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

### **1.1 Introduction**

In the second quarter of 2004 business activities expanded further spurred by a buoyant development in the tourism sector. Both stay-over tourism and their nights spent on the island again reached double-digit growth rates, resulting in a record increase in receipts from tourism. In the construction sector, however, activities weakened because of the completion of some large projects in both the private and public sector. These developments were attested in the Bank's Business Perception Survey, which indicates that entrepreneurs were generally positive on current economic conditions, and expected a further improvement in the short term.

Inflationary pressures subsided in the quarter under review. The rate of inflation measured as a 12-month moving average decelerated further to 2.4 percent. Consequently, the price differential with Aruba's major trading partner, the United States, narrowed to 0.2 percentage point, down from 2.1 percentage points in the second quarter of 2003. Contributing to this development were less erratic movements in oil prices, which led to a smaller increases in the prices of water, electricity and gasoline compared to the second quarter of 2003. Adjusted for the energy-related components, inflation fell by 0.7 percentage point to 2.0 percent.

During the quarter under review, performance in the external sector improved notably, when compared to the second quarter of 2003. The balance of payments recorded an Afl. 59 million surplus. This improvement, however, was only possible because of a foreign commercial loan acquired by the government. The subsequent expansionary effect on money supply induced by net inflow of foreign funds was completely offset by a contraction in net domestic assets. The latter was mainly attributed to a substantial increase in government deposits with the banking system, reflecting proceeds from the external loan mentioned earlier. Growth in commercial bank credit remained fairly subdued. However, when adjusting for the effect of the take-over of one bank by another, banking sector credit expanded by 3.7 percent during the first half of 2004.

Developments in the government sector continued to be worrisome. The government financial deficit almost doubled to Afl. 123 million, following higher expenditures (mainly for goods and services, wage-related expenses and interest payments), lower nontax revenues, and a significant broadening of its net lending position to finance AZV deficits incurred in previous years. The government's deficit was financed by two issuances of bonds in both the foreign and local capital markets. This led to a further rise in the debt position of the government to Afl. 1.7 billion, and the debt to GDP ratio to an estimated 47 percent.

### **1.2 The real sector**

#### *Business Perception Index*

Businesses continued to be positive about the economy for the fourth consecutive quarter, according to the Bank's Business Perception Survey (BPS). The survey of 50

businesses found somewhat more satisfaction about the short-term state of the economy than about current economic conditions. The index on current economic conditions improved by 6 percent to 105.0 (second quarter 2003: 99.4). With the exception of the sectors “electricity, gas & water supply, manufacture of refined petroleum products”, and “construction”, all sectors contributed to this perception. The index on short-term economic conditions increased by 3 percent to 108.0. In particular, the short-term perception of the construction sector turned negative, after being positive for six consecutive periods (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– increased by almost 5 percent, which is the highest growth since the third quarter of 1999. This increase was brought about by all sectors with the exclusion of the construction sector, thus in line with the aforementioned results of the BPS. The sectors “trade”, “hotels” & restaurants” and “transport storages & communication” were the main contributors to this positive outcome (see table A).

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

	<i>Share in GDP (in percent)</i>	2002	2003	2002		2003		2004	
				II	II	II	I	II	
				<i>(Period average)</i>					
Total Index	71.3	-3.0	1.0	-4.7	0.1	2.5	4.7		
a. Utilities	4.1	1.0	1.7	-2.1	2.6	-7.1	5.7		
b. Construction	8.6	-6.9	8.1	-17.5	28.3	-10.7	-12.2		
c. Trade	14.2	-2.1	-4.4	-1.5	-13.3	2.4	8.5		
d. Hotels & restaurants	10.5	-5.6	4.1	-10.8	0.3	12.5	15.3		
e. Transport, storage & communication	8.2	-0.3	-2.2	-4.4	-7.8	3.3	11.9		
f. Housing	12.6	2.8	2.5	2.8	2.8	2.7	2.5		
g. Public adm. & education	13.1	-8.0	0.1	-4.5	0.5	3.5	1.7		

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

Source: CBS.

### *Tourism*

For the second consecutive quarter both stay-over tourism and their nights spent recorded a double-digit growth, in part due to a combination of factors including marketing activities, a better performing U.S. economy, and some increased airlift. Stay-over visitors went up by 19 percent in the second quarter of 2004, compared to a 2 percent decrease in the corresponding quarter of 2003. Growth in nights spent on the island accelerated from a 4 percent increase in the second quarter of 2003 to 15 percent in the quarter under review. The average nights stayed on the island decreased slightly from 7.6 nights to 7.3 nights, because an increased preference for a shorter stay. Hotel occupancy rose by a notable 10.4 percentage points to 77.3 percent.

Growth in cruise passenger arrivals amounted to 11 percent in the second quarter of 2004, compared to a 19 percent decrease in the corresponding period of 2003. The number of ship calls remained unchanged (second quarter of 2003: -17 percent), indicating that larger ships included Aruba into their itinerary in the quarter under review (table A and statistical annex tables 1.3 and 1.4).

Preliminary survey data from the Central Bureau of Statistics indicate that the average daily rate of the hotel sector increased by 5 percent to Afl. 229, while revenue per available room surged by 25 percent to Afl. 125. Income from room tax grew by 9 percent to Afl. 6 million. Gross tourism receipts as recorded in the balance of payments surged by 24 percent to Afl. 426 million, compared to a 2 percent decrease a year earlier. Its share in total current account receipts (excluding the oil and free-zone sectors) rose by 3 percentage points to 79 percent.

**Table B: Indicators of tourism activity**

	2002	2003	2002		2003		2004	
			II	II	I	II		
1. a. Tourism receipts (x Afl. million) 1)	1,474.1	1,508.5	350.7	342.1	531.4	425.7		
b. Tourism expenditure (x Afl. million) 2)	1,170.8	1,159.5	280.1	235.9	358.7	324.4		
2. Stay-over visitors (x 1,000)	642.6	641.9	153.6	150.3	177.1	178.1		
3. Market shares (in percentage)								
a. United States	67.9	72.4	71.6	74.5	76.5	76.1		
b. Venezuela	12.7	8.5	9.3	7.7	4.9	6.8		
c. The Netherlands	4.4	5.7	4.4	5.5	5.5	4.8		
d. Colombia	3.6	1.8	3.7	1.6	1.1	1.6		
e. Other countries	11.4	11.6	11.0	10.7	12.0	10.7		
4. Visitor nights (x 1,000)	4,862.5	5,097.6	1,092.1	1,135.0	1,446.5	1,301.9		
5. Average nights spent	7.6	7.9	7.1	7.6	8.2	7.3		
6. a. Receipts per visitor night (Afl.)	303	296	321	301	367	327		
b. Average daily expenditure (Afl.) 3)	207	186	210	166	223	191		
7. Average hotel occupancy rate	71.7	74.4	68.3	66.9	84.5	77.3		
8. Average daily rate hotels (Afl.) 4)	247	239	216	218	330	229		
9. Revenue per available room (Afl.) 4)	123	123	104	100	193	125		
10. Room tax receipts (x Afl. million) 5)	24.1	25.6	5.2	5.7	9.1	6.2		
11. Cruise visitors (x 1,000)	582.2	542.3	125.9	102.2	185.2	113.2		
12. Number of cruise ship calls	337	315	64	53	100	53		
13. Contribution to current account 6)	77	76	78	76	82	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.

Stay-over visitors from the U.S. and their nights spent rose by 21 percent (second quarter 2003: +2 percent) and 19 percent (second quarter 2003: +3 percent), respectively, confirming a remarkable upturn of this market. For the second consecutive quarter, the number of Venezuelan visitors grew, i.e., by 5 percent compared to a 19 percent decline in the second quarter 2003. However, nights spent by Venezuelan tourists on the island decreased by 1 percent compared to a 17 percent jump in the corresponding quarter a year earlier. The latter was ascribed to the Easter celebration in April that year, which in 2002 was observed in March. Three percent more tourists from the Netherlands visited the island (second quarter 2003: +22 percent), but their nights spent remained virtually unchanged (second quarter 2003: +14 percent). Consequently, the U.S. market share rose slightly by 1.6 percentage points to 76.1 percent, while those of the Venezuelan and Dutch markets contracted by 0.9 percentage point and 0.7 percentage point, respectively.

### *Construction*

Import of cement dropped by 14 percent in the second quarter of 2004, reflecting the completion of some large projects including the first phase of the Marriott Surf Club and the public housing project by the Aruba Community Housing Foundation (FCCA). New electrical installations approved as registered by the Department of Technical Inspection fell by 29 percent to 574 mainly due to the categories “houses”, “apartments” and “others”. The number of construction permits granted by the Department of Public Works, indicative for pending or ongoing construction activity, rose by 20 percent, due largely to an increase in the category “houses”. However, the corresponding value fell by Afl. 3 million to Afl. 42 million, reflecting mainly a decrease in permits granted for large projects (statistical annex table 1.7).

### *Utilities*

During the second quarter of 2004 water consumption grew by 6 percent compared to virtually no change during the corresponding period a year earlier. Electricity consumption also rose by 6 percent in the period under review, in contrast to a 1 percent decline in the corresponding period a year earlier. Gas consumption went up by 1 percent compared to a 4 percent increase in the second quarter of 2003. On balance, the weighted utilities consumption index rose by 6 percent to 135.1 following a 1 percent decrease in the second quarter of 2003 (statistical annex table 1.8).

### *Oil sector*

The refinery’s throughput volume increased for the fifth consecutive quarter, now by 15 percent (second quarter 2003: +49 percent). Exports receipts from refined oil products grew by 44 percent to Afl. 1,190 million (second quarter 2003: +86 percent). Crude oil import payments went up by 81 percent to Afl. 1,105 million (second quarter of 2003: +196 percent). At the end of June 2004, 683 persons were directly employed at the refinery, i.e., 21 persons more than a year earlier (statistical annex table 1.11).

### *Merchandise trade*

Trade figures on a transaction basis, as compiled by the Central Bureau of Statistics, indicate that merchandise imports (excluding mineral fuels and free-zone goods) increased by 6 percent to Afl. 348 million, attributed to all categories with the exception of “base metals and derivated works”. Exports surged by 58 percent to

Afl. 13 million primarily because of increases in the categories “live animals and other animal products” and “other goods”. The total value of exports, however, is equivalent to a mere 4 percent of total imports. On balance, the trade deficit widened by Afl. 14 million or 4 percent to Afl. 336 million (statistical annex tables 1.9 and 1.10).

### *Price developments*

The quarterly average increase in the consumer price index decelerated further by 1.6 percentage points to 2.4 percent, reflecting lower price changes in all categories except “food” which grew by 1 percentage point to 4.1 percent (table B and statistical annex tables 1.5 and 1.6). On a twelve-month basis inflation decelerated by 1.9 percentage points to 2.4 percent. Adjusted for energy-related components (water, electricity, and gasoline) inflation fell by 0.7 percentage point to 2.0 percent.

The twelve-month average price differential with the United States—Aruba’s main trading partner—narrowed by 1.9 percentage points to 0.2 percentage point. The real exchange rate index of the Aruban florin against the U.S. dollar rose slightly to 105.0. The inflation differential with both Curaçao and the Netherlands shrank by 0.9 percentage point to respectively 1.3 percentage points and 0.7 percentage point.

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

	2002	2003	2002		2003		2004		
			II	II	I	II			
	<i>(Period average)</i>								
Total index	3.3	3.6	3.0	4.0	1.7	2.4			
a. Food	3.3	3.1	3.8	2.9	4.0	4.1			
b. Beverage & tobacco	2.4	4.4	1.1	5.7	0.7	0.7			
c. Clothing & footwear	6.8	4.5	7.4	5.0	4.9	3.7			
d. Housing	4.1	5.7	3.2	6.6	-0.6	1.7			
e. Housekeeping & furnishing	4.0	2.7	4.6	3.0	1.8	1.8			
f. Health	0.0	0.0	0.0	0.0	0.0	0.0			
g. Transport & communication	0.8	2.8	0.0	2.8	0.9	2.4			
h. Recreation & education	2.7	2.4	2.7	2.6	2.1	2.5			
i. Other	2.5	2.6	2.4	2.9	1.5	1.3			
	<i>(Twelve-month average)</i>								
Aruba	3.3	3.6	2.6	4.3	2.8	2.4			
United States	1.6	2.3	1.8	2.2	2.0	2.2			
Curaçao	0.4	2.1	0.4	2.1	1.4	1.1			
The Netherlands	3.4	2.1	4.2	2.7	1.8	1.7			
Real exchange rate index (1995=100) 1)	103.8	105.2	102.8	104.8	105.2	105.0			

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.

### 1.3 Money and credit

#### *Changes in the money supply*

In the second quarter of 2004 money supply contracted by Afl. 12 million or 1 percent to Afl. 2,243 million compared to the preceding quarter (table C and statistical annex tables 2.1, 2.2 and 2.3). Narrowly-defined money remained virtually unchanged at Afl. 958 million, because a decrease in currency in circulation was almost completely offset by an increase in demand deposits. Quasi-money—comprising time and savings deposits and treasury bills held by the public—fell by Afl. 11 million or 1 percent reflecting mainly an Afl. 25 million decrease in time deposits mainly because of maturing long-term time deposits.

The contraction in money supply was predominantly brought about by an Afl. 71 million decrease in net domestic assets. Net claims on the public sector decreased by Afl. 54 million, because of an Afl. 64 million rise in its deposits partly reflected proceeds from two bond issues. In addition, non-credit-related balance sheet items fell by Afl. 20 million. On the other hand, claims on the private sector rose slightly by Afl. 3 million, mainly on account of an Afl. 9 million (2 percent) increase in consumer credit. In contrast, loans to enterprises and housing mortgages fell by Afl. 4 million (0.5 percent) and Afl. 2 million (0.4 percent), respectively. Contrary to the expected trend, the marginal increase in the loan portfolio of the banking sector is attributed to a partial take-over of one banking institution by another. When adjusting for this effect, banking sector credit expanded by 3.7 percent during the first half of 2004.

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

	2002	2003	2002		2003		2004	
				II		II	I	II
1. Net domestic money creation	154.0	241.0	44.3	208.7	16.1	-71.4		
a. Net domestic credit	159.0	250.2	30.1	229.3	4.8	-51.3		
- Public sector	-36.2	19.1	-7.3	138.2	43.3	-54.4		
- Private sector	195.2	231.1	37.4	91.1	-38.5	3.1		
b. Other domestic factors	-5.0	-9.2	14.2	-20.5	11.3	-20.1		
2. Inflow of foreign funds 1)	39.0	-55.3	-18.0	-165.0	19.7	59.2		
a. Current account transactions	-585.2	-255.3	-181.6	151.1	18.6	-185.0		
b. Net foreign capital 2)	624.2	200.1	163.5	-316.1	1.1	244.3		
3. Broad money creation	193.0	185.7	26.3	43.8	35.8	-12.1		
a. Money	143.5	139.8	32.1	75.6	-25.0	-1.0		
b. Quasi-money	49.5	45.9	-5.9	-31.8	60.7	-11.1		
<i>(12-month percentage change)</i>	<i>(10.5)</i>	<i>(9.1)</i>	<i>(9.5)</i>	<i>(8.0)</i>	<i>(8.4)</i>	<i>(5.6)</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.

The contraction in the money supply caused by domestic factors was partly offset by an Afl. 59 million net inflow of foreign funds, largely resulting from the receipt of the proceeds of US\$ 67 million (Afl. 120 million) in government bonds issued on the international capital market. This transaction led to an Afl. 71 million (12 percent) rise in the official reserves of the Bank to Afl. 638 million, which is equal to 88 percent of the aggregated net foreign assets of the banking system. On the other hand, net foreign assets of the commercial banks dropped by Afl. 11 million to Afl. 85 million. At the end of June 2004, total net foreign assets (excluding revaluation differences of gold and official foreign exchange holdings) was Afl. 723 million. The ratio of foreign assets to money supply increased by 2.8 percentage points to 32 percent (statistical annex table 2.4).

#### *Interest rates*

The commercial banks' interest margin, measured as the difference between the weighted average lending interest rates and savings and time deposit rates of new transactions, decreased slightly by 0.2 percentage point to 6.3 percentage points, compared to the preceding quarter (statistical annex table 6.1). Interest on deposit rates edged up by 0.2 percentage point to 5.1 percent attributed mainly to higher interest rates on new short-term time deposits. The lending rate, on the other hand, remained unchanged at 11.4 percent for the third straight quarter.

The central bank interest rate on time deposits, linked to corresponding rates of the Federal Reserve Bank of New York, showed no change from the historically low levels of the third and fourth quarter of 2003 (statistical annex table 6.3). On the other hand, the cost of short-term government borrowings continued on an upward path. Illustrative is that the three-month treasury bills issues in 2004 yielded on average 1.97 percent, against 1.56 percent a year earlier. Also the yield on the Afl. 8 million six-month cash loan certificates issued in June 2004 rose to 2.29 percent, up from 2.17 percent in the December 2003 issue. In April 2004, the government brought out US\$ 67 million (Afl. 120 million) in 10-year bonds on the international capital market, while Afl. 58 million in 12-year bonds was put out locally in June 2004, both at 6.8 percent. 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 strengthened by Afl. 35 million or 2 percent to Afl. 1,604 million compared to the previous quarter, as a result of an Afl. 34 million (7 percent) increase in domestic claims on the government. In contrast, net foreign assets of the nonmonetary financial institutions fell slightly by Afl. 2 million to Afl. 422 million. The latter is equivalent to about five times the net foreign assets held by the commercial banks. On the liability side, the insurance sector reserve grew by Afl. 4 million (1 percent), while pension fund provisions remained virtually unchanged. Net other items (including errors and omissions) went up by Afl. 28 million, mainly because of a decrease in demand deposits of a number of these institutions at the commercial banks (table D and statistical annex table 5.1).

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

(End of period, in Afl. million)

	2003				2004	
	I	II	III	IV	I	II
1. Net foreign assets	330.6	336.6	335.1	377.9	424.3	422.3
2. Domestic assets	1,067.5	1,082.2	1,122.9	1,152.4	1,144.6	1,181.4
a. Government	454.8	470.2	506.9	497.5	491.5	525.0
b. Private sector	612.7	612.0	616.0	654.9	653.1	656.4
3. Total assets=total liabilities	1,398.1	1,418.7	1,458.0	1,530.4	1,568.9	1,603.7
4. Borrowings and deposits	58.4	58.8	60.4	62.0	61.9	63.2
a. Government	36.8	36.7	36.7	36.8	36.7	36.7
b. Other residents	21.6	22.1	23.6	25.2	25.1	26.5
5. Pension fund provisions	1,140.5	1,151.8	1,186.6	1,202.7	1,270.6	1,272.1
6. Insurance reserve fund	263.6	265.1	268.1	270.8	285.3	289.4
7. Other items, net	-64.4	-56.9	-57.2	-5.0	-48.9	-21.0

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

### *The mortgage market*

In the second quarter of 2004 housing mortgage loans granted by the pension funds rose by Afl. 5 million (5 percent) compared to the previous quarter. The mortgage loan portfolio of commercial banks, mortgage banks, and life insurance companies, on the other hand, remained virtually unchanged. Therefore, the market share of nonmonetary financial institutions in the total housing mortgage portfolio remained unchanged at 44 percent (table E).

**Table F: Housing mortgages**

(End of period, in Afl. million)

	2003				2004	
	I	II	III	IV	I	II
1. Total	954.1	966.7	973.8	995.8	1,004.5	1,007.5
2. Commercial banks	504.4	525.4	538.7	555.1	557.2	554.9
3. Mortgage banks	288.1	279.8	274.2	275.9	277.5	278.7
4. Pension funds	86.1	87.3	89.1	91.2	97.5	102.1
5. Life insurance companies	67.5	66.0	63.4	62.4	61.2	60.6
6. Other	8.1	8.2	8.3	11.2	11.2	11.2

Source: CBA.

## 1.5 Government finance

### *Financial operations*

In the second quarter of 2004 total government revenues on a cash basis fell by Afl. 9 million or 5 percent to Afl. 171 million compared to the corresponding quarter of 2003. This decrease in revenues was mainly brought about by an Afl. 18 million or 57 percent decline in nontax revenue, due mainly to a profit allocation by the Bank to the Treasury and a payment by the telecommunications company (SETAR) for a concession license, both in 2003. An Afl. 8 million or 5 percent rise in tax revenue partially offset this decline (table F and statistical annex tables 7.1 and 7.2).

Income and profit tax revenue rose by Afl. 7 million (9 percent) to Afl. 78 million, largely due to increased revenue from wage tax. Proceeds from taxes on commodities grew by Afl. 6 million (11 percent) to Afl. 60 million associated mainly with an Afl. 4 million or 17 percent increase in receipts from import duties. Taxes on services went up by Afl. 4 million (35 percent) to Afl. 15 million largely because of higher income from gambling licenses and hotel room tax.

According to the Bank's estimates, total expenditures went up by Afl. 10 million or 4 percent to Afl. 253 million, when compared to the second quarter of 2003. Provisional data supplied by the Department of Finance indicate that this increase was mainly brought about by an Afl. 23 million rise in goods and services, partly because of higher expenses on, among other, office supplies and professional advise. In addition, wage-related expenses rose by Afl. 8 million and interest payments went up by Afl. 7 million. Moreover, investment-related expenses increased by Afl. 2 million, because more projects were financed through the Fondo Desaroyo Aruba (FDA). In contrast, the category "items n.i.e." fell by Afl. 29 million, mainly reflecting the settlement of the racetrack issue in the second quarter of 2003 and lower current transfers in the quarter under review.

Net lending rose by Afl. 39 million to Afl. 41 million in the quarter under review, mainly because of the transfer by the government to the General Health Insurance (AZV) to cover its operational deficits incurred during the period 2001 to 2003.

Government's financial deficit on a cash basis widened to Afl. 123 million in the second quarter of 2004, up from Afl. 65 million in the corresponding quarter of 2003. This deficit was financed by the issuance of Afl. 120 million (US\$ 67 million) in bonds in April 2004. These bonds were, subsequently, almost completely sold to nonresidents. In addition, Afl. 58 million in bonds was issued on the local capital market in June 2004 to finance part of the AZV deficits incurred during the years 2001 to 2003. Part of these proceeds were temporary deposited on the government's accounts at the banking sector. Consequently, these deposits surged by Afl. 55 million to Afl. 138 million at the end of June 2004. About 48 percent of these deposits is earmarked for, amongst other, infrastructural and development projects of the FDA. Gross liabilities of government to the monetary system stabilized at Afl. 84 million (statistical annex table 7.3).

In the second quarter of 2004 outstanding government obligations were kept at Afl. 315 million. When including these obligations, the financial deficit worsened from

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

	2002	2003	2002	2003	2004	
			II	II	I	II
1. Revenue and grants	751.2	803.5	169.4	180.7	194.3	171.3
a. Tax revenue	610.0	687.4	137.0	149.9	176.2	158.1
b. Nontax revenue	103.8	86.1	32.4	30.8	18.1	13.2
c. Grants	37.4	30.1	0.0	0.0	0.0	0.0
2. Expenditure	816.4	873.6	202.9	242.5	232.4	252.7
3. Lending minus repayments 2)	-3.0	-71.1	-41.3	2.6	0.3	41.4
4. Financial deficit (-)	-62.2	1.0	7.8	-64.5	-38.6	-122.9
5. Net foreign capital	96.0	-29.0	-0.5	-99.3	-4.7	123.3
6. Net domestic capital 3)	2.5	9.0	0.0	25.5	0.0	54.0
7. Net recourse to the monetary system (-)	36.2	-19.1	7.3	-138.2	-43.3	54.4
8. Memorandum item						
a. Unmet financing requirements 4)	275.8	300.9	291.6	330.0	315.9	315.0
b. Financial deficit (-) 5)	-68.7	-24.1	-2.7	-92.1	-53.6	-122.0

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.

Afl. 92 million in the second quarter of 2003 to a notable Afl. 122 million, which is comparable to 3 percent of the estimated GDP for 2003.

### *Outstanding debt*

In the second quarter of 2004 public sector debt rose by Afl. 238 million or 17 percent to Afl. 1,677 million compared to the corresponding quarter of 2003. This debt is equivalent to 47 percent of the estimated GDP of 2003 (table G). The increase was largely brought about by an Afl. 202 million (32 percent) rise in foreign debt that resulted mainly from the borrowing of Afl. 98 million (US\$ 55 million) by the government through a private placement on the international capital market in October 2003 and the issuance in April 2004 of Afl. 120 million (US\$ 67 million) in bonds that were subsequently largely sold to nonresidents. Proceeds from both loans were used to cover budgetary deficits of the government. In addition, a 6 percent appreciation of the euro vis-à-vis the Aruban florin also contributed slightly to the increase in the foreign debt. Consequently, the foreign component reached Afl. 841 million or 50 percent of total debt of the government.

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

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

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

2) At end-of-period exchange rates.

Source: Department of Finance; APFA.

In the period under review domestic debt grew by Afl. 36 million (5 percent) to Afl. 836 million. Negotiable domestic debt rose by Afl. 54 million compared to the second quarter of 2003, due to an Afl. 58 million issuance of bonds on the local capital market in June 2004 to finance part of the AZV deficits incurred during the years 2001 to 2003. In contrast, non-negotiable domestic debt fell by Afl. 18 million (3 percent), mainly because of an Afl. 14 million decline in suppliers' credit and an Afl. 9 million decrease in private loans. In addition, payment arrears to others including the AZV declined by Afl. 5 million.

