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1. DEVELOPMENTS IN THE FIRST QUARTER OF 2006

1.1 Introduction

Available information indicates a further worsening in business conditions in the first quarter of 2006, mainly influenced by a weakened performance in the tourism sector. Illustrative hereof is that stay-over arrivals and nights spent on the island tumbled by 15 percent and 11 percent, respectively, one of the largest quarterly decreases recorded since 1986. This resulted in a 1 percent decline in gross tourism receipts, while the hotel occupancy rate recorded a 3.7 percentage points fall-off to 84.4 percent in the first quarter of 2006. These adverse developments were confirmed in the Bank's Business Perception Survey in which businesses reported being pessimistic on the state of the economy as well as on the short-term economic outlook.

Volatile global developments continued to exert upward pressure on oil prices in the international market, resulting in higher local energy prices and upward spin-off effects on other domestic prices. This led in part to a 4.4 percent jump in the quarterly average consumer price index as compared to the first quarter of 2005. As a result, the inflation rate, measured on a 12-month basis, accelerated by 1.2 percentage points to 3.9 percent, compared to a year earlier, which is slightly higher than that of Aruba's major trading partner, the United States of America. When excluding the energy-related components, the inflation rate slowed down by 0.3 percentage point to 1.6 percent, compared to a year earlier.

Transactions in the external sector produced a narrowing of the overall balance of payment's surplus from Afl. 48 million in the first quarter of 2005 to Afl. 37 million in the quarter under review. The oil and free-zone sectors contributed, on balance, with, respectively, Afl. 38 million and Afl. 8 million positively to the net international reserves. In contrast, the transactions of the rest of the economy resulted in a net outflow of funds to abroad of Afl. 9 million, against an Afl. 26 million net inflow in the first quarter of 2005. Consequently, the net international reserves of the monetary sector came out at Afl. 634 million at end-March 2006, which is Afl. 72 million or 10 percent lower than a year earlier.

The Afl. 2 million government's financial surplus (including the change in unmet financing requirements) in the first quarter of 2005 turned into an Afl. 11 million deficit in the quarter under review, despite an Afl. 33 million (17 percent) increase in revenues. Compared to the first quarter of 2005, total government debt surged by Afl. 194 million (12 percent) to Afl. 1,883 million, reflecting largely an Afl. 162 million (19 percent) increase in domestic debt, spurred by four private placements totaling Afl. 113 million and an increase in payment arrears. In addition, the foreign public debt component rose by Afl. 32 million. As a result, the debt-to-GDP ratio grew further to 43 percent (first quarter 2005: 42 percent).

1.2 The real sector

Business Perception Index

Businesses in general became pessimistic about the economy in the quarter under review. The index on current economic conditions decreased by 9 percent to 97, thus moving for the first time since the third quarter of 2003 below 100. This decrease was mainly on account of a negative sentiment in the sectors “manufacturing (excluding manufacture of refined petroleum products)”, “electricity, gas and water supply, manufacture of refined petroleum products”, “hotels and restaurants”, “transport, storage and communication”, “real estate and other business activities, and “health, other community and personal service activities”. The sectors “construction”, “wholesale and retail trade, repair of motor vehicles and household goods” and “financial intermediation” continued to be optimistic about the current economic conditions.

For the second consecutive quarter the short-term economic outlook of businesses was pessimistic, pushing down the index on short-term future economic condition by 10 percent to 97.8. Overall, the BPS index fell by 9 percent to 97.3, the lowest since the second quarter of 2003. Further results of the BPS indicate that about 39 percent of the respondents reported a worsening in their business activities in the quarter under review, while the same percentage expects a similar development in the next six months. About 50 percent of the respondents indicated that their business investments remained unchanged in the first quarter of 2006, while about 56 percent expects a comparable result in the next few months. In the period under review, an estimated 42 percent of the respondents noted that they experienced no change in their personnel in the quarter under review, while 33 percent of respondents indicated a worsening in their employment conditions. About 50 percent of the respondent anticipated no change in the next six months (statistical annex Table 1.2 A and B).

Tourism

In the first quarter of 2006, the number of stay-over visitors and their nights spent on the island declined notably by 15 percent (first quarter 2005: +13 percent) and 11 percent (first quarter 2005: +9 percent), respectively. Arrivals from the U.S.A., Venezuela and the Netherlands shrank by, respectively, 18 percent (first quarter 2005: +15 percent), 20 percent (first quarter 2005: +31 percent) and 3 percent (first quarter 2005: -4 percent). Information collected by the Central Bureau of Statistics (CBS) on the hotel sector shows a 3.7 percentage points decrease in the average hotel occupancy rate to 84.4 percent in the first quarter of 2006. Preliminary estimates by the CBS indicate that the average daily rate of the hotel sector surged by 7 percent to Afl. 419, while the revenue per available room declined by 7 percent to Afl. 215, compared to the first quarter of 2005. Room tax receipts fell by 3 percent to Afl. 11 million. Gross tourism receipts, as recorded in the balance of payments, shrank by 1 percent to Afl. 564 million, compared to a 4 percent increase in the corresponding quarter a year earlier. The share of these receipts in total current account receipts (excluding the oil and free-zone sectors) went down by 4 percentage points to 77 percent (Table A and statistical annex Tables 1.4 and 1.5).

Table A: Indicators of tourism activity

	2004	2005	2004 I	2005 I	2005 IV	2006 I
1. a. Tourism receipts (x Afl. million) 1)	1,889.6	1,968.9	548.2	569.6	481.6	563.5
b. Tourism expenditures (x Afl. million) 2)	1,454.2	1,461.5	411.1	441.3	324.1	382.7
2. Stay-over visitors (x 1,000)	728.2	732.5	177.1	200.9	167.7	170.3
3 Market shares (in percentage)						
a. United States	73.5	73.1	76.5	77.4	70.6	75.1
b. Venezuela	8.1	8.2	4.9	5.6	8.1	5.3
c. The Netherlands	5.2	5.3	5.5	4.6	5.9	5.3
d. Canada	2.8	2.9	4.6	4.0	3.2	5.1
e. Colombia	1.5	1.3	1.1	1.1	1.6	1.0
f. Other countries	8.9	9.2	7.3	7.3	10.6	8.2
4. Visitor nights (x 1,000)	5,639.9	5,694.5	1,446.5	1,574.9	1,350.3	1,408.3
5. Average nights spent	7.7	7.8	8.2	7.8	8.1	8.3
6. a. Receipts per visitor night (Afl.)	335	346	379	362	357	400
b. Average daily expenditure (Afl.) 3)	207	214	223	229	206	220
7. Average hotel occupancy rate	80.7	81.7	84.5	88.1	77.9	84.4
8. Average daily hotel rate (Afl.) 4)	266	317	336	390	330	419
9. Revenue per available room (Afl.) 4)	151	170	196	230	162	215
10. Room tax receipts (x Afl. million) 5)	30.5	33.1	9.1	11.6	7.2	11.2
11. Cruise visitors (x 1,000)	576.3	552.8	185.2	190.7	193.7	209.5
12. Number of cruise ship calls	318	311	100	108	97	102
13. Contribution to current account 6)	79	78	81	81	74	77

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

1) Gross receipts from stay-over and cruise tourism, as well as other tourism-related income as recorded on a cash basis in the balance of payments.
2) Travel-related expenditures by stay-over visitors, before (e.g., pre-paid packages), during, and immediately after a trip as estimated by the CBS via a special survey.
3) Expenditure in Aruba only (thus, excluding, e.g., payments for prepaid packages), as calculated by the CBS.
4) Including time-shares units.
5) Excluding tax receipts related to previous periods.
6) Tourism receipts as a percentage of current account receipts, excluding the oil and free-zone sectors.

According to the Cruise Tourism Authority, the number of cruise passengers grew by 10 percent in the first quarter of 2006, compared to a 3 percent rise in the corresponding quarter a year earlier. On the other hand, the number of port calls fell by 6 percent to 102.

Construction

Activities in the construction sector slowed down somewhat in the first quarter of 2006. Total imported cement fell by 22 percent compared to the first quarter of 2005, while the number of electrical installations approved by the Department of Technical Inspection decreased by 12 percent, due mainly to the categories "houses" and "apartments". The number of construction permits granted went down by 19 percent, primarily because of a contraction in the category "houses". Nonetheless, the value of the building permits granted soared by 42 percent, reflecting an increase in the category “others”, which included a sport facility, a hotel and a number of restaurants (statistical annex Table 1.8).

Utilities
In the first quarter of 2006, water consumption measured in cubic meter decreased by 1 percent (first quarter of 2005: +4 percent), while electricity and gas consumption remained virtually unchanged, compared to the corresponding period of 2005. On balance, the weighted utilities consumption index grew slightly by 0.2 percentage point to 129.4 (statistical annex Table 1.9).

Oil sector
In the first quarter of 2006, the refinery’s throughput volume fell notably by 30 percent, mainly due to a turnaround project realized in January 2006. Export revenues from refined oil products rose further by 12 percent to Afl. 1,955 million (first quarter of 2005: +66 percent), as a result of higher oil prices on the international market. Also, payments for imported crude oil went up, i.e., by 24 percent to Afl. 1,432 million (first quarter of 2005: +31 percent). At the end of March 2006, 702 persons were directly employed at the refinery, i.e., 33 persons more than in the corresponding period of 2005 (statistical annex Table 1.12).

Merchandise trade
Trade figures on a transaction basis, as compiled by the CBS, indicate that merchandise imports (excluding mineral fuels and free-zone goods) surged by 29 percent to Afl. 465 million, largely because of increased imports of “machinery and electrotechnical equipment”, “base metals and derivated works” (both related to special construction activities), “chemical products” and “other goods”. Merchandise exports rose by 11 percent to Afl. 9 million, largely reflecting the export of “other goods”. Consequently, the trade deficit widened significantly compared to the corresponding quarter a year earlier, i.e., by Afl. 102 million or 29 percent to Afl. 456 million (statistical annex Tables 1.10 and 1.11).

Price developments
In the first quarter of 2006, the quarterly average increase in the consumer price index surged by 2 percentage points to 4.4 percent, compared to the corresponding quarter a year earlier. This increase was mainly attributed to a steeper price increase in the category “housing”, which was influenced by higher water and electricity tariffs. The 12-month average inflation rate accelerated by 1.2 percentage points to 3.9 percent and was 0.4 percentage point higher than the inflation rate in the United States, Aruba’s main trading partner, meaning that Aruba’s competitive position vis-à-vis this country worsened. Consequently, the real exchange rate index of the Aruban florin against the U.S. dollar rose by 0.3 percent at 105.2. The inflation differential with Curaçao narrowed by 0.6 percentage point to +0.3 percentage point, while the differential with the inflation in the Netherlands widened by 1.1 percentage point to +2.4 percentage points (Table B and statistical annex Tables 1.6 and 1.7). When adjusting for the energy-related components (water, electricity, and gasoline), the Aruban inflation rate slowed down by 0.3 percentage point to 1.6 percent in the first quarter of 2006.

Table B: Consumer price index
(Percentage change)

	2004	2005	2004 I	2005 I	2005 IV	2006 I
			(Period average)			
Total index	2.5	3.4	1.7	2.4	4.1	4.4
a. Food	3.9	3.8	4.0	3.9	4.2	3.3
b. Beverage & tobacco	0.6	1.4	0.7	0.8	1.6	1.2
c. Clothing & footwear	3.8	0.7	4.9	2.0	0.2	1.3
d. Housing	2.1	6.8	-0.6	2.8	9.7	12.2
e. Housekeeping & furnishing	2.0	1.8	1.8	2.0	1.4	1.3
f. Health	0.0	0.0	0.0	0.0	0.0	0.0
g. Transport & communication	2.4	2.8	0.9	2.3	2.6	1.2
h. Recreation & education	2.5	2.4	2.1	1.4	3.1	3.3
i. Other	1.5	2.1	1.5	1.4	2.6	2.7
			(Twelve-month average)			
Aruba	2.5	3.4	2.8	2.7	3.4	3.9
United States	2.7	3.4	2.0	3.0	3.4	3.5
Curaçao	1.4	3.4	1.4	1.8	3.4	3.6
The Netherlands	1.2	1.7	2.1	1.4	1.7	1.5
Real exchange rate index (1995=100) 1)	105.0	105.0	105.2	104.9	105.0	105.2

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

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

1.3 Money and credit

Changes in the money supply

In the first quarter of 2006, money supply rose by Afl. 15 million or 1 percent to Afl. 2,442 million compared to the preceding quarter (Table C and statistical annex Tables 2.1, 2.2 and 2.3). This rise was reflected in an Afl. 37 million or 4 percent growth in narrowly-defined money, mainly caused by an increase in demand deposits denominated in Aruban florin. In contrast, quasi money declined by Afl. 22 million or 1.5 percent, due largely to a decrease in time deposits denominated in Aruban florin.

The increase in money supply was attributed to an Afl. 37 million (6 percent) net inflow of funds from abroad, following an Afl. 80 million net capital inflow related mainly to inward direct investment. The official reserves of the Bank rose by Afl. 54 million (11 percent). However, the reserves held by the commercial banks fell by Afl. 17 million (19 percent). At the end of March 2006, total net foreign assets (excluding revaluation differences of gold and official foreign exchange holdings) amounted to Afl. 634 million, which is Afl. 72 million or 10 percent lower than the amount held in the corresponding period a year earlier. The ratio of net foreign assets to money supply increased by 1.3 percentage points to 26 percent, compared to the fourth quarter of 2005 (statistical annex Table 2.4).

On the other hand, net domestic assets fell by Afl. 22 million (1 percent) compared to the previous quarter. Banking sector credit granted to the private sector went up by Afl. 26 million or 1 percent, because of increases in housing mortgages and loans to enterprises of Afl. 16 million (2 percent) and Afl. 15 million (2 percent), respectively. In contrast, consumer credit went down by Afl. 2 million, while net banks' claims on the public sector fell notably by Afl. 38 million, reflecting largely the sale of a considerable part of the government loan portfolio held by the banking sector to the private sector. In addition non-credit-related balance sheet items declined by Afl. 9 million.

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

			2004	2005		2006
	2004	**2005**	I	I	IV	I
1. Net domestic money creation	51.3	202.5	20.2	70.0	49.4	-21.6
a. Net domestic credit	117.1	214.5	52.1	71.3	78.1	-12.2
- Public sector	21.3	22.8	43.1	11.4	33.4	-38.0
- Private sector	95.8	191.7	9.0	59.9	44.7	25.8
b. Other domestic factors	-65.8	-11.9	-31.9	-1.3	-28.7	-9.4
2. Inflow of foreign funds 1)	19.9	-61.2	31.0	47.8	-62.0	37.0
a. Current account transactions	25.1	-365.1	33.2	150.8	-268.6	-43.0
b. Net foreign capital 2)	-5.2	303.9	-2.2	-102.9	206.7	80.0
3. Broad money creation	71.1	141.4	51.2	117.8	-12.5	15.4
a. Money	27.6	4.2	36.5	98.8	-58.7	36.9
b. Quasi-money	43.5	137.2	14.7	19.0	46.2	-21.5
(12-month percentage change)	*(3.2)*	*(6.2)*	*(8.9)*	*(6.1)*	*(6.2)*	*(1.6)*

Source: CBA.

1) Revaluation differences of gold and official foreign exchange holdings are excluded to approximate the net import of foreign funds by the nonmonetary sectors.
2) Including items not yet classified and errors and omissions.

Interest rates

In the first quarter of 2006, the commercial banks' interest margin, measured as the difference between the weighted average lending rate and deposit rate of new transactions, rose by 0.5 percentage point to 7.9 percent, compared to the fourth quarter of 2005 (statistical annex Table 6.1). The weighted average lending rate increased by 0.6 percentage point to 11.7 percent, mainly because of a 0.7 percentage point increase in commercial mortgage loan interest rate and a 0.6 percentage point increase in consumer loan interest rate. The weighted average interest rate on deposits also went up by 0.2 percentage point to 3.8 percent.

The Bank's interest rates on time deposits, which are linked to corresponding rates of the Federal Reserve Bank of New York, rose for the sixth consecutive quarter (statistical annex Table 6.3). These rates are now about twice the average rates recorded in the fourth quarter of 2005. The cost of short-term government borrowings on 3-month treasury bills continued to rise. The weighted average yield on this paper amounted to 4.21 percent during the period January to July 2006, compared to 2.32 percent in the corresponding period of 2005. The borrowing costs on the 6-month cash loan certificates grew again in June 2006 to 4.41 percent, against a yield of 3.66 percent for the December 2005 issue. The average yield of long-term government financing through the Bank stood at 6.3 percent in 2005.

1.4 Nonmonetary financial institutions

The balance sheet

In the first quarter of 2006, the aggregated assets of nonmonetary financial institutions expanded by Afl. 85 million or 4 percent to Afl. 2,077 million compared to the previous quarter. This expansion resulted from an Afl. 33 million or 6 percent increase in net foreign assets and an Afl. 52 million or 4 percent rise in domestic claims of the nonmonetary financial institutions. The latter is broken down in an Afl. 41 million (6 percent) and Afl. 11 million (1 percent) rise in claims on, respectively, the government and the private sector. Net foreign assets of the nonmonetary financial institutions amounted to Afl. 595 million, which is more than eight times higher than the net foreign assets of the commercial banks. On the liability side, pension fund provisions went up by Afl. 31 million (2 percent), while the insurance reserve fund went up by Afl. 10 million (3 percent) (Table D and statistical annex Table 5.1).

Table D: Nonmonetary financial institutions 1)

(End of period, in Afl. million)

	2004	2005				2006
	IV	I	II	III	IV	I
1. Net foreign assets	489.8	491.0	488.5	535.1	562.3	595.0
2. Domestic assets	1,340.3	1,297.3	1,355.8	1,393.2	1,429.2	1,481.5
a. Government	551.1	571.2	601.7	620.0	633.1	674.2
b. Private sector	789.2	726.1	754.2	773.2	796.0	807.3
3. Total assets=total liabilities	1,830.2	1,788.4	1,844.4	1,928.3	1,991.5	2,076.5
4. Borrowings and deposits	64.0	39.7	39.4	39.5	39.1	38.9
a. Government	36.7	36.7	36.7	36.7	36.6	36.6
b. Other residents	27.3	3.0	2.7	2.8	2.4	2.3
5. Pension fund provisions	1,379.1	1,409.9	1,403.0	1,469.5	1,495.4	1,526.9
6. Insurance reserve fund	288.4	296.4	300.2	301.4	305.4	315.3
7. Other items, net	98.7	42.4	101.8	117.9	151.6	195.5

Source: CBA.

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

The mortgage market

In the first quarter of 2006, housing mortgage lending by commercial banks, specialized mortgage banks, and pension funds grew by Afl. 16 million (2 percent), Afl. 4 million (2 percent), and Afl. 3 million (2 percent), respectively, compared to the previous quarter. In contrast, the housing mortgage loan portfolio of life insurance companies decreased by Afl. 1 million or 2 percent. Consequently, the share of nonmonetary financial institutions in the total housing mortgage portfolio remained unchanged at 37 (Table E).

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

	2004	2005				2006
	IV	I	II	III	IV	I
1. Total	1,055.9	1,066.0	1,083.3	1,108.6	1,128.1	1,148.6
2. Commercial banks	580.6	663.7	672.9	690.8	703.7	719.8
3. Mortgage banks	287.5	214.0	217.8	223.6	228.6	232.4
4. Pension funds	113.4	113.9	119.0	122.8	126.4	128.9
5. Life insurance companies	57.4	56.9	55.9	55.3	52.8	51.6
6. Other	17.1	17.5	17.7	16.2	16.7	15.8

Source: CBA.

1.5 Government finance

Financial operations

In the first quarter of 2006, total government revenues surged by Afl. 33 million or 17 percent to Afl. 229 million compared to the corresponding quarter of 2005. This increase was the result of a rise in tax revenue and nontax revenue of Afl. 22 million (12 percent) and Afl. 11 million (82 percent), respectively. The increase in tax income was largely attributed to an Afl. 17 million or 20 percent rise in taxes on income and profit (Table F and statistical annex Tables 7.1 and 7.2).

The rise in receipts from taxes on income and profit is largely attributed to increases in profit tax revenues and wage tax revenues of Afl. 9 million (64 percent) and Afl. 7 million (10 percent), respectively. Taxes on commodities rose by Afl. 2 million (3 percent), because an Afl. 4 million (14 percent) increase in import duties and an Afl. 2 million rise in excises on beer were largely offset by an Afl. 4 million (21 percent) decline in excises on gasoline. Both taxes on services and foreign exchange tax went up by Afl. 2 million.

In the period under review total expenditures on a cash basis, as estimated by the Bank, surged by Afl. 40 million or 19 percent to Afl. 249 million compared to the

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

			2004	2005		2006
	2004	**2005**	I	I	IV	I
1. Revenue	835.9	909.7	197.9	196.1	243.8	229.0
a. Tax revenue	707.1	779.4	176.2	182.8	204.3	204.5
b. Nontax revenue 2)	128.8	130.3	21.7	13.4	39.5	24.4
2. Expenditures	1,180.2	1,034.6	235.9	209.5	247.7	249.3
3. Lending minus repayments 3)	9.3	0.7	0.3	0.6	-2.4	0.4
4. Financial deficit (-)	-353.6	-125.6	-38.4	-14.0	-1.6	-20.7
5. Net foreign capital	95.6	47.1	-4.7	-2.7	-28.9	-5.3
6. Net domestic capital 4)	236.7	55.7	0.0	5.3	-2.9	64.0
7. Net recourse to the monetary system (-)	-21.3	15.2	-43.1	-11.4	-33.4	38.0
8. Memorandum item						
a. Unmet financing requirements 5)	156.7	183.2	299.6	141.3	183.2	173.6
b. Financial deficit (-) 6)	-224.7	-152.1	-52.5	1.5	-51.7	-11.1

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

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

first quarter of 2005. This is partly caused by an Afl. 18 million or 59 percent increase in payments for goods and services. In addition, wage-related expenses and interest payments rose by Afl. 7 million (6 percent) and Afl. 6 million (32 percent), respectively, while government investments (including developments fund spending) went up by 2 million (19 percent). Moreover, the government transferred an additional Afl. 9 million (39 percent) to the General Health Insurance (AZV). In contrast, the category "items not included elsewhere" fell by Afl. 2 million (15 percent).

Consequently, the government recorded an Afl. 21 million financial deficit in the quarter under review. Outstanding unmet financing requirements fell by Afl. 10 million to Afl. 174 million compared to the preceding quarter. This decline was caused mainly by an Afl. 37 million decrease in payment arrears to suppliers, which was partly offset by an Afl. 19 million increase in arrears to government-related institutions (including the AZV) and an Afl. 8 million growth in payments arrears to the APFA. When including the change in the unmet financing requirements, an Afl. 11 million financial deficit was posted in the first quarter of 2006, in contrast to an Afl. 2 million surplus recorded in the corresponding quarter a year earlier.

In the first quarter of 2006, total financing needs of the government reached Afl. 26 million, consisting of the Afl. 21 million financial deficit mentioned earlier and the repayment of Afl. 6 million in maturing debt. These financing needs were covered largely by an Afl. 24 million private placement on the local capital market.

Outstanding debt

In the quarter under review, outstanding government debt grew by Afl. 194 million or 12 percent to Afl. 1,883 million compared to the first quarter of 2005. This outcome was brought about mainly by an Afl. 162 million (19 percent) rise in domestic debt, reflecting primarily the non-negotiable long-term domestic debt component, and consisting mainly of four private placements of, respectively, Afl. 29 million (September 2005), Afl. 40 million (December 2005), Afl. 20 million (December 2005), and Afl. 24 million (March 2006). The proceeds of these loans were used largely to cover the budget deficit and to repay maturing debt. In addition, short-term non-negotiable domestic debt rose by Afl. 32 million or 23 percent owing to increases in suppliers' credit and other short-term non-negotiable debt each by Afl. 13 million, respectively, as well as a rise in the government liabilities to APFA amounting to Afl. 7 million and consisting mainly of premium arrears. Additionally, negotiable domestic debt grew by Afl. 18 million or 5 percent to Afl. 377 million, associated in part with an Afl. 40 million government bond issue in April 2005 and a repayment on a maturing bond of Afl. 30 million (Table G and statistical annex Table 7.4).

On the other hand, the foreign debt component rose by Afl. 32 million or 4 percent to Afl. 856 million, representing about 45 percent of total debt of the government (first quarter 2005: 49 percent). Foreign debt to the government of the Netherlands contracted by Afl. 29 million or 14 percent, associated with the annual repayment on loans from the Dutch government in the framework of development aid in December

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

	2004	2005				2006
	IV	I	II	III	IV	I
1. Total debt	1,701.0	1,688.3	1,763.5	1,852.3	1,869.3	1,882.5
2. Domestic debt	864.7	864.5	953.1	920.2	1,012.4	1,026.8
a. Negotiable	320.9	358.7	368.1	377.1	377.1	377.1
- Treasury bills	40.0	40.0	40.0	40.0	40.0	40.0
- Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0
- Government bonds	272.9	310.7	320.1	329.1	329.1	329.1
b. Non-negotiable	543.8	505.8	585.0	543.1	635.2	649.6
- Short-term 1)	156.7	141.3	217.8	133.1	183.2	173.6
- Long-term	387.1	364.5	367.2	410.0	452.0	476.0
3. Foreign debt 2)	836.3	823.9	810.4	932.0	856.9	855.7

Source: Department of Finance; APFA.

1) Including suppliers' credit and short-term debt to the APFA.
2) At end-of-period exchange rates.

2005, and the effects of exchange rate differences. Debt to the United States fell by Afl. 108 million or 44 percent, due to a repayment of three private placements of, respectively, US$ 25 million (Afl. 45 million), US$ 15 million (Afl. 27 million), and US$ 20 million (Afl. 36 million).

