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## **I. Developments in the second quarter of 2002**

### **1.1 Introduction**

Available data for the second quarter of 2002 indicate a persistent sluggishness in domestic business activities, while the inflation rate accelerated. Particularly the tourism sector, the mainstay of the economy and major earner of foreign exchange, is still confronted with the consequences of the September 11 terrorist attacks and of the relatively slow cyclical recovery in the United States. For the fourth consecutive quarter, disquieting contractions in stay-over tourism were recorded. Consequently, average occupancy rates of hotels and registered tourist receipts declined, despite a boom in cruise tourism.

Investments remained low, mainly because of the existing excess production capacity, the uncertainties regarding future developments and the lack of infrastructural projects. Again, no capital of the Fondo Desaroyo Aruba was mobilized. On the other hand, government consumptive spending continued to expand, partly related to the settling of overdue obligations. This spending was mainly financed by domestic and foreign borrowings on commercial terms during the preceding quarters, additional nontax revenue, and an early debt repayment by Utilities N.V. Thus, public debt was much higher than a year earlier. This is a cause for concern, the more so because the borrowed funds were used to cover consumptive spending, while hardly any investment was made. Moreover, adequate solutions should be found for the claims ensuing from guarantees granted in the past.

Domestic money creation remained subdued, largely because the commercial banks only modestly increased their lending. In addition, there was a net outflow of funds to abroad, mainly due to a notable weakening of the current account of the balance of payments of the non-oil sector. Even so, net foreign assets of the monetary system were 21 percent bigger than a year earlier. This increase, in combination with lower import payments, pushed the annual moving average merchandise import coverage ratio further up to 7.2 months, well above the upper bound of the 5-6 months target range.

### **1.2 The real sector**

#### *Tourism*

Activities in the stay-over tourism sector remained depressed. Both the numbers of visitors and their nights spent in Aruba again declined significantly during the second quarter of 2002, i.e., by 15 percent and 14 percent, respectively. In the corresponding period of 2001, these indicators increased by 2 percent and 6 percent, respectively (see table A). Consequently, the average hotel occupancy rate fell by 5.1 percentage points to 69.8 percent. In contrast, the numbers of cruise passenger arrivals and ship calls surged, i.e., by 36 percent to 125,872 and by 14 to 64, respectively.

Preliminary survey data from the Central Bureau of Statistics indicate that the average daily rate of the hotels decreased by a slight 1 percent, and revenue per available room by a notable 8 percent. Room tax receipts dropped by 16 percent to AFL 5 million.

**Table A: Indicators of tourism activity**

	2000	2001	2001		2002	
			I	II	I	II
1. a. Tourism receipts (x AFL million) 1)	1,538.3	1,608.9	468.3	412.0	469.6	392.6
b. Tourism expenditure (x AFL million) 2)	1,319.3	1,327.3	381.1	329.2	328.9	280.1
2. Stay-over visitors (x 1,000)	721.2	691.4	183.6	179.6	168.4	153.6
3. Market shares (in percentage)						
a. United States	63.5	64.9	71.6	70.4	69.0	71.6
b. Venezuela	15.5	15.8	9.1	12.9	11.4	9.3
c. The Netherlands	4.2	4.1	3.9	3.6	4.3	4.4
d. Colombia	4.3	3.5	2.7	3.3	3.4	3.7
e. Other countries	12.5	11.7	12.7	9.8	11.9	11.0
4. Visitor nights (x 1,000)	5,247.8	5,144.6	1,371.4	1,269.2	1,290.2	1,092.1
5. Average nights stayed	7.3	7.4	7.5	7.1	7.7	7.1
6. a. Receipts per visitor night (AFL)	293	313	341	325	364	359
b. Average daily expenditure (AFL) 3)	204	211	215	212	216	210
7. Average hotel occupancy rate	75.9	75.6	83.6	74.9	75.7	69.8
8. Average daily rate hotels (AFL) 4)	233	243	316	217	324	215
9. Revenue per available room (AFL) 4)	129	135	197	123	171	113
10. Room tax receipts (x AFL million) 5)	22.5	25.8	9.3	6.2	8.0	5.2
11. Cruise visitors (x 1,000)	490.0	487.3	195.7	92.5	215.6	125.9
12. Number of cruise ship calls	331	298	125	50	128	64
13. Contribution to current account 6)	74	77	81	77	82	80

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

2) Travel-related expenditure by stay-over visitors, before (e.g., pre-paid packages), during, and immediately after a trip as estimated by the CBS via a special survey.

3) Expenditure in Aruba only (thus, excluding e.g. payments for pre-paid packages), as calculated by the CBS.

4) Including time-share.

5) Excluding tax receipts related to previous periods.

6) Tourism receipts as a percentage of current account receipts, excluding the oil and free-zone sectors.

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

Registered gross tourism receipts, as recorded in the balance of payments, turned around from an 11 percent increase to a 5 percent decrease. Even so, their share in the total current account receipts (excluding the oil and free-zone sectors) rose by 3 percentage points to 80 percent.

Stay-over arrivals from the United States registered a 13 percent decline, while their number of nights spent shrank by 14 percent. Its market share still rose by 1.2 percentage points to 71.6 percent, as a result of a plunge in the number of Venezuelan visitors and their nights spent of 39 percent and 44 percent, respectively. This country's market share shrank by 3.6 percentage points to 9.3 percent. The number of visitors from the Netherlands, Aruba's third main market, went up by 5 percent, bringing its market share up by 0.8 percentage point to (still a modest) 4.4 percent. Their total nights spent rose by 3 percent.

### *Construction*

Activities in the construction sector were rather weak. Total imported cement rose marginally (0.5 percent), while the number of electrical installations approved declined by 6 percent (see statistical annex table 1.5). The number of construction permits granted by the Department of Public Works decreased further, i.e., from 4 percent in the second quarter of 2001 to 11 percent. Their total value dropped by a marked 27 percent to AFL 31 million, mainly due to the categories “houses”, “office buildings”, and “others”. In the meantime, it has been announced that several hotel accommodations and road renovation projects will soon be initiated.

### *Utilities*

Water consumption contracted by 2 percent in the second quarter of 2002, compared to a 1 percent decrease in the corresponding period a year earlier (see statistical annex table 1.6). Growth in electricity consumption decelerated by 1 percentage point to 4 percent. Gas consumption remained virtually unchanged, after registering a 5 percent increase in the second quarter of 2001. Consequently, the weighted utilities consumption index fell by 1.7 percentage point to 128.7 (see statistical annex table 1.6).

### *Merchandise trade*

Trade figures on a transaction basis, as compiled by the Central Bureau of Statistics, indicate that merchandise imports (excluding mineral fuels and free-zone goods) increased by 5 percent, following a 3 percent decrease in the corresponding quarter of 2001. The oil sector, which is undergoing significant reconstruction works, imported more chemical products, machinery and electrotechnical equipments. Following a 19 percent decrease in the second quarter of 2001, merchandise exports rebounded by 20 percent to AFL 15 million, equivalent to a mere 5 percent of imports. This increase was mainly the result of re-exports of live animals and other animal products. Consequently, the trade deficit widened further by 4 percent to AFL 293 million (see statistical annex tables 1.7 and 1.8).

### *Oil sector*

During the second quarter of 2002, the refinery's throughput fell, for the fifth consecutive quarter, i.e., by 14 percent (see statistical annex table 1.9). Both export receipts from refined oil products and crude oil import payments contracted, i.e., by 55 percent and 49 percent to AFL 443 million and AFL 206 million, respectively. At the end of July 2002, the refinery employed 621 persons, i.e., 57 more than a year earlier. This increase is associated with the reconstruction works following the fire in 2001.

### *Price developments*

Inflation, measured as a quarterly average of the consumer price index, edged up by 0.1 percentage point to 3.1 percent during the quarter under review (see table B). The main contributing category was “beverage & tobacco”, which rose after recording a fall during the corresponding period of 2001. On a 12-month basis, the inflation rate abated by 1 percentage point to 2.6 percent. Adjusted for the energy-related components (i.e., water, electricity, and gasoline), the index increased by 2.9 percent.

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

	2000	2001	2001		2002	
			I	II	I	II
	<i>(Period average)</i>					
Total index	4.0	2.9	3.4	3.0	2.3	3.1
a. Food	1.8	3.3	2.9	3.1	3.9	3.8
b. Beverage & tobacco	1.5	-0.3	-0.4	-0.3	1.3	1.1
c. Clothing & footwear	5.6	8.8	8.8	8.3	8.0	7.4
d. Housing	8.1	0.8	3.6	2.5	0.7	3.2
e. Housekeeping & furnishing	3.5	4.2	3.4	3.3	4.7	4.6
f. Health	0.4	0.1	0.1	0.1	0.0	0.0
g. Transport & communication	3.0	0.4	1.6	1.4	-1.1	0.0
h. Recreation & education	3.9	2.0	2.5	1.9	2.2	2.7
i. Other	3.0	2.9	3.3	3.0	2.0	2.4
	<i>(Twelve-month average)</i>					
Aruba	4.0	2.9	3.9	3.6	2.6	2.6
United States	3.4	2.8	3.4	3.4	2.3	1.8
Curaçao	5.8	1.8	4.8	3.8	1.0	0.4
The Netherlands	2.5	4.5	3.1	3.7	4.4	4.1
Real exchange rate index (1995=100) 1)	102.0	102.0	102.0	101.9	102.3	102.8

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

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

Despite the deceleration in Aruba's annual inflation rate, the price differential with its main trading partner, the United States, widened by 0.6 percentage point to 0.8 percentage point. Consequently, the real exchange rate index of the Aruban florin vis-à-vis the U.S. dollar rose by 0.9 percent to 102.8. Also compared to Curaçao, Aruba's inflation rate was higher, i.e., 2.2 percentage points. However, it was 1.5 percentage points lower than that of the Netherlands, where prices were pushed up by tax measures and the introduction of the euro.

### 1.3 Money and credit

#### *Causes of changes in the money supply*

In the second quarter of 2002, money supply rose by AFL 11 million or almost one percent to AFL 2 billion, compared to the preceding quarter (see table C and statistical annex tables 2.1, 2.2 and 2.3). Narrowly-defined money went up by AFL 31 million or 4 percent, due to increases in Aruban florin denominated demand deposits and currency in circulation of, respectively, AFL 36 million (7 percent) and AFL 6 million (5 percent). In contrast, demand deposits denominated in foreign currency declined by AFL 11 million (11 percent). In addition, quasi-money—comprising time and savings deposits and treasury bills held by the public—contracted by AFL 20 million or 2 percent.

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

	2000	2001	2001		2002	
			I	II	I	II
1. Net domestic money creation	86.0	-32.6	-17.3	14.9	18.7	44.2
a. Net domestic credit	117.6	32.8	11.1	39.8	34.9	29.3
-Public sector	-13.4	-24.7	1.9	22.5	31.7	-7.3
-Private sector	131.0	57.6	9.2	17.3	3.1	36.5
b. Other domestic factors	-31.6	-65.4	-28.4	-24.9	-16.1	14.9
2. Inflow of foreign funds 1)	-46.8	135.0	90.4	-31.6	80.2	-33.6
a. Current account transactions	527.9	734.3	568.1	643.0	22.2	-139.2
b. Net foreign capital 2)	-572.9	-599.3	-477.7	-674.6	58.0	105.6
3. Broad money creation	39.2	102.4	73.0	-16.7	99.0	10.6
a. Money	5.8	104.8	30.0	-14.0	39.2	30.6
b. Quasi-money	33.3	-2.4	43.1	-2.7	59.8	-20.0
<i>(12-month percentage change)</i>	<i>(2.3)</i>	<i>(5.9)</i>	<i>(2.4)</i>	<i>(1.0)</i>	<i>(7.1)</i>	<i>(8.7)</i>

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

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

Source: CBA.

The money supply growth was caused by an AFL 44 million domestic money creation, which was partly offset by an AFL 34 million net outflow of funds to abroad. As a result of the latter, the net foreign assets of the commercial banks and the official reserves of the Bank declined by AFL 23 million and AFL 10 million to AFL 135 million and AFL 578 million, respectively. At the end of June 2002, the aggregated net foreign assets of the banking system (excluding revaluation differences of gold and official foreign exchange holdings) amounted to AFL 712 million, i.e., AFL 123 million or 21 percent bigger than a year earlier. The ratio of these assets to money supply went up by 4 percentage points to 37 percent.

The domestic money creation was mainly brought about by an AFL 37 million or 2 percent rise in claims on the private sector. Loans to enterprises rose by AFL 26 million (4 percent), largely due to an increase in current account lending. Housing mortgages and consumer credit went up by AFL 7 million (2 percent) and AFL 2 million (1 percent), respectively. On the other hand, the financial transactions of the government with the banking system contributed with AFL 7 million negatively to the monetary expansion.

### *Interest rates*

The commercial banks' interest rate spread, measured as the difference between the weighted average lending and deposit rates, widened by 0.4 percentage point to 7.3 percentage points, compared to the end of the preceding quarter (see statistical annex table 6.1). The weighted average deposit rate fell by 0.6 percentage point to 5.8 percent reflecting a decline in time deposit rates. The savings deposit rate was almost 4 percent. The weighted average lending rate remained at 13.2 percent, as the effect of higher interest rates on mortgage lending was compensated by lower rates on other loans.

The Bank's rates on commercial banks' deposits, which are linked to the corresponding rates of the Federal Reserve Bank of New York, remained at a relatively low level during the period under review (see statistical annex table 6.3). Noteworthy is also that the government was able to borrow short-term funds at much lower rates. In June 2002, AFL 8 million six-month cash certificates matured and were, subsequently, renewed at a rate of 1.06 percent, compared to 2.10 percent for the previous issue. In July, AFL 30 million new two-month treasury bills were issued yielding 1.77 percent, while in August AFL 23 million bills were rolled-over at a yield of 1.92 percent (see statistical annex table 6.5).

#### 1.4 Nonmonetary financial institutions

##### *The balance sheet*

At the end of June 2002, the aggregated assets of the nonmonetary financial institutions increased by a mere AFL 2 million or 0.2 percent to AFL 1.5 billion compared to the end of March 2002. This increase was caused by an AFL 11 million rise in gross domestic claims, which was partly offset by an AFL 8 million decrease in net foreign assets (see table D and statistical annex table 5.1). At the end of the period under review, these assets stood at AFL 332 million, more than twice the amount held by the commercial banks. On the liability side, pension fund provisions grew by 1 percent, while the insurance reserve fund declined by 2 percent.

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

	2001				2002	
	I	II	III	IV	I	II
1. Net foreign assets	415.9	414.2	343.8	349.8	339.6	331.5
2. Domestic assets	1,030.2	1,058.1	1,073.9	1,093.6	1,109.7	1,120.2
a. Government	436.8	458.1	467.3	480.4	490.4	495.0
b. Private sector	593.4	599.9	606.6	613.2	619.3	625.2
3. Total assets=total liabilities	1,446.1	1,472.2	1,417.6	1,443.4	1,449.3	1,451.7
4. Borrowings and deposits	62.8	63.4	54.3	54.6	55.1	55.8
a. Government	36.6	36.6	36.6	36.6	36.6	36.6
b. Other residents	26.1	26.8	17.7	18.0	18.5	19.2
5. Pension fund provisions	1,083.0	1,099.8	1,096.4	1,136.3	1,130.2	1,147.1
6. Insurance reserve fund	241.7	247.8	252.7	257.3	262.2	255.9
7. Other items, net	58.7	61.2	14.2	-4.7	1.8	-7.0

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

Source: CBA

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

	2001				2002	
	I	II	III	IV	I	II
1. Total	834.2	852.7	865.4	888.7	899.4	907.6
2. Commercial banks	407.9	420.5	432.1	444.8	451.8	458.9
3. Mortgage banks	284.5	289.2	291.4	295.9	297.0	296.6
4. Pension funds	65.1	66.3	66.7	73.8	77.1	79.9
5. Life insurance companies	74.6	74.4	73.1	72.0	71.2	70.0
6. Other	2.2	2.2	2.2	2.2	2.2	2.2

Source: CBA.

### *The mortgage market*

In the quarter under review, mortgage lending by the nonmonetary financial institutions increased by a slight AFL 1 million to AFL 449 million (see table E). Lending by the commercial banks increased by 2 percent, and by pension funds by 4 percent, while that of the life insurance companies contracted by 2 percent. Consequently, the market share of the various groups of financial institutions remained virtually unchanged.

## **1.5 Government finance**

### *Financial operations*

In the second quarter of 2002, total government revenue on a cash basis grew by AFL 19 million or 13 percent to AFL 169 million, compared to the corresponding quarter of 2001. The main contributory factor was the receipt of interim dividends from SETAR amounting to AFL 15 million. In addition, tax revenue increased by AFL 5 million or 4 percent to AFL 137 million, mainly associated with more profit and wage tax, and import duty receipts. For the eight consecutive quarter, no foreign grants were received (see table F and statistical annex tables 7.1 and 7.2).

Government expenditure, as estimated by the Bank, rose markedly, i.e., by AFL 44 million or 28 percent to AFL 204 million. Provisional data supplied by the Department of Finance indicate that this growth was mainly caused by an AFL 15 million (65 percent) increase in payments for goods and services, partly to settle overdue obligations. Wage-related expenses rose by AFL 14 million (14 percent). This increase was partly brought about by higher premium payments for the General Health Insurance (AZV) and the General Pension Fund (APFA). In contrast, interest payments declined by AFL 2 million. Investment related payments amounted to a mere AFL 2 million or 1 percent of total expenditure.

Net debt repayments from government related institutions amounted to AFL 42 million in the quarter under review. This resulted from an AFL 45 million early repayment by Utilities N.V. ensuing from the taking over of certain assets from the government in 1992.

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

	2000	2001	2001		2002	
			I	II	I	II
1. Revenue and grants	742.2	731.8	161.9	150.1	177.8	169.4
a. Tax revenue	624.5	606.3	141.7	131.9	152.4	137.0
b. Nontax revenue	100.8	125.5	20.2	18.2	25.4	32.3
c. Grants	16.9	0.0	0.0	0.0	0.0	0.0
2. Expenditure	719.9	717.0	162.4	159.6	202.3	203.8
3. Lending minus repayments 2)	16.2	32.0	5.7	1.0	7.2	-42.2
4. Financial deficit (-)	6.1	-17.3	-6.1	-10.5	-31.7	7.8
5. Net foreign capital	24.1	27.9	4.2	-0.6	0.0	-0.5
6. Net domestic capital 3)	-16.8	14.2	0.0	-11.4	0.0	0.0
7. Net recourse to the monetary system (-)	13.4	24.7	-1.9	-22.5	-31.7	7.3
-----						
8. Memorandum item						
a. Unmet financing requirements 4)	96.1	197.9	123.4	173.2	208.9	219.2
b. Financial deficit (-) 5)	-31.3	-119.1	-33.4	-60.3	-42.7	-2.4

1) Preliminary figures and estimates on a cash basis.

2) Includes payments due to loans made and equities purchased from minus receipts from repayments and equities sold to official entities. A (-) sign indicates that the extended lending was less than the repayments received, during a certain period.

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

4) At the end of the period. The unmet financing requirements comprise all unsettled payment obligations to other sectors irrespective of the time frame in which they mature. This concept is broader than the term payment arrears, which according to a definition used by the Ministry of Finance includes only bills with due dates over 90 days.

5) Including the change in unmet financing requirements.

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

On balance, an AFL 8 million financial surplus on a cash basis was realized, compared to an AFL 11 million deficit in the second quarter of 2001. The government did not acquire any new domestic or foreign loan, while AFL 1 million was repaid on its outstanding foreign loans. Consequently, its bank deposits rose by AFL 7 million to AFL 79 million, compared to the preceding quarter. Approximately 45 percent of these deposits is earmarked to meet certain contingent debt and to finance various projects. AFL 29 million set aside for development projects is included in the aforementioned deposits. The government's gross liabilities to the monetary system remained at AFL 78 million (see statistical annex table 7.3).

In the second quarter of 2002, the estimated unmet financial requirements increased by AFL 10 million to AFL 219 million, mainly due to higher payment arrears vis-à-vis the APFA and other government institutions. Adjusted for this increase, the financial deficit declined notably, i.e., from AFL 60 million in the corresponding period of 2001 to only AFL 2 million. However, as indicated earlier, this improvement was brought about by revenue windfalls.

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

	2001				2002	
	I	II	III	IV	I	II
1. Total debt 1)	1,029.4	1,070.1	1,156.3	1,151.6	1,160.2	1,193.0
2. Domestic debt	658.7	707.3	748.5	758.5	768.8	778.3
a. Negotiable	167.7	152.0	160.0	179.2	179.2	179.2
- Treasury bills	32.0	32.0	40.0	40.0	40.0	40.0
- Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0
- Government bonds	127.7	112.0	112.0	131.2	131.2	131.2
b. Nonnegotiable	491.0	555.3	588.5	579.4	589.6	599.1
- Short-term 2)	123.5	187.8	220.2	200.7	211.7	222.1
- Long-term	367.5	367.5	368.3	378.7	377.9	377.0
3. Foreign debt 3)	370.6	362.8	407.8	393.1	391.4	414.7

- 1) Preliminary revised figures and estimates. Excluding guarantees, amounting to about AFL 301 million (excluding interest) at the end of June 2002.  
2) Including suppliers' credit and short-term debt to APFA.  
3) At end-of-period exchange rates.

Source: Department of Finance.

### *Outstanding debt*

Mainly due to relatively large borrowings in the preceding quarters, the outstanding public debt increased by a notable AFL 123 million or 11 percent, compared to a year earlier. Both domestic and foreign debt surged, i.e., by AFL 71 million and AFL 52 million, respectively (see table G). The negotiable domestic debt component rose by 18 percent, partly as a result of an AFL 25 million bond issue in the fourth quarter of 2001, of which AFL 6 million was sold to nonresidents. The non-negotiable component went up by 8 percent, mainly because of higher short-term debt to the APFA.

Outstanding foreign debt expanded by 14 percent to AFL 415 million, partly due to the acquisition of an US\$ 21 million private loan, the bond sale to nonresidents mentioned earlier, and an 18 percent appreciation of the euro vis-à-vis the Aruban florin. This increase was partly offset by an AFL 12 million official debt repayment to the Netherlands at the end of 2001. Moreover, solutions should be found for the claims ensuing from the guarantees granted in the past, some of which recently became payable as mentioned in our previous Quarterly Bulletin.

