Fair Markets, Better Protection
Towards competition and consumer protection policy in the Caribbean Netherlands

Final report

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Commissioned by: Ministry of Economic Affairs and Climate in cooperation with the Public Entities of Bonaire, Sint Eustatius, and Saba

Ministerie van Economische Zaken en Klimaat

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Summary

A strengthened consumer protection framework combined with competition law in the Caribbean Netherlands is the recommended policy scenario

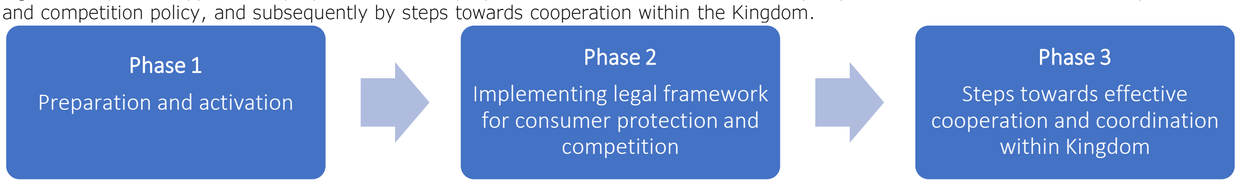
Extending consumer protection and introducing a competition law BES is the most effective way to address market distortions. Together, these measures improve market functioning, ensure better protection for consumers in the Caribbean Netherlands, and contribute to a stronger investment climate. Moreover, it brings economic market regulatory law in Caribbean Netherlands in line with standards of the European Netherlands.

- Improved market functioning: Competition and consumer protection policy improve how markets function. Competition policy safeguards and promotes competition. In this study, several serious indications were identified of anti-competitive behavior by firms (including cartel agreements and abuse of dominant positions) across various sectors and islands. Competition ensures 'economic democracy' by balancing the interests of existing firms, new entrants, and consumers. It contributes to lower prices, better access to goods and services, and higher quality. Consumer protection policy focuses on the fair sale of products and services to consumers. Together, they are a means to achieve a higher level and fair distribution of social welfare.
- Equal treatment: The recommended policy scenarios contribute to better alignment with the European Netherlands and to more equal treatment of citizens and businesses within the Netherlands. This is in line with the European OCT decision and the principle of 'comply or explain' that the cabinet Jetten has reemphasized with regard to aligning policies and regulation in the Caribbean Netherlands with the European Netherlands. Continuing the status quo scenario is politically and legally difficult to justify and, ultimately, untenable.
- Investment climate: A clear competition framework and effective enforcement contribute to a more attractive environment for businesses and investors, as also observed in other parts of the Kingdom.
- (Indirect) effect on prices: These policies do not directly lower prices in the short term. By improving market functioning, they may put downward pressure on prices over time. However, lowering prices requires a broader approach, of which competition and consumer protection are a part.

A phased approach is recommended, starting immediately with raising awareness and preparatory groundwork

Given the required legislative and institutional changes, a phased approach is recommended. Preparation and activation can start immediately, while in parallel preparing the introduction of a legal framework for public consumer protection and competition policy. Actively involving stakeholders from the start is essential, which also requires sufficient capacity and expertise that supports the public entities in carrying out these tasks.

Figure 1: A phased approach is proposed, in which preparation and activation is followed by implementation of formal consumer protection and competition policy, and subsequently by steps towards cooperation within the Kingdom.



Source: Economic Bureau Amsterdam (2026).

1. Preparation and activation: Strengthening the use of existing instruments and raising awareness among consumers and businesses are central in the first phase. This includes creating awareness of fair market practices for businesses and consumers, empowering consumers, intensifying consumer protection based on existing legislation, and improving coordination between authorities. At the same time, preparation for the second phase can take place through activities such as gathering information, preparing institutions for future responsibilities (e.g. ACM and other authorities), developing legislation, and building capacity.
2. Implementing legal framework: In the second phase, the extended consumer protection framework and the competition law are implemented. While the same legislative framework is recommended for Bonaire, Saba and Sint Eustatius, enforcement should be tailored to local conditions.
3. Cooperation within the Kingdom: As a longer-term step, cooperation between competition and consumer authorities within the Kingdom can be strengthened. This includes knowledge sharing, joint activities, and coordination on cross-border market issues, contributing to more effective enforcement in interconnected markets.

The recommended approach, enjoys broad support at the administrative, civil service, and societal levels. At the same time, concerns exist about whether enforcement will adequately take local circumstances and business culture into account, and about the impact of the proposed scenario on the administrative capacity of the public entities.

A phased approach is proposed to enable meaningful first steps to be taken in the short term while keeping implementation manageable. At the same time, it is important to emphasize that these steps will require a significant commitment of resources, both financial and human, from central and local governments, as well as from the organizations involved. Although competition policy and public consumer protection policy fall under the responsibility of the central government, preparing their introduction will also require efforts from the public entities and relevant stakeholders. Likewise, the initial steps aimed at strengthening consumer protection and creating awareness will require close cooperation between the central government and the public entities, with both parties allocating the necessary capacity and resources.

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1. Introduction

Background

Markets in the Caribbean Netherlands are shaped by a combination of structural and institutional characteristics. Small scale, geographic isolation, high import dependency, and concentrated supply chains limit the scope for effective competition. These features are inherent to small island economies and cannot be fully addressed through policy intervention. At the same time, local market structures, often characterized by a limited number of firms, close-knit business networks, and interconnections between economic and political actors, may increase the risk of market power and anti-competitive conduct.

These factors can contribute to relatively high prices, limited choice, and vulnerabilities for consumers. They also affect the cost of living and the cost of doing business, which are key policy concerns in the Caribbean Netherlands. Improving market outcomes is therefore an important objective, both from a welfare perspective and in relation to the broader economic development of the islands.

In this context, competition policy and consumer protection policy can play a role. Although such policies cannot eliminate structural constraints, they can help safeguard fair market processes, improve transparency, and strengthen the position of consumers. Moreover, a well-functioning framework for competition and consumer protection may also contribute to a more predictable business environment and a stronger investment climate.

At present, the legal and institutional framework for market organization in the Caribbean Netherlands is incomplete. There is no competition law. As a result, anti-competitive practices such as price fixing and bid rigging are not explicitly prohibited. Public consumer protection policy is only partially developed. Existing instruments are fragmented across different legal domains and are not always applied in an active, systematic and coordinated manner. This contrasts with the situation in the European Netherlands, where competition policy, consumer protection, and economic regulation are embedded in a coherent institutional framework. Also in other parts of the Kingdom, such frameworks have been introduced in recent years.

At the same time, European and national policy guidance points towards the introduction of competition policy. The OCT Decision provides that Overseas Countries and Territories should adopt rules addressing anti-competitive conduct and market concentration, taking into account their specific context. In addition, the principle of 'comply or explain' implies that policy intensifications in the European Netherlands should, in principle, also apply to the Caribbean Netherlands, unless there are explicit reasons not to do so. Recent policy advice and parliamentary discussions have further highlighted the potential contribution of competition policy to strengthening the island economies and improving affordability.

Research questions

Against this background, the central question of this report is:

To what extent, and in what form, can competition policy and consumer protection policy contribute to addressing market distortions and improving market outcomes in the Caribbean Netherlands?

This main question is addressed through the following sub-questions:

- *What are the nature and underlying causes of market distortions in the Caribbean Netherlands?*
- *Which policy instruments in the field of competition and consumer protection are available?*
- *How do different policy scenarios perform in terms of:*
    - *expected effectiveness and efficiency;*
    - *suitability to the local context;*
    - *expected (broad) legal and financial implications; and*
    - *other pros and cons?*
- *What policy scenarios are preferable in providing an effective, efficient and suitable approach to strengthening market functioning?*

Scope

The scope of the study includes examining various policy scenarios in the field of competition and consumer protection to address market distortions, assessing these scenarios, and providing recommendations on preferred options. Other policy areas, such as regulation of utilities, taxation and subsidies, and policies aimed at reducing import dependence, are not in scope of this study.

No quick wins: the role of competition and consumer policy

In public debate, competition and consumer protection policies are often associated with immediate price reductions for consumers. This expectation, however, is not realistic. At their core, such policies are aimed at safeguarding fair market conditions and preventing the abuse of market power, rather than directly steering price levels in the short term. As a result, their effects tend to materialize gradually and indirectly.

Competition and consumer protection policy can best be understood as establishing and enforcing the basic rules for well-functioning markets in modern economies. By addressing unfair competition and unfair commercial practices, these policies help create a more level playing field for firms. This strengthens incentives for businesses to compete on price, quality, and innovation. At the same time, consumer protection enhances the position of consumers, as they are better informed and less vulnerable to exploitation.

An important complementary element of such a policy framework is competition advocacy. This refers to the role of an independent authority that acts as a voice for fair competition and consumer interests. Through competition advocacy, this 'voice' can provide both solicited and unsolicited advice on the potential effects of policies, legislation, and regulation on market functioning, competition, and consumer welfare. In this way, it helps ensure that broader policy choices, also outside traditional competition enforcement, do not inadvertently restrict competition or harm consumers.

The economic effects of competition and consumer protection policy primarily emerge in the medium to long term. Improved competitive conditions can facilitate market entry, increase market dynamism, and ultimately lead to a more efficient allocation of resources. In such an environment, prices may come under pressure, but this is the outcome of enhanced market forces rather than direct intervention in price setting.

If the objective is to achieve substantial price reductions in the short term, more direct and far-reaching forms of government intervention are typically required, such as price regulation, subsidies to utility services, or measures targeting cost structures.

Against this background, competition and consumer protection policy in the Caribbean Netherlands should primarily be viewed as a foundation for sustainable market development. It establishes the conditions for fair competition and strengthens consumer confidence, thereby contributing to a more resilient and dynamic economy over time.

Research approach

This report is based on desk research and interviews. First, desk research was conducted into typical market distortions in the Caribbean Netherlands and existing studies on competition policy and consumer protection in the Caribbean part of the Dutch Kingdom. In addition, approximately 30 interviews were conducted in the European Netherlands and on Bonaire, Sint Eustatius and Saba with businesses, representative organizations of the business community, consultation platforms, experts from the public entities, commissioners of the public entities, a consumer organisation, inspectors, and independent experts. During these interviews, structured presentations were used to:

- explain the objectives and scope of the study;
- explain the principles of competition policy and public consumer protection policy and how these are organized in the different parts of the Kingdom; and
- discuss policy scenarios for addressing market distortions in the Caribbean Netherlands through competition policy and public consumer protection policy.

The advice presented in this report is based on desk research and the interviews. A bottom-up approach was adopted, in which typical market distortions in the Caribbean Netherlands, specific local circumstances, and input from local stakeholders formed the basis for the conclusions and recommendations. The expected effects of the policy scenarios are assessed based on the researchers' expertise in competition and consumer protection policy and the socio-economic and administrative circumstances in the Caribbean part of the Kingdom. The recommended scenario, with the phased approach, enjoys broad support at the administrative, civil service, and societal levels. At the same time, concerns exist about whether enforcement will adequately take local circumstances and business culture into account, and about the impact of the proposed scenario on the administrative capacity of the public entities.

