



**CENTRALE BANK VAN ARUBA**

**QUARTERLY BULLETIN**

**2004 - III**

**March 10, 2005**  
**Issue no. 73**

Correspondence related to this report should be addressed to the Economic Policy Department of the Centrale Bank van Aruba  
J.E. Irausquin Boulevard 8  
P.O. Box 18  
Telephone: (297) 5252-100  
Telefax: (297) 5252-101  
Website: [www.cbaruba.org](http://www.cbaruba.org)  
E-mail: [cbaua@setarnet.aw](mailto:cbaua@setarnet.aw)

© 2005 De Centrale Bank van Aruba

The information contained in this report may be published and copied for educational and noncommercial purposes, provided the source is acknowledged.

ISSN: 0920-9905

## CONTENTS

<b>I.</b>	<b>Developments in the third quarter of 2004</b>	
1.1	<b>Introduction</b>	1
1.2	<b>The real sector</b>	2
	- Business Perception Index	
	- Partial Economic Activity Index	
	- Tourism	
	- Construction	
	- Utilities	
	- Oil sector	
	- Merchandise trade	
	- Price developments	
1.3	<b>Money and credit</b>	6
	- Changes in the money supply	
	- Interest rates	
1.4	<b>Nonmonetary financial institutions</b>	7
	- The balance sheet	
	- The mortgage market	
1.5	<b>Government finance</b>	9
	- Financial operations	
	- Outstanding debt	
1.6	<b>Balance of payments</b>	11
	- Overall outcome	
	- Oil sector	
	- Free-zone sector	
	- Rest of the economy	
<b>II.</b>	<b>Notices and articles</b>	
2.1	<b>Monetary policy for 2005</b>	
	<i>A press release of March 11, 2005</i>	17
2.2	<b>International Monetary Fund</b>	
	<b>Kingdom of the Netherlands-Aruba: 2005 Article IV</b>	
	<b>Consultation</b>	
	<i>Concluding Statement of the Mission</i>	19
	<i>January 19, 2005</i>	
<b>III.</b>	<b>Statistical annex</b>	



## **I. DEVELOPMENTS IN THE THIRD QUARTER OF 2004**

### **1.1 Introduction**

In the third quarter of 2004, available data indicate that domestic output strengthened further, albeit at a lower pace compared to the corresponding quarter of 2003. Illustrative is that the Partial Economic Activity Index (PEAI) recorded a 1.7 percent increase in GDP, which is 0.6 percentage point lower than in the third quarter of 2003. Output grew in all sectors with the exception of construction and trade. The results from the Bank's business perception survey confirm these developments, showing also a lower gain in the indices for current economic circumstances and short-term outlook compared to the third quarter of 2003. The main contributor to economic growth is the tourism sector, which continues to perform exceptionally well registering further increases in the number of stay-over visitors as well as nights spent.

For the third consecutive quarter, inflationary pressures subsided. Inflation, measured on a twelve-month basis, slowed down further to 2.3 percent. This was equal to that of Aruba's major trading partner, the United States. The deceleration was largely the result of smaller increases in the energy-related components (water, electricity and gasoline) of inflation as compared to the third quarter of 2003.

Government transactions resulted in an Afl. 1 million financial surplus (including the change in unsettled government payment obligations) in the quarter under review, compared to an Afl. 42 million deficit in the corresponding quarter of 2003. This improvement was primarily attributed to an incidental Afl. 31 million receipt of funds from the Dutch government related to the Fondo Desaroyo Aruba (FDA). Tax revenues, on the other hand, decreased in the period under review. Government spending continued to rise, mainly fomented by higher wage outlays. Compared to the third quarter of 2003, government debt rose further to Afl. 1,672 million or 44 percent of the GDP of 2004 as estimated by the IMF.

The balance of payments posted an Afl. 49 million deficit despite a surge in tourism receipts following a double-digit growth in the number of stay-over visitors. Consequently, net international reserves of the monetary sector declined to Afl. 681 million. This development was mainly attributed to the external transactions of the rest of the economy (i.e., excluding the oil and free-zone sectors). The outflow of funds to abroad led to a contraction in money supply, which was largely offset by a rise in claims on the private sector. In the first nine months of 2004, the banking sector credit went up by 4 percent, remaining thereby within the target set by the Bank.

Although net international reserves were Afl. 80 million higher than in September 2003, it is noteworthy mentioning that Aruba's reserve position has weakened during the twelve-month period up to and including September 2004. The main factor causing the increase in reserves was an Afl. 200 million rise in government foreign debt denominated in U.S. dollars, which amounted to Afl. 607 million at the end of September 2004. On the other hand, other external transactions executed during mentioned period led to an Afl. 120 million decline in net foreign assets.

## 1.2 The real sector

### *Business Perception Index*

The third quarter results of the Business Perception Survey (BPS) show that businesses continued to be upbeat. Both indices on current as well as expected short-term economic conditions improved slightly by 1 percent to, respectively, 107.1 and 108.3, reflecting optimism across all sectors, compared to the third quarter of 2003. However, the construction business units were less positive about the current state of the economy, while the sector related to electricity, gas and water supply was less optimistic about the short-term economic perspective. Furthermore, the sector “transport, storage and communication” was less confident regarding current as well as expected short-term economic conditions (statistical annex table 1.2).

### *Partial Economic Activity Index*

In the quarter under review, the Partial Economic Activity Index (PEAI) –an indicator of the variations in the volume of turnover in seven sectors accounting for 71 percent of the total value added in Aruba– posted a 1.7 percent increase, being 0.6 percentage point lower than the growth in the third quarter of 2003. The output increase was mainly brought about by gains in the “hotels & restaurants” sector and the somewhat tourism-related “transport, storage and communication” sector. However, the sectors “construction” and “trade” declined in the period under review, the former for the fifth consecutive quarter (see table A and statistical annex table 1.3).

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

	<i>Share in GDP (in percent)</i>	2002	2003	2002	2003	2004	
				III	III	II	III
				<i>(Period average)</i>			
Total Index	71.3	-3.2	1.3	-3.0	2.3	4.9	1.7
a. Utilities	4.1	1.0	1.9	3.0	-3.1	5.7	3.3
b. Construction	8.6	-8.9	11.4	16.1	-1.0	-10.7	-12.5
c. Trade	14.2	-2.1	-4.4	-5.2	0.1	8.5	-1.3
d. Hotels & restaurants	10.5	-5.6	4.1	-7.0	9.9	15.3	5.0
e. Transport, storage & communication	8.2	-0.3	-2.2	0.6	0.8	11.9	14.9
f. Housing	12.6	2.8	2.5	2.7	2.5	2.5	2.6
g. Public adm. & education	13.1	-8.0	0.1	-17.6	2.7	1.7	1.2

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

Source: CBS.

### *Tourism*

During the quarter under review, growth in number of stay-over visitors accelerated to 12 percent, up from 3 percent in the third quarter of 2003. This positive performance was partially related to increased airlift capacity, as well as improved travel confidence and a positive economic performance in the United States. In contrast, nights spent on the island went up by only 7 percent compared to 9 percent

**Table B: Indicators of tourism activity**

	2002	2003	2002	2003	2004	
			III	III	II	III
1. a. Tourism receipts (x Afl. million) 1)	1,475.3	1,527.1	313.3	355.4	424.0	415.8
b. Tourism expenditure (x Afl. million) 2)	1,170.8	1,159.5	272.6	274.9	324.4	325.2
2. Stay-over visitors (x 1,000)	642.6	641.9	165.7	171.0	178.1	190.8
3. Market shares (in percentage)						
a. United States	67.9	72.4	61.9	67.1	76.1	68.8
b. Venezuela	12.7	8.5	19.9	12.9	6.8	12.7
c. The Netherlands	4.4	5.7	3.8	5.8	4.8	5.1
d. Colombia	3.6	1.8	3.8	1.4	1.6	1.5
e. Other countries	11.4	11.6	10.6	12.8	10.7	11.9
4. Visitor nights (x 1,000)	4,862.5	5,097.6	1,252.4	1,360.8	1,301.9	1,458.7
5. Average nights spent	7.6	7.9	7.6	8.0	7.3	7.6
6. a. Receipts per visitor night (Afl.)	303	300	250	261	326	285
b. Average daily expenditure (Afl.) 3)	207	186	194	166	191	186
7. Average hotel occupancy rate	71.7	74.4	70.9	77.6	77.3	80.9
8. Average daily rate hotels (Afl.) 4)	247	239	199	195	229	220
9. Revenue per available room (Afl.) 4)	123	123	98	108	125	129
10. Room tax receipts (x Afl. million) 5)	24.1	25.6	5.1	6.0	6.2	7.2
11. Cruise visitors (x 1,000)	582.2	542.3	67.6	69.9	113.2	81.2
12. Number of cruise ship calls	337	315	42	39	53	37
13. Contribution to current account 6)	77	76	74	74	79	79

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. These figures were recently retroactively adjusted downwards as additional information became available, mainly on debit card transactions of residents.

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 pre-paid packages), as calculated by the CBS.

4) Including time-share.

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.

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

in the third quarter of 2003, because of a shorter stay averaging 7.6 nights compared to 8 nights in the corresponding quarter of 2003. Even so, the average hotel occupancy rate increased markedly by 3.3 percentage points to 80.9 percent.

The U.S. market showed the strongest growth in the quarter under review. U.S. stay-over visitors and their nights spent on the island jumped by 14 percent (third quarter 2003: +12 percent) and 15 percent (third quarter 2003: +11 percent), respectively. After a 33 percent decline in the third quarter of 2003, the performance of the Venezuelan market improved notably. Tourism from this destination rose by 10 percent, after the allowed maximum dollar amount purchase when traveling abroad was raised. However, their nights spent on the island fell by 13 percent (third quarter 2003: -16 percent), due to a shorter stay on the island. In contrast to the U.S. and Venezuelan markets, the Dutch stay-over arrivals fell by 2 percent, after a 56 percent

expansion in the third quarter of 2003. The latter was the result of an increase in seat capacity to Aruba. However, total nights spent by Dutch tourists on the island went up by 2 percent (third quarter 2003: +38 percent). Consequently, the U.S. market share in terms of stay-over visitors expanded by 1.7 percentage points to 68.8 percent, while the Venezuelan and Dutch markets contracted by respectively 0.2 percentage point to 12.7 percent and 0.7 percentage point to 5.1 percent.

In the third quarter of 2004, cruise passenger arrivals soared by 16 percent (third quarter 2003: +3 percent) to 81,210, despite a 5 percent decline in the number of port calls. In contrast to the third quarter of 2003, more mega ships visited Aruba in the period under review.

Preliminary survey data from the Central Bureau of Statistics indicate that the average daily rate of the hotel sector and revenue per available room rose by respectively 13 percent to Afl. 220 and 19 percent to Afl. 129. Room tax receipt surged by 20 percent to Afl. 7 million. Gross tourism receipts, as recorded in the balance of payments, climbed by 17 percent to Afl. 416 million. As a result, its share in total current account receipts (excluding the oil and free-zone sectors) strengthened by 5 percentage points to 79 percent (table B and statistical annex tables 1.4 and 1.5).

#### *Construction*

Reflective of the sluggishness in the construction sector, the imports of cement fell for the third consecutive quarter, i.e., by 2 percent. Additionally, electrical installations approved by the Department of Technical Inspection dropped by 21 percent, particularly in the categories “houses” and “others”. The outlook for the construction sector remains weak, as both the number of construction permits granted by the Department of Public Works and the corresponding construction value decreased by 5 percent and 31 percent, respectively. The latter was due largely to a decline in the category “others”, which included a timeshare resort in the third quarter of 2003 (statistical annex table 1.8).

#### *Utilities*

During the third quarter of 2004 water consumption grew by 1 percent, after incurring a 2 percent decline in the corresponding quarter of 2003. Furthermore, both electricity and gas consumption went up by 3 percent in the quarter under review, compared to increases of 2 percent and 3 percent, respectively, in the third quarter of 2003. On balance, the weighted utilities consumption index rose by 2 percent to 136.8 against a 1 percent decline to 133.5 in the third quarter of 2003 (statistical annex table 1.9).

#### *Oil sector*

The refinery’s throughput volume expanded further by a notable 53 percent, compared to 20 percent in the third quarter of 2003. Export revenues from refined oil products surged by 157 percent to Afl. 1,449 million (third quarter 2003: +34 percent). The amount of crude oil imports also increased, i.e., by 113 percent to Afl. 1,270 million (third quarter of 2003: +50 percent). At the end of September 2004, 781 persons were directly employed at the refinery, i.e., 119 persons more than a year earlier (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) declined by 9 percent to Afl. 341 million. This decline was mainly attributed to lower importation of “machinery and electrotechnical equipment” and “base metals and derivated works”. Exports increased by 17 percent to Afl. 11 million largely because of a trade expansion in the category “other goods”, which includes among other things base metals and derivated works, real pearls and other precious stones, and chemical products. The value of exports is equal to about 3 percent of total imports. On balance, the trade deficit narrowed by Afl. 36 million or 10 percent to Afl. 330 million (statistical annex tables 1.10 and 1.11).

### Price developments

The quarterly average increase in the consumer price index decelerated further by 0.2 percentage point to 2.9 percent, reflecting lower price increases in all categories, except “food”, “transport & communication” and “recreation & education” (table C and statistical annex tables 1.6 and 1.7). On a twelve-month basis the pace of inflation slowed down by 1.8 percentage points to 2.3 percent. When adjusting for energy-related components (water, electricity, and gasoline), inflation fell by 0.7 percentage point to 2.0 percent.

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

	2002	2003	2002		2003		2004	
			III	III	II	III		
<i>(Period average)</i>								
Total index	3.3	3.6	3.7	3.1	2.4	2.9		
a. Food	3.3	3.1	3.1	3.6	4.1	3.7		
b. Beverage & tobacco	2.4	4.4	1.8	5.2	0.7	0.0		
c. Clothing & footwear	6.8	4.5	7.0	4.4	3.7	4.1		
d. Housing	4.1	5.7	5.4	3.6	1.7	3.5		
e. Housekeeping & furnishing	4.0	2.7	3.5	2.6	1.8	2.0		
f. Health	0.0	0.0	0.0	0.0	0.0	0.0		
g. Transport & communication	0.8	2.8	1.4	2.4	2.4	2.7		
h. Recreation & education	2.7	2.4	2.8	2.2	2.5	2.9		
i. Other	2.5	2.6	2.7	2.5	1.3	1.5		
<i>(Twelve-month average)</i>								
Aruba	3.3	3.6	2.9	4.1	2.4	2.3		
United States	1.6	2.3	1.5	2.3	2.2	2.3		
Curaçao	0.4	2.1	0.2	2.3	1.1	1.1		
The Netherlands	3.4	2.1	3.8	2.4	1.7	1.4		
Real exchange rate index (1995=100) 1)	103.8	105.2	103.3	105.1	105.0	105.1		

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

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

The twelve-month average price differential with the United States—Aruba’s main trading partner—narrowed from 1.8 percentage points to zero. The real exchange rate index of the Aruban florin against the U.S. dollar remained unchanged at 105.1. The inflation differential with Curaçao declined by 0.6 percentage point to 1.2 percentage points and that with the Netherlands shrank by 0.8 percentage point to 0.9 percentage point.

### 1.3 Money and credit

#### *Changes in the money supply*

In the third quarter of 2004 money supply shrank by Afl. 5 million or less than 1 percent to Afl. 2,255 million compared to the preceding quarter (table D and statistical annex tables 2.1, 2.2 and 2.3). Narrowly-defined money fell by Afl. 27 million or 3 percent, mainly because of a drop in demand deposits denominated in Aruban florin. In contrast, quasi-money—comprising time and savings deposits and treasury bills held by the public—went up by Afl. 22 million or 2 percent, reflecting increases in all three components. The developments in these deposits are partly explained by shifts from demand to time deposits.

The contraction in money supply was brought about by an Afl. 49 million net outflow of funds to abroad, which was almost completely offset by an Afl. 45 million increase in net domestic assets. The outflow of funds to abroad resulted largely from current account transactions of the rest of the economy (i.e. excluding the oil and free-zone sectors) with nonresidents, which more than offset a EUR 14 million (Afl. 31 million) receipt in grants from the Dutch government in favor of the Fondo Desaroyo Aruba

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

	2002	2003	2002		2004	
			III	III	II	III
1. Net domestic money creation	154.0	241.7	32.2	97.4	-67.5	44.8
a. Net domestic credit	159.0	218.5	42.3	88.6	-51.8	51.6
- Public sector	-36.2	19.3	-0.7	27.1	-54.4	4.8
- Private sector	195.2	199.2	43.0	61.5	2.6	46.8
b. Other domestic factors	-5.0	23.2	-10.1	8.7	-15.7	-6.8
2. Inflow of foreign funds 1)	39.0	-61.2	-17.7	-38.2	61.2	-49.4
a. Current account transactions	-585.0	-253.5	-102.2	-179.1	-190.6	-5.8
b. Net foreign capital 2)	624.0	192.3	84.4	140.9	251.8	-43.6
3. Broad money creation	193.0	180.5	14.5	59.2	-6.3	-4.6
a. Money	143.5	88.7	2.2	48.8	4.7	-26.7
b. Quasi-money	49.5	91.8	12.2	10.4	-11.0	22.1
<i>(12-month percentage change)</i>	<i>(10.5)</i>	<i>(8.9)</i>	<i>(7.6)</i>	<i>(10.2)</i>	<i>(6.4)</i>	<i>(3.3)</i>

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

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

Source: CBA.

(FDA). Consequently, the official reserves of the Bank declined by Afl. 28 million (4 percent) to Afl. 610 million, which is equal to 90 percent of the aggregated net foreign assets of the banking system. In addition, net foreign assets held by commercial banks fell by Afl. 22 million (24 percent) to Afl. 70 million. At the end of September 2004, total net foreign assets (excluding revaluation differences of gold and official foreign exchange holdings) stood at Afl. 681 million. The ratio of net foreign assets to money supply dropped to 30 percent, down from 32 percent in the previous quarter (statistical annex table 2.4).

The Afl. 45 million increase in net domestic assets was mainly the result of an Afl. 47 million rise in banking sector credit granted to the private sector. Loans to enterprises, housing mortgages, and consumer credit went up by Afl. 24 million (3 percent), Afl. 20 million (3 percent) and Afl. 11 million (2 percent), respectively. The Afl. 20 million increase in housing mortgages was partly due to a commercial bank's purchase of a mortgage portfolio from a nonresident bank. Additionally, net claims on the public sector rose by Afl. 5 million, reflecting an Afl. 7 million net purchase of government bonds by the commercial banks and a net drawing down of Afl. 3 million by the public sector from its bank deposits. In contrast, non-credit-related balance sheet items fell by Afl. 7 million. During the first nine months of 2004, growth in banking sector credit lessened to 4 percent, down from 11 percent in the corresponding period of 2003.

#### *Interest rates*

The commercial banks' interest margin, measured as the difference between the weighted average lending rates and savings and time deposit rates of new transactions, widened by 1.1 percentage points to 7.6 percentage points, compared to the previous quarter (statistical annex table 6.1). Rate of interest on deposits dropped by 0.6 percentage point to 4.2 percent, reflecting lower interest rates on both short- and long-term time deposits. The lending rate, on the other hand, edged up by 0.5 percentage point to 11.8 percent.

The central bank interest rate on time deposits, which is linked to corresponding rates of the Federal Reserve Bank of New York, remained at the historically low levels of 2003 (statistical annex table 6.3). On the other hand, the cost of short-term government borrowings rose during the course of the year, compared to a year earlier. For example, the yield on the Afl. 8 million six-month cash loan certificates re-issued in December 2004 increased to 3.30 percent, up from 2.29 percent in the June 2004 issue. Also, the yields on treasury bill issues during 2004 were also consistently higher compared to the corresponding issues a year earlier. In September 2004, Afl. 25 million in 7-year bonds were issued on the local capital market at 6.3 percent (statistical annex table 6.5).

### **1.4 Nonmonetary financial institutions**

#### *The balance sheet*

In the quarter under review, the aggregated assets of nonmonetary financial institutions expanded by Afl. 34 million or 2 percent to Afl. 1,639 million compared to the previous quarter. This was due to an Afl. 19 million (4 percent) increase in

**Table E: Nonmonetary financial institutions 1)**

(End of period, in Afl. million)

	2003				2004		
	I	II	III	IV	I	II	III
1. Net foreign assets	330.6	336.6	335.1	377.9	424.3	422.3	425.4
2. Domestic assets	1,067.5	1,082.2	1,122.9	1,153.3	1,144.5	1,182.5	1,213.1
a. Government	454.8	470.2	506.9	498.4	491.5	526.2	544.7
b. Private sector	612.7	612.0	616.0	654.9	653.1	656.4	668.4
3. Total assets=total liabilities	1,398.1	1,418.7	1,458.0	1,531.2	1,568.8	1,604.8	1,638.5
4. Borrowings and deposits	58.4	58.8	60.4	62.0	61.9	63.2	63.9
a. Government	36.8	36.7	36.7	36.8	36.7	36.7	36.7
b. Other residents	21.6	22.1	23.6	25.2	25.2	26.5	27.2
5. Pension fund provisions	1,140.5	1,151.8	1,186.6	1,201.1	1,268.4	1,269.9	1,311.2
6. Insurance reserve fund	263.6	265.1	268.1	273.3	287.3	291.9	295.6
7. Other items, net	-64.4	-56.9	-57.2	-5.1	-48.8	-20.2	-32.1

1) Comprise mortgage banks, pension funds (including the APFA), life insurance companies, finance companies, the Aruban Investment Bank, and the Social Security Bank.

