



CENTRALE BANK VAN ARUBA

CLAIMS ON THE PRIVATE SECTOR SURGED DUE TO GROWTH IN LOANS TO ENTERPRISES AND HOUSING MORTGAGES

Summary of the Monthly Bulletin of December 2021

Press Release¹

Monetary developments

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

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 was caused by growth in loans to enterprises (+Afl. 10.0 million) and housing mortgages (+Afl. 8.3 million). In contrast, consumer credit (-Afl. 5.4 million) decreased.

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.

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. The main contributor to this increase was the "Transport" component. The 12-month average inflation rate was 0.7 percent in December 2021, compared to 0.2 percent in November 2021.

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

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.

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.