

**IMMEDIATE
ATTENTION**

SM/11/292
Correction 2

November 15, 2011

To: Members of the Executive Board

From: The Secretary

Subject: **Kingdom of the Netherlands—Curaçao and Sint Maarten—2011 Article IV Consultation Discussions**

The attached corrections to SM/11/292 (11/4/11) have been provided by the staff:

Factual Errors Not Affecting the Presentation of Staff's Analysis or Views

Page 4, para. 1, text table: replaced to reflect updated imports from U.S. and exports to U.S. data, as follows:

Curacao: Imports from U.S. for "30" read "27"

Curacao: Exports to U.S. for "13" read "7"

Sint Maarten: Imports from U.S. for "68" read "78"

Sint Maarten: Exports to U.S. for "48" read "55"

Page 5, para. 2, line 9: for "81¾ percent of GDP" read "82½ percent of GDP"

Page 6, para. 3, second bullet, line 9: for "June 2011" read "July 2011"

Page 9, para. 8, line 10: for "3 percent" read "3¼ percent"

Page 34, Table 3: replaced the wrong table which was inadvertently inserted.

Evident Ambiguity

Page 32, Table 1: labeling changed from "Reserves" to "Net official reserves" to be precise about the exact measure referred to.

Page 33, Table 2: labeling changed from "Reserves" to "Net official reserves" to be precise about the exact measure referred to.

Typographical Errors

Page 4, para. 1, line 11: for “Sint Eustatious” read “Sint Eustatius”

Page 19, para. 28, text table: corrected misspelled names of countries as follows:

- for “Domanica” read “Dominica”
- for “Domanica Republic” read “Dominican Republic”
- for “St. Vincent and the Grenadine” read “St. Vincent and the Grenadines”

Page 27, Figure 5, left bottom chart: for “Depost and loan growth” read “Deposit and loan growth.”

Page 28, Figure 6, left bottom chart: for “Saving depostis” read “Saving deposits.”

Questions may be referred to Mr. Kanda (ext. 35414) and Mr. Weber (ext. 37846) in EUR.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (10)

Other Distribution:
Department Heads

TABLES

1. Curacao: Selected Economic and Financial Indicators, 2007–12 _____	32
2. Sint Maarten: Selected Economic and Financial Indicators, 2007–12 _____	33
3. Monetary Survey _____	34
4. Indicators of External and Financial Vulnerability, 2004–10 _____	35
5. Balance of Payments, 2007–16 _____	36
6. Curacao: Macroeconomic Framework, 2008–16 _____	37
7. Sint Maarten: Macroeconomic Framework, 2008–16 _____	38
8. Curacao: Government Operations, 2007–16 _____	39
9. Sint Maarten: Government Operations, 2007–16 _____	40

Corrected: 11/15/11

BACKGROUND

1. Following the dissolution of the Netherlands Antilles on October 10, 2010 Curacao and Sint Maarten became autonomous countries within the Kingdom of the Netherlands, with a currency union.

Alongside, the Dutch government gave substantial debt relief to both countries, and agreement was reached on new fiscal frameworks to help sustain sound fiscal positions. The other islands of the Netherlands Antilles—Bonaire, Saba, and Sint Eustatius—became municipalities of the Netherlands and adopted the U.S. dollar in January 2011.

- The Bank of Netherlands Antilles (BNA) became the Central Bank of Curacao and Sint Maarten (CBCS), overseeing a common monetary policy and financial supervision. The Netherlands Antilles guilder (NA.f) is still the legal tender, but there was agreement to transition to a new Dutch Caribbean guilder by 2012, pegged to the U.S. dollar at the same rate as the NA.f.
- Debt relief was based on 2005 data, and was intended to reduce interest payments to 5 percent of fiscal revenues. In addition, grants were provided for the clearance of documented government arrears. Thus, over 2009–10 the overall debt burden of Curacao and Sint Maarten (from each island's own debt plus its share of the debt of the Netherlands Antilles central government) declined by 57 and

33½ percentage points of GDP, respectively.

Curacao and St. Maarten: Comparison 1/

	Curacao	St. Maarten
Population (thousand)	142	34
GDP (million U.S. dollar)	2951	819
	(percent)	
Unemployment rate	10.1	12.0
Youth unemployment 2/	24.7	29.4
	(percent, average 2001–2010)	
GDP growth	0.8	2.8
Inflation	2.7	2.2
	(percent of GDP)	
Openess to trade 3/	144	226
Tourism exports	13.0	82.4
Imports from U.S.	27	78
Exports to U.S.	7	55
Public debt	34.6	28.3
GG balance	5.4	3.6
Primary balance	7.3	3.6
CA deficit	-30.9	-6.8
External debt	54.6	40.7
Short term to total external debt	0.29	0.43
Net FDI	2.5	3.6
Net official reserves	32.5	37.0
	(months of goods imports)	
Net official reserves	6.1	5.1

Sources: Data provided by the authorities; and IMF staff estimates.

1/ Values refer to 2010 unless indicated differently.

2/ Value refers to 2009.

3/ Openess to trade is measured by the sum of exports and imports.

