

**QUARTERLY BULLETIN**

**2000 - II**

**September 18, 2000**  
**Issue no. 56**

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ISSN: 0920-9905

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## **I. Developments in the second quarter of 2000**

### **1.1 Introduction**

Economic activities expanded further during the period under review. Both stay-over and cruise tourism performed notably well. There was again a surge in the number of visitors from the United States, where the economy is enjoying the longest recorded expansion ever. Higher tourism spending supported the private sector's confidence and induced additional consumption and investments.

On the other hand, the increase in the consumer price index accelerated rather sharply. This trend was due mainly to higher water, electricity and gasoline prices, originating from supply shortages in the world oil market. Furthermore, commercial banks' credit surged, causing an acceleration in domestic money creation and an increase in imports of goods and services.

Despite more money inflows from tourism and Dutch development cooperation, and a net sale of foreign exchange by the oil sector to commercial banks, the balance of payments recorded an overall deficit. Partly due to a larger capital outflow, the net foreign assets position of the monetary sector weakened. At the end of June, these assets were an ample 6 percent smaller than a year earlier, also because public finances were again in deficit.

To address the indicated adverse developments and to maintain monetary stability, the Bank, after consulting with the Aruban Bankers' Association, recently decided to tighten its monetary policy. If, at the end of September, macroeconomic conditions do not clearly improve and actual credit growth exceeds the 8 percent normative guideline, a penalty fee may be imposed on those banks that cause the excess lending.

Vigilance is also required, because the government was continuously confronted with a tight financial position, partly due to increased salary related payments, and incidental outlays. Although not all statistical information was yet available, liquidity constraints were clearly visible. In response, short-term loans from commercial banks were attracted, and certain payments to suppliers of goods and services postponed. Therefore, as repeatedly advised by the Bank, the government should without further delay take more effective actions to redress its vulnerable finances.

The present economic hausse provides ample opportunities to eliminate the financial deficit (including payment arrears). At least a balanced budget should be realized, while additional means should be directed towards investments. To reach this goal, more comprehensive structural adjustments should be implemented to, inter alia, contain consumptive spending and avoid financial setbacks. In this respect, it is encouraging that recently procedures for early retirement of civil servants were put into effect, while other switches in policy are being contemplated.

## 1.2 The real sector

During the second quarter of 2000, the number of stay-over visitors increased by a notable 9 percent to 175,941, as against 3 percent in the corresponding period of 1999 (see table A). Growth in visitor nights accelerated from 2 percent to 5 percent. Even so, the average hotel occupancy rate shrank by 1.6 percentage points to 71.8 percent, due partly to the reopening of the Radisson Hotel.

**Table A: Indicators of tourism activity**

	1998	1999	1999		2000	
			I	II	I	II
1. a. Tourism receipts (x AFL million) 1)	1,306.5	1,398.9	401.8	318.0	439.2	351.3
b. Tourism expenditure (x AFL million) 2)	1,112.4	1,184.3	315.8	253.4	354.1	327.1
2. Stay-over visitors (x 1,000)	647.4	683.3	164.4	161.8	179.2	175.9
3. Market shares (in percentage)						
a. United States	58.2	61.8	64.8	66.7	68.5	66.7
b. Venezuela	15.3	15.2	11.7	12.1	9.9	13.6
c. Netherlands	4.8	4.7	4.1	4.5	4.2	4.1
d. Colombia	4.7	4.3	3.9	3.9	3.5	5.1
e. Other countries	17.0	14.0	15.5	12.8	13.9	10.5
4. Visitor nights (x 1,000)	4,889.7	5,143.3	1,316.2	1,139.8	1,380.9	1,199.7
5. Average nights stayed	7.6	7.5	8.0	7.0	7.7	6.8
6. a. Receipts per visitor night (AFL)	267	272	305	279	318	293
b. Average daily expenditure 3)	189	197	205	189	207	209
7. Average hotel occupancy rate	77.6	77.0	78.7	73.4	81.6	71.8
8. Average daily rate hotels (AFL) 4)	208	217	274	192	291	207
9. Revenue per available room (AFL) 4)	127	124	162	107	176	110
10. Room tax receipts (x AFL million) 5)	17.2	18.6	6.8	3.8	7.0	4.3
11. Cruise visitors (x 1,000)	257.8	289.1	133.5	28.0	208.8	85.5
12. Number of cruise ships	255	230	106	26	150	50
13. Contribution to current account 6)	74	71	72	71	77	72

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

2) Travel-related expenditure by stay-over visitors, before (e.g., pre-paid packages), during, and immediately after a trip as estimated by the CBS via a special survey. Figures for the first and second quarter 2000 are preliminary.

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

4) Including time-share.

5) Excluding tax receipts related to previous periods.

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

Source: CBA, CBS, Aruba Ports Authority N.V., Department of Tax.

Preliminary data from the Central Bureau of Statistics indicate that tourism expenditure increased by a notable 29 percent, the average daily rate of the hotels by 8 percent to AFL 207, and revenue per available room by 3 percent to AFL 110. Also, room tax receipts grew by 13 percent to AFL 4 million. Growth in tourism receipts, as registered in the balance-of-payments' statistics, expanded to 10 percent in the period under review, up from 5 percent in the second quarter of 1999. As a result, the share of tourism in total current account receipts (excluding oil and free-zone sectors) increased by 1 percentage point to 72 percent.

For the fifth consecutive quarter, the U.S. market was the driving force behind tourism growth, because of the continuous economic expansion in that country, increased airlift capacity, as well as effective promotional activities. The number of U.S. visitors increased by 9 percent, following a 12 percent surge in the second quarter of 1999. Its market share remained at 66.7 percent.

The Venezuelan market, i.e., the second most important market, rebounded by 23 percent to 23,998 (second quarter of 1999: 15 percent decrease), reflecting this year's late Easter. Consequently, its market share expanded by 1.5 percentage points to 13.6 percent. In contrast, the Dutch market shrank by 1 percent and its market share by 0.4 percentage point to 4.1 percent, partly related to the UEFA Soccer Tournament held in June 2000.

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

	1998	1999	1999		2000	
			I	II	I	II
<i>(Period average)</i>						
Total index (10,000 1)	1.9	2.3	1.4	1.9	4.8	4.4
a. Food (1,625)	2.0	2.1	2.1	2.3	1.9	1.6
b. Beverage & tobacco (254)	1.5	1.3	1.0	0.8	2.1	1.8
c. Clothing & footwear (1,134)	6.3	5.5	6.8	6.5	5.1	4.9
d. Housing (1,786)	0.8	2.0	-1.7	-0.4	10.0	10.2
e. Housekeeping & furnishing (1,039)	2.6	3.1	2.6	2.8	4.2	3.9
f. Health (307)	0.5	0.3	0.5	0.1	0.5	0.5
g. Transport & communication (2,072)	-0.1	0.6	-0.7	0.5	4.6	3.1
h. Recreation & education (808)	2.1	2.7	2.0	2.4	4.5	4.1
i. Other (975)	1.5	1.7	1.3	1.3	3.0	3.1
<i>(Twelve-month average)</i>						
Aruba	1.9	2.3	1.8	1.7	2.9	3.5
United States	1.6	2.2	1.6	1.7	2.6	2.9
Curaçao	1.1	0.4	0.8	0.4	2.0	3.7
The Netherlands	2.0	2.2	2.0	2.0	2.2	2.2
Real exchange rate index (1995=100) 2)	101.2	101.2	101.2	101.1	101.4	101.7

1) Weights.

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

Source: CBA, CBS, IMF, CBS Netherlands, CBS Netherlands Antilles.

Cruise tourism continued to experience buoyant developments, as already observed in the previous three quarters. The number of ship calls almost doubled to 50 compared to the corresponding period of 1999, while passenger arrivals more than tripled to 85,535.

Domestic price developments continued to be worrisome. Measured on the basis of the quarterly average of the consumer price index, the inflation rate accelerated notably, i.e., by 2.5 percentage points to 4.4 percent in the second quarter of 2000 (see table B). This acceleration is primarily related to water, electricity and gasoline prices, stemming from substantial increases in international oil quotations. The rise in utility prices was mainly reflected in the housing index, which surged by an exceptional 10 percent. The annual inflation rate reached 3.5 percent, 1.8 percentage points higher than the corresponding period of 1999.

The inflation differential with Aruba's major trading partner, the United States, widened to 0.6 percentage point, implying somewhat stronger price pressures in the domestic economy. The real exchange rate index of the Aruban florin vis-à-vis the U.S. dollar increased accordingly to 101.7. The inflation differential with the Netherlands increased even more, i.e., by 1.6 percentage points to 1.3 percentage points, while that with the Netherlands Antilles narrowed to a mere 0.2 percentage point as the turnover tax in that country was raised as of October 1999.

### **1.3 Money and credit**

In the second quarter of 2000, money supply grew by AFL 9 million or 1 percent to AFL 1.8 billion compared to the preceding quarter (see table C and statistical annex table 2.1). Narrowly-defined money (i.e., currency in circulation and demand deposits) surged by AFL 39 million or 7 percent, due largely to an increase in demand deposits denominated in Aruban florin. In contrast, quasi-money—comprising time and savings deposits and treasury bills held by the public—declined by 30 million or 3 percent, reflecting mainly a decrease in short-term time deposits denominated in Aruban florin.

The money supply growth was caused by an AFL 24 million domestic money creation. On the other hand, there was an AFL 15 million net outflow of funds to abroad, despite an AFL 17 million deposit of the Dutch Government in the “Fondo Desaroyo Aruba” last June. As a result, net foreign assets (excluding revaluation differences of gold and official foreign exchange holdings) shrank by 2 percent to AFL 589 million at the end of June 2000, i.e., 7 percent smaller than a year earlier. Net foreign asset of the commercial banks contracted by AFL 28 million, while the Bank's official reserves rose by AFL 13 million. Consequently, the share of total reserves in money supply fell by almost 6 percentage points to 33 percent.

The domestic money creation was largely brought about by an AFL 46 million or 3 percent rise in claims on the private sector. Housing mortgages, loans to enterprises, and consumer credit went up by AFL 19 million (5 percent), AFL 16 million (2 percent) and AFL 11 million (3 percent), respectively. On the other hand, the financial transactions of the government with the banking system contributed for

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

	1998	1999	1999		2000	
			I	II	I	II
1. Net domestic money creation	18.5	142.3	-13.8	30.3	36.6	23.9
a. Net domestic credit	68.2	150.9	-11.4	28.2	63.4	34.6
-Public sector	0.8	21.3	-15.8	10.4	1.7	-11.7
-Private sector	67.4	129.7	4.4	17.8	61.7	46.4
b. Other domestic factors	-49.7	-8.7	-2.4	2.1	-26.8	-10.7
2. Inflow of foreign funds 1)	159.5	18.1	95.3	-17.6	32.2	-15.0
a. Current account transactions	-33.6	-596.4	204.6	-400.0	506.6	-259.9
b. Net capital inflow 2)	193.1	614.5	-109.3	382.4	-474.4	244.9
3. Broad money creation	178.0	160.4	81.5	12.8	68.8	9.0
a. Money	73.9	43.5	16.9	6.7	0.6	38.7
b. Quasi-money	104.2	116.9	64.6	6.1	68.2	-29.7
<i>(12-month percentage change)</i>	<i>(13.1)</i>	<i>(10.4)</i>	<i>(16.2)</i>	<i>(13.0)</i>	<i>(9.1)</i>	<i>(8.8)</i>

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

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

Source: CBA.

AFL 12 million negatively to the monetary expansion; the inflow of the Dutch government contribution mentioned earlier more than compensated for the effect of AFL 9 million net short-term government borrowings from the commercial banks.

During the first six months of 2000, money supply grew by 5 percent, as against a 6 percent rise in the corresponding period of 1999. Net inflow of foreign funds amounted to a modest AFL 17 million, compared to AFL 78 million during the first half of 1999. Net domestic money creation was AFL 61 million, largely related to an AFL 108 million (8 percent) surge in claims on the private sector. The latter reflected increases in loans to enterprises, housing mortgages, and consumer credit of 9 percent, 8 percent, and 5 percent, respectively. The financial transactions of the government with the banking system contributed with AFL 10 million negatively to the increase in money supply. It should be noted that recent available data show that overall credit growth has already slightly exceeded the 8 percent-guideline determined by the Bank for the year 2000. The Bank may impose a penalty on those banks causing the excess lending, if this trend is not reversed by the end of September (see Notice 2.5).

In the quarter under review, the interest rates on time deposits declined by 0.5 percentage point to about 6 percent compared to the first quarter of 2000, while that on savings remained unaltered at 4 percent. Interest charges on housing and commercial mortgages fluctuated around 11 percent, whereas the annual interest rate on consumer credit was about 17 percent. The interest rate margin, i.e., the difference between the weighted average rate on deposits and that on loans, widened by one percentage point to 6.5 percentage points (see statistical annex table 6.1).

## 1.4 Nonmonetary financial institutions

Compared to the end of March 2000, the aggregated assets of the nonmonetary financial institutions grew by AFL 30 million or 2 percent to AFL 1.6 billion at the end of June (see table D and statistical annex table 5.1). This growth resulted from increases in net foreign assets and gross domestic claims of AFL 16 million (4 percent) and AFL 15 million (1 percent), respectively. On the liabilities side, pension fund provisions went up by AFL 28 million (2 percent), borrowings and deposits by AFL 6 million (9 percent), and the insurance reserve fund by AFL 4 million (2 percent), while miscellaneous items decreased by AFL 8 million (14 percent).

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

	1998	1999	1999		2000	
			I	II	I	II
1. Net foreign assets	292.6	305.0	308.0	305.3	397.5	413.0
2. Domestic assets	1,131.3	1,266.3	1,199.0	1,197.4	1,217.7	1,232.5
a. Government	592.5	665.6	618.5	616.5	662.7	674.4
b. Private sector	538.9	600.8	580.4	580.9	555.0	558.2
3. Total assets=total liabilities	1,424.0	1,571.4	1,507.0	1,502.8	1,615.2	1,645.5
4. Borrowings and deposits	55.4	50.9	54.2	54.0	63.2	69.0
a. Government	40.5	36.5	39.5	39.6	36.6	41.6
b. Other residents	14.9	14.5	14.7	14.4	26.6	27.3
5. Pension fund provisions	1,153.3	1,234.3	1,204.4	1,196.0	1,287.2	1,315.4
6. Insurance reserve fund	183.6	209.2	194.1	198.9	205.2	209.6
7. Other items, net	31.8	76.9	54.3	53.9	59.6	51.5

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

Source: CBA.

During the period under review, housing mortgages of the nonmonetary financial institutions grew by a mere AFL 3 million or 1 percent to AFL 402 million, compared to an AFL 19 million (5 percent) growth in the commercial banking sector. As a result, the market share of the latter increased by one percentage point to 49 percent, while that of the mortgage banks (including FCCA) shrank accordingly to 35 percent. Lending by the life insurance companies rose by AFL 4 million or 6 percent, resulting in a one percentage point increase in its market share to 9 percent. That of the pension funds stabilized at 8 percent.

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

	1998	1999	1999		2000	
			I	II	I	II
1. Total	669.5	748.3	683.4	698.1	758.8	781.1
2. Commercial banks	300.8	350.4	305.7	319.0	360.5	379.4
3. Mortgage banks	268.9	276.6	273.0	274.8	273.5	273.6
4. Pension funds	50.3	59.2	53.3	51.4	59.8	58.9
5. Life insurance companies	49.0	61.1	50.5	51.9	63.6	67.6
6. Other	0.6	1.0	0.8	1.0	1.3	1.6

Source: CBA.

### 1.5 Government finance

Compared to the second quarter of 1999, government revenue rose by AFL 17 million or 10 percent to AFL 181 million in the quarter under review (see statistical annex table 7.1). The main factor causing this growth was the deposit of the Dutch government in favor of the “Fondo Desaroyo Aruba” mentioned earlier. These funds were held temporarily with the banking system. Tax revenue rose by AFL 6 million or 5 percent to AFL 136 million, reflecting mainly higher receipts from taxes on income, commodities, and foreign exchange transactions. This increase was undone by a decline in nontax revenue to AFL 28 million (see statistical annex table 7.2).

Estimated government spending on a cash basis increased by a mere AFL 1 million to AFL 175 million. Provisional data supplied by the Department of Finance indicate a notable increase in salary-related outlays of AFL 9 million or 10 percent. These outlays comprise about 59 percent of total expenditure. This increase was largely compensated by a decline in payments for goods and other services. Expenditure out of development funds were again not initiated, partly because of the organisational problems related to the shifting from project to program financial cooperation with the Dutch government.

Consequently, the AFL 9 million financial deficit recorded in the second quarter of 1999 turned into an AFL 7 million surplus in the period under review. However, when taking account of the change in registered unmet financing requirements (mainly comprising payment arrears vis-à-vis the government pension fund), an AFL 15 million financial deficit is obtained. For the first two quarters of the year combined, this deficit is estimated to amount to a notable AFL 51 million, compared to AFL 38 million in the corresponding period of 1999 (see table F).

In April 2000, the government issued AFL 30 million in bonds to repay maturing paper (see statistical annex table 6.5). In addition, net repayments on foreign loans amounted to AFL 1 million, while AFL 10 million short-term loans were obtained from the commercial banks. Government’s bank deposits grew by AFL 21 million to AFL 83

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

	1998	1999	1999		2000	
			I	II	I	II
1. Total revenue and grants	646.4	712.9	153.0	164.4	157.7	181.0
a. Tax revenue	535.4	608.6	138.7	129.7	144.0	136.1
b. Nontax revenue	95.3	102.9	14.2	34.4	13.6	28.1
c. Grants	15.7	1.4	0.0	0.3	0.0	16.9
2. Expenditure and items n.i.e.	664.2	736.9	158.8	173.3	158.3	174.5
3. Financial deficit (-)	-17.8	-24.1	-5.8	-8.9	-0.6	6.5
4. Net foreign capital	39.7	13.3	26.7	-1.0	-0.2	-0.6
5. Net domestic capital 2)	-22.7	-10.5	-5.1	-0.5	-0.9	5.8
6. Net recourse to the monetary system (-)	-0.8	-21.3	15.8	-10.4	-1.7	11.7
-----						
7. Memorandum items						
a. Unmet financing requirements 3)	138.6	158.2	151.4	162.2	193.8	214.8
b. Financial deficit (-) 4)	-55.6	-43.7	-18.6	-19.7	-36.1	-14.5

1) Preliminary figures and estimates on a cash basis.

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

3) 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 only includes bills with due dates longer than 90 days.

4) Including the change in registered unmet financing requirements.

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

million, mainly on account of the aforementioned receipt of the Dutch grant. AFL 36 million of these deposits was earmarked to meet possible future claims and to finance certain projects. The government's gross liabilities to the monetary system rose by AFL 9 million to AFL 85 million (see statistical annex table 7.3).

At the end of June 2000, outstanding public debt (excluding guarantees) reached AFL 1.2 billion, i.e., AFL 46 million more than a year earlier (see table G). This rise resulted from an AFL 76 million surge in nonnegotiable domestic debt, reflecting increases in payment arrears to the APFA, short-term borrowings from commercial banks and suppliers' credit. In contrast, outstanding foreign debt shrank by AFL 31 million to AFL 319 million, due largely to the appreciation of the Aruban florin vis-à-vis the Dutch guilder. This declining trend will be reversed, as an US\$ 40 million foreign commercial loan has been attracted in September.

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

	1998	1999	1999		2000	
			I	II	I	II
1. Total debt 1)	1,087.6	1,109.0	1,105.6	1,119.4	1,131.7	1,165.0
2. Domestic debt	733.8	778.4	745.9	769.9	811.9	846.0
a. Negotiable	186.8	189.2	181.2	189.2	189.2	189.2
- Treasury bills	32.0	32.0	32.0	32.0	32.0	32.0
- Cash certificates	0.0	8.0	0.0	8.0	8.0	8.0
- Government bonds	154.8	149.2	149.2	149.2	149.2	149.2
b. Nonnegotiable	547.0	589.2	564.7	580.7	622.7	656.8
- Short-term 2)	138.6	158.2	151.4	162.2	193.8	224.8
- Long-term	408.3	431.1	413.3	418.5	428.9	432.0
3. Foreign debt 3)	353.8	330.6	359.6	349.5	319.7	318.9

- 1) Preliminary revised figures and estimates. Excluding guarantees (amounting to about AFL 278 million at the end of 1999) and debt resulting from the separation of funds between Aruba and the Netherlands Antilles (i.e., AFL 32 million).
- 2) Including suppliers' credit and short-term debt to APFA. Excluding overdue deposits to earmarked accounts at CBA.
- 3) At end-period exchange rates.

