ST. MAARTEN TOURIST BUREAU

SCHOOL OF EUROPEAN STUDIES

Sharon Fleming

Come let there be Yachts!

Class: 3ESA

Student Nr: 20046848

Supervisor: L. Harris

Mentor: A. Priest

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Exploring the Yachting Industry in St. Maarten

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What are the economic, environmental and social impacts of the yachting sector and how can we enhance these in a sustainable manner?

Class: 3ESA

Student Number: 20046848

Name: Sharon Neomi Fleming

Final Project Supervisor: L. Harris

Date: 21 June 2010

School of European Studies

The Hague University of Applied Studies

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Preface

This report was undertaken to establish the economic, environmental and social impacts of the yachting industry in SXM. This topic was commissioned by the St. Maarten Tourist Bureau, a governmental body, whose main aim was to receive a basic understanding of the actual worth of this industry for the island; in order to consider forming strategic ties, based on mutual benefits between the public and the private sector.

The report gives a brief explanation of the problem to be investigated. It also provides the situational analysis of the current yachting sector on the island. The economic aspects of the yachting industry then follows, where employment related issues are discussed, the taxation environment and the actual revenue worth of the yachting industry.

Chapter five then discusses competition in the region. In this section the most popular islands in the Caribbean are compared to each other, in order to gain an understanding of what yachters consider when choosing yachting destinations and home ports. Chapter six then discusses government and private sector policies. In this section, interest groups of the yachting industry will be addressed, along with all pertinent government policies/ regulations for this sector.

Chapter seven then discusses the social and environmental issues concerning the yachting sector in SXM. Here an analysis of environmental and social problems is examined. Finally chapter eight discusses the findings of the investigation carried out, chapter nine sums up the conclusions of the report and chapter ten provides recommendations on how better to aid this lucrative sector on the island.

Doing this research for this report was very tedious and time consuming, as there was no information readily available for analysis by either the private or public sector. For that reason, extensive research was carried out online to find information on regional yachting statistics in an effort to understand yachting in SXM. Book research was also carried out to examine the economic, government, environmental and social aspects of the report and finally in-depth interviews and online surveys were utilized to gain adequate information in preparing this report.

Though there were many setbacks and delays during the course of this research report there were always many people willing to help push it forward. For this great appreciation is addressed to Mr. Augusto Priest for his constant motivation, Mr. Louis Halley for his support and help, Ms. Kas Johnson for providing the most information for this report and to my family and friends who where there offering support and lending a helping hand when my motivation level was low.

Executive Summary

This report explores the yachting sector of SXM, which to this day does not receive enough government attention and is not given the recognition that it deserves as a lucrative sector of the economy *(Johnson, 2010)*. Therefore, the decision to research this topic came as a result of the Tourism Bureau's search for further economically successful strains of tourism. Also the fact that SXM does not keep the information surrounding the sector up-dated, a detailed investigation of the sector was needed for the country's records.

The first chapter of this report is responsible for giving a full country overview of the yachting industry's presence within SXM's tourist sector. In order to break down the need for further investigation into the yachting sector and its contribution to the country' GDP. Additionally, this chapter showcases the bottlenecks associated with this report, one being a strong absence of pertinent people in the sector to converse with. As well as outline the central and sub-questions of this research, thus setting the scope, context and focus of this report.

Following in chapter two, the reader will find the "Situation Analysis of the Yachting Sector"; where the entire climate of the yachting industry is assessed to clearly depict the economic contribution of the sector. Hence, the marinas available, the types and sizes of the yachts/cruisers frequenting the country and the charges they pay for their stay and utilised services on SXM have been addressed in this section of the report. Furthermore, this section contains the SWOT analysis of the yachting sector in SXM. In order to make clear that the yachting sector is a heavy contributor to the GDP and tourist industry of SXM, while at the same time depicting the internal and external climate evolving around the sector easier for the reader of this report to understand.

Chapter three, concerns the methodology. This section states the research methods selected for this research to have been realised and draws reference to the drawbacks in collecting the data. Moreover, this section explains that both interviews and an online questionnaire were essential to gather data. While explaining that those working within the sector tend to find themselves in a constant situations where the stimulation of further yachting business of paramount and of primary concern. Hence leading to their absence to take part in interviews and resulting in the generation of a questionnaire.

Next chapter four of the report concerns the economic impacts of the yachting sector on SXM's GDP, employment rate, public sector revenues and taxation environment. Based on this chapter it is apparent that SXM's sector holds more economic responsibility than it is given credit for and represents 16.7% of the country's GDP and employs a larger percentage of SXM's labourers than originally expected. Therefore, the research results of this chapter prove that it is essential to stimulate and nourish this sector, as it is extremely viable in monetary terms.

Chapter five is the "Competitive Analysis" of the report and like its names suggests offers comparative data among those in the yachting sector. However, as SXM is a Caribbean country it has only been compared to those Caribbean countries/islands that proclaim and have a proven lucrative yachting industry. These countries/islands are: French SXM, St. Baths, BVI, and Antigua & Barbuda. However, despite the business practises, costs/fees and marina styles being very similar, the research showed that Dutch SXM is the market leader where yachting tourism is concerned.

Chapter six highlights the government's involvement in the sector and the policies that circulate around the yachting sector. Proving that to this point the government lacks the necessary cooperation and communication with the sector, thus hampering its continued success greatly. Also, displaying those government policies in the sector severely impairs its smooth running and is causing quite a large amount of annoyance and irritation to the yachters/cruisers personally.

Following is chapter seven, which explains the dismal environment that surrounds the yachting industry. This chapter demonstrates that the yachting industry has had severe environmental impacts on the country, to the point that some water bodies are at the point where they may never be able to be purified/fixed. Therefore, this chapter clearly indicates that despite the economic benefits of the industry, it has had very strong negative impacts for SXM on an environmental and social basis.

Next chapter eight addresses the major findings of the report. These major findings in a short demonstrate that: government needs to be more proactive in the yachting sector, statistical information is necessary to be recorded, the environmental damage needs to tackled in order to attain cleaner water bodies, government policy needed to curb malpractices in the sector, competition is growing and SXM is in danger of losing market leadership.

These findings then lead the report to chapters nine and ten, which represent the conclusion and recommendation chapters respectively. Chapter nine successfully answers the sub-questions posed in chapter one of this report. Thus giving clarity to the situation surrounding the yachting sector, which based on the findings of this report, is positive in an economic perspective, with the possibility of economic decline and negative in a governmental, social and environmental context. Thus chapter ten solves the central question and states nine recommendations to circumvent economic disaster in monetary terms, while providing ideas to restructure/reorganise the most negatively impacted areas spurred on by the sector.

Section 1: Country Background

1.1 Introduction

The island of SXM is a 37 square kilometre island located in the northeast of the Caribbean. It is the smallest nation to be divided into two political entities that caters to their own individual needs. The southern part of the island falls directly under the Kingdom of the Netherlands and the northern part of the island falls directly under the Republic of France.

Though SXM is divided into two nations, it stills has one common pillar industry, being tourism. Tourism plays a vital role in the economy of SXM, as it encompasses 85% of the labour force in this sector *(Economy, 2010).* Furthermore, the island receives an average of over one million visitors yearly from cruise and stay over tourism and the numbers are constantly increasing, as the tourism product on the island grows and enhances *(Economy, 2010).*

Now to add to this enhancement of the tourism product is the marine industry, particularly the yachting industry, which this report will mainly focus on. The yachting industry is a growing industry around the world and proving to be a very viable sector for SXM, as it has grown significantly in the past 25 years. Taking into account the years of 2007 to 2008, there was triple increase in yachts visiting SXM; it went to a total of 12,807 boats with this number always rising *(St. Maarten compared to yachting destinations in the Caribbean, 2008)*. Therefore, this report will examine why SXM is becoming such an attractive island for yachting and what the advantages and disadvantages of this sector could mean for the island as a whole.

Therefore the research issue dealt with in this report is as follows:

Central Question

1. What are the economic and social impacts of the yachting sector and how can we enhance these in a sustainable manner?

Sub-Questions

1. How can St. Maarten further develop its mega yacht industry in order to stay competitive in the region?
2. What are the spatial drawbacks for further enhancing the yachting industry?

3. What environmental, contamination control and sewage policies must be taking into consideration in developing this industry further?

4. What are the current trends for the yachting industry in the Caribbean region including the Northern side?

Furthermore, in order to fully understand the yachting sector in SXM a clear distinction must be made in addressing the industry on the island, as SXM is not considered to be a destination for yachters, but a home port for provisioning, maintenance, unique services and many other auxiliary purposes, according to Ms. Johnson, President of the SMMTA*(2010)*. This distinction will become essential in estimating the true value of the yachting industry as this report progresses.

1.2 Limitations and Bottlenecks

In doing this research report, several limitations and setbacks were realized. Of these setbacks, the most common and frustrating one, was the lack of documented information on the yachting industry in government offices, statistical bureaus, internet websites and even to some extent private marinas. This made the gathering of secondary data very difficult, as there was little information to go by and what information that was documented was extremely outdated.

Additionally, gathering primary information through surveys and interviews proved difficult, as most marinas have gone into skeleton crews since the season is over at this present period. As a result, it was difficult to interview many marina managers, as most were off-island attending yachting trade shows and promos in the USA and Europe.

Finally, due to a lack of documented information on the yachting sector by government bodies, most information obtained was provided by the large sized marinas on the island. This could be taken as a subjective view of the industry, as all marinas on Dutch SXM are privately funded and in some cases express poor feelings towards government institutions. These poor feelings are brought on by the fact that these companies do not believe the Government of SXM fully understands the sensitivity of the marine industry and the ways in which, government policies are currently affecting the industry.

1.3 Background on Client

The St. Maarten Tourism Bureau (STB) is a governmental department on the island of St. Maarten Netherlands Antilles and is a department within the Sector Economic Affairs & Tourism, of the island government. It is charged mainly with advising the Executive Council and in particular the commissioner of tourism regarding tourism related matters, while at the same time being the arm of government that executes policy *(Annual Report, 2007).*

Furthermore, the STB is made of several divisions/sections, namely the Marketing Division, Product Development and Visitor Services, Administration, International Representations/ Offices and Research and Statistics. However, in this report the division of product development and visitor relations will be the client (*Annual Report*, *2007).*

The St. Maarten Tourism Bureau handles all matters in developing a sustainable tourist product by undertaking physical developments and improvements on the island and ensuring that all visitor assistance programs and deterrent efforts of St. Maarten are treated with the utmost attention and respect. Furthermore, this division also caters to local tourism awareness programs on the island and tackles any issues that need consciousness, for example the Caribbean Tourism Conference (CTC) , the Florida Caribbean Cruise Association (FCCA) Holiday Gift Program *(Annual Report, 2007).*

Additionally, the St. Maarten Tourism Bureau also participates in planning events with other organizations to make St. Maarten attractive as a tourist destination, for example the Heineken Regatta and the annual carnival. Finally, the bureau also plays a role in sponsoring events and festivals on the island with the aim of attracting regional visitors and mostly to create an entertainment outlet for the local population *(Priest, 2010).*

1.4 Project Context

In the last decade, the marine industry has become one of the major contributors to the tourism sector of St. Maarten. The prosperous environment of the industry has proven to have a major impact on the economy and subsequently, the Gross Domestic Product (GDP) of the island. From an impact study conducted in 2003, by the Economic Commission for Latin America and the Caribbean (ECLAC) the marine industry earned an estimated USD 58.61 million to the economy *(St. Maarten: The Yacht Sector, 2003).*

Ever since then St. Maarten has observed considerable expansion in the industry with the ever increasing enlargement/ enhancement of the marinas and bridges. This also has lead to further growth in the industry economically.

In this report the exact economic and social impacts will be explored, in order to gain a comprehensive picture of really what this new tourist product means to the island of St. Maarten. The report will indicate all the major benefits and pitfalls that the island of St. Maarten can expect in developing this industry further from a financial viewpoint. It will also investigate the possibilities of enhancing this industry in a sustainable manner; in order to create a balance among the environment, land space, public concern and financial means of St. Maarten.

1.5 Research Objectives and Goals

The key goal of this report is to examine the marine/yachting industry in economic terms, in order to fully draw a picture of what further developments can be done to make the industry more lucrative for St. Maarten in a sustainable manner. As well as, discovering what adverse impacts the yachting industry is creating for the island in terms of the marine environment, spatial matters and some associated economic factors directly related to this industry when expanding in this sector.

1.6 Definition of Acronyms

SXM- St. Maarten

SMMTA- St. Maarten Marine Trade Association

SMPA- St. Maarten Port Authorities

SLAC- Simpson Bay Lagoon Authority Corporation

EPIC-Environment Protection in the Caribbean

IGY- Island Global Yachting

ECLAC- The Economic Commission for Latin America and the Caribbean

CBS- Central Bureau of Statistics

1.7 <u>Current Data Available</u>

Currently, statistical data for the yachting industry is scare, outdated and poorly investigated in SXM, because there are no clear distinctions for this new industry and it is not considered in the National Statistical Yearbook, as that document is excludes the majority of marine leisure vessels *(ECLAC, 2003)*. For this reason, it is hard to document data for this sector. However, the Central Bureau of Statistics and the Department of Economic Affairs do aim to set categories that will be able to determine the activity of this sector in the future.

Nevertheless, there are several reports that were prepared in the past on the yachting industry in SXM and they are namely, The St. Maarten Yachting Sector prepared by the ECLAC organization in 2003, St. Maarten Compared to other yachting destinations in the Caribbean prepared by Curconsult on the behalf of the SLAC in 2008 and finally, a report to determine the revenue base for the yachting industry in SXM, by the SMMTA in 2008. These three reports will be used throughout this research report, in order to create a semblance of the situation at hand.

Section 2: Situation Analysis of Current Yachting Sector

2.1 Historical Background & Profile Changes

In the 1980s the yachting industry in SXM was very small with only three docks on the island and a total of 37 slips altogether. At that time cruising boats thought the island to be a perfect hub for travelling between the Virgin Islands and Antigua, which were the most popular yachting areas at that time.

However, by 2002 things began to change in the marine industry and the island experience a boom in its yachting sector, as excess revenue received from the tourist industry led to a cash spin off that made the establishment of specialized businesses possible for the yachting industry.

This boom was brought about by a series of critical factors, which left SXM benefiting from them. Some of these factors that made SXM special were:

- The island was and still is duty free, which made the importing of goods simple
- Little government interference
- Large investments by the private sector gave the industry the extra push it needed to become a lucrative sector on the island.

Due to all these positive advantages SXM became sought after as a home port for vessels, for maintenance, provision, services and skilled personnel for boats, as they were readily available on the island. At this time all private marinas made the silent decision to let SXM be known as a home port versus a destination, since more income was the result of targeting this niche.

2.1.1 Current Fleet Profile

In the past, the types of boats that visited SXM were wooden and approximately 50-foot vessels. Then by the 1980s bareboats came to SXM, they were then closely followed by bigger boats. These boats were coming from the Bahamas and they were around 46 feet, all dedicated and designed for chartering. This period began the change of the fleet profile in SXM *(ECLAC, 2003)*. Currently, SXM is home port to many vessels that range from 80 feet to 300 feet. Here as follows are profiles of the current vessels frequenting SXM.

- **Bareboats**

Bareboats can be found on the French side of SXM. They have migrated to the northern side of the island; due to favourable French tax law that make it more affordable for owners and operators.

- **Cruising boats**

Cruising boats are boats that are used for housing and transport for long periods. Mostly owners of this type of boat are either on a long vacation or retired. These boats range from 30 to 70 feet and their owners generally operate on a budget. Therefore, staying in SXM for long period proves beneficial from a monetary stand point.

- **Crewed Charter Yachts**

These vessels are popular in SXM, they are considered to be medium size boats that operate on sail and power ranging between 50 and 80 feet and in some cases up to 170 feet. Owners of these vessels like the island greatly for its competitive pricing and possibility of international air connections.

- **Super/ Mega Yachts**

Mega yachts are found in large numbers on SXM, due to the island being an exceptional home port for provision, maintenance and specialized services. However, these mega yachts stay less for shorter periods on the island. They operate on seasonality, which means that they are present during the high season, which lasts from December to May and leave during the off season, which starts from June to November.

- **Day Charter Yachts**

Day charter yachts vary in boat types. However, these yachts play a vital role in providing an essential attraction to land based tourist that visit the island. These boats are designed with special offerings for various niches. This is a new trend in SXM and never existed in the past.

2.1.2 Marinas on SXM

Here as follows are the marinas on Dutch SXM and their most recent developments for the yachting industry.

- **Isle Del Sol Marina (IGY)**

Isle Del Sol is a marina located in the Simpson Bay lagoon that is part of the IGY Company. This marina can handle the largest of the mega yachts that visit the island and provide these yachters with a variety of services ranging from simple faxing to other luxury items like private bridges and personalized services. This marina has 45 slips for yachts up to 320 feet with a depth of 18 feet. Grade A fuel is offered at every slip along with various power and water connections *(Harbour, 2010).*

- **Simpson Bay Marina (IGY)**

This marina is near to the Princess Juliana International Airport and is sheltered in a tranquil area on the Simpson Bay lagoon. This marina is capable of facilitating small vessels to mega yachts as well. It provides various services like its sister marina Isle Del Sol and has many personalize provisions for all yachters needs. The marina has 20 slips for yachts up to 190 feet with a maximum depth of 15 feet. The marina offers grade A fuel as well with various power connections and water *(Harbour, 2010).*

- **Palapa Marina**

This marina is also located in the Simpson Bay lagoon near to the Princess Juliana Airport and has a long dock staffed by a competent management team *(Harbour, 2010).* This marina is located closely to the main road and can be used for meetings. The marina also offers a wide range of services from cable TV to mechanical work. The marina has 22 slips with a maximum of 200 feet at a depth of 18 feet. Yachts can fuel at every slip and have access to various water and electricity connections (*Harbour, 2010).*

- **Yacht Club Port de Plaisance**

Yacht Club Port de Plaisance is a professionally-run, mixed- used marina with 90 plus slips for vessels from 40-250ft. Their first class service and helpful staff gives this marina a formidable reputation among other marinas on the island. It caters to all sizes of boats and provides any auxiliary service needed in ensuring all clients are happy. These services includes fuelling, high speed internet, satellite TV, telephone, speciality provisions and much more *(Harbour, 2010).*

- **Dock Maarten Marina**

Dock Maarten Marina is the closet marina to the A.C. Wathey Cruise and Cargo Facility, which welcomes 1.25 million cruise vessels per year *(Harbour, 2010)* and is located on open water. This marina is expected to expand in the near future to create a number of slips all dedicated to mega yachts. Currently, the marina has 45 slips with a maximum size of 12 feet and a maximum depth of 15 feet. The marina also offers electricity possibilities, water connections, fun based and provisioning services *(Harbour, 2010).*

- **Bobby's Marina**

Bobby's Marina is a modern facility with a full-service marina and boat yard *(Harbour, 2010).* This marina is currently located in Philipsburg, however it is expected that this marina will be relocating to Cole Bay on the lagoon as well. The expected facilities will include a new 150 ton Travel lift and will handle vessels of all sizes. Currently Bobby Marina's has 60 slips in the water and 110 on land. The marina also offers electricity, water connections and fuelling *(Harbour, 2010).*

2.1.3 Identification of Recent Developments

Developments in the yachting industry cannot be monitored or predicted. Development occurs based on the yachters, their vessels, technical requirements and maintenance. Due to this, destinations are selected carefully in order to always satisfy the yachts service needs.