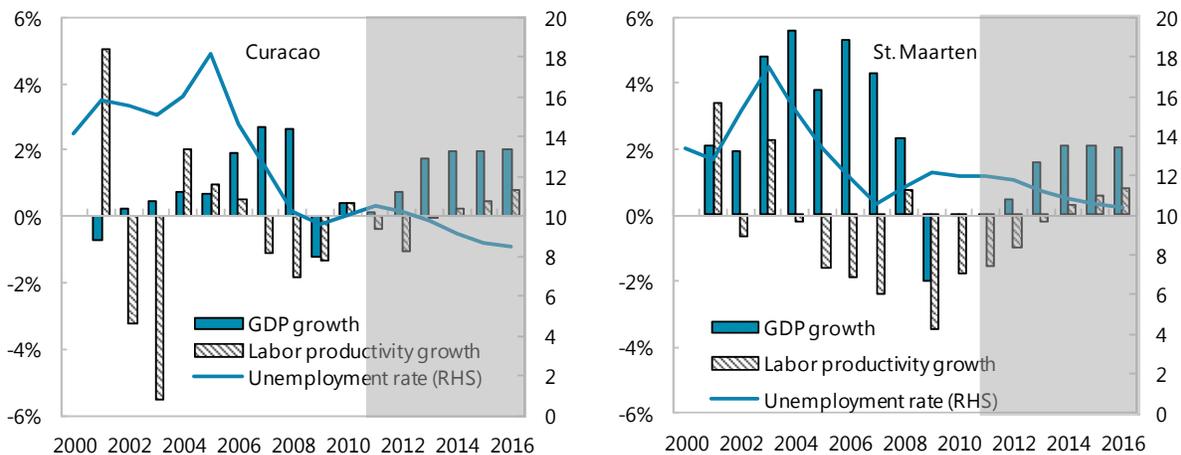
- New fiscal frameworks prohibit current budget deficits, cap interest payments to 5 percent of fiscal revenues, and require medium term budgeting and a common fiscal supervisory agency—the College Financieel Toezicht (CFT)—with Dutch participation in its Board and staff. Borrowing is only permitted for capital expenditure, and fiscal outturns are to be reported on a quarterly basis to the CFT. The agreement of the CFT is needed to

issue debt or breach the fiscal rule in emergency cases.

2. The two countries have similarities, but distinct differences as well (Figures 1–4). Both are small highly open island economies, but Curacao’s economy is more than three times larger than that of Sint Maarten, and more diversified. Tourism exports are much more important for Sint Maarten than for Curacao, accounting for 82½ percent of GDP and 13 percent of GDP, respectively. Curacao has other important sectors including an oil refinery, a free zone, and international financial services (IFS).

Success in increasing cruise tourism has boosted Sint Maarten’s GDP growth significantly above that of Curacao over the past decade. Nevertheless, per capita growth rates in both countries have been low compared with the Caribbean average, and unemployment rates are in double digits, with youth unemployment particularly high. Population aging is a challenge, particularly for Curacao, and is generating significant fiscal spending pressures. Sint Maarten also needs to upgrade and establish institutions to provide a range of services previously provided by the Netherlands Antilles government.

Curacao and St. Maarten: Growth, Productivity and Unemployment (percent)



Source: National authorities, IMF staff calculations.

3. Macroeconomic challenges are substantial. In addition to low growth, high unemployment, and aging, the current account deficit for the currency union has widened rapidly to reach 25¾ percent of GDP in 2010, increasing the vulnerability of the currency

peg. However, a strong increase in international reserves in recent years, to about five months of imports in 2010, has provided some cushion, and there is no indication currently of pressures against the guilder.

Corrected: 11/15/11

In 2011, international reserves have been broadly stable through August.

- Even after eliminating identifiable temporary factors, such as increases in FDI inflows and the breakdown of Curacao's oil refinery, staff estimate that the underlying current account deficit remains large at over 15 percent of GDP.
- Pronounced weaknesses in export performance, demand pressures primarily from rapid bank credit growth, and inadequate pass-through of recent increases in international oil and food prices particularly in 2010, appear to be the main drivers of the external deficit. The oil price pass-through has, however, strengthened since July 2011, with the domestic-international price gap broadly eliminated and monthly adjustment to international price movements.
- Data gaps, including on re-exports from Curacao to Sint Maarten, potentially bias estimates of individual island current account deficits, but available data indicate that in 2010, while Curacao's external deficit widened to an estimated 31 percent of GDP, that of Sint Maarten declined to about 7 percent of GDP.

4. Major data gaps, related in part to the dissolution of the Netherlands Antilles and lack of institutional capacity, significantly impede macroeconomic diagnosis. Nominal expenditure-side national

accounts data have not been published since 2006, and there are no data on deflators or real GDP. Data on fiscal expenditures for Sint Maarten are not yet available for 2009–10, and there are significant gaps in its debt data, complicating the assessment of fiscal policy. Moreover, data on the operations of the Netherlands Antilles central government in 2010 are limited, hampering a proper assessment of the degree of fiscal tightening in the currency union in 2011. Fiscal reporting standards need improvement. And the current account deficit could possibly be mismeasured given limitations in the statistical infrastructure.

5. Policy coordination is complicated by fractious relations between the governments and the central bank, with rising sentiments against continuing the currency union. Relations between the central bank and the Curacao government have turned acrimonious, and a recent Dutch government investigation raised serious concerns about governance in Curacao. Curacao's government has expressed a preference for obtaining full monetary autonomy. Also, the Sint Maarten government has instructed the central bank to beef up its personnel and operations on the island, with a view to ultimately having their own central bank. And plans to print the new currency are likely to be delayed beyond 2012, amid calls (supported by the central bank, but recently repudiated by Curacao's government) to adopt the dollar as legal tender.

Corrected: 11/15/11

8. Inflation declined sharply during the crisis, but has started to increase on account of renewed oil and food price pressures.

