

ST. MAARTEN CHAMBER OF COMMERCE AND INDUSTRY

ANNUAL REPORT
2020



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About us

The St. Maarten Chamber of Commerce & Industry (COCI) is a non-profit-making organization. Its main role is to ensure that all businesses and legal entities on St. Maarten are registered in its Commercial Register. In the pursuit of our objective, the Chamber remains a non-racial, non-sectarian, non-political, and gender-friendly organization.

HISTORY

The St. Maarten Chamber of Commerce and Industry (COCI) was established on March 12th 1979. Before 1979, the only place where various private sector points of view could be exchanged was at the Executive Club, which consisted of hotel owners and managers. These meetings, which were held once every month, rotated from one hotel property to another. They provided good opportunities for private sector members to voice their concerns and demonstrate their respective good corporate citizenship. The members either announced their companies and/ or the island, or they introduced new staff members who joined their organization on the island.

Their annual event was the honoring of the island's best and brightest high school students during graduation times in mid-June when companies proudly presented valuable gifts to the best graduating scholars to encourage them to further their studies in intuitions of higher learning abroad. These meetings also provided member businesses with opportunities to invite members of the island's then-Executive Council to clarify objectives purposes, and intentions of new island Resolutions by the island Council, of Federal Legislature that affected their operations on St. Maarten.

From the early 1970s, the island's modern hospitality industry provided suitable on-the-job training and supplemented study leave for qualified employees to take courses abroad at reputable institutions during the summer months when operations were not as demanding to gain additional professional instructions.

THE ESTABLISHMENT OF THE CHAMBER

Between 1979 and 1992, the Chamber was led by three prominent business persons, who at different points served as President of the Board, They were Mr. Charles Vlaun, Mr. Franklin Brison, and Mr. Wilfred de Weever respectively. They were supported by a staff of two persons – Mr. Louis Peters and Ms. Syrma Alberts – with additional staff members at points of necessity

With the development of Philipsburg and the influx of various other services and offshore businesses, came a growing demand for a Chamber of Commerce and Industry in St. Maarten.

After leaving Island Gem Enterprises N.V. in January 1979, Mr. Louis Peters, with encouragement from the Lt. Governor, Mr. Theodore Maxwell Pandt, solicited the Minister of Economic Affairs of the former Netherlands Antilles, Mr. Mauritz Larmonie, to proclaim the necessary decree to provide the Dutch Windward Islands with its own Chamber of Commerce and Industry. That solicitation created the incentive for the Minister to issue his ministerial decree to establish the Chamber of Commerce and Industry of the Dutch Windward Islands on March 12, 1979.

1. Vision

2. To be that lead entity, propelling St. Maarten to a stronger and more sustainable economy by providing accurate business data, business connectivity, trade opportunities, and commercial facilitation through lobbying, advocacy, and business support.

Mission

To ensure legitimacy of all businesses and legal entities through registration and our regulatory function of maintaining the Trade and Commercial Register of St. Maarten, while promoting economic growth through advocacy and business support.

Core Values

Professionalism: We are committed to being professional in all that we do, grounded in the belief in high standard of performance and excellence.

Productivity: Commitment to constantly improving our work ethic and output for the benefit of our business community and other stakeholders in an efficient manner.

Independence: Commitment to being independent in our views so that the objective and the transparent representation of the business interests come first.

Economic Development: Promoting economic development via the development and growth and development of the Business Sector of St. Maarten.

Advocacy: Provision of advocacy for the business community and other entities on matters of National Interest.

Chamber of Commerce and Industry Engagements

- We issue documentary evidence such as certificates of origin, extracts, legalization, and other statements.
- A central organization for collecting, analyzing, and disseminating information of a business nature.
- We promote the general interest of the Business Community of St. Maarten and are at the forefront of addressing various issues, which affect the private sector. Therefore, we hold business and educational seminars and expos in conjunction with our partners in the community.
- We serve as an advocacy group and address the varied concerns of the Business Community through dialogue and exchanges with government officials and various Non-Government Organizations (NGO's). We offer solicited and unsolicited advice on matters concerning the country's economic development.
- The Chamber organizes in-house and off-site skills and cognitive training workshops for its clients and non-clients alike. We also carry out consultancy services for clients by offering guidance, information, administrative assistance, and support to the Business Community through our **Business Center**.
- The Chamber promotes Trade and Industry and represents the opinions of the business community on matters affecting Trade and Industry in St. Maarten.

