

# MONTHLY BULLETIN

## May 2022

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CENTRALE BANK VAN ARUBA

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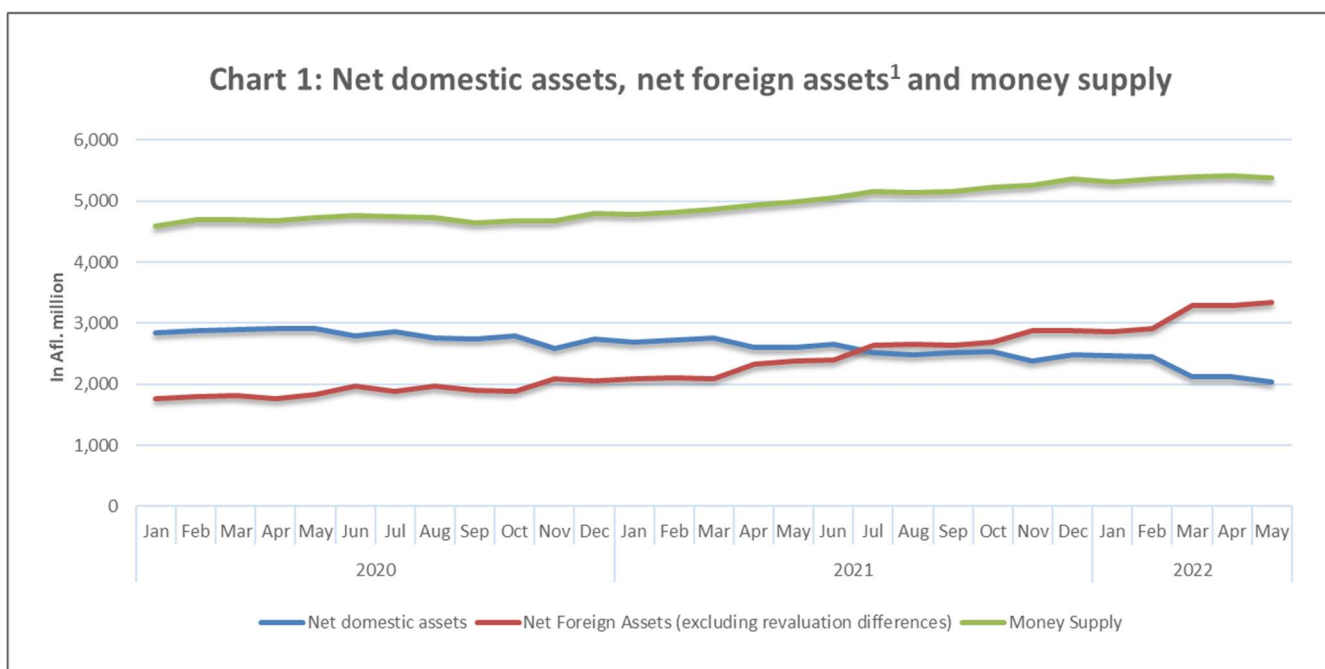
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## I. Main economic indicators

### Monetary developments

In May 2022, money supply contracted by Afl. 43.5 million to Afl. 5,378.9 million, compared to April 2022, resulting from a decrease in net domestic assets (-Afl. 80.0 million) and an increase in net foreign<sup>1</sup> assets (+Afl. 36.4 million) (Chart 1).