This study was conducted on behalf of the Ministry of Economic Affairs and Climate Policy. To support the execution of the assignment and to ensure the necessary input and perspectives from the three islands, a steering committee was established consisting of representatives of the Ministry of Economic Affairs and Climate Policy, the public entities of Bonaire, Sint Eustatius and Saba, and the Netherlands Authority for Consumers and Markets.

Structure of report

Chapter 2 analyzes the nature and underlying causes of market distortions in the Caribbean Netherlands. It distinguishes between structural characteristics of small island economies and distortions that may arise from market behavior. Chapter 3 identifies a set of policy scenarios in the field of competition and consumer protection. These scenarios are described systematically and subsequently assessed against a set of predefined criteria, including effectiveness, efficiency, suitability to the local context, and stakeholder support, as well as their legal, financial, and implementation implications. Chapter 4 presents the recommendations.

2. Market distortions

The economies of Bonaire, Sint Eustatius and Saba are prone to market distortions. Their small size, geographic isolation, and strong dependence on imports limit competitive pressure across sectors. At the same time, these characteristics lead to structurally higher costs, for example due to high transportation costs, limited economies of scale, and supply chain constraints. As a result, higher prices may arise both from structural costs factors and from market distortions due to limited competition. Within this context, it is important to differentiate between Bonaire, a small island economy, located on the Leeward side near Curaçao, and the considerably smaller micro-economies of Saba and Sint Eustatius, on the Windward side. Saba and Sint Eustatius are situated near Sint Maarten, but even more isolated in terms of connectivity to the region and beyond.

Structural chacteristics and market structure

Bonaire, Sint Eustatius, and Saba are small island economies whose limited market size, geographic isolation, and economic structure strongly define how markets function. These characteristics not only lead to concentrated markets, but also contribute directly to the relatively high price levels on the islands.

Structural characteristics, including small market size, strong import dependence, concentrated supply routes, and limited economic diversification, determine market outcomes

Bonaire, Saba, and Sint Eustatius are characterized by a small market size, strong reliance on imports, with concentrated supply routes. These structural characteristics not only shape how markets function, but also contribute directly to the relatively high price levels in the Caribbean Netherlands. High transportation costs, logistical constraints, and limited economies of scale increase the cost of supplying goods and services compared to larger economies.[1] This observation also holds for the somewhat larger economies of Aruba, Curaçao, and Sint Maarten, but to a lesser extent. Within the Caribbean Netherlands, Saba has the highest prices. In 2023, the price level on Sint Eustatius was 6 percent below Saba and prices on Bonaire were 15 percent lower.[2]

- Limited market size: Bonaire, Sint Eustatius, and Saba are among the smallest economies in the Caribbean region. Their small populations and geographic isolation limit the size of local markets. The islands however differ significantly in scale amongst them: Bonaire is by far the largest in terms of population and economic activity, while Sint Eustatius and Saba are much smaller. These differences in scale are substantial for market structures, as illustrated by for example the number of supermarkets: Bonaire has around 21 supermarkets, while Saba has only five grocery suppliers.
- Strong import dependence: Bonaire, Sint Eustatius and Saba rely heavily on imports to meet local demand, while exports, apart from tourism, are almost nonexistent. As a result, there is a strong dependence on suppliers from outside the island.
- Concentrated supply routes: Many imported goods reach the islands through a limited number of regional hubs. For Saba and Sint Eustatius, shipments often pass through Sint Maarten, while Bonaire relies more on transshipment via Curaçao.[3] Futhermore, passenger transport by air and sea to and from Sint Eustatius and Saba is always routed via Sint Maarten, whereas Bonaire has direct air connections with multiple countries in the region and beyond.
- Less diversified economies: Economic activity on the islands is concentrated in a limited number of sectors. Bonaire's economy is largely driven by tourism, which accounts for approximately 50 percent of GDP.[4] On Saba and Sint Eustatius, the public sector plays a large role in the economy. The public sector (public administration and services, education, and health care) account for approximately 69 percent of GDP on Saba and for approximately 48 percent of GDP on Sint Eustatius.[5] A relatively large public sector is typical for a small island economies, which faces disadvantages of scale: a minimum public workforce is needed to provide the essential services despite the small population.[6]
- Tourism and effective market size: As tourism plays a major role in Bonaire's economy, it increases the effective size of its local markets. Based on 1.8 million overnight stays in 2024, an estimated 4,900 tourists are present on an average day, increasing demand in sectors such as retail and

[1] Economic Bureau Amsterdam (2024), PWC (2016), and PWC (2017).
[2] CBS (2023), Economic Bureau Amsterdam (2024).
[3] Grant Thornton (2025).
[4] Economic Bureau Amsterdam (2025a).
[5] CBS StatLine (2025). Estimated share by multiplying wages and jobs. For Saba, the education sector includes private Medical School. No data is available to differentiate between public and private education activity.
[6] Van Berkel & Van Vuuren (2025).

hospitality by around 20 percent.[7] In contrast, tourism on Saba and Sint Eustatius is much more limited (around 5,700 and 5,800 visitors per year in 2023, respectively), meaning that their effective market size remains closer to their resident population.[8]

- Interconnected social and economic networks: In small island economies, economic, political, and social networks are often closely interconnected. Due to the small population size, individuals and firms frequently interact across multiple roles, increasing transparency within markets but reducing anonymity. This interconnectedness can create conditions that facilitate coordination between market participants, including informal or implicit forms of alignment. Evidence from Aruba suggests that potentially harmful exclusive distribution relationships between firms are usually not written, but may nonetheless exist in practice.[9] In addition, the close links between political, economic, and social networks may affect the effective functioning and independence of competition authorities.[10]

Table 1: The islands have populations ranging from about 2,000 on Saba to 25,000 on Bonaire. Their economies are small in absolute terms, with nominal GDP ranging from approximately 52 to 722 million dollars.

	Bonaire	Sint Eustatius	Saba
Population (2024)	25,133	3,204	2,060
Nominal GDP (2023, USD)	722 mln.	96 mln.	52 mln.
Tourism (% of GDP)	50	6	7
Number of stayover tourists	182,181 (2024)	5,800 (2023)	5,700 (2023)
Main language spoken	Papiamento	English	English

Source: Economic Bureau Amsterdam (2026) based on CBS, Economic Bureau Amsterdam (2025a), and Tourism Corporation Bonaire (2025).[11]

Small market size and other structural characteristics lead to concentrated markets, high entry barriers, and vertically concentrated supply chains

The structural features described above affect the market structure. In particular, the small market size and economies of scale lead to concentrated markets and raise barriers to entry, while strong import dependence and concentrated supply routes, both maritime and air transport, for both freight and passenger transport, reduce competitive pressure along the supply chain.

- High market concentration: The limited size of local markets means that demand in some sectors is insufficient to support many firms operating at their minimum efficient scale. As a result, only a small number of firms can operate profitably, leading to relatively concentrated markets.[12]
- Entry barriers: Small market size and economies of scale raise barriers to entry. New firms find it more difficult to enter the market if demand is too limited to support additional competitors or if firms must serve a large share of the market in order to achieve efficient production levels.[13]
- Vertically concentrated supply chains: The strong reliance on imports and on a limited number of transshipment hubs results in vertically concentrated supply chains.[14] This can create additional barriers to entry for new firms that depend on these import channels to access the market.

Structure-Conduct-Performance paradigm

Market outcomes in any economy are shaped by structural characteristics that influence the degree of competition, such as market concentration and entry barriers. The relationship between market structure, market conduct by firms, and market performance (i.e. prices, quality, innovativeness and profits) is described by the Structure–Conduct–Performance (SCP) paradigm. Elements of this framework can be applied to markets in Bonaire, Sint Eustatius and Saba to reveal causes of market distortions.

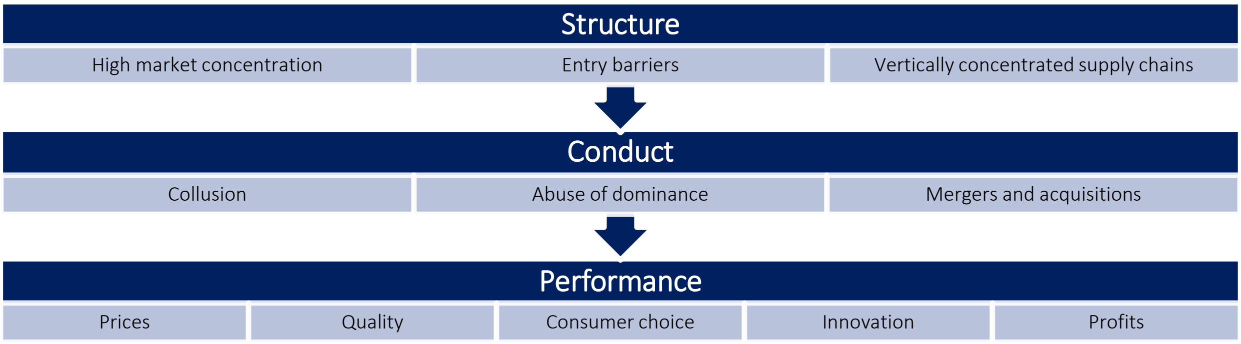
The Structure-Conduct-Performance paradigm explains how market structure influences firm conduct and ultimately determines market performance

The SCP paradigm is a basic framework in industrial economics used to analyze how markets function. It defines how market structure influences firm conduct, which in turn determines market performance in terms of prices, product quality, profits and overall welfare.

[7] This estimate is based on TCB data reporting 182,181 stayover tourists in 2024, with an average length of stay of 9.8 nights. This corresponds to an average of around 4,900 tourists present on the island per day, increasing the local market size by approximately 20 percent.
[8] CBS StatLine (2024).
[9] AFTA (2025).
[10] OECD (2003).
[11] Bonaire's tourist share is based on calculations from Economic Bureau Amsterdam (2025a). Saba and Sint Eustatius' tourist share are estimated to cover the sectors culture, recreation and other services and accommodation and food serving. The 24 percent share in the Saba Tourism Masterplan reflects tourism expenditure, not economic output.
[12] Gal (2007).
[13] Gal (2007).
[14] Gal (2001).

- Structure: The structure refers to the fundamental characteristics of a market, including its degree of market concentration (number and market shares of firms competing in the market) and barriers to entry (factors that negatively affect successful entry to a market by outside competitors). For the Caribbean Netherlands, markets are often characterized by high concentration and barriers of entry, as outlined in the previous section.
- Conduct: Market structure influences how firms behave. In more concentrated markets with fewer suppliers, competitive pressure is limited. Consequently, firms individually have greater opportunities to abuse and collectively more opportunities to engage in anti-competitive behavior.
- Performance: Firm conduct affects market outcomes, including price levels, product quality, innovation, profits and overall welfare. Outcomes such as high prices may result from firm conduct, including anti-competitive behavior, but can also stem directly from structural characteristics that increase costs.

Figure 2: The SCP paradigm defines how market structure influences firm conduct, which in turn determines market performance.



Source: Economic Bureau Amsterdam (2026).