In that respect, St. Maarten is more than capable of meeting these service needs and desires, as all marinas on SXM cater to this specific niche market of being provision providers. Therefore, it is safe to say that SXM draws a considerable amount of vessel traffic, because of its ability to meet technical requirements that are not available in most of other island territories in the Caribbean.

Therefore, it is of extreme importance that SXM marinas always stay focus on their niche market and steer away from strategic drift, as current developments in other island territories could prove to be risky competition for SXM. Due to this knowledge and trends of this ever changing industry, marinas on SXM are:

- Promoting their marinas more in trade shows around the world
- Constantly upgrading facilities
- Importing specialized equipment
- Having larger supplies of rigging material
- Chandleries are always increasing product ranges and product offerings
- Always trying to offer better services than their competitors

These are just a few of the ever increasing developments on SXM.

Currently, the idea of making SXM a home destination is on the rise. This can become a reality if both the French and Dutch sides of the island work together to foster a relationship based on mutual benefits. To promote SXM not only as provisioning and servicing, but, as a place where yachters/cruisers can come to relax and enjoy island living and culture. This will become more important as new international marinas are built in the region.

2.2. Patterns and Level of Use

In the early 1990s yachting patterns of SXM was all geared towards the Great Bay area, this was the centre of activity for docking and anchoring. However, by the late 1990s this trend changed and activity moved towards the Simpson Bay Lagoon. This change occurred rapidly and without much indication, transforming yachting patterns for SXM dramatically *(ECLAC, 2003).*

It is clear that after the catastrophic hurricane Luis in 1995, which completely destroyed the island's infrastructure, Simpson Bay lagoon started its conversion process. Yachters and astute business men saw that the lagoon offered great protection against the elements and had enough possibilities to build proper yachting facilities. Additionally, spin off cash from tourism revenue made it possible for expatriates visiting SXM to set up shop and start specialized services for the yachting industry. Together these ventures made the Simpson Bay lagoon a most sought after venue for home porting in the Caribbean.

At this time, Simpson Bay is still the area mostly used by yachters. However, with recent government regulation medium size vessels are starting to frequent the French side of the island much more, as it is cheaper to dock or anchor there. This loss in medium size vessels is very serious and comes with implications for the Dutch side of the island, as these yachters tend to stay longer periods of time throughout the high and low seasons and they are generally the largest group of yachters to the island. This loss of revenue due to excessive fees is and will continue to alter the pattern of yachters in SXM.

On the contrary, mega/super yachts still find the protective cove of the Simpson Bay lagoon to be very appealing and important. Especially, since it is easier for all mega yachts to have access to specialized services, the most favourable immigration duties and access to Princess Juliana International Airport.

However, future trends for the Simpson Bay Lagoon shows this might all change, stemming from the increase of competitors joining the marine industry in the Caribbean and government regulations and immigration policies that are limiting the freedoms and benefits to all yachters. This will ultimately change the patters and level of use for yachters in SXM and the Simpson Bay lagoon.

2.2.1 Docking Fees and Clearance Fees

The Simpson Bay Lagoon Authority Corporation was established by the SMPA in 2002 to manage, develop and control the Simpson Bay lagoon including the Simpson Bay Bridge; to collect all fees as stipulated by the Bridge Ordinance and the Harbour fees Ordinance *(Fees & Info, 2010).* Therefore, all vessels entering and exiting the Simpson Bay lagoon are obligated legally to clear in by the SLAC and pay all fees associated. These fees are bridge fees, harbour fees and clearance fees *(Fees & Info).*

Here as follows are all fees associated with entering and exiting the Simpson Bay Lagoon.

Bridge fees during regular opening hours entering the Lagoon:

USD 10 for boats from 9 to 12 meters in length
USD 30 for boats from 12 to 15 meters in length
USD 60 for boats from 15 to 18 meters in length
USD 120 for boats from 18 to 22 meters in length
USD 200 for boats from 22 to 28 meters in length
USD 300 for boats from 28 to 36 meters in length
USD 500 for boats from 36 meters and larger.

Source: SLAC: Fees

Special Bridge openings per vessel and per opening may be requested 24 hours in advance for openings between 6.00 AM and 6.00 PM at a fee of USD 1.000 regardless the length of the vessel and must be paid in advance.

Harbor fees:
USD 20 per week or a portion of a week for boats from 8 to 13 meters in length
USD 40 per week or a portion of a week for boats from 13 to 18 meters in length
USD 60 per week or a portion of a week for boats from 18 to 23 meters in length
USD 90 per week or a portion of a week for boats from 23 to 28 meters in length
USD 120 per week or a portion of a week for boats from 28 to 33 meters in length
USD 150 per week or a portion of a week for boats from 33 to 38 meters in length

USD 180 per week or a portion of a week for boats from 38 to 43 meters in length

USD 210 per week or a portion of a week for boats from 43 to 50 meters in length

USD 250 per week or a portion of a week for boats from 50 to 75 meters in length

USD 290 per week or a portion of a week for boats from 75 meters or larger

Source: SLAC: Fees

Customs Clearance fees:

USD 2 for boats of 1 – 99 gross tons

USD 5 for boats of 100 – 499 gross tons

USD 9 for boats of more than 500 gross tons

Source: SLAC: Fees

Harbor Clearance fees:

USD 5 for boats of 1 – 99 gross tons

USD 10 for boats of 100 – 499 gross tons

USD 20 for boats of more then 500 gross tons

Source: SLAC: Fees

2.3 Structure and Dynamics of the Yachting Industry

The structure of the yachting industry in SXM varies from other popular yachting islands in the Caribbean. This difference stems from the fact that SXM is not presently promoting itself as a home port, but as a provisioning and service port for all yachters.

SXM marinas see this niche market for themselves, as more money is pumped onto the island directly and indirectly through the means of supplies, services, food and etcetera. Also, the island's duty free status and relatively easy immigration has added to the attractiveness of the island. From this standpoint it is clear that this niche market was the right choice for SXM, as the island is frequented by many large yachts, some of which are the biggest in the world to stay for lengths of time preparing for the season to start.

That said, the structure and dynamics of the industry is slowly changing on the islands, as more islands are updating their marine industries and the conditions and opportunities that existed in the past for SXM is now changing, seeing that developments in the industry is at an all time high and SXM is having difficulty in maintaining its firm place as dominant market leader.

Also competition from French SXM is a pending threat or opportunity to Dutch SXM. This could mean that increase competition can force SXM to work collectively as one whole country, to either strive for the monopoly of the market by updating their offerings and transforming SXM into a home port or can relinquish their position as leader in the marine industry in the Caribbean if the decisions to remain separate, continues to stand.

2.4 SWOT Analysis of the Current Yachting Sector St. Maarten

Here as follows is a SWOT Analysis of the yachting industry in SXM.

Table 1: SWOT Analysis

Strengths	**Weaknesses**
S1Niche Market S2 Good management of the industry (private sector) S3 Lucrative industry S4 Competitive advantage S5 Exclusive service S6 Duty free S7 Flexible immigration regulations S8 Good reputation S9 Skilled personnel S10 Strong provisioning services S11 No public sector assistance S12 Hub between islands S13 Economies of scale S14 Market leader	W1 No government aid for promotion of the island W2 Expensive infrastructure W3 Small target group W4 Spatial constraints W5 Lack of proper statistical data W6 Lack of marine industry awareness by government and population W7 Lack of proper solid waste and lubricant facilities W8 No oil emergency reaction plans W9 Lack of proper sewage and black/gray water facilities
Opportunities	**Threats**
O1 New expansions in Great Bay area O2 Further development of industry O3 Cooperation with French and Dutch SXM O4 Lower fees and clearance fees O5 Government assistance with promo aid 06 Government Assistance in illustrating the importance of the Yachting Sector O7 Specialized personnel O8 Wider variety of services and provisions O9 Reduce government legislation O10 Tax holiday/incentives	T1Regional competition T2 Government Interference T3 Increase clearance, harbour and bridge fees T4 Increase marine regulation T5 Changing immigration laws T6 Bad customer services by immigration officers T7 Loss of medium size vessels T8 Strategic drift T9 Decline of yachting industry

Section 3: Methodology

In order to gather all pertinent data for this research report, three research gathering tools were utilized, these were desk research, semi-structured interviews and online surveys.

3.1 Desk Research

In doing the desk research for this report, books on the marine environment and all marine based industries were consulted for a clear idea of the true value of this sector for SXM. Additionally, printed reports provided by Mr. Keith Franca, director of the SMPA and Mr. Eddy Johnson, member of Maritime Affairs office on the yachting industry in SXM was examined closely, as they set the foundation on what was discovered to be the advantages and disadvantages of the yachting industry in SXM in the past. Finally, other relevant material received by the thesis provider, the internet and the CBS were used to establish this report.

3.2 Semi-Structured Interviews

Interviews were another form of an information gathering tool used for this report. In total seven people were interviewed. Each person was selected based on the information that was needed to answer the central question of this report.

Ms. Kas Johnson, president of the St. Maarten Marine Trade Association was interviewed, as this organisation was the only place that could answer all questions being posed to it, since all its members are marine associated companies. Furthermore, Mr. Reuben Thompson member of the EPIC foundation in St. Maarten was requested for an interview, as he would provide a clear idea of the environmental impacts the yachting industry was creating for SXM.

Mr. Brian Deher, operations manager of Ile Del Sol Marina and director of IGY was also interviewed. Mr. Deher was selected, due to his knowledge and experience of the marine industry. His international orientation, as he works with a renowned company that caters to developing luxury marinas and fostering yachting lifestyles around the world, was equally of importance to his selection to add input to this report.

Mr. Louise Halley of the Department of Economics and Affairs was also singled out for an interview, as he is the only representative of the government that deals with the yachting industry. Mr. Halley was essential in discovering government knowledge of this industry.

Lastly, Mr. Patrick Barrett of Port de Plaisance Marina, James Roidis of Porto Cupecoy Marina, Petra Gilders of the St. Maarten Yacht Club were also interviewed, as they run and manage their respected marinas annually dealing with all positive changes and negative setbacks, either determined by the economy or by too much government regulations.

3.3 Online Survey

Due to time constraints and scheduling drawbacks, some interviews had to be replaced with an online survey. This survey consisted of 39 questions all geared towards marinas on the island. This form of surveying made getting the information easier, as interviewees had more leisure in answering the questions.

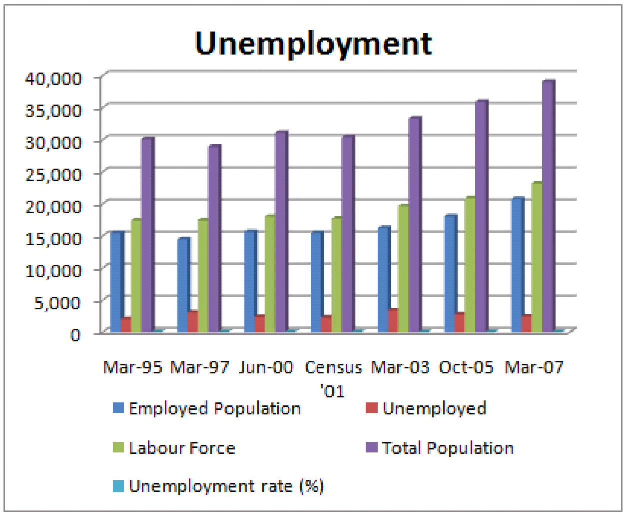
The survey was sent to La Palapa marina, Simpson Bay Marina, Dock Maarten Great Bay Marina, Isle Del Sol Marina and Budget Marine. Unfortunately out these interviewees, three was unable to participate, as they were overseas at the time. These marinas were namely, Dock Maarten Great bay Marina, Simpson Bay Marina and La Palapa.

The purpose of this survey was to gather pertinent information about the marinas on the island to determine the disadvantages and advantages of the yachting industry, as barely any information is retrieved and maintained by either public or private sectors.

Section 4: Economic Aspects of Yachting Sector St. Maarten

4.1 Employment

Graph 1: Unemployment 2008



Source: St. Maarten Economy

Please refer to the graph above. In March 2007 it had about 20,000 people employed in SXM and a labour force of roughly 23,000 people. This means that approximately 87 percent of the population was employed at that time. Furthermore, 85 percent of that figure represents the employment rate, made up of tourism and the marine industry based jobs.

In the subsequent sections, employment will only be discussed in terms of the Yachting industry.

4.1.1 Direct Employment

Table 2: Impact Marine Industry

Impact Marine Yacht Industry on the economy of St. Maarten 2007*			
	Yacht industry	St. Maarten Tourism Industry	Share
Persons employed	2,794	16,241	17.2
	1.000 Naf		%

Production	398,994	2,450,485	16.3
Value added**	168,464	1,077,935	15.6
Wages and salaries	106,529	629,088	16.9
Investments in fixed assets	19,445	132,044	14.7

Source: CBS: Methodology. Impact of Yachting Industry on St. Maarten

From the table above it is clear to see that the yachting industry in the year 2007 directly employed 17.2 percent of the population in SXM. This number is constantly increasing according to Ms. Johnson (President of SMMTA), as in SXM there is high demand for specialized high skill labour.

This excessively high demand plays a major factor in the growth of the industry. Furthermore, if SXM plans to maintain its strong hold of being a premier destination for provisioning, the island will need to keep updating its services and increasing job positions in more skilled and specialize areas to match the vessels that are being made now.

Therefore, possible job openings will always lie in the areas of electrical and electronic installation and servicing, rigging services, mechanical repairs, provisioning, personnel training and much more *(Johnson, 2010).*

4.1.2 Indirect Employment (Auxiliary Services to the Yachting Industry)

Indirect employment generated by the yachting industry can range from a series of jobs. These jobs in no way primarily service the sector. However, they do fulfil all needs created by the yachting sector. Some examples of these jobs lie in the areas of boat supplies, equipment, parts/tools by Budget Marine, Napa, Checkmate Security, Sol gas providers, wine stores, laundry service and garbage disposal, taxi services, car rentals, supermarket and food wholesalers, travel agencies, banking services, restaurants and bars, cleaning services, hair salons, dive shops, florists, gas suppliers, medical services and many more *(ECLAC, 2003).* This indirect employment occurs at all times of the year insofar as the core marine businesses are requiring support services to operate their own business *(ECLAC, 2003).* Furthermore, it is very difficult to determine the extent in which indirect labour affects the yachting industry, as the industry works in seasons and no proper statistical review exist where information of such is stored for future growth inspections.

4.1.3 Employment Practices

Employment practices differ for diverse activities. In chandleries and larger service establishments employment is year round. Additionally, marinas and boat yards also maintain core staff year round and may take on extras during busy seasons.

However, the most seasonal employment practices are found amongst independent day workers and contractors that work in boat yards. The reason for this is the simple fact that they only open for work during peak seasons.

4.1.4 Available Skills

Currently, the skills that are required for the servicing, repairing, maintaining and provisioning of these specialized mega yachts are hard to come by and mostly persons interested in these areas of occupation need training, education and knowledge of the specific fields. In the past these positions were only held by expatriates, which relocated to the island and opened business here for the yachting industry.

Currently, this is still the case on SXM. However, it is clear that the lack of manpower or talent is not the problem anymore for the locals of SXM *(Deher, 2010)*; it is the lack of desire to work in this industry, which is quite worrying for the island *(Deher, 2010)*. Therefore, to-date the skills needed to fulfil the wants and needs of the marine industry are still being met by extraneous sources *(Halley, 2010).*

4.2 Public Sector Revenues

Direct receipts for the public sector from the yachting industry are limited. This limitation is due to clearance fees being very low in nature, around $ 20.00 per departure. This indicates that government is not earning much income in this respect.

On the contrary, public sector receipts from taxation are comparatively high. Nevertheless, exact tax figures for this industry is nigh impossible to account for, as to-date there is no distinct categorization for this taxable industry. Furthermore, the existence of no tax holidays on profit taxes given to other industries does not include the yachting industry. For that reason, it is safe to assume that the yachting industry is a supporter of government revenues.

4.2.1 Taxation Environment

There are no tax revenue figures that can be used in any significant manner to evaluate the contribution to the marine industry to the public sector *(ECLAC, 2003).* This is the case, as there is no separate categorization of the industry, where exact figures can be documented and studied carefully.

Furthermore, as already mentioned, there are currently no tax holidays or tax incentives that have been granted to the marine industry. This means that the marine sector generally bears full tax burdens year round *(Halley, 2010).* There are however, exemptions, which can be granted in respect of turnover tax for deliveries to foreign customers, these exemptions unfortunately, are underutilized and hence increasing the tax burden of the industry *(Halley, 2010).*

4.3 Measuring Economic Impact

In this section of the report the economic impact of the yachting industry will be addressed for SXM in terms of the actual revenue base of the core marine services and its contribution to the GDP.

4.3.1 Revenue Base of Core Marine Services

Table 3: Affects of the Yachting Industry on other industries

Totals of St. Maarten	Production	Value added	Wages and salaries	Investments
per industry 2007 *	*1 mln Naf			
Agriculture	15,8	5,9	3,9	0,0
Manufacturing	65,3	29,8	20,0	2,1
Utilities	174,0	64,9	17,9	1,3
Construction	516,5	154,8	103,1	30,8
Wholesale and retail trade	430,4	212,5	135,4	7,3
Hotels and restaurants	326,2	127,2	81,9	16,5

Post and telecommunications	290,8	165,7	72,0	39,3
Financial intermediation	126,3	74,5	23,1	5,6
Business activities	274,1	134,6	92,8	13,2
Private education	13,0	5,8	6,1	1,0
Health and social work	60,1	36,9	26,7	3,9
Other service activities	157,9	65,3	46,3	10,5
Total	2450,5	1077,9	629,1	132,0

Source: Central Bureau of Statistics

Based on the table above, it is clear that the yachting sector affects many industries on the island. However, those utilized most are the construction industry that receives around 516, 5 million Antillean guilders in 2007. The wholesale and retail trade industry also earned approximately 430, 4 million Antillean guilders in 2007. These industries depend heavily on this sector of the economy.

