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I. Developments in the first quarter of 2002

1.1 Introduction

Available data for the first quarter of 2002 indicate a slackening of domestic business activities. The tourism sector, the main source of employment and foreign exchange earnings, was hit hard. For the third consecutive quarter, disquieting declines in stay-over tourism were recorded, mainly reflecting the contraction in the U.S. market. Consequently, average occupancy rates of hotels and registered tourist receipts shrank, despite improved performances in cruise tourism. Largely because of the prevailing uncertain economic climate, excess production capacity, and liquidity strains in the public sector, investments remained subdued. These developments, combined with lower international oil prices, coincided with an abating inflation rate.

Compared to the preceding quarter, money supply growth accelerated, due to larger net inflows of funds from abroad. As a result, foreign assets of the monetary sector increased further. The merchandise import coverage ratio reached 6.8 months, well above the upper bound of the 5-6 months target range. Net domestic assets increased, mainly because the government mobilized part of its bank deposits to cover a bigger financial deficit. Consumption related expenditure remained too high. Bank credit to the private sector rose only marginally. Loans to enterprises even declined somewhat.

1.2 The real sector

Tourism

During the first quarter of 2002, the number of stay-over visitors shrank by 8 percent compared to a 2 percent increase in the corresponding period of 2001 (see table A). The decline in visitor nights accelerated from 1 percent to 6 percent. Consequently, the occupancy rate of the hotels fell with 7.9 percentage points to 75.7 percent, the lowest first-quarter figure since 1992.

Preliminary survey data from the Central Bureau of Statistics show a 3 percent increase in the average daily rate of the hotels, but a 13 percent decrease in revenue per available room, compared to rises of, respectively, 9 percent and 12 percent a year earlier. Room tax receipts declined by 14 percent. Registered gross tourism receipts, as recorded in the balance of payments, turned around from an 8 percent increase to a 5 percent decrease. Their share in the total current account receipts (excluding oil and free-zone sectors) fell slightly to 82 percent.

Stay-over visitors from the United States crumbled by 12 percent, bringing down this country's market share by 2.6 percentage points to 69 percent. The number of nights spent by these visitors also declined, i.e., by 9 percent. In contrast, the numbers of visitors from Venezuela, Aruba's second main market, went up by 15 percent, mainly because of this year's early Easter. Consequently, its market share increased by 2.3 percentage points to 11.4 percent. Total nights spent by Venezuelans increased by 29 percent. Arrivals from the Netherlands rose by 1 percent, and nights spent by these visitors by 5 percent. Its market share edged up to 4.3 percent.

Table A: Indicators of tourism activity

	2000	2001	2000			2002
			I	I	IV	
1. a. Tourism receipts (x AFL million) 1)	1,538.3	1,626.3	454.7	492.5	353.0	469.6
b. Tourism expenditure (x AFL million) 2)	1,319.3	1,327.3	354.1	381.1	310.6	328.9
2. Stay-over visitors (x 1,000)	721.2	691.4	179.2	183.6	151.9	168.4
3. Market shares (in percentage)						
a. United States	63.5	64.9	68.5	71.6	59.1	69.0
b. Venezuela	15.5	15.8	9.9	9.1	17.7	11.4
c. The Netherlands	4.2	4.1	4.2	3.9	5.3	4.3
d. Colombia	4.3	3.5	3.5	2.7	4.4	3.4
e. Other countries	12.5	11.7	13.9	12.7	13.5	11.9
4. Visitor nights (x 1,000)	5,247.8	5,144.6	1,380.9	1,371.4	1,160.8	1,290.2
5. Average nights stayed	7.3	7.4	7.7	7.5	7.6	7.7
6. a. Receipts per visitor night (AFL)	293	316	329	359	304	364
b. Average daily expenditure 3) (AFL)	204	211	207	215	213	216
7. Average hotel occupancy rate	75.9	75.6	81.6	83.6	68.4	75.7
8. Average daily rate hotels (AFL) 4)	233	243	291	316	232	324
9. Revenue per available room (AFL) 4)	129	135	176	197	108	171
10. Room tax receipts (x AFL million) 5)	22.5	25.8	7.0	9.3	4.7	8.0
11. Cruise visitors (x 1,000)	490.0	487.3	208.8	195.7	158.7	215.5
12. Number of cruise ship calls	331	298	150	125	98	128
13. Contribution to current account 6)	74	77	78	83	71	82

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.

Cruise passenger arrivals grew by 10 percent, mainly because more mega ships included Aruba in their itinerary. The number of ship calls rose by 3 to 128.

Construction

In the quarter under review, the volume of imported cement surged by 53 percent, following a 58 percent decrease in the corresponding period of 2001. However, the number of electrical installations approved fell by 15 percent (see statistical annex table 1.5). Future construction activities seem promising. The number of construction permits granted by the Department of Public Works rose by 8 percent, mainly due to the category "houses". Its total value nearly quadrupled to AFL 113 million, mainly reflecting the construction of a timeshare resort.

Utilities

Water consumption shrank by 5 percent during the first quarter of 2002, compared to a 9 percent increase in the corresponding period a year earlier (see statistical annex table 1.6). Growth in electricity consumption accelerated by 1 percentage point to 6 percent, while gas consumption turned around from a 3 percent increase to a corresponding decrease. The increase in the weighted utilities consumption index decelerated from 6 percent to 3 percent.

Merchandise trade

Trade figures on a transaction basis, as published by the Central Bureau of Statistics, indicate that merchandise imports (excluding mineral fuels and free-zone goods) increased by 6 percent, as against a 7 percent decrease in the corresponding quarter of 2001 (see statistical annex tables 1.7 and 1.8). This increase was attributed to machinery and electrotechnical equipment by the oil and telecommunication sectors, live animals and other animal products, chemical products, and transport vehicles. Merchandise exports surged by 75 percent, mainly as a result of re-exports of live animals and other animal products. Consequently, the trade deficit widened by 4 percent to AFL 293 million.

Oil sector

During the first quarter of 2002, the refinery's throughput fell by 14 percent, following a 32 percent contraction in the corresponding quarter of 2001 (see statistical annex table 1.9). Total oil export receipts declined by 40 percent to AFL 581 million, and import payments by 17 percent to AFL 675 million. At the end of the first quarter of 2002, 574 persons were employed at the refinery, i.e., 10 persons more than a year earlier.

Price developments

Inflation, measured as a quarterly average of the consumer price index, decelerated by 1.1 percentage points to 2.3 percent during the quarter under review (see table B). The main contributory factor was a decline in the tariffs for water, electricity, and gasoline. On a 12-month basis, the inflation rate abated by 1.3 percentage points to 2.6 percent. Adjusted for the energy components (i.e., water, electricity, and gasoline), the 12-month inflation rate fell slightly to 2.9 percent.

The inflation differential with Aruba's major trading partner, the United States, narrowed by 0.2 percentage point to 0.3 percentage point. The real exchange rate index of the Aruban florin vis-à-vis the U.S. dollar rose accordingly to 102.3. In contrast to the first quarter of 2001, the inflation rate of the Netherlands exceeded that of Aruba, i.e., by 1.8 percentage points, reflecting an increase in the value-added and eco taxes in that country. The inflation rate in Curaçao was 1.6 percentage points lower compared to that of Aruba.

Table B: Consumer price index
(Percentage change)

	2000	2001	2000		2001		2002
			I	I	IV	I	
	<i>(Period average)</i>						
Total index	4.0	2.9	3.9	3.4	2.6	2.3	
a. Food	1.8	3.3	1.6	2.9	3.9	3.9	
b. Beverage & tobacco	1.5	-0.3	2.0	-0.4	0.2	1.3	
c. Clothing & footwear	5.6	8.8	3.0	8.8	9.6	8.0	
d. Housing	8.1	0.8	9.0	3.6	1.4	0.7	
e. Housekeeping & furnishing	3.5	4.2	3.5	3.4	5.1	4.7	
f. Health	0.4	0.1	0.5	0.1	0.0	0.0	
g. Transport & communication	3.0	0.4	3.3	1.6	-1.4	-1.1	
h. Recreation & education	3.9	2.0	3.7	2.5	1.9	2.2	
i. Other	3.0	2.9	2.4	3.3	2.3	2.0	
	<i>(Twelve-month average)</i>						
Aruba	4.0	2.9	2.9	3.9	2.9	2.6	
United States	3.4	2.8	2.6	3.4	2.8	2.3	
Curaçao	5.8	1.8	2.0	4.8	1.8	1.0	
The Netherlands	2.5	4.5	2.2	3.1	4.5	4.4	
Real exchange rate index (1995=100) 1)	102.0	102.0	101.5	102.0	102.0	102.3	

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.

1.3 Money and credit

Causes of changes in the money supply

In the first quarter of 2002, money supply expanded by a notable AFL 99 million or 5 percent to AFL 1.9 billion, compared to the preceding quarter (see table C and statistical annex tables 2.1, 2.2 and 2.3). Narrowly-defined money rose by AFL 39 million, as an increase in demand deposits was partially offset by a drop in currency in circulation. In addition, quasi-money—comprising time and savings deposits and treasury bills held by the public—expanded by AFL 60 million or 5 percent, reflecting increases in both savings and time deposits.

The main factor causing the monetary expansion was an AFL 80 million net inflow of foreign funds. The foreign assets of the commercial banks and the official reserves of the Bank surged by AFL 32 million and AFL 48 million to AFL 162 million and AFL 588 million, respectively. Consequently, at the end of March 2002, the aggregated net foreign assets of the banking system (excluding revaluation differences of gold and official foreign exchange holdings) reached AFL 750 million, and were AFL 127 million or 20 percent bigger than a year earlier. The ratio of these assets to money supply went up by 4 percentage points to 39 percent.

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

	2000	2001	2000		2001		2002
			I	I	IV	I	
1. Net domestic money creation	84.2	-34.7	38.9	-17.3	-4.2	18.8	
a. Net domestic credit	115.8	30.7	63.8	11.1	-0.2	34.9	
-Public sector	-13.4	-24.7	1.7	1.9	-25.5	31.7	
-Private sector	129.2	55.4	62.1	9.2	25.2	3.2	
b. Other domestic factors	-31.6	-65.4	-24.9	-28.4	-4.0	-16.1	
2. Inflow of foreign funds 1)	-45.0	137.2	30.0	90.4	5.3	80.2	
a. Current account transactions	527.9	760.8	507.8	596.8	249.5	22.2	
b. Net capital inflow 2)	-572.9	-623.6	-477.8	-506.4	-244.2	58.0	
3. Broad money creation	39.2	102.4	68.9	73.0	1.1	99.0	
a. Money	5.8	104.8	0.7	30.0	51.8	39.2	
b. Quasi-money	33.3	-2.4	68.2	43.1	-50.8	59.8	
<i>(12-month percentage change)</i>	<i>(2.3)</i>	<i>(5.9)</i>	<i>(9.1)</i>	<i>(2.4)</i>	<i>(5.9)</i>	<i>(7.1)</i>	

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

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

Source: CBA.

In addition, net domestic money creation amounted to AFL 19 million, largely due to an AFL 32 million drawing down of bank deposits by the government to finance its operations. Claims on the private sector went up by a mere AFL 3 million (0.2 percent), due to increases in housing mortgages and consumer credit of AFL 7 million (2 percent) and AFL 5 million (1 percent), respectively. In contrast, loans to enterprises contracted by AFL 9 million or 1 percent.

Interest rates

The commercial banks' interest rate spread, measured as the difference between the weighted average deposit and lending rates, widened by 0.9 percentage point to 6.9 percentage points, compared to the end of the preceding quarter (see statistical annex table 6.1). The deposit rate rose by 0.7 percentage point to 6.4 percent, reflecting mainly an increase in short-term time deposit rates. The savings deposit rate remained virtually unchanged at 4 percent. The lending rate rose by 1.5 percentage points to 13.2 percent, reflecting mainly higher rates of commercial loans other than those secured by mortgages. The rates of housing mortgages and consumer credit remained roughly unchanged, while that on commercial mortgages decreased by 0.4 percentage point to 10.4 percent.

To signal its preference to bring credit and debit market interest rates more in accordance with the current economic conditions, the Bank lowered the advance rate by 0.5 percentage point to 6.0 percent as of February 1, 2002 (see statistical annex table 6.2). In addition, the rates on commercial banks' deposits were reduced in line with the corresponding rates in the United States (see statistical annex table 6.3). Maturing

three-month treasury bills and six-month cash loan certificates were renewed at much lower rates, also due to the ample liquidity position of the commercial banks (see statistical annex table 6.5).

1.4 Nonmonetary financial institutions

The balance sheet

The aggregated assets of the nonmonetary financial institutions increased by a mere 0.3 percent to AFL 1.4 billion, compared to the end of the preceding quarter (see table D and statistical annex table 5.1). A rise in the gross domestic claims was largely offset by a decrease in net foreign assets. At the end of March 2002, the latter assets stood to AFL 340 million, twice the amount held by the commercial banks. On the liability side, pension fund provisions declined by 1 percent, while the insurance reserve fund went up by 2 percent.

The mortgage market

In the quarter under review, mortgage lending by the nonmonetary financial institutions increased by only 0.4 percent (see table E). Commercial bank loans rose by 2 percent, and those of the pension funds by 4 percent, while that of the specialized mortgage banks and life insurance companies declined slightly. As a result, the market share of the various groups of financial institutions remained practically unchanged.