Several types of anti-competitive conduct, horizontally or vertically, may distort markets

Competition policy generally distinguishes three main categories of anti-competitive conduct: collusive behavior (cartels) and unilateral conduct by dominant firms (abuse of dominance). Mergers and acquisitions (concentrations) may also have anti-competitive effects, in particular when they establish or strengthen dominant positions of firms. Cooperation beween firms can occur both horizontally, between firms at the same level of the supply chain, and vertically, between firms at different levels. Horizontal cooperation typically carries a higher risk of anti-competitive content than vertical cooperation.

- Horizontal agreements between competitors: Some types of coordination between competing firms at the same level of the supply chain, such as price fixing, market sharing, or bid rigging[15], distorts the competitive process. Such practices, known as hard core cartels, are generally considered anti-competitive and are in most jurisdictions forbidden per se.
- Vertical cooperation: Agreements between firms at different levels of the supply chain, such as wholesalers and retailers are not inherently anti-competitive and are typically assessed under a ’rule of reason‘. While they can generate efficiencies and have pro-competitive effects, they may also restrict competition, particularly when the agreement contains price fixing or market sharing elements or when firms have market power.[16]
- Abuse of dominance: Firms with significant market power may engage in *exclusionary behavior*, such as predatory pricing[17], which harms competition, or *exploitative behavior*, such as excessive pricing, restricted supply or reduced quality, thereby harming consumers.
- Mergers and acquisitions: Changes in ownership may increase market concentration and establish or strengthen market power, potentially reducing competitive pressure. This includes both horizontal mergers (between competitors) and vertical mergers (between firms at different levels of the supply chain).

Anti-competitive conduct harms consumer welfare both directly and indirectly

Market distortions arise when firms engage in behavior that restricts, distorts or eliminates competition, to the detriment of consumers and other clients (e.g. other small businesses). Such anti-competitive firm conduct

[15] Price fixing: firms agree on the prices they charge, thereby reducing price competition and often leading to higher prices for consumers. Market sharing: firms divide markets among themselves, for instance by allocating geographic territories. This allows each firm to operate with limited competitive pressure within its assigned market, effectively creating local monopoly-like conditions. Bid rigging: firms coordinate their bids in procurement or tender processes to ensure that a predetermined firm wins the contract.
[16] SEO (2013).
[17] Predatory pricing: a dominant firm temporarily sells its products below cost in order to drive competitors out of the market.

can affect consumer welfare both directly, through higher prices, lower quality or reduced choice, and indirectly, when the conduct weakens the competitive process itself.

- Direct effects: Anti-competitive practices can result in higher prices, lower quality, reduced choice, or less innovation, directly harming consumers.
- Indirect effects: Firms can harm the competitive process, for example by excluding competitors or discouraging market entry. This reduces competitive pressure and ultimately results in worse outcomes for consumers.

Selected sectors with competition risks in the Caribbean Netherlands

The analytical framework developed in the previous sections will be applied to selected sectors on Bonaire, Saba, and Sint Eustatius.[18] These sectors are characterized by structural features that increase the risk of market distortions and are chosen based on their relevance to residents and businesses, as well as existing literature on market structure, competitive dynamics, and price outcomes. This selection is intented to be illustrative rather than exhaustive, providing concrete examples to apply the framework and inform the development of policy scenarios. Other sectors, such as the building and construction sector and taxi services, are also known to be prone to market distortions but are not explicitly covered.

Selected sectors illustrate how structural characteristics potentially limit competition, leading to risks for market performance

The table provides an overview of the selected sectors, linking market structure, potential anti-competitive conduct, and market performance. The subsequent sections discuss each sector in more detail, with attention to island-specific characteristics.

- Risks rather than confirmed cases: The analysis focuses on potential risks of market distortions due to limited competition, rather than proven cases of anti-competitive conduct. Research into anti-competitive conduct is not in scope of this study.
- Structural cost factors: Outcomes such as high prices result from structural factors on all three islands. On top of that, high prices may also result from anti-competitive conduct. These effects overlap in practice, making it difficult to attribute high prices to a single cause.

Table 2: The selected sectors (retail, local air transport, banking services, and telecom) illustrate how structural characteristics can limited competition and lead to risks for market performance.

Sector	Market structure	Potential anti-competitive conduct	Market performance
Retail	• Highly concentrated (local) market • Strong import dependence • Reliance on transshipment hubs (Curaçao/Sint Maarten)	• Vertical cooperation (e.g. exclusive supply arrangements) • Coordinated pricing behavior • Abuse of dominance	• Potential efficiency gains, high prices or low quality, limited consumer choice
Local air transport	• Highly concentrated market (Saba and Sint Eustatius: monopoly) • Entry barriers (high fixed costs, small scale, legal)	• Abuse of market dominance • Coordinated pricing behavior and market sharing	• High prices • Low service quality and/or reduced supply (e.g. lower flight frequencies)
Banking services	• Highly concentrated market (limited presence on Saba and Sint Eustatius) • Entry barriers (legal)	• Coordinated pricing behavior • Abuse of market dominance	• High prices (and hidden costs) • Low service quality (e.g. unreasonable conditions) • Exclusion of clients
Telecom	• Limited number of providers (high fixed costs, small market, legal) • Concession-based market • Entry barriers	• Abuse of market dominance • Coordinated pricing behavior	• High prices • Limited innovation and quality improvements

Source: Economic Bureau Amsterdam (2026).

High concentration and import dependence limit competition in retail markets, with a large share of prices determined upstream

Retail prices are relatively high across the Caribbean Netherlands. Saba has the highest prices, compared to Bonaire and Sint Eustatius. In 2023, the price level on Sint Eustatius was 6 percent below Saba and prices on Bonaire were 15 percent lower.[19] While limited competition may contribute to these outcomes, high retail prices are a broader issue for small island economies, reflecting structural characteristics related to the size

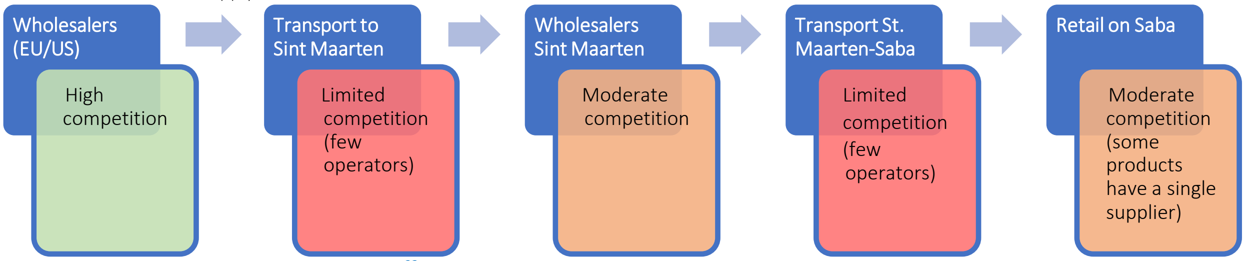
[18] The selection of sectors is not based on any empirical research into possible anti-competitive features of the current economic environment on the islands.
[19] CBS (2023), Economic Bureau Amsterdam (2024).

and import dependence.[20] Evidence from price levels on Aruba and Curaçao, which are significantly higher than in the European Netherlands and the United States, support this observation. In Aruba, households at the subsistence minimum spend around 40 percent of their income on food, compared to 13.8 percent in the United States and 19.2 percent in the Netherlands.[21]

Furthermore, a substantial share of local retail prices is determined before products reach the island. For Saba, only 36 percent of the final retail price is determined locally, including retail margins (33 percent), trucking (1 percent), and ABB and brokerage costs (2 percent).[22] The remaining 64 percent is driven by upstream factors, such as wholesale prices abroad, transport to Sint Maarten, wholesaler margins in Sint Maarten, and transport to Saba.

- Supply chain structure: The retail sector is characterised by a strong import dependence and reliance on a limited number of transshipment hubs. A significant part of the supply chain is organized outside the island, often through a small number of intermediaries (often in Sint Maarten or Curaçao).

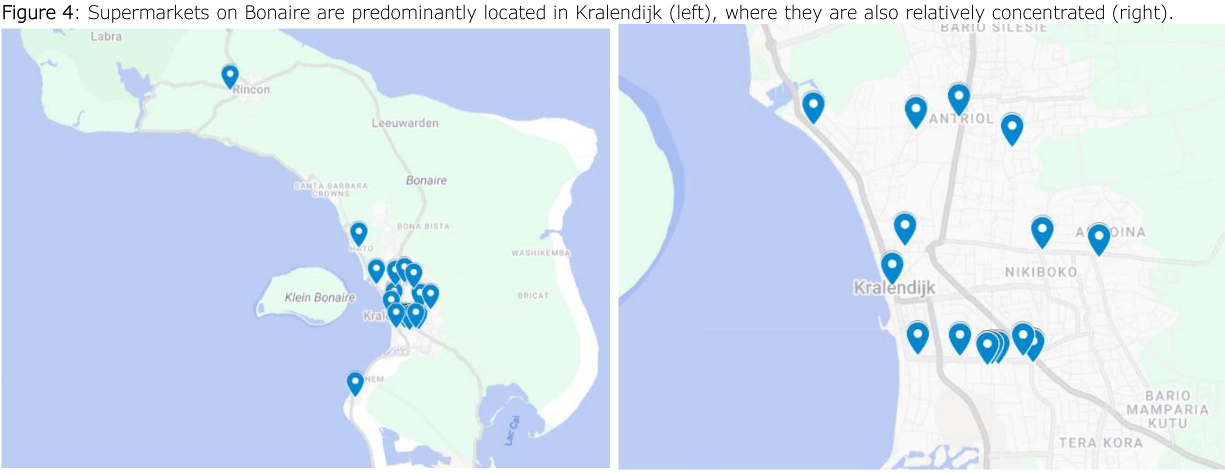
Figure 3: Saba's retail supply chain illustrates how limited shipping routes can constrain competition across different stages.



Source: Economic Bureau Amsterdam (2024).[23]

- Local market structure: Locally, the retail sector is concentrated, particularly on Saba and Sint Eustatius. For instance, Saba has five grocery retailers, four supermarkets and a pharmacy with a retail section, with one larger supermarket holding a dominant market share. On Bonaire, the market for food products is larger, comprising 21 supermarkets, but it is segmented. Supermarkets offer differentiated combinations of price levels and product ranges, which may limit direct competition across segments.[24] Furthermore, geographic segmentation also plays a role. Some areas offer a wider choice of retailers, while others are effectively served by only one supermarket, particularly for consumers without access to a car.

Figure 4: Supermarkets on Bonaire are predominantly located in Kralendijk (left), where they are also relatively concentrated (right).



Source: Economic Bureau Amsterdam (2026).

- Conduct: These structural features increase the likelihood of horizontal coordination, such as coordinated pricing behavior, and vertical cooperation, such as formal and informal exclusive supply arrangements between wholesalers abroad and island retailers. In addition, limited competition in upstream parts of the supply chain can affect local outcomes. The figure describing Saba's retail supply

[20] Economic Bureau Amsterdam (2024), PWC (2016), and PWC (2017).
[21] AFTA (2024).
[22] Economic Bureau Amsterdam (2024).
[23] Economic Bureau Amsterdam (2024).
[24] SEO (2013).

chain illustrates that constraints in competitive pressure, and thus elevated risks of anti-competitive behavior, can be found upstream. However, such upstream dynamics are difficult to analyze and address through competition policy in the Caribbean Netherlands, as they fall outside its jurisdiction.