As demand pressure fell in the crisis and commodity prices declined temporarily, inflation decelerated in 2009 to 1¾ percent in Curacao and ¾ percent in Sint Maarten. However, driven by renewed oil and food price increases, inflation started picking up again in 2010 and reached 2¾ and 3¾ percent on average in Curacao and Sint Maarten, respectively.

9. Rapid credit growth moderated in 2010, but is rising in 2011 (Tables 3–4).

Aggregate data for the currency union indicate that private sector credit growth has averaged about 10½ percent since 2004, raising the credit/GDP ratio by more than 20 percentage points to over 75 percent in 2010 (Figure 5). Corporate credit and mortgages have grown rapidly in this period. In 2010, credit growth decelerated to 4½ percent, down from 7½ percent in 2009, but still above nominal GDP growth. However, in 2011 credit growth has picked up, and rose to 7 percent (y/y) as of June. Bank lending rates have trended downward since 2000, supporting credit growth (Figure 6). Lending rates have been rather insensitive to movements in the central bank's pledging rate and the reserve requirement ratio, primarily because of large excess bank reserves.

10. Excluding the impact of debt relief, both island governments ran modest fiscal

deficits over 2009–10. Both governments received substantial grants as part of the debt relief process, as a result of which Curacao had fiscal surpluses in 2009 and 2010. Excluding those grants, Curacao would have had fiscal deficits of ¾ percent of GDP in both 2009 and 2010. Fiscal expenditure data for 2009–10 for Sint Maarten are still unavailable, but staff estimates, based on debt data, indicate fiscal deficits of about one percent of GDP in both 2009 and 2010, excluding debt relief grants. As of end-2010 public debt stood at 34½ percent of GDP and 28¾ percent of GDP in Curacao and Sint Maarten, respectively.

11. A number of indicators suggest anemic competitiveness and moderate real exchange rate overvaluation, particularly in Curacao (Figure 7).

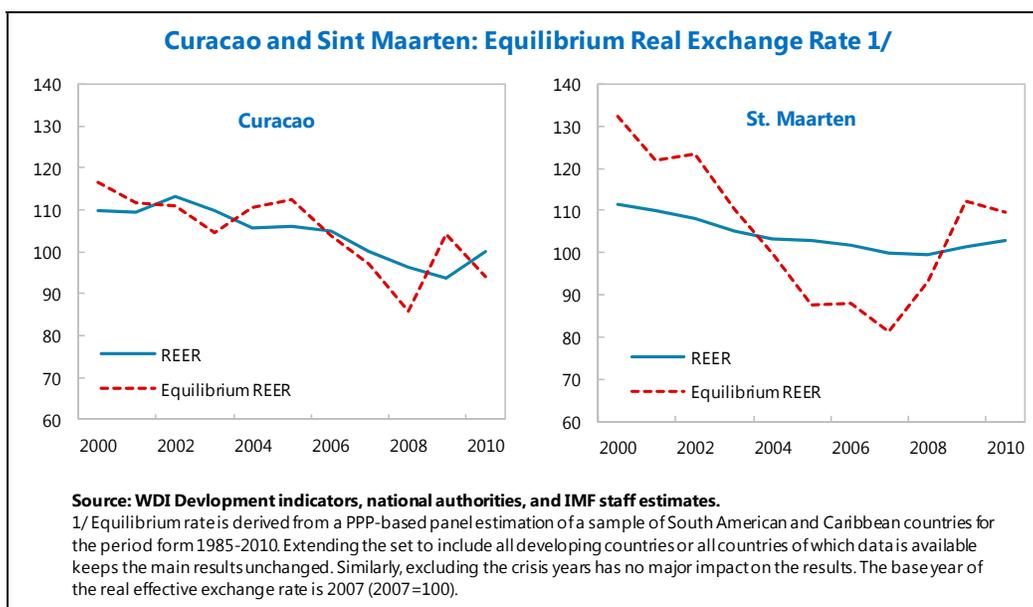
- While export market shares have held up in comparison with other tourism dominated countries in the Caribbean, they have declined substantially as a share of global exports, pointing to anemic competitiveness.
- The scale and rapid widening of Curacao's current account deficit suggest that it is now above equilibrium levels. Over 2000–06, current account deficits in the Netherlands Antilles averaged 3½ percent of GDP and never exceeded 7½ percent of GDP, well below current levels.
- Pervasive structural rigidities also suggest anemic competitiveness. In both countries,

wages are rigid downward, and it is difficult to dismiss workers for any reason. Procedures for obtaining business licenses and permits are very long and of uncertain duration. And there is a widespread use of administered prices on basic goods and petroleum products, hampering adjustment.

- CPI-based real effective exchange rates (REERs) in both countries have depreciated modestly in the past decade. Nevertheless, estimates of the equilibrium REER based on purchasing power parity (PPP) considerations and fundamental determinants—which however should be

interpreted with some caution as such estimates are subject to significant model uncertainty—indicate overvaluation in Curacao in most years since 2006. In contrast, for Sint Maarten overvaluation appears to have been reversed, with the REER becoming undervalued since 2009.

- For Curacao, one significant reason why the REER has been depreciating has been the high inflation rate in Venezuela, one of its main trading partners, suggesting that competitiveness against other trading partners (and relative to new markets), may have deteriorated.



Corrected: 11/15/11

given pronounced under-utilization of budgeted amounts in the 2011 budget.

- Moderating public sector wage growth would make a significant contribution to consolidation efforts while also providing a strong signal for private sector wage restraint.

In Sint Maarten, scope for reducing expenditures appears limited, given institutional gaps. However, the revenue-GDP ratio is relatively low, and moderately revenue enhancing measures are needed.

