



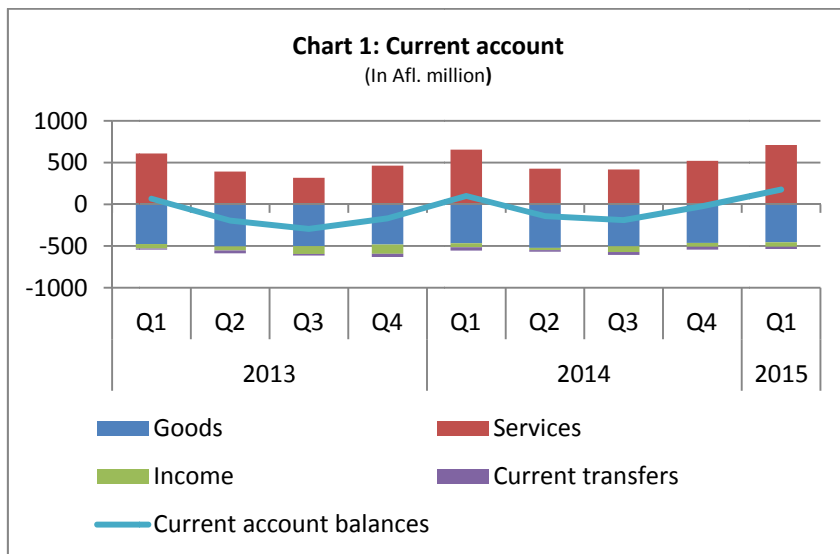
CENTRALE BANK VAN ARUBA

Statistical News Release

Date: September 11, 2015

Current account improved considerably in the first quarter of 2015 compared to the same quarter of 2014.

The current account of the balance of payments ended in the first quarter of 2015 with an Afl. 176.7 million surplus. Compared to the corresponding quarter of 2014, there was an Afl. 76.3 million expansion in this surplus (Chart 1). Goods, services, and current transfers all contributed to this growth.



Source: Centrale Bank van Aruba

In the first quarter of 2015, the goods and services account surplus expanded by Afl. 69.3 million, compared to the corresponding quarter of 2014. A rise in the surplus on the services account and a decline in the deficit on the goods account caused this expansion. The Afl. 52.5 million higher services account surplus resulted mostly from transactions of the non-oil sector, as receipts from services grew by Afl. 60.3 million, due mainly to a 6.6 percent rise in gross tourism receipts. In addition, the services account surplus of the oil-sector increased by Afl. 3.9 million, largely brought about by the transshipment activities of this sector.

The contraction in the deficit on the goods account was caused by an Afl. 18.4 million reduction in the trade balance deficit of the non-oil sector. An Afl. 34.4 million (-7.2 percent) decline in import payments contributed to this reduction, which was partially set-off by an Afl. 16.1 million (-26.5 percent) drop in export receipts. The trade balance deficit of the oil sector, on the other hand, augmented somewhat compared to the first quarter of last 2014, as imports slightly exceeded exports.

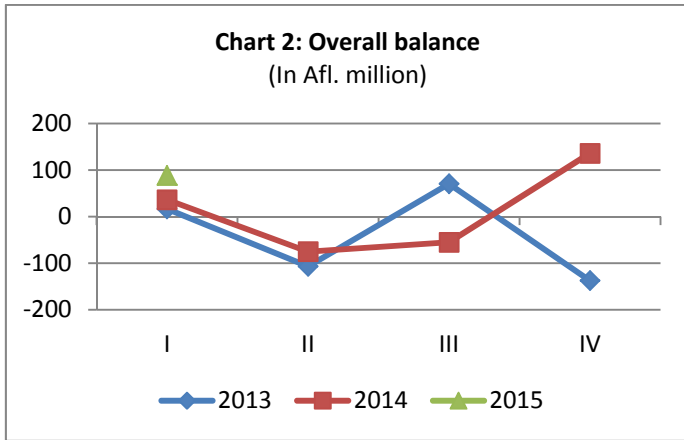
The deficit on the current transfers account contracted by Afl. 13.7 million in the first quarter of 2015 compared to the same quarter a year earlier. This contraction was mainly due to an Afl. 5 million receipt by the government from the European Development Funds in connection with the National Education Plan 2007-2017. Also, during the first quarter of this year less contribution payments were made by the government compared to last year. The deficit on the income account showed a slight increase of Afl. 6.6 million in the first quarter of 2015, compared to the same quarter of last year, due to higher interest payments on bonds held by nonresidents.

The capital and financial account recorded an Afl. 84.2 million net outflow, Afl. 65 million higher than in the same quarter of 2014. This expansion was predominantly caused by the financial account transactions of the non-oil sector. Contributory factors to this expansion were transactions related to portfolio investment, direct investment and financial derivatives, which were partially mitigated by other investment transactions.

Portfolio investment of the non-oil sector registered an Afl. 41.8 million net outflow, related to both repayments on domestic debt securities and investments in foreign debt securities, compared to an Afl. 46.6 million net inflow in the first quarter of 2014. The latter was related to funds received from a bond issuance abroad. Direct investment of the non-oil sector also turned from an Afl. 79.3 million net inflow in the first quarter of 2014 into an Afl. 7.4 million net outflow in the quarter under review. Lower receipts of intercompany loans as well as higher outflow related to repaid and granted intercompany loans, led to this turnaround. In the first quarter of 2015, financial derivatives transactions showed an Afl. 16.4 million net outflow, compared to an Afl. 0.3 million net inflow last year.

The net outflow of other investment of the non-oil sector contracted by Afl. 99.8 million during the first quarter of 2015, associated mostly with an Afl. 66.6 million reduction in other investment assets. The latter was associated with the government's bond issuance on the international capital market during the fourth quarter of 2014 that was recorded as an increase in portfolio investment liabilities against an increase in other investment assets. In addition, transfers to own foreign bank accounts declined compared to 2014. The financial account of the oil sector improved from a net outflow of Afl. 30.9 million in the first quarter of 2014 to an Afl. 7.1 million net outflow in the quarter under review. This decline in the net outflow was mainly caused by other investment related transactions, reflecting receipts on trade credits extended.

The overall balance of payments recorded an Afl. 88.6 million surplus in the first quarter of 2015, Afl. 52.2 million higher than in the same quarter of 2014 (Chart 2). This led to increases in the net foreign assets of the commercial banks and the official reserves of the Central Bank of Afl. 78.1 million and Afl. 10.4 million, respectively.



Source: Centrale Bank van Aruba

Note that tourism receipts in the fourth quarter of 2014 have been corrected upward as new information became available during the quarter under review.