



## CENTRALE BANK VAN ARUBA

### **Summary of the monthly bulletin of the Centrale Bank van Aruba for September 2006\***

November 9, 2006

In September 2006, money supply grew by Afl. 9.7 million or 0.4 percent to Afl. 2,473.3 million. This increase was the result of an Afl. 5.4 million inflow of funds from abroad and an Afl. 4.3 million expansion of net domestic assets. Net foreign assets settled at Afl. 625.9 million at end September 2006, which is Afl. 32.6 million or 5.0 percent less than in the corresponding month a year earlier.

The increase in net domestic assets resulted from an Afl. 21.4 million rise in domestic credit, which was partially offset by an Afl. 17.1 million decline in non-credit related balance sheet items. Net claims of the banking sector on the private sector went up by Afl. 16.1 million, largely because of an Afl. 14.3 million (2.7 percent) surge in consumer credit reflecting mainly a notable rise in car loans granted by the banking sector. In addition, housing mortgages grew by Afl. 4.7 million (0.6 percent). In contrast, loans to enterprises fell by Afl. 2.4 million (0.2 percent). Net claims of the banking sector on the public sector rose by Afl. 5.3 million following an Afl. 2.6 million contraction in government's deposits at the banking system.

#### Changes in the money supply in September 2006:

	In Afl. million
1. Net foreign assets	+5.4
2. Net domestic assets	+4.3
a. Net claims on the public sector	+5.3
b. Loans to enterprises	-2.4
c. Consumer credit	+14.3
d. Housing mortgages	+4.7
e. Other claims by the banking sector	-0.5
f. Non-credit-related balance sheet items	-17.1
3. Net change in money supply	+9.7

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

In July 2006, the number of stay-over visitors and their nights spent on the island fell by 9.1 percent and 5.4 percent, respectively, compared to the corresponding month in 2005. In the first seven months of 2006, stay-over visitors and total nights spent on the island went down by 10.2 percent and 7.2 percent, respectively. However, according to data from the Central Bureau of Statistics, the average occupancy rate of the hotels for September 2006 shows a contraction of 2.5 percentage points to 66.6 percent, compared to the corresponding month a year earlier. Figures on tourist arrivals and nights spent on the island for August and September 2006 are not yet available.

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

Data published by the Cruise Tourism Authority reveal that the number of cruise passengers and ship calls went up by 45.7 percent and 14.3 percent, respectively, in September 2006, when compared to the corresponding month of 2005.

In September 2006, the consumer price index was 4.1 percent higher than in the corresponding month a year earlier. The annual average inflation rate was also 4.1 percent, which is an acceleration of 0.9 percentage point compared to the corresponding period a year earlier. This inflation rate is 0.4 percentage point higher than the annual average inflation rate for the United States in the same period.