28. Comprehensive tax reforms, which will help enhance competitiveness by reducing tax rates on labor and profits, are being prepared in both countries. Staff welcomed new tax legislation recently passed in Curacao, envisaging revenue-neutral reforms that broaden the tax base, raise the turnover tax rate by one percentage point to 6 percent, and significantly lower personal income and corporate tax rates. The authorities also indicated that they would go further in phases in subsequent years, along the lines recommended by the 2009 FAD TA mission, which included a corporate tax rate at

20 percent, the top income tax rate at 35 percent, and a VAT at 10 percent. Similar reforms are now under planning in Sint Maarten. Staff urged that this process be accelerated, and noted that synchronization of tax policy with the French side of the island would be critical to avoid arbitrage across borders. The mission also suggested that membership in the Caribbean Regional Technical Assistance Center (CARTAC) would provide useful technical assistance in this endeavor.

Regional Comparisons of Tax Rates
(In Percent, last updated in June 2011)

Country	PIT (Highest rate)	CIT	VAT
Antigua and Barbuda	25	25	15
Aruba	58.95	28	1.5
Barbados	35	25	17.5
Belize	1/	25	12.5
Curacao	49.4	34.5	5 2/
St. Maarten	47.5	34.5	5 2/
Dominica	35	30	15
Dominican Republic	25	25	16
Guyana	33.33	45	16
Jamaica	25	33.33	17.5
St. Kitts and Nevis	nil	35	15.0 2/
St. Lucia	30	30	3/
St. Vincent and the Grenadines	32.5	32.5	15
Trinidad and Tobago	25	25	15
Venezuela	34	34	12
Unweighted average	33.1	32.1	12.5

Source: IBFD.

1/ Schedular system.

2/ No VAT.

3/ Consumption tax with rates from 5 percent to 40 percent.

C. Structural Reforms

29. There was agreement that deep structural reforms are needed to enhance price and wage flexibility, improve the business environment, and strengthen competitiveness. Both governments indicated that they were developing plans to increase

labor market flexibility, liberalize administered prices, and improve the business environment. Staff welcomed these efforts, and called for prompt implementation of the measures. Both governments also indicated that consultation between government, employers, and workers,

would be strengthened to facilitate consensus by all major stakeholders on the reforms (particularly to the labor market), as has been done successfully in many countries including the Netherlands and Aruba.

- Both governments should overhaul labor market regulations to substantially enhance wage flexibility, the ease of adjusting company workforces, and incentives for job search. Staff noted that these reforms would also help reduce the proliferation of short-term contracts and the grey economy, which the unions have protested about.
- Both governments have decided to cut red tape and streamline the business licensing

and permit regimes, so that the process of forming new businesses becomes timely and predictable.

- The widespread use of administered prices on basic goods is to be phased out and replaced by strong competition legislation and competition authorities. Staff also stressed that the pricing of petroleum products should continue to be adjusted on a monthly basis in line with international prices to stimulate appropriate demand responses.
- Staff noted also that measures to increase the efficiency and governance of public utilities and public enterprises would help improve the business environment.

