



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 2021

Developments in the third quarter of 2021

The official reserves of the Centrale Bank van Aruba (CBA) increased by Afl. 220.5 million in the third quarter of 2021 to Afl. 2,542.7 million at the end of September 2021 (see Table 1 and Chart 1). Foreign exchange transactions settled through the CBA resulted in a net purchase by the CBA of 231.8 million of foreign exchange in the third quarter of 2021, Afl. 226.9 million higher than that in the corresponding quarter of 2020. This outcome was attributed largely to transactions with both the government and the commercial banks. Transactions with the government led to a net foreign exchange purchase of Afl. 152.2 million, compared to Afl. 86.8 million in the same quarter of 2020. Transactions with the commercial banks resulted in a net purchase of Afl. 73.4 million of foreign exchange, compared to a net sale of Afl. 97.8 million of foreign exchange in the third quarter of 2020. On the other hand, net purchase of foreign exchange from other clients decreased by Afl. 9.7 million to Afl. 6.2 million.

Table 1: Factors affecting CBA's official reserves¹

(in Afl. million)

	2019		2020		2021	
	Q3	YTD ³	Q3	YTD ³	Q3	YTD ³
I. Reserves at beginning of period	1,859.7	1,778.0	2,170.0	1,784.8	2,322.2	2,208.6
II. Net purchases/sales (-) of foreign exchange	-53.4	-23.5	4.9	320.9	231.8	388.2
Of which from/to:						
1. Commercial banks	-10.3	63.8	-97.8	-119.1	73.4	-6.9
2. Government	-52.3	-108.3	86.8	405.2	152.2	376.8
3. Other clients	9.2	21.0	15.9	34.7	6.2	18.3
III. Other changes ²	15.9	67.7	18.9	88.1	-11.3	-54.1
IV. Reserves at ending of period (I+II+III)	1,822.2	1,822.2	2,193.8	2,193.8	2,542.7	2,542.7
V. Change in official reserves during period (IV-I)	-37.5	44.2	23.7	409.0	220.5	334.1

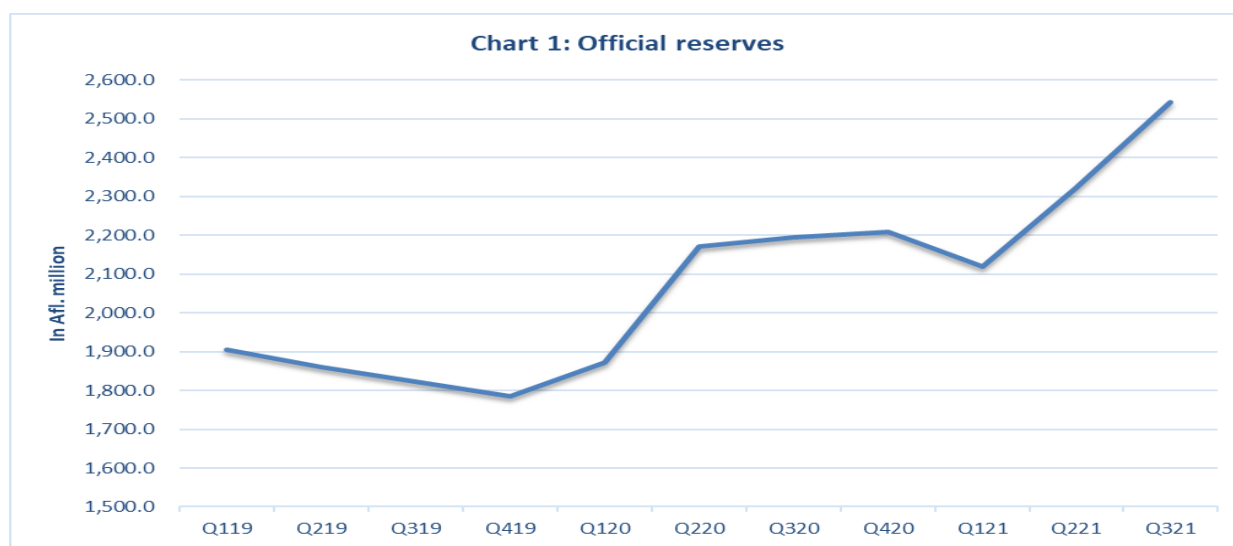
Source: Centrale Bank van Aruba

¹ Including valuation changes.