Other foreign debt rose by Afl. 170 million or 47 percent, due largely to a US$ 93 million (Afl. 166 million) bond issue on the international capital market in September 2005. The proceeds of this issue were used largely to refinance maturing debt. Additionally, in December 2005 an Afl. 16 million financial claim of a resident on the government was sold to a nonresident company. This financial claim is related to the construction and finance of two buildings of the Ministry of Justice ("Warda di Polis Noord" and "Justitie Centrum Santa Cruz").

1.6 Balance of payments

Overall outcome

The surplus on the overall balance of payments narrowed by Afl. 11 million to Afl. 37 million in the first quarter of 2006, compared to the corresponding period of 2005 (Table H and statistical annex Table 8.1). This outcome was the result of a reversal in the current account, i.e., from an Afl. 151 million surplus in the first quarter of 2005 to an Afl. 43 million deficit in the period under review. The effect of this reversal was partly mitigated by a turnaround in the capital and financial account (including items not yet classified), i.e., from Afl. 119 million deficit in the first quarter of 2005 to an Afl. 71 million surplus in the quarter under review.

Consequently, net foreign assets of the monetary sector (excluding revaluation differences of gold and official foreign exchange holdings) reached Afl. 634 million at the end of March 2006, but were Afl. 72 million or 10 percent lower than the level recorded a year earlier. The latter decline in international reserves on an annual basis occurred in spite of an Afl. 88 million net sale of foreign exchange by the oil and free-zone sectors to the commercial banks in the 12-month period up to and including March 2006, because the external transactions of the rest of the economy (excluding the oil and free-zone sectors) led to an Afl. 160 million decline in these reserves.

Oil sector

The Afl. 109 million surplus on the current account of the oil sector in the first quarter of 2005 turned into an Afl. 10 million deficit in the quarter under review. This deterioration occurred mainly because of an Afl. 618 million or 73 percent rise in payments for imports, which was partially compensated for by an Afl. 575 million or 54 percent increase in export receipts from refined oil products and goods procured in ports. Consequently, the surplus on the merchandise account narrowed from Afl. 207 million in the first quarter of 2005 to Afl. 164 million in the quarter under review. In addition, the services account deficit widened by Afl. 69 million to Afl. 157 million following an increase in payments to abroad for import-related freight services.

On the other hand, the capital and financial account balance recorded an Afl. 47 million surplus, in contrast to an Afl. 88 million deficit in the first quarter of 2005.

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

	2004	2005	2004	2005		2006
			I	I	IV	I
1. Current account (net)	25.1	-365.1	33.2	150.8	-268.6	-43.0
a. Oil sector	251.1	-58.6	-4.4	108.7	-158.1	- 9.6
b. Free zone	11.9	4.1	3.0	1.4	-0.4	8.4
c. Rest of economy	-238.0	-310.6	34.7	40.7	-110.2	-41.8
- Private sector	-113.2	-188.0	61.5	70.1	-77.9	-8.1
- Public sector	-124.8	-122.6	-26.8	-29.4	-32.3	-33.7
2. Capital and financial account (net)	-17.2	266.3	3.9	-119.2	193.1	71.2
a. Oil sector	-181.9	110.3	23.9	-87.9	183.3	47.4
b. Free zone	-2.4	8.9	-0.3	-0.1	9.3	-0.6
c. Rest of economy	167.0	147.2	-19.7	-31.1	0.5	24.3
- Private sector	40.1	69.9	-15.0	-27.8	23.1	27.5
- Public sector	126.9	77.3	-4.7	-3.3	-22.6	-3.2
3. Items not yet classified 1)	12.0	37.6	-6.0	16.2	13.6	8.8
4. Overall balance (1+2+3)	19.9	-61.2	31.0	47.8	-61.9	37.0
5. Banking transactions 2)	-17.1	21.5	-10.1	39.6	-45.6	16.6
6. Increase (-) in official reserves 3)	-2.8	39.7	-21.0	-87.5	107.6	-53.6
Memorandum items:						
7. Official reserves (including gold) 4)	614.4	588.6	633.4	697.9	588.6	655.8
8. a. Total reserves of the monetary sector 5)	722.9	675.7	734.9	766.8	675.7	726.3
b. In months of merchandise imports 6)						
- End-of-period	5.5	4.7	5.9	6.0	4.7	5.2
- 12-month average	6.2	5.5	6.3	6.2	5.5	5.3
c. In months of import payments 7)						
- End-of-period	3.0	2.6	3.3	3.4	2.6	2.8
- 12-month average	3.4	3.0	3.5	3.4	3.0	2.8

Source: CBA.

1) Including errors and omissions.
2) Minus (-) sign denotes an increase in assets and a decrease in liabilities.
3) Excluding revaluation differences of gold and official foreign exchange holdings.
4) Including revaluation differences of gold and official foreign exchange holdings.
5) Including gold.
6) Excluding the oil sector.
7) Total current account payments (excluding oil sector).

This turnaround was mainly attributed to the financial account surplus, reflecting a decrease in foreign bank deposits of the oil sector. Consequently, this sector sold on balance Afl. 38 million in foreign exchange to the local commercial banks during the first quarter of 2006.

Free-zone sector

The external transactions of free-zone companies led to an Afl. 8 million overall surplus in the first quarter of 2006, compared to Afl. 1 million in the corresponding quarter of 2005. This widening of the surplus was brought about by an Afl. 8 million surplus on the current account of this sector, reflecting an Afl. 7 million or 39 percent rise in receipts from merchandise exports.

Rest of the economy

In the first quarter of 2006, the current account balance of the rest of the economy (i.e., excluding the oil and free-zone sectors) turned from an Afl. 41 million surplus in the first quarter of 2005 into an Afl. 42 million deficit. This outcome was partly the result of an Afl. 33 million increase in the trade account deficit to Afl. 358 million, reflecting an equivalent rise in import payments. Moreover, the services account surplus contracted by Afl. 30 million to Afl. 405 million, influenced in part by an Afl. 5 million (1 percent) decline in gross tourism receipts, but also by higher outlays by residents related to travel, construction and business services, and an increase in payments for freight costs. Furthermore, the income account deficit widened by Afl. 27 million to Afl. 53 million, because more payments to nonresidents were made for dividend and interest on bonds and notes. In contrast, the deficit on the current transfers account narrowed by Afl. 7 million to Afl. 36 million, attributed mainly to an Afl. 5 million transfer to the Solidarity Fund in the first quarter of 2005.

The capital and financial account of the rest of the economy posted an Afl. 24 million surplus in the quarter under review against an Afl. 31 million deficit in the first quarter of 2005. This result was brought about mainly by an Afl. 80 million surplus in the direct investment account in the quarter under review, compared to an Afl. 28 million deficit in the corresponding quarter a year earlier. This outcome was largely brought about by a rise in inward direct investments reflecting participations by nonresidents in local enterprises and a decrease in repayments on intercompany loans. The Afl. 33 million surplus on the portfolio investment account in the first quarter of 2005 turned into an Afl. 24 million deficit, partly reflecting an increase in portfolio investment assets as more equity securities were purchased on a net basis. The deficit on the other investment account narrowed by Afl. 5 million to Afl. 33 million, largely because of a drop in other investment assets related to balances of residents' foreign bank accounts.

On balance, the external transactions of the rest of the economy resulted in a net outflow of funds to abroad amounting to Afl. 9 million, in contrast to an Afl. 26 million inflow in the first quarter of 2005.

2. Notices and articles

2.1 DE WIJZIGINGEN VAN DE INVOERRECHTEN PER 1 JUNI 2006; EEN SCHATTING VAN HUN EFFECT OP DE INFLATIE

Een memorandum van de Centrale Bank van Aruba

1. Inleiding

De overheid besloot per 1 juni j.l. de tarieven van invoerrechten op een reeks van goederen aan te passen. Deze wijziging hield enerzijds in dat bepaalde tarieven van goederen, zoals eieren, natuurhoning, bepaalde groenten en fruit werden verlaagd, terwijl anderen juist werden verhoogd. In dit memorandum wordt een kwantificering gemaakt van de mogelijke effecten van deze maatregel op de inflatie in Aruba in 2006 en 2007.

2. Methodologie

Hierbij wordt gebruik gemaakt van een berekeningswijze die gebaseerd is op een in april 2004 verschenen onderzoek getiteld "The imported and domestic determinants of inflation in Aruba" (zie bronvermelding). In betreffend onderzoek werd een schatting gemaakt van onder meer de directe en indirecte componenten van de geïmporteerde inflatie van goederen en diensten.

Voor de berekening van de verwachte gevolgen van de verhoging van de invoerrechten per 1 juni 2006 wordt gebruik gemaakt van verkregen informatie m.b.t. het Landsbesluit tot wijziging van artikel 127 van de Landsverordening in-, uit- en doorvoer (AB 2000 no. GT 10) (het Landsbesluit) (zie bronvermelding). Op basis van dit Landsbesluit werd per component van de consumentenprijsindex nagegaan wat de directe gevolgen van de tarief verhoging zijn.[1] Zodoende wordt een schatting gemaakt van de directe prijseffecten van deze maatregel. De indirecte prijseffecten worden berekend overeenkomstig de berekeningswijze van het in april 2004 gevoerde onderzoek.

Zoals reeds vermeld zijn er naast verhogingen van de importtarieven ook sprake van verlagingen van een aantal tarieven. Derhalve wordt bij de berekening van het effect een aantal veronderstellingen gemaakt. In eerste instantie wordt verondersteld dat de tariefverhogingen volledig aan de consument worden doorberekend. Met betrekking tot de tariefverlagingen worden twee mogelijke scenario's verondersteld:

Scenario 1:
De verlagingen van de tarieven van invoerrechten op bepaalde soorten goederen worden volledig doorberekend aan de consument.

[1] Bijvoorbeeld het tarief voor de invoer van eieren (componentnummer 14510) wordt verlaagd van 7,5 procent tot 0 procent, terwijl dat van horloges (componentnummer 31510) wordt verhoogd van 6 procent tot 12 procent.

Scenario 2:
De verlagingen van de tarieven van invoerrechten op bepaalde soorten goederen worden niet aan de consument doorberekend. In dit geval zal het voordeel van de tariefverlaging aan de aanbieders van deze producten toekomen.

3. Resultaten
De resultaten worden weergegeven in onderstaand tabel. Aangezien deze maatregel per 1 juni 2006 is ingegaan zal het prijsverhogend effect betrekking hebben op de laatste zeven maanden van 2006 en de eerste vijf maanden van 2007 en zal haar effect pas in 2007 zijn uitgewerkt.

Tabel: Schatting effecten van de wijziging van de invoerrechten op de inflatie

	2006	2007
Scenario 1:		
Direct	1,1	0,8
Indirect	0,5	0,3
Totaal	1,6	1,1
Totale inflatie (exclusief de tariefaanpassing van de invoerrechten) 1]	3,9	2,8
Totale inflatie (inclusief de tariefaanpassing van de invoerrechten) 1]	5,5	3,9
Scenario 2:		
Direct	1,3	0,9
Indirect	0,5	0,4
Totaal	1,8	1,3
Totale inflatie (exclusief de tariefaanpassing van de invoerrechten) 1]	3,9	2,8
Totale inflatie (inclusief de tariefaanpassing van de invoerrechten) 1]	5,7	4,1

Bron: CBA.

1] De verwachte stijgingen van de benzineprijzen en tarieven van water en electriciteit ten gevolge van de verwachte stijgingen van de olieprijzen op de internationale markt zijn hierin verwerkt.

Scenario 1:
Naar schatting zal de desbetreffende tariefaanpassing van de invoerrechten leiden tot een totale prijsstijging van 1,6 procentpunt in 2006. Hiervan wordt geschat dat ongeveer 1,1 procentpunt (68,8 procent) betrekking zal hebben op het directe effect, terwijl het indirecte effect op 0,5 procentpunt (31,3 procent) wordt geschat. Voor 2007 wordt geschat dat het totale effect 1,1 procentpunt zal bedragen, verdeeld over respectievelijk 0,8 procentpunt (72,7 procent) voor het directe effect en 0,3 procentpunt (27,3 procent) voor het indirecte effect. In totaal zal het effect van deze maatregel dus naar schatting 2,7 procent bedragen, waarvan 1,9 procentpunt direct en

0,8 procentpunt indirect. Bijgevolg zal de inflatie in 2006 en 2007 naar schatting uitkomen op respectievelijk 5,5 procent en 3,9 procent.[2]

Scenario 2:
In scenario 2 wordt verondersteld dat de verlagingen van de importtarieven niet aan de consument wordt door berekend, waardoor het effect op de inflatie hoger zal zijn. In 2006 zal naar schatting de aanpassing van de importtarieven tot een totale prijsstijging van 1,8 procentpunt leiden. Hiervan wordt geschat dat ongeveer 1,3 procentpunt (72,2 procent) betrekking zal hebben op het directe effect en 0,5 procentpunt (23,1 procent) op het indirecte effect. Voor 2007 wordt geschat dat het totale effect 1,3 procentpunt zal bedragen, verdeeld over respectievelijk 0,9 procentpunt (69,2 procent) voor het directe effect en 0,4 procentpunt (30,8 procent) voor het indirecte effect. Derhalve zal in totaal het effect van deze maatregel in dit scenario naar schatting 3,1 procentpunt bedragen, waarvan 2,2 procentpunt direct en 0,9 procentpunt indirect. Bijgevolg zal de inflatie in 2006 en 2007 naar schatting uitkomen op respectievelijk 5,7 procent en 4,1 procent.

4. Slotopmerkingen

Bovenbeschreven scenario's duiden derhalve op een additionele prijsstijging voor 2006 en 2007 van tussen 2,7 procent en 3,1 procent. Deze prijsstijgingen zullen niet alleen invloed hebben op de inflatie, maar mogelijk ook op andere indicatoren, zoals het bbp, de werkloosheid, het toerisme, etc. Volledigheidshalve wordt vermeld dat naast deze inflatoire effecten ook rekening dient te worden gehouden met het voornemen van de overheid een soort "salestax" begin 2007 te introduceren en het prijsverhogend effect daarvan. Hierbij is van belang dat de beleidsbepalers ruim van tevoren een duidelijk beeld schtetsen van hun voorgenomen plannen en de mogelijke effecten van dit beleid tijdig en openlijk aan de overige partijen in het economisch verkeer (onder meer het algemeen publiek) kenbaar maken en ter discussie stellen.

Bronnen

Landbesluit, houdende algemene maatregelen, van tot wijziging van artikel 127 van de Landsverordening in-, uit- en doorvoer (AB 2000 no. GT 10) (aanpassingen tarieven invoerrechten).

Landsverordening in-, uit- en doorvoer (AB 2000 no. GT 10).

Ridderstaat, J.R., "The imported and domestic determinants of inflation in Aruba", A Research Paper, April 2004.

[2] Bij de verwachte inflatie van 2007 dient opgemerkt te worden dat deze waarschijnlijk veel hoger zal uitkomen vanwege de geplande invoering van een omzetbelasting per begin januari 2007. Echter, gedetailleerde gegevens terzake ontbreken nog om in dit stadium de effecten hiervan te kwantificeren.

2.2 OPENING ADDRESS BY THE MINISTER OF FINANCE AND ECONOMIC AFFAIRS, THE HONORABLE MR. N.J.J. SWAEN, ON THE OCCASION OF THE 24TH ANNUAL CONFERENCE OF THE CARIBBEAN GROUP OF BANKING SUPERVISORS HELD AT THE WYNDHAM HOTEL, ARUBA FROM MAY 4-6, 2006

President and other members of the Executive Board of the Central Bank of Aruba, Chair of the Caribbean Group of Banking Supervisors, Delegates and distinguished speakers, Ladies and gentlemen,

It gives me great pleasure to welcome you to the XXIV (24th) Annual Conference of the Caribbean Group of Banking Supervisors and to our beautiful "One Happy Island" Aruba. I am also delighted that the Central Bank of Aruba is hosting this important regional conference, which carries as central theme: "The Paradigm Shift of Regulation in the Caribbean Region". An excellent theme in view of the rapid changes that are taking place on an almost continuous basis, not only in the global financial markets but also in our region as well as in the supervisory landscape, posing sizeable challenges to this region.

Allow me to first make some remarks on the importance for the Caribbean Region of conferences like these, after which I will provide you with some general information on Aruba and its economy, our legal and institutional framework with respect to financial sector supervision and the initiatives undertaken or underway to promote Aruba as a premier international financial centre.

I have taken notice of your busy agenda for these two days and must compliment you for the topics chosen. They all seem very relevant and will undoubtedly lead to interesting discussions. Meetings like these are instrumental to keep abreast of the developments that are taking place in the financial markets, to exchange ideas and views on the different supervisory topics, to foster cooperation within our region, to gain a deeper understanding of the complex supervisory and regulatory standards issued by supranational bodies like the Basel Committee on Banking Supervision, and to come up with proposals to translate these standards into laws and regulations that fit our nations.

It is very important for us as a region that we continue or even intensify our dialogue with standard-setting bodies like the Basel Committee on Banking Supervision to foster a better understanding of our financial markets and the way we regulate them. In this respect, the Caribbean Group of Banking Supervisors should continue to play a leading role in bringing the Caribbean perspective under the attention of the different supranational bodies and counteracting the unfortunately still widespread misperception that this region's supervisory systems and approaches are lax compared to those of the industrialized countries and that we are a safe harbor for persons conducting illicit activities or for tax evasion. We should continue to demonstrate with vigilance that this perception is not founded on facts and that, on the contrary, we as a region are willing and committed to comply with the highest standards and best practices in the area of financial regulation and the combating of money laundering and terrorist financing and that we are not in the business of unfair tax competition. On the other hand, there is also an urgent need to level the international playing field. All jurisdictions should be evaluated on the same criteria and not just on the basis of perception.

Aruba has about 100,000 inhabitants. Dutch and Papiamento are the official languages, while English and Spanish are widely spoken. On January 1, 1986, Aruba received its “Status Aparte” and, as a result, became an autonomous country within the Kingdom of the Netherlands, of which The Netherlands and the Netherlands Antilles also form part. Our institutional and political systems are based on the principles of the Dutch parliamentary democracy. The Governor, as the representative of H.M. the Queen, is the head of state.

The Aruban florin is pegged to the U.S. dollar, the currency of our main trading partner, at an exchange rate of one U.S. dollar to 1.79 Aruban florin. This currency peg has served Aruba well and is also the cornerstone of the Central Bank’s monetary policy. In order to maintain this peg, it is necessary to hold sufficient international reserves and to keep inflation in line with that of the USA. Against this background, I fully understand the cautious monetary policy stance of the Central Bank of Aruba over the years, which has been instrumental in creating a sound monetary and macroeconomic environment that is conducive to economic growth.

Just some months before its “Status Aparte”, Aruba went into a severe recession following the closure of the Exxon oil refinery, until then the mainstay of our economy. As a result, domestic output fell by one-third, unemployment rose sharply, and mass emigration occurred, mainly to the Netherlands. With the technical assistance from the IMF, Aruba embarked on a recovery program aimed mainly at developing the tourism industry. This program proved to be very successful. Aruba was able to attract within a relatively short period large, mainly foreign, investments in the tourism sector (partly via tax incentives) and was able to achieve satisfactory growth rates. Since many years Aruba has one of the highest GDP per capita in the region.

The Central Bank of Aruba, established in 1986, is also entrusted with the prudential supervision of the financial sector. At present, it is entrusted with the supervision of banks, insurance companies (life and non-life), company pension funds, and money transfer companies. Its supervisory scope has broadened significantly over the past years. The concept of a single regulator for the financial sector has worked well for Aruba.

The supervisory laws and regulations in Aruba are mainly based on the Dutch laws and regulations in the area of financial sector supervision and the combating of money laundering and terrorist financing. The Dutch Central Bank has always been willing to provide technical assistance to improve our supervisory and anti-money laundering and anti-terrorist financing infrastructure. There is also an intensive cooperation with the colleague-supervisors of the Central Bank of the Netherlands

Antilles. Most of our banks and insurance companies have their regional or main offices in Curaçao, so there is a continuous need for information exchange and cooperation between the Central Bank of Aruba and the Central Bank of the Netherlands Antilles. The globalization and integration of the financial markets in the Caribbean requires us also as a region to intensify cooperation in order to keep our financial markets safe and sound.

The downside of our success in the tourism sector is that Aruba, like some other Caribbean countries, has become very dependent on this sector. An estimated sixty percent of our GDP is attributable to the tourism sector. In 2005, approximately 1.3 million tourists visited Aruba of which 0.7 million were stay-over tourists. About 73 percent of these tourists originate from the USA. Therefore, our economy is very much dependent on the economic developments in that country. This dependence was highly felt in the aftermath of the September 2001 terrorist attacks in the USA, confronting Aruba with negative tourism growth figures. However, Aruba was able to rebound quickly from this setback.

Nonetheless, the vulnerability of our one-sided economy has once again brought a sense of urgency to diversify our economic base. It should also be noticed that already one third of our labor force consists of immigrants, working mainly in the tourism and construction sector. The boom in the labor intensive tourism sector and in the construction sector has attracted many immigrants from neighbouring countries in Latin America and the Caribbean. In this respect it is also interesting to note that in 2005 approximately US$ 55 million was remitted via money transfer companies, mainly by immigrants supporting their families overseas.

The financial sector has been identified as one of the high-potential sectors, taking also into account Aruba's favorable geographic location, its stable political and macroeconomic climate, its excellent infrastructure including outstanding transportation and communication facilities, as well as its well-educated and multilingual work force.

Aruba's international financial services industry is quite modest compared to other more established offshore jurisdictions in this region like The Bahamas, Cayman Islands, and the Netherlands Antilles. Its contribution to GDP has been quite limited so far. There are some 5,000 low-tax offshore companies registered in Aruba. Note, that as a result of the OECD's "harmful tax competition" initiative, Aruba was also forced to amend its tax regime. The so-called ring-fencing articles in the tax laws have been removed, while the Aruba Exempt Company vehicle has been modernized and brought in line with OECD standards. Also, a new vehicle, the so-called Imputation Payment Company ("IPC"), was introduced to promote Aruba as a premier location for reputable international business activities, while other new vehicles that can support in a responsible way the growth of this sector are under consideration.
It should be emphasized that although Aruba is keen to promote its international financial services industry it is also at the same time determined to maintain its reputation by complying with all international standards in the area of financial sector

supervision and combating money laundering and terrorist financing. Our leading principle has always been and will continue to be "Proper supervision will attract proper business".

In this respect, it is also noteworthy to mention that in the context of the Offshore Financial Center Program conducted by the IMF, Aruba was assessed by an IMF mission in 2001/2002 on compliance with the international standards in the areas of financial regulation and money laundering. The mission concluded in its June 2002 report, which can be found on the website of the IMF, that our laws, regulations, and practices are largely compliant with the international standards in subject areas. Nonetheless, they recommended, among other things, to expand the supervisory scope to currently unregulated sectors, including company service providers and insurance brokers. In this respect, I can inform you that a draft act on the supervision of company service providers is being drafted and that the implementation of other supervisory laws is under consideration.

Let me now go back to the main theme of the conference. It is evident that in order to be able to meet the higher global standards in the areas of financial market supervision and the combating of money laundering and terrorist financing our supervisory approaches and systems must be shifted further towards a risk-based approach. This in order to make more effectively use of our scarce resources. In my opinion, the training and the attaining of highly skilled professionals will become even more critical in coming years in order to be able to compete in the global marketplace and to prosper as a nation. We, as a region, should not underestimate the effects of globalization on our economies and must be willing to continuously adapt to new circumstances to remain attractive for investors. As Charles Darwin has stated it so rightly in his famous book on the origin of species "It is not the strongest of the species that survives, nor the most intelligent that survives, but the ones that are most adaptable to change".

To conclude, I wish you all a very fruitful meeting and sincerely hope that you will also have a chance to do some sightseeing on our beautiful "One Happy Island!".

I thank you for your kind attention.

2.3 WELCOME REMARKS ADDRESS BY R. HENRIQUEZ, PRESIDENT OF THE CENTRALE BANK VAN ARUBA, ON THE OCCASION OF THE OPENING OF THE 24TH ANNUAL CONFERENCE OF THE CARIBBEAN GROUP OF BANKING SUPERVISORS HELD AT THE WYNDHAM HOTEL, ARUBA FROM MAY 4-6, 2006

Your excellency Minister of Finance and Economic Affairs, Mr. Nilo Swaen, the chair of the Caribbean Group of Banking Supervisors, Mrs. Catherine Kumar, distinguished delegates, invitees, ladies and gentlemen, on behalf of the Centrale Bank van Aruba, I extend a warm “Bon Bini” to you and wish you a pleasant stay on our beautiful island. We are delighted and honoured that the Centrale Bank van Aruba is hosting the 24th CGBS Annual conference.

At a time when the entire Caribbean region is faced with different challenges induced by international developments, the theme you have selected for this conference, “The Paradigm Shift of Regulation in the Caribbean Region” could not be more appropriate. Supervisors are continuously confronted with a more complex and dynamic financial sector, and therefore, forcing them to look into new ways to cope with these challenges. This conference and its theme provide us with the opportunity to not only discuss issues pertinent to banking and financial market developments within the region, but also to take stock and reflect on what has been achieved thus far and how to move forward amidst the challenges facing us. It constitutes an ideal forum to reassess our regulatory approach and ascertain what needs to be undertaken in order to cope with the abovementioned developments. In this respect, we can make use of the ideas and experiences of our guests from the Basel Committee on Banking Supervision, Office of the Superintendent of Financial Service of Canada, Associacion de Supervisores Bancarios de las Americas, Federal Reserve System, Office of the Comptroller of the Currency, and Caribbean Regional Technical Assistance Centre.

Our borders and financial systems have opened up and are consequently not only exposed to the prospect of greater business opportunities, but also to myriad of risks associated with an integrated global financial market. In this respect, I can mention that misuses of corporate vehicles for money laundering, financing of criminal and terrorist activities pose potential threats to the credibility and integrity of our regional financial system.