## **1.6 Balance of payments**

### *Overall outcome*

In the second quarter of 2002, the balance of payments recorded an AFL 34 million overall deficit, i.e., AFL 2 million bigger than in the corresponding period of 2001 (see table H and statistical annex table 8.1). This outcome resulted from a notable deterioration in the current account and an almost equivalent improvement in the capital account. Again, transactions of the oil sector were dominant. On balance, net

**Table H: Balance of payments**  
(in AFL million)

	2000	2001	2001		2002	
			I	II	I	II
1. Current account (net)	527.9	734.3	568.1	643.0	22.2	-139.2
a. Oil sector	456.3	620.1	468.3	607.7	-68.4	-129.9
b. Free zone	-3.6	4.0	9.2	-6.3	-4.9	5.4
c. Rest of economy	75.2	110.2	90.6	41.6	95.5	-14.7
- Private sector	102.8	137.8	99.5	55.8	117.5	-6.9
- Public sector	-27.6	-27.6	-8.9	-14.2	-22.0	-7.8
2. Capital and financial account (net)	-561.2	-580.3	-481.3	-672.7	50.8	112.1
a. Oil sector	-417.2	-576.8	-470.3	-611.0	84.2	140.6
b. Free zone	0.0	0.0	0.0	0.0	0.0	0.0
c. Rest of economy	-144.0	-3.5	-11.0	-61.7	-33.4	-28.5
- Private sector	-185.0	-31.4	-15.2	-61.1	-33.4	-28.0
- Public sector	41.0	27.9	4.2	-0.6	0.0	-0.5
3. Items not yet classified 1)	-13.5	-19.0	3.6	-1.9	7.2	-6.5
4. Overall balance (1+2+3)	-46.8	135.0	90.4	-31.6	80.2	-33.6
5. Banking transactions 2)	19.9	13.2	-53.7	73.9	-32.0	23.3
6. Increase (-) in official reserves 3)	26.9	-148.2	-36.7	-42.3	-48.2	10.3
-----						
Memorandum items:						
7. a. Official reserves (including gold)	419.8	578.2	456.9	495.3	630.1	623.8
b. In months of merchandise imports 4)						
- End-of-period	3.9	5.5	4.4	4.9	6.2	6.3
- Twelve-month average	4.2	4.9	4.2	4.3	5.3	5.7
8. a. Total reserves of the monetary sector	558.9	704.0	649.6	614.2	787.9	758.3
b. In months of merchandise imports 4)						
- End-of-period	5.2	6.7	6.3	6.0	7.8	7.6
- Twelve-month average	5.7	6.4	5.9	5.9	6.8	7.2

1) Including errors and omissions.

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

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

4) Excluding the oil sector.

Source: CBA.

foreign assets of the monetary sector (including revaluation differences of gold and official foreign exchange holdings) shrank to AFL 758 million, but remained 23 percent larger than a year earlier. As a result, the end-of-period non-oil merchandise import coverage ratio rose to 7.6 months, and its twelve-month moving average to 7.2 months, well above the upper bound of the 5-6 months target range.

### *Oil sector*

The current account of the oil sector registered an AFL 130 million deficit during the second quarter of 2002, against an AFL 608 million surplus in the corresponding period of 2001. Export receipts from refined oil products crumbled by nearly 60 percent, but goods procured in ports increased by 14 percent. Import payments of crude oil fell by 38 percent. These transactions led to a rise in the intercompany liabilities, which are classified as incoming direct investments. Consequently, the AFL 611 million deficit on the capital and financial account turned into an AFL 141 million surplus. On balance, the oil sector sold AFL 11 million in foreign exchange to the local commercial banks.

*Free-zone sector*

Export receipts of free-zone companies expanded by 12 percent, while import payments (f.o.b.) dropped by 25 percent. As a result, the current account recorded an AFL 5 million surplus in the second quarter of 2002, as against an AFL 6 million deficit a year earlier. On balance, the free-zone sector sold an equivalent amount in foreign exchange to the local commercial banks.

*Rest of the economy*

The current account of the rest of the economy (i.e., excluding the oil and free-zone sectors) turned around from an AFL 42 million surplus in the second quarter of 2001 to an AFL 15 million deficit. This was largely due to deteriorations in the services and income accounts. The outcome of the former was predominantly influenced by lower tourism receipts following the adverse developments in this sector. The deficit on the income account was brought about by increased dividend payments to nonresidents and a drop in interest revenue from foreign investments. In addition, the deficits in the goods and current transfers accounts widened further. The former resulted mainly from lower export receipts, while the latter was primarily due to an increase in workers' remittances to abroad.

The deficit on the capital and financial account of the rest of the economy narrowed by AFL 33 million to AFL 29 million. Net direct investment outflow declined, due to lower repatriation of foreign capital. Also, net outflow of other investments contracted, partly because of less repayments on foreign loans. On the other hand, more foreign loans were acquired. The surplus on portfolio investment widened further, partly resulting from liquidations of foreign investments. On balance, the external transactions of the rest of the economy resulted in an AFL 50 million outflow of funds to abroad, compared to AFL 20 million in the second quarter of 2001.

## **II. Notices**

## 2.1 THE BUSINESS PERCEPTION SURVEY IN ARUBA

*Preliminary results of a survey on the business sentiment during the second quarter of 2002*

### 1. Introduction

The Business Perception Survey is a short questionnaire. It is a widely used instrument that provides relevant information about main economic developments during a certain period, as well as a short-term outlook, thereby relying on the experience, judgment, and opinion of respondents, mainly leading businesses. The Centrale Bank van Aruba (“the Bank”) has recently conducted such a survey for the first time. Its results are presented below.

### 2. Methodology

#### 2.1 Sample size

A total of 51 enterprises participated in a non-random quota sample. All are leading companies in their respective sectors, and were primarily selected on the basis of the preliminary results of the National Accounts 1995 – 1998, published by the Central Bureau of Statistics (see table 1).

Manufacturing (excl. manufacturing of refined petroleum products)	2
Electricity, gas, and water supply	3
Construction	4
Wholesale and retail trade; repair of motor vehicles	15
Hotels and restaurants	5
Transport, storage and communications	5
Financial intermediation	5
Real estate, renting and business activities	9
Other community, social and personal service activities	<u>3</u>
Total	51

#### 2.2 Survey form

The survey form comprises three parts, each with four questions. In part A, a qualitative opinion is asked on the current economic situation (compared to the same period a year earlier), while part B deals with the perception of the respondent on the short-term outlook. Possible answers are that the conditions have 1) improved; 2) not changed; or 3) worsened.

In part C of the survey the participants are asked to provide a quantitative estimate of the percentage changes in some strategic business variables, i.e., employment, profitability, sales, and average wage costs.

#### 2.3 Data processing

Processing of the data involves two major exercises. First, three indices are calculated out of the responses on the questions in part A and B. Next, similar answers on the

questions of part C are aggregated and expressed as a percentage of the total number of responses.

For calculating the indexes a simple average of the differences between the positive and negative answers has been used. Neutral responses, i.e., where the respondents answer that the situation will remain unchanged, are not included in the calculation. The outcome is adjusted with a factor of 10 to simplify the analysis of the final result. An amount of 100 is then added to this result to obtain the following formula:

$$I_t = 100 + \left[ \sum_{i=1}^N (A_t^+ - A_t^-)_i \times \frac{1}{N} \right] \times 10$$

Where:

- I = Index
- A = Answer
- + = Positive answer
- = Negative answer
- t = Period
- i = Question number
- N = Number of questions

The outcome of the index should be interpreted as follows: if all respondents in the survey have positive answers ( $A_t^+ = 51$ ), then the index would be 110.0. If, on the other hand, all respondents' answers are negative ( $A_t^- = 51$ ), the index would be 90.0. Should they all have a neutral answer, then the index equals 100.0.

### 3. Preliminary results

Table 2 indicates that nearly 75 percent of the surveyed businesses returned their survey form, which is considered to be acceptable. With the information received, indices were calculated, i.e., on the current economic conditions, on the short-term outlook (i.e., six months from the end of the response period), and both time frames together to get an overall impression of both these periods.

<b>1. Response and non-response rates (in percentages)</b>	
a. Average response rate	74
b. Average non-response rate	26
<b>2. Indices</b>	
a. Index current economic condition (Part A)	93
b. Index short-term future economic condition (Part B)	100
c. Business Perception Index (Part A + Part B)	96

The index on the current economic conditions showed a rather pessimistic view for the second quarter of 2002. In virtually all sectors roughly the same sentiment prevailed. The outlook index tended towards a neutral sentiment. The most pessimistic sectors were “Manufacturing” and “Hotels and restaurants”. In contrast, some sectors, mainly “Electricity, gas and water supply” and “Financial intermediation” were fairly optimistic.

Of all the respondents, 83 percent had the perception that Aruba is confronted with a worsening of the general economic conditions during the second quarter of 2002, while 66 percent had a similar sentiment for their own business (see table 3). 61 percent reported that there was no change in their company’s investment activity. Nearly 50 percent of the respondents indicated that the employment conditions in their company worsened.

	<u>Improvement</u>	<u>No change</u>	<u>Worsening</u>	<u>Total</u>
A. Current economic condition 1]	9	36	56	100
1. The economic conditions in Aruba	2	14	83	100
2. The activities of your business	5	29	66	100
3. The investments of your business	15	61	24	100
4. The number of employees at your company	12	39	49	100
B. Expected short-term economic conditions 2]	26	48	26	100
1. The economic conditions in Aruba	31	38	31	100
2. The activities of your business	37	42	22	100
3. The investments of your business	23	55	23	100
4. The number of employees at your company	15	59	27	100

1] Compared to the corresponding quarter of 2001.

2] During the next 6 months.

With regard to the expectations for the next six months, 38 percent of the respondents thought that the general economic conditions in Aruba will remain unchanged, while 31 percent indicated that it will either improve or worsen. Nearly 42 percent indicated that their own business activities would remain unchanged, while 37 percent thought that these will improve. More than 55 percent pointed out that their business investments and employment opportunities would remain the same.

The processed responses of part C of the survey show that about half of the respondents did not experience any change in employment during the second quarter of 2002 (see table 4). The sector “Wholesale and retail trade, repair of motor vehicles” was the sector with the highest degree of unchanged employment. Moreover, 29 percent, particularly in the sector “Real estate and other business activities”, mentioned that they experienced a decrease in employment of less than 5 percent.

**Table 4: Perceived developments of employment, profitability, sales, and average wage costs 1]**

	<u>Employment</u>	<u>Operational results</u>		<u>Sales</u>	<u>Wage costs</u>
		<u>Profits</u>	<u>Losses</u>		
1. no change	49	12	5	15	25
2. increase of less than 5 percent	7	5	0	10	38
3. increase between 5 and 10 percent	10	5	0	2	15
4. increase of more than 10 percent	0	2	10	2	5
5. decrease of less than 5 percent	29	20	5	20	5
6. decrease between 5 and 10 percent	2	2	2	22	8
7. decrease of more than 10 percent	2	27	5	29	5
Total	100	73	27	100	100

1] In percentages of all respondents. Compared to the corresponding quarter of 2001.

Some 27 percent of the respondents indicated that their profits decreased by more than 10 percent, in particular the “Hotels and restaurants” sector. The latter is related to the current slowdown in tourism. Nearly 30 percent, mainly those in the sector “Wholesale and retail trade, repair of motor vehicles”, mentioned that their sales dropped by more than 10 percent. An ample 58 percent, mostly in the sectors “Construction” and “Transport, storage and communication”, indicated that they experienced increases in the average wage costs in their company.

#### **4. Concluding remarks**

The Bank’s first Business Perception Survey has produced interesting information, which, generally, confirms the picture derived from other indicators and anecdotal evidences. It is clear, that Aruba is now confronted with a cyclical downturn, a decline in profitability of enterprises and less employment opportunities. Even so, in a majority of companies wage costs continue to rise, in a number of cases even much faster than the prevailing inflation rate of almost 3 percent.

Nevertheless, the possibilities for improvement appear to be encouraging, also because entrepreneurs are basically not pessimistic about the short-term outlook. It is, however, required to address the present domestic challenges decisively and effectively. In addition, a clearing of the external economic climate, particularly in the United States, and a rebound in international tourism are indispensable to induce a revival in local business activities.

## 2.2 A REVIEW OF CASH HANDLING AND MANAGEMENT PRACTICES IN ARUBA

*Currency Consulting International Limited*

### 1. Introduction

#### **The Centrale Bank van Aruba**

On January 1<sup>st</sup> 1986, Aruba obtained its separate status ('Status Aparte') with the Kingdom of the Netherlands. Prior to that date, Aruba was part of the Netherlands Antilles. Upon the inception of the Status Aparte and pursuant to the Central Bank Ordinance, a new monetary authority, the Centrale Bank van Aruba was established.

Simultaneously, a new legal tender, the Aruban Florin (AFL), was introduced at a fixed rate with the U.S. Dollar of AFL 1.79 = USD 1.

The mission of the Bank is to maintain the internal and external value of the Florin and to promote the soundness and integrity of the financial system, to be accomplished by motivated and qualified employees, for the general benefit and well being of the people of Aruba.

#### **Purpose of this Report**

As part of the Bank's continuing role in bringing banknotes and coins into circulation, and concurrent with preparations for relocation of the Bank's headquarters to purpose built premises on the western edge of Aruba's capital Oranjestad, the Bank commissioned a study of cash handling and management practices. The assignment, completed by specialist consultancy company Currency Consulting International, consisted of two broad elements: first, a review of the Central Bank's existing internal practices, with a view to ensure best practice is adopted within the Bank's new facility; and secondly completion of a series of interviews with the principal commercial banks in Aruba, in order to expand the Bank's understanding of private sector cash handling activities.

In addition to discussions with two of the principal Armored Carrier Companies, detailed face-to-face interviews were conducted with Aruba's five commercial banks. The participants are listed below in Figure 1.

**Figure 1: Commercial Bank Interview Participants**

Aruba Bank N.V.
Banco di Caribe N.V. (Aruba Branch)
Caribbean Mercantile Bank N.V.
Interbank Aruba N.V.
RBTT Bank Aruba N.V.

While the individual responses provided by interviewees remain confidential to the Central Bank, as part of the Bank's continuing communications policy, and with the agreement of the participants, this report has been produced to provide a general summary of findings and industry trends. Where appropriate, comparisons have been made to other published research.

### **About Aruba**

Discovered and claimed for Spain in 1499, Aruba was acquired by the Dutch in 1636. The island's economy has been dominated by three main industries. A 19th century gold rush was followed by prosperity brought on by the opening in 1924 of an oil refinery. The last decades of the 20th century saw a boom in the tourism industry. Aruba seceded from the Netherlands Antilles in 1986 and became a separate, autonomous member of the Kingdom of the Netherlands.

Aruba is located about 12 degrees north of the equator, approximately 29km (18 miles) off the Paraguaná Peninsula of Venezuela. The island, one of the Lesser Antilles islands, is about 30 km (19 miles) long and about 8 km (5 miles) wide with an area of 193 sq km (75 sq miles).

The island's population of just over 90,000 is boosted by significant visitor numbers, totaling more than 691,000 in 2001. North American visitors represent approximately two thirds of all tourists. As a consequence of recessionary pressures in the United States, aggravated by the terrorist attack of September 11<sup>th</sup> 2001, Aruba has experienced a marked downturn in the country's tourism industry, a mainstay of the Aruban economy.

One notable aspect of the island's concerted effort to attract tourists, and to make their vacation experience as enjoyable as possible, is the island-wide acceptance of U.S. dollars. The U.S. currency co-circulates widely alongside the domestic Aruban Florin.

## **2. Serving the Marketplace**

### **Points of Presence and Delivery Channels**

Aruba has five commercial banks, and a number of other financial institutions supervised by the Central Bank. Of the five commercial banks, Banco di Caribe is a branch of Banco di Caribe N.V. and Caribbean Mercantile Bank is a subsidiary of Maduro & Curiel's Bank N.V. Both are established in Curaçao in the Netherlands Antilles.

In October 2001, Royal Bank of Trinidad & Tobago acquired the assets and liabilities of First National Bank of Aruba N.V. and ABN Amro Bank N.V. Aruba branch and consolidated them as RBTT Bank Aruba N.V.

In total, the five commercial banks operate 20 branches and 65 Automated Teller Machines (ATMs) island wide. Full details are provided in Figure 2.

Branch numbers have remained relatively stable in recent years, with just one or two closures as part of branch reviews or rationalization activities. Most interviewees expect few further changes in the structure of their branch networks. By contrast, ATM numbers continue to increase. Participants described modest plans for additional ATM installations.

Aruba has a significant number of ATMs, which are not sited at traditional branch locations, but in alternative ‘third party’ sites. Currently, there are 42 such ATMs, which represent two thirds of all ATMs on the island. These ATMs are typically located in shopping malls, gas stations and at major beach resorts.

In addition to dispensing Florins to domestic cardholders, approximately 80 percent of the island’s ATMs also dispense U.S. Dollars to cardholders with access to the international Cirrus and Maestro networks.

As Figure 3 illustrates, the island is well served with ATMs – in part to meet the needs of the significant number of visitors to Aruba.

**Figure 2: Number of Bank Branches and ATMs in Aruba (as at June 2002)**

Bank	Number of branches	Number of ATMs
Aruba Bank	5	13
Banco di Caribe	1	4
Caribbean Mercantile	6	25
Interbank Aruba	3	9
RBTT Bank Aruba	5	14
Total	20	65

**Figure 3: Comparison of ATM Access in Selected Countries**  
(latest available figures as at June 2002)

Country	Number of ATMs	Each ATM serves a population of
<b>Aruba</b>	<b>65</b>	<b>1,392</b>
Netherlands	6,700	2,359
United Kingdom	34,300	1,739
United States	324,000	858

### **Cash Products and Services**

Aruban banks make little distinction in the way cash services are segmented, either for individual or business customers.

In most cases, in order to deposit or withdraw cash, individuals have free access to their own bank branches or ATMs.

Only two banks, Banco di Caribe and Caribbean Mercantile Bank, have domestic ATM reciprocity facilities. Bank customers can use one another's ATMs for a small Aruban Florin transaction fee.

Reciprocity between most other ATMs is possible if cardholders have Cirrus / Maestro branded cards. However, transactions are routed through international payment switches, which are settled in U.S. Dollars and incur significantly higher transaction fees.

For business customers, Florin cash withdrawals and deposits are also usually free. All the banks offer night depository facilities – usually for a fixed annual fee – which are widely used.

Fees are usually levied for utility bill payment and payment into third party accounts. Foreign currency exchange also invariably incurs transaction fees in addition to exchange rate differentials.

### **3. Cash Operations**

#### **Management and Cost Structures**

Participants described straightforward organizational arrangements for the handling and management of their cash.

Most branches have a series of tellers who report to a Head Teller. The Head Teller typically controls the level of cash held at each teller position and overall within the branch's reserve cash vault. The tellers and Head Teller usually fall under the direction of the Branch Manager.

Individual branch activity is customarily coordinated through the Head Teller or another senior bank official at the bank's Head Office or principal branch.

None of the participants reported that the cost of cash handling was discretely measured, and in most cases cash related costs incurred are recorded as part of the total branch operating costs.

### **Branch Cash Operations**

Participants described similar branch cash ordering, depositing and management arrangements.

In most cases, individual branches will determine, from simple records or based on teller experience, the level of cash they need to meet customer requirements. Branches also typically work to set insurance limits, which often determine whether or not surplus cash is dispatched from the branch.

It is usual for the branch Head Teller to report the branch's cash position together with any order or deposit requirements to the Head Office Teller. At Head Office the individual branch reports are aggregated and an overall bank position is established.

Where practicable, cash is redistributed – via Head Office – from 'cash rich' to 'cash poor' branches. Accordingly, only bankwide surpluses are deposited at the Central Bank. With a few exceptions, banks typically make only one deposit or withdrawal from the Central Bank to satisfy their entire branch and ATM needs.

While bankwide recirculation is significant, there is no automated sorting of banknotes, and so banks will often turn to the Central Bank for supplies of fit notes to meet their ATM replenishment needs.

Branch to Central Bank depositing timescales are usually three days. It is typical for branches to report their cash position at the close of business on day one, transportation to or from their Head Office takes place on day two, and, because of early morning scheduling at the Central Bank, the bank's consolidated deposits are received on day three. A similar timescale applies to withdrawals from the Central Bank.

Participants reported that, growth in business excepted, branch and ATM cash levels have been reduced. This is in part due to security concerns, but also as a result of concerted effort to manage cash more efficiently.

Participants believed that they held levels of cash close to their true operating needs and that there was only limited scope for further cash reduction initiatives.

## **ATM Cash Operations**

ATMs form an important distribution channel for cash on the island.

Most banks dispense AFL 25, AFL 50 and AFL 100 denominations. Three of the five bank networks also allow international Cirrus and Maestro cardholders to withdraw cash in U.S. Dollars – usually in USD20 bills. Due to exchange control restrictions Aruban cardholders cannot withdraw U.S. Dollars through ATMs, but may do so at their bank branch.

The replenishment of ATMs fall into two distinct categories: in-branch ATMs and remote site ATMs.

In-branch ATMs are usually replenished by the branch staff, invariably using the cassette exchange or canister swap method of replenishment. This method requires the removal of all ATM cassettes, be they empty or partially full, and replacement with new previously filled canisters. While this method requires additional cassettes, and often results in higher stocks of cash being held, it is a more secure method of replenishment and is an effective means of balancing and ensuring accounting control.

Remote site ATMs are also usually replenished using the cassette exchange method. With the exception of one bank, which outsources its entire remote site ATM replenishment to an armored carrier company, all other banks simply use armored carriers for secure transportation of cash between their branches and ATMs.

It is usual for a bank representative to undertake the actual ATM replenishment at the remote site under the secure protection of an armored carrier guard.

ATM replenishment frequencies vary depending greatly on machine usage. Most machines are replenished on average once a week, while some of the busiest ATMs are serviced every 1 or 2 days.

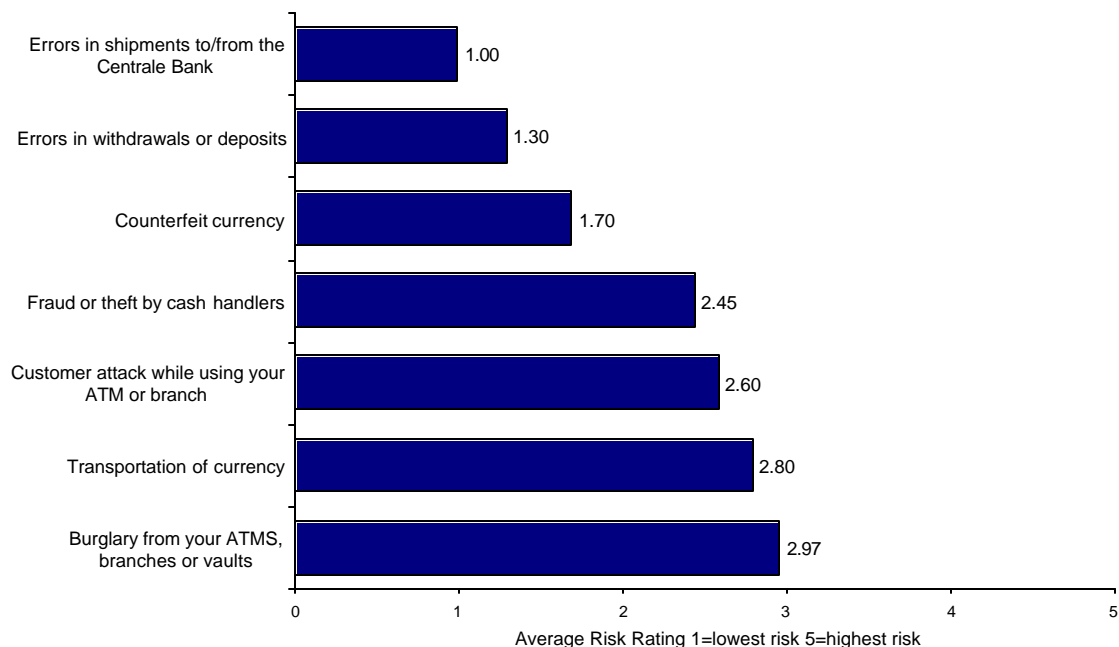
The majority of full service ATMs also offer deposit facilities. Several participants indicated that the deposit facilities were not widely used. Deposits are emptied on a daily basis, and, if deposited at a remote site ATM, are taken to a nearby controlling branch for processing.

Participants described their ATM monitoring systems and monitoring policies. Most participants reported occasional ATM cash run outs, particularly after exceptionally high withdrawal demand such as over long holiday weekends, but all endeavored to keep run outs to an absolute minimum.