Board of Directors

Our Board of Directors is the governing body that regulates the internal functioning and internal relationships of the Chamber's Executive Board and staff. They are also responsible for the interpretation, implementation, and propagation of policies.

The St. Maarten Chambers' board consists of a total of nine (9) private sector business persons who are all chosen by the electorate of registered business personnel. The Chamber's Board of Directors is the official representative of the private sector.

Executive Board

- o **President:** Benjamin Ortega
- o **Vice President:** Mr. Bertaux 'Rude' Fleming
- o **Treasurer:** Mr. Louis Bute

Board Member

- o **Board Member:** Mr. Vinod Kotai
- o **Board Member:** Ms. Jennifer Carty
- o **Board Member:** Ms. Ife Badejo
- o **Board Member:** Ms. Annuska P. Friday
- o **Board Member:** Ms. Mientje Brown
- o **Board Member:** Ms. Charlise Philips

Management and Staff

Executive Director:

Jude Houston

Operations Manager:

Ruthmilda Patrick-Solomons

Business Development Officer:

Sharilyn Bryson

Administrative Assistant:

Darius Brown

Finance Department:

Akeem Ruan

Natasha Pelgrim

Tian Jones

Customer Service Representatives:

-Front-Office

Donna Jean-Baptiste

Liandro Rombley

-Back-Office

Malaine Dublin-Lake

Esmena Richardson

Kelsee Hodge

-Filing clerk

Lindora Thomas

Courier:

Xavern Labega

Social Media Representative:

Theodore de Weever



President's Address



As the 2020 President I would first like to thank my fellow board members for giving me their confidence in electing me as President and allowing me to lead the Chamber and its development strategies for the past 2 years. Prior to being elected as President, I was fortunate to sit as Vice-President for 2017 and 2018. It goes without saying that dedication to this institution is a must and giving all to aid the general business community through the various actions sanctioned by the majority Board, Operation Management and Staff has our full attention.

In the first quarter of 2020, the Chamber focused on a variety of important matters. Ensuring the strengthening of our Operations Staffing, continuing the process of strengthening the institution and installing key members were given the utmost priority. The saying, "You are as strong and your weakest link" bore dividends in our endeavours. The Board and Operations Manager together with external experts determined the critical needs and functions for the Chamber. We can state that we have been successful in finding the best man/women for the job through a directed process that ultimately resulted in the successful recruitment of an Online Marketing assistant, Business Development Officer and most importantly, our Newly appointed Director Mr. Jude Houston.

We also promoted the need for increased compliance throughout the business community, whilst being unaware of the troubling times that lay ahead for St. Maarten and in particular the private sector. The pandemic Covid-19 highlighted our weaknesses as a country with regards to our income generating sector - namely the tourism market. St. Maarten showed resilience in bouncing back as much as possible after the devastation of Hurricane Irma and Maria in 2017. Yet the total impact on the economy was not as heavy as our present predicament in which the world market we cater to is also affected forcing the closure of our doors to all visitors. This is a fight that we all need to overcome.

Through our strategic partnerships fostered before Covid as a way to improve the intervention and collaboration of COCI with internal and external stakeholders, we found new ways to reach, teach and inform our business community on the various possibilities that lay before us keeping in consideration our strengths, weaknesses and new ventures that we would need to indulge in to be able to abide the ever so dramatic Covid measures and results.

Partnerships included a better working relation with our French St. Martin Chamber, a new collaboration and membership with CARICHAM (The CARICOM Caribbean Chamber Union), RVO (The Netherlands Enterprise Agency) and the improved working relationship with The Government of St. Maarten (various Ministries and Departments).

The Chamber has shown, that, we are here to serve the community. Whether through deliberations, webinars or direct involvement with various platforms that will and continue to aid the improvement of business collaboration in and with St. Maarten. We continue to improve, update and follow new developments.

I am certain that soon the answer to the question that we hear ever so often; "What does the Chamber do for the business community", will be continually evident.

With kind regards,

Mr. Benjamin A.A. Ortega

President Chamber of Commerce and Industry 2019-2020

Executive Director's Address



It is with great pleasure that I take this opportunity to address the business community of St. Maarten and all other interested parties as the new Executive Director of the St. Maarten Chamber of Commerce and Industry (COCI). My personal goal for this institution is to ensure that our operations and services are of the optimal level and of true benefit to the business community and the general public. My theme and motto have been and continue to be “it is all in the interest of growth and development of our businesses”.