Source: Department of Finance.

## 1.6 Balance of payments

In the second quarter of 2000, the balance of payments recorded an AFL 15 million overall deficit (see table H and statistical annex 8.1). This outcome led to a 2 percent decrease in net foreign assets of the banking system (including revaluation differences of gold and official foreign exchange holdings) to AFL 612 million at the end of June. Compared to a year earlier, these assets were AFL 42 million or 6 percent lower. Even so, due to the crumbling of the free-zone's import payments, the end-of-period non-oil merchandise import coverage ratio increased from 5.7 months in March to 6.2 months in June. The twelve-month moving average remained at 5.9 months.

The current account deficit shrank by a marked AFL 140 million to AFL 260 million, mainly caused by a decline in the trade account deficit of the oil sector. Export receipts from refined oil products and goods procured in ports expanded by a notable 70 percent, due to increases in bunker fuel sales to cargo and cruise ship operators, as well as in the market prices of these products. Import payments for crude oil and other goods (including related transportation and insurance costs) rose considerably less, i.e., by 27 percent. On the other hand, the financial account registered an AFL 287 million surplus, reflecting an increase in intercompany liabilities. Consequently, the oil sector's transactions led to an AFL 23 million net inflow of funds, i.e., AFL 15 million higher than in the corresponding period of 1999.

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

	1998	1999	1999		2000	
			I	II	I	II
1. Current account (net)	-33.6	-596.4	204.6	-400.0	506.6	-259.9
a. Oil sector	-9.9	-619.4	92.0	-404.0	426.5	-264.5
b. Free zone	-9.1	49.0	12.3	-9.4	9.5	-2.7
c. Rest of economy	-14.6	-26.0	100.3	13.4	70.6	7.3
- Private sector	65.1	46.1	118.7	36.1	87.8	20.6
- Public sector	-79.7	-72.1	-18.4	-22.7	-17.2	-13.3
2. Capital and financial account (net)	192.0	623.1	-104.0	382.1	-478.2	237.8
a. Oil sector	107.4	660.4	-80.6	412.2	-429.4	287.4
b. Free zone	21.9	0.0	0.0	7.2	0.0	0.0
c. Rest of economy	62.7	-37.3	-23.4	-37.3	-48.8	-49.6
- Private sector	7.3	-52.1	-50.2	-25.6	-48.6	-66.0
- Public sector	55.4	14.8	26.8	-11.7	-0.2	16.4
3. Items not yet classified 1)	1.1	-8.6	-5.3	0.3	3.8	7.1
4. Overall balance (1+2+3)	159.5	18.1	95.3	-17.6	32.2	-15.0
5. Banking transactions 2)	-67.7	-13.7	-18.9	-9.0	-36.5	25.9
6. Increase (-) in official reserves 3)	-91.8	-4.4	-76.4	26.6	4.3	-10.9
Memorandum items:						
7. a. Official reserves (including gold)	437.0	434.6	507.9	481.4	431.2	445.2
b. In months of merchandise imports 4)						
- End-of-period	2.9	3.8	4.2	4.4	3.9	4.5
- Twelve-month average	3.2	4.2	3.4	3.6	4.2	4.2
8. a. Total reserves of the monetary sector	581.9	593.2	671.7	654.2	626.3	612.2
b. In months of merchandise imports 4)						
- End-of-period	3.9	5.2	5.5	6.0	5.7	6.2
- Twelve-month average	4.1	5.8	4.6	4.9	5.9	5.9

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.

Both registered export receipts and import payments (c.i.f.) of the free-zone sector crumbled by 68 percent. On balance, this sector bought AFL 3 million foreign exchange from the local banks to finance its current account deficit.

The current account of the rest of the economy (thus, excluding the oil and free-zone sectors) showed an AFL 7 million surplus, i.e., almost half of that of the second quarter of 1999. Its trade account deficit widened by 15 percent to AFL 243 million, as import payments jumped up by 14 percent. In addition, the surplus on the current transfers account turned into a deficit, because of increased remittances by foreign workers. In contrast, the deficit on the income account narrowed, due to higher interest earnings. Net revenues on services went up by a marked AFL 45 million or 20 percent to AFL 267 million, largely caused by a 10 percent increase in registered tourism receipts. Transportation earnings grew by 23 percent, due to more airline movements and cruise ship calls.

The deficit on the capital and financial account of the rest of the economy widened by AFL 12 million to AFL 50 million, predominantly as a result of higher repayments on external loans, and increases in residents' external balances and other short-term investments. In contrast, net outgoing portfolio investments decreased notably, as purchases of foreign securities were much less than in the corresponding quarter of 1999. Also, the government received an AFL 17 million grant from the Dutch government as part of its contribution to "Fondo di Desaroyo Aruba", while its debt repayments amounted to only AFL 1 million.

On balance, the transactions of the rest of the economy resulted in a significant AFL 35 million net outflow of foreign funds, i.e., AFL 12 million more than in the corresponding quarter of 1999. This larger deficit is a cause for concern, as it is indicative for Aruba's vulnerable external position.



## **II. Notices**



## 2.1 OP DE GOEDE WEG

*Voordracht door dr. A.R. Caram, president van de Centrale Bank van Aruba, bij gelegenheid van de diploma-uitreiking aan studenten van de Financieel Economische Faculteit van de Universiteit van Aruba, Oranjestad, 23 juni 2000.*

Dames en heren,

Met het afstuderen aan de Financieel Economische Faculteit van de Universiteit van Aruba sluiten zes studenten vandaag een belangrijke periode in hun leven af. Dit is een heugelijke gebeurtenis. Ik heb dan ook met genoegen de uitnodiging van de decaan aanvaard om bij deze gelegenheid een kort woord tot u te richten en aan de geslaagden hun diploma te overhandigen, te meer omdat ik ook heugelijk nieuws kan melden over onze economie.

In de afgelopen jaren heeft de groei van de algemene bedrijvigheid zich in een gestaag tempo voortgezet en recent lijkt er zelfs sprake te zijn van enige versnelling. Wanneer wij om ons heen kijken valt het direct op dat er steeds meer toeristen op Aruba vertoeven, dat er een levendige bestedingsdrang heerst en dat allerlei nieuwe projecten ter hand worden genomen. De private sector doet het goed en de werkgelegenheidssituatie is gunstig, met name voor gekwalificeerde arbeidskrachten. Het is derhalve voor de personen die zo dadelijk hun diploma zullen ontvangen een gunstige tijd om zich hetzij direct op de arbeidsmarkt te begeven (voor zover zulks nog niet is geschied), hetzij door een eventuele vervolgstudie hun toekomstige positie op deze markt te versterken.

Echter, als president van de Centrale Bank van Aruba is het mijn taak aandacht te vragen voor enkele schaduwzijden en risico's die voortzetting van de huidige voorspoedige economische ontwikkeling kunnen verstoren. Allereerst moet ik opmerken dat het inzicht in de werkelijke situatie waarin de economie zich bevindt wordt bemoeilijkt door een tekort aan statistieken. Bij het beoordelen van bepaalde ontwikkelingen moeten wij vaak op een gebrekkig kompas varen. Zo is er onvoldoende inzicht in het effect van de toename van het aantal toeristen op de rentabiliteit van de onderhavige sector als geheel. Diverse initiatieven zijn inmiddels ontplooid om de statistische manco's te verlichten. Er moet evenwel nog veel werk worden verzet. Naar mijn mening kan ook de Financieel Economische Faculteit daartoe een grotere bijdrage leveren, mede door eigen onderzoek en door meer stagiaires in te zetten bij projecten gericht op gegevensverzameling en -analyse inzake ondernemingen en bedrijfstukken. De Centrale Bank heeft dergelijke initiatieven steeds ondersteund en zal deze ondersteuning in de toekomst blijven geven.

Een ander aspect dat de aandacht van de Bank vraagt is de snelle groei van de kredietverlening door commerciële banken en de daarmee gepaard gaande geldschepping. Door de aanhoudende vraag naar financieringsmiddelen is de kredietverlening in 1999 met niet minder dan 10 percent gestegen. Het ziet er naar uit dat ook in het lopende jaar de vraag naar geld onverminderd sterk zal aanhouden.

Ofschoon een gezonde kredietverlening de algemene bedrijvigheid stimuleert, maakt de Bank zich zorgen over de ruime kredietgroei. Immers, gelet op de uitzonderlijk hoge importquote van Aruba, leidt elk krediet in eerste instantie tot een ruime afvloeï van deviezen. Een en ander heeft ertoe bijgedragen dat de officiële reserves recent enige daling hebben laten zien, ondanks de groeiende buitenlandse inkomsten uit met name het toerisme. Deze ontwikkeling dient nauwlettend in het oog te worden gehouden, aangezien de goud- en deviezenreserves van voldoende omvang dienen te blijven om het vertrouwen in de waardevastheid van de florin te waarborgen.

Om dezelfde reden dringt de Centrale Bank reeds geruime tijd bij de overheid erop aan een evenwichtige begroting te realiseren. Door het innen van achterstallige belastingen is de minister van Financiën er weliswaar in geslaagd gedurende het jaar 1999 zijn geldzorgen enigermate te verlichten, maar er is nog sprake van een financieringstekort van circa 1,5 procent van het bruto binnenlandse product en van telkens weer opduikende liquiditeitsspanningen. Ondanks de kwetsbaarheid van 's Land financiën hebben de regeringen van Nederland en Aruba onlangs een overeenkomst ondertekend over het gedurende de komende tien jaren afbouwen van de financiële steun voor projecten die Aruba ontvangt in het kader van het Statuut van het Koninkrijk der Nederlanden.

Het spreekt voor zich dat deze overeenkomst extra financiële lasten op de schouders van Aruba legt. Er zullen dan ook stappen moeten worden ondernomen om de consumptieve uitgaven te beteugelen, dan wel op een verantwoorde wijze extra inkomsten te genereren. Dit is een niet te onderschatten uitdaging. Hier komt bij dat de mogelijkheden om overheidstekorten te financieren door een beroep te doen op de binnenlandse geld- en kapitaalmarkt beperkt zijn. In dit opzicht speelt mee de kleine marktomvang, alsmede het risico dat de overheid met de private sector gaat concurreren om de beschikbare schaarse geldmiddelen.

Teneinde haar functie van hoedster van de florin naar behoren te kunnen vervullen, kan en zal de Centrale Bank geen krediet aan de overheid verlenen om begrotingstekorten te financieren. Het beleid van mijn voorgangers terzake zal ik voortzetten. In dit verband moet worden opgemerkt dat de wetgever doelbewust ervoor heeft gekozen het monetaire beleid niet te doen aansturen door politieke beleidsmakers die bloot staan aan de verleiding "leuke dingen voor de mensen te doen". Dit kan resulteren in hogere collectieve uitgaven, lagere belastingen en in een toename van het financieringstekort. Op het eerste gezicht kan een dergelijk beleid aanvaardbaar lijken. Reeds spoedig zal dat echter leiden tot monetaire financiering gevolgd door deviezenverlies en geldontwaarding.

Geldontwaarding is nu precies hetgeen de Centrale Bank moet voorkomen. Vooral met dit doel is zij als autonoom instituut bij wet in het leven geroepen. Door een behoedzaam monetair beleid is de Bank er tot nog toe in geslaagd het vertrouwen in de soliditeit van de florin te waarborgen en de inflatie in bevredigende mate in de pas te doen lopen met die in de Verenigde Staten, onze belangrijkste handelspartner. De heersende financiële stabiliteit heeft in belangrijke mate bijgedragen tot instandhouding van een klimaat dat bevorderlijk is voor de duurzame opvoering van de reële welvaart van de bevolking. De Bank zal dan ook een wakend oog blijven

houden op de diverse oorzaken van monetaire financiering zodat een evenwichtige toename van de geldhoeveelheid wordt bewerkstelligd en de deviezenreserves navenant met de economische groei worden uitgebreid.

Laat ik mijn betoog thans afsluiten. Uit het voorgaande zal het duidelijk zijn dat de economie van Aruba het in het algemeen goed doet. Indien wij het hoofd bieden aan de aangeduide schaduwzijden van de huidige snelle economische ontwikkeling, kunnen wij de toekomst met vertrouwen tegemoet treden. Dit geldt evenzeer voor de afgestudeerden; ook zij zijn op de goede weg. Wij feliciteren hen derhalve terecht van harte met het behalen van hun diploma. Hiermee hebben zij een hechte basis gelegd voor hun toekomstige loopbaan. Als zij op de ingeslagen weg voortgaan, zullen zij in het proces van sociaal-economische ontwikkeling een waardige plaats weten te veroveren en op een bevredigende manier bijdragen aan de verdere ontwikkeling van ons land.

Ik dank u voor uw aandacht.



## 2.2 DOOR WAAKZAAMHEID VOORUIT

*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 1999, Oranjestad, 29 juni 2000.*

Dames en heren,

Vandaag presenteren wij ons verslag over het jaar 1999. Dit verslag is het eerste dat is geproduceerd onder de verantwoordelijkheid van de nieuwe directie. Zoals bekend heeft de Gouverneur per 15 april jongstleden mij, op voordracht van de Raad van Commissarissen, benoemd tot president en mevr. Semeleer tot directeur. De heer Polvliet maakt reeds enige tijd deel uit van de directie. Wij zijn verheugd dat de regering de benoeming van het management-team uit eigen gelederen van de Bank heeft ondersteund. Op deze wijze wordt gewaarborgd dat het prudente monetaire beleid gericht op handhaving van de financiële stabiliteit in Aruba wordt voortgezet.

Mede door de heersende duurzame financiële stabiliteit is een klimaat geschapen dat de reële welvaartsontwikkeling bevordert. De economie van Aruba presteert dan ook goed; zulks is eveneens gedurende het verslagjaar het geval geweest. De algemene bedrijvigheid is in 1999 met naar schatting ruim 3 procent gegroeid. Het aantal toeristen dat ons land bezocht is zelfs met 6 procent gestegen. Vooral het toerisme uit de Verenigde Staten ontwikkelt zich voorspoedig, door de sterke conjunctuur aldaar. Deze trend zet zich thans nog voort.

Kortom, Aruba doet het goed en is een voorbeeld voor andere landen in de regio. Elke munt heeft echter twee zijden. Aan de horizon zijn er ook enkele dreigende wolken. Zo is de aanhoudende economische groei gepaard gegaan met een versnelling van de inflatie. Deze versnelling is in belangrijke mate het gevolg van de gestegen olieprijs op de wereldmarkt. Niettemin speelt ook de binnenlandse kostenontwikkeling een rol. Illustratief is dat de prijzen in Aruba wat sneller oplopen dan die in de Verenigde Staten. De arbeidsproductiviteit alhier stijgt minder dan in voornoemd land en de lonen worden onvoldoende in de hand gehouden.

Een andere schaduwzijde van de economische groei is dat de kredietverlening door het commerciële bankwezen uitbundig is toegenomen, te weten met ruim 10 procent. De banken hebben zich niet gehouden aan de afspraak de toename van hun gezamenlijke kredietverlening in de pas te doen lopen met de stijging van het binnenlandse product. Mede hierdoor zijn de officiële reserves onder enige druk komen te staan. Teneinde deze druk te verlichten is onlangs met de banken afgesproken dat zij de toename dit jaar zullen beperken tot 8 procent, ondanks de aanhoudend sterke kredietvraag. Door deze afspraak wordt enerzijds voorzien in een gezonde geldbehoefte en wordt het lopende groeiproces niet verstoord. Het stellen van een limiet aan de kredietgroei beteugelt anderzijds de eventuele nadelige effecten hiervan op de geldhoeveelheid en de officiële reserves.

Waakzaamheid is en blijft dus geboden, te meer omdat de overheidsfinanciën zich in een kwetsbare positie bevinden. Door het wegwerken van achterstanden in de belastinginning kon weliswaar het gerealiseerde financieringstekort worden beperkt tot ongeveer de helft van het aan het begin van het jaar verwachte bedrag. Echter, zij beliep nog steeds AFL 44 miljoen. Het gestelde doel van een evenwichtige begroting is dus niet gerealiseerd. Mede hierdoor wordt de overheid telkens weer geconfronteerd met liquiditeitsproblemen, die zij met behulp van ad hoc oplossingen tracht te verhelpen. Structurele sanering van de overheidsfinanciën blijft derhalve noodzakelijk, mede ter verwezenlijking van de op zich lovenswaardige politieke wens om tegen het eind van dit decennium financieel op eigen benen te kunnen staan.

Wanneer wij thans het geheel overzien, moet de conclusie luiden dat de economie er in het algemeen goed voor staat en dat de vooruitzichten op zich positief zijn. Er zijn echter knelpunten en risico's die een bedreiging kunnen vormen voor de voortzetting van het voorspoedige ontwikkelingsproces. Alleen indien afdoend het hoofd wordt geboden aan de aangeduide bedreigingen, zullen wij de toekomst met optimisme en vertrouwen tegemoet kunnen treden.

Ik dank u voor uw aandacht.

## 2.3 THE SIGNIFICANCE OF ARUBA'S OFFSHORE SECTOR

*Reprint of an article by Dr. A.R. Caram, President of the Centrale Bank van Aruba, published in the journal "Central Banking".*

### 1. Introduction

Since the establishment of the Financial Stability Forum by the G-7 countries in February 1999, the attention on offshore financial centers has revived, due to concerns about their implications for international stability, integrity, and cross-border fiscal competition. In the ensuing discussions Aruba is often labeled as a significant offshore jurisdiction, where little or no attempt is made to adhere to acceptable supervisory and tax standards.

In this article I will briefly deal with the question if and to what extent the indicated perceptions are correct. However, first a few basic facts about Aruba. This small Caribbean island (77 square miles) is located near the coast of Venezuela and has about 100,000 inhabitants. The labor force is relatively well educated. Papiamentu is the native language, while Dutch is the official one. English and Spanish are also widely spoken. The transportation and communication facilities to the rest of the world are well organized.

On January 1, 1986 Aruba obtained the status of autonomous country within the Kingdom of the Netherlands. The institutional and political systems are based on the principles of the Dutch parliamentary democracy. The Governor, as the representative of H.M. the Queen, is the head of state. Aruba's geographic location, as well as the stable social-economic, judicial, and political conditions are attractive to foreign investors.

The economy is mainly tourism-driven. About one million tourists (of which 300,000 cruise passengers) are welcomed annually. Most visitors are from the United States, which is Aruba's major trading partner. The domestic product amounts to approximately US\$ 1.8 billion, and the GDP per capita of US\$ 19,000 is one of the highest in the region. In recent years, growth rates have stabilized at around 3 percent. Inflation is roughly in line with that of the US, while unemployment is very low.

The local currency, the florin, is issued by the Centrale Bank van Aruba ("the Bank"). It is pegged to the dollar at an exchange rate of AFL 1.79. Aruba's international reserves are currently equivalent to an ample 5 months of merchandise imports (excluding oil for refinery-related activities). Six relatively small onshore commercial banks (with an aggregated balance sheet totaling US\$ 2.2 billion as per the end of 1999), and a few specialized financial institutions are operating on the island.

The Government shows some interest in developing the offshore sector as a mean to diversify the economy. So far, the results of these endeavors are very modest due to the fierce competition of other jurisdictions, the negative publicity, and institutional and legal constraints. To cope with these problems, the Aruban Financial Center was established in 1996 and a High Commissioner appointed. He, inter alia, supplies international financial service providers with information on Aruba, and acts as an

advisor to the Government. His aim is to attract high quality financial institutions, in particular mutual funds, captive insurance, finance, leasing, and e-commerce businesses. Simultaneously, the process of implementing the required legislation and regulations has been accelerated.

## **2. Credit institutions**

Presently, there are only two offshore banks registered in Aruba. Their balance-sheet total amounts to US\$ 1.9 billion. Both are affiliated with the Citibank (established in the US), and are subject to consolidated supervision by the relevant authorities in that country. The offshore banking sector is negligible by international standards. Illustrative is that IMF estimates indicate that cross-border assets of selected offshore banks reached a level of US\$ 4.6 trillion at the end of June 1999. Thus, Aruba's share in these assets is negligible.

