



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba (CBA) increased during the fourth quarter of 2020

Developments in the fourth quarter of 2020

The official reserves of the CBA, including other changes not related to foreign exchange transactions, increased by Afl. 14.8 million in the fourth of 2020 to Afl. 2,208.6 million at the end of December 2020 (Table 1 and Chart 1). Foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net purchase by the CBA of Afl. 20.7 million of foreign exchange in the fourth quarter of 2020, compared to a net sale of Afl. 46.2 million of foreign exchange in the fourth quarter of 2019. This outcome was attributed mainly to transactions of the government. These transactions led to a net foreign exchange purchase of Afl. 167.6 million in the quarter under review, compared to a net foreign exchange sale of Afl. 108.8 million in the fourth quarter of 2019. On the other hand, transactions with the commercial banks led to a net foreign exchange sale of Afl. 155.5 million, compared to a net foreign exchange purchase of Afl. 55.5 million in the corresponding period of 2019. The net purchase of foreign exchange from other clients grew by Afl. 1.6 million to Afl. 8.6 million in the fourth quarter of 2020.

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	Q4 2018	2018	Q4 2019	2019	Q4 2020	2020
I. Reserves at beginning of period	1,700.1	1,649.2	1,822.2	1,778.0	2,193.8	1,784.8
II. Net purchases/sales (-) of foreign exchange	49.4	126.2	-46.2	-69.8	20.7	341.5
Of which from/to:						
1. Commercial banks	-47.7	107.9	55.5	119.2	-155.5	-274.6
2. Government	96.5	2.2	-108.8	-217.1	167.6	572.8
3. Other clients	0.6	16.0	7.0	28.1	8.6	43.3
III. Other changes ²	28.5	2.6	8.8	76.5	-5.8	82.3
IV. Reserves at ending of period (I+II+III)	1,778.0	1,778.0	1,784.8	1,784.8	2,208.6	2,208.6
V. Change in official reserves during period (IV-I)	77.9	128.8	-37.5	6.8	14.8	423.8

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.

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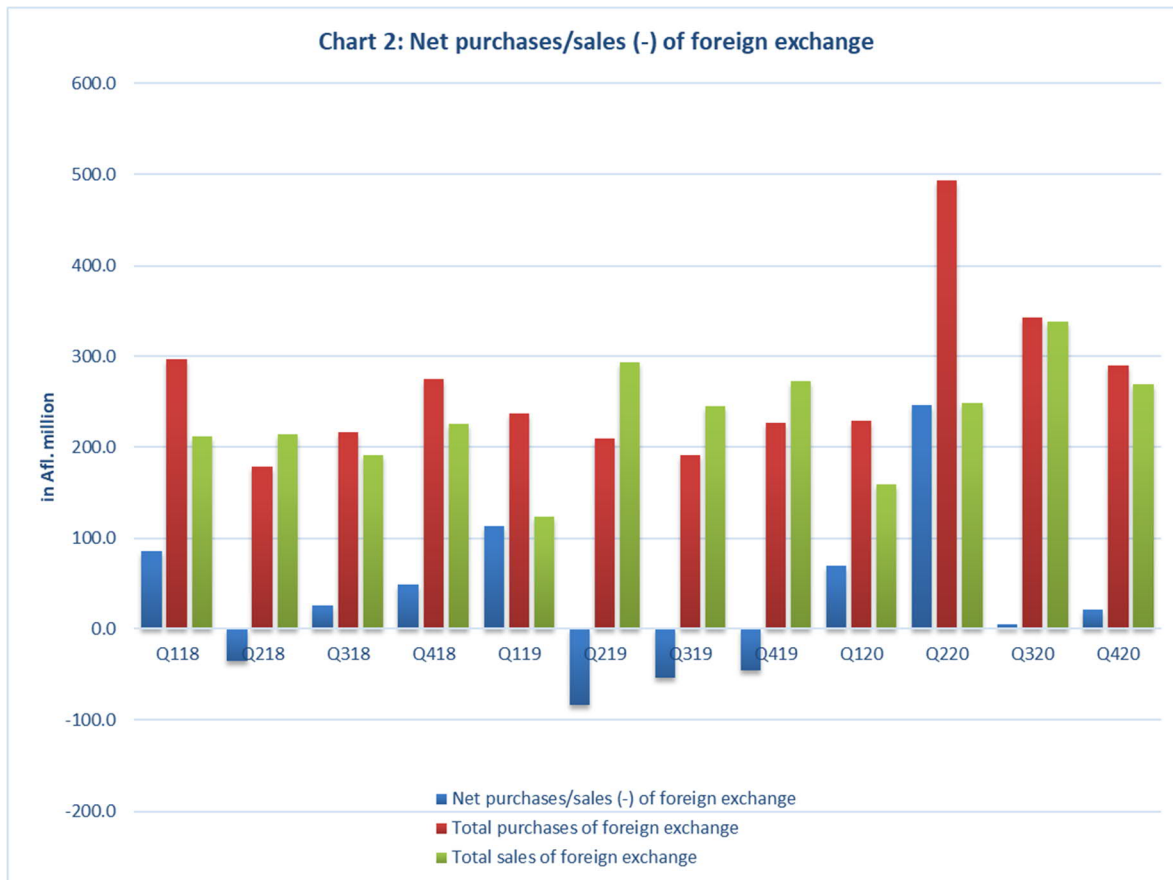
Source: Centrale Bank van Aruba

