

# Annual Report 2010



August 24, 2011

# Outline presentation

- **Developments in:**
  - **Real sector.**
  - **Public sector.**
  - **External sector.**
  - **Monetary and financial sector.**
- **Outlook for 2011**

# Real sector



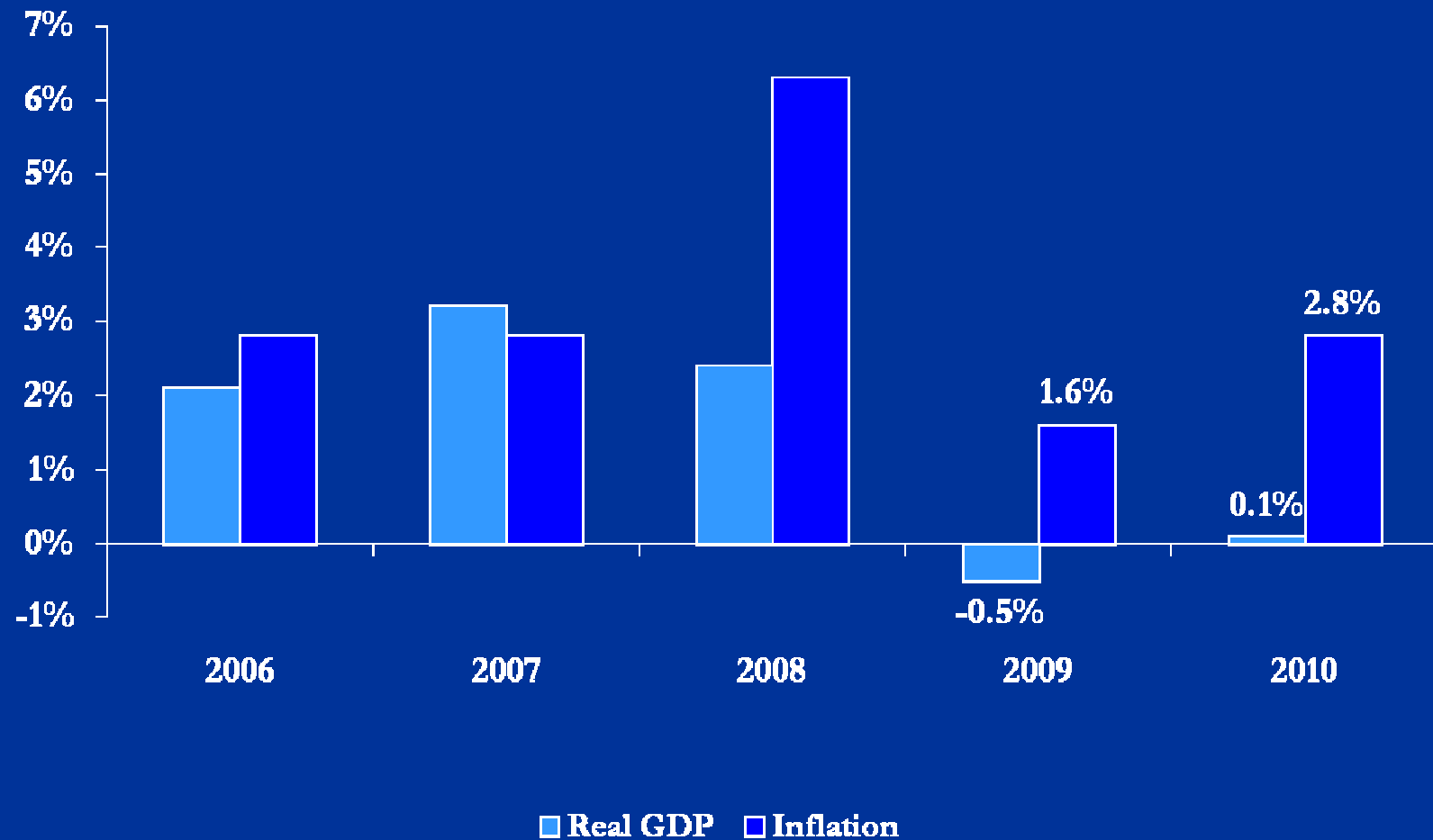
# Main developments in 2010

- Slight economic growth of 0.1%.
- Inflation rate accelerated to 2.8%, caused mainly by higher world oil and food prices.
- Slightly higher unemployment rate (10.4%).

# Macro-economic key figures: a comparison

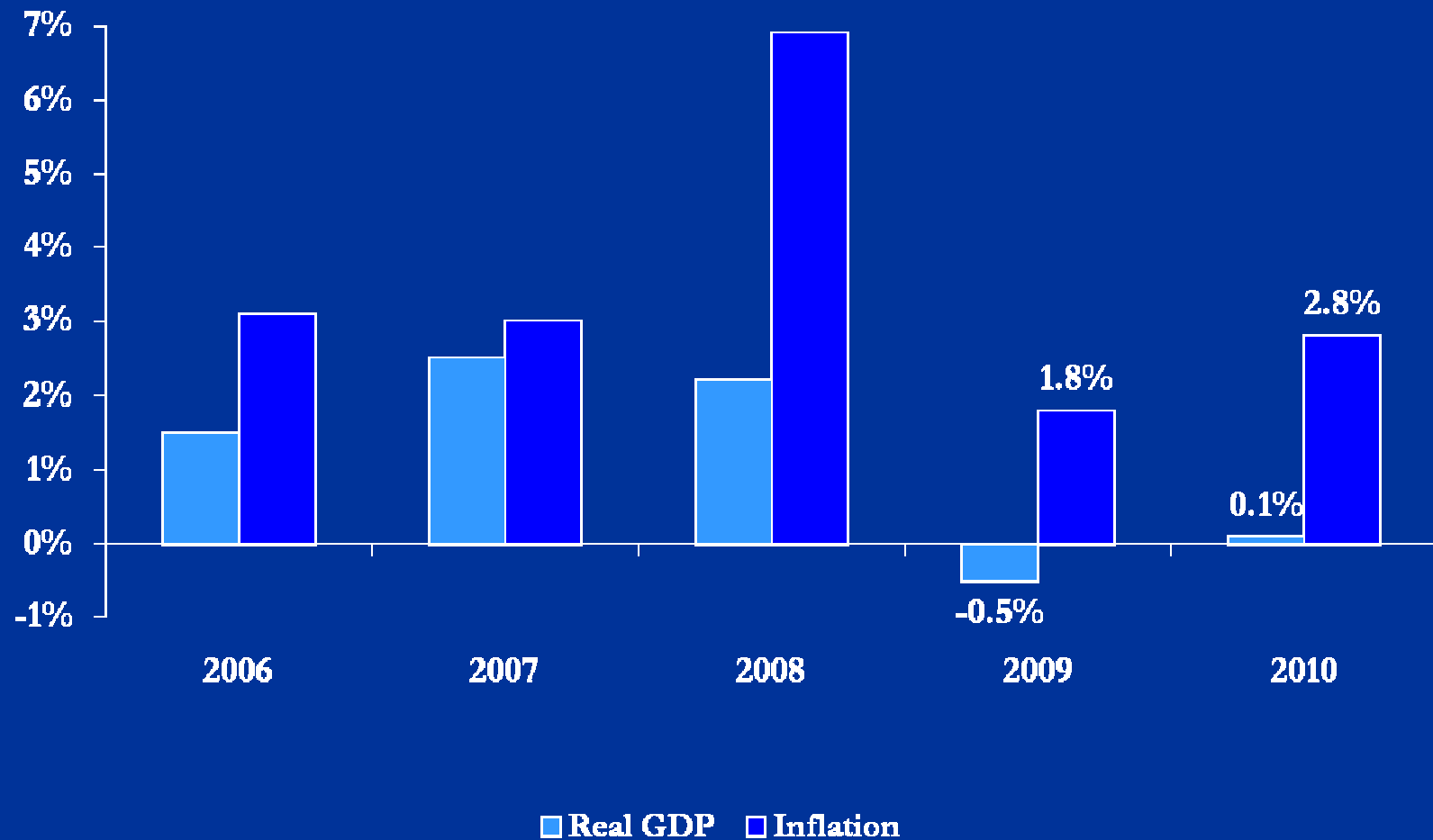
	Real GDP		Consumer prices		Unemployment rate	
	2009	2010	2009	2010	2009	2010
Netherlands Antilles	-0.5%	0.1%	1.6%	2.8%	10.0%	10.4%
United States	-2.6%	2.9%	-0.4%	1.6%	9.9%	9.4%
Venezuela	-3.3%	-1.4%	27.1%	29.2%	6.6%	6.5%
The Netherlands	-3.9%	1.8%	1.2%	1.3%	4.4%	4.3%
Aruba	-11.0%	-2.8%	-2.1%	2.1%	10.1%	9.0%

# Economic development



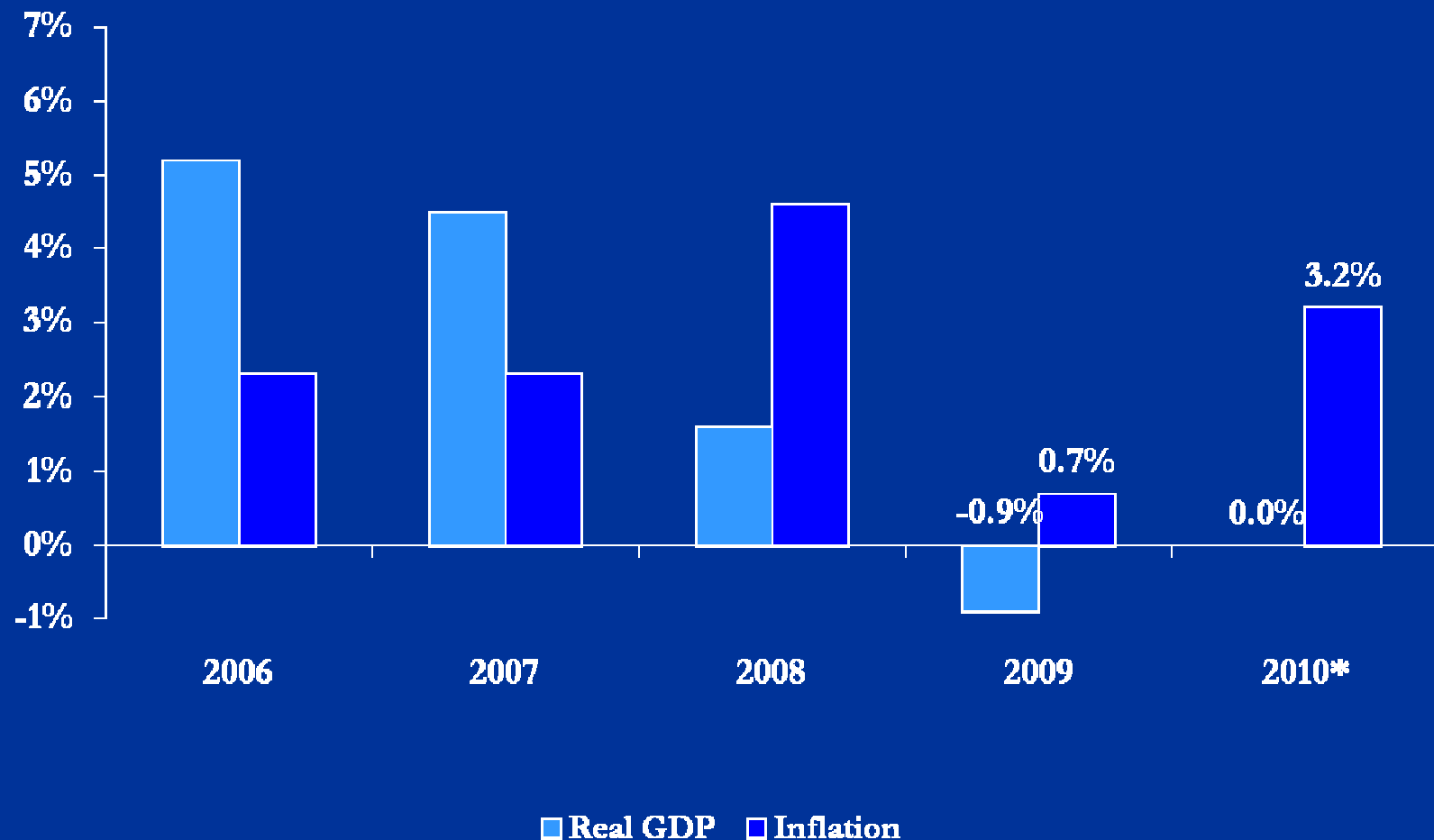
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# Economic development Curaçao



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# Economic development Sint Maarten



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\*CBCS estimate



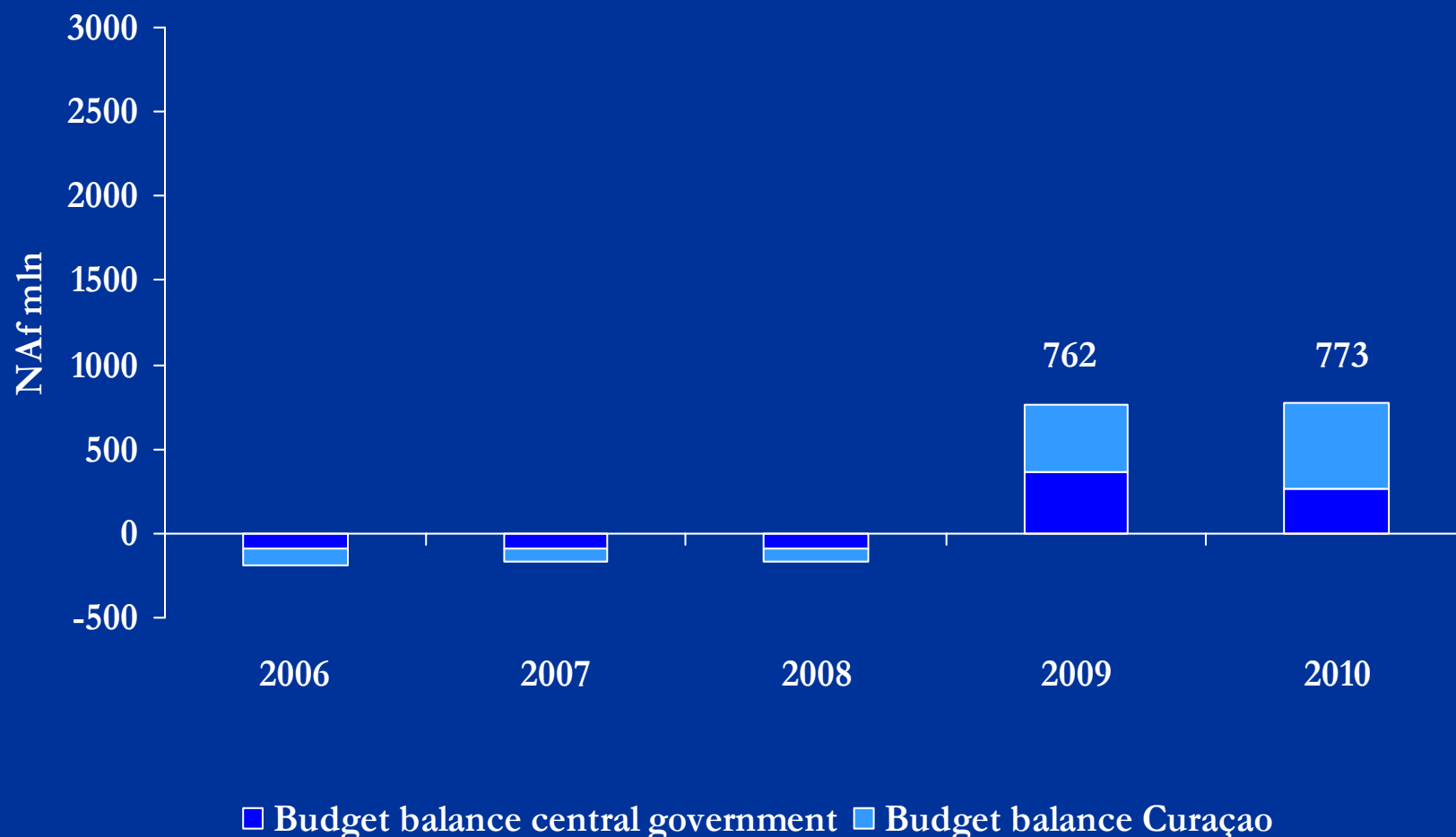
# Public sector



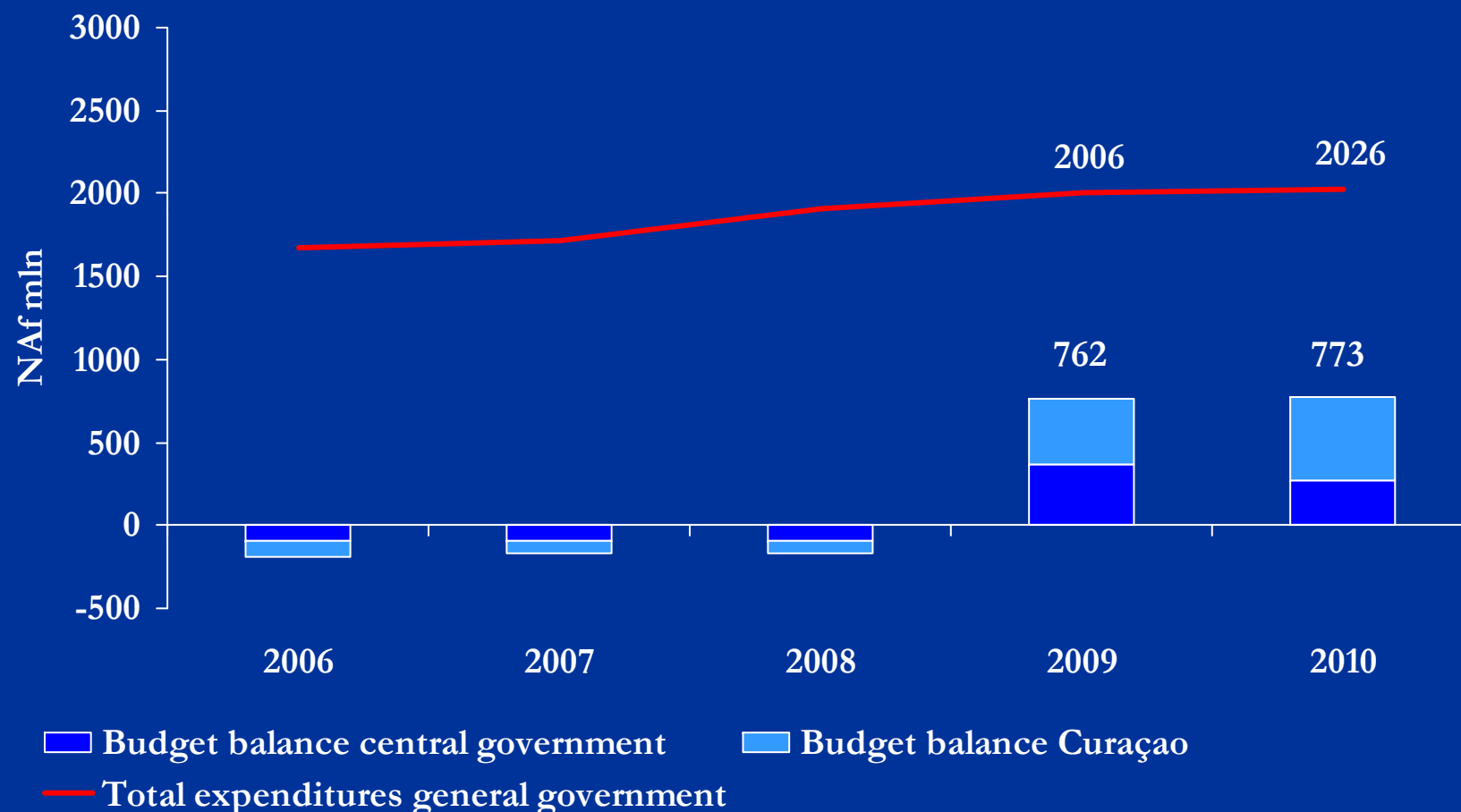
# Main developments

- **Completion of the dismantling of the Netherlands Antilles.**
- **New constitutional status for the five islands.**
- **Lower public debt-to-GDP ratio as a result of the implementation of the debt relief program.**
- **For the second consecutive year, general government budget surplus as a result of the debt relief program.**
- **Slight drop in the primary surplus.**