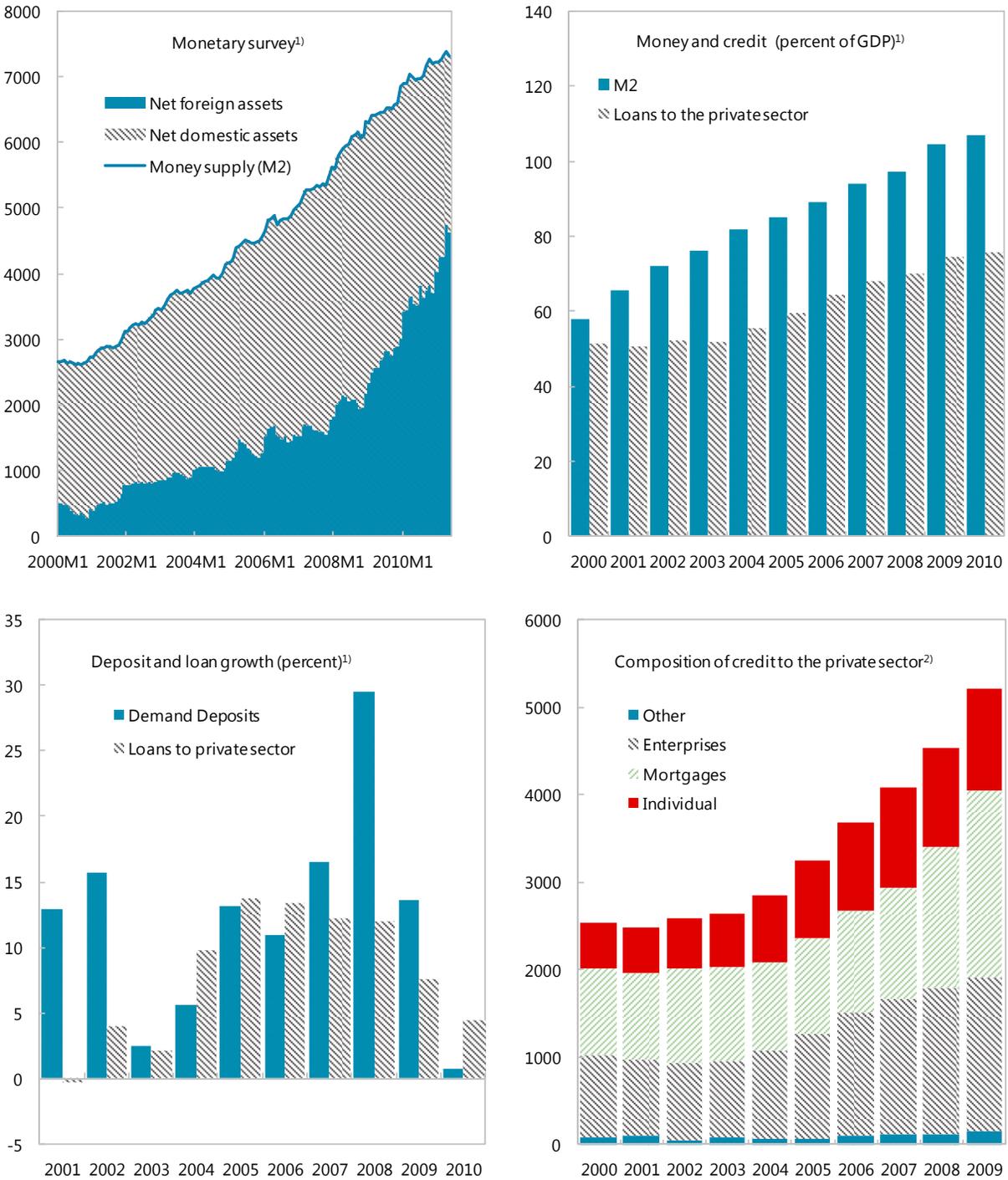
STAFF APPRAISAL

30. Both countries face substantial challenges, requiring sustained adjustment efforts over the near and medium terms. In addition to low growth, high unemployment, and aging pressures, the current account deficit for the currency union has risen to worrisome levels. The real exchange rate also appears moderately overvalued, particularly in Curacao. Anemic competitiveness, rapid credit growth, and inadequate pass-through of recent increases in international oil and food prices particularly in 2010, appear to be the main drivers of the external deficit. While international reserves have risen in recent years, vulnerabilities are substantial, and strong efforts are needed to reduce the

current account deficit to sustainable levels. If efforts lag, international reserves could come under pressure over the medium term, requiring a devaluation. Moreover, devaluation would only yield temporary adjustment unless it is buttressed with policy tightening and structural measures to improve competitiveness.

31. A substantial adjustment is needed to bring the underlying current account deficit to historically sustainable levels over the medium term. This could be facilitated by measures to restrain credit growth, supported by fiscal consolidation. In addition, structural reforms to generate wage and price flexibility

