FACTORS

STATISTICAL MAGAZINE

Topics:

Nuclear Families: Understanding the Nucleus of Sint Maarten

Sint Maarten Business Cycle Survey 2014 - 2015

Sint Maarten Inflation 2014

VOLUME 6

DEPARTMENT OF STATISTICS

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Preface

The Department of Statistics (STAT) is pleased to present the sixth issue of its statistical magazine – FACTors. This publication is being made available again after a lapse in 2015. Notwithstanding, it is back with another informative edition taking a closer look at the family-structure on Sint Maarten, during the last 2011 Census. It also covers results of the annual Business Cycle survey up to the first half of 2015 and gives an update on inflation on Sint Maarten through 2014.

As always, enjoy this issue, and visit our web-portal www.stat.gov.sx for more of our latest releases.

Makini K. Hickinson
Department Head

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A. NUCLEAR FAMILIES: UNDERSTANDING THE NUCLEUS OF SINT MAARTEN

By: Maurette Antersijn[1]

Traditionally, a nuclear family has been defined as a family structure consisting of two parents living with their children. The term nuclear originates from the term nucleus, indicating the core of a cell. Nuclear families thus relates to the essence of a family, which is two parents and one or more children. As times change, the definition as applied to Census analysis is now used to indicate:

- Two people who are connected through marriage or partnership,
- Two people who are connected through marriage or partnership, with one or more children (including adopted children),
- A parent with one or more children

Following these guidelines, the Department of Statistics recognizes the following types of nuclear families:

1. Married couple with children
2. Married couple without children
3. Couple living together with children
4. Couple living together without children
5. Woman with one or more children
6. Man with one or more children

In this article, we will look at the different nuclear families on St. Maarten in terms of demographics, location, health, education, labour and income. Are these groups different from each other? Are two parent nuclear families different from single parent nuclear families? If so, on what aspects can we see the differences?

To simplify the different nuclear families, we distinguish the following nuclear family categories in addition to those mentioned above:

A. Traditional nuclear families:
    a. Married couple with children
    b. Married couple without children
B. Modern nuclear families:
    a. Couple living together with children
    b. Couple living together without children
C. Single-parent families:
    a. Woman with one or more children
    b. Man with one or more children
D. Non-nuclear families:
    a. Men alone
    b. Women alone
E. Multiple families

[1] Former Social Statistician at STAT

The statistically even distribution of these categories on St. Maarten allows a seamless comparison across the different groups.

I. Nuclear families – General overview

St. Maarten's population according to the 2011 Census knows 15,395 nuclear families. Most of these nuclear families are married couples with children (18.9%).

Figure 1. St. Maarten nuclear families

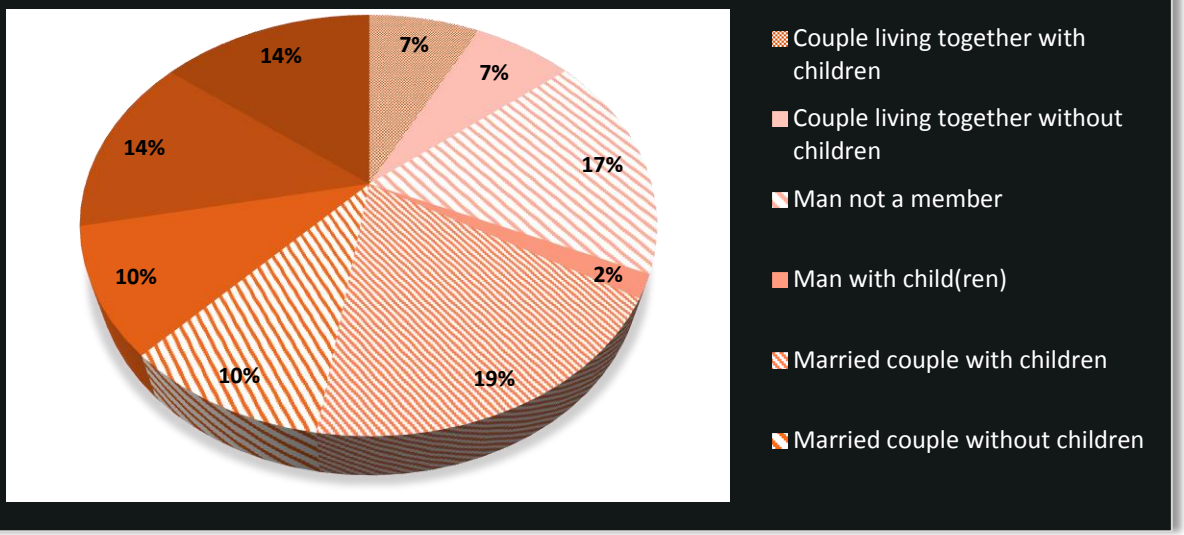
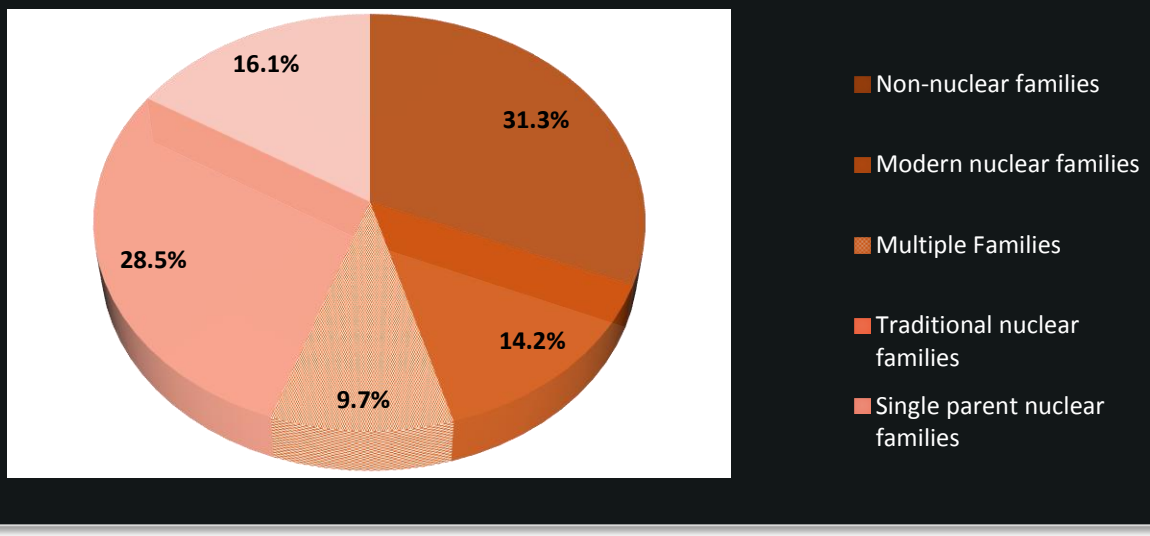


Figure 2. Sint Maarten nuclear families categories



This number decreased compared to 2001 when 19.2 percent of the families were married couples with children. The biggest increase came from the 'Woman with child(ren)' category which went from 11.2 to 14.4 percent. Multiple families also decreased by 5.6 percentage points. The multiple families include households with multiple nuclear families. For example, a married couple with their children living with grandmother.

Table 1. Comparison of nuclear families between 2001 and 2011 (%)

	Census 2011	Census 2001	Difference
Couple cohabitating with children	7.5	8.0	*-0.5*
Couple cohabitating without children	6.7	7.1	*-0.4*
Man not a member	17.5	17.2	*0.3*
Man with child(ren)	1.8	1.4	*0.4*
Married couple with children	18.9	19.2	*-0.4*
Married couple without children	9.6	8.0	*1.6*
Multiple Families	9.7	15.3	*-5.6*
Not reported	0.1	0.0	*0.1*
Woman not a member	13.8	12.6	*1.2*
Woman with child(ren)	14.4	11.2	*3.2*

Figure 3 illustrates the higher concentration of married couples with children are in the Cul-de-Sac and Simpsonbay zones while Lowlands has the higher percentages of women and men living alone, which is logical since the Medical university has a number of student housing facilities in that area. Besides Lowlands, Colebay and Simpsonbay house a great number of single person households. Single-parent households are mostly in Lower Princess Quarter and Philipsburg.