Source: CBA.

domestic claims on the government and an Afl. 12 million (2 percent) rise in claims on the private sector. In addition, net foreign assets of the nonmonetary financial institutions strengthened by Afl. 3 million (1 percent) to Afl. 425 million, which is six times the net foreign assets held by the commercial banks. On the liability side, pension fund provisions grew by Afl. 41 million (3 percent) and the insurance reserve fund increased by Afl. 4 million (1 percent) (table E and statistical annex table 5.1).

#### *The mortgage market*

In the third quarter of 2004 housing mortgage loans granted by pension funds and specialized mortgage banks grew by Afl. 3 million (3 percent) and Afl. 2 million (1 percent), respectively, compared to the preceding quarter. The mortgage loan portfolio of life insurance companies, on the other hand, declined by Afl. 1 million (1 percent). In contrast, housing mortgage lending of the commercial banks went up

**Table F: Housing mortgages**

(End of period, in Afl. million)

	2003				2004		
	I	II	III	IV	I	II	III
1. Total	954.1	966.7	973.8	984.4	1,004.1	1,007.1	1,030.4
2. Commercial banks	504.4	525.4	538.7	543.7	556.9	554.6	573.7
3. Mortgage banks	288.1	279.8	274.2	275.9	277.5	278.7	280.4
4. Pension funds	86.1	87.3	89.1	91.2	97.5	102.1	104.7
5. Life insurance companies	67.5	66.0	63.4	62.3	61.1	60.4	59.9
6. Other	8.1	8.2	8.3	11.2	11.2	11.2	11.7

Source: CBA.

by Afl. 19 million or 3 percent in the third quarter of 2004 compared to the preceding quarter, partly due to the earlier mentioned purchase by a commercial bank of a mortgage portfolio from a nonresident bank. As a result, the market share of nonmonetary financial institutions in the total housing mortgage portfolio fell by 1 percentage point to 44 percent (table F).

## 1.5 Government finance

### *Financial operations*

In the third quarter of 2004, total government revenues on a cash basis rose by Afl. 32 million or 16 percent to Afl. 236 million compared to the third quarter of 2003. This resulted mainly from a EUR 14 million (Afl. 31 million) contribution by the Dutch government to the Fondo Desaroyo Aruba (FDA) for the financing of development projects. In 2003, this contribution was received in the fourth quarter. In addition, non-tax revenue rose by Afl. 5 million or 25 percent compared to the corresponding quarter of 2003. On the other hand, tax revenue declined by Afl. 4 million or 2 percent (table G and statistical annex tables 7.1 and 7.2).

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

	2002	2003	2003		2004	
			III	III	II	III
1. Revenue and grants	751.2	803.5	161.8	203.6	171.3	235.8
a. Tax revenue	610.0	687.4	141.9	182.6	158.1	178.6
b. Nontax revenue	103.8	86.1	19.9	21.0	13.2	26.2
c. Grants	37.4	30.1	0.0	0.0	0.0	31.1
2. Expenditure	816.4	873.9	191.1	213.2	252.8	233.8
3. Lending minus repayments 2)	-3.0	-71.1	23.3	18.0	41.4	6.1
4. Financial deficit (-)	-62.2	0.8	-52.6	-27.6	-122.9	-4.1
5. Net foreign capital	96.0	-29.0	46.5	0.4	123.3	-0.1
6. Net domestic capital 3)	2.5	9.0	6.8	0.1	54.0	-0.6
7. Net recourse to the monetary system (-)	36.2	-19.3	0.7	-27.1	54.4	-4.8
8. Memorandum item						
a. Unmet financing requirements 4)	275.8	300.9	269.3	344.1	315.0	310.2
b. Financial deficit (-) 5)	-68.7	-24.3	-30.3	-41.6	-122.0	0.6

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 banks' 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.

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

The decrease in tax revenue was mainly brought about by an Afl. 15 million (36 percent) drop in profit tax earnings compared to the third quarter of 2003, reflecting the faster tax collection in 2003. Furthermore, receipts from property tax declined by Afl. 4 million (28 percent), mainly because of a decrease in land tax income. These lower revenues were partially offset by an Afl. 12 million increase in proceeds from foreign exchange tax and an Afl. 2 million rise in taxes on services due to increased hotel room tax and gambling licenses revenues.

Total expenditures on a cash basis, as estimated by the Bank, grew by Afl. 21 million or 10 percent to Afl. 234 million compared to the corresponding quarter of 2003. Provisional data provided by the Department of Finance show that this increase was mainly the result of an Afl. 16 million or 16 percent surge in wage-related expenses. Furthermore, investment-related expenses grew by Afl. 9 million, largely due to higher outlays for infrastructural projects. Interest payments and the category “items not included elsewhere” rose by Afl. 2 million and Afl. 6 million, respectively. In contrast, outlays for goods and services dropped by Afl. 11 million. Net lending amounted to Afl. 6 million, mainly reflecting outlays related to students’ loans.

In the third quarter of 2004, government’s financial deficit on a cash basis narrowed to Afl. 4 million, down from Afl. 28 million in the corresponding quarter a year earlier. Total financing needs of government, comprising the cash deficit of Afl. 4 million and the repayment on maturing loans amounting to Afl. 18 million, were covered by the proceeds from an Afl. 25 million bond issued in September 2004. The remainder of the proceeds was deposited on bank accounts of government.

In the third quarter of 2004, outstanding government obligations declined by Afl. 5 million to Afl. 310 million compared to the preceding quarter. When including the change in these obligations, a financial surplus of Afl. 1 million was recorded against a deficit of Afl. 42 million in the third quarter of 2003.

Notwithstanding an Afl. 51 million increase in total government revenues during the first nine months of 2004, the financial deficit (including the change in unsettled government payment obligations) widened to Afl. 175 million, up from Afl. 96 million in the corresponding period in 2003. This widening is to some extent explained by a largely mitigated deficit in the first three quarters of 2003, following an Afl. 87 million incidental receipt from the telecommunication company SETAR in connection with its acquisition of a corporate status in the first quarter of 2003. Government spending (including net lending and the change in outstanding government obligations) amounted to Afl. 776 million during the first nine months of 2004, against Afl. 646 million in the same period in 2003. This higher spending was mainly associated with increases in wage-related expenditure, outlays for goods and services, and net lending. The latter was the result of the earlier mentioned receipt from SETAR in 2003.

#### *Outstanding debt*

In the third quarter of 2004, outstanding government debt grew by Afl. 173 million or 12 percent to Afl. 1,672 million compared to the corresponding quarter a year earlier. This debt is equivalent to 46 percent of the estimated GDP for 2003 (table H). This

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

	2003				2004		
	I	II	III	IV	I	II	III
1. Total debt	1,473.9	1,439.0	1,498.9	1,499.8	1,502.4	1,676.7	1,671.7
2. Domestic debt	744.0	799.6	855.6	769.6	783.7	835.8	836.6
a. Negotiable	189.1	218.5	253.5	218.5	218.5	272.4	282.9
- Treasury bills	40.0	40.0	75.0	40.0	40.0	40.0	40.0
- Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0	8.0
- Government bonds	141.1	170.5	170.5	170.5	170.5	224.4	234.9
b. Nonnegotiable	554.9	581.2	602.1	551.1	565.2	563.4	553.7
- Short-term 1)	302.3	330.0	344.1	300.9	315.9	315.0	310.2
- Long-term	252.6	251.1	258.0	250.2	249.3	248.4	243.5
3. Foreign debt 2)	729.9	639.4	643.3	730.2	718.7	840.9	835.1

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

2) At end-of-period exchange rates.

Source: Department of Finance; APFA.

upsurge was caused by an Afl. 192 million (30 percent) increase in the foreign debt component, which on its turn resulted from a US\$ 55 million (Afl. 98 million) private placement by the government in October 2003 and a US\$ 67 million (Afl. 120 million) government bond issue in April 2004 on the international capital market. Proceeds from both loans were used to finance budgetary deficits of the government and to repay maturing debt. Consequently, the foreign debt component reached Afl. 835 million, which represents 50 percent of the total debt of the government.

In contrast, domestic government debt fell by Afl. 19 million (2 percent) to Afl. 837 million compared to the third quarter of 2003, mainly reflecting an Afl. 48 million drop in non-negotiable debt, which was partly offset by an Afl. 29 million rise in negotiable debt. The fall-off in the non-negotiable debt resulted largely from an Afl. 32 million decline in payment arrears to other government-related institutions, excluding the civil servants pension fund APFA. Furthermore, suppliers' credit and private loans declined by Afl. 11 million and Afl. 10 million, respectively. The Afl. 29 million rise in negotiable debt was the result of the repayment of Afl. 35 million in maturing treasury bills in October 2003, the subsequent issuance of Afl. 58 million and Afl. 25 million in bonds in June and September 2004, and the repayment of maturing Afl. 15 million bond in September 2004. The proceeds of the June 2004 bond issue were used to finance part of the AZV deficits incurred during the years 2001 to 2003.

## 1.6 Balance of payments

### *Overall outcome*

During the quarter under review the balance of payments deficit widened to Afl. 49 million, up from Afl. 38 million in the third quarter of 2003. This was due

mainly to an Afl. 44 million deficit on the capital and financial account (including items not yet classified), against an Afl. 141 million surplus in the third quarter of 2003. In addition, the current account registered an Afl. 6 million deficit (third quarter of 2003: Afl. 179 million deficit). Net foreign assets of the monetary sector (excluding revaluation differences of gold and official foreign exchange holdings) dropped to Afl. 681 million, which is still Afl. 80 million or 13 percent higher than a year earlier. The latter increase in reserves was brought about mainly by an Afl. 200 million rise in the government's debt denominated in U.S. dollars, which amounted to Afl. 607 million at the end of September 2004. When excluding the latter rise in government's debt, Aruba's net foreign assets position shows a significant weakening during the twelve-month period up to and including September 2004, because other

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

	2002	2003	2002		2003		2004	
			III	III	II	III		
1. Current account (net)	-585.0	-253.5	-102.2	-179.1	-190.6	-5.8		
a. Oil sector	-299.0	64.7	86.4	-64.3	-118.4	105.0		
b. Free zone	-68.0	11.5	-62.3	-4.5	7.4	-0.9		
c. Rest of economy	-218.0	-329.7	-126.3	-110.3	-79.6	-109.9		
- Private sector	-108.7	-205.6	-94.8	-66.9	-53.4	-72.6		
- Public sector	-109.3	-124.1	-31.5	-43.4	-26.2	-37.3		
2. Capital and financial account (net)	592.6	160.6	79.2	140.5	256.6	-48.9		
a. Oil sector	372.1	79.4	-67.3	148.3	128.1	-92.0		
b. Free zone	64.3	-1.2	65.6	-0.1	-1.9	-0.2		
c. Rest of economy	156.2	82.4	81.0	-7.6	130.5	43.3		
- Private sector	22.8	98.9	34.5	-8.0	7.2	12.0		
- Public sector	133.4	-16.5	46.5	0.4	123.3	31.3		
3. Items not yet classified 1)	31.4	31.7	5.2	0.4	-4.8	5.3		
4. Overall balance (1+2+3)	39.0	-61.2	-17.7	-38.2	61.2	-49.4		
5. Banking transactions 2)	32.9	-3.8	-13.5	12.6	9.4	21.7		
6. Increase (-) in official reserves 3)	-71.9	65.0	31.2	25.6	-70.6	27.7		
-----								
Memorandum items:								
7. Official reserves (including gold)	667.9	608.9	601.0	589.3	694.2	673.1		
8. a. Total reserves of the monetary sector 4)	755.5	700.3	757.4	653.5	786.3	743.5		
b. In months of merchandise imports 5)								
- End-of-period	6.5	6.0	7.9	5.9	6.9	6.3		
- Twelve-month average	7.3	6.7	7.2	6.9	6.4	6.5		
c. In months of import payments 6)								
- End-of-period	3.5	3.2	3.5	3.1	3.7	3.4		
- Twelve-month average	3.9	3.7	3.9	3.7	3.5	3.5		

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).

Source: CBA.

external transactions caused on balance an Afl. 120 million decline in net foreign assets during this period. Of this amount Afl. 77 million resulted from transactions of the government with nonresidents other than earlier mentioned increase in government's debt (table I and statistical annex table 8.1).

#### *Oil sector*

In the third quarter of 2004 the current account of the oil sector posted an Afl. 105 million surplus, compared to an Afl. 64 million deficit in the corresponding quarter a year earlier. This was the outcome of an Afl. 552 million or 85 percent surge in export receipts from refined oil products and goods procured in ports (third quarter 2003: +Afl. 66 million or +11 percent), following an increase in the refinery's throughput volume in the quarter under review. This increase was partially offset by an Afl. 355 million or 57 percent rise in import payments for crude oil and other goods (third quarter 2003: +Afl. 185 million or +42 percent). In contrast, the capital and financial account registered an Afl. 92 million deficit in the quarter under review, compared to an Afl. 148 million surplus in the third quarter of 2003, mainly because of a substantial increase in deposits held with foreign banks. The oil sector, on balance, sold Afl. 13 million in foreign exchange to the local commercial banks.

#### *Free-zone sector*

In the period under review, the external transactions of free-zone companies led to an Afl. 4 million decrease in its overall deficit to Afl. 1 million. The smaller deficit was the outcome of an Afl. 4 million increase in net receipts from services. In contrast, the trade account deficit widened by somewhat less than Afl. 1 million, reflecting an Afl. 8 million (38 percent) drop in merchandise export receipts and an Afl. 7 million (32 percent) decline in merchandise import payments. The free-zone sector purchased, on balance, Afl. 1 million in foreign exchange from the local commercial banks.

#### *Rest of the economy*

In the third quarter of 2004, the current account deficit of the rest of the economy (i.e. excluding the oil and free-zone sectors) remained virtually unchanged at Afl. 110 million, compared to the corresponding quarter of 2003 despite an Afl. 48 million or 24 percent increase in net receipts from services, reflecting largely an Afl. 57 million or 16 percent rise in gross tourism receipts. The higher net receipts from services were offset by increased deficits on the trade, income and current transfer accounts.

The trade account deficit broadened by Afl. 26 million or 10 percent, largely because of a rise in merchandise import payments. The deficit on the income account expanded by Afl. 11 million (68 percent) to Afl. 27 million compared to the third quarter of 2003, attributed to higher interest and dividend payments to nonresidents, while the deficit on the current transfer account rose by Afl. 10 million (39 percent) largely on account of higher non-life insurance premiums paid to nonresidents.

In the third quarter of 2004, the capital and financial account of the rest of the economy recorded an Afl. 43 million surplus against an Afl. 8 million deficit in the corresponding quarter of 2003. This turnaround resulted mainly from a drop in the deficit on the other investment account from Afl. 67 million in the third quarter of

2003 to Afl. 16 million in the period under review, largely mirroring a decrease in repayments on loans by the private sector and a decline in balances of residents' foreign accounts. On the other hand, foreign loans received by the private sector fell in the quarter under review. Furthermore, the receipt of the EUR 14 million (Afl. 31 million) in grants from the Netherlands mentioned earlier resulted in a capital account surplus. The portfolio investment account recorded an Afl. 2 million surplus against an Afl. 16 million deficit in the third quarter of 2003, due mainly to the net sale of foreign securities by residents. In contrast, the surplus on the direct investment account narrowed by Afl. 50 million to Afl. 26 million, partly because of repatriation of equity capital to nonresidents and a decline in the net inflow of other direct investment in Aruba.

During the quarter under review, the net outflow of funds to abroad attributed to external transactions of the rest of the economy narrowed to Afl. 61 million, down from Afl. 118 million in the third quarter of 2003.

## **II. Notices and articles**



## **2.1 MONETARY POLICY FOR 2005**

*A press release of March 11, 2005*

In 2004, the credit portfolio of the commercial banks grew by Afl. 119.4 million or 6.1 percent. Compared to 2003 credit growth remained subdued, partly due to the take-over of Interbank N.V. (IB) by Aruba Bank N.V. as a result of which part of the assets of IB was also transferred to a recovery bank and to the former shareholder of IB. While the aggregated credit growth was in line with the 6 percent target set by the Centrale Bank van Aruba (the Bank) for 2004, it is noteworthy to mention that consumer credit grew at a stronger pace in that year (Afl. 46.8 million or 10.1 percent), compared to a year earlier (Afl. 37.9 million or 8.7 percent). This was partly because of a sharp increase in car loans.

Total net international reserves stood at Afl. 649 million at end-2004, being Afl. 11.1 million or 1.7 percent higher than a year earlier. The increase in reserves was brought about mainly by the government's acquisition of a foreign loan amounting to Afl. 120 million, which largely pushed up outstanding government foreign debt in U.S. dollar denominated to approximately Afl. 607 million. When excluding this increase, Aruba's net international reserves position weakened significantly during the twelve-month period up to and including December 2004, because other external transactions caused on balance an estimated Afl. 108.8 million decline in net international reserves during 2004.

The weakening trend in foreign reserve position, which started in 2002, occurred despite the fact that tourism performed quite satisfactorily during 2004, resulting in a 22 percent increase in tourism receipts, and investments in both the private and public sector continuing at a high level. Noteworthy is that although the current account deficit (excluding the oil and free-zone sectors) narrowed by almost Afl. 104 million, the current expenditures increased by 9 percent, contributing to a substantial Afl. 225.7 million deficit. These developments underline the urgent need for a significant reduction in overall government expenditures, being the source of excess liquidity creation within the Aruban economy, in order to bring about a strengthening of the international reserves.

Based on available data, in 2005 the economy is projected to grow by nearly 6 percent in nominal terms, with an inflation rate of about 2.5 percent. Therefore, real GDP growth is estimated at 3.2 percent. Considering the aforementioned, and based on article 12 paragraph 1 of the State Ordinance of the Supervision of the Credit System, the Bank has decided to maintain the 6 percent aggregate credit growth ceiling for 2005. In case of any excess above this ceiling, again a penalty of 6 percent (on an annual basis) will be levied on those individual commercial banks that exceed mentioned aggregate lending limit. However, the facility to create additional credit room by attracting foreign funding has been discontinued.

Given the economic outlook for 2005, and the expected narrowing of the current account deficit of the rest of the economy (excluding the oil and free-zone sectors) in

combination with developments in the local capital market, the Bank sees, for the time being, no immediate need for further monetary tightening. The monetary cash reserve requirement will, therefore, remain at the present level of 8 percent until further notice. However, this requirement will be subject to revision on a quarterly basis instead of on an annual basis. In this respect, the Bank will closely monitor inflation, current account trends in the balance of payments, and liquidity requirements within the banking system during 2005, and will raise the monetary cash reserve requirement and thus tighten monetary policy if developments require such a measure. In addition, the present arrangements on the banks' so-called B9-position and compensating fee for any deficiency in monetary cash reserves will remain unchanged.

## 2.2 INTERNATIONAL MONETARY FUND KINGDOM OF THE NETHERLANDS–ARUBA: 2005 ARTICLE IV CONSULTATION

*Concluding Statement of the Mission  
January 19, 2005*

*This document contains the conclusions of the IMF mission that visited Aruba during January 12-19. We would like to thank the authorities and other participants at our meetings for their cooperation. The warm hospitality extended to the mission is also appreciated.*

**The hard work of Aruban people, strong public institutions, stability-oriented macroeconomic policies, and a well-chosen development strategy have made Aruba a developed service economy.** Following a deep crisis sparked by the closing down of the Lago oil refinery in 1985, Aruba has built a competitive tourism industry, revitalized the oil refinery, and developed a sizable service sector. Uninterrupted growth until 2000 helped the country to reach one of the highest income levels in the region. Openness to foreign investment, a liberal trade policy, and a responsible local business community were also key to the success. Rapid growth and development attracted large inflows of immigrants who greatly contributed to and shared the results of Aruba's success. Social cohesion and tolerance were important building blocks of economic development cemented by a modern social support system, including universal health care and state pension.

**The recession in 2001-02 combined with a rapid increase in public sector employment and an ill-designed health care reform, however, set off an unfavorable fiscal trend.** While the economy is pulling out of its first postautonomy recession, the fiscal stance has remained loose. Central government deficit including AZV rose to an estimated 5½ percent of GDP in 2004 and central government debt including AZV reached an estimated 45.9 percent of GDP, up from 28½ percent in 2000. With unchanged policies, public debt will continue to rise rapidly, which will endanger economic stability.

**Wide-ranging policy and institutional reforms are needed to meet the challenges of the 21<sup>st</sup> century and secure prosperity.** The key tasks are to consolidate public finances in the medium term, to find a new strategy both to enhance the long-term growth potential of the country and to address the problems of rapid population aging, and to improve the quality of public institutions.

