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## **1. DEVELOPMENTS IN THE FIRST QUARTER OF 2005**

### **1.1 Introduction**

The expansion of the Aruban economy continued in the first quarter of 2005, according to available information. Activities in the tourism-related sectors strengthened further, albeit at a more moderate pace than in the corresponding quarter of 2004. Both the number of stay-over visitors and their nights spent on the island rose by 13 percent and 9 percent, respectively. The Partial Economic Activity Index (PEAI) recorded a 5.1 percent increase in real GDP, which is 2.9 percentage points higher than in the first quarter of 2004. Production in the construction industry was stronger in the period under review, on account of higher investment. According to the Bank's Businesses Perception survey, businesses continue to be optimistic about the short-term outlook.

The further growth in business activities did not generate inflationary pressures. Measured on a 12-month basis, the inflation rate decelerated to 2.7 percent, thereby remaining below the 3 percent rate of Aruba's major trading partner, the United States. The latter development contributed to an improvement in the competitive position of Aruba. The deceleration was attributed in part to lower price increases for clothing and footwear. Adjusted for the energy-related components, inflation slowed down by 0.4 percentage point to 1.9 percent.

In the quarter under review, the balance of payments strengthened further. Its overall surplus widened to Afl. 115 million, up from Afl. 31 million in the first quarter of 2004. This development was influenced in part by a bond issue on the international capital market by a local company. In addition, the current account surplus of the rest of the economy (i.e., excluding the oil and free-zone sectors) grew by Afl. 16 million to Afl. 49 million, due largely to a rise in net receipts from services. The inflow of funds from abroad led to an Afl. 96 million expansion in the money supply. On the other hand, net domestic assets fell by Afl. 19 million, following an Afl. 20 million contraction in banking sector credit granted to the private sector.

The net international reserves of the monetary sector rose to Afl. 767 million at the end of March 2005, i.e., Afl. 98 million higher than a year earlier. However, this expansion was largely influenced by an Afl. 113 million increase in the government's foreign debt on commercial terms denominated in U.S. dollars. Consequently, this debt category rose to Afl. 602 million as of end-March 2005, up from Afl. 489 million a year earlier. In addition, the oil sector contributed to the increase in net foreign assets by selling Afl. 71 million in foreign exchange to the commercial banks, resulting from its business activities. On the other hand, the other external transactions led to an Afl. 86 million decline in net international reserves.

In the quarter under review, government transactions resulted in an Afl. 2 million financial surplus (including the change in unsettled payment obligations), in contrast to an Afl. 53 million deficit in the first quarter of 2004. This turnaround was caused by declines in both expenditures and payment arrears. Government debt rose further to Afl. 1,702 million or 42 percent of the estimated GDP for 2005, up from Afl. 1,497 million in the first quarter of 2004. Apart from an Afl. 120 million bond issue on the

foreign capital market in April 2004, the government also issued several bonds on the local capital market, namely in June and September 2004, and in February 2005 of, respectively, Afl. 58 million, Afl. 25 million and Afl. 40 million. The proceeds of these bond issues were used to finance its budgetary deficit, to repay maturing debt and to cover the deficits of the General Health Insurance (AZV) incurred in 2001, 2002 and 2003.

## 1.2 The real sector

### *Business Perception Index*

According to the Business Perception Survey (BPS), businesses were positive about the economy in the quarter under review. While the index on current economic conditions rose by 1 percent to 106.5, the index on short-term economic conditions remained virtually unchanged at 108.5, reflecting confidence across all sectors, compared to the first quarter of 2004. Consequently, the overall BPS index rose by 0.9 percent to 107.3 (statistical annex Table 1.2).

### *Partial Economic Activity Index*

In the first 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– rose by 5.1 percent, compared to the corresponding quarter of 2004, reflecting expansions among all sectors, with the exception of “public administration & education”. Specifically, the significant 28 percent rise in the sector “construction” contributed largely to this outcome. This increase was related to a notable rise in the import of construction materials. The sector “hotels & restaurants” and the tourism-related sector “transport, storage and communication” expanded further by, respectively, 9 percent and 3 percent. In addition, the output of the sectors “utilities” and “housing” rose by, respectively, 7 percent and 3 percent (Table A and statistical annex Table 1.3).

**Table A: Partial Economic Activity Index 1)**

	<i>Share in GDP</i>		2003		2004		2005
	<i>(in percent)</i>	2003	2004	I	I	IV	I
				<i>(Period average)</i>			
Total Index	71.3	1.3	3.3	1.3	2.2	5.0	5.1
a. Utilities	4.1	1.9	0.5	6.7	-7.1	0.5	6.7
b. Construction	8.6	11.4	-8.5	29.3	-14.6	14.8	28.0
c. Trade	14.2	-4.4	3.4	-3.3	2.4	4.0	0.3
d. Hotels & restaurants	10.5	4.1	10.2	-1.6	12.5	8.6	9.1
e. Transport, storage & communication	8.2	-2.2	9.1	-4.7	3.3	7.5	3.2
f. Housing	12.6	2.5	2.6	2.3	2.7	2.6	2.8
g. Public adm. & education	13.1	0.1	1.8	-0.7	3.5	1.1	-0.2

Source: CBS.

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

## Tourism

In the period under review, the number of stay-over visitors and their nights spent on the island expanded further by, respectively, 13 percent and 9 percent, compared to 14 percent and 13 percent in the first quarter of 2004. Consequently, the average hotel occupancy rate rose by 3.8 percentage points to 88.3 percent.

The U.S. market continued to expand, pushed up by the buoyant U.S. economy. The number of stay-over visitors from that country and their nights spent on the island soared by 15 percent (first quarter 2004: +14 percent) and 13 percent (first quarter 2004: +12 percent), respectively. In addition, total tourists from Venezuela increased by 31 percent, up from 4 percent in the first quarter a year earlier, because Easter holidays were celebrated in March, i.e., a month earlier than in 2004. However, their

**Table B: Indicators of tourism activity**

			2003	2004		2005
	2003	2004	I	I	IV	I
1. a. Tourism receipts (x Afl. million) 1)	1,523.9	1,872.3	440.6	542.4	488.5	560.8
b. Tourism expenditures (x Afl. million) 2)	1,159.5	1,454.2	328.4	411.1	375.9	441.3
2. Stay-over visitors (x 1,000)	641.9	728.2	155.3	177.1	182.1	200.9
3. Market shares (in percentage)						
a. United States	72.4	73.5	76.9	76.5	72.8	77.4
b. Venezuela	8.5	8.1	5.3	4.9	7.9	5.6
c. The Netherlands	5.7	5.2	4.7	5.5	5.5	4.6
d. Canada	2.7	2.8	4.0	4.6	3.0	4.0
e. Colombia	1.8	1.5	2.8	1.1	1.7	1.1
f. Other countries	9.0	8.9	6.4	7.3	9.1	7.3
4. Visitor nights (x 1,000)	5,097.6	5,639.9	1,279.4	1,446.5	1,432.7	1,574.9
5. Average nights spent	7.9	7.7	8.2	8.2	7.9	7.8
6. a. Receipts per visitor night (Afl.)	299	332	344	375	341	356
b. Average daily expenditure (Afl.) 3)	186	207	206	223	230	229
7. Average hotel occupancy rate	74.4	80.7	76.3	84.5	80.0	88.3
8. Average daily hotel rate (Afl.) 4)	239	259	317	328	257	386
9. Revenue per available room (Afl.) 4)	123	147	163	191	141	230
10. Room tax receipts (x Afl. million) 5)	25.6	30.5	7.8	9.1	8.0	11.6
11. Cruise visitors (x 1,000)	542.3	576.3	201.4	185.2	196.7	190.7
12. Number of cruise ship calls	315	318	126	100	128	108
13. Contribution to current account 6)	75	79	79	82	74	81

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.

nights spent on the island went up by only 4 percent (first quarter 2004: +12 percent), indicating a shorter stay on the island. On the other hand, the number of Dutch tourists and their nights spent on the island shrank by, respectively, 4 percent and 15 percent, while gains of, respectively, 34 percent and 29 percent were registered in the first quarter of 2004. The latter increases were for a large extent influenced by the 50<sup>th</sup> celebration of Aruba's carnival. Consequently, the U.S. and Venezuelan market shares widened to 77.4 percent and 5.6 percent, respectively, up from 76.5 percent and 4.9 percent a year earlier. The Dutch market share, on the other hand, contracted by 0.9 percentage point to 4.6 percent.

In the first quarter of 2005, the number of cruise passengers and port calls climbed by 3 percent and 8 percent, respectively, in contrast to respective declines of 8 percent and 21 percent in the corresponding quarter of 2004.

Preliminary estimates by the Central Bureau of Statistics show that the average daily rate of the hotel sector and the revenue per available room increased by, respectively, 18 percent to Afl. 386 and 20 percent to Afl. 230, compared to the first quarter of 2004. Furthermore, room tax receipts rose by 27 percent to Afl. 12 million. Gross tourism receipts, as recorded in the balance of payments, grew by 3 percent to Afl. 561 million. Notwithstanding this result, their share in total current account receipts (excluding the oil and free-zone sectors) decreased by 1 percentage point to 81 percent (Table B and statistical annex Tables 1.4 and 1.5).

#### *Construction*

In the first quarter of 2005, the import of cement rose -for the second consecutive quarter- by 48 percent, thus reflecting a further expansion in construction activities. According to data provided by the Department of Technical Inspection, electrical installations approved grew by 6 percent, due to a rise in the number of houses and apartments inspected. However, the medium-term outlook for the construction sector appears less favorable. According to data from the Department of Public Works, the number of construction permits granted fell by 21 percent in the quarter under review, due mainly to a drop in permits for housing construction. The construction value of the building permits also declined, i.e., by 15 percent, because of a decrease in the categories "stores and shopping malls" and "houses", while the category "others" increased because the request in 2001 for a construction permit for the now almost completed expansion of the prison building was just granted in the quarter under review (statistical annex Table 1.8).

#### *Utilities*

In the first quarter of 2005, water consumption went up by 4 percent (first quarter of 2004: -14 percent), due mainly to an increase in use by households and hotels. In addition, both electricity and gas consumption increased by, respectively, 2 percent (first quarter of 2004: +5 percent) and 4 percent (first quarter of 2004: +5 percent). Consequently, the weighted utilities consumption index grew by 3 percent to 129.2 (statistical annex Table 1.9).

#### *Oil sector*

In the first quarter of 2005, growth in the refinery's throughput volume decelerated to 4 percent, down from a 23 percent growth in the corresponding quarter of 2004.

Export revenues from refined oil products surged by 66 percent to Afl. 1,746 million (first quarter of 2004: +19 percent), reflecting mainly higher oil prices on the international market. Also, the amount of crude oil imports rose by 32 percent to Afl. 1,184 million (first quarter of 2004: +40 percent). At the end of March 2005, 789 persons were directly employed at the refinery (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) increased by 3 percent to Afl. 362 million. This rise was attributable largely to increased imports of “base metals and derivated works”, “machinery and electrotechnical equipment” and “other goods” (mainly construction materials). This rise was offset in part by a fall in the import of transport equipment. In contrast, merchandise exports shrank by 22 percent to Afl. 8 million, mainly because of a decline in the category “art objects and collectors’ items”. On balance, the trade deficit expanded by Afl. 14 million or 4 percent to Afl. 354 million (statistical annex Tables 1.10 and 1.11).

#### *Price developments*

For the second consecutive quarter, the quarterly average increase in the consumer price index accelerated by 0.7 percentage point to 2.4 percent, reflecting mainly higher inflation in the categories “housing” and “transport and communication” following higher water and electricity tariffs, and rising gasoline prices. These higher prices were partially offset by a decline in the prices of clothing (Table C and

**Table C: Consumer price index**  
(Percentage change)

	2003	2004	2003		2004		2005
			I	I	IV	I	
	<i>(Period average)</i>						
Total index	3.6	2.5	5.2	1.7	3.1	2.4	
a. Food	3.1	3.9	2.5	4.0	4.1	3.9	
b. Beverage & tobacco	4.4	0.6	6.0	0.7	0.7	0.8	
c. Clothing & footwear	4.5	3.8	4.0	4.9	2.8	2.0	
d. Housing	5.7	2.1	10.9	-0.6	3.8	2.8	
e. Housekeeping & furnishing	2.7	2.0	3.1	1.8	2.1	2.0	
f. Health	0.0	0.0	0.0	0.0	0.0	0.0	
g. Transport & communication	2.8	2.4	4.6	0.9	3.5	2.3	
h. Recreation & education	2.4	2.5	3.2	2.1	2.7	1.4	
i. Other	2.6	1.5	3.4	1.5	1.7	1.4	
	<i>(Twelve-month average)</i>						
Aruba	3.6	2.5	4.0	2.8	2.5	2.7	
United States	2.3	2.7	2.0	2.0	2.7	3.0	
Curaçao	2.1	1.4	1.5	1.4	1.4	1.8	
The Netherlands	2.1	1.2	3.0	1.8	1.2	1.4	
Real exchange rate index (1995=100) 1)	105.2	105.0	104.4	105.2	105.0	104.9	

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

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

statistical annex Tables 1.6 and 1.7). On a twelve-month basis, the inflation rate decelerated slightly by 0.1 percentage point to 2.7 percent. When adjusting for the energy-related components (water, electricity, and gasoline), the inflation rate slowed down by 0.4 percentage point to 1.9 percent.

In the first quarter of 2005, the 12-month average inflation differential with the United States, i.e., Aruba's main trading partner, turned around to -0.3 percentage point, down from +0.8 percentage point in the corresponding quarter of 2004. Consequently, the real exchange rate index of the Aruban florin against the U.S. dollar declined to 104.9. Moreover, the inflation differential with Curaçao contracted by 0.5 percentage point to +0.9 percentage point, while the inflation differential with the Netherlands rose by 0.3 percentage point to +1.3 percentage points.

### 1.3 Money and credit

#### *Changes in the money supply*

In the first quarter of 2005, the money supply went up by Afl. 96 million or 4 percent to Afl. 2,381 million compared to the preceding quarter (Table D and statistical annex Tables 2.1, 2.2 and 2.3). Narrowly-defined money rose by Afl. 101 million or 11 percent, due to increases in demand deposits denominated in Aruban florin and in foreign currency. In contrast, quasi-money—comprising time and savings deposits and treasury bills held by the public—declined by Afl. 5 million or 0.4 percent, due mainly to a fall in time deposits.

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

	2003	2004	2003		2004		2005
			I	I	IV	I	
1. Net domestic money creation	241.7	56.8	-58.7	20.2	59.4	-19.0	
a. Net domestic credit	218.5	117.1	-35.5	52.1	65.2	-9.1	
- Public sector	19.3	21.3	-64.6	43.1	27.8	10.7	
- Private sector	199.2	95.8	29.1	9.0	37.4	-19.8	
b. Other domestic factors	23.2	-60.2	-23.2	-31.9	-5.8	-9.9	
2. Inflow of foreign funds 1)	-61.2	14.3	105.1	31.0	-28.6	115.1	
a. Current account transactions	-258.4	33.1	-269.8	31.3	205.6	158.9	
b. Net foreign capital 2)	197.2	-18.8	374.9	-0.3	-234.2	-43.7	
3. Broad money creation	180.5	71.1	46.4	51.2	30.8	96.1	
a. Money	88.7	27.6	-49.4	36.5	13.1	101.4	
b. Quasi-money	91.8	43.5	95.8	14.7	17.8	-5.3	
<i>(12-month percentage change)</i>	<i>(8.9)</i>	<i>(3.2)</i>	<i>(7.2)</i>	<i>(8.9)</i>	<i>(3.2)</i>	<i>(5.1)</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 the money supply was brought about largely by an Afl. 115 million net inflow of funds from abroad, following an Afl. 159 million current account surplus. Consequently, the official reserves of the Bank increased by Afl. 88 million (16 percent) to Afl. 637 million, which represents 83 percent of the aggregated net foreign assets of the monetary system. In addition, net foreign assets held by the commercial banks rose by Afl. 28 million (27 percent) to Afl. 131 million. At the end of March 2005, total net foreign assets (excluding revaluation differences of gold and official foreign exchange holdings) totaled Afl. 767 million. In the quarter under review, the ratio of net foreign assets to the money supply increased to 32 percent, up from 29 percent in the fourth quarter of 2004 (statistical annex Table 2.4).

On the other hand, net domestic assets fell by Afl. 19 million (1 percent). This decrease was mainly the result of an Afl. 20 million contraction in banking sector credit granted to the private sector, which reflected an Afl. 24 million (2 percent) drop in loans to enterprises. The latter decline resulted mainly from an early debt repayment and a loan refinancing with a nonmonetary financial institution. However, housing mortgages and consumer credit both rose by Afl. 4 million (1 percent) and Afl. 2 million (0.4 percent), respectively. The public sector contributed Afl. 11 million to the increase in the money supply, reflecting mainly the net purchase of Afl. 9 million in government bonds by the commercial banks.

#### *Interest rates*

In the first quarter of 2005, the commercial banks' interest margin, measured as the difference between the weighted average lending rate and deposit rate of new transactions, widened by almost one percentage point to 8.4 percentage points, compared to the fourth quarter of 2004 (statistical annex Table 6.1). This broadening was brought about by a rise in the average lending rate of 0.9 percentage point to 12.2 percent, following a 1.1 percentage points increase in the interest rate of commercial mortgages. The average interest rate on deposits went up slightly by 0.1 percentage point to 3.9 percent, because of a slightly higher interest rates on savings.

The Bank's interest rates on time deposits, which are linked to corresponding rates of the Federal Reserve Bank of New York, edged up slightly (statistical annex Table 6.3). The cost of short-term government borrowings was in general slightly higher during the first months of 2005 compared to a year earlier. The Afl. 17 million treasury bills issued in July 2005 yielded 2.35 percent, up from 1.95 percent in January 2005 and 2.02 percent in April 2005. The yield on the Afl. 23 million treasury bills issued in July 2005 rose to 3.15 percent, compared to 2.32 percent in January 2005 and 1.95 percent in April 2005. 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 December 2004 issue. 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

### *The balance sheet*

In the first quarter of 2005, the aggregated assets of nonmonetary financial institutions contracted by Afl. 3 million or 0.2 percent to Afl. 1,834 million compared to the fourth quarter of 2004. This decline was brought about mainly by an Afl. 32 million or 7 percent drop in net foreign assets of the nonmonetary financial institutions. Consequently, these assets amounted to Afl. 457 million or almost three and a half times the net foreign assets held by the commercial banks. In contrast, claims on the public sector rose by Afl. 21 million or 4 percent, reflecting largely the purchase of government bonds issued in February 2005. Also, claims on the private sector expanded by Afl. 8 million or 1 percent, primarily because of an increase in loans to enterprises, reflecting the earlier mentioned loan refinancing. On the liability side, pension fund provisions and the insurance reserve fund went up by Afl. 31 million (2 percent) and Afl. 8 million (3 percent), respectively (Table E and statistical annex Table 5.1).

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

	2003	2004				2005
	IV	I	II	III	IV	I
1. Net foreign assets	398.5	445.4	446.4	446.4	488.8	456.7
2. Domestic assets	1,266.5	1,260.3	1,300.0	1,333.4	1,348.3	1,377.1
a. Government	506.9	499.9	534.0	553.2	551.1	571.9
b. Private sector	759.6	760.4	766.0	780.2	797.2	805.2
3. Total assets=total liabilities	1,665.0	1,705.7	1,746.4	1,779.8	1,837.2	1,833.9
4. Borrowings and deposits	62.0	61.9	63.2	63.9	63.5	63.5
a. Government	36.8	36.7	36.7	36.7	36.7	36.7
b. Other residents	25.2	25.2	26.5	27.2	26.8	26.8
5. Pension fund provisions	1,218.4	1,285.8	1,287.3	1,328.6	1,379.1	1,409.8
6. Insurance reserve fund	273.3	287.3	291.9	295.6	288.4	296.0
7. Other items, net	111.3	70.7	104.0	91.8	106.2	64.6

Source: CBA.

1) Comprise mortgage banks, 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 quarter under review, housing mortgages granted by commercial banks grew by Afl. 3 million (0.6 percent) compared to the previous quarter. Moreover, housing mortgage lending by specialized mortgage banks and pension funds went up by, respectively, Afl. 3 million (1 percent) and Afl. 1 million (1 percent). In contrast, the mortgage loan portfolio of life insurance companies decreased by Afl. 1 million (1 percent) compared to the fourth quarter of 2004. Consequently, the share of nonmonetary financial institutions in the total housing mortgage portfolio remained virtually unchanged at 45 percent (Table F).

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

	2003	2004				2005
	IV	I	II	III	IV	I
1. Total	990.9	1,009.8	1,012.3	1,035.9	1,052.0	1,058.7
2. Commercial banks	543.7	556.9	554.6	573.7	580.6	584.0
3. Mortgage banks	275.9	277.5	278.7	280.4	283.5	286.4
4. Pension funds	91.2	97.5	102.1	104.7	113.4	114.0
5. Life insurance companies	62.3	61.1	60.4	59.9	57.4	56.9
6. Other	17.8	16.9	16.4	17.2	17.1	17.5

Source: CBA.

## 1.5 Government finance

### *Financial operations*

In the first quarter of 2005, total government revenues on a cash basis declined slightly by Afl. 2 million or 1 percent to Afl. 192 million compared to the corresponding quarter a year earlier. This decrease was the result of an Afl. 7 million (38 percent) decline in nontax revenue, reflecting mainly the receipt of a payment for a telecommunication license in the first quarter of 2004. In contrast, tax revenue rose by Afl. 5 million (3 percent) (Table G and statistical annex Tables 7.1 and 7.2).

