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**LETTER OF ADVICE**

Government Administration Building  
The Honorable Minister of Tourism, Economic Affairs, Transport and Telecommunications  
Mrs. Grisha Heyliger-Marten  
Soualiga Road 1, Pond Island

Philipsburg, February 27, 2026

Reference: SER/26/RvdM/006

Re: Social and Economic Impact of Soul Beach Music Festival 2025.

Dear Honorable Minister Heyliger-Marten,

On May 30, 2025, in your capacity as the Minister of Tourism, Economic Affairs, Traffic and Telecommunication hereafter (TEATT) you formally requested that the Social Economic Council hereafter (SER) conduct an independent assessment of the social and economic impact of the Soul Beach Music Festival 2025 hereafter (SBMF25). In the advice request, you highlighted positive indications from the business community and emphasized the need for an objective evaluation of the festival's contribution to the economy<sup>1</sup>.

**Introduction**

In December 2024, the Ministry of TEATT announced, via press release, that the SBF25 would return to Sint Maarten<sup>2</sup>. On April 10, 2025, a second press release was issued providing further details related to the event<sup>3</sup>. The SBF25 took place from Wednesday, May 21, through Monday, May 26, 2025, at various locations on Sint Maarten.

During the debate on the second draft of the 2025 national budget of Country Sint Maarten, discussions focused on the financial management and execution of the event. Various Members of Parliament hereafter (MPs) queried the Honorable Minister of TEATT, Mrs. Grisha Heyliger-Marten, and the Honorable Minister of Finance, Ms. Marinka Gumbs.

- On May 30, 2025, the SER received an advice request from the Honorable Minister of TEATT, Mrs. G. Heyliger-Marten. The SER was requested to conduct an independent assessment of the social and economic impact of the SBF25.
- In response to the Minister's request, on June 11, 2025, the SER issued a detailed correspondence to the Ministry of TEATT outlining the information the SER required to conduct a comprehensive assessment. The requested data included operational and event details, economic and social impact indicators, and legal and financial administrative details.

<sup>1</sup> Advice Request for Independent Assessment of the Social and Economic Impact of SBF25

<sup>2</sup> Soul Beach Music Festival Returns to its Roots in St. Maarten in 2025

<sup>3</sup> The Daily Herald - Soul Beach Music Festival 2025

- On June 23, 2025, the Parliament of Sint Maarten adopted a motion requesting that the General Audit Chamber of Sint Maarten hereafter (GAC) conduct an investigation into the application and approval process, budgetary decisions, financial and in-kind contributions, and the legal compliance of the SBMF25 event<sup>4</sup>. The motion further requested the Government, based on the findings of the review, to develop a supplementary policy to the Subsidy Ordinance aimed at clarifying eligibility criteria, establishing uniform procedures, defining ministerial responsibilities, and enhancing transparency with respect to large-scale events receiving public funds. Additionally, the motion requested that both the findings of the review and a draft of the proposed policy be submitted to Parliament for consideration. In addition, there were some key financial concerns that were raised by MPs. For your convenience the SER has listed these below:
  1. A destination fee of USD 700,000 was allocated for the event, of which USD 500,000 was funded by the Government of Sint Maarten.
  2. The transfer of USD 175,000 from future concession fees to cover expenditures in the 2024 fiscal year, without a corresponding budget amendment.
  3. Concerns were expressed regarding the inconsistent application of the Subsidy Ordinance to the festival's organizers.
- On July 30, 2025, through its press release, the GAC formally declined to conduct the parliamentary-requested investigation into the financial and administrative handling of the SBMF25, citing legal limitations to its mandate and the absence of a clear distinction between public and private funds.
- On September 4, 2025, the Ministry of TEATT submitted the SBMF25 Marketing and Economic Impact Report to the SER<sup>5</sup>. The report was prepared by Soul Beach Festival Productions. The report contains marketing performance data, estimated attendance and expenditure calculations, and media reach statistics.
- Subsequently, on October 14, 2025, the SER notified the Ministry of TEATT that earlier submissions were inadequate and that the data received on September 4, 2025, did not meet the standards for the institution to conduct a thorough assessment.
- On January 26, 2026, the Ministry of TEATT provided the SER with a list of local stakeholders who were active during the SBMF25 period and a local SBMF25 Payment Log.