### **I. Short-term outlook and the macroeconomic policy mix**

**With a strong rebound in tourism and vibrant private investment, the short-term economic outlook is favorable.** The mission projects growth of 3¼ percent in 2005, following an estimated growth of 3½ percent in 2004. Investment is expected to remain the engine of growth, supported by robust private consumption and a strong growth in the tourism sector.

**The favorable cyclical position provides a good opportunity for the government to rein in fiscal deficit.** Without additional measures, the mission projects the central government deficit (excluding AZV) at about 4½ percent of GDP in 2005, well above the target in the budget, and the deficit of the AZV at 1 percent of GDP. The higher projected deficit of the central government is mostly attributable to overly optimistic revenue projections. This outcome would result in further fiscal expansion and a continued rapid increase in government debt. The mission projects the central government debt, including the debt of AZV, to grow to about 48½ percent of GDP in 2005. With a strong economy, a fiscal stimulus is not only unnecessary, but it is also detrimental, because it keeps the non-oil current account deficit wide and generates inflationary pressures. The mission recommends taking measures to meet the original budget deficit target of 1.9 percent of GDP in 2005. This would appropriately tighten the fiscal stance and, thus, reduce the need for the central bank to keep monetary conditions tight. Additional measures should concentrate on curtailing expenditure on purchased goods and services, wages and health care.

**The monetary stance is appropriately tight, and, with a gradually narrowing output gap, it should not be loosened before a tighter fiscal stance has been firmly established.** The mission projects a year-average inflation rate of 2½ percent in 2005, broadly unchanged from 2004. Given a favorable inflation outlook and a considerable narrowing of the part of the current account deficit of the non-oil sector which is not financed by foreign direct investment, the mission sees no immediate need for further monetary tightening. Nonetheless, the CBA should closely follow inflation and current account trends and stand ready to tighten the monetary policy stance if the need arises, in particular if the fiscal stance is further loosened. Although the reintroduction of credit ceilings seems to have been a success, the mission recommends an increasing reliance on market-based monetary policy instruments in the future.

**Aruba has preserved its competitiveness and the peg to the U.S. dollar remains appropriate, but international reserves need to be strengthened to increase Aruba's capacity to withstand external shocks.** A strong rebound in tourism, also helped by the weak dollar, and large planned investments in the tourism sector and the oil refinery suggest that the exchange rate has remained at a competitive level. Wage discipline and restructuring in the private sector during the recession positioned well the private sector to fully benefit from the recovery. While still broadly adequate, the international reserve position has somewhat weakened since 2002. Given Aruba's vulnerability to external shocks, the rapid increase in public external debt since 2000, and the contingent liabilities of the government, reserves should be increased to fully reverse the erosion. The recommended fiscal consolidation, together with some additional external public borrowing in 2005, would achieve this without injecting excess liquidity into the economy.

## **II. Developing a New Medium-term Fiscal Framework**

**Without fiscal reforms, public debt will continue to increase rapidly and reach over 60 percent of GDP by 2009, which would be a dangerous territory for Aruba.** Fiscal policy in the medium-term needs to be geared towards arresting this alarming trend and reducing public debt to a safe level. The mission, therefore, has

recommended to the government a medium-term fiscal path that would reduce public debt to 40 percent by 2009. This path involves a sizable reduction in non-interest current expenditure, also to allow for reallocating resources to public investment and education.

**Aruba needs a smaller and less expensive civil service.** A close to 10 percent increase in the civil service between 2001 and 2003—partly attributable to granting 13 days of additional annual leave to civil servants—has not only increased the government payroll, but it has also made future fiscal consolidation more difficult and put pressure on the labor market. Moreover, salaries in the public administration are close to 40 percent higher than in the private sector. These trends, combined with a minimum wage which is about 37 percent of the average wage in the private sector, will generate wage pressures in the economy and may hurt Aruba's competitiveness in the medium run.

**A medium-term fiscal framework together with a fiscal responsibility act would promote fiscal consolidation and enhance the transparency and credibility of macroeconomic policies.** As a first step, an expenditure policy review is recommended to set new budget priorities and identify wasteful expenditure. Based on this, the government could set rolling three-to-five-year nominal ceilings on main expenditure categories—underpinned by a set of well-identified fiscal reforms, such as, for example, civil service, health care and pension reforms—to ensure an orderly fiscal consolidation. A fiscal responsibility act, stipulating a transparent and flexible fiscal rule, would further enhance the credibility of a new fiscal framework by creating the right incentives for disciplined fiscal policies. The mission is convinced that Aruba would greatly benefit from introducing such fiscal framework at this juncture.

**The recent reforms in the management of the health care system are encouraging, but more needs to be done to solve the problems AZV faces.** The sharp increase in health care costs after the creation of AZV was in large part attributable to design flaws which created incentives for family doctors to refer patients to specialists and loosened control over the costs of health services delivered by specialists. The benchmarking of family doctors seems to have been an effective measure to reduce expenditure on prescription drugs, laboratory test, and referrals to specialists. The establishment of a positive list has further reduced the pressure on the budget for prescription drugs. Further efforts are needed, however, to reduce the markup on imported drugs and to ensure that specialists keep costs within their negotiated budgets. Moreover, measures to rationalize demand for health care services, in particular a co-payment system, need to be introduced.

**Further tax reforms are needed to broaden the tax base, reduce the tax wedge on labor, and simplify taxes.** The introduction of a broad-based consumption tax, also recommended by previous IMF missions, is key to achieving these goals. A simplification of the personal income tax regime, including a reduction of the number of tax brackets and the elimination of all tax exemptions and deductions other than the child tax credit, would greatly enhance the efficiency of this tax and reduce the burden on the tax administration. A lower marginal rate for high-income tax payers would also make Aruba a more desirable location for skilled people and, thereby, facilitate the

development of high-value added service industries. The outdated import tariff structure—which hinders the required upgrading of hotels and puts unnecessary burden on the customs administration—also needs to be simplified.

**We welcome the government’s recent attempt to create a more client and service oriented tax administration.** A successful implementation of the restructuring of the Tax Department is expected to improve tax services and, through this, the efficiency of tax collection. We encourage the Tax Department to set up focus groups of different types of tax payers to monitor the implementation and assess the results of the restructuring. A simplification of the personal income tax and the import tariff structure would make the advantages of this restructuring even more apparent to tax payers. Moreover, further efforts are needed to improve the information sharing with SVB to strengthen the efficiency of the collection of pension contributions.

**Recent measures have significantly reduced previously accumulated expenditure arrears of the central government budget.** Looking forward, it is important to gear cash and debt managements towards securing the necessary funds for the budget to meet its financial obligations on time, including contributions to APFA.

### III. The Future of Aruba

**Unless labor productivity growth increases significantly, the pace of economic growth will sharply decline in the long run and the pressure on the budget will mount.** The rapid growth of the 1990s was highly labor intensive and relied on a continuous inflow of immigrant labor. Labor productivity growth remained below 1 percent a year in the 1990s, which is considerably lower than in countries with similar income levels. This strategy, however, is not viable in the long run because population density is already rather high and a new wave of large immigration would create severe economic and social problems. Therefore, the rate of labor productivity growth needs to be increased to maintain Aruba’s long-term growth potential at a sufficiently high level. This will require a gradual shift towards higher value-added economic activities. According to our calculations, if net immigration is reduced to zero and labor productivity growth remains unchanged, economic growth will drop to below ½ percent by 2020 as population aging accelerates.

**One of the biggest challenges for the government is to create the conditions for a stronger labor productivity growth and diversification into high value added services.** This will in the first place require a more skilled labor force. While Aruba has made considerable progress with improving and extending public education, its labor force is still considerably less skilled than in countries with similar income levels. Renewed efforts will therefore be needed to improve public education, including adult education and retraining of unemployed. The representatives of the private sector we met expressed interest in forming private-public partnerships for retraining their employees to enable them to provide new, higher quality services, for example in conference tourism. Public infrastructure will also have to be improved and the regulatory and tax environment will have to be made more conducive to the required structural changes.

**Policies to maintain adequate labor supply and high labor utilization will also be essential.** At present labor utilization in Aruba is significantly higher than in most developed countries. To maintain this in the face of an expansion of enrollment in higher education and a natural trend to prefer leisure over work at higher income levels, incentives need to be created for old-age people to continue working. Pension reform, in particular measures that result in an increase in effective retirement age, is of vital importance in this regard. The recommended streamlining of the public sector would also release skilled labor to the private sector, thereby increasing aggregate labor productivity.

**Pension reform is also essential to reduce the fiscal burden of population aging.** Given the large share of public sector employment, the interactions between pension schemes, and the political economy of pension reforms, the public sector (APFA) and the universal (AOV) pension schemes should be reformed in a coordinated manner. The most important measure to be taken is to increase the effective retirement age to bring it in line with increased life expectancy. Setting the proper incentives to participate, also by making the schemes actuarially fair, is also an important step that needs to be taken. The recent reform of the public sector pension scheme for new participants was an important step in this direction. It is, however, equally important to reach an agreement with the trade unions on the reform of the rules for the old members of APFA. This would allow APFA to fully comply with prudential regulations and to be supervised by CBA. The vulnerability of the economy to external shocks and the expected rapid population aging seem to justify a large funded component also in the universal pension system, which is at present a pay-as-you go system. Moreover, the regulatory and tax environment should be conducive to higher private pension savings. Risk diversification will require a continuous increase in the share of pension assets invested abroad. This and an increase in the number and size of pension funds will require continued strong effort on the part of the CBA to maintain high quality supervision.

**While Aruba has made considerable progress with alleviating poverty, available data suggest that income inequality is still considerably larger than in countries with comparable income levels.** Further research is needed to design policies that would lift the most disadvantaged groups out of poverty without creating disincentives to work and putting excessive burden on the budget.

**The cost of postponing reforms is prohibitive.** The mission's calculations suggest that with unchanged labor productivity trends and pension rules, aging related costs for the budget would escalate soon after net immigration is halted. Without reforms, public debt would reach over 250 percent of GDP by 2030 under such assumptions, which is clearly unsustainable. The size of the long-term fiscal problem is one of the most compelling arguments in favor of highly disciplined fiscal policies in the coming years.

#### **IV. Improving the quality of public institutions**

**Reforms are needed to improve the efficiency of public companies.** The incorporation of SETAR was an important step in this direction, which should be followed by the privatization of public sector utility and telecommunication companies. Moreover, wherever it is possible, competitive pressure on public companies should be

increased by opening up these sectors to private companies. International experience suggests that competition and privatization can lead to major efficiency improvement in these sectors. Recent developments in the mobile phone industry in Aruba attest to this general finding. Competitive pressure and privatization, combined with proper regulation, would also restore wage discipline in these sectors.

**We encourage the government to initiate a review of the central bank law with a view to adopt the best practices on central bank independence.** Best practices on central bank legislation define the term of the governor, strictly limit the reasons for dismissal, exclude government officials from the central bank's policymaking bodies, and prohibit direct financing of the government. These are among the areas where Aruba's Central Bank Ordinance could be strengthened.

**The government should reinvigorate its efforts to improve statistics.** A continuous separation of experts has forced the Central Bureau of Statistics to abandon its attempt to produce proper price deflators and endangered the compilation of the national accounts at current prices. We encourage the authorities to seek technical assistance and external training for the staff at CBS to strengthen national accounts, government finance, and labor market statistics, and to reallocate sufficient funds to CBS to conduct regular labor market and family budget surveys. The latter would also allow the CBS to compile a data base for a core set of social indicators to support research on poverty and social policy formulation.

## **V. Financial Sector**

**The banking sector has weathered the recession well and seems well-capitalized and highly profitable.** The share of nonperforming loans seems to have been brought under control and the acquisition of Interbank Aruba by Aruba Bank in late 2003 has further strengthened the banking system. The lack of competition in banking, however, keeps lending rates high and hinders product innovation. Looking ahead, given the importance of shifting to higher-productivity industries, the mission encourages the authorities to promote the development of the financial services industry and attract foreign investors. Doing so would also increase the competitive pressure on banks and lower lending rates.

**A severe bottleneck in drafting legislation hinders supervisory reforms.** Several important supervisory and anti-money laundering legislations, including the State Ordinance on the Supervision of Company Service Providers (CSP), have been stuck in the system for a long while. In addition, the legislative framework for the supervision of the financial sector should be strengthened and extended to other sectors not yet supervised (e.g., insurance intermediaries, and investment companies). We urge the government to reallocate resources to this area to alleviate the problem.

The Aruban economy is emerging from its first postautonomy recession with strong economic fundamentals. The macroeconomic policy mix, however, is unbalanced. The fiscal stance needs to be tightened to allow the central bank to loosen monetary conditions. The recent measures to control health care costs and tackle the problems of the public sector pension system have demonstrated the government's commitment to reforms. More needs to be done, however, to sustain the recovery in the medium term.

The government needs to take measures to meet its 2005 budget target and should renew its efforts to act on its reform plans and on the recommendations of international organizations and credit rating agencies. Regarding longer-term developments, public discussion should start on the reforms Aruba needs to enhance its long-term growth potential and address population aging pressures. Early action, based on a broad social consensus, is needed to ensure fast and uninterrupted economic and social development in the long run.

Oranjestad, January 19, 2005



### **III. Statistical annex**





**TABLE 1.1: GROSS DOMESTIC PRODUCT**

	1995	1996	1997	1998	1999	2000	2001	2002	2003 1)
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
A. Final consumption	1,665	1,818	2,014	2,155	2,276	2,396	2,517	2,698	2,847
1. Household	1,193	1,320	1,367	1,500	1,602	1,664	1,712	1,800	1,908
2. Government	472	498	647	655	674	731	805	899	939
B. Gross capital formation	735	703	830	945	952	818	763	798	985
1. Private	613	589	702	812	858	759	715	744	896
2. Public	56	58	71	40	41	28	28	22	50
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
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. Consumer price index (1995 = 100)	100.0	103.2	106.3	108.3	110.8	115.3	118.6	122.5	126.9
3. Real gross domestic product	2,364	2,394	2,580	2,752	2,783	2,887	2,866	2,793	2,836
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
B. Real	2.5	1.3	7.8	6.7	1.1	3.7	-0.7	-2.6	1.5
5. Mid-year population	79,805	83,022	86,302	88,452	89,659	90,600	91,870	93,319	95,033
6. GDP per capita									
A. In Afl.	29,618	29,753	31,775	33,696	34,395	36,721	36,995	36,662	37,873
B. In US\$	16,547	16,622	17,751	18,825	19,215	20,514	20,667	20,481	21,158
C. Percentage change	3.1	0.5	6.8	6.0	2.1	6.8	0.7	-0.9	3.3

1) Preliminary estimates of the CBA.

Source: CBS; IMF.

TABLE 1.2A: BUSINESS PERCEPTION RESULTS

Survey questionnaire responses

	Business perception indices																				
	Improvement				No change				Worsening				Current		Short-term		Business perception index				
	2003		2004		2003		2004		2003		2004		2003		2004		2003		2004		
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>A. Current economic condition</b>	47	47	49	60	35	38	34	30	18	15	17	10	2002	98.4	102.4	100.3	2003	103.9	107.1	105.4	
1. The economic conditions in Aruba	78	69	69	68	11	19	23	24	11	11	8	8	2003 I	96.5	100.8	98.1	2003 II	99.4	104.8	102.1	
2. The activities of your business	58	69	64	76	22	17	21	14	19	14	15	11	2003 III	106.0	107.1	106.6	2003 IV	104.4	106.8	105.5	
3. The investments of your business	36	28	36	54	53	58	44	41	11	14	21	5	2004 I	105.1	108.1	106.4	2004 II	105.0	108.0	106.3	
4. The number of employees that work for your company	14	22	28	43	56	56	49	41	31	22	23	16	2004 III	107.1	108.3	107.6	2004 IV				
<b>B. Expected short-term economic conditions 1)</b>	47	45	51	51	44	50	44	45	9	5	6	5									
1. The economic conditions in Aruba	67	58	56	57	28	39	41	38	6	3	3	5									
2. The activities of your business	61	64	64	62	39	36	33	35	0	0	3	3									
3. The investments of your business	44	36	54	49	39	56	36	46	17	8	10	5									
4. The number of employees that work for your company	17	22	28	35	69	69	64	60	14	8	8	5									

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						
	2003		2004		2003		2004		2003		2004		2003		2004		2003		2004		2003		2004		
	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
1. no change	47	56	54	35	23	17	14	18	19	0	3	3	5	11	19	15	3	23	14	33	22				
2. increase of less than 5.1 percent	28	14	10	30	17	14	26	24	0	0	5	0	0	26	17	13	24	49	44	36	43				
3. increase between 5.1 and 10.1 percent	0	8	10	16	9	17	10	11	3	0	0	0	0	29	25	18	27	17	22	21	19				
4. increase of more than 10.1 percent	3	6	5	3	11	14	15	22	0	8	3	0	17	22	31	27	6	6	6	5	5				
5. decrease of less than 5 percent	17	14	18	8	6	11	0	3	3	3	5	5	6	8	8	5	3	3	11	3	5				
6. decrease between 5.1 and 10.1 percent	3	0	3	5	6	0	3	3	3	8	0	6	6	0	0	8	5	3	3	3	3				
7. decrease of more than 10.1 percent	3	3	0	3	3	0	8	3	17	6	5	5	6	8	10	11	11	0	0	0	3				
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>74</b>	<b>72</b>	<b>80</b>	<b>84</b>	<b>26</b>	<b>28</b>	<b>20</b>	<b>16</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								
	I	II	I	II	III	IV	I	II	III				
1. Index current economic condition	98	104	99	93	96	100	96	99	106	104	105	105	107
a. Manufacturing (excl. manufacture of refined petroleum products)	95	110	100	95	90	90	90	90	110	110	110	110	105
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	105	99	97	110	110	110	110	110	110	110	100	100
c. Construction	107	105	99	92	97	110	108	108	110	96	90	101	108
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	101	99	91	95	90	95	98	103	102	102	98	105
e. Hotels and restaurants	93	101	99	92	94	101	93	94	104	106	106	104	106
f. Transport, storage and communication	98	101	100	92	97	93	90	92	110	101	106	103	103
g. Financial intermediation	103	106	100	93	106	108	100	106	106	106	107	110	110
h. Real estate and other business activities	99	104	100	94	98	100	97	100	104	105	106	107	107
i. Health, other community and personal service activities	98	108	100	93	93	98	93	101	109	108	108	109	109
2. Index short-term future economic condition	102	107	100	100	101	101	101	105	107	107	108	108	108
a. Manufacturing (excl. manufacture of refined petroleum products)	90	110	99	90	90	90	100	110	110	110	100	110	110
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	100	100	110	110	110	100	100	110	100	100	110	100
c. Construction	110	110	100	100	98	110	103	105	103	110	110	98	110
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	104	100	98	100	100	103	103	101	104	108	108	108
e. Hotels and restaurants	99	106	99	90	90	95	100	103	108	105	110	109	108
f. Transport, storage and communication	99	108	99	106	99	99	90	95	110	105	106	107	108
g. Financial intermediation	110	110	101	110	110	110	110	110	105	110	110	110	110
h. Real estate and other business activities	104	107	100	103	109	100	97	100	104	105	106	107	107
i. Health, other community and personal service activities	97	108	100	98	90	98	93	101	109	108	108	109	109
3. Business Perception Index	100	105	100	96	98	101	98	102	107	106	106	106	108
a. Manufacturing (excl. manufacture of refined petroleum products)	93	110	99	93	90	90	90	102	110	110	110	107	110
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	103	100	105	100	110	110	110	110	103	100	103	110
c. Construction	108	106	100	93	98	110	106	107	108	99	100	100	108
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	102	99	95	96	93	98	100	102	103	105	102	107
e. Hotels and restaurants	96	103	99	91	92	98	97	99	106	105	107	106	107
f. Transport, storage and communication	98	105	99	97	98	96	90	93	110	103	106	105	105
g. Financial intermediation	107	108	100	100	108	109	105	108	106	108	108	110	110
h. Real estate and other business activities	101	106	100	98	104	102	98	102	106	107	106	107	107
i. Health, other community and personal service activities	97	108	100	95	92	97	95	107	109	108	109	109	109

Source: Centrale Bank van Aruba

**TABLE I.3: PARTIAL ECONOMIC ACTIVITY INDEX I)**

Period average	Share in GDP (in percent)	2000		2001		2002		2003		2004						
		I	II	I	II	I	II	I	II	I	II					
Total index	71.3	-0.8	-1.2	-3.2	1.3	-3.4	-4.7	-3.0	-1.6	1.3	0.1	2.3	1.5	2.7	4.9	1.7
a. Utilities	4.1	4.5	5.0	1.0	1.9	2.8	-2.1	3.0	0.2	6.7	2.6	-3.1	1.9	-7.1	5.7	3.3
b. Construction	8.6	-31.4	-3.3	-8.9	11.4	-14.7	-17.6	16.1	-21.2	29.3	28.9	-1.0	-0.4	-9.6	-10.7	-12.5
c. Trade	14.2	2.5	-12.6	-2.1	-4.4	-3.2	-1.5	-5.2	1.0	-3.3	-13.3	0.1	-1.4	2.4	8.5	-1.3
d. Hotels and restaurants	10.5	3.0	-1.2	-5.6	4.1	-7.4	-10.8	-7.0	3.7	-1.6	0.3	9.9	8.0	12.5	15.3	5.0
e. Transport, storage & communication	8.2	10.1	-3.9	-0.3	-2.2	0.3	-4.4	0.6	2.0	-4.7	-7.8	0.8	2.9	3.3	11.9	14.9
f. Housing	12.6	3.3	3.4	2.8	2.5	3.3	2.8	2.7	2.4	2.3	2.8	2.5	2.6	2.7	2.5	2.6
g. Public adm. & education	13.1	4.7	7.3	-8.0	0.1	-6.5	-4.5	-17.6	-3.4	-0.7	0.5	2.7	-1.9	3.5	1.7	1.2

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

Source: CBS.

