



PRESS RELEASE

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Port St. Maarten Management Meets with RBC Merchant Bank Caribbean. More Investments Needed in Tourism Experience for Reinventing Cruise

POINT BLANCHE (February 15, 2015) – Management of Port St. Maarten on February 11 met with RBC Merchant Bank Caribbean who was represented by Mitchell De Silva, Regional Vice President Corporate Banking, regarding investments in entrepreneurship ventures that would further enhance the tourism experience that the destination has to offer its visitors.

The discussions are part and parcel of St. Maarten reinventing itself as a mature cruise destination, and being able to continue to progress despite regional competition and emerging cruise markets.

Port St. Maarten has had a longstanding relationship with RBTT Merchant Bank, now known as RBC, where the financial institution financed phase 2 of the harbour development plan by providing an US\$86 million loan.

Port St. Maarten Chief Executive Officer (CEO) Mark Mingo, said he told the bankers that RBC Merchant Bank needed to focus on small entrepreneurs who are innovative, willing and ready to offer new tours, and that this was very important in reinventing the cruise sector for the country in terms of quality and growth.

“Clearly, RBC Merchant Bank Caribbean looks at the market from a different perspective which in my opinion is not in alignment with both the port and the business sector. I pleaded to De Silva to start looking at the smaller entrepreneurs. The harbour too was once a small player, but with the right vision and partners, we grew with a clear plan in mind.

“Marquee Tours are needed to keep this business here which can handle larger volumes of visitors at a time, however you also have many cruise passengers and crew who are looking for smaller attractions which showcase real heritage and culture for both stay-over and cruise. This is what reinventing cruise is all about, and at the same time, it also serves the stay-over visitor market.

“It is very important that we remain innovative in our thinking and planning in order to retain the business that we have achieved. This will be important as competition increases, and that also includes the Cuban factor which we see as an extra driver to increase our product quality,” Mark Mingo pointed out.

The port CEO also met with Relationship Manager RBC Business Banking Peter Beishuizen and Corporate Banking Unit Dutch Caribbean and Suriname Marc Jardine, where the discussion was about the financial institutions offering more loans for cruise product enhancements.

Mingo explained that too often banks go into the fine print and ask for documents which the average “sole proprietorship” company cannot even understand the first page of such a loan agreement.

“Yes, we can train all what we want but the Harbour has made several investments to test to see if this will work, such as the Walter Plantz Cruise Heritage & Cultural Development project. If a loan can be given to purchase a car which only is a cost centre, and depreciates, then a well thought out small business plan revenue driven is even less risky if such a plan is recognized by the Harbour or supported by industry partners. At the end of the day, it’s a circle. If the economy suffers people will not be able to pay any of the loans anyway,” Mingo pointed out.

Mingo challenged the bankers, in order to regain confidence and relationships which once existed, financial institutions needed to show that this can work by giving several loans to bring that confidence that is missing right now. The harbour and government cannot do it by themselves, he said.

“As Port St. Maarten we have had many requests for support to start a business, but the harbour is not in the business of giving out loans. That is the role of the banking sector. However, any project which enhances the overall cruise product of destination St. Maarten, we will seriously look at it, and support, and if that means the harbour needs to give an advice to the bank, it will do so,” Mingo said.

Mingo added that Port St. Maarten fully recognizes the significant role that the bank played in phase 2 of the harbour project, therefore making Port St. Maarten a success story when looking at the various milestones that have been achieved within the past seven years.

“A lot of key investments have been made in making our port the number 1 cruise and cargo facility in this part of the Caribbean. RBTT Merchant Bank then, had confidence in us as a port, and based on the discussion with the bankers on Wednesday, that confidence is still there today, because Port St. Maarten has only continuously moved forward.

“Our national port is a corner stone of the country’s economy, contributing one third of Gross Domestic Product. The people of St. Maarten can be proud of what has been accomplished within the past 14-years. Without a modern port facility, economic growth would have stagnated, and the business activity would go elsewhere.

“Ports are designed to be economic gateways, and to facilitate the value added partners in the private sector. Everything is linked together, and here in St. Maarten, the shareholder representative, the supervisory board, staff and management have realized this, which has made the Port St. Maarten success story,” CEO Mark Mingo pointed out on Sunday.

Investments in the past have been made in additional piers/docking facilities, land reclamation, additional operational equipment eg. pilot boat.

The bankers were given a tour of the port facilities after the meeting on February 11 including the Walter Plantz Cruise Heritage & Cultural Development at Down Street.



PHOTO OUTLINE: CEO Mark Mingo (2nd from right) with the bankers and a member of his management team.

For further questions, please contact: comments@portofstmaarten.com