## 1.6 Balance of payments

### *Overall outcome*

In the second quarter of 2004 the balance of payments registered an Afl. 59 million surplus, compared to a notable Afl. 165 million deficit in the second quarter of 2003. This outcome was brought about by an Afl. 251 million surplus on the capital and financial account (second quarter of 2003: Afl. 318 million deficit), which was partly offset by an Afl. 185 million deficit on the current account (second quarter of 2003: Afl. 151 million surplus). Net foreign assets of the monetary sector (including revaluation differences of gold and official foreign exchange holdings) rose by Afl. 82 million, or 12 percent to Afl. 779 million. However, this should not be considered an actual improvement. After all, this increase resulted mainly from the proceeds the government received from a foreign private placement and bonds issued on the international capital market totaling US\$ 121 million (Afl. 217 million). The other economic transactions with abroad, thus excluding government's foreign commercial loans, led on balance to an Afl. 135 million decline in net foreign assets during the twelve-month period up to June 2004 (table I and statistical annex table 8.1).

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

	2002	2003	2002		2004	
			II	II	I	II
1. Current account (net)	-585.2	-255.3	-181.6	151.1	18.6	-185.0
a. Oil sector	-299.1	64.0	-128.6	234.7	-4.4	-118.4
b. Free zone	-68.0	11.5	-8.7	2.6	2.6	7.2
c. Rest of economy	-218.1	-330.9	-44.3	-86.3	20.4	-73.8
- Private sector	-108.8	-206.8	-25.1	-62.6	47.2	-47.6
- Public sector	-109.3	-124.1	-19.2	-23.7	-26.8	-26.2
2. Capital and financial account (net)	591.2	185.6	143.1	-318.4	7.0	251.1
a. Oil sector	372.1	79.4	140.9	-209.1	28.4	128.1
b. Free zone	64.3	-1.2	-0.2	3.4	-0.3	-1.9
c. Rest of economy	154.8	107.4	2.5	-112.7	-21.1	124.9
- Private sector	21.4	123.8	3.0	-1.0	-16.4	1.6
- Public sector	133.4	-16.4	-0.5	-111.7	-4.7	123.3
3. Items not yet classified 1)	33.0	14.5	20.4	2.3	-5.9	6.8
4. Overall balance (1+2+3)	39.0	-55.3	-18.0	-165.0	19.7	59.2
5. Banking transactions 2)	32.9	-9.7	7.7	27.9	1.2	11.4
6. Increase (-) in official reserves 3)	-71.9	65.0	10.3	137.1	-21.0	-70.6
Memorandum items:						
7. Official reserves (including gold)	667.9	608.9	623.8	619.7	633.4	694.2
8. a. Total reserves of the monetary sector 4)	755.5	706.2	766.7	696.5	729.5	778.9
b. In months of merchandise imports 5)						
- End-of-period	6.5	6.1	7.5	6.6	6.0	6.9
- Twelve-month average	7.3	6.7	7.0	7.3	6.4	6.4
c. In months of import payments 6)						
- End-of-period	3.5	3.3	4.3	3.7	3.4	3.7
- Twelve-month average	3.9	3.7	4.1	3.8	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.

### *Oil sector*

In the second quarter of 2004 the current account of the oil sector weakened considerably. Transactions on that account induced an Afl. 118 million deficit, after recording an Afl. 235 million surplus in the second quarter of 2003. This was mainly the result of an Afl. 372 million or 56 percent increase in import payments for crude oil and other goods (second quarter 2003: -Afl. 29 million or -4 percent). The sharp rise in import payments was only partly offset by Afl. 50 million or 5 percent higher receipts from exported oil products and goods procured in ports (second quarter 2003: +Afl. 324 million or 48 percent). On the other hand, the capital and financial account posted an Afl. 128 million surplus in the second quarter of 2004, compared to an Afl. 209 million deficit in the corresponding period a year earlier, partly because of a substantial increase in deposits held with foreign banks. The oil sector, on balance, sold Afl. 10 million in foreign exchange to the local commercial banks.

#### *Free-zone sector*

In the period under review export receipts of free-zone companies fell by Afl. 2 million (14 percent) to Afl. 14 million, while import payments (f.o.b.) decreased by Afl. 5 million (33 percent) to Afl. 9 million. In addition, net receipts from services rose by Afl. 2 million to Afl. 3 million. In the end, the overall surplus declined by Afl. 1 million to Afl. 5 million. This amount was, subsequently, sold to the local commercial banks.

#### *Rest of the economy*

In the second quarter of 2004 the current account of the rest of the economy (i.e. excluding the oil and free-zone sectors) recorded again a deficit. However, this deficit narrowed slightly to Afl. 74 million, from Afl. 86 million in the corresponding quarter a year earlier, mainly attributed to an Afl. 52 million (25 percent) increase in net receipts from services, mainly associated with an Afl. 84 million (24 percent) surge in gross tourism receipts.

In contrast, the trade account recorded an Afl. 26 million higher deficit largely because import payments of merchandise goods rose by Afl. 25 million or 9 percent to Afl. 293 million. The deficit on the income account widened to Afl. 14 million, up from Afl. 5 million in the second quarter of 2003, reflecting mainly higher dividend and other income payments to nonresidents. The deficit on the current transfer account shrank by Afl. 4 million (16 percent).

In the period under review, the capital and financial account registered an Afl. 125 million surplus compared to an Afl. 113 million deficit in the second quarter of 2003. This development was influenced primarily by a turnaround in the portfolio investment account, i.e., from an Afl. 28 million deficit to an Afl. 117 million surplus. This improvement was largely related to an Afl. 120 million borrowing by the government through a private placement on the international capital market in April 2004. In addition, the deficit in the other investment account narrowed significantly to Afl. 36 million, down from Afl. 107 million in the second quarter of 2003 when the government made an Afl. 98 million payment to SACE as part of a settlement of liabilities arising from guarantees issued in the past. Moreover, the surplus on the direct investment account expanded by Afl. 10 million to Afl. 46 million, partly associated with higher receipts from timeshare sales, while the deficit on the capital account declined to Afl. 3 million from Afl. 13 million in the second quarter of 2003. The latter reflected a liability settlement by the government ensuing from guaranties given out to developers of the racetrack in the second quarter of 2003.

During the quarter under review, the external transactions of the rest of the economy resulted on balance in an Afl. 44 million inflow of funds from abroad compared to an Afl. 197 million outflow in the second quarter of 2003.





## **II. Notices and articles**

## 2.1 A REFLECTION OF PERSEVERANCE AND RESILIENCE

*Address by Drs. R. Henriquez, President of the Centrale Bank van Aruba, on the occasion of the official opening of Aruba Bank's new head office November 20, 2004*

The Honorable Governor of Aruba, Mr. Refunjol; Prime Minister Mr. Oduber; Chairman of Parliament, Mr. Werleman; Board and management of Aruba Bank, ladies and gentlemen.

I am very pleased to have the opportunity to address you on this joyous occasion of the official opening of the new head office of Aruba Bank here at Camacuri.

Aruba Bank N.V. was founded in 1925 as the first bank on the island. During the 79 years since then, Aruba Bank has demonstrated endurance and professionalism, and confidence in the economy of Aruba. It showed its support when Aruba went through periods of recession and strong economic growth and when Aruba entered a new and uncertain constitutional phase, the Status Aparte. Management and staff persevered during trying times to remain one of the larger commercial banks on our island.

Since its establishment, Aruba Bank has shown resilience in facing challenges and overcoming hardships. It made a significant contribution to the economic development of the island by among other things, providing the financial means for investments in both large and small projects, financing housing mortgages for Aruban families, and keeping up with the modernization process in the banking sector, thereby improving its efficiency and service to its clients.

We are now standing at this building and looking towards the future for Aruba Bank. This bright future is also our scope of reflection on the Aruban economy. An economy that during 2001 and 2002 endured a recession with a gross domestic product shrinking by an estimated 3 percent on a cumulative basis. However, stimulated by a more favorable external environment, the economy started to show signs of a recovery in 2003. Its production volume rebounded by 1.5 percent spurred by the positive development in tourism, as well as in investments. Estimates indicate that our economy is expected to grow further by 3 percent in 2004, and 3 to 3.5 percent growth is expected for the next year.

In particular, the tourism sector, the mainstay of our economy, has shown a remarkable rebound. During the first nine months of 2004, tourism picked up considerably. Nights spent by stay-over visitors went up by 11 percent more than the corresponding period a year earlier, and surpassed the level reached in 2000. The average hotel occupancy rate grew by 7 percentage points to 81 percent. Cruise tourism also improved. Passenger arrivals rose by almost 2 percent compared to a decline of 9 percent during the corresponding period a year earlier. The improvement in the tourism sector was also reflected in higher receipts. During the first six months of 2004, these receipts rose by

23 percent, compared to a decrease of almost 2 percent during the same period in 2003.

Entrepreneurs have a renewed optimism about short-term economic prospects. This optimism is reflected in the notable rise in private sector investments, particularly in the tourism sector, which include expansions of existing hotels and construction of new hotels and other tourist facilities. In addition, the public sector implemented several projects, including some infrastructural works, either financed with budgetary funds or through the Fondo Desaroyo Aruba.

Inflationary pressures are currently rather subdued. At the end of September 2004, inflation measured 2.3 percent, down from 4.1 percent at the end of September 2003. Consequently, the price differential with the United States, Aruba's main trading partner, shrank to zero, thus improving Aruba's competitive position. Estimates indicate that the rate of inflation in 2004 is expected to be lower than in 2003, but may rekindle again in 2005, depending on developments in the international oil market and the emerging economic recovery, which could trigger an increasing scarcity of labor, thus leading to higher wage costs.

One major concern of the Centrale Bank van Aruba (the Bank) is the continued pressure being exerted on the foreign exchange reserves. As the guardian of the value of the Aruban florin, the Bank implements its monetary policy with the aim of safeguarding financial stability and maintaining confidence in the currency peg of the florin with the U.S. dollar. To achieve this goal, a comfortable level of foreign exchange reserves should be maintained. Having a coverage ratio of international reserves of over 6 months of merchandise imports would seem quite comfortable. However, these reserves are under increasing pressure because of a persisting and widening deficit on the current account (excluding the oil and free-zone sectors) of the balance of payments. This deficit is caused mainly by increasingly higher imports of goods, largely reflecting an excessive liquidity creation and lending within the banking sector. In 2003, the mentioned deficit amounted to Afl. 330 million.

This continued current account deficit is unsustainable for a small and open economy like Aruba's. To reduce the pressure on the foreign exchange reserves, the Bank resorted to a tighter monetary policy at the beginning of 2004. This policy is geared towards containing the excessive growth in bank lending, which is induced by the consumptive urge of the public and the excess liquidity within the banking sector. This policy seems to be bearing some fruits. During the first nine months of 2004, banking sector credit grew by almost 6 percent, about half of the credit expansion experienced in 2003. Still, it is troublesome that consumer credit has maintained the strong growth rate of a year earlier.

Another concern of the Bank is the structural weakness in public finances. The excessive consumptive spending of the government is largely the result of the large wage bill, the budgetary contributions to the civil servants' pension fund, and the general health insurance. These spending categories absorb a notable 92 percent of total tax revenue, leaving little room for investments and repaying debt. Consequently,

to cover its budgetary deficits and to refinance maturing debt, the government resorts regularly to commercial borrowings on the domestic as well as the international capital market, thereby pushing up its outstanding debt. As of the end of September 2004, total government debt reached Afl. 1.7 billion, equivalent to 47 percent of the GDP of 2003.

The expansionary debt policy of the government also exerts a temporary upward effect on the level of foreign exchange reserves. However, this effect is not a real improvement because the increase was brought about by borrowed reserves and not as a result of the actual production process. In this context, I should mention that during the first nine months of 2004, net foreign assets increased by Afl. 39 million to Afl. 683 million. Yet, this rise was caused mainly by a substantial Afl. 119 million increase in the government's foreign commercial loans. The other foreign economic transactions, on the other hand, led to an Afl. 80 million decline in net foreign assets during the indicated period, with the current account (excluding oil and free-zone sectors) showing a deficit of Afl. 99 million.

In the past, the Bank has issued recommendations to the government to solve its structural problems with respect to the size and quality of the public service apparatus, the pension system for civil servants, and the general health insurance. Given the effect of budgetary and debt policy on the level of foreign exchange reserves and, thus, ultimately on financial stability, it is of utmost importance for the government to re-evaluate its policy and seriously consider the implementation of these recommendations without further delay. It is worth mentioning the importance of periodic consultation visits of an independent institution like the International Monetary Fund. During these visits, this distinguished institution assesses recent economic, financial, fiscal, and monetary developments. In this context, the delegation also evaluates the effects of the relevant policies on the economy. Their next visit will take place from January 12 to 19, 2005. Many of you here present will have the opportunity to meet the delegation and discuss these matters with them. Afterwards they will issue their findings and recommendations in a report. It is very important that we all take note of these recommendations and implement them as much as possible for the benefit of Aruba.

In conclusion, I can say that after years of building up the economy, we are now facing economic challenges more related to the consolidation of the economy. Even though the future looks bright, measures must still be taken. But I am confident that with both the private and public sectors doing their part and cooperating with each other, the resilience of the Aruban economy will once more be demonstrated. I again congratulate the Board, management, and staff of Aruba Bank upon the opening of their new head office. May the future be even more exciting and fruitful than the past years. "Masha pabien y hopi exito."

Thank you for your attention.



## 2.2 DE BETALINGSBALANS VAN ARUBA IN 2003

*Een artikel van E.E. Matos-Pereira, econoom bij de afdeling Economisch Beleid.*

### 1. Inleiding

De Arubaanse betalingsbalans geeft weer de economische transacties van Aruba met het buitenland gedurende een bepaalde periode. De betalingsbalansstatistieken worden door de Centrale Bank van Aruba (de Bank) op kasbasis<sup>1</sup> opgesteld en gepubliceerd in haar kwartaal- en jaarverslagen. De betalingsbalans van Aruba is gebaseerd op de opgaven die de Bank van de deviezenbanken en de overige financiële instellingen en economische sectoren ontvangt met betrekking tot het betalings- en verrekeningsverkeer tussen ingezetenen en niet-ingezetenen.

In dit artikel worden de belangrijkste ontwikkelingen die in 2003 op de betalingsbalans van Aruba hebben plaatsgevonden beschreven (zie tabel 1). Er zal worden nagegaan welke factoren de resulterende saldi op de deelrekeningen van de betalingsbalans, te weten de lopende rekening en de kapitaal- en financiële rekening, kunnen verklaren. Op de lopende rekening worden onderscheiden de transacties in de goederen- en dienstensfeer, de inkomenssfeer<sup>2</sup> en de inkomensoverdrachtensfeer<sup>3</sup>. De kapitaal- en de financiële transacties met het buitenland zijn terug te vinden op de kapitaal- en financiële rekening. In deze analyse worden de bijdragen van de diverse sectoren in de Arubaanse economie aan de betalingsbalans beschreven, waarbij een onderscheid wordt gemaakt tussen de oliesector, de vrije-zone sector, de overheid en de overige ingezetenen.

**Tabel 1: Betalingsbalans (in Afl. miljoenen)**

	2001	2002	2003
Saldo lopende rekening	594,3	-585,2	-255,3
Saldo kapitaal- en financiële rekening	-440,8	591,2	185,6
Nog te rubriceren posten <sup>1)</sup>	-23,9	33,0	14,5
Saldo	129,7	39,0	-55,3
Transacties van het bankwezen <sup>2)</sup>	18,5	32,9	-9,7
Toename (-) officiële reserves <sup>3)</sup>	-148,2	-71,9	65,0

<sup>1)</sup> Inclusief statistische verschillen.

<sup>2)</sup> Een negatief (-) teken impliceert een toename van de activa en een afname van de passiva.

<sup>3)</sup> Exclusief herwaarderingsverschillen.

Bron: CBA.

<sup>1</sup> Dit houdt in dat de transacties worden bijgeschreven op de betalingsbalans op het moment dat de betalingen cq. ontvangsten plaatsvinden.

<sup>2</sup> Op de inkomensrekening worden de primaire inkomensstromen geregistreerd. Op deze rekening worden de beloning van werknemers en inkomen uit vermogen vermeld. Het inkomen uit vermogen bestaat uit rente en dividenden.

<sup>3</sup> Onder de inkomensoverdrachten vallen onder meer pensioenpremies en -uitkeringen, schadeverzekeringspremies en -uitkeringen, bijdragen aan het Solidariteitsfonds en overmakingen van werknemers van buitenlandse afkomst naar het buitenland.

## 2. De lopende rekening

### 2.1 Totale economie

Het tekort op de lopende rekening liep terug van Afl. 585,2 miljoen in 2002 tot Afl. 255,3 miljoen in 2003, oftewel tot 7,1 procent van het bruto binnenlands product (bbp). Deze positieve ontwikkeling deed zich voor in zowel de goederen- en dienstensfeer als de inkomenssfeer. Het tekort op de goederen- en dienstenrekening en dat op de inkomensrekening namen af met respectievelijk Afl. 216,3 miljoen tot Afl. 35,3 miljoen en Afl. 144,2 miljoen tot Afl. 67,1 miljoen (zie tabel 2). Daarentegen steeg de netto uitgaande inkomensoverdrachtenstroom met Afl. 30,6 miljoen tot Afl. 152,9 miljoen.

**Tabel 2: Lopende transacties van Aruba met het buitenland (in Afl. miljoenen)**

	2001	2002	2003
Saldo goederen- en dienstenverkeer	774,6	-251,6	-35,3
Saldo inkomensrekening	-77,6	-211,3	-67,1
Saldo inkomensoverdrachtenrekening	-102,6	-122,3	-152,9
Saldo op de lopende rekening	594,3	-585,2	-255,3
- w.v. oliesector	621,1	-299,1	64,0
- w.v. vrije-zone sector	-16,8	-68,0	11,5
- w.v. overhead	-68,2	-109,3	-124,1
- w.v. overige ingezetenen	58,2	-108,8	-206,8

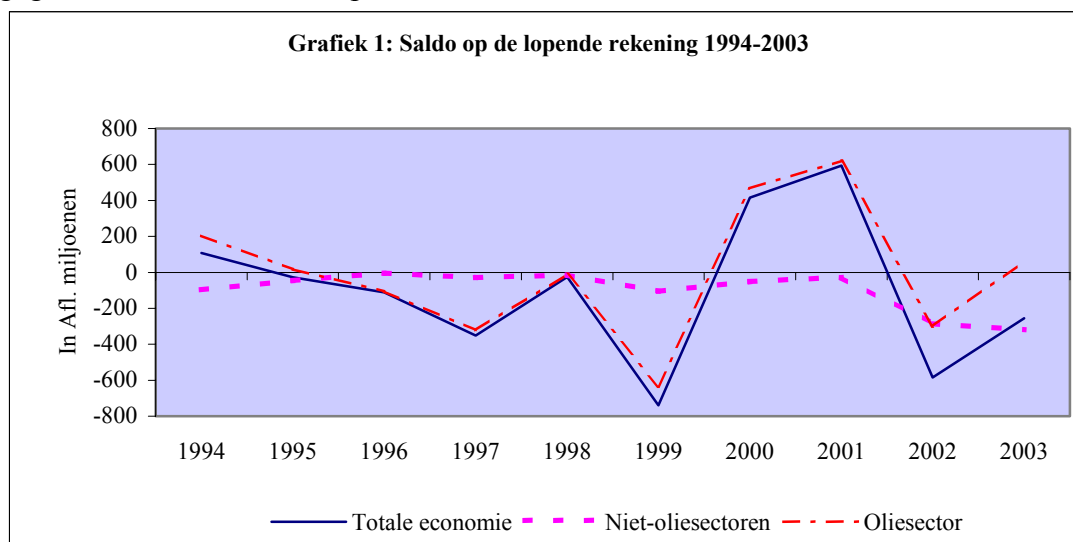
Bron: CBA

De verkleining van het tekort op de lopende rekening werd voornamelijk teweeggebracht door de transacties van de oliesector en de vrije-zone sector. Daarentegen droegen de transacties van de overheid en de overige ingezetenen negatief bij aan de verkleining van het tekort op de lopende rekening. In de paragrafen 2.2 tot en met 2.5 worden de saldi op de lopende rekening van de verschillende sectoren nader besproken.

Het saldo op de lopende rekening voor Aruba als geheel werd in het afgelopen decennium in grote mate bepaald door de transacties van de oliesector (zie grafiek 1). Met name het aandeel van deze sector in het goederenverkeer van Aruba met het buitenland is heel groot. Bijvoorbeeld in 2003 was het aandeel van de oliesector in de totale uitvoer en de totale invoer van goederen respectievelijk 97 procent en 72 procent.

Zoals uit grafiek 1 blijkt was er in het afgelopen decennium voornamelijk sprake van tekorten op de lopende rekening met uitzondering van de jaren 1994, 2000 en 2001. Laatstgenoemde perioden lieten nogal hoge netto-exporten van de oliesector zien. De niet-oliesectoren hebben tezamen in de periode 1994–2003 alleen tekorten op de lopende rekening van de betalingsbalans gekend. Deze tekorten werden voornamelijk veroorzaakt door de tekorten op de goederenrekening. Het dienstenverkeer vertoonde echter overschotten in dezelfde periode. Dit reflecteert dan ook de productiestructuur

van de Arubaanse economie, waarbij circa 87 procent van de toegevoegde waarde gegenereerd wordt door de productie van diensten.



## 2.2 Oliesector

In 2003 nam de productie van geraffineerde olieproducten fors toe en wel met 20,6 procent (zie tabel 3), nadat deze in 2002 met 18,6 procent was gedaald onder meer als gevolg van een brand in de raffinaderij in april 2001 en de productieproblemen die daarna ontstonden, alsmede door electriciteitsuitval in 2002. Mede door de hogere productie steeg in dat jaar de export van olieproducten met Afl. 1.046 miljoen of 41,6 procent tot Afl. 3.559 miljoen. Ook de invoer van olieproducten en overige goederen nam toe en wel met Afl. 598,9 miljoen of 24,2 procent. Doordat de goederenuitvoer sneller steeg dan de goedereninvoer was er sprake van een aanzienlijke stijging van het overschot in het goederenverkeer van deze sector.

**Tabel 3: Lopende transacties van de oliesector (in Afl. miljoenen)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Uitvoer van goederen	4.142,1	2.513,0	3.559,0
Invoer van goederen	3.111,5	2.477,5	3.076,4
-w.v. uit hoofde van veredeling	2.499,8	1.866,5	2.388,4
Saldo goederenrekening	1.030,7	35,5	482,6
Uitvoer van diensten	8,1	7,4	8,0
Invoer van diensten	380,3	314,5	391,5
Saldo dienstenrekening	-372,1	-307,1	-383,5
Saldo goederen- en dienstenverkeer	658,5	-271,6	99,1
Saldo inkomensrekening	0,0	0,0	-0,4
Saldo inkomensoverdrachtenrekening	-37,4	-27,5	-34,7
Saldo lopende rekening	621,1	-299,1	64,0
<i>Aantal geraffineerde vaten (x1000)</i>	64.327	52.383	63.155

Bron: CBA

De toegenomen tekorten in het dienstenverkeer, op de inkomens- en inkomensoverdrachtenrekening droegen echter negatief bij aan de verbetering van de lopende rekening van de oliesector. Met name de uitgaven aan vervoersdiensten en de inkomensoverdrachten in de vorm van betaalde premies uit hoofde van transportverzekeringen namen scherp toe. Deze hogere uitgaven zijn direct gerelateerd aan de gestegen importen van goederen.

Per saldo hadden deze transacties een omslag in het saldo van de lopende transacties met het buitenland tot gevolg en liet de oliesector in 2003 een overschot van Afl. 64,0 miljoen zien, nadat er in 2002 een tekort van Afl. 299,1 miljoen werd geregistreerd.

### 2.3 Vrije-zone sector

Het tekort op de lopende rekening van de vrije-zone sector in 2002 van Afl. 68 miljoen sloeg in 2003 om in een overschot van Afl. 11,5 miljoen (zie tabel 4). Deze verbetering deed zich met name voor in de inkomenssfeer. In tegenstelling tot 2002, waarin hoge bedragen aan dividenden werden uitbetaald aan niet-ingezetenen vooruitlopend op de introductie van het Nieuw Fiscaal Raamwerk (NFR) per 1 januari 2003, werden er in 2003 geen inkomensafdrachten geregistreerd.

**Tabel 4: Lopende transacties van de vrije-zone sector (in Afl. miljoenen)**

	<i>2001</i>	<i>2002</i>	<i>2003</i>
Uitvoer van goederen en diensten	148,9	115,0	85,9
Invoer van goederen en diensten	149,2	106,4	73,7
Saldo goederen- en dienstenverkeer	-0,3	8,6	12,3
Saldo inkomensrekening	-15,9	-75,6	0,0
Saldo inkomensoverdrachtenrekening	-0,6	-1,0	-0,7
Saldo lopende rekening	-16,8	-68,0	11,5

Bron: CBA

Voorts steeg het overschot op de goederen- en dienstenrekening met Afl. 3,7 miljoen of 43 procent tot Afl. 12,3 miljoen. Dit gebeurde echter tegen de achtergrond van gedaalde in- en uitvoer. De wederuitvoer van goederen vertoont sinds 1997 een dalende tendens met uitzondering van het jaar 2001. De totale waarde van de wederuitvoer van goederen is sinds 1997 beduidend afgenomen en wel van Afl. 527,4 miljoen tot Afl. 79,1 miljoen in 2003.