In May 1998, a new State Ordinance on the supervision of the credit system was enacted. This ordinance, which is largely based on the corresponding Dutch act, meets international standards set by the Basle Committee on banking supervision and provides the Bank with a solid legal basis for supervising both domestic and offshore credit institutions. Periodic onsite examinations and continuous offsite surveillance are conducted to monitor compliance with supervisory laws and regulations. During an onsite examination important risk areas are evaluated.

## **3. Non-credit institutions**

Besides the two banks, there are some 5,000 other offshore entities registered in Aruba. The majority of these entities has the legal status of an "Aruba Exempt Company" (AEC), a zero-tax vehicle. There is also a 3 percent-tax vehicle, the so-called "Offshore N.V." In response to international concerns, in particular that of the OECD, the Minister of Finance has recently declared that he is prepared to, in principle, gradually eliminate any harmful tax practices, including discrimination between residents and nonresidents.

The AEC was introduced in 1988. In essence, it has the same features as the well-known International Business Corporation (IBC). The AEC is equally subject to liberal administrative procedures, but is not allowed to operate as a credit institution. The direct contribution of these entities to Aruba's gross domestic product and government revenue is marginal (both below one percent).

Offshore vehicles are created for nonresidents for tax and estate planning, and investment activities. A few internationally active banks use the AEC as an administrative unit for intercompany financial transactions. Statistics published in the BIS Quarterly Review of February 2000, indicate that less than 0.003 percent of the outstanding international debt securities originates from offshore group finance vehicles established in Aruba.

Initiatives are under way to improve the supervisory framework for the non-bank sectors. On short-term, a State Ordinance on the supervision of insurance companies will be implemented. This ordinance will provide the Bank with tools to adequately supervise

domestic and offshore insurance companies. Presently, only resident life insurance companies are supervised on the basis of a gentlemen's agreement.

Furthermore, the State Ordinance on the supervision of trust companies is currently in the legislative process. The High Commissioner will be responsible for its execution. Under the new law, these companies will be brought under a licensing system and will have to comply with the ensuing requirements. If there is a need, onsite examinations may be conducted. Moreover, annual statements should be prepared by an external auditor with a CPA- (or Dutch equivalent Register-accountant) degree, basically stating that the trust companies have kept complete records of their clients (including the ultimate beneficiary owners) and that sound know-your customer policies are implemented. Non-compliance herewith may lead to withdrawal of the license.

#### **4. Maintaining integrity of the financial system**

In the forthcoming law on the supervision of trust companies, integrity aspects will prevail in contrast to the law applicable to credit institutions where prudential considerations are more dominant. During onsite examinations, the Bank tests compliance with its anti-money laundering directives, as well as with the State Ordinances on reporting unusual transactions and on identification for rendering financial services, which are largely based on the corresponding Dutch acts. Inter alia, commercial banks and money transaction companies are presently also required to report unusual and suspicious transactions to a special reporting center established in 1997, the so-called "Meldpunt Ongebruikelijke Transacties" (MOT). In general, the anti-money laundering controls in the banking sector are satisfactory.

In line with recommendations of the Financial Actions Task Force on money laundering (FATF), soon effective supervisory arrangements will be implemented with respect to certain vulnerable non-bank sectors, i.e., the insurance, the offshore and the free-zone sectors. Furthermore, the State Ordinance on the import and export of cash has recently been approved by Parliament. According to this ordinance, all persons entering or leaving Aruba should declare cash in excess of US\$ 10,000 at the Customs. Non-compliance herewith may lead to criminal prosecution.

#### **5. Concluding remarks**

The wide-spread perception, referred to in the introduction of this article, that Aruba is a significant offshore center, where little or no attempt is made to adhere to international supervisory and tax standards, is over-simplified. Only two US-based offshore banks are registered in this country, which are supervised by the Bank, as well as, on a consolidated basis, by their home country authorities. In addition, there are 5,000 other vehicles, which are established on the island mainly for tax purposes. Overall, the importance of Aruba's offshore sector is currently relatively insignificant, both in terms of its contribution to the gross domestic product and to government revenue, as well as in relation to the magnitude of worldwide financial flows.

In recent years decisive progress has been made to implement laws to comply with international supervisory and integrity standards. For the banking sector such laws are already in place and the actual supervision on these institutions is well organized. Initiatives are under way to also adequately supervise vulnerable non-bank sectors. In this respect, soon three milestones will be reached, i.e., the implementing of laws on the supervision of insurance companies and that of trust companies, and on the obligation to declare im-and export of cash exceeding US\$ 10,000 at the Customs. Furthermore, the Government recently announced that it is committed to gradually eliminate internationally harmful tax practices and tax discrimination between residents and nonresidents.

In conclusion, it may be stated that, despite the current rather small size of the offshore sector in Aruba, the authorities have been paying much attention to enhance supervisory and regulatory arrangements. This is done to maintain financial stability and integrity, to foster fair cross-border competition, and to improve the country's reputation abroad. Aruba's policy is focussed on stimulating reputable and high quality businesses, in accordance with the generally accepted codes of conduct and best practices.

August 3, 2000

## **2.4 GELDTRANSACTIEBEDRIJVEN IN ARUBA**

*De te volgen beleidslijn van de Centrale Bank van Aruba inzake de geldtransactiebedrijven.*

### **1. De te volgen beleidslijn**

De uitkomsten van de door de Centrale Bank van Aruba (“de Bank”) in november 1999 onder de geldtransactiebedrijven gehouden quick-scan onderzoek indiceren dat het wenselijk is het door haar gevoerde beleid inzake deze bedrijven te intensiveren, vooruitlopend op de eventuele implementatie van afdoende wettelijke regelingen terzake. In dit kader is het in het bijzonder van belang zo spoedig mogelijk een lijst van bedrijven op te stellen en te publiceren, die op vrijwillige basis bereid zijn zich te houden aan een aantal door de Bank opgestelde richtlijnen. Met deze publicatie wordt beoogd het publiek, alsmede relevante nationale en internationale instanties, te informeren over bepaalde aspecten van de bedrijfsvoering van bedoelde ondernemingen.

Om in aanmerking te kunnen komen voor plaatsing op voornoemde lijst dient een geldtransactiebedrijf allereerst een aanvraagformulier ingevuld en ondertekend bij de Bank in te leveren. Vervolgens zal marginaal worden getoetst of het desbetreffende bedrijf zich aan de bovenbedoelde richtlijnen houdt. Aan de hand van het resultaat hiervan zal worden besloten of het bedrijf op deze lijst kan worden geplaatst. Overigens kunnen hieraan geen rechten jegens de Bank worden ontleend.

Alvorens tot plaatsing op de lijst over te gaan dient het geldtransactiebedrijf tenslotte, na een positieve uitkomst van vorenbedoelde toetsing, een “Gentlemen’s Agreement” met de Bank te ondertekenen. Zij zal op grond van deze overeenkomst periodiek onderzoeken of haar richtlijnen worden nageleefd. Indien op enig moment het tegendeel mocht blijken, zal het desbetreffende bedrijf van de lijst worden verwijderd.

Tegen de vorengeschetste achtergrond heeft de Bank de aan haar bekende geldtransactiebedrijven per brief van 11 augustus jongstleden verzocht bedoeld aanvraagformulier in te vullen en binnen één maand aan haar te retourneren. Op basis van de ontvangen reacties zal worden bezien welke verdere beleidslijn ten aanzien van de onderhavige bedrijven zal worden gevolgd.

### **2. Richtlijnen**

1. Een in Aruba gevestigd geldtransactiebedrijf dient zich schriftelijk bij de Bank aan te melden.
2. De directeur van het geldtransactiebedrijf dient een bewijs van goed gedrag aan de Bank te overleggen, afgegeven door de Directie Openbare Orde en Veiligheid (D.O.O.V.).
3. Alleen transacties uit hoofde van het lopende betalingsverkeer met het buitenland mogen, met inachtneming van de hierop van toepassing zijnde Bekendmaking inzake het deviezenverkeer 98/L.1, door het geldtransactiebedrijf worden uitgevoerd

ten behoeve van derden. Het is niet toegestaan via haar transacties met betrekking tot het kapitaalverkeer te laten lopen.

4. Met een individuele transactie mag ten hoogste vijfduizend Arubaanse florin (AFL 5.000,00) of het equivalent daarvan in vreemde valuta gemoeid zijn.
5. Uitbetalingen aan ingezetene cliënten dienen uitsluitend in Arubaanse florin te geschieden.
6. Ter uitvoering van het gestelde in artikel 14 lid 2 van de Landsverordening deviezenverkeer (Ldv), dienen de eventueel door het geldtransactiebedrijf verkregen buitenlandse betaalmiddelen binnen een termijn van acht werkdagen na de dag van ontvangst bij een lokale deviezenbank te worden afgestort, tenzij deze middelen worden gestort op een bij de Bank aangemelde rekening in het buitenland.
7. De feitelijke afwikkeling van ontvangsten uit en betalingen aan het buitenland mogen uitsluitend geschieden door tussenkomst van een lokale deviezenbank, dan wel via een bij de Bank aangemelde buitenlandse bankrekening en/of rekening-courantverhouding.
8. Bij betalingen aan het buitenland dient overeenkomstig de Landsverordening deviezenprovisie de gebruikelijke 1,3 procent provisie te worden betaald.
9. Ter ondersteuning van de productie van de betalingsbalans dient het geldtransactiebedrijf (op grond van artikel 8 van de Ldv) de door haar verrichte transacties (inclusief die afgewikkeld via een bij de Bank aangemelde rekening in het buitenland) op kwartaalbasis aan de Bank te rapporteren, gebruikmakend van een daartoe ontworpen modelformulier.
10. Ingevolge artikel 3 van de Ldv dienen bij transacties in de door de Bank genoteerde buitenlandse geldsoorten de dagelijks door haar vastgestelde aan- en verkoopkoersen te worden aangehouden.
11. Er moet een volledige en afgescheiden administratie worden bijgehouden van alle uitgevoerde transacties. Hierin dient aan de hand van een identiteitsbewijs de naam van de cliënt te worden vastgelegd. Voorts moeten de omvang en de aard van de transactie, alsook de geldsoort en de bestemming van het geld worden geadmistreerd. De transactiegegevens dienen ten minste 10 jaar te worden bewaard.
12. Ongebruikelijke transacties dienen (op grond van de Ministeriële Regeling van 19 mei, 1999) aan het Meldpunt Ongebruikelijke Transacties (M.O.T.) te worden gemeld.

11 augustus 2000

## **2.5 MONETARY POLICY FOR 2000**

*An agreement between the Centrale Bank van Aruba and the Aruban Bankers' Association on aggregated bank lending for the year 2000.*

After consulting with the Aruban Bankers' Association, the Centrale Bank van Aruba ("the Bank") has recently adjusted its monetary policy stance for the current year, due to the continuous strong growth in commercial banks' credit. Herein account has been taken of two conflicting aspects.

On the one hand, economic growth is proceeding on a faster rate than originally anticipated, and there is a need to accommodate the ensuing extra credit demand. However, given the Bank's responsibility to maintain monetary and financial stability, credit growth should be contained to mitigate its accompanying adverse macroeconomic and balance-of-payments reactions. It should be noted that the monetary sector's net foreign assets show a downward tendency, while the inflation rate is accelerating.

Against this background, the Bank has decided to raise the normative collective bank credit growth rate for the current year, i.e., from the initially announced 6 percent to 8 percent. Under very exceptional and special circumstances, the Bank may consider (subject to certain conditions) to grant an additional credit expansion facility to a bank, which will be excluded from the 8 percent normative credit growth.

If, at the end of September, the declining trend in net foreign assets persists, the inflation rate has not decelerated, and the actual credit growth exceeds the normative guideline as defined above, the Bank may impose an 8 percent annual penalty fee on those banks that have caused the excess lending.

July 13, 2000



## 2.6 STUDYING MONETARY AND FINANCIAL STATISTICS

*Address by Dr. A.R. Caram, President of the Centrale Bank van Aruba, on the occasion of the opening of the Seminar on Monetary and Financial Statistics, at the Seaport Conference Center, Oranjestad, September 11-29, 2000.*

Ladies and gentlemen,

On behalf of the Centrale Bank van Aruba I extend a warm “Bon Bini” to you and wish our guests a fruitful and pleasant stay on our beautiful island. The Bank is honored to host such an important seminar on monetary and financial statistics. We are grateful to be able to offer you this event in cooperation with the International Monetary Fund and the Centro de Estudios Monetarios Latino Americanos. And, of course I am delighted that the organizing committee has invited me to present the opening address.

Let me start with some brief remarks on Aruba. At the beginning of 1986, our country separated from its Dutch Antillean sister islands and obtained an autonomous status within the Kingdom of the Netherlands. The joyous celebration of this event was overshadowed by the social and economic repercussions of a severe recession that originated from the closure of the Lago oil refinery in March 1985, up to then the mainstay of the Aruban economy. Our gross domestic product abruptly crumbled by one-third, unemployment surged, and many people emigrated. Thus, a high price had to be paid due to the one-sided structure of our economy.

To reverse the negative socio-economic trend, the Government initiated a restructuring program. Tourism was vigorously promoted, while loan guarantees and tax holidays were granted to encourage investments. This policy had a positive effect on business activities, but imposed large potential financial claims on the public sector. Tourism is now the major contributor to our GDP, while in the meantime the oil refinery was re-opened. Last year we welcomed almost one million visitors, among which some 300,000 cruise passengers.

Presently, our per capita income ranks amongst the highest in the region. Indeed a remarkable achievement for a small country with only limited comparative advantages and few natural resources. However, it should be noted that a rather large part of Aruba’s income goes to nonresidents as a remuneration for their contribution to the production process. Fortunately, the prospects for further growth are promising, partly because Aruba’s dynamic private sector is able to benefit from, inter alia, the buoyant economic expansion in the United States, our major trading partner.

Real economic development is supported by a sound monetary and financial environment. Our Bank is responsible for safeguarding the ensuing stability. To achieve this goal, the Aruban florin is firmly pegged to the US dollar at an exchange rate of 1.79. Confidence in the peg is supported by a comfortably high level of foreign exchange reserves. At present, the merchandise import coverage ratio (excluding oil) amounts to an ample five months. The peg serves Aruba well. It

keeps our inflation rate roughly in line with that in the United States, and imposes a certain discipline on the government finances. It is also the principal reason why the Bank does not grant any loan to the public sector.

With respect to the theme of this seminar, I should note that the IMF has recently published a redraft of the Monetary and Financial Statistics Manual. This document gives a new impetus to the statistical methodologies and techniques to be used, as it goes a step further than its predecessor, the Guide to Money and Banking Statistics issued in 1984. It provides us with more explicit and comprehensive guidelines, and is consistent with the IMF's manuals on balance of payments and the government finance statistics, as well as with the United Nations' system of national accounts. In this way, our insight into the functioning of the economy and into the interrelationships between the various sectors is enhanced.

The Monetary and Financial Statistics Manual assists us in producing better data, which strengthen the basis for the policies to be conducted by central banks. Better statistics also enable us to adhere to the Code of Good Practices on Transparency in Monetary and Financial Policies, recently adopted by the IMF. The code identifies, among other things, desirable transparency practices to be followed by central bankers. It is based upon the notion that the effectiveness of financial policies will be improved if the general public is aware of the policy goals and instruments and if the institutions concerned are held accountable for their actions.

Transparency and accountability also support adhering to the General Data Dissemination Standards (GDSD), a mammoth statistical project initiated by the IMF in 1997. The GDSD aims at improving available data bases, both quantitatively and qualitatively. It may result in the timely publication of a comprehensive and reliable set of policy relevant statistics. In April 1999, our Bank informed the IMF that Aruba is prepared to participate in this project and to intensify its efforts to meet the ensuing requirements.

The remarks made above illustrate that several important new developments are emerging in the field of monetary and financial statistics. Although in recent years the Caribbean countries have made significant progress in producing data, recent developments imply that many challenges still lie ahead, also due to the acceleration of automation processes and the introduction of new statistical techniques. We must take up these challenges and be prepared to cope with these. Therefore, we should benefit from the unique opportunity provided by this course and learn as much as possible during the coming three weeks. After all, by mastering the principles of the Monetary and Financial Statistics Manual we will be better equipped to enhance our countries' data bases. In this way, we will be able to make an important contribution to the welfare of our people.

Thank you for your attention.

September 11, 2000

## **2.7 STATE ORDINANCE ON THE SUPERVISION OF THE INSURANCE BUSINESS**

*A press release of September 5, 2000.*

On August 29, 2000 the Parliament of Aruba enacted the State Ordinance on the Supervision of the Insurance Business (SOSIB). It is expected that this ordinance will come into force on January 1, 2001. The ordinance on the implementation of the SOSIB will be considered soon.

The objective of the SOSIB is to protect the interest of policyholders, as well as to safeguard the financial integrity of this sector. It provides the Centrale Bank van Aruba, which is entrusted with the execution of this ordinance, with a solid legal basis for supervising insurance companies established in or operating from Aruba.

With the introduction of the SOSIB, Aruba complies with the recommendation of the Financial Action Task Force on money laundering, the International Monetary Fund, and the Financial Stability Forum, to also bring the insurance sector under adequate supervision. The latest international developments in the area of supervision of insurance companies have been incorporated in this ordinance, especially those established by the International Association of Insurance Supervisors.

September 5, 2000



## **2.8 THE NEW LEGISLATIVE FRAMEWORK FOR INSURANCE COMPANIES**

*Article by Drs. M. Agunbero FLMI, Deputy Head Supervision Department, Centrale Bank van Aruba, on the occasion of the enactment of the State Ordinance on the Supervision of the Insurance Business by the Parliament of Aruba.*

### **1. Introduction**

Until May 1, 1998 the supervision of the life insurance companies operating in Aruba was based on the State Ordinance on the Supervision of the Banking and Credit System. This ordinance was repealed on that date. As a result, a legal basis for supervision of the life insurance companies no longer existed. Subsequently, it was agreed between the life insurers and the Centrale Bank van Aruba (the Bank) to continue the supervision of this sector on the basis of gentlemen's agreements, awaiting the introduction of the new State Ordinance on the Supervision of the Insurance Business ("SOSIB"). It should be noted that until now general (non-life) insurance companies have not been subject to prudential supervision. On August 29, 2000 the Parliament of Aruba enacted the SOSIB. It is expected that this ordinance will become effective as of January 1, 2001. Both the general insurance and the life insurance companies will then be subject to prudential supervision.

The SOSIB aims at protecting the interests of the policyholders, as well as to safeguard the financial integrity of the insurance sector. The ordinance will focus primarily on the monitoring of the financial solvency, while allowing competitive forces to determine market structure, rate setting, design of insurance contracts, and other business-related matters (the so-called normative supervisory system). Entities such as the Social Security Bank, the General Health Insurance, and the Government Pension Fund do not fall under the scope of the SOSIB, because they are public entities that are governed by their own ordinances. Furthermore, the new law does not apply to the activities of insurance intermediaries.

The SOSIB is largely in compliance with the Core Principles issued by the International Association of Insurance Supervisors. The Core Principles represent the basic elements of an effective supervisory system, and are intended to serve as a reference for supervisory authorities. With the introduction of the SOSIB, Aruba also complies with the recommendations of the Financial Action Task Force on Money Laundering, the International Monetary Fund, and the Financial Stability Forum.

### **2. Prudential supervision**

Insurance implies "buying security". People insure themselves against the risks of fire, theft, liability, accidents, illness, disability, death, long life, etc. The financial impact of such events may be enormous. Therefore, policyholders must be confident that the insurer will always be able to pay claims. Failure to do so is obviously undesirable.

This is especially true in relationship to long-term insurances such as life, pension, and disability insurance. These types of contracts require the building up of reserves over long periods (20 – 40 years).

The long-term viability of insurance companies demands a particular prudential approach. In line with the economic purpose for which insurance contracts are being concluded (“buying security”), the aim of insurance supervision is to ensure that all liabilities can be met. Therefore, insurance supervision aims at minimizing the risks of failure by requiring insurance companies to:

1. Establish adequate technical provisions. These liabilities are estimated using statistical and actuarial methods (in case of life insurance: mortality tables).
2. Meet (at least) the required solvency margins. This margin is a buffer against possible adverse developments.
3. Aim at an adequate matching between insurance liabilities and assets. The investment policy is to a large extent directly related to the liabilities and should focus primarily on matching the assets and liabilities in terms of, amongst others, maturity and rate of return. Also, a sound diversification policy must be in place.
4. Have an adequate framework of corporate governance that clearly sets out the responsibilities of the board and management, and ensures that sound internal controls exist and are operating properly.

