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- Bijgaande nota is een combinatie van twee brieven die overhandigd zijn aan de minister van Financiën en Economische Zaken tevens formateur, de heer N.J.J. Swaen, Bac, d.d. respectievelijk 7 oktober 2005 en 14 oktober 2005.*

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1. DEVELOPMENTS IN THE SECOND QUARTER OF 2005

1.1 Introduction

According to available information, the economy strengthened further in the second quarter of 2005. Indicative hereof is that the Partial Economic Activity Index (PEAI), as published by the Central Bureau of Statistics (CBS), showed a 5.3 percent increase in real GDP on an annual basis. In addition, the Bank's Businesses Perception survey confirmed that businesses continued to be generally positive about the current state of the economy, as well as of the short-term economic outlook. The major contributory factors to this growth were an upsurge in construction activities, due partly to maintenance work at the refinery, and a rise in wage-related expenditures of the government. The tourism sector performed again favorably, albeit less buoyantly than a year earlier. Both visitors and their nights spent on the island grew by 3 percent, against 19 percent and 15 percent, respectively, in the second quarter of 2004. As a result, growth in gross tourism receipts fell from 24 percent a year earlier to 10 percent.

The continued economic growth in the quarter under review did not create excessive inflationary pressures. However, a surge in oil prices on the international market led to price increases in the energy-related components (water, electricity and gasoline) of the inflation. Consequently, the inflation rate, measured on a 12-month basis, accelerated by 0.6 percentage point to 3.0 percent, which is equal to the inflation rate of Aruba's major trading partner, the United States. Adjusted for the energy-related components, inflation slowed down by 0.3 percentage point to 1.9 percent, reflecting largely lower price increases for clothing and footwear.

In the quarter under review, the balance of payments posted an Afl. 63 million deficit, in contrast to an Afl. 61 million surplus in the second quarter of 2004 when the government acquired a foreign commercial loan. The deficit was brought about mainly by an Afl. 100 million current account deficit for the rest of the economy (i.e., excluding the oil and free-zone sectors), reflecting increased imports, dividend and interest payments, as well as higher private sector remittances to abroad. Consequently, the net international reserves of the monetary sector shrank to Afl. 642 million at end-June 2005. This level of international reserves is Afl. 88 million or 12 percent lower than the level recorded a year earlier, and resulted in spite of a favorable development in the tourism sectors, which, on an annual basis, resulted in a 13 percent surge in tourism receipts.

Despite above-mentioned Afl. 63 million net outflow of funds to abroad, the money supply rose by Afl. 12 million. This expansion stemmed from an Afl. 75 million increase in net domestic assets, due partly to an Afl. 39 million rise in net banking claims on the public sector associated with a bridge loan granted to the government. In addition, banking sector credit granted to the private sector rose by Afl. 30 million.

In the second quarter of 2005, the government financial deficit (including the change in unsettled payment obligations) shrank to Afl. 83 million, down from Afl. 121 million in the corresponding quarter of 2004. This improvement resulted from an Afl. 64 million increase in revenues, mainly tax income, and an Afl. 16 million

decline in outlays (including net lending). On the other hand, unsettled payment obligations rose by Afl. 40 million to Afl. 177 million in the period under review. Compared to the second quarter of 2004, total government debt climbed by Afl. 110 million to Afl. 1,765 million or 43 percent of the estimated GDP for 2005. This rise was largely caused by several domestic bond issues, namely one of Afl. 25 million in September 2004, and two issues of Afl. 40 million in February and April 2005. The proceeds of these bond issues were used mainly to finance the budget deficit and to repay maturing debt.

1.2 The real sector

Business Perception Index

According to the Business Perception Survey (BPS), businesses continued to be confident about the economy in the quarter under review. Compared to the second quarter of 2004, the indexes on current and short-term economic condition increased further by, respectively, 2 percent to 107.1 and 1 percent to 108.8, reflecting optimism across all sectors. Consequently, the overall BPS index went up by 2 percent to 107.9 (statistical annex Table 1.2).

Partial Economic Activity Index

In the second quarter of 2005, the Partial Economic Activity Index (PEAI) – an indicator of variations in the volume of turnover in seven sectors accounting for 71 percent of the total value added in Aruba – went up by 5.3 percent, compared to the corresponding quarter a year earlier when a growth of 4.5 percent was registered. The main contributor to this growth was the construction sector, which posted a 33 percent output expansion, reflecting in part the execution of maintenance work at the refinery in the quarter under review. Moreover, the output of the sectors “public administration & education” and “housing” grew further by 5 percent and 3 percent, respectively. In addition, the sector “utilities” and also the tourism-related sectors “hotels & restaurants” and “transport, storage & communication” expanded further by

Table A: Partial Economic Activity Index 1)

	<i>Share in GDP</i>		2003		2004		2005	
	<i>(in percent)</i>		2003	2004	II	II	I	II
	<i>(Period average)</i>							
Total Index	71.3	1.3	3.3	0.1	4.5	5.1	5.3	
a. Utilities	4.1	1.9	0.5	2.6	5.7	6.7	4.1	
b. Construction	8.6	11.4	-8.6	28.9	-14.5	27.6	33.3	
c. Trade	14.2	-4.4	3.4	-13.3	8.5	0.3	-1.3	
d. Hotels & restaurants	10.5	4.1	10.2	0.3	15.3	9.1	3.4	
e. Transport, storage & communication	8.2	-2.2	9.1	-7.8	11.9	3.2	1.5	
f. Housing	12.6	2.5	2.6	2.8	2.5	2.8	2.9	
g. Public adm. & education	13.1	0.1	1.8	0.5	1.7	-0.2	4.8	

Source: CBS.

1) Percentage changes compared to the corresponding period a year earlier.

4 percent, 3 percent and 2 percent, respectively, thus remaining below the increases in the corresponding quarter of 2004. In contrast, the trade sector shrank by 1 percent in the quarter under review, reflecting mainly contractions in the retail trade of household appliances, hardware, and other building materials.

Tourism

In the second quarter of 2005, both the number of stay-over visitors and their nights spent on the island moved up further by 3 percent, compared to 19 percent and 15 percent, respectively, in the corresponding quarter of 2004. Consequently, the average hotel occupancy rate went up by 3.1 percentage points to 80.4 percent.

Table B: Indicators of tourism activity

			2003	2004	2005	
	2003	2004	II	II	I	II
1. a. Tourism receipts (x Afl. million) 1)	1,523.9	1,888.0	345.6	427.8	564.9	469.2
b. Tourism expenditures (x Afl. million) 2)	1,159.5	1,454.2	235.9	324.4	441.3	346.6
2. Stay-over visitors (x 1,000)	641.9	728.2	150.3	178.1	200.9	183.0
3. Market shares (in percentage)						
a. United States	72.4	73.5	74.5	76.1	77.4	77.0
b. Venezuela	8.5	8.1	7.7	6.8	5.6	5.8
c. The Netherlands	5.7	5.2	5.5	4.8	4.6	5.2
d. Canada	2.7	2.8	1.8	2.0	4.0	2.2
e. Colombia	1.8	1.5	1.6	1.6	1.1	1.3
f. Other countries	8.9	8.9	8.9	8.7	7.3	8.5
4. Visitor nights (x 1,000)	5,097.6	5,639.9	1,135.0	1,301.9	1,574.9	1,345.9
5. Average nights spent	7.9	7.7	7.6	7.3	7.8	7.4
6. a. Receipts per visitor night (Afl.)	299	335	304	329	359	349
b. Average daily expenditure (Afl.) 3)	186	207	166	191	229	210
7. Average hotel occupancy rate	74.4	80.7	66.9	77.3	88.3	80.4
8. Average daily hotel rate (Afl.) 4)	239	259	218	229	386	269
9. Revenue per available room (Afl.) 4)	123	147	100	125	230	139
10. Room tax receipts (x Afl. million) 5)	25.6	30.5	5.7	6.2	11.6	7.2
11. Cruise visitors (x 1,000)	542.3	576.3	102.2	113.2	190.7	112.2
12. Number of cruise ship calls	315	318	53	53	108	64
13. Contribution to current account 6)	75	79	75	79	82	79

Source: CBA; CBS; Aruba Tourism Authority; Cruise Tourism Authority; Tax Collector's Office.

1) Gross receipts from stay-over and cruise tourism, as well as other tourism-related income as recorded on a cash basis in the balance of payments.

2) Travel-related expenditures by stay-over visitors, before (e.g., pre-paid packages), during, and immediately after a trip as estimated by the CBS via a special survey.

3) Expenditure in Aruba only (thus, excluding, e.g., payments for prepaid packages), as calculated by the CBS.

4) Including time-shares units.

5) Excluding tax receipts related to previous periods.

6) Tourism receipts as a percentage of current account receipts, excluding the oil and free-zone sectors.

The U.S. market continued to expand in the quarter under review, albeit at a lower pace than in the corresponding quarter a year earlier. Both the number of stay-over visitors from that market and their nights spent on the island increased by 4 percent, compared to, respectively, 21 percent and 19 percent in the second quarter of 2004. Moreover, the number of Dutch tourists and their nights spent on the island rose by 12 percent (second quarter 2004: +3 percent) and 19 percent (second quarter 2004: -0.2), respectively. In contrast, total visitors from Venezuela and their nights spent on the island contracted by 12 percent (second quarter 2004: +5 percent) and 21 percent (second quarter 2004: -1 percent), respectively. This contraction reflected the fact that in 2005 the Easter holidays took place in the first quarter, while in 2004 they fell in the second quarter. Consequently, the U.S. and Dutch market shares widened to 77.0 percent and 5.2 percent, respectively, up from 76.1 percent and 4.8 percent a year earlier. The Venezuelan market share, on the other hand, dropped by 1 percentage point to 5.8 percent.

In the second quarter of 2005, the number of cruise passengers receded by 1 percent, in contrast to an 11 percent increase in the corresponding quarter of 2004. However, port calls surged by 21 percent, because more smaller ships included Aruba into their itinerary compared to the corresponding quarter a year earlier.

Preliminary estimates by the Central Bureau of Statistics indicate that the average daily rate of the hotel sector and the revenue per available room rose by, respectively, 17 percent to Afl. 269 and 11 percent to Afl. 139, compared to the second quarter of 2004. Also, room tax receipts increased by 16 percent to Afl. 7 million. Gross tourism receipts, as recorded in the balance of payments, grew by 10 percent to Afl. 469 million. Notwithstanding this result, their share in total current account receipts (excluding the oil and free-zone sectors) remained unchanged at 79 percent (Table B and statistical annex Tables 1.4 and 1.5).

Construction

The activities of the construction sector strengthened further in the second quarter of 2005. Illustrative is that the import of cement rose by 8 percent. In addition, electrical installations approved by the Department of Technical Inspection soared by 20 percent, due largely to the completion of a large number of houses pertaining to the construction projects of the Aruba Community Housing Foundation (FCCA). According to data from the Department of Public Works, the outlook for the construction sector is quite positive. In the second quarter of 2005, the number of construction permits granted went up by 11 percent, primarily because of an expansion in the category “houses”. Moreover, the construction value of the building permits surged by 200 percent, reflecting mainly the permit granted for the construction of the third phase of a timeshare resort (statistical annex Table 1.8).

Utilities

In the second quarter of 2005, electricity consumption rose by 7 percent, compared to 6 percent in the corresponding quarter of 2004. In addition, gas consumption increased by 3 percent (second quarter of 2004: +1 percent), due mainly to higher consumption for commercial purposes. In contrast, water consumption contracted by 3 percent (second quarter of 2004: +6 percent), mainly because of a decrease in use

by households. Consequently, the weighted utilities consumption index increased by 4 percent to 141.4 (statistical annex Table 1.9).

Oil sector

Following eight consecutive quarters of expansion including a 15 percent increase in the second quarter of 2004, the refinery's throughput volume shrank by 5 percent in the second quarter of 2005. This contraction was the result of the execution of maintenance work at the refinery. However, export revenues from refined oil products climbed further by 37 percent to Afl. 1,621 million (second quarter of 2004: +43 percent) as a result of higher oil prices on the international market. Also, the amount of crude oil imported shoot up by 36 percent to Afl. 1,499 million (second quarter of 2004: +81 percent). At the end of June 2005, 669 persons were directly employed at the refinery, i.e., 4 persons more than in the corresponding period of 2004 (statistical annex Table 1.12).

Merchandise trade

Trade figures on a transaction basis, as compiled by the Central Bureau of Statistics, indicate that merchandise imports (excluding mineral fuels and free-zone goods) expanded by 12 percent to Afl. 388 million, largely because of increased imports of "other goods", which comprised mainly construction materials. In addition, all the other product categories, with the exception of the import of chemical products, showed increases in the quarter under review. Merchandise exports also went up, i.e., by 10 percent to Afl. 13 million, associated with an increase in the category "machinery and electrotechnical equipment". On balance, the trade deficit widened by Afl. 40 million or 12 percent to Afl. 375 million (statistical annex Tables 1.10 and 1.11).

Price developments

In the second quarter of 2005, the quarterly average increase in the consumer price index picked up by a notable 1.1 percentage points to 3.5 percent, due mainly to steeper price increases in the category "housing", following higher water and electricity tariffs (Table C and statistical annex Tables 1.6 and 1.7). On a twelve-month basis, the inflation rate accelerated further by 0.6 percentage point to 3.0 percent. When adjusting for the energy-related components (water, electricity, and gasoline), the inflation rate slowed down by 0.3 percentage point to 1.9 percent.

In the second quarter of 2005, the 12-month average inflation was equal to that of the United States, i.e., Aruba's main trading partner. Consequently, the real exchange rate index of the Aruban florin against the U.S. dollar remained unchanged at 105.0. The inflation differential with Curaçao declined by 0.5 percentage point to +0.8 percentage point, while the inflation differential with the Netherlands expanded by 0.9 percentage point to +1.6 percentage points.

Table C: Consumer price index
(Percentage change)

	2003	2004	2003	2004	2005	
			II	II	I	II
<i>(Period average)</i>						
Total index	3.6	2.5	4.0	2.4	2.4	3.5
a. Food	3.1	3.9	2.9	4.1	3.9	3.3
b. Beverage & tobacco	4.4	0.6	5.7	0.7	0.8	1.2
c. Clothing & footwear	4.5	3.8	5.0	3.7	2.0	1.0
d. Housing	5.7	2.1	6.6	1.7	2.8	7.1
e. Housekeeping & furnishing	2.7	2.0	3.0	1.8	2.0	2.1
f. Health	0.0	0.0	0.0	0.0	0.0	0.0
g. Transport & communication	2.8	2.4	2.8	2.4	2.3	3.0
h. Recreation & education	2.4	2.5	2.6	2.5	1.4	2.3
i. Other	2.6	1.5	2.9	1.3	1.4	2.2
<i>(Twelve-month average)</i>						
Aruba	3.6	2.5	4.3	2.4	2.7	3.0
United States	2.3	2.7	2.2	2.2	3.0	3.0
Curaçao	2.0	1.4	2.1	1.1	1.8	2.2
The Netherlands	2.1	1.2	2.6	1.7	1.4	1.4
Real exchange rate index (1995=100) 1)	105.2	105.0	104.8	105.0	104.9	105.0

Source: CBA; CBS Aruba; CBS Netherlands Antilles; U.S. Bureau of Labor Statistics; CBS NL.

1) Relative to the U.S.A. Based on CPI 12-month averages.

1.3 Money and credit

Introductory note

In this Bulletin, the statistics on money and credit were revised as of January 2005 to reflect the take-over of a mortgage bank by a commercial bank.

Changes in the money supply

In the second quarter of 2005, the money supply grew by Afl. 12 million or 0.5 percent to Afl. 2,415 million compared to the preceding quarter (Table D and statistical annex Tables 2.1, 2.2 and 2.3). This rise was due to an Afl. 23 million or 2 percent increase in quasi-money, particularly, savings deposits. In contrast, narrowly-defined money contracted by Afl. 11 million or 1 percent, due to decreases in demand deposits denominated in both Aruban florin and foreign currency.

The increase in the money supply was caused by domestic factors. Net bank claims on the public sector expanded by Afl. 39 million, which was largely due to the acquisition of an Afl. 36 million bridge loan by the government. Moreover, banking sector credit granted to the private sector went up by Afl. 30 million or 1 percent, because of increases in loans to enterprises, housing mortgages and consumer credit of, respectively, Afl. 18 million (2 percent), Afl. 9 million (1 percent) and Afl. 5 million (1 percent).

Table D: Causes of changes in money supply
(In Afl. million)

			2003	2004	2005	
	2003	2004	II	II	I	II
1. Net domestic money creation	241.7	51.3	208.7	-67.5	70.0	75.2
a. Net domestic credit	218.5	117.1	229.3	-51.8	71.3	69.6
- Public sector	19.3	21.3	138.2	-54.4	11.4	39.4
- Private sector	199.2	95.8	91.1	2.6	59.9	30.2
b. Other domestic factors	23.2	-65.8	-20.5	-15.7	-1.3	5.6
2. Inflow of foreign funds 1)	-61.2	19.9	-165.0	61.2	47.8	-63.2
a. Current account transactions	-265.3	31.7	153.6	-192.5	158.4	-78.0
b. Net foreign capital 2)	204.1	-11.9	-318.6	253.7	-110.5	14.8
3. Broad money creation	180.5	71.1	43.8	-6.3	117.8	11.9
a. Money	88.7	27.6	75.6	4.7	98.8	-10.7
b. Quasi-money	91.8	43.5	-31.8	-11.0	19.0	22.7
<i>(12-month percentage change)</i>	<i>(8.9)</i>	<i>(3.2)</i>	<i>(8.0)</i>	<i>(6.4)</i>	<i>(6.1)</i>	<i>(6.9)</i>

Source: CBA.

1) Revaluation differences of gold and official foreign exchange holdings are excluded to approximate the net import of foreign funds by the nonmonetary sectors.

2) Including items not yet classified and errors and omissions.

The increase in net domestic assets was offset partly by an Afl. 63 million net outflow of funds to abroad, following an Afl. 78 million current account deficit. Consequently, the official reserves of the Bank fell by Afl. 14 million (2 percent) to Afl. 623 million. The latter amount is equal to 97 percent of the aggregated net foreign assets of the monetary system. In addition, net foreign assets held by the commercial banks declined by Afl. 50 million (72 percent) to Afl. 19 million. At end-June 2005, total net foreign assets (excluding revaluation differences of gold and official foreign exchange holdings) amounted to Afl. 642 million. In the quarter under review, the ratio of net foreign assets to the money supply shrank to 27 percent, down from 29 percent in the first quarter of 2005 (statistical annex Table 2.4).

Interest rates

In the second quarter of 2005, the commercial banks' interest margin, measured as the difference between the weighted average lending rate and deposit rate of new transactions, narrowed by one percentage point to 7.2 percentage points, compared to the first quarter of 2005 (statistical annex Table 6.1). This contraction was brought about by a decline in the average lending rate of 0.9 percentage point to 11.2 percent, reflecting mainly a 1.4 percentage points fall in the interest rate of commercial mortgages. The average interest rate on deposits increased slightly by 0.1 percentage point to 4 percent, because of an increase in interest rates on short-term time deposits.

The Bank's interest rates on time deposits, which are linked to corresponding rates of the Federal Reserve Bank of New York, continued to increase, although at a moderate pace (statistical annex Table 6.3). The cost of short-term government borrowings rose during the course of 2005. Illustrative is that the Afl. 17 million and the Afl. 23 million treasury bills, both issued in July 2005, yielded 2.35 percent and 3.15 percent, respectively, compared to 2.02 percent and 1.95 percent, respectively, in April 2005. The Afl. 17 million treasury bills issued in October 2005 yielded 2.99 percent. On the

other hand, the Afl. 8 million cash loan certificates issued in June 2005 yielded 3.21 percent, slightly lower than the yield of 3.30 percent for the previous issue (December 2004). The cost of long-term government financing was slightly lower in 2005 than in 2004. In February 2005, 4-year bonds totaling Afl. 40 million were issued on the local capital market at 6 percent, while another Afl. 40 million 6-year bond was issued at 6.5 percent in April 2005 (statistical annex Table 6.5).

1.4 Nonmonetary financial institutions

Introductory note

In this Bulletin, the statistics on nonmonetary financial institutions were revised as of January 2005 to exclude a mortgage bank due to its acquisition by a commercial bank.

The balance sheet

In the second quarter of 2005, the aggregated assets of nonmonetary financial institutions expanded by Afl. 53 million or 3 percent to Afl. 1,849 million compared to the previous quarter. This increase resulted mainly from an Afl. 31 million or 5 percent rise in claims on the public sector, due largely to the acquisition of government bonds issued in April 2005 by some of these financial institutions. In addition, claims on the private sector grew by Afl. 24 million or 3 percent, reflecting mainly the purchase of corporate bonds. In contrast, net foreign assets of the nonmonetary financial institutions declined slightly by Afl. 3 million or 1 percent. Consequently, these assets amounted to Afl. 489 million, i.e., significantly more than the net foreign assets held by the commercial banks. On the liability side, pension fund provisions contracted by Afl. 7 million (1 percent), while the insurance reserve fund rose by Afl. 2 million (1 percent) (Table E and statistical annex Table 5.1).

Table E: Nonmonetary financial institutions 1)
(End of period, in Afl. million)

	2004				2005	
	I	II	III	IV	I	II
1. Net foreign assets	445.4	446.4	446.4	489.8	491.6	488.9
2. Domestic assets	1,260.3	1,300.0	1,333.4	1,347.4	1,304.5	1,359.6
a. Government	499.9	534.0	553.2	551.1	571.2	602.4
b. Private sector	760.4	766.0	780.2	796.2	733.2	757.2
3. Total assets=total liabilities	1,705.7	1,746.4	1,779.8	1,837.2	1,796.0	1,848.5
4. Borrowings and deposits	61.9	63.2	63.9	63.5	39.2	38.8
a. Government	36.7	36.7	36.7	36.7	36.7	36.7
b. Other residents	25.2	26.5	27.2	26.8	2.5	2.1
5. Pension fund provisions	1,285.8	1,287.3	1,328.6	1,379.1	1,409.8	1,402.7
6. Insurance reserve fund	287.3	291.9	295.6	288.4	296.4	298.1
7. Other items, net	70.7	104.0	91.8	106.2	50.7	108.9

Source: CBA.

1) Comprise a mortgage bank, pension funds (including the APFA), life insurance companies, finance companies, the AIB Bank, the Social Security Bank, and IBA Corporation N.V.

The mortgage market

In the second quarter of 2005, housing mortgage lending by commercial banks and pension funds went up by Afl. 9 million (1 percent) and Afl. 5 million (4 percent), respectively, compared to the previous quarter. In contrast, the housing mortgage loan portfolio of life insurance companies shrank by Afl. 1 million (2 percent). Housing mortgage lending by a specialized mortgage bank remained unchanged in the quarter under review. Consequently, the share of nonmonetary financial institutions in the total housing mortgage portfolio remained at about 37 percent (Table F).

Table F: Housing mortgages
(End of period, in Afl. million)

	2004				2005	
	I	II	III	IV	I	II
1. Total	1,009.8	1,012.3	1,035.9	1,052.0	1,062.1	1,075.7
2. Commercial banks	556.9	554.6	573.7	580.6	663.7	672.9
3. Mortgage bank	277.5	278.7	280.4	283.5	210.1	210.1
4. Pension funds	97.5	102.1	104.7	113.4	114.0	119.1
5. Life insurance companies	61.1	60.4	59.9	57.4	56.9	55.9
6. Other	16.9	16.4	17.2	17.1	17.5	17.7

Source: CBA.

1.5 Government finance

Financial operations

In the second quarter of 2005, total government revenues surged by Afl. 64 million or 37 percent to Afl. 235 million compared to the corresponding quarter of 2004. This rise was brought about mainly by an Afl. 45 million (28 percent) increase in tax revenue. In addition, the Fondo Desaroyo Aruba (FDA) received 5 million euros (Afl. 12 million) in contribution from the Dutch government for the financing of certain development projects. Moreover, nontax revenue increased by Afl. 7 million, reflecting largely the payment of dividend by a public enterprise to the Treasury (Table G and statistical annex Tables 7.1 and 7.2).

The increase in tax revenue resulted predominantly from an Afl. 21 million (27 percent) rise in taxes on income and profits, due mainly to higher profit tax revenues resulting in part from intensified tax collections. Moreover, revenue from property tax more than doubled to Afl. 13 million, owing primarily to an increase in revenue from land tax. In addition, revenue from taxes on commodities went up by Afl. 6 million (10 percent), because of a higher income from excise and import duties, the latter due to an increase in merchandise imports. Also, receipts from foreign exchange tax and taxes on services expanded by Afl. 9 million and Afl. 1 million, respectively.

Total expenditures (including net lending), as estimated by the Bank, shrank by Afl. 16 million or 5 percent to Afl. 278 million in the period under review, compared to the second quarter of 2004. Provisional data provided by the Department of

Finance show that this decline was mainly the result of an Afl. 44 million decrease in contribution to the General Health Insurance (AZV) and an Afl. 12 million decline in the outlays for goods and services. Furthermore, investment-related expenses contracted by Afl. 4 million. On the other hand, the category “items not included elsewhere” rose by Afl. 22 million, largely due to an increase in expenses related to the cost of living allowance to the Civil Servants Pension Fund (APFA) and other subsidies. Furthermore, wage-related expenses and interest costs expanded further by Afl. 13 million and Afl. 8 million, respectively.

Despite the higher government revenues and lower spending, the government still recorded an Afl. 43 million financial deficit in the second quarter of 2005, down from Afl. 123 million in the corresponding quarter of 2004. In addition, outstanding unmet financing requirements increased by Afl. 40 million to Afl. 177 million compared to the preceding quarter. This increase was caused mainly by an Afl. 25 million rise in suppliers’ credit. Moreover, payment arrears to the APFA, consisting mainly of premiums and cost of living allowance, rose further by Afl. 10 million to

Table G: Government financial operations 1)
(In Afl. million)

			2003		2004		2005	
	2003	2004	II	II	I	II		
1. Revenue and grants	975.2	819.7	180.7	171.3	192.3	235.3		
a. Tax revenue	687.4	707.1	149.9	158.1	181.0	203.0		
b. Nontax revenue	86.1	81.6	30.8	13.2	11.3	20.3		
c. Grants	201.8	31.1	0.0	0.0	0.0	12.1		
2. Expenditures	905.9	1,164.0	242.5	293.5	205.7	277.0		
3. Lending minus repayments 2)	-103.1	10.2	2.6	0.5	0.6	1.4		
4. Financial deficit (-)	172.4	-354.5	-64.5	-122.7	-14.0	-43.0		
5. Net foreign capital	-200.6	96.5	-99.3	119.2	-2.7	0.4		
6. Net domestic capital 3)	9.0	236.7	25.5	57.9	5.3	3.3		
7. Net recourse to the monetary system (-)	-19.3	-21.3	-138.2	54.4	-11.4	-39.4		
8. Memorandum item								
a. Unmet financing requirements 4)	281.7	152.9	312.6	293.9	137.0	177.0		
b. Financial deficit (-) 5)	150.9	-225.7	-91.3	-120.8	2.0	-83.1		

Source: Department of Finance; Tax Collector’s Office; APFA; CBA.

- 1) Preliminary figures and estimates on a cash basis, including imputed noncash transactions such as the transactions related to the hotel guarantee issue and the APFA debt conversion.
- 2) Includes payments due to loans made and equities purchased from official entities, minus receipts from repayments and equities sold to these entities. A (-) sign indicates that extended loans were less than the repayments received.
- 3) Net capital attracted from nonmonetary sectors. Commercial bank loans to the government are included in item 7.
- 4) At the end of the period. The unmet financing requirements comprise all unsettled payment obligations to other sectors, irrespective of the time frame in which they mature, registered by the Department of Finance.
- 5) Including the change in unmet financing requirements.

Afl. 68 million as of end-June 2005. Also, payment arrears to other government-related institutions grew by Afl. 5 million. When including the change in the unmet financing requirements, a financial deficit of Afl. 83 million was posted compared to Afl. 121 million in the second quarter of 2004.

Total financing needs of government amounted to Afl. 74 million, comprising mainly the aforementioned Afl. 43 million financial deficit and repayments of Afl. 30 million on maturing bonds. They were covered largely by an Afl. 40 million bond issue on the local capital market in April 2005 and an Afl. 36 million bridge loan with the banking system in June 2005. As a result of the above-mentioned transactions, government's bank deposits rose by Afl. 2 million to Afl. 114 million at end-June 2005.

Outstanding debt

In the quarter under review, outstanding government debt surged by Afl. 110 million or 7 percent to Afl. 1,765 million compared to the second quarter of 2004, reflecting largely the financial deficit (including the change in the unmet financing requirements) incurred during the twelve-month period up to and including June 2005. This outcome was in spite of an Afl. 19 million (2 percent) decrease in the foreign debt, resulting largely from the yearly debt repayment to the Netherlands in December 2004. The foreign debt component amounted to Afl. 811 million at the end of June 2005, representing 46 percent of the total debt of the government (Table H and statistical annex Table 7.4).

