

QUARTERLY BULLETIN

2000 - IV

April 17, 2001
Issue no. 58

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ISSN: 0920-9905

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I. Developments in the fourth quarter of 2000

1.1 Introduction

Available data indicate that economic activity weakened somewhat during the fourth quarter of 2000. Stay-over tourism shrank, but cruise tourism grew further: on balance, causing an almost 2 percent decrease in registered tourist receipts. Inflation accelerated to 4.0 percent at the end of the year.

Monetary developments were again dominated by a substantial outflow of funds, resulting in a contraction in the money supply. Net foreign assets fell to AFL 529 million at the end of the year, and was 7 percent smaller than at the end of 1999. Even so, the import coverage ratio remained within the Bank's target range, as also (non-oil) import payments declined substantially.

Growth in commercial bank credit abated in the latter part of the year, reflecting the Bank's appeal to eliminate excess lending. Higher government expenditure was covered by a one-off increase in tax revenue and a receipt from the General Pension Fund (APFA). The latter was the result of a consensus between the two institutions concerned on the application of new actuarial assumptions when calculating the accrued liability of the APFA. This also led to a significant downward adjustment in the government's outstanding unmet financing requirements and debt.

1.2 The real sector

Tourism

Data from the Aruba Tourism Authority indicate that during the fourth quarter of 2000, the number of stay-over visitors fell by 3 percent and visitor nights by 5 percent compared to the corresponding period of 1999 (see table A). The occupancy rate of the hotels decreased by 5.1 percentage points to 73.8 percent, also due to the re-opening of the Radisson Hotel at the end of 1999 and an increase in the average number of guests per room. According to preliminary survey data from the Central Bureau of Statistics, average daily rates of the hotels rose by 12 percent to AFL 248, but revenue per available room rose by merely 1 percent to AFL 130. Room tax receipts surged by 48 percent to AFL 6 million, mainly because of the introduction of a higher tariff as of September 2000.

Registered tourism receipts, as recorded in the balance-of-payments statistics, shrank by 2 percent. However, its share in the total current account receipts (excluding oil and free-zone sectors) rose by 3 percentage points to 74 percent, as relevant export receipts from goods and services declined by 13 percent and 5 percent, respectively. Total visitors' expenditure, as calculated by the Central Bureau of Statistics, fell by 1 percent to AFL 314 million.

Table A: Indicators of tourism activity

	1999	2000	1999		2000	
			III	IV	III	IV
1. a. Tourism receipts (x AFL million) 1)	1,411.6	1,498.7	311.0	365.2	350.0	358.2
b. Tourism expenditure (x AFL million) 2)	1,184.3	1,319.3	298.0	317.1	324.6	313.5
2. Stay-over visitors (x 1,000)	683.3	721.2	183.2	173.9	196.8	169.3
3. Market shares (in percentage)						
a. United States	61.8	63.5	53.7	62.9	55.8	63.9
b. Venezuela	15.2	15.5	23.2	12.9	23.9	13.7
c. The Netherlands	4.7	4.2	5.0	5.0	4.0	4.7
d. Colombia	4.3	4.3	4.7	4.7	4.5	4.3
e. Other countries	14.0	12.5	13.4	14.5	11.8	13.4
4. Visitor nights (x 1,000)	5,143.3	5,247.8	1,356.2	1,331.2	1,402.8	1,264.4
5. Average nights stayed	7.5	7.3	7.4	7.7	7.1	7.5
6. a. Receipts per visitor night (AFL)	274	286	229	274	250	283
b. Average daily expenditure 3 AFL)	197	204	193	201	193	209
7. Average hotel occupancy rate	77.0	76.0	77.4	78.9	76.6	73.8
8. Average daily rate hotels (AFL) 4)	217	233	171	222	189	248
9. Revenue per available room (AFL) 4)	124	129	100	129	105	130
10. Room tax receipts (x AFL million) 5)	18.6	22.5	3.8	4.2	5.0	6.2
11. Cruise visitors (x 1,000)	289.1	490.0	2.0	125.7	35.3	160.3
12. Number of cruise ships	230	331	9	89	22	109
13. Contribution to current account 6)	71	73	69	72	68	74

1) Gross receipts from stay-over and cruise tourism, as well as other tourism-related income (including, inter alia, the sale proceeds of time-share units) as recorded on a cash basis in the balance of payments.

2) Travel-related expenditure 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. Figures for the third and fourth quarter of 2000 are preliminary.

3) Expenditure in Aruba only (thus, excluding expenditure on pre-paid packages), as calculated by the CBS. Figures for the third and fourth quarter of 2000 are preliminary.

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.

Following substantial increases in the previous three quarters, both the numbers of U.S. stay-over visitors and nights spent declined by 1 percent. This was mainly attributed to the cancellation of the Air Aruba flights, and the extra travel activities during the end of 1999 related to the millennium change. Nevertheless, the U.S. market share increased by 1 percentage point to 63.9 percent.

In contrast, the second main market, i.e., the Venezuelan, grew by 4 percent, and its share in the total increased by 0.8 percentage point to 13.7 percent. However, Latin America as a whole recorded a 2 percent decline, due to poor performances in the Colombian and Argentinian markets. Tourist arrivals from the Netherlands shrank by

9 percent, mainly attributed to a further depreciation of the Dutch guilder vis-à-vis the U.S. dollar. Its market share decreased by 0.3 percentage point to 4.7 percent.

In the quarter under review, cruise passenger arrivals went up by a notable 28 percent to 160,301, while the number of ship calls rose by 20 to 109. Aruba was included into the itinerary of some megaships, among which the Grandeur of the Seas, Carnival Destiny, and Ocean Princess.

For the year 2000 as a whole, the number of stay-over visitors grew at the same rate as in 1999, i.e., 6 percent. However, growth in visitor nights decelerated from 5 percent to a mere 2 percent, as the average occupancy rate of the hotels decreased by 1 percentage point to 76 percent. Cruise tourism showed an exuberant expansion: the numbers of ship calls and passengers surged by 101 to 331 and by 70 percent to 490,005, respectively. For the first time in Aruba's cruise tourism history, the four hundred thousand mark was exceeded. Registered tourism receipts went up by 6 percent to almost AFL 1.5 billion.

Price developments

During the period October 1998 through January 1999, the Central Bureau of Statistics conducted a household expenditure survey to, inter alia, review the current weights used in calculating the consumer price index (CPI). The new weights replaced those of August 1994 in the CPI effective September 2000. The outcome of the survey indicated that, among other things, the consumption pattern has incurred some changes in the past 5 years. Consumers are spending more on items such as "food consumption outdoors", "living expenses" (including rent), "energy use", and "communication" (expanded with new means such as cellular and internet). In contrast, "health" and "transport" have a less prominent position in the consumer budget. Furthermore, in the CPI a new category "banking costs" has been introduced.

The quarterly average inflation rate rose by 0.4 percentage point to 3.7 percent (see table B). This was mainly attributed to higher prices for "clothing & footwear". Consequently, the inflation differential with Aruba's major trading partner, the United States, widened by 0.5 percentage point to 0.6 percentage point. Also, the real exchange rate index of the Aruban florin vis-à-vis the U.S. dollar went up by 0.7 percentage point to 102.0. The inflation differential with the Netherlands, where inflation was contained to 2.5 percent, widened even more, i.e., by 1.4 percentage points. Due to tax increases, inflationary pressures were higher in Curaçao compared to Aruba, resulting in an 1.8 percentage points differential between the two islands.

For the year 2000, the Aruban inflation rate accelerated from 2.3 percent to 4.0 percent, mainly reflecting increases in water and electricity tariffs, as well as in gasoline prices, due to higher international oil prices.

Table B: Consumer price index
(Percentage change)

	1999	2000	1999		2000	
			III	IV	III	IV
	<i>(Period average)</i>					
Total index	2.3	4.0	2.5	3.3	4.3	3.7
a. Food	2.1	1.8	2.2	1.9	1.9	2.2
b. Beverage & tobacco	1.3	1.5	1.4	2.3	1.5	0.6
c. Clothing & footwear	5.5	5.6	5.4	3.5	6.1	7.4
d. Housing	2.0	8.1	3.1	7.2	8.4	5.2
e. Housekeeping & furnishing	3.1	3.5	3.0	4.1	3.8	2.8
f. Health	0.3	0.4	0.3	0.3	0.3	0.2
g. Transport & communication	0.6	3.0	1.0	1.6	3.1	2.7
h. Recreation & education	2.7	3.9	2.6	3.6	4.2	3.4
i. Other	1.7	3.0	1.7	2.3	3.4	3.3
	<i>(Twelve-month average)</i>					
Aruba	2.3	4.0	1.9	2.3	4.0	4.0
United States	2.2	3.4	1.9	2.2	3.2	3.4
Curaçao	0.4	5.8	-0.3	0.4	5.7	5.8
The Netherlands	2.2	2.5	2.1	2.2	2.3	2.5
Real exchange rate index (1995=100) 1)	101.3	102.0	101.2	101.3	101.9	102.0

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

Source: CBA, CBS Aruba, CBS Netherlands, CBS Netherlands Antilles, Bureau of Labor Statistics.

Utilities

Domestic water consumption increased by 10 percent in the fourth quarter of 2000, after remaining unchanged in the corresponding period of 1999. Growth in electricity consumption accelerated from 5 percent to 7 percent. Gas consumption, however, shrank by 5 percent, in contrast to a 7 percent expansion a year earlier. Consequently, the weighted utilities consumption index rose by 9.1 percentage points to 122.6, following a 2.9 percentage points increase in the fourth quarter of 1999 (see statistical annex table 1.5).

1.3 Money and credit

Causes of changes in money supply

In the fourth quarter of 2000, money supply declined by AFL 37 million or 2 percent to AFL 1,740 million, compared to the preceding quarter (see table C). Narrowly-defined money (i.e., currency in circulation and demand deposits) shrank by AFL 9 million or 2 percent, due largely to a decrease in demand deposits denominated in Aruban florin. Quasi-money—comprising time deposits, savings, and treasury bills held by the public—contracted by AFL 28 million or 2 percent, reflecting mainly a decline in short-term time deposits denominated in Aruban florin.

For the third consecutive quarter, there was an outflow of money to abroad. Net foreign assets of the monetary system (excluding revaluation differences of gold and official foreign exchange holdings) shrank, i.e., by AFL 27 million or 5 percent. The Bank's official reserves fell by AFL 29 million to AFL 385 million, while the commercial banks' net foreign assets increased by a slight AFL 2 million to AFL 144 million.

Domestic factors accentuated the decline in money supply: net domestic assets fell by AFL 10 million in the quarter under review, reflecting decreases in claims on both the public and private sector. The latter amounted to AFL 6 million or 0.4 percent, following an appeal of the Bank to bring credit within the allowable ceiling. This resulted in an AFL 14 million decline in loans to enterprises. In contrast, housing mortgages and consumer credit rose by AFL 6 million and AFL 3 million, respectively. The financial transactions of the government with the banking system contributed with AFL 5 million to the decrease in the money supply.

Table C: Causes of changes in money supply
(In AFL million)

	1999	2000	1999		2000	
			III	IV	III	IV
1. Net domestic money creation	141.8	83.3	50.4	74.9	32.7	-10.3
a. Net domestic credit	150.4	112.7	62.5	71.1	24.6	-10.4
-Public sector	21.3	-13.4	-2.2	28.9	1.2	-4.6
-Private sector	129.2	126.2	64.7	42.2	23.4	-5.8
b. Other domestic factors	-8.6	-29.4	-12.2	3.8	8.1	0.1
2. Inflow of foreign funds 1)	18.5	-42.8	-2.7	-56.5	-32.8	-27.0
a. Current account transactions	-585.0	506.0	-213.0	-190.8	157.8	101.5
b. Net capital inflow 2)	603.5	-548.8	210.3	134.3	-190.6	-128.5
3. Broad money creation	160.3	40.5	47.6	18.4	-0.1	-37.3
a. Money	43.4	7.1	17.2	2.6	-23.0	-9.2
b. Quasi-money	116.9	33.3	30.4	15.7	22.9	-28.1
<i>(12-month percentage change)</i>	<i>(10.4)</i>	<i>(2.4)</i>	<i>(9.9)</i>	<i>(10.4)</i>	<i>(5.7)</i>	<i>(2.4)</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.

Interest rates

In the quarter under review, the average interest rate on time deposits decreased by 0.1 percentage point to about 6.4 percent, compared to the third quarter of 2000. The savings deposit rate remained unchanged at 4 percent. The average interest rate on loans declined somewhat to 11.7 percent. The rate for housing mortgages fell slightly to 10.7 percent, while that for commercial mortgages fluctuated around 11 percent. The rate for consumer credit declined by 20 basis points to 17.1 percent. The interest rate margin, i.e., the difference between the weighted average deposits and lending rates, narrowed by 0.4 percentage point to 5.5 percent.

Monetary developments during 2000

For the year as a whole, growth in money supply decelerated by a marked 8 percentage points to 2 percent. The latter percentage is the lowest 12-month growth rate since August 1997. Net outflow of funds to abroad amounted to AFL 43 million, following an AFL 19 million inflow in 1999. At year-end, net foreign assets (excluding revaluation differences of gold and official foreign exchange holdings) stood at AFL 529 million and were 7 percent smaller than a year earlier. As a result, the share of net foreign assets in overall money supply fell by 3 percentage points to 30 percent.

The decline in net foreign assets was realized despite a US\$ 40 million (AFL 72 million) foreign commercial loan acquired by the government and an inflow of official development funds from the Netherlands, totaling an equivalent of AFL 90 million. The proceeds from the foreign borrowings alleviated the government's liquidity strains, and influenced its financial transactions with the banking system.

The latter resulted in an AFL 13 million negative contribution to the increase in money supply. On balance, private sector lending was the only cause of money creation during 2000. Loans to enterprises, housing mortgages and consumer credit increased by 8 percent, 14 percent, and 6 percent, respectively. Overall credit growth was 8.2 percent higher than a year earlier, slightly above the Bank's guideline.

Monetary policy for 2001

As a somewhat slower economic growth is expected and net foreign assets continue to be under pressure, the Bank has determined the allowable aggregated credit growth rate for commercial banks for 2001 at 6 percent, which is 2 percentage points less than that of the preceding year. The penalty rate to be paid by commercial banks causing any excess lending has been raised by one percentage point to 9 percent. Details of this matter are given in paragraph 2.6 of this bulletin.

1.4 Nonmonetary financial institutions

The balance sheet

Compared to the preceding quarter, the aggregated assets of the nonmonetary financial institutions grew by AFL 21 million or 1 percent to AFL 1.7 billion (see table D). This increase resulted primarily from an AFL 24 million or 2 percent rise in gross domestic claims, in particular vis-à-vis the public sector. Net foreign assets held by these institutions decreased by AFL 3 million or 1 percent to AFL 422 million.

On the liability side, pension fund provisions and insurance reserve fund went up by AFL 12 million (1 percent) and AFL 4 million (2 percent), respectively. In contrast, miscellaneous items and borrowings and deposits shrank by AFL 13 million and AFL 8 million, respectively.

Table D: Nonmonetary financial institutions 1)
(End of period, in AFL million)

	1999			2000		
	II	III	IV	II	III	IV
1. Net foreign assets	305.3	301.4	305.0	412.3	424.7	422.0
2. Domestic assets	1,188.7	1,211.4	1,245.6	1,183.4	1,227.4	1,251.5
a. Government	607.8	633.0	644.9	627.0	636.8	658.0
b. Private sector	580.9	578.4	600.8	556.4	590.6	593.6
3. Total assets=total liabilities	1,494.1	1,512.8	1,550.7	1,595.7	1,652.1	1,673.5
4. Borrowings and deposits	54.0	51.1	50.9	69.8	74.0	66.1
a. Government	39.6	36.7	36.5	41.6	45.6	36.6
b. Other residents	14.4	14.4	14.5	28.1	28.4	29.5
5. Pension fund provisions	1,187.3	1,213.8	1,213.6	1,259.1	1,281.5	1,293.4
6. Insurance reserve fund	198.9	203.7	209.2	218.1	222.8	227.1
7. Other items, net	53.9	44.2	76.9	48.8	73.8	86.9

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

Source: CBA.

The housing mortgages market

Housing mortgages granted by the nonmonetary financial institutions grew by a mere AFL 3 million or 1 percent to AFL 420 million compared to the preceding quarter, the same growth rate as the commercial banks (see table E). This type of lending rose by AFL 2 million at pension funds and AFL 1 million at mortgage banks, respectively, while that of life insurance companies decreased slightly. The market shares of the various groups of institutions remained virtually unchanged when compared to the previous quarter.

Table E: Housing mortgages
(End of period, in AFL million)

	1999			2000		
	II	III	IV	II	III	IV
1. Total	698.1	723.4	748.3	781.6	812.4	820.4
2. Commercial banks	319.0	338.4	350.4	379.4	394.9	400.4
3. Mortgage banks	274.8	274.3	276.6	273.6	282.6	283.3
4. Pension funds	51.4	56.2	59.2	58.9	60.6	62.7
5. Life insurance companies	51.9	53.5	61.1	67.7	72.5	72.2
6. Other	1.0	1.1	1.0	2.0	1.7	1.8

Source: CBA.

1.5 Government finance

Introductory note

In March 2001, the government and the General Pension Fund (APFA) reached a consensus on a framework for future analysis of the financial relation between both institutions. As a result of the application of new actuarial assumptions when calculating the accrued liability of the APFA, existing unfunded accrued liabilities of, as well as receivables from the government related to premiums and dearness allowances were eliminated. In conformity with a provisional unaudited estimate, this consensus led to a substantial downward adjustment of APFA's claim on the government, i.e., according to APFA, of AFL 371 million to AFL 121 million at the end of 2000. No adjusted data for the preceding years are yet available. Consequently, it is not possible to provide realistic data on the changes in the so-called unmet financing requirements and in the government debt position, and, thus, the analysis of the financial operations of the government in this bulletin is presented on a cash basis.

Financial operations

In the fourth quarter of 2000, government revenue increased by a notable AFL 50 million or 25 percent to AFL 244 million, compared to the corresponding period of 1999. Tax revenue grew by AFL 40 million (25 percent), primarily reflecting increases in taxes on income and profit. Income tax revenue surged due to the introduction of a temporary special tariff on the distribution of accumulated profits to

Table F: Government financial operations 1)
(in AFL million)

	1999	2000	1999		2000	
			III	IV	III	IV
1. Total revenue and grants	703.4	749.6	191.4	194.6	163.0	244.2
a. Tax revenue	608.6	624.5	176.6	163.6	140.5	203.9
b. Nontax revenue	93.4	108.2	14.4	30.3	22.5	40.3
c. Grants	1.4	16.9	0.4	0.7	0.0	0.0
2. Expenditure and items n.i.e. 2)	727.4	776.7	187.4	208.0	178.6	261.6
3. Financial deficit (-)	-24.1	-27.1	4.0	-13.4	-15.6	-17.4
4. Net foreign capital	13.3	60.8	0.0	-12.4	35.7	25.9
5. Net domestic capital 3)	-10.5	-20.3	-1.8	-3.1	-21.3	-3.9
6. Net recourse to the monetary system (-)	-21.3	13.4	2.2	-28.9	-1.2	4.6

1) Preliminary figures and estimates on a cash basis.

2) Including the settlement of the debt amounting to AFL 36.9 million resulting from the separation of funds associated with the Status Aparte of Aruba in 1986.

3) Net long-term capital attracted from nonmonetary sectors. Commercial banks' loans to the government are included in item 6.

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

shareholders, while the increase in profit tax resulted partly from the settlement of preliminary assessments. Nontax revenue rose by AFL 10 million. Included in the nontax revenue is a refund from the APFA amounting to AFL 14 million related to annuity payments stemming from unfunded accrued liabilities. No grants were received during the quarter under review (see table F and statistical annex tables 7.1 and 7.2).

Expenditure, as estimated by the Bank, also increased notably, i.e., by AFL 54 million or 26 percent to AFL 262 million. Provisional data supplied by the Department of Finance indicate that the main contributory factors were increases in salary-related expenditures, goods and services, investments, and the settlement of the debt amounting to AFL 37 million resulting from the separation of funds associated with the Status Aparte of Aruba in 1986.

On balance, an AFL 17 million financial deficit on a cash basis was recorded in the quarter under review, which was AFL 4 million higher than in the corresponding period of 1999. The deficit was more than compensated for by the receipt of an external commercial loan. A number of domestic liabilities were repaid, including the settlement of payment arrears to suppliers of goods and services, as well as to the General Medical Insurance (AZV).

Additionally, the government's liquidity position improved. Liabilities to the banking sector declined by AFL 10 million to AFL 66 million. Deposits rose by AFL 3 million to AFL 67 million. These comprise mainly earmarked deposits held for certain contingent liabilities, and deposits of the Fondo di Desaroyo Aruba (see statistical annex table 7.3).

Outstanding debt

As a result of the consensus with the APFA mentioned earlier, total outstanding government debt was adjusted downwards significantly (see table G). This adjustment is reflected in the domestic nonnegotiable debt. Compared to the fourth quarter of 1999, domestic negotiable debt fell by AFL 24 million, due mainly to the repayment of maturing bonds in the third quarter of 2000.

In contrast, the outstanding foreign debt component rose by AFL 45 million, because the government borrowed US\$ 40 million (AFL 72 million) on the international capital market. The second tranche of this loan, amounting to AFL 36 million, was received in October. The proceeds from this tranche were transferred to the Netherlands Antilles to settle the debt resulting from the separation of funds mentioned earlier. An AFL 18 million official debt repayment to the Netherlands at the end of the year, combined with the appreciation of the Aruban florin vis-à-vis the Dutch guilder, mitigated the rise in foreign debt.

Table G: Outstanding government debt
(End of period, in AFL million)

	1999			2000		
	II	III	IV	II	III	IV
1. Total debt 1)	1,142.8	1,175.3	1,126.9	1,177.7	1,207.8	776.7
2. Domestic debt	793.4	818.1	796.3	858.7	869.3	401.6
a. Negotiable	189.2	189.2	189.2	189.2	167.7	165.1
- Treasury bills	32.0	32.0	32.0	32.0	32.0	29.4
- Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0
- Government bonds	149.2	149.2	149.2	149.2	127.7	127.7
b. Nonnegotiable	604.2	628.9	607.1	669.5	701.6	236.5
- Short-term 2)	162.2	183.8	158.2	224.8	258.8	41.3
- Long-term	442.0	445.1	448.9	444.7	442.8	195.2
3. Foreign debt 3)	349.4	357.2	330.6	318.9	338.5	375.1

1) Preliminary revised figures and estimates. Excluding guarantees (amounting to about AFL 272 million at the end of 2000).

2) Including suppliers' credit and short-term debt to APFA. The latter is not included in the fourth quarter of 2000, due to the adjustment of APFA's claim on the government following the March 2001 consensus on a framework for future analysis of the financial relation between both institutions. Excluded are overdue deposits to earmarked accounts at CBA.

3) At end-of-period exchange rates.

Source: Department of Finance.

1.6 Balance of payments

Overall outcome

During the fourth quarter of 2000, the balance of payments recorded an AFL 27 million overall deficit, which is AFL 30 million smaller than in the corresponding quarter of 1999 (see table H and statistical annex 8.1). Consequently, net foreign assets of the monetary sector (including revaluation differences of gold and official foreign exchange holdings) dropped to AFL 555 million at the end of December 2000. The end-of-period non-oil merchandise import coverage ratio decreased to 5.1 months in December 2000, and its twelve-month moving average to 5.7 months, thus, remaining within the Bank's 5-6 month target-range.

Oil sector

The current account turned from an AFL 191 million deficit in the fourth quarter of 1999 into an AFL 102 million surplus in the quarter under review. This turn-around was mainly brought about by transactions of the oil sector. Following an AFL 167 million deficit in the fourth quarter of 1999, its current account posted an AFL 155 million surplus, because the increase in the exports of refined oil products and goods procured in ports more than compensated for that in the imports of crude oil and other goods. On the other hand, its financial account recorded an AFL 144 million deficit, reflecting a reduction in the intercompany liabilities associated with the positive outcome of its current account. On balance, the oil sector sold AFL 11 million foreign exchange to domestic banks (mainly to finance local operational costs).