Notwithstanding the foregoing, management instructed the staff of the SER to proceed with the drafting of advice in accordance with the mandate of the SER<sup>6</sup>. All requests for advice submitted to the SER by Government or Parliament must be addressed by the Board. The legal basis for this mandate is explicitly set out in Article 2, paragraph 1, of the National Ordinance Social Economic Council (AB 2023 no. 38).

<sup>4</sup> <https://smn-news.com/index.php/st-maarten-st-martin-news/48126-motion-to-investigate-the-the-financial-and-administrative-procedures-government-support-of-soul-beach-passed.html>

<sup>5</sup> SBMF25 Marketing & Economic Impact Report (Soul Beach Festival Productions)

<sup>6</sup> National Ordinance Social Economic Council (AB 2023 no. 38)



**Sociaal  
Economische  
Raad Social  
Economic  
Council**

An advice request from Parliament or Government cannot be declined unless there are legal implications on the SER mandate. The SER’s mandate is derived from the National Ordinance Social Economic Council AB 2023 no.38.

Taking into account the sensitive and political nature of the request for advice, it is important that the Government and Parliament of Sint Maarten are aware of the grounds on which a SER advice request may be rejected by the council, and that any such rejection does not occur arbitrarily. An advice request submitted to the SER must have a demonstrable socio-economic character and may be rejected where the socio-economic aspects are insufficiently prominent.

In light of the public scrutiny surrounding the SBMF25 and in the interest of transparency, the SER therefore sets out below the socio-economic characteristics relevant to the advice request under consideration.

**Social Characteristics**

- Promotion of cultural exchange through music, entertainment, and related social activities.
- Enhancement of the island’s international visibility and destination branding.
- Increased community engagement through related events, local employment opportunities, and participation of local vendors and service providers.

**Economic Characteristics**

- Stimulation of tourism through increased visitor arrivals, hotel occupancy, and extended length of stay.
- Generation of direct and indirect economic activity for sectors such as hospitality, transportation, food and beverage, retail, and entertainment.
- Temporary job creation and income generation associated with event organization, logistics, and services.

During its board meeting of January 29, February 12, and February 26, 2026, the council discussed the subject matter. The SER has evaluated the social, economic, financial, and legal consequences of the advice request and came to the following conclusions:

**Summary of Key Facts**

**Key Data Presented in the SBMF25 Marketing & Economic Impact Report (2025)<sup>7</sup>**

Categories	Details
Festival Dates	May 21–26, 2025
Estimated International Tourists	2,556 visitors
Ticket Formats	Single-day passes, 3-day passes, and 4-day passes
Reported Operational Spending including Local	USD 525,100 spent by organizers

<sup>7</sup> SBMF25 Marketing & Economic Impact Report

Estimated Tourism Income	USD 7,259,040 (as calculated in the report <sup>8</sup> )
Influencer Reach	Over 15 million total reach through artists and influencers
Hashtag Reach	Over 9 million reach via festival-related hashtags

### Data Obtained from Targeted Stakeholder Interviews

Based on the list of local stakeholders submitted by the Ministry of TEATT, the SER conducted targeted interviews in February 2026 with representatives of hotels, car rental agencies, a taxi dispatch operator and a third-party hotel booking online platform. These interviews were undertaken to obtain independent qualitative insights into local business activity during the festival period and to supplement the quantitative information provided by the Ministry of TEATT<sup>9</sup>.

Sector	Stakeholder	Key Observations	Comparison to Same Period 2024	Relevance to Economic Impact
Hotel	Divi Little Bay Beach Resort	Higher occupancy during festival period, longer stays and increase revenues	Occupancy and Revenues increased by approximately 30-35%.	Indicates increase visitors, longer stays and higher tourism spending.
Hotel	Holland House	Higher occupancy, increased average length of stay, strong demand linked to festival.	Approximately 30% higher occupancy.	Confirmed festival related tourism.
Hotel	Oyster Bay Beach Resort	Occupancy rate increased from mid-50% range to mid-70% range.	Approximately 19% higher occupancy.	Indicates increase in accommodation demand.
Hotel	Simpson Bay Resort	Occupancy increase of approximately 10-15%. One day at full capacity.	Higher than 2024.	Confirms that increased accommodation demand was not limited to primary event locations.
Car Rental	Avis	Exceptional demand, reservations temporarily closed due to volume, longer rental durations.	Approximately 50% increase in demand.	Indicates higher mobility and extended stays.
Car Rental	Hertz	Strong advance booking, including by organizers, longer rental periods.	Higher demand than in 2024.	Supports increase visitor volume.