Also, we are witnessing the emergence of regional financial conglomerates engaging in all facets of financial activities. This requires more intensive cooperation among the Caribbean supervisors, particularly the exchange of information for regulatory and law enforcement purposes. It requires the regulators be better equipped with the necessary regulatory and supervisory tools in order to ensure that we meet the challenges ahead. International standard setting bodies are also increasingly raising the bar and challenging our supervisory systems to meet these standards. In this regard, regulation and supervision have to be approached from a different perspective.

To conclude, I wish you all a very fruitful conference, and trust that the interaction with your fellow regulators, and guests and the issues that will be discussed at this conference will enlight you in your quest to strengthened the regional financial system.

Finally, I would also like to invite you to the social events organized during this conference and hope you will have some time to enjoy our beautiful island.

Thank you for your attention.

2.4 THE BALANCE OF PAYMENTS OF ARUBA IN 2005

An article by E.E. Matos-Pereira, Economist at the Economic Policy Department

1. Introduction

Aruba has a small open economy that is largely dependent on tourism. It is also highly reliant on merchandise imports as a result of the limited domestic production of goods, while its domestic capital market is quiet small. Because of the latter, foreign capital is used to a great extent to finance large investment opportunities. Consequently, Aruban residents engage in transactions with foreign residents on a daily basis. These economic transactions are recorded in the balance of payments of Aruba. It includes two main accounts, i.e., the current account[1] and the capital and financial account[2]. The combined balance[3] of the current account and the capital and financial account determines the overall balance, which on its turn reflects the change in net international reserves[4].

Because of the size of the oil sector's external transactions compared to the other sectors of the economy, it has been the dominant factor influencing the Aruban balance of payments. Its international transactions are settled primarily via its foreign accounts. Thus, this sector finances its own transactions without interfering with other domestic sectors. Its impact on the overall balance is mainly confined to foreign funds used to cover its local expense obligations. Also, the free-zone sector has usually a minimum effect on the overall balance, because its import payments are largely paid for by its export receipts. Therefore, it is important to focus on the external transactions of the rest of the economy[5], since they have an immediate impact on the underlying trend of the net international reserves of Aruba as well as on the Aruban economy.

In 2005, the balance of payments posted an Afl. 61.2 million deficit, in contrast to an Afl. 19.9 million surplus in 2004 (Table 1), due mainly to a widening of the deficit on the balance of payments of the rest of the economy from Afl. 59 million in 2004 to Afl. 125.8 million. Moreover, the surplus on the balance of payments of the oil sector narrowed by Afl. 17.7 million to Afl. 51.6 million, while the surplus of the free-zone

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[1] This account covers the transactions in goods, services, income and current transfers.

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

[3] Including items not yet classified.

[4] The change in net international reserves is equal to the change in the net foreign assets of the monetary sector, comprising the Centrale Bank van Aruba (the Bank) and the commercial banks, that are presented by the categories increase in official reserves and banking transactions, respectively (see Table 1).

[5] All remaining sectors of the economy after excluding the oil and free-zone sectors.

sector expanded by Afl. 3.4 million to Afl. 13 million. As a result of all these transactions, net foreign assets of the monetary sector contracted to Afl. 596.5 million at the end of 2005, down from Afl. 657.7 million a year earlier.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Current account (net)	574.1	-599.3	-271.8	25.1	-365.1
2. Capital and financial account (net)	-425.1	605.7	170.3	-17.2	266.3
3. Items not yet classified 1)	-19.3	32.6	40.3	12.0	37.6
4. Overall balance (1+2+3)	129.7	39.0	-61.2	19.9	-61.2
a. Oil sector	43.3	73.1	144.0	69.3	51.6
b. Free-zone sector	-13.8	-2.8	11.3	9.6	13.0
c. Rest of economy	100.1	-31.3	-216.5	-59.0	-125.8
- Private sector	141.0	-54.8	-76.1	-61.1	-80.5
- Public sector	-40.9	23.5	-140.4	2.1	-45.3
5. Banking transactions 2)	18.5	32.9	-3.8	-17.1	21.5
6. Increase (-) in official reserves 3)	-148.2	-71.9	65.0	-2.8	39.7

Source: CBA.

1) Including errors and omissions.
2) Minus (-) sign denotes an increase in assets and a decrease in liabilities.
3) Excluding revaluation differences of gold and official foreign exchange holdings.

This article reviews the developments on the various accounts of the balance of payments in 2005, thereby distinguishing the oil sector and the free-zone sector from the rest of the economy. The current account will be discussed in section 2, while the capital and financial account will be reviewed in section 3.

2. Current account

2.1 Total economy

In 2005, the current account (Box A) registered an Afl. 365.1 million deficit compared to an Afl. 25.1 million surplus in 2004 (Table 2). This shift resulted largely

Table 2: Current account
(In Afl. million)

	2001	*2002*	*2003*	*2004*	*2005*
1. Goods and services	764.5	-254.8	-46.5	312.3	677.9
2. Income	-86.3	-222.6	-74.9	-108.1	-818.5
3. Current transfers	-104.1	-122.0	-150.4	-179.2	-224.5
4. Current account (net) (1+2+3)	574.1	-599.3	-271.8	25.1	-365.1
a. Oil sector	621.1	-299.0	64.7	251.1	-58.6
b. Free-zone sector	-15.9	-67.1	12.5	11.9	4.1
c. Rest of economy	-31.1	-233.2	-348.9	-238.0	-310.6
- Private sector	48.6	-112.5	-225.0	-113.2	-188.0
- Public sector	-79.7	-120.7	-123.9	-124.8	-122.6

Source: CBA.

from a strong increase in the deficit on the income account associated with dividend payments by the oil sector, and a rise in the deficit on the current transfers account. Mentioned deficits widened from, respectively, Afl. 108.1 million to Afl. 818.5 million and Afl. 179.2 million to Afl. 224.5 million. The effects of these widening deficits were offset in part by the improvement on the goods and services account. The surplus on this account surged by Afl. 365.6 million to Afl. 677.9 million, due largely to an expansion in net exports of the oil sector.

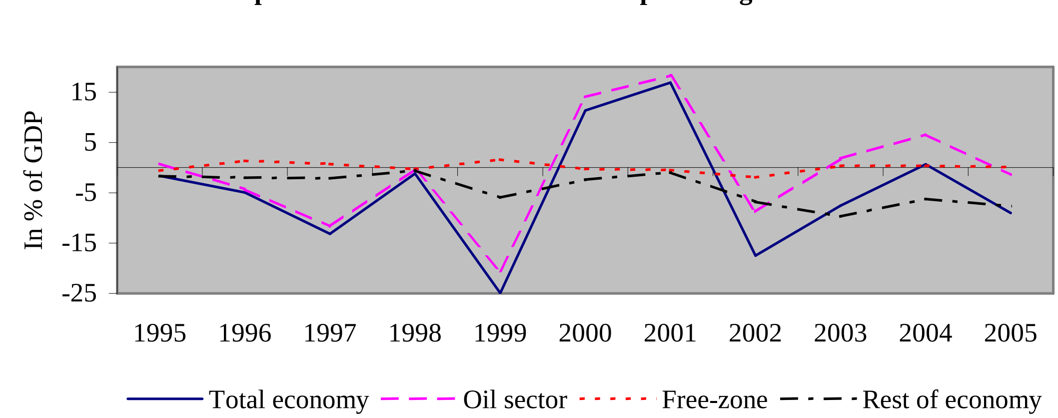
Box A. What is the current account?

The current account of the balance of payments measures the change over time in the sum of the following three accounts:

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

The swing from a current account surplus to a deficit was determined largely by the external transactions of the oil sector (Graph 1). The free-zone sector had only a marginal effect on the current account balance. Noticeably, the current account deficit of the rest of the economy deteriorated significantly in 2005, reaching an amount equal to 7.7 percent of the nominal gross domestic product (GDP). The factors determining the changes in the current account of the various sectors will be discussed in the following subsections.

Graph 1: Current account balance as percentage of GDP



2.2 Oil sector

The current account of the oil sector recorded an Afl. 58.6 million deficit in 2005, in contrast to an Afl. 251.1 million surplus in 2004 (Table 3), largely because of an Afl. 708.9 million income payment to abroad, which comprised mainly dividend payments. Also, the deficits on the services and current transfers accounts worsened by Afl. 153.8 million (36 percent) to Afl. 580.7 million and Afl. 23.5 million (52.1 percent) to Afl. 68.6 million, respectively, reflecting a rise in payments for freight services and freight insurance premiums, which are related directly to the large expansion in the imports of goods. The goods account surplus jumped by Afl. 576.4 million or 79.7 percent, due to rises in both exports and imports of goods of, respectively, Afl. 1,352.4 million (28.3 percent) and Afl. 776 million (19.2 percent), reflecting mainly increased refined product prices and prices of crude oil.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Goods and services	658.5	-271.5	99.8	296.2	718.8
A. Goods	1,030.7	35.5	482.6	723.1	1,299.5
1. Exports f.o.b.	4,142.1	2,513.0	3,559.0	4,771.9	6,124.3
2. Imports f.o.b.	3,111.5	2,477.5	3,076.4	4,048.8	4,824.8
- of which: Goods for processing	2,499.8	1,866.5	2,388.4	3,672.0	4,150.7
B. Services	-372.1	-307.0	-382.9	-426.9	-580.7
1. Receipts	8.1	7.4	8.0	9.9	9.2
2. Payments	380.3	314.4	390.9	436.7	589.9
2. Income	0.0	0.0	-0.4	0.0	-708.9
3. Current transfers	-37.4	-27.5	-34.7	-45.1	-68.6
4. Current account (net) (1+2+3)	621.1	-299.0	64.7	251.1	-58.6
5. Quantity of oil refined (x 1,000 barrels)	64,327	52,383	63,155	77,468	78,236

Source: CBA.

2.3 Free zone

The activities in the free-zone sector strenghtened in 2005. Exports and imports of goods climbed by, respectively, Afl. 13.4 million (18.4 percent) and Afl. 18.9 million (34.3 percent). Because of the much larger increase in imports than exports of goods, the goods account surplus shrank by Afl. 5.5 million to Afl. 12.4 million. As a result of the higher merchandise import payments related freight services payments went up. Consequently, the services account deficit widened further to Afl. 7.4 million, from Afl. 5.3 million in 2004. The current transfers account deficit deteriorated slightly by Afl. 0.3 million. Accordingly, the current account surplus of the free-zone sector fell by Afl. 7.8 million to Afl. 4.1 million (Table 4).

Table 4: Current account of the free-zone sector
(In Afl. million)

	2001	2002	2003	2004	2005
1. Goods and services	0.6	9.4	13.2	12.6	5.1
A. Goods	11.6	15.2	16.4	17.9	12.4
1. Exports f.o.b.	145.8	111.3	82.6	73.0	86.4
2. Imports f.o.b.	134.1	96.1	66.2	55.1	74.0
B. Services	-11.0	-5.8	-3.1	-5.3	-7.4
1. Receipts	4.1	4.5	4.0	0.3	0.1
2. Payments	15.1	10.2	7.1	5.6	7.5
2. Income	-15.9	-75.6	0.0	0.0	0.0
3. Current transfers	-0.6	-1.0	-0.7	-0.6	-0.9
4. Current account (net) (1+2+3)	-15.9	-67.1	12.5	11.9	4.1

Source: CBA.

2.4 Rest of the economy

Again in 2005, and for the fourth consecutive year, the current account of the rest of the economy displayed a large deficit. Compared to 2004, this deficit widened by Afl. 72.6 million (30.5 percent) to Afl. 310.6 million in 2005, equivalent to 7.7 percent of GDP (Table 5). The worsening of the current account in 2005 was caused mainly by an Afl. 83.9 million (6.8 percent) deterioration to Afl. 1,323 million in the deficit on the goods account, due largely to an Afl. 77.7 million (6.1 percent) increase in merchandise import payments associated with higher domestic demand and tourism spending.

Table 5: Current account of the rest of the economy
(In Afl. million)

	2001	2002	2003	2004	2005
1. Goods and services	105.3	7.3	-159.5	3.5	-46.0
A. Goods	-947.3	-1,002.7	-1,115.6	-1,239.1	-1,323.0
1. Exports f.o.b.	50.7	39.1	31.6	30.4	24.3
2. Imports f.o.b.	998.0	1,041.8	1,147.2	1,269.5	1,347.2
B. Services	1,052.6	1,010.0	956.1	1,242.6	1,277.0
1. Receipts	1,756.9	1,772.3	1,861.4	2,229.6	2,340.6
- of which: Tourism	1,450.2	1,465.2	1,512.0	1,881.5	1,960.5
2. Payments	704.2	762.4	905.3	987.0	1,063.6
2. Income	-70.4	-147.0	-74.4	-108.1	-109.6
1. Receipts	89.1	57.6	57.1	62.4	71.2
2. Payments	159.5	204.6	131.5	170.4	180.8
3. Current transfers	-66.1	-93.5	-115.0	-133.5	-155.0
1. Receipts	73.7	62.5	71.8	77.7	89.0
2. Payments	139.8	156.0	186.8	211.2	244.0
- of which: Workers' remittances	65.9	80.5	92.4	89.3	109.9
4. Current account (net) (1+2+3)	-31.1	-233.2	-348.9	-238.0	-310.6

Source: CBA.

Another factor contributing to the further weakening of the current account balance was an Afl. 21.5 million (16.1 percent) rise in the deficit on the current transfers account totaling Afl. 155 million in 2005. The latter expansion was caused by increased workers' remittances to abroad (+ Afl. 20.6 million to Afl. 109.9 million in 2005) and also a larger transfer to the Solidarity Fund (+ Afl. 10.8 million to Afl. 13.8 million in 2005).

Moreover, the deficit on the income account went up slightly by Afl. 1.5 million (1.4 percent) to Afl. 109.6 million as income payments on foreign investments in Aruba grew more than receipts from investments abroad. Income payments rose by Afl. 10.4 million (6.1 percent) to Afl. 180.8 million, due to a rise in dividend and interest payments. Income receipts edged up by Afl. 8.8 million or 14.1 percent to Afl. 71.2 million, reflecting a rise in interest receipts from abroad.

Contrary to the goods, income and current transfers accounts, the services account improved further for the second consecutive year. Its surplus went up by Afl. 34.4 million or 2.8 percent to Afl. 1,277 million. Once again, the tourism sector performed favorably, though growth was more moderate than in the preceding year. The number of stay-over visitors and their nights spent on the island moved up by a small 0.6 percent and 1 percent, respectively, compared to 13.4 percent and 10.6 percent, respectively, in 2004, while cruise tourism contracted by 4.1 percent. Consequently, tourism receipts expanded by Afl. 79 million or 4.2 percent to Afl. 1,960.5 million (2004: + Afl. 369.5 million or 24.4 percent). Also, receipts from business services recorded an Afl. 23.8 million (12.2 percent) upsurge, reflecting mainly an increase in maintenance fees paid by foreign timeshare owners. These higher revenues were offset partly by an Afl. 76.6 million (7.8 percent) increase in services payments abroad, reflecting largely higher outlays for travel and business services by residents.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Goods and services	-56.0	-80.1	-88.9	-84.5	-72.8
A. Goods	-3.9	-4.4	-4.2	-8.3	-6.1
B. Services	-52.1	-75.7	-84.7	-76.2	-66.7
2. Income	-27.2	-32.3	-28.4	-44.4	-46.4
3. Current transfers	3.5	-8.3	-6.6	4.1	-3.4
1. Receipts	8.1	1.2	2.5	7.2	10.8
2. Payments	4.6	9.5	9.1	3.1	14.2
- of which: Solidarity Fund	3.8	9.4	8.8	3.0	13.8
4. Current account (net) (1+2+3)	-79.7	-120.7	-123.9	-124.8	-122.6

Source: CBA.

Through its spending, the government influences the outcome of the current account of the rest of the economy. The current external transactions executed by the government led to an Afl. 122.6 million deficit on the current account of the rest of the economy in 2005 (Table 6). These transactions consisted primarily of payments of interest on foreign loans, tourism promotion, and transfers to government offices abroad.

3. The capital and financial account

3.1 Total economy

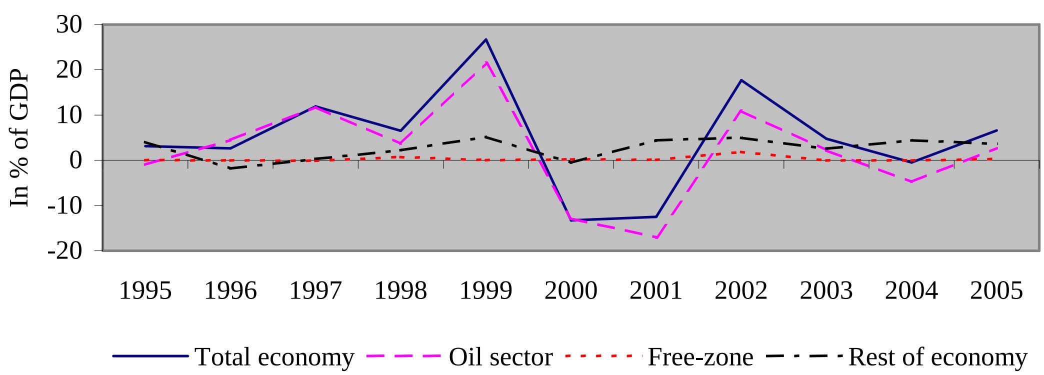
In 2005, the capital and financial account balance (Box B) depicted an Afl. 266.3 million net inflow compared to an Afl. 17.2 million net outflow a year earlier (Table 7). This outcome resulted from an Afl. 233.4 million surplus on the financial account (2004: -Afl. 47.4 million) and an Afl. 32.9 million capital account surplus (2004: +Afl. 30.2 million).

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Capital account (net)	-2.7	38.1	179.1	30.2	32.9
A. Capital transfers	-2.8	40.4	179.0	30.2	32.9
B. Acquisition / disposal of n.p.n.f. assets	0.1	-2.4	0.0	0.0	0.0
2. Financial account (net)	-422.4	567.7	-8.7	-47.4	233.4
A. Direct investment	-468.0	592.0	266.6	260.5	212.1
B. Portfolio investment	74.9	133.3	86.4	71.4	-6.9
C. Financial derivatives	0.0	0.0	0.0	0.0	0.0
D. Other investment	-29.4	-157.6	-361.7	-379.2	28.2
3. Capital and financial account (net) (1+2)	-425.1	605.7	170.3	-17.2	266.3
a. Oil sector	-577.8	372.1	79.4	-181.9	110.3
b. Free-zone sector	2.1	64.3	-1.2	-2.4	8.9
c. Rest of economy	150.6	169.4	92.1	167.0	147.2
- Private sector	111.8	25.2	108.6	40.1	69.9
- Public sector	38.8	144.2	-16.5	126.9	77.3

Source: CBA.

Graph 2: Capital and financial account balance as percentage of GDP



In 2005, as was the case during the course of years, the external financial transactions of the oil sector had a noticeable influence on the outcome of the capital and financial account balance (Graph 2). Also, the free-zone sector contributed to the surplus on the capital and financial account, after registering a deficit for two consecutive years. In addition, the rest of the economy recorded a net inflow on the capital and financial account, eventhough government related net capital inflow fell in 2005 as compared to 2004.

Box B. The capital and financial account

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

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

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

3.2 Oil sector

In 2005, the oil sector withdrew funds from its foreign account deposits to finance largely its current account deficit and local expenses. Consequently, the external

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Capital account (net)	0.0	0.0	0.0	0.0	0.0
2. Financial account (net)	-577.8	372.1	79.4	-181.9	110.3
A. Direct investment	-593.5	422.1	49.8	75.6	-7.6
B. Portfolio investment	0.0	-0.9	-1.5	-0.7	-0.7
C. Financial derivatives	0.0	0.0	0.0	0.0	0.0
D. Other investment	15.7	-49.1	31.0	-256.8	118.5
3. Capital and financial account (net) (1+2)	-577.8	372.1	79.4	-181.9	110.3

Source: CBA.

financial transactions led to an Afl. 110.3 million financial account surplus in contrast to an Afl. 181.9 million deficit in the previous year.

3.3 Free-zone sector

The financial transactions of the free-zone sector with the rest of the world are in general minimal and are related mainly to loans. In 2005, the transactions of the free-zone companies led to an Afl. 8.9 million net capital inflow, reflecting mainly a short-term loan received from abroad, compared to an Afl. 2.4 million net repayments on foreign loans in 2004.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Capital account (net)	0.0	0.0	0.0	0.0	0.0
2. Financial account (net)	2.1	64.3	-1.2	-2.4	8.9
A. Direct investment	0.4	65.9	-0.1	0.0	0.0
B. Portfolio investment	-1.6	0.0	0.0	0.0	0.0
C. Financial derivatives	0.0	0.0	0.0	0.0	0.0
D. Other investment	3.3	-1.6	-1.1	-2.4	8.9
3. Capital and financial account (net) (1+2)	2.1	64.3	-1.2	-2.4	8.9

Source: CBA.

3.4 Rest of the economy

In 2005, the surplus on the capital and financial account of the rest of the economy (excluding the oil and free-zone sectors) contracted by Afl. 19.8 million (11.9 percent)

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Capital account (net)	-2.7	38.1	179.1	30.2	32.9
A. Capital transfers	-2.8	40.4	179.0	30.2	32.9
- General government	0.0	37.4	183.8	30.8	28.3
- Other sectors	-2.8	3.1	-4.8	-0.6	4.6
Migrants' transfers	-2.8	3.1	-4.8	-0.6	4.5
Other	0.0	0.0	0.0	0.0	0.1
B. Acquisition / disposal of n.p.n.f. assets	0.1	-2.4	0.0	0.0	0.0
2. Financial account (net)	153.3	131.3	-86.9	136.8	114.3
A. Direct investment	125.1	104.0	216.8	184.8	219.8
B. Portfolio investment	76.6	134.2	87.8	72.1	-6.2
C. Financial derivatives	0.0	0.0	0.0	0.0	0.0
D. Other investment	-48.4	-106.8	-391.5	-120.1	-99.3
3. Capital and financial account (net) (1+2)	150.6	169.4	92.1	167.0	147.2

Source: CBA.

to Afl. 147.2 million (Table 10), because of an Afl. 22.5 million drop in the surplus on the financial account. The latter reflected a reversal in the portfolio investment account balance, i.e., from an Afl. 72.1 million surplus in 2004 to an Afl. 6.2 million deficit in 2005, which was offset largely by an increase in the direct investment account surplus and a contraction in the other investment account deficit. To get a better understanding of the changes in the financial account of the rest of the economy, the financial transactions of the public (or government) and private sector will be analyzed separately.

The surplus on the capital account expanded slightly to Afl. 32.9 million in 2005. This latter expansion resulted from an Afl. 4.5 million net inflow of migrants' transfers associated with a change of residence compared to an Afl. 0.6 million net outflow in 2004. In contrast, grants received from the Dutch government by the Fondo Desaroyo Aruba (FDA) declined by Afl. 2.5 million to Afl. 28.3 million in 2005.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Direct investment	0.0	0.0	0.0	0.0	0.0
2. Portfolio investment 1)	41.5	109.2	85.9	119.5	54.5
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0
4. Other investment	-2.7	-2.4	-286.2	-23.4	-5.6
- Payment arrears 2)	36.4	36.4	-368.6	0.0	0.0
- Loans received 3)	0.0	26.9	196.9	0.0	97.1
- Repayment (-) on loans 4)	-39.1	-65.7	-114.9	-23.4	-102.7
- Other	0.0	0.0	0.4	0.0	0.0
5. Financial account (net) (1+2+3+4)	38.8	106.8	-200.3	96.1	48.9

Source: CBA.

1) Government debt securities, including private placements.
2) Payment arrears related to the debt assumption in 1992 by the government of loans to SACE of the private sector as a result of the calling of the hotel guarantees. In 2003, negotiations with SACE on these loans culminated in a repayment of part of these loans and the conversion on another part in a long-term loan (see note 3).
3) In 2003, an amount of Afl. 196.9 million (US$ 110 million) was recorded as loans received related to the settlement of the hotel guarantees issue mentioned in note 2.
4) Includes an amount of Afl. 98.5 million (US$ 55 million) as repayment of a loan to SACE in 2003.

In table 11, the external financial transactions of the government (as one part of the rest of the economy) are presented. In 2005, the financial account of the government posted an Afl. 48.9 million surplus (2004: Afl. 96.1 million), largely because of a US$ 93 million (Afl. 166.5 million) bond issue on the international capital market in September 2005. This transaction, recorded in the portfolio investment account, was offset largely by the repayment of three private placements in that same year totaling Afl. 107.4 million (US$ 60 million). Thus, the portfolio surplus came out at Afl. 54.5 million. In contrast, the other investment account showed an Afl. 5.6 million deficit (2004: -Afl. 23.4 million). On the one hand, borrowings by the government totaled Afl. 97.1 million, consisting of an Afl. 16.2 million financial lease claim on the government related to the construction and finance of two buildings ("Warda di Polis Noord" and "Justitie Centrum Santa Cruz") and an Afl. 80.9 million (US$ 45.2 million) bridge loan received in the third quarter of 2005. On the other hand, repayments on loans amounted to Afl. 102.7 million, comprising mainly the repayment of mentioned bridge loan with the proceeds of earlier mentioned bond issue and the yearly repayment of loans from the Dutch government in the amount of Afl. 16.7 million.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Direct investment	125.1	104.0	216.8	184.8	219.8
2. Portfolio investment	35.1	25.0	1.9	-47.4	-60.7
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0
4. Other investment	-45.7	-104.4	-105.3	-96.7	-93.7
5. Financial account (net) (1+2+3+4)	114.5	24.5	113.4	40.7	65.4

Source: CBA.

