



## CENTRALE BANK VAN ARUBA

### MONEY SUPPLY EXPANDED

Summary of the Monthly Bulletin of April 2021

Press Release<sup>1</sup>

#### *Monetary developments*

Compared to March 2021, money supply increased in April 2021 by Afl. 80.2 million to Afl. 4,937.7 million, resulting from an expansion in the net foreign<sup>2</sup> assets (+Afl. 234.4 million) and a contraction in the net domestic assets (-Afl. 154.0 million)

In April 2021, net foreign assets of the banking sector increased, due to net purchases of foreign exchange of Afl. 414.5 million from the public, mostly related to foreign exchange revenue from other investment and tourism exports. These were partially offset by net sales of foreign exchange of Afl. 180.2 million to the public, mainly associated with payments for goods imports and other services. The drop in the domestic component of money supply was primarily caused by a contraction in the domestic credit (-Afl. 125.6 million). In addition, the non-credit related balance sheet items decreased by Afl. 28.4 million. The decline in domestic credit resulted from a decrease in the net claims of the banking sector on the public sector (-Afl. 111.2 million) and a decline in the claims of the banking sector on the private sector (-Afl. 14.4 million). The contraction in the net claims of the banking sector on the public sector was caused by increases in government deposits (+Afl. 114.8 million) and gross claims (+Afl. 3.6 million). The shrinkage in the claims of the banking sector on the private sector was the result of decreases in loans to enterprises (-Afl. 10.4 million) and consumer credit (-Afl. 4.3 million). In contrast, housing mortgages rose by Afl. 0.3 million in April 2021

#### *Inflation*

The consumer price index (CPI) for April 2021 noted a 0.4 percent decrease year-over-year (YOY) compared to a 1.1 percent decline (YOY) for March 2021. The main contributors to this decrease were the “Recreation and Culture”, and “Clothing and Footwear” components. The 12-month average inflation rate remained unchanged at -2.3 percent in April 2021 compared to March 2021.

#### *Government*

Total government revenue amounted to Afl. 56.8 million in April 2021, Afl. 4.6 million less than the same month of the previous year. The decline in government revenue resulted from a decrease in nontax revenue (-Afl. 5.9 million) and an increase in tax revenue (+Afl. 1.4 million).

The reduction in nontax revenue was caused by a decrease in other nontax revenue of Afl. 5.9 million.

The increase in tax revenue resulted from increases in turnover tax (B.B.O.)(B.A.V.P.) (+Afl. 2.9 million), import duties (+Afl. 2.8 million), land tax (+Afl. 1.2 million) and profit tax (+Afl. 1.2 million). These increases were almost completely offset by a decrease in wage tax (-Afl. 7.6 million).

#### *Tourism*

Aruba did not receive stay over visitors during April of 2020, therefore the figures of April 2019 were used to compare with figures of April 2021. The number of stay over visitors amounted to 58,774 in April 2021, which is 35,179 less visitors (-37.4 percent) than in April 2019. The North American market, the Latin American market

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

<sup>2</sup> Excluding revaluation differences of gold and foreign exchange holdings.

and the European market decreased by of 23,124 visitors (-30.2 percent), 6,838 visitors (-80.5 percent), and 4,090 visitors (-61.8 percent), respectively.

The reduction in the North American market resulted primarily from less arrivals from the United States (-19,210 visitors or -26.4 percent). The decrease in the arrivals from the Latin American market was primarily due to less arrivals from Colombia (-1,684 visitors or -58.6 percent) and from the European market as there were less arrivals from the Netherlands (-1,874 visitors or -51.1 percent).

Centrale Bank van Aruba

July 19, 2021

*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).*