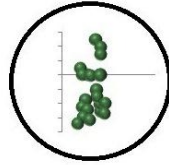


FACTORS



STATISTICAL MAGAZINE



Topics:

An analysis of the
foreign-born versus
the local-born
employed population

Sint Maarten
Business Cycle
Survey 2010 Results

CPI 1st Trimester
Report 2011

VOLUME 1

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Preface

The Department of Statistics is proud to present the first-ever issue of its statistical magazine. It is a significant achievement for St. Maarten's new statistical office, which assumed the responsibilities of the former Central Bureau of Statistics of the Netherlands Antilles, following the constitutional status change of our country.

This particular publication marks the first of various others, by which STAT aspires to keep the resident and international community abreast of its research findings.

The current issue offers a compilation of articles, written by STAT researchers; it covers the latest available information on different phenomena related to St. Maarten's labour market, business environment and price developments of consumer goods & services. It is meant to provide a more in-depth analyses based on our survey activities, coupled with impacts from the external (international) environment.

We do hope that you will enjoy this issue, and feel encouraged to support our upcoming releases and other publications on general, economic & social statistics of St. Maarten.

Makini K. Hickinson
Department Head

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An analysis of the foreign-born versus the local-born employed population

Based on Labour Force Survey 2009

By Maurette Antersijn

Methodology

Level of confidence and inaccuracy

The sample size of the Labour Force Survey is calculated to achieve a level of confidence of 90 percent for the unemployment rate and a margin of error of 1.35 percentage points. This calculation renders approximately 1250 households. In order to maintain this level of confidence, effort is made during the fieldwork to keep the non-response as low as possible.

The unemployment rate of the sample of 2009 achieved a margin of error of 1.50 percentage points with a level of confidence of 90 percent.

The results remain an estimate and this should always be taken into consideration when interpreting the figures.

Sample design

The sample is a systematic sample, drawn with a random start number from the Population Registry.

As there is over coverage in the filing system of the Registry, such as addresses that no longer exist, untraceable addresses and places of residence that in the meantime have become businesses, the survey is oversampled with the expected percentage of non-response.

Fieldwork

The fieldwork of the LFS lasts approximately two months. The interviews are conducted by 20 interviewers. It is important that all members of the household are interviewed face-to-face with a questionnaire about their situation on the Labour market.

Definitions

Employed persons:

All persons 15 years and older with a job or their own business or who during the week prior the survey, worked 4 hours or more for a remuneration.

Unemployed persons:

All persons 15 years and older who during the survey were unemployed, were actively looking for work the month prior to the survey and who can start working within 2 weeks, should there be a job available.

Labour Force (also called the economically active population):

The number of employed and unemployed added together.

Economically not active:

All persons 15 years and older who are neither employed nor unemployed.

Unemployment rate:

The number of unemployed divided by the Labour force multiplied by 100.

Youth unemployment rate:

The unemployment rate of persons in the age group 15 to 24.

Participation rate:

The Labour force divided by the total population multiplied by 100. It indicates what proportion of the total population is economically active.

Employment to population rate:

The number of employed persons, divided by the population 15 years and older.

Introduction

“Foreigners are robbing us of our bread. “

“Businesses prefer to hire illegals because they are cheaper. “

“We can’t find work because foreigners are being hired.”

These are just a few of the statements that are always being said about the age-old war between Local and Foreign-born inhabitants. But is this really true? Are more jobs going to Foreign-born inhabitants? Is it really true that Foreign-born are being paid less for the same job? Is the ratio between Local and Foreign-born disproportionate when it comes to the labour division?

For this article Local-born is defined as those who were born in St. Maarten and Foreign-born are those who were born outside of the former Netherlands Antilles and the Netherlands. The Labour Force Survey does not distinguish between the amount of time the respondent has been living on the island or whether they have legal papers or not.

The Labour Force Survey is based on a sample of the population with the aim to measure the recent developments on the labour market. The survey is conducted every two years. The sample is a systematic sample, drawn with a random start number from the Population Registry. As there is over coverage in the filing system of the Registry, such as addresses that no longer exist, untraceable addresses and places of residence that in the meantime have become businesses, the survey is oversampled with the expected percentage of non-response.

In the 2009 Labour Force Survey, we show that 21.6% of the employed labour force was born in St. Maarten as opposed to 16.3% born in the Kingdom and the rest 61.9% born elsewhere.

| Country of Birth | Labour Force Survey Employed Population | | Census 2001 Population | |
|------------------|--|-------|---------------------------|-------|
| Aruba | 84 | 5.9% | 1261 | 4.3% |
| Bonaire | 2 | 0.1% | 30 | 0.1% |
| Curacao | 99 | 7.0% | 1486 | 5.2% |
| Elsewhere | 882 | 61.9% | 13241 | 56.7% |
| Netherlands | 42 | 2.9% | 631 | 2.4% |
| Saba | 1 | 0.1% | 15 | 0.4% |
| St. Eustatius | 4 | 0.3% | 60 | 0.4% |
| St. Maarten | 308 | 21.6% | 4624 | 30.5% |

Country of birth distribution LFS Survey 2009 vs. Census 2001

The 2001 Census shows that less than 1 of every three inhabitants was actually born on the island. This means that the majority was born somewhere else thus confirming the belief that

St. Maarten is a melting pot of different nationalities. And thus it would not be surprising that a smaller percentage of the employed population is Local born.

Age

The Labour Force survey looks at anyone 15 years or older and establishes whether they are active on the labour market. This includes persons that own a business, have a job or have worked at least 4 hours the previous week for pay. 7 out of ten people living on St. Maarten are considered to be employed.

Relatively speaking there are more Foreign-borns older than 24 working than those born in St. Maarten. Thus people older than 24 who were born on St. Maarten have a bigger problem gaining employment than those who were born elsewhere.

| Country of Birth | 15-24 | 25-44 | 45plus |
|------------------|-------|-------|--------|
| Aruba | 45 | 360 | 856 |
| Bonaire | | 30 | |
| Curacao | 90 | 480 | 916 |
| Elsewhere | 1291 | 6561 | 5390 |
| Netherlands | 30 | 285 | 315 |
| Saba | | 15 | |
| St. Eustatius | | 30 | 30 |
| St. Maarten | 1381 | 2297 | 946 |

| Country of Birth | 15-24 | 25-44 | 45plus |
|------------------|-------|-------|--------|
| Aruba | 0.2% | 1.7% | 4.0% |
| Bonaire | | 0.1% | |
| Curacao | 0.4% | 2.2% | 4.3% |
| Elsewhere | 6.0% | 30.7% | 25.2% |
| Netherlands | 0.1% | 1.3% | 1.5% |
| Saba | | 0.1% | |
| St. Eustatius | | 0.1% | 0.1% |
| St. Maarten | 6.5% | 10.7% | 4.4% |

LFS 2009 Employed population: Country of birth vs. age expressed as absolute numbers and percentage

Gender

Even though there are nearly the same amount of males and females working, the number of males are slightly higher. For every 100 males working there are 10 females who are not considered actively employed. When we break that down to country of origin, we can see that males are indeed a bigger part of the employed population and most of that population was born elsewhere. In fact 32.5% which is nearly one third is foreign-born.

| Country of Birth | Female | Male |
|------------------|--------|-------|
| Aruba | 2.7% | 3.2% |
| Curacao | 3.2% | 3.7% |
| Elsewhere | 29.6% | 32.5% |
| Netherlands | 1.1% | 1.9% |
| St. Maarten | 10.5% | 11.2% |

LFS 2009 Employed population: Country of birth by gender in percentages

| | 15-24 | | | | 25-44 | | | | 45plus | | | | Total |
|-------------|-------|------|--------|------|-------|-------|--------|-------|--------|-------|--------|-------|--------|
| | male | | female | | male | | female | | male | | female | | |
| Aruba | 16 | 0.1% | 29 | 0.1% | 172 | 0.8% | 188 | 0.9% | 499 | 2.3% | 362 | 1.7% | 1,266 |
| Curacao | 47 | 0.2% | 43 | 0.2% | 234 | 1.1% | 246 | 1.2% | 515 | 2.4% | 405 | 1.9% | 1,490 |
| Elsewhere | 780 | 3.6% | 521 | 2.4% | 3,261 | 15.3% | 3,300 | 15.4% | 2,902 | 13.6% | 2,504 | 11.7% | 13,268 |
| Netherlands | 16 | 0.1% | 14 | 0.1% | 172 | 0.8% | 116 | 0.5% | 218 | 1.0% | 101 | 0.5% | 637 |
| St. Maarten | 733 | 3.4% | 651 | 3.0% | 1,108 | 5.2% | 1,187 | 5.6% | 546 | 2.6% | 405 | 1.9% | 4,630 |

LFS 2009 Employed population: Country of birth by gender and age in absolute and percentages

Education

The majority of the employed population is foreign-born. But what is their education? What is the highest level of education that they achieved? The table below provides an overview of the education based on the sampled persons during the Labour Force Survey in June 2009.

| Country of birth | No education | Primary education | Secondary education | Tertiary education | Post doctoral education |
|------------------|--------------|-------------------|---------------------|--------------------|-------------------------|
| Aruba | | 4.8% | 67.9% | 17.9% | 6.0% |
| Curacao | 1.0% | 1.0% | 84.8% | 9.1% | 3.0% |
| Elsewhere | 1.7% | 17.9% | 64.7% | 7.8% | 2.4% |
| Netherlands | | | 33.3% | 35.7% | 26.2% |
| St. Maarten | | 3.6% | 71.8% | 11.7% | 4.2% |

LFS 2009 Employed population: Country of birth by education level

Amongst the foreign-born we can see that compared to the Local-born, the number of primary school educated that are actively working is more than 5 times the number of the Local-born with the same level of education. A closer look at the age range for these two groups shows the distribution as follows:

| | Foreign-born | | | Local-born | | |
|-------------------------|--------------|-------|------|------------|-------|-----|
| | 15-24 | 25-44 | 45+ | 15-24 | 25-44 | 45+ |
| No education | | 75 | 150 | | | |
| Primary education | 15 | 706 | 1651 | | 30 | 135 |
| Secondary education | 1111 | 4714 | 2747 | 1081 | 1666 | 570 |
| Tertiary education | 45 | 661 | 330 | 15 | 405 | 120 |
| Post doctoral education | | 135 | 180 | 30 | 90 | 75 |

LFS 2009 Employed population: local-born and foreign-born education level by age

Labour

During the Labour Force Survey focus is placed on the principal job. This usually means the job where the person spends the higher number of hours. The employed population is employed in the following industries:

| Industry | Foreign-born | Local-born |
|---|--------------|------------|
| Construction | 1,591 | 180 |
| Education | 375 | 195 |
| Electricity-Gas | 45 | 180 |
| Employed persons in private households | 570 | |
| Extra Territorial Organizations and bodies | 300 | 75 |
| Financial intermediation | 330 | 315 |
| Health and social work | 285 | 285 |
| Hotels and restaurants | 2,357 | 375 |
| Manufacturing | 465 | 30 |
| Other Community, Social services | 1,216 | 405 |
| Public administration and defense | 225 | 585 |
| Real Estate, Renting, and Business Activities | 1,741 | 480 |
| Transportation, storage, communications | 766 | 706 |
| Whole sale, retail, trade | 2,747 | 661 |

LFS 2009 Employed population: local-born and foreign-born job industry

Here we can see that most Foreign-born are employed in the wholesale, retail, trade; hotels and restaurants; and real estate, renting, and business activities industry compared to the Local-born who are active in the transportation, storage, communications; wholesale, retail, trade; and public administration and defense industry.

The activities are also different for these two groups. Foreign-borns are more involved in manual labour while the locals are mostly involved in administrative duties.

| Function | Foreign-born | Local-born |
|-------------------------|--------------|------------|
| Assistant professionals | 706 | 405 |
| Professionals | 616 | 390 |
| Clerks | 1,666 | 1,306 |
| Farmers | 195 | |
| Managers | 1,156 | 495 |
| Unskilled | 2,897 | 405 |
| Operators | 676 | 180 |
| Service providers | 2,417 | 781 |
| Craftsmen | 2,222 | 330 |
| Supervisors | 525 | 120 |

LFS 2009 Employed population: local-born and foreign-born function

Both groups have about the same distribution of workers under permanent service. The difference is in contracts for less than 6 months and self-employed. The self-employed are employed in a variety of industries and functions. The difference is in the construction industry. On this level of details the numbers are too low to make any further detailed projections.

| Job status | Foreign-born | | Local-born | |
|-----------------------------------|--------------|-------|------------|-------|
| casual worker or casual job taker | 646 | 4.9% | 150 | 3.3% |
| contract for 6 months or longer | 976 | 7.4% | 405 | 9.0% |
| contract for less than 6 months | 120 | 0.9% | 90 | 2.0% |
| employee in permanent service | 8,197 | 62.3% | 2,927 | 64.8% |
| employee in temporary service | 1,051 | 8.0% | 375 | 8.3% |
| Employer | 300 | 2.3% | 105 | 2.3% |
| Other | 75 | 0.6% | 30 | 0.7% |
| self employed | 1,681 | 12.8% | 390 | 8.6% |
| Unknown | 105 | 0.8% | 30 | 0.7% |

LFS 2009 Employed population: local-born and foreign-born job status

Income

As the Labour Force Survey is based on a sample and not the entire population we are limited to the inferences that we can make. The use of samples means that we have to be aware of error margins. Some of the observation levels are so small that differences although observed still fall in the error margin that we allow ourselves. The tables below show differences between salaries but keep in mind that these are based on sample levels.

The average income for the different groups ranges from a minimum of 2,865 NAF for the Foreign-borns to 7,196.39 NAF for those born in the Netherlands. Although there is a difference between Foreign-borns and Local-borns, the difference is not as big as the group born in the Netherlands.

| Country of Birth | Average (in Naf) |
|------------------|------------------|
| Aruba | 4,527.95 |
| Curacao | 4,646.39 |
| Elsewhere | 2,882.56 |
| Netherlands | 7,196.39 |
| St. Maarten | 3,488.06 |

LFS 2009 Employed population: Average monthly salary (in Naf) by country of birth

Which industry shows the biggest difference in income between the Foreign-born and Local-born groups? The table below shows the average income for each group by industry.

| Industry | Foreign-born | Local-born | Difference |
|---|--------------|------------|------------|
| Construction | 3,168.61 | 4,597.13 | -1,428.51 |
| Education | 3,949.36 | 3,783.83 | 1,65.53 |
| Electricity-Gas | 6,295.00 | 2,624.17 | 3,670.83 |
| Employed persons in private households | 1,163.82 | | 1,163.82 |
| Extra Territorial Organizations and bodies | 5,152.10 | 7,561.25 | -2,409.15 |
| Financial intermediation | 3,526.95 | 3,400.16 | 126.79 |
| Health and social work | 5,383.06 | 2,838.06 | 2,545.00 |
| Hotels and restaurants | 2,578.07 | 2,354.17 | 223.89 |
| Manufacturing | 3,826.77 | 8,96.00 | 2,930.77 |
| Other Community, Social services | 2,366.38 | 2,847.37 | -480.99 |
| Public administration and defense | 2,671.93 | 4,004.29 | -1,332.36 |
| Real Estate, Renting, and Business Activities | 2,383.82 | 4,237.94 | -1,854.12 |
| Transportation, storage, communications | 3,648.87 | 4,827.35 | -1,178.48 |
| Whole sale, retail, trade | 2,727.11 | 2,164.00 | 563.11 |

LFS 2009 Employed population: Difference between the industry average monthly income (in Naf) between foreign-born and local-born

However, when we look at the functions, there are differences that although not significant due to sampling are still noteworthy.

| Function | Foreign-born | Local-born | Difference |
|-------------------------|--------------|------------|------------|
| Assistant professionals | 3,525.89 | 4,997.48 | -1,471.59 |
| Professionals | 5,490.30 | 5,112.21 | 378.09 |
| Clerks | 2,722.55 | 2,958.65 | -236.10 |
| Managers | 5,362.44 | 6,222.13 | -859.69 |
| Unskilled | 1,674.59 | 1,520.92 | 153.67 |
| Operators | 3,044.41 | 4,419.20 | -1,374.79 |
| Service providers | 2,185.96 | 2,287.15 | -101.19 |
| Craftsmen | 3,085.81 | 2,348.44 | 737.37 |
| Supervisors | 3,194.34 | 3,083.75 | 110.59 |

LFS 2009 Employed population: Difference between the job function average monthly income (in Naf) between foreign-born and local-born

Conclusion

“Foreigners are robbing us of our bread. “

“Businesses prefer to hire illegals because they are cheaper. “

“We can’t find work because foreigners are being hired.”

The majority of the employed population is foreign-born but that is a pure reflection of the St. Maarten population where most are also foreign-born.

They are more employed in manual labour in industries such as wholesale, retail, trade; hotels and restaurants; and real estate, renting, and business activities industry while the Local-born employed population is more administrative.

On the income side, we can conclude that the foreign-born are on the average lower paid than the Local-born population with Local-born higher paid in the assistant professionals and the operator functions.

A higher percentage of employed foreign-borns have only a primary school education.

Business Cycle Survey Results

Sint Maarten 2010

By Shiraz Karsowidjojo

Introduction

In 2004 the Central Bureau of Statistics started off with the implementation of the Business Cycle Survey on all islands of the Netherlands Antilles. The survey was conducted twice a year, and more than 1100 businesses of the Netherlands Antilles have been approached each year. With Sint Maarten's constitutional status change in October 2010, the statistics responsibility was transferred to the newly formed Department of Statistics (STAT).

The conduct of the Business Cycle Survey has continued with a purpose to collect up-to-date information on business and economic developments for industries and the business sector as a whole. Furthermore it gives information about expectations and opinions of entrepreneurs. The 2010 survey was conducted among all businesses with more than ten employees, and from a sample drawn for businesses with three to ten employees. In total 285 companies were approached.

The results presented in this article are based on estimates (as opposed to realised figures) of the non-financial businesses of St. Maarten as well as their expectations and opinions.

Summary of Results

Shortage of financial resources remain the leading investment obstacle, the investment climate is considered stable, business confidence has decreased and expected business results show a dip.

The survey has shown that 41 percent of the entrepreneurs have indicated that they experience investment obstacles.

Results also show that the business sector's confidence in the future economy has slightly decreased compared to June 2010, according to the opinions of entrepreneurs the investment climate is stable. Fewer companies expect to make a profit in 2011. Nevertheless, more companies have made a loss in 2010.

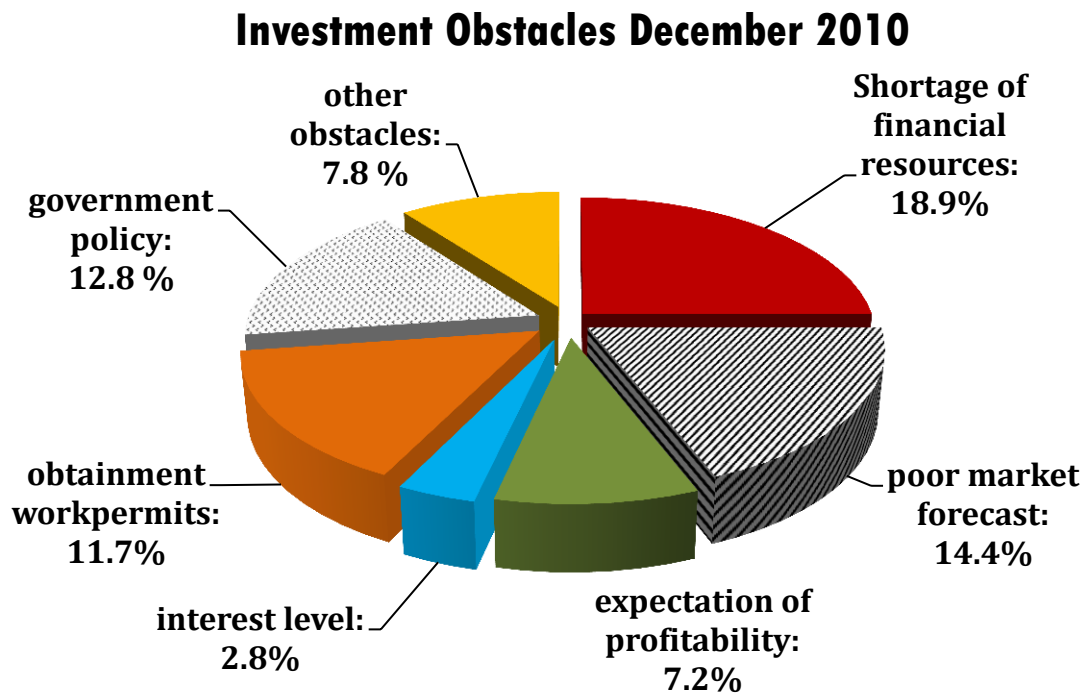
The survey results presented in this article are based on the following themes:

1. Investment obstacles
2. Competitive Position
3. Change in company's confidence
4. Confidence in the future
5. Perception towards the investment climate
6. Business Results

Increase in Investment Obstacles

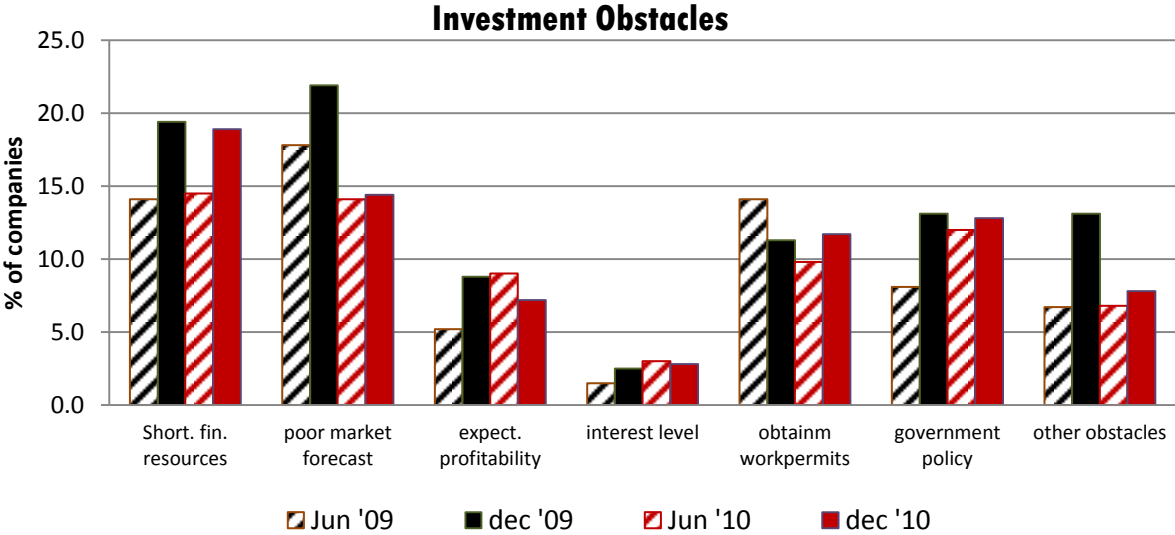
A significant amount (41 percent) of the entrepreneurs indicated that they experience investment obstacles. This marks the highest percentage in the 8 years since the start of this survey. Figure 1, refers to the factors contributing to the investments obstacles for the year 2010.

Figure 1



These obstacles are mainly due to a shortage of financial resources which has increased with 4 percent points compared to June 2010 (15 percent). A poor market forecast of 14 percent has also contributed to one of the main investment obstacles. Government policy and obtainment of work permits also add to obstacles for investments, the latter increased with 2 percent compared to June 2010 (see figure 2).

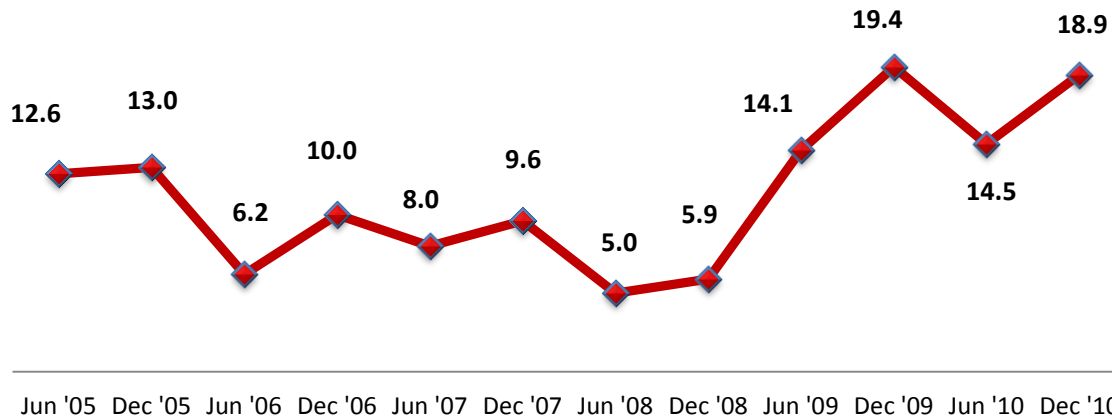
Figure 2



Compared to 2005, investment obstacles experienced by entrepreneurs have increased by 15 percent . So far, during the period of 2005-2010, the shortage of financial resources has always been the main factor influencing this indicator (see figure 3). The graph below depicts the increase in the “shortage of financial resources”, reaching its highest peak in December 2009 and its lowest in June 2008.

Figure 3

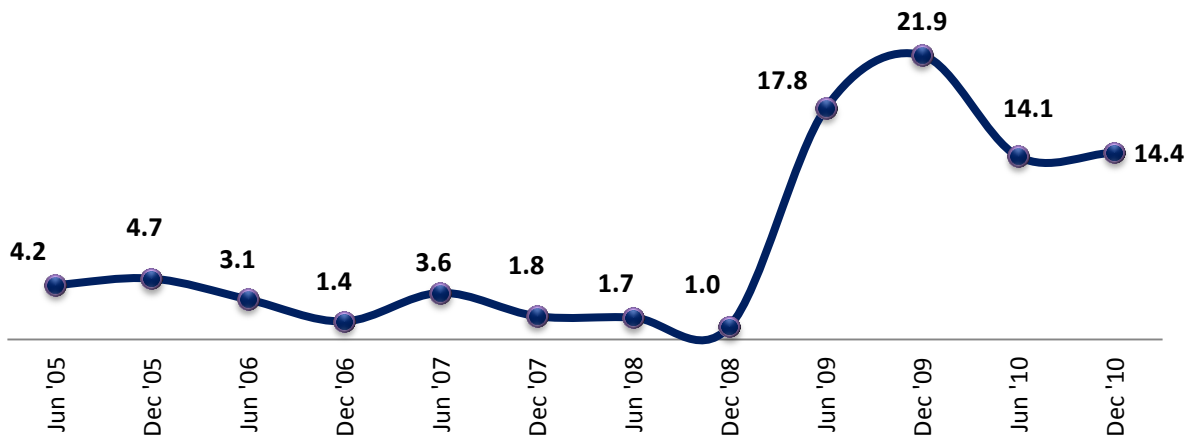
Percentage of Companies Indicating Shortage of Financial Resources as an Investment Obstacle



However, during the period of 2005-2010, poor market forecast ranked as the highest investment obstacle in December 2009 with 22 percent (see figure 4).

Figure 4

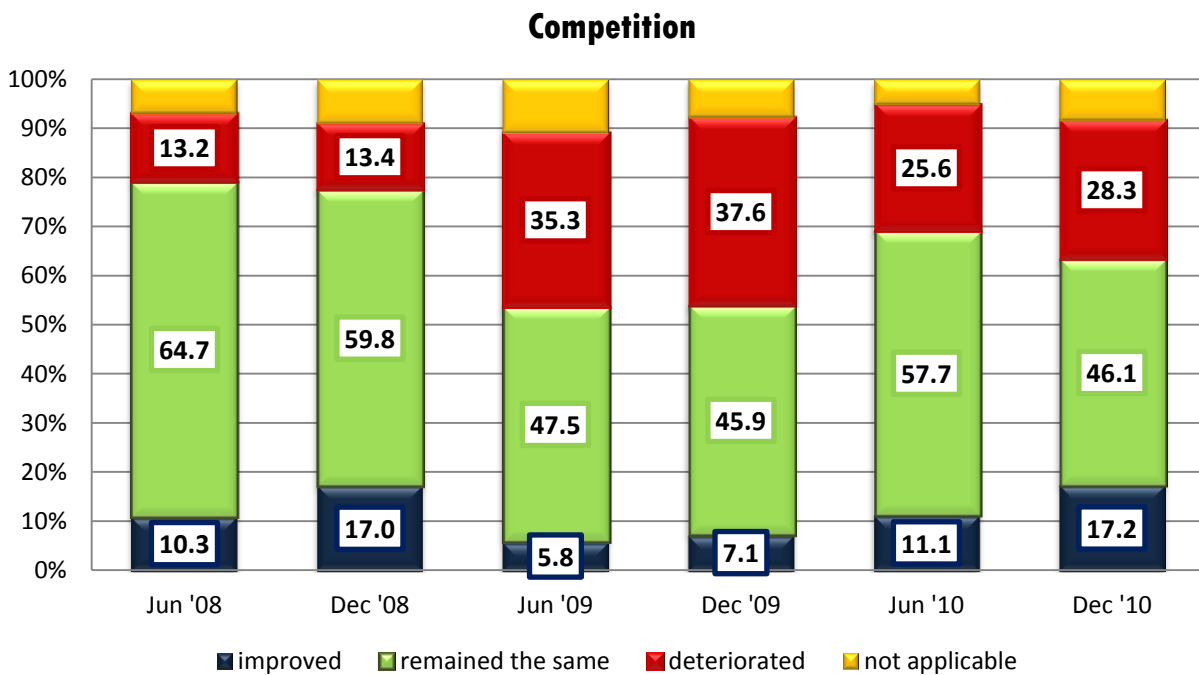
Percentage of Companies Indicating Poor Market forecast as an Investment Obstacle



Competitive Position

The perception towards competition within the domestic market has more or less remained the same, compared to December 2009 (see figure 5). The graph below depicts that the majority of the entrepreneurs, 46 percent, are of the opinion that their position in the market has remained the same. The percentage of enterprises that has an improved position in the market has increased with 10 percent, compared to December 2009. About 10 percent (compared to 38 percent in December 2009) have experienced improved market position. Roughly 8 percent of the interviewed businesses have stated that this question was 'not applicable'.