Revenue from taxes went up partly because of an Afl. 3 million (4 percent) rise in taxes on income and profit, reflecting mainly increased wage tax revenue. In addition, taxes on commodities grew by Afl. 3 million (6 percent), primarily because of higher revenues from import duties. Moreover, taxes on services expanded by Afl. 1 million, owing mainly to an increase in revenue from hotel room tax. In contrast, both foreign exchange tax revenue and property tax income dropped by Afl. 1 million.

Total expenditure on a cash basis (including net lending), as estimated by the Bank, fell by Afl. 26 million or 11 percent to Afl. 206 million in the quarter under review, compared to the first quarter of 2004. Provisional data provided by the Department of Finance show that this decline was mainly the result of an Afl. 18 million decrease in the purchase of goods and services and an Afl. 16 million decline in the category “items not included elsewhere”. The latter was largely the result of a decrease in expenses related to the cost of living allowance to the Civil Servants Pension Fund (APFA) and contributions to the General Health Insurance (AZV), which these were partly offset by an Afl. 5 million transfer to the Solidarity Fund. Furthermore, investment-related expenses contracted by Afl. 4 million. On the other hand, salary-related expenses rose by Afl. 5 million, while interest expenses expanded by Afl. 6 million.

In the first quarter of 2005, government financial deficit on a cash basis narrowed by Afl. 24 million to Afl. 14 million compared to the corresponding quarter of 2004. Total financing needs of government, Afl. 42 million, comprising the aforementioned Afl. 14 million financial deficit and repayments of Afl. 28 million on maturing loans

**Table G: Government financial operations 1)**

(In Afl. million)

			2003		2004		2005	
	2003	2004	I	I	IV	I		
1. Revenue and grants	975.2	819.7	338.1	194.3	218.4	192.3		
a. Tax revenue	687.4	707.1	146.5	176.2	194.3	181.0		
b. Nontax revenue	86.1	81.6	19.9	18.1	24.0	11.3		
c. Grants	201.8	31.1	171.7	0.0	0.0	0.0		
2. Expenditures	873.9	1,123.3	183.1	232.3	404.4	205.7		
3. Lending minus repayments 2)	-71.1	51.1	-81.3	0.3	3.3	0.6		
4. Financial deficit (-)	172.4	-354.6	236.3	-38.4	-189.2	-14.0		
5. Net foreign capital	-200.6	100.6	-171.7	-4.7	-17.9	-2.5		
6. Net domestic capital 3)	9.0	232.8	0.0	0.0	179.4	5.8		
7. Net recourse to the monetary system (-)	-19.3	-21.3	64.6	-43.1	-27.8	-10.7		
8. Memorandum item								
a. Unmet financing requirements 4)	281.7	152.9	285.8	295.8	152.9	137.0		
b. Financial deficit (-) 5)	150.9	-225.8	210.6	-52.5	-53.9	2.0		

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

- 1) Preliminary figures and estimates on a cash basis.
- 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.

were covered largely by an Afl. 40 million bond issue on the local capital market in February 2005. The remainder was drawn from its bank deposits. Consequently, these deposits fell to Afl. 112 million at the end of March 2005.

In the quarter under review, outstanding unmet financing requirements shrank by Afl. 16 million to Afl. 137 million compared to the preceding quarter. This decline was mainly the result of an Afl. 22 million decrease in suppliers' credit. In contrast, payment arrears to the APFA, consisting mainly of premiums and cost of living allowance, rose by Afl. 8 million. When including the change in the unmet financing requirements, a financial surplus of Afl. 2 million was registered against an Afl. 53 million deficit in the first quarter of 2005.

#### *Outstanding debt*

In the first quarter of 2005, outstanding government debt rose by Afl. 206 million or 14 percent to Afl. 1,702 million compared to the corresponding quarter of 2004. This rise was due in part to an Afl. 115 million (16 percent) increase in the foreign debt component, reflecting largely a US\$ 67 million (Afl. 120 million) government bond issue on the international capital market in April 2004, which was used to finance its

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

	2003	2004				2005
	IV	I	II	III	IV	I
1. Total debt	1,493.8	1,496.5	1,669.7	1,674.6	1,715.2	1,702.1
2. Domestic debt	769.6	783.7	835.8	836.6	875.7	874.8
a. Negotiable	218.5	218.5	272.4	282.9	316.9	354.5
- 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	170.5	224.4	234.9	268.9	306.5
b. Non-negotiable	551.1	565.2	563.4	553.7	558.8	520.3
- Short-term 1)	300.9	315.9	315.0	310.2	152.9	137.0
- Long-term	250.2	249.3	248.4	243.5	405.9	383.3
3. Foreign debt 2)	724.2	712.9	833.9	838.0	839.6	827.4

Source: Department of Finance; APFA.

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

2) At end-of-period exchange rates.

budgetary deficit and to repay maturing debt. Consequently, the foreign debt component amounted to Afl. 827 million at the end of March 2005, representing 49 percent of the total debt (Table H and statistical annex Table 7.4).

In addition, domestic debt rose by Afl. 91 million (12 percent) to Afl. 875 million compared to the first quarter of 2004, reflecting an Afl. 136 million surge in negotiable debt. This rise was brought about by several bond issues, namely in June and September 2004, and in February 2005 of, respectively, Afl. 58 million, Afl. 25 million and Afl. 40 million. The proceeds from these bonds were used to finance part of the AZV deficits incurred during the years 2001 to 2003 and to finance part of the budget deficit. 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.

The non-negotiable part of the domestic debt fell by Afl. 45 million. This drop was caused by an Afl. 179 million decline in short-term non-negotiable debt, resulting mainly from an Afl. 157 million decrease in arrears to APFA which, following the earlier mentioned debt conversion agreement, was partly replaced by long-term non-negotiable debt. Consequently, the latter debt component grew by Afl. 134 million, reflecting largely the acquisition of an Afl. 220 million loan from APFA in December 2004 as part of the aforementioned debt conversion agreement. Part of this loan was used to settle existing loans from 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 first quarter of 2005, the balance of payments posted a notable Afl. 115 million surplus, up from Afl. 31 million in the corresponding period a year earlier (Table I and statistical annex Table 8.1). This surplus was brought about mainly by a marked

expansion in the current account surplus, i.e., from Afl. 31 million in the first quarter of 2004 to Afl. 159 million in the quarter under review. The surplus was offset in part by an Afl. 44 million capital and financial account deficit (including items not yet classified).

Consequently, net foreign assets of the monetary sector (excluding revaluation differences of gold and official foreign exchange holdings) surged to Afl. 767 million as of end-March 2005. This level is Afl. 98 million or 15 percent higher than a year earlier. The increase in international reserves was influenced in part by a US\$ 67 million (Afl. 120 million) government bond issue on the international capital market in April 2004. In addition, the oil sector sold on balance, Afl. 71 million in foreign exchange to the local commercial banks during the twelve-month period up to and including March 2005. The other external transactions (i.e., excluding the two earlier mentioned factors) caused, on balance, an Afl. 93 million decline in net foreign assets in the aforementioned period.

#### *Oil sector*

In the first quarter of 2005, the current account of the oil sector posted an Afl. 109 million surplus in contrast to an Afl. 4 million deficit in the corresponding quarter of 2004. Export receipts from refined oil products and goods procured in ports rose by Afl. 65 million (7 percent) (first quarter 2004: +Afl. 197 million or +25 percent), while import payments for crude oil and other goods fell by Afl. 37 million (4 percent) (first quarter 2004: -Afl. 35 million or -4 percent). In contrast, the Afl. 28 million capital and financial account surplus recorded in the first quarter of 2004 turned into an Afl. 88 million deficit in the quarter under review, because of a rise in foreign deposits and a decline in the net inflow of direct investment. The oil sector sold, on balance, Afl. 21 million in foreign exchange to the local commercial banks.

#### *Free-zone sector*

The external transactions of free-zone companies resulted in an Afl. 1 million overall surplus, down from Afl. 3 million in the first quarter of 2004. This deterioration was caused by an Afl. 2 million decline in the current account surplus of this sector, following increased merchandise import payments. The capital and financial account deficit remained marginal. On balance, Afl. 1 million in foreign exchange was sold to local commercial banks.

#### *Rest of the economy*

In the first quarter of 2005, the current account surplus of the rest of the economy (i.e., excluding the oil and free-zone sectors) widened by Afl. 16 million or 50 percent to Afl. 49 million, compared to the corresponding quarter a year earlier. This improvement was the result of an Afl. 43 million (11 percent) rise in net receipts from services, reflecting on the one hand an Afl. 20 million decline in payments on services, and on the other hand an Afl. 23 million increase in receipts from services, largely tourism-related. The decrease in the import of services resulted mainly from a decline in outlays by residents related to travel and business services. In contrast, the deficits on the merchandise account, the income account and the current transfers account widened by Afl. 6 million (2 percent), Afl. 9 million (73 percent) and Afl. 11 million (36 percent), respectively.

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

			2003		2004		2005	
	2003	2004	I	I	IV	I		
1. Current account (net)	-258.4	33.1	-269.8	31.3	205.6	158.9		
a. Oil sector	64.7	250.4	-246.7	-4.4	268.4	108.5		
b. Free zone	12.6	12.1	8.7	3.0	2.6	1.2		
c. Rest of economy	-335.6	-229.4	-31.8	32.8	-65.4	49.1		
- Private sector	-211.5	-104.7	-11.2	59.6	-31.0	78.6		
- Public sector	-124.1	-124.7	-20.6	-26.8	-34.4	-29.5		
2. Capital and financial account (net)	163.2	-24.1	363.7	11.2	-249.9	-58.5		
a. Oil sector	79.4	-176.7	268.2	28.4	-241.1	-87.7		
b. Free zone	-1.2	-2.4	-0.4	-0.3	0.0	-0.1		
c. Rest of economy	85.0	155.0	95.9	-16.9	-8.8	29.3		
- Private sector	101.5	23.0	101.3	-12.2	9.1	32.4		
- Public sector	-16.5	132.0	-5.4	-4.7	-17.9	-3.1		
3. Items not yet classified 1)	34.0	5.3	11.2	-11.5	15.7	14.8		
4. Overall balance (1+2+3)	-61.2	14.3	105.1	31.0	-28.6	115.1		
5. Banking transactions 2)	-3.8	-11.5	-17.0	-10.1	-32.6	-27.7		
6. Increase (-) in official reserves 3)	65.0	-2.8	-88.0	-21.0	61.1	-87.5		
Memorandum items:								
7. Official reserves (including gold)	608.9	614.4	754.4	633.4	614.4	697.9		
8. a. Total reserves of the monetary sector 4)	700.3	717.4	859.0	734.9	717.4	828.6		
b. In months of merchandise imports 5)								
- End-of-period	5.9	5.6	7.7	5.9	5.6	6.6		
- 12-month average	6.6	6.3	7.3	6.3	6.3	6.4		
c. In months of import payments 6)								
- End-of-period	3.2	3.0	4.2	3.4	3.0	3.8		
- 12-month average	3.6	3.4	3.8	3.5	3.4	3.5		

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).

The capital and financial account of the rest of the economy recorded an Afl. 29 million surplus in contrast to an Afl. 17 million deficit in the first quarter of 2004. This result was brought about predominantly by a turnaround in the portfolio investment account, i.e., from an Afl. 25 million deficit in the first quarter of 2004 to an Afl. 33 million surplus in the period under review, related mainly to a bond issue on the international capital market by a local company. In contrast, the deficit on the other investment account widened by Afl. 13 million to Afl. 39 million, largely because of a net increase in balances of residents' foreign bank accounts. Furthermore, the direct investment account surplus declined by Afl. 3 million to Afl. 33 million, mainly because nonresident shares in a local company were sold to residents, while the sale of timeshare units declined. On the other hand, a rise in property sale and intercompany debt was recorded.

On balance, net inflow of funds from abroad from external transactions of the rest of the economy rose further by Afl. 93 million, up from Afl. 4 million in the first quarter of 2004.

## **2. Notices and articles**



## 2.1 DE BUITENLANDSE SCHULD VAN ARUBA IN 2004

*Een artikel van G.G. Croes, econoom bij de afdeling Economisch Beleid*

### 1. Inleiding

De afdeling Economisch Beleid van de Centrale Bank van Aruba (de Bank) brengt elk jaar de totale buitenlandse schuld, d.w.z. van de private en publieke sector, van Aruba in kaart. Ten behoeve hiervan wordt sinds 2000 jaarlijks een “External Debt Statistics Survey” (EDSS) onder bedrijven verricht. Doel van deze enquête is het achterhalen van de omvang en samenstelling van de buitenlandse schuld van de private sector in Aruba. Vooral nog wordt per gerapporteerde lening informatie opgevraagd over de gerealiseerde aflossingen en interestbetalingen over de laatste zes jaren, alsmede de schuldenlast voor het lopende en het volgend jaar. Voorts wordt geïnformeerd naar de resterende looptijd van de leningen en naar eventuele betalingsachterstanden. Met ingang van de EDSS 2005 zullen naast geldleningen eveneens andere financiële instrumenten die verplichtingen met zich meebrengen (waaronder deposito's van niet-ingezetenen bij lokale banken) worden meegenomen.

De gegevens verkregen uit deze survey worden vervolgens samengevoegd met de statistieken betreffende de overheidsschuld van Aruba aan het buitenland om de totale buitenlandse schuld te bepalen. Hieronder volgt een analyse van deze schuld.

### 2. De private schuld

In 2004 is de buitenlandse schuld van de private sector afgenomen met Afl. 51 miljoen tot Afl. 1.036,1 miljoen, een daling van 5 procent. Uitgedrukt in een percentage van het bruto binnenlands product, is de buitenlandse schuld van de private sector verminderd van 30 procent tot 27 procent (zie tabel 1). De voornaamste oorzaak voor deze daling was dat het bedrag aan nieuw afgesloten leningen gedurende 2004 relatief laag was.

**Tabel 1: De private buitenlandse schuld per sector 1)**

	2001		2002		2003		2004	
	In Afl. mln.	(%)	In Afl. mln.	(%)	In Afl. mln.	(%)	In Afl. mln.	(%)
Hotelsector	417,8	48,3	432,9	44,3	386,7	35,6	340,6	32,9
Overheidsbedrijven	224,0	25,9	224,6	23,0	249,0	22,9	239,5	23,1
Financiële instellingen	108,5	12,5	56,4	5,8	114,4	10,5	87,7	8,5
Onroerend goedbedrijven	49,0	5,7	57,6	5,9	58,4	5,4	52,5	5,1
Overige	66,2	7,7	205,2	21,0	278,7	25,6	315,8	30,5
<b>Totaal</b>	<b>865,5</b>	<b>100,0</b>	<b>976,7</b>	<b>100,0</b>	<b>1.087,2</b>	<b>100,0</b>	<b>1.036,1</b>	<b>100,0</b>
<b>In % BBP</b>		<b>25,5</b>		<b>28,6</b>		<b>30,2</b>		<b>27,1</b>

Bron: CBA

1) Inclusief een schatting van leningen aan individuen.

De samenstelling van de private buitenlandse schuld is nagenoeg gelijk gebleven. Het aandeel in de schuld van de overheidsbedrijven bleef op 23 procent, terwijl het

aandeel van de financiële instellingen een daling liet zien van 11 procent naar 9 procent. Het aandeel van de hotelsector daalde eveneens en wel van 36 procent tot 33 procent. Het aandeel van de groep “overige” daarentegen steeg tot 31 procent, vergeleken met 26 procent in 2003. Het aandeel van de onroerend goedbedrijven bleef nagenoeg onveranderd.

Van de buitenlandse schuld van de private sector is bijna 84 procent gedenomineerd in Amerikaanse dollars (US\$), wat te verwachten is, gezien de vaste wisselkoersverhouding tussen de Arubaanse florin en de US\$ (zie tabel 2). Dit onderdeel van de schuld is in 2004 met Afl. 96 miljoen of 10 procent afgenomen ten opzichte van 2003 vanwege verrichte aflossingen en het achterblijven van nieuwe leningen. In 2004 is het aandeel van de schuld luidend in Arubaanse florin sterk toegenomen. Absoluut is deze schuld ook toegenomen en wel met Afl. 43 miljoen of 45 procent als gevolg van een stijging van het door lokale ondernemingen verkregen kortlopend krediet luidend in deze valuta. Het aandeel van de schuld in euro's in het totaal is zeer beperkt, namelijk 2,8 procent. Deze schuld bestaande voornamelijk uit hypothecaire leningen ter financiering van de koop van woningen door particulieren is in 2004 met Afl. 1 miljoen of 5 procent gegroeid als gevolg van met name de koersstijging van de euro.

**Tabel 2: De private buitenlandse schuld per valuta 1)**

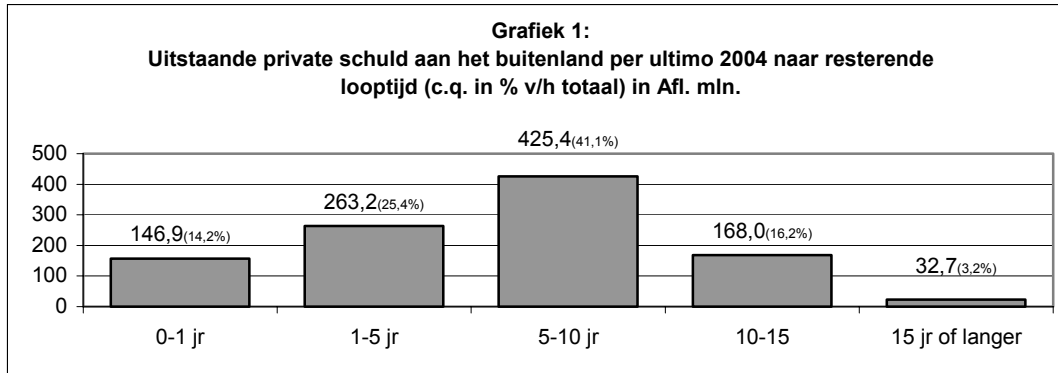
	2001		2002		2003		2004	
	In Afl. mln.	(%)	In Afl. mln.	(%)	In Afl. mln.	(%)	In Afl. mln.	(%)
Antilliaanse gulden	0,2	0,0	2,2	0,2	1,3	0,1	2,8	0,3
Arubaanse florin*)	60,3	7,0	81,3	8,3	93,8	8,6	136,3	13,2
Euro	23,0	2,7	25,3	2,6	27,8	2,6	29,2	2,8
US dollar	781,1	90,2	867,2	88,8	963,7	88,6	867,5	83,7
Britse pond	0,9	0,1	0,7	0,1	0,6	0,1	0,3	0,0
<b>Totaal</b>	<b>865,5</b>	<b>100,0</b>	<b>976,7</b>	<b>100,0</b>	<b>1.087,2</b>	<b>100,0</b>	<b>1.036,1</b>	<b>100,0</b>

Bron: CBA

1) Inclusief een schatting van leningen aan individuen.

\*) Contractueel luidt deze schuld in Arubaanse florin. De aflossing zal echter in buitenlandse valuta plaatsvinden.

In grafiek 1 valt af te lezen dat het overgrote deel van de private schuld een resterende looptijd heeft van langer dan één jaar. Het kortlopend gedeelte (korter dan één jaar) bedraagt slechts Afl. 147 miljoen of 14 procent. Doordat de in 2004 afgesloten leningen een relatief kortere looptijd hebben is de gewogen gemiddelde resterende looptijd afgenomen van 7 jaar per ultimo 2003 tot 6 jaar per eind 2004.



In tegenstelling tot voorgaande jaren is dit jaar bij de vaststelling van de omvang en samenstelling van de buitenlandse schuld van de private sector rekening gehouden met de rekeningcourantschulden van lokale bedrijven met buitenlandse gelieerde bedrijven, waaronder de moedermaatschappijen, conform de aanwijzingen van het IMF. Ten behoeve van de vergelijking zijn de cijfers van de voorgaande jaren eveneens aangepast. Niet inbegrepen in de private schuld zijn de verplichtingen van de zogenaamde off-shore bedrijven, aangezien deze verplichtingen geen effect hebben op de Arubaanse economie, terwijl de financiële afwikkeling hiervan ook volledig in het buitenland plaatsvindt, en derhalve geen gevolgen heeft voor het netto buitenlands actief van de monetaire sector van Aruba.

### 3. De schuld van de overheid

De buitenlandse schuld van de overheid registreerde in de voorbije jaren een enorme groei. Per ultimo 2004 bedroeg deze buitenlandse schuld Afl. 839,6 miljoen of 22 procent van het BBP (zie tabel 3). Ook de negatieve trend in de samenstelling van de schuld zette zich voort, in die zin dat het aandeel van de concessionele leningen verder afnam, terwijl dat van de commerciële US\$ leningen verder toenam. Deze ontwikkeling wordt veroorzaakt doordat de budgettaire tekorten en overige financieringsbehoeften van de overheid mede worden gefinancierd door het opnemen van buitenlandse leningen tegen commerciële voorwaarden. Aruba is door Fitch Ratings Agency een BBB rating toegekend in 2004.

In 2004 bedroegen de in US\$ gedenomineerde leningen Afl. 607 miljoen gelijk aan 72 procent van de totale buitenlandse overheidsschuld. Ten opzichte van 2003 groeide dit onderdeel van de buitenlandse schuld van de overheid met Afl. 113 miljoen oftewel met 23 procent. De onderliggende oorzaak van deze groei was de uitgifte door de overheid van in US\$ luidende obligaties op de internationale kapitaalmarkt. De in Arubaanse florin luidende buitenlandse schuld van de overheid nam met Afl. 4 miljoen ofwel met 15 procent toe. Deze schuld heeft betrekking op leningen aangaan ten behoeve van overheidsbedrijven en de aankoop door niet-ingezetenen van in Arubaanse florin luidende overheidsobligaties. Daarentegen nam de in euro luidende buitenlandse schuld van de overheid enigszins af als gevolg van aflossingen op deze leningen.

