



CENTRALE BANK VAN ARUBA

FOREIGN EXCHANGE EARNINGS FROM TOURISM DRIVE NFA GROWTH

Summary of the Monthly Bulletin of April 2019

Press Release¹

Monetary developments

Compared to March 2019, money supply expanded by Afl. 55.8 million to Afl. 4,461.9 million in April 2019, resulting from increases in both net foreign assets (+Afl. 43.5 million) and net domestic assets (+Afl. 12.3 million).

The growth in the net foreign assets of the banking sector resulted from net purchases of foreign exchange from the public (+Afl. 228.8 million), mainly associated with foreign exchange revenue from tourism exports. This was largely offset by net sales of foreign exchange to the public (-Afl. 185.3 million), mostly related to payments for goods, net transfers to foreign accounts and other services.

The upsurge in the domestic component of the money supply was caused by increases in non-credit related balance sheet items (+Afl. 11.4 million) and domestic credit (+Afl. 0.9 million). The increase in domestic credit resulted from an expansion in the net claims of the banking sector on the public sector (+Afl. 8.0 million), which was almost entirely offset by a decrease in the claims of the banking sector on the private sector (-Afl. 7.1 million). The upturn in net claims of the banking sector on the public sector resulted from a decline in government deposits of Afl. 8.1 million. The drop in the claims of the banking sector on the private sector was attributed to decreases in loans to enterprises (-Afl. 8.9 million) and consumer credit (-Afl. 3.9 million), and a growth in housing mortgages (+Afl. 5.2 million).

Inflation

The consumer price index (CPI) for April 2019 noted a 4.7 percent increase year-over-year (YOY). The main contributors to this rise were the components "Food and Non-Alcoholic Beverages", "Transport" and "Communication". Furthermore, by excluding the effect of food and energy, the core CPI grew by 3.0 percent (YOY). The 12-month average inflation rate was 4.3 percent in April 2019, compared to 4.1 percent in March 2019.

Government

Total government revenue amounted to Afl. 87.9 million in April 2019, Afl. 4.4 million more than the same month of the previous year. This outcome resulted from a rise in tax revenue (+Afl. 8.5 million), which was partially mitigated by a reduction in nontax revenue (-Afl. 4.2 million). The expansion in tax revenue resulted mainly from a growth in turnover tax (+Afl. 9.5 million; introduction of the B.A.V.P as opposed to the same month in 2018), income tax (+Afl. 3.2 million) and transfer tax (+Afl. 2.3 million). These increases were mostly offset by decreases in wage tax (-Afl. 3.3 million), foreign exchange tax (-Afl. 3.0 million) and profit tax (-Afl. 1.9 million).

¹ The English original prevails.

Tourism

Please note that figures on tourism were not yet available at the time of publication of this bulletin.

Centrale Bank van Aruba

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For further information or a more detailed analysis, visit our website (www.cbaruba.org) or contact the Statistics Department of the Centrale Bank van Aruba, tel. +297-525-2100, e-mail statistics.department@cbaruba.org