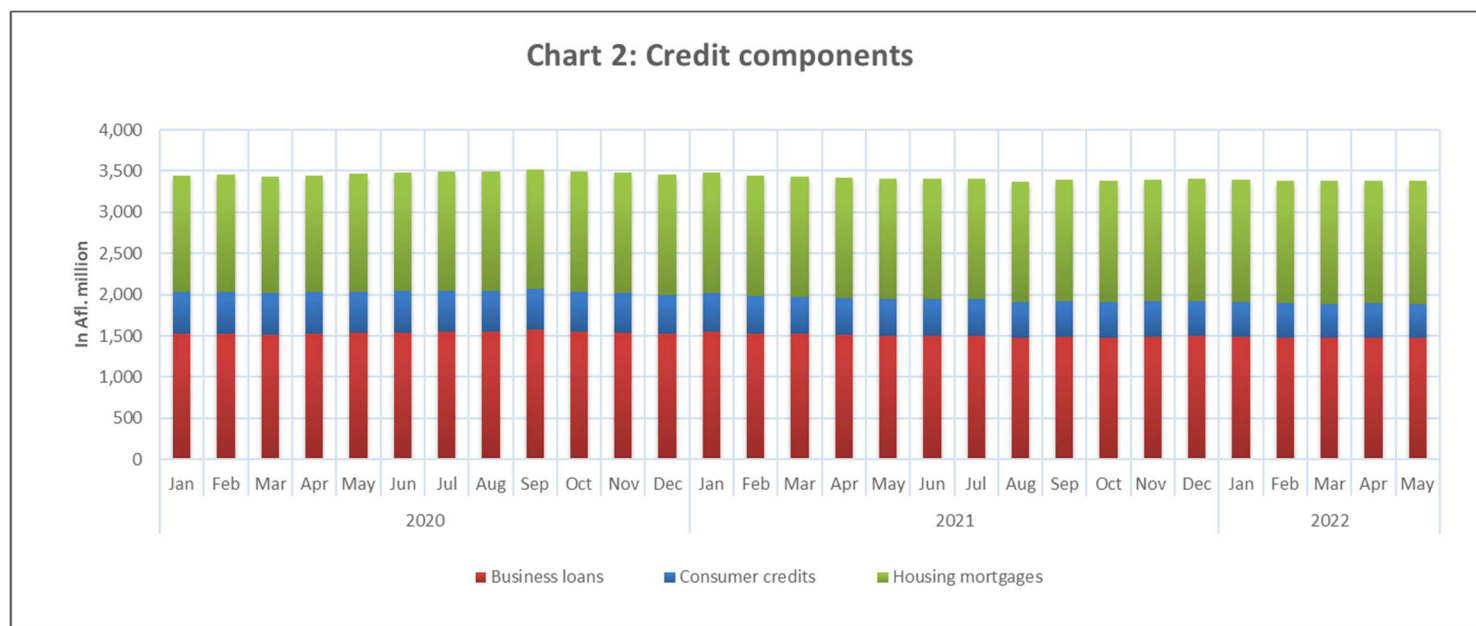
Source: Centrale Bank van Aruba

Money, as a component of broad money, contracted by Afl. 80.8 million to Afl. 3,256.0 million, resulting from a decrease in demand deposits (-Afl. 82.2 million) and an increase in money in circulation (+Afl. 1.3 million). The decline in demand deposits was due to decreases in deposits denominated in Aruban florin (-Afl. 62.7 million) and deposits denominated in foreign

<sup>1</sup> Excluding revaluation differences of gold and foreign exchange holdings.



currency (-Afl. 19.6 million). In contrast, quasi-money expanded by Afl. 37.3 million to Afl. 2,122.9 million due to increases in time deposits denominated in Aruban florin (+Afl. 26.7 million) and savings denominated in Aruban florin (+Afl.9.9 million).



Source: Centrale Bank van Aruba

The contraction in the domestic component of the money supply was caused by a decrease in domestic credit (-Afl. 103.8 million) and an increase in non-credit-related balance sheet items (+Afl. 23.9 million). The reduction in domestic credit was caused by a turn from net claims to net liabilities of the banking sector to the public sector (-Afl. 96.9 million), and lower claims of the banking sector on the private sector (-Afl. 6.9 million). The decline in net claims of the banking sector on the public sector was the result of a growth in government deposits (+Afl. 97.0 million). The decrease in claims of the banking sector on the private sector (Chart 2) was caused by lower loans to enterprises (-Afl. 5.4 million) and consumer credit (-Afl. 4.3 million), and an increase in housing mortgages (+Afl. 2.9 million).