## **Risk Management**

Participants were asked to evaluate and rate potential risks associated with cash handling, as well as comment on the steps taken by their organizations to minimize these risks. Figure 4 details the risk ratings put forward by the participants.

**Figure 4: Potential Risks in Cash Handling**



Crime levels on Aruba are fortunately very low. One notable exception was a bank robbery in March 2001, resulting in the death of a bank teller during the attack.

Participants described the significant investments that they had made in improving the security of their branches and ATMs. Participants stated that safety of their customers and employees is of prime importance. Among many security enhancements are improved Close Circuit Television coverage and deployment of in-branch security guards.

To ensure the integrity of cash handling, and minimize the risk of transaction errors or fraud, participants described how they employed a range of comprehensive operational procedures, maintained dual control requirements and regularly conducted independent audits checks.

### **The Armored Carrier Industry**

Participants were asked to describe their armored carrier arrangement, and the relationship they have with the companies that they use.

Most participants shared their armored carrier arrangements between two or three companies. Typically one of the two largest carriers is responsible for transportation to and from the Central Bank and possibly between bank branches. Another carrier is often used for inter-branch and branch-to-remote site ATM transportation. With one exception, the armored carriers only provide ATM cassette transportation services and leave physical ATM replenishment to a bank representative.

Secure transportation is usually charged on a per trip basis and typically varies in cost from between AFL 30 and AFL 70 (USD17 to USD39). Total armored carrier charges for the five participant banks are estimated as AFL 800,000 (USD 447,000) per annum.

### **Central Bank Operating Practices**

The Central Bank issues and receives Aruban Florin banknotes and coin without charge.

The Central Bank requires commercial banks to arrange an appointment to visit the Bank in order to deposit or withdraw cash. Appointments may be arranged by no later than 8.15am for same day attendance. The Bank prefers appointments be arranged a day in advance.

Appointments at the Central Bank are scheduled from 8.30am, with the aim of ensuring all visits are completed as early in the day as is practicable. The remainder of the day is set aside for banknote and coin processing. Provided deposits are received by early morning, same day value is provided.

Commercial banks are required to present banknotes to set standards. These include presentation of the notes face side upwards.

The participants expressed general satisfaction with the services provided by the Central Bank, but did convey the desire that the Bank extend the hours during which it accepts visits to deposit or withdraw. Participants stated that it was generally not possible for them to aggregate individual branch deposits into single deposits for the Central Bank within the same business day. The facility to make late morning or afternoon deposits – with same day value given – would substantially improve their operating efficiencies.

### **Counterfeits**

Participants all reported very low levels of counterfeit Aruban Florin. In aggregate the participants reported identifying no more than a few hundred Florin a month set against a total of more than AFL 140 million in circulation. Some of the participants recalled a spate of forged AFL 5 coins. Participants also recounted how the Central Bank was quick to respond to the counterfeit threat, and was able to offer simple, practical advice to the public in order to identify suspect coins.

Participants were also asked for their experiences in receiving counterfeit U.S. Dollar bills. While the banks all indicated that U.S. Dollar counterfeits were more prevalent, they did not consider the levels to be significant.

In order to minimize counterfeit losses, participants cited a variety of detection methods. Among the most common practices is extensive and regular teller training – several banks cited experienced tellers as their best line of defense. Additionally, Ultra Violet Lamps, special detection pens and specialist authentication devices are all used to verify banknote authenticity.

## **Foreign Currency Handling**

All of the survey participants provide a range of foreign currency exchange services. In addition to the universal acceptance of the U.S. Dollar, most banks will also buy and sell British Pounds, Canadian Dollars, European Single Currency Zone Euro (from January 2002 replacing a number of European national currencies such as the Dutch Guilder that were previously accepted), and Netherlands Antilles Guilders.

With the exception of the U.S. Dollar, which makes up by far the greatest proportion of foreign currency handled, the Centrale Bank van Aruba offers deposit and withdrawal – subject to availability – services for these foreign currencies. The service is free, with currency being exchanged at rates set by the Central Bank.

The Aruban commercial banks are substantial net receivers of U.S. Dollars. A limited number of U.S. Dollars – usually USD 20 bills - are manually outsourced from customer deposits in order to supply bank ATMs. In 2001, from statutory reporting records, the five participants surveyed deposited a net total of USD 115 million. In most cases, surplus U.S. Dollars are remitted to one of the main U.S. based correspondent banks.

Shipments are typically made on a weekly to bi-monthly basis. It is usual for the remitting bank to pay a set all-inclusive fee that covers the door-to-door secure shipment of the cash.

Participants expressed a desire for the Central Bank to offer U.S. Dollar processing facilities alongside its other foreign currency handling activities. Such an undertaking would significantly increase the volume of banknotes currently processed by the Central Bank. Accordingly, the Central Bank is carefully evaluating how it might offer and charge for such services.

A number of participants hoped that the Central Bank would also ensure greater year round availability of Euro banknotes. While the Central Bank made special arrangements to support the introduction of the new currency in January 2002, current availability of Euro – as with other foreign currency stock – is on a best endeavors basis.

## **4. Cash and its Alternatives**

### **Cash Usage Compared With Other Payment Instruments**

Participants were asked to compare cash against a number of alternative payment mechanisms.

Of particular interest is a comparison of the responses to a study completed in the second half of 2000 for the United States Federal Reserve System.<sup>1)</sup> In common with the U.S. research, the Aruban participants reported cash as the most popular form of payment for consumers. Cash, closely followed by checks, are the preferred low-transaction value payment methods.

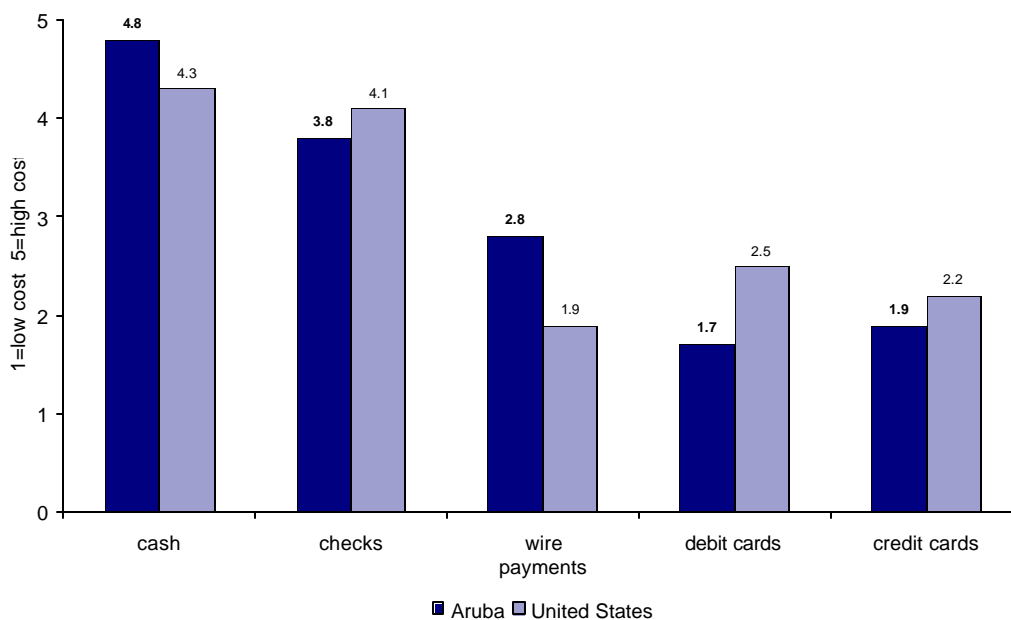
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<sup>1)</sup> Cash Handling and Management in the New Millennium – A Review of Private Sector Cash Handling and Management Practices in the United States. Published by Federal Reserve Bank of San Francisco on behalf of the Federal Reserve System.

Participants cited cash as the most costly and least profitable payment instrument, a finding echoed in the U.S. Figure 5 shows a full comparison of the various payment mechanisms. Aruba and the U.S. compare closely, with two notable exceptions. The cost of offering wire payments in Aruba is reported as significantly more expensive than in the U.S., whereas the opposite holds true for debit cards. This can in part be explained by the level of penetration of each payment mechanism at the time the two surveys were completed. Aruban banks are still in an early phase of gaining widespread acceptance of electronic wire payments. The U.S. has seen substantial uptake in the debit card since their survey was completed in Fall 2000, and if resurveyed today it is predicted that debit card costs would have fallen.

**Figure 5: How Participants Ranked Payment Instrument Costs**

(Aruba = 5 participants sampled June 2002, United States = 31 participants sampled August to November 2000)

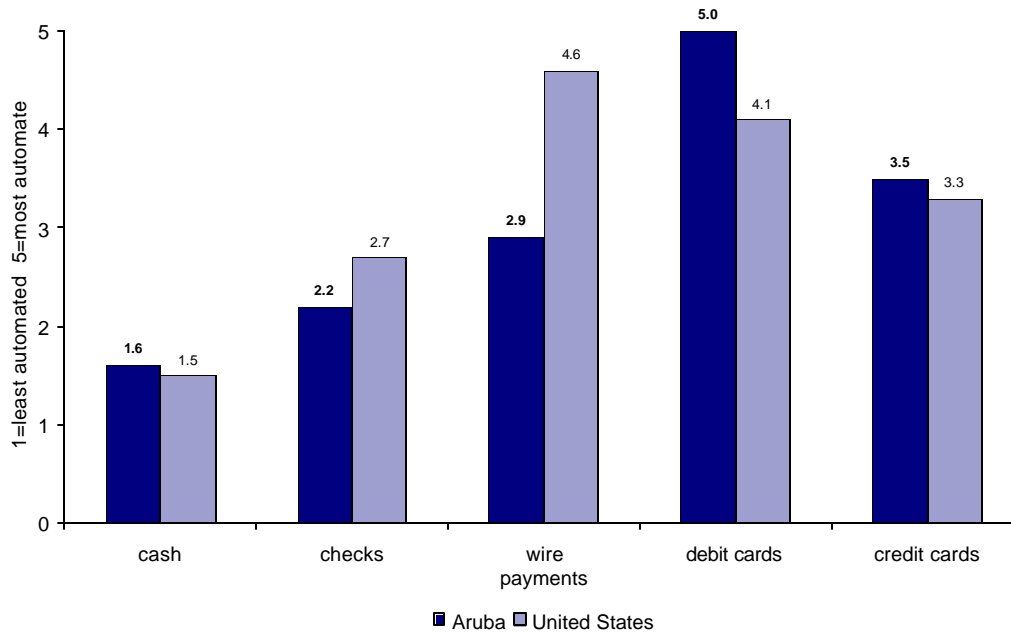


Again, closely following U.S. observations, participants reported cash as the least automated payment instrument when compared with other methods of settlement.

Aruban and U.S. differences are exposed when comparing wire payments and debit cards. This is consistent with the stage of usage of the different payment instruments, in each country, at the time the surveys were completed. The low level of automation in Aruban wire payments supports the high costs attributed to this payment method.

Universally, the Aruban banks pointed to the high level of automation underpinning their debit card offerings, making this an attractive low cost payment instrument.

**Figure 6: How Participants Ranked Payment Instrument Automation**  
 (Aruba = 5 participants sampled June 2002, United States = 33 participants sampled August to November 2000)



**Alternative Payment Instruments**

Participants were asked to provide their views on the usage of alternative payment instruments to cash.

A number of participants reported that they are now actively encouraging their customers to use more automated means of payment. One participant described how they had significantly increased the cost of providing checks in a concerted effort to influence customers towards lower cost alternatives. Given that most ATM and branch withdrawals are free, it was conceded that there was not yet a financial incentive for customers to change their cash usage habits.

Turning to electronic cash substitutes, several participants believe that the significant infrastructure costs needed to establish a new payment mechanism would be a barrier to the development of a smartcard solution on the island. The absence of a local transaction switch or common debit card standards in Aruba was also seen as a potential obstacle to the otherwise rapid expansion of debit card use.

**The Future of Cash**

Several participants reported a strong and continuing demand for cash. One participant commented that, particularly for older customers, visits to the bank, to draw pension payments or possibly pay utility bills, are often considered social events. It was reported that a line forming outside bank branches half an hour before opening was not uncommon.

The popularity of cash is also reinforced through high levels of foreign workers informally employed in Aruba's Tourism Industry and without access to Aruban bank accounts.

While the cashless society is still considered a very long way off, with greater acceptance of alternative payment mechanisms – particularly the debit card – a number of participants believe that the popularity of cash based transactions in Aruba will start to decline modestly in the next 5 to 10 years.

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**TABLE 1.1: TOURISM**

period	Total visitor nights	Total visitors	Visitors by origin							Average nights stayed	Average hotel occupancy rate	Cruise tourism		
			North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Netherlands	Other			Number of passengers	Ship calls	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
1998	4,889,718	647,437	401,547	377,108	162,308	99,128	49,042	30,959	34,540	7.6	77.6	257,755	255	
1999	5,143,302	683,323	442,833	422,186	155,171	103,601	49,326	32,014	35,993	7.5	77.0	289,052	230	
2000	5,247,824	721,224	478,726	458,132	162,474	112,018	47,063	30,575	32,961	7.3	75.9	490,005	331	
2001	5,144,594	691,419	467,418	448,492	150,659	109,337	44,961	28,457	28,381	7.4	75.6	487,296	298	
2000	I	1,380,946	179,192	131,850	122,789	29,131	17,703	11,418	7,529	6,793	7.7	81.6	208,820	150
	II	1,199,727	175,941	120,421	117,296	36,672	23,998	10,989	7,157	7,859	6.8	71.8	85,535	50
	III	1,402,755	196,820	112,711	109,831	61,999	47,076	12,233	7,906	9,877	7.1	76.6	35,349	22
	IV	1,264,396	169,271	113,744	108,216	34,672	23,241	12,423	7,983	8,432	7.5	73.7	160,301	109
2001	I	1,371,383	183,572	140,578	131,479	26,476	16,637	10,945	7,112	5,573	7.5	83.6	195,713	125
	II	1,269,191	179,632	129,013	126,474	33,031	23,240	10,389	6,497	7,199	7.1	74.9	92,484	50
	III	1,343,214	176,294	103,177	100,806	54,021	42,512	10,995	6,803	8,101	7.6	74.5	40,401	25
	IV	1,160,806	151,921	94,650	89,733	37,131	26,948	12,632	8,045	7,508	7.6	68.4	158,698	98
2002	I	1,290,244	168,427	123,831	116,167	28,025	19,142	10,987	7,195	5,584	7.7	75.7	215,581	128
	II	1,092,113	153,569	113,276	109,964	23,188	14,284	10,791	6,805	6,314	7.1	69.8	125,872	64

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

**TABLE 1.2: GROWTH IN STAY-OVER TOURISM**

	Total visitor nights	Total visitors	North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Nether- lands	Other	
period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<i>Quarterly percentage changes 1)</i>										
2000	I	4.9	9.0	14.9	15.3	-9.6	-7.6	7.7	10.7	0.4
	II	5.3	8.7	7.6	8.7	21.0	22.5	0.4	-1.2	-9.2
	III	3.4	7.4	11.6	11.6	8.2	10.8	-10.5	-14.1	-12.4
	IV	-5.0	-2.7	-1.3	-1.0	-1.8	3.9	-11.9	-8.9	-9.3
2001	I	-0.7	2.4	6.6	7.1	-9.1	-6.0	-4.1	-5.5	-18.0
	II	5.8	2.1	7.1	7.8	-9.9	-3.2	-5.5	-9.2	-8.4
	III	-4.2	-10.4	-8.5	-8.2	-12.9	-9.7	-10.1	-14.0	-18.0
	IV	-8.2	-10.2	-16.8	-17.1	7.1	16.0	1.7	0.8	-11.0
2002	I	-5.9	-8.3	-11.9	-11.6	5.9	15.1	0.4	1.2	0.2
	II	-14.0	-14.5	-12.2	-13.1	-29.8	-38.5	3.9	4.7	-12.3
<i>Cumulative percentage changes 2)</i>										
2000	I	4.9	9.0	14.9	15.3	-9.6	-7.6	7.7	10.7	0.4
	II	5.1	8.9	11.3	12.0	5.2	7.6	4.0	4.6	-5.0
	III	4.5	8.4	11.4	11.8	6.6	9.3	-1.6	-2.8	-8.1
	IV	2.0	5.5	8.1	8.5	4.7	8.1	-4.6	-4.5	-8.4
2001	I	-0.7	2.4	6.6	7.1	-9.1	-6.0	-4.1	-5.5	-18.0
	II	2.3	2.3	6.9	7.4	-9.6	-4.4	-4.8	-7.3	-12.8
	III	0.0	-2.3	2.1	2.5	-11.2	-7.2	-6.7	-9.6	-14.9
	IV	-2.0	-4.1	-2.4	-2.1	-7.3	-2.4	-4.5	-6.9	-13.9
2002	I	-5.9	-8.3	-11.9	-11.6	5.9	15.1	0.4	1.2	0.2
	II	-9.8	-11.3	-12.0	-12.3	-13.9	-16.2	2.1	2.9	-6.8

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

**TABLE 1.3: CONSUMER PRICE INDICES**  
 (August 1994 =100)  
 (September 2000 =100)

	Total index	Food	Beverage & tobacco	Clothing & footwear	Housing	House-keeping & furnishing	Health	Transport & communication	Recreation & education	Other
<b>Weights (September 1994)</b>	<b>10,000</b>	<b>1,625</b>	<b>254</b>	<b>1,134</b>	<b>1,786</b>	<b>1,039</b>	<b>307</b>	<b>2,072</b>	<b>808</b>	<b>975</b>
<b>Weights (September 2000)</b>	<b>10,000</b>	<b>1,469</b>	<b>219</b>	<b>1,086</b>	<b>2,296</b>	<b>1,002</b>	<b>88</b>	<b>1,967</b>	<b>799</b>	<b>1,074</b>
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1998	111.7	114.2	108.5	129.6	109.0	113.1	112.7	103.3	112.6	107.3
1999	115.8	116.3	111.3	134.0	118.0	117.7	113.1	105.9	117.1	109.9
2000	100.8	100.8	100.0	101.5	101.1	101.4	100.0	100.1	100.5	100.8
2001	103.4	104.9	100.4	111.5	102.5	106.5	100.0	98.2	102.5	103.1
2000 I	116.9	116.7	111.3	136.0	119.3	118.2	113.2	107.3	118.5	110.7
II	117.9	117.3	111.4	138.5	120.6	119.4	113.2	108.0	119.2	111.7
III	118.9	118.3	111.8	141.4	121.8	119.9	113.3	108.3	120.2	112.7
IV d	100.8	100.8	100.0	101.5	101.1	101.4	100.0	100.1	100.5	100.8
2001 I	101.3	101.6	99.0	104.3	100.9	102.2	100.0	100.1	100.5	101.4
II	102.1	102.5	99.6	106.1	101.3	102.7	100.0	101.0	101.0	101.9
III	102.6	103.4	99.9	108.4	101.4	105.0	100.0	99.9	101.6	102.4
IV	103.4	104.9	100.4	111.5	102.5	106.5	100.0	98.2	102.5	103.1
2002 I	103.6	105.4	100.4	113.0	101.1	106.7	100.0	99.1	102.7	103.3
II	105.5	106.0	100.6	113.9	106.0	107.8	100.0	100.7	104.0	104.5

Source: Central Bureau of Statistics.

**TABLE 1.4: PERCENTAGE PRICE CHANGES**

(August 1994 = 100)

(September 2000 = 100)

End of period	Percentage change				
	All groups index	Over previous month	Over 3 months earlier	Over a year earlier	Last 12 month over previous 12 months
1998	111.7	0.1	0.5	1.5	1.9
1999	115.8	0.3	1.3	3.7	2.3
2000	100.8	0.3	0.8	3.5	4.0
2001	103.4	0.4	0.8	2.6	2.9
2000 I	116.9	0.6	0.9	4.3	2.9
II	117.9	0.3	0.9	4.4	3.5
III	118.9	0.2	0.8	4.0	4.0
IV d	100.8	0.3	0.8	3.5	4.0
2001 I	101.3	0.1	0.5	3.0	3.9
II	102.1	0.2	0.8	3.0	3.6
III	102.6	0.3	0.5	2.6	3.1
IV	103.4	0.4	0.8	2.6	2.9
2002 I	103.6	0.2	0.2	2.3	2.6
II	105.5	0.2	1.8	3.3	2.6

**TABLE 1.5: CONSTRUCTION ACTIVITIES**

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
1. Number of construction permits granted	1,544	1,693	1,371	1,243	292	341	458	280	265	327	328	323	286	291
a. Houses 1)	1,099	1,182	871	749	209	198	311	153	146	178	208	217	179	166
b. Apartments	39	24	35	22	8	8	12	7	9	5	4	4	10	12
c. Office buildings	8	16	16	12	1	7	3	5	3	3	5	1	3	1
d. Stores and shopping malls 2)	17	15	18	24	0	3	8	7	5	5	11	3	7	5
e. Others	381	456	431	435	74	125	124	108	102	135	100	98	87	107
2. Total value of construction permits (x AFL million)	177.8	168.4	184.8	198.2	37.3	40.0	63.1	44.4	30.5	42.6	75.9	49.2	113.4	31.3
a. Houses 1)	112.2	104.5	91.6	78.6	19.7	21.3	34.5	16.0	17.2	17.0	23.6	20.8	18.8	14.4
b. Apartments	11.0	13.8	16.1	4.5	6.0	4.2	3.7	2.2	1.9	0.8	0.6	1.2	1.5	2.3
c. Office buildings	3.3	9.6	7.3	11.6	0.4	3.6	1.0	2.4	0.9	9.4	1.3	0.1	5.9	1.4
d. Stores and shopping malls 2)	12.2	9.0	26.6	33.7	0.0	2.5	12.6	11.4	2.7	2.4	12.7	15.9	3.4	6.4
e. Others	39.2	31.5	43.3	69.7	11.2	8.3	11.4	12.4	7.9	12.9	37.8	11.2	83.8	6.9
3. Total cement imported (x 1,000 Kg)	42,259	55,626	41,879	35,277	11,823	12,031	8,391	9,635	4,937	9,009	11,082	10,249	8,592	9,057
4. Number of electrical installations approved	2,989	2,483	3,034	2,873	486	708	916	924	501	674	756	942	427	631
a. Houses 1)	886	825	970	722	111	243	287	329	99	138	191	294	59	167
b. Apartments	220	132	189	197	14	31	66	78	20	33	58	86	12	72
b. Enterprises	151	135	112	175	9	37	31	35	33	32	60	50	15	32
c. Others	1,732	1,391	1,763	1,779	352	397	532	482	349	471	447	512	341	360

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 1.6: UTILITIES**

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
1. a. Water (x1,000 m3) 1)	10,280	10,406	10,929	11,353	2,604	2,938	2,700	2,687	2,831	2,923	2,880	2,718	2,776	2,875
b. Connected premises	28,283	29,211	30,225	31,218	29,386	29,682	29,951	30,225	30,409	30,657	30,958	31,218	31,412	31,527
2. a. Electricity (x 1,000 KWH)	600,767	614,931	644,348	673,611	144,507	158,585	172,196	169,060	151,513	166,433	178,640	177,026	160,454	173,183
b. Connections	34,416	35,496	36,448	37,404	35,668	35,775	36,016	36,448	36,575	36,749	37,058	37,404	37,435	37,541
c. Number of users	29,861	30,971	32,062	33,147	31,199	31,346	31,700	32,062	32,281	32,457	32,763	33,147	33,202	33,340
3. a. Gas (x 1,000 pounds)	15,633	16,345	17,162	17,629	4,135	4,150	4,228	4,649	4,270	4,374	4,314	4,671	4,128	4,368
b. Household	6,958	7,215	7,354	7,206	1,673	1,797	1,760	2,124	1,644	1,764	1,699	2,099	1,603	1,787
c. Commercial	8,675	9,130	9,808	10,422	2,462	2,353	2,468	2,525	2,626	2,610	2,614	2,572	2,525	2,581
4. Utilities index 2)	112.9	115.2	121.0	125.9	111.5	123.2	125.4	124.5	118.5	126.5	131.1	128.5	121.1	128.7

1) Sale of water, excluding to Coastal Aruba N.V. and vessels.

