

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

SAINT MARTIN

America Caribbean

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Marigot (capital & port)	Seat of the Collectivité, main commercial district and Marigot port, the French side's primary - but shallow-water and small-scale - maritime gateway	Public administration, retail, small-vessel port services
Grand-Case	The island's recognized "culinary capital," anchored by L'Espérance Airport; the French side's strongest tourism draw	Culinary/boutique tourism, hospitality, aviation-linked services
Quartier d'Orléans (French Quarter)	Growing residential and institutional district, site of the Collège 600 rebuild under the STDEII infrastructure pipeline	Education infrastructure, residential real estate
Sandy Ground	Lagoon-side community and marine district slated for Maison des Jeunes et de la Culture renovation	Marine services, community and social infrastructure
Baie Nettle / Terres Basses	Upscale villa and resort corridor along the lagoon and western beaches, popular with high-end repeat visitors	Luxury villa real estate, boutique hospitality
La Savane	Targeted road and public-lighting upgrade zone (RN7), part of the 2026 capital-investment budget	Infrastructure and utilities, construction
Oyster Pond / French-Dutch border zone	Straddles the newly delimited France-Netherlands border; the Senate report describes the island as "an integrated economic space" despite diverging tax, labor and immigration rules	Cross-border logistics, hospitality, services

INVESTOR ENTRY ROUTES

- Direct incorporation through the Collectivité de Saint-Martin, which holds its own tax and regulatory autonomy - distinct from and more flexible than mainland France or Guadeloupe/Martinique
- Culinary and boutique-hospitality investment in Grand-Case, the French side's strongest and most differentiated tourism asset
- Participation in the AFD-backed STDEII infrastructure pipeline (Collège 600, RN7 Savane upgrade, media library/cyclone shelter, eco-friendly fire station)
- Luxury villa and resort development in Baie Nettle/Terres Basses targeting recovering high-end repeat-visitor demand
- Access to EU outermost-region (RUP) structural funds, including ERDF co-financing, for qualifying infrastructure and development projects
- Cross-border logistics and trade positioning enabled by the newly ratified France-Netherlands border treaty formalizing the shared island economic space

MARKET-ENTRY OBSERVATION

French Saint-Martin offers a genuinely distinctive proposition within the French Caribbean: as the Collectivité de Saint-Martin since 2007, it holds its own tax and regulatory autonomy unlike Guadeloupe or Martinique, while still carrying EU outermost-region status that opens access to ERDF and other structural funds. The 2026 territorial budget (EUR276.3 million, balanced after a EUR5.7 million surplus in 2024 versus a EUR24.3 million deficit in 2023) is funding a concrete AFD-backed infrastructure pipeline - schools, roads, a

renovated media library with cyclone shelter - and Grand-Case continues to anchor a genuinely strong, differentiated culinary-tourism brand.

The harder reality, documented in detail by IEDOM's own annual surveys, is that the French side has fallen well behind its Dutch neighbor on almost every tourism and logistics metric: it captures only a small fraction of the island's cruise arrivals (the Dutch side took 94.6% of visitors and nearly all 1.38 million cruise passengers in 2024), unemployment has averaged close to 29% of the active population even as 41% of local recruitment projects report hiring difficulty, construction activity has collapsed (cement consumption down 83.7% year-on-year) after a post-Irma speculative bubble, and CMA-CGM's withdrawal of its direct Le Havre-Philipsburg shipping line has lengthened supply chains further. Unlike Sint Maarten, which drew on a dedicated EUR470 million World Bank-administered reconstruction trust fund after Hurricane Irma, France has relied on ordinary budget cycles and EU programs - a structurally slower reconstruction path that a newly ratified France-Netherlands border treaty (expected in force before the 2026 hurricane season) is only now starting to formalize into a more coordinated bi-national framework.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Chronic competitiveness gap with Sint Maarten	The French side has no deep-water port and captures only a small share of island-wide cruise and air arrivals; CMA-CGM ended its direct Le Havre-Philipsburg shipping line, lengthening import delays	Target niche culinary/boutique-tourism and villa segments rather than mass-market cruise tourism; diversify freight routing via regional hubs
Very high structural unemployment	Unemployment has averaged close to 29% of the active population even as 41% of local recruitment projects report hiring difficulty, reflecting a skills/training mismatch	Invest in local training partnerships and build regional recruitment into staffing plans
Governance integrity concerns at the territorial level	Territorial Council President Louis Mussington was taken into custody and questioned in January 2026 over an ongoing investigation (opened 2023) into alleged misappropriation of public funds; he was released without charges	Apply enhanced due diligence on any publicly co-financed or Collectivite-linked project pending the investigation's outcome
Collapsing construction-sector momentum	Cement consumption fell 83.7% year-on-year as the post-Irma speculative building bubble unwound; the sector is described locally as "losing momentum"	Time entry to the announced 2025-2030 local housing programme and AFD-backed STDEII projects rather than speculative building
No dedicated reconstruction financing vehicle	Unlike Sint Maarten's EUR470 million World Bank-administered Irma trust fund, French-side reconstruction depends on ordinary national budget cycles and EU programs, a slower and less predictable path	Engage directly with AFD pre-financing and ERDF/outermost-region funding windows for resilience projects
Demographic decline and skilled-worker outflow	Population is shrinking and aging, with structurally negative net migration as young, skilled residents leave	Build remote-work and regional-staffing models into workforce planning from the outset
Regulatory divergence across the island	The French Senate's own report warns that differing tax, labor and immigration rules between the French and Dutch sides create unfair competition and social tension	Structure cross-border operations with counsel versed in both jurisdictions' rules; monitor the new border treaty's implementation

INVESTOR RISK NOTE

Waverley views French Saint-Martin as a market of real but narrow opportunity: its tax autonomy, EU outermost-region funding access and strong Grand-Case tourism brand are genuine differentiators, but investors should weight the French side's persistent competitiveness gap with Sint Maarten, chronically high unemployment, and the sitting territorial President's unresolved public-funds investigation as live factors shaping both execution risk and the pace of public co-investment.