<sup>8</sup> The SBMF25 Marketing and Economic Impact Report page 7.

<sup>9</sup> SER Targeted Stakeholder Interviews, February 2026.

Car Rental	Sixt	Increase reservations, strong walk-in customers, rentals ranging from 2 to 7 days.	Approximately 27% increase in reservations.	Indicates increase in transport demand.
Taxi Services	Noel Taxi Services Dispatch Operator	Increase trip volumes, higher driver earnings, peak demand between hotels and venues.	Approximately 25% increase in trips.	Demonstrates economic benefits to small operators.

**Noted data gaps:**

- Public safety statistics
- Independent verification of local hotel occupancy and arrivals
- Environmental and residents impact data

**Legal Context**

The SER has observed indications that certain financial and budgetary procedures related to the organization and financing of the SBMF25 may not have been fully aligned with the requirements of the National Ordinance on Public Finances (Comptabiliteitslandsverordering)<sup>10</sup>.

In particular, concerns raised by MPs regarding expenditures related to adherence to prescribed procedures, including the timely adoption of the necessary budget amendments prior to the organization of the SBMF 2025. The SER advises that failure to comply with these procedures may constitute a breach of the statutory obligations imposed on ministers and, where applicable, administrative bodies.

Additionally, the SER further notes that during the parliamentary deliberation on the 2025 National Budget, MPs raised questions regarding the provision of USD 500,000 in upfront funding to the organizers of the SBMF 2025, as part of a total commitment of USD 700,000<sup>11</sup>. Considering these discussions and in the interest of transparency, the SER has elected to outline the National Ordinance on Subsidies regarding the manner in which subsidies are granted.

The National Ordinance on Subsidies establishes the general legal framework governing the granting of subsidies by the government of Sint Maarten. It regulates the application, granting, advance payments, and accountability of subsidies, and establishes rules governing the termination and recovery of subsidies.

Hereunder the key points of the National Subsidy Ordinance<sup>12</sup> are mentioned:

<sup>10</sup> Comptabiliteitslandsverordering (Sint Maarten).

<sup>11</sup> The Daily Herald - 2025 Budget passed after intense three-day debate.

<sup>12</sup> National Subsidy Ordinance (Sint Maarten).

1. **Objective:** to create a transparent and uniform framework for the allocation of financial resources by the Government of Sint Maarten.
2. **Legal Basis:** In accordance with the General Administrative Law Act, this national ordinance is necessary to legitimize the granting of subsidies, comparable to arrangements in other parts of the Dutch Kingdom. The administrative law principles in St. Maarten are inherited from the Dutch Algemene wet bestuursrecht (Awb).
3. **Scope:** The regulation applies to both project-based subsidies and institutional subsidies.

The ordinance applies to different categories of subsidies, including both project-based and institutional subsidies, each subject to distinct eligibility criteria and procedural requirements. In this regard, the ordinance makes provision for incidental subsidies under specified conditions, including where such support serves a demonstrable public interest. These provisions are legally distinct from those governing annual subsidies and must be assessed within their respective regulatory contexts. It is worth mentioning that the SBMF25 was project-based and therefore falls under the applicable requirements in the National Ordinance.

The SER emphasizes that it does not assess the legality or appropriateness of individual subsidy decisions, nor does it engage in the political considerations surrounding such decisions. Any determination regarding compliance with the National Subsidy Ordinance falls within the competence of the appropriate administrative, audit, or judicial authorities. The SER's inclusion of this legal context is intended solely to clarify the applicable regulatory framework within which the parliamentary discussions took place.

