

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 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 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.

From a municipality to an Overseas Territory

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.

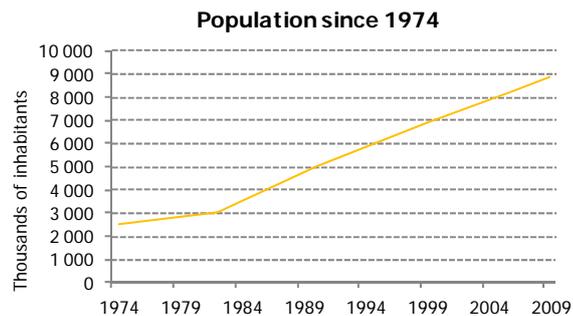
The euro continues to be Saint-Barthélemy's currency. A monetary agreement on maintaining the euro has been signed between the European Union and French Republic, which continues to apply the European Union's legal acts and regulations to Saint-Barthélemy. This is necessary for the functioning of the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

A HETEROGENEOUS POPULATION

In 2009, the population of Saint-Barthélemy stood at 8,902 inhabitants, up 29.9% compared to 1999. The annual growth rate over the period reached 2.7%, two-thirds of which is due to positive net migration (+1.8%).

The island's population is ageing: 65.8% of the population is aged between 20 and 59 and 12.4% is at least 60. The under 20s only account for 21.8% of inhabitants. Moreover, the island has a foreign population, mainly comprising European nationals. Almost half of foreigners are Portuguese, followed by Americans (8%) and Belgians (6%).

Over the period 1990-2008, the birth rate decreased significantly, from 13.4‰ in 1990 to 12.4‰ in 2008. This rate is lower than in Guadeloupe (14.3‰ in 2008) and mainland France (12.9‰ in 2008).

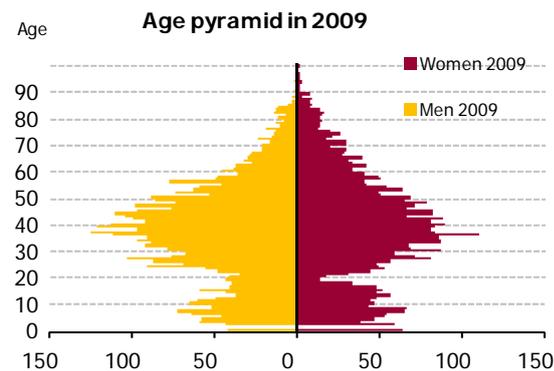


Source: INSEE.

Demographic indicators	Saint-Barthélemy	France ⁽¹⁾
Population (thousands, millions for France, at 01/01/2009)	8,902	65.4
Percentage of under 20s (2009)	21.8	25
Percentage of 20-59 year-olds (2009)	65.8	52
Percentage aged 60 and older (2009)	12.4	23
Population density (inhab./km ² , at 01/01/2010)	424	102.7 ⁽²⁾
Annual average population growth rate (% , 2000-2010)	2.7 ⁽⁴⁾	0.6 ⁽³⁾
Birth rate (for 1,000 inhabitants, 2011)	12.4 ⁽⁵⁾	12.7
Mortality rate (for 1,000 inhabitants, 2011)	4.3	8.5

(1) Insee 2011 population survey; (2) French population density in 2010; (3) Between 2002 and 2012; (4) Average 1999-2009; (5) 2008 data.

Source: INSEE.



Source: INSEE.

ADVANCED LEVEL OF ECONOMIC DEVELOPMENT

In 2005, the CEROM (rapid economic accounts for Overseas Territories) partnership estimated GDP at EUR 179m in 1999, and EUR 26,000 per capita, a level higher than in metropolitan France at the same date.

The number of registered companies in Saint-Barthélemy stood at 4,731 in 2011: 63.2% of them have a service activity. Trade accounts for 16.3% of companies and the construction and public works sector 15.8%. Industry, agriculture and water and energy production are poorly represented and account respectively for 3.7%, 0.6% and 0.4% of the economic fabric.

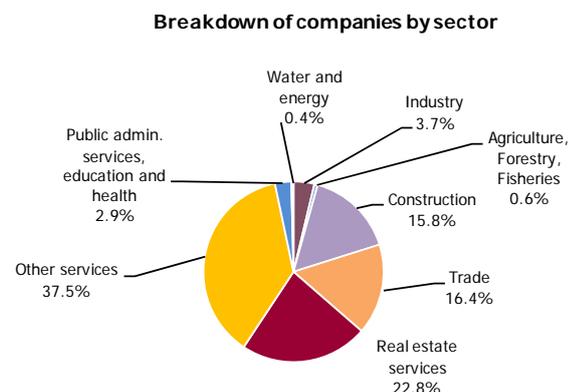
Saint-Barthélemy's power generation is almost exclusively based on fossil fuels, meaning it is highly dependent on the outside. Electricity consumption has continued to increase over the recent period due to economic development and, especially, population growth: +61.2% between 2001 and 2011. Moreover, Saint Barthélemy is an arid island and has four seawater desalination units for its drinking water supply needs: one classic distillation unit and three reverse osmosis units.

