



## CENTRALE BANK VAN ARUBA

### Statistical News Release

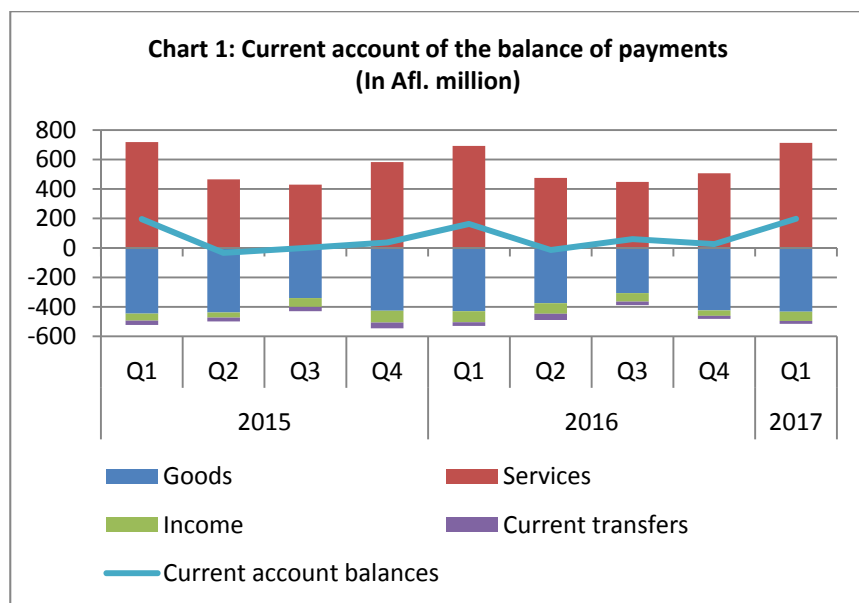
Date: September 11, 2017

#### ***The balance of payments recorded an Afl. 41.7 million surplus in the first quarter of 2017***

In the first quarter of 2017, the balance of payments registered an Afl. 41.7 million surplus, compared to an Afl. 103.1 million surplus in the corresponding quarter of 2016. The current account contributed to the realized surplus.

#### *Current account*

The surplus on the current account of the balance of payments amounted to Afl. 198.2 million in the first quarter of 2017 (2016-I: Afl. 163.3 million). The services, income and current transfers accounts were responsible for the improvement in the current account surplus (see Chart 1 and Table 1), while the goods account deteriorated somewhat.



Source: Centrale Bank van Aruba

The surplus on the services account expanded by Afl. 21.0 million, mostly attributed to an Afl. 44.6 million (4.2 percent) rise in services exports, largely caused by increases in tourism receipts (3.5 percent) and transportation receipts (23.7 percent). The latter was associated with transshipment activities of the oil sector. The income account deficit contracted by Afl. 11.7 million, resulting from decreases in dividend payments to abroad by resident companies and interest payments to foreign holders of government bonds in the quarter under review. In addition, the deficit on the current transfers account dropped by Afl. 4.9 million, due mainly to less income transfers related to contributions and donations. On the other hand, the goods account showed an Afl. 432.0 million deficit (2016-I: Afl. 429.3 million). Lower exports receipts of oil and goods contributed to this deterioration. Import payments shrank, resulting from a decline in payments for oil products and an increase in payments for non-oil goods.

| Table 1: Components of the current account |                           |              |              |                       |
|--|---------------------------|--------------|--------------|-----------------------|
|  |                           | 2016         | 2017         | Changes               |
|  |                           | Q1           | Q1           | Q1 2017 vs<br>Q1 2016 |
| In Afl. million                            |                           |              |              |                       |
| 1  | Goods balance             | -429.3       | -432.0       | -2.7                  |
|  | Oil sector                | -76.4        | -37.8        | 38.6                  |
|  | Exports                   | 38.0         | 21.1         | -16.9                 |
|  | Imports                   | 114.4        | 58.9         | -55.5                 |
|  | Non-oil sector            | -352.9       | -394.2       | -41.3                 |
|  | Exports                   | 36.5         | 36.7         | 0.2                   |
|  | Imports                   | 389.4        | 430.9        | 41.5                  |
| 2  | Services balance          | 691.9        | 712.9        | 21.0                  |
| 3  | Income balance            | -75.3        | -63.6        | 11.7                  |
| 4  | Current transfers balance | -24.0        | -19.1        | 4.9                   |
| <b>CURRENT ACCOUNT (NET) (1+2+3+4)</b>     |                           | <b>163.3</b> | <b>198.2</b> | <b>34.9</b>           |