The foreign financial transactions of the private sector (the other part of the rest of the economy) led to an Afl. 65.4 million net capital inflow in 2005, up from Afl. 40.7 million in 2004 (Table 12), due mainly to an Afl. 35 million (18.9 percent) expansion in net direct investment inflow. Moreover, the other investment account deficit declined by Afl. 3 million (3.1 percent) to Afl. 93.7 million, resulting in a lower net outflow of funds to abroad. In contrast, the portfolio investment deficit expanded by Afl. 13.3 million (28.1 percent) to Afl. 60.7 million, causing a higher net outflow of funds to abroad.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Investment abroad	-2.3	-1.1	-11.1	0.6	-9.0
2. Investment in Aruba	127.3	105.1	227.9	184.2	228.8
- Intercompany debt	15.9	-20.0	59.2	-9.5	14.4
- Other investment 1)	111.5	125.1	168.7	193.7	214.4
3. Direct investment (net) (1+2)	125.1	104.0	216.8	184.8	219.8

Source: CBA.

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

The direct investment surplus widened by Afl. 35 million in 2005 (Table 13). In contrast to 2004, direct investment both abroad and in Aruba increased. The former caused an Afl. 9 million net outflow against an Afl. 0.6 million net inflow in 2004. Direct investment in Aruba expanded by Afl. 44.6 million (24.2 percent) to Afl. 228.8 million, mainly because of an Afl 14.4 million net inflow related to intercompany debt transactions. Moreover, other direct investment in Aruba rose further by Afl.

20.7 million (10.7 percent) to Afl. 214.4 million, reflecting mainly an increase in property sales to nonresidents. Investment in timeshare units by nonresidents declined by 7.6 percent in 2005, but it still continues to be the most important component of other direct investment in Aruba.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Domestic securities	-10.8	-7.6	33.2	-11.0	-16.5
2. Foreign securities	45.9	32.5	-31.3	-36.4	-44.2
- Equity	10.8	-8.0	-33.5	-46.5	-5.4
- Debt securities	36.9	41.0	8.9	5.0	-33.9
- Money market instrument	-1.9	-0.4	-6.8	5.2	-5.0
3. Portfolio investment (net) (1+2)	35.1	25.0	1.9	-47.4	-60.7

Source: CBA.

In 2005, the portfolio investment account of the private sector (excluding the oil and free-zone sectors) exhibited an increased net outflow, i.e., from Afl. 47.4 million in 2004 to Afl. 60.7 million, as Aruban investors purchased, on balance, more foreign securities in 2005, while nonresidents disposed of domestic securities on a net basis (Table 14). Aruban investors purchased foreign securities in the amount of Afl. 44.2 million (2004: Afl. 36.4 million), consisting of Afl. 33.9 million in debt securities (2004: net sale of Afl. 5 million), Afl. 5.4 million in equity securities (2004: Afl. 46.5 million) and Afl. 5 million in money market instruments (2004: net sale of Afl. 5.2 million). Net capital outflow on account of domestic securities rose by Afl. 5.5 million to Afl. 16.5 million.

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

	2001	*2002*	*2003*	*2004*	*2005*
1. Assets	9.6	-72.7	-58.6	-26.9	-28.1
- of which: Currency and deposits	-13.7	-65.8	-45.5	-17.3	-9.3
2. Liabilities	-55.2	-31.7	-46.7	-69.8	-65.5
- of which: Loans	-42.8	-27.1	-32.9	-42.2	-45.0
3. Other investment (net) (1+2)	-45.7	-104.4	-105.3	-96.7	-93.7

Source: CBA.

The net outflow on account of other investments of the private sector fell by Afl. 3 million (3.1 percent) to Afl. 93.7 million in 2005 (Table 15). On the one hand, the net outflows related to liabilities shrank by Afl. 4.3 million to Afl. 65.5 million, despite an Afl. 2.8 million or 6.6 percent increase in net repayments on loans. On the other hand, the net outflow related to assets went up by Afl. 1.2 million or 4.5 percent to Afl. 28.1 million, reflecting mainly a net increase in loans extended to nonresidents which was largely offset by a decrease in net outflow related to balances of resident's foreign bank accounts.

4. Concluding remarks

The balance of payments of Aruba registered an Afl. 61.2 million deficit in 2005, compared to an Afl. 19.9 million surplus in 2004. This outcome was caused largely by the current account deficit of the rest of the economy (i.e., excluding the oil and free-zone sectors), which recorded for the fourth consecutive year a large deficit of 7.7 percent of GDP.

Mentioned huge current account deficits of the rest of the economy in recent years mean that Aruban residents are spending much more than they are earning from domestic production. This spending was driven largely by a strong domestic demand, arising from robust investments and also buoyant government and household consumptive spending.

These large current account deficits are a sign of macroeconomic imbalance. They are unsustainable, as Aruba has to borrow from abroad to finance these deficits thereby increasing its net indebtedness to abroad. To the extent that borrowings are used to finance investments that will contribute to higher output in the future, Aruba will have no problem servicing its debt obligations in the future. However, when the proceeds from borrowings are used for consumption purposes, these spending will not generate higher output in the future, but will instead be there the next year to be financed again by other borrowings. This regards in particular the net capital inflows of the government sector which are used primarily to finance its consumptive spending. Consequently, to correct this vicious circle, current and future generations would have to consume less of their income in order to settle the ensuing repayment and interest obligations of these borrowings, thereby downscaling their living standards to more appropriate levels.

Moreover, the sizable current account deficits of the rest of the economy has weakened Aruba’s international reserve position. At the end of 2005, the end-of-period non-oil merchandise import coverage ratio stood at 4.7 months of imports (2004: 5.5 months), while the current account coverage ratio recorded 2.6 months (2004: 3 months). In recent years, in particular 2003 and 2005, external transactions of the rest of the economy have led to a net outflow of foreign reserves. An adequate level of foreign reserves is necessary because of the high dependency on imports and also because of the increased public debt service obligations.

Given above-mentioned risks, steps should be taken on a short term to prevent expanding current account deficits in the future. In this regard, the government has an important role to play by tightening its fiscal stance.

3. Statistical annex

Statistical annex
Contents

TABLE 1.1: GROSS DOMESTIC PRODUCT

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. GDP at market prices (= A + B + C - D) 1)	2,364	2,470	2,742	2,981	3,084	3,327	3,399	3,421	3,599	3,819	4,041
A. Final consumption	1,665	1,818	2,014	2,155	2,276	2,396	2,517	2,698	2,847	3,024	
1. Household	1,193	1,320	1,367	1,500	1,602	1,664	1,712	1,800	1,908	2,015	
2. Government	472	498	647	655	674	731	805	899	939	1,009	
B. Gross capital formation	735	703	830	945	952	818	763	798	985	1,129	
1. Private	613	589	702	812	858	759	715	744	896	1,059 2)	
2. Public	56	58	71	40	41	28	28	22	50	70	
3. Changes in inventories	66	56	56	93	53	31	20	32	39		
C. Exports of goods and services	2,007	2,140	2,263	2,374	2,465	2,476	2,467	2,370	2,346	2,454	
D. Imports of goods and services	2,044	2,191	2,365	2,493	2,610	2,363	2,348	2,445	2,578	2,788	
2. Consumer price index (1995 = 100)	100.0	103.2	106.3	108.3	110.8	115.3	118.6	122.5	126.9	130.1	134.5
3. Real gross domestic product	2,364	2,394	2,580	2,752	2,783	2,887	2,866	2,793	2,836	2,936	3,004
4. GDP growth (in percent)											
A. Nominal	6.0	4.5	11.0	8.7	3.5	7.9	2.2	0.7	5.2	6.1	5.8
B. Real	2.5	1.3	7.8	6.7	1.1	3.7	-0.7	-2.6	1.5	3.5	2.4
5. Mid-year population	79,805	83,022	86,302	88,452	89,659	90,600	91,870	93,311	95,076	97,658	100,629
6. GDP per capita											
A. In Afl.	29,618	29,753	31,775	33,696	34,395	36,721	36,995	36,665	37,856	39,106	40,157
B. In US$	16,547	16,622	17,751	18,825	19,215	20,514	20,667	20,483	21,149	21,847	22,434
C. Percentage change	3.1	0.5	6.8	6.0	2.1	6.8	0.7	-0.9	3.2	3.3	2.7

1) Figures for 2003 and 2005 are preliminary estimates of the CBA. Figure for 2004 is a preliminary estimate by IMF.
2) Includes "Changes in inventories".

Source: CBS; CBA; IMF.

TABLE 1.2A: BUSINESS PERCEPTION RESULTS

Survey questionnaire responses

	Improvement 2005 II	III	IV	2006 I	No change 2005 II	III	IV	2006 I	Worsening 2005 II	III	IV	2006 I
	(as a percentage of the total)											
A. Current economic conditions	**46**	**34**	**34**	**21**	**46**	**49**	**43**	**40**	**8**	**17**	**23**	**40**
1. The economic conditions in Aruba	50	27	23	6	47	58	34	36	3	15	43	58
2. The activities of your business	63	42	51	31	29	42	20	31	8	15	29	39
3. The investments of your business	40	30	31	22	53	55	54	50	8	15	14	28
4. The number of employees that work for your company	32	36	31	25	55	39	63	42	13	24	6	33
B. Expected short-term economic conditions 1)	**43**	**31**	**21**	**23**	**55**	**55**	**51**	**41**	**3**	**14**	**29**	**36**
1. The economic conditions in Aruba	45	27	14	17	55	55	49	25	0	18	37	58
2. The activities of your business	50	39	23	28	47	49	51	33	3	12	26	39
3. The investments of your business	47	36	26	25	50	49	43	56	3	15	31	19
4. The number of employees that work for your company	29	21	20	22	66	70	60	50	5	9	20	28

1) During the next 6 months.

Business perception indices

		Current	Short-term	Business perception index
2002		98.4	102.4	100.3
2003		103.9	107.1	105.4
2004		106.6	107.2	106.9
2005		103.3	99.6	101.6
2005	I	106.5	108.5	107.3
	II	107.1	108.8	107.9
	III	103.2	103.9	103.5
	IV	102.0	98.4	100.3
2006	I	96.9	97.8	97.3

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

	Employment 2005 II	III	IV	2006 I	Operational results: Profits 2005 II	III	IV	2006 I	Operational results: Losses 2005 II	III	IV	2006 I	Sales 2005 II	III	IV	2006 I	Average wage costs 2005 II	III	IV	2006 I
1. no change	42	33	49	44	16	24	20	22	3	9	9	3	13	15	20	22	8	21	17	22
2. increase of less than 5.1 percent	21	30	29	17	16	30	23	8	3	0	0	3	24	27	26	8	50	52	60	53
3. increase between 5.1 and 10.1 percent	16	15	11	11	18	12	9	11	0	0	0	0	24	24	23	19	29	15	14	17
4. increase of more than 10.1 percent	5	0	3	0	16	9	11	14	3	0	3	3	29	15	9	14	8	6	6	0
5. decrease of less than 5 percent	8	18	6	19	5	6	14	3	0	3	3	3	5	18	14	14	3	3	3	0
6. decrease between 5.1 and 10.1 percent	0	3	3	8	3	0	3	6	0	0	0	0	0	0	3	6	3	0	0	3
7. decrease of more than 10.1 percent	8	0	0	0	13	6	3	17	5	0	3	8	5	0	6	17	0	3	0	6
Total	**100**	**100**	**100**	**100**	**87**	**88**	**83**	**81**	**13**	**12**	**17**	**20**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

1) In percentages of all respondents.

Source: CBA

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

	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. Index current economic condition	98	104	107	103	105	105	107	105	107	107	103	102	97
a. Manufacturing (excl. manufacture of refined petroleum products)	95	110	110	90	110	105	110	110	110	110	110	110	95
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	105	106	90	100	100	110	103	103	102	100	100	90
c. Construction	107	105	101	108	90	101	108	102	105	108	101	108	106
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	101	108	106	102	98	105	102	100	105	103	104	102
e. Hotels and restaurants	93	101	108	103	106	104	106	108	108	106	104	103	95
f. Transport, storage and communication	98	101	101	98	106	103	103	101	104	100	92	96	93
g. Financial intermediation	103	106	107	110	107	110	110	108	110	110	108	108	103
h. Real estate and other business activities	99	104	105	104	106	107	107	104	104	108	105	97	97
i. Health, other community and personal service activities	98	108	110	100	108	109	109	110	110	110	96	96	91
2. Index short-term future economic condition	102	107	107	100	108	108	108	108	108	109	104	98	98
a. Manufacturing (excl. manufacture of refined petroleum products)	90	110	100	90	100	110	110	100	110	110	100	90	90
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	100	105	110	100	110	100	105	110	100	90	110	100
c. Construction	110	110	108	110	110	98	110	108	100	110	90	110	110
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	104	102	106	108	108	108	107	107	108	106	107	95
e. Hotels and restaurants	99	106	110	90	110	109	108	110	108	110	110	90	94
f. Transport, storage and communication	99	108	107	93	106	107	108	107	102	104	93	93	98
g. Financial intermediation	110	110	110	105	110	110	110	110	110	110	110	107	106
h. Real estate and other business activities	104	107	106	105	106	107	107	104	104	108	105	97	97
i. Health, other community and personal service activities	97	108	110	93	108	109	109	110	110	110	96	96	91
3. Business Perception Index	100	105	107	102	106	106	108	107	107	108	103	100	97
a. Manufacturing (excl. manufacture of refined petroleum products)	93	110	110	90	110	107	110	110	110	110	110	100	93
b. Electricity, gas and water supply, manufacture of refined petroleum products	110	103	106	100	100	103	110	104	105	101	90	110	90
c. Construction	108	106	105	109	100	100	108	104	105	108	97	109	108
d. Wholesale and retail trade, repair of motor vehicles and household goods	90	102	105	106	105	102	107	103	103	106	105	105	98
e. Hotels and restaurants	96	103	109	96	107	106	107	109	108	109	108	97	95
f. Transport, storage and communication	98	105	103	95	106	105	105	103	103	103	93	95	95
g. Financial intermediation	107	108	109	108	108	110	110	109	110	110	109	108	105
h. Real estate and other business activities	101	106	105	105	106	107	107	105	107	109	106	100	99
i. Health, other community and personal service activities	97	108	110	97	109	109	109	110	110	110	99	93	91

Source: Centrale Bank van Aruba

TABLE 1.3: PARTIAL ECONOMIC ACTIVITY INDEX 1)

Period average	*Share in GDP (in percent)*	2001	2002	2003	2004	2003 I	II	III	IV	2004 I	II	III	IV	2005 I	II	III
Total index	*71.3*	-1.2	-3.2	1.3	3.3	1.3	0.1	2.2	1.5	2.2	4.5	1.3	5.0	5.1	5.2	1.8
a. Utilities	*4.1*	5.0	1.0	1.9	0.5	6.7	2.6	-3.1	1.9	-7.1	5.7	3.3	0.5	6.7	4.1	6.9
b. Construction	*8.6*	-3.3	-8.9	11.4	-8.6	29.3	28.9	-1.1	-0.5	-14.6	-14.5	-15.9	14.5	27.6	33.2	28.1
c. Trade	*14.2*	-12.6	-2.1	-4.4	3.4	-3.3	-13.3	0.1	-1.4	2.4	8.5	-1.3	4.0	0.3	-1.3	-6.6
d. Hotels and restaurants	*10.5*	-1.2	-5.6	4.1	10.2	-1.6	0.3	9.9	8.0	12.5	15.3	5.0	8.6	9.1	3.4	-2.3
e. Transport, storage & communication	*8.2*	-3.9	-0.3	-2.2	9.1	-4.7	-7.8	0.8	2.9	3.3	11.9	14.9	7.5	3.2	1.5	-10.1
f. Housing	*12.6*	3.4	2.8	2.5	2.6	2.3	2.8	2.5	2.6	2.7	2.5	2.6	2.6	2.8	2.9	3.6
g. Public adm. & education	*13.1*	7.3	-8.0	0.1	1.8	-0.7	0.5	2.7	-1.9	3.5	1.7	1.2	1.1	-0.2	4.8	2.1

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

Source: CBS.

TABLE 1.4: TOURISM

period		Total visitor nights	Total visitors	Visitors by origin							Average nights stayed	Average hotel occupancy rate	Cruise tourism	
				North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Nether-lands	Other			Number of passengers	Ship calls
		(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*	*(11)*	*(12)*	*(13)*
2002		4,862,548	642,627	454,261	436,660	117,568	81,665	43,980	27,992	26,818	7.6	71.9	582,195	337
2003		5,097,571	641,906	481,684	464,466	77,219	54,554	54,711	36,415	28,292	7.9	74.4	542,327	315
2004		5,639,869	728,157	555,693	535,133	84,455	59,218	60,428	38,122	27,581	7.7	80.7	576,320	318
2005		5,694,501	732,514	556,798	535,448	87,169	59,928	63,181	38,667	25,366	7.8	81.7	552,819	311
2004	I	1,446,513	177,098	143,778	135,565	13,606	8,620	13,331	9,725	6,383	8.2	84.5	185,161	100
	II	1,301,935	178,144	139,269	135,623	17,967	12,063	13,892	8,570	7,016	7.3	77.3	113,236	53
	III	1,458,733	190,803	134,488	131,280	31,857	24,165	16,646	9,767	7,812	7.6	80.9	81,210	37
	IV	1,432,688	182,112	138,158	132,665	21,025	14,370	16,559	10,060	6,370	7.9	80.0	196,713	128
2005	I	1,574,890	200,868	163,443	155,375	16,934	11,266	15,218	9,315	5,273	7.8	88.1	190,659	108
	II	1,345,904	183,048	145,084	140,990	16,530	10,644	14,998	9,581	6,436	7.4	80.7	112,234	64
	III	1,423,423	180,920	124,478	120,709	32,653	24,392	16,774	9,940	7,015	7.9	79.6	56,245	42
	IV	1,350,284	167,678	123,793	118,374	21,052	13,626	16,191	9,831	6,642	8.1	77.9	193,681	97
2006	I	1,408,268	170,338	136,580	127,972	14,850	8,971	13,736	9,058	5,172	8.3	84.4	209,450	102

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

TABLE 1.5: GROWTH IN STAY-OVER TOURISM

period		Total visitor nights	Total visitors	North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Nether-lands	Other
		(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*
					Quarterly percentage changes 1)					
2004	I	13.1	14.0	14.5	13.5	-5.6	4.3	32.8	33.9	20.3
	II	14.7	18.5	21.5	21.2	12.0	4.7	9.4	2.9	0.9
	III	7.2	11.6	14.3	14.4	11.9	9.7	4.1	-1.5	-11.7
	IV	8.3	10.2	11.6	12.1	14.9	12.8	3.6	-7.8	-11.3
2005	I	8.9	13.4	13.7	14.6	24.5	30.7	14.2	-4.2	-17.4
	II	3.4	2.8	4.2	4.0	-8.0	-11.8	8.0	11.8	-8.3
	III	-2.4	-5.2	-7.4	-8.1	2.5	0.9	0.8	1.8	-10.2
	IV	-5.8	-7.9	-10.4	-10.8	0.1	-5.2	-2.2	-2.3	4.3
2006	I	-10.6	-15.2	-16.4	-17.6	-12.3	-20.4	-9.7	-2.8	-1.9
					Cumulative percentage changes 2)					
2004	I	13.1	14.0	14.5	13.5	-5.6	4.3	32.8	33.9	20.3
	II	13.8	16.2	17.8	17.2	3.7	4.5	19.8	17.3	9.3
	III	11.4	14.6	16.7	16.3	7.7	7.3	13.3	10.0	0.5
	IV	10.6	13.4	15.4	15.2	9.4	8.5	10.4	4.7	-2.5
2005	I	8.9	13.4	13.7	14.6	24.5	30.7	14.2	-4.2	-17.4
	II	6.3	8.1	9.0	9.3	6.0	5.9	11.0	3.3	-12.6
	III	3.3	3.4	3.7	3.6	4.2	3.2	7.1	2.8	-11.7
	IV	1.0	0.6	0.2	0.1	3.2	1.2	4.6	1.4	-8.0
2006	I	-10.6	-15.2	-16.4	-17.6	-12.3	-20.4	-9.7	-2.8	-1.9

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

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

		Total index	Food	Beverage & tobacco	Clothing & footwear	Housing	House-keeping & furnishing	Health	Transport & communi-cation	Recreation & educa-tion	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)*
2002		107.7	107.3	106.4	116.4	110.2	109.5	100.0	101.5	105.3	106.2
2003		110.1	111.2	106.8	122.2	111.7	111.9	100.0	103.3	107.0	107.9
2004		113.2	115.4	107.7	125.5	114.9	114.1	100.0	106.8	109.7	109.6
2005		117.5	120.1	109.1	125.4	127.5	115.6	100.0	106.8	112.9	112.2
2004	I	111.1	113.0	107.1	122.8	112.1	112.1	100.0	104.7	108.5	108.4
	II	112.5	113.7	106.8	124.1	114.7	112.8	100.0	106.9	109.3	108.9
	III	112.7	114.4	107.0	125.8	114.6	113.5	100.0	106.2	109.7	109.2
	IV	113.2	115.4	107.7	125.5	114.9	114.1	100.0	106.8	109.7	109.6
2005	I	113.6	116.8	108.4	124.9	115.3	114.4	100.0	107.1	109.9	109.9
	II	116.2	117.3	108.3	124.8	123.3	115.0	100.0	108.8	112.2	111.3
	III	116.9	118.9	109.0	125.3	123.6	115.3	100.0	110.1	112.6	111.8
	IV	117.5	120.1	109.1	125.4	127.5	115.6	100.0	106.8	112.9	112.2
2006	I	118.5	120.5	109.3	126.8	130.0	115.8	100.0	107.5	113.5	112.8

Source: CBS.

TABLE 1.7: PERCENTAGE PRICE CHANGES

(August 1994 = 100)

(September 2000 = 100)

End of period		All groups index	Percentage change: Over previous month	Over 3 months earlier	Over a year earlier	Last 12 months over previous 12 months
2002		107.7	0.1	0.9	4.2	3.3
2003		110.1	0.2	0.3	2.2	3.6
2004		113.2	-0.6	0.4	2.8	2.5
2005		117.5	-0.4	0.5	3.8	3.4
2004	I	111.1	0.4	0.9	1.5	2.8
	II	112.5	0.9	1.3	3.0	2.4
	III	112.7	0.0	0.2	2.6	2.3
	IV	113.2	-0.6	0.4	2.8	2.5
2005	I	113.6	0.1	0.4	2.3	2.7
	II	116.2	0.3	2.3	3.3	3.0
	III	116.9	0.1	0.6	3.7	3.2
	IV	117.5	-0.4	0.5	3.8	3.4
2006	I	118.5	-0.2	0.9	4.3	3.9

TABLE 1.8: CONSTRUCTION ACTIVITIES

	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. Number of construction permits granted	1,185	1,269	1,474	1,584	432	338	348	356	342	375	442	425	277
a. Houses 1)	852	774	1,034	1,092	325	205	234	270	254	249	301	288	179
b. Apartments	42	22	17	25	2	6	7	2	6	4	3	12	5
c. Office buildings	10	12	16	15	6	5	3	2	2	7	4	2	2
d. Stores and shopping malls 2)	25	29	25	25	9	6	4	6	6	9	7	3	8
e. Others	256	432	382	427	90	116	100	76	74	106	127	120	83
2. Total value of construction permits (x Afl. million)	229.4	243.9	207.1	283.2	64.6	42.1	66.1	34.3	55.0	126.2	47.6	54.4	78.0
a. Houses 1)	79.7	92.6	97.0	113.7	31.0	19.2	21.7	25.1	25.3	27.8	29.8	30.7	23.4
b. Apartments	18.1	6.9	23.5	5.0	0.3	1.0	21.5	0.6	0.4	0.3	0.4	3.8	1.4
c. Office buildings	15.4	4.4	15.9	10.1	7.8	2.4	5.6	0.1	0.8	3.1	4.0	2.2	0.7
d. Stores and shopping malls 2)	15.2	16.1	25.4	17.4	12.4	5.8	4.4	2.9	2.4	10.2	3.6	1.2	8.0
e. Others	101.1	123.9	45.3	137.0	13.1	13.7	12.8	5.6	26.0	84.8	9.8	16.4	44.5
3. Total cement imported (x 1,000 Kg)	47,643	64,497	59,675	88,719	9,335	11,398	17,958	20,985	13,784	12,256	17,991	44,687	10,773
4. Number of electrical installations approved	2,628	3,021	2,541	2,763	526	596	673	746	558	722	783	700	489
a. Houses 1)	667	735	721	857	157	142	166	256	189	250	186	232	101
b. Apartments	206	257	264	258	36	83	76	69	73	37	84	64	29
c. Enterprises	151	267	372	296	61	82	128	101	44	81	85	86	38
d. Others	1,604	1,762	1,184	1,352	272	289	303	320	252	354	428	318	321

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

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

TABLE 1.9: UTILITIES

	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. a. Water (x 1,000 m3) 1)	11,374	11,718	11,438	11,399	2,709	3,038	2,972	2,720	2,829	2,935	3,016	2,619	2,799
b. Connected premises	31,952	32,786	33,626	34,905	32,979	33,225	33,439	33,626	33,914	34,198	34,650	34,905	35,145
2. a. Electricity (x 1,000 KWH)	692,813	701,577	729,790	759,336	170,909	182,511	190,588	185,781	174,468	196,073	201,263	187,532	175,111
b. Connections	38,051	39,004	39,806	40,765	39,113	39,280	39,412	39,806	39,779	40,024	40,357	40,765	40,770
c. Number of users	33,909	34,802	35,733	36,737	34,958	35,220	35,368	35,733	35,828	36,081	36,420	36,737	36,892
3. a. Gas (x 1,000 pounds)	17,795	18,221	18,898	19,133	4,513	4,553	4,647	5,184	4,689	4,700	4,615	5,129	4,692
b. Household	7,337	7,342	7,393	7,416	1,689	1,764	1,767	2,173	1,599	1,802	1,767	2,248	1,707
c. Commercial	10,458	10,879	11,505	11,717	2,824	2,789	2,880	3,012	3,090	2,898	2,848	2,880	2,985
4. Utilities index 2)	128.4	130.9	133.4	137.3	125.5	135.8	138.8	133.9	129.2	141.4	145.0	134.1	129.4

1) Sale of water, excluding to Coastal Aruba Refining Co. N.V., Valero Aruba Refining Co. N.V., and vessels.
2) For annual data, base: 1996 = 100
For quarterly data, base: quarterly average 1996 = 100

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

TABLE 1.10: MERCHANDISE FOREIGN TRADE BY COUNTRY

	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. Export of goods (f.o.b.)	62.1	35.9	40.2	43.5	10.3	11.6	10.6	7.7	7.9	12.8	10.5	12.2	8.8
a. United States	25.2	13.0	14.4	21.1	3.9	4.1	3.7	2.8	2.3	8.3	2.8	7.7	3.8
b. Colombia	4.9	0.9	1.7	1.7	0.1	0.3	0.7	0.5	0.8	0.3	0.2	0.4	0.6
c. The Netherlands	6.3	6.6	6.9	6.7	0.9	1.9	3.0	1.0	1.1	1.1	3.4	1.1	0.8
d. Netherlands Antilles	9.2	7.0	8.1	9.2	2.1	2.6	1.6	1.8	2.4	2.0	2.7	2.2	1.7
e. Venezuela	12.4	2.6	3.7	1.8	1.1	1.1	0.6	0.9	0.5	0.3	0.5	0.4	0.5
f. Other countries	4.2	5.8	5.4	3.0	2.2	1.6	0.9	0.7	0.9	0.7	0.9	0.5	1.5
2. Import of goods (c.i.f.)	1,364.4	1,417.9	1,476.8	1,703.7	350.4	346.7	340.4	439.2	361.3	387.7	417.7	537.1	464.6
a. United States	825.5	836.5	869.1	1,029.7	206.8	213.2	193.2	255.8	213.7	229.3	246.8	340.0	286.2
b. The Netherlands	172.4	180.6	204.8	199.0	54.6	43.8	50.8	55.6	47.8	49.7	52.5	49.0	46.7
c. Netherlands Antilles	45.0	46.5	44.3	47.3	8.8	10.5	11.0	14.0	9.0	11.9	10.3	16.1	9.5
d. Venezuela	40.8	45.5	50.2	47.5	11.6	11.4	13.9	13.4	10.7	10.9	12.9	12.9	10.0
e. Japan	35.5	38.3	36.7	36.0	9.7	9.3	7.4	10.3	6.4	9.6	10.6	9.4	12.5
f. Other countries	245.1	270.6	271.7	344.3	59.0	58.5	64.2	90.0	73.7	76.4	84.6	109.6	99.7
3. Trade balance	-1,302.3	-1,381.9	-1,436.5	-1,660.2	-340.1	-335.1	-329.8	-431.5	-353.3	-374.9	-407.2	-524.9	-455.7

Source: CBS.

