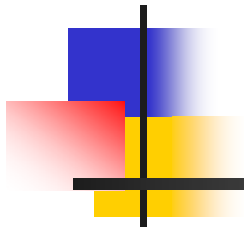


# The local petroleum industry: its viability and stability



**Dr. Emsley Tromp**

**President**

**Central Bank of Curaçao and Sint Maarten**

**Curoil's 25<sup>th</sup> anniversary**

**November 1, 2010**



# Outline presentation

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- The importance of the petroleum industry
- The role of Curoil in our economy
- Factors that affect Curoil's performance
- Curoil's role in the 21<sup>st</sup> century



# Petroleum industry

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- Refinery
- Oil storage & transshipment
- Wholesale trade of petroleum products
- Gasoline stations
- Bunkering



# Role of Curoil (1)

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## Domestic:

- Sole supplier of gasoline & diesel to gas stations on Curaçao
- Main supplier of industrial fuel to utility company, Aqualectra
- Operator of gasoline stations
- Repackage & distribute oil derivatives, i.e., finished lubricant



# Role of Curoil (2)

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## International:

- Sole supplier of gasoline & diesel to gas stations on Bonaire
- Offshore bunkering
- Jet fuel to turbine airplanes
- Lubricants for engine aircrafts
- Fuel oil to Dominican Republic & Haiti



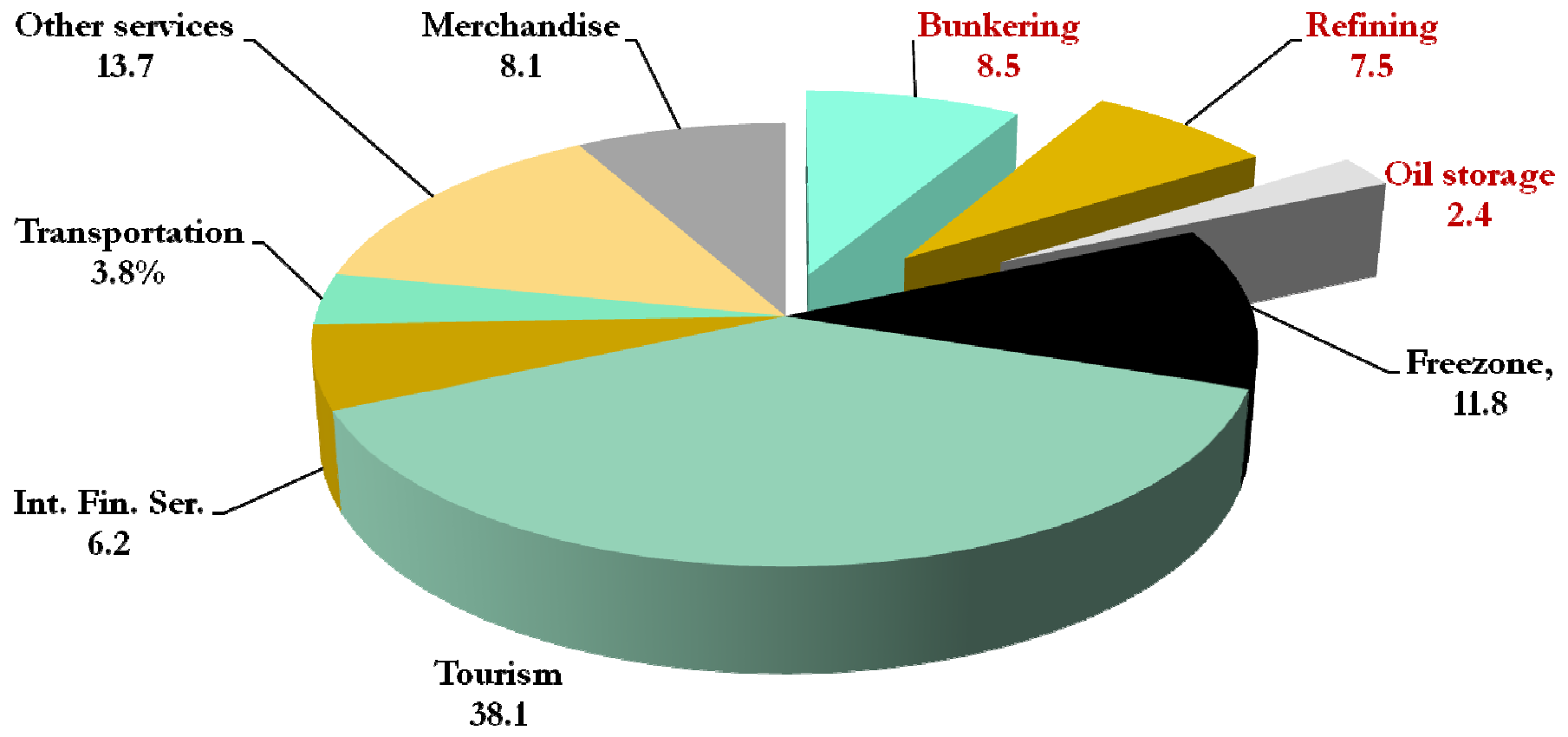
## Role of Curoil (3)

