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CENTRALE BANK VAN ARUBA

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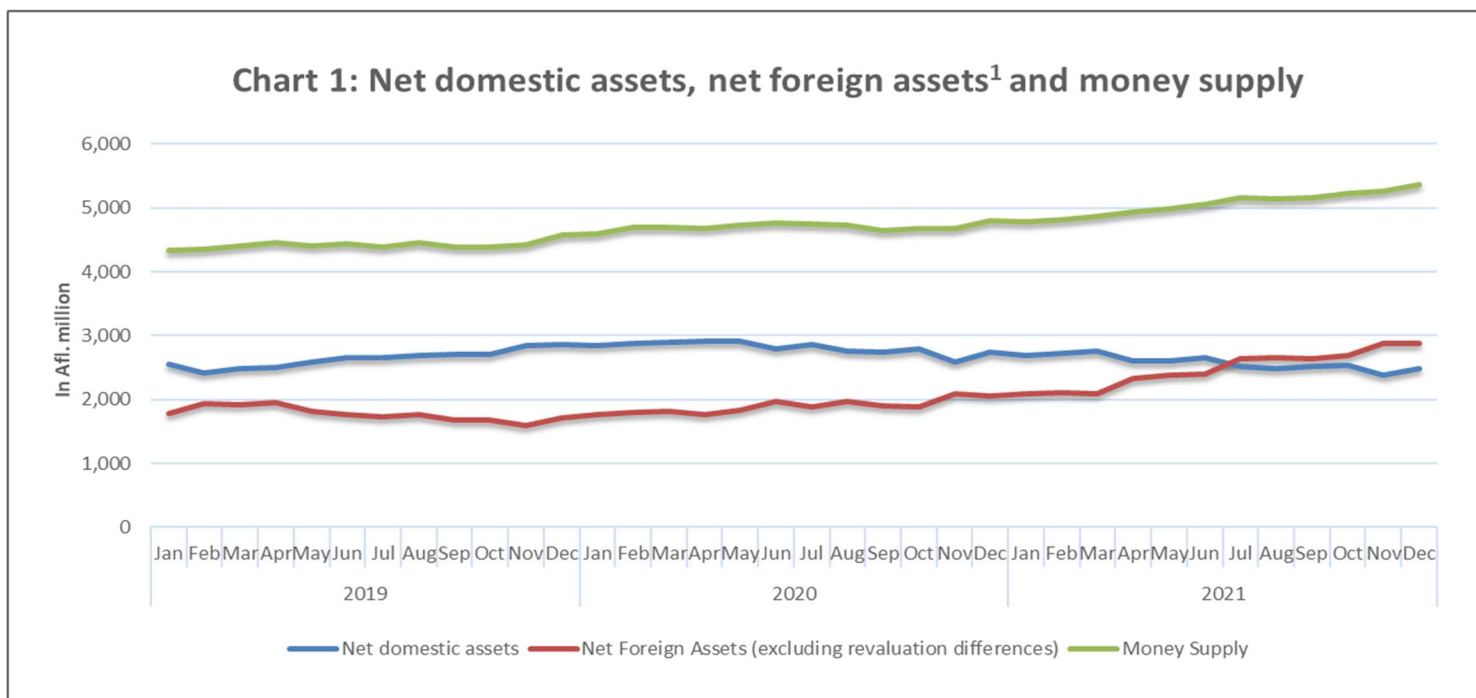
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I. Main economic indicators

Monetary developments

In December 2021, money supply expanded by Afl. 114.6 million to Afl. 5,368.1 million, compared to November 2021, resulting from growth in both net domestic assets (+Afl. 109.7 million) and net foreign¹ assets (+Afl. 4.8 million) (Chart 1).