- Performance: Horizontal and vertical coordination may lead to higher prices. Both types may also generate certain efficiency gains, such as economies of scale, although vertical coordination is more likely to do so. These efficiency gains however do not necessarily translate into lower prices for consumers. In the absence of sufficient intra- and interbrand competition, outcomes may include higher prices, reduced product variety, or lower service levels.[25] These risks are particularly relevant in smaller markets, where consumer choice is inherently limited.

Within local air transport, high concentration and entry barriers result in limited competition, potentially contributing to high prices and reduced connectivity

Air transport prices are relatively high, particularly on routes between Sint Maarten and Saba and Sint Eustatius. For example, residents of Saba and Sint Eustatius paid approximately 104–119 dollars for a one-way trip to the nearest hub in 2023. As a share of income, this is estimated to be around six times higher than for connections to the Dutch Wadden Islands. Although the modality plays a role, these are similar connections in distance. At the same time, the supply of flights has declined over time. Between 2018 and 2022, the number of flights between Saba and Sint Maarten decreased by 35 percent and between Sint Maarten and Sint Eustatius by 48 percent.[26] While external shocks such as Hurricane Irma (2017–2018) and the COVID-19 pandemic (2019–2020) contributed to this decline, the downward trend had already started prior to these events.[27] While limited competition may contribute to these outcomes, structural factors, such as high fixed costs compared to small passengers volumes, also play a role in the prices.

Connectivity plays a crucial role in welfare. For example, a 10 percent reduction in flights between Bonaire and Curaçao was estimated to result in a welfare loss of approximately 1.8 million dollars per month (2013 estimate). Similarly, the temporary loss of connections with Sint Maarten is estimated to result in a welfare loss of around 1.5 million dollars for Saba and Sint Eustatius combined.

- Structure: Local air transport markets in the Caribbean Netherlands are highly concentrated. Small passenger volumes and high fixed costs create significant entry barriers, making competition structurally limited. On Saba and Sint Eustatius, air transport operates as a monopoly, with a single airline (Winair) providing connections to Sint Maarten.[28] On Bonaire, the market is somewhat broader, with three providers, but remains concentrated and there is market dominance. For example, the largest airline accounted for 66 to 87 percent of traffic on the Curaçao–Bonaire route between 2012 and 2017. For Saba and Sint Eustatius, the introduction of a public service obligation (PSO) is being considered. The PSO would include a subsidy for the airline and requirements regarding pricing, continuity, regularity of flights, and minimum capacity.[29] However, if eventually approved, implementation would still take several years.
- Conduct: These market conditions increase the risk of abuse of dominance, such as excessive pricing or limiting service frequency. On Bonaire, limited competition may also facilitate coordination among airlines. While a PSO can improve affordability and reliability, it does not address the underlying lack of competition. Furthermore, part of the market lays outside the islands (e.g. airlines are based abroad), which limits the extent to which local competition policy can influence outcomes
- Performance: Anti-competitive conduct may result in higher ticket prices, reduced flight frequency, and limited service options. This affects residents, through higher cost of living and reduced connectivity, but also has broader implications for economic development.[30]

Limited competition in the banking sector may contribute to high cost, limited product diversity, and lower service quality

Banking costs in the Caribbean Netherlands are high compared to the European Netherlands, while the range of available products is more limited.[31] For Saba and Sint Eustatius, access to basic financial services is particularly constrained. Issues include limited account access, unreliable ATMs, and poor online banking.[32] On Bonaire, according to Fundashon tienda Pa Konsumidó Boneriano (FTPKB), a significant share of residents

[25] SEO (2013).
[26] SEO (2023).
[27] SEO (2018).
[28] SEO (2023).
[29] SEO (2018).
[30] Economic Bureau Amsterdam (2026).
[31] PWC (2016), PWC (2017).
[32] Economic Bureau Amsterdam (2025b).

experiences that financial services do not adequately meet their needs. For example, online banking services, documentation and telephone menus are often only available in English, while Papiamento and Dutch are the official languages, which creates barriers for certain groups, particularly elderly residents, low-income households and individuals with limited proficiency in English.[33] These outcomes may partly reflect reduced competitive pressure in the sector.

- Structure: The banking sector is highly concentrated. In the Caribbean Netherlands, around 10 credit institutions are formally registered.[34] On Saba and Sint Eustatius, the presence of banks is very limited; residents are dependent on services in Sint Maarten. On Bonaire, relatively many banks are active relative to the small population, although the market remains concentrated.[35] High fixed costs and regulatory requirements, such as the seat requirement which stipulates that only banks based in Curaçao or Sint Maarten may establish a branch in the Caribbean Netherlands, further limit entry.[36]
- Conduct: Limited competition may facilitate coordinated pricing behavior and increase the risk of abuse of market dominance through exploitative behavior. On Bonaire, the relatively large presence of European Dutch residents may constitute a form of countervailing power of increased competition, as clients compare local lending conditions against those in the European Netherlands.
- Performance: Limited competition may result in higher banking costs, less favorable financial conditions, and lower overall service quality.

Structural constraints limit effective competition in the telecom sector, potentially contributing to relatively high prices

Telecom prices on all three islands in the Caribbean Netherlands are relatively high compared to the European Netherlands.[37] Market outcomes are shaped by a combination of structural constraints and regulatory arrangements. Among the three islands, Saba tends to have the highest telecom prices, reflecting its smaller market size and higher costs of infrastructure, followed by Sint Eustatius, while Bonaire is relatively less expensive but still significantly above European Dutch price levels. This is also reflected in direct price comparisons. For example, a 100 Mbps internet subscription on Bonaire costs around 63.95 dollars per month, compared to 35 euros (approximately 38 dollars) in the European Netherlands.[38]

- Structure: The telecom sector is characterized by high fixed infrastructure costs combined with limited demand, creating high entry barriers and resulting in a limited number of providers. Competition exists, but it is constrained and uneven across islands and services. Following the recent discontinuation of TelCell mobile services on Saba, the island now has one mobile service provider. The mobile markets on Sint Eustatius and Bonaire consist of two and three providers, respectively. In fixed services, the number of providers is more limited, with one provider on Saba and Sint Eustatius and two on Bonaire.[39] Telecom provision is organized through a concession system, in which firms are granted market access in exchange for service obligations. Firms are largely free to set tariffs, but increases in fixed-services and mobile tariffs are capped by an inflation-linked limit on average revenue per user.[40]
- Conduct: Although multiple providers are present in some segments, competitive pressure remains limited. Entry barriers are high and switching between providers can be difficult, for example due to the absence of number portability in mobile services and one-off costs in fixed services.[41] These factors reduce effective competition and weaken incentives for firms to compete on price or quality.
- Performance: To the extent that firm conduct affects outcomes within the regulatory framework, this may result in higher prices and slower innovation. At the same time, regulation ensures service availability in markets where competition would otherwise be unsustainable.

Infringements of consumer protection

While competition policy addresses distortions at the level of market structure and firm behavior, consumer protection policy targets distortions at the level of transactions between firms and consumers. Structural characteristics in small island economies, such as high concentration and limited competition, may increase consumer dependence on a limited number of suppliers. As switching between suppliers is structurally limited,

[33] FTPKB (2025).
[34] Economic Bureau Amsterdam (2025b).
[35] PWC (2016), PWC (2017).
[36] Economic Bureau Amsterdam (2025b).
[37] Economic Bureau Amsterdam (2023), PWC (2016), PWC (2017).
[38] Economic Bureau Amsterdam (2024).
[39] Economic Bureau Amsterdam (2023).
[40] Besluit algemene richtlijnen houders van een concessie Wet telecommunicatievoorzieningen BES (2024).
[41] Economic Bureau Amsterdam (2023).

it reduces consumers' ability to discipline firms through market mechanisms. This underscores the importance of consumer protection policy.

Infringements of consumer protection rights may stem from a lack of regulatory regimes and enforcement policy, and relate to, for example, product quality, transactions, and dispute resolution

Similar to the sections on competition issues, this section aims to reflect risks of a weaker position of consumers in the market, rather than provide an exhaustive and proven list of cases of infringements, and is based on the recent analysis of FTPKB.[42] These examples are not exhaustive, but rather illustrate potential distortions faced by consumers in the Caribbean Netherlands.

- Unsafe products: Product safety frameworks appear to be less developed, with more limited regulatory regimes and weaker enforcement capacity compared to the European Netherlands. This increases the risk that unsafe, unhealthy or otherwise substandard products remain on the market for longer periods of time. Examples include food products missing information, such as nutritional information or expiration date, or goods containing potentially harmful substances that would not meet safety standards in properly regulated markets.
- Exposure to unfair commercial practices: As protection against unfair commercial practices is less comprehensive, consumers are more exposed to unfair commercial practices, such as misleading information, aggressive sales techniques, or non-transparent pricing practices. For example, the Burgerlijk Wetboek BES contains general provisions on contract law and tort, but the Caribbean Netherlands lacks a specific implementation comparable to the European Unfair Commercial Practices Directive for the European Netherlands. In addition, public enforcement appears to be more limited (or is non-existent) in the Caribbean Netherlands, reducing the likelihood that misleading or aggressive sales practices are detected and abolished.
- Consumer rights in context of purchasing: Consumer rights in the context of purchases, such as guarantees and repair or replacement, is less clearly defined in the Caribbean Netherlands compared to the European Netherlands. This can lead to uncertainty about rights, practical difficulties in enforcing them, and variation in how firms handle complaints in practice.
- Access to dispute resolution: The absence of low-threshold dispute resolution mechanisms, such as sectoral complaints bodies ('geschillencommissies'), increases the cost and complexity of enforcing consumer rights. Sectors such as telecom, travel, and energy, where such bodies exist in the European Netherlands, lack equivalent mechanisms in the Caribbean Netherlands. In practice, this may discourage consumers from pursuing legitimate claims, particularly for smaller amounts. For example, when legal costs amount to approximately 2,500 dollars or more, consumers are unlikely to initiate proceedings for claims below this amount.

[42] FTPKB (2025).

3. Policy scenarios

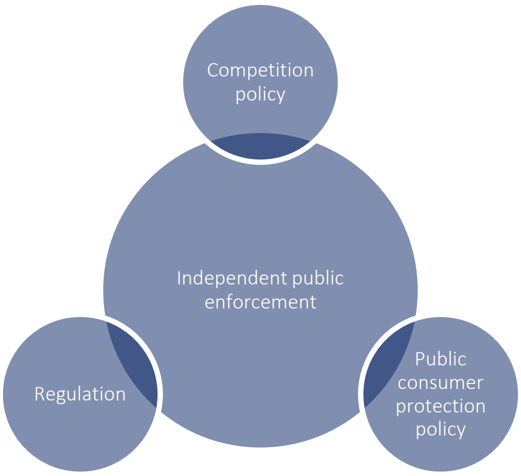
Introduction

Competition policy promotes a fair distribution of social welfare
Competition policy is about safeguarding and promoting competition. Healthy competition ensures 'economic democracy': it helps balance the interests of existing firms, new entrants or investors, and consumers. Competition is therefore a means to achieve a high and fair distribution of social welfare. It contributes to lower prices, greater access to goods and services, higher quality, and innovation.