The increase in the outstanding government debt was brought about by an Afl. 129 million (16 percent) rise in domestic debt to Afl. 954 million compared to the second quarter of 2004, reflecting an Afl. 92 million surge in negotiable debt. This rise resulted from three bond issues, namely one of Afl. 25 million in September 2004, and two of Afl. 40 million in February and April 2005, respectively. The proceeds from these bonds were used mainly to finance the budget deficit and to repay maturing debt. In addition, as part of a debt conversion agreement with APFA, an Afl. 34 million bond was issued at end-2004 to replace part of the non-negotiable debt to that institution.

In addition, the non-negotiable domestic debt went up by Afl. 38 million or 7 percent. This increase was accompanied by a notable shift in the components. The short-term non-negotiable debt contracted by Afl. 102 million, reflecting mainly an Afl. 154 million decrease in arrears to APFA which, following the earlier mentioned debt conversion agreement, was partly replaced by a long-term non-negotiable debt. It is noteworthy to mention that the arrears to APFA have been increasing since end-December 2004 when the debt conversion agreement was reached. On the other hand, suppliers' credit and other short-term non-negotiable debt rose by Afl. 18 million (29 percent) and Afl. 34 million (105 percent), respectively. The latter increase reflected mainly an Afl. 36 million short-term bridge loan facility on behalf of the government with the banking system in the second quarter of 2005. Moreover, the long-term non-negotiable debt component increased by Afl. 140 million, largely as a result of an Afl. 220 million loan facility by APFA on behalf of the government in December

Table H: Outstanding government debt
(End of period, in Afl. million)

	2004				2005	
	I	II	III	IV	I	II
1. Total debt	1,481.5	1,654.7	1,659.6	1,700.2	1,687.1	1,764.7
2. Domestic debt	768.7	824.8	825.6	864.7	864.0	954.0
a. Negotiable	218.5	276.4	286.9	320.9	358.7	368.1
- Treasury bills	40.0	40.0	40.0	40.0	40.0	40.0
- Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0
- Government bonds	170.5	228.4	238.9	272.9	310.7	320.1
b. Non-negotiable	550.2	548.4	538.7	543.8	505.3	585.9
- Short-term 1)	315.9	315.0	310.2	152.9	137.0	213.0
- Long-term	234.3	233.4	228.5	390.9	368.3	372.9
3. Foreign debt 2)	712.9	829.9	834.0	835.6	823.2	810.7

Source: Department of Finance; APFA.

1) Including suppliers' credit and short-term debt to the APFA.

2) At end-of-period exchange rates.

2004 as part of the above-mentioned debt conversion agreement. Part of this loan was used to settle existing loans with APFA totaling Afl. 55 million. In addition, Afl. 22 million in private loans matured in the first quarter of 2005.

1.6 Balance of payments

Overall outcome

In the second quarter of 2005, the balance of payments registered an Afl. 63 million deficit, in contrast to an Afl. 61 million surplus in the corresponding period of 2004 (Table I and statistical annex Table 8.1). This outcome was caused mainly by a significant decrease in the capital and financial account surplus (including items not yet classified) of Afl. 239 million to Afl. 15 million. The effect of this decline was mitigated partly by an Afl. 115 million contraction in the current account deficit to Afl. 78 million.

Consequently, net foreign assets of the monetary sector (excluding revaluation differences of gold and official foreign exchange holdings) fell to Afl. 642 million at the end of June 2005. This level is Afl. 88 million or 12 percent lower than that recorded a year earlier, despite a notable 13 percent increase in tourism receipts in the 12-month period up to and including June 2005. The oil and free-zone sectors sold Afl. 68 million of foreign exchange to the commercial banks. Thus, the other external transactions (excluding the oil and free-zone sectors) caused, on balance, an Afl. 156 million decline in the international reserves.

Oil sector

The current account of the oil sector turned around from an Afl. 119 million deficit in the second quarter of 2004 to an Afl. 25 million surplus in the quarter under review, following a stronger increase in exports than imports of goods. Export receipts from refined oil products and goods procured in ports surged by Afl. 404 million (39

percent) (second quarter 2004: +Afl. 49 million or +5 percent). Also, import payments for crude oil and other goods went up by Afl. 232 million (22 percent) (second quarter 2004: +Afl. 372 million or +56 percent). On the other hand, the capital and financial account balance recorded an Afl. 17 million deficit, reflecting a rise in foreign deposits, in contrast to an Afl. 128 million drop in these deposits in the second quarter of 2004. The oil sector sold, on balance, Afl. 8 million in foreign exchange to the local commercial banks during the second quarter of 2005.

Free-zone sector

The external transactions of free-zone companies led to an Afl. 3 million overall deficit in the quarter under review, against an Afl. 6 million surplus in the second quarter of 2004. This deterioration was brought about by a turnaround in the current

Table I: Balance of payments
(In Afl. million)

			2003	2004	2005	
	2003	2004	II	II	I	II
1. Current account (net)	-265.3	31.7	153.6	-192.5	158.4	-78.0
a. Oil sector	64.7	250.3	234.7	-118.5	108.8	24.7
b. Free zone	12.6	11.9	2.9	7.4	1.3	-3.1
c. Rest of economy	-342.6	-230.6	-84.0	-81.4	48.3	-99.5
- Private sector	-218.5	-105.4	-60.3	-55.2	77.8	-76.2
- Public sector	-124.1	-125.2	-23.7	-26.2	-29.5	-23.3
2. Capital and financial account (net)	171.0	-25.7	-321.3	256.0	-120.2	13.8
a. Oil sector	79.4	-181.1	-209.1	128.1	-87.9	-17.0
b. Free zone	-1.2	-2.4	3.4	-1.9	-0.1	0.0
c. Rest of economy	92.9	157.9	-115.6	129.8	-32.1	30.8
- Private sector	109.4	29.5	-3.9	10.5	-28.8	18.4
- Public sector	-16.5	127.9	-111.7	119.3	-3.3	12.4
3. Items not yet classified 1)	33.1	13.8	2.6	-2.3	9.7	1.0
4. Overall balance (1+2+3)	-61.2	19.9	-165.0	61.2	47.8	-63.2
5. Banking transactions 2)	-3.8	-17.1	27.9	9.4	39.6	49.6
6. Increase (-) in official reserves 3)	65.0	-2.8	137.1	-70.6	-87.5	13.6
Memorandum items:						
7. Official reserves (including gold)	608.9	614.4	619.7	694.2	697.9	690.3
8. a. Total reserves of the monetary sector 4)	700.3	722.9	696.5	786.3	766.8	709.6
b. In months of merchandise imports 5)						
- End-of-period	5.8	5.6	6.5	6.9	6.0	5.5
- 12-month average	6.6	6.2	7.2	6.3	6.2	5.9
c. In months of import payments 6)						
- End-of-period	3.2	3.0	3.7	3.7	3.4	3.0
- 12-month average	3.6	3.4	3.8	3.4	3.4	3.2

Source: CBA.

1) Including errors and omissions.

2) Minus (-) sign denotes an increase in assets and a decrease in liabilities.

3) Excluding revaluation differences of gold and official foreign exchange holdings.

4) Including gold.

5) Excluding the oil sector.

6) Total current account payments (excluding oil sector).

account of this sector, i.e., from an Afl. 7 million surplus in the second quarter of 2004 to an Afl. 3 million deficit in the quarter under review. This turnaround was largely the result of Afl. 9 million more merchandise import payments and an Afl. 1 million rise in net payments on services. This outcome was offset in part by the elimination of the Afl. 2 million capital and financial account deficit recorded in the second quarter of 2004. On balance, Afl. 3 million in foreign exchange was purchased from local commercial banks.

Rest of the economy

In the second quarter of 2005, the current account deficit of the rest of the economy (i.e., excluding the oil and free-zone sectors) widened by Afl. 18 million or 22 percent to Afl. 100 million, compared to the corresponding quarter of 2004. This outcome was partly the result of an Afl. 35 million (12 percent) increase in the deficit on the merchandise account, reflecting a further expansion in the import of goods. In addition, the deficit on the income account more than doubled to Afl. 38 million, due mainly to an increase in dividend payments to nonresidents and higher interest payments on government foreign debt. Moreover, the deficit on the current transfers account expanded by Afl. 5 million (15 percent) in the period under review, mainly related to a rise in workers' remittances to abroad. The increased deficits on the merchandise, income and current transfers accounts were counterbalanced in part by an Afl. 41 million or 16 percent widening of the surplus on the services account resulting mainly from an Afl. 41 million or 10 percent increase in tourism receipts.

The surplus on the capital and financial account of the rest of the economy tumbled to Afl. 31 million, down from Afl. 130 million in the second quarter of 2004. This outcome was mainly caused by a turnaround in the portfolio investment account, i.e., from an Afl. 120 million surplus in the second quarter of 2004 to an Afl. 33 million deficit in the period under review. The surplus in the second quarter of 2004 reflected an Afl. 120 million (US\$ 67 million) government bond issue on the international capital market in April 2004, while the deficit in the quarter under review was attributed to the purchase by residents of local corporate bonds that were formerly held by nonresidents and a net increase in foreign security investments. In addition, the direct investment account surplus narrowed slightly by Afl. 2 million. On the other hand, the Afl. 40 million deficit on the other investment account recorded in the second quarter of 2004 turned into an Afl. 5 million surplus, largely because of a net decrease in balances of residents' foreign bank accounts and higher net repayments on loans extended to nonresidents. Moreover, the Fondo Desaroyo Aruba (FDA) received Afl. 12 million in grants from the Dutch government in the second quarter of 2005, which is recorded as a capital transfer.

On balance, net outflow of funds to abroad resulting from external transactions of the rest of the economy amounted to Afl. 68 million in the second quarter of 2005, in contrast to an Afl. 46 million inflow in the corresponding period of 2004.

2. Notices and articles

2.1 CAN THE CENTRALE BANK VAN ARUBA INFLUENCE THE DOMESTIC MARKET INTEREST RATES?

Address by drs. M.M. Gonzalez, Manager of the Economic Policy Department of the Centrale Bank van Aruba at the Universiteit van Aruba, Oranjestad, October 12, 2005

I would like to thank the University of Aruba for the opportunity given to me tonight to shed some light on the monetary policy of the Centrale Bank van Aruba and its effect on the local market interest rates.

The interest rates on credit in Aruba are in general considered to be quite high. Possible factors affecting this phenomenon are related to domestic institutional factors, such as the relatively small size and oligopolistic structure of the banking sector, and its operational costs. A question that can be posed in this regard is whether or not the Centrale Bank van Aruba can influence the level of these interest rates.

I would like to start my presentation by stating that the tasks of the Centrale Bank van Aruba (the Bank), including the determination and implementation of the monetary policy, are based on the Central Bank Ordinance. This ordinance states that the Bank is responsible for the stability of the value of the Aruban florin, which is the primary function of the Bank. To this end, the Bank conducts its monetary policy aimed at maintaining price stability with its main trading partner, the U.S.A., in the sense that the trend in prices should follow the price movements in that country. Given the small size and openness of the economy, and the dependence on trading with and tourism from the U.S.A., the fixed exchange rate with the U.S. dollar was adopted as the intermediate target when pursuing the ultimate objective of price stability. The Bank's main indicator or operational target to achieve the intermediate target is a comfortable level of international reserves in relationship with the level of imports.

In general, monetary policy attempts to achieve price stability by influencing the creation of money or liquidity, and the cost and availability of credit. In an economy where the financial markets are highly developed, this can be achieved by the central bank through the implementation of market-based instruments. Market-based instruments are those that when implemented do not cause distortions within the market. Their effects work out through the functioning of the market itself. Examples of market-based instruments are for instance the regulation of the official interest rates by the central bank or the open market purchase and sale of government securities or a tradable paper of the central bank.

In the case of Aruba, however, the financial sector is characterized by small and underdeveloped money and capital markets, a high level of liquidity within the banking system, and an absence of an interbank market. These factors limit the scope of monetary policy instruments at the disposal of the Bank. Because of these characteristics, market-based instruments of monetary policy are rendered ineffective. The Bank therefore has to rely on non-market or direct instruments for an effective monetary policy.

Consequently, for many years the Bank has been using the system of direct credit control as its main instrument of monetary policy. This system entails that the Bank seeks to control one of the three sources of money creation, namely the banking sector credit, by imposing on an annual basis a restriction on the amount of credit granted by the commercial banks. The reason for this is the openness of the economy and the strong negative correlation between domestic credit and the international reserves. The latter is mainly the result of the exceptionally high import component in total spending. In addition, the Bank can influence the second source of money creation, namely the transactions with abroad, via its foreign exchange policy, which is based on the State Ordinance Foreign Exchange Transactions, and the B9 arrangement. On the other hand, the Bank has only a limited influence on the third source of money creation, namely the transactions of the public sector.

The direct credit control system has proven to be highly effective in curbing excessive credit demand and cool down situations of overheating and inflationary pressures within the economy. However, this system has also significant disadvantages, namely it can distort credit allocation and, by freezing market shares, stifle bank competition.

Because of these disadvantages, the Bank continued to strive to shift from direct instruments to more market-oriented instruments when conducting its monetary policy. However, to increase the effectiveness of these instruments the excess liquidity within the banking sector had to be addressed first. In this context, the Bank introduced in 1991 a monetary cash reserve requirement for commercial banks to sterilize the excess liquidity. This instrument requires the commercial banks to hold, on a monthly basis, a certain percentage of their short-term deposits in a non-interest bearing account at the Bank. This requirement was made more stringent during the years by raising the percentage to be held at the Bank from 6 percent when it was first introduced to 8 percent now.

It should be pointed out that the effectiveness of this instrument is limited, because it can only sterilize part of the excess liquidity that exists within the banking sector. The reason for this is that the instrument is based on a uniform percentage for all banks, while the excess liquidity is unevenly distributed between the banks. Still, the monetary cash reserve requirement contributed to the emergence of a small interbank call-market in which the commercial banks exchanged liquidity surpluses and deficits. The Bank frequently acted as an informal broker in these transactions. Nevertheless, the lack of a wide menu of liquid assets to be pledged as collateral precluded the development of an active market, and this practice faded over time.

Meanwhile, the Bank also explored the possibilities of conducting a more active official interest policy in order to influence the market interest rates. For this, it has at its disposal the advance rate but has, due to the excess liquidity, up to than only been used as the guideline to determine the statutory interest. In April 1999, the advance rate was lowered to 6.5 percent, after remaining unchanged at 9.5 percent since July 1986. This reduction was justified because growth in economic activity and the

inflation declined notably during the years. The decline in international interest rates also warranted a further reduction in the local market interest rates. To signal this development to the banking sector, the Bank made the above-mentioned adjustment, and lowered the advance rate further in February 2002 to 6 percent, and then again in June 2003 to 5 percent.

These interest rate adjustments had some minor influence on the market interest rates. The average credit rate declined slightly during mentioned period, but because of the excess liquidity, the function of the advance rate remained limited to that of signaling.

In 2002, the Bank approached the Dutch central bank, the Nederlandsche Bank (DNB), to provide it with technical assistance to create an interbank money market in which it can manage the interest rate, and which would result in abolishing the direct credit control system. DNB advised to first mop up the excess liquidity, partly by a mandatory cash reserve and partly by the issuance of central bank certificates, in order to be able to manage the interest rates in the interbank money market.

Contrary to the advise of DNB to mop up the excess liquidity in one go, the Bank decided to gradually build up a stock of money market paper, which would enable the market participants to get acquainted with the instrument. In due course, the Bank would be able to influence the interbank interest rate, and therefore also the market interest rates by purchasing or selling these certificates. The Bank offered these certificates to commercial banks for the first time in July 2003. These certificates have a six-month maturity and are negotiable, with the Bank acting as a clearing institution. The intention was to issue a new tranche of certificates amounting to Afl. 20 million each month, depending on the liquidity on the money market. However, the use of these certificates so far has had limited success, mainly because the price made the instrument unattractive to the commercial banks.

While the Bank was not able to lower the market interest rates through its instruments, it thought it necessary to improve the information to the public on the real costs of borrowing for consumption purposes. In this regard, it issued directives to the commercial banks to explicitly indicate, as of March 1, 2003, the effective annual interest rates in advertisements on consumer loan products, if, directly or indirectly, reference is made to the price of such products.

I will conclude my presentation by saying that, at the present, the Bank has limited instruments to influence the interest rates without resorting to imposing a direct control on interest rates. However, the Bank will not evaluate this option, because it would induce distortions in the banking as well as other sectors in the economy. Therefore, the Bank will continue to evaluate options that will enable it to rely increasingly on market-based monetary instruments in the future. Meanwhile, the Bank will use the instruments at its disposal that are effective in achieving its goal of safeguarding the value of the Aruban florin. As a consequence, the market interest rates in Aruba will, for the time being, remain predominantly determined by domestic institutional factors.

I thank you for your attention.

2.2 HET IMMER VERANDEREND TOEZICHTSLANDSCHAP

Een voordracht van de heer drs. P. Mungra R.A., manager van de afdeling Toezicht

Geachte dames en heren advocaten,

Allereerst wil ik mevrouw mr. de L'isle bedanken voor haar uitnodiging namens de Jonge Balie Aruba om een lezing te houden over de toezichthoudende rol van de Centrale Bank van Aruba (CBA) op de financiële sector. Ik zal mij hierbij beperken tot het door de CBA gehouden prudentiele toezicht, dat primair gericht is op het handhaven van de financiële stabiliteit en het handhaven van de integriteit (oftewel reputatie) van de onder toezicht staande sectoren. Het door de CBA gehouden monetaire toezicht valt derhalve buiten het bestek van deze lezing.

Mijn lezing is als volgt opgebouwd. Eerst zal ik een summier overzicht geven van de onder toezicht staande sectoren en zal ik globaal ingaan op de motieven voor het van overheidswege toezicht houden op de financiële sector. Vervolgens zal ik in hoofdlijnen ingaan op het wettelijk raamwerk waarop het toezicht op de financiële sector rust, waarna ik mijn lezing zal afsluiten met een uiteenzetting omtrent de wijze waarop dit toezicht door de CBA wordt uitgeoefend. Het zij benadrukt dat gelet op het relatief korte tijdsbestek waarbinnen ik mijn lezing zal trachten te houden het niet mogelijk is om in detail in te gaan op de inhoud van de verschillende toezichtwetten, de regelgeving vanuit CBA, alsmede de wijze waarop het prudentiële toezicht door de CBA vorm wordt gegeven. Ik hoop wel u in vogelvlucht een algemeen beeld te kunnen schetsen van het voortdurend veranderende toezichtslandschap, alsmede omtrent de toezichthoudende rol van de CBA op de financiële sector.

1. Financiële sector

Het aantal onder toezicht staande instellingen bedraagt thans 50. Het gaat hierbij om 11 kredietinstellingen (4 commerciële banken, 2 offshore banken, 2 kredietverenigingen en 3 gespecialiseerde kredietinstellingen), 24 verzekeraars (8 levensverzekeraars, 14 schade-verzekeraars en 2 captives), 11 ondernemingspensioen-fondsen en 4 geldtransfer- bedrijven.

Ter illustratie van het belang van de financiële sector in de economie van Aruba zij vermeld dat de 4 commerciële banken een balanstotaal hebben dat equivalent is aan circa 80% van het bruto binnenlands produkt (bbp) van Aruba, de verzekeraars van circa 15 % van bbp en de ondernemingspensioenfondsen van circa 5% van bbp (exclusief het balanstotaal van het onlangs geprivatiseerde ambtenarenpensioenfonds APFA), terwijl via de geldtransferbedrijven circa Afl. 100 miljoen in 2004 naar het buitenland werd overgemaakt. Deze significante uitgaande geldstroom naar het buitenland is hoofdzakelijk een gevolg van de relatief omvangrijke immigratie die Aruba sinds de jaren 90 van de vorige eeuw kent.

2. Motieven voor het houden van toezicht op de financiële sector

Een belangrijk kenmerk van de onder toezicht staande sectoren is dat zij geld van derden onder hun beheer hebben en dat het vertrouwen van het publiek in betreffende sectoren van eminent belang is voor het adequaat kunnen functioneren van betreffende sectoren. Een gezond bank- en verzekeringswezen is ook een essentiële randvoorwaarde voor het kunnen realiseren van een gunstige macro-economische ontwikkeling. Verschillende economische crises in het verleden maar ook meer recent tonen het belang aan van een effectief toezicht op de financiële sector. De kosten van bankencrises kunnen hoog oplopen en significante nadelige macro-economische effecten met zich meebrengen. Ter illustratie: de directe kosten van het herstructureren van het bankwezen in Venezuela naar aanleiding van de bankencrisis van 1994 in dat land wordt geschat op circa 13% van haar bbp, die van Finland, Noorwegen, en Zweden naar aanleiding van de bankencrises die zich in die landen rond de beginjaren 90 voordeden op respectievelijk 8,2%, 4,5% en 4,5% van hun bbp. Het zij echter tegelijkertijd benadrukt dat toezicht geen garantie kan bieden dat een onder toezicht staande instelling niet kan failleren. Uit overwegingen van een goede marktwerking zou dit zelfs onwenselijk zijn. Het prudentiële toezicht is derhalve primair gericht op het voorkomen dat financiële instellingen excessieve risico's nemen die de continuïteit en/of de reputatie van de instelling in gevaar zouden kunnen brengen en instellingen die desalniettemin in problemen geraken op een ordelijke wijze - met inachtneming van de belangen van de gezamenlijke crediteuren - uit de markt te verwijderen. Het zij benadrukt dat de leiding van de betreffende instelling te allen tijde primair verantwoordelijk is voor het reilen en zeilen van de instelling. Deze verantwoordelijkheid kan ten principale niet op de toezichthouder worden afgewenteld.

Het publiek alsmede de economie is dus zoals besproken erbij gebaat dat van overheidswege toezicht wordt gehouden op de financiële sector. Dit vergroot het vertrouwen van het publiek in deze voor de economie zo belangrijke sector en biedt crediteuren een zekere mate van bescherming. In het algemeen wordt er van uitgegaan dat met name de kleine spaarders en polishouders (extra) bescherming behoeven vanwege de complexiteit van de activiteiten van de financiële instellingen aan wie zij hun gelden hebben toevertrouwd, alsmede de veelal gebrekkige mogelijkheden waarover zij beschikken om toe te zien op het (prudent) handelen van die instellingen. In Aruba is het toezicht op de financiële sector bij wet gedelegeerd aan de CBA. Hierbij zij aangetekend dat nog niet alle (sub-) sectoren behorende tot de financiële sector onder toezicht staan. Ik kom hier in de volgende paragraaf op terug.

3. Wettelijk raamwerk

Centrale Bankverordening (CBV)

Het wettelijk raamwerk waarbinnen CBA dient te opereren is vastgelegd in de CBV. De taken en bevoegdheden van de CBA worden in hoofdstuk III van deze verordening geregeld. Ik wil hierbij met name wijzen op artikel 11 en artikel 13 sub j van de CBV die als volgt luiden:

Artikel 11 CBV: “De CBA oefent volgens bij landsverordening te bepalen regels toezicht uit op kredietinstellingen en bevordert een gezonde ontwikkeling van het bank- en kredietwezen in Aruba.”

Artikel 13 sub j: “De Bank is voorts bevoegd de volgende werkzaamheden te verrichten: sub j. andere werkzaamheden, bij of krachtens landsverordening aan de CBA opgedragen.”

Toezichtswetten

De CBA is thans belast met de uitvoering van de volgende toezichtswetten:

Landsverordening toezicht kredietwezen (AB 1998 No 16) (Ltk);

Landsverordening toezicht verzekeringswezen (AB 2000 No 82) (Ltv);

Landsverordening toezicht geldtransactiebedrijven (AB 2003 No 60) (Ltg);

Landsverordening ondernemingspensioenfondsen (AB 1998 GT 17) (Lop).

De Ltk en Ltv zijn primair gericht op het handhaven van de financiële soliditeit van de individuele banken en verzekeraars alsmede de financiële stabiliteit van de betreffende sectoren, doch kennen ook een belangrijke plaats toe aan het integer houden van de betreffende sectoren. De Ltg is primair gericht op het handhaven van de integriteit van de geldtransferbedrijven als de sector in zijn geheel, terwijl de Lop primair gericht is op het handhaven van de financiële soliditeit van de individuele ondernemings-pensioenfondsen.

In het algemeen kan gesteld worden dat de thans vigerende toezichtswetten CBA voldoende mogelijkheden bieden om naar behoren toezicht te kunnen houden op de onder haar toezicht staande sectoren. Immers, betreffende wetten bieden de mogelijkheid om in geval een instelling niet aan de in de wet- en regelgeving opgenomen vereisten voldoet maatregelen te treffen tegen (de leiding van) de betreffende instelling. Hierbij zij echter tegelijkertijd aangetekend dat het overeenkomstig de aanbevelingen van het IMF noodzakelijk is om de vigerende wet- en regelgeving verder in overeenstemming te brengen met de internationale standaarden voor het toezicht op de financiële sector. Ik kom hier straks uitgebreid op terug.

Regelgeving vanuit CBA

Krachtens de verschillende toezichtswetten is de CBA bevoegd voorschriften en richtlijnen uit te vaardigen waaraan de onder haar toezicht staande instellingen zich dienen te houden. Opgemerkt zij dat de door de CBA uitgebrachte richtlijnen veelal gebaseerd zijn op de door de internationale standaardsetters op toezichts- en anti-witwas gebied uitgebrachte richtlijnen. Het zou teveel tijd in beslag te nemen om in detail in te gaan op de door de CBA uitgebrachte richtlijnen. Weshalve wordt volstaan met het noemen van de gebieden waaromtrent de CBA richtlijnen heeft uitgevaardigd: solvabiliteit, liquiditeit, kredietverlening, beleggingen, kredietvoorzieningen, technische voorzieningen, corporate governance en de bestrijding van witwassen van uit criminaliteit verkregen gelden en terrorisme

financiering. De verschillende voorschriften en richtlijnen kunt u vinden op de website van de CBA.

IMF evaluatie

Een IMF-missie heeft in het kader van haar Offshore Financial Sector Assessment programma in 2001 Aruba bezocht voor het verrichten van een evaluatie naar de kwaliteit van het toezicht op de financiële sector, alsmede de kwaliteit van de vigerende wet- en regelgeving op toezicht en anti-witwas gebied met betrekking tot de financiële sector, waarbij onder meer de internationale standaarden voor het toezicht op het bank- en verzekeringswezen, de zogenoemde “Core Principles for Effective Banking Supervision” en “Core Principles for Insurance Supervision” uitgevaardigd door respectievelijk het “Basel committee on Banking Supervision” en de “Internationale Association for Insurance Supervisors” als benchmarks golden. Op basis van dit onderzoek werd vastgesteld dat Aruba in belangrijke mate voldoet aan betreffende standaarden. Niettegenstaande het voornoemde werd aanbevolen om de bestaande wet-en regelgeving aan te scherpen, het toezicht te intensiveren en uit te breiden naar andere voor de financiële stabiliteit en integriteit relevante sectoren, waaronder de assurantie-tussenpersonen, trustkantoren en beleggingsinstellingen. Het in juni 2002 door het IMF uitgebrachte rapport over Aruba kunt u vinden op de website van het IMF.

Het is belangrijk om te vermelden dat de implementatie van de IMF-aanbevelingen in belangrijke mate afhankelijk is van de implementatie van herziene en nieuwe wetgeving. De CBA heeft voor zover dat binnen haar jurisdictie lag de aanbevelingen van het IMF opgevolgd, onder meer middels uitgifte van aangescherpte of nieuwe voorschriften, en richtlijnen, het opvoeren van de frequentie van de zogenoemde on-site onderzoeken ter plekke van de onder toezicht staande instellingen (waarover later meer), alsmede het uitbreiden van de periodieke rapportageverplichtingen. Alhoewel er nog geen definitieve planning ter zake is vastgesteld is het de bedoeling van het IMF om alle landen die onder het Offshore Financial Sector Assessment programma zijn geëvalueerd te zijner tijd opnieuw te evalueren. Hierbij zal naar verwachting het accent komen te liggen op het evalueren van de implementatie van de in de eerste evaluatieronde gedane aanbevelingen.

Vermeld dient te worden dat de internationale standaardsetters bij voortdurende voorschriften en aanbevelingen aanscherpen of met nieuwe voorschriften en aanbevelingen komen en dat implementatie hiervan een aanzienlijk beslag legt op de schaarse resources van landen (zowel in geld als in menskracht). Daar tegenover staat dat landen die niet binnen redelijke termijn voldoen aan de internationale standaarden kans lopen te worden “geblacklist”, met alle nadelige economische en reputationele gevolgen van dien voor die landen.

Overige toezichtstaken

Naast de uitvoering van eerdergenoemde wetten is de CBA mede belast met het toezicht op de naleving van de Landsverordening identificatieplicht bij financiële dienstverlening voor zover het de onder haar toezicht staande financiële instellingen betreft. Ook zal zij te zijner tijd namens de Minister van Financiën belast worden met

de controle op de naleving van de herziene Sanctieverordening bij de onder haar toezicht staande instellingen. Betreffende verordening ligt thans bij de Staten van Aruba ter behandeling. Implementatie van betreffende verordening is noodzakelijk om uitvoering te kunnen geven aan sanctiebesluiten van internationaal volkenrechtelijke organisaties als de Verenigde Naties op het gebied van onder meer de bestrijding van terrorisme financiering.