**TABLE 1.4: TOURISM**

period	Total visitor nights	Total visitors	Visitors by origin					Average nights stayed	Average hotel occupancy rate	Cruise tourism				
			North America		Latin America	Europe	Other			Number of passengers	Ship calls			
			USA	Of which Venezuela	Of which Nether-lands	Other								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
2000	5,247,824	721,224	478,726	458,132	162,474	112,018	47,063	30,575	32,961	7.3	75.9	490,005	331	
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	
2002	I	1,290,244	168,427	123,831	116,167	28,025	19,142	10,987	7,195	5,584	7.7	75.8	215,581	128
	II	1,092,113	153,569	113,276	109,964	23,188	14,284	10,791	6,805	6,314	7.1	68.3	125,872	64
	III	1,252,437	165,739	105,019	102,562	42,874	32,946	10,215	6,350	7,631	7.6	70.9	67,625	42
	IV	1,227,754	154,892	112,135	107,967	23,481	15,293	11,987	7,642	7,289	7.9	71.9	173,117	103
2003	I	1,279,393	155,346	125,589	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	114,588	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	22,019	15,987	9,915	8,847	8.0	77.6	69,878	39
	IV	1,322,377	165,315	123,843	118,350	18,299	12,742	15,991	10,908	7,182	8.0	76.9	168,861	97
2004	I	1,446,513	177,098	143,778	135,565	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	12,063	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	24,165	16,646	9,767	7,812	7.6	80.9	81,210	37

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>									
2002 I	-5.9	-8.3	-11.9	-11.6	5.9	15.1	0.4	1.2	0.2
II	-14.0	-14.5	-12.2	-13.1	-29.8	-38.5	3.9	4.7	-12.3
III	-6.8	-6.0	1.8	1.7	-20.6	-22.5	-7.1	-6.7	-5.8
IV	5.8	2.0	18.5	20.3	-36.8	-43.2	-5.1	-5.0	-2.9
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
<i>Cumulative percentage changes 2)</i>									
2002 I	-5.9	-8.3	-11.9	-11.6	5.9	15.1	0.4	1.2	0.2
II	-9.8	-11.3	-12.0	-12.3	-13.9	-16.2	2.1	2.9	-6.8
III	-8.8	-9.6	-8.2	-8.4	-17.1	-19.4	-1.0	-0.3	-6.4
IV	-5.5	-7.1	-2.8	-2.6	-22.0	-25.3	-2.2	-1.6	-5.5
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

1) As compared to a year earlier.

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

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

	Total index	Food	Beverage & tobacco	Clothing & footwear	Housing	House-keeping & furnishing	Health	Transport & communication	Recreation & education	Other
	(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										
2000	100.8	100.8	100.0	101.5	101.1	101.4	100.0	100.1	100.5	100.8
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
2002 I	103.6	105.4	100.4	113.0	101.1	106.7	100.0	99.1	102.7	103.3
II	105.5	106.0	100.6	113.9	106.0	107.8	100.0	100.7	104.0	104.5
III	106.7	106.5	103.2	115.6	107.7	108.6	100.0	101.9	104.6	105.3
IV	107.7	107.3	106.4	116.4	110.2	109.5	100.0	101.5	105.3	106.2
2003 I	109.5	108.6	106.2	117.4	113.1	110.4	100.0	104.5	106.3	106.9
II	109.2	109.2	106.2	119.9	111.1	110.6	100.0	103.0	106.4	107.4
III	109.8	110.2	106.9	121.0	111.2	111.4	100.0	103.8	106.7	107.7
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
II	112.5	113.7	106.8	124.1	114.7	112.8	100.0	106.9	109.3	108.9
III	112.7	114.4	107.0	125.8	114.6	113.5	100.0	106.2	109.7	109.2

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
2000	100.8	0.3	0.8	3.5	4.0
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
2002 I	103.6	0.2	0.2	2.3	2.6
II	105.5	0.2	1.8	3.3	2.6
III	106.7	0.6	1.1	4.0	2.9
IV	107.7	0.1	0.9	4.2	3.3
2003 I	109.5	0.2	1.7	5.7	4.0
II	109.2	0.2	-0.3	3.5	4.3
III	109.8	0.5	0.5	2.9	4.1
IV	110.1	0.2	0.3	2.2	3.6
2004 I	111.1	0.4	0.9	1.5	2.8
II	112.5	0.9	1.3	3.0	2.4
III	112.7	0.0	0.2	2.6	2.3

**TABLE 1.8: CONSTRUCTION ACTIVITIES**

	2000	2001	2002	2003	2002			2003			2004				
					I	II	III	IV	I	II	III	IV	I	II	III
1. Number of construction permits granted	1,371	1,243	1,185	1,269	286	292	317	290	310	282	364	313	432	338	348
a. Houses 1)	871	749	852	774	195	203	233	221	216	172	185	201	325	205	234
b. Apartments	35	22	42	22	10	12	14	6	6	1	11	4	2	6	7
c. Office buildings	16	12	10	12	3	1	2	4	1	0	7	4	6	5	3
d. Stores and shopping malls 2)	18	24	25	29	7	8	4	6	7	9	7	6	9	6	4
e. Others	431	435	256	432	71	68	64	53	80	100	154	98	90	116	100
2. Total value of construction permits (x Afl. million)	184.8	198.2	229.4	243.9	113.4	32.8	46.1	37.1	49.2	45.3	95.2	54.2	64.6	42.1	66.1
a. Houses 1)	91.6	78.6	79.7	92.6	18.8	16.8	23.6	20.4	30.9	16.5	18.2	27.0	31.0	19.2	21.7
b. Apartments	16.1	4.5	18.1	6.9	1.5	2.3	12.9	1.4	1.3	0.2	5.0	0.4	0.3	1.0	21.5
c. Office buildings	7.3	11.6	15.4	4.4	5.9	1.4	0.7	7.5	2.0	0.0	1.5	1.0	7.8	2.4	5.6
d. Stores and shopping malls 2)	26.6	33.7	15.2	16.1	3.4	7.1	2.9	1.7	3.7	5.7	1.4	5.3	12.4	5.8	4.4
e. Others	43.3	69.7	101.1	123.9	83.8	5.2	6.0	6.1	11.4	22.9	69.1	20.5	13.1	13.7	12.8
3. Total cement imported (x 1,000 Kg)	41,879	35,277	47,643	64,497	8,592	9,057	17,663	12,331	14,093	13,219	18,259	18,927	9,335	11,398	17,958
4. Number of electrical installations approved	3,034	2,873	2,628	3,021	427	631	692	878	490	803	850	878	526	596	673
a. Houses 1)	970	722	667	735	59	167	176	265	54	157	202	322	157	142	166
b. Apartments	189	197	206	257	12	72	45	77	24	91	76	66	36	83	76
c. Enterprises	112	175	151	267	15	32	38	66	61	58	30	118	61	82	128
d. Others	1,763	1,779	1,604	1,762	341	360	433	470	351	497	542	372	272	289	303

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**

	2000	2001	2002	2003	2002				2003				2004				
					I	II	III	IV	I	II	III	IV	I	II	III	IV	
1. a. Water (x 1,000 m <sup>3</sup> ) 1)	10,929	11,353	11,374	11,718	2,776	2,875	2,999	2,722	3,139	2,872	2,933	2,774	2,709	3,038	2,972		
b. Connected premises	30,225	31,218	31,952	32,786	31,412	31,527	31,800	31,952	32,122	32,420	32,589	32,786	32,979	33,225	33,439		
2. a. Electricity (x 1,000 KWH)	644,348	673,611	692,813	701,577	160,454	173,183	181,324	177,852	163,066	171,473	184,519	182,519	170,909	182,511	190,588		
b. Connections	36,448	37,404	38,051	39,004	37,435	37,541	37,720	38,051	38,123	38,361	38,575	39,004	39,113	39,280	39,412		
c. Number of users	32,062	33,147	33,909	34,802	33,202	33,340	33,597	33,909	34,010	34,256	34,424	34,802	34,958	35,220	35,368		
3. a. Gas (x 1,000 pounds)	17,162	17,629	17,795	18,221	4,128	4,368	4,380	4,919	4,290	4,529	4,506	4,896	4,513	4,553	4,647		
b. Household	7,354	7,206	7,337	7,342	1,603	1,787	1,779	2,168	1,631	1,784	1,807	2,120	1,689	1,764	1,767		
c. Commercial	9,808	10,422	10,458	10,879	2,525	2,581	2,601	2,751	2,659	2,745	2,699	2,776	2,824	2,789	2,880		
4. Utilities index 2)	121.0	126.1	128.4	130.9	121.1	128.7	134.4	129.6	130.0	127.6	133.5	129.8	123.9	135.1	136.8		

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

	2000	2001	2002	2003	2002				2003				2004			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. Export of goods (f.o.b.)	48.3	51.7	62.1	36.1	13.8	14.9	20.4	13.0	7.9	8.0	9.2	11.1	10.3	12.6	10.8	
a. United States	14.5	13.4	25.2	13.0	4.6	4.3	9.7	6.6	3.4	2.8	3.0	3.9	3.9	4.1	3.7	
b. Colombia	12.5	7.0	4.9	0.9	1.8	1.5	1.0	0.6	0.4	0.3	0.2	0.1	0.1	0.3	0.7	
c. The Netherlands	6.1	7.5	6.3	6.6	0.5	1.8	2.8	1.2	0.7	2.0	2.9	1.1	0.9	1.9	3.0	
d. Netherlands Antilles	5.2	10.2	9.2	7.1	1.9	2.4	2.8	2.1	1.5	1.5	1.8	2.4	2.1	2.7	1.7	
e. Venezuela	6.2	11.0	12.4	2.6	3.6	4.1	3.2	1.6	1.0	0.4	0.7	0.5	1.1	2.0	0.7	
f. Other countries	3.8	2.6	4.2	5.8	1.5	0.8	0.9	1.0	1.0	1.0	0.5	3.3	2.2	1.7	1.0	
2. Import of goods (c.i.f.)	1,291.0	1,318.3	1,364.4	1,418.1	304.9	308.1	354.4	397.0	308.0	329.3	375.7	405.1	350.5	347.0	341.1	
a. United States	784.7	816.7	825.5	836.5	185.8	186.2	222.0	231.5	190.0	198.1	224.7	223.6	206.8	213.4	193.3	
b. The Netherlands	161.2	153.0	172.4	180.7	39.3	38.2	50.0	44.9	40.7	46.4	45.7	47.9	54.6	43.8	50.9	
c. Netherlands Antilles	51.0	48.1	45.0	46.5	9.5	11.6	11.8	12.1	11.0	10.1	11.9	13.5	8.8	10.5	11.0	
d. Venezuela	47.2	40.8	40.8	45.6	8.5	10.2	12.4	9.7	8.7	10.9	13.6	12.4	11.6	11.4	14.1	
e. Japan	39.9	33.6	35.5	38.3	7.4	7.5	8.8	11.8	8.6	8.5	7.4	13.7	9.7	9.3	7.4	
f. Other countries	206.9	226.1	245.1	270.6	54.4	54.4	49.3	87.0	49.0	55.3	72.4	93.9	59.0	58.5	64.4	
3. Trade balance	-1,242.7	-1,266.6	-1,302.3	-1,382.0	-291.1	-293.2	-333.9	-384.1	-300.1	-321.4	-366.5	-394.0	-340.2	-334.4	-330.3	

Source: CBS.

TABLE 1.11: MERCHANDISE FOREIGN TRADE BY PRODUCT CATEGORY

	2000		2001		2002		2003		2002		2003		2004		
	I	II	I	II	I	II	I	II	I	II	I	II	I	II	
1. Export of goods (f.o.b.)	48.3	51.7	62.1	36.1	13.8	14.9	20.4	13.0	7.9	8.0	9.2	11.1	10.3	12.6	10.8
a. Live animals and other animal products	18.4	17.8	17.6	2.4	5.3	6.3	4.0	2.0	0.9	0.5	0.6	0.4	0.3	2.0	0.5
b. Transport equipment	2.2	3.0	3.2	3.0	0.6	0.9	0.8	0.9	0.9	0.8	0.8	0.6	1.2	1.1	0.8
c. Art objects and collectors' items	8.2	9.5	8.4	8.0	0.9	2.9	3.7	0.9	0.7	2.2	3.8	1.3	1.9	2.0	2.8
d. Machinery and electrotechnical equipment	4.0	4.0	11.1	6.7	1.5	0.9	7.3	1.4	1.1	0.5	0.7	4.4	1.4	1.0	0.9
e. Other goods	15.4	17.4	21.8	16.0	5.5	3.9	4.6	7.7	4.3	4.0	3.3	4.4	5.5	6.4	5.7
2. Import of goods (c.i.f.)	1,291.0	1,318.3	1,364.4	1,418.1	304.9	308.1	354.4	397.0	308.0	329.3	375.7	405.1	350.5	347.0	341.1
a. Live animals and other animal products	99.4	100.8	90.8	86.4	25.6	20.6	22.2	22.4	19.2	18.5	23.9	24.7	23.1	21.5	24.3
b. Food products	139.8	144.8	146.6	155.8	34.1	36.0	38.1	38.5	35.0	38.2	37.0	45.6	37.7	41.6	41.1
c. Chemical products	162.7	158.2	164.6	146.5	40.7	44.3	41.0	38.6	34.1	36.8	37.1	38.5	36.1	41.7	38.0
d. Base metals and derived works	91.0	107.8	103.7	122.0	15.8	21.5	40.8	25.7	26.5	31.3	39.3	25.0	22.2	26.4	28.3
e. Machinery and electrotechnical equipment	189.2	233.3	250.1	266.6	48.9	48.7	70.2	82.3	52.6	64.3	80.8	69.0	55.1	64.7	46.6
f. Transport equipment	117.4	102.9	119.2	120.0	26.4	27.2	28.8	36.8	24.4	29.0	28.0	38.5	39.6	30.9	26.8
g. Other goods	491.6	470.7	489.5	520.8	113.4	109.9	113.4	152.7	116.3	111.2	129.6	163.7	136.7	120.3	136.0
3. Trade balance	-1,242.7	-1,266.6	-1,302.3	-1,382.0	-291.1	-293.2	-333.9	-384.1	-300.1	-321.4	-366.5	-394.0	-340.2	-334.4	-330.3

Source: CBS.

**TABLE 1.12: OIL REFINING**

	2000	2001	2002	2003	2002			2003			2004				
					I	II	III	IV	I	II	III	IV	I	II	III
1. Export of oil (x Afl. million)	2,331	2,980	1,990	3,202	581	443	421	545	882	826	564	930	1,051	1,183	1,449
2. Import of crude (x Afl. million)	1,922	2,030	1,789	2,743	675	206	397	510	641	610	595	897	898	1,105	1,270
3. Quantity of oil refined (x 1,000 barrels)	83,553	64,327	52,383	63,155	19,178	11,163	10,662	11,380	15,397	16,651	12,777	18,330	18,984	19,217	19,559
4. Number of employees (at end of period) 1)	564	597	672	662	574	621	638	672	662	662	662	662	689	781	781

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	2004														
	2003			2002			2001			2000					
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
<b>I. Net domestic assets</b>	<b>1,207.9</b>	<b>1,180.5</b>	<b>1,334.6</b>	<b>1,576.3</b>	<b>1,201.1</b>	<b>1,245.4</b>	<b>1,277.6</b>	<b>1,334.6</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>
A) Domestic credit	1,512.1	1,543.9	1,702.9	1,921.4	1,579.0	1,609.1	1,651.4	1,702.9	1,667.4	1,896.7	1,985.3	1,921.4	1,973.5	1,921.7	1,973.3
1) Net claims on public sector	-1.1	-25.7	-61.9	-42.6	5.9	-1.3	-2.0	-61.9	-126.5	11.7	38.8	-42.6	0.5	-53.9	-49.1
a) Gross claims	65.8	77.6	81.4	84.2	77.7	77.7	82.8	81.4	81.5	85.5	118.7	84.2	84.3	84.4	91.7
b) Government's deposits	-44.3	-72.0	-72.4	-47.6	-46.1	-50.3	-56.4	-72.4	-141.0	-15.1	-24.4	-47.6	-9.5	-73.7	-36.7
c) Development funds	-22.6	-31.3	-71.0	-79.2	-25.6	-28.7	-28.3	-71.0	-67.0	-58.7	-55.5	-79.2	-74.3	-64.6	-104.1
2) Claims on private sector	1,513.2	1,569.6	1,764.8	1,964.0	1,573.1	1,610.5	1,653.4	1,764.8	1,793.9	1,885.0	1,946.5	1,964.0	1,973.0	1,975.6	2,022.4
a) Enterprises	730.0	739.9	836.2	926.2	731.2	757.7	778.6	836.2	828.1	887.2	939.4	926.2	907.6	904.9	928.9
b) Individuals	757.8	811.5	900.3	984.2	823.7	833.2	855.2	900.3	925.6	960.7	977.9	984.2	1,012.7	1,019.3	1,050.1
1) Consumer credit	357.3	366.7	409.3	434.6	371.9	374.4	384.9	409.3	415.1	429.4	433.0	434.6	450.0	458.8	470.1
2) Housing mortgages	400.5	444.8	491.1	549.6	451.8	458.9	470.3	491.1	510.5	531.4	544.9	549.6	562.8	560.5	580.0
c) Other	25.4	18.2	28.3	53.7	18.2	19.5	19.6	28.3	40.2	37.0	29.2	53.7	52.6	51.5	43.4
B) Other items, net	-304.3	-363.4	-368.3	-345.1	-378.0	-363.7	-373.9	-368.3	-391.5	-412.1	-403.3	-345.1	-377.0	-392.8	-399.6
<b>II. Net foreign assets</b>	<b>530.4</b>	<b>660.1</b>	<b>699.0</b>	<b>637.9</b>	<b>738.5</b>	<b>720.4</b>	<b>702.7</b>	<b>699.0</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>
A) Centrale Bank van Aruba	391.4	539.5	611.4	546.4	587.8	577.5	546.2	611.4	699.5	562.3	536.8	546.4	567.4	638.0	610.3
B) Commercial banks	139.0	120.5	87.6	91.4	150.7	143.0	156.5	87.6	104.6	76.8	64.2	91.4	101.5	92.1	70.4
<b>III. Broad money</b>	<b>1,738.3</b>	<b>1,840.6</b>	<b>2,033.6</b>	<b>2,214.1</b>	<b>1,939.6</b>	<b>1,965.8</b>	<b>1,980.3</b>	<b>2,033.6</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>
A) Money	596.3	701.0	844.5	933.2	740.2	772.4	774.6	844.5	795.1	870.7	919.5	933.2	969.7	974.4	947.8
B) Quasi-money	1,142.0	1,139.6	1,189.1	1,280.9	1,199.4	1,193.5	1,205.7	1,189.1	1,284.9	1,253.0	1,263.5	1,280.9	1,295.6	1,284.6	1,306.7

TABLE 2.2: COMPONENTS OF BROAD MONEY

End of period	Currency		Demand deposits		Money		Other deposits			Treasury bills	Quasi-money	Broad money			
	Issued	At banks	Outside banks	Afl.	Foreign currency	Total	Savings	Time					Total		
								Afl.	Foreign currency						
(1)	(2)	(3=1-2)	(4)	(5)	(6=4+5)	(7=3+6)	(8)	(9)	(10)	(11) 8+9+10+11	(12=12)	(13)	(14=12+13)	(15=7+14)	
2000	151.0	29.7	121.3	406.3	68.7	474.9	596.3	395.0	9.6	626.6	102.4	1,133.6	8.4	1,142.0	1,738.3
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
2002 I	141.0	24.6	116.5	519.7	104.1	623.7	740.2	410.8	11.2	710.5	66.6	1,199.1	0.2	1,199.4	1,939.6
II	146.7	24.3	122.4	555.8	94.1	650.0	772.4	388.7	11.0	712.5	72.9	1,185.2	8.3	1,193.5	1,965.8
III	141.8	24.4	117.3	571.4	85.9	657.3	774.6	397.8	11.9	734.0	61.9	1,205.6	0.1	1,205.7	1,980.3
IV	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 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