Furthermore, total BBP of St. Maarten is Naf 1,340 million, the share of the yacht industry in this total is 12.5%. This is a significant share of the economy, taking into account this industry really operates on seasonal bases. If further development occurs on the island and more promotion is put into place to attract boats for longer periods of time and visits to the island are extended, this figure can surely increase double fold, as quoted by Mr. Deher (Director of IGY St. Maarten).

Further information on the actual revenue base of this sector cannot be accounted for, as this data is not in existence as of yet.

4.3.2 Contribution to GDP

Currently, there are no exact figures for the gross domestic product of SXM. This stems from the fact that SXM is still a part of the Netherlands Antilles. Therefore, all economic valuations of the economy are done in a combined fashion, where the financial worth of Saba, St. Eustatius, Bonaire and Curacao is taking into consideration with SXM. However, according to revenue impact report conducted by the SMMTA the yachting industry makes up 16.7% of total GDP of the island *(Duyndam, 2010).*

Section 5: Competitor Analysis

5.1 French St. Maarten

In this section of the report French St. Maarten will be explored briefly to discover the unique features of the island, island fees for yachters and a short summary of the marinas on the island.

5.1.1 Island Characteristics

The main port of entry on French St. Martin is in Marigot Bay at Fort Louis Marina. The French side of the island has a regional airport, but depends on the Dutch side to supply international airlifts. Furthermore, this side of the island has open access to the Atlantic Ocean and the Caribbean Sea for direct island hopping. The French side has no bridges to pass through and as a result no tariffs to go with it, making French SXM a cost effective port to dock/ anchor based on the specific desires and budget of the yachter.

5.1.2 Island Fees

Customs & Immigration

On the French side of St. Martin yachters/cruisers have to pay a small fee of $ 8.00 to customs for clearance to dock/anchor on the French SXM. Additionally, a yacht with crew members will be charged an immigration fee of $ 10.00 and $ 20.00 when travelling with passengers. There is no cruising permit needed on the French side of SXM and when leaving the area, departure tax per person is only Euro 3,-- *(Curconsult, 2008).*

Port Authorities

Besides, anchoring fees, which are EUR 0.40-0.50 per meter/per day, there are no other port charges that have to be paid on the French side. Using the Sand Ground Bridge that connects Marigot on the French side to the Simpson Bay lagoon on the Dutch side is also used by yachters without charges *(Curconsult, 2008).*

5.1.3 Marinas

On the French side of SXM, there are only three marinas in existence. Of these three, two offer 210 slips collectively, while the third marina has 100 slips respectively. Here as follows are the basic tariffs for the marinas on the French side of SXM.

Table 4: Marinas on French St. Martin

Marinas on the French Side			
Marinas	**Slips**	**Size**	**Rates in USD**
Marina Fort Louis	152	45 ft yacht	1.3
		100 ft yacht	1.7
Port Lonvilliers	150	no mega yachts	1
Port La Royale	60	no mega yachts	0.95

Source: Curconsult 2008

5.2 St. Barths

In this section of the report St. Baths will be explored briefly to discover the unique features of the island, island fees for yachters and a short summary of the marinas on the island.

5.2.1 Island Characteristics

St.Barthelemy or St. Barths is an overseas colony of France, situated between St. Maarten and St. Kitts & Nevis. Its main industry is based on high end tourism and on duty free luxury commerce (*Curconsult, 2008).* The island itself is a very quaint and small one, yet one of the most popular areas for yachters that believe it to be a destination worth visiting to relax and enjoy. There is only one port, Port Gustavia and it is also the only place to dock on the island. Furthermore, there is also a small airport (Gustaff III Airport) that is on served by smaller regional airplanes. All international visitors therefore, must fly through St. Maarten international airport, Princess Juliana.

5.2.2 Island Fees

St. Barths has no marinas; however, yachters do have the possibility to anchor. Dockage is possible in the Port of Gustavia where 60 slips are available for yachts that are no longer than 200 feet and a maximum draft of 15 ft. Therefore, for mega yachts that are 100 ft and more it is not possible to moor in the harbour. In this case these mega yachts have two options: moor their sterns to the dock, which will cost an average of EUR 150.00 per day or anchor outside the harbour, which will cost an average EUR 50.00 per day *(Curconsult, 2008).*

Additionally, boats that are approximately 45 feet can anchor outside the harbour for roughly EUR 8.00 per day. They can also moor in the harbour at EUR 19.00 per day or can stern to dock at EUR 44.00 per day.

5.2.3 Marinas

St. Barths has no marinas as already mentioned. Dockage is only possible in the Port of Gustavia where 60 slips are accessible for yachts that are smaller than 200 feet and has a maximum draft of 15 feet. Also it is possible to anchor in the inner and outer harbour. This is all the facilities that are offered in St. Barths. For this reason this island is only considered a destination.

5.3 British Virgin Islands

In this section of the report British Virgin Islands will be explored briefly to discover the unique features of the island, island fees for yachters and a short summary of the marinas on the island.

5.3.1 Island Characteristics

The economy of the British Virgin Islands is one of the most stable and prosperous in the Caribbean; the islands highly depend on tourism, as it makes up 45% of the GDP *(Curconsult, 2008).* Furthermore, the BVI islands are extremely popular when it comes to being a cruising destination and it has the largest bareboat charter centre in the world.

BVI is truly liked, because there are many recreational activities for yachters. Sailing is easy, as the waters are protected from trade winds and ocean swells. Finally, the islands are located closely to each other, making the possibility of island hopping very achievable. Furthermore, the biggest islands are

Tortola *(the most popular)*, Virgin Gorda, Jost van Dyke and Anegada. The BVI airport (Beef Island Airport) is located in Tortola and mainly handles regional flights throughout the Caribbean. For international passengers, they must either fly through St. Thomas, Puerto Rico or St. Maarten to fly to the BVI islands *(Curconsult, 2008).*

5.3.2 Island Fees

Customs & Immigration

In order to be allowed to cruise in BVI waters, a permit is needed. The cost of this permit varies greatly, as it is based on several criterions. Firstly, it has to be determined whether or not if yachters are based in the BVI. After which the price is calculated by per person sailing. It is a $ 4.00 fee per person/per day for non BVI based charter yachts (year round) and $2.00 per person/per day for BVI based charter yachts during peak seasons and $0.75 during low seasons *(Curconsult, 2008).*

In addition, all vessels chartering for commercial use in BVI waters are obligated by law to purchase an annual cruising licence, with the cost for this licence depending on the size of the vessel. Also, all private vessels staying over a month in BVI will have to purchase a temporary importation fee of $ 200.00 and an annual tonnage fee will be charged to them, of which can be no more than $55.00. Lastly, all persons leaving the BVI area must pay $ 5.00 each for departure tax *(Curconsult, 2008).*

In addition, to these fees mentioned above, there are also marine park fees for the National Parks in BVI. In order to moor in these areas, a permit has to be purchased *(Curconsult, 2008).* This cost for this permit varies based on vessels ownership status, therefore whether it is private are chartered, the number of persons onboard and where the vessel is legally registered. An approximate charge for mooring in the National Marine parks with a boat no longer than 60 feet is approximately $25.00 per night.

5.3.3 Marinas

The island of Tortola has the most marinas in the BVI, followed by Virgin Gorda, who also have marinas on the island. On the other hand, Anegada and Jost Van Dyke do not possess any marinas; though there are anchorages and mooring areas available for those interested. In total the BVI has around 20 marinas with an average of 87 slips. The biggest marina in BVI has around 180 berths available for yachters.

In Tortola yachts ranging from 45 ft to 190 ft can be accommodated. In Virgin Gorda the maximum is 140 ft and other marinas on these islands, the possibility for mega yachts to be accommodated is also possible.

Here as follows is a table with the marinas in BVI and their cost structure. Rates are calculated according to the season or to the length of the vessel. Moreover, the average cost of a yacht per foot is roughly $1.50 to $2.00 based on daily rates *(Curconsult, 2008).*

Table 5: Marinas in BVI

Marinas in BVI			
Marinas	**Slips**	**Size**	**Rates in USD**
Virgin Gorda Yacht Harbour	111	up to 50	1.4
		51-140	3
Soper's Hole Marina	65	<16 beam	1.25 (1.00)
		>17 beam	1.50 (1.25)
Nanny Cay Marina	180	up to 50	1.25
		50 +	1.5
Village Reef Marina	106	up to 50	1.5
		50-79	2.05
		80-190	2.75
Manuel Reef Marina	40		1.2
James Young Marina			1
Lighthouse Marina			1.25
Penns Landing Marina			1.45
Peter Island Yacht Harbour	18	up to 50	2.5
		100+	4.25

Source: Curconsult 2008

5.4 Antigua & Barbuda

In this section of the report Antigua will be explored briefly to discover the unique features of the island, island fees for yachters and a short summary of the marinas on the island.

5.4.1 Island Characteristics

Antigua & Barbuda is located in the Leeward Island and is the largest most developed of these islands. Antigua & Barbuda is an independent Caribbean nation of 108 square miles (Antigua) and 68 square miles (Barbuda) with a beautiful unspoiled coastline *(Antigua & Barbuda Marine Guide, 2010).*

In the past Antigua & Barbuda has been one of the top destinations for yacht chartering, racing and cruising. It has been recognized for its hosting of the Antigua Sailing Week and the Classic Yacht Regatta. These events and more just add to the appeal of these islands for yachting visitors.

Tourism dominates the economy of the islands accounting for more than half of the GDP. The GDP per capita for the island is approximately 18,300 (estimated in 2007) and constantly on the increase *(Curconsult, 2008).* Moreover, due to its scenic landscape and protective waters, the island nation hosts many marinas that cater to vessels of all sizes.

5.4.2 Island Fees

Antigua & Barbuda has upon arrival at ports of entry a fee that must be paid; this fee is based on the length of the vessel. It ranges from $2.00 (up to 20ft) to $12.00 (120-150 ft). There is also a clearance fee of approximately $ 3.00 per person *(Fees, 2009).*

Moreover, in order to make use of Antigua's waters, a cruising permit is necessary. This permit ranges from $ 8.00 (up to 20ft) to $ 20 (120-150) per month. There is also the possibility of purchasing an annual permit, which can be handy to avoid paying the charge at every entry *(Fees, 2009).* Additionally, mooring fees in English Harbour and Falmouth Harbours are cheaper than berthing at the docks and are calculated per foot per day, week or month *(Fees, 2009).*

Furthermore, National Parks Authority fees are also charged to specific marinas on the island. These are Nelson's Dockyard, Antigua Slipsway, Antigua Yacht Club Marina, Falmouth Harbour Marina and Catamaran Marina. Finally, there is a charge of EC $5.00 per person for dockyard entries *(Fees, 2009).*

5.4.3 Marinas

In Antigua and Barbuda there are several large marinas in existence and several smaller ones as well. These smaller marinas are used for temporary docking space while visiting city areas or shopping malls.

Here as follows are the larger marinas on the islands. These are used more frequently and host a variety of vessels sizes.

Table 6: Marinas in Antigua & Barbuda

Marinas in Antigua & Barbuda			
Large Marinas	**Slips**	**Size**	**Rates in USD daily**
Nelson's Dockyard Marina	30	max 60 meters	
Antigua Yacht Club Marina	65	up to 75 ft	1.5
		75-175	1.75
		175 and up	1.82
Falmouth Harbour Marina	60	200 ft+	0.95-1
Jolly Harbour Marina	105	max 80 meters	0.70-1.25
Catamaran Marina	60	max 200 ft	
Antigua Slipway	25	150 ft	1.5

5.5 St. Maarten and other destinations

<u>5.5.1 Marina Rates Comparison</u>

Refer to Appendix 1 for tabular format.

After careful scrutiny it is clear that all marinas in St. Maarten except to Isle Del Sol have comparable rates with those of Antigua & Barbuda, French St. Martin and the BVI. This higher daily price for Isle Del Sol lies in the fact that this marina represents IGY and it homes many mega yachts with super facilities and services.

Isle Del Sol markets itself above other marinas and positions itself in an extreme luxury bracket, because of this yachters do not only pay for dockage and services, but for an exceptional experience with skilled personnel that will go above and beyond to ensure that yachters needs and desires are met.

Furthermore, there are other marinas though very service oriented and possessing proper functioning infrastructure, have relatively lower rates. This is the case, due to marinas having different marketing structures and strategies geared towards various target groups. Additionally, to remain competitive in the yachting industry, especially when trying to attract medium size vessels, price does play a part, as this target group operates on fixed budgets. Therefore, the pricing of dockage must be a mutual benefit for both the marina and yachter/cruiser alike.

5.5.2 Cost Analysis of Clearance and Associated Fees

Please refer to chapter 2.2.1 for docking and clearance fees for SXM, chapter 5.1.2 for island fees for French SXM, 5.2.2 island fees for St. Barths, 5.3.2 island fees for BVI and 5.4.2 for island fees for Antigua & Barbuda.

Table 7: Cost Analysis of Fees Charged on Islands

Dutch SXM	French SXM	St. Barths	BVI	Antigua & Barbuda
Bridge fees	Custom Clearance	Mooring fees	Cruising permit	Entry fees
Harbour fees	Passenger fees	Anchoring fees	Commercial use license	Clearance fees
Customs clearance	Departure tax		Importation fees (private vessels)	Cruising permits
Harbour clearance			Tonnage fees	National Park fees
			Departure tax	Dockyard entry fee
			National Park Fees	

After taking into considerations all fees that are charged to yachters in each island discussed in this report. It is clear that St. Maarten (Dutch) and BVI have the highest custom clearances and associated fees. St. Maarten though possessing bridge fees, and harbour fees and several forms of clearance fees, the island does not have special permits and licences that yachters must have to purchase in order to remain docked/ anchored in local waters or national marine park fees.

Therefore, it is clear from this cost comparison Dutch SXM, French SXM, St. Barths, BVI and Antigua & Barbuda have similar cost systems that are reasonable to mega/super yachts. However, some areas for example Dutch SXM, St. Barths and BVI have more expensive charges for medium size vessels. This could pose a problem for all islands and Dutch SXM in particular, as medium size vessels control a large portion of the yachting industry and stay the longest in local waters, thus providing revenue for the local economy. For that reason, it is vital to always accommodate these yachters carefully and ensure that rates and fees are affordable for them.

5.5.3 Island Overall Appeal

Table 8: Islands Overall Appeal

Island Overall Appeal					
Island Destination:	**French St. Martin**	**St. Barth**	**BVI**	**Antigua**	**St. Maarten**
Island Characteristics	4	6	5	6	3
Island Fees	5	6	5	5	3
Marinas	3	1	4	4	6
Services	3	1	5	4	6
Provisioning	4	1	4	4	6
Maintenance	4	1	4	4	6
Specialized Personnel	2	1	3	3	6
Training	2	1	3	3	6
Immigration	6	6	5	5	3
Customer Satisfaction	5	6	5	4	5
Total	**38**	**30**	**43**	**42**	**50**

Legend
weight 1-6
1 being unsatisfactory
6 being excellent

*Based on desk research and interviewee's opinions

Please refer to table 8.

Based on the table above it is obvious that Dutch SXM has managed to receive the most points for overall appeal as an island destination for the yachting industry, at this moment in time. This table provides a clear impression on how successful the island is in terms of this new booming industry. However, you can still find areas that need attention, in order for the island to be a fully rounded package for yachters.

These improvement points lay in the areas of island fees, which are too expensive for small to medium size vessels, immigration points, which are very harassing to yachters due to its bureaucratic state and island features, which are difficult to change, as the geography of the island is self defined.

Moreover, the two closest runner ups are the British Virgin Islands and Antigua and Barbuda. Both these islands scored 43 and 42 points respectively on the island overall appeal. This is a clear indication that they are also doing well and can pose an imminent threat to the yachting industry in SXM in the near future.

Section 6: Government and Private Sector Policies

6.1 Interest Groups and Associations

Currently, there is only one recognized interest group that lobbies for the marine industry with government officials. This organization is known as the St. Maarten Marine Trade Association. This association works with all marinas, docks and marine based businesses that have an effect on the productivity of the marine sector.

Since, its inception in 1994, the SMMTA has been successful in ensuring that the marine industry in SXM achieves a higher profile, through ongoing and consistent involvement in social and political processes *(SMMTA, 2010).*

SMMTA promotes SXM, as a first class destination for state of the art provisioning and services. They do this for yachts of varying sizes and try to attract these yachters by illustrating the charm of the island. They stress on private sector infrastructure, the island’s tax free status, outstanding communication worldwide, gourmet restaurants, abundant night life, beautiful natural environments and the international airport, which caters to flights from around the world.

Finally, the SMMTA represents the marine industry and is considered to be the voice of the sector, given that the association has a special body that includes a government consultation committee that addresses all island infrastructure projects that could in anyway affect the marine industry.

6.2 Tourism and Yachting Policies

To-date there are no specific policies set in place for the yachting industry. The government acknowledges the viability of the sector and further encourages it to do its best to increase business activity, but nothing else has been done thus far to create actual rules and regulations for the industry. Furthermore, policies concerning the economic worth of the industry have still not been established, as the industry is still combined together with cruise tourism and not by itself, which makes gathering information on the exact value of this industry almost impossible.

6.3 Governmental Institutional Arrangements

Currently, there is still no direct organization that handles the growth and decline of the yachting industry in SXM. However, there are few influential institutions that have to take interest in this industry, as it plays a role in their businesses. These institutions are as follows:

- St. Maarten Port Authority (SMPA), which is a government utility company that is structured on the basis of a holding company. This organization is responsible for the cruise terminal and cargo operating company which makes up the majority of the island's economic value. The SMPA is also responsible for the SLAC organization and sets all rates and regulations. The Simpsons Bay Lagoon Authority Corporation (SLAC) controls the Simpson Bay Bridge, which plays a major role in the marine industry, as most marinas are located in the Simpson Bay Lagoon. Therefore, this organization and its parent organization have much influence in the industry as they determine all matters concerning the bridge and the local waters of SXM *(SMPA, 2010).*

- The Tourist Office is a governmental body, which has some influence in the marine industry, even though it does not have any direct involvement in the yachting industry. This influence is obvious, seeing that this regulatory body is in charge of promoting the island through expressing all advantages of coming to SXM, for example the Heineken Regatta a major event for the island, or the 12 Metre Challenge *(Noel, 2010).*

- The Custom Office is another influential organization for the yachting industry. The duty free status of the island eliminates the need to process incoming goods; however the customs department on SXM is only focused on contraband and illicit material. This is a relatively new office for the island and its intention is to handle all yachts travelling through the Simpson Bay Lagoon and other areas as well, in the attempt to minimize smuggled goods *(ECLAC, 2003).*

6.4 Environmental Policy

Currently, there are no environmental policies in place for the marine environment and land environment, including all local flora and fauna. This lack of environmental policies has come about, due to the vast investment into infrastructure development in the past, which has played a major role in the economic growth of the island.

