



CENTRALE BANK VAN ARUBA

INCREASE IN NET DOMESTIC ASSETS AND DECREASE IN NET FOREIGN ASSETS

Summary of the Monthly Bulletin of March 2023

Press Release¹

Monetary developments

In March 2023, money supply expanded by Afl. 47.7 million to Afl. 5,675.4 million, compared to February 2023, resulting from an increase in net domestic assets (+Afl. 110.8 million) and a decrease in net foreign assets (-Afl. 63.2 million)

The development in the domestic component of the money supply was caused by increases in non-credit-related balance sheet items (+Afl. 83.8 million) and domestic credit (+Afl. 27.1 million). The rise in domestic credit was due to higher net claims of the banking sector on the public sector (+Afl. 28.7 million) and lower claims of the banking sector on the private sector (-Afl. 1.6 million). The rise in net claims of the banking sector on the public sector was the result of a contraction in government deposits (-Afl. 28.5 million). The contraction in claims of the banking sector on the private sector resulted from a decrease in consumer credit (-Afl. 7.9 million) and increases in both housing mortgages (+Afl. 4.9 million) and loans to enterprises (+Afl. 1.4 million). In March 2023, the drop in net foreign assets of the banking sector was due to net sales of foreign exchange of Afl. 406.2 million to the public, mainly associated with payments for goods imports, interest, dividends, and other services. These were largely offset by net purchases of foreign exchange of Afl. 343.0 million from the public, mostly related to foreign exchange revenue from tourism exports.

Inflation

The consumer price index (CPI) for March 2023 noted a 5.9 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 6.2 percent in March 2023, compared to 6.1 percent in February 2023.

Government

Total government revenue amounted to Afl. 104.3 million in March 2023, Afl. 18.0 million more than the same month of the previous year. The expansion in government revenue resulted from an increase in tax revenue (+Afl. 21.3 million) and a decrease in nontax revenue (-Afl. 3.3 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. 9.8 million), hotel room tax (+Afl. 6.5 million), profit tax (+Afl. 3.5 million), foreign exchange tax (+Afl. 1.8 million), and import duties (+Afl. 1.2 million).

Tourism

The number of stay-over visitors amounted to 109,295 in March 2023, which was 13,383 visitors (+14.0 percent) more than in March 2022. The North American market and the Latin American market increased by 10,255 visitors (+12.4 percent), and 2,841 visitors (+56.5 percent), respectively. In contrast, the European market fell by 92 visitors (-1.5 percent).

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.