On a gross basis, the CBA's total foreign exchange purchases grew by Afl. 63.1 million or 27.8 percent to Afl. 290.0 million in the fourth 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. 211.2 million from the government in the quarter under review, caused mainly by foreign loans received from the Netherlands because of the COVID-19 situation. In the fourth quarter of 2019, there were no purchases of foreign exchange. Purchases of foreign exchange from other clients grew by Afl. 0.4 million to Afl. 10.5 million. In contrast, purchases of foreign exchange from the commercial banks decreased by Afl. 148.5 million to Afl. 68.3 million.

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

	Q4 2018	2018	Q4 2019	2019	Q4 2020	2020
I. Total purchases of foreign exchange	275.0	967.5	226.9	865.2	290.0	1,355.8
Of which from:						
1. Commercial banks	163.4	805.2	216.8	803.3	68.3	436.9
2. Government	106.5	136.6	0.0	19.5	211.2	868.6
3. Other clients	5.2	25.8	10.1	42.4	10.5	50.3
II. Total sales of foreign exchange	225.7	841.4	273.2	934.9	269.3	1,014.3
Of which to:						
1. Commercial banks	211.1	697.3	161.4	684.0	223.8	711.5
2. Government	10.0	134.3	108.8	236.6	43.7	295.8
3. Other clients	4.6	9.8	3.0	14.3	1.9	7.0
III. Net purchases/sales (-) of foreign exchange	49.4	126.2	-46.2	-69.8	20.7	341.5
IV. Net purchases/sales (-) from/to commercial banks	-47.7	107.9	55.5	119.2	-155.5	-274.6
V. Net purchases/sales (-) from/to government	96.5	2.2	-108.8	-217.1	167.6	572.8
VI. Net purchases/sales (-) from/to other clients	0.6	16.0	7.0	28.1	8.6	43.3

Source: Centrale Bank van Aruba



Source: Centrale Bank van Aruba

The total foreign exchange sales of the CBA contracted by Afl. 3.9 million or 1.4 percent to Afl. 269.3 million, mainly because foreign exchange sales to the government and other clients fell by Afl. 65.1 million to Afl. 43.7 million and by Afl. 1.1 million to Afl. 1.9 million, respectively. On the other hand, foreign exchange sales to the commercial banks expanded by Afl. 62.4 million to Afl. 223.8 million.

Developments during 2020

During 2020, foreign exchange transactions effectuated via CBA resulted in a net purchase of Afl. 341.5 million of foreign exchange, compared to a net sale of Afl. 69.8 million in 2019. This outcome was mainly caused by transactions of the government leading to a turnaround from a net foreign exchange sale of Afl. 217.1 million in 2019 into a net foreign exchange purchase of Afl. 572.8 million in 2020, due mainly to foreign borrowing associated with the COVID-19 situation mentioned earlier. Net foreign exchange purchases of other clients increased by Afl. 15.2 million to Afl. 43.3 million. On the other hand, transactions with the commercial banks led a net foreign exchange sale of Afl. 274.6 million, compared to a net foreign exchange purchase of Afl. 119.2 million in 2019.

On a gross basis, total foreign exchange purchases expanded by Afl. 490.6 million or 56.7 percent to Afl. 1,355.8 million during 2020, compared to 2019. This surge was largely attributed to an Afl. 849.1 million foreign exchange purchase from the government associated with the COVID-19 situation. Foreign exchange purchases from other clients also resulted in an increase of foreign exchange (+Afl. 7.9 million). On the other hand, foreign exchange purchases from the commercial banks declined (-Afl. 366.4 million).

Total foreign exchange sales increased by Afl. 79.4 million or 8.5 percent to Afl. 1,014.3 million. Increases in foreign exchange sales to the government (+Afl. 59.2 million) and commercial banks (+Afl. 27.5 million) contributed to this growth. In contrast, sales of foreign exchange to other clients fell (-Afl. 7.3 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.