Figure 5. Curacao and Sint Maarten: Developments in the Monetary Sector

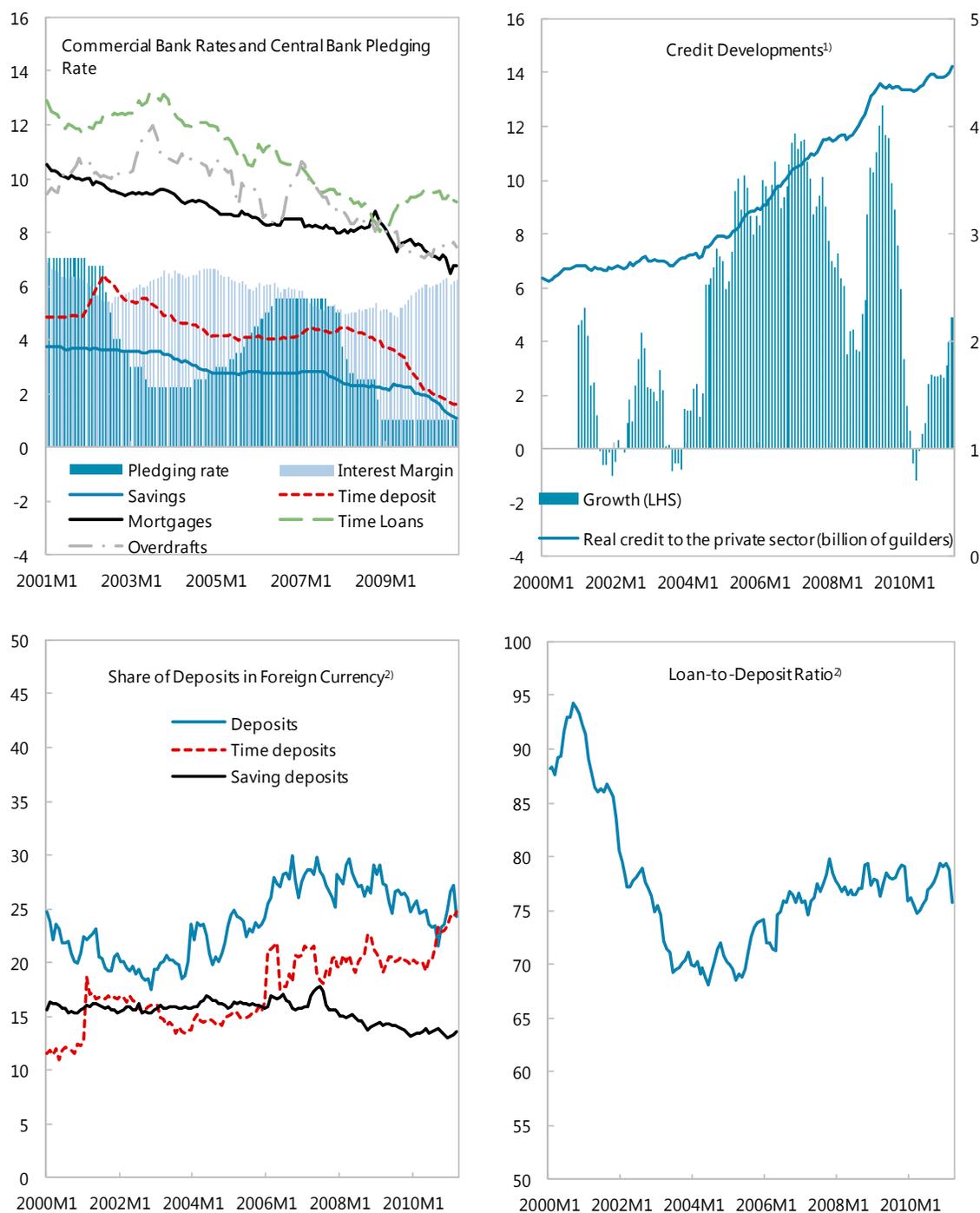


Source: Central Bank, and IMF staff calculations

1) There is a break in the series in 2010M10 due to the dissolution of the Netherlands Antilles and elimination of the BES islands from the monetary survey. Thus, data up to 2010M10 are constructed using growth rates of the Netherlands Antilles data, spliced onto the recent data for Curacao and St. Maarten. Loans to the private sector include loans to enterprises and households.

2) Based on the Netherlands Antilles data.

Figure 6. Curacao and Sint Maarten: Banking Sector Developments



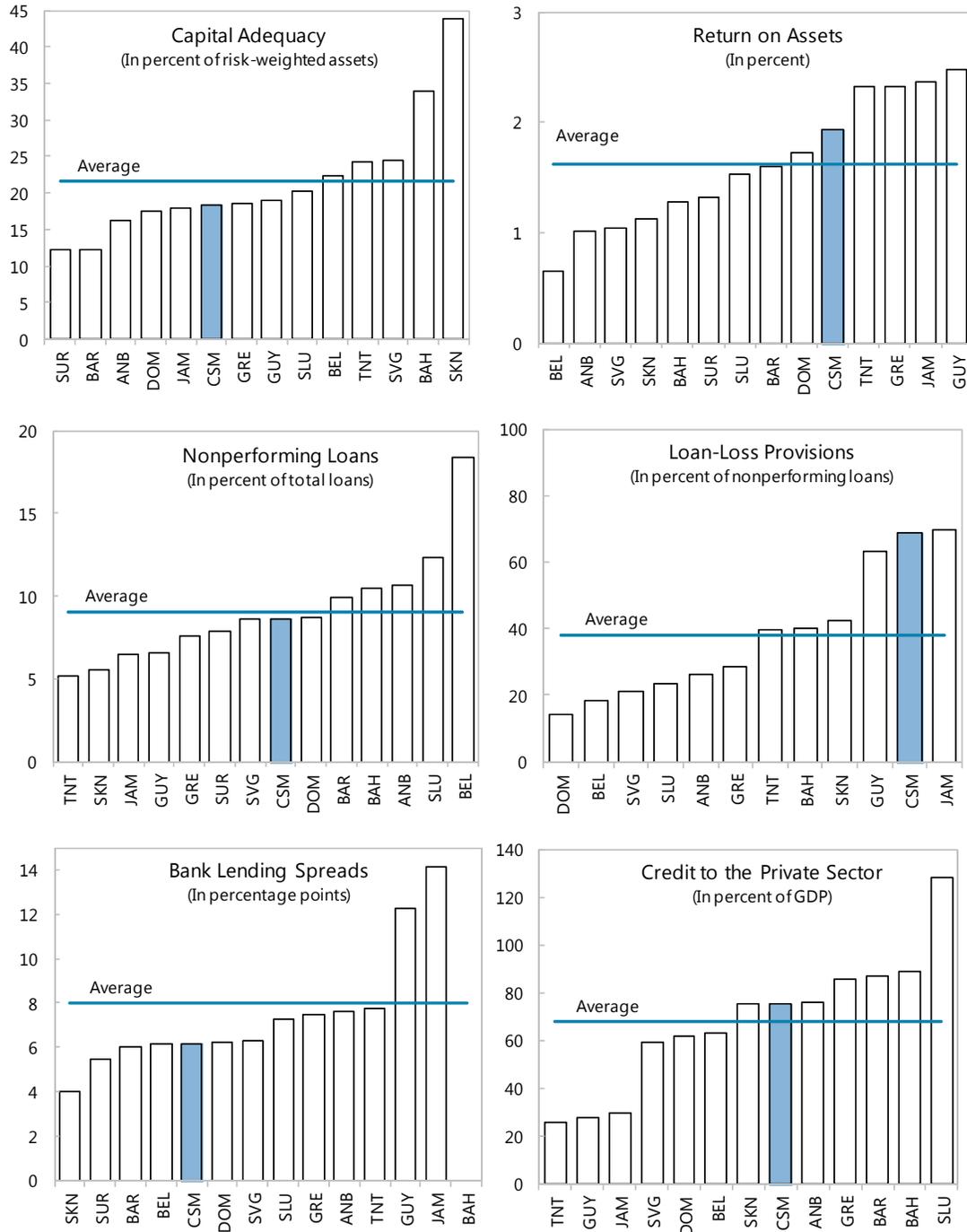
Source: National Authorities, and IMF staff calculations

1) There is a break in the series in 2010M10 due to the dissolution of the Netherlands Antilles and elimination of the BES Islands from the monetary survey. Thus, data up to 2010M10 are constructed using monthly growth rates of the Netherlands Antilles data, spliced onto the recent data for Curacao and St. Maarten. Loans to the private sector include loans to enterprises and households.

2) Based on the Netherlands Antilles data until 2010M10 and on Curacao and St. Maarten thereafter.