Figure 3. Nuclear families by zone

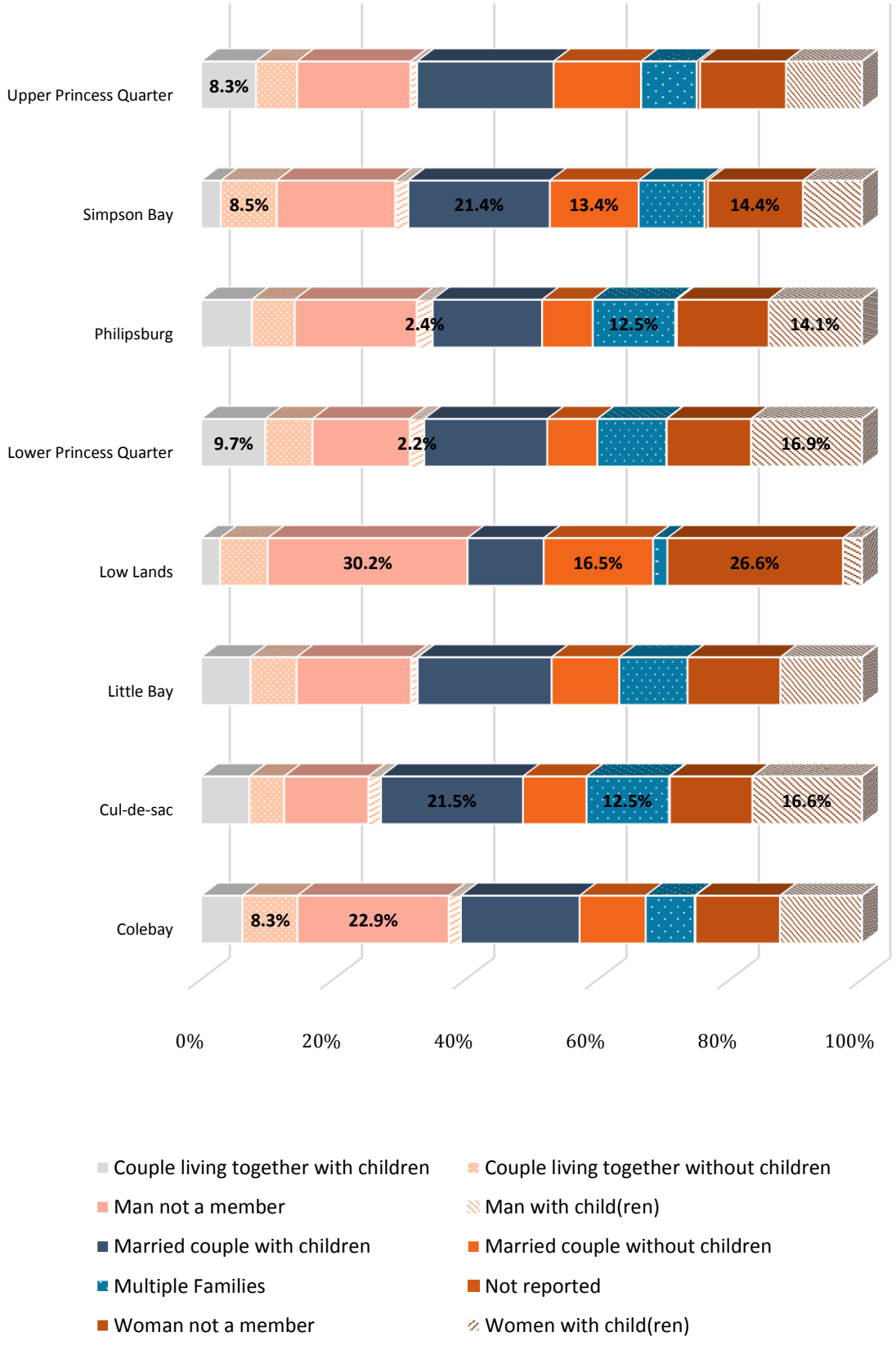
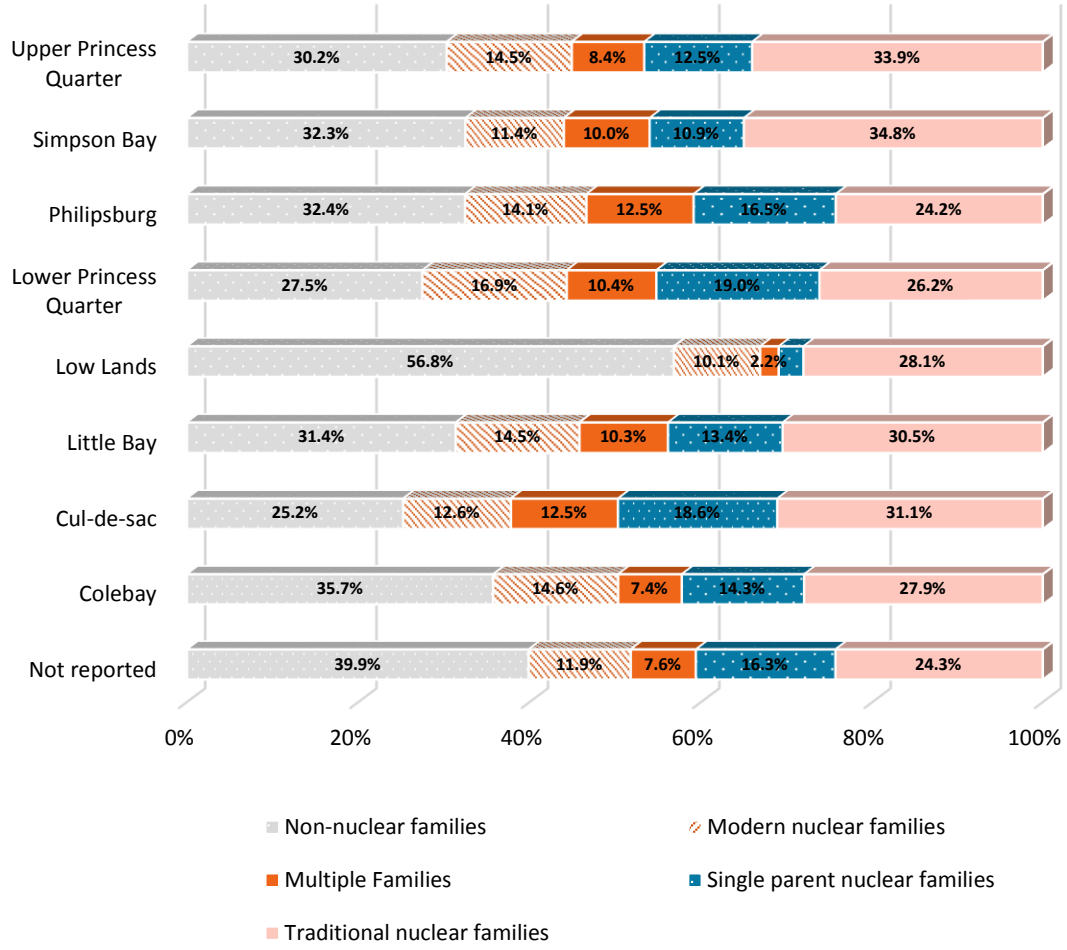


Figure 4 offers a more simplistic look.

Figure 4. Nuclear families categories by zone



Looking at the main language spoken within the nuclear families, can indicate whether a particular type of nuclear family is imported from migrants.

Table 2 shows that the majority of households whose main language are Spanish or Papiamento are 'Women living alone' while the rest are 'Married with children.' The category 'Other' can include many different languages such as African, Swedish etc. English and Spanish speaking families are more likely to be single female parent households.

Table 2. Language most spoken by nuclear families (%)

	English	French Creole	Spanish	Dutch	Papia-mento	Hindi	Chinese	Other
Married couple with children	**19.8**	**18.3**	9.9	**24.8**	13.0	**41.7**	**45.7**	**33.6**
Married couple w/o children	8.6	11.1	8.6	19.5	15.4	24.2	8.7	20.1
Couple living together with children	7.9	6.2	8.2	6.5	4.9	1.5	0.0	3.7
Couple living together w/o children	5.6	7.7	13.1	6.3	6.8	0.0	2.2	3.0
Man not a member	15.6	34.0	15.4	11.8	18.5	17.4	2.2	16.4
Man with child(ren)	1.9	2.3	1.2	1.8	1.9	0.8	0.0	0.0
Woman not a member	13.3	8.8	**21.5**	15.5	**19.1**	0.0	2.2	6.7
Women with child(ren)	16.5	6.7	14.3	8.5	13.0	0.0	10.9	6.0
Multiple Families	10.9	4.7	7.8	5.5	7.4	12.9	28.3	10.4
Not reported	0.1	0.1	0.1	0.0	0.0	1.5	0.0	0.0

Table 3. Nuclear family by language most spoken (%)

	English	French creole	Spanish	Dutch	Papia-mento	Hindi	Chinese	Other
Married couple with children	70.5	10.0	7.0	4.8	1.0	2.7	1.0	2.2
Married couple w/o children	59.6	11.9	12.0	7.4	2.4	3.0	0.4	2.6
Couple living together with children	70.7	8.6	14.6	3.2	1.0	0.2	0.0	0.6
Couple living together w/o children	55.6	11.9	26.0	3.4	1.5	0.0	0.1	0.5
Man not a member	59.8	20.0	11.7	2.5	1.6	1.2	0.1	1.1
Man with child(ren)	70.8	13.3	8.7	3.6	1.5	0.5	0.0	0.0
Woman not a member	64.6	6.6	20.8	4.1	2.1	0.0	0.1	0.6
Women with child(ren)	76.9	4.8	13.3	2.2	1.3	0.0	0.3	0.5
Multiple Families	75.3	5.0	10.7	2.1	1.1	1.6	1.2	1.3
Not reported	46.2	7.7	7.7	0.0	0.0	15.4	0.0	0.0

II. Nuclear families and Health

Families and especially nuclear families can have a positive influence on a person's ability to cope with and/or live with a physical or emotional disability.

During the 2011 Census, persons were asked to indicate the level of difficulty they have with performing certain tasks.

Figure 5. Nuclear families and disabilities

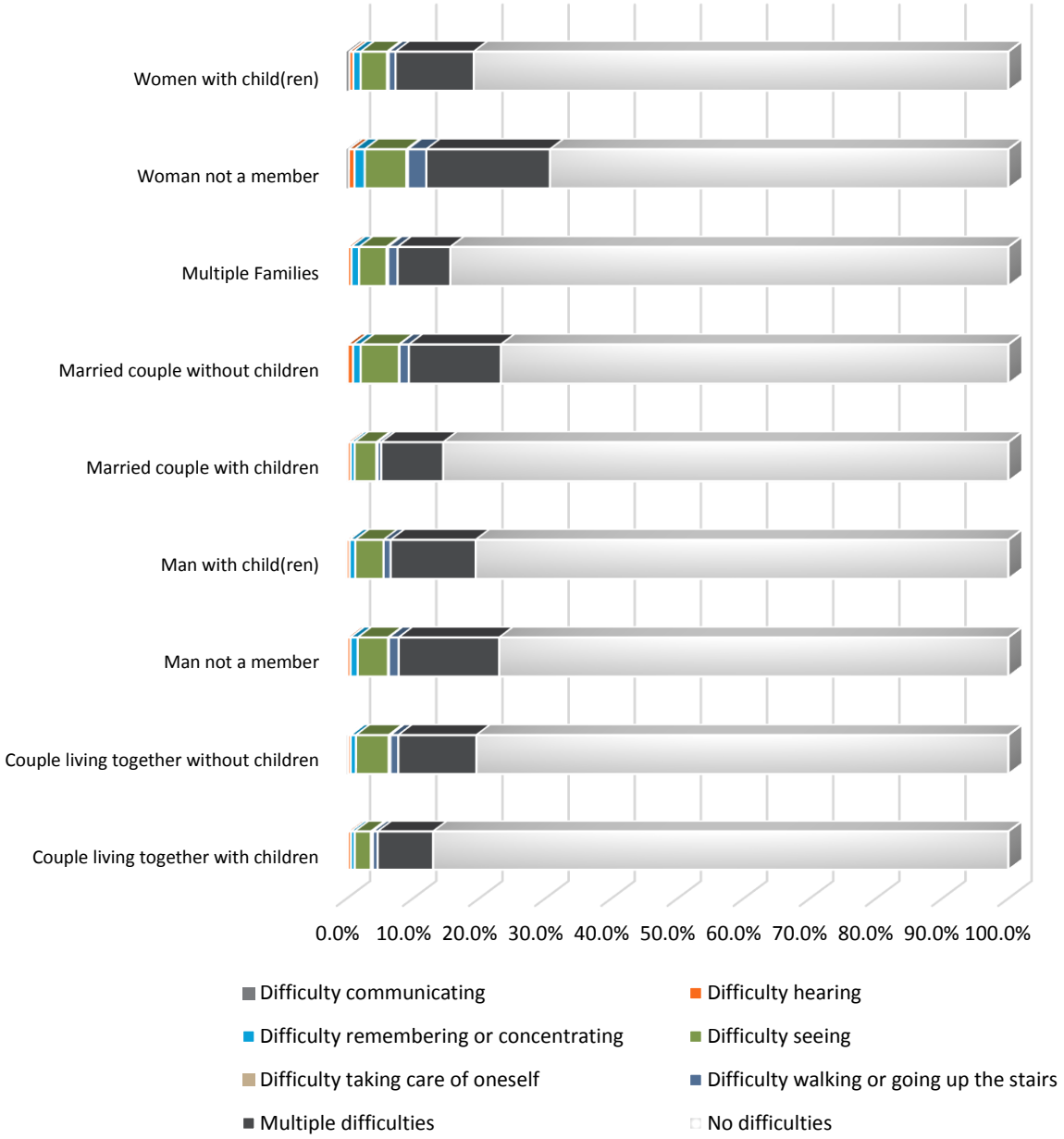


Figure 5 shows that Women who live alone are more likely to have more difficulty performing tasks such as hearing, remembering, seeing, walking or a combination of these. On the opposite side, couple living together with children have a higher percentage of nuclear families without any difficulty.

Looking at illnesses between nuclear families, 'Woman not a member' is more likely to have an illness.

