



CENTRALE BANK VAN ARUBA

Statistical News Release

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The official reserves of the Centrale Bank van Aruba decreased during the first quarter of 2021

In the first quarter of 2021, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net sale by the CBA of Afl. 36.8 million of foreign exchange, compared to a net purchase of Afl. 69.9 million of foreign exchange in the first quarter of 2020. This outcome was attributed largely to transactions with the commercial banks. These transactions led to a net foreign exchange sale of Afl. 68.4 million in the quarter under review, compared to a net foreign exchange purchase of Afl. 145.9 million in the corresponding quarter of 2020. On the other hand, transactions with the government resulted in a net foreign exchange purchase of Afl. 28.5 million, compared to a net foreign exchange sale of Afl. 86.0 million in the same quarter of 2020. In addition, transactions with other clients led to an Afl. 3.1 million net purchase of foreign exchange, which was Afl. 6.9 million less than in the same quarter of 2021. As a consequence, the official reserves of the CBA, including other changes not related to foreign exchange transactions, decreased by Afl. 90.0 million to Afl. 2,118.6 million at the end of March 2021 (see Table 1 and Chart 1).

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	Q1-2019	Q1-2020	Q1-2021
I. Reserves at beginning of period	1,778.0	1,784.8	2,208.6
II. Net purchases/sales (-) of foreign exchange	113.5	69.9	-36.8
Of which from/to:			
1. Commercial banks	126.6	145.9	-68.4
2. Government	-21.0	-86.0	28.5
3. Other clients	7.9	10.0	3.1
III. Other changes ²	14.4	16.7	-53.3
IV. Reserves at ending of period (I+II+III)	1,905.9	1,871.3	2,118.6
V. Change in official reserves during period (IV-I)	127.9	86.6	-90.0

Source: Centrale Bank van Aruba

¹ Including valuation changes.

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

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On a gross basis, the CBA's total foreign exchange purchases decreased by Afl. 76.0 million or 33.2 percent to Afl. 153.2 million in the first quarter of 2021, compared to the same quarter of 2020 (Table 2 and Chart 1). This contraction was caused mainly by a decline of Afl. 141.8 million in purchases of foreign exchange from the commercial banks. On the other hand, foreign exchange purchases from the government amounted to Afl. 71.7 million, due mainly to foreign borrowing from the Netherlands associated with the COVID-19 situation.

The total foreign exchange sales of the CBA increased by Afl. 30.7 million or 19.3 percent to Afl. 190.0 million, mainly because of a rise in foreign exchange sales to the commercial banks, of Afl. 72.4 million to Afl. 144.5 million. On the other hand, foreign exchange sales to the government contracted by Afl. 42.8 million to Afl. 43.2 million, largely resulting from lower foreign debt services payments.

Table 2: Foreign exchange transactions

(in Afl. million)

	Q1-2019	Q1-2020	Q1-2021
I. Total purchases of foreign exchange	237.2	229.2	153.2
Of which from:			
1. Commercial banks	217.4	217.9	76.1
2. Government	9.9	0.0	71.7
3. Other clients	9.8	11.3	5.5
II. Total sales of foreign exchange	123.7	159.3	190.0
Of which to:			
1. Commercial banks	90.9	72.1	144.5
2. Government	30.8	86.0	43.2
3. Other clients	2.0	1.2	2.4
III. Net purchases/sales (-) of foreign exchange	113.5	69.9	-36.8
IV. Net purchases/sales (-) from/to commercial banks	126.6	145.9	-68.4
V. Net purchases/sales (-) from/to government	-21.0	-86.0	28.5
VI. Net purchases/sales (-) from/to other clients	7.9	10.0	3.1

Source: Centrale Bank van Aruba

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.

Chart 1: Net purchases/sales (-) of foreign exchange