The year 2020 was a very challenging year globally, with the onset of the COVID-19 pandemic, and St. Maarten was not excepted. For the past year we have experienced what one may term true involuntary transformation in how we operate as businesses or an organization. We have had to quickly adapt to the changing landscape created by an exogeneous factor, thereby, using all the necessary means to make it through with our operations on a monthly, weekly or even daily basis. Given these challenges that even currently exist, I must express deep appreciation to those businesses that have shown the courage and resilience throughout 2020. Also, I would like to take this opportunity to express “thank you” to the entities that rendered their support to the business community.

In moving forward, I propose that a positive spin now be placed on the term transformation, since it can be considered a very critical and important element in the growth and sustainability of any business or organization. This therefore necessitates, examining the need to making fundamental changes to your business model or operation. This could include technology, personnel, processes and in some cases, the products that are produced or the services rendered. The Covid -19 pandemic has certainly brought about this need for recalibration.

As for COCI, during the period focus has been and continues to be on operational efficiency in the manner to which the public is served and the proper and efficient maintenance of the Trade Registry as mandated. Additionally, given COCI's view of “there is no such thing as a strong economy, without a strong business community”; hawse have embarked on several initiatives and programs that are geared toward sustained growth and development of our business community. This momentum and key objective will continue into 2021.

Finally, COCI intends to use every opportunity to catalyze economic rebound, provide sound advice on matters of national importance and advocate the development and adaptation of key policies geared towards the improvement of the business environment.

Thank you and much strength to our Business Community for 2021 and beyond.

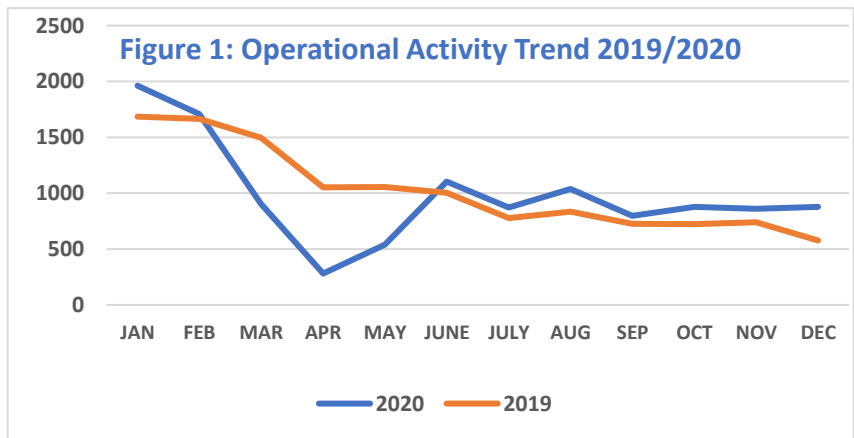
Jude R. Houston
Executive Director

Operational Review 2020

Given the mandate of COCI, its operational activity is measured or monitored by the activities carried out by its staff, and the services they provide to the business community of St. Maarten. These activities include:

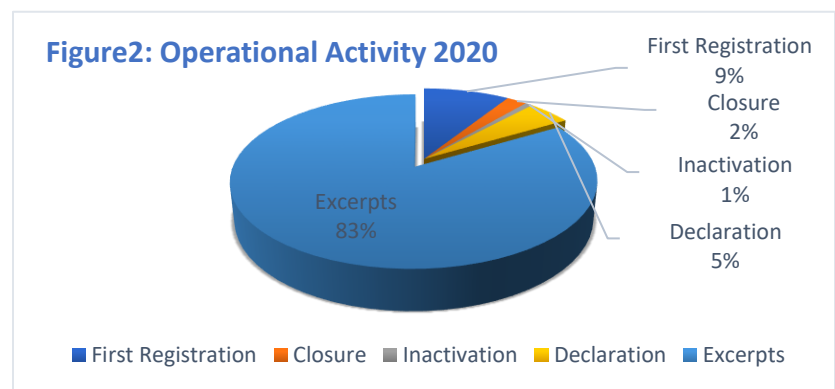
1. **Business registrations**
2. **Issuing Excerpts**
3. **Providing Declarations**
4. **Enabling Business Inactivation**
5. **Recording Business Closure**

Before the emergence of the Covid-19 pandemic, COCI's expectation in terms of Registry activity performance for 2020 was rather optimistic considering the trend and exorbitant performance of 2019. However, as can be observed from figure 1, the months January and February lived up to expectation,



followed by a drastic decline in the three months following. From the month of June onwards registration activities picked up and surpassed that of 2019. This was primarily due to the Salary Support initiative provided by the Government to the business sector, regarding which, an updated business excerpt from the Chamber was a requirement.