2) For annual data, base: 1996 = 100

For quarterly data, base: quarterly average 1996 = 100

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

**TABLE 1.7: MERCHANDISE FOREIGN TRADE BY COUNTRY**

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
1. Export of goods (f.o.b.)	51.5	52.3	48.3	51.9	11.5	15.4	14.0	7.4	7.9	12.5	16.1	15.4	13.8	15.0
a. United States	17.8	24.0	14.5	13.4	4.6	4.3	4.1	1.5	2.3	3.3	4.0	3.8	4.6	4.3
b. Colombia	11.3	10.6	12.5	7.0	4.4	4.7	1.9	1.5	1.4	1.7	1.6	2.5	1.8	1.6
c. The Netherlands	6.7	6.3	6.1	7.5	0.4	2.0	3.2	0.5	0.9	2.0	3.8	0.9	0.5	1.8
d. Netherlands Antilles	5.6	4.4	5.2	10.3	0.9	1.1	1.8	1.4	1.4	3.2	2.6	3.1	1.9	2.4
e. Venezuela	5.1	3.8	6.2	11.0	0.7	1.5	1.9	2.0	1.5	1.4	3.5	4.6	3.6	4.1
f. Other countries	5.0	3.2	3.9	2.6	0.4	1.7	1.1	0.6	0.4	0.9	0.7	0.5	1.5	0.8
2. Import of goods (c.i.f.)	1,219.4	1,400.8	1,292.2	1,313.3	312.1	304.5	328.5	347.0	290.8	294.0	341.5	387.1	306.8	308.1
a. United States	808.6	926.2	783.3	811.5	200.9	187.5	187.7	207.1	182.5	180.3	212.8	236.0	185.5	186.2
b. The Netherlands	128.9	155.6	161.4	153.0	32.8	34.7	50.8	43.1	37.7	33.8	39.9	41.6	39.3	38.2
c. Netherlands Antilles	36.6	39.8	51.0	48.1	10.3	12.5	13.2	14.9	11.5	11.3	11.2	14.1	9.6	11.3
d. Venezuela	41.7	42.0	47.3	40.3	10.2	11.7	13.0	12.4	9.2	10.0	10.3	10.8	8.5	10.3
e. Japan	27.1	35.9	40.1	33.5	10.6	10.0	10.0	9.5	6.3	7.4	8.7	11.1	7.4	7.5
f. Other countries	176.5	201.4	209.1	226.9	47.2	48.1	53.8	60.0	43.5	51.2	58.7	73.5	56.6	54.6
3. Trade balance	-1,167.9	-1,348.5	-1,243.8	-1,261.4	-300.6	-289.1	-314.5	-339.7	-282.9	-281.5	-325.4	-371.7	-292.9	-293.1

Source: CBS

**TABLE 1.8: MERCHANDISE FOREIGN TRADE BY PRODUCT CATEGORY**

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
1. Export of goods (f.o.b.)	51.5	52.3	48.3	51.9	11.5	15.4	14.0	7.4	7.9	12.5	16.1	15.4	13.8	15.0
a. Live animals and other animal products	16.1	13.9	18.5	17.8	4.8	6.5	3.9	3.2	2.7	3.0	5.5	6.6	5.3	6.4
b. Transport equipment	3.4	4.0	2.2	3.1	0.4	0.7	0.7	0.4	0.4	1.0	1.2	0.5	0.6	0.9
c. Art objects and collectors' items	9.9	7.1	8.2	9.5	1.2	2.2	3.7	1.1	1.6	2.6	4.0	1.3	0.9	2.9
d. Machinery and electrotechnical equipment	6.5	5.4	4.0	4.0	0.9	1.3	1.1	0.7	0.6	0.2	0.7	2.5	1.5	0.9
e. Other goods	15.5	21.9	15.5	17.6	4.2	4.7	4.4	2.1	2.6	5.6	4.9	4.5	5.5	3.9
2. Import of goods (c.i.f.)	1,219.4	1,400.8	1,292.2	1,313.3	312.1	304.5	328.5	347.0	290.8	294.0	341.5	387.1	306.8	308.1
a. Live animals and other animal products	97.6	90.7	99.9	101.0	24.3	25.6	25.6	24.4	22.1	24.6	29.8	24.5	25.8	20.6
b. Food products	137.3	137.7	141.7	144.7	33.2	34.9	35.4	38.2	34.7	35.5	33.5	41.0	34.1	36.1
c. Chemical products	129.2	137.9	162.0	158.0	43.6	38.2	41.8	38.4	35.3	35.9	40.1	46.6	40.2	44.0
d. Base metals and derivated works	114.6	154.4	90.7	104.9	23.8	20.1	24.6	22.2	18.3	24.5	30.8	31.4	15.8	21.5
e. Machinery and electrotechnical equipment	195.2	287.0	189.2	231.0	47.6	45.4	51.7	44.4	42.0	40.0	74.0	75.0	50.8	48.6
f. Transport equipment	95.5	109.2	117.5	103.0	27.9	27.4	31.3	30.8	22.8	24.2	24.8	31.2	26.5	27.2
g. Other goods	450.0	483.9	491.2	470.7	111.6	112.8	118.1	148.6	115.6	109.2	108.5	137.3	113.5	110.1
3. Trade balance	-1,167.9	-1,348.5	-1,243.8	-1,261.4	-300.6	-289.1	-314.5	-339.7	-282.9	-281.5	-325.4	-371.7	-292.9	-293.1

Source: CBS

**TABLE 1.9: OIL REFINING**

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
1. Export of oil (x AFL million)	1,290	2,192	2,331	2,980	445	546	557	783	962	975	644	398	581	443
2. Import of crude (x AFL million)	704	2,092	1,922	2,030	277	550	534	561	812	401	442	374	675	206
3. Quantity of oil refined (x 1,000 barrels)	58,388	73,713	83,553	64,327	16,808	21,569	21,876	23,300	22,242	12,933	15,630	13,522	19,178	11,163
4. Number of employees (at end of period) 1)	541	520	564	597	568	577	571	564	564	564	564	597	574	621

1) Excluding persons employed with contractors.

Source: Coastal Aruba Refining Co. N.V.

**TABLE 2.1: MONETARY SURVEY**

End of period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>I. Net domestic assets</b>	<b>980.9</b>	<b>1,121.9</b>	<b>1,207.9</b>	<b>1,175.3</b>	<b>1,162.6</b>	<b>1,185.9</b>	<b>1,217.9</b>	<b>1,207.9</b>	<b>1,190.5</b>	<b>1,205.5</b>	<b>1,179.6</b>	<b>1,175.3</b>	<b>1,194.0</b>	<b>1,238.2</b>
A) Domestic credit	1,244.1	1,394.6	1,512.1	1,545.0	1,460.2	1,494.8	1,519.4	1,512.1	1,523.2	1,563.0	1,545.3	1,545.0	1,579.8	1,609.1
1) Net claims on public sector	-8.9	12.4	-1.1	-25.8	14.1	2.3	3.5	-1.1	0.8	23.3	-0.4	-25.8	5.9	-1.3
a) Gross claims	67.9	75.9	65.8	77.6	75.9	85.2	68.5	65.8	68.5	94.9	72.4	77.6	77.7	77.7
b) Government's deposits	-67.0	-54.2	-44.3	-72.1	-52.4	-53.6	-42.6	-44.3	-38.9	-40.5	-41.6	-72.1	-46.1	-50.3
c) Development funds	-9.8	-9.4	-22.6	-31.3	-9.4	-29.3	-22.4	-22.6	-28.8	-31.1	-31.2	-31.3	-25.6	-28.7
2) Claims on private sector	1,253.0	1,382.2	1,513.2	1,570.8	1,446.1	1,492.5	1,515.9	1,513.2	1,522.4	1,539.7	1,545.6	1,570.8	1,573.9	1,610.4
a) Enterprises	636.3	670.0	730.0	741.2	719.3	735.4	741.0	730.0	736.6	737.6	728.2	741.2	732.0	757.7
b) Individuals	588.7	686.1	757.8	811.5	700.8	731.0	749.6	757.8	763.7	779.4	797.8	811.5	823.7	833.2
1) Consumer credit	287.9	335.6	357.3	366.7	340.3	351.6	354.7	357.3	355.9	358.8	365.7	366.7	371.9	374.4
2) Housing mortgages	300.8	350.4	400.5	444.8	360.5	379.4	394.9	400.5	407.9	420.5	432.1	444.8	451.8	458.9
c) Other	28.0	26.1	25.4	18.1	26.0	26.1	25.2	25.4	22.1	22.7	19.6	18.1	18.2	19.5
B) Other items, net	-263.2	-272.7	-304.3	-369.7	-297.6	-308.9	-301.5	-304.3	-332.7	-357.6	-365.7	-369.7	-385.8	-370.9
<b>II. Net foreign assets</b>	<b>557.9</b>	<b>577.2</b>	<b>530.4</b>	<b>665.4</b>	<b>605.4</b>	<b>591.0</b>	<b>558.9</b>	<b>530.4</b>	<b>620.8</b>	<b>589.1</b>	<b>660.0</b>	<b>665.4</b>	<b>745.6</b>	<b>712.0</b>
A) Centrale Bank van Aruba	413.0	418.2	391.4	539.5	412.0	425.8	418.8	391.4	428.1	470.3	509.5	539.5	587.8	577.5
B) Commercial banks	144.9	158.9	139.0	125.8	193.4	165.2	140.2	139.0	192.7	118.9	150.5	125.8	157.8	134.5
<b>III. Broad money</b>	<b>1,538.8</b>	<b>1,699.1</b>	<b>1,738.3</b>	<b>1,840.7</b>	<b>1,768.0</b>	<b>1,776.9</b>	<b>1,776.9</b>	<b>1,738.3</b>	<b>1,811.3</b>	<b>1,794.6</b>	<b>1,839.6</b>	<b>1,840.7</b>	<b>1,939.6</b>	<b>1,950.2</b>
A) Money	547.0	590.4	596.3	701.1	591.1	629.7	606.8	596.3	626.2	612.2	649.2	701.1	740.2	770.8
B) Quasi-money	991.8	1,108.7	1,142.0	1,139.6	1,176.9	1,147.2	1,170.1	1,142.0	1,185.1	1,182.4	1,190.4	1,139.6	1,199.4	1,179.4

**TABLE 2.2: COMPONENTS OF BROAD MONEY**

End of period	Currency			Demand deposits			Money	Other deposits		Trea- sury bills	Quasi- money	Broad money
	Issued	At banks	Outside banks	AFL	Foreign currency	Total		Savings	Time			
	(1)	(2)	(3= 1-2)	(4)	(5)	(6= 4+5)		(7= 3+6)	(8)			
1998	133.3	28.4	104.9	378.2	63.9	442.1	547.0	382.5	609.3	0.0	991.8	1,538.8
1999	146.3	24.0	122.4	398.0	70.1	468.1	590.4	391.6	715.6	1.5	1,108.7	1,699.1
2000	151.0	29.7	121.3	406.3	68.7	474.9	596.3	404.6	729.0	8.4	1,142.0	1,738.3
2001	156.6	30.6	126.0	481.1	94.0	575.1	701.1	410.7	728.5	0.4	1,139.6	1,840.7
2000 I	139.3	24.1	115.2	401.2	74.6	475.8	591.1	403.4	760.0	13.5	1,176.9	1,768.0
II	144.7	23.9	120.8	443.3	65.6	509.0	629.7	410.8	726.4	10.0	1,147.2	1,776.9
III	140.3	23.6	116.8	420.0	70.0	490.0	606.8	403.3	763.8	3.0	1,170.1	1,776.9
IV	151.0	29.7	121.3	406.3	68.7	474.9	596.3	404.6	729.0	8.4	1,142.0	1,738.3
2001 I	140.1	24.0	116.1	424.7	85.4	510.1	626.2	412.6	767.5	5.0	1,185.1	1,811.3
II	143.9	22.8	121.1	417.0	74.2	491.2	612.2	418.9	751.4	12.0	1,182.4	1,794.6
III	143.4	24.4	119.0	441.2	89.0	530.2	649.2	422.5	767.8	0.2	1,190.4	1,839.6
IV	156.6	30.6	126.0	481.1	94.0	575.1	701.1	410.7	728.5	0.4	1,139.6	1,840.7
2002 I	141.0	24.6	116.5	519.7	104.1	623.7	740.2	422.1	777.1	0.2	1,199.4	1,939.6
II	146.7	24.3	122.4	555.7	92.7	648.4	770.8	399.8	771.3	8.3	1,179.4	1,950.2

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

During period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
					<b>I. Net domestic money creation</b>	<b>17.4</b>	<b>141.0</b>	<b>86.0</b>	<b>-32.6</b>	<b>40.7</b>	<b>23.3</b>	<b>32.0</b>	<b>-10.0</b>	<b>-17.3</b>
A) Domestic credit	68.2	150.5	117.6	32.8	65.6	34.6	24.6	-7.3	11.1	39.8	-17.8	-0.3	34.9	29.3
1) Net claims on public sector	0.8	21.3	-13.4	-24.7	1.7	-11.7	1.2	-4.6	1.9	22.5	-23.7	-25.5	31.7	-7.3
a) Recourse to monetary system	-6.6	8.0	-10.1	11.8	0.0	9.2	-16.7	-2.7	2.7	26.4	-22.5	5.2	0.1	0.0
b) Drawing down of bank balances	7.3	13.3	-3.3	-36.5	1.7	-21.0	17.9	-1.9	-0.8	-3.9	-1.2	-30.6	31.6	-7.3
1) Government's deposits	7.4	12.8	9.9	-27.8	1.8	-1.1	10.9	-1.7	5.4	-1.6	-1.1	-30.5	26.0	-4.2
2) Development funds	-0.1	0.5	-13.2	-8.7	-0.1	-19.9	6.9	-0.2	-6.3	-2.2	-0.1	-0.1	5.7	-3.1
2) Claims on private sector	67.4	129.2	131.0	57.6	63.9	46.4	23.4	-2.7	9.2	17.3	5.9	25.2	3.1	36.5
a) Enterprises	0.4	33.8	60.0	11.2	49.3	16.1	5.6	-11.1	6.6	1.1	-9.5	13.0	-9.2	25.7
b) Individuals	56.3	97.4	71.8	53.7	14.7	30.2	18.6	8.2	5.9	15.6	18.5	13.7	12.2	9.5
1) Consumer credit	18.7	47.7	21.7	9.4	4.6	11.4	3.1	2.6	-1.4	3.0	6.9	1.0	5.2	2.4
2) Housing mortgages	37.6	49.7	50.1	44.3	10.1	18.9	15.6	5.6	7.3	12.7	11.5	12.7	7.0	7.1
c) Other	10.7	-1.9	-0.7	-7.3	-0.1	0.1	-0.8	0.2	-3.3	0.6	-3.1	-1.5	0.1	1.3
B) Other domestic factors	-50.8	-9.5	-31.6	-65.4	-24.9	-11.3	7.4	-2.7	-28.4	-24.9	-8.1	-4.0	-16.1	14.9
<b>II. Inflow of foreign funds</b>	<b>160.6</b>	<b>19.2</b>	<b>-46.8</b>	<b>135.0</b>	<b>28.2</b>	<b>-14.4</b>	<b>-32.0</b>	<b>-28.6</b>	<b>90.4</b>	<b>-31.6</b>	<b>70.9</b>	<b>5.4</b>	<b>80.2</b>	<b>-33.6</b>
<b>III. Broad money</b>	<b>178.0</b>	<b>160.3</b>	<b>39.2</b>	<b>102.4</b>	<b>68.9</b>	<b>9.0</b>	<b>-0.1</b>	<b>-38.6</b>	<b>73.0</b>	<b>-16.7</b>	<b>45.0</b>	<b>1.1</b>	<b>99.0</b>	<b>10.6</b>
1) Money	73.9	43.4	5.8	104.8	0.7	38.7	-23.0	-10.5	30.0	-14.0	37.0	51.8	39.2	30.6
2) Quasi-money	104.2	116.9	33.3	-2.4	68.2	-29.7	22.9	-28.1	43.1	-2.7	8.0	-50.8	59.8	-20.0

**TABLE 2.4: FOREIGN ASSETS**

End of period	Centrale Bank van Aruba				Commercial banks			Total	Revaluation differences	Total excl. (9)	Broad money	Import of goods (excl. oil) during a 12-month period	Percentages		
	Gold	Other assets	Liabilities	Net	Assets	Liabilities	Net						Broad money coverage	Import coverage	
	(1)	(2)	(3)	(4= 1+2-3)	(5)	(6)	(7= 5-6)						(8= 4+7)	(9)	(10= 8-9)
1998	41.0	402.5	1.7	441.8	486.4	341.5	144.9	586.7	28.8	557.9	1,538.8	1,521.0	36.3	38.6	
1999	41.0	399.3	0.1	440.2	501.1	342.2	158.9	599.1	22.0	577.2	1,699.1	1,350.0	34.0	44.4	
2000	41.0	381.2	2.3	419.8	530.8	391.8	139.0	558.9	28.5	530.4	1,738.3	1,271.0	30.5	44.0	
2001	55.0	525.7	2.6	578.2	531.5	405.7	125.8	704.0	38.7	665.4	1,840.7	1,233.8	36.1	57.1	
2000	I	41.0	395.0	1.1	434.9	543.0	349.7	193.4	628.2	22.8	605.4	1,768.0	1,314.1	34.2	47.8
	II	41.0	408.6	0.1	449.5	518.1	352.9	165.2	614.7	23.7	591.0	1,776.9	1,278.7	33.3	48.1
	III	41.0	404.2	3.1	442.1	516.3	376.2	140.2	582.3	23.3	558.9	1,776.9	1,291.0	31.5	45.1
	IV	41.0	381.2	2.3	419.8	530.8	391.8	139.0	558.9	28.5	530.4	1,738.3	1,271.0	30.5	44.0
2001	I	41.0	416.8	0.9	456.9	556.2	363.5	192.7	649.6	28.8	620.8	1,811.3	1,247.2	34.3	52.1
	II	41.0	461.5	7.2	495.3	518.3	399.5	118.9	614.2	25.0	589.1	1,794.6	1,259.2	32.8	48.8
	III	41.0	506.4	10.8	536.7	505.4	354.9	150.5	687.2	27.1	660.0	1,839.6	1,245.8	35.9	55.2
	IV	55.0	525.7	2.6	578.2	531.5	405.7	125.8	704.0	38.7	665.4	1,840.7	1,233.8	36.1	57.1
2002	I	60.0	571.3	1.3	630.1	486.6	328.8	157.8	787.9	42.2	745.6	1,939.6	1,229.7	38.4	64.1
	II	63.4	560.5	0.1	623.8	472.6	338.1	134.5	758.3	46.3	712.0	1,950.2	1,219.5	36.5	62.2

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

End of period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>ASSETS</b>														
1. Claims on money-creating institution	265.9	298.2	241.9	333.0	271.5	267.6	285.2	241.9	258.6	289.2	330.1	333.0	442.5	432.5
a) Monetary authorities	241.6	261.9	213.2	293.5	244.8	238.7	258.0	213.2	239.8	274.6	318.5	293.5	393.5	392.1
b) Commercial banks	24.3	36.3	28.8	39.5	26.7	28.9	27.1	28.8	18.8	14.6	11.6	39.5	48.9	40.4
2. Claims on the public sector	67.9	75.9	65.8	77.6	75.9	85.2	68.5	65.8	68.5	94.9	72.4	77.6	77.7	77.7
a) Short-term	45.1	65.2	56.1	64.1	66.3	74.3	58.2	56.1	58.8	85.2	63.7	64.1	64.2	64.2
b) Long-term	22.8	10.7	9.7	13.4	9.6	10.9	10.3	9.7	9.7	9.7	8.7	13.4	13.4	13.4
3. Claims on the private sector	1,253.0	1,382.2	1,513.2	1,570.8	1,446.1	1,492.5	1,515.9	1,513.2	1,522.4	1,539.7	1,545.6	1,570.8	1,573.9	1,610.4
a) Enterprises	636.3	670.0	730.0	741.2	719.3	735.4	741.0	730.0	736.6	737.6	728.2	741.2	732.0	757.7
b) Individuals	588.7	686.1	757.8	811.5	700.8	731.0	749.6	757.8	763.7	779.4	797.8	811.5	823.7	833.2
1) Consumer credit	287.9	335.6	357.3	366.7	340.3	351.6	354.7	357.3	355.9	358.8	365.7	366.7	371.9	374.4
2) Housing mortgages	300.8	350.4	400.5	444.8	360.5	379.4	394.9	400.5	407.9	420.5	432.1	444.8	451.8	458.9
c) Capital market investmen	14.2	11.8	11.9	6.1	11.7	11.9	11.8	11.9	9.2	9.1	6.0	6.1	6.1	6.0
d) Other	13.8	14.3	13.5	12.0	14.3	14.2	13.4	13.5	13.0	13.7	13.6	12.0	12.1	13.5
4. Foreign assets	929.9	941.4	953.0	1,112.3	979.0	967.7	961.5	953.0	1,014.0	1,020.8	1,052.8	1,112.3	1,117.9	1,096.5
a) Gold	41.0	41.0	41.0	55.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	55.0	60.0	63.4
b) Short-term	383.4	398.0	414.2	474.4	420.3	402.7	401.3	414.2	470.2	433.2	429.0	474.4	497.8	438.7
c) Long-term	505.6	502.5	497.8	582.8	517.7	524.0	519.3	497.8	502.8	546.6	582.8	582.8	560.1	594.4
5. Other domestic assets	-26.0	-60.4	-44.0	-69.6	-50.6	-54.1	-25.0	-44.0	-40.2	-57.1	-67.1	-69.6	-68.7	-70.9
<b>6. Total assets</b>	<b>2,490.7</b>	<b>2,637.3</b>	<b>2,729.8</b>	<b>3,024.0</b>	<b>2,722.0</b>	<b>2,758.9</b>	<b>2,806.2</b>	<b>2,729.8</b>	<b>2,823.3</b>	<b>2,887.5</b>	<b>2,933.8</b>	<b>3,024.0</b>	<b>3,143.3</b>	<b>3,146.3</b>

