



CENTRALE BANK VAN ARUBA

## Aruba's economy continued expanding during the first half of 2024

Press release

December 24, 2024

*Today, the Centrale Bank van Aruba (CBA) published the State of the Economy report for the first half of 2024. The publication contains a review and analysis of national and international economic developments. The highlights of this publication are presented below.*

The Aruban economy grew by 7.7% during the first half of 2024 compared to the same period in 2023. Tourism remained the main contributor to economic growth, with stay-over visitors expanding by 19.0%. Although visitors spent less time in Aruba, tourism revenue per night increased and totaled Afl. 2.2 billion. This amount only includes those transactions registered at commercial banks.

The boost in tourism also stimulated increased consumption. For example, merchandise imports (excluding imported machinery and electrotechnical equipment) expanded by 6.8%. Similarly, other consumption indicators like personal loans, household electricity consumption (in kWh), and payments via the I-Pago system also showed improvements. Moreover, government tax revenues benefited from strong tourism performance, while improved labor market conditions and increased economic activities boosted nearly all tax revenue components.

There are ongoing investments in the hotel sector to accommodate the increasing number of visitors. However, not all investment indicators went up during the first half of 2024. Indicators where decreases were registered include construction material imports, and the value of new commercial mortgages. On the other hand, the value of new housing mortgages and construction permits exhibited expansions.

In the first half of 2024, more money flowed into the Aruban economy than flowed out (for example, inflows from tourism exports and outflows from goods imports). This resulted in a surplus on the balance of payments, thus raising the CBA's official reserves to Afl. 3.0 billion and international reserves to Afl. 3.5 billion at the end of June 2024. As such, reserves remained amply adequate, which allows the CBA to fulfill its primary mandate of maintaining the value of the Aruban Florin.

Over the last 12 months, prices were higher than during the previous 12 months. During the former period from June 2023 – June 2024, prices increased by 1.7%. The three components contributing the most to inflation were communication, housing, and food. Furthermore, comparing June 2024 to June 2023, prices increased by 2.4%. Monitoring inflation is also important to maintain the purchasing power of the Aruban florin, and the CBA will continue to track developments closely.

The complete publication is available on the CBA's website (<https://www.cbaruba.org/document/state-of-the-economy>).