



## CENTRALE BANK VAN ARUBA

### Summary of the monthly bulletin of the Centrale Bank van Aruba for April 2007

June 11, 2007

In April 2007, money supply increased by Afl. 33.9 million or 1.3 percent to Afl. 2,559.1 million. This outcome was brought about by an Afl. 40.6 million rise in net domestic assets, which was offset in part by an Afl. 6.6 million decline in net foreign assets. Consequently, net foreign assets fell to Afl. 722.9 million at the end of April 2007, which is Afl. 70.9 million or 10.9 percent higher than in the corresponding month a year earlier.

The increase in net domestic assets was caused mainly by an Afl. 26.2 million expansion in banking sector's claims on the private sector. The latter was associated largely with an Afl. 26.1 million (2.6 percent) increase in loans to enterprises. In addition, consumer credit rose slightly by Afl. 1.2 million (0.2 percent). Housing mortgages, on the other hand, decreased by a marginal Afl. 0.2 million. Non-credit-related balance sheet items went up by Afl. 13.3 million, reflecting in part clearing transactions of the banking sector. Also, net claims of the banking sector on the public sector grew by Afl. 1.1 million. The latter was on balance the result of an Afl. 2.5 million decline in development fund deposits held with the banking system and an Afl. 1.4 million increase in other government deposits.

Changes in the money supply in April 2007:

	<u>In Afl. million</u>
1. Net foreign assets	-6.6
2. Net domestic assets	+40.6
<i>a. Net claims on the public sector</i>	+1.1
<i>b. Loans to enterprises</i>	+26.1
<i>c. Consumer credit</i>	+1.2
<i>d. Housing mortgages</i>	-0.2
<i>e. Other claims by the banking sector</i>	-0.9
<i>f. Non-credit-related balance sheet items</i>	+13.3
3. Net change in money supply	+33.9

( "+"=increase / "-"=decrease)

Available data show that the average occupancy rate of hotels for April 2007 edged up by 0.7 percentage point to 81.8 percent, after falling slightly by 0.5 percentage point to 82.0 percent for March 2007. The Aruba Tourism Authority has not yet published the data on tourist arrivals and nights spent on the island for March and April 2007.

Since February 2007, the number of cruise passengers has been declining. This number fell again in April and May 2007 by, respectively, 17.3 percent and 25.8 percent, in spite of

\* The publications of the Centrale Bank van Aruba are also available on its website [www.cbaruba.org](http://www.cbaruba.org).

a 3.4 percent rise in ship calls in April 2007 and a notable 75 percent hike in May 2007. A major factor for this development was the cancellation as of January 2007 of the weekly visits of the Carnival Cruise Lines to Aruba.

In March 2007, the consumer price index went up by 5.0 percent, compared to the corresponding month a year earlier. In contrast, the annual average inflation rate decelerated to 3.7 percent, down from 3.9 percent in March 2006. The consumer price index for April 2007 has not yet been published by the Central Bureau of Statistics.