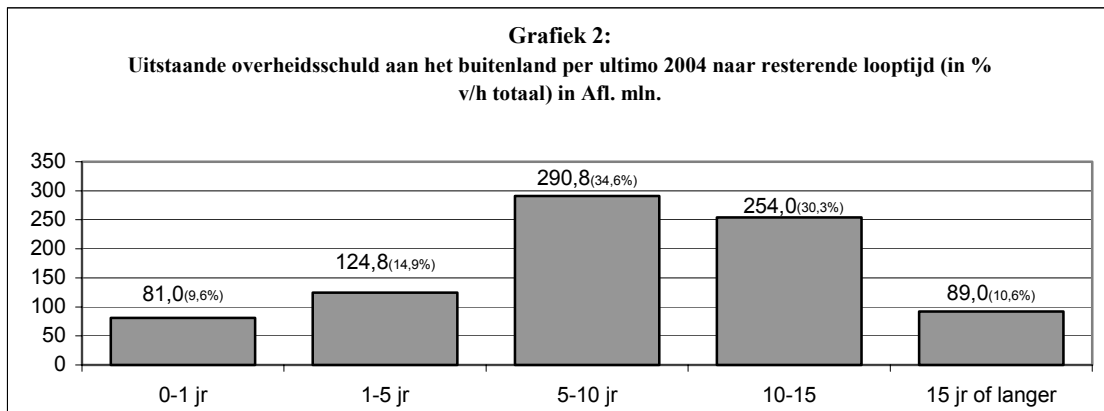
**Tabel 3: De buitenlandse schuld van de overheid per valuta**

	2001		2002		2003		2004	
	In mln. Afl.	(%)	In mln. Afl.	(%)	In mln. Afl.	(%)	In mln. Afl.	(%)
Antilliaanse gulden	0,0	0,0	0,0	0,0	0,0	0,0	0	0,0
Arubaanse florin*)	28,0	3,7	28,0	3,1	28,0	3,9	32,2	3,8
Euro	165,7	22,0	185,8	20,8	202,6	28,0	200,4	23,9
US dollar	558,4	74,2	679,0	76,0	493,6	68,2	607,0	72,3
Britse pond	0,8	0,1	0,9	0,1	0,0	0,0	0,0	0,0
<b>Totaal</b>	<b>752,9</b>	<b>100,0</b>	<b>893,7</b>	<b>100,0</b>	<b>724,2</b>	<b>100,0</b>	<b>839,6</b>	<b>100,0</b>
<b>In % bbp</b>		<b>22,2</b>		<b>26,1</b>		<b>20,1</b>		<b>22,0</b>

Bron: CBA

\*) Contractueel luidt deze schuld in Arubaanse florin. De aflossing zal echter in buitenlandse valuta plaatsvinden.

In grafiek 2 is te zien dat ongeveer 41 procent (Afl. 343 miljoen) van de buitenlandse overheidsschuld per ultimo 2004 over 10 jaar of langer vervalt. De gewogen gemiddelde resterende looptijd bleef 9 jaar. Echter, binnen 5 jaar zal circa 25 procent (Afl. 205,8 miljoen) van de huidige schuld moeten worden afgelost of geherfinancierd. De terugbetaling van deze schulden zullen een enorme druk uitoefenen op de kwetsbare overheidsfinanciën en de officiële deviezenreserves. Daarenboven dient te worden opgemerkt dat een groot deel van de opbrengsten uit deze leningen destijds is gebruikt ter financiering van consumptieve bestedingen van de overheid.



#### 4. De totale schuld

De totale buitenlandse schuld van Aruba is in 2004 met Afl. 64 miljoen of 4 procent gestegen vergeleken met het jaar daarvoor als gevolg van een stijging van de buitenlandse overheidsschuld met Afl. 115 miljoen of 16 procent, hetgeen enigszins werd gematigd door een lichte daling van de buitenlandse schulden die uitstaan ten laste van de private sector. Dientengevolge nam het aandeel van de overheidsschuld in het totaal toe van 40 procent per ultimo 2003 tot 45 procent per ultimo 2004.

**Tabel 4: De buitenlandse schuld van Aruba 1)**

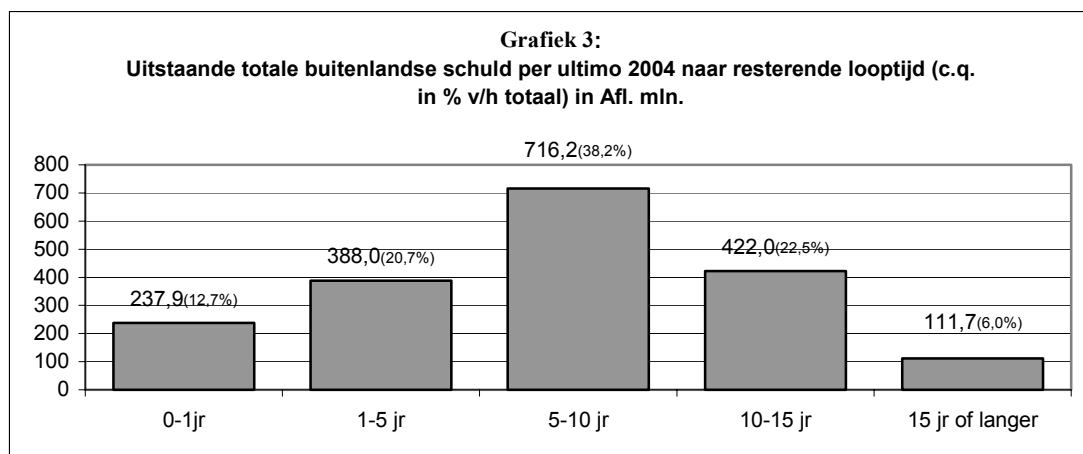
Bedragen in Afl. miljoenen	2001	2002	2003	2004
<b>Private schuld 2)</b>	<b>865,5</b>	<b>976,7</b>	<b>1.087,2</b>	<b>1.036,1</b>
<b>Overheidsschuld</b>	<b>752,9</b>	<b>893,7</b>	<b>724,2</b>	<b>839,6</b>
<b>Totale buitenlandse schuld</b>	<b>1.618,4</b>	<b>1.870,4</b>	<b>1.811,4</b>	<b>1.875,7</b>
<b>Nominaal BBP</b>	<b>3.399,0</b>	<b>3.421,0</b>	<b>3.599,0</b>	<b>3.819,0</b>
<b>Export van goederen en diensten 3)</b>	<b>1.958,5</b>	<b>1.921,8</b>	<b>1.971,9</b>	<b>2.307,7</b>
- Aandeel private schuld in totaal (in %)	53,5	52,2	60,0	55,2
- Aandeel overheidsschuld in totaal (in %)	46,5	47,8	40,0	44,8
- Buitenlandse schuld in % BBP	47,6	54,7	50,3	49,1
- Buitenlandse schuld in % export 3)	82,6	97,3	91,9	81,3
- Gewogen gemiddelde looptijd (in jaren)	12,1	11,2	7,9	7,4

Bron: CBA

- 1) Exclusief de buitenlandse schuld van de zogenaamde offshore bedrijven.
- 2) Inclusief een schatting van leningen aan individuen.
- 3) Exclusief olie.

Per saldo liep het aandeel van de totale buitenlandse schuld in het BBP terug van 50 procent tot 49 procent. Ook haar aandeel in de export van goederen en diensten (exclusief olie) kromp in van 92 procent tot 81 procent. Dit laatste is mede veroorzaakt door de sterke groei van de export van goederen en diensten als gevolg van de sterke opleving in de sector toerisme.

Per ultimo 2004 bedroeg het gedeelte van de totaal uitstaande buitenlandse schuld dat binnen één jaar dient te worden afgelost Afl. 238 miljoen of 13 procent. Hiervan komt 34 procent voor rekening van de overheid. In de komende jaren zullen de aflossingsverplichtingen verder toenemen (zie grafiek 3). Een bedrag van Afl. 626 miljoen ofwel 33 procent moet binnen vijf jaar afgelost worden. Noemenswaardig is dat binnen 10 jaar de aflossingsverplichtingen de Afl. 1 miljardgrens ruimschoots zullen overschrijden (Afl. 1.342,1 miljoen). Per ultimo 2004 beliep de gewogen gemiddelde resterende looptijd 7,4 jaar, een half jaar korter dan in 2003.



## 5. De schuldendienst

De schuldendienst (gedefinieerd als de som van de aflossingen en rentebetalingen) is in 2004 fors afgenomen met Afl. 155 miljoen of 37 procent. De belangrijkste oorzaak voor deze daling was dat in 2003 een deel van de schuldverplichtingen jegens SACE uit hoofde van de afwikkeling van de hotelgarantieproblematiek is nagekomen (zie tabel 5). Opmerkelijk is dat de rentebetalingen in 2004 sterk zijn toegenomen in vergelijking tot 2003 omdat het aandeel van de commerciële financiering in de totale leningenportefeuille van de overheid steeds belangrijker wordt. Deze rentebetalingen bedroegen in 2004 bijna Afl. 99 miljoen, waarvan Afl. 44 miljoen ofwel 44 procent (2003: 34 procent) voor rekening kwam van de overheid. Als gevolg van het voorgaande daalde de zogenaamde “debt-service ratio” (een indicator voor de mate waarin de rente en aflossingen op de buitenlandse schuld met exportopbrengsten kunnen worden voldaan) van 21 procent in 2003 tot 11 procent in 2004.

**Tabel 5: Schuldendienst**

Bedragen in Afl. miljoenen	2001	2002	2003	2004
<b>Aflossingen</b>	<b>178,7</b>	<b>331,1</b>	<b>332,1</b>	<b>163,0</b>
<i>Waarvan overheid</i>	<i>47,5</i>	<i>66,1</i>	<i>126,1</i>	<i>22,9</i>
<b>Rentebetalingen</b>	<b>93,5</b>	<b>91,4</b>	<b>84,8</b>	<b>98,6</b>
<i>Waarvan overheid</i>	<i>26,7</i>	<i>31,7</i>	<i>28,5</i>	<i>43,7</i>
<b>Totale schuldendienst</b>	<b>272,2</b>	<b>422,5</b>	<b>416,9</b>	<b>261,6</b>
<i>Waarvan overheid</i>	<i>74,2</i>	<i>97,8</i>	<i>154,6</i>	<i>66,6</i>
<b>Exporten goederen en diensten (excl. olie)</b>	<b>1.958,5</b>	<b>1.921,8</b>	<b>1.971,9</b>	<b>2.307,7</b>
<b>Schuldendienst in % van de exporten (excl. olie)</b>	<b>13,9</b>	<b>22,0</b>	<b>21,1</b>	<b>11,3</b>
<b>Schuldendienst in % van BBP</b>	<b>8,0</b>	<b>12,4</b>	<b>11,6</b>	<b>6,8</b>

Bron: CBA

In zijn algemeenheid komen de kredietnemers in zowel de private als de publieke sector hun betalingsverplichtingen keurig na. De betalingsachterstanden ten opzichte van de schuldendienst bedroegen slechts 2 procent in 2004, terwijl de “debt-service ratio” voor internationale begrippen vrij laag was. Niettemin moet worden opgemerkt dat de hoogte van deze ratio voor Aruba significant en van nature begrensd wordt door de beperkte aflossingscapaciteit van Aruba welke voortvloeit uit de kleinschaligheid en de eenzijdigheid van onze economie en de gevoeligheid voor externe economische schokken die directe gevolgen manifesteren in de sector toerisme.

## 6. De externe liquiditeitspositie

Nadat in 2003 nog een daling werd geconstateerd, nam het netto buitenlands actief in 2004 licht toe met 2 procent, veroorzaakt door een recordhoogte aan toerismeopbrengsten. Desondanks daalde de (twaalf-maands voortschrijdende gemiddelde) invoerdekkingquote per ultimo 2004 tot 6,3 maanden, vergeleken met 6,6 maanden per ultimo 2003.

**Tabel 6: Externe liquiditeitspositie**

Bedragen in miljoenen Afl.	2001	2002	2003	2004
<b>Reserves monetaire sector 1)</b>	<b>698,7</b>	<b>755,5</b>	<b>700,3</b>	<b>717,4</b>
<b>Korte termijn buitenlandse schuld 2)</b>	<b>331,1</b>	<b>332,1</b>	<b>162,2</b>	<b>215,6</b>
<b>Schuldendienst 3)</b>	<b>422,5</b>	<b>416,9</b>	<b>260,0</b>	<b>305,3</b>
<b>Invoer van goederen en diensten 4)</b>	<b>1.850,8</b>	<b>1.908,2</b>	<b>2.108,0</b>	<b>2.283,4</b>
<b>Geldhoeveelheid</b>	<b>1.840,6</b>	<b>2.033,6</b>	<b>2.214,1</b>	<b>2.285,3</b>
<i>-Deviezendekkingsgraad korte termijn schuld</i>	<i>2,1</i>	<i>2,3</i>	<i>4,3</i>	<i>3,3</i>
<i>-Deviezendekkingsgraad schuldendienst</i>	<i>1,7</i>	<i>1,8</i>	<i>2,7</i>	<i>2,3</i>
<i>-12-maands voortschrijdende invoerdekking 5)</i>	<i>6,3</i>	<i>7,3</i>	<i>6,6</i>	<i>6,3</i>
<i>-Dekking geldhoeveelheid (in %)</i>	<i>38,0</i>	<i>37,2</i>	<i>31,6</i>	<i>31,4</i>

Bron: CBA

- 1) Netto buitenlandse actief van de monetaire sector inclusief goud tegen marktwaarde.
- 2) Voor 2001-2003 is de korte termijn buitenlandse schuld gelijk aan de binnen één jaar gerealiseerde aflossingen; voor 2004 de binnen één jaar vervallende schuld.
- 3) Voor 2004 is de schuldendienst gelijk aan de rente- en aflossingsverplichtingen te vervallen binnen één jaar. Voor de voorgaande jaren zijn de gerealiseerde cijfers vermeld.
- 4) Periode ultimo (exclusief olie).
- 5) Netto buitenlands actief gerelateerd aan de 12-maands voortschrijdende gemiddelde invoer van goederen (excl. olie), in maanden invoer per jaar ultimo.

Toch is de externe liquiditeitspositie van Aruba niet verontrustend. Illustratief is dat zowel de dekking van de geldhoeveelheid als de dekking van de goederen- en diensteninvoer (exclusief olie) zich op acceptabele niveau's bevinden. Ondanks de toename van het netto buitenlands actief van de monetaire sector zijn de dekkingsgraad van de korte termijn schuld (gedefinieerd als de verhouding tussen het netto buitenlandse actief van de monetaire sector en de binnen één jaar vervallende buitenlandse schuld) en de dekking van de rente- en aflossingsverplichtingen door genoemd actief in 2004 gedaald tot respectievelijk 3,3 procent en 2,3 procent, nadat deze in 2003 nog waren toegenomen (zie tabel 6). Oorzaken van de daling in 2004 waren de sterke groei van de binnen één jaar vervallende buitenlandse schuld en de toegenomen rentebetalingen.

Bovendien zullen als gevolg van de toename van de buitenlandse schuld gedurende de afgelopen jaren de toekomstige aflossingsverplichtingen eveneens toenemen. Derhalve is het van belang de externe liquiditeitspositie te verbeteren door zowel de export van goederen en diensten als de officiële deviezenreserve te vergroten. Teneinde de externe liquiditeit van de volkshuishouding te waarborgen, zal een voorzichtiger monetair en budgettair overheidsbeleid gevoerd moeten worden. In verband hiermee dienen de consumptieve overheidsuitgaven sterk te worden verminderd, opdat de deviezen genererende capaciteit van Aruba tot uiting kan komen in toenemende buitenlandse deviezen, als gevolg van het opgeleefde toerisme.

## 7. Conclusie

Uit het bovenstaande kan worden opgemaakt dat de buitenlandse schuld van Aruba in absolute zin in de afgelopen drie jaar weliswaar is gegroeid, maar dat diezelfde schuld in verhouding tot de relevante economische variabelen enigszins is gekrompen. De schuldendienst is momenteel nog beheersbaar en is er sprake van een relatief kleine

betalingsachterstand. Opmerkelijk is dat de buitenlandse overheidsschuld gestaag blijft groeien. In dit opzicht hebben de Centrale Bank van Aruba en het IMF aangegeven dat bij ongewijzigd overheidsbeleid de schuld in de nabije toekomst wellicht niet langer beheersbaar zal blijven, ook gezien de verwachte vertraging van de toekomstige economische groei. Met het oog hierop dient voorzichtigheid betracht te worden met betrekking tot het leningenbeleid van met name de overheid.

Gezien de kwetsbare structuur van de Arubaanse economie zal men moeten bedenken dat Aruba over een beperkte terugbetalingscapaciteit beschikt. Dit brengt met zich mee dat in de toekomst bij voorkeur uitsluitend moet worden geleend voor het financieren van investeringen die de productie- en exportcapaciteit van Aruba vergroten. Dit vraagt om een doelmatig en doeltreffend economisch beleid, mede gericht op het waarborgen van de financiële stabiliteit. De realisatie van deze doelstelling dient te worden bevorderd door het ontwerpen en ten uitvoer brengen van een gebalanceerd pakket van monetaire, budgettaire, inkomens- en structuurmaatregelen.

## 2.2 THE BALANCE OF PAYMENTS OF ARUBA IN 2004

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### 1. Introduction

Aruba being a small island with little natural resources has developed into an economy characterized by an openness to international trade and investment. Residents engage in transactions with nonresidents on a daily basis involving, among other things, the importation of goods, the export of tourism services and international borrowings. All economic transactions of Aruban residents with nonresidents are recorded in its balance of payments.

The balance of payments of Aruba includes two main accounts, i.e., the current account<sup>1</sup> and the capital and financial account<sup>2</sup>. The combined balances<sup>3</sup> on the current account and the capital and financial account determine the overall balance, which on its turn reflects the change in net international reserves<sup>4</sup>.

**Table 1: Balance of payments of Aruba**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Current account (net)	389.3	577.1	-596.4	-258.4	33.1
2. Capital and financial account (net)	-456.2	-426.6	602.9	163.2	-24.1
3. Items not yet classified 1)	20.2	-20.8	32.5	34.0	5.3
4. Overall balance (1+2+3)	-46.8	129.7	39.0	-61.2	14.3
a. Oil sector	37.9	43.3	73.1	144.0	73.7
b. Free-zone sector	-5.4	-14.7	-2.8	11.4	9.7
c. Rest of economy	-79.3	101.0	-31.3	-216.6	-69.1
- Private sector	-43.8	141.2	-55.4	-76.0	-76.4
- Public sector	-35.5	-40.2	24.1	-140.6	7.3
5. Banking transactions 2)	19.9	18.5	32.9	-3.8	-11.5
6. Increase (-) in official reserves 3)	26.9	-148.2	-71.9	65.0	-2.8

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.

<sup>1</sup> This account covers the transactions in goods, services, income and current transfers.

<sup>2</sup> This account includes only transactions of the nonmonetary sector and comprises mainly net capital transfers received by the government, migrants' transfers and transactions in financial instruments. Transactions representing capital inflows are recorded as positive values, while negative values represent capital outflows from Aruba to abroad.

<sup>3</sup> Including items not yet classified.

<sup>4</sup> The net international reserves are the net foreign assets of the monetary sector, comprising the Centrale Bank van Aruba (the Bank) and the commercial banks, that are presented by the categories increase in official reserves and banking transactions, respectively (see Table 1).

In 2004, the external transactions of Aruba led to an Afl. 14.3 million overall surplus on its balance of payments (Table 1), compared to an Afl. 61.2 million deficit a year earlier. This result was due to an Afl. 33.1 million current account surplus, which was offset partially by an Afl. 18.8 million deficit on the capital and financial account (including items not yet classified). Consequently, net foreign assets of the monetary sector increased to Afl. 652.2 million at the end of 2004, compared to Afl. 637.9 million at end-2003.

This article examines the developments of the various sub-accounts of the balance of payments in 2004 that conduced to the above-mentioned result, thereby distinguishing the oil sector and the free-zone sector from the rest of the economy<sup>5</sup>. The current account will be discussed in section 2, while the capital and financial account will be reviewed in section 3.

## 2. Current account

### 2.1 Total economy

In 2004, the current account (Box A) moved to an Afl. 33.1 million surplus, up from an Afl. 258.4 million deficit in the preceding year (Table 2). This improvement originated in the goods and services account that registered a turnaround from an Afl. 35 million deficit in 2003 to an Afl. 322.4 million surplus in 2004. The higher net exports of the oil sector played an important role in this turnaround. Furthermore, a positive performance in the tourism sector in 2004 resulted in a remarkable increase in tourism receipts. In contrast, the deficit on the income and current transfers accounts widened by respectively Afl. 32.4 million to Afl. 104.1 million and Afl. 33.6 million to Afl. 185.3 million.

**Table 2: Current account**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Goods and services	550.5	767.2	-252.2	-35.0	322.4
2. Income	-33.1	-87.9	-221.8	-71.7	-104.1
3. Current transfers	-128.1	-102.3	-122.5	-151.7	-185.3
4. Current account (net) (1+2+3)	389.3	577.1	-596.4	-258.4	33.1
a. Oil sector	466.4	621.1	-299.0	64.7	250.4
b. Free-zone sector	-10.6	-16.8	-67.1	12.6	12.1
c. Rest of economy	-66.6	-27.3	-230.3	-335.6	-229.4
- Private sector	20.7	51.7	-110.2	-211.5	-104.7
- Public sector	-87.3	-79.0	-120.1	-124.1	-124.7

Source: CBA.