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

	2000		2001			2002
	IV	I	II	III	IV	I
1. Net foreign assets	418.0	415.9	414.2	343.8	349.8	340.1
2. Domestic assets	1,021.7	1,030.2	1,058.1	1,073.9	1,093.6	1,107.5
a. Government	427.1	436.8	458.1	467.3	480.4	487.5
b. Private sector	594.6	593.4	599.9	606.6	613.2	619.9
3. Total assets= total liabilities	1,439.7	1,446.1	1,472.2	1,417.6	1,443.4	1,447.6
4. Borrowings and deposits	62.1	62.8	63.4	54.3	54.6	55.1
a. Government	36.6	36.6	36.6	36.6	36.6	36.6
b. Other residents	25.5	26.1	26.8	17.7	18.0	18.5
5. Pension fund provisions	1,074.6	1,083.0	1,099.8	1,096.4	1,136.3	1,130.2
6. Insurance reserve fund	232.7	241.7	247.8	252.7	257.3	262.6
7. Other items (net)	70.2	58.7	61.2	14.2	-4.7	0.2

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)

	2000		2001			2002	
	IV	I	II	III	IV	I	
1. Total	821.6	834.2	852.7	865.4	888.7	897.6	
2. Commercial banks	400.5	407.9	420.5	432.1	444.8	451.8	
3. Mortgage banks	283.3	284.5	289.2	291.4	295.9	295.2	
4. Pension funds	62.7	65.1	66.3	66.7	73.8	77.1	
5. Life insurance companies	73.3	74.6	74.4	73.1	72.0	71.2	
6. Other	1.8	2.2	2.2	2.2	2.2	2.2	

Source: CBA.

1.5 Government finance

Financial operations

In the first quarter of 2002, total government revenue on a cash basis grew by AFL 16 million or 10 percent to AFL 178 million, compared to the correspondent quarter of 2001. The main contributory factors were taxes on income and profit and on property. Receipts from other tax categories remained roughly unchanged. In addition, nontax revenue went up by 26 percent to AFL 25 million, partly reflecting higher dividend payments to the government. Again, no foreign grants were received (see table F and statistical annex tables 7.1 and 7.2).

Government expenditure, as estimated by the Bank, surged by a notable AFL 42 million or 25 percent to AFL 210 million. Provisional data supplied by the Department of Finance indicate that this growth was partly caused by an AFL 10 million increase in payments for goods and services, due to promotional expenses by the Aruba Tourism Authority (ATA). Wage-related expenses went up by 5 percent to AFL 89 million. Transfers to the General Health Insurance (AZV) rose to AFL 30 million. Investment-related payments were merely 2 percent of total expenditure.

On balance, the financial deficit of the government on a cash basis widened from AFL 6 million in the first quarter of 2001 to AFL 32 million in the period under review. The government covered this deficit by drawing down part of its bank deposits. It did not acquire any new domestic loan; neither were significant loan repayments made. Consequently, its bank deposits declined by AFL 32 million to AFL 72 million. This amount includes AFL 41 million earmarked to meet possible future claims and to finance certain projects and AFL 26 million of the Fondo Desaroyo Aruba. The government's gross liabilities to the monetary system totaled AFL 78 million (see statistical annex table 7.3).

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

	2000	2001	2000		2001		2002
			I	I	IV	I	
1. Total revenue and grants	742.2	731.8	155.0	161.9	246.6	177.8	
a. Tax revenue	624.5	606.3	144.0	141.7	173.3	152.4	
b. Nontax revenue	100.8	125.5	11.0	20.2	73.3	25.4	
c. Grants	16.9	0.0	0.0	0.0	0.0	0.0	
2. Expenditure and items n.i.e.	736.0	749.8	155.6	168.0	238.2	209.5	
3. Financial deficit (-)	6.2	-18.0	-0.6	-6.1	8.4	-31.7	
4. Net foreign capital 2)	24.1	27.9	-0.2	4.2	-11.1	0.0	
5. Net domestic capital 3)	-16.9	14.9	-0.9	0.0	28.2	0.0	
6. Net recourse to the monetary system (-)	13.4	24.7	-1.7	-1.9	25.5	-31.7	
7. Memorandum item							
a. Unmet financing requirements 4)	96.1	197.9	86.1	123.4	197.9	208.9	
b. Financial deficit (-) 5)	-31.2	-119.8	-28.1	-33.4	27.4	-42.7	

- 1) Preliminary figures and estimates on a cash basis.
- 2) 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".
- 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.

In the first quarter of 2002, the estimated unmet financial requirements increased by AFL 11 million to AFL 209 million, mainly related to overdue payments vis-à-vis the APFA and other government institutions. Including this increase, the financial deficit of the government amounted to AFL 43 million, i.e., AFL 9 million larger than in the corresponding quarter of 2001.

Outstanding debt

During the quarter under review the outstanding public debt (excluding guarantees) remained almost unchanged, but it increased by 13 percent compared to a year earlier (see table G). Domestic debt surged by 17 percent, mainly because of payment arrears vis-à-vis the APFA and other government institutions, as well as to suppliers of goods and services. In addition, both negotiable and long-term nonnegotiable debt went up, i.e., by AFL 7 percent and 3 percent, respectively.

Outstanding foreign debt rose by 6 percent to AFL 392 million compared to a year earlier, on account of a US\$ 21 million commercial loan and an AFL 6 million sale of government bonds to nonresidents. This increase was partly offset by an AFL 12 million debt repayment to the Netherlands at the end of 2001, and an AFL 2 million depreciation of the euro vis-à-vis the Aruban florin.

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

	2000	2001				2002
	IV	I	II	III	IV	I
1. Total debt 1)	1,007.8	1,029.3	1,070.0	1,156.2	1,152.5	1,161.0
2. Domestic debt	632.1	658.6	707.2	748.4	759.1	769.4
a. Negotiable	165.1	167.7	152.0	160.0	179.2	179.2
- Treasury bills	29.4	32.0	32.0	40.0	40.0	40.0
- Cash certificates	8.0	8.0	8.0	8.0	8.0	8.0
- Government bonds	127.7	127.7	112.0	112.0	131.2	131.2
b. Nonnegotiable	467.0	490.9	555.2	588.4	580.0	590.2
- Short-term 2)	99.5	123.4	187.7	220.1	201.3	212.3
- Long-term	367.5	367.5	367.5	368.3	378.7	377.9
3. Foreign debt 3)	375.7	370.6	362.8	407.8	393.3	391.7

- 1) Preliminary revised figures and estimates. Excluding guarantees, amounting to about AFL 273 million (excluding interest) at the end of March 2002.
- 2) Including suppliers' credit and short-term debt to APFA. Excluded are overdue deposits to earmarked accounts at the Bank.
- 3) At end-of-period exchange rates.

Source: Department of Finance.

1.6 Balance of payments

Overall outcome

In the first quarter of 2002, the balance of payments recorded an AFL 80 million overall surplus, i.e., AFL 10 million smaller than during the corresponding period of 2001 (see table H and statistical annex table 81). This outcome was attributed to surpluses on both the current and capital and financial accounts. Consequently, net foreign assets of the monetary sector (including revaluation differences of gold and official foreign exchange holdings) increased to AFL 787 million or 21 percent higher than a year earlier. Consequently, the end-of-period non-oil merchandise import coverage ratio rose to 7.8 months, and its 12-month moving average to 6.8 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 68 million deficit during the first quarter of 2002, compared to an AFL 468 million surplus in the first quarter of 2001. The April 2001 fire continued to have a significant impact on the operations and transactions of the refinery. Export receipts from refined oil products and goods procured in ports declined by 41 percent, and imports of crude oil by 14 percent. The developments in the current account were reflected in a corresponding rise in the intercompany liabilities of this sector, which are classified as incoming direct investments. Consequently, the deficit on the capital and financial account turned around into a surplus. On balance, the oil sector sold AFL 16 million in foreign exchange to the local commercial banks.

Free-zone sector

Export receipts of the free-zone sector shrank by 23 percent, while import payments (f.o.b.) decreased by a slight 3 percent. Consequently, an AFL 3 million current account surplus turned around into an AFL 5 million deficit. On balance, the free-zone sector bought a corresponding amount in foreign exchange from the local commercial banks.

Rest of the economy

The current account surplus of the rest of the economy (i.e., excluding the oil and free-zone sectors) narrowed by AFL 30 million to AFL 96 million, due largely to deteriorations in the income, current transfers and services accounts. The former was caused by higher dividend payments to nonresidents and lower revenue from foreign investments. Transfers to pensioners residing abroad rose. The smaller services account surplus reflects decreases in tourism receipts, and in payments for services. In contrast, the trade deficit narrowed somewhat. Both merchandise export receipts and import payments decreased slightly.

Table H: Balance of payments
(in AFL million)

	2000	2001	2000				2001				2002			
			I		I		IV		I					
1. Current account (net)	527.9	760.8	507.8	596.8	249.5	22.2								
a. Oil sector	456.3	620.1	421.7	468.3	248.2	-68.4								
b. Free zone	-3.6	3.1	11.1	2.6	2.8	-4.9								
c. Rest of economy	75.2	137.6	75.0	125.9	-1.5	95.5								
- Private sector	102.8	165.2	85.3	130.7	13.6	117.5								
- Public sector	-27.6	-27.6	-10.3	-4.8	-15.1	-22.0								
2. Capital and financial account (net)	-561.2	-603.0	-473.9	-509.0	-238.7	50.8								
a. Oil sector	-417.2	-576.8	-424.7	-470.3	-229.5	84.2								
b. Free zone	0.0	0.0	0.0	0.0	0.0	0.0								
c. Rest of economy	-144.0	-26.2	-49.2	-38.7	-9.2	-33.4								
- Private sector	-185.0	-54.1	-49.0	-42.9	1.9	-33.4								
- Public sector	41.0	27.9	-0.2	4.2	-11.1	0.0								
3. Items not yet classified 1)	-11.7	-20.6	-3.9	2.6	-5.5	7.2								
4. Overall balance (1+ 2+ 3)	-45.0	137.2	30.0	90.4	5.3	80.2								
5. Banking transactions 2)	16.2	11.0	-36.2	-53.7	24.7	-31.9								
6. Increase (-) in official reserves 3)	28.8	-148.2	6.2	-36.7	-30.0	-48.3								

Memorandum items:														
7. a. Official reserves (including gold)	419.8	578.2	434.9	456.9	578.2	625.1								
b. In months of merchandise imports 4)														
- End-of-period	3.9	5.5	3.9	4.4	5.5	6.2								
- Twelve-month average	4.2	4.9	4.2	4.2	4.9	5.3								
8. a. Total reserves of the monetary sector	560.7	708.0	630.0	651.4	708.0	786.8								
b. In months of merchandise imports 4)														
- End-of-period	5.2	6.8	5.7	6.3	6.8	7.8								
- Twelve-month average	5.8	6.5	5.9	5.9	6.5	6.8								

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.

The deficit on the capital and financial account of the rest of the economy narrowed by AFL 5 million to AFL 33 million. Net portfolio investments turned around from a surplus to a deficit as more foreign securities were purchased. On the other hand, net outgoing direct investments declined, due partly to higher receipts from property sales. In addition, the deficit in other investments narrowed as a result of decreased holdings of foreign deposits by residents.

On balance, the external transactions of the rest of the economy resulted in an AFL 69 million inflow of funds from abroad.

II. Notices

2.1 ARUBA ONCE AGAIN AT A CROSSROADS

A reprint of an article by dr. A.R. Caram, President of the Centrale Bank van Aruba, published in the ATIA Magazine of the second quarter of 2002.

1. Rapid expansion

Aruba was at a crossroads when it obtained its status as an autonomous country within the Kingdom of the Netherlands on January 1, 1986. The oil refinery, previously the mainstay of the economy, had shortly before closed down. Consequently, domestic output fell by one-third, unemployment rose sharply and emigration increased. Those staying at home embarked on a new route. The government and the private sector joined forces and concentrated on getting the economy going again by promoting tourism intensively. Vision was demonstrated, and a clear mission formulated and implemented.

These efforts had their rewards: Aruba experienced generally favorable economic developments, while maintaining healthy monetary conditions. Supported by government incentives, investment surged during the early 1990s and the number of hotel rooms tripled. Stay-over tourism expanded accordingly, also because we were able to benefit from the ongoing economic boom in the United States. Tourist nights increased by an annual average of 21 percent in the period 1986-1992, and real gross domestic product (GDP) by 9 percent. Certainly, an impressive performance, despite the deteriorating trend in the public finances due to a number of policy slippages.

2. Decelerating growth

a. Internal factors

After 1992, growth tailed off to an estimated 5 percent in the period 1993-2000, reflecting the fact that the production capacity had been reaching its limits. Moreover, relatively few investment projects were initiated, following a moratorium on the construction of new hotels imposed in 1989 to cool down the economy, to reduce the associated labor market tensions, and to contain immigration. Due to the high occupancy rate of the roughly 7,000 available hotel rooms, the declining growth in visitor nights continued to an average of 5 percent per year in 1993-1996 and, subsequently, to 3 percent during 1997-2000.

The government also invested less. In the period 1994-1996, its investment (on a cash basis) was on average about AFL 71 million or 3 percent of GDP per year, while during 1997-2000 this was reduced to AFL 47 million (1.6 percent of GDP). The main reasons for this were the increasing liquidity problems and the drying up of development funds from the Netherlands. Revenue was predominantly used to cover consumptive spending.

b. External factors

Moreover, Aruba has been confronted with a serious deterioration in the external climate since mid-2000, when a decade of strong economic growth in the United States came to a fairly abrupt end. This immediately affected the tourism industry. That year, the increase in the number of visitor nights was only 2 percent, slowing down further to 1.5 percent during the first eight months of 2001. After the events of September 11 the situation worsened considerably. The ensuing disruption of international air travel and the subsequent uncertainty led to a decline of almost 10 percent. This was a serious blow for an economy which is predominantly dependent on tourism.

However, spread out over the year 2001 as a whole, the decline in the number of visitor nights was contained to 2.0 percent, while the hotel occupancy rate remained almost unchanged at about 76 percent, also because some extra funds were spent on promoting Aruba. Another explanation for this less negative result is that the contraction in the number of US visitors was partly offset by a rebound in the Venezuelan market. This situation again shows the importance of further geographical diversification. The utilisation of potential opportunities for expanding tourism from Europe is, however, being hampered by high airfares and limited seating capacity.

