



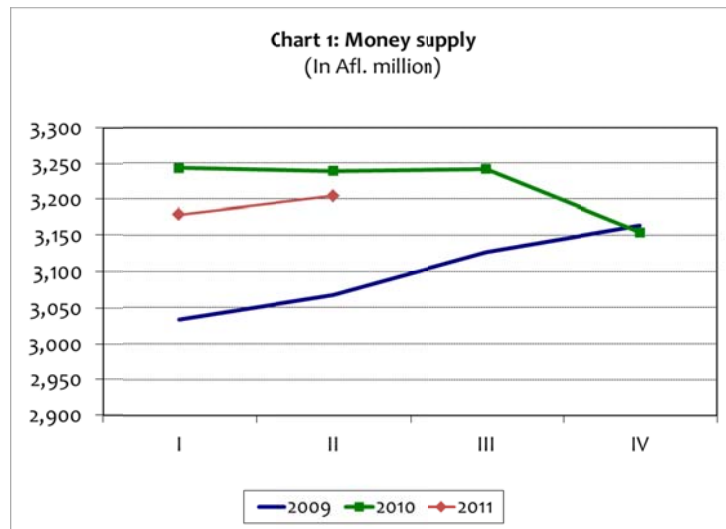
CENTRALE BANK VAN ARUBA

Statistical News Release Second Quarter 2011

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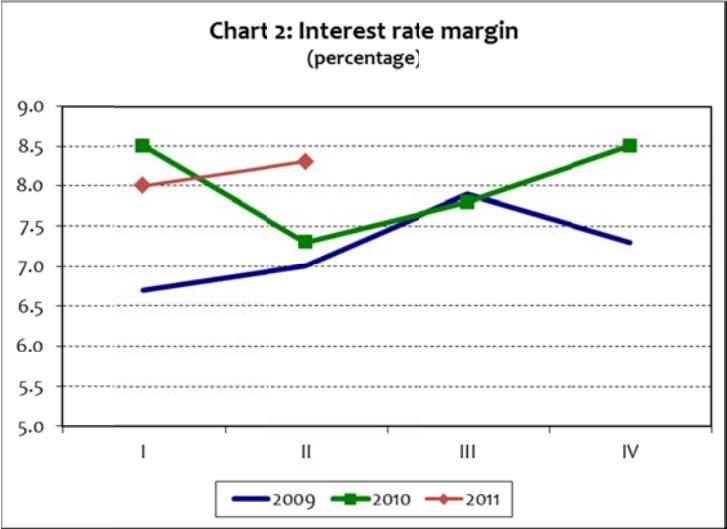
Money and credit

In the second quarter of 2011, the money supply grew by Afl. 25.2 million to Afl. 3,204.3 million compared to the first quarter of 2011, because of an Afl. 33.0 million increase in the domestic component of the money supply (Chart 1). In contrast, net foreign assets decreased by Afl. 7.8 million. The increase in net domestic assets resulted largely from a rise in claims on the private sector of Afl. 24.0 million, reflecting increases in loans to enterprises and housing mortgages of, respectively, Afl.16.8 million and Afl. 8.6 million, while consumer credit declined marginally. Also, non-credit-related balance sheet items and net liabilities of the public sector to the banking sector contributed with, respectively, Afl. 6.0 million and Afl. 2.9 million to the increase in the money supply.



In the second quarter of 2011, the interest rate margin of the commercial banks (calculated as the differential between the weighted average rate of interest on new loans and the weighted average rate of interest on new deposits) rose by 0.3 percentage point to 8.3 percent, up from 8.0 percent in the

previous quarter (Chart 2). This resulted from a larger increase in the weighted average rate of interest paid on new loans, which grew by 0.4 percentage point to 10.2 percent, compared to the 0.2 percentage point increase in the weighted average interest rate offered on new deposits, bringing the latter to 1.9 percent.



Balance of payments

In the second quarter of 2011, the balance of payments registered an Afl. 7.8 million deficit, in contrast to an Afl. 31.8 million surplus recorded in the corresponding quarter of 2010 (Chart 3). This deterioration was caused by a deficit in the overall balance of the non-oil sector, reflecting a net purchase of Afl. 24.1 million in foreign exchange by this sector from the domestic banking sector. On the other hand, international transactions of the oil sector resulted, on balance, in a higher overall balance surplus, i.e., from Afl. 3.2 million in the second quarter of 2010 to Afl. 16.4 million in the period under review, following a rise in the net sale of foreign exchange to the local commercial banks.

The current account of the balance of payments recorded an Afl. 163.2 million surplus in the second quarter of 2011, compared to an Afl. 87.6 million deficit in the same quarter of 2010. This improvement was mainly attributed to the oil sector as exports of refined oil exceeded imports of crude oil by Afl. 277.1 million. In contrast, freight and payments to foreign contractors led to a deficit on the services account of Afl. 60.4 million. On the other hand, the deficit on the current account of the non-oil sector widened by Afl. 22.0 million to Afl. 28.2 million, largely resulting from a rise in imports of goods of Afl. 75.9 million, which was partially offset by an Afl. 60.0 million (11.6 percent) growth in gross tourism receipts.

In the second quarter of 2011, the capital and financial accounts posted an Afl. 178.3 million deficit, compared to a surplus of Afl. 127.3 million in the corresponding quarter of 2010. This turnaround was

driven by both the oil and non-oil sectors. The financial account of the oil sector was again dominated by the use of trade credit. In the quarter under review, there was a net outflow of trade credit amounting to Afl. 313.9 million, while its foreign currency and deposits balance dropped by Afl. 139.4 million. The financial account of the non-oil sector posted an Afl. 3.4 million deficit in the second quarter of 2011, mainly resulting from a net outflow of portfolio investment of Afl. 16.0 million, reflecting largely a net purchase of foreign debt securities, which was partially offset by net inflows of direct investment and other investment of, respectively, Afl. 8.7 million and Afl. 3.8 million.