TABLE 2.3: CAUSES OF CHANGES IN BROAD MONEY

During period	2000			2001			2002			2003			2004		
	I	II	III	I	II	III	I	II	III	I	II	III	I	II	III
<b>I. Net domestic money creation</b>	<b>86.0</b>	<b>-27.4</b>	<b>154.0</b>	<b>241.7</b>	<b>20.6</b>	<b>44.3</b>	<b>32.2</b>	<b>57.0</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>
A) Domestic credit	117.6	31.8	159.0	218.5	35.2	30.1	42.3	51.5	-35.5	229.3	88.6	-63.9	52.1	-51.8	51.6
1) Net claims on public sector	-13.4	-24.7	-36.2	19.3	31.7	-7.3	-0.7	-59.9	-64.6	138.2	27.1	-81.5	43.1	-54.4	4.8
a) Recourse to monetary system	-10.1	11.8	3.9	2.7	0.1	0.0	5.1	-1.3	0.1	4.0	33.2	-34.5	0.1	0.2	7.3
b) Drawing down of bank balances	-3.3	-36.4	-40.1	16.6	31.6	-7.3	-5.7	-58.6	-64.7	134.2	-6.1	-47.0	43.0	-54.6	-2.5
1) Government's deposits	9.9	-27.7	-0.3	24.8	25.9	-4.2	-6.1	-15.9	-68.6	125.9	-9.3	-23.2	38.1	-64.2	37.0
2) Development funds	-13.2	-8.7	-39.7	-8.2	5.7	-3.1	0.4	-42.7	4.0	8.3	3.2	-23.7	4.9	9.7	-39.5
2) Claims on private sector	131.0	56.4	195.2	199.2	3.5	37.4	43.0	111.4	29.1	91.1	61.5	17.6	9.0	2.6	46.8
a) Enterprises	60.0	9.9	96.3	90.0	-8.7	26.5	20.9	57.6	-8.1	59.1	52.2	-13.2	-18.6	-2.8	24.1
b) Individuals	71.8	53.7	88.8	83.9	12.2	9.5	22.0	45.1	25.3	35.1	17.2	6.3	28.6	6.5	30.8
1) Consumer credit	21.7	9.4	42.6	25.3	5.2	2.4	10.5	24.4	5.8	14.3	3.7	1.6	15.4	8.8	11.4
2) Housing mortgages	50.1	44.2	46.3	58.5	7.0	7.1	11.4	20.7	19.5	20.8	13.5	4.7	13.2	-2.3	19.5
c) Other	-0.7	-7.2	10.0	25.4	-0.1	1.3	0.1	8.7	11.9	-3.1	-7.8	24.5	-1.0	-1.1	-8.1
B) Other domestic factors	-31.6	-59.1	-5.0	23.2	-14.6	14.2	-10.1	5.5	-23.2	-20.5	8.7	58.2	-31.9	-15.7	-6.8
<b>II. Inflow of foreign funds</b>	<b>-46.8</b>	<b>129.7</b>	<b>39.0</b>	<b>-61.2</b>	<b>78.4</b>	<b>-18.0</b>	<b>-17.7</b>	<b>-3.6</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>III. Broad money</b>	<b>39.2</b>	<b>102.3</b>	<b>193.0</b>	<b>180.5</b>	<b>99.0</b>	<b>26.3</b>	<b>14.5</b>	<b>53.3</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>
1) Money	5.8	104.7	143.5	88.7	39.2	32.1	2.2	69.9	-49.4	75.6	48.8	13.8	36.5	4.7	-26.7
2) Quasi-money	33.3	-2.4	49.5	91.8	59.8	-5.9	12.2	-16.6	95.8	-31.8	10.4	17.4	14.7	-11.0	22.1

**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
2000	41.0	381.2	2.3	419.8	530.8	391.8	139.0	558.9	530.4	1,738.3	1,296.5	2,205.4	30.5	43.1	25.3		
2001	55.0	525.7	2.6	578.2	524.0	403.5	120.5	698.7	660.1	1,840.6	1,258.7	2,163.1	35.9	55.5	32.3		
2002	68.2	608.1	8.5	667.9	530.2	442.6	87.6	755.5	699.0	2,033.6	1,260.8	2,342.5	34.4	59.9	32.3		
2003	83.1	528.4	2.6	608.9	664.3	572.9	91.4	700.3	637.9	2,194.1	1,328.2	2,444.5	29.1	52.7	28.6		
2002 I	60.0	571.3	1.3	630.1	479.4	328.8	150.7	780.7	738.5	1,939.6	1,257.9	2,143.5	38.1	62.1	36.4		
2002 II	63.4	560.5	0.1	623.8	465.5	322.5	143.0	766.7	720.4	1,965.8	1,252.3	2,146.7	36.6	61.2	35.7		
2002 III	64.4	542.9	6.3	601.0	504.1	347.6	156.5	757.4	702.7	1,980.3	1,242.6	2,251.7	35.5	61.0	33.6		
2002 IV	68.2	608.1	8.5	667.9	530.2	442.6	87.6	755.5	699.0	2,033.6	1,260.8	2,342.5	34.4	59.9	32.3		
2003 I	66.7	687.9	0.1	754.4	528.8	424.2	104.6	859.0	804.1	2,080.0	1,270.2	2,431.9	38.7	67.6	35.3		
2003 II	68.9	552.5	1.6	619.7	504.3	427.5	76.8	696.5	639.1	2,123.7	1,282.9	2,461.8	30.1	54.3	28.3		
2003 III	77.2	512.3	0.2	589.3	492.7	428.5	64.2	653.5	601.0	2,162.9	1,327.6	2,444.7	27.8	49.2	26.7		
2003 IV	83.1	528.4	2.6	608.9	664.3	572.9	91.4	700.3	637.9	2,194.1	1,328.2	2,444.5	29.1	52.7	28.6		
2004 I	84.3	550.6	1.5	633.4	630.8	529.3	101.5	734.9	668.9	2,255.3	1,362.2	2,495.3	29.7	54.0	29.5		
2004 II	78.7	628.7	13.2	694.2	521.9	429.8	92.1	786.3	730.1	2,249.1	1,385.3	2,565.1	32.5	56.8	30.7		
2004 III	82.7	598.6	8.1	673.1	471.4	401.0	70.4	743.5	680.7	2,234.5	1,406.9	2,596.1	30.5	52.8	28.6		

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

End of period	2000				2001				2002				2003				2004			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
<b>ASSETS</b>																				
1. Claims on money-creating institutions	241.9	333.0	407.4	429.1	442.5	432.5	420.7	407.4	449.6	437.8	428.6	429.1	473.1	467.7	450.3					
a) Monetary authorities	213.2	293.4	361.9	358.3	393.5	392.1	379.6	361.9	395.6	391.9	377.0	358.3	405.4	405.5	392.0					
b) Commercial banks	28.8	39.5	45.5	70.7	48.9	40.4	41.1	45.5	53.9	46.0	51.5	70.7	67.7	62.2	58.3					
2. Claims on the public sector	65.8	77.6	81.4	84.2	77.7	77.7	82.8	81.4	81.5	85.5	118.7	84.2	84.3	84.4	91.7					
a) Short-term	56.1	64.1	65.3	65.6	64.2	64.2	66.6	65.3	65.4	64.9	100.1	65.6	65.7	65.9	65.9					
b) Long-term	9.7	13.4	16.1	18.6	13.4	13.4	16.1	16.1	16.1	20.6	18.6	18.6	18.6	18.6	25.8					
3. Claims on the private sector	1,513.2	1,569.6	1,764.8	1,964.0	1,573.1	1,610.5	1,653.4	1,764.8	1,793.9	1,885.0	1,946.5	1,964.0	1,973.0	1,975.6	2,022.4					
a) Enterprises	730.0	739.9	836.2	926.2	731.2	757.7	778.6	836.2	828.1	887.2	939.4	926.2	907.6	904.9	928.9					
b) Individuals	757.8	811.5	900.3	984.2	823.7	833.2	855.2	900.3	925.6	960.7	977.9	984.2	1,012.7	1,019.3	1,050.1					
1) Consumer credit	357.3	366.7	409.3	434.6	371.9	374.4	384.9	409.3	415.1	429.4	433.0	434.6	450.0	458.8	470.1					
2) Housing mortgages	400.5	444.8	491.1	549.6	451.8	458.9	470.3	491.1	510.5	531.4	544.9	549.6	562.8	560.5	580.0					
c) Capital market investments	11.9	6.0	6.8	15.4	6.1	6.0	6.1	6.8	15.1	15.1	15.5	15.4	15.3	15.2	15.1					
d) Other	13.5	12.2	21.5	38.3	12.1	13.5	13.5	21.5	25.1	22.0	13.7	38.3	37.4	36.3	28.3					
4. Foreign assets	953.0	1,104.8	1,206.5	1,275.8	1,110.7	1,089.4	1,111.4	1,206.5	1,283.3	1,125.6	1,082.2	1,275.8	1,265.7	1,229.3	1,152.7					
a) Gold	41.0	55.0	68.2	83.1	60.0	63.4	64.4	68.2	66.7	68.9	77.2	83.1	84.3	78.7	82.7					
b) Short-term	414.2	475.2	483.2	603.1	499.0	439.9	437.3	483.2	514.6	462.5	453.1	603.1	579.5	469.5	428.6					
c) Long-term	497.8	574.5	655.1	589.6	551.8	586.1	609.6	655.1	702.1	594.3	551.9	589.6	601.9	681.0	641.4					
5. Other domestic assets	-44.0	-65.0	-65.5	-24.8	-62.5	-63.7	-63.3	-65.5	-69.4	-74.8	-63.2	-24.8	-18.3	-18.6	-22.6					
<b>6. Total assets</b>	<b>2,729.8</b>	<b>3,020.0</b>	<b>3,394.7</b>	<b>3,728.3</b>	<b>3,141.5</b>	<b>3,146.3</b>	<b>3,205.0</b>	<b>3,394.7</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>					

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

(continued)

End of period	2000				2001				2002				2003				2004												
	I		II		I		II		I		II		I		II		I		II		I		II		III				
<b>LIABILITIES</b>																													
7. Broad money	1,738.3	1,840.6	2,033.6	2,214.1	1,939.6	1,965.8	1,980.3	2,033.6	2,080.0	2,123.7	2,182.9	2,214.1	2,265.3	2,259.1	2,254.5														
a) Money	596.3	701.0	844.5	933.2	740.2	772.4	774.6	844.5	795.1	870.7	919.5	933.2	969.7	974.4	947.8														
b) Quasi-money	1,142.0	1,139.6	1,189.1	1,280.9	1,199.4	1,193.5	1,205.7	1,189.1	1,284.9	1,253.0	1,263.5	1,280.9	1,295.6	1,284.6	1,306.7														
8. Money-creating institutions	229.8	303.8	376.5	356.1	413.8	393.1	390.0	376.5	413.5	406.9	399.4	356.1	428.1	427.1	409.2														
a) Monetary authorities	202.7	295.5	358.3	339.5	400.3	375.6	375.8	358.3	388.2	390.4	371.8	339.5	407.8	407.2	390.6														
b) Commercial banks	27.1	8.2	18.2	16.7	13.5	17.6	14.3	18.2	25.3	16.4	27.6	16.7	20.4	19.9	18.6														
9. Public sector deposits	66.9	103.3	143.4	126.8	71.7	79.0	84.7	143.4	208.0	73.8	79.8	126.8	83.8	138.3	140.8														
a) Government	44.3	72.0	72.4	47.6	46.1	50.3	56.4	72.4	141.0	15.1	24.4	47.6	9.5	73.7	36.7														
b) Development funds	22.6	31.3	71.0	79.2	25.6	28.7	28.3	71.0	67.0	58.7	55.5	79.2	74.3	64.6	104.1														
10. Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0														
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0														
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0														
11. Subordinated debt	13.8	14.1	9.1	5.6	14.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	5.6	5.6	5.6														
12. Capital and reserves	141.7	194.5	193.0	261.8	203.6	206.7	206.7	193.0	204.3	209.1	218.3	261.8	282.3	297.0	311.6														
13. Foreign liabilities	394.1	406.1	451.0	575.5	330.0	322.7	353.9	451.0	424.3	429.1	428.7	575.5	530.8	443.0	409.2														
a) Short-term	367.8	356.8	380.4	506.8	270.2	247.6	279.5	380.4	364.9	369.1	361.0	506.8	462.7	382.2	344.2														
b) Long-term	26.2	49.3	70.6	68.6	59.8	75.0	74.4	70.6	59.4	60.0	67.7	68.6	68.1	60.8	64.9														
14. Revaluation differences	28.5	38.7	56.5	62.5	42.2	46.3	54.8	56.5	54.9	57.4	52.6	62.5	66.1	56.2	62.8														
15. Other domestic liabilities	116.9	119.0	131.6	125.9	126.3	123.5	125.4	131.6	144.7	150.0	141.7	125.9	115.8	112.2	101.0														
<b>16. Total liabilities</b>	<b>2,729.8</b>	<b>3,020.0</b>	<b>3,394.7</b>	<b>3,728.3</b>	<b>3,141.5</b>	<b>3,146.3</b>	<b>3,205.0</b>	<b>3,394.7</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>														

**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		Gold and claims in gold	Claims on				
					Banks	Governments			Other
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
2000	0.0	13.4	13.4	41.0	31.4	0.0	349.8	422.2	435.6
2001	0.0	18.6	18.6	55.0	60.7	0.0	465.0	580.8	599.3
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
2002 I	0.0	21.1	21.1	60.0	99.1	0.0	472.2	631.3	652.4
II	0.0	25.2	25.2	63.4	53.2	0.0	507.3	623.9	649.1
III	0.0	28.0	28.0	64.4	17.7	0.0	525.2	607.3	635.4
IV	0.0	29.8	29.8	68.2	40.3	0.0	567.8	676.3	706.1
2003 I	0.0	30.9	30.9	66.7	72.0	0.0	615.9	754.5	785.4
II	0.0	30.4	30.4	68.9	41.7	0.0	510.7	621.3	651.7
III	0.0	30.5	30.5	77.2	55.7	0.0	456.6	589.5	620.0
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
II	0.0	31.4	31.4	78.7	44.3	0.0	584.4	707.4	738.8
III	0.0	31.1	31.1	82.7	61.9	0.0	536.7	681.3	712.4

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

End of period	Domestic liabilities										Total domestic liabilities (20)	Total foreign liabilities (21)	Revaluation of gold and foreign exchange holdings (22)	Total liabilities (23)
	Capital and reserves (10)	Bank notes issued (11)	Government (12)	Development funds (13)	Official entities (14)	Commercial banks deposits (15)		Other fin. inst. deposits (17)	Private sector deposits (18)	Other (19)				
						Demand	Time							
2000	52.1	137.1	35.3	22.6	1.3	25.5	118.5	0.0	2.7	9.7	404.8	2.3	28.5	435.6
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
2002 I	64.3	126.2	42.5	25.6	3.0	53.8	274.2	0.0	4.0	15.4	608.9	1.3	42.2	652.4
2002 II	64.3	131.7	44.4	28.7	2.2	103.1	208.5	0.0	8.1	11.7	602.7	0.1	46.3	649.1
2002 III	64.3	126.8	39.7	11.3	1.6	92.9	210.5	0.0	8.1	19.0	574.3	6.3	54.8	635.4
2002 IV	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 I	68.4	134.4	136.1	43.8	1.7	78.3	232.4	0.0	6.3	29.0	730.4	0.1	54.9	785.4
2003 II	68.4	140.2	10.1	29.3	1.7	95.7	216.7	0.0	6.4	24.2	592.7	1.6	57.4	651.7
2003 III	68.4	135.0	21.4	25.9	1.6	55.4	221.7	0.0	8.6	29.2	567.3	0.2	52.6	620.0
2003 IV	78.2	149.1	36.8	30.5	1.2	61.3	193.7	0.0	2.7	24.1	577.6	2.6	62.5	642.7
2004 I	78.2	139.3	5.4	22.1	0.7	121.5	203.1	0.0	8.7	19.5	598.5	1.5	66.1	666.0
2004 II	78.2	134.2	69.2	12.0	2.1	143.1	192.3	0.0	10.7	27.6	669.4	13.2	56.2	738.8
2004 III	78.2	132.7	32.3	44.3	2.2	96.1	227.3	0.0	5.0	23.3	641.5	8.1	62.8	712.4

**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)
	5	10	25	50	100	500	
2000	250	494	450	182	1,013	18	2,409
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
2002 I	182	459	432	168	925	18	2,184
II	182	465	473	173	965	18	2,276
III	181	460	408	216	912	18	2,195
IV	181	475	459	262	1,082	18	2,477
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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2000	1.3	4.9	11.3	9.1	101.3	9.2	137.1
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
2002 I	0.9	4.6	10.8	8.4	92.5	9.0	126.2
II	0.9	4.6	11.8	8.7	96.5	9.2	131.7
III	0.9	4.6	10.2	10.8	91.2	9.1	126.8
IV	0.9	4.7	11.5	13.1	108.2	9.0	147.4
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

**TABLE 3.4: COINS ISSUED**

End of period	Denominations: number (x 1,000)										Total value of coins issued excl. (8) (Afl. million)				
	Cents					Florin						Com-memo-rative coins			
	5	10	25	50	1	2 ½	5	(1)	(2)	(3)			(4)	(5)	(6)
2000	10,387	10,573	6,929	3,768	5,084	69	670	11	13.8						
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						
2002 I	12,007	11,627	7,689	4,072	5,367	71	698	11	14.8						
2002 II	12,091	11,724	7,712	4,091	5,368	71	698	11	14.8						
2002 III	12,129	11,884	7,812	4,136	5,374	71	698	11	14.9						
2002 IV	12,494	12,109	7,986	4,236	5,626	72	739	11	15.4						
2003 I	12,670	12,257	8,054	4,279	5,639	72	743	11	15.5						
2003 II	12,788	12,367	8,107	4,330	5,640	72	744	11	15.6						
2003 III	13,015	12,616	8,229	4,405	5,726	72	754	11	15.8						
2003 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						
2004 II	13,688	13,245	8,618	4,595	5,939	73	808	12	16.6						
2004 III	13,807	13,351	8,651	4,616	5,993	73	812	12	16.7						

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

End of period	Assets			Total assets = Total liabilities				
	(1)	(2)	(3)	(4)	(5)	Liabilities		
						Cash and claims on banks	Investments	Loans
2000	523.7	88.4	1,644.2	116.7	2,373.0	2,002.0	111.8	259.2
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
2002 I	698.7	85.8	1,663.2	134.3	2,581.9	2,151.0	156.5	274.4
II	672.1	80.2	1,704.1	141.4	2,597.8	2,153.5	159.6	284.7
III	679.9	99.3	1,745.2	148.5	2,672.9	2,221.5	159.6	291.8
IV	675.8	100.1	1,852.5	179.5	2,807.9	2,329.2	141.8	336.9
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

**TABLE 4.2: COMMERCIAL BANKS: PRUDENTIAL RATIOS**

End of period	(1)	(2)	(3)
2000	26.2	75.6	9.4
2001	28.5	73.1	10.6
2002	29.0	71.7	9.3
2003	30.5	72.8	10.0
2002 I	31.9	70.1	12.2
II	30.5	71.5	11.4
III	30.6	71.1	10.2
IV	29.0	71.7	9.3
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

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET

Domestic assets													
End of period	Notes and coins		Central Bank		Investments		Loans and advances						
	(1)	(2)	Current account	Time deposits	(3)	(4)	Government securities	Non government securities	(5)	Enterprises	Mortgages	Individuals	Government
2000	29.7	28.0	28.0	126.4	43.1	43.1	11.9	561.3	563.3	563.3	357.3	0.3	
2001	30.7	60.4	60.4	154.8	62.1	62.1	6.0	548.2	629.9	629.9	366.7	0.3	
2002	35.1	73.6	73.6	205.1	65.7	65.7	6.8	633.4	687.6	687.6	409.3	0.2	
2003	40.5	81.2	81.2	172.6	63.6	63.6	35.4	710.9	759.0	759.0	433.7	0.1	
2002	I	24.6	47.1	274.2	62.3	62.3	6.1	542.1	634.3	634.3	371.9	0.3	
	II	24.3	120.0	208.1	54.3	54.3	6.0	575.1	635.2	635.2	374.4	0.2	
	III	24.4	90.8	216.5	65.6	65.6	6.1	590.9	651.7	651.7	384.9	2.1	
	IV	35.1	73.6	205.1	65.7	65.7	6.8	633.4	687.6	687.6	409.3	0.2	
2003	I	29.4	82.7	235.5	65.7	65.7	15.1	626.2	706.3	706.3	414.4	0.2	
	II	30.0	92.5	221.3	69.6	69.6	15.1	670.1	742.4	742.4	428.8	0.2	
	III	30.7	52.2	210.1	83.6	83.6	35.5	711.9	766.2	766.2	432.2	0.1	
	IV	40.5	81.2	172.6	63.6	63.6	35.4	710.9	759.0	759.0	433.7	0.1	
2004	I	35.2	119.0	193.2	67.6	67.6	25.3	684.1	780.5	780.5	449.1	0.1	
	II	29.8	141.3	182.4	61.6	61.6	25.2	680.2	779.3	779.3	457.9	0.1	
	III	29.2	96.9	207.9	64.8	64.8	35.1	691.6	811.0	811.0	469.3	0.1	