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Curgas: subsidiary of Curoil

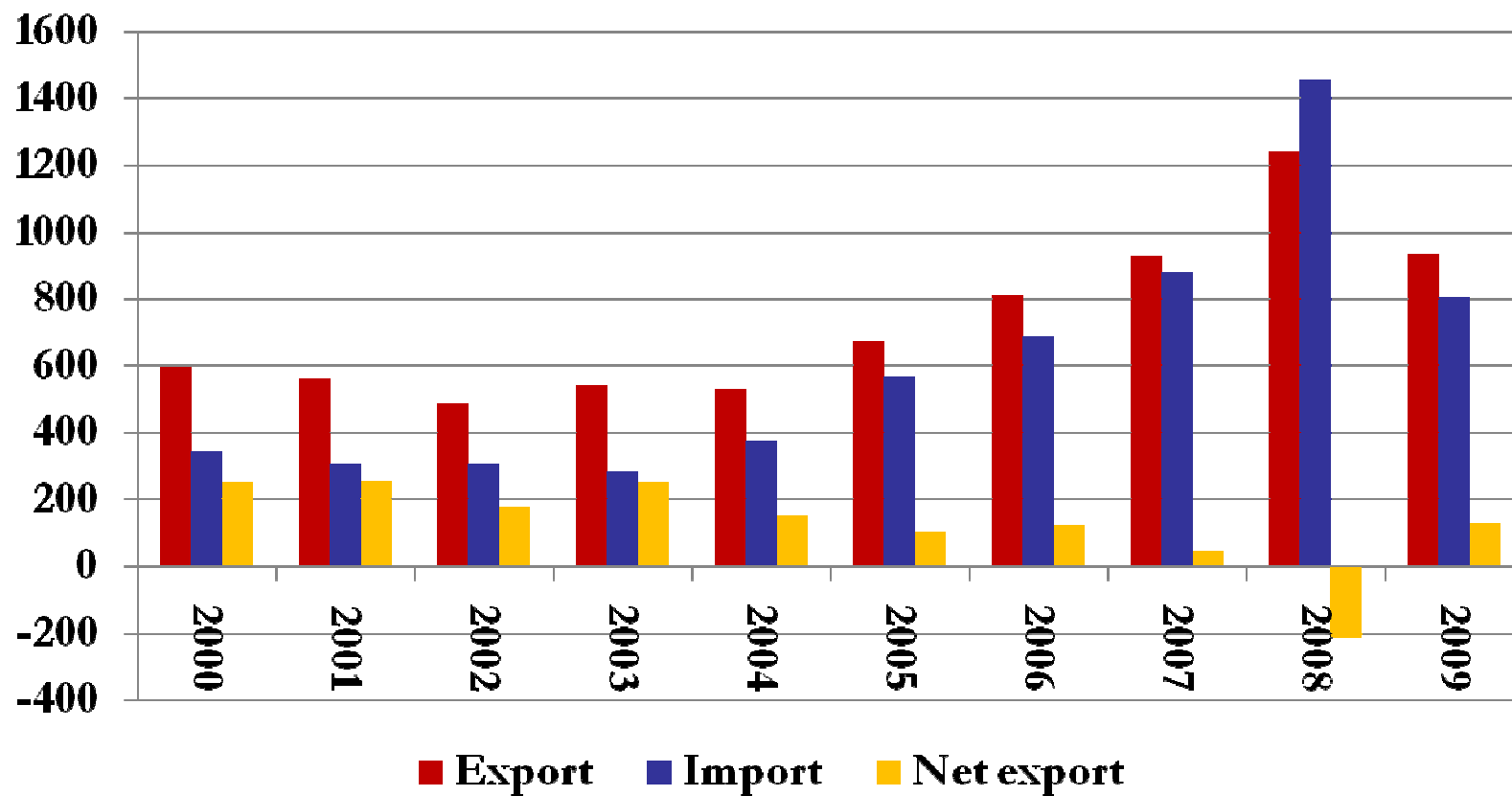
- Sole supplier of liquid propane gas (LPG) to households & businesses on Curaçao and Bonaire