Due to its financial stability and the absence of debt, the Territory enjoys appreciable room for manoeuvre. 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)	0,179 ¹	1,367
Per capita GDP (euros, 1999)	26,000 ¹	22,664
Total revenues of the Territory (millions of euros, 2011)	68.9	-
Total expenditure of the Territory (millions of euros, 2011)	48.2	-
Local authority debt (% of GDP, 2011)	0	8.3 ²

(1) CEROM estimation (1999); (2) Public debt notified or in the sense of Maastricht.

Sources: INSEE, Customs, Employment agency, Cerom, Territory of Saint-Barthélemy.

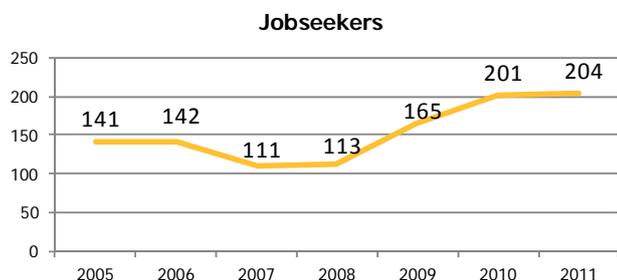


Source: Multi-Professional Economic Chamber.

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.

Over half of paid employment is in the service sector, with 35.5% of employees working in the hotel and catering industry. However, industry and construction record a dynamic annual growth rate, with respectively +9.0% and +4.6% over the period 2000-2010.



Source: DIECCTE - DEFMA, raw data.

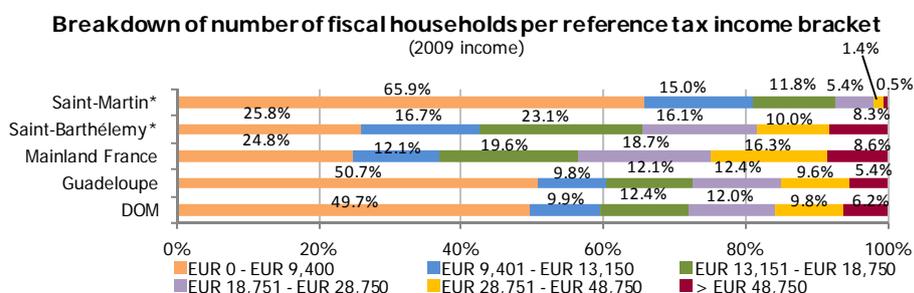
Paid employment	2000	2010(p)	Trend (1) 10/00
Total	2,312	3,348	4.5%
Agriculture	1	0	-10.0%
Industry	92	175	9.0%
Construction	393	572	4.6%
Trade	619	729	1.8%
Hotel and catering	799	1 190	4.9%
Misc. services	408	682	6.7%

(p) provisional; (1) Average annual trend

Source: ASSEDIC.

Incomes significantly higher than in other overseas departments

The distribution by household income bracket 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 2007, 8.3% of fiscal households had incomes above EUR 48,750.

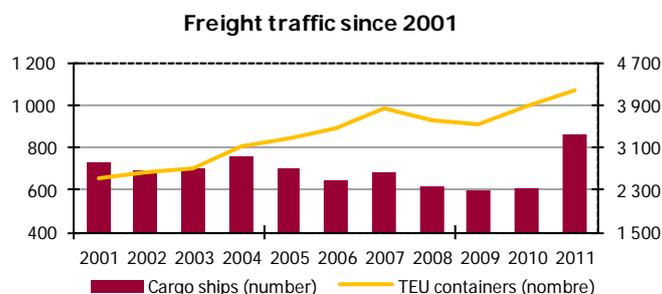


Source: General Tax Directorate.

*2007 income

Imports mainly maritime

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 first transits through the autonomous Port of Guadeloupe. In 2011, the trade port saw a sharp upturn in activity. The number of containers is continuing to increase rapidly (+8.2%) and a new record has been set with a total of 4,190 twenty-foot equivalent units (TEUs).



Source: Port of Gustavia.

ECONOMY BASED ON TOURISM

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, which started in 2008, in 2011 the tourism industry recovered its pre-crisis numbers of visits. The construction and public works sector, which was also impacted by the tourism crisis and the introduction of the new town planning code, remains dependent on public procurement.