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

End of period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>LIABILITIES</b>														
7. Broad money	1,538.8	1,699.1	1,738.3	1,840.7	1,768.0	1,776.9	1,776.9	1,738.3	1,811.3	1,794.6	1,839.6	1,840.7	1,939.6	1,950.2
a) Money	547.0	590.4	596.3	701.1	591.1	629.7	606.8	596.3	626.2	612.2	649.2	701.1	740.2	770.8
b) Quasi-money	991.8	1,108.7	1,142.0	1,139.6	1,176.9	1,147.2	1,170.1	1,142.0	1,185.1	1,182.4	1,190.4	1,139.6	1,199.4	1,179.4
8. Money-creating institutions	266.0	271.6	229.8	303.8	262.8	253.4	275.2	229.8	263.3	290.4	331.4	303.8	413.8	393.1
a) Monetary authorities	236.7	245.6	202.7	295.5	236.0	224.6	253.0	202.7	239.3	267.0	323.5	295.5	400.3	375.6
b) Commercial banks	29.3	26.0	27.1	8.2	26.8	28.8	22.2	27.1	24.0	23.3	7.8	8.2	13.5	17.6
9. Public sector deposits	76.8	63.6	66.9	103.4	61.9	82.8	65.0	66.9	67.7	71.6	72.8	103.4	71.7	79.0
a) Government	67.0	54.2	44.3	72.1	52.4	53.6	42.6	44.3	38.9	40.5	41.6	72.1	46.1	50.3
b) Development funds	9.8	9.4	22.6	31.3	9.4	29.3	22.4	22.6	28.8	31.1	31.2	31.3	25.6	28.7
10. Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Subordinated debt	11.3	11.3	13.8	14.1	11.3	11.3	13.8	13.8	13.8	13.8	14.1	14.1	14.1	9.1
12. Capital and reserves	140.4	125.9	141.7	196.3	142.0	146.4	145.6	141.7	155.0	157.7	155.4	196.3	205.1	206.7
13. Foreign liabilities	343.2	342.3	394.1	408.2	350.8	353.0	379.3	394.1	364.4	406.6	365.6	408.2	330.0	338.2
b) Short-term	307.8	310.5	367.8	359.0	317.5	325.5	351.5	367.8	328.6	374.4	324.7	359.0	270.2	263.2
c) Long-term	35.4	31.8	26.2	49.3	33.2	27.5	27.8	26.2	35.9	32.2	40.9	49.3	59.8	75.0
14. Revaluation differences	28.8	22.0	28.5	38.7	22.8	23.7	23.3	28.5	28.8	25.0	27.1	38.7	42.2	46.3
15. Other domestic liabilities	85.3	101.5	116.9	118.8	102.4	111.3	127.0	116.9	118.9	127.7	127.7	118.8	126.6	123.5
<b>16. Total liabilities</b>	<b>2,490.7</b>	<b>2,637.3</b>	<b>2,729.8</b>	<b>3,024.0</b>	<b>2,722.0</b>	<b>2,758.9</b>	<b>2,806.2</b>	<b>2,729.8</b>	<b>2,823.3</b>	<b>2,887.5</b>	<b>2,933.8</b>	<b>3,024.0</b>	<b>3,143.3</b>	<b>3,146.3</b>

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

End of period	Domestic assets		Total domestic assets	Foreign assets			Total foreign assets	Total assets			
	Government	Other		Gold and claims in gold	Claims on						
	(1)	(2)	(3)		Banks	Governments	Other	(4)	(5)	(6)	(7)
1998	0.0	13.1	13.1	41.0	35.3	0.0	367.2	443.5	456.5		
1999	0.0	14.2	14.2	41.0	45.5	0.0	353.8	440.3	454.5		
2000	0.0	13.4	13.4	41.0	31.4	0.0	349.8	422.2	435.6		
2001	0.0	18.6	18.6	55.0	60.7	0.0	465.0	580.8	599.3		
2000 I	0.0	14.5	14.5	41.0	23.1	0.0	371.9	436.0	450.5		
II	0.0	13.5	13.5	41.0	32.0	0.0	376.6	449.6	463.1		
III	0.0	15.0	15.0	41.0	39.3	0.0	364.9	445.2	460.2		
IV	0.0	13.4	13.4	41.0	31.4	0.0	349.8	422.2	435.6		
2001 I	0.0	14.2	14.2	41.0	60.5	0.0	356.3	457.8	472.0		
II	0.0	19.5	19.5	41.0	60.2	0.0	401.3	502.5	522.0		
III	0.0	18.3	18.3	41.0	70.7	0.0	435.8	547.4	565.7		
IV	0.0	18.6	18.6	55.0	60.7	0.0	465.0	580.8	599.3		
2002 I	0.0	21.1	21.1	60.0	99.1	0.0	472.2	631.3	652.4		
II	0.0	25.2	25.2	63.4	53.2	0.0	507.3	623.9	649.1		

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

(continued)

End of period	Domestic liabilities										Total domestic liabilities	Total foreign liabilities	Revaluation of gold and foreign exchange holdings	Total liabilities
	Capital and reserves	Bank notes issued	Government	Development funds	Official entities	Commercial banks deposits		Other fin.inst. deposits	Private sector deposits	Other deposits				
						Demand	Time							
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
1998	42.9	121.3	55.7	9.8	2.5	43.5	132.8	0.0	6.0	11.5	426.1	1.7	28.8	456.5
1999	44.0	133.3	46.3	9.4	3.2	42.8	140.3	0.0	5.4	7.7	432.4	0.1	22.0	454.5
2000	52.1	137.1	35.3	22.6	1.3	25.5	118.5	0.0	2.7	9.7	404.8	2.3	28.5	435.6
2001	64.3	141.8	65.7	31.3	2.5	60.9	156.5	0.0	19.4	15.8	558.1	2.6	38.7	599.3
2000 I	44.0	126.1	46.6	9.4	4.3	25.5	159.9	0.0	4.3	6.5	426.5	1.1	22.8	450.5
II	44.0	131.4	46.9	29.3	3.3	16.7	154.0	0.0	3.9	9.8	439.3	0.1	23.7	463.1
III	44.0	126.9	37.8	11.5	3.7	38.8	153.6	0.0	1.8	15.7	433.8	3.1	23.3	460.2
IV	52.1	137.1	35.3	22.6	1.3	25.5	118.5	0.0	2.7	9.7	404.8	2.3	28.5	435.6
2001 I	52.1	126.0	35.4	28.8	2.0	21.6	158.7	0.0	2.1	15.5	442.3	0.9	28.8	472.0
II	52.1	129.6	36.7	31.1	1.8	35.7	180.5	6.7	0.0	15.6	489.8	7.2	25.0	522.0
III	52.1	129.0	36.4	31.2	3.0	53.0	198.3	0.0	5.4	19.4	527.8	10.8	27.1	565.7
IV	64.3	141.8	65.7	31.3	2.5	60.9	156.5	0.0	19.4	15.8	558.1	2.6	38.7	599.3
2002 I	64.3	126.2	42.5	25.6	3.0	53.8	274.2	0.0	4.0	15.4	608.9	1.3	42.2	652.4
II	64.3	131.7	44.4	28.7	2.2	103.1	208.5	0.0	8.1	11.7	602.7	0.1	46.3	649.1

**TABLE 3.3: BANK NOTES ISSUED**

End of period	Denominations: number (x 1,000)						Total number of notes issued
	5	10	25	50	100	500	
	(1)	(2)	(3)	(4)	(5)	(6)	
1998	256	468	360	165	899	16	2,165
1999	251	479	445	176	970	21	2,342
2000	250	494	450	182	1,013	18	2,409
2001	182	496	489	191	1,050	18	2,426
2000 I	251	447	416	165	929	18	2,225
II	250	454	439	163	964	20	2,290
III	251	459	416	157	929	20	2,231
IV	250	494	450	182	1,013	18	2,409
2001 I	250	453	428	162	918	19	2,231
II	249	462	424	162	955	19	2,271
III	249	471	455	164	940	19	2,298
IV	182	496	489	191	1,050	18	2,426
2002 I	182	459	432	168	925	18	2,184
II	182	465	473	173	965	18	2,276

End of period	Denominations: value (AFL million)						Total value of notes issued
	5	10	25	50	100	500	
	(1)	(2)	(3)	(4)	(5)	(6)	
1998	1.3	4.7	9.0	8.3	89.9	8.2	121.3
1999	1.3	4.8	11.1	8.8	97.0	10.4	133.3
2000	1.3	4.9	11.3	9.1	101.3	9.2	137.1
2001	0.9	5.0	12.2	9.5	105.0	9.2	141.8
2000 I	1.3	4.5	10.4	8.2	92.9	8.8	126.1
II	1.3	4.5	11.0	8.1	96.4	10.1	131.4
III	1.3	4.6	10.4	7.8	92.9	9.9	126.9
IV	1.3	4.9	11.3	9.1	101.3	9.2	137.1
2001 I	1.3	4.5	10.7	8.1	91.8	9.6	126.0
II	1.2	4.6	10.6	8.1	95.5	9.6	129.6
III	1.2	4.7	11.4	8.2	94.0	9.6	129.0
IV	0.9	5.0	12.2	9.5	105.0	9.2	141.8
2002 I	0.9	4.6	10.8	8.4	92.5	9.0	126.2
II	0.9	4.6	11.8	8.7	96.5	9.2	131.7

**TABLE 3.4: COINS ISSUED**

	Denominations: number (x 1,000)							Com- memo- rative coins	Total value of coins issued excl. (8) (AFL million)
	Cents				Florin				
	5	10	25	50	1	2 ½	5		
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1998	8,693	8,821	6,074	3,254	4,382	67	576	10	12
1999	9,509	9,822	6,589	3,493	4,759	68	617	11	13
2000	10,387	10,573	6,929	3,768	5,084	69	670	11	14
2001	11,925	11,584	7,677	4,047	5,311	70	690	11	15
2000 I	9,724	10,066	6,693	3,560	4,866	68	625	11	13
II	9,938	10,268	6,812	3,610	4,891	68	626	11	13
III	10,124	10,414	6,912	3,641	4,897	69	634	11	13
IV	10,387	10,573	6,929	3,768	5,084	69	670	11	14
2001 I	10,730	10,797	7,076	3,801	5,095	69	670	11	14
II	11,442	11,034	7,361	3,898	5,108	69	680	11	14
III	11,596	11,180	7,475	3,929	5,182	69	680	11	14
IV	11,925	11,584	7,677	4,047	5,311	70	690	11	15
2002 I	12,007	11,627	7,689	4,072	5,367	71	698	11	15
II	12,091	11,724	7,712	4,091	5,368	71	698	11	15

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

	Assets				Total assets	Liabilities		
	Cash and claims on banks	Investments	Loans	Other		Deposits	Capital and reserves	Other
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1998	536.7	91.5	1,343.2	123.2	2,094.5	1,775.1	117.2	202.3
1999	559.6	104.0	1,485.7	121.1	2,270.4	1,909.2	101.7	259.6
2000	523.7	88.4	1,644.2	116.7	2,373.0	2,002.0	111.8	259.2
2001	608.8	74.9	1,690.5	147.4	2,521.6	2,102.7	149.2	269.7
2000 I	582.9	92.2	1,555.8	121.0	2,351.8	1,987.3	117.8	246.8
II	553.0	89.7	1,623.3	115.0	2,381.0	2,001.5	122.1	257.4
III	557.9	96.9	1,635.7	114.8	2,405.2	2,038.0	123.9	243.3
IV	523.7	88.4	1,644.2	116.7	2,373.0	2,002.0	111.8	259.2
2001 I	561.8	91.7	1,653.6	119.8	2,426.9	2,048.8	125.1	253.0
II	567.3	80.1	1,697.5	115.2	2,460.1	2,058.7	124.3	277.1
III	580.2	94.6	1,673.3	115.6	2,463.7	2,068.6	120.4	274.7
IV	608.8	74.9	1,690.5	147.4	2,521.6	2,102.7	149.2	269.7
2002 I	698.7	85.8	1,664.2	141.8	2,590.5	2,151.1	158.0	281.4
II	672.1	80.2	1,704.1	149.7	2,606.1	2,153.5	159.6	293.0

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

End of period	Liquidity	Loan/deposit	Capital/risk value of assets
	(1)	(2)	(3)
1998	29.3	69.8	10.6
1999	29.3	70.5	8.8
2000	26.2	75.6	9.4
2001	28.5	72.8	10.6
2000 I	28.7	71.6	9.7
II	26.9	74.2	9.8
III	27.4	74.7	8.8
IV	26.2	75.6	9.4
2001 I	27.5	74.4	10.7
II	27.1	75.2	11.7
III	28.5	73.2	10.1
IV	28.5	72.8	10.6
2002 I	31.9	69.8	12.2
II	30.5	71.2	11.4

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

Domestic assets										
End of period	Notes and coins	Central Bank		Investments		Loans and advances				
		Current account	Time deposits	Government securities	Non government securities	Enterprises	Mortgages	Individuals	Government	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1998	28.4	58.1	123.0	54.8	14.2	498.0	434.3	287.9	1.1	
1999	24.0	35.7	163.8	60.8	11.8	511.9	503.2	335.6	0.7	
2000	29.7	28.0	126.4	43.1	11.9	561.3	563.3	357.3	0.3	
2001	30.6	60.5	154.8	62.1	6.1	549.5	629.9	366.7	0.3	
2000	I	24.1	26.7	167.5	48.8	11.7	557.2	517.4	340.3	0.4
	II	23.9	29.0	155.7	46.4	11.9	561.2	548.3	351.6	15.4
	III	23.6	39.3	158.2	51.7	11.8	556.6	573.8	354.7	0.4
	IV	29.7	28.0	126.4	43.1	11.9	561.3	563.3	357.3	0.3
2001	I	24.0	22.5	158.3	49.1	9.2	570.0	568.2	355.9	0.4
	II	22.8	45.1	178.7	37.7	9.1	566.9	584.9	358.8	30.9
	III	24.4	48.1	198.1	57.6	6.0	550.0	603.8	365.7	0.3
	IV	30.6	60.5	154.8	62.1	6.1	549.5	629.9	366.7	0.3
2002	I	24.6	47.1	274.2	62.3	6.1	542.9	634.3	371.9	0.3
	II	24.3	120.0	208.1	54.3	6.0	575.1	635.2	374.4	0.2

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

End of period	Domestic assets (cont'd)				Total domestic assets	Foreign assets					Total foreign assets	Total assets
	Premises	Subsidiaries	Accounts receivable	Other (net)		Cash	Due from banks	Investments	Loans	Other		
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
1998	54.7	13.8	15.4	-5.0	1,578.8	11.0	291.8	22.5	121.9	39.4	486.4	2,065.2
1999	54.3	14.3	17.0	10.3	1,743.2	11.6	288.4	31.4	134.3	35.5	501.1	2,244.3
2000	58.0	13.5	18.7	1.7	1,813.3	13.0	297.8	33.3	160.3	26.4	530.8	2,344.1
2001	59.4	39.6	16.2	3.8	1,979.5	12.2	338.7	6.8	141.7	32.2	531.5	2,511.0
2000 I	53.6	14.3	18.6	-0.1	1,780.5	10.4	327.4	31.6	139.1	34.4	543.0	2,323.6
II	55.9	14.2	18.9	0.2	1,832.7	9.4	306.0	31.4	145.3	26.0	518.1	2,350.7
III	56.8	13.4	19.8	5.0	1,865.1	9.9	299.8	33.4	148.5	24.7	516.3	2,381.4
IV	58.0	13.5	18.7	1.7	1,813.3	13.0	297.8	33.3	160.3	26.4	530.8	2,344.1
2001 I	59.0	13.0	20.5	-5.2	1,844.8	11.3	326.9	33.4	157.3	27.3	556.2	2,401.0
II	58.0	13.7	18.6	-8.7	1,916.4	13.8	292.3	33.3	153.9	25.0	518.3	2,434.7
III	57.4	13.6	19.5	3.8	1,948.3	9.8	288.1	31.0	151.3	25.2	505.4	2,453.7
IV	59.4	39.6	16.2	3.8	1,979.5	12.2	338.7	6.8	141.7	32.2	531.5	2,511.0
2002 I	58.6	39.4	18.2	8.2	2,088.0	14.7	316.5	17.4	112.4	25.6	486.6	2,574.6
II	60.2	40.3	19.3	-4.0	2,113.3	11.6	294.6	19.9	116.7	29.8	472.6	2,586.0

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

(continued)

Domestic liabilities										
End of period	Demand deposits				Time deposits				Savings deposit	Other liabilities
	Individuals	Companies	Other fin.inst.	Government	Individuals	Companies	Other fin.inst.	Development funds		
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)		
1998	84.4	297.4	52.0	11.3	196.7	184.3	228.0	0.0	382.5	178.2
1999	90.9	321.8	46.9	7.9	212.2	247.6	255.7	0.0	391.6	234.3
2000	99.5	312.8	58.9	9.0	228.8	258.1	242.0	0.0	404.6	235.4
2001	107.1	385.4	60.9	6.4	235.5	229.8	263.0	0.0	410.7	260.4
2000 I	92.6	322.8	52.0	5.9	212.1	302.3	245.4	0.0	403.4	228.0
II	102.6	337.4	61.9	6.6	212.4	270.3	243.5	0.0	410.8	238.6
III	99.8	330.4	54.6	4.8	197.7	292.7	273.2	10.8	403.3	222.4
IV	99.5	312.8	58.9	9.0	228.8	258.1	242.0	0.0	404.6	235.4
2001 I	95.0	338.6	72.6	3.5	235.8	288.0	243.6	0.0	412.6	231.2
II	105.1	316.7	61.0	3.8	230.7	279.7	240.9	0.0	418.9	258.9
III	107.1	354.9	60.4	5.2	229.4	291.0	246.7	0.0	422.5	264.2
IV	107.1	385.4	60.9	6.4	235.5	229.8	263.0	0.0	410.7	260.4
2002 I	113.0	426.6	77.6	3.6	237.6	273.3	265.9	0.0	422.1	271.3
II	118.8	434.8	84.8	5.9	258.8	252.7	259.6	0.0	399.8	281.1

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

End of period	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 subordinated debt	Other		
	Capital and reserves	Subordinated debt	Banks	Non-banks	Banks	Non-banks						
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
1998	97.5	11.3	1,723.7	35.3	54.1	53.5	130.7	35.4	8.4	24.1	341.5	2,065.2
1999	82.0	11.3	1,902.2	18.4	49.3	57.6	145.8	37.5	8.4	25.2	342.2	2,244.3
2000	89.5	13.8	1,952.4	28.9	71.9	68.1	150.9	41.6	8.4	22.0	391.8	2,344.1
2001	132.0	14.1	2,105.4	23.2	67.2	61.4	201.8	42.0	3.0	7.0	405.7	2,511.0
2000 I	98.0	11.3	1,973.9	27.0	61.7	56.0	139.9	39.4	8.4	17.3	349.7	2,323.6
II	102.4	11.3	1,997.8	19.1	69.1	55.4	142.0	41.4	8.4	17.3	352.9	2,350.7
III	101.6	13.8	2,005.2	13.8	90.9	55.3	145.0	43.5	8.4	19.3	376.2	2,381.4
IV	89.5	13.8	1,952.4	28.9	71.9	68.1	150.9	41.6	8.4	22.0	391.8	2,344.1
2001 I	102.8	13.8	2,037.5	9.7	74.2	54.1	157.1	40.2	8.4	19.9	363.5	2,401.0
II	105.6	13.8	2,035.2	21.7	73.3	83.9	158.0	41.6	4.8	16.1	399.5	2,434.7
III	103.3	14.1	2,098.8	11.2	59.3	50.0	182.1	41.0	3.0	8.2	354.9	2,453.7
IV	132.0	14.1	2,105.4	23.2	67.2	61.4	201.8	42.0	3.0	7.0	405.7	2,511.0
2002 I	140.8	14.1	2,245.8	26.0	57.4	10.8	182.1	41.7	3.0	7.7	328.8	2,574.6
II	142.4	9.1	2,247.9	10.8	65.0	7.3	196.8	40.9	8.0	9.4	338.1	2,586.0

**TABLE 4.4: COMMERCIAL BANKS' LOANS TO DOMESTIC SECTORS BY KIND OF ECONOMIC ACTIVITY AS OF END JUNE 2002**

	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	5.2	0.5	5.8	1.7	90.5	7.8	0.4
Mining and manufacturing	6.2	5.6	7.5	19.3	32.1	29.0	38.9	1.2
Electricity, gas and water supply	2.4	27.7	1.1	31.3	7.7	88.7	3.5	1.9
Construction	16.0	2.7	3.2	21.8	73.3	12.2	14.5	1.4
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	180.3	109.5	59.3	349.0	51.7	31.4	17.0	21.7
Hotels and restaurants	33.2	16.0	14.8	64.0	51.9	25.0	23.1	4.0
Transport, storage and communications	11.6	14.3	5.4	31.4	37.0	45.7	17.3	2.0
Financial intermediation	5.3	11.7	20.1	37.1	14.3	31.6	54.1	2.3
Real estate, renting and business activities	24.1	54.2	45.5	123.8	19.5	43.8	36.7	7.7
Other enterprises	16.2	32.7	25.4	74.3	21.8	44.1	34.1	4.6
<b>Total loans to enterprises</b>	<b>295.4</b>	<b>279.7</b>	<b>182.6</b>	<b>757.7</b>	<b>39.0</b>	<b>36.9</b>	<b>24.1</b>	<b>47.1</b>
Government	0.0	0.2	0.0	0.2	0.0	100.0	0.0	0.0
Individuals	60.8	338.4	452.6	851.7	7.1	39.7	53.1	52.9
<b>Total loans</b>	<b>356.1</b>	<b>618.3</b>	<b>635.2</b>	<b>1,609.6</b>	<b>22.1</b>	<b>38.4</b>	<b>39.5</b>	<b>100.0</b>

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

End of period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
Agriculture, hunting, forestry and fishing	4.9	5.7	5.8	5.9	5.7	6.2	5.1	5.8	5.7	6.3	6.4	5.9	5.8	5.8
Mining and manufacturing	20.3	22.0	17.6	18.6	26.0	25.6	22.8	17.6	21.3	21.9	20.2	18.6	20.1	19.3
Electricity, gas and water supply	21.6	28.6	36.3	29.0	29.1	31.7	34.9	36.3	30.4	29.9	29.0	29.0	27.9	31.3
Construction	22.4	24.5	20.6	19.3	25.2	26.0	22.9	20.6	21.2	20.4	20.9	19.3	21.2	21.8
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	219.3	242.7	287.5	324.7	267.4	273.1	281.1	289.3	300.8	303.7	212.3	328.7	325.4	349.0
Hotels and restaurants	87.5	84.1	74.7	66.0	82.0	67.2	73.4	74.7	67.1	65.0	66.7	66.0	67.7	64.0
Transport, storage and communications	25.3	52.2	45.5	32.9	59.1	57.3	56.6	45.5	44.5	48.2	143.0	32.9	29.8	31.4
Financial intermediation	51.0	44.8	63.1	37.3	66.2	65.8	66.0	63.1	59.5	55.5	41.2	37.3	34.4	37.1
Real estate, renting and business activities	95.4	101.0	113.5	129.5	100.5	117.7	119.9	113.5	128.4	127.4	123.9	129.5	129.1	123.8
Other enterprises	88.6	64.3	63.6	74.2	58.2	64.9	58.4	63.6	57.7	59.2	64.6	74.2	70.6	74.3
<b>Total loans to enterprises</b>	<b>636.3</b>	<b>670.0</b>	<b>728.2</b>	<b>737.3</b>	<b>719.3</b>	<b>735.4</b>	<b>741.0</b>	<b>730.0</b>	<b>736.6</b>	<b>737.6</b>	<b>728.2</b>	<b>741.2</b>	<b>732.0</b>	<b>757.7</b>
Government	1.1	0.7	0.3	0.3	0.4	15.4	0.4	0.3	0.4	30.9	0.3	0.3	0.3	0.2
Individuals	604.9	705.2	776.2	829.9	720.1	750.8	769.3	776.2	782.1	798.3	816.3	829.9	841.7	851.7
<b>Total loans</b>	<b>1,242.2</b>	<b>1,375.9</b>	<b>1,504.7</b>	<b>1,567.4</b>	<b>1,439.8</b>	<b>1,501.6</b>	<b>1,510.7</b>	<b>1,506.5</b>	<b>1,519.0</b>	<b>1,566.8</b>	<b>1,544.8</b>	<b>1,571.4</b>	<b>1,574.0</b>	<b>1,609.6</b>