Lastly, where information is incomplete, it is consistent with the SER's advisory mandate to issue qualified assessments, provided that limitations are transparently identified and conclusions are framed accordingly. This advice therefore reflects both the SER's duty to support evidence-informed decision-making and its responsibility to maintain analytical integrity where data constraints exist.

### **SER's Observations**

#### **1. Economic Observations**

The SBMF25 Marketing Report presents a detailed Economic Impact Data breakdown, using the following assumptions:

#### **Tourism Impact Calculations Provided**

##### **Lodging Impact**

Number of tourists	2,556
Number of nights assumed	5
Number of rooms	1,278
Average room rate	USD 350



Total lodging impact	USD 2,236,500
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**Visitor Spending (Food, Beverages, Shopping, Rentals, Taxis)**

Number of tourists	2,556
Number of nights assumed	5
Daily Expenditure	USD 393
Total Visitor Spending	USD 5,022,540

Total Tourism Income (as per report)	USD 7,259,040
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In addition, the report documents USD 525,100 in direct local operational spending by the organizers.

To further substantiate the direct local operational spending, the SER reviewed a detailed SBMF25 Payment Log provided by the Ministry of TEATT. The log itemizes transaction level payments made to local vendors, service providers and individual contractors across a wide range of sectors including logistics, sanitation, security, marketing, transportation, hospitality, catering, production and local talent. The documented payments provide concrete support for the reported local operational spending and demonstrate that SBMF25 contributed to immediate broad-based economic activity within the local economy<sup>13</sup>.

**Independent Stakeholder Observations**

Feedback obtained from hotels, car rental agencies, and a taxi dispatch operator consistently indicates increase business activity during the SBMF25 period compared to the same period in 2024. Several hotels reported occupancy increases ranging from approximately 10 to 35 percent, with peak occupancy reaching 90 to 100 percent on certain days. Reported average lengths of stay ranged from approximately four to six nights. Car rental agencies reported significant increases in demand, including reservation increases of up to 50 percent compared to 2024, and longer average rental durations ranging from two to seven days and periods of full capacity. The taxi dispatch operator similarly reported increased trip volumes and higher earnings during the festival period, particularly between venues and hotels. These independent observations corroborate the conclusion that SBMF25 generated increase tourism activity and spending across multiple sectors of the local economy.

**Third Party Booking Data (Expedia)**

In addition to the stakeholder interviews, the SER reviewed third party hotel booking data from Expedia online travel platform for the SBMF25 period<sup>14</sup>. The data indicates that hotel room nights in Sint Maarten during the week of May 21-26, 2025, increased by approximately 24 percent compared to the same period in 2024.

<sup>13</sup> SBMF25 Local Payment Log (provided by Ministry of TEATT).

<sup>14</sup> Expedia third-party booking data, 2025.

The data further shows that, while average daily room rates during the SBMF25 week were lower than those recorded in the corresponding period in 2024, overall hotel room nights and hotel revenue for that week remained approximately 20 to 25 percent above 2024.

Overall, this third-party booking data provides independent quantitative corroboration of increased tourism activity during the SBMF25 period.

## **2. Methodological Observation**

While these calculations provide a structured estimate of potential economic impact, the SER observes a significant methodological limitation:

The calculations assume that all 2,556 tourists stayed for the full five days of the festival period. However, ticket sales data confirms that attendees purchased a mix of single-day, three-day, and four-day passes, meaning that the actual length of stay cannot be verified and is unlikely to be uniform.

As a result:

1. The five-day assumption likely overstates lodging revenue and visitor spending.
2. The economic impact figures should therefore be treated as upper-bound estimates, not verified actuals.

While the SER maintains that the economic figures should be treated as indicative rather than definitive, the stakeholder interviews provide independent confirmation of the direction of the economic impact observed during the SBMF25.

The SER further notes that third-party hotel booking data supports the conclusion that the SBMF25 period experienced increased visitor volume, while confirming that the event occurred within a broader upward tourism trend. In addition, as it relates to the payment log, while it does substantiate direct local operational expenditures, it does not allow for assessment of net economic impact or fiscal balance and therefore complements, rather than replaces, broader economic impact modeling.

