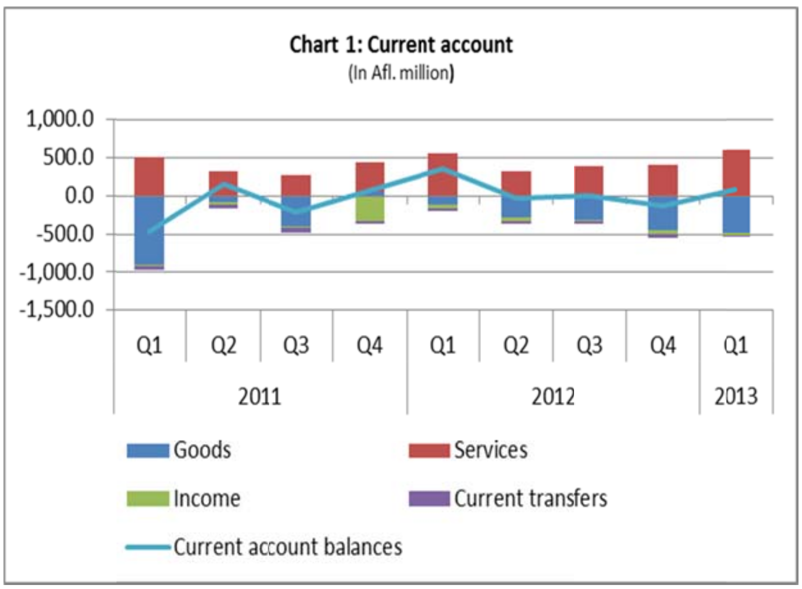
CENTRALE BANK VAN ARUBA

Statistical News Release

Date: July 30, 2013

Balance of payments developments

The current account of the balance of payments showed a surplus of Afl. 87.6 million during the first quarter of 2013, substantially lower than a year earlier (Chart 1). The deterioration in the current account balance was due to increased shortfalls in the goods account of Afl. 477.1 million. The services and current transfers accounts, on the other hand, recorded a higher surplus (Afl. 608.2 million) and a lower deficit (Afl. 4.8 million), respectively.



The higher goods account deficit was due to the trade transactions of both the oil and the non-oil sector. The goods account of the oil sector registered an Afl. 80.1 million deficit, following a surplus of Afl. 251.1 million in the same quarter of 2012. This turnaround was largely attributed to the fall in the value of exports and imports of, respectively, 94 percent and 87 percent. Additionally, the deficit on the goods account of the non-oil sector rose by 8 percent to Afl. 397.0 million, as the growth in import payments exceeded that of export receipts. The services account surplus exceeded the level reached in the corresponding quarter of 2012, largely on account of higher gross tourism receipts (6 percent). The shortfall in the current transfers account narrowed by Afl. 37.8 million to Afl. 4.8 million, associated mostly with an Afl. 18.0 million Dutch development fund receipt.

Offsetting the surplus on the current account was a net outflow in the capital and financial account of Afl. 61.7 million, related mainly to net outflows of other investment and portfolio investment. In the first quarter of 2013, other investment recorded a net outflow of Afl. 136.2 million, compared to a net inflow of Afl. 19.4 million in the same quarter of 2012. This turnaround was mainly caused by the oil sector related to a reduction in trade credits received and extended due to the closure of the oil refinery in March 2012. On the other hand, other investment of the non-oil sector posted an Afl. 180.0 million lower net outflow, reflecting largely reduced increases in balances on currency and deposits of residents companies. Portfolio investment showed a similar pattern; in the first quarter of 2013, a net outflow of Afl. 16.5 million was recorded against an Afl. 211.2 million net inflow in the first quarter of 2012. This was largely the result of smaller net sales of foreign equity securities and the net purchase of foreign debt securities by the non-oil sector.

Direct investment reflected a net inflow of Afl. 88.9 million, compared to a large net outflow of Afl. 651.6 million in the first quarter of 2012. This was mainly due to decreased trade credits of the oil sector related to the closure of the oil refinery mentioned earlier. Net inflow of direct investment of the non-oil sector grew by Afl. 76.1 million to Afl. 92.3 million, mainly attributable to higher intercompany loan receipts and equity contribution.

The balance of payments recorded an Afl. 16.0 million surplus in the first quarter of 2013, compared to an Afl. 62.1 million deficit in the same quarter of 2012 (Chart 2). The main contributor to this surplus was the non-oil sector, posting an Afl. 79.0 million net sale of foreign exchange to the banking sector. Transactions of the oil sector, on the other hand, led to an Afl. 63.1 million net purchase of foreign exchange from the commercial banks, which is Afl. 67.1 million lower than in the first quarter of 2012.