



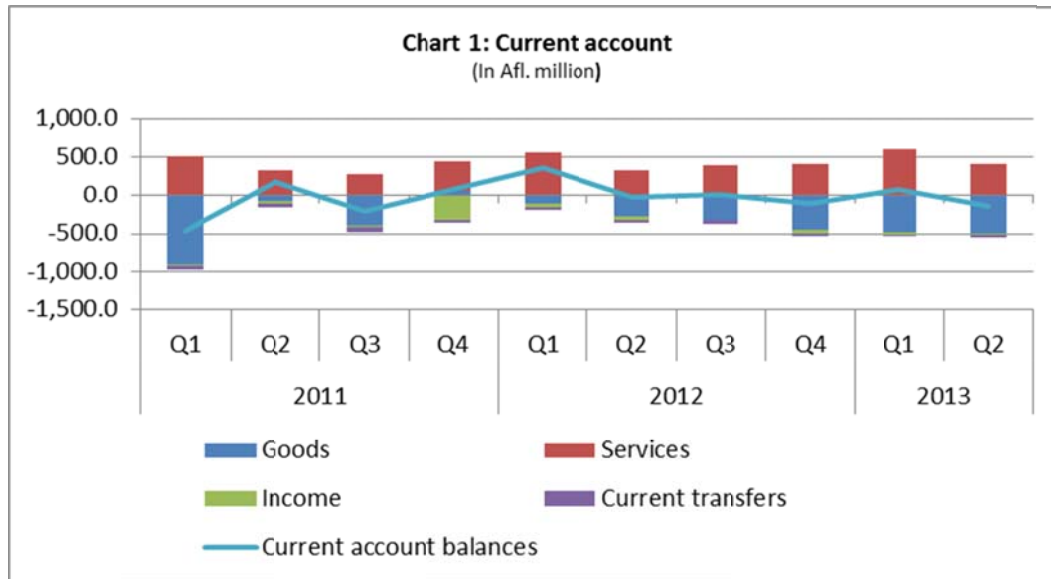
CENTRALE BANK VAN ARUBA

Statistical News Release

Date: October 8, 2013

Current account ended the second quarter of 2013 with an Afl. 147.8 million deficit

In the second quarter of 2013, the deficit on the current account of the balance of payments expanded by Afl. 119.3 million to Afl. 147.8 million, compared to the corresponding quarter of 2012 (Chart 1). The deterioration in the current account was driven by increases in the deficit on the goods and current transfers accounts of, respectively, Afl. 211.8 million and Afl. 13.8 million. The services and income accounts, on the other hand, recorded a higher surplus (Afl. 78.7 million) and a lower deficit (Afl. 27.6 million), respectively.



The higher goods account deficit was due to the trade transactions of both the oil and the non-oil sector. The goods account of the oil sector registered an Afl. 107.2 million deficit, following a surplus of Afl. 83.0 million in the same quarter of 2012. This turnaround was largely attributed to a sharp fall in the value of exports of goods by 85 percent. Additionally, the deficit on the goods account of the non-oil sector rose by 6 percent to Afl. 382.4 million, as the growth in import payments exceeded that of export receipts. The services account surplus exceeded the level reached in the corresponding quarter of 2012, largely on account of higher gross tourism receipts (6.1 percent). The income account balance once

more contributed to the current account deficit, albeit less strongly than in the same quarter of the previous year, associated mostly with lower transfers of branch profits and dividend payments.

The deficit on the current account was partly offset by a net inflow in the financial account of Afl. 48.1 million. Both the oil and the non-oil sector contributed to this outcome. Financial account transactions of the oil sector resulted in a net inflow of Afl. 44.7 million, compared to an Afl. 109.6 million net outflow in the same period of 2012, mainly because of payments related to trade credits.

The financial account of the non-oil sector recorded an Afl. 3.4 million net inflow (2012: Afl. 5.2 million). Contributory factors to this outcome were portfolio and other investments. Other investment posted an Afl. 37.0 million net inflow, compared to an Afl. 128.4 million net outflow in the same quarter of 2012, mainly related to a decrease in balances on foreign currency and deposits of resident companies. In addition, portfolio investment registered a net inflow of Afl. 10.2 million, reflecting the purchase of government bonds by foreign investors for the amount of Afl. 32.6 million, which was partially offset by a net purchase of foreign equity and debt securities by local investors. On the other hand, direct investment showed a shift from an Afl. 25.2 million net inflow into an Afl. 43.9 million net outflow, attributed mainly to intercompany loans transactions.

The balance of payments recorded an Afl. 106.8 million overall deficit in the second quarter of 2013 (Chart 2). Both the oil sector and the non-oil sector contributed to this deterioration, posting an Afl. 61.3 million net purchase of foreign exchange from the commercial banks and a contraction of Afl. 45.5 million in the official reserves of the CBA, respectively.