Free-zone sector

Both registered export receipts and import payments (c.i.f.) of the free-zone sector continued to crumble, i.e., by 18 percent and 8 percent, respectively. Overall, the transactions of this sector resulted in an AFL 5 million net outflow of funds to abroad, as against an AFL 26 million inflow in the corresponding quarter of 1999.

Rest of the economy

The current account deficit of the rest of the economy (excluding the oil and free-zone sectors) narrowed by AFL 1 million to AFL 48 million, partly because of lower merchandise import payments. The deficit on the income account decreased by AFL 2 million to AFL 7 million, due to higher interest earnings on foreign investments. Despite a 2 percent decline in registered tourism receipts, the services account surplus rose by AFL 15 million or 7 percent to AFL 251 million. Lower payments for business services, such as management fees, contributed to the higher

Table H: Balance of payments
(in AFL million)

	1999	2000	1999		2000	
			III	IV	III	IV
1. Current account (net)	-585.0	506.0	-213.0	-190.8	157.8	101.5
a. Oil sector	-619.4	472.4	-140.1	-167.2	155.7	154.7
b. Free zone	49.0	-8.0	20.7	25.5	-9.4	-5.4
c. Rest of economy	-14.6	41.6	-93.8	-49.1	11.5	-47.8
- Private sector	57.5	150.8	-76.4	-26.4	28.5	13.9
- Public sector	-72.1	-109.2	-17.2	-22.7	-17.0	-61.7
2. Capital and financial account (net)	618.4	-559.8	215.2	135.6	-189.7	-129.7
a. Oil sector	660.4	-432.8	162.6	166.1	-147.0	-143.8
b. Free zone	0.0	0.0	-7.2	0.0	0.0	0.0
c. Rest of economy	-42.0	-127.0	59.8	-30.5	-42.7	14.1
- Private sector	-56.8	-204.7	53.6	-18.8	-78.4	-11.9
- Public sector	14.8	77.7	0.4	-11.7	35.7	26.0
3. Items not yet classified 1)	-14.9	11.0	-4.9	-1.3	-0.9	1.2
4. Overall balance (1+2+3)	18.5	-42.8	-2.7	-56.5	-32.8	-27.0
5. Banking transactions 2)	-14.0	14.5	-24.6	38.5	25.1	-2.5
6. Increase (-) in official reserves 3)	-4.5	28.4	27.3	18.0	7.7	29.5
Memorandum items:						
7. a. Official reserves (including gold)	434.6	411.0	450.9	434.6	437.1	411.0
b. In months of merchandise imports 4)						
- End-of-period	3.8	3.8	4.4	3.8	4.2	3.8
- Twelve-month average	4.2	4.1	3.8	4.2	4.1	4.1
8. a. Total reserves of the monetary sector	593.6	555.3	648.3	593.6	579.1	555.3
b. In months of merchandise imports 4)						
- End-of-period	5.2	5.1	6.4	5.2	5.6	5.1
- Twelve-month average	5.8	5.7	5.3	5.8	5.7	5.7

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) Excluding the oil sector.

Source: CBA.

surplus. The deficit in the current transfers account widened by AFL 39 million, primarily reflecting a non-recurring transfer by the government to the Netherlands Antilles to settle the debt resulting from the separation of funds mentioned earlier.

The capital and financial account of the rest of the economy turned from an AFL 31 million deficit in the fourth quarter of 1999 into an AFL 14 million surplus in the period under review. This improvement was attributed mainly to an AFL 7 million increase in the other investment account surplus. Net borrowing by the government amounted to AFL 26 million, as the receipts of the second tranche of a foreign commercial loan more than compensated for the official debt repayments to the Netherlands. In addition, the portfolio investments caused a net inflow, mainly due to liquidations of foreign securities. In contrast, net borrowing of the private sector turned around from a surplus into a deficit, as less loans were received and more repayments made. Net direct investments posted an AFL 25 million deficit, resulting entirely from the repatriation of foreign capital, as well as higher repayments of intercompany debt. On balance, external transactions of the rest of the economy caused an AFL 33 million outflow of funds to abroad.

II. Notices

2.1 INSURANCE SUPERVISION IN A CHANGING ENVIRONMENT

Address by Dr. A.R. Caram, President of the Centrale Bank van Aruba, at the official opening of the new office of American Life Insurance Company, Oranjestad, January 19, 2001.

1. Introduction

Ladies and gentlemen,

First of all, let me congratulate the management and staff of the American Life Insurance Company Aruba with the official opening of their new office. As a part of the American International Group, ALICO has a relationship of almost half a century with the Aruban community. Today's event clearly demonstrates its commitment to maintain and expand this relationship. Therefore, with pleasure I have accepted your invitation to be the guest speaker at this joyous occasion.

This afternoon, I will make some remarks on the State Ordinance on the Supervision of the Insurance Business, which has been approved by Parliament a few months ago and will come into effect soon. I will discuss the basic principles of this ordinance. Subsequently, I will briefly pay attention to the implications for supervisors of some major trends in the international financial markets. Several of these topics have been dealt with last night by my colleague from the Bank van de Nederlandse Antillen, Dr. Tromp, at the inauguration of ALICO's new building in Curaçao.

2. Insurance supervision in Aruba

Insurances are essential tools in modern societies to enable economic agents to manage risk exposures. Their basic mutual feature is that a promise for a future payment is bought, if and when a specifically defined event occurs. Insurance contracts are, generally, long-term arrangements. To protect the policyholders, the continuity and reliability of the provider of the underlying contract should be ensured. Of course, this is primarily the responsibility of the company's management.

Even so, supervision on the company's operations is indispensable, as history has clearly demonstrated. Here, the supervisor comes on the stage. To protect policyholders, supervisory systems were developed. Also, in Aruba several separate official regulations are in place. However, until recently, a comprehensive supervisory law did not exist. The bankruptcy of Empire General and Medical Insurance Company in 1998 has accelerated the enactment of a new insurance ordinance. This was done on August 29, 2000, a historical date for the Aruban insurance sector.

The ordinance entrusts the Central Bank with the prudential supervision of life and general insurance companies. It focuses on safeguarding their financial solvency and integrity. Competitive forces are though allowed to determine market structure, rate setting, insurance contracts, and other business-related matters. In this so-called

normative system, the supervisory authority confines itself to creating a framework and a level-playing field, within entrepreneurs are able to operate freely.

To enter the market a license from the Central Bank is required. This will be granted if certain objective criteria are met. Also, existing companies should apply for a license. The ordinance stipulates that a company can only perform either life or general insurance business within one and the same legal entity. Thus, the so-called specialization principle is applied. Existing composite companies, that conduct business in both sectors within the same entity, are allowed to continue to do so, provided that they maintain separate books. The ordinance also makes it possible to establish specific regulations for certain categories of insurers, such as reinsurance companies, captives and underwriters.

Through its prudential supervision, the Central Bank controls the operations of the insurers and assesses the risks involved. Both on-site examinations and off-site surveillances are conducted. The latter mainly comprises the analysis of financial information. In accordance with the provisions of the ordinance, specific areas are monitored, including the quality of the management, the administrative organization and internal controls, and the required financial statements, as well as the adequacy of the available solvency buffers. If and when necessary, remedial measures may be taken, comprising the issuing of directives, the appointment of a silent trustee, or eventually, the filing of a cease and desist order.

3. Challenges for insurance supervisors

As indicated earlier, the State Ordinance of the Supervision of the Insurance Business aims at safeguarding the solvency and integrity of the sector concerned. It should be noted, however, that the financial position and risk profile of the insurance industry are also influenced by autonomous developments in international financial markets. I will now discuss some ongoing trends, which affect the supervisor.

a. Globalization of financial markets

In particular, the current accelerating globalization of the financial markets creates new opportunities. It leads to product and institutional innovations. On the other hand, experiences of the past few years clearly demonstrate that globalization generates additional risks and induces destabilizing effects. These adverse factors originate partly from market imperfections, the insufficient quality of risk assessments and loopholes in the regulatory systems.

Consequently, financial globalization requires strengthening the international cooperation and coordination between supervisors. A recent study by the International Association of Insurance Supervisors, of which the Bank is a member, emphasizes that cooperation is essential in order to, inter alia, develop uniform accounting standards, actuarial valuation methods, capital adequacy and solvency requirements. Aruba closely monitors these activities to be able to adhere to the relevant standards, partly to safeguard its financial reputation.

b. Electronic commerce

Opportunities and challenges originate from the current information technology revolution. Internet facilities make it possible to rapidly expand the number of competing market players. New avenues to execute financial transactions are opened. The internet undoubtedly enhances competition and provides more choices to efficiently execute financial transactions. Rapidly, the world is becoming one market. However, the new devices also create concerns. Consumer protection (including the quality of the services provided) is one of these concerns. Potential systemic instability is another. With respect to the latter it should be noted that the financial system is presently more vulnerable to, among other things, technical failures or speculative capital movements.

Of course, the industry itself has to cope with the challenges and risks associated with the technological progress. After all, the supervisor's interventions in this process should be contained to minimize market distortions. Even so, the innovations bring new responsibilities for supervisors. Therefore, the Association has recently issued principles on the supervision of insurance activities on the internet, also to contribute to creating a certain international level-playing field. The principles should promote that relevant and reliable information for decision making is timely available to customers and supervisors. Additionally, the supervisor's approach to the internet business should be consistent with that applied to other vehicles. These requirements accentuate the need for international cooperation. Aruba actively participates in this cooperation process to be able to benefit from its ensuing advantages.

c. Offshore Financial Centers (OFC's)

Globalization and technical progress have stimulated the growth of the so-called offshore financial industry. The Government of Aruba also aims at promoting this industry to somewhat diversify the economy. But, here again, we are confronted with concerns. Recently, the Financial Stability Forum has elaborated on the potential systemic risks of such centres to the global financial system. To geographically identify the risks, the various jurisdictions (including Aruba) were classified in three categories with declining supervisory capabilities. This classification has triggered reactions from the countries ending up in the lowest category. Unfortunately, Aruba was one of these.

Subsequently, the IMF has been entrusted with the task to more accurately assess the supervisory capabilities in a number of countries. An examination program has been designed, which covers all financial services. In this framework, an IMF mission visited Aruba in December 2000, and performed a preliminary review of the institutional framework for supervising the offshore financial sector. The mission commended the Aruban authorities for the notable progress made during the past few years.

On the other hand, some areas have been identified, where additional improvements should be made. These include:

- the introduction of an obligation for corporations registered in Aruba to publish audited annual financial statements, based on internationally acceptable accounting standards; and

- the obligation for all service providers to apply the same know-your-customer rules and to report unusual transactions.

In the coming months, the Bank, with support from the IMF, will finalize a self-assessment of the quality of the supervision of the financial offshore. To favourably influence the outcome of the self-assessment, and due to the increasing pressure of various international organizations (including the Financial Action Task Force), it is essential that, in particular, the State Ordinance on the Supervision of the Insurance Business is introduced without further delay. In addition, a State Ordinance on the Supervision of Trust Companies should be enacted as soon as possible.

4. Concluding remarks

Let me now conclude. In the past few years, Aruba has taken a number of measures to enhance the supervision of financial institutions. The banking sector is already adequately controlled, while much work has been done to safeguard the integrity of the financial industry. The recent enactment of the State Ordinance on the Supervision of the Insurance Business is another major step in the right direction.

However, additional actions should be taken. The rapidly changing global financial environment requires a dynamic approach from policymakers to ensure that supervisors have effective instruments at their disposal. Aruba should continue to take account of the international developments, as well as adapt, enhance and modernize its supervisory legislation and institutional framework. Its capability to comply with the relevant international standards should be further improved.

Fortunately, an effective cooperation between the Central Bank and the insurance sector already exists. Therefore, I am convinced that the sector will fully support the policy measures ensuing from the forthcoming introduction of the new insurance ordinance. In this way, we will be able to realize the indicated goals of the ordinance, to create a mutual beneficial development of the sector, as well as to broaden and deepen the cooperation between the supervised companies and the Central Bank.

Finally, some special words to the ALICO family. Based on our good relationship, I would like to make the same well-intentioned wish Dr. Tromp expressed last night: “Pabien y hopi exito den bo edificio nobo!”

Thank you for your attention.

2.2 SEARCHING FOR BALANCE

Address by drs. M.M. Agunbero, Deputy Head Supervision Department of the Centrale Bank van Aruba, at the symposium on tourism and public finance organized by the University of the Netherlands Antilles, Curaçao, March 3, 2001.

1. Introduction

On behalf of the Centrale Bank van Aruba, I would like to thank the University of the Netherlands Antilles for inviting me to participate in this symposium on tourism and public finance. I congratulate the promotors, particularly Dr. Rupert Silberie, for organizing this event. In my presentation I will elaborate on the endeavors to realize balanced public finances in Aruba.

2. A success story

Looking at the recent history of Aruba, we may, undoubtedly, state that Aruba's economic performance is remarkable. Following the closure of the oil refinery in 1985 and the deep recession induced by it, Aruba experienced 15 years of notable economic progress. The country was transformed from an oil refinery into a tourism-based economy. This transformation was realized by a dynamic private sector and strongly promoted by fiscal incentives and official loan guarantees. As a result, real GDP surged at an average annual rate of 12 percent throughout the early nineties. By 1995, hotel capacity had tripled to about 6,500 rooms, and tourism accounted for more than half of total foreign exchange earnings.

Mid-nineties, the investment boom came to an end. A moratorium on the construction of new hotels was imposed, while the investment program related to the re-opening of oil refinery was completed. Tourism growth also slowed. As a result, the increase in real GDP decreased sharply to about 4 percent on average during the years 1995–2000. Guided by stability-oriented macroeconomic policies, Aruba converged towards a path of sustainable growth, and managed to keep the rate of inflation roughly in line with that of the United States, its main trading partner.

3. Budgetary strategies

Despite the successful economic developments, the government has not fully succeeded in putting its financial house in order. It has been confronted with financial deficits and liquidity strains, in spite of several adjustment measures taken in the course of time. In essence, these strains have been caused by upward spending pressures associated with the rapid economic expansion and the growth in the number of inhabitants. On the other hand, efforts to increase revenue were hindered by existing tax holidays and generally weak tax collection efforts. Consequently, while the private sector in general flourished, the government remained relatively poor.

Moreover, available resources were misallocated. Because the growth in the government apparatus and salaries was insufficiently contained, personnel costs rose steadily and presently account for nearly half of current expenditures. On the other hand, an estimated 15 percent of total public expenditure (equivalent to 3 percent of GDP) has been allocated to public investment projects. Almost 60 percent of these investments was financed out of Dutch development funds, and only a very limited amount out of local budgetary savings. The reason for this unbalanced spending structure is that the successive governments were generally less inclined to contain consumptive spending and followed a stop-and-go policy with respect to realizing investment projects. These projects were postponed as soon as the bottom of the treasury became visible.

During the second half of the nineties, investments were also hindered by the fact that the Dutch financial assistance fell sharply, and virtually dried up at the end of the decade. Infrastructure investments, essential to promote economic growth, were reduced, because insufficient measures were taken to increase the efficiency of spending, limit public consumption, and broaden the revenue base. In fact, while consumptive spending continued to increase, the tax receipts as a percentage of the GDP declined. Thus, government finance weakened further.

To alleviate the financial constraints, the government initially took recourse to the domestic capital market. However, because this market is quite small, the supply of available savings quickly dried up. Subsequently, deficits have been mainly financed by accumulating payment arrears. First, private suppliers of goods and services had to carry the main burden of this policy, which, of course induced negative reactions. Also, it increased the financing needs of the private sector. As a result, the government once again adjusted its strategy and for the first time two foreign commercial loans were attracted. Furthermore, obligations towards the civil servants' pension fund (APFA) were not met and the money which came available in this way was used to finance other expenses.

Consequently, the debt of the government to the APFA ballooned. This debt comprises payment arrears related to premiums and inflation adjustments, as well as actuarial deficits. The large share of the government debt in the fund's balance sheet increasingly became a cause of concern. To handle this problem, the Ministry of Finance is currently reviewing its overdue obligations to the fund, including the actuarial assumptions. This may result in a reduction of its arrears. Of course, this does not imply that the need to modernize the civil servants' pension system and ensuring its long-term viability has diminished.

Because it is still unclear what will be the outcome of the re-evaluation of the arrears vis-à-vis the APFA, it is also uncertain what presently is the magnitude of the financial deficits and the level of the government's debt. Even so, on the basis of the available data, I am inclined to conclude that the public finances are vulnerable and even show a certain tendency to become weaker, despite efforts of the Ministry of Finance to address this adverse development. Certain is also that the level of public debt is already high, especially due to the smallness and one-sided structure of the Aruban economy. The capacity to service debt obligations is accordingly limited.

I would like to emphasize that, although, as indicated earlier, the public finances in Aruba are vulnerable, the situation is still manageable. In this respect, it is essential to note that Aruba is able to borrow on the international capital market on reasonable conditions, due to its acceptable credit rating. Moreover, the government has never taken recourse on Central Bank credit. In fact, successive Ministers of Finance have declared that they will not use such credit. This attitude decisively supports monetary and financial stability. After all, due to Aruba's exceptional high import ratio, every florin created, eventually, results in a relatively outflow of money. Thus, domestic money creation puts pressure on the foreign exchange reserves, and may undermine confidence in the peg of the florin to the US dollar. A fixed exchange rate is crucial to realize a major goal of Aruba's monetary policy, i.e., keeping inflation in line with that in the United States. For the same reasons, loans granted by commercial banks to the government are emphatically included in the credit ceiling as determined by the Central Bank.

4. The balanced budget norm

Given the already high level of the public sector's debt, there emerges a certain consensus that Aruba's government should eliminate its financial deficit and aim at a balanced budget, as recommended in a report of the tripartite "Commission Debt Issue Netherlands Antilles and Aruba", published in 1995. Achieving this goal is certainly not an easy task, because there are still many needs waiting to be fulfilled, while Aruba has indicated that it wants to become largely financially independent from the Netherlands.

According to the commission, chaired by the late Dr. E. van Lennep, the indicated goal requires that the current account should be brought into surplus, to create room for financing investments. This simple and transparent rule of the tumb implies that borrowing is only permitted to refinance maturing debt. An exception to the indicated rule is made for a limited number of productive projects, which will generate sufficient revenue in the future to service the debt obligations. In this way, public debt in nominal terms will remain roughly constant, and decline as a percentage of GDP.

A strategy to realize an overall balanced budget should be accompanied by a shift from consumption-oriented spending to productive investments, which have been lagging behind the general economic growth. To realize this shift, a lean and efficient government apparatus should be created by gradually transpassing certain activities to the private sector. Moreover, the tax system should be reformed to broaden the tax base and, also, discourage consumption and stimulate savings and investments. At the same time, this system should be simplified and the effectiveness of the tax collection enhanced.

The government of Aruba is, in principle, also in favor of such a policy, and has committed itself to realize a balanced budget. Moreover, in March 1999, Aruba and the Netherlands agreed on a new financial cooperation relationship, based on the recommendations made by the "Adviescommissie Samenwerking Aruba Nederland"

(Biesheuvel Commission”).¹ In this framework, a “Fondo Desaroyo Aruba” has been established. During the period 2000-2009, the financial support for projects received under the Charter for the Kingdom of the Netherlands will be phased out over a period of 10 years. Also, Dutch funds are earmarked to reduce the official debt of Aruba to the Netherlands, once its budget is balanced. On the other hand, Aruba will have to make annually increasing contributions to a fund. If this strategy succeeds, Aruba will achieve financial self-sufficiency at the end of the current decade, while the debt to the Netherlands will then be virtually eliminated.

5. Towards a balanced budget

To be able to realize the ambitious objective of financial self-sufficiency, the Biesheuvel Commission has underlined the need for balanced government finances. In this regard, the following quote from the report is relevant:

“The reorganization of the government finances, resulting in a structural balance of the budget, is a necessary condition to reinforce the financial independence of Aruba. Therefore, government expenditures – in accordance with the recommendations of the “Commissie Schuldenproblematiek” (Van Lennep Commission) and recently IMF – need to be controlled and government income to be increased. If this will be realized, then it is possible that Aruba will financially stand on its own feet in about ten years. This means that Aruba can maintain a structural balance in the budget without the support of the Netherlands and provide for the means for further development by itself”.

Unfortunately, the goal of realizing a balanced budget has not yet been achieved, and the government still has to deal with tight liquidity problems. Given the current fragile state of the government’s finances and the limitations inherent to a small and one-sided economy, additional budgetary initiatives should be taken. As indicated earlier, more should be done to release additional resources to invest in a lasting welfare development. Infrastructure and public facilities should be brought up to an acceptable level. In the opinion of the Bank, which is fully in line with the recommendations of the two reports discussed, this ambitious goal is only feasible if consumptive spending is kept under control and government income is increased. Amongst others, the following areas need more attention:

- Far-reaching tax reforms, imbedded in a medium-term revenue program, are required to restructure the tax system, strengthen tax compliance, broaden the tax base and increase non-tax revenues.
- Efforts should be directed towards restoring budgetary discipline. In particular, safeguards should be created to prevent policy decisions with budgetary implications, unless accompanied by a budget amendment which ensures compensatory savings elsewhere.
- Direct participation of the government in business activities should be limited as much as possible. Over the years, these activities have inflicted painful financial setbacks, e.g., Air Aruba and the Radisson Hotel. A policy of privatizing of public enterprises and entities should be formulated. Income received from

¹ “Eindrapport van de Adviescommissie samenwerking Aruba-Nederland; Op eigen benen.” June 30, 1997.

privatization should be utilized to reduce the public debt or finance productive and infrastructural projects.

- The government should refrain from extending new loan guarantees and tax holidays to the private sector. These incentives imply an open-ended commitment of fiscal resources that Aruba can ill-afford.
- A substantially smaller mandatory APFA pension arrangement, which recognizes the existence of the AOV, should be considered. Presently, the level of benefits and of contributions are too high, and a program of this size creates substantial fiscal uncertainty.
- Prospective aging of the population requires that the expensive AOV should be restructured. This process of aging will also affect the new health care insurance (AZV). Therefore, it is recommended to undertake a study of long-term economic and demographic development to assess the sustainability of the pension and health system and to make the needed reforms.
- The internal and external public debt should be restructured in order to contain the cost of lending and spread the debt servicing obligations over a longer period of time. New borrowings should only be made to finance existing debt commitments and productive projects, which generate sufficient additional funds.

6. Conclusion

In my address, I have stated that the economic performance of Aruba during the past one and a half decade has been notably well. Much progress has been made, but there is still much to be done. In particular, the vulnerable position of the public finances should be addressed. Additional structural adjustments are needed to realize a balanced budget and to prepare Aruba to be able to financially stand on its own feet. Given the favorable general economic climate, this goal should be achievable, if the right policy is pursued. In essence, this implies that the government should claim a larger part of the production value generated in Aruba, without unduly hampering the further development of the prosperous private sector. At the same time, the emphasis in the budget should be shifted from consumptive to productive purposes.

Thank you for your attention.

2.3 THE CHANGING OF THE GUARDS

Address by Dr. A.R. Caram, President of the Centrale Bank van Aruba, on a press conference at the occasion of the proposed transfer of ABN AMRO Bank's activities in Aruba to RBTT, March 12, 2001.

Ladies and gentlemen,

While honored with the invitation to participate in today's event, I am present here with somewhat mixed feelings. After all, it is quite disappointing to address a joint press conference of the ABN AMRO Bank and the Royal Bank of Trinidad and Tobago in which additional information will be given on the intended departure from Aruba of first mentioned bank. This departure is regrettable, because we will be losing one of the largest and most solid players in the world financial market. Moreover, during a long period of time, the bank has made a significant contribution to the economic development of our country. There has always been a close and cordial relationship between the bank and the local monetary authorities. We are pleased with this mutual beneficial cooperation.