### **3. The new insurance supervisory framework**

According to the SOSIB, insurance companies operating in and from Aruba need a license from the Bank. Also, the existing companies will have to apply for a license. The Bank will supervise both insurers incorporated in Aruba and branch offices or agencies incorporated outside Aruba. The ordinance stipulates that a company can only carry out either life or general insurance business within one and the same legal entity (principle of specialization). Companies that already are conducting business in both sectors within the same entity (“composite companies”) can continue to do so, provided they maintain separate bookkeeping and accounting. The SOSIB also gives the possibility to establish specific regulations for certain categories of insurers, such as reinsurance companies and captives.

In the event that a company does not comply with the requirements stipulated in the SOSIB or if the Bank discovers signs that endanger, or might endanger an insurer’s solvency, the Bank can give a directive. If the directive is not adequately adhered to, the Bank may withdraw the license. Also, in the event that the solvency of the insurer is unsatisfactory, or that there are otherwise signs threatening the existence, the Bank has the authority to request the Court of First Instance to appoint one or more silent trustees. In the event that the insurer has a negative capital, a petition for a cease and desist order at the Court of First Instance can be filed.

Compliance with the SOSIB will be periodically tested via on-site examinations at the insurance companies, as well as through off-site surveillance mainly comprising the analysis of financial information.

As indicated earlier, the state ordinance will focus primarily on monitoring the financial solvency. This entails early detection of financial troubled companies, and taking corrective action to restore them to financial health. To accomplish these objectives, the SOSIB contains requirements regarding:

- The licensing of insurers;
- The fit and proper test for senior management and supervisory board members;
- The administrative organization and internal controls;
- The annual (certified) financial statements and reports;
- The solvency margins; and,
- The technical provisions.

### **Licensing**

Conducting insurance activities in and from Aruba is prohibited without a license. Applicants must submit to the Bank all relevant financial and technical information on its intended activities, as well as information on the internal organization and the management and shareholders' structure. The Bank will make a decision on the application within 13 weeks.

A non-life insurance company is required to apply for a license for each of the categories it intends to operate in, such as,

- accident and health insurance;
- motor vehicle insurance;
- ocean marine, transport and aviation insurance;
- fire insurance and other property insurance; and,
- other indemnity-insurance (credit, fidelity, legal assistance, travel, etc.).

### **Fit & proper test**

The company must have as managing director at least one natural person of proven ability and experience in insurance, who is responsible for the day-to-day management of the company. Also, the insurer should have a knowledgeable supervisory board, consisting of at least three natural persons. Appointments of board members and/or senior managers are subject to prior approval of the Bank.

### **Administrative organization and internal controls**

The Bank can give general guidelines and recommendations with respect to the company's administrative organization and internal controls. Compliance herewith will be tested during on-site examinations.

### **Financial statements**

Consolidated financial statements must be submitted within six months after the end of each year. These statements should be accompanied by an auditor's report, stating that the statements provide a true and fair view of the insurers financial position, and

insofar applicable, by an actuarial report. If a company does not comply with the reporting requirements, the Bank can impose a fine.

### **Solvency margins**

An insurance company should have at its disposal at all times the required solvency margins. The margins are defined as follows:

#### *Life insurance:*

4 percent of the technical provisions at the end of the previous financial year, after deduction of the reinsurer's share in this provision, with a minimum amount of AFL 400,000 (approximately US\$ 223,000).

#### *Non-life insurance:*

The highest outcome of 15 percent of either the gross premium income of the previous financial year, or the average gross claims recorded in the past 3 financial years, with a minimum of AFL 300,000 (approximately US\$ 167,000).

### **Technical provisions**

The technical provisions should be calculated in an acceptable way and covered by sufficient and acceptable assets. The Bank may object to the nature and the appraisal of such assets, and can give general guidelines regarding the content and size of the technical provisions.

## **4. Concluding remarks**

In recent years various initiatives have been undertaken to implement laws to bring Aruba's financial sector under adequate supervision, as well as to comply with international supervisory and integrity standards. For the banking sector such laws are already in place. With the enactment of the SOSIB, an another important step has been taken in the legislative process.

September 14, 2000

### **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)
1996	4,713,726	640,834	396,091	371,523	150,527	74,822	54,793	36,196	39,423	7.4	71.4	316,749	273
1997	4,834,838	645,983	388,895	363,791	163,288	87,634	57,745	32,666	36,055	7.5	73.5	297,650	270
1998	4,889,718	647,437	401,547	377,108	162,308	99,128	49,042	30,959	34,540	7.6	77.6	257,755	255
1999	5,143,302	683,323	442,833	422,186	155,171	103,601	49,326	32,014	35,993	7.5	77.0	289,052	230
1998 I	1,297,225	168,399	120,376	108,147	29,265	14,155	12,374	7,248	6,384	7.7	84.0	124,594	115
1998 II	1,121,778	156,680	100,064	96,250	37,709	23,133	10,536	6,711	8,371	7.2	72.5	33,706	40
1998 III	1,266,770	165,859	83,341	80,945	58,468	39,370	13,401	8,933	10,649	7.6	78.0	9,985	22
1998 IV	1,203,945	156,499	97,766	91,766	36,866	22,470	12,731	8,067	9,136	7.7	75.8	89,470	78
1999 I	1,316,201	164,364	114,754	106,513	32,240	19,151	10,601	6,801	6,769	8.0	78.7	133,464	106
1999 II	1,139,777	161,810	111,893	107,941	30,316	19,589	10,950	7,245	8,651	7.0	73.4	27,965	26
1999 III	1,356,151	183,234	100,977	98,400	57,308	42,491	13,670	9,207	11,279	7.4	77.4	1,969	9
1999 IV	1,331,173	173,915	115,209	109,332	35,307	22,370	14,105	8,761	9,294	7.7	78.9	125,654	89
2000 I	1,380,946	179,192	131,850	122,789	29,131	17,703	11,418	7,529	6,793	7.7	81.6	208,820	150
2000 II	1,199,727	175,941	120,421	117,296	36,672	23,998	10,989	7,157	7,859	6.8	71.8	85,535	50

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

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

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

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 earl

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

	Total index	Food	Beverage & tobacco	Clothing & footwear	Housing	House-keeping & furnishing	Health	Transport & communication	Recreation & education	Other
<b>Weights (September 1994</b>	<b>10,000</b>	<b>1,625</b>	<b>254</b>	<b>1,134</b>	<b>1,786</b>	<b>1,039</b>	<b>307</b>	<b>2,072</b>	<b>808</b>	<b>975</b>
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1996	107.1	109.6	105.2	115.5	104.2	108.6	111.5	103.0	108.3	104.0
1997	110.1	111.8	108.0	120.6	110.6	110.4	112.1	104.1	110.9	106.1
1998	111.7	114.2	108.5	129.6	109.0	113.1	112.7	103.3	112.6	107.3
1999	115.8	116.3	111.3	134.0	118.0	117.7	113.1	105.9	117.1	109.9
1998 I	110.5	112.5	108.2	122.7	110.4	111.2	112.3	103.6	111.3	106.5
II	110.7	113.1	108.7	123.8	108.9	111.6	112.6	104.2	111.7	106.7
III	111.1	113.5	108.9	126.1	108.7	112.4	112.6	104.0	112.3	106.9
IV	111.7	114.2	108.5	129.6	109.0	113.1	112.7	103.3	112.6	107.3
1999 I	112.1	114.9	109.3	130.7	108.7	114.3	112.6	103.1	113.9	107.8
II	112.9	115.6	109.5	131.9	109.3	115.1	112.7	104.6	114.3	108.2
III	114.3	116.0	110.4	132.4	113.6	115.7	112.9	105.6	115.6	108.9
IV	115.8	116.3	111.3	134.0	118.0	117.7	113.1	105.9	117.1	109.9
2000 I	116.9	116.7	111.3	136.0	119.3	118.2	113.2	107.3	118.5	110.7
II	117.9	117.3	111.4	138.5	120.6	119.4	113.2	108.0	119.2	111.7

Source: Central Bureau of Statistics.

**TABLE 1.4: PERCENTAGE PRICE CHANGES**

(August 1994 = 100)

End of period	Percentage change				
	All groups index	Over previous month	Over 3 months earlier	Over a year earlier	Last 12 months over previous 12 months
1996	107.1	0.3	0.8	3.1	3.2
1997	110.1	0.3	0.9	2.8	3.0
1998	111.7	0.1	0.5	1.5	1.9
1999	115.8	0.3	1.3	3.7	2.3
1998 I	110.5	0.1	0.4	1.7	2.5
1998 II	110.7	0.3	0.2	2.1	2.3
1998 III	111.1	0.1	0.4	1.8	2.1
1998 IV	111.7	0.1	0.5	1.5	1.9
1999 I	112.1	0.1	0.4	1.4	1.8
1999 II	112.9	0.2	0.7	2.0	1.7
1999 III	114.3	0.3	1.2	2.9	1.9
1999 IV	115.8	0.3	1.3	3.7	2.3
1999 I	116.9	0.6	0.9	4.3	2.9
1999 II	117.9	0.3	0.9	4.4	3.5

**TABLE 2.1: MONETARY SURVEY**

End of period	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>I. Net domestic assets</b>	<b>867.8</b>	<b>967.2</b>	<b>985.7</b>	<b>1,127.9</b>	<b>954.0</b>	<b>980.5</b>	<b>995.2</b>	<b>985.7</b>	<b>971.9</b>	<b>1,002.2</b>	<b>1,052.6</b>	<b>1,127.9</b>	<b>1,164.5</b>	<b>1,188.4</b>
A) Domestic credit	1,082.5	1,175.9	1,244.1	1,395.0	1,194.3	1,218.3	1,229.2	1,244.1	1,232.7	1,260.9	1,323.4	1,395.0	1,458.4	1,493.0
1) Net claims on public sector	-41.5	-9.7	-8.9	12.4	-10.1	18.0	21.9	-8.9	-24.7	-14.3	-16.5	12.4	14.1	2.3
a) Gross claims	70.0	74.5	67.9	75.9	71.5	71.7	72.4	67.9	70.7	75.3	75.6	75.9	75.9	85.2
b) Government's deposits	-108.9	-74.4	-67.0	-54.2	-75.9	-49.3	-45.6	-67.0	-86.0	-80.3	-82.6	-54.2	-52.4	-53.6
c) Development funds	-2.6	-9.8	-9.8	-9.3	-5.7	-4.4	-4.9	-9.8	-9.5	-9.4	-9.5	-9.3	-9.4	-29.3
2) Claims on private sector	1,124.0	1,185.5	1,253.0	1,382.6	1,204.4	1,200.3	1,207.3	1,253.0	1,257.4	1,275.2	1,340.0	1,382.6	1,444.3	1,490.7
a) Enterprises	620.0	635.8	636.3	670.5	648.0	626.9	614.5	636.3	631.3	626.1	658.2	670.5	717.5	733.6
b) Individuals	476.4	532.4	588.7	686.1	537.2	555.2	574.5	588.7	598.1	621.8	656.4	686.1	700.8	731.0
1) Consumer credit	233.2	269.2	287.9	335.6	268.7	275.9	284.0	287.9	292.4	302.7	317.8	335.6	340.3	351.6
2) Housing mortgages	243.1	263.2	300.8	350.4	268.5	279.3	290.5	300.8	305.7	319.0	338.7	350.4	360.5	379.4
c) Other	27.7	17.3	28.0	26.1	19.1	18.2	18.4	28.0	28.0	27.4	25.3	26.1	26.0	26.1
B) Other items, net	-214.7	-208.7	-258.4	-267.1	-240.2	-237.9	-234.0	-258.4	-260.8	-258.7	-270.9	-267.1	-293.9	-304.6
<b>II. Net foreign assets</b>	<b>433.3</b>	<b>393.6</b>	<b>553.1</b>	<b>571.3</b>	<b>441.0</b>	<b>464.1</b>	<b>534.2</b>	<b>553.1</b>	<b>648.4</b>	<b>630.9</b>	<b>628.1</b>	<b>571.3</b>	<b>603.5</b>	<b>588.5</b>
A) Centrale Bank van Aruba	349.2	316.4	408.2	412.7	356.3	354.6	379.3	408.2	484.6	458.0	430.7	412.7	408.3	421.5
B) Commercial banks	84.1	77.2	144.9	158.6	84.7	109.5	154.8	144.9	163.8	172.8	197.4	158.6	195.1	167.0
<b>III. Broad money</b>	<b>1,301.1</b>	<b>1,360.8</b>	<b>1,538.8</b>	<b>1,699.2</b>	<b>1,395.0</b>	<b>1,444.6</b>	<b>1,529.4</b>	<b>1,538.8</b>	<b>1,620.3</b>	<b>1,633.1</b>	<b>1,680.7</b>	<b>1,699.2</b>	<b>1,768.0</b>	<b>1,776.9</b>
A) Money	445.0	473.1	547.0	590.5	476.4	511.9	537.9	547.0	563.9	570.6	587.8	590.5	591.1	629.7
B) Quasi-money	856.1	887.7	991.8	1,108.7	918.6	932.7	991.4	991.8	1,056.4	1,062.5	1,092.9	1,108.7	1,176.9	1,147.2

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)	(9)	(10)	(11= 8+9+10)	(12= 7+11)
1996	119.4	24.5	94.9	298.9	51.3	350.1	445.0	349.7	505.1	1.2	856.1	1,301.1
1997	126.8	25.2	101.6	311.8	59.8	371.5	473.1	366.6	517.1	4.0	887.7	1,360.8
1998	133.3	28.4	104.9	378.2	63.9	442.1	547.0	382.5	609.3	0.0	991.8	1,538.8
1999	146.3	23.9	122.4	398.0	70.1	468.1	590.5	391.6	715.6	1.5	1,108.7	1,699.2
1998 I	119.6	21.5	98.0	310.9	67.5	378.4	476.4	374.3	543.2	1.0	918.6	1,395.0
II	126.9	22.6	104.3	348.1	59.5	407.6	511.9	380.3	552.4	0.0	932.7	1,444.6
III	124.7	23.2	101.5	374.0	62.4	436.5	537.9	393.4	598.0	0.0	991.4	1,529.4
IV	133.3	28.4	104.9	378.2	63.9	442.1	547.0	382.5	609.3	0.0	991.8	1,538.8
1999 I	126.5	24.3	102.2	381.0	80.7	461.7	563.9	389.4	667.0	0.0	1,056.4	1,620.3
II	132.0	23.4	108.6	395.0	67.0	462.0	570.6	393.5	663.5	5.5	1,062.5	1,633.1
III	128.0	22.1	105.9	417.8	64.1	481.9	587.8	387.5	703.9	1.5	1,092.9	1,680.7
IV	146.3	23.9	122.4	398.0	70.1	468.1	590.5	391.6	715.6	1.5	1,108.7	1,699.2
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

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

During period	1996	1997	1998	1999	1998								1999				2000			
					I				II				I				I		II	
					I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II		
<b>I. Net domestic assets</b>	<b>84.8</b>	<b>99.4</b>	<b>18.5</b>	<b>142.3</b>	<b>-13.1</b>	<b>26.4</b>	<b>14.8</b>	<b>-9.6</b>	<b>-13.8</b>	<b>30.3</b>	<b>50.4</b>	<b>75.3</b>	<b>36.6</b>	<b>23.9</b>						
A) Domestic credit	125.6	93.4	68.2	150.9	18.4	24.1	10.8	14.9	-11.4	28.2	62.5	71.6	63.4	34.6						
1) Net claims on public sector	19.1	31.8	0.8	21.3	-0.4	28.1	3.9	-30.8	-15.8	10.4	-2.2	28.9	1.7	-11.7						
a) Recourse to monetary system	1.6	4.5	-6.6	8.0	-3.0	0.2	0.7	-4.5	2.8	4.6	0.2	0.4	0.0	9.2						
b) Drawing down of bank balances	17.6	27.3	7.3	13.3	2.6	27.9	3.1	-26.3	-18.6	5.8	-2.4	28.5	1.7	-21.0						
1) Government's deposits	11.5	34.5	7.4	12.8	-1.5	26.6	3.7	-21.4	-19.0	5.7	-2.4	28.4	1.8	-1.1						
2) Development funds	6.1	-7.1	-0.1	0.5	4.1	1.3	-0.5	-4.9	0.3	0.1	-0.1	0.1	-0.1	-19.9						
2) Claims on private sector	106.5	61.6	67.4	129.7	18.8	-4.1	7.0	45.7	4.4	17.8	64.7	42.7	61.7	46.4						
a) Enterprises	11.2	15.9	0.4	34.2	12.2	-21.1	-12.4	21.8	-4.9	-5.2	32.2	12.2	47.0	16.1						
b) Individuals	75.9	56.1	56.3	97.4	4.8	18.0	19.3	14.2	9.5	23.6	34.7	29.6	14.7	30.2						
1) Consumer credit	18.6	36.0	18.7	47.7	-0.5	7.2	8.0	4.0	4.5	10.3	15.0	17.9	4.6	11.4						
2) Housing mortgages	57.3	20.0	37.6	49.7	5.4	10.7	11.3	10.2	5.0	13.3	19.6	11.8	10.1	18.9						
c) Other	19.4	-10.3	10.7	-1.9	1.8	-0.9	0.2	9.7	-0.1	-0.5	-2.1	0.8	-0.1	0.1						
B) Other domestic factors	-40.9	6.0	-49.7	-8.7	-31.5	2.4	3.9	-24.5	-2.4	2.1	-12.2	3.8	-26.8	-10.7						
<b>II. Inflow of foreign funds</b>	<b>-45.0</b>	<b>-39.7</b>	<b>159.5</b>	<b>18.1</b>	<b>47.3</b>	<b>23.2</b>	<b>70.0</b>	<b>19.0</b>	<b>95.3</b>	<b>-17.6</b>	<b>-2.7</b>	<b>-56.9</b>	<b>32.2</b>	<b>-15.0</b>						
<b>III. Broad money</b>	<b>39.7</b>	<b>59.7</b>	<b>178.0</b>	<b>160.4</b>	<b>34.2</b>	<b>49.6</b>	<b>84.8</b>	<b>9.4</b>	<b>81.5</b>	<b>12.8</b>	<b>47.6</b>	<b>18.5</b>	<b>68.8</b>	<b>9.0</b>						
1) Money	9.6	28.1	73.9	43.5	3.3	35.5	26.1	9.0	16.9	6.7	17.2	2.7	0.6	38.7						
2) Quasi-money	30.1	31.6	104.2	116.9	30.9	14.1	58.7	0.4	64.6	6.1	30.4	15.7	68.2	-29.7						

**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	Liabi- lities	Net	Assets	Liabi- lities	Net						Broad money coverage	Import coverage
	(1)	(2)	(3)	(4= 1+2-3)	(5)	(6)	(7= 5-6)						(8= 4+7)	(9)
1996	50.1	335.8	1.1	384.8	405.9	321.8	84.1	468.9	35.6	433.3	1,301.1	1,353.4	33.3	34.6
1997	50.1	308.5	2.5	356.1	465.9	388.7	77.2	433.3	39.7	393.6	1,360.8	1,425.1	28.9	30.4
1998	41.0	397.7	1.7	437.0	486.4	341.5	144.9	581.9	28.8	553.1	1,538.8	1,521.0	35.9	38.3
1999	41.0	393.7	0.1	434.6	500.8	342.2	158.6	593.2	22.0	571.3	1,699.2	1,341.7	33.6	44.2
1998 I	50.1	346.5	0.1	396.6	433.2	348.5	84.7	481.3	40.3	441.0	1,395.0	1,398.3	31.6	34.4
II	50.1	343.7	0.1	393.7	437.9	328.4	109.5	503.2	39.1	464.1	1,444.6	1,376.6	32.1	36.6
III	50.1	371.4	0.3	421.2	460.5	305.7	154.8	576.0	41.8	534.2	1,529.4	1,416.9	34.9	40.7
IV	41.0	397.7	1.7	437.0	486.4	341.5	144.9	581.9	28.8	553.1	1,538.8	1,521.0	35.9	38.3
1999 I	41.0	468.6	1.6	507.9	466.4	302.6	163.8	671.7	23.3	648.4	1,620.3	1,515.4	40.0	44.3
II	41.0	442.2	1.8	481.4	485.0	312.2	172.8	654.2	23.3	630.9	1,633.1	1,512.3	38.6	43.3
III	41.0	415.1	5.1	450.9	512.6	315.2	197.4	648.3	20.2	628.1	1,680.7	1,445.2	37.4	44.9
IV	41.0	393.7	0.1	434.6	500.8	342.2	158.6	593.2	22.0	571.3	1,699.2	1,341.7	33.6	44.2
2000 I	41.0	391.3	1.1	431.2	544.8	349.7	195.1	626.3	22.8	603.5	1,768.0	1,304.6	34.1	48.0
II	41.0	404.3	0.1	445.2	519.9	352.9	167.0	612.2	23.7	588.5	1,776.9	1,276.1	33.1	48.0