Het is belangrijk om te vermelden dat het integriteitstoezicht de afgelopen jaren een enorme vlucht heeft genomen, mede naar aanleiding van de toenemende internationale aandacht voor grensoverschrijdende criminaliteit en internationaal terrorisme, welke onder meer heeft geleid tot het aanscherpen van de 40 aanbevelingen van de Financial Action Task Force (FATF), gericht op het bestrijden van witwassen van uit criminaliteit verkregen gelden alsmede het uitbrengen van de 9 aanbevelingen ter bestrijding van de financiering van terrorisme. De oprichting van de FATF in 1989, een initiatief van de G-7 landen, was in eerste instantie bedoeld ter bestrijding van het witwassen van drugsgelden. De doelstelling is later verruimd tot het bestrijden van witwassen van alle uit ernstige criminaliteit verkregen gelden alsmede het bestrijden van de financiering van terrorisme. Dit laatste in reactie op de 11 september 2001 aanslagen in de V.S.

Het Koninkrijk der Nederlanden, waarvan Aruba deel uitmaakt, is lid van de FATF en is als zodanig verplicht om uitvoering te geven aan de FATF aanbevelingen en weshalve - waar nodig - haar wet-en regelgeving hierop aan te passen. Alhoewel Aruba grote vooruitgang heeft geboekt op onderhavig terrein in de afgelopen jaren is het noodzakelijk om de anti-witwas wet-en regelgeving uit te breiden naar andere sectoren en de vrije beroepsbeoefenaren (waaronder advocaten, accountants, notarissen, onroerend goed makelaars, e.d.) om aan de in 2003 aangescherpte FATF aanbevelingen te kunnen voldoen. In dit verband is het noemenswaardig om te vermelden dat Aruba naar verwachting medio 2007 door de FATF in het kader van haar "mutual evaluation" programma op de naleving van de aangescherpte FATF aanbevelingen zal worden geëvalueerd.

4. Uitoefening prudentieel toezicht

Markttoetreding

Ingevolge de Ltk, Ltv en Ltg dienen instellingen die respectievelijk het krediet-, verzekerings-, of geldtransactiebedrijf in (of via) Aruba wensen uit te oefenen over een vergunning van de CBA te beschikken danwel bij haar te zijn geregistreerd, alvorens zij betreffende activiteiten kunnen verrichten. Ondernemingspensioenfondsen hoeven zich enkel aan te melden bij de CBA. De toelatingsvereisten staan vermeld in de betreffende toezichtswetten. In het kader van deze lezing is er onvoldoende tijd om in detail in te gaan op de toelatingsvereisten per sector. Derhalve volsta ik met het noemen van enkele algemene criteria waarop vergunningsaanvragen ex Ltk, Ltv en Ltg door de CBA worden getoetst.

- De potentiële aandeelhouders dienen betrouwbaar en financieel solide te zijn;

- De leden van de Directie en Raad van commissarissen dienen deskundig en betrouwbaar te zijn;
- De bestuurlijke organisatie alsmede de administratieve organisatie en interne controle dienen aan de daaraan te stellen eisen te voldoen;
- De instelling dient voldoende solvent en liquide te zijn om aan haar korte en lange termijn verplichtingen te kunnen voldoen;
- De instelling moet in staat zijn om doorlopend te voldoen aan de vigerende wet-en regelgeving;
- Toelating mag niet leiden of kunnen leiden tot een ongewenste ontwikkeling van de betreffende sector.

Het onder meer bij de vergunningsaanvraag in te dienen business plan dient op alle van de hierboven genoemde criteria inzicht te geven. Op basis van de verkregen documenten en informatie wordt door de CBA nagegaan of aan de toelatingsvereisten is voldaan en zal indien dit het geval is vergunning worden verleend om het bank-, verzekerings-, of geldtransactiebedrijf uit te oefenen. Hierbij zijn opgemerkt dat aan een vergunning voorwaarden en/of beperkingen kunnen worden gesteld.

Preventief toezicht

Teneinde een zeker preventief toezicht uit te kunnen oefenen is het van essentieel belang dat naast de toetreding tot de markt belangrijke voorgenomen wijzingen bij een vergunninghoudende instelling (bijvoorbeeld ten aanzien van onder meer de kapitalisatie, aandeelhoudersstructuur, de leiding van de instelling, participatie in andere ondernemingen) verplicht vooraf aan de CBA ter goedkeuring moeten worden voorgelegd. De Ltk, Ltv en Ltg voorzien (in belangrijke mate) hierin. De Lop scoort beduidend minder op het gebied van de mogelijkheid tot preventief toezicht. Enerzijds zijn er geen toetredingsvereisten in de Lop opgenomen en anderzijds zijn er in de Lop geen regels vastgesteld voor de benoeming van potentiële bestuurders. Weshalve zijn bestuurders van ondernemings-pensioenfondsen (nog) niet onderworpen aan een “fit and proper” test zijdens de CBA.

Repressief toezicht

Het repressieve toezicht op de naleving van de in de wet-en regelgeving opgenomen vereisten geschiedt primair via off-site surveillance en de periodieke deelonderzoeken ter plekke van de onder toezicht staande instellingen (zogenoemde on-site onderzoeken). Ik zal nu ingaan op deze twee belangrijke peilers waarop het door de CBA uitgeoefende toezicht op de financiële sector grotendeels rust.

Offsite surveillance

Alle onder toezicht staande instellingen zijn verplicht om aan de CBA periodiek te rapporteren omtrent onder meer de financiële stand van zaken bij hun instellingen in een door CBA vastgesteld formaat. Zo dienen bijvoorbeeld de commerciële banken op maandbasis inzicht te verschaffen in de ontwikkeling van hun solvabiliteit en liquiditeit, de ontwikkelingen in hun kredietverlening en beleggingen, alsmede de daartegenover getroffen voorzieningen wegens mogelijke oninbaarheid. Daarenboven zijn alle onder toezicht staande instellingen verplicht om binnen zes maanden na afloop van ieder boekjaar hun door een externe accountant gecertificeerde

jaarrekening bij de CBA in dienen, alsmede een exemplaar van de door deze jaarlijks uit te brengen management-letter. In de management-letter wordt een overzicht wordt gegeven van de in het kader van de verrichte jaarrekeningcontrole geconstateerde tekortkomingen met betrekking tot met name de administratieve organisatie en interne controle, alsmede de in het kader daarvan door de accountant gedane aanbevelingen. Ook dienen alle onder toezicht staande instellingen binnen zes maanden na afloop van het boekjaar de door hen ingevulde rapportagestaten over de laatste verslagperiode van het voorgaande boekjaar door een externe accountant te laten certificeren. Genoemde documenten worden door de CBA geanalyseerd. De bevindingen worden zo nodig nader besproken met de leiding van de onder toezicht staande instelling.

On-site onderzoeken

De CBA verricht reguliere deelonderzoeken bij de onder haar toezicht staande instellingen. De frequentie van de zogenoemde on-site onderzoeken bij een individuele instelling hangt mede af van het risicoprofiel van die instelling, dat mede wordt bepaald aan de hand van de uitkomsten van de offsite analyses en eerdere on-site onderzoeken. De objecten van onderzoek zijn mede afhankelijk van de door CBA verrichte risico-analyse. Ook zijn er sectorspecifieke risico's die regelmatig onderzoek vereisen. Ter illustratie: in het geval van de banken vormt de kredietverlening veelal de belangrijkste en meeste risicovolle activiteit. De kwaliteit van de krediet-portefeuille is dan ook een regelmatig wederkerend object van onderzoek bij de banken.

Andere belangrijke risicogebieden bij financiële instellingen zijn:

- de ontwikkeling van de solvabiliteit en liquiditeit;
- de toereikendheid van de krediet- en overige voorzieningen;
- de kwaliteit van het interne risicobeheersingstelsel (corporate governance);
- de kwaliteit van het know-your-customer en due diligence beleid;
- de continuïteit en betrouwbaarheid van de geautomatiseerde informatiesystemen;
- naleving van de in de verschillende toezichtswetten en regelgeving opgenomen bepalingen.

De uitkomsten van een deelonderzoek worden door CBA schriftelijk vastgelegd in een zogenoemde on-site brief. De leiding van de instelling dient binnen een redelijke termijn op de in de on-site brief vermelde bevindingen te reageren en aan te geven welke maatregelen zullen worden getroffen om de eventueel geconstateerde tekortkomingen te elimineren. Jaarlijks worden er circa 20 deelonderzoeken verricht door de CBA.

Wettelijk toezichtsinstrumentarium

In voorkomend geval kunnen de offsite en/of on-site bevindingen danwel andere zich bij een onder toezicht staande instelling voordoende ontwikkelingen aanleiding geven tot intensief overleg met de leiding van de betreffende instelling en/of het geven van aanwijzingen. De CBA kan in voorkomende gevallen genoodzaakt zijn het in de verschillende toezichtswetten opgenomen formele instrumentarium in te zetten om naleving van in de wet en/of regelgeving opgenomen bepalingen af te

dwingen. Bijvoorbeeld door het geven van een formele aanwijzing aan de instelling tot het volgen voor een bepaalde gedragslijn, danwel de betreffende instelling onder stille curatele te stellen. Intrekking van de vergunning is het ultieme middel om “non-compliance” gedrag te sanctioneren. Het zij echter benadrukt dat het toepassen van “moral suasion” veelal voldoende is om -waar nodig – de leiding van een onder toezicht staande instelling te bewegen tot het treffen van corrigerende maatregelen.

Hiermee ben ik aan het eind van mijn lezing gekomen. Ik besef dat ik bij lange na niet volledig heb kunnen zijn, doch hoop er in te zijn geslaagd u in vogelvlucht een algemeen beeld te hebben kunnen geven van het immer veranderende toezichtslandschap en de toezichthoudende rol van de CBA op de financiële sector.

Ik dank u voor uw aandacht.

2.3 DE INVLOED VAN HET MONETAIRE EN BUDGETTAIRE BELEID OP DE STABILITEIT VAN DE WAARDE VAN DE ARUBAANSE FLORIN

Bijgaande nota is een combinatie van twee brieven die overhandigd zijn aan de minister van Financiën en Economische Zaken tevens formateur, de heer N.J.J. Swaen, Bac, d.d. respectievelijk 7 oktober 2005 en 14 oktober 2005.

1. Inleiding

Conform de Centrale Bankverordening is de Centrale Bank van Aruba (de Bank) verantwoordelijk voor de stabiliteit van de waarde van de geldeenheid van Aruba (de Arubaanse florin) en bepaalt de Bank het monetaire beleid gericht op de handhaving hiervan. Dit vormt de kern van de monetaire taak van de Centrale Bank van Aruba. Daarnaast wordt de waarde van de Arubaanse florin in belangrijke mate beïnvloed door het budgettaire beleid van de overheid.

In deze nota worden de gevolgen van excessieve geldcreatie op de waarde van de Arubaanse florin en de bronnen van deze geldcreatie besproken, waarbij met name de rol van de overheid hierin nader wordt toegelicht. De gevolgen van de buitensporige overheidsuitgaven worden daarna besproken. Tenslotte wordt een mogelijke oplossing voor deze problematiek gepresenteerd.

2. Gevolgen van overmatige geldschepping

De stabiliteit van de waarde van de Arubaanse florin is afhankelijk van het proces van geldcreatie waarbij de groei van de totale geldhoeveelheid gelijke tred dient te houden met de groei van het totaal aan geproduceerde goederen en diensten in Aruba, ook wel genoemd het bruto binnenlands produkt (bbp). De verhouding tussen de totale geldhoeveelheid (liquiditeitenmassa) en het bbp dient derhalve grosso modo in evenwicht te zijn. Een onevenwichtige c.q. labiele verhouding als gevolg van overmatige geldschepping heeft, afhankelijk van de openheid van de economie, nadelige gevolgen voor onder meer de betalingsbalans en de inflatie.

In een open economie alwaar praktisch alle consumptie- en produktiegoederen geïmporteerd moeten worden, zoals het geval is in de Arubaanse economie, zal een teveel aan liquiditeiten (excessieve geldcreatie) leiden tot tekorten op de lopende rekening van de betalingsbalans. Het tekort op de lopende rekening van de betalingsbalans geeft namelijk aan dat de private/publieke sector meer aan het buitenland uitgeven dan zij van het buitenland verdienen. Dit tekort dient te worden gezien als zijnde een situatie die slechts kan ontstaan doordat de importen van het land veel hoger zijn dan de exporten en dat dit alleen mogelijk is omdat er excessieve liquiditeitsimpulsen in het betreffende land aanwezig zijn waarmee de extra importen kunnen worden gefinancierd.

Een dergelijk tekort op de lopende rekening van de betalingsbalans zal leiden tot de afvloeiing van (netto) deviezenreserves bij afwezigheid van een overschot op de

financiële- en kapitaalrekening van de betalingsbalans. Gezien het open karakter van de Arubaanse economie, waarbij praktisch alle consumptie- en produktiegoederen uit het buitenland moeten worden aangetrokken, is het van primair belang ten allen tijde over voldoende deviezenreserves te beschikken om aan de verplichtingen voortvloeiend uit deze importen te voldoen. Belangrijk hierbij is het onderscheid tussen reserves verdiend uit hoofde van geleverde toerismediën en goederen en deviezenreserves die zijn verkregen ten gevolge van met name opgenomen overheidsleningen in het buitenland. Deze buitenlandse overheidsleningen zijn aangegaan ter financiering van lopende uitgaven en dragen bij tot excessieve liquiditeitscreatie.

Dergelijke ontwikkelingen van tekorten op de lopende rekening van de betalingsbalans die veroorzaakt zijn/worden door excessieve liquiditeitsomstandigheden blijken in de praktijk persistent en van lange duur. In het geval van Aruba, gezien haar eenzijdige economische structuur en grote afhankelijkheid van het toerisme, is het derhalve belangrijk om bij de analyse van de ontwikkeling van de betalingsbalans met name te kijken naar de lopende rekening van de rest van de economie, dus exclusief de olie- en de vrije-zonesectoren. De oliesector financiert namelijk zichzelf en de activiteiten van de vrije-zone sector zijn tot nu toe niet van significante omvang. In 2004 bedroeg het tekort op de lopende rekening van de betalingsbalans van de rest van de economie (dus exclusief de olie- en vrije-zone sectoren) Afl. 231 miljoen¹, hetgeen gelijk is aan 32 procent van de Arubaanse deviezenreserves ad Afl. 723 miljoen² per ultimo december 2004. Vorenbedoeld tekort op de lopende rekening is exorbitant hoog en duidt op een fundamentele onevenwichtigheid in de Arubaanse economie. Dit laatste met name gezien het feit dat een dergelijk groot tekort zich reeds drie opeenvolgende jaren voordoet. In de jaren 2002 en 2003 bedroeg het tekort respectievelijk Afl. 230 miljoen en Afl. 343 miljoen.

De excessieve liquiditeitscreatie werkt ook door in de aanwakkering van de zogenaamde “demand pull” inflatie, ook wel bestedingsinflatie genoemd. Deze vorm van inflatie ontstaat wanneer de bestedingen in een economie sneller groeien dan de productiecapaciteit van het land. Als gevolg hiervan kan een stijging van het algemeen prijspeil ontstaan. Tezamen met de huidige “costpush” inflatie, die met name wordt veroorzaakt door de afwenteling van de hogere internationale olieprijsen in de lokale prijzen, zal een hoge uitkomst van de algehele prijsstijging te zijner tijd de uitkomsten van CAO-onderhandelingen beïnvloeden, hetgeen funeste gevolgen zal hebben voor de ontwikkeling van de loon-prijsspiraal en de concurrentiepositie van Aruba.

¹ Betalingsbalanscijfers zijn voortdurend onderhevig aan correcties en kunnen daarom enigszins afwijken van eerdere publicaties. De correcties zijn echter niet van significante omvang.

² Zie voetnoot 1.

3. Bronnen van binnenlandse geld (c.q. liquiditeits)creatie

Het binnenlandse geldcreatieproces in Aruba wordt gevormd door:

- Kredietverlening aan bedrijven en particulieren door het primaire (commerciële) bankwezen die tezamen met de Bank de zogenaamde geldscheppende instellingen vormen;
- Betalingsbalansoverschotten; en
- Betalingen van de overheid aan het publiek.

De eerstgenoemde bron van geldcreatie, te weten kredietverlening door het bankwezen, is beheersbaar middels de monetaire politiek van de Bank. In dit verband wordt erop gewezen dat de Bank ter beperking van de bancaire kredietverlening en derhalve ter bescherming van het niveau van de deviezenreserves een limiet met de commerciële banken heeft afgesproken. In 2005 bedroeg deze 6 procent op de geaggregeerde kredietgroei. Om een deel van de overliquiditeit uit circulatie te nemen hanteert de Bank daarnaast een kasreserveregeling, die het bankwezen verplicht extra renteloze tegoeden bij de Bank aan te houden.

De tweede bron van geldschepping kan enigszins door de Bank worden beïnvloed middels haar deviezenbeleid, hetgeen gebaseerd is op de Landsverordening deviezenverkeer, de zogenaamde B9-regeling en de 40-60 procent regeling voor institutionele beleggers.

De Bank heeft echter geen bij wet toebedeeld instrumentarium ter beheersing van de derde bron van geldcreatie, namelijk de geldcreatie die wordt veroorzaakt door de overheid door het aangaan van leningen ter financiering van haar overconsumptie d.w.z. lopende uitgaven. Doordat de overheid, oftewel de publieke sector, ook gelden van het publiek onttrekt ter financiering van haar uitgaven, bijvoorbeeld door het innen van belastingen, resulteert er een zekere mate van neutralisatie van de geldcreatie veroorzaakt door haar uitgaven. Indien de overheid slechts uitgeeft hetgeen zij aan belasting en andere inkomsten genereert is er sprake van een evenwichtig budgettair beleid. Met andere woorden, een verantwoord budgettair of begrotingsbeleid schrijft voor dat lopende overheidsuitgaven in de regel gedekt/gefinancierd dienen te worden door de reguliere belastingontvangsten en overige overheidsinkomsten.

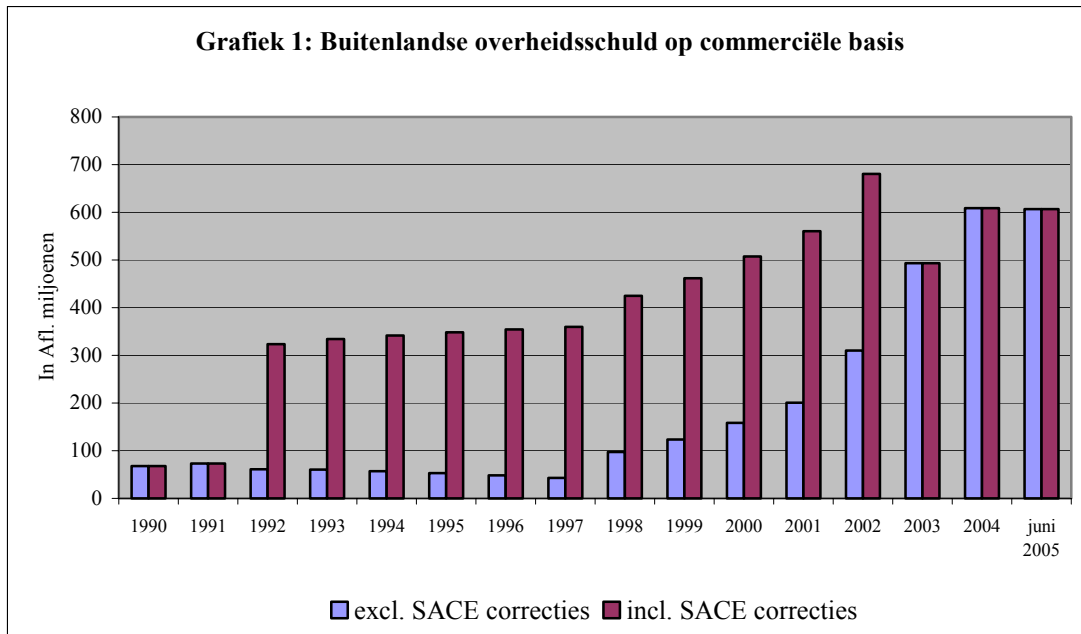
Een probleem ontstaat wanneer de publieke sector meer gaat uitgeven dan wat zij aan middelen ontvangt. In dergelijke situaties worden er begrotings (c.q. budget) tekorten gecreëerd, waardoor de overheid haar toevlucht moet nemen tot de kapitaalmarkt teneinde via leningen haar tekorten te financieren. De gevolgen van de financiering van dergelijke tekorten zijn bovendien schadelijker (toename liquiditeit) indien voornoemde tekorten zijn veroorzaakt door te hoge uitgaven in de lopende sfeer. Onder lopende uitgaven dient te worden verstaan uitgaven die betrekking hebben op ambtenarensalarissen en kosten voor het gebruik van goederen en diensten, waaronder consultancykosten en tevens de kosten ten behoeve van de sociale zorg, rechtshandhaving en onderwijs.

Dit laatste illustreert het huidige gedrag van de overheid. Dit gedrag noopt de Bank om haar monetaire beleid steeds verder aan te scherpen, hetgeen ten koste gaat van de activiteiten van de private sector. Voorts brengt deze handeling mee dat de “mismatch” tussen het monetair beleid en het overheidsbeleid verder uit balans raakt. Het feit dat de Bank geen instrumentarium bezit om op enigerlei wijze de overconsumptie van de overheid te beheersen brengt met zich mee dat enig beleid dienaangaande vanuit de overheidssector zelve geïnitieerd dient te worden.

4. Buitensporige overheidsuitgaven

Ten tijde van de introductie van de Arubaanse florin in 1986 (Status Aparte) bedroeg de overheidsschuld ongeveer Afl. 225 miljoen zijnde voornamelijk ontwikkelingsgelden uit Nederland en leningen van de Europese Investeringsbank. De omvang van de overheidsleningen heeft sinds 1998 een progressieve groei gekend. In dat jaar werden namelijk de buitenlandse leningen op commerciële basis geïnitieerd en werd een alternatieve financiering van de begrotingstekorten mogelijk gemaakt. Als gevolg daarvan werd de discipline om tot een begrotingsevenwicht te komen door uitgavenbeperking in sterke mate ondermijnd. Thans ruim 19 jaar na de Status Aparte bedraagt de omvang van de overheidsleningen Afl. 1,8 miljard. Dit bedrag betreft het door leningen gefinancierde excedent van overheidsuitgaven boven op de uitgaven die worden gedekt door reguliere belasting- en overige inkomsten van de overheid. Deze aanhoudende liquiditeitscreatie als gevolg van het overheidshandelen vormt de hoofdoorzaak van het voortbestaan van grote tekorten op de lopende rekening van de betalingsbalans van de rest van de economie (exclusief de olie- en vrijezonesectoren).

Per ultimo juni 2005 bedroegen de door de overheid in het buitenland opgenomen commerciële leningen Afl. 607 miljoen (zie grafiek 1 en Annex 1), hetgeen gelijk is aan 85 procent van de per genoemde periode aanwezige deviezenreserves ten bedrage van Afl. 710 miljoen (zie Annex 2). Deze verhouding deviezenreserves vis-à-vis uitstaande commerciële leningen verslechtert op jaarbasis verder als gevolg van de voortdurende overconsumptie van de overheid. Dit proces geeft duidelijk aan dat er sprake is van een onevenwichtig economisch beleid.



Daarentegen zullen bij een evenwichtig economisch beleid in een groeiende economie de deviezenreserves toenemen. Immers, een economie die groeiende is zal bij een verantwoord beleid leiden tot een overschot op zowel de lopende rekening van de betalingsbalans als de begroting.

Subsidiëring van bijvoorbeeld de algemene ziektekostenverzekering en ambtenarenpensioenen (duurtetoeslagen) is enkel verantwoord en mogelijk vanuit de positie van een begrotings- en betalingsbalansoverschot. Subsidiëring vanuit een tekortpositie is ten ene male onverantwoord en op de lange termijn onhoudbaar.

De, ondanks de voortdurende adviezen en waarschuwingen van de Bank, alsmar stijgende overheidsuitgaven en de daarmee samenhangende begrotingstekorten zijn onder andere door de recente IMF Article IV Consultation Mission aangewezen als de meest onevenwichtige en destabiliserende factoren in onze economische ontwikkeling.

5. Wettelijke regeling ten aanzien van de overheidsuitgaven en het begrotingstekort

De beheersing van overheidsuitgaven is een moeizame affaire. De Europese Unie heeft de begrotingstekorten van haar lidstaten gelimiteerd tot 3 procent van het bbp middels consensus. Hierbij zij aangetekend dat de EU-landen een omvangrijke binnenlandse economie kennen die gekenmerkt wordt door significante exportposities. Vorenbedoelde EU-economieën zijn in staat een omvangrijke staatsschuld c.q. begrotingstekorten met meer flexibiliteit te absorberen. Andere landen met democratische systemen zijn echter in de jaren tachtig en negentig noodgedwongen overgegaan tot het in de wet vastleggen van maximaal toegestane overheidsuitgaven c.q. begrotingstekorten naar draagkracht van hun economie.

In het geval van Aruba zal voor het herstel van een evenwichtige economische situatie het terugdringen van de aanhoudende tekorten op de lopende rekening moeten plaatsvinden door een wettelijke regeling van de overheidsuitgaven en -begroting, waarbij deze moet worden verankerd met tweederde meerderheid in de Arubaanse staatsregeling. Aldus ontstaat de dwang bij politieke partijen substantie toe te voegen aan hun politieke programma's. De overheidssector zal dan namelijk eveneens een keuze moeten maken welke categorieën van uitgaven gefinancierd zullen worden met de beperkte beschikbare middelen/inkomsten.

Een wettelijk kader aldus vastgelegd in onze staatsregeling zal gepaard moeten gaan met een wijziging van de bestaande begrotingsprocedures zowel voor wat betreft de begrotingsopstelling en tussentijdse "performance" en "accountability", alsmede ter afsluiting de administratieve verantwoording van gerealiseerde begrotingscijfers en jaarrekeningen inclusief bijbehorende accountantscontroles.

Labiele politieke ontwikkelingen, waaronder beschuldigingen van corruptie, worden door verantwoording en transparantie van het gewijzigde begrotingsproces op de achtergrond gedrukt, waarbij de verantwoorde begrotingsrealisaties een belangrijke rol spelen. Van grote importantie is echter dat overmatige overheidsconsumptie, liquiditeitsimpulsen en significante deviezenafvloeiingen als gevolg van lopende rekeningtekorten tot het verleden gaan behoren.

6. Conclusie en aanbeveling

Alhoewel de Bank als taak heeft de waarde van de Arubaanse florin te handhaven en haar monetaire beleid daartoe te richten, is de gezondheid van de Arubaanse florin en de financiële en economische stabiliteit van Aruba niet alleen afhankelijk van het beleid van de Bank maar wordt grotendeels beïnvloed door het budgettaire beleid van de overheid. Dit betekent dat de verantwoordelijkheid voor een stabiele munt zowel door de Bank als door de overheid dient te worden gedragen.

Het gebrek aan discipline van de overheid om tot een begrotingsevenwicht te komen en het feit dat de Bank geen instrumentarium bezit om op enigerlei wijze de overconsumptie van de overheid te beheersen hebben tot gevolg dat wet- en regelgeving vereist zijn om de overheid te dwingen tot een gezond budgettair beleid. Enkel een nieuw wettelijk/juridisch kader waarbij overheidsuitgaven en begrotingsevenwicht naar draagkracht van onze economie in de Arubaanse staatsregeling zijn verankerd, zal kunnen leiden tot een verantwoord bewakingsproces van de waarde van de Arubaanse florin en het gezond houden van onze economie.

Bij ongewijzigd beleid vindt slechts een verslechtering plaats van 's lands economie in de vorm van wegwijning van koopkracht doordat de overheid zich op de inkomstenkant van de begroting concentreert en belastingverhogingen doorvoert, welke gepaard zullen gaan met verminderde investeringen en toename van onverantwoord en oneigenlijk gebruik van overheidsmiddelen. Op den duur zal de overheid niet "failliet" gaan, doch eerder zal er sprake zijn van een sociale verpaupering van de Arubaanse gemeenschap, geflankeerd met ongewenste verschijnselen zoals

hogere prijzen, beperkte middelen voor het onderwijs, verhoogde druk op de koppeling van de Arubaanse florin aan de Amerikaanse dollar, e.d. Het beste perspectief biedt de situatie waarbij daadwerkelijke en daadkrachtige acties worden ondernomen om de huidige disproportionele situatie van de overheidsfinanciën om te buigen.

De overheid dient in deze derhalve haar verantwoordelijkheid te nemen, reden waarom de Bank met klem aandringt tot het opnemen in de staatsregeling van een maximum aan overheidsuitgaven en begrotingsevenwicht naar draagkracht van de economie e.e.a. op korte termijn gezien de ontwikkelingen in de overheidsuitgaven door opeenvolgende regeringen sinds de midden jaren negentig.