## **3. Fund Sustainability**

While the festival demonstrates strong commercial and promotional potential, the sustainability of any continued public involvement cannot yet be fully assessed because the current documentation does not provide a complete picture of the financial implications for Government.

In particular, there is no comprehensive accounting of public-sector costs related to security, traffic management, sanitation, and administrative support. Additionally, there is no structured framework clarifying how costs are shared between Government and the organizers and lastly no multi-year financial model outlining the long-term funding approach for the event.

Without this information, it is not possible to determine the net fiscal impact of the festival on public resources, which in turn limits the Government's ability to evaluate whether ongoing involvement is financially sustainable over the medium and long term.

In addition, the SER notes that future planning for large-scale events should give due consideration to sustainable waste management practices. In its 2016 advice entitled “Better Waste Management for Sint Maarten<sup>15</sup>”, the SER highlighted the island’s limited waste-management capacity, high per-capita waste generation, and the need for integrated solid waste management. Consistent with that advice, the SER emphasizes the importance of waste reduction at source, the promotion of recycling, and the engagement of environmentally responsible partners. Integrating sustainability more intentionally into festival planning would support tourism objectives while contributing to the long-term environmental stewardship of Sint Maarten.

### **SER’s Concerns**

#### **Economic Concerns**

##### **1. Over-reliance on uniform stay assumptions**

The use of a five-day stay for all tourists inflates spending estimates and reduces the precision of the total impact figure.

##### **2. Irregular financial practices**

The resulting parliamentary scrutiny, motions, or investigations, will limit the socio-economic impact of the SBMF25.

##### **3. Repeated deviations from established budgetary procedures**

The repeated deviations from established budgetary procedures risk weakening institutional discipline, undermining internal controls, and setting precedents that erode respect for formal decision-making processes within the Government of Sint Maarten.

##### **4. Time constraints**

SBMF25 was implemented under significant time pressures and lacked the necessary legal and financial preparations required to ensure its full and proper execution.

##### **5. Potential to undermine public trust in Government**

The SER is concerned that continued disregard for financial and budgetary rules undermine public trust in government, damage credibility with stakeholders and affect confidence among international partners and investors.

#### **Social impact concerns**

1. Lack of public safety or traffic data.
2. Lack of resident impact or community satisfaction indicators.
3. Social impact is largely implied from marketing reach, not from community outcomes.

### **Economic and Social Impact Analysis**

#### **Economic Impact**

Based on the SBMF25 Marketing and Economic Impact Report, supplemented by independent stakeholder interviews, the SER concludes that the festival generated meaningful and demonstrable economic activity. This included direct local operational spending by the organizers, increased hotel occupancy, longer visitor stays and increased demand for car rentals and taxi services.

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<sup>15</sup> SER, Letter of Advice: Better Waste Management for Sint Maarten (2016).

However, the SER advises that the reported USD 7.26 million tourism income should be treated as a maximum indicative estimate, not a verified economic outcome, due to the unverified assumption that all tourists stayed for five days.

The Government may reasonably conclude that the festival had a positive economic impact but should refrain from presenting the current figures as definitive without further data validation.

### **Sensitivity Analysis Based on 3-Day Stay.**

#### **Revised Lodging Impact**

To test the robustness of the economic conclusion, the SER applied a conservative scenario assuming an average stay of 3 days, while keeping all other input unchanged:

Number of nights assumed	3
Number of rooms	1,278
Average room rate	USD 350
Total lodging impact	USD 1,341,900

#### **Revised Visitor Spending**

Number of tourists	2,556
Number of nights assumed	3
Daily Expenditure	USD 393
Total Visitor Spending	USD 3,013,524

#### **Revised Total Tourism Income**

Total Tourism Income (as per report)	USD 4,355,424
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Even under this more conservative assumption, the festival would still reflect multi-million-dollar tourism-related economic activity, in addition to the USD 525,100 in direct local spending. This supports the conclusion that the event likely generated a materially positive economic impact, although the precise magnitude remains unverified. This conclusion is further supported by independent stakeholder reports indicating average stays exceeding three days among a significant number of festival visitors.

Notably, the interviews indicated that average visitor stays exceeded three days and thus suggests that the conservative three-day scenario may understate visitor duration for the significant amount of festival attendees.