Figure 5

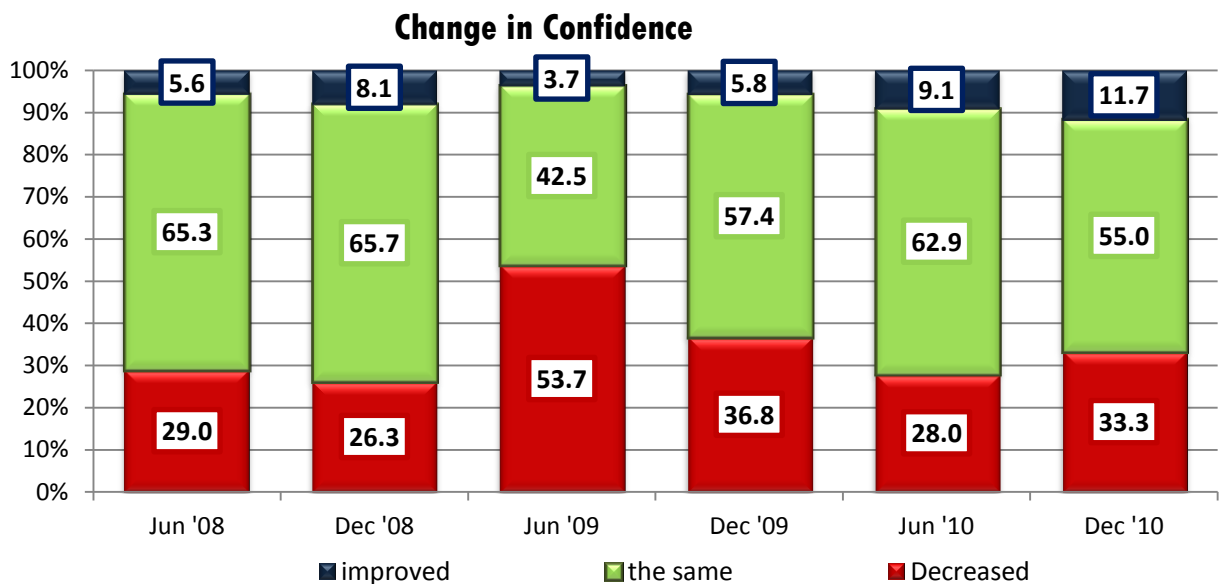


Change in the company's confidence

Also important is the entrepreneur's opinion about their company's confidence in the economy. Relative to June 2010, 3 percent of the businesses have experienced that their confidence in the economy has improved. Throughout the period of June 2008 until December 2010, the percentage of companies experiencing an improvement in the economy has increased with 6 percent points.

The number of companies that have no confidence in the economy has increased with 6 percent, compared with June 2010 (from 28 percent to 34 percent). Due to these changes fewer businesses, 8 percent, have indicated that their confidence has remained the same (see figure 6)

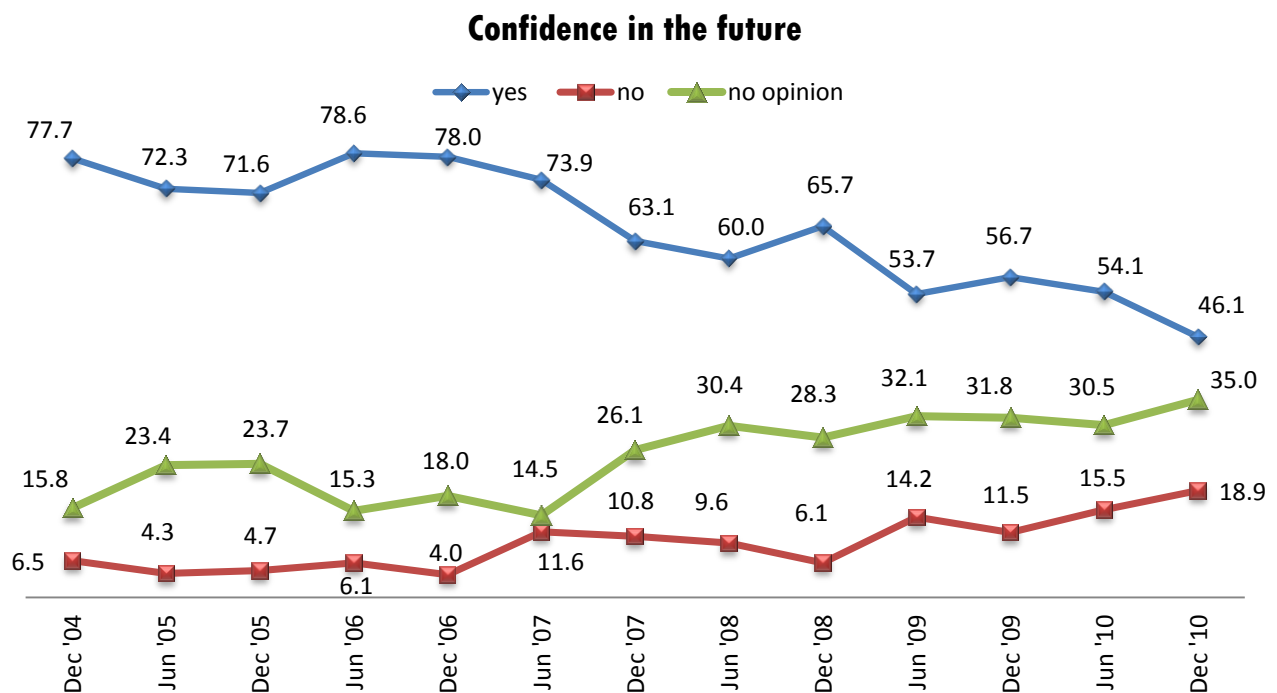
Figure 6



Confidence in the future

In June 2006, 79 percent of the companies had confidence in the future, which is the highest percentage in the history of this survey being conducted. Nonetheless in December 2010, the entrepreneur's confidence in the future has decreased slightly, with 8 percent points, to 46 percent of companies compared to June 2010. In accordance to this, more companies have lost confidence in the future. Companies with 'no opinion' increased with 4 percent points to 35 percent (see figure 7).

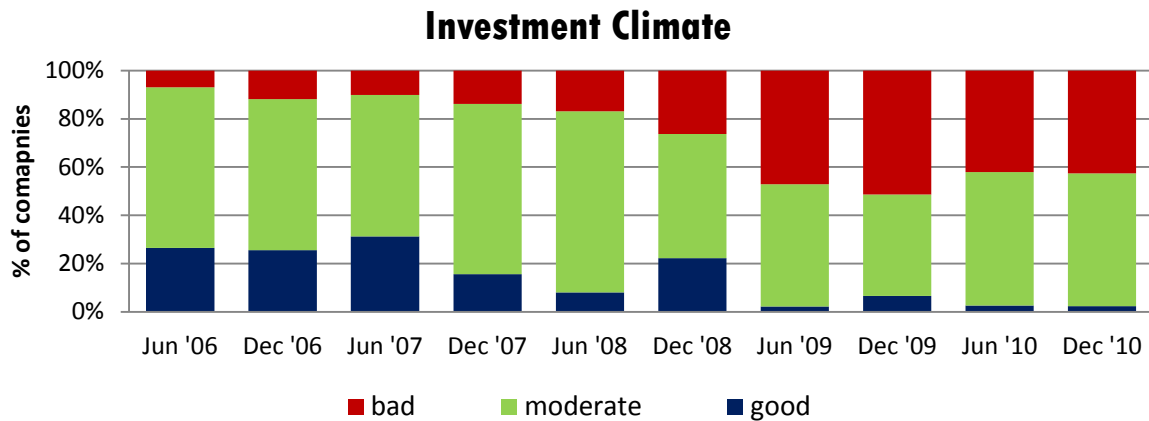
Figure 7



Investment Climate

When comparing December 2010 with June 2010, most of the businesses consider the investment climate on Sint Maarten to be 'moderate'; the percentage remained the same, 55 percent (see figure 8). However, in December 2010 the percentage of companies considering the investment climate to be 'moderate' increased with 13 percent points, relative to December 2009. Throughout the years, it can be seen that the business' opinion towards investment is perceived to be more negative. The number of companies that regard the investment climate to be 'good' have decreased with 1 percent point, from 3 to 2 percent, compared to June 2010. The percentage of companies which regard the investment climate to be 'bad' has increased with only 1 percent point.

Figure 8

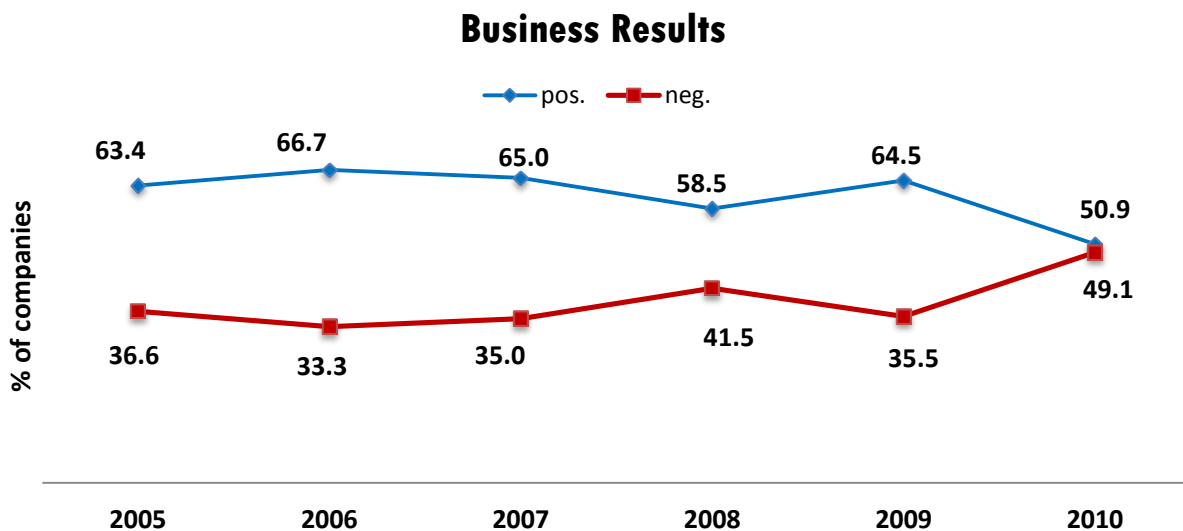


According to the entrepreneurs, the investment climate was experienced at its best at 31 percent in June 2007 during the period 2006-2010 and at its worse in 2009 with 51 percent. Overall, it can be concluded that perception towards the future and investment climate has stabilized somewhat.

Business Results

An important property of the economy is the expected profit for the year. The percentage of companies that expected positive results decreased from 65 to 51 percent in 2010 compared to 2009. In accordance to this, more companies, 49 percent, have estimated to have made a loss in 2010 (see figure 9).

Figure 9



CPI

CONSUMER PRICE INDEX

1ST TRIMESTER REPORT 2011



By Saskia Thomas-Salomons

Consumer Price Index (CPI) is an index of the variation in prices paid by consumers for retail goods and other items. On St. Maarten, prices are collected every two months and are used to calculate the CPI. It is a useful economic measure, used to determine inflation and to adjust salaries, pensions, rental contracts, etc.

The CPI is determined on the basis of price developments within a set basket of consumer goods and services. This basket is divided into nine expenditure categories each carrying a specific weight. Note the pie chart (fig.1) below illustrates the weight of each expenditure category.

Inflation can be defined as the average increase of the CPI over a 12-month period compared to the previous 12-month period. A chief measure of price inflation is the inflation rate.

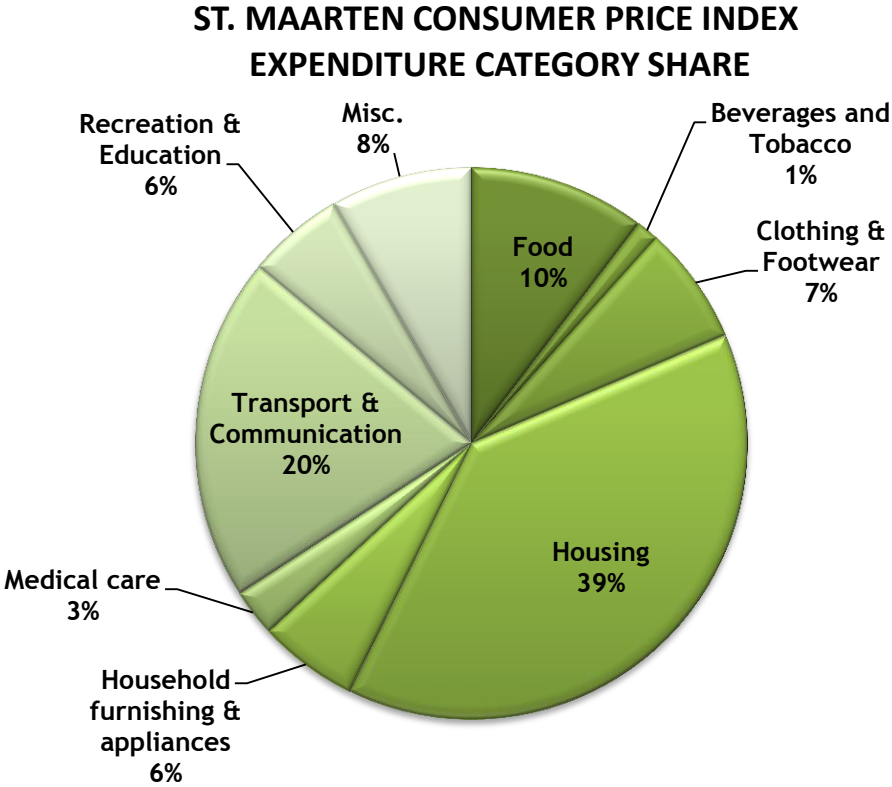


Figure 1



EXPENDITURE CATEGORY

FOOD

1 Food

The expenditure category Food is one of the three largest contributing categories, it carries a 10% weight of the total CPI. The Food category is further sub-divided into nine food groups. Each of the food groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

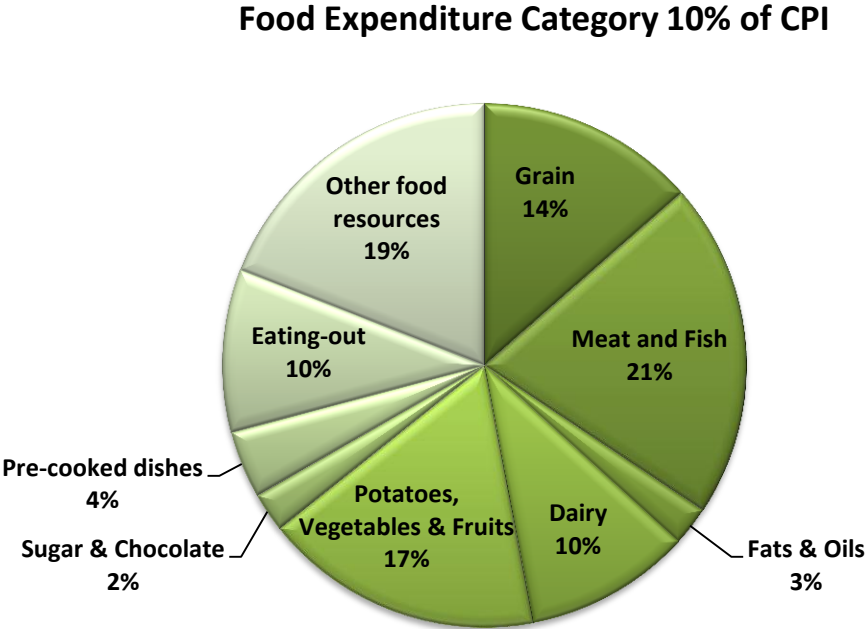


Figure 2

Illustrated in the cone chart (*fig.3*) below are the average inflation rates recorded in the expenditure category Food over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Note that, during the years 2006 through 2009 there was an upward trend in the average inflation, which peaked in 2009 (15.6%). However, the last two years (2010; 2011) have shown a sharp drop in average inflation; each year decrease with above 55% compared to the previous year.

In the following section we take a closer look into the average index for each of the nine food groups over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. In some cases food products that are considered of interest were highlighted and the average price recorded during February and April over the last 5 years was depicted in a line chart.

Ave. Inflation for the Expenditure Category Food in the period (Jan - Apr) 2006 - 2011

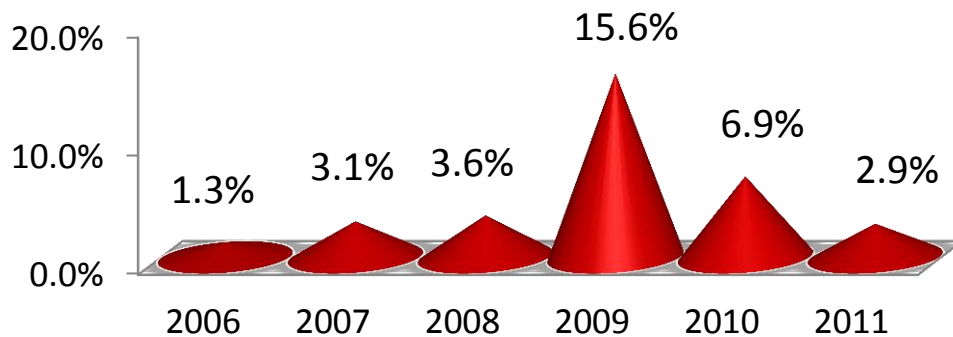


Figure 3

1.1 World Outlook: Rising Prices for the Food Commodity

Periods of rising and falling prices for agricultural products are not uncommon. The specific factors contributing to price fluctuations may differ somewhat, and the magnitude and duration of the fluctuations may vary. Between early June 2010 and February 2011, worldwide prices of food commodities increased sharply, surpassing the 2008 peaks (*depicted in figure 4 and 5*). The long term trends in agricultural production and consumption have contributed to the recent price surge, including global growth in population and per capita incomes, increasing world per capita consumption of animal products, rising energy prices and growing global biofuel production (*produced from corn, sugarcane and vegetable oil crops*), depreciation of the US dollar, and slower growth in agricultural productivity. Weather-related production shortfalls resulted in the decline of world stocks of grains and oilseeds and changes in trade policies and practices in some countries.¹

¹ USDA (United States Department of Agriculture), "Why have food commodity prices risen again?", A report from the Economic Research Service, June 2011

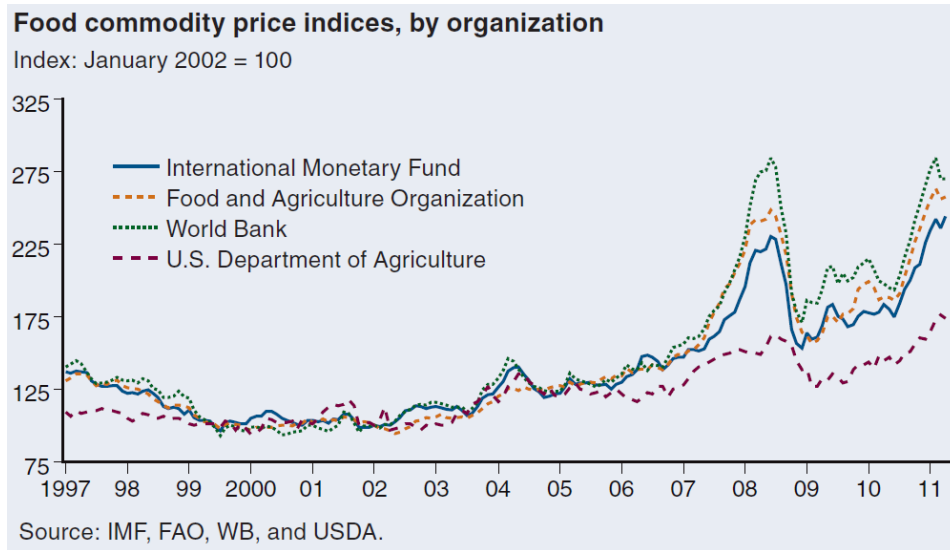


Figure 4²

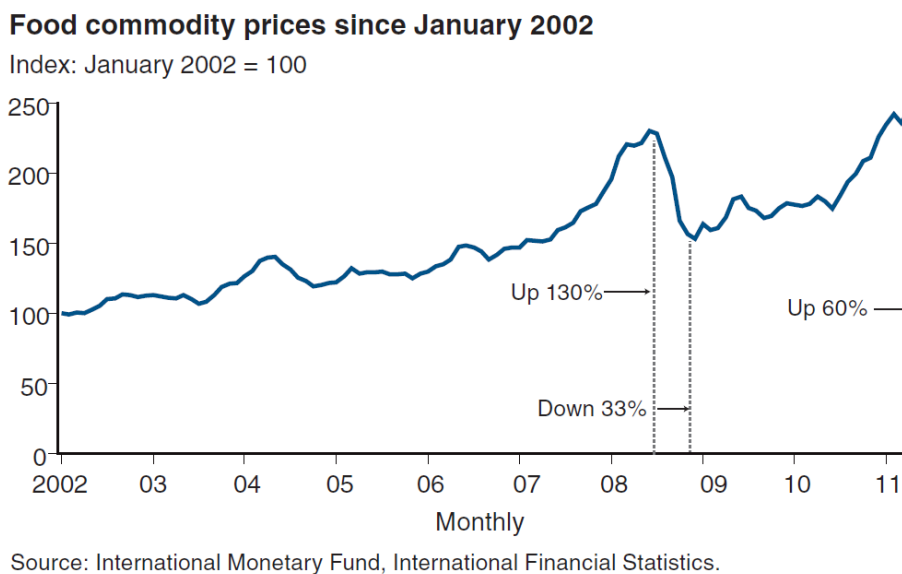


Figure 5³

When comparing the movement in index prices of the food commodity for Sint Maarten to that of the World we note the same upward trend. Yet notable is the downward trend recorded in the World index prices between 2009 and 2010 has not translated to the Sint Maarten market.

² & ³ USDA (United States Department of Agriculture), "Why have food commodity prices risen again?", A report from the Economic Research Service, June 2011

**Monthly Index for The Expenditure Category
Food during 2006 - 2011**

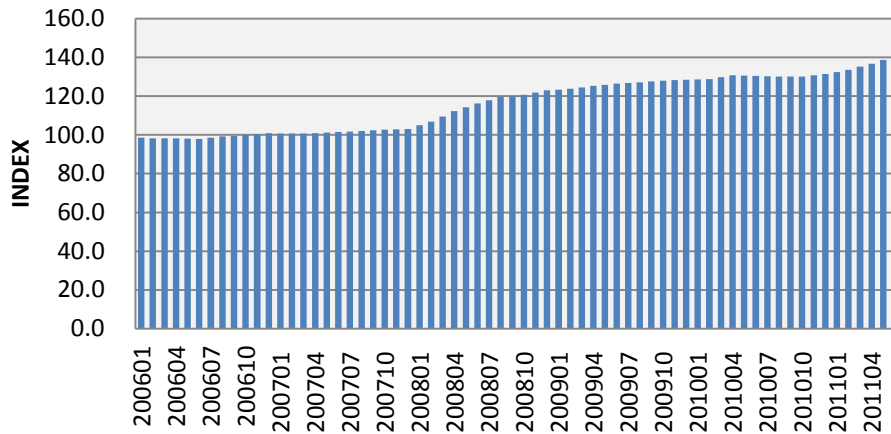


Figure 6

**Monthly Inflation in The Expenditure Category
Food during 2006 - 2011**

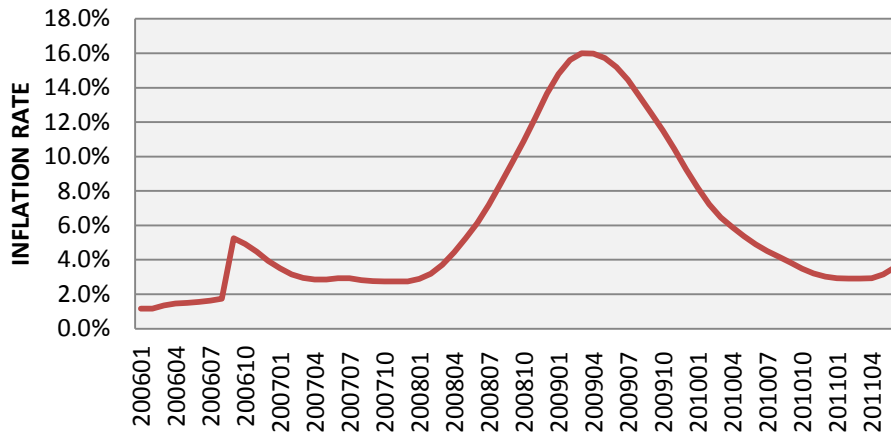


Figure 7

We notice in figure 8 below that GDP per capita on Sint Maarten has shown slight growth comparable to the World’s GDP per capita. Notable is the growth recorded in GDP per capita of the US and Dutch economy was more aggressive over the 2000 to 2009 period.

GDP per capita ST. Maarten / USA / Nederland / World 2000 - 2009

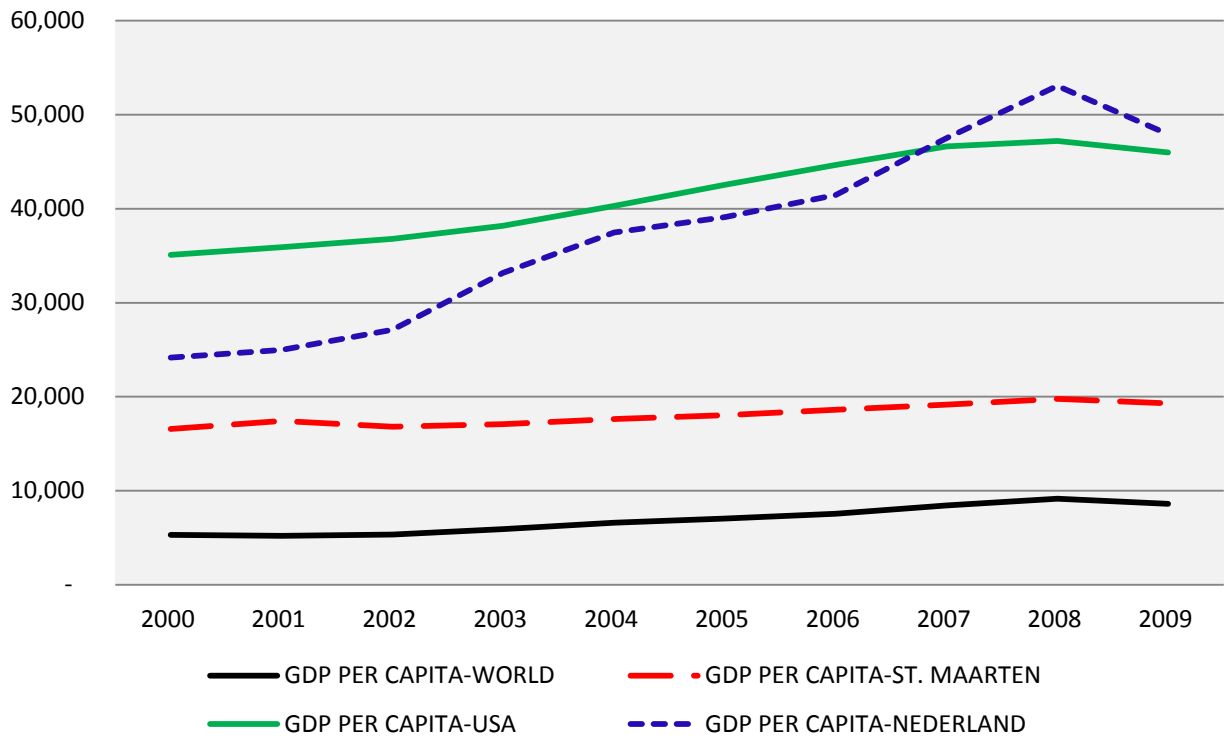


Figure 8

1.2 Grains

The bar chart (*fig.9*) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has consistently been increasing. Note that 2008 compared to 2009 recorded that largest jump, recording above 30 points increase in the average index. The large increase in prices within the food group grain was also noted in the average inflation of the entire Food category during this period.