3. Requirements for a sustainable development

As a result of the indicated reinforcing factors, real GDP contracted in 2001 for the first time since 1986, i.e., by an estimated 1 percent. This brought an end to an unprecedented period of continuous economic growth. During the first quarter of 2002, the decline in visitor nights continued and general economic activity remained weak. Nevertheless, the outlook is moderately positive, since leading indicators suggest that the United States economy will rebound during the coming months. In that case, Aruba's GDP may stabilize at last year's level. However, to be able to benefit from the expected improvement in the external climate, we should intensify our efforts to put the economy on the right track again.

a. Restoring sound public finances

First, it is required that government investment is increased, mainly by implementing projects financed by funds available in the recently established Fondo pa Desaroyo Aruba. The mobilization of these funds is essential to give the necessary vital boost to business activity. Aruba's government is unable to finance sufficient investment from its own funds. After all, the public finances are fragile and will remain weak, unless structural adjustments are implemented without further delay.

As the increase in government income has not kept pace with the growth in the economy, and because consumptive expenditure is excessive, the budget deficit has gradually increased and reached a disquieting peak of AFL 120 million or 3.5 percent of GDP in 2001. The government had to borrow quite heavily to cover its deficits, and so its debt has risen to almost AFL 1.2 billion or about 34 percent of GDP at the end of 2001. Furthermore, two claims arising from hotel guarantees issued in the past

(amounting to an estimated 6 percent of GDP) were recently declared payable on demand by a Dutch court.

Thus, reality contrasts sharply with the wish to attain a balanced budget. This objective is far from being achieved and may remain out of reach for the time being. The essential condition for Aruba to stand on its own feet financially is not being met. Therefore, a thorough reorganisation of the public finances is needed. The adjustment measures should result in raising the share of GDP due to the government (partly through a gradual withdrawal of tax facilities to businesses, which are less needed now). In addition, consumptive spending must be contained. Given the government's limited debt repayment ability and the additional costs associated with the ageing of the population, the budget deficit should be eliminated in order to avoid further increases in debt and interest expenses. Restructuring of, inter alia, the pension and health systems is inevitable to effectively address the rising costs associated with the current arrangements. Ways should also be found to substantially reduce the burden of the guarantee issue.

b. Maintaining financial stability

Balanced public finances are indispensable to support sound monetary conditions. With respect to the latter it should be noted that we have succeeded in cooling down the economy since the mid-nineties, and, consequently, in holding inflation reasonably in line with that of our main trading partner, the United States, despite the disadvantages of the small size of the Aruban economy and substantial rises in labor costs. However, extreme caution is required with respect to further wage increases. These are only justified in case of equivalent improvements in labor productivity. Already, the relatively high prices in Aruba mean we are being forced to focus on wealthier tourists. It is nevertheless necessary to keep a watchful eye on our international competitive position, since these tourists demand a high quality product at the lowest possible price. Containing domestic cost components is also an essential pre-condition for implementing a strategy aimed at diversifying the production structure.

Another positive point is that, in the course of time, we have built up a comfortable level of foreign exchange reserves, partly because prudent monetary policy has contributed to an acceptable trend in the balance of payments. The Central Bank has managed in keeping lending by money-creating banks reasonably under control. This is important because two-third of every extra florin brought into circulation eventually ends up abroad to purchase imported goods and services. The monetary sector's net foreign assets have been gradually increasing and have now reached a record level equivalent to about AFL 750 million, while the import coverage ratio has somewhat exceeded 6 months. Our policy objective is to keep this ratio within a range of 5 to 6 months. This to maintain confidence in the fixed exchange rate between the florin and the US dollar. Recent events have again shown that sudden changes do occur in the economic situation and that the creation of financial buffers is certainly not an extravagant luxury.

c. Reinforcing the role of the private sector

The government, working together with the key players in the private sector, must ensure that there is a favorable climate for sustainable investment. Implementation should, however, be left to entrepreneurs, as the government's direct involvement in projects has proved to be expensive. The private sector should become more dynamic and its role in the production process broadened and deepened. Priority must be given to attracting wealthier tourists to our island, through targeted intensive marketing and upgrading the quality of the tourism product, in order to raise the value added of this and related sectors. Emphasis must be shifted from quantity to quality, also to prevent Aruba from becoming even more crowded and to protect our environment. When looking at the performance indicators less attention should be given to the number of tourists, and much more at the bottom-line: the profitability of enterprises and their contribution to the prosperity of our nation. In this regard, businesses should have transparent policies, and co-operate in producing aggregated statistics required to measure the financial health and value added of the various sectors.

As, in a quantitative sense, tourism has reached a certain degree of maturity and since the risks associated with the dependence on one single sector are being clearly felt, we need to reconsider the development policy to be pursued. The primary aim will be raising growth to an acceptable rate as quickly as possible. Against this background, the Central Bank recently suspended its credit controls and reduced official lending rates somewhat. This policy move is intended to induce the commercial banks to bring their own rates more in line with the changing financial-economic situation. Furthermore, new viable growth sectors should be identified and brought to development. This means finding niches in the markets and sectors where Aruba has a comparative advantage and is able to compete in export markets with high quality products and services, benefiting from its favorable geographical location, well-educated working population, and relatively good infrastructure. Consideration should be given to inviting the World Bank, which has extensive expertise in economic planning in emerging countries, to assist Aruba in updating its development strategy.

After 15 years of prosperous economic developments, Aruba has again reached a crossroads. Time has come to formulate and implement a new vision and a corresponding mission. Presently, the central questions are how to move forward and how to raise our economy to a higher level, while minimizing adverse effects on, inter alia, social conditions, the infrastructure and the environment. In contrast to Aruba's first period of existence as an autonomous country within the Kingdom of The Netherlands, the primary focus should no longer be merely on matters such as creating jobs for the people and ensuring that basic needs are fulfilled, but rather on further improving the quality of life, in other words, the well-being. To put it in another appealing way, our present challenge is: how can we really transform Aruba into "one happy island"?

The answer is in fact obvious. After all, the close cooperation between the government and the private sector has borne fruit in the past, and is rightly seen by many as Aruba's key critical success factor. We must, therefore, build on this strategy of co-operation, with the various players adhering to their own specific responsibilities. Good and transparent public governance should be pursued,

compliance with the various internationally accepted best practices for macroeconomic, social and business policies should be enhanced, and entrepreneurs must show more good corporate citizenship by taking extra initiative with respect to implementing projects that are beneficial to them, as well as to the community as a whole.

2.2 SAMEN DE UITDAGINGEN AANPAKKEN

Voordracht door dr. A.R. Caram, President van de Centrale Bank van Aruba, tijdens de persconferentie naar aanleiding van de publicatie van het verslag van de Bank over het jaar 2001, Oranjestad, 25 juni 2002.

Dames en heren,

2001 is een zwak jaar geweest voor de economie van Aruba. Voor het eerst sinds de verkrijging van de status van autonoom land binnen het Koninkrijk der Nederlanden werden wij geconfronteerd met een krimp in de algemene bedrijvigheid. Het bruto binnenlandse product slonk naar schatting met één procent. Deze opmerkelijke omslag werd vooral veroorzaakt door een verandering in het externe klimaat, die rond medio 2000 inzette. Er kwam toen een einde aan een decennium van hoogconjunctuur in de Verenigde Staten, onze belangrijkste handelspartner. Aldaar nam het vertrouwen van producenten en consumenten geleidelijk af en kwam een recessie in zicht. Onder deze op zich al moeilijke omstandigheden leidden de dramatische gebeurtenissen van 11 september abrupt tot een aanzienlijke verdere conjuncturele verslechtering. Het binnenlandse product van dat land steeg slechts met één procent, na een record groei van ruim 4 procent in het voorafgaande jaar.

De genoemde cijfers indiceren dat de economie van Aruba disproportioneel werd getroffen door de alom heersende onzekerheid. De reden hiervoor is dat de lokale productie voor circa 60 procent afhankelijk is van het toerisme en de daaraan gelieerde activiteiten. Sprekender is in dit verband dat het aantal overnachtingen van januari tot en met augustus 2001 slechts met 1,5 procent steeg, waarna gedurende de resterende maanden van het jaar sprake was van een zorgwekkende daling van bijna 10 procent. Ondanks de inzet van enige extra financiële middelen voor promotionele doeleinden en de verlaging van de kosten van het verblijf alhier, zet de daling zich onverminderd voort, mede onder invloed van een verminderde instroom uit Venezuela als gevolg van de politieke turbulentie aldaar. Alleen de voor Aruba relatief kleine Europese markt laat enige opleving zien.

De vooruitzichten voor de rest van dit jaar zijn vooralsnog wankel. Het voorspelde conjuncturele herstel in de Verenigde Staten komt immers aarzelend op gang. Maar ook op het binnenlandse front doen zich problemen voor. Zo tonen ondernemers te weinig bereidheid nieuwe projecten ter hand te nemen, onder meer als gevolg van de onderbezetting van de aanwezige productiecapaciteit en het onzekere economische klimaat. Nu het toerisme een bepaalde wasdom heeft bereikt, wordt de investeringsbereidheid ook gehinderd door een samenstel van structurele knelpunten deels verband houdend met de eenzijdigheid en de kleine schaal van de economie, alsmede met het relatief hoge binnenlandse kostenpeil. Hierdoor komt ook de werkgelegenheid onder druk te staan.

Illustratief is dat de groei van de kredietverlening van de commerciële banken aan het bedrijfsleven sedert begin 2001 stagneert. In reactie hierop heeft de Bank haar

monetair beleid versoepeld: per begin januari 2002 werd het kredietplafonnerings-systeem voor 6 maanden opgeschort en werden de officiële rentetarieven verlaagd. Het effect van deze maatregelen is echter beperkt gebleven, doordat de vraag naar krediet wordt gedrukt door de zojuist genoemde factoren en de hoge commerciële rente. Het consumentenkrediet neemt eveneens nauwelijks toe, terwijl de in de afgelopen jaren gerealiseerde snelle groei van de woninghypotheken hapert. Per saldo is het stijgingstempo van de kredietverlening van de commerciële banken teruggelopen van 9 procent in 2000 tot 4 procent. Bij de niet-monetaire financiële instellingen is deze groei gehalveerd tot 3 procent.

Problematisch is voorts dat de investeringen van de overheid op kasbasis zijn teruggeschroefd tot amper 0,5 procent van het binnenlandse product, als uitvloeisel van de steeds nijpender wordende liquiditeitsproblemen. Deze zijn op hun beurt het gevolg van de excessieve consumptieve uitgaven en de omstandigheid dat slechts 18 procent van bedoeld product via belastingen aan de overheid toevalt. Bovendien wordt het vlot en op ruime schaal mobiliseren van de middelen van het Fondo Desaroyo Aruba gehinderd door organisatorische knelpunten. Doordat de zo noodzakelijke infrastructurele investeringen tot het kind van de rekening zijn gemaakt ontstaan op dit terrein toenemende achterstanden, welke vervolgens een duurzame economische ontwikkeling bemoeilijken.

Indien de aangeduide binnen- en buitenlandse groeibelemmerende factoren actueel blijven, dient er rekening mee te worden gehouden dat de algemene bedrijvigheid in 2002 wederom een krimp zal laten zien. De Bank heeft, vooral gelet op de aanhoudende teruggang van het toerisme, haar prognose ter zake onlangs neerwaarts moeten bijstellen van plus 1 procent tot circa minus 2 procent. Na een periode van 15 jaar goeddeels voorspoedige economische ontwikkelingen, waarbij het reële bruto binnenlandse product met gemiddeld zo'n 7 procent per jaar is toegenomen, is expansie derhalve verdrongen door een (hopelijk kortstondige) neergang. Aruba is aldus weer op een belangrijk kruispunt in zijn geschiedenis terecht gekomen. Grote stuurmanskunst is nodig om in het verdere ontwikkelingsproces de juiste richting te kunnen inslaan. Visie en dynamiek zijn onontbeerlijk om onze economie te revitaliseren en te vernieuwen.

Momenteel worden diverse initiatieven ontplooid om een adequate beleidsstrategie te formuleren. Zo heeft onze Minister van Financiën en Economische Zaken de beleidsnota "Vision, curashi y disciplina" gepubliceerd. Bemoedigend is dat hieruit kan worden afgeleid dat er in het algemeen en op hoofdlijnen geen verschil van inzicht bestaat tussen zijn beleidsfilosofie en die van de Bank. Wij zijn het met elkaar eens dat prioriteit dient te worden gegeven aan het ombuigen van de huidige neergang tot een duurzame reële economische groei, teneinde te kunnen voorzien in de toenemende behoeften van de allengs groter wordende bevolking.

Voor het tot stand brengen van een voorspoedige economische ontwikkeling is het uitbouwen van de samenwerking tussen de publieke en de private sectoren een noodzaak. Daarbij dient de overheid zorg te dragen voor het scheppen van een gunstiger investeringsklimaat, terwijl méér ondernemers met initiatief en durf

nieuwe winstgevende projecten ter hand dienen te nemen. Werknemers zullen de alom gehanteerde vuistregel moeten aanvaarden dat loonstijgingen niet groter mogen zijn dan de gerealiseerde productiviteitsverhogingen. In deze gedachtegang kan alleen additioneel een zekere prijscompensatie worden verleend nadat en voor zover het daarvoor benodigde geld uit het lopende productieproces is gespaard.

