



CENTRALE BANK VAN ARUBA

Summary of the monthly bulletin of the Centrale Bank van Aruba for October 2006*

December 14, 2006

In October 2006, money supply shrank by Afl. 9.7 million or 0.4 percent to Afl. 2,463.6 million. This contraction was the result of an Afl. 8.3 million outflow of funds to abroad and an Afl. 1.4 million decrease in net domestic assets. Consequently, net foreign assets fell to Afl. 617.5 million at end-October 2006, which is Afl. 41.2 million or 6.3 percent less than in the corresponding month a year earlier.

The decline in net domestic assets was attributed to an Afl. 8.5 million decrease in non-credit related balance sheet items, which was largely offset by an Afl. 7.1 million rise in domestic credit. Net claims of the banking sector on the public sector went up by Afl. 7.3 million, due to a drawing down of bank balances by the government. In contrast, claims of the banking sector on the private sector fell slightly by Afl. 0.2 million, following a drop in consumer credit and housing mortgages of Afl. 3.3 million (0.6 percent) and Afl. 0.6 million (0.1 percent), respectively. On the other hand, loans to enterprises rose by Afl. 4.8 million (0.5 percent).

Changes in the money supply in October 2006:

	In Afl. million
1. Net foreign assets	-8.3
2. Net domestic assets	-1.4
a. Net claims on the public sector	+7.3
b. Loans to enterprises	+4.8
c. Consumer credit	-3.3
d. Housing mortgages	-0.6
e. Other claims by the banking sector	-1.0
f. Non-credit-related balance sheet items	-8.5
3. Net change in money supply	-9.7

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

In August 2006, the number of stay-over visitors and their nights spent on the island declined by 0.9 percent and 0.8 percent, respectively, compared to the corresponding month in 2005. In the first eight months of 2006, stay-over visitors and total nights spent on the island shrank by 9 percent and 6.4 percent, respectively. According to data from the Central Bureau of Statistics, the average occupancy rate of the hotels for October 2006 shows a contraction of 6.2 percentage points to 73.7 percent, compared to the corresponding month a year earlier. Figures on tourist arrivals and nights spent on the island for September and October 2006 are not yet available.

* The publications of the Centrale Bank van Aruba are also available on its website www.cbaruba.org.

Data published by the Cruise Tourism Authority show that the number of cruise passengers and ship calls increased by 34.6 percent and 40.9 percent, respectively, in October 2006, when compared to the corresponding month of 2005.

In October 2006, the consumer price index rose by 1.8 percent compared to the corresponding month a year earlier. The annual average inflation rate was 3.9 percent, which is an acceleration of 0.6 percentage point compared to the corresponding period a year earlier. This inflation rate is 0.5 percentage point higher than the annual average inflation rate for the United States in the corresponding period.