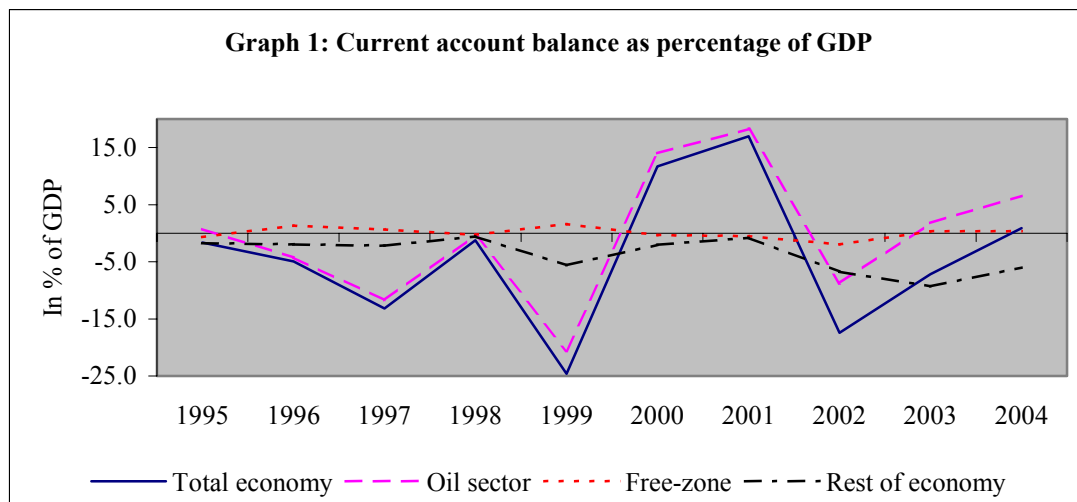
<sup>5</sup> All remaining sectors of the economy after excluding the oil and free-zone sectors.

### Box A. What is the current account?

The current account of the balance of payments measures the change over time in the sum of the three separate components:

- a. goods and services account: This account quantifies the difference between the value of exports and imports of goods and services.
- b. income account: This account records the income payments received from nonresidents and income payments made to nonresidents. The income components consist of compensation of employees and investment income. The latter comprises mainly interest and dividend payments.
- c. current transfers account: This account measures the difference in the value of private and official transfer payments from and to other countries. The most important transfer payments included are pension premiums and –claims, life insurance premiums – and benefits, contributions to the Solidarity Fund and workers’ remittances.

An analysis of the role of each sector shows that the transactions of the oil sector again contributed largely to the positive turnaround in the current account balance. As graph 1 illustrates, the external transactions of this sector determined predominantly the evolution of the Aruban current account balance in the period 1995-2004. In that period, the current account of Aruba recorded mainly deficits with the exception of 2000, 2001 and 2004 when surpluses were recorded due to the high net exports of the oil sector.



Furthermore, the current account deficit of the rest of the economy narrowed substantially in 2004 owing to the encouraging inbound tourism developments mentioned earlier. Still, the deficit recorded was once more at a historically high level, i.e., equal to 6 percent of the nominal gross domestic product (GDP). Noticeable is the fact that the current account balance of the rest of the economy recorded only deficits in the period 1995-2004, reflecting deficits on the goods, income and current transfers accounts, while it recorded surpluses on its services account. The current account surplus of the free-zone sector remained virtually unchanged.

The factors causing the movements in the current account of the various sectors mentioned above will be discussed in the following subsections.

## 2.2 Oil sector

On March 5, 2004, El Paso Corporation sold the refinery and related marine, bunkering and marketing operations to Valero Energy Corporation. The refinery raised its average daily capacity utilization from 61.8 percent in 2003 to 75.7 percent in 2004, thus increasing its throughput volume by 22.7 percent to 77.5 million barrels. Subsequently, the refinery's operating income was positively influenced by both the additional throughput volume and the higher refining throughput margins in 2004 compared to 2003.

In 2004, the current account surplus of the oil sector rose by Afl. 185.7 million to Afl. 250.4 million (Table 3), due largely to a widening goods account surplus which reflected mentioned increases in throughput volumes and refining margins. Both exports and imports of goods went up, i.e., by Afl. 1,212.9 million and Afl. 972.5 million, respectively. The expansion in the goods account surplus was offset partially by larger deficits on the services and current transfers accounts, reflecting respectively the increased payments for freight services and freight insurance premiums. These higher expenses are related directly to the increased imports of goods.

**Table 3: Current account of the oil sector**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Goods and services	512.8	658.5	-271.5	99.8	296.1
A. Goods	904.1	1,030.7	35.5	482.6	723.0
1. Exports f.o.b.	4,336.2	4,142.1	2,513.0	3,559.0	4,771.9
2. Imports f.o.b.	3,432.0	3,111.5	2,477.5	3,076.4	4,048.9
- of which: Goods for processing	3,079.0	2,499.8	1,866.5	2,388.4	3,672.1
B. Services	-391.4	-372.1	-307.0	-382.9	-426.9
1. Receipts	5.1	8.1	7.4	8.0	9.9
2. Payments	396.5	380.3	314.4	390.9	436.7
2. Income	0.0	0.0	0.0	-0.4	0.0
3. Current transfers	-46.3	-37.4	-27.5	-34.7	-45.8
4. Current account (net) (1+2+3)	466.4	621.1	-299.0	64.7	250.4
5. Quantity of oil refined (x 1,000 barrels)	83,553	64,327	52,383	63,155	77,468

Source: CBA.

## 2.3 Free zone

The activities in the free-zone sector, mirrored by the export and import of goods, declined further in 2004, after reaching a peak in 2001. The export and import of goods fell by respectively Afl. 15.8 million to Afl. 64.6 million and Afl. 11.4 million to Afl. 54.8 million. Consequently, net export of goods fell by Afl. 4.4 million to Afl. 9.8 million. In contrast, net receipts from services amounted to Afl. 2.9 million in contrast to net payments for services of Afl. 0.9 million in 2003. This improvement was primarily related to an increase in retail sales to tourists. The current transfers

account deficit remained almost unchanged at Afl. 0.6 million. Consequently, the current account surplus of the free-zone sector declined slightly by Afl. 0.5 million to Afl. 12.1 million (Table 4).

**Table 4: Current account of the free-zone sector**

(In Afl. million)

	2000	2001	2002	2003	2004
1. Goods and services	-9.1	-0.3	9.4	13.3	12.7
A. Goods	3.9	9.9	14.5	14.2	9.8
1. Exports f.o.b.	134.9	144.0	110.6	80.4	64.6
2. Imports f.o.b.	130.9	134.1	96.1	66.2	54.8
B. Services	-13.0	-10.2	-5.0	-0.9	2.9
1. Receipts	3.1	4.9	5.2	6.2	8.6
2. Payments	16.1	15.1	10.3	7.1	5.7
2. Income	-0.1	-15.9	-75.6	0.0	0.0
3. Current transfers	-1.5	-0.6	-1.0	-0.7	-0.6
4. Current account (net) (1+2+3)	-10.6	-16.8	-67.1	12.6	12.1

Source: CBA.

## 2.4 Rest of the economy

In recent years, the current account deficit of the rest of the economy expanded noticeably, i.e., from a relatively modest Afl. 27.3 million or 0.8 percent of GDP in 2001 to Afl. 230.3 million or 6.7 percent of GDP in 2002 and subsequently to Afl. 335.6 million or 9.3 percent of GDP in 2003 (Table 5). In 2004, this deficit narrowed to Afl. 229.4 million or 6 percent of GDP.

**Table 5: Current account of the rest of the economy**

(In Afl. million)

	2000	2001	2002	2003	2004
1. Goods and services	46.8	109.0	9.8	-148.0	13.5
A. Goods	-1,009.4	-942.8	-1,000.6	-1,112.8	-1,218.8
1. Exports f.o.b.	50.4	52.4	39.6	30.7	31.6
2. Imports f.o.b.	1,059.7	995.2	1,040.2	1,143.5	1,250.3
B. Services	1,056.2	1,051.8	1,010.4	964.7	1,232.3
1. Receipts	1,793.2	1,757.6	1,773.1	1,867.2	2,205.3
- of which: Tourism	1,438.1	1,451.7	1,465.2	1,511.2	1,855.9
2. Payments	737.0	705.8	762.6	902.5	973.0
2. Income	-33.0	-72.0	-146.2	-71.3	-104.1
1. Receipts	94.8	90.1	61.3	62.3	64.5
2. Payments	127.8	162.0	207.5	133.6	168.6
3. Current transfers	-80.4	-64.3	-93.9	-116.3	-138.9
1. Receipts	66.1	70.9	62.3	71.8	74.4
2. Payments	146.4	135.2	156.2	188.1	213.3
- of which: Workers' remittances	59.6	56.4	79.6	92.4	89.9
4. Current account (net) (1+2+3)	-66.6	-27.3	-230.3	-335.6	-229.4

Source: CBA.

The key driving force behind the large current account deficits of the last few years was the strong domestic demand, arising from increased domestic investments, government expenditures and household spending. In addition, the increased outgoing workers' remittances added to the build-up of current account deficits.

Specifically, the narrower current account deficit of the rest of the economy in 2004 compared to a year earlier stemmed from a rise in net receipts from services. After three consecutive years of decline, the services account surplus climbed by a notable Afl. 267.6 million to Afl. 1,232.3 million in 2004, reflecting largely an Afl. 344.7 million or 22.8 percent surge in tourism receipts, following the bouyant performance of the tourism industry. The higher tourism receipts were offset partially by an Afl. 80.9 million rise in tourism payments to Afl. 352.2 million resulting from residents travelling abroad.

The expansion in the services account surplus was cancelled out partially by increases in the deficits on the goods, income and current transfers accounts of Afl. 106 million, Afl. 32.8 million and Afl. 22.6 million, respectively. The deterioration of the merchandise account was brought about by an Afl. 106.8 million or 9.3 percent rise in merchandise imports. The latter increase reflected the expansion in inbound tourism consumption, higher investment and production activities, and also increased consumption expenditures by both the government and the private sector. The increase in the deficit on the income account was mainly the result of more payments of dividend to foreign direct investors and interest to foreign creditors, i.e., mainly by the government. Interest payments by the latter rose to Afl. 43.7 million, up from Afl. 28.5 million in 2003. Furthermore, the widening of the current transfers account deficit reflected in part an increase in payments to nonresidents related to nonlife insurance premiums, pensions and other transfers. In contrast, outgoing remittances made by migrant workers declined slightly by Afl. 2.5 million to Afl. 89.9 million.

**Table 6: Current account transactions executed by the government**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Goods and services	-61.9	-54.9	-80.2	-88.8	-84.7
A. Goods	-5.0	-3.6	-4.0	-3.8	-7.5
B. Services	-56.9	-51.3	-76.2	-85.0	-77.2
2. Income	-23.1	-26.7	-31.7	-28.5	-43.7
3. Current transfers	-2.2	2.6	-8.4	-6.8	3.9
1. Receipts	4.1	7.1	1.1	2.5	7.3
2. Payments	6.3	4.7	9.6	9.1	3.3
- of which: Solidarity Fund	5.5	3.8	9.4	8.8	3.0
4. Current account (net) (1+2+3)	-87.3	-79.0	-120.1	-124.1	-124.7

Source: CBA.

The influence of government spending on the results of the current account of the rest of the economy should not be underestimated. The external transactions executed by the government itself contributed Afl. 124.7 million or 54.4 percent directly to the current account deficit of the rest of the economy in 2004 (Table 6) and consisted primarily of payments of interest to foreign creditors, tourism promotion, and

transfers to government offices abroad. The government contributed also indirectly to the results of the current account. Specifically, by increasing its expenditure it pushed up domestic demand of the private sector, resulting in a rise of imports by this sector.

### 3. The capital and financial account

#### 3.1 Total economy

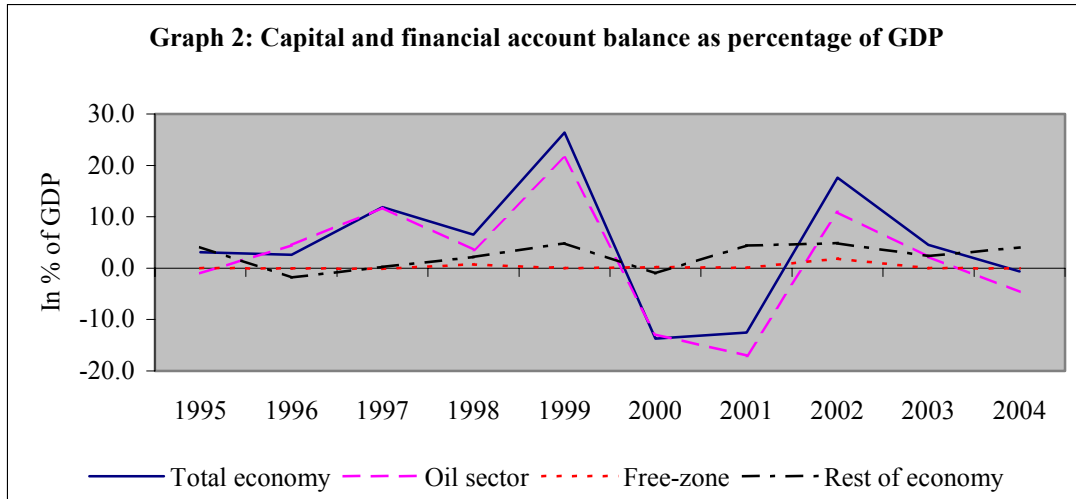
In 2004, the capital and financial account (Box B) showed a reversal from an Afl. 163.2 million net inflow in 2003 into an Afl. 24.1 million net outflow (Table 7). This net outflow was the result of an Afl. 60.3 million deficit on the financial account (2003: -Afl. 16.6 million), which was mitigated partially by an Afl. 36.3 million capital account surplus (2003: +Afl. 179.8 million).

**Table 7: Capital and financial account**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Capital account (net)	20.1	-1.8	38.1	179.8	36.3
A. Capital transfers	20.1	-2.8	40.4	179.0	33.4
B. Acquisition / disposal of n.p.n.f. assets	0.0	1.0	-2.4	0.8	2.9
2. Financial account (net)	-476.4	-424.8	564.9	-16.6	-60.3
A. Direct investment	-231.4	-492.3	542.6	311.6	249.3
B. Portfolio investment	-3.3	74.2	133.3	86.4	77.5
C. Financial derivatives	0.0	0.0	-0.1	0.0	0.0
D. Other investment	-241.7	-6.7	-110.8	-414.6	-387.1
3. Capital and financial account (net) (1+2)	-456.2	-426.6	602.9	163.2	-24.1
a. Oil sector	-428.6	-577.8	372.1	79.4	-176.7
b. Free-zone sector	5.2	2.1	64.3	-1.2	-2.4
c. Rest of economy	-32.9	149.1	166.6	85.0	155.0
- Private sector	-84.7	110.3	22.4	101.5	23.0
- Public sector	51.8	38.8	144.2	-16.5	132.0

Source: CBA.

The result of the capital and financial account was primarily brought about by the transactions of the oil sector that recorded a net capital outflow in contrast to a net capital inflow in 2003. As in the case of the current account, the developments in the oil sector influenced largely the evolution of the capital and financial account of Aruba in the period 1995-2004 (Graph 2). This account recorded predominantly surpluses, thereby mirroring the development of the current account balance. An exception to this were the deficits in 2000, 2001 and 2004. During these years, the oil sector recorded high net exports, which resulted in funds available to the oil sector that were subsequently transferred to abroad.



In contrast, the capital and financial account surplus of the rest of the economy widened further in 2004, largely because of the financial transactions of the government with overseas. As graph 2 shows, the capital and financial account of the rest of the economy recorded mainly surpluses in the period 1995-2004.

#### **Box B. The capital and financial account**

The capital and financial account has two major components, i.e., the capital account and the financial account. The capital account comprises capital transfers and acquisition or disposal of nonproduced, nonfinancial assets such as patents, copyrights, trademarks, franchises licenses and land by a government or international organization. Migrants' transfers (i.e., these transfers are contra-entries to flow of goods and changes in financial items that arise from the migration of individuals from one economy to another) and government's grants are examples of capital transfers. The financial account records transactions in Aruba's financial assets and liabilities with the rest of the world. Financial account categories include direct investment, portfolio investment, financial derivatives and other investment.

Direct investment is investment undertaken by a resident entity in one economy in an enterprise resident in another economy with the objective to obtain a lasting interest in the enterprise. Portfolio investment consists of equity and debt securities that are not classified to either direct investment or reserve assets. Financial derivatives are secondary instruments linked to, but separate from, a specific underlying financial instrument or indicator, or commodity, through which specific financial risk can be traded in its own right. Examples of derivatives include options, futures, warrants, currency and interest rate swaps. Other investment includes all financial transactions not covered in direct investment, portfolio investment, financial derivatives or reserve assets.

Capital inflows are presented as positive values, while capital outflows are shown as negative values.

### **3.2 Oil sector**

In 2004, the transactions of the oil sector resulted in an Afl. 176.7 million net capital outflow in contrast to an Afl. 79.4 million net inflow in the previous year. This net capital outflow was brought about mainly by increases in foreign account balances of the oil sector, following a notable rise in net exports of this sector during that year.

**Table 8: Capital and financial account of the oil sector**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Capital account (net)	0.0	0.0	0.0	0.0	0.0
2. Financial account (net)	-428.6	-577.8	372.1	79.4	-176.7
A. Direct investment	-427.0	-576.4	373.0	80.8	75.6
B. Portfolio investment	-1.3	0.0	-0.9	-1.5	0.0
C. Financial derivatives	0.0	0.0	0.0	0.0	0.0
D. Other investment	-0.3	-1.3	0.0	0.0	-252.3
3. Capital and financial account (net) (1+2)	-428.6	-577.8	372.1	79.4	-176.7

Source: CBA.

### 3.3 Free-zone sector

The capital and financial account transactions of the free-zone sector are in general minimal and are related mainly to loans. The large inflow in 2002 was related to an intercompany loan which was used to pay out dividends. Therefore, the inflow was offset by an Afl. 67.1 million outflow in the current account of this sector.

The financial account transactions of the free-zone companies led to an Afl. 2.4 million net capital outflow in 2004, reflecting mainly repayments of loans, compared to Afl. 1.2 million in 2003.

**Table 9: Capital and financial account of the free-zone sector**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Capital account (net)	0.0	0.0	0.0	0.0	0.0
2. Financial account (net)	5.2	2.1	64.3	-1.2	-2.4
A. Direct investment	-0.1	0.4	65.9	-0.1	0.0
B. Portfolio investment	0.2	-1.6	0.0	0.0	0.0
C. Financial derivatives	0.0	0.0	0.0	0.0	0.0
D. Other investment	5.1	3.3	-1.6	-1.1	-2.4
3. Capital and financial account (net) (1+2)	5.2	2.1	64.3	-1.2	-2.4

Source: CBA.

### 3.4 Rest of the economy

In 2004, the capital and financial account surplus of the rest of the economy (i.e., excluding the oil and free-zone sectors) widened by Afl. 70 million to Afl. 155 million (Table 10). This result was brought about by a turnaround in the financial account, i.e., from an Afl. 94.8 million net outflow in 2003 to an Afl. 118.7 million net inflow in 2004. This turnaround was caused primarily by an Afl. 281.1 million decline in net other investment outflow to Afl. 132.4 million. To get a better understanding of the changes in the financial account of the rest of the economy, the financial transactions of the public and private sector will be analyzed separately.

The turnaround in the financial account was offset in part by an Afl. 143.5 million decline in the capital account surplus to Afl. 36.3 million. The capital account surplus reflected mainly an Afl. 31.1 million (2003: Afl. 30.1 million) receipt in grants from the Dutch government to the Fondo Desaroyo Aruba FDA) and an Afl. 2.6 million (2003: -Afl. 4.8 million) net inflow of migrants' transfers resulting from a change of residence. It should be mentioned that the large capital account surplus recorded in 2003 was determined largely by the Afl. 171.7 million debt forgiveness<sup>6</sup> by the Italian export credit insurer, SACE, following the settlement of the hotel guarantee that was issued in the past by the government. Furthermore, in 2003 the government paid Afl. 17.9 million to settle the racetrack issue.

**Table 10: Capital and financial account of rest of the economy**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Capital account (net)	20.1	-1.8	38.1	179.8	36.3
A. Capital transfers	20.1	-2.8	40.4	179.0	33.4
- General government	17.0	0.0	37.4	183.8	30.8
- Other sectors	3.1	-2.8	3.1	-4.8	2.6
Migrants' transfers	3.1	-2.8	3.1	-4.8	2.6
Other	0.0	0.0	0.0	0.0	0.0
B. Acquisition / disposal of n.p.n.f. assets	0.0	1.0	-2.4	0.8	2.9
2. Financial account (net)	-53.0	150.9	128.5	-94.8	118.7
A. Direct investment	195.8	83.7	103.7	230.9	173.6
B. Portfolio investment	-2.2	75.8	134.1	87.8	77.5
C. Financial derivatives	0.0	0.0	-0.1	0.0	0.0
D. Other investment	-246.6	-8.6	-109.2	-413.5	-132.4
3. Capital and financial account (net) (1+2)	-32.9	149.1	166.6	85.0	155.0

Source: CBA.