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

End of period	Domestic assets (cont'd)				Total domestic assets	Foreign assets				Total foreign assets	Total assets					
	(10)	(11)	Accounts receivable	Other (net)		(13)	(14)	(15)	(16)			(17)	(18)	(19)	(20)	(21)
2000	58.0	13.5	18.7	1.7	1,813.3	13.0	297.8	33.3	160.3	26.4	530.8	2,344.1				
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				
2002 I	58.6	39.4	18.9	8.2	2,087.8	14.7	316.5	17.4	113.3	17.6	479.4	2,567.3				
II	60.2	40.3	19.3	-4.0	2,113.4	11.6	294.6	19.9	117.9	21.5	465.5	2,578.8				
III	59.5	40.0	20.2	0.4	2,153.0	13.8	319.8	27.6	114.0	28.8	504.1	2,657.1				
IV	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 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				

**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		
					(22)	(23)	(24)				(25)	(26)
2000	99.5	312.8	58.9	9.0	228.8	258.1	242.0	0.0	404.6	235.4		
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		
2002 I	113.0	426.6	77.6	3.6	237.6	273.3	265.9	0.0	422.1	265.5		
II	118.8	436.3	84.8	5.9	258.8	266.8	259.6	0.0	399.8	274.0		
III	113.8	453.4	80.5	16.8	262.0	261.9	271.8	17.0	409.7	271.0		
IV	121.8	467.8	116.0	8.1	263.3	256.3	251.4	23.1	417.3	286.4		
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		

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

End of period	Domestic liabilities (cont'd)		Foreign liabilities		Total				Total Foreign liabilities	Total Liabilities	
			Demand deposits		Time deposits		Savings deposits				Capital and sub-ordinated debt
	Capital base		Banks	Non-banks	Banks	Non-banks	reserves	and sub-ordinated debt			
	(32)	(33)	(35)	(36)	(37)	(38)	(39)	(40)			
2000	89.5	13.8	28.9	71.9	68.1	150.9	41.6	8.4	22.0	391.8	2,344.1
2001	130.2	14.1	23.2	65.3	61.4	201.8	42.0	3.0	6.7	403.5	2,502.5
2002	124.6	9.1	15.3	67.9	57.4	192.0	53.4	8.0	48.7	442.6	2,787.9
2003	183.6	5.6	37.1	96.9	64.0	201.7	63.6	8.0	101.5	572.9	3,135.2
2002 I	139.3	14.1	26.0	57.4	10.8	182.1	41.7	3.0	7.7	328.8	2,567.3
II	142.4	9.1	10.8	63.5	7.3	182.7	40.9	8.0	9.4	322.5	2,578.8
III	142.4	9.1	8.0	61.3	7.3	201.5	42.4	8.0	19.2	347.6	2,657.1
IV	124.6	9.1	15.3	67.9	57.4	192.0	53.4	8.0	48.7	442.6	2,787.9
2003 I	135.9	9.1	9.1	79.6	7.3	199.5	61.4	8.0	59.2	424.2	2,850.5
II	140.7	9.1	18.0	81.0	6.8	199.4	54.5	8.0	59.9	427.5	2,923.9
III	150.0	9.1	14.0	81.1	6.4	210.1	57.8	8.0	51.1	428.5	2,963.8
IV	183.6	5.6	37.1	96.9	64.0	201.7	63.6	8.0	101.5	572.9	3,135.2
2004 I	204.1	5.6	7.3	107.4	1.4	191.5	62.5	8.0	151.2	529.3	3,161.2
II	218.8	5.6	37.7	105.6	0.6	156.0	65.8	8.0	56.1	429.8	3,046.5
III	233.4	5.6	27.0	111.8	0.6	144.9	68.0	8.0	40.6	401.0	3,033.5

TABLE 4.4: COMMERCIAL BANKS' LOANS TO DOMESTIC SECTORS BY KIND OF ECONOMIC ACTIVITY AS OF END SEPTEMBER 2004

	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	Mortgage loans	
Agriculture, hunting, forestry and fishing	0.1	0.4	4.9	5.4	1.4	8.0	90.6	0.3	
Mining and manufacturing	21.0	39.0	5.4	65.4	32.1	59.7	8.2	3.3	
Electricity, gas, and water supply	0.7	34.3	0.2	35.1	1.9	97.6	0.6	1.8	
Construction	13.3	4.5	9.9	27.7	47.9	16.2	35.9	1.4	
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	146.7	164.7	91.5	402.9	36.4	40.9	22.7	20.1	
Hotels and restaurants	12.4	40.2	22.6	75.1	16.5	53.5	30.0	3.7	
Transport, storage and communications	15.4	28.7	6.3	50.4	30.5	57.0	12.5	2.5	
Financial intermediation	9.1	36.0	29.9	75.0	12.1	48.0	39.9	3.7	
Real estate, renting and business activities	28.9	47.1	49.1	125.1	23.1	37.7	39.2	6.2	
Other enterprises	23.4	25.8	17.7	67.0	35.0	38.5	26.5	3.3	
<b>Total loans to enterprises</b>	<b>270.8</b>	<b>420.8</b>	<b>237.4</b>	<b>928.9</b>	<b>29.2</b>	<b>45.3</b>	<b>25.6</b>	<b>46.4</b>	
Government	0.0	0.1	0.0	0.1	0.0	100.0	0.0	0.0	
Individuals	66.9	432.7	573.7	1,073.3	6.2	40.3	53.4	53.6	
<b>Total loans</b>	<b>337.7</b>	<b>853.6</b>	<b>811.0</b>	<b>2,002.3</b>	<b>16.9</b>	<b>42.6</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	2000				2001				2002				2003				2004			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
Agriculture, hunting, forestry and fishing	5.8	5.9	5.8	5.8	5.8	5.8	5.8	5.5	5.4	5.4	5.1	4.9	4.9	17.1	10.5	5.4				
Mining and manufacturing	17.6	18.6	20.1	20.1	20.1	24.0	23.0	24.0	26.6	40.9	41.2	29.4	29.4	54.8	62.7	65.4				
Electricity, gas and water supply	36.3	29.0	27.9	31.3	31.3	34.9	33.1	34.9	33.2	31.2	31.2	38.8	38.8	37.2	36.5	35.1				
Construction	20.6	19.3	21.2	21.8	21.8	20.8	21.7	20.8	22.6	24.7	25.6	17.5	17.5	19.0	20.6	27.7				
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	289.3	328.7	325.4	349.0	349.0	385.7	369.3	385.7	375.6	406.3	417.2	388.1	388.1	376.3	393.8	402.9				
Hotels and restaurants	74.7	66.0	67.7	64.0	64.0	76.1	69.7	76.1	66.9	69.6	96.9	101.5	101.5	83.0	67.3	75.1				
Transport, storage and communications	45.5	32.1	29.8	31.4	31.4	30.1	29.5	30.1	29.4	40.4	53.7	47.2	47.2	43.1	43.6	50.4				
Financial intermediation	63.1	37.3	34.4	37.1	37.1	30.3	31.2	30.3	29.2	36.7	68.1	121.6	121.6	64.8	81.2	75.0				
Real estate, renting and business activities	113.5	129.5	129.1	123.8	123.8	128.0	121.5	128.0	131.6	148.9	112.9	104.9	104.9	120.4	127.2	125.1				
Other enterprises	63.6	73.6	70.6	74.3	74.3	100.7	74.1	100.7	107.6	81.2	87.5	72.3	72.3	92.1	61.5	67.0				
<b>Total loans to enterprises</b>	<b>730.0</b>	<b>739.9</b>	<b>732.0</b>	<b>778.6</b>	<b>778.6</b>	<b>836.2</b>	<b>778.6</b>	<b>836.2</b>	<b>828.1</b>	<b>887.2</b>	<b>939.4</b>	<b>926.2</b>	<b>926.2</b>	<b>907.6</b>	<b>904.9</b>	<b>928.9</b>				
Government	0.3	0.3	0.3	0.2	0.2	0.1	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1				
Individuals	776.2	829.9	841.7	873.6	873.6	919.4	851.7	919.4	943.5	979.8	995.5	1,006.4	1,006.4	1,035.8	1,043.6	1,073.3				
<b>Total loans</b>	<b>1,506.5</b>	<b>1,570.1</b>	<b>1,574.0</b>	<b>1,654.3</b>	<b>1,654.3</b>	<b>1,755.9</b>	<b>1,609.6</b>	<b>1,755.9</b>	<b>1,771.8</b>	<b>1,867.1</b>	<b>1,935.0</b>	<b>1,932.7</b>	<b>1,932.7</b>	<b>1,943.5</b>	<b>1,948.5</b>	<b>2,002.3</b>				

**TABLE 5.1: FINANCIAL SURVEY**

	Central Bank and Treasury	Commercial Banks	Monetary Sector	Nonmonetary Financial Institutions	Financial Sector
End of September 2004	(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)+(4)
1. Foreign assets	681.3	471.4	1,152.7	554.1	1,706.8
2. Domestic claims					
a) Government	72.0	1,988.1	2,060.1	1,213.1	3,273.2
b) Non-financial public enterprises	64.9	26.8	91.7	544.7	636.4
c) Enterprises	0.0	66.3	66.3	48.5	114.8
d) Individuals	0.0	852.0	852.0	87.0	939.0
1) Consumer credit	7.2	1,042.9	1,050.1	532.8	1,582.9
2) Housing mortgages	0.9	469.3	470.1	82.4	552.5
3) Other domestic claims	6.3	573.7	580.0	450.4	1,030.4
3. Other domestic claims	24.0	592.6	616.6	908.5	1,525.1
<b>4. TOTAL ASSETS=TOTAL LIABILITIES</b>	<b>777.2</b>	<b>3,052.1</b>	<b>3,829.4</b>	<b>2,675.6</b>	<b>6,505.0</b>
5. Foreign liabilities	70.9	401.0	472.0	128.7	600.7
6. Deposits and borrowings					
a) Government	83.8	2181.1	2264.9	63.9	2328.8
b) Other residents	76.6	64.2	140.8	36.7	177.5
1) Pension fund provisions	7.2	2,116.9	2,124.1	27.2	2,151.3
7. Insurance reserve fund	0.0	0.0	0.0	1,311.2	1,311.2
8. Other domestic liabilities	0.0	0.0	0.0	295.6	295.6
9. Other domestic liabilities	622.5	470.0	1,092.5	876.4	1,968.8

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 (10=9-4)
	≤ 12-months	> 12-months			Individual	Commercial	Consumer credit	Housing mortgages	Mortgages	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
2000	6.0	7.7	3.9	6.2	17.2	10.7	10.8	10.4	12.0	5.8
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
2002 I	6.0	7.9	3.7	6.4	17.2	10.8	10.4	11.2	13.2	6.9
II	5.6	7.2	3.8	5.8	16.9	10.6	10.9	10.3	13.2	7.3
III	4.0	6.5	3.7	4.3	16.7	10.4	10.5	11.0	13.4	9.0
IV	5.4	6.7	3.8	5.7	16.2	9.9	9.5	10.3	12.1	6.4
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

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- count (1)	Advance count (2)
January 1, 1986	8.0	9.0
July 1, 1986	8.5	9.5
April 1, 1999	6.5	
February 1, 2002	6.0	
June 2, 2003	5.0	

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

Period averages in % per annum	7-day 30-day 90-day		
	(1)	(2)	(3)
2000	3.4	3.5	3.5
2001	2.2	2.2	2.3
2002	0.4	0.6	0.7
2003	0.2	0.2	0.2
2002 I	0.5	0.8	0.8
II	0.5	0.8	0.9
III	0.4	0.7	0.7
IV	0.3	0.4	0.4
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

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)
2000	6.4	6.4	6.5
2001	4.0	3.9	3.8
2002	1.8	1.8	1.8
2003	1.2	1.2	1.2
2002 I	1.8	1.9	1.9
II	1.8	1.8	1.9
III	1.8	1.8	1.8
IV	1.5	1.6	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

Source: International Financial Statistics.

TABLE 6.5: GOVERNMENT SECURITY MARKETS

3-month treasury bills				6-month cash loan certificates						
End of period	(1) Date of issue	(2) Amount (Afl. million)	(3) Average price per Afl. 100	(4) Yield per annum (%)	End of period	(1) Date of issue	(2) Amount (Afl. million)	(3) Average price per annum	(4) Yield per annum (%)	
2001	January	17.0	98.28	6.93	2002	June	8.0	99.73	1.06	
	February	15.0	98.29	6.77		December	8.0	99.72	1.10	
	April	17.0	98.39	6.54	2003	June	8.0	99.41	1.06	
	May	15.0	98.38	6.56		December	8.0	98.93	2.17	
	July	17.0	98.46	6.13	2004	June	8.0	98.87	2.29	
	August	23.0	98.46	6.24		December	8.0	98.38	3.30	
	October	17.0	98.70	5.05						
	November	23.0	98.77	4.98						
	2002	January	17.0	99.46	2.30	Government bonds				
		February	23.0	99.14	3.60	End of period	(1)	(2)	(3)	(4)
		April	17.0	99.47	2.09	Date of issue	Maturity in years	Amount (Afl. million)	Yield per annum (%)	
May		23.0	99.46	2.58	1996	June	5	5.4	7.625	
July		17.0	99.68	1.03	June	7	24.6	8.000		
July*		30.0	99.76	1.77	September	6	27.3	7.875		
August		23.0	99.54	1.92	September	8	14.7	8.000		
October		17.0	99.58	1.08	1997	June	4	10.4	7.625	
November		23.0	99.74	1.05	June	9	15.4	8.125		
2003		January	17.0	99.72	0.87	2000	April	5	30.0	8.250
		January	23.0	99.75	0.98	2001	December	7	24.9	7.125
	April	17.0	99.75	0.96	2002	September	7	30.0	6.250	
	May	23.0	99.76	0.95	September	10	53.7	7.375		
	July	17.0	99.67	1.10	2003	June	7	54.0	6.000	
	July	35.0	99.37	2.62	2004	April	10	119.9	6.800	
	August	23.0	99.51	1.73	June	12	57.5	6.800		
	October	17.0	99.41	1.88	September	7	25.2	6.300		
	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					

\* 2-month treasury bills

TABLE 7.1: GOVERNMENT FINANCIAL OPERATIONS 1)

	2000		2001		2002		2003		2004						
	I	II	I	II	I	II	I	II	I	II					
<b>1. Revenue and grants</b>	742.2	731.8	751.2	803.5	177.8	169.4	161.8	242.2	166.4	180.7	203.6	252.8	194.3	171.3	235.8
<b>A. Tax revenue</b>	624.5	606.3	610.0	687.4	152.4	137.0	141.9	178.7	146.5	149.9	182.6	208.3	176.2	158.1	178.6
1. Taxes on income and profit	309.6	302.8	301.3	339.9	71.2	65.3	74.7	90.2	65.7	70.9	98.0	105.4	78.5	77.5	83.8
2. Taxes on commodities	212.6	202.6	213.5	234.4	44.8	50.1	50.5	68.1	50.9	53.7	58.7	71.2	55.6	59.6	58.8
3. Taxes on property	34.3	27.8	33.7	51.0	16.3	3.8	7.1	6.5	15.2	9.0	13.7	13.0	16.2	5.5	9.9
4. Taxes on services	44.4	48.3	47.1	48.0	14.9	11.6	9.7	10.9	14.8	11.4	10.7	11.1	18.2	15.4	12.6
5. Foreign exchange tax	23.6	24.8	14.4	14.0	5.2	6.2	0.0	3.0	0.0	5.0	1.5	7.5	7.7	0.0	13.5
<b>B. Nontax revenue</b>	100.8	125.5	103.8	86.1	25.4	32.4	19.9	26.1	19.9	30.8	21.0	14.4	18.1	13.2	26.2
<b>C. Grants</b>	16.9	0.0	37.4	30.1	0.0	0.0	0.0	37.4	0.0	0.0	0.0	30.1	0.0	0.0	31.1
<b>2. Expenditure</b>	719.9	717.0	816.4	873.9	201.4	202.9	191.1	221.1	183.1	242.5	213.2	235.0	232.3	252.8	233.8
1. Wages	246.3	255.2	261.7	265.6	56.7	71.9	64.7	68.4	58.4	77.6	61.1	68.5	65.2	80.9	65.2
2. Employer's contribution	38.9	24.2	66.0	66.3	7.9	16.8	17.6	23.7	14.9	14.8	13.2	23.4	16.1	16.8	19.9
3. Wage subsidies	89.7	91.5	103.7	105.9	24.3	29.7	23.6	26.1	24.3	30.4	24.5	26.6	26.8	33.1	29.2
4. Goods and services	192.7	135.9	149.4	153.5	51.6	36.0	23.1	38.7	28.8	30.7	57.5	36.4	48.1	53.7	46.7
5. Interest	30.2	35.7	38.2	44.9	7.8	8.0	11.2	11.2	8.6	10.7	11.9	13.7	13.2	17.7	13.6
6. Development fund spending	0.0	0.0	3.7	16.2	0.0	0.0	0.3	3.4	1.9	5.3	3.4	5.6	8.4	10.1	5.4
7. Investment	28.3	18.4	13.3	26.4	4.7	1.5	4.3	2.8	6.2	10.4	4.2	5.5	6.3	7.2	10.9
8. Items n.i.e. 2)	93.9	156.0	180.5	195.2	48.4	39.0	46.3	46.9	40.0	62.6	37.3	55.3	48.3	33.5	42.9
<b>3. Lending minus repayments</b>	16.2	32.0	-3.0	-71.1	8.1	-41.3	23.3	6.9	-81.3	2.6	18.0	-10.4	0.3	41.4	6.1
1. Lending	19.9	36.1	50.9	51.1	8.1	3.7	23.3	15.8	5.9	2.6	18.0	24.6	0.3	41.4	6.1
2. Repayments 3)	-3.7	-4.1	-53.9	-122.2	0.0	-45.0	0.0	-8.9	-87.2	0.0	0.0	-35.0	0.0	0.0	0.0
<b>4. Financial deficit (-)</b>	6.1	-17.3	-62.2	0.8	-31.7	7.8	-52.6	14.3	64.6	-64.5	-27.6	28.2	-38.4	-122.9	-4.1
<b>5. Net foreign capital</b>	24.1	27.9	96.0	-29.0	0.0	-0.5	46.5	50.0	0.0	-99.3	0.4	69.9	-4.7	123.3	-0.1
A. Loans received 4)	73.4	49.3	136.0	293.6	0.0	0.0	73.3	62.7	196.9	0.0	0.0	96.7	0.0	123.5	0.0
B. Repayments on loans	-49.3	-21.4	-40.0	-126.1	0.0	-0.5	-26.8	-12.7	0.0	-99.3	0.0	-26.8	-4.7	-0.2	-0.1
C. Other financial transactions	0.0	0.0	0.0	-196.5	0.0	0.0	0.0	0.0	-196.9	0.0	0.4	0.0	0.0	0.0	0.0
<b>6. Net domestic capital 5)</b>	-16.8	14.2	2.5	9.0	0.0	0.0	6.8	-4.3	0.0	25.5	0.1	-16.6	0.0	54.0	-0.6
A. Loans received	33.5	24.6	33.0	49.2	0.0	0.0	33.0	0.0	0.0	47.5	0.0	1.8	0.0	54.0	17.7
B. Repayments on loans	-50.3	-10.4	-30.5	-30.3	0.0	0.0	-26.2	-4.3	0.0	-22.0	0.1	-8.4	0.0	0.0	-18.3
C. Other financial transactions	0.0	0.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-10.0	0.0	0.0	0.0
<b>7. Net recourse to the monetary system (-)</b>	13.4	24.7	36.2	-19.3	-31.7	7.3	0.7	59.9	64.6	-138.2	-27.1	81.5	-43.1	54.4	-4.8
A. Loans received	8.4	-0.3	-3.1	-1.8	0.0	0.0	-5.0	1.9	0.0	-3.9	2.1	0.0	0.0	0.0	-7.1
B. Drawings on deposits	3.3	36.6	40.1	-16.6	-31.7	7.3	5.7	58.6	64.7	-134.2	6.0	47.0	-43.0	54.5	2.5
-Earmarked	-8.4	4.4	12.2	-50.5	1.0	-5.2	0.0	16.4	77.6	-121.8	-2.2	-4.1	-0.3	1.0	0.0
-Free	11.7	32.1	27.8	34.0	-32.7	12.5	5.7	42.2	-12.9	-12.4	8.2	51.2	-42.7	53.5	2.5
C. Other	1.7	-11.5	-0.8	-0.9	-0.1	0.0	0.0	-0.6	-0.1	0.0	-35.3	34.5	-0.1	-0.1	-0.2
<b>8. Memorandum items</b>															
A. Unmet financing requirements	152.5	269.4	275.8	300.9	281.1	291.6	269.3	275.8	302.3	330.0	344.1	300.9	315.9	315.0	310.2
B. Financial deficit (-)	-57.8	-134.2	-68.7	-24.3	-43.5	-2.7	-30.3	7.7	38.1	-92.1	-41.6	71.4	-53.4	-122.0	0.6

