The local petroleum industry: its viability and stability

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Outline presentation

- The importance of the petroleum industry
- The role of Curoil in our economy
- Factors that affect Curoil’s performance
- Curoil’s role in the 21st century
Petroleum industry

- Refinery
- Oil storage & transshipment
- Wholesale trade of petroleum products
- Gasoline stations
- Bunkering
Role of Curoil (1)

**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)

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)

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

- Tourism: 38.1%
- Int. Fin. Ser.: 6.2%
- Transportation: 3.8%
- Other services: 13.7%
- Refining: 7.5%
- Bunkering: 8.5%
- Oil storage: 2.4%
- Freezone: 11.8%

*Income from the export of goods and services
Exports & imports petroleum industry (in mln. NAF.)
Breakdown of foreign exchange revenues of petroleum industry*

- Oil products: 54.0%
- Bunkering: 12.1%
- Refining fee: 31.3%
- Oil storage: 2.6%

*Average 2000 - 2009
Economic indicators

- 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)

International:

- No longer vertical integration in the petroleum industry
- Regulations on emissions from aviation and marine bunker fuels
Factors affecting Curoil’s performance (2)

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)

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)

Domestic:

- Increased consumer awareness towards environmental issues and clean energy
Role of petroleum industry 21st century

- 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 21st century

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