In table 11, the external financial transactions of the government are presented. It is clear that in recent years, the government relied increasingly on the foreign capital market to cover its financial needs. During those years, large capital inflows were recorded in the portfolio investment account, thus contributing to a surplus on the financial account. However, in 2003 the financial account posted an Afl. 200.3 million deficit, reflecting largely the earlier mentioned agreement with the Italian export credit insurer SACE to convert the outstanding amount due into a US\$ 110 million (Afl. 196.9 million) loan. As a result of this settlement, outstanding payment arrears to SACE declined by US\$ 205.9 million (Afl. 368.6 million). Following the

<sup>6</sup> In 1992, several private companies defaulted on the debt that was incurred to finance certain hotel projects on the island. Because this debt was guaranteed by the Government of Aruba, the government then had to assume the responsibility for servicing this debt totaling, at that moment, US\$ 146 million (Afl. 261.3 million). In the period 1992-2003, this debt increased to US\$ 206 million because of accumulated interest. On March 7, 2003, the Parliament of Aruba approved an agreement for the settlement of the debt with SACE. Consequently, part of the outstanding amount due, including interest, was converted into a US\$ 110 million (Afl. 196.9 million) loan. The remainder of the debt, amounting to US\$ 96 million, was forgiven by SACE and, subsequently, was registered as a grant received in the corresponding period (See also Quarterly Bulletin 2004-IV, Centrale Bank van Aruba for further elaboration on this matter).

agreement, part of the loan was paid to SACE in 2003, i.e. US\$ 55 million (Afl. 98.5 million).

In 2004, the financial account of the government showed an Afl. 100.7 million surplus in 2004, largely because of a US\$ 67 million (Afl. 119.9 million) bond issue on the foreign capital market in April 2004. This transaction was recorded in the portfolio investment account. This inflow was offset partly by an Afl. 22.8 million repayment on foreign loans by the government.

**Table 11: Financial account of the government**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Direct investment	0.0	0.0	0.0	0.0	0.0
2. Portfolio investment 1)	73.4	41.5	109.2	85.9	123.5
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0
4. Other investment	-38.4	-2.7	-2.4	-286.2	-22.8
- Payment arrears 2)	36.4	36.4	36.4	-368.6	0.0
- Loans received 3)	0.0	0.0	26.9	196.9	0.0
- Repayment (-) on loans 4)	-38.1	-39.1	-65.7	-114.9	-22.8
- Other	-36.7	0.0	0.0	0.4	0.0
5. Financial account (net) (1+2+3+4)	35.0	38.8	106.8	-200.3	100.7

Source: CBA.

1) Government debt securities.

2) Payment arrears related to the debt assumption in 1992 by the government of loans to SACE of the private sector as a result of the calling of the hotel guarantees. In 2003, negotiations with SACE on these loans culminated in a repayment of part these loans and the conversion on another part in a long-term loan (see note 3).

3) In 2003, an amount of Afl. 196.9 million (US\$ 110 million) was recorded as loans received related to the settlement of the hotel guarantees issue mentioned in note 2.

4) Includes an amount of Afl. 98.5 million (US\$ 55 million) as repayment of a loan to SACE in 2003.

The foreign financial transactions of the private sector (i.e., excluding the oil and free-zone sectors) resulted in an Afl. 18 million net capital inflow, down from Afl. 105.5 million in 2003 (Table 12). This outcome was brought about mainly by an Afl. 57.3 million contraction in net direct investment inflow. In addition, the portfolio investment balance turned around from an Afl. 1.9 million surplus to an Afl. 46 million deficit, while the net other investment account deficit narrowed by Afl. 17.7 million to Afl. 109.6 million.

**Table 12: Financial account of the private sector (i.e., excluding the oil and free-zone sectors)**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Direct investment	195.8	83.7	103.7	230.9	173.6
2. Portfolio investment	-75.6	34.3	24.9	1.9	-46.0
3. Financial derivatives	0.0	0.0	-0.1	0.0	0.0
4. Other investment	-208.2	-5.9	-106.8	-127.3	-109.6
5. Financial account (net) (1+2+3+4)	-88.0	112.1	21.7	105.5	18.0

Source: CBA.

The direct investment surplus narrowed in 2004, reflecting mainly an Afl. 72.1 million decline in net inflow related to intercompany debt transactions, resulting in an Afl. 4.4 million net outflow in 2004 (Table 13).

**Table 13: Direct investment private sector (i.e., excluding the oil and free-zone sectors)**

(In Afl. million)

	2000	2001	2002	2003	2004
1. Investment abroad	-10.8	-2.3	-1.1	-11.1	-0.6
2. Investment in Aruba	206.5	86.0	104.8	242.0	174.2
- Intercompany debt	18.7	-23.7	-18.7	67.7	-4.4
- Other investment 1)	187.8	109.7	123.5	174.3	178.6
3. Direct investment (net) (1+2)	195.8	83.7	103.7	230.9	173.6

Source: CBA.

1) Including retained earnings, real estate investment, timeshare sales and equity capital.

The turnaround in portfolio investment of the private sector in 2004 was attributable to a reversal in domestic securities from an Afl. 33.2 million net inflow in 2003 to an Afl. 11 million net outflow in 2004 (Table 14). The net inflow in domestic securities in 2003 was related to the issue of an Afl. 90 million (US\$ 50.3 million) bond by the telecommunication company Setar in connection with its acquisition of a corporate status. Of this bond issue Afl. 40.3 million (US\$ 22.5 million) was bought by nonresidents.

**Table 14: Portfolio investment private sector (i.e., excluding the oil and free-zone sectors)**

(In Afl. million)

	2000	2001	2002	2003	2004
1. Domestic securities	4.9	-10.8	-7.6	33.2	-11.0
2. Foreign securities	-80.5	45.1	32.5	-31.3	-35.1
- Equity	-80.0	10.8	-8.1	-31.5	-45.2
- Debt securities	-0.5	36.2	41.0	6.9	4.6
- Money market instrument	0.0	-1.9	-0.4	-6.8	5.5
3. Portfolio investment (net) (1+2)	-75.6	34.3	24.9	1.9	-46.0

Source: CBA.

The deficit on the other investment account of the private sector narrowed by Afl. 17.7 million to Afl. 109.6 million in 2004, mainly because of an Afl. 34.9 million smaller increase in foreign bank accounts balances of residents compared to 2003. In contrast, the outflows related to liabilities rose by Afl. 14.1 million (Table 15).

**Table 15: Other investment private sector (i.e., excluding the oil and free-zone sectors)**  
(In Afl. million)

	2000	2001	2002	2003	2004
1. Assets	-23.6	10.7	-74.1	-56.0	-24.2
- of which: Currency and deposits	-27.6	-22.6	-57.8	-49.9	-15.0
2. Liabilities	-184.5	-16.7	-32.7	-71.3	-85.4
- of which: Loans	-221.3	-5.9	-27.0	-58.1	-58.3
3. Other investment (net) (1+2)	-208.2	-5.9	-106.8	-127.3	-109.6

Source: CBA.

#### 4. Concluding remarks

The balance of payments of Aruba registered an Afl. 14.3 million surplus in 2004, thus improving its overall position compared to the previous year when an Afl. 61.2 million deficit was recorded. Nonetheless, it is important to reverse the current account of the rest of the economy (i.e., excluding the oil and free-zone sectors), because this account showed in 2004 for the third consecutive year a huge deficit of 6 percent of GDP. This outcome resulted despite a hike in tourism receipts.

The recent large current account deficits of the rest of the economy reflected the much larger domestic spending compared to domestic income. This spending was fueled by a strong domestic demand, in part linked to the high level of investments, which is positive for the long-run economic growth of Aruba. However, these deficits were also driven by government and household consumptive spending. This spending does not add to the productive capital stock of Aruba.

This development should be redressed, because Aruba cannot afford to run large current account deficits on a structural basis. These deficits should be financed either by raising foreign net claims on Aruba, i.e., largely by the acquirement of foreign loans, or by the use of its international reserves. The acquirement of loans may in first instance postpone the weakening of the international reserves position of Aruba, but it also entails the risk of an unsustainable external debt level and debt service obligations, which can only lead to less accessibility, or at worse conditions, to the international capital market. Illustrative is that the net capital inflows in the past to fund the current account deficits led to an increased net indebtedness of the Aruban economy.

Moreover, with regard to the government sector the net capital inflows were used primarily to finance current consumptive spending. This spending will not generate higher output in the coming years. Consequently, generations yet to come would have to consume less of their income in order to settle the ensuing repayment and interest obligations of these loans, thereby reducing their living standards. Given these risks, steps should be taken on a short term to prevent current account deficits in the future. In this regard, the government has an important role to play by tightening its fiscal stance.



### **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	
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

	Business perception indices																		
	Improvement				No change				Worsening				Business perception indices						
	2004		2005		2004		2005		2004		2005		Current		Short-term		Business perception index		
	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<i>(as a percentage of the total)</i>																			
<b>A. Current economic condition</b>	49	60	51	47	35	34	30	33	43	17	10	16	10	2002	98.4	102.4	100.3		
1. The economic conditions in Arabia	69	68	67	57	23	24	25	40	8	8	8	3	2003	103.9	107.1	105.4			
2. The activities of your business	64	76	64	71	21	14	19	20	15	11	17	9	2004	106.6	107.2	106.9			
3. The investments of your business	36	54	39	40	44	41	42	49	21	5	19	11	2004 I	105.1	108.1	106.4			
4. The number of employees that work for your company	28	43	33	20	49	41	47	63	23	16	19	17	2004 II	105.0	108.0	106.3			
													2004 III	107.1	108.3	107.6			
													2004 IV	105.2	107.9	106.4			
<b>B. Expected short-term economic conditions 1)</b>	51	51	47	35	44	45	47	63	6	5	6	3	2005 I	106.5	108.5	107.3			
1. The economic conditions in Arabia	56	57	50	27	41	38	47	71	3	5	3	3							
2. The activities of your business	64	62	61	51	33	35	36	49	3	3	3	0							
3. The investments of your business	54	49	50	40	36	46	44	57	10	5	6	3							
4. The number of employees that work for your company	28	35	28	20	64	60	61	74	8	5	11	6							

1) During the next 6 months.

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

	Operational results												Average wage costs																	
	Employment						Profits						Losses						Sales						Average wage costs					
	2004		2005		2004		2005		2004		2005		2004		2005		2004		2005		2004		2005		2004		2005			
	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I		
1. no change	54	35	53	60	18	19	6	14	3	5	3	3	3	15	3	9	9	33	22	17	17									
2. increase of less than 5.1 percent	10	30	18	20	26	24	31	26	5	0	0	0	0	13	24	31	29	36	43	57	57									
3. increase between 5.1 and 10.1 percent	10	16	6	6	10	11	11	14	0	0	0	0	0	18	27	23	29	21	19	14	14									
4. increase of more than 10.1 percent	5	3	6	0	1.5	2.2	1.1	2.3	3	0	9	0	0	31	27	17	20	5	5	6	9									
5. decrease of less than 5 percent	18	8	9	9	0	3	9	6	5	5	3	0	0	5	3	9	9	3	5	3	0									
6. decrease between 5.1 and 10.1 percent	3	5	6	0	3	3	3	0	0	0	0	6	6	8	5	6	0	3	3	0	3									
7. decrease of more than 10.1 percent	0	3	3	6	8	3	11	9	5	5	3	0	0	10	11	6	6	0	3	0	3									
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>80</b>	<b>84</b>	<b>83</b>	<b>92</b>	<b>20</b>	<b>16</b>	<b>17</b>	<b>9</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	

1) In percentages of all respondents.

Source: CBA

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

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

Source: Centrale Bank van Aruba

**TABLE 1.3: PARTIAL ECONOMIC ACTIVITY INDEX I)**

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	III	IV	
Total index	71.3	-1.2	-3.2	1.3	3.3	1.3	1.3	0.1	2.2	1.5	2.2	4.5	1.3	5.0	5.1							
a. Utilities	4.1	5.0	1.0	1.9	0.5	6.7	2.6	0.1	-3.1	1.9	-7.1	5.7	3.3	0.5	6.7							
b. Construction	8.6	-3.3	-8.9	11.4	-8.5	29.3	28.9	2.6	-1.1	-0.5	-14.6	-14.5	-15.9	14.8	28.0							
c. Trade	14.2	-12.6	-2.1	-4.4	3.4	-3.3	-13.3	-13.3	0.1	-1.4	2.4	8.5	-1.3	4.0	0.3							
d. Hotels and restaurants	10.5	-1.2	-5.6	4.1	10.2	-1.6	0.3	0.3	9.9	8.0	12.5	15.3	5.0	8.6	9.1							
e. Transport, storage & communication	8.2	-3.9	-0.3	-2.2	9.1	-4.7	-7.8	2.9	0.8	2.9	3.3	11.9	14.9	7.5	3.2							
f. Housing	12.6	3.4	2.8	2.5	2.6	2.3	2.8	2.8	2.5	2.6	2.7	2.5	2.6	2.8	2.8							
g. Public adm. & education	13.1	7.3	-8.0	0.1	1.8	-0.7	0.5	0.5	2.7	-1.9	3.5	1.7	1.2	1.1	-0.2							

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

Source: CBS.

**TABLE 1.4: TOURISM**

period	(1)	(2)		(3)				(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		(13)
		Total visitor nights	Total visitors	North America	Of which USA	Latin America	Of which Venezuela									Europe	Of which Nether-lands	
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	118,350	18,299	12,742	15,991	10,908	7,182	8.0	76.9	168,861	97					
2004	I	1,446,513	177,098	143,778	13,606	8,620	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	13,892	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	16,559	10,060	6,370	7.9	80.0	196,713	128					
2005	I	1,574,890	200,868	163,443	155,375	16,934	15,218	9,315	5,273	7.8	88.3	190,659	108					

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
II	3.9	-2.1	1.2	1.8	-30.8	-19.3	17.7	22.4	10.2
III	8.7	3.1	12.0	11.9	-33.6	-33.2	56.5	56.1	15.9
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
II	14.7	18.5	21.5	21.2	12.0	4.7	9.4	2.9	0.9
III	7.2	11.6	14.3	14.4	11.9	9.7	4.1	-1.5	-11.7
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
<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
II	1.3	-5.1	1.3	2.3	-40.5	-40.8	4.4	11.4	3.1
III	3.9	-2.3	4.6	5.3	-37.4	-37.0	21.0	25.3	8.1
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
II	13.8	16.2	17.8	17.2	3.7	4.5	19.8	17.3	9.3
III	11.4	14.6	16.7	16.3	7.7	7.3	13.3	10.0	0.5
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

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 I.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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Weights (September 1994)</b>	<b>10,000</b>	<b>1,625</b>	<b>254</b>	<b>1,134</b>	<b>1,786</b>	<b>1,039</b>	<b>307</b>	<b>2,072</b>	<b>808</b>	<b>975</b>
<b>Weights (September 2000)</b>	<b>10,000</b>	<b>1,469</b>	<b>219</b>	<b>1,086</b>	<b>2,296</b>	<b>1,002</b>	<b>88</b>	<b>1,967</b>	<b>799</b>	<b>1,074</b>
End of period										
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

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
2003 II	109.2	0.2	-0.3	3.5	4.3
2003 III	109.8	0.5	0.5	2.9	4.1
2003 IV	110.1	0.2	0.3	2.2	3.6
2004 I	111.1	0.4	0.9	1.5	2.8
2004 II	112.5	0.9	1.3	3.0	2.4
2004 III	112.7	0.0	0.2	2.6	2.3
2004 IV	113.2	-0.6	0.4	2.8	2.5
2005 I	113.6	0.1	0.4	2.3	2.7

**TABLE 1.8: CONSTRUCTION ACTIVITIES**

	2001	2002	2003	2004	2003				2004				2005					
					I	II	III	IV	I	II	III	IV	I	II	III	IV	I	
1. Number of construction permits granted	1,243	1,185	1,269	1,474	310	282	364	313	432	338	348	356	342					
a. Houses 1)	749	852	774	1,034	216	172	185	201	325	205	234	270	254					
b. Apartments	22	42	22	17	6	1	11	4	2	6	7	2	6					
c. Office buildings	12	10	12	16	1	0	7	4	6	5	3	2	2					
d. Stores and shopping malls 2)	24	25	29	25	7	9	7	6	9	6	4	6	6					
e. Others	435	256	432	382	80	100	154	98	90	116	100	76	74					
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					
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					
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					
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					
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					
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					
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					
4. Number of electrical installations approved	2,873	2,628	3,021	2,541	490	803	850	878	526	596	673	746	558					
a. Houses 1)	722	667	735	721	54	157	202	322	157	142	166	256	187					
b. Apartments	197	206	257	264	24	91	76	66	36	83	76	69	73					
c. Enterprises	175	151	267	372	61	58	30	118	61	82	128	101	48					
d. Others	1,779	1,604	1,762	1,184	351	497	542	372	272	289	303	320	250					

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	III	IV	I	II	III	IV	I
1. a. Water (x 1,000 m <sup>3</sup> ) 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
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
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
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
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
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
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
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
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

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	2003				2004				2005				
					I	II	III	IV	I	II	III	IV	I	II	III	IV	
1. Export of goods (f.o.b.)	51.7	62.1	36.1	40.4	7.9	8.0	9.2	11.1	10.3	11.7	10.7	7.8	8.0				
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				
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				
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				
d. Netherlands Antilles	10.2	9.2	7.1	8.2	1.5	1.5	1.8	2.4	2.1	2.6	1.7	1.9	2.4				
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				
f. Other countries	2.6	4.2	5.8	5.5	1.0	1.0	0.5	3.3	2.2	1.7	1.0	0.7	1.0				
2. Import of goods (c.i.f.)	1,318.3	1,364.4	1,418.1	1,477.3	308.0	329.3	375.7	405.1	350.5	346.8	340.5	439.4	362.2				
a. United States	816.7	825.5	836.5	869.1	190.0	198.1	224.7	223.6	206.8	213.3	193.2	255.9	214.1				
b. The Netherlands	153.0	172.4	180.7	204.9	40.7	46.4	45.7	47.9	54.6	43.8	50.8	55.7	47.9				
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	9.1				
d. Venezuela	40.8	40.8	45.6	50.3	8.7	10.9	13.6	12.4	11.6	11.4	13.9	13.4	10.7				
e. Japan	33.6	35.5	38.3	36.9	8.6	8.5	7.4	13.7	9.7	9.3	7.4	10.5	6.4				
f. Other countries	226.1	245.1	270.6	271.7	49.0	55.3	72.4	93.9	59.0	58.4	64.3	90.0	74.0				
3. Trade balance	-1,266.6	-1,302.3	-1,382.0	-1,436.9	-300.1	-321.4	-366.5	-394.0	-340.2	-335.2	-329.9	-431.7	-354.2				

Source: CBS.

TABLE 1.11: MERCHANDISE FOREIGN TRADE BY PRODUCT CATEGORY

	2001	2002	2003	2004	2003				2004				2005			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. Export of goods (f.o.b.)	51.7	62.1	36.1	40.4	7.9	8.0	9.2	11.1	10.3	11.7	10.7	7.8	8.0			
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			
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			
c. Art objects and collectors' items	9.5	8.4	8.0	7.6	0.7	2.2	3.8	1.3	1.9	2.0	2.8	0.9	0.8			
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			
e. Other goods	17.4	21.8	16.0	21.3	4.3	4.0	3.3	4.4	5.5	6.4	5.7	3.7	5.0			
2. Import of goods (c.i.f.)	1,318.3	1,364.4	1,418.1	1,477.3	308.0	329.3	375.7	405.1	350.5	346.8	340.5	439.4	362.2			
a. Live animals and other animal products	100.8	90.8	86.4	94.7	19.2	18.5	23.9	24.7	23.1	21.5	24.3	25.9	24.8			
b. Food products	144.8	146.6	155.8	169.0	35.0	38.2	37.0	45.6	37.7	41.6	40.9	48.8	38.6			
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			
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			
e. Machinery and electrotechnical equipment	233.3	250.1	266.6	234.1	52.6	64.3	80.8	69.0	55.1	64.7	46.5	67.9	59.9			
f. Transport equipment	102.9	119.2	120.0	134.4	24.4	29.0	28.0	38.5	39.6	30.9	26.8	37.1	31.2			
g. Other goods	470.7	489.5	520.8	581.8	116.3	111.2	129.6	163.7	136.7	120.2	135.8	189.1	142.2			
3. Trade balance	-1,266.6	-1,302.3	-1,382.0	-1,436.9	-300.1	-321.4	-366.5	-394.0	-340.2	-335.2	-329.9	-431.7	-354.2			

Source: CBS.