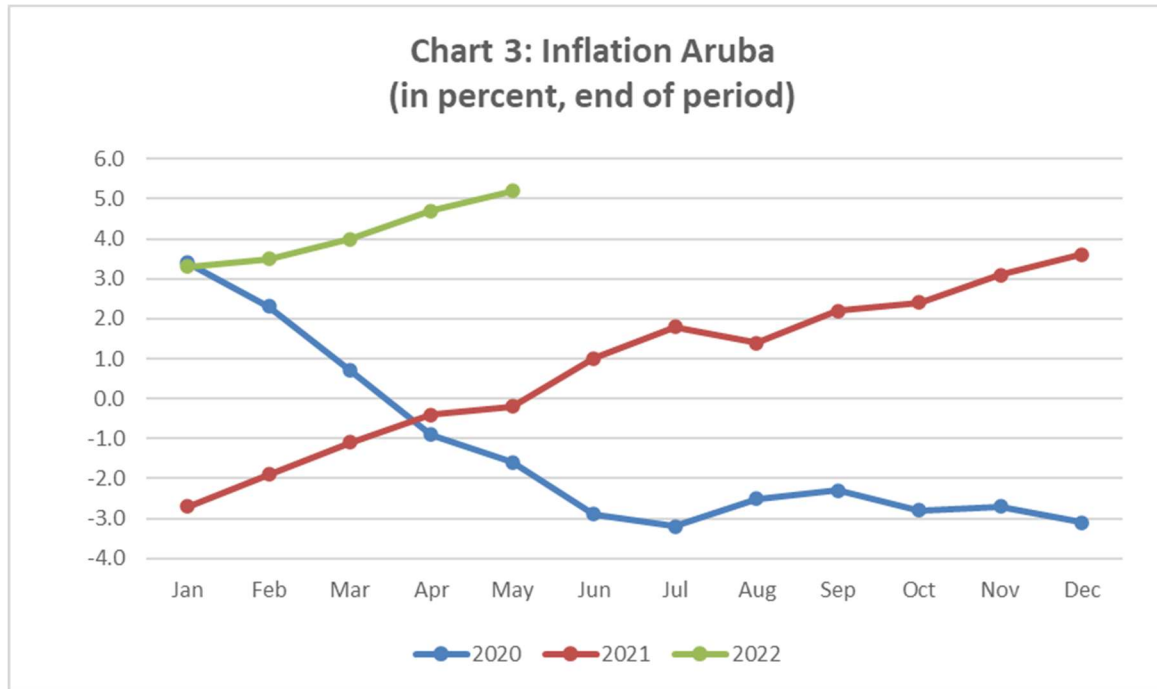
In May 2022, the expansion in net foreign assets of the banking sector was due to net purchases of foreign exchange of Afl. 293.2 million from the public, mostly related to foreign exchange revenue from tourism exports. These were largely offset by net sales of foreign exchange of Afl. 256.8 million to the public, mainly associated with payments for goods imports (Table 1).

<b>Table 1. Change in Net Foreign Assets (NFA) May 2022</b>	
(in Afl. million)	
<b>Net purchases of foreign exchange</b>	<b>293.2</b>
Tourism services	257.6
Direct investment	19.4
Net transfers from foreign accounts	10.2
Transportation services	6.0
<b>Net sales of foreign exchange</b>	<b>-256.8</b>
Goods	-172.6
Other services	-30.3
Other investment	-22.3
Items not yet classified	-22.1
Secondary Income	-5.0
Primary income	-3.2
Portfolio investment	-1.4
<b>NET CHANGE IN NFA (minus (-) denotes a decrease)</b>	<b>36.4</b>

Source: Centrale Bank van Aruba

## Inflation

The consumer price index (CPI) for May 2022 noted a 5.2 percent rise year-over-year (YOY) compared to a 4.7 percent increase (YOY) for April 2022 (Chart 3).