In the past environmental policies have been drafted for the marine industry by environmental government offices on the island. Furthermore, they were even sent to the federal government in Curacao for approval, in which they were amended and sent back to the Island Government. This unfortunately, was where progress of these policies came to a dead end and no further implementation was carried out, as quoted by Mr. Reuben Thompson, environmentalist of EPIC Foundation *(2010).*

He further lamented, saying that these policy drafts are still waiting for the approval of the island government and will not be taken into consideration until the environmental office in the island government is reorganized and personnel is hired to carry out environmental work.

Also, as Dutch SXM is moving towards country/separate status; a change in legislation, governmental operations and environmental policies will have to take pace in order to meet the changing political situation *(Thompson, 2010).*

Section 7: Social and Environmental Issues

7.1 Land Traffic v/s Vessel Traffic

The Simpson Bay area is a thriving locality, where many businesses, restaurants, bars, night clubs, hotels, resorts and recreational activities are situated. This area is considered to be the most popular area for both tourists and locals alike, as it is a must be spot when visiting SXM *(Coffi, 2010).* What's more, this area also connects the French side of the island with the Dutch side of the island. This means that the constant flow of land traffic is always at its extreme during both day and night in the Simpson Bay area.

That said, the Simpson Bay area is also a busy location for vessel traffic, as the Simpson Bay Bridge is the only way into and out of the Simpson Bay Lagoon, which homes most of the marinas and anchoring areas on the Dutch side. This situation thus creates hindrances to land traffic, as the bridge has to be opened and closed for vessels to pass through daily. This then causes a backup in land traffic, which lasts for hours in the Simpson Bay/ Maho area and all surrounding districts on the island *(Johnson, 2010).*

The bridge opens six times daily at varying times. With outbound vessels exiting at 9.00 am, 11.00 am and 16.30 pm respectively and inbound vessels entering at 9.30 am, 11.30 am and 17.30 pm respectively *(SLAC, 2002).* These times are always high traffic times on the island and the constant up and down of the bridge creates much frustration for the citizens of SXM.

7.2 Spatial Conflicts

Presently, the Simpson Bay Lagoon is at its maximum level of development and infrastructure. It is only possible to develop further on the French side of the lagoon and in order to do this the French constituency would have to grant permission and set regulations, in accordance with the legislation of France *(Deher, 2010).*

Due to this lack of space and bureaucratic procedure, it is clear to all marinas and docks located on the Dutch side of the Simpson Bay Lagoon that further expansion is not possible anymore. Unless developing in the upper part of the lagoon, the Cole Bay area, which is a residential and business vicinity *(Johnson, 2010).* This area is not attractive to most marinas in the Simpson Bay Lagoon, and thus all growth thoughts have been put aside *(Johnson, 2010).*

Furthermore, since the trend of the yachting industry is for larger and better boats, it is hard for the Simpson Bay Bridge to keep up. In the early 2000's the Simpson Bay Bridge was expanded to welcome mega/super yachts *(SMMTA, 2010).* However, the ever increasing sizes of vessels being manufactured are starting to outweigh the possibility of further enlargement, seeing that in spatial terms the bridge itself cannot get much bigger without causing major concerns to the Simpson Bay district and the financial terms of this enlargement for all tax payers.

On the contrary, due to more available space, it is rumoured that the marinas located in the Great Bay area of SXM, will benefit from this disadvantage of spatial setbacks in the Simpson Bay Lagoon. These marinas are Dock Maarten Marina and Bobby's Marina, which are considering developing their marinas further to cater to mega and super yachts, according to Mr. Deher of IGY and Isle Del Sol Marina *(2010).* Moreover, the Great Bay area does not have any bridges and is open to direct ocean access, thus proving to be an added benefit to the now smaller marinas. These advantages will however, be a major drawback to the larger marinas located in the lagoon.

7.3 Liquid and Solid Waste

Presently, SXM unfortunately does not have any policies or facilities for liquid and solid waste disposal from vessels visiting the island. This is the case, as sewage disposal for the entire population of the island is still not being managed properly. Since the facilities needed for waste removal have not yet been developed *(Halley, 2010).* In the most sever of cases, sewage companies let out these raw waste into the local salt pond, which in turn is let open to the sea. The implication of this direct destruction of the natural habitat of the island's biggest salt pond and the sea life surrounding the island is constantly under discussion and much debate on how best to solve the problem, is a constant topic.

This wider scale of sewage problems on the island has trickled down to the marinas, as they now have no built in facility to unload this waste from vessels into a central sewage plant. All marinas are aware of this problem and do know that sewage dumping is a common occurrence in the lagoon; however, they cannot do anything about it *(Barrette, 2010).* Some marinas are now trying to work with local sewage removal companies. They will frequent the marina and connect to holding tanks of these docked boats, in order to remove all solid and liquid waste. This is thought to be the best solution at the moment.

There is a downside to this solution, as mostly only the large yachts will be able to afford and use this service, given that they have large budgets. On the other hand, smaller to medium size yachts operating on modest budgets cannot afford the tariffs and as a result, they illegally dump waste during the night time into the waters of the marinas where they are anchored. Undoubtedly, this illegal dumping of sewage and waste causes the yachting industry to suffer a bad reputation in SXM. Seeing that the lagoon is extremely polluted and water clarity is at an all time low *(Thompson, 2010).*

Although this is the case, another aspect has to be taken into consideration as well. Terrestrial run off is also polluting the Simpson Bay Lagoon along with illegal dumping of toxic materials and raw home sewage *(Thompson, 2010).* These dumpings occur when heavy rain fall washes waste into the lagoon or when residential areas directly connect pipes to the lagoon. These incidents add to marinas in the lagoon being blame for the poor state of the water and cause much dissatisfaction and annoyance from the local citizens *(Barrett, 2010).*

7.4 Oil and Lubricant Pollution

Oil and lubricant spills remain a constant thought for all managers at marinas, as environmentalist constantly battle them with the fact that the lagoon is always polluted with forms of oil, anti fouling paint *(which the International Maritime Organization have adopted to phase out due to their heavy metal content)* and other lubricants.

The Simpson Bay Lagoon is presently being destroyed and all natural flora and fauna is dying as a result. Though this may be caused by a series of incidents and not one individually, oil and lubricant pollution is among the highest.

When vessels are being refuelled, captains are consciously aware that it may pose risk for their boats and pay keen attention to fuel lines, in an attempt to prevent damages to their boats. However, they do not share this concern for the possible leakage of fuel, oil or any other lubricant into the water; and as there are no policies emplaced and enforced for this type of pollution by government bodies. Therefore, this occurrence happens on a constant basis and the entire lagoon on any given day can be seen with oil floating on the surface of the water.

Furthermore, there is no action team and plan emplaced at marinas in case of major spills. Though, most large marinas have basic lubricant swabbing material, they do not possess all materials needed in case of bad situations, which have happened in the past *(Thompson, 2010).* They also do not have remedial plans of action and codes to follow, in order to guarantee better reaction to such occurrences *(Thompson, 2010).* Generally local non-governmental organizations like the EPIC and SXM Pride Foundation are the ones charged to clean up the mess made by these boats and there is no legislation by government made mandate that these vessels and marinas would be held liable *(Veen, 2010).*

7.5 Environmental Damage to St. Maarten Marine Parks

The Simpson Bay Lagoon floor bottom is generally made up of mud, compounded silt from terrestrial run off and rocks. There is no sea grass in existence in the lagoon and life form is minimal and depleted when compared to the 1940's. This is all due to fast development with little thought and insight into all the possible effects the lagoon could face, because of this new sector.

However, there is no turning back and the recapture of life in the lagoon would be very difficult to regain, if not impossible *(Barrette, 2010).* For that reason, it is not considered to be big problem anymore, once water clarity and water smell does not bother yachters and the local population *(Barrette, 2010).*

On the other hand, the Great Bay area does possess magnificent sea grass, which can be seen through its crystal clear water. This habitat is always under threat, as this area is always being developed. With the expansion of the cruise port in Great Bay, much dredging was undergone and these sea grass areas were covered over and in some cases destroyed.

This posed to be a topic much debated on by local environmentalists and cause much stir in the local population. These areas are now slowly recovering however, if the all marinas in the Great Bay area are all expanded, as they are forecast to do, the natural habitat here can suffer the same fate as that of the lagoon in Simpson Bay, if national marine park policies are not put into place.

Section 8: Analysis of Findings

8.1 Noted Information

In this section of the report all the findings from interviews and online surveys will be discussed, in order to gain a full understanding of the issues that are currently facing the yachting industry. From this chapter conclusions will be formed and assessed in order to provide relevant recommendations for these findings in later chapters.

Furthermore, this section of the report will not have any graphical or statistical illustrations since all questions posed to the interviewees were open questions. This was done, in order to gain a better understanding of the yachting industry, as there is no documented information to be found elsewhere.

8.2 Findings & Interpretation

Currently, there are only a handful of people that are aware of the yachting sector on SXM, as there is no categorization of the industry in government *(Halley, 2010)*, so to some extent it can be considered/construed that government has no interest in the yachting sector. Due to this it was very hard in obtaining the right information and finding the right people to speak to. However, after a series of investigation, the applicable people were contacted to provide information and interviews were carried out to gain firsthand knowledge and opinions on the situation at hand. *Please refer to Appendix 5 for Contact Information.*

It was clear after speaking to these people and researching this topic that the yachting sector in SXM is facing several challenges. It was also apparent that SXM is also performing well in the yachting sector; however, the economic and social environments surrounding the yachting industry is looking a bit gloomy for the future. This opinion is shared by Ms. Kas Johnson, Mr. Deher, Mr. Barrette and Mr. Ferron just to name a few. They see the trends of the yachting industry gearing at bigger and better boats; they also know that SXM faces many spatial constraints, which could lead to a decline in the yachting industry.

This spatial constraint is partly directed toward the Simpson Bay Bridge. In the early 2000's this bridge was expanded to fit bigger boats, however in 2010 this bridge cannot accommodate 35% of the boats that come to SXM and this percentage threatens to become bigger *(Johnson, 2010).* Furthermore, the lagoon itself has reached a maximum capacity and cannot afford any more expansion to the existing marinas *(Deher, 2010).* This obviously means a decline in business for these major players in the future.

Moreover, with the competition in the region and on French St. Martin is on the rise, therefore there is much fear surrounding the issue of SXM losing their dominant position of market leader, which is extremely disconcerting *(Ferron, 2010).* However, this spatial setback and the turbulent climate of competition are not the only problems the sector is facing. A major concern right now for the sector is a lack of government cooperation. In the past the yachting sector has been created and sustained by the private sector. It has accounted for approximately $225 million of revenue to the island yearly and makes up 16.7% of the GDP *(Johnson, 2010).* For this reason it has proven itself to be more than a viable sector for the overall tourism product.

However, with the ever increasing competition and government fees and regulations, the need for government cooperation is now extremely high on the agenda. The private sector now believes that government should finally take an active interest in this industry, since it is such lucrative sector for the island. They also believe that in most islands in the Caribbean the yachting sector is a joint effort between both the private and public sector, seeing that it takes millions of dollars for infrastructure, promotions, waste management systems and government assistance in regulations for immigration, environmental policies and much more *(Barrette, 2010).*

Environmental problems are also apart of these findings. From personal observation and documented proof it is clear that the Simpson Bay Lagoon is dying *(Thompson, 2010).* Mr. Thompson lamented further by saying that he has on several occasions contracted harmful parasites from just swimming in the water for tests. Ms. Veen commented on the water clarity and pollution level *(2010)* she said that the water in the lagoon is constantly showing signs of oil/fuel and lubricant pollution, yet it is always denied by the marinas that boats are contaminating the water. Furthermore, anchoring boats and erosion from the land *(Barbaron-Indigo)* is affecting the corals and ocean water quality, this is also very alarming. *(Veen, 2010).* This is a clear indication that government should have environmental regulations implemented to stop situations like this.

In a different angle from these above, other problems also exist. These lie with the bridge operator: The SLAC. This organization is constantly increasing fees for entering and exiting the lagoon. Furthermore, bridge opening times are always stressful due to them being at peak traffic congestion times. Lastly, the immigration and custom officers at the SLAC are very unwelcoming and the procedures are redundant and bureaucratic, which makes the overall experience of SLAC to be a poor one *(Deher, et al., 2010).*

Marinas are constantly bombarded with complaints from yachters, because of the SLAC. Marinas also are losing the biggest market share of small to medium size boats, because of the ever increasing fees. For this reason many boats feel like the harassment of the SLAC is starting to become unnecessary with the opening of other marinas throughout the Caribbean *(Plas, et al.,2010).*

More findings also indicated that the lack of a categorization of the yachting industry and a lack of documentation has led the industry to appear to be almost nonexistent *(Halley, Franka, Johnson, 2010).* This is not a good notion for the island at all. There is no actual report on how this industry truly impacts this island economically and there is no department in the government concerned enough to remedy this situation. This was an extremely shocking finding, for it is essential for government to always know what is happening within its territory.

In addition, this industry remains unchecked by government supervision and employs only foreigners. In the past that was understandable, but now it seems rather strange, seeing that locals should occupy any number of jobs once they hold the proper qualifications *(Labour Laws, 2010)*. In this case for the tasks of unskilled workers, many locals will qualify to fill the job vacancies throughout the various marinas, thus the sector could employ up to 80% of its workforce in local staff, as that is the approximate percentage of unskilled foreign labourers in the sector *(Deher & Halley, 2010).*

Furthermore, the lack of sustainable thinking also puts this sector in an unbalanced situation, as not enough money and thought are being allocated in planning for the future and dealing with the problems at hand at present. This can be seen in the area of immigration policies that restricts captain and crew members from extending their stay in SXM pass three months. According, to immigration law it is not possible for these members to stay on the island over this time-line *(Johnson & Deher).*

This indicates improper thinking on the government's behalf, as other islands in the region are reaping the benefits of this defective legislation; seeing that these boats are migrating to other destinations to remain docked, to finish maintenance or simply to wait for charter or private use *(Johnson & Deher).* This is troubling for SXM, as it is understood that the longer a boat remains on the island the more revenue it generates on the island and for the industry as a whole *(Halley, 2010).*

Section 9: Conclusions

The yachting industry is a thriving industry in SXM and it has been experiencing much financial prosperity in the last 25years *(Johnson, 2010).* This became possible when SXM's island marinas with their shrewd business thinking sole handedly managed to dominate the yachting sector throughout the Caribbean. They achieved this monopoly by focusing their efforts and abilities in the area of provisioning, maintenance and services with proper functioning infrastructure. This move was very innovative and sustainable, as it changed the yachting sector in the Caribbean for good and it caused all the major competing islands like Antigua and Barbuda, the BVI and the US Virgin islands to stop and see how SXM was a formidable competitor for the yachting industry, since the island marinas grasped the true essence of what the marine environment and trends were about.

In the year 2010, this astute thinking has managed to make this sector economically profitable, with it contributing approximately 225 million US dollars to the island's overall gross domestic product. This makes up a percentage of 16.7, which indicates that it is highly advantageous to continue fostering this sector.

Furthermore, it is clear that an average of 85% *(St. Maarten Economy, 2007)* of people employed on SXM is directly or indirectly employed through tourism and marine development. This is a significant percentage, as it represents almost the entire able bodied workforce on the island. This clearly indicates that in economic terms the island thrives from this new and booming sector.

A perfect example of the economical success of the yachting sector can also be illustrated by two of the biggest events that take place in early March-May of each year. These two events are the Heineken Regatta and the Charter Yacht Show. Thousands of people from around the world frequent SXM to participate in these events or even to just view them. These events bring much revenue to the island; they are also a positive means of promoting the island and strengthen the constant product development packages that occur year round.

The yachting sector, though very discreet plays a major role in the economic position of the island, it brings in revenue that enters the economy directly, as all money in this sector is spent on local businesses, services and on marinas. Though this industry holds such an important role economically on the island it still holds some negative social setbacks. These social impacts hinder the overall feeling of the yachting sector by government and the island population as a whole. Generally, government believes the industry is secretive and unwilling to cooperate with them. Due to this perception, the marinas are forced to try and stimulate, control, plan and supervise the industry and shifting trends by themselves. This was a fine notion in the past, as it meant total control of the sector, with little government interference. But with the ever changing yachting environment and the volatile competition in the region and around the world, the private sector *(marinas)* is seeking assistance and supervision from the public sector *(Johnson, 2010).*

Additionally, other negative social impacts can be illustrated with the constant bridge opening times. Island citizens find the constant opening of the Simpson Bay Bridge to be annoying and time consuming. Coupled with the added issue of the importance of tourism dying on the island *(Priest, 2010)* and the frustration of having to share the island with foreign visitors every day, most citizens are becoming disgruntled by these industries and find them to be very frustrating to their everyday lives *(Halley, 2010).*

Immigration and fee issues are other important aspects that are affecting the success rate of SXM. Vessel captains and their crews find the immigration procedures very irritating and unnecessary. Furthermore, they find it to be an extremely negative aspect of visiting SXM and they only cope with it, because SXM still holds her added advantage of duty free status and the best provider of services and maintenance. However, this is only the case for mega yachts that have large budgets, for small to medium yachts these immigration procedures and fees are far too expensive..

As a result French St. Martin is inheriting this large market share of vessels visiting SXM. This is an extremely negative result/factor for Dutch marinas; since these vessels form an all year round business. Thus leaving French SXM open to benefit from their added spending due to their longer periods of stay on the island. This by itself is leading to economic leakage to the French side and stimulating growth in infrastructure development by government and private marinas, because of the unwise pricing and immigration policies on the Dutch side. The French see this opportunity, as a means to build mega yachts facilities and to keep small/ medium vessels content, which would eventually mean dominating the yachting sector on the island.

Moreover, the immigration policy, which states that captain and crew cannot stay in SXM for more than three months, is another setback. If these boats cannot stay longer periods, the island loses substantial economic revenue. They also lose direct and indirect employment, as they force this industry to be seasonal, which restricts this industry further and will eventually lead SXM to become left behind as a yachting destination, since they will not be able to keep up with other Caribbean islands and the French side of St. Martin.

Spatial constraints are also another social problem facing the yachting industry, as the growing trend is for always bigger and better boats. The lack of space to enlargen the Simpson Bay Bridge to meet these demands and scarcity of space in the lagoon for further infrastructure expansion are causing the industry to lose growth possibilities. This is very frightening to all marinas in the lagoon and the SMMTA. They see this threat as one they cannot easily conquer and without the help of the public sector, one that could threaten the overall market position of the island.

