



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba increased during the third quarter of 2020

Developments in the third quarter of 2020

The official reserves of the Centrale Bank van Aruba (CBA), increased by Afl. 23.8 million to Afl. 2,193.8 million at the end of September 2020 (Table 1 and Chart 1). Foreign exchange transactions settled through the CBA resulted in a net purchase by the CBA of Afl. 4.9 million of foreign exchange in the third quarter of 2020, compared to a net sale of Afl. 53.4 million of foreign exchange in the third quarter of 2019. This outcome was largely attributed to transactions with the government. These transactions led to a net foreign exchange purchase of Afl. 86.4 million in the quarter under review, compared to a net foreign exchange sale of Afl. 52.3 million in the third quarter of 2019. Additionally, net purchase of foreign exchange from other clients grew by Afl. 7.9 million to Afl. 17.1 million. On the other hand, transactions with the commercial banks led to a net foreign exchange sale of Afl. 98.6 million of foreign exchange, Afl. 88.3 million higher than that in the corresponding period of 2019.

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

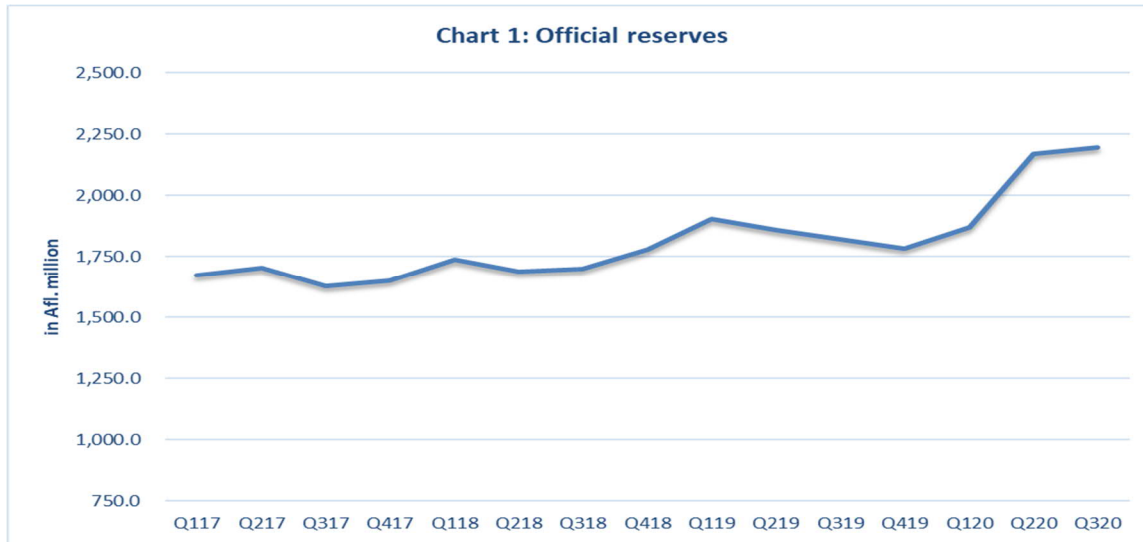
	2018		2019		2020	
	Q3	YTD ³	Q3	YTD ³	Q3	YTD ³
I. Reserves at beginning of period	1,688.7	1,649.2	1,859.7	1,778.0	2,170.0	1,784.8
II. Net purchases/sales (-) of foreign exchange	25.7	76.8	-53.4	-23.5	4.9	320.9
Of which from/to:						
1. Commercial banks	8.6	155.6	-10.3	63.8	-98.6	-120.0
2. Government	10.3	-94.3	-52.3	-108.3	86.4	404.9
3. Other clients	6.8	15.4	9.2	21.0	17.1	35.9
III. Other changes ²	-14.3	-25.9	15.9	67.7	18.9	88.2
IV. Reserves at ending of period (I+II+III)	1,700.1	1,700.1	1,822.2	1,822.2	2,193.8	2,193.8
V. Change in official reserves during period (IV-I)	11.4	50.9	-37.5	44.2	23.8	409.0

Source: Centrale Bank van Aruba

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.



