



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba increased during 2016 despite a decline in the fourth quarter of 2016

In the fourth quarter of 2016, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net sale by the CBA of Afl. 42.2 million of foreign exchange, compared to a net purchase of Afl. 40.8 million of foreign exchange in the corresponding quarter of 2015. This turnaround was attributed mainly to transactions with the government. These transactions led to a net foreign exchange sale of Afl. 35.4 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 39.7 million in the fourth quarter of 2015. Additionally, net foreign exchange purchase from other clients declined by Afl. 8.1 million. On the other hand, net foreign exchange sales to commercial banks fell by Afl. 0.3 million. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, decreased by Afl. 84.4 million to Afl. 1,673.2 million at the end of the fourth quarter of 2016 (see Table 1).

Tabel 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	2014		2015		2016	
	Q4	YTD ³	Q4	YTD ³	Q4	YTD ³
I. Reserves at beginning of period	1,143.5	1,192.9	1,457.0	1,239.8	1,757.6	1,479.9
II. Net purchases/sales (-) of foreign exchange	92.4	20.3	40.8	263.9	-42.2	172.4
<i>Of which from/to:</i>						
1. Commercial banks	-14.1	-49.7	-7.5	133.1	-7.2	175.1
2. Government	88.2	39.2	39.7	116.0	-35.4	-10.8
3. Other clients	18.3	30.8	8.5	14.8	0.4	8.2
III. Other changes ²	3.9	26.6	-17.9	-23.8	-42.2	20.9
IV. Reserves at ending of period (I+II+III)	1,239.8	1,239.8	1,479.9	1,479.9	1,673.2	1,673.2
V. Change in official reserves during period (IV-I)	96.3	46.9	22.9	240.1	-84.4	193.3

Source: CBA.

¹ Including valuation changes.

² Include valuation changes refer to revaluation of gold, foreign exchange and security holdings and statistical differences.

³ January up to and including December.

During the twelve months of 2016, foreign exchange transactions effectuated via CBA led to a net purchase by the CBA of Afl. 172.4 million of foreign exchange, which was Afl. 91.5 million lower than in the same period of 2015. A turnaround from a net foreign exchange purchases of Afl. 116.0 million into a net foreign exchange sale of Afl. 10.8 million to government and a drop of Afl. 6.6 million in the net foreign exchange purchases from other clients, contributed to this contraction. In contrast, the net foreign exchange purchase from the commercial banks increased by Afl. 42.0 million.

The CBA's total foreign exchange purchases fell by Afl. 75.0 million to Afl. 184.2 million in the fourth quarter of 2016, compared to the corresponding quarter of 2015 (see Table 2). Foreign exchange purchases from the government and other clients dropped by, respectively, Afl. 74.3 million and Afl. 4.0 million, while foreign exchange purchases from commercial banks grew by Afl. 3.3 million.

During the twelve months of 2016, total foreign exchange purchases contracted by Afl. 24.6 million to Afl. 969.9 million, compared to the corresponding period of 2015. This drop was associated mainly with an Afl. 100.2 million decline in foreign exchange purchases from the government, due to less issuance of government bonds on the international capital market. On the other hand, foreign exchange purchases from commercial banks and other clients rose by Afl. 69.5 million and Afl. 6.1 million, respectively.

Table 2: Foreign exchange transactions

(in Afl. million)

	2014		2015		2016	
	Q4	YTD ¹	Q4	YTD ¹	Q4	YTD ¹
I. Total purchases of foreign exchange	276.7	961.5	259.2	994.5	184.2	969.9
Of which from:						
1. Commercial banks	148.8	600.6	174.6	689.9	177.9	759.4
2. Government	106.6	318.2	74.5	278.6	0.2	178.4
3. Other clients	21.3	42.7	10.1	26.0	6.1	32.1
II. Total sales of foreign exchange	184.3	941.2	218.4	730.6	226.4	797.5
Of which to:						
1. Commercial banks	162.9	650.3	182.0	556.8	185.1	584.3
2. Government	18.4	279.0	34.8	162.6	35.6	189.2
3. Other clients	3.0	11.9	1.5	11.2	5.7	23.9
III. Net purchases/sales (-) of foreign exchange	92.4	20.3	40.8	263.9	-42.2	172.4
IV. Net purchases/sales (-) from/to commercial banks	-14.1	-49.7	-7.5	133.1	-7.2	175.1
V. Net purchases/sales (-) from/to government	88.2	39.2	39.7	116.0	-35.4	-10.8
VI. Net purchases/sales (-) from/to other clients	18.3	30.8	8.5	14.8	0.4	8.2

Source: CBA.

³ January up to and including December.

Total foreign exchange sales of the CBA increased by Afl. 8.0 million to Afl. 226.4 million in the fourth quarter of 2016, due to higher foreign exchange sales to other clients, commercial banks and the government of Afl. 4.2 million, Afl. 3.1 million and Afl. 0.8 million, respectively.

During the twelve months of 2016, total foreign exchange sales grew by Afl. 66.9 million to Afl. 797.5 million, compared to the same period of 2015. Increases in foreign exchange sales to the commercial banks (+Afl. 27.5 million), the government (+Afl. 26.6 million) and other clients (+Afl. 12.7 million) contributed to this growth. The expansion in foreign exchange sales to the government was driven mostly by higher foreign debt service payments and transfers to notified foreign account.