#### **Social Impact**

Based on the information provided, the festival demonstrably enhanced international visibility for Sint Maarten through extensive digital and influencer marketing reach and contributed to cultural vibrancy and entertainment tourism, particularly within key U.S. markets.

However, due to missing data, the SER cannot assess impacts related to:

- public safety
- resident experience (institute online survey) and financial impact on local businesses
- community well-being

Moreover, the SER notes that the SBMF25 included performances by local artists, thereby providing opportunities for local talent to participate in the event's cultural programming. Building on this practice, the SER observes that a more structured and visible integration of local talent in future editions could further enhance cultural representation, broaden economic participation, and strengthen community connections to the festival.

### **External Context**

#### **Aruba's Experience**

The festival's long history in Aruba<sup>16</sup> (24 years), where public sponsorship from the Aruba Tourism Authority (ATA) was later discontinued, underscores a key policy lesson that even high-profile and commercially successful events require clear performance conditions, transparent financial arrangements, and regular evaluation to ensure continued public involvement remains fiscally responsible. This experience reinforces the importance of embedding sustainability safeguards in any future partnership arrangements in Sint Maarten.

### **Advice**

Given the information provided and after an assessment of the social, economic, and legal implications of the request for advice, the SER unanimously hereby advises the following:

1. All future large-scale, Government subsidized events should be planned and implemented in strict accordance with applicable financial and budgetary ordinance, in order to avoid irregular financial practices, parliamentary scrutiny, motions, or investigations.
2. That the Government prevents future deviations from established budgetary procedures, as such practices will weaken institutional discipline, undermine internal controls, and set precedents that erode respect for formal decision-making processes within the Government of Sint Maarten.
3. That the Government ensure sufficient lead time is allocated for legal and financial preparations in order to ensure its full and proper execution.
4. That the Government consistently upholds financial and budgetary rules, as non-compliance can undermine public trust in Government, damage credibility with stakeholders, and affect confidence among international partners and investors.
5. That Government implements consistent and standardized tracking of event-related data to enable reliable, evidence-based assessments of the economic impact of large-scale events. Such tracking is necessary to support evidence-based evaluations, particularly where, as

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<sup>16</sup> Publicly documented historical information on SBMF in Aruba

demonstrated in this assessment, even under a conservative three-day average stay scenario the event reflects a positive economic impact.

6. That caution be exercised in the interpretation of marketing and promotional metrics, as indicators such as influencer reach and hashtag engagement, are difficult to independently verify and should not be relied upon as sole measures of socio-economic impact.
7. That future assessments must broaden the scope of social impact to include public safety, resident experience, community well-being and cultural influence.
8. That any continued public involvement should be guided by a clear sustainability framework that includes defined cost-sharing arrangements, standardized impact-reporting requirements, independent verification of key economic indicators and evaluation.
9. That the SER supports the continued strategic consideration of the festival as a tourism asset, subject to:
  - Enhanced data collection, and a thorough economic impact study
  - Independent validation of economic and social impacts
  - Better preparation and execution for future SBMF and other festival events.
10. That future large-scale events incorporate sustainable waste-management strategies as an integral part of planning and execution, including waste reduction at source, separation and recycling of waste streams, and the engagement of environmentally responsible service providers, consistent with the principles set out in the **SER's 2016 advice "Better Waste Management for Sint Maarten."**
11. That future editions of large-scale events further strengthen the structured inclusion and visibility of local talent, building on existing participation by local artists, in order to enhance cultural representation, expand local economic opportunities, and reinforce community engagement.

Taking into account both the modeled estimates and the consistent feedback from independent stakeholders across the hotels, rental agencies and transport, the SER is of the opinion based on the review of the received data that the SBMF25 delivered substantial economic and promotional value to Sint Maarten. Nevertheless, despite these economic benefits, the SER observes that the Government of Sint Maarten neglected the applicable financial and budgetary rules in the organization and financing of the event.

We trust to have informed you sufficiently herewith. Should you require any additional information after reading the above, please feel free to contact us at your earliest convenience.

Respectfully,



Harlec G.F. Doran  
Chairman



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Gerard M.C. Richardson  
Secretary-General