**TABLE 1.12: OIL REFINING**

	2001	2002	2003	2004	2003				2004				2005
					I	II	III	IV	I	II	III	IV	I
1. Export of 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
2. Import of crude (x Afl. million)	2,030	1,789	2,743	4,369	641	610	595	897	898	1,105	1,270	1,096	1,184
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
4. Number of employees (at end of period) 1)	597	672	662	765	662	662	662	662	689	781	781	765	789

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				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
<b>I. Net domestic assets</b>	<b>1,180.5</b>	<b>1,334.6</b>	<b>1,576.3</b>	<b>1,633.1</b>	<b>1,275.9</b>	<b>1,484.6</b>	<b>1,582.0</b>	<b>1,576.3</b>	<b>1,596.5</b>	<b>1,529.0</b>	<b>1,573.8</b>	<b>1,633.1</b>	<b>1,614.1</b>
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	2,029.3
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	-10.6
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	101.4
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
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
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	2,040.0
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
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	1,070.9
1) Consumer credit	366.7	409.3	434.6	478.7	415.1	429.4	433.0	434.6	450.0	458.8	470.1	478.7	480.8
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	590.1
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
B) Other items, net	-363.4	-368.3	-345.1	-405.4	-391.5	-412.1	-403.3	-345.1	-377.0	-392.8	-399.6	-405.4	-415.2
<b>II. Net foreign assets</b>	<b>660.1</b>	<b>699.0</b>	<b>637.9</b>	<b>652.2</b>	<b>804.1</b>	<b>639.1</b>	<b>601.0</b>	<b>637.9</b>	<b>668.9</b>	<b>730.1</b>	<b>680.7</b>	<b>652.2</b>	<b>767.3</b>
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
B) Commercial banks	120.5	87.6	91.4	103.0	104.6	76.8	64.2	91.4	101.5	92.1	70.4	103.0	130.6
<b>III. Broad money</b>	<b>1,840.6</b>	<b>2,033.6</b>	<b>2,214.1</b>	<b>2,285.3</b>	<b>2,080.0</b>	<b>2,123.7</b>	<b>2,182.9</b>	<b>2,214.1</b>	<b>2,265.3</b>	<b>2,259.1</b>	<b>2,254.5</b>	<b>2,285.3</b>	<b>2,381.4</b>
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	1,062.2
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	1,319.2

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					
								Foreign currency	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	787.4	144.1	931.5	1,062.2	552.9	13.8	688.0	54.4	1,309.2	10.0	1,319.2	2,381.4

TABLE 2.3: CAUSES OF CHANGES IN BROAD MONEY

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	III	IV
<b>I. Net domestic money creation</b>	<b>-27.4</b>	<b>154.0</b>	<b>241.7</b>	<b>56.8</b>	<b>-58.7</b>	<b>208.7</b>	<b>97.4</b>	<b>-5.7</b>	<b>20.2</b>	<b>-67.5</b>	<b>44.8</b>	<b>59.4</b>	<b>-19.0</b>							
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	-9.1							
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	10.7							
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	9.3							
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							
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) 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							
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	-19.8							
a) Enterprises	9.9	96.3	90.0	26.2	-8.1	59.1	52.2	-13.2	-18.6	-2.8	24.1	23.5	-23.8							
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	5.6							
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							
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	3.5							
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							
B) Other domestic factors	-59.1	-5.0	23.2	-60.2	-23.2	-20.5	8.7	58.2	-31.9	-15.7	-6.8	-5.8	-9.9							
<b>II. Inflow of foreign funds</b>	<b>129.7</b>	<b>39.0</b>	<b>-61.2</b>	<b>14.3</b>	<b>105.1</b>	<b>-165.0</b>	<b>-38.2</b>	<b>36.9</b>	<b>31.0</b>	<b>61.2</b>	<b>-49.4</b>	<b>-28.6</b>	<b>115.1</b>							
<b>III. Broad money</b>	<b>102.3</b>	<b>193.0</b>	<b>180.5</b>	<b>71.1</b>	<b>46.4</b>	<b>43.8</b>	<b>59.2</b>	<b>31.2</b>	<b>51.2</b>	<b>-6.3</b>	<b>-4.6</b>	<b>30.8</b>	<b>96.1</b>							
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	101.4							
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	-5.3							

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	1,258.6	2,173.3	35.9	55.5	32.2	
2002	68.2	608.1	8.5	667.9	530.2	442.6	87.6	755.5	56.5	699.0	2,033.6	1,262.9	2,354.2	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	1,350.9	2,457.4	29.1	51.8	28.5	
2004	87.1	528.8	1.5	614.4	583.6	480.6	103.0	717.4	65.2	652.2	2,265.3	1,455.4	2,675.8	28.8	49.3	26.8	
2003	66.7	687.9	0.1	754.4	528.8	424.2	104.6	859.0	54.9	804.1	2,080.0	1,276.5	2,443.2	38.7	67.3	35.2	
II	68.9	552.5	1.6	619.7	504.3	427.5	76.8	696.5	57.4	639.1	2,123.7	1,291.8	2,470.7	30.1	53.9	28.2	
III	77.2	512.3	0.2	589.3	492.7	428.5	64.2	653.5	52.6	601.0	2,162.9	1,339.6	2,451.5	27.8	48.8	26.7	
IV	83.1	528.4	2.6	608.9	664.3	572.9	91.4	700.3	62.5	637.9	2,194.1	1,350.9	2,457.4	29.1	51.8	28.5	
2004	84.3	550.6	1.5	633.4	630.8	529.3	101.5	734.9	66.1	668.9	2,255.3	1,388.5	2,505.1	29.7	52.9	29.3	
II	78.7	628.7	13.2	694.2	521.9	429.8	92.1	786.3	56.2	730.1	2,249.1	1,409.2	2,579.2	32.5	55.8	30.5	
III	82.7	598.6	8.1	673.1	471.4	401.0	70.4	743.5	62.8	680.7	2,234.5	1,430.8	2,614.5	30.5	52.0	28.4	
IV	87.1	528.8	1.5	614.4	583.6	480.6	103.0	717.4	65.2	652.2	2,265.3	1,455.4	2,675.8	28.8	49.3	26.8	
2005	85.0	619.7	6.8	697.9	627.3	496.7	130.6	828.6	61.3	767.3	2,381.4	1,462.1	2,679.6	32.2	56.7	30.9	

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

End of period	2001	2002	2003	2004	2003				2004				2005
					I	II	III	IV	I	II	III	IV	I
<b>ASSETS</b>													
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	484.2
a) Monetary authorities	293.4	361.9	358.3	364.6	395.6	391.9	377.0	358.3	405.4	405.4	392.0	364.6	434.4
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	49.8
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	101.4
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
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	31.0
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	2,040.0
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
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	1,070.9
1) Consumer credit	366.7	409.3	434.6	478.7	415.1	429.4	433.0	434.6	450.0	458.8	470.1	478.7	480.8
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	590.1
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
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
4. Foreign assets	1,104.8	1,206.5	1,275.8	1,199.5	1,283.3	1,125.6	1,082.2	1,275.8	1,265.7	1,229.3	1,152.7	1,199.5	1,332.1
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
b) Short-term	475.2	483.2	603.1	517.8	514.6	462.5	453.1	603.1	579.5	469.5	428.6	517.8	591.7
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	655.4
5. Other domestic assets	-65.0	-65.5	-24.8	-28.6	-69.4	-74.8	-63.2	-24.8	-18.3	-18.6	-22.6	-28.6	-27.3
<b>6. Total assets</b>	<b>3,020.0</b>	<b>3,394.7</b>	<b>3,728.3</b>	<b>3,745.4</b>	<b>3,538.9</b>	<b>3,459.1</b>	<b>3,512.7</b>	<b>3,728.3</b>	<b>3,777.8</b>	<b>3,738.4</b>	<b>3,694.6</b>	<b>3,745.4</b>	<b>3,930.5</b>

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

(continued)

End of period	2001		2002		2003		2004		2004		2005			
									I	II	III	IV	I	
<b>LIABILITIES</b>														
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	2,381.4	
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	1,062.2	
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	1,319.2	
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	
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	
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	
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	
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	
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	
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	
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	
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	
11. Subordinated debt	14.1	9.1	5.6	2.5	9.1	9.1	9.1	9.1	5.6	5.6	5.6	2.5	2.5	
12. Capital and reserves	194.5	193.0	261.8	302.4	204.3	209.1	218.3	261.8	282.3	297.0	311.6	302.4	304.3	
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	503.5	
a) Short-term	356.8	380.4	506.8	428.0	364.9	369.1	361.0	506.8	462.7	382.2	344.2	428.0	449.7	
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	
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	
15. Other domestic liabilities	119.0	131.6	125.9	119.4	144.7	150.0	141.7	125.9	115.8	112.2	101.0	119.4	127.2	
<b>16. Total liabilities</b>	<b>3,020.0</b>	<b>3,394.7</b>	<b>3,728.3</b>	<b>3,745.4</b>	<b>3,538.9</b>	<b>3,459.1</b>	<b>3,512.7</b>	<b>3,728.3</b>	<b>3,777.8</b>	<b>3,738.4</b>	<b>3,694.6</b>	<b>3,745.4</b>	<b>3,930.5</b>	

**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)			Foreign assets		
									Gold and claims in gold	Banks	Governments
2001	0.0	18.6	18.6	55.0	60.7	0.0	465.0	580.8			
2002	0.0	29.8	29.8	68.2	40.3	0.0	567.8	676.3	706.1		
2003	0.0	31.2	31.2	83.1	33.1	0.0	495.4	611.5	642.7		
2004	0.0	28.9	28.9	87.1	40.6	0.0	488.2	615.9	644.8		
2003 I	0.0	30.9	30.9	66.7	72.0	0.0	615.9	754.5	785.4		
2003 II	0.0	30.4	30.4	68.9	41.7	0.0	510.7	621.3	651.7		
2003 III	0.0	30.5	30.5	77.2	55.7	0.0	456.6	589.5	620.0		
2003 IV	0.0	31.2	31.2	83.1	33.1	0.0	495.4	611.5	642.7		
2004 I	0.0	31.1	31.1	84.3	40.4	0.0	510.2	634.9	666.0		
2004 II	0.0	31.4	31.4	78.7	44.3	0.0	584.4	707.4	738.8		
2004 III	0.0	31.1	31.1	82.7	61.9	0.0	536.7	681.3	712.4		
2004 IV	0.0	28.9	28.9	87.1	40.6	0.0	488.2	615.9	644.8		
2005 I	0.0	29.1	29.1	85.0	70.1	0.0	549.7	704.8	733.9		

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
	Capital and reserves	Bank notes issued	Government funds	Development funds	Official entities	Commercial banks deposits		Other fin. inst. deposits	Private sector deposits	Other				
						Demand	Time							
(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
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
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
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
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
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
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

**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)	(6)	(7)	
2001	182	496	489	191	1,050	18	2,426	
2002	181	475	459	262	1,082	18	2,477	
2003	181	495	522	240	1,101	16	2,555	
2004	179	533	433	262	1,088	13	2,507	
2003 I	181	459	411	233	980	18	2,282	
II	181	492	422	249	1,025	18	2,388	
III	181	502	394	240	991	16	2,324	
IV	181	495	522	240	1,101	16	2,555	
2004 I	180	501	471	220	1,040	13	2,425	
II	180	495	412	244	993	13	2,338	
III	179	493	407	240	981	13	2,314	
IV	179	533	433	262	1,088	13	2,507	
2005 I	179	519	456	278	1,091	14	2,535	

End of period	Denominations: value (Afl. million)							Total value of notes issued
	Denominations: number (x 1,000)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
2001	0.9	5.0	12.2	9.5	105.0	9.2	141.8	
2002	0.9	4.7	11.5	13.1	108.2	9.0	147.4	
2003	0.9	5.0	13.0	12.0	110.1	8.1	149.1	
2004	0.9	5.3	10.8	13.1	108.8	6.6	145.5	
2003 I	0.9	4.6	10.3	11.6	98.0	9.1	134.4	
II	0.9	4.9	10.6	12.5	102.5	8.9	140.3	
III	0.9	5.0	9.8	12.0	99.1	8.2	135.1	
IV	0.9	5.0	13.0	12.0	110.1	8.1	149.1	
2004 I	0.9	5.0	11.8	11.0	104.0	6.7	139.4	
II	0.9	5.0	10.3	12.2	99.3	6.6	134.2	
III	0.9	4.9	10.2	12.0	98.1	6.6	132.7	
IV	0.9	5.3	10.8	13.1	108.8	6.6	145.5	
2005 I	0.9	5.2	11.4	13.9	109.1	6.8	147.3	

**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	(8)	(9)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)				
	5	10	25	50	1	2 ½	5				
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		

**TABLE 4.1: COMMERCIAL BANKS: SUMMARY ACCOUNT**

End of period	Assets		Total assets =		Liabilities			(8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Cash and claims on banks	Investments	Loans	Other	Total liabilities	Deposits	Capital and reserves	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	720.8	150.2	2,136.3	164.3	3,171.5	2,649.7	237.8	284.0
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	720.8	150.2	2,136.3	164.3	3,171.5	2,649.7	237.8	284.0
2005 I	856.1	139.2	2,113.9	156.2	3,265.4	2,739.2	239.7	286.5

**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	27.5	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	27.5	75.5	12.2
2005 I	30.6	72.3	13.2

**TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET**

Domestic assets												
End of period	Notes and coins		Central Bank				Loans and advances					
			Investments				Enterprises		Mortgages		Individuals	Government
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
2001	30.7	60.4	154.8	62.1	6.0	548.2	629.9	366.7	0.3			
2002	35.1	73.6	205.1	65.7	6.8	633.4	687.6	409.3	0.2			
2003	40.5	81.2	172.6	63.6	35.4	710.9	759.0	433.7	0.1			
2004	32.1	98.5	176.0	64.8	34.3	692.3	840.7	478.0	0.1			
2003	I	29.4	82.7	235.5	65.7	626.2	706.3	414.4	0.2			
	II	30.0	92.5	221.3	69.6	670.1	742.4	428.8	0.2			
	III	30.7	52.2	210.1	83.6	711.9	766.2	432.2	0.1			
	IV	40.5	81.2	172.6	63.6	710.9	759.0	433.7	0.1			
2004	I	35.2	119.0	193.2	67.6	684.1	780.5	449.1	0.1			
	II	29.8	141.3	182.4	61.6	680.2	779.3	457.9	0.1			
	III	29.2	96.9	207.9	64.8	691.6	811.0	469.3	0.1			
	IV	32.1	98.5	176.0	64.8	692.3	840.7	478.0	0.1			
2005	I	33.9	140.2	222.3	74.0	692.4	820.2	480.1	0.0			

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		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	67.1	64.8	18.3	-5.6	2,561.4	11.4	381.8	51.1	125.1	14.1	583.6	3,145.0
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	67.1	64.8	18.3	-5.6	2,561.4	11.4	381.8	51.1	125.1	14.1	583.6	3,145.0
2005 I	67.1	62.9	17.6	5.1	2,630.1	15.7	430.8	51.0	121.2	8.7	627.3	3,257.4

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

End of period	Domestic liabilities												
	Demand deposits				Time deposits							Savings deposits	Other liabilities
	Individuals	Companies	Other fin. inst.	Government	Individuals	Companies	Other fin. inst.	Development funds	Other fin. inst.	Development funds			
											(22)	(23)	(24)
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	232.0			
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	232.0			
2005 I	133.0	646.0	145.1	4.0	220.2	339.1	182.9	56.1	566.8	238.9			

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

End of period	Domestic liabilities (cont'd)		Total domestic liabilities	Foreign liabilities		Savings deposits	Capital and reserves	and subordinated debt	Other liabilities	Total Foreign liabilities	Total Liabilities	
	Capital base	Subordinated reserves debt		Demand deposits	Time deposits							Capital and reserves
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
2001	130.2	14.1	2,099.0	23.2	65.3	61.4	201.8	42.0	3.0	6.7	403.5	2,502.5
2002	124.6	9.1	2,345.3	15.3	67.9	57.4	192.0	53.4	8.0	48.7	442.6	2,787.9
2003	183.6	5.6	2,562.4	37.1	96.9	64.0	201.7	63.6	8.0	101.5	572.9	3,135.2
2004	224.2	2.5	2,664.4	20.1	128.1	55.1	145.0	69.2	11.1	52.0	480.6	3,145.0
2003 I	135.9	9.1	2,426.3	9.1	79.6	7.3	199.5	61.4	8.0	59.2	424.2	2,850.5
II	140.7	9.1	2,496.4	18.0	81.0	6.8	199.4	54.5	8.0	59.9	427.5	2,923.9
III	150.0	9.1	2,535.3	14.0	81.1	6.4	210.1	57.8	8.0	51.1	428.5	2,963.8
IV	183.6	5.6	2,562.4	37.1	96.9	64.0	201.7	63.6	8.0	101.5	572.9	3,135.2
2004 I	204.1	5.6	2,631.9	7.3	107.4	1.4	191.5	62.5	8.0	151.2	529.3	3,161.2
II	218.8	5.6	2,616.7	37.7	105.6	0.6	156.0	65.8	8.0	56.1	429.8	3,046.5
III	233.4	5.6	2,632.5	27.0	111.8	0.6	144.9	68.0	8.0	40.6	401.0	3,033.5
IV	224.2	2.5	2,664.4	20.1	128.1	55.1	145.0	69.2	11.1	52.0	480.6	3,145.0
2005 I	226.1	2.5	2,760.7	19.7	197.3	1.1	147.3	72.7	11.1	47.6	496.7	3,257.4

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

	Loans outstanding				Percentages				
	Current account		Total		Current account		Mortgage loans		Percentage of total loans
	Term loans	Mortgage loans	Term loans	Mortgage loans	Term loans	Mortgage loans	Term loans		
Agriculture, hunting, forestry and fishing	0.1	0.2	0.0	0.3	40.6	59.4	0.0	0.0	
Mining and manufacturing	25.4	13.3	4.5	43.3	58.7	30.8	10.5	2.1	
Electricity, gas, and water supply	0.6	31.7	0.0	32.4	2.0	98.0	0.0	1.6	
Construction	13.2	8.6	13.5	35.3	37.5	24.3	38.2	1.7	
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	141.5	165.5	74.8	381.8	37.1	43.4	19.6	18.9	
Hotels and restaurants	11.6	40.2	42.1	93.8	12.3	42.8	44.9	4.6	
Transport, storage and communications	15.2	31.6	3.7	50.5	30.0	62.7	7.3	2.5	
Financial intermediation	9.8	68.2	23.7	101.7	9.6	67.0	23.3	5.0	
Real estate, renting and business activities	28.0	44.2	47.3	119.5	23.4	37.0	39.5	5.9	
Other enterprises	14.2	29.2	26.7	70.1	20.3	41.6	38.1	3.5	
<b>Total loans to enterprises</b>	<b>259.7</b>	<b>432.7</b>	<b>236.2</b>	<b>928.6</b>	<b>28.0</b>	<b>46.6</b>	<b>25.4</b>	<b>45.9</b>	
Government	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	
Individuals	68.2	443.0	584.0	1,095.2	6.2	40.5	53.3	54.1	
<b>Total loans</b>	<b>328.0</b>	<b>875.7</b>	<b>820.2</b>	<b>2,023.9</b>	<b>16.2</b>	<b>43.3</b>	<b>40.5</b>	<b>100.0</b>	

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

End of period	2003				2004				2005				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
Agriculture, hunting, forestry and fishing	5.9	5.5	4.9	0.3	5.4	7.4	5.1	4.9	17.1	10.5	5.4	0.3	0.3
Mining and manufacturing	18.6	24.0	29.4	37.7	26.6	40.9	41.2	29.4	39.7	36.7	39.5	37.7	43.3
Electricity, gas and water supply	29.0	34.9	38.8	31.5	33.2	31.2	31.2	38.8	37.2	36.5	35.1	31.5	32.4
Construction	19.3	20.8	17.5	31.3	22.6	24.7	25.6	17.5	20.1	20.6	27.7	31.3	35.3
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	328.7	385.7	388.1	388.6	375.6	406.3	417.2	388.1	375.2	393.8	402.9	388.6	381.8
Hotels and restaurants	66.0	76.1	101.5	98.4	66.9	69.6	96.9	101.5	84.3	67.3	75.1	98.4	93.8
Transport, storage and communications	32.1	30.1	47.2	46.9	29.4	40.4	53.7	47.2	42.2	43.6	50.4	46.9	50.5
Financial intermediation	37.3	30.3	121.6	111.2	29.2	36.7	68.1	121.6	91.4	107.2	100.9	111.2	101.7
Real estate, renting and business activities	129.5	128.0	104.9	129.9	131.6	148.9	112.9	104.9	120.5	127.2	125.1	129.9	119.5
Other enterprises	73.6	100.7	72.3	76.7	107.6	81.2	87.5	72.3	80.0	61.5	67.0	76.7	70.1
<b>Total loans to enterprises</b>	<b>739.9</b>	<b>836.2</b>	<b>926.2</b>	<b>952.4</b>	<b>828.1</b>	<b>887.2</b>	<b>939.4</b>	<b>926.2</b>	<b>907.6</b>	<b>904.9</b>	<b>928.9</b>	<b>952.4</b>	<b>928.6</b>
Government	0.3	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Individuals	829.9	919.4	1,006.4	1,090.1	943.5	979.8	995.5	1,006.4	1,035.8	1,043.6	1,073.3	1,090.1	1,095.2
<b>Total loans</b>	<b>1,570.1</b>	<b>1,755.9</b>	<b>1,932.7</b>	<b>2,042.6</b>	<b>1,771.8</b>	<b>1,867.1</b>	<b>1,935.0</b>	<b>1,932.7</b>	<b>1,943.5</b>	<b>1,948.5</b>	<b>2,002.3</b>	<b>2,042.6</b>	<b>2,023.9</b>

**TABLE 5.1: FINANCIAL SURVEY**

	Central Bank and Treasury	Commercial Banks	Monetary Sector	Nonmonetary Financial Institutions	Financial Sector
End of March 2005	(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)+(4)
1. Foreign assets	704.8	627.3	1,332.1	582.7	1,914.8
2. Domestic claims					
a) Government	72.3	2,017.9	2,090.2	1,377.1	3,467.3
b) Non-financial public enterprises	65.4	36.0	101.4	571.9	673.4
c) Enterprises	0.0	67.7	67.7	47.4	115.1
d) Individuals	0.0	850.1	850.1	193.2	1,043.3
1) Consumer credit	6.8	1,064.1	1,070.9	564.6	1,635.5
2) Housing mortgages	0.6	480.1	480.8	96.0	576.8
3) Other domestic claims	6.2	584.0	590.1	468.5	1,058.7
3. Other domestic claims	22.3	620.1	642.4	949.7	1,592.2
<b>4. TOTAL ASSETS=TOTAL LIABILITIES</b>	<b>799.3</b>	<b>3,265.4</b>	<b>4,064.7</b>	<b>2,909.6</b>	<b>6,974.3</b>
5. Foreign liabilities	68.1	496.7	564.8	126.0	690.8
6. Deposits and borrowings	59.6	2293.1	2352.7	63.5	2416.2
a) Government	52.0	60.1	112.1	36.7	148.8
b) Other residents	7.6	2,233.0	2,240.7	26.8	2,267.5
7. Pension fund provisions	0.0	0.0	0.0	1,409.8	1,409.8
8. Insurance reserve fund	0.0	0.0	0.0	296.0	296.0
9. Other domestic liabilities	671.6	475.6	1,147.2	1,014.3	2,161.5

**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	Consumer credit	Housing mortgages		Mortgages
	(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	6.2
2002	5.2	7.1	3.7	5.5	16.7	10.3	10.0	10.6	12.8	7.3
2003	5.2	6.4	3.8	5.3	16.3	9.5	9.5	8.9	11.4	6.1
2004	3.6	6.0	3.9	4.4	16.5	9.8	8.8	8.9	11.4	7.0
2003 I	5.4	6.0	3.6	5.3	16.2	9.6	10.4	9.4	11.8	6.5
II	5.5	6.5	3.8	5.5	16.6	9.4	9.3	9.9	11.8	6.3
III	5.0	6.6	3.9	5.4	16.4	9.4	9.2	8.5	10.9	5.5
IV	4.9	6.3	3.8	5.1	15.9	9.5	9.8	8.8	11.4	6.3
2004 I	3.7	6.1	3.9	4.9	16.7	9.6	9.1	8.9	11.4	6.5
II	4.4	6.4	4.0	4.8	16.4	9.8	9.4	8.5	11.3	6.5
III	3.7	5.2	4.0	4.2	16.5	10.0	8.5	8.9	11.8	7.6
IV	3.0	6.1	3.9	3.8	16.4	9.9	8.5	9.4	11.3	7.5
2005 I	3.0	5.7	4.0	3.9	16.6	9.8	9.6	9.2	12.2	8.4

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

2) Including current account overdraft facilities.