### 2.4 Overheid

In 2003 was het tekort op de lopende rekening uit hoofde van de transacties van de overheid met het buitenland verder toegenomen tot Afl. 124,1 miljoen oftewel tot 3,4 procent van het bbp (zie tabel 5). Dit is met name veroorzaakt door de verslechtering in de goederen- en dienstensfeer van deze sector en deels door de toename van het tekort in de inkomenssfeer. De waarde van geïmporteerde goederen en diensten steeg met Afl. 8,8 miljoen of 11 procent hoofdzakelijk als gevolg van de toegenomen overmakingen aan overheidsvertegenwoordigers en toeristenbureaus in het buitenland.

Derhalve hebben deze transacties met name betrekking op de diensten die de overheid aantrekt uit het buitenland.

**Tabel 5: Lopende transacties van de overheid (in Afl. miljoenen)**

	2001	2002	2003
Saldo goederen- en dienstenverkeer	-54,9	-80,0	-88,8
Saldo inkomensrekening	-15,9	-20,9	-28,5
Saldo inkomensoverdrachtenrekening	2,6	-8,4	-6,8
Saldo lopende rekening	-68,2	-109,3	-124,1

Bron: CBA

Volledigheidshalve dient er opgemerkt te worden dat het goederen- en dienstenverkeer, zoals gepresenteerd in tabel 5, slechts betrekking heeft op de direct door de overheid geïmporteerde producten. Daarnaast koopt de overheid producten, die in het buitenland worden gemaakt, bij lokale bedrijven. Wanneer ook met de importen van deze producten rekening gehouden wordt, zal blijken dat de overheid een groter aandeel heeft in het saldo op de lopende rekening dan het directe saldo vermeld in tabel 5.

Het tekort op de inkomensrekening moet uitsluitend worden toegeschreven aan interestbetalingen aan het buitenland uit hoofde van aangetrokken buitenlandse leningen. Deze betalingen bedroegen Afl. 28,5 miljoen in 2003, hetgeen Afl. 7,6 miljoen hoger was dan in 2002. Dit was het gevolg van een stijging van de buitenlandse overheidsschuld van Afl. 393,1 miljoen per eind 2001 tot Afl. 730,4 miljoen per eind 2003.

## 2.5 Overige ingezetenen

In tabel 6 wordt de lopende rekening van de overige ingezetene bedrijven en particulieren gepresenteerd. Zoals uit deze tabel blijkt nam het tekort op de lopende rekening verder toe met maar liefst Afl. 98 miljoen tot Afl. 206,8 miljoen. Dit hangt samen met de omslag van het overschot op de goederen- en dienstenrekening in 2002 in een tekort en het toegenomen tekort op de inkomensoverdrachtenrekening.

De verslechtering van het saldo op de goederen- en dienstenrekening werd tweeweggebracht door een opmerkelijke stijging van de invoer van goederen en diensten met respectievelijk Afl. 85,6 miljoen (8,3 procent) en Afl. 119 miljoen (17,4 procent) als gevolg van een groei van de binnenlandse aankopen van goederen en diensten door ingezetene bedrijven en particulieren. Volgens gegevens van de Nationale Rekeningen<sup>4</sup> was het aandeel van de invoer van goederen in de totale binnenlandse aankopen van goederen gemiddeld 63,8 procent in de periode 1999–2002. Het aandeel van de invoer van diensten in de totale binnenlandse aankopen van diensten was 20,8 procent in dezelfde periode. Hieruit kan worden geconcludeerd dat bij een stijging van de

<sup>4</sup> Zie de publicatie “National Accounts of Aruba 1999-2002” van het Centraal Bureau voor de Statistiek (Oktober 2003).

binnenlandse vraag naar goederen en diensten ook de invoer van deze producten zal toenemen.

**Tabel 6: Lopende transacties van overige ingezetenen (in Afl. miljoenen)**

	2001	2002	2003
Uitvoer van goederen	43,0	32,1	22,8
Invoer van goederen	983,5	1.025,6	1.111,2
Saldo goederenrekening	-940,5	-993,5	-1.088,4
Uitvoer van diensten	1.765,2	1.770,6	1.835,3
- w.v. uit hoofde van toerisme	1.464,1	1.474,1	1.508,5
Invoer van diensten	653,4	685,7	804,7
Saldo dienstenrekening	1.111,8	1.084,9	1.030,6
Saldo goederen- en dienstenverkeer	171,3	91,4	-57,8
Saldo inkomensrekening	-45,8	-114,8	-38,1
Saldo inkomensoverdrachtenrekening	-67,2	-85,4	-110,7
- w.v. overmakingen van werknemers van buitenlandse afkomst naar het buitenland	-56,5	-79,7	-92,9
- w.v. overige overdrachten	-10,7	-5,7	-17,7
Saldo lopende rekening	58,2	-108,8	-206,8

Bron: CBA

De exportopbrengsten uit hoofde van diensten namen ook toe en wel met Afl. 64,7 miljoen of 3,7 procent. Deze opbrengsten bestonden hoofdzakelijk uit ontvangsten uit hoofde van toerisme met een aandeel van 82,2 procent in de uitvoer van diensten. De ontvangsten uit hoofde van toerisme waren ondanks een stijging van de toeristenovernachtingen met 4,8 procent met slechts 2,3 procent toegenomen als gevolg van een daling in de gemiddelde bestedingen per toerist per dag.

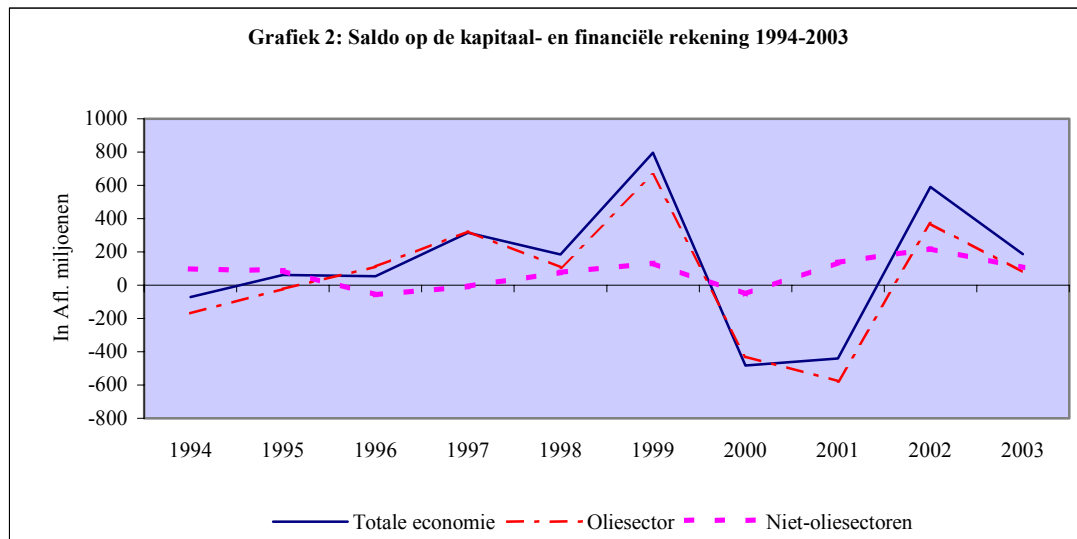
Het tekort op de inkomensrekening nam ten opzichte van 2002 af met Afl. 76,7 miljoen tot Afl. 38,1 miljoen, omdat in 2002 hoge dividenden werden uitbetaald aan het buitenland in verband met de introductie van het Nieuw Fiscaal Raamwerk (NFR) per 1 januari 2003.

Het tekort op de inkomensoverdrachtenrekening nam toe van Afl. 85,4 miljoen in 2002 tot Afl. 110,7 miljoen in 2003 onder meer als gevolg van de toegenomen overmakingen van werknemers van buitenlandse afkomst aan familieleden in het buitenland. Deze stegen met Afl. 13,2 miljoen tot Afl. 92,9 miljoen. Daarnaast namen de overige overdrachten toe met Afl. 12 miljoen tot Afl. 17,7 miljoen. Deze overige overdrachten bestonden voornamelijk uit netto betaalde schadeverzekeringspremies en pensioenovermakingen naar het buitenland.

### 3. De kapitaal- en financiële rekening

Het tekort op de lopende rekening van Afl. 255,3 miljoen werd gedeeltelijk bekostigd door een netto kapitaalimport uit het buitenland ten bedrage van Afl. 185,6 miljoen. Het resterende tekort, rekening houdend met de nog te rubriceren posten, werd gefinancierd door de intering van Afl. 55,3 miljoen op de deviezenreserves van de monetaire sector (zie tabel 1).

In 2003 werd de kapitaal- en financiële rekening gedomineerd door de transacties van de oliesector, waarbij de intercompany leningen van de moedermaatschappij een belangrijke rol speelden. Dit is consistent met het verloop van het saldo op de kapitaal- en financiële rekening van het afgelopen decennium dat over het algemeen een kapitaaltoevoer liet zien (zie grafiek 2). Deze kapitaaltoevoer werd gebruikt voor de financiering van de lopende tekorten in dezelfde periode. De inkomende kapitaalstroom (exclusief de kapitaaloverdrachten en de aan- en verkopen van niet-geproduceerde niet-financiële activa) resulteerde in een toename van de buitenlandse vorderingen op Aruba. Zo is de buitenlandse schuld van Aruba (exclusief de oliesector) toegenomen van Afl. 1.284,7 miljoen per eind 2000 tot Afl. 1.759,2 miljoen per eind 2003<sup>5</sup>. Slechts in 1994, 2000 en 2001 vertoonde de kapitaal- en financiële rekening tekorten, oftewel een kapitaalafvloeiing welke werd veroorzaakt door de oliesector. In die drie jaren kende deze sector hoge netto-exporten waardoor de moedermaatschappij geen intercompany leningen moest verstrekken om tekorten aan te zuiveren. Daarentegen werden de opbrengsten uit hoofde van de netto-exporten gebruikt om de bestaande intercompany leningen gedeeltelijk af te lossen.



<sup>5</sup> Zie het artikel van M.M. Tromp-Gonzalez "De buitenlandse schuld van Aruba", Quarterly Bulletin 2003-IV, Centrale Bank van Aruba.

### 3.1 De kapitaalrekening

Het overschot op de kapitaalrekening daalde in 2003 met Afl. 29,4 miljoen tot Afl. 7,4 miljoen (zie tabel 7). Dit was het resultaat van onder meer een daling van de netto inkomende kapitaaloverdrachten van de overheid van Afl. 25,3 miljoen tot Afl. 12,1 miljoen. Namelijk, in 2003 ontving de Arubaanse overheid Afl. 7,4 miljoen minder aan schenking van de Nederlandse overheid bestemd voor het Fondo Desaroyo Aruba (FDA) dan in 2002. Daarentegen heeft de Arubaanse overheid Afl. 17,9 miljoen betaald voor de afwikkeling van de racetrackproblematiek. Voorts veroorzaakten de transacties van de overige ingezetenen voor een netto kapitaaluitvoer van Afl. 4,8 miljoen als gevolg van wijziging van ingezetenschap door migratie, hetgeen een negatieve invloed heeft gehad op het overschot op de kapitaalrekening.

**Tabel 7: Kapitaalrekening (in Afl. miljoenen)**

	2001	2002	2003
Saldo kapitaalrekening	-1,9	36,8	7,4
- w.v. oliesector	0,0	0,0	0,0
- w.v. vrije-zone sector	0,0	0,0	0,0
- w.v. overheid	0,0	37,4	12,1
- w.v. overige ingezetenen	-1,9	-0,6	-4,8
- w.v. kapitaaloverdrachten uit hoofde van migratie	-2,0	1,8	-4,8

Bron: CBA

### 3.2 De financiële rekening

De financiële rekening gaf in 2003 een overschot van Afl. 178,2 miljoen oftewel Afl. 376,2 miljoen kleiner dan in 2002 (zie tabel 8). Dit kleiner overschot werd veroorzaakt door de transacties van de oliesector, de overheid en de vrije-zone sector. Daarentegen nam het overschot op de financiële rekening van de overige ingezetene bedrijven en particulieren verder toe.

**Tabel 8: Financiële rekening (in Afl. miljoenen)**

	2001	2002	2003
Saldo directe investeringen	-490,3	476,2	303,0
Saldo effectenverkeer	72,8	131,5	89,9
Saldo financiële derivaten	0,0	-0,1	0,0
Saldo overige financiële transacties	-21,4	-53,1	-214,8
Saldo financiële rekening	-438,9	554,4	178,2
- w.v. oliesector	-577,8	372,1	79,4
- w.v. vrije-zone sector	2,1	64,3	-1,2
- w.v. overhead	28,0	96,0	-28,6
- w.v. overige ingezetenen	108,8	22,0	128,6

Bron: CBA

### 3.2.1 Oliesector

De financiële rekening van de oliesector werd in de periode 2001-2003 praktisch uitsluitend beïnvloed door de transacties gerelateerd aan de intercompany leningen tussen de oliesector en de moedermaatschappij die als directe investeringen in de financiële rekening tot uiting worden gebracht. Het overschot op de financiële rekening van de oliesector nam in 2003 af met Afl. 292,7 miljoen tot Afl. 79,4 miljoen. Dit werd veroorzaakt door een forse daling van de directe investeringen als gevolg van opgenomen intercompany leningen. De reden hiervan was dat de omslag van het tekort op de lopende rekening van deze sector in 2002 in een overschot in 2003 tot minder concernleningen heeft geleid.

**Tabel 9: Financiële rekening van de oliesector (in Afl. miljoenen)**

	2001	2002	2003
Saldo directe investeringen	-576,4	373,0	80,8
Saldo effectenverkeer	0,0	-0,9	-1,5
Saldo financiële derivaten	0,0	0,0	0,0
Saldo overige financiële transacties	-1,3	0,0	0,0
Saldo financiële rekening	-577,8	372,1	79,4

Bron: CBA

### 3.2.2 Vrije-zone sector

De financiële rekening van de vrije-zone sector vertoonde in 2003 een tekort van Afl. 1,2 miljoen in tegenstelling tot een overschot van Afl. 64,3 miljoen in 2002 (zie tabel 10). Deze omslag werd veroorzaakt doordat in 2002 een significant bedrag aan leningen werd opgenomen door deze sector voor de financiering van de reeds genoemde hoge dividenduitkeringen aan het buitenland in dat jaar.

**Tabel 10: Financiële rekening van de vrije-zone sector (in Afl. miljoenen)**

	2001	2002	2003
Saldo directe investeringen	0,4	0,0	-0,1
Saldo effectenverkeer	-1,6	0,0	0,0
Saldo financiële derivaten	0,0	0,0	0,0
Saldo overige financiële transacties	3,3	64,3	-1,1
Saldo financiële rekening	2,1	64,3	-1,2

Bron: CBA

### 3.2.3 Overheid

In 2003 leverden de financiële transacties van de overheid per saldo een afvloeiing van kapitaal naar het buitenland van Afl. 28,6 miljoen in vergelijking met een

kapitaalinvvoer van Afl. 96 miljoen in 2002 (zie tabel 11). De oorzaak van deze verandering was dat in 2003 Afl. 98,5 miljoen werd betaald aan de Italiaanse exportkredietverzekeraar SACE in verband met de afwikkeling van de hotelgarantieproblematiek. Bovendien nam de kapitaalinvvoer door de emissie van overheidsobligaties en overige buitenlandse commerciële leningen af van Afl. 109,2 miljoen in 2002 tot Afl. 85,9 miljoen in 2003.

**Tabel 11: Financiële rekening van de overheid (in Afl. miljoenen)**

	2001	2002	2003
Saldo directe investeringen	0,0	0,0	0,0
Saldo effectenverkeer	41,5	109,2	85,9
Saldo financiële derivaten	0,0	0,0	0,0
Saldo overige financiële transacties	-13,5	-13,2	-114,5
Saldo financiële rekening	28,0	96,0	-28,6

Bron: CBA

### 3.2.4 Overige ingezetenen

Het overschot op de financiële rekening als gevolg van de transacties van de overige ingezetene bedrijven en particulieren met het buitenland steeg in 2003 met Afl. 106,6 miljoen tot Afl. 128,6 miljoen door een stijging van de inkomende directe investeringen in Aruba (zie tabel 12). De netto directe investeringen in Aruba stegen fors met Afl. 145,7 miljoen of 134,3 procent ten opzichte van 2002 als gevolg van de toegenomen investeringen in onroerend goed waaronder de aankopen van timeshare-eenheden door niet-ingezetenen.

**Tabel 12: Financiële rekening van de overige ingezetenen (in Afl. miljoenen)**

	2001	2002	2003
Saldo directe investeringen	85,7	103,2	222,3
- w.v. in Aruba	113,0	108,5	254,2
- w.v. in het buitenland	-27,4	-5,3	-31,9
Saldo effectenverkeer	32,9	23,1	5,5
- w.v. netto aankopen (-) buitenlandse effecten	43,8	30,7	-27,7
- w.v. netto verkopen (+) binnenlandse effecten	-10,9	-7,6	33,2
Saldo financiële derivaten	0,0	-0,1	0,0
Saldo overige financiële transacties	-9,8	-104,2	-99,2
- w.v. netto ontvangsten (+) opgenomen leningen van de overige ingezetenen	4,0	-20,1	-44,6
- w.v. netto ontvangsten (+) uit hoofde van overige vorderingen cq. verplichtingen	-13,9	-84,1	-54,6
Saldo financiële rekening	108,8	22,0	128,6

Bron: CBA

In 2003 ontvingen de overige ingezetenen per saldo Afl. 5,5 miljoen uit hoofde van het effectenverkeer. Dit was in 2002 veel hoger en wel Afl. 23,1 miljoen. De belangrijkste verklaring hiervoor is dat in 2003 buitenlandse effecten werden gekocht ad Afl. 27,7 miljoen, terwijl in 2002 sprake was van een netto verkoop van buitenlandse effecten van Afl. 30,7 miljoen. Daarentegen hebben buitenlandse beleggers voor Afl. 33,2 miljoen aan binnenlandse effecten gekocht in 2003 tegenover een netto verkoop van Afl. 7,6 miljoen in 2002. Deze instroom bestond praktisch uitsluitend uit schuldpapier. In 2003 emitteerde het telecommunicatiebedrijf SETAR namelijk in verband met zijn privatisering obligaties ten bedrage van U.S.\$ 50,3 miljoen (Afl. 90 miljoen), waarvan U.S.\$ 22,5 miljoen (Afl. 40,3 miljoen) in het buitenland werd geplaatst.

De overige financiële transacties zorgden voor een kapitaaluitvoer van Afl. 99,2 miljoen in 2003. De private sector (exclusief de oliesector en de vrije-zone sector) loste namelijk per saldo Afl. 44,6 miljoen aan leningen in het buitenland af, oftewel Afl. 24,5 miljoen meer dan in 2002. Daarnaast bedroeg de kapitaaluitvoer uit hoofde van de overige vorderingen cq. verplichtingen Afl. 54,6 miljoen, hetgeen grotendeels bestond uit mutaties op buitenlandse bankrekeningen van ingezetenen.

#### **4. Conclusies**

De lopende rekening registreerde in 2003 voor het tweede opeenvolgend jaar een tekort. Dit tekort werd gefinancierd met middelen verkregen uit het buitenland en door de intering op de deviezenreserves van de monetaire sector.

Zowel de lopende rekening als de kapitaal- en financiële rekening werden in 2003 gedomineerd door de transacties van de oliesector. De omvang van de goederenstroom en de daarmee gerelateerde directe investeringenstroom in de vorm van intercompany leningen was aanzienlijk in vergelijking tot de transacties van de overige sectoren. De omslag in het saldo van de lopende transacties van de oliesector met het buitenland had dan ook tot gevolg dat het tekort op de lopende rekening als geheel beduidend afnam en wel van Afl. 585,2 miljoen in 2002 tot Afl. 255,3 miljoen in 2003.

De niet-olie sectoren zorgden samen voor een tekort op de lopende rekening op de betalingsbalans. Dit tekort nam in 2003 verder toe voornamelijk als gevolg van een groei van de binnenlandse aankopen van goederen en diensten. Bovendien droegen de toegenomen rentebetalingen door de overheid en de overmakingen van werknemers van buitenlandse afkomst naar hun familieleden in het buitenland bij aan dit tekort.

De netto kapitaalinvloer in 2003 bedroeg Afl. 185,6 miljoen, hetgeen Afl. 405,6 miljoen lager was dan in 2002. Zoals al eerder is vermeld werd deze daling hoofdzakelijk teweeggebracht door de directe investeringen in de oliesector. Het kapitaal- en financiële verkeer met het buitenland werd voorts beïnvloed door verminderde ontvangsten uit hoofde van de Nederlandse ontwikkelingshulp, alsmede incidentele factoren, waaronder de afwikkeling van de hotelgarantieplichtingen en de racetrackproblematiek.

## 2.3 THE ECONOMY OF ARUBA FROM A REAL SECTOR PERSPECTIVE

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### 1 The economy in general terms

The economy of Aruba grew slightly in 2003 after two years of economic recession (see table 1). On average, the economy grew by only 0.6 percent during the last five years, lower than that of some of the larger world economies including the United States, Japan, France and Germany, and several major Latin American and Caribbean countries.

**Table 1: Real GDP**

In percentages changes (1995=100)

	1999	2000	2001	2002	2003	2004f	2005f
<b>1. Aruba</b>	<b>1.1</b>	<b>3.7</b>	<b>-0.7</b>	<b>-2.6</b>	<b>1.4</b>	<b>3.0</b>	<b>3.5</b>
2. World	3.7	4.7	2.4	3.0	3.9	5.0	4.3
a. United States	4.4	3.7	0.8	1.9	3.0	4.3	3.5
b. Japan	0.2	2.8	0.4	-0.3	2.5	4.4	2.3
3. Euro area	2.8	3.5	1.6	0.8	0.5	2.2	2.2
a. France	3.2	4.2	2.1	1.1	0.5	2.6	2.3
b. Germany	2.0	2.9	0.8	0.1	-0.1	2.0	1.8
c. The Netherlands	4.0	3.5	1.4	0.6	-0.9	1.1	1.8
4. Latin America							
a. Brazil	0.8	4.4	1.3	1.9	-0.2	4.0	3.5
b. Colombia	-4.2	2.9	1.4	1.6	3.7	4.0	4.0
c. Mexico	3.6	6.6	-0.2	0.8	1.3	4.0	3.2
d. Venezuela	-6.0	3.7	3.4	-8.9	-7.6	12.1	3.5
5. Selected Caribbean countries							
a. Antigua and Barbuda	4.9	3.3	1.5	2.1	2.5	1.0	0.5
b. Bahamas	5.9	4.9	-3.1	-0.1	1.9	3.0	3.5
c. Barbados	0.5	2.4	-3.4	-0.5	2.2	3.0	2.5
d. Dominica	1.6	1.4	-4.2	-4.7	0.0	1.0	2.0
e. Dominican Republic	8.1	7.8	4.0	4.3	-0.4	-1.0	3.2
f. Jamaica	-0.2	0.9	1.1	1.5	2.2	1.6	1.6
g. Netherlands Antilles	-0.7	-2.0	0.6	0.4	1.4	1.0	1.5
h. Puerto Rico	4.1	3.0	1.6	-0.2	1.9	3.0	3.0
i. Trinidad & Tobago	4.4	7.3	4.0	7.1	13.1	6.2	6.3

Source: CBA; CBS; IMF; Latin American Monitor; Government Development Bank of Puerto Rico; Fitch Ratings.

f = forecasted by IMF, Fitch Ratings, or Government Development Bank of Puerto Rico.

The expectations for Aruba for 2004 and 2005 are quite optimistic, mainly because of the initiation of several investment projects in both the private and public sectors. Economic growth in both years is expected to be higher than in most of the major Caribbean islands and the Euro area but will remain below that of several of the major Latin American countries as well as the United States.

In nominal terms, the Aruban economy grew by 5.2 percent in 2003, predominantly related to higher investments by the private sector (see table 2 and annex 1). Consumption activities by both the private and public sectors also contributed to this growth. Investments are expected to continue at a high level in 2005 as a number of large projects, in particular in the hotel sector, are currently being initiated, and the government is also investing more, mainly through the Fondo Desaroyo Aruba. On the other hand, exports of goods and services decreased by 1 percent, while imports grew remarkably by 5.4 percent. Between 1995 and 2003, the average annual contribution of net exports<sup>1</sup> to the GDP amounted to minus Afl. 59 million. This deficit was mainly brought about by the negative contribution of several types of goods and services, including “food products, beverage and tobacco, textiles apparel and leather products,” “other transportable goods, except metal products, machinery and equipment,” “metal products, machinery and equipment,” and expenditures made abroad by Aruban residents (see annex 2).<sup>2</sup> On average, about 55 percent of the total export of goods and services emanated from tourism activities (see annex 3). Continued deficits in overall net exports can have serious implications for the sustainability of the current account.

**Table 2: GDP and its main components**

Annual percentage changes					
	1999	2000	2001	2002	2003
1. Nominal (= 1 + 2 + 3 +4 – 5)	3.5	7.9	2.2	0.7	5.2
2. Consumption	5.7	5.2	5.1	7.2	5.5
a. Household	6.9	3.9	2.9	5.1	6.0
b. Government	2.9	8.5	10.0	11.7	4.5
3. Gross capital formation	0.8	-14.1	-6.7	4.6	23.3
a. Private	5.7	-11.6	-5.8	4.1	20.4
b. Public	2.5	-30.8	-2.0	-21.3	128.0
c. Changes in inventory	-43.1	-41.9	-34.5	60.6	19.9
4. Exports of goods and services	3.8	0.4	-0.4	-3.9	-1.0
5. Imports of goods and services	4.7	-9.5	-0.6	4.1	5.4
6. Consumer price index (1995=100)	2.3	4.1	2.9	3.3	3.7
7. Real gross domestic product	1.1	3.7	-0.7	-2.6	1.4

Source: CBA; CBS.