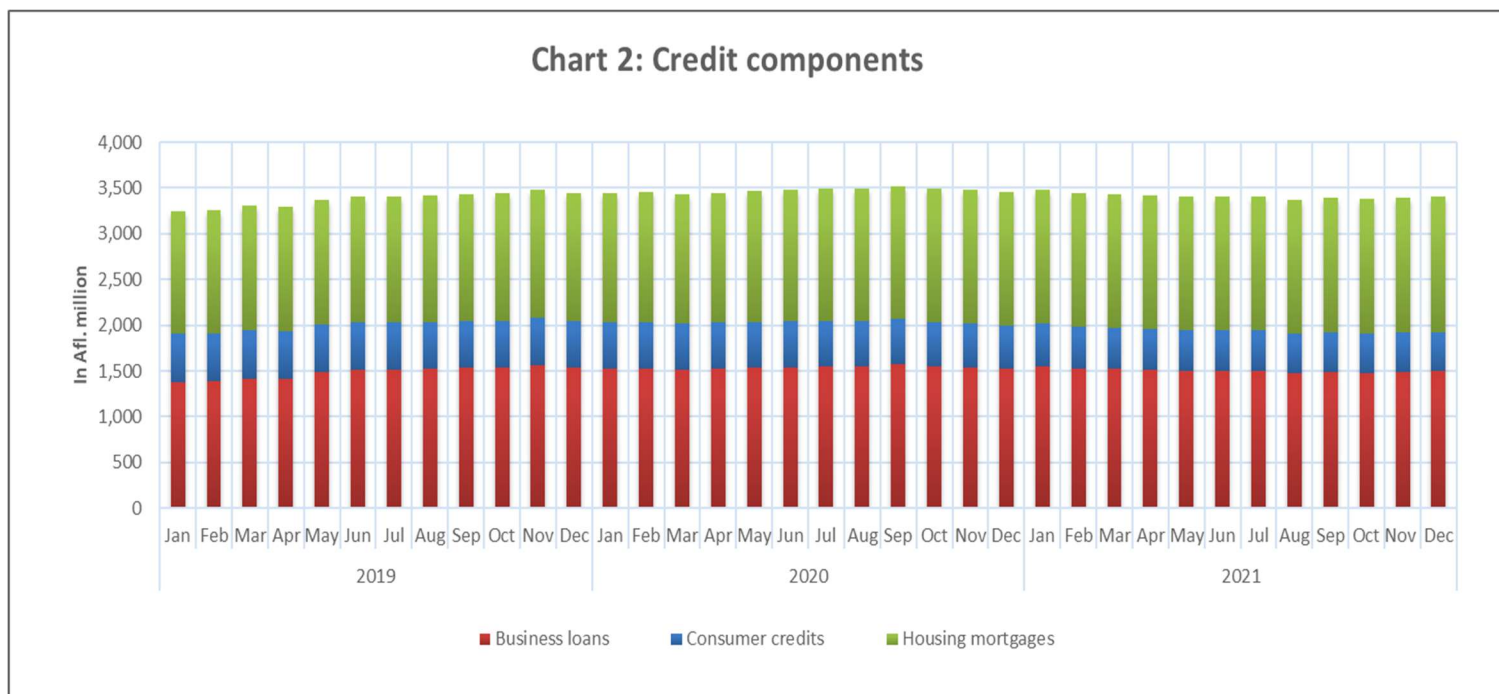


Source: Centrale Bank van Aruba

Money, as a component of broad money, rose by Afl. 31.1 million to Afl. 3,187.4 million, resulting from increases in demand deposits (+Afl. 28.4 million) and money in circulation (+Afl. 2.7 million). The rise in demand deposits was due to a growth in deposits denominated in foreign currency (+Afl. 29.4 million). Quasi-money expanded by Afl. 83.4 million to Afl. 2,180.7

¹ Excluding revaluation differences of gold and foreign exchange holdings.

million, as a result of increases in time deposits denominated in Aruban florin (+Afl. 62.2 million) and savings denominated in Aruban florin (+Afl. 20.2 million).



Source: Centrale Bank van Aruba

The surge in the domestic component of money supply was caused by an expansion in domestic credit (+Afl. 114.7 million) and a decrease in non-credit related balance sheet items (-Afl. 4.9 million). The growth in domestic credit resulted from increases in net claims of the banking sector on the public sector (+Afl. 101.8 million) and claims of the banking sector on the private sector (+Afl. 12.9 million). The rise in net claims of the banking sector on the public sector was the result of a drop in government deposits (-Afl. 104.4 million), while the increase in claims of the banking sector on the private sector (Chart 2) was caused by growth in loans to enterprises (+Afl. 10.0 million) and housing mortgages (+Afl. 8.3 million). In contrast, consumer credit decreased by Afl. 5.4 million.

