



## CENTRALE BANK VAN ARUBA

### MONEY SUPPLY EXPANDED

Summary of the Monthly Bulletin of March 2021

Press Release<sup>1</sup>

#### *Monetary developments*

Compared to February 2021, money supply increased in March 2021 by Afl. 38.9 million to Afl. 4,858.2 million, resulting from an expansion in net domestic assets (+Afl. 42.4 million) and a decrease in net foreign assets (-Afl. 3.6 million).

The increase in the domestic component of money supply was caused by a surge in domestic credit (+Afl. 51.9 million). The non-credit related balance sheet items decreased by Afl. 9.4 million. The rise in domestic credit was attributed to an expansion in the net claims of the banking sector on the public sector (+Afl. 67.7 million) and a contraction in the claims of the banking sector on the private sector (-Afl. 15.8 million). The growth in the net claims of the banking sector on the public sector was caused by decreases in government deposits (-Afl. 67.6 million). The decline in the claims of the banking sector on the private sector was the result of lower loans to enterprises (-Afl. 7.7 million), consumer credit (-Afl. 5.9 million), and housing mortgages (-Afl. 2.2 million).

Net foreign assets of the banking sector decreased, due to a net sale of foreign exchange of Afl. 216.2 million to the public, mainly associated with the payments for goods imports, other investment, and other services. These were almost completely offset by a net purchase of foreign exchange of Afl. 212.5 million, mostly related to foreign exchange revenue from tourism exports, and net transfers from foreign accounts.

#### *Inflation*

The consumer price index (CPI) for March 2021 noted a 1.1 percent decrease year over year (YOY) compared to a 1.9 percent decrease (YOY) for February 2021. The main contributors to this decrease were “Recreation and Culture”, “Clothing and Footwear”, and “Food and Non-alcoholic beverages”. The 12-month average inflation rate was -2.3 percent in March 2021, compared to -2.2 percent in February 2021.

#### *Government*

Total government revenue amounted to Afl. 70.6 million in March 2021, Afl. 11.5 million less than the same month of the previous year. The decline in government revenue resulted from decreases in tax revenue (-Afl. 8.6 million) and non-tax revenue (-Afl. 2.9 million).

The reduction in tax revenue was caused primarily by decreases in income from wage tax (-Afl. 6.2 million) and turnover tax (-Afl. 5.1 million). In contrast, income from profit tax increased by Afl. 5.7 million.

#### *Tourism*

The number of stay over visitors amounted to 48,967 in March 2021, which is 6,125 more visitors (+14.3 percent) than in March 2020. This growth was due to increases in the North American market and the Latin American market of 6,191 visitors (+16.6 percent) and 56 visitors (+3.0 percent), respectively. In contrast, the European market decreased by 172 visitors (-6.3 percent).

The expansion in the North American market resulted from more arrivals from the United States (+9,476 visitors or +27.9 percent). The increase in the Latin American market was driven by more arrivals from Colombia (+772

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<sup>1</sup> The English original prevails.

visitors or +177.5 percent). The decline in the European market was primarily caused by less arrivals from the Netherlands (-155 visitors or -6.8 percent).

Centrale Bank van Aruba

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