Overeenstemming bestaat evenzeer over de gewenste richting van de sectorale ontwikkeling. Aangezien Aruba op het gebied van het toerisme duidelijk comparatieve voordelen heeft, zal moeten worden gestreefd naar de verdere uitbouw van deze sector. De Bank ondersteunt de pleidooien voor het zich primair richten op verhoging van haar toegevoegde waarde door het aantrekken van méér kooplustige bezoekers uit een groter scala van landen en een navenante opvoering van de kwaliteit van onze dienstverlening. De te eenzijdige afhankelijkheid van de Verenigde Staten, die circa tweederde deel van het totale aantal overnachtingen voor hun rekening nemen, dient te worden verminderd.

Anderzijds mogen wij ons niet blindstaren op het toerisme, maar dienen wij de creativiteit te tonen een zekere diversificatie van de economie te realiseren. Hierbij wordt in het bijzonder gedacht aan het tot ontwikkeling brengen van enkele specifieke, op de export gerichte groepen in de kennisintensieve dienstverlenende bedrijfstakken, terwijl de verdere uitbouw van het midden- en kleinbedrijf mogelijkheden biedt voor vergroting van de werkgelegenheid en voor innovatie. Het is geen gemakkelijke opgave de hier bedoelde niches in de markt te identificeren en op te bouwen. Ook in dit opzicht ligt er voor ons een ware uitdaging, waarbij de inzet van gespecialiseerde buitenlandse expertise zinvol kan zijn. Dezerzijds is herhaaldelijk aangedrongen op het entameren van een diepgaand onderzoek ter zake.

Handhaving van de financiële stabiliteit is een conditio sine qua non voor het succesvol kunnen entameren van de zojuist geschetste ontwikkelingsstrategie. Zowel de Minister als de Bank zijn dan ook terecht ernstig bezorgd over de voortgaande verzwakking van de overheidsfinanciën. Veelzeggend is dat het financieringstekort in 2001 een hoogtepunt van 3,5 procent van het bruto binnenlandse product heeft bereikt. De Bank onderschrijft eveneens de in de eerdergenoemde nota opgesomde maatregelen tot het beteugelen van de consumptieve uitgaven en het hervormen van het belastingstelsel (inclusief het opnieuw bezien van de ruimhartige belastingfaciliteiten aan ondernemingen). Op deze wijze kan ruimte worden geschapen voor een gezonde financiering van méér infrastructurele projecten. In haar hoedanigheid van adviseur van de Minister heeft de Bank ook op dit terrein vele concrete voorstellen gedaan, welke helaas nog in volstrekt onvoldoende mate ten uitvoer zijn gebracht.

Tegen deze achtergrond is de Bank van oordeel dat het door de Minister voorgestelde tijdspad tot het elimineren van het financieringstekort in 2007 te lang is. Hierbij moet worden bedacht dat de Commissie van Lennep reeds in 1996 een dergelijk advies had gegeven. De aangekondigde maatregelen dienen derhalve voortvarender en in een zo kort mogelijk tijdbestek te worden doorgevoerd, met name ook omdat wij reeds nu worden geconfronteerd met financiële en economische tegenvallers. Eliminatie van

het financieringstekort vereist een grotere bestuurlijke daadkracht en méér maatschappelijke cohesie.

Essentieel voor het spoedig herstel van evenwichtige overheidsfinanciën is dat de zich voortslepende discussies, waarbij allerlei pressiegroepen hun specifieke belangen trachten veilig te stellen, worden afgerond en dat zonder verder uitstel doelmatige en doeltreffende acties worden genomen. Er is bijvoorbeeld geen enkele echt valide reden om zo niet onmiddellijk dan toch wel op zeer korte termijn de algemene ziektekostenverzekering te herstructureren en de pensioenregeling voor ambtenaren te versoberen. Alleen al hierdoor zou de overheid jaarlijks een aanzienlijk bedrag kunnen besparen. Aan “Vision, curashi y disciplina” moet dan ook “accion” worden toegevoegd.

De Bank zal zich blijven inzetten om een betekenisvolle bijdrage te leveren aan het totstandbrengen van een financieel stabiele en duurzame economische ontwikkeling. Met dit doel heeft zij inmiddels een veelomvattend actieplan ter hand genomen gericht op het verder opvoeren van de kwaliteit, de productiviteit en de accountability van de eigen organisatie. In overeenstemming met haar wettelijke taak, richt het monetaire beleid zich bij voortduring op de bescherming van de waarde van de florin. In dit verband is het op zich verheugend dat het inflatietempo in 2001 (mede als uitvloeisel van de daling van de prijs van geïmporteerde olie) is vertraagd tot onder de 3 procent en dat het thans weer goeddeels in de pas loopt met de prijsstijging in de Verenigde Staten. Het is evenzeer verheugend dat de dekking van de goederenimport door de officiële deviezenreserves is gestegen tot ruim 6,5 maand.

Doordat het vertrouwen in de monetaire stabiliteit geenszins is aangetast door de huidige slakte in de algemene bedrijvigheid, is de Bank in staat haar soepele beleid ten aanzien van de groei van de kredietverlening door de financiële instellingen vooralsnog voort te zetten. Onlangs is besloten het kredietplafonneringssysteem voor nog eens 6 maanden op te schorten. Ook zal zij blijven aandringen op een noemenswaardige verlaging van de commerciële rentetarieven voor met name levensvatbare bedrijfsprojecten en de woningbouw. Terughoudendheid is anderzijds geboden bij de consumptieve kredietverlening, gelet op de hoge importquote van de betreffende bestedingen. Over deze aangelegenheden wordt regelmatig vruchtbaar overleg gevoerd met zowel de Arubaanse bankiersvereniging als met de diverse individuele financiële instellingen, die zich evenzeer zorgen maken over bepaalde onbevredigende ontwikkelingen in onze economie, maar ook de bereidheid tonen om waar mogelijk bij te dragen aan het zo gewenste herstel.

Teneinde de ontwikkelingen in de financiële sector nauwlettend in het oog te houden wordt het bedrijfseconomische toezicht gaandeweg verdiept, mede om op deze wijze de soliditeit en integriteit van de betrokken instellingen te waarborgen. Zo zal op basis van aanbevelingen van het Internationale Monetaire Fonds zowel het onsite als het offsite onderzoek van banken worden geïntensiveerd om volledig te kunnen voldoen aan de vigerende internationale standaarden en praktijken. Inmiddels is een daadwerkelijke aanvang gemaakt met de uitvoering van de Landsverordening toezicht verzekeringsbedrijf, terwijl in de nabije toekomst het toezicht op onder meer

de geldtransactiebedrijven en de trustkantoren wettelijk zal worden geregeld. Onder invloed van de gebeurtenissen van 11 september zal ook de wet- en regelgeving ter bestrijding van criminele geldstromen (waaronder de financiering van het terrorisme) via de financiële sector worden aangescherpt.

Vermeldenswaard is verder dat de Bank in 2001 een recordwinst van ruim AFL 24 miljoen, heeft gerealiseerd, hoofdzakelijk door gunstige beleggingsresultaten en het in toom houden van de operationele kosten. Zoals gebruikelijk is de helft van deze winst aan de overheid uitgekeerd, terwijl het restant is gebruikt voor het versterken van de vermogenspositie van de Bank, alsmede voor de monetair en bedrijfseconomisch verantwoorde financiering van onze nieuwbouw. De dekking van haar uitstaande verplichtingen jegens het publiek en de banken door de officiële deviezenreserves en het solvabiliteitspercentage zijn bijgevolg in het verslagjaar verder gestegen. Voorts kan ik u medelen dat wij binnenkort ons pand gelegen aan de J.E. Irausquin Boulevard zullen betrekken en een andere huisstijl zullen introduceren. Als voorloper hierop presenteren wij vandaag ons nieuwe logo. De uitstraling van het gebouw en het logo is symbolisch voor de robuustheid van ons monetair en financieel bestel. Wij dienen dit bestel te koesteren, aangezien naar de ervaring leert alleen op deze basis een gezonde reële economische groei kan worden gebouwd.

Laat ik eindigen met de hoop uit te spreken dat wij allen vanuit onze eigen verantwoordelijkheden ons extra zullen inzetten om in deze tijden van zwaar weer met succes het hoofd te bieden aan de hier aangeduide uitdagingen. Deze inspanningen zijn nodig in het belang van “nos dushi Aruba”.

Ik dank u voor uw aandacht.

2.3 SUPERVISING THE INTEGRITY OF THE FINANCIAL SECTOR

An article by drs. P. Mungra R.A., Head of the Supervision Department.

1. The legal framework

One of the core tasks of the Central Bank of Aruba (the Bank) is to promote and monitor the stability and integrity of the financial sector, thereby protecting the interests of depositors and policyholders. To this end, the Bank is, among other things, responsible for the execution of the state ordinances regulating the supervision of credit institutions, insurance companies, and company pension funds, as well as the State Ordinance on the identification for rendering financial services (SOIFS) (AB 1995 No 86) insofar as it concerns the financial institutions under the Bank's supervision.

Since the implementation of the State Ordinance on the supervision of the insurance business (SOSIB) (AB 2000 No 82) on July 1, 2001, insurance companies operating in or from Aruba are subject to the Bank's supervision. Before that time, the Bank supervised life insurance companies only on the basis of the State Ordinance on the supervision of the banking and credit system. The latter ordinance was replaced by a complete modernized State Ordinance on the supervision of the credit system (SOSCS) (AB 1998 No 16), based on the Dutch Act of the Supervision of the Credit system. After May 15, 1998, the Bank's supervision on the life insurance companies was continued on the basis of gentlemen's agreements with these companies. The stipulations of the State Ordinance on company pension funds (SOCPF) (AB 1998 No 17) also are important to mention under this subsection.

All institutions that want to conduct banking or insurance business in or from Aruba are required to obtain a license from the Bank. When assessing a license request, the Bank determines whether the institution concerned meets, and is permanently able to meet, the requirements stated in the supervisory laws and regulations. These requirements are related to, among other things, the institution's solvency and liquidity, the administrative organization and internal controls, the management information system ("corporate governance"), the expertise and reliability of board members and senior managers, the integrity of the shareholders, and the quality of the anti-money-laundering procedures. Company pension funds have to register at the Bank after their incorporation. They should comply continuously with the (solvency) requirements stated in or by virtue of the SOCPF.

2. The Aruban financial sector

The banking sector consists of thirteen institutions: five commercial banks (two of which have their head offices in the Netherlands Antilles), two offshore banks (affiliated with Citibank N.A. and, consequently, under consolidated supervision of the relevant supervisory authorities in the United States), two credit unions, two mortgage banks, one consumer credit institution, and one investment bank. The

insurance sector consists of nine life insurance and fourteen general insurance companies (of which thirteen are branch offices or agencies of foreign institutions), as well as three captives and one offshore company. Furthermore, there are currently ten company pension funds, three of which are affiliated with companies owned by the government, three with banks, one with the former LAGO oil refinery (Exxon), one with the hotel and tourist sector, one with a commercial enterprise, and one with one of the largest private companies in Aruba operating in the service industry.

To illustrate the small scale of Aruba's financial sector, the balance-sheet totals (in millions AFL) of the financial institutions under the Bank's supervision, at the end of 2001, are depicted in the table below, as well as their percent of the estimated nominal gross domestic product (GDP). The figures indicate that Aruba's financial sector is of limited size, certainly according to international criteria. This is especially true with respect to the offshore banks. Therefore, Aruba cannot be regarded as "a major financial offshore center," as is occasionally asserted.

	<u>In AFL million</u>	<u>In percentage of GDP</u>
<i>A. Banking sector</i>		
5 commercial banks	2,400	69
2 offshore banks	1,900	54
6 other credit institutions	<u>540</u>	<u>15</u>
Total	4,840	138
<i>B. Insurance sector</i>		
9 life insurance companies	380	11
14 general insurance companies	<u>120</u>	<u>3</u>
Total	500	14
<i>C. Company pension funds</i>		
10 pension funds	200	6

3. Prudential supervision

Mainly through off-site surveillance (analysis of the reporting information), periodic on-site examinations and regular bilateral policy meetings, developments in the supervised institutions are monitored closely and compliance with the relevant rules and regulations is assessed. The current supervisory laws provide sufficient possibilities to take corrective actions if necessary. For instance, the Bank may give an institution binding directives on the course of action to pursue, place it under silent curatorship, or, as a last resort, revoke its license. If deemed necessary in the latter case, revocation is preceded by a prior request to the Court of First Instance to apply the emergency rules, which are aimed at an orderly liquidation.

4. Exchange of information

Both the SOSCS and the SOSIB provide the Bank with the possibility of sharing information with other supervisors. In view of the increasing interweave of the financial markets and the cross-border activities of financial institutions, it is of vital importance for effective consolidated supervision that the home country supervisor and the host country supervisor are able to share information. The internationally accepted guidelines in this area, issued by the authoritative Basel Committee on Banking Supervision, are laid down in the reports “Minimum standards for the supervision of international banking groups and their cross-border establishments” (1993) and “The supervision of cross-border banking” (1996). The subject guidelines are fully endorsed and applied by the Bank.

In 1998 a Memorandum of Understanding (MOU) was signed between the Bank and the Central Bank of the Netherlands Antilles (home country supervisor of several institutions established in Aruba) regarding the exchange of information. The Bank intends to enter into similar MOUs with other foreign supervisors in the near future.

5. International cooperation

The Bank also attaches much value to its memberships in the Basel Committee on Banking Supervision (BCBS), the International Association of Insurance Supervisors (IAIS), the Offshore Group of Banking Supervisors, the Offshore Group of Insurance Supervisors, the Association of Supervisors of Banks of the Americas, the Caribbean Group of Banking Supervisors, and the Caribbean Association of Insurance Regulators. These organizations also aim to promote further harmonization. In this respect, the so-called “Core Principles” for effective supervision of banks and insurance companies, issued by the BCBS and the IAIS, respectively, are of paramount importance.