# Contribution to foreign exchange income in 2009



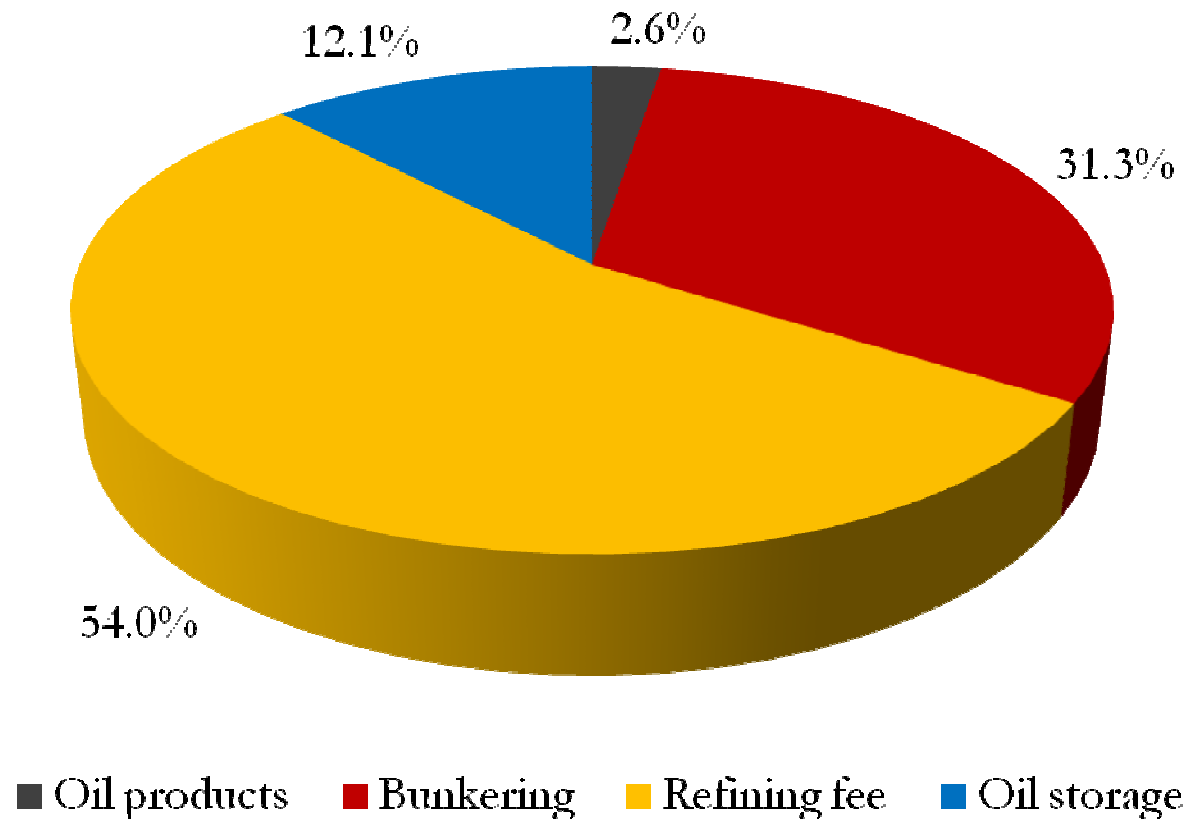
\*Income from the export of goods and services

# Exports & imports petroleum industry (in mln. NAf.)





# Breakdown of foreign exchange revenues of petroleum industry\*



\*Average 2000 - 2009



# Economic indicators

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- Trade sector accounts for 11% of GDP
- Curoil accounts for 1.2% of GDP
- Sales of Curoil represent 27.6% of the trade sector
- Curoil's employment represents 2% of total employment of the trade sector

# Factors affecting Curoil's performance (1)



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## International:

- No longer vertical integration in the petroleum industry
- Regulations on emissions from aviation and marine bunker fuels

