



## CENTRALE BANK VAN ARUBA

### Statistical News Release

Date: December 3, 2018

#### **The official reserves of the Centrale Bank van Aruba increased during the third quarter of 2018**

##### *Developments in the third quarter of 2018*

The official reserves of the CBA, including other changes not related to foreign exchange transactions, increased by Afl. 9.4 million to Afl. 1,698.1 million at the end of September 2018 (Table 1 and Chart 1). Compared to a net sale of Afl. 85.4 million of foreign exchange in the third quarter of 2017. Foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net purchase by the CBA of Afl. 28.4 million of foreign exchange in the third quarter of 2018. This turnaround was attributed to transactions with the government and the commercial banks. Net sale of foreign exchange to the government fell by Afl. 68.2 million to Afl. 19.7 million. Transactions with the commercial banks led to a net foreign exchange purchase of Afl. 41.2 million in the quarter under review, compared to a net foreign exchange sale of Afl. 2.7 million in the same quarter of 2017. Transactions with other clients resulted in higher net purchases of foreign exchange of Afl. 1.6 million.

**Table 1: Factors affecting CBA's official reserves<sup>1</sup>**

(in Afl. million)

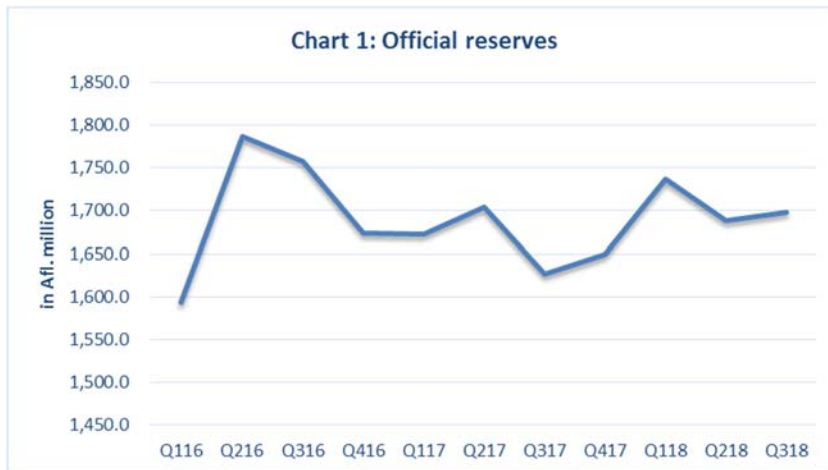
|   | 2016    |                  | 2017    |                  | 2018    |                  |
|---|---------|------------------|---------|------------------|---------|------------------|
|   | Q3      | YTD <sup>3</sup> | Q3      | YTD <sup>3</sup> | Q3      | YTD <sup>3</sup> |
| I. Reserves at beginning of period                  | 1,786.2 | 1,479.9          | 1,704.2 | 1,673.2          | 1,688.7 | 1,649.2          |
| II. Net purchases/sales (-) of foreign exchange     | -25.8   | 220.5            | -85.4   | -71.9            | 28.4    | 78.7             |
| Of which from/to:                                   |         |                  |         |                  |         |                  |
| 1. Commercial banks                                 | 28.9    | 183.0            | -2.7    | 140.2            | 41.2    | 187.5            |
| 2. Government                                       | -72.2   | 24.3             | -87.9   | -222.3           | -19.7   | -124.3           |
| 3. Other clients                                    | 17.4    | 13.2             | 5.2     | 10.3             | 6.8     | 15.5             |
| III. Other changes <sup>2</sup>                     | -2.8    | 57.2             | 7.7     | 25.1             | -19.0   | -29.9            |
| IV. Reserves at ending of period (I+II+III)         | 1,757.6 | 1,757.6          | 1,626.5 | 1,626.5          | 1,698.1 | 1,698.1          |
| V. Change in official reserves during period (IV-I) | -28.6   | 277.6            | -77.6   | -46.7            | 9.4     | 48.9             |

Source: Centrale Bank van Aruba

<sup>1</sup> Including valuation changes.

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

<sup>3</sup> January up to and including September.



Source: Centrale Bank van Aruba

On a gross basis, the CBA's total foreign exchange purchases grew by Afl. 25.2 million or 12.8 percent to Afl. 222.0 million in the third quarter of 2018, compared to the same quarter of 2017 (Table 2 and Chart 2). This increase was attributed mainly to a rise in purchases of the foreign exchange from the commercial banks transactions of Afl. 23.6 million to Afl. 213.5 million. Additionally, foreign exchange purchases from other clients rose by Afl. 1.7 million to Afl. 8.5 million.