A recent evaluation by the IMF, conducted in the framework of its “Offshore Financial Center Assessment Program,” has shown that Aruba complies to a great extent with the aforementioned “Core Principles.” However, to become fully compliant with these standards, the relevant laws should be further strengthened, while the supervision of the bank and insurance sector should be intensified. The IMF also has advised bringing in other sectors vulnerable to money laundering under effective supervision, as well as extending the obligation to report unusual transactions to all financial service providers in Aruba. To carry out the IMF recommendations effectively, the Bank is currently in the process of drawing up a detailed plan of action.

6. Maintaining integrity

General

Monitoring the integrity of the financial sector has a high priority within prudential supervision and is closely interwoven with maintaining financial stability. An

institution with questionable ethics may damage its reputation with all the negative consequences. In the long term, even the public's confidence in the sector as a whole may be undermined, and the financial stability of a country may be endangered ("systemic risk"). Therefore, supervision integrity by the Bank is a "conditio sine qua non" and is directed mainly at the following areas:

a. Fit and proper testing

Any board member, senior manager, or shareholder with a qualified holding (the owner of more than 5 percent of the shares or voting rights) is tested on fitness and appropriateness by the Bank. For this purpose, each candidate must fill out a questionnaire and provide the Bank with a declaration of good conduct. The information provided is subsequently evaluated, and reference checks are made.

b. Insider loans

The Bank has set limits on the granting of loans to insiders (shareholders, board members, and senior managers), as well as persons or entities related to them. According to its insider regulation, no more than 2 percent of a bank's capital may be lent to them (against market conditions). Any amount in excess of the aforementioned limit is considered by the Bank as a reduction of a bank's equity. Under these circumstances, the shareholder(s) of the bank in question may be required to inject new capital against these so-called insider loans.

Combating money laundering

a. Banks

In 1995 the Bank issued detailed anti-money-laundering regulations for credit institutions. These regulations contain, among other things, detailed guidelines with respect to the identification of commercial as well as private clients and the application of a sound know-your-customer policy. In accordance herewith, every bank should have a compliance officer/department, analyze periodically the account movements of clients, and also analyze all transactions deviating significantly from the usual transaction profile.

Together with the State Ordinance on the reporting of unusual transactions (SORUT) (AB 1995 No 85) and the State Ordinance on identification for rendering financial services (SOIRFS), the regulations constitute the anti-money-laundering framework for the banking sector. During the periodic on-site examinations, compliance with the Bank's anti-money-laundering directives is assessed. Also, the effectiveness of internal procedures and control measures are evaluated during these examinations, while an assessment is made of the "compliance program" and the compliance findings.

Additionally, the administrative organization around the reporting of unusual transactions is evaluated and, randomly, adherence to the identification requirements stated in the SOIRFS is checked. The Bank's findings as well as its directives and recommendations –after having been discussed with the management of the reviewed institution– are laid down in a so-called on-site letter to the management/supervisory

board. The Bank sees to it that its directives and recommendations are strictly followed.

b. Other activities

The Bank also applies the above-mentioned control procedures for the life insurance companies. More recently, life insurance companies and insurance brokers have been brought under the scope of the SORUT. At present, these insurance companies and brokers, the banks, money-transfer companies, the post office, and the casinos are required to report unusual transactions to the Reporting Center Unusual Transactions (the "MOT"). The FATF and the IMF also have recommended bringing the trust companies, free-zone companies, and professional financial service providers (accountants, notaries, and lawyers) under the obligation to report unusual transactions.

In addition, the trust companies and money-transfer companies should be brought under the (integrity) supervision of the Bank. Also in the framework of the recent eight additional recommendations of the FATF, following the events of September 11, 2001, in the United States, this should be given high priority. In the meantime, the Bank has indicated its willingness to expand its supervision to these sectors.

Also in view of the above-mentioned events, the Bank will be entrusted on behalf of the Minister of Finance, with the supervision of compliance with international sanctions aimed at maintaining the international legal order, and to combat terrorism, insofar as these sanctions are linked to financial services provided by the financial institutions under its supervision. In connection herewith, the Sanction Ordinance (AB 1997 no. 64) shall be replaced by a completely revised law.

Furthermore, a few large money-transfer companies (together handling the bulk of the registered transactions) voluntarily comply with the guidelines for money-transfer companies published by the Bank in its bulletin over the second quarter of the year 2000, in anticipation of a supervisory law for this sector. These guidelines aim, among other things, at promoting compliance with the foreign-exchange regulations, maintaining a sound administration, as well as preserving the integrity of this sector.

7. Concluding remarks

From several sides (including the FATF, the IMF, and authorities in the United States), Aruba has been complimented for its impressive performance in recent years in implementing supervisory and anti-money-laundering laws and regulations on an international footing. At the same time, these authorities have indicated that the following steps should be taken to become fully compliant with international supervisory and anti-money laundering standards:

- Strengthen the existing supervisory laws and (in anticipation thereof) intensify the actual supervision of banks and insurance companies;
- Place other sectors vulnerable to money laundering under effective supervision, including trust companies and money-transfer companies;

- Bring all financial service providers under the obligation to report unusual transactions;
- Implement the State Ordinance on the import and export of cash money; and
- Reinforce the reporting, tracing, and prosecution apparatus.

The recent events in the United States underline the importance of international co-operation in combating criminal financial activities. The supervision of the (international) flows of money plays a crucial role in this. Aruba will have to make additional efforts to bring its anti-money-laundering and supervisory laws and regulations further in line with the international standards in this area, especially as these become more and more stringent. To achieve this ambitious goal, the support of the Netherlands and the IMF in particular will remain necessary for the time being.

2.3 ARUBA: CAUSES AND EFFECTS OF EXCESSIVE IMMIGRATION

A summary of the research paper “Aruba: Causes and effects of excessive immigration, experiences and lessons from the recent past, and policy options for the future” by drs. J. Ridderstaat, Economist at the Economic Policy Department.*

The closure of the Exxon oil refinery in March 1985 caused a significant downturn in Aruba’s economic development, and a large deficit in the government’s budget. Following recommendations of inter alia the International Monetary Fund and the World Bank, the tourism sector was rapidly transformed into the mainstay of Aruba’s economy. In a short time the depressed economy rebounded into an expeditiously growing economy.

However, the expansive growth process soon coincided with signs of overheating: the supply of local labor was far from enough to satisfy the huge demand in a double-digit growing economy. This situation led to inflationary pressures. By 1990 some 2,000 foreign workers were attracted to reinforce the labor supply. But the shortages persisted and were intensified by the reopening of the refinery by the Houston based Coastal Corporation in that same year.

Already at the beginnings of the 1990s it was becoming clear that the immigration led to shortages in other areas, particularly a lack of adequate housing, which was reflected in a surge in the rents and put further pressure on prices in the first half of that decade, when the average annual inflation fluctuated between 3.4 percent and 6.3 percent. In the course of the years that followed, it also became clear that additional social and economic costs should be added to the immigration bill.

Immigration in Aruba is a topic that has not been covered extensively in the recent past. The analysis in this report is primarily aimed at improving the knowledge on this matter. The study is based on a number of theoretical concepts found in literature. In general, a distinction is made between the causes and the effects of migration. Five major aspects of international migration may be detected, i.e.:

- 1) Political and economic conditions of the receiving country;
- 2) Conditions in the countries from where people migrate;
- 3) Relative deprivation in the sending countries;
- 4) Networking and linkages;
- 5) Iron law of immigration.

The major effects of immigration for the sending country are found in five major areas, i.e.: 1) Demographic area; 2) Economic area; 3) Social area; 4) Political area; and 5) Cultural area.

* The views expressed in this paper are exclusively those of the author and do not necessarily coincide with those of the Centrale Bank van Aruba. A full PDF version of this paper is available on the Bank’s website (www.cbaruba.org).

Having defined the theoretical framework, an empirical examination of Aruba's latest immigration process was conducted. It should be noted that the lack of (timely available) statistics on the real economy of Aruba hampers an optimal analysis of the causes and effects of immigration. Therefore, the analysis is predominantly based on only the results of the two population census conducted by the Central Bureau of Statistics in the years 1991 and 2000.

The following major conclusions can be drawn from this analysis:

- 1) The imbalance between the macroeconomic development in Aruba and the available supply of labor was catalytic to the start of the process of mass immigration in the 1990s.
- 2) Policy leniency combined with institutional constraints hindered the adequate management of the immigration process. Furthermore, the labor market was (and still is) not transparent, which impedes an adequate monitoring of events.
- 3) The iron law of migration obstructs a natural (e.g., when migrants decide to leave on their own) or institutional (e.g., when the extension of permits are rejected and migrants are sent back) adjustment of the migrants' flows.
- 4) The low-skilled nature of the work performed by immigrants casts some doubt on whether it is realistic to assume that on the long run the foreign labor pool will be substituted by Arubans.

Based on the facts found and the lessons learned, the following policy recommendations are made:

- 1) Sustainable economic development, based on the available resources (mainly human and land), should have a pivotal focus in future economic policy-making.
- 2) The current immigration policy should be overhauled, if immigration is to be contained. Measures to be considered in this respect include:
 - a) The introduction of an adequate statistical system that monitors on a regular basis the demographic, economic, social, political, and cultural effects of immigration. In addition, (timely) statistics describing the situation on the labor market in Aruba are urgently needed.
 - b) Future immigration should be considered in the context of the Aruban national interest. This means that, beside the economic effects, the demographic, social, political, and cultural effects should be taken into account when considering immigration requests.
 - c) Macro sectoral, and regional quotas should be considered as a means of controlling the immigration flows. The government, the labor unions, and the employers, should agree on the quota levels. Also, these levels should have parliamentary approval.
 - d) An increase in the foreign labor deposit should be considered in order to make this type of labor less attractive. This measure should be accompanied by periodical checks on the adherence of employers to the legal minimum wage payments.

In addition, it should also be avoided that a temporary shortage in labor in a certain sector is permanently filled by foreign labor, i.e., by introducing strict criteria for the renewal of work permits.

- e) The integration of the current and future immigrants should receive proper attention. Integration does not only mean the right to participate in the Aruban society with the same virtues as the rest of the population. It means that the immigrant has also obligations, such as to speak Papiamentu (the native language) and to know the culture.
- f) The concept “family” in family reunions should be kept as narrow as possible. With some exceptions (e.g., a sick mother), only spouses and dependent children should be permitted to come over as part of the family reunion process. In addition, the time frame for family reunions should be set to coincide with the minimum period legally necessary to acquire the Dutch citizenship.
- g) Adequate control, for instance, visa requirements and sophisticated technical devices, should be considered as tools to deter unwanted visitors.
- h) The belief that *illegality does not pay in Aruba* should be further emphasized through, among others, local newspapers and other means of communication, while the general public should be motivated to denounce cases of illegality, and, malafide employers should be tackled accordingly.
- i) Institutions working on immigration issues should work together, while request from so-called immigration consultants should be categorically denied. Last, but not least, the authority to grant permits should be centralized and freed from political influence.

As is the case in other countries, immigration conveys effects that last longer than one generation. Therefore, further research in this area should be encouraged.

III. Statistical annex

General note

Figures in the Statistical annex are quoted in millions of Aruban florin (AFL), unless otherwise stated.

The sum of separate items may differ in the final digit from the total shown, due to rounding.

Data are subject to revision if additional information becomes available.

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

blank: not available

0.0: nil

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

TABLE 1.1: TOURISM

period	Total visitor nights	Total visitors	Visitors by origin							Average nights stayed	Average hotel occupancy rate	Cruise tourism		
			North America	Of which USA	Latin America	Of which Venezuela	Europe	Of which Netherlands	Other			Number of passengers	Ship calls	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
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

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

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
Weights (September 1994)	10,000	1,625	254	1,134	1,786	1,039	307	2,072	808	975
Weights (September 2000)	10,000	1,469	219	1,086	2,296	1,002	88	1,967	799	1,074
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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

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

TABLE 1.5: CONSTRUCTION ACTIVITIES

	1998	1999	2000	2001	2000				2001				2002
					I	II	III	IV	I	II	III	IV	I
1. Number of construction permits granted	1,544	1,693	1,371	1,242	292	341	458	280	264	327	328	323	286
a. Houses 1)	1,099	1,182	871	748	209	198	311	153	145	178	208	217	179
b. Apartments	39	24	35	22	8	8	12	7	9	5	4	4	10
c. Office buildings	8	16	16	12	1	7	3	5	3	3	5	1	3
d. Stores and shopping malls 2)	17	15	18	24	0	3	8	7	5	5	11	3	7
e. Others	381	456	431	435	74	125	124	108	102	135	100	98	87
2. Total value of construction permits (x AFL million)	177.8	168.4	184.8	198.1	37.3	40.0	63.1	44.4	30.4	42.6	75.9	49.2	113.4
a. Houses 1)	112.2	104.5	91.6	78.5	19.7	21.3	34.5	16.0	17.1	17.0	23.6	20.8	18.8
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
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
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
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
3. Total cement imported (x 1,000 Kg)	42,259	55,626	41,879	35,277	11,823	12,031	8,390	9,635	4,937	9,009	11,082	10,249	7,556
4. Number of electrical installations approved	2,992	2,691	3,034	2,873	486	708	916	924	501	674	756	942	427
a. Houses 1)	886	825	970	722	111	243	287	329	99	138	191	294	59
b. Apartments	220	132	189	197	14	31	66	78	20	33	58	86	12
b. Enterprises	151	135	112	164	9	37	31	35	33	21	60	50	15
c. Others	1,735	1,599	1,763	1,790	352	397	532	482	349	482	447	512	341

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
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	2,686
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
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
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
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
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
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
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
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