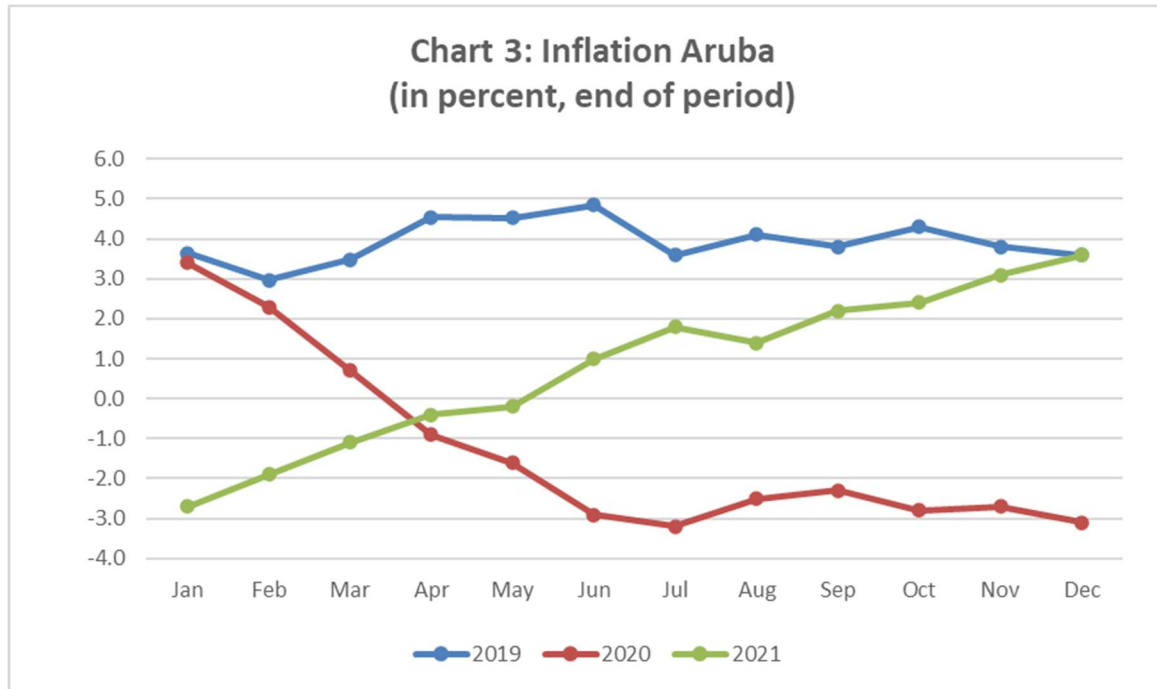
In December 2021, the expansion in net foreign assets of the banking sector was due to net purchases of foreign exchange of Afl. 302.6 million from the public, mostly related to foreign exchange revenue from tourism exports and net transfers to foreign accounts. These were almost completely offset by net sales of foreign exchange of Afl. 297.8 million to the public, mainly associated with payments for goods imports and other services (Table 1).

Table 1. Change in Net Foreign Assets (NFA) December 2021	
(in Afl. million)	
Net purchases of foreign exchange	302.6
Tourism services	241.6
Net transfers to foreign accounts	42.6
Financial derivatives	6.2
Transportation services	11.3
Government Services	0.9
Net sales of foreign exchange	-297.8
Goods	-190.4
Other services	-41.3
Primary income	-25.4
Other investment	-13.8
Secondary Income	-7.2
Portfolio investment	-7.1
Items not yet classified	-5.9
Capital account transactions	-5.8
Direct investment	-0.9
NET CHANGE IN NFA (minus (-) denotes a decrease)	4.8

Source: Centrale Bank van Aruba

Inflation

The consumer price index (CPI) for December 2021 noted a 3.6 percent rise year-over-year (YOY) compared to a 3.1 percent increase (YOY) for November 2021 (Chart 3).