Annex 1: Overheidsschuld (in Afl. miljoenen) ^{1]}

	Overheidsschuld			Buitenlandse schuld op commerciële basis ^{2]}	
	Binnenland	Buitenland ^{3]}	Totaal	Totaal excl. SACE correcties ^{4]}	Totaal incl. SACE correcties ^{5]}
1990	289,8	400,2	690,0	67,9	67,9
1991	317,2	408,8	726,0	73,0	73,0
1992	373,5	647,8	1021,3	60,8	323,6
1993	422,6	655,2	1077,8	60,3	333,9
1994	458,7	710,1	1168,8	57,2	341,6
1995	568,5	733,8	1302,3	52,9	348,0
1996	636,3	712,7	1349,0	48,6	354,6
1997	746,7	649,9	1396,6	43,2	359,9
1998	500,7	718,1	1218,7	97,4	424,9
1999	503,6	705,6	1209,2	123,2	461,5
2000	571,5	724,8	1296,3	158,4	507,5
2001	710,5	752,9	1463,5	200,5	560,4
2002	717,5	893,7	1611,1	310,1	680,7
2003	754,6	724,2	1478,8	493,6	493,6
2004	864,7	835,6	1700,2	608,9	608,9
juni 2005	954,0	810,7	1764,7	606,7	606,7

Bron: Directie Financiën; APFA; CBA.

- 1] Naar aanleiding van nieuwe inzichten verkregen van het Internationale Monetaire Fonds (IMF) in 2004 omtrent de verwerking van de hotelgarantieproblematiek, heeft de Bank onder meer de overheidsfinanciën en de overheidsschuldstatistieken gewijzigd in het vierde kwartaalbericht 2004 van de Bank. In de jaren 1987 en 1988 werden overheidsgaranties afgegeven voor diverse leningen verstrekt voor de bouw van hotels. Vanaf het moment dat deze garanties werden afgegeven, vormden deze leningen een latente verplichting voor de overheid. In het najaar van 1992 bleek dat deze projecten niet voltooid konden worden en dat de kredietnemers hun schuldverplichtingen niet konden nakomen, waardoor de overheid in haar hoedanigheid van garantsteller verantwoordelijk werd voor het nakomen van deze schuldverplichtingen. Vanaf dat moment dienen deze schuldverplichtingen te worden verwerkt in de overheidsschuld. Deze schuldverplichtingen namen toe van US\$ 146 miljoen per ultimo 1992 tot US\$ 206 miljoen eind 2002, mede als gevolg van achterstallige interestbetalingen. Op 7 maart 2003 werd een principe-overeenkomst tussen het Land Aruba en SACE door het Arubaanse parlement goedgekeurd. Deze overeenkomst had tot gevolg dat het uitstaande schuldbedrag werd teruggebracht tot US\$ 110 miljoen. Daarvan werd de helft omgezet in een renteloos kortlopende lening die in het tweede kwartaal van 2003 werd afgelost. De andere helft werd omgezet in een langlopende lening van 15 jaar.
- 2] Exclusief niet-commerciële leningen in het kader van ontwikkelingssamenwerking en EIB-leningen.
- 3] Inclusief de door de overheid overgenomen schuldverplichtingen (u.h.v. de verstrekte hotel-garanties) van de private sector in de periode 1992-2002, en inclusief de met SACE overeengekomen schuldverplichting in 2003 ter afwikkeling van de verstrekte hotelgaranties.
- 4] Exclusief de door de overheid overgenomen schuldverplichtingen (u.h.v. de verstrekte hotel-garanties) van de private sector in de periode 1992-2002, maar inclusief de met SACE overeengekomen schuldverplichting in 2003 ter afwikkeling van de verstrekte hotelgaranties.
- 5] Inclusief de door de overheid overgenomen schuldverplichtingen (u.h.v. de verstrekte hotel-garanties) van de private sector in de periode 1992-2002, en inclusief de met SACE overeengekomen schuldverplichting in 2003 ter afwikkeling van de verstrekte hotelgaranties.

Annex 2: Invoerdekkingquote (in Afl. miljoenen)

	Inter- nationale reserves ^{1]}	Buitenlandse overheids- schuld op commerciële basis excl. SACE- correcties ^{2]}	Vrije inter- nationale reserves	Betalingen voor import van goederen ^{3]}	Betalingen op de lopende rekening van de betalings- balans ^{4]}	Invoerdekkingquote ^{5]}	
	(1)	(2)	(3)=(1)-(2)	(4)	(5)	(6)= (3)/(4)*12	(7)= (3)/(5)*12
1999	599,1	123,2	475,9	1362,7	2293,6	4,2	2,5
2000	558,9	158,4	400,5	1295,8	2240,3	3,7	2,1
2001	698,7	200,5	498,2	1258,8	2179,7	4,7	2,7
2002	755,5	310,1	445,4	1264,0	2353,4	4,2	2,3
2003	700,3	493,6	206,7	1356,3	2462,9	1,8	1,0
2004	722,9	608,9	114,0	1469,0	2696,6	0,9	0,5
2005 ^{6]}	709,6	606,7	102,9	1521,6	2783,4	0,8	0,4

1] Officiële reserves en deviezenreserves van de commerciële banken.

2] Op commerciële basis, dus exclusief (niet-commerciële leningen) in het kader van ontwikkelings-samenwerking en leningen verkregen van de EIB. Evenmin inbegrepen zijn de door de overheid overgenomen schuldverplichtingen (u.h.v. de verstrekte hotelgaranties) van de private sector in de periode 1992-2002, maar inclusief de met SACE overeengekomen schuldverplichting in 2003 ter afwikkeling van de verstrekte hotelgaranties.

3] Gedurende een 12-maands periode (exclusief Valero).

4] Import van goederen en diensten en overige transacties op de lopende rekening van de betalingsbalans gedurende een 12-maands periode (exclusief Valero).

5] In maanden.

6] Per ultimo juni 2005.

3. Statistical annex

Statistical annex

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TABLE 1.1: GROSS DOMESTIC PRODUCT

	1995	1996	1997	1998	1999	2000	2001	2002	2003 1)	2004 2)
1. GDP at market prices (= A + B + C - D)	2,364	2,470	2,742	2,981	3,084	3,327	3,399	3,421	3,599	3,819
A. Final consumption	1,665	1,818	2,014	2,155	2,276	2,396	2,517	2,698	2,847	3,024
1. Household	1,193	1,320	1,367	1,500	1,602	1,664	1,712	1,800	1,908	2,015
2. Government	472	498	647	655	674	731	805	899	939	1,009
B. Gross capital formation	735	703	830	945	952	818	763	798	985	1,129
1. Private	613	589	702	812	858	759	715	744	896	1,059 3)
2. Public	56	58	71	40	41	28	28	22	50	70
3. Changes in inventories	66	56	56	93	53	31	20	32	39	39
C. Exports of goods and services	2,007	2,140	2,263	2,374	2,465	2,476	2,467	2,370	2,346	2,454
D. Imports of goods and services	2,044	2,191	2,365	2,493	2,610	2,363	2,348	2,445	2,578	2,788
2. Consumer price index (1995 = 100)	100.0	103.2	106.3	108.3	110.8	115.3	118.6	122.5	126.9	130.1
3. Real gross domestic product	2,364	2,394	2,580	2,752	2,783	2,887	2,866	2,793	2,836	2,936
4. GDP growth (in percent)										
A. Nominal	6.0	4.5	11.0	8.7	3.5	7.9	2.2	0.7	5.2	6.1
B. Real	2.5	1.3	7.8	6.7	1.1	3.7	-0.7	-2.6	1.5	3.5
5. Mid-year population	79,805	83,022	86,302	88,452	89,659	90,600	91,870	93,311	95,076	97,658
6. GDP per capita										
A. In Afl.	29,618	29,753	31,775	33,696	34,395	36,721	36,995	36,665	37,856	39,106
B. In US\$	16,547	16,622	17,751	18,825	19,215	20,514	20,667	20,483	21,149	21,847
C. Percentage change	3.1	0.5	6.8	6.0	2.1	6.8	0.7	-0.9	3.2	3.3

- 1) Preliminary estimates of the CBA.
2) Preliminary estimates of the IMF.
3) Includes "Changes in inventories".

Source: CBS; IMF.

TABLE 1.2A: BUSINESS PERCEPTION RESULTS

Survey questionnaire responses

	Improvement								No change								Worsening								Business perception indices			
	2004		2005		2004		2005		2004		2005		2004		2005		2004		2005		Current	Short-term	Business perception index					
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV										
A. Current economic conditions	60	51	47	46	30	33	43	46	10	16	10	8	8	8	8	8	8	8	8	98.4	102.4	100.3						
1. The economic conditions in Aruba	68	67	57	50	24	25	40	47	8	8	3	3	3	3	3	3	3	3	3	103.9	107.1	105.4						
2. The activities of your business	76	64	71	63	14	19	20	29	11	17	9	8	8	8	8	8	8	8	8	106.6	107.2	106.9						
3. The investments of your business	54	39	40	40	41	42	49	53	5	19	11	8	8	8	8	8	8	8	8	105.1	108.1	106.4						
4. The number of employees that work for your company	43	33	20	32	41	47	63	55	16	19	17	13	13	13	13	13	13	13	13	105.0	108.0	106.3						
B. Expected short-term economic conditions 1)	51	47	35	43	45	47	63	55	5	6	3	3	3	3	3	3	3	3	3	107.1	108.3	107.6						
1. The economic conditions in Aruba	57	50	27	45	38	47	71	55	3	3	0	0	0	0	0	0	0	0	0	106.5	108.5	107.3						
2. The activities of your business	62	61	51	50	35	36	49	47	3	3	0	0	0	0	0	0	0	0	0	107.1	108.8	107.9						
3. The investments of your business	49	50	40	47	46	44	57	50	5	6	3	3	3	3	3	3	3	3	3	105.2	107.9	106.4						
4. The number of employees that work for your company	35	28	20	29	60	61	74	66	5	11	6	5	5	5	5	5	5	5	5	106.5	108.5	107.3						

1) During the next 6 months.

Perceived developments of employment, profitability, sales, and average wage costs 1)

	Employment								Operational results								Average wage costs										
	2004		2005		2004		2005		2004		2005		2004		2005		2004		2005		Sales	Profits	Losses				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV									
1. no change	35	53	60	42	19	6	14	16	5	3	3	3	3	3	3	3	3	3	3	9	9	13	22	17	17	8	
2. increase of less than 5.1 percent	30	18	20	21	24	31	26	16	0	0	0	0	0	0	0	0	0	0	0	24	29	24	43	57	57	50	
3. increase between 5.1 and 10.1 percent	16	6	6	16	11	11	14	18	0	0	0	0	0	0	0	0	0	0	0	27	23	24	19	14	14	29	
4. increase of more than 10.1 percent	3	6	0	5	22	11	23	16	0	9	0	3	27	17	20	29	5	6	9	8	29	20	29	5	6	9	8
5. decrease of less than 5 percent	8	9	9	8	3	9	6	5	5	3	0	0	3	9	9	5	5	5	5	3	9	9	5	5	3	0	3
6. decrease between 5.1 and 10.1 percent	5	6	0	0	3	3	0	3	0	0	0	0	3	0	0	0	0	0	0	5	6	0	0	3	0	3	3
7. decrease of more than 10.1 percent	3	3	6	8	3	11	9	13	5	3	0	5	11	6	6	5	3	3	3	11	6	5	5	3	3	0	0
Total	100	100	100	100	84	83	92	87	16	17	9	13	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

1) In percentages of all respondents.

Source: CBA

TABLE 1.2B: BUSINESS PERCEPTION SURVEY (INDICES BY SELECTIVE SECTORS)

	2002		2003		2004				2005				
					2004		2004		2005		2005		
	I	II	I	II	I	II	III	IV	I	II	III	IV	
1. Index current economic condition	98	104	107	96	99	106	104	105	105	107	105	107	107
a. Manufacturing (excl. manufacture of refined petroleum products)	95	110	110	90	90	110	110	110	110	110	110	110	110
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	105	106	110	110	110	110	100	100	110	103	103	102
c. Construction	107	105	101	108	108	110	96	90	101	108	102	105	108
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	101	108	95	98	103	102	102	98	105	102	100	105
e. Hotels and restaurants	93	101	108	93	94	104	106	106	104	106	108	108	106
f. Transport, storage and communication	98	101	101	90	92	110	101	106	103	103	101	104	100
g. Financial intermediation	103	106	107	100	106	106	106	107	110	110	108	110	110
h. Real estate and other business activities	99	104	105	97	100	104	105	106	107	107	104	104	108
i. Health, other community and personal service activities	98	108	110	93	101	109	108	108	109	109	110	110	110
2. Index short-term future economic condition	102	107	107	101	105	107	107	108	108	108	108	108	109
a. Manufacturing (excl. manufacture of refined petroleum products)	90	110	100	100	110	110	110	100	110	110	100	110	110
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	100	105	100	100	110	100	100	110	100	105	110	100
c. Construction	110	110	108	103	105	103	110	110	98	110	108	100	110
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	104	102	103	103	101	104	108	108	108	107	107	108
e. Hotels and restaurants	99	106	110	100	103	108	105	110	109	108	110	108	110
f. Transport, storage and communication	99	108	107	90	95	110	105	106	107	108	107	102	104
g. Financial intermediation	110	110	110	110	110	105	110	110	110	110	110	110	110
h. Real estate and other business activities	104	107	106	97	100	104	105	106	107	107	104	104	108
i. Health, other community and personal service activities	97	108	110	93	101	109	108	108	109	109	110	110	110
3. Business Perception Index	100	105	107	98	102	107	106	106	106	108	107	107	108
a. Manufacturing (excl. manufacture of refined petroleum products)	93	110	110	90	102	110	110	110	110	110	110	110	110
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	103	106	110	110	110	103	100	103	110	104	105	101
c. Construction	108	106	105	106	107	108	99	100	100	108	104	105	108
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	102	105	98	100	102	103	105	102	107	103	103	106
e. Hotels and restaurants	96	103	109	97	99	106	105	107	106	107	109	108	109
f. Transport, storage and communication	98	105	103	90	93	110	103	106	105	105	103	103	103
g. Financial intermediation	107	108	109	105	108	106	108	108	110	110	109	110	110
h. Real estate and other business activities	101	106	105	98	102	106	107	106	107	107	105	107	109
i. Health, other community and personal service activities	97	108	110	95	107	109	108	109	109	109	110	110	110

Source: Centrale Bank van Aruba

TABLE 1.3: PARTIAL ECONOMIC ACTIVITY INDEX 1)

Period average	Share in GDP (in percent)	2001				2002				2003				2004				2005			
		I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II		
Total index	71.3	-1.2	-3.2	1.3	1.3	0.1	2.2	1.5	2.2	1.3	4.5	1.3	5.0	5.1	5.3						
a. Utilities	4.1	5.0	1.0	1.9	1.9	2.6	-3.1	1.9	-7.1	3.3	5.7	3.3	0.5	6.7	4.1						
b. Construction	8.6	-3.3	-8.9	11.4	-8.6	29.3	-1.1	-0.5	-14.6	-15.9	-14.5	14.5	27.6	33.3							
c. Trade	14.2	-12.6	-2.1	-4.4	3.4	-13.3	0.1	-1.4	2.4	8.5	8.5	-1.3	4.0	0.3	-1.3						
d. Hotels and restaurants	10.5	-1.2	-5.6	4.1	10.2	0.3	9.9	8.0	12.5	15.3	15.3	5.0	8.6	9.1	3.4						
e. Transport, storage & communication	8.2	-3.9	-0.3	-2.2	9.1	-7.8	0.8	2.9	3.3	11.9	14.9	7.5	7.5	3.2	1.5						
f. Housing	12.6	3.4	2.8	2.5	2.6	2.8	2.5	2.6	2.7	2.5	2.5	2.6	2.6	2.8	2.9						
g. Public adm. & education	13.1	7.3	-8.0	0.1	1.8	0.5	2.7	-1.9	3.5	1.7	1.2	1.1	-0.2	4.8							

1) Percentage changes compared to the corresponding period a year earlier.

Source: CBS.

TABLE 1.4: TOURISM

period	Total visitor nights	Total visitors	Visitors by origin				Of which Europe	Of which Netherlands	Other	Average nights stayed	Average hotel occupancy rate	Cruise tourism	
			North America	USA	Latin America	Of which Venezuela						Number of passengers	Ship calls
2001	5,144,594	691,419	467,418	448,492	150,659	109,337	44,961	28,457	28,381	7.4	75.6	487,296	298
2002	4,862,548	642,627	454,261	436,660	117,568	81,665	43,980	27,992	26,818	7.6	71.7	582,195	337
2003	5,097,571	641,906	481,684	464,466	77,219	54,554	54,711	36,415	28,292	7.9	74.4	542,327	315
2004	5,639,869	728,157	555,693	535,133	84,455	59,218	60,428	38,122	27,581	7.7	80.7	576,320	318
2003	I	1,279,393	155,346	119,400	14,413	8,268	10,036	7,261	5,308	8.2	76.3	201,400	126
	II	1,135,023	150,287	111,923	16,047	11,525	12,697	8,331	6,955	7.6	66.9	102,188	53
	III	1,360,778	170,958	117,664	114,793	28,460	15,987	9,915	8,847	8.0	77.6	69,878	39
	IV	1,322,377	165,315	123,843	118,350	18,299	12,742	15,991	10,908	8.0	76.9	168,861	97
2004	I	1,446,513	177,098	143,778	135,565	13,606	13,331	9,725	6,383	8.2	84.5	185,161	100
	II	1,301,935	178,144	139,269	135,623	17,967	12,063	8,570	7,016	7.3	77.3	113,236	53
	III	1,458,733	190,803	134,488	131,280	31,857	16,646	9,767	7,812	7.6	80.9	81,210	37
	IV	1,432,688	182,112	138,158	132,665	21,025	14,370	10,060	6,370	7.9	80.0	196,713	128
2005	I	1,574,890	200,868	163,443	155,375	16,934	11,266	9,315	5,273	7.8	88.3	190,659	108
	II	1,345,904	183,048	145,084	140,990	16,530	14,998	9,581	6,436	7.4	80.4	112,234	64

Source: Aruba Tourism Authority; CBS; Aruba Hotel and Tourism Association; Cruise Tourism Authority.

TABLE 1.5: GROWTH IN STAY-OVER TOURISM

period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Total visitor nights	Total visitors	North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Netherlands	Other
<i>Quarterly percentage changes 1)</i>									
2003 I	-0.8	-7.8	1.4	2.8	-48.6	-56.8	-8.7	0.9	-4.9
2003 II	3.9	-2.1	1.2	1.8	-30.8	-19.3	17.7	22.4	10.2
2003 III	8.7	3.1	12.0	11.9	-33.6	-33.2	56.5	56.1	15.9
2003 IV	7.7	6.7	10.4	9.6	-22.1	-16.7	33.4	42.7	-1.5
2004 I	13.1	14.0	14.5	13.5	-5.6	4.3	32.8	33.9	20.3
2004 II	14.7	18.5	21.5	21.2	12.0	4.7	9.4	2.9	0.9
2004 III	7.2	11.6	14.3	14.4	11.9	9.7	4.1	-1.5	-11.7
2004 IV	8.3	10.2	11.6	12.1	14.9	12.8	3.6	-7.8	-11.3
2005 I	8.9	13.4	13.7	14.6	24.5	30.7	14.2	-4.2	-17.4
2005 II	3.4	2.8	4.2	4.0	-8.0	-11.8	8.0	11.8	-8.3
<i>Cumulative percentage changes 2)</i>									
2003 I	-0.8	-7.8	1.4	2.8	-48.6	-56.8	-8.7	0.9	-4.9
2003 II	1.3	-5.1	1.3	2.3	-40.5	-40.8	4.4	11.4	3.1
2003 III	3.9	-2.3	4.6	5.3	-37.4	-37.0	21.0	25.3	8.1
2003 IV	4.8	-0.1	6.0	6.4	-34.3	-33.2	24.4	30.1	5.5
2004 I	13.1	14.0	14.5	13.5	-5.6	4.3	32.8	33.9	20.3
2004 II	13.8	16.2	17.8	17.2	3.7	4.5	19.8	17.3	9.3
2004 III	11.4	14.6	16.7	16.3	7.7	7.3	13.3	10.0	0.5
2004 IV	10.6	13.4	15.4	15.2	9.4	8.5	10.4	4.7	-2.5
2005 I	8.9	13.4	13.7	14.6	24.5	30.7	14.2	-4.2	-17.4
2005 II	7.2	10.0	11.9	12.5	2.5	3.0	11.1	-4.5	-16.3

1) As compared to a year earlier.

2) From the beginning of the year to the end of the indicated period as compared to the corresponding period of a year earlier.

TABLE 1.6: CONSUMER PRICE INDICES
 (August 1994 = 100)
 (September 2000 = 100)

	Total index	Food	Beverage & tobacco	Clothing & footwear	Housing	House-keeping & furnishing	Health	Transport & communication	Recreation & education	Other
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Weights (September 1994)	10,000	1,625	254	1,134	1,786	1,039	307	2,072	808	975
Weights (September 2000)	10,000	1,469	219	1,086	2,296	1,002	88	1,967	799	1,074
2001	103.4	104.9	100.4	111.5	102.5	106.5	100.0	98.2	102.5	103.1
2002	107.7	107.3	106.4	116.4	110.2	109.5	100.0	101.5	105.3	106.2
2003	110.1	111.2	106.8	122.2	111.7	111.9	100.0	103.3	107.0	107.9
2004	113.2	115.4	107.7	125.5	114.9	114.1	100.0	106.8	109.7	109.6
2003 I	109.5	108.6	106.2	117.4	113.1	110.4	100.0	104.5	106.3	106.9
2003 II	109.2	109.2	106.2	119.9	111.1	110.6	100.0	103.0	106.4	107.4
2003 III	109.8	110.2	106.9	121.0	111.2	111.4	100.0	103.8	106.7	107.7
2003 IV	110.1	111.2	106.8	122.2	111.7	111.9	100.0	103.3	107.0	107.9
2004 I	111.1	113.0	107.1	122.8	112.1	112.1	100.0	104.7	108.5	108.4
2004 II	112.5	113.7	106.8	124.1	114.7	112.8	100.0	106.9	109.3	108.9
2004 III	112.7	114.4	107.0	125.8	114.6	113.5	100.0	106.2	109.7	109.2
2004 IV	113.2	115.4	107.7	125.5	114.9	114.1	100.0	106.8	109.7	109.6
2005 I	113.6	116.8	108.4	124.9	115.3	114.4	100.0	107.1	109.9	109.9
2005 II	116.2	117.3	108.3	124.8	123.3	115.0	100.0	108.8	112.2	111.3

Source: CBS.

TABLE 1.7: PERCENTAGE PRICE CHANGES

(August 1994 = 100)

(September 2000 = 100)

End of period	Percentage change				
	All groups index	Over previous month	Over 3 months earlier	Over a year earlier	Last 12 months over previous 12 months
2001	103.4	0.4	0.8	2.6	2.9
2002	107.7	0.1	0.9	4.2	3.3
2003	110.1	0.2	0.3	2.2	3.6
2004	113.2	-0.6	0.4	2.8	2.5
2003 I	109.5	0.2	1.7	5.7	4.0
II	109.2	0.2	-0.3	3.5	4.3
III	109.8	0.5	0.5	2.9	4.1
IV	110.1	0.2	0.3	2.2	3.6
2004 I	111.1	0.4	0.9	1.5	2.8
II	112.5	0.9	1.3	3.0	2.4
III	112.7	0.0	0.2	2.6	2.3
IV	113.2	-0.6	0.4	2.8	2.5
2005 I	113.6	0.1	0.4	2.3	2.7
II	116.2	0.3	2.3	3.3	3.0

TABLE 1.8: CONSTRUCTION ACTIVITIES

	2001	2002	2003	2004	2003		2004			2005				
					I	II	III	IV	I	II	III	IV	I	II
1. Number of construction permits granted	1,243	1,185	1,269	1,474	310	282	364	313	432	338	348	356	342	375
a. Houses 1)	749	852	774	1,034	216	172	185	201	325	205	234	270	254	249
b. Apartments	22	42	22	17	6	1	11	4	2	6	7	2	6	4
c. Office buildings	12	10	12	16	1	0	7	4	6	5	3	2	2	7
d. Stores and shopping malls 2)	24	25	29	25	7	9	7	6	9	6	4	6	6	9
e. Others	435	256	432	382	80	100	154	98	90	116	100	76	74	106
2. Total value of construction permits (x Afl. million)	198.2	229.4	243.9	207.1	49.2	45.3	95.2	54.2	64.6	42.1	66.1	34.3	55.0	126.2
a. Houses 1)	78.6	79.7	92.6	97.0	30.9	16.5	18.2	27.0	31.0	19.2	21.7	25.1	25.3	27.8
b. Apartments	4.5	18.1	6.9	23.5	1.3	0.2	5.0	0.4	0.3	1.0	21.5	0.6	0.4	0.3
c. Office buildings	11.6	15.4	4.4	15.9	2.0	0.0	1.5	1.0	7.8	2.4	5.6	0.1	0.8	3.1
d. Stores and shopping malls 2)	33.7	15.2	16.1	25.4	3.7	5.7	1.4	5.3	12.4	5.8	4.4	2.9	2.4	10.2
e. Others	69.7	101.1	123.9	45.3	11.4	22.9	69.1	20.5	13.1	13.7	12.8	5.6	26.0	84.8
3. Total cement imported (x 1,000 Kg)	35,277	47,643	64,497	59,676	14,093	13,219	18,259	18,927	9,335	11,398	17,958	20,985	13,784	12,256
4. Number of electrical installations approved	2,873	2,628	3,021	2,541	490	803	850	878	526	596	673	746	564	716
a. Houses 1)	722	667	735	721	54	157	202	322	157	142	166	256	190	249
b. Apartments	197	206	257	264	24	91	76	66	36	83	76	69	73	37
c. Enterprises	175	151	267	372	61	58	30	118	61	82	128	101	48	82
d. Others	1,779	1,604	1,762	1,184	351	497	542	372	272	289	303	320	253	348

1) Excluding additions to and remodelling of existing houses.

2) Excluding additions to and remodelling of existing stores and shopping malls.

Source: Department of Public Works; Department of Technical Inspection; CBS.

TABLE 1.9: UTILITIES

	2001	2002	2003	2004	2003		2004		2005					
					I	II	I	II	I	II				
1. a. Water (x 1,000 m3) 1)	11,353	11,374	11,718	11,438	3,139	2,872	2,933	2,774	2,709	3,038	2,972	2,720	2,829	2,935
b. Connected premises	31,218	31,952	32,786	33,626	32,122	32,420	32,589	32,786	32,979	33,225	33,439	33,626	33,914	34,198
2. a. Electricity (x 1,000 KWH)	673,611	692,813	701,577	729,790	163,066	171,473	184,519	182,519	170,909	182,511	190,588	185,781	174,468	196,073
b. Connections	37,404	38,051	39,004	39,806	38,123	38,361	38,575	39,004	39,113	39,280	39,412	39,806	39,779	40,024
c. Number of users	33,147	33,909	34,802	35,733	34,010	34,256	34,424	34,802	34,958	35,220	35,368	35,733	35,828	36,081
3. a. Gas (x 1,000 pounds)	17,629	17,795	18,221	18,898	4,290	4,529	4,506	4,896	4,513	4,553	4,647	5,184	4,689	4,700
b. Household	7,206	7,337	7,342	7,393	1,631	1,784	1,807	2,120	1,689	1,764	1,767	2,173	1,599	1,802
c. Commercial	10,422	10,458	10,879	11,505	2,659	2,745	2,699	2,776	2,824	2,789	2,880	3,012	3,090	2,898
4. Utilities index 2)	126.1	128.4	130.9	133.4	128.8	128.2	135.1	132.5	125.5	135.8	138.8	133.9	129.2	141.4

1) Sale of water, excluding to Coastal Aruba Refining Co. N.V., Valero Aruba Refining Co. N.V., and vessels.

2) For annual data, base: 1996 = 100

For quarterly data, base: quarterly average 1996 = 100

Source: WEB Aruba N.V.; N.V. ELMAR; Arugas N.V.

TABLE 1.10: MERCHANDISE FOREIGN TRADE BY COUNTRY

	2001	2002	2003	2004				2005						
				I	II	III	IV	I	II	III	IV			
1. Export of goods (f.o.b.)	51.7	62.1	35.9	40.2	7.9	8.0	9.1	11.0	10.3	11.6	10.6	7.7	7.9	12.8
a. United States	13.4	25.2	13.0	14.4	3.4	2.8	3.0	3.9	3.9	4.1	3.7	2.8	2.3	8.3
b. Colombia	7.0	4.9	0.9	1.7	0.4	0.3	0.2	0.1	0.1	0.3	0.7	0.5	0.8	0.3
c. The Netherlands	7.5	6.3	6.6	6.9	0.7	2.0	2.9	1.1	0.9	1.9	3.0	1.0	1.1	1.1
d. Netherlands Antilles	10.2	9.2	7.0	8.1	1.5	1.5	1.8	2.3	2.1	2.6	1.6	1.8	2.4	2.0
e. Venezuela	11.0	12.4	2.6	3.7	1.0	0.4	0.7	0.5	1.1	1.1	0.6	0.9	0.5	0.3
f. Other countries	2.6	4.2	5.8	5.4	1.0	1.0	0.5	3.2	2.2	1.6	0.9	0.7	0.9	0.7
2. Import of goods (c.i.f.)	1,318.3	1,364.4	1,418.0	1,476.8	308.0	329.3	375.7	405.1	350.4	346.7	340.4	439.2	361.4	387.9
a. United States	816.7	825.5	836.5	869.1	190.0	198.1	224.7	223.6	206.8	213.2	193.2	255.8	213.7	229.3
b. The Netherlands	153.0	172.4	180.7	204.8	40.7	46.4	45.7	47.9	54.6	43.8	50.8	55.6	47.8	49.9
c. Netherlands Antilles	48.1	45.0	46.5	44.3	11.0	10.1	11.9	13.5	8.8	10.5	11.0	14.0	9.0	11.9
d. Venezuela	40.8	40.8	45.5	50.2	8.7	10.8	13.6	12.4	11.6	11.4	13.9	13.4	10.7	10.9
e. Japan	33.6	35.5	38.3	36.7	8.6	8.5	7.4	13.7	9.7	9.3	7.4	10.3	6.4	9.6
f. Other countries	226.1	245.1	270.6	271.7	49.0	55.3	72.4	93.9	59.0	58.5	64.2	90.0	73.8	76.4
3. Trade balance	-1,266.6	-1,302.3	-1,382.1	-1,436.6	-300.1	-321.4	-366.5	-394.1	-340.1	-335.1	-329.8	-431.5	-353.5	-375.0

Source: CBS.