**TABLE 6.2: CENTRAL BANK LENDING RATES**

In % per annum As from	Redis- Advance count	
	(1)	(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

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

Source: International Financial Statistics.

TABLE 6.5: GOVERNMENT SECURITY MARKETS

3-month treasury bills				6-month cash loan certificates				
End of period	(1)	(2)	(3)	(4)	Date of issue	Amount (Afl. million)	Average price per Af1.100	Yield per annum (%)
2001	January	17.0	98.28	6.93	2003 June	8.0	99.41	1.06
	February	15.0	98.29	6.77	December	8.0	98.93	2.17
	April	17.0	98.39	6.54	2004 June	8.0	98.87	2.29
	May	15.0	98.38	6.56	December	8.0	98.38	3.30
	July	17.0	98.46	6.13	2005 June	8.0	98.49	3.21
	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				

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
	September	8	14.7	8.000
1997	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
	September	7	25.2	6.300
2005	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	2003				2004				2005					
					I	II	III	IV	I	II	III	IV	I	II	III	IV	I	
<b>I. Revenue and grants</b>	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					
<b>A. Tax revenue</b>	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					
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					
2. Taxes on commodities	202.6	213.5	234.4	255.4	50.9	53.7	71.2	71.2	55.6	59.6	58.8	81.3	58.9					
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					
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					
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					
<b>B. Nontax revenue</b>	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					
<b>C. Grants</b>	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					
<b>2. Expenditure</b>	727.7	826.7	873.9	1,123.3	183.1	242.5	213.2	235.0	232.3	252.7	233.9	404.4	205.7					
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					
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					
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					
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					
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					
6. Development fund spending	0.0	3.7	16.2	32.9	1.9	5.3	3.4	5.6	8.4	10.1	5.4	9.0	5.0					
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					
8. Items n.i.c. 2)	156.0	180.1	195.2	213.5	40.0	62.6	37.3	55.3	48.3	33.3	43.0	89.0	32.4					
<b>3. Lending minus repayments</b>	32.0	-3.0	-71.1	51.1	-81.3	2.6	18.0	-10.4	0.3	41.4	6.1	3.3	0.6					
1. Lending	36.1	50.9	51.1	51.1	5.9	2.6	18.0	24.6	0.3	41.4	6.1	3.3	0.6					
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					
<b>4. Financial deficit (-)</b>	-28.0	-72.9	172.4	-354.6	236.3	-64.5	-27.6	28.2	-38.4	-122.8	-4.2	-189.2	-14.0					
<b>5. Net foreign capital</b>	38.6	106.7	-200.6	100.6	-171.7	-99.3	0.4	69.9	-4.7	123.2	0.0	-17.9	-2.5					
A. Loans received 4)	49.3	136.0	293.6	123.5	196.9	0.0	0.0	96.7	0.0	123.5	0.0	0.0	2.4					
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					
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					
<b>6. Net domestic capital 5)</b>	14.2	2.5	9.0	232.8	0.0	25.5	0.1	-16.6	0.0	54.0	-0.6	179.4	5.8					
A. Loans received	24.6	33.0	49.2	325.7	0.0	47.5	0.0	1.8	0.0	54.0	17.7	254.0	28.3					
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					
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	0.0					
<b>7. Net recourse to the monetary system (-)</b>	24.7	36.2	-19.3	-21.3	64.6	-138.2	-27.1	81.5	-43.1	54.4	-4.8	-27.8	-10.7					
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	-9.1					
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					
-Earnmarked	4.4	12.2	-50.5	-0.3	77.6	-121.8	-2.2	-4.1	0.0	0.0	0.0	-1.0	0.0					
-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					
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					
<b>8. Memorandum items</b>																		
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					
B. Financial deficit (-)	-141.8	-76.1	150.9	-225.8	210.6	-91.3	-40.7	72.3	-52.5	-120.9	1.5	-53.9	2.0					

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	2005								
			I	II	III	IV	I	II	III	IV	I		
<b>TOTAL REVENUE AND GRANTS</b>	<b>731.8</b>	<b>750.8</b>	<b>975.2</b>	<b>819.7</b>	<b>338.1</b>	<b>180.7</b>	<b>203.6</b>	<b>252.8</b>	<b>194.3</b>	<b>171.3</b>	<b>235.8</b>	<b>218.4</b>	<b>192.3</b>
<b>TAX REVENUE</b>	<b>606.3</b>	<b>609.6</b>	<b>687.4</b>	<b>707.1</b>	<b>146.5</b>	<b>149.9</b>	<b>182.6</b>	<b>208.3</b>	<b>176.2</b>	<b>158.1</b>	<b>178.6</b>	<b>194.3</b>	<b>181.0</b>
<b>Taxes on income and profit</b>	<b>302.8</b>	<b>301.3</b>	<b>339.9</b>	<b>321.9</b>	<b>65.7</b>	<b>70.9</b>	<b>98.0</b>	<b>105.4</b>	<b>78.5</b>	<b>77.5</b>	<b>83.8</b>	<b>82.1</b>	<b>81.5</b>
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
-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
-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
-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
<b>Taxes on commodities</b>	<b>202.6</b>	<b>213.5</b>	<b>234.4</b>	<b>255.4</b>	<b>50.9</b>	<b>53.7</b>	<b>58.7</b>	<b>71.2</b>	<b>55.6</b>	<b>59.6</b>	<b>58.8</b>	<b>81.3</b>	<b>58.9</b>
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
-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
-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
-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
-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
<b>Taxes on property</b>	<b>27.8</b>	<b>33.7</b>	<b>51.0</b>	<b>43.0</b>	<b>15.2</b>	<b>9.0</b>	<b>13.7</b>	<b>13.0</b>	<b>16.2</b>	<b>5.5</b>	<b>9.9</b>	<b>11.5</b>	<b>15.2</b>
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
-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
-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
-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
<b>Taxes on services</b>	<b>48.3</b>	<b>46.7</b>	<b>48.0</b>	<b>60.7</b>	<b>14.8</b>	<b>11.4</b>	<b>10.7</b>	<b>11.1</b>	<b>18.2</b>	<b>15.4</b>	<b>12.6</b>	<b>14.4</b>	<b>18.8</b>
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
-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
-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
-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
<b>Foreign exchange tax</b>	<b>24.8</b>	<b>14.4</b>	<b>14.0</b>	<b>26.2</b>	<b>0.0</b>	<b>5.0</b>	<b>1.5</b>	<b>7.5</b>	<b>7.7</b>	<b>0.0</b>	<b>13.5</b>	<b>5.0</b>	<b>6.5</b>
<b>NON-TAX REVENUE</b>	<b>125.5</b>	<b>103.8</b>	<b>86.1</b>	<b>81.6</b>	<b>19.9</b>	<b>30.8</b>	<b>21.0</b>	<b>14.4</b>	<b>18.1</b>	<b>13.2</b>	<b>26.2</b>	<b>24.0</b>	<b>11.3</b>
<b>GRANTS</b>	<b>0.0</b>	<b>37.4</b>	<b>201.8</b>	<b>31.1</b>	<b>171.7</b>	<b>0.0</b>	<b>0.0</b>	<b>30.1</b>	<b>0.0</b>	<b>0.0</b>	<b>31.1</b>	<b>0.0</b>	<b>0.0</b>

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			
		(1)	(2)							(3)	(4)= 1+2+3	(5)
	Free	Earmarked	Development funds	Total	Demand	Development funds						
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 I	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 I	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 I	11.0	1.1	39.9	52.0	4.0	56.1	112.1	65.4	36.0	101.4	-10.6	10.7

TABLE 7.4: OUTSTANDING GOVERNMENT DEBT

	2001	2002	2003	2004	2003				2004				2005					
					I	II	III	IV	I	II	III	IV	I	II	III	IV	I	
<b>1. Total debt</b>	<b>1,463.5</b>	<b>1,611.1</b>	<b>1,493.8</b>	<b>1,715.2</b>	<b>1,471.3</b>	<b>1,436.3</b>	<b>1,496.1</b>	<b>1,493.8</b>	<b>1,496.5</b>	<b>1,669.7</b>	<b>1,674.6</b>	<b>1,715.2</b>	<b>1,702.1</b>					
<b>2. Domestic debt</b>	<b>710.5</b>	<b>717.5</b>	<b>769.6</b>	<b>875.7</b>	<b>744.0</b>	<b>799.6</b>	<b>855.6</b>	<b>769.6</b>	<b>783.7</b>	<b>835.8</b>	<b>836.6</b>	<b>875.7</b>	<b>874.8</b>					
<b>A. Negotiable</b>	<b>179.2</b>	<b>189.1</b>	<b>218.5</b>	<b>316.9</b>	<b>189.1</b>	<b>218.5</b>	<b>253.5</b>	<b>218.5</b>	<b>218.5</b>	<b>272.4</b>	<b>282.9</b>	<b>316.9</b>	<b>354.5</b>					
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					
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					
3. Government bonds	131.2	141.1	170.5	268.9	141.1	170.5	170.5	170.5	170.5	224.4	234.9	268.9	306.5					
<b>B. Non-negotiable</b>	<b>531.4</b>	<b>528.4</b>	<b>551.1</b>	<b>558.8</b>	<b>554.9</b>	<b>581.2</b>	<b>602.1</b>	<b>551.1</b>	<b>565.2</b>	<b>563.4</b>	<b>553.7</b>	<b>558.8</b>	<b>520.3</b>					
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					
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					
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					
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					
2. Long-term	259.2	252.6	250.2	405.9	252.6	251.1	258.0	250.2	249.3	248.4	243.5	405.9	383.3					
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					
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					
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					
d. Other	31.2	31.0	30.9	30.9	31.0	31.0	30.9	30.9	30.9	30.9	30.9	30.9	30.9					
<b>3. Foreign debt</b>	<b>752.9</b>	<b>893.7</b>	<b>724.2</b>	<b>839.6</b>	<b>727.4</b>	<b>636.7</b>	<b>640.6</b>	<b>724.2</b>	<b>712.9</b>	<b>833.9</b>	<b>838.0</b>	<b>839.6</b>	<b>827.4</b>					
<b>A. The Netherlands</b>	<b>181.5</b>	<b>199.6</b>	<b>217.0</b>	<b>212.4</b>	<b>205.6</b>	<b>213.6</b>	<b>217.2</b>	<b>217.0</b>	<b>210.9</b>	<b>208.2</b>	<b>211.9</b>	<b>212.4</b>	<b>203.4</b>					
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					
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					
<b>B. EIB</b>	<b>13.0</b>	<b>15.0</b>	<b>13.6</b>	<b>14.3</b>	<b>15.4</b>	<b>15.7</b>	<b>15.9</b>	<b>13.6</b>	<b>13.2</b>	<b>12.9</b>	<b>13.2</b>	<b>14.3</b>	<b>13.6</b>					
<b>C. USA</b>	<b>541.7</b>	<b>615.5</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>	<b>244.8</b>					
<b>D. Other</b>	<b>16.8</b>	<b>63.6</b>	<b>248.8</b>	<b>368.1</b>	<b>261.6</b>	<b>162.6</b>	<b>162.6</b>	<b>248.8</b>	<b>244.0</b>	<b>368.1</b>	<b>368.1</b>	<b>368.1</b>	<b>365.6</b>					

Source: Department of Finance; APFA; CBA.

**TABLE 8.1: BALANCE OF PAYMENTS 1)**

During period	2001	2002	2003	2004	2003	2004				2005			
					I	II	III	IV	I	II	III	IV	I
<b>1. Current account (net)</b>	<b>577.1</b>	<b>-596.4</b>	<b>-258.4</b>	<b>33.1</b>	<b>-269.8</b>	<b>153.6</b>	<b>-174.7</b>	<b>32.5</b>	<b>31.3</b>	<b>-193.6</b>	<b>-10.2</b>	<b>205.6</b>	<b>158.9</b>
A. Goods and services	767.2	-252.2	-35.0	322.4	-196.4	193.6	-124.7	92.6	83.8	-133.6	64.1	308.1	230.7
1. Goods	97.7	-950.6	-615.9	-485.9	-394.2	62.0	-249.8	-33.9	-202.5	-281.7	-83.3	81.6	-110.4
2. Services	669.5	698.4	581.0	808.3	197.8	131.6	125.1	126.5	286.2	148.1	147.5	226.5	341.1
B. Income	-87.9	-221.8	-71.7	-104.1	-31.6	-4.8	-17.1	-18.2	-12.1	-17.7	-26.6	-47.7	-20.9
C. Current transfers	-102.3	-122.5	-151.7	-185.3	-41.8	-35.1	-32.9	-41.9	-40.4	-42.4	-47.7	-54.7	-50.9
<b>2. Capital and financial account (net)</b>	<b>-426.6</b>	<b>602.9</b>	<b>163.2</b>	<b>-24.1</b>	<b>363.7</b>	<b>-321.2</b>	<b>135.8</b>	<b>-15.1</b>	<b>11.2</b>	<b>260.7</b>	<b>-46.1</b>	<b>-249.9</b>	<b>-58.5</b>
A. Capital account	-1.8	38.1	179.8	36.3	162.1	-13.9	0.1	31.4	-2.2	-0.7	36.2	3.0	2.4
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	1.9
2. Acquisition/disposal of n.p.n.f. assets	1.0	-2.4	0.8	2.9	0.4	0.0	0.0	0.4	0.3	0.7	1.1	0.8	0.4
B. Financial account	-424.8	564.9	-16.6	-60.3	201.6	-307.4	135.7	-46.5	13.4	261.4	-82.3	-252.9	-60.9
1. Direct investment	-492.3	542.6	311.6	249.3	311.9	-174.7	218.0	-43.5	111.3	47.8	41.4	48.8	32.5
2. Portfolio investment	74.2	133.3	86.4	77.5	66.0	-28.9	-18.5	67.7	-24.9	123.9	1.1	-22.6	32.9
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
4. Other investment	-6.7	-110.8	-414.6	-387.1	-176.3	-103.8	-63.8	-70.7	-73.0	89.8	-124.8	-279.1	-126.3
<b>3. Items not yet classified 2)</b>	<b>-20.8</b>	<b>32.5</b>	<b>34.0</b>	<b>5.3</b>	<b>11.2</b>	<b>2.6</b>	<b>0.7</b>	<b>19.5</b>	<b>-11.5</b>	<b>-5.9</b>	<b>6.9</b>	<b>15.7</b>	<b>14.8</b>
<b>4. Overall balance (1+2+3)</b>	<b>129.7</b>	<b>39.0</b>	<b>-61.2</b>	<b>14.3</b>	<b>105.1</b>	<b>-165.0</b>	<b>-38.2</b>	<b>36.9</b>	<b>31.0</b>	<b>61.2</b>	<b>-49.4</b>	<b>-28.6</b>	<b>115.1</b>
<b>5. Banking transactions 3)</b>	<b>18.5</b>	<b>32.9</b>	<b>-3.8</b>	<b>-11.5</b>	<b>-17.0</b>	<b>27.9</b>	<b>12.6</b>	<b>-27.2</b>	<b>-10.1</b>	<b>9.4</b>	<b>21.7</b>	<b>-32.6</b>	<b>-27.7</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>-148.2</b>	<b>-71.9</b>	<b>65.0</b>	<b>-2.8</b>	<b>-88.0</b>	<b>137.1</b>	<b>25.6</b>	<b>-9.6</b>	<b>-21.0</b>	<b>-70.6</b>	<b>27.7</b>	<b>61.1</b>	<b>-87.5</b>
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
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