Modern competition law consists of four pillars: (i) the prohibition of cartels; (ii) the prohibition of abuse of a dominant position; (iii) merger control; and (iv) competition advocacy. First, the cartel prohibition bans anti-competitive agreements, such as price-fixing or market-sharing arrangements. Second, the prohibition of abuse of dominance prevents firms with significant market power from abusing that position, for example by charging excessively high prices to customers or excluding (potential) competitors from the market. Third, merger control aims to prevent mergers and acquisitions that create or strengthen a dominant position and thereby may hinder competition. Fourth, competition advocacy involves promoting and defending the importance of competition among government bodies, businesses, civil society organizations, and the broader public. Through this pillar, competition policy and enforcement can be particularly well tailored to the specific circumstances of the economy.

Competition policy, consumer protection policy and economic regulation go hand in hand
Competition policy typically goes hand in hand with consumer protection policy and economic regulation. Consumer protection policy focuses on the fair sale of products and services to consumers, including product information, advertising, delivery and shipping, online sales, and so on. Economic regulation concerns the maximum tariffs that companies may charge in (utility) sectors where competition is not feasible, such as energy. In many countries, such as the Netherlands and Aruba, competition enforcement, supervision of consumer protection rules, and economic regulation are entrusted to a single authority due to the strong interconnections between these instruments.

Figure 5: Competition policy, consumer protection policy, and economic regulation are often carried out and enforced in a coherent manner by an independent market authority.



Source: Economic Bureau Amsterdam (2026).

Within the Dutch Kingdom, consumers in the Caribbean Netherlands and in Sint Maarten are the least protected
Dutch competition law and consumer protection law does not apply in the Caribbean Netherlands. As a result, the Authority for Consumers and Markets (ACM) has no powers on Bonaire, Sint Eustatius, and Saba in the field of competition. Nor has the ACM been designated as the supervisory authority for consumer protection rules, as it has in the European Netherlands. However, the ACM does regulate tariffs for electricity and drinking water in the Caribbean Netherlands, and it supervises compliance with sector-specific regulations by the postal operator and telecommunications providers.

Curaçao has had a competition law and its own supervisory authority, the Fair Trade Authority Curaçao (FTAC), since 2016. Furthermore, Curaçao does not have public consumer protection policy and economic regulation is carried out by the Regulatory Authority of Curaçao.

Aruba has had a competition law and its own authority, the Aruba Fair Trade Authority (AFTA), since 2020. Moreover, since March 2026, the AFTA has also been responsible for enforcing Aruba's consumer protection laws. Economic regulation is currently being implemented in Aruba and will be placed under the responsibility of the AFTA.

Sint Maarten does not yet have a competition law or enforcement authority. Draft legislation and policy have been developed but not yet implemented. As a result, Sint Maarten does not have any of the three pillars in place.

Table 3: Consumers in the Caribbean Netherlands and Sint Maarten are less protected than those in the European Netherlands, Aruba, and Curaçao.

	Competition policy	Public consumer protection policy	Economic regulation
European Netherlands	✓	✓	✓
Caribbean Netherlands	✗	✗	✓
Aruba	✓	✓	✓*
Curaçao	✓	✗	✓
Sint Maarten	✗	✗	✗

Source: Economic Bureau Amsterdam (2026). * Economic regulation is currently being implemented in Aruba and will be placed under the responsibility of the AFTA.

European and national policy frameworks call for the introduction of competition policy

Because Bonaire, Sint Eustatius and Saba have the European status of Overseas Countries and Territories (OCTs), EU legislation such as competition law does not automatically apply there. However, the OCT Decision provides that: "*With due consideration to their different levels of development and economic needs, the OCTs shall adopt, maintain or be subject to law or policies aiming to: (a) prevent and prohibit horizontal and vertical agreements between undertakings, decisions by associations of undertakings and concerted practices which have as their object or effect the significant prevention, restriction or distortion of competition; (b) prevent and prohibit abuses by one or more undertakings of a dominant position; (c) prevent and prohibit concentrations between undertakings which would significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position; and (d) transparency about the OCTs' granting of subsidies regarding goods that have a significant negative effect on trade or investment between the Union and an OCT.*[43] This decision can be interpreted as an obligation to implement some form of competition rules, taking into account the specific circumstances and needs of the OCT concerned.

Since Bonaire, Sint Eustatius and Saba became public bodies within the Dutch constitutional system in 2010, the introduction of competition policy has not been explicitly considered. The legislative restraint exercised by the Dutch central government with regard to introducing European Netherlands legislation in the Caribbean Netherlands can be seen as the main reason for this. In 2019, the principle of legislative restraint was replaced by the principle of 'comply or explain', which means that all policy intensifications and the resulting legislation and/or financial implications do (or will) apply to the Caribbean Netherlands, unless there are explicit reasons not to do so. The Jetten cabinet intends to apply this principle more actively.

In 2023, the Caribbean Netherlands Minimum Income Standard Committee advised introducing a general competition policy in the Caribbean Netherlands that is appropriate to the nature and scale of the three islands.[44] In 2025, in response to this recommendation, the State Secretary of the Interior and Kingdom Relations (BZK) reported to the House of Representatives that the Minister of Economic Affairs and Climate Policy (EZK) will explore whether a competition framework can contribute to strengthening the island economies in general and reducing prices in particular.[45]

Policy scenarios

The assignment is to examine and assess various policy scenarios in the field of competition and consumer protection policy that can address market distortions in the Caribbean Netherlands. From this set, a preferred scenario will be recommended.

[43] Council of the European Union (2021).
[44] Caribbean Netherlands Minimum Income Standard Committee (2023).
[45] Tweede Kamer der Staten-Generaal (2025).

While not a panacea, competition policy is a necessary component of a broader strategy to improve market outcomes and strengthen the investment climate
At the outset, it is important to emphasize that market distortions cannot be attributed solely to anti-competitive behavior by firms. The examples of market distortions presented in Chapter 2 show that these are largely the result of structural economic characteristics such as small scale, a high degree of import dependency, and concentrated supply routes for goods. At the same time, these conditions can increase the risk of anti-competitive behavior. Competition and consumer protection policy can therefore contribute to addressing market distortions, but can never fully resolve them. Controlling the cost of living and of doing business requires an integrated approach, in which these policies can play a role.

Finally, competition policy can positively affect the investment and entrepreneurial climate. The evaluation of the FTAC in Curaçao demonstrated that the introduction of the Curaçao competition law and the establishment of the FTAC have made a significant contribution to improving Curaçao's business and investment climate. Experts consulted in that study signalled that the existence of competition law has positively influenced foreign investors to establish activities in Curaçao.

Four policy scenarios are identified and assessed
The following policy scenarios have been identified:

0. Status quo (no policy change).
1. Intensify consumer protection policy:
    a. Based on existing legislation.
    b. Implementation of new legislation.
2. Implement a competition law BES.
3. Assess the feasibility of a Kingdom law for competition.

These policy scenarios are described below, followed by an assessment in the next section based on a set of predefined criteria.

Scenario 0 – Status quo (no policy change)
Under scenario 0, the current institutional framework remains unchanged. This scenario serves as a reference or starting point for the analysis of the other policy options. No competition law and enforcement is introduced, and consumer protection remains only partially arranged through public enforcement mechanisms, scattered over different public authorities.[46] Market outcomes are largely determined by existing (distorted) market dynamics.

The baseline scenario assumes the continuation of the current institutional framework and serves as a reference or starting point for the analysis of the other policy options.

Scenario 1 – Intensify consumer protection policy
Scenario 1 concerns the strengthening of consumer protection through intensified public intervention, distinguishing between more active use of existing legislation (1a) and the extension of the legal framework through a dedicated public law regime (1b). This distinction is relevant because the former can build on legal instruments that already apply in the Caribbean Netherlands, whereas the latter requires legislative change.

The object of intervention remains consumer-facing conduct and market outcomes such as pricing practices, price transparency, information provision, contractual fairness, access to essential services, product information, and product safety.

Scenario 1a – Intensify use of existing legislation
Scenario 1a focuses on the more active application of existing legal instruments relevant to consumer protection in the Caribbean Netherlands. These instruments are currently dispersed across several legal domains and enforcement arrangements.

A first pillar is the Burgerlijk Wetboek BES, which contains private-law norms relevant to consumer transactions, including reasonableness and fairness, mistakes/fraud, unlawful acts, and general conditions. Enforcement currently takes place through private enforcement, whereas in the European Netherlands comparable consumer issues is subject to public enforcement by the ACM.

[46] See FTPKB (2025) for an overview of the current consumer protection framework in the Caribbean Netherlands and the differences with the European Netherlands.

A second pillar is the Prijzenwet BES, which provides instruments relating to maximum prices, price display regulation, and acquiring information from suppliers. Enforcement currently lies with the Executive Council.

A third pillar is formed by sector-specific legislation. The Wet elektriciteit en drinkwater BES provides instruments relating to price and access, including an obligation to connect, with the ACM as the enforcement authority. The Wet telecommunicatievoorzieningen BES covers access, price, and quality, with enforcement assigned to the RDI. The Wet financiële markten BES (Wfm BES) includes provisions concerning duty of care and information, with DNB and AFM identified as enforcement authorities. Finally, the Warenwet BES covers product safety and product information, with the Executive Council as the enforcement authority. In the European Netherlands, the Netherlands Food and Consumer Product Safety Authority (NVWA) is, amongst others, the enforcement authority. In practice, enforcement of the Burgerlijk wetboek BES is non-existent, and enforcement of the Prijzenwet BES and the Warenwet BES falls short due to limited capacity in relation to the complexity of the enforcement tasks.

Taken together, these laws constitute a dispersed set of instruments that can be used to address consumer-facing market practices. Under this scenario, their use, coordination, and enforcement is intensified, for example, through more proactive supervision, a more intensive use of available powers, and an alignment in the execution of responsibilities across the authorities already involved. In addition, private enforcement of the Burgerlijk Wetboek BES could be activated by facilitating FTPKB, amongst other things, to organize collective actions by consumers against companies that violate the norms.

This scenario can serve as a preparatory phase for scenarios 1b and 2, aimed at raising awareness among businesses, consumers, and the general public; identifying gaps in existing legislation; and preparing future authorities, such as the ACM and the NVWA, for new supervision and enforcement tasks. Since this scenario builds on existing legislation, it can be initiated in the short term.

Scenario 1b – extension of the consumer protection framework

Scenario 1b involves the introduction of a more explicit and extended public law framework for consumer protection through new or amended legislation.

Such a framework would include designating the ACM as the supervisory authority for consumer protection rules in the Burgerlijk Wetboek BES and other applicable regulations; designating the NVWA as the supervisory authority for the relevant regulations in the Warenwet BES; and, where necessary, introducing additional consumer protection rules to address gaps in the areas of commercial practices, information obligations, and other forms of consumer-facing conduct. The recent report by FTPKB[47] can serve as input for this process.