Therefore, lagoon marinas and the SMMTA stands together in believing it is wiser to increase local competition by working together with French St. Martin and by assisting Great Bay marinas in building haul out facilities and extending infrastructure to handle mega and super yachts of the future, since they have open water access and space for expanding marine facilities. This cooperation is a welcomed thought, as it will enable the island to maintain its competitive advantage. It will also mean that SXM is an island that is capable of adapting to new yachting developments that are being set in the Caribbean region and abroad.

Environmental problems are also high on the agenda as there are social impacts experienced by the island, which were caused by the yachting industry. In SXM the yachting industry points fingers at the government and states it is their fault that proper waste facilities are not built and operational at marinas. Furthermore, they claim that most pollution occurring in the lagoon is caused by terrestrial run off from surrounding neighborhoods, illegal dumping and businesses *(Barrette, 2010).* Mr. Deher even went as far to say it is not the boats that are causing pollution in the lagoon.

On the other hand, NGO foundations like Love the Lagoon, Epic and the SXM Pride Foundation have fiscal proof that oil/lubricant and fuel discharge is constantly present in the lagoon. They also have proof of direct solid waste discharge too. This pointing of fingers, back and forward, has led the lagoon to become extremely polluted with discoloured and foul smelling water and now it is now a problem faced by everyone.

Furthermore, with no environmental policies and waste management systems put in place on the island, by government this problem threatens to become worse. This environmental and social issue is a serious concern for the yachting industry and if solutions are not found in a timely fashion, according to Mr. Thompson *(2010)* and Ms. Veen *(2010)* the lagoon will die.

Therefore, if SXM wants to further develop the yachting sector in order to stay competitive in the region, it is imperative that the island tries to enhance this industry in a sustainable manner. It is essential that long-term waste management and environmental policies be put in place to protect the natural beauty of this island and the cleanliness of the lagoon. It is also vital that the public sector finally take note and become an active body in the development of the yachting sector, in order to maintain this very finically stable market niche.

Government should therefore, provide aid in promotional campaigns and provide aid for further mega/ super yacht facilities that can be built in the Great Bay area. This will mean that business will not be lost to competitors and everyone on the island will benefit from this. It is further necessary for government and private marinas to form strategic alliances with the French side of the island, in order to better offer a more stable and advance service to this sector. This will cause the island to keep their market leadership and satisfy all yachters that frequent the island. Better immigration policies should also be put in place, as the minimization of seasonal business and the extension of long-term business should be the main focus.

By taking these preliminary steps, the overall future threats of the yachting industry can subsided, leaving room for SXM to capitalize on the opportunities that will make the island more attractive to yachts of all sizes. In the end, this will benefit the public sector, the private sector and island citizens as a whole.

Section 10: Recommendations

Here as follows are recommendations for the yachting industry, based on key findings and conclusions.

10.1Solid Waste and Oil/Lubricant Solutions

10.1.1 Solid and Liquid Waste

For a decrease in illegal solid waste disposal into the Simpson Bay Lagoon and surrounding waters, pump-out stations would be the best option. This would be the facility needed at each marina to dispose of effluent on all vessels that request waste removal, as it would slow down build up pollution that is killing all marine life and poisoning water areas. Though this should be the main objective for government to aid marinas, it will be costly; therefore, a secondary solution could be used at the early stage, which can pave the way for later developing pump-out stations in all marinas.

This secondary proposal would be a Marine Sanitation Device; this is a short-term solution. Marine Sanitation Devices are simple, easy to use and a long lasting solution to problems of sewage treatment for recreational and commercial boating *(Marine Sanitation Devices, 2010).* This device partially treats raw sewage and allows for safer removal overboard, when boats are docked at the marina *(Ferron, 2010).*

10.1.2 Oil, fuel and Lubricant Pollution

It is hard to undo the damage of oil, fuel and lubricant pollution. However, better precautionary steps and remedial action plans in case of spillage must be made mandate at all marinas and docks. Government should set regulations that make it obligatory that all marinas have one or more types of oil containment booms, oil skimmers, recovered oil storage units, dispersant sprays and possibly oil transfer pumps, which is necessary when water and oil get contaminated with debris, these pumps can then handle this mess.

Furthermore, action plans should be in effect, as most marinas do not know how to handle oil, fuel and other lubricant spillage. In most cases there are no specialized personnel trained for these occurrences, which occur yearly in SXM. This is an extreme problem that should not be left to the discretion of marinas anymore. Government needs to take action to protect the marine environment from such negligence. Moreover, strict laws should also be made to hold marinas and vessel owners liable for their damages to the marine environment. This is not the case now and it should be altered in the effort to promote sustainability.

10.2 Increase Communication between Public and Private Sector

Currently, all marinas on SXM are privately owned, with no public sector planning playing a role. This is highly unusual for such a viable industry, as in other island destinations most marinas are publicly owned; this is quite the opposite in SXM. Additionally, since government plays a series of functions in all other industries on the island, it is quite questionable as to why it does not take on a more active role in this sector, considering this industry makes up 16.7% of the overall GDP of the island *(Ferron, 2010).*

Furthermore, as tourism is the pillar industry on the island, it is also highly disputed among the yachting division why government is not promoting this booming sector, as a new tourism product. Especially, since events like the Heineken regatta, and charter shows are big money makers for the island during the first quarter of the year. The yachting sector is one that is completely targeted towards people of varying financial means. Therefore, it is logical for the tourist office to target these yachters, as this is a means of sustainable tourism growth.

For that reason, it is best to create a mutually beneficial relationship between the private and public sector. This can be done by employing the St. Maarten Marine Trade Association: a lobby group for the yachting industry, given that this organization was set up to be a perfect go between. Both sectors can used this group to discuss matters in the industry, they can also meet with them to share information and exchange ideas on how better to enhance this industry and how to promote it in a sustainable manner

Furthermore, the public sector should also become more proactive in contacting marinas and investing in promotional campaigns, which are currently done privately. At the moment, only the SMMTA promotes the yachting industry and the attractiveness of the entire island around the world. However, this group possesses only a small budget, which restricts them from participating in events that would be a benefit for the entire island and not only the yachting industry. Thus, the public sector should provide promotional aid. Instead of piggybacking off the yachting industry, they should actively try to become involved in the runnings of this sector and mostly the public sector should observe the future potential of this industry for the island of SXM.

10.3 SLAC: Competitive Pricing, Immigration Procedures & New Bridge Opening Times

After conducting all interviews and online surveys, it became clear that most yachters/ cruisers are more than happy with their stay in SXM, except when it comes to three obstacles. These obstacles are the cost of entering and leaving the lagoon, the immigration policies for entering and exiting the lagoon and the bridge opening times, which always falls directly during peak traffic time.

10.3.1 Competitive Pricing

In 2008, the SMMTA brought forward a series of proposals for the change of prices for entering and exiting the lagoon. *Please refer to Appendix 2 for a copy of the proposal.* These prices would not only be acceptable for yachters, but for the SLAC organization, as well. This unfortunately, never received the attention it deserved by the Department of Economic Affairs. This later resulted in the lost of small to medium size boats to the French side, as these cruiser could no long afford to stay in the lagoon. This is a severe lost for marinas and docks, as these cruisers stay longer in SXM spending more money unlike that of the seasonal mega yachts.

Given these problems, it is suggested that this cost analysis prepared by the SMMTA be again taken into consideration, in order to compete effectively with other islands' offering the same services at lower rates. For at this moment SXM is the number one most expensive island for entering/exiting and docking/ anchoring.

10.3.2 Immigration Procedures

All vessels entering and exiting the Simpson Bay Lagoon is required by law to adhere to the rules and regulations set down by the Lagoon Authority *(SLAC, 2010).* This is not a problem for yachters/cruisers according to the findings discovered. However, there are a series of situations that has made the immigration process extremely trying for all yachters alike.

The problem lies in the area of customer service, which is told to be a horrible experience, as workers are rude and brash *(Johnson, 2010).* Additionally, yachters/cruisers find the constant re-entering of information for entering and exiting seems to be redundant and an inefficient usage of time. For these yachters it has become so annoying to a point that they are deliberating leaving SXM for other areas, where they receive less irritation for using their water space. This possible repercussion could be very severe for SXM if not altered.

Therefore, it is recommended that all personnel at the Immigration Office, Customs and the Lagoon Authority be trained in customer service, since their personalities are playing such a major role in customer satisfaction. This training will ensure satisfied customers and pave the way for repeat business.

Furthermore, the immigration office should adapt immigration control computer system software for data collection like that of the French side, which personnel enter in all needed information and payments receipts from yachters/cruisers. They in return will issue them a magnetic strip card that can be swiped when entering and existing docking areas. This would eliminate time wastage for yachters and the constant frustration received by doing the same thing over and over. It will also ensure that yachters have already met the required documentation needed for using SXM waters and would have already paid for all bridge, harbour fees and custom clearance fees.

New immigration laws should be developed or current laws amended to ensure that captains and crew members can extend their stay on SXM longer, in order for the vessels (boats and yachts) anchored on the island to further stimulate and benefit from additional spending. Additionally, as the boats remain docked in the marinas longer, the need for longer retained staffing becomes a reality, thus enhancing the labour market by stimulating longer periods of direct and indirect yachting related employment.

10.3.3 New Bridge Opening Times

During the slow season the bridge opens only three times daily and does not cause much traffic congestion, since both inbound and outbound vessels use the same times of 9.30 am, 11.30 am and 17.30 pm. However, during peak seasons from December to April the bridge opens six times daily and these times are usually during peak traffic hours. This slow down in traffic spirals into large scale traffic congestion and leads to very upset land based civilians. Therefore, a change of times for bridge openings seems to be the best option. Here as follows are possible time changes, with the least traffic congestions during peak seasons.

Outbound Vessels	Inbound Vessels
9.30 am	10.00 am

14.00 pm	14.30 pm
18.30 pm	19.00 pm

* These times were selected, because this is the time rush hour is coming to an end.

10.4 Environmental Policies and Protection

Environmental protection is key for islands in the Caribbean that depend on tourism as an industry. That said the public sector should create policies directed towards the marine environment in particular, in order to stop the pollution trouble the lagoon is facing now and to prevent further damage to other areas, like Great Bay. Furthermore, legislation should be put in place for polluters and marinas that fail to meet the criterion set by environmental offices, where they would be penalized for their crimes of polluting St. Maarten National Marine Parks.

Additionally, the public sector should ensure that environmental offices of government bodies are adequately staffed and equipped with the proper material to carry out the jobs; in view of the fact that this has been a dilemma for the past decade in the VROM office. Moreover, trained and specialized employees should be hired to carry out this science base position of assessing the polluted areas in the marine industry, as only then can an impact report of the current situation of the marine environment be truly accurate and concrete.

10.5 Separate Categorization of Yachting Industry

In 2003, CBS and the Department of Economic Affairs agreed that there should be a categorization of the yachting industry from that of the general marine industry and that it would be implemented in the coming years *(ECLAC, 2003)*. However, after many years it still has not been carried out. For that reason it is recommended that this separate categorization of the yachting industry be implemented within the time span of two years, in order to monitor the growth/decline of the sector. In addition, this is necessary in order to determine the actual net worth of this sector for the island and for future tax incentives or holidays, which have never been granted to this sector in the past.

Furthermore, it is recommended that the yachting industry have its own certified marine coordinator (person trained in maritime affairs) and staff for marine leisure affairs, as these people will be able to follow all trends and happenings affecting the yachting industry. This will also prove very valuable when developing this sector further for product development on the island, since SXM is constantly seeking new upgrades that promote the island.

10.6 Sustainable Development

In order for the continuity of the yachting industry, much thought has to be paid to sustainable development. By thinking for the future and how better to enhance this sector only then can the island prosper and compete effectively with new rival marinas being built throughout the region and the world.

- It is recommended that constant upgrade is carried out to the marine infrastructure, service industry and technological area yearly, in order to accommodate the changing trends of bigger and better boats.

- Great Bay area marinas should consider developing haul out facilities, as there are no bridges in that area. This facility will be able to hold and repair large mega yachts that cannot pass through the Simpson Bay Bridge. This in the long term will ensure that SXM keeps these vessels on the island longer instead of losing them to other marinas in the region.

- New events besides the Heineken Regatta and the Charter Yacht Show should be established. These shows should be aimed at the off season months of May to November, in order to attract longer visits to the island.

- Possible package and member loyalty deals could be offered to vessels from marinas in an attempt to create customer loyalty and to extend boat stays.

- Long-term promotions to the yachting industry should be undertaken. Marina representatives along with members from the Public Sector and SMMTA should frequent yacht trade shows around the world promoting the island and its amenities.

- The Tourist Bureau should also promote this industry in all promotional campaigns, as it would be making SXM a more rounded island destination that is attractive to all target markets.

10.7 Cooperation with French St. Martin

SXM is known for its provisioning and services market for the yachting industry. The island is not considered as a yachting destination. However, with the cooperation of French SXM this might be able to change. The logic behind this lies in the area that French SXM has the most picturesque coves, beaches and bays where yachts would be more than able to anchor and enjoy. The French side also possess a certain Gaelic ambience that creates a romantic atmosphere.

On the other hand, the Dutch side has many restaurants and bars, night life, activities, stores and more, while still having the best marinas for docking. Consequently, if both sides of the island decide to work together in this industry where free movement between sides become possible by yachters, without the stress of immigration concerns; it might be possible to create a mutually beneficial arrangement that can make SXM not only a home port, but a destination.

This opportunity would prove very lucrative for the yachting sector on both sides of the island. Additionally, this enhanced relationship would be very accommodating to yachters, as visiting both sides of the island would not have complicated procedures anymore.

10.8 Data Bank Creation

The biggest obstacle in writing this report stemmed from the lack of documented information. There was no information available at the CBS, the Department of Economics, The Tourist Bureau or the Marinas. This proved to be a very disconcerting notion, as no information can be found on the economic impact for this sector.

As a result, it is recommended that the SMMTA along with the Department of Economics Affairs, the CBS, the SLAC and the SMPA embark on a data collection scheme for this sector. It is also recommended that statistical analysis be commenced to identify the trends in this industry and later processed to understand the importance of the yachting sector *(Johnson, 2010).*

Furthermore, marinas on SXM should also assist in this venture by providing information to the Public Sector concerning the yachting industry. They should also help in making the public sector understand the importance of this niche market and how better it could be served with government aid.

10.9 Employment of Local Populace

Expatriates made the provisioning and service industry for the yachting sector what it is today. However, after 15 years, this market is still dominated by foreigners. This is not a good thought for any country or island that is suffering from local unemployment issues *(Halley, 2010).* Therefore, it is recommended that government make it mandate that these businesses hire and train local workers, instead of importing them to the island. This will also help in the shortage of crew members needed in manning these vessels.

Furthermore, it is also recommended that government provide scholarships and curriculum development to all locals interested in this industry, for it could mean that in the future this would be a market not dominated by foreigners anymore, but by locals. This of course would lead to less economic leakage and more job employment.

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Appendix 1: Rates Comparisons

Marinas in French St. Martin			
Marinas	**Slips**	**Size**	**Rates in USD daily**
Marina Fort Louis	152	45 ft yacht	1.3
		100 ft yacht	1.7
Port Lonvilliers	150	no mega yachts	1
Port La Royale	60	no mega yachts	0.95

Marinas in BVI			
Marinas	**Slips**	**Size**	**Rates in USD daily**
Virgin Gorda Yacht Harbour	111	up to 50	1.4
		51-140	3
Soper's Hole Marina	65	<16 beam	1.25 (1.00)
		>17 beam	1.50 (1.25)
Nanny Cay Marina	180	up to 50	1.25
		50 +	1.5
Village Reef Marina	106	up to 50	1.5
		50-79	2.05
		80-190	2.75
Manuel Reef Marina	40		1.2
James Young Marina			1
Lighthouse Marina			1.25
Penns Landing Marina			1.45
Peter Island Yacht Harbour	18	up to 50	2.5
		100+	4.25

Marinas in Antigua			
Large Marinas	**Slips**	**Size**	**Rates in USD daily**
Nelson's Dockyard Marina	30	max 60 meters	
Antigua Yacht Club Marina	65	up to 75 ft	1.5
		75-175	1.75

		175 and up	1.82
Falmouth Harbour Marina	60	200 ft+	0.95-1
Jolly Harbour Marina	105	max 80 meters	0.70-1.25
Catamaran Marina	60	max 200 ft	
Antigua Slipway	25	150 ft	1.5

Marinas in Dutch St. Maarten			
Large Marinas	**Slips**	**Size**	**Rates in USD daily**
Bobby's Marina	60		0.4
Bobby's Marina Lagoon Bay	18		
Dock Martin	42	12 ft	
Palapa Marina	22	200 ft	1.75
Simpson Bay Marina	125	190 ft	1.3
The Yachtclub Isle Del Sol (Dock A)	45	320 ft	6
The Yachtclub Isle Del Sol (Dock B,C,D)		320 ft	4.75
The Yachtclub Port de Plaisance	90	250 ft	

Appendix 2: SLAC Proposal

Presentation on the subject of Bridge Fees and SLAC policies

To Commissioner Wescott Williams and Councilman de Weever

February 5th 2008

The Island Government has decided to introduce a fee structure for vessels transiting the bridge and for being present in the Simpson Bay as well as the Simpson Bay lagoon. This presentation is intended to discuss a range of aspects relating to this and to review the deep fears present in the marine industry that these fees will negatively impact the industry and set back a process that has been moving forward for many years.

Infrastructure and the Marine Industry

The point of departure of the Island Government seems to be that the Marine leisure industry should finance its entire infrastructure. This conclusion is drawn from the fact that no other infrastructure has been specifically created for this US$ 80 million industry and it is clearly the intention that all costs relating to this bridge are to be collected from the customers of the marine leisure industry. This approach would be discriminatory towards the marine industry businesses who are taxpayers like businesses from all other industries in the country. Whilst other industries have enjoyed tax holidays, the marine industry seems to be burdened with premium taxes rather than tax incentives. We believe that investments in infrastructure should be evaluated by government in respect of the benefits achieved for the island. We do not believe that errors in project management made by the public sector should be paid for by the private sector.

In contrast to the rest of the tourism industry where government has spent ongoing funds to develop the sector this has been much less the case in the marine industry where the industry has largely taken its own initiatives at its own cost to develop the sector.

It therefore looks as if the marine industry has been the least burdensome to the island territories expenses, and in spite of this the island government has chosen to burden this same industry with taxes that are not comparable to any other destination and executed this without consultation with the industry.

