of a new vessel operator have yet to be confirmed. Prospects for the snow crab fishing season are clouded by uncertainty regarding resource availability. Concerns expressed by local fishers about the capacity of Canadian processing plants to absorb production following the announcement of a 25% tariff imposed by the United States on Canadian products—its main export market—appear, for the time being, to have eased.

The public procurement observatory held in May provided encouraging prospects, with several major projects in the pipeline. In addition, the late release of tender notices in 2024 is expected to have positive spillover effects on activity levels

in 2025. For households, construction costs remain high despite the decline in interest rates. Moreover, energy renovation support schemes have not yet generated the expected level of uptake among the population, despite the assistance mechanisms in place.

Tourism professionals, for their part, hope to sustain the positive momentum observed in 2024 by welcoming a higher number of visitors during the 2025 season, while further developing hotel capacity. The archipelago plans to host 25 cruise ships in the 2025 season, compared with 19 in 2024, including, for the first time, port calls during the winter period. More broadly, as part of the Territorial Authority's strategy to promote sustainable tourism, projects aimed at developing shoulder-season tourism are under consideration, with a view to extending the tourist season.

The year 2025 is also expected to be marked by significant developments in maritime transport, notably through negotiations for the new public service concession and the arrival of the sailing cargo vessel *Néoline*, which plans to call at Saint Pierre and Miquelon on its Saint-Nazaire–Baltimore route, potentially offering new supply opportunities for the archipelago.

Lastly, the easing of monetary policy as a result of lower policy rates should facilitate access to credit for both businesses and households.

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Director of publication: M. Urban ■ Editor-in-chief: L. Claireaux

Editorial team: C. Dansel