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
1. Export of goods (f.o.b.)	51.5	52.3	48.3	52.7	11.5	15.4	14.0	7.4	7.9	13.2	16.1	15.4	13.8
a. United States	17.8	24.0	14.5	14.2	4.6	4.3	4.1	1.5	2.3	4.1	4.0	3.8	4.6
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
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
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
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
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
2. Import of goods (c.i.f.)	1,219.4	1,400.8	1,292.2	1,314.1	312.1	304.5	328.5	347.0	290.8	294.7	341.5	387.1	306.8
a. United States	808.6	926.2	783.3	811.5	200.9	187.5	187.7	207.1	182.5	180.2	212.8	236.0	185.5
b. The Netherlands	128.9	155.6	161.4	153.3	32.8	34.7	50.8	43.1	37.7	34.1	39.9	41.6	39.3
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
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
e. Japan	27.1	35.9	40.1	33.6	10.6	10.0	10.0	9.5	6.3	7.5	8.7	11.1	7.4
f. Other countries	176.5	201.4	209.1	227.3	47.2	48.1	53.8	60.0	43.5	51.6	58.7	73.5	56.6
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

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
1. Export of goods (f.o.b.)	51.5	52.3	48.3	52.7	11.5	15.4	14.0	7.4	7.9	13.2	16.1	15.4	13.8
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
b. Transport equipment	3.4	4.0	2.2	3.7	0.4	0.7	0.7	0.4	0.4	1.6	1.2	0.5	0.6
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
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
e. Other goods	15.5	21.9	15.5	17.7	4.2	4.7	4.4	2.1	2.6	5.7	4.9	4.5	5.5
2. Import of goods (c.i.f.)	1,219.4	1,400.8	1,292.2	1,314.1	312.1	304.5	328.5	347.0	290.8	294.7	341.5	387.1	306.8
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
b. Food products	137.3	137.7	141.7	145.1	33.2	34.9	35.4	38.2	34.7	35.9	33.5	41.0	34.1
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
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
e. Machinery and electrotechnical equipment	195.2	287.0	189.2	231.1	47.6	45.4	51.7	44.4	42.0	40.1	74.0	75.0	50.8
f. Transport equipment	95.5	109.2	117.5	103.2	27.9	27.4	31.3	30.8	22.8	24.4	24.8	31.2	26.5
g. Other goods	450.0	483.9	491.2	470.8	111.6	112.8	118.1	148.6	115.6	109.4	108.5	137.3	113.5
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

Source: CBS

TABLE 1.9: OIL REFINING

	1998	1999	2000	2001	2000				2001				2002
					I	II	III	IV	I	II	III	IV	I
1. Export of oil (x AFL million)	1,290	2,192	2,331	2,980	445	546	557	783	962	975	644	398	581
2. Import of crude (x AFL million)	704	2,092	1,922	2,030	277	550	534	561	812	401	442	374	675
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
4. Number of employees (at end-December) 1)	541	520	564	597	568	577	571	564	564	564	564	597	574

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
I. Net domestic assets	980.9	1,121.9	1,206.1	1,171.3	1,160.8	1,184.1	1,216.1	1,206.1	1,188.8	1,201.4	1,175.6	1,171.3	1,190.1
A) Domestic credit	1,244.1	1,394.6	1,510.3	1,541.0	1,458.4	1,493.0	1,517.6	1,510.3	1,521.4	1,559.0	1,541.3	1,541.0	1,575.9
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
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
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
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
2) Claims on private sector	1,253.0	1,382.2	1,511.4	1,566.8	1,444.3	1,490.7	1,514.1	1,511.4	1,520.6	1,535.6	1,541.6	1,566.8	1,570.0
a) Enterprises	636.3	670.0	728.2	737.3	717.5	733.6	739.2	728.2	734.8	733.6	724.2	737.3	728.1
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
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
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
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
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
II. Net foreign assets	557.9	577.2	532.2	669.3	607.2	592.8	560.7	532.2	622.6	593.2	664.1	669.3	749.5
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
B) Commercial banks	144.9	158.9	140.8	129.8	195.1	167.0	141.9	140.8	194.5	122.9	154.5	129.8	161.7
III. 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
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
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

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

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
I. Net domestic money creation	17.4	141.0	84.2	-34.7	38.9	23.3	32.0	-10.0	-17.3	12.6	-25.8	-4.2	18.8
A) Domestic credit	68.2	150.5	115.8	30.7	63.8	34.6	24.6	-7.3	11.1	37.5	-17.7	-0.2	34.9
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
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
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
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
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
2) Claims on private sector	67.4	129.2	129.2	55.4	62.1	46.4	23.4	-2.7	9.2	15.0	6.0	25.2	3.2
a) Enterprises	0.4	33.8	58.2	9.1	47.5	16.1	5.6	-11.1	6.6	-1.2	-9.4	13.1	-9.2
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
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) 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
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
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
II. Inflow of foreign funds	160.6	19.2	-45.0	137.2	30.0	-14.4	-32.0	-28.6	90.4	-29.3	70.8	5.3	80.2
III. Broad money	178.0	160.3	39.2	102.4	68.9	9.0	-0.1	-38.6	73.0	-16.7	45.0	1.1	99.0
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
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

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)	(11)	(12)	(13= 10:11)	(14= 8:12)
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	532.6	391.8	140.8	560.7	28.5	532.2	1,738.3	1,271.0	30.6	44.1
2001	55.0	525.7	2.6	578.2	535.5	405.7	129.8	708.0	38.7	669.3	1,840.7	1,234.5	36.4	57.4
2000 I	41.0	395.0	1.1	434.9	544.8	349.7	195.1	630.0	22.8	607.2	1,768.0	1,314.1	34.3	47.9
II	41.0	408.6	0.1	449.5	519.9	352.9	167.0	616.5	23.7	592.8	1,776.9	1,278.7	33.4	48.2
III	41.0	404.2	3.1	442.1	518.1	376.2	141.9	584.1	23.3	560.7	1,776.9	1,291.0	31.6	45.2
IV	41.0	381.2	2.3	419.8	532.6	391.8	140.8	560.7	28.5	532.2	1,738.3	1,271.0	30.6	44.1
2001 I	41.0	416.8	0.9	456.9	558.0	363.5	194.5	651.4	28.8	622.6	1,811.3	1,250.2	34.4	52.1
II	41.0	461.5	7.2	495.3	522.4	399.5	122.9	618.3	25.0	593.2	1,794.6	1,259.9	33.1	49.1
III	41.0	506.4	10.8	536.7	509.4	354.9	154.5	691.2	27.1	664.1	1,839.6	1,246.4	36.1	55.5
IV	55.0	525.7	2.6	578.2	535.5	405.7	129.8	708.0	38.7	669.3	1,840.7	1,234.5	36.4	57.4
2002 I	60.0	571.3	1.3	630.1	490.5	328.8	161.7	791.8	42.2	749.5	1,939.6	1,227.4	38.6	64.5

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
ASSETS													
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
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
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
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
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
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
3. Claims on the private sector	1,253.0	1,382.2	1,511.4	1,566.8	1,444.3	1,490.7	1,514.1	1,511.4	1,520.6	1,535.6	1,541.6	1,566.8	1,570.0
a) Enterprises	636.3	670.0	728.2	737.3	717.5	733.6	739.2	728.2	734.8	733.6	724.2	737.3	728.1
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
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
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
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
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
4. Foreign assets	929.9	941.4	954.7	1,116.2	980.8	969.5	963.3	954.7	1,015.8	1,024.9	1,056.8	1,116.2	1,116.8
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	55.0
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
c) Long-term	505.6	502.5	499.6	586.8	519.5	525.8	521.0	499.6	504.6	550.7	586.8	586.8	564.0
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
6. Total assets	2,490.7	2,637.3	2,729.8	3,024.0	2,722.0	2,758.9	2,806.2	2,729.8	2,823.3	2,887.5	2,933.8	3,024.0	3,138.3

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
LIABILITIES													
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
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
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
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
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
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
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
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
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
10. Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Subordinated debt	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
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
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
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
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
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	37.3
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
16. Total liabilities	2,490.7	2,637.3	2,729.8	3,024.0	2,722.0	2,758.9	2,806.2	2,729.8	2,823.3	2,887.5	2,933.8	3,024.0	3,138.3

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	55.0	99.1	0.0	472.2	626.3	647.4		

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	37.3	647.4

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

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

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

TABLE 4.1: COMMERCIAL BANKS: SUMMARY ACCOUNT

	Assets				Total assets	Liabilities		
	Cash and claims on banks	Invest- ments	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

**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

TABLE 4.3: COMMERCIAL BANKS: DETAILED BALANCE SHEET

Domestic assets									
End of period	Notes and coins (1)	Central Bank		Investments		Loans and advances			
		Current account (2)	Time deposits (3)	Government securities (4)	Non government securities (5)	Enterprises (6)	Mortgages (7)	Individuals (8)	Government (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	561.5	357.3	0.3
2001	30.6	60.5	154.8	62.1	6.1	549.5	626.0	366.7	0.3
2000 I	24.1	26.7	167.5	48.8	11.7	557.2	515.6	340.3	0.4
II	23.9	29.0	155.7	46.4	11.9	561.2	546.5	351.6	15.4
III	23.6	39.3	158.2	51.7	11.8	556.6	572.0	354.7	0.4
IV	29.7	28.0	126.4	43.1	11.9	561.3	561.5	357.3	0.3
2001 I	24.0	22.5	158.3	49.1	9.2	570.0	566.4	355.9	0.4
II	22.8	45.1	178.7	37.7	9.1	566.9	580.8	358.8	30.9
III	24.4	48.1	198.1	57.6	6.0	550.0	599.8	365.7	0.3
IV	30.6	60.5	154.8	62.1	6.1	549.5	626.0	366.7	0.3
2002 I	24.6	47.1	274.2	62.3	6.1	542.9	630.4	371.9	0.3

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

End of period	Domestic assets (cont'd)				Total domestic assets	Foreign assets					Total foreign assets	Total assets
	Premises	Subsidiaries	Accounts receivable	Other (net)		Cash	Due from banks	Investments	Loans	Other		
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(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	134.4	35.5	501.1	2,244.3
2000	58.0	13.5	18.7	1.7	1,811.5	13.0	297.8	33.3	163.9	26.4	532.6	2,344.1
2001	59.4	39.6	16.2	3.8	1,975.6	12.2	338.7	6.8	148.0	32.2	535.5	2,511.0
2000 I	53.6	14.3	18.6	-0.1	1,778.8	10.4	327.4	31.6	142.3	34.4	544.8	2,323.6
II	55.9	14.2	18.9	0.2	1,830.9	9.4	306.0	31.4	148.6	26.0	519.9	2,350.7
III	56.8	13.4	19.8	5.0	1,863.3	9.9	299.8	33.4	152.0	24.7	518.1	2,381.4
IV	58.0	13.5	18.7	1.7	1,811.5	13.0	297.8	33.3	163.9	26.4	532.6	2,344.1
2001 I	59.0	13.0	20.5	-5.2	1,843.0	11.3	326.9	33.4	161.0	27.3	558.0	2,401.0
II	58.0	13.7	18.6	-8.7	1,912.3	13.8	292.3	33.3	160.0	25.0	522.4	2,434.7
III	57.4	13.6	19.5	3.8	1,944.3	9.8	288.1	31.0	157.5	25.2	509.4	2,453.7
IV	59.4	39.6	16.2	3.8	1,975.6	12.2	338.7	6.8	148.0	32.2	535.5	2,511.0
2002 I	58.6	39.4	18.2	8.2	2,084.1	14.7	316.5	17.4	118.7	25.6	490.5	2,574.6

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

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

	Loans outstanding				Percentages			
	Current account	Term loans	Mortgage	Total	Current account	Term loans	Mortgage	Percentage of total loans
Agriculture, hunting, forestry and fishing	0.0	5.3	0.5	5.8	0.8	91.2	8.0	0.4
Mining and manufacturing	6.8	5.8	7.6	20.1	33.7	28.6	37.7	1.3
Electricity, gas and watersupply	2.4	24.3	1.2	27.9	8.5	87.2	4.3	1.8
Construction	15.9	2.2	3.0	21.2	75.1	10.6	14.3	1.3
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	165.6	98.6	57.3	321.5	51.5	30.7	17.8	20.5
Hotels and restaurants	35.0	17.7	15.0	67.7	51.6	26.2	22.2	4.3
Transport, storage and communications	11.1	13.2	5.6	29.8	37.1	44.1	18.8	1.9
Financial intermediation	1.7	13.9	18.8	34.4	4.8	40.5	54.7	2.2
Real estate, renting and business activities	22.5	56.8	49.8	129.1	17.4	44.0	38.6	8.2
Other enterprises	13.4	30.8	26.3	70.6	19.0	43.7	37.3	4.5
Total loans to enterprises	274.3	268.6	185.2	728.1	37.7	36.9	25.4	46.4
Government	0.0	0.3	0.0	0.3	0.0	100.0	0.0	0.0
Individuals	65.6	330.9	445.3	841.7	7.8	39.3	52.9	53.6
Total loans	339.9	599.8	630.4	1,570.1	21.6	38.2	40.2	100.0

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
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
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
Electricity, gas and watersupply	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
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
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	219.3	242.7	287.5	324.7	265.6	271.4	279.3	287.5	299.0	299.6	208.3	324.7	321.5
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
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
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
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
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
Total loans to enterprises	636.3	670.0	728.2	737.3	717.5	733.6	739.2	728.2	734.8	733.6	724.2	737.3	728.1
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
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
Total loans	1,242.2	1,375.9	1,504.7	1,567.4	1,438.0	1,499.8	1,508.9	1,504.7	1,517.2	1,562.8	1,540.8	1,567.4	1,570.1

TABLE 5.1: FINANCIAL SURVEY

End of March 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	626.3	490.5	1,116.8	490.6	1,607.4
2. Domestic claims	69.4	1,549.7	1,619.1	1,107.5	2,726.6
a) Government	62.9	14.8	77.7	487.5	565.2
b) Non-financial public enterprises	0.0	34.1	34.1	24.6	58.7
c) Enterprises	0.0	683.6	683.6	84.3	767.9
d) Individuals	6.5	817.2	823.7	511.0	1,334.8
1) Consumer credit	0.0	371.9	371.9	65.2	437.1
2) Housing mortgages	6.5	445.3	451.8	445.8	897.6
3. Other domestic claims	14.6	547.8	562.4	877.3	1,439.8
4. TOTAL ASSETS=TOTAL LIABILITIE	710.3	2,588.0	3,298.4	2,475.4	5,773.8
5. Foreign liabilities	38.5	328.8	367.3	150.5	517.8
6. Deposits and borrowings	75.1	1819.6	1894.7	55.1	1949.8
a) Government	68.1	3.6	71.7	36.6	108.4
b) Other residents	7.0	1,816.0	1,822.9	18.5	1,841.4
7. Pension fund provisions	0.0	0.0	0.0	1,130.2	1,130.2
8. Insurance reserve fund	0.0	0.0	0.0	262.2	262.2
9. Other domestic liabilities	596.7	439.7	1,036.4	877.5	1,913.9

TABLE 6.1: INTEREST RATES OF COMMERCIAL BANKS 1)

Period	Time deposits		Savings deposits	Weighted average rate of interest on deposits	Loans				Weighted average rate of interest on loans	Interest rate margin
	≤ 12-months	> 12 months			Individual		Commercial			
	(1)	(2)			Consumer credit	Housing mortgages	Mortgages	Other loans 2)		
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=9-4)			
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

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

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

Source: International Financial Statistics.