The ratio of consumption to GDP for Aruba was on average about 76 percent during 1999 – 2003, and has been increasing since 2001. The ratio of investment to GDP

accounted for virtually the remaining part of the GDP. Net exports of goods and services was on average negative (see annex 4).

GDP per capita grew by 3.3 percent to US\$ 21,158 (Afl. 37,873) in 2003. The average GDP per capita during the last five years was slightly above US\$ 20,000, one of the highest in the Caribbean region (see table 3).<sup>3</sup> Aruba's GDP per capita was on average equal to about 57 percent of that of the United States, about 82 percent of that of the selected Euro countries (i.e., France, Germany, and the Netherlands), and 3 to 10 times larger than that of a number of major Latin American countries.

**Table 3: GDP per capita**

In US\$

	1999	2000	2001	2002	2003
<b>1. Aruba</b>	<b>19,215</b>	<b>20,514</b>	<b>20,672</b>	<b>20,486</b>	<b>21,158</b>
2. World					
a. United States	33,197	34,775	35,507	36,398	37,819
b. Japan	35,202	37,431	32,757	31,220	33,678
3. Selected Euro area					
a. France	23,961	21,673	21,699	23,560	28,635
b. Germany	25,715	22,816	22,561	24,119	29,173
c. The Netherlands	25,321	23,425	24,054	26,094	31,721
4. Selected Latin American countries					
a. Brazil	3,197	3,604	3,013	2,689	2,837
b. Colombia	2,072	2,000	1,935	1,836	1,741
c. Mexico	4,976	5,957	6,274	6,425	6,112
d. Venezuela	4,357	5,015	5,166	3,787	3,338
5. Selected Caribbean nations					
a. Antigua and Barbuda	9,716	9,915	10,368	10,681	11,124
b. Bahamas	15,307	16,469	16,287	16,380	16,866
c. Barbados	9,313	9,687	9,495	9,616	9,979
d. Dominica	3,734	3,769	3,710	3,536	3,554
e. Dominican Republic	2,142	2,396	2,587	2,494	1,860
f. Jamaica	2,839	2,835	2,963	2,914	2,962
g. Netherlands Antilles	13,169	14,204	14,915	15,652	16,188
h. Puerto Rico	10,099	10,877	11,508	11,693	12,239
i. Trinidad & Tobago	5,318	6,485	7,004	6,989	8,311

Source: CBA; CBS; IMF; Junta de Planificacion de Puerto Rico.

## 2 Price developments

Inflation measured as the 12-month moving average of the consumer price index recorded 4.0 percent in 2000 because of increases in international prices for oil, but dropped back to 2.9 percent in 2001. Since then, it has been increasing and reached 3.6 percent in 2003, slightly below the level of 2000. The average inflation between 1999-2003 reached 3.2 percent, 0.7 percentage point higher than that of its main trading

partner, the United States. The average inflation differential with the Netherlands amounted to +0.1 percentage point, while the differential with the Netherlands Antilles was +1.2 percentage point.

Aruba's average inflation was higher than that of Antigua and Barbuda, Bahamas, Barbados, and Dominica, and lower than that of the Dominican Republic, Jamaica, Puerto Rico, and Trinidad & Tobago (see table 4).

**Table 4: Annual inflation**

	1999	2000	2001	2002	2003	2004f	2005f
<b>1. Aruba</b>	<b>2.3</b>	<b>4.0</b>	<b>2.9</b>	<b>3.3</b>	<b>3.6</b>	<b>2.7</b>	<b>3.7</b>
2. World	5.1	4.3	4.1	3.5	3.7	3.8	3.6
a. United States	2.2	3.4	2.8	1.6	2.3	3.0	3.0
b. Japan	-0.3	-0.9	-0.8	-0.9	-0.2	-0.2	-0.1
3. Selected Euro area	1.1	2.0	2.4	2.3	2.1	2.1	1.9
a. France	0.6	1.8	1.8	1.9	2.2	2.4	2.1
b. Germany	0.6	1.4	1.9	1.3	1.0	1.8	1.3
c. The Netherlands	2.0	2.3	5.1	3.9	2.2	1.3	1.0
4. Selected Latin American countries							
a. Brazil	4.9	7.1	6.8	8.4	14.8	6.6	5.9
b. Colombia	10.9	9.2	8.0	6.3	7.1	6.0	5.0
c. Mexico	16.6	9.5	6.4	5.0	4.5	4.4	4.0
d. Venezuela	23.6	16.2	12.5	22.4	31.1	23.7	31.3
5. Selected Caribbean nations							
a. Antigua and Barbuda	1.1	0.7	1.0	2.2	2.5	2.5	2.5
b. Bahamas	1.3	1.6	2.0	2.1	2.8	2.5	2.0
c. Barbados	1.6	2.4	2.8	0.2	1.5	1.5	2.0
d. Dominica	1.2	-7.3	1.6	0.1	1.6	2.3	1.5
e. Dominican Republic	6.5	7.7	8.9	5.2	27.4	55.5	18.6
f. Jamaica	6.3	7.7	8.0	6.5	7.0	7.0	7.0
g. Netherlands Antilles	0.8	5.0	1.8	0.4	1.9	2.5	2.5
h. Puerto Rico	5.7	6.4	6.3	6.1	7.5	8.0	6.7
i. Trinidad & Tobago	3.4	5.6	3.2	4.3	3.0	4.0	3.0

Source: CBA; CBS; IMF; Government Development Bank (Puerto Rico); Latin America Monitor Fitch Rating.

f = forecasted by IMF, Fitch Ratings, CBA, or Government Development Bank of Puerto Rico.

For 2004 and 2005, Aruban inflation is expected to reach 2.7 percent and 3.7 percent, respectively.<sup>4</sup> The figure for 2004 is slightly lower than that of the United States, but the differential against this country is expected to increase again in 2005. Therefore, a worsening of Aruba's competitive position, in particular against its major trading partner, the United States, is expected.<sup>5</sup>

Estimations by the Bank indicate that local inflation accounted for about 60 percent of the total inflation between 1999-2003, and for more than two-thirds in the period 1997-

2003 (see table 5).<sup>6</sup> The energy component, comprising price movements in gasoline, water, and electricity, accounted on average for about 22 percent of the total inflation between 1999 and 2003, 16 percent of which was directly induced. The prices of imported goods and services (excluding oil) accounted on average for 19 percent of the total inflation between 1999 and 2003, 13 percent of which was directly induced.

**Table 5: Composition of Aruba's inflation**

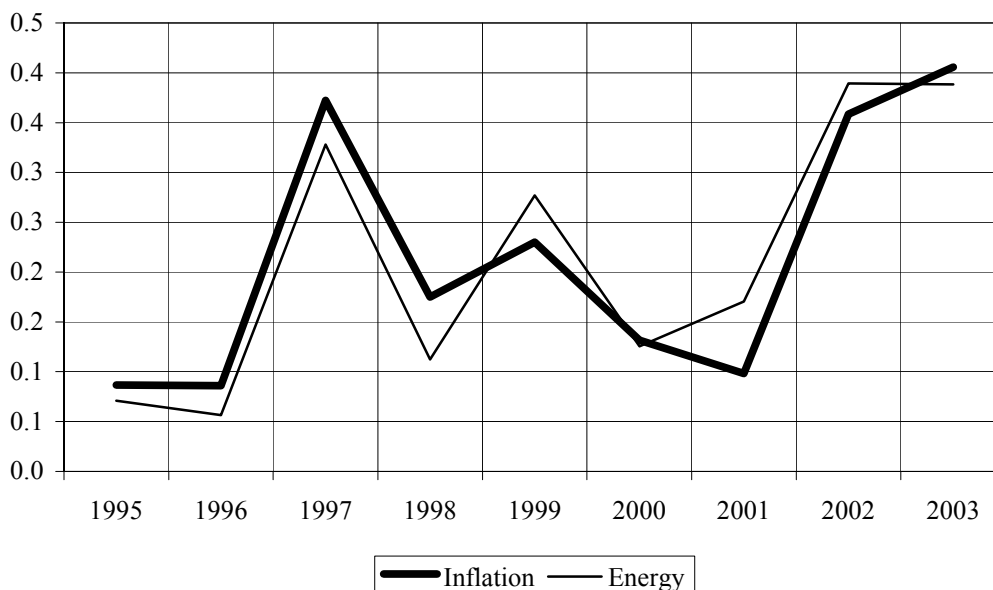
	Imported inflation						Total imported inflation	Local inflation	Total inflation
	Direct			Indirect					
	Energy	Other	Total	Energy	Other	Total			
1999	-0.1	-0.1	-0.3	0.1	-0.1	0.0	-0.2	2.5	2.3
2000	1.6	1.0	2.7	0.5	0.5	1.0	3.6	0.4	4.0
2001	-0.2	0.1	0.0	-0.1	0.1	-0.1	-0.1	3.0	2.9
2002	0.0	0.2	0.2	0.0	0.1	0.1	0.3	3.0	3.3
2003	1.2	1.0	2.2	0.4	0.4	0.8	3.0	0.6	3.6
Average	0.5	0.4	1.0	0.2	0.2	0.4	1.3	1.9	3.2

Source: Ridderstaat (2004)

### Box 1: Volatility in inflation

The volatility in Aruba's inflation, measured by the standard deviation, has been fluctuating since 1995 and has been on an increasing path since 2001. The variability movement was fairly congruent ( $R^2 = 0.94$ ) with the volatility in the energy component of the inflation, which comprises gasoline, water, and electricity, thus leading to the conclusion that the fluctuation in the inflation during this period was determined mainly by price fluctuations in the energy component.

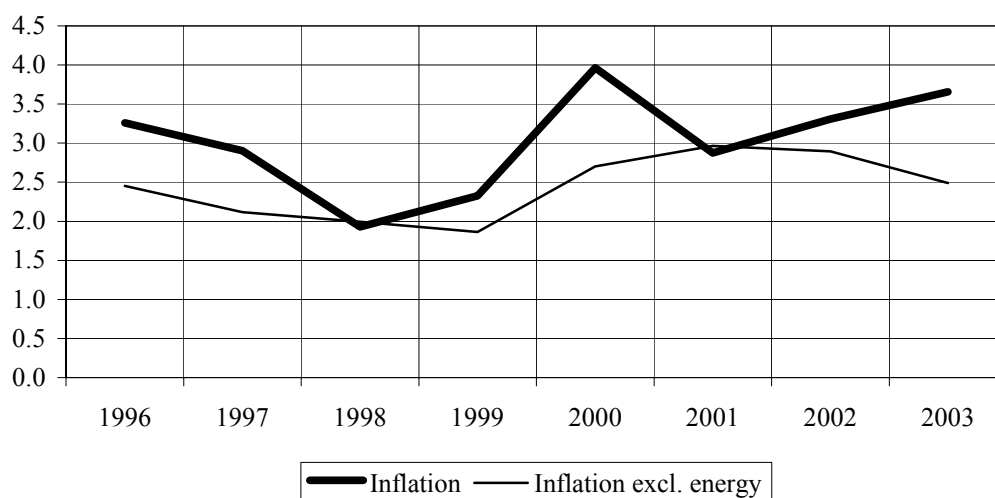
Chart: Volatility in inflation and energy



## Box 2: Inflation and inflation excluding energy

The variability of the energy component has a significant influence on the variability of Aruba's inflation. Between 1996 and 2003, the inflation varied between 1.9 percent and 4.0 percent. When this energy component is excluded from the inflation, the latter varies between 1.9 percent and 3.0 percent and, thus, has a much smoother movement (see chart).

Chart: Inflation and inflation excl. energy



### 3 Tourism

Tourism, measured in the number of stay-over visitors, was performing rather poorly in the early months of 2001, just before the events on September 11, 2001. In that year, a 4.1 percent decrease was registered. Moreover, while early estimations<sup>7</sup> indicated an improvement by mid-2002, the number of visitors decreased further by 7.1 percent in that year. Obviously the recovery would take much longer than previously anticipated. While the U.S. market started to show a slight recovery as of September 2002, the Venezuelan market was trailing badly, fueled by the socioeconomic and political instability in that country. The initial improvement in the U.S. market could not counteract the contraction in the Venezuelan market. Consequently, the total number of visitors in 2003 remained virtually unchanged (see table 6).

On the other hand, the number of nights these visitors spent on the island recovered as of October 2002, because these tourists, mainly from the United States, chose to extend their vacations. While a 5.5 percent decrease in nights spent was registered in 2002, a 4.8 percent increase was recorded in 2003. Consequently, the average hotel occupancy rate rose by 2.5 percentage points in 2003, following a 3.6 percentage points decrease a year earlier. On average, nearly 75 percent of the available hotel rooms was occupied between 1999-2003. Cruise tourist arrivals decreased 6.8 percent in 2003, and the

number of ship calls fell by virtually the same amount (6.5 percent). On average, the number of cruise visitors and port calls rose by 18.7 percent and 6.1 percent, respectively, between 1999-2003.

Compared to the Caribbean, both Aruba's stay-over and cruise tourism market shares contracted slightly in 2003. On average, the stay-over market share of Aruba in the Caribbean reached 3.7 percent, and its cruise market share amounted to 3.1 percent.

**Table 6: Indicators of tourism activity**

	1999	2000	2001	2002	2003
1. a. Tourism receipts (in Afl. million)	1,401.7	1,447.7	1,466.6	1,476.2	1,510.2
b. Tourism expenditure (in Afl. million)	1,184.3	1,319.3	1,327.5	1,170.8	1,159.5
c. Tourism receipts (as a percentage of GDP)	45.5	43.5	43.2	43.1	42.0
d. Tourism expenditure (as a percentage of GDP)	38.4	39.7	39.1	34.2	32.2
e. Tourism receipts per capita (in Afl.)	15,634	15,979	15,964	15,819	15,891
f. Tourism expenditure per capita (in Afl.)	13,209	14,562	14,449	12,547	12,201
2. a. Stay-over visitors (in thousands)	683.3	721.2	691.4	642.6	641.9
b. Stay-over visitors per 1,000 inhabitants	7,621	7,961	7,526	6,886	6,762
3. Market shares (in percentages)					
a. United States	61.8	63.5	64.9	67.9	72.4
b. Venezuela	15.2	15.5	15.8	12.7	8.5
c. The Netherlands	4.7	4.2	4.1	4.4	5.7
d. Colombia	4.3	4.3	3.5	3.6	1.8
e. Other countries	14.0	12.5	11.7	11.4	11.7
4. Visitor nights (in thousands)	5,143.3	5,247.8	5,144.6	4,862.5	5,097.6
5. Average nights spent	7.5	7.3	7.4	7.6	7.9
6. a. Receipts per visitor night (in Afl.)	273	276	285	304	296
b. Average daily expenditure (in Afl.)	197	204	211	207	186
7. Average hotel occupancy rate	77.0	75.9	75.5	71.9	74.4
8. Average daily rate hotels (in Afl.)	217	230	243	247	239
9. Revenue per available room (in Afl.)	124	128	135	123	123
10. Room tax receipts (in Afl. million)	18.6	22.5	25.8	24.1	25.6
11. Cruise visitors (in thousands)	289.1	490.0	487.3	582.2	542.3
12. Number of port calls	230	331	298	337	315
13. Contribution to the current account (in percentages) 1]	72.7	72.7	74.7	76.6	75.9
14. Aruba's market share in the Caribbean					
a. Stay-over tourism	3.4	3.6	4.0	3.8	3.5
b. Cruise tourism	2.4	3.5	3.4	3.7	2.6

Source: ATA; CBA; CBS; Department of tax collection.

1] On a cash basis, excluding the oil and free zone sectors.

Tourism receipts, as recorded on a cash basis in the balance of payments, grew by 2.3 percent in 2003, i.e., by then the highest growth rate since 2000. On average, tourism receipts grew by 2.9 percent during the period between 1999 and 2003, while its contribution to the current account (excluding oil and free-zone sectors) reached nearly 75 percent. In contrast, tourism expenditure, calculated by the CBS through a periodic

survey, recorded a 1 percent decrease in 2003. On average, a 1.1 percent increase was recorded during the period 1999-2003. The difference in outcome between these indicators is heavily dependent on the different methodologies used (see box 3)

### **Box 3: Tourism receipts versus tourism expenditure**

<b>Criteria</b>	<b>CBA (tourism receipts)</b>	<b>CBS (tourism expenditure)</b>
1. Definition	All goods and services acquired by travelers from the economies in which they are traveling and for their own use. The goods and services may be paid for by the traveler or on his or her behalf.	All travel-related expenditures made by stay-over visitors, before, during, and immediately after a trip. Total tourism expenditure is the tourism expenditure in Aruba plus an estimation of the accommodation part of prepaid packages.
2. Point of view	Supply side (shops, restaurants, etc.).	Demand side (stay-over visitors).
3. Source of definition	I.M.F. Balance of Payments Manual (5th Ed.).	World Tourism Organization.
4. Method of collecting data	Certain transactions of local foreign exchange banks and foreign (bank) accounts held by residents (using pre-agreed codes).	Nonrandom survey at the airport (about 1,125 respondents each quarter).
5. Registration method	Cash basis.	Transaction basis (accrual basis).
6. Adjustment to data	Correction of misused codes.	Sample data are elevated to macro totals by calculating and imputing accommodation part of prepaid packages.
7. Type of tourism covered	Stay-over and cruise tourism.	Stay-over tourism.
8. Major flaws	Local debit/credit card use by Aruban residents (overstatements possible).	A] Expenses made in pre-paid packages for goods and services other than accommodation (e.g., transportation, meals and drinks, tours, etc.) are not included in tourism expenditures (understatement possible).  B] Cruise tourism not included (understatement).
9. Availability	Since 1973 (annual basis) and Since 1992 (quarterly basis).	Since 1996 (annual and quarterly basis).

**Sources: CBA, CBS.**

### Box 4: Volatility in stay-over tourism and cruise tourism

The volatility in stay-over tourism started to increase in 2000 and grew even stronger in 2001. The latter was mainly attributed to the events of September 11. In 2002 and 2003, the volatility remained on a slightly higher level. This implies an increased uncertainty about the outcome of stay-over tourism in the last four years up to 2003. This uncertainty was predominantly brought about by the United States and (to a lesser extent) the Venezuelan markets. The other major markets, on the other hand, show a quite stable development.

Cruise tourism has experienced a stronger volatility since 1997, indicating a relatively higher uncertainty about its outcome since that year. One possible factor affecting this development is the number of (mega) ship calls.

Chart: Volatility in stay-over tourism

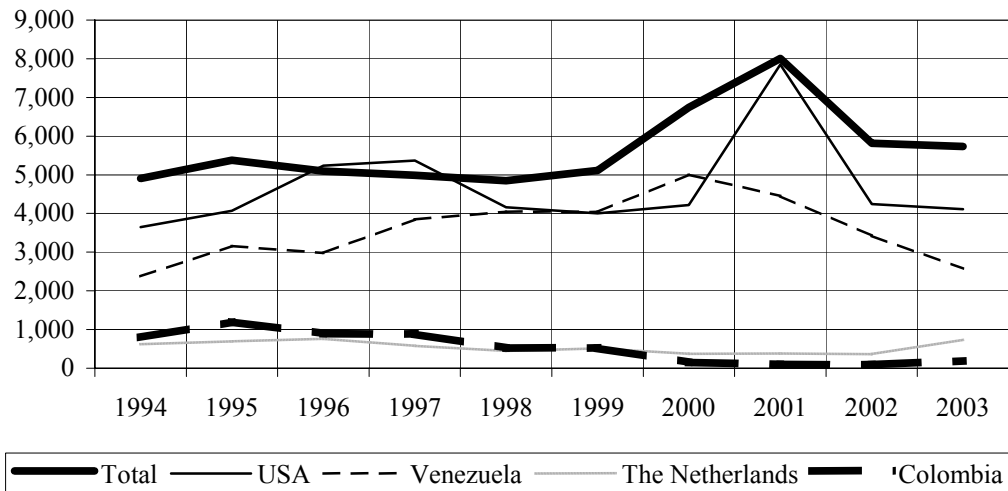
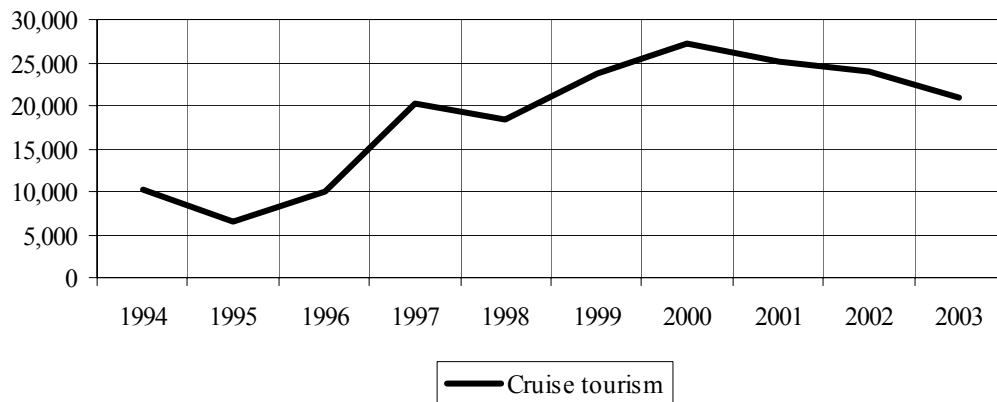


Chart: Volatility in cruise tourism



**Table 7: Direct and indirect contribution<sup>8</sup> of travel and tourism to the economy**

	1999	2000	2001	2002	2003	2004f
<b>Aruba</b>	<b>60.2</b>	<b>46.2</b>	<b>59.8</b>	<b>55.7</b>	<b>53.5</b>	<b>54.5</b>
Bahamas	53.7	54.9	54.6	50.0	52.1	56.0
Barbados	45.1	45.0	42.9	47.6	47.9	52.2
Belize	24.5	23.9	23.2	23.1	21.8	23.5
Bermuda	29.7	27.2	24.3	22.5	22.8	24.1
British Virgin Islands	95.2	95.2	95.2	95.2	95.2	95.2
Cuba	13.5	13.3	12.7	12.2	12.5	13.7
Curaçao	8.1	5.3	6.4	6.2	5.8	6.7
Dominica	25.0	24.2	24.6	23.5	22.3	25.1
Dominican Republic	23.2	22.7	21.4	21.6	22.0	25.5
Grenada	27.5	27.6	25.4	25.9	25.9	27.8
Guadeloupe	27.2	31.0	27.1	25.2	25.6	26.9
Guyana	12.7	14.5	11.8	10.4	10.4	11.4
Haiti	5.5	5.7	5.1	4.9	4.8	4.5
Jamaica	31.4	32.1	31.5	29.7	32.5	36.0
St. Kitts and Nevis	33.5	28.0	28.8	26.4	26.5	30.1
St. Lucia	57.5	49.7	44.8	41.9	42.5	47.9
St. Vincent	31.8	31.5	32.0	31.8	31.4	34.1
Suriname	7.9	7.0	5.6	3.9	4.4	4.8
Trinidad & Tobago	12.5	11.5	10.7	10.5	10.4	10.8

Source: WTTC.

f = forecasted by WTTC.

Table 7 provides an estimation of the contribution of tourism to GDP for Aruba as well as several other Caribbean islands for the period 1999-2004, as estimated by the World Travel and Tourism Council (WTTC). Most islands are expected to see an increase in their tourism contribution to the GDP in 2004. Aruba's contribution in 2004 is expected to increase by 1 percentage point to 54.5 percent of GDP. On a worldwide scale, Aruba ranks 8<sup>th</sup> in the group of countries expected to produce the largest contribution of tourism relative to the GDP.<sup>9</sup>

#### **4 Transport activities**

Overall air transportation was slightly lower in 2003. The number of air passengers decreased by 6.3 percent compared to a year earlier, because of a substantial decrease in the number of transit passengers. The latter was attributed mainly to the rerouting by the Dutch airline KLM of some weekly flights to Bonaire. This change in venue also led to a 9.9 percent decrease in the number of commercial aircraft landings and a 3.2 percent decrease in air transportation revenues.

The number of harbor calls rose by 1.6 percent, due to a 15.6 percent increase in small ships. Pilotage dues decreased by about 10 percent<sup>10</sup> (see table 8).

**Table 8: Transport activities**

	1999	2000	2001	2002	2003
1. Number of airport passengers	1,872,230	1,985,739	1,800,737	1,663,853	1,558,493
a. Arrived	859,642	907,340	821,454	759,085	761,044
b. Departed	827,289	874,648	804,331	751,106	764,101
c. Transit	185,299	203,751	174,952	153,662	33,348
2. Number of aircraft landings	17,758	18,254	17,283	16,874	15,642
a. Commercial	13,931	14,931	13,886	13,761	12,394
b. Noncommercial	3,827	3,323	3,397	3,113	3,248
3. Air transportation revenues (in Afl. million)	33.3	40.4	37.7	34.8	33.7
a. Landing revenues	4.4	4.5	4.2	3.8	3.3
b. Passenger facility charges	29.0	35.9	33.5	31.1	30.4
4. Number of harbor calls	3,270	3,307	2,630	2,727	2,770
5. Pilotage dues (in Afl. million)	1.0	1.1	1.0	1.0	0.9

Source: CBS.

## 5 Labor market developments

According to estimations by the Centrale Bank van Aruba, the unemployment rate remained virtually unchanged in 2003, compared to a year earlier (see table 9). While the number of employed persons grew by about 1,048 (2.4 percent) and the number of unemployed persons by about 40 (1.1 percent), the working age population surged by 2,010 (2.8 percent), the highest since 1997, due mainly to a higher net migration to Aruba (see annex 5). About 49 percent of this net migration originated from Colombia. Further analysis reveals that population growth in 2003 was 2.2 percent (2,142 persons), 68.6 percent of which was due to net migration. In particular, about two-thirds was related to the age category 40-59, which is still a part of the working age population and, most certainly, the labor force. Estimations using CBS data<sup>11</sup> indicate that about 41.1 percent of the labor force of Aruba does not have the Dutch Nationality.

