



## CENTRALE BANK VAN ARUBA

### NET DOMESTIC ASSETS AND NET FOREIGN ASSETS INCREASED

Summary of the Monthly Bulletin of February 2020

Press Release<sup>1</sup>

#### *Monetary developments*

Compared to January 2020, money supply expanded in February 2020 by Afl. 92.5 million to Afl. 4,689.7 million, resulting from increases in both the net domestic assets (+Afl. 49.1 million) and the net foreign assets (+Afl. 43.4 million).

The growth in the domestic component of money supply resulted from a surge in domestic credit (+Afl. 55.7 million) and a decline in the non-credit related balance sheet items (-Afl. 6.7 million). The rise in domestic credit is attributed to expansions in both the net claims of the banking sector on the public sector (+Afl. 44.3 million) and in the claims of the banking sector on the private sector (+Afl. 11.4 million). The increase in the net claims of the banking sector on the public sector was caused by a decline in government deposits (-Afl. 44.2 million). In addition, loans to enterprises (+Afl. 7.0 million) and housing mortgages (+Afl. 5.6 million) increased, while consumer credit (-Afl. 1.1 million) decreased.

In February 2020, net foreign assets of the banking sector increased due to net purchases of foreign exchange from the public (+Afl. 260.0 million), mainly associated with foreign exchange revenue from tourism exports. These were largely offset by net sales of foreign exchange to the public (-Afl. 216.6 million), mostly related to payments for goods imports, other investment, and other services.

#### *Inflation*

The consumer price index (CPI) for February 2020 noted a 5.2 percent increase year-over-year (YOY). The main contributors to this increase were the “Recreation and Culture”, “Food and Non-Alcoholic Beverages”, and “Transport” components. The 12-month average inflation rate was 4.6 percent in February 2020, compared to 4.4 percent in January 2020.

#### *Government*

Total government revenue amounted to Afl. 97.7 million in February 2020, Afl. 4.2 million more than the same month of the previous year. The expansion in government revenue resulted from an increase in tax revenue (+Afl. 9.2 million) and a decrease in non-tax revenue (-Afl. 5.1 million).

The growth in tax revenue was mainly driven by an increase in income from transfer tax (+Afl. 7.7 million), motor vehicle fees (+Afl. 4.6 million) and foreign exchange tax (+Afl. 1.3 million). In contrast, income from profit tax (-Afl. 2.6 million) and excises on tobacco (-Afl. 1.2 million) decreased.

#### *Tourism*

Please note that figures on stay-over tourism were not 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](http://www.cbaruba.org)) or contact the Statistics Department of the Centrale Bank van Aruba, tel. +297-525-2100, e-mail [statistics.department@cbaruba.org](mailto:statistics.department@cbaruba.org).

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<sup>1</sup> The English original prevails.