Ample foreign reserves expected in the short and medium term

Press release

November 13, 2026

Today, the Centrale Bank van Aruba (CBA) published its most recent Economic Outlook for the external sector. This publication contains economic projections for the short (2026-2027) and medium term (2028-2030).

The first half of 2026 recorded a current account surplus of Afl. 685.4 million. That is, Aruba's combined earnings from abroad related to trade, labor and capital income, as well as transfers exceeded the corresponding payments to the rest of the world. The current account surplus was elevated due to a rise in tourism revenues, although mitigated by outgoing payments for services and import of goods. The financial account also recorded an Afl. 206.2 million net inflow during the first half of 2026, signaling that Aruba received more financing from abroad than it provided to the rest of the world.

The current account surplus observed in the first half of 2026 is likely to continue in the short and medium term, supported by continued growth in tourism revenues. In contrast, the CBA projects that the financial account will register a net outflow in the upcoming years. Namely, foreign loan repayments by the Government of Aruba are expected to exceed new foreign borrowing. Additionally, projected portfolio investments, such as foreign bond purchases and sales by local institutional investors, will likely record a net outflow. Nevertheless, the projected current account surpluses outweigh the forecasted financial account net outflows, resulting in consecutive balance of payments (BOP) surpluses.

The projected BOP surpluses accordingly sustain foreign exchange reserve increases and ensure that foreign reserves remain adequate across monitored benchmarks. In the short term, the expected current account coverage ratio hovers between 8.9 and 9.3 months, well above the recommended minimum of 3 months of coverage. Furthermore, forecasted official reserves will remain above the upper bound of the IMF ARA metric in the near term.

Foreign exchange reserves also remain adequate under an adverse scenario of costlier oil imports, stemming from prolonged elevated oil

prices. However, the duration and severity of the United States–Iran war could differ from this scenario. Beyond this major risk, the baseline outlook is subject to several domestic and international risks, such as weaker than expected tourism growth, the ongoing trade war, other military conflicts, tighter labor market conditions, delays in investment projects, and changes in domestic fiscal policy.

The complete publication is available on the CBA's website: https://www.cbaruba.org/document/economic-outlook.