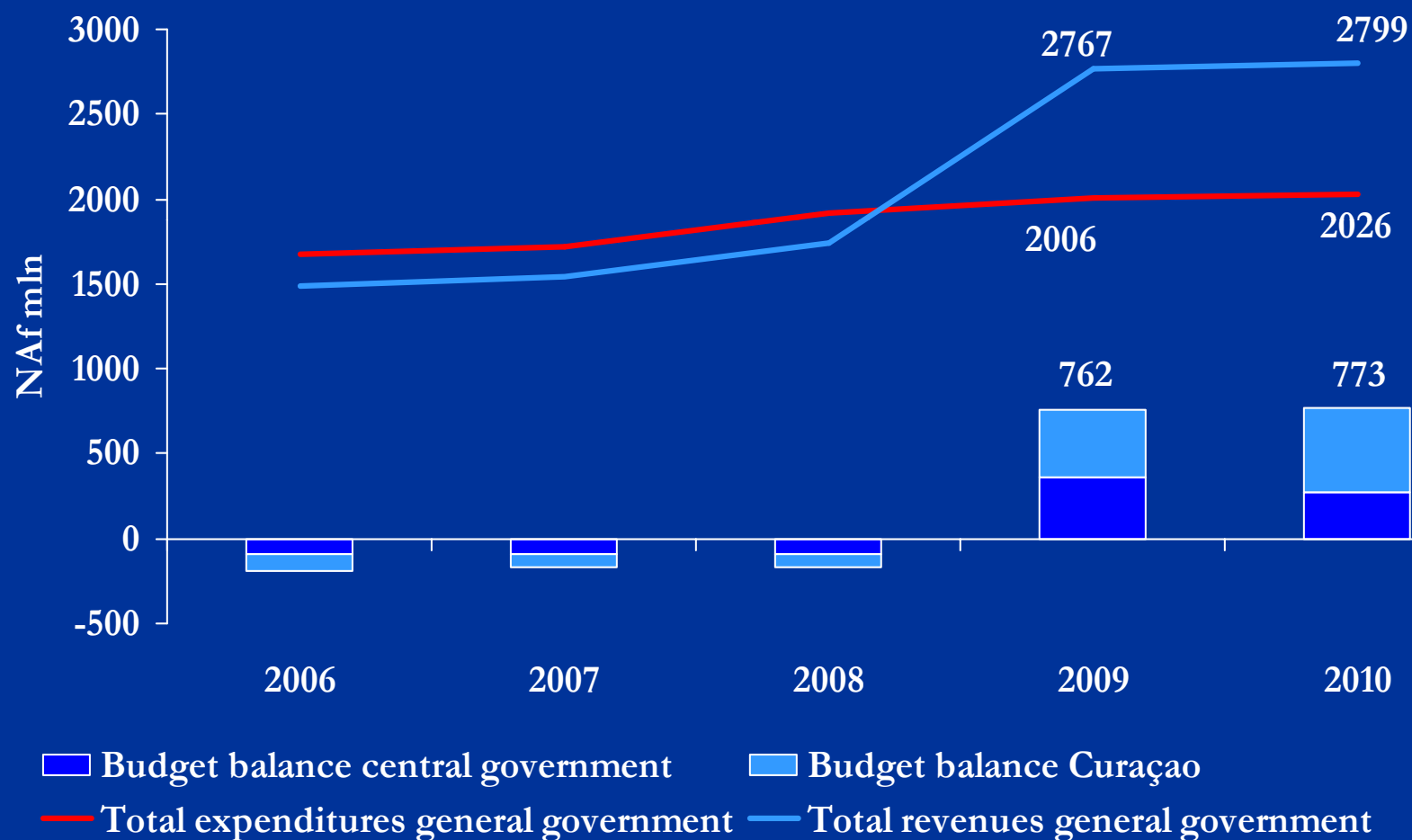
# Budget development general government (Cash basis)



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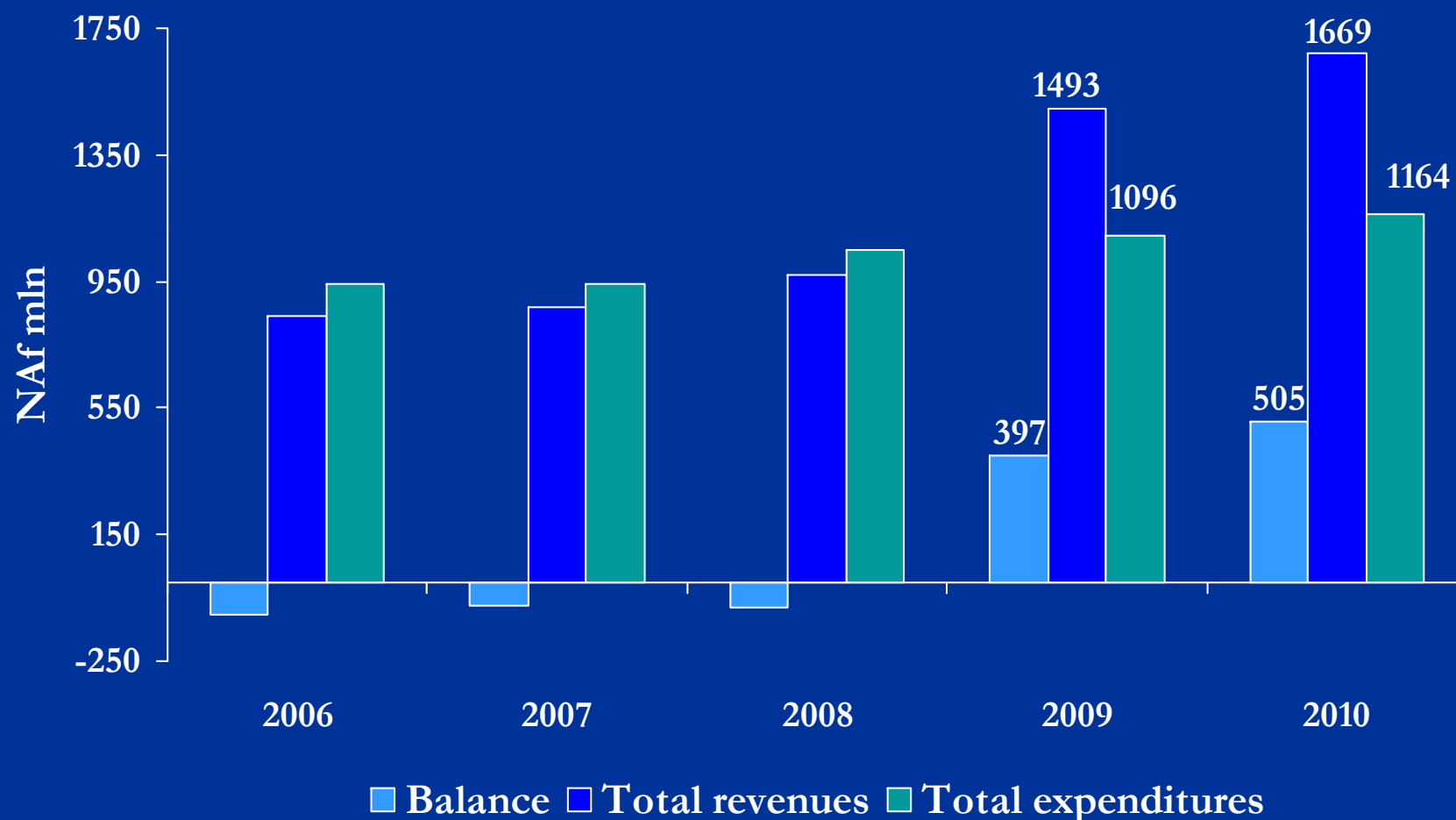


# Budget development general government (Cash basis)

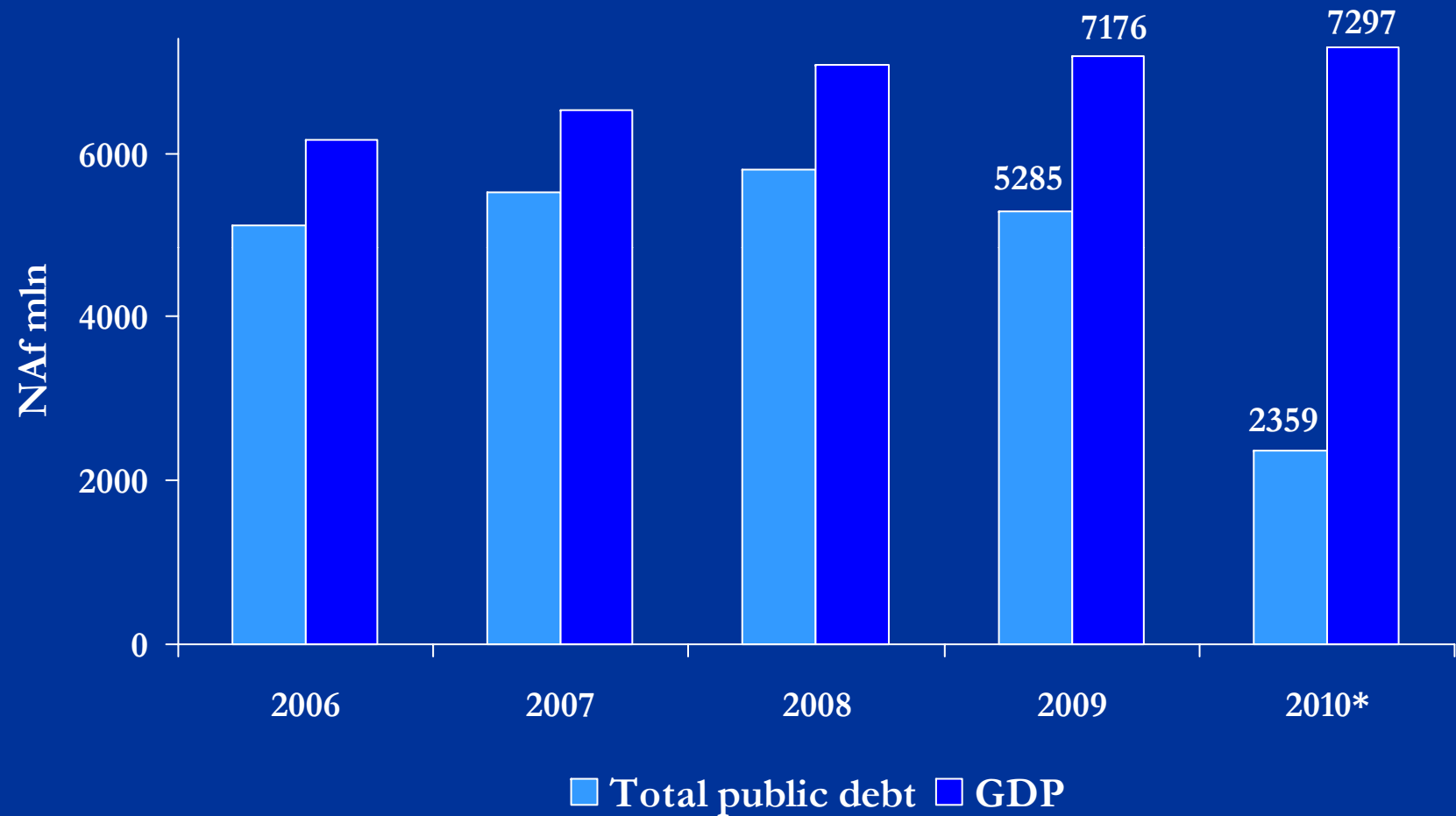


# Revenues and expenditures

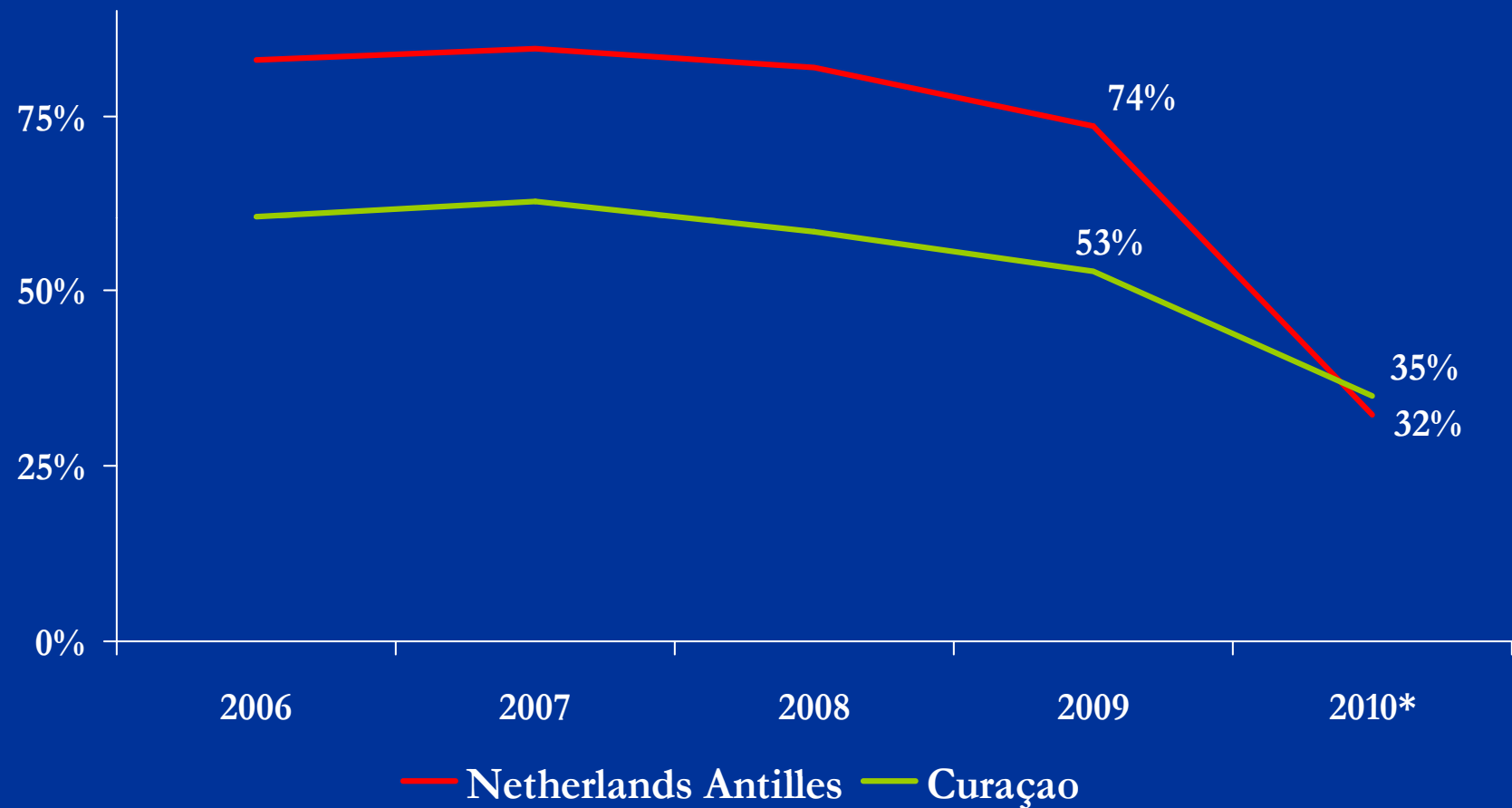
## Curaçao government (Cash basis)