Compared to scenario 1a, the difference lies in the legal basis and institutional architecture. Scenario 1b would move from a fragmented set of existing instruments towards a more unified, explicit and extended public-law regime. This requires legislative action, as well as decisions on the designation of the supervisory authority and the organisation of enforcement. Therefore, scenario 1b cannot be implemented in the short term.

Scenario 2 – Introduction of competition law BES

Scenario 2 involves the introduction of a formal competition law framework in the Caribbean Netherlands, combined with public enforcement by the ACM.

At the core of this scenario is the establishment of a comprehensive legal framework governing competition between firms. This framework would include the four standard pillars of competition policy: (i) a cartel prohibition, addressing agreements and concerted practices that restrict competition; (ii) a prohibition of abuse of a dominant position, aimed at preventing firms with substantial market power from engaging in exclusionary or exploitative conduct; (iii) a system of merger control; preventing concentrations that may significantly impede effective competition; and (iv) a mandate for competition advocacy, enabling the competition authority to advise on the impact of public policies and regulations on competition and consumer outcomes.

These pillars together provide a general and system-wide framework for safeguarding competitive market processes. They apply across sectors and there is also a strong connection with public consumer protection policy. Together with public consumer protection and economic regulation, these policies provide a coherent approach. It is therefore logical to assign supervision and enforcement, as is the case in the European Netherlands and many other countries, to a single authority, in this case the ACM – the national consumer and market authority. An important advantage is that the ACM is already active in the Caribbean Netherlands and

[47] FTPKB (2025).

maintains a cooperative relationship with the AFTA in Aruba and – to a lesser extent - with the FTAC in Curaçao.

The focus of intervention in this scenario extends beyond observable market outcomes to the underlying functioning of markets as competitive systems. This includes both the behavior of firms in relation to one another and the structural conditions that shape competition, such as market concentration.

Within this framework, competition advocacy constitutes a distinct and complementary function. It involves the provision of both solicited and unsolicited advice on the potential effects of proposed or existing government policies on competition and consumers. This may include, for example, the assessment of regulatory measures, market interventions, or public ownership arrangements. In this way, competition advocacy connects competition policy to broader economic governance and supports more informed policymaking across government domains. This is of particular importance in the Caribbean Netherlands, where the public sector plays a dominant role in the economy.[48]

The implementation of this scenario requires the development and enactment of new legislation and the preparation of enforcement tasks by the ACM. Although there is no reason for the Caribbean Netherlands to deviate from the substantive instruments used in the European Netherlands (prohibition of cartels, abuse of dominance, merger control, and competition advocacy), simply extending the Dutch Competition Act to the Caribbean Netherlands is not a realistic scenario. The thresholds and fines contained therein are not suited to the smaller scale of markets and businesses in the Caribbean Netherlands. Also, the Caribbean Netherlands may need a number of simpler, easier to apply 'hard and fast' rules on some harmful forms of horizontal and vertical coordination, and also a more tailored approach to concentration control and to competition enforcement at large.

It therefore makes sense to introduce a dedicated Competition Act BES, substantively aligned with the Dutch Competition Act, but with island-specific characteristics. Hard and fast *per se* prohibition rules should be consideredfor price cartels, market sharing, bid rigging and possibly for exclusive dealing arrangements. Under such rules, these practices would in principle be prohibited without requiring an extensive case-by-case assessment of their anti-competitive effects. This also provides the local business comminity with hands on guidance on what is permitted and what is not.Furthermore, a tailored merger control regime for the Caribbean Netherlands has to ensure a proper balance between effective merger control and the required supervisory capacity. For example, lower notification thresholds would reflect the relatively low turnover levels, and the authority could be granted powers to review a proposed concentrations, rather than imposing a mandatory notification obligation for all transactions meeting the thresholds. In the Uinted Kingdom for instance, the Competition and Markets Authority (CMA) can, but need not review a deal (also ex post) if the target company has at least 25% of a localised or national (relevant) market. This solution reduces the burocratic burden on companies. Finally, it should be examined whether some form of Market&Government rules could be introduded in an effective and proportionate manner for the Caribbean Netherlands.

This scenario organizes supervision and enforcement by combining institutional capacity in the European Netherlands with a form of local presence in the Caribbean Netherlands. The ACM would play a central role in both the enforcement and in the exercise of advocacy functions.

Scenario 3 – Kingdom policy, law and authority for competition and consumers
A final scenario, which could serve as a long term vision, introduces a Kingdom Act on competition for the Caribbean parts of the Kingdom, accompanied by a dedicated supervisory and enforcement authority.

Given the different constitutional statuses of the Caribbean parts of the Kingdom, the aspiration for greater autonomy in Aruba, Curaçao and Sint Maarten, and the varying stages of development of competition policy across these jurisdictions, this scenario is currently subject to significant constitutional, institutional and political constraints. Nevertheless, it may serve as a benchmark or long-term objective, to be pursued incrementally, for example through closer cooperation between competition authorities within the Kingdom, joint investigations, the exchange or sharing of staff, and the development of shared services, etc. A form of cross-island supervision and enforcement aligns well with the fact that many of the underlying causes of competition issues extend beyond the boundaries of individual islands.

[48] The share of public sector employment in total employment in Bonaire, Sint Eustatius and Saba is 33, 40 and 53 percent respectively and has been increasing over the past few years.

Assessment and preferred scenario

An assessment of the policy scenarios is conducted on the basis of a set of predefined criteria. The aim of this assessment is to enable a consistent and transparent comparison across scenarios and to provide a structured basis for identifying a preferred policy option. The assessment distinguishes between: (i) evaluation criteria, which relate to the objectives of the policy, and the support amongst stakeholders on Bonaire, Sint Eustatius and Saba; and (ii) implementation and impact dimensions, which describe the practical implications of each scenario.

Table 4: The policy scenarios are assessed on the basis of pre-defined evaluation criteria and implementation and impact dimensions.

Category	Criterion/dimension	Explanation
Evaluation	Effectiveness	The extent to which the scenario contributes to addressing market distortions and improving market outcomes. Effectiveness is assessed with the recognition that policy interventions can only partially address such distortions.
	Efficiency	The relationship between expected effects and the resources required. This includes the proportionality of the intervention relative to the problems it seeks to address.
	Suitability to local context	The degree to which the scenario aligns with the socioeconomic structure, institutional capacity, and scale of the Caribbean Netherlands.
	Support	Support amongst stakeholders on Bonaire, Sint Eustatius and Saba.
Implementation and impact	Legal and institutional implications	The required legislative and institutional changes, legal complexity, and compatibility with existing frameworks and institutions.
	HR and financial implications	HR and budgetary consequences for government.
	Implementation capacity	The practical complexity of implementing each scenario.
	Risks and unintended effects	Potential side effects, including market distortions or enforcement challenges.

Source: Economic Bureau Amsterdam (2026).

The assessment of effectiveness and efficiency is done against the background that competition policy and public consumer protection policy cannot address all causes of market distortions in the Caribbean Netherlands.

The interviews revealed broad support for introducing competition policy and strengthening consumer protection, while highlighting the need for a locally sensitive approach and sufficient implementation capacity

The interviews conducted on Bonaire, Sint Eustatius, and Saba reveal broad support for, and a clear need to introduce, competition policy and to strengthen consumer protection policy in the Caribbean Netherlands. In this context, the following points of attention emerged:

- Informal and light-touch approach: In general, and particularly on Sint Eustatius and Saba, the importance of an informal and light-touch approach by supervisory authorities (at least initially) rather than an immediate strict and formal approach, was emphasized due to the small and close-knit communities and the dependence on a limited number of businesses.
- Value in raising awareness: There is a lack of awareness among consumers and businesses regarding consumer protection. For example, consumers often do not know where to file complaints, and businesses are frequently unfamiliar with the applicable rules. Providing better information to consumers can empower them. Lowering barriers for speaking up, for instance through committees that bundle complaints, is also considered as valuable.
- Public entity capacity: Although competition policy is a central government affair, the preparatory phase will also require additional capacity from the public entities, for example with regard to public information and outreach, information gathering, the organization of stakeholder engagement, etc. This additional capacity will need to be organized and facilitated. Intensifying consumer protection policy on the basis of existing legislation, and expanding the framework for public consumer protection law, will require additional implementation capacity from both the public entities and the central government.
- Limited required capacity ACM: Supervision and enforcement of competition and consumer protection rules by the ACM can be carried out in the Caribbean Netherlands with limited additional capacity.

Evaluation leads to extended consumer protection framework and a competition law as the preferred policy scenarios

The table below summarises the assessment of the policy scenarios on effectiveness, efficiency and suitability to the local context. The table is followed by an explanatory note on each scenario and criterion.

Table 5: Intensifying consumer protection and implementing competition law are (potentially) effective and efficient, while addressing key distortions that relate to the specific local circumstances.

	Policy scenario	Effectiveness	Efficiency	Suitability to local context	Support
0	Status quo (no policy change)	Low	Low	Medium	Low
1a	Intensify consumer protection (existing legislation)	Medium	Medium	Medium	Medium
1b	Intensify consumer protection (new legislation)	High	Medium	High	High
2	Competition law BES	High	High	High	High
3	Kingdom law competition	High	Medium	Low	Medium

Source: Economic Bureau Amsterdam (2026).

The status quo (scenario 0) has no effectiveness in addressing market distortions. The scenario does not introduce new instruments to address market distortions and therefore leaves the current situation unchanged, in which competition policy is absent and public consumer protection is only partially organized. Efficiency of Scenario 0 is assessed as low. While the scenario does not require additional public expenditure or impose compliance costs on businesses, it also does not generate benefits in terms of improved market functioning or consumer outcomes. The suitability of scenario 0 to the local context is assessed as medium. The scenario aligns with the current institutional reality, where administrative capacity is limited and market structures are shaped by small scale, import dependency, and geographic isolation. In that sense, it does not place additional demands on public institutions or require complex implementation. In addition, in the small, close-knit communities of Saba and Sint Eustatius in particular, issues can often be resolved informally. At the same time, these structural characteristics also increase the risks of market power, limited competition, and consumer vulnerability, which remain unaddressed under this scenario.

During this study, several serious indications of anti-competitive behavior by companies were identified across various sectors, including cartel agreements and abuse of dominant positions. In addition, examples of unsafe products, which pose significant risks to consumers, were identified.

In general, stakeholders on all three islands note that the current situation of insufficient consumer protection in the Caribbean Netherlands, and the significant disparity compared to the level of protection in the European Netherlands, is undesirable and is often regarded unacceptable. Consequently, there is no support for this scenario.

Intensifying consumer protection based on existing legislation (scenario 1a) is expected to have moderate effectiveness. By intensifying the use and enforcement of existing legislation, such as rules on transparency, product information, and contractual fairness, this scenario can contribute to improving consumer outcomes in concrete and observable ways. It may also help raise awareness among consumers and businesses, thereby paving the way for subsequent steps. Scenario 1a is expected to score medium on efficiency. While it builds on existing legal instruments and institutions, gaps in the legal framework limit the scope for improvement. In addition, intensifying the enforcement brings additional cost. Scenario 1a is moderately aligned with the local context. It aligns closely with the needs and concerns of consumers and is likely to resonate with both the public and policymakers. At the same time, gaps in the legal framework create a mismatch between the available instruments and the problems faced in practice.