TABLE 1.11: MERCHANDISE FOREIGN TRADE BY PRODUCT CATEGORY

	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. Export of goods (f.o.b.)	62.1	35.9	40.2	43.5	10.3	11.6	10.6	7.7	7.9	12.8	10.5	12.2	8.8
a. Live animals and other animal products	17.6	2.4	2.6	1.6	0.3	1.1	0.4	0.8	0.4	0.3	0.5	0.4	0.2
b. Transport equipment	3.2	3.0	3.5	3.2	1.2	1.1	0.8	0.4	0.6	0.7	1.2	0.7	0.5
c. Art objects and collectors' items	8.4	7.9	7.5	7.1	1.9	2.0	2.8	0.8	0.8	1.6	3.6	1.2	1.1
d. Machinery and electrotechnical equipment	11.1	6.7	5.4	12.2	1.4	1.0	0.9	2.0	1.1	4.7	1.2	5.1	1.2
e. Other goods	21.8	16.0	21.3	19.5	5.5	6.4	5.7	3.7	5.0	5.6	4.1	4.8	5.8
2. Import of goods (c.i.f.)	1,364.4	1,417.9	1,476.8	1,703.7	350.4	346.7	340.4	439.2	361.3	387.7	417.7	537.1	464.6
a. Live animals and other animal products	90.8	86.3	94.7	98.5	23.1	21.5	24.3	25.9	24.8	25.0	22.9	25.9	28.3
b. Food products	146.6	155.8	168.9	176.3	37.7	41.6	40.9	48.8	38.5	45.5	42.9	49.4	43.2
c. Chemical products	164.6	146.5	158.6	163.1	36.1	41.7	37.9	42.9	37.0	40.6	39.8	45.8	48.2
d. Base metals and derivated works	103.7	122.0	104.6	169.8	22.2	26.4	28.3	27.7	28.5	26.8	40.6	73.9	48.2
e. Machinery and electrotechnical equipment	250.1	266.6	234.1	315.7	55.1	64.7	46.5	67.9	59.8	68.5	82.4	105.1	99.5
f. Transport equipment	119.2	120.0	134.2	146.3	39.5	30.8	26.7	37.1	31.1	35.7	40.4	39.1	40.8
g. Other goods	489.5	520.6	581.6	633.9	136.7	120.1	135.8	188.9	141.7	145.7	148.7	197.9	156.4
3. Trade balance	-1,302.3	-1,381.9	-1,436.5	-1,660.2	-340.1	-335.1	-329.8	-431.5	-353.3	-374.9	-407.2	-524.9	-455.7

Source: CBS.

TABLE 1.12: OIL REFINING

	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. Export of refined oil (x Afl. million)	1,990	3,202	5,284	7,786	1,051	1,183	1,449	1,601	1,746	1,621	2,266	2,153	1,955
2. Import of crude oil (x Afl. million)	1,789	2,670	4,267	5,910	884	1,073	1,228	1,081	1,160	1,453	1,804	1,494	1,432
3. Quantity of oil refined (x 1,000 barrels)	52,383	63,155	77,468	78,236	18,984	19,217	19,559	19,708	19,830	18,244	20,015	20,147	13,806
4. Number of employees (at end of period) 1)	672	662	654	696	668	665	662	654	669	669	686	696	702

1) Excluding persons employed with contractors.

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

TABLE 2.1: MONETARY SURVEY

End of period	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
I. Net domestic assets	**1,334.6**	**1,576.3**	**1,627.6**	**1,830.1**	**1,596.5**	**1,529.0**	**1,573.8**	**1,627.6**	**1,697.6**	**1,772.7**	**1,780.7**	**1,830.1**	**1,808.5**
A) Domestic credit	1,702.9	1,921.4	2,038.5	2,253.0	1,973.5	1,921.7	1,973.3	2,038.5	2,109.8	2,179.3	2,174.9	2,253.0	2,240.8
1) Net claims on public sector	-61.9	-42.6	-21.3	1.4	0.5	-53.9	-49.1	-21.3	-9.9	29.4	-32.0	1.4	-36.6
a) Gross claims	81.4	84.2	92.1	150.7	84.3	84.4	91.7	92.1	102.1	143.6	109.3	150.7	111.0
b) Government's deposits	-72.4	-47.6	-12.7	-31.2	-9.5	-73.7	-36.7	-12.7	-16.1	-18.3	-18.6	-31.2	-32.0
c) Development funds	-71.0	-79.2	-100.7	-118.1	-74.3	-64.6	-104.1	-100.7	-96.0	-95.9	-122.7	-118.1	-115.6
2) Claims on private sector	1,764.8	1,964.0	2,059.8	2,251.6	1,973.0	1,975.6	2,022.4	2,059.8	2,119.7	2,149.9	2,206.8	2,251.6	2,277.4
a) Enterprises	836.2	926.2	952.4	967.0	907.6	904.9	928.9	952.4	928.6	946.2	950.6	967.0	982.2
b) Individuals	900.3	984.2	1,065.4	1,234.9	1,012.7	1,019.3	1,050.1	1,065.4	1,150.7	1,165.1	1,204.5	1,234.9	1,248.6
1) Consumer credit	409.3	434.6	478.8	525.2	450.0	458.8	470.1	478.8	480.8	486.0	507.6	525.2	522.9
2) Housing mortgages	491.1	549.6	586.6	709.7	562.8	560.5	580.0	586.6	669.9	679.1	696.9	709.7	725.7
c) Other	28.3	53.7	42.0	49.7	52.6	51.5	43.4	42.0	40.4	38.7	51.7	49.7	46.7
B) Other items, net	-368.3	-345.1	-410.9	-422.8	-377.0	-392.8	-399.6	-410.9	-412.2	-406.6	-394.2	-422.8	-432.3
II. Net foreign assets	**699.0**	**637.9**	**657.7**	**596.5**	**668.9**	**730.1**	**680.7**	**657.7**	**705.5**	**642.9**	**658.5**	**596.5**	**633.5**
A) Centrale Bank van Aruba	611.4	546.4	549.2	509.5	567.4	638.0	610.3	549.2	636.7	623.6	617.1	509.5	563.1
B) Commercial banks	87.6	91.4	108.5	87.1	101.5	92.1	70.4	108.5	68.9	19.3	41.4	87.1	70.5
III. Broad money	**2,033.6**	**2,214.1**	**2,285.3**	**2,426.7**	**2,265.3**	**2,259.1**	**2,254.5**	**2,285.3**	**2,403.1**	**2,415.7**	**2,439.2**	**2,426.7**	**2,442.1**
A) Money	844.5	933.2	960.8	965.0	969.7	974.4	947.8	960.8	1,059.6	1,048.9	1,023.7	965.0	1,001.9
B) Quasi-money	1,189.1	1,280.9	1,324.5	1,461.7	1,295.6	1,284.6	1,306.7	1,324.5	1,343.5	1,366.7	1,415.5	1,461.7	1,440.1

TABLE 2.2: COMPONENTS OF BROAD MONEY

End of period		Currency			Demand deposits			Money	Other deposits					Treasury bills	Quasi-money	Broad money
		Issued	At banks	Outside banks	Afl.	Foreign currency	Total		Savings		Time		Total			
									Afl.	Foreign currency	Afl.	Foreign currency				
		(1)	*(2)*	*(3= 1-2)*	*(4)*	*(5)*	*(6= 4+5)*	*(7= 3+6)*	*(8)*	*(9)*	*(10)*	*(11)*	*(12= 8+9+10+11)*	*(13)*	*(14= 12+13)*	*(15= 7+14)*
2002		163.0	35.1	127.8	612.5	104.2	716.7	844.5	406.0	11.3	709.9	61.9	1,189.1	0.0	1,189.1	2,033.6
2003		165.6	40.5	125.1	710.5	97.6	808.1	933.2	484.1	12.3	732.1	48.4	1,276.9	4.0	1,280.9	2,214.1
2004		162.7	32.1	130.7	709.9	120.3	830.2	960.8	532.7	13.6	729.0	39.2	1,314.5	10.0	1,324.5	2,285.3
2005		183.1	39.0	144.1	673.4	147.5	820.9	965.0	633.9	14.3	764.0	44.5	1,456.7	5.0	1,461.7	2,426.7
2004	I	155.9	35.2	120.6	717.0	132.1	849.1	969.7	503.1	13.4	727.4	51.8	1,295.6	0.0	1,295.6	2,265.3
	II	151.0	29.8	121.2	742.2	111.0	853.2	974.4	510.1	14.5	702.4	51.6	1,278.6	6.0	1,284.6	2,259.1
	III	149.5	29.2	120.3	720.0	107.4	827.4	947.8	521.5	13.4	719.1	42.7	1,296.7	10.0	1,306.7	2,254.5
	IV	162.7	32.1	130.7	709.9	120.3	830.2	960.8	532.7	13.6	729.0	39.2	1,314.5	10.0	1,324.5	2,285.3
2005	I	164.7	33.9	130.7	784.8	144.1	928.9	1,059.6	577.2	13.8	688.0	54.4	1,333.5	10.0	1,343.5	2,403.1
	II	169.3	35.4	133.9	781.2	133.8	915.0	1,048.9	601.0	13.5	701.8	44.4	1,360.7	6.0	1,366.7	2,415.7
	III	171.5	34.8	136.8	758.7	128.3	886.9	1,023.7	615.2	13.8	733.9	49.6	1,412.5	3.0	1,415.5	2,439.2
	IV	183.1	39.0	144.1	673.4	147.5	820.9	965.0	633.9	14.3	764.0	44.5	1,456.7	5.0	1,461.7	2,426.7
2006	I	178.7	33.6	145.1	712.9	143.9	856.8	1,001.9	646.5	13.7	720.5	56.4	1,437.1	3.0	1,440.1	2,442.1

TABLE 2.3: CAUSES OF CHANGES IN BROAD MONEY

During period	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
I. Net domestic money creation	**154.0**	**241.7**	**51.3**	**202.5**	**20.2**	**-67.5**	**44.8**	**53.8**	**70.0**	**75.2**	**8.0**	**49.4**	**-21.6**
A) Domestic credit	159.0	218.5	117.1	214.5	52.1	-51.8	51.6	65.2	71.3	69.6	-4.5	78.1	-12.2
1) Net claims on public sector	-36.2	19.3	21.3	22.8	43.1	-54.4	4.8	27.8	11.4	39.4	-61.4	33.4	-38.0
a) Recourse to monetary system	3.9	2.7	8.0	58.6	0.1	0.2	7.3	0.4	10.0	41.5	-34.3	41.4	-39.7
b) Drawing down of bank balances	-40.1	16.6	13.4	-35.8	43.0	-54.6	-2.5	27.3	1.4	-2.1	-27.1	-8.0	1.7
1) Government's deposits	-0.3	24.8	34.9	-18.5	38.1	-64.2	37.0	24.0	-3.4	-2.2	-0.3	-12.6	-0.8
2) Development funds	-39.7	-8.2	-21.6	-17.3	4.9	9.7	-39.5	3.3	4.7	0.1	-26.8	4.7	2.5
2) Claims on private sector	195.2	199.2	95.8	191.7	9.0	2.6	46.8	37.4	59.9	30.2	56.9	44.7	25.8
a) Enterprises	96.3	90.0	26.2	14.6	-18.6	-2.8	24.1	23.4	-23.7	17.6	4.4	16.4	15.1
b) Individuals	88.8	83.9	81.2	169.5	28.6	6.5	30.8	15.3	85.2	14.4	39.4	30.4	13.7
1) Consumer credit	42.6	25.3	44.2	46.4	15.4	8.8	11.4	8.6	2.0	5.2	21.6	17.6	-2.3
2) Housing mortgages	46.3	58.5	37.0	123.0	13.2	-2.3	19.5	6.7	83.2	9.2	17.8	12.8	16.0
c) Other	10.0	25.4	-11.6	7.6	-1.0	-1.1	-8.1	-1.3	-1.6	-1.8	13.1	-2.1	-3.0
B) Other domestic factors	-5.0	23.2	-65.8	-11.9	-31.9	-15.7	-6.8	-11.3	-1.3	5.6	12.4	-28.7	-9.4
II. Inflow of foreign funds	**39.0**	**-61.2**	**19.9**	**-61.2**	**31.0**	**61.2**	**-49.4**	**-23.0**	**47.8**	**-62.6**	**15.6**	**-62.0**	**37.0**
III. Broad money	**193.0**	**180.5**	**71.1**	**141.4**	**51.2**	**-6.3**	**-4.6**	**30.8**	**117.8**	**12.5**	**23.5**	**-12.5**	**15.4**
1) Money	143.5	88.7	27.6	4.2	36.5	4.7	-26.7	13.1	98.8	-10.7	-25.2	-58.7	36.9
2) Quasi-money	49.5	91.8	43.5	137.2	14.7	-11.0	22.1	17.8	19.0	23.2	48.8	46.2	-21.5

TABLE 2.4: FOREIGN ASSETS

End of period		Centrale Bank van Aruba				Commercial banks			Total	Revaluation differences	Total excl. (9)	Broad money	Import of goods (excl. oil) during a 12-month period	Current account payments (excl. oil) during a 12-month period	Percentages		
		Gold	Other assets	Liabi-lities	Net	Assets	Liabi-lities	Net							Broad money coverage	Import coverage	Current account paym. coverage
		(1)	*(2)*	*(3)*	*(4= 1+2-3)*	*(5)*	*(6)*	*(7= 5-6)*	*(8= 4+7)*	*(9)*	*(10= 8-9)*	*(11)*	*(12)*	*(13)*	*(14= 10:11)*	*(15= 8:12)*	*(16= 8:13)*
2002		68.2	608.1	8.5	667.9	530.2	442.6	87.6	755.5	56.5	699.0	2,033.6	1,264.8	2,352.5	34.4	59.7	32.1
2003		83.1	528.4	2.6	608.9	664.3	572.9	91.4	700.3	62.5	637.9	2,214.1	1,355.0	2,460.5	28.8	51.7	28.5
2004		87.1	528.8	1.5	614.4	589.1	480.6	108.5	722.9	65.2	657.7	2,285.3	1,477.0	2,708.1	28.8	48.9	26.7
2005		102.0	489.6	3.0	588.6	581.5	494.4	87.1	675.7	79.2	596.5	2,426.7	1,581.3	2,924.5	24.6	42.7	23.1
2004	I	84.3	550.6	1.5	633.4	630.8	529.3	101.5	734.9	66.1	668.9	2,265.3	1,396.1	2,512.8	29.5	52.6	29.2
	II	78.7	628.7	13.2	694.2	521.9	429.8	92.1	786.3	56.2	730.1	2,259.1	1,421.7	2,594.8	32.3	55.3	30.3
	III	82.7	598.6	8.1	673.1	471.4	401.0	70.4	743.5	62.8	680.7	2,254.5	1,448.1	2,640.7	30.2	51.3	28.2
	IV	87.1	528.8	1.5	614.4	589.1	480.6	108.5	722.9	65.2	657.7	2,285.3	1,477.0	2,708.1	28.8	48.9	26.7
2005	I	85.0	619.7	6.8	697.9	627.6	558.7	68.9	766.8	61.3	705.5	2,403.1	1,486.8	2,727.9	29.4	51.6	28.1
	II	86.9	604.8	0.8	690.9	526.1	506.8	19.3	710.2	67.3	642.9	2,415.7	1,533.0	2,812.0	26.6	46.3	25.3
	III	94.1	596.7	0.4	690.4	507.0	465.6	41.4	731.8	73.3	658.5	2,439.2	1,543.5	2,870.7	27.0	47.4	25.5
	IV	102.0	489.6	3.0	588.6	581.5	494.4	87.1	675.7	79.2	596.5	2,426.7	1,581.3	2,924.5	24.6	42.7	23.1
2006	I	115.7	540.3	0.2	655.8	547.6	477.2	70.5	726.3	92.8	633.5	2,442.1	1,613.1	3,025.6	25.9	45.0	24.0

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

End of period	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
ASSETS													
1. Claims on money-creating institutions	407.4	429.1	422.6	405.6	473.1	467.7	450.3	422.6	493.0	498.1	505.2	405.6	438.5
a) Monetary authorities	361.9	358.3	364.6	345.1	405.4	405.5	392.0	364.6	434.4	442.8	435.0	345.1	376.4
b) Commercial banks	45.5	70.7	58.0	60.5	67.7	62.2	58.3	58.0	58.6	55.4	70.2	60.5	62.1
2. Claims on the public sector	81.4	84.2	92.1	150.7	84.3	84.4	91.7	92.1	102.1	143.6	109.3	150.7	111.0
a) Short-term	65.3	65.6	70.3	109.1	65.7	65.9	65.9	70.3	70.4	101.9	67.8	109.1	69.4
b) Long-term	16.1	18.6	21.8	41.6	18.6	18.6	25.8	21.8	31.7	41.8	41.6	41.6	41.6
3. Claims on the private sector	1,764.8	1,964.0	2,059.8	2,251.6	1,973.0	1,975.6	2,022.4	2,059.8	2,119.7	2,149.9	2,206.8	2,251.6	2,277.4
a) Enterprises	836.2	926.2	952.4	967.0	907.6	904.9	928.9	952.4	928.6	946.2	950.6	967.0	982.2
b) Individuals	900.3	984.2	1,065.4	1,234.9	1,012.7	1,019.3	1,050.1	1,065.4	1,150.7	1,165.1	1,204.5	1,234.9	1,248.6
1) Consumer credit	409.3	434.6	478.8	525.2	450.0	458.8	470.1	478.8	480.8	486.0	507.6	525.2	522.9
2) Housing mortgages	491.1	549.6	586.6	709.7	562.8	560.5	580.0	586.6	669.9	679.1	696.9	709.7	725.7
c) Capital market investments	6.8	15.4	14.3	30.0	15.3	15.2	15.1	14.3	14.2	13.9	30.6	30.0	30.0
d) Other	21.5	38.3	27.7	19.7	37.4	36.3	28.3	27.7	26.2	24.7	21.1	19.7	16.7
4. Foreign assets	1,206.5	1,275.8	1,205.1	1,173.1	1,265.7	1,229.3	1,152.7	1,205.1	1,332.4	1,217.8	1,197.8	1,173.1	1,203.6
a) Gold	68.2	83.1	87.1	102.0	84.3	78.7	82.7	87.1	85.0	86.9	94.1	102.0	115.7
b) Short-term	483.2	603.1	523.4	521.3	579.5	469.5	428.6	523.4	591.9	533.1	535.8	521.3	542.8
c) Long-term	655.1	589.6	594.6	549.8	601.9	681.0	641.4	594.6	655.5	597.8	567.9	549.8	545.1
5. Other domestic assets	-65.5	-24.8	-27.4	-40.8	-18.3	-18.6	-22.6	-27.4	-26.5	-27.7	-32.8	-40.8	-38.1
6. Total assets	**3,394.7**	**3,728.3**	**3,752.2**	**3,940.2**	**3,777.8**	**3,738.4**	**3,694.6**	**3,752.2**	**4,020.8**	**3,981.8**	**3,986.4**	**3,940.2**	**3,992.4**

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

End of period	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
LIABILITIES													
7. Broad money	2,033.6	2,214.1	2,285.3	2,426.7	2,265.3	2,259.1	2,254.5	2,285.3	2,403.1	2,415.7	2,439.2	2,426.7	2,442.1
a) Money	844.5	933.2	960.8	965.0	969.7	974.4	947.8	960.8	1,059.6	1,048.9	1,023.7	965.0	1,001.9
b) Quasi-money	1,189.1	1,280.9	1,324.5	1,461.7	1,295.6	1,284.6	1,306.7	1,324.5	1,343.5	1,366.7	1,415.5	1,461.7	1,440.1
8. Money-creating institutions	376.5	356.1	375.0	364.2	428.1	427.1	409.2	375.0	438.2	454.2	448.6	364.2	392.1
a) Monetary authorities	358.3	339.5	348.5	336.5	407.8	407.2	390.6	348.5	430.2	441.3	423.2	336.5	372.9
b) Commercial banks	18.2	16.7	26.5	27.7	20.4	19.9	18.6	26.5	8.0	12.9	25.4	27.7	19.2
9. Public sector deposits	143.4	126.8	113.5	149.3	83.8	138.3	140.8	113.5	112.1	114.2	141.3	149.3	147.5
a) Government	72.4	47.6	12.7	31.2	9.5	73.7	36.7	12.7	16.1	18.3	18.6	31.2	32.0
b) Development funds	71.0	79.2	100.7	118.1	74.3	64.6	104.1	100.7	96.0	95.9	122.7	118.1	115.6
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
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Subordinated debt	9.1	5.6	2.5	2.5	5.6	5.6	5.6	2.5	2.5	2.5	2.5	2.5	2.5
12. Capital and reserves	193.0	261.8	309.0	319.5	282.3	297.0	311.6	309.0	306.3	322.8	314.4	319.5	335.9
13. Foreign liabilities	451.0	575.5	482.1	497.4	530.8	443.0	409.2	482.1	565.6	507.6	466.0	497.4	477.3
a) Short-term	380.4	506.8	428.1	451.9	462.7	382.2	344.2	428.1	511.8	460.9	419.0	451.9	430.8
b) Long-term	70.6	68.6	54.0	45.4	68.1	60.8	64.9	54.0	53.8	46.7	47.0	45.4	46.5
14. Revaluation differences	56.5	62.5	65.2	79.2	66.1	56.2	62.8	65.2	61.3	67.3	73.3	79.2	92.8
15. Other domestic liabilities	131.6	125.9	119.5	101.5	115.8	112.2	101.0	119.5	131.7	97.6	101.1	101.5	102.2
16. Total liabilities	**3,394.7**	**3,728.3**	**3,752.2**	**3,940.2**	**3,777.8**	**3,738.4**	**3,694.6**	**3,752.2**	**4,020.8**	**3,981.8**	**3,986.4**	**3,940.2**	**3,992.4**

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

End of period		Domestic assets		Total domestic assets	Foreign assets				Total foreign assets	Total assets
		Government	Other		Gold and claims in gold	Claims on				
						Banks	Governments	Other		
		(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*
2002		0.0	29.8	29.8	68.2	40.3	0.0	567.8	676.3	706.1
2003		0.0	31.2	31.2	83.1	33.1	0.0	495.4	611.5	642.7
2004		0.0	28.9	28.9	87.1	40.6	0.0	488.2	615.9	644.8
2005		0.0	23.4	23.4	102.0	24.5	0.0	465.1	591.6	615.0
2004	I	0.0	31.1	31.1	84.3	40.4	0.0	510.2	634.9	666.0
	II	0.0	31.4	31.4	78.7	44.3	0.0	584.4	707.4	738.8
	III	0.0	31.1	31.1	82.7	61.9	0.0	536.7	681.3	712.4
	IV	0.0	28.9	28.9	87.1	40.6	0.0	488.2	615.9	644.8
2005	I	0.0	29.1	29.1	85.0	70.1	0.0	549.7	704.8	733.9
	II	0.0	28.4	28.4	86.9	109.6	0.0	495.2	691.7	720.1
	III	0.0	27.3	27.3	94.1	115.9	0.0	480.9	690.8	718.1
	IV	0.0	23.4	23.4	102.0	24.5	0.0	465.1	591.6	615.0
2006	I	0.0	21.6	21.6	115.7	72.5	0.0	467.8	656.0	677.7