On the other hand, I am encouraged by the fact that the forthcoming withdrawal of ABN AMRO Bank from Aruba is not based on specific internal considerations. It is merely the result of an autonomous decision by the head office's management to implement a new worldwide strategy aiming at concentrating its activities in certain markets and sectors. The representatives of the bank have assured me that they are quite satisfied with their operational performance here, and indicated to have full confidence in the future development of our economy.

In this respect I should note that the economic performance of Aruba has been excellent. Following the closure of the oil refinery in 1985 and the deep recession induced by it, economic activity initially surged at double-digit annual rates in real terms. Aruba successfully exploited its comparative advantage in the tourism sector. Many projects have been initiated by dynamic private entrepreneurs, where needed actively supported by the Government. As a result, the production value increased at an annual average of 7 percent since 1986. Indeed, a performance to be proud of.

In more recent years, Aruba has been able to converge towards a path of sustainable growth, guided by generally cautious financial policies. As the investment boom subsided, the increase of domestic production decelerated to an estimated 3 – 4 percent. During the past year, we welcomed 1.2 million visitors. At the same time, we managed to keep inflation roughly in line with that of the United States, our main trading partner. We have succeeded in protecting the value of the florin reasonably well, despite the occurrence of several external price shocks, originating particularly from the international oil markets. Additionally, domestic cost pressures associated with the rapid real economic growth have been contained, although it should be

admitted that especially wages have reached quite high levels and may have weakened our competitive position.

Overall economic developments in Aruba are presently characterized by a steady and financially sound expansion. The banking sector has facilitated this growth process by expanding and diversifying its lending activities. Total credit surged from a mere AFL 300 million at the end of 1986 to AFL 1,500 million at the end of 2000. All categories, i.e., loans to enterprises, consumer credit and housing mortgages, contributed to this surge. Banks have been generally able to strengthen their financial position, but this coincided with relatively large interest rate margins, partly due to the small size of the market and high operating costs. This phenomenon is characteristic for the small economies in the Caribbean, where it discourages investments and growth. It also indicates the need to restructure the banking sector in these countries, a process that has already started.

The rapid expansion in bank lending in Aruba induced the Central Bank from time to time to introduce measures of monetary restraint. These measures were necessary to safeguard the country's stock of international reserves, which on its turn is required to maintain financial stability, as well as a climate conducive to real economic growth and prosperity. Recently, the Central Bank again had to tighten its monetary policy in an attempt to reverse the current decline in the foreign exchange reserves. In close consultation with the Aruba Bankers' Association, it has been decided to reduce the allowable increase in aggregated bank lending in 2001 with 2 percentage points to 6 percent, in order to keep the credit expansion in line with the expected deceleration in nominal economic growth. We assume that in the current year real business activities and the rate of inflation will subside somewhat.

Budgetary and monetary restraints remain necessary to proceed on the path of sustainable and financially sound growth. Both the Government and the Central Bank are determined to continue aiming at conducting effective policies. The intermediary goals of these policies are clear and ambitious. Budgetary policy focuses on realizing a balanced budget and to let Aruba financially stand on its own feet within the Kingdom of the Netherlands at the end of the current decade. Major structural adjustments have been initiated to achieve sound public finances. However, it will take more time and efforts than originally expected to realize a balanced budget, as the Government continues to struggle with liquidity strains. At the same time, monetary policy remains quite cautious. The Central Bank's main objective is to keep domestic money creation in line with the growth in general business activity in order to maintain the fixed exchange rate with the US dollar: a policy that served Aruba well in the course of time. Therefore, I am optimistic about the future development opportunities.

My earlier remarks imply that the general economic climate and the conditions in the banking sector are favorable to support the proposed selling of ABN AMRO's branch

in Aruba. Of course, it is primarily the responsibility of the market parties concerned to reach a mutual beneficial arrangement and to realize a smooth changing of the guards. As guardian of monetary stability and supervisor of the financial system, the Central Bank closely monitors the relevant developments. Essential is that both parties involved in this transfer have assured me that the transaction will be settled in full accordance with the requirements of the State ordinance on the supervision of the credit system.

The ordinance aims at safeguarding the interests of the depositors of credit institutions, at promoting a sound financial system, and at protecting the integrity of the institutions concerned. I am pleased to be able to state here that the ordinance is largely compliant with the various international standards, while in recent years additional legislation has been adopted to prevent abusing the financial sector. In this respect it is noteworthy that presently a mission of the International Monetary Fund is assisting the Central Bank to evaluate the quality of the prudential supervisory arrangements in place. The mission appears to be quite satisfied with its findings so far, but it is formulating some recommendations for further improvement and to synchronize the legal framework to the ever increasing requirements of the international community.

Let me now conclude. I really hope that the new corporate strategy of ABN AMRO Bank will meet the expectations of her management and shareholders. I believe that Aruba should learn from this strategy and should endeavor to utilize the available scarce means of production in the most effective ways. In this rapidly changing world we should be alert to protect and strengthen the progress made during the past 15 years by remaining competitive in the sense of offering adequate value for money. Not only private enterprises must continuously try to improve their performance; the same applies to a country as a whole, in particular for small, open and undiversified economies as that of Aruba.

We will have to do our utmost to give the ongoing process of enhancing our prosperity and well being a new impetus in order to meet the increasing expectations of our people. Hereby the emphasis should be shifted from merely aiming at quantitative growth to a high quality development. Much need to be done to improve productivity and efficiency to raise the profitability of our activities. I am convinced that, as was done by the ABN AMRO Bank in the past period, the Royal Bank of Trinidad and Tobago will be able to contribute to our future development and to support the restructuring of the banking sector. My conviction is based on the dynamic strategy the latter bank has been following to become a leading player within the Caribbean financial market, as well as on the excellent contacts we have with the management of her local subsidiary, the First National Bank of Aruba.

Thank you for your attention.

2.4 CENTRALE BANK VAN ARUBA 1986-2001: A SHORT HISTORICAL OVERVIEW

An article by J.R. Figaroa-Semeleer MA, Executive Director of the Centrale Bank van Aruba. published in the book “Aruba y su Status Aparte: logro di pasado, reto pa futuro/Aruba en de Status Aparte: mijlpaal en uitdaging, 1986-2001”, commemorating the third quinquennium of the Status Aparte of Aruba.

1. Introduction

1.1 The legal framework

The Centrale Bank van Aruba (the Bank) formally started its operations on January 1, 1986: the same day Aruba’s autonomous status within the Kingdom of the Netherlands became effective and the Aruban florin, pegged to the US dollar at the exchange rate of AFL 1.79 to US\$ 1.00, was brought into circulation. Previously, central banking activities on the island were the sole responsibility of the Bank van de Nederlandse Antillen, the central bank of the Netherlands Antilles², which was locally supported by a branch-office located in Oranjestad.

In the new constitutional framework, the Aruban government gained complete responsibility for determining and implementing its economic policy. In light hereof and after careful consideration, it was politically decided that the establishment of an own independent central bank and the replacement of the Antillean guilder by an Aruban currency as the legal tender were necessary, in order for the country to be in a better position to achieve its economic policy objectives. Fomented by then internationally ongoing discussions on central bank independence amongst others, the desire to have an independent institution³, as a prerequisite for a well-functioning central bank, was anchored in the Central Bank Ordinance.

Under this law, the Bank became a legal entity in itself (*sui generis*) with an autonomous position within the public sector. As the institution responsible for the stability of the Aruban currency, it was legally granted the authorities deemed necessary to effectively carry out a number of important tasks, which will be discussed in the following paragraph. Also, a legal ceiling, equal to 10% of the fiscal revenue in the preceding year, was put on the Bank’s ability to grant advances (under strict conditions at its discretion) to the government. Furthermore, the Bank was given the authority to determine its own policy regarding personnel salaries and related benefits, to be set forth in a regulation, in accordance to its needs and objectives.

²Until 1986, Aruba was part of the Netherlands Antilles (a federation of six islands), that consisted further of Curacao (where the capital Willemstad was situated), Bonaire, St. Maarten, St Eustatitius, and Saba. Together with the Netherlands they formed the Kingdom of the Netherlands.

³Refer to “Memorie van Toelichting op het Ontwerp Centrale Bankverordening”.

1.2 Tasks and activities of the Bank

The main responsibilities and tasks of the Bank are stipulated, amongst other things, in the Central Bank Ordinance. The Bank's primary responsibilities are maintaining the stability of the value of the monetary unit of Aruba against the US dollar at the fixed exchange rate and promoting a sound financial system. Therefore, its principal task is the determination and implementation of the monetary policy aimed at preserving this exchange rate.

Other major tasks comprise supervising and promoting a sound development within the banking and credit system, issuing banknotes and, on behalf of the government, coins, acting as banker of the government, functioning as the central foreign exchange bank and as such regulate the flow of foreign currency payments to and from other countries, and advising the Minister of Finance particularly on financial matters.

To this end, a large number of activities are being carried out by the Bank, including formulating and implementing monetary policy and related measures through, among others, regulating bank credit and liquidity; supervising the activities of the banks and other financial institutions by, inter alia, monitoring their liquidity and solvency to protect the interests of the depositors and policyholders, managing Aruba's official gold and foreign exchange reserves; issuing treasury bills, cash certificates and government bonds, as an agent for the government; and to monitor economic and financial developments

1.3 Main economic developments

At the outset of the Bank's operations, the Aruban economy was in a bad shape. In April 1985, the Exxon Corporation closed down its refinery in Aruba, which for many decades was the main driving force of economic activities. As a consequence, hundreds of persons lost their jobs, including in the oil refining-ancillary sectors, pushing up total unemployment to above 20%, while the government lost 40% of its tax revenue. To alleviate this loss, budgetary and development financial assistance from the Netherlands was received in the years 1985-1987.

To achieve fiscal and external balance, the government undertook several actions to improve the economic situation. A solidarity tax was introduced, while different measures to cut current expenses were taken, including reduction in civil servants' salaries, several fringe benefits, and subsidies to public sector enterprises. Furthermore, a hiring freeze and an early retirement program for civil servants was introduced. In the private sector similar actions were undertaken. A large number of workers had to give up part of their earnings (including secondary benefits) in order to retain their jobs.

Simultaneously the government launched an ambitious program to get the economy back on its feet. An acquisition policy, coupled with attractive fiscal arrangements, was implemented, which aimed at expanding the tourism sector in particular. Mainly under the influence of this policy, and thanks to a dynamic private sector, the

economy started to show signs of improvements already in mid-1987. Growth in economic activities, boosted by a number of large construction projects in the private sector, started to pick up gradually, than accelerated increasingly. Foreign investments poured into the island, at first stimulated by government guarantees, later on by the re-opening activities of the refinery by Coastal, and more recently by the renovation and expansion of the utility companies and implementation of a variety of infrastructural activities.

The resulting substantial inflows of both public and private capital more than alleviated pressures on the current account, resulting in balance of payments' surpluses for the years 1986 through 1995, with the exception of 1989 when a very small deficit was registered. During the period 1986-2000, total capital import at subsequent five-year intervals amounted to AFL 1.1 billion, AFL 2.1 billion, and AFL 3.5 billion, respectively. In the past five years, a more erratic development in the balance of payments can be observed: following an overall AFL 29 million surplus in 1995, both in 1996 and 1997 AFL 45 million deficits were recorded.

The 1996 balance of payments deficit is attributed to the fact that the government did not contract any foreign loan (1995: AFL 20 million) and made a large repayment on outstanding debt. Also, in addition to a large loan repayment related to the government's purchase of the Radisson hotel, fewer private loans were received compared to the previous year. In 1997, several factors contributed to the deficit, amongst which a decline in transportation income due to the financial problems of Air Aruba, decreased activities in the free-zone sector, and higher residents' external bank balances. Last year, again an overall AFL 43 million deficit on the balance of payments was recorded, despite large government foreign borrowings and increased earnings from tourism. Contributory factors continued to be buoyant government and private consumption spending, fueled by rapid increases in bank lending.

2. Foreign exchange reserves

2.1 Supporting the Aruban florin

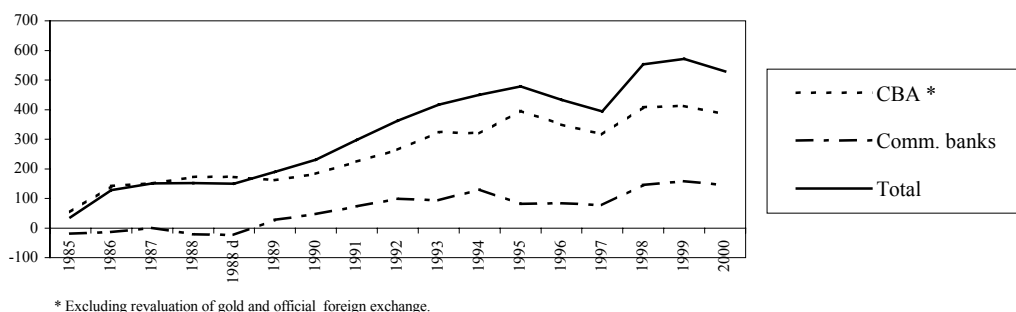
One of the major challenges confronted by the Bank, when it became operational, was to provide for a smooth but swift transition from the Antillean guilder to the Aruban florin as the new legal tender. With the weak economic situation and the uncertainty about the political future exerting pressure on the newly introduced currency, confidence in the Aruban florin, as a stable and strong currency, had to be established as soon as possible. This was necessary to halt further capital flight, foment international trade, and facilitate access to international capital markets. To this end, the exchange rate of Aruban florin vis-à-vis the Antillean guilder was fixed at par, while no foreign exchange tax was levied on transactions in Antillean guilders. Also, the Bank launched a campaign to promote the florin.

The public reacted positively to the new legal tender. In the first month of 1986, 42 million Antillean guilders were exchanged into Aruban florin at the commercial banks. These guilders were then deposited at the Bank, which, on its turn, credited the florin accounts of the commercial banks accordingly. As formally agreed upon

between the government of Aruba and that of the Netherlands Antilles, the Bank shipped these guilders to the Bank van de Nederlandse Antillen where they were exchanged for foreign currencies (mainly the U.S. dollar).

Together with the AFL 10 million claim on the Gold Fund of the Netherlands Antilles and Aruba, these currencies formed the basis of the official reserves of the Bank, which at the end of 1986 stood at AFL 141.5 million, while the net foreign assets of the commercial banks amounted to AFL 35 million. In the past 15 years, Aruba's total net foreign assets moved steadily at an upward trend (see graph 1), peaking in 1999 at AFL 572 to fall back to AFL 529 at end-2000.

**Graph 1. Net Foreign Assets
(in AFL million)**



2.2 The B-9 arrangement

Under the so-called B-9 arrangement, the Bank was able to concentrate a large portion of Aruba's foreign exchange reserves under its custody. Because this arrangement limits each bank's net outstanding holding of foreign assets, it is an important policy tool designed to allocate the available reserves between the Bank and the commercial banks. At the end of 2000, approximately 73 percent of these reserves were held with the Bank, while the remainder was in hands of the commercial banks.

The B-9 arrangement, which falls under the foreign exchange regulations of the Bank, stipulates that a bank's long foreign currency position (i.e., total claims on nonresidents in foreign currency less total liabilities to nonresidents in foreign currencies) should always be positive at the closure of business on each working day. Furthermore, the actual foreign exchange position should not exceed an amount equivalent to a certain percentage of the bank's liabilities (the so-called maximum allowed position). The excess above that position should be sold to the Bank, within three working days. Over the years, the Bank raised the maximum allowed position by increasing the relevant percentage from 4 percent to 10 percent.

2.3 Other foreign exchange regulations

When the refinery was shut down, Aruba got into a precarious position with regard to its foreign exchange earnings. To protect its recently attained foreign exchange reserves, the Bank, therefore, kept into effect the foreign exchange regulations imposed earlier by the Bank van de Nederlandse Antillen, which were based on the State Ordinance on foreign exchange transactions. Under these regulations, only current account payments under AFL 50,000 were allowed freely, while those above that amount needed a license of the Bank to be carried out. With regard to capital transactions, these were all forbidden, unless a license of the Bank was obtained. Although a strict regulation was in place, the Bank de facto applied a liberal policy, and foreign exchange permissions were rarely declined.

After 1992, in view of a growing external debt and to prevent an overheating of the economy, the Bank somewhat tightened up its conditions and requirements particularly with regard to requests for external loans. This policy was abandoned a few years later. As of July 1, 1998, the Bank issued a new general license for residents, allowing them to make foreign capital transfers without any administrative restriction up to a maximum of AFL 500,000 per calendar year for local entities and AFL 200,000 for natural persons. Licenses for externally funded projects are granted liberally, after the Bank has done some brief research on the feasibility of the project involved, the terms of the loans, and the financial background of the parties involved.

For the near future, the Bank endeavors to modernize the present State Ordinance on foreign exchange transactions, which in essence is based on the so-called negative system for capital transactions, bringing it more in line with the daily practice and international developments.

3. The financial system

3.1 Structure

As mentioned earlier, one of the major responsibilities of the Bank is to maintain stability and integrity of the financial system. This system can be divided into two sectors, being the onshore and the offshore financial sectors. Currently the onshore sector comprises the Bank, six commercial banks, two mortgage banks, one investment bank, one finance company, two credit unions, and several life insurance companies and company pension funds. The offshore sector, on the other hand, consists of two banks (total assets at end-1999: AFL 1.9 billion) and several finance companies represented by trust and law offices.

The Bank supervises the offshore banks and the onshore financial institutions previously mentioned. The legal framework of the Bank's supervision is primarily based on the State Ordinances on the supervision of the credit system and on company pension funds. In anticipation of the State Ordinance on the insurance business, the prudential supervision of the life insurance companies is being conducted on the basis of a gentlemen's agreement signed between the Bank and the aforementioned companies. Prudential supervision is mainly executed via on-site

examinations and off-site surveillance. The latter encompasses the analysis of periodic financial statements.

The commercial banks exercise a dominant role in the financial services to the public. Over the years, the banks' activities have increased considerably volume wise, but remained concentrated primarily in taking deposits and giving loans. During the period 1986-2000, total loan portfolio of the banks more than quadrupled to AFL 1.7 billion, bringing their total assets to AFL 2.2 billion (1986: AFL 448.5 million). The balance sheet total of the other nonmonetary financial institutions is approximately 77 percent of that of the commercial banks.

3.2 Interest rates

The market in which the financial system operates is rather underdeveloped. Market interest rates, contrary to what would be expected, move completely independently from those in the United States. This development is due to the fact that competition is hindered by institutional factors and a limited capital mobility. In addition, the institutional investors (e.g., pension funds) have to adhere to the Bank's guidelines regarding investing abroad. Interest rates show little fluctuations, while their margins are relatively large, reflecting thereby the suppressed competition in the domestic financial market as well as the relatively higher risks and costs of banking operations in a small and undiversified economy.

4. Monetary policy framework

4.1 Objective and intermediate targets

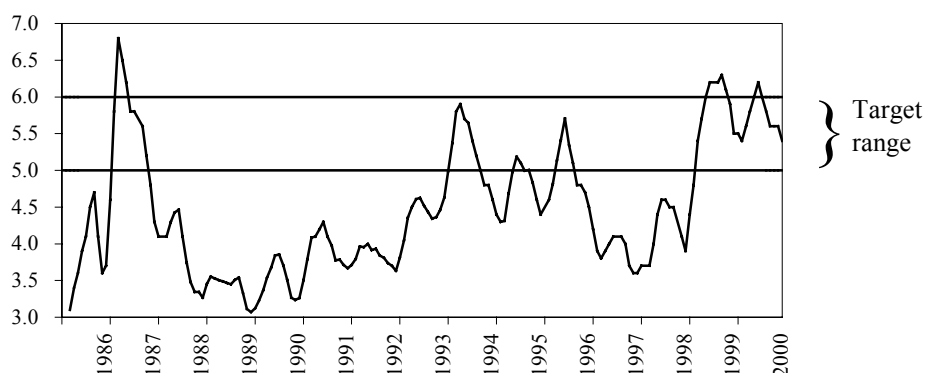
The Bank conducts monetary policy within a fixed exchange regime. Through a state decree (AB 1990 no. GT60), the government unilaterally pegged the Aruban florin to the U.S. dollar at an exchange rate of AFL 1.79 per US\$ 1.00. This policy choice is based on the historical link with the United States, which is Aruba's major trade partner. It aims at reducing uncertainties in the bilateral trade and financial transactions with the U.S., thereby promoting investments and employment on the island.

Taking into account Aruba's very small and open economy and de facto quite liberal foreign exchange licensing regime, little room is available for the Bank to conduct an independent monetary policy. Price stability is then promoted through pursuing a monetary policy aimed at maintaining the fixed exchange rate. To this end, a relatively large foreign exchange reserve is required to ensure confidence in the peg.

The appropriate amount of the reserves is determined on the basis of the (non-oil) import coverage ratio, i.e., the total amount of net foreign reserves in proportion to the total amount of import payments (excluding oil) over a twelve-month period. Taking into account Aruba's open and one-sided economy, the Bank targets a level of reserves equivalent to 5 to 6 months of non-oil merchandise import payments. Henceforth, the Bank's main preoccupation is with the management and control of

the level of net foreign exchange reserves. Graph 2 depicts the development of the import-coverage ratio over the period 1986-2000.

Graph 2. Non-oil import coverage ratio (in months)



4.2 An overview of monetary policy actions

During the period 1986 through mid-1988, the Bank's monetary policy accommodated, up to a certain extent, the expansive fiscal policy of the government to boost the economy. During the aforementioned period, all instruments of monetary policy laid practically dormant. Only on July 1, 1986, the Bank slightly raised its advance and rediscount rate, because of the growing concern over monetary expansion. This step was considered merely psychological because the official rates did not have any effect on the market rates, due to the favorable liquidity position of the banks.

In June 1988, losses in the international reserves started to occur, due the rapid growth in economic activity, which led to an accelerating credit growth. The reserves were moving quickly into the direction of the critical bottom line of three months of non-oil merchandise imports. In September 1988, the Bank reached a gentlemen's agreement with the commercial banks to restrict credit to the private sector to an annual growth rate of 15 percent. At the same time, the government started to curtail the growth of public expenditure. The moderating influence of both the credit restriction and the government's more cautious spending behavior helped to restore equilibrium in the overall balance of payments and to curb the downfall in the level of the international reserves.

Direct credit restrictions remained in effect during 1989 and 1990, whereby the growth in the banks' lending to the private sector again was limited to 15 percent. By the end of 1990, the international reserves finally started to move away from the critical bottom line. Despite the improvements in the level of international reserves, the Bank continued to enforce the credit restriction in 1991: growth in bank lending (including to the public sector) was then limited to 12 percent, in line with expected

economic growth. However, mortgage lending was exempted from the overall credit ceiling, in effort to stimulate badly needed housing construction.

The Bank introduced several changes in its overall monetary policy in 1992. The commercial banks were overliquid. After careful consideration, the Bank decided to set the allowable credit growth to 7 percent. Furthermore, it allowed the banks to increase their credit up to 3 percent additionally, if they could attract deposits with an original maturity of at least two years. This measure was taken as a step to encourage domestic savings. Growth in total bank lending would thus be in line with the expected nominal growth (10 percent) in GDP.

Due to the acceleration of inflation and the excess liquidity in the economy, the Bank tightened its monetary policy in 1993. Allowable domestic credit growth was set to 3 percent, in line with the expected increase in real GDP. Moreover, a 3 percent credit facility was granted if, and to the extent that, banks were able to attract savings with the maturity of more than two years. Mortgage loans of at least 7 years for the construction of new residential homes, as well as housing projects pre-approved by the Bank continued to be excluded from the credit restriction regime to alleviate strains on the housing market.

In 1994, monetary policy remained practically unchanged. Only housing mortgages was included in the credit ceiling. The credit ceiling system remained in effect during 1995, when the credit ceiling was raised to 6 percent and the additional credit facility to 4 percent. Also, banks were allowed to trade the unused portion of their available credit room. The credit ceiling could be exceeded, provided that a 7.5 percent compensating fee was paid. Furthermore, banks were required to hold a cash reserve equal to 6 percent of their deposits shorter than two years, on an interest bearing reserve account with the Bank. This measure was taken in order to sterilize excess liquidity within the banking sector. Shortfalls on the reserve account would be penalized equal to 7.5 percent (the so-called reserve requirement rate).