Source: Centrale Bank van Aruba

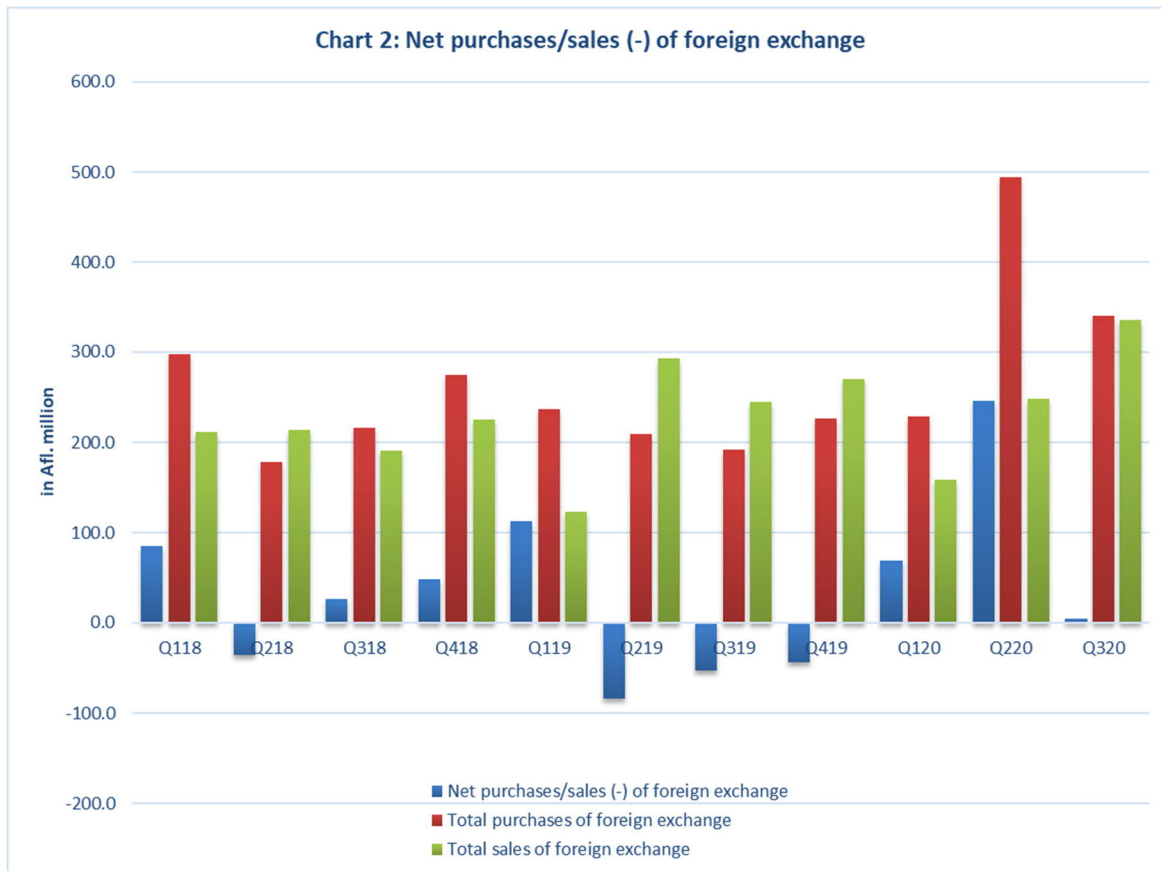
On a gross basis, the CBA's total foreign exchange purchases grew by Afl. 148.7 million or 77.6 percent to Afl. 340.4 million in the third quarter of 2020, compared to the same quarter of 2019 (Table 2 and Chart 2). This increase was attributed mainly to purchases of foreign exchange of Afl. 218.2 million from the government compared to Afl. 9.5 million in the same quarter of 2019. This rise in sale of foreign exchange by the government was mainly associated with funds borrowed from abroad. Purchases of foreign exchange from other clients grew by Afl. 7.3 million to Afl. 19.1 million. In contrast, purchases of foreign exchange from the commercial banks decreased by Afl. 67.3 million to Afl. 103.1 million.