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

End of period		Domestic liabilities: Capital and reserves	Bank notes issued	Govern-ment	Develop-ment funds	Official entities	Commercial banks deposits: Demand	Commercial banks deposits: Time	Other fin.inst. deposits	Private sector deposits	Other	Total domestic liabilities	Total foreign liabilities	Revaluation of gold and foreign exchange holdings	Total liabilities
		(10)	*(11)*	*(12)*	*(13)*	*(14)*	*(15)*	*(16)*	*(17)*	*(18)*	*(19)*	*(20)*	*(21)*	*(22)*	*(23)*
2002		68.4	147.4	64.3	47.9	3.4	80.1	195.1	0.0	8.4	26.3	641.2	8.5	56.5	706.1
2003		78.2	149.1	36.8	30.5	1.2	61.3	193.7	0.0	2.7	24.1	577.6	2.6	62.5	642.7
2004		78.2	145.5	6.5	41.7	2.6	82.3	196.0	0.0	1.6	23.6	578.1	1.5	65.2	644.8
2005		78.2	162.7	6.8	0.2	0.0	63.5	191.0	0.0	13.3	17.3	532.8	3.0	79.2	615.0
2004	I	78.2	139.3	5.4	22.1	0.7	121.5	203.1	0.0	8.7	19.5	598.5	1.5	66.1	666.0
	II	78.2	134.2	69.2	12.0	2.1	143.1	192.3	0.0	10.7	27.6	669.4	13.2	56.2	738.8
	III	78.2	132.7	32.3	44.3	2.2	96.1	227.3	0.0	5.0	23.3	641.5	8.1	62.8	712.4
	IV	78.2	145.5	6.5	41.7	2.6	82.3	196.0	0.0	1.6	23.6	578.1	1.5	65.2	644.8
2005	I	78.2	147.3	12.1	39.9	2.8	135.1	223.2	0.0	4.9	22.5	665.8	6.8	61.3	733.9
	II	78.2	151.8	13.8	9.3	2.4	150.8	213.1	0.0	5.8	26.9	652.0	0.8	67.3	720.1
	III	78.2	152.5	12.6	25.5	0.0	144.1	199.3	0.0	7.0	25.2	644.3	0.4	73.3	718.1
	IV	78.2	162.7	6.8	0.2	0.0	63.5	191.0	0.0	13.3	17.3	532.8	3.0	79.2	615.0
2006	I	78.2	158.0	16.4	0.1	0.0	96.7	197.6	0.0	19.0	18.8	584.7	0.2	92.8	677.7

TABLE 3.3: BANK NOTES ISSUED

	Denominations: number (x 1,000)						Total number of notes issued
	5	10	25	50	100	500	
End of period	*(1)*	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
2002	181	475	459	262	1,082	18	2,477
2003	181	495	522	240	1,101	16	2,555
2004	179	533	433	262	1,088	13	2,507
2005	178	587	497	300	1,215	14	2,791
2004 I	180	501	471	220	1,040	13	2,425
II	180	495	412	244	993	13	2,338
III	179	493	407	240	981	13	2,314
IV	179	533	433	262	1,088	13	2,507
2005 I	179	519	456	278	1,091	14	2,535
II	178	531	464	267	1,139	14	2,593
III	178	537	459	280	1,137	14	2,606
IV	178	587	497	300	1,215	14	2,791
2006 I	178	550	483	287	1,182	14	2,694

	Denominations: value (Afl. million)						Total value of notes issued
	5	10	25	50	100	500	
End of period	*(1)*	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
2002	0.9	4.7	11.5	13.1	108.2	9.0	147.4
2003	0.9	5.0	13.0	12.0	110.1	8.1	149.1
2004	0.9	5.3	10.8	13.1	108.8	6.6	145.5
2005	0.9	5.9	12.4	15.0	121.5	7.0	162.7
2004 I	0.9	5.0	11.8	11.0	104.0	6.7	139.4
II	0.9	5.0	10.3	12.2	99.3	6.6	134.2
III	0.9	4.9	10.2	12.0	98.1	6.6	132.7
IV	0.9	5.3	10.8	13.1	108.8	6.6	145.5
2005 I	0.9	5.2	11.4	13.9	109.1	6.8	147.3
II	0.9	5.3	11.6	13.4	113.9	6.8	151.8
III	0.9	5.4	11.5	14.0	113.7	7.0	152.5
IV	0.9	5.9	12.4	15.0	121.5	7.0	162.7
2006 I	0.9	5.5	12.1	14.3	118.2	7.0	158.0

TABLE 3.4: COINS ISSUED

End of period	Denominations: number (x 1,000)								Total value of coins issued excl. (8) (Afl. million)
	Cents				Florin			Com-memo-rative coins	
	5	10	25	50	1	2 ½	5		
	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*
2001	11,925	11,584	7,677	4,047	5,311	70	690	11	14.6
2002	12,494	12,109	7,986	4,236	5,626	72	739	11	15.4
2003	13,365	12,902	8,411	4,491	5,863	72	798	11	16.3
2004	14,099	13,674	8,869	4,653	6,203	73	820	12	17.1
2005	14,949	14,532	9,452	4,931	6,592	76	1,291	12	20.3
2004 I	13,527	13,094	8,519	4,536	5,868	73	800	12	16.4
II	13,688	13,245	8,618	4,595	5,939	73	808	12	16.6
III	13,807	13,351	8,651	4,616	5,993	73	812	12	16.7
IV	14,099	13,674	8,869	4,653	6,203	73	820	12	17.1
2005 I	14,340	13,957	9,024	4,714	6,279	75	821	12	17.3
II	14,530	14,129	9,131	4,765	6,279	76	821	12	17.4
III	14,711	14,281	9,271	4,831	6,357	76	1,092	12	18.9
IV	14,949	14,532	9,452	4,931	6,592	76	1,291	12	20.3
2006 I	15,160	14,757	9,560	5,011	6,628	76	1,326	12	20.6

TABLE 4.1: COMMERCIAL BANKS: SUMMARY ACCOUNT

End of period		Assets: Cash and claims on banks	Assets: Invest-ments	Assets: Loans	Assets: Other	Total assets = Total liabilities	Liabilities: Deposits	Liabilities: Capital and reserves	Liabilities: Other
		(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*
2002		675.8	100.1	1,852.5	179.5	2,807.9	2,329.2	141.8	336.9
2003		810.6	138.1	2,038.0	165.2	3,151.9	2,620.6	197.2	334.0
2004		726.3	150.2	2,136.2	165.8	3,178.5	2,649.7	244.4	284.4
2005		754.6	146.0	2,339.8	165.7	3,406.2	2,854.3	255.0	296.9
2004	I	802.6	132.6	2,043.8	202.6	3,181.6	2,582.0	217.7	381.9
	II	689.7	128.8	2,050.4	197.5	3,066.4	2,561.8	232.4	272.2
	III	648.0	147.5	2,100.0	156.6	3,052.1	2,552.1	247.0	253.1
	IV	726.3	150.2	2,136.2	165.8	3,178.5	2,649.7	244.4	284.4
2005	I	861.4	139.9	2,193.8	163.1	3,358.3	2,760.9	241.7	355.6
	II	764.7	149.4	2,257.2	165.0	3,336.2	2,772.5	258.2	305.5
	III	774.8	149.0	2,259.9	162.1	3,345.8	2,797.2	249.9	298.7
	IV	754.6	146.0	2,339.8	165.7	3,406.2	2,854.3	255.0	296.9
2006	I	770.2	144.5	2,320.2	159.2	3,394.1	2,836.8	271.4	285.9

TABLE: 4.2: COMMERCIAL BANKS: PRUDENTIAL RATIOS

End of period		Liquidity	Loan/ deposit	Capital/ risk value of assets
		(1)	*(2)*	*(3)*
2002		29.0	71.7	9.3
2003		30.5	72.8	10.0
2004		27.7	75.5	12.1
2005		26.4	76.7	12.9
2004	I	29.7	74.0	12.7
	II	26.9	74.9	13.3
	III	26.0	77.0	13.4
	IV	27.7	75.5	12.1
2005	I	29.9	74.5	12.9
	II	27.4	76.4	13.9
	III	27.6	75.6	12.4
	IV	26.4	76.7	12.9
2006	I	26.9	76.6	14.3

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET

		Domestic assets								
		Notes and coins	Central Bank		Investments		Loans and advances			
			Current account	Time deposits	Government securities	Non government securities	Enterprises	Mortgages	Individuals	Government
End of period		*(1)*	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*
2002		35.1	73.6	205.1	65.7	6.8	633.4	687.6	409.3	0.2
2003		40.5	81.2	172.6	63.6	35.4	710.9	759.0	433.7	0.1
2004		32.1	98.5	176.0	64.8	34.3	692.3	840.7	478.0	0.1
2005		39.0	72.2	191.0	85.3	30.0	723.5	947.2	524.6	40.0
2004	I	35.2	119.0	193.2	67.6	25.3	684.1	780.5	449.1	0.1
	II	29.8	141.3	182.4	61.6	25.2	680.2	779.3	457.9	0.1
	III	29.2	96.9	207.9	64.8	35.1	691.6	811.0	469.3	0.1
	IV	32.1	98.5	176.0	64.8	34.3	692.3	840.7	478.0	0.1
2005	I	33.9	140.2	222.3	74.7	14.2	692.4	899.9	480.1	0.0
	II	35.4	152.3	213.1	84.5	13.9	706.4	912.7	485.4	35.7
	III	34.8	157.8	197.5	87.3	30.6	707.9	933.6	507.0	0.0
	IV	39.0	72.2	191.0	85.3	30.0	723.5	947.2	524.6	40.0
2006	I	33.6	100.2	197.6	87.3	30.0	731.1	970.9	522.3	0.0

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

		Domestic assets (cont'd)				Total domestic assets	Foreign assets					Total foreign assets	Total assets
		Premises	Subsi-diaries	Accounts receivable	Other (net)		Cash	Due from banks	Invest-ments	Loans	Other		
End of period		*(10)*	*(11)*	*(12)*	*(13)*	*(14)*	*(15)*	*(16)*	*(17)*	*(18)*	*(19)*	*(20)*	*(21)*
2002		60.9	46.4	31.1	2.4	2,257.7	15.1	326.2	27.6	120.2	41.0	530.2	2,787.9
2003		63.1	76.9	18.5	15.5	2,471.0	17.9	466.3	39.2	134.3	6.7	664.3	3,135.2
2004		68.7	64.8	18.1	-5.6	2,562.8	11.4	387.4	51.1	125.1	14.1	589.1	3,152.0
2005		72.6	58.5	19.2	-6.0	2,797.0	14.8	416.0	30.7	104.5	15.5	581.5	3,378.5
2004	I	63.0	75.3	28.6	9.4	2,530.4	16.5	408.9	39.7	130.0	35.7	630.8	3,161.2
	II	65.2	73.3	23.1	5.3	2,524.6	12.8	298.2	42.0	132.9	35.9	521.9	3,046.5
	III	66.1	64.6	22.1	3.4	2,562.1	12.0	280.0	47.7	128.0	3.7	471.4	3,033.5
	IV	68.7	64.8	18.1	-5.6	2,562.8	11.4	387.4	51.1	125.1	14.1	589.1	3,152.0
2005	I	69.8	66.5	18.2	10.3	2,722.6	15.7	431.0	51.0	121.3	8.7	627.6	3,350.3
	II	70.2	64.6	20.6	2.6	2,797.2	17.4	331.1	51.0	117.0	9.6	526.1	3,323.3
	III	70.2	60.6	20.9	5.3	2,813.4	16.0	338.0	31.1	111.5	10.4	507.0	3,320.4
	IV	72.6	58.5	19.2	-6.0	2,797.0	14.8	416.0	30.7	104.5	15.5	581.5	3,378.5
2006	I	72.9	55.0	21.8	4.6	2,827.3	16.6	398.4	27.2	95.9	9.5	547.6	3,374.9

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

		Domestic liabilities									
		Demand deposits				Time deposits				Savings deposits	Other liabilities
		Individuals	Companies	Other fin.inst.	Government	Individuals	Companies	Other fin.inst.	Development funds		
End of period		*(22)*	*(23)*	*(24)*	*(25)*	*(26)*	*(27)*	*(28)*	*(29)*	*(30)*	*(31)*
2002		121.8	467.8	116.0	8.1	263.3	256.3	251.4	23.1	417.3	286.4
2003		144.5	510.5	150.0	10.8	270.3	335.6	174.0	48.7	496.4	232.5
2004		132.8	592.8	101.0	6.2	229.8	319.1	218.6	59.0	546.3	232.3
2005		148.2	606.9	53.3	24.4	221.2	368.1	218.4	117.9	648.2	233.6
2004	I	126.5	562.0	151.8	4.1	243.9	366.1	168.5	52.2	516.4	230.7
	II	130.4	570.9	139.8	4.6	237.3	354.1	161.9	52.6	524.6	216.2
	III	123.4	571.7	125.9	4.5	236.6	326.3	198.3	59.7	534.9	212.4
	IV	132.8	592.8	101.0	6.2	229.8	319.1	218.6	59.0	546.3	232.3
2005	I	133.0	646.0	142.5	4.0	220.2	339.1	182.9	56.1	591.1	246.0
	II	147.3	637.0	123.7	4.5	212.0	339.8	193.2	86.6	614.5	210.8
	III	140.4	631.0	109.8	6.0	210.8	374.6	196.8	97.3	629.0	220.4
	IV	148.2	606.9	53.3	24.4	221.2	368.1	218.4	117.9	648.2	233.6
2006	I	142.9	628.2	67.5	15.6	209.8	381.1	185.3	115.5	660.2	231.4

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

		Domestic liabilities (cont'd)		Total domestic liabilities	Foreign liabilities							Total Foreign liabilities	Total 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					
End of period		*(32)*	*(33)*	*(34)*	*(35)*	*(36)*	*(37)*	*(38)*	*(39)*	*(40)*	*(41)*	*(42)*	*(43)*
2002		124.6	9.1	2,345.3	15.3	67.9	57.4	192.0	53.4	8.0	48.7	442.6	2,787.9
2003		183.6	5.6	2,562.4	37.1	96.9	64.0	201.7	63.6	8.0	101.5	572.9	3,135.2
2004		230.8	2.5	2,671.4	20.1	128.1	55.1	145.0	69.2	11.1	52.0	480.6	3,152.0
2005		241.4	2.5	2,884.1	16.3	124.7	73.0	135.3	70.6	11.1	63.3	494.4	3,378.5
2004	I	204.1	5.6	2,631.9	7.3	107.4	1.4	191.5	62.5	8.0	151.2	529.3	3,161.2
	II	218.8	5.6	2,616.7	37.7	105.6	0.6	156.0	65.8	8.0	56.1	429.8	3,046.5
	III	233.4	5.6	2,632.5	27.0	111.8	0.6	144.9	68.0	8.0	40.6	401.0	3,033.5
	IV	230.8	2.5	2,671.4	20.1	128.1	55.1	145.0	69.2	11.1	52.0	480.6	3,152.0
2005	I	228.2	2.5	2,791.5	19.7	197.3	1.1	147.3	72.7	11.1	109.6	558.7	3,350.3
	II	244.6	2.5	2,816.5	41.3	125.7	19.0	146.4	68.5	11.1	94.8	506.8	3,323.3
	III	236.3	2.5	2,854.9	32.0	103.7	29.1	139.6	71.7	11.1	78.3	465.6	3,320.4
	IV	241.4	2.5	2,884.1	16.3	124.7	73.0	135.3	70.6	11.1	63.3	494.4	3,378.5
2006	I	257.7	2.5	2,897.7	23.3	109.0	64.4	140.7	74.1	11.1	54.5	477.2	3,374.9

TABLE 4.4: COMMERCIAL BANKS' LOANS TO DOMESTIC SECTORS BY KIND OF ECONOMIC ACTIVITY AS OF END MARCH 2006

	Loans outstanding				Percentages			
	Current account	Term loans	Mortgage	Total	Current account	Term loans	Mortgage	Percentage of total loans
Agriculture, hunting, forestry and fishing	0.1	0.1	0.0	0.2	55.2	44.8	0.0	0.0
Mining and manufacturing	2.0	5.1	1.1	8.3	24.6	61.8	13.6	0.4
Electricity, gas, and water supply	0.8	27.8	0.0	28.6	2.6	97.4	0.0	1.3
Construction	13.1	15.4	21.5	50.0	26.3	30.8	43.0	2.2
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	138.2	201.6	114.7	454.5	30.4	44.4	25.2	20.1
Hotels and restaurants	9.2	42.3	27.5	79.0	11.6	53.6	34.8	3.5
Transport, storage and communications	20.6	28.9	3.8	53.3	38.7	54.3	7.0	2.4
Financial intermediation	7.8	69.5	26.3	103.5	7.5	67.1	25.4	4.6
Real estate, renting and business activities	34.3	58.3	31.7	124.2	27.6	46.9	25.5	5.5
Other enterprises	14.3	41.8	24.6	80.6	17.7	51.8	30.5	3.6
Total loans to enterprises	**240.3**	**490.8**	**251.1**	**982.2**	**24.5**	**50.0**	**25.6**	**43.5**
Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Individuals	73.4	482.3	719.8	1,275.5	5.8	37.8	56.4	56.5
Total loans	**313.7**	**973.1**	**970.9**	**2,257.7**	**13.9**	**43.1**	**43.0**	**100.0**

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

	2002	2003	2004	2005	2004				2005				2006
End of period					I	II	III	IV	I	II	III	IV	I
Agriculture, hunting, forestry and fishing	5.5	4.9	0.3	0.3	17.1	10.5	5.4	0.3	0.3	0.3	0.3	0.3	0.2
Mining and manufacturing	24.0	29.4	37.7	9.1	39.7	36.7	39.5	37.7	43.3	30.0	10.7	9.1	8.3
Electricity, gas and water supply	34.9	38.8	31.5	29.7	37.2	36.5	35.1	31.5	32.4	31.0	30.0	29.7	28.6
Construction	20.8	17.5	31.3	52.2	20.1	20.6	27.7	31.3	35.3	42.9	44.9	52.2	50.0
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	385.7	388.1	388.6	418.4	375.2	393.8	402.9	388.6	381.8	400.4	428.3	418.4	454.5
Hotels and restaurants	76.1	101.5	98.4	87.9	84.3	67.3	75.1	98.4	93.8	91.9	79.9	87.9	79.0
Transport, storage and communications	30.1	47.2	46.9	79.1	42.2	43.6	50.4	46.9	50.5	51.0	51.8	79.1	53.3
Financial intermediation	30.3	121.6	111.2	89.4	91.4	107.2	100.9	111.2	101.7	96.8	107.9	89.4	103.5
Real estate, renting and business activities	128.0	104.9	129.9	123.0	120.5	127.2	125.1	129.8	119.5	123.1	119.2	123.0	124.2
Public administration and defence; compulsory social security	0.4	0.9	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Education	5.8	4.3	4.2	0.3	3.9	3.8	3.9	4.2	1.6	0.7	0.4	0.3	0.2
Health and social work	7.9	9.8	9.1	10.2	8.7	10.1	8.4	9.1	10.6	11.2	11.0	10.2	9.4
Other community, social and personal service activities	38.4	22.5	34.2	25.2	20.2	18.6	19.0	34.2	20.4	24.1	23.2	25.2	27.1
Activities not adequately defined	48.2	34.8	29.0	42.1	46.7	28.9	35.6	29.0	37.4	42.7	42.9	42.1	43.9
Other enterprises	100.7	72.3	76.7	77.9	80.0	61.5	67.0	76.7	70.1	79.0	77.5	77.9	80.6
Total loans to enterprises	**836.2**	**926.2**	**952.4**	**967.0**	**907.6**	**904.9**	**928.9**	**952.4**	**928.6**	**946.2**	**950.6**	**967.0**	**982.2**
Government	0.2	0.1	0.1	40.0	0.1	0.1	0.1	0.1	0.0	35.7	0.0	40.0	0.0
Individuals	919.4	1,006.4	1,090.1	1,262.5	1,035.8	1,043.6	1,073.3	1,090.1	1,174.9	1,189.9	1,231.4	1,262.5	1,275.5
Total loans	**1,755.9**	**1,932.7**	**2,042.6**	**2,269.6**	**1,943.5**	**1,948.5**	**2,002.3**	**2,042.6**	**2,103.6**	**2,171.8**	**2,182.1**	**2,269.6**	**2,257.7**

TABLE 5.1: FINANCIAL SURVEY

	End of March 2006	Central Bank and Treasury *(1)*	Commercial Banks *(2)*	Monetary Sector *(3)=(1)+(2)*	Nonmonetary Financial Institutions *(4)*	Financial Sector *(5)=(3)+(4)*
1.	Foreign assets	656.0	547.6	1,203.6	682.4	1,886.0
2.	Domestic claims	75.2	2,230.2	2,305.4	1,481.5	3,786.9
	a) Government	68.7	42.3	111.0	674.2	785.2
	b) Non-financial public enterprises	0.0	87.6	87.6	50.7	138.2
	c) Enterprises	0.0	858.3	858.3	235.9	1,094.3
	d) Individuals	6.5	1,242.1	1,248.6	520.7	1,769.3
	1) Consumer credit	0.6	522.3	522.9	97.8	620.7
	2) Housing mortgages	5.9	719.8	725.7	422.9	1,148.6
3.	Other domestic claims	15.2	616.2	631.4	881.8	1,513.2
4.	**TOTAL ASSETS=TOTAL LIABILITIES**	**746.4**	**3,394.1**	**4,140.4**	**3,045.6**	**7,186.1**
5.	Foreign liabilities	92.9	477.2	570.1	87.3	657.4
6.	Deposits and borrowings	35.4	2,406.1	2,441.5	38.9	2,480.3
	a) Government	16.4	131.1	147.5	36.6	184.2
	b) Other residents	19.0	2,275.0	2,293.9	2.3	2,296.2
7.	Pension fund provisions	0.0	0.0	0.0	1,526.9	1,526.9
8.	Insurance reserve fund	0.0	0.0	0.0	315.3	315.3
9.	Other domestic liabilities	618.0	510.9	1,128.9	1,077.3	2,206.2

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
						Individual		Commercial			
		≤ 12-months	> 12 months			Consumer credit	Housing mortgages	Mortgages	Other loans 2)		
		(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10=9-4)*
2002		5.2	7.1	3.7	5.5	16.7	10.3	10.0	10.6	12.8	7.3
2003		5.2	6.4	3.8	5.3	16.3	9.5	9.5	8.9	11.4	6.1
2004		3.6	6.0	3.9	4.4	16.5	9.8	8.8	8.9	11.4	7.0
2005		3.4	5.3	4.1	4.0	16.0	9.6	8.7	9.0	11.4	7.4
2004	I	3.7	6.1	3.9	4.9	16.7	9.6	9.1	8.9	11.4	6.5
	II	4.4	6.4	4.0	4.8	16.4	9.8	9.4	8.5	11.3	6.5
	III	3.7	5.2	4.0	4.2	16.5	10.0	8.5	8.9	11.8	7.6
	IV	3.0	6.1	3.9	3.8	16.4	9.9	8.5	9.4	11.3	7.5
2005	I	3.0	5.7	4.0	3.9	16.6	9.7	9.6	9.2	12.1	8.2
	II	3.9	4.7	3.9	4.0	16.3	9.7	8.2	9.0	11.2	7.2
	III	3.4	5.4	4.0	4.4	15.9	9.7	8.8	8.7	11.4	7.1
	IV	3.0	5.4	4.5	3.6	15.5	9.6	8.8	9.1	11.1	7.4
2006	I	3.1	5.3	4.5	3.8	16.1	9.5	9.5	9.4	11.7	7.9

1) Weighted averages related to transactions during the indicated period.
2) Including current account overdraft facilities.

TABLE 6.2: CENTRAL BANK LENDING RATES

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

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

Period averages in % per annum	7-day *(1)*	30-day *(2)*	90-day *(3)*
2002	0.4	0.6	0.7
2003	0.2	0.2	0.2
2004	0.1	0.1	0.2
2005	0.5	0.5	0.6
2004 I	0.1	0.1	0.2
II	0.1	0.1	0.2
III	0.1	0.1	0.2
IV	0.2	0.2	0.2
2005 I	0.3	0.3	0.3
II	0.4	0.4	0.5
III	0.6	0.6	0.6
IV	0.8	0.8	0.9
2006 I	1.6	1.6	1.7

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

TABLE 6.4: LONDON INTERBANK OFFERED RATES ON US DOLLAR DEPOSITS

Period averages in % per annum	7-day *(1)*	30-day *(2)*	90-day *(3)*
2002	1.8	1.8	1.8
2003	1.2	1.2	1.2
2004	1.4	1.5	1.6
2005	3.3	3.4	3.6
2004 I	1.1	1.1	1.1
II	1.1	1.2	1.3
III	1.5	1.6	1.8
IV	2.1	2.1	2.3
2005 I	2.5	2.6	2.8
II	3.0	3.1	3.3
III	3.5	3.6	3.8
IV	4.1	4.2	4.3
2006 I	4.5	4.6	4.8

Source: International Financial Statistics.