Nuclear families by illness (%)

	Married couple with children	Married couple w/o children	Living together with children	Living together w/o children	♂ not a member	♂ with child(ren)	♀ not a member	♀ with child(ren)	Multiple Families
Asthma / chronic bronchitis / CARA	1.7	0.9	**2.8**	0.7	1.0	2.6	2.2	3.2	**2.8**
Cancer	0.1	0.3	0.1	0.1	0.1	0.0	**0.2**	0.1	0.1
Consequences of brain hemorrhage	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consequences of heart attack	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0
Diabetes	2.0	4.3	1.4	3.2	2.8	1.7	3.2	1.6	2.4
Glaucoma / pressure in the eyes	0.2	0.5	0.3	0.4	0.5	0.4	0.7	0.2	0.5
Heart problems	0.1	0.2	0.1	0.3	0.2	0.2	**0.6**	0.2	0.1
High blood pressure	4.8	13.3	5.1	9.2	7.8	6.0	**14.7**	5.9	6.7
Sickle cell	0.3	0.1	0.1	0.3	0.1	0.2	0.2	0.3	**0.4**
Serious kidney problems	0.1	0.1	0.1	0.1	0.1				
Other	0.7	**0.9**	**0.9**	0.7	0.6	0.2	**0.9**	0.8	**0.9**
Multiple	2.5	8.2	2.0	4.9	4.5	4.3	**9.7**	3.6	4.2
None	87.6	70.9	86.0	80.2	82.1	84.4	67.6	83.9	81.8

Comparing the different types of nuclear families identified earlier, the non-nuclear families are more likely to have difficulties with six basic skills. The traditional and modern nuclear types are statistically equal.

Table 5. Nuclear family categories by difficulties / disabilities (%)

Has difficulty (with):	Traditional	Modern	Single-parent	Multiple	Non-nuclear
Communicating	0.1	0.2	**0.4**	0.2	0.2
Hearing	0.5	0.4	0.6	0.5	0.6
Remembering or concentrating	0.7	0.6	1.1	1.2	**1.3**
Vision	3.8	3.3	4.0	4.1	**5.3**
Taking care of oneself	0.2	0.3	0.2	0.2	0.2
Walking or going up the stairs	0.7	0.9	1.0	1.4	**2.0**
Multiple difficulties	10.3	9.5	11.9	8.0	**16.7**
No difficulties	83.5	**84.8**	80.8	84.3	73.6

As far as illnesses are concerned, non-nuclear families tend to have a higher percentage of cases compared to the other types. Between the traditional and modern nuclear families, the only difference is concerning asthma and diabetes.

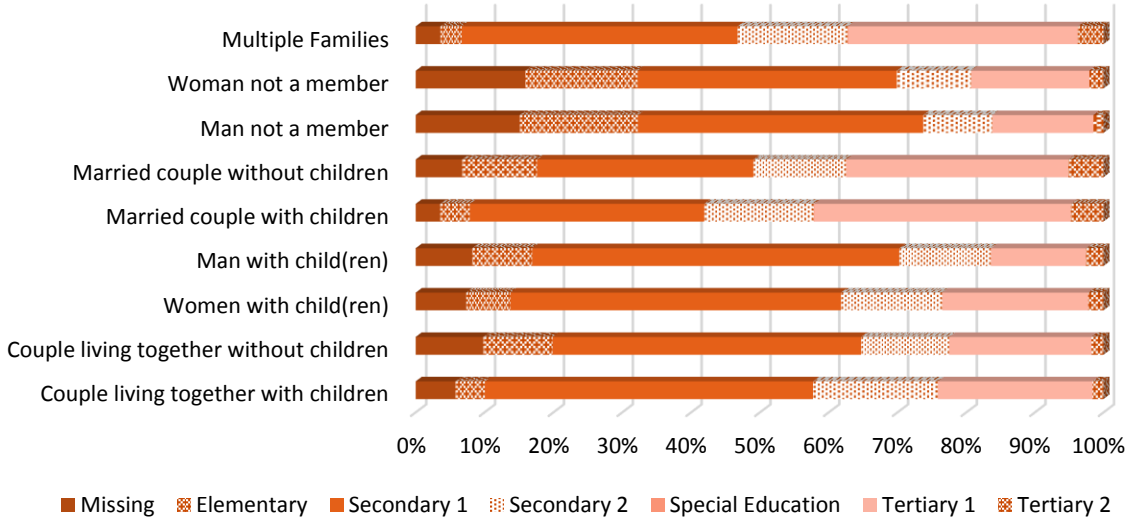
Table 6. Nuclear families categories by illnesses (%)

	Traditional	Modern	Single-parent	Multiple	Non-nuclear
Asthma / Chronic bronchitis / Cara	1.5	2.1	**3.1**	2.8	1.5
Cancer	0.1	0.1	0.1	0.1	0.1
Consequences of brain hemorrhage	0.0	0.0	0.0	0.0	0.0
Consequences of heart attack	0.0	0.0	0.0	0.0	0.1
Diabetes	2.5	2.0	1.6	2.4	**3.0**
Glaucoma/ Pressure in the eyes	0.3	0.4	0.2	0.5	**0.6**
Heart problems	0.1	0.2	0.2	0.1	**0.4**
High blood pressure	6.6	6.5	5.9	6.7	**10.8**
Serious kidney problems	0.1	0.1	0.0	0.0	0.1
Sickle cell	0.3	0.2	0.3	**0.4**	0.2
Other	0.7	0.8	0.8	0.9	0.7
Multiple	3.7	3.0	3.7	4.2	**6.7**
None	84.0	**84.7**	83.9	81.8	75.8

III. Nuclear families and Education

The Census captured the highest education achieved by each member of the family who is not currently attending a day-time education. The image below shows the distribution of the education of each of the nuclear families.

Figure 6. Highest education by nuclear family



Single member households have the higher percentage of elementary education while married couples have a higher percentage of tertiary education.

Our earlier identified categories of nuclear families show the following allocation towards highest education achieved.

Table 7. Nuclear families categories by highest achieved education (%)

	Traditional	Modern	Single-parent	Multiple	Non-nuclear
Elementary	6.5	7.0	6.7	3.1	**16.8**
Secondary 1	33.2	46.3	**48.6**	40.1	39.7
Secondary 2	15.1	15.6	14.6	**16.0**	10.4
Special Education				0.1	
Tertiary 1	**35.7**	21.7	20.5	33.4	15.8
Tertiary 2	**4.9**	1.7	2.3	3.8	1.7
Not reported	6.5	7.0	6.7	3.1	16.8

Traditional nuclear families have higher percentage of tertiary education than the other types. Non-nuclear families have a higher percentage of elementary education.

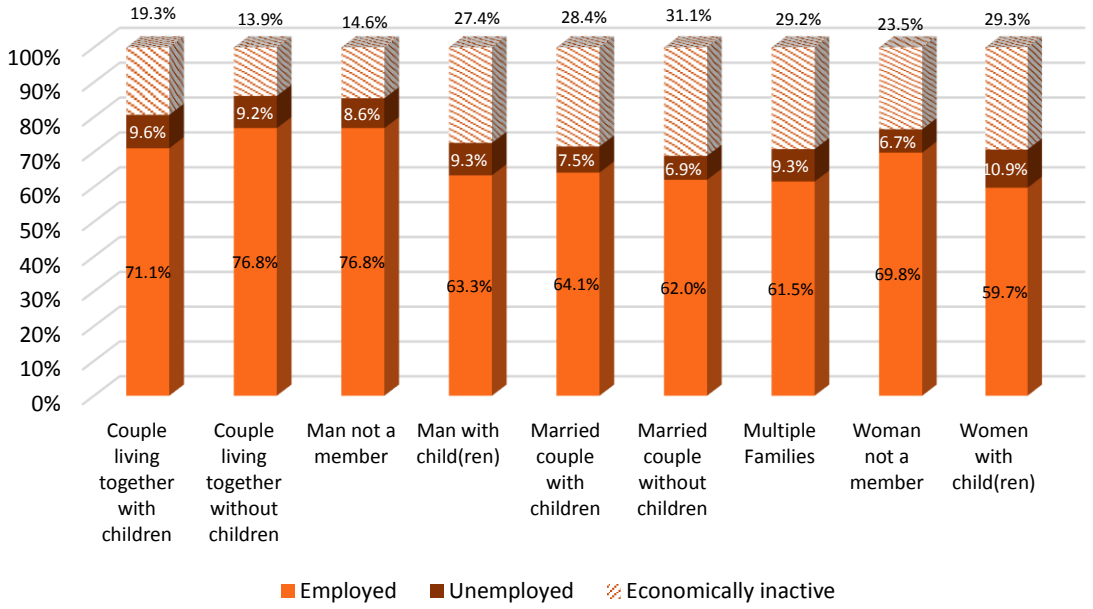
Education categories are defined as per the below:

Education levels	
Elementary	Kindergarten and Primary (FBE)
Primary	Primary (FBE)
Secondary 1	SBO, LBO, VSBO, LTS, BVO, MAVO, HAVO 1&2, VWO 2, CXC 1&2
Secondary 2	HAVO 3+, VWO 3+, CXC 3+, IB, MBO, MTS, SBO, Associates degree, Propedeuse phase
Special Education	Sister Basilia Center / Education for the disabled: Blind, Deaf, Mute, etc., GOG (youth penitentiary education certificate), Adult penitentiary education certificate
Tertiary 1	HBO, WO/HBO/College: Bachelor and HTS
Tertiary 2	WO / University: Masters and PhD

IV. Nuclear families and labor

The employment status is an indication of whether a person is working or not. Employed people are those who work more than 4 hours a week. Unemployed persons are without work, actively looking for work and able to start within two weeks. Economically inactive persons are those who are not looking for work and/or cannot start within two weeks. This category includes pensioners, housewives and students.

Figure 7: Employment Status by Nuclear Family



The categories Man with children and woman with children have the highest percentage of unemployed person while the Married couple without children have the highest economically inactive percentage. The category with the highest percentage of employed persons are married couple with children.

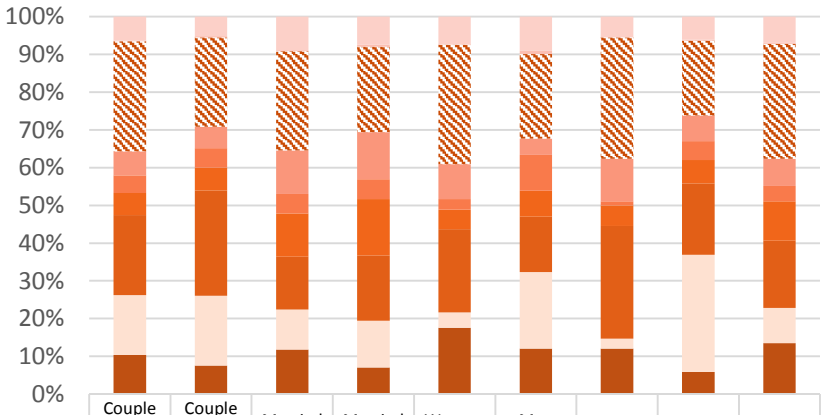
The categories of nuclear families reveal a higher unemployed percentage for the Single parent nuclear families and a higher economically inactive percentage for the multiple families. However, the unemployment rate by Nuclear family type reveals the types above the 10% unemployment rates are: Non-nuclear families, single parent families and modern nuclear families.