MARKET ACCESS

As a Collectivite d'outre-mer with its own tax autonomy since 2007, Saint-Martin sits outside the ordinary French/EU tax code in important respects, while its EU outermost-region (RUP) status preserves access to ERDF and other structural funds under Article 349 TFEU. The newly ratified France-Netherlands border treaty formalizes the island's shared economic space, and proximity to Sint Maarten's Princess Juliana International Airport provides an indirect but practical international-connectivity channel alongside the French side's own Grand-Case airport and Marigot port.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Collectivite de Saint-Martin (Territorial Council)	Sole local authority since 2007, holding tax and regulatory autonomy unique among French overseas territories	Primary point of contact for incentives, permits and land-use approvals
Prefecture deleguee de Saint-Martin et Saint-Barthelemy	Represents the French State locally, overseeing security, justice and state-funded programs	Engage on state-co-financed infrastructure and security-related matters
Agence Francaise de Developpement (AFD)	Pre-financing the EUR12 million STDEII infrastructure pipeline and other development projects	Explore co-financing for qualifying infrastructure and resilience projects
IEDOM (Institut d'emission des departements d'Outre-mer)	Publishes the authoritative annual economic survey relied on by banks and investors	Reference its annual report and key indicators for due diligence
Chamber of Commerce and Industry of Saint-Martin	Registers businesses and supports trade and tourism-sector development	Register entities and access local business networks
European Commission / EU Outermost Regions programme (ERDF)	Saint-Martin's outermost-region status gives qualifying projects access to EU structural funds	Pursue ERDF co-financing for eligible infrastructure and development projects
Port de Marigot / Grand-Case "L'Esperance" Airport authorities	Control the French side's limited port and airport capacity, central to the competitiveness gap with the Dutch side	Engage on planned port-expansion and modernization projects (around EUR150 million announced)

CURRENT INTERNATIONAL BUSINESS CHANNELS

Most inbound investment proceeds through direct registration with the Collectivite de Saint-Martin and the local Chamber of Commerce, hospitality and villa development through established local operators in Grand-Case and Terres Basses, and infrastructure-linked opportunities through AFD co-financing tied to the STDEII plan. EU outermost-region funding offers a further channel for qualifying resilience and development projects.

INVESTOR PROFILE BEST SUITED

Best suited to boutique hospitality and culinary-tourism operators, luxury villa developers targeting repeat high-end visitors, and infrastructure or resilience-focused investors willing to work through AFD and EU co-financing channels; less suited to mass-market tourism or large-scale port/logistics plays given the structural gap with the Dutch side.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1 — Confirm sector and site fit

Assess whether the thesis is culinary/boutique tourism in Grand-Case, luxury villas in Baie Nettle/Terres Basses, or AFD-linked infrastructure participation, and select a location accordingly.

STEP 2 — Engage the Collectivite and Chamber of Commerce

Register the entity and confirm the territory's specific tax-autonomy rules, which differ from both mainland France and other French Caribbean territories.

STEP 3 — Map EU and AFD funding eligibility

Determine whether the project qualifies for ERDF outermost-region funding or AFD pre-financing under the STDEII pipeline.

STEP 4 — Run enhanced governance due diligence

For any publicly co-financed or Collectivite-linked project, factor in the ongoing investigation into the sitting territorial President before committing capital.

STEP 5 — Plan around the competitiveness gap

Build logistics, staffing and tourism-demand assumptions around the French side's smaller port/airport capacity and the Dutch side's dominance of cruise and mass-market arrivals.

WAVERLEY'S ROLE

- Screen Grand-Case and Terres Basses hospitality/villa opportunities against post-Irma accommodation-capacity and demand data
- Coordinate introductions to the Collectivite, AFD and the Chamber of Commerce for registration, incentives and co-financing

- Track the territorial-President investigation and the France-Netherlands border treaty's implementation for material shifts relevant to investors
- Benchmark any port, airport or logistics-linked investment against the documented competitiveness gap with Sint Maarten

INVESTOR CALL TO ACTION

Waverley Gateway positions investors to capture French Saint-Martin's tax-autonomy status, EU funding access and Grand-Case tourism brand while explicitly managing its competitiveness gap with the Dutch side and current governance-integrity risk - engage now to sequence entry around the STDEII infrastructure pipeline.

Sector & site screening -> Governance and funding-eligibility due diligence -> Collectivite/AFD introductions -> Structured entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities cluster in Grand-Case culinary/boutique hospitality, Terres Basses/Baie Nettle luxury villa redevelopment, and AFD/EU-co-financed infrastructure tied to the STDEII plan - school rebuilding, road upgrades, and resilience-focused public-facility renovation.

POSITIONING

French Saint-Martin's distinct tax-autonomy status and EU outermost-region funding access make it a genuinely differentiated entry point within the French Caribbean, and Grand-Case remains one of the region's strongest niche-tourism brands.

That differentiation sits alongside a well-documented competitiveness gap with Sint Maarten, chronic unemployment near 29%, and an unresolved public-funds investigation involving the territorial President. Waverley frames French Saint-Martin as a market for focused, niche-segment capital rather than broad-based tourism or logistics investment until these structural and governance questions are further resolved.

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