The Bank suspended the credit ceiling in 1997, because the economy returned into smoother waters, and due to an adequate level of reserves, and virtual elimination of the inflation differential with the U.S. During that year, the Bank relied on moral suasion to keep credit growth in line with nominal GDP growth. Also, the cash reserve requirement rate was lowered to 5.5 percent. Due to a decline in the international reserves and to preserve financial stability, the Bank again tightened its monetary policy in 1998. A collective credit growth was introduced, while the cash reserve ratio was raised from 6 percent to 7 percent. In 1999, it temporarily suspended the collective credit ceiling system, due to surging international reserves, decelerating business activities, and abating inflation rate. The Bank also lowered the advance rate to 6.5 percent and abolished the official discount rate. For 2000, because of adverse developments in the various economic variables, the collective credit ceiling was re-instated. Also, a penalty was introduced for banks that caused overall lending to exceed the guideline.

5. Conclusion

It can be stated that the Bank has been able to successfully comply with its mission of promoting monetary and financial stability, a *conditio sine qua non* for economic growth and prosperity. Since its inception, confidence in the florin has remained strong, spurred by monetary policy actions geared towards safeguarding the peg to the US dollar. To this end, sufficient foreign exchange reserves are being held with the Bank to guarantee the convertibility of the florin. Illustrative is that the coverage ratio of the official gold and foreign exchange reserves vis-à-vis the so-called base money (i.e., banknotes in circulation and deposits of the commercial banks held at the Bank) amounted to 146 percent at the end of 2000.

Domestic inflation rate, at an average differential of 0.5 percent for the period 1995-2000, is roughly in line with the U.S. inflation rate. Also, noteworthy is that up to now the Bank has not granted any credit to the government, *inter alia* reflecting the underlying strength of its independent position within the public sector. The Bank's role as banker of the government has been limited to taking deposits, facilitating its international payments, and acting as an agent for government's treasury bills and bonds.

2.5 DEVELOPMENT OF THE FINANCIAL SECTOR

An article by the Supervision Department of the Centrale Bank van Aruba.

1. Introduction

In this article, based upon the most recent (preliminary) figures available, an overview is given with respect to the developments in the financial position of the different sectors under the Bank's supervision. In the following paragraph, the developments in the banking sector will be discussed. Subsequently, developments in the institutional investors sector, consisting of the life insurance companies and company pension funds, will be presented.

2. Banking sector

2.1 Supervised institutions

As shown in table 1, the number as well as the composition of banking institutions supervised by the Bank remained unchanged in the year 2000.

Table 1 Number of supervised institutions within the banking sector
End-of-period figures

	1998	1999	2000
1. Commercial banks	6	6	6
2. Offshore banks	2	2	2
3. Banklike institutions	5	4	4
a. Mortgage banks	2	2	2
b. Finance companies	1	1	1
c. Other financial institutions	2	1	1
4. Credit unions	2	2	2
Total	15	14	14

2.2 Commercial banks

Six commercial banks are currently operating in Aruba. Two of these banks are branches of banks established in the Netherlands and Curaçao, and one is a subsidiary of a bank established in the latter island. Thus, three of these six banks are also supervised (on a consolidated basis) by De Nederlandsche Bank N.V. or the Bank van de Nederlandse Antillen.

The aggregated balance sheet total of the commercial banks increased by AFL 130 million or 6 percent to AFL 2,308 million at the end of 2000 (see table 2). Loans granted grew by AFL 183 million or 13 percent to AFL 1,575 million, compared to a 10 percent increase in 1999. This increase was due to a rise 16 percent in commercial loans and a 10 percent increase in loans to individuals.

On the liability side, deposits rose by AFL 98 million or 5 percent. Capital and reserves, including general (unallocated) reserves, increased by AFL 26 million or 17 percent. As a result, the banks' aggregated risk-weighted capital asset ratio grew from 8.8 percent in 1999 to 9.4 percent at the end of 2000.

Table 2 Balance sheet of the commercial banks

End-of-period figures in AFL million

	1998	1999	2000 ¹⁾
1. Assets			
a. Cash & due from banks	536.7	559.6	526.5
b. Investments	91.5	104.0	88.3
c. Loans	1,269.8	1,392.9	1,575.4
- Commercial ²⁾	658.7	695.7	806.6
- Individuals ³⁾	610.0	696.5	768.5
- Government	1.1	0.7	0.3
d. Other assets	123.2	121.5	117.7
Total Assets	2,021.2	2,178.0	2,307.9
2. Capital and liabilities			
a. Deposits	1,775.0	1,909.2	2,006.7
- Demand	550.3	547.8	599.2
- Time	806.8	932.3	961.3
- Savings	417.9	429.1	446.2
b. Other liabilities	97.9	119.0	125.5
c. Capital and reserves ⁴⁾	148.3	149.8	175.7
Total Capital and Liabilities	2,021.2	2,178.0	2,307.9

1) Preliminary figures

2) Corrected for allocated reserves.

3) Corrected for unearned income.

4) Including general (unallocated) reserves.

Mainly due to the sharp increase in the loans granted by the banks, their liquidity ratio decreased with 5 percentage points to 24 percent compared to 1999, which is still considerably above the minimum prudential liquidity requirement of 20 percent (see table 3). The banks are required to hold a 7 percent monetary cash reserve, as well as sufficient funds for clearing purposes at the Bank. These are included in the calculation of the prudential liquidity ratio. The sharp rise in outstanding loans was offset partially by an increase in deposits. As a result, the loans-to-deposits ratio increased by 6 percentage points to 79 percent at the end of 2000, just below the prudential maximum of 80 percent.

Table 3 Liquidity position of the commercial banks

End-of-period figures in AFL million

	1998	1999	2000 ¹⁾
1. Liquid assets ²⁾	583.8	636.5	549.4
2. Loans	1,269.8	1,392.9	1,575.4
3. Deposits	1,775.0	1,909.2	2,006.7
4. Total assets	2,021.2	2,178.0	2,307.9
5. Liquid assets-to-total assets ratio	0.29	0.29	0.24
6. Loans-to-deposits ratio	0.72	0.73	0.79

1) Preliminary figures

2) The liquid assets cannot be derived from table 2.

2.3 Offshore banks

At the end of 2000, only two U.S.-based offshore banks were registered in Aruba. These banks, which also fall under consolidated supervision of the U.S. supervisory authorities, had a balance sheet total of AFL 2,121 million at the end of 2000 (see table 4). After a 10 percent decrease in 1999, due mainly to a decline in investments and deposits, the balance sheet total return to the level of end-1998.

Table 4 Balance sheet of the offshore banks

End-of-period figures in AFL million

	1998	1999	2000 ¹⁾
1. Assets			
a. Cash & due from banks	570.7	540.6	445.3
b. Investments	471.0	410.1	569.4
c. Loans ²⁾	1,086.0	958.2	1,074.0
d. Other assets	26.1	24.0	32.1
Total Assets	2,153.8	1,932.9	2,120.8
2. Capital and liabilities			
a. Deposits	1,852.9	1,600.4	1,851.9
- Demand	26.0	220.6	417.2
- Time	1,826.9	1,379.8	1,434.7
b. Other liabilities	158.0	169.2	123.3
c. Capital and reserves ³⁾	142.9	163.3	145.6
Total Capital and Liabilities	2,153.8	1,932.9	2,120.8

1) Preliminary figures

2) Corrected for allocated reserves.

3) Including general (unallocated) reserves.

The Bank continued its strict admission policy for offshore banks during 2000. The most important requirements are that the parent bank is subject to comprehensive and consolidated supervision in the home country and that it possesses an excellent financial position and reputation.

2.4 Banklike institutions

Important institutions in this subsector are: Ohra Hypotheekbank N.V., Fundacion Cas pa Comunidad Arubano (FCCA), Aruban Investment Bank N.V., and Island Finance Aruba N.V. These institutions are engaged mainly in mortgage lending to individuals, financing social housing projects, long-term project financing, as well as personal loans for consumptive and home improvement purposes. The financing of their activities is done primarily by attracting funds from their parent company, other (local) financial institutions, and institutional investors.

The banklike institutions had a combined loan portfolio equivalent to approximately AFL 431 million as of the end of 2000 (see table 5). This figure represents a growth of AFL 39 million or 10 percent compared to 1999. On the liability side, the commercial borrowings increased by AFL 44 million. At the end of 2000, the capital and reserves amounted to AFL 224 million, which represents an increase of 8 percent compared to 1999.

Table 5 Balance sheet of the banklike institutions

End-of-period figures in AFL million

	1998	1999	2000 ¹⁾
1. Assets			
a. Cash & due from banks	71.4	63.9	62.0
b. Investments	0.1	0.7	4.0
c. Loans	387.4	392.4	430.9
- Commercial	62.9	68.3	99.1
- Individuals	324.5	324.1	331.8
- Government	0.0	0.0	0.0
d. Other assets	32.7	43.8	53.5
Total Assets	491.6	500.8	550.4
2. Capital and liabilities			
a. Deposits	2.8	11.8	13.6
b. Borrowings	226.5	227.3	270.7
- Commercial	187.3	188.9	232.4
- Individuals	1.7	1.7	1.7
- Government	37.5	36.7	36.6
c. Other liabilities	69.7	54.1	42.5
d. Capital and reserves	192.6	207.6	223.6
Total Capital and Liabilities	491.6	500.8	550.4

1) Preliminary figures

3 Institutional investors' sector

3.1 Supervised institutions

At the end of 2000, nine life insurance companies and nine company pension funds were active in Aruba and subject to the Bank's supervision. All but one of the life insurance companies are branches of foreign companies. As shown in table 6, the number of life insurance companies supervised by the Bank in 2000 decreased by one, due to the transferal of its portfolio by OHRA Levensverzekeringen N.V., Aruba Branch to Ennia Caribe Leven N.V., Aruba Branch.

Table 6 Number of supervised institutions within the institutional investors' sector
End-of-period figures

	1998	1999	2000
Life insurance companies	10	10	9
Company pension funds	9	9	9
Total	19	19	18

3.2 The life insurance sector

The life insurance companies have expanded their activities in recent years. At the end of 1999, their aggregated balance sheet total amounted to AFL 322 million, i.e., a 10 percent increase compared to 1998 (see table 7). On the liability side, technical provisions rose by 8 percent to AFL 206 million. Capital and reserves grew by AFL 13 million or 37 percent.

Table 7 Balance sheet of the life insurance companies
End-of-period figures in AFL million

	1997	1998	1999 ¹⁾
1. Assets			
a. Investments	213.8	251.3	269.0
b. Fixed assets	0.1	0.1	0.2
c. Affiliated companies	3.0	3.3	0.4
d. Current assets	28.4	31.5	40.5
e. Other assets	6.9	6.4	12.1
f. Intangibles	-	-	-
Total assets	252.2	292.6	322.2
2. Capital and Liabilities			
a. Technical provisions	167.3	189.9	205.9
b. Capital loans	0.7	0.6	0.6
c. Current liabilities	54.4	66.1	66.5
d. Capital and reserves	29.8	36.0	49.2
Total Capital and liabilities	252.2	292.6	322.2

1) Preliminary figures

On the asset side, investments constitute the largest item. As shown in table 8, the 7 percent rise in investments to AFL 269 million in 1999 was caused mainly by an

increase in the holding of mortgage loans and shares. At the end of December 1999, AFL 73 million or 27 percent of the total investment portfolio of the life insurance companies consisted of foreign investments.

Table 8 Investments of the life insurance companies

End-of-period figures in AFL million

Investment categories	1997	1998	1999 ¹⁾
1. Shares	13.6	19.1	26.1
2. Bonds	125.3	137.5	134.3
3. Real estate	6.3	6.4	6.1
4. Time deposits	12.2	20.7	22.3
5. Mortgage loans	40.0	50.5	62.5
6. Policy loans	7.0	8.0	8.3
7. Other loans	9.4	9.1	9.4
Total	213.8	251.3	269.0

1) Preliminary figures

As shown in table 9, the two principal income sources of the life insurance companies are net premiums and investment income. The net premiums decreased by 7 percent to AFL 36 million compared to 1998. The investment income grew slightly by 2 percent.

Table 9 Income statement of the life insurance companies

In AFL million

	1997	1998	1999 ¹⁾
1. Net premiums	30.9	38.7	36.0
2. Investment income	16.7	19.2	19.5
3. Other income	0.3	0.1	0.2
Total income	47.9	58.0	55.7
1. Changes in technical provisions	16.7	23.4	21.0
2. Net claims	11.5	13.9	13.0
3. Commissions	1.9	2.1	2.9
4. Management expenses	5.2	5.3	5.0
5. Extraordinary items	-0.1	-0.4	0.0
6. Policyholders' dividends	2.2	1.9	2.8
7. Other expenses	3.2	2.9	3.0
Total expenses	40.6	49.1	47.7
Surplus before dividends and taxes	7.3	8.9	8.0

1) Preliminary figures

Total expenses declined by a mere 3 percent. As a consequence, the surplus before dividends and taxes fell by approximately 10 percent.

The liquidity ratio of the life insurance companies went up from 0.17 in 1998 to 0.20 in 1999 (see table 10). In 1999 both the profitability and the solvency ratio decreased slightly by one percent.

Table 10 Financial ratios of the life insurance companies

End-of-period figures

	1997	1998	1999 ¹⁾
1. Liquidity ratio Current assets to technical provisions	0.17	0.17	0.20
2. Profitability ratio Investment income to average invested assets	0.08	0.08	0.07
3. Solvency ratio Investments to technical provisions	1.28	1.32	1.31

1) Preliminary figures

3.3 The company pension funds

Table 11 represents the aggregated balance sheet of the company pension funds for the years 1997 through 1999. The balance sheet total of the company pension funds amounted to AFL 196 million in the latter year.

Table 11 Balance sheet of the company pension funds

End-of-period figures in AFL million

	1997	1998	1999 ¹⁾
1. Assets			
a. Investments	169.3	178.9	187.2
b. Fixed assets	-	0.1	0.1
c. Current assets	6.8	8.0	9.1
Total assets	176.1	187.0	196.4
2. Capital and Liabilities			
a. Technical provisions	176.5	184.9	180.4
b. Long-term liabilities	-	0.4	0.5
c. Current liabilities	3.1	2.2	2.0
d. Capital and reserves	-3.5	-0.5	13.5
Total Capital and liabilities	176.1	187.0	196.4

1) Preliminary figures

As shown in table 11, investments increased by 5 percent to AFL 187 million, constituting the largest item on the asset side, and was mostly the result of the rise in shares (see table 12).

Table 12 Investments of the company pension funds

End-of-period figures in AFL million

Investment categories	1997	1998	1999¹⁾
1. Shares	63.3	73.4	79.0
2. Bonds	72.9	62.4	59.4
3. Real estate	5.2	6.0	6.0
4. Time deposits	11.7	16.2	18.7
5. Mortgage loans	9.9	11.6	15.2
6. Other loans	0.6	0.5	0.5
7. Other	5.7	8.8	8.4
Total	169.3	178.9	187.2

1) Preliminary figures

At the end of December 1999, the share of foreign investments in the total investment portfolio of the company pension funds amounted to 75 percent (AFL 141 million). On the liability side, technical provisions decreased slightly by 2 percent in 1999 to AFL 180 million compared to 1998.

Table 13 Income statement of the company pension funds

In AFL million

	1997	1998	1999¹⁾
1. Direct investment income	16.8	18.1	17.6
2. Indirect investment income	2.4	3.0	2.2
3. Less: investment expenses	0.0	0.0	0.1
Net investment income	19.2	21.1	19.7
4. Premium income	17.6	20.8	19.7
Available for pension accumulation, pension risk, execution of pension	36.8	41.9	39.4
5. Change in technical provisions	4.6	8.8	-4.3
6. Pension benefits paid	29.9	29.4	27.1
7. Reinsurance net	0.8	0.6	0.4
8. Management expenses	1.3	1.2	1.5
Total expenses	36.6	40.0	24.7
Net result	0.2	1.9	14.7

1) Preliminary figures

As shown in table 13, the two principal income sources of the company pension funds are premium income and investment income. In 1999, investment and premium income fell by, respectively, 7 percent to AFL 20 million and 5 percent to approximately AFL 20 million. Total expenses decreased significantly, i.e., by 38 percent to AFL 25 million, due mainly to an AFL 13 million decline in technical provisions. As a consequence, the net result of the company pension funds increased significantly compared to 1998 and amounted to AFL 15 million.

Table 14 Financial ratios of the company pension funds

End-of-period figures

	1997	1998	1999 ¹⁾
1. Liquidity ratio	0.04	0.04	0.05
Current assets to technical provisions			
2. Profitability ratio	0.11	0.12	0.11
Investment income to average invested assets			
3. Coverage ratio ²⁾	1.26	1.19	1.18
Investments & cash minus volatility cushion to technical provisions			

1) Preliminary figures

2) The calculation of the volatility cushion cannot be derived from table 14.

According to table 14, the liquidity ratio of the company pension funds went up slightly to 0.05. The profitability ratio and coverage ratio decreased by a mere 1 percentage point compared to 1998.

2.6 MONETARY POLICY FOR 2001

A press release of April 2, 2001.

In the joint meeting of the Centrale Bank van Aruba (“the Bank”) with the Aruban Bankers Association held on March 21, 2001, the monetary policy guidelines for 2001 were determined.

The Bank has decided to reduce the normative bank credit growth guideline on an aggregated basis by 2 percentage points to 6 percent, as a somewhat slower economic growth is expected for mentioned year, while international reserves continue to be under pressure. In addition, the penalty rate, charged to commercial banks causing any excess lending, has been raised by one percentage point to 9 percent.

The current B-9 arrangement (through which the distribution of the foreign exchange reserves between the commercial banks and the Bank is regulated), as well as the monetary cash reserve requirement (which obliges the commercial banks to hold an equivalent of 7 percent of their short-term deposits on a separate interest-bearing account at the Bank) will remain in effect. However, to discourage the banks to utilize the latter funds to cover liquidity shortages, the compensating fee for any deficiency in this reserve has been raised by one percentage point to 6.5 percent effective April 1, 2001.

III. Statistical annex

General note

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

TABLE 1.1: TOURISM

period	Total visitor nights	Total visitors	Visitors by origin							Average nights stayed	Average hotel occupancy rate	Cruise tourism	
			North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Netherlands	Other			Number of passengers	Ship calls
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1997	4,834,838	645,983	388,895	363,791	163,288	87,634	57,745	32,666	36,055	7.5	73.5	297,650	270
1998	4,889,718	647,437	401,547	377,108	162,308	99,128	49,042	30,959	34,540	7.6	77.6	257,755	255
1999	5,143,302	683,323	442,833	422,186	155,171	103,601	49,326	32,014	35,993	7.5	77.0	289,052	230
2000	5,247,824	721,224	478,726	458,132	162,474	112,018	47,063	30,575	32,961	7.3	76.0	490,005	331
1998 I	1,297,225	168,399	120,376	108,147	29,265	14,155	12,374	7,248	6,384	7.7	84.0	124,594	115
1998 II	1,121,778	156,680	100,064	96,250	37,709	23,133	10,536	6,711	8,371	7.2	72.5	33,706	40
1998 III	1,266,770	165,859	83,341	80,945	58,468	39,370	13,401	8,933	10,649	7.6	78.0	9,985	22
1998 IV	1,203,945	156,499	97,766	91,766	36,866	22,470	12,731	8,067	9,136	7.7	75.8	89,470	78
1999 I	1,316,201	164,364	114,754	106,513	32,240	19,151	10,601	6,801	6,769	8.0	78.7	133,464	106
1999 II	1,139,777	161,810	111,893	107,941	30,316	19,589	10,950	7,245	8,651	7.0	73.4	27,965	26
1999 III	1,356,151	183,234	100,977	98,400	57,308	42,491	13,670	9,207	11,279	7.4	77.4	1,969	9
1999 IV	1,331,173	173,915	115,209	109,332	35,307	22,370	14,105	8,761	9,294	7.7	78.9	125,654	89
2000 I	1,380,946	179,192	131,850	122,789	29,131	17,703	11,418	7,529	6,793	7.7	81.6	208,820	150
2000 II	1,199,727	175,941	120,421	117,296	36,672	23,998	10,989	7,157	7,859	6.8	71.8	85,535	50
2000 III	1,402,755	196,820	112,711	109,831	61,999	47,076	12,233	7,906	9,877	7.1	76.6	35,349	22
2000 IV	1,264,396	169,271	113,744	108,216	34,672	23,241	12,423	7,983	8,432	7.5	73.8	160,301	109

Source: Aruba Tourism Authority, Central Bureau of Statistics, Aruba Hotel and Tourism Association, Cruise Tourism Authority.

TABLE 1.2: GROWTH IN STAY-OVER TOURISM

		Total visitor nights	Total visitors	North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Nether- lands	Other
period		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Quarterly percentage changes 1)</i>										
1998	I	-3.0	-3.7	-0.8	-1.7	-14.7	-4.6	-2.8	0.0	-3.5
	II	6.5	4.7	4.3	5.4	19.4	45.4	-24.0	-7.8	1.5
	III	5.7	1.7	10.0	10.5	-0.8	10.6	-17.8	0.3	-11.0
	IV	-3.4	-1.2	2.0	2.9	-4.1	5.5	-14.3	-12.6	-1.0
1999	I	1.5	-2.4	-4.7	-1.5	10.2	35.3	-14.3	-6.2	6.0
	II	1.6	3.3	11.8	12.1	-19.6	-15.3	3.9	8.0	3.3
	III	7.1	10.5	21.2	21.6	-2.0	7.9	2.0	3.1	5.9
	IV	10.6	11.1	17.8	19.1	-4.2	-0.4	10.8	8.6	1.7
2000	I	4.9	9.0	14.9	15.3	-9.6	-7.6	7.7	10.7	0.4
	II	5.3	8.7	7.6	8.7	21.0	22.5	0.4	-1.2	-9.2
	III	3.4	7.4	11.6	11.6	8.2	10.8	-10.5	-14.1	-12.4
	IV	-5.0	-2.7	-1.3	-1.0	-1.8	3.9	-11.9	-8.9	-9.3
<i>Cumulative percentage changes 2)</i>										
1998	I	-3.0	-3.7	-0.8	-1.7	-14.7	-4.6	-2.8	0.0	-3.5
	II	1.2	0.2	1.5	1.5	1.7	21.3	-13.8	-3.9	-0.7
	III	2.7	0.7	3.7	3.9	0.5	15.6	-15.4	-2.3	-5.3
	IV	1.1	0.2	3.3	3.7	-0.6	13.1	-15.1	-5.2	-4.2
1999	I	1.5	-2.4	-4.7	-1.5	10.2	35.3	-14.3	-6.2	6.0
	II	1.5	0.3	2.8	4.9	-6.6	3.9	-5.9	0.6	4.5
	III	3.4	3.8	7.8	9.6	-4.4	6.0	-3.0	1.6	5.1
	IV	5.2	5.5	10.3	12.0	-4.4	4.5	0.6	3.4	4.2
2000	I	4.9	9.0	14.9	15.3	-9.6	-7.6	7.7	10.7	0.4
	II	5.1	8.9	11.3	12.0	5.2	7.6	4.0	4.6	-5.0
	III	4.5	8.4	11.4	11.8	6.6	9.3	-1.6	-2.8	-8.1
	IV	2.0	5.5	8.1	8.5	4.7	8.1	-4.6	-4.5	-8.4

1) As compared to a year earlier.