Table 2: Foreign exchange transactions
(in Afl. million)

	2018		2019		2020	
	Q3	YTD ¹	Q3	YTD ¹	Q3	YTD ¹
I. Total purchases of foreign exchange	216.7	692.5	191.7	638.3	340.4	1,063.7
Of which from:						
1. Commercial banks	178.1	641.8	170.4	586.5	103.1	361.6
2. Government	30.0	30.1	9.5	19.5	218.2	661.4
3. Other clients	8.5	20.6	11.8	32.3	19.1	40.7
II. Total sales of foreign exchange	190.9	615.7	245.0	661.8	335.5	742.9
Of which to:						
1. Commercial banks	169.6	486.2	180.7	522.7	201.7	481.6
2. Government	19.7	124.3	61.8	127.9	131.7	256.5
3. Other clients	1.7	5.2	2.6	11.2	2.1	4.8
III. Net purchases/sales (-) of foreign exchange	25.7	76.8	-53.4	-23.5	4.9	320.9
IV. Net purchases/sales (-) from/to commercial banks	8.6	155.6	-10.3	63.8	-98.6	-120.0
V. Net purchases/sales (-) from/to government	10.3	-94.3	-52.3	-108.3	86.4	404.9
VI. Net purchases/sales (-) from/to other clients	6.8	15.4	9.2	21.0	17.1	35.9

Source: Centrale Bank van Aruba

¹ January up to and including September.



Source: Centrale Bank van Aruba

The total foreign exchange sales of the CBA expanded by Afl. 90.5 million or 36.9 percent to Afl. 335.5 million, mostly because foreign exchange sales to the government grew by Afl. 69.9 million to Afl. 131.7 million. Additionally, foreign exchange sales to the commercial banks increased by Afl. 21.0 million to Afl. 201.7 million. On the other hand, foreign exchange sales to other clients contracted by Afl. 0.5 million to Afl. 2.1 million.

Developments in the first nine months of 2020

During the first nine months of 2020, foreign exchange transactions effectuated via CBA resulted in a net purchase of Afl. 320.9 million of foreign exchange, compared to a net sale of Afl. 23.5 million in the corresponding period of 2019. This outcome was mainly caused by transactions of the government leading to a turnaround from a net foreign exchange sale of Afl. 108.3 million in the first nine months of 2019 into a net foreign exchange purchase of Afl. 404.9 million in the period under review, due to foreign exchange borrowing from abroad associated with COVID-19 support as well as the financing of local and foreign government spending. Net foreign exchange purchases of other clients increased by Afl. 14.9 million to Afl. 35.9 million. On the other hand, transactions of the commercial banks led a net foreign exchange sale of Afl. 120.0 million, compared to a net foreign exchange purchase of Afl. 63.8 million.

Total foreign exchange purchases expanded by Afl. 425.4 million or 66.6 percent to Afl. 1,063.7 million during the first months of 2020, compared to the same period of 2019. This surge was largely caused by an increase in foreign exchange purchases from the government (+Afl. 641.9 million) associated with the foreign exchange borrowed from abroad mentioned earlier. Foreign exchange purchases from other clients also resulted in a rise of foreign exchange (+Afl. 8.4 million). On the other hand, foreign exchange purchases from the commercial banks fell (-Afl. 224.9 million).

Total foreign exchange sales increased by Afl. 81.1 million or 12.3 percent to Afl. 742.9 million during the first nine months of 2020. This expansion resulted from an increase in foreign exchange sales to the government (+Afl. 128.6 million) and decreases in sales of foreign exchange to the commercial banks (-Afl. 41.1 million) and other clients (-Afl. 6.4 million).

General note to the tables:

Owing to rounding of figures, the sum of separate items may differ in the final digit from the total shown.