The preparation and issuing of excerpts have the most predominant registration activity within COCI's operation for 2020. This was followed by the registration of First Time Registrants and declaration of businesses. Closures and Inactivation followed in the listing of



registration activity recorded for 2020. This is illustrated in figure 2.

For the calendar year 2020 the Chamber has recorded a total of 6,809 active businesses compared to 6,484 in 2019. This total represents an increase of 5 percent or 324 more active businesses.

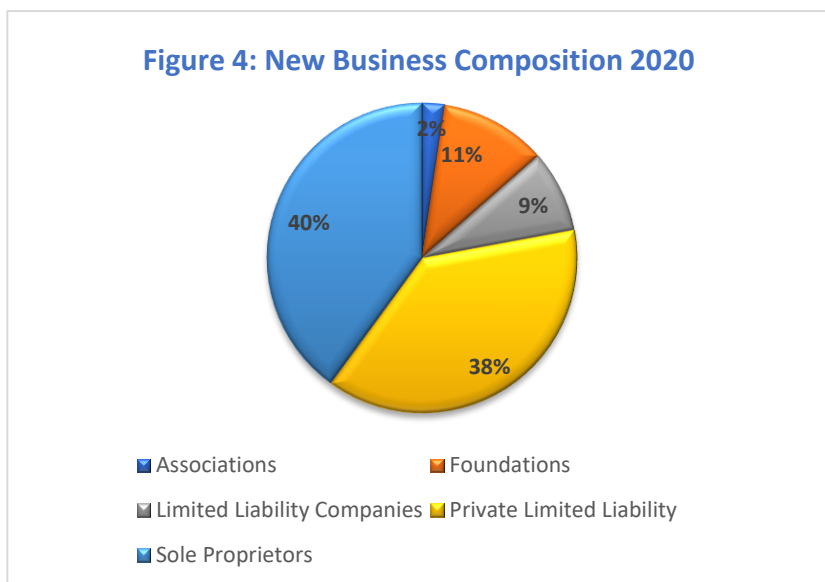
Based on the analysis conducted on the Chamber's operational data, it is evident the negative impact of Covid-19 pandemic on the business sector for the calendar year 2020. COCI's analyses have further revealed the estimated 26.4 percent decline in the economy as presented in the Economic Report of the Central Bank of Curacao and St. Maarten for 2020. All indications based on analyses are that the business sector underperformed as compared to the previous year.

New Business Registration

For the year 2020, the Chamber recorded a total of 643 new businesses registrants compared to 941 from the previous year, as illustrated in figure 3. There was a 31.7 percent decline in overall new registration of business and entities, which signifies there was 297 less businesses registered when compared to 2019. Among the various types of businesses and entities registered for the year, Associations presented the largest decrease for the period with an estimated 42.3% decline. Limited Liability companies, Private Limited Liability and sole proprietors combined averaged an estimated 32.7 % decline while the registration of foundations decreased by 8.9 %.

Figure 3: New Businesses by Type			
	2019	2020	% diff
Associations	26	15	-42.3
Foundations	79	72	-8.9
Limited Liability Companies	83	55	-33.7
Private Limited Liability	369	244	-33.9
Sole Proprietors	384	257	-33.1
Total	941	643	-31.7

As it pertains to the composition of the new businesses and entities registered for 2020, Sole proprietorships were predominant with a total of 257 which represent 40 % of the total of new registrants. This was followed Private Limited Liability with 244 representing 38 %, Foundation with 72 representing 11%, Limited Liability companies with 55 representing 9% and Associations with 15 representing 2%. This is illustrated in figure 4.