# Total public debt

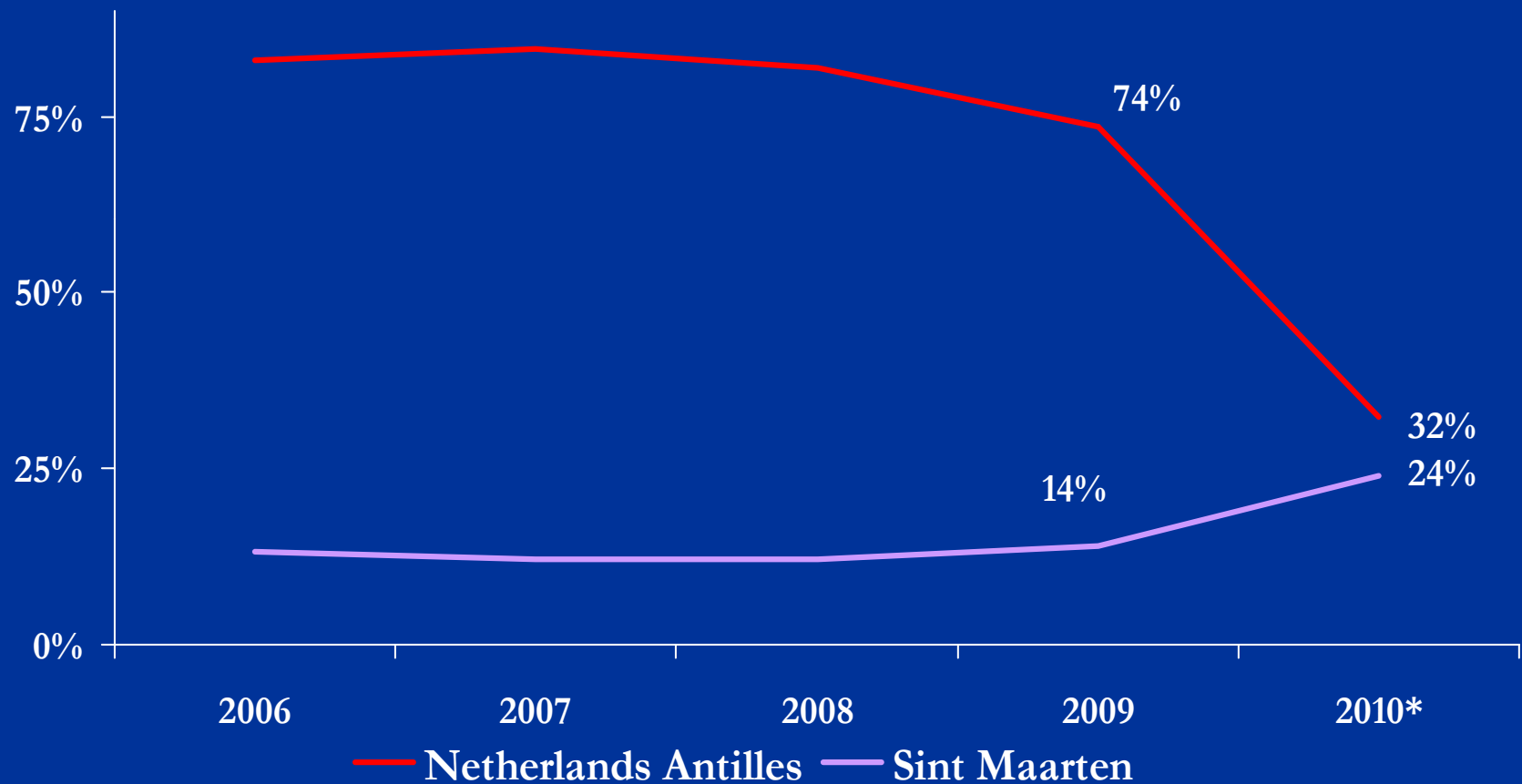


# Total public debt-to-GDP ratio



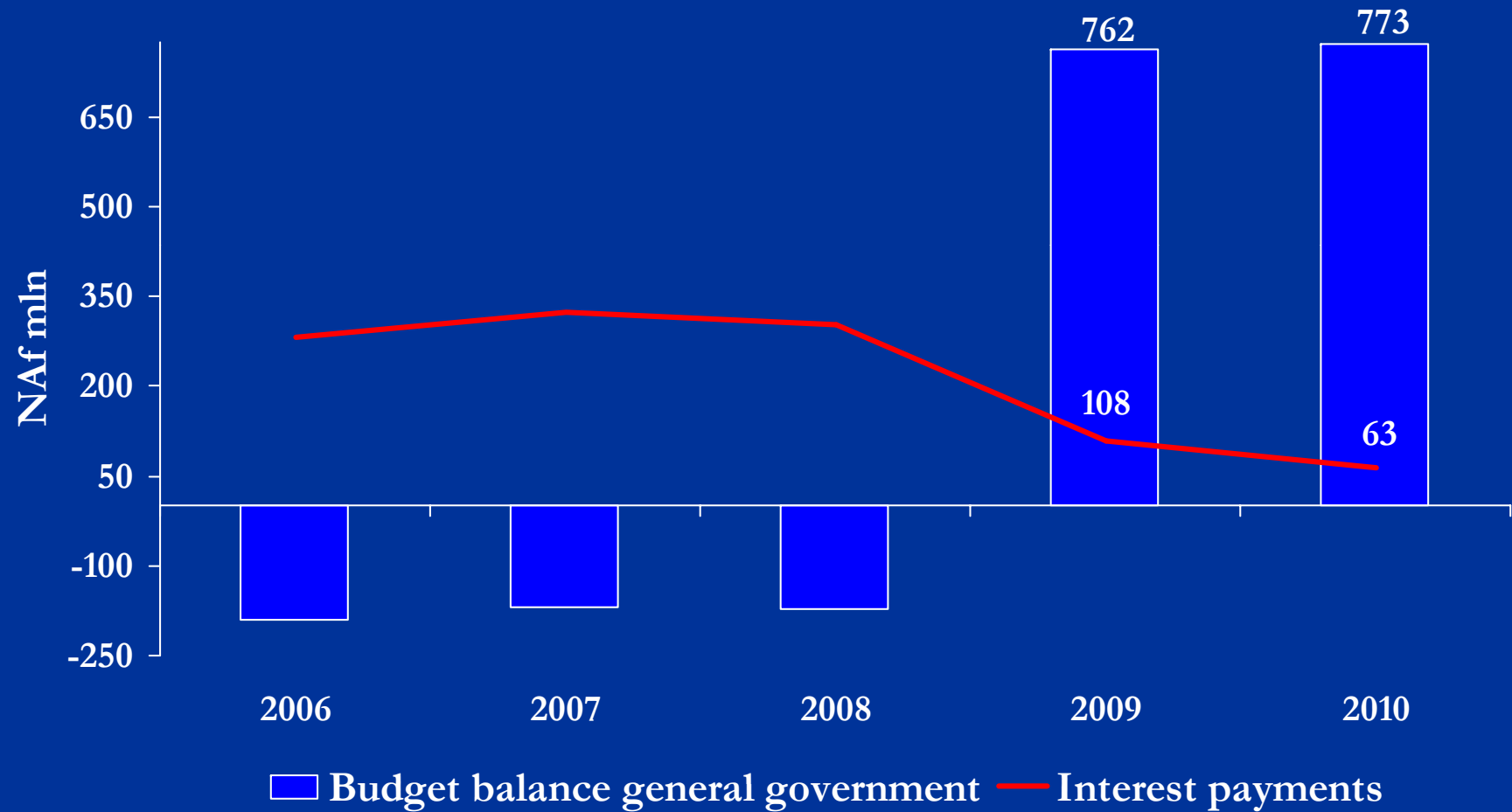


# Total public debt-to-GDP ratio

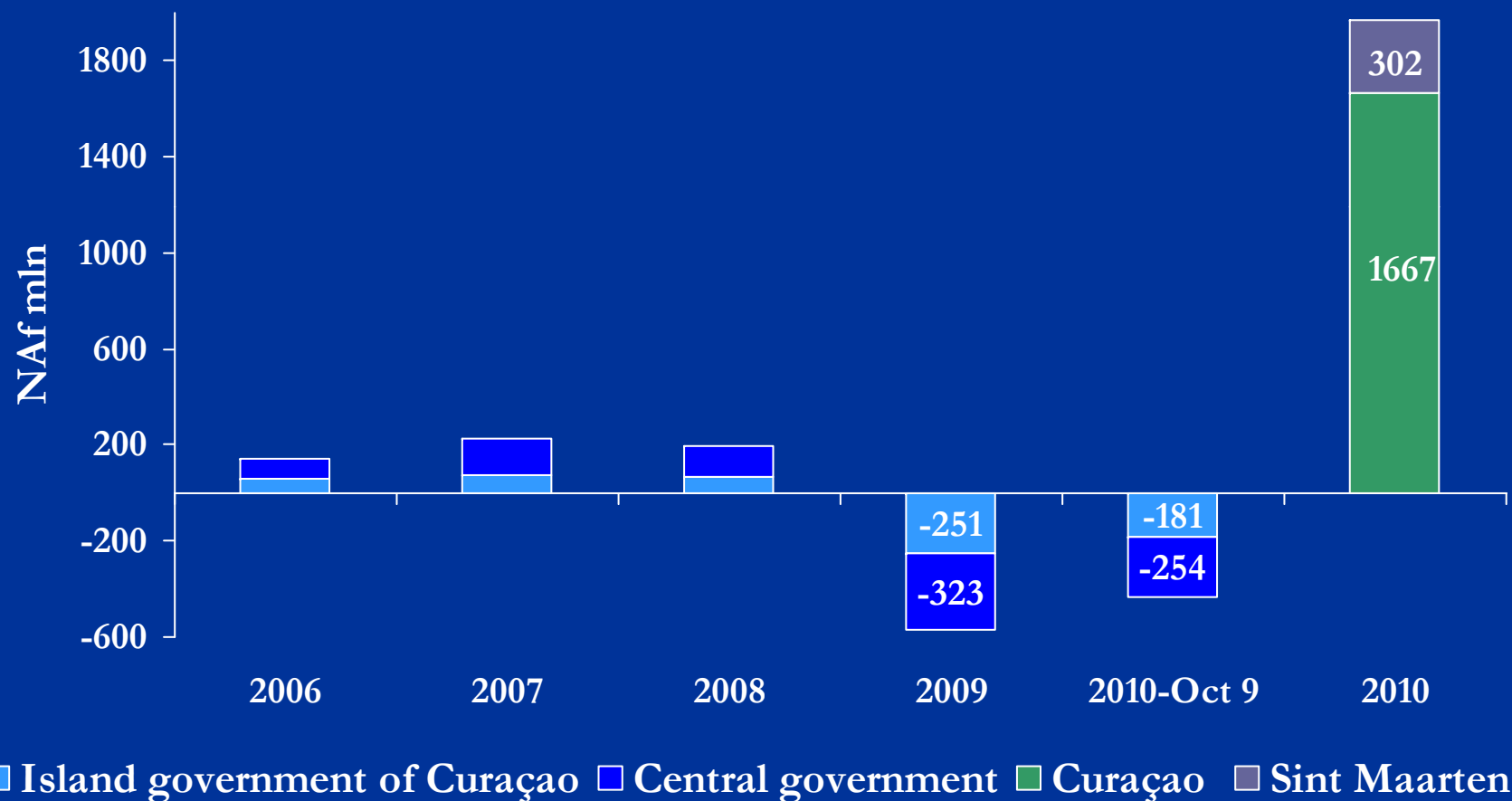


\* estimate

# Interest burden (Cash basis)



# Net borrowing of general government



# External sector



# Main developments

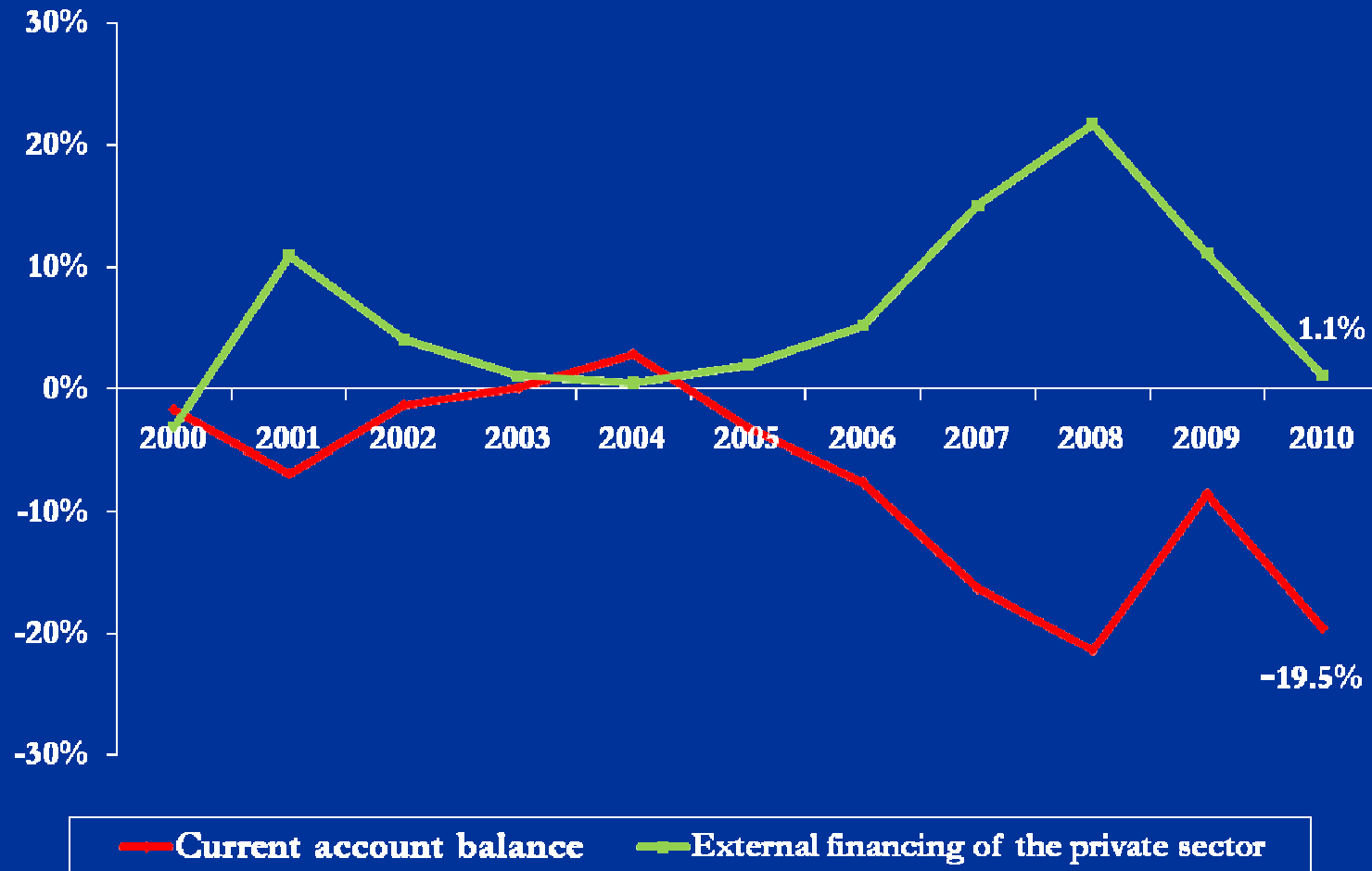
- Current account deteriorated considerably in 2010 due to:
  - Decreased net current transfers from abroad.
  - Decline in both the trade balance and the services balance.
- Sharp increase in capital account surplus.
- Small increase in external financing.
- Developments resulted in balance of payments surplus.

# Balance of payments

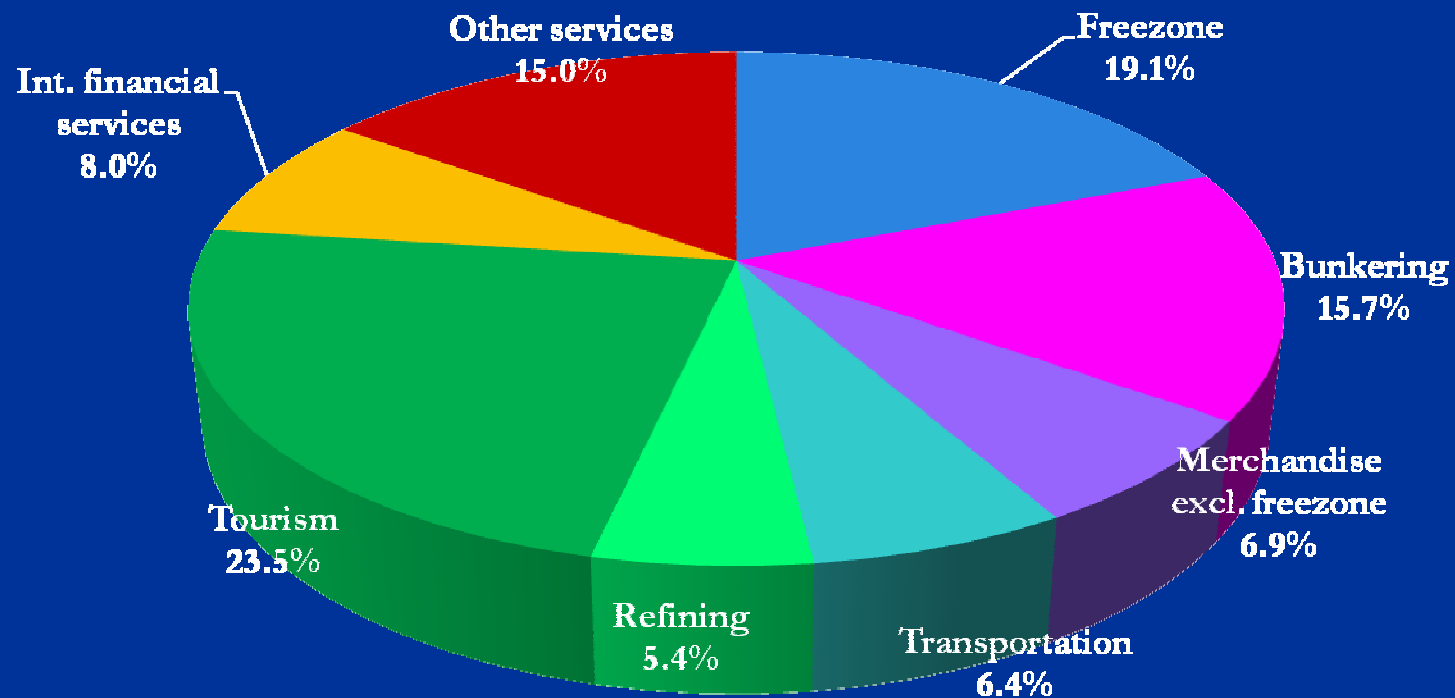
(transaction basis, NAf mln)

	2006	2007	2008	2009	2010
Current account	-465.2	-1,007.8	-1,513.9	-608.6	-1,429.7
Capital account	179.6	218.8	244.8	200.6	1,392.8
External financing	315.0	920.3	1,532.6	794.4	81.8
<i>Direct investments</i>	-140.5	425.1	449.0	196.4	228.7
<i>Loans and credits</i>	353.9	644.5	1,210.2	786.7	1,600.7
<i>Portfolio investments</i>	101.6	-149.3	-126.6	-188.7	-1,747.6
Change in reserves	-84.1	-277.3	-371.6	-538.9	-162.4

# Balance of payments developments (in % of GDP)

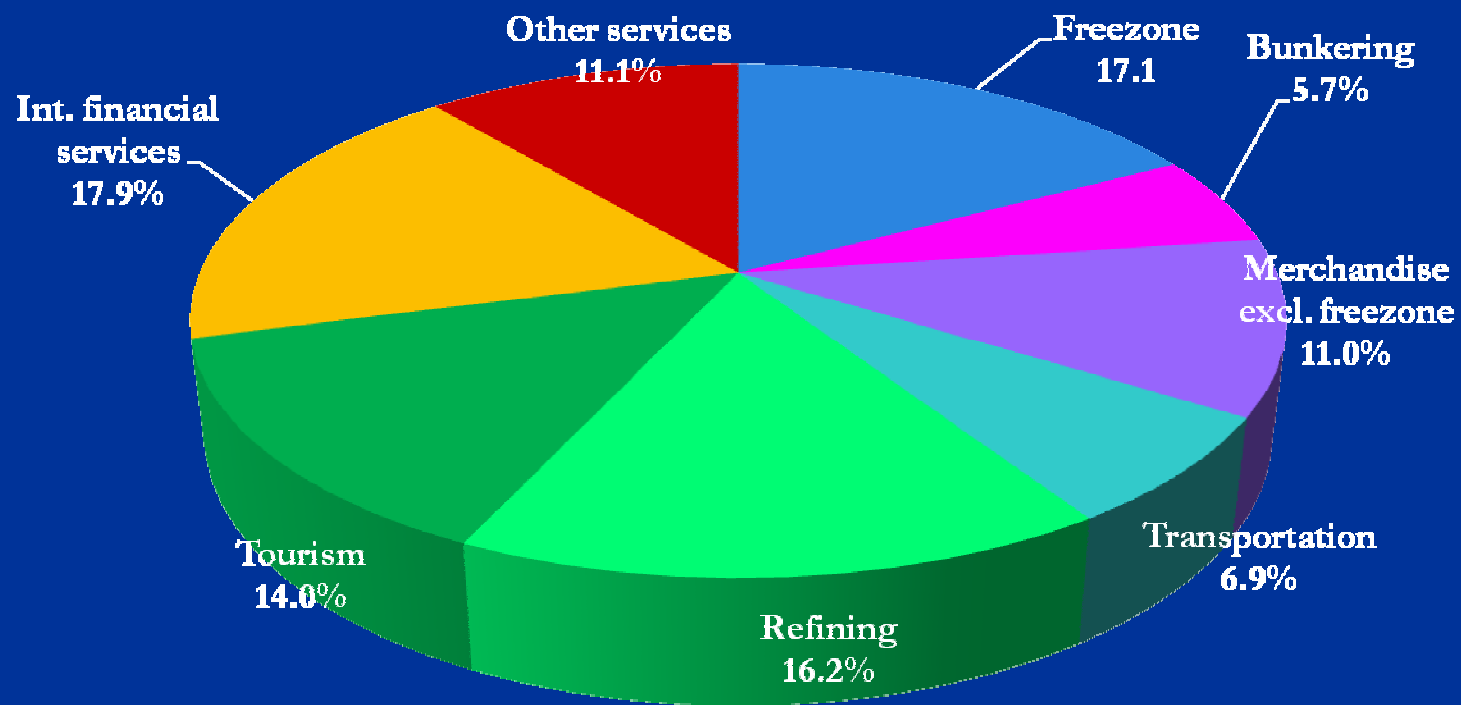


# Contribution to foreign exchange income\* in 2010 (Curaçao)

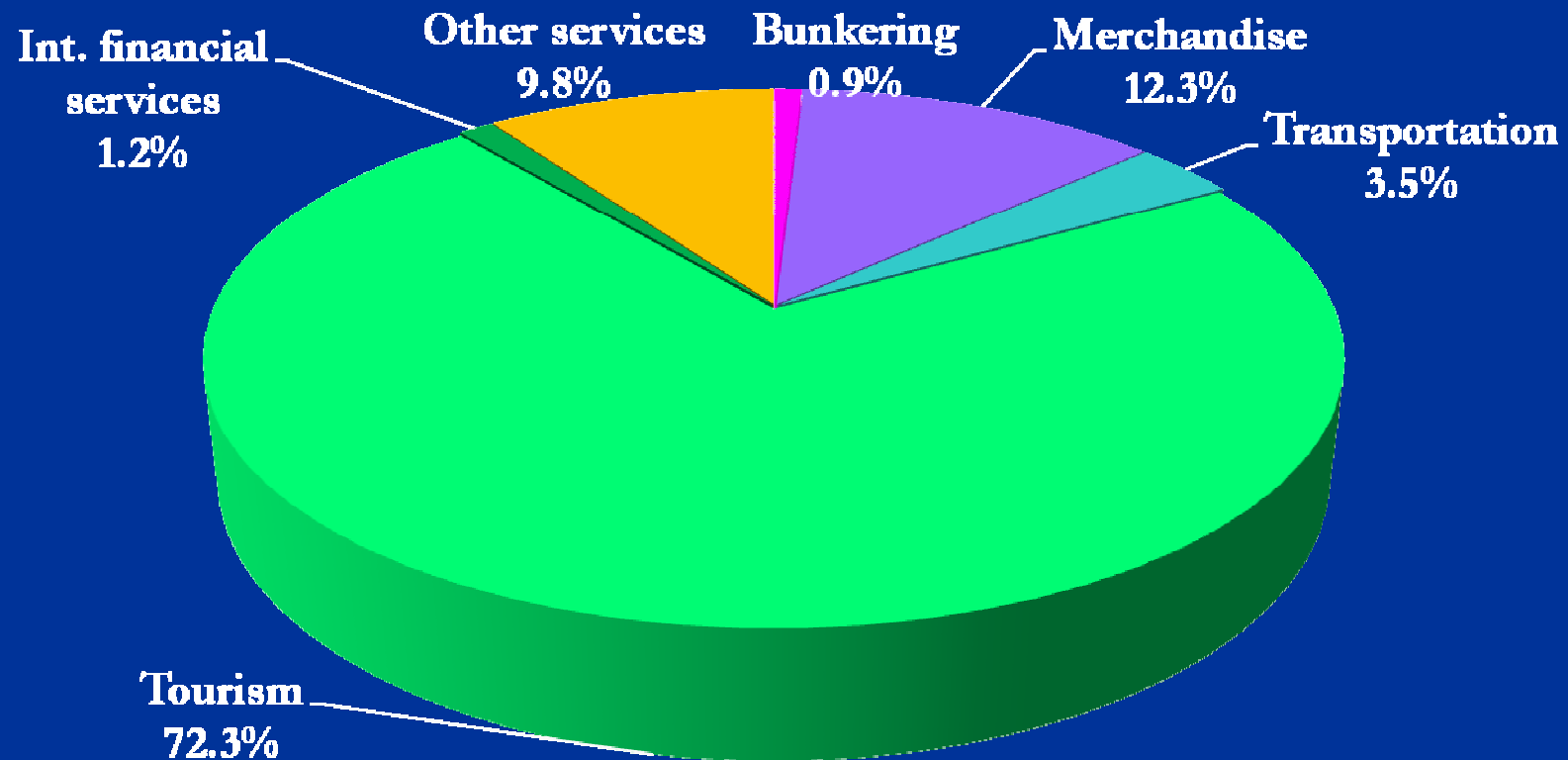




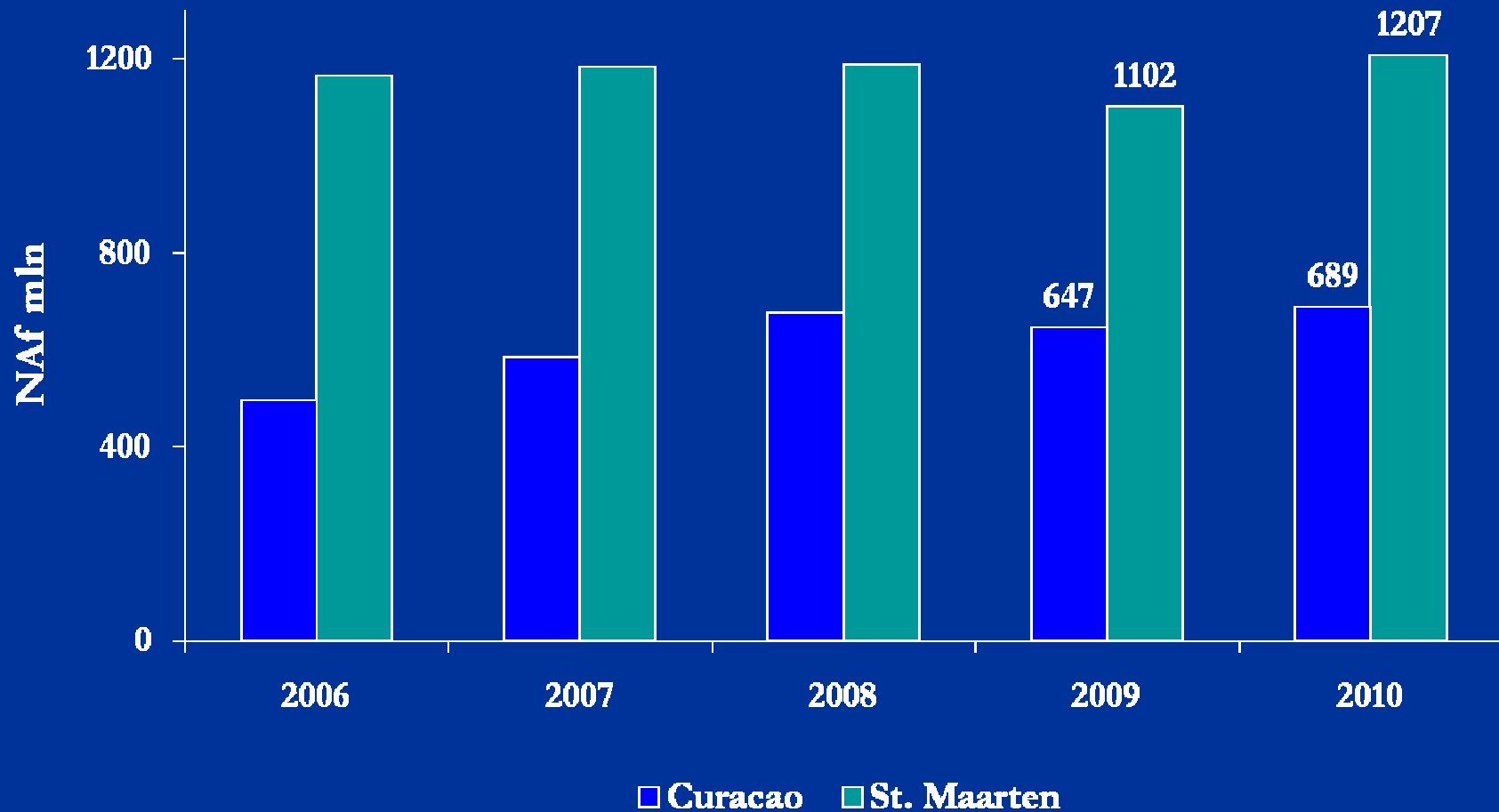
# Contribution to foreign exchange income\* in 2000 (Curaçao)