The ECLAC study of 2003 estimated that the total value of the contribution of the yachting industry to the Dutch side's GNP was US$ 54 million. If this is compounded to 2007 and including increasing inflation and some industry expansion we can easily estimate an industry worth close to US$ 80 million.

If the bridge fees impact the industry by a 10% reduction of activity then the total impact just on government revenues is likely to be more than the total net benefit received by the SLAC. There is good reason to believe we are currently involved in a "lose-lose" situation which leaves great potential for improvement.

If the impact on the local marine industry is what many in this industry anticipate it will require marketing efforts in order to reposition the destination. In the past the majority of marketing has been done by the industry or with the industry. It is unlikely that the enthusiasm by volunteers for marketing the industry after this situation will be as high as it has been in the past.

The Lejuez bridge Today

The SMMTA is prepared to financially and technically support and assist in solving the immediate short term issues related to the bridge, especially the technical problems the bridge is having. This commitment has been made to government in the past but should be seen as a response to the acute problems relating to the present technical shortcomings of the bridge. This does not mean that the industry accepts that long term discriminatory taxation for the industry should become the norm.

The Present Unfortunate Season

The increase of the bridge related fees were initiated with no warning to the visitors. In fact it seems even SLAC has not had the time to amend its website and is to date still showing the old fees.

This has meant that our visitors, and in particular charter yachts and professionally managed yachts were suddenly confronted with extra expenses that were not budgeted for. This means having to charge extra their guests who already pay rates to charter these yachts. This is quickly making St. Maarten a highly unpopular destination.

Whoever is in charge of policy for the marine industry in the St. Maarten public sector has to understand the industry and the increasing level of planning that is involved and the substantial lead time. 2008 marine directories have been recently published by the Marine Trades Associations on both sides of the island and the information is incorrect which suggests that the Associations do a poor job preparing the guides or that there is no coordination between the gov't and the private sector – not a positive image to project

. Any changes in conditions need to be advised well in advance and circulated in the best media. There is no shortage of marine related media and unfortunately in the second half of 2007 our friendly island and our industry suffered more negative media exposure than had been the case in past years (not all related to taxation).

The bridge fee increase has an emotional as much as a financial impact on the yachting community, especially when coupled with the generally low level of public relations skills in the clearance office. It is not meant to criticize the immigration or SLAC officers, simply it needs to be stated that the experience for most captains in the office is unpleasant especially during busy periods and the 200-300% increase in fees makes this worse. The fact that the captains are not the meekest of individuals and often do not hold back from expressing their displeasure adds up to a public relations nightmare and stands in very stark contrast to the process on the French side (5 euros clearance fee) with their very accommodating and welcoming officials (they do not "sweat the small stuff" – for instance do not reduce yacht owners to tears because they did not know that they need to sign passengers/guests off the crew list before they (legally) left the island – this happened to a Horizon Yacht Charters Owner recently who since has decided to remove her yacht from the program). It seems very clear that should Marigot improve the marina as per the present plan on the table there is a great potential for a future shift in the economic center of the island – much the same as the shift from Philipsburg to Simpson Bay as experienced during the 90's.

Bridge Fees in General

In those parts of the world where yachts commonly visit, bridge fees are very low or non-existent and are considered part of infrastructure investment by the public sector. In the US there are no bridge fees and in Holland there are small bridge fees which go towards paying for bridge attendance salaries. Hence yachtsmen are surprised to find bridge fees of the level currently charged.

Cruising fees are more common but are nevertheless at a lower rate than charged here. The locations where cruising fees are charged are generally very attractive harbors that easily command a premium. It is not typical to charge high fees in harbors where a high level of commerce is present.

Impact of the Bridge Fees

Looking at the current yacht population in January it would appear that there is no problem as there are a large number of yachts present. This perception needs to be amended with the following information about the characteristics of the yachting industry:

1. Larger yachts and larger spending yachts plan their seasons well in advance and in the mid season there are a great many of them here.
2. The number of anchored yachts on the Dutch side has reduced very considerably since 2003 while the number in other territories has gone up.
3. The larger yachts are much more seasonal and the smaller yachts are who sustain us in the shoulder seasons and who make it possible to maintain turnover over a longer period and this makes it possible to pay 12 month salaries.
4. It is a fallacy to believe that large yachts operate on unlimited budgets. It is very true that the budgets are large and compared to a middle income household they are awesome, but they are nonetheless budgets and that are overseen and managed and when comparing the destination choices of yachts the yacht managers will be looking to eliminate those big sums that can be identified as providing no other value to the operation of the yacht. Bridge and harbor fees will stand out like a sore thumb when comparing destination costs. If this fee can be hidden in general expenses it will not stand out as much and/or will not make alternative destinations like Antigua and St Thomas suddenly more attractive.

We anticipate that the impact of the bridge fees is going to be much more acute in the shoulder season. May and June are months in which our visitor profile changes considerably and when the smaller yachts are the backbone of many of our members business.

Day Charters

It has become much less interesting to operate day charters out of the lagoon and more interesting to choose Great Bay as a point of departure. The operators of "The Edge" have seen their departure fees increase by 500%. Inevitably this will lead to relocation and instability in the industry which is totally unnecessary and sends a bad message to the private sector.

Collection and Application of Fees

Currently fees are being collected by an office that does not necessarily open on time, has confrontational staff, has rules that are highly customer disadvantageous and are different from rules from anchorages very close by in the same jurisdiction. Our members are seeing a loss of business that is inevitable and are finding themselves having to commute increasingly more often to provide service to customers on the French side.

1. Fees are inflexible and provide visitors difficult choices. If a yacht comes in on Monday , leaves on Tuesday , returns on Wednesday and leaves on Thursday it has to pay for two weeks of harbor fees whilst it has only spent two days in the area. Customers do not like being trapped by inflexible fees and they will choose other destinations.
2. The fees in Great Bay differ from the fees in Simpson Bay. This causes confusion and frustration for a host of reasons. It is now necessary to clear out of Simpson Bay and clear in again to Great Bay after the three mile trip. Inevitably the skippers' choice is to choose another destination. Other Caribbean territories had made this mistake in the past and as a result lost business. Also one needs to first clear out of Simpson Bay an then again into Great Bay! For a territory which has only two anchorages this splits the destination considerably.
3. At present time any boat transiting the bridge is expected to also pay for a week's anchorage on the Dutch side. Visitors are at a loss to believe that the principle of free transit is not upheld whilst at the same time free transit is afforded by the boats coming from Anguilla to the Dutch side when they transit the French bridge and run a ferry service that is much appreciated by persons holding Caricom passports. Visitors are therefore using the French bridge which is fine but it increases the negative sentiment towards SLAC and the Dutch side. We propose that they be allowed transit on payment of the bridge feel alone.

Proposals

1. Reduce the fee for all categories of charges for the off season by 50% from May 1st to December 15th. This is likely to make a great difference in revenue to the SLAC and a big difference to the industry in general.
2. Introduce discounted SLAC rates for long term visitors. Allow clients to pay quarterly, twice a year, or yearly lagoon fees with an included or prepaid amount of bridge passages, also

discounted as the prepaid numbers increase. This would serve to encourage yachts to home port here and would also reduce the amount of transactions at the SLAC window and consequently reduce the lines

3. Eliminate the mooring fee for all boats that are removed from the water for the period that they are removed from the water on the basis of certification by the marina concerned. It is not reasonable to be charging a mooring fee when the boat is not moored and it is unfair to the boatyards who have to compete with every other boatyard in the Caribbean where this is not the case.
4. Have EXCO instruct the SLAC to execute a marketing/information program for the next season in collaboration with the SMMTA in which a fixed budget is determined for ensuring that visiting yachts will be able to clearly budget their fees for St. Maarten.
5. Modify the fee scale so that there is an advantage for long term stays which will increase the chances of persons home-basing their vessels in St Maarten. Very often visitors like to fly home for periods of time and leave their boat somewhere where air connections are good and the boat is safe. This is how we built our marine industry on the island. Lets give them an incentive to leave their boats here.
6. Eliminate the harbor fee for small boats outside of the lagoon. Simpson Bay is not a fantastic anchorage and it will not compete on a fee basis with Marigot or Falmouth harbor. By making the fee outside the same as inside we are creating an incentive to use the bridge which assists to more traffic problem.
7. Allow visitors who leave for a short period to retain the value of mooring rights that they have paid for.
8. Make fees in Great Bay and Simpson Bay on the outside of the bridge the same and allow free movement between these anchorages.
9. Make a separate and logical set of tariffs for day charters that do not discriminate against operators in the SLAC jurisdiction and are appropriate to day charters which are fundamentally completely different to normal yachts.
10. Instruct SLAC to take responsibility for things like garbage which currently they are forcing the private sector to pay for or at least provide credits.
11. Have a suitable economist do an update of the economic impact of the marine industry so that private and public sector obtain more recent reliable numbers that can be a basis for policy.
12. Create an oversight body for the SLAC which will have the authority to ensure that non performance can be efficiently brought to light and corrected. This body should include a substantial number of industry familiar persons.

[Exemption or different fee structure for M –number boats]

Summary

The marine industry in a yachting destination has the same traffic characteristics as a shopping mall. All the services are tied together. When the array of services breaks down because competitive malls can supply a fuller range of services the whole package breaks down, and this happens particularly quickly when the customers are boats that are not tied to the destination.

This exorbitant taxation threatens the continuity of our package and the viability of the services that produce revenue to the island far in excess of the net benefits to be received from the taxes.

In the process of development government, neither island nor federal have achieved the creation of suitable metrics to measure any of the aspects of the marine industry. This taxation is being done without any form of statistical evidence and being executed by parties unfamiliar with the industry. The many recently created jobs in St Maarten are at stake and any damage that will be caused to the industry is likely to cost much more to regain than the benefits that will be received from this poorly considered government intervention.

Please review it before it costs more than we can handle.

Appendix 3: Interview Questions & Online Survey

3.1 St. Maarten Marine Trade Association

General Information

1. What are the responsibilities of the SMMTA and who is this organization accountable too?
2. What is the structure and dynamics of the yachting industry?
3. What are the recent developments/ trends in the marine industry in St. Maarten and throughout the Caribbean as a whole?
4. What is the current data available on the yachting sector in St. Maarten? Have there been more studies, surveys, new policies and etcetera developed and carried out?
5. Do you have any historical background information and boat profile changes of the yachting sector on St. Maarten from earlier?
6. What are the patterns and levels of use for these boats in St. Maarten?
7. Do you have any statistics on the current fleet profile of vessels in St. Maarten with regards to the types and sizes of all visiting St. Maarten in 2009?
8. What are the plans for further development of this sector on St. Maarten?
9. Do you promote sustainability as a main issue during expansion programmes?

Competition

1. Do you also provide information to all marinas on how to compete in this new tourism sector?
2. What are the attractions and drawbacks of St. Maarten when it comes to the yachting sector?
3. What are the patterns and levels of use for these vessels in St. Maarten?
4. Do you compare Dutch St. Maarten yachting sector with their close neighbours of French St. Martin?
5. What makes French St. Martin more attractive for the yachting community? Why are they more popular lately than the Dutch side?
6. What amenities do they offer to their customers and at what prices?
7. What info do you have on competing islands in the Caribbean in regards to the yachting sector, particularly, St. Barth, the British Virgin Islands and Antigua?
8. What are the types of yachts being targeted on the Dutch side of St. Maarten and all other competing islands, specifically, St. Barth, Antigua, B.V.I. and French St. Martin?

9. How is the SMMTA involved in major yachting events? Do you promote or sponsor them?

Environment

1. What are the tourism and yachting policies in existence now?
2. What policies do you enforce to protect the environment and Marine Park?
3. Do you enforce solid waste and oil/lubricant disposal policies?
4. Do you provide environmental awareness programs for all marinas on Dutch St. Maarten?
5. What are current environment damages taking place in the marine environment, e.g. sea grass (Great Bay)?
6. What are the procedures that have to be taking if damages occur to the environment during anchoring?
7. Who pays for these damages?
8. What procedures do you follow when it comes to spatial constraints?

Economic

1. How has the yachting industry affected direct and indirect employment?
2. What skills are necessary for being employed in this sector?
3. What is the revenue base of core marine services?
4. What is the expenditure per head and total expenditure for this sector?
5. What is the marine industry contribution to the GDP of St. Maarten?

Government

1. Are there any government institutional arrangements to help boost this sector on the Dutch side of St. Maarten?
2. Are there any governmental incentives like the French “Loi Pons” for the yachting sector on St. Maarten?
3. What is the current communication channels being shared by all private marinas with government? How do you cooperate? Do you exchange key information about this sector with all stakeholders?
4. Who are the interest groups and associations connected with this sector?

Environmental Questions

Environment

1. What role does EPIC/ SXM Pride play in maritime development?
2. Is your organization linked to governmental bodies? Do you exchange information?
3. Do you cater solely to the lagoon in Simpson Bay?
4. Are you aware of any tourism and yachting policies in existence now?
5. What policies do you enforce to protect the environment and Marine Park?
6. Do you work together with other organizations for the protection of the lagoon?
7. Do you enforce solid waste and oil/lubricant disposal policies?
8. Do you provide environmental awareness programs for all marinas on Dutch St. Maarten?
9. What kind of awareness campaigns do you launch in regards to protecting the marine environment?
10. What are current environment damages taking place in the marine environment, e.g. sea grass (Great Bay)?
11. What are the procedures that have to be taking if damages occur to the environment during anchoring?
12. Who pays for these damages?
13. What procedures do you follow when it comes to spatial constraints?
14. What in your opinion is a sustainable way for developing the marine industry further in St. Maarten

Marinas Online Interview

Dear Sir/Madame

My name is Sharon Fleming. Currently I am conducting an internship at the department of tourism and product development. At this point in my internship I am conducting a research project geared towards investigating the essentials of St.Maarten marine industry.

Therefore I would truly appreciate it if you were to answer in depth the questions that follow. I am aware that this may be time consuming and for that I apologies in advance. However it is very crucial that the questions and answers are sent back to me by email at neomi15@hotmail.com I thank you for your cooperation and understanding in advance. Additionally I commend you for assisting me in trying to better develop and maintain a lucrative marine industry.

1. What is the name of your marina?
2. Where is it located?
3. What are the high peak seasons an off seasons for your marina?
4. What types and sizes of boats are docking at your marina?
5. What are the major nationalities that berth at your marina?
6. What facilities do you need to berth these yachts successful?
7. What types of boats do you intend to berth at your facilities in the future?
8. What boats are big money earners?
9. Do you provide any auxiliary services by yachts docked at your marina? If yes, please indicate.
10. Do you keep equipment in stock for repairing damages?
11. Do you have private businesses that you outsource boat services to, for example: maintenance?
12. What are key aspects that you customers demand, in order to dock by your harbor?
13. What do your clients most frequently request?
14. What makes your marina more attractive for customers when compared to other marina facilities?
15. Do you constantly upgrade facilities and services? If yes, how often?
16. What new steps are you taking to up-to-date your marina in this growing yachting industry?
17. What trends do you foresee our marina facing in the future? How do you expect to keep up?
18. How are you keeping up with these developments?
19. Do you promote your marina internationally, separately or collective with other marinas on the island?
20. Does duty free pricing play a role in attracting potential customers on Dutch St. Maarten?
21. How do you plan to compete with other marinas locally, regionally and internationally in a sustainable manner?
22. What events do you promote for customers and potential customers?
23. Have you received high profile yachts in the past 4 years? If yes, how many on average?
24. What added services do you provide for these high profile customers?
25. How many people do you employ directly and indirectly to service your customers?
26. How many skilled personnel do you have available at your marina?
27. Do you provide special trainings for your personnel?
28. In further developing you marina, what aspects do you consider in advance?
29. What are the spatial constraints to your marina?

30. Do you seek advice from VROM/Public Works, environmentalists and other NGO's that cater to spatial development and environment change?
31. What happens if a yacht damages the environment during anchoring?
32. What policies do you have in place for oil/lubricant pollution, environmental damage and water pollution at your marina?
33. What are your fees in case of pollution done by customers in the marina?
34. Can you indicate an approximate figure that represents the revenue and expenditure received by your marina for providing utility services, maintenance and bathing facilities for the past 5 years?
35. What percentage of tax is paid by you annually for your facility?
36. What is your annual turnover for your marina?
37. Does your marina work closely with the Island Government, in order to promote better yachting facilities events for St. Maarten?
38. Do you work together with the CBS and the Department of Economic Affairs, in keeping documented information on the industry and conducting surveys on the yachting sector in St. Maarten in order fully explore and discover the true value of this new sector?
39. Does the government provide tax advantages to your marina for the yachting sector like on the French Side with the Loi Pons?

Economic Affairs

General Information

1. What is the structure and dynamics of the yachting industry?
2. What are the tourism and yachting policies currently in place in St. Maarten?
3. Do you have any historical background information and boat profile changes of the yachting sector on St. Maarten from earlier?
4. What is the current data available on the yachting sector in St. Maarten? Have there been more studies, surveys, new policies and etcetera developed and carried out?
5. Do the government promote this industry, besides private entities? For example the St. Maarten Port Authority, the Tourist Office, Customs Department and etcetera. Do these entities have any influence on this industry and how?
6. Does this sector have any government institutional arrangements that deal with the growth and decline of the industry?
7. Do the government offer incentives for this industry like “Loi Pons” that was offered on French St. Martin in the past?
8. What is the current communication channels being shared by the private marinas and government. Do you cooperate together for this industry? Do you exchange key information among all stakeholders?
9. Who are the interest groups and associations connected with this sector?

Environment

1. What are the policies set by government for protecting the environment and Marine Park from pollution in terms of oil/lubricant and solid waste damage?
2. Do you enforce solid waste and oil/lubricant disposal policies?
3. In case of environment damage taking place, what are the procedures, cost and action plan that must be carried out?
4. How is government dealing with land traffic caused by vessel traffic (opening and closing the bridges)?
5. What procedures do you follow when it comes to spatial constraints?

Taxation Environment

1. How does the taxation environment of the yachting industry look?
2. What kinds of taxes are levied to this sector? What are the expected tax revenues for St. Maarten?
3. Are there any tax holidays or tax exemptions for the marine industry? If there are tax exemptions are they being utilized by businesses?

Competition

1. What are the recent developments/ trends in the marine industry in St. Maarten and throughout the Caribbean as a whole?
2. What are the plans for further development of this sector on St. Maarten?
3. Do you also provide information to all marinas on how to compete in this new tourism sector?
4. What are the patterns and levels of use for these vessels in St. Maarten?
5. What are the attractions and drawbacks of St. Maarten when it comes to the yachting sector?
6. Do you compare Dutch St. Maarten yachting sector with their close neighbours of French St. Martin?
7. What makes French St. Martin more attractive for the yachting community? Why are they more popular lately than the Dutch side?
8. What info do you have on competing islands in the Caribbean in regards to the yachting sector, particularly, St. Barth, the British Virgin Islands and Antigua?
9. What are the types of yachts being targeted on the Dutch side of St. Maarten and all other competing islands, specifically, St. Barth, Antigua, B.V.I. and French St. Martin?