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

TABLE 1.3: 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
Weights (September 1994)	10,000	1,625	254	1,134	1,786	1,039	307	2,072	808	975
Weights (September 2000)	10,000	1,469	219	1,086	2,296	1,002	88	1,967	799	1,074
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1997	110.1	111.8	108.0	120.6	110.6	110.4	112.1	104.1	110.9	106.1
1998	111.7	114.2	108.5	129.6	109.0	113.1	112.7	103.3	112.6	107.3
1999	115.8	116.3	111.3	134.0	118.0	117.7	113.1	105.9	117.1	109.9
2000	100.8	100.8	100.0	101.5	101.1	101.4	100.0	100.1	100.5	100.8
1998 I	110.5	112.5	108.2	122.7	110.4	111.2	112.3	103.6	111.3	106.5
II	110.7	113.1	108.7	123.8	108.9	111.6	112.6	104.2	111.7	106.7
III	111.1	113.5	108.9	126.1	108.7	112.4	112.6	104.0	112.3	106.9
IV	111.7	114.2	108.5	129.6	109.0	113.1	112.7	103.3	112.6	107.3
1999 I	112.1	114.9	109.3	130.7	108.7	114.3	112.6	103.1	113.9	107.8
II	112.9	115.6	109.5	131.9	109.3	115.1	112.7	104.6	114.3	108.2
III	114.3	116.0	110.4	132.4	113.6	115.7	112.9	105.6	115.6	108.9
IV	115.8	116.3	111.3	134.0	118.0	117.7	113.1	105.9	117.1	109.9
2000 I	116.9	116.7	111.3	136.0	119.3	118.2	113.2	107.3	118.5	110.7
II	117.9	117.3	111.4	138.5	120.6	119.4	113.2	108.0	119.2	111.7
III	118.9	118.3	111.8	141.4	121.8	119.9	113.3	108.3	120.2	112.7
IV d	100.8	100.8	100.0	101.5	101.1	101.4	100.0	100.1	100.5	100.8

Source: Central Bureau of Statistics.

TABLE 1.4: 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
1997	110.1	0.3	0.9	2.8	3.0
1998	111.7	0.1	0.5	1.5	1.9
1999	115.8	0.3	1.3	3.7	2.3
2000	100.8	0.3	0.8	3.5	4.0
1998 I	110.5	0.1	0.4	1.7	2.5
II	110.7	0.3	0.2	2.1	2.3
III	111.1	0.1	0.4	1.8	2.1
IV	111.7	0.1	0.5	1.5	1.9
1999 I	112.1	0.1	0.4	1.4	1.8
II	112.9	0.2	0.7	2.0	1.7
III	114.3	0.3	1.2	2.9	1.9
IV	115.8	0.3	1.3	3.7	2.3
2000 I	116.9	0.6	0.9	4.3	2.9
II	117.9	0.3	0.9	4.4	3.5
III	118.9	0.2	0.8	4.0	4.0
IV d	100.8	0.3	0.8	3.5	4.0

TABLE 1.5: UTILITIES

	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. a. Water (x1,000 m3) 1)	9,587	10,280	10,406	10,929	2,609	2,584	2,644	2,442	2,492	2,690	2,777	2,447	2,604	2,938	2,700	2,687
b. Connected premises	27,180	28,283	29,211	30,225	27,481	27,719	28,024	28,283	28,426	28,751	28,998	29,211	29,386	29,682	29,951	30,225
2. a. Electricity (x 1,000 KWH)	551,849	600,767	614,931	644,348	138,901	151,257	159,173	151,436	138,070	152,431	165,780	158,650	144,507	158,585	172,196	169,060
b. Connections	33,337	35,496	35,496	36,448	33,336	33,588	34,021	34,416	34,505	34,792	35,015	35,496	35,668	35,775	36,016	36,448
c. Number of users	28,708	29,861	30,971	32,062	28,640	28,891	29,347	29,861	29,889	30,290	30,562	30,971	31,199	31,346	31,700	32,062
3. a. Gas (x 1,000 pounds)	15,606	15,633	16,345	17,162	3,775	3,805	3,831	4,223	3,869	3,985	3,974	4,517	4,135	4,169	4,215	4,305
b. Household	6,929	6,958	7,215	7,354	1,579	1,667	1,673	2,039	1,638	1,751	1,722	2,104	1,673	1,797	1,760	2,124
c. Commercial	8,678	8,675	9,130	9,808	2,196	2,137	2,158	2,184	2,231	2,234	2,251	2,413	2,462	2,353	2,468	2,525
4. Utilities index 2)	104.9	112.9	115.2	121.4	107.3	112.0	116.4	110.6	104.6	113.8	121.1	113.5	110.1	121.6	124.1	122.6

1) Sale of water, excluding to Coastal Aruba 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 2.1: MONETARY SURVEY

End of period	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
I. Net domestic assets	967.2	985.7	1,127.5	1,210.8	954.0	980.5	995.2	985.7	971.9	1,002.2	1,052.6	1,127.5	1,164.5	1,188.4	1,221.1	1,210.8
A) Domestic credit	1,175.9	1,244.1	1,394.5	1,507.2	1,194.3	1,218.3	1,229.2	1,244.1	1,232.7	1,260.9	1,323.4	1,394.5	1,458.4	1,493.0	1,517.6	1,507.2
1) Net claims on public sector	-9.7	-8.9	12.4	-1.1	-10.1	18.0	21.9	-8.9	-24.7	-14.3	-16.5	12.4	14.1	2.3	3.5	-1.1
a) Gross claims	74.5	67.9	75.9	65.8	71.5	71.7	72.4	67.9	70.7	75.3	75.6	75.9	75.9	85.2	68.5	65.8
b) Government's deposits	-74.4	-67.0	-54.2	-44.3	-75.9	-49.3	-45.6	-67.0	-86.0	-80.3	-82.6	-54.2	-52.4	-53.6	-42.6	-44.3
c) Development funds	-9.8	-9.8	-9.4	-22.6	-5.7	-4.4	-4.9	-9.8	-9.5	-9.4	-9.5	-9.4	-9.4	-29.3	-22.4	-22.6
2) Claims on private sector	1,185.5	1,253.0	1,382.2	1,508.3	1,204.4	1,200.3	1,207.3	1,253.0	1,257.4	1,275.2	1,340.0	1,382.2	1,444.3	1,490.7	1,514.1	1,508.3
a) Enterprises	635.8	636.3	670.0	725.5	648.0	626.9	614.5	636.3	631.3	626.1	658.2	670.0	717.5	733.6	739.2	725.5
b) Individuals	532.4	588.7	686.1	757.6	537.2	555.2	574.5	588.7	598.1	621.8	656.4	686.1	700.8	731.0	749.6	757.6
1) Consumer credit	269.2	287.9	335.6	357.2	268.7	275.9	284.0	287.9	292.4	302.7	317.8	335.6	340.3	351.6	354.7	357.2
2) Housing mortgages	263.2	300.8	350.4	400.4	268.5	279.3	290.5	300.8	305.7	319.0	338.7	350.4	360.5	379.4	394.9	400.4
c) Other	17.3	28.0	26.1	25.2	19.1	18.2	18.4	28.0	28.0	27.4	25.3	26.1	26.0	26.1	25.2	25.2
B) Other items, net	-208.7	-258.4	-267.0	-296.4	-240.2	-237.9	-234.0	-258.4	-260.8	-258.7	-270.9	-267.0	-293.9	-304.6	-296.5	-296.4
II. Net foreign assets	393.6	553.1	571.6	528.8	441.0	464.1	534.2	553.1	648.4	630.9	628.1	571.6	603.5	588.5	555.7	528.8
A) Centrale Bank van Aruba	316.4	408.2	412.7	384.5	356.3	354.6	379.3	408.2	484.6	458.0	430.7	412.7	408.3	421.5	413.8	384.5
B) Commercial banks	77.2	144.9	158.9	144.3	84.7	109.5	154.8	144.9	163.8	172.8	197.4	158.9	195.1	167.0	141.9	144.3
III. Broad money	1,360.8	1,538.8	1,699.1	1,739.6	1,395.0	1,444.6	1,529.4	1,538.8	1,620.3	1,633.1	1,680.7	1,699.1	1,768.0	1,776.9	1,776.9	1,739.6
A) Money	473.1	547.0	590.4	597.6	476.4	511.9	537.9	547.0	563.9	570.6	587.8	590.4	591.1	629.7	606.8	597.6
B) Quasi-money	887.7	991.8	1,108.7	1,142.0	918.6	932.7	991.4	991.8	1,056.4	1,062.5	1,092.9	1,108.7	1,176.9	1,147.2	1,170.1	1,142.0

TABLE 2.2: COMPONENTS OF BROAD MONEY

End of period	Currency			Demand deposits			Money	Other deposits		Treasury bills	Quasi-money	Broad money
	Issued	At banks	Outside banks	AFL	Foreign currency	Total		Savings	Time			
	(1)	(2)	(3= 1-2)	(4)	(5)	(6= 4+5)		(7= 3+6)	(8)			
1997	126.8	25.2	101.6	311.8	59.8	371.5	473.1	366.6	517.1	4.0	887.7	1,360.8
1998	133.3	28.4	104.9	378.2	63.9	442.1	547.0	382.5	609.3	0.0	991.8	1,538.8
1999	146.3	24.0	122.4	398.0	70.1	468.1	590.4	391.6	715.6	1.5	1,108.7	1,699.1
2000	152.1	29.6	122.5	406.3	68.7	475.0	597.6	404.6	729.0	8.4	1,142.0	1,739.6
1998 I	119.6	21.5	98.0	310.9	67.5	378.4	476.4	374.3	543.2	1.0	918.6	1,395.0
II	126.9	22.6	104.3	348.1	59.5	407.6	511.9	380.3	552.4	0.0	932.7	1,444.6
III	124.7	23.2	101.5	374.0	62.4	436.5	537.9	393.4	598.0	0.0	991.4	1,529.4
IV	133.3	28.4	104.9	378.2	63.9	442.1	547.0	382.5	609.3	0.0	991.8	1,538.8
1999 I	126.5	24.3	102.2	381.0	80.7	461.7	563.9	389.4	667.0	0.0	1,056.4	1,620.3
II	132.0	23.4	108.6	395.0	67.0	462.0	570.6	393.5	663.5	5.5	1,062.5	1,633.1
III	128.0	22.1	105.9	417.8	64.1	481.9	587.8	387.5	703.9	1.5	1,092.9	1,680.7
IV	146.3	24.0	122.4	398.0	70.1	468.1	590.4	391.6	715.6	1.5	1,108.7	1,699.1
2000 I	139.3	24.1	115.2	401.2	74.6	475.8	591.1	403.4	760.0	13.5	1,176.9	1,768.0
II	144.7	23.9	120.8	443.3	65.6	509.0	629.7	410.8	726.4	10.0	1,147.2	1,776.9
III	140.3	23.6	116.8	420.0	70.0	490.0	606.8	403.3	763.8	3.0	1,170.1	1,776.9
IV	152.1	29.6	122.5	406.3	68.7	475.0	597.6	404.6	729.0	8.4	1,142.0	1,739.6

TABLE 2.3: CAUSES OF CHANGES IN BROAD MONEY

During period	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
I. Net domestic money creation	99.4	18.5	141.8	83.3	-13.1	26.4	14.8	-9.6	-13.8	30.3	50.4	74.9	37.0	23.9	32.7	-10.3
A) Domestic credit	93.4	68.2	150.4	112.7	18.4	24.1	10.8	14.9	-11.4	28.2	62.5	71.1	63.9	34.6	24.6	-10.4
1) Net claims on public sector	31.8	0.8	21.3	-13.4	-0.4	28.1	3.9	-30.8	-15.8	10.4	-2.2	28.9	1.7	-11.7	1.2	-4.6
a) Recourse to monetary system	4.5	-6.6	8.0	-10.1	-3.0	0.2	0.7	-4.5	2.8	4.6	0.2	0.4	0.0	9.2	-16.7	-2.7
b) Drawing down of bank balances	27.3	7.3	13.3	-3.3	2.6	27.9	3.1	-26.3	-18.6	5.8	-2.4	28.5	1.7	-21.0	17.9	-1.9
1) Government's deposits	34.5	7.4	12.8	9.9	-1.5	26.6	3.7	-21.4	-19.0	5.7	-2.4	28.4	1.8	-1.1	10.9	-1.7
2) Development funds	-7.1	-0.1	0.5	-13.2	4.1	1.3	-0.5	-4.9	0.3	0.1	-0.1	0.1	-0.1	-19.9	6.9	-0.2
2) Claims on private sector	61.6	67.4	129.2	126.2	18.8	-4.1	7.0	45.7	4.4	17.8	64.7	42.2	62.2	46.4	23.4	-5.8
a) Enterprises	15.9	0.4	33.8	55.5	12.2	-21.1	-12.4	21.8	-4.9	-5.2	32.2	11.8	47.5	16.1	5.6	-13.7
b) Individuals	56.1	56.3	97.4	71.6	4.8	18.0	19.3	14.2	9.5	23.6	34.7	29.6	14.7	30.2	18.6	8.0
1) Consumer credit	36.0	18.7	47.7	21.6	-0.5	7.2	8.0	4.0	4.5	10.3	15.0	17.9	4.6	11.4	3.1	2.5
2) Housing mortgages	20.0	37.6	49.7	50.0	5.4	10.7	11.3	10.2	5.0	13.3	19.6	11.8	10.1	18.9	15.6	5.5
c) Other	-10.3	10.7	-2.0	-0.9	1.8	-0.9	0.2	9.7	-0.1	-0.5	-2.1	0.8	-0.1	0.1	-0.8	-0.1
B) Other domestic factors	6.0	-49.7	-8.6	-29.4	-31.5	2.4	3.9	-24.5	-2.4	2.1	-12.2	3.8	-26.9	-10.7	8.1	0.1
II. Inflow of foreign funds	-39.7	159.5	18.5	-42.8	47.3	23.2	70.0	19.0	95.3	-17.6	-2.7	-56.5	31.9	-15.0	-32.8	-27.0
III. Broad money	59.7	178.0	160.3	40.5	34.2	49.6	84.8	9.4	81.5	12.8	47.6	18.4	68.9	9.0	-0.1	-37.3
1) Money	28.1	73.9	43.4	7.1	3.3	35.5	26.1	9.0	16.9	6.7	17.2	2.6	0.7	38.7	-23.0	-9.2
2) Quasi-money	31.6	104.2	116.9	33.3	30.9	14.1	58.7	0.4	64.6	6.1	30.4	15.7	68.2	-29.7	22.9	-28.1

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	Percentages		
	Gold	Other assets	Liabilities	Net	Assets	Liabilities	Net						Broad money coverage	Import coverage	
	(1)	(2)	(3)	(4=1+2-3)	(5)	(6)	(7=5-6)						(8=4+7)	(9)	(10=8-9)
1997	50.1	308.5	2.5	356.1	465.9	388.7	77.2	433.3	39.7	393.6	1,360.8	1,425.1	28.9	30.4	
1998	41.0	397.7	1.7	437.0	486.4	341.5	144.9	581.9	28.8	553.1	1,538.8	1,521.0	35.9	38.3	
1999	41.0	393.7	0.1	434.6	501.1	342.2	158.9	593.6	22.0	571.6	1,699.1	1,349.9	33.6	44.0	
2000	41.0	372.3	2.3	411.0	538.8	394.4	144.3	555.3	26.5	528.8	1,739.6	1,263.1	30.4	44.0	
1998	I	50.1	346.5	0.1	396.6	433.2	348.5	84.7	481.3	40.3	441.0	1,395.0	1,398.3	31.6	34.4
	II	50.1	343.7	0.1	393.7	437.9	328.4	109.5	503.2	39.1	464.1	1,444.6	1,376.6	32.1	36.6
	III	50.1	371.4	0.3	421.2	460.5	305.7	154.8	576.0	41.8	534.2	1,529.4	1,416.9	34.9	40.7
	IV	41.0	397.7	1.7	437.0	486.4	341.5	144.9	581.9	28.8	553.1	1,538.8	1,521.0	35.9	38.3
1999	I	41.0	468.6	1.6	507.9	466.4	302.6	163.8	671.7	23.3	648.4	1,620.3	1,515.4	40.0	44.3
	II	41.0	442.2	1.8	481.4	485.0	312.2	172.8	654.2	23.3	630.9	1,633.1	1,517.7	38.6	43.1
	III	41.0	415.1	5.1	450.9	512.6	315.2	197.4	648.3	20.2	628.1	1,680.7	1,453.4	37.4	44.6
	IV	41.0	393.7	0.1	434.6	501.1	342.2	158.9	593.6	22.0	571.6	1,699.1	1,349.9	33.6	44.0
2000	I	41.0	391.3	1.1	431.2	544.8	349.7	195.1	626.3	22.8	603.5	1,768.0	1,312.8	34.1	47.7
	II	41.0	404.3	0.1	445.2	519.9	352.9	167.0	612.2	23.7	588.5	1,776.9	1,278.9	33.1	47.9
	III	41.0	399.2	3.1	437.1	518.1	376.2	141.9	579.1	23.3	555.7	1,776.9	1,283.1	31.3	45.1
	IV	41.0	372.3	2.3	411.0	538.8	394.4	144.3	555.3	26.5	528.8	1,739.6	1,263.1	30.4	44.0

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

End of period	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
ASSETS																
1. Claims on money-creating institutions	197.6	265.9	298.2	239.1	219.2	233.8	266.3	265.9	323.5	305.0	287.5	298.2	271.5	267.6	285.2	239.1
a) Monetary authorities	147.4	241.6	261.9	210.4	186.7	206.5	239.3	241.6	287.5	274.3	262.5	261.9	244.8	238.7	258.0	210.4
b) Commercial banks	50.2	24.3	36.3	28.8	32.5	27.2	27.0	24.3	35.9	30.7	25.0	36.3	26.7	28.9	27.1	28.8
2. Claims on the public sector	74.5	67.9	75.9	65.8	71.5	71.7	72.4	67.9	70.7	75.3	75.6	75.9	75.9	85.2	68.5	65.8
a) Short-term	48.2	45.1	65.2	56.1	45.2	46.4	45.1	45.1	49.4	64.6	64.8	65.2	66.3	74.3	58.2	56.1
b) Long-term	26.3	22.8	10.7	9.7	26.3	25.3	27.3	22.8	21.3	10.7	10.7	10.7	9.6	10.9	10.3	9.7
3. Claims on the private sector	1,185.5	1,253.0	1,382.2	1,508.3	1,204.4	1,200.3	1,207.3	1,253.0	1,257.4	1,275.2	1,340.0	1,382.2	1,444.3	1,490.7	1,514.1	1,508.3
a) Enterprises	635.8	636.3	670.0	725.5	648.0	626.9	614.5	636.3	631.3	626.1	658.2	670.0	717.5	733.6	739.2	725.5
b) Individuals	532.4	588.7	686.1	757.6	537.2	555.2	574.5	588.7	598.1	621.8	656.4	686.1	700.8	731.0	749.6	757.6
1) Consumer credit	269.2	287.9	335.6	357.2	268.7	275.9	284.0	287.9	292.4	302.7	317.8	335.6	340.3	351.6	354.7	357.2
2) Housing mortgages	263.2	300.8	350.4	400.4	268.5	279.3	290.5	300.8	305.7	319.0	338.7	350.4	360.5	379.4	394.9	400.4
c) Capital market investments	12.5	14.2	11.8	11.8	14.7	13.7	13.9	14.2	14.3	13.8	11.7	11.8	11.7	11.9	11.8	11.8
d) Other	4.8	13.8	14.2	13.3	4.4	4.4	4.5	13.8	13.7	13.6	13.6	14.2	14.3	14.2	13.4	13.3
4. Foreign assets	824.4	925.1	935.9	952.1	829.8	831.7	882.0	925.1	975.9	968.2	968.6	935.9	977.1	965.2	958.3	952.1
a) Gold	50.1	41.0	41.0	41.0	50.1	50.1	50.1	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
b) Short-term	641.2	738.0	740.0	755.0	646.5	649.9	698.3	738.0	788.4	783.7	791.1	740.0	782.7	770.1	755.9	755.0
c) Long-term	133.1	146.1	154.9	156.1	133.3	131.8	133.7	146.1	146.6	143.5	136.6	154.9	153.4	154.1	161.4	156.1
5. Other domestic assets	0.4	-21.2	-40.6	-13.8	2.7	0.4	-6.8	-21.2	-24.1	-31.3	-38.2	-40.6	-33.0	-35.9	-6.1	-13.8
6. Total assets	2,282.4	2,490.7	2,651.6	2,751.5	2,327.6	2,337.8	2,421.2	2,490.7	2,603.5	2,592.4	2,633.5	2,651.6	2,735.9	2,772.8	2,820.1	2,751.5

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

End of period	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
LIABILITIES																
7. Broad money	1,360.8	1,538.8	1,699.1	1,739.6	1,395.0	1,444.6	1,529.4	1,538.8	1,620.3	1,633.1	1,680.7	1,699.1	1,768.0	1,776.9	1,776.9	1,739.6
a) Money	473.1	547.0	590.4	597.6	476.4	511.9	537.9	547.0	563.9	570.6	587.8	590.4	591.1	629.7	606.8	597.6
b) Quasi-money	887.7	991.8	1,108.7	1,142.0	918.6	932.7	991.4	991.8	1,056.4	1,062.5	1,092.9	1,108.7	1,176.9	1,147.2	1,170.1	1,142.0
8. Money-creating institutions	170.3	266.0	271.6	229.6	213.8	227.8	255.0	266.0	308.2	295.7	285.9	271.6	262.8	253.4	275.2	229.6
a) Monetary authorities	147.0	236.7	245.6	202.5	185.1	205.0	235.1	236.7	281.2	274.8	255.1	245.6	236.0	224.6	253.0	202.5
b) Commercial banks	23.3	29.3	26.0	27.1	28.7	22.7	19.9	29.3	27.0	20.9	30.7	26.0	26.8	28.8	22.2	27.1
9. Public sector deposits	84.2	76.8	63.6	66.9	81.6	53.6	50.5	76.8	95.5	89.7	92.1	63.6	61.9	82.8	65.0	66.9
a) Government	74.4	67.0	54.2	44.3	75.9	49.3	45.6	67.0	86.0	80.3	82.6	54.2	52.4	53.6	42.6	44.3
b) Development funds	9.8	9.8	9.4	22.6	5.7	4.4	4.9	9.8	9.5	9.4	9.5	9.4	9.4	29.3	22.4	22.6
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	0.0	0.0
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Subordinated debt	7.8	11.3	11.3	13.8	7.8	7.8	7.8	11.3	11.3	11.3	11.3	11.3	11.3	11.3	13.8	13.8
12. Capital and reserves	138.4	140.4	140.1	157.7	146.2	144.0	142.2	140.4	140.2	129.7	127.3	140.1	155.9	160.3	159.5	157.7
13. Foreign liabilities	391.1	343.2	342.3	396.8	348.6	328.5	306.0	343.2	304.2	314.0	320.3	342.3	350.8	353.0	379.3	396.8
b) Short-term	358.4	307.8	310.5	370.5	314.6	292.0	268.3	307.8	273.3	282.1	286.0	310.5	317.5	325.5	351.5	370.5
c) Long-term	32.7	35.4	31.8	26.2	34.0	36.5	37.7	35.4	31.0	31.8	34.2	31.8	33.2	27.5	27.8	26.2
14. Revaluation differences	39.7	28.8	22.0	26.5	40.3	39.1	41.8	28.8	23.3	23.3	20.2	22.0	22.8	23.7	23.3	26.5
15. Other domestic liabilities	90.2	85.3	101.5	120.6	94.4	92.5	88.5	85.3	100.5	95.7	95.7	101.5	102.4	111.3	127.0	120.6
16. Total liabilities	2,282.4	2,490.7	2,651.6	2,751.5	2,327.6	2,337.8	2,421.2	2,490.7	2,603.5	2,592.4	2,633.5	2,651.6	2,735.9	2,772.8	2,820.1	2,751.5

