



## CENTRALE BANK VAN ARUBA

### **Summary of the monthly bulletin of the Centrale Bank van Aruba for July 2006\***

September 14, 2006

In July 2006, money supply decreased by Afl. 4.1 million to Afl. 2,464.9 million. This decline was the result of an Afl. 3.7 million decrease in net domestic assets and an Afl. 0.4 million net outflow of funds to abroad. The latter caused net foreign assets to fall slightly to Afl. 648.4 million at the end of July 2006, which is Afl. 34.5 million or 5.6 percent higher than in the corresponding month a year earlier.

The contraction in net domestic assets resulted from an Afl. 18.7 million decrease in non-credit related balance sheet items, which was largely offset by an Afl. 15 million expansion in domestic credit. Net claims of the banking sector on the public sector rose by Afl. 16.8 million, reflecting an equivalent decline in government deposits. The banking sector's claims on the private sector fell by Afl. 1.8 million, as increases in housing mortgages and consumer credit of Afl. 6.4 million (0.9 percent) and Afl. 1.8 million (0.3 percent), respectively, were offset by an Afl. 9.3 million (0.9 percent) decline in loans to enterprises.

Changes in the money supply in July 2006:

	<u>In Afl. million</u>
1. Net foreign assets	- 0.4
2. Net domestic assets	-3.7
a. Net claims on the public sector	+16.8
b. Loans to enterprises	-9.3
c. Consumer credit	+1.8
d. Housing mortgages	+6.4
e. Other claims by the banking sector	-0.7
f. Non-credit-related balance sheet items	-18.7
<b>3. Net change in money supply</b>	<b>-4.1</b>

( "+"=increase / "-"=decrease)

In May 2006, the number of stay-over visitors and their nights spent on the island fell by 6.7 percent and 6.2 percent, respectively, compared to the corresponding month in 2005. Data available for the first five months of 2006 show that stay-over tourists and their nights spent on the island decreased by 10.6 percent and 7.8 percent, respectively. The data on tourist arrivals and nights spent on the island for June and July 2006 are not yet available.

According to data from the Central Bureau of Statistics, the average occupancy rate of the hotels contracted by 9.4 percentage points to 76.6 percent in July 2006, compared to the corresponding month a year earlier.

Data published by the Cruise Tourism Authority show that the number of cruise passengers dropped by 16.7 percent in July 2006, compared to the corresponding month of 2005, while the

\* The publications of the Centrale Bank van Aruba are also available on its website [www.cbaruba.org](http://www.cbaruba.org).

number of ship calls recorded a 43 percent decline.

In July 2006, the consumer price index was 3.9 percent higher than in the corresponding month a year earlier. The annual average inflation rate accelerated to 4.0 percent in July 2006, up from 3.0 percent a year earlier. This inflation rate is 0.1 percentage point higher than the annual average inflation rate for the United States in the corresponding period.