Figure 9. Curacao and Sint Maarten: Regional Financial Sector Indicators

(2010, or latest available observation)



Sources: Central Bank of Curacao and St. Maarten, *International Financial Statistics*, and Fund staff estimates. CSM—Curacao and St Maarten; ANB—Antigua & Barbuda; BAH—The Bahamas; BAR—Barbados; BEL—Belize; DOM—Dominica; GRE—Grenada; GUY—Guyana; JAM—Jamaica; SKN—St. Kitts & Nevis; SLU—St. Lucia; SUR—Suriname; SVG—St. Vincent & the Grenadines; TNT—Trinidad & Tobago.

Corrected: 11/15/11

Table 1. Curacao: Selected Economic and Financial Indicators, 2007–12

Area	444 (km ²)	Population, thousand (2010)	142			
Percent of population below age 15 (2010)	21.0	Literacy rate, in percent (2010)	96.7			
Percent of population aged 65+ (2010)	12.2	Life expectancy at birth, male (2010)	73.3			
Infant mortality, over 1,000 live births (2010)	9.0	Life expectancy at birth, female (2010)	80.3			
	2007	2008	2009	2010	2011	2012
					Proj.	
Real economy (change in percent)						
Real GDP 1/	2.7	2.6	-1.3	0.4	0.1	0.7
Private consumption	9.2	2.7	-4.5	8.9	1.0	1.2
Public consumption	11.7	-0.4	-1.3	1.6	-7.0	1.0
Gross fixed investment	2.6	13.1	4.0	-0.9	1.8	1.1
Net foreign balance 2/	-5.6	-3.1	0.7	-6.9	-0.1	-0.7
CPI (12-month average)	3.0	6.9	1.8	2.8	2.8	3.7
Unemployment rate (in percent)	12.4	10.3	9.7	10.1	10.5	10.3
General government finances (in percent of GDP) 3/						
Primary balance	1.4	1.2	10.2	7.3	1.3	1.7
Overall balance	-1.8	-1.7	7.6	5.4	0.0	0.8
Public debt	56.3	52.6	47.3	34.6	33.6	31.4
Balance of payments (in percent of GDP)						
Trade balance	-43.7	-42.9	-37.0	-41.3	-40.7	-40.9
Exports of goods	33.3	23.5	23.1	24.9	25.8	26.6
Imports of goods	76.2	60.6	64.4	65.6	66.8	67.5
Current account	-21.0	-26.4	-16.7	-30.9	-29.2	-28.5
Capital and financial account	16.4	25.4	8.8	20.5	28.3	24.3
Net FDI	4.4	5.2	1.7	2.5	2.0	3.5
Net official reserves (in millions of U.S. dollars)	688.1	853.7	929.4	959.7	1,003.0	953.8
(in months of next year's imports of goods)	3.8	5.9	5.9	5.8	5.7	5.1
(In percent of short-term debt)	458.6	603.0	626.1	663.7	620.9	557.3
External debt (in percent of GDP)	33.7	30.5	26.9	54.6	62.0	65.5
Memorandum items:						
Nominal GDP (in millions of U.S. dollars)	2,593	2,831	2,869	2,951	3,047	3,179
Per capita GDP (change in percent)	1.3	1.9	-1.6	-0.2	-0.2	0.6
Real effective rate (2007=100)	100.0	96.2	93.8	100.1	
Fund position	Curacao is part of the Kingdom of the Netherlands and does not have a separate quota.					
Exchange rate	The Netherlands Antilles guilder is pegged to the U.S. dollar at NA f. 1.79 = US\$1.					

Sources: Data provided by the authorities; and IMF staff estimates.

1/ Based on IMF staff estimates of deflators.

2/ Contribution to GDP growth.

3/ Data from 2007-2010 reflect the fiscal operations of the local island government. Data from 2011 onwards refer to the new island government that has integrated the fiscal operations of the previous central government of the Netherlands Antilles.

Corrected: 11/15/11

Table 2. Sint Maarten: Selected Economic and Financial Indicators, 2007–12

Area	34 (km ²)	Population (2010)	34			
Percent of population below age 15 (2010)	23.4	Literacy rate, in percent (2010)	95.8			
Percent of population aged 65+ (2010)	3.6	Life expectancy at birth, male (2010)	73.1			
Infant mortality, over 1,000 live births (2010)	6.0	Life expectancy at birth, female (2010)	78.2			
	2007	2008	2009	2010	2011	2012
					Proj.	
Real economy (change in percent)						
Real GDP 1/	4.3	2.3	-2.0	-0.1	-0.1	0.5
Private consumption	20.8	17.8	-1.2	-2.2	-2.0	0.5
Public consumption	2.7	1.4	-1.0	0.0	10.0	1.8
Gross fixed investment	15.5	12.7	-10.7	-4.6	-1.3	3.8
Net foreign balance 2/	-8.3	-7.7	3.2	8.1	-0.8	-1.0
CPI (12-month average)	2.3	4.6	0.7	3.2	3.7	3.5
Unemployment rate (in percent)	10.6	11.4	12.2	12.0	12.0	11.8
General government finances (in percent of GDP) 3/						
Primary balance	-6.5	-2.4	-0.9	3.6	0.2	-5.1
Overall balance	-6.5	-2.4	-0.9	3.6	-0.5	-6.0
Public debt	30.7	29.0	31.8	28.3	27.6	32.7
Balance of payments (in percent of GDP)						
Trade balance	-90.0	-87.4	-76.5	-72.9	-74.0	-75.6
Exports of goods	14.3	16.7	16.3	15.1	14.3	14.1
Imports of goods	104.3	104.2	92.9	87.9	88.4	89.7
Current account	-12.0	-22.0	-16.3	-6.8	-6.7	-7.0
Capital and financial account	7.7	15.9	13.3	4.0	10.0	8.7
Net FDI	9.1	8.8	4.9	3.6	3.5	3.3
Net official reserves (in millions of U.S. dollars)	217.3	269.6	293.5	303.1	326.7	339.8
(in months of next year's imports of goods)	3.1	4.4	4.9	4.8	5.0	4.9
(In percent of short-term debt)	144.8	190.4	197.7	209.6	202.3	198.5
External debt (in percent of GDP)	34.5	29.9	25.3	40.7	42.2	43.3
Memorandum items:						
Nominal GDP (in millions of U.S. dollars)	750	795	793	819	851	879
Per capita GDP (change in percent)	2.2	0.7	-3.2	-1.0	-1.0	-0.4
Real effective rate (2000=100)	100.0	99.7	101.4	103.0
Fund position	St. Maarten is part of the Kingdom of the Netherlands and does not have a separate quota.					
Exchange rate	The Netherlands Antilles guilder is pegged to the U.S. dollar at NA f. 1.79 = US\$1.					