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

End of period	Domestic assets		Total domestic assets	Foreign assets			Total foreign assets	Total assets
	Government	Other		Gold and claims in gold	Claims on			
	(1)	(2)	(3)		(4)	Banks (5)	Governments (6)	(7)
1997	0.0	17.6	17.6	50.1	308.5	0.0	358.5	376.1
1998	0.0	17.9	17.9	41.0	397.7	0.0	438.7	456.5
1999	0.0	19.7	19.7	41.0	393.7	0.0	434.7	454.5
2000	0.0	18.8	18.8	41.0	372.3	0.0	413.3	432.1
1998 I	0.0	17.2	17.2	50.1	346.5	0.0	396.6	413.9
II	0.0	17.5	17.5	50.1	343.7	0.0	393.8	411.2
III	0.0	17.1	17.1	50.1	371.4	0.0	421.5	438.6
IV	0.0	17.9	17.9	41.0	397.7	0.0	438.7	456.5
1999 I	0.0	16.5	16.5	41.0	468.6	0.0	509.5	526.0
II	0.0	17.9	17.9	41.0	442.2	0.0	483.1	501.0
III	0.0	17.4	17.4	41.0	415.1	0.0	456.0	473.4
IV	0.0	19.7	19.7	41.0	393.7	0.0	434.7	454.5
2000 I	0.0	18.2	18.2	41.0	391.3	0.0	432.3	450.5
II	0.0	17.8	17.8	41.0	404.3	0.0	445.3	463.1
III	0.0	20.0	20.0	41.0	399.2	0.0	440.2	460.2
IV	0.0	18.8	18.8	41.0	372.3	0.0	413.3	432.1

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

End of period	Domestic liabilities										Total domestic liabilities (19)	Total foreign liabilities (20)	Revaluation of gold and foreign exchange holdings (21)	Total liabilities (22)
	Capital and reserves (9)	Bank notes issued (10)	Government (11)	Development funds (12)	Official entities (13)	Commercial banks deposits		Other fin. inst. deposits (16)	Private sector deposits (17)	Other deposits (18)				
						Demand (14)	Time (15)							
1997	36.5	115.8	58.5	9.8	3.0	17.7	76.2	0.0	2.7	13.9	334.0	2.5	39.7	376.1
1998	42.9	121.3	55.7	9.8	2.5	43.5	132.8	0.0	6.0	11.5	426.1	1.7	28.8	456.5
1999	44.0	133.3	46.3	9.4	3.2	42.8	140.3	0.0	5.4	7.7	432.4	0.1	22.0	454.5
2000	44.0	138.2	35.3	22.6	1.3	25.5	118.5	0.0	2.7	15.3	403.2	2.3	26.5	432.1
1998 I	36.5	108.4	67.0	5.7	4.1	33.4	99.1	0.0	1.1	18.3	373.5	0.1	40.3	413.9
II	36.5	115.5	43.7	4.4	2.0	19.6	130.8	0.0	5.3	14.3	372.1	0.1	39.1	411.2
III	36.5	113.1	38.8	4.9	2.2	40.9	139.1	0.0	3.0	18.0	396.4	0.3	41.8	438.6
IV	42.9	121.3	55.7	9.8	2.5	43.5	132.8	0.0	6.0	11.5	426.1	1.7	28.8	456.5
1999 I	42.9	114.4	79.6	9.5	3.6	25.7	199.2	0.0	7.8	18.5	501.1	1.6	23.3	526.0
II	42.9	119.7	68.0	9.4	2.9	54.6	162.3	0.0	4.7	11.4	475.9	1.8	23.3	501.0
III	42.9	115.5	69.8	9.5	1.7	39.7	154.9	0.0	4.4	9.8	448.1	5.1	20.2	473.4
IV	44.0	133.3	46.3	9.4	3.2	42.8	140.3	0.0	5.4	7.7	432.4	0.1	22.0	454.5
2000 I	44.0	126.1	46.6	9.4	4.3	25.5	159.9	0.0	4.3	6.5	426.5	1.1	22.8	450.5
II	44.0	131.4	46.9	29.3	3.3	16.7	154.0	0.0	3.9	9.8	439.3	0.1	23.7	463.1
III	44.0	126.9	37.8	11.5	3.7	38.8	153.6	0.0	1.8	15.7	433.8	3.1	23.3	460.2
IV	44.0	138.2	35.3	22.6	1.3	25.5	118.5	0.0	2.7	15.3	403.2	2.3	26.5	432.1

TABLE 3.3: BANK NOTES ISSUED

End of period	Denominations: number (x 1,000)						Total number of notes issued
	5	10	25	50	100	500	
	(1)	(2)	(3)	(4)	(5)	(6)	
1997	273	419	338	155	865	15	2,065
1998	256	468	360	165	899	16	2,165
1999	251	479	445	176	970	21	2,342
2000	250	494	455	183	1,022	18	2,423
1998 I	266	395	325	139	807	15	1,947
II	262	403	348	152	868	14	2,047
III	259	419	338	148	842	15	2,021
IV	256	468	360	165	899	16	2,165
1999 I	253	418	341	150	850	16	2,028
II	252	436	388	155	884	16	2,132
III	252	430	401	155	840	16	2,093
IV	251	479	445	176	970	21	2,342
2000 I	251	447	416	165	929	18	2,225
II	250	454	439	163	964	20	2,290
III	251	459	416	157	929	20	2,231
IV	250	494	455	183	1,022	18	2,423

End of period	Denominations: value (AFL million)						Total value of notes issued
	5	10	25	50	100	500	
	(1)	(2)	(3)	(4)	(5)	(6)	
1997	1.4	4.2	8.4	7.8	86.5	7.5	115.8
1998	1.3	4.7	9.0	8.3	89.9	8.2	121.3
1999	1.3	4.8	11.1	8.8	97.0	10.4	133.3
2000	1.3	4.9	11.4	9.2	102.2	9.2	138.2
1998 I	1.3	4.0	8.1	6.9	80.7	7.3	108.4
II	1.3	4.0	8.7	7.6	86.8	7.1	115.5
III	1.3	4.2	8.4	7.4	84.2	7.5	113.1
IV	1.3	4.7	9.0	8.3	89.9	8.2	121.3
1999 I	1.3	4.2	8.5	7.5	85.0	7.9	114.4
II	1.3	4.4	9.7	7.8	88.4	8.2	119.7
III	1.3	4.3	10.0	7.7	84.0	8.2	115.5
IV	1.3	4.8	11.1	8.8	97.0	10.4	133.3
2000 I	1.3	4.5	10.4	8.2	92.9	8.8	126.1
II	1.3	4.5	11.0	8.1	96.4	10.1	131.4
III	1.3	4.6	10.4	7.8	92.9	9.9	126.9
IV	1.3	4.9	11.4	9.2	102.2	9.2	138.2

TABLE 3.4: COINS ISSUED

End of period	Denominations: number (x 1,000)							Com-memo-rative coins	Total value of coins issued excl. (8) (AFL million)
	Cents				Florin				
	5	10	25	50	1	2 ½	5		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1997	7,781	7,877	5,513	2,949	4,081	65	512	10	11
1998	8,693	8,821	6,074	3,254	4,382	67	576	10	12
1999	9,509	9,822	6,589	3,493	4,759	68	617	11	13
2000	10,387	10,573	6,929	3,768	5,084	69	670	11	14
1998 I	8,082	8,229	5,659	3,048	4,133	65	517	10	11
II	8,249	8,444	5,808	3,082	4,204	66	536	10	11
III	8,476	8,650	5,905	3,161	4,234	67	539	10	11
IV	8,693	8,821	6,074	3,254	4,382	67	576	10	12
1999 I	8,888	9,090	6,080	3,256	4,383	68	586	10	12
II	9,086	9,272	6,201	3,307	4,480	68	587	11	12
III	9,334	9,560	6,391	3,406	4,561	68	587	11	12
IV	9,509	9,822	6,589	3,493	4,759	68	617	11	13
2000 I	9,724	10,066	6,693	3,560	4,866	68	625	11	13
II	9,938	10,268	6,812	3,610	4,891	68	626	11	13
III	10,124	10,414	6,912	3,641	4,897	69	634	11	13
IV	10,387	10,573	6,929	3,768	5,084	69	670	11	14

TABLE 4.1: COMMERCIAL BANKS: SUMMARY ACCOUNT

End of period	Assets				Total assets = Total liabilities	Liabilities		
	Cash and claims on banks	Investments	Loans	Other		Deposits	Capital and reserves	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1997	458.2	90.0	1,286.6	126.7	1,961.4	1,638.9	118.1	204.5
1998	536.7	91.5	1,343.2	123.2	2,094.5	1,775.1	117.2	202.3
1999	559.6	104.0	1,485.7	121.5	2,270.8	1,909.2	115.9	245.7
2000	526.5	88.3	1,641.4	117.7	2,373.8	2,006.7	136.0	231.2
1998 I	441.6	93.7	1,299.2	134.4	1,968.8	1,631.1	125.8	211.8
1998 II	468.3	88.1	1,298.2	128.4	1,983.0	1,659.3	123.7	200.0
1998 III	527.7	85.9	1,301.6	123.1	2,038.3	1,721.2	121.9	195.1
1998 IV	536.7	91.5	1,343.2	123.2	2,094.5	1,775.1	117.2	202.3
1999 I	573.3	103.7	1,343.6	121.1	2,141.6	1,813.3	117.0	211.3
1999 II	568.0	109.4	1,357.2	122.0	2,156.5	1,827.3	106.5	222.7
1999 III	583.2	107.7	1,411.1	127.2	2,229.1	1,898.4	104.1	226.6
1999 IV	559.6	104.0	1,485.7	121.5	2,270.8	1,909.2	115.9	245.7
2000 I	582.9	92.2	1,555.8	121.0	2,351.8	1,987.3	131.7	232.8
2000 II	553.0	89.7	1,623.3	115.0	2,381.0	2,001.5	136.0	243.5
2000 III	557.9	96.9	1,635.7	114.8	2,405.2	2,038.0	137.8	229.4
2000 IV	526.5	88.3	1,641.4	117.7	2,373.8	2,006.7	136.0	231.2

TABLE 4.2: COMMERCIAL BANKS: PRUDENTIAL RATIOS

End of period	Liquidity	Loan/ deposit	Capital/ risk value of assets
	(1)	(2)	(3)
1997	25.3	72.5	11.1
1998	29.3	69.8	10.6
1999	29.1	71.2	8.8
2000	26.1	76.5	9.3
1998 I	25.3	73.6	11.5
1998 II	26.0	72.2	11.5
1998 III	29.5	69.9	11.4
1998 IV	29.3	69.8	10.6
1999 I	31.1	68.1	10.3
1999 II	31.1	67.8	9.3
1999 III	30.9	67.9	7.9
1999 IV	29.1	71.2	8.8
2000 I	28.5	72.3	9.7
2000 II	26.7	74.9	9.8
2000 III	27.2	75.4	8.8
2000 IV	26.1	76.5	9.3

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET

Domestic assets										
End of period	Notes and coins	Central Bank		Investments		Loans and advances				
		Current account	Time deposits	Government securities	Non government securities	Enterprises	Mortgages	Individuals	Government	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1997		25.2	36.5	57.7	57.2	12.5	501.8	393.0	269.2	2.3
1998		28.4	58.1	123.0	54.8	14.2	498.0	434.3	287.9	1.1
1999		24.0	35.7	163.8	60.8	11.8	511.9	503.2	335.6	0.7
2000		29.6	25.4	126.4	43.1	11.8	558.6	561.4	357.2	0.3
1998	I	21.5	39.0	95.2	57.3	14.7	505.3	406.9	268.7	2.0
	II	22.6	29.1	122.8	58.3	13.7	490.2	411.5	275.9	2.0
	III	23.2	45.4	138.8	59.3	13.9	478.4	421.9	284.0	1.5
	IV	28.4	58.1	123.0	54.8	14.2	498.0	434.3	287.9	1.1
1999	I	24.3	32.3	198.9	54.3	14.3	484.9	447.4	292.4	4.3
	II	23.4	50.4	166.1	56.8	13.8	479.5	460.7	302.7	0.8
	III	22.1	55.7	146.2	60.8	11.7	507.6	484.2	317.8	0.8
	IV	24.0	35.7	163.8	60.8	11.8	511.9	503.2	335.6	0.7
2000	I	24.1	26.7	167.5	48.8	11.7	557.2	515.6	340.3	0.4
	II	23.9	29.0	155.7	46.4	11.9	561.2	546.5	351.6	15.4
	III	23.6	39.3	158.2	51.7	11.8	556.6	572.0	354.7	0.4
	IV	29.6	25.4	126.4	43.1	11.8	558.6	561.4	357.2	0.3

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

End of period	Domestic assets (cont'd)				Total domestic assets	Foreign assets					Total foreign assets	Total assets
	Premises	Subsidiaries	Accounts receivable	Other (net)		Cash	Due from banks	Investments	Loans	Other		
	(10)	(11)	(12)	(13)		(14)	(15)	(16)	(17)	(18)		
1997	64.1	4.8	21.0	26.9	1,472.2	8.2	280.3	20.3	120.2	36.8	465.9	1,938.1
1998	54.7	13.8	15.4	-5.0	1,578.8	11.0	291.8	22.5	121.9	39.4	486.4	2,065.2
1999	54.9	14.2	16.8	10.3	1,743.5	11.6	288.4	31.4	134.4	35.5	501.1	2,244.6
2000	58.6	13.3	18.8	1.7	1,806.2	13.0	303.3	33.3	163.9	27.0	538.8	2,345.0
1998 I	64.5	4.4	23.6	3.8	1,506.9	11.5	241.9	21.7	116.3	41.8	433.2	1,940.1
II	64.3	4.4	22.9	4.5	1,522.3	8.4	258.1	16.1	118.6	36.7	437.9	1,960.2
III	62.9	4.5	17.1	7.1	1,557.9	11.0	282.3	12.8	115.8	38.6	460.5	2,018.4
IV	54.7	13.8	15.4	-5.0	1,578.8	11.0	291.8	22.5	121.9	39.4	486.4	2,065.2
1999 I	53.9	13.7	18.5	8.9	1,648.2	10.7	271.1	35.1	114.5	35.0	466.4	2,114.6
II	53.5	13.6	19.5	9.8	1,650.6	10.5	287.1	38.8	113.5	35.3	485.0	2,135.6
III	53.2	13.6	17.8	-5.7	1,685.7	12.8	321.3	35.2	100.8	42.5	512.6	2,198.3
IV	54.9	14.2	16.8	10.3	1,743.5	11.6	288.4	31.4	134.4	35.5	501.1	2,244.6
2000 I	53.6	14.3	18.6	-0.1	1,778.8	10.4	327.4	31.6	142.3	34.4	544.8	2,323.6
II	55.9	14.2	18.9	0.2	1,830.9	9.4	306.0	31.4	148.6	26.0	519.9	2,350.7
III	56.8	13.4	19.8	5.0	1,863.3	9.9	299.8	33.4	152.0	24.7	518.1	2,381.4
IV	58.6	13.3	18.8	1.7	1,806.2	13.0	303.3	33.3	163.9	27.0	538.8	2,345.0

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

Domestic liabilities										
End of period	Demand deposits				Time deposits				Savings deposits	Other liabilities
	Individuals	Companies	Other fin. inst.	Government	Individuals	Companies	Other fin. inst.	Development funds		
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
1997	47.9	261.3	56.7	15.9	182.4	134.2	200.3	0.0	366.6	174.4
1998	84.4	297.4	52.0	11.3	196.7	184.3	228.0	0.0	382.5	178.2
1999	90.9	321.8	46.9	7.9	212.2	247.6	255.7	0.0	391.6	220.4
2000	99.5	312.9	58.9	9.0	228.8	258.1	242.0	0.0	404.6	209.3
1998 I	73.8	265.0	34.6	8.9	188.7	145.3	209.0	0.0	374.3	174.4
II	76.2	275.8	48.5	5.5	187.7	145.4	219.1	0.0	380.3	177.9
III	73.9	310.6	47.0	6.8	199.9	173.6	224.3	0.0	393.4	169.7
IV	84.4	297.4	52.0	11.3	196.7	184.3	228.0	0.0	382.5	178.2
1999 I	81.4	312.6	56.5	6.4	207.2	214.0	245.7	0.0	389.4	190.3
II	90.0	301.4	63.2	12.3	225.6	208.9	228.9	0.0	393.5	201.7
III	83.5	334.0	58.5	12.9	217.4	246.5	239.9	0.0	387.5	207.4
IV	90.9	321.8	46.9	7.9	212.2	247.6	255.7	0.0	391.6	220.4
2000 I	92.6	322.8	52.0	5.9	212.1	302.3	245.4	0.0	403.4	214.1
II	102.6	337.4	61.9	6.6	212.4	270.3	243.5	0.0	410.8	224.6
III	99.8	330.4	54.6	4.8	197.7	292.7	273.2	10.8	403.3	208.5
IV	99.5	312.9	58.9	9.0	228.8	258.1	242.0	0.0	404.6	209.3

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

End of period	Domestic liabilities (cont'd)		Total domestic liabilities	Foreign liabilities							Foreign liabilities	Liabilities
	Capital base			Demand deposits		Time deposits		Savings deposits	Capital and reserves and sub-ordinated debt	Other		
	Capital and reserves	Subordinated debt		Banks	Non-banks	Banks	Non-banks					
	(32)	(33)		(34)	(35)	(36)	(37)	(38)	(39)	(40)		
1997	101.9	7.8	1,549.4	23.2	56.2	31.9	201.7	37.2	8.4	30.1	388.7	1,938.1
1998	97.5	11.3	1,723.7	35.3	54.1	53.5	130.7	35.4	8.4	24.1	341.5	2,065.2
1999	96.2	11.3	1,902.5	18.4	49.3	57.6	145.8	37.5	8.4	25.2	342.2	2,244.6
2000	113.7	13.8	1,950.5	20.0	85.4	68.1	150.9	41.6	8.4	20.1	394.4	2,345.0
1998 I	109.7	7.8	1,591.6	23.7	45.7	35.9	163.1	34.3	8.4	37.4	348.5	1,940.1
II	107.5	7.8	1,631.8	21.8	43.1	36.0	162.6	34.4	8.4	22.1	328.4	1,960.2
III	105.8	7.8	1,712.7	17.1	43.3	35.5	137.4	38.6	8.4	25.4	305.7	2,018.4
IV	97.5	11.3	1,723.7	35.3	54.1	53.5	130.7	35.4	8.4	24.1	341.5	2,065.2
1999 I	97.3	11.3	1,812.0	10.8	50.3	41.6	134.2	36.3	8.4	21.0	302.6	2,114.6
II	86.7	11.3	1,823.4	20.3	52.3	41.5	130.5	38.1	8.4	21.0	312.2	2,135.6
III	84.4	11.3	1,883.1	25.1	48.6	34.0	144.8	35.1	8.4	19.2	315.2	2,198.3
IV	96.2	11.3	1,902.5	18.4	49.3	57.6	145.8	37.5	8.4	25.2	342.2	2,244.6
2000 I	111.9	11.3	1,973.9	27.0	61.7	56.0	139.9	39.4	8.4	17.3	349.7	2,323.6
II	116.3	11.3	1,997.8	19.1	69.1	55.4	142.0	41.4	8.4	17.3	352.9	2,350.7
III	115.5	13.8	2,005.2	13.8	90.9	55.3	145.0	43.5	8.4	19.3	376.2	2,381.4
IV	113.7	13.8	1,950.5	20.0	85.4	68.1	150.9	41.6	8.4	20.1	394.4	2,345.0

TABLE 5.1: FINANCIAL SURVEY

End of December 2000	Central Bank and Treasury	Commercial Banks	Monetary Sector	Nonmonetary Financial Institutions	Financial Sector
	(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)+(4)
1. Foreign assets	413.3	538.8	952.1	542.8	1,494.9
2. Domestic claims	57.3	1,452.9	1,510.2	1,251.5	2,761.7
a) Government	51.3	14.5	65.8	658.0	723.8
b) Non-financial public enterprises	0.0	35.5	35.5	34.8	70.4
c) Enterprises	0.0	651.3	651.3	77.0	728.3
d) Individuals	6.0	751.7	757.6	481.7	1,239.3
1) Consumer credit	0.0	357.2	357.2	61.7	418.9
2) Housing mortgages	6.0	394.5	400.4	420.0	820.4
3. Other domestic claims	12.8	380.3	393.1	709.5	1,102.6
4. TOTAL ASSETS=TOTAL LIABILITIES	483.4	2,372.0	2,855.4	2,503.8	5,359.2
5. Foreign liabilities	28.9	394.4	423.3	120.8	544.1
6. Deposits and borrowings	61.8	1613.7	1675.5	66.1	1741.6
a) Government	57.8	9.0	66.9	36.6	103.5
b) Other residents	4.0	1,604.6	1,608.6	29.5	1,638.1
7. Pension fund provisions	0.0	0.0	0.0	1,293.4	1,293.4
8. Insurance reserve fund	0.0	0.0	0.0	227.1	227.1
9. Other domestic liabilities	392.7	363.9	756.6	796.3	1,553.0

TABLE 6.1: INTEREST RATES OF COMMERCIAL BANKS 1)

Period	Time deposits		Savings deposits	Weighted average rate of interest on deposits	Loans				Weighted average rate of interest on loans	Interest rate margin	
	≤ 12-months	>12 months			Individual		Commercial				
	(1)	(2)			Consumer credit	Housing mortgages	Mortgages	Other loans 2)			
(4)	(5)	(6)	(7)	(8)	(9)	(10=9-4)					
1998	September	5.3	6.9	3.8	5.8	17.4	10.9	9.9	11.4	12.9	7.1
	October	5.0	7.3	3.9	5.2	17.3	11.1	11.9	11.1	13.3	8.1
	November	5.7	7.4	3.8	5.6	17.1	11.1	10.8	11.2	13.4	7.8
	December	6.4	8.5	3.7	7.0	16.8	11.2	11.0	11.5	12.9	5.9
1999	January	6.2	7.7	3.5	6.4	17.2	11.5	11.4	10.3	14.2	7.8
	February	6.8	8.5	3.6	7.0	17.0	10.9	11.4	11.6	13.2	6.2
	March	6.8	8.0	3.6	6.9	17.2	10.8	10.9	11.0	13.6	6.7
	April	5.8	7.7	3.7	6.5	17.6	10.9	11.7	11.4	14.1	7.7
	May	5.5	8.0	3.4	6.1	17.9	10.9	9.9	10.7	13.8	7.7
	June	5.8	7.1	3.5	6.1	17.2	11.2	9.1	10.3	12.6	6.6
	July	5.9	7.9	3.8	6.5	17.2	10.7	10.9	11.5	13.5	7.1
	August	4.3	7.4	3.9	4.9	16.3	10.6	10.3	10.6	13.0	8.2
	September	4.7	7.5	4.0	5.0	17.5	10.8	10.8	10.8	13.0	8.0
	October	5.7	7.5	3.9	5.7	17.1	10.8	10.4	9.1	12.0	6.3
	November	6.2	8.0	4.2	6.4	17.1	10.8	10.2	10.6	11.9	5.5
	December	6.5	7.0	4.1	6.5	16.7	10.8	11.6	11.1	12.8	6.3
2000	January	6.1	7.3	4.0	6.2	17.2	10.9	10.2	10.1	11.5	5.3
	February	6.8	6.7	3.9	6.6	17.1	10.8	11.1	9.8	11.5	4.9
	March	6.0	7.8	4.1	6.5	17.4	10.7	11.8	11.0	12.8	6.3
	April	5.9	7.8	3.7	6.2	17.1	10.7	10.2	10.5	12.2	6.0
	May	5.7	7.3	4.0	5.8	17.2	10.5	11.4	10.8	12.8	7.0
	June	5.8	7.0	4.3	5.8	17.0	10.7	10.7	10.5	12.0	6.2
	July	6.0	6.6	4.1	5.8	17.1	10.9	10.6	10.5	11.9	6.1
	August	5.5	7.8	3.7	6.7	17.0	10.9	10.6	11.1	12.8	6.2
	September	5.6	7.9	3.8	6.1	17.8	10.6	10.9	10.8	12.2	6.0
	October	6.0	7.9	3.8	6.6	17.8	10.7	11.7	10.5	11.9	5.3
	November	5.9	7.4	3.9	6.0	16.9	10.6	11.0	10.4	11.7	5.7
	December	6.1	7.3	4.0	6.1	16.6	10.8	10.7	10.4	11.5	5.4

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

2) Including current account overdraft facilities.

3) Based on September - December figures.