TABLE I.11: MERCHANDISE FOREIGN TRADE BY PRODUCT CATEGORY

	2001		2002		2003		2004		2005					
	I	II	I	II	I	II	I	II	I	II				
1. Export of goods (f.o.b.)	51.7	62.1	35.9	40.2	7.9	8.0	9.1	11.0	10.3	11.6	10.6	7.7	7.9	12.8
a. Live animals and other animal products	17.8	17.6	2.4	2.6	0.9	0.5	0.6	0.4	0.3	1.1	0.4	0.8	0.4	0.3
b. Transport equipment	3.0	3.2	3.0	3.5	0.9	0.8	0.8	0.6	1.2	1.1	0.8	0.4	0.6	0.7
c. Art objects and collectors' items	9.5	8.4	7.9	7.5	0.7	2.2	3.8	1.2	1.9	2.0	2.8	0.8	0.8	1.6
d. Machinery and electrotechnical equipment	4.0	11.1	6.7	5.4	1.1	0.5	0.7	4.4	1.4	1.0	0.9	2.0	1.1	4.7
e. Other goods	17.4	21.8	16.0	21.3	4.3	4.0	3.3	4.3	5.5	6.4	5.7	3.7	5.0	5.6
2. Import of goods (c.i.f.)	1,318.3	1,364.4	1,418.0	1,476.8	308.0	329.3	375.7	405.1	350.4	346.7	340.4	439.2	361.4	387.9
a. Live animals and other animal products	100.8	90.8	86.3	94.7	19.2	18.5	23.9	24.7	23.1	21.5	24.3	25.9	24.8	25.0
b. Food products	144.8	146.6	155.8	168.9	35.0	38.2	37.0	45.6	37.7	41.6	40.9	48.8	38.5	45.5
c. Chemical products	158.2	164.6	146.5	158.6	34.1	36.8	37.1	38.5	36.1	41.7	37.9	42.9	37.0	40.6
d. Base metals and derivated works	107.8	103.7	122.0	104.6	26.5	31.3	39.3	25.0	22.2	26.4	28.3	27.7	28.5	26.8
e. Machinery and electrotechnical equipment	233.3	250.1	266.6	234.1	52.6	64.2	80.8	69.0	55.1	64.7	46.5	67.9	59.8	68.1
f. Transport equipment	102.9	119.2	120.0	134.2	24.4	29.0	28.0	38.5	39.5	30.8	26.7	37.1	31.1	36.0
g. Other goods	470.7	489.5	520.8	581.6	116.3	111.2	129.6	163.7	136.7	120.1	135.8	188.9	141.8	145.8
3. Trade balance	-1,266.6	-1,302.3	-1,382.1	-1,436.6	-300.1	-321.4	-366.5	-394.1	-340.1	-335.1	-329.8	-431.5	-353.5	-375.0

Source: CBS.

TABLE 1.12: OIL REFINING

	2001	2002	2003	2004	2003				2004				2005	
					I	II	III	IV	I	II	III	IV	I	II
1. Export of refined oil (x Afl. million)	2,980	1,990	3,202	5,284	882	826	564	930	1,051	1,183	1,449	1,601	1,746	1,621
2. Import of crude oil (x Afl. million)	2,030	1,789	2,743	4,369	641	610	595	897	898	1,105	1,270	1,096	1,184	1,499
3. Quantity of oil refined (x 1,000 barrels)	64,327	52,383	63,155	77,468	15,397	16,651	12,777	18,330	18,984	19,217	19,559	19,708	19,830	18,244
4. Number of employees (at end of period) 1)	597	672	662	654	662	662	662	662	668	665	662	654	669	669

1) Excluding persons employed with contractors.

Source: Coastal Aruba Refining Co. N.V. and Valero Aruba Refining Co. N.V.

TABLE 2.1: MONETARY SURVEY

End of period	2003				2004				2005					
	2003		2004		2004		2005		2004		2005			
	I	II	III	IV	I	II	III	IV	I	II	III	IV		
I. Net domestic assets	1,180.5	1,334.6	1,576.3	1,627.6	1,275.9	1,484.6	1,582.0	1,576.3	1,596.5	1,529.0	1,573.8	1,627.6	1,697.6	1,772.7
A) Domestic credit	1,543.9	1,702.9	1,921.4	2,038.5	1,667.4	1,896.7	1,985.3	1,921.4	1,973.5	1,921.7	1,973.3	2,038.5	2,109.8	2,179.3
1) Net claims on public sector	-25.7	-61.9	-42.6	-21.3	-126.5	11.7	38.8	-42.6	0.5	-53.9	-49.1	-21.3	-9.9	29.4
a) Gross claims	77.6	81.4	84.2	92.1	81.5	85.5	118.7	84.2	84.3	84.4	91.7	92.1	102.1	143.6
b) Government's deposits	-72.0	-72.4	-47.6	-12.7	-141.0	-15.1	-24.4	-47.6	-9.5	-73.7	-36.7	-12.7	-16.1	-18.3
c) Development funds	-31.3	-71.0	-79.2	-100.7	-67.0	-58.7	-55.5	-79.2	-74.3	-64.6	-104.1	-100.7	-96.0	-95.9
2) Claims on private sector	1,569.6	1,764.8	1,964.0	2,059.8	1,793.9	1,885.0	1,946.5	1,964.0	1,973.0	1,975.6	2,022.4	2,059.8	2,119.7	2,149.9
a) Enterprises	739.9	836.2	926.2	952.4	828.1	887.2	939.4	926.2	907.6	904.9	928.9	952.4	928.6	946.2
b) Individuals	811.5	900.3	984.2	1,065.4	925.6	960.7	977.9	984.2	1,012.7	1,019.3	1,050.1	1,065.4	1,150.7	1,165.1
1) Consumer credit	366.7	409.3	434.6	478.8	415.1	429.4	433.0	434.6	450.0	458.8	470.1	478.8	480.8	486.0
2) Housing mortgages	444.8	491.1	549.6	586.6	510.5	531.4	544.9	549.6	562.8	560.5	580.0	586.6	669.9	679.1
c) Other	18.2	28.3	53.7	42.0	40.2	37.0	29.2	53.7	52.6	51.5	43.4	42.0	40.4	38.7
B) Other items, net	-363.4	-368.3	-345.1	-410.9	-391.5	-412.1	-403.3	-345.1	-377.0	-392.8	-399.6	-410.9	-412.2	-406.6
II. Net foreign assets	660.1	699.0	637.9	657.7	804.1	639.1	601.0	637.9	668.9	730.1	680.7	657.7	705.5	642.3
A) Centrale Bank van Aruba	539.5	611.4	546.4	549.2	699.5	562.3	536.8	546.4	567.4	638.0	610.3	549.2	636.7	623.1
B) Commercial banks	120.5	87.6	91.4	108.5	104.6	76.8	64.2	91.4	101.5	92.1	70.4	108.5	68.9	19.3
III. Broad money	1,840.6	2,033.6	2,214.1	2,285.3	2,080.0	2,123.7	2,182.9	2,214.1	2,265.3	2,259.1	2,254.5	2,285.3	2,403.1	2,415.1
A) Money	701.0	844.5	933.2	960.8	795.1	870.7	919.5	933.2	969.7	974.4	947.8	960.8	1,059.6	1,048.9
B) Quasi-money	1,139.6	1,189.1	1,280.9	1,324.5	1,284.9	1,253.0	1,263.5	1,280.9	1,295.6	1,284.6	1,306.7	1,324.5	1,343.5	1,366.1

TABLE 2.2: COMPONENTS OF BROAD MONEY

End of period	Currency		Demand deposits		Money		Other deposits			Treasury bills	Quasi-money	Broad money			
	Issued	At banks	Outside banks	Afl.	Foreign currency	Total	Savings	Time					Total		
								Afl.	Foreign currency						
(1)	(2)	(3=1-2)	(4)	(5)	(6=4+5)	(7=3+6)	(8)	(9)	(10)	(11)	(12=8+9+10+11)	(13)	(14=12+13)	(15=7+14)	
2001	156.6	30.7	125.9	481.1	94.0	575.1	701.0	399.7	11.0	676.3	52.1	1,139.1	0.5	1,139.6	1,840.6
2002	163.0	35.1	127.8	612.5	104.2	716.7	844.5	406.0	11.3	709.9	61.9	1,189.1	0.0	1,189.1	2,033.6
2003	165.6	40.5	125.1	710.5	97.6	808.1	933.2	484.1	12.3	732.1	48.4	1,276.9	4.0	1,280.9	2,214.1
2004	162.7	32.1	130.7	709.9	120.3	830.2	960.8	532.7	13.6	729.0	39.2	1,314.5	10.0	1,324.5	2,285.3
2003 I	150.1	29.4	120.6	582.9	91.6	674.5	795.1	424.5	11.8	772.2	76.4	1,284.9	0.0	1,284.9	2,080.0
II	156.0	30.0	125.9	663.9	80.9	744.7	870.7	434.8	12.1	746.3	59.8	1,253.0	0.0	1,253.0	2,123.7
III	151.0	30.7	120.3	699.8	99.3	799.2	919.5	437.5	12.0	744.9	50.0	1,244.5	19.0	1,263.5	2,182.9
IV	165.6	40.5	125.1	710.5	97.6	808.1	933.2	484.1	12.3	732.1	48.4	1,276.9	4.0	1,280.9	2,214.1
2004 I	155.9	35.2	120.6	717.0	132.1	849.1	969.7	503.1	13.4	727.4	51.8	1,295.6	0.0	1,295.6	2,265.3
II	151.0	29.8	121.2	742.2	111.0	853.2	974.4	510.1	14.5	702.4	51.6	1,278.6	6.0	1,284.6	2,259.1
III	149.5	29.2	120.3	720.0	107.4	827.4	947.8	521.5	13.4	719.1	42.7	1,296.7	10.0	1,306.7	2,254.5
IV	162.7	32.1	130.7	709.9	120.3	830.2	960.8	532.7	13.6	729.0	39.2	1,314.5	10.0	1,324.5	2,285.3
2005 I	164.7	33.9	130.7	784.8	144.1	928.9	1,059.6	577.2	13.8	688.0	54.4	1,333.5	10.0	1,343.5	2,403.1
II	169.3	35.4	133.9	781.2	133.8	915.0	1,048.9	601.0	13.5	701.2	44.4	1,360.1	6.0	1,366.1	2,415.1

TABLE 2.3: CAUSES OF CHANGES IN BROAD MONEY

During period	2001	2002	2003	2004	2003		2004				2005			
					I	II	I	II	III	IV	I	II		
I. Net domestic money creation	-27.4	154.0	241.7	51.3	-58.7	208.7	97.4	-5.7	20.2	-67.5	44.8	53.8	70.0	75.2
A) Domestic credit	31.8	159.0	218.5	117.1	-35.5	229.3	88.6	-63.9	52.1	-51.8	51.6	65.2	71.3	69.6
1) Net claims on public sector	-24.7	-36.2	19.3	21.3	-64.6	138.2	27.1	-81.5	43.1	-54.4	4.8	27.8	11.4	39.4
a) Recourse to monetary system	11.8	3.9	2.7	8.0	0.1	4.0	33.2	-34.5	0.1	0.2	7.3	0.4	10.0	41.5
b) Drawing down of bank balances	-36.4	-40.1	16.6	13.4	-64.7	134.2	-6.1	-47.0	43.0	-54.6	-2.5	27.3	1.4	-2.1
1) Government's deposits	-27.7	-0.3	24.8	34.9	-68.6	125.9	-9.3	-23.2	38.1	-64.2	37.0	24.0	-3.4	-2.2
2) Development funds	-8.7	-39.7	-8.2	-21.6	4.0	8.3	3.2	-23.7	4.9	9.7	-39.5	3.3	4.7	0.1
2) Claims on private sector	56.4	195.2	199.2	95.8	29.1	91.1	61.5	17.6	9.0	2.6	46.8	37.4	59.9	30.2
a) Enterprises	9.9	96.3	90.0	26.2	-8.1	59.1	52.2	-13.2	-18.6	-2.8	24.1	23.4	-23.7	17.6
b) Individuals	53.7	88.8	83.9	81.2	25.3	35.1	17.2	6.3	28.6	6.5	30.8	15.3	85.2	14.4
1) Consumer credit	9.4	42.6	25.3	44.2	5.8	14.3	3.7	1.6	15.4	8.8	11.4	8.6	2.0	5.2
2) Housing mortgages	44.2	46.3	58.5	37.0	19.5	20.8	13.5	4.7	13.2	-2.3	19.5	6.7	83.2	9.2
c) Other	-7.2	10.0	25.4	-11.6	11.9	-3.1	-7.8	24.5	-1.0	-1.1	-8.1	-1.3	-1.6	-1.8
B) Other domestic factors	-59.1	-5.0	23.2	-65.8	-23.2	-20.5	8.7	58.2	-31.9	-15.7	-6.8	-11.3	-1.3	5.6
II. Inflow of foreign funds	129.7	39.0	-61.2	19.9	105.1	-165.0	-38.2	36.9	31.0	61.2	-49.4	-23.0	47.8	-63.2
III. Broad money	102.3	193.0	180.5	71.1	46.4	43.8	59.2	31.2	51.2	-6.3	-4.6	30.8	117.8	11.9
1) Money	104.7	143.5	88.7	27.6	-49.4	75.6	48.8	13.8	36.5	4.7	-26.7	13.1	98.8	-10.7
2) Quasi-money	-2.4	49.5	91.8	43.5	95.8	-31.8	10.4	17.4	14.7	-11.0	22.1	17.8	19.0	22.7

TABLE 2.4: FOREIGN ASSETS

End of period	Centrale Bank van Aruba				Commercial banks		Total	Revaluation differences	Total excl. (9)	Broad money	Import of goods (excl. oil) during a 12-month period	Current account payments (excl. oil) during a 12-month period	Percentages				
	Gold	Other assets	Liabilities	Net	Assets	Liabilities							Net	Broad money coverage	Import coverage	Current account paym.	coverage
2001	55.0	525.7	2.6	578.2	524.0	403.5	120.5	698.7	38.7	660.1	1,840.6	2,179.7	35.9	55.5	32.1		
2002	68.2	608.1	8.5	667.9	530.2	442.6	87.6	755.5	56.5	699.0	2,033.6	2,353.4	34.4	59.8	32.1		
2003	83.1	528.4	2.6	608.9	664.3	572.9	91.4	700.3	62.5	637.9	2,194.1	2,462.9	29.1	51.6	28.4		
2004	87.1	528.8	1.5	614.4	589.1	480.6	108.5	722.9	65.2	657.7	2,265.3	2,696.6	29.0	49.2	26.8		
2003	I	66.7	687.9	0.1	754.4	528.8	104.6	859.0	54.9	804.1	2,080.0	2,442.0	38.7	67.2	35.2		
	II	68.9	552.5	1.6	619.7	504.3	76.8	696.5	57.4	639.1	2,123.7	2,470.2	30.1	53.9	28.2		
	III	77.2	512.3	0.2	589.3	492.7	64.2	653.5	52.6	601.0	2,162.9	2,451.1	27.8	48.7	26.7		
	IV	83.1	528.4	2.6	608.9	664.3	91.4	700.3	62.5	637.9	2,194.1	2,462.9	29.1	51.6	28.4		
2004	I	84.3	550.6	1.5	633.4	630.8	101.5	734.9	66.1	668.9	2,255.3	2,515.7	29.7	52.6	29.2		
	II	78.7	628.7	13.2	694.2	521.9	92.1	786.3	56.2	730.1	2,249.1	2,592.6	32.5	55.4	30.3		
	III	82.7	598.6	8.1	673.1	471.4	70.4	743.5	62.8	680.7	2,234.5	2,632.2	30.5	51.5	28.2		
	IV	87.1	528.8	1.5	614.4	589.1	108.5	722.9	65.2	657.7	2,265.3	2,696.6	29.0	49.2	26.8		
2005	I	85.0	619.7	6.8	697.9	627.6	68.9	766.8	61.3	705.5	2,403.1	2,702.8	29.4	52.0	28.4		
	II	86.9	604.8	1.4	690.3	526.1	19.3	709.6	67.3	642.3	2,415.1	2,783.4	26.6	46.6	25.5		

TABLE 3.1: CONSOLIDATED BALANCE SHEET OF THE MONEY-CREATING INSTITUTIONS

End of period	2001		2002		2003		2004		2005					
	I	II	I	II	I	II	I	II	I	II				
ASSETS														
1. Claims on money-creating institutions	333.0	407.4	429.1	422.6	449.6	437.8	428.6	429.1	473.1	467.7	450.3	422.6	493.0	498.1
a) Monetary authorities	293.4	361.9	358.3	364.6	395.6	391.9	377.0	358.3	405.4	405.5	392.0	364.6	434.4	442.8
b) Commercial banks	39.5	45.5	70.7	58.0	53.9	46.0	51.5	70.7	67.7	62.2	58.3	58.0	58.6	55.4
2. Claims on the public sector	77.6	81.4	84.2	92.1	81.5	85.5	118.7	84.2	84.3	84.4	91.7	92.1	102.1	143.6
a) Short-term	64.1	65.3	65.6	70.3	65.4	64.9	100.1	65.6	65.7	65.9	65.9	70.3	70.4	101.9
b) Long-term	13.4	16.1	18.6	21.8	16.1	20.6	18.6	18.6	18.6	18.6	25.8	21.8	31.7	41.8
3. Claims on the private sector	1,569.6	1,764.8	1,964.0	2,059.8	1,793.9	1,885.0	1,946.5	1,964.0	1,973.0	1,975.6	2,022.4	2,059.8	2,119.7	2,149.9
a) Enterprises	739.9	836.2	926.2	952.4	828.1	887.2	939.4	926.2	907.6	904.9	928.9	952.4	928.6	946.2
b) Individuals	811.5	900.3	984.2	1,065.4	925.6	960.7	977.9	984.2	1,012.7	1,019.3	1,050.1	1,065.4	1,150.7	1,165.1
1) Consumer credit	366.7	409.3	434.6	478.8	415.1	429.4	433.0	434.6	450.0	458.8	470.1	478.8	480.8	486.0
2) Housing mortgages	444.8	491.1	549.6	586.6	510.5	531.4	544.9	549.6	562.8	560.5	580.0	586.6	669.9	679.1
c) Capital market investments	6.0	6.8	15.4	14.3	15.1	15.1	15.5	15.4	15.3	15.2	15.1	14.3	14.2	13.9
d) Other	12.2	21.5	38.3	27.7	25.1	22.0	13.7	38.3	37.4	36.3	28.3	27.7	26.2	24.7
4. Foreign assets	1,104.8	1,206.5	1,275.8	1,205.1	1,283.3	1,125.6	1,082.2	1,275.8	1,265.7	1,229.3	1,152.7	1,205.1	1,332.4	1,217.8
a) Gold	55.0	68.2	83.1	87.1	66.7	68.9	77.2	83.1	84.3	78.7	82.7	87.1	85.0	86.9
b) Short-term	475.2	483.2	603.1	523.4	514.6	462.5	453.1	603.1	579.5	469.5	428.6	523.4	591.9	533.1
c) Long-term	574.5	655.1	589.6	594.6	702.1	594.3	551.9	589.6	601.9	681.0	641.4	594.6	655.5	597.8
5. Other domestic assets	-65.0	-65.5	-24.8	-27.4	-69.4	-74.8	-63.2	-24.8	-18.3	-18.6	-22.6	-27.4	-26.5	-27.7
6. Total assets	3,020.0	3,394.7	3,728.3	3,752.2	3,538.9	3,459.1	3,512.7	3,728.3	3,777.8	3,738.4	3,694.6	3,752.2	4,020.8	3,981.8

TABLE 3.1: CONSOLIDATED BALANCE SHEET OF THE MONEY-CREATING INSTITUTIONS

(continued)

End of period	2001		2002		2003		2004		2004		2005			
	I	II	I	II	I	II	I	II	I	II	I	II		
LIABILITIES														
7. Broad money	1,840.6	2,033.6	2,214.1	2,285.3	2,080.0	2,123.7	2,182.9	2,214.1	2,265.3	2,259.1	2,254.5	2,285.3	2,403.1	2,415.1
a) Money	701.0	844.5	933.2	960.8	795.1	870.7	919.5	933.2	969.7	974.4	947.8	960.8	1,059.6	1,048.9
b) Quasi-money	1,139.6	1,189.1	1,280.9	1,324.5	1,284.9	1,253.0	1,263.5	1,280.9	1,295.6	1,284.6	1,306.7	1,324.5	1,343.5	1,366.1
8. Money-creating institutions	303.8	376.5	356.1	375.0	413.5	406.9	399.4	356.1	428.1	427.1	409.2	375.0	438.2	454.2
a) Monetary authorities	295.5	358.3	339.5	348.5	388.2	390.4	371.8	339.5	407.8	407.2	390.6	348.5	430.2	441.3
b) Commercial banks	8.2	18.2	16.7	26.5	25.3	16.4	27.6	16.7	20.4	19.9	18.6	26.5	8.0	12.9
9. Public sector deposits	103.3	143.4	126.8	113.5	208.0	73.8	79.8	126.8	83.8	138.3	140.8	113.5	112.1	114.2
a) Government	72.0	72.4	47.6	12.7	141.0	15.1	24.4	47.6	9.5	73.7	36.7	12.7	16.1	18.3
b) Development funds	31.3	71.0	79.2	100.7	67.0	58.7	55.5	79.2	74.3	64.6	104.1	100.7	96.0	95.9
10. Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Subordinated debt	14.1	9.1	5.6	2.5	9.1	9.1	9.1	5.6	5.6	5.6	5.6	2.5	2.5	2.5
12. Capital and reserves	194.5	193.0	261.8	309.0	204.3	209.1	218.3	261.8	282.3	297.0	311.6	309.0	306.3	322.8
13. Foreign liabilities	406.1	451.0	575.5	482.1	424.3	429.1	428.7	575.5	530.8	443.0	409.2	482.1	565.6	508.2
a) Short-term	356.8	380.4	506.8	428.1	364.9	369.1	361.0	506.8	462.7	382.2	344.2	428.1	511.8	461.5
b) Long-term	49.3	70.6	68.6	54.0	59.4	60.0	67.7	68.6	68.1	60.8	64.9	54.0	53.8	46.7
14. Revaluation differences	38.7	56.5	62.5	65.2	54.9	57.4	52.6	62.5	66.1	56.2	62.8	65.2	61.3	67.3
15. Other domestic liabilities	119.0	131.6	125.9	119.5	144.7	150.0	141.7	125.9	115.8	112.2	101.0	119.5	131.7	97.6
16. Total liabilities	3,020.0	3,394.7	3,728.3	3,752.2	3,538.9	3,459.1	3,512.7	3,728.3	3,777.8	3,738.4	3,694.6	3,752.2	4,020.8	3,981.8

TABLE 3.2: DETAILED BALANCE SHEET OF THE CENTRALE BANK VAN ARUBA

End of period	Domestic assets		Total domestic assets	Foreign assets			Total foreign assets	Total assets			
	Government	Other		(1)	(2)	(3)			Claims on		
									Gold and claims in gold	Banks	Governments
(4)	(5)	(6)	(7)	(8)	(9)						
2001	0.0	18.6	18.6	55.0	60.7	0.0	465.0	599.3			
2002	0.0	29.8	29.8	68.2	40.3	0.0	567.8	706.1			
2003	0.0	31.2	31.2	83.1	33.1	0.0	495.4	642.7			
2004	0.0	28.9	28.9	87.1	40.6	0.0	488.2	644.8			
2003 I	0.0	30.9	30.9	66.7	72.0	0.0	615.9	785.4			
II	0.0	30.4	30.4	68.9	41.7	0.0	510.7	651.7			
III	0.0	30.5	30.5	77.2	55.7	0.0	456.6	620.0			
IV	0.0	31.2	31.2	83.1	33.1	0.0	495.4	642.7			
2004 I	0.0	31.1	31.1	84.3	40.4	0.0	510.2	666.0			
II	0.0	31.4	31.4	78.7	44.3	0.0	584.4	738.8			
III	0.0	31.1	31.1	82.7	61.9	0.0	536.7	712.4			
IV	0.0	28.9	28.9	87.1	40.6	0.0	488.2	644.8			
2005 I	0.0	29.1	29.1	85.0	70.1	0.0	549.7	733.9			
II	0.0	28.4	28.4	86.9	109.6	0.0	495.2	720.1			

TABLE 3.2: DETAILED BALANCE SHEET OF THE CENTRALE BANK VAN ARUBA

(continued)

End of period	Domestic liabilities										Total domestic liabilities	Total foreign liabilities	Revaluation of gold and foreign exchange holdings	Total liabilities				
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)					(20)	(21)	(22)	(23)
2001	64.3	141.8	65.7	31.3	2.5	60.9	156.5	0.0	19.4	15.8	558.1	2.6	38.7	599.3				
2002	68.4	147.4	64.3	47.9	3.4	80.1	195.1	0.0	8.4	26.3	641.2	8.5	56.5	706.1				
2003	78.2	149.1	36.8	30.5	1.2	61.3	193.7	0.0	2.7	24.1	577.6	2.6	62.5	642.7				
2004	78.2	145.5	6.5	41.7	2.6	82.3	196.0	0.0	1.6	23.6	578.1	1.5	65.2	644.8				
2003 I	68.4	134.4	136.1	43.8	1.7	78.3	232.4	0.0	6.3	29.0	730.4	0.1	54.9	785.4				
2003 II	68.4	140.2	10.1	29.3	1.7	95.7	216.7	0.0	6.4	24.2	592.7	1.6	57.4	651.7				
2003 III	68.4	135.0	21.4	25.9	1.6	55.4	221.7	0.0	8.6	29.2	567.3	0.2	52.6	620.0				
2003 IV	78.2	149.1	36.8	30.5	1.2	61.3	193.7	0.0	2.7	24.1	577.6	2.6	62.5	642.7				
2004 I	78.2	139.3	5.4	22.1	0.7	121.5	203.1	0.0	8.7	19.5	598.5	1.5	66.1	666.0				
2004 II	78.2	134.2	69.2	12.0	2.1	143.1	192.3	0.0	10.7	27.6	669.4	13.2	56.2	738.8				
2004 III	78.2	132.7	32.3	44.3	2.2	96.1	227.3	0.0	5.0	23.3	641.5	8.1	62.8	712.4				
2004 IV	78.2	145.5	6.5	41.7	2.6	82.3	196.0	0.0	1.6	23.6	578.1	1.5	65.2	644.8				
2005 I	78.2	147.3	12.1	39.9	2.8	135.1	223.2	0.0	4.9	22.5	665.8	6.8	61.3	733.9				
2005 II	78.2	151.8	13.8	9.3	2.4	150.8	213.1	0.0	5.2	26.9	651.4	1.4	67.3	720.1				

TABLE 3.3: BANK NOTES ISSUED

End of period	Denominations: number (x 1,000)					Total number of notes issued
	Denominations: value (Afl. million)					
	(1)	(2)	(3)	(4)	(5)	
	5	10	25	50	100	500
	(1)	(2)	(3)	(4)	(5)	(6)
	(7)					
2001	182	496	489	191	1,050	18
2002	181	475	459	262	1,082	18
2003	181	495	522	240	1,101	16
2004	179	533	433	262	1,088	13
2003 I	181	459	411	233	980	18
II	181	492	422	249	1,025	18
III	181	502	394	240	991	16
IV	181	495	522	240	1,101	16
2004 I	180	501	471	220	1,040	13
II	180	495	412	244	993	13
III	179	493	407	240	981	13
IV	179	533	433	262	1,088	13
2005 I	179	519	456	278	1,091	14
II	178	531	464	267	1,139	14
2001	0.9	5.0	12.2	9.5	105.0	9.2
2002	0.9	4.7	11.5	13.1	108.2	9.0
2003	0.9	5.0	13.0	12.0	110.1	8.1
2004	0.9	5.3	10.8	13.1	108.8	6.6
2003 I	0.9	4.6	10.3	11.6	98.0	9.1
II	0.9	4.9	10.6	12.5	102.5	8.9
III	0.9	5.0	9.8	12.0	99.1	8.2
IV	0.9	5.0	13.0	12.0	110.1	8.1
2004 I	0.9	5.0	11.8	11.0	104.0	6.7
II	0.9	5.0	10.3	12.2	99.3	6.6
III	0.9	4.9	10.2	12.0	98.1	6.6
IV	0.9	5.3	10.8	13.1	108.8	6.6
2005 I	0.9	5.2	11.4	13.9	109.1	6.8
II	0.9	5.3	11.6	13.4	113.9	6.8

