



CENTRALE BANK VAN ARUBA

## State of the Economy: A new publication

Press Release<sup>1</sup>

Since its inception in 1986, the CBA has complied with its duty to provide timely and reliable assessments of economic and financial developments, among others, through its Quarterly Bulletins. As an autonomous institution within Aruba's public sector, the CBA recognizes that it is important for policy makers and the public to have access to factual information as well as independent commentary on economic and financial developments.

To improve the accessibility of the presented information, the CBA has decided to impart new dynamism to its Quarterly publication, by substituting it with a new report titled The "*State of the Economy*" (SOE). To reach a broader readership, this modernized quarterly publication will present the relevant economic commentary in a more accessible narrative, aided by topical charts. The SOE will focus on interpreting the most recent developments in the context of observed trends.

To facilitate timely dissemination, the publication schedule will be based on a fixed schedule, reviewing the most recently available data. The statistical tables formerly included in the Quarterly Bulletin will remain available through a separate release.

As is the case with all its publications, speeches and presentations, the CBA will communicate the release of SOE report to the local press and make it available on its website ([www.cbaruba.org](http://www.cbaruba.org)). With this modernization, the CBA hopes to reach a broader readership and promote public knowledge on financial and economic matters.

### **Brief overview of developments in the first nine months of 2012**

During the first three quarters of 2012, the Aruban economy was impacted by the uncertainties related to the future of the oil refinery. An unclear situation at the beginning of the year soon turned into increased optimism due to a possible take-over announcement, which in September faded to a minimum with the publication of contract termination of most of full-time employees by mid-November. Buoyant tourism partly cushioned the output loss related to oil refining activities. However, the effect of the indefinite suspension of these activities was still major. Based on CBA's estimates, the economy contracted by slightly more than 4 percent in the first six months of 2012, while the underlying growth (i.e., excluding the effect of the refinery closure) was on the positive side. Government finances remained on a fragile path requiring continuous prudent fiscal management, while the balance of payments recorded a deficit in the first half of 2012 for the first time since 2005. On a positive note, inflationary pressures abated significantly associated with major structural reduction in water and electricity tariffs. Furthermore, monetary and prudential indicators continued to be at adequate levels.

Centrale Bank van Aruba

December 28, 2012

---

<sup>1</sup> The English text prevails.