



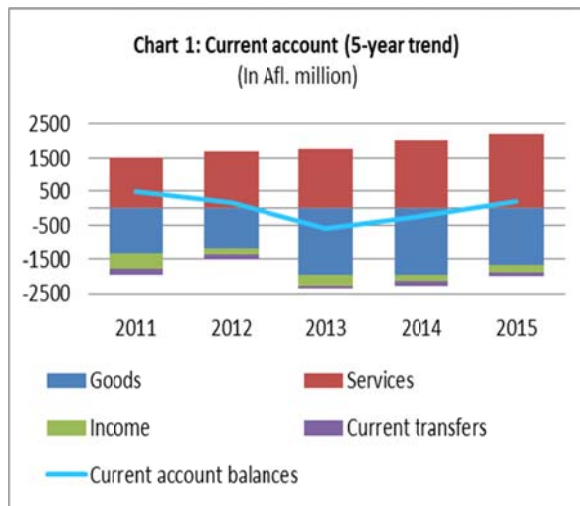
## CENTRALE BANK VAN ARUBA

### Statistical News Release

Date: April 18, 2016

### Current account deficit of the balance of payments turned into a surplus in 2015

The current account of the balance of payments turned from an Afl. 244.7 million deficit in 2014 to an Afl. 196.7 million surplus in 2015 (Chart 1 and Table 1). This improved outturn was caused mainly by a lower deficit on the goods account and a higher surplus on the services account. These were partially offset by an increase in the deficit on the income account. The deficit on the current transfers account showed a slight decrease.



Source: Centrale Bank van Aruba

**Table 1: Components of the current account**  
(in Afl. million)

	2014	2015	Change
<b>Goods balance</b>	<b>-1,955.2</b>	<b>-1,645.8</b>	<b>309.4</b>
<b>Oil sector</b>	<b>-409.2</b>	<b>-135.8</b>	<b>273.4</b>
Exports	245.6	428.3	182.7
Imports	-654.7	-564.2	90.5
<b>Non-oil sector</b>	<b>-1,546.0</b>	<b>-1,510.0</b>	<b>36.0</b>
Exports	218.0	169.8	-48.2
Imports	-1,764.0	-1,679.8	84.2
<b>Services balance</b>	<b>2,020.8</b>	<b>2,184.6</b>	<b>163.8</b>
<b>Income balance</b>	<b>-184.5</b>	<b>-223.2</b>	<b>-38.7</b>
<b>Current transfers balance</b>	<b>-125.9</b>	<b>-118.9</b>	<b>7.0</b>
<b>CURRENT ACCOUNT (NET)</b>	<b>-244.7</b>	<b>196.7</b>	<b>441.4</b>

Source: Centrale Bank van Aruba

The goods account registered a smaller deficit of Afl. 1,645.8 million, improving by Afl. 309.4 million, largely caused by an Afl. 174.8 million decline in imports and an Afl. 134.6 million increase in exports. These outturns stemmed from the trade transactions of both the oil sector, and to a lesser extent, of the non-oil sector. During 2015 the goods account of the oil sector improved by Afl. 273.4 million to Afl. 135.8 million deficit, resulting from a 74.4 percent growth in exports, related mostly to re-exports, and a 13.8 percent fall in import of goods, largely owing to lower international oil prices. The deficit on the goods account of the non-oil sector declined by Afl. 36.0 million to Afl. 1,510.0 million in 2015. This contraction was due to an Afl. 84.2 million or 4.8 percent decline in the import of goods which was partly offset by an Afl. 48.2 million or 22.1 percent decline in exports, largely brought about by the weakening in the trade activities of the free zone sector.

The surplus on the services account rose by Afl. 163.8 million to Afl. 2,184.6 million, mainly caused by transactions of the non-oil sector. The services account of this sector recorded an Afl. 2,143.1 million surplus, Afl. 162.3 million (8.2 percent) higher than in 2014, following increases in the receipts from tourism (2.8 percent) and maintenance fees (9.4 percent). Additionally, payments for professional and technical services decreased by 8.7 percent, mostly related to transactions of the sectors restaurants and hotels, real estate, renting and business activities, and mining.

The income account deteriorated by Afl. 38.7 million to an Afl. 221.0 million deficit, stemming mostly from increases in dividend payments by domestic corporations to foreign shareholders and interest payments on domestic bonds. The current transfers account improved slightly by Afl. 7.0 million to Afl. 118.9 million deficit, mainly caused by an Afl. 6.5 million increase in current transfers receipts by the non-oil sector, related mostly to insurance claims.

The capital and financial accounts recorded an Afl. 147.3 million surplus in 2015, Afl. 198.9 million lower than in 2014 (Table 2). This decline was driven by transactions of both the oil and the non-oil sectors. The oil sector contributed by Afl. 151.2 million to this fall which was caused mostly by direct investment related transactions due to higher repayments on intercompany trade credit liabilities during 2015, compared to mostly receipts of intercompany trade credit liabilities during 2014. Other investment related transactions partly offset the latter as repayments on trade credit assets extended to third parties in 2014 were received during 2015.

