



CENTRALE BANK VAN ARUBA

NET FOREIGN ASSETS INCREASED

Summary of the Monthly Bulletin of February 2023

Press Release¹

Monetary developments

In February 2023, money supply expanded by Afl. 22.8 million to Afl. 5,627.8 million, compared to January 2023, resulting from an increase in net foreign assets (+Afl. 25.2 million) and a decrease in net domestic assets (-Afl. 2.5 million).

In February 2023, the expansion in net foreign assets of the banking sector was due to net purchases of foreign exchange of Afl. 320.5 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. 295.2 million to the public, mainly associated with payments for goods imports.

The development in the domestic component of the money supply was caused by a decrease in domestic credit (-Afl. 2.5 million). The decline in domestic credit resulted from lower net claims of the banking sector on the public sector (-Afl. 13.9 million) and higher claims of the banking sector on the private sector (+Afl. 11.4 million). The contraction in net claims of the banking sector on the public sector was the result of an increase in government deposits (+Afl. 14.0 million). The increase in claims of the banking sector on the private sector was caused by higher housing mortgages (+Afl. 9.1 million) and consumer credit (+Afl. 5.8 million). In contrast, loans to enterprises (-Afl. 3.5 million) decreased. Non-credit-related balance sheet items amounted to zero.

Inflation

The consumer price index (CPI) for February 2023 noted a 7.1 percent rise year-over-year (YOY). The main contributors to this increase were the “Housing,” “Transport”, and “Food and Non-alcoholic Beverages” components. The 12-month average inflation rate was 6.1 percent in February 2023, compared to 5.8 percent in January 2023.

Government

Total government revenue amounted to Afl. 103.6 million in February 2023, Afl. 21.5 million more than the same month of the previous year. The expansion in government revenue resulted from an increase in tax revenue (+Afl. 25.6 million) and a decrease in nontax revenue (-Afl. 4.2 million).

The growth in tax revenue was mainly driven by the expansion in income from turnover tax (B.B.O./B.A.V.P.) (+Afl. 10.6 million), hotel room tax (+Afl. 6.5 million), import duties (+Afl. 5.3 million), foreign exchange tax (+Afl. 4.4 million), and income tax (+Afl. 3.7 million).

Tourism

The number of stay-over visitors amounted to 98,068 in February 2023, which is 20,107 visitors (+25.8 percent) more than in February 2022. The North American market, the Latin American market, and the European market increased by 16,057 visitors (+24.4 percent), 3,257 visitors (+73.3 percent), and 222 visitors (+3.5 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.