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

End of period	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>ASSETS</b>														
1. Claims on money-creating institutions	227.8	197.6	265.9	298.1	219.2	233.8	266.3	265.9	323.5	305.0	287.5	298.1	271.5	267.6
a) Monetary authorities	185.7	147.4	241.6	261.8	186.7	206.5	239.3	241.6	287.5	274.3	262.5	261.8	244.8	238.7
b) Commercial banks	42.0	50.2	24.3	36.3	32.5	27.2	27.0	24.3	35.9	30.7	25.0	36.3	26.7	28.9
2. Claims on the public sector	70.0	74.5	67.9	75.9	71.5	71.7	72.4	67.9	70.7	75.3	75.6	75.9	75.9	85.2
a) Short-term	43.7	48.2	45.1	65.2	45.2	46.4	45.1	45.1	49.4	64.6	64.8	65.2	66.3	74.3
b) Long-term	26.3	26.3	22.8	10.7	26.3	25.3	27.3	22.8	21.3	10.7	10.7	10.7	9.6	10.9
3. Claims on the private sector	1,124.0	1,185.5	1,253.0	1,382.6	1,204.4	1,200.3	1,207.3	1,253.0	1,257.4	1,275.2	1,340.0	1,382.6	1,444.3	1,490.7
a) Enterprises	620.0	635.8	636.3	670.5	648.0	626.9	614.5	636.3	631.3	626.1	658.2	670.5	717.5	733.6
b) Individuals	476.4	532.4	588.7	686.1	537.2	555.2	574.5	588.7	598.1	621.8	656.4	686.1	700.8	731.0
1) Consumer credit	233.2	269.2	287.9	335.6	268.7	275.9	284.0	287.9	292.4	302.7	317.8	335.6	340.3	351.6
2) Housing mortgages	243.1	263.2	300.8	350.4	268.5	279.3	290.5	300.8	305.7	319.0	338.7	350.4	360.5	379.4
c) Capital market investments	23.7	12.5	14.2	11.7	14.7	13.7	13.9	14.2	14.3	13.8	11.7	11.7	11.7	11.9
d) Other	3.9	4.8	13.8	14.4	4.4	4.4	4.5	13.8	13.7	13.6	13.6	14.4	14.3	14.2
4. Foreign assets	791.8	824.4	925.1	935.5	829.8	831.7	882.0	925.1	975.9	968.2	968.6	935.5	977.1	965.2
a) Gold	50.1	50.1	41.0	41.0	50.1	50.1	50.1	41.0	41.0	41.0	41.0	41.0	41.0	41.0
b) Short-term	617.2	641.2	738.0	739.4	646.5	649.9	698.3	738.0	788.4	783.7	791.1	739.4	782.7	770.1
c) Long-term	124.5	133.1	146.1	155.1	133.3	131.8	133.7	146.1	146.6	143.5	136.6	155.1	153.4	154.1
5. Other domestic assets	7.2	0.4	-21.2	-36.9	2.7	0.4	-6.8	-21.2	-24.1	-31.3	-38.2	-36.9	-33.0	-35.9
<b>6. Total assets</b>	<b>2,220.8</b>	<b>2,282.4</b>	<b>2,490.7</b>	<b>2,655.4</b>	<b>2,327.6</b>	<b>2,337.8</b>	<b>2,421.2</b>	<b>2,490.7</b>	<b>2,603.5</b>	<b>2,592.4</b>	<b>2,633.5</b>	<b>2,655.4</b>	<b>2,735.9</b>	<b>2,772.8</b>

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

End of period	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>LIABILITIES</b>														
7. Broad money	1,301.1	1,360.8	1,538.8	1,699.2	1,395.0	1,444.6	1,529.4	1,538.8	1,620.3	1,633.1	1,680.7	1,699.2	1,768.0	1,776.9
a) Money	445.0	473.1	547.0	590.5	476.4	511.9	537.9	547.0	563.9	570.6	587.8	590.5	591.1	629.7
b) Quasi-money	856.1	887.7	991.8	1,108.7	918.6	932.7	991.4	991.8	1,056.4	1,062.5	1,092.9	1,108.7	1,176.9	1,147.2
8. Money-creating institutions	185.2	170.3	266.0	271.5	213.8	227.8	255.0	266.0	308.2	295.7	285.9	271.5	262.8	253.4
a) Monetary authorities	164.7	147.0	236.7	245.5	185.1	205.0	235.1	236.7	281.2	274.8	255.1	245.5	236.0	224.6
b) Commercial banks	20.5	23.3	29.3	26.0	28.7	22.7	19.9	29.3	27.0	20.9	30.7	26.0	26.8	28.8
9. Public sector deposits	111.5	84.2	76.8	63.6	81.6	53.6	50.5	76.8	95.5	89.7	92.1	63.6	61.9	82.8
a) Government	108.9	74.4	67.0	54.2	75.9	49.3	45.6	67.0	86.0	80.3	82.6	54.2	52.4	53.6
b) Development funds	2.6	9.8	9.8	9.3	5.7	4.4	4.9	9.8	9.5	9.4	9.5	9.3	9.4	29.3
10. Long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
a) Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b) Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11. Subordinated debt	9.6	7.8	11.3	11.3	7.8	7.8	7.8	11.3	11.3	11.3	11.3	11.3	11.3	11.3
12. Capital and reserves	129.7	138.4	140.4	140.6	146.2	144.0	142.2	140.4	140.2	129.7	127.3	140.6	155.9	160.3
13. Foreign liabilities	322.9	391.1	343.2	342.3	348.6	328.5	306.0	343.2	304.2	314.0	320.3	342.3	350.8	353.0
b) Short-term	311.2	358.4	307.8	310.5	314.6	292.0	268.3	307.8	273.3	282.1	286.0	310.5	317.5	325.5
c) Long-term	11.7	32.7	35.4	31.8	34.0	36.5	37.7	35.4	31.0	31.8	34.2	31.8	33.2	27.5
14. Revaluation differences	35.6	39.7	28.8	22.0	40.3	39.1	41.8	28.8	23.3	23.3	20.2	22.0	22.8	23.7
15. Other domestic liabilities	125.2	90.2	85.3	104.8	94.4	92.5	88.5	85.3	100.5	95.7	95.7	104.8	102.4	111.3
<b>16. Total liabilities</b>	<b>2,220.8</b>	<b>2,282.4</b>	<b>2,490.7</b>	<b>2,655.4</b>	<b>2,327.6</b>	<b>2,337.8</b>	<b>2,421.2</b>	<b>2,490.7</b>	<b>2,603.5</b>	<b>2,592.4</b>	<b>2,633.5</b>	<b>2,655.4</b>	<b>2,735.9</b>	<b>2,772.8</b>

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

End of period	Domestic assets		Total domestic assets	Foreign assets			Total foreign assets	Total assets
	Government	Other		Gold and claims in gold	Claims on			
	(1)	(2)	(3)		Banks	Governments	(6)	(7)
1996	0.0	18.1	18.1	50.1	335.8	0.0	385.9	404.1
1997	0.0	17.6	17.6	50.1	308.5	0.0	358.5	376.1
1998	0.0	17.9	17.9	41.0	397.7	0.0	438.7	456.5
1999	0.0	19.7	19.7	41.0	393.7	0.0	434.7	454.5
1998 I	0.0	17.2	17.2	50.1	346.5	0.0	396.6	413.9
II	0.0	17.5	17.5	50.1	343.7	0.0	393.8	411.2
III	0.0	17.1	17.1	50.1	371.4	0.0	421.5	438.6
IV	0.0	17.9	17.9	41.0	397.7	0.0	438.7	456.5
1999 I	0.0	16.5	16.5	41.0	468.6	0.0	509.5	526.0
II	0.0	17.9	17.9	41.0	442.2	0.0	483.1	501.0
III	0.0	17.4	17.4	41.0	415.1	0.0	456.0	473.4
IV	0.0	19.7	19.7	41.0	393.7	0.0	434.7	454.5
2000 I	0.0	18.2	18.2	41.0	391.3	0.0	432.3	450.5
II	0.0	17.8	17.8	41.0	404.3	0.0	445.3	463.1

**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								
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
1996	34.9	110.2	89.9	2.6	5.7	6.6	102.8	0.0	1.7	12.9	367.3	1.1	35.6	404.1	
1997	36.5	115.8	58.5	9.8	3.0	17.7	76.2	0.0	2.7	13.9	334.0	2.5	39.7	376.1	
1998	42.9	121.3	55.7	9.8	2.5	43.5	132.8	0.0	6.0	11.5	426.1	1.7	28.8	456.5	
1999	44.0	133.3	46.3	9.3	3.2	42.8	140.3	0.0	5.4	7.7	432.4	0.1	22.0	454.5	
1998	I	36.5	108.4	67.0	5.7	4.1	33.4	99.1	0.0	1.1	18.3	373.5	0.1	40.3	413.9
	II	36.5	115.5	43.7	4.4	2.0	19.6	130.8	0.0	5.3	14.3	372.1	0.1	39.1	411.2
	III	36.5	113.1	38.8	4.9	2.2	40.9	139.1	0.0	3.0	18.0	396.4	0.3	41.8	438.6
	IV	42.9	121.3	55.7	9.8	2.5	43.5	132.8	0.0	6.0	11.5	426.1	1.7	28.8	456.5
1999	I	42.9	114.4	79.5	9.5	3.6	25.7	199.2	0.0	7.8	18.5	501.1	1.6	23.3	526.0
	II	42.9	119.7	68.0	9.4	2.9	54.6	162.3	0.0	4.7	11.4	475.9	1.8	23.3	501.0
	III	42.9	115.5	69.8	9.5	1.7	39.7	154.9	0.0	4.4	9.8	448.1	5.1	20.2	473.4
	IV	44.0	133.3	46.3	9.3	3.2	42.8	140.3	0.0	5.4	7.7	432.4	0.1	22.0	454.5
2000	I	44.0	126.1	46.6	9.4	4.3	25.5	159.9	0.0	4.3	6.5	426.5	1.1	22.8	450.5
	II	44.0	131.4	46.9	29.3	3.3	16.7	154.0	0.0	3.9	9.8	439.3	0.1	23.7	463.1

**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)	
1996	402	399	300	151	861	6	2,120
1997	273	419	338	155	865	15	2,065
1998	256	468	360	165	899	16	2,165
1999	251	479	445	176	970	21	2,342
1998 I	266	395	325	139	807	15	1,947
II	262	403	348	152	868	14	2,047
III	259	419	338	148	842	15	2,021
IV	256	468	360	165	899	16	2,165
1999 I	253	418	341	150	850	16	2,028
II	252	436	388	155	884	16	2,132
III	252	430	401	155	840	16	2,093
IV	251	479	445	176	970	21	2,342
2000 I	251	447	416	165	929	18	2,225
II	250	454	439	163	964	20	2,290

End of period	Denominations: value (AFL million)						Total value of notes issued
	5	10	25	50	100	500	
	(1)	(2)	(3)	(4)	(5)	(6)	
1996	2.0	4.0	7.5	7.5	86.1	3.0	110.2
1997	1.4	4.2	8.4	7.8	86.5	7.5	115.8
1998	1.3	4.7	9.0	8.3	89.9	8.2	121.3
1999	1.3	4.8	11.1	8.8	97.0	10.4	133.3
1998 I	1.3	4.0	8.1	6.9	80.7	7.3	108.4
II	1.3	4.0	8.7	7.6	86.8	7.1	115.5
III	1.3	4.2	8.4	7.4	84.2	7.5	113.1
IV	1.3	4.7	9.0	8.3	89.9	8.2	121.3
1999 I	1.3	4.2	8.5	7.5	85.0	7.9	114.4
II	1.3	4.4	9.7	7.8	88.4	8.2	119.7
III	1.3	4.3	10.0	7.7	84.0	8.2	115.5
IV	1.3	4.8	11.1	8.8	97.0	10.4	133.3
2000 I	1.3	4.5	10.4	8.2	92.9	8.8	126.1
II	1.3	4.5	11.0	8.1	96.4	10.1	131.4

**TABLE 3.4: COINS ISSUED**

End of period	Denominations: number (x 1,000)								Total value of coins issued excl. (8) (AFL million)
	Cents				Florin			Com-memo-rative coins	
	5	10	25	50	1	2 ½	5		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1995	6,413	6,573	4,653	2,559	3,528	60	28	9	7
1996	7,166	7,281	5,118	2,786	3,685	62	296	10	9
1997	7,781	7,877	5,513	2,949	4,081	65	512	10	11
1998	8,693	8,821	6,074	3,254	4,382	67	576	10	12
1998 I	8,082	8,229	5,659	3,048	4,133	65	517	10	11
II	8,249	8,444	5,808	3,082	4,204	66	536	10	11
III	8,476	8,650	5,905	3,161	4,234	67	539	10	11
IV	8,693	8,821	6,074	3,254	4,382	67	576	10	12
1999 I	8,888	9,090	6,080	3,256	4,383	68	586	10	12
II	9,086	9,272	6,201	3,307	4,480	68	587	11	12
III	9,334	9,560	6,391	3,406	4,561	68	587	11	12
IV	9,509	9,822	6,589	3,493	4,759	68	617	11	13
2000 I	9,724	10,066	6,693	3,560	4,866	68	625	11	13
II	9,938	10,268	6,812	3,610	4,891	68	626	11	13

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

	Assets				Total assets = Total liabilities	Liabilities		
	Cash and claims on banks	Investments	Loans	Other		Deposits	Capital and reserves	Other
End of period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1996	419.5	105.6	1,223.0	119.8	1,868.0	1,543.8	112.8	211.4
1997	458.2	90.0	1,286.6	126.7	1,961.4	1,638.9	118.1	204.5
1998	536.7	91.5	1,343.2	123.2	2,094.5	1,775.1	117.2	202.3
1999	558.2	104.1	1,486.1	124.0	2,272.5	1,909.2	116.4	246.9
1998 I	441.6	93.7	1,299.2	134.4	1,968.8	1,631.1	125.8	211.8
II	468.3	88.1	1,298.2	128.4	1,983.0	1,659.3	123.7	200.0
III	527.7	85.9	1,301.6	123.1	2,038.3	1,721.2	121.9	195.1
IV	536.7	91.5	1,343.2	123.2	2,094.5	1,775.1	117.2	202.3
1999 I	573.3	103.7	1,343.6	121.1	2,141.6	1,813.3	117.0	211.3
II	568.0	109.4	1,357.2	122.0	2,156.5	1,827.3	106.5	222.7
III	583.2	107.7	1,411.1	127.2	2,229.1	1,898.4	104.1	226.6
IV	558.2	104.1	1,486.1	124.0	2,272.5	1,909.2	116.4	246.9
2000 I	582.9	92.2	1,555.8	121.0	2,351.8	1,987.3	131.7	232.8
II	553.0	89.7	1,623.3	115.0	2,381.0	2,001.5	136.0	243.5

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

End of period	Liquidity	Loan/ deposit	Capital/ risk value of assets
	(1)	(2)	(3)
1996	24.2	73.2	10.7
1997	25.3	72.5	11.1
1998	29.3	69.8	10.6
1999	29.1	71.3	8.8
1998 I	25.3	73.6	11.5
II	26.0	72.2	11.5
III	29.5	69.9	11.4
IV	29.3	69.8	10.6
1999 I	31.1	68.1	10.3
II	31.1	67.8	9.3
III	30.9	67.9	7.9
IV	29.1	71.3	8.8
2000 I	28.5	72.3	9.7
II	26.7	74.9	9.8

**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)	
1996	24.5	12.6	117.8	57.0	23.7	524.7	334.0	233.2	2.5	
1997	25.2	36.5	57.7	57.2	12.5	501.8	393.0	269.2	2.3	
1998	28.4	58.1	123.0	54.8	14.2	498.0	434.3	287.9	1.1	
1999	23.9	35.7	163.8	60.8	11.7	512.3	503.2	335.6	0.7	
1998	I	21.5	39.0	95.2	57.3	14.7	505.3	406.9	268.7	2.0
	II	22.6	29.1	122.8	58.3	13.7	490.2	411.5	275.9	2.0
	III	23.2	45.4	138.8	59.3	13.9	478.4	421.9	284.0	1.5
	IV	28.4	58.1	123.0	54.8	14.2	498.0	434.3	287.9	1.1
1999	I	24.3	32.3	198.9	54.3	14.3	484.9	447.4	292.4	4.3
	II	23.4	50.4	166.1	56.8	13.8	479.5	460.7	302.7	0.8
	III	22.1	55.7	146.2	60.8	11.7	507.6	484.2	317.8	0.8
	IV	23.9	35.7	163.8	60.8	11.7	512.3	503.2	335.6	0.7
2000	I	24.1	26.7	167.5	48.8	11.7	557.2	515.6	340.3	0.4
	II	23.9	29.0	155.7	46.4	11.9	561.2	546.5	351.6	15.4

**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)
1996	59.2	3.9	26.8	-0.8	1,419.2	8.7	213.8	24.9	128.6	29.9	405.9	1,825.1
1997	64.1	4.8	21.0	26.9	1,472.2	8.2	280.3	20.3	120.2	36.8	465.9	1,938.1
1998	54.7	13.8	15.4	-5.0	1,578.8	11.0	291.8	22.5	121.9	39.4	486.4	2,065.2
1999	54.6	14.4	18.7	10.3	1,745.6	11.6	287.0	31.6	134.4	36.3	500.8	2,246.4
1998 I	64.5	4.4	23.6	3.8	1,506.9	11.5	241.9	21.7	116.3	41.8	433.2	1,940.1
II	64.3	4.4	22.9	4.5	1,522.3	8.4	258.1	16.1	118.6	36.7	437.9	1,960.2
III	62.9	4.5	17.1	7.1	1,557.9	11.0	282.3	12.8	115.8	38.6	460.5	2,018.4
IV	54.7	13.8	15.4	-5.0	1,578.8	11.0	291.8	22.5	121.9	39.4	486.4	2,065.2
1999 I	53.9	13.7	18.5	8.9	1,648.2	10.7	271.1	35.1	114.5	35.0	466.4	2,114.6
II	53.5	13.6	19.5	9.8	1,650.6	10.5	287.1	38.8	113.5	35.3	485.0	2,135.6
III	53.2	13.6	17.8	-5.7	1,685.7	12.8	321.3	35.2	100.8	42.5	512.6	2,198.3
IV	54.6	14.4	18.7	10.3	1,745.6	11.6	287.0	31.6	134.4	36.3	500.8	2,246.4
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

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

Domestic liabilities										
	Demand deposits				Time deposits				Savings deposits	Other liabilities
	Individuals	Companies	Other fin.inst.	Government	Individuals	Companies	Other fin.inst.	Government		
End of period	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
1996	58.1	248.9	37.0	18.9	174.4	123.0	206.5	0.0	349.7	182.4
1997	47.9	261.3	56.7	15.9	182.4	134.2	200.3	0.0	366.6	174.4
1998	84.4	297.4	52.0	11.3	196.7	184.3	228.0	0.0	382.5	178.2
1999	90.9	321.8	46.9	7.9	212.2	247.6	255.7	0.0	391.6	221.6
1998 I	73.8	265.0	34.6	8.9	188.7	145.3	209.0	0.0	374.3	174.4
II	76.2	275.8	48.5	5.5	187.7	145.4	219.1	0.0	380.3	177.9
III	73.9	310.6	47.0	6.8	199.9	173.6	224.3	0.0	393.4	169.7
IV	84.4	297.4	52.0	11.3	196.7	184.3	228.0	0.0	382.5	178.2
1999 I	81.4	312.6	56.5	6.4	207.2	214.0	245.7	0.0	389.4	190.3
II	90.0	301.4	63.2	12.3	225.6	208.9	228.9	0.0	393.5	201.7
III	83.5	334.0	58.5	12.9	217.4	246.5	239.9	0.0	387.5	207.4
IV	90.9	321.8	46.9	7.9	212.2	247.6	255.7	0.0	391.6	221.6
2000 I	92.6	322.8	52.0	5.9	212.1	302.3	245.4	0.0	403.4	214.1
II	102.6	337.4	61.9	6.6	212.4	270.3	243.5	0.0	410.8	224.6