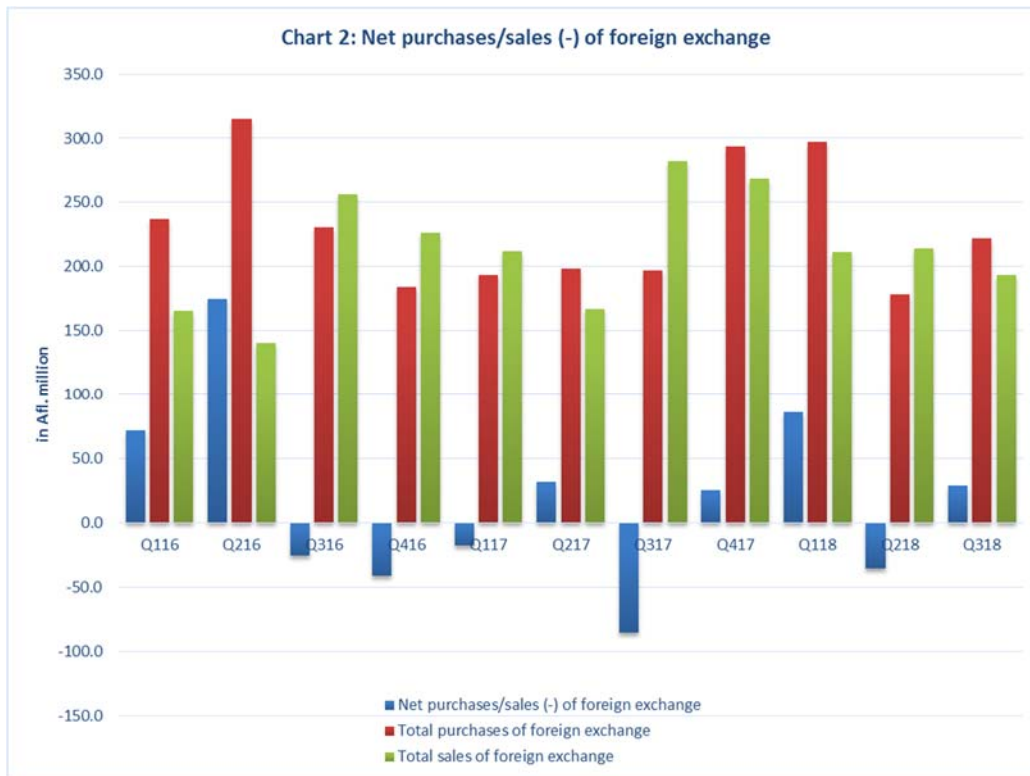
**Table 2: Foreign exchange transactions**

(in Afl. million)

|   | 2016         |                  | 2017         |                  | 2018         |                  |
|---|--------------|------------------|--------------|------------------|--------------|------------------|
|   | Q3           | YTD <sup>1</sup> | Q3           | YTD <sup>1</sup> | Q3           | YTD <sup>1</sup> |
| <b>I. Total purchases of foreign exchange</b>           | <b>230.4</b> | <b>782.5</b>     | <b>196.8</b> | <b>589.1</b>     | <b>222.0</b> | <b>697.9</b>     |
| <i>Of which from:</i>                                   |              |                  |              |                  |              |                  |
| 1. Commercial banks                                     | 210.2        | 581.6            | 189.9        | 567.9            | 213.5        | 677.1            |
| 2. Government   | 0.0          | 178.2            | 0.0          | 0.3              | 0.0          | 0.1              |
| 3. Other clients  | 20.2         | 22.7             | 6.8          | 21.0             | 8.5          | 20.7             |
| <b>II. Total sales of foreign exchange</b>              | <b>256.3</b> | <b>562.0</b>     | <b>282.1</b> | <b>661.0</b>     | <b>193.6</b> | <b>619.1</b>     |
| <i>Of which to:</i>                                     |              |                  |              |                  |              |                  |
| 1. Commercial banks                                     | 181.2        | 398.6            | 192.7        | 427.7            | 172.3        | 489.6            |
| 2. Government   | 72.2         | 153.9            | 87.9         | 222.5            | 19.7         | 124.3            |
| 3. Other clients  | 2.8          | 9.5              | 1.6          | 10.7             | 1.7          | 5.2              |
| <b>III. Net purchases/sales (-) of foreign exchange</b> | <b>-25.8</b> | <b>220.5</b>     | <b>-85.4</b> | <b>-71.9</b>     | <b>28.4</b>  | <b>78.7</b>      |
| IV. Net purchases/sales (-) from/to commercial ban      | 28.9         | 183.0            | -2.7         | 140.2            | 41.2         | 187.5            |
| V. Net purchases/sales (-) from/to government           | -72.2        | 24.3             | -87.9        | -222.3           | -19.7        | -124.3           |
| VI. Net purchases/sales (-) from/to other clients       | 17.4         | 13.2             | 5.2          | 10.3             | 6.8          | 15.5             |

Source: Centrale Bank van Aruba

<sup>1</sup> January up to and including September.



Source: Centrale Bank van Aruba

The total foreign exchange sales of the CBA fell by Afl. 88.5 million or 31.4 percent to Afl. 193.6 million, mainly because foreign exchange sales to the government contracted by Afl. 68.2 million to Afl. 19.7 million. This contraction was partly offset by an Afl. 20.4 million decline in foreign exchange sales to the commercial banks.

#### *Developments in the first nine months of 2018*

During the first nine months of 2018, foreign exchange transactions effectuated via CBA resulted in a net purchase of Afl. 78.7 million of foreign exchange, compared to a net sale of Afl. 71.9 million in the same period of 2017. This outcome was largely caused by transactions with the government. Net foreign exchange sale to the government fell by Afl. 98.0 million to Afl. 124.3 million. Additionally, the net foreign exchange purchases from both the commercial banks and other clients grew by, respectively, Afl. 47.3 million and Afl. 5.2 million.

Total foreign exchange purchases expanded by Afl. 108.8 million or 18.5 percent to Afl. 697.9 million during the first nine months of 2018, compared to the corresponding period of 2017. This expansion was mainly associated with an increase in foreign exchange purchases from commercial banks (+Afl. 109.2 million). On the other hand, foreign exchange purchases from both other clients (-Afl. 0.3 million) and government decreased (-Afl. 0.2 million).

Total foreign exchange sales fell by Afl. 41.9 million or 6.3 percent to Afl. 619.1 million. Decreases in foreign exchange sales to the government (-Afl. 98.2 million) and other clients (-Afl. 5.5 million)

contributed to this fall. However, sales of foreign exchange to commercial banks increased (+Afl. 61.9 million). The decline in foreign exchange sales to the government was associated with lower foreign debt services payments and transfers to notified foreign accounts.

**General note to the tables:**

*Owing to rounding of figures, the sum of separate items may differ in the final digit from the total shown.*