TABLE 3.4: COINS ISSUED

End of period	Denominations: number (x 1,000)										Total value of coins issued excl. (8) (Afl. million)	
	Cents					Florin						Com-memo-rative coins
	5	10	25	50		1	2 ½	5				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
2001	11,925	11,584	7,677	4,047	5,311	70	690	11	14.6			
2002	12,494	12,109	7,986	4,236	5,626	72	739	11	15.4			
2003	13,365	12,902	8,411	4,491	5,863	72	798	11	16.3			
2004	14,099	13,674	8,869	4,653	6,203	73	820	12	17.1			
2003 I	12,670	12,257	8,054	4,279	5,639	72	743	11	15.5			
II	12,788	12,367	8,107	4,330	5,640	72	744	11	15.6			
III	13,015	12,616	8,229	4,405	5,726	72	754	11	15.8			
IV	13,365	12,902	8,411	4,491	5,863	72	798	11	16.3			
2004 I	13,527	13,094	8,519	4,536	5,868	73	800	12	16.4			
II	13,688	13,245	8,618	4,595	5,939	73	808	12	16.6			
III	13,807	13,351	8,651	4,616	5,993	73	812	12	16.7			
IV	14,099	13,674	8,869	4,653	6,203	73	820	12	17.1			
2005 I	14,340	13,957	9,024	4,714	6,279	75	821	12	17.3			
II	14,530	14,129	9,131	4,765	6,279	76	821	12	17.4			

TABLE 4.1: COMMERCIAL BANKS: SUMMARY ACCOUNT

End of period	Assets			Total assets = Total liabilities						
	(1)	(2)		(3)	(4)	(5)		(6)	(7)	(8)
		Cash and claims on banks	Investments			Loans	Other			
2001	608.4	74.9	1,688.9	139.7	2,511.9	2,100.6	147.3	263.9		
2002	675.8	100.1	1,852.5	179.5	2,807.9	2,329.2	141.8	336.9		
2003	810.6	138.1	2,038.0	165.2	3,151.9	2,620.6	197.2	334.0		
2004	726.3	150.2	2,136.2	165.8	3,178.5	2,649.7	244.4	284.4		
2003 I	725.8	108.3	1,861.2	182.7	2,878.0	2,361.9	153.1	363.0		
II	680.1	121.3	1,957.2	184.4	2,943.0	2,400.1	157.9	385.0		
III	606.3	159.2	2,039.8	189.4	2,994.6	2,462.9	167.2	364.5		
IV	810.6	138.1	2,038.0	165.2	3,151.9	2,620.6	197.2	334.0		
2004 I	802.6	132.6	2,043.8	202.6	3,181.6	2,582.0	217.7	381.9		
II	689.7	128.8	2,050.4	197.5	3,066.4	2,561.8	232.4	272.2		
III	648.0	147.5	2,100.0	156.6	3,052.1	2,552.1	247.0	253.1		
IV	726.3	150.2	2,136.2	165.8	3,178.5	2,649.7	244.4	284.4		
2005 I	861.4	139.9	2,193.8	163.1	3,358.3	2,760.9	241.7	355.6		
II	764.7	149.4	2,257.2	165.0	3,336.2	2,772.5	258.2	305.5		

TABLE 4.2: COMMERCIAL BANKS: PRUDENTIAL RATIOS

End of period	(1)	(2)	(3)
	Liquidity	Loan/deposit	Capital/risk value of assets
2001	28.5	73.1	10.6
2002	29.0	71.7	9.3
2003	30.5	72.8	10.0
2004	27.7	75.5	12.2
2003 I	30.3	70.8	9.9
II	28.5	73.2	9.4
III	26.6	74.7	9.3
IV	30.5	72.8	10.0
2004 I	29.7	74.0	12.7
II	26.9	74.9	13.3
III	26.0	77.0	13.4
IV	27.7	75.5	12.2
2005 I	29.9	74.5	13.2
II	27.4	76.4	14.1

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET

Domestic assets													
End of period	Notes and coins		Central Bank		Investments		Loans and advances						
	(1)	(2)	Current account deposits	Time deposits	(3)	(4)	Government securities	Non government securities	(5)	Enterprises	Mortgages	Individuals	Government
2001	30.7	60.4	154.8	154.8	62.1	62.1	6.0	6.0	548.2	629.9	366.7	0.3	0.3
2002	35.1	73.6	205.1	205.1	65.7	65.7	6.8	6.8	633.4	687.6	409.3	0.2	0.2
2003	40.5	81.2	172.6	172.6	63.6	63.6	35.4	35.4	710.9	759.0	433.7	0.1	0.1
2004	32.1	98.5	176.0	176.0	64.8	64.8	34.3	34.3	692.3	840.7	478.0	0.1	0.1
2003	I	29.4	82.7	235.5	65.7	65.7	15.1	15.1	626.2	706.3	414.4	0.2	0.2
	II	30.0	92.5	221.3	69.6	69.6	15.1	15.1	670.1	742.4	428.8	0.2	0.2
	III	30.7	52.2	210.1	83.6	83.6	35.5	35.5	711.9	766.2	432.2	0.1	0.1
	IV	40.5	81.2	172.6	63.6	63.6	35.4	35.4	710.9	759.0	433.7	0.1	0.1
2004	I	35.2	119.0	193.2	67.6	67.6	25.3	25.3	684.1	780.5	449.1	0.1	0.1
	II	29.8	141.3	182.4	61.6	61.6	25.2	25.2	680.2	779.3	457.9	0.1	0.1
	III	29.2	96.9	207.9	64.8	64.8	35.1	35.1	691.6	811.0	469.3	0.1	0.1
	IV	32.1	98.5	176.0	64.8	64.8	34.3	34.3	692.3	840.7	478.0	0.1	0.1
2005	I	33.9	140.2	222.3	74.7	74.7	14.2	14.2	692.4	899.9	480.1	0.0	0.0
	II	35.4	152.3	213.1	84.5	84.5	13.9	13.9	706.4	912.7	485.4	35.7	35.7

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET
(continued)

End of period	Domestic assets (cont'd)				Foreign assets				Total foreign assets	Total assets		
	Total domestic assets				Cash	Due from banks	Investments	Loans			Other	
	Premises	Subsidiaries	Accounts receivable	Other (net)								
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
2001	59.4	39.7	16.5	3.8	1,978.5	12.2	338.3	6.8	142.6	24.1	524.0	2,502.5
2002	60.9	46.4	31.1	2.4	2,257.7	15.1	326.2	27.6	120.2	41.0	530.2	2,787.9
2003	63.1	76.9	18.5	15.5	2,471.0	17.9	466.3	39.2	134.3	6.7	664.3	3,135.2
2004	68.7	64.8	18.1	-5.6	2,562.8	11.4	387.4	51.1	125.1	14.1	589.1	3,152.0
2003 I	62.2	49.6	30.3	4.1	2,321.7	16.8	332.0	27.5	111.9	40.6	528.8	2,850.5
II	61.8	46.1	36.3	5.4	2,419.6	14.6	299.8	36.6	113.1	40.1	504.3	2,923.9
III	70.3	37.6	40.6	0.0	2,471.1	18.6	267.0	40.1	126.2	40.8	492.7	2,963.8
IV	63.1	76.9	18.5	15.5	2,471.0	17.9	466.3	39.2	134.3	6.7	664.3	3,135.2
2004 I	63.0	75.3	28.6	9.4	2,530.4	16.5	408.9	39.7	130.0	35.7	630.8	3,161.2
II	65.2	73.3	23.1	5.3	2,524.6	12.8	298.2	42.0	132.9	35.9	521.9	3,046.5
III	66.1	64.6	22.1	3.4	2,562.1	12.0	280.0	47.7	128.0	3.7	471.4	3,033.5
IV	68.7	64.8	18.1	-5.6	2,562.8	11.4	387.4	51.1	125.1	14.1	589.1	3,152.0
2005 I	69.8	66.5	18.2	10.3	2,722.6	15.7	431.0	51.0	121.3	8.7	627.6	3,350.3
II	70.2	64.6	20.6	2.6	2,797.2	17.4	331.1	51.0	117.0	9.6	526.1	3,323.3

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET
(continued)

End of period	Domestic liabilities												
	Demand deposits				Time deposits							Savings deposits	Other liabilities
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)			
	Individuals	Companies	Other fin.inst.	Government	Individuals	Companies	Other fin.inst.	Development funds					
2001	107.1	385.4	60.9	6.3	235.5	229.7	263.0	0.0	410.7	256.1			
2002	121.8	467.8	116.0	8.1	263.3	256.3	251.4	23.1	417.3	286.4			
2003	144.5	510.5	150.0	10.8	270.3	335.6	174.0	48.7	496.4	232.5			
2004	132.8	592.8	101.0	6.2	229.8	319.1	218.6	59.0	546.3	232.3			
2003 I	108.5	442.5	115.7	5.0	262.3	300.8	285.3	23.2	436.3	301.7			
II	125.5	471.4	140.4	5.0	267.4	302.7	235.4	29.4	446.9	322.5			
III	110.2	540.3	138.6	3.0	270.6	279.8	244.4	29.5	449.5	310.3			
IV	144.5	510.5	150.0	10.8	270.3	335.6	174.0	48.7	496.4	232.5			
2004 I	126.5	562.0	151.8	4.1	243.9	366.1	168.5	52.2	516.4	230.7			
II	130.4	570.9	139.8	4.6	237.3	354.1	161.9	52.6	524.6	216.2			
III	123.4	571.7	125.9	4.5	236.6	326.3	198.3	59.7	534.9	212.4			
IV	132.8	592.8	101.0	6.2	229.8	319.1	218.6	59.0	546.3	232.3			
2005 I	133.0	646.0	142.5	4.0	220.2	339.1	182.9	56.1	591.1	246.0			
II	147.3	637.0	123.7	4.5	212.0	339.8	193.2	86.6	614.5	210.8			

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET
(continued)

End of period	Domestic liabilities (cont'd)		Foreign liabilities		Total domestic liabilities			Total Foreign liabilities			Total Liabilities	
	Capital base		Demand deposits		Time deposits			Savings deposits				Capital and sub-ordinated debt
			Banks	Non-banks	Banks	Non-banks	Banks	Non-banks	reserves	and sub-ordinated debt		
	(32)	(33)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)		(43)
2001	130.2	14.1	23.2	65.3	61.4	201.8	42.0	3.0	6.7	403.5	2,502.5	
2002	124.6	9.1	15.3	67.9	57.4	192.0	53.4	8.0	48.7	442.6	2,787.9	
2003	183.6	5.6	37.1	96.9	64.0	201.7	63.6	8.0	101.5	572.9	3,135.2	
2004	230.8	2.5	20.1	128.1	55.1	145.0	69.2	11.1	52.0	480.6	3,152.0	
2003	135.9	9.1	9.1	79.6	7.3	199.5	61.4	8.0	59.2	424.2	2,850.5	
II	140.7	9.1	18.0	81.0	6.8	199.4	54.5	8.0	59.9	427.5	2,923.9	
III	150.0	9.1	14.0	81.1	6.4	210.1	57.8	8.0	51.1	428.5	2,963.8	
IV	183.6	5.6	37.1	96.9	64.0	201.7	63.6	8.0	101.5	572.9	3,135.2	
2004	204.1	5.6	7.3	107.4	1.4	191.5	62.5	8.0	151.2	529.3	3,161.2	
II	218.8	5.6	37.7	105.6	0.6	156.0	65.8	8.0	56.1	429.8	3,046.5	
III	233.4	5.6	27.0	111.8	0.6	144.9	68.0	8.0	40.6	401.0	3,033.5	
IV	230.8	2.5	20.1	128.1	55.1	145.0	69.2	11.1	52.0	480.6	3,152.0	
2005	228.2	2.5	19.7	197.3	1.1	147.3	72.7	11.1	109.6	558.7	3,350.3	
II	244.6	2.5	41.3	125.7	19.0	146.4	68.5	11.1	94.8	506.8	3,323.3	

TABLE 4.4: COMMERCIAL BANKS' LOANS TO DOMESTIC SECTORS BY KIND OF ECONOMIC ACTIVITY AS OF END JUNE 2005

	Loans outstanding				Percentages						
	Current account		Mortgage		Total		Current account		Mortgage		Percentage of total loans
	Term loans		Term loans		Term loans		Term loans		Term loans		
Agriculture, hunting, forestry and fishing	0.1	0.2	0.0	0.3	35.0	65.0	0.0	0.0	0.0	0.0	
Mining and manufacturing	12.4	13.3	4.3	30.0	41.2	44.4	14.4	1.4	1.4	1.4	
Electricity, gas, and water supply	0.5	30.5	0.0	31.0	1.6	98.4	0.0	1.5	0.0	1.5	
Construction	13.4	12.9	16.6	42.9	31.2	30.0	38.8	2.0	38.8	2.0	
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	152.8	176.3	71.3	400.4	38.2	44.0	17.8	19.1	17.8	19.1	
Hotels and restaurants	11.9	40.8	39.2	91.9	13.0	44.4	42.6	4.4	42.6	4.4	
Transport, storage and communications	17.3	29.8	3.9	51.0	34.0	58.3	7.7	2.4	58.3	7.7	
Financial intermediation	10.4	63.8	22.5	96.8	10.8	66.0	23.3	4.6	66.0	23.3	
Real estate, renting and business activities	29.1	46.8	47.3	123.1	23.6	38.0	38.4	5.9	38.0	38.4	
Other enterprises	16.5	27.8	34.7	79.0	20.9	35.2	43.9	3.8	35.2	43.9	
Total loans to enterprises	264.3	442.1	239.8	946.2	27.9	46.7	25.3	45.2	46.7	25.3	
Government	0.0	35.7	0.0	35.7	0.0	100.0	0.0	1.7	0.0	0.0	
Individuals	65.9	451.1	592.6	1,109.6	5.9	40.7	53.4	53.1	40.7	53.4	
Total loans	330.2	928.8	832.4	2,091.5	15.8	44.4	39.8	100.0	44.4	39.8	

TABLE 4.5: COMMERCIAL BANKS' LOANS TO DOMESTIC SECTORS BY KIND OF ECONOMIC ACTIVITY

End of period	2001		2002		2003		2004		2004		2005			
					I	II	III	IV	I	II	III	IV	I	II
Agriculture, hunting, forestry and fishing	5.9	5.5	4.9	5.4	0.3	7.4	5.1	4.9	17.1	10.5	5.4	0.3	0.3	0.3
Mining and manufacturing	18.6	24.0	29.4	26.6	37.7	40.9	41.2	29.4	39.7	36.7	39.5	37.7	43.3	30.0
Electricity, gas and water supply	29.0	34.9	38.8	33.2	31.5	31.2	31.2	38.8	37.2	36.5	35.1	31.5	32.4	31.0
Construction	19.3	20.8	17.5	22.6	31.3	24.7	25.6	17.5	20.1	20.6	27.7	31.3	35.3	42.9
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	328.7	385.7	388.1	375.6	388.6	406.3	417.2	388.1	375.2	393.8	402.9	388.6	381.8	400.4
Hotels and restaurants	66.0	76.1	101.5	66.9	98.4	69.6	96.9	101.5	84.3	67.3	75.1	98.4	93.8	91.9
Transport, storage and communications	32.1	30.1	47.2	29.4	46.9	40.4	53.7	47.2	42.2	43.6	50.4	46.9	50.5	51.0
Financial intermediation	37.3	30.3	121.6	29.2	111.2	36.7	68.1	121.6	91.4	107.2	100.9	111.2	101.7	96.8
Real estate, renting and business activities	129.5	128.0	104.9	131.6	129.9	148.9	112.9	104.9	120.5	127.2	125.1	129.8	119.5	123.1
Other enterprises	73.6	100.7	72.3	107.6	76.7	81.2	87.5	72.3	80.0	61.5	67.0	76.7	70.1	79.0
Total loans to enterprises	739.9	836.2	926.2	828.1	952.4	887.2	939.4	926.2	907.6	904.9	928.9	952.4	928.6	946.2
Government	0.3	0.2	0.1	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	35.7
Individuals	829.9	919.4	1,006.4	943.5	1,090.1	979.8	995.5	1,006.4	1,035.8	1,043.6	1,073.3	1,090.1	1,174.9	1,109.6
Total loans	1,570.1	1,755.9	1,932.7	1,771.8	2,042.6	1,867.1	1,935.0	1,932.7	1,943.5	1,948.5	2,002.3	2,042.6	2,103.6	2,091.5

TABLE 5.1: FINANCIAL SURVEY

	Central Bank and Treasury	Commercial Banks	Monetary Sector	Nonmonetary Financial Institutions	Financial Sector
End of June 2005	(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)+(4)
1. Foreign assets	691.7	526.1	1,217.8	577.9	1,795.7
2. Domestic claims					
a) Government	72.3	2,171.7	2,244.0	1,359.6	3,603.6
b) Non-financial public enterprises	65.5	78.1	143.6	602.4	746.0
c) Enterprises	0.0	66.3	66.3	60.3	126.6
d) Individuals	0.0	869.0	869.0	203.4	1,072.4
1) Consumer credit	6.8	1,158.3	1,165.1	493.5	1,658.6
2) Housing mortgages	0.6	485.4	486.0	96.9	582.9
3) Other domestic claims	6.1	672.9	679.1	396.6	1,075.7
3. Other domestic claims	21.6	638.4	660.0	889.5	1,549.5
4. TOTAL ASSETS=TOTAL LIABILITIES	785.6	3,336.2	4,121.8	2,827.0	6,948.8
5. Foreign liabilities	68.6	506.8	575.5	89.1	664.5
6. Deposits and borrowings	30.7	2,358.7	2,389.3	38.8	2,428.1
a) Government	23.1	91.2	114.2	36.7	150.9
b) Other residents	7.6	2,267.5	2,275.1	2.1	2,277.2
7. Pension fund provisions	0.0	0.0	0.0	1,402.7	1,402.7
8. Insurance reserve fund	0.0	0.0	0.0	298.1	298.1
9. Other domestic liabilities	686.3	470.7	1,157.0	998.4	2,155.4

TABLE 6.1: INTEREST RATES OF COMMERCIAL BANKS 1)

Period	Time deposits		Savings deposits	Weighted average rate of interest on deposits	Loans		Weighted average rate of interest on loans	Interest rate margin	
	≤ 12-months	> 12 months			Individual	Commercial			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (10=9-4)
2001	5.3	7.7	3.8	5.8	17.2	10.9	10.7	10.1	12.1
2002	5.2	7.1	3.7	5.5	16.7	10.3	10.0	10.6	12.8
2003	5.2	6.4	3.8	5.3	16.3	9.5	9.5	8.9	11.4
2004	3.6	6.0	3.9	4.4	16.5	9.8	8.8	8.9	11.4
2003 I	5.4	6.0	3.6	5.3	16.2	9.6	10.4	9.4	11.8
2003 II	5.5	6.5	3.8	5.5	16.6	9.4	9.3	9.9	11.8
2003 III	5.0	6.6	3.9	5.4	16.4	9.4	9.2	8.5	10.9
2003 IV	4.9	6.3	3.8	5.1	15.9	9.5	9.8	8.8	11.4
2004 I	3.7	6.1	3.9	4.9	16.7	9.6	9.1	8.9	11.4
2004 II	4.4	6.4	4.0	4.8	16.4	9.8	9.4	8.5	11.3
2004 III	3.7	5.2	4.0	4.2	16.5	10.0	8.5	8.9	11.8
2004 IV	3.0	6.1	3.9	3.8	16.4	9.9	8.5	9.4	11.3
2005 I	3.0	5.7	4.0	3.9	16.6	9.7	9.6	9.2	12.1
2005 II	3.9	4.7	3.9	4.0	16.3	9.7	8.2	9.0	11.2

1) Weighted averages related to transactions during the indicated period.

2) Including current overdraft facilities.

TABLE 6.2: CENTRAL BANK LENDING RATES

In % per annum As from	Redis- count (1)	Advance count (2)
January 1, 1986	8.0	9.0
July 1, 1986	8.5	9.5
April 1, 1999		6.5
February 1, 2002		6.0
June 2, 2003		5.0

TABLE 6.3: CENTRAL BANK OFFERED RATES ON COMMERCIAL BANKS' DEPOSITS 1)

Period averages in % per annum	7-day 30-day 90-day		
	(1)	(2)	(3)
2001	2.2	2.2	2.3
2002	0.4	0.6	0.7
2003	0.2	0.2	0.2
2004	0.1	0.1	0.2
2003 I	0.3	0.3	0.3
II	0.2	0.2	0.3
III	0.1	0.1	0.2
IV	0.1	0.1	0.2
2004 I	0.1	0.1	0.2
II	0.1	0.1	0.2
III	0.1	0.1	0.2
IV	0.2	0.2	0.2
2005 I	0.3	0.3	0.3
II	0.4	0.4	0.5

1) For deposits of Afl. 1 million to less than Afl. 3 million.

TABLE 6.4: LONDON INTERBANK OFFERED RATES ON US DOLLAR DEPOSITS

Period averages in % per annum	7-day 30-day 90-day		
	(1)	(2)	(3)
2001	4.0	3.9	3.8
2002	1.8	1.8	1.8
2003	1.2	1.2	1.2
2004	1.4	1.5	1.6
2003 I	1.3	1.3	1.3
II	1.3	1.3	1.2
III	1.1	1.1	1.1
IV	1.1	1.1	1.2
2004 I	1.1	1.1	1.1
II	1.1	1.2	1.3
III	1.5	1.6	1.8
IV	2.1	2.1	2.3
2005 I	2.5	2.6	2.8
II	3.0	3.1	3.3

Source: International Financial Statistics.

TABLE 6.5: GOVERNMENT SECURITY MARKETS

3-month treasury bills					
End of period	(1)	(2)	(3)	(4)	
	Date of issue	Amount (Afl. million)	Average price per Afl. 100	Yield per annum (%)	
2001	January	17.0	98.28	6.93	
	February	15.0	98.29	6.77	
	April	17.0	98.39	6.54	
	May	15.0	98.38	6.56	
	July	17.0	98.46	6.13	
	August	23.0	98.46	6.24	
	October	17.0	98.70	5.05	
	November	23.0	98.77	4.98	
	2002	January	17.0	99.46	2.30
		February	23.0	99.14	3.60
		April	17.0	99.47	2.09
May		23.0	99.46	2.58	
July		17.0	99.68	1.03	
July*		30.0	99.76	1.77	
August		23.0	99.54	1.92	
October		17.0	99.58	1.08	
November		23.0	99.74	1.05	
2003		January	17.0	99.72	0.87
		January	23.0	99.75	0.98
	April	17.0	99.75	0.96	
	May	23.0	99.76	0.95	
	July	17.0	99.67	1.10	
	July	35.0	99.37	2.62	
	August	23.0	99.51	1.73	
	October	17.0	99.41	1.88	
	October	23.0	99.42	2.04	
	2004	January	17.0	99.58	1.33
		January	23.0	99.43	2.16
April		17.0	99.53	2.04	
April		23.0	99.44	2.11	
July		17.0	99.52	1.93	
July		23.0	99.50	1.87	
October		17.0	99.53	1.91	
October		23.0	99.49	2.21	
2005		January	17.0	99.51	1.95
		January	23.0	99.45	2.32
		April	17.0	99.49	2.02
	April	23.0	99.48	1.95	
	July	17.0	99.40	2.35	
	July	23.0	99.24	3.15	
	October	17.0	99.25	2.99	

6-month cash loan certificates				
End of period	(1)	(2)	(3)	(4)
	Date of issue	Amount (Afl. million)	Average price per	Yield per annum (%)
2003	June	8.0	99.41	1.06
	December	8.0	98.93	2.17
2004	June	8.0	98.87	2.29
	December	8.0	98.38	3.30
2005	June	8.0	98.49	3.21

Government bonds				
End of period	(1)	(2)	(3)	(4)
	Date of issue	Maturity in years	Amount (Afl. million)	Yield per annum (%)
1996	June	5	5.4	7.625
	June	7	24.6	8.000
	September	6	27.3	7.875
1997	September	8	14.7	8.000
	June	4	10.4	7.625
	June	9	15.4	8.125
2000	April	5	30.0	8.250
2001	December	7	24.9	7.125
2002	September	7	30.0	6.250
	September	10	53.7	7.375
2003	June	7	54.0	6.000
2004	April	10	119.9	6.800
	June	12	57.5	6.800
2005	September	7	25.2	6.300
	February	4	40.0	6.000
	April	6	40.0	6.500

* 2-month treasury bills

TABLE 7.1: GOVERNMENT FINANCIAL OPERATIONS 1)

	2001		2002		2003		2004		2005					
	I	II	I	II	I	II	I	II	I	II				
1. Revenue and grants	731.8	750.8	975.2	819.7	338.1	180.7	203.6	252.8	194.3	171.3	235.8	218.4	192.3	235.3
A. Tax revenue	606.3	609.6	687.4	707.1	146.5	149.9	182.6	208.3	176.2	158.1	178.6	194.3	181.0	203.0
1. Taxes on income and profit	302.8	301.3	339.9	321.9	65.7	70.9	98.0	105.4	78.5	77.5	83.8	82.1	81.5	98.8
2. Taxes on commodities	202.6	213.5	234.4	255.4	50.9	53.7	58.7	71.2	55.6	59.6	58.8	81.3	58.9	65.6
3. Taxes on property	27.8	33.7	51.0	43.0	15.2	9.0	13.7	13.0	16.2	5.5	9.9	11.5	15.2	13.3
4. Taxes on services	48.3	46.7	48.0	60.7	14.8	11.4	10.7	11.1	18.2	15.4	12.6	14.4	18.8	15.9
5. Foreign exchange tax	24.8	14.4	14.0	26.2	0.0	5.0	1.5	7.5	7.7	0.0	13.5	5.0	6.5	9.4
B. Nontax revenue	125.5	103.8	86.1	81.6	19.9	30.8	21.0	14.4	18.1	13.2	26.2	24.0	11.3	20.3
C. Grants	0.0	37.4	201.8	31.1	171.7	0.0	0.0	30.1	0.0	0.0	31.1	0.0	0.0	12.1
2. Expenditure	760.1	862.0	905.9	1,164.0	188.1	242.5	218.2	257.0	232.3	293.5	233.9	404.4	205.7	277.0
1. Wages	255.2	261.7	265.6	286.2	58.4	77.6	61.1	68.5	65.2	80.9	65.2	74.9	65.9	88.9
2. Employer's contribution	24.2	66.0	66.3	157.4	14.9	14.8	13.2	23.4	16.1	16.8	19.9	104.6	17.9	16.6
3. Wage subsidies	91.5	103.7	105.9	122.7	24.3	30.4	24.5	26.6	26.8	33.1	29.2	33.6	29.4	38.0
4. Goods and services	135.9	149.4	153.5	191.1	28.8	30.7	57.5	36.4	48.1	53.7	46.7	42.7	30.6	42.1
5. Interest	46.5	48.9	44.9	85.2	8.6	10.7	11.9	13.7	13.2	17.7	13.6	40.7	18.7	25.7
6. Development fund spending	0.0	3.7	16.2	32.6	1.9	5.3	3.4	5.6	8.4	10.1	5.1	9.0	5.0	5.7
7. Investment	18.4	13.3	26.4	34.2	6.2	10.4	4.2	5.5	6.3	7.2	10.9	9.9	5.9	7.8
8. Transfer to General Health Insurance (AZV)	120.0	129.9	132.7	130.8	30.0	26.0	31.0	45.7	28.0	66.9	22.0	13.9	21.6	23.4
9. Items n.i.e. 2)	68.4	85.5	94.5	123.8	15.0	36.6	11.3	31.6	20.3	7.2	21.3	75.1	10.8	28.9
3. Lending minus repayments	-0.4	-38.4	-103.1	10.2	-86.3	2.6	13.0	-32.4	0.3	0.5	6.1	3.3	0.6	1.4
1. Lending	3.7	15.5	19.1	10.2	0.9	2.6	13.0	2.6	0.3	0.5	6.1	3.3	0.6	1.5
2. Repayments 3)	-4.1	-53.9	-122.2	0.0	-87.2	0.0	0.0	-35.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Financial deficit (-)	-28.0	-72.9	172.4	-354.5	236.3	-64.5	-27.6	28.2	-38.4	-122.7	-4.2	-189.2	-14.0	-43.0
5. Net foreign capital	38.6	106.7	-200.6	96.5	-171.7	-99.3	0.4	69.9	-4.7	119.2	0.0	-17.9	-2.7	0.4
A. Loans received 4)	49.3	136.0	293.6	119.5	196.9	0.0	0.0	96.7	0.0	119.5	0.0	0.0	2.2	0.6
B. Repayments on loans	-47.5	-66.1	-126.1	-22.9	0.0	-99.3	0.0	-26.8	-4.7	-0.3	0.0	-17.9	-4.9	-0.2
C. Other financial transactions	36.8	36.8	-368.2	0.0	-368.6	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Net domestic capital 5)	14.2	2.5	9.0	236.7	0.0	25.5	0.1	-16.6	0.0	57.9	-0.6	179.4	5.3	3.3
A. Loans received	24.6	33.0	49.2	329.6	0.0	47.5	0.0	1.8	0.0	57.9	17.7	254.0	28.6	28.7
B. Repayments on loans	-10.4	-30.5	-30.3	-74.9	0.0	-22.0	0.1	-8.4	0.0	0.0	-18.3	-56.7	-22.6	-25.4
C. Other financial transactions	0.0	0.0	-10.0	-18.0	0.0	0.0	0.0	-10.0	0.0	0.0	0.0	-18.0	-0.7	0.0
7. Net recourse to the monetary system (-)	24.7	36.2	-19.3	-21.3	64.6	-138.2	-27.1	81.5	-43.1	54.4	-4.8	-27.8	-11.4	-39.4
A. Loans received	-0.3	-3.1	-1.8	-7.2	0.0	-3.9	2.1	0.0	0.0	0.0	-7.1	-0.1	-9.8	-41.4
B. Drawings on deposits	36.6	40.1	-16.6	-13.3	64.7	-134.2	6.0	47.0	-43.0	54.5	2.5	-27.3	-1.4	2.1
-Farmed	4.4	12.2	-50.5	-0.3	77.6	-121.8	-2.2	-4.1	-0.3	1.0	0.0	-1.0	0.0	0.3
-Free	32.1	27.8	34.0	-13.0	-12.9	-12.4	8.2	51.2	-42.7	53.5	2.5	-26.3	-1.4	1.8
C. Other	-11.5	-0.8	-0.9	-0.8	-0.1	0.0	-35.3	34.5	-0.1	-0.1	-0.2	-0.4	-0.2	-0.1
8. Memorandum items														
A. Unmet financing requirements	257.1	260.2	281.7	152.9	285.8	312.6	325.8	281.7	295.8	293.9	288.2	152.9	137.0	177.0
B. Financial deficit (-)	-141.8	-76.1	150.9	-225.7	210.6	-91.3	-40.7	72.3	-52.5	-120.8	1.5	-53.9	2.0	-83.1

1) Preliminary figures and estimates on a cash basis.