Sources: Data provided by the authorities; and IMF staff estimates.

1/ Based on IMF staff estimates of deflators.

2/ Contribution to GDP growth.

3/ Data from 2007-2010 reflect the fiscal operations of the local island government. Data from 2011 onwards refer to the new island government that has integrated the fiscal operations of the previous central government of the Netherlands Antilles.

Table 3. Curacao and Sint Maarten: Monetary Survey 1/

(In millions of guilder; end of period)

	2004	2005	2006	2007	2008	2009	2010
Net Foreign Assets	1,136	1,256	1,520	1,777	2,174	2,990	4,070
Central Bank	789	863	1,074	1,357	1,681	2,025	2,906
Gross Foreign Assets	789	865	1,436	1,914	2,543	2,761	3,573
Gross Foreign Liabilities	0	2	362	557	862	736	667
Commercial Banks	347	394	446	420	493	965	1,164
Gross Foreign Assets	1,057	1,514	1,793	1,745	2,388	3,287	3,829
Gross Foreign Liabilities	710	1,121	1,346	1,326	1,895	2,322	2,666
Net domestic assets	3,035	3,304	3,493	3,839	4,137	3,866	3,152
Domestic credit	3,605	3,986	4,523	5,084	5,752	5,429	5,330
Net Claims on the Government of Curacao	257	224	211	233	274	-16	29
Net Claims on the Government of St. Maarten	0	0	0	0	0	0	-245
Claims on the Private Sector	3,013	3,396	3,982	4,487	5,084	5,226	5,547
From Central Bank	172	180	189	247	311	243	271
From Commercial Banks	2,841	3,216	3,793	4,240	4,773	4,983	5,276
Securities	31	22	175	181	230	95	170
Loans and Advances	2,809	3,194	3,618	4,060	4,543	4,888	5,106
Enterprise Loans	1,005	1,182	1,400	1,547	1,671	1,647	...
Mortgages	995	1,073	1,132	1,250	1,616	2,009	...
Individuals Loans	753	873	1,000	1,154	1,135	1,095	...
Other	56	65	85	109	121	137	...
Other Items Net	-570	-682	-1,030	-1,245	-1,615	-1,563	-2,178
Money supply (M2)	4,171	4,560	5,014	5,616	6,311	6,856	7,222
Money (M1)	1,477	1,649	1,826	2,122	2,666	3,003	3,137
Currency in Circulation Outside Banks	214	222	244	281	290	307	326
Demand Deposits	1,263	1,427	1,582	1,841	2,376	2,696	2,811
Local Currency	972	1,098	1,152	1,331	1,770	2,082	2,219
Foreign Currency	291	329	430	510	606	614	592
Quasi Money	2,694	2,911	3,187	3,494	3,646	3,853	4,085
Savings Deposits	1,038	1,111	1,198	1,413	1,583	1,853	1,899
Local Currency	856	918	986	1,192	1,352	1,659	1,725
Foreign Currency	182	193	212	221	231	194	174
Time Deposits	1,656	1,800	1,989	2,081	2,063	2,000	2,187
Local Currency	1,461	1,482	1,492	1,541	1,673	1,813	1,945
Foreign Currency	195	318	496	540	390	187	242
	(Percent change, year-on-year)						
Net foreign assets	11.7	10.6	21.0	16.9	22.4	37.5	36.1
Net domestic assets	9.8	8.8	5.7	9.9	7.8	-6.5	-18.5
Credit by commercial banks to the private sector	9.7	13.7	13.3	12.2	11.9	7.6	4.5
Broad money	10.3	9.3	9.9	12.0	12.4	8.6	5.3
	(Percent change, by contribution to the broad money)						
Net foreign assets	3.2	2.9	5.8	5.1	7.1	12.9	15.7
Net domestic assets	7.2	6.4	4.2	6.9	5.3	-4.3	-10.4
	(Percent of GDP)						
Loans to the private sector	55.1	59.4	64.0	67.8	69.9	74.5	75.5
Broad money	81.8	84.8	88.7	93.8	97.1	104.5	106.8
	(Percent)						
Pledging rate	2.8	4.5	5.5	5.0	1.0	1.0	1.0

Sources: Central Bank of Curacao and Sint Maarten, IMF staff calculations.

1/ Data prior to 2010 is estimated based on data for the Netherlands Antilles.