

# Quarterly Economic Bulletin External Sector Official Reserves Q3 2022

January 3, 2023



**CENTRALE BANK VAN ARUBA**

**Cover design:**

Our golden tree, our Kibrahacha. Resilient, firmly rooted, and gives a beautiful bloom.

It offers us shade and protection if needed. When it breaks out, it displays an overwhelming yellow, illustrating a brighter and bolder future.

The full text of this report is available on the CBA website.

E-mail: [statistics.department@cbaruba.org](mailto:statistics.department@cbaruba.org) Website: [www.cbaruba.org](http://www.cbaruba.org)

Quarterly Economic Bulletin External Sector Official Reserves Q3 2022

## The official reserves of the Centrale Bank van Aruba decreased during the third quarter of 2022

Quarterly economic bulletin  
Results for the third quarter of 2022

In the third quarter of 2022, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net sale by the CBA of Afl. 167.1 million of foreign exchange, compared to a net purchase of Afl. 231.9 million of foreign exchange in the same quarter of 2021. This outcome was attributed mainly to transactions with the government. These transactions led to a net foreign exchange sale of Afl. 241.0 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 152.2 million in the corresponding quarter of 2021. On the other hand, the net foreign exchange purchase from the commercial banks grew by Afl. 6.8 million to Afl. 80.2 million in the third quarter of 2022.

Transactions with other clients resulted in a net foreign exchange sale of Afl. 6.3 million, compared to a net foreign exchange purchase of Afl. 6.3 million in the same quarter of 2021. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, decreased by Afl. 225.3 million to Afl. 2,734.0 million at the end of September 2022 (see Table 1 and Chart 1).

**Table 1: Factors affecting CBA's official reserves<sup>1</sup>**  
(in Afl. million)

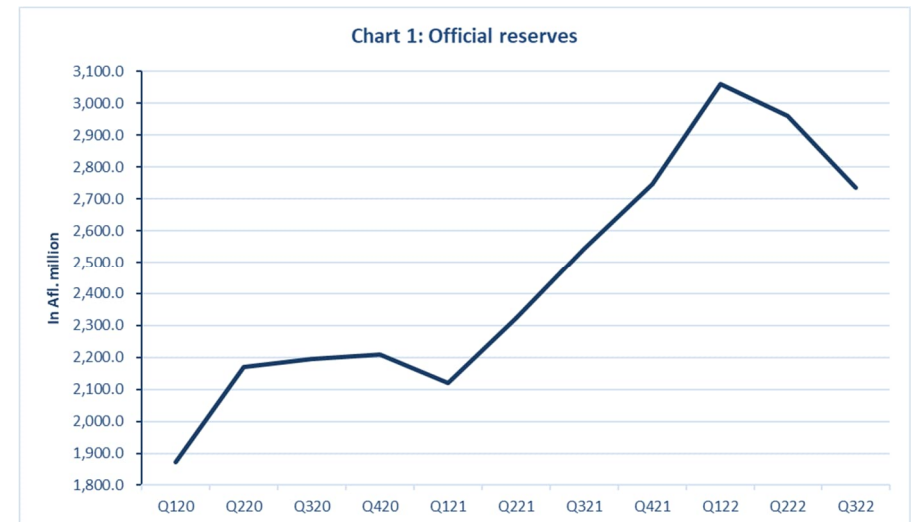
	2020		2021		2022	
	Q3	YTD <sup>3</sup>	Q3	YTD <sup>3</sup>	Q3	YTD <sup>3</sup>
I. Reserves at beginning of period	2,170.0	1,784.8	2,322.2	2,208.6	2,959.2	2,744.9
II. Net purchases/sales (-) of foreign exchange	4.9	320.9	231.9	388.3	-167.1	149.5
Of which from/to:						
1. Commercial banks	-97.8	-119.1	73.4	-3.7	80.2	187.0
2. Government	86.8	405.2	152.2	376.8	-241.0	-52.4
3. Other clients	15.9	34.7	6.3	15.2	-6.3	14.9
III. Other changes <sup>2</sup>	18.9	88.1	-11.4	-54.2	-58.2	-160.4
IV. Reserves at ending of period (I+II+III)	2,193.8	2,193.8	2,542.7	2,542.7	2,734.0	2,734.0
V. Change in official reserves during period (IV-I)	23.7	409.0	220.5	334.1	-225.3	-10.9

Source: Centrale Bank van Aruba

<sup>1</sup> Including valuation changes.

<sup>2</sup> Include valuation changes related to revaluation of gold, foreign exchange and security holdings and statistical differences.

<sup>3</sup> January up to and including September.



On a gross basis, the CBA's total foreign exchange purchases decreased by Afl. 383.9 million or 75.4 percent to Afl. 125.2 million in the third quarter of 2022, compared to the same quarter of 2021 (Table 2 and Chart 2). This contraction was caused mainly by a decline of Afl. 356.9 million in purchases of foreign exchange from the government, because no funds associated with the liquidity support were received from the Netherlands during the third quarter of 2022.

Additionally, foreign exchange purchases from the commercial banks fell by Afl. 29.4 million to Afl. 111.4 million.