Main sector indicators	2011	Trend (1) 11/06	2011	Trend (1) 11/06	
Number of hotels	32	-1.2%	Number of cruise passengers	49,245	1.6%
Number of hotel rooms	563	-1.4%	Passengers at the airport	151,646	-2.6%
Number of villas for short-term rental	450 ⁽²⁾	N/A	Building permit applications	276	-0.1%
Passengers arriving by ferry	72,404	2.3%	Building permits issued	251	6.4%
Passengers arriving by yacht	39,787	2.1%	Cement consumption	15,088	6.9%

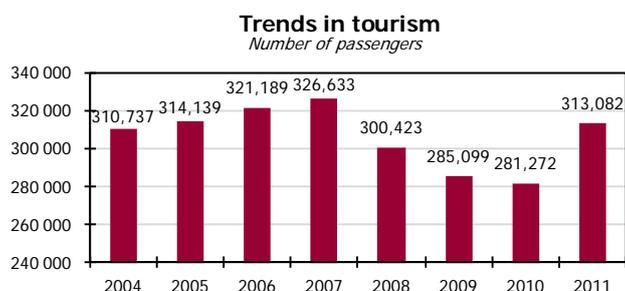
(1) Average annual growth rate (2) 2009

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 main economic activity and 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 Saint-Barthélemy Tourism Committee estimated that there were 450 villas on offer in 2011.

The economic and financial crisis which 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, in 2011 the island received some 313,000 passengers, a volume close to pre-crisis levels of tourism.

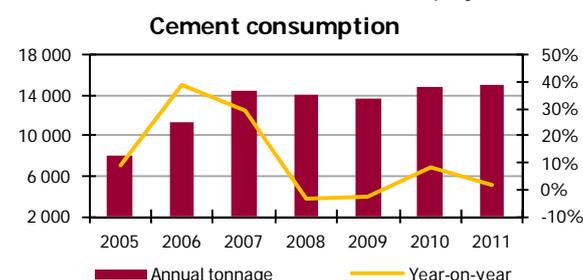


Sources: Gustave III Airport, Port of Gustavia.

Construction and public works, a sector dependent on public procurement

The construction and public works sector is the other key activity in Saint-Barthélemy's economy. It is the third largest employment provider, with 17.1% of the workforce according to the ASSEDIC (Association for Industrial and Commercial Employment) survey in 2010. However, the number of employees working in the sector fell compared to 2009 (-16.9%).

In the early 2000s, real estate investment on the island came from both domestic demand and an international customer base, particularly from the USA. 2007 was marked by a real boom in the market, with a sharp rise in the price of land and rents. However, the tourism crisis which started in 2008, with an unfavourable euro-dollar exchange rate and the new town planning code adopted following the change to the status of OCT, led to a slowdown in activity.



Source: Ciments Antillais.

The public works activity is well-oriented and is driven by the implementation of major works projects.

FINANCING OF THE ECONOMY

At 31st December 2011, Saint-Barthélemy's banking and financial sector was based on 6 credit institutions divided into two categories: banks affiliated to the French Bank Association (4 institutions) and mutual and cooperative banks (2 institutions). These institutions have a total of 9 branches and employ 46 officers. The equipment rate stands at one branch for 1,023 inhabitants, which is substantially higher than in Saint-Martin (one branch for 2,734 inhabitants) and Guadeloupe (one branch for 2,572 inhabitants).

Monetary and financial indicators	2007	2011
Number of inhabitants per bank branch	917	1 023
Number of inhabitants per ATM	826	837
Number of bank accounts per inhabitant	1.5	1.6
Financial assets of economic agents ¹ (EUR M)	388.4	446.3
Healthy outstanding credit of economic agents ² (EUR M)	134.6	196.1

(1) With local credit institutions.

(2) Lending for all credit institutions.

Source: Iedom.

Banking activity has been positive in this well-oriented economic environment. There has been an increase in borrowing (+10.4% year-on-year against 9.1% in 2010 and an annual average of 12.9% between 2005 and 2010). This increase is largely due to the stock of home loans which, like in 2010, had a dynamic growth rate (+14.5%), while investment loans returned to positive growth at 7.1% in 2011 after a 3.8% decrease in 2010. However, consumer loans fell sharply in 2011 (-6.5%), following a strong performance in the previous year (+35.6%).

Business indicators	2011
Average cost of corporate loans (%; Guadeloupe and North islands, Jan. 2012)	5.25
Financial assets ¹ (millions of euros, at end Dec.)	123.9
Bank loans ² (millions of euros, at end Dec.)	56.8
Share of operating loans (%)	6.7
Share of investment loans (%)	67.5
Share of construction loans (%)	25.8

(1) With local credit institutions.

(2) Lending for all credit institutions.

Source: Iedom.

Household indicators	2011
Financial assets ¹ (millions of euros, at end Dec.)	305.0
Bank loans ² (millions of euros, at end Dec.)	136.1
Share of consumer loans (%)	11.2
Share of home loans (%)	88.8

(1) With local credit institutions.

(2) Lending for all credit institutions.

Source: Iedom.

N.B.: The data used in this note are as of 31st December 2011.

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