**TABLE 5.1: FINANCIAL SURVEY**

End of June 2002	Central Bank and Treasury	Commercial Banks	Monetary Sector	Nonmonetary Financial Institutions	Financial Sector
	(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)+(4)
1. Foreign assets	623.9	472.6	1,096.5	480.7	1,577.2
2. Domestic claims	69.2	1,591.1	1,660.3	1,120.2	2,780.5
a) Government	62.9	14.8	77.7	495.0	572.7
b) Non-financial public enterprises	0.0	36.8	36.8	25.1	61.9
c) Enterprises	0.0	712.6	712.6	83.0	795.6
d) Individuals	6.3	826.9	833.2	517.1	1,350.3
1) Consumer credit	0.0	374.4	374.4	68.4	442.7
2) Housing mortgages	6.3	452.6	458.9	448.7	907.6
3. Other domestic claims	18.9	539.8	558.7	883.6	1,442.3
<b>4. TOTAL ASSETS=TOTAL LIABILITIE</b>	<b>712.0</b>	<b>2,603.5</b>	<b>3,315.6</b>	<b>2,484.5</b>	<b>5,800.0</b>
5. Foreign liabilities	46.5	338.1	384.6	149.2	533.7
6. Deposits and borrowings	83.4	1815.2	1898.6	55.8	1954.4
a) Government	73.1	5.9	79.0	36.6	115.7
b) Other residents	10.2	1,809.3	1,819.5	19.2	1,838.7
7. Pension fund provisions	0.0	0.0	0.0	1,147.1	1,147.1
8. Insurance reserve fund	0.0	0.0	0.0	255.9	255.9
9. Other domestic liabilities	582.2	450.2	1,032.5	876.6	1,909.0

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

Period	Time deposits		Savings deposits	Weighted average rate of interest on deposits	Loans				Weighted average rate of interest on loans	Interest rate margin (10=9-4)
	≤ 12-months	> 12 months			Individual		Commercial			
	(1)	(2)			(3)	(4)	Consumer credit	Housing mortgages		
1998 3)	5.8	7.8	3.8	6.2	17.1	11.1	10.5	11.4	13.1	6.9
1999	5.8	7.7	3.8	6.2	17.1	10.9	10.4	10.8	13.0	6.8
2000	6.0	7.7	3.9	6.2	17.2	10.7	10.8	10.4	12.0	5.8
2001	5.3	7.7	3.8	5.8	17.2	10.9	10.7	10.1	12.1	6.2
2000 I	6.3	7.5	4.0	6.4	17.2	10.8	10.8	10.2	11.8	5.4
II	5.8	7.5	3.9	5.9	17.1	10.7	10.5	10.6	12.3	6.4
III	5.7	7.8	3.9	6.3	17.3	10.8	10.6	10.7	12.2	5.9
IV	6.1	7.7	3.9	6.2	17.1	10.7	11.2	10.4	11.7	5.5
2001 I	5.7	7.8	3.8	6.0	17.7	10.7	10.9	10.3	11.8	5.8
II	5.7	7.8	3.8	6.3	17.0	10.8	10.4	10.3	12.2	5.9
III	4.9	7.5	3.8	5.3	17.3	11.0	10.3	10.5	12.5	7.2
IV	5.2	7.9	3.9	5.7	17.2	10.9	10.8	9.4	11.7	6.0
2002 I	6.0	7.9	3.7	6.4	17.2	10.8	10.4	11.2	13.2	6.9
II	5.6	7.2	3.8	5.8	16.9	10.6	10.9	10.3	13.2	7.3

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

2) Including current account overdraft facilities.

3) Based on September - December figures.

**TABLE 6.2: CENTRAL BANK LENDING RATES**

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

**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)
1998	2.8	3.4	3.4
1999	2.6	3.0	3.1
2000	3.4	3.5	3.5
2001	2.2	2.2	2.3
2000 I	3.1	3.3	3.4
II	3.3	3.4	3.5
III	3.5	3.6	3.6
IV	3.6	3.7	3.7
2001 I	3.2	3.2	3.5
II	2.6	2.6	2.5
III	2.0	2.0	2.0
IV	0.9	1.1	1.0
2002 I	0.5	0.8	0.8
II	0.5	0.8	0.9

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)
1998	5.5	5.6	5.6
1999	5.2	5.3	5.4
2000	6.4	6.4	6.5
2001	4.0	3.9	3.8
2000 I		5.9	6.1
II	6.4	6.5	6.6
III	6.6	6.6	6.7
IV	6.6	6.7	6.7
2001 I	5.6	5.5	5.3
II	4.4	4.3	4.2
III	3.6	3.5	3.5
IV	2.2	2.2	2.1
2002 I	1.8	1.9	1.9
II	1.8	1.8	1.9

Source: International Financial Statistics.

**TABLE 6.5: GOVERNMENT SECURITY MARKETS**

3-month treasury bills					6-month cash loan certificates				
End of period	Date of issue	Amount (AFL million)	Average price per AFL 100	Yield per annum (%)	End of period	Date of issue	Amount (AFL million)	Average price per	Yield per annum (%)
	(1)	(2)	(3)	(4)		(1)	(2)	(3)	(4)
1999	January	17.0	98.41	6.46	1999	June	8.0	97.63	4.86
	February	15.0	98.38	6.49		December	8.0	96.95	6.29
	April	17.0	98.56	5.79	2000	June	8.0	96.95	6.29
	May	15.0	98.69	5.18		December	8.0	96.55	7.15
	July	17.0	98.85	4.56	2001	June	8.0	96.69	6.49
	August	15.0	98.81	4.86		December	8.0	98.95	2.10
	October	17.0	98.88	4.44	2002	June	8.0	99.73	1.06
	November	15.0	98.83	4.64					
2000	January	17.0	98.35	6.57					
	February	15.0	98.41	6.34					
	April	17.0	98.36	6.13					
	May	15.0	98.48	6.12					
	July	17.0	98.35	6.20					
	August	15.0	98.45	6.21					
	October	17.0	98.34	6.10					
	November	12.4	98.28	6.91					
2001	January	17.0	98.28	6.93					
	February	15.0	98.29	6.77					
	April	17.0	98.39	6.54					
	May	15.0	98.38	6.56					
	July	17.0	98.46	6.13					
	August	23.0	98.46	6.24					
	October	17.0	98.70	5.05					
	November	23.0	98.77	4.98					
2002	January	17.0	99.46	2.30					
	February	23.0	99.14	3.60					
	April	17.0	99.47	2.09					
	May	23.0	99.46	2.58					
	July	17.0	99.68	1.03					
	July*	30.0	99.76	1.77					
	August	23.0	99.54	1.92					

\* 2-month treasury bills

Government bonds				
End of period	Date of issue	Maturity in years	Amount (AFL million)	Yield per annum (%)
	(1)	(2)	(3)	(4)
1996	June	5	5.4	7.625
	June	7	24.6	8.000
	September	6	27.3	7.875
	September	8	14.7	8.000
1997	June	4	10.4	7.625
	June	9	15.4	8.125
2000	April	5	30.0	8.250
2001	December	7	24.9	7.125

TABLE 7.1: GOVERNMENT FINANCIAL OPERATIONS 1)

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Revenue and grants</b>	<b>646.4</b>	<b>701.5</b>	<b>742.2</b>	<b>731.8</b>	<b>155.0</b>	<b>181.9</b>	<b>162.2</b>	<b>243.1</b>	<b>161.9</b>	<b>150.1</b>	<b>173.1</b>	<b>246.6</b>	<b>177.8</b>	<b>169.4</b>
<b>A. Tax revenue</b>	<b>535.4</b>	<b>608.6</b>	<b>624.5</b>	<b>606.3</b>	<b>144.0</b>	<b>136.1</b>	<b>140.5</b>	<b>203.9</b>	<b>141.7</b>	<b>131.9</b>	<b>159.3</b>	<b>173.3</b>	<b>152.4</b>	<b>137.0</b>
1. Taxes on income and profit	251.6	309.0	309.6	302.8	63.5	61.0	71.7	113.4	64.1	59.3	91.9	87.5	71.2	65.3
2. Taxes on commodities	187.7	198.0	212.6	202.6	47.9	51.1	52.7	60.8	45.5	47.9	48.8	60.4	44.8	50.1
3. Taxes on property	32.3	35.2	34.3	27.8	14.3	4.1	5.1	10.8	12.1	4.3	4.9	6.5	16.3	3.8
4. Taxes on services	43.7	44.8	44.4	48.3	12.8	11.0	9.2	11.4	15.0	12.9	11.0	9.4	14.9	11.6
5. Foreign exchange tax	20.2	21.6	23.6	24.8	5.6	8.8	1.7	7.5	5.1	7.5	2.8	9.4	5.2	6.2
<b>B. Nontax revenue</b>	<b>95.3</b>	<b>91.5</b>	<b>100.8</b>	<b>125.5</b>	<b>11.0</b>	<b>28.9</b>	<b>21.7</b>	<b>39.2</b>	<b>20.2</b>	<b>18.2</b>	<b>13.8</b>	<b>73.3</b>	<b>25.4</b>	<b>32.3</b>
<b>C. Grants</b>	<b>15.7</b>	<b>1.4</b>	<b>16.9</b>	<b>0.0</b>	<b>0.0</b>	<b>16.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2. Expenditure</b>	<b>632.3</b>	<b>688.1</b>	<b>719.9</b>	<b>717.0</b>	<b>152.6</b>	<b>173.8</b>	<b>170.5</b>	<b>223.0</b>	<b>162.4</b>	<b>159.6</b>	<b>174.9</b>	<b>220.1</b>	<b>202.3</b>	<b>203.8</b>
1. Wages	213.1	222.3	246.3	255.2	53.9	69.4	58.8	64.2	57.8	72.0	59.0	66.4	56.7	71.9
2. Employer's contribution	29.0	29.0	38.9	24.2	11.8	8.6	8.5	10.1	4.5	4.2	5.5	10.1	7.9	15.8
3. Wage subsidies	76.8	85.6	89.7	91.5	19.8	24.8	21.4	23.8	22.4	27.0	22.8	19.4	24.6	29.7
4. Goods and services	177.1	197.4	192.7	135.9	46.1	39.2	42.6	64.7	31.7	23.2	27.1	54.0	41.2	38.2
5. Interest	29.0	33.4	30.2	35.7	3.5	7.6	8.9	10.2	6.6	9.7	10.6	8.8	7.8	8.0
6. Development fund spending	16.1	6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7. Investment	31.8	24.8	28.3	18.4	5.0	3.3	3.9	16.1	4.9	1.8	5.1	6.6	4.7	1.5
8. Items n.i.e. 2)	59.4	89.0	93.9	156.0	12.5	21.0	26.4	34.0	34.5	21.8	44.8	54.9	59.3	38.6
<b>3. Lending minus repayments</b>	<b>31.9</b>	<b>37.4</b>	<b>16.2</b>	<b>32.0</b>	<b>3.0</b>	<b>1.6</b>	<b>7.3</b>	<b>4.3</b>	<b>5.7</b>	<b>1.0</b>	<b>8.0</b>	<b>17.4</b>	<b>7.2</b>	<b>-42.2</b>
1. Lending	32.9	40.8	19.9	36.1	3.8	2.5	8.3	5.3	6.8	1.9	9.0	18.4	8.2	3.8
2. Repayments 3)	-1.0	-3.4	-3.7	-4.1	-0.8	-0.9	-0.9	-1.0	-1.1	-1.0	-1.0	-1.0	-1.0	-46.0
<b>4. Financial deficit (-)</b>	<b>-17.8</b>	<b>-24.1</b>	<b>6.1</b>	<b>-17.3</b>	<b>-0.6</b>	<b>6.5</b>	<b>-15.6</b>	<b>15.8</b>	<b>-6.1</b>	<b>-10.5</b>	<b>-9.8</b>	<b>9.1</b>	<b>-31.7</b>	<b>7.8</b>
<b>5. Net foreign capital</b>	<b>39.7</b>	<b>13.3</b>	<b>24.1</b>	<b>27.9</b>	<b>-0.2</b>	<b>-0.6</b>	<b>35.7</b>	<b>-10.8</b>	<b>4.2</b>	<b>-0.6</b>	<b>35.4</b>	<b>-11.1</b>	<b>0.0</b>	<b>-0.5</b>
A. Loans received 3)	55.6	26.7	73.4	49.3	0.0	0.0	35.8	37.6	6.0	0.0	37.6	5.7	0.0	0.0
B. Repayments on loans	-15.9	-13.4	-49.3	-21.4	-0.2	-0.6	-0.1	-48.4	-1.8	-0.6	-2.2	-16.8	0.0	-0.5
<b>6. Net domestic capital 5)</b>	<b>-22.7</b>	<b>-10.5</b>	<b>-16.8</b>	<b>14.2</b>	<b>-0.9</b>	<b>5.8</b>	<b>-21.3</b>	<b>-0.4</b>	<b>0.0</b>	<b>-11.4</b>	<b>-1.9</b>	<b>27.5</b>	<b>0.0</b>	<b>0.0</b>
A. Loans received	19.9	0.0	33.5	29.4	0.0	30.0	3.5	0.0	0.0	0.0	0.0	29.4	0.0	0.0
B. Repayments on loans	-42.6	-10.5	-50.3	-15.2	-0.9	-24.2	-24.8	-0.4	0.0	-11.4	-1.9	-1.9	0.0	0.0
<b>7. Net recourse to the monetary system (-)</b>	<b>-0.8</b>	<b>-21.3</b>	<b>13.4</b>	<b>24.7</b>	<b>-1.7</b>	<b>11.7</b>	<b>-1.2</b>	<b>4.6</b>	<b>-1.9</b>	<b>-22.5</b>	<b>23.7</b>	<b>25.5</b>	<b>-31.7</b>	<b>7.3</b>
A. Loans received	7.6	1.0	8.4	-0.3	0.2	-9.1	16.7	0.6	0.0	-26.1	30.6	-4.8	0.0	0.0
B. Drawings on deposits	-7.4	-13.2	3.3	36.6	-1.7	20.9	-17.8	1.9	0.8	4.0	1.2	30.6	-31.7	7.3
-Earmarked	10.2	-6.8	-8.4	4.4	-1.1	-6.8	-1.2	0.7	-0.5	-0.3	0.0	5.2	1.0	-5.2
-Free	-17.5	-6.6	11.7	32.1	-0.5	27.7	-16.7	1.3	1.2	4.3	1.2	25.4	-32.7	12.5
C. Other	-1.0	-9.0	1.7	-11.5	-0.2	-0.1	-0.2	2.2	-2.7	-0.3	-8.1	-0.4	-0.1	0.0
<b>8. Memorandum items</b>														
A. Unmet financing requirements	76.6	58.7	96.1	197.9	86.1	98.6	121.7	96.1	123.4	173.2	216.9	197.9	208.9	219.2
B. Financial deficit (-)	11.0	-6.1	-31.3	-119.1	-28.1	-6.0	-38.7	41.4	-33.4	-60.3	-53.5	28.1	-42.7	-2.4

1) Preliminary figures and estimates on a cash basis.

2) Residual item, including errors and omissions.

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

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

5) Net long-term capital attracted from nonmonetary sectors mainly by issuing government bonds. The commercial bank's purchases of such bonds are included under item 7a, while the nonresident's purchases are included under 5. For the third quarter of 2000, AFL 6 million certificates of deposit by the Fondo Desaroyo Aruba at the Aruba Investment Bank is included.

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

**TABLE 7.2: GOVERNMENT REVENUE**

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>TOTAL REVENUE AND GRANTS</b>	<b>646.4</b>	<b>701.5</b>	<b>742.2</b>	<b>731.8</b>	<b>155.0</b>	<b>181.9</b>	<b>162.2</b>	<b>243.1</b>	<b>161.9</b>	<b>150.1</b>	<b>173.1</b>	<b>246.6</b>	<b>177.8</b>	<b>169.4</b>
<b>TAX REVENUE</b>	<b>535.4</b>	<b>608.6</b>	<b>624.5</b>	<b>606.3</b>	<b>144.0</b>	<b>136.1</b>	<b>140.5</b>	<b>203.9</b>	<b>141.7</b>	<b>131.9</b>	<b>159.3</b>	<b>173.3</b>	<b>152.4</b>	<b>137.0</b>
<b>Taxes on income and profit</b>	<b>251.6</b>	<b>309.0</b>	<b>309.6</b>	<b>302.8</b>	<b>63.5</b>	<b>61.0</b>	<b>71.7</b>	<b>113.4</b>	<b>64.1</b>	<b>59.3</b>	<b>91.9</b>	<b>87.5</b>	<b>71.2</b>	<b>65.3</b>
Of which:														
-Wage tax	176.2	200.6	202.3	209.7	53.0	50.0	48.4	50.9	53.6	50.1	52.5	53.4	62.2	52.1
-Income tax	13.1	28.1	25.8	3.1	2.3	4.3	1.1	18.1	1.2	1.3	0.7	-0.1	1.7	1.2
-Profit tax	62.0	80.1	81.4	90.0	8.2	6.7	22.2	44.3	9.3	7.8	38.7	34.2	7.3	12.1
-Solidarity tax	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Taxes on commodities</b>	<b>187.7</b>	<b>198.0</b>	<b>212.6</b>	<b>202.6</b>	<b>47.9</b>	<b>51.1</b>	<b>52.7</b>	<b>60.8</b>	<b>45.5</b>	<b>47.9</b>	<b>48.8</b>	<b>60.4</b>	<b>44.8</b>	<b>50.1</b>
Of which:														
-Excises on gasoline	58.4	59.9	62.6	62.2	15.1	16.0	16.1	15.5	14.7	15.2	16.2	16.2	15.5	15.8
-Excises on tobacco	9.9	10.4	11.4	9.8	2.1	3.3	2.4	3.6	2.4	2.5	2.1	2.9	2.1	1.3
-Excises on beer	20.1	19.3	20.3	19.4	4.3	4.1	5.4	6.5	4.3	4.6	5.1	5.4	4.3	4.4
-Excises on liquor	10.5	11.0	12.2	13.2	2.3	2.3	3.5	4.1	3.0	2.8	2.7	4.7	2.8	3.7
-Import duties	88.8	97.4	106.1	98.0	24.2	25.3	25.4	31.2	21.2	22.9	22.7	31.3	20.2	24.8
<b>Taxes on property</b>	<b>32.3</b>	<b>35.2</b>	<b>34.3</b>	<b>27.8</b>	<b>14.3</b>	<b>4.1</b>	<b>5.1</b>	<b>10.8</b>	<b>12.1</b>	<b>4.3</b>	<b>4.9</b>	<b>6.5</b>	<b>16.3</b>	<b>3.8</b>
Of which:														
-Motor vehicle fees	13.2	11.8	12.8	13.3	7.0	1.4	1.8	2.6	6.9	1.5	1.7	3.1	7.4	1.3
-Succession tax	1.7	1.6	0.9	0.6	0.1	-0.1	0.0	0.8	0.3	0.1	0.2	0.1	0.0	0.1
-Land tax	12.1	14.7	11.6	9.7	2.8	1.4	0.8	6.6	3.4	1.9	1.5	2.9	6.0	2.2
-Transfer tax	5.3	7.2	9.0	4.2	4.5	1.3	2.4	0.9	1.5	0.9	1.5	0.4	2.9	0.3
<b>Taxes on services</b>	<b>43.7</b>	<b>44.8</b>	<b>44.4</b>	<b>48.3</b>	<b>12.8</b>	<b>11.0</b>	<b>9.2</b>	<b>11.4</b>	<b>15.0</b>	<b>12.9</b>	<b>11.0</b>	<b>9.4</b>	<b>14.9</b>	<b>11.6</b>
Of which:														
-Gambling licenses	15.2	17.5	15.2	16.1	5.3	3.4	3.2	3.4	4.6	4.2	2.4	4.9	5.5	4.1
-Hotel room tax	18.8	19.3	21.9	26.6	5.8	6.0	4.6	5.6	8.8	7.4	6.9	3.4	7.5	6.5
-Stamp duties	2.7	2.8	3.0	1.9	0.6	0.5	0.7	1.2	0.5	0.3	0.6	0.5	0.8	0.4
-Other	7.0	5.2	4.4	3.7	1.1	1.2	0.9	1.2	1.1	1.1	0.9	0.6	1.0	0.6
<b>Foreign exchange tax</b>	<b>20.2</b>	<b>21.6</b>	<b>23.6</b>	<b>24.8</b>	<b>5.6</b>	<b>8.8</b>	<b>1.7</b>	<b>7.5</b>	<b>5.1</b>	<b>7.5</b>	<b>2.8</b>	<b>9.4</b>	<b>5.2</b>	<b>6.2</b>
<b>NONTAX REVENUE</b>	<b>95.3</b>	<b>91.5</b>	<b>100.8</b>	<b>125.5</b>	<b>11.0</b>	<b>28.9</b>	<b>21.7</b>	<b>39.2</b>	<b>20.2</b>	<b>18.2</b>	<b>13.8</b>	<b>73.3</b>	<b>25.4</b>	<b>32.3</b>
<b>GRANTS</b>	<b>15.7</b>	<b>1.4</b>	<b>16.9</b>	<b>0.0</b>	<b>0.0</b>	<b>16.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: Tax Collector's Office, CBA.

