



CENTRALE BANK VAN ARUBA

ENTERPRISE LOANS AND HOUSING MORTGAGES SPIKE

Summary of the Monthly Bulletin of November 2018

Press Release¹

Monetary developments

Compared to October 2018, money supply expanded in November 2018 by Afl. 29.4 million to Afl. 4,352.6 million, due to increases in both net domestic assets (+Afl. 21.6 million) and net foreign assets (+Afl. 7.8 million).

The expansion in the domestic component of the money supply resulted from a growth in domestic credit (+Afl. 14.8 million) and an increase in the non-credit related balance sheet items (+Afl. 6.8 million). The growth in domestic credit was the result of a surge in claims of the banking sector on the private sector (+Afl. 32.1 million), which was partially offset by a drop in net claims of the banking sector on the public sector (-Afl. 17.3 million). Claims of the banking sector on the private sector expanded due to spikes in loans to enterprises (+Afl. 16.5 million) and housing mortgages (+Afl. 16.1 million), while consumer credit contracted slightly (-Afl. 0.5 million). The drop in net claims of the banking sector on the public sector was because of a decline in gross claims (-Afl. 39.9 million), partly mitigated by a contraction in government deposits (-Afl. 22.5 million).

The increase in the net foreign assets of the banking sector was due to net purchases of foreign exchange from the public (+Afl. 214.1 million), mainly associated with foreign exchange revenue from tourism exports. This was partially offset by net sales of foreign exchange to the public (-Afl. 206.3 million), related mostly to payments for goods.

Inflation

The consumer price index (CPI) for November 2018 noted a 5.1 percent increase year-over-year (YOY). The main contributors to this rise were the components “Transport”, “Food and Non-Alcoholic Beverages”, and “Recreation and Culture”. Excluding the effect of food and energy², the core CPI grew by 2.8 percent (YOY). The 12-month average inflation rate was 3.2 percent in November 2018, compared to 2.7 percent in October 2018.

Government

Total government revenue amounted to Afl. 106.1 million in November 2018, Afl. 5.2 million more than the same month of the previous year. This outcome resulted from a rise in tax revenue (+Afl. 14.7 million), which was partially offset by a decline in non-tax revenue (-Afl. 9.5 million²). The growth in tax revenue was mainly related to higher income from profit tax (+Afl. 12.9 million) and turnover tax (B.B.O./B.A.V.P.) (+Afl. 6.8 million), stemming mostly from the introduction of the B.A.V.P.³. These increases were partly offset by declines in income tax (-Afl. 3.3 million) and wage tax (-Afl. 1.2 million).

Tourism

Please note that figures on tourism were not yet available at the time of publication of this bulletin.

¹ The English original prevails.

² At the time of publication, non-tax revenue data for November 2018 from the Department of Finance was not yet available.

³ B.A.V.P. November 2018: Afl. 7.8 million.

Centrale Bank van Aruba

January 30, 2019

For further information or a more detailed analysis, visit our website (www.cbaruba.org) or contact the Statistics Department of the Centrale Bank van Aruba, tel. +297-525-2100, e-mail statistics.department@cbaruba.org