**Table 2: Foreign exchange transactions**  
(in Afl. million)

	2020		2021		2022	
	Q3	YTD <sup>1</sup>	Q3	YTD <sup>1</sup>	Q3	YTD <sup>1</sup>
<b>I. Total purchases of foreign exchange</b>	<b>342.5</b>	<b>1,065.9</b>	<b>509.1</b>	<b>990.9</b>	<b>125.2</b>	<b>717.8</b>
Of which from:						
1. Commercial banks	110.1	368.6	140.8	298.8	111.4	313.8
2. Government	214.2	657.4	360.8	671.2	3.9	368.2
3. Other clients	18.2	39.9	7.5	20.9	9.8	35.8
<b>II. Total sales of foreign exchange</b>	<b>337.6</b>	<b>745.0</b>	<b>277.3</b>	<b>602.6</b>	<b>292.2</b>	<b>568.4</b>
Of which to:						
1. Commercial banks	207.9	487.7	67.4	302.5	31.2	126.9
2. Government	127.4	252.2	208.6	294.4	244.9	420.6
3. Other clients	2.4	5.2	1.3	5.7	16.1	20.9
<b>III. Net purchases/sales (-) of foreign exchange</b>	<b>4.9</b>	<b>320.9</b>	<b>231.9</b>	<b>388.3</b>	<b>-167.1</b>	<b>149.5</b>
IV. Net purchases/sales (-) from/to commercial banks	-97.8	-119.1	73.4	-3.7	80.2	187.0
V. Net purchases/sales (-) from/to government	86.8	405.2	152.2	376.8	-241.0	-52.4
VI. Net purchases/sales (-) from/to other clients	15.9	34.7	6.3	15.2	-6.3	14.9

Source: Centrale Bank van Aruba

<sup>1</sup> January up to and including September.

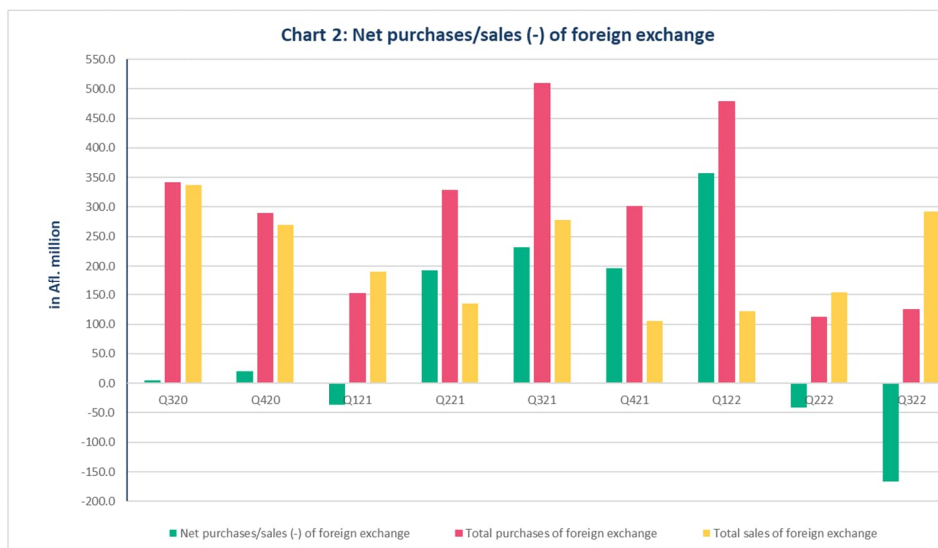
The total foreign exchange sales of the CBA grew by Afl. 14.9 million or 5.4 percent to Afl. 292.2 million, mainly attributed to expansions in foreign exchange sales to the government and other clients by Afl. 36.4 million and Afl. 14.8 million to Afl. 244.9 million and Afl. 16.1 million, respectively. On the other hand, foreign exchange sales to the commercial banks dropped by Afl. 36.3 million to Afl. 31.2 million.

### *Developments in the first nine months of 2022*

During the first nine months of 2022, foreign exchange transactions effectuated via CBA resulted in a net purchase of Afl. 149.5 million of foreign exchange, Afl. 238.8 million lower compared to the same period of 2021. This outcome was largely caused by transactions with the government. These transactions led to a net foreign exchange sale of Afl. 52.4 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 376.8 million in the same quarter of 2021. In contrast, transactions from commercial banks led to a net foreign exchange purchase of Afl. 187.0 million in the quarter under review, compared to a net foreign exchange sale of Afl. 3.7 million in the same quarter of 2021. Net foreign exchange purchase from other clients shrank by Afl. 0.3 million to Afl. 14.9 million.

Total foreign exchange purchases decreased by Afl. 273.1 million or 27.6 percent to Afl. 717.8 million during the first nine months of 2022, compared to the same period of 2021. This drop was largely caused by a decline in foreign exchange purchases from the government (-Afl. 303.0 million) associated with foreign borrowing from the Netherlands in 2021 as mentioned earlier. Foreign exchange purchases from the commercial banks (+Afl. 15.0 million) and other clients (+Afl. 15.0 million) also grew.

Total foreign exchange sales dropped by Afl. 34.2 million or 5.7 percent to Afl. 568.4 million during the first nine months of 2022. This contraction resulted from a decrease in foreign exchange sales to the commercial banks (-Afl. 175.6 million). On the other hand, foreign exchange sales increased for both the government (+Afl. 126.2 million) and the other clients (+Afl. 15.2 million).



General notes to the tables: Owing to rounding of figures, the sum of separate items may differ (minimally) from the total shown.





**CENTRALE BANK VAN ARUBA**

J.E. Irausquin Blvd 8  
P.O. Box 18  
Oranjestad, Aruba  
Phone: (+297) 5252 100  
© Centrale Bank van Aruba 2022  
All rights reserved.