Table 8. Nuclear families categories unemployment rate (%)

	Employed	Unemployed	Economically inactive	Unemployment Rate
Traditional nuclear family	**73.8**	**7.8**	**18.5**	**9.5**
Modern nuclear family	**73.5**	**9.4**	**17.0**	**11.4**
Single parent nuclear family	**61.5**	**9.3**	**29.2**	**13.1**
Multiple Family	**52.5**	**5.0**	**42.5**	**8.7**
Non-nuclear family	**60.1**	**10.8**	**29.1**	**15.2**

On the occupational front, we can see that traditional families are more likely to have professional and managerial positions.

Figure 8. Occupation groups by nuclear families



	Couple living together with children	Couple living together without children	Married couple with children	Married couple without children	Women with child(ren)	Man with child(ren)	Woman not a member	Man not a member	Multiple Families
Technicians & associate professionals	6.3%	5.1%	8.9%	7.5%	7.4%	9.1%	5.5%	6.1%	6.9%
Skilled agricultural & fishery workers	0.1%	0.4%	0.3%	0.5%	0.1%	0.9%	0.0%	0.2%	0.3%
Service workers & shop and market sales workers	29.2%	23.7%	26.3%	22.6%	31.7%	22.4%	32.2%	19.9%	30.5%
Professionals	6.3%	5.7%	11.5%	12.4%	9.2%	4.3%	11.3%	6.7%	7.1%
Plant & machine operators and assemblers	4.7%	5.1%	5.1%	5.3%	2.7%	9.5%	1.1%	5.0%	4.2%
Legislators, senior officials & managers	5.8%	6.1%	11.5%	15.0%	5.2%	6.9%	5.4%	6.2%	10.4%
Elementary occupations	21.2%	27.9%	14.0%	17.3%	22.0%	14.7%	29.8%	19.0%	17.9%
Craft & related trades workers	15.8%	18.4%	10.6%	12.4%	4.1%	20.3%	2.7%	31.0%	9.3%
Clerks	10.4%	7.6%	11.8%	7.0%	17.5%	12.1%	12.0%	5.9%	13.5%

Traditional nuclear families are twice more likely to fall in the legislators, senior officials & managerial occupational group while in the elementary occupations there is a higher percentage of modern families. Nearly half of single parent families are either clerks or service workers.

Table 9. Nuclear families by occupation (%)

	Married with children	Married w/o children	Living together with children	Living together w/o children	♀ with child(ren)	♀ not a member	♂ with child(ren)	♂ not a member	Multiple Families
Clerks	11.8	7.0	10.4	7.6	**17.5**	12.0	12.1	5.9	13.5
Craft & related trades workers	10.6	12.4	15.8	18.4	4.1	2.7	20.3	**31.0**	9.3
Elementary occupations	14.0	17.3	21.2	27.9	22.0	**29.8**	14.7	19.0	17.9
Legislators, senior officials & managers	11.5	**15.0**	5.8	6.1	5.2	5.4	6.9	6.2	10.4
Plant & machine operators and assemblers	5.1	5.3	4.7	5.1	2.7	1.1	**9.5**	5.0	4.2
Professionals	11.5	**12.4**	6.3	5.7	9.2	11.3	4.3	6.7	7.1
Service workers & shop and market sales workers	26.3	22.6	29.2	23.7	31.7	**32.2**	22.4	19.9	30.5
Skilled agricultural & fishery workers	0.3	0.5	0.1	0.4	0.1	0.0	**0.9**	0.2	0.3
Technicians & associate professionals	8.9	7.5	6.3	5.1	7.4	5.5	**9.1**	6.1	6.9

Table 10. Nuclear families categories by occupation (%)

	Traditional	Modern	Single-parent	Multiple	Non-nuclear
Clerks	10.5	9.1	**16.9**	13.5	8.4
Craft & related trades workers	11.1	17.0	6.0	9.3	**19.5**
Elementary occupations	14.9	**24.2**	21.2	17.9	23.4
Legislators, senior officials & managers	**12.5**	6.0	5.4	10.4	5.9
Plant & machine operators and assemblers	**5.2**	4.9	3.5	4.2	3.4
Professionals	**11.8**	6.1	8.7	7.1	8.6
Service workers & shop and market sales workers	25.3	26.7	**30.6**	**30.5**	24.9
Skilled agricultural & fishery workers	**0.4**	0.2	0.1	0.3	0.1
Technicians & associate professionals	**8.5**	5.8	7.6	6.9	5.9

The average income earned by each nuclear family according to their employment status is illustrated below. Please note that the income is total household income.

Table 11. Nuclear families Average annual household income (ANG)

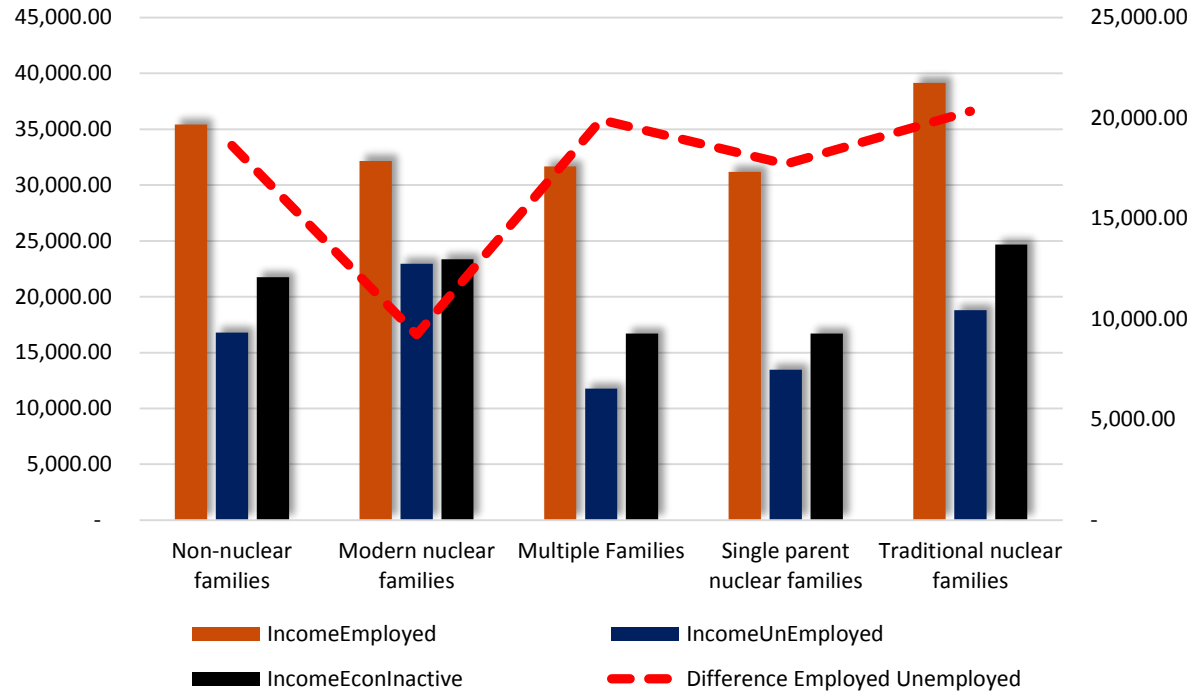
	Employed	Unemployed	Economically inactive
Couple living together with children	33,308.73	18,386.40	24,040.81
Couple living together without children	30,761.22	28,307.29	22,696.18
Married couple with children	38,952.88	17,719.29	22,767.11
Married couple without children	39,638.89	21,087.22	25,945.13
Man with child(ren)	34,282.24	14,964.75	21,833.57
Women with child(ren)	30,778.32	13,227.12	16,105.21
Multiple Families	31,677.67	11,774.78	16,698.98
Woman not a member	32,576.53	13,699.31	19,563.77
Man not a member	37,398.63	19,015.00	24,940.08

Single parent families have the lowest average annual income. However, the gap between the employed and unemployed single parent families are one of the smallest capped by only the modern nuclear families.

Table 12. Nuclear families categories Average annual income (ANG)

Average Household Annual Income	Employed	Unemployed	Economically inactive	Difference
Traditional nuclear families	39,139.32	18,801.84	24,664.34	20,337.48
Modern nuclear families	32,166.57	22,944.65	23,352.61	9,221.92
Single parent nuclear families	**31,177.97**	13,458.80	**16,705.94**	17,719.17
Multiple Families	31,677.67	**11,774.78**	16,698.98	19,902.89
Non-nuclear families	35,417.29	16,780.87	21,743.36	18,636.42

Figure 9. Income comparison



To summarize, there are differences between the different nuclear family categories. These differences although manifested in demographical and descriptive terms, most likely have a more social background than can be obtained in a Census.

Table 13. Nuclear families categories differences in a nutshell

	Health	Education	Employment	Occupation	Income
Traditional nuclear families		Higher percentage of tertiary educated families		Higher percentage of Legislators, senior officials, managers and professionals	Higher average annual income
Modern nuclear families	Lower percentage of families with difficulties			Higher percentage of Elementary occupation	
Single parent nuclear families				Higher percentage of clerks	Lower average annual income
Multiple Families			Lower unemployment rate		
Non-nuclear families	Higher percentage of families with difficulties	Higher percentage of lower educated families	Higher unemployment rate		

B. BUSINESS CYCLE SURVEY RESULTS 2014 AND 1ST HALF 2015

By: Sabrina Jno-Baptiste

I. Introduction

The Business Cycle Survey (BCS) is conducted twice a year by the Department of Statistics. The goal of the BCS is to collect up-to-date information on a regular basis about business and economic developments within industries falling in the non-financial sector on St. Maarten. Additionally, the survey provides information on entrepreneurs' expectations and opinions of the related year.

The results presented in this article are from the BCS of December 2014 and June 2015 and are related to the operations, opinions and expectations of enterprises during those periods. In this article, comparisons are made between these recent results and those of the previous years.

II. Methodology

The BCS is based on estimations, the idea is to obtain insight into variations in the economy (business cycle) and the economic activity in St. Maarten. Its focus is on estimations rather than real accounting figures, due to the short data collection period of 6 to 8 weeks. The results are meant to be quick and give a general impression of how the economy is performing at a given moment.

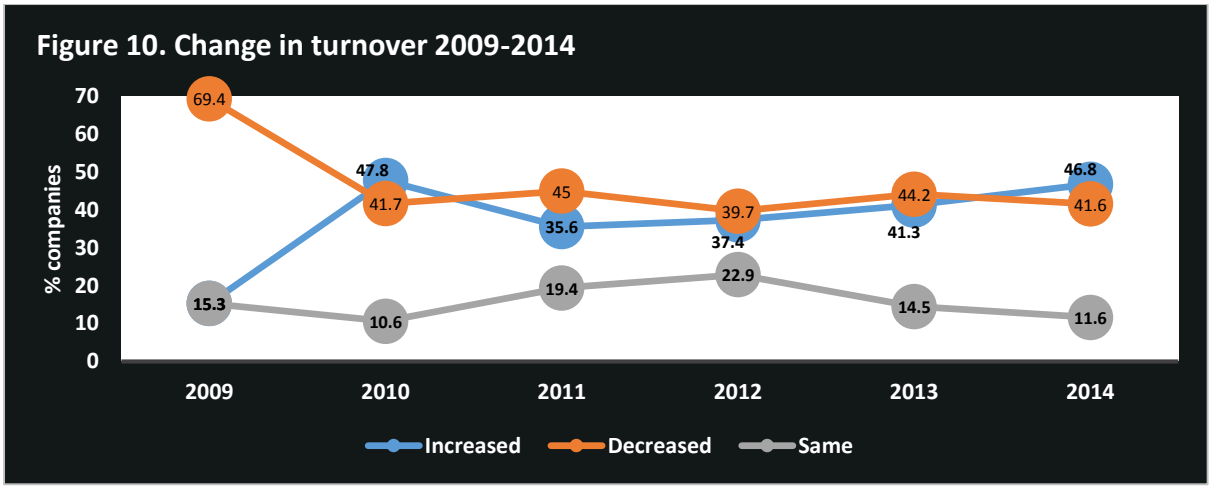
The BCS is conducted each year in June and December. In June, the questions focus on estimations and opinions of the first 6 months of the year, from January to June and the survey in December captures the same data for the entire year. The surveys are distributed either by an interviewer, who is recruited and trained by STAT, or via email.

