



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba decreased in the third quarter and increased in the first nine months of 2016

In the third quarter of 2016, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net sale by the CBA of Afl. 27.4 million of foreign exchange, compared to a net purchase of Afl. 90.9 million of foreign exchange in the corresponding quarter of 2015. This turnaround was attributed mainly to transactions with the government. These transactions led to a net foreign exchange sale of Afl. 54.0 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 88.8 million in the second quarter of 2015. On the other hand, the net foreign exchange purchases from the commercial banks grew by Afl 23.0 million, while the net foreign exchange sales to other clients fell by Afl. 1.5 million. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, decreased by Afl. 28.6 million to Afl. 1,757.6 million at the end of the third quarter of 2016 (see Table 1).

Tabel 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	2014		2015		2016	
	Q3	YTD ³	Q3	YTD ³	Q3	YTD ³
I. Reserves at beginning of period	1,238.8	1,192.9	1,368.3	1,239.8	1,786.2	1,479.9
II. Net purchases/sales (-) of foreign exchange	-73.6	-72.2	90.9	223.1	-27.4	214.5
<i>Of which from/to:</i>						
1. Commercial banks	-44.0	-35.6	5.9	140.6	28.9	182.2
2. Government	-31.9	-49.0	88.8	82.2	-54.0	48.6
3. Other clients	2.3	12.4	-3.8	0.3	-2.3	-16.3
III. Other changes ²	-21.7	22.8	-2.2	-5.9	-1.2	63.2
IV. Reserves at ending of period (I+II+III)	1,143.5	1,143.5	1,457.0	1,457.0	1,757.6	1,757.6
V. Change in official reserves during period (IV-I)	-95.3	-49.4	88.7	217.2	-28.6	277.7

Source: CBA.

¹ Including valuation changes.

² Include valuation changes refer to revaluation of gold, foreign exchange and security holdings and statistical differences.

³ January up to and including September.

During the first nine months of 2016, foreign exchange transactions effectuated via CBA led to a net purchase by the CBA of Afl. 214.5 million of foreign exchange, which was Afl. 8.6 million lower than in the same period of 2015. An Afl. 33.6 million drop in the net foreign exchange purchase from the government and a turnaround from a net foreign exchange purchase of Afl 0.3 million into a net foreign exchange sale of Afl. 16.3 million to other clients contributed to this constraction. In contrast, the net foreign exchange purchase from the commercial banks increased by Afl 41.6 million.

The CBA's total foreign exchange purchases fell by Afl. 95.0 million to Afl. 228.9 million in the third quarter of 2016, compared to the corresponding quarter of 2015 (see Table 2). Foreign exchange purchases from the government dropped from Afl. 149.4 million to zero in the quarter under view, while foreign exchange purchases from commercial banks and other clients grew by, respectively, Afl. 41.1 million and Afl. 13.3 million.

During the first nine months of 2016, total foreign exchange purchases expanded by Afl. 50.3 million to Afl. 785.6 million, compared to the corresponding quarter of 2015. This growth was associated mainly with an Afl. 66.1 million increase in foreign exchange purchases from commercial banks. In addition, foreign exchange purchases from other clients rose by Afl. 10.1 million. On the other hand, foreign exchange purchases from the government declined by Afl. 25.9 million.

Table 2: Foreign exchange transactions

(in Afl. million)

	2014		2015		2016	
	Q3	YTD ¹	Q3	YTD ¹	Q3	YTD ¹
I. Total purchases of foreign exchange	194.1	684.8	323.9	735.3	228.9	785.6
Of which from:						
1. Commercial banks	150.5	451.8	169.1	515.3	210.2	581.4
2. Government	37.6	211.6	149.4	204.1	0.0	178.2
3. Other clients	6.0	21.4	5.4	15.9	18.7	26.0
II. Total sales of foreign exchange	267.7	757.0	233.0	512.2	256.3	571.1
Of which to:						
1. Commercial banks	194.5	487.4	163.3	374.7	181.3	399.2
2. Government	69.5	260.6	60.5	121.9	54.0	129.6
3. Other clients	3.7	9.0	9.2	15.6	21.0	42.3
III. Net purchases/sales (-) of foreign exchange	-73.6	-72.2	90.9	223.1	-27.4	214.5
IV. Net purchases/sales (-) from/to commercial banks	-44.0	-35.6	5.9	140.6	28.9	182.2
V. Net purchases/sales (-) from/to government	-31.9	-49.0	88.8	82.2	-54.0	48.6
VI. Net purchases/sales (-) from/to other clients	2.3	12.4	-3.8	0.3	-2.3	-16.3

Source: CBA.

¹ January up to and including September.

Total foreign exchange sales of the CBA increased by Afl. 23.3 million to Afl. 256.3 million in the third quarter of 2016, due mainly to higher foreign exchange sales to the commercial banks and other clients of, respectively, Afl. 18.0 million and Afl. 11.8 million. The latter was partially associated with the funding of notified foreign accounts of Afl 3.1 million. On the other hand, foreign exchange sales to the government declined by Afl. 6.5 million.

During the first nine months of 2016, total foreign exchange sales grew by Afl. 58.9 million to Afl. 571.1 million, compared to the same period of 2015. Increases in foreign exchange sales to clients (+Afl. 26.7 million), the commercial banks (+Afl. 24.5 million) and the government (+Afl. 7.7 million) contributed to this growth.