In the following section we will highlight average prices recorded over the last 5 years for the food products Bread, Rice and Flour.

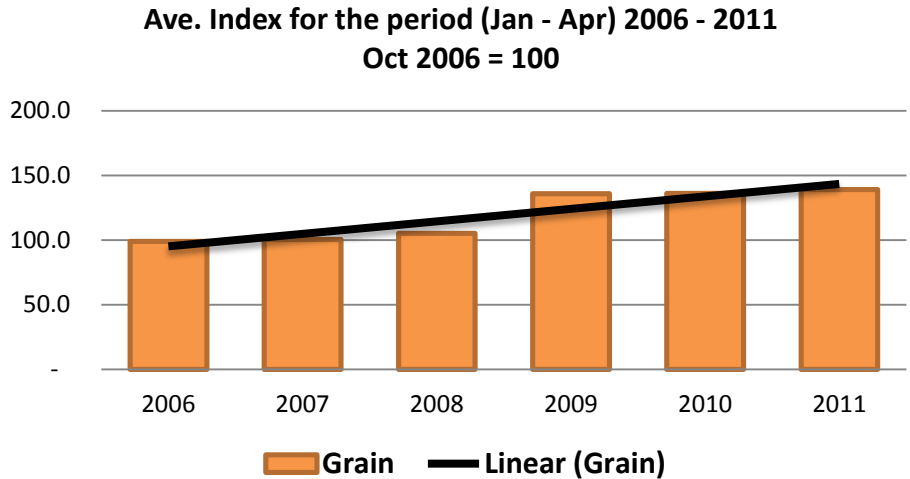


Figure 9

The line graph below (*fig.10*) depicts the average price recorded for white and brown bread during February and April over the last 5 years. Note that the average price of white bread has shown an increasing trend during 2008 and 2009; during which the highest average price (ANG 2.53) for white bread was recorded. The following period (2010; 2011) recorded a gradually decreasing average price. Notice that brown bread has a more volatile movement in the average price; however the trend indicates a consistently increasing average price. The highest average price (ANG 3.92) for brown bread was recorded in April 2011.

1.2.1 Bread

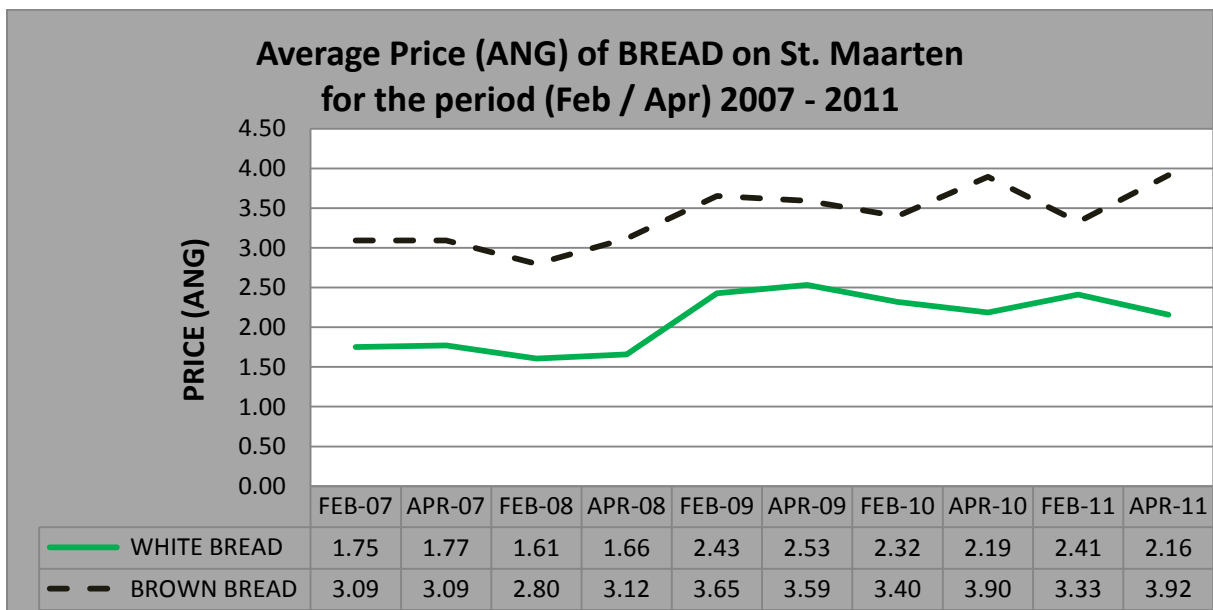


Figure 10

1.2.2 Rice

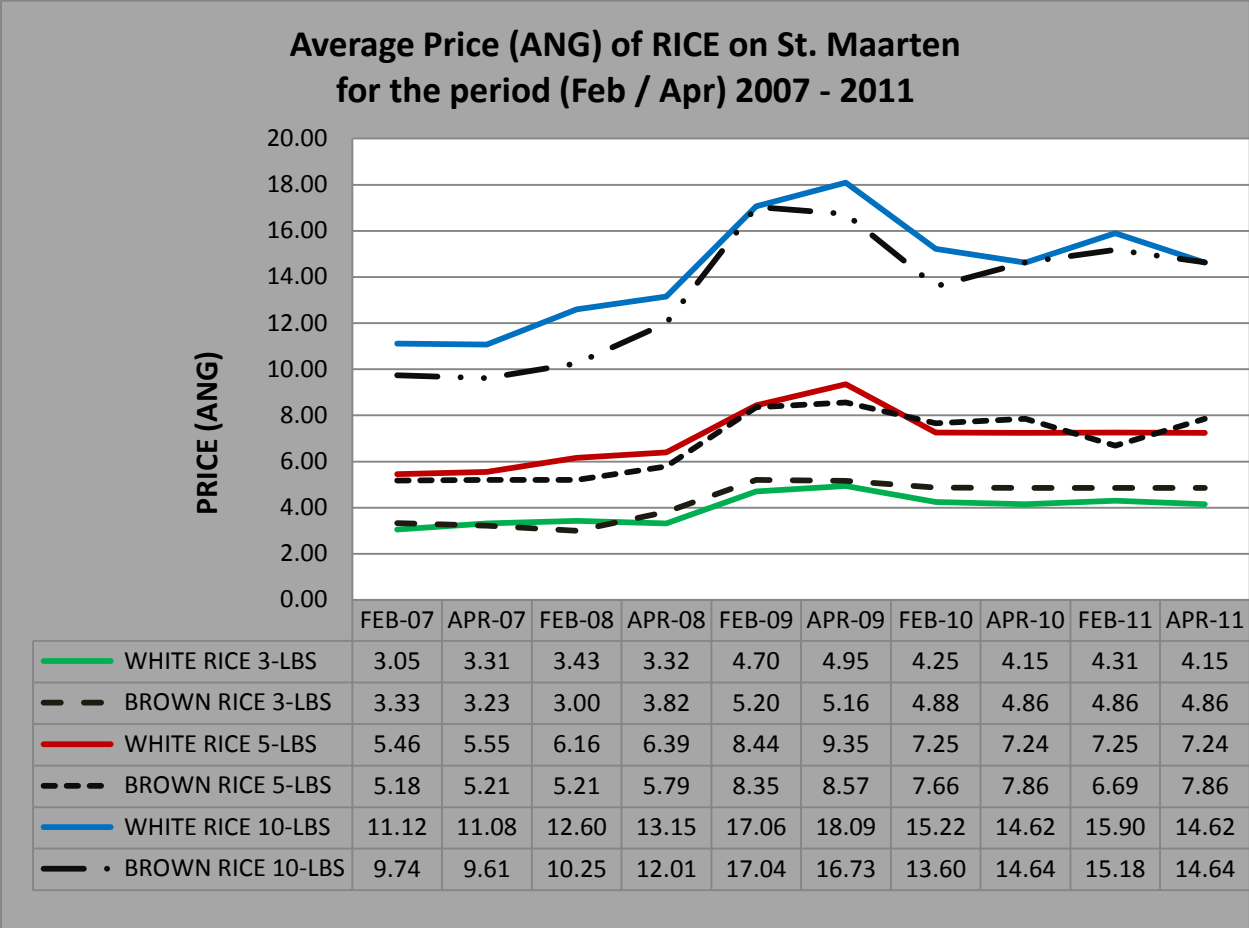


Figure 11

The line graph above (*fig.11*) depicts the average price recorded for white and brown rice during February and April over the last 5 years. Note that the average price of white and brown rice has been following very similar movements; mostly the variation in price between white and brown rice is under ANG 1.

The 3-pound bag of white and brown rice has shown a slight increase in average price during 2009 however, remained fairly stable after this period. The highest average price (ANG 4.95; ANG 5.20) for a 3-pound bag of white and brown rice was recorded in April 2009 and February 2009 respectively.

The 5-pound bag of white and brown rice has shown an increase in average price during 2009. In February 2010, white rice recorded a sharp decrease in the average price yet, remained fairly stable after this period. Brown rice recorded a gradually decreasing average price during 2009 and 2010. The highest average price (ANG 9.35; ANG 8.57) for a 5-pound bag of white and brown rice was recorded in April 2009.

The 10-pound bag of white and brown rice has shown a steep incline in average price leading up to 2009 however, declined over the course of 2010. The highest average price (ANG 18.09; ANG 17.04) for a 10-pound bag of white and brown rice was recorded in April 2009 and February 2009 respectively.

1.2.3 Flour

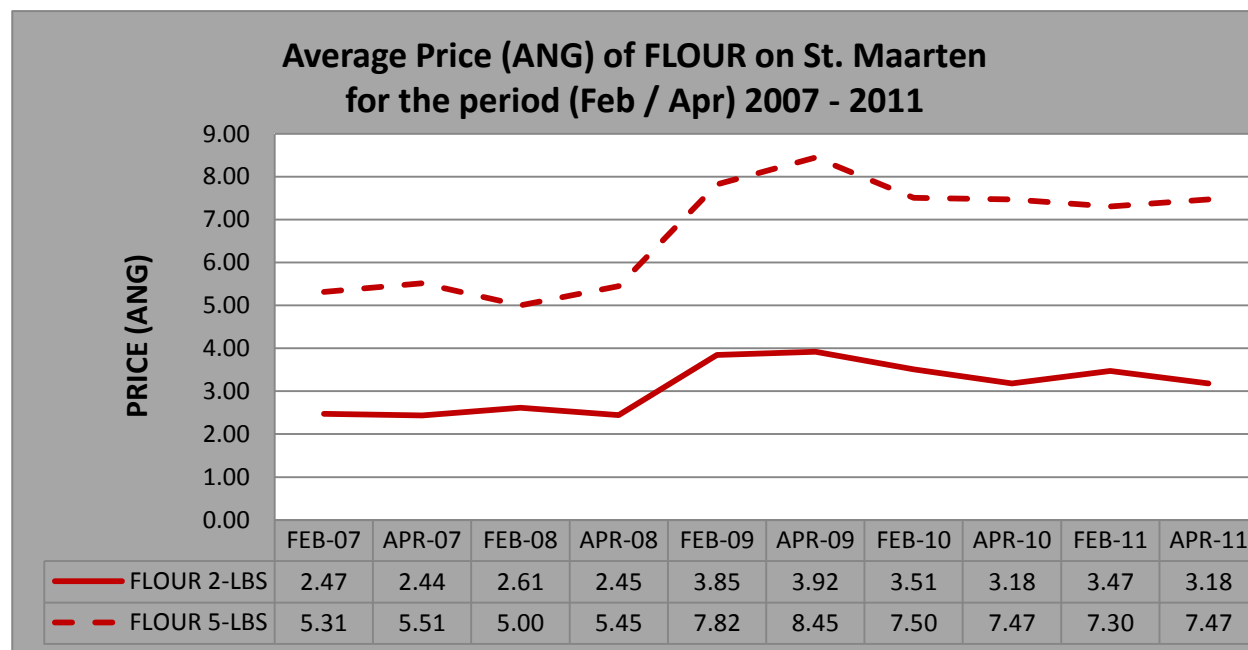


Figure 12

The line graph above (*fig.12*) depicts the average price recorded for flour during February and April over the last 5 years. Note that Flour has shown a steep increase in average price during 2009, this was followed by a slight decline over the next 2 years. The highest average price (ANG 3.92; ANG 8.45) for the 2-pound bag and 5-pound bag respectively, was recorded in April 2009.

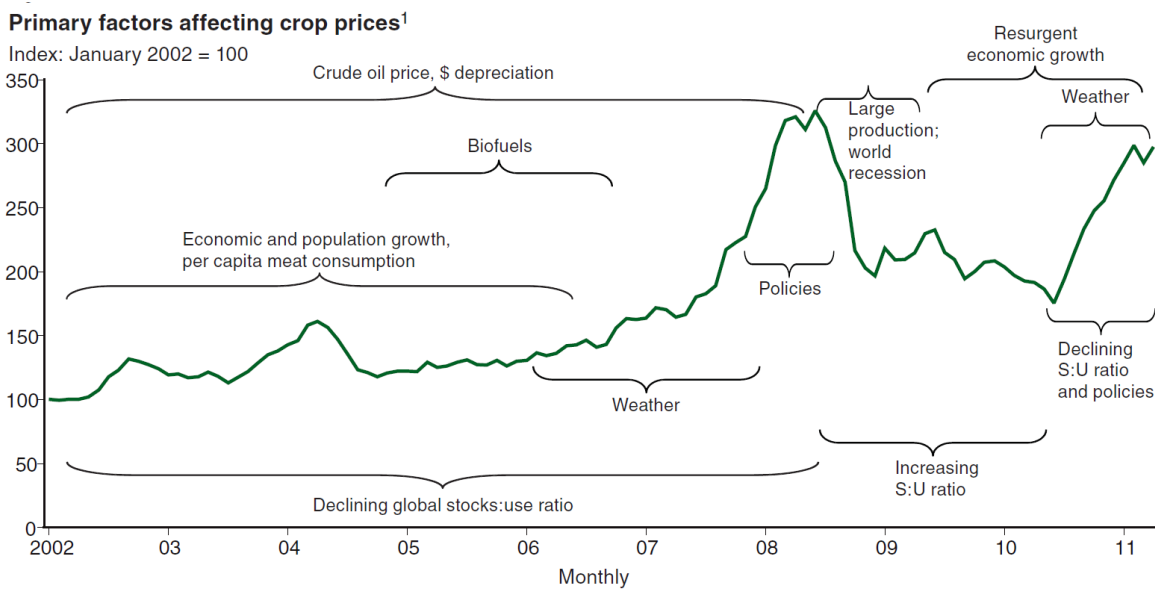
1.2.4 World Outlook: Rice and Wheat

Wheat conditions in the US during the spring of 2011 was not as good as that of 2010, which resulted in a lower percentage of wheat supplies being rated as good to excellent. Projected ending stocks for 2011/12 are down from that of 2010/11 as supplies decrease more than consumption. Overall a series of adverse weather events in a number of major world producing regions that occurred in a relatively compressed time period (from June 2010 to April 2011) has caused increases in crop prices.

Global rice production for 2011/12 is projected at the highest on record, however, there is a downward shift in the crop production estimated by the US and an upward shift in the

estimation of Egypt’s production. The trading prices of Thailand’s and Vietnam’s rice has sharply rose, largely in response to recent political developments in Thailand. Whilst the US prices for long grain rice has risen due to the smaller 2011/12 projected crop size. Additionally the economic growth in low- and middle-income countries has resulted in increased food demand which has contributed to the recent price increases. ⁴

Combining the above mentioned factors, the depreciating US dollar and the ever increasing world crude oil prices has filterd through to most world commodity markets. The depreciating US dollar reduces the import country’s importing cost this results in the tendency of US export prices to rise.



S:U=Stocks-to-use ratio.

¹Four-crop price index for wheat, rice, corn, and soybean prices weighted by trade shares.

Source: USDA, Economic Research Service calculations based on International Monetary Fund, International Financial Statistics.

Figure 13⁵

1.3 Meat, Poultry & Fish

The bar chart below (fig.14) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has consistently been increasing. Note that 2008 compared to 2009 recorded that largest jump, recording 17.5 points increase in the average index. The large increase in prices within the food group meat, poultry & fish was also noted in the average inflation of the entire Food category during this period.

⁴&⁵ USDA (United States Department of Agriculture), “Why have food commodity prices risen again?”, A report from the Economic Research Service, June 2011 ; USDA, “Wheat Outlook”, A report from the Economic Research Service, July 2011; USDA, “Rice Outlook”, A report from the Economic Research Service, July 2011

In the following section we will highlight average prices recorded over the last 5 years for the food products canned meat and canned fish.

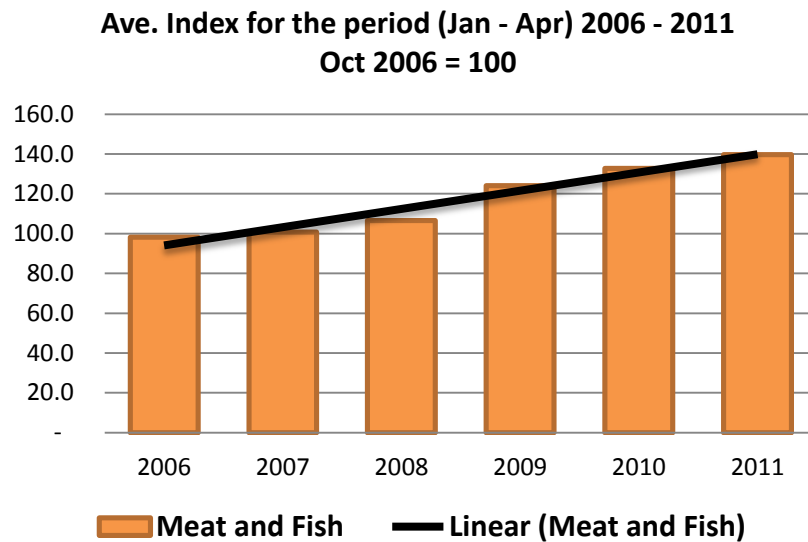


Figure 14

1.3.1 Canned Meat

The line graph below (*fig.15*) depicts the average price recorded for canned meat during February and April over the last 5 years. Note that the average price of corn beef recorded a sharp incline during 2009; followed by a slight decline in 2010. The highest average price (ANG 4.27; ANG 5.22) for the 7-ounce and 12-ounce can of corn beef was recorded in February 2009 and February 2011 respectively.

The 5-ounce can of vienna sausage remained fairly stable throughout the last 5 years; recording the highest average price (ANG 1.48) in April 2009.

Note that luncheon meat recorded a slight incline during 2008 and 2009 however, remained fairly stable after this period. The highest average price (ANG 4.03; ANG 5.75) for the 7-ounce and 12-ounce can of luncheon meat was recorded in February 2009 and February 2011 respectively.

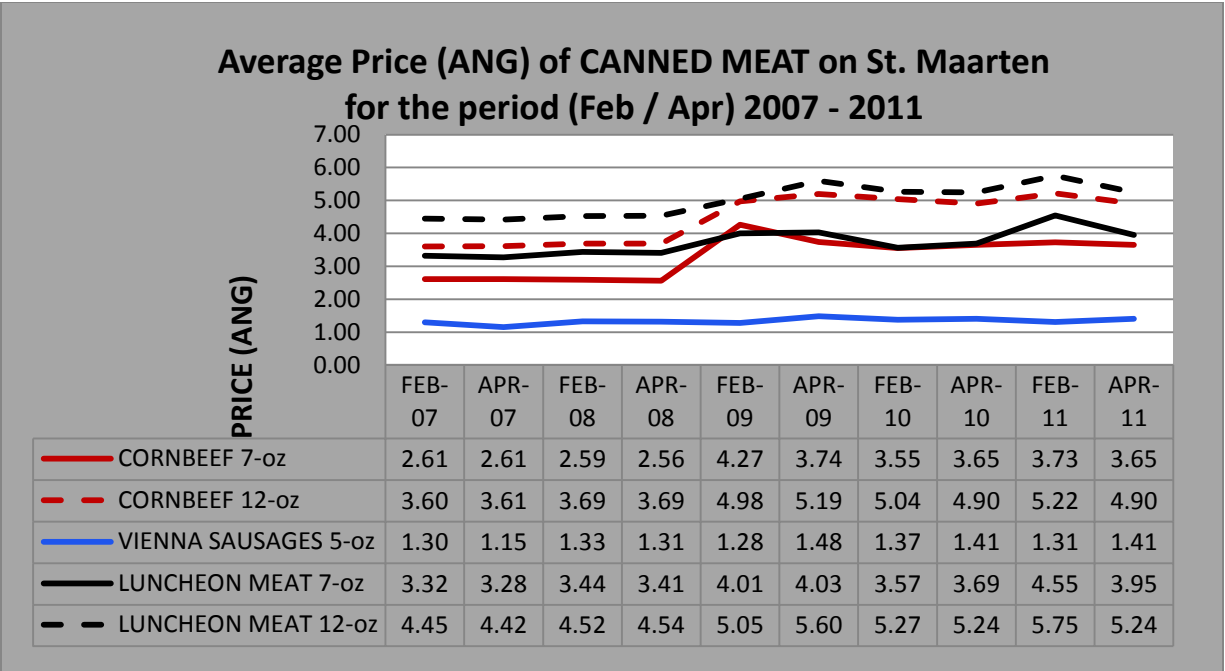


Figure 15

1.3.2 Canned Fish

The line graph below (*fig.16*) depicts the average price recorded for canned fish during February and April over the last 5 years. Note that the average price of tuna recorded a sharp incline during 2009; followed by a slight decline in 2010. The highest average price (ANG 2.41) was recorded in April 2009. The average price for a 3.75-ounce can of sardines has shown a gradual upward movement during the period 2007 to 2010. The highest average price (ANG 2.10) was recorded in February 2010.

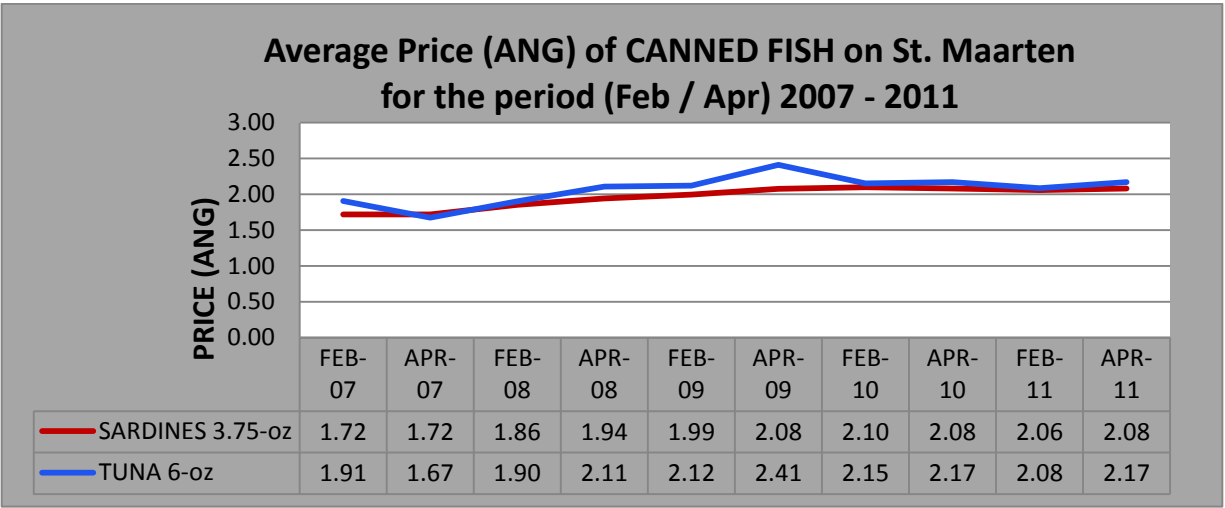


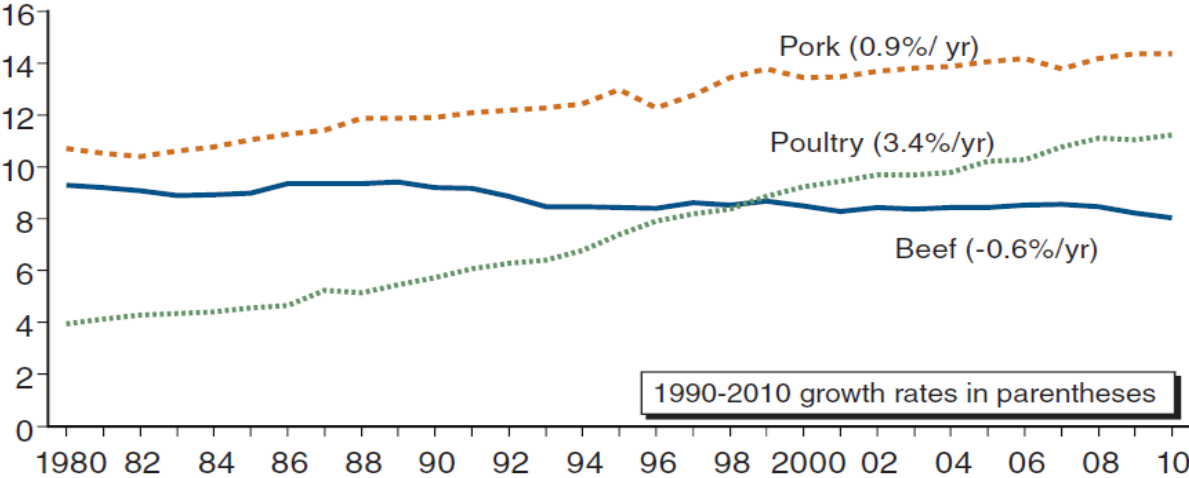
Figure 16

1.3.3 World Outlook: Animal Products

With the rising global incomes, an increase in the world per capita meat consumption was observed. As demand for meat rises, the demand for grain and proteins feeds used to produce meat also increases. However decisions made during the 2008/09 recession to decrease supply due to the reduced demand during this period has resultantly determined the supply at this moment of growing demand. The world meat market continues to feel the impacts of the world recession.⁶

Global per capita meat consumption¹

Kilograms per capita



¹Data are not reported in USDA’s Production, Supply and Distribution (PS&D) database for some countries, therefore data are not equal to true global total.

Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution (PS&D) database; Food and Agriculture Organization’s database and baseline projections.

Figure 17⁷

1.4 Fats & Oils

The bar chart (fig.18) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has progressively been increasing. Note that 2008 compared to 2009 recorded that largest jump, recording above 34 points increase in the average index. The large increase in prices within the food group grain was also noted in the average inflation of the entire Food category during this period. Notably is the decline in the average index of Fats & Oils in 2009

⁶ & ⁷ USDA (United States Department of Agriculture), “Why have food commodity prices risen again?”, A report from the Economic Research Service, June 2011

compared to 2010; hereafter an incline of 9.5 points in 2011. However, the overall trend is a rising average index.

In the following section we will highlight average prices recorded over the last 5 years for the food products Margarine and Cooking Oil.

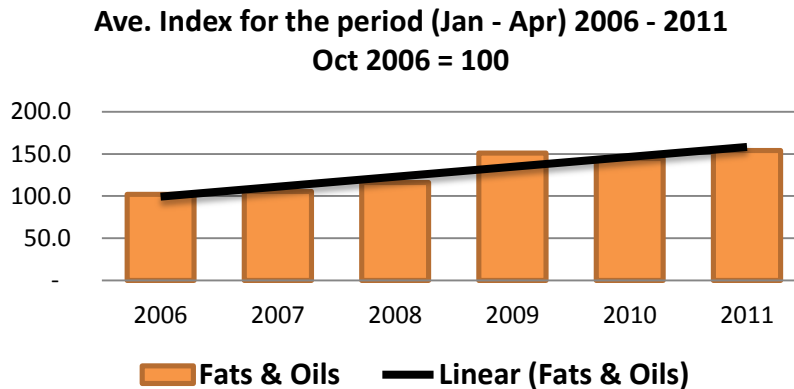


Figure 18

1.4.1 Margarine

The line graph below (*fig.19*) depicts the average price recorded for Margarine during February and April over the last 5 years. Note that the average price of a 900-gram can of margarine has had a steady incline over the last 5 years; whereas, the 450-gram can of margarine has had a fluctuating average price. The highest average price (ANG 5.22; ANG 6.75) for the 450-gram and 900-gram can of margarine was recorded in February 2011.