2) Residual item, including errors and omissions.

3) In the second quarter of 2002, an early debt repayment of Afl. 45 million was received from Utilities N.V., related to the taking over of certain assets from the government in 1992.

4) Includes net-borrowing on behalf of public institutions.

5) Net long-term capital attracted from nonmonetary sectors mainly by issuing government bonds. The commercial bank's purchases of such bonds are included under item 7a, while the nonresident's purchases are included under 5.

Source: Department of Finance; Tax Collector's Office; CBA.

TABLE 7.2: GOVERNMENT REVENUE

	2001	2002	2003	2004	2003				2004				2005	
					I	II	III	IV	I	II	III	IV	I	II
TOTAL REVENUE AND GRANTS	731.8	750.8	975.2	819.7	338.1	180.7	203.6	252.8	194.3	171.3	235.8	218.4	192.3	235.3
TAX REVENUE	606.3	609.6	687.4	707.1	146.5	149.9	182.6	208.3	176.2	158.1	178.6	194.3	181.0	203.0
Taxes on income and profit	302.8	301.3	339.9	321.9	65.7	70.9	98.0	105.4	78.5	77.5	83.8	82.1	81.5	98.8
Of which:														
-Wage tax	209.7	220.1	234.9	247.2	59.9	57.1	56.9	61.0	64.0	67.2	56.5	59.6	68.9	65.6
-Income tax	3.1	3.0	-0.6	0.3	0.1	0.5	-1.0	-0.2	0.2	2.0	0.4	-2.2	0.8	0.0
-Profit tax	90.0	78.3	105.6	74.4	5.7	13.2	42.2	44.6	14.3	8.4	27.0	24.7	11.8	33.2
-Solidarity tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on commodities	202.6	213.5	234.4	255.4	50.9	53.7	58.7	71.2	55.6	59.6	58.8	81.3	58.9	65.6
Of which:														
-Excises on gasoline	62.2	65.2	68.7	70.0	17.2	16.4	18.1	17.1	17.5	17.3	17.7	17.5	17.4	18.5
-Excises on tobacco	9.8	10.4	12.6	12.0	3.0	2.3	3.7	3.7	2.9	2.8	3.0	3.4	3.1	3.5
-Excises on beer	19.4	20.3	24.3	25.1	4.7	6.2	5.7	7.7	5.8	5.7	6.5	7.1	4.8	6.6
-Excises on liquor	13.2	13.1	13.9	15.8	2.7	2.9	3.4	4.8	3.2	3.6	3.4	5.5	3.9	4.3
-Import duties	98.0	104.5	114.9	132.5	23.3	25.9	27.8	38.0	26.3	30.2	28.2	47.8	29.7	32.6
Taxes on property	27.8	33.7	51.0	43.0	15.2	9.0	13.7	13.0	16.2	5.5	9.9	11.5	15.2	13.3
Of which:														
-Motor vehicle fees	13.3	15.2	14.7	15.1	7.4	1.3	2.3	3.5	8.0	1.5	2.3	3.3	9.2	1.5
-Succession tax	0.6	0.3	1.2	1.0	0.1	0.4	0.6	0.2	0.3	0.5	0.1	0.1	0.3	0.1
-Land tax	9.7	12.3	27.5	19.0	6.0	6.1	7.7	7.8	5.6	2.4	4.3	6.7	3.9	10.6
-Transfer tax	4.2	5.9	7.5	7.9	1.8	1.2	3.1	1.5	2.3	1.2	3.1	1.3	1.8	1.2
Taxes on services	48.3	46.7	48.0	60.7	14.8	11.4	10.7	11.1	18.2	15.4	12.6	14.4	18.8	15.9
Of which:														
-Gambling licenses	16.1	17.1	17.2	23.7	5.9	3.6	3.2	4.4	8.1	6.5	4.1	5.0	7.1	5.0
-Hotel room tax	26.6	24.8	25.1	30.5	7.5	6.5	5.8	5.2	8.6	7.9	7.1	6.9	10.6	9.3
-Stamp duties	1.9	2.1	3.6	3.3	0.8	0.7	1.2	0.9	0.5	0.2	0.6	1.9	0.4	0.4
-Other	3.7	2.7	2.3	3.1	0.5	0.5	0.6	0.7	1.0	0.8	0.8	0.6	0.7	1.2
Foreign exchange tax	24.8	14.4	14.0	26.2	0.0	5.0	1.5	7.5	7.7	0.0	13.5	5.0	6.5	9.4
NONTAX REVENUE	125.5	103.8	86.1	81.6	19.9	30.8	21.0	14.4	18.1	13.2	26.2	24.0	11.3	20.3
GRANTS	0.0	37.4	201.8	31.1	171.7	0.0	0.0	30.1	0.0	0.0	31.1	0.0	0.0	12.1

Source: Tax Collector's Office; CBA.

TABLE 7.3: GOVERNMENT'S POSITION WITH THE MONETARY SYSTEM

End of period	Domestic deposits			Gross liquidity position	Liabilities to		Net liability to the monetary system	Change in net liability during period				
	Central Bank		Commercial banks		Monetary authorities	Commercial banks			Total			
	Free	Earmarked								Development funds	Demand Development funds	
(1)	(2)	(3)	(4=1+2+3)	(5)	(6)	(7=4+5+6)	(8)	(9)	(10=8+9)	(11=10-7)	(12)	
2001	26.0	39.7	31.3	97.0	6.3	0.0	103.3	62.8	14.8	77.6	-25.7	-24.7
2002	12.3	51.9	47.9	112.2	8.1	23.1	143.4	63.6	17.9	81.4	-61.9	-36.2
2003	35.4	1.4	30.5	67.3	10.8	48.7	126.8	64.5	19.7	84.2	-42.6	19.3
2004	5.4	1.1	41.7	48.3	6.2	59.0	113.5	65.2	26.9	92.1	-21.3	21.3
2003	6.5	129.5	43.8	179.9	5.0	23.2	208.0	63.7	17.9	81.5	-126.5	-64.6
II	2.5	7.7	29.3	39.4	5.0	29.4	73.8	63.7	21.8	85.5	11.7	138.2
III	15.8	5.5	25.9	47.3	3.0	29.5	79.8	99.0	19.7	118.7	38.8	27.1
IV	35.4	1.4	30.5	67.3	10.8	48.7	126.8	64.5	19.7	84.2	-42.6	-81.5
2004	4.3	1.1	22.1	27.5	4.1	52.2	83.8	64.6	19.7	84.3	0.5	43.1
II	67.1	2.1	12.0	81.2	4.6	52.6	138.3	64.7	19.7	84.4	-53.9	-54.4
III	30.1	2.1	44.3	76.6	4.5	59.7	140.8	64.9	26.8	91.7	-49.1	4.8
IV	5.4	1.1	41.7	48.3	6.2	59.0	113.5	65.2	26.9	92.1	-21.3	27.8
2005	11.0	1.1	39.9	52.0	4.0	56.1	112.1	65.4	36.7	102.1	-9.9	11.4
II	12.4	1.4	9.3	23.1	4.5	86.6	114.2	65.5	78.1	143.6	29.4	39.4

TABLE 7.4: OUTSTANDING GOVERNMENT DEBT

	2001	2002	2003	2004		2005								
				I	II	I	II							
1. Total debt	1,463.5	1,611.1	1,478.8	1,700.2	1,456.3	1,421.3	1,481.1	1,478.8	1,481.5	1,654.7	1,659.6	1,700.2	1,687.1	1,764.7
2. Domestic debt	710.5	717.5	754.6	864.7	729.0	784.6	840.6	754.6	768.7	824.8	825.6	864.7	864.0	954.0
A. Negotiable	179.2	189.1	218.5	320.9	189.1	218.5	253.5	218.5	218.5	276.4	286.9	320.9	358.7	368.1
1. Treasury bills	40.0	40.0	40.0	40.0	40.0	40.0	75.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
2. Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3. Government bonds	131.2	141.1	170.5	272.9	141.1	170.5	170.5	170.5	170.5	228.4	238.9	272.9	310.7	320.1
B. Non-negotiable	531.4	528.4	536.1	543.8	539.9	566.2	587.1	536.1	550.2	548.4	538.7	543.8	505.3	585.9
1. Short-term	272.2	275.8	300.9	152.9	302.3	330.0	344.1	300.9	315.9	315.0	310.2	152.9	137.0	213.0
a. APFA	179.5	214.1	219.7	49.9	214.4	218.2	231.6	219.7	214.8	221.5	240.7	49.9	57.9	67.7
b. Suppliers' credit	74.8	43.1	43.4	75.8	63.1	74.9	62.4	43.4	54.5	61.2	51.2	75.8	53.8	79.0
c. Other	17.9	18.6	37.8	27.2	24.8	36.9	50.1	37.8	46.6	32.3	18.3	27.2	25.3	66.3
2. Long-term	259.2	252.6	235.2	390.9	237.6	236.1	243.0	235.2	234.3	233.4	228.5	390.9	368.3	372.9
a. APFA	75.4	72.1	78.4	239.1	72.1	70.6	79.6	78.4	77.4	76.5	75.5	239.1	238.7	238.3
b. SVB	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9
c. Private loans	57.7	54.6	46.1	41.0	54.6	54.6	52.6	46.1	46.1	46.1	42.2	41.0	18.8	18.8
d. Other	31.2	31.0	15.9	15.9	16.0	16.0	15.9	15.9	15.9	15.9	15.9	15.9	15.9	20.9
3. Foreign debt	752.9	893.7	724.2	835.6	727.4	636.7	640.6	724.2	712.9	829.9	834.0	835.6	823.2	810.7
A. The Netherlands	181.5	199.6	217.0	212.4	205.6	213.6	217.2	217.0	210.9	208.2	211.9	212.4	203.4	191.5
1. Development cooperation	177.8	195.9	214.6	209.9	202.9	211.4	215.0	214.6	208.6	205.9	209.6	209.9	201.0	189.3
2. Commercial loans	3.7	3.7	2.4	2.5	2.7	2.2	2.2	2.4	2.3	2.3	2.3	2.5	2.4	2.2
B. EIB	13.0	15.0	13.6	14.3	15.4	15.7	15.9	13.6	13.2	12.9	13.2	14.3	13.6	12.5
C. USA	181.8	244.8	244.8	244.8	244.8	244.8	244.8	244.8	244.8	244.8	244.8	244.8	244.8	244.8
D. Other	376.7	434.2	248.8	364.1	261.6	162.6	162.6	248.8	244.0	364.1	364.1	364.1	361.4	361.9

Source: Department of Finance; APFA; CBA.

TABLE 8.1: BALANCE OF PAYMENTS 1)

During period	2001				2002				2003				2004				2005			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II		
1. Current account (net)	574.3	-595.8	-265.3	31.7	-269.7	153.6	-175.5	26.2	33.6	-192.5	-10.0	200.7	158.4	-78.0						
A. Goods and services	766.9	-251.1	-42.0	322.8	-196.2	193.3	-125.5	86.4	86.2	-131.9	65.1	303.4	232.9	9.9						
1. Goods	97.7	-951.5	-620.8	-494.9	-394.1	61.8	-250.1	-38.4	-205.1	-281.8	-84.3	76.3	-111.2	-153.2						
2. Services	669.2	700.4	578.8	817.7	197.9	131.4	124.6	124.8	291.3	149.9	149.4	227.1	344.1	163.1						
B. Income	-87.9	-222.4	-72.0	-104.4	-31.7	-4.9	-17.2	-18.3	-12.1	-17.7	-26.9	-47.7	-22.5	-37.6						
C. Current transfers	-104.7	-122.2	-151.4	-186.7	-41.8	-34.8	-32.9	-41.9	-40.5	-42.9	-48.2	-55.1	-52.0	-50.4						
2. Capital and financial account (net)	-428.7	601.9	171.0	-25.7	363.5	-321.3	136.6	-7.9	4.3	256.0	-46.4	-239.6	-120.2	13.8						
A. Capital account	-1.8	38.1	179.8	36.5	162.1	-13.9	0.1	31.4	-2.2	-0.7	36.4	3.0	1.7	10.6						
1. Capital transfers	-2.8	40.4	179.0	33.4	161.7	-13.9	0.1	31.1	-2.6	-1.4	35.1	2.3	1.3	10.6						
2. Acquisition/disposal of n.p.n.f. assets	1.0	-2.4	0.8	3.1	0.4	0.0	0.0	0.4	0.3	0.7	1.2	0.8	0.5	0.0						
B. Financial account	-426.9	563.9	-8.8	-62.1	201.4	-307.4	136.5	-39.3	6.6	256.7	-82.7	-242.7	-121.9	3.2						
1. Direct investment	-510.9	590.8	287.5	259.4	270.3	-175.6	213.9	-21.1	108.6	50.6	41.1	59.2	1.9	48.4						
2. Portfolio investment	74.9	133.3	86.4	73.5	66.0	-28.9	-18.5	67.7	-24.9	119.9	1.1	-22.6	33.1	-33.2						
3. Financial derivatives	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
4. Other investment	9.1	-160.1	-382.6	-395.0	-134.9	-102.9	-59.0	-85.9	-77.1	86.3	-124.9	-279.3	-156.9	-12.0						
3. Items not yet classified 2)	-15.9	32.8	33.1	13.8	11.2	2.6	0.7	18.5	-6.9	-2.3	7.0	16.0	9.7	1.0						
4. Overall balance (1+2+3)	129.7	39.0	-61.2	19.9	105.1	-165.0	-38.2	36.9	31.0	61.2	-49.4	-23.0	47.8	-63.2						
5. Banking transactions 3)	18.5	32.9	-3.8	-17.1	-17.0	27.9	12.6	-27.2	-10.1	9.4	21.7	-38.1	39.6	49.6						
6. Increase (-) in official reserves 4)	-148.2	-71.9	65.0	-2.8	-88.0	137.1	25.6	-9.6	-21.0	-70.6	27.7	61.1	-87.5	13.6						
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
B. Foreign exchange holdings	-148.2	-71.9	65.0	-2.8	-88.0	137.1	25.6	-9.6	-21.0	-70.6	27.7	61.1	-87.5	13.6						

1) On a cash basis.

2) Including errors and omissions.

3) Minus (-) sign denotes an increase in assets and a decrease in liabilities.

4) Excluding revaluation differences of gold and official foreign exchange holdings.

TABLE 8.2: COMPONENTS OF THE CURRENT ACCOUNT

During period	2001				2002				2003				2004				2005			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II		
1. Goods and services	766.9	-251.1	-42.0	322.8	-196.2	193.3	-125.5	86.4	86.2	-131.9	65.1	303.4	232.9	9.9						
A. Goods	97.7	-951.5	-620.8	-494.9	-394.1	61.8	-250.1	-38.4	-205.1	-281.8	-84.3	76.3	-111.2	-153.2						
1. Exports f.o.b.	4,338.6	2,663.2	3,670.1	4,871.5	826.4	1,015.9	679.3	1,148.6	1,016.1	1,064.8	1,223.6	1,567.1	1,079.5	1,467.1						
2. Imports f.o.b.	4,241.0	3,614.7	4,290.9	5,366.4	1,220.5	954.0	929.4	1,187.0	1,221.2	1,346.5	1,307.9	1,490.7	1,190.8	1,620.3						
B. Services	669.2	700.4	578.8	817.7	197.9	131.4	124.6	124.8	291.3	149.9	149.4	227.1	344.1	163.1						
1. Receipts	1,772.3	1,785.6	1,880.0	2,239.6	526.5	420.2	445.7	487.6	638.0	508.2	500.0	593.4	660.6	552.2						
1.1 Transportation	85.9	57.7	62.1	85.2	12.8	13.3	17.2	18.8	21.4	22.1	20.1	21.7	24.5	22.5						
1.1.1 Passenger	6.5	1.6	0.2	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0						
1.1.2 Freight	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
1.1.3 Other	79.4	56.1	61.8	85.2	12.6	13.2	17.2	18.8	21.4	22.1	20.1	21.6	24.4	22.5						
1.2 Travel	1,473.8	1,487.7	1,539.6	1,898.3	443.3	350.5	358.6	387.2	554.0	430.5	420.4	493.3	566.3	470.7						
1.2.1 Tourism	1,462.6	1,474.2	1,523.9	1,888.0	440.5	345.6	354.9	382.9	550.1	427.8	419.2	491.0	564.9	469.2						
1.2.2 Other	11.2	13.4	15.7	10.3	2.7	4.9	3.7	4.3	4.0	2.8	1.2	2.3	1.3	1.5						
1.3 Government services, n.i.e.	23.7	31.0	25.4	28.1	3.5	5.5	7.8	8.6	7.4	7.6	6.0	7.1	4.5	6.9						
1.4 Other services	188.9	209.2	252.9	228.0	66.9	50.9	62.1	72.9	55.2	48.0	53.5	71.3	65.3	52.1						
1.4.1 Construction services	6.4	2.2	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.0						
1.4.2 Business services	165.3	178.4	223.3	198.6	62.2	44.3	55.8	60.9	48.7	38.2	46.5	65.1	61.3	46.1						
1.4.3 Other services, n.i.e.	17.1	28.6	29.4	29.4	4.7	6.6	6.1	12.0	6.5	9.7	7.0	6.2	4.0	6.0						
2. Payments	1,103.0	1,085.2	1,301.2	1,421.8	328.5	288.8	321.1	362.8	346.7	358.4	350.6	366.2	316.5	389.0						
2.1 Transportation	474.1	391.2	474.8	592.2	130.9	103.5	108.7	131.7	135.1	150.0	144.8	162.2	129.9	174.6						
2.1.1 Passenger	37.5	22.3	42.6	53.1	8.0	7.5	15.2	11.9	12.7	14.3	13.2	12.9	10.0	12.3						
2.1.2 Freight	424.5	362.5	430.2	537.1	122.4	95.6	93.2	119.1	122.4	134.7	130.8	149.2	119.2	162.0						
2.1.3 Other	12.1	6.3	2.0	2.0	0.5	0.4	0.4	0.7	0.0	1.0	0.9	0.1	0.8	0.2						
2.2 Travel	242.2	286.2	338.6	402.1	75.5	61.3	76.6	71.5	85.4	83.4	89.1	90.8	79.6	94.4						
2.2.1 Tourism	192.7	230.3	270.5	348.6	61.1	44.4	53.4	49.5	61.3	55.6	55.3	56.6	49.9	56.6						
2.2.2 Other	49.4	55.9	68.1	53.4	14.4	17.8	16.3	19.5	12.0	12.3	19.7	14.1	7.7	10.9						
2.3 Government services, n.i.e.	41.7	55.6	64.6	57.5	10.7	14.2	29.2	10.5	11.5	12.3	19.7	14.1	7.7	10.9						
2.4 Other services	345.1	352.3	423.1	370.1	111.4	91.8	90.2	129.7	102.7	97.1	81.7	88.5	89.4	98.7						
2.4.1 Construction services	27.1	26.6	45.6	45.2	26.4	4.4	3.0	11.8	9.7	17.4	10.5	5.7	4.5	5.1						
2.4.2 Business services	245.3	240.4	297.2	264.0	55.7	70.2	70.0	101.3	76.7	59.5	58.8	69.1	67.0	77.1						
2.4.3 Other services, n.i.e.	72.7	85.3	80.3	62.8	29.2	17.2	17.2	16.6	16.4	20.2	12.4	13.8	17.9	16.6						
2. Income	-87.9	-222.4	-72.0	-104.4	-31.7	-4.9	-17.2	-18.3	-12.1	-17.7	-26.9	-47.7	-22.5	-37.6						
1. Receipts	90.1	61.4	62.3	64.7	13.9	17.2	15.7	15.6	17.9	13.5	14.7	18.7	15.1	16.8						
1.1 Compensation of employees	0.8	0.8	0.5	1.1	0.1	0.2	0.1	0.1	0.1	0.3	0.2	0.4	0.3	0.3						
1.2 Investment income	89.3	60.5	61.9	63.6	13.8	17.0	15.7	15.4	17.7	13.1	14.6	18.2	14.7	16.4						
2. Payments	178.0	283.8	134.3	169.2	45.5	22.0	32.9	33.8	30.0	31.2	41.7	66.4	37.5	54.3						
2.1 Compensation of employees	1.0	1.1	1.1	1.8	0.3	0.3	0.3	0.3	0.4	0.3	0.5	0.6	0.5	0.6						
2.2 Investment income	177.0	282.6	133.2	167.4	45.2	21.7	32.7	33.6	29.5	30.9	41.2	65.8	37.0	53.8						
3. Current transfers	-104.7	-122.2	-151.4	-186.7	-41.8	-34.8	-32.9	-41.9	-40.5	-42.9	-48.2	-55.1	-52.0	-50.4						
1. Receipts	74.0	62.4	71.8	74.4	14.0	17.0	20.3	20.6	17.9	17.4	15.9	23.2	19.0	23.7						
1.1 General government	30.9	16.2	23.7	27.3	3.4	4.8	7.2	8.3	6.4	6.3	4.7	9.9	4.5	8.9						
1.2 Other sectors	43.1	46.2	48.1	47.1	10.6	12.2	13.1	12.3	11.5	11.1	11.1	13.3	14.5	14.8						
1.2.1 Workers' remittances	1.7	1.6	5.6	6.3	1.2	1.6	1.4	1.5	1.1	1.5	2.3	1.4	1.5	1.4						
1.2.2 Other transfers	41.4	44.6	42.5	40.8	9.4	10.6	11.7	10.8	10.5	9.6	8.8	11.9	13.0	13.4						
2. Payments	178.6	184.6	223.2	261.2	55.8	51.7	53.1	62.5	58.4	60.3	64.1	78.3	71.0	74.1						
2.1 General government	23.3	26.0	27.0	25.6	5.0	2.2	5.6	14.2	5.7	4.6	4.8	10.5	9.7	5.6						
2.2 Other sectors	155.4	158.6	196.1	235.5	50.8	49.5	47.5	48.3	52.8	55.7	59.2	67.8	61.4	68.5						
2.2.1 Workers' remittances	68.7	80.5	92.9	90.1	21.7	22.6	25.1	23.4	18.1	21.1	22.7	28.2	23.9	26.6						
2.2.2 Other transfers	86.7	78.1	103.3	145.4	29.1	26.9	22.4	24.9	34.7	34.6	36.5	39.6	37.4	41.8						
4. Current account balance (1+2+3)	574.3	-595.8	-265.3	31.7	-269.7	153.6	-175.5	26.2	33.6	-192.5	-10.0	200.7	158.4	-78.0						

TABLE 8.3: COMPONENTS OF THE CAPITAL AND FINANCIAL ACCOUNT (1)

During period	2001		2002		2003		2004		2005					
	I	II	I	II	I	II	I	II	I	II				
1. Capital account	-1.8	38.1	179.8	36.5	162.1	-13.9	0.1	31.4	-2.2	-0.7	36.4	3.0	1.7	10.6
A. Capital transfers	-2.8	40.4	179.0	33.4	161.7	-13.9	0.1	31.1	-2.6	-1.4	35.1	2.3	1.3	10.6
1.1 General government	0.0	37.4	183.8	30.8	166.3	-12.5	0.0	30.0	0.0	0.0	30.8	0.0	0.0	12.0
1.2 Other sectors	-2.8	3.1	-4.8	2.6	-4.6	-1.3	0.1	1.0	-2.6	-1.4	4.3	2.3	1.3	-1.4
1.2.1 Migrants' transfers	-2.8	3.1	-4.8	2.6	-4.6	-1.3	0.1	1.0	-2.6	-1.4	4.3	2.3	1.2	-1.4
1.2.2 Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
B. Acquisition/disposal of n.p.n.f. assets	1.0	-2.4	0.8	3.1	0.4	0.0	0.0	0.4	0.3	0.7	1.2	0.8	0.5	0.0
2. Financial account	-426.9	563.9	-8.8	-62.1	201.4	-307.4	136.5	-39.3	6.6	256.7	-82.7	-242.7	-121.9	3.2
1. Direct investment	-510.9	590.8	287.5	259.4	270.3	-175.6	213.9	-21.1	108.6	50.6	41.1	59.2	1.9	48.4
1.1 Abroad	-2.3	-1.1	-11.1	-0.6	1.2	-4.9	-4.2	-3.2	0.2	-0.2	-0.3	-0.3	-1.8	-1.1
1.2 In Aruba	-508.6	591.9	298.6	260.0	269.1	-170.7	218.1	-17.9	108.4	50.8	41.4	59.4	3.8	49.6
2. Portfolio investment	74.9	133.3	86.4	73.5	66.0	-28.9	-18.5	67.7	-24.9	119.9	1.1	-22.6	33.1	-33.2
2.1 Assets	44.2	31.6	-32.8	-35.1	-4.2	-5.6	-8.3	-14.6	-17.3	-0.9	3.1	-20.0	0.2	-10.4
2.2 Liabilities	30.7	101.6	119.1	108.5	70.2	-23.2	-10.2	82.3	-7.6	120.7	-2.0	-2.6	32.8	-22.8
3. Financial derivatives	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.1 Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.2 Liabilities	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Other investment	9.1	-160.1	-382.6	-395.0	-134.9	-102.9	-59.0	-85.9	-77.1	86.3	-124.9	-279.3	-156.9	-12.0
4.1 Assets	25.1	-122.1	-23.8	-285.9	51.3	4.1	-6.5	-72.7	-45.6	104.5	-91.6	-253.1	-98.0	1.7
4.1.1 Loans	33.6	-1.5	-7.9	-5.7	0.6	1.8	1.2	-11.5	0.7	-5.2	-2.2	1.1	0.6	6.5
4.1.2 Other assets	-8.5	-120.6	-15.9	-280.2	50.7	2.3	-7.8	-61.1	-46.3	109.7	-89.4	-254.2	-98.6	-4.9
4.1.2.1 Currency and deposits	2.7	-115.1	-11.1	-272.9	50.3	2.9	-4.9	-59.4	-45.1	111.4	-87.8	-251.5	-99.3	-4.1
4.1.2.2 Other assets, n.i.e.	-11.2	-5.5	-4.8	-7.3	0.4	-0.6	-2.9	-1.7	-1.2	-1.7	-1.6	-2.7	0.7	-0.8
4.2 Liabilities	-16.0	-38.0	-358.8	-109.2	-186.1	-107.1	-52.4	-13.2	-31.5	-18.2	-33.3	-26.2	-58.9	-13.7
4.2.1 Loans	-41.0	-69.1	23.7	-81.7	184.1	-107.7	-47.0	-5.7	-25.6	-12.1	-27.1	-16.9	-53.2	-6.7
4.2.1.1 General government	-39.2	-39.0	82.0	-22.4	196.9	-99.2	0.0	-15.7	-4.7	-0.2	0.0	-17.5	-4.9	-0.2
4.2.1.2 Other sectors	-1.8	-30.1	-58.3	-59.2	-12.8	-8.5	-47.0	10.0	-20.8	-11.9	-27.1	0.7	-48.2	-6.4
4.2.2 Other liabilities	25.0	31.1	-382.5	-27.5	-370.2	0.7	-5.4	-7.5	-5.9	-6.1	-6.1	-9.3	-5.7	-7.0
4.2.2.1 Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2.2 Other liabilities, n.i.e.	25.0	31.1	-382.5	-27.5	-370.2	0.7	-5.4	-7.5	-5.9	-6.1	-6.1	-9.3	-5.7	-7.0
3. Capital and financial account balance (1+2)	-428.7	601.9	171.0	-25.7	363.5	-321.3	136.6	-7.9	4.3	256.0	-46.4	-239.6	-120.2	13.8

1) Excluding banking transactions and official reserves.