All businesses with more than 10 employees are included in the survey and a random sample is drawn for companies with nine or fewer employees (small companies). The random sample of the small companies ensures that the sample is representative of the entire population. These results reflect the opinions of approximately 230 businesses for both December 2014 and June 2015.

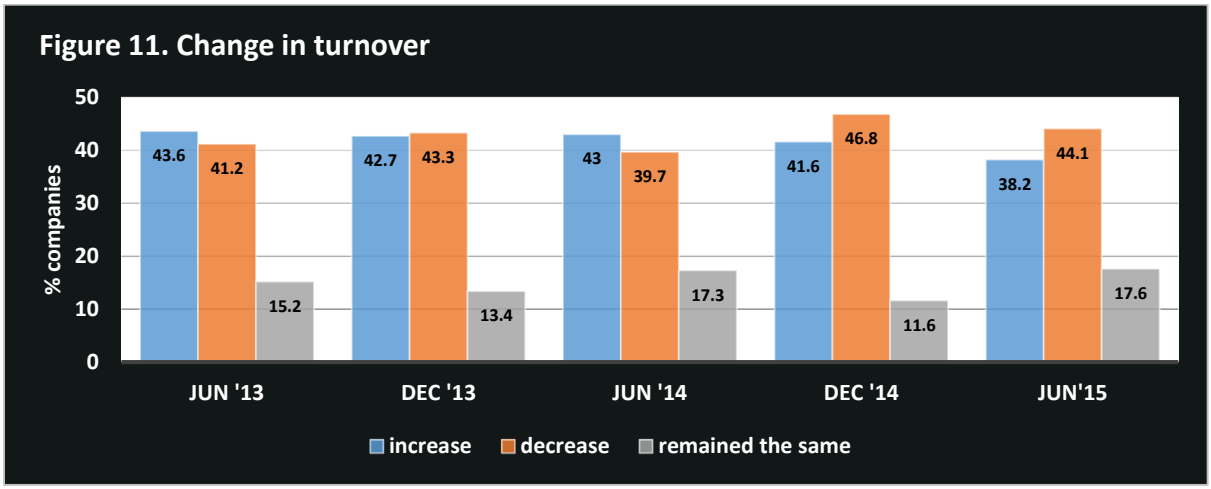
III. Business Activity

Turnover

The BCS captures information pertaining to companies' change in turnover compared to the same period of the previous year. The results show that the majority, 46.8% reported an increase in turnover in 2014, see figure 1. This is an increase of 5.5 percentage points compared to 2013 when it was 41.3% of companies who indicated that their turnover had increased compared to the previous year.



The results from June 2015 reveal that 44.1% of companies experienced a decrease in turnover for the first half of 2015 compared to the first half of 2014, see figure 2. These results are in contrast to the results of June 2014 when the majority of the companies had actually experienced an increase in turnover compared to the previous year.

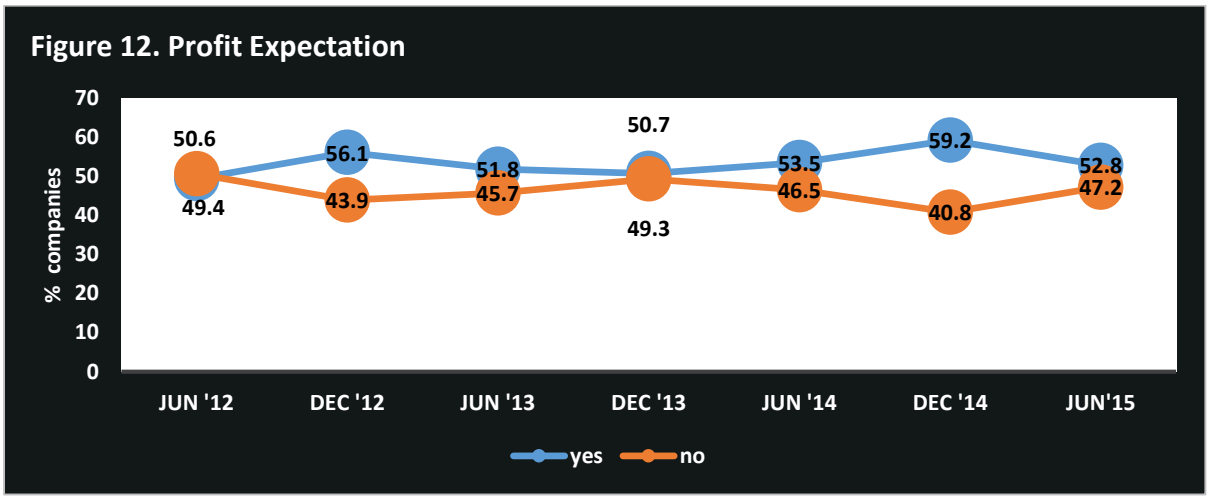


Comparing the results of December 2014 to June 2015 reveal that more companies reported an increase in turnover in December 2014 than in June 2015, see figure 2. In December 2014, 46.8% reported that they experienced an increase in turnover compared to the same period of the previous year. This was lower in June 2015 namely 38.2% of companies indicated that their turnover for the first half of 2015 has increased compared to the same period of the previous year.

It's noteworthy to mention that since June 2014, the percentage of companies who reported that they experienced an increase in turnover has been decreasing namely this was 43% in June 2014, 41.6% in December 2014 and 38.2% in June 2015.

IV. Profit

An important property of the economy is the expected profit for the year, this is also asked in the survey. According to figure 3, 52.8% of companies expect to make a profit in 2015 whilst 47.2% don't. In comparison to June 2014, this is a decrease in the percentage of companies who expect to make a profit and an increase in the amount that don't.



Comparing the results of December 2014 to June 2015 reveals that more companies expected to make a profit in 2014 compared to the amount that expects to make a profit in 2015. More explicitly, 59.2% of companies expected to make a profit in 2014 whereas 52.8% expect to make a profit in 2015. Accordingly, the percentage of companies who expect to make a loss in 2015 is higher than the amount that expected to make a loss in 2014.

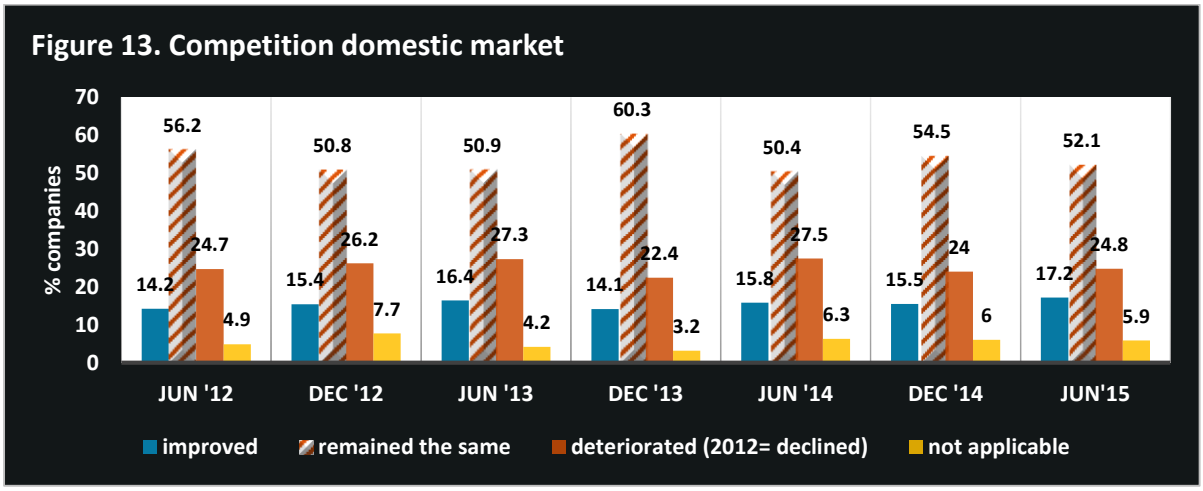
The lower profit expectation for 2015 is in line with the response to the question on comparing half year turnover with the previous year. As mentioned previously, the majority of companies, 44.1%, indicated that their turnover for the first half of the year 2015 is lower than their turnover of the first half of 2014. Since more companies indicated that they experienced a decrease in turnover for the first half of 2015 compared to 2014, it is not unusual to see that profit expectations in 2015 are also not as strong as in the year before.

V. Competitive position

Companies were asked about their opinion about their competitiveness on the domestic market. Their responses can be seen in figure 4. In December 2014, more than half of the businesses, 54.5%, indicated that their position on the domestic market has remained the same compared to the previous year. This amount was slightly lower in June 2015 where 52.1% of the companies indicated that their position on the domestic market for the first half of 2015 has remained the same compared to the first half of 2014.

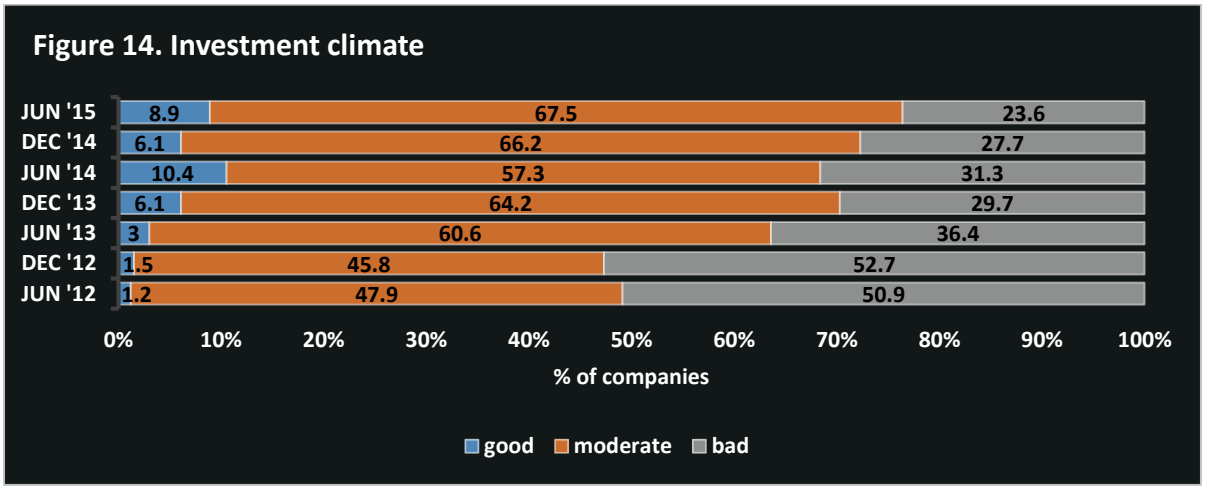
Comparing the responses of December 2014 with June 2015 shows that slightly more companies indicated that their position on the domestic market has improved in June 2015, namely 17.2% versus 15.5% of companies in December 2014.

