



CENTRALE BANK VAN ARUBA

MONEY SUPPLY EXPANDED

Summary of the Monthly Bulletin of March 2020

Press Release¹

Monetary developments

Compared to February 2020, money supply expanded in March 2020 by Afl. 11.0 million to Afl. 4,700.6 million, resulting from increases in both the net foreign assets (+Afl. 8.1 million) and the net domestic assets (+Afl. 2.9 million). The net foreign assets of the banking sector rose due to net purchases of foreign exchange from the public (+Afl. 198.7 million), mainly associated with foreign exchange revenue from tourism exports. These were largely offset by net sales of foreign exchange to the public (-Afl. 190.6 million), mostly related to payments for goods imports and other services.

The growth in the domestic component of money supply resulted from increases in domestic credit (+Afl. 2.7 million) and in the non-credit related balance sheet items (+Afl. 0.2 million). The rise in domestic credit is attributed to an expansion in the net claims of the banking sector on the public sector (+Afl. 16.2 million) and a decrease in the claims of the banking sector on the private sector (-Afl. 13.5 million). Loans to enterprises (-Afl. 15.7 million) and consumer credit (-Afl. 0.8 million) decreased, while housing mortgages (+Afl. 2.8 million) increased.

Inflation

The consumer price index (CPI) for March 2020 noted a 3.5 percent increase year-over-year (YOY). The main contributors to this increase were the “Recreation and Culture” and “Food and Non-Alcoholic Beverages” components. The 12-month average inflation rate was 4.6 percent in March 2020, unchanged compared to February 2020.

Government

Total government revenue amounted to Afl. 76.2 million in March 2020, Afl. 8.5 million less than the same month of the previous year. The decline in government revenue resulted from decreases in tax revenue (-Afl. 8.4 million) and in non-tax revenue (-Afl. 0.1 million).

The reduction in tax revenue was mainly driven by decreases in income from income tax (-Afl. 2.5 million), import duties (-Afl. 2.1 million), wage tax (-Afl. 1.6 million), excises on beer (-Afl. 1.4 million), and excises on liquor (-Afl. 1.3 million). In contrast, income from profit tax (+Afl. 1.7 million) and excises on tobacco (+Afl. 1.1 million) increased.

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) or contact the Statistics Department of the Centrale Bank van Aruba, tel. +297-525-2100, e-mail statistics.department@cbaruba.org.

¹ The English original prevails.