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

End of period	Domestic liabilities (cont'd)		Total domestic liabilities	Foreign liabilities						Foreign liabilities	Liabilities	
	Capital base			Demand deposits		Time deposits		Savings deposits	Capital and reserves and subordinated debt			Other
	Capital and reserves	Subordinated debt	Banks	Non-banks	Banks	Non-banks						
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
1996	94.8	9.6	1,503.3	34.7	46.4	58.2	129.9	37.5	8.4	6.6	321.8	1,825.1
1997	101.9	7.8	1,549.4	23.2	56.2	31.9	201.7	37.2	8.4	30.1	388.7	1,938.1
1998	97.5	11.3	1,723.7	35.3	54.1	53.5	130.7	35.4	8.4	24.1	341.5	2,065.2
1999	96.7	11.3	1,904.2	18.4	49.3	57.6	145.8	37.5	8.4	25.3	342.2	2,246.4
1998 I	109.7	7.8	1,591.6	23.7	45.7	35.9	163.1	34.3	8.4	37.4	348.5	1,940.1
II	107.5	7.8	1,631.8	21.8	43.1	36.0	162.6	34.4	8.4	22.1	328.4	1,960.2
III	105.8	7.8	1,712.7	17.1	43.3	35.5	137.4	38.6	8.4	25.4	305.7	2,018.4
IV	97.5	11.3	1,723.7	35.3	54.1	53.5	130.7	35.4	8.4	24.1	341.5	2,065.2
1999 I	97.3	11.3	1,812.0	10.8	50.3	41.6	134.2	36.3	8.4	21.0	302.6	2,114.6
II	86.7	11.3	1,823.4	20.3	52.3	41.5	130.5	38.1	8.4	21.0	312.2	2,135.6
III	84.4	11.3	1,883.1	25.1	48.6	34.0	144.8	35.1	8.4	19.2	315.2	2,198.3
IV	96.7	11.3	1,904.2	18.4	49.3	57.6	145.8	37.5	8.4	25.3	342.2	2,246.4
2000 I	111.9	11.3	1,973.9	27.0	61.7	56.0	139.9	39.4	8.4	17.3	349.7	2,323.6
II	116.3	11.3	1,997.8	19.1	69.1	55.4	142.0	41.4	8.4	17.3	352.9	2,350.7

**TABLE 5.1: FINANCIAL SURVEY**

End of June 2000	Central Bank and Treasury	Commercial Banks	Monetary Sector	Nonmonetary Financial Institutions	Financial Sector
	(1)	(2)	(3)=(1)+(2)	(4)	(5)=(3)+(4)
1. Foreign assets	445.3	519.9	965.2	519.4	1,484.5
2. Domestic claims	58.7	1,452.4	1,511.1	1,232.5	2,743.6
a) Government	53.3	31.8	85.2	674.4	759.5
b) Non-financial public enterprises	0.0	32.4	32.4	28.9	61.3
c) Enterprises	0.0	662.5	662.5	69.4	731.8
d) Individuals	5.3	725.7	731.0	459.9	1,190.9
1 Consumer credit	0.0	351.6	351.6	58.2	409.9
2 Housing mortgages	5.3	374.1	379.4	401.7	781.1
3. Other domestic claims	12.5	407.2	419.7	722.5	1,142.3
<b>4. TOTAL ASSETS=TOTAL LIABILITIES</b>	<b>516.5</b>	<b>2,379.5</b>	<b>2,896.0</b>	<b>2,474.5</b>	<b>5,370.4</b>
5. Foreign liabilities	23.8	352.9	376.7	106.4	483.1
6. Deposits and borrowings	83.4	1645.6	1729.0	69.0	1798.0
a) Government	76.2	6.6	82.8	41.6	124.5
b) Other residents	7.2	1,639.0	1,646.1	27.3	1,673.5
7. Pension fund provisions	0.0	0.0	0.0	1,315.4	1,315.4
8. Insurance reserve fund	0.0	0.0	0.0	209.6	209.6
9. Other domestic liabilities	409.2	381.0	790.3	774.0	1,564.3

**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)	(3)	(4)	Consumer credit	Housing mortgages	Mortgages	Other loans 2)	(9)	(10=9-4)
1998										
September	5.3	6.9	3.8	5.8	17.4	10.9	9.9	11.4	12.9	7.1
October	5.0	7.3	3.9	5.2	17.3	11.1	11.9	11.1	13.3	8.1
November	5.7	7.4	3.8	5.6	17.1	11.1	10.8	11.2	13.4	7.8
December	6.4	8.5	3.7	7.0	16.8	11.2	11.0	11.5	12.9	5.9
1999										
January	6.2	7.7	3.5	6.4	17.2	11.5	11.4	10.3	14.2	7.8
February	6.8	8.5	3.6	7.0	17.0	10.9	11.4	11.6	13.2	6.2
March	6.8	8.0	3.6	6.9	17.2	10.8	10.9	11.0	13.6	6.7
April	5.8	7.7	3.7	6.5	17.6	10.9	11.7	11.4	14.1	7.7
May	5.5	8.0	3.4	6.1	17.9	10.9	9.9	10.7	13.8	7.7
June	5.8	7.1	3.5	6.1	17.2	11.2	9.1	10.3	12.6	6.6
July	5.9	7.9	3.8	6.5	17.2	10.7	10.9	11.5	13.5	7.1
August	4.3	7.4	3.9	4.9	16.3	10.6	10.3	10.6	13.0	8.2
September	4.7	7.5	4.0	5.0	17.5	10.8	10.8	10.8	13.0	8.0
October	5.7	7.5	3.9	5.7	17.1	10.8	10.4	9.1	12.0	6.3
November	6.2	8.0	4.2	6.4	17.1	10.8	10.2	10.6	11.9	5.5
December	6.5	7.0	4.1	6.5	16.7	10.8	11.6	11.1	12.8	6.3
2000										
January	6.1	7.3	4.0	6.2	17.2	10.9	10.2	10.1	11.5	5.3
February	6.8	6.7	3.9	6.6	17.1	10.8	11.1	9.8	11.5	4.9
March	6.0	7.8	4.1	6.5	17.4	10.7	11.8	11.0	12.8	6.3
April	5.9	7.8	3.7	6.2	17.1	10.7	10.2	10.5	12.2	6.0
May	5.7	7.3	4.0	5.8	17.2	10.5	11.4	10.8	12.8	7.0
June	5.8	7.0	4.3	5.8	17.0	10.7	10.7	10.5	12.0	6.2

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

2) Including current account overdraft facilities.

**TABLE 6.2: CENTRAL BANK LENDING RATES**

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

**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)
1996	3.0	3.3	3.4
1997	3.0	3.4	3.4
1998	2.8	3.4	3.4
1999	2.6	3.0	3.1
1998 I	3.1	3.5	3.5
II	3.0	3.4	3.4
III	2.8	3.4	3.4
IV	2.3	3.1	3.2
1999 I	2.3	3.1	3.0
II	2.4	2.8	2.9
III	2.7	3.0	3.1
IV	3.0	3.2	3.4
2000 I	3.1	3.3	3.4
II	3.3	3.4	3.5

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

**TABLE 6.4: LONDON INTERBANK-OFFERED RATES ON US DOLLAR DEPOSIT**

Period averages in % per annum	7-day (1)	30-day (2)	90-day (3)
1996	5.4	5.4	5.5
1997	5.6	5.6	5.8
1998		5.6	5.6
1999		5.3	5.4
1998 I	5.6	5.7	5.7
II	5.6	5.8	5.8
III			5.6
IV			5.3
1999 I		5.0	5.0
II		5.0	5.1
III		5.3	5.4
IV		5.8	6.1
2000 I		5.9	6.1
II			

Source: International Financial Statistics.

**TABLE 6.5: GOVERNMENT SECURITY MARKETS**

3-month treasury bills					
End of period	Date of issue	Amount (AFL million)	Average price per AFL 100	Yield per annum (%)	
	(1)	(2)	(3)	(4)	
1998	January	17.0	98.34	6.54	
	February	15.0	98.32	6.80	
	April	17.0	98.31	6.83	
	May	15.0	98.30	6.82	
	July	17.0	98.29	6.89	
	August	15.0	98.30	6.84	
	October	17.0	98.31	6.78	
	November	15.0	98.30	6.83	
	1999	January	17.0	98.41	6.46
		February	15.0	98.38	6.49
		April	17.0	98.56	5.79
May		15.0	98.69	5.18	
July		17.0	98.85	4.56	
August		15.0	98.81	4.86	
October		17.0	98.88	4.44	
November		15.0	98.83	4.64	
2000	January	17.0	98.35	6.57	
	February	15.0	98.41	6.34	
	April	17.0	98.36	6.13	
	May	15.0	98.48	6.12	
	July	17.0	98.35	6.20	
	August	15.0	98.45	6.21	

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

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

**TABLE 7.1: GOVERNMENT FINANCIAL OPERATIONS 1)**

	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Total revenue and grants</b>	<b>645.3</b>	<b>627.6</b>	<b>646.4</b>	<b>712.9</b>	<b>149.9</b>	<b>158.4</b>	<b>142.8</b>	<b>195.2</b>	<b>153.0</b>	<b>164.4</b>	<b>198.9</b>	<b>196.6</b>	<b>157.7</b>	<b>181.0</b>
<b>A. Tax revenue</b>	<b>491.6</b>	<b>499.7</b>	<b>535.4</b>	<b>608.6</b>	<b>130.1</b>	<b>115.5</b>	<b>126.0</b>	<b>163.8</b>	<b>138.7</b>	<b>129.7</b>	<b>176.6</b>	<b>163.6</b>	<b>144.0</b>	<b>136.1</b>
1. Taxes on income and profit	223.3	231.6	251.6	309.0	58.0	51.2	59.1	83.2	65.3	58.5	105.2	80.1	63.5	61.0
2. Taxes on commodities	179.6	183.5	187.7	198.0	40.0	44.6	46.9	56.3	41.9	47.6	48.2	60.3	47.9	51.1
3. Taxes on property	25.2	26.5	32.3	35.2	14.2	6.0	4.1	8.0	13.4	5.6	8.5	7.8	14.3	4.1
4. Taxes on services	44.6	41.3	43.7	44.8	13.3	10.7	9.4	10.2	12.9	13.1	9.3	9.4	12.8	11.0
5. Foreign exchange tax	18.9	16.8	20.2	21.6	4.6	2.9	6.6	6.1	5.2	4.9	5.5	6.0	5.6	8.8
<b>B. Nontax revenue</b>	<b>125.8</b>	<b>89.6</b>	<b>95.3</b>	<b>102.9</b>	<b>19.8</b>	<b>38.2</b>	<b>13.4</b>	<b>23.9</b>	<b>14.2</b>	<b>34.4</b>	<b>21.9</b>	<b>32.3</b>	<b>13.6</b>	<b>28.1</b>
<b>C. Grants</b>	<b>27.9</b>	<b>38.3</b>	<b>15.7</b>	<b>1.4</b>	<b>0.0</b>	<b>4.8</b>	<b>3.4</b>	<b>7.5</b>	<b>0.0</b>	<b>0.3</b>	<b>0.4</b>	<b>0.7</b>	<b>0.0</b>	<b>16.9</b>
<b>2. Expenditure and items n.i.e.</b>	<b>692.5</b>	<b>674.5</b>	<b>664.2</b>	<b>736.9</b>	<b>148.5</b>	<b>185.3</b>	<b>151.3</b>	<b>179.0</b>	<b>158.8</b>	<b>173.3</b>	<b>194.9</b>	<b>210.0</b>	<b>158.3</b>	<b>174.5</b>
a. Wages	184.0	212.1	213.1	225.2	47.6	58.2	53.4	53.9	49.8	62.9	53.0	59.5	53.7	69.4
b. Employer's contribution	48.0	42.0	29.0	42.7	5.5	5.4	5.4	12.6	10.0	7.0	5.8	19.8	11.8	8.5
c. Wage subsidies	54.5	58.3	76.8	87.2	15.5	21.9	17.0	22.4	19.3	23.7	19.5	24.7	19.8	24.8
d. Goods and services	163.6	162.6	177.1	200.6	40.9	52.0	37.3	46.9	47.8	45.3	49.9	57.7	40.7	33.9
e. Interest	20.0	23.6	29.0	31.3	3.1	8.3	7.6	10.0	2.8	8.9	9.7	9.8	4.4	6.9
f. Development fund spending	32.6	29.1	16.1	6.7	4.2	4.2	5.1	2.6	0.3	0.4	5.1	0.8	0.0	0.0
g. Investment	55.0	50.7	31.8	32.1	10.8	8.6	6.0	6.3	4.8	5.2	9.7	12.4	5.0	3.3
h. Items n.i.e. 2)	134.8	96.2	91.2	111.2	20.8	26.7	19.4	24.3	24.0	19.8	42.2	25.2	22.8	27.7
<b>3. Financial deficit (-)</b>	<b>-47.2</b>	<b>-46.8</b>	<b>-17.8</b>	<b>-24.1</b>	<b>1.4</b>	<b>-26.9</b>	<b>-8.5</b>	<b>16.2</b>	<b>-5.8</b>	<b>-8.9</b>	<b>4.0</b>	<b>-13.4</b>	<b>-0.6</b>	<b>6.5</b>
<b>4. Net foreign capital</b>	<b>-19.0</b>	<b>-16.0</b>	<b>39.7</b>	<b>13.3</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.7</b>	<b>41.9</b>	<b>26.7</b>	<b>-1.0</b>	<b>0.0</b>	<b>-12.4</b>	<b>-0.2</b>	<b>-0.6</b>
a. Loans received 3)	0.0	0.0	55.6	26.7	0.0	0.0	0.0	55.6	26.7	0.0	0.0	0.0	0.0	0.0
b. Repayments on loans	-19.0	-16.0	-15.9	-13.4	-0.7	-0.8	-0.7	-13.7	0.0	-1.0	0.0	-12.4	-0.2	-0.6
<b>5. Net domestic capital 4)</b>	<b>47.1</b>	<b>31.0</b>	<b>-22.7</b>	<b>-10.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>5.3</b>	<b>-27.3</b>	<b>-5.1</b>	<b>-0.5</b>	<b>-1.8</b>	<b>-3.1</b>	<b>-0.9</b>	<b>5.8</b>
a. Loans received	67.6	63.4	19.9	0.0	3.0	0.0	10.0	6.9	0.0	0.0	0.0	0.0	0.0	30.0
b. Repayments on loans	-20.5	-32.4	-42.6	-10.5	-3.3	-0.4	-4.7	-34.2	-5.1	-0.5	-1.8	-3.1	-0.9	-24.2
<b>6. Net recourse to the monetary system (-)</b>	<b>-19.1</b>	<b>-31.8</b>	<b>-0.8</b>	<b>-21.3</b>	<b>0.4</b>	<b>-28.1</b>	<b>-3.9</b>	<b>30.8</b>	<b>15.8</b>	<b>-10.4</b>	<b>2.2</b>	<b>-28.9</b>	<b>-1.7</b>	<b>11.7</b>
a. Loans received	0.2	-2.7	7.6	1.0	3.2	0.1	-0.6	4.9	-2.7	3.5	0.1	0.1	0.2	-9.1
b. Drawings on deposits	-17.6	-27.3	-7.4	-13.2	-2.6	-28.0	-3.1	26.3	18.7	-5.8	2.4	-28.5	-1.7	20.9
-Earmarked	-1.8	-48.4	10.2	-6.8	-0.5	0.1	-3.2	13.8	-1.0	-0.4	-3.6	-1.8	-1.1	-6.8
-Free	-15.8	21.1	-17.5	-6.6	-2.2	-28.0	0.1	12.6	19.5	-5.3	6.0	-26.8	-0.5	27.7
c. Other	-1.8	-1.8	-1.0	-9.0	-0.2	-0.2	-0.2	-0.4	-0.1	-8.2	-0.2	-0.5	-0.2	-0.1
<b>7. Memorandum items</b>														
a. Unmet financing requirements 5)	73.4	100.8	138.6	158.2	90.1	128.5	146.0	138.6	151.4	162.2	183.7	158.2	193.8	214.8
b. Financial deficit (-) 6)	-83.6	-74.2	-55.6	-43.7	12.1	-65.3	-26.0	23.6	-18.6	-19.7	-17.5	12.1	-36.1	-14.5

1) Preliminary figures and estimates on a cash basis.

2) Residual item, including errors and omissions.

3) Includes borrowing on behalf of public institutions. In 1995, an imputed transaction of AFL 17.6 million related to the Government's assumption of a foreign loan from the WEB is included. Excluding this transaction, a financial surplus of AFL 8.6 million would have been realized.

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.

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.

**TABLE 7.2: GOVERNMENT REVENUE**

	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>TOTAL REVENUE AND GRANTS</b>	<b>645.3</b>	<b>627.6</b>	<b>646.4</b>	<b>712.9</b>	<b>149.9</b>	<b>158.4</b>	<b>142.8</b>	<b>195.2</b>	<b>153.0</b>	<b>164.4</b>	<b>198.9</b>	<b>196.6</b>	<b>157.7</b>	<b>181.0</b>
<b>TAX REVENUE</b>	<b>491.6</b>	<b>499.7</b>	<b>535.4</b>	<b>608.6</b>	<b>130.1</b>	<b>115.5</b>	<b>126.0</b>	<b>163.8</b>	<b>138.7</b>	<b>129.7</b>	<b>176.6</b>	<b>163.6</b>	<b>144.0</b>	<b>136.1</b>
<b>Taxes on income and profit</b>	<b>223.3</b>	<b>231.6</b>	<b>251.6</b>	<b>309.0</b>	<b>58.0</b>	<b>51.2</b>	<b>59.1</b>	<b>83.2</b>	<b>65.3</b>	<b>58.5</b>	<b>105.2</b>	<b>80.1</b>	<b>63.5</b>	<b>61.0</b>
Of which:														
-Wage tax	150.5	159.9	176.2	200.6	46.3	41.9	45.6	42.3	54.1	43.8	54.7	48.0	53.0	50.0
-Income tax	10.6	8.8	13.1	28.1	5.3	2.9	1.9	3.0	4.2	4.1	16.8	3.1	2.3	4.3
-Profit tax	61.9	62.8	62.0	80.1	6.4	6.2	11.5	37.8	6.9	10.6	33.7	29.0	8.2	6.7
-Solidarity tax	0.3	0.1	0.3	0.2	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.0
<b>Taxes on commodities</b>	<b>179.6</b>	<b>183.5</b>	<b>187.7</b>	<b>198.0</b>	<b>40.0</b>	<b>44.6</b>	<b>46.9</b>	<b>56.3</b>	<b>41.9</b>	<b>47.6</b>	<b>48.2</b>	<b>60.3</b>	<b>47.9</b>	<b>51.1</b>
Of which:														
-Excises on gasoline	54.8	54.9	58.4	59.9	13.9	13.7	16.0	14.8	14.3	14.9	15.2	15.4	15.1	16.0
-Excises on tobacco	9.7	9.8	9.9	10.4	1.3	3.3	3.1	2.2	2.4	3.1	2.5	2.4	2.1	3.3
-Excises on beer	17.7	19.7	20.1	19.3	3.9	4.7	4.6	6.8	3.4	5.0	4.3	6.7	4.3	4.1
-Excises on liquor	10.1	11.0	10.5	11.0	2.0	2.5	2.1	3.9	1.8	2.6	2.5	4.1	2.3	2.3
-Import duties	87.3	88.1	88.8	97.4	18.7	20.3	21.2	28.6	20.1	21.9	23.7	31.7	24.2	25.3
<b>Taxes on property</b>	<b>25.2</b>	<b>26.5</b>	<b>32.3</b>	<b>35.2</b>	<b>14.2</b>	<b>6.0</b>	<b>4.1</b>	<b>8.0</b>	<b>13.4</b>	<b>5.6</b>	<b>8.5</b>	<b>7.8</b>	<b>14.3</b>	<b>4.1</b>
Of which:														
-Motor vehicle fees	10.5	10.7	13.2	11.8	7.0	1.5	2.0	2.6	6.0	1.4	1.8	2.5	7.0	1.4
-Succession tax	0.7	1.4	1.7	1.6	1.2	0.2	0.1	0.2	0.1	0.2	1.2	0.1	0.1	-0.1
-Land tax	8.8	9.4	12.1	14.7	3.5	2.9	1.3	4.4	4.5	2.3	4.0	4.0	2.8	1.4
-Transfer tax	5.2	5.0	5.3	7.2	2.5	1.4	0.7	0.7	2.7	1.8	1.5	1.1	4.5	1.3
<b>Taxes on services</b>	<b>44.6</b>	<b>41.3</b>	<b>43.7</b>	<b>44.8</b>	<b>13.3</b>	<b>10.7</b>	<b>9.4</b>	<b>10.2</b>	<b>12.9</b>	<b>13.1</b>	<b>9.3</b>	<b>9.4</b>	<b>12.8</b>	<b>11.0</b>
Of which:														
-Gambling licenses	15.7	14.5	15.2	17.5	5.2	3.3	3.3	3.4	4.3	6.4	3.1	3.7	5.3	3.4
-Hotel room tax	19.0	17.4	18.8	19.3	6.1	5.4	3.7	3.6	6.2	4.9	4.3	3.8	5.8	6.0
-Stamp duties	2.4	1.9	2.7	2.8	0.5	0.4	0.6	1.2	1.1	0.6	0.7	0.5	0.6	0.5
-Other	7.5	7.5	7.0	5.2	1.6	1.6	1.8	2.1	1.3	1.3	1.2	1.4	1.1	1.1
<b>Foreign exchange tax</b>	<b>18.9</b>	<b>16.8</b>	<b>20.2</b>	<b>21.6</b>	<b>4.6</b>	<b>2.9</b>	<b>6.6</b>	<b>6.1</b>	<b>5.2</b>	<b>4.9</b>	<b>5.5</b>	<b>6.0</b>	<b>5.6</b>	<b>8.8</b>
<b>NONTAX REVENUE</b>	<b>125.8</b>	<b>89.6</b>	<b>95.3</b>	<b>102.9</b>	<b>19.8</b>	<b>38.2</b>	<b>13.4</b>	<b>23.9</b>	<b>14.2</b>	<b>34.4</b>	<b>21.9</b>	<b>32.3</b>	<b>13.6</b>	<b>28.1</b>
<b>GRANTS</b>	<b>27.9</b>	<b>38.3</b>	<b>15.7</b>	<b>1.4</b>	<b>0.0</b>	<b>4.8</b>	<b>3.4</b>	<b>7.5</b>	<b>0.0</b>	<b>0.3</b>	<b>0.4</b>	<b>0.7</b>	<b>0.0</b>	<b>16.9</b>