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

End of period	Domestic deposits						Gross liquidity position	Liabilities to			Net liability to the monetary system	Change in net liability during period
	Central Bank				Commercial banks			Monetary authorities	Commercial banks	Total		
	Free	Earmarked	Development	Total	Demand	Development						
	(1)	(2)	funds (3)	(4= 1+2+3)	funds (5)	(6)						
(7= 4+5+6)	(8)	(9)	(10= 8+9)	(11= 10-7)	(12)							
1998	5.3	50.5	9.8	65.6	11.3	0.0	76.8	44.0	23.9	67.9	-8.9	0.8
1999	2.6	43.7	9.4	55.6	7.9	0.0	63.6	53.0	22.9	75.9	12.4	21.3
2000	0.0	35.3	22.6	57.8	9.0	0.0	66.9	51.3	14.5	65.8	-1.1	-13.4
2001	26.0	39.7	31.3	97.0	6.4	0.0	103.4	62.8	14.8	77.6	-25.8	-24.7
2000 I	4.0	42.6	9.4	56.0	5.9	0.0	61.9	53.2	22.7	75.9	14.1	1.7
II	11.1	35.8	29.3	76.2	6.6	0.0	82.8	53.3	31.8	85.2	2.3	-11.7
III	3.2	34.6	11.5	49.3	4.8	10.8	65.0	53.5	15.1	68.5	3.5	1.2
IV	0.0	35.3	22.6	57.8	9.0	0.0	66.9	51.3	14.5	65.8	-1.1	-4.6
2001 I	0.5	34.8	28.8	64.2	3.5	0.0	67.7	54.0	14.5	68.5	0.8	1.9
II	2.2	34.5	31.1	67.8	3.8	0.0	71.6	54.3	40.6	94.9	23.3	22.5
III	1.9	34.5	31.2	67.6	5.2	0.0	72.8	62.4	10.0	72.4	-0.4	-23.7
IV	26.0	39.7	31.3	97.0	6.4	0.0	103.4	62.8	14.8	77.6	-25.8	-25.5
2002 I	1.8	40.7	25.6	68.1	3.6	0.0	71.7	62.9	14.8	77.7	5.9	31.7
II	8.9	35.5	28.7	73.1	5.9	0.0	79.0	62.9	14.8	77.7	-1.3	-7.3

**TABLE 7.4 OUTSTANDING GOVERNMENT DEBT**

	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Total Debt</b>	<b>910.8</b>	<b>929.2</b>	<b>1,007.9</b>	<b>1,151.9</b>	<b>958.2</b>	<b>991.7</b>	<b>1,019.8</b>	<b>1,007.9</b>	<b>1,029.4</b>	<b>1,070.1</b>	<b>1,156.3</b>	<b>1,151.6</b>	<b>1,160.2</b>	<b>1,193.0</b>
<b>2. Domestic Debt</b>	<b>520.2</b>	<b>561.8</b>	<b>632.2</b>	<b>758.5</b>	<b>601.8</b>	<b>636.1</b>	<b>644.6</b>	<b>632.2</b>	<b>658.7</b>	<b>707.3</b>	<b>748.5</b>	<b>758.5</b>	<b>768.8</b>	<b>778.3</b>
<b>A. Negotiable</b>	<b>186.8</b>	<b>189.2</b>	<b>165.1</b>	<b>179.2</b>	<b>189.2</b>	<b>189.2</b>	<b>167.7</b>	<b>165.1</b>	<b>167.7</b>	<b>152.0</b>	<b>160.0</b>	<b>179.2</b>	<b>179.2</b>	<b>179.2</b>
1. Treasury bills	32.0	32.0	29.4	40.0	32.0	32.0	32.0	29.4	32.0	32.0	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	154.8	149.2	127.7	131.2	149.2	149.2	127.7	127.7	127.7	112.0	112.0	131.2	131.2	131.2
<b>B. Non-negotiable</b>	<b>333.5</b>	<b>372.7</b>	<b>467.1</b>	<b>579.4</b>	<b>412.5</b>	<b>446.9</b>	<b>476.9</b>	<b>467.1</b>	<b>491.0</b>	<b>555.3</b>	<b>588.5</b>	<b>579.4</b>	<b>589.6</b>	<b>599.1</b>
1. Short-term	76.6	58.7	99.6	200.7	86.1	108.7	126.2	99.6	123.5	187.8	220.2	200.7	211.7	222.1
a. APFA	31.2	40.1	54.8	108.0	43.8	47.5	51.1	54.8	68.4	82.7	97.9	108.0	116.0	126.9
b. Suppliers' credit	32.0	14.0	38.1	74.9	30.0	35.1	50.7	38.1	45.6	61.7	90.0	74.9	73.1	64.9
c. Other	13.4	4.6	6.7	17.8	12.3	26.1	24.4	6.7	9.5	43.4	32.3	17.8	22.6	30.3
2. Long-term	256.8	314.0	367.5	378.7	326.4	338.2	350.7	367.5	367.5	367.5	368.3	378.7	377.9	377.0
a. APFA	119.7	168.5	195.6	192.6	175.2	182.0	188.8	195.6	195.6	195.6	195.6	192.6	191.8	191.0
b. SVB	66.8	72.2	94.9	94.9	77.9	83.6	89.2	94.9	94.9	94.9	94.9	94.9	94.9	94.9
c. Private loans	62.0	62.0	60.8	57.7	62.0	62.0	62.0	60.8	60.8	60.8	58.9	57.7	57.7	57.7
d. Other	8.3	11.3	16.2	33.5	11.3	10.6	10.6	16.2	16.2	16.2	18.9	33.5	33.5	33.5
<b>3. Foreign debt</b>	<b>390.5</b>	<b>367.3</b>	<b>375.7</b>	<b>393.3</b>	<b>356.4</b>	<b>355.6</b>	<b>375.2</b>	<b>375.7</b>	<b>370.6</b>	<b>362.8</b>	<b>407.8</b>	<b>393.1</b>	<b>391.4</b>	<b>414.7</b>
<b>A. The Netherlands</b>	<b>278.2</b>	<b>231.0</b>	<b>204.4</b>	<b>181.5</b>	<b>221.0</b>	<b>220.5</b>	<b>205.5</b>	<b>204.4</b>	<b>195.8</b>	<b>188.6</b>	<b>201.0</b>	<b>181.5</b>	<b>180.0</b>	<b>201.5</b>
1. Development cooperation	273.7	227.6	201.0	177.8	217.8	217.9	202.2	201.0	192.5	186.0	198.1	177.8	176.3	197.6
2. Commercial loans	4.6	3.4	3.4	3.7	3.2	2.6	3.3	3.4	3.3	2.7	2.9	3.7	3.7	3.9
<b>B. EIB</b>	<b>19.5</b>	<b>16.5</b>	<b>14.4</b>	<b>13.3</b>	<b>15.7</b>	<b>15.4</b>	<b>14.0</b>	<b>14.4</b>	<b>13.8</b>	<b>13.1</b>	<b>14.1</b>	<b>13.0</b>	<b>12.9</b>	<b>14.7</b>
<b>C. USA</b>	<b>45.1</b>	<b>72.1</b>	<b>144.0</b>	<b>181.8</b>	<b>72.0</b>	<b>72.0</b>	<b>108.0</b>	<b>144.0</b>	<b>150.1</b>	<b>150.1</b>	<b>181.8</b>	<b>181.8</b>	<b>181.8</b>	<b>181.8</b>
<b>D. Other</b>	<b>47.7</b>	<b>47.7</b>	<b>12.8</b>	<b>16.8</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>	<b>12.8</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>16.8</b>	<b>16.8</b>	<b>16.8</b>

Source: Department of Finance, APFA, CBA.

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

During period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Current account (net)</b>	<b>-25.6</b>	<b>-622.8</b>	<b>527.9</b>	<b>734.3</b>	<b>507.8</b>	<b>-234.5</b>	<b>115.6</b>	<b>139.0</b>	<b>568.1</b>	<b>643.0</b>	<b>-726.3</b>	<b>249.5</b>	<b>22.2</b>	<b>-139.2</b>
A. Goods and services	-24.8	-551.4	628.0	884.6	522.0	-196.4	144.7	157.7	608.9	673.3	-667.8	270.2	58.3	-88.6
1. Goods	-632.5	-1063.5	-62.7	138.7	258.5	-373.8	11.0	41.6	322.9	474.8	-744.8	85.8	-207.8	-257.6
2. Services	607.7	512.1	690.7	745.9	263.5	177.4	133.7	116.1	286.0	198.5	77.0	184.4	266.1	169.0
B. Income	8.7	-52.0	-10.3	-67.7	2.3	-6.2	-0.5	-5.9	-25.5	-1.6	-38.4	-2.2	-6.6	-19.0
C. Current transfers	-9.5	-19.4	-89.8	-82.6	-16.5	-31.9	-28.6	-12.8	-15.3	-28.7	-20.1	-18.5	-29.5	-31.6
<b>2. Capital and financial account (net)</b>	<b>184.0</b>	<b>658.9</b>	<b>-561.2</b>	<b>-580.3</b>	<b>-473.9</b>	<b>226.6</b>	<b>-147.5</b>	<b>-166.4</b>	<b>-481.3</b>	<b>-672.7</b>	<b>812.4</b>	<b>-238.7</b>	<b>50.8</b>	<b>112.1</b>
A. Capital account	9.3	0.0	17.8	-1.5	0.6	16.7	0.6	-0.1	-0.5	0.1	-1.0	-0.1	-0.2	-2.4
1. Capital transfers	9.3	0.0	17.8	-1.5	0.6	16.7	0.6	-0.1	-0.5	0.1	-1.0	-0.1	-0.2	-0.1
2. Acquisition/disposal of non-produced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.3
B. Financial account	174.7	658.9	-579.0	-578.8	-474.5	209.9	-148.1	-166.3	-480.8	-672.8	813.4	-238.6	51.0	114.5
1. Direct investment	147.1	715.8	-278.6	-592.1	-413.0	451.7	-149.1	-168.2	-488.4	-643.4	755.2	-215.5	82.6	118.6
2. Portfolio investment	-85.1	-86.0	-72.3	35.7	-11.7	-22.2	-44.0	5.6	20.2	0.0	8.7	6.8	-9.4	7.9
3. Other investment	112.7	29.1	-228.1	-22.4	-49.8	-219.6	45.0	-3.7	-12.6	-29.4	49.5	-29.9	-22.2	-12.0
<b>3. Items not yet classified 2)</b>	<b>2.2</b>	<b>-16.9</b>	<b>-13.5</b>	<b>-19.0</b>	<b>-5.7</b>	<b>-6.5</b>	<b>-0.1</b>	<b>-1.2</b>	<b>3.6</b>	<b>-1.9</b>	<b>-15.2</b>	<b>-5.4</b>	<b>7.2</b>	<b>-6.5</b>
<b>4. Overall balance (1+2+3)</b>	<b>160.6</b>	<b>19.2</b>	<b>-46.8</b>	<b>135.0</b>	<b>28.2</b>	<b>-14.4</b>	<b>-32.0</b>	<b>-28.6</b>	<b>90.4</b>	<b>-31.6</b>	<b>70.9</b>	<b>5.4</b>	<b>80.2</b>	<b>-33.6</b>
<b>5. Banking transactions 3)</b>	<b>-67.7</b>	<b>-14.0</b>	<b>19.9</b>	<b>13.2</b>	<b>-34.4</b>	<b>28.1</b>	<b>25.1</b>	<b>1.1</b>	<b>-53.7</b>	<b>73.9</b>	<b>-31.7</b>	<b>24.7</b>	<b>-32.0</b>	<b>23.3</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>-92.9</b>	<b>-5.2</b>	<b>26.9</b>	<b>-148.2</b>	<b>6.2</b>	<b>-13.7</b>	<b>6.9</b>	<b>27.5</b>	<b>-36.7</b>	<b>-42.3</b>	<b>-39.2</b>	<b>-30.1</b>	<b>-48.2</b>	<b>10.3</b>
A. Monetary gold	9.1	0.0	0.0	-14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-14.0	-5.0	-3.4
B. Foreign exchange holdings	-102.0	-5.2	26.9	-134.3	6.2	-13.7	6.9	27.5	-36.7	-42.3	-39.2	-16.1	-43.2	13.7

1) On a cash basis.

2) Including errors and omissions.

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

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

TABLE 8.2: COMPONENTS OF THE CURRENT ACCOUNT

During period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Goods and services</b>	<b>-24.8</b>	<b>-551.4</b>	<b>628.0</b>	<b>884.6</b>	<b>522.0</b>	<b>-196.4</b>	<b>144.7</b>	<b>157.7</b>	<b>608.9</b>	<b>673.3</b>	<b>-667.8</b>	<b>270.2</b>	<b>58.3</b>	<b>-88.6</b>
A. Goods	-632.5	-1,063.5	-62.7	138.7	258.5	-373.8	11.0	41.6	322.9	474.8	-744.8	85.8	-207.8	-257.6
1. Exports f.o.b.	2,085.0	2,533.6	4,618.2	4,369.4	1,041.4	937.9	1,180.1	1,458.8	1,216.9	1,617.3	715.2	820.0	721.1	716.7
2. Imports f.o.b.	2,717.5	3,597.1	4,680.9	4,230.7	782.9	1,311.7	1,169.1	1,417.2	894.0	1,142.5	1,460.0	734.2	928.9	974.3
B. Services	<b>607.7</b>	<b>512.1</b>	<b>690.7</b>	<b>745.9</b>	<b>263.5</b>	<b>177.4</b>	<b>133.7</b>	<b>116.1</b>	<b>286.0</b>	<b>198.5</b>	<b>77.0</b>	<b>184.4</b>	<b>266.1</b>	<b>169.0</b>
1. Receipts	<b>1,596.8</b>	<b>1,784.8</b>	<b>1,881.2</b>	<b>1,899.9</b>	<b>541.2</b>	<b>466.8</b>	<b>436.5</b>	<b>436.7</b>	<b>536.9</b>	<b>489.3</b>	<b>445.8</b>	<b>427.9</b>	<b>534.4</b>	<b>459.8</b>
1.1 Transportation	117.3	146.0	133.5	<b>74.9</b>	38.5	43.1	33.8	18.1	20.8	20.0	18.2	15.9	14.3	17.7
1.1.1 Passenger	81.3	96.6	62.8	0.6	19.0	23.7	19.0	1.1	0.0	0.3	0.0	0.3	2.2	0.4
1.1.2 Freight	1.8	3.4	1.2	0.9	0.4	0.1	0.1	0.6	0.3	0.0	0.6	0.0	0.2	0.0
1.1.3 Other	34.2	46.0	69.5	73.4	19.1	19.3	14.7	16.4	20.5	19.7	17.6	15.6	11.9	17.3
1.2 Travel	1,322.0	1,424.9	1,548.4	1,618.6	457.1	374.7	356.3	360.3	469.9	415.4	378.1	355.2	472.6	396.1
1.2.1 Tourism	1,306.5	1,411.6	1,538.3	1,608.9	454.7	372.4	353.0	358.2	468.3	412.0	375.6	353.0	469.6	392.6
1.2.2 Other	15.5	13.3	10.1	9.7	2.4	2.3	3.3	2.1	1.6	3.4	2.5	2.2	3.0	3.5
1.3 Government services, n.i.e.	26.7	31.7	30.3	24.2	5.8	11.0	5.7	7.8	7.2	5.7	6.9	4.4	1.4	5.3
1.4 Other services	130.8	182.2	169.0	182.2	39.8	38.0	40.7	50.5	39.0	48.2	42.6	52.4	46.1	40.7
1.4.1 Construction services	15.0	18.5	2.2	8.1	0.2	0.0	0.3	1.7	1.9	2.5	3.1	0.6	2.2	0.2
1.4.2 Other business services	69.3	79.5	112.1	130.6	28.9	24.6	23.7	34.9	29.1	29.4	29.3	42.8	27.7	29.6
1.4.3 Other services, n.i.e.	46.5	84.2	54.7	43.5	10.7	13.4	16.7	13.9	8.0	16.3	10.2	9.0	16.2	10.9
2. Payments	<b>989.1</b>	<b>1,272.7</b>	<b>1,190.5</b>	<b>1,154.0</b>	<b>277.7</b>	<b>289.4</b>	<b>302.8</b>	<b>320.6</b>	<b>250.9</b>	<b>290.8</b>	<b>368.8</b>	<b>243.5</b>	<b>268.3</b>	<b>290.8</b>
2.1 Transportation	294.2	375.8	484.9	466.4	79.5	130.7	127.7	147.0	98.5	125.3	160.1	82.5	97.8	103.0
2.1.1 Passenger	9.4	14.3	16.2	20.8	2.9	2.4	6.8	4.1	3.9	4.9	8.1	3.9	3.4	3.6
2.1.2 Freight	273.3	349.1	455.7	429.0	73.1	124.2	118.0	140.4	91.3	116.3	146.8	74.6	93.1	97.1
2.1.3 Other	11.5	12.4	13.0	16.6	3.5	4.1	2.9	2.5	3.3	4.1	5.2	4.0	1.3	2.3
2.2 Travel	241.2	265.1	281.3	285.0	65.2	66.2	75.2	74.7	61.9	69.3	91.4	62.4	66.7	83.1
2.2.1 Tourism	198.1	217.8	238.2	239.8	56.1	57.4	62.1	62.6	52.5	58.6	79.4	49.3	54.2	71.6
2.2.2 Other	43.1	47.3	43.1	45.2	9.1	8.8	13.1	12.1	9.4	10.7	12.0	13.1	12.5	11.5
2.3 Government services, n.i.e.	44.7	50.3	42.0	42.3	11.6	10.2	12.1	8.1	8.4	9.4	7.0	17.5	16.9	10.6
2.4 Other services	409.0	581.5	382.3	360.3	121.4	82.3	87.8	90.8	82.1	86.8	110.3	81.1	86.9	94.1
2.4.1 Construction services	80.7	196.6	35.7	16.7	17.3	8.2	5.9	4.3	2.5	6.2	4.3	3.7	5.2	2.7
2.4.2 Other business services	151.7	188.7	201.3	214.1	57.4	49.5	50.1	44.3	42.8	45.3	78.0	48.0	49.1	62.0
2.4.3 Other services, n.i.e.	176.6	196.2	145.3	129.5	46.7	24.6	31.8	42.2	36.8	35.3	28.0	29.4	32.6	29.4
<b>2. Income</b>	<b>8.7</b>	<b>-52.0</b>	<b>-10.3</b>	<b>-67.7</b>	<b>2.3</b>	<b>-6.2</b>	<b>-0.5</b>	<b>-5.9</b>	<b>-25.5</b>	<b>-1.6</b>	<b>-38.4</b>	<b>-2.2</b>	<b>-6.6</b>	<b>-19.0</b>
1. Receipts	80.5	72.9	93.1	89.7	19.0	23.4	26.3	24.4	19.1	21.8	15.6	33.2	14.3	14.3
1.1 Compensation of employees	0.7	1.3	0.2	1.0	0.1	0.0	0.1	0.0	0.0	0.0	0.4	0.6	0.3	0.1
1.2 Investment income	79.8	71.6	92.9	88.7	18.9	23.4	26.2	24.4	19.1	21.8	15.2	32.6	14.0	14.2
2. Payments	71.8	124.9	103.4	157.4	16.7	29.6	26.8	30.3	44.6	23.4	54.0	35.4	20.9	33.3
2.1 Compensation of employees	0.6	1.1	0.6	0.5	0.1	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.2
2.2 Investment income	71.2	123.8	102.8	156.9	16.6	29.5	26.6	30.1	44.5	23.3	53.8	35.3	20.7	33.1
<b>3. Current transfers</b>	<b>-9.5</b>	<b>-19.4</b>	<b>-89.8</b>	<b>-82.6</b>	<b>-16.5</b>	<b>-31.9</b>	<b>-28.6</b>	<b>-12.8</b>	<b>-15.3</b>	<b>-28.7</b>	<b>-20.1</b>	<b>-18.5</b>	<b>-29.5</b>	<b>-31.6</b>
1. Receipts	52.4	63.7	55.0	66.7	10.8	12.8	15.2	16.2	10.8	10.8	22.8	22.3	13.6	13.2
1.1 General government	22.1	26.5	25.5	32.6	5.4	6.0	6.2	7.9	3.8	3.2	12.7	12.9	5.9	4.3
1.2 Other sectors	30.3	37.2	29.5	34.1	5.4	6.8	9.0	8.3	7.0	7.6	10.1	9.4	7.7	8.9
1.2.1 Workers' remittances	2.2	6.7	2.3	2.2	0.6	0.8	0.4	0.5	0.7	0.3	0.3	0.9	0.7	0.5
1.2.2 Other transfers	28.1	30.5	27.2	31.9	4.8	6.0	8.6	7.8	6.3	7.3	9.8	8.5	7.0	8.4
2. Payments	61.9	83.1	144.8	149.3	27.3	44.7	43.8	29.0	26.1	39.5	42.9	40.8	43.1	44.8
2.1 General government	21.9	28.0	25.1	23.0	7.2	2.9	6.5	8.5	5.0	5.9	4.0	8.1	5.6	5.4
2.2 Other sectors	40.0	55.1	119.7	126.3	20.1	41.8	37.3	20.5	21.1	33.6	38.9	32.7	37.5	39.4
2.2.1 Workers' remittances	20.2	33.9	55.8	62.9	13.6	14.9	15.7	11.6	14.2	12.1	21.9	14.7	14.9	16.2
2.2.2 Other transfers	19.8	21.2	63.9	63.4	6.5	26.9	21.6	8.9	6.9	21.5	17.0	18.0	22.6	23.2
<b>4. Current account balance (1+2+3)</b>	<b>-25.6</b>	<b>-622.8</b>	<b>527.9</b>	<b>734.3</b>	<b>507.8</b>	<b>-234.5</b>	<b>115.6</b>	<b>139.0</b>	<b>568.1</b>	<b>643.0</b>	<b>-726.3</b>	<b>249.5</b>	<b>22.2</b>	<b>-139.2</b>

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

During period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Nonbanks</b>	<b>184.0</b>	<b>658.9</b>	<b>-561.2</b>	<b>-580.3</b>	<b>-473.9</b>	<b>226.6</b>	<b>-147.5</b>	<b>-166.4</b>	<b>-481.3</b>	<b>-672.7</b>	<b>812.4</b>	<b>-238.7</b>	<b>50.8</b>	<b>112.1</b>
A. Capital account	9.3	0.0	17.8	-1.5	0.6	16.7	0.6	-0.1	-0.5	0.1	-1.0	-0.1	-0.2	-2.4
1. Capital transfers	9.3	0.0	17.8	-1.5	0.6	16.7	0.6	-0.1	-0.5	0.1	-1.0	-0.1	-0.2	-0.1
1.1 General government	15.7	1.4	16.9	0.0	0.0	16.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Other sectors	-6.4	-1.4	0.9	-1.5	0.6	-0.2	0.6	-0.1	-0.5	0.1	-1.0	-0.1	-0.2	-0.1
1.2.1 Migrants' transfers	-6.4	-1.4	0.9	-1.5	0.6	-0.2	0.6	-0.1	-0.5	0.1	-1.0	-0.1	-0.2	-0.1
1.2.2 Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Acquisition/disposal of non-produced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.3
B. Financial account	174.7	658.9	-579.0	-578.8	-474.5	209.9	-148.1	-166.3	-480.8	-672.8	813.4	-238.6	51.0	114.5
1. Direct investment	147.1	715.8	-278.6	-592.1	-413.0	451.7	-149.1	-168.2	-488.4	-643.4	755.2	-215.5	82.6	118.6
1.1 Investment abroad	-2.5	15.0	-21.6	-22.8	-1.6	-4.8	-5.4	-9.8	0.6	-1.3	-23.5	1.4	-5.4	-10.0
1.2 Investment in Aruba	149.6	700.8	-257.0	-569.3	-411.4	456.5	-143.7	-158.4	-489.0	-642.1	778.7	-216.9	88.0	128.6
2. Portfolio investment	-85.1	-86.0	-72.3	35.7	-11.7	-22.2	-44.0	5.6	20.2	0.0	8.7	6.8	-9.4	7.9
2.1 Domestic securities	-6.1	31.2	4.8	-5.5	-0.1	0.1	4.7	0.1	-0.4	-0.2	-6.5	1.6	-7.7	0.0
2.2 Foreign securities	-79.0	-117.2	-77.1	41.2	-11.6	-22.3	-48.7	5.5	20.6	0.2	15.2	5.2	-1.7	7.9
3. Other investment	112.7	29.1	-228.1	-22.4	-49.8	-219.6	45.0	-3.7	-12.6	-29.4	49.5	-29.9	-22.2	-12.0
3.1. Loans	38.3	52.2	-139.5	-25.4	-17.5	-145.1	18.0	5.1	-18.4	-21.3	30.7	-16.4	-4.1	14.6
3.1.1 General government	39.7	13.4	60.8	22.2	-0.2	-0.6	35.7	25.9	-1.8	-0.6	37.4	-12.8	0.0	-0.5
3.1.2 Other sectors	-1.4	38.8	-200.3	-47.6	-17.3	-144.5	-17.7	-20.8	-16.6	-20.7	-6.7	-3.6	-4.1	15.1
3.2. Other financial transactions	74.4	-23.1	-88.6	3.0	-32.3	-74.5	27.0	-8.8	5.8	-8.1	18.8	-13.5	-18.1	-26.6
<b>2. Banking transactions 2)</b>	<b>-67.7</b>	<b>-14.0</b>	<b>19.9</b>	<b>13.2</b>	<b>-34.4</b>	<b>28.1</b>	<b>25.1</b>	<b>1.1</b>	<b>-53.7</b>	<b>73.9</b>	<b>-31.7</b>	<b>24.7</b>	<b>-32.0</b>	<b>23.3</b>
A. Assets	-20.5	-14.7	-29.7	-0.7	-41.9	24.9	1.8	-14.5	-25.4	37.9	12.9	-26.1	44.9	14.0
1. Investments	-2.2	-8.9	-1.9	26.5	-0.2	0.2	-2.0	0.1	-0.1	0.1	2.3	24.2	-10.6	-2.5
2. Loans	-1.7	-12.5	-26.0	18.6	-4.8	-6.2	-3.2	-11.8	3.0	3.4	2.6	9.6	29.3	-4.3
3. Other assets	-16.6	6.7	-1.8	-45.8	-36.9	30.9	7.0	-2.8	-28.3	34.4	8.0	-59.9	26.2	20.8
B. Liabilities	-47.2	0.7	49.6	13.9	7.5	3.2	23.3	15.6	-28.3	36.0	-44.6	50.8	-76.9	9.3
1. Subordinated debts	0.0	0.0	0.0	-5.4	0.0	0.0	0.0	0.0	0.0	-3.6	-1.8	0.0	0.0	5.0
2. Other liabilities	-47.2	0.7	49.6	19.3	7.5	3.2	23.3	15.6	-28.3	39.6	-42.8	50.8	-76.9	4.3
<b>3. (Total banks and nonbanks, net (1+2))</b>	<b>116.3</b>	<b>644.9</b>	<b>-541.3</b>	<b>-567.1</b>	<b>-508.3</b>	<b>254.7</b>	<b>-122.4</b>	<b>-165.3</b>	<b>-535.0</b>	<b>-598.8</b>	<b>780.7</b>	<b>-214.0</b>	<b>18.8</b>	<b>135.4</b>

1) Excluding official reserves.