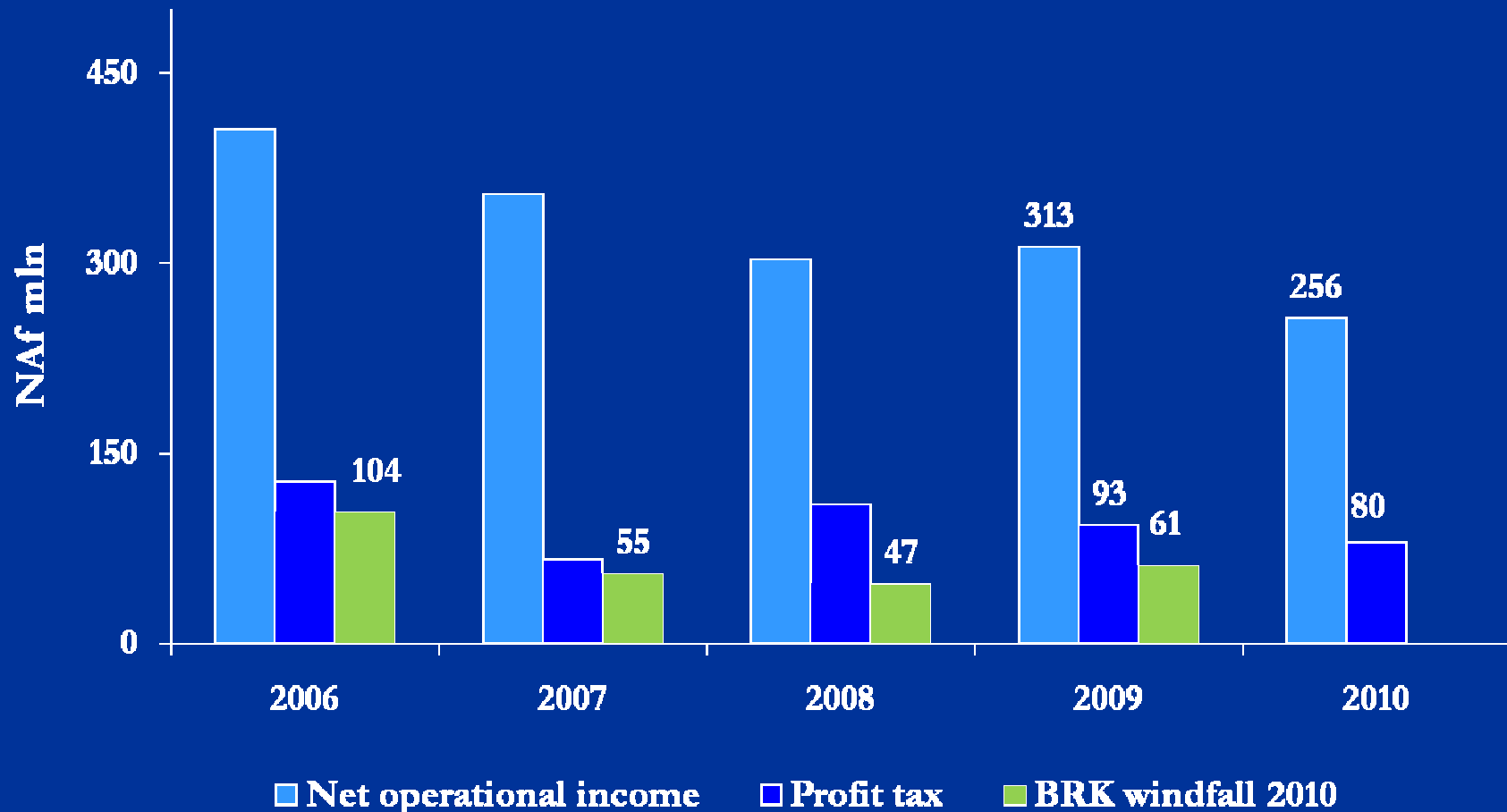
# Contribution to foreign exchange income\* in 2010 (St. Maarten)



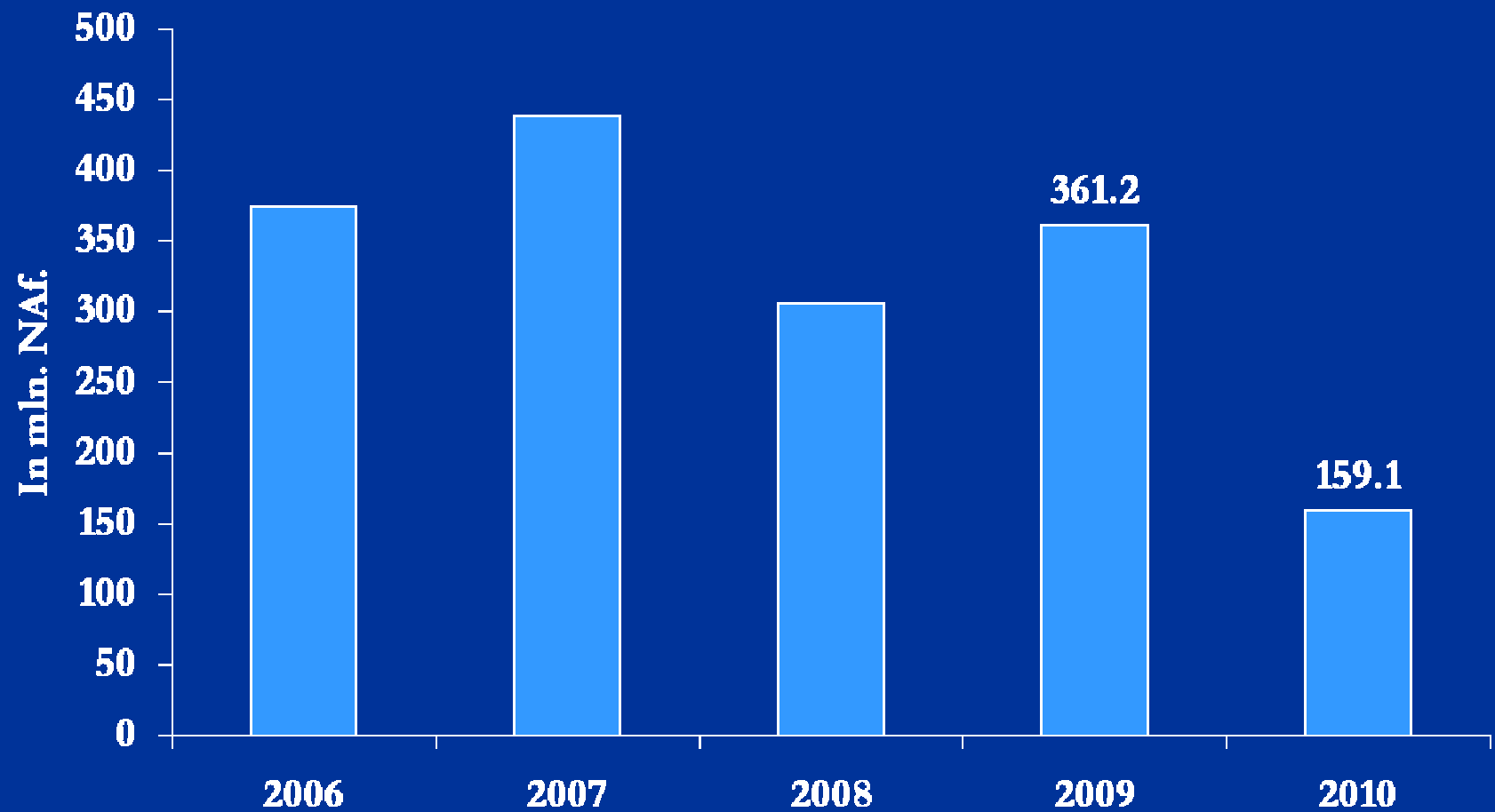
# Tourism sector



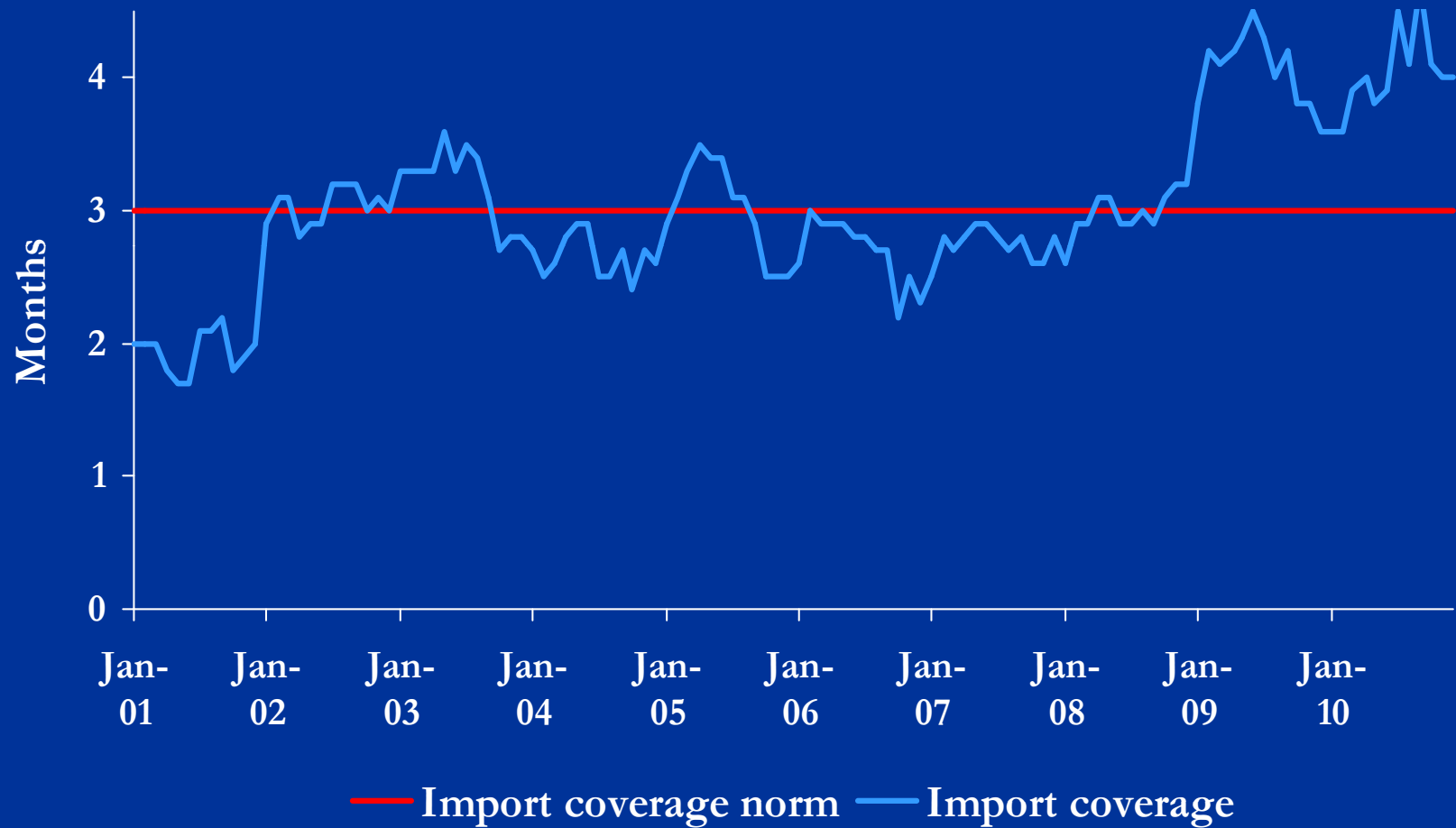
# Offshore financial sector



# Refining fee



# Monthly import coverage



# Monetary and financial sector

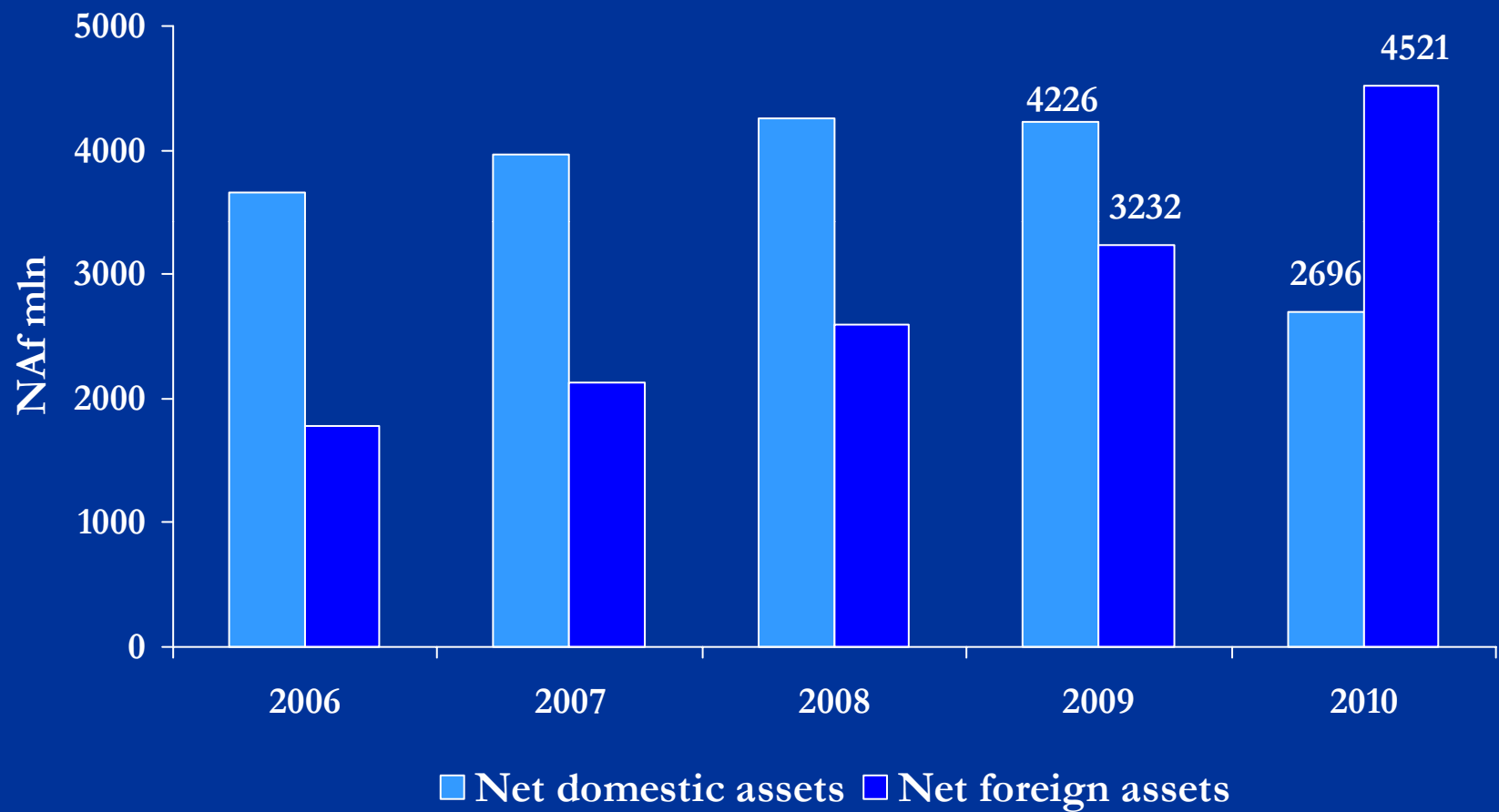


# Main monetary developments

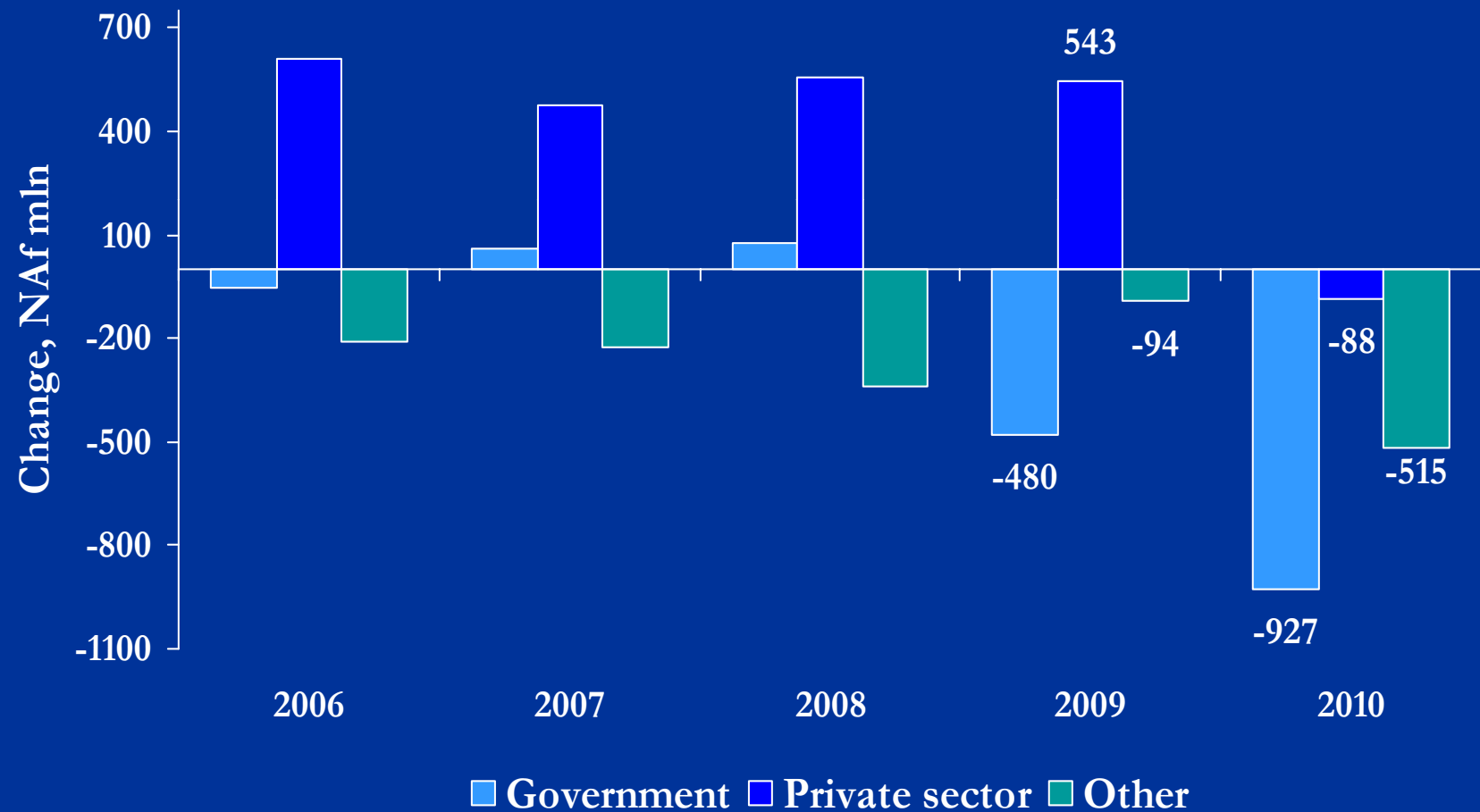
- **Drop in money supply.**
- **Growth in credit extension decelerated.**
- **Interest rates on government paper dropped.**
- **Declining trend in interest rates continued.**