Source: Centrale Bureau of Statistics

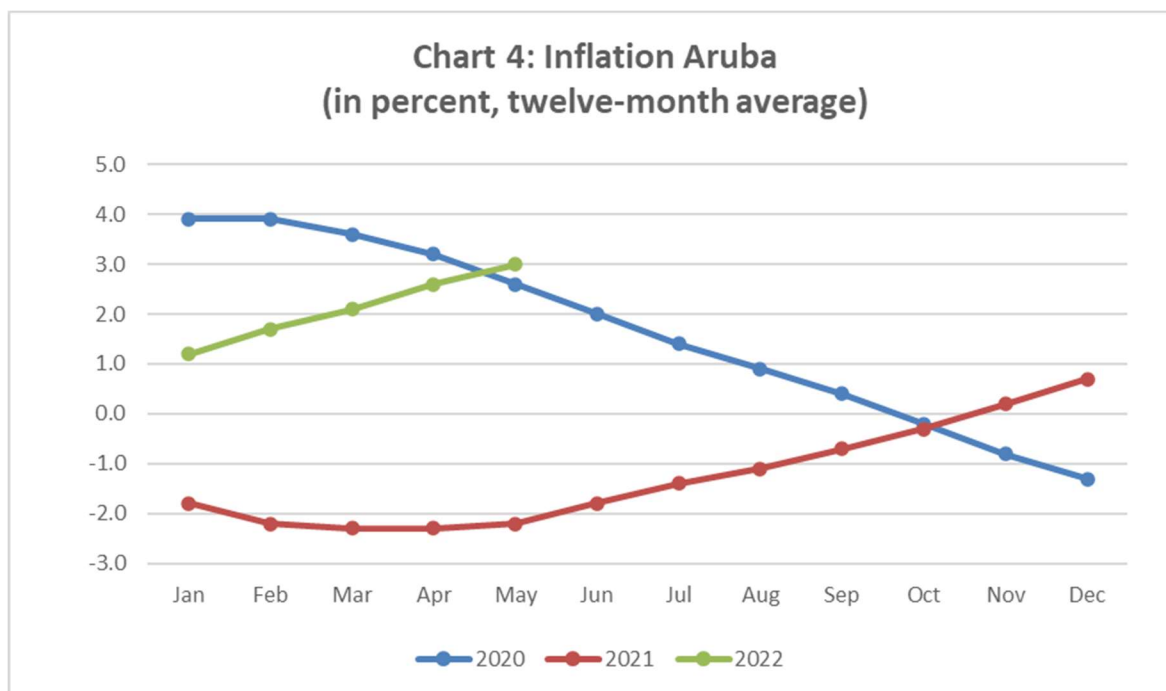
The main contributor to this increase was the “Transport” component. In addition, the “Food and Non-alcoholic Beverages,” “Household Operation,” “Clothing and Footwear,” “Restaurants and Hotels,” “Recreation and Culture,” “Health,” and “Miscellaneous Goods and Services” components also noted increases. The component “Communication” noted a decrease, while the other components remained unchanged. Furthermore, by excluding the effect of food and energy<sup>2</sup>, the core CPI increased by 2.7 percent (YOY) (Table 2).

<sup>2</sup> Partly affects the housing and transport components.

<b>Table 2: COMPONENTS OF INFLATION</b>				
<b>Inflation components</b>	<b>End-month</b>		<b>12-month</b>	
	<b>May-21</b>	<b>May-22</b>	<b>May-21</b>	<b>May-22</b>
Food And Non-Alcoholic Beverages	-0.2	1.0	-0.3	0.4
Beverages And Tobacco Products	0.0	0.0	0.0	0.0
Clothing And Footwear	-0.3	0.3	-0.2	0.1
Housing	0.0	0.0	-0.3	0.2
Household Operation	-0.7	0.5	-0.4	0.2
Health	-0.1	0.1	-0.1	0.0
Transport	1.8	2.6	-0.5	1.8
Communication	0.0	-0.1	0.0	-0.1
Recreation And Culture	-0.6	0.2	-0.3	0.1
Education	0.0	0.0	0.0	0.0
Restaurants And Hotels	-0.1	0.3	0.0	0.1
Miscellaneous Goods And Services	-0.1	0.3	-0.1	0.1
<b>Total</b>	<b>-0.2</b>	<b>5.2</b>	<b>-2.2</b>	<b>3.0</b>
<b>Total Excluding Energy &amp; Food</b>	<b>-1.8</b>	<b>2.7</b>	<b>-1.2</b>	<b>1.3</b>

Source: Centrale Bureau of Statistics

The 12-month average inflation rate was 3.0 percent in May 2022, compared to 2.6 percent in April 2022 (Chart 4).