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

Table 8.4: BALANCE OF PAYMENTS BY SECTORS 1)

During period	1998-II				1999-II				2000-II				2001-II				2002-II			
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
<b>1. Current account (net)</b>	<b>-145.0</b>	<b>8.4</b>	<b>-2.4</b>	<b>-139.0</b>	<b>-404.0</b>	<b>-9.4</b>	<b>12.3</b>	<b>-401.1</b>	<b>-275.8</b>	<b>-2.7</b>	<b>44.0</b>	<b>-234.5</b>	<b>607.7</b>	<b>-6.3</b>	<b>41.6</b>	<b>643.0</b>	<b>-129.9</b>	<b>5.4</b>	<b>-14.7</b>	<b>-139.2</b>
A. Goods and services	-142.7	9.3	-16.7	-150.1	-402.0	-8.7	23.8	-386.9	-262.9	-2.4	68.9	-196.4	617.2	-6.0	62.1	673.3	-122.0	5.7	27.7	-88.6
1. Goods	-92.7	18.4	-199.3	-273.6	-276.9	-0.8	-213.5	-491.2	-143.1	0.0	-230.7	-373.8	7111.0	-3.0	-233.2	474.8	-26.6	7.9	-238.9	-257.6
1.1 Exports f.o.b.	368.8	108.8	12.8	490.4	517.8	76.7	12.0	606.5	894.5	24.6	18.8	937.9	1578.7	27.3	11.3	1617.3	681.6	30.6	4.5	716.7
1.2 Imports f.o.b.	461.5	90.4	212.1	764.0	794.7	77.5	225.5	1097.7	1037.6	24.6	249.5	1311.7	867.7	30.3	244.5	1142.5	708.2	22.7	243.4	974.3
2. Services	-50.0	-9.1	182.6	123.5	-125.1	-7.9	237.3	104.3	-119.8	-2.4	299.6	177.4	-93.8	-3.0	295.3	198.5	-95.4	-2.2	266.6	169.0
2.1 Receipts	0.0	0.0	379.4	379.4	0.0	0.0	411.7	411.7	0.0	0.0	466.8	466.8	0.0	0.0	489.3	489.3	0.0	0.0	459.8	459.8
2.2 Payments	50.0	9.1	196.8	255.9	125.1	7.9	174.4	307.4	119.8	2.4	167.2	289.4	93.8	3.0	194.0	290.8	95.4	2.2	193.2	290.8
B. Income	0.0	0.0	10.0	10.0	0.0	0.0	-8.2	-8.2	0.0	0.0	-6.2	-6.2	0.0	0.0	-1.6	-1.6	0.0	0.0	-19.0	-19.0
1. Receipts	0.0	0.0	26.5	26.5	0.0	0.0	14.6	14.6	0.0	0.0	23.4	23.4	0.0	0.0	21.8	21.8	0.0	0.0	14.3	14.3
2. Payments	0.0	0.0	16.5	16.5	0.0	0.0	22.8	22.8	0.0	0.0	29.6	29.6	0.0	0.0	23.4	23.4	0.0	0.0	33.3	33.3
C. Current transfers	-2.3	-0.9	4.3	1.1	-2.0	-0.7	-3.3	-6.0	-12.9	-0.3	-18.7	-31.9	-9.5	-0.3	-18.9	-28.7	-7.9	-0.3	-13.2	-31.6
1. Receipts	0.0	0.0	12.4	12.4	0.0	0.0	13.0	13.0	0.0	0.0	12.8	12.8	0.0	0.0	10.8	10.8	0.0	0.0	13.2	13.2
2. Payments	2.3	0.9	8.1	11.3	2.0	0.7	16.3	19.0	12.9	0.3	31.5	44.7	9.5	0.3	29.7	39.5	7.9	0.3	36.6	44.8
<b>2. Nonmonetary capital and financial account (net)</b>	<b>165.4</b>	<b>-7.6</b>	<b>-0.6</b>	<b>157.2</b>	<b>412.2</b>	<b>7.2</b>	<b>-32.5</b>	<b>386.9</b>	<b>298.3</b>	<b>0.0</b>	<b>-71.7</b>	<b>226.6</b>	<b>-611.0</b>	<b>0.0</b>	<b>-61.7</b>	<b>-672.7</b>	<b>140.6</b>	<b>0.0</b>	<b>-28.5</b>	<b>112.1</b>
A. Capital account	0.0	0.0	4.3	4.3	0.0	0.0	-0.2	-0.2	0.0	0.0	16.7	16.7	0.0	0.0	0.1	0.1	0.0	0.0	-2.4	-2.4
1. Capital transfers	0.0	0.0	4.3	4.3	0.0	0.0	-0.2	-0.2	0.0	0.0	16.7	16.7	0.0	0.0	0.1	0.1	0.0	0.0	-0.1	-0.1
2. Acquisition/disposal of non-produced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.3	-2.3
B. Financial account	165.4	-7.6	-4.9	152.9	412.2	7.2	-32.3	387.1	298.3	0.0	-88.4	209.9	-611.0	0.0	-61.8	-672.8	140.6	0.0	-26.1	114.5
1. Direct investment	165.2	0.0	-0.2	165.0	412.6	0.0	16.4	429.0	298.7	0.0	153.0	451.7	-611.0	0.0	-32.4	-643.4	141.3	0.0	-22.7	118.6
2. Portfolio investment	-0.3	0.0	-22.2	-22.5	-0.4	0.0	-59.0	-59.4	-0.4	0.0	-21.8	-22.2	0.0	0.0	0.0	0.0	-0.7	0.0	8.6	7.9
3. Other investment	0.5	-7.6	17.5	10.4	0.0	7.2	10.3	17.5	0.0	0.0	-219.6	-219.6	0.0	0.0	-29.4	-29.4	0.0	0.0	-12.0	-12.0
<b>3. Items not yet classified 2)</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.2</b>	<b>-2.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.5</b>	<b>-6.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.9</b>	<b>-1.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.5</b>	<b>-6.5</b>
<b>4. Balance of the nonmonetary sectors (1+2+3)</b>	<b>20.4</b>	<b>0.8</b>	<b>2.0</b>	<b>23.2</b>	<b>8.2</b>	<b>-2.2</b>	<b>-22.4</b>	<b>-16.4</b>	<b>22.5</b>	<b>-2.7</b>	<b>-34.2</b>	<b>-14.4</b>	<b>-3.3</b>	<b>-6.3</b>	<b>-19.7</b>	<b>-29.3</b>	<b>10.7</b>	<b>5.4</b>	<b>-49.7</b>	<b>-33.6</b>
<b>5. Banking transactions 3)</b>	<b>-20.4</b>	<b>-0.8</b>	<b>-3.6</b>	<b>-24.8</b>	<b>-8.2</b>	<b>2.2</b>	<b>-3.0</b>	<b>-9.0</b>	<b>-22.5</b>	<b>2.7</b>	<b>47.9</b>	<b>28.1</b>	<b>3.3</b>	<b>7.2</b>	<b>61.1</b>	<b>71.6</b>	<b>-10.7</b>	<b>-5.4</b>	<b>39.4</b>	<b>23.3</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>0.0</b>	<b>0.0</b>	<b>1.6</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>25.4</b>	<b>25.4</b>	<b>0.0</b>	<b>0.0</b>	<b>-13.7</b>	<b>-13.7</b>	<b>0.0</b>	<b>-0.9</b>	<b>-41.4</b>	<b>-42.3</b>	<b>0.0</b>	<b>0.0</b>	<b>10.3</b>	<b>10.3</b>
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.4	-3.4
B. Foreign exchange holdings	0.0	0.0	1.6	1.6	0.0	0.0	25.4	25.4	0.0	0.0	-13.7	-13.7	0.0	0.0	-42.3	-42.3	0.0	0.0	13.7	13.7

1) On a cash basis.

2) Including errors and omissions.

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

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

**TABLE 8.5: BREAKDOWN OF MERCHANDISE TRADE**

During period	1998	1999	2000	2001	2000				2001				2002	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Exports f.o.b.</b>	<b>2,085.0</b>	<b>2,533.6</b>	<b>4,618.2</b>	<b>4,369.4</b>	<b>1,041.4</b>	<b>937.9</b>	<b>1,180.1</b>	<b>1,458.8</b>	<b>1,216.9</b>	<b>1,617.3</b>	<b>715.2</b>	<b>820.0</b>	<b>721.1</b>	<b>716.7</b>
A. General merchandise	1,954.2	2,361.6	4,350.3	4,210.8	980.1	877.6	1,091.4	1,401.2	1,177.1	1,569.8	679.4	784.5	688.1	662.5
1. Oil sector	1,407.6	2,018.2	4,177.7	4,024.8	919.3	847.0	1,053.3	1,358.1	1,123.6	1,534.3	634.3	732.6	651.1	627.2
2. Free-zone	516.4	303.8	139.4	150.2	50.6	24.6	29.6	34.6	45.6	27.3	36.0	41.3	29.6	30.6
3. Other sectors	30.2	39.6	33.2	35.8	10.2	6.0	8.5	8.5	7.9	8.2	9.1	10.6	7.4	4.7
B. Goods procured in ports by carriers	130.2	171.7	267.0	158.6	61.3	60.3	88.7	56.7	39.8	47.5	35.8	35.5	33.0	54.2
C. Repairs on goods	0.6	0.3	0.9	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0
<b>2. Imports f.o.b.</b>	<b>2,717.5</b>	<b>3,597.1</b>	<b>4,680.9</b>	<b>4,230.7</b>	<b>782.9</b>	<b>1,311.7</b>	<b>1,169.1</b>	<b>1,417.2</b>	<b>894.0</b>	<b>1,142.5</b>	<b>1,460.0</b>	<b>734.2</b>	<b>928.9</b>	<b>974.3</b>
A. General merchandise	1,711.5	1,533.0	1,404.2	1,591.4	378.0	341.0	360.3	324.9	310.2	312.2	578.9	390.1	424.3	458.1
1. Oil sector	349.6	327.0	270.2	489.5	82.1	76.5	76.7	34.9	34.9	37.5	306.9	110.2	152.8	191.8
2. Free-zone	473.7	253.9	128.9	125.7	35.8	24.1	33.0	36.0	32.8	30.3	28.0	34.6	31.2	22.7
3. Other sectors	888.2	952.1	1,005.1	976.2	260.1	240.4	250.6	254.0	242.5	244.4	244.0	245.3	240.3	243.6
B. Goods for processing	974.8	2,035.3	3,251.0	2,638.6	397.8	961.2	799.7	1,092.3	583.8	830.2	880.5	344.1	504.6	516.2
C. Goods procured in ports by carriers	18.9	19.2	19.8	0.1	5.9	6.6	7.3	0.0	0.0	0.0	0.1	0.0	0.0	0.0
D. Repairs on goods	12.3	9.6	5.9	0.6	1.2	2.9	1.8	0.0	0.0	0.1	0.5	0.0	0.0	0.0
<b>3. Merchandise trade (1-2)</b>	<b>-632.5</b>	<b>-1,063.5</b>	<b>-62.7</b>	<b>138.7</b>	<b>258.5</b>	<b>-373.8</b>	<b>11.0</b>	<b>41.6</b>	<b>322.9</b>	<b>474.8</b>	<b>-744.8</b>	<b>85.8</b>	<b>-207.8</b>	<b>-257.6</b>

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

(Period averages)

	Can. dollar	Pound sterling	Neth. guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO1 (x 100)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1998	1.217	2.996	90.858	124.206	30.766	102.369	1.063	137.891	201.533
1999	1.215	2.926	86.955	119.161	29.208	97.957	0.990	158.931	191.191
2000	1.215	2.740	75.304	106.012	25.299	84.843	0.857	167.047	165.948
2001	1.179	2.608	73.083	106.553	24.562	82.344	0.832	148.245	160.736
2000 I	1.241	2.903	80.538	110.294	27.056	90.745	0.917	168.239	177.480
II	1.219	2.770	76.204	107.315	25.601	85.862	0.867	168.700	167.931
III	1.219	2.674	73.851	105.273	24.812	83.201	0.841	167.220	162.758
IV	1.182	2.615	70.749	101.295	23.767	79.705	0.805	164.124	155.898
2001 I	1.202	2.638	75.343	108.109	25.313	84.892	0.857	152.416	164.688
II	1.202	2.578	71.222	102.592	23.961	80.249	0.811	146.797	156.953
III	1.170	2.603	72.676	106.176	24.415	81.887	0.827	147.911	160.155
IV	1.143	2.613	73.121	109.232	24.571	82.386	0.833	145.995	161.173
2002 I	1.133	2.582		106.861				135.916	157.626
II	1.162	2.646		112.721				141.974	165.382

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)

	Can. dollar	Pound sterling	Neth. guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO1) (x 100)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1998	1.165	2.990	95.170	130.300	32.190	107.180	1.110	157.660	210.560
1999	1.240	2.920	82.010	112.430	27.550	92.400	0.930	175.920	180.720
2000	1.200	2.690	75.800	109.200	25.460	85.400	0.860	156.990	167.030
2001	1.130	2.620	71.940	106.780	24.170	81.060	0.820	137.470	158.540
2000 I	1.240	2.890	77.980	107.900	26.200	87.870	0.890	174.420	171.850
II	1.220	2.740	78.010	110.220	26.210	87.890	0.890	170.930	171.910
III	1.200	2.660	71.550	103.350	24.040	80.620	0.810	166.080	157.680
IV	1.200	2.690	75.800	109.200	25.460	85.400	0.860	156.990	167.030
2001 I	1.150	2.580	72.100	103.920	24.220	81.240	0.820	143.470	158.880
II	1.180	2.550	69.220	100.080	23.260	78.000	0.790	144.780	152.550
III	1.140	2.660	74.540	111.130	25.040	83.990	0.850	150.670	164.260
IV	1.130	2.620	71.940	106.780	24.170	81.060	0.820	137.470	158.540
2002 I	1.130	2.580		106.850				135.870	156.940
II	1.200	2.780		121.690				151.810	179.450

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 state. 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

**Table 1.3 Consumer price indices**

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

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

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

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

**Table 1.6 Utilities**

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

**Table 1.7 and Table 1.8 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. Since end-1989, gold and claims in gold are valued once every three years at standards set by the Bank's Board of Supervisory Directors. As a result, the value of gold increased by AFL 37.4 million on that date and decreased by AFL 1.5 million at end-1992. By end-1995, the value of gold increased again by AFL 1.2 million. By end-1996, the amount of gold holdings of the Bank increased by AFL 3.0 million to AFL 50.1 million due to an adjustment in the net claim on the Gold Fund of the Netherlands Antilles and Aruba. By end-1998, these Bank's holdings of gold deposits were revalued and, consequently, decreased by AFL 9.1 million to AFL 41 million.

*Column:*

*(9) Revaluation differences*

Revaluation differences of gold and official foreign exchange holdings.

**Table 3.1 Consolidated balance sheet of the money-creating institutions**

*Money-creating institutions*

These are the Bank, the Government and the commercial banks.

*Claims on money-creating institutions:*

*Monetary authorities*

These are institutions (the Bank and the Government) that create base money.

*Other domestic assets*

Mainly equipment and miscellaneous items.

*Revaluation differences*

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

*Other domestic liabilities*

Money in custody, miscellaneous items and other liabilities.

**Table 3.2 Detailed balance sheet of the Centrale Bank van Aruba**

*Columns:*

*(2) Other*

Mainly equipment and miscellaneous items.

*(5 and 6) Foreign assets:*

*Claims on banks*

Balances with foreign central and commercial banks in convertible and other currencies.

*Claims on governments*

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

*(10) Bank notes issued*

Bank notes held by the public and commercial banks.

*(13) Official entities*

Includes the post office.

*(16) Other financial institutions' deposits*

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

*(17) Private sector*

Includes business enterprises, individuals, nonbank financial institutions and foundations.

*(18) Other*

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

**Table 3.4 Coins issued**

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

**Table 4.1 Commercial banks: summary account**

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

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

*Column:*

*(7) Capital and reserves:*

Includes subordinated debt.

**Table 4.2 Commercial banks: prudential ratios**

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

**Table 4.3 Commercial banks: detailed balance sheet**

*Columns:*

*(6 to 9) Loans and advances:  
Enterprises*

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

*Mortgages*

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

*Individuals*

Loans and advances to individuals, excluding mortgages.

*Government*

Loans and advances to the Government, excluding official entities.

*(10) Premises*

The commercial banks' own buildings, other real estate, and equipment.

*(11) Subsidiaries*

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

*(12) Accounts receivable*

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

*(21) Total assets*

The balance sheet total does not correspond with that of table 4.1, because in this table interbank assets and liabilities have been netted out; the net figure is recorded in column (13) "other (net)".

*(22 to 25) Demand deposits*

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

*(26 to 29) Time deposits*

Deposits with a specific original maturity.

*(30) Savings deposits*

Deposits with certain withdrawal restrictions, but with no specific maturity condition.

*(31) Other liabilities*

Accounts payable, provision for loan losses and items not included elsewhere.

*(32) Capital and reserves*

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

*(33) Subordinated debt*

Liabilities subordinated to claims of depositors and other creditors.

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

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

**Table 5.1 Financial survey**

The financial survey provides an overview of the activity of the financial sector as a whole. It covers financial positions and transactions of the financial sector with other domestic sectors and with the rest of the world. It comprises the accounts of the Centrale Bank van Aruba, the Treasury (the government, related only to the issuance of components of money supply, i.e., coins and treasury bills), the commercial banks, and the aggregated accounts of the nonmonetary financial institutions, comprising mortgage banks, pension funds, life insurance companies, finance companies, the Aruban Investment Bank and the Social Security Bank.

**Table 6.1 Interest rates of commercial banks**

As of September 1998, the Bank introduced a new method to report and calculate the interest rates on deposits and loans of the commercial banks. The interest rates shown represent the period weighted average rates of these banks on new loans and deposits for domestic activities. Nominal interest rates are used for the deposits.

An annual percentage rate (APR) is calculated for the interest rates charged on consumer credit. A weighted average rate of interest is calculated for both deposits (i.e., time and savings) and loans (i.e., individual and commercial). Subsequently, a margin between the credit and debit rate is computed.

**Table 7.1 Government Financial Operations**

This table provides summary of the financial operations of the government on a cash basis.

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

*Revenue and grants*

Comprise receipts recorded by the Tax Collector's Office, the Department of Finance and the Bank. Tax and nontax revenue are classified according to the nature of the base on which the tax is levied or the kind of action which creates the obligation concerned. Grants are unrequited, nonrepayable, non-compulsary 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. This concept is broader than the term payment arrears, a definition used by the Minister of Finance that only includes bills with due dates older than 90 days.

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

#### **Table 7.2 Government revenue**

This table provides a detailed overview of the total government revenue, subdivided into taxes, nontax revenue and grants.

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

This table covers the government's financial position with the Centrale Bank van Aruba (the Bank) and the commercial banks. It gives an overview of the government's deposits with the Bank and the local commercial banks and its liabilities to the monetary authorities and local commercial banks.

#### **Table 7.4 Outstanding Government debt**

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

#### **Table 8.1 Balance of payments**

##### *Current and non-monetary capital and financial account*

The balance of payments records payments and receipts between residents and nonresidents on goods, services, income and current transfers, as well as changes in Aruba's claims on, and liabilities to, the rest of the world. The basic data to compile the balance of payments are obtained from residents, who are (with the exception of companies with a nonresident status, i.e., offshore companies) legally obliged to report to the Bank their transactions with nonresidents. In practice, licensed foreign exchange banks, operating either as intermediaries or on their own behalf, report the bulk of the transactions. Enterprises holding accounts with foreign banks or with other nonresidents are also obliged to report. Changes in the balance on these accounts are registered by the Bank either as an increase or a decrease in currency and deposits of other sectors. As from the fourth quarter of 1990, foreign transactions of the Coastal Aruba Refining Company, which are settled through a current account with the parent company abroad, are incorporated in the balance of payments. Changes in the balance on this account are registered as short-term direct investments.

##### *Items not yet classified*

Transactions of which the underlying nature is not yet known. Profits and losses on foreign exchange transactions of the Bank and the commercial banks as well as revaluation differences of foreign claims and liabilities of the commercial banks are also included.

##### *Banking transactions*

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

##### *Increase (-) in official reserves*

Changes in the foreign exchange holdings (excluding revaluation differences of gold and foreign exchange holdings) cover all claims on and liabilities to nonresidents of the Bank denominated in foreign currencies. Changes in Aruban florin accounts held with the Bank by

nonresidents are also reflected in the foreign exchange holdings.

**Table 8.2 Components of the current account**

*Goods*

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

*Services:*

*Transportation*

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

*Travel*

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

*Government n.i.e*

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

*Other*

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

*Income*

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

*Current transfers*

Private and official transfers, i.e., workers' remittances and other current transfers of individuals as well as pension and education payments and grants.

**Table 8.3 Components of the capital and financial account**

*Capital account*

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

*Financial account*

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

*Banking transactions*

See note for Table 8.1.

**Table 8.4 Balance of payments by sectors**

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

*Columns:*

*Oil sector*

Transactions of Coastal Aruba Refining Company, Coastal Aruba Fuel Company, Wickland Oil Aruba N.V. (up to the third quarter of 1998) and Barlock/Texaco (the former Barlock/Shell), which are settled through the banking system as well as the accounts held with foreign banks and the parent company abroad are registered in this column.

*Free-zone sector*

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

*Other sector*

This column contains transactions of the rest of the economy, which are settled through the

banking system and accounts held with foreign banks.

**Table 8.5 Breakdown of merchandise trade:**

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

**Table 8.6 Official foreign exchange rates (selling)**

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

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

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

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