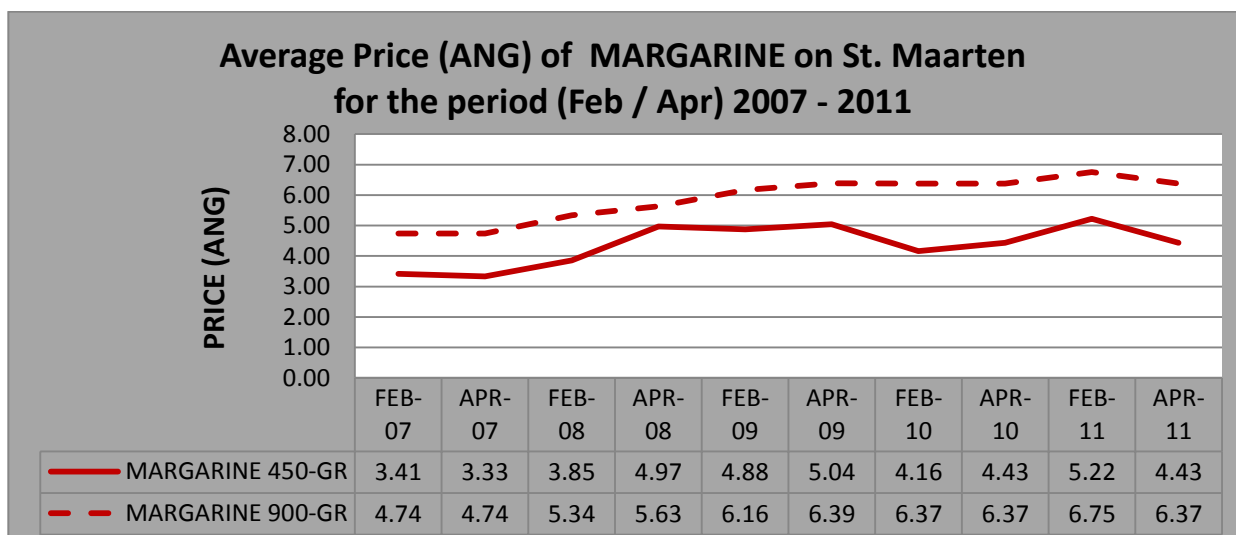


Figure 19

1.4.2 Cooking Oil

The line graph below (fig.20) depicts the average price recorded for Cooking Oil during February and April over the last 5 years. Note that the average price of a 16-ounce bottle has had a gradual incline over the last 5 years. The average price of the 32-ounce bottle has recorded a slow incline during 2007 to 2009. However, in 2009 and 2010 the average price recorded two dips and peaks followed by a decline in 2011. The average price of the 48-ounce bottle has recorded a steady incline over the 2007 to 2009 period after which, a decline in the average price has been recorded. The highest average price (ANG 4.56; ANG 7.49; ANG 10.94) for the 16-ounce, 32-ounce and 48-ounce can of margarine was recorded in February 2011 and February 2009 respectively.

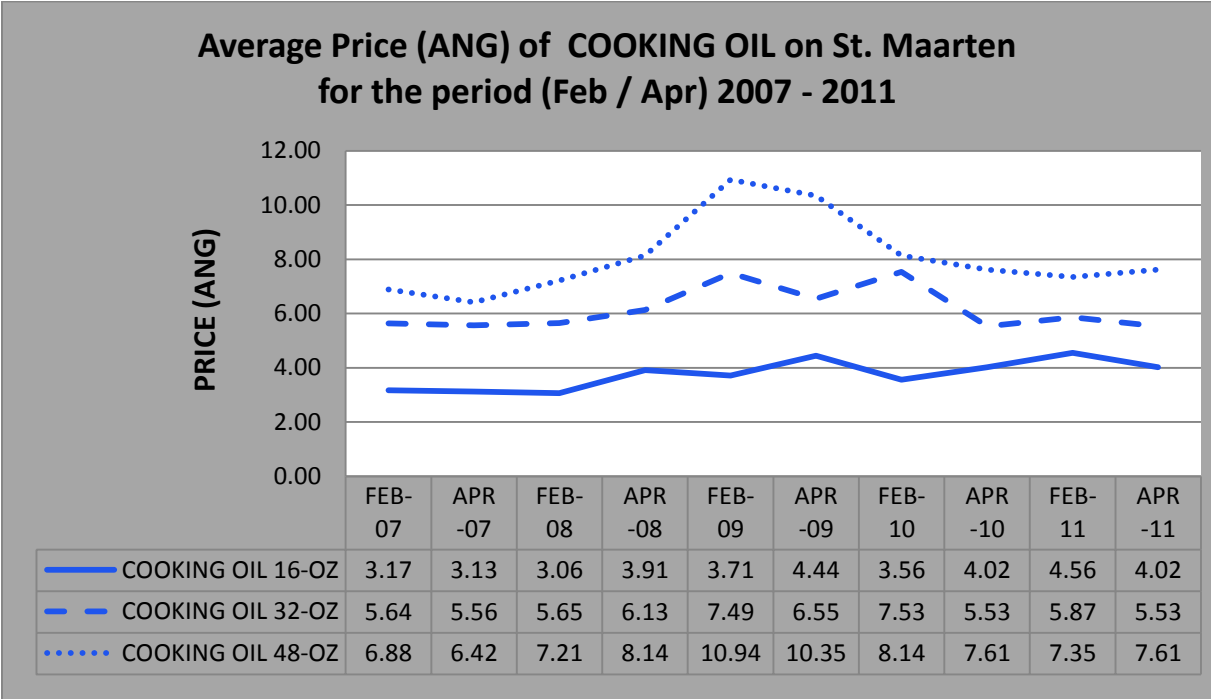


Figure 20

1.5 Dairy

The bar chart (fig.21) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has gradually been increasing. Note that 2007 compared to 2008 recorded that largest jump, recording 20.5 points increase in the average index. Notably is the slowing incline in the average index in 2009 through 2011 however, the overall trend is a rising average index.

In the following section we will highlight average prices recorded over the last 5 years for the food products; Powder milk, Can milk, Baby milk and Eggs.

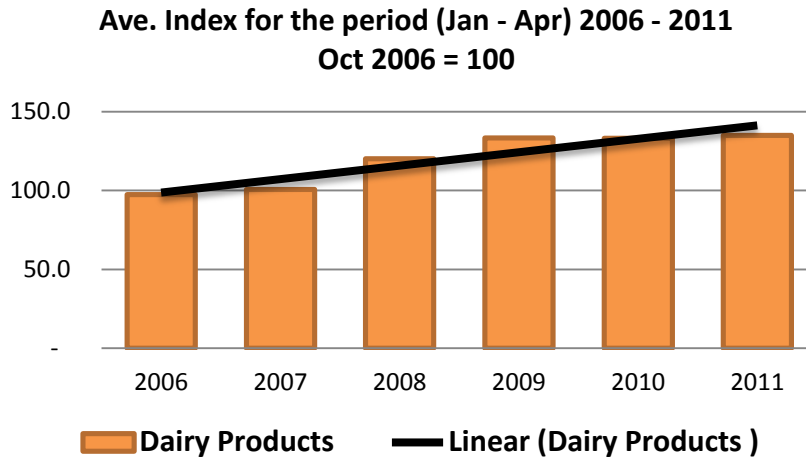


Figure 21

1.5.1 Powdered Milk

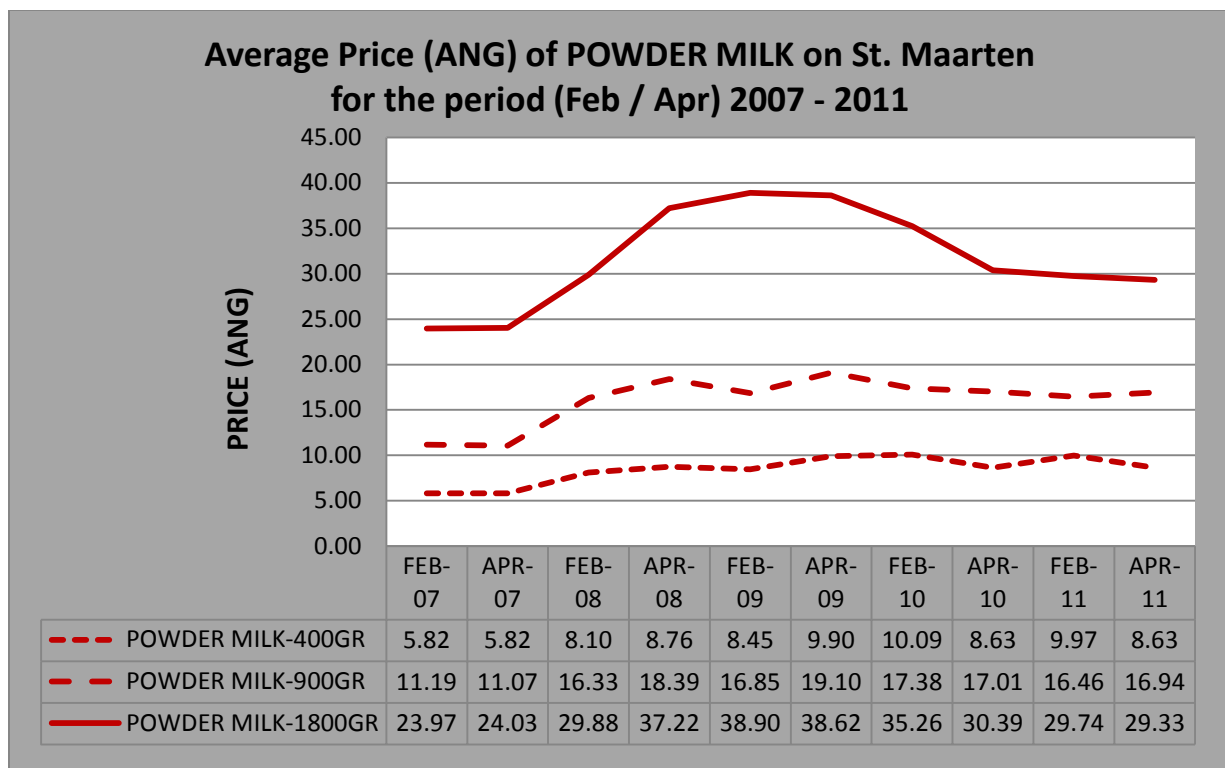


Figure 22

The line graph above (*fig.22*) depicts the average price recorded for Powder milk during February and April over the last 5 years. Note that the average price of a 400-gram tin of

powder milk has had a gradual incline over the last 5 years. The average price of the 900-gram tin of powder milk has recorded an incline during 2007 to 2008.

However, in 2009 through to 2011 the average price gradually declined. Notable is the sharp incline in average price of 1800-gram tin of powder milk over the 2007 to 2009 period after which, a steady decline has been recorded. The highest average price (ANG 10.09; ANG 19.10; ANG 38.90) for the 400-gram, 900-gram and 1800-gram tin of powder milk was recorded in February 2010, April 2009 and February 2009 respectively.

1.5.2 Can Milk

The line graph below (*fig.23*) depicts the average price recorded for can milk during February and April over the last 5 years. Note that the average price of can milk has had a gradually inclined over the last 5 years. The highest average price (ANG 2.16) for can milk was recorded in April 2009.

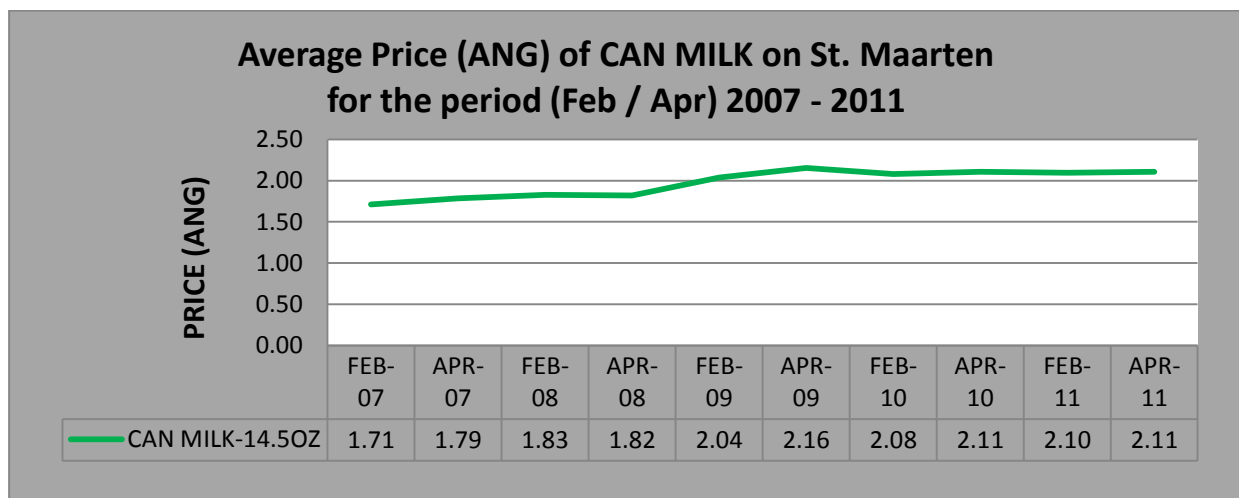


Figure 23

1.5.3 Baby Milk

The line graph above (*fig.24*) depicts the average price recorded for Baby milk during February and April over the last 5 years. Note that the average price of a 400-gram tin of baby milk has remained fairly stable over the last 5 years. The average price of the 900-gram can of baby milk has recorded a sharp incline during in 2008 continued to climb reaching its peak (ANG 37.15) in April 2009; after this period the average price has been declining to a plateau in 2011.

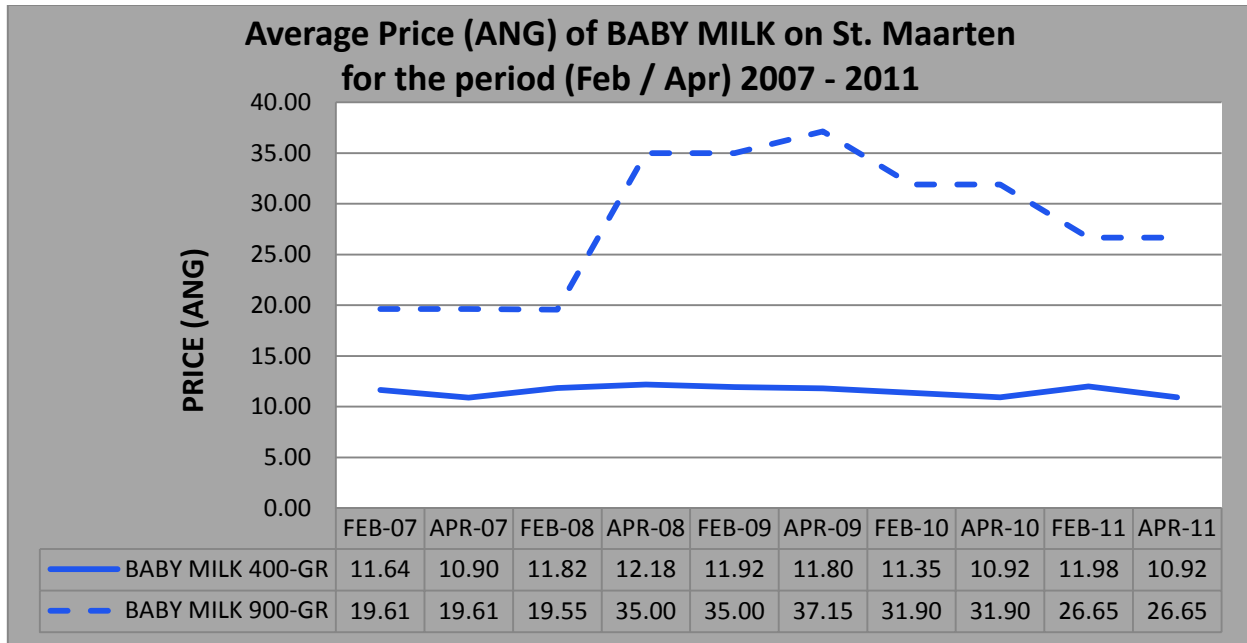


Figure 24

1.5.4 Eggs

The line graph below (*fig.25*) depicts the average price recorded for Eggs during February and April over the last 5 years. Note that, the average price of 1 dozen eggs inclined in 2007 after which remained fairly stable. The highest average price (ANG 3.63) for eggs was recorded in 2008.

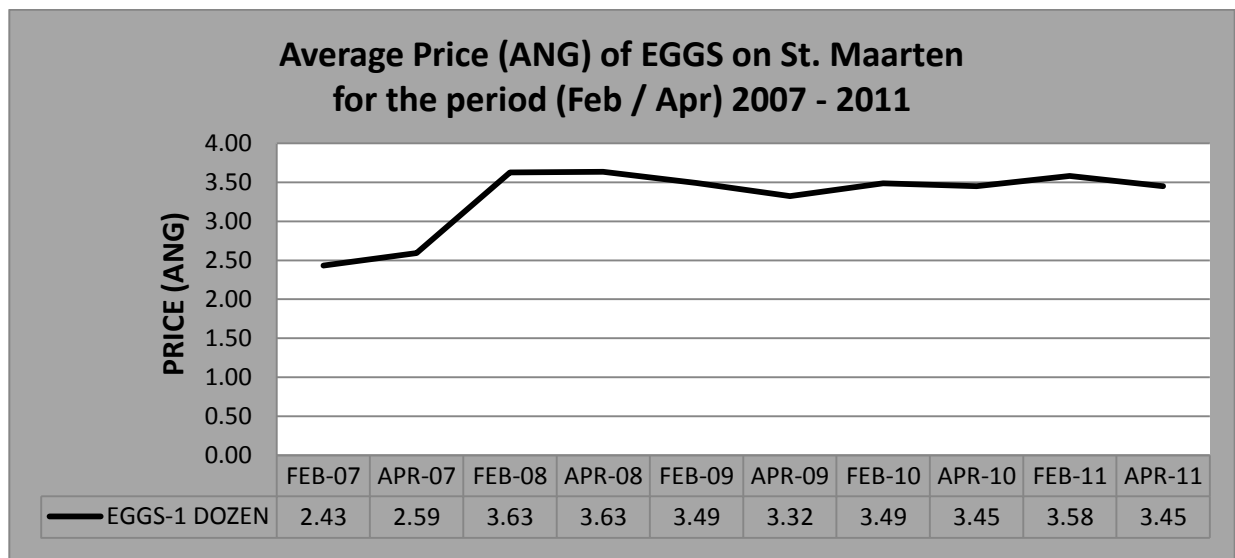


Figure 25

1.6 Starchy Vegetables, Non-Starchy Vegetables & Fruit

The bar chart (fig.26) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has steadily been increasing. Between 2008 – 2009 and 2009 - 2010 the largest increase in the average index was recorded; above 10 points.

In the following section we will highlight average prices recorded over the last 5 years for the food products; Potato, Beans and Canned Fruit & Vegetables.

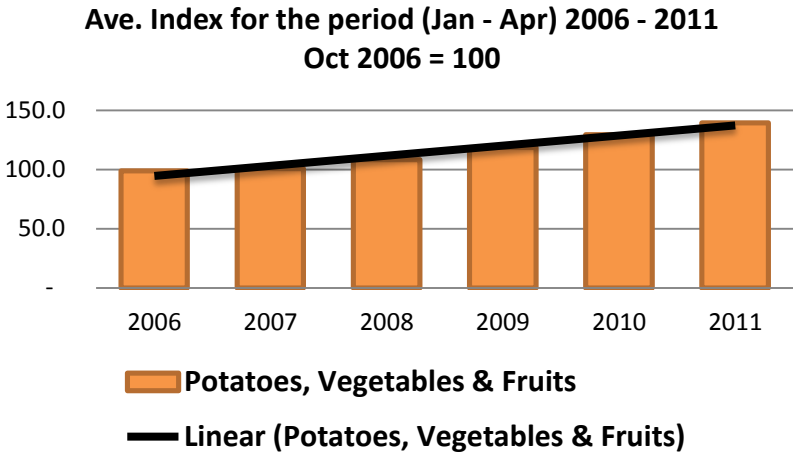


Figure 26

1.6.1 Potato

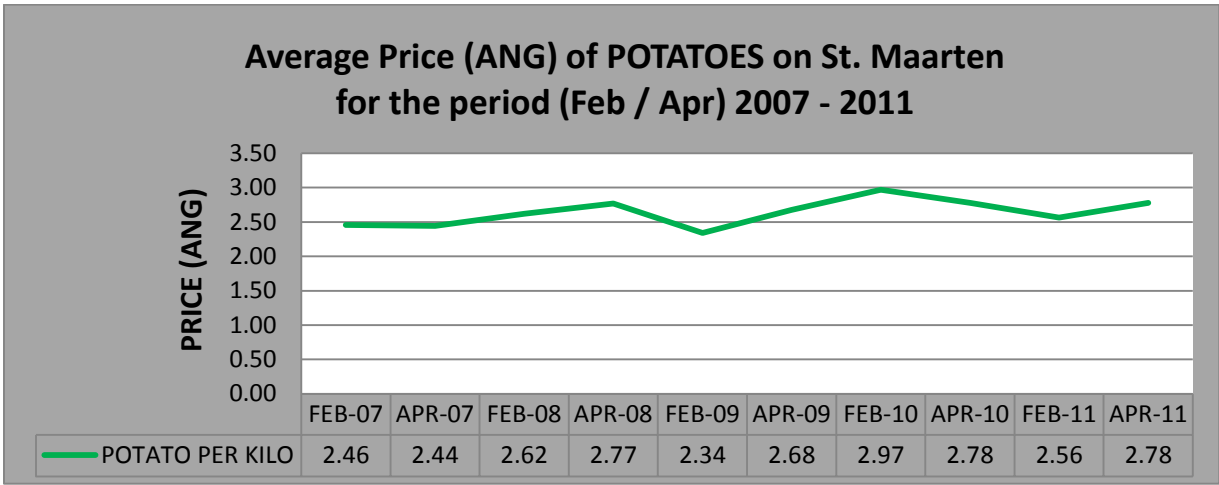


Figure 27

The line graph above (fig.27) depicts the average price recorded for Potatoes during February and April over the last 5 years. Note that, the average price per kilo of Potatoes has slightly

fluctuated between ANG 2.34 and ANG 2.78 over the last 5 years. The highest average price (ANG 2.78) for a kilo of Potatoes was recorded in April 2010 and 2011.

1.6.2 Beans

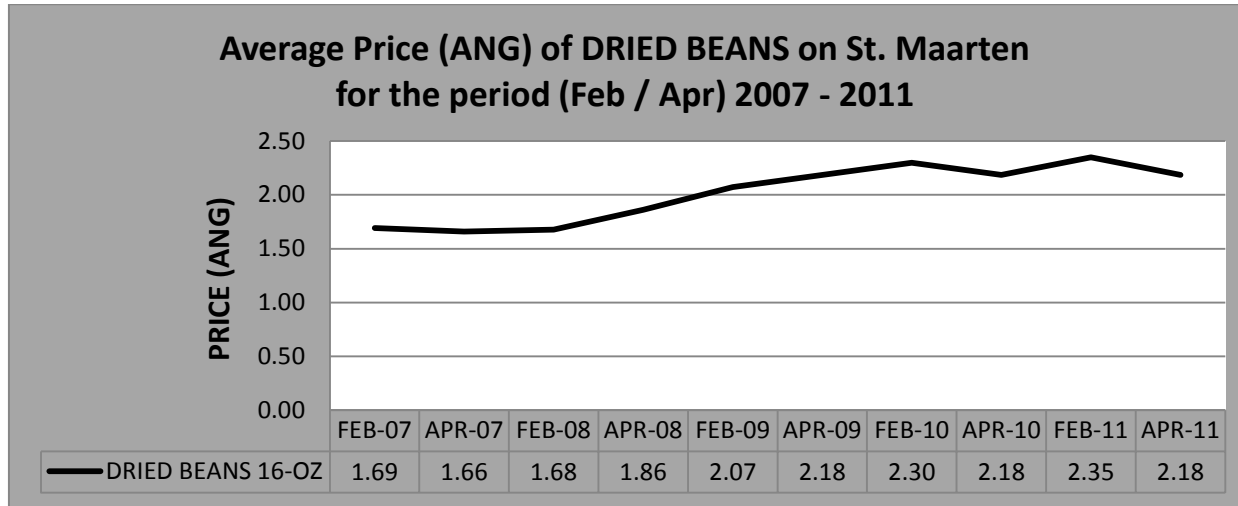


Figure 28

The line graph above (*fig.28*) depicts the average price recorded for dried Beans during February and April over the last 5 years. Note that, the average price for a 16-ounce bag of dried beans has steadily inclined over 2007 to 2010; where after slight fluctuation in the average price was recorded. The highest average price (ANG 2.35) for a 16-ounce bag of dried beans was recorded in February 2011.

1.6.3 Canned Fruit & Vegetables

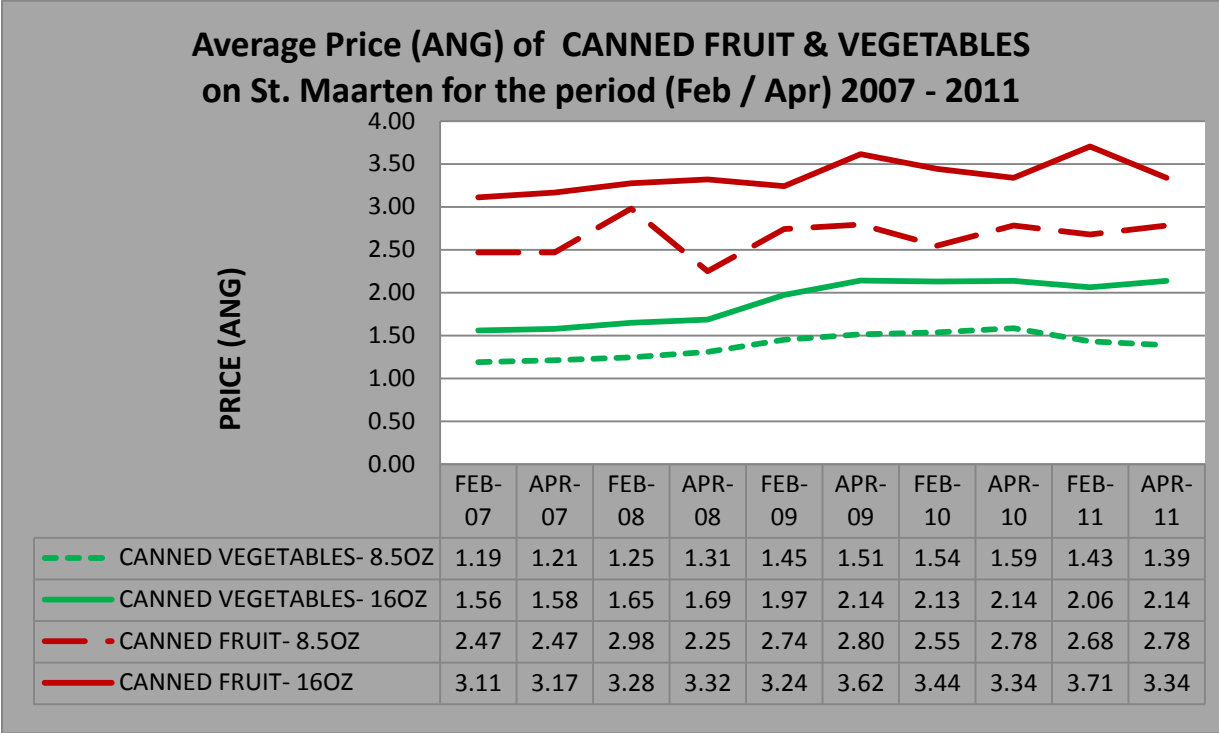


Figure 29

The line graph above (*fig.29*) depicts the average price recorded for canned Fruit & Vegetables during February and April over the last 5 years. The average price of an 8.5-ounce of canned fruit recorded volatile fluctuations over the last 5 years. Whereas 16-ounces of canned fruit slightly inclined over 2007 and 2008; after which slight fluctuations in average price were recorded. The highest average price (ANG 2.98; ANG 3.71) for the 8.5-ounces and 16-ounces of canned fruit was recorded in February 2008 and February 2011 respectively.

Note that, the average price for the 8.5-ounces and 16-ounces of canned vegetables recorded similar movement in the average price during the 2007 to 2010 period. However in 2011 the average price for 8.5-ounces of canned vegetables decline whereas 16-ounces of canned fruit inclined. The highest average price (ANG 1.59; ANG 2.14) for the 8.5-ounces and 16-ounces of canned vegetables was recorded in April 2010 and April 2009; 2010; 2011 respectively.

1.7 Sugar & Chocolate

The bar chart (*fig.30*) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has steadily been increasing. Between 2008 – 2009 and 2009 - 2010 the largest increase in the average index was recorded; above 10 points.

In the following section we will highlight average prices recorded over the last 5 years for Sugar.

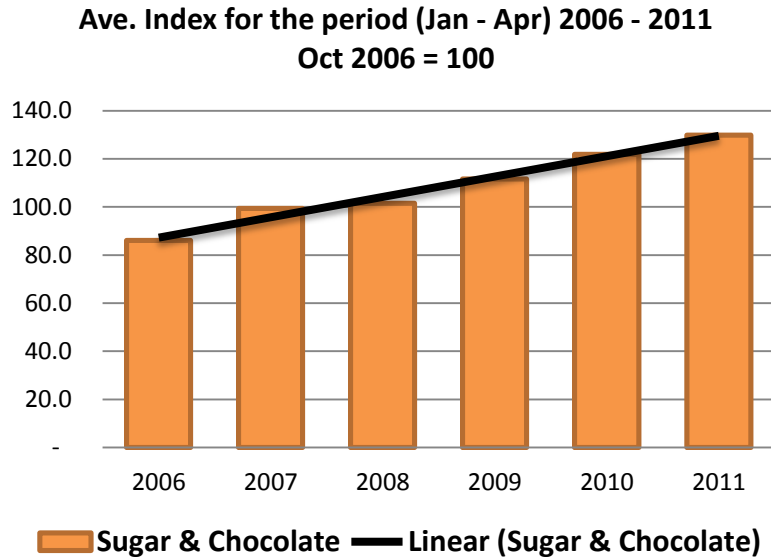


Figure 30

The line graph below (*fig.31*) depicts the average price recorded for Sugar during February and April over the last 5 years. The 2-pound bag of sugar recorded a spike in the average price in February 2009 after which the average price declined. However, the average price has inclined gradually over the 2010 and 2011 period. Whereas the 4-pound bag of Sugar has remained fairly stable in 2007 and 2008; after which the average price rose significantly during 2010 and 2011. The highest average price (ANG 2.76; ANG 5.67) for the 2-pound and 4-pound bag of Sugar was recorded in February 2009 and February 2011 respectively.