TABLE 6.5: GOVERNMENT SECURITY MARKETS

3-month treasury bills

End of period	Date of issue (1)	Amount (Afl. million) (2)	Average price per Afl. 100 (3)	Yield per annum (%) (4)
2002	January	17.0	99.46	2.30
	February	23.0	99.14	3.60
	April	17.0	99.47	2.09
	May	23.0	99.46	2.58
	July	17.0	99.68	1.03
	July*	30.0	99.76	1.77
	August	23.0	99.54	1.92
	October	17.0	99.58	1.08
	November	23.0	99.74	1.05
2003	January	17.0	99.72	0.87
	January	23.0	99.75	0.98
	April	17.0	99.75	0.96
	May	23.0	99.76	0.95
	July	17.0	99.67	1.10
	July	35.0	99.37	2.62
	August	23.0	99.51	1.73
	October	17.0	99.41	1.88
	October	23.0	99.42	2.04
2004	January	17.0	99.58	1.33
	January	23.0	99.43	2.16
	April	17.0	99.53	2.04
	April	23.0	99.44	2.11
	July	17.0	99.52	1.93
	July	23.0	99.50	1.87
	October	17.0	99.53	1.91
	October	23.0	99.49	2.21
2005	January	17.0	99.51	1.95
	January	23.0	99.45	2.32
	April	17.0	99.49	2.02
	April	23.0	99.48	1.95
	July	17.0	99.40	2.35
	July	23.0	99.24	3.15
	October	17.0	99.25	2.99
	October	23.0	99.22	3.12
2006	January	17.0	99.11	3.47
	January	23.0	99.05	3.89
	April	17.0	99.00	3.99
	April	23.0	98.94	4.06
	July	17.0	98.96	4.21
	July	23.0	98.76	5.39

* 2-month treasury bills

6-month cash loan certificates

End of period	Date of issue (1)	Amount (Afl. million) (2)	Average price per (3)	Yield per annum (%) (4)
2003	June	8.0	99.41	1.06
	December	8.0	98.93	2.17
2004	June	8.0	98.87	2.29
	December	8.0	98.38	3.30
2005	June	8.0	98.49	3.21
	December	8.0	98.28	3.66
2006	June	8.0	97.96	4.41

Government bonds

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

TABLE 7.1: GOVERNMENT FINANCIAL OPERATIONS 1)

	2002	2003	2004	2005	2004 I	2004 II	2004 III	2004 IV	2005 I	2005 II	2005 III	2005 IV	2006 I
1. Total revenue	**754.7**	**988.6**	**835.9**	**909.7**	**197.9**	**175.9**	**239.7**	**222.4**	**196.1**	**239.3**	**230.5**	**243.8**	**229.0**
A. Tax revenue	**609.6**	**687.4**	**707.1**	**779.4**	**176.2**	**158.1**	**178.6**	**194.3**	**182.8**	**203.0**	**189.3**	**204.3**	**204.5**
1. Taxes on income and profit	301.3	339.9	321.9	364.7	78.5	77.5	83.8	82.1	83.3	98.8	91.1	91.5	100.3
2. Taxes on commodities	213.5	234.4	255.4	265.0	55.6	59.6	58.8	81.3	58.9	65.6	65.6	74.9	60.9
3. Taxes on property	33.7	51.0	43.0	51.4	16.2	5.5	9.9	11.5	15.2	13.3	12.5	10.3	15.1
4. Taxes on services	46.7	48.0	60.7	61.6	18.2	15.4	12.6	14.4	18.8	15.9	12.9	14.0	20.3
5. Foreign exchange tax	14.4	14.0	26.2	36.8	7.7	0.0	13.5	5.0	6.5	9.4	7.3	13.6	8.0
B. Nontax revenue	**145.1**	**301.3**	**128.8**	**130.3**	**21.7**	**17.8**	**61.2**	**28.1**	**13.4**	**36.2**	**41.1**	**39.5**	**24.4**
1. Grants	37.4	30.1	31.1	28.4	0.0	0.0	31.1	0.0	0.0	12.1	12.3	4.0	1.7
2. Other nontax revenue 2)	107.7	271.2	97.7	101.9	21.7	17.8	30.1	28.1	13.4	24.2	28.8	35.5	22.7
2. Expenditure	**866.0**	**919.3**	**1,180.2**	**1,034.6**	**235.9**	**298.1**	**237.8**	**408.4**	**209.5**	**278.9**	**298.4**	**247.7**	**249.3**
1. Wages	261.7	265.6	286.2	304.7	65.2	80.9	65.2	74.9	65.9	88.9	67.1	82.8	71.9
2. Employer's contribution	66.0	66.3	157.4	65.4	16.1	16.8	19.9	104.6	17.9	16.6	20.5	10.4	15.7
3. Wage subsidies	103.7	105.9	122.7	135.1	26.8	33.1	29.2	33.6	29.4	38.0	31.1	36.7	32.8
4. Goods and services	149.4	153.5	191.1	152.9	48.1	53.7	46.7	42.7	30.6	42.1	48.7	31.5	48.7
5. Interest	49.6	45.6	85.9	84.4	13.2	18.4	13.6	40.7	18.7	26.3	17.8	21.6	24.6
6. Development fund spending	3.7	16.2	32.6	20.9	8.4	10.1	5.1	9.0	5.0	5.7	6.1	4.1	3.2
7. Investment	13.3	26.4	34.2	43.2	6.3	7.2	10.9	9.9	5.9	7.8	25.4	4.2	9.8
8. Transfer to General Health Insurance (AZV)	129.9	132.7	130.8	130.4	28.0	66.9	22.0	13.9	21.6	23.4	63.8	21.6	30.1
9. Items n.i.e. 3)	88.8	107.2	139.3	97.5	23.9	11.1	25.2	79.1	14.6	30.1	17.8	34.9	12.4
3. Lending minus repayments	**-38.4**	**-103.1**	**9.3**	**0.7**	**0.3**	**-0.5**	**6.1**	**3.3**	**0.6**	**0.4**	**2.1**	**-2.4**	**0.4**
1. Lending	15.5	19.1	10.2	17.0	0.3	0.5	6.1	3.3	0.6	1.5	11.0	3.9	0.4
2. Repayments 4)	-53.9	-122.2	-1.0	-16.3	0.0	-1.0	0.0	0.0	0.0	-1.0	-9.0	-6.2	0.0
4. Financial deficit (-)	**-72.9**	**172.4**	**-353.6**	**-125.6**	**-38.4**	**-121.7**	**-4.2**	**-189.2**	**-14.0**	**-40.1**	**-70.0**	**-1.6**	**-20.7**
5. Net foreign capital	**106.7**	**-200.6**	**95.6**	**47.1**	**-4.7**	**118.2**	**0.0**	**-17.9**	**-2.7**	**-0.7**	**79.4**	**-28.9**	**-5.3**
A. Loans received 5)	136.0	293.6	119.5	266.4	0.0	119.5	0.0	0.0	2.2	0.6	247.4	16.2	0.0
B. Repayments on loans	-66.1	-126.1	-23.9	-210.4	-4.7	-1.3	0.0	-17.9	-4.9	-1.2	-116.7	-87.5	-5.3
C. Other financial transactions	36.8	-368.2	0.0	-8.9	0.0	0.0	0.0	0.0	0.0	0.0	-51.3	42.3	0.0
6. Net domestic capital 6)	**2.5**	**9.0**	**236.7**	**55.7**	**0.0**	**57.9**	**-0.6**	**179.4**	**5.3**	**1.4**	**52.0**	**-2.9**	**64.0**
A. Loans received	33.0	49.2	329.6	122.5	0.0	57.9	17.7	254.0	28.6	28.7	45.2	20.0	24.4
B. Repayments on loans	-30.5	-30.3	-74.9	-70.3	0.0	0.0	-18.3	-56.7	-22.6	-27.3	-2.4	-17.9	-0.4
C. Other financial transactions	0.0	-10.0	-18.0	3.4	0.0	0.0	0.0	-18.0	-0.7	0.0	9.1	-5.0	40.0
7. Net recourse to the monetary system (-)	**36.2**	**-19.3**	**-21.3**	**15.2**	**-43.1**	**54.4**	**-4.8**	**-27.8**	**-11.4**	**-39.4**	**61.4**	**-33.4**	**38.0**
A. Loans received	-3.1	-1.8	-7.2	-15.4	0.0	0.0	-7.1	-0.1	-9.8	-41.4	35.8	-40.0	40.0
B. Drawings on deposits	40.1	-16.6	-13.3	34.1	-43.0	54.5	2.5	-27.3	-1.4	2.1	27.1	8.0	-1.7
-Earmarked	12.2	-50.5	-0.3	0.1	-0.3	1.0	0.0	-1.0	0.0	0.3	0.0	0.6	-0.8
-Free	27.8	34.0	-13.0	34.0	-42.7	53.5	2.5	-26.3	-1.4	1.8	27.1	7.4	-0.9
C. Other	-0.8	-0.9	-0.8	-3.5	-0.1	-0.1	-0.2	-0.4	-0.2	-0.1	-1.5	-1.4	-0.3
8. Memorandum items													
A. Unmet financing requirements	264.0	285.5	156.7	183.2	299.6	297.7	292.0	156.7	141.3	181.8	133.1	183.2	173.6
B. Financial deficit (-)	-76.1	150.9	-224.7	-152.1	-52.5	-119.8	1.5	-53.9	1.5	-80.6	-21.3	-51.7	-11.1

1) Preliminary figures and estimates on a cash basis.
2) Including debt forgiveness.
3) Residual item, including errors and omissions.
4) In the second quarter of 2002, an early debt repayment of Afl. 45 million was received from Utilities N.V. related to the taking over of certain assets from the government in 1992.
5) Includes net-borrowing on behalf of public institutions.
6) Net long-term capital attracted from nonmonetary sectors mainly by issuing government bonds. The commercial bank's purchases of such bonds are included under item 7a, while the nonresident's purchases are included under 5.

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

TABLE 7.2: GOVERNMENT REVENUE

	2002	2003	2004	2005	2004 I	2004 II	2004 III	2004 IV	2005 I	2005 II	2005 III	2005 IV	2006 I
TOTAL REVENUE	**754.7**	**988.6**	**835.9**	**909.7**	**197.9**	**175.9**	**239.7**	**222.4**	**196.1**	**239.3**	**230.5**	**243.8**	**229.0**
TAX REVENUE	**609.6**	**687.4**	**707.1**	**779.4**	**176.2**	**158.1**	**178.6**	**194.3**	**182.8**	**203.0**	**189.3**	**204.3**	**204.5**
Taxes on income and profit	**301.3**	**339.9**	**321.9**	**364.7**	**78.5**	**77.5**	**83.8**	**82.1**	**83.3**	**98.8**	**91.1**	**91.5**	**100.3**
Of which:													
-Wage tax	220.1	234.9	247.2	266.2	64.0	67.2	56.5	59.6	68.9	65.6	64.2	67.4	75.8
-Income tax	3.0	-0.6	0.3	2.9	0.2	2.0	0.4	-2.2	0.8	0.0	0.7	1.4	2.2
-Profit tax	78.3	105.6	74.4	95.6	14.3	8.4	27.0	24.7	13.6	33.2	26.2	22.7	22.3
-Solidarity tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on commodities	**213.5**	**234.4**	**255.4**	**265.0**	**55.6**	**59.6**	**58.8**	**81.3**	**58.9**	**65.6**	**65.6**	**74.9**	**60.9**
Of which:													
-Excises on gasoline	65.2	68.7	70.0	68.9	17.5	17.3	17.7	17.5	17.4	18.5	18.3	14.7	13.8
-Excises on tobacco	10.4	12.6	12.0	12.5	2.9	2.8	3.0	3.4	3.1	3.5	3.0	2.9	3.2
-Excises on beer	20.3	24.3	25.1	25.3	5.8	5.7	6.5	7.1	4.8	6.6	6.9	7.0	6.6
-Excises on liquor	13.1	13.9	15.8	17.5	3.2	3.6	3.4	5.5	3.9	4.3	3.6	5.7	3.4
-Import duties	104.5	114.9	132.5	140.7	26.3	30.2	28.2	47.8	29.7	32.6	33.8	44.6	33.9
Taxes on property	**33.7**	**51.0**	**43.0**	**51.4**	**16.2**	**5.5**	**9.9**	**11.5**	**15.2**	**13.3**	**12.5**	**10.3**	**15.1**
Of which:													
-Motor vehicle fees	15.2	14.7	15.1	17.5	8.0	1.5	2.3	3.3	9.2	1.5	2.4	4.4	9.7
-Succession tax	0.3	1.2	1.0	0.6	0.3	0.5	0.1	0.1	0.3	0.1	0.1	0.1	0.2
-Land tax	12.3	27.5	19.0	24.9	5.6	2.4	4.3	6.7	3.9	10.6	6.3	4.1	2.9
-Transfer tax	5.9	7.5	7.9	8.4	2.3	1.2	3.1	1.3	1.8	1.2	3.7	1.7	2.3
Taxes on services	**46.7**	**48.0**	**60.7**	**61.6**	**18.2**	**15.4**	**12.6**	**14.4**	**18.8**	**15.9**	**12.9**	**14.0**	**20.3**
Of which:													
-Gambling licenses	17.1	17.2	23.7	22.2	8.1	6.5	4.1	5.0	7.1	5.0	4.2	5.9	8.7
-Hotel room tax	24.8	25.1	30.5	33.9	8.6	7.9	7.1	6.9	10.6	9.3	7.4	6.6	10.5
-Stamp duties	2.1	3.6	3.3	1.7	0.5	0.2	0.6	1.9	0.4	0.4	0.4	0.4	0.4
-Other	2.7	2.3	3.1	3.8	1.0	0.8	0.8	0.6	0.7	1.2	0.8	1.1	0.7
Foreign exchange tax	**14.4**	**14.0**	**26.2**	**36.8**	**7.7**	**0.0**	**13.5**	**5.0**	**6.5**	**9.4**	**7.3**	**13.6**	**8.0**
NONTAX REVENUE	**145.1**	**301.3**	**128.8**	**130.3**	**21.7**	**17.8**	**61.2**	**28.1**	**13.4**	**36.2**	**41.1**	**39.5**	**24.4**
Of which:													
-Grants	37.4	30.1	31.1	28.4	0.0	0.0	31.1	0.0	0.0	12.1	12.3	4.0	1.7
-Other nontax revenue 1)	107.7	271.2	97.7	101.9	21.7	17.8	30.1	28.1	13.4	24.2	28.8	35.5	22.7

1) Including debt forgiveness.

Source: Tax Collector's Office; CBA.

TABLE 7.3: GOVERNMENT'S POSITION WITH THE MONETARY SYSTEM

End of period		Domestic deposits: Central Bank: Free (1)	Earmarked (2)	Development funds (3)	Total (4=1+2+3)	Commercial banks: Demand (5)	Development funds (6)	Gross liquidity position (7=4+5+6)	Liabilities to: Monetary authorities (8)	Commercial banks (9)	Total (10=8+9)	Net liability to the monetary system (11=10-7)	Change in net liability during period (12)
2002		12.3	51.9	47.9	112.2	8.1	23.1	143.4	63.6	17.9	81.4	-61.9	-36.2
2003		35.4	1.4	30.5	67.3	10.8	48.7	126.8	64.5	19.7	84.2	-42.6	19.3
2004		5.4	1.1	41.7	48.3	6.2	59.0	113.5	65.2	26.9	92.1	-21.3	21.3
2005		4.7	2.0	0.2	6.9	24.4	117.9	149.3	68.4	82.3	150.7	1.4	22.8
2004	I	4.3	1.1	22.1	27.5	4.1	52.2	83.8	64.6	19.7	84.3	0.5	43.1
	II	67.1	2.1	12.0	81.2	4.6	52.6	138.3	64.7	19.7	84.4	-53.9	-54.4
	III	30.1	2.1	44.3	76.6	4.5	59.7	140.8	64.9	26.8	91.7	-49.1	4.8
	IV	5.4	1.1	41.7	48.3	6.2	59.0	113.5	65.2	26.9	92.1	-21.3	27.8
2005	I	11.0	1.1	39.9	52.0	4.0	56.1	112.1	65.4	36.7	102.1	-9.9	11.4
	II	12.4	1.4	9.3	23.1	4.5	86.6	114.2	65.5	78.1	143.6	29.4	39.4
	III	11.2	1.4	25.5	38.1	6.0	97.3	141.3	67.0	42.3	109.3	-32.0	-61.4
	IV	4.7	2.0	0.2	6.9	24.4	117.9	149.3	68.4	82.3	150.7	1.4	33.4
2006	I	15.2	1.2	0.1	16.4	15.6	115.5	147.5	68.7	42.3	111.0	-36.6	-38.0

TABLE 7.4: OUTSTANDING GOVERNMENT DEBT

	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. Total debt	**1,611.1**	**1,478.8**	**1,701.0**	**1,869.3**	**1,481.5**	**1,655.4**	**1,660.3**	**1,701.0**	**1,688.3**	**1,763.5**	**1,852.3**	**1,869.3**	**1,882.5**
2. Domestic debt	**717.5**	**754.6**	**864.7**	**1,012.4**	**768.7**	**824.8**	**825.6**	**864.7**	**864.5**	**953.1**	**920.2**	**1,012.4**	**1,026.8**
A. Negotiable	**189.1**	**218.5**	**320.9**	**377.1**	**218.5**	**276.4**	**286.9**	**320.9**	**358.7**	**368.1**	**377.1**	**377.1**	**377.1**
1.Treasury bills	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
2.Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3.Government bonds	141.1	170.5	272.9	329.1	170.5	228.4	238.9	272.9	310.7	320.1	329.1	329.1	329.1
B. Non-negotiable	**528.4**	**536.1**	**543.8**	**635.2**	**550.2**	**548.4**	**538.7**	**543.8**	**505.8**	**585.0**	**543.1**	**635.2**	**649.6**
1. Short-term	279.6	304.7	156.7	183.2	319.7	318.8	314.0	156.7	141.3	217.8	133.1	183.2	173.6
a. APFA	214.1	219.7	49.9	57.0	214.8	221.5	240.7	49.9	57.9	67.7	54.8	57.0	65.0
b. Suppliers' credit	46.9	47.2	79.6	107.4	58.3	65.0	55.0	79.6	58.1	83.8	75.8	107.4	70.6
c. Other	18.6	37.8	27.2	18.8	46.6	32.3	18.3	27.2	25.3	66.3	2.5	18.8	38.0
2. Long-term	248.8	231.4	387.1	452.0	230.5	229.6	224.7	387.1	364.5	367.2	410.0	452.0	476.0
a. APFA	72.1	78.4	239.1	237.5	77.4	76.5	75.5	239.1	238.7	238.3	237.9	237.5	237.0
b. SVB	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9	94.9
c. Private loans	54.6	46.1	41.0	102.7	46.1	46.1	42.2	41.0	18.8	16.9	43.9	102.7	127.1
d. Other	27.2	12.1	12.1	17.0	12.1	12.1	12.1	12.1	12.1	17.1	33.3	17.0	17.0
3. Foreign debt	**893.7**	**724.2**	**836.3**	**856.9**	**712.9**	**830.7**	**834.7**	**836.3**	**823.9**	**810.4**	**932.0**	**856.9**	**855.7**
A. The Netherlands	**199.6**	**217.0**	**213.1**	**171.6**	**210.9**	**208.9**	**212.7**	**213.1**	**204.1**	**191.2**	**190.5**	**171.6**	**175.4**
1. Development cooperation	195.9	214.6	210.6	169.4	208.6	206.6	210.4	210.6	201.7	189.0	188.3	169.4	173.1
2. Commercial loans	3.7	2.4	2.5	2.2	2.3	2.3	2.3	2.5	2.4	2.2	2.2	2.2	2.2
B. EIB	**15.0**	**13.6**	**14.3**	**12.0**	**13.2**	**12.9**	**13.2**	**14.3**	**13.6**	**12.5**	**12.4**	**12.0**	**12.3**
C. USA	**244.8**	**244.8**	**244.8**	**136.8**	**244.8**	**244.8**	**244.8**	**244.8**	**244.8**	**244.8**	**208.8**	**136.8**	**136.8**
D. Other	**434.2**	**248.8**	**364.1**	**536.6**	**244.0**	**364.1**	**364.1**	**364.1**	**361.4**	**361.9**	**520.3**	**536.6**	**531.3**

Source: Department of Finance; APFA; CBA.

TABLE 8.1: BALANCE OF PAYMENTS 1)

During period	2002	2003	2004	2005	2004 I	2004 II	2004 III	2004 IV	2005 I	2005 II	2005 III	2005 IV	2006 I
1. Current account (net)	**-599.3**	**-271.8**	**25.1**	**-365.1**	**33.2**	**-189.6**	**-12.9**	**194.4**	**150.8**	**-88.9**	**-158.4**	**-268.6**	**-43.0**
A. Goods and services	-254.8	-46.5	312.3	677.9	84.5	-129.9	61.4	296.3	228.8	2.3	286.7	160.1	62.0
1. Goods	-952.0	-616.6	-498.1	-11.0	-203.4	-284.7	-85.2	75.2	-115.3	-156.1	243.8	16.6	-183.9
2. Services	697.2	570.1	810.4	688.9	287.9	154.8	146.7	221.1	344.0	158.4	42.9	143.5	245.9
B. Income	-222.6	-74.9	-108.1	-818.5	-12.4	-18.9	-28.3	-48.5	-25.8	-41.0	-385.5	-366.2	-52.5
C. Current transfers	-122.0	-150.4	-179.2	-224.5	-38.9	-40.8	-46.1	-53.4	-52.2	-50.2	-59.6	-62.5	-52.5
2. Capital and financial account (net)	**605.7**	**170.3**	**-17.2**	**266.3**	**3.9**	**254.9**	**-42.3**	**-233.7**	**-119.2**	**26.8**	**165.6**	**193.1**	**71.2**
A. Capital account	38.1	179.1	30.2	32.9	-2.6	-1.4	31.9	2.3	1.4	10.6	14.6	6.4	0.6
1. Capital transfers	40.4	179.0	30.2	32.9	-2.6	-1.4	31.9	2.3	1.4	10.6	14.6	6.4	0.6
2. Acquisition/disposal of n.p.n.f. assets	-2.4	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	567.7	-8.7	-47.4	233.4	6.4	256.3	-74.2	-236.0	-120.6	16.2	151.0	186.7	70.5
1. Direct investment	592.0	266.6	260.5	212.1	100.2	48.5	49.3	62.6	-27.5	62.0	86.1	91.6	80.2
2. Portfolio investment	133.3	86.4	71.4	-6.9	-24.9	118.8	0.7	-23.2	33.0	-33.4	91.4	-98.0	-23.8
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Other investment	-157.6	-361.7	-379.2	28.2	-68.9	89.1	-124.2	-275.3	-126.1	-12.4	-26.5	193.1	14.1
3. Items not yet classified 2)	**32.6**	**40.3**	**12.0**	**37.6**	**-6.0**	**-4.1**	**5.8**	**16.3**	**16.2**	**-0.6**	**8.3**	**13.6**	**8.8**
4. Overall balance (1+2+3)	**39.0**	**-61.2**	**19.9**	**-61.2**	**31.0**	**61.2**	**-49.4**	**-23.0**	**47.8**	**-62.6**	**15.6**	**-62.0**	**37.0**
5. Banking transactions 3)	**32.9**	**-3.8**	**-17.1**	**21.5**	**-10.1**	**9.4**	**21.7**	**-38.1**	**39.6**	**49.6**	**-22.1**	**-45.6**	**16.6**
6. Increase (-) in official reserves 4)	**-71.9**	**65.0**	**-2.8**	**39.7**	**-21.0**	**-70.6**	**27.7**	**61.1**	**-87.5**	**13.0**	**6.6**	**107.6**	**-53.6**
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	-71.9	65.0	-2.8	39.7	-21.0	-70.6	27.7	61.1	-87.5	13.0	6.6	107.6	-53.6

1) On a cash basis.
2) Including errors and omissions.
3) Minus (-) sign denotes an increase in assets and a decrease in liabilities.
4) Excluding revaluation differences of gold and official foreign exchange holdings.