Source: Centrale Bureau of Statistics



## Government

**Total government revenue amounted to Afl. 159.0 million in May 2022, Afl. 50.9 million more than the same month of the previous year.**

The rise in government revenue resulted from an increase in tax revenue (+Afl. 58.6 million) and a decrease in nontax revenue (-Afl. 7.7 million).

The growth in tax revenue was driven by expansion in income from profit tax (+Afl. 47.9 million), turnover tax (B.B.O./B.A.V.P.) (+Afl. 5.1 million), and wage tax (+Afl. 2.7 million).

## Tourism

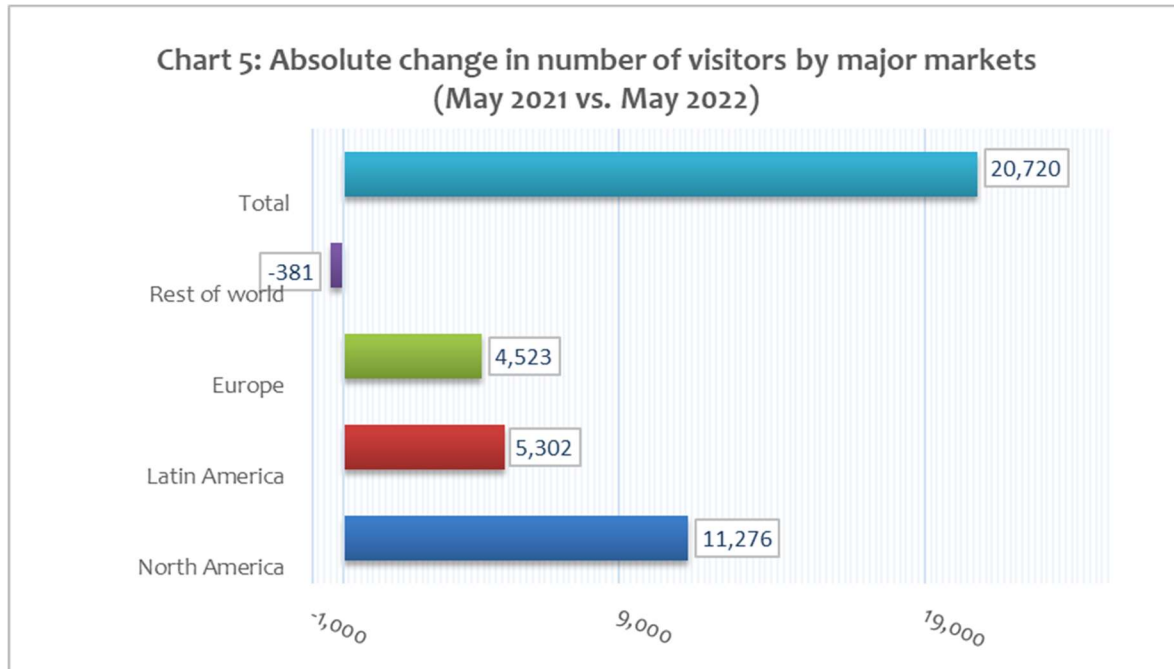
**The number of stay-over visitors amounted to 91,403 in May 2022, which is 20,720 visitors (+29.3 percent) more than in May 2021.**

The North American market, the Latin American market, and the European market increased by 11,276 visitors (+17.9 percent), 5,302 visitors (+299.2 percent), and 4,523 visitors (+148.1 percent), respectively.

The surge in the North American market resulted from more arrivals from the United States (+8,717 visitors or +13.9 percent). The rise in the arrivals from the Latin American market was primarily due to more arrivals from Colombia, while the growth in the European market was due to more arrivals from the Netherlands and the United Kingdom.

In the month under review, the total number of nights spent in Aruba, as indicated by the visitors, increased by 30.4 percent to 618,507 as compared to the corresponding month for the year 2021. The average intended night stays experienced a slight increase from 6.7 nights in May 2021 to 6.8 nights in May 2022.

The number of cruise visitors amounted to 35,580 in May 2022 and the number of ship calls was 11.



Source: Aruba Tourism Authority



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