**Table 9: Labor market statistics1]**

	1999	2000	2001	2002	2003
1. Number of employed persons	41,815	43,146	43,165	43,063	44,111
2. Number of unemployed persons	1,405	2,109	2,995	3,776	3,816
3. Labor force	43,219	45,254	46,160	46,839	47,927
4. Nonactive population	26,542	24,521	25,505	26,154	27,076
5. Population aged 15 and older	69,761	69,775	71,665	72,993	75,003
6. Unemployment rate	3.3	4.7	6.5	8.1	8.0
7. Employment growth	1.7	3.2	0.0	-0.2	2.4
8. Participation rate	62.0	64.9	64.4	64.2	63.9
9. Productivity change	1.8	4.6	2.1	0.9	2.7

Source: CBA.

1] Estimated at end-December.

The average unemployment rate during the last five years was to 6.1 percent. The average employment growth amounted to only 1.4 percent during the same period. The average rate of participation reached nearly 63.8 percent and has been fairly stable over the last few years. Productivity change, defined as the change in the ratio between the nominal GDP and the number of employed persons, increased on average by 2.4 percent between 1999-2003, meaning that productivity increased over time.

### **Box 5: Labor market statistics**

Labor market statistics have been continuously scarce in Aruba. Since Aruba obtained its Status Aparte in 1986, the Department of Labor, the IMF, and, most recently, the Central Bureau of Statistics (CBS) have attempted to quantify the activities in the labor market. The CBS estimations were based on two major sources: two population census (1991 and 2000) and two labor force surveys (1994 and 1997). The data were collected mostly in the last quarter (particularly in October) of each surveyed year. However, the labor market data are not collected on an annual basis, but usually after three years or more (in the case of the Census, one every 10 years). Based on this *modus operandi*, no annual time series on the labor market are available. Labor market statistics are important in assessing the state of any economy. The unavailability of periodic labor market statistics impedes the taking of proper and timely actions to steer developments in the labor market and the ability of policymakers to be proactive in their policy implementation. Events like those of September 11, 2001, are believed to have had a significant impact on Aruba's labor market, but the required level of countervailing actions could not be matched because of lack of adequate data.

The lack of adequate labor market statistics prompted the Centrale Bank van Aruba to make some estimations. Basically, its calculation method relies on the following equation:

$$\text{Working age population} = \text{employed population} + \text{unemployed population} + \text{nonactive population}$$

The *working age population* is equal to the number of persons aged 15 and older. This variable can be obtained by using population statistics of the CBS. The *employed population* is derived from several sources, including the CBS, the Social Security Bank (SVB), the Department of Education, etc. The *nonactive population* is derived using the fixed relation over the years between the nonactive population and the working age population, according to the labor force surveys and the population census. The number of *unemployed persons* is subsequently obtained by subtracting the employed and nonactive population from the working age population.

While this methodology permits the Bank to construct some annual or quarterly series of labor market statistics and have a view on some major labor market developments, it is (still) not detailed enough to produce an overall view of the developments in this market, for example, with regard to gender, ages, sectors, as well as wages.

Though unemployment is expected to decrease somewhat in 2004 and 2005, it will probably remain above 7.5 percent<sup>12</sup> (or well above 3,500 unemployed persons), even though the majority of the large investment projects currently being implemented and projected to reach completion in the next two to three years are labor intensive. This relatively stable unemployment rate is an indication of the presence of structural unemployment in Aruba's labor market, which cannot be solved solely by an increased

demand for workers (through capacity enlargement). In contrast, the need to import more foreign laborers may be renewed.

## 6 Construction

Activities in the construction sector gained momentum again in 2003 after a slowdown in the number of construction permits granted during the period 1999-2002, but the value of construction permits granted kept increasing in this period. The number of construction permits granted, which is indicative of intended or just initiated construction activities, grew by 7.1 percent to 1,269, mainly in the category “other,” which includes, among other things, restaurants, schools, and sporting facilities. The total value of abovementioned permits rose by 6.3 percent to Afl. 243.9 million.

From 1999-2003, 6,761 permits were granted, valued at more than Afl. 1 billion. About 65.5 percent of these permits was granted for the construction of houses, and another 29.7 percent was granted for construction in the category “others,” which includes, among other things, schools, hotels, clinics, restaurants, pomp stations, etc. Together, the two categories accounted for 79.7 percent of the total value construction permits, of which “houses” were 43.6 percent and “others” 36.1 percent.

**Table 10: Construction activities**

	1999	2000	2001	2002	2003
1. Number of construction permits granted	1,693	1,371	1,243	1,185	1,269
a. Houses 1]	1,182	871	749	852	774
b. Apartments	24	35	22	42	22
c. Office buildings	16	16	12	10	12
d. Stores and shopping malls 2]	15	18	24	25	29
e. Others	456	431	435	256	432
2. Total value of construction permits (x Afl. mln)	168.4	184.8	198.2	229.4	243.9
a. Houses 1]	104.5	91.6	78.6	79.7	92.6
b. Apartments	13.8	16.1	4.5	18.1	6.9
c. Office buildings	9.6	7.3	11.6	15.4	4.4
d. Stores and shopping malls 2]	9.0	26.6	33.7	15.2	16.1
e. Others	31.5	43.3	69.7	101.1	123.9
3. Total cement imported (x 1,000 Kg)	55,626	41,879	35,277	47,643	64,497
4. Number of electrical installations approved	2,483	3,034	2,873	2,628	3,021
a. Houses 1]	825	970	722	667	735
b. Apartments	132	189	197	206	166
c. Enterprises	135	112	175	151	173
d. Others	1,391	1,763	1,779	1,604	1,947

1] Excluding additions to and remodeling of existing houses.

2] Excluding additions to and remodeling of existing stores and shopping malls.

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

The total amount of imported cement surged by 35.4 percent in 2003, compared to a year earlier, in part associated with the ongoing construction activities in the hotel sector. Total electrical installations approved rose by 15 percent to 3,021, due mainly

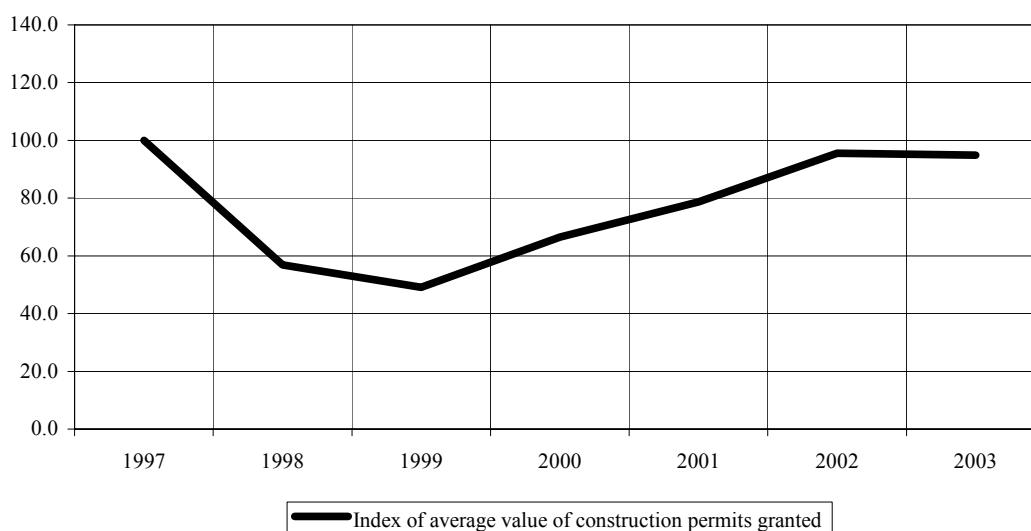
to approvals in the categories “houses” and “others.” A total of 244.9 million kilograms of cement was imported during the period 1999-2003. Total electrical installations approved amounted to slightly more than 14,000 thousand. Of these approvals, 60.4 percent was related to the category “others” and 27.9 percent to the category “houses” (see table 10).

The construction sector has recently shown signs of shortages in the supply of qualified construction workers.<sup>13</sup> Shortages ranging between 366 and 1,162<sup>14</sup> or between 0.8 percent and 2.4 percent of the labor force<sup>15</sup> (see paragraph on labor market) are expected in the next two to three years as many projects are awaiting execution.

### Box 6: Index of average value of construction permits granted

The index of the average value of construction permits granted provides an overview of the movement in the average value per construction permit granted, compared to the base year 1997. The index takes into account the movements of both the number and value of construction permits granted. The results indicate that the index was decreasing between 1998 and 1999, mainly because of a lower average for the categories “houses” and “others.” The index showed an increasing pattern between 2000-2002 (again influenced by the categories “houses” and “others”), and remained flat in 2003. The level of the last two years was slightly below that of 1997 (see chart).

Chart: Index of average value of construction permits granted (1997 = 100)



## 7 Oil sector

Activities in the oil sector rebounded again in 2003, following subdued results in 2002 as a result of operational difficulties following a fire in April 2001.<sup>16</sup> The total value of exported oil products surged by 60.9 percent to Afl. 3.2 billion. The value of imported crude oil grew by 53.3 percent to Afl. 2.7 billion. The quantity of refined oil increased by 20.6 percent, in part because of an 18.5 percent increase in the average daily throughput. The latter increase meant an increase in the average daily capacity utilization of 9.7 percentage points to 61.8 percent in 2003. Despite the production

increases, both the storage capacity and the number of employed personnel at the refinery were slightly lower than in 2002 (see table 11).

**Table 11: Oil sector activities**

	1999	2000	2001	2002	2003
1. Export of oil (x Afl. million)	2,192	2,331	2,980	1,990	3,202
2. Import of crude oil (x Afl. million)	2,092	1,922	2,030	1,789	2,743
3. Quantity of oil refined (x 1,000 barrels)	73,713	83,553	64,327	52,383	63,155
4. Storage capacity (x 1,000 barrels)	15,300	15,300	15,258	15,320	14,652
5. Average daily throughput (x 1,000 barrels)	195	229	178	146	173
6. Average daily capacity (x 1,000 barrels)	225	280	280	280	280
7. Average daily capacity utilization (in percentages)	86.7	81.8	63.6	52.1	61.8
8. Number of employees (at end of period) 1)	520	564	597	672	662

Source: Coastal Aruba Refining Co.; El Paso Corporation.

1) Excluding persons employed with contractors.

Between 1998 and 2003, US\$ 640 million was invested in the refinery.<sup>17</sup> On a cumulative basis, a total of US\$ 1.3 billion was invested in Aruba's refinery between 1990 and mid-2003.<sup>18</sup>

### **Box 7: Chronology of events at the refinery beginning in 2000**

January 18, 2000	El Paso Energy Corporation and The Coastal Corporation announce the execution of definitive agreements for the merger of El Paso Energy and Coastal. The total value of the transaction is approximately US\$16 billion, including US\$ 6 billion of assumed debt and preferred equity.
January 29, 2001	Coastal Aruba Refining Company N.V. becomes an indirect, wholly owned subsidiary of El Paso Corporation through the merger of a wholly owned El Paso subsidiary with The Coastal Corporation.
April 10, 2001	A large fire at the refinery causes destruction of assets and a drop in production activities.
February 4, 2003	El Paso announces its intention to sell its remaining petroleum and chemical assets, with the exception of the Aruba refinery.
May 13, 2003	El Paso's Board of Directors authorizes the sale of substantially all of its petroleum market operations, including the Aruba refinery.
February 4, 2004	The sale of the Aruba refinery and related affiliates to Valero Energy Corporation for a total amount of US\$ 640 million is announced.
March 5, 2004	The closure of the sale of the refinery and related marine, bunkering, and marketing affiliates to Valero Energy Corporation resulting in total gross proceeds of US\$627 million is announced.

## 8 Possible factors affecting Aruba's economic development

Aruba's future economic performance is determined by both local and foreign factors. Table 12 provides a non-exhaustive list of factors that may influence Aruba's economic development in the short and/or long run. Most of these factors are expected to have a short-term impact. While the external factors are difficult to influence, the internal factors can be mitigated through the implementation of well thought-out and timely policy measures.

**Table 12: Possible factors affecting Aruba's economic development in 2004 and beyond**

	Expected effect on the economy 1]	Expected duration 2]
<i>Foreign factors</i>		
1. Large terrorist attack in the United States	-	Short
2. Socioeconomic and political instability in Venezuela	-	Short/Long
3. Volatility in oil prices on the international market	-	Short
4. Dollar/euro appreciation	+	Short
5. Activities of tourism competitors	+/-	Short
6. Developments in export prices of major trading partners	+/-	Short
7. Developments in transport prices (e.g., container charges)	-	Short/Long
8. U.S. economy in general	+/-	Short
9. Interest rate movements	+/-	Short
<i>Local factors</i>		
1. Government's financial position	+/-	Long
2. Debt position and debt servicing by Aruba	+/-	Long
3. International competitive position of Aruba	+/-	Short
4. Effectiveness of monetary policy	+/-	Short
5. Developments in the General Health Care System (AZV)	+/-	Short
6. Developments in the old age pension system	+/-	Long
7. Uncontrolled immigration	-	Long
8. Illegal entry to Aruba	-	Short/Long
9. Mismanagement or misbehavior of elected politicians	-	Short/Long
10. Increase in crime rate	-	Short
11. One-sided economy based on one major export sector (tourism)	-	Long
12. Parliamentary elections in 2005	+/-	Short
13. Massive oil spill on Aruba's beaches	-	Long
14. Hurricane or other natural disasters	-	Short
15. Acts of terrorism in Aruba (refinery, hotels, etc.)	-	Short/long

Source: Centrale Bank van Aruba.

1] + = positive effect; - = negative effect.

2] Short = 0 to 5 years; Long = 5 years or more.

## 9 Concluding remarks

Aruba's economic performance between 1999 and 2003 was meager in terms of real GDP. According to current projections, the next two to three years seem promising. However, this growth is strongly influenced by the current investment boom. The question remains whether a structural growth pattern can be achieved after this

investment boom, since net exports of the economy<sup>19</sup> are negative and, thus, are not contributing positively to the GDP of the country. In particular, imports of merchandise goods appear to contribute significantly to the overall deficit. The conclusion is that higher consumption, which contributes positively to the GDP, by locals and an increased number of visitors to Aruba is likely to be dampened by increased imports (given Aruba's high import quota), which have a negative impact on the GDP. Furthermore, increased imports can exert pressures on the current account of Aruba's balance of payments and on its foreign exchange reserves. In other words, the recipe of "more hotel rooms/more visitors," in combination with higher consumption of locals, is not likely to lead to sustainable economic development in the long run.

Although tourism seems to have caught up significantly in recent months, it remains volatile. Also, given that tourism is Aruba's main pillar, the country's economy is much more vulnerable. One thing that may influence Aruba's competitive position in this business is its price development. The foreign component of inflation is a virtually exogenous factor. However, it is possible to influence the local component. One example is to allow wage increases to grow only in line with productivity increases.

In addition, one should also take into account the hidden costs involved in Aruba's current tourism expansion, of which large-scale immigration is a major exponent. An increased demand for labor through capacity increase (by adding more hotel rooms) is likely to lead to a rise in immigration because the available pool of unemployed Arubans appears structural, thereby preventing the efficient accommodation of the expected increase in labor demand in the coming years. Aruba has already experienced two periods of massive immigration in the last century.<sup>20</sup> Experiences from the late eighties and nineties indicate that a large flow of migrants can have an impact on the demographic, economic, social, cultural, and political structure of Aruba.<sup>21</sup> The lack of adequate labor market statistics continues to hamper the implementation of a pro-active labor market policy.

A considerable number of factors may impact the development of Aruba's economy in the short and/or long run. Awareness of these factors and preparedness against their potential impact should be important components in the policy-making process of the government. It is better to be prepared in time than to be caught off-guard in no time.

## Annex 1: GDP and its main components, 1999-2003

In Afl. millions or otherwise stated

	1999	2000	2001	2002	2003	Average
Nominal (= A + B + C - D)	3,084	3,327	3,399	3,421	3,599	3,366
<i>Percentage change</i>	3.5	7.9	2.2	0.7	5.2	3.9
A. Consumption	2,276	2,396	2,517	2,698	2,847	2,547
Household	1,602	1,664	1,712	1,800	1,908	1,737
Government	674	731	805	899	939	809
B. Gross capital formation	952	818	763	798	985	863
Private	858	759	715	744	896	794
Public	41	28	28	22	50	34
Changes in inventory	53	31	20	32	39	35
C. Exports of goods and services	2,465	2,476	2,467	2,370	2,346	2,425
D. Imports of goods and services	2,610	2,363	2,348	2,445	2,578	2,469
Consumer price index (1995=100)	110.8	115.3	118.6	122.5	127.0	118.9
Real gross domestic product	2,783	2,887	2,866	2,793	2,833	2,832
<i>Percentage change</i>	1.1	3.7	-0.7	-2.6	1.4	0.6

Source: CBA; CBS.

## Annex 2: Net exports of goods and services by commodity type 1]

	1997	1998	1999	2000	2001	2002
Agriculture, forestry and fishery products	-20.38	-32.51	-30.29	-34.72	-37.88	-41.25
Ores and minerals; electricity, gas and water	-73.95	-57.62	-75.57	-120.42	-98.95	-105.52
Food products, beverages and tobacco; textiles, apparel and leather products	-184.83	-246.82	-176.34	-153.05	-184.14	-192.92
Other transportable goods, except metal products, machinery and equipment	-212.43	-222.64	-217.18	-199.53	-163.72	-232.35
Metal products, machinery and equipment	-387.69	-451.41	-593.58	-443.66	-484.21	-503.49
Constructions and construction services; intangible assets	-26.69	-43.77	-96.33	-37.87	-31.32	-36.00
Trade services	0.00	0.00	0.00	0.00	0.00	0.00
Lodging, food and beverage serving services	555.80	606.42	639.77	720.59	750.78	680.50
Transport and storage services	41.64	43.85	69.63	96.57	13.33	24.26
Financial intermediation, insurance and auxiliary services	-21.37	-28.59	-47.84	-49.67	-60.68	-54.03
Real estate services	0.00	0.00	0.00	0.00	0.00	0.00
Leasing or rental services without operator	19.56	12.27	18.61	24.50	43.14	37.31
Business and production services	94.08	164.78	236.25	191.89	275.90	314.40
Public administration, compulsory social security services, education services	-8.18	-10.52	-12.56	-9.94	-10.64	-14.64
Health and social services	1.20	1.00	1.60	1.40	1.20	0.90
Recreational, sporting and other social and personal services	204.93	203.73	215.86	237.98	228.01	224.77
CIF/FOB adjustment on imports	176.53	184.10	187.25	166.04	163.69	155.37
Expenditures abroad	-260.10	-241.20	-264.00	-276.60	-285.60	-332.70
Total	-101.88	-118.93	-144.72	113.51	118.91	-75.39

1] Excluding crude oil used by the refinery to produce oil products destined for nonresidents and also the refined oil products sold to nonresidents.

Source: CBS.

### **Annex 3: Share (in percentages) of tourism in exports of goods and services**

	1997	1998	1999	2000	2001	2002
Agriculture, forestry and fishery products	6.23	19.39	16.90	20.07	16.27	18.35
Ores and minerals; electricity, gas and water						
Food products, beverages and tobacco; textiles, apparel and leather products	16.35	17.50	22.59	32.17	34.70	36.84
Other transportable goods, except metal products, machinery and equipment	88.79	88.94	80.86	72.21	72.82	75.05
Metal products, machinery and equipment						
Constructions and construction services; intangible assets						
Trade services						
Lodging, food and beverage serving services	100.00	100.00	100.00	100.00	100.00	100.00
Transport and storage services	23.91	24.29	21.56	24.01	33.55	32.42
Financial intermediation, insurance and auxiliary services						
Real estate services						
Leasing or rental services without operator	100.00	100.00	96.38	96.60	96.85	96.17
Business and production services	2.94	2.15	2.20	2.37	1.35	1.03
Public administration, compulsory social security services, education services						
Health and social services						
Recreational, sporting and other social and personal services	100.00	100.00	100.00	100.00	100.00	100.00
CIF/FOB adjustment on imports						
Expenditures abroad						
<b>Total</b>	<b>51.21</b>	<b>50.97</b>	<b>52.42</b>	<b>58.29</b>	<b>59.13</b>	<b>55.99</b>

Source: CBS.

### **Annex 4: GDP and its main components, 1999-2003**

#### **In percentages of nominal GDP.**

	1999	2000	2001	2002	2003	Average
Nominal (= A + B + C)	100.0	100.0	100.0	100.0	100.0	100.0
A. Consumption	73.8	72.0	74.1	78.9	79.1	75.6
Household	52.0	50.0	50.4	52.6	53.0	51.6
Government	21.9	22.0	23.7	26.3	26.1	24.0
B. Gross capital formation	30.9	24.6	22.4	23.3	27.4	25.7
Private	27.8	22.8	21.0	21.7	24.9	23.7
Public	1.3	0.9	0.8	0.6	1.4	1.0
Changes in inventory	1.7	0.9	0.6	0.9	1.1	1.1
C. Exports less imports of goods and services	-4.7	3.4	3.5	-2.2	-6.5	-1.3
Real gross domestic product (in constant 1995 prices)	90.2	86.8	84.3	81.6	78.7	84.3

Source: CBA; CBS.

### Annex 5: Net migration

	1999			2000			2001			2002			2003		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Aruba/ Neth. Ant.	-462	-319	-781	-660	-392	1,052	-251	-299	-550	-264	-311	-575	-36	-24	-60
Netherlands	-123	-41	-164	-164	-107	-271	18	-2	16	11	19	30	113	20	133
Colombia	187	358	545	249	415	664	242	502	744	222	417	639	274	443	717
Venezuela	83	92	175	94	85	178	59	79	138	50	72	122	71	82	153
Dom. Republic	15	68	83	9	51	61	4	6	10	-22	-20	-42	0	-14	-14
USA	27	-4	23	33	28	61	12	8	20	23	24	47	14	16	30
Philippines	32	30	62	48	29	77	31	22	53	26	38	64	26	39	65
Jamaica	23	30	54	20	25	44	34	47	81	14	15	29	13	20	33
Peru	7	18	25	35	43	78	31	33	64	40	30	70	39	55	94
Suriname	-22	4	-18	-5	14	8	-8	-8	-16	18	9	27	19	40	59
Haiti	18	53	71	30	36	66	18	35	53	13	17	30	40	39	79
Other	105	80	185	170	83	253	90	81	171	106	70	176	76	106	182
Total	-108	369	261	-142	309	167	280	504	784	237	380	617	649	822	1,471

Source: CBS.

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## Notes

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<sup>1</sup> Excluding crude oil used by the refinery to produce oil products destined for nonresidents and also the refined oil products sold to nonresidents.

<sup>2</sup> E.g., expenditures for Aruban residents traveling to other countries.

<sup>3</sup> Only Bermuda has a GDP per capita higher than Aruba (average 1999 – 2003: US\$ 34,100).

<sup>4</sup> As of end-October 2004, the 12-month inflation reached 2.4 percent. Given the two remaining months of 2004, the inflation is not expected to reach the level predicted by Fitch Ratings (August 2004), which is 3.3 percent. Therefore, the prediction is lowered to 2.7 percent for 2004. For 2005, the Fitch Ratings estimates will be maintained.

<sup>5</sup> Since the exchange rate with the U.S. dollar is fixed, Aruba's competitive position against this country will practically be determined by their inflation differential.

<sup>6</sup> Ridderstaat, J.R., *The imported and domestic determinants of inflation in Aruba*, April 2004, p. 3.

<sup>7</sup> Crisis Interventie Taskforce, *Terrorism and its effects on Aruba's tourism and economy*, November 2001.

<sup>8</sup> Direct effects are generated by businesses that supply goods and services directly to visitors. Indirect or "multipliers" effects are the result of the activity generated in other businesses of the economic system due to the demand of tourism-related businesses.

<sup>9</sup> The other countries that have a higher contribution are (1) British Virgin Islands, (2) Antigua and Barbuda, (3) Maldives, (4) Anguilla, (5) Macau, (6) Seychelles, and (7) Bahamas.

<sup>10</sup> Less than 50 BRT (=Gross register ton, which is a unit of measurement of a vessel's entire space to indicate a ship's loading capacity). Ships over 50 BRT are obliged to use a pilot.

<sup>11</sup> Central Bureau of Statistics, *Current Developments of Aruba's Labor Market*, May 2003, p. 26.

<sup>12</sup> Fitch Ratings (August 2004) estimates the unemployment rate at 7.8 percent in 2004, 7.5 percent in 2005, and 7.3 percent in 2006, respectively.

<sup>13</sup> A virtually similar pattern happened in the late eighties. In 1987, a shortage of construction workers was observed. Soon this shortage also expanded to other sectors, e.g., hotels and restaurants. By 1988, the Centrale Bank van Aruba announced that 5,000 to 6,000 foreign workers were needed to alleviate the huge shortage of labor and counteract inflationary pressures this shortage would otherwise induce.

<sup>14</sup> Estimates by the Centrale Bank van Aruba.

<sup>15</sup> Figure at the end of 2003.

<sup>16</sup> El Paso Corporation, Form 10-K, Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934, For the fiscal year ended December 31, 2002, March 31, 2003, p. 60.

<sup>17</sup> Valero Road Energy Corporation, *Acquisition of the Aruba Refinery and Related assets*, p. 4.