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

TABLE 7.3: GOVERNMENT'S POSITION WITH THE MONETARY SYSTEM

End of period	Domestic deposits						Gross liquidity position	Liabilities to			Net liability to the monetary system	Change in net liability during period
	Central Bank			Commercial banks				Monetary authorities	Commercial banks	Total		
	Free Funds	Earmarked	Development Funds	Total	Demand	Time		(8)	(9)	(10=8+9)		
	(1)	(2)	(3)	(4=1+2+3)	(5)	(6)	(7=4+5+6)					
1996	1.3	88.7	2.6	92.6	18.9	0.0	111.5	41.2	28.8	70.0	-41.5	19.1
1997	18.2	40.3	9.8	68.3	15.9	0.0	84.2	43.0	31.5	74.5	-9.7	31.8
1998	5.3	50.5	9.8	65.6	11.3	0.0	76.8	44.0	23.9	67.9	-8.9	0.8
1999	2.6	43.7	9.3	55.6	7.9	0.0	63.6	53.0	22.9	75.9	12.4	21.3
1998 I	27.2	39.8	5.7	72.6	8.9	0.0	81.6	43.2	28.3	71.5	-10.1	-0.4
II	3.8	39.9	4.4	48.1	5.5	0.0	53.6	43.4	28.2	71.7	18.0	28.1
III	2.1	36.7	4.9	43.8	6.8	0.0	50.5	43.6	28.8	72.4	21.9	3.9
IV	5.3	50.5	9.8	65.6	11.3	0.0	76.8	44.0	23.9	67.9	-8.9	-30.8
1999 I	30.1	49.5	9.5	89.0	6.4	0.0	95.5	44.1	26.6	70.7	-24.7	-15.8
II	18.9	49.1	9.4	77.4	12.3	0.0	89.7	52.3	23.1	75.3	-14.3	10.4
III	24.2	45.5	9.5	79.2	12.9	0.0	92.1	52.5	23.0	75.6	-16.5	-2.2
IV	2.6	43.7	9.3	55.6	7.9	0.0	63.6	53.0	22.9	75.9	12.4	28.9
2000 I	4.0	42.6	9.4	56.0	5.9	0.0	61.9	53.2	22.7	75.9	14.1	1.7
II	11.1	35.8	29.3	76.2	6.6	0.0	82.8	53.3	31.8	85.2	2.3	-11.7

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

During period	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Current account (net)</b>	<b>-110.8</b>	<b>-350.9</b>	<b>-33.6</b>	<b>-596.4</b>	<b>290.2</b>	<b>-147.0</b>	<b>-25.8</b>	<b>-151.0</b>	<b>204.6</b>	<b>-400.0</b>	<b>-210.2</b>	<b>-190.8</b>	<b>506.6</b>	<b>-259.9</b>
A. Goods and services	-83.1	-300.3	-25.7	-563.8	291.2	-151.0	-26.2	-139.7	178.9	-401.9	-170.4	-170.4	521.9	-241.7
1. Goods	-539.8	-700.1	-632.5	-1059.2	45.6	-273.6	-162.8	-241.7	-45.5	-489.4	-215.2	-309.1	266.4	-374.4
2. Services	456.7	399.8	606.8	495.4	245.6	122.6	136.6	102.0	224.4	87.5	44.8	138.7	255.5	132.7
B. Income	-21.2	-30.8	0.7	-56.6	2.1	2.0	5.7	-9.1	4.8	-10.0	-42.2	-9.2	-0.1	-6.7
C. Current transfers	-6.5	-19.8	-8.6	24.0	-3.1	2.0	-5.3	-2.2	20.9	11.9	2.4	-11.2	-15.2	-11.5
<b>2. Capital and financial account (net)</b>	<b>53.6</b>	<b>315.7</b>	<b>192.0</b>	<b>623.1</b>	<b>-243.2</b>	<b>165.2</b>	<b>100.8</b>	<b>169.2</b>	<b>-104.0</b>	<b>382.1</b>	<b>209.4</b>	<b>135.6</b>	<b>-478.2</b>	<b>237.8</b>
A. Capital account	45.4	37.6	9.3	0.0	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7
1. Capital transfers	45.4	37.6	9.3	0.0	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7
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
B. Financial account	8.2	278.1	182.7	623.1	-241.2	160.9	101.1	161.9	-103.9	382.3	209.5	135.2	-478.8	221.1
1. Direct investment	150.6	353.7	147.1	717.8	-218.0	165.0	83.8	116.3	-64.5	425.2	192.0	165.1	-415.3	303.8
2. Portfolio investment	-11.2	80.0	-85.1	-95.6	-28.2	-22.5	15.9	-50.3	-7.4	-58.6	26.8	-56.4	-11.1	-22.1
3. Other investment	-131.2	-155.6	120.7	0.9	5.0	18.4	1.4	95.9	-32.0	15.7	-9.3	26.5	-52.4	-60.6
<b>3. Items not yet classified 2)</b>	<b>12.2</b>	<b>-4.5</b>	<b>1.1</b>	<b>-8.6</b>	<b>0.3</b>	<b>5.0</b>	<b>-5.0</b>	<b>0.8</b>	<b>-5.3</b>	<b>0.3</b>	<b>-1.9</b>	<b>-1.7</b>	<b>3.8</b>	<b>7.1</b>
<b>4. Overall balance (1+2+3)</b>	<b>-45.0</b>	<b>-39.7</b>	<b>159.5</b>	<b>18.1</b>	<b>47.3</b>	<b>23.2</b>	<b>70.0</b>	<b>19.0</b>	<b>95.3</b>	<b>-17.6</b>	<b>-2.7</b>	<b>-56.9</b>	<b>32.2</b>	<b>-15.0</b>
<b>5. Banking transactions 3)</b>	<b>-2.1</b>	<b>6.9</b>	<b>-67.7</b>	<b>-13.7</b>	<b>-7.5</b>	<b>-24.8</b>	<b>-45.3</b>	<b>9.9</b>	<b>-18.9</b>	<b>-9.0</b>	<b>-24.6</b>	<b>38.8</b>	<b>-36.5</b>	<b>25.9</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>47.1</b>	<b>32.8</b>	<b>-91.8</b>	<b>-4.4</b>	<b>-39.8</b>	<b>1.6</b>	<b>-24.7</b>	<b>-28.9</b>	<b>-76.4</b>	<b>26.6</b>	<b>27.3</b>	<b>18.1</b>	<b>4.3</b>	<b>-10.9</b>
A. Monetary gold	-3.0	0.0	9.1	0.0	0.0	0.0	0.0	9.1	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	50.1	32.8	-100.9	-4.4	-39.8	1.6	-24.7	-38.0	-76.4	26.6	27.3	18.1	4.3	-10.9

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	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Goods and services</b>	<b>-83.1</b>	<b>-300.3</b>	<b>-25.7</b>	<b>-563.8</b>	<b>291.2</b>	<b>-151.0</b>	<b>-26.2</b>	<b>-139.7</b>	<b>178.9</b>	<b>-401.9</b>	<b>-170.4</b>	<b>-170.4</b>	<b>521.9</b>	<b>-241.7</b>
A. Goods	-539.8	-700.1	-632.5	-1,059.2	45.6	-273.6	-162.8	-241.7	-45.5	-489.4	-215.2	-309.1	266.4	-374.4
1. Exports f.o.b.	3,102.4	3,087.3	2,085.0	2,530.1	631.9	490.4	382.4	580.3	567.0	603.0	650.9	709.2	1,046.9	938.7
2. Imports f.o.b.	3,642.2	3,787.4	2,717.5	3,589.3	586.3	764.0	545.2	822.0	612.5	1,092.4	866.1	1,018.3	780.5	1,313.1
B. Services	<b>456.7</b>	<b>399.8</b>	<b>606.8</b>	<b>495.4</b>	<b>245.6</b>	<b>122.6</b>	<b>136.6</b>	<b>102.0</b>	<b>224.4</b>	<b>87.5</b>	<b>44.8</b>	<b>138.7</b>	<b>255.5</b>	<b>132.7</b>
1. Receipts	<b>1,377.5</b>	<b>1,466.8</b>	<b>1,596.8</b>	<b>1,771.5</b>	<b>449.3</b>	<b>379.4</b>	<b>371.9</b>	<b>396.2</b>	<b>488.0</b>	<b>395.0</b>	<b>401.2</b>	<b>487.3</b>	<b>526.7</b>	<b>446.8</b>
1.1 Transportation	103.4	89.0	117.3	145.8	27.3	31.6	29.7	28.7	39.1	34.9	37.9	33.9	39.0	43.1
1.1.1 Passenger	83.2	75.5	81.3	97.7	16.5	21.8	22.0	21.0	28.1	23.5	24.2	21.9	19.0	23.7
1.1.2 Freight	11.4	3.0	1.8	3.4	0.4	0.5	0.2	0.7	1.3	0.8	0.7	0.6	0.9	0.1
1.1.3 Other	8.8	10.5	34.2	44.7	10.4	9.3	7.5	7.0	9.7	10.6	13.0	11.4	19.1	19.3
1.2 Travel	1,121.6	1,237.6	1,322.0	1,412.2	387.6	308.2	303.3	322.9	404.9	321.6	317.5	368.2	441.5	353.6
1.2.1 Tourism	1,098.1	1,196.3	1,306.5	1,398.9	384.5	303.4	298.9	319.7	401.8	318.0	313.9	365.2	439.2	351.3
1.2.2 Other	23.5	41.3	15.5	13.3	3.1	4.8	4.4	3.2	3.1	3.6	3.6	3.0	2.3	2.3
1.3 Government services, n.i.e.	33.5	30.8	26.7	31.9	5.9	7.3	5.5	8.0	4.1	5.6	9.3	12.9	5.8	11.0
1.4 Other services	119.0	109.4	130.8	181.6	28.5	32.3	33.4	36.6	39.9	32.9	36.5	72.3	40.4	39.1
1.4.1 Construction services	10.6	11.2	15.0	18.3	2.1	3.4	5.2	4.3	2.8	6.8	5.6	3.1	0.2	0.0
1.4.2 Other business services	53.4	59.7	69.3	77.2	18.3	14.2	19.6	17.2	18.0	14.9	17.1	27.2	29.4	25.7
1.4.3 Other services, n.i.e.	55.0	38.5	46.5	86.1	8.1	14.7	8.6	15.1	19.1	11.2	13.8	42.0	10.8	13.4
2. Payments	<b>920.8</b>	<b>1,067.0</b>	<b>990.0</b>	<b>1,276.1</b>	<b>203.7</b>	<b>256.8</b>	<b>235.3</b>	<b>294.2</b>	<b>263.6</b>	<b>307.5</b>	<b>356.4</b>	<b>348.6</b>	<b>271.2</b>	<b>314.1</b>
2.1 Transportation	393.8	421.0	294.2	377.4	63.1	88.7	64.8	77.6	59.5	110.6	98.6	108.7	79.9	131.0
2.1.1 Passenger	13.8	10.6	9.4	14.2	0.6	2.9	4.4	1.5	2.3	2.0	6.1	3.8	2.9	2.4
2.1.2 Freight	361.4	385.1	273.3	348.3	59.3	83.0	57.5	73.5	55.0	104.6	86.9	101.8	73.3	124.5
2.1.3 Other	18.6	25.3	11.5	14.9	3.2	2.8	2.9	2.6	2.2	4.0	5.6	3.1	3.7	4.1
2.2 Travel	214.4	280.1	241.2	265.2	51.4	56.6	65.5	67.7	57.5	61.1	72.2	74.4	66.6	67.3
2.2.1 Tourism	172.4	234.6	198.1	217.7	41.7	47.5	54.2	54.7	45.4	51.6	58.7	62.0	57.2	58.5
2.2.2 Other	42.0	45.5	43.1	47.5	9.7	9.1	11.3	13.0	12.1	9.5	13.5	12.4	9.4	8.8
2.3 Government services, n.i.e.	59.0	70.6	44.7	50.3	10.6	7.3	10.1	16.7	13.7	11.8	13.4	11.4	11.6	10.2
2.4 Other services	253.6	295.3	409.9	583.2	78.6	104.2	94.9	132.2	132.9	124.0	172.2	154.1	113.1	105.6
2.4.1 Construction services	36.9	42.5	80.7	200.3	8.3	13.7	19.0	39.7	42.0	43.1	68.0	47.2	17.1	8.2
2.4.2 Other business services	87.9	105.5	151.7	185.5	34.1	37.2	39.4	41.0	39.5	35.0	50.5	60.5	52.1	51.1
2.4.3 Other services, n.i.e.	128.8	147.3	177.5	197.4	36.2	53.3	36.5	51.5	51.4	45.9	53.7	46.4	43.9	46.3
<b>2. Income</b>	<b>-21.2</b>	<b>-30.8</b>	<b>0.7</b>	<b>-56.6</b>	<b>2.1</b>	<b>2.0</b>	<b>5.7</b>	<b>-9.1</b>	<b>4.8</b>	<b>-10.0</b>	<b>-42.2</b>	<b>-9.2</b>	<b>-0.1</b>	<b>-6.7</b>
1. Receipts	34.3	37.1	72.5	66.9	13.4	18.5	24.0	16.6	18.7	12.0	18.1	18.1	18.7	18.4
1.1 Compensation of employees	1.9	1.7	0.7	1.3	0.0	0.1	0.1	0.5	0.2	0.2	0.7	0.2	0.1	0.0
1.2 Investment income	32.4	35.4	71.8	65.6	13.4	18.4	23.9	16.1	18.5	11.8	17.4	17.9	18.6	18.4
2. Payments	55.5	67.9	71.8	123.5	11.3	16.5	18.3	25.7	13.9	22.0	60.3	27.3	18.8	25.1
2.1 Compensation of employees	4.3	0.4	0.6	1.0	0.1	0.1	0.3	0.1	0.3	0.3	0.2	0.2	0.1	0.1
2.2 Investment income	51.2	67.5	71.2	122.5	11.2	16.4	18.0	25.6	13.6	21.7	60.1	27.1	18.7	25.0
<b>3. Current transfers</b>	<b>-6.5</b>	<b>-19.8</b>	<b>-8.6</b>	<b>24.0</b>	<b>-3.1</b>	<b>2.0</b>	<b>-5.3</b>	<b>-2.2</b>	<b>20.9</b>	<b>11.9</b>	<b>2.4</b>	<b>-11.2</b>	<b>-15.2</b>	<b>-11.5</b>
1. Receipts	32.9	33.0	52.4	106.1	16.0	12.4	10.7	13.3	39.9	30.2	22.2	13.8	10.8	12.7
1.1 General government	9.1	13.2	22.1	26.4	6.2	6.5	5.2	4.2	4.9	7.6	9.2	4.7	5.4	5.6
1.2 Other sectors	23.8	19.8	30.3	79.7	9.8	5.9	5.5	9.1	35.0	22.6	13.0	9.1	5.4	7.1
1.2.1 Workers' remittances	1.0	1.6	2.2	6.7	0.9	0.5	0.4	0.4	0.4	0.2	5.3	0.8	0.6	0.8
1.2.2 Other transfers	22.8	18.2	28.1	73.0	8.9	5.4	5.1	8.7	34.6	22.4	7.7	8.3	4.8	6.3
2. Payments	39.4	52.8	61.0	82.1	19.1	10.4	16.0	15.5	19.0	18.3	19.8	25.0	26.0	24.2
2.1 General government	12.5	19.2	21.9	28.0	8.5	2.9	5.5	5.0	7.0	5.8	6.1	9.1	7.2	3.7
2.2 Other sectors	26.9	33.6	39.1	54.1	10.6	7.5	10.5	10.5	12.0	12.5	13.7	15.9	18.8	20.5
2.2.1 Workers' remittances	8.6	17.5	20.2	33.9	4.4	5.3	5.6	4.9	6.3	9.2	9.1	9.3	12.3	14.2
2.2.2 Other transfers	18.3	16.1	18.9	20.2	6.2	2.2	4.9	5.6	5.7	3.3	4.6	6.6	6.5	6.3
<b>4. Current account balance (1+2+3)</b>	<b>-110.8</b>	<b>-350.9</b>	<b>-33.6</b>	<b>-596.4</b>	<b>290.2</b>	<b>-147.0</b>	<b>-25.8</b>	<b>-151.0</b>	<b>204.6</b>	<b>-400.0</b>	<b>-210.2</b>	<b>-190.8</b>	<b>506.6</b>	<b>-259.9</b>