Economic Conditions

1. How has the yachting industry affected direct and indirect employment?
2. What is the revenue base of core marine services?
3. What is the expenditure per head and total expenditure for this sector?
4. Do you participate in further enhancement of the industry?
5. What is the marine industry contribution to the GDP of St. Maarten?

Appendix 4: Interview Results

Marinas Online Interview (Yacht Ckub Port de Plaisance)

Dear Sir/Madame

My name is Sharon Fleming. Currently I am conducting an internship at the department of tourism and product development. At this point in my internship I am conducting a research project geared towards investigating the essentials of St.Maarten marine industry.

Therefore I would truly appreciate it if you were to answer in depth the questions that follow. I am aware that this may be time consuming and for that I apologies in advance. However it is very crucial that the questions and answers are sent back to me by email at neomi15@hotmail.com I thank you for your cooperation and understanding in advance. Additionally I commend you for assisting me in trying to better develop and maintain a lucrative marine industry.

40. What is the name of your marina? Yacht Club Port de Plaisance
41. Where is it located? On the Colebay side of Simpson Bay Lagoon at the Princess Hotel and Casino.
42. What are the high peak seasons an off seasons for your marina? December 1 to April 30.
43. What types and sizes of boats are docking at your marina? We are a mixed product marina taking yachts from 45ft. to 240ft.
44. What are the major nationalities that berth at your marina? Most yachts are either U.S or European owned. We are not usually informed as to the identity of the real owner. In most cases they are low profile individuals and the captains keeps their identity confidential. As far as crews are concerned, these are mainly, British, Australian, and U.S.. Most megayachts use management companies to manage the operation such as Sachs Group, Camper and Nicholson or private companies owned directly by thec owners.
45. What facilities do you need to berth these yachts successful? We need to have draft (water depth) of anything from 6ft. to 17ft. Because our finger slips are from 20ft. to 120ft. long we need buoys or pilings to attach their bow lines. To this we have to have tenders to assist in the docking.
46. What types of boats do you intend to berth at your facilities in the future? Since yachts pay by the LOA (Length OverAll) our aim would be to develop our marina to accommodate more of the yachts above 120ft.
47. What boats are big money earners? Those large yachts that are engaged in the charter or are available for charter and actually get several charters during the season as these also require fuel, lubricants and maintenance.
48. Do you provide any auxiliary services by yachts docked at your marina? If yes, please indicate. The services, in addition to dockage, which we directly supply are electricity and water, internet connection as well as fuel and lubricants.
49. Do you keep equipment in stock for repairing damages? Only equipment for maintaining our facility.

50. Do you have private businesses that you outsource boat services to, for example: maintenance? Yes, all maintenance which the yachts require are outsourced to companies such as IWW, FKG, Electec, Kenny Allgrip etc.
51. What are key aspects that your customers demand, in order to dock by your harbor? Ease of docking, once through the bridge they are tied up with 15 – 45 minutes depending on their slip and number of yachts arriving at the same time. They also require assistance and the attention of a good, knowledgeable dock crew. Prompt attention to all their demands, which, thankfully we have been able to provide during the past few seasons.
52. What do your clients most frequently request? Laundry, Car rental and provisioning service, which are provided by Majestic laundry, Hertz and in most cases Le Grand Marche, although there a number of provisioning companies who will shop for food and wines and deliver to the yachts.
53. What makes your marina more attractive for customers when compared to other marina facilities? The facilities provided by the Princess Hotel and Casino, Casino, Tennis Courts, Spa, Gym, Beauty salon and 5 restaurants. The proximity to Le Grand Marche in Colbay and the Restaurants on the Franch side. The one big disadvantage, as far as crews of the yachts are concerned, is that we are not on the Simpson Bay side of the lagoon where all the night life is.
54. Do you constantly upgrade facilities and services? If yes, how often? Upgrading and maintenance is an on-going and is carried out annually during the offseason – May through October.
55. What new steps are you taking to up-to-date your marina in this growing yachting industry? Dredging is of primary importance in order to facilitate the larger yachts. Hopefully, underdock fueling, although some captains prefer direct fueling from tankers.
56. What trends do you foresee for your marina facing in the future? How do you expect to keep up? The trend is for bigger and more expensive yachts requiring more services and facilities on the docks. To meet the trends our marina would need to install fuel tanks nearer the North Marina and underdock fueling. Replace the existing wooden and metal dockwalks. Upgrade the total electrical system (dock lighting, pedestals for direct connection with boats) including back-up generators to provide electricity when GEBE breaks down and direct connection with the GEBE main current. We currently

    Provide parking space for containers for the large racing sailing vessels (Heineken Regatta). Deepen the waters in and around all our docking slips. Provide an on-dock chandlery (spare parts), laundry, crew-bar and more up-to-date shower and bathing facilities for smaller yachting clients. Total investment $2 million(ballpark figure)

57. How are you keeping up with these developments? We try to give a very personal service to the captains, assist them in every way and try not to have them inconvenienced. We up-grade piecemeal as funds are available from owners or from cash-flow. The current economic situation does not help, even the very rich are feeling the pinch. Those who bought yachts just for show are being weeded out, you need a very good cash-flow to finance a megayacht. It is estimated that it cost 10% of the cost of the yacht for annual expenses, in other words if you paid $10million for a yacht expect to spend $1million per annum in payroll and maintenance expenses.
58. Do you promote your marina internationally, separately or collective with other marinas on the island? We promote our marina separately on our website and various printed media. We also issue press realeases through the same printed media in order to up-date our clients as to

improvements to our facilities. In conjunction with the SMMTA we participate at the Genoa Boat (May)show annually and independately but usually accompanied by the other St. Maarten Marina operators at the Boat Shows in Monaco (September), Fort Lauderdale (November).

59. Does duty free pricing play a role in attracting potential customers on Dutch St. Maarten? This is one of the major selling points for yacht owners coming to St. Maarten. All they have to do is order their parts from suppliers, either in Europe or the U.S. and they can pick them up at the airport within a couple of days.(no hassle with custom inspectors)
60. How do you plan to compete with other marinas locally, regionally and internationally in a sustainable manner? Locally we price our facility and services very competitively. Regionally, we have the very expensive cost of entering Simpson Bay lagoon with the bridge fees. Relating to the bridge there is the very inconvenient times of opening. Simpson bay lagoon is the only area in the Caribbean where yachts cannot come and go as they please without paying an excessively expensive fee for a special bridge opening.
61. What events do you promote for customers and potential customers?
62. Have you received high profile yachts in the past 4 years? If yes, how many on average?
63. What added services do you provide for these high profile customers? As stated earlier, we deal with the captains, for whom we will do anything to make their job easier while owners or high profile guests are on board although we may never know the identity of these persons.
64. How many people do you employ directly and indirectly to service your customers? Directly we employ 13 people during the high season, this drops to a minimum of 8 during the summer which is also our vacation period, but during which the marina stays open 7 days a week.
65. How many skilled personnel do you have available at your marina? All personnel are skilled in some are or another. Total employees 13.
66. Do you provide special trainings for your personnel? All personnel are trained tender operators and have VHF licenses and First Aid Diplomas. We also have trained fuel attendant, not to mention our Front Desk staff who are trained by us as Receptionist and Accounts Receivable clerks.
67. In further developing your marina, what aspects do you consider in advance? It is a sheltered anchorage. There are many facilities close by, Supermarket, Hotel (not really up to scratch), Casino, Restaurants, Gym, tennis Courts and swimming pool.
68. What are the spatial constraints to your marina? Water rights by Meitbrief would preclude extension, unless altered. A large sandbank on the north side of our facility. Lack of space to place fuel tanks and storage facilities.
69. Do you seek advice from VROM/Public Works, environmentalists and other NGO’s that cater to spatial development and environment change? Through the SMMTA, we deal with environmentalists, unless the issue is solely our marina’s.
70. What happens if a yacht damages the environment during anchoring? Within the lagoon, as far as we are aware there is no danger of environment damage by vessels dropping anchor. It is only a few yachts require to drop anchor and this is in a limited area of our marina.
71. What policies do you have in place for oil/lubricant pollution, environmental damage and water pollution at your marina? We have on property two booms to contain any spillage and our dock staff are trained in dealing with oil spills. All oil spills, no matter how small, even if it does not go in the water must be reported and dealt with.

72. What are your fees in case of pollution done by customers in the marina? We do not have specific fees but any yacht to which total responsibility for the spill would be billed for any costs involved in the cleanup as well as an additional cost towards environmenta damage.
73. Can you indicate an approximate figure that represents the revenue and expenditure received by your marina for providing utility services, maintenance and bathing facilities for the past 5 years? We do not charge for bathing nor for use of the facilities provided at the hotel, although we make a payment to the hotel for the use of these facilities.We do not provide revenue figures, however we can state that there has been a progressive annual loss of revenue since the bridge fees were increased. The current economic climate has also affected our business as many former owners cannot afford the cost of the megayacht. In addition those who formerly chartered yachts are similarly affected.
74. What percentage of tax is paid by you annually for your facility? TOT of 3% on all revenues other than water and electricity and fuel to commercial yachts. If we make a profit we pay the normal 37% profit tax.
75. What is your annual turnover for your marina? That we are not prepared to disclose except to say it was in excess of $5 million in 206/07 season but has dropped of considerably since then.
76. Does your marina work closely with the Island Government, in order to promote better yachting facilities events for St. Maarten? Through the SMMTA of which we are members, we try to
77. Do you work together with the CBS and the Department of Economic Affairs, in keeping documented information on the industry and conducting surveys on the yachting sector in St. Maarten in order fully explore and discover the true value of this new sector? We always work with CBS and the Department of Economic Affairs in these matters as we hope that Government will realize the contribution, both directly and more importantly indirectly through the monies spent by our clients for all kinds of sevices pertaining to the operation of yachts including, fuel, food, parts, and labor provided in the repairing of damage to yachts (which is never ending).
78. Does the government provide tax advantages to your marina for the yachting sector like on the French Side with the Loi Pons? You are not serious asking that question. We do not get any tax advantages, that's for the hoteliers.

Marinas Online Interview (Bobby's Marina)

Dear Sir/Madame

My name is Sharon Fleming. Currently I am conducting an internship at the department of tourism and product development. At this point in my internship I am conducting a research project geared towards investigating the essentials of St.Maarten marine industry.

Therefore I would truly appreciate it if you were to answer in depth the questions that follow. I am aware that this may be time consuming and for that I apologies in advance. However it is very crucial that the questions and answers are sent back to me by email at neomi15@hotmail.com I thank you for your cooperation and understanding in advance. Additionally I commend you for assisting me in trying to better develop and maintain a lucrative marine industry.

We are a repair facility not a transit marina so some of the questions are not relevant to us

79. What is the name of your marina? Bobbys Marina
80. Where is it located? Philipsburg and Simpson bay

3. What are the high peak seasons an off seasons for your marina? We do not have a big change between high and low season

81. What types and sizes of boats are docking at your marina? We can lift up to 80 foot Boats.
82. What are the major nationalities that berth at your marina? We service all nationalities but Anguilla is a large part.
83. What facilities do you need to berth these yachts successful? A Travellift machine.
84. What types of boats do you intend to berth at your facilities in the future? We are upgrading to a larger machine in a new yard we are constructing up to 140 foot boats.
85. What boats are big money earners? The larger boats generate more income.
86. Do you provide any auxiliary services by yachts docked at your marina? If yes, please indicate. We are a full service marina so do all the necessary repair work .
87. Do you keep equipment in stock for repairing damages? Yes we carry a stock of repair items.
88. Do you have private businesses that you outsource boat services to, for example: maintenance? Yes we outsource some labor aspects of the repairs.
89. What are key aspects that you customers demand, in order to dock by your harbor? We have the needed equipment and skill to repair the customers boats.
90. What do your clients most frequently request? An antifouling paint job.
91. What makes your marina more attractive for customers when compared to other marina facilities? Our reputation.
92. Do you constantly upgrade facilities and services? If yes, how often? We are continually spending money on upgrading the company facilities.
93. What new steps are you taking to up-to-date your marina in this growing yachting industry? As discussed we are upgrading the lifting machine to a bigger one.
94. What trends do you foresee our marina facing in the future? How do you expect to keep up? More high technology we will partner with over seas companys.

95. How are you keeping up with these developments? By regular overseas trips.
96. Do you promote your marina internationally, separately or collective with other marinas on the island? No.
97. Does duty free pricing play a role in attracting potential customers on Dutch St. Maarten? Yes in addition to the good airlift to SXM.
98. How do you plan to compete with other marinas locally, regionally and internationally in a sustainable manner? Continual Quality Management.
99. What events do you promote for customers and potential customers? Annual Boat Show.
100. Have you received high profile yachts in the past 4 years? If yes, how many on average? No.
101. What added services do you provide for these high profile customers? None.
102. How many people do you employ directly and indirectly to service your customers? +/- 30 people.
103. How many skilled personnel do you have available at your marina? +/- 15 trades people.
104. Do you provide special trainings for your personnel? Yes.
105. In further developing you marina, what aspects do you consider in advance? The financial impact.
106. What are the spatial constraints to your marina? Land and Water rights.
107. Do you seek advice from VROM/Public Works, environmentalists and other NGO's that cater to spatial development and environment change? They have no willingness to assist.
108. What happens if a yacht damages the environment during anchoring? We are insured if we are responsible.
109. What policies do you have in place for oil/lubricant pollution, environmental damage and water pollution at your marina? We have oil disposal tanks and oil spill equipment.
110. What are your fees in case of pollution done by customers in the marina? We would defer to the coast guard for this.
111. Can you indicate an approximate figure that represents the revenue and expenditure received by your marina for providing utility services, maintenance and bathing facilities for the past 5 years?
112. What percentage of tax is paid by you annually for your facility? Standard company tax rate.
113. What is your annual turnover for your marina?
114. Does your marina work closely with the Island Government, in order to promote better yachting facilities events for St. Maarten? No .
115. Do you work together with the CBS and the Department of Economic Affairs, in keeping documented information on the industry and conducting surveys on the yachting sector in St. Maarten in order fully explore and discover the true value of this new sector? Yes.
116. Does the government provide tax advantages to your marina for the yachting sector like on the French Side with the Loi Pons? No none.

Marinas Online Interview (Isle Del Sol)

Dear Sir/Madame

My name is Sharon Fleming. Currently I am conducting an internship at the department of tourism and product development. At this point in my internship I am conducting a research project geared towards investigating the essentials of St.Maarten marine industry.

Therefore I would truly appreciate it if you were to answer in depth the questions that follow. I am aware that this may be time consuming and for that I apologies in advance. However it is very crucial that the questions and answers are sent back to me by email at neomi15@hotmail.com I thank you for your cooperation and understanding in advance. Additionally I commend you for assisting me in trying to better develop and maintain a lucrative marine industry.

117. What is the name of your marina? Isle de sol
118. Where is it located? Simpson Bay
119. What are the high peak seasons an off seasons for your marina? November to May
120. What types and sizes of boats are docking at your marina? 80ft to 360ft yachts
121. What are the major nationalities that berth at your marina?American,Australian,European
122. What facilities do you need to berth these yachts successful? deep drafts(water depth max 20ft), 45 slips,buoys or pilings,tenders
123. What types of boats do you intend to berth at your facilities in the future? We cannot take on larger boast than 350ft sp we will try to improve our services and build loyalty with our members etc.
124. What boats are big money earners? Mega yachts are big money earners at present in the past medium yachts brought in significant profit but due to the increase in fees they have all moved to the French side of the island.
125. Do you provide any auxiliary services by yachts docked at your marina? If yes, please indicate. grade A fuel, water, 220, 380, 480v single or 3-phase power supply, free satellite TV and free high speed wireless internet.
126. Do you keep equipment in stock for repairing damages? No we do not
127. Do you have private businesses that you outsource boat services to, for example: maintenance? Yes we outsource many boat services to other companies such as le Grande marche,budget marine,Napa,marcus wine cellar, wholesalers
128. What are key aspects that you customers demand, in order to dock by your harbor? Easy docking, being tied up after entering through the bridge as quickly as possible, the assistance in providing goods and catering to all their demands a equip docking staff

129. What do your clients most frequently request? Provisions, car rental, laundry, maintainance, cleaners, waste disposal etc.

130. What makes your marina more attractive for customers when compared to other marina facilities? On the premises you will find a variety of amenities to enhance your stay in St. Maarten. Those amenities include business services, a car rental agency, The Sand Bar & Restaurant, a ship's store, a gym and a variety of other valuable retail outlets. At sand bar& restaurant a crystal blue swimming pool and a wonderfully heated Jacuzzi surrounded by comfortable lounge chairs and two tennis courts for both day and night play.

131. Do you constantly upgrade facilities and services? If yes, how often? Upgrading and maintenance is done during offseason.

132. What new steps are you taking to up-to-date your marina in this growing yachting industry? Dredging for bigger boast and improving facilities.

133. What trends do you foresee our marina facing in the future? How do you expect to keep up? The trend is to accommodate larger yacht by making other facilities in areas where there is no need for the yachts to pass through the bridge in order to house more boats

134. How are you keeping up with these developments? By attending trade shows around the world. By keeping up with trends and the changing industry.

135. Do you promote your marina internationally, separately or collective with other marinas on the island? Only internationally because we are known around the world through IGY.

136. Does duty free pricing play a role in attracting potential customers on Dutch St. Maarten? Yes because of there being no customs brokers buying and picking up parts etc is easy.

137. How do you plan to compete with other marinas locally, regionally and internationally in a sustainable manner? By pricing competitively and promoting themselves by pushing our name, as well as giving outstanding services to encourage people to come back.

138. What events do you promote for customers and potential customers? none

139. Have you received high profile yachts in the past 4 years? If yes, how many on average? Yes, we attract only profile yachts maybe 15 a day our slips are always full.

140. What added services do you provide for these high profile customers? Anything which is required.

141. How many people do you employ directly and indirectly to service your customers? Depends on high season and off season

142. How many skilled personnel do you have available at your marina? All personnel are skilled to their specific labour divisions.

143. Do you provide special trainings for your personnel? Yes

144. In further developing you marina, what aspects do you consider in advance? Space,cost the environment.

145. What are the spatial constraints to your marina? The lagoon is at its full capacity and there is no other section.

146. Do you seek advice from VROM/Public Works, environmentalists and other NGO's that cater to spatial development and environment change? NO

147. What happens if a yacht damages the environment during anchoring? It never happens

148. What policies do you have in place for oil/lubricant pollution, environmental damage and water pollution at your marina? We do have some supplies to clean up these situations if something happens but nothing extensive and we have no actions plans or immediate response team.