# Money supply

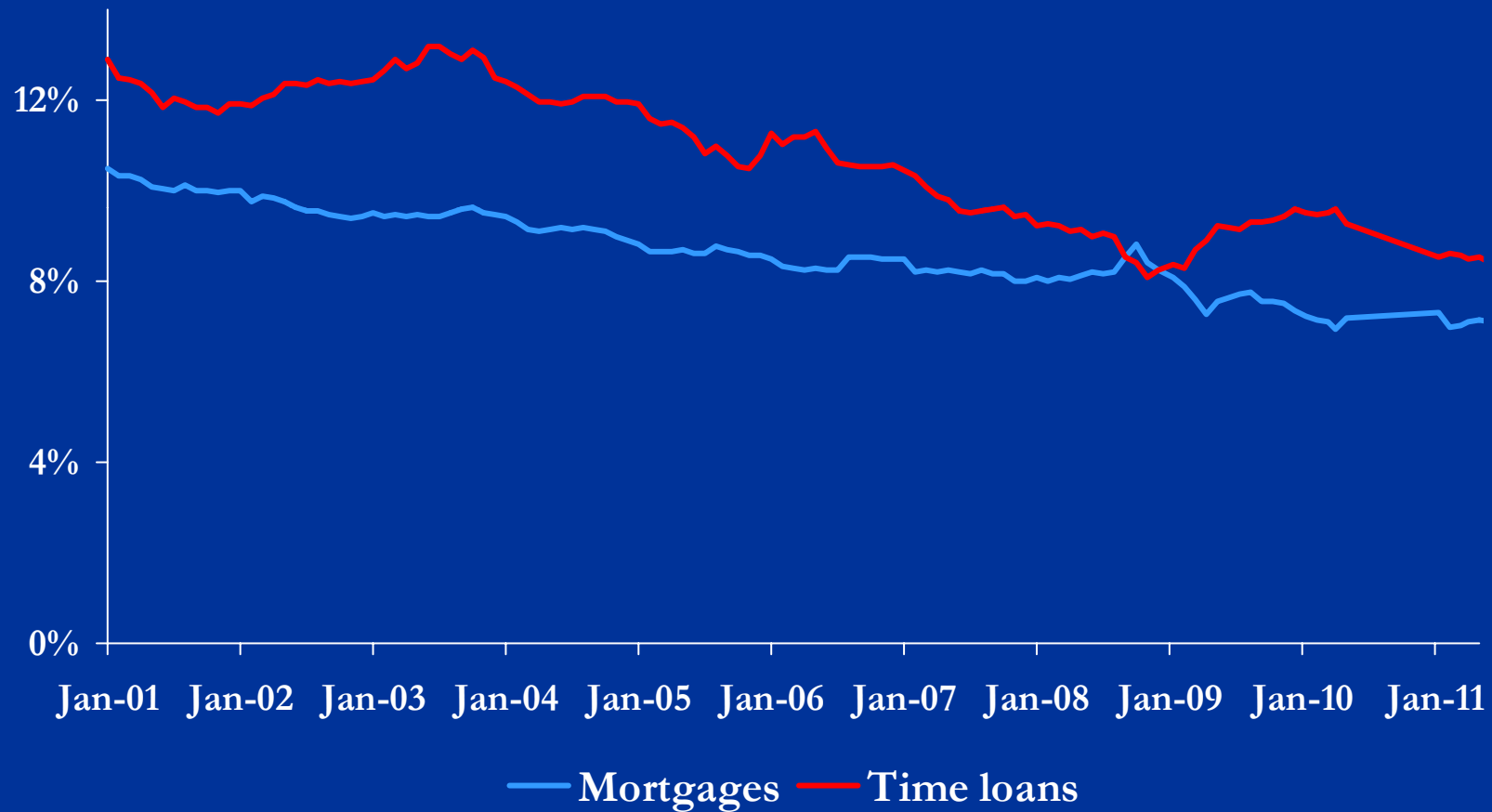


# Net domestic credit

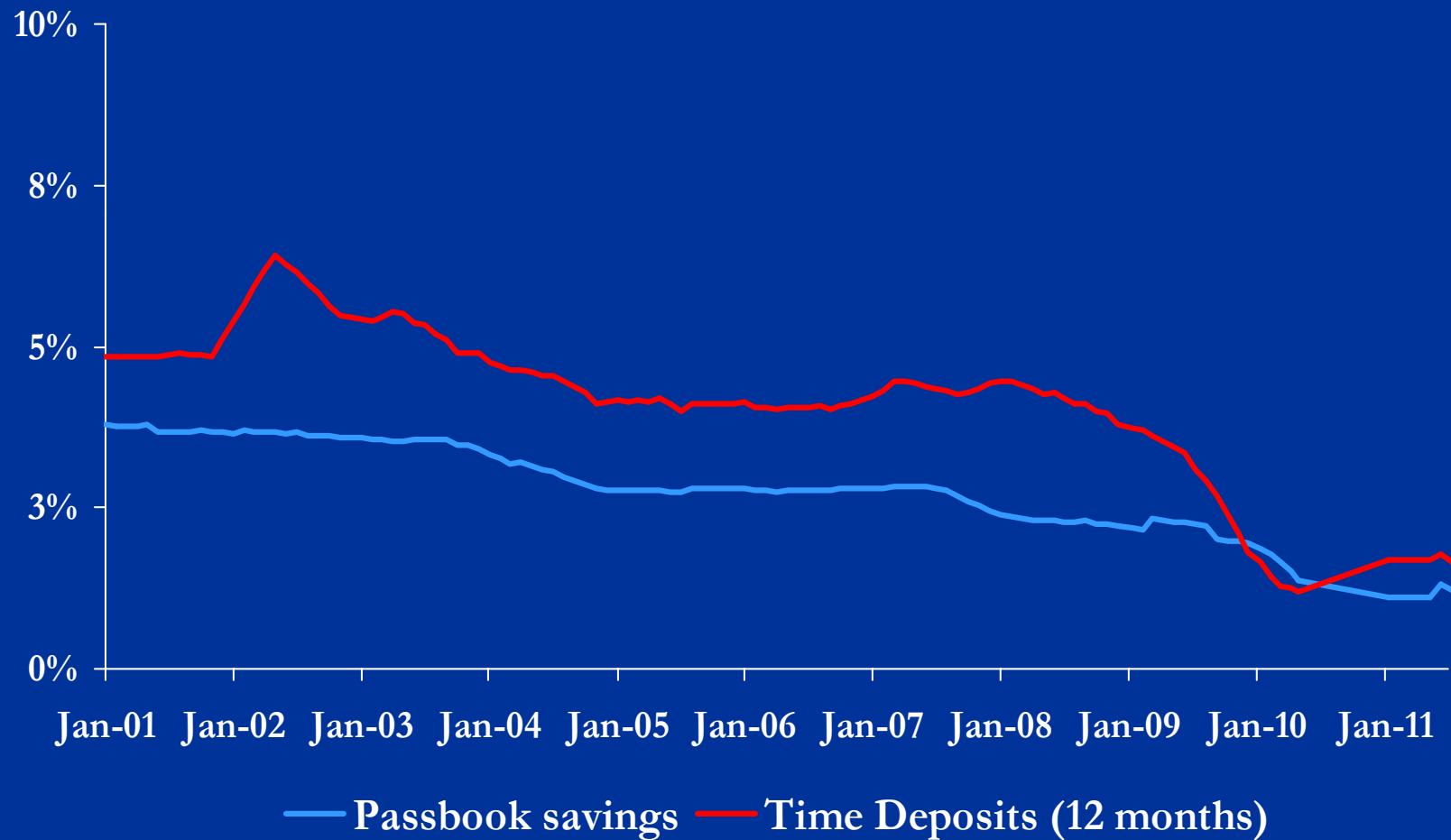


# Domestic interest rates

(commercial bank lending rates)



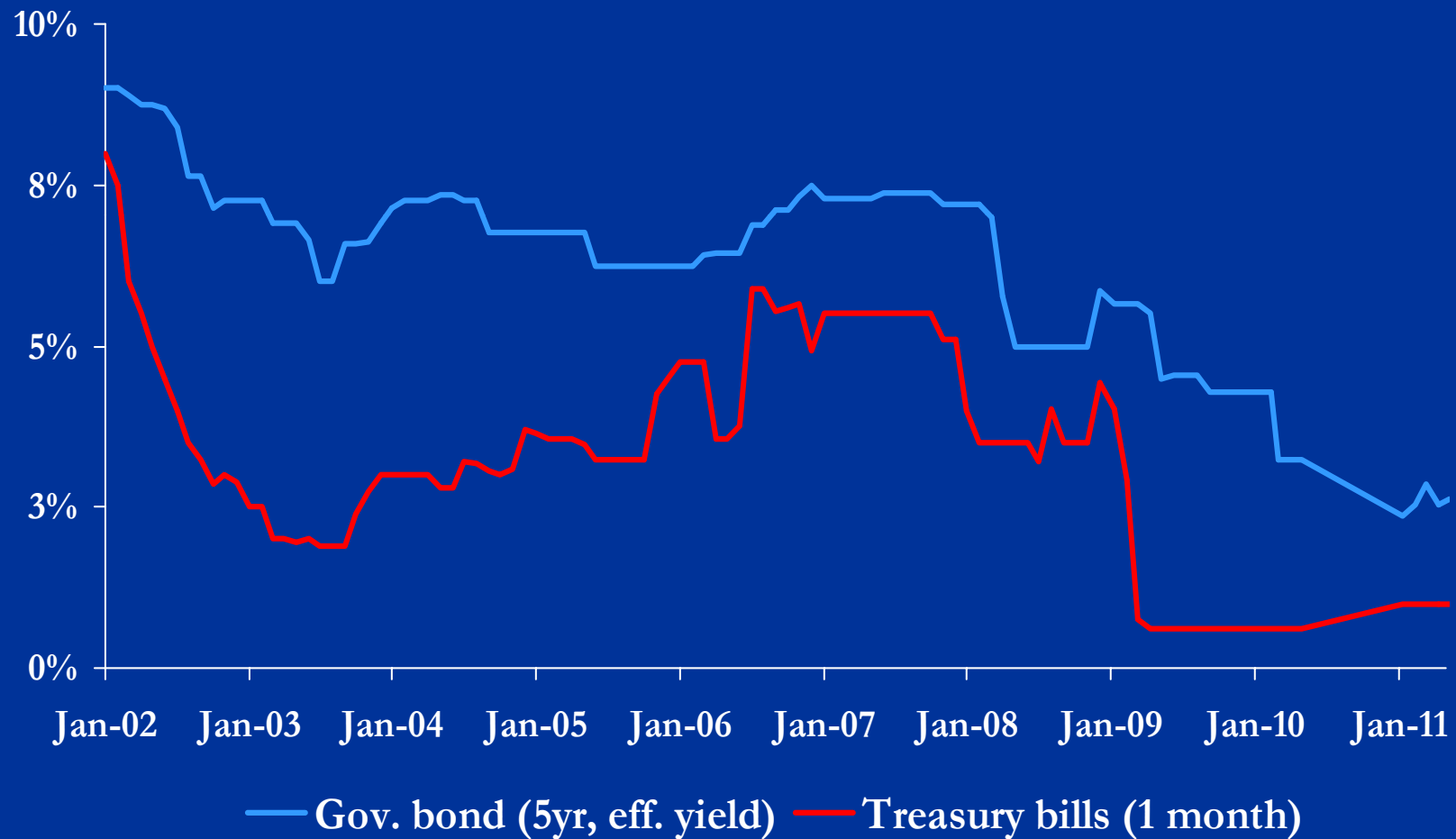
# Domestic interest rates (borrowing rates)



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# Domestic interest rates

(government securities)

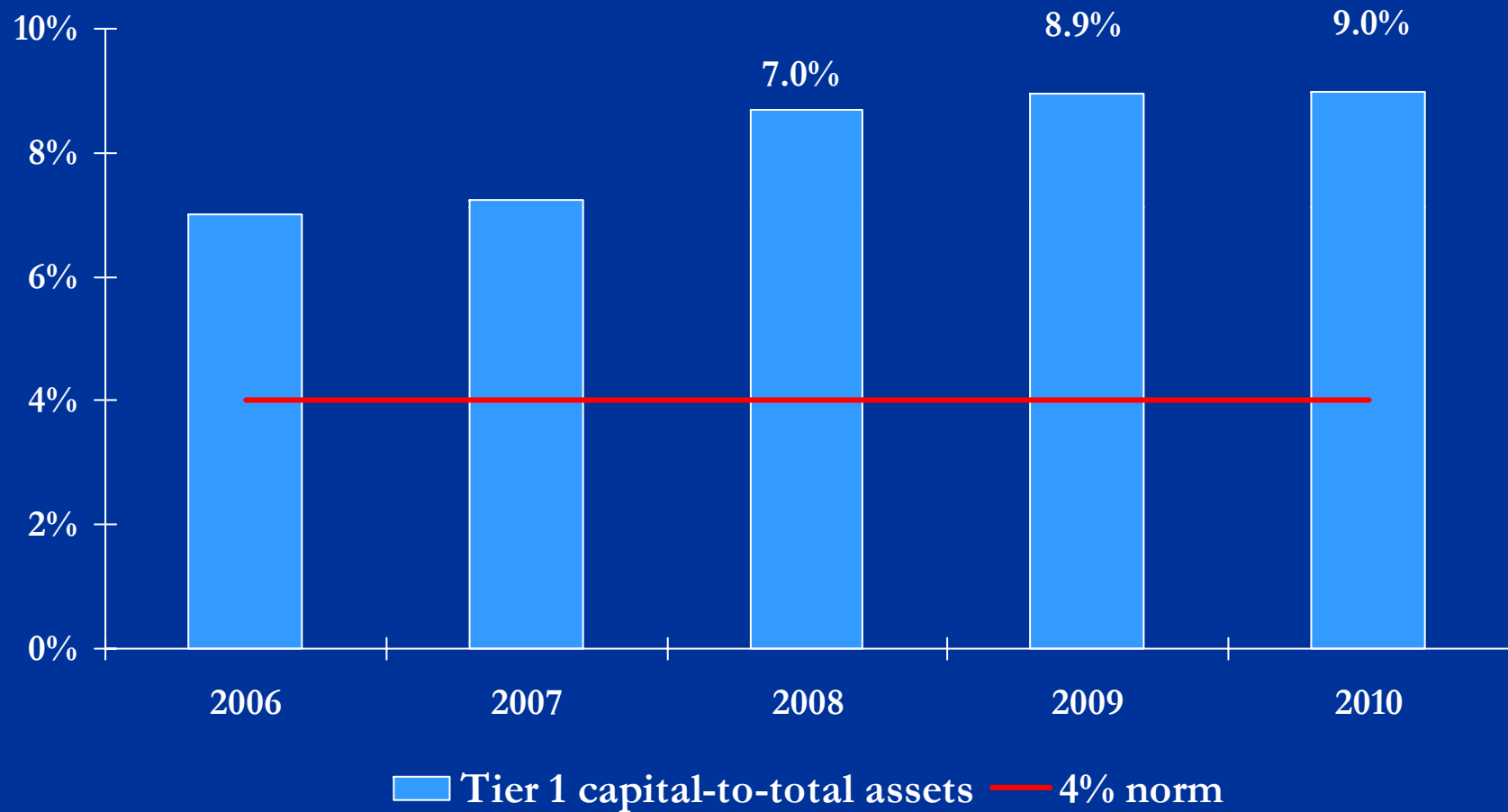


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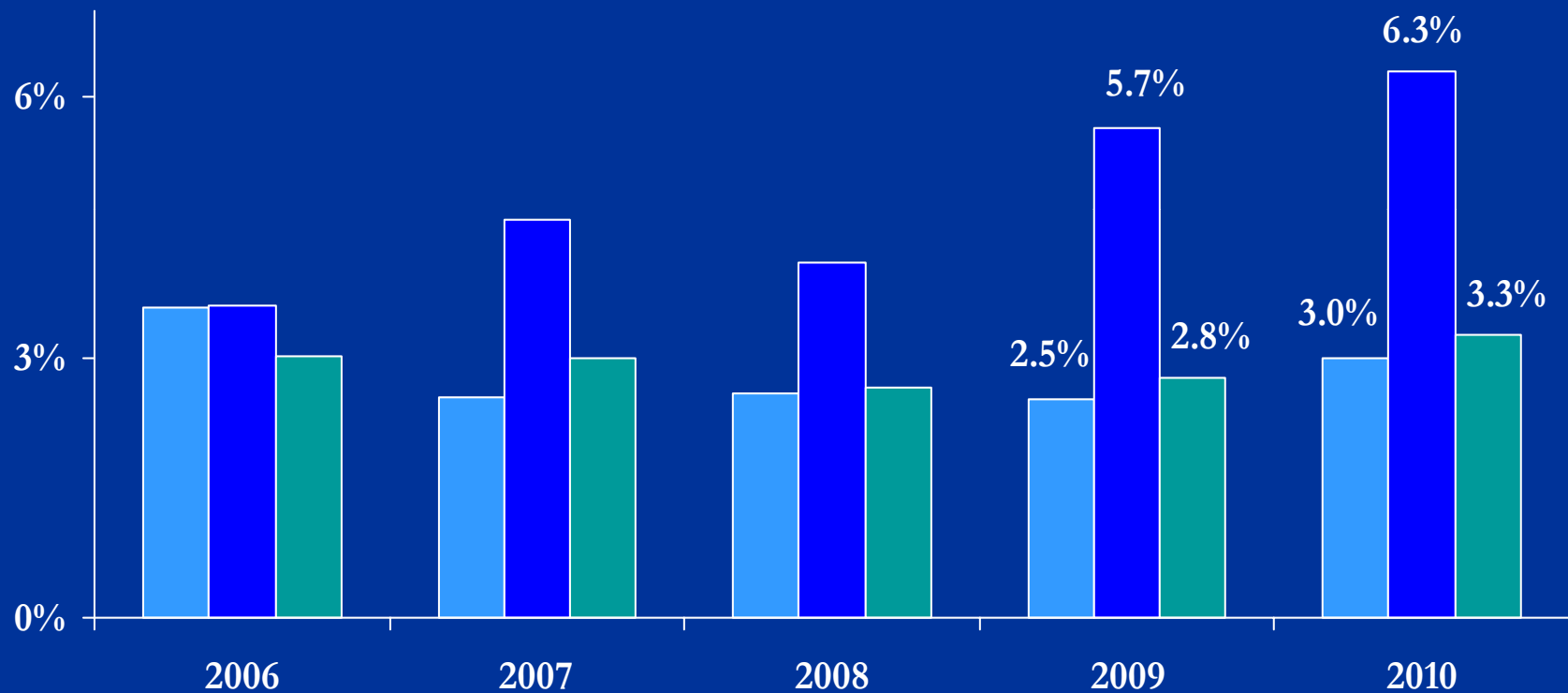
# Main financial developments

- **Banks:**
  - Improved capitalization.
  - Increase in non-performing loans.
  - Decrease in earnings and profitability.
- **Institutional investors:**
  - Decline in assets, except pension funds.
  - Increase in profitability.

