



CENTRALE BANK VAN ARUBA

The Centrale Bank van Aruba informs on foreign exchange reserves and monetary stability

Press Release

The Centrale Bank van Aruba (CBA) took note of Mr. Waslander's public commentary in *Bon Dia Aruba* on April 17 regarding reserve adequacy and monetary stability in light of global developments, specifically on the import tariffs introduced by the U.S. in the last four weeks. While Aruba is a small, open economy — and is impacted by global developments — domestic monetary fundamentals are sound. The CBA emphasizes that the fixed exchange rate between the florin and the U.S. dollar is solid and stable, and is fully supported by the CBA's strong foreign exchange reserve position. Maintaining the fixed exchange rate with the U.S. dollar is the core objective of the monetary policy of the CBA.

It is important to note that monetary policy under a fixed exchange rate regime differs from that of a floating exchange rate regime. Aruba operates under a fixed exchange rate regime with the U.S. dollar. In Aruba's case, monetary instruments and policy decisions are primarily aimed at maintaining the credibility and sustainability of the peg, rather than actively managing inflation or interest rates as in floating regimes. To maintain this stability, prudent management of the (amount of) foreign exchange reserves is a key instrument of the CBA's monetary policy.

- **Strong Reserve Position:** Official and international reserves have consistently exceeded internationally recognized and used adequacy metrics. At the end of March 2025, the International Monetary Fund (IMF) Assessing Reserve Adequacy (ARA) metric stood at 132.8% and remained well above the 100% minimum required ratio. This means that there is a buffer of reserves to absorb global economic fluctuations. Moreover, the current account coverage ratio registered 7.9 months of current account payments, amply above the 3 month coverage benchmark.
- **Stable Domestic Economic Fundamentals:** Core indicators, including low inflation, stable credit growth, and a sound financial system, reflect the economy's resilience and support the effectiveness of current monetary and financial policies.
- **Data-driven policy:** All monetary policy decisions are guided by a robust analytical framework. This framework draws on a comprehensive and continuous assessment of several domestic and international indicators, reserve adequacy standards, external sector developments, and financial system stability. As a small, open economy, Aruba is sensitive to global economic trends, including trade dynamics and geopolitical tensions. This entails that adjusting economic forecasts in line with changing conditions is an integral part of the CBA's work. Moreover, the CBA continuously monitors these global developments to ensure that its monetary policy remains responsive and effective in maintaining monetary and financial stability. The CBA is committed to safeguarding the stability of the value of the florin, maintaining monetary confidence, and supporting a healthy financial system.

The CBA invites stakeholders and the public to consult its official publications for accurate and timely information.

You can find the CBA's Monetary Policy Committee (MPC) decisions at [Centrale Bank van Aruba - Monetary policy decisions](#)

For further information, please visit [Centrale Bank van Aruba - Home](#) or email: communications@cbaruba.org

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