TABLE 6.5: GOVERNMENT SECURITY MARKETS

3-month treasury bills					6-month cash loan certificates					
	Date of issue	Amount (AFL million)	Average price per AFL 100	Yield per annum (%)		Date of issue	Amount (AFL million)	Average price per	Yield per annum (%)	
End of period	(1)	(2)	(3)	(4)	End of period	(1)	(2)	(3)	(4)	
1998	January	17.0	98.34	6.54	1999	June	8.0	97.63	4.86	
	February	15.0	98.32	6.80		December	8.0	96.95	6.29	
	April	17.0	98.31	6.83	2000	June	8.0	96.95	6.29	
	May	15.0	98.30	6.82		December	8.0	96.55	7.15	
	July	17.0	98.29	6.89	2001	June	8.0	96.69	6.49	
	August	15.0	98.30	6.84		December	8.0	98.95	2.10	
	October	17.0	98.31	6.78	2002	June	8.0	99.73	1.06	
	November	15.0	98.30	6.83						
	1999	January	17.0	98.41	6.46					
		February	15.0	98.38	6.49					
		April	17.0	98.56	5.79					
May		15.0	98.69	5.18						
July		17.0	98.85	4.56						
August		15.0	98.81	4.86						
October		17.0	98.88	4.44						
November		15.0	98.83	4.64						
2000		January	17.0	98.35	6.57					
		February	15.0	98.41	6.34					
		April	17.0	98.36	6.13					
	May	15.0	98.48	6.12						
	July	17.0	98.35	6.20						
	August	15.0	98.45	6.21						
	October	17.0	98.34	6.10						
	November	12.4	98.28	6.91						
	2001	January	17.0	98.28	6.93					
		February	15.0	98.29	6.77					
		April	17.0	98.39	6.54					
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						

Government bonds				
	Date of issue	Maturity in years	Amount (AFL million)	Yield per annum (%)
End of period	(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
1. Total revenue and grants	646.4	701.5	742.2	731.8	155.0	181.9	162.2	243.1	161.9	150.1	173.1	246.6	177.8
A. Tax revenue	535.4	608.6	624.5	606.3	144.0	136.1	140.5	203.9	141.7	131.9	159.3	173.3	152.4
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
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
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
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
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
B. Nontax revenue	95.3	91.5	100.8	125.5	11.0	28.9	21.7	39.2	20.2	18.2	13.8	73.3	25.4
C. Grants	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
2. Expenditure and items n.i.e.	664.2	725.5	736.0	749.8	155.6	175.4	177.8	227.2	168.0	160.6	182.9	238.2	209.5
a. 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
b. 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
c. 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
d. 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
e. Interest	29.0	33.4	30.2	35.9	3.5	7.6	8.9	10.2	6.6	9.9	10.6	8.8	7.8
f. 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
g. 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
h. Items n.i.e. 2)	91.2	126.4	110.0	188.6	15.6	22.6	33.7	38.2	40.2	22.5	52.8	73.0	66.5
3. Financial deficit (-)	-17.8	-24.1	6.2	-18.0	-0.6	6.5	-15.6	15.9	-6.1	-10.5	-9.8	8.4	-31.7
4. Net foreign capital	39.7	13.3	24.1	27.9	-0.2	-0.6	35.7	-10.8	4.2	-0.6	35.4	-11.1	0.0
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
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
5. Net domestic capital 4)	-22.7	-10.5	-16.9	14.9	-0.9	5.8	-21.3	-0.5	0.0	-11.4	-1.9	28.2	0.0
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
b. Repayments on loans	-42.6	-10.5	-50.4	-14.5	-0.9	-24.2	-24.8	-0.5	0.0	-11.4	-1.9	-1.2	0.0
6. Net recourse to the monetary system (-)	-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
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
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
-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
-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
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
7. Memorandum items													
a. Unmet financing requirements 5)	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
b. Financial deficit (-) 6)	11.0	-6.1	-31.2	-119.8	-28.1	-6.0	-38.7	41.5	-33.4	-60.3	-53.5	27.4	-42.7

1) Preliminary figures and estimates on a cash basis.

2) Residual item, including errors and omissions. In 2000 and the fourth quarter of 2000, a reclassification is made of the settlement of the AFL 36.7 million debt resulting from the separation of funds associated with the Star. Instead of the classification as a current transfer in the "items not included elsewhere", the settlement is now classified as the repayment of a debt in the item "net foreign capital".

3) Includes borrowing on behalf of public institutions.

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

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

6) Including the change in unmet financing requirements.

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
TOTAL REVENUE AND GRANTS	646.4	701.5	742.2	731.8	155.0	181.9	162.2	243.1	161.9	150.1	173.1	246.6	177.8
TAX REVENUE	535.4	608.6	624.5	606.3	144.0	136.1	140.5	203.9	141.7	131.9	159.3	173.3	152.4
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
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
-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
-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
-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
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
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
-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
-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
-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
-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
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
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
-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
-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
-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
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
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
-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
-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
-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
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
NONTAX REVENUE	95.3	91.5	100.8	125.5	11.0	28.9	21.7	39.2	20.2	18.2	13.8	73.3	25.4
GRANTS	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

Source: Tax Collector's Office, CBA.

TABLE 7.3: GOVERNMENT'S POSITION WITH THE MONETARY SYSTEM

End of period	Domestic deposits						Gross liquidity position (7= 4+5+6)	Liabilities to			Net liability to the monetary system (11= 10-7)	Change in net liability during period (12)
	Central Bank			Commercial banks				Monetary authorities (8)	Commercial banks (9)	Total (10= 8+9)		
	Free	Earmarked	Development	Total	Demand	Development						
	(1)	(2)	funds (3)	(4= 1+2+3)	funds (5)	(6)						
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

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
1. Current account (net)	-25.6	-622.8	527.9	760.8	507.8	-234.5	115.6	139.0	596.8	640.8	-726.3	249.5	22.2
A. Goods and services	-24.8	-551.4	628.0	883.8	522.0	-196.4	144.7	157.7	612.8	668.6	-667.8	270.2	58.3
1. Goods	-632.5	-1063.5	-62.7	127.7	258.5	-373.8	11.0	41.6	312.9	473.8	-744.8	85.8	-207.8
2. Services	607.7	512.1	690.7	756.1	263.5	177.4	133.7	116.1	299.9	194.8	77.0	184.4	266.1
B. Income	8.7	-52.0	-10.3	-43.3	2.3	-6.2	-0.5	-5.9	0.5	-3.2	-38.4	-2.2	-6.6
C. Current transfers	-9.5	-19.4	-89.8	-79.7	-16.5	-31.9	-28.6	-12.8	-16.5	-24.6	-20.1	-18.5	-29.5
2. Capital and financial account (net)	184.0	658.9	-561.2	-599.9	-473.9	226.6	-147.5	-166.4	-505.9	-667.7	812.4	-238.7	50.8
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
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
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
B. Financial account	174.7	658.9	-579.0	-598.4	-474.5	209.9	-148.1	-166.3	-505.4	-667.8	813.4	-238.6	51.0
1. Direct investment	147.1	715.8	-426.3	-594.9	-413.0	304.0	-149.1	-168.2	-488.4	-646.2	755.2	-215.5	82.6
2. Portfolio investment	-85.1	-86.0	-72.3	33.2	-11.7	-22.2	-44.0	5.6	20.2	-2.5	8.7	6.8	-9.4
3. Other investment	112.7	29.1	-80.4	-36.7	-49.8	-71.9	45.0	-3.7	-37.2	-19.1	49.5	-29.9	-22.2
3. Items not yet classified 2)	2.2	-16.9	-11.7	-23.7	-3.9	-6.5	-0.1	-1.2	-0.5	-2.4	-15.3	-5.5	7.2
4. Overall balance (1+2+3)	160.6	19.2	-45.0	137.2	30.0	-14.4	-32.0	-28.6	90.4	-29.3	70.8	5.3	80.2
5. Banking transactions 3)	-67.7	-14.0	16.2	11.0	-36.2	28.1	25.1	-0.8	-53.7	71.6	-31.6	24.7	-31.9
6. Increase (-) in official reserves 4)	-92.9	-5.2	28.8	-148.2	6.2	-13.7	6.9	29.4	-36.7	-42.3	-39.2	-30.0	-48.3
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	0.0
B. Foreign exchange holdings	-102.0	-5.2	28.8	-134.2	6.2	-13.7	6.9	29.4	-36.7	-42.3	-39.2	-16.0	-48.3

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
1. Goods and services	-24.8	-551.4	628.0	883.8	522.0	-196.4	144.7	157.7	612.8	668.6	-667.8	270.2	58.3
A. Goods	-632.5	-1,063.5	62.7	127.7	258.5	-373.8	11.0	41.6	312.9	473.8	-744.8	85.8	-207.8
1. Exports f.o.b.	2,085.0	2,533.6	4,618.2	4,359.0	1,041.4	937.9	1,180.1	1,458.8	1,209.6	1,614.2	715.2	820.0	721.1
2. Imports f.o.b.	2,717.5	3,597.1	4,680.9	4,231.3	782.9	1,311.7	1,169.1	1,417.2	896.7	1,140.4	1,460.0	734.2	928.9
B. Services	607.7	512.1	690.7	756.1	263.5	177.4	133.7	116.1	299.9	194.8	77.0	184.4	266.1
1. Receipts	1,596.8	1,784.8	1,881.2	1,917.4	541.2	466.8	436.5	436.7	560.1	483.6	445.8	427.9	534.4
1.1 Transportation	117.3	146.0	133.5	75.0	38.5	43.1	33.8	18.1	21.1	19.8	18.2	15.9	14.3
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
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
1.1.3 Other	34.2	46.0	69.5	73.5	19.1	19.3	14.7	16.4	20.8	19.5	17.6	15.6	11.9
1.2 Travel	1,322.0	1,424.9	1,548.4	1,636.0	457.1	374.7	356.3	360.3	494.1	408.6	378.1	355.2	472.6
1.2.1 Tourism	1,306.5	1,411.6	1,538.3	1,626.3	454.7	372.4	353.0	358.2	492.5	405.2	375.6	353.0	469.6
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
1.3 Government services, n.i.e.	26.7	31.7	30.3	24.3	5.8	11.0	5.7	7.8	7.2	5.8	6.9	4.4	1.4
1.4 Other services	130.8	182.2	169.0	182.1	39.8	38.0	40.7	50.5	37.7	49.4	42.6	52.4	46.1
1.4.1 Construction services	15.0	18.5	2.2	13.1	0.2	0.0	0.3	1.7	1.9	7.5	3.1	0.6	2.2
1.4.2 Other business services	69.3	79.5	112.1	128.7	28.9	24.6	23.7	34.9	26.0	30.6	29.3	42.8	27.7
1.4.3 Other services, n.i.e.	46.5	84.2	54.7	40.3	10.7	13.4	16.7	13.9	9.8	11.3	10.2	9.0	16.2
2. Payments	989.1	1,272.7	1,190.5	1,161.3	277.7	289.4	302.8	320.6	260.2	288.8	368.8	243.5	268.3
2.1 Transportation	294.2	375.8	484.9	466.8	79.5	130.7	127.7	147.0	99.2	125.0	160.1	82.5	97.8
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
2.1.2 Freight	273.3	349.1	455.7	429.4	73.1	124.2	118.0	140.4	92.0	116.0	146.8	74.6	93.1
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
2.2 Travel	241.2	265.1	281.3	285.8	65.2	66.2	75.2	74.7	62.1	69.9	91.4	62.4	66.7
2.2.1 Tourism	198.1	217.8	238.2	240.4	56.1	57.4	62.1	62.6	52.5	59.2	79.4	49.3	54.2
2.2.2 Other	43.1	47.3	43.1	45.4	9.1	8.8	13.1	12.1	9.6	10.7	12.0	13.1	12.5
2.3 Government services, n.i.e.	44.7	50.3	42.0	42.4	11.6	10.2	12.1	8.1	8.4	9.5	7.0	17.5	16.9
2.4 Other services	409.0	581.5	382.3	366.3	121.4	82.3	87.8	90.8	90.5	84.4	110.3	81.1	86.9
2.4.1 Construction services	80.7	196.6	35.7	16.0	17.3	8.2	5.9	4.3	2.5	5.5	4.3	3.7	5.2
2.4.2 Other business services	151.7	188.7	201.3	219.4	57.4	49.5	50.1	44.3	49.0	44.4	78.0	48.0	49.1
2.4.3 Other services, n.i.e.	176.6	196.2	145.3	130.9	46.7	24.6	31.8	42.2	39.0	34.5	28.0	29.4	32.6
2. Income	8.7	-52.0	-10.3	-43.3	2.3	-6.2	-0.5	-5.9	0.5	-3.2	-38.4	-2.2	-6.6
1. Receipts	80.5	72.9	93.1	85.7	19.0	23.4	26.3	24.4	17.5	19.4	15.6	33.2	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
1.2 Investment income	79.8	71.6	92.9	84.7	18.9	23.4	26.2	24.4	17.5	19.4	15.2	32.6	14.0
2. Payments	71.8	124.9	103.4	129.0	16.7	29.6	26.8	30.3	17.0	22.6	54.0	35.4	20.9
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
2.2 Investment income	71.2	123.8	102.8	128.5	16.6	29.5	26.6	30.1	16.9	22.5	53.8	35.3	20.7
3. Current transfers	-9.5	-19.4	-89.8	-79.7	-16.5	-31.9	-28.6	-12.8	-16.5	-24.6	-20.1	-18.5	-29.5
1. Receipts	52.4	63.7	55.0	67.0	10.8	12.8	15.2	16.2	9.6	12.3	22.8	22.3	13.6
1.1 General government	22.1	26.5	25.5	32.6	5.4	6.0	6.2	7.9	2.6	4.4	12.7	12.9	5.9
1.2 Other sectors	30.3	37.2	29.5	34.4	5.4	6.8	9.0	8.3	7.0	7.9	10.1	9.4	7.7
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
1.2.2 Other transfers	28.1	30.5	27.2	32.2	4.8	6.0	8.6	7.8	6.3	7.6	9.8	8.5	7.0
2. Payments	61.9	83.1	144.8	146.7	27.3	44.7	43.8	29.0	26.1	36.9	42.9	40.8	43.1
2.1 General government	21.9	28.0	25.1	22.6	7.2	2.9	6.5	8.5	4.7	5.8	4.0	8.1	5.6
2.2 Other sectors	40.0	55.1	119.7	124.1	20.1	41.8	37.3	20.5	21.4	31.1	38.9	32.7	37.5
2.2.1 Workers' remittances	20.2	33.9	55.8	66.8	13.6	14.9	15.7	11.6	14.9	15.3	21.9	14.7	14.9
2.2.2 Other transfers	19.8	21.2	63.9	57.3	6.5	26.9	21.6	8.9	6.5	15.8	17.0	18.0	22.6
4. Current account balance (1+2+3)	-25.6	-622.8	527.9	760.8	507.8	-234.5	115.6	139.0	596.8	640.8	-726.3	249.5	22.2