Generally, it appears that companies' competitive position on the domestic market have mostly remained the same over the years.



VI. Investment climate

The opinions about the investment climate remained relatively the same with most companies rating it as 'moderate' both in December 2014 and June 2015, see Figure 14. Additionally, more entrepreneurs considered the investment climate 'good' in June 2015 compared to December 2014 namely 6.1% in December 2014 and 8.9% in June 2015. Note also that since June 2014 the percentage of entrepreneurs who rate the investment climate as 'bad' has been decreasing. This was 31.3% in June 2014, 27.7% in December 2014 and 23.6% in June 2015.



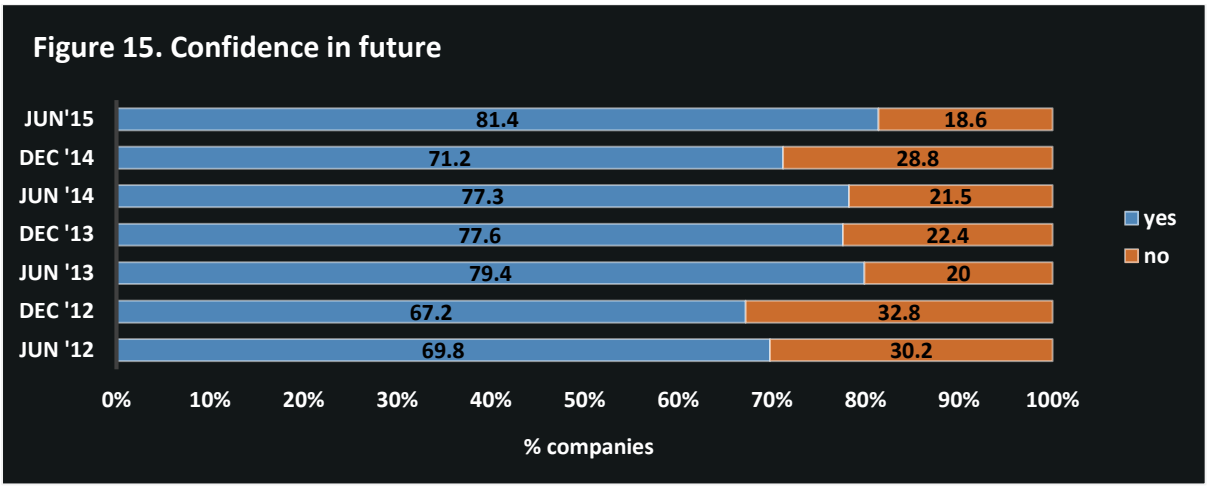
VII. Confidence in future

Entrepreneurs were also asked about their confidence in the future. In December 2014, 71.2% indicated that they do have confidence in the future. This was a decrease compared to December 2013 when the amount was 77.6%

However, in June 2015, 81.4% responded that they have confidence in the future. Consequently, the

percentage of respondents who have no confidence in the future in June 2015 was lower than December 2014. Explicitly, 28.8% in December 2014 and 18.6% in June 2015.

It is worthwhile to mention that the results of June 2015 is the highest recorded since 2012.



VIII. Conclusion

Overall, the turnover results of the first half of 2015 are worse than the first half of 2014. Despite this, the majority of the companies expect to make a profit in 2015. However, the percentage who expects to make a profit in 2015 is lower than 2014. Increased competition does not appear to be a reason for the decrease in turnover and profitability since more than half of the respondents feel that their competitive position on the domestic market has remained the same compared to 2014. However, less entrepreneurs consider the investment climate in 2015 as 'good' than in 2014. Despite the turnover and profitability results, confidence in the future has improved.

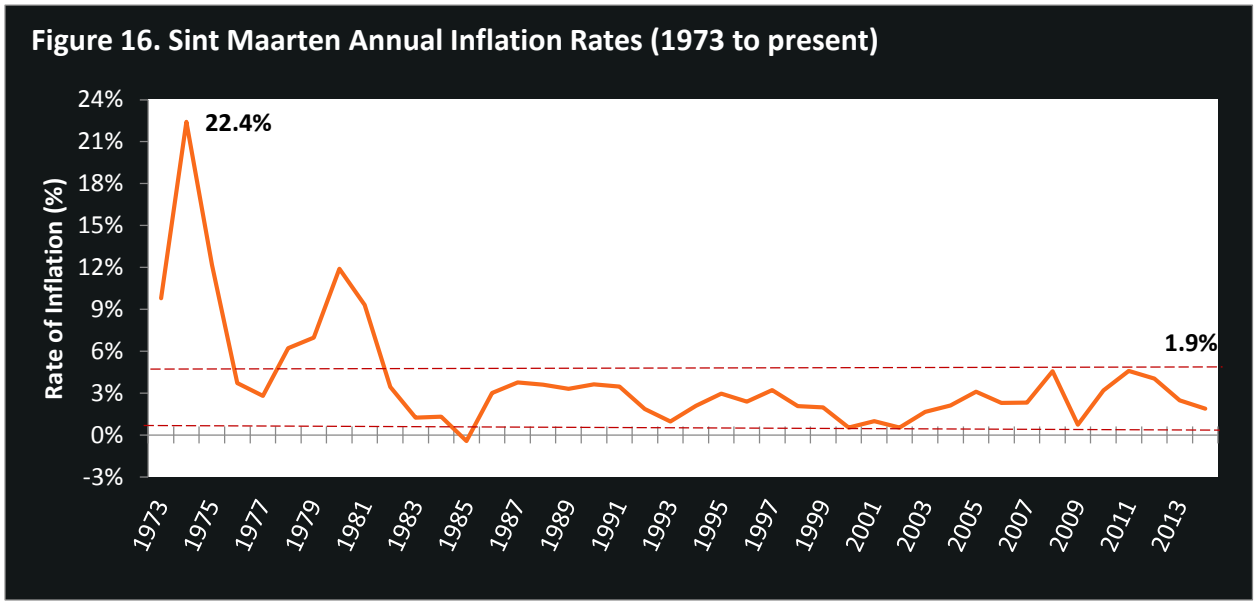
C. SINT MAARTEN INFLATION

By: Fallon Velasquez

The following article reports the annual inflation on St. Maarten for 2014. The trend in inflation is assessed over the last ten years, as well as the trend in the Consumer Price Index (CPI). The same will be done for the top three major household expenditure categories: Housing, Transportation & Communication and Food. Finally, a closer look at the category "Food" is taken, as the trend among the major food groups in previous years are highlighted. Recent local developments are placed within a global context.

I. History of Inflation on Sint Maarten

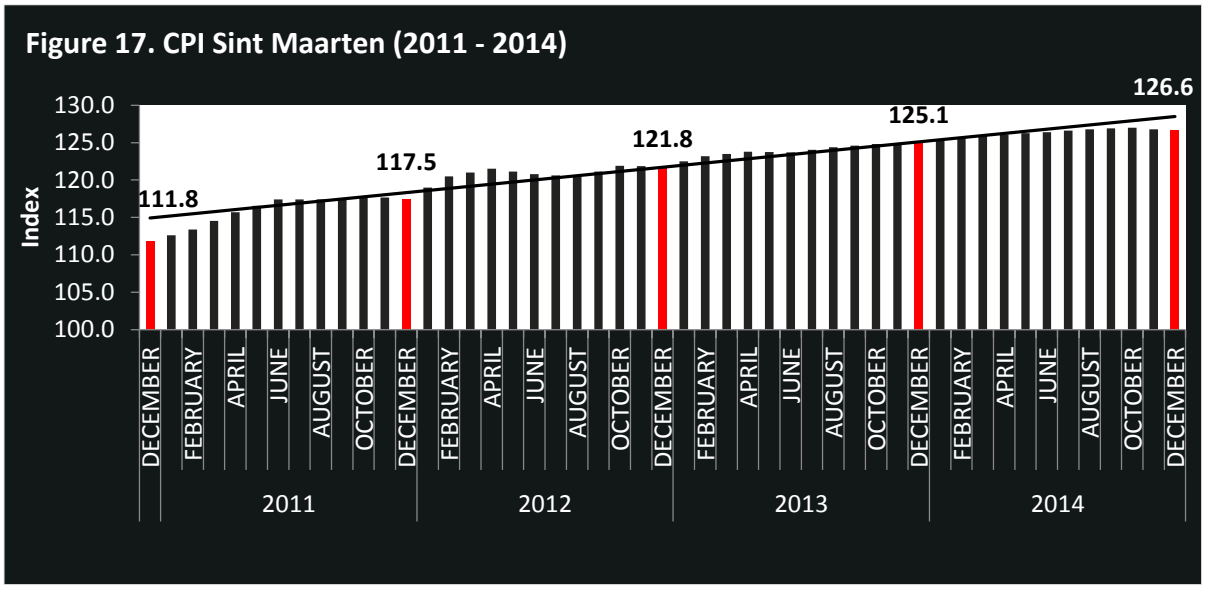
Figure 16 depicts the historical Sint Maarten inflation rate from 1973 to present. The greatest rate of inflation was registered in 1974 at 22.4 percent. Deflation was recorded in 1985 at -0.4 percent for the first and only time since the beginning of inflation history on Sint Maarten. The mid-eighties saw a stabilization of inflation – from 1986 onwards, the inflation rate fluctuated between 0 and 5 percent. During this time, inflation was at its lowest in the years 2000 and 2002 (0.5%) and at its highest in 2008 and 2011 (4.6%). In 2014, the inflation rate fell for the third consecutive year since 2011 to 1.9 percent.



II. Consumer Price Index by Month

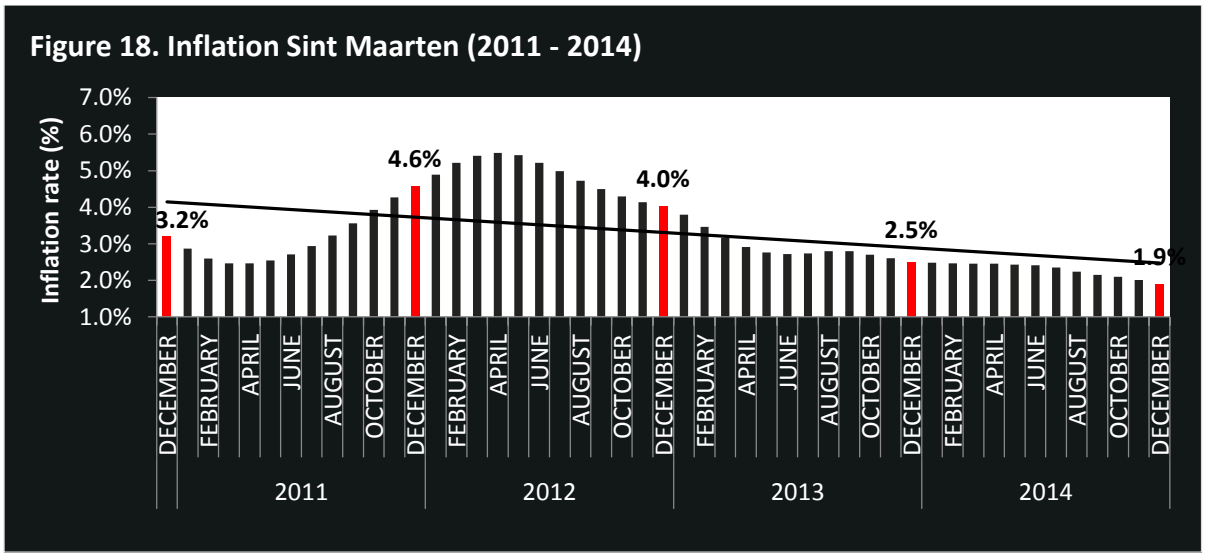
The Consumer Price Index (CPI) by month from December 2010 to December 2014 is illustrated in Figure 17. This graph reveals a general upward trend in CPI. The average CPI was higher for each succeeding year – in 2011 the index averaged 116.3 and rose to an average value of 126.4 in 2014. In 2014, the index was higher than each preceding month until the end of the year, dropping in

November and again in December. The lowest index was recorded in December 2010 with a value of 111.8, and a peak value of 127.0 in October 2014.