Source: Centrale Bureau of Statistics

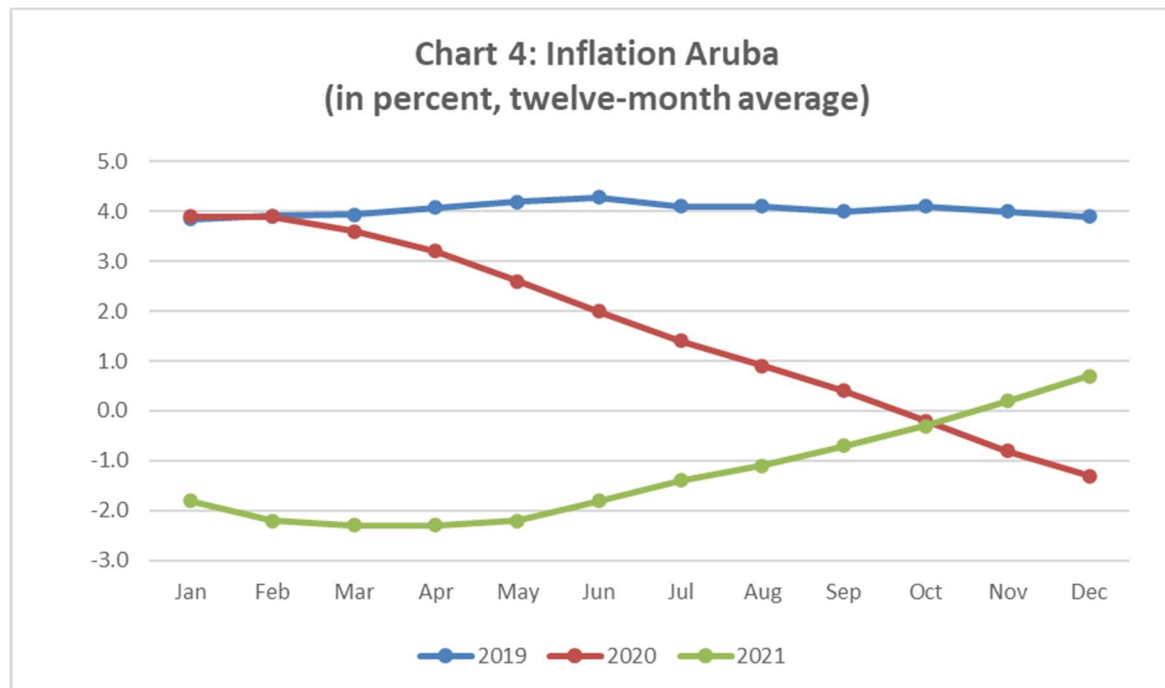
The main contributor to this increase was the “Transport” component. In addition, the “Household Operation”, “Food and Non-alcoholic Beverages”, “Recreation and Culture”, “Housing”, “Restaurants and Hotels”, and “Miscellaneous Goods and Services” components also noted increases. The component “Health” noted a decrease, while the other components remained unchanged. Furthermore, by excluding the effect of food and energy², the core CPI increased by 1.8 percent (YOY) (Table 2).

² Partly affects the housing and transport components.

Table 2: COMPONENTS OF INFLATION				
Inflation components	End-month		12-month	
	Dec-20	Dec-21	Dec-20	Dec-21
Food And Non-Alcoholic Beverages	-0.3	0.5	-0.1	0.0
Beverages And Tobacco Products	0.0	0.0	0.0	0.0
Clothing And Footwear	-0.1	0.0	-0.1	-0.2
Housing	-0.6	0.1	-0.4	0.2
Household Operation	-0.3	0.6	-0.3	-0.1
Health	-0.1	-0.1	0.0	-0.1
Transport	-1.2	1.9	-0.7	1.1
Communication	0.0	0.0	0.0	0.0
Recreation And Culture	-0.3	0.3	0.1	-0.2
Education	0.0	0.0	0.0	0.0
Restaurants And Hotels	-0.1	0.1	0.1	0.0
Miscellaneous Goods And Services	-0.1	0.2	0.0	0.0
Total	-3.1	3.6	-1.3	0.7
Total Excluding Energy & Food	-1.4	1.8	0.1	-0.2

Source: Centrale Bureau of Statistics

The 12-month average inflation rate was 0.7 percent in December 2021, compared to 0.2 percent in November 2021 (Chart 4).



Source: Centrale Bureau of Statistics

Government

Total government revenue amounted to Afl. 127.7 million in December 2021, Afl. 10.5 million more than the same month of the previous year.