Although there is support for intensifying consumer protection based on existing legislation, stakeholders are aware that the current regulatory framework is insufficient. In addition, a number of stakeholders have concerns about whether the public entities are capable of carrying out supervision and enforcement adequately. At present, there is little to no enforcement on Saba; on Bonaire and Sint Eustatius enforcement does take place, but with insufficient resources to do so effectively.

Intensifying consumer protection based on new legislation (scenario 1b) is expected to have high effectiveness, as it introduces a coherent public consumer protection framework that addresses both existing gaps and structural weaknesses in the current system in the Caribbean Netherlands. The effectiveness related to cross-border customer purchases is likely to remain limited in the short term. For example, it would not immediately provide consumers with protection when purchasing products through international online platforms.

The efficiency of scenario 1b is assessed as medium. On the one hand, this scenario makes use of existing institutions, such as the ACM, which has extensive experience with consumer protection policy, also in the Caribbean region. On the other hand, it requires significant investments in strengthening enforcement, of for example the Warenwet BES. Scenario 1b is well suited to the local context, as it aligns closely with the needs and concerns of consumers and is likely to resonate with both the public and policymakers.

There is strong support for filling the current gaps in the regulatory and enforcement framework and for aligning consumer rights with those in the European Netherlands.

Introducing a competition law BES and enforcement by ACM (scenario 2) is assessed to have high effectiveness. This scenario fills a significant gap in the current legal framework by introducing instruments to address market distortions that may rise in small island economies. In addition, the inclusion of competition advocacy allows for the assessment of the impact of public policies on competition and consumers.

Various stakeholders and experts have emphasized that effectiveness can be enhanced when due account is taken of the local context and business practices. In particular, in the small and close-knit communities of Saba and Sint Eustatius, an informal and light-touch approach by supervisory authorities (at least initially) tends to be more effective than an immediately strict and formal approach. In other words, companies that do not comply with competition law are, in first instance, better addressed through a personal conversation rather than being confronted with formal enforcement measures from the outset. Nevertheless, this conversation might be more fruitful if the enforcement agency does not come empty-handed to the table, but is known to have appropriate powers.

It is important to note that part of the market distortions will fall outside the scope of competition policy, as causes thereof are in other jurisdictions. Sint Maarten for example currently lacks a competition law. Certain distortions in the supply chain before products reach the islands, are difficult to adress. This limits the effectiveness of scenario 2 to some extent. On the other hand, the ACM as the responsible competition authority for the Caribbean Netherlands could also engage with the government of Sint Maarten to draw attention to these market distortions and advise on possible solutions.

Efficiency of scenario 2 is assessed as high. An important factor supporting efficiency is that the scenario can build on the existing capacity, expertise, and institutional infrastructure of the ACM. This reduces the need to establish a new supervisory authority from scratch and allows for the use of existing knowledge, systems, and enforcement practices. The experience of the ACM in Aruba, through its cooperation with the AFTA, contributes significantly to this. The back-office functions can be largely organized within the ACM in the European Netherlands, while a more limited local presence (front office) needs to be developed in the Caribbean Netherlands.

A Competition Act BES that is tailored to the scale of local markets, through appropriate thresholds, proportional enforcement, and a context-sensitive approach, is suited for the local context. A proportionate approach, in which informal engagement and guidance play a larger role, can improve acceptance and effectiveness. Under these conditions, the scenario is well aligned with the local context.

There is broad support, both in the public sector and the private sector, for introducing competition law in the Caribbean Netherlands. However, particularly on Saba and Sint Eustatius, concerns exist regarding the suitability of competition oversight in relation to local circumstances and the local business culture. Stakeholders advocate for an informal and light-touch approach and warn that a formal, stringent approach could backfire and prove counterproductive.

A Kingdom law for competition (scenario 3) is assessed to have high effectiveness. A Kingdom-wide competition framework allows for a more integrated approach to address market distortions, particularly where these have cross-border dimensions within the Caribbean parts of the Kingdom. As many markets, supply chains, and business activities extend beyond individual islands, a shared legal framework and supervisory structure can improve consistency, reduce regulatory fragmentation, and strengthen enforcement capacity. In addition, economies of scale in supervision and expertise can enhance the overall quality of enforcement.

Efficiency of scenario 3 is assessed as medium as it requires the development of a Kingdom Act, the establishment or coordination of a cross-jurisdictional authority, and alignment across jurisdictions with different constitutional statuses and policy preferences. The institutional and coordination requirements imply significant costs in terms of time, governance, and administrative effort. In addition, the varying stages of development of competition policy across the jurisdictions complicate harmonisation. While there are potential efficiency gains from effectiveness of solving for cross border competition issues, shared expertise and economies of scale, these are partly offset by the complexity of operating across multiple legal and political systems.

The suitability of scenario 3 to the local context is assessed as low. The Caribbean parts of the Kingdom differ significantly in their constitutional status, institutional development, and policy priorities. Introducing a Kingdom-wide framework would therefore require a high degree of political alignment and willingness to cede or share regulatory authority. While cross-island cooperation is relevant given the interconnected nature of markets, a fully integrated Kingdom framework does not align well with current institutional realities, leading to a low assessment of suitability.

Stakeholders recognize the importance of cross-border competition policy and oversight, but acknowledge that a Kingdom competition law is currently not feasible and therefore not the preferred option at this time.

The preferred policy scenarios have significant legal and institutional implications

The table below summarizes the assessment of the implementation and impact dimensions. The table is followed by an explanatory note on each scenario and criterion.

Implementation and impact dimensions (see table and text below) are based on a broad, qualitative assessment based on insights obtained during the course of the study. A more detailed assessment and quantification can only be made adequately once the relevant governments have taken decisions regarding, among other things, the extent to which enforcement of existing rules will be intensified (scenario 1a), the additional legislation required to strengthen the public consumer protection framework and the organization of its enforcement (scenario 1b), and the manner in which supervision and enforcement of a BES Competition Act will be organized (scenario 2). Such an assessment falls outside the scope of this assignment.

Table 6: Intensifying consumer protection and implementing competition law are (potentially) effective and efficient, while addressing key distortions that relate to the specific local circumstances.

	Policy scenario	Legal and institutional implications	HR and financial implications	Implementation complexity	Risks and unintended effects
0	Status quo (no policy change)	Low	Low	Low	High
1a	Intensify consumer protection (existing legislation)	Low	Medium	Low	Medium
1b	Intensify consumer protection (new legislation)	High	Medium	Medium	Low
2	Competition law BES	High	Medium	Medium	Low
3	Kingdom law competition	High	Medium	High	Medium

Source: Economic Bureau Amsterdam (2026).

The legal and institutional implications of the status quo (scenario 0) are limited, as no new legislation is introduced and existing institutional arrangements remain unchanged. Similarly, financial and human resource implications are nonexistent, given that no additional enforcement or policy development is required. Implementation complexity is therefore low.

This scenario is associated with relatively high risks and unintended effects Existing gaps in legislation, regulatory fragmentation, and risks related to competition and consumer protection are likely to persist. In addition, an explicit decision by the Dutch central government not to introduce competition policy and not to strengthen consumer protection policy contributes to existing perception of unequal treatment of the Caribbean Netherlands compared to the European Netherlands. In light of the EU Overseas Countries and Territories (OCT) Decision and the (strengthened) principle of 'comply or explain', such a position is politically and legally difficult to justify and, ultimately, untenable.

The legal and institutional implications of intensifying consumer protection based on existing legislation (scenario 1a) are limited, as the scenario builds on existing legislation and enforcement structures. No major legislative changes are required, and implementation can largely take place within the current institutional framework. Financial and human resource implications are considered moderate, as the scenario primarily involves a more intensive use of existing capacities, however they depend on the extent to which supervision and enforcement are intensified under this scenario. Implementation complexity is correspondingly low.

The risks and unintended effects are assessed as medium. While the scenario improves the use and coordination of existing instruments, it does not address underlying fragmentation or substantive gaps in the legal framework. As a result, there is a risk that certain forms of consumer harm remain insufficiently covered. In addition, differences in enforcement practices across authorities may persist if coordination is not fully realized.

Intensifying consumer protection based on new legislation (scenario 1b) involves substantial legal and institutional implications, as it requires the introduction of new legislation and the establishment of a more coherent public law framework for consumer protection. This implies legislative effort and decisions regarding the allocation of supervisory responsibilities. Financial and human resource implications are moderate, reflecting that enforcement capacity is already available in the European Netherlands (ACM, NVWA) and only front office capacity in the Caribbean Netherlands may be required. The precise legal, HR, and financial implications can only be assessed once it is known which adjustments will be made to the legislative framework and how supervision and enforcement will be organized. Implementation complexity is assessed as medium, given the need to design, adopt, and operationalize a new framework.

At the same time, the risks and unintended effects are relatively limited. The introduction of a clearer and more comprehensive framework reduces fragmentation and increases legal certainty. While implementation challenges may arise, particularly in the initial phase, the scenario is less likely to result in unintended distortions or gaps compared to reliance on existing legislation alone. Overall, this scenario contributes to better alignment of policies in the Caribbean Netherlands with the European Netherlands and equal treatment of citizens and businesses.

Implementing a competition law BES (scenario 2) entails significant legal and institutional implications, as it requires the development and enactment of a dedicated competition law framework. This includes defining substantive rules, establishing enforcement mechanisms, and assigning responsibilities to a supervisory authority. Financial and human resource implications are moderate, as the scenario can build on existing institutional capacity, particularly within the ACM, and cooperation with AFTA and FTAC, while requiring additional resources for the front office in the Caribbean Netherlands. In discussions with the board of the ACM, it was confirmed that the additional human resources required for local presence in the Caribbean Netherlands (frontoffice) are limited to no more than two to three fte.[49] Implementation complexity is also assessed as medium, reflecting the need to introduce new legislation and organize supervision in a context of limited scale.

The risks and unintended effects are assessed as low. The introduction of a comprehensive and coherent competition framework fills substantial gaps in the regulatory framework as it provides clear rules for market conduct. While there may be some adjustment effects for businesses, the structured nature of the framework and the experience of the supervisory authority help to limit the likelihood of unintended consequences. Overall, this scenario contributes to better alignment of policies in the Caribbean Netherlands with the European Netherlands and equal treatment of citizens and businesses. An overly formal and stringent enforcement approach may pose risks to supply, particularly on Sint Eustatius and Saba, where markets are often dependent on one or a limited number of providers. These risks can be mitigated through a more informal and light-touch approach and to enforcement.

A Kingdom law for competition (scenario 3) involves substantial legal and institutional implications, as it requires the development of a Kingdom-wide legal framework and coordination across jurisdictions with different constitutional statuses. This implies complex legislative processes and institutional arrangements. Financial and human resource implications are moderate, as there are potential economies of scale, but also coordination and governance costs. Implementation complexity is high, reflecting the need for alignment between jurisdictions and political opinions, the establishment of joint structures, and the management of cross-border supervision.