1.7.1 Sugar

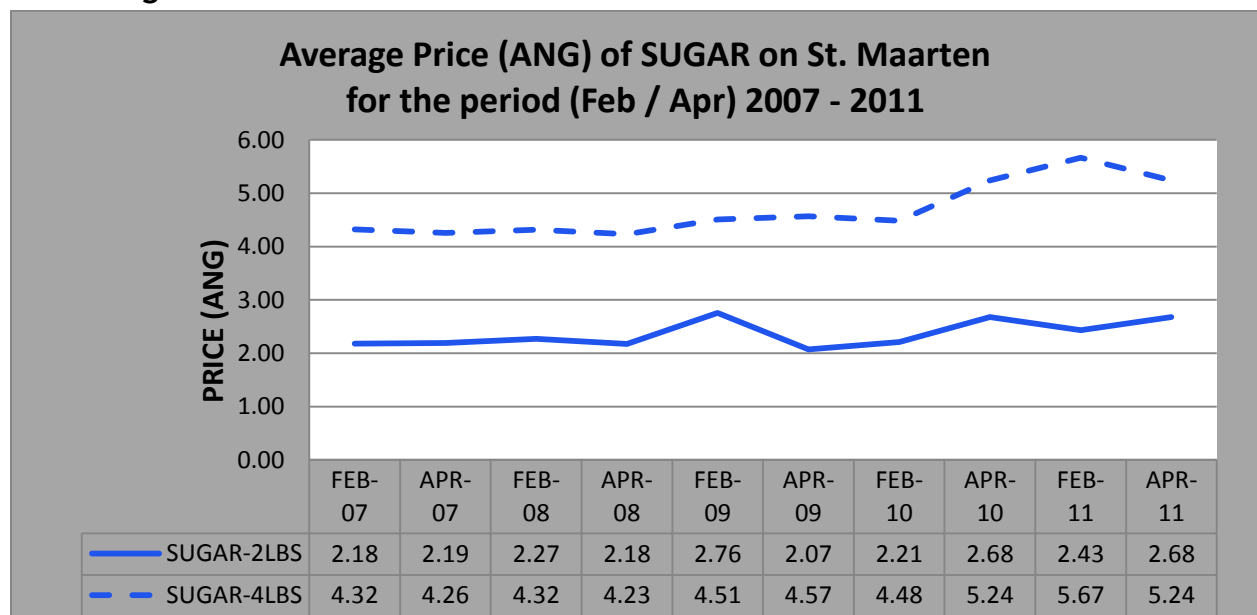


Figure 31

1.8 Pre-cooked Dishes

The bar chart (*fig.32*) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has progressively been increasing. The largest increase in the average index was recorded between 2008 and 2009; above 12 points.

In the following section we will highlight average prices recorded over the last 5 years for Baby food.

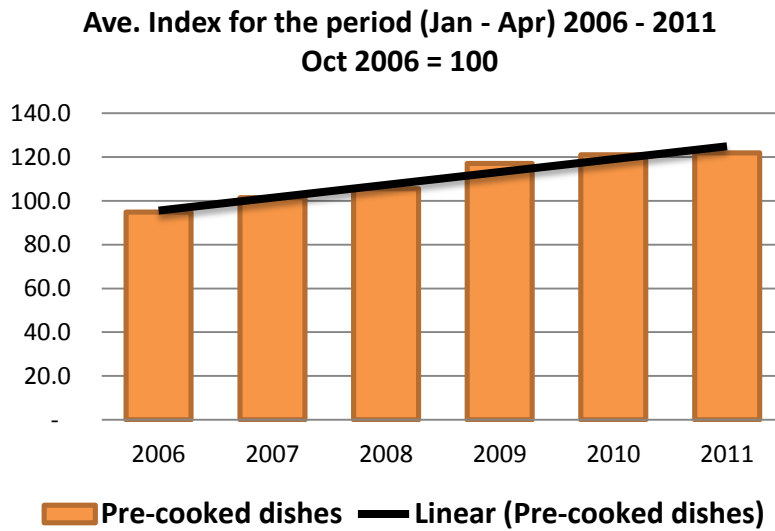


Figure 32

1.8.1 Baby Food

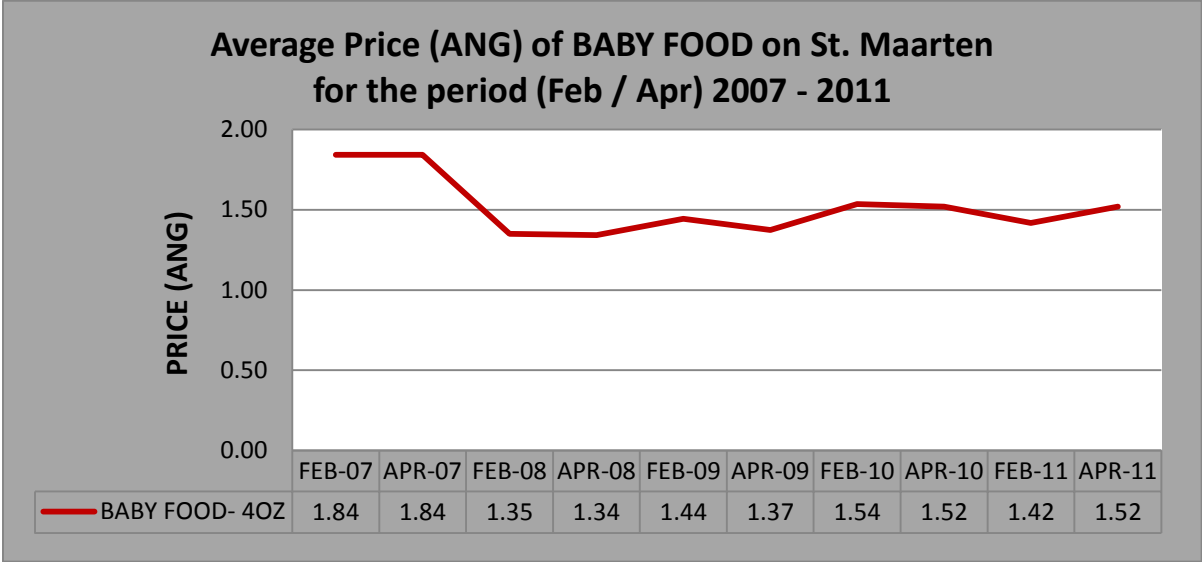


Figure 33

The line graph above (*fig.33*) depicts the average price recorded for Baby Food during February and April over the last 5 years. The average price of 4-ounce pot of Baby Food has declined over the last 5 years. The highest average price (ANG 1.84) for the 4-ounce pot of Baby Food was recorded in February 2007 and April 2007.

1.9 Eating-Out

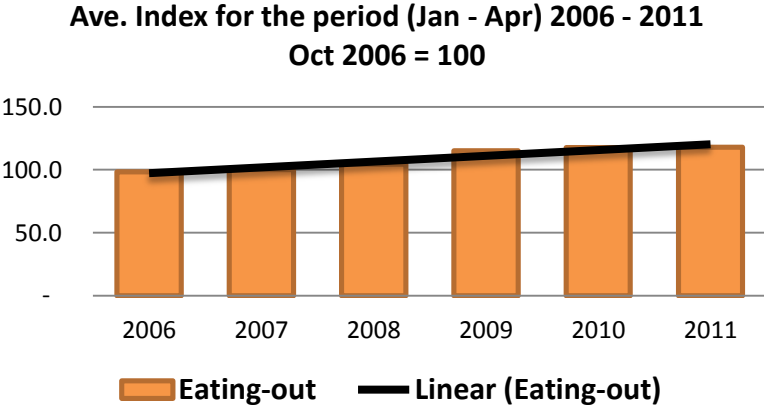


Figure 34

The bar chart above (*fig.34*) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has gradually been increasing. The largest increase in the average index was recorded between 2008 and 2009; above 10 points.

1.10 Other Food Resources

The bar chart (fig.35) shows that the average index during the 1st trimester (Jan-Apr) of 2006 through to 2011 has steadily been increasing. The largest increase in the average index was recorded between 2008 and 2009; above 12 points. In the following section we will highlight average prices recorded over the last 5 years for the food products; Tea and Coffee.

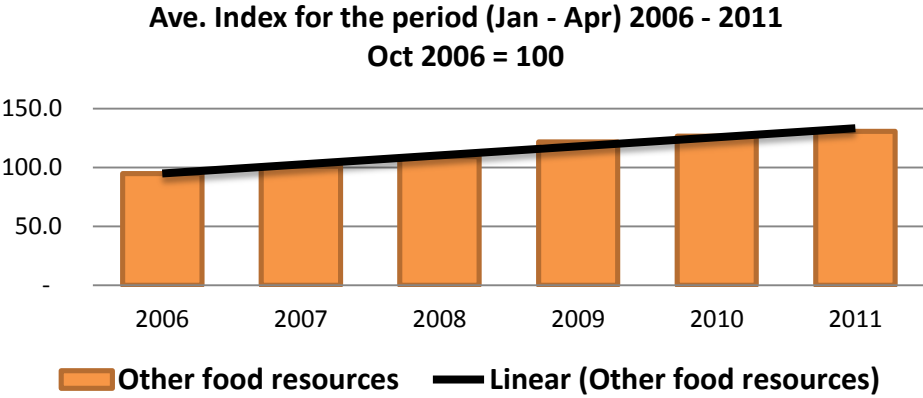


Figure 35

The line graph below (fig.36) depicts the average price recorded for Tea during February and April over the last 5 years. The average price for 20, 50 and 100 bags of Tea has remained fairly stable over the last 5 year. The highest average price (ANG 4.00; ANG 6.45; ANG 12.44) for the 20, 50 and 100 bags of Tea was recorded in February 2011 and February 2009 respectively.

1.10.1 Tea

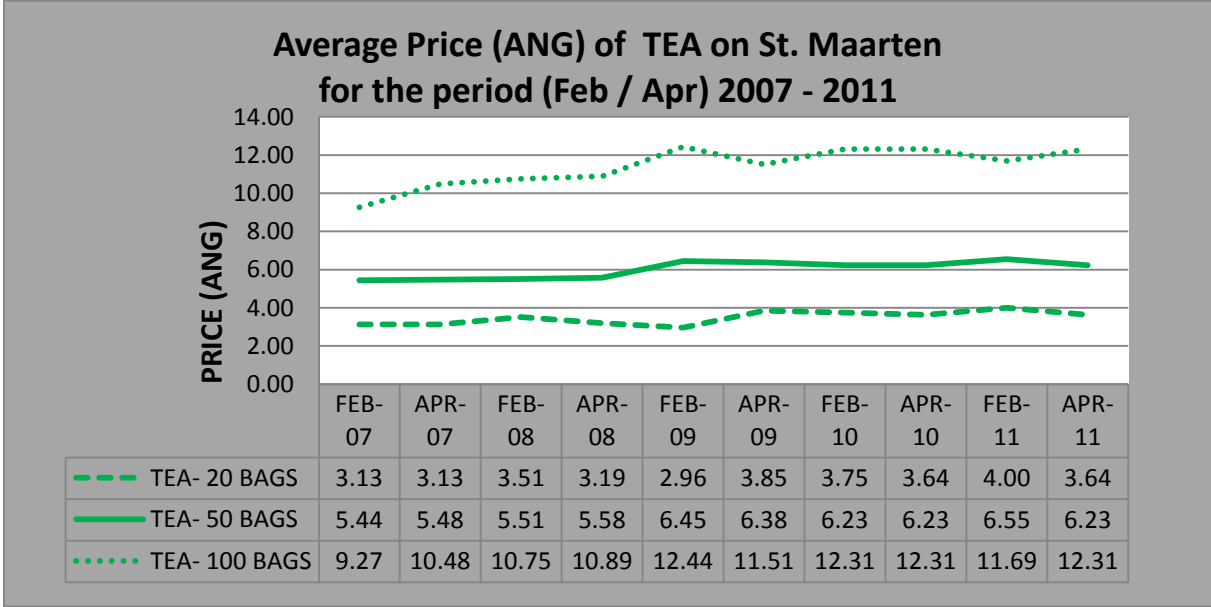


Figure 36

1.10.2 Coffee

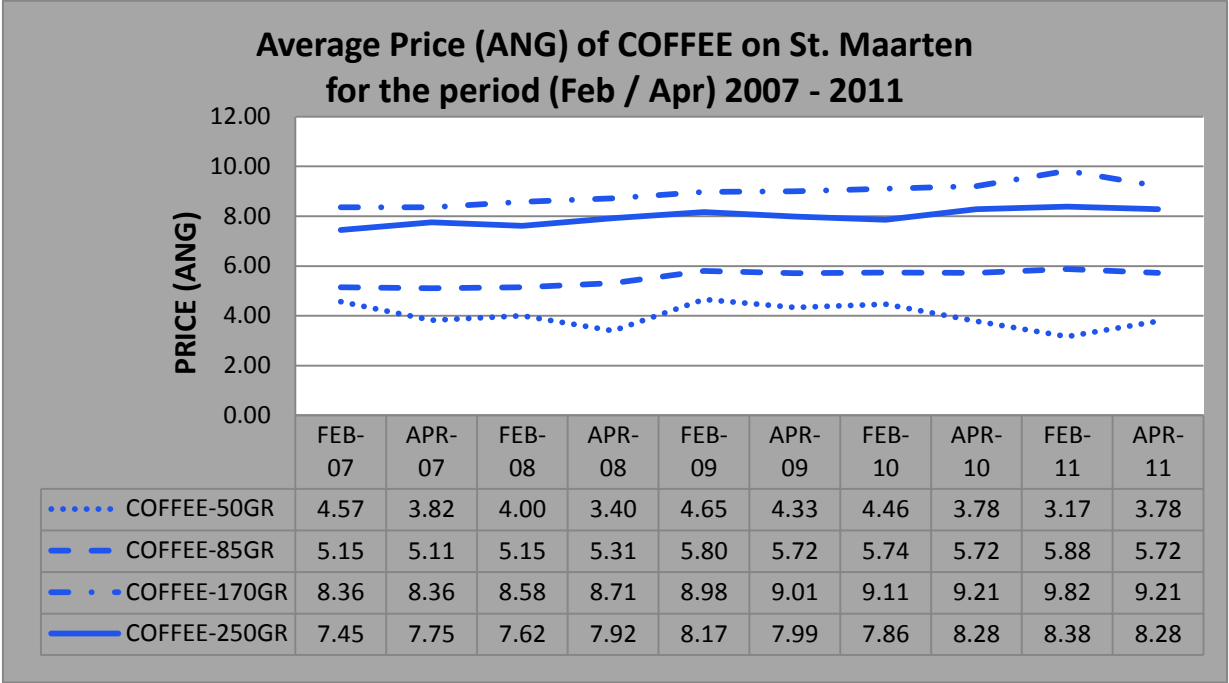


Figure 37

The line graph above (*fig.37*) depicts the average price recorded for Coffee during February and April over the last 5 years. The average price for a 85-gram, 170-gram and 250-gram jar of coffee has remained fairly stable over the last 5 year period ; whilst the 50-gram jar of coffee has gradually declined over the same period. The highest average price (ANG 4.66; ANG 5.88; ANG 9.82; ANG 8.38) for the 50-gram, 85-gram, 170-gram and 250-gram jar of Coffee was recorded in February 2008 and February 2011 respectively.



EXPENDITURE CATEGORY BEVERAGE & TOBACCO

2 Beverage and Tobacco

The expenditure category Beverage & Tobacco carries a 1% weight of the total CPI; it is further sub-divided into two product groups. Each of the product groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

Beverage & Tobacco Expenditure Category 1% of CPI

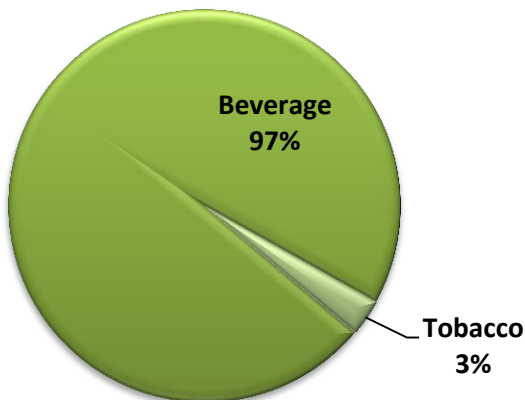


Figure 38

Illustrated in the cone chart below (*fig.39*) are the average inflation rates recorded in the expenditure category Beverage & Tobacco over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Note that, during the years 2006 through 2008 there was a downward trend in the average inflation, which reached its lowest point in 2008(0.9%). In 2009 the average inflation spiked in comparison to the same period in 2008, recording an 8.3 percent rate. However, after 2009 each year (2010; 2011) has shown a step-like decline in average inflation; each year decreased with roughly 40% compared to the previous year.

In the following section we take a closer look into the average index for the Beverage product group and Tobacco product group over the 1st trimester period (Jan-Apr) for the years 2006 through 2011.

**Ave. Inflation for the Expenditure Category
Beverage & Tobacco
in the period (Jan - Apr) 2006 - 2011**

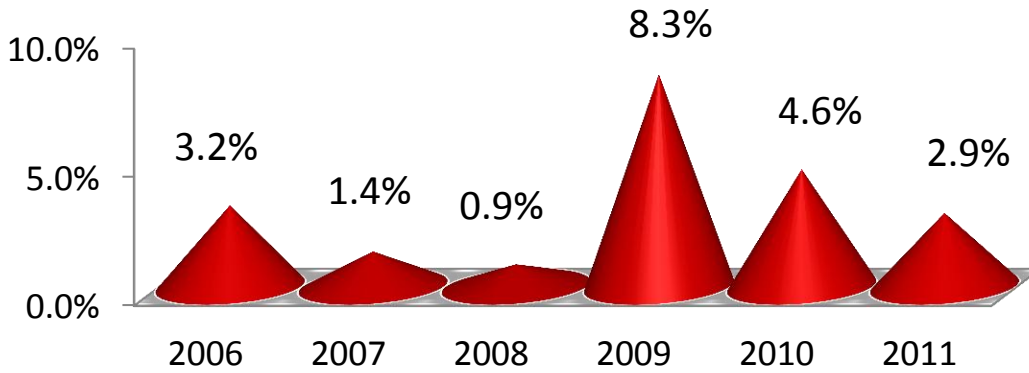


Figure 39

2.1 Beverage

**Ave. Index for the period (Jan - Apr) 2006 - 2011
Oct 2006 = 100**

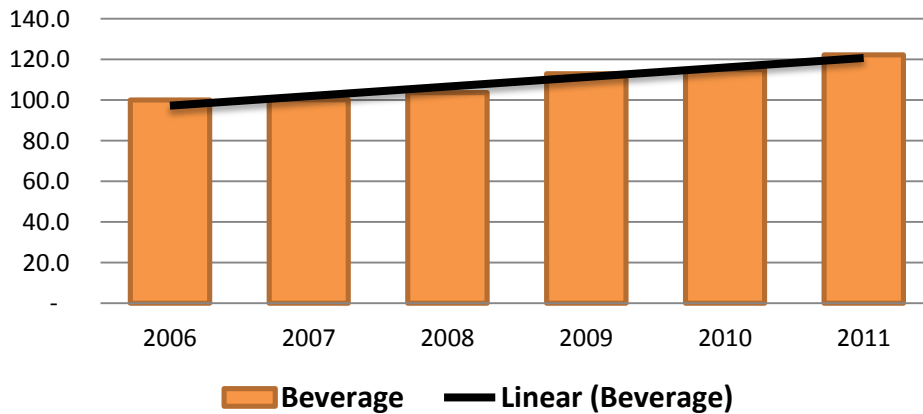


Figure 40

The bar chart (*fig.40*) above shows that the average index for Beverage during the 1st trimester (Jan-Apr) of 2006 through to 2011 has gradually been increasing. The largest increase in the average index was recorded between 2008 and 2009; above 9 points.

2.2 Tobacco

When observing the bar chart (*fig.41*) below note the average index for Tobacco during the 1st trimester (Jan-Apr) of 2006 through to 2011 has progressively been increasing. The largest increase in the average index was recorded between 2007 and 2008; above 7 points.

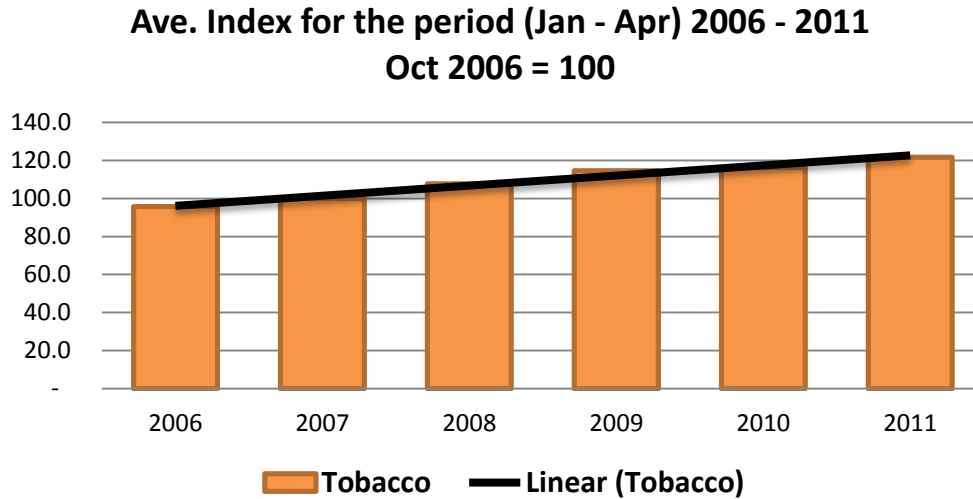


Figure 41



EXPENDITURE CATEGORY CLOTHING & FOOTWEAR

3 Clothing & Footwear

The expenditure category Clothing & Footwear carries a 7% weight of the total CPI; it is further sub-divided into two product groups. Each of the product groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

Clothing & Footwear Expenditure Category
7% of CPI



Figure 42

Illustrated in the cone chart below (*fig.43*) are the average inflation rates recorded in the expenditure category Clothing & Footwear over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Fluctuation in the average inflation rates was recorded when comparing the 1st trimester period over the last 6 years. Note that the lowest point was in 2007; were deflation in the average rate of 1 percent was recorded. In 2011 the average inflation recorded was a mere 0.2 percent; overall the trend over the last 6 years was descending.

In the following section we take a closer look into the average index for the Clothing product group and Footwear product group over the 1st trimester period (Jan-Apr) for the years 2006 through 2011.

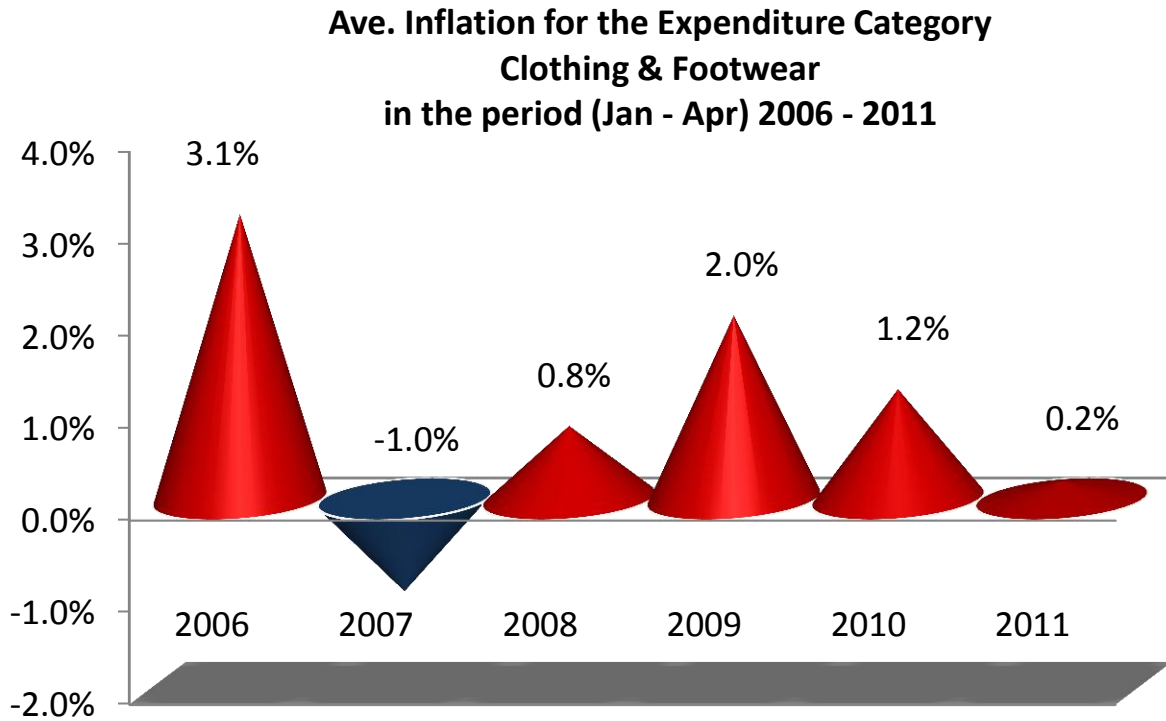


Figure 43

3.1 Clothing

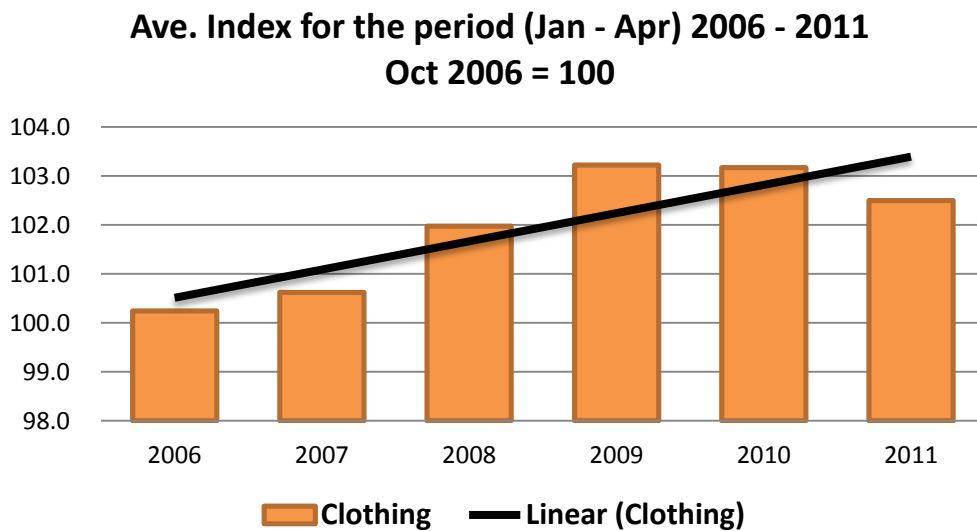


Figure 44

The bar chart (*fig.44*) above shows that the average index for Clothing during the 1st trimester (Jan-Apr) of 2006 through to 2009 has aggressively been increasing; after which a decline has been recorded over the last 2-year period (2010; 2011). However, it must be noted that these

fluctuations in the average index are not common within this product category as large movements in the prices of clothing have not been recorded historically. The largest increase in the average index was recorded between 2008 and 2009; above 1 point.

3.2 Footwear

When observing the bar chart (*fig.45*) below note the average index for Footwear during the 1st trimester (Jan-Apr) of 2006 through to 2011 has shown fluctuations; recording a decline in 2011. A period of steady incline in the average index was recorded during 2007 and 2010. The largest increase in the average index was recorded between 2008 and 2009; 6 points.