# Factors affecting Curoil's performance (2)



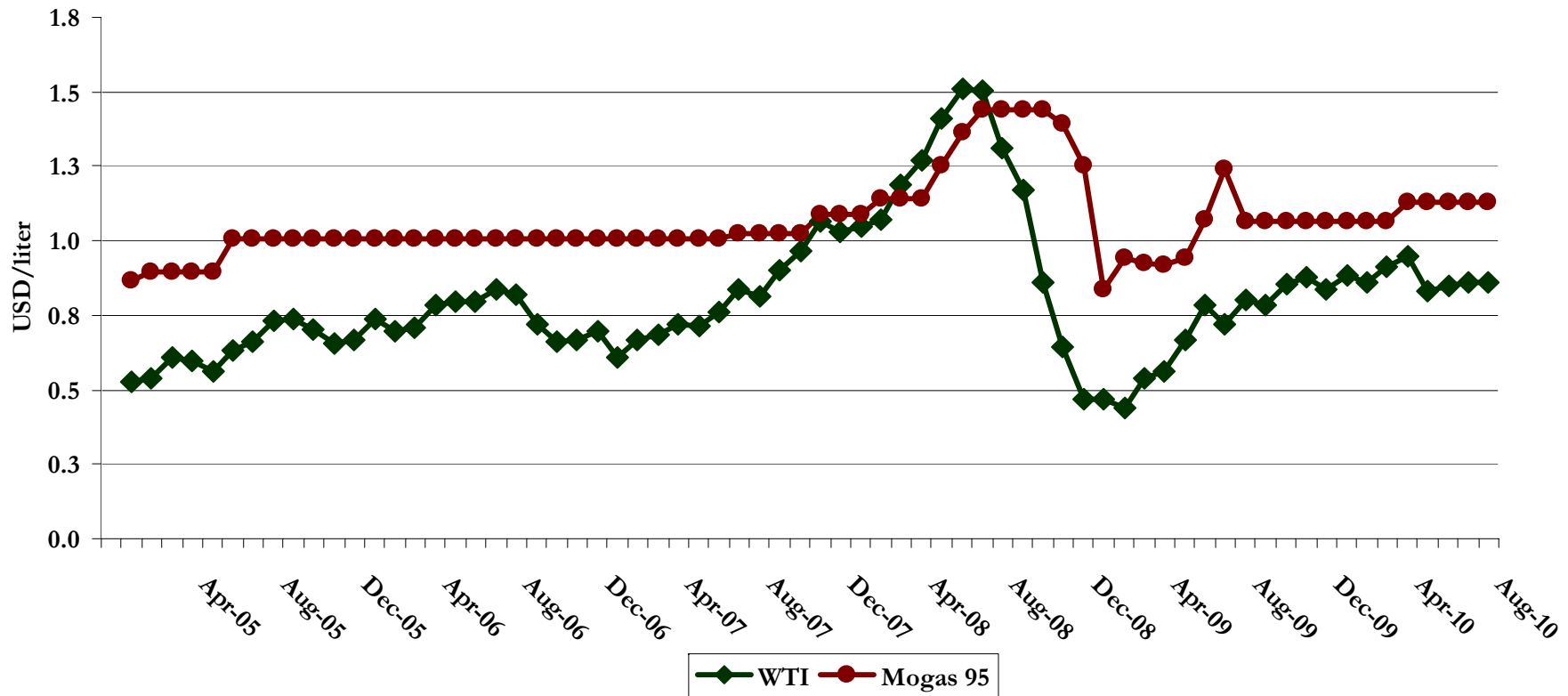
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## Domestic:

### Price regulation

- Price adjustments based on economic and social considerations
- Non-transparent
- Prices were not adjusted timely
- Price shocks

# Developments of WTI oil prices vs domestic gasoline prices





# Factors affecting Curoil's performance (3)

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## Domestic:

- Independence of the regulatory authority
- Stability & reliability of refinery as the main supplier to Curoil
- Quality & competitiveness of the infrastructure that supports aviation and marine fuel bunkering



# Factors affecting Curoil's performance (4)

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## Domestic:

- Increased consumer awareness towards environmental issues and clean energy



## Role of petroleum industry 21<sup>st</sup> century

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- Oil is expected to remain primary source of commercial energy
- Oil is needed for sustainable development in every country of the world
- With growing demand, ensure the supply of oil through exploration of new sources
- Promote energy conservation and renewable alternative fuels

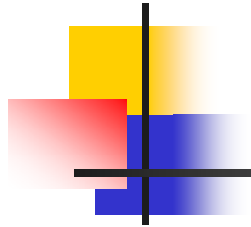




# Role of Curoil in 21<sup>st</sup> century

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- Reliable supplier of fuel
- Create environmental awareness
- Development and deployment of cleaner fossil-fuels technologies
- Take lead in offering cleaner & safer fuel



**Thank you!**