TABLE 6.2: CENTRAL BANK LENDING RATES

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

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

Period averages in % per annum	7-day (1)	30-day (2)	90-day (3)
1997	3.0	3.4	3.4
1998	2.8	3.4	3.4
1999	2.6	3.0	3.1
2000	3.4	3.5	3.5
1998 I	3.1	3.5	3.5
II	3.0	3.4	3.4
III	2.8	3.4	3.4
IV	2.3	3.1	3.2
1999 I	2.3	3.1	3.0
II	2.4	2.8	2.9
III	2.7	3.0	3.1
IV	3.0	3.2	3.4
2000 I	3.1	3.3	3.4
II	3.3	3.4	3.5
III	3.5	3.6	3.6
IV	3.6	3.7	3.7

TABLE 6.4: LONDON INTERBANK-OFFERED RATES ON US DOLLAR DEPOSITS

Period averages in % per annum	7-day (1)	30-day (2)	90-day (3)
1997	5.6	5.6	5.8
1998		5.6	5.6
1999		5.3	5.4
2000			
1998 I	5.6	5.7	5.7
II	5.6	5.8	5.8
III			5.6
IV			5.3
1999 I		5.0	5.0
II		5.0	5.1
III		5.3	5.4
IV		5.8	6.1
2000 I		5.9	6.1

Source: International Financial Statistics.

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

TABLE 6.5: GOVERNMENT SECURITY MARKETS

3-month treasury bills					
End of period	Date of issue	Amount (AFL million)	Average price per AFL 100	Yield per annum (%)	
	(1)	(2)	(3)	(4)	
1998	January	17.0	98.34	6.54	
	February	15.0	98.32	6.80	
	April	17.0	98.31	6.83	
	May	15.0	98.30	6.82	
	July	17.0	98.29	6.89	
	August	15.0	98.30	6.84	
	October	17.0	98.31	6.78	
	November	15.0	98.30	6.83	
	1999	January	17.0	98.41	6.46
		February	15.0	98.38	6.49
April		17.0	98.56	5.79	
May		15.0	98.69	5.18	
July		17.0	98.85	4.56	
August		15.0	98.81	4.86	
October		17.0	98.88	4.44	
November		15.0	98.83	4.64	
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	

6-month cash loan certificates				
End of period	Date of issue	Amount (AFL million)	Average price per AFL 100	Yield per annum (%)
	(1)	(2)	(3)	(4)
1999	June	8.0	97.63	4.86
	December	8.0	96.95	6.29
2000	June	8.0	96.95	6.29
	December	8.0	96.55	7.15

Government bonds				
End of period	Date of issue	Maturity in years	Amount (AFL million)	Yield per annum (%)
	(1)	(2)	(3)	(4)
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

TABLE 7.1: GOVERNMENT FINANCIAL OPERATIONS 1)

	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. Total revenue and grants	627.6	646.4	703.4	749.6	149.9	158.4	142.8	195.2	153.0	164.4	191.4	194.6	159.0	183.3	163.0	244.2
A. Tax revenue	499.7	535.4	608.6	624.5	130.1	115.5	126.0	163.8	138.7	129.7	176.6	163.6	144.0	136.1	140.5	203.9
1. Taxes on income and profit	231.6	251.6	309.0	309.6	58.0	51.2	59.1	83.2	65.3	58.5	105.2	80.1	63.5	61.0	71.7	113.4
2. Taxes on commodities	183.5	187.7	198.0	212.6	40.0	44.6	46.9	56.3	41.9	47.6	48.2	60.3	47.9	51.1	52.7	60.8
3. Taxes on property	26.5	32.3	35.2	34.3	14.2	6.0	4.1	8.0	13.4	5.6	8.5	7.8	14.3	4.1	5.1	10.8
4. Taxes on services	41.3	43.7	44.8	44.4	13.3	10.7	9.4	10.2	12.9	13.1	9.3	9.4	12.8	11.0	9.2	11.4
5. Foreign exchange tax	16.8	20.2	21.6	23.6	4.6	2.9	6.6	6.1	5.2	4.9	5.5	6.0	5.6	8.8	1.7	7.5
B. Nontax revenue	89.6	95.3	93.4	108.2	19.8	38.2	13.4	23.9	14.2	34.4	14.4	30.3	15.0	30.4	22.5	40.3
C. Grants	38.3	15.7	1.4	16.9	0.0	4.8	3.4	7.5	0.0	0.3	0.4	0.7	0.0	16.9	0.0	0.0
2. Expenditure and items n.i.e.	674.5	664.2	727.4	776.7	148.5	185.3	151.3	179.0	158.8	173.3	187.4	208.0	159.7	176.8	178.6	261.6
a. Wages	212.1	213.1	222.3	245.6	47.6	58.2	53.4	53.9	49.8	62.9	53.0	56.6	53.9	69.4	58.8	63.5
b. Employer's contribution	42.0	29.0	29.0	38.9	5.5	5.4	5.4	12.6	9.2	6.5	5.9	7.4	11.8	8.6	8.5	10.1
c. Wage subsidies	58.3	76.8	85.6	89.7	15.5	21.9	17.0	22.4	19.3	23.7	19.9	22.7	19.8	24.8	21.4	23.8
d. Goods and services	162.6	177.1	197.4	190.8	40.9	52.0	37.3	46.9	47.7	45.2	50.0	54.4	46.1	39.2	42.6	62.9
e. Interest	23.6	29.0	33.4	30.6	3.1	8.3	7.6	10.0	2.8	8.9	11.3	10.4	3.5	7.6	9.0	10.5
f. Development fund spending	29.1	16.1	6.6	0.0	4.2	4.2	5.1	2.6	0.3	0.4	5.1	0.8	0.0	0.0	0.0	0.0
g. Investment	50.7	31.8	24.8	26.7	10.8	8.6	6.0	6.3	4.8	3.2	8.0	8.8	4.9	2.9	3.7	15.1
h. Items n.i.e. 2)	96.2	91.2	128.3	154.5	20.8	26.7	19.4	24.3	24.8	22.4	34.2	46.8	19.7	24.4	34.7	75.8
3. Financial deficit (-)	-46.8	-17.8	-24.1	-27.1	1.4	-26.9	-8.5	16.2	-5.8	-8.9	4.0	-13.4	-0.6	6.5	-15.6	-17.4
4. Net foreign capital	-16.0	39.7	13.3	60.8	-0.7	-0.8	-0.7	41.9	26.7	-1.0	0.0	-12.4	-0.2	-0.6	35.7	25.9
a. Loans received 3)	0.0	55.6	26.7	73.4	0.0	0.0	0.0	55.6	26.7	0.0	0.0	0.0	0.0	0.0	35.8	37.6
b. Repayments on loans	-16.0	-15.9	-13.4	-12.6	-0.7	-0.8	-0.7	-13.7	0.0	-1.0	0.0	-12.4	-0.2	-0.6	-0.1	-11.7
5. Net domestic capital 4)	31.0	-22.7	-10.5	-20.3	-0.3	-0.4	5.3	-27.3	-5.1	-0.5	-1.8	-3.1	-0.9	5.8	-21.3	-3.9
a. Loans received	63.4	19.9	0.0	33.5	3.0	0.0	10.0	6.9	0.0	0.0	0.0	0.0	0.0	30.0	3.5	0.0
b. Repayments on loans	-32.4	-42.6	-10.5	-53.8	-3.3	-0.4	-4.7	-34.2	-5.1	-0.5	-1.8	-3.1	-0.9	-24.2	-24.8	-3.9
6. Net recourse to the monetary system (-)	-31.8	-0.8	-21.3	13.4	0.4	-28.1	-3.9	30.8	15.8	-10.4	2.2	-28.9	-1.7	11.7	-1.2	4.6
a. Loans received	-2.7	7.6	1.0	8.4	3.2	0.1	-0.6	4.9	-2.7	3.5	0.1	0.1	0.2	-9.1	16.7	0.6
b. Drawings on deposits	-27.3	-7.4	-13.2	3.3	-2.6	-28.0	-3.1	26.3	18.7	-5.8	2.4	-28.5	-1.7	20.9	-17.8	1.9
-Earmarked	-48.4	10.2	-6.8	-8.4	-0.5	0.1	-3.2	13.8	-1.0	-0.4	-3.6	-1.8	-1.1	-6.8	-1.2	0.7
-Free	21.1	-17.5	-6.6	11.7	-2.2	-28.0	0.1	12.6	19.5	-5.3	6.0	-26.8	-0.5	27.7	-16.7	1.3
c. Other	-1.8	-1.0	-9.0	1.7	-0.2	-0.2	-0.2	-0.4	-0.1	-8.2	-0.2	-0.5	-0.2	-0.1	-0.2	2.2

1) Preliminary figures and estimates on a cash basis.

2) Residual item, including errors and omissions. Also included is the transfer of AFL 36.9 million to the Netherlands Antilles to settle the debt resulting from the separation of funds associated with the Status Aparte in 1986.

3) Includes borrowing on behalf of public institutions.

4) 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 6a. For the third quarter of 2000, AFL 6 million certificates of deposit by the Fondo Desaroyo Aruba at the Aruba Investment Bank is included.

TABLE 7.2: GOVERNMENT REVENUE

	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
TOTAL REVENUE AND GRANTS	627.6	646.4	703.4	749.6	149.9	158.4	142.8	195.2	153.0	164.4	191.4	194.6	159.0	183.3	163.0	244.2
TAX REVENUE	499.7	535.4	608.6	624.5	130.1	115.5	126.0	163.8	138.7	129.7	176.6	163.6	144.0	136.1	140.5	203.9
Taxes on income and profit	231.6	251.6	309.0	309.6	58.0	51.2	59.1	83.2	65.3	58.5	105.2	80.1	63.5	61.0	71.7	113.4
Of which:																
-Wage tax	159.9	176.2	200.6	202.3	46.3	41.9	45.6	42.3	54.1	43.8	54.7	48.0	53.0	50.0	48.4	50.9
-Income tax	8.8	13.1	28.1	25.8	5.3	2.9	1.9	3.0	4.2	4.1	16.8	3.1	2.3	4.3	1.1	18.1
-Profit tax	62.8	62.0	80.1	81.4	6.4	6.2	11.5	37.8	6.9	10.6	33.7	29.0	8.2	6.7	22.2	44.3
-Solidarity tax	0.1	0.3	0.2	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Taxes on commodities	183.5	187.7	198.0	212.6	40.0	44.6	46.9	56.3	41.9	47.6	48.2	60.3	47.9	51.1	52.7	60.8
Of which:																
-Excises on gasoline	54.9	58.4	59.9	62.6	13.9	13.7	16.0	14.8	14.3	14.9	15.2	15.4	15.1	16.0	16.1	15.5
-Excises on tobacco	9.8	9.9	10.4	11.4	1.3	3.3	3.1	2.2	2.4	3.1	2.5	2.4	2.1	3.3	2.4	3.6
-Excises on beer	19.7	20.1	19.3	20.3	3.9	4.7	4.6	6.8	3.4	5.0	4.3	6.7	4.3	4.1	5.4	6.5
-Excises on liquor	11.0	10.5	11.0	12.2	2.0	2.5	2.1	3.9	1.8	2.6	2.5	4.1	2.3	2.3	3.5	4.1
-Import duties	88.1	88.8	97.4	106.1	18.7	20.3	21.2	28.6	20.1	21.9	23.7	31.7	24.2	25.3	25.4	31.2
Taxes on property	26.5	32.3	35.2	34.3	14.2	6.0	4.1	8.0	13.4	5.6	8.5	7.8	14.3	4.1	5.1	10.8
Of which:																
-Motor vehicle fees	10.7	13.2	11.8	12.8	7.0	1.5	2.0	2.6	6.0	1.4	1.8	2.5	7.0	1.4	1.8	2.6
-Succession tax	1.4	1.7	1.6	0.9	1.2	0.2	0.1	0.2	0.1	0.2	1.2	0.1	0.1	-0.1	0.0	0.8
-Land tax	9.4	12.1	14.7	11.6	3.5	2.9	1.3	4.4	4.5	2.3	4.0	4.0	2.8	1.4	0.8	6.6
-Transfer tax	5.0	5.3	7.2	9.0	2.5	1.4	0.7	0.7	2.7	1.8	1.5	1.1	4.5	1.3	2.4	0.9
Taxes on services	41.3	43.7	44.8	44.4	13.3	10.7	9.4	10.2	12.9	13.1	9.3	9.4	12.8	11.0	9.2	11.4
Of which:																
-Gambling licenses	14.5	15.2	17.5	15.2	5.2	3.3	3.3	3.4	4.3	6.4	3.1	3.7	5.3	3.4	3.2	3.4
-Hotel room tax	17.4	18.8	19.3	21.9	6.1	5.4	3.7	3.6	6.2	4.9	4.3	3.8	5.8	6.0	4.6	5.6
-Stamp duties	1.9	2.7	2.8	3.0	0.5	0.4	0.6	1.2	1.1	0.6	0.7	0.5	0.6	0.5	0.7	1.2
-Other	7.5	7.0	5.2	4.4	1.6	1.5	1.8	2.1	1.3	1.3	1.2	1.4	1.1	1.2	0.9	1.2
Foreign exchange tax	16.8	20.2	21.6	23.6	4.6	2.9	6.6	6.1	5.2	4.9	5.5	6.0	5.6	8.8	1.7	7.5
NONTAX REVENUE	89.6	95.3	93.4	108.2	19.8	38.2	13.4	23.9	14.2	34.4	14.4	30.3	15.0	30.4	22.5	40.3
GRANTS	38.3	15.7	1.4	16.9	0.0	4.8	3.4	7.5	0.0	0.3	0.4	0.7	0.0	16.9	0.0	0.0

Source: Tax Collector's Office, Centrale Bank van Aruba.

TABLE 7.3: GOVERNMENT'S POSITION WITH THE MONETARY SYSTEM

End of period	Domestic deposits						Gross liquidity position (7= 4+5+6)	Liabilities to			Net liability to the monetary system (11= 10-7)	Change in net liability during period (12)
	Central Bank			Commercial banks				Monetary authorities (8)	Commercial banks (9)	Total (10= 8+9)		
	Free	Earmarked	Development funds	Total	Demand	Development funds						
	(1)	(2)	(3)	(4= 1+2+3)	(5)	(6)						
1997	18.2	40.3	9.8	68.3	15.9	0.0	84.2	43.0	31.5	74.5	-9.7	31.8
1998	5.3	50.5	9.8	65.6	11.3	0.0	76.8	44.0	23.9	67.9	-8.9	0.8
1999	2.6	43.7	9.4	55.6	7.9	0.0	63.6	53.0	22.9	75.9	12.4	21.3
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
1998 I	27.2	39.8	5.7	72.6	8.9	0.0	81.6	43.2	28.3	71.5	-10.1	-0.4
II	3.8	39.9	4.4	48.1	5.5	0.0	53.6	43.4	28.2	71.7	18.0	28.1
III	2.1	36.7	4.9	43.8	6.8	0.0	50.5	43.6	28.8	72.4	21.9	3.9
IV	5.3	50.5	9.8	65.6	11.3	0.0	76.8	44.0	23.9	67.9	-8.9	-30.8
1999 I	30.1	49.5	9.5	89.0	6.4	0.0	95.5	44.1	26.6	70.7	-24.7	-15.8
II	18.9	49.1	9.4	77.4	12.3	0.0	89.7	52.3	23.1	75.3	-14.3	10.4
III	24.2	45.5	9.5	79.2	12.9	0.0	92.1	52.5	23.0	75.6	-16.5	-2.2
IV	2.6	43.7	9.4	55.6	7.9	0.0	63.6	53.0	22.9	75.9	12.4	28.9
2000 I	4.0	42.6	9.4	56.0	5.9	0.0	61.9	53.2	22.7	75.9	14.1	1.7
II	11.1	35.8	29.3	76.2	6.6	0.0	82.8	53.3	31.8	85.2	2.3	-11.7
III	3.2	34.6	11.5	49.3	4.8	10.8	65.0	53.5	15.1	68.5	3.5	1.2
IV	0.0	35.3	22.6	57.8	9.0	0.0	66.9	51.3	14.5	65.8	-1.1	-4.6

TABLE 8.1: BALANCE OF PAYMENTS 1)

During period	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. Current account (net)	-350.9	-33.6	-585.0	506.0	290.2	-147.0	-25.8	-151.0	204.6	-385.8	-213.0	-190.8	506.6	-259.9	157.8	101.5
A. Goods and services	-300.3	-25.7	-552.1	581.8	291.2	-151.0	-26.2	-139.7	178.9	-387.6	-173.0	-170.4	521.9	-241.7	143.8	157.8
1. Goods	-700.1	-632.5	-1063.5	-50.6	45.6	-273.6	-162.8	-241.7	-45.5	-491.2	-217.7	-309.1	266.4	-374.4	15.8	41.6
2. Services	399.8	606.8	511.4	632.4	245.6	122.6	136.6	102.0	224.4	103.6	44.7	138.7	255.5	132.7	128.0	116.2
B. Income	-30.8	0.7	-57.3	-11.4	2.1	2.0	5.7	-9.1	4.8	-10.8	-42.1	-9.2	-0.1	-6.7	2.2	-6.8
C. Current transfers	-19.8	-8.6	24.4	-64.4	-3.1	2.0	-5.3	-2.2	20.9	12.6	2.1	-11.2	-15.2	-11.5	11.8	-49.5
2. Capital and financial account (net)	315.7	192.0	618.4	-559.8	-243.2	165.2	100.8	169.2	-104.0	371.6	215.2	135.6	-478.2	237.8	-189.7	-129.7
A. Capital account	37.6	9.3	0.0	17.8	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7	0.6	-0.1
1. Capital transfers	37.6	9.3	0.0	17.8	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7	0.6	-0.1
2. Acquisition/disposal of non-produced nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial account	278.1	182.7	618.4	-577.6	-241.2	160.9	101.1	161.9	-103.9	371.8	215.3	135.2	-478.8	221.1	-190.3	-129.6
1. Direct investment	353.7	147.1	715.8	-428.2	-218.0	165.0	83.8	116.3	-64.5	429.0	186.2	165.1	-415.3	303.8	-148.5	-168.2
2. Portfolio investment	80.0	-85.1	-86.0	-73.0	-28.2	-22.5	15.9	-50.3	-7.4	-59.4	37.2	-56.4	-11.1	-22.1	-45.4	5.6
3. Other investment	-155.6	120.7	-11.4	-76.4	5.0	18.4	1.4	95.9	-32.0	2.2	-8.1	26.5	-52.4	-60.6	3.6	33.0
3. Items not yet classified 2)	-4.5	1.1	-14.9	11.0	0.3	5.0	-5.0	0.8	-5.3	-3.4	-4.9	-1.3	3.5	7.1	-0.9	1.2
4. Overall balance (1+2+3)	-39.7	159.5	18.5	-42.8	47.3	23.2	70.0	19.0	95.3	-17.6	-2.7	-56.5	31.9	-15.0	-32.8	-27.0
5. Banking transactions 3)	6.9	-67.7	-14.0	14.5	-7.5	-24.8	-45.3	9.9	-18.9	-9.0	-24.6	38.5	-36.2	28.1	25.1	-2.5
6. Increase (-) in official reserves 4)	32.8	-91.8	-4.5	28.4	-39.8	1.6	-24.7	-28.9	-76.4	26.6	27.3	18.0	4.3	-13.1	7.7	29.5
A. Monetary gold	0.0	9.1	0.0	0.0	0.0	0.0	0.0	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	32.8	-100.9	-4.5	28.4	-39.8	1.6	-24.7	-38.0	-76.4	26.6	27.3	18.0	4.3	-13.1	7.7	29.5

1) On a cash basis.

2) Including errors and omissions.