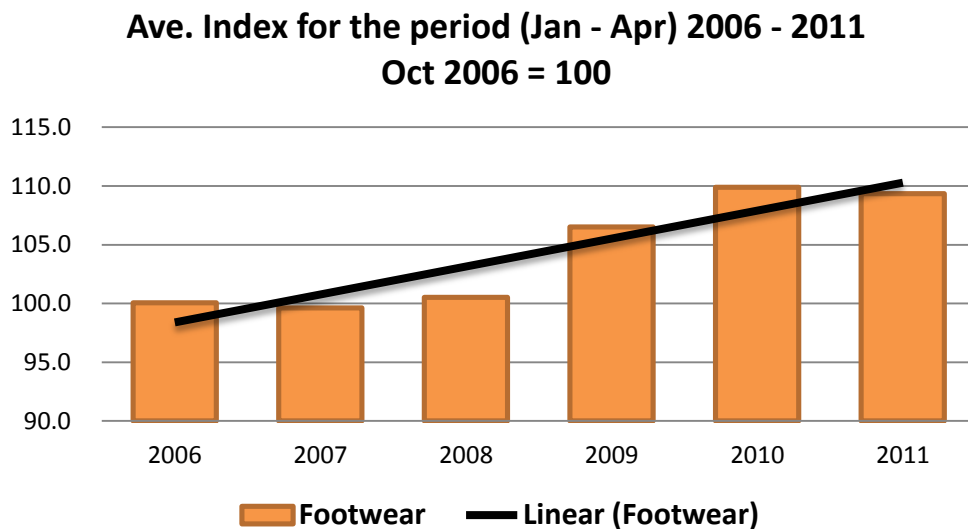


Figure 45

3.3 World Outlook: Cotton

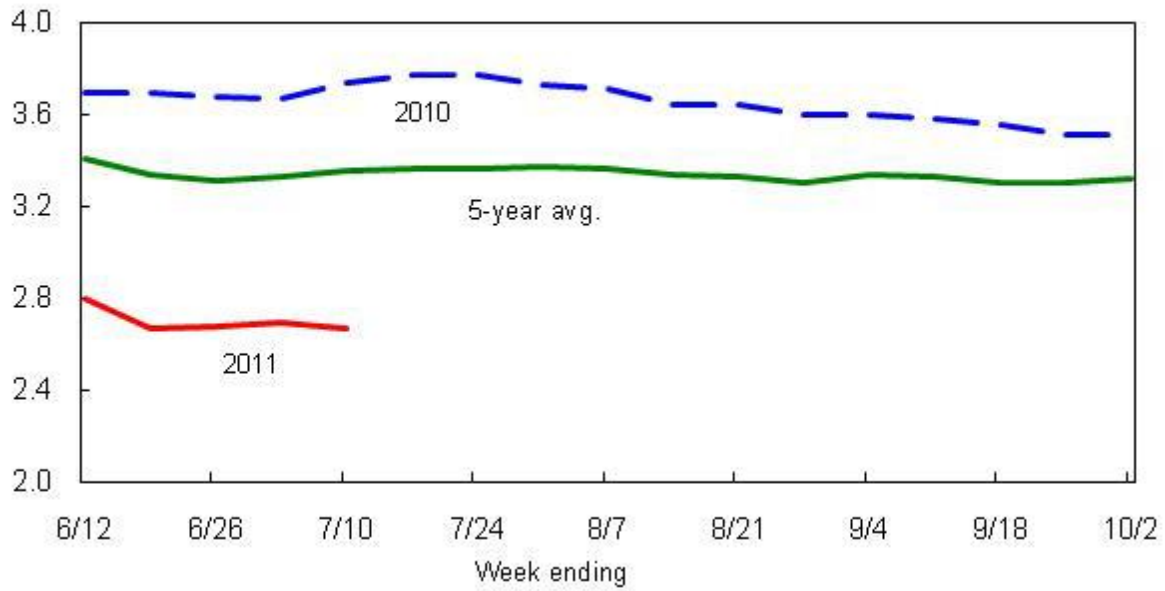
The US, China and India account for 2/3 of the world’s cotton supply; US ranks third amongst the three. They are the leading exporter accounting for 1/3 of global trade in raw cotton. World consumption of Cotton has increased and there is record high prices resulting from very tight stock from the end of 2010/11.

Cotton production is estimated to increase in 2011/12 in response to the high prices at planting time. The US has increased their planted area by 25 percent, however the production will likely fall due to the impact of a devastating drought.⁸

⁸ USDA, “Cotton & Wool Outlook”, A report from the Economic Research Service, July 2011; USDA, “Rice Outlook”, A report from the Economic Research Service, July 2011

U.S. cotton crop conditions

Index (2=poor, 3=fair, and 4=good)



Source: *Crop Progress*, NASS, USDA.

Figure 46⁹

⁹ USDA, "Cotton & Wool Outlook", A report from the Economic Research Service, July 2011; USDA, "Rice Outlook", A report from the Economic Research Service, July 2011



EXPENDITURE CATEGORY HOUSING

4 Housing

The expenditure category Housing is the largest contributing category, it carries a 39% weight of the total CPI. The Housing category is further sub-divided into five product groups. Each of the product groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

HOUSING EXPENDITURE CATEGORY 39% of CPI

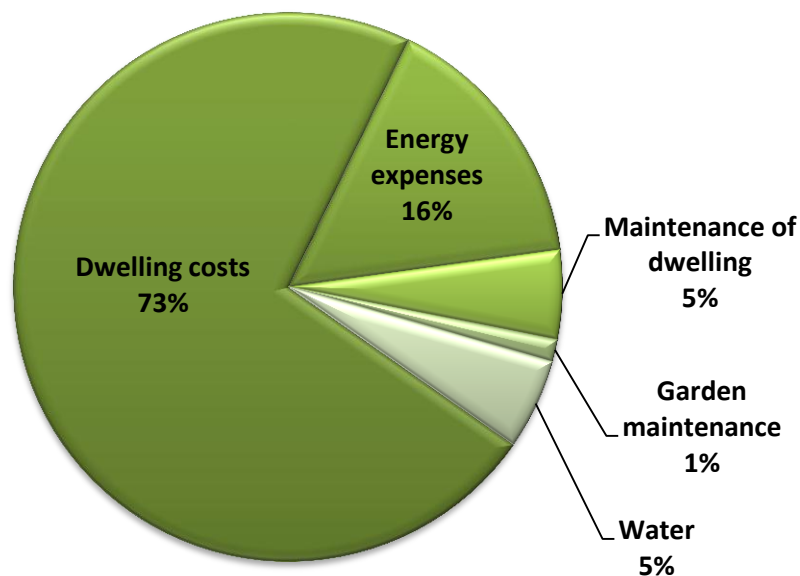


Figure 47

Illustrated in the cone chart below (*fig.48*) are the average inflation rates recorded in the expenditure category Housing over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Fluctuation in the average inflation rates was recorded when comparing the 1st trimester period over the last 6 years. Note that the lowest point was in 2010(1.3%); after which the average inflation spiked to 4.3 percent in 2011. In 2008 the average inflation recorded was at its highest point; 5.3 percent.

In the following section we take a closer look into the average index for four of the five product groups within the Housing category over the 1st trimester period (Jan-Apr) for the years 2006 through 2011.

**Ave. Inflation for the Expenditure Category
Housing
in the period (Jan - Apr) 2006 - 2011**

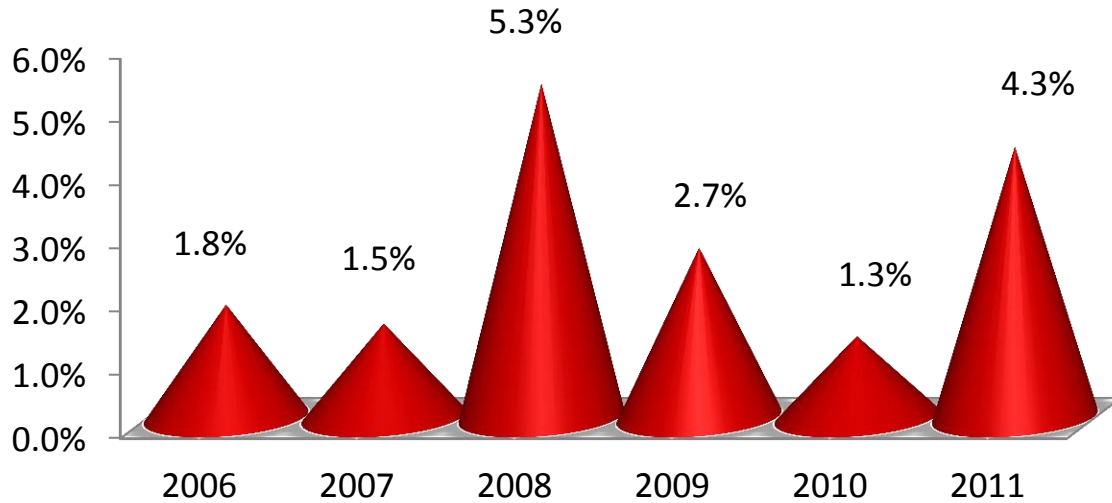


Figure 48

4.1 Dwelling costs

**Ave. Index for the period (Jan - Apr) 2006 -
2011
Oct 2006 = 100**

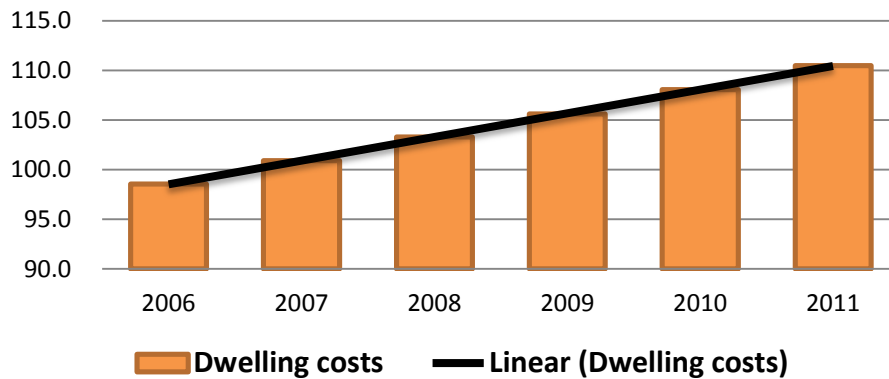


Figure 49

The bar chart above (*fig.49*) shows that the average index for dwelling costs during the 1st trimester (Jan-Apr) of 2006 through to 2011 has steadily been increasing. The change recorded

between the average indexes of each year over the last 6 years has been a constant above 2 point increase.

4.2 Energy Expenses

When observing the bar chart (*fig.50*) below note the average index for Energy Expenses during the 1st trimester (Jan-Apr) of 2006 through to 2011 has shown much fluctuation; recording an incline over 2009 to 2011. The lowest recorded average index was during the 1st trimester period of 2009 (93.9); exceeding 6 point below the base determined in October 2006. The largest increase in the average index was recorded between 2009 and 2010; above 52 points.

In the following section we will highlight prices recorded over the last 5 years for Electricity, Kerosine and Cooking Gas.

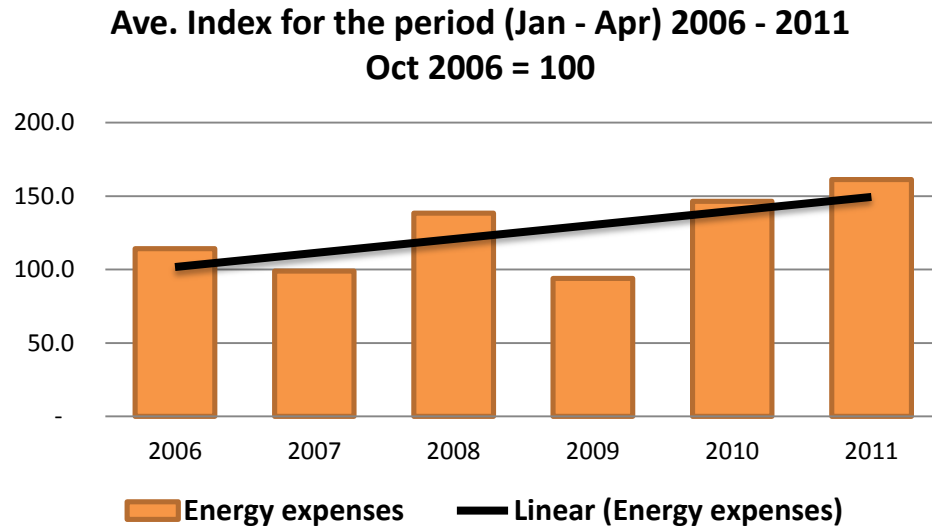


Figure 50

4.2.1 Electricity

The line graph below (*fig.51*) depicts the price recorded for the Electricity Fuel Clause during February and April over the last 5 years. The price has recorded many fluctuations over the last 5 years; whilst the trend shows a gradual incline in the price. The highest price (ANG 0.52) was recorded in April 2011.

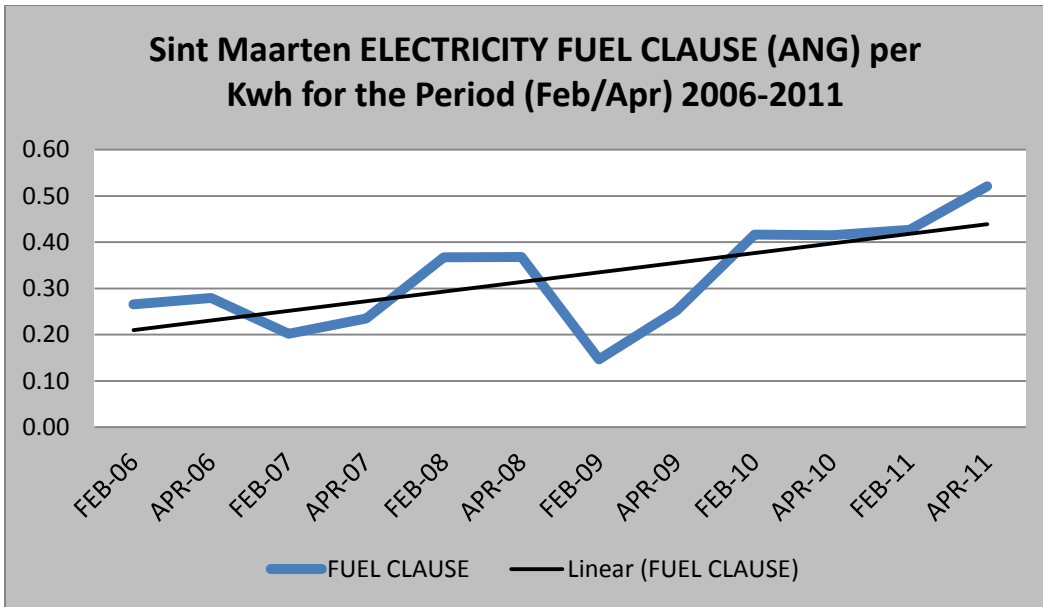


Figure 51

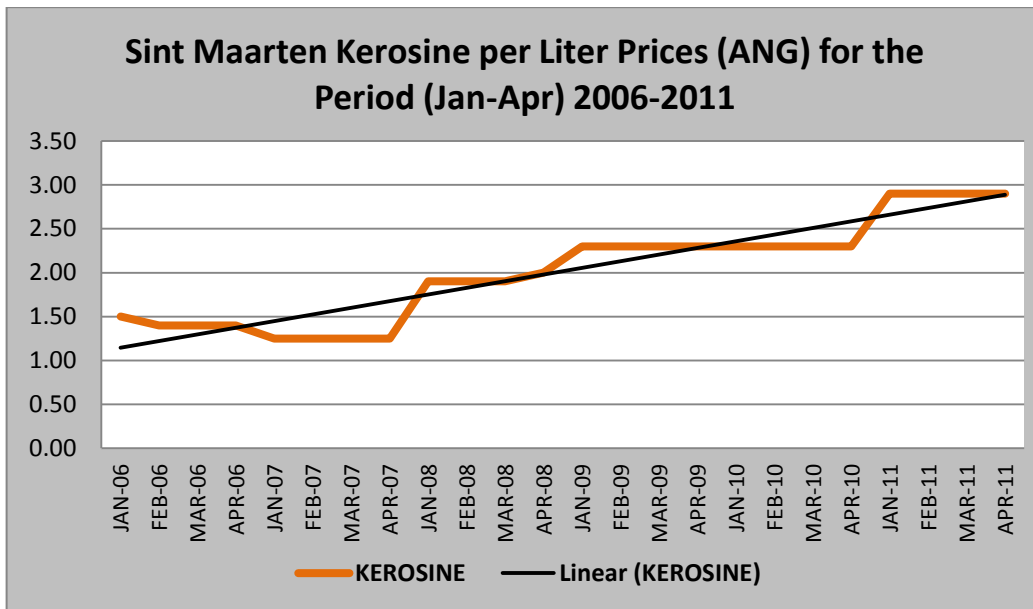


Figure 52

The line graph above (*fig.52*) depicts the price recorded for Kerosine during February and April over the last 5 years. The price has recorded a step-like escalation over the last 5 year; whilst the trend shows a sharp incline in the price. The highest price (ANG 2.90) was recorded in the 1st trimester (Jan-Apr) of 2011.

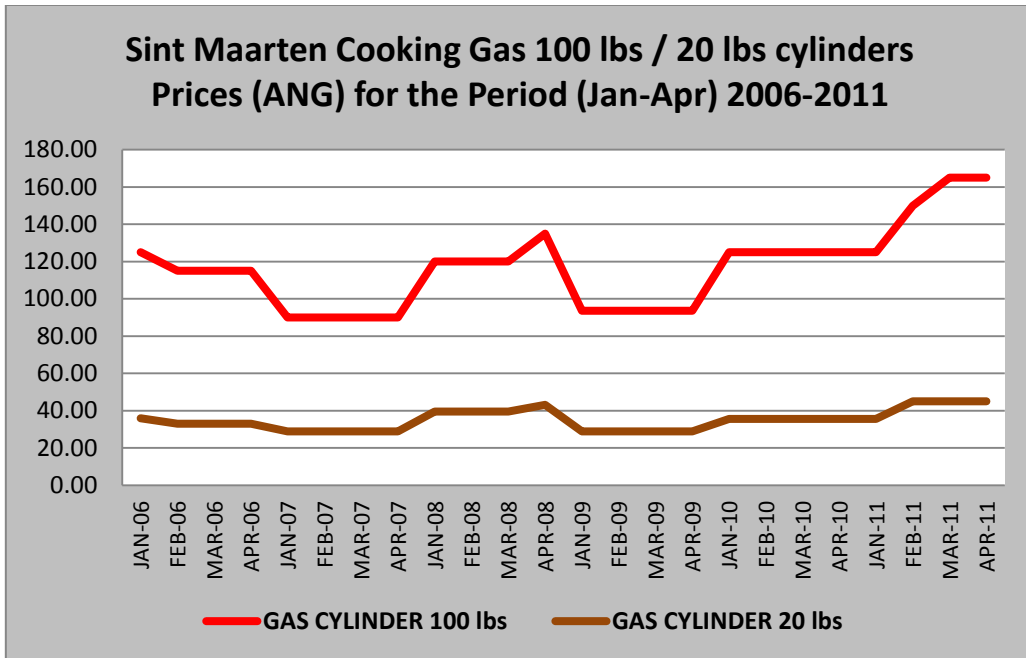


Figure 53

The line graph above (*fig.53*) depicts the price recorded for Gas cylinders during February and April over the last 5 years. The price for a 20-pound cylinder of Gas has remained fairly stable with slight inclines during the 1st trimester (Jan-Apr) of 2008, 2010 and 2011. The price recorded for a 100-pound cylinder of Gas has shown many fluctuations with an upsurge over the 1st trimester (Jan-Apr) of 2010 and 2011. The highest price (ANG 45.00; ANG 165.00) for 20-pound and 100-pound cylinder was recorded in April 2011.

4.3 Maintenance of Dwelling

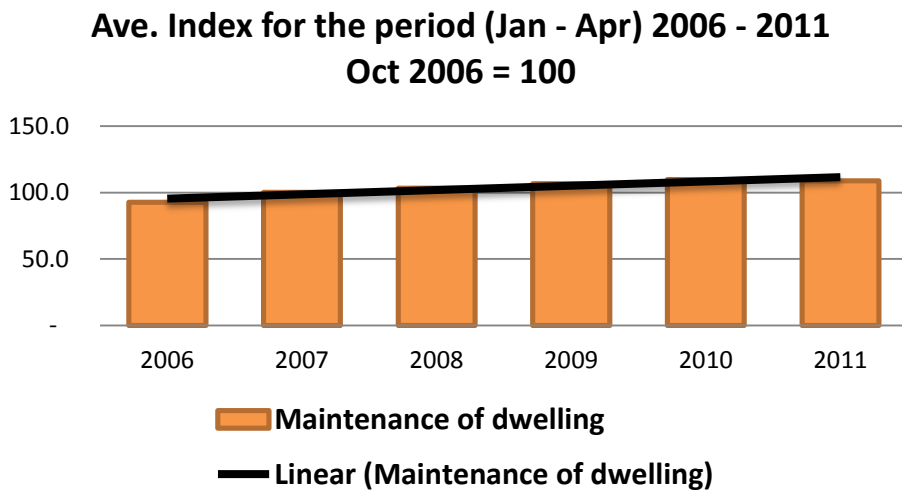


Figure 54

The bar chart above (*fig.54*) shows that the average index for the Maintenance of dwelling costs during the 1st trimester (Jan-Apr) of 2006 through to 2011 has slowly been increasing. The largest increase in the average index was recorded between 2006 and 2007; above 7 points. Yet, note that 2011 has recorded a slight decline compared to the same period in 2010.

4.4 Garden Maintenance

When observing the bar chart (*fig.55*) below note the average index for Garden Maintenance during the 1st trimester (Jan-Apr) of 2006 through to 2011 has shown a steady increase. The largest increase in the average index was recorded between 2010 and 2011; 7 points.

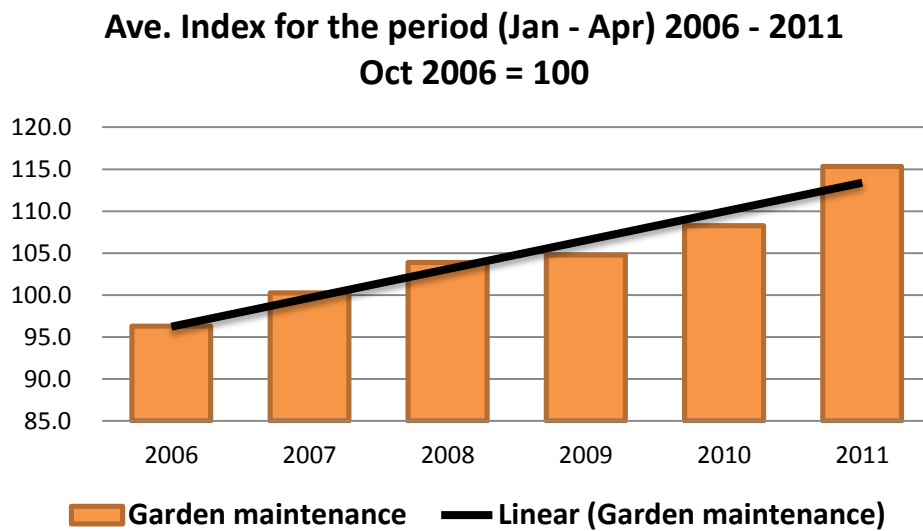


Figure 55



**EXPENDITURE CATEGORY
HOUSEHOLD FURNISHING &
APPLIANCES**

5 Household furnishing & appliances

The expenditure category Household furnishing & appliances carries a 6% weight of the total CPI; it is further sub-divided into seven product groups. Each of the product groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

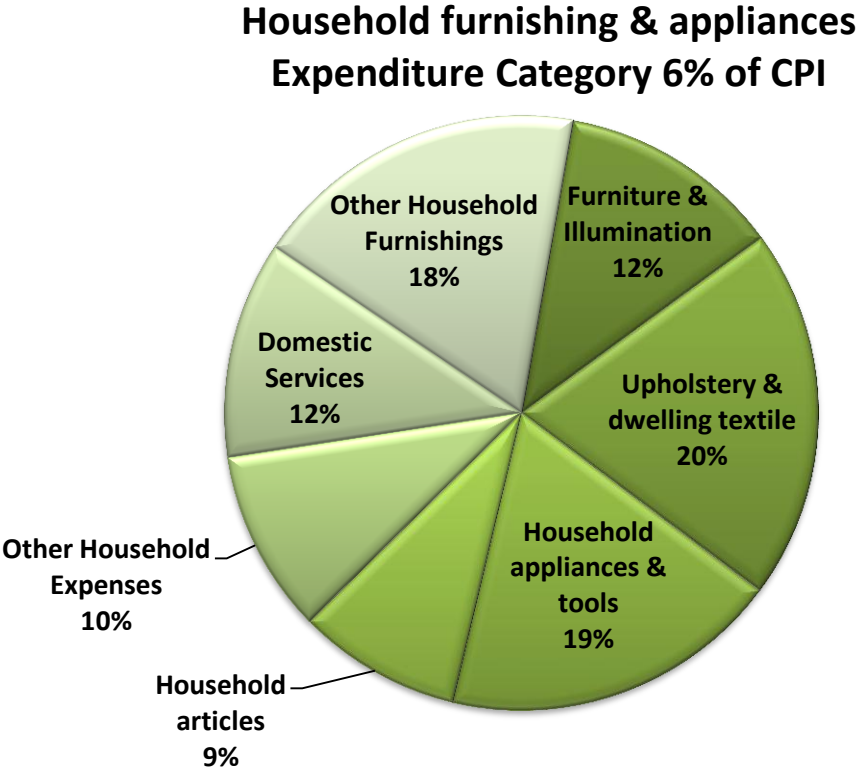


Figure 56

Illustrated in the cone chart below (*fig.57*) are the average inflation rates recorded in the expenditure category Household Furnishing & Appliances over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. The average inflation rate has recorded an increase when comparing the 1st trimester period for 2008, 2009 and 2010. However, Note the sharp decline in the average inflation of 2011 compared to 2010; recorded the lowest point (0.8%).

In the following section we take a closer look into the average index at each of the seven product groups comprising this category, over the 1st trimester period (Jan-Apr) for the years 2006 through 2011.

**Ave. Inflation for the Expenditure Category
Household Furnishing & Appliances
in the period (Jan - Apr) 2006 - 2011**

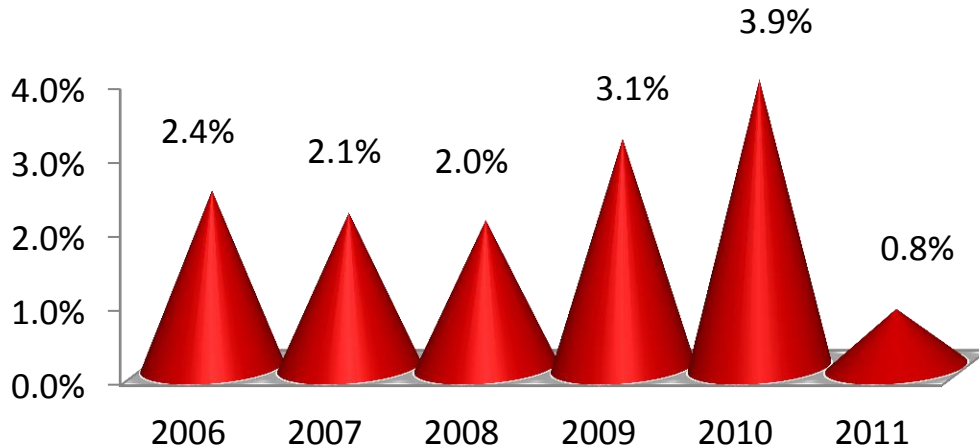


Figure 57

5.1 Furniture and Illumination

**Ave. Index for the period (Jan - Apr) 2006 - 2011
Oct 2006 = 100**

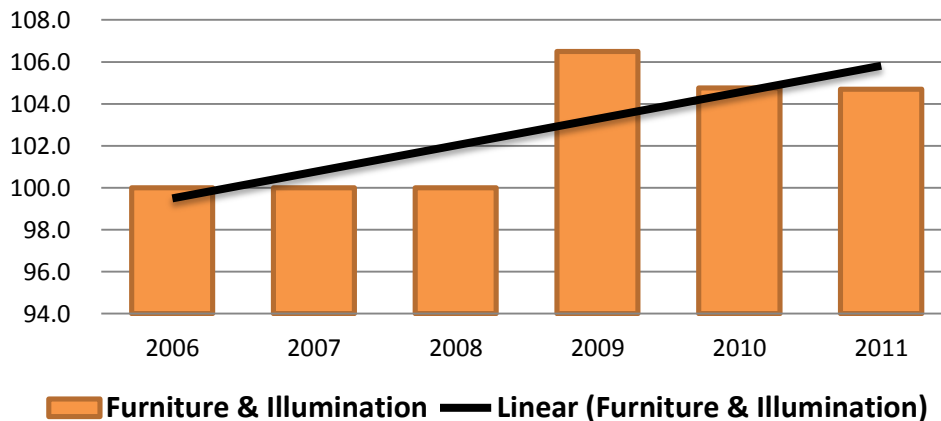


Figure 58

The bar chart above (*fig.58*) shows that the average index for Maintenance of Furniture & Illumination during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded much fluctuation. The largest increase in the average index was recorded between 2008 and 2009; above 6 points. Yet, note that prior and subsequent to this sharp increase periods of slight decline are observed.

5.2 Upholstery and dwelling textile

When observing the bar chart (*fig.59*) below note the average index for Upholstery & dwelling textile during the 1st trimester (Jan-Apr) of 2006 through to 2011 has shown a downward trend. Yet, note that in 2011 an increase in the average index was recorded; compared to the same period of 2010.