The risks and unintended effects are assessed as medium. While a Kingdom-wide framework can enhance consistency and address cross-border competition issues, the complexity of governance and the diversity of institutional contexts may give rise to coordination challenges and implementation risks. There is also a risk that a one-size-fits-all approach does not fully reflect local conditions on individual islands.

One legal framework, differentiated approach

Stakeholders on Bonaire, Sint Eustatius, and Saba all emphasize the importance of stronger consumer protection and the role that competition policy and public consumer protection policy can play in achieving this. In addition, all three islands face elevated risks of anti-competitive conduct and experience similar market distortions. On all three islands, consumer protection is inadequate due to gaps in the legal framework and due to insufficient enforcement.

At the same time, there are important differences that justify differentiation in the approach and implementation of supervision and enforcement. On Saba, and to a lesser extent on Sint Eustatius, there is a stronger social and community network in which businesses and business owners feel a broad social responsibility, reducing the risks of, for example, abuse of dominant market positions or cartel formation. Government, citizens, and businesses often resolve problems cooperatively and through informal means. At the same time, signals of anti-competitive conduct have also been identified on the Windward Islands, and they too face market distortions that cannot be addressed due to the absence of adequate legal instruments. Although Bonaire also has a small economy and society, the larger population and substantial tourism sector result in larger markets and greater anonymity among businesses and consumers. As a result, business conduct on Bonaire is less constrained by social networks.

These differences justify a differentiated approach with regard to supervision and enforcement. While an informal and light-touch approach is generally appropriate across all three islands, on Saba and Sint Eustatius particular emphasis should be placed on such an approach.

[49] In addition, the implementation of competition oversight will place (limited) demand on the ACM's capacity in The Hague (back office).

4. Recommendations

It is recommended to intensify and extend consumer protection policy (scenario 1) and to implement a competition law BES (scenario 2)

The assessment of the policy scenarios in Chapter 3 indicates that the current legal and institutional framework for consumer protection in the Caribbean Netherlands contains significant gaps. Addressing these gaps is a necessary condition for improving market conditions and outcomes. Against this background, it is recommended to implement scenario 1 (both 1a and 1b), aimed at strengthening and extending the existing framework for consumer protection, and scenario 2 aimed at implementing a competition law BES.

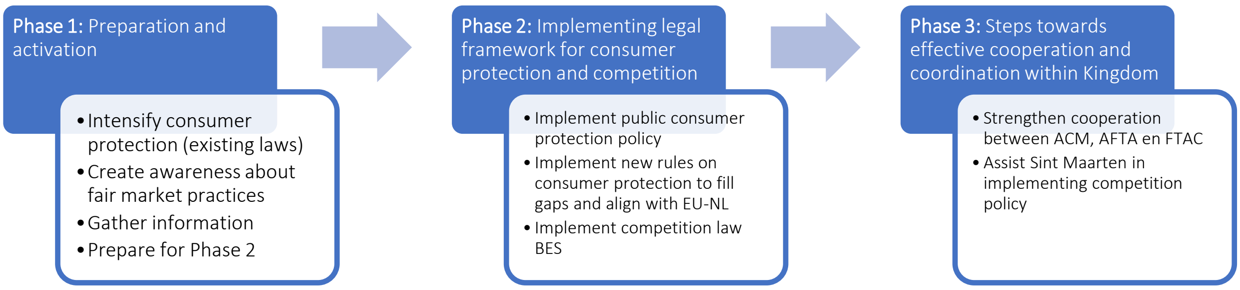
A more coherent system of consumer protection and rules for fair competition are expected to contribute to improved market functioning, enhanced consumer safeguards, and a more predictable environment for businesses and (foreign) investors. It also aligns policies more closely with relevant European and national frameworks, including the OCT Decision and the principle of 'comply or explain', and contributes to a more equal treatment of citizens and businesses in the Caribbean Netherlands compared to the European Netherlands.

With regard to new, additional legislation in the field of consumer protection and the competition law BES, a single framework is proposed for Bonaire, Sint Eustatius, and Saba. However, differentiation is envisaged in terms of enforcement and approach between Sint Eustatius and Saba on the one hand, and Bonaire on the other. On Sint Eustatius and Saba, retail markets often depend on one or only a limited number of providers. Futhermore, there are stronger social, often even familial, ties between businesses and their customers. These circumstances justify a more informal and light-touch approach to supervision and enforcement. Bonaire, by contrast, has larger retail markets, where consumers and businesses are generally less closely interconnected.

A phased approach reflects both the time needed to develop new legislation and the need to strengthen consumer protection in the short term

A phase approach is proposed, given the time required for legislative change and institutional development to implement scenarios 1b and 2. The first phase consists of intensified use of existing instruments and preparatory measures aimed at raising awareness, improving coordination, building institutional capacity (scenario 1a and the transition phase). In parallel, the legislative process for extended consumer protection and the introduction of a competition law BES can be initiated. This is followed by the implementation of a coherent and comprehensive public law framework for consumer protection (scenario 1b) and a dedicated competition law framework for the Caribbean Netherlands (scenario 2). Finally, first steps can be taken toward cooperation in competition policy within the Kingdom.

Figure 6: A phased approach is proposed, in which preparation and activation are followed by implementation of formal consumer protection and competition policy. The third phase consists of the first steps towards cooperation within the Kingdom.



Source: Economic Bureau Amsterdam (2026).

Phase 1: Preparation and activation

This phase combines the intensified use of existing consumer protection instruments (scenario 1a) with a broader set of preparatory activities aimed at laying the foundations for a more comprehensive policy framework. The focus is on making more effective use of the legal instruments that are already available, while simultaneously preparing institutions, businesses, and consumers for the introduction of a more structured framework for consumer protection and competition policy. At the same time, the legislative process for extended consumer protection and the competition law BES can be initiated

Intensifying consumer protection at this stage includes strengthening supervision under existing legislation, improving coordination and the visibility of enforcement, and ensuring that available powers are used more consistently and proactively. This would require additional capacity and funding, as enforcement in different areas of the consumer protection framework currently lags behind significantly. It will need to be examined how much additional capacity and expertise the public entities require in order to realize the chosen intensification.

This phase also focuses on learning and awareness. Fair market practices can be promoted among businesses and consumers through dialogue, communication and outreach. This is particularly relevant in small and closely interconnected markets, where dialogue and increased transparency can help change behavior. In addition, a shared understanding of acceptable market conduct can be developed in preparation for a competition law BES. For example, a voluntary code of fair competition and consumer practices can be introduced that reflects key principles of future competition law, thereby easing the transition to a formal legal framework.

Although the lead for this process will need to rest with the central government as the responsible authority for competition policy and public consumer protection policy, the public entities will also play a role in it for which they need help (capacity and expertise).

This phase also provides an opportunity for institutions, in particular the ACM, to prepare for future responsibilities and help in this preliminary phase with providing information and consultation on the islands. And to get to know the local culture and circumstances. The work in phase 1 may include conducting market studies, identifying competition risks, and building knowledge of local market structures and business practices. Given the shared characteristics across the Caribbean part of the Kingdom, this phase could already facilitate cooperation between competition authorities, for example through an organized network for information exchange. Also, a systematic assessment can be carried out to identify gaps in the existing consumer protection framework, serving as input for future legislative developments.

This phase requires coordination between the current enforcement agencies, in which the ACM can play a central role.

Phase 2: Implementing legal framework for consumer protection and competition (scenario 1b and 2)
Building on the first phase, the next step is the introduction of a more coherent and comprehensive public law framework for consumer protection and formal competition law framework for the Caribbean Netherlands.

With regard to consumer protection, this involves moving from a fragmented set of instruments towards a unified framework with clear rules, consistent enforcement, and effective safeguards for consumers. This phase requires legislative action and institutional decisions, including the designation of supervisory authorities and the organisation of enforcement by the ACM and, possibly, the NVWA. At the same time, the framework should take into account the specific characteristics of the Caribbean Netherlands.

With regard to competition policy, the framework should include the four core pillars of competition policy (prohibition of cartels, prohibition of abuse of dominance, merger control, and competition advocacy) and should also be tailored to the specific scale and characteristics of the island economies.

While the same law may apply across all three islands, enforcement should be sensitive to the local context, particularly in the initial stages, and can differ per island. In particular on Saba and Sint Eustatius, where communities are smaller, there is in some cases strong dependence on a limited number of businesses for island-wide essential services. Enforcement should take this into account when weighing the consequences of intervention and a more informal and light-touch approach might be more efficient. On Bonaire, markets are generally larger and less dependent on one or two firms.

Given the complexity of legislative processes and institutional preparation, the introduction of competition law will take several years. The preparatory activities undertaken in the first phase are therefore crucial to ensure smooth and effective implementation and to maintain momentum.

The Dutch central government is responsible for implementing competition and public consumer protection policy. Within the constitutional framework established in 2010, responsibility for the legal and policy framework governing markets, including competition policy, rests with the central government. Enforcement of a competition does not require administrative capacity from the public entities.

Phase 3: Kingdom-level cooperation: a long-term perspective (scenario 3)
The introduction of a Kingdom-wide competition framework is currently not considered feasible, given the constitutional diversity and differing policy preferences within the Kingdom. However, closer cooperation between the relevant authorities remains both feasible and desirable.

Strengthening cooperation between the ACM, the AFTA, and the FTAC, and assisting Sint Maarten in implementing competition policy, can contribute to knowledge exchange, capacity building, and the effective handling of cross-border competition issues. This may include joint investigations, the sharing of expertise, and the development of common approaches to enforcement. Such cooperation can serve as a pragmatic alternative to formal legal integration and may, over time, create the conditions for further alignment.

Stakeholder engagement and participation is key
There is a widespread perception that citizens, businesses, and civil society organizations in the Caribbean Netherlands are insufficiently involved in policy preparation and decision-making. As a result, they are often taken by surprise and valuable input from society is not incorporated. It is therefore strongly recommended to share the report with the consulted stakeholders promptly after completion of this study and to actively involve them in the subsequent steps. This can take place through representative bodies for businesses (Chambers of Commerce, business associations) and consumers (FTPKB), as well as through consultation platforms (Centraal Dialoog).

Although competition policy and public consumer protection policy formally fall under the responsibility of the central government, the public entities will play an important role during the first, preparatory phase. This may include activities such as organizing stakeholder involvement, information gathering and dissemination, research, etc. Supporting the public entities with the necessary capacity and expertise will be essential from the outset. For example, the ACM could cooperate in stakeholder outreach (e.g. townhall meetings), while the Rijksdienst voor Ondernemend Nederland (RVO) could play a facilitating role in assisting the public entities. In addition, an assessment should be made of the local capacity required throughout the whole process and the extent to which current capacity falls short.

The phased approach is proposed to enable meaningful first steps to be taken in the short term while keeping implementation manageable. At the same time, it is important to emphasize that these steps will require a significant commitment of resources, both financial and human, from central and local governments, as well as from the organizations involved. Although competition policy and public consumer protection policy fall under the responsibility of the central government, preparing their introduction will also require efforts from the public entities and relevant stakeholders. Likewise, the initial steps aimed at strengthening consumer protection and creating awareness will require close cooperation between the central government and the public entities, with both parties allocating the necessary capacity and resources.

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