# Capital adequacy



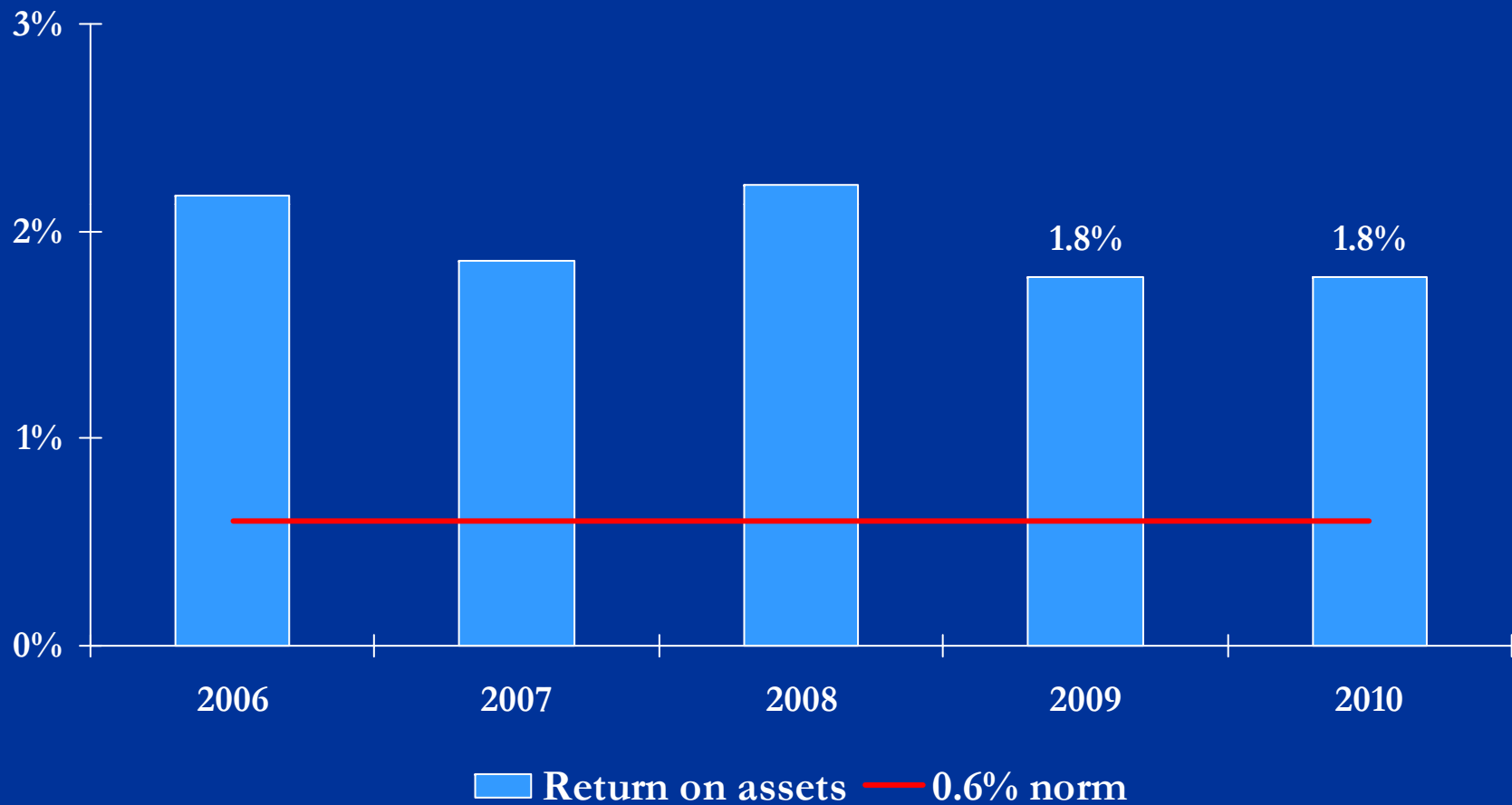
# Assets quality



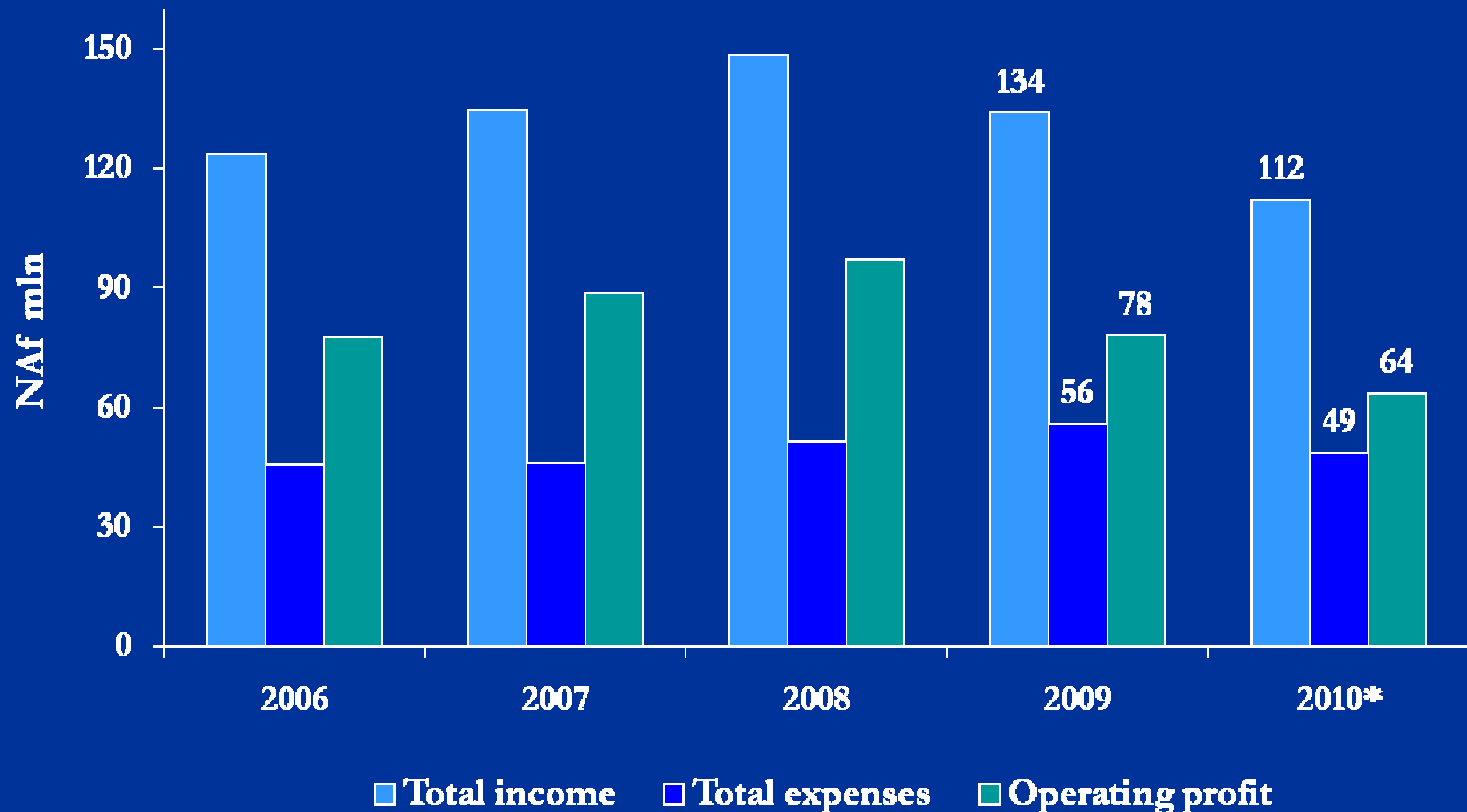
■ Gross specific provisions-to-total loans ■ Non-performing loans-to-total loans  
■ Gross general provisions-to-total loans



# Earnings & profitability



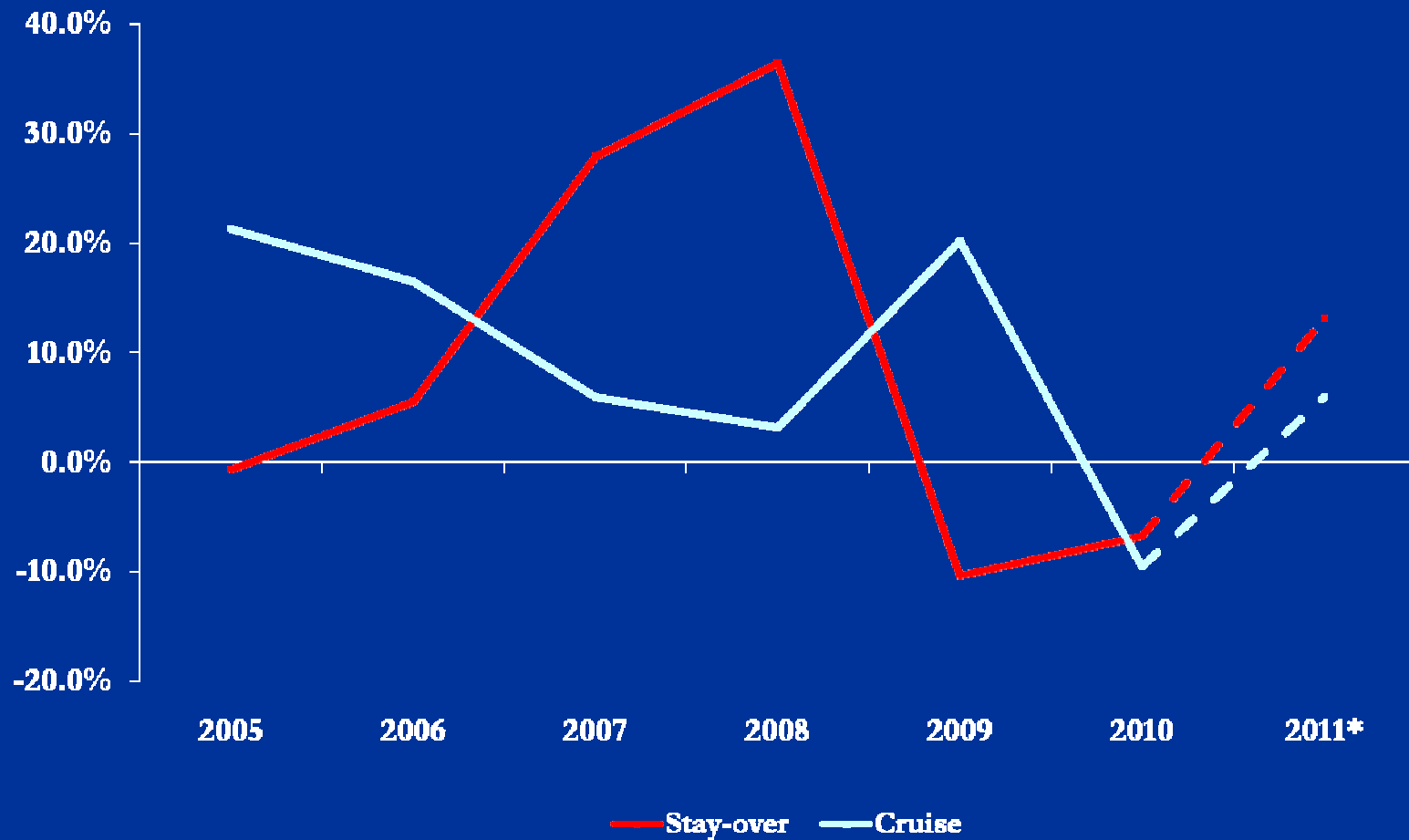
# Profit development Central Bank



# Outlook 2011



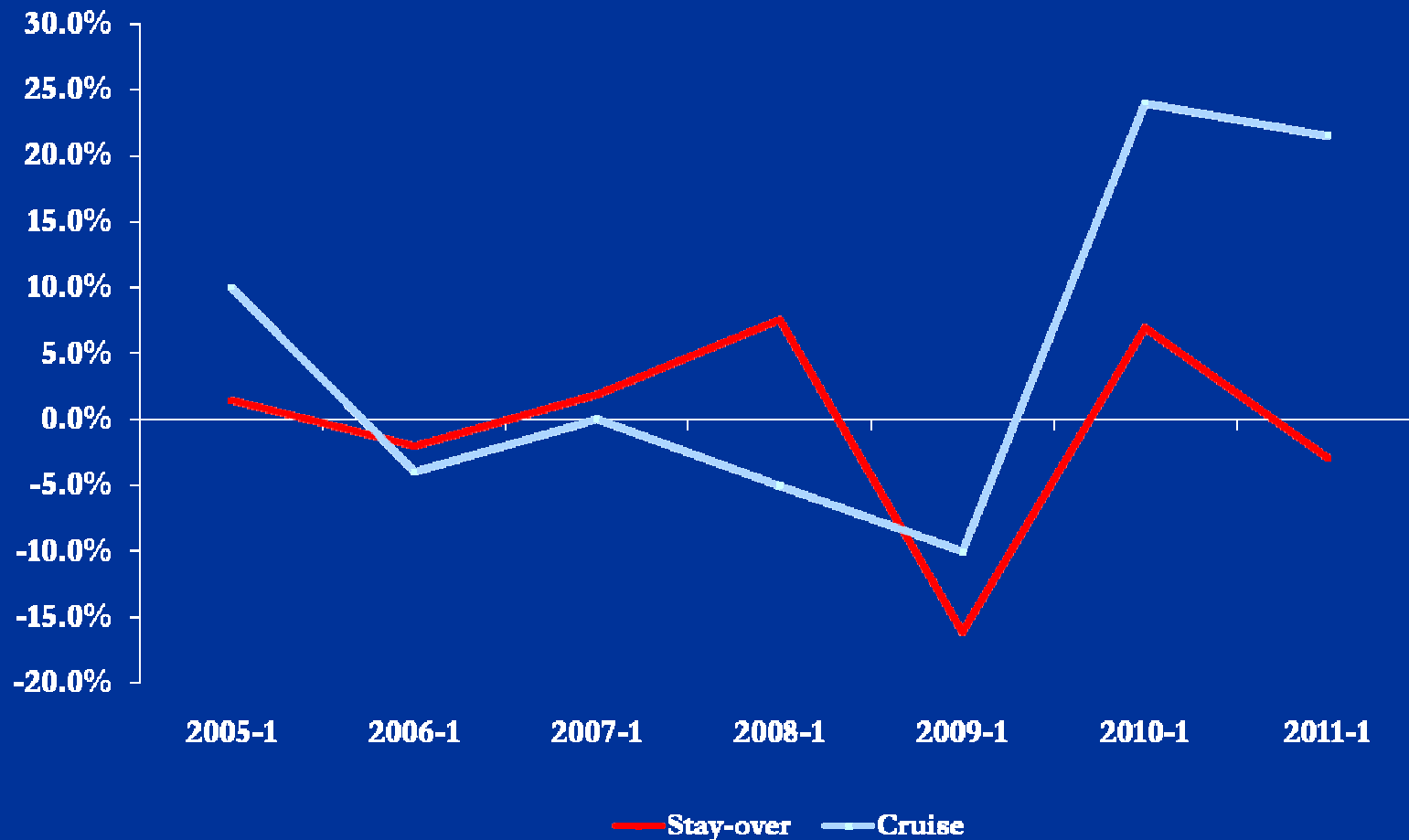
# Stay-over and cruise tourism in Curaçao (% change)



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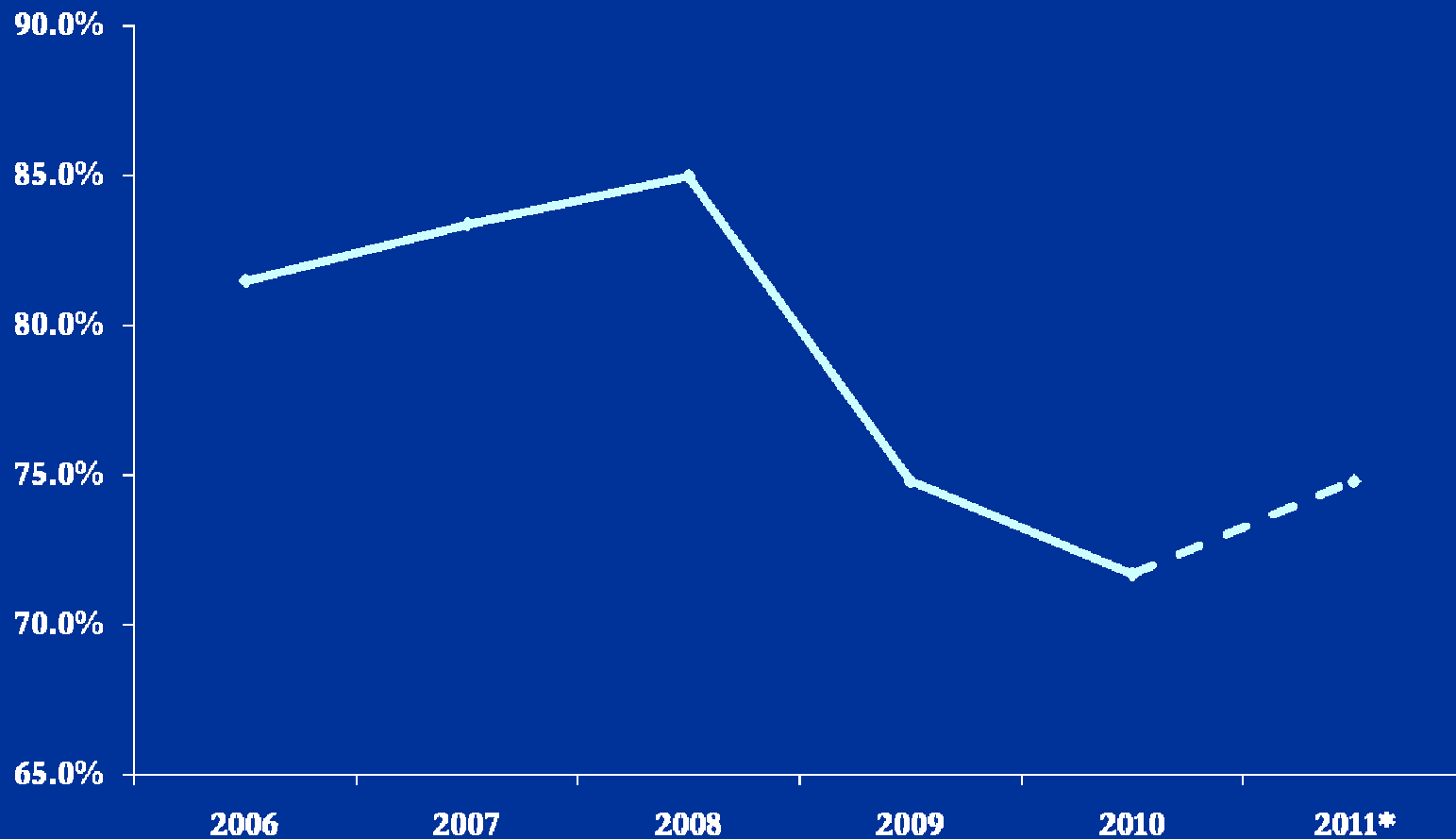
\* Estimate by CTB