Excerpts and Declarations Request

Figure 5: Activity Totals Jan-Dec 2019/2020				
Activity	2019	2020	# Diff	% diff 2019/2020
First Registration	941	643	-298	-31.7
Closure	146	153	7	4.8
Inactivation	137	55	-82	-59.9
Declaration	446	329	-117	-26.2
Excerpts	6045	5960	-85	-1.4

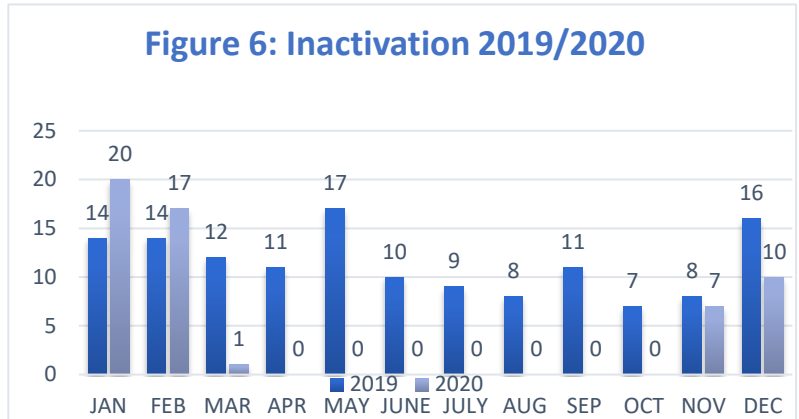
There was a total of 5,960 excerpts request for the period of January to December 2020. This represents a slight decrease of 1.4% as compared to the previous with a total of 6,045.

There was a total of 329 declarations for the period between January and December 2020. This indicates a 26.2% decrease in declarations provided in the year 2020 as compared to the year 2019. This is illustrated in figure 5 above.

Inactivation

For the calendar year 2020, there was a total of 55 business inactivation. The drop was notably in the months following the commencement on the Covid-19 lockdown in which the months from April to October recorded zero inactivation for 2020. Overall decrease represents 48% compared to the previous year, that had a total of 137 inactivation (see figure above). From this analysis several conclusions are derived. These conclusions include:

1. Due to the impact of Covid- 19 pandemic, companies chose to close instead of becoming inactive.
2. Some businesses chose to close instead of becoming inactive since fees and other financial obligations are still due despite being inactive.
3. Businesses chose not to inactivate due to the financial support that was provided by Government of St. Maarten.

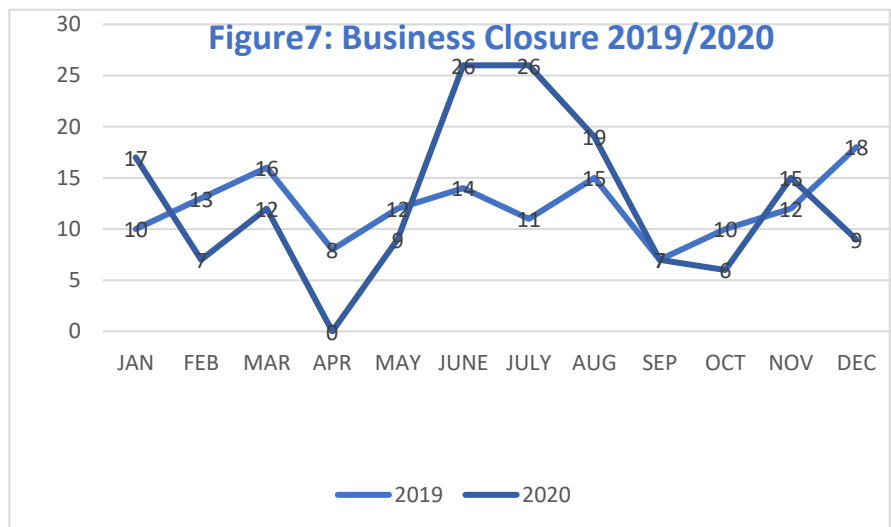


4. The anticipation of the available financing option from the Enterprise Support Project under the NRBP

Month by month comparison of inactivation is illustrated in figure 6.

Closures

There was a total of 153 closures for the year 2020 compared with 146 of the previous year. This represents an increase of 4.8% compared to the previous year. Considering the impact of the Covid-19 pandemic on the business community, it can be said the closure of businesses was mitigated by the available financing possibilities through Qredits and the Government salary support to



businesses. Additionally, further cushioning of closure activity was the anticipation of the available financing option from the Enterprise Support Project under the NRBP. As illustrated in figure 7, the months with the largest gap for the year were June and July where 26 closures were recorded consecutively, followed by 19 in August and 18 in December. The predominant sectors that experienced closures for the

year 2020 were, general service sector (general consultancy, administration and other service providing entities), construction sector, bars and restaurant, retail sector and beauty salons.