149. What are your fees in case of pollution done by customers in the marina? if a yachts pollutes they first have to be investigated and based on this the amount is determine

150. Can you indicate an approximate figure that represents the revenue and expenditure received by your marina for providing utility services, maintenance and bathing facilities for the past 5 years? Financial information cannot be disclosed

151. What percentage of tax is paid by you annually for your facility? Cannot be disclosed

152. What is your annual turnover for your marina? Cannot be disclosed

153. Does your marina work closely with the Island Government, in order to promote better yachting facilities events for St. Maarten? No

SXM Pride Foundation

Environment

1. **What role does EPIC play in maritime development?**

PRIDE is an environmental awareness non-profit, nongovernmental group geared towards protecting and highlighting awareness issues. Our role towards the Simpson Bay Lagoon is the same as towards all other environments.

2. **Is your organization linked to governmental bodies? Do you exchange information?**

PRIDE foundation is not linked to governmental bodies, yet we exchange information or seek information from the department of VROM and ROB if we so need when it pertains to environmental issues...more often PRIDE foundation is the group that INFORMS ROB and VROM of Developments around the lagoon as they don't seem to have a grasp on the monitoring of the lagoon.
PRIDE is also in contact with the Public Prosecutor office and sends this office our written complaints when illegalities happen around the lagoon.

3. **Do you cater solely to the lagoon in Simpson Bay?**

NO

4. **Are you aware of any tourism and yachting policies in existence now?**

No

5. **What policies do you enforce to protect the environment and Marine Park?**

The Marine Park is not yet in existence-There is no ordinance-Nature Foundation is the body tasked with enforcing the Marine park legislation once it is passed by the EXCO. The Simpson Bay Lagoon DOES NOT fall under the protection of the Marine Park.
The Prosecutor uses the Federal Ordinance on Environment and the Police Ordinance-Please note that both are Federal laws and not local laws.
The Beach Policy is also used when applicable.

6. **Do you work together with other organizations for the protection of the lagoon?**

Yes, EPIC and Nature Foundation.

7. **Do you enforce solid waste and oil/lubricant disposal policies?**

Do we have such policies? if we do I am not aware of them

8. **Do you provide environmental awareness programs for all marinas on Dutch St. Maarten?**

No, our partner EPIC does.

9. **What kind of awareness campaigns do you launch in regards to protecting the marine environment?**

Community Outreach programs and in the local schools.

10. **What are current environment damages taking place in the marine environment, e.g. sea grass (Great Bay)?**

Anchoring of boats, but also erosion from the land (Barbaron-Indigo) is affecting the corals and ocean water quality.
Run off sewage from the land is also entering the Great Bay Sea and the Simpson Bay Lagoon.

11. **What are the procedures that have to be taking if damages occur to the environment during anchoring?**

This question is for Nature Foundation

12. **Who pays for these damages?**

Depending on the damage and depending if a complaint was made with the Prosecutors office, then the boat. company or individual would be made to pay damages....keep in mind that since our environmental laws are Federal....fines paid will go to Curacao....This is a area that needs correcting in my opinion.
An Environmental Trust Fund should be set up to receive monies paid by offenders.

13. **What procedures do you follow when it comes to spatial constraints?**

It very much depends on the situation-this question is too broad for me to answer in detail.

14. **What in your opinion is a sustainable way for developing the marine industry further in St. Maarten?**

We have passed our sustainability threshold -the word sustainability is a nice word being used and passed around like a good partner between Tourism and Environment.

The reality is that Dutch side SXM is no longer sustainable....we have too much of everything thus enormous stress is placed on the environment. The fact that our government bodies are not up to par to enforcing laws and patrolling beaches, and water bodies-that the Marine Park is not in exsistance. Yet we are developing numerous marinas and large scale infrastructural developments shows that there is no balance now-so we should not pretend that we can still develop sustainable.
The only way to play catch up to is put a moratorium on large scale developments, no more marina developments for 15 years, no more condo developments for 15 years...during this period we can make assessments of what the industry needs or does not need.

During the moratorium we should look at ways to improve the quality of our services and improve the quality of our branding of the island, improving the quality of our island architectural designs and island aesthetics, improving our islands solid waste and getting into recycling and reducing our waste, put zoning into place and other factors to improve the quality of live for everyone-people visiting and people residing here.

Right now we are inviting and bringing 2 million visitors to the Dutch side of St.Maarten, while sewage is running in every district, sewage is running into the lagoon and into the Great Bay Sea, sewage is in our ponds...what is sustainable about that?

Results St. Maarten Marine Trade Association

St. Maarten marine trade association Was founded in a ummm an association of local businesses, um to ensure the quality of services we were providing and to be able to work together to work with government get information from government you know to provide member services… We have members from the French side and the Dutch side and we have well most of our memberships we have are primarily businesses focused on the marine industry and then we have associate memberships for companies like let's say Le grand Marche and Prime who sell to the yachts or to the provisioners but that's not the whole focus for the business. It's like our responsibility are to give the best we can to promote our industry locally and abroad to bring more boats to SXM. To bring the high quality for clients here, that kind that would really spend money and it could be good for tourism product. Umm in that it teach different values between the type of passengers you find in the big yachts and the type of passengers you get in the cruise ships. A cruise ship passenger might spend a hundred dollars ashore and a yacht one can easily spend 5 to 10 thousands. To buy a Rolex or whatever, and ultimately a lot of the members of theses yachts have a lot of disposable income because everything is provided for them. A place to sleep, their food, their medical insurance, their uniforms, everything, and they make big salaries. And they spend it freely here. And plus they have a lot of training to get into the business but yeah its very interesting.

Sharon: I think I am in the wrong field

The organization is basically accountable to our members. We have an elective board and we have to keep very close control to our finances and our book keeping an the types of projects that we undertake on behave of our members and if we don't do a good job we are not going to get re-elected. We are a non-profit organization so I don't know if you have any other question about that part.

And the dynamics of the yachting industry have really changed in the last fifteen years. And personally with that type management we started our ship agent catering to yachts fifteen years ago. We were the oldest established yacht agent in the Caribbean that was just not in SXM. And before the yacht came around if they could get any help at all they would have to be from one of the cruise ship agents who really were not very interested in taking care of small boats. These yachts move around the world, we probably have 50% of them that come to SXM are available for charter, that you could rent it like a floating hotel by the week. Or they are private which means strictly for use of the owners family and friends. The yachts are getting much bigger. When they got the new bridge in 2000/2001, and just about every boat that came to get through the bridge now about 35% they can't go through the bridge because they were just too wide. And we don't have the facilities to accommodate them. I could put them on a cruise dock for a day or two to fuel and take provisions and stuff. But we are losing a lot of business to other islands because we have no marine facilities that are not outside the bridge. We have boats that would stay here a lot longer if they could come to the dock. It had a boat that came from Antigua yesterday 87 meters. And all they did was come up and pick up some money from the bank and food and drinks and flowers and go back to Antigua, because they get such a much better quality here.

The yachts move around the world, they don't stay in any one place very long normally. They may stay in one area but they don't just stay in one spot. They have to be constantly ready to move at moment's notice. A lot of the bigger yachts now the crew were actually now rotating since the captain worked three months, and then gate a month or two months or three months off, and then a different captain would come in and then they would trade again, because you just can't keep moving like that all the time without getting some time off. The crew has to be highly trained, they have to have licenses and certifications, and it's become and it's up until the global crises a couple months you know 2008. It was probably the biggest problem that we had in the industry that they could not find enough crew, that had the qualification and went through the training and you know were willing to live this kind of life style. People think it's very exotic but the crew is down there cleaning toilets. Sometimes they go St. Barthes for two days they don't get off the boat they never see anything of it. It can be a lot of hard work, but it can be a lot of fun too.

What are the recent developments and trends in the marine industry in SXM and the Caribbean as a whole? The biggest trends are that the boats are supposed to get bigger. One of the important parts of the yachting sector in SXM is that we are what we call the home port. They come here they fuel, they buy flowers, they buy food, and as soon their guests arrive they may be here over night. You know and they may go to St. Barthes or go to Anguilla places like that. But ninety percent of the money is spent here, and the reason for that is that we don't have customs brokers so there is no delay in getting your things shipped in or flown in, or if they break down we have really good people here that would qualify to do repairs whether it's engine repairs or wood working or you know polishing the scratches in the marble in the bathroom, or plumbing, air-conditioning. There's a huge variety of businesses it's not all coming to the marinas. So while we constantly get more and bigger yachts because of services available here. Then we have the other issue the increase in fees, with bridge and SLAC and everything that are driving the medium size yachts away. And it is a very important sector of the business that we don't want to lose. But we kinda got really expensive for the medium size yachts. The data available on the yachting sector we just had a CBF survey done and umm Robbie is going to email it to you. I also have a power point presentation that I did. When I went to Curacao to the counsel officers seminar conference a couple years ago and made a presentation to the department of foreign services and justice and the counsel officers for the comparison on what the crew members made and what they spent, what the regulations are to them as compared to what they are to the cruise ships. Cruise Crew members who don't have any regulations and don't spend any money here well, I do have another little survey.

In 1995, after hurricane Luis and port de Plaisance was badly damaged and they weren't open for a long time. You didn't have much to offer here. Simpson bay marina has a smaller dock and there were a few docks there at Palapa none of the rest of this was built. When we had the opportunity for things to come together for Limit Less the biggest boat that has ever been through the bridge. I don't know if you saw it when it was here, the big blue one. Looking for a place to stay for the winter and the opportunity for the gentlemen who had a long leave permits to make an investment to build this marina, and then they put in the next dock on the north side over at Port de Plaisance. That all sprung up in a few years, that whole 1999/2000/2001 it just blossomed. All of a sudden worldwide we saw a huge increase in the number of yachts and the size of the yachts. The whole key is SXM was getting that bridge widened, because now the bigger yachts could start coming here. When we first started in 1996 with that type management we had two or three or four a month, and now we have fifteen in one day. It is a huge increase, massive, and the number one reason is the bridge and the marinas. The marinas wouldn't have built a self private infrastructure; they wouldn't have built it if we couldn't get the bridge expanded. So it was all part of growing up into one thing, and it had just a tremendous impact.

Robbie commissioned a steady crew 8 to 10 years ago, where they estimated the yachts were spending approximately $80M around here, and now it is $225M a year. Well that money stays on the island some goes to Curacao and some goes to taxes but basically that money stays here pretty much.

Sharon well that's a big chunk of change

That's a huge chunk of change. ok so yea you just paid five thousand to the florist and the florist have to pay for the flowers they ordered from Holland but u understand what I mean. It's not somebody here putting the money in their bank Account in Florida the money is circulating through the island. Turn over tax the wage tax all that kind of sort of things. And it's a very sustainable investment but these properties are a huge investment they are not cheap obviously. To build just a dock like this is 35 million dollars. Uhm there pattern and level of uses for the boats as I said some boats are private and some boats are chartered. The boats that are private, they may sit here for weeks and weeks and until their owners decided to show up, uhm we got one boat that we handle that it can't come through here it is 115 metres. And they use to come for a few week, they would go away for a month or two and come for a few weeks but now their owner has bought a villa in St. Barths and he loves it so much he kept the boat here for the entire season, so they came on 9 December and the left on Friday 28 April 2010. Sure they spend a lot of time in St. Barths coming back and forth but all their money was spent here. You know everything they ordered, all the food they came from here and they would come back and forth. uhm that's the kinda thing that we are encouraging the boats to do, is to be here longer. It is a huge problem in our industry they go. In the Caribbean season is done, which is traditionally Easter. The boats will either head up to the Bahamas and florida or north. Or they will go over to the Mediterranean. They generally want to get in a haul out yard and get in little bit of work they need to do before the summer season starts, because that it's very busy season for them. You've got the Monaco Grand Prix both coming up in May, this will draw thousands not hundreds, but thousands of big yachts. The seen and being seen guys really want to rent a yacht and be there. For the boats that available to charter up until couple years ago they might come in on Sunday and drop off and then pick up on Monday or they might sit for a week and then pick up again for another week or two and then go out with new guests. That business is falling off because of the global economic crisis the people who can afford to pay $ 60000 or $ 80000 can't afford it right now. And the people who own their own private boat, I am talking about mid range 120, 130 foot boats; they can't afford to keep their boats. So even though there is less boat, there are less people to charter them too.

Personally from my business, I have found that we use to be 60 or 70% charter, and now almost the opposite with it being 65% or 70% private. Because the owner that own the boats are still using them and they can afford to run them and keep them. So this is the whole issue with SLAC and bridge fees being a very big deal. The statistics about the size and types of boats is best to get them from SLAC, since they have everything in their computer system.

Now I will have to stop here on this new section, because of time purpose, but I will email you the answers to the rest of them by the end of this week. Thank you very much in taking interesting in the opinion of the SMMTA. I am only wish I could have had more time to talk to you.

Sharon: That is fine Ms. Johnson. I am more than happy with the time you have given me already. Thank you again and hope to hear from you soon.

Competition

10. **Do you also provide information to all marinas on how to compete in this new tourism sector?**

We do this at the SMMTA, we go to trade shows and let all marinas on the Dutch side know what's going on around the world in terms of the yachting industry and trends. We do this by publishing a yachting guide, which all members are privy to.

11. **What are the attractions and drawbacks of St. Maarten when it comes to the yachting sector?**

Well SXM is great for provisioning and services. Immigration is also good for importing supplies. The island's duty free status also plays a major role. The marinas and their facilities are excellent as well all of these and more make SXM an attractive place for yachters. Some drawbacks are the fees that expensive and custom and bridge issues at the Simpson Bay Bridge.

12. **What are the patterns and levels of use for these vessels in St. Maarten?**

    Well they are either for charter or private use, which has become the trend in the past years.

13. **Do you compare Dutch St. Maarten yachting sector with their close neighbours of French St. Martin?**

Well on the French side there are fewer fees and no bridge problems. This plays a big role in the yachting arena. Since the Dutch side is losing all their small to medium size boats to the French side. But when it comes to services and provisioning and marina facilities, the Dutch side is still number on the island.

14. **What makes French St. Martin more attractive for the yachting community? Why are they more popular lately than the Dutch side?**

They are cheaper, easier immigration check in and outs and no bridge.

15. **What amenities do they offer to their customers and at what prices?**

I do not know.

16. **What info do you have on competing islands in the Caribbean in regards to the yachting sector, particularly, St. Barth, the British Virgin Islands and Antigua?**

Currently, we are moving to a new location and all documentation has been stored in boxes. So I am not sure what we have at the present moment.

17. **What are the types of yachts being targeted on the Dutch side of St. Maarten and all other competing islands, specifically, St. Barth, Antigua, B.V.I. and French St. Martin?**

    All.

18. **How is the SMMTA involved in major yachting events? Do you promote or sponsor them?**

We do not sponsor any event, as we are a nonprofit organization. We do place promotions up on the island and websites to spread the message.

Environment

9. **What are the tourism and yachting policies in existence now?**

None.

10. **What policies do you enforce to protect the environment and Marine Park?**

There is none, so we cannot enforce any. However, we do not want the environment to be polluted by these boats. So it is stressed that they ask their marinas they are berth by to help them remove all waste and bilch water.

11. **Do you enforce solid waste and oil/lubricant disposal policies?**

There is none in existence, but we do what we can to stop this problem.

12. **Do you provide environmental awareness programs for all marinas on Dutch St. Maarten?**

No we do not.

13. **What are current environment damages taking place in the marine environment, e.g. sea grass (Great Bay)?**

In the Simpson Bay Lagoon, there is no damage anymore, as the lagoon is mostly rock with mud on the bottom. Though this was different in the past. It is now the case.

14. **What are the procedures that have to be taking if damages occur to the environment during anchoring?**

The boat must pay for damages caused by them.

15. **Who pays for these damages?**

It depends on who caused the accident.

16. **What procedures do you follow when it comes to spatial constraints?**

None, as the Simpson Bay Lagoon has reached its full capacity.

Economic

6. **How has the yachting industry affected direct and indirect employment?**

Well the yachting industry makes up 16.7% of the GDP of the island. There are many jobs that are created by the industry both directly and indirectly. The only sad thing lies in the fact that this industy is very seasonal and mostly only temporary positions are available.

7. **What skills are necessary for being employed in this sector?**

Well a lot of skills are needed for this job. Special training is also needed even higher education in most extents.

8. **What is the revenue base of core marine services?**

Contact Robbie Ferron for this answer.

9. **What is the expenditure per head and total expenditure for this sector?**

10. Contact Robbie Ferron for this answer.

What is the marine industry contribution to the GDP of St. Maarten?

16.7%

Government

5. **Are there any government institutional arrangements to help boost this sector on the Dutch side of St. Maarten?**

Unfortunately, no.

6. **Are there any governmental incentives like the French "Loi Pons" for the yachting sector on St. Maarten?**

No.

7. **What is the current communication channels being shared by all private marinas with government? How do you cooperate? Do you exchange key information about this sector with all stakeholders?**

No.

8. **Who are the interest groups and associations connected with this sector?**

Just the SMMTA.

Appendix 5: Interviewee Contact Information

Name of Organization	Contact Person	Telephone	E-mail
SMPA	Keith Franca	5428503 ext 36/5200777	keith_franca@portofstmaarten.com kfranca@smpamv.com
SMMTA	Kas Johnson	587-1948	kass@caribserve.net
EPIC	Reuben Thompson	5241516/5453009	
St. Maarten Pride	Jadira Veen	5231188	bernveen@yahoo.com
SLAC	Keith Franca/ Mark Mingo	5422307	
Budget Marine	Robbie Ferron	5443134	
IGY	Brian Deher	5422306/5203625	
SHTA	Robert Dubourcq / Emil Lee	5203645	princessheights@yahoo.com
Maritime Affairs	Eddy Johnson	5422307 ext 245/ 5201867	sxmpilot@hotmail.com
Dpt. Economic Affairs	Luis Halley	5422337	
Bobby Marina	Jeff Howell	5530800	
Cupercoy Yacht Club	James Roidis	5201588/ 5453300	james@l-mg.com
Dock Maarten Great Bay Marina	Stanley Peterson	5425705	steemer1@gmail.com
St. Maarten Yacht Club	Petra Gilders	544-2075	
Port de Plaisance	Patrick Barette	544-4565	pbarrett@pdpmarina.com
French Side Information	Erve Dorville	590690448531.00	
La Palapa	Valesca	5452735	office@palapamarina.com
Simpson Bay Marina	Martin Plas	5442309	mplas@igymarinas.com