# Stay-over and cruise tourism in St. Maarten (% change)

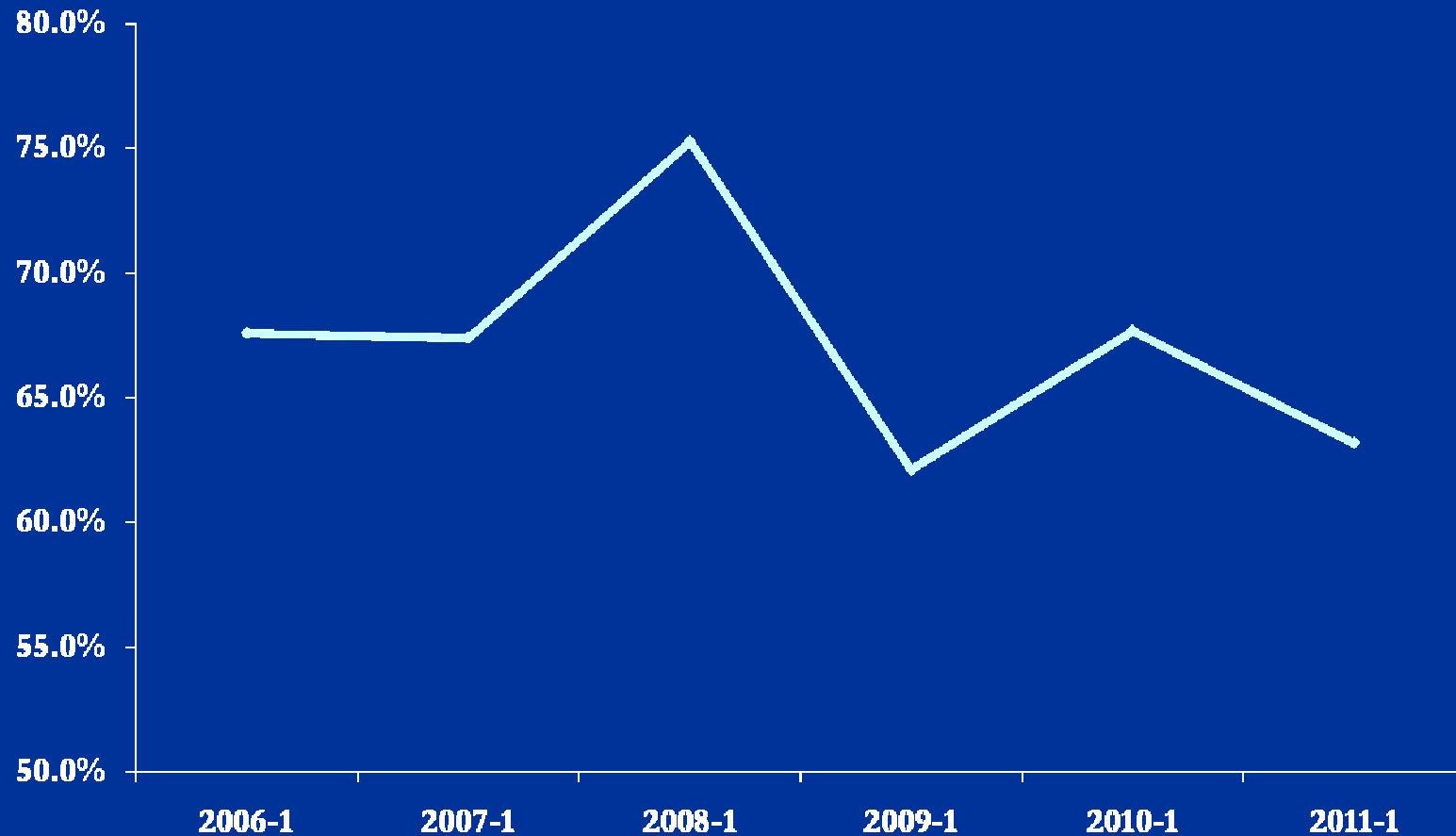


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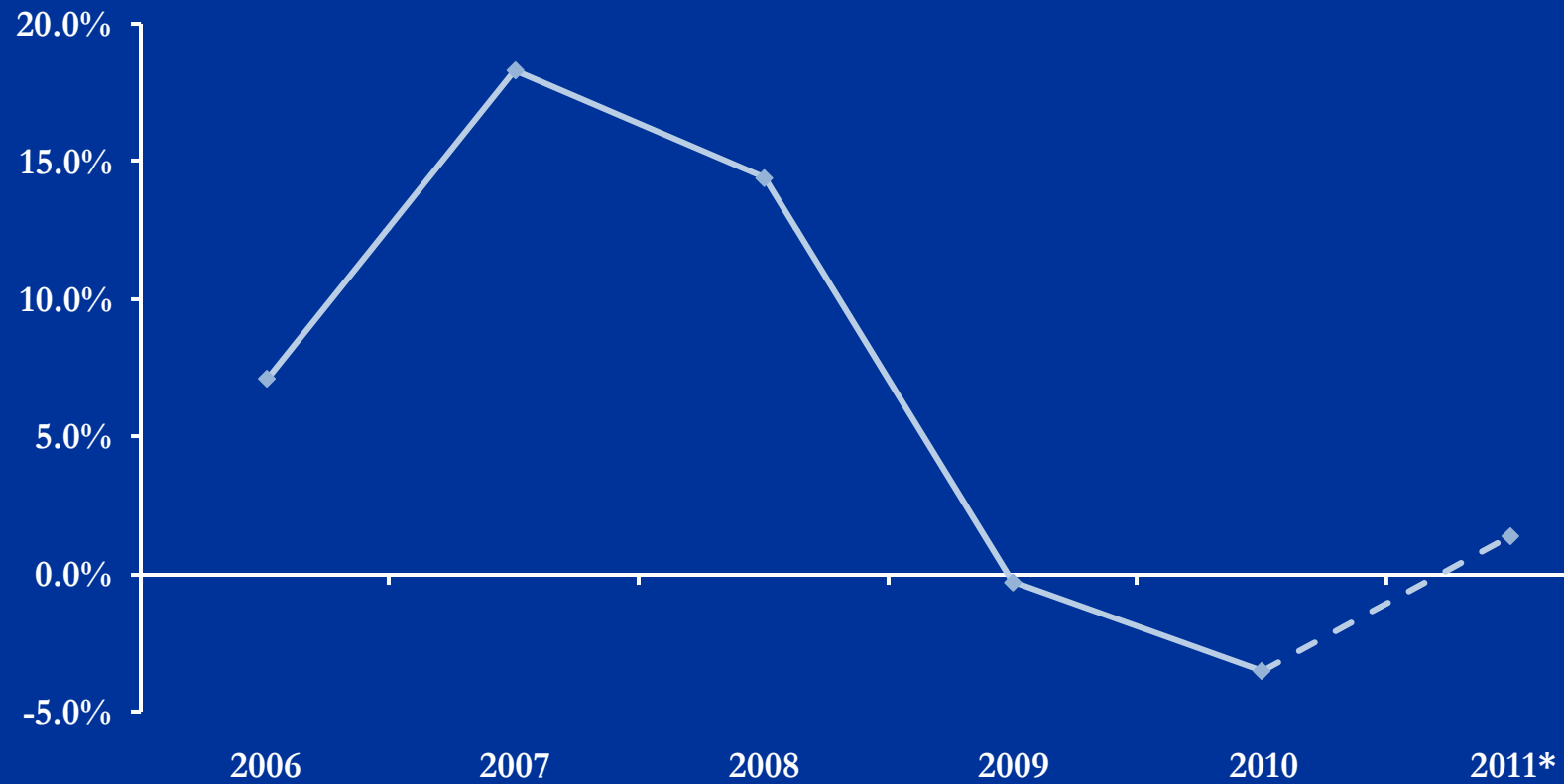
# Hotel occupancy rate in Curaçao (% change)



# Hotel occupancy rate St. Maarten (% change)

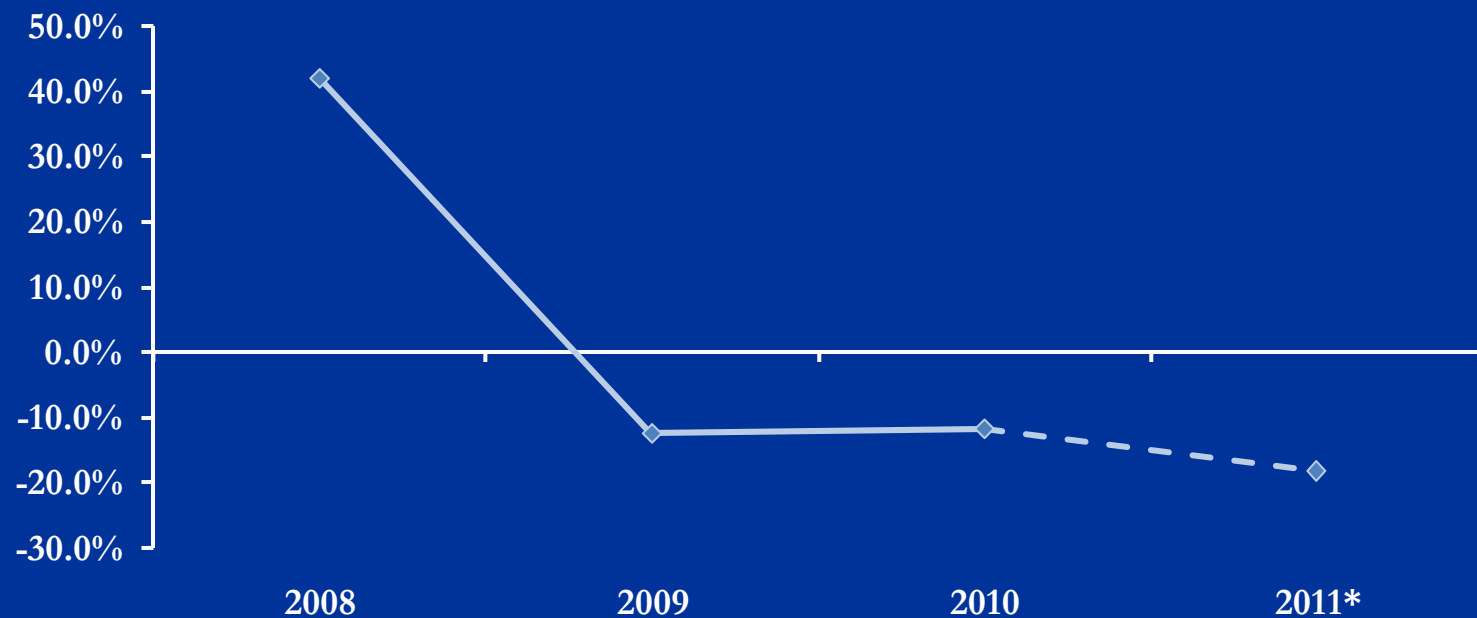


# Total passenger traffic in Curaçao (% change)

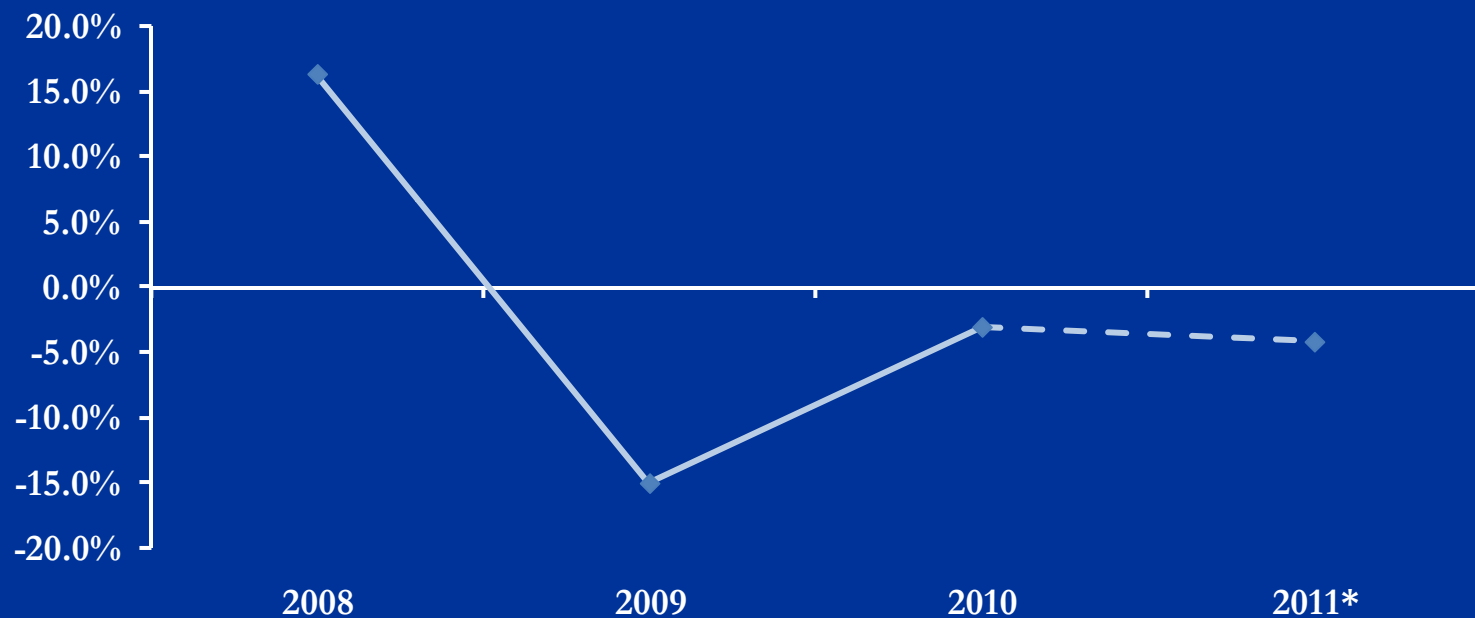




# Number of freezone visitors in Curaçao (% change)



# Foreign exchange revenues from transportation activities in Curaçao (% change)

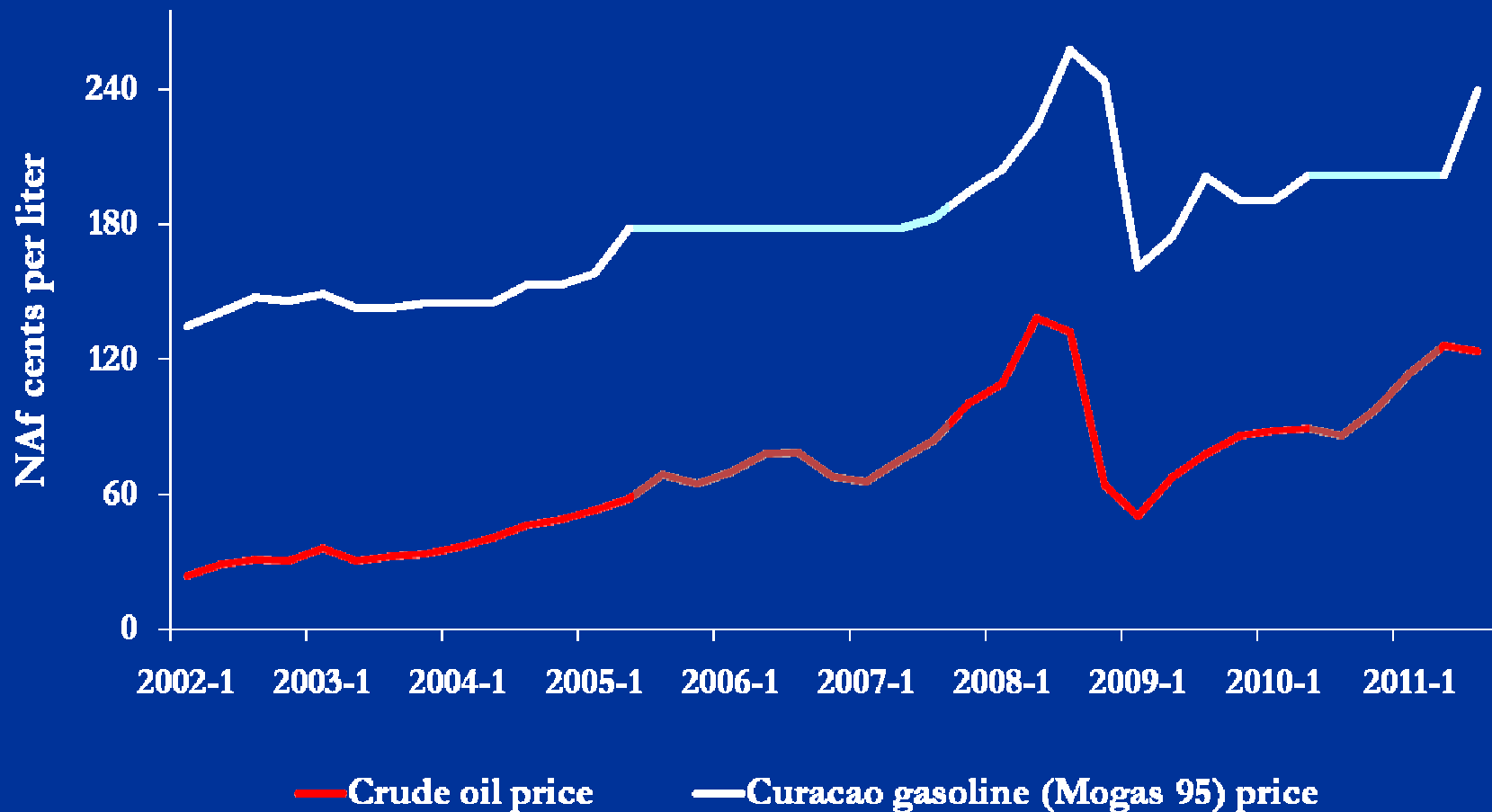


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\*Estimate CBCS

Note: refers to seaport activities

# Development int'l crude oil price vs Curaçao gasoline price

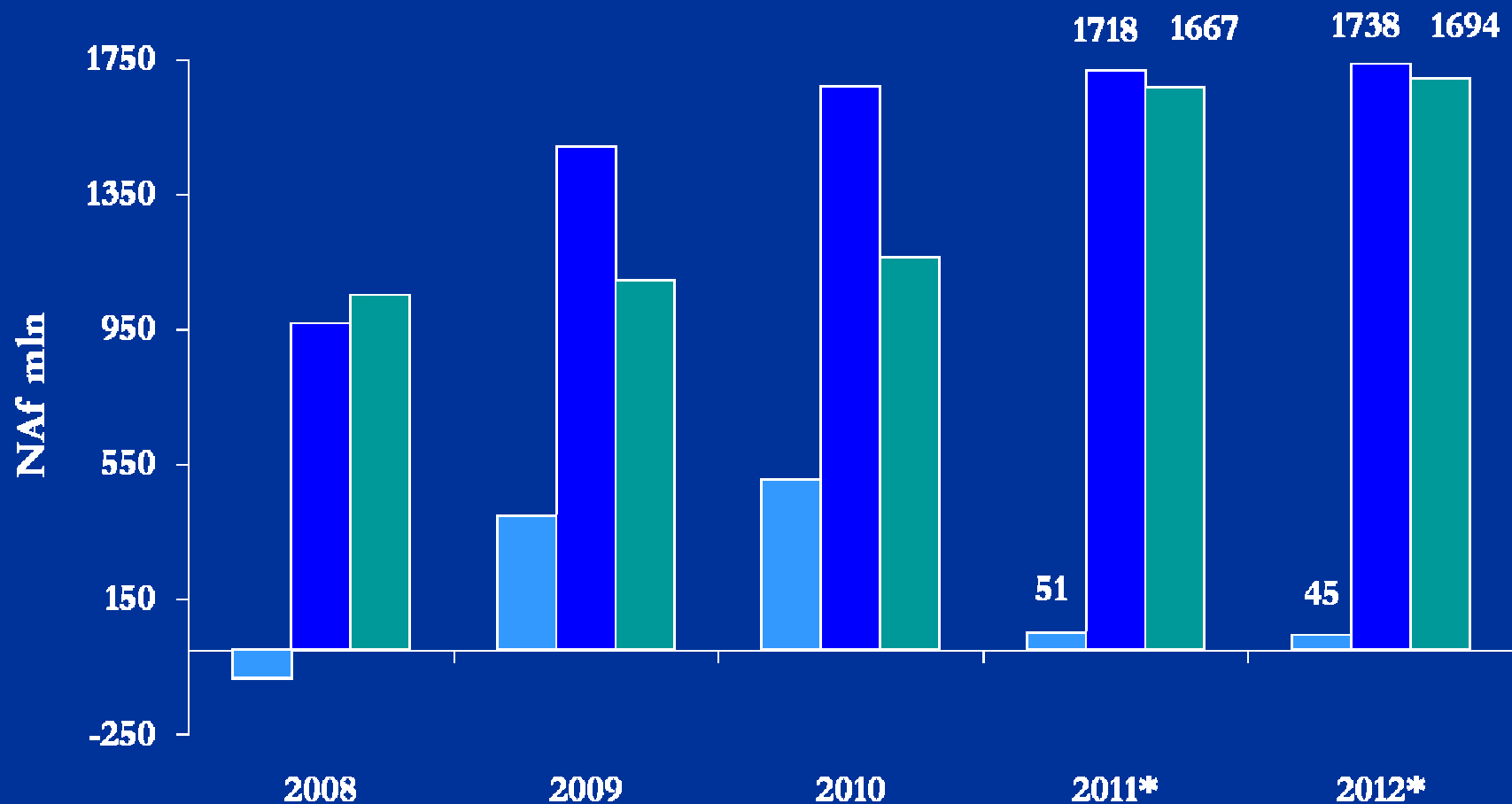


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2011 up to July

# Revenues and expenditures

## Curaçao government (Cash basis)



\*= budgeted

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Balance Total revenues Total expenditures

# Balance of payments

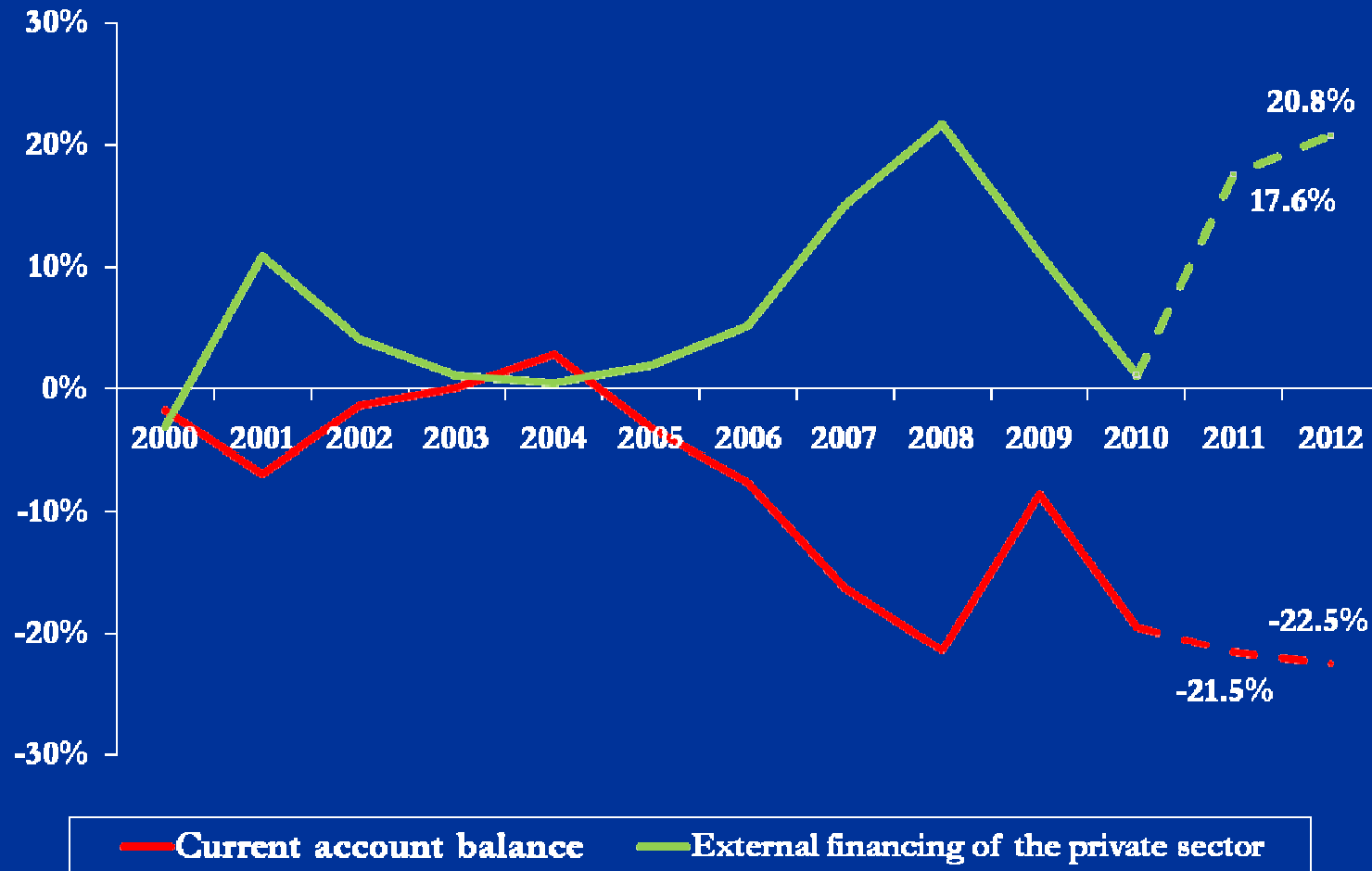
(transaction basis, NAf mln)