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

	2000	2001	2002	2003	2002				2003				2004				
					I		II		III		IV		I		II		III
<b>TOTAL REVENUE AND GRANTS</b>	<b>742.2</b>	<b>731.8</b>	<b>751.2</b>	<b>803.5</b>	<b>177.8</b>	<b>169.4</b>	<b>161.8</b>	<b>242.2</b>	<b>166.4</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>TAX REVENUE</b>	<b>624.5</b>	<b>606.3</b>	<b>610.0</b>	<b>687.4</b>	<b>152.4</b>	<b>137.0</b>	<b>141.9</b>	<b>178.7</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>Taxes on income and profit</b>	<b>309.6</b>	<b>302.8</b>	<b>301.3</b>	<b>339.9</b>	<b>71.2</b>	<b>65.3</b>	<b>74.7</b>	<b>90.2</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>		
Of which:																	
-Wage tax	202.3	209.7	220.1	234.9	62.2	52.1	47.7	58.2	59.9	57.1	56.9	61.0	64.0	67.2	56.5		
-Income tax	25.8	3.1	3.0	-0.6	1.7	1.2	-0.9	1.0	0.1	0.5	-1.0	-0.2	0.2	2.0	0.4		
-Profit tax	81.4	90.0	78.3	105.6	7.3	12.1	27.9	31.0	5.7	13.2	42.2	44.6	14.3	8.4	27.0		
-Solidarity tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Taxes on commodities</b>	<b>212.6</b>	<b>202.6</b>	<b>213.5</b>	<b>234.4</b>	<b>44.8</b>	<b>50.1</b>	<b>50.5</b>	<b>68.1</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>		
Of which:																	
-Excises on gasoline	62.6	62.2	65.2	68.7	15.5	15.8	15.1	18.7	17.2	16.4	18.1	17.1	17.5	17.3	17.7		
-Excises on tobacco	11.4	9.8	10.4	12.6	2.1	1.3	3.1	3.9	3.0	2.3	3.7	3.7	2.9	2.8	3.0		
-Excises on beer	20.3	19.4	20.3	24.3	4.3	4.4	5.1	6.5	4.7	6.2	5.7	7.7	5.8	5.7	6.5		
-Excises on liquor	12.2	13.2	13.1	13.9	2.8	3.7	3.4	3.3	2.7	2.9	3.4	4.8	3.2	3.6	3.4		
-Import duties	106.1	98.0	104.5	114.9	20.2	24.8	23.8	35.7	23.3	25.9	27.8	38.0	26.3	30.2	28.2		
<b>Taxes on property</b>	<b>34.3</b>	<b>27.8</b>	<b>33.7</b>	<b>51.0</b>	<b>16.3</b>	<b>3.8</b>	<b>7.1</b>	<b>6.5</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>		
Of which:																	
-Motor vehicle fees	12.8	13.3	15.2	14.7	7.4	1.3	2.5	4.0	7.4	1.3	2.3	3.5	8.0	1.5	2.3		
-Succession tax	0.9	0.6	0.3	1.2	0.0	0.1	0.1	0.1	0.1	0.4	0.6	0.2	0.3	0.5	0.1		
-Land tax	11.6	9.7	12.3	27.5	6.0	2.2	2.6	1.4	6.0	6.1	7.7	7.8	5.6	2.4	4.3		
-Transfer tax	9.0	4.2	5.9	7.5	2.9	0.3	1.8	1.0	1.8	1.2	3.1	1.5	2.3	1.2	3.1		
<b>Taxes on services</b>	<b>44.4</b>	<b>48.3</b>	<b>47.1</b>	<b>48.0</b>	<b>14.9</b>	<b>11.6</b>	<b>9.7</b>	<b>10.9</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>		
Of which:																	
-Gambling licenses	15.2	16.1	17.1	17.2	5.5	4.1	3.3	4.2	5.9	3.6	3.2	4.4	8.1	6.5	4.1		
-Hotel room tax	21.9	26.6	24.8	25.1	7.5	6.5	5.1	5.7	7.5	6.5	5.8	5.2	8.6	7.9	7.1		
-Stamp duties	3.0	1.9	2.1	3.6	0.8	0.4	0.5	0.3	0.8	0.7	1.2	0.9	0.5	0.2	0.6		
-Other	4.4	3.7	3.1	2.3	1.0	0.6	0.8	0.7	0.5	0.5	0.6	0.7	1.0	0.8	0.8		
<b>Foreign exchange tax</b>	<b>23.6</b>	<b>24.8</b>	<b>14.4</b>	<b>14.0</b>	<b>5.2</b>	<b>6.2</b>	<b>0.0</b>	<b>3.0</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>NONTAX REVENUE</b>	<b>100.8</b>	<b>125.5</b>	<b>103.8</b>	<b>86.1</b>	<b>25.4</b>	<b>32.4</b>	<b>19.9</b>	<b>26.1</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>GRANTS</b>	<b>16.9</b>	<b>0.0</b>	<b>37.4</b>	<b>30.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>37.4</b>	<b>0.0</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>		

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)= I+2+3	(5)	(6)	(7)= 4+5+6	(8)	(9)	(10)= 8+9	(11)= 10-7	(12)
2000	0.0	35.3	22.6	57.8	9.0	0.0	66.9	51.3	14.5	65.8	-1.1	-13.4
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
2002 I	1.8	40.7	25.6	68.1	3.6	0.0	71.7	62.9	14.8	77.7	5.9	31.7
II	8.9	35.5	28.7	73.1	5.9	0.0	79.0	62.9	14.8	77.7	-1.3	-7.3
III	4.2	35.5	11.3	51.0	16.8	17.0	84.7	63.0	19.8	82.8	-2.0	-0.7
IV	12.3	51.9	47.9	112.2	8.1	23.1	143.4	63.6	17.9	81.4	-61.9	-59.9
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

TABLE 7.4 OUTSTANDING GOVERNMENT DEBT

	2000	2001		2002		2003		2004		I	II	III	IV	2004		
		I	II	I	II	I	II	III	IV					I	II	III
<b>1. Total debt</b>	<b>947.2</b>	<b>1,103.6</b>	<b>1,114.9</b>	<b>1,148.4</b>	<b>1,177.9</b>	<b>1,240.6</b>	<b>1,473.9</b>	<b>1,439.0</b>	<b>1,498.9</b>	<b>1,499.8</b>	<b>1,502.4</b>	<b>1,676.7</b>	<b>1,671.7</b>			
<b>2. Domestic debt</b>	<b>571.5</b>	<b>710.5</b>	<b>721.5</b>	<b>731.1</b>	<b>716.0</b>	<b>717.5</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>A. Negotiable</b>	<b>165.1</b>	<b>179.2</b>	<b>179.2</b>	<b>179.2</b>	<b>189.1</b>	<b>189.1</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>			
1. Treasury bills	29.4	40.0	40.0	40.0	40.0	40.0	40.0	40.0	75.0	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	127.7	131.2	131.2	131.2	141.1	141.1	141.1	170.5	170.5	170.5	170.5	224.4	234.9			
<b>B. Non-negotiable</b>	<b>406.4</b>	<b>531.4</b>	<b>542.3</b>	<b>552.0</b>	<b>526.9</b>	<b>528.4</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>			
1. Short-term	156.0	272.2	283.9	294.4	272.1	275.8	302.3	330.0	344.1	300.9	315.9	315.0	310.2			
a. APFA	111.2	179.5	188.1	196.8	205.5	214.1	214.4	218.2	231.6	219.7	214.8	221.5	240.7			
b. Suppliers' credit	38.1	74.8	43.1	67.6	45.5	43.1	63.1	74.9	62.4	43.4	54.5	61.2	51.2			
c. Other	6.7	17.9	22.7	30.0	21.1	18.6	24.8	36.9	50.1	37.8	46.6	32.3	18.3			
2. Long-term	250.4	259.2	258.4	257.6	254.9	252.6	252.6	251.1	258.0	250.2	249.3	248.4	243.5			
a. APFA	78.5	75.4	74.6	73.8	73.0	72.1	72.1	70.6	79.6	78.4	77.4	76.5	75.5			
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	60.8	57.7	54.6	57.7	55.8	54.6	54.6	54.6	52.6	46.1	46.1	46.1	42.2			
d. Other	16.2	31.2	31.2	31.2	31.2	31.0	31.0	31.0	30.9	30.9	30.9	30.9	30.9			
<b>3. Foreign debt</b>	<b>375.7</b>	<b>393.1</b>	<b>393.4</b>	<b>417.3</b>	<b>461.9</b>	<b>523.1</b>	<b>729.9</b>	<b>639.4</b>	<b>643.3</b>	<b>730.2</b>	<b>718.7</b>	<b>840.9</b>	<b>835.1</b>			
<b>A. The Netherlands</b>	<b>204.4</b>	<b>181.5</b>	<b>181.9</b>	<b>204.0</b>	<b>202.0</b>	<b>199.7</b>	<b>208.1</b>	<b>216.2</b>	<b>219.9</b>	<b>219.7</b>	<b>213.5</b>	<b>212.4</b>	<b>206.3</b>			
1. Development cooperation	201.0	177.8	178.8	200.4	198.4	195.9	202.9	211.4	215.0	214.5	208.5	207.5	201.3			
2. Commercial loans	3.4	3.7	3.2	3.6	3.6	3.8	5.2	4.8	4.9	5.2	5.0	5.0	5.0			
<b>B. EIB</b>	<b>14.4</b>	<b>13.0</b>	<b>12.9</b>	<b>14.7</b>	<b>14.5</b>	<b>15.0</b>	<b>15.5</b>	<b>15.8</b>	<b>16.1</b>	<b>16.9</b>	<b>16.4</b>	<b>15.6</b>	<b>15.9</b>			
<b>C. USA</b>	<b>144.0</b>	<b>181.8</b>	<b>181.8</b>	<b>181.8</b>	<b>181.8</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>12.8</b>	<b>16.8</b>	<b>16.8</b>	<b>16.8</b>	<b>63.6</b>	<b>63.6</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>			

Source: Department of Finance; APFA; CBA.

TABLE 8.1: BALANCE OF PAYMENTS 1)

During period	2000	2001	2002	2003	2002				2003				2004			
					I	II	III	IV	I	II	III	IV	I	II	III	
<b>1. Current account (net)</b>	<b>416.1</b>	<b>593.6</b>	<b>-585.0</b>	<b>-253.5</b>	<b>-5.9</b>	<b>-180.1</b>	<b>-102.2</b>	<b>-296.8</b>	<b>-266.5</b>	<b>152.7</b>	<b>-179.1</b>	<b>39.4</b>	<b>21.6</b>	<b>-190.6</b>	<b>-5.8</b>	
A. Goods and services	560.4	773.1	-251.4	-31.5	36.3	-126.8	40.7	-201.7	-193.9	192.7	-129.7	99.4	73.7	-132.4	67.9	
1. Goods	-100.7	96.1	-949.0	-603.5	-221.9	-270.7	-87.7	-368.7	-391.6	61.0	-248.3	-24.5	-201.1	-283.3	-78.0	
2. Services	661.0	677.1	697.6	572.0	258.3	144.0	128.4	166.9	197.8	131.7	118.6	123.9	274.7	150.9	146.0	
B. Income	-16.2	-77.7	-211.4	-70.2	-12.7	-23.8	-113.4	-61.6	-30.8	-4.9	-16.3	-18.2	-11.2	-15.4	-27.4	
C. Current transfers	-128.1	-101.9	-122.1	-151.8	-29.6	-29.6	-29.5	-33.5	-41.9	-35.1	-33.0	-41.8	-40.8	-42.8	-46.3	
<b>2. Capital and financial account (net)</b>	<b>-483.1</b>	<b>-441.8</b>	<b>592.6</b>	<b>160.6</b>	<b>82.9</b>	<b>146.3</b>	<b>79.2</b>	<b>284.2</b>	<b>360.6</b>	<b>-319.5</b>	<b>140.5</b>	<b>-21.1</b>	<b>22.0</b>	<b>256.6</b>	<b>-48.9</b>	
A. Capital account	17.9	-1.9	36.8	7.7	-0.3	-2.8	2.6	37.3	-10.8	-13.1	-0.2	31.9	-2.7	-1.1	31.1	
1. Capital transfers	17.9	-2.0	39.2	7.7	-0.3	-0.4	2.6	37.3	-10.8	-13.1	-0.2	31.8	-2.7	-1.1	31.3	
2. Acquisition/disposal of n.p.n.f. assets	0.0	0.1	-2.4	0.0	-0.1	-2.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-0.2	
B. Financial account	-501.0	-439.9	555.8	152.8	83.2	149.1	76.6	246.8	371.5	-306.4	140.7	-52.9	24.7	257.7	-79.9	
1. Direct investment	-220.8	-490.8	477.9	303.2	109.4	153.6	-23.2	238.1	312.0	-173.2	224.2	-59.8	111.1	44.9	26.3	
2. Portfolio investment	-2.9	72.8	133.2	89.9	-10.0	13.1	50.5	79.6	66.0	-28.4	-16.3	68.6	-17.1	119.5	2.0	
3. Financial derivatives	0.0	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4. Other investment	-277.4	-21.9	-55.2	-240.3	-16.1	-17.6	49.4	-70.9	-6.5	-104.9	-67.2	-61.7	-69.3	93.4	-108.3	
<b>3. Items not yet classified 2)</b>	<b>20.2</b>	<b>-22.1</b>	<b>31.4</b>	<b>31.7</b>	<b>1.4</b>	<b>15.7</b>	<b>5.2</b>	<b>9.0</b>	<b>10.9</b>	<b>1.9</b>	<b>0.4</b>	<b>18.5</b>	<b>-12.6</b>	<b>-4.8</b>	<b>5.3</b>	
<b>4. Overall balance (1+2+3)</b>	<b>-46.8</b>	<b>129.7</b>	<b>39.0</b>	<b>-61.2</b>	<b>78.4</b>	<b>-18.0</b>	<b>-17.7</b>	<b>-3.6</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>5. Banking transactions 3)</b>	<b>19.9</b>	<b>18.5</b>	<b>32.9</b>	<b>-3.8</b>	<b>-30.1</b>	<b>7.7</b>	<b>-13.5</b>	<b>68.8</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>6. Increase (-) in official reserves 4)</b>	<b>26.9</b>	<b>-148.2</b>	<b>-71.9</b>	<b>65.0</b>	<b>-48.3</b>	<b>10.3</b>	<b>31.2</b>	<b>-65.2</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>	
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
B. Foreign exchange holdings	26.9	-148.2	-71.9	65.0	-48.3	10.3	31.2	-65.2	-88.0	137.1	25.6	-9.6	-21.0	-70.6	27.7	

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	2000				2001				2002				2003				2004			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
<b>1. Goods and services</b>	<b>560.4</b>	<b>773.1</b>	<b>-251.4</b>	<b>-31.5</b>	<b>36.3</b>	<b>-126.8</b>	<b>-47.7</b>	<b>-201.7</b>	<b>-193.9</b>	<b>192.7</b>	<b>-129.7</b>	<b>99.4</b>	<b>73.7</b>	<b>-132.4</b>	<b>67.9</b>					
<b>A. Goods</b>	<b>-100.7</b>	<b>96.1</b>	<b>-949.0</b>	<b>-603.5</b>	<b>-221.9</b>	<b>-270.7</b>	<b>-80.7</b>	<b>-368.7</b>	<b>-391.6</b>	<b>61.0</b>	<b>-248.3</b>	<b>-24.5</b>	<b>-201.1</b>	<b>-283.3</b>	<b>-78.0</b>					
1. Exports f.o.b.	4,513.5	4,329.2	2,654.8	3,660.9	7,178.8	698.1	610.1	628.9	824.8	1,012.9	675.9	1,147.3	1,010.9	1,059.5	1,218.4					
2. Imports f.o.b.	4,614.2	4,233.1	3,603.8	4,264.3	939.7	968.8	697.9	997.5	1,216.5	951.9	924.1	1,171.9	1,211.9	1,342.7	1,296.5					
<b>B. Services</b>	<b>661.0</b>	<b>677.1</b>	<b>697.6</b>	<b>572.0</b>	<b>258.3</b>	<b>144.0</b>	<b>128.4</b>	<b>166.9</b>	<b>197.8</b>	<b>131.7</b>	<b>118.6</b>	<b>123.9</b>	<b>274.7</b>	<b>150.9</b>	<b>146.0</b>					
1. Receipts	1,810.2	1,778.3	1,784.2	1,874.5	509.5	419.0	394.0	461.7	528.0	420.7	441.0	484.8	628.4	509.0	494.4					
1.1 Transportation	147.6	92.8	63.0	66.3	16.0	19.5	16.3	11.2	14.9	15.3	17.3	18.8	20.3	20.6						
1.1.1 Passenger	65.1	6.5	1.6	0.2	0.3	0.8	0.3	0.2	0.2	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						
1.1.3 Other	82.5	86.3	61.4	66.1	15.7	18.7	16.0	11.0	14.8	15.3	17.3	18.8	20.3	22.6						
1.2 Travel	1,456.6	1,474.0	1,488.7	1,542.8	441.1	354.3	317.6	375.7	444.2	351.7	359.1	387.8	548.3	427.9	417.0					
1.2.1 Tourism	1,446.1	1,464.1	1,475.3	1,527.1	438.1	350.7	313.3	373.2	441.5	346.7	355.4	383.5	543.7	424.0						
1.2.2 Other	10.5	9.9	13.4	15.7	3.0	3.5	4.3	2.6	2.7	4.9	3.7	4.3	4.6	3.9						
1.3 Government services, n.i.e.	31.1	24.0	31.0	25.4	2.5	5.4	9.0	14.2	3.5	5.5	7.8	8.6	7.2	7.6						
1.4 Other services	174.8	187.5	201.5	239.9	49.9	39.9	51.1	60.7	65.4	48.2	56.8	69.5	52.5	50.9						
1.4.1 Construction services	3.4	6.9	2.2	0.2	1.6	0.2	0.4	0.0	0.0	0.0	0.2	0.0	0.0	0.0						
1.4.2 Business services	139.2	162.9	170.8	210.9	40.3	34.9	40.4	55.2	60.9	41.9	50.7	57.4	46.0	44.8						
1.4.3 Other services, n.i.e.	32.1	17.7	28.6	28.8	8.0	4.8	10.3	5.5	4.5	6.3	5.9	12.0	6.5	9.6						
2. Payments	1,149.2	1,101.2	1,086.6	1,302.5	251.3	275.1	265.5	294.8	330.3	289.0	322.4	360.8	353.6	358.1						
2.1 Transportation	504.2	472.9	389.6	472.0	99.7	103.1	80.3	106.5	130.5	103.1	108.2	130.2	134.2	149.2						
2.1.1 Passenger	28.9	36.4	21.2	42.4	4.2	3.6	8.9	4.5	8.0	7.3	15.2	11.9	12.5	14.2						
2.1.2 Freight	462.6	423.7	361.4	427.6	94.2	97.1	70.0	100.1	122.0	95.4	92.7	117.5	121.7	134.3						
2.1.3 Other	12.7	12.8	7.1	2.0	1.3	2.4	1.3	2.0	0.5	0.4	0.4	0.7	0.0	0.4						
2.2 Travel	256.2	241.5	290.2	340.4	58.7	73.7	78.9	78.8	76.0	79.9	93.1	91.4	99.9	101.6						
2.2.1 Tourism	212.9	195.3	234.3	272.1	46.2	62.2	63.9	61.9	61.4	62.0	76.7	71.9	86.8	85.6						
2.2.2 Other	43.2	46.2	55.9	68.3	12.6	11.5	14.9	16.9	14.6	17.8	16.4	19.5	13.1	16.1						
2.3 Government services, n.i.e.	41.2	42.0	55.6	64.6	17.0	10.9	17.8	10.0	10.7	14.2	29.2	10.5	11.5	12.3						
2.4 Other services	347.6	344.9	351.2	425.5	75.9	87.3	88.5	99.5	113.1	91.8	91.8	128.8	108.0	95.0						
2.4.1 Construction services	36.0	26.9	25.0	38.0	5.3	2.8	14.1	2.7	22.8	3.2	1.6	10.3	9.0	17.0						
2.4.2 Business services	236.2	246.7	242.0	308.2	52.3	67.4	51.6	70.7	59.5	71.1	73.6	103.9	76.9	58.7						
2.4.3 Other services, n.i.e.	75.4	71.3	84.3	79.4	18.3	17.1	22.8	26.1	30.8	17.4	16.6	14.6	22.1	19.3						
<b>2. Income</b>	<b>-16.2</b>	<b>-77.7</b>	<b>-211.4</b>	<b>-70.2</b>	<b>-12.7</b>	<b>-23.8</b>	<b>-113.4</b>	<b>-61.6</b>	<b>-30.8</b>	<b>-4.9</b>	<b>-16.3</b>	<b>-18.2</b>	<b>-11.2</b>	<b>-15.4</b>	<b>-27.4</b>					
1. Receipts	94.9	89.6	60.8	61.9	14.0	15.0	15.8	16.0	13.8	17.0	15.6	15.5	17.0	12.9						
1.1 Compensation of employees	0.2	0.8	0.8	0.5	0.4	0.1	0.3	0.1	0.1	0.2	0.1	0.1	0.0	0.3						
1.2 Investment income	94.8	88.8	59.9	61.4	13.6	14.9	15.5	15.9	13.7	16.9	15.6	15.3	17.0	12.6						
2. Payments	111.1	167.3	272.2	132.1	26.7	38.8	129.1	77.6	44.5	21.9	32.0	33.7	28.2	28.3						
2.1 Compensation of employees	0.4	1.0	1.1	1.1	0.4	0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.4	0.3						
2.2 Investment income	110.7	166.3	271.1	131.0	26.2	38.6	128.9	77.4	44.2	21.6	31.7	33.5	27.8	28.0						
<b>3. Current transfers</b>	<b>-128.1</b>	<b>-101.9</b>	<b>-122.1</b>	<b>-151.8</b>	<b>-29.6</b>	<b>-29.6</b>	<b>-29.5</b>	<b>-33.5</b>	<b>-41.9</b>	<b>-35.1</b>	<b>-33.0</b>	<b>-41.8</b>	<b>-40.8</b>	<b>-42.8</b>	<b>-46.3</b>					
1. Receipts	66.1	71.9	62.8	71.4	14.9	14.5	13.7	19.7	14.0	16.9	20.1	20.5	16.2	15.4						
1.1 General government	22.8	30.9	16.2	22.9	4.5	4.0	2.1	5.6	3.3	4.7	7.0	7.9	5.3	5.3						
1.2 Other sectors	43.3	41.0	46.7	48.6	10.4	10.5	11.6	14.1	10.7	12.2	13.1	12.6	10.9	10.1						
1.2.1 Workers' remittances	1.9	1.7	5.5	5.6	0.3	2.1	1.6	1.5	1.2	1.6	1.4	1.5	1.2	1.5						
1.2.2 Other transfers	41.4	39.3	41.2	42.9	10.1	8.4	10.0	12.7	9.5	10.7	11.7	11.1	9.7	8.6						
2. Payments	194.2	173.8	185.0	223.3	44.4	44.1	43.3	53.2	55.8	52.1	53.1	62.2	57.0	58.2						
2.1 General government	26.0	23.3	25.8	27.1	5.3	5.1	6.8	8.7	5.0	2.2	5.6	14.2	5.8	4.2						
2.2 Other sectors	168.2	150.6	159.2	196.2	39.2	39.0	36.5	44.5	50.9	49.8	47.5	48.0	51.2	54.0						
2.2.1 Workers' remittances	68.7	59.3	79.7	92.9	15.5	19.0	20.6	24.6	21.7	22.7	25.1	23.4	18.3	21.1						
2.2.2 Other transfers	99.5	91.2	79.4	103.2	23.6	20.0	15.9	19.9	29.1	27.2	22.4	24.5	32.9	32.9						
<b>4. Current account balance (1+2-3)</b>	<b>416.1</b>	<b>593.6</b>	<b>-585.0</b>	<b>-253.5</b>	<b>-5.9</b>	<b>-180.1</b>	<b>-102.2</b>	<b>-296.8</b>	<b>-266.5</b>	<b>152.7</b>	<b>-179.1</b>	<b>39.4</b>	<b>21.6</b>	<b>-190.6</b>	<b>-5.8</b>					