III. Annual Inflation Rates by Month

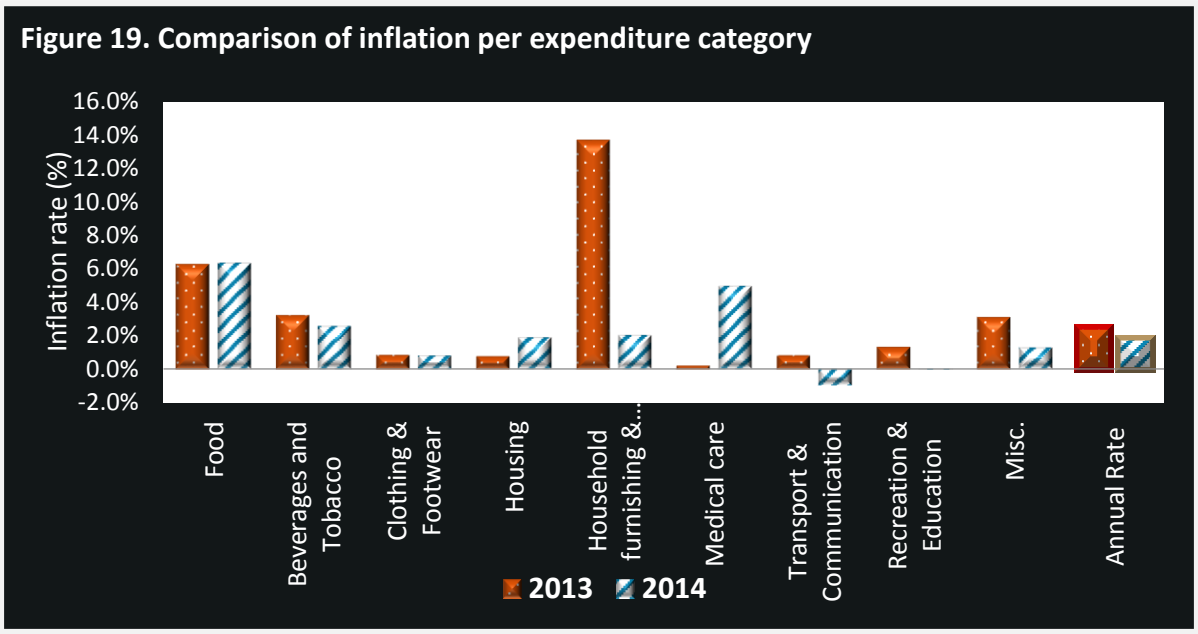
The inflation rates presented in Figure 18 are given as the year-on-year change in consumer prices for each month between December 2010 and December 2014. The trend in inflation between 2011 and 2014 is downward. Using the month of December as an indicator of change in inflation, it is observed that the weakest inflation rate for the month of December occurred in 2014 (1.9%). In fact, December 2014 had the smallest gain in inflation compared to any other month between 2011 and 2014. Inflation rate on Sint Maarten reached an all-time high of 5.5 percent in April 2012. Overall, the months of 2014 exhibited some of the lowest rates of inflation compared to the same months in previous years, indicating that while prices were increasing in 2014, they did not grow as sharply as they did in previous years.



IV. Inflation by Expenditure Category

Figure 19 provides a comparison of the annual inflation rate per expenditure category for the years 2013 and 2014. The annual rate of inflation on Sint Maarten was lower in 2014 (1.9%) compared to 2013 (2.5%). Inflation increased only in the categories "Housing" and "Medical Care" from the previous year and was unchanged in "Food." The greatest fall in inflation occurred in "Household furnishing and appliances" (-11.7%); and the largest increase was observed in "Medical care" (4.8%). The annual rate of inflation was exceeded among 4 categories in 2014 – the largest difference was seen in the category "Food."

Figure 19. Comparison of inflation per expenditure category



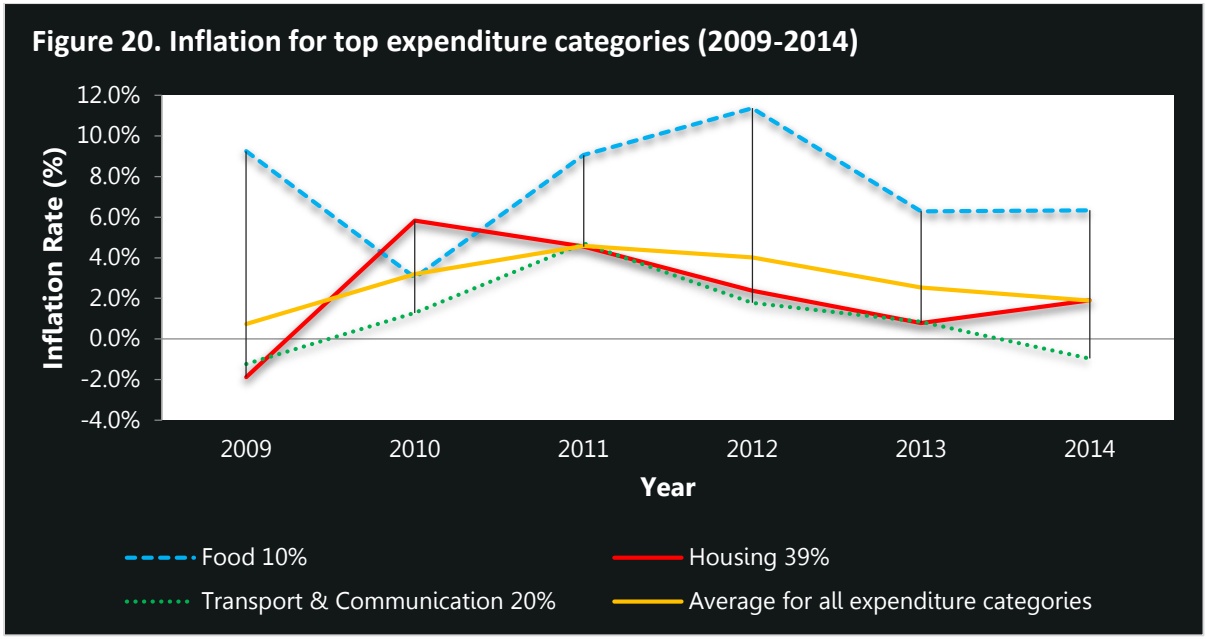
V. Inflation among the Top-3 Expenditure Categories

Within our local consumer basket of goods and services, from which prices are regularly monitored for the purpose of CPI and inflation calculations, households expend most of their earnings within the categories "Food", "Housing" and "Transportation and communication" (T&C). Within the basket, each of these categories carry a weight of 10, 39 and 20 percent respectively. Figure 20 shows how price changes for each of these categories have developed between 2009 and 2014, versus the average of all expenditure categories.

Compared to the average rate of inflation, food inflation tends to be higher and both inflation for "T&C" and "Housing" tend to be lower. Exceptions were observed in the year 2010, where Food inflation was lower than the average inflation (3.0% vs. 3.2%), and inflation in "Housing" was higher than the average inflation (5.8% vs. 3.2%). In 2011, inflation in "T&C" rose marginally above the average inflation (4.7% vs. 4.6%).

The most obvious observation in the graph is that the inflation of food covers a broader range compared to "Housing", "T&C" and the average inflation. The mean rate of inflation from 2009-14

for food was nearly three times higher than the mean of the average inflation (7.6% vs. 2.8%). Another interesting trend is that inflation for "T&C" and the average inflation follow the same movement in time. This is not the case for "Food" or "Housing."



VI. Food index and food inflation

Figure 21 presents the development in inflation in food and the food index on Sint Maarten over the last ten years. Over the 2004-14 period, the food price index increased by 37.3 percent. Food inflation averaged 6.8 percent during 2004-14, reaching a record high and low in 2008 and 2004 respectively. Food inflation fell from 11.4 to 6.3 percent in 2013 and remained unchanged in 2014, indicating an easing of food prices since 2012.

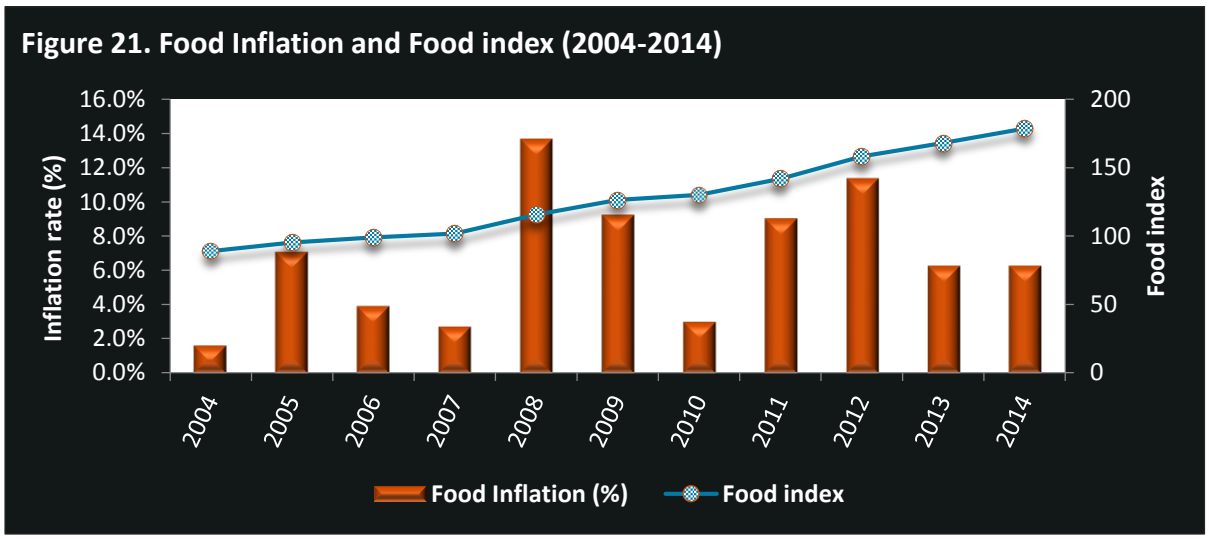
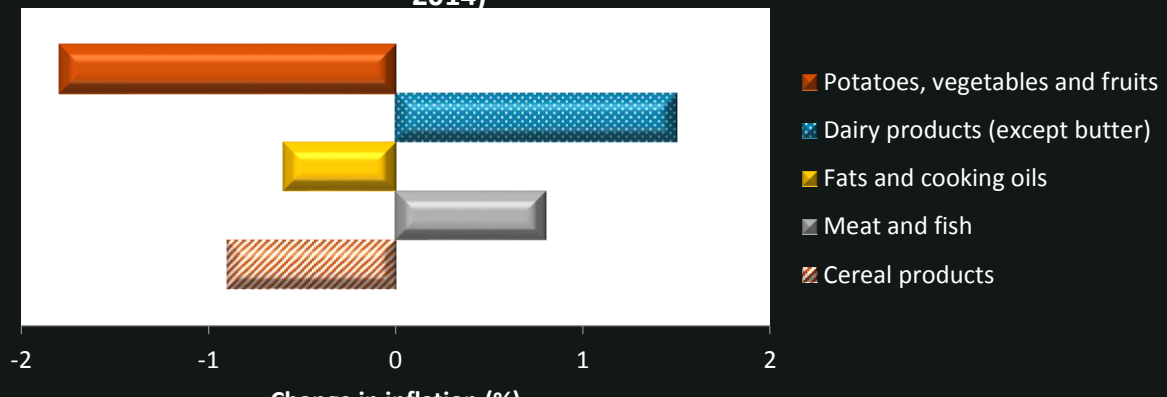


