



## **PRESS RELEASE**

The current account of the balance of payments of the Monetary Union Curaçao and Sint Maarten has been recording a persistent deficit. This means that the import of goods and services have been exceeding the exports of goods and services. The main reason for this development has been the excessive credit extension by commercial banks caused by the over liquidity in the banking sector.

The Centrale Bank van Curaçao en Sint Maarten (CBCS) effective September 2011 started to pursue a restrictive monetary policy to reduce this over liquidity and hence curb the excessive credit extension. Due to the lack of progress made by this measure to curb the excessive credit extension, the CBCS has introduced a policy whereby credit extension to the private sector for a period of six months will be brought in line with the projected growth of the economy. However, loan commitments already made by the banks to their clients and loans for projects that strengthen the economies of Curaçao and Sint Maarten will be exempted from this measure. Moreover, the measure is not applicable on credit extension by secondary financial institutions (e.g., mortgage banks, development banks, and credit unions), pension funds, and insurance companies. Therefore, credit will still be available but to an extent that is consistent with maintaining the stability of our guilder.

**Centrale Bank van Curaçao en Sint Maarten**  
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