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

During period	2000				2001				2002				2003				2004									
	I		II		I		II		I		II		I		II		I		II		I		II		III	
<b>1. Capital account</b>	<b>17.9</b>	<b>-1.9</b>	<b>36.8</b>	<b>7.7</b>	<b>-0.3</b>	<b>-2.8</b>	<b>2.6</b>	<b>37.3</b>	<b>-10.8</b>	<b>-13.1</b>	<b>-0.2</b>	<b>31.9</b>	<b>-2.7</b>	<b>-1.1</b>	<b>31.1</b>											
A. Capital transfers	17.9	-2.0	39.2	7.7	-0.3	-0.4	2.6	37.3	-10.8	-13.1	-0.2	31.8	-2.7	-1.1	31.3											
1.1 General government	17.0	0.0	37.4	12.1	0.0	0.0	2.6	37.4	-5.4	-12.5	0.0	30.0	0.0	0.0	30.8											
1.2 Other sectors	0.9	-2.0	1.8	-4.4	-0.3	-0.4	2.6	0.0	-5.5	-0.6	-0.2	1.8	-2.7	-1.1	0.5											
1.2.1 Migrants' transfers	0.9	-2.0	1.8	-4.4	-0.3	-0.4	2.6	0.0	-5.5	-0.6	-0.2	1.8	-2.7	-1.1	0.5											
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											
B. Acquisition/disposal of n.p.n.f. asse	0.0	0.1	-2.4	0.0	-0.1	-2.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-0.2											
<b>2. Financial account</b>	<b>-501.0</b>	<b>-439.9</b>	<b>555.8</b>	<b>152.8</b>	<b>83.2</b>	<b>149.1</b>	<b>76.6</b>	<b>246.8</b>	<b>371.5</b>	<b>-306.4</b>	<b>140.7</b>	<b>-52.9</b>	<b>24.7</b>	<b>257.7</b>	<b>-79.9</b>											
1. Direct investment	-220.8	-490.8	477.9	303.2	109.4	153.6	-23.2	238.1	312.0	-173.2	224.2	-59.8	111.1	44.9	26.3											
1.1 Abroad	-23.8	-27.4	-3.1	-32.5	-6.8	-3.1	-0.5	7.4	-1.0	-9.7	-9.4	-12.3	-8.5	2.9	-2.0											
1.2 In Aruba	-197.0	-463.4	481.0	335.6	116.2	156.7	-22.7	230.8	313.0	-163.5	233.6	-47.5	119.6	42.0	28.3											
2. Portfolio investment	-2.9	72.8	133.2	89.9	-10.0	13.1	50.5	79.6	66.0	-28.4	-16.3	68.6	-17.1	119.5	2.0											
2.1 Assets	-80.2	42.2	31.6	-29.2	-2.3	13.1	4.0	16.9	-4.2	-5.1	-6.1	-13.7	-9.5	-6.2	3.0											
2.2 Liabilities	77.4	30.6	101.6	119.1	-7.6	0.0	46.5	62.7	70.2	-23.2	-10.2	82.3	-7.6	123.7	-1.0											
3. Financial derivatives	0.0	0.0	0.0	0.0	-0.1	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											
3.2 Liabilities	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0											
4. Other investment	-277.4	-21.9	-55.2	-240.3	-16.1	-17.6	49.4	-70.9	-6.5	-104.9	-67.2	-61.7	-69.3	93.4	-108.3											
4.1 Assets	-36.6	4.2	-73.5	-58.0	-2.4	-23.0	-10.7	-37.4	8.3	2.6	-14.0	-54.8	-37.0	115.3	-76.8											
4.1.1 Loans	0.6	26.6	-1.4	-8.1	0.8	0.9	0.8	-3.9	0.5	1.8	1.2	-11.5	0.7	-0.4	6.4											
4.1.2 Other assets	-37.3	-22.4	-72.1	-49.9	-3.2	-23.9	-11.5	-33.5	7.8	0.8	-15.1	-43.3	-37.7	115.8	-83.2											
4.1.2.1 Currency and deposits	-33.3	-11.3	-66.7	-45.1	-2.9	-23.1	-10.2	-30.4	7.3	1.4	-12.2	-41.6	-36.4	117.4	-81.6											
4.1.2.2 Other assets, n.i.e.	-3.9	-11.2	-5.4	-4.8	-0.3	-0.9	-1.2	-3.1	0.4	-0.6	-2.9	-1.7	-1.3	-1.6	-1.6											
4.2 Liabilities	-240.7	-26.1	18.3	-182.3	-13.7	5.4	60.1	-33.6	-14.8	-107.4	-53.2	-6.9	-32.3	-22.0	-31.5											
4.2.1 Loans	-230.8	-8.4	28.6	-169.7	-7.2	10.8	63.7	-38.6	-13.0	-109.6	-47.7	0.7	-26.6	-16.0	-25.1											
4.2.1.1 General government	-49.3	-13.5	-13.2	-114.9	0.0	-0.5	0.0	-12.7	0.0	-99.2	0.0	-15.7	-4.7	-0.2	0.0											
4.2.1.2 Other sectors	-181.6	5.0	41.8	-54.8	-7.3	11.3	63.7	-25.9	-13.0	-10.4	-47.7	16.4	-21.9	-15.8	-25.1											
4.2.2 Other liabilities	-9.9	-17.6	-10.3	-12.6	-6.4	-5.4	-3.5	5.0	-1.7	2.2	-5.5	-7.6	-5.7	-6.0	-6.3											
4.2.2.1 Currency and deposits	-2.3	-0.2	-1.4	-1.1	0.1	0.1	-0.4	-1.2	0.0	-1.0	0.1	-0.2	0.0	0.0	0.0											
4.2.2.2 Other liabilities, n.i.e.	-7.6	-17.5	-8.9	-11.4	-6.5	-5.5	-3.1	6.2	-1.7	3.2	-5.6	-7.3	-5.7	-6.0	-6.3											
<b>3. Capital and financial account balance (1+2)</b>	<b>-483.1</b>	<b>-441.8</b>	<b>592.6</b>	<b>160.6</b>	<b>82.9</b>	<b>146.3</b>	<b>79.2</b>	<b>284.2</b>	<b>360.6</b>	<b>-319.5</b>	<b>140.5</b>	<b>-21.1</b>	<b>22.0</b>	<b>256.6</b>	<b>-48.9</b>											

1) Excluding banking transactions and official reserves.

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

During period	2002 III				2003 III				2004 III			
	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>86.4</b>	<b>-62.3</b>	<b>-126.3</b>	<b>-102.2</b>	<b>-64.3</b>	<b>-4.5</b>	<b>-110.3</b>	<b>-179.1</b>	<b>105.0</b>	<b>-0.9</b>	<b>-109.9</b>	<b>-5.8</b>
A. Goods and services	91.4	5.5	-56.1	40.7	-56.9	-4.2	-68.6	-129.7	116.0	-0.8	-47.2	67.9
1. Goods	140.7	5.6	-234.1	-87.7	20.9	-2.8	-266.4	-248.3	217.8	-3.1	-292.7	-78.0
1.1 Exports f.o.b.	582.7	21.7	5.8	610.1	648.2	20.1	7.6	675.9	1,200.2	12.4	5.8	1,218.4
1.2 Imports f.o.b.	441.9	16.1	239.9	697.9	627.3	22.9	274.0	924.1	982.5	15.5	298.5	1,296.5
2. Services	-49.4	-0.1	177.9	128.4	-77.8	-1.4	197.8	118.6	-101.8	2.4	245.4	146.0
2.1 Receipts	1.7	1.7	390.5	394.0	1.5	1.0	438.5	441.0	2.4	3.9	488.1	494.4
2.2 Payments	51.1	1.8	212.6	265.5	79.3	2.4	240.7	322.4	104.2	1.6	242.6	348.5
B. Income	0.0	-67.6	-45.7	-113.4	0.0	0.0	-16.3	-16.3	0.0	0.0	-27.4	-27.4
1. Receipts	0.0	0.1	15.7	15.8	0.0	0.0	15.6	15.6	0.0	0.0	13.9	13.9
2. Payments	0.0	67.7	61.4	129.1	0.0	0.0	32.0	32.0	0.0	0.0	41.3	41.3
C. Current transfers	-4.9	-0.2	-24.5	-29.5	-7.4	-0.3	-25.4	-33.0	-10.9	-0.2	-35.2	-46.3
1. Receipts	0.0	0.0	13.7	13.7	0.0	0.0	20.1	20.1	0.0	0.0	15.7	15.7
2. Payments	4.9	0.2	38.2	43.3	7.4	0.3	45.5	53.1	10.9	0.2	50.9	62.0
<b>2. Capital and financial account (net)</b>	<b>-67.3</b>	<b>65.6</b>	<b>81.0</b>	<b>79.2</b>	<b>148.3</b>	<b>-0.1</b>	<b>-7.6</b>	<b>140.5</b>	<b>-92.0</b>	<b>-0.2</b>	<b>43.3</b>	<b>-48.9</b>
A. Capital account	0.0	0.0	2.6	2.6	0.0	0.0	-0.2	-0.2	0.0	0.0	31.1	31.1
1. Capital transfers	0.0	0.0	2.6	2.6	0.0	0.0	-0.2	-0.2	0.0	0.0	31.3	31.3
2. Acquisition/disposal of n.p.n.f. assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
B. Financial account	-67.3	65.6	78.4	76.6	148.3	-0.1	-7.5	140.7	-92.0	-0.2	12.2	-79.9
1. Direct investment	-67.3	0.0	44.1	-23.2	148.3	0.0	75.9	224.2	0.0	0.0	26.3	26.3
2. Portfolio investment	0.0	0.0	50.5	50.5	0.0	0.0	-16.3	-16.3	0.0	0.0	2.0	2.0
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	65.6	-16.2	49.4	0.0	-0.1	-67.1	-67.2	-92.0	-0.2	-16.1	-108.3
<b>3. Items not yet classified 2)</b>	<b>0.0</b>	<b>0.0</b>	<b>5.2</b>	<b>5.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>5.3</b>	<b>5.3</b>
<b>4. Overall balance (1+2+3)</b>	<b>19.1</b>	<b>3.3</b>	<b>-40.1</b>	<b>-17.7</b>	<b>84.0</b>	<b>-4.6</b>	<b>-117.5</b>	<b>-38.2</b>	<b>13.1</b>	<b>-1.1</b>	<b>-61.3</b>	<b>-49.4</b>
<b>5. Banking transactions 3)</b>	<b>-19.1</b>	<b>-3.3</b>	<b>8.9</b>	<b>-13.5</b>	<b>-84.0</b>	<b>4.6</b>	<b>92.0</b>	<b>12.6</b>	<b>-13.1</b>	<b>1.1</b>	<b>33.6</b>	<b>21.7</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>0.0</b>	<b>0.0</b>	<b>31.2</b>	<b>31.2</b>	<b>0.0</b>	<b>0.0</b>	<b>25.6</b>	<b>25.6</b>	<b>0.0</b>	<b>0.0</b>	<b>27.7</b>	<b>27.7</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	31.2	31.2	0.0	0.0	25.6	25.6	0.0	0.0	27.7	27.7

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	2000	2001	2002	2003	2002				2003				2004				
					I	II	III	IV	I	II	III	IV	I	II	III	IV	
<b>1. Exports f.o.b.</b>	<b>4,513.5</b>	<b>4,329.2</b>	<b>2,654.8</b>	<b>3,660.9</b>	<b>717.8</b>	<b>698.1</b>	<b>610.1</b>	<b>628.9</b>	<b>824.8</b>	<b>1,012.9</b>	<b>675.9</b>	<b>1,147.3</b>	<b>1,010.9</b>	<b>1,059.5</b>	<b>1,218.4</b>		
A. General merchandise	169.8	179.6	137.2	96.5	39.4	29.7	25.7	42.5	28.7	20.4	26.0	21.4	17.8	17.6	16.7		
1. Free-zone	134.6	143.5	109.4	77.6	27.5	24.0	21.6	36.3	24.1	15.0	19.8	18.8	13.8	13.8	12.4		
2. Other sectors	35.2	36.2	27.9	18.9	11.9	5.7	4.1	6.2	4.6	5.4	6.2	2.6	3.9	3.8	4.3		
B. Goods for processing	4,096.0	3,993.9	2,262.7	3,387.6	649.0	615.4	452.4	546.0	755.9	950.3	623.7	1,057.7	963.9	985.9	1,126.2		
C. Goods procured in ports by carriers	246.7	155.6	254.9	176.8	29.4	53.0	132.1	40.4	40.2	42.1	26.1	68.2	29.2	56.1	75.5		
D. Repairs on goods	0.9	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>2. Imports f.o.b.</b>	<b>4,614.2</b>	<b>4,233.1</b>	<b>3,603.8</b>	<b>4,264.3</b>	<b>939.7</b>	<b>968.8</b>	<b>697.9</b>	<b>997.5</b>	<b>1,216.5</b>	<b>951.9</b>	<b>924.1</b>	<b>1,171.9</b>	<b>1,211.9</b>	<b>1,342.7</b>	<b>1,296.5</b>		
A. General merchandise	1,505.2	1,732.1	1,736.7	1,875.9	450.5	508.1	325.6	452.5	446.0	433.4	442.9	553.5	407.0	390.3	411.9		
1. Oil sector	353.0	611.7	611.0	687.9	163.4	236.0	69.7	141.9	149.6	149.4	146.0	242.9	80.6	87.5	98.0		
2. Free-zone	130.9	134.1	96.1	66.5	32.1	22.9	16.1	25.0	16.2	14.1	22.9	13.2	13.3	9.4	15.5		
3. Other sectors	1,021.2	986.2	1,028.9	1,114.7	255.0	249.2	239.8	284.9	279.0	267.8	271.9	296.0	310.4	293.4	298.4		
B. Goods for processing	3,079.0	2,499.8	1,866.5	2,388.4	488.6	460.7	372.2	545.0	770.4	518.4	481.3	618.3	804.8	952.4	884.5		
C. Goods procured in ports by carriers	23.8	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
D. Repairs on goods	6.2	1.2	0.7	0.0	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0		
<b>3. Merchandise trade balance (1-2)</b>	<b>-100.7</b>	<b>96.1</b>	<b>-949.0</b>	<b>-603.5</b>	<b>-221.9</b>	<b>-270.7</b>	<b>-87.7</b>	<b>-368.7</b>	<b>-391.6</b>	<b>61.0</b>	<b>-248.3</b>	<b>-24.5</b>	<b>-201.1</b>	<b>-283.3</b>	<b>-78.0</b>		

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

	Can. dollar	Pound sterling	Neth. 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/EURO1 (x 100)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2000	1.215	2.740	75.304	106.012	25.299	84.843	0.857	167.047	165.948
2001	1.179	2.608	73.083	106.553	24.562	82.344	0.832	148.245	161.061
2002	1.151	2.723		115.940				144.179	170.324
2003	1.293	2.959		133.495				155.490	203.622
2002 I	1.133	2.582		106.861				135.916	157.626
II	1.162	2.646		112.721				141.974	165.382
III	1.157	2.801		120.728				150.984	176.980
IV	1.150	2.842		122.373				146.856	179.781
2003 I	1.196	2.904		131.466				151.306	193.161
II	1.291	2.938		134.452				151.838	204.539
III	1.306	2.911		130.700				153.180	202.339
IV	1.370	3.081		137.383				165.217	213.893
2004 I	1.367	3.322		143.020				167.858	224.838
II	1.328	3.265		140.733				164.081	216.769
III	1.378	3.285		142.792				163.604	219.830

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

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Can. dollar	Pound sterling	Neth. 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/EURO1)	
2000	1.200	2.690	75.800	109.200	25.460	85.400	0.860	156.990	167.030
2001	1.130	2.620	71.940	106.780	24.170	81.060	0.820	137.470	158.540
2002	1.140	2.920	129.650	145.520				151.660	188.660
2003	1.400	3.240						168.240	227.210
2002 I	1.130	2.580	106.850					135.870	156.940
II	1.200	2.780	121.690					151.810	179.450
III	1.140	2.830	121.200					148.220	177.380
IV	1.140	2.920	129.650					151.660	188.660
2003 I	1.230	2.860	132.490					151.720	196.000
II	1.330	3.230	131.990					149.700	205.570
III	1.340	3.020	135.800					162.740	209.610
IV	1.400	3.240	145.520					168.240	227.210
2004 I	1.380	3.320	140.720					173.190	219.900
II	1.340	3.270	143.150					165.150	218.660
III	1.420	3.260	143.480					162.740	223.230

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 Centrale Bank van Aruba, 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 and the Social Security Bank.

**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 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).

*Revenue and grants*

Comprise receipts recorded by the Tax Collector's Office, the Department of Finance and the Bank. Tax and nontax revenue 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.

### **Table 7.3 Government position with the monetary system**

This table covers the government’s financial position with the Centrale Bank van Aruba (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 Centrale Bank van Aruba. 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 to the Netherlands Antilles.

### **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 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. As from the fourth quarter of 1990, foreign transactions of the Refinery and its related businesses, which are settled through an intercompany account with the parent company abroad, are incorporated in the balance of payments. Changes in the balance on this account are registered as other direct investment capital.

#### *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 Netherlands 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, 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 and official transfers, i.e., workers' remittances and other current transfers of individuals as well as pension, alimony and other support remittances and grants.

**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 the accounts held with foreign banks and the parent company abroad 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 bank 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 foreign banks.

**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)**

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