Projects & Initiatives

For the year 2020, the Chamber of Commerce had to put some of its business supporting projects on hold given the transformation we were forced to adopt due to the Covid-19 pandemic. However, this did not hinder the Chamber in its advocacy role in assisting as much as possible that businesses be able to operate under the circumstances.

Some of the projects and objectives gaining the attention of the Chamber were as follows:

1. Covid-19 Protocols for businesses.

COCI considers the health and safety of employers, employees and customers as key components towards the sustainability of businesses. Therefore, COCI during the year collaborated with the Ministry of Health and TEATT in an effort to bring to the awareness of the general business community all the updated protocols and standards they should follow. COCI developed a large number of posters outlining the dos and don'ts as it relates to the Covid-19 and ensured its distribution among the business community during the year.

2. Local Business Engagement of Airport Rebuilding Project.

To get the participation of our local businesses in the rebuilding of the Princess Juliana International Airport, COCI collaborated with the Airport management and created a platform on which local companies could have signed up and indicate their interest in being subcontracted by the main contractors to this project. Interested businesses needed to meet a compliance requirement, as COCI is also adamant about standard and compliancy among our businesses. A total of 30 businesses were approved on the portal.

3. Border Reopen Advocacy

The Chamber of Commerce collaborated with the French Chamber of Commerce to jointly advocate for the reopening of our borders during the third quarter of 2020. COCI found this to be a very important measure at the time, considering the negative effects that border closure was having on the business community and more so the general working population of both sides of the island. After a joint press release was conducted, Government of St. Maarten and other Non-Government

Organizations were further stimulated to become proactive in making demands for the reopening of the Borders by the French authorities. This was eventually reopened thereafter.

4. Soualiga Employers Association Set Up

During the year 2020, COCI received a formal request from the Prime Minister to appoint individuals to the SER board. In so doing, COCI engaged a number of employers' unions and associations to be part of the newly formed Soualiga Employers Association, which is responsible for the appointment of persons to the board of SER. The setup of this entity was completed during the third quarter of 2020.

5. Business to Business Initiative

In effort to stimulate and build resilience within our business community, COCI has engaged our regional and international stakeholders to promote business to business matchmaking. On the International front, discussions are being held with the Dutch Enterprise Agency which is currently in communication with Dutch and other European businesses wishing to conduct business in St. Maarten. On the regional front it is the COCI's intention to engage the Caribbean Chambers Association (CARICHAM) to engage and profile our portal of businesses wishing to explore business to business matchmaking possibilities.

Media Engagements 2020

For the calendar year 2020, COCI had a total of 25 written media engagements in which the business community and the general public were informed on of COCI's operations and engagements. These media briefs covered several topics and areas. Some of these topics and messages included but was not limited to:

- COCI 's encouragement of the business community to attend the Emigration Expo in the Netherlands.
- Inform and encourage the public to sign up to COCI's business workshop, themed, "Grow your Business".
- COCI success in attending the Emigration Expo in the Netherlands.
- COCI informing the public of the improvement of its social media presence.
- Informing the general public of COCI's attendance at the Caribbean Chamber of Association 's (CARICHAM) forum and COCI becoming a member of CARICHAM.
- COCI's meeting with the Minister of Health and Labour to address the proposed labour reform measures and their impact on the business community.

- COCI's promotion of an online webinar on export readiness and the technical tools as provided by the Netherlands Enterprise Agency (RVO).
- COCI's collaboration with the French Chamber of Commerce for the reopening of the borders. This collaboration was necessary since businesses on both side of the island were negatively impacted by the border closure.
- To inform the public of the establishment of the Soualiga Employers Association. This was mandated by the government to ensure representation on the board of the SER.
- COCI's reminder to the business community and the public at large to be ready for the 2020 Atlantic Hurricane season. COCI, felt the need to inform the public given the amount of named storms for the year and the fact that we are that vulnerable given our experience of 2017 and our location in the hurricane belt.
- COCI's recognition of all frontline workers of this island during this COVID-19 pandemic.
- COCI'S encouragement to the public to follow the COVID -19 protocols as outlined by the Ministry of Health.
- COCI's collaboration with Ministry of Health and Ministry of Tourism, Economy, Transport and Telecommunication (TEATT) on the updated COVID-19 protocols. COCI considered it quite necessary to keep the business community informed as much as possible, since it is of the opinion that health of the employees and customers are important components to business sustainability and success.