TABLE 8.2: COMPONENTS OF THE CURRENT ACCOUNT

During period	2002	2003	2004	2005	2004 I	2004 II	2004 III	2004 IV	2005 I	2005 II	2005 III	2005 IV	2006 I
1. Goods and services	**-254.8**	**-46.5**	**312.3**	**677.9**	**84.5**	**-129.9**	**61.4**	**296.3**	**228.8**	**2.3**	**286.7**	**160.1**	**62.0**
A. Goods	**-952.0**	**-616.6**	**-498.1**	**-11.0**	**-203.4**	**-284.7**	**-85.2**	**75.2**	**-115.3**	**-156.1**	**243.8**	**16.6**	**-183.9**
1. Exports f.o.b.	2,663.5	3,673.2	4,875.3	6,235.0	1,017.1	1,064.8	1,225.1	1,568.3	1,078.4	1,466.9	1,863.9	1,825.8	1,659.9
2. Imports f.o.b.	3,615.5	4,289.8	5,373.4	6,246.0	1,220.6	1,349.5	1,310.3	1,493.0	1,193.7	1,623.0	1,620.1	1,809.2	1,843.9
B. Services	**697.2**	**570.1**	**810.4**	**688.9**	**287.9**	**154.8**	**146.7**	**221.1**	**344.0**	**158.4**	**42.9**	**143.5**	**245.9**
1. Receipts	1,784.2	1,873.4	2,239.8	2,349.9	635.7	515.3	500.3	588.4	666.7	550.0	533.2	600.0	684.6
1.1 Transportation	58.3	63.3	87.3	94.3	22.1	22.4	20.5	22.3	25.5	24.3	22.4	22.1	24.5
1.1.1 Passenger	1.6	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
1.1.2 Freight	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.3 Other	56.7	63.1	87.3	94.3	22.1	22.4	20.5	22.3	25.5	24.3	22.4	22.1	24.3
1.2 Travel	1,486.8	1,537.4	1,897.2	1,974.0	551.0	436.1	421.6	488.5	570.7	470.1	450.0	483.2	565.1
1.2.1 Tourism	1,473.9	1,522.5	1,889.6	1,968.9	548.2	433.8	420.6	487.1	569.6	469.1	448.6	481.6	563.5
1.2.2 Other	12.9	14.9	7.6	5.1	2.8	2.3	1.1	1.5	1.1	1.0	1.4	1.7	1.6
1.3 Government services, n.i.e.	31.0	25.4	28.1	30.1	7.4	7.6	6.0	7.1	4.5	7.1	6.0	12.5	2.8
1.4 Other services	208.1	247.3	227.2	251.5	55.3	49.1	52.2	70.6	66.0	48.5	54.8	82.1	92.2
1.4.1 Construction services	2.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.2 Business services	177.3	220.6	197.2	219.8	48.8	39.4	45.2	63.8	60.1	40.5	46.6	72.7	80.8
1.4.3 Other services, n.i.e.	28.7	26.5	30.0	31.6	6.5	9.8	7.0	6.8	5.9	7.9	8.2	9.5	11.4
2. Payments	1,087.0	1,303.3	1,429.3	1,661.0	347.8	360.5	353.7	367.4	322.7	391.5	490.3	456.5	438.7
2.1 Transportation	390.6	475.9	593.2	668.8	135.1	149.9	145.2	162.9	128.7	173.7	173.9	192.5	194.8
2.1.1 Passenger	22.6	44.3	53.9	42.9	12.8	14.3	13.5	13.3	8.9	11.0	11.7	11.2	10.2
2.1.2 Freight	361.8	429.6	538.4	625.3	122.3	135.2	131.3	149.6	119.7	162.5	162.1	181.0	184.5
2.1.3 Other	6.3	2.0	0.9	0.6	0.0	0.4	0.4	0.1	0.1	0.2	0.1	0.2	0.0
2.2 Travel	286.0	337.9	398.6	427.5	97.0	98.7	102.4	100.4	88.1	103.7	127.7	108.0	106.9
2.2.1 Tourism	230.1	269.8	345.4	385.2	85.0	83.2	87.2	90.0	78.5	93.3	112.6	100.7	96.2
2.2.2 Other	55.9	68.1	53.2	42.3	11.9	15.6	15.3	10.5	9.6	10.4	15.1	7.3	10.7
2.3 Government services, n.i.e.	55.6	64.6	57.8	49.8	11.7	12.3	19.7	14.2	7.8	10.9	20.0	11.1	9.3
2.4 Other services	354.8	424.9	379.8	515.0	104.1	99.6	86.3	89.8	98.1	103.2	168.7	144.9	127.8
2.4.1 Construction services	26.6	46.2	45.7	46.5	9.7	17.4	12.5	6.2	6.2	6.1	8.8	25.4	17.5
2.4.2 Business services	242.6	297.7	269.4	374.5	77.0	61.6	59.9	70.8	67.8	75.7	129.6	101.4	81.5
2.4.3 Other services, n.i.e.	85.7	81.1	64.6	93.9	17.4	20.6	13.9	12.8	24.1	21.5	30.2	18.1	28.7
2. Income	**-222.6**	**-74.9**	**-108.1**	**-818.5**	**-12.4**	**-18.9**	**-28.3**	**-48.5**	**-25.8**	**-41.0**	**-385.5**	**-366.2**	**-52.5**
1. Receipts	57.7	57.1	62.4	71.2	17.1	13.6	13.9	17.8	14.3	16.4	18.0	22.5	18.4
1.1 Compensation of employees	0.8	0.5	1.1	1.4	0.1	0.3	0.2	0.4	0.3	0.3	0.3	0.6	0.6
1.2 Investment income	56.8	56.6	61.3	69.8	16.9	13.2	13.8	17.3	14.0	16.1	17.7	22.0	17.8
2. Payments	280.3	131.9	170.4	889.7	29.4	32.5	42.2	66.3	40.0	57.4	403.4	388.8	70.8
2.1 Compensation of employees	1.1	1.1	1.8	2.2	0.4	0.3	0.5	0.6	0.5	0.6	0.4	0.7	0.6
2.2 Investment income	279.1	130.8	168.6	887.4	29.0	32.2	41.8	65.7	39.5	56.8	403.0	388.1	70.2
3. Current transfers	**-122.0**	**-150.4**	**-179.2**	**-224.5**	**-38.9**	**-40.8**	**-46.1**	**-53.4**	**-52.2**	**-50.2**	**-59.6**	**-62.5**	**-52.5**
1. Receipts	62.6	71.8	77.7	89.0	18.9	17.8	16.8	24.2	20.1	24.0	22.8	22.1	20.1
1.1 General government	16.4	23.7	28.0	34.2	6.4	6.3	5.3	10.0	4.8	9.1	10.5	9.9	6.7
1.2 Other sectors	46.2	48.1	49.7	54.8	12.5	11.5	11.5	14.2	15.3	14.9	12.3	12.2	13.4
1.2.1 Workers' remittances	1.6	1.2	0.5	2.8	0.0	0.1	0.4	0.0	0.0	0.0	0.0	2.8	2.5
1.2.2 Other transfers	44.6	46.9	49.2	51.9	12.6	11.4	11.0	14.2	15.4	14.9	12.3	9.4	11.0
2. Payments	184.6	222.2	256.9	313.5	57.8	58.6	62.9	77.6	72.3	74.1	82.5	84.6	72.7
2.1 General government	26.0	27.0	25.1	36.7	5.5	4.3	4.8	10.4	9.6	5.6	6.2	15.3	6.0
2.2 Other sectors	158.6	195.2	231.8	276.8	52.3	54.3	58.0	67.1	62.7	68.5	76.3	69.3	66.6
2.2.1 Workers' remittances	80.5	92.9	89.3	109.9	17.9	20.9	22.6	27.9	24.0	26.5	27.1	32.3	27.6
2.2.2 Other transfers	78.0	102.3	142.5	166.9	34.4	33.4	35.4	39.2	38.7	42.0	49.2	37.0	39.0
4. Current account balance (1+2+3)	**-599.3**	**-271.8**	**25.1**	**-365.1**	**33.2**	**-189.6**	**-12.9**	**194.4**	**150.8**	**-88.9**	**-158.4**	**-268.6**	**-43.0**

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

During period	2002	2003	2004	2005	2004 I	II	III	IV	2005 I	II	III	IV	2006 I
1. Capital account	**38.1**	**179.1**	**30.2**	**32.9**	**-2.6**	**-1.4**	**31.9**	**2.3**	**1.4**	**10.6**	**14.6**	**6.4**	**0.6**
A. Capital transfers	40.4	179.0	30.2	32.9	-2.6	-1.4	31.9	2.3	1.4	10.6	14.6	6.4	0.6
1.1 General government	37.4	183.8	30.8	28.3	0.0	0.0	30.8	0.0	0.0	12.0	12.3	4.1	1.7
1.2 Other sectors	3.1	-4.8	-0.6	4.6	-2.6	-1.4	1.1	2.3	1.4	-1.4	2.3	2.3	-1.1
1.2.1 Migrants' transfers	3.1	-4.8	-0.6	4.5	-2.6	-1.4	1.1	2.3	1.3	-1.4	2.3	2.3	-1.1
1.2.2 Other	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
B. Acquisition/disposal of n.p.n.f. assets	-2.4	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. Financial account	**567.7**	**-8.7**	**-47.4**	**233.4**	**6.4**	**256.3**	**-74.2**	**-236.0**	**-120.6**	**16.2**	**151.0**	**186.7**	**70.5**
1. Direct investment	592.0	266.6	260.5	212.1	100.2	48.5	49.3	62.6	-27.5	62.0	86.1	91.6	80.2
1.1 Abroad	-1.1	-11.1	0.6	-9.0	0.0	-0.5	1.4	-0.3	-2.1	-1.3	-4.5	-1.1	1.1
1.2 In Aruba	593.1	277.6	259.9	221.2	100.2	48.9	47.8	62.9	-25.4	63.3	90.5	92.7	79.2
2. Portfolio investment	133.3	86.4	71.4	-6.9	-24.9	118.8	0.7	-23.2	33.0	-33.4	91.4	-98.0	-23.8
2.1 Assets	31.7	-32.8	-37.2	-44.9	-17.3	-1.9	2.7	-20.6	0.2	-10.6	-7.2	-27.3	-22.8
2.2 Liablities	101.6	119.1	108.5	38.0	-7.6	120.7	-2.0	-2.6	32.8	-22.7	98.6	-70.7	-1.0
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.1 Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.2 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
4. Other investment	-157.6	-361.7	-379.2	28.2	-68.9	89.1	-124.2	-275.3	-126.1	-12.4	-26.5	193.1	14.1
4.1 Assets	-121.5	-27.4	-283.7	90.4	-45.8	107.3	-92.8	-252.4	-95.3	0.7	-4.5	189.6	49.0
4.1.1 Loans	-1.4	-8.3	-1.5	-16.4	0.8	-0.9	-2.3	1.0	0.5	6.7	-8.2	-15.3	4.7
4.1.2 Other assets	-120.1	-19.2	-282.3	106.8	-46.5	108.2	-90.5	-253.5	-95.8	-6.0	3.7	204.9	44.2
4.1.2.1 Currency and deposits	-114.6	-14.3	-274.1	109.3	-45.4	110.2	-88.7	-250.3	-96.8	-4.7	5.3	205.5	45.5
4.1.2.2 Other assets, n.i.e.	-5.5	-4.8	-8.2	-2.5	-1.2	-2.0	-1.8	-3.2	1.0	-1.3	-1.6	-0.6	-1.3
4.2 Liabilities	-36.1	-334.2	-95.5	-62.3	-23.1	-18.2	-31.3	-22.9	-30.8	-13.1	-22.0	3.6	-34.8
4.2.1 Loans	-67.9	48.2	-67.9	-41.5	-17.2	-11.9	-25.2	-13.5	-25.1	-6.2	-17.4	7.2	-29.6
4.2.1.1 General government	-39.0	82.0	-23.4	-5.8	-4.7	-1.1	0.0	-17.5	-4.9	-1.2	0.0	0.3	-5.2
4.2.1.2 Other sectors	-28.9	-33.7	-44.5	-35.7	-12.4	-10.8	-25.2	4.0	-20.2	-5.0	-17.4	6.9	-24.4
4.2.2 Other liabilities	31.8	-382.5	-27.7	-20.7	-5.9	-6.3	-6.1	-9.3	-5.7	-6.9	-4.5	-3.6	-5.2
4.2.2.1 Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2.2 Other liabilities, n.i.e.	31.8	-382.5	-27.7	-20.7	-5.9	-6.3	-6.1	-9.3	-5.7	-6.9	-4.5	-3.6	-5.2
3. Capital and financial account balance (1+2)	**605.7**	**170.3**	**-17.2**	**266.3**	**3.9**	**254.9**	**-42.3**	**-233.7**	**-119.2**	**26.8**	**165.6**	**193.1**	**71.2**

1) Excluding banking transactions and official reserves.

TABLE 8.4: BALANCE OF PAYMENTS BY SECTORS 1)

During period	2004 I				2005 I				2006 I			
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
1. Current account (net)	**-4.4**	**3.0**	**34.7**	**33.2**	**108.7**	**1.4**	**40.7**	**150.8**	**-9.6**	**8.4**	**-41.8**	**-43.0**
A. Goods and services	5.4	3.1	75.9	84.5	118.2	1.5	109.1	228.8	6.7	8.6	46.7	62.0
1. Goods	106.1	4.4	-313.9	-203.4	207.1	3.0	-325.3	-115.3	164.1	9.9	-357.9	-183.9
1.1 Exports f.o.b.	991.5	17.5	8.1	1,017.1	1,056.1	17.8	4.6	1,078.4	1,630.8	24.7	4.5	1,659.9
1.2 Imports f.o.b.	885.5	13.1	322.0	1,220.6	849.0	14.8	329.9	1,193.7	1,466.7	14.8	362.4	1,843.9
2. Services	-100.6	-1.3	389.8	287.9	-88.9	-1.4	434.4	344.0	-157.4	-1.3	404.7	245.9
2.1 Receipts	2.1	0.1	633.6	635.7	3.2	0.0	663.5	666.7	1.7	0.2	682.7	684.6
2.2 Payments	102.7	1.3	243.8	347.8	92.1	1.5	229.1	322.7	159.2	1.5	278.0	438.7
B. Income	0.0	0.0	-12.4	-12.4	0.0	0.0	-25.8	-25.8	0.0	0.0	-52.5	-52.5
1. Receipts	0.0	0.0	17.1	17.1	0.0	0.0	14.3	14.3	0.0	0.0	18.4	18.4
2. Payments	0.0	0.0	29.4	29.4	0.0	0.0	40.0	40.0	0.0	0.0	70.8	70.8
C. Current transfers	-9.9	-0.1	-28.9	-38.9	-9.5	-0.2	-42.6	-52.2	-16.3	-0.2	-36.1	-52.5
1. Receipts	0.0	0.0	18.9	18.9	0.0	0.0	20.1	20.1	0.0	0.0	20.1	20.1
2. Payments	9.9	0.1	47.8	57.8	9.5	0.2	62.7	72.3	16.3	0.2	56.2	72.7
2. Capital and financial account (net)	**23.9**	**-0.3**	**-19.7**	**3.9**	**-87.9**	**-0.1**	**-31.1**	**-119.2**	**47.4**	**-0.6**	**24.3**	**71.2**
A. Capital account	0.0	0.0	-2.6	-2.6	0.0	0.0	1.4	1.4	0.0	0.0	0.6	0.6
1. Capital transfers	0.0	0.0	-2.6	-2.6	0.0	0.0	1.4	1.4	0.0	0.0	0.6	0.6
2. Acquisition/disposal of n.p.n.f. assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial account	23.9	-0.3	-17.2	6.4	-87.9	-0.1	-32.5	-120.6	47.4	-0.6	23.7	70.5
1. Direct investment	75.6	0.0	24.5	100.2	0.0	0.0	-27.5	-27.5	0.0	0.0	80.2	80.2
2. Portfolio investment	0.0	0.0	-24.9	-24.9	-0.2	0.0	33.2	33.0	-0.3	0.0	-23.6	-23.8
3. Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Other investment	-51.7	-0.3	-16.8	-68.9	-87.8	-0.1	-38.2	-126.1	47.7	-0.6	-33.0	14.1
3. Items not yet classified 2)	**0.0**	**0.0**	**-6.0**	**-6.0**	**0.0**	**0.0**	**16.2**	**16.2**	**0.0**	**0.0**	**8.8**	**8.8**
4. Overall balance (1+2+3)	**19.5**	**2.7**	**8.9**	**31.0**	**20.8**	**1.2**	**25.9**	**47.8**	**37.8**	**7.8**	**-8.6**	**37.0**
5. Banking transactions 3)	**-19.5**	**-2.7**	**12.0**	**-10.1**	**-20.8**	**-1.2**	**61.6**	**39.6**	**-37.8**	**-7.8**	**62.3**	**16.6**
6. Increase (-) in official reserves 4)	**0.0**	**0.0**	**-21.0**	**-21.0**	**0.0**	**0.0**	**-87.5**	**-87.5**	**0.0**	**0.0**	**-53.6**	**-53.6**
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	0.0	0.0	-21.0	-21.0	0.0	0.0	-87.5	-87.5	0.0	0.0	-53.6	-53.6

1) On a cash basis.
2) Including errors and omissions.
3) Minus (-) sign denotes an increase in assets and a decrease in liabilities.
4) Excluding revaluation differences of gold and official foreign exchange holdings.

TABLE 8.5: BREAKDOWN OF MERCHANDISE TRADE

During period	2002	2003	2004	2005	2004				2005				2006
					I	II	III	IV	I	II	III	IV	I
1. Exports f.o.b.	**2,663.5**	**3,673.2**	**4,875.3**	**6,235.0**	**1,017.1**	**1,064.8**	**1,225.1**	**1,568.3**	**1,078.4**	**1,466.9**	**1,863.9**	**1,825.8**	**1,659.9**
A. General merchandise	145.1	108.8	97.0	104.8	24.0	22.8	23.3	26.8	20.8	20.6	31.7	31.8	27.8
1. Free-zone	111.3	82.6	73.0	86.4	17.5	17.4	16.3	21.8	17.8	16.3	23.6	28.7	24.7
2. Other sectors	33.8	26.2	24.0	18.4	6.5	5.4	7.1	5.0	3.0	4.3	8.0	3.1	3.1
B. Goods for processing	2,262.7	3,387.6	4,527.3	5,926.1	963.9	985.9	1,126.2	1,451.2	1,002.7	1,418.5	1,769.7	1,735.2	1,581.0
C. Goods procured in ports by carriers	255.8	176.8	251.1	204.1	29.2	56.1	75.5	90.2	55.0	27.8	62.6	58.8	51.1
D. Repairs on goods	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Imports f.o.b.	**3,615.5**	**4,289.8**	**5,373.4**	**6,246.0**	**1,220.6**	**1,349.5**	**1,310.3**	**1,493.0**	**1,193.7**	**1,623.0**	**1,620.1**	**1,809.2**	**1,843.9**
A. General merchandise	1,748.3	1,901.3	1,701.2	2,095.2	415.7	397.1	426.0	462.5	460.3	512.5	511.4	611.0	580.7
1. Oil sector	611.0	687.9	376.8	674.1	80.7	87.5	98.2	110.4	115.6	161.4	174.0	223.1	203.5
2. Free-zone	96.1	66.2	55.1	74.0	13.1	9.0	15.6	17.4	14.8	17.5	15.6	26.1	14.8
3. Other sectors	1,032.5	1,139.0	1,257.5	1,335.2	320.4	299.0	306.2	331.9	328.7	331.3	316.3	359.0	360.2
B. Goods for processing	1,866.5	2,388.4	3,672.0	4,150.7	804.8	952.4	884.3	1,030.4	733.4	1,110.5	1,108.7	1,198.2	1,263.2
C. Goods procured in ports by carriers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Repairs on goods	0.7	0.0	0.2	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
3. Merchandise trade balance (1-2)	**-952.0**	**-616.6**	**-498.1**	**-11.0**	**-203.4**	**-284.7**	**-85.2**	**75.2**	**-115.3**	**-156.1**	**243.8**	**16.6**	**-183.9**

TABLE 8.6: OFFICIAL FOREIGN EXCHANGE RATES (SELLING)

(Period averages)

		Canadian dollar	Pound sterling	Netherlands guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/Euro 1) (x 100)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2002		1.151	2.723		115.940				144.179	170.323
2003		1.292	2.959		133.495				155.490	203.622
2004		1.389	3.312		144.722				166.471	223.843
2005		1.488	3.284		144.109				163.430	223.609
2004	I	1.368	3.322		143.020				167.859	224.838
	II	1.328	3.265		140.734				164.081	216.769
	III	1.377	3.285		142.772				163.590	219.797
	IV	1.477	3.372		151.899				170.236	233.446
2005	I	1.470	3.414		152.010				172.165	235.954
	II	1.448	3.349		146.302				167.148	226.375
	III	1.499	3.225		140.984				161.821	219.458
	IV	1.534	3.159		137.889				153.377	213.785
2006	I	1.559	3.166		138.450				153.905	216.316

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

TABLE 8.7: OFFICIAL FOREIGN EXCHANGE RATES (SELLING)

(End of period)

		Canadian dollar	Pound sterling	Netherlands guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/Euro 1) (x 100)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2002		1.144	2.916		129.646				151.665	188.656
2003		1.403	3.238		145.517				168.239	227.207
2004		1.495	3.488		158.424				175.464	245.035
2005		1.549	3.111		136.190				152.788	212.222
2004	I	1.379	3.316		140.717				173.193	219.904
	II	1.341	3.274		143.147				165.153	218.662
	III	1.421	3.264		143.482				162.741	223.232
	IV	1.495	3.488		158.424				175.464	245.035
2005	I	1.485	3.400		150.249				168.460	233.216
	II	1.463	3.240		140.052				162.396	217.529
	III	1.543	3.191		138.921				158.994	216.630
	IV	1.549	3.111		136.190				152.788	212.222
2006	I	1.548	3.141		137.519				152.889	217.745

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

General note to the tables of the statistical annex

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

Data are subject to revision if additional information becomes available.

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

blank: not available

0.0: nil

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

Explanatory notes to the tables of the statistical annex

Table 1.1 Gross domestic product and its components

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

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

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

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

Table 1.5 Consumer price indices

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

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

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

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

Table 1.8 Utilities

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

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

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

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

Table 2.1 Monetary survey

The monetary survey consolidates the accounts of the Centrale Bank van Aruba (the Bank), the commercial banks, and the Government, related only to the issuance of components of money supply, i.e., coins and treasury bills. This survey shows the financial relationship between the monetary sectors, whose liabilities include the money supply, and other sectors of the economy.

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

Net foreign assets:
Centrale Bank van Aruba
Revaluation differences of gold and official foreign exchange holdings are excluded in order to calculate the net import of foreign funds by the non-monetary sectors.

Table 2.2 Components of broad money

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

Table 2.3 Causes of changes in broad money

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

Table 2.4 Foreign assets

Aruba's net foreign assets consist mainly of convertible claims on nonresidents and gold. Aruba has no accounts with the International Monetary Fund, because it participates in this institution as part of the Kingdom of the Netherlands. In contrast to Table 2.1, net foreign assets in this table include revaluation differences of gold and official foreign exchange holdings. Until the end of 2000, the valuation of gold was determined once every three years at the lowest yearly average market price of gold, converted into florin, in the three calendar years preceding the date of valuation, less 30 percent. Since December 31, 1998, gold has been valued at Afl. 368.58 (previously: Afl. 450.74) per fine troy ounce. Effective December 31, 2001, gold is valued on a quarterly basis at the prevailing market rate. Changes in the valuation of gold are included in the revaluation account.

Column:

(9) Revaluation differences
Revaluation differences of gold and official foreign exchange holdings.

Table 3.1 Consolidated balance sheet of the money-creating institutions

Money-creating institutions
These are the Bank, the Government and the commercial banks.

Claims on money-creating institutions:
Monetary authorities
These are institutions (the Bank and the Government) that create base money.

Other domestic assets
Mainly equipment and miscellaneous items.

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

Other domestic liabilities
Money in custody, miscellaneous items and other liabilities.

Table 3.2 Detailed balance sheet of the Centrale Bank van Aruba

Columns:

(2) Other
Mainly equipment and miscellaneous items.

(5 and 6) Foreign assets:
Claims on banks
Balances with foreign central and commercial banks in convertible and other currencies.

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

(10) Bank notes issued
Bank notes held by the public and commercial banks.

(13) Official entities
Includes the post office.

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

(17) Private sector
Includes business enterprises, individuals, nonbank financial institutions and foundations.

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

Table 3.4 Coins issued

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

Table 4.1 Commercial banks: summary account

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

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

Column:

(7) Capital and reserves:
Includes subordinated debt.

Table 4.2 Commercial banks: prudential ratios

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

Table 4.3 Commercial banks: detailed balance sheet

Columns:

(6 to 9) Loans and advances:
Enterprises
Commercial loans and advances to private and public enterprises and official entities. Public enterprises, among which the Telecommunications Company (SETAR), are companies producing goods and nonfinancial services, whose shares are fully or largely owned by the Government.

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

Individuals
Loans and advances to individuals, excluding mortgages.

Government
Loans and advances to the Government, excluding official entities.

(10) Premises
The commercial banks' own buildings, other real estate, and equipment.

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

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

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

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

(22 to 25) Demand deposits
Deposits withdrawable on demand, in the form of balances on checking and similar accounts. Also included are time deposits matured but not renewed.

(26 to 29) Time deposits
Deposits with a specific original maturity.

(30) Savings deposits
Deposits with certain withdrawal restrictions, but with no specific maturity condition.

(31) Other liabilities
Accounts payable, provision for loan losses and items not included elsewhere.

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

(33) Subordinated debt
Liabilities subordinated to claims of depositors and other creditors.

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

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

Table 5.1 Financial survey

The financial survey provides an overview of the activity of the financial sector as a whole. It covers financial positions and transactions of the financial sector with other domestic sectors and with the rest of the world. It comprises the accounts of the Bank, the Treasury (the government, related only to the issuance of components of money supply, i.e., coins and treasury bills), the commercial banks, and the aggregated accounts of the nonmonetary financial institutions, comprising mortgage banks, pension funds, life insurance companies, finance companies, the Aruban Investment Bank, the Social Security Bank and IBA Corporation N.V (established in October 2003 to support the settlement of the take-over of Interbank Aruba (N.V.) by Aruba Bank N.V.) .

Table 6.1 Interest rates of commercial banks

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

Table 7.1 Government financial operations

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

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

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

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

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

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

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

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

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

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

Table 7.2 Government revenue
This table provides a detailed overview of the total government revenue, subdivided into taxes, nontax revenue and grants.
In March 2003, a debt forgiveness amounting to Afl. 171.7 million granted by the Italian export credit insurer, SACE, to the government as part of the settlement of the hotel guarantees issued in the past was classified as a capital transfer and registered in the item grants.

Table 7.3 Government position with the monetary system
This table covers the government's financial position with the Bank and the commercial banks. It gives an overview of the government's deposits with the Bank and the local commercial banks and its liabilities to the monetary authorities and local commercial banks.

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

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

Table 8.1 Balance of payments

Current and capital and financial account
The balance of payments records payments and receipts between residents and nonresidents on goods, services, income, and current transfers, as well as changes in Aruba's claims on, and liabilities to the rest of the world. The basic data to compile the balance of payments are obtained from residents, who are (with the exception of companies with a nonresident status, i.e., offshore companies) legally obliged to report to the Bank their transactions with

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

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

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

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

Table 8.2 Components of the current account

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

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

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

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

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

Income
Income covers dividends received on equity investments and participations, as well as interest on public and private sector loans, debt securities, and foreign assets and personal earned income.

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

Table 8.3 Components of the capital and financial account

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

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

Banking transactions
See note for Table 8.1.

Table 8.4 Balance of payments by sectors

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

Columns:

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

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

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

Table 8.5 Breakdown of merchandise trade

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

Table 8.6 Official foreign exchange rates (selling)

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

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

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

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