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

During period	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Nonbanks</b>	<b>53.6</b>	<b>315.7</b>	<b>192.0</b>	<b>623.1</b>	<b>-243.2</b>	<b>165.2</b>	<b>100.8</b>	<b>169.2</b>	<b>-104.0</b>	<b>382.1</b>	<b>209.4</b>	<b>135.6</b>	<b>-478.2</b>	<b>237.8</b>
A. Capital account	45.4	37.6	9.3	0.0	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7
1. Capital transfers	45.4	37.6	9.3	0.0	-2.0	4.3	-0.3	7.3	-0.1	-0.2	-0.1	0.4	0.6	16.7
1.1 General government	27.9	38.3	15.7	1.4	0.0	4.8	3.4	7.5	0.0	0.3	0.4	0.7	0.0	16.9
1.2 Other sectors	17.5	-0.7	-6.4	-1.4	-2.0	-0.5	-3.7	-0.2	-0.1	-0.5	-0.5	-0.3	0.6	-0.2
1.2.1 Migrants' transfers	17.5	-0.7	-6.4	-1.4	-2.0	-0.5	-3.7	-0.2	-0.1	-0.5	-0.5	-0.3	0.6	-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	0.0
2. Acquisition/disposal of non-produced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial account	8.2	278.1	182.7	623.1	-241.2	160.9	101.1	161.9	-103.9	382.3	209.5	135.2	-478.8	221.1
1. Direct investment	150.6	353.7	147.1	717.8	-218.0	165.0	83.8	116.3	-64.5	425.2	192.0	165.1	-415.3	303.8
1.1 Investment abroad	-0.6	3.0	-2.5	16.0	-0.9	-1.8	-0.4	0.6	13.2	-1.9	-0.1	4.8	-1.6	-4.7
1.2 Investment in Aruba	151.2	350.7	149.6	701.8	-217.1	166.8	84.2	115.7	-77.7	427.1	192.1	160.3	-413.7	308.5
2. Portfolio investment	-11.2	80.0	-85.1	-95.6	-28.2	-22.5	15.9	-50.3	-7.4	-58.6	26.8	-56.4	-11.1	-22.1
2.1 Domestic securities	2.8	111.1	-6.1	21.8	0.8	-2.1	0.2	-5.0	-0.1	0.2	22.0	-0.3	-0.1	0.1
2.2 Foreign securities	-14.0	-31.1	-79.0	-117.4	-29.0	-20.4	15.7	-45.3	-7.3	-58.8	4.8	-56.1	-11.0	-22.2
3. Other investment	-131.2	-155.6	120.7	0.9	5.0	18.4	1.4	95.9	-32.0	15.7	-9.3	26.5	-52.4	-60.6
3.1. Loans	-81.1	-43.1	38.3	54.8	0.0	-3.7	9.4	32.6	14.0	-12.9	42.9	10.8	-17.7	-39.8
3.1.1 General government	-19.0	-16.0	39.7	13.4	-0.7	-0.8	-0.7	41.9	26.8	-1.0	0.0	-12.4	-0.2	-0.6
3.1.2 Other sectors	-62.1	-27.1	-1.4	41.4	0.7	-2.9	10.1	-9.3	-12.8	-11.9	42.9	23.2	-17.5	-39.2
3.2. Other financial transactions	-50.1	-112.5	82.4	-53.9	5.0	22.1	-8.0	63.3	-46.0	28.6	-52.2	15.7	-34.7	-20.8
<b>2. Banking transactions 2)</b>	<b>-2.1</b>	<b>6.9</b>	<b>-67.7</b>	<b>-13.7</b>	<b>-7.5</b>	<b>-24.8</b>	<b>-45.3</b>	<b>9.9</b>	<b>-18.9</b>	<b>-9.0</b>	<b>-24.6</b>	<b>38.8</b>	<b>-36.5</b>	<b>25.9</b>
A. Assets	-32.6	-60.0	-20.5	-14.4	32.7	-4.7	-22.6	-25.9	20.0	-18.6	-27.6	11.8	-44.0	24.9
1. Investments	9.6	4.6	-2.2	-9.1	-1.4	5.6	3.3	-9.7	-12.6	-3.7	3.6	3.6	0.0	0.2
2. Loans	-67.4	8.4	-1.7	-11.5	3.9	-2.3	2.8	-6.1	7.4	1.0	12.7	-32.6	-7.9	8.4
3. Other assets	25.2	-73.0	-16.6	6.2	30.2	-8.0	-28.7	-10.1	25.2	-15.9	-43.9	40.8	-36.1	16.3
B. Liabilities	30.5	66.9	-47.2	0.7	-40.2	-20.1	-22.7	35.8	-38.9	9.6	3.0	27.0	7.5	1.0
1. Subordinated debts	-15.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Other liabilities	46.3	66.9	-47.2	0.7	-40.2	-20.1	-22.7	35.8	-38.9	9.6	3.0	27.0	7.5	1.0
<b>3. (Total banks and nonbanks, net (1+2))</b>	<b>51.5</b>	<b>322.6</b>	<b>124.3</b>	<b>609.4</b>	<b>-250.7</b>	<b>140.4</b>	<b>55.5</b>	<b>179.1</b>	<b>-122.9</b>	<b>373.1</b>	<b>184.8</b>	<b>174.4</b>	<b>-514.7</b>	<b>263.7</b>

1) Excluding official reserves.

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

Table 8.4: BALANCE OF PAYMENTS BY SECTORS 1)

During period	1997-II				1998-II				1999-II				2000-II			
	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total	Oil sector	Free-zone	Rest of economy	Total
<b>1. Current account (net)</b>	<b>60.7</b>	<b>13.8</b>	<b>-6.2</b>	<b>68.3</b>	<b>-145.0</b>	<b>8.4</b>	<b>-10.4</b>	<b>-147.0</b>	<b>-404.0</b>	<b>-9.4</b>	<b>13.4</b>	<b>-400.0</b>	<b>-264.5</b>	<b>-2.7</b>	<b>7.3</b>	<b>-259.9</b>
A. Goods and services	62.6	13.8	-3.8	72.6	-142.7	8.4	-16.7	-151.0	-402.0	-9.4	9.5	-401.9	-262.9	-2.7	23.9	-241.7
1. Goods	121.9	25.5	-176.5	-29.1	-92.7	18.4	-199.3	-273.6	-276.9	-0.8	-211.7	-489.4	-131.8	0.0	-242.6	-374.4
1.1 Exports f.o.b.	622.7	131.0	45.2	798.9	368.8	108.8	12.8	490.4	517.8	76.7	8.5	603.0	905.9	24.6	8.2	938.7
1.2 Imports f.o.b.	500.8	105.5	221.7	828.0	461.5	90.4	212.1	764.0	794.7	77.5	220.2	1092.4	1037.7	24.6	250.8	1313.1
2. Services	-59.3	-11.7	172.7	101.7	-50.0	-10.0	182.6	122.6	-125.1	-8.6	221.2	87.5	-131.1	-2.7	266.5	132.7
2.1 Receipts	0.0	0.0	351.9	351.9	0.0	0.0	379.4	379.4	0.0	0.0	395.0	395.0	0.0	0.0	446.8	446.8
2.2 Payments	59.3	11.7	179.2	250.2	50.0	10.0	196.8	256.8	125.1	8.6	173.8	307.5	131.1	2.7	180.3	314.1
B. Income	0.0	0.0	1.0	1.0	0.0	0.0	2.0	2.0	0.0	0.0	-10.0	-10.0	0.0	0.0	-6.7	-6.7
1. Receipts	0.0	0.0	10.9	10.9	0.0	0.0	18.5	18.5	0.0	0.0	12.0	12.0	0.0	0.0	18.4	18.4
2. Payments	0.0	0.0	9.9	9.9	0.0	0.0	16.5	16.5	0.0	0.0	22.0	22.0	0.0	0.0	25.1	25.1
C. Current transfers	-1.9	0.0	-3.4	-5.3	-2.3	0.0	4.3	2.0	-2.0	0.0	13.9	11.9	-1.6	0.0	-9.9	-11.5
1. Receipts	0.0	0.0	7.7	7.7	0.0	0.0	12.4	12.4	0.0	0.0	30.2	30.2	0.0	0.0	12.7	12.7
2. Payments	1.9	0.0	11.1	13.0	2.3	0.0	8.1	10.4	2.0	0.0	16.3	18.3	1.6	0.0	22.6	24.2
<b>2. Nonmonetary capital and financial account (net)</b>	<b>-69.1</b>	<b>2.0</b>	<b>-28.1</b>	<b>-95.2</b>	<b>165.4</b>	<b>-7.6</b>	<b>7.4</b>	<b>165.2</b>	<b>412.2</b>	<b>7.2</b>	<b>-37.3</b>	<b>382.1</b>	<b>287.4</b>	<b>0.0</b>	<b>-49.6</b>	<b>237.8</b>
A. Capital account	0.0	0.0	12.1	12.1	0.0	0.0	4.3	4.3	0.0	0.0	-0.2	-0.2	0.0	0.0	16.7	16.7
1. Capital transfers	0.0	0.0	12.1	12.1	0.0	0.0	4.3	4.3	0.0	0.0	-0.2	-0.2	0.0	0.0	16.7	16.7
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	-69.1	2.0	-40.2	-107.3	165.4	-7.6	3.1	160.9	412.2	7.2	-37.1	382.3	287.4	0.0	-66.3	221.1
1. Direct investment	-68.9	0.0	0.7	-68.2	165.2	0.0	-0.2	165.0	412.6	0.0	12.6	425.2	287.8	0.0	16.0	303.8
2. Portfolio investment	-0.2	0.0	96.4	96.2	-0.3	0.0	-22.2	-22.5	-0.4	0.0	-58.2	-58.6	-0.4	0.0	-21.7	-22.1
3. Other investment	0.0	2.0	-137.3	-135.3	0.5	-7.6	25.5	18.4	0.0	7.2	8.5	15.7	0.0	0.0	-60.6	-60.6
<b>3. Items not yet classified 2)</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.3</b>	<b>-1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>7.1</b>	<b>7.1</b>
<b>4. Balance of the nonmonetary sectors (1+2+3)</b>	<b>-8.4</b>	<b>15.8</b>	<b>-35.6</b>	<b>-28.2</b>	<b>20.4</b>	<b>0.8</b>	<b>2.0</b>	<b>23.2</b>	<b>8.2</b>	<b>-2.2</b>	<b>-23.6</b>	<b>-17.6</b>	<b>22.9</b>	<b>-2.7</b>	<b>-35.2</b>	<b>-15.0</b>
<b>5. Banking transactions 3)</b>	<b>8.4</b>	<b>-15.8</b>	<b>13.7</b>	<b>6.3</b>	<b>-24.6</b>	<b>-0.8</b>	<b>0.6</b>	<b>-24.8</b>	<b>-8.2</b>	<b>2.2</b>	<b>-3.0</b>	<b>-9.0</b>	<b>-22.9</b>	<b>2.7</b>	<b>46.1</b>	<b>25.9</b>
<b>6. Increase (-) in official reserves 4)</b>	<b>0.0</b>	<b>0.0</b>	<b>21.9</b>	<b>21.9</b>	<b>4.2</b>	<b>0.0</b>	<b>-2.6</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>26.6</b>	<b>26.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-10.9</b>	<b>-10.9</b>
A. Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign exchange holdings	0.0	0.0	21.9	21.9	4.2	0.0	1.6	1.6	0.0	0.0	26.6	26.6	0.0	0.0	-10.9	-10.9

1) On a cash basis.

2) Including errors and omissions.

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

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

**TABLE 8.5: BREAKDOWN OF MERCHANDISE TRADE**

During period	1996	1997	1998	1999	1998				1999				2000	
					I	II	III	IV	I	II	III	IV	I	II
<b>1. Exports f.o.b.</b>	<b>3,102.4</b>	<b>3,087.3</b>	<b>2,085.0</b>	<b>2,530.1</b>	<b>631.9</b>	<b>490.4</b>	<b>382.4</b>	<b>580.3</b>	<b>567.0</b>	<b>603.0</b>	<b>650.9</b>	<b>709.2</b>	<b>1,046.9</b>	<b>938.7</b>
A. General merchandise	2,941.4	2,912.6	1,954.2	2,358.2	588.9	458.8	355.2	551.3	529.8	555.7	613.5	659.2	982.3	878.4
1. Oil sector	2,420.3	2,302.8	1,407.6	2,018.2	467.4	341.0	202.5	396.7	404.2	471.2	536.4	606.4	920.7	847.0
2. Free-zone	413.4	527.4	516.4	303.8	113.7	108.8	147.1	146.8	116.6	76.7	68.4	42.1	50.6	24.6
3. Other sectors	107.7	82.4	30.2	36.2	7.8	9.0	5.6	7.8	9.0	7.8	8.7	10.7	11.0	6.8
B. Goods procured in ports by carriers	159.5	174.1	130.2	171.6	42.8	31.4	27.2	28.8	37.0	47.3	37.3	50.0	64.6	60.3
C. Repairs on goods	1.5	0.6	0.6	0.3	0.2	0.2	0.0	0.2	0.2	0.0	0.1	0.0	0.0	0.0
<b>2. Imports f.o.b.</b>	<b>3,642.2</b>	<b>3,787.4</b>	<b>2,717.5</b>	<b>3,589.3</b>	<b>586.3</b>	<b>764.0</b>	<b>545.2</b>	<b>822.0</b>	<b>612.5</b>	<b>1,092.4</b>	<b>866.1</b>	<b>1,018.3</b>	<b>780.5</b>	<b>1,313.1</b>
A. General merchandise	1,337.2	1,479.8	1,711.5	1,525.6	383.7	353.5	454.8	519.5	406.6	357.9	385.7	375.4	347.0	342.4
1. Oil sector	127.7	207.0	349.6	327.1	49.4	58.9	123.5	117.8	77.7	66.3	115.4	67.7	52.3	76.5
2. Free-zone	341.7	443.0	473.7	253.9	106.7	90.4	124.0	152.6	94.1	77.6	43.0	39.2	37.2	24.6
3. Other sectors	867.8	829.8	888.2	944.6	227.6	204.2	207.3	249.1	234.8	214.0	227.3	268.5	257.5	241.3
B. Goods for processing	2,266.1	2,276.4	974.8	2,035.3	195.6	402.6	82.5	294.1	198.4	728.4	474.9	633.6	427.6	961.2
C. Goods procured in ports by carriers	23.6	18.1	18.9	19.2	5.3	4.6	4.1	4.9	4.7	4.2	3.6	6.7	5.9	6.6
D. Repairs on goods	15.3	13.1	12.3	9.2	1.7	3.3	3.8	3.5	2.8	1.9	1.9	2.6	0.0	2.9
<b>3. Merchandise trade (1-2)</b>	<b>-539.8</b>	<b>-700.1</b>	<b>-632.5</b>	<b>-1,059.2</b>	<b>45.6</b>	<b>-273.6</b>	<b>-162.8</b>	<b>-241.7</b>	<b>-45.5</b>	<b>-489.4</b>	<b>-215.2</b>	<b>-309.1</b>	<b>266.4</b>	<b>-374.4</b>

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

	Can. dollar	Pound sterling	Neth. guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO1) (x 100)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1996	1.322	2.824	106.599	145.392	35.345	119.398	1.191	165.067	224.604
1997	1.303	2.958	92.169	123.836	31.028	103.679	1.082	148.745	202.662
1998	1.217	2.996	90.858	124.206	30.766	102.369	1.063	137.891	201.533
1999	1.215	2.926	86.955	119.161	29.208	97.957	0.990	158.931	191.191
1998 I	1.261	2.975	87.686	121.671	29.707	98.777	1.028	140.299	194.964
II	1.246	2.989	88.977	120.333	30.118	100.204	1.042	132.185	197.588
III	1.193	2.988	90.507	122.301	30.658	102.013	1.060	128.481	200.733
IV	1.171	3.029	95.880	132.057	32.452	108.044	1.118	150.491	212.052
1999 I	1.194	2.952	91.586	125.875	30.751	103.136	1.042	154.288	200.049
II	1.225	2.905	86.217	117.104	28.964	97.144	0.981	148.911	190.000
III	1.215	2.897	85.598	117.568	28.757	96.446	0.974	159.212	188.632
IV	1.226	2.949	84.750	116.512	28.471	95.474	0.965	172.334	186.730
2000 I	1.241	2.903	80.538	110.294	27.056	90.745	0.917	168.239	177.480
II	1.219	2.770	76.204	107.315	25.601	85.862	0.867	168.700	167.931

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

**TABLE 8.7: OFFICIAL FOREIGN EXCHANGE RATES (SELLING)**  
(End of period)

	Can. dollar	Pound sterling	Neth. guilder (x 100)	Swiss franc (x 100)	French franc (x 100)	German mark (x 100)	Italian lire (x 1,000)	Japanese yen (x 10,000)	ECU/EURO <sup>1)</sup> (x 100)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1996	1.315	3.070	103.060	133.010	34.530	115.620	1.200	154.180	222.710
1997	1.260	2.995	89.140	123.510	30.240	100.410	1.050	137.970	198.110
1998	1.165	2.990	95.170	130.300	32.190	107.180	1.110	157.660	210.560
1999	1.240	2.920	82.010	112.430	27.550	92.400	0.930	175.920	180.720
1998 I	1.265	3.045	86.430	118.080	29.290	97.370	1.010	135.170	193.280
II	1.230	3.015	88.370	118.280	29.930	99.570	1.040	129.250	196.840
III	1.185	3.070	95.170	129.550	32.220	107.270	1.110	132.580	210.740
IV	1.165	2.990	95.170	130.300	32.190	107.180	1.110	157.660	210.560
1999 I	1.200	2.920	87.690	120.720	29.460	98.800	1.000	151.200	193.240
II	1.220	2.850	84.310	115.700	28.320	95.000	0.960	148.850	185.800
III	1.230	2.980	87.060	119.960	29.250	98.100	0.990	170.280	191.860
IV	1.240	2.920	82.010	112.430	27.550	92.400	0.930	175.920	180.720
2000 I	1.240	2.890	77.980	107.900	26.200	87.870	0.890	174.420	171.850
II	1.220	2.740	78.010	110.220	26.210	87.890	0.890	170.930	171.910

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

## Explanatory notes to the tables

### Table 1.3 Consumer price indices and

### Table 1.4 Percentage price changes

The start of a new series, as of September 1994, is due to changes in the calculation of the price indices. These changes are:

- As of September 1994, the consumer price indices have been weighed on the basis of a household expenditure survey held during the period October 4 - November 30, 1993, and
- the basis December 1984=100 has been shifted to August 1994=100.

### Table 2.1 Monetary survey

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

#### *Net claims on public sector:*

##### *Gross claims*

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

#### *Net foreign assets:*

##### *Centrale Bank van Aruba*

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

### Table 2.2 Components of broad money

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

### Table 2.3 Causes of changes in broad money

#### *Inflow of foreign funds*

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

### Table 2.4 Foreign assets

Aruba's net foreign assets consist mainly of convertible claims on nonresidents and gold. Aruba has no accounts with the International Monetary Fund, because it participates in this institution as part of the Kingdom of the Netherlands. In contrast to Table 2.1, net foreign assets in this table include revaluation differences of gold and official foreign exchange holdings. Since end-1989, gold and claims in gold are valued once every three years at standards set by the Bank's Board of Supervisory Directors. As a result, the value of gold increased by AFL 37.4 million on that date and decreased by AFL 1.5 million at end-1992. By end-1995, the value of gold increased again by AFL 1.2 million. By end-1996, the amount of gold holdings of the Bank increased by AFL 3.0 million to AFL 50.1 million due to an adjustment in the net claim on the Gold Fund of the Netherlands Antilles and Aruba. By end-1998, these Bank's holdings of gold deposits were revalued and, consequently, decreased by AFL 9.1 million to AFL 41 million.

#### *Column:*

##### *(9) Revaluation differences*

Revaluation differences of gold and official foreign exchange holdings.

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

#### *Money-creating institutions*

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

#### *Claims on money-creating institutions:*

##### *Monetary authorities*

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

##### *Other domestic assets*

Mainly equipment and miscellaneous items.

##### *Revaluation differences*

These are revaluation differences of gold and official foreign exchange holdings. In

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

*Other domestic liabilities*

Money in custody, miscellaneous items and other liabilities.

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

*Columns:*

*(2) Other*

Mainly equipment and miscellaneous items.

*(5 and 6) Foreign assets:*

*Claims on banks*

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

*Claims on governments*

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

*(10) Bank notes issued*

Bank notes held by the public and commercial banks.

*(13) Official entities*

Includes the post office.

*(16) Other financial institutions' deposits*

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

*(17) Private sector*

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

*(18) Other*

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

**Table 3.4 Coins issued**

The Government issues coins, which are, therefore, its liability. The Bank buys the coins

and resells them at face value to the commercial banks and to the public.

**Table 4.1 Commercial banks: summary account**

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

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

*Column:*

*(7) Capital and reserves:*

Includes subordinated debt.

**Table 4.2 Commercial banks: prudential ratios**

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

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

*Columns:*

*(6 to 9) Loans and advances:*

*Enterprises*

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

*Mortgages*

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

*Individuals*

Loans and advances to individuals, excluding mortgages.

*Government*

Loans and advances to the Government, excluding official entities.

*(10) Premises*

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

*(11) Subsidiaries*

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

*(12) Accounts receivable*

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

*(21) Total assets*

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

*(22 to 25) Demand deposits*

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

*(26 to 29) Time deposits*

Deposits with a specific original maturity.

*(30) Savings deposits*

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

*(31) Other liabilities*

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

*(32) Capital and reserves*

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

*(33) Subordinated debt*

Liabilities subordinated to claims of depositors and other creditors.

**Table 5.1 Financial survey**

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

**Table 6.1 Interest rates of commercial banks**

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

**Table 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