TABLE 8.4: BALANCE OF PAYMENTS BY SECTORS 1)

During period	2003 II				2004 II				2005 II			
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
1. Current account (net)	234.7	2.9	-84.0	153.6	-118.5	7.4	-81.4	-192.5	24.7	-3.1	-99.5	-78.0
A. Goods and services	242.1	3.1	-51.9	193.3	-107.0	7.5	-32.4	-131.9	38.8	-2.9	-26.0	9.9
1. Goods	323.4	2.7	-264.2	61.8	0.4	8.0	-290.1	-281.8	172.8	-1.2	-324.8	-153.2
1.1 Exports f.o.b.	991.2	16.8	7.9	1,015.9	1,040.4	17.0	7.4	1,064.8	1,444.6	16.4	6.1	1,467.1
1.2 Imports f.o.b.	667.8	14.1	272.1	954.0	1,040.0	9.0	297.5	1,346.5	1,271.9	17.6	330.9	1,620.3
2. Services	-81.3	0.4	212.3	131.4	-107.4	-0.5	257.7	149.9	-134.0	-1.7	298.8	163.1
2.1 Receipts	2.2	2.0	416.1	420.2	2.3	0.5	505.4	508.2	2.8	0.1	549.3	552.2
2.2 Payments	83.5	1.5	203.8	288.8	109.7	0.9	247.8	358.4	136.7	1.8	250.5	389.0
B. Income	0.0	0.0	-4.9	-4.9	0.0	0.0	-17.7	-17.7	0.0	0.0	-37.6	-37.6
1. Receipts	0.0	0.0	17.2	17.2	0.0	0.0	13.5	13.5	0.0	0.0	16.8	16.8
2. Payments	0.0	0.0	22.0	22.0	0.0	0.0	31.2	31.2	0.0	0.0	54.3	54.3
C. Current transfers	-7.4	-0.2	-27.2	-34.8	-11.6	-0.1	-31.2	-42.9	-14.1	-0.2	-36.0	-50.4
1. Receipts	0.0	0.0	16.9	17.0	0.0	0.0	17.4	17.4	0.0	0.0	23.7	23.7
2. Payments	7.4	0.2	44.2	51.7	11.6	0.1	48.7	60.3	14.1	0.2	59.8	74.1
2. Capital and financial account (net)	-209.1	3.4	-115.6	-321.3	128.1	-1.9	129.8	256.0	-17.0	0.0	30.8	13.8
A. Capital account	0.0	0.0	-13.9	-13.9	0.0	0.0	-0.7	-0.7	0.0	0.0	10.6	10.6
1. Capital transfers	0.0	0.0	-13.9	-13.9	0.0	0.0	-1.4	-1.4	0.0	0.0	10.6	10.6
2. Acquisition/disposal of n.p.n.f. assets	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7	0.0	0.0	0.0	0.0
B. Financial account	-209.1	3.4	-101.7	-307.4	128.1	-1.9	130.5	256.7	-17.0	0.0	20.2	3.2
1. Direct investment	-210.0	0.0	34.4	-175.6	0.0	0.0	50.6	50.6	0.0	0.0	48.4	48.4
2. Portfolio investment	0.0	0.0	-28.9	-28.9	0.0	0.0	119.9	119.9	0.0	0.0	-33.2	-33.2
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Other investment	0.9	3.4	-107.3	-102.9	128.1	-1.9	-39.9	86.3	-17.0	0.0	5.0	-12.0
3. Items not yet classified 2)	0.0	0.0	2.6	2.6	0.0	0.0	-2.3	-2.3	0.0	0.0	1.0	1.0
4. Overall balance (1+2+3)	25.6	6.4	-196.9	-165.0	9.5	5.5	46.2	61.2	7.7	-3.1	-67.7	-63.2
5. Banking transactions 3)	-25.6	-6.4	59.8	27.9	-9.5	-5.5	24.5	9.4	-7.7	3.1	54.1	49.6
6. Increase (-) in official reserves 4)	0.0	0.0	137.1	137.1	0.0	0.0	-70.6	-70.6	0.0	0.0	13.6	13.6
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	0.0	0.0	137.1	137.1	0.0	0.0	-70.6	-70.6	0.0	0.0	13.6	13.6

1) On a cash basis.

2) Including errors and omissions.

3) Minus (-) sign denotes an increase in assets and a decrease in liabilities.

4) Excluding revaluation differences of gold and official foreign exchange holdings.

TABLE 8.5: BREAKDOWN OF MERCHANDISE TRADE

During period	2001	2002	2003	2004	2003	2004				2005				
					I	II	III	IV	I	II	I	II		
1. Exports f.o.b.	4,338.6	2,663.2	3,670.1	4,871.5	826.4	1,015.9	679.3	1,148.6	1,016.1	1,064.8	1,223.6	1,567.1	1,079.5	1,467.1
A. General merchandise	189.1	145.6	105.8	93.2	30.2	23.4	29.5	22.7	22.9	22.8	21.9	25.6	21.9	20.8
1. Free-zone	143.5	110.2	78.9	68.4	24.9	15.8	19.5	18.8	16.3	17.0	14.8	20.3	17.6	16.4
2. Other sectors	45.6	35.3	26.8	24.8	5.3	7.6	10.0	3.9	6.6	5.8	7.0	5.3	4.3	4.4
B. Goods for processing	3,993.9	2,262.7	3,387.6	4,527.3	755.9	950.3	623.7	1,057.7	963.9	985.9	1,126.2	1,451.2	1,002.7	1,418.5
C. Goods procured in ports by carriers	155.6	254.9	176.8	251.1	40.2	42.1	26.1	68.2	29.2	56.1	75.5	90.2	55.0	27.8
D. Repairs on goods	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Imports f.o.b.	4,241.0	3,614.7	4,290.9	5,366.4	1,220.5	954.0	929.4	1,187.0	1,221.2	1,346.5	1,307.9	1,490.7	1,190.8	1,620.3
A. General merchandise	1,740.0	1,747.6	1,902.5	1,694.1	450.1	435.6	448.1	568.7	416.3	394.1	423.6	460.2	457.4	509.8
1. Oil sector	611.7	611.0	687.9	376.9	149.6	149.4	146.0	242.9	80.7	87.6	98.3	110.4	115.5	161.4
2. Free-zone	134.1	96.1	66.2	55.1	16.2	14.1	22.7	13.2	13.1	9.0	15.6	17.4	14.8	17.6
3. Other sectors	986.3	1,031.8	1,140.2	1,250.3	282.9	270.8	275.8	310.7	321.0	296.0	303.8	329.6	325.8	328.4
B. Goods for processing	2,499.8	1,866.5	2,388.4	3,672.0	770.4	518.4	481.3	618.3	804.8	952.4	884.4	1,030.4	733.4	1,110.5
C. Goods procured in ports by carriers	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Repairs on goods	1.2	0.7	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.1
3. Merchandise trade balance (1-2)	97.7	-951.5	-620.8	-494.9	-394.1	61.8	-250.1	-38.4	-205.1	-281.8	-84.3	76.3	-111.2	-153.2

TABLE 8.6: OFFICIAL FOREIGN EXCHANGE RATES (SELLING)
(Period averages)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Canadian dollar	Pound sterling	Netherlands guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO 1) (x 100)
2001	1.166	2.606	73.075	106.527	24.550	82.337	0.832	148.152	161.037
2002	1.151	2.723		115.940				144.179	170.323
2003	1.292	2.959		133.495				155.490	203.622
2004	1.389	3.312		144.722				166.471	223.843
2003	I 1.196	2.904		131.465				151.306	193.161
	II 1.292	2.939		134.452				151.839	204.539
	III 1.306	2.911		130.700				153.180	202.339
	IV 1.369	3.081		137.384				165.219	213.893
2004	I 1.368	3.322		143.020				167.859	224.838
	II 1.328	3.265		140.734				164.081	216.769
	III 1.377	3.285		142.772				163.590	219.797
	IV 1.477	3.372		151.899				170.236	233.446
2005	I 1.470	3.414		152.010				172.165	235.954
	II 1.448	3.349		146.302				167.148	226.375

1) On January 1, 1999, the ECU was replaced by the EURO. Also on January 1, 2002, the EURO replaced the Netherlands guilder, the French franc, the German mark and the Italian lire.

TABLE 8.7: OFFICIAL FOREIGN EXCHANGE RATES (SELLING)
(End of period)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Canadian dollar		Pound sterling	Netherlands guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO 1) (x 100)
2001	1.131	2.622	71.943	106.781	24.169	81.061	0.819	137.468	158.541
2002	1.144	2.916		129.646				151.665	188.656
2003	1.403	3.238		145.517				168.239	227.207
2004	1.495	3.488		158.424				175.464	245.035
2003	I 1.226	2.858		132.492				151.723	195.996
	II 1.329	3.230		131.990				149.699	205.566
	III 1.337	3.016		135.800				162.744	209.614
	IV 1.403	3.238		145.517				168.239	227.207
2004	I 1.379	3.316		140.717				173.193	219.904
	II 1.341	3.274		143.147				165.153	218.662
	III 1.421	3.264		143.482				162.741	223.232
	IV 1.495	3.488		158.424				175.464	245.035
2005	I 1.485	3.400		150.249				168.460	233.216
	II 1.463	3.240		140.052				162.396	217.529

1) On January 1, 1999, the ECU was replaced by the EURO. Also on January 1, 2002, the EURO replaced the Netherlands guilder, the French franc, the German mark and the Italian lire.

General note to the tables of the statistical annex

Figures in the statistical annex are quoted in millions of Aruban florin (Afl.), unless otherwise stated. The sum of separate items may differ in the final digit from the total shown, due to rounding.

Data are subject to revision if additional information becomes available.

The following symbols and conventions are used throughout the statistical annex:

blank: not available

0.0: nil

(d): discontinuity in the series; this sign will be accompanied by an explanatory note in the back section of the report.

Explanatory notes to the tables of the statistical annex

Table 1.1 Gross domestic product and its components

Gross Domestic Product (GDP) and its components are calculated on the basis of the United Nations publication "A System of National Accounts, 1993". The Central Bureau of Statistics has published GDP figures for 1995 up to and including 2002.

Exports and imports of goods and services exclude crude oil and refined oil products. An estimation of the net value added of the oil sector is included in the data on exports.

The real GDP is calculated using the change in the consumer price index (1995 = 100) as a proxy for the deflator.

Population data refer to the average of this variable at the beginning and at the end of each respective year.

Table 1.5 Consumer price indices

The consumer price index, produced by the Central Bureau of Statistics, is a Laspeyres type of index and is based on the results of household expenditure surveys conducted by this Bureau. The latest survey was conducted during the period October 1998 through January 1999.

The base of the index was replaced from August 1994 to September 2000.

To convert the indexes prior to September 2000 to the new base period, these indexes should be multiplied by the ratio of the new and old index. For instance, the indexes in column 1 "Total index" prior to September 2000 should be multiplied by the ratio 0.8410, i.e.,

$$\frac{\text{September 2000 (New index)}}{\text{September 2000 (Old index)}} = \frac{100.0}{118.9} = 0.8410$$

Table 1.8 Utilities

The table Utilities reflect the consumption of water, electricity and gas. The consumption of water is excluding sales to Coastal Aruba N.V., Valero Aruba Refining Co. N.V. and vessels. Each category is presented on the

basis of its standard unit of measure. The utilities index is calculated as a weighted average of the indexed consumption of water, electricity and gas. The weights used here are dynamic and fluctuate according to the relative significance (during a period) of the value of each consumption category in the aggregated value. Annual data are based on the year 1996 (=100), while quarterly data are based on an average of that year, since the quarterly data reflect only the consumption during a quarter, while the annual data is cumulative.

Table 1.9 and Table 1.10 Merchandise foreign trade, respectively by country and by product category

The data for these tables (by country and by product category) are derived from the automated customs system Asycuda. In this system, about 8,000 documents related to export and import are registered on a monthly basis. The Central Bureau of Statistics processes this data using the International Special Trade System. Certain types of goods are excluded from the data, e.g., monetary gold, securities, bank notes, coins in circulation, and postal items. Furthermore, goods consigned by a government to its armed forces and diplomatic representatives abroad (including embassies, consulates, the Cabinet of the Netherlands-Antillean and Aruban Affairs (KABNA), the Cabinet of the Governor of Aruba representing the Queen of the Kingdom of the Netherlands, and the Marine Corps) are also excluded from the trade statistics. These exclusions are in accordance with the recommendations of the United Nations. Mineral fuels are also excluded.

The country from which goods are imported is the country of consignment or provenance from which goods are dispatched to Aruba without any commercial transactions in intermediate countries. The country of export is the country of destination known at the time of dispatchment as the final country to which goods are delivered.

Table 2.1 Monetary survey

The monetary survey consolidates the accounts of the Centrale Bank van Aruba (the Bank), the commercial banks, and the Government, related only to the issuance of components of money supply, i.e., coins and treasury bills. This survey

shows the financial relationship between the monetary sectors, whose liabilities include the money supply, and other sectors of the economy.

Net claims on public sector:

Gross claims

Resulting from the issuance of coins and treasury bills. Gross claims include loans granted as well as government bonds in the hands of the monetary sector.

Net foreign assets:

Centrale Bank van Aruba

Revaluation differences of gold and official foreign exchange holdings are excluded in order to calculate the net import of foreign funds by the non-monetary sectors.

Table 2.2 Components of broad money

"Money" consists of bank notes, coins and demand deposits of the private sector. It does not include government deposits, neither the deposits of the commercial banks with the Bank, nor their cash holdings. "Quasi-money" comprises time and savings deposits with the commercial banks and the Bank, as well as treasury bills held by the private sector. This table shows the total liquid claims of the domestic private sector on money-creating institutions.

Table 2.3 Causes of changes in broad money

Inflow of foreign funds

Revaluation differences of gold and official foreign exchange holdings are excluded in order to calculate the net import of foreign funds by the non-monetary sectors.

Table 2.4 Foreign assets

Aruba's net foreign assets consist mainly of convertible claims on nonresidents and gold. Aruba has no accounts with the International Monetary Fund, because it participates in this institution as part of the Kingdom of the Netherlands. In contrast to Table 2.1, net foreign assets in this table include revaluation differences of gold and official foreign exchange holdings. Until the end of 2000, the valuation of gold was determined once every three years at the lowest yearly average market price of gold, converted into florin, in the three calendar years preceding the date of valuation, less 30 percent. Since December 31, 1998, gold has been valued at Afl. 368.58 (previously: Afl.

450.74) per fine troy ounce. Effective December 31, 2001, gold is valued on a quarterly basis at the prevailing market rate. Changes in the valuation of gold are included in the revaluation account.

Column:

(9) Revaluation differences

Revaluation differences of gold and official foreign exchange holdings.

Table 3.1 Consolidated balance sheet of the money-creating institutions

Money-creating institutions

These are the Bank, the Government and the commercial banks.

Claims on money-creating institutions:

Monetary authorities

These are institutions (the Bank and the Government) that create base money.

Other domestic assets

Mainly equipment and miscellaneous items.

Revaluation differences

These are revaluation differences of gold and official foreign exchange holdings. In accordance with the Central Bank Ordinance as revised in December 1989, changes in the value of gold and foreign exchange due to changes in the price of gold and exchange rates are accounted for in a revaluation reserve.

Other domestic liabilities

Money in custody, miscellaneous items and other liabilities.

Table 3.2 Detailed balance sheet of the Centrale Bank van Aruba

Columns:

(2) Other

Mainly equipment and miscellaneous items.

(5 and 6) Foreign assets:

Claims on banks

Balances with foreign central and commercial banks in convertible and other currencies.

Claims on governments

Treasury bills and other securities issued by foreign governments and international organizations in convertible and other currencies.

(10) Bank notes issued

Bank notes held by the public and commercial banks.

(13) Official entities

Includes the post office.

(16) Other financial institutions' deposits

These institutions are banklike financial institutions, such as mortgage and investment banks, licensed by the Bank to operate in the domestic market. Other nonbank financial institutions, among which are insurance companies and pension funds, are included under column (17) "private sector".

(17) Private sector

Includes business enterprises, individuals, nonbank financial institutions and foundations.

(18) Other

Money in custody, other liabilities and the Bank's current net income position.

Table 3.4 Coins issued

The Government issues coins, which are, therefore, its liability. The Bank buys the coins and resells them at face value to the commercial banks and to the public.

Table 4.1 Commercial banks: summary account

Commercial banks are financial institutions licensed to carry out banking operations with residents. These banks grant loans, and have among their liabilities deposits transferable by check or otherwise usable in making payments.

Commercial banks' transactions resulting in claims on, and liabilities to, nonresidents are included in this balance sheet only if these transactions are an integral part of their total activities. Offshore businesses sheltered in a separate accounting unit (where claims on nonresidents are kept equal to liabilities to nonresidents so that no net open position arises) are not included in this balance sheet.

Column:

(7) Capital and reserves:

Includes subordinated debt.

Table 4.2 Commercial banks: prudential ratios

The risk-weighted capital ratio is derived by dividing the banks' capital base by the total amount of the risk-weighted assets, including both on-balance and off-balance sheet activities. As of June 1989, the internationally adopted risk-weighted capital ratio was introduced.

Table 4.3 Commercial banks: detailed balance sheet

Columns:

(6 to 9) Loans and advances:

Enterprises

Commercial loans and advances to private and public enterprises and official entities. Public enterprises, among which the Telecommunications Company (SETAR), are companies producing goods and nonfinancial services, whose shares are fully or largely owned by the Government.

Mortgages

Loans and advances to enterprises and individuals secured by real estate.

Individuals

Loans and advances to individuals, excluding mortgages.

Government

Loans and advances to the Government, excluding official entities.

(10) Premises

The commercial banks' own buildings, other real estate, and equipment.

(11) Subsidiaries

Holdings of at least 10 percent of the equity capital of other companies and advances to these companies.

(12) Accounts receivable

Costs, commissions, dividends, rents, and other income earned or accrued, but not yet collected, as well as prepaid expenses not included in the banks' current profit and loss accounts.

(21) Total assets

The balance sheet total does not correspond with that of table 4.1, because in this table interbank assets and liabilities have been netted

out; the net figure is recorded in column (13) "other (net)".

(22 to 25) Demand deposits

Deposits withdrawable on demand, in the form of balances on checking and similar accounts. Also included are time deposits matured but not renewed.

(26 to 29) Time deposits

Deposits with a specific original maturity.

(30) Savings deposits

Deposits with certain withdrawal restrictions, but with no specific maturity condition.

(31) Other liabilities

Accounts payable, provision for loan losses and items not included elsewhere.

(32) Capital and reserves

Paid-up capital by residents, reserves, retained profits, and the banks' current net income position.

(33) Subordinated debt

Liabilities subordinated to claims of depositors and other creditors.

Table 4.4 and Table 4.5 Commercial banks' loans to domestic sectors by kind of economic activity

These tables provide a distribution of resident commercial loans to economic sectors according to the third revision of the International Standard Industrial Classification of all economic activities (ISIC) of 1990 of the United Nations. Table 4.4 gives an overview of the outstanding commercial loans, loans to government and to individuals of the banking sector, divided in three categories, i.e., current accounts, term loans and mortgages, and their contribution in total loans, for the period under review. Table 4.5 gives a historic overview of the outstanding loans of the banking sector provided in Table 4.4.

Table 5.1 Financial survey

The financial survey provides an overview of the activity of the financial sector as a whole. It covers financial positions and transactions of the financial sector with other domestic sectors and with the rest of the world. It comprises the accounts of the Bank, the Treasury (the government, related only to the issuance of components of money supply, i.e., coins and

treasury bills), the commercial banks, and the aggregated accounts of the nonmonetary financial institutions, comprising mortgage banks, pension funds, life insurance companies, finance companies, the Aruban Investment Bank, the Social Security Bank and IBA Corporation N.V (established in October 2003 to support the settlement of the take-over of Interbank Aruba (N.V.) by Aruba Bank N.V.).

Table 6.1 Interest rates of commercial banks

As of September 1998, the Bank introduced a new method to report and calculate the interest rates on deposits and loans of the commercial banks. The interest rates shown represent the period weighted average rates of these banks on new loans and deposits for domestic activities. Nominal interest rates are used for the deposits. An annual percentage rate (APR) is calculated for the interest rates charged on consumer credit. A weighted average rate of interest is calculated for both deposits (i.e., time and savings) and loans (i.e., individual and commercial). Subsequently, a margin between the credit and debit rate is computed.

Table 7.1 Government financial operations

This table provides a summary of the financial operations of the government on a cash basis, including imputed noncash transactions such as the transactions related to the hotel guarantee issue and the APFA debt conversion.

The government as defined by the Bank comprises all departments, including the Department of Public Works (DOW), "Landsbedrijf Ontwikkelingsprojecten" (LOP) and the Fondo Desaroyo Aruba (FDA). Thus, excluded are the social security sector, which comprises mainly the Social Security Bank (SVB) and the General Health Insurance (AZV).

In December 2004, following the approval by the Parliament of Aruba of the privatization of the civil servants pension fund, APFA, an agreement between the government and the APFA was reached on a debt conversion pertaining to existing payment arrears in premiums and cost of living allowances and private loans extended by the APFA to the government. The conversion consisted of a 12-year bond and a 35-year annuity loan, while a small part will be settled against future tax liabilities of APFA to the government.

The government finance data for the period between 1992 and 2003 were also revised to include the government's debt assumption, including a debt forgiveness, related to the hotel guarantees issued in the past.

Revenue and grants

Comprise receipts recorded by the Tax Collector's Office, the Department of Finance and the Bank. Tax and nontax revenues are classified according to the nature of the base on which the tax is levied or the kind of action which creates the obligation concerned. Grants are unrequited, nonrepayable, non-compulsory receipts from other governments or international institutions.

Expenditure

The level of expenditure is derived as a residual of total registered revenue (including grants minus net lending) and net financing. The Department of Finance provides information on the nature of the expenditure. Items n.i.e. (not included elsewhere) is a residual, and thus includes errors and omissions. In 2000 and the fourth quarter of that year, the Afl. 36.7 million debt settlement resulting from the separation of funds associated with the Status Aparte of Aruba in 1986 was reclassified from a current transfer in the "items not included elsewhere" to a repayment of debt in the item "net foreign capital".

Lending minus repayments

This category covers government payments leading to financial claims upon others or to government equity participation in the ownership of enterprises, minus receipts reducing or extinguishing such claims or equity holdings undertaken for public policy purposes.

Net Financing

Net financing comprises net foreign capital, nonbank domestic capital, and the net recourse to the monetary system of the government.

Memorandum items

The unmet financing requirements comprise all registered payment obligations to other sectors, irrespective of the time frame in which they mature.

The financial deficit includes the change in the unmet financing requirements.

Table 7.2 Government revenue

This table provides a detailed overview of the total government revenue, subdivided into taxes, nontax revenue and grants.

In March 2003, a debt forgiveness amounting to Afl. 171.7 million granted by the Italian export credit insurer, SACE, to the government as part of the settlement of the hotel guarantees issued in the past was classified as a capital transfer and registered in the item grants.

Table 7.3 Government position with the monetary system

This table covers the government's financial position with the Bank and the commercial banks. It gives an overview of the government's deposits with the Bank and the local commercial banks and its liabilities to the monetary authorities and local commercial banks.

Table 7.4 Outstanding government debt

Table 7.4 gives a detailed overview of the outstanding government debt based on information provided by the Department of Finance, the APFA and the Bank. The total debt, excluding the outstanding government guarantees, is divided into a domestic and a foreign debt component. The former comprises negotiable and non-negotiable debt, which is further divided into short and long term. The foreign debt, valued at end-of-period exchange rates, includes the debt to the Netherlands, the European Investment Bank, the United States and a residual category, comprising among others the Netherlands Antilles.

Data on outstanding government debt for the period between 1992 and 2003 were revised to reflect the government's debt assumption related to the hotel guarantees issued in the past.

Table 8.1 Balance of payments

Current and capital and financial account

The balance of payments records payments and receipts between residents and nonresidents on goods, services, income, and current transfers, as well as changes in Aruba's claims on, and liabilities to the rest of the world. The basic data to compile the balance of payments are obtained from residents, who are (with the

exception of companies with a nonresident status, i.e., offshore companies) legally obliged to report to the Bank their transactions with nonresidents. In practice, licensed foreign exchange banks, operating either as intermediaries or on their own behalf, report the bulk of the transactions. Enterprises, including the Refinery, holding accounts with nonresidents are also obliged to report. Changes in the balance on these accounts are registered by the Bank either as an increase or a decrease in currency and deposits, as well as in other direct investment capital and other investment capital, respectively.

Items not yet classified

Within the balance-of-payments system of closed and consistent returns, these items related to transactions which have already resulted, within a given recording period, in payments or settlements within the monetary sector but of which the nature of the underlying transactions in the nonmonetary sectors is not yet known. As soon as this information is available these items are entered in the current or capital and financial account. Profits and losses on foreign exchange transactions of the Bank and the commercial banks as well as revaluation differences of foreign claims and liabilities of the commercial banks are also included.

Banking transactions

Banking transactions cover all capital transactions of authorized foreign exchange banks carried out for their own account. These transactions comprise, among other things, loans to and from foreign banks and nonbanks and their redemptions, the placement of notes with nonresidents issued for their own account and changes in their liquid claims and liabilities.

Increase (-) in official reserves

The official reserves comprise all claims and liabilities of the Bank vis-à-vis nonresidents. Changes in the foreign exchange holdings (excluding revaluation differences of gold and foreign exchange holdings) cover all claims on and liabilities to nonresidents of the Bank denominated in foreign currencies. Changes in Aruban florin accounts held with the Bank by nonresidents are also reflected in the foreign exchange holdings.

Table 8.2 Components of the current account

Goods

Goods comprise import and export related payments of crude oil and oil products as well as import and export related payments by free-zone enterprises and by sectors other than the oil and free-zone sectors effectuated through the banking system and notified foreign accounts. Non-oil merchandise import payments by the oil sector, goods procured in ports and repair goods are also included.

Services:

Transportation

Transportation contains, among other things, harbor dues and fees, and passenger fares. Data on transportation are based on the relevant payments. However, adjustment are made to allow for the fact that in the balance of payments goods are recorded consistently as a f.o.b. basis.

Travel

Registered tourism receipts from transactions in foreign currency, traveller's checks, and credit cards as recorded by the foreign exchange banks, as well as the enterprises holding accounts with foreign banks. Goods taken out of Aruba by tourists paid for in foreign currency, traveller's checks or credit cards and flows related to medical treatment and expenditures of students are also included under "travel".

Government n.i.e

Payments by the Government of the Netherlands in connection with its representative office in Aruba (including the Dutch Royal Navy) are included as inflows, while payments by the Aruban Government related to its representative office in the Netherlands ("Aruba Huis") and its tourism offices abroad are, among others, recorded as outflows.

Other

These services mainly include management fees, transactions for industrial maintenance, contracting works, royalties, postal and telecommunication charges, insurance services, financial services, computer and information services, rents and leases.

Income

Income covers dividends received on equity investments and participations, as well as

interest on public and private sector loans, debt securities, and foreign assets and personal earned income.

Current transfers

Private transfers, i.e., workers' remittances and other current transfers of individuals as well as pension, alimony and other support remittances and official transfers, i.e., grants for social and cultural projects and contribution to the Solidarity fund.

Table 8.3 Components of the capital and financial account

Capital account

Capital account consists of capital transfers and acquisition/disposal of non-produced nonfinancial assets. Capital transfers cover private transfers being migrants' transfers, and official transfers, being payments in connection with development aid (capital grants).

Financial account

Financial account covers direct investment, portfolio investment, and other investment. The latter is subdivided into loans and other financial transactions.

Banking transactions

See note for Table 8.1.

Table 8.4 Balance of payments by sectors

This table summarizes the balance of payments' transactions by sectors.

Columns:

Oil sector

Transactions of Aruba's Refinery and its related businesses and Barlock/Texaco (the former Barlock/Shell), which are settled through the banking system as well as through foreign accounts are registered in this column.

Free-zone sector

This column covers the international transactions of the free-zone companies through the banking system and their foreign accounts.

Other sector

This column contains transactions of the rest of the economy (excluding the oil and free-zone sectors), which are settled through the banking system and accounts held with nonresidents.

Table 8.5 Breakdown of merchandise trade

Exports and imports are recorded on f.o.b. basis and are divided into general merchandise, goods for processing, goods procured in ports by carriers, repairs on goods and non-monetary gold.

Table 8.6 Official foreign exchange rates (selling)

The Banks' minimum selling rates for officially quoted currencies for customers. The foreign exchange banks' selling rates of the currencies shown in the table are fixed daily by the Bank on the basis of middle market rates quoted for those currencies against the U.S. dollar.

Officially quoted rates for other currencies are determined by means of a fixed percentage margin on either side of the middle rate for each currency. Offshore customers, or customers with larger amounts of foreign currency to be bought or sold, may negotiate an exchange rate to settle transactions with their banks.

Rates at which foreign exchange banks will buy and sell the U.S. dollar from and to the public:

	minimum buying rates		maximum selling rates
as from:	bank notes	cheque and cable- transfers	
Jan 1, 1986	1.77	1.79	1.81
May 18, 1987	1.77	1.78	1.80