

Dear Chairman and members of the Finance and Kingdom Relations Committees,

It was with great interest that I took note of the letter from the Minister of Finance dated 3 June 2019 and of the summary of the PwC report on banking services in the BES islands.

An important remark made by PwC is that although Bonaire on the one hand and St. Eustatius and Saba on the other hand are in the same constitutional position (as a public body), the islands do not have much in common. I would like to go one step further: although Saba and St. Eustatius are geographically close to each other, there is not much interaction between these two islands. In general, it seems to me to be very much to consider maintaining direct contact with "The Hague" in all policy areas from the three separate islands (public bodies), leaving open whether this should be one-on-one with the various departments (which seems to me to be the most direct and effective) or through the intervention of the centrally operating coordination point, the MinBZK.

When the Minister of Finance places his trust in the CBCS on the basis of a possible staff change at the top, I sincerely wonder whether 'sustainable' really is an important aspect of the Minister's policy. After all, a personnel change may be followed by another one, and then everything could just as easily be quite different.

In the international comparison, the unique situation clearly emerges that the BES islands - as the Caribbean Netherlands - are indeed part of the Netherlands, while the central bank is based in another country of the Kingdom. It may have historically grown in such a way that a subsidiary of the Curaçao Maduro Curiel Bank (i.e. the Windward Island Bank) on St. Eustatius is the only bank on St. Eustatius, but of course it does not fit in with the way in which the powers and responsibilities are divided between the Kingdom and the four Countries in that Kingdom, which was the subject of a study recently published by the University of Groningen. The financial policy is not mentioned as a matter for the Kingdom.

I am taking account of both the Windward Island Bank and a Dutch bank. When I transfer money from one bank to another, I am not only dealing with the exchange rate (US dollar versus Euro) but also with relatively high transaction costs. Withdrawing money from an ATM (ATM) with a European Dutch bank card also costs 7.50 US dollars per transaction. You can read between the lines of the PwC summary that Windward Island Bank's service is not up to standard in the Netherlands, and I can only confirm that impression. I try to use online banking as much as possible, but here too I can say that the ease of use does not come close to what people in the European Netherlands are used to. A physical visit to the bank almost always leads to a lot of loss of time due to long waiting times and annoyance as a result of an unfriendly attitude on the part of the employees (with a few exceptions): a behaviour that, by the way, logically follows from the monopoly position that the Windward Island Bank has on the island of St. Eustatius.

I would like to make a comment on giro versus cash movements. In my opinion too, giro money transfers should be stimulated much more, but the hurricane

susceptibility of (especially) the Windward Islands implies that when there is a threat of hurricane, it pays to hoard cash, at least temporarily. If, as in the period of Hurricane Irma, you are deprived of the Internet, then the giro money traffic is also flat. The ATM does not work and with hoarded money you can at least buy something at the local shops (as far as they are still stocked under those circumstances, of course).

A scenario that I do not see mentioned is the establishment of branches of one or more of the various banks that are active in the European Netherlands. Perhaps these banks are not waiting to set up a less profitable branch in a village so far away from the Netherlands, but it would serve the public good! Perhaps the use of the euro as a local currency (after all, the infrastructure of the Dutch banks is based on this) should be considered for this purpose, and although this sounds far-reaching, it seems to me to be a fundamentally right and rationally underpinned direction. The choice for the US dollar seems to me to have been made on emotional grounds at the time. In reality I see in the region besides the US dollar also the Eastern Caribbean dollar, the Antillean guilder and the Euro.

Neither the letter nor the PwC report addresses a number of preconditions. For example, you cannot open an account in the European Netherlands without having a BSN (citizen service number). The Dutch Caribbean citizens do not automatically have a BSN. Furthermore, a DigiD is required for many financially oriented transactions. A DigiD desk has recently been opened on Bonaire, but the Windward Islands of Saba and St. Eustatius do not (yet?) have such a facility.

In my letter to you dated 14 November 2018, I argued in favour:

- to provide all Dutch Caribbean citizens with a BSN,
- to turn the Dutch Caribbean into a 'euro area' and
- NL banks to stimulate the opening of a branch on the islands in the Caribbean Netherlands.

I would like to reiterate this plea for further consideration in your mutual consultations as well as in your consultations with the Minister of Finance.

Yours sincerely,

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