	2010	2011*	2012*
Current account	-1,429.7	-1,645.5	-1,789.2
Capital account	1,392.8	76.9	67.2
External financing	81.8	1,345.5	1,652.7
<i>Direct investments</i>	228.7	214.3	291.0
<i>Loans and credits</i>	1,600.7	1,262.2	1,303.7
<i>Portfolio investments</i>	-1,747.6	-131.0	58.0
Change in reserves	-162.4	74.7	-67.0

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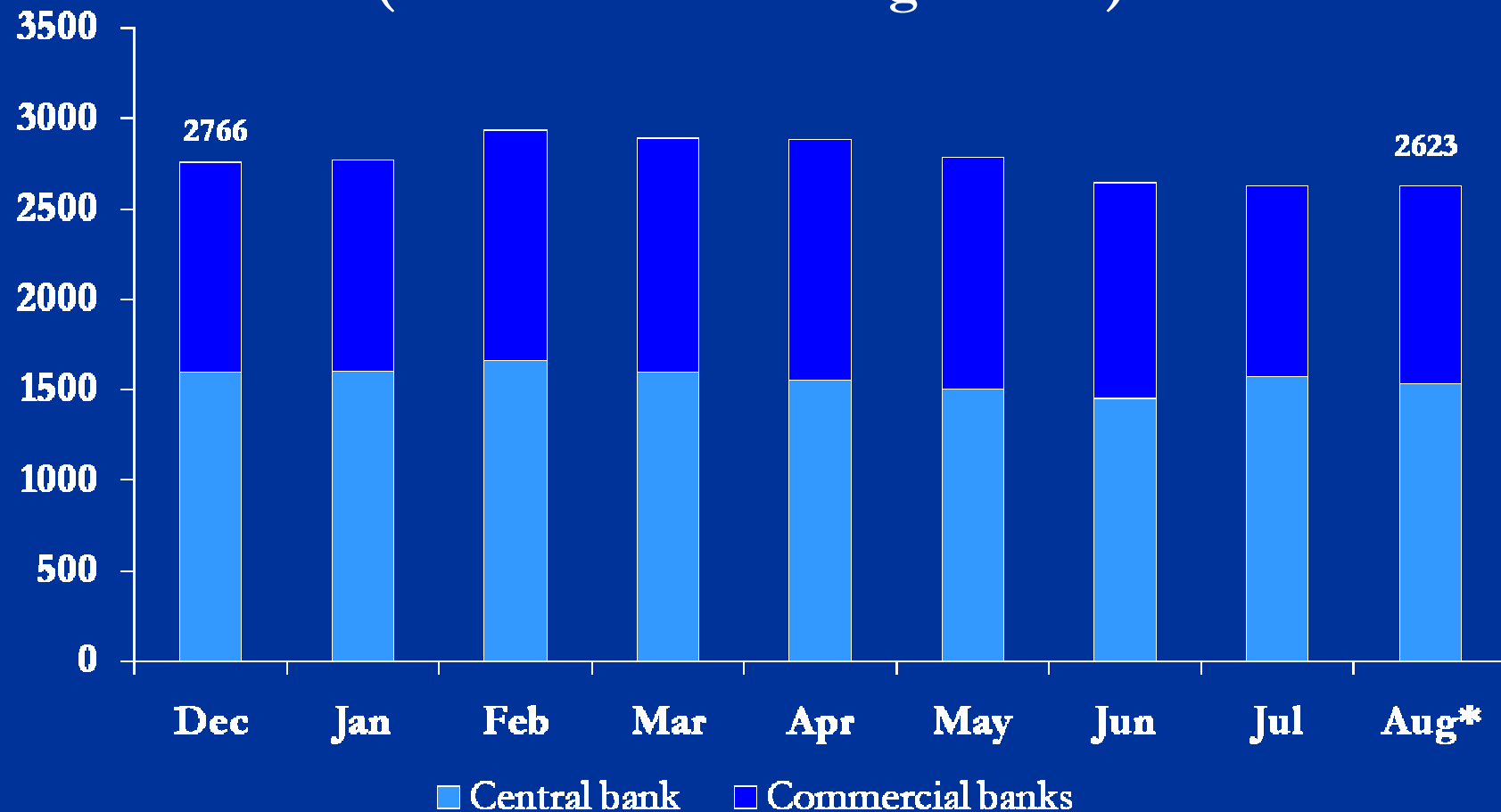
\* CBCS estimates

# Balance of payments developments (in % of GDP)



# Development in reserves in mln NAf.

(December 2010 – August 2011)

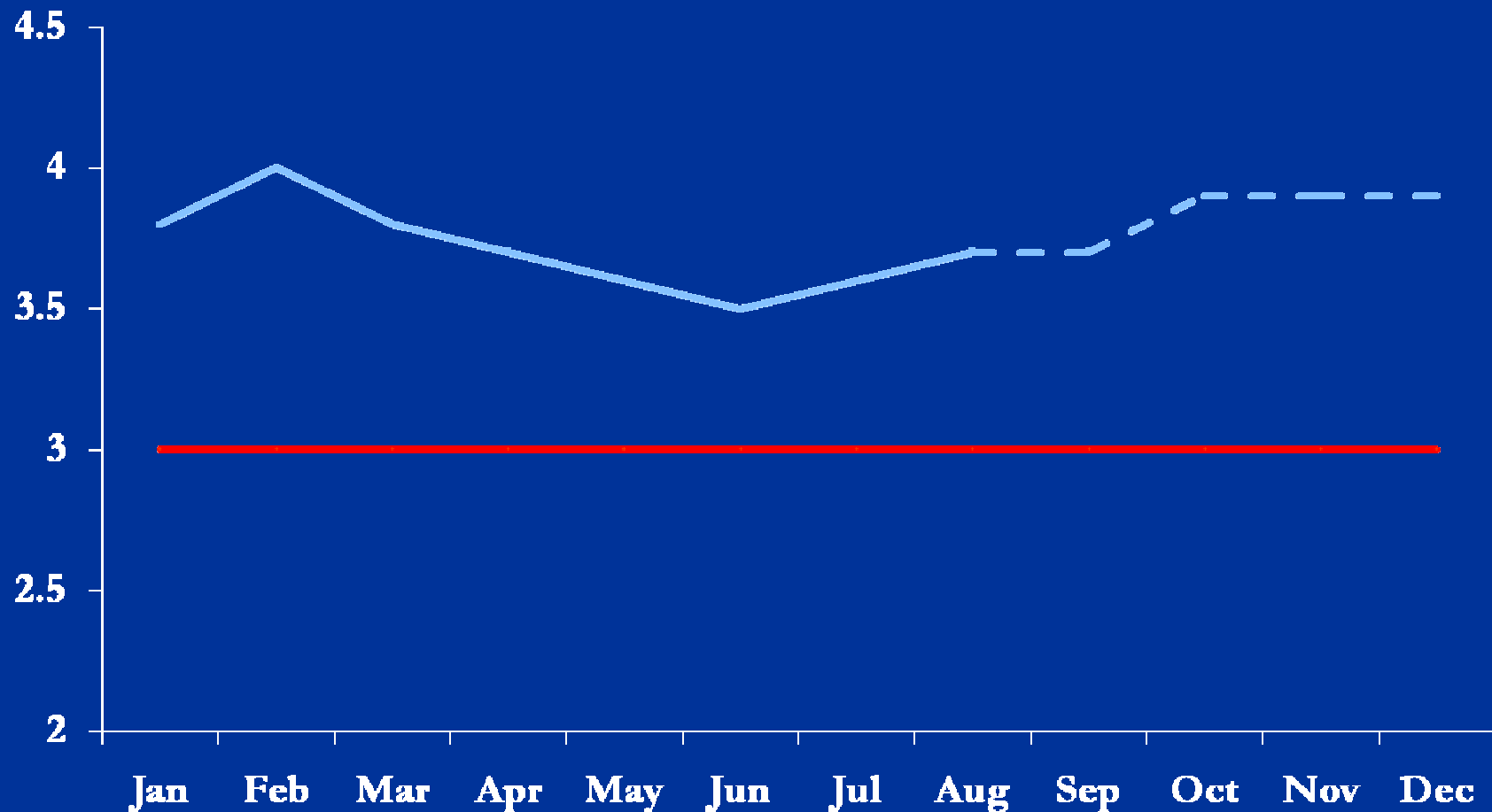


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\* Up till 2<sup>nd</sup> week of August 2011

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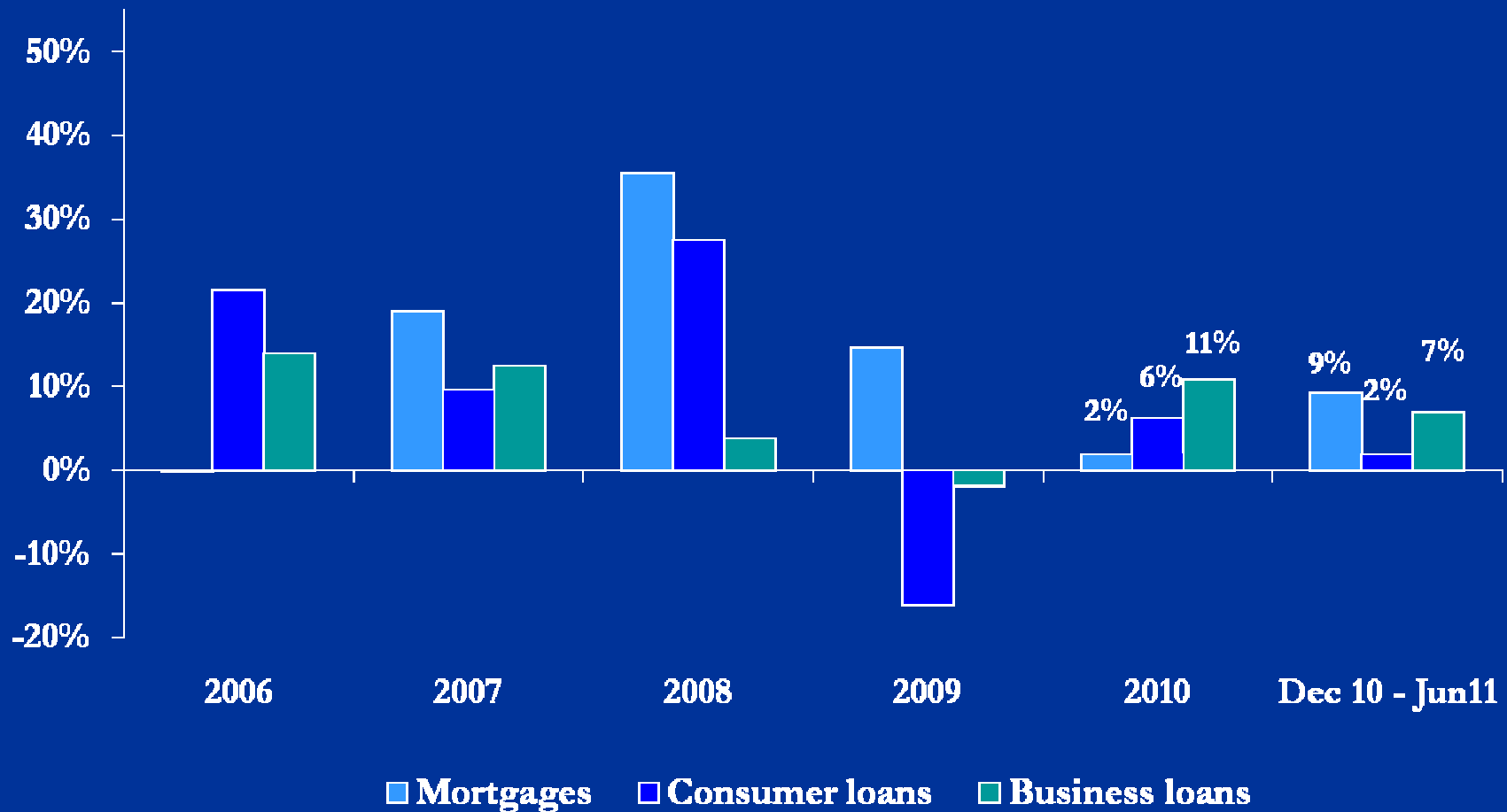
# Monthly import coverage 2011





# Credit extension Curaçao

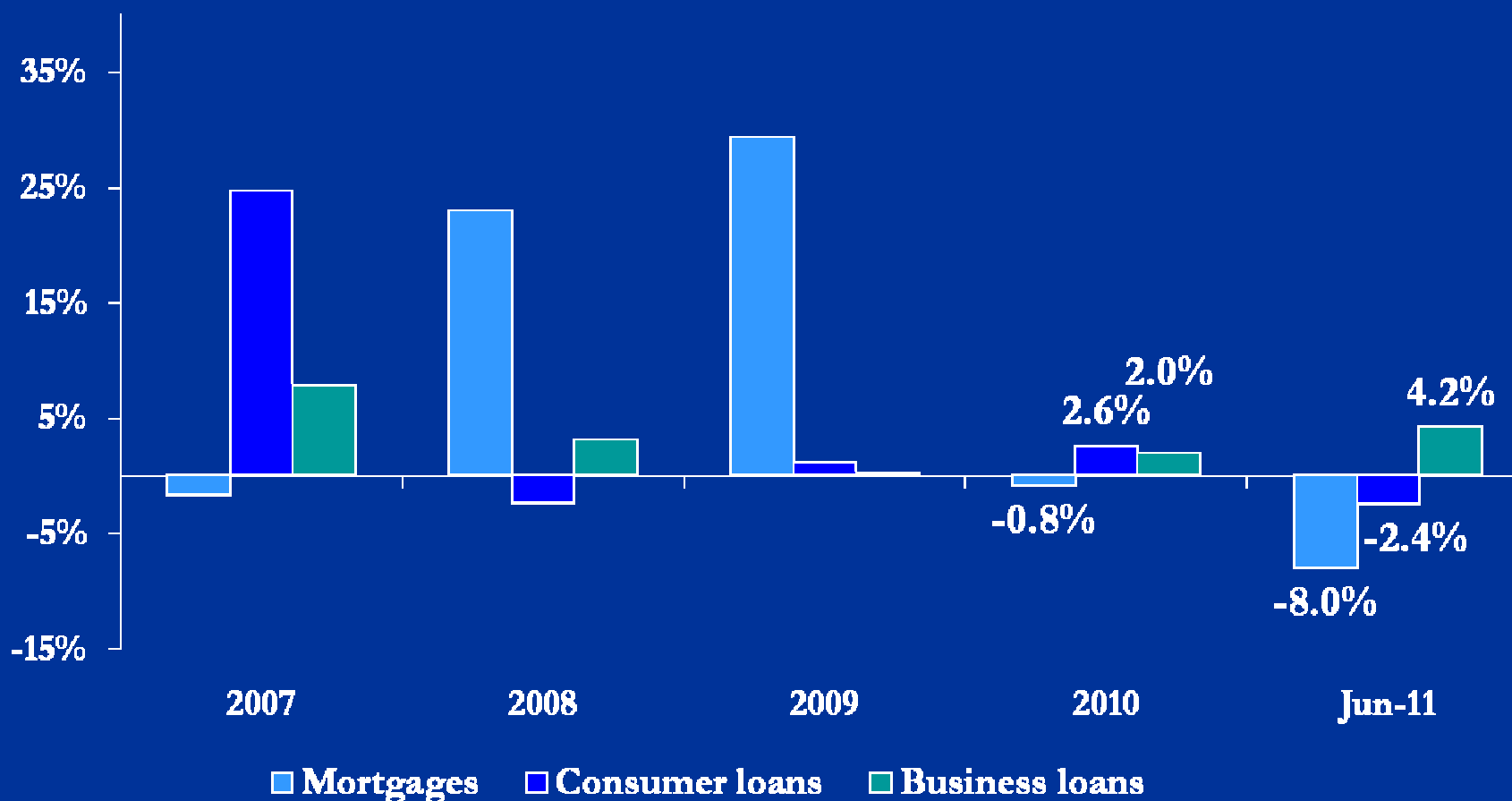
(annual changes)



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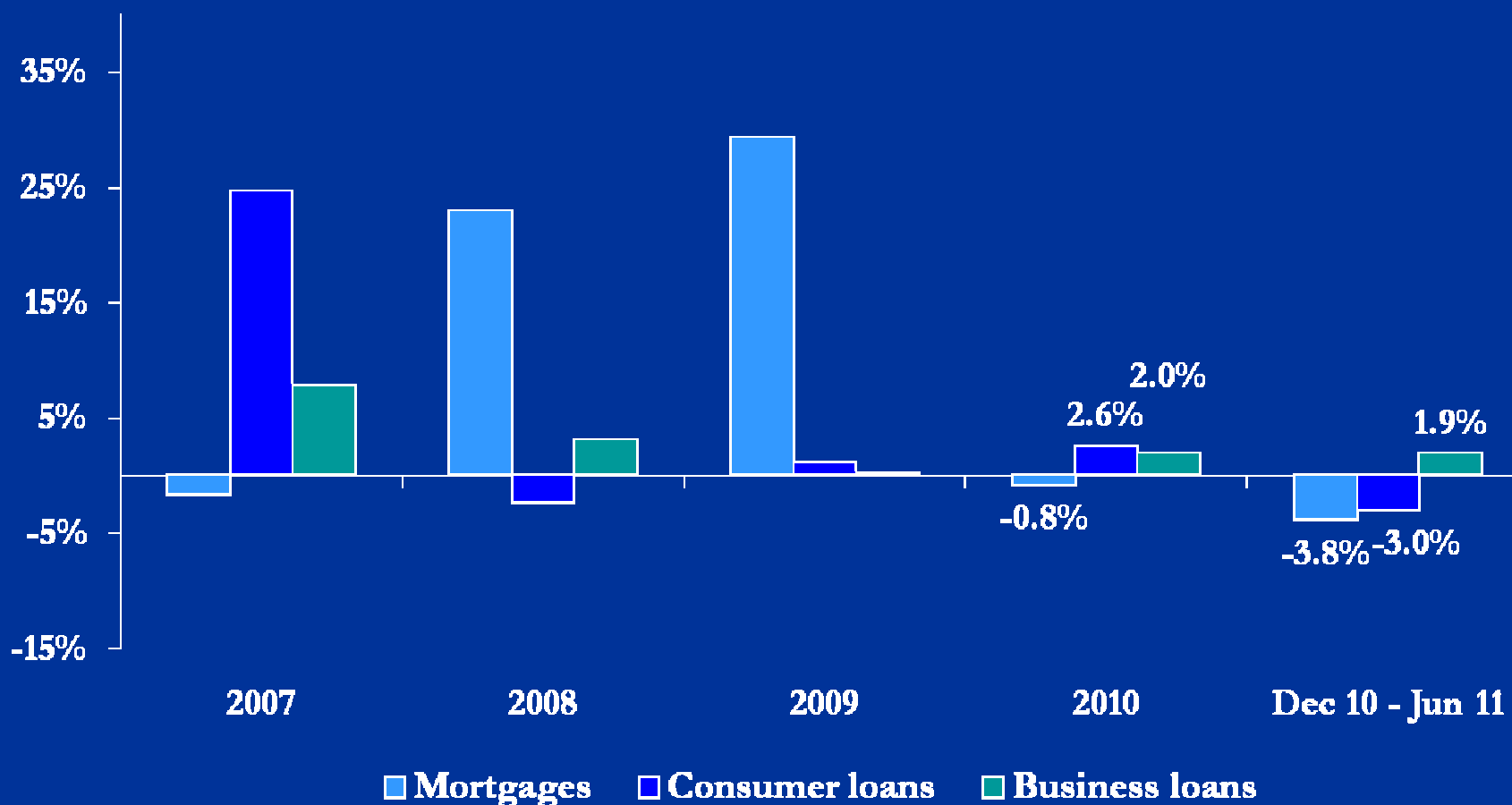
# Credit extension Sint Maarten

(annual changes)



# Credit extension Sint Maarten

(annual changes)



# Scenarios 2011 Curaçao

	Optimistic scenario	Likely scenario	Pessimistic scenario
<b>Real GDP (% change)</b>	0.1	-0.7	-1.2
<b>Inflation rate (%)</b>	3.5	3.5	3.5

# Scenarios 2012 Curaçao

	Optimistic scenario	Likely scenario	Pessimistic scenario
<b>Real GDP (% change)</b>	0.8	0.6	0.4
<b>Inflation rate (%)</b>	2.5	2.5	2.5

# Scenarios 2011 Sint Maarten

	Optimistic scenario	Likely scenario
<b>Real GDP (% change)</b>	0.0	-0.5
<b>Inflation rate (%)</b>	4.5	4.5

# Real GDP growth

## Selected countries in the region

	2010	2011	2012
Curaçao <sup>1</sup>	0.1	-0.7	0.6
Aruba <sup>2</sup>	-2.9	10.6	3.6
Antigua & Barbuda <sup>3</sup>	-4.1	3.1	2.5
The Bahamas <sup>3</sup>	0.5	1.3	2.3
Barbados <sup>3</sup>	-0.5	2.0	2.5
Dominica <sup>3</sup>	1.0	1.6	2.5
Dominican Republic <sup>3</sup>	7.8	5.5	5.5
Jamaica <sup>3</sup>	-1.1	1.6	2.4
St. Lucia <sup>3</sup>	0.8	4.2	3.9
Trinidad and Tobago <sup>3</sup>	0.0	2.2	2.4

<sup>1</sup> Estimate CBCS, <sup>2</sup> estimate Centrale Bank van Aruba,

<sup>3</sup> estimate IMF, Regional Economic outlook: Western Hemisphere 2011

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**Thank you for your  
attention**