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
1. Nonbanks	184.0	658.9	-561.2	-599.9	-473.9	226.6	-147.5	-166.4	-505.9	-667.7	812.4	-238.7	50.8
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
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
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
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
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
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
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
B. Financial account	174.7	658.9	-579.0	-598.4	-474.5	209.9	-148.1	-166.3	-505.4	-667.8	813.4	-238.6	51.0
1. Direct investment	147.1	715.8	-426.3	-594.9	-413.0	304.0	-149.1	-168.2	-488.4	-646.2	755.2	-215.5	82.6
1.1 Investment abroad	-2.5	15.0	-21.6	-21.2	-1.6	-4.8	-5.4	-9.8	0.6	0.3	-23.5	1.4	-5.4
1.2 Investment in Aruba	149.6	700.8	-404.7	-573.7	-411.4	308.8	-143.7	-158.4	-489.0	-646.5	778.7	-216.9	88.0
2. Portfolio investment	-85.1	-86.0	-72.3	33.2	-11.7	-22.2	-44.0	5.6	20.2	-2.5	8.7	6.8	-9.4
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
2.2 Foreign securities	-79.0	-117.2	-77.1	38.7	-11.6	-22.3	-48.7	5.5	20.6	-2.3	15.2	5.2	-1.7
3. Other investment	112.7	29.1	-80.4	-36.7	-49.8	-71.9	45.0	-3.7	-37.2	-19.1	49.5	-29.9	-22.2
3.1. Loans	38.3	52.2	-16.4	-25.8	-17.5	-22.0	18.0	5.1	-18.4	-21.7	30.7	-16.4	-4.1
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
3.1.2 Other sectors	-1.4	38.8	-77.2	-48.0	-17.3	-21.4	-17.7	-20.8	-16.6	-21.1	-6.7	-3.6	-4.1
3.2. Other financial transactions	74.4	-23.1	-64.0	-10.9	-32.3	-49.9	27.0	-8.8	-18.8	2.6	18.8	-13.5	-18.1
2. Banking transactions 2)	-67.7	-14.0	16.2	11.0	-36.2	28.1	25.1	-0.8	-53.7	71.6	-31.6	24.7	-31.9
A. Assets	-20.5	-14.7	-31.5	-2.9	-43.7	24.9	1.8	-14.5	-25.4	35.6	13.0	-26.1	45.0
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. Loans	-1.7	-12.5	-29.5	15.9	-7.9	-6.3	-3.4	-11.9	2.9	1.0	2.5	9.5	29.3
3. Other assets	-16.6	6.7	-0.1	-45.3	-35.6	31.0	7.2	-2.7	-28.2	34.5	8.2	-59.8	26.3
B. Liabilities	-47.2	0.7	47.7	13.9	7.5	3.2	23.3	13.7	-28.3	36.0	-44.6	50.8	-76.9
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
2. Other liabilities	-47.2	0.7	47.7	19.3	7.5	3.2	23.3	13.7	-28.3	39.6	-42.8	50.8	-76.9
3. (Total banks and nonbanks, net (1+2))	116.3	644.9	-545.0	-588.9	-510.1	254.7	-122.4	-167.2	-559.6	-596.1	780.8	-214.0	18.9

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	1999-I				2000-I				2001-I				2002-I			
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
1. Current account (net)	92.0	12.3	77.8	182.1	421.7	11.1	75.0	507.8	468.3	2.6	125.9	596.8	-68.4	-4.9	95.5	22.2
A. Goods and services	102.7	13.3	62.9	178.9	433.6	11.5	76.9	522.0	477.9	3.0	131.9	612.8	-61.1	-4.5	123.9	58.3
1. Goods	164.3	22.5	-232.3	-45.5	499.1	14.8	-255.4	258.5	543.6	6.2	-236.9	312.9	26.6	-1.4	-233.0	-207.8
1.1 Exports f.o.b.	440.3	116.6	10.1	567.0	979.0	50.6	11.8	1041.4	1162.3	38.3	9.0	1209.6	684.1	29.6	7.4	721.1
1.2 Imports f.o.b.	276.0	94.1	242.4	612.5	479.9	35.8	267.2	782.9	618.7	32.1	245.9	896.7	657.5	31.0	240.4	928.9
2. Services	-61.6	-9.2	295.2	224.4	-65.5	-3.3	332.3	263.5	-65.7	-3.2	368.8	299.9	-87.7	-3.1	356.9	266.1
2.1 Receipts	0.0	0.1	487.9	488.0	0.0	0.0	541.2	541.2	0.0	0.0	560.1	560.1	0.0	0.0	534.4	534.4
2.2 Payments	61.6	9.3	192.7	263.6	65.5	3.3	208.9	277.7	65.7	3.2	191.3	260.2	87.7	3.1	177.5	268.3
B. Income	0.0	0.0	7.5	7.5	0.0	0.0	2.3	2.3	0.0	0.0	0.5	0.5	0.0	0.0	-6.6	-6.6
1. Receipts	0.0	0.0	21.4	21.4	0.0	0.0	19.0	19.0	0.0	0.0	17.5	17.5	0.0	0.0	14.3	14.3
2. Payments	0.0	0.0	13.9	13.9	0.0	0.0	16.7	16.7	0.0	0.0	17.0	17.0	0.0	0.0	20.9	20.9
C. Current transfers	-10.7	-1.0	7.4	-4.3	-11.9	-0.4	-4.2	-16.5	-9.6	-0.4	-6.5	-16.5	-7.3	-0.4	-21.8	-29.5
1. Receipts	0.0	0.0	14.7	14.7	0.0	0.0	10.8	10.8	0.0	0.0	9.6	9.6	0.0	0.0	13.6	13.6
2. Payments	10.7	1.0	7.3	19.0	11.9	0.4	15.0	27.3	9.6	0.4	16.1	26.1	7.3	0.4	35.4	43.1
2. Capital and financial account (net)	-80.6	0.0	1.8	-78.8	-424.7	0.0	-49.2	-473.9	-470.3	0.0	-38.7	-509.0	84.2	0.0	-33.4	50.8
A. Capital account	0.0	0.0	-0.1	-0.1	0.0	0.0	0.6	0.6	0.0	0.0	-0.5	-0.5	0.0	0.0	-0.2	-0.2
1. Capital transfers	0.0	0.0	-0.1	-0.1	0.0	0.0	0.6	0.6	0.0	0.0	-0.5	-0.5	0.0	0.0	-0.2	-0.2
2. Acquisition/disposal of non-produced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial account	-80.6	0.0	1.9	-78.7	-424.7	0.0	-49.8	-474.5	-470.3	0.0	-38.2	-508.5	84.2	0.0	-33.2	51.0
1. Direct investment	-80.5	0.0	16.0	-64.5	-424.5	0.0	11.5	-413.0	-470.3	0.0	-13.9	-484.2	84.2	0.0	-1.6	82.6
2. Portfolio investment	-0.1	0.0	-7.3	-7.4	-0.2	0.0	-11.5	-11.7	0.0	0.0	20.0	20.0	0.0	0.0	-9.4	-9.4
3. Other investment	0.0	0.0	-6.8	-6.8	0.0	0.0	-49.8	-49.8	0.0	0.0	-44.3	-44.3	0.0	0.0	-22.2	-22.2
3. Items not yet classified 2)	0.0	0.0	-9.4	-9.4	0.0	0.0	-3.9	-3.9	0.0	0.0	2.6	2.6	0.0	0.0	7.2	7.2
4. Overall balance (1+2+3)	11.4	12.3	70.2	93.9	-3.0	11.1	21.9	30.0	-2.0	2.6	89.8	90.4	15.8	-4.9	69.3	80.2
5. Banking transactions 3)	-11.4	-12.3	4.8	-18.9	2.9	-11.1	-28.0	-36.2	2.0	-2.6	-53.1	-53.7	-15.8	4.9	-21.0	-31.9
6. Increase (-) in official reserves 4)	0.0	0.0	-75.0	-75.0	0.1	0.0	6.1	6.2	0.0	0.0	-36.7	-36.7	0.0	0.0	-48.3	-48.3
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
B. Foreign exchange holdings	0.0	0.0	-75.0	-75.0	0.0	0.0	6.2	6.2	0.0	0.0	-36.7	-36.7	0.0	0.0	-48.3	-48.3

1) On a cash basis.

2) Including errors and omissions.

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

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

TABLE 8.5: BREAKDOWN OF MERCHANDISE TRADE

During period	1998	1999	2000	2001	2000				2001				2002
					I	II	III	IV	I	II	III	IV	I
1. Exports f.o.b.	2,085.0	2,533.6	4,618.2	4,366.3	1,041.4	937.9	1,180.1	1,458.8	1,216.9	1,614.2	715.2	820.0	721.1
A. General merchandise	1,954.2	2,361.6	4,350.3	4,210.5	980.1	877.6	1,091.4	1,401.2	1,177.1	1,569.5	679.4	784.5	688.1
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
2. Free-zone	516.4	303.8	139.4	149.2	50.6	24.6	29.6	34.6	45.6	26.3	36.0	41.3	29.6
3. Other sectors	30.2	39.6	33.2	36.5	10.2	6.0	8.5	8.5	7.9	8.9	9.1	10.6	7.4
B. Goods procured in ports by carriers	130.2	171.7	267.0	155.8	61.3	60.3	88.7	56.7	39.8	44.7	35.8	35.5	33.0
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
2. Imports f.o.b.	2,717.5	3,597.1	4,680.9	4,228.6	782.9	1,311.7	1,169.1	1,417.2	894.0	1,140.4	1,460.0	734.2	928.9
A. General merchandise	1,711.5	1,533.0	1,404.2	1,589.3	378.0	341.0	360.3	324.9	310.2	310.1	578.9	390.1	424.3
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
2. Free-zone	473.7	253.9	128.9	125.6	35.8	24.1	33.0	36.0	32.8	30.2	28.0	34.6	31.2
3. Other sectors	888.2	952.1	1,005.1	974.2	260.1	240.4	250.6	254.0	242.5	242.4	244.0	245.3	240.3
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
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
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
3. Merchandise trade (1-2)	-632.5	-1,063.5	-62.7	137.7	258.5	-373.8	11.0	41.6	322.9	473.8	-744.8	85.8	-207.8

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

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

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.

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.,

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

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

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

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

Total revenue and grants

Total revenue and grants comprise receipts compiled by the Tax Collector's Office, the Department of Finance and the Bank. Tax and nontax revenue are classified according to the nature of the base on which the tax is levied or the kind of action which creates the liability. Grants are unrequited, nonrepayable, non-compulsary government receipts from other governments or international institutions.

Expenditure and items n.i.e.

The expenditure of the government on a cash basis is derived as a residual of total registered revenue (including grants) and net financing. The Department of Finance provides information on the nature of the expenditure. Items n.i.e. (not included elsewhere) is a residual, and thus includes errors and omissions. Net financing comprises net foreign capital, nonbank domestic capital, and the net recourse to the monetary system of the government.

Table 7.2 Government revenue

This table provides a detailed overview of the

total government revenue, subdivided into taxes, nontax revenue and grants.

Table 7.3 Government position with the monetary system

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

Table 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