<b>Table 2: Components of the capital and financial account</b>			
<b>(in Afl. million)</b>			
	2014	2015	Change
<b>Capital account (net)</b>	<b>-4.4</b>	<b>1.9</b>	<b>6.3</b>
<b>Financial account (net)</b>	<b>350.6</b>	<b>145.4</b>	<b>-205.2</b>
Oil sector	71.3	-79.9	-151.2
Non-oil sector	279.3	225.3	-54.0
<b>Direct investment (net)</b>	<b>425.8</b>	<b>-59.2</b>	<b>-485.0</b>
Oil sector	119.2	-116.1	-235.3
Non-oil sector	306.7	56.9	-249.8
<b>Portfolio investment (net)</b>	<b>194.9</b>	<b>109.0</b>	<b>-85.9</b>
<b>Financial derivatives (net)</b>	<b>-6.6</b>	<b>-72.4</b>	<b>-65.8</b>
<b>Other investment (net)</b>	<b>-263.6</b>	<b>168.0</b>	<b>431.6</b>
Oil sector	-50.8	36.0	86.8
Non-oil sector	-212.8	132.0	344.8
<b>CAPITAL AND FINANCIAL ACCOUNT (NET)</b>	<b>346.2</b>	<b>147.3</b>	<b>-198.9</b>

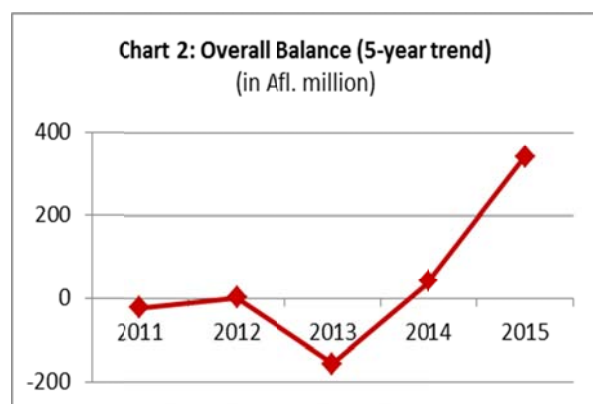
Source: Centrale Bank van Aruba

The non-oil sector transactions accounted for Afl. 47.7 million in the outturn of the capital and financial accounts in 2015. This was the result of Afl. 398.7 million net outflows associated with direct investment, portfolio investment, and financial derivatives, which were largely offset by Afl. 344.8 million net inflow of other investment.

Direct investment net inflow of the non-oil sector lessened significantly by Afl. 249.8 million, resulting from equity and intercompany lending related transactions. The net inflow of portfolio investment also shrank by Afl. 83.1 million to Afl. 108.9 million, resulting from Afl. 153.1 million lower receipts from domestic government bond issuances (2015: Afl. 252.8 million and 2014: Afl. 405.9 million) and Afl. 88.4 million less payments on matured government bonds held by nonresidents (2015: Afl. 59.4 million and 2014: Afl. 147.8 million). Financial derivatives related transactions showed an Afl. 72.4 million net outflow, compared to an Afl. 6.6 million net outflow in 2014, mainly as result of the hedging consequences associated with declined Heavy Fuel Oil (HFO) prices.

On the other hand, other investment related transactions of the non-oil sector improved by Afl 344.8 million to an Afl. 132.0 million net inflow. This improvement was the result of higher loans received of Afl. 75.2 million from not affiliated companies (2015: Afl. 169.6 million and 2014: Afl. 94.4 million), related to both refinancing and new loan commitments by the sectors electricity, gas and water supply, transport, storage and communication, and financial intermediation. In addition, the government sector received Afl. 67.8 million in 2015 related to a pending disbursement from an issuance of bonds by the government on the international capital market late 2014. Furthermore, notified currency and deposit balances of resident holders showed an Afl. 111.9 million lower increase compared to a year earlier (2015: Afl. 16.4 million and 2014: Afl. 128.3 million), largely associated with transactions of the restaurants and hotel sector.

Following aforementioned developments, the overall balance of payments posted an Afl. 342.7 million surplus in 2015, improving by Afl. 300.5 million, which resulted in increases in both the net foreign assets of the commercial banks and the official reserves of the Central Bank of Aruba by, respectively, Afl. 82.1 million and Afl. 260.6 million (Chart 2 and Table 3).



Source: Centrale Bank van Aruba

	2014	2015	Change
Current account (net)	-244.7	196.7	441.4
Capital account (net)	-4.4	1.9	6.3
Financial account (net)	350.6	145.4	-205.2
Items not yet classified	-59.3	-1.2	58.1
<b>Overall balance</b>	<b>42.2</b>	<b>342.7</b>	<b>300.5</b>
<i>Reflected in:</i>			
Banking transactions	25.8	82.1	56.3
Official reserves	16.4	260.6	244.2

Source: Centrale Bank van Aruba