Future Plans

In going forward the Chamber will continue its focus on two areas of priority. These are the operational efficiency of the Chamber and increasing business support and engagement. The purpose of the Chamber's focus on operational efficiency is to ensure that the direct services rendered to the general public and the disseminated information from the Chamber is at the optimal level. To ensure this level of efficiency the Chamber will embark on several internal initiatives. These initiatives will include:

1. Capacity building and training of staff.
2. Review and enhancement of communication to the public.
3. Improving business data gathering, analysis and dissemination of the same.
4. **Improvement of regulatory function through compliance for financial stability.**
5. Increased business and community engagement.

As it relates to business support and engagement, COCI is highly cognizant of the fact that it is very rare that a healthy economy exists without a healthy business community. With this notion and mindset, it is the intention of COCI to not only focus on the registration of businesses but to put more emphasis towards their growth and development. This emphasis will be in the form of a number of initiatives that will include but are not limited to:

1. Facilitating Business to Business match making. The Chamber will collaborate with its regional and international stakeholders to promote business interest and match making possibilities. This will ensure more opportunities for the local business community and improve business sustainability.
2. Foster Entrepreneurial culture among the youth within our educational institutions. During 2021, it is the intention of COCI to harness an entrepreneurial spirit and culture among the youth population. This will be achieved by targeting the age group between of 14-18, giving them an understanding of the importance of Entrepreneurialism and how it can be gravitated to even at their age level. COCI also sees this initiative as an opportunity to foster future economic growth and stability.
3. Provide business Support via our Business Center. With the reopening of this center, COCI will be able to add institutional value to the business community. This implies that new and existing businesses will now have an entity that they can rely on for business tutorials and support. This measure further cements COCI's intent to ensure the growth and development of our businesses.
4. Stakeholders' collaboration and networking. COCI will be very proactive in bringing to the awareness of the business community all the relevant information that it may need for the prosperity of its businesses. This will be done through collaboration with key regional and international stakeholders and networking with key focus on:
 - a. *New markets*
 - b. *Products and services*
 - c. *Trends*
 - d. *Workshops and other pertinent information*
5. Continued Advocacy on behalf of businesses for their continued growth and development.

Know your Chamber and Obligations



This section of our annual report is for the sole purpose of informing the business community and the general public of the very important details that they should be aware of as it pertains to the Chamber and the operation of their businesses. This section was developed based on frequently asked questions and the issues which were brought to the attention of the Chamber during the year 2020.



1. What is the Chamber of Commerce?

- a) A non-profit organization
- b) Entity that is responsible for the Registration of businesses and other legal entities.
- c) A Regulatory body which ensures your existence as a business or a legal entity.
- d) Not an Association since it is mandatory by law for all businesses and entities to register with the Chamber.
- e) An advisory body since it provides solicited and unsolicited advice to Government.
- f) Representative of the Business community through its elected board of directors.

2. What is the Mandate of the Chamber?

- a) To register all legal entities and businesses on the island.
- b) To provide solicited and unsolicited advice to Government on matters of economic development.

3. What are your obligations to the Chamber of Commerce?

- a) Ensure you are registered with Chamber.
- b) Ensure all pertinent information and updates regarding your business are submitted in the Registry of the Chamber.
- c) Report any changes such as change of director, death of director, closure of business, etc.
- d) An inactive business is still obligated to pay annual Chamber fees.

- e) Business entities are responsible to report their status to other institutions (e.g., Tax office, SZV etc.) to avoid legal ramifications.
- f) Ensure your obligation to other stakeholders' entities such as the Tax Office, Economic License and Social Health and Insurance (SZV).
- g) Ensure your COCI registration number is included on invoices and all other official documents pertaining to your business. Failure to do so can result in a fine of ANG 50,000.

Key legislation guiding the Operations of the Chamber of Commerce for compliancy

Article 25, Book 2 of the Civil Code, November 2019.-

Through this article, the Chamber of Commerce via the proper procedure of publicly informing a business or an entity over a 6 weeks period that it is in default with the Chamber, and its failure to engage the Chamber during this 6-week period; the Chamber can deregister that business or entity directly without the involvement of the Courts. That business will now become an illegal if it continues for which there can be legal ramifications.

Reasons for which a business or entity can be in default with the Chamber

- a) No directors registered in the company, (if deceased and not updated).
- b) Not up to date with annual fees.
- c) No company addresses.