<sup>18</sup> El Paso Corporation, "El Paso Corporation Urges Shareholders to Focus on the Company's Recent Accomplishments and Vision for the Future-Calls Zilka/Wyatt "Business Plan" Uninformed and Unworkable; Criticizes Implicit Threat to Derail California Settlement," ([www.elpaso.com](http://www.elpaso.com)), Press Release, June 5, 2003.

<sup>19</sup> Excluding crude oil used by the refinery to produce oil products destined for nonresidents and also the refined oil products sold to nonresidents.

<sup>20</sup> The first period happened in the late twenties - early fifties and was concentrated mainly in the oil sector. Between 1927 and 1952, nearly 28,000 persons migrated to Aruba, accounting for 63.5 percent of the population increase in that period. The second period was between 1990-1997, when more than 23,000 persons migrated to Aruba, accounting for 92.7 percent of the population increase in that period.

<sup>21</sup> Ridderstaat, J.R., *Aruba: Causes and effects of excessive immigration, Experiences and lessons from the recent past, and policy options for the future*, July 2002.



**Statistical annex**  
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**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	91,851	93,299	95,033
6. GDP per capita									
A. In Afl.	29,618	29,753	31,775	33,696	34,395	36,721	37,002	36,669	37,873
B. In US\$	16,547	16,622	17,751	18,825	19,215	20,514	20,672	20,486	21,158
C. Percentage change	3.1	0.5	6.8	6.0	2.1	6.8	0.8	-0.9	3.3

1) Preliminary estimates of the CBA.

Source: CBS; IMF.

TABLE 1.2: BUSINESS PERCEPTION RESULTS

Survey questionnaire responses

	Improvement								No change								Worsening								Business perception indices			
	2003		2004		2003		2004		2003		2004		2003		2004		2003		2004		Current	Short-term	Business perception index					
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV										
<i>(as a percentage of the total)</i>																												
<b>A. Current economic condition</b>	45	47	47	49	44	35	38	34	11	18	15	17																
1. The economic conditions in Arabia	67	78	69	69	20	11	19	23	14	11	11	8																
2. The activities of your business	56	58	69	64	37	22	17	21	9	19	14	15																
3. The investments of your business	28	36	28	36	66	53	58	44	6	11	14	21																
4. The number of employees that work for your company	31	14	22	28	51	56	56	49	17	31	22	23																
<b>B. Expected short-term economic conditions 1)</b>	49	47	45	51	42	44	50	44	9	9	5	6																
1. The economic conditions in Arabia	67	67	58	56	29	28	39	41	6	6	3	3																
2. The activities of your business	67	61	64	64	31	39	36	33	3	0	0	3																
3. The investments of your business	39	44	36	54	54	39	56	36	6	17	8	10																
4. The number of employees that work for your company	26	17	22	28	54	69	69	64	20	14	8	8																

1) During the next 6 months.

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

	Employment								Operational results								Sales								Average wage costs			
	2003		2004		2003		2004		2003		2004		2003		2004		2003		2004		2003	2003	2003	2003				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV										
<i>(as a percentage of the total)</i>																												
Profits																												
1. no change	61	47	56	54	29	23	17	18	11	0	3	3	19	11	19	15	31	23	14	33								
2. increase of less than 5.1 percent	25	28	14	10	26	17	14	26	0	0	0	5	47	26	17	13	42	49	44	36								
3. increase between 5.1 and 10.1 percent	6	0	8	10	6	9	17	10	0	3	0	0	6	6	29	18	11	17	22	21								
4. increase of more than 10.1 percent	0	3	6	5	11	11	14	15	0	0	8	3	14	17	22	31	3	6	6	5								
5. decrease of less than 5 percent	3	17	14	18	0	6	11	0	6	3	3	5	3	6	8	5	8	3	11	3								
6. decrease between 5.1 and 10.1 percent	0	3	0	3	3	6	0	3	0	3	8	0	6	6	0	8	0	0	3	3								
7. decrease of more than 10.1 percent	6	3	3	0	6	3	0	8	3	17	6	5	6	6	8	10	6	0	0	0								
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>80</b>	<b>80</b>	<b>74</b>	<b>80</b>	<b>20</b>	<b>26</b>	<b>28</b>	<b>20</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 1.3: TOURISM**

period	Total visitor nights	Total visitors	Visitors by origin					Average nights stayed	Average hotel occupancy rate	Cruise tourism				
			North America		Latin America	Of which Venezuela	Europe			Of which Netherlands	Number of passengers	Ship calls		
			(1)	(2)	(3)	(4)	(5)			(6)			(7)	(8)
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	76.4	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

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

**TABLE 1.4: 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
<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

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

	Total index	Food	Beverage & tobacco	Clothing & footwear	Housing	House-keeping & furnishing	Health	Transport & communication	Recreation & education	Other
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<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>
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
2002 II	105.5	106.0	100.6	113.9	106.0	107.8	100.0	100.7	104.0	104.5
2002 III	106.7	106.5	103.2	115.6	107.7	108.6	100.0	101.9	104.6	105.3
2002 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
2003 II	109.2	109.2	106.2	119.9	111.1	110.6	100.0	103.0	106.4	107.4
2003 III	109.8	110.2	106.9	121.0	111.2	111.4	100.0	103.8	106.7	107.7
2003 IV	110.1	111.2	106.8	122.2	111.7	111.9	100.0	103.3	107.0	107.9
2004 I	111.1	113.0	107.1	122.8	112.1	112.1	100.0	104.7	108.5	108.4
2004 II	112.5	113.7	106.8	124.1	114.7	112.8	100.0	106.9	109.3	108.9

Source: CBS.

**TABLE 1.6: 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

**TABLE 1.7: CONSTRUCTION ACTIVITIES**

	2000		2001		2002		2003		2004				
	I	II	I	II	I	II	I	II	I	II			
1. Number of construction permits granted	1,371	1,243	1,185	1,269	286	292	317	290	310	282	364	313	337
a. Houses 1)	871	749	852	774	195	203	233	221	216	172	185	201	204
b. Apartments	35	22	42	22	10	12	14	6	6	1	11	4	6
c. Office buildings	16	12	10	12	3	1	2	4	1	0	7	4	5
d. Stores and shopping malls 2)	18	24	25	29	7	8	4	6	7	9	7	6	9
e. Others	431	435	256	432	71	68	64	53	80	100	154	98	113
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	42.1
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	19.1
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	1.0
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	2.8
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	5.8
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	13.3
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	11,398
4. Number of electrical installations approved	3,034	2,873	2,628	3,021	427	631	692	878	490	803	850	878	574
a. Houses 1)	970	722	667	735	59	167	176	265	54	157	202	322	136
b. Apartments	189	197	206	257	12	72	45	77	24	91	76	66	77
c. Enterprises	112	175	151	267	15	32	38	66	61	58	30	118	76
d. Others	1,763	1,779	1,604	1,762	341	360	433	470	351	497	542	372	285

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 1.8: UTILITIES**

	2000	2001	2002	2003	2002				2003				2004	
					I	II	III	IV	I	II	III	IV	I	II
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
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
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
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
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
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
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
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
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

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 1.9: MERCHANDISE FOREIGN TRADE BY COUNTRY

	2000	2001	2002	2003	2002		2003		2004					
					I	II	I	II	I	II				
1. Export of goods (f.o.b.)	48.3	51.7	62.1	37.2	13.8	14.9	20.4	13.0	8.2	8.0	9.2	11.9	10.3	12.6
a. United States	14.5	13.4	25.2	12.7	4.6	4.3	9.7	6.6	3.4	2.8	2.9	3.7	3.9	4.1
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
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
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
e. Venezuela	6.2	11.0	12.4	2.9	3.6	4.1	3.2	1.6	1.3	0.4	0.7	0.5	1.1	2.0
f. Other countries	3.8	2.6	4.2	6.9	1.5	0.8	0.9	1.0	1.0	1.0	0.6	4.3	2.2	1.7
2. Import of goods (c.i.f.)	1,291.0	1,318.3	1,364.4	1,418.7	304.9	308.1	354.4	397.0	308.0	329.4	375.8	405.5	355.9	348.4
a. United States	784.7	816.7	825.5	837.7	185.8	186.2	222.0	231.5	190.0	198.2	224.7	224.8	210.8	213.7
b. The Netherlands	161.2	153.0	172.4	180.7	39.3	38.2	50.0	44.9	40.7	46.3	45.6	48.0	54.8	44.1
c. Netherlands Antilles	51.0	48.1	45.0	46.5	9.5	11.6	11.8	12.1	11.0	10.1	12.0	13.5	8.8	10.5
d. Venezuela	47.2	40.8	40.8	47.4	8.5	10.2	12.4	9.7	8.7	10.8	15.5	12.4	11.9	11.5
e. Japan	39.9	33.6	35.5	38.3	7.4	7.5	8.8	11.8	8.6	8.5	7.4	13.8	10.2	9.4
f. Other countries	206.9	226.1	245.1	268.0	54.4	54.4	49.3	87.0	49.0	55.5	70.6	93.0	59.4	59.2
3. Trade balance	-1,242.7	-1,266.6	-1,302.3	-1,381.5	-291.1	-293.2	-333.9	-384.1	-299.8	-321.4	-366.7	-393.6	-345.6	-335.7

Source: CBS.

TABLE 1.10: MERCHANDISE FOREIGN TRADE BY PRODUCT CATEGORY

	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	37.2	13.8	14.9	20.4	13.0	8.2	8.0	9.2	11.9	10.3	12.6		
a. Live animals and other animal products	18.4	17.8	17.6	2.7	5.3	6.3	4.0	2.0	1.2	0.5	0.6	0.4	0.3	2.0		
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		
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		
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		
e. Other goods	15.4	17.4	21.8	16.8	5.5	3.9	4.6	7.7	4.3	4.0	3.3	5.2	5.5	6.4		
2. Import of goods (c.i.f.)	1,291.0	1,318.3	1,364.4	1,418.7	304.9	308.1	354.4	397.0	308.0	329.4	375.8	405.5	355.9	348.4		
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		
b. Food products	139.8	144.8	146.6	156.0	34.1	36.0	38.1	38.5	35.0	38.2	37.1	45.6	37.9	41.6		
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	38.6	36.2	41.8		
d. Base metals and derivated works	91.0	107.8	103.7	122.1	15.8	21.5	40.8	25.7	26.5	31.3	39.3	25.0	22.3	26.4		
e. Machinery and electrotechnical equipment	189.2	233.3	250.1	266.8	48.9	48.7	70.2	82.3	52.6	64.3	80.8	69.2	55.3	64.9		
f. Transport equipment	117.4	102.9	119.2	120.1	26.4	27.2	28.8	36.8	24.4	29.0	28.1	38.6	40.2	31.1		
g. Other goods	491.6	470.7	489.5	520.9	113.4	109.9	113.4	152.7	116.3	111.2	129.6	163.8	140.9	121.0		
3. Trade balance	-1,242.7	-1,266.6	-1,302.3	-1,381.5	-291.1	-293.2	-333.9	-384.1	-299.8	-321.4	-366.7	-393.6	-345.6	-335.7		

Source: CBS.

**TABLE 1.11: OIL REFINING**

	2000	2001	2002	2003	2002		2003		2004					
			I	II	III	IV	I	II	III	IV				
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	1,190
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
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	19,110
4. Number of employees (at end of period) 1)	564	597	672	662	574	621	638	672	662	662	662	662	689	683

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	2000				2001				2002				2003				2004			
	I		II		I		II		I		II		I		II		I		II	
<b>I. Net domestic assets</b>	<b>1,207.9</b>	<b>1,180.5</b>	<b>1,334.6</b>	<b>1,575.6</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>1,575.6</b>	<b>1,591.7</b>	<b>1,520.3</b>						
A) Domestic credit	1,512.1	1,543.9	1,702.9	1,953.1	1,579.0	1,609.1	1,651.4	1,702.9	1,667.4	1,896.7	1,985.3	1,953.1	1,957.9	1,906.6						
1) Net claims on public sector	-1.1	-25.7	-61.9	-42.9	5.9	-1.3	-2.0	-61.9	-126.5	11.7	38.8	-42.9	0.5	-53.9						
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						
b) Government's deposits	-44.3	-72.0	-72.4	-47.8	-46.1	-50.3	-56.4	-72.4	-141.0	-15.1	-24.4	-47.8	-9.5	-73.7						
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						
2) Claims on private sector	1,513.2	1,569.6	1,764.8	1,996.0	1,573.1	1,610.5	1,653.4	1,764.8	1,793.9	1,885.0	1,946.5	1,996.0	1,957.4	1,960.5						
a) Enterprises	730.0	739.9	836.2	962.3	731.2	757.7	778.6	836.2	828.1	887.2	939.4	962.3	895.4	891.2						
b) Individuals	757.8	811.5	900.3	1,005.3	823.7	833.2	855.2	900.3	925.6	960.7	977.9	1,005.3	1,013.0	1,019.5						
1) Consumer credit	357.3	366.7	409.3	444.4	371.9	374.4	384.9	409.3	415.1	429.4	433.0	444.4	450.0	458.8						
2) Housing mortgages	400.5	444.8	491.1	560.9	451.8	458.9	470.3	491.1	510.5	531.4	544.9	560.9	563.0	560.8						
c) Other	25.4	18.2	28.3	28.3	18.2	19.5	19.6	28.3	40.2	37.0	29.2	28.3	49.0	49.8						
B) Other items, net	-304.3	-363.4	-368.3	-377.5	-378.0	-363.7	-373.9	-368.3	-391.5	-412.1	-403.3	-377.5	-366.3	-386.3						
<b>II. Net foreign assets</b>	<b>530.4</b>	<b>660.1</b>	<b>699.0</b>	<b>643.8</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>643.8</b>	<b>663.5</b>	<b>722.7</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						
B) Commercial banks	139.0	120.5	87.6	97.3	150.7	143.0	156.5	87.6	104.6	76.8	64.2	97.3	96.1	84.7						
<b>III. Broad money</b>	<b>1,738.3</b>	<b>1,840.6</b>	<b>2,033.6</b>	<b>2,219.3</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>2,219.3</b>	<b>2,255.1</b>	<b>2,243.0</b>						
A) Money	596.3	701.0	844.5	984.3	740.2	772.4	774.6	844.5	795.1	870.7	919.5	984.3	959.4	958.4						
B) Quasi-money	1,142.0	1,139.6	1,189.1	1,235.0	1,199.4	1,193.5	1,205.7	1,189.1	1,284.9	1,253.0	1,263.5	1,235.0	1,295.7	1,284.6						

**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	Afl. banks	Foreign currency	Total		Savings	Time				
(1)	(2)	(3=1-2)	(4)	(5)	(6=4+5)	(7=3+6)	(8)	(9)	(10)	(11=8+9+10)	(12=7+11)	
2000	151.0	29.7	121.3	406.3	68.7	474.9	596.3	404.6	729.0	8.4	1,142.0	1,738.3
2001	156.6	30.7	125.9	481.1	94.0	575.1	701.0	410.7	728.4	0.5	1,139.6	1,840.6
2002	163.0	35.1	127.8	612.5	104.2	716.7	844.5	417.3	771.8	0.0	1,189.1	2,033.6
2003	165.6	39.5	126.1	758.3	99.9	858.2	984.3	461.5	769.5	4.0	1,235.0	2,219.3
2002 I	141.0	24.6	116.5	519.7	104.1	623.7	740.2	422.1	777.1	0.2	1,199.4	1,939.6
II	146.7	24.3	122.4	555.8	94.1	650.0	772.4	399.8	785.4	8.3	1,193.5	1,965.8
III	141.8	24.4	117.3	571.4	85.9	657.3	774.6	409.7	795.9	0.1	1,205.7	1,980.3
IV	163.0	35.1	127.8	612.5	104.2	716.7	844.5	417.3	771.8	0.0	1,189.1	2,033.6
2003 I	150.1	29.4	120.6	582.9	91.6	674.5	795.1	436.3	848.6	0.0	1,284.9	2,080.0
II	156.0	30.0	125.9	663.9	80.9	744.7	870.7	446.9	806.1	0.0	1,253.0	2,123.7
III	151.0	30.7	120.3	699.8	99.3	799.2	919.5	449.5	795.0	19.0	1,263.5	2,182.9
IV	165.6	39.5	126.1	758.3	99.9	858.2	984.3	461.5	769.5	4.0	1,235.0	2,219.3
2004 I	155.9	46.2	109.6	717.7	132.1	849.8	959.4	516.4	779.3	0.0	1,295.7	2,255.1
II	151.0	45.8	105.1	742.2	111.0	853.2	958.4	524.6	754.0	6.0	1,284.6	2,243.0

**TABLE 2.3: CAUSES OF CHANGES IN BROAD MONEY**

During period	2000	2001	2002	2003	2002				2003				2004				
					I	II	III	IV	I	II	III	IV	I	II	III	IV	
<b>I. Net domestic money creation</b>	<b>86.0</b>	<b>-27.4</b>	<b>154.0</b>	<b>241.0</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>-6.4</b>	<b>16.1</b>	<b>-71.4</b>			
A) Domestic credit	117.6	31.8	159.0	250.2	35.2	30.1	42.3	51.5	-35.5	229.3	88.6	-32.2	4.8	-51.3			
1) Net claims on public sector	-13.4	-24.7	-36.2	19.1	31.7	-7.3	-0.7	-59.9	-64.6	138.2	27.1	-81.7	43.3	-54.4			
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			
b) Drawing down of bank balances	-3.3	-36.4	-40.1	16.3	31.6	-7.3	-5.7	-58.6	-64.7	134.2	-6.1	-47.2	43.2	-54.6			
1) Government's deposits	9.9	-27.7	-0.3	24.5	25.9	-4.2	-6.1	-15.9	-68.6	125.9	-9.3	-23.5	38.3	-64.2			
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			
2) Claims on private sector	131.0	56.4	195.2	231.1	3.5	37.4	43.0	111.4	29.1	91.1	61.5	49.5	-38.5	3.1			
a) Enterprises	60.0	9.9	96.3	126.1	-8.7	26.5	20.9	57.6	-8.1	59.1	52.2	23.0	-66.9	-4.2			
b) Individuals	71.8	53.7	88.8	105.0	12.2	9.5	22.0	45.1	25.3	35.1	17.2	27.5	7.7	6.5			
1) Consumer credit	21.7	9.4	42.6	35.1	5.2	2.4	10.5	24.4	5.8	14.3	3.7	11.4	5.5	8.8			
2) Housing mortgages	50.1	44.2	46.3	69.9	7.0	7.1	11.4	20.7	19.5	20.8	13.5	16.1	2.1	-2.3			
c) Other	-0.7	-7.2	10.0	0.0	-0.1	1.3	0.1	8.7	11.9	-3.1	-7.8	-0.9	20.8	0.8			
B) Other domestic factors	-31.6	-59.1	-5.0	-9.2	-14.6	14.2	-10.1	5.5	-23.2	-20.5	8.7	25.8	11.3	-20.1			
<b>II. Inflow of foreign funds</b>	<b>-46.8</b>	<b>129.7</b>	<b>39.0</b>	<b>-55.3</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>42.8</b>	<b>19.7</b>	<b>59.2</b>			
<b>III. Broad money</b>	<b>39.2</b>	<b>102.3</b>	<b>193.0</b>	<b>185.7</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>36.4</b>	<b>35.8</b>	<b>-12.1</b>			
1) Money	5.8	104.7	143.5	139.8	39.2	32.1	2.2	69.9	-49.4	75.6	48.8	64.9	-25.0	-1.0			
2) Quasi-money	33.3	-2.4	49.5	45.9	59.8	-5.9	12.2	-16.6	95.8	-31.8	10.4	-28.5	60.7	-11.1			

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	Liabi- lities	Net							Assets	Liabi- lities	Broad money coverage	Import coverage	Current account paym. coverage
(1)	(2)	(3)	(4= 1+2-3)	(5)	(6)	(7= 5-6)	(8= 4+7)	(9)	(10= 8-9)	(11)	(12)	(13)	(14= 10:11)	(15= 8:12)	(16= 8:13)
2000	41.0	381.2	2.3	419.8	530.8	391.8	558.9	28.5	530.4	1,738.3	1,297.2	2,205.8	30.5	43.1	25.3
2001	55.0	525.7	2.6	578.2	524.0	403.5	698.7	38.7	660.1	1,840.6	1,258.7	2,162.4	35.9	55.5	32.3
2002	68.2	608.1	8.5	667.9	530.2	442.6	755.5	56.5	699.0	2,033.6	1,261.3	2,341.7	34.4	59.9	32.3
2003	83.1	528.4	2.6	608.9	594.8	497.5	706.2	62.5	643.8	2,199.3	1,329.0	2,422.3	29.3	53.1	29.2
2002 I	60.0	571.3	1.3	630.1	479.4	328.8	780.7	42.2	738.5	1,939.6	1,257.9	2,142.5	38.1	62.1	36.4
2002 II	63.4	560.5	0.1	623.8	465.5	322.5	766.7	46.3	720.4	1,965.8	1,252.4	2,147.6	36.6	61.2	35.7
2002 III	64.4	542.9	6.3	601.0	504.1	347.6	757.4	54.8	702.7	1,980.3	1,242.9	2,253.1	35.5	60.9	33.6
2002 IV	68.2	608.1	8.5	667.9	530.2	442.6	755.5	56.5	699.0	2,033.6	1,261.3	2,341.7	34.4	59.9	32.3
2003 I	66.7	687.9	0.1	754.4	528.8	424.2	859.0	54.9	804.1	2,080.0	1,271.7	2,425.3	38.7	67.6	35.4
2003 II	68.9	552.5	1.6	619.7	504.3	427.5	696.5	57.4	639.1	2,123.7	1,284.6	2,450.8	30.1	54.2	28.4
2003 III	77.2	512.3	0.2	589.3	492.7	428.5	653.5	52.6	601.0	2,162.9	1,328.8	2,422.6	27.8	49.2	27.0
2003 IV	83.1	528.4	2.6	608.9	594.8	497.5	706.2	62.5	643.8	2,199.3	1,329.0	2,422.3	29.3	53.1	29.2
2004 I	84.3	550.6	1.5	633.4	531.7	435.6	729.5	66.1	663.5	2,245.1	1,360.1	2,470.1	29.6	53.6	29.5
2004 II	78.7	628.7	13.2	694.2	511.2	426.5	778.9	56.2	722.7	2,233.0	1,382.7	2,539.1	32.4	56.3	30.7

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	I	II		
<b>ASSETS</b>																		
1. Claims on money-creating institutions	241.9	333.0	407.4	469.2	442.5	432.5	420.7	407.4	449.6	437.8	428.6	469.2	480.0	481.3				
a) Monetary authorities	213.2	293.4	361.9	357.3	393.5	392.1	379.6	361.9	395.6	391.9	377.0	357.3	416.4	421.5				
b) Commercial banks	28.8	39.5	45.5	111.9	48.9	40.4	41.1	45.5	53.9	46.0	51.5	111.9	63.6	59.7				
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				
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				
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				
3. Claims on the private sector	1,513.2	1,569.6	1,764.8	1,996.0	1,573.1	1,610.5	1,653.4	1,764.8	1,793.9	1,885.0	1,946.5	1,996.0	1,957.4	1,960.5				
a) Enterprises	730.0	739.9	836.2	962.3	731.2	757.7	778.6	836.2	828.1	887.2	939.4	962.3	895.4	891.2				
b) Individuals	757.8	811.5	900.3	1,005.3	823.7	833.2	855.2	900.3	925.6	960.7	977.9	1,005.3	1,013.0	1,019.5				
1) Consumer credit	357.3	366.7	409.3	444.4	371.9	374.4	384.9	409.3	415.1	429.4	433.0	444.4	450.0	458.8				
2) Housing mortgages	400.5	444.8	491.1	560.9	451.8	458.9	470.3	491.1	510.5	531.4	544.9	560.9	563.0	560.8				
c) Capital market investments	11.9	6.0	6.8	15.2	6.1	6.0	6.1	6.8	15.1	15.1	15.5	15.2	15.4	15.3				
d) Other	13.5	12.2	21.5	13.0	12.1	13.5	13.5	21.5	25.1	22.0	13.7	13.0	33.7	34.5				
4. Foreign assets	953.0	1,104.8	1,206.5	1,206.3	1,110.7	1,089.4	1,111.4	1,206.5	1,283.3	1,125.6	1,082.2	1,206.3	1,166.6	1,218.5				
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				
b) Short-term	414.2	475.2	483.2	537.8	499.0	439.9	437.3	483.2	514.6	462.5	453.1	537.8	480.8	459.0				
c) Long-term	497.8	574.5	655.1	585.4	551.8	586.1	609.6	655.1	702.1	594.3	551.9	585.4	601.6	680.8				
5. Other domestic assets	-44.0	-65.0	-65.5	-68.1	-62.5	-63.7	-63.3	-65.5	-69.4	-74.8	-63.2	-68.1	4.8	3.1				
<b>6. Total assets</b>	<b>2,729.8</b>	<b>3,020.0</b>	<b>3,394.7</b>	<b>3,687.6</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>3,687.6</b>	<b>3,693.1</b>	<b>3,747.8</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	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II
<b>LIABILITIES</b>																				
7. Broad money	1,738.3	1,840.6	2,033.6	2,219.3	1,939.6	1,965.8	1,980.3	2,033.6	2,080.0	2,123.7	2,182.9	2,219.3	2,255.1	2,243.0						
a) Money	596.3	701.0	844.5	984.3	740.2	772.4	774.6	844.5	795.1	870.7	919.5	984.3	959.4	958.4						
b) Quasi-money	1,142.0	1,139.6	1,189.1	1,235.0	1,199.4	1,193.5	1,205.7	1,189.1	1,284.9	1,253.0	1,263.5	1,235.0	1,295.7	1,284.6						
8. Money-creating institutions	229.8	303.8	376.5	410.2	413.8	393.1	390.0	376.5	413.5	406.9	399.4	410.2	429.0	433.0						
a) Monetary authorities	202.7	295.5	358.3	338.5	400.3	375.6	375.8	358.3	388.2	390.4	371.8	338.5	418.8	423.2						
b) Commercial banks	27.1	8.2	18.2	71.8	13.5	17.6	14.3	18.2	25.3	16.4	27.6	71.8	10.3	9.7						
9. Public sector deposits	66.9	103.3	143.4	127.0	71.7	79.0	84.7	143.4	208.0	73.8	79.8	127.0	83.8	138.3						
a) Government	44.3	72.0	72.4	47.8	46.1	50.3	56.4	72.4	141.0	15.1	24.4	47.8	9.5	73.7						
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						
10. Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
11. Subordinated debt	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						
12. Capital and reserves	141.7	194.5	193.0	231.8	203.6	206.7	206.7	193.0	204.3	209.1	218.3	231.8	289.3	303.4						
13. Foreign liabilities	394.1	406.1	451.0	500.1	330.0	322.7	353.9	451.0	424.3	429.1	428.7	500.1	437.1	439.7						
a) Short-term	367.8	356.8	380.4	431.6	270.2	247.6	279.5	380.4	364.9	369.1	361.0	431.6	369.0	372.2						
b) Long-term	26.2	49.3	70.6	68.4	59.8	75.0	74.4	70.6	59.4	60.0	67.7	68.4	68.1	67.4						
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						
15. Other domestic liabilities	116.9	119.0	131.6	131.1	126.3	123.5	125.4	131.6	144.7	150.0	141.7	131.1	127.1	128.8						
<b>16. Total liabilities</b>	<b>2,729.8</b>	<b>3,020.0</b>	<b>3,394.7</b>	<b>3,687.6</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>3,687.6</b>	<b>3,693.1</b>	<b>3,747.8</b>						