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

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

TABLE 8.2: COMPONENTS OF THE CURRENT ACCOUNT

During period	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. Goods and services	-300.3	-25.7	-552.1	581.8	291.2	-151.0	-26.2	-139.7	178.9	-387.6	-173.0	-170.4	521.9	-241.7	143.8	157.8
A. Goods	-700.1	-632.5	-1,063.5	-50.6	45.6	-273.6	-162.8	-241.7	-45.5	-491.2	-217.7	-309.1	266.4	-374.4	15.8	41.6
1. Exports f.o.b.	3,087.3	2,085.0	2,533.6	4,622.0	631.9	490.4	382.4	580.3	567.0	606.5	650.9	709.2	1,046.9	938.7	1,177.6	1,458.8
2. Imports f.o.b.	3,787.4	2,717.5	3,597.1	4,672.6	586.3	764.0	545.2	822.0	612.5	1,097.7	868.6	1,018.3	780.5	1,313.1	1,161.8	1,417.2
B. Services	399.8	606.8	511.4	632.4	245.6	122.6	136.6	102.0	224.4	103.6	44.7	138.7	255.5	132.7	128.0	116.2
1. Receipts	1,466.8	1,596.8	1,784.8	1,847.2	449.3	379.4	371.9	396.2	488.0	411.7	397.8	487.3	526.7	446.8	437.0	436.7
1.1 Transportation	89.0	117.3	146.0	136.8	27.3	31.6	29.7	28.7	39.1	34.6	38.4	33.9	39.0	43.1	36.6	18.1
1.1.1 Passenger	75.5	81.3	96.6	64.9	16.5	21.8	22.0	21.0	28.1	22.8	23.8	21.9	19.0	23.7	21.1	1.1
1.1.2 Freight	3.0	1.8	3.4	1.7	0.4	0.5	0.2	0.7	1.3	0.8	0.7	0.6	0.9	0.1	0.1	0.6
1.1.3 Other	10.5	34.2	46.0	70.2	10.4	9.3	7.5	7.0	9.7	11.0	13.9	11.4	19.1	19.3	15.4	16.4
1.2 Travel	1,237.6	1,322.0	1,424.9	1,509.0	387.6	308.2	303.3	322.9	404.9	337.3	314.5	368.2	441.5	353.6	353.6	360.3
1.2.1 Tourism	1,196.3	1,306.5	1,411.6	1,498.7	384.5	303.4	298.9	319.7	401.8	333.6	311.0	365.2	439.2	351.3	350.0	358.2
1.2.2 Other	41.3	15.5	13.3	10.3	3.1	4.8	4.4	3.2	3.1	3.7	3.5	3.0	2.3	2.3	3.6	2.1
1.3 Government services, n.i.e.	30.8	26.7	31.7	30.3	5.9	7.3	5.5	8.0	4.1	5.6	9.1	12.9	5.8	11.0	5.7	7.8
1.4 Other services	109.4	130.8	182.2	171.1	28.5	32.3	33.4	36.6	39.9	34.2	35.8	72.3	40.4	39.1	41.1	50.5
1.4.1 Construction services	11.2	15.0	18.5	2.2	2.1	3.4	5.2	4.3	2.8	7.0	5.6	3.1	0.2	0.0	0.3	1.7
1.4.2 Other business services	59.7	69.3	79.5	115.7	18.3	14.2	19.6	17.2	18.0	16.5	17.8	27.2	29.4	25.7	25.7	34.9
1.4.3 Other services, n.i.e.	38.5	46.5	84.2	53.2	8.1	14.7	8.6	15.1	19.1	10.7	12.4	42.0	10.8	13.4	15.1	13.9
2. Payments	1,067.0	990.0	1,273.4	1,214.8	203.7	256.8	235.3	294.2	263.6	308.1	353.1	348.6	271.2	314.1	309.0	320.5
2.1 Transportation	421.0	294.2	375.8	484.7	63.1	88.7	64.8	77.6	59.5	110.5	97.1	108.7	79.9	131.0	126.8	147.0
2.1.1 Passenger	10.6	9.4	14.3	16.2	0.6	2.9	4.4	1.5	2.3	2.1	6.1	3.8	2.9	2.4	6.8	4.1
2.1.2 Freight	385.1	273.3	349.1	455.4	59.3	83.0	57.5	73.5	55.0	105.1	87.2	101.8	73.3	124.5	117.2	140.4
2.1.3 Other	25.3	11.5	12.4	13.1	3.2	2.8	2.9	2.6	2.2	3.3	3.8	3.1	3.7	4.1	2.8	2.5
2.2 Travel	280.1	241.2	265.1	283.1	51.4	56.6	65.5	67.7	57.5	61.3	71.9	74.4	66.6	67.3	74.5	74.7
2.2.1 Tourism	234.6	198.1	217.8	239.6	41.7	47.5	54.2	54.7	45.4	51.8	58.6	62.0	57.2	58.5	61.3	62.6
2.2.2 Other	45.5	43.1	47.3	43.5	9.7	9.1	11.3	13.0	12.1	9.5	13.3	12.4	9.4	8.8	13.2	12.1
2.3 Government services, n.i.e.	70.6	44.7	50.3	41.2	10.6	7.3	10.1	16.7	13.7	11.8	13.4	11.4	11.6	10.2	11.3	8.1
2.4 Other services	295.3	409.9	582.2	405.8	78.6	104.2	94.9	132.2	132.9	124.5	170.7	154.1	113.1	105.6	96.4	90.7
2.4.1 Construction services	42.5	80.7	196.6	35.6	8.3	13.7	19.0	39.7	42.0	43.0	64.4	47.2	17.1	8.2	6.0	4.3
2.4.2 Other business services	105.5	151.7	188.7	193.9	34.1	37.2	39.4	41.0	39.5	36.0	52.7	60.5	52.1	51.1	46.5	44.2
2.4.3 Other services, n.i.e.	147.3	177.5	196.9	176.3	36.2	53.3	36.5	51.5	51.4	45.5	53.6	46.4	43.9	46.3	43.9	42.2
2. Income	-30.8	0.7	-57.3	-11.4	2.1	2.0	5.7	-9.1	4.8	-10.8	-42.1	-9.2	-0.1	-6.7	2.2	-6.8
1. Receipts	37.1	72.5	67.6	84.4	13.4	18.5	24.0	16.6	18.7	12.0	18.8	18.1	18.7	18.4	23.8	23.5
1.1 Compensation of employees	1.7	0.7	1.3	0.2	0.0	0.1	0.1	0.5	0.2	0.2	0.7	0.2	0.1	0.0	0.1	0.0
1.2 Investment income	35.4	71.8	66.3	84.2	13.4	18.4	23.9	16.1	18.5	11.8	18.1	17.9	18.6	18.4	23.7	23.5
2. Payments	67.9	71.8	124.9	95.8	11.3	16.5	18.3	25.7	13.9	22.8	60.9	27.3	18.8	25.1	21.6	30.3
2.1 Compensation of employees	0.4	0.6	1.1	0.6	0.1	0.1	0.3	0.1	0.3	0.4	0.2	0.2	0.1	0.1	0.2	0.2
2.2 Investment income	67.5	71.2	123.8	95.2	11.2	16.4	18.0	25.6	13.6	22.4	60.7	27.1	18.7	25.0	21.4	30.1
3. Current transfers	-19.8	-8.6	24.4	-64.4	-3.1	2.0	-5.3	-2.2	20.9	12.6	2.1	-11.2	-15.2	-11.5	11.8	-49.5
1. Receipts	33.0	52.4	106.8	82.7	16.0	12.4	10.7	13.3	39.9	30.9	22.2	13.8	10.8	12.7	43.0	16.2
1.1 General government	13.2	22.1	26.5	26.1	6.2	6.5	5.2	4.2	4.9	7.7	9.2	4.7	5.4	5.6	7.2	7.9
1.2 Other sectors	19.8	30.3	80.3	56.6	9.8	5.9	5.5	9.1	35.0	23.2	13.0	9.1	5.4	7.1	35.8	8.3
1.2.1 Workers' remittances	1.6	2.2	6.7	2.4	0.9	0.5	0.4	0.4	0.4	0.2	5.3	0.8	0.6	0.8	0.5	0.5
1.2.2 Other transfers	18.2	28.1	73.6	54.2	8.9	5.4	5.1	8.7	34.6	23.0	7.7	8.3	4.8	6.3	35.3	7.8
2. Payments	52.8	61.0	82.4	147.1	19.1	10.4	16.0	15.5	19.0	18.3	20.1	25.0	26.0	24.2	31.2	65.7
2.1 General government	19.2	21.9	28.0	64.0	8.5	2.9	5.5	5.0	7.0	5.8	6.1	9.1	7.2	3.7	7.9	45.2
2.2 Other sectors	33.6	39.1	54.4	83.1	10.6	7.5	10.5	10.5	12.0	12.5	14.0	15.9	18.8	20.5	23.3	20.5
2.2.1 Workers' remittances	17.5	20.2	33.9	53.6	4.4	5.3	5.6	4.9	6.3	9.2	9.1	9.3	12.3	14.2	15.5	11.6
2.2.2 Other transfers	16.1	18.9	20.5	29.5	6.2	2.2	4.9	5.6	5.7	3.3	4.9	6.6	6.5	6.3	7.8	8.9
4. Current account balance (1+2+3)	-350.9	-33.6	-585.0	506.0	290.2	-147.0	-25.8	-151.0	204.6	-385.8	-213.0	-190.8	506.6	-259.9	157.8	101.5

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

During period	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. Nonbanks	315.7	192.0	618.4	-559.8	-243.2	165.2	100.8	169.2	-104.0	371.6	215.2	135.6	-478.2	237.8	-189.7	-129.7
A. Capital account	37.6	9.3	0.0	17.8	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7	0.6	-0.1
1. Capital transfers	37.6	9.3	0.0	17.8	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7	0.6	-0.1
1.1 General government	38.3	15.7	1.4	16.9	0.0	4.8	3.4	7.5	0.0	0.3	0.4	0.7	0.0	16.9	0.0	0.0
1.2 Other sectors	-0.7	-6.4	-1.4	0.9	-2.0	-0.5	-3.7	-0.2	-0.1	-0.5	-0.5	-0.3	0.6	-0.2	0.6	-0.1
1.2.1 Migrants' transfers	-0.7	-6.4	-1.4	0.9	-2.0	-0.5	-3.7	-0.2	-0.1	-0.5	-0.5	-0.3	0.6	-0.2	0.6	-0.1
1.2.2 Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Acquisition/disposal of non-produced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial account	278.1	182.7	618.4	-577.6	-241.2	160.9	101.1	161.9	-103.9	371.8	215.3	135.2	-478.8	221.1	-190.3	-129.6
1. Direct investment	353.7	147.1	715.8	-428.2	-218.0	165.0	83.8	116.3	-64.5	429.0	186.2	165.1	-415.3	303.8	-148.5	-168.2
1.1 Investment abroad	3.0	-2.5	15.0	-20.9	-0.9	-1.8	-0.4	0.6	13.2	-1.9	-1.1	4.8	-1.6	-4.7	-4.8	-9.8
1.2 Investment in Aruba	350.7	149.6	700.8	-407.3	-217.1	166.8	84.2	115.7	-77.7	430.9	187.3	160.3	-413.7	308.5	-143.7	-158.4
2. Portfolio investment	80.0	-85.1	-86.0	-73.0	-28.2	-22.5	15.9	-50.3	-7.4	-59.4	37.2	-56.4	-11.1	-22.1	-45.4	5.6
2.1 Domestic securities	111.1	-6.1	31.2	3.8	0.8	-2.1	0.2	-5.0	-0.1	-0.7	32.3	-0.3	-0.1	0.1	3.7	0.1
2.2 Foreign securities	-31.1	-79.0	-117.2	-76.8	-29.0	-20.4	15.7	-45.3	-7.3	-58.7	4.9	-56.1	-11.0	-22.2	-49.1	5.5
3. Other investment	-155.6	120.7	-11.4	-76.4	5.0	18.4	1.4	95.9	-32.0	2.2	-8.1	26.5	-52.4	-60.6	3.6	33.0
3.1. Loans	-43.1	38.3	52.2	-30.3	0.0	-3.7	9.4	32.6	14.0	-14.2	41.6	10.8	-17.7	-39.8	22.1	5.1
3.1.1 General government	-16.0	39.7	13.4	60.8	-0.7	-0.8	-0.7	41.9	26.8	-1.0	0.0	-12.4	-0.2	-0.6	35.7	25.9
3.1.2 Other sectors	-27.1	-1.4	38.8	-91.1	0.7	-2.9	10.1	-9.3	-12.8	-13.2	41.6	23.2	-17.5	-39.2	-13.6	-20.8
3.2. Other financial transactions	-112.5	82.4	-63.6	-46.1	5.0	22.1	-8.0	63.3	-46.0	16.4	-49.7	15.7	-34.7	-20.8	-18.5	27.9
2. Banking transactions 2)	6.9	-67.7	-14.0	14.5	-7.5	-24.8	-45.3	9.9	-18.9	-9.0	-24.6	38.5	-36.2	28.1	25.1	-2.5
A. Assets	-60.0	-20.5	-14.7	-37.7	32.7	-4.7	-22.6	-25.9	20.0	-18.6	-27.6	11.5	-43.7	24.9	1.8	-20.7
1. Investments	4.6	-2.2	-8.9	-1.9	-1.4	5.6	3.3	-9.7	-12.6	-3.7	3.6	3.8	-0.2	0.2	-2.0	0.1
2. Loans	8.4	-1.7	-11.5	-10.1	3.9	-2.3	2.8	-6.1	7.4	1.0	12.7	-32.6	-7.9	6.3	3.4	-11.9
3. Other assets	-73.0	-16.6	5.7	-25.7	30.2	-8.0	-28.7	-10.1	25.2	-15.9	-43.9	40.3	-35.6	18.4	0.4	-8.9
B. Liabilities	66.9	-47.2	0.7	52.2	-40.2	-20.1	-22.7	35.8	-38.9	9.6	3.0	27.0	7.5	3.2	23.3	18.2
1. Subordinated debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Other liabilities	66.9	-47.2	0.7	52.2	-40.2	-20.1	-22.7	35.8	-38.9	9.6	3.0	27.0	7.5	3.2	23.3	18.2
3. (Total banks and nonbanks, net (1+2))	322.6	124.3	604.4	-545.3	-250.7	140.4	55.5	179.1	-122.9	362.6	190.6	174.1	-514.4	265.9	-164.6	-132.2

1) Excluding official reserves.

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

Table 8.4: BALANCE OF PAYMENTS BY SECTORS 1)

During period	1997-IV				1998-IV				1999-IV				2000-IV			
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
1. Current account (net)	-197.3	6.0	-19.7	-211.0	-74.9	-21.9	-54.2	-151.0	-167.2	25.5	-49.1	-190.8	154.7	-5.4	-47.8	101.5
A. Goods and services	-195.2	6.0	-13.9	-203.1	-73.0	-21.9	-44.8	-139.7	-165.3	25.5	-30.6	-170.4	156.2	-5.4	7.0	157.8
1. Goods	-119.7	17.5	-181.5	-283.7	12.2	-5.8	-248.1	-241.7	-46.2	2.9	-265.8	-309.1	286.5	-1.4	-243.5	41.6
1.1 Exports f.o.b.	480.0	117.6	30.2	627.8	424.1	146.8	9.4	580.3	655.1	42.1	12.0	709.2	1413.7	34.6	10.5	1458.8
1.2 Imports f.o.b.	599.7	100.1	211.7	911.5	411.9	152.6	257.5	822.0	701.3	39.2	277.8	1018.3	1127.2	36.0	254.0	1417.2
2. Services	-75.5	-11.5	167.6	80.6	-85.2	-16.1	203.3	102.0	-119.1	22.6	235.2	138.7	-130.3	-4.0	250.5	116.2
2.1 Receipts	0.0	0.0	350.0	350.0	0.0	0.0	396.2	396.2	0.0	26.9	460.4	487.3	0.0	0.0	436.7	436.7
2.2 Payments	75.5	11.5	182.4	269.4	85.2	16.1	192.9	294.2	119.1	4.3	225.2	348.6	130.3	4.0	186.2	320.5
B. Income	-0.1	0.0	-3.7	-3.8	0.0	0.0	-9.1	-9.1	0.0	0.0	-9.2	-9.2	0.0	0.0	-6.8	-6.8
1. Receipts	0.0	0.0	11.5	11.5	0.0	0.0	16.6	16.6	0.0	0.0	18.1	18.1	0.0	0.0	23.5	23.5
2. Payments	0.1	0.0	15.2	15.3	0.0	0.0	25.7	25.7	0.0	0.0	27.3	27.3	0.0	0.0	30.3	30.3
C. Current transfers	-2.0	0.0	-2.1	-4.1	-1.9	0.0	-0.3	-2.2	-1.9	0.0	-9.3	-11.2	-1.5	0.0	-48.0	-49.5
1. Receipts	0.0	0.0	12.6	12.6	0.0	0.0	13.3	13.3	0.0	0.0	13.8	13.8	0.0	0.0	16.2	16.2
2. Payments	2.0	0.0	14.7	16.7	1.9	0.0	13.6	15.5	1.9	0.0	23.1	25.0	1.5	0.0	64.2	65.7
2. Capital and financial account (net)	193.8	-4.6	25.6	214.8	100.8	0.0	68.4	169.2	166.1	0.0	-30.5	135.6	-143.8	0.0	14.1	-129.7
A. Capital account	0.0	0.0	12.4	12.4	0.0	0.0	7.3	7.3	0.0	0.0	0.4	0.4	0.0	0.0	-0.1	-0.1
1. Capital transfers	0.0	0.0	12.4	12.4	0.0	0.0	7.3	7.3	0.0	0.0	0.4	0.4	0.0	0.0	-0.1	-0.1
2. Acquisition/disposal of non-produced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial account	193.8	-4.6	13.2	202.4	100.8	0.0	61.1	161.9	166.1	0.0	-30.9	135.2	-143.8	0.0	14.2	-129.6
1. Direct investment	193.9	0.0	18.6	212.5	101.0	0.0	15.3	116.3	166.3	0.0	-1.2	165.1	-143.4	0.0	-24.8	-168.2
2. Portfolio investment	-0.3	0.0	-15.0	-15.3	-0.2	0.0	-50.1	-50.3	-0.2	0.0	-56.2	-56.4	-0.4	0.0	6.0	5.6
3. Other investment	0.2	-4.6	9.6	5.2	0.0	0.0	95.9	95.9	0.0	0.0	26.5	26.5	0.0	0.0	33.0	33.0
3. Items not yet classified 2)	0.0	0.0	14.4	14.4	0.0	0.0	0.7	0.7	0.0	0.0	-1.3	-1.3	0.0	0.0	1.2	1.2
4. Overall balance (1+2+3)	-3.5	1.4	20.3	18.2	25.9	-21.9	14.9	18.9	-1.1	25.5	-80.9	-56.5	10.9	-5.4	-32.5	-27.0
5. Banking transactions 3)	3.5	-1.4	-22.5	-20.4	-25.9	21.9	13.9	9.9	1.1	-25.5	62.9	38.5	-10.9	5.4	3.0	-2.5
6. Increase (-) in official reserves 4)	0.0	0.0	2.2	2.2	0.0	0.0	-28.8	-28.8	0.0	0.0	18.0	18.0	0.0	0.0	29.5	29.5
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	9.1	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	0.0	0.0	2.2	2.2	0.0	0.0	-37.9	-37.9	0.0	0.0	18.0	18.0	0.0	0.0	29.5	29.5

1) On a cash basis.

2) Including errors and omissions.

3) "+" 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	1997	1998	1999	2000	1998				1999				2000			
					I	II	III	IV	I	II	III	IV	I	II	III	IV
1. Exports f.o.b.	3,087.3	2,085.0	2,533.6	4,622.0	631.9	490.4	382.4	580.3	567.0	606.5	650.9	709.2	1,046.9	938.7	1,177.6	1,458.8
A. General merchandise	2,912.6	1,954.2	2,361.6	4,350.8	588.9	458.8	355.2	551.3	529.8	559.1	613.5	659.2	982.3	878.4	1,088.9	1,401.2
1. Oil sector	2,302.8	1,407.6	2,018.2	4,179.1	467.4	341.0	202.5	396.7	404.2	471.2	536.4	606.4	920.7	847.0	1,053.3	1,358.1
2. Free-zone	527.4	516.4	303.8	137.3	113.7	108.8	147.1	146.8	116.6	76.7	68.4	42.1	50.6	24.6	27.5	34.6
3. Other sectors	82.4	30.2	39.6	34.4	7.8	9.0	5.6	7.8	9.0	11.2	8.7	10.7	11.0	6.8	8.1	8.5
B. Goods procured in ports by carriers	174.1	130.2	171.7	270.3	42.8	31.4	27.2	28.8	37.0	47.4	37.3	50.0	64.6	60.3	88.7	56.7
C. Repairs on goods	0.6	0.6	0.3	0.9	0.2	0.2	0.0	0.2	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.9
2. Imports f.o.b.	3,787.4	2,717.5	3,597.1	4,672.6	586.3	764.0	545.2	822.0	612.5	1,097.7	868.6	1,018.3	780.5	1,313.1	1,161.8	1,417.2
A. General merchandise	1,479.8	1,711.5	1,533.0	1,367.3	383.7	353.5	454.8	519.5	406.6	362.8	388.2	375.4	347.0	342.4	353.0	324.9
1. Oil sector	207.0	349.6	327.1	240.4	49.4	58.9	123.5	117.8	77.7	66.3	115.4	67.7	52.3	76.5	76.7	34.9
2. Free-zone	443.0	473.7	253.9	130.7	106.7	90.4	124.0	152.6	94.1	77.6	43.0	39.2	37.2	24.6	32.9	36.0
3. Other sectors	829.8	888.2	952.0	996.2	227.6	204.2	207.3	249.1	234.8	218.9	229.8	268.5	257.5	241.3	243.4	254.0
B. Goods for processing	2,276.4	974.8	2,035.3	3,280.8	195.6	402.6	82.5	294.1	198.4	728.4	474.9	633.6	427.6	961.2	799.7	1,092.3
C. Goods procured in ports by carriers	18.1	18.9	19.2	19.8	5.3	4.6	4.1	4.9	4.7	4.2	3.6	6.7	5.9	6.6	7.3	0.0
D. Repairs on goods	13.1	12.3	9.6	4.7	1.7	3.3	3.8	3.5	2.8	2.3	1.9	2.6	0.0	2.9	1.8	0.0
3. Merchandise trade (1-2)	-700.1	-632.5	-1,063.5	-50.6	45.6	-273.6	-162.8	-241.7	-45.5	-491.2	-217.7	-309.1	266.4	-374.4	15.8	41.6

TABLE 8.6: OFFICIAL FOREIGN EXCHANGE RATES (SELLING)

(Period averages)

	Can. dollar	Pound sterling	Neth. guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO1 (x 100)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1997	1.303	2.958	92.169	123.836	31.028	103.679	1.082	148.745	202.662
1998	1.217	2.996	90.858	124.206	30.766	102.369	1.063	137.891	201.533
1999	1.215	2.926	86.955	119.161	29.208	97.957	0.990	158.931	191.191
2000	1.215	2.740	75.304	106.012	25.299	84.843	0.857	167.047	165.948
1998 I	1.261	2.975	87.686	121.671	29.707	98.777	1.028	140.299	194.964
II	1.246	2.989	88.977	120.333	30.118	100.204	1.042	132.185	197.588
III	1.193	2.988	90.507	122.301	30.658	102.013	1.060	128.481	200.733
IV	1.171	3.029	95.880	132.057	32.452	108.044	1.118	150.491	212.052
1999 I	1.194	2.952	91.586	125.875	30.751	103.136	1.042	154.288	200.049
II	1.225	2.905	86.217	117.104	28.964	97.144	0.981	148.911	190.000
III	1.215	2.897	85.598	117.568	28.757	96.446	0.974	159.212	188.632
IV	1.226	2.949	84.750	116.512	28.471	95.474	0.965	172.334	186.730
2000 I	1.241	2.903	80.538	110.294	27.056	90.745	0.917	168.239	177.480
II	1.219	2.770	76.204	107.315	25.601	85.862	0.867	168.700	167.931
III	1.219	2.674	73.851	105.273	24.812	83.201	0.841	167.220	162.758
IV	1.182	2.615	70.749	101.295	23.767	79.705	0.805	164.124	155.898

1) On January 1, 1999, the ECU was replaced by the EURO.

TABLE 8.7: OFFICIAL FOREIGN EXCHANGE RATES (SELLING)

(End of period)

	Can. dollar	Pound sterling	Neth. guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO1) (x 100)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1997	1.260	2.995	89.140	123.510	30.240	100.410	1.050	137.970	198.110
1998	1.165	2.990	95.170	130.300	32.190	107.180	1.110	157.660	210.560
1999	1.240	2.920	82.010	112.430	27.550	92.400	0.930	175.920	180.720
2000	1.200	2.690	75.800	109.200	25.460	85.400	0.860	156.990	167.030
1998 I	1.265	3.045	86.430	118.080	29.290	97.370	1.010	135.170	193.280
II	1.230	3.015	88.370	118.280	29.930	99.570	1.040	129.250	196.840
III	1.185	3.070	95.170	129.550	32.220	107.270	1.110	132.580	210.740
IV	1.165	2.990	95.170	130.300	32.190	107.180	1.110	157.660	210.560
1999 I	1.200	2.920	87.690	120.720	29.460	98.800	1.000	151.200	193.240
II	1.220	2.850	84.310	115.700	28.320	95.000	0.960	148.850	185.800
III	1.230	2.980	87.060	119.960	29.250	98.100	0.990	170.280	191.860
IV	1.240	2.920	82.010	112.430	27.550	92.400	0.930	175.920	180.720
2000 I	1.240	2.890	77.980	107.900	26.200	87.870	0.890	174.420	171.850
II	1.220	2.740	78.010	110.220	26.210	87.890	0.890	170.930	171.910
III	1.200	2.660	71.550	103.350	24.040	80.620	0.810	166.080	157.680
IV	1.200	2.690	75.800	109.200	25.460	85.400	0.860	156.990	167.030

1) On January 1, 1999, the ECU was replaced by the EURO.

Explanatory notes to the tables

Table 1.3 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 1.5 Utilities

The table Utilities reflect the consumption of water, electricity and gas. The consumption of water is excluding sales to Coastal Aruba 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 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. Since end-1989, gold and claims in gold are valued once every three years at standards set by the Bank's Board of Supervisory Directors. As a result, the value of gold increased by AFL 37.4 million on that date and decreased by AFL 1.5 million at end-1992. By end-1995, the value of gold increased again by AFL 1.2 million. By end-1996, the amount of gold holdings of the Bank increased by AFL 3.0 million to AFL 50.1 million due to an adjustment in the net claim on the Gold Fund of

the Netherlands Antilles and Aruba. By end-1998, these Bank's holdings of gold deposits were revalued and, consequently, decreased by AFL 9.1 million to AFL 41 million.

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 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 an overview of the financial operations of the government (including development funds) on a cash basis.

The definition of the government used by the Centrale Bank van Aruba (the Bank) comprises all the departments of the government, including the Department of Public Works (DOW), “Landsbedrijf Ontwikkelingsprojecten” (LOP) and the Fondo Desaroyo Aruba (FDA). Thus, the definition does not include the social security sector, which comprises mainly the Social Security Bank (SVB) and the General Medical Insurance (AZV). This narrow definition of the government enables the analysis of its liquidity position on a cash basis.

Total revenue and grants

Total revenue and grants comprise receipts compiled 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 liability. Grants are unrequited, nonrepayable, non-compulsary government receipts from other governments or international institutions.

Expenditure and items n.i.e.

The expenditure of the government on a cash basis is derived as a residual of total registered revenue (including grants) 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. Net financing comprises net foreign capital, nonbank domestic capital, and the net recourse to the monetary system of the government.

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 8.1 Balance of payments

Current and non-monetary 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 foreign banks or with other 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 of other sectors. As from the fourth quarter of 1990, foreign transactions of the Coastal Aruba Refining Company, which are settled through a current account with the parent company abroad, are incorporated in the balance of payments. Changes in the balance on this account are registered as short-term direct investments.

Items not yet classified

Transactions of which the underlying nature is not yet known. 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

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 bank or current 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 and education payments 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 Coastal Aruba Refining Company, Coastal Aruba Fuel Company, Wickland Oil Aruba N.V. (up to the third quarter of 1998) 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, 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