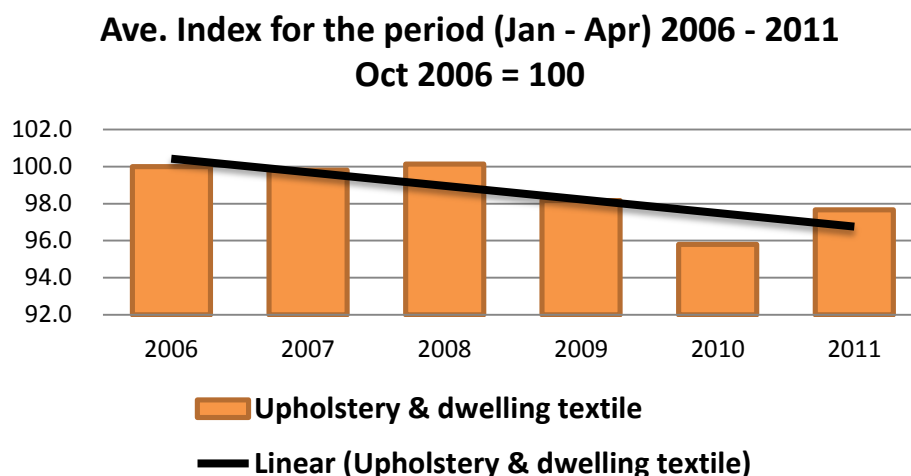


Figure 59

5.3 Household appliances and tools

The bar chart below (*fig.60*) shows that the average index for Household appliances & tools during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded many fluctuations. The largest increase in the average index was recorded between 2008 and 2009; above 7 points.

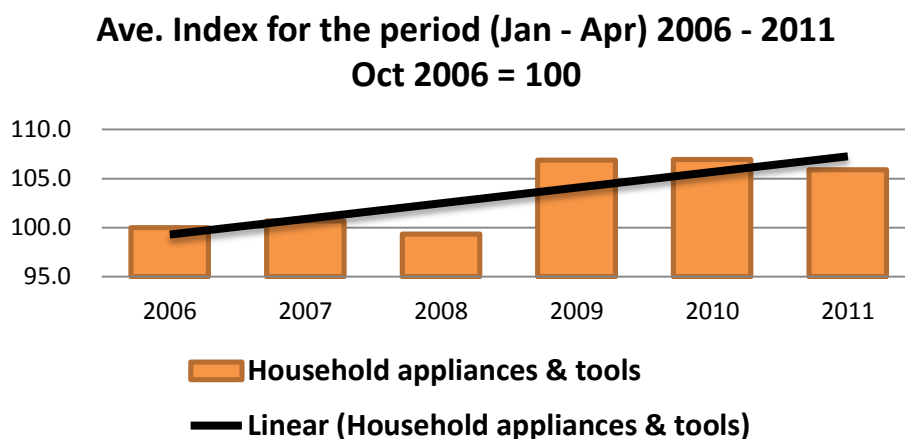


Figure 60

5.4 Household Articles

When observing the bar chart (*fig.61*) below note the average index for Household articles during the 1st trimester (Jan-Apr) of 2006 through to 2011 has slowly been increasing. The largest increase in the average index was recorded between 2009 and 2010; above 7 points.

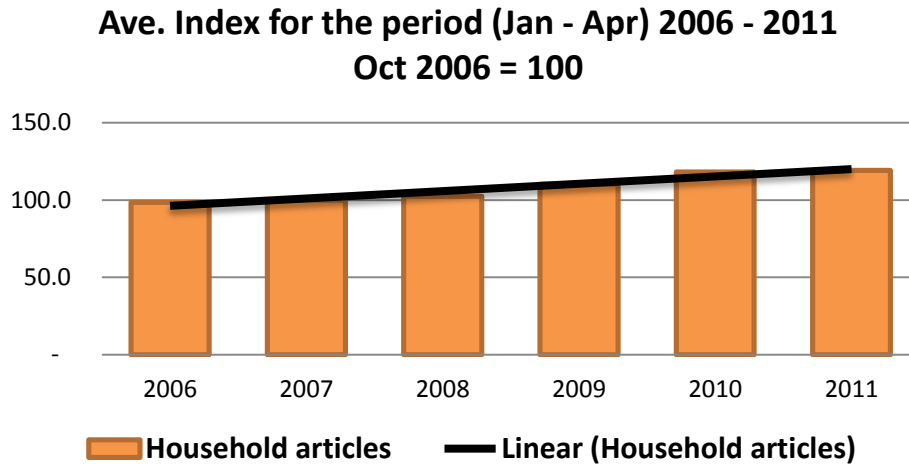


Figure 61

5.5 Other Household Expenses

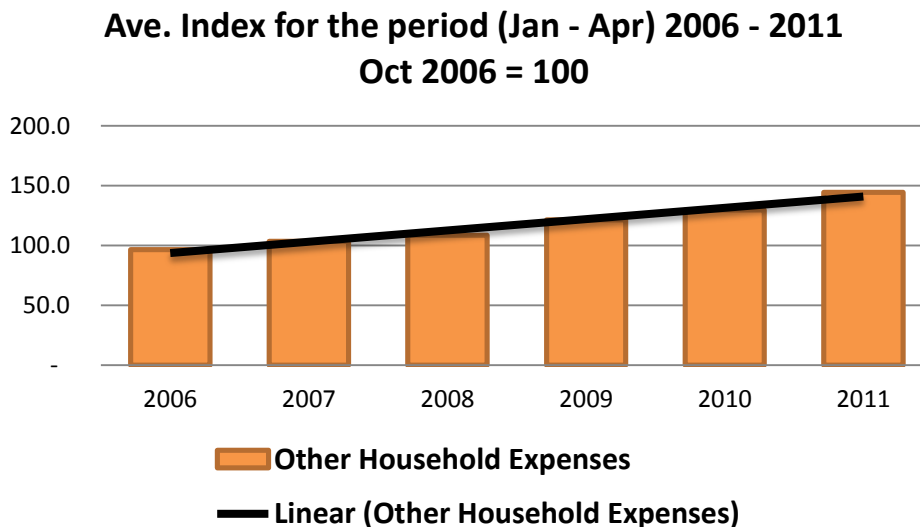


Figure 62

The bar chart above (*fig.62*) shows that the average index for Other Household Expenses during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a steady increase. The largest increase in the average index was recorded between 2010 and 2011; above 14 points.

5.6 Domestic Services

The bar chart below (*fig.63*) shows that the average index for Domestic Services during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a slight incline. The largest increase in the average index was recorded between 2006 and 2007; above 13 points.

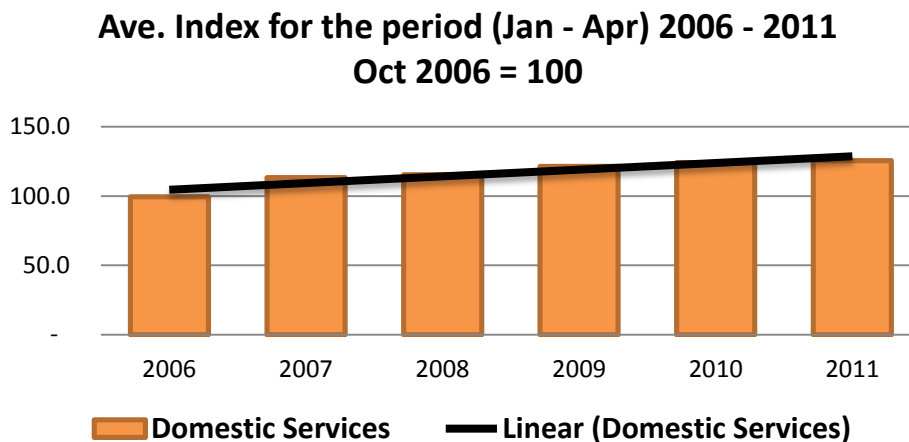


Figure 63

5.7 Other Household Furnishings

The bar chart below (*fig.64*) shows that the average index for Other Household Furnishings during the 1st trimester (Jan-Apr) of 2006 through to 2010 has recorded a steady incline. Note the significant drop in the average index of 2011 compared to that of 2010. The largest increase in the average index was recorded between 2009 and 2010; above 3 points.

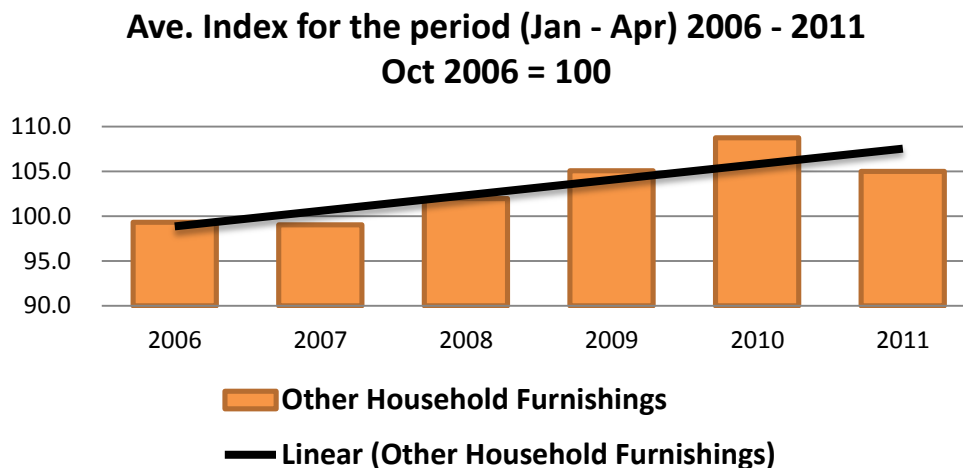
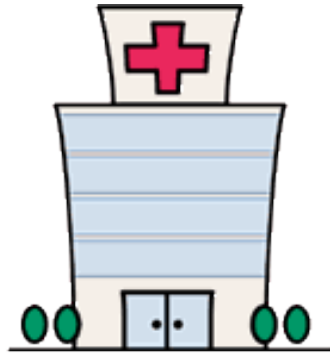


Figure 64



EXPENDITURE CATEGORY

MEDICAL CARE

6 Medical care

The expenditure category Medical care carries a 3% weight of the total CPI. Illustrated in the cone chart below (*fig.65*) are the average inflation rates recorded in the expenditure category Medical over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Note the highest level of average inflation was recorded in 2010(1.5%); prior and subsequent to this period inflation is below 1 percent.

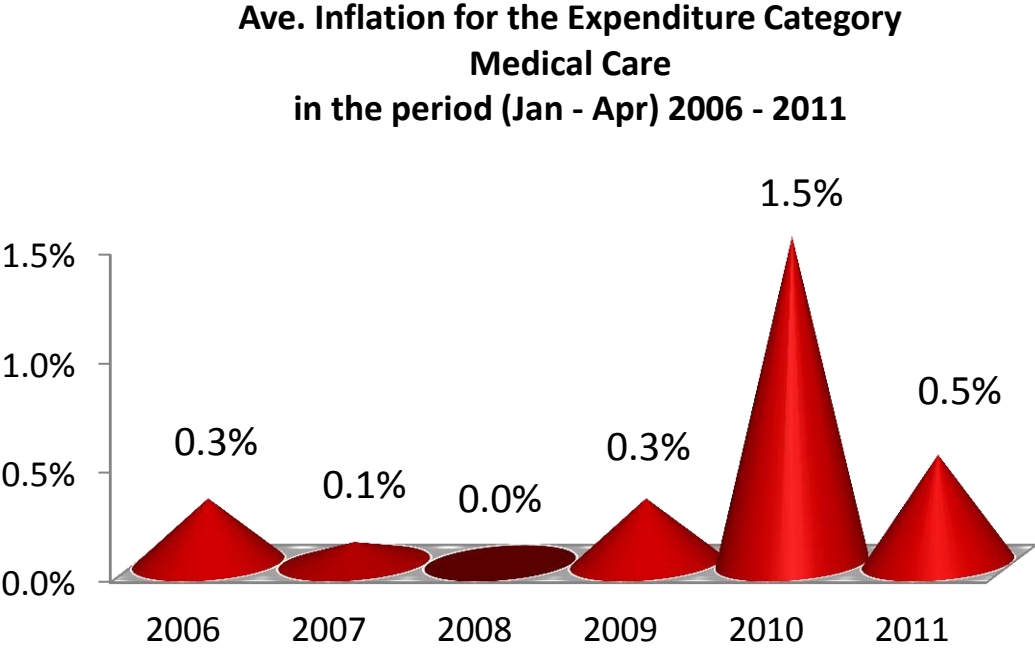


Figure 65

The bar chart below (*fig.66*) shows that the average index for Medical Care during the 1st trimester (Jan-Apr) of 2008 through to 2010 has recorded a steady incline. Note that prior to 2009, the average index representative of prices has not changed compared to the base period in October 2006 (=100). The largest increase in the average index was recorded between 2009 and 2010; above 1 point.

**Ave. Index for the period (Jan - Apr) 2006 - 2011
Oct 2006 = 100**

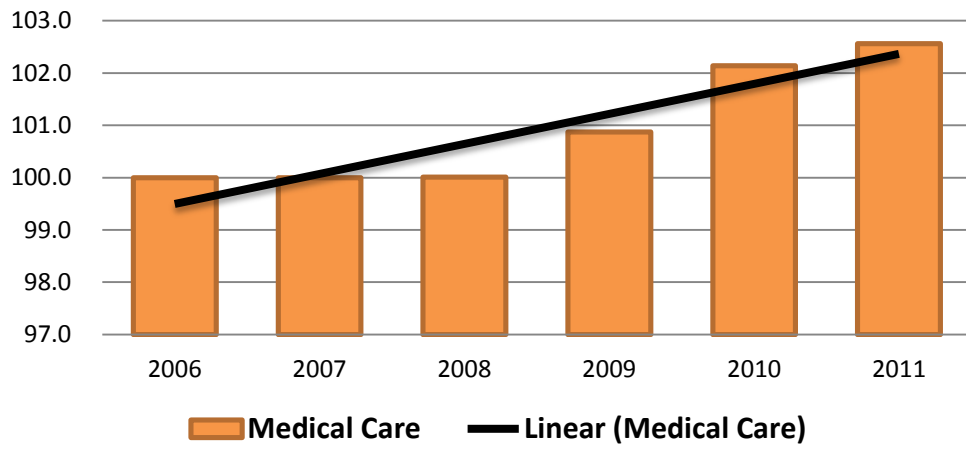
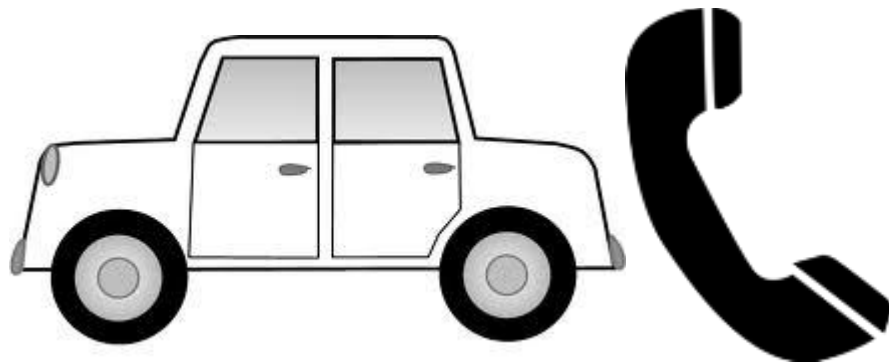


Figure 66



EXPENDITURE CATEGORY
TRANSPORT & COMMUNICATION

7 Transport & Communications

The expenditure category Transport & Communications is one of the three largest contributing categories, it carries a 20% weight of the total CPI. The Transport & Communications category is further sub-divided into four product groups. Each of the products groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

TRANSPORTATION & COMMUNICATION EXPENDITURE CATEGORY 20% of CPI

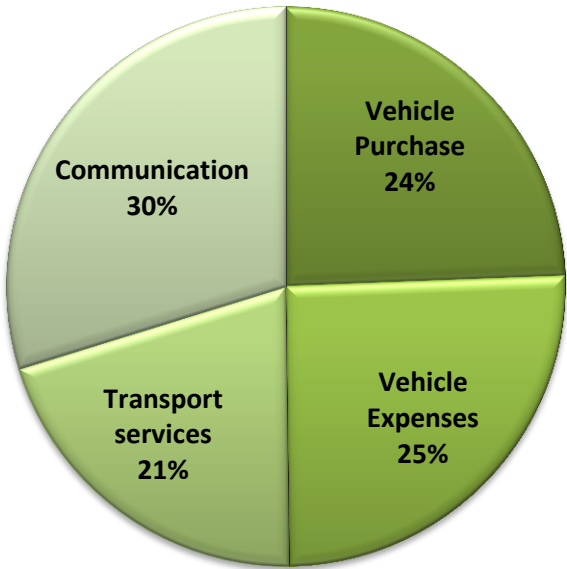


Figure 67

Illustrated in the cone chart below (*fig.68*) are the average inflation rates recorded in the expenditure category Transportation & Communication over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Note that a decline in inflation was observed between 2007 and 2010; lowest point was in 2010; where deflation in the average rate of 0.3 percent was recorded. In 2011 the average inflation recorded was 1.5 percent; an upswing compared to the same period a year prior.

In the following section we take a closer look into the average index each of the four product groups comprising this category, over the 1st trimester period (Jan-Apr) for the years 2006 through 2011.

**Ave. Inflation for the Expenditure Category
Transportation & Communication
in the period (Jan - Apr) 2006 - 2011**

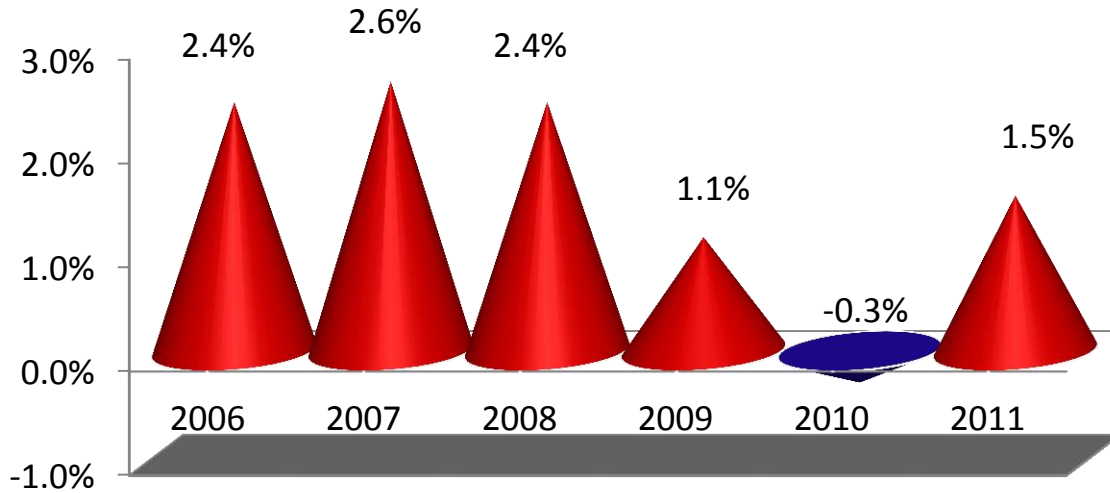


Figure 68

7.1 Vehicle Purchase

The bar chart below (*fig.69*) shows that the average index for Vehicle Purchase during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a gradual incline. The largest increase in the average index was recorded between 2010 and 2011; above 10 point

**Ave. Index for the period (Jan - Apr) 2006 - 2011
Oct 2006 = 100**

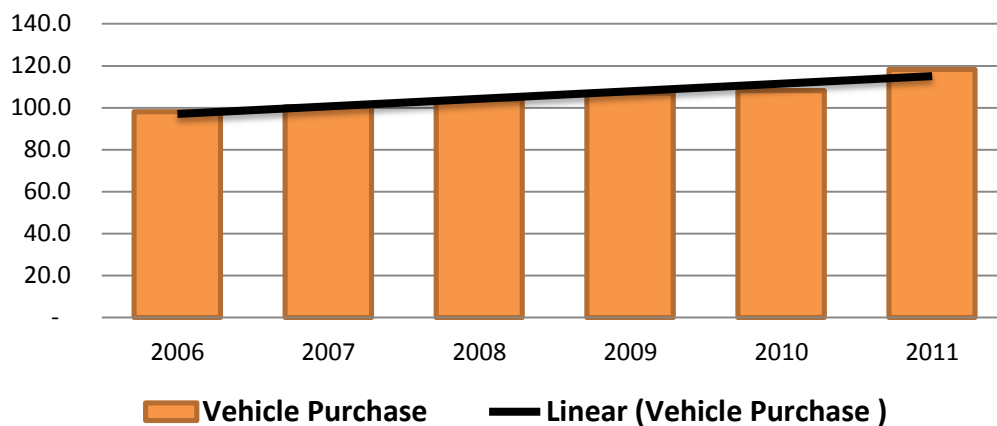


Figure 69

7.2 Vehicle Expenses

The bar chart below (fig.70) shows that the average index for Vehicle Expenses during the 1st trimester (Jan-Apr) of 2006 through to 2011 has observed many fluctuations. The largest upsurge in the average index was recorded between 2007 and 2008; above 11 point.

In the following section we will highlight prices recorded over the last 6 years for Diesel and Gasoline in Sint Maarten.

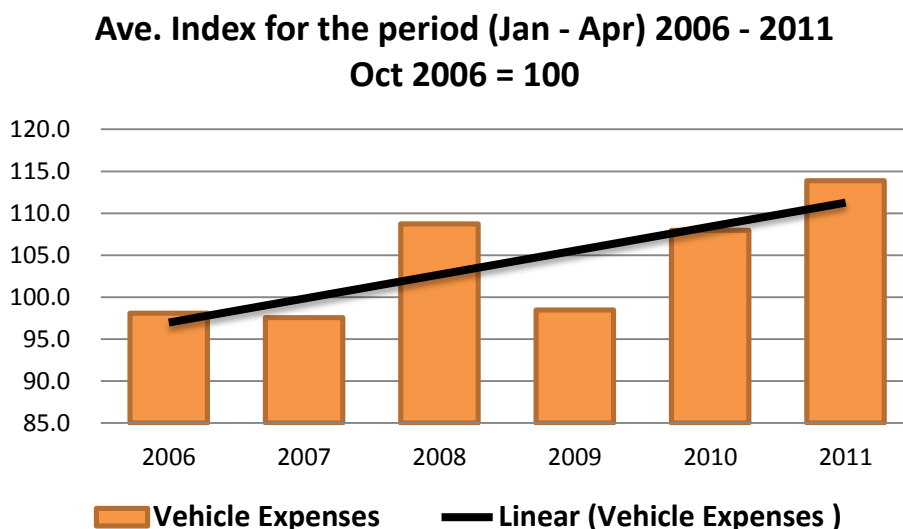


Figure 70

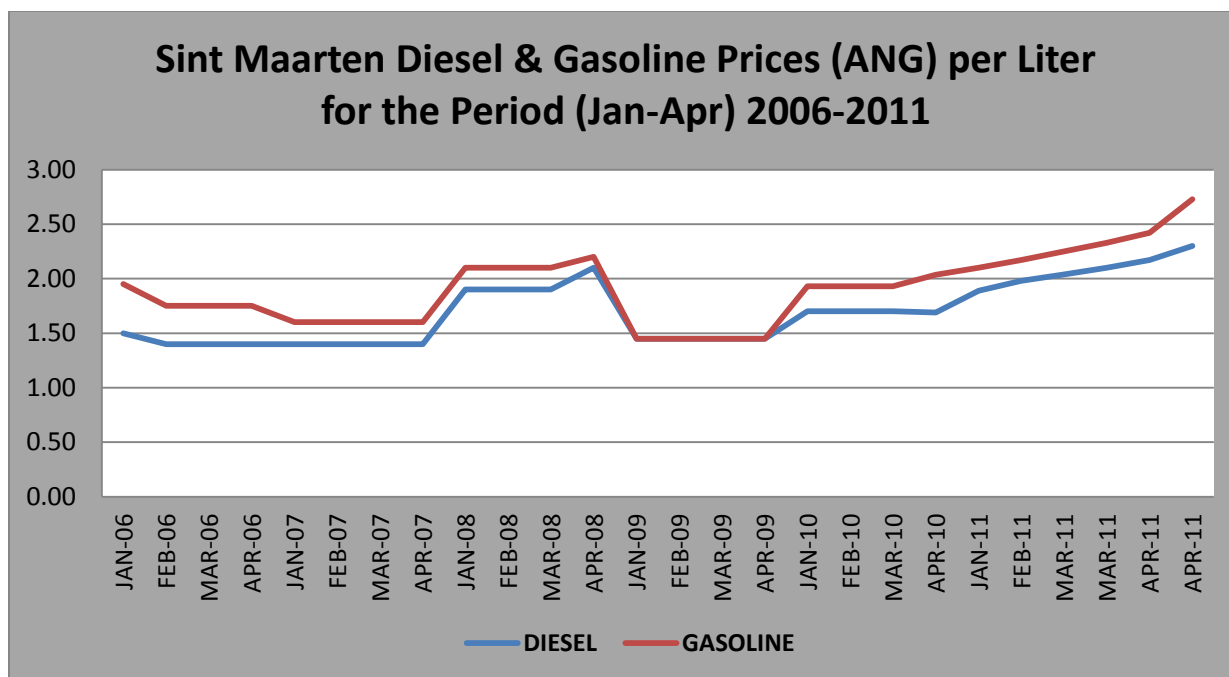


Figure 71

The line graph above (*fig.71*) depicts the price recorded for Diesel and Gasoline during the 1st trimester (Jan-Apr) of 2006 through to 2011. The price for Diesel and Gasoline has followed similar movements of the last 6 years. The highest price (ANG 2.30; ANG 2.73) for a liter of Diesel and Gasoline was recorded in April 2011.

When observing the line graph below (*fig.72*) we observe the movement of the World Crude Oil price per barrel during the 1st trimester (Jan-Apr) of 2006 through to 2011. Note that the World Crude Oil price movements are parallel to that of Diesel and Gasoline in Sint Maarten.

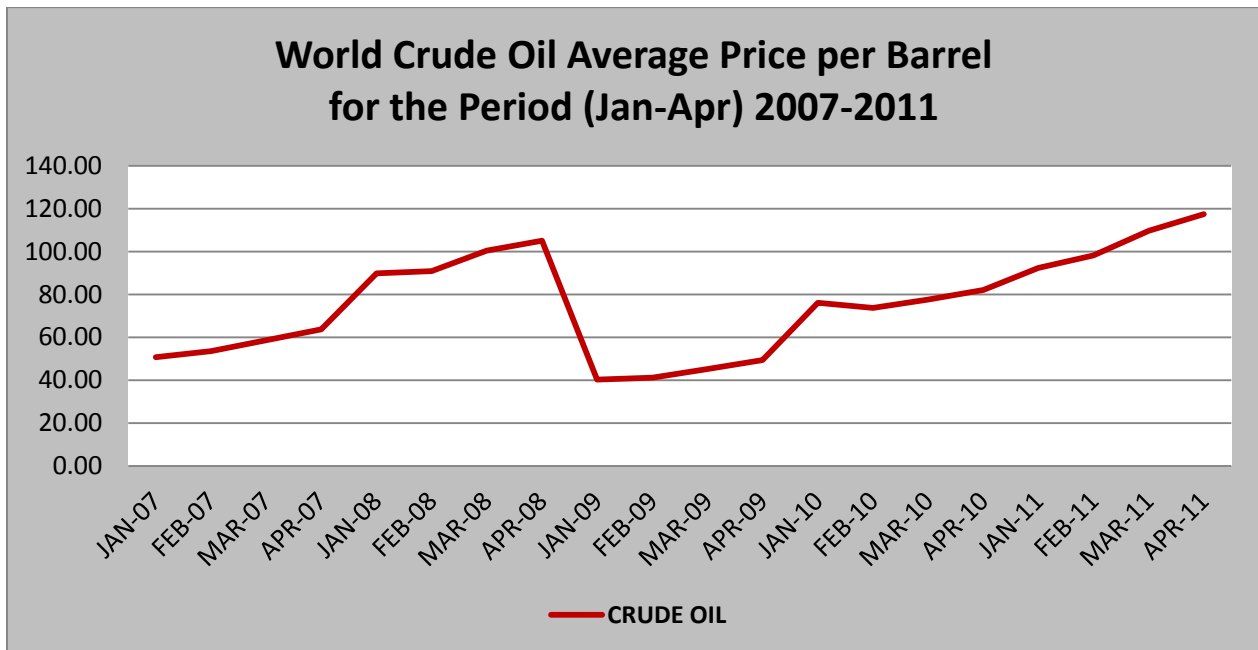


Figure 72

7.3 World Outlook Crude Oil

World Crude oil per barrel price is largely influenced by world economic and political events, in figure 73 below we highlight some of the prominent events that have had an effect. Notable are the similarities in price movements of Diesel and Gasoline in Sint Maarten. Other factors that affect World Crude Oil prices are the increased global consumption as well as the limited supply.