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

End of period	Domestic assets		Total domestic assets	Foreign assets			Total foreign assets	Total assets			
	Government	Other		(1)	(2)	(3)			Claims on		
									Gold and claims in gold	Banks	Governments
2000	0.0	13.4	13.4	41.0	31.4	0.0	349.8	422.2			
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		
2002 II	0.0	25.2	25.2	63.4	53.2	0.0	507.3	623.9	649.1		
2002 III	0.0	28.0	28.0	64.4	17.7	0.0	525.2	607.3	635.4		
2002 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		
2003 II	0.0	30.4	30.4	68.9	41.7	0.0	510.7	621.3	651.7		
2003 III	0.0	30.5	30.5	77.2	55.7	0.0	456.6	589.5	620.0		
2003 IV	0.0	31.2	31.2	83.1	33.1	0.0	495.4	611.5	642.7		
2004 I	0.0	31.1	31.1	84.3	40.4	0.0	510.2	634.9	666.0		
2004 II	0.0	31.4	31.4	78.7	44.3	0.0	584.4	707.4	738.8		

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

End of period	Domestic liabilities										Total domestic liabilities	Total foreign liabilities	Revaluation of gold and foreign exchange holdings	Total liabilities	
	Capital and reserves		Bank notes issued	Government	Development funds	Official entities	Commercial banks deposits		Other fin. inst. deposits	Private sector deposits					Other
	(10)	(11)					(12)	(13)							
							Demand	Time				(20)	(21)	(22)	(23)
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	

**TABLE 3.3: BANK NOTES ISSUED**

End of period	Denominations: number (x 1,000)							Total number of notes issued
	Denominations: value (Afl. million)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	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	
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	

**TABLE 3.4: COINS ISSUED**

End of period	Denominations: number (x 1,000)										Total value of coins issued excl. (8) (Afl. million)	
	Cents					Florin						Com-memo-rative coins
	5	10	25	50		1	2 ½	5				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
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			
II	12,091	11,724	7,712	4,091	5,368	71	698	11	14.8			
III	12,129	11,884	7,812	4,136	5,374	71	698	11	14.9			
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			
II	12,788	12,367	8,107	4,330	5,640	72	744	11	15.6			
III	13,015	12,616	8,229	4,405	5,726	72	754	11	15.8			
IV	13,365	12,902	8,411	4,491	5,863	72	798	11	16.3			
2004 I	13,527	13,094	8,519	4,536	5,868	73	800	12	16.4			
II	13,688	13,245	8,618	4,595	5,939	73	808	12	16.6			

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

End of period	Assets			Total assets = Total liabilities				
	Cash and claims on banks		Investments	Liabilities		Capital and reserves		
	(1)	(2)	(3)	(4)	(5)	(6)		
			Loans	Other	Deposits	Capital and reserves		
			(3)	(4)	(5)	(7)		
						(8)		
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	775.9	137.6	2,109.3	167.0	3,189.8	2,691.9	167.2	330.6
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	775.9	137.6	2,109.3	167.0	3,189.8	2,691.9	167.2	330.6
2004 I	711.5	132.3	2,032.2	211.7	3,087.7	2,582.7	224.7	280.3
II	702.9	128.7	2,027.6	207.5	3,066.7	2,551.8	238.8	276.2

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

End of period	Liquidity	Loan/ deposit	Capital/ risk value of assets
	(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	29.9	70.6	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	29.9	70.6	10.0
2004 I	27.5	73.8	12.7
II	27.2	74.7	13.3

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	39.5	81.2	81.2	172.6	63.6	63.6	35.2	733.5	783.9	783.9	443.5	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	39.5	81.2	172.6	63.6	63.6	35.2	733.5	783.9	783.9	443.5	0.1	
2004	I	46.2	121.2	190.9	67.6	67.6	25.4	671.8	780.8	780.8	449.1	0.1	
	II	45.8	122.2	201.5	61.6	61.6	25.3	666.5	779.6	779.6	457.9	0.1	

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

End of period	Domestic assets (cont'd)				Foreign assets				Total foreign assets	Total assets		
	Total domestic assets				Cash	Due from banks	Investments	Loans			Other	
	Premises	Subsidiaries	Accounts receivable	Other (net)								
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
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	84.4	36.7	28.9	16.5	2,519.6	17.9	376.5	38.8	144.6	17.1	594.8	3,114.4
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	84.4	36.7	28.9	16.5	2,519.6	17.9	376.5	38.8	144.6	17.1	594.8	3,114.4
2004 I	63.9	70.5	41.6	16.4	2,545.7	22.1	304.3	39.4	130.3	35.7	531.7	3,077.4
II	65.1	70.8	35.8	13.7	2,545.9	17.7	292.2	41.8	123.5	35.9	511.2	3,057.0

**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	(27)	(28)	(29)		
												(22)	(23)
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	142.3	544.1	168.6	11.0	268.5	295.0	205.3	48.7	461.5	312.7			
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	142.3	544.1	168.6	11.0	268.5	295.0	205.3	48.7	461.5	312.7			
2004 I	126.5	562.6	151.8	4.1	244.1	366.1	168.5	52.2	516.4	232.8			
II	130.4	570.9	139.8	4.6	237.3	354.1	161.9	52.6	524.6	223.6			

**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						
	(32)	(33)	(35)	(36)	(37)	(38)	(39)	(40)				(41)
2000	89.5	13.8	1,952.4	28.9	71.9	68.1	150.9	41.6	8.4	22.0	391.8	2,344.1
2001	130.2	14.1	2,099.0	23.2	65.3	61.4	201.8	42.0	3.0	6.7	403.5	2,502.5
2002	124.6	9.1	2,345.3	15.3	67.9	57.4	192.0	53.4	8.0	48.7	442.6	2,787.9
2003	153.6	5.6	2,617.0	35.1	104.3	69.0	206.8	59.9	8.0	14.3	497.5	3,114.4
2002	139.3	14.1	2,238.5	26.0	57.4	10.8	182.1	41.7	3.0	7.7	328.8	2,567.3
	142.4	9.1	2,256.3	10.8	63.5	7.3	182.7	40.9	8.0	9.4	322.5	2,578.8
	142.4	9.1	2,309.5	8.0	61.3	7.3	201.5	42.4	8.0	19.2	347.6	2,657.1
	124.6	9.1	2,345.3	15.3	67.9	57.4	192.0	53.4	8.0	48.7	442.6	2,787.9
2003	135.9	9.1	2,426.3	9.1	79.6	7.3	199.5	61.4	8.0	59.2	424.2	2,850.5
	140.7	9.1	2,496.4	18.0	81.0	6.8	199.4	54.5	8.0	59.9	427.5	2,923.9
	150.0	9.1	2,535.3	14.0	81.1	6.4	210.1	57.8	8.0	51.1	428.5	2,963.8
	153.6	5.6	2,617.0	35.1	104.3	69.0	206.8	59.9	8.0	14.3	497.5	3,114.4
2004	211.1	5.6	2,641.8	6.8	107.4	1.4	202.0	62.5	8.0	47.5	435.6	3,077.4
	225.2	5.6	2,630.6	21.8	105.6	0.6	172.1	65.8	8.0	52.5	426.5	3,057.0

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

	Loans outstanding				Percentages				
	Current account		Mortgage		Total		Current account		Percentage of total loans
	Term loans		Term loans		Term loans		Term loans		
Agriculture, hunting, forestry and fishing	0.1	3.2	7.2	10.5	0.9	30.6	68.5	0.5	
Mining and manufacturing	18.0	39.1	5.5	62.7	28.8	62.4	8.8	3.2	
Electricity, gas, and water supply	0.6	35.5	0.3	36.5	1.7	97.5	0.8	1.9	
Construction	12.0	5.4	3.2	20.6	58.3	26.3	15.4	1.1	
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	143.5	166.0	84.3	393.8	36.4	42.2	21.4	20.3	
Hotels and restaurants	10.9	34.4	22.0	67.3	16.2	51.1	32.7	3.5	
Transport, storage and communications	13.6	23.5	6.5	43.6	31.1	54.0	14.9	2.3	
Financial intermediation	6.6	38.1	36.5	81.2	8.2	46.9	45.0	4.2	
Real estate, renting and business activities	28.4	51.0	47.8	127.2	22.3	40.1	37.6	6.6	
Other enterprises	19.6	16.9	11.3	47.8	41.0	35.4	23.6	2.5	
<b>Total loans to enterprises</b>	<b>253.3</b>	<b>413.2</b>	<b>224.7</b>	<b>891.2</b>	<b>28.4</b>	<b>46.4</b>	<b>25.2</b>	<b>46.1</b>	
Government	0.0	0.1	0.0	0.1	21.3	78.7	0.0	0.0	
Individuals	64.3	424.6	554.9	1,043.8	6.2	40.7	53.2	53.9	
<b>Total loans</b>	<b>317.7</b>	<b>837.9</b>	<b>779.6</b>	<b>1,935.1</b>	<b>16.4</b>	<b>43.3</b>	<b>40.3</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	I	II	I	II	I	II	I	II					
Agriculture, hunting, forestry and fishing	5.8	5.8	5.5	5.8	5.8	5.8	5.5	5.6	5.5	5.4	7.4	5.1	5.8	17.1	10.5
Mining and manufacturing	17.6	18.6	24.0	39.4	20.1	19.3	23.0	24.0	24.0	26.6	40.9	41.2	39.4	57.7	62.7
Electricity, gas and water supply	36.3	29.0	34.9	38.8	27.9	31.3	33.1	34.9	33.2	33.2	31.2	31.2	38.8	37.2	36.5
Construction	20.6	19.3	20.8	22.8	21.2	21.8	21.7	20.8	22.6	22.6	24.7	25.6	22.8	20.8	20.6
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	289.3	328.7	385.7	437.0	325.4	349.0	369.3	385.7	375.6	406.3	417.2	437.0	386.8	393.8	393.8
Hotels and restaurants	74.7	66.0	76.1	111.3	67.7	64.0	69.7	76.1	66.9	69.6	96.9	111.3	84.6	67.3	67.3
Transport, storage and communications	45.5	32.1	30.1	52.4	29.8	31.4	29.5	30.1	29.4	40.4	53.7	52.4	39.1	43.6	43.6
Financial intermediation	63.1	37.3	30.3	67.7	34.4	37.1	31.2	30.3	29.2	36.7	68.1	67.7	67.9	81.2	81.2
Real estate, renting and business activities	113.5	129.5	128.0	121.7	129.1	123.8	121.5	128.0	131.6	148.9	112.9	121.7	123.3	127.2	127.2
Other enterprises	63.6	73.6	100.7	65.4	70.6	74.3	74.1	100.7	107.6	81.2	87.5	65.4	60.9	47.8	47.8
<b>Total loans to enterprises</b>	<b>730.0</b>	<b>739.9</b>	<b>836.2</b>	<b>962.3</b>	<b>732.0</b>	<b>757.7</b>	<b>778.6</b>	<b>836.2</b>	<b>828.1</b>	<b>887.2</b>	<b>939.4</b>	<b>962.3</b>	<b>895.4</b>	<b>891.2</b>	<b>891.2</b>
Government	0.3	0.3	0.2	0.1	0.3	0.2	2.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Individuals	776.2	829.9	919.4	1,027.6	841.7	851.7	873.6	919.4	943.5	979.8	995.5	1,027.6	1,036.0	1,043.8	1,043.8
<b>Total loans</b>	<b>1,506.5</b>	<b>1,570.1</b>	<b>1,755.9</b>	<b>1,990.0</b>	<b>1,574.0</b>	<b>1,609.6</b>	<b>1,654.3</b>	<b>1,755.9</b>	<b>1,771.8</b>	<b>1,867.1</b>	<b>1,935.0</b>	<b>1,990.0</b>	<b>1,931.6</b>	<b>1,935.1</b>	<b>1,935.1</b>

**TABLE 5.1: FINANCIAL SURVEY**

	Central Bank and Treasury	Commercial Banks	Monetary Sector	Nonmonetary Financial Institutions	Financial Sector
End of June 2004	(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)+(4)
1. Foreign assets	707.4	511.2	1,218.5	560.2	1,778.7
2. Domestic claims					
a) Government	71.5	1,914.8	1,986.3	1,181.4	3,167.7
b) Non-financial public enterprises	64.7	19.7	84.4	525.0	609.4
c) Enterprises	0.0	65.1	65.1	45.8	110.9
d) Individuals	0.0	817.2	817.2	83.0	900.2
1) Consumer credit	6.7	1,012.8	1,019.5	527.7	1,547.2
2) Housing mortgages	0.9	457.9	458.8	81.0	539.7
	5.9	554.9	560.8	446.7	1,007.5
3. Other domestic claims	24.7	640.7	665.5	870.4	1,535.9
<b>4. TOTAL ASSETS=TOTAL LIABILITIES</b>	<b>803.6</b>	<b>3,066.7</b>	<b>3,870.3</b>	<b>2,612.0</b>	<b>6,482.3</b>
5. Foreign liabilities	69.4	426.5	495.8	137.9	633.7
6. Deposits and borrowings	94.0	2176.2	2270.2	63.2	2333.4
a) Government	81.2	57.2	138.3	36.7	175.0
b) Other residents	12.8	2,119.0	2,131.9	26.5	2,158.4
7. Pension fund provisions	0.0	0.0	0.0	1,272.1	1,272.1
8. Insurance reserve fund	0.0	0.0	0.0	289.4	289.4
9. Other domestic liabilities	640.2	464.1	1,104.3	849.4	1,953.7

**TABLE 6.1: INTEREST RATES OF COMMERCIAL BANKS 1)**

Period	Time deposits		Savings deposits	Weighted average rate of interest on deposits	Loans			Weighted average rate of interest on loans	Interest rate margin
	≤ 12-months	> 12 months			Individual	Commercial	Consumer credit		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (10=9-4)
2000	6.0	7.7	3.9	6.2	17.2	10.7	10.8	10.4	12.0
2001	5.3	7.7	3.8	5.8	17.2	10.9	10.7	10.1	12.1
2002	5.2	7.1	3.7	5.5	16.7	10.3	10.0	10.6	12.8
2003	5.2	6.4	3.8	5.3	16.3	9.5	9.5	8.9	11.4
2002 I	6.0	7.9	3.7	6.4	17.2	10.8	10.4	11.2	13.2
II	5.6	7.2	3.8	5.8	16.9	10.6	10.9	10.3	13.2
III	4.0	6.5	3.7	4.3	16.7	10.4	10.5	11.0	13.4
IV	5.4	6.7	3.8	5.7	16.2	9.9	9.5	10.3	12.1
2003 I	5.4	6.0	3.6	5.3	16.2	9.6	10.4	9.4	11.8
II	5.5	6.5	3.8	5.5	16.6	9.4	9.3	9.9	11.8
III	5.0	6.6	3.9	5.4	16.4	9.4	9.2	8.5	10.9
IV	4.9	6.3	3.8	5.1	15.9	9.5	9.8	8.8	11.4
2004 I	3.7	6.1	3.9	4.9	16.7	9.6	9.1	8.9	11.4
II	4.9	6.3	3.8	5.1	15.9	9.5	9.8	8.8	11.4

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

2) Including current overdraft facilities.

**TABLE 6.2: CENTRAL BANK LENDING RATES**

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

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

Source: International Financial Statistics.

TABLE 6.5: GOVERNMENT SECURITY MARKETS

3-month treasury bills					
End of period	(1)	(2)	(3)	(4)	
	Date of issue	Amount (Afl. million)	Average price per Afl. 100	Yield per annum (%)	
2000	January	17.0	98.35	6.57	
	February	15.0	98.41	6.34	
	April	17.0	98.36	6.13	
	May	15.0	98.48	6.12	
	July	17.0	98.35	6.20	
	August	15.0	98.45	6.21	
	October	17.0	98.34	6.10	
	November	12.4	98.28	6.91	
	2001	January	17.0	98.28	6.93
		February	15.0	98.29	6.77
		April	17.0	98.39	6.54
May		15.0	98.38	6.56	
July		17.0	98.46	6.13	
August		23.0	98.46	6.24	
October		17.0	98.70	5.05	
November		23.0	98.77	4.98	
2002		January	17.0	99.46	2.30
		February	23.0	99.14	3.60
		April	17.0	99.47	2.09
	May	23.0	99.46	2.58	
	July	17.0	99.68	1.03	
	July*	30.0	99.76	1.77	
	August	23.0	99.54	1.92	
	October	17.0	99.58	1.08	
	November	23.0	99.74	1.05	
	2003	January	17.0	99.72	0.87
		January	23.0	99.75	0.98
April		17.0	99.75	0.96	
May		23.0	99.76	0.95	
July		17.0	99.67	1.10	
July		35.0	99.37	2.62	
August		23.0	99.51	1.73	
October		17.0	99.41	1.88	
October		23.0	99.42	2.04	
2004		January	17.0	99.58	1.33
		January	23.0	99.43	2.16
	April	17.0	99.53	2.04	
	April	23.0	99.44	2.11	
	July	17.0	99.52	1.93	
	July	23.0	99.50	1.87	
	October	17.0	99.53	1.91	
	October	23.0	99.49	2.21	

6-month cash loan certificates				
End of period	(1)	(2)	(3)	(4)
	Date of issue	Amount (Afl. million)	Average price per million	Yield per annum (%)
2001	June	8.0	96.69	6.49
	December	8.0	98.95	2.10
2002	June	8.0	99.73	1.06
	December	8.0	99.72	1.10
2003	June	8.0	99.41	1.06
	December	8.0	98.93	2.17
2004	June	8.0	98.87	2.29

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

\* 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>	<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>A. 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>
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	88.0	105.4	78.5	77.5
2. Taxes on commodities	212.6	202.6	213.5	234.4	44.8	50.1	58.7	68.1	50.9	53.7	58.7	71.2	55.6	59.6
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
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
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
<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>C. 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>2. Expenditure</b>	<b>719.9</b>	<b>717.0</b>	<b>816.4</b>	<b>873.7</b>	<b>201.4</b>	<b>202.9</b>	<b>191.1</b>	<b>221.1</b>	<b>183.1</b>	<b>242.5</b>	<b>213.2</b>	<b>234.8</b>	<b>232.5</b>	<b>252.8</b>
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
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
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
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
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
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
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
8. Items n.i.e. 2)	93.9	156.0	180.5	195.0	48.4	39.0	46.3	46.9	40.0	62.6	37.3	55.1	48.5	33.5
<b>3. Lending minus repayments</b>	<b>16.2</b>	<b>32.0</b>	<b>-3.0</b>	<b>-71.1</b>	<b>8.1</b>	<b>-41.3</b>	<b>23.3</b>	<b>6.9</b>	<b>-81.3</b>	<b>2.6</b>	<b>18.0</b>	<b>-10.4</b>	<b>0.3</b>	<b>41.4</b>
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
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
<b>4. Financial deficit (-)</b>	<b>6.1</b>	<b>-17.3</b>	<b>-62.2</b>	<b>1.0</b>	<b>-31.7</b>	<b>7.8</b>	<b>-52.6</b>	<b>14.3</b>	<b>64.6</b>	<b>-64.5</b>	<b>-27.6</b>	<b>28.4</b>	<b>-38.6</b>	<b>-122.9</b>
<b>5. Net foreign capital</b>	<b>24.1</b>	<b>27.9</b>	<b>96.0</b>	<b>-29.0</b>	<b>0.0</b>	<b>-0.5</b>	<b>46.5</b>	<b>50.0</b>	<b>0.0</b>	<b>-99.3</b>	<b>0.4</b>	<b>69.9</b>	<b>-4.7</b>	<b>123.3</b>
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
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
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
<b>6. Net domestic capital 5)</b>	<b>-16.8</b>	<b>14.2</b>	<b>2.5</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.8</b>	<b>-4.3</b>	<b>0.0</b>	<b>25.5</b>	<b>0.1</b>	<b>-16.6</b>	<b>0.0</b>	<b>54.0</b>
A. Loans received	33.5	29.4	34.1	55.8	0.0	0.0	34.1	0.0	0.0	54.0	0.0	1.8	0.0	54.0
B. Repayments on loans	-50.3	-15.2	-31.6	-36.8	0.0	0.0	-27.3	-4.3	0.0	-28.5	0.1	-8.4	0.0	0.0
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
<b>7. Net recourse to the monetary system (-)</b>	<b>13.4</b>	<b>24.7</b>	<b>36.2</b>	<b>-19.1</b>	<b>-31.7</b>	<b>7.3</b>	<b>0.7</b>	<b>59.9</b>	<b>64.6</b>	<b>-138.2</b>	<b>-27.1</b>	<b>81.7</b>	<b>-43.3</b>	<b>54.4</b>
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
B. Drawings on deposits	3.3	36.6	40.1	-16.4	-31.7	7.3	5.7	58.6	64.7	-134.2	6.0	47.2	-43.2	54.5
-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
-Free	11.7	32.1	27.8	34.2	-32.7	12.5	5.7	42.2	-12.9	-12.4	8.2	51.4	-42.9	53.5
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
<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
B. Financial deficit (-)	-57.8	-134.2	-68.7	-24.1	-43.5	-2.7	-30.3	7.7	38.1	-92.1	-41.6	71.6	-53.6	-122.0

1) Preliminary figures and estimates on a cash basis.

2) Residual item, including errors and omissions.

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

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

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

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

TABLE 7.2: GOVERNMENT REVENUE

	2000	2001	2002	2003	2002				2003				2004	
					I	II	III	IV	I	II	III	IV	I	II
<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>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>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>
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
-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
-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
-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
<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>
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
-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
-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
-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
-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
<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>
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
-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
-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
-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
<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>
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
-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
-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
-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
<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>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>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>

Source: Tax Collector's Office; CBA.