The rise in government revenue resulted from increases in tax revenue (+Afl. 9.6 million) and nontax revenue (+Afl. 1.0 million).

The growth in tax revenue was mainly driven by expansion in income from import duties (+Afl. 5.4 million) and turnover tax (B.B.O./B.A.V.P) (+Afl. 5.1 million). In contrast, income from profit tax (-Afl. 12.7 million) decreased.

Tourism

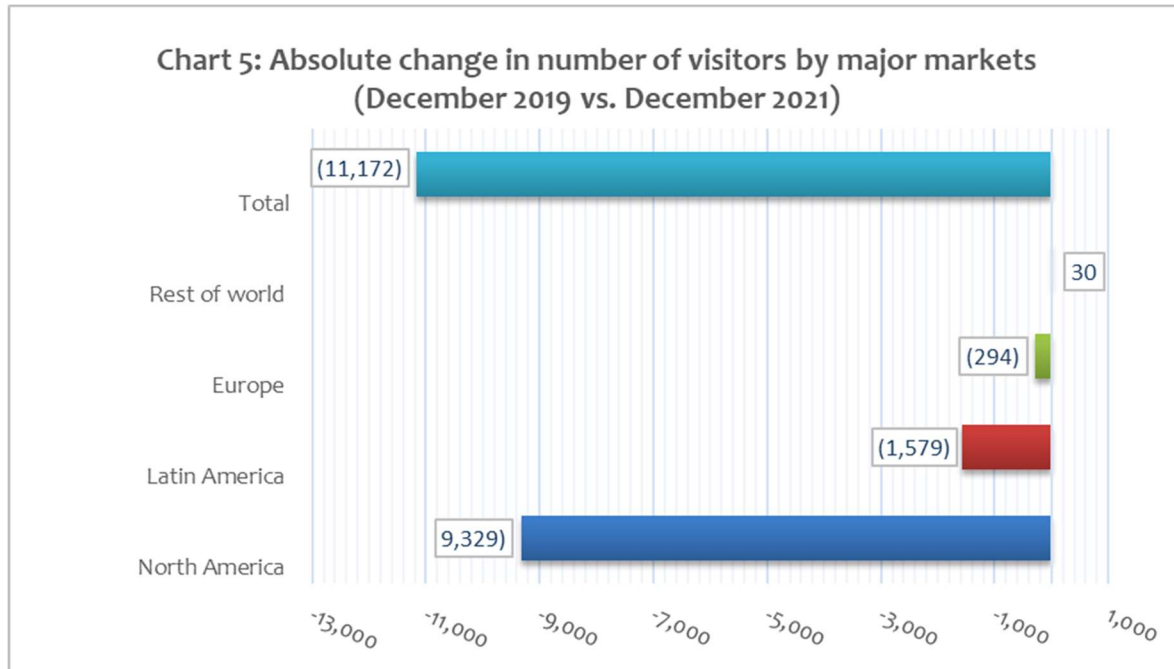
For December 2021, the figures for stay-over visitors were compared with stay-over visitors welcomed during December 2019. The number of stay-over visitors amounted to 89,541 in December 2021, which is 11,172 less visitors (-11.1 percent) than in December 2019.

The North American market, the Latin American market, and the European market declined by 9,329 visitors (-11.4 percent), 1,579 visitors (-18.7 percent), and 294 visitors (-3.9 percent), respectively.

The drop in the North American market resulted from less arrivals from both the United States (-7,107 visitors or -9.5 percent) and Canada (-2,222 visitors or -29.6 percent). The decrease in the arrivals from the Latin American market was primarily due to less arrivals from Venezuela, while the decline in the European market was mainly due to less arrivals from Switzerland and Germany.

In the month under review, total number of nights spent in Aruba, as indicated by the visitors, declined by 9.6 percent to 743,235 as compared to the corresponding month for the year 2019. The average intended night stays experienced an increase from 8.2 nights in December 2019 to 8.3 nights in December 2021.

The number of cruise visitors dropped by 78,449 passengers or 62.0 percent to 48,003 in December 2021, compared to 126,452 in December 2019. The number of ship calls decreased from 50 in December 2019 to 35 in December 2021.



Source: Aruba Tourism Authority



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