Source: Centrale Bank van Aruba

### Capital and financial account

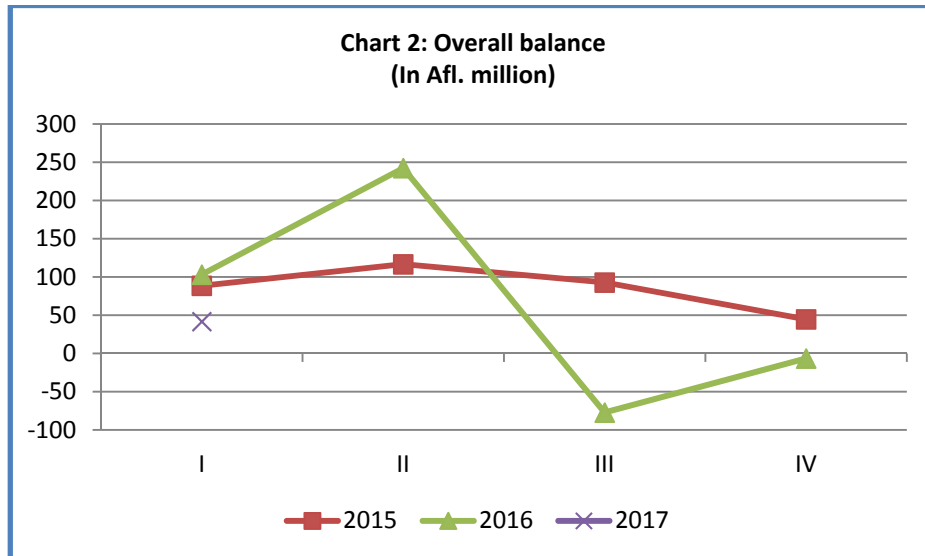
The capital and financial account showed an Afl. 147.0 million deficit in the first quarter of 2017, notably higher than the Afl. 55.2 million deficit observed in the same period of 2016 (Table 2). This development was due to a turnaround of the direct investment transactions from an Afl. 54.6 net inflow to an Afl. 24.9 million net outflow in the first quarter of 2017. This turnaround was mainly associated with trade credit transactions of the oil sector. In addition, the net inflow of portfolio investment of Afl. 16.5 million turned into an Afl. 45.0 million net outflow in the quarter under review. This outcome stemmed largely from higher investment in foreign bonds by residents. On the other hand, financial derivatives outflow fell by Afl. 11.0 million, a sign of lower hedging expenses for the acquisition of Heavy Fuel OIL (HFO). The Afl. 38.5 million contraction in the other investment net outflow was mainly the result of lower net transfers to foreign bank accounts held by resident companies.

| Table 2: Components of the capital and financial account |  |              |               |                       |
|--|--|--------------|---------------|-----------------------|
|  |  | 2016         | 2017          | Changes               |
|  |  | Q1           | Q1            | Q1 2017 vs<br>Q1 2016 |
| In Afl. million  |  |              |               |                       |
| 1  | <b>Capital account (net)</b>             | <b>-1.1</b>  | <b>-1.3</b>   | <b>-0.2</b>           |
| 2  | <b>Financial account (net) (a+b+c+d)</b> | <b>-54.1</b> | <b>-145.7</b> | <b>-91.6</b>          |
|  | Oil sector                               | 69.7         | -5.8          | -75.5                 |
|  | Non-oil sector                           | -123.8       | -139.9        | -16.1                 |
| a.   | Direct investment (net)                  | 54.6         | -24.9         | -79.5                 |
|  | Oil sector                               | 55.8         | -12.1         | -67.9                 |
|  | Non-oil sector                           | -1.2         | -12.8         | -11.6                 |
| b.   | Portfolio investment (net)               | 16.5         | -45.0         | -61.5                 |
| c.   | Financial derivatives                    | -26.0        | -15.0         | 11.0                  |
| d.   | Other investment (net)                   | -99.3        | -60.8         | 38.5                  |
|  | Oil sector                               | 13.7         | 4.3           | -9.4                  |
|  | Non-oil sector                           | -112.9       | -65.1         | 47.8                  |
| <b>CAPITAL AND FINANCIAL ACCOUNT (NET) (1+2)</b>         |  | <b>-55.2</b> | <b>-147.0</b> | <b>-91.8</b>          |

Source: Centrale Bank van Aruba

### Overall balance

A growth of Afl. 60.4 million took place in the net foreign assets of the commercial banks. The recorded balance of payments surplus was Afl. 41.7 million in the first quarter of 2017. The official reserves dropped by Afl. 18.8 million (see Chart 2 and Table 3).



Source: Centrale Bank van Aruba

| Table 3: Balance of Payments summary |              |             |                       |
|--------------------------------------|--------------|-------------|-----------------------|
|                                      | 2016         | 2017        | Changes               |
|                                      | Q1           | Q1          | Q1 2017 vs<br>Q1 2016 |
| <i>In Afl. million</i>               |              |             |                       |
| 1 Current account (net)              | 163.3        | 198.2       | 34.9                  |
| 2 Capital account (net)              | -1.1         | -1.3        | -0.2                  |
| 3 Financial account (net)            | -54.1        | -145.7      | -91.6                 |
| 4 Items not yet classified           | -5.0         | -9.5        | -4.5                  |
| <b>5 Overall balance (1+2+3+4)</b>   | <b>103.1</b> | <b>41.7</b> | <b>-61.4</b>          |
| <i>Reflected in:</i>                 |              |             |                       |
| 6 Banking transactions               | -31.5        | -60.4       | -28.9                 |
| 7 Official reserves                  | -71.6        | 18.8        | 90.4                  |

Source: Centrale Bank van Aruba