Figure 22 depicts the change in inflation from 2013-14 for the major food categories. Table 15 and 16 provide the course of indices and inflation for all categories, including all product groups in "Food." Inflation for all major food groups had either increased or decreased by no more than 2 percent from the previous year. The food groups "Potatoes, vegetables and fruits" had the largest negative change from the previous year (-1.8%), but still had the highest inflation among the major food groups in 2014. "Dairy products" had the greatest positive change (1.5%).

Figure 22. Change in inflation among major food categories (2013 - 2014)



VII. Global economic developments

Table 14 shows a four-year overview of the inflation rates among several regions and countries. Inflation on Sint Maarten over the past 30 years has remained within a 5 percent margin. Sint Maarten, like the World and European Union (EU) inflation average, has experienced a period of disinflation from 2011-14. In 2014, inflation in Sint Maarten stood at 1.9%. This rate was lower than inflation in Latin America and the Caribbean (LAC) and several emerging economies (Brazil, India, China); and higher than inflation in the EU and The United States.

Table 14. Global inflation rates

	World	USA	Japan	EU	LAC	Brazil	China	India
2011	4.9	3.2	-0.3	3.3	5.1	6.6	5.4	8.9
2012	3.7	2.1	0.0	2.7	3.9	5.4	2.6	9.3
2013	2.7	1.5	0.4	1.4	2.7	6.2	2.6	10.9
2014	2.5	1.6	2.7	0.2	3.4	6.3	2.0	6.4

The 2008 global financial crisis resulted in subdued economic growth in ensuing years. In 2014, inflation declined in advanced economies, according to the International Monetary Fund (IMF), reflecting the decline in oil prices and lower commodity prices. Emerging markets and developing economies faced a slowdown.

The crude oil supply outpacing demand and the weakened global activity contributed to the reduced price of oil. The graph below illustrates the trend in the West Texas Intermediate (WTI), which

depicts the oil crashes of 2008 and 2014. Since the 1980's, the largest one-year drops in oil prices occurred in these years.

Table 15. Five year overview of annual consumer price index Sint Maarten by expenditure category					
EXPENDITURE CATEGORY	**2010**	**2011**	**2012**	**2013**	**2014**
TOTAL	**111.2**	**116.3**	**121.0**	**124.0**	**126.4**
FOOD	**130.2**	**142.0**	**158.2**	**168.1**	**178.7**
Cereal products	137.6	146.0	162.6	170.7	177.6
Meat and fish	135.1	150.3	171.8	179.9	189.9
Fats and cooking oils	147.8	161.1	181.1	189.1	196.3
Dairy products (except butter)	131.3	139.6	159.6	171.1	186.1
Potatoes, vegetables and fruits	129.4	147.0	164.0	185.1	205.5
Sugar and chocolate	123.9	137.7	144.5	138.8	140.3
Prepared food	120.8	130.0	137.6	143.3	152.0
Outdoor consumption	117.3	122.7	127.2	128.3	132.8
Food n.e.c.	126.9	137.6	153.7	163.6	171.8
BEVERAGES AND TOBACCO	**116.6**	**128.0**	**138.2**	**142.7**	**146.3**
Beverages	116.6	128.0	138.0	142.5	146.2
Tobacco	116.4	129.3	142.5	146.2	149.6
CLOTHING AND FOOTWEAR	**104.6**	**106.1**	**112.7**	**113.7**	**114.6**
Clothing	103.4	104.8	112.4	113.8	114.7
Footwear	109.5	111.7	113.8	113.1	114.2
HOUSING	**114.3**	**119.5**	**122.3**	**123.3**	**125.6**
Dwelling costs	108.8	111.3	113.5	116.4	119.4
Energy expenses	146.9	166.2	168.6	160.1	159.7
Maintenance of dwelling	108.1	111.6	119.8	121.3	125.8
Garden maintenance	111.0	127.4	161.3	165.4	168.7
Water	100.0	100.0	100.0	100.0	100.0
HOUSEHOLD FURNISHING AND APPLIANCES	**110.3**	**114.4**	**121.2**	**137.8**	**140.6**
Furniture and illumination	104.8	107.3	109.3	109.3	109.2
Upholstery and dwelling textile	96.3	99.3	101.1	101.7	103.4
Household appliances and tools	107.0	100.0	97.9	99.0	96.2
Household articles	118.1	124.4	137.8	148.8	154.2
Household expenses n.e.c.	134.7	171.1	206.6	338.8	354.8
Domestic services	124.4	128.0	133.2	140.1	137.8
Household furnishing n.e.c.	107.0	105.7	112.7	119.9	126.3
MEDICAL CARE	**102.2**	**103.8**	**105.3**	**105.5**	**110.7**
Medical care	102.2	103.8	105.3	105.5	110.7
TRANSPORTATION AND COMMUNICATION	**103.3**	**108.2**	**110.1**	**111.0**	**110.0**
Transport vehicles in ownership [1)]	108.3	118.5	122.7	123.5	121.9
Expenses for own transport vehicles [1)]	107.7	117.4	121.9	124.6	122.4
Transport services	100.0	100.0	100.0	100.0	100.0
Communication	97.7	97.3	96.6	96.8	96.5
RECREATION AND EDUCATION	**101.2**	**102.6**	**106.5**	**108.0**	**107.9**
Recreation	97.0	99.1	102.0	102.1	102.0
Entertainment and culture	109.5	114.2	118.1	120.8	122.7
Books, etc.	109.8	111.5	113.5	122.9	118.2

Education	103.6	103.7	109.9	111.4	112.0
Hobby articles	102.2	72.8	71.5	71.5	71.5
MISCELLANEOUS	**107.6**	**110.9**	**113.9**	**117.5**	**119.0**
Personal body care	105.5	109.2	112.0	113.9	111.6
Insurances	103.4	104.3	105.2	106.1	106.7
Commodities and services n.e.c.	113.7	119.0	124.0	131.7	137.7

[1)] Not for business use

Table 16. Change of the annual consumer price index Sint Maarten by expenditure category (%)					
EXPENDITURE CATEGORY	**2010**	**2011**	**2012**	**2013**	**2014**
TOTAL	**3.2**	**4.6**	**4.0**	**2.5**	**1.9**
FOOD	**3.0**	**9.1**	**11.4**	**6.2**	**6.3**
Cereal products	1.2	6.1	11.4	5.0	4.1
Meat and fish	5.8	11.2	14.4	4.7	5.5
Fats and cooking oils	-1.2	9.0	12.4	4.4	3.8
Dairy products (except butter)	-2.3	6.4	14.3	7.2	8.7
Potatoes, vegetables and fruits	6.6	13.7	11.6	12.8	11.0
Sugar and chocolate	8.8	11.1	4.9	-3.9	1.0
Prepared food	1.6	7.7	5.9	4.1	6.0
Outdoor consumption	0.4	4.5	3.7	0.8	3.5
Food n.e.c.	2.7	8.5	11.7	6.4	5.0
BEVERAGES AND TOBACCO	**2.1**	**9.8**	**7.9**	**3.2**	**2.6**
Beverages	2.2	9.7	7.8	3.3	2.6
Tobacco	0.4	11.1	10.3	2.6	2.3
CLOTHING AND FOOTWEAR	**0.4**	**1.5**	**6.2**	**0.9**	**0.8**
Clothing	0.2	1.4	7.2	1.2	0.8
Footwear	1.2	2.0	1.9	-0.6	1.0
HOUSING	**5.8**	**4.5**	**2.4**	**0.8**	**1.9**
Dwelling costs	2.3	2.3	2.0	2.6	2.6
Energy expenses	24.7	13.2	1.4	-5.0	-0.3
Maintenance of dwelling	-0.8	3.3	7.3	1.2	3.7
Garden maintenance	4.4	14.9	26.6	2.5	2.0
Water	0.0	0.0	0.0	0.0	0.0
HOUSEHOLD FURNISHING AND APPLIANCES	**1.0**	**3.6**	**6.0**	**13.7**	**2.0**
Furniture and illumination	-1.4	2.4	1.9	0.0	-0.1
Upholstery and dwelling textile	-1.1	3.1	1.8	0.6	1.7
Household appliances and tools	-0.7	-6.5	-2.2	1.1	-2.8
Household articles	3.4	5.3	10.8	8.0	3.6
Household expenses n.e.c.	8.9	27.0	20.7	64.0	4.7
Domestic services	1.3	2.9	4.1	5.2	-1.7
Household furnishing n.e.c.	0.4	-1.2	6.6	6.4	5.3
MEDICAL CARE	**0.7**	**1.5**	**1.4**	**0.2**	**5.0**
Medical care	0.7	1.5	1.4	0.2	5.0
TRANSPORTATION AND COMMUNICATION	**1.3**	**4.7**	**1.8**	**0.9**	**-1.0**
Transport vehicles in ownership [1)]	-0.6	9.4	3.5	0.7	-1.3
Expenses for own transport vehicles [1)]	6.0	9.1	3.8	2.2	-1.8
Transport services	0.0	0.0	0.0	0.0	0.0
Communication	-0.3	-0.4	-0.7	0.2	-0.4
RECREATION AND EDUCATION	**0.8**	**1.4**	**3.9**	**1.3**	**0.0**
Recreation	0.2	2.1	3.0	0.1	-0.1
Entertainment and culture	2.9	4.3	3.4	2.3	1.6

Books, etc.	0.7	1.6	1.7	8.3	-3.8
Education	1.3	0.1	6.1	1.3	0.6
Hobby articles	0.0	-28.8	-1.8	0.0	0.0
MISCELLANEOUS	**1.9**	**3.1**	**2.7**	**3.1**	**1.3**
Personal body care	2.1	3.5	2.6	1.6	-2.0
Insurances	1.0	0.9	0.9	0.9	0.6
Commodities and services n.e.c.	2.3	4.6	4.3	6.2	4.5

[1)] Not for business use