**TABLE 7.3: GOVERNMENT'S POSITION WITH THE MONETARY SYSTEM**

End of period	Domestic deposits				Gross liquidity position	Liabilities to		Net liability to the monetary system	Change in net liability during period			
	Central Bank		Commercial banks			Monetary authorities	Commercial banks			Total		
	Free	Earmarked	Development funds	Total							Demand	Development funds
(1)	(2)	(3)	(4)= 1+2+3	(5)	(6)	(7)= 4+5+6	(8)	(9)	(10)= 8+9	(11)= 10-7	(12)	
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	11.0	48.7	127.0	64.5	19.7	84.2	-42.9	19.1
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	11.0	48.7	127.0	64.5	19.7	84.2	-42.9	-81.7
2004 I	4.3	1.1	22.1	27.5	4.1	52.2	83.8	64.6	19.7	84.3	0.5	43.3
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

TABLE 7.4 OUTSTANDING GOVERNMENT DEBT

	2000	2001	2002	2003	2002		2003		2004				
					I	II	I	II	I	II			
<b>1. Total debt</b>	947.2	1,103.6	1,240.6	1,500.0	1,114.9	1,148.4	1,177.9	1,240.6	1,473.9	1,439.0	1,498.9	1,502.4	1,676.7
<b>2. Domestic debt</b>	571.5	710.5	717.5	769.6	721.5	731.1	716.0	717.5	744.0	799.6	855.6	769.6	835.8
<b>A. Negotiable</b>	165.1	179.2	189.1	218.5	179.2	179.2	189.1	189.1	189.1	218.5	253.5	218.5	272.4
1. Treasury bills	29.4	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	75.0	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	141.1	170.5	131.2	131.2	141.1	141.1	141.1	170.5	170.5	170.5	224.4
<b>B. Non-negotiable</b>	406.4	531.4	528.4	551.1	542.3	552.0	526.9	528.4	554.9	581.2	602.1	551.1	565.2
1. Short-term	156.0	272.2	275.8	300.9	283.9	294.4	272.1	275.8	302.3	330.0	344.1	300.9	315.0
a. APFA	111.2	179.5	214.1	219.7	188.1	196.8	205.5	214.1	214.4	218.2	231.6	219.7	214.8
b. Suppliers' credit	38.1	74.8	43.1	43.4	73.1	67.6	45.5	43.1	63.1	74.9	62.4	43.4	54.5
c. Other	6.7	17.9	18.6	37.8	22.7	30.0	21.1	18.6	24.8	36.9	50.1	37.8	32.3
2. Long-term	250.4	259.2	252.6	250.2	258.4	257.6	254.9	252.6	252.6	251.1	258.0	250.2	248.4
a. APFA	78.5	75.4	72.1	78.4	74.6	73.8	73.0	72.1	72.1	70.6	79.6	78.4	76.5
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	46.1	57.7	57.7	55.8	54.6	54.6	54.6	52.6	46.1	46.1
d. Other	16.2	31.2	31.0	30.9	31.2	31.2	31.2	31.0	31.0	31.0	30.9	30.9	30.9
<b>3. Foreign debt</b>	375.7	393.1	523.1	730.4	393.4	417.3	461.9	523.1	729.9	639.4	643.3	730.2	840.9
<b>A. The Netherlands</b>	204.4	181.5	199.7	219.7	181.9	204.0	202.0	199.7	208.1	216.2	219.9	219.7	212.4
1. Development cooperation	201.0	177.8	195.9	214.5	178.8	200.4	198.4	195.9	202.9	211.4	215.0	214.5	207.5
2. Commercial loans	3.4	3.7	3.8	5.2	3.2	3.6	3.6	3.8	5.2	4.8	4.9	5.2	5.0
<b>B. EIB</b>	14.4	13.0	15.0	17.2	12.9	14.7	14.5	15.0	15.5	15.8	16.1	16.9	15.6
<b>C. USA</b>	144.0	181.8	244.8	244.8	181.8	181.8	181.8	244.8	244.8	244.8	244.8	244.8	244.8
<b>D. Other</b>	12.8	16.8	63.6	248.8	16.8	16.8	63.6	63.6	261.6	162.6	162.6	248.8	368.1

TABLE 8.1: BALANCE OF PAYMENTS 1)

During period	2000		2001		2002		2003		2004					
	I	II	I	II	I	II	I	II	I	II				
<b>1. Current account (net)</b>	<b>415.7</b>	<b>594.3</b>	<b>-585.2</b>	<b>-255.3</b>	<b>-5.8</b>	<b>-181.6</b>	<b>-102.4</b>	<b>-295.5</b>	<b>-266.0</b>	<b>151.1</b>	<b>-180.1</b>	<b>39.7</b>	<b>18.6</b>	<b>-185.0</b>
A. Goods and services	559.8	774.6	-251.6	-35.3	36.5	-128.1	40.5	-200.5	-193.3	190.9	-132.3	99.3	68.6	-127.1
1. Goods	-104.6	96.0	-948.9	-597.4	-222.0	-270.7	-87.9	-368.2	-391.4	62.9	-246.0	-23.0	-196.7	-282.9
2. Services	664.4	678.6	697.3	562.0	258.5	142.7	128.4	167.7	198.1	128.0	113.7	122.3	265.4	155.8
B. Income	-16.1	-77.6	-211.3	-67.1	-12.7	-23.8	-113.4	-61.5	-30.4	-4.5	-14.8	-17.5	-9.5	-14.0
C. Current transfers	-127.9	-102.6	-122.3	-152.9	-29.6	-29.7	-29.5	-33.5	-42.3	-35.4	-33.1	-42.1	-40.5	-43.8
<b>2. Capital and financial account (net)</b>	<b>-482.7</b>	<b>-440.8</b>	<b>591.2</b>	<b>185.6</b>	<b>82.9</b>	<b>143.1</b>	<b>80.9</b>	<b>284.3</b>	<b>363.8</b>	<b>-318.4</b>	<b>142.9</b>	<b>-2.7</b>	<b>7.0</b>	<b>251.1</b>
A. Capital account	17.9	-1.9	36.8	7.4	-0.3	-2.8	2.6	37.3	-10.8	-13.1	-0.2	31.5	-3.0	-2.6
1. Capital transfers	17.9	-2.0	39.2	7.3	-0.3	-0.4	2.6	37.3	-10.8	-13.1	-0.2	31.5	-3.0	-2.6
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
B. Financial account	-500.6	-438.9	554.4	178.2	83.2	145.9	78.3	247.0	374.6	-305.2	143.1	-34.2	10.0	253.7
1. Direct investment	-220.8	-490.3	476.2	303.0	109.4	151.6	-22.2	237.4	312.0	-173.2	224.5	-60.2	105.9	45.8
2. Portfolio investment	-2.9	72.8	131.5	89.9	-10.0	13.1	50.5	77.8	66.0	-28.4	-16.3	68.6	-17.1	117.3
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
4. Other investment	-276.9	-21.4	-53.1	-214.8	-16.1	-18.8	50.0	-68.2	-3.4	-103.7	-65.1	-42.6	-78.9	90.6
<b>3. Items not yet classified 2)</b>	<b>20.2</b>	<b>-23.9</b>	<b>33.0</b>	<b>14.5</b>	<b>1.3</b>	<b>20.4</b>	<b>3.8</b>	<b>7.5</b>	<b>7.3</b>	<b>2.3</b>	<b>-0.9</b>	<b>5.8</b>	<b>-5.9</b>	<b>-6.8</b>
<b>4. Overall balance (1+2+3)</b>	<b>-46.8</b>	<b>129.7</b>	<b>39.0</b>	<b>-55.3</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>42.8</b>	<b>19.7</b>	<b>59.2</b>
<b>5. Banking transactions 3)</b>	<b>19.9</b>	<b>18.5</b>	<b>32.9</b>	<b>-9.7</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>-33.1</b>	<b>1.2</b>	<b>11.4</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>
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	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

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		
<b>1. Goods and services</b>	<b>559.8</b>	<b>774.6</b>	<b>-251.6</b>	<b>-35.3</b>	<b>36.5</b>	<b>-128.1</b>	<b>40.5</b>	<b>-200.5</b>	<b>-193.3</b>	<b>190.9</b>	<b>-132.3</b>	<b>99.3</b>	<b>68.6</b>	<b>-127.1</b>						
<b>A. Goods</b>	<b>-104.6</b>	<b>96.0</b>	<b>-948.9</b>	<b>-597.4</b>	<b>-222.0</b>	<b>-270.7</b>	<b>-87.9</b>	<b>-368.2</b>	<b>-391.4</b>	<b>62.9</b>	<b>-246.0</b>	<b>-23.0</b>	<b>-196.7</b>	<b>-282.9</b>						
1. Exports f.o.b.	4,513.5	4,329.2	2,654.8	3,660.9	717.8	698.1	610.1	628.9	824.8	1,012.9	675.9	1,147.3	1,010.9	1,059.6						
2. Imports f.o.b.	4,618.1	4,233.2	3,603.7	4,258.3	939.8	968.8	698.0	997.0	1,216.2	949.9	921.8	1,170.3	1,207.7	1,342.5						
<b>B. Services</b>	<b>664.4</b>	<b>678.6</b>	<b>697.3</b>	<b>562.0</b>	<b>258.5</b>	<b>142.7</b>	<b>128.4</b>	<b>167.7</b>	<b>198.1</b>	<b>128.0</b>	<b>113.7</b>	<b>122.3</b>	<b>265.4</b>	<b>155.8</b>						
1. Receipts	1,810.1	1,778.3	1,783.3	1,850.1	509.6	419.0	394.1	460.5	522.7	416.1	429.1	482.2	616.2	510.4						
1.1 Transportation	147.6	92.6	62.9	59.4	16.0	19.5	16.2	11.2	14.9	14.4	12.5	17.7	19.0	21.9						
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	86.0	61.4	59.2	15.7	18.7	16.0	11.0	14.7	14.3	12.5	17.7	19.0	21.9						
1.2 Travel	1,456.5	1,474.0	1,487.5	1,524.2	441.1	354.3	317.6	374.5	488.7	347.1	352.9	385.5	536.1	429.6						
1.2.1 Tourism	1,446.0	1,464.1	1,474.1	1,508.5	438.1	350.7	313.3	372.0	485.9	342.1	349.2	381.2	531.4	425.7						
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	7.5						
1.4 Other services	174.8	187.8	201.9	241.1	50.1	39.9	51.2	60.7	65.7	49.2	56.0	70.3	53.9	51.3						
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	163.1	171.1	212.3	40.5	34.8	40.6	55.2	61.1	42.2	49.8	59.2	47.8	41.5						
1.4.3 Other services, n.i.e.	32.1	17.8	28.6	28.6	8.0	4.8	10.3	5.5	4.5	7.0	5.9	11.2	6.1	9.8						
2. Payments	1,145.7	1,099.7	1,086.0	1,288.0	251.1	276.4	265.7	292.8	324.6	288.1	315.4	359.9	350.8	354.6						
2.1 Transportation	501.3	472.7	389.5	463.1	99.6	103.1	80.3	106.4	126.7	102.8	103.6	129.9	133.6	149.1						
2.1.1 Passenger	28.9	36.4	21.2	34.5	4.2	3.6	8.9	4.5	4.4	7.3	10.9	11.9	12.5	14.2						
2.1.2 Freight	459.7	423.5	361.2	426.5	94.2	97.1	70.0	100.0	121.8	95.1	92.3	117.3	121.0	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	0.7						
2.2 Travel	256.6	241.5	291.4	341.4	58.8	74.2	79.6	78.8	76.0	80.9	93.1	91.4	97.9	99.4						
2.2.1 Tourism	213.4	195.4	235.5	273.1	46.2	62.7	64.7	61.9	64.7	63.1	76.7	71.9	84.7	83.4						
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	13.3	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	12.2						
2.4 Other services	346.6	343.5	349.5	418.9	75.8	88.2	87.9	97.6	111.2	90.1	89.4	128.1	107.9	93.8						
2.4.1 Construction services	36.0	26.9	25.0	37.7	5.3	2.8	14.1	2.7	22.8	3.2	1.5	10.2	8.1	17.0						
2.4.2 Business services	235.1	244.5	239.6	301.0	52.2	67.4	51.1	69.0	57.3	69.6	71.8	102.4	77.9	57.8						
2.4.3 Other services, n.i.e.	75.5	72.1	85.0	80.2	18.3	18.0	22.8	25.9	31.1	17.3	16.2	15.6	21.9	19.1						
<b>2. Income</b>	<b>-16.1</b>	<b>-77.6</b>	<b>-211.3</b>	<b>-67.1</b>	<b>-12.7</b>	<b>-23.8</b>	<b>-113.4</b>	<b>-61.5</b>	<b>-30.4</b>	<b>-4.5</b>	<b>-14.8</b>	<b>-17.5</b>	<b>-9.5</b>	<b>-14.0</b>						
1. Receipts	94.9	89.6	60.8	62.2	14.0	15.0	15.8	16.0	13.8	17.0	15.6	15.8	17.7	13.2						
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	1.0	1.0						
1.2 Investment income	94.8	88.8	59.9	61.8	13.6	14.9	15.5	15.9	13.7	16.9	15.6	15.7	16.6	12.2						
2. Payments	111.1	167.2	272.1	129.3	26.6	38.8	129.1	77.5	44.1	21.5	30.4	33.3	27.2	27.2						
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	110.6	166.2	271.0	128.2	26.2	38.6	128.9	77.3	43.8	21.2	30.2	33.0	26.8	26.9						
<b>3. Current transfers</b>	<b>-127.9</b>	<b>-102.6</b>	<b>-122.3</b>	<b>-152.9</b>	<b>-29.6</b>	<b>-29.7</b>	<b>-29.5</b>	<b>-33.5</b>	<b>-42.3</b>	<b>-35.4</b>	<b>-33.1</b>	<b>-42.1</b>	<b>-40.5</b>	<b>-43.8</b>						
1. Receipts	66.2	71.9	62.8	71.5	14.9	14.5	13.7	19.7	14.0	16.9	20.1	20.5	15.8	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	4.9	5.3						
1.2 Other sectors	43.4	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	2.0	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	43.0	10.1	8.4	10.0	12.7	9.5	10.7	11.7	11.1	9.7	8.6						
2. Payments	194.2	174.5	185.1	224.4	44.4	44.2	43.3	53.2	56.3	52.3	53.2	62.6	56.3	59.2						
2.1 General government	26.0	23.3	25.9	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	151.2	159.3	197.3	39.2	39.1	36.5	44.5	51.3	50.1	47.5	48.3	50.4	55.0						
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	17.7	21.7						
2.2.2 Other transfers	99.5	91.9	79.6	104.3	23.6	20.1	15.9	19.9	29.6	27.4	22.4	24.9	32.8	33.3						
<b>4. Current account balance (1+2-3)</b>	<b>415.7</b>	<b>594.3</b>	<b>-585.2</b>	<b>-255.3</b>	<b>-5.8</b>	<b>-181.6</b>	<b>-102.4</b>	<b>-295.5</b>	<b>-266.0</b>	<b>151.1</b>	<b>-180.1</b>	<b>39.7</b>	<b>18.6</b>	<b>-185.0</b>						

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

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																																		
<b>1. Nonbanks</b>	<b>-482.7</b>				<b>-440.8</b>				<b>591.2</b>				<b>185.6</b>				<b>82.9</b>			<b>143.1</b>				<b>80.9</b>				<b>284.3</b>				<b>363.8</b>				<b>-318.4</b>				<b>142.9</b>				<b>-2.7</b>				<b>7.0</b>				<b>251.1</b>
A. Capital account	17.9				-1.9				36.8				7.4				-0.3			-2.8				2.6				37.3				-10.8				-13.1				-0.2				31.5				-3.0				2.6
1. Capital transfers	17.9				-2.0				39.2				7.3				-0.3			-0.4			2.6				37.3				-10.8				-13.1				-0.2				31.5				-3.0				2.6	
1.1 General government	17.0				0.0				37.4				12.1				0.0			0.0			0.0				37.4				-5.4				-12.5				0.0				30.0				0.0				0.0	
1.2 Other sectors	0.9				-2.0				1.8				-4.8				-0.3			-0.4			2.6				0.0				-5.5				-0.6				-0.2				1.4				-3.0				-2.6	
1.2.1 Migrants' transfers	0.9				-2.0				1.8				-4.8				-0.3			-0.4			2.6				0.0				-5.5				-0.6				-0.2				1.4				-3.0				-2.6	
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	
2. Acquisition/disposal of np.n.f. asset	0.0				0.1				-2.4				0.0				-0.1			-2.3			0.0				0.0				0.0				0.0				0.1				0.0				0.0				0.0	
B. Financial account	-500.6				-438.9				554.4				178.2				83.2			145.9			78.3				247.0				374.6				-305.2				143.1				-34.2				10.0				253.7	
1. Direct investment	-220.8				-490.3				476.2				303.0				109.4			151.6			-22.2				237.4				312.0				-173.2				224.5				-60.2				105.9				45.8	
1.1 Abroad	-23.8				-27.4				-5.3				-31.9				-6.8			-5.4			-0.5			7.4				-1.0				-9.7				-9.4				-11.8				-13.4				2.0		
1.2 In Aruba	-197.0				-463.0				481.5				334.9				116.2			157.0			-21.7			230.0				313.0				-163.5				233.9				-48.5				119.3				43.9		
2. Portfolio investment	-2.9				72.8				131.5				89.9				-10.0			13.1			50.5			77.8				66.0				-28.4				-16.3				68.6				-17.1				117.3		
2.1 Assets	-80.2				42.2				29.8				-29.2				-2.3			13.1			4.0			15.2				-4.2				-5.1				-6.1				-13.7				-6.2						
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				123.5		
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		
3.1 Assets	0.0				0.0				0.0				0.0				0.0			0.0			0.0			0.0				0.0				0.0				0.0				0.0				0.0				0.0		
3.2 Liabilities	0.0				0.0				-0.1				0.0				-0.1			0.0			0.0			0.0				0.0				0.0				0.0				0.0				0.0				0.0		
4. Other investment	-276.9				-21.4				-53.1				-214.8				-16.1			-18.8			50.0			-68.2				-3.4				-103.7				-65.1				-42.6				-78.9				90.6		
4.1 Assets	-36.6				4.2				-73.8				-41.6				-2.4			-23.0			-10.7			-37.6				8.5				-12.5				-39.3				-47.7				113.0				-4.0		
4.1.1 Loans	0.6				26.6				-1.5				7.3				0.8			0.9			0.8			-3.9				0.5				1.8				1.2				3.8				-14.6				-4.0		
4.1.2 Other assets	-37.3				-22.4				-72.3				-48.8				-3.2			-23.9			-11.5			-33.7				8.0				-13.7				-43.1				-33.1				117.0				118.3		
4.1.2.1 Currency and deposits	-33.3				-11.3				-66.9				-45.1				-2.9			-23.1			-10.3			-30.6				7.3				0.2				-11.1				-41.5				-31.8				118.3		
4.1.2.2 Other assets, n.i.e.	-3.9				-11.2				-5.4				-3.7				-0.3			-0.9			-1.2			-3.1				0.7				-0.3				-2.6				-1.6				-1.3						
4.2 Liabilities	-240.3				-25.5				20.7				-173.3				-13.7			4.2			60.7			-30.6				-11.9				-105.4				-52.6				-3.3				-31.2				-22.4		
4.2.1 Loans	-230.4				-7.5				31.0				-160.7				-7.3			9.6			64.3			-35.6				-10.2				-107.6				-47.1				4.3				-25.5				-16.4		
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				-47.1				20.0				-20.8						
4.2.1.2 Other sectors	-181.1				6.0				44.2				-45.7				-7.3			10.1			64.3			-22.9				-10.2				-8.4				-47.1				20.0				-16.2						
4.2.2 Other liabilities	-9.9				-18.1				-10.3				-12.6				-6.4			-5.4			-3.5			5.0				-1.7				2.2				-5.5				-7.6				-6.0						
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						
4.2.2.2 Other liabilities, n.i.e.	-7.6				-17.9				-8.9				-11.4				-6.5			-5.5			-3.1			6.2				-1.7				3.2				-5.6				-7.3				-6.0						
<b>2. Banking transactions 2)</b>	<b>19.9</b>				<b>18.5</b>				<b>32.9</b>				<b>-9.7</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>-33.1</b>				<b>1.2</b>				<b>11.4</b>			
A. Assets	-29.7				6.8				-6.2				-64.6				44.6			14.0			-38.6			-26.1				1.4				24.5				11.6				-102.1				63.1				20.6		
1. Investments	-1.9				26.5				-20.9				-11.1				-10.6			-2.6			-7.7			0.0				0.0				-9.1				-3.5				1.3				-0.6				-2.5		
2. Loans	-26.0				17.7				22.4				-24.4				29.3			-4.6			3.9			-6.2				8.3				-1.2				-13.1				-18.4				14.3				6.9		
3. Other assets	-1.7				-37.4				-7.8				-29.0				25.8			21.1			-34.8			-19.9				-7.1				34.8				28.1				-84.9				49.4						

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

During period	2002 II			2003 II			2004 II					
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
<b>1. Current account (net)</b>	<b>-128.6</b>	<b>-8.7</b>	<b>-44.3</b>	<b>-181.6</b>	<b>234.7</b>	<b>2.6</b>	<b>-86.3</b>	<b>151.1</b>	<b>-118.4</b>	<b>7.2</b>	<b>-73.8</b>	<b>-185.0</b>
A. Goods and services	-120.9	-0.5	-6.7	-128.1	242.1	2.8	-54.0	190.9	-106.8	7.3	-27.6	-127.1
1. Goods	-28.5	1.1	-243.3	-270.7	323.4	1.9	-262.3	62.9	0.5	4.4	-287.8	-282.9
1.1 Exports f.o.b.	668.1	24.0	5.9	698.1	991.2	16.0	5.7	1,012.9	1,040.4	13.8	5.4	1,059.6
1.2 Imports f.o.b.	696.6	22.9	249.3	968.8	667.8	14.1	268.0	949.9	1,039.9	9.4	293.2	1,342.5
2. Services	-92.3	-1.7	236.7	142.7	-81.3	0.9	208.4	128.0	-107.4	2.9	260.2	155.8
2.1 Receipts	2.1	0.8	416.2	419.0	2.2	2.5	411.3	416.1	2.3	4.2	503.8	510.4
2.2 Payments	94.4	2.4	179.5	276.4	83.5	1.6	203.0	288.1	109.7	1.3	243.6	354.6
B. Income	0.0	-7.9	-15.9	-23.8	0.0	0.0	-4.5	-4.5	0.0	0.0	-14.0	-14.0
1. Receipts	0.0	0.0	15.0	15.0	0.0	0.0	17.0	17.0	0.0	0.0	13.2	13.2
2. Payments	0.0	7.9	30.9	38.8	0.0	0.0	21.5	21.5	0.0	0.0	27.2	27.2
C. Current transfers	-7.7	-0.2	-21.8	-29.7	-7.4	-0.2	-27.8	-35.4	-11.6	-0.1	-32.2	-43.8
1. Receipts	0.0	0.0	14.5	14.5	0.0	0.0	16.9	16.9	0.0	0.0	15.4	15.4
2. Payments	7.7	0.3	36.2	44.2	7.4	0.2	44.7	52.3	11.6	0.1	47.5	59.2
<b>2. Capital and financial account (net)</b>	<b>140.9</b>	<b>-0.2</b>	<b>2.5</b>	<b>143.1</b>	<b>-209.1</b>	<b>3.4</b>	<b>-112.7</b>	<b>-318.4</b>	<b>128.1</b>	<b>-1.9</b>	<b>124.9</b>	<b>251.1</b>
A. Capital account	0.0	0.0	-2.8	-2.8	0.0	0.0	-13.1	-13.1	0.0	0.0	-2.6	-2.6
1. Capital transfers	0.0	0.0	-0.4	-0.4	0.0	0.0	-13.1	-13.1	0.0	0.0	-2.6	-2.6
2. Acquisition/disposal of n.p.n.f. assets	0.0	0.0	-2.3	-2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial account	140.9	-0.2	5.2	145.9	-209.1	3.4	-99.6	-305.2	128.1	-1.9	127.6	253.7
1. Direct investment	141.6	0.0	10.0	151.6	-209.1	0.0	35.9	-173.2	0.0	0.0	45.8	45.8
2. Portfolio investment	-0.7	0.0	13.8	13.1	0.0	0.0	-28.4	-28.4	0.0	0.0	117.3	117.3
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Other investment	0.0	-0.2	-18.6	-18.8	0.0	3.4	-107.1	-103.7	128.1	-1.9	-35.5	90.6
<b>3. Items not yet classified 2)</b>	<b>0.0</b>	<b>0.0</b>	<b>20.4</b>	<b>20.4</b>	<b>0.0</b>	<b>0.0</b>	<b>2.3</b>	<b>2.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.8</b>	<b>-6.8</b>
<b>4. Overall balance (1+2+3)</b>	<b>12.3</b>	<b>-8.9</b>	<b>-21.5</b>	<b>-18.0</b>	<b>25.6</b>	<b>6.1</b>	<b>-196.6</b>	<b>-165.0</b>	<b>9.7</b>	<b>5.3</b>	<b>44.3</b>	<b>59.2</b>
<b>5. Banking transactions 3)</b>	<b>-12.3</b>	<b>8.9</b>	<b>11.1</b>	<b>7.7</b>	<b>-25.6</b>	<b>-6.1</b>	<b>59.5</b>	<b>27.9</b>	<b>-9.7</b>	<b>-5.3</b>	<b>26.3</b>	<b>11.4</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>0.0</b>	<b>0.0</b>	<b>10.3</b>	<b>10.3</b>	<b>0.0</b>	<b>0.0</b>	<b>137.1</b>	<b>137.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-70.6</b>	<b>-70.6</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	10.3	10.3	0.0	0.0	137.1	137.1	0.0	0.0	-70.6	-70.6

1) On a cash basis.

2) Including errors and omissions.

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

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

**TABLE 8.5: BREAKDOWN OF MERCHANDISE TRADE**

During period	2000		2001		2002		2003		2004					
	I	II	I	II	I	II	I	II	I	II				
<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>1,059.6</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	17.7
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
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	4.0	3.9
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
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
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
<b>2. Imports f.o.b.</b>	<b>4,618.1</b>	<b>4,233.2</b>	<b>3,603.7</b>	<b>4,258.3</b>	<b>939.8</b>	<b>968.8</b>	<b>698.0</b>	<b>997.0</b>	<b>1,216.2</b>	<b>949.9</b>	<b>921.8</b>	<b>1,170.3</b>	<b>1,207.7</b>	<b>1,342.5</b>
A. General merchandise	1,505.8	1,732.0	1,736.5	1,869.8	450.6	508.1	325.8	452.0	445.8	431.5	440.5	552.0	402.8	390.1
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
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
3. Other sectors	1,021.8	986.2	1,029.3	1,115.4	255.1	249.2	240.0	285.1	280.0	268.0	271.6	295.8	308.8	293.2
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
C. Goods procured in ports by carriers	26.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Repairs on goods	6.9	1.3	0.8	0.0	0.6	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0
<b>3. Merchandise trade balance (1-2)</b>	<b>-104.6</b>	<b>96.0</b>	<b>-948.9</b>	<b>-597.4</b>	<b>-222.0</b>	<b>-270.7</b>	<b>-87.9</b>	<b>-368.2</b>	<b>-391.4</b>	<b>62.9</b>	<b>-246.0</b>	<b>-23.0</b>	<b>-196.7</b>	<b>-282.9</b>

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

	(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) (x 100)
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	133.495				144.179	170.324
2003	1.293	2.959						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

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) (x 100)
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

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