WORLD CRUDE OIL Monthly Average Price

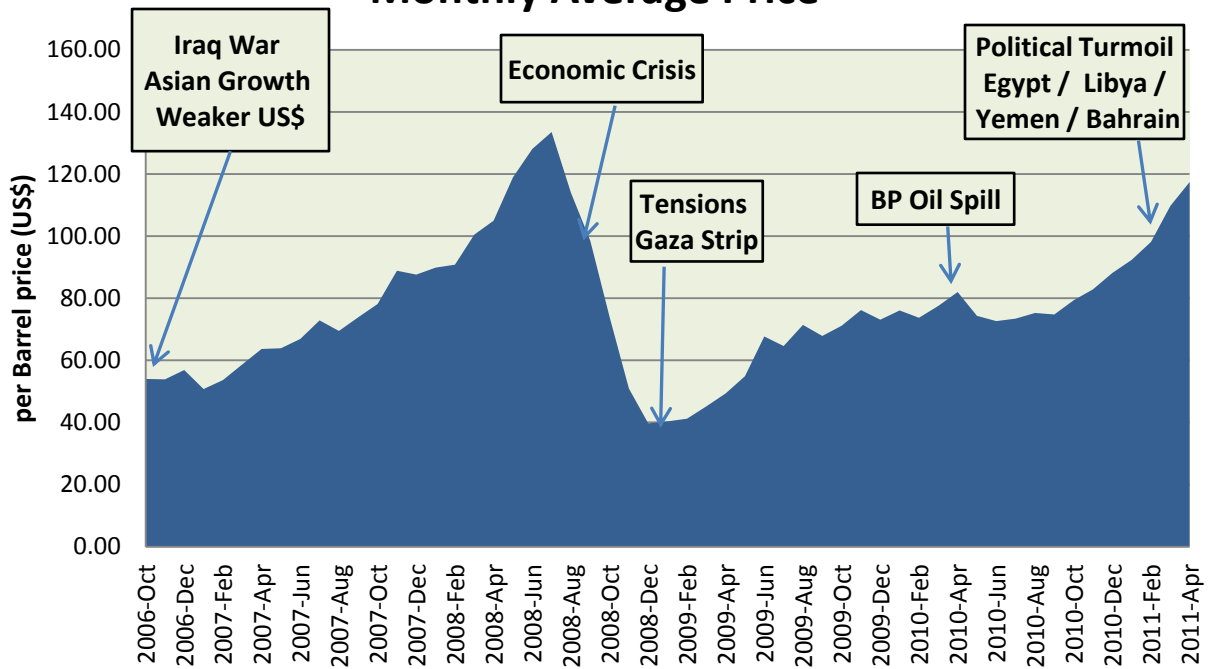


Figure 73

Gasoline Prices Movement in Sint Maarten

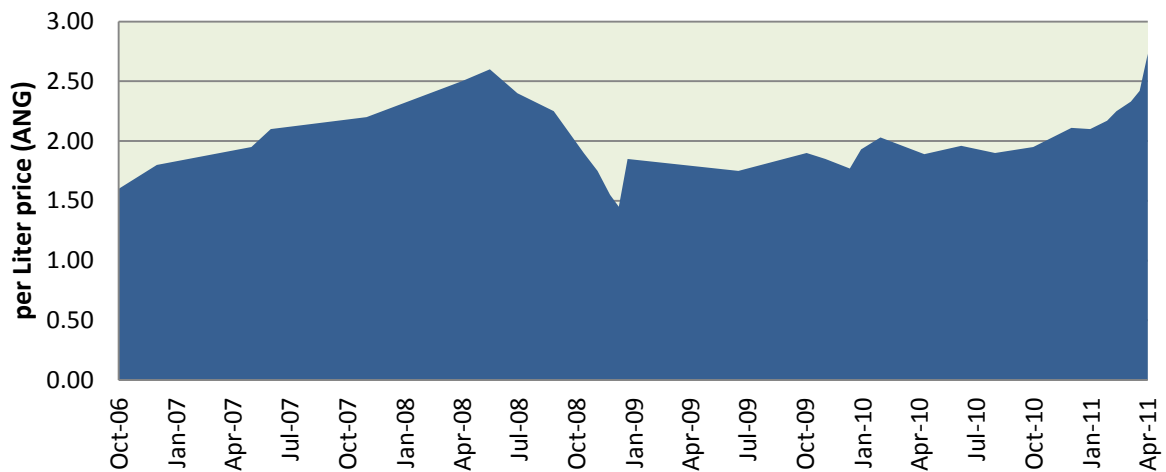


Figure 74

Diesel Prices Movement in Sint Maarten

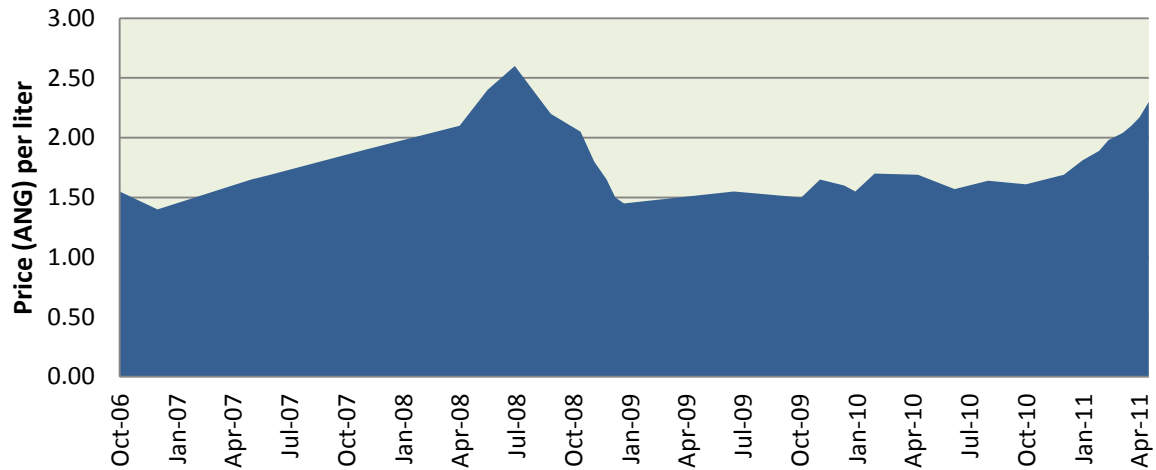


Figure 75

7.4 Communication

The bar chart below (*fig.76*) shows that the average index for Communication during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a steep decline. The largest drop in the average index was recorded between 2008 and 2009; approximately 1 point

Ave. Index for the period (Jan - Apr) 2006 - 2011 Oct 2006 = 100

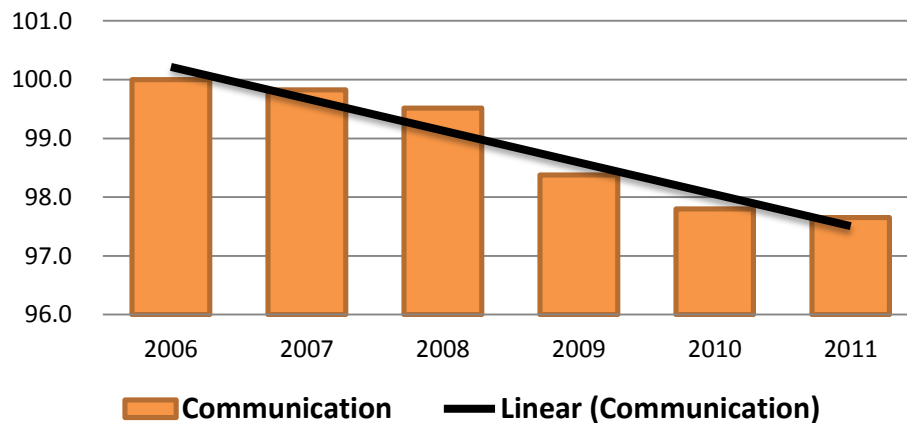


Figure 76



EXPENDITURE CATEGORY RECREATION & EDUCATION

8 Recreation & Education

The expenditure category Recreation & Education carries a 6% weight of the total CPI; it is further sub-divided into five product groups. Each of the product groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

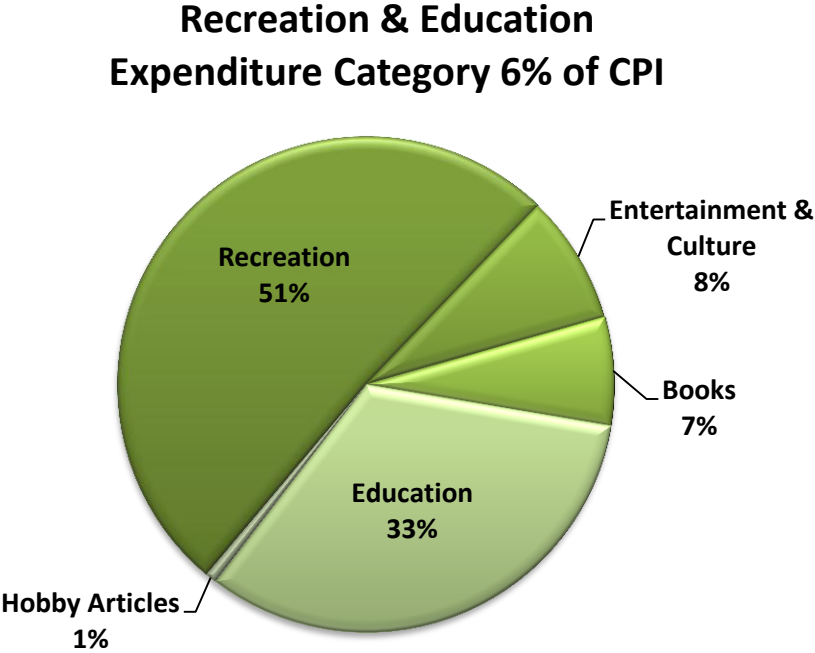


Figure 77

Illustrated in the cone chart below (*fig.78*) are the average inflation rates recorded in the expenditure category Recreation & Education over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Note that between 2006 and 2009 a decline in inflation was observed; the lowest point was in 2009; were deflation in the average rate of 0.3 percent was recorded. After the upsurge in 2010 a slight decline was again observed in 2011.

In the following section we take a closer look into the average index for each of the five product groups comprising this category over the 1st trimester period (Jan-Apr) for the years 2006 through 2011.

**Ave. Inflation for the Expenditure Category
Recreation & Education
in the period (Jan - Apr) 2006 - 2011**

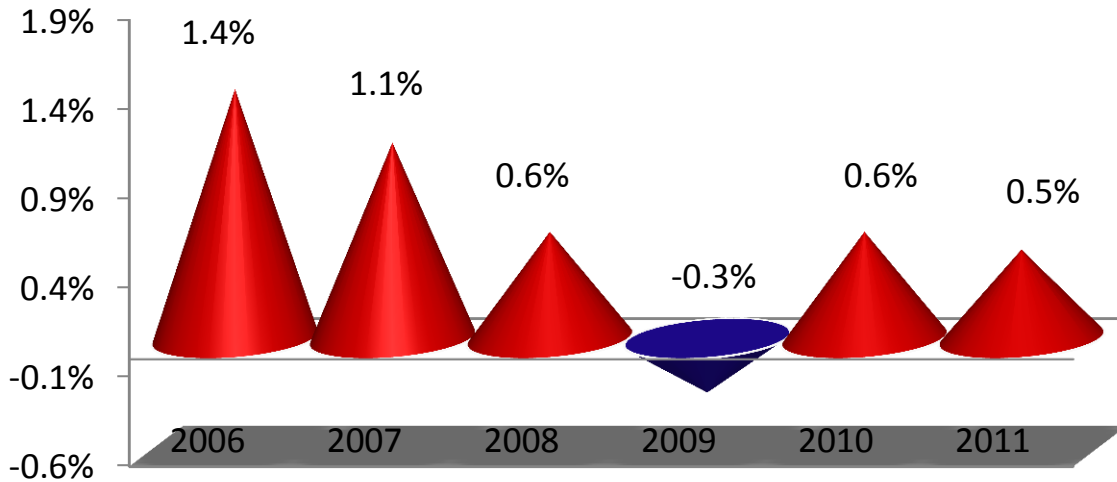


Figure 78

8.1 Recreation

The bar chart below (*fig.79*) shows that the average index for Recreation during the 1st trimester (Jan-Apr) of 2007 through to 2009 has recorded a steep decline. Subsequent to this period a slight incline was observed in 2010 compared to 2009. The largest decline in the average index was recorded between 2007 and 2008; above 2 point. Noteworthy is that prices are below those recorded in October 2006 (=100).

**Ave. Index for the period (Jan - Apr) 2006 - 2011
Oct 2006 = 100**

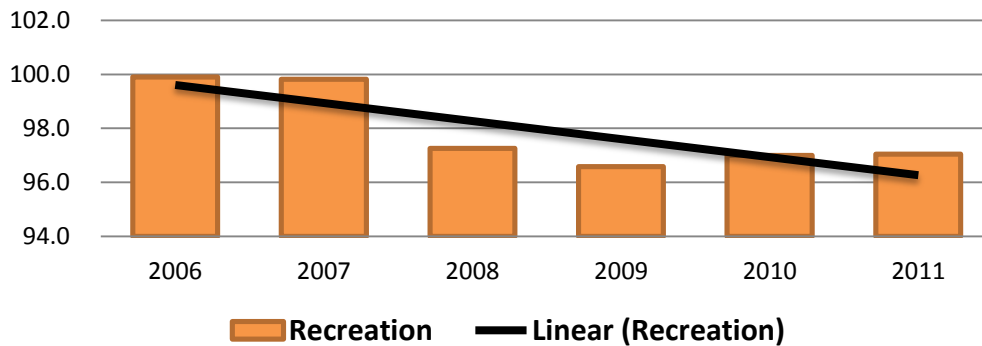


Figure 79

8.2 Entertainment & Culture

The bar chart below (*fig.80*) shows that the average index for Entertainment & Culture during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a steep incline. The largest incline in the average index was recorded between 2009 and 2010; above 4 points.

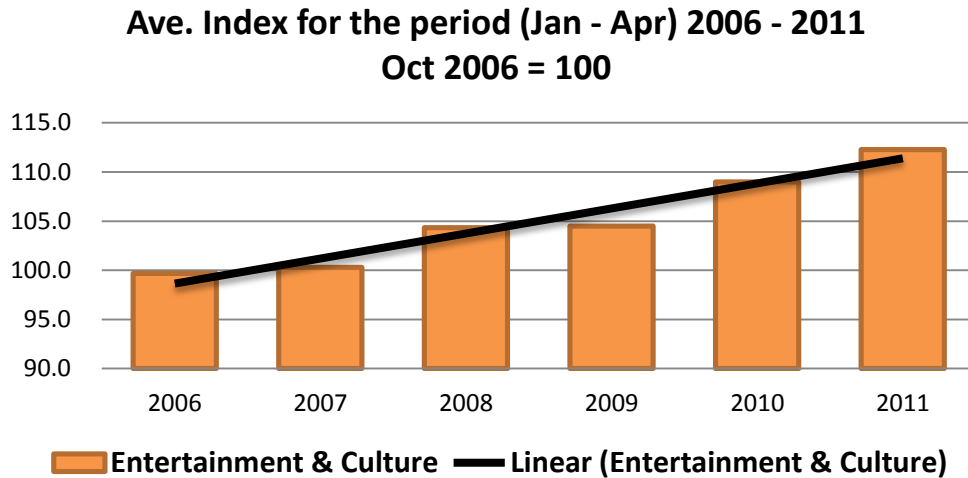


Figure 80

8.3 Books

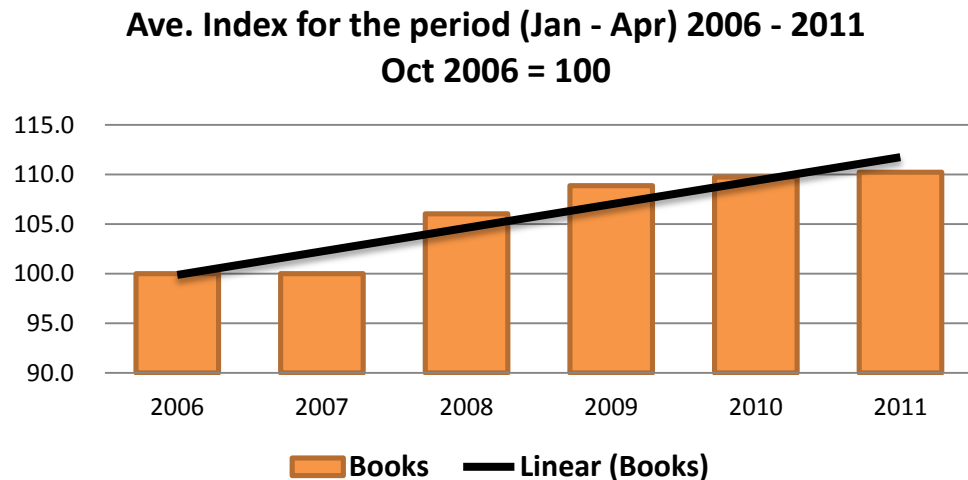


Figure 81

The bar chart above (*fig.81*) shows that the average index for Books during the 1st trimester (Jan-Apr) of 2007 through to 2010 has recorded a steady incline. The largest incline in the average index was recorded between 2007 and 2008; 6 points.

8.4 Education

The bar chart below (*fig.82*) shows that the average index for Education during the 1st trimester (Jan-Apr) of 2006 through to 2010 has recorded a progressive increase. The largest incline in the average index was recorded between 2007 and 2008; above 2 points.

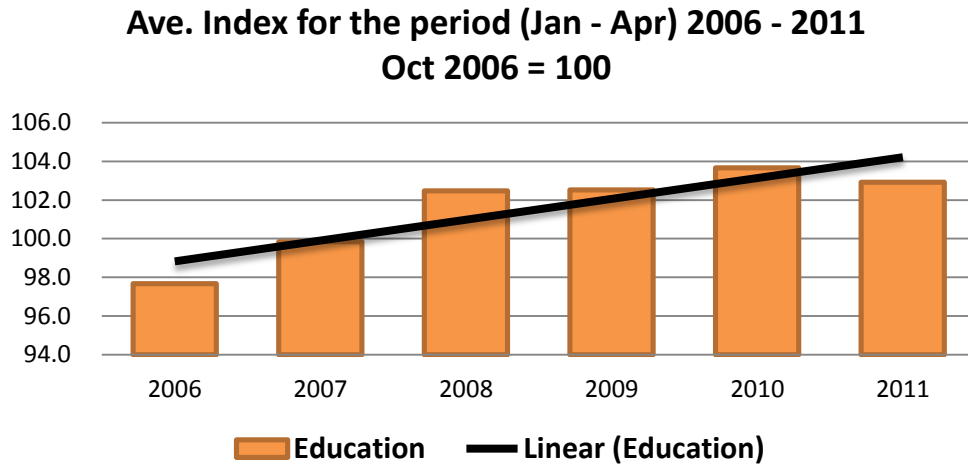


Figure 82

8.5 Hobby Articles

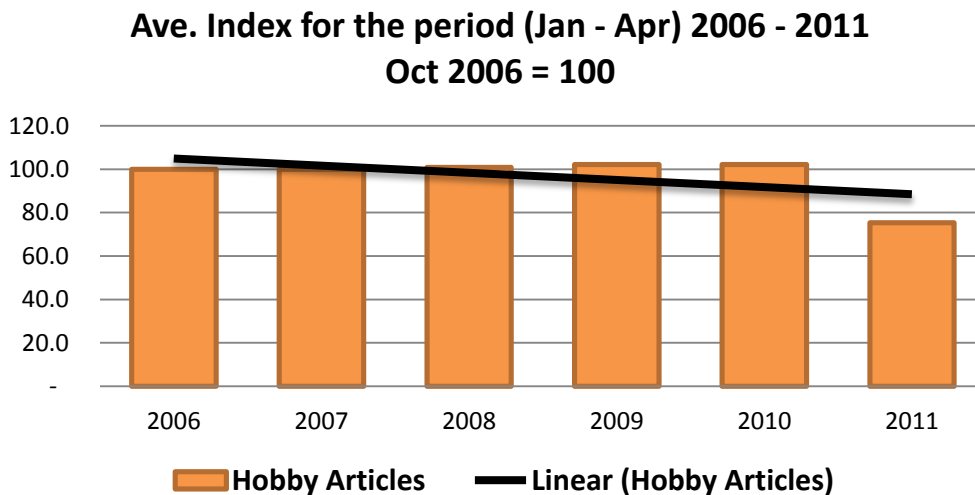


Figure 83

The bar chart above (*fig.83*) shows that the average index for Hobby Articles during the 1st trimester (Jan-Apr) of 2006 through to 2010 has remained fairly stable. Noteworthy is the significant drop in 2011 compared to the same period in 2010; approximately 27 points.



EXPENDITURE CATEGORY

MISCELLANEOUS

9 Miscellaneous

The expenditure category Miscellaneous carries an 8% weight of the total CPI; it is further subdivided into three product groups. Each of the product groups contribute a share to the entire category, this subdivision is illustrated in the pie chart below.

Miscellaneous Expenditure Category 8% of CPI

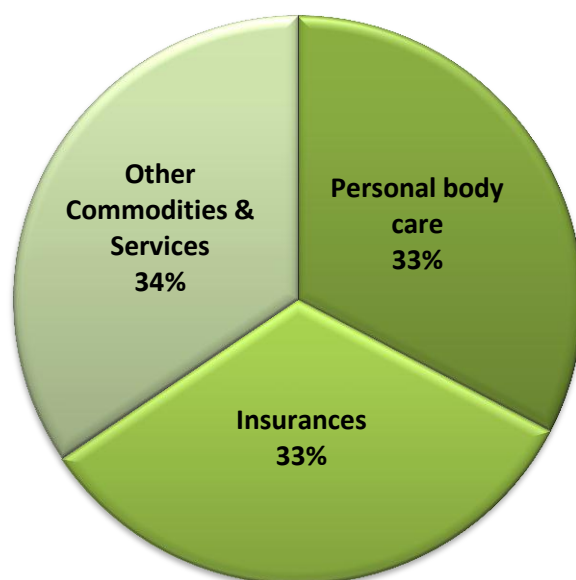


Figure 84

Illustrated in the cone chart below (*fig.85*) are the average inflation rates recorded in the expenditure category Miscellaneous over the 1st trimester period (Jan-Apr) for the years 2006 through 2011. Note that between 2006 and 2010 an incline in inflation was observed; after which a decline of 1 percent was recorded in 2011.

In the following section we take a closer look into the average index for each of the three product groups comprising this category over the 1st trimester period (Jan-Apr) for the years 2006 through 2011.

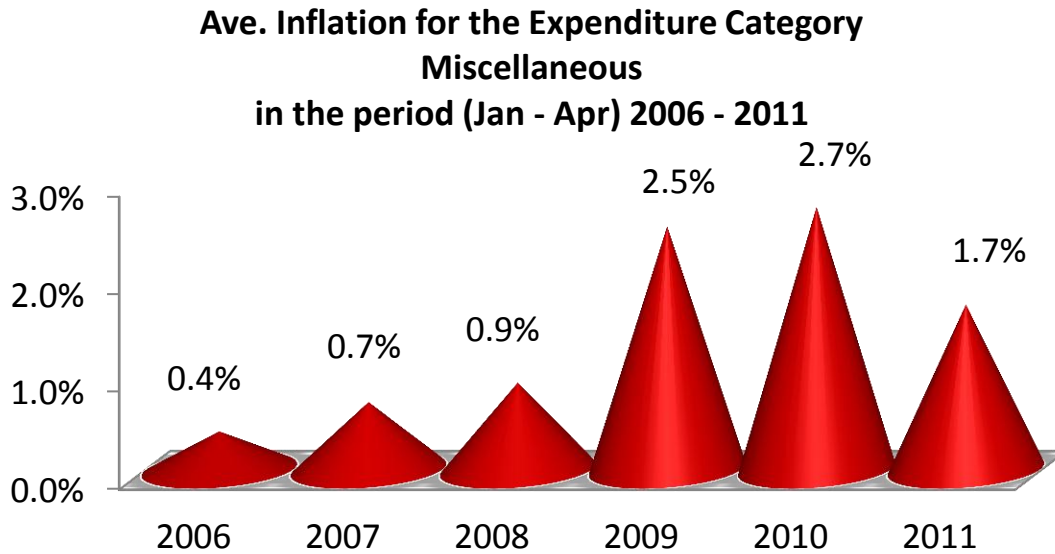


Figure 85

9.1 Personal body care

The bar chart below (*fig.86*) shows that the average index for Personal body care during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a steady incline. The largest incline in the average index was recorded between 2010 and 2011; above 3 points.

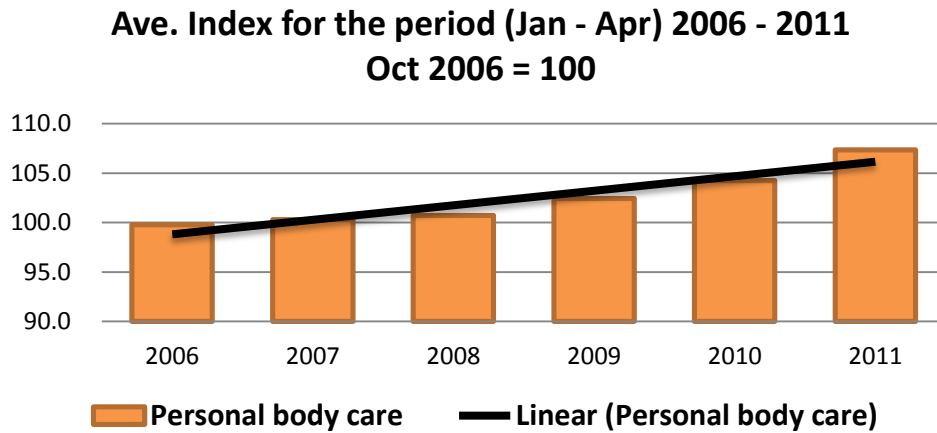


Figure 86

9.2 Insurances

The bar chart below (*fig.87*) shows that the average index for Insurances during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a steep incline. The largest incline in the average index was recorded between 2008 and 2009; approximately 2 points.

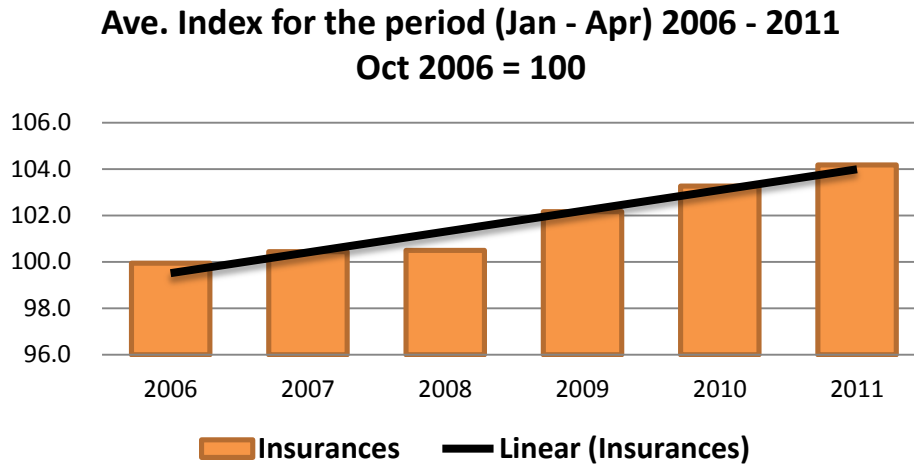


Figure 87

9.3 Other Commodities & Services

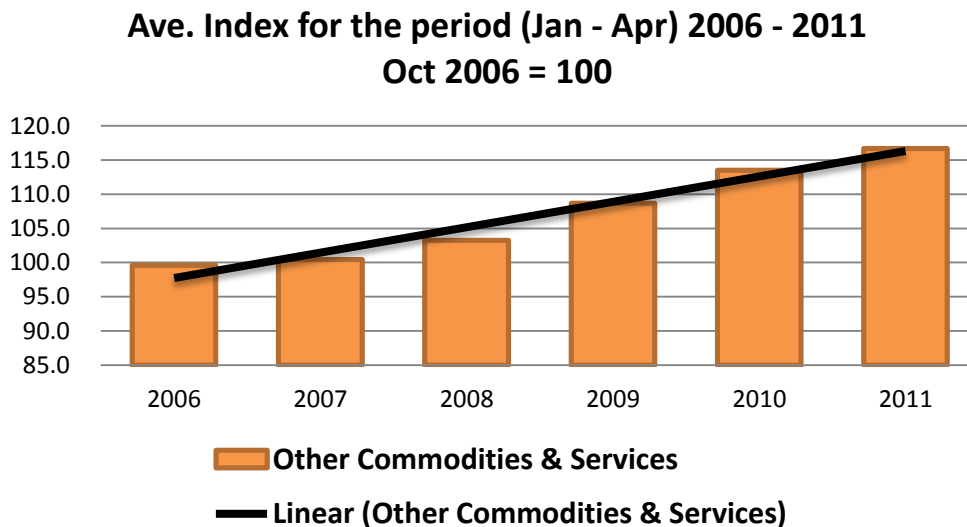


Figure 88

The bar chart above (*fig.88*) shows that the average index for other commodities & services during the 1st trimester (Jan-Apr) of 2006 through to 2011 has recorded a steep incline. The largest incline in the average index was recorded between 2008 and 2009; above 5 points.