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	III	IV	I	II	III	IV	I	II	III	IV	
<b>1. Goods and services</b>	<b>767.2</b>	<b>-252.2</b>	<b>-35.0</b>	<b>322.4</b>	<b>-196.4</b>	<b>193.6</b>	<b>-124.7</b>	<b>92.6</b>	<b>83.8</b>	<b>-133.6</b>	<b>64.1</b>	<b>308.1</b>	<b>230.7</b>	<b>97.7</b>	<b>-950.6</b>	<b>-615.9</b>	<b>-485.9</b>	<b>-394.2</b>	<b>-322.4</b>	<b>-196.4</b>	<b>193.6</b>	<b>-124.7</b>	<b>92.6</b>	<b>83.8</b>	<b>-133.6</b>	<b>64.1</b>	<b>308.1</b>	<b>230.7</b>	
<b>A. Goods</b>	<b>97.7</b>	<b>-950.6</b>	<b>-615.9</b>	<b>-485.9</b>	<b>-394.2</b>	<b>62.0</b>	<b>-249.8</b>	<b>-33.9</b>	<b>-202.5</b>	<b>-281.7</b>	<b>-83.3</b>	<b>81.6</b>	<b>-110.4</b>	<b>4,338.5</b>	<b>2,663.1</b>	<b>4,868.1</b>	<b>826.3</b>	<b>1,015.7</b>	<b>1,063.3</b>	<b>1,222.6</b>	<b>1,222.6</b>	<b>1,015.7</b>	<b>1,48.6</b>	<b>1,015.7</b>	<b>1,063.3</b>	<b>1,222.6</b>	<b>1,566.5</b>	<b>1,077.9</b>	
1. Exports f.o.b.	4,338.5	2,663.1	3,670.1	4,868.1	826.3	1,015.9	679.3	1,148.6	1,015.7	1,063.3	1,222.6	1,566.5	1,077.9	4,240.8	3,613.8	4,286.1	5,354.1	1,220.5	1,345.1	1,305.9	1,345.1	1,48.6	1,015.7	1,063.3	1,222.6	1,566.5	1,077.9		
2. Imports f.o.b.	669.5	698.4	581.0	808.3	197.8	131.6	125.1	126.5	286.2	148.1	147.5	226.5	341.1	1,770.7	1,785.7	1,881.5	2,223.7	526.6	420.5	496.5	589.8	656.4	240	0.2	0.0	0.0	0.0	0.0	
<b>B. Services</b>	<b>1,770.7</b>	<b>1,785.7</b>	<b>1,881.5</b>	<b>2,223.7</b>	<b>526.6</b>	<b>420.5</b>	<b>446.5</b>	<b>487.8</b>	<b>631.3</b>	<b>506.1</b>	<b>496.5</b>	<b>589.8</b>	<b>656.4</b>	85.9	57.7	62.1	85.0	12.8	13.3	17.2	20.1	21.5	24.0	0.2	0.0	0.0	0.0	0.0	
1.1 Transportation	1,462.6	1,474.7	1,523.9	1,872.3	440.6	345.7	355.1	382.5	542.4	424.9	416.4	488.5	560.8	1.1.1 Passenger	6.5	1.6	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
1.1.1 Passenger	6.5	1.6	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	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	
1.1.2 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	1.1.3 Other	79.4	61.8	84.8	12.6	13.2	17.2	20.1	21.5	24.0	0.2	0.0	0.0	0.0	0.0	
1.1.3 Other	79.4	61.8	84.8	12.6	13.2	17.2	20.1	21.5	24.0	0.2	0.0	0.0	0.0	1.2 Travel	1,472.6	1,488.1	1,539.6	1,882.3	350.7	358.8	417.6	490.8	562.2	62.7	52.8	70.4	65.7	62.7	
1.2 Travel	1,472.6	1,488.1	1,539.6	1,882.3	350.7	358.8	417.6	490.8	562.2	62.7	52.8	70.4	65.7	1.2.1 Tourism	1,462.6	1,474.7	1,523.9	1,872.3	345.7	355.1	416.4	488.5	560.8	1.2	1.2	1.2	1.2	1.2	
1.2.1 Tourism	1,462.6	1,474.7	1,523.9	1,872.3	345.7	355.1	416.4	488.5	560.8	1.2	1.2	1.2	1.2	1.2.2 Other	9.9	13.4	15.7	10.4	2.7	4.1	2.8	3.3	4.1	2.8	3.3	4.1	2.8	3.3	
1.2.2 Other	9.9	13.4	15.7	10.4	2.7	4.1	2.8	3.3	4.1	2.8	3.3	4.1	2.8	1.3 Government services, n.i.e.	23.7	31.0	25.4	27.9	3.5	5.5	7.8	7.6	7.0	4.5	4.5	4.5	4.5	4.5	
1.3 Government services, n.i.e.	23.7	31.0	25.4	27.9	3.5	5.5	7.8	7.6	7.0	4.5	4.5	4.5	4.5	1.4 Other services	188.6	208.9	254.4	228.1	67.0	51.2	62.7	48.7	52.8	70.4	65.7	62.7	48.7	52.8	
1.4 Other services	188.6	208.9	254.4	228.1	67.0	51.2	62.7	48.7	52.8	70.4	65.7	62.7	48.7	1.4.1 Construction services	6.4	2.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.1 Construction services	6.4	2.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4.2 Business services	164.6	178.2	224.9	199.8	62.3	44.5	56.6	38.9	46.6	64.6	63.1	64.6	63.1	64.6	
1.4.2 Business services	164.6	178.2	224.9	199.8	62.3	44.5	56.6	38.9	46.6	64.6	63.1	64.6	63.1	1.4.3 Other services, n.i.e.	17.6	28.5	29.2	28.4	4.7	6.6	5.9	9.8	6.2	5.8	2.6	5.8	2.6		
1.4.3 Other services, n.i.e.	17.6	28.5	29.2	28.4	4.7	6.6	5.9	9.8	6.2	5.8	2.6	5.8	2.6	2. Payments	1,101.2	1,087.3	1,300.5	1,415.4	328.8	289.0	321.4	361.3	345.1	358.0	349.0	363.3	315.3	345.1	358.0
2. Payments	1,101.2	1,087.3	1,300.5	1,415.4	328.8	289.0	321.4	361.3	345.1	358.0	349.0	363.3	315.3	2.1 Transportation	473.0	389.9	474.1	590.5	130.9	103.3	108.7	131.2	134.8	149.5	144.6	161.6	161.6	129.4	
2.1 Transportation	473.0	389.9	474.1	590.5	130.9	103.3	108.7	131.2	134.8	149.5	144.6	161.6	129.4	2.1.1 Passenger	36.4	21.2	42.3	55.0	8.0	7.3	15.1	11.9	12.7	14.3	13.2	12.9	12.9	9.7	
2.1.1 Passenger	36.4	21.2	42.3	55.0	8.0	7.3	15.1	11.9	12.7	14.3	13.2	12.9	9.7	2.1.2 Freight	424.5	362.4	429.7	535.8	122.4	95.6	93.2	118.6	122.1	134.5	130.6	148.6	148.6	118.9	
2.1.2 Freight	424.5	362.4	429.7	535.8	122.4	95.6	93.2	118.6	122.1	134.5	130.6	148.6	118.9	2.1.3 Other	12.1	6.3	2.0	1.7	0.5	0.4	0.4	0.7	0.0	0.7	0.9	0.1	0.1	0.8	
2.1.3 Other	12.1	6.3	2.0	1.7	0.5	0.4	0.4	0.7	0.0	0.7	0.9	0.1	0.8	2.2 Travel	240.3	289.1	339.7	406.3	75.8	79.6	93.0	91.3	97.7	100.1	105.4	103.1	91.1	91.1	
2.2 Travel	240.3	289.1	339.7	406.3	75.8	79.6	93.0	91.3	97.7	100.1	105.4	103.1	91.1	2.2.1 Tourism	194.1	233.1	271.6	352.4	61.4	61.8	76.6	71.8	85.6	84.4	90.1	92.3	80.9		
2.2.1 Tourism	194.1	233.1	271.6	352.4	61.4	61.8	76.6	71.8	85.6	84.4	90.1	92.3	80.9	2.2.2 Other	46.3	56.0	68.2	53.9	14.4	17.8	16.4	19.5	12.1	15.7	15.3	10.7	10.2		
2.2.2 Other	46.3	56.0	68.2	53.9	14.4	17.8	16.4	19.5	12.1	15.7	15.3	10.7	10.2	2.3 Government services, n.i.e.	41.8	55.6	64.6	57.4	10.7	14.2	29.2	10.5	11.5	12.3	19.5	14.1	14.1	7.7	
2.3 Government services, n.i.e.	41.8	55.6	64.6	57.4	10.7	14.2	29.2	10.5	11.5	12.3	19.5	14.1	7.7	2.4 Other services	346.0	352.8	422.0	361.2	111.4	91.8	90.6	128.3	101.1	96.1	79.5	84.5	87.0		
2.4 Other services	346.0	352.8	422.0	361.2	111.4	91.8	90.6	128.3	101.1	96.1	79.5	84.5	87.0	2.4.1 Construction services	27.5	26.5	45.6	43.1	26.4	4.4	3.0	11.8	9.5	17.3	10.6	5.7	4.5		
2.4.1 Construction services	27.5	26.5	45.6	43.1	26.4	4.4	3.0	11.8	9.5	17.3	10.6	5.7	4.5	2.4.2 Business services	245.9	240.9	296.1	256.0	55.8	70.1	70.3	99.9	75.3	58.6	56.5	65.6	65.5		
2.4.2 Business services	245.9	240.9	296.1	256.0	55.8	70.1	70.3	99.9	75.3	58.6	56.5	65.6	65.5	2.4.3 Other services, n.i.e.	72.7	85.4	80.3	62.1	29.2	17.2	17.2	16.6	16.4	20.2	12.4	13.2	17.1		
2.4.3 Other services, n.i.e.	72.7	85.4	80.3	62.1	29.2	17.2	17.2	16.6	16.4	20.2	12.4	13.2	17.1	<b>2. Income</b>	<b>-87.9</b>	<b>-221.8</b>	<b>-71.7</b>	<b>-104.1</b>	<b>-31.6</b>	<b>-4.8</b>	<b>-17.1</b>	<b>-18.2</b>	<b>-12.1</b>	<b>-17.7</b>	<b>-26.6</b>	<b>-47.7</b>	<b>-20.9</b>		
<b>2. Income</b>	<b>-87.9</b>	<b>-221.8</b>	<b>-71.7</b>	<b>-104.1</b>	<b>-31.6</b>	<b>-4.8</b>	<b>-17.1</b>	<b>-18.2</b>	<b>-12.1</b>	<b>-17.7</b>	<b>-26.6</b>	<b>-47.7</b>	<b>-20.9</b>	1. Receipts	90.1	61.4	62.3	64.5	13.9	17.2	15.7	15.6	17.9	13.4	14.7	18.5	15.1		
1. Receipts	90.1	61.4	62.3	64.5	13.9	17.2	15.7	15.6	17.9	13.4	14.7	18.5	15.1	1.1 Compensation of employees	0.8	0.8	0.5	1.1	0.1	0.2	0.1	0.1	0.3	0.2	0.4	0.4			
1.1 Compensation of employees	0.8	0.8	0.5	1.1	0.1	0.2	0.1	0.1	0.3	0.2	0.4	0.4	0.4	1.2 Investment income	89.3	60.5	61.9	63.5	13.8	17.0	15.7	15.4	17.7	13.1	14.6	18.1	14.8		
1.2 Investment income	89.3	60.5	61.9	63.5	13.8	17.0	15.7	15.4	17.7	13.1	14.6	18.1	14.8	2. Payments	178.0	283.1	134.1	168.6	45.5	22.0	32.9	33.8	29.9	31.1	41.3	66.3	36.0		
2. Payments	178.0	283.1	134.1	168.6	45.5	22.0	32.9	33.8	29.9	31.1	41.3	66.3	36.0	2.1 Compensation of employees	1.0	1.1	1.1	1.8	0.3	0.3	0.3	0.3	0.4	0.5	0.6	0.5			
2.1 Compensation of employees	1.0	1.1	1.1	1.8	0.3	0.3	0.3	0.3	0.4	0.5	0.6	0.5	0.5	2.2 Investment income	177.0	282.0	133.0	166.8	45.2	21.7	32.6	33.5	29.5	30.8	40.9	65.7	35.5		
2.2 Investment income	177.0	282.0	133.0	166.8	45.2	21.7	32.6	33.5	29.5	30.8	40.9	65.7	35.5	<b>3. Current transfers</b>	<b>-102.3</b>	<b>-122.5</b>	<b>-151.7</b>	<b>-185.3</b>	<b>-41.8</b>	<b>-35.1</b>	<b>-32.9</b>	<b>-41.9</b>	<b>-40.4</b>	<b>-42.4</b>	<b>-47.7</b>	<b>-54.7</b>	<b>-50.9</b>		
<b>3. Current transfers</b>	<b>-102.3</b>	<b>-122.5</b>	<b>-151.7</b>	<b>-185.3</b>	<b>-41.8</b>	<b>-35.1</b>	<b>-32.9</b>	<b>-41.9</b>	<b>-40.4</b>	<b>-42.4</b>	<b>-47.7</b>	<b>-54.7</b>	<b>-50.9</b>	1. Receipts	71.9	62.4	71.8	74.4	14.0	16.9	20.3	20.6	17.9	17.4	15.9	23.2	18.0		
1. Receipts	71.9	62.4	71.8	74.4	1																								

**TABLE 8.3: COMPONENTS OF THE CAPITAL AND FINANCIAL ACCOUNT I)**

During period	2001				2002				2003				2004				2005				
	I				II				III				IV				I				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
<b>1. Capital account</b>	<b>-1.8</b>	<b>38.1</b>	<b>179.8</b>	<b>36.3</b>	<b>162.1</b>	<b>-13.9</b>	<b>0.1</b>	<b>31.4</b>	<b>-2.2</b>	<b>-0.7</b>	<b>36.2</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>2.4</b>
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	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	1.9
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
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	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	1.9
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	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	1.9
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Acquisition/disposal of n.p.n.f. asse	1.0	-2.4	0.8	2.9	0.4	0.0	0.0	0.4	0.3	0.7	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.4
<b>2. Financial account</b>	<b>-424.8</b>	<b>564.9</b>	<b>-16.6</b>	<b>-60.3</b>	<b>201.6</b>	<b>-307.4</b>	<b>135.7</b>	<b>-46.5</b>	<b>13.4</b>	<b>261.4</b>	<b>-82.3</b>	<b>-252.9</b>	<b>-60.9</b>	<b>-60.9</b>	<b>-60.9</b>	<b>-60.9</b>	<b>-60.9</b>	<b>-60.9</b>	<b>-60.9</b>	<b>-60.9</b>	<b>-60.9</b>
1. Direct investment	-492.3	542.6	311.6	249.3	311.9	-174.7	218.0	-43.5	111.3	47.8	41.4	48.8	32.5	32.5	32.5	32.5	32.5	32.5	32.5	32.5	32.5
1.1 Abroad	-2.3	-1.1	-1.1	-0.6	1.2	-4.9	-4.2	-3.2	0.4	-0.3	-0.2	-0.4	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6
1.2 In Aruba	-490.0	543.6	322.8	249.8	310.7	-169.8	222.2	-40.3	110.9	48.1	41.6	49.2	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1
2. Portfolio investment	74.2	133.3	86.4	77.5	66.0	-28.9	-18.5	67.7	-24.9	123.9	1.1	-22.6	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9
2.1 Assets	43.5	31.6	-32.8	-35.1	-4.2	-5.6	-8.3	-14.6	-17.3	-0.9	3.1	-20.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
2.2 Liabilities	30.7	101.6	119.1	112.5	70.2	-23.2	-10.2	82.3	-7.6	124.7	-2.0	-2.6	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
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	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	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Other investment	-6.7	-110.8	-414.6	-387.1	-176.3	-103.8	-63.8	-70.7	-73.0	89.8	-124.8	-279.1	-126.3	-126.3	-126.3	-126.3	-126.3	-126.3	-126.3	-126.3	-126.3
4.1 Assets	9.8	-73.8	-55.8	-276.5	9.6	3.0	-11.1	-57.3	-41.0	108.7	-91.4	-252.8	-94.7	-94.7	-94.7	-94.7	-94.7	-94.7	-94.7	-94.7	-94.7
4.1.1 Loans	33.6	-1.5	-8.0	-1.2	0.5	1.8	1.2	-11.5	0.7	-0.8	-2.3	1.1	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
4.1.2 Other assets	-23.8	-72.3	-47.9	-275.3	9.0	1.2	-12.3	-45.7	-41.7	109.5	-89.1	-253.9	-95.1	-95.1	-95.1	-95.1	-95.1	-95.1	-95.1	-95.1	-95.1
4.1.2.1 Currency and deposits	-12.5	-66.8	-43.0	-268.9	8.6	1.7	-9.4	-44.0	-40.4	111.2	-87.5	-252.1	-96.1	-96.1	-96.1	-96.1	-96.1	-96.1	-96.1	-96.1	-96.1
4.1.2.2 Other assets, n.i.e.	-11.2	-5.5	-4.8	-6.4	0.4	-0.6	-2.9	-1.7	-1.2	-1.7	-1.6	-1.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
4.2 Liabilities	-16.5	-37.0	-358.8	-110.6	-185.9	-106.8	-52.7	-13.5	-32.0	-18.9	-33.4	-26.3	-31.7	-31.7	-31.7	-31.7	-31.7	-31.7	-31.7	-31.7	-31.7
4.2.1 Loans	-41.9	-67.6	23.5	-83.4	184.4	-107.3	-47.5	-6.2	-26.3	-12.9	-27.2	-17.0	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9
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	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9
4.2.1.2 Other sectors	-2.7	-28.6	-58.5	-61.0	-12.5	-8.0	-47.5	9.5	-21.5	-12.8	-27.2	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
4.2.2 Other liabilities	25.4	30.5	-382.3	-27.1	-370.3	0.4	-5.2	-7.3	-5.7	-6.0	-6.1	-9.3	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2.2 Other liabilities, n.i.e.	25.4	30.5	-382.3	-27.1	-370.3	0.4	-5.2	-7.3	-5.7	-6.0	-6.1	-9.3	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8
<b>3. Capital and financial account balance (1+2)</b>	<b>-426.6</b>	<b>602.9</b>	<b>163.2</b>	<b>-24.1</b>	<b>363.7</b>	<b>-321.2</b>	<b>135.8</b>	<b>-15.1</b>	<b>11.2</b>	<b>260.7</b>	<b>-46.1</b>	<b>-249.9</b>	<b>-58.5</b>	<b>-58.5</b>	<b>-58.5</b>	<b>-58.5</b>	<b>-58.5</b>	<b>-58.5</b>	<b>-58.5</b>	<b>-58.5</b>	<b>-58.5</b>

1) Excluding banking transactions and official reserves.

**TABLE 8.4: BALANCE OF PAYMENTS BY SECTORS 1)**

During period	2003 I			2004 I			2005 I					
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
<b>1. Current account (net)</b>	<b>-246.7</b>	<b>8.7</b>	<b>-31.8</b>	<b>-269.8</b>	<b>-4.4</b>	<b>3.0</b>	<b>32.8</b>	<b>31.3</b>	<b>108.5</b>	<b>1.2</b>	<b>49.1</b>	<b>158.9</b>
A. Goods and services	-236.0	8.8	30.7	-196.4	5.4	3.1	75.2	83.8	118.0	1.4	111.3	230.7
1. Goods	-125.1	8.8	-278.0	-394.2	106.1	2.8	-311.3	-202.5	207.2	0.1	-317.7	-110.4
1.1 Exports f.o.b.	795.0	25.0	6.3	826.3	991.5	15.9	8.2	1,015.7	1,056.1	15.6	6.2	1,077.9
1.2 Imports f.o.b.	920.0	16.2	284.3	1,220.5	885.5	13.1	319.5	1,218.1	848.8	15.5	323.9	1,188.3
2. Services	-110.9	0.0	308.7	197.8	-100.6	0.3	386.5	286.2	-89.2	1.3	429.0	341.1
2.1 Receipts	2.3	1.9	522.4	526.6	2.1	1.7	627.6	631.3	3.2	2.9	650.3	656.4
2.2 Payments	113.3	1.9	213.7	328.8	102.7	1.3	241.0	345.1	92.4	1.6	221.3	315.3
B. Income	-0.4	0.0	-31.1	-31.6	0.0	0.0	-12.1	-12.1	0.0	0.0	-20.9	-20.9
1. Receipts	0.0	0.0	13.9	13.9	0.0	0.0	17.9	17.9	0.0	0.0	15.1	15.1
2. Payments	0.4	0.0	45.0	45.5	0.0	0.0	29.9	29.9	0.0	0.0	36.0	36.0
C. Current transfers	-10.2	-0.2	-31.4	-41.8	-9.9	-0.1	-30.4	-40.4	-9.5	-0.1	-41.3	-50.9
1. Receipts	0.0	0.0	14.0	14.0	0.0	0.0	17.9	17.9	0.0	0.0	18.0	18.0
2. Payments	10.2	0.2	45.4	55.8	9.9	0.1	48.3	58.3	9.5	0.2	59.3	68.9
<b>2. Capital and financial account (net)</b>	<b>268.2</b>	<b>-0.4</b>	<b>95.9</b>	<b>363.7</b>	<b>28.4</b>	<b>-0.3</b>	<b>-16.9</b>	<b>11.2</b>	<b>-87.7</b>	<b>-0.1</b>	<b>29.3</b>	<b>-58.5</b>
A. Capital account	0.0	0.0	162.1	162.1	0.0	0.0	-2.2	-2.2	0.0	0.0	2.4	2.4
1. Capital transfers	0.0	0.0	161.7	161.7	0.0	0.0	-2.6	-2.6	0.0	0.0	1.9	1.9
2. Acquisition/disposal of n.p.n.f. assets	0.0	0.0	0.4	0.4	0.0	0.0	0.3	0.3	0.0	0.0	0.4	0.4
B. Financial account	268.2	-0.4	-66.2	201.6	28.4	-0.3	-14.6	13.4	-87.7	-0.1	26.9	-60.9
1. Direct investment	268.2	-0.1	43.8	311.9	75.6	0.0	35.7	111.3	0.0	0.0	32.5	32.5
2. Portfolio investment	0.0	0.0	66.0	66.0	0.0	0.0	-24.9	-24.9	0.0	0.0	32.9	32.9
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	0.0	-0.3	-176.0	-176.3	-47.3	-0.3	-25.4	-73.0	-87.7	-0.1	-38.5	-126.3
<b>3. Items not yet classified 2)</b>	<b>0.0</b>	<b>0.0</b>	<b>11.2</b>	<b>11.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-11.5</b>	<b>-11.5</b>	<b>0.0</b>	<b>0.0</b>	<b>14.8</b>	<b>14.8</b>
<b>4. Overall balance (1+2+3)</b>	<b>21.5</b>	<b>8.2</b>	<b>75.3</b>	<b>105.1</b>	<b>23.9</b>	<b>2.7</b>	<b>4.4</b>	<b>31.0</b>	<b>20.8</b>	<b>1.1</b>	<b>93.2</b>	<b>115.1</b>
<b>5. Banking transactions 3)</b>	<b>-21.5</b>	<b>-8.2</b>	<b>12.7</b>	<b>-17.0</b>	<b>-23.9</b>	<b>-2.7</b>	<b>16.5</b>	<b>-10.1</b>	<b>-20.8</b>	<b>-1.1</b>	<b>-5.7</b>	<b>-27.7</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>0.0</b>	<b>0.0</b>	<b>-88.0</b>	<b>-88.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-21.0</b>	<b>-21.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-87.5</b>	<b>-87.5</b>
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	-88.0	-88.0	0.0	0.0	-21.0	-21.0	0.0	0.0	-87.5	-87.5

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	III	IV	I	II	III	IV	I	
<b>1. Exports f.o.b.</b>	<b>4,338.5</b>	<b>2,663.1</b>	<b>3,670.1</b>	<b>4,868.1</b>	<b>826.3</b>	<b>1,015.9</b>	<b>679.3</b>	<b>1,148.6</b>	<b>1,015.7</b>	<b>1,063.3</b>	<b>1,222.6</b>	<b>1,566.5</b>	<b>1,077.9</b>					
A. General merchandise	189.0	145.5	105.7	89.8	30.1	23.4	29.5	22.7	22.5	21.3	20.9	25.1	20.2					
1. Free-zone	143.5	110.2	78.9	64.6	24.9	15.8	19.5	18.8	15.9	15.3	13.7	19.7	15.6					
2. Other sectors	45.5	35.3	26.8	25.3	5.3	7.6	10.0	3.9	6.7	6.0	7.2	5.4	4.6					
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					
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					
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					
<b>2. Imports f.o.b.</b>	<b>4,240.8</b>	<b>3,613.8</b>	<b>4,286.1</b>	<b>5,354.1</b>	<b>1,220.5</b>	<b>953.8</b>	<b>929.2</b>	<b>1,182.5</b>	<b>1,218.1</b>	<b>1,345.1</b>	<b>1,305.9</b>	<b>1,484.9</b>	<b>1,188.3</b>					
A. General merchandise	1,739.8	1,746.6	1,897.6	1,681.8	450.1	435.4	447.9	564.2	413.2	392.7	421.6	454.4	454.9					
1. Oil sector	611.7	611.0	687.9	376.9	149.6	149.4	146.0	242.9	80.7	87.6	98.2	110.4	115.5					
2. Free-zone	134.1	96.1	66.2	54.8	16.2	14.1	22.7	13.2	13.1	8.9	15.6	17.2	15.5					
3. Other sectors	986.1	1,030.8	1,135.3	1,238.3	282.9	270.6	275.6	306.2	317.9	294.6	301.8	324.0	322.7					
B. Goods for processing	2,499.8	1,866.5	2,388.4	3,672.1	770.4	518.4	481.3	618.3	804.8	952.4	884.4	1,030.4	733.4					
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					
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					
<b>3. Merchandise trade balance (1-2)</b>	<b>97.7</b>	<b>-950.6</b>	<b>-615.9</b>	<b>-485.9</b>	<b>-394.2</b>	<b>62.0</b>	<b>-249.8</b>	<b>-33.9</b>	<b>-202.5</b>	<b>-281.7</b>	<b>-83.3</b>	<b>81.6</b>	<b>-110.4</b>					

**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

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)

	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)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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

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.

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