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

³ January up to and including September.

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On a gross basis, the CBA's total foreign exchange purchases grew by Afl. 167.8 million or 49.0 percent to Afl. 510.3 million in the third quarter of 2021, compared to the same quarter of 2020 (see Table 2 and Chart 2). This expansion was caused largely by a growth of Afl. 146.6 million in purchases of foreign exchange from the government, resulting from increased foreign borrowing from the Netherlands associated with the Dutch liquidity support as loans. In addition, foreign exchange purchases from the commercial banks rose by Afl. 30.7 million to Afl. 140.8 million. On the other hand, foreign exchange purchases from the other clients dropped by Afl. 9.5 million to Afl. 8.7 million.

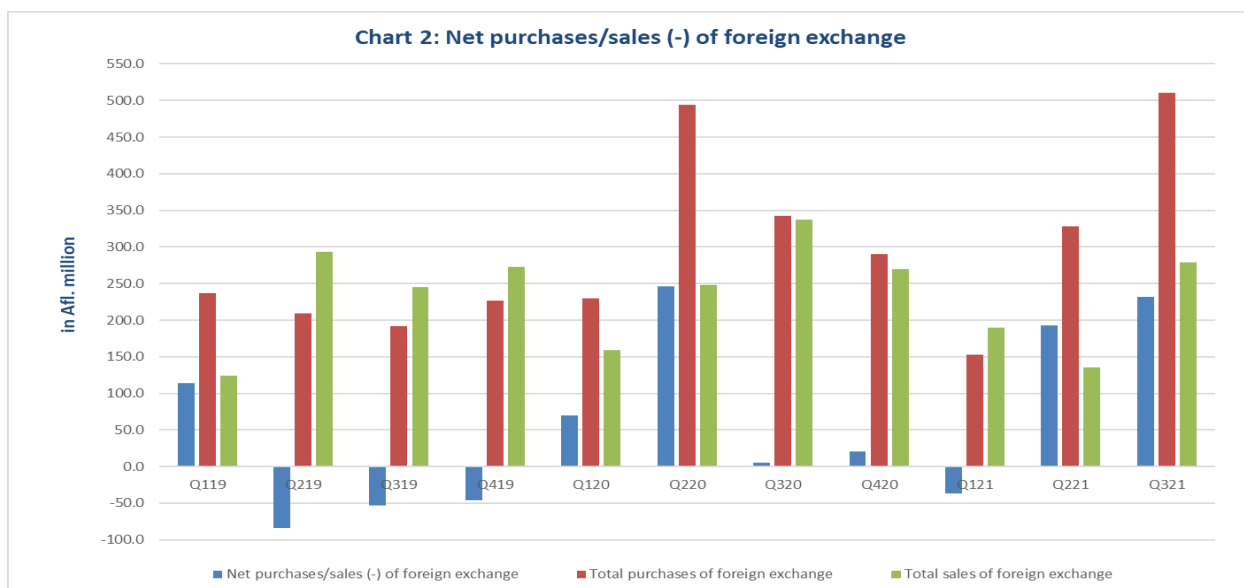
Table 2: Foreign exchange transactions

(in Afl. million)

	2019		2020		2021	
	Q3	YTD ¹	Q3	YTD ¹	Q3	YTD ¹
I. Total purchases of foreign exchange	191.7	638.3	342.5	1,065.9	510.3	992.0
Of which from:						
1. Commercial banks	170.4	586.5	110.1	368.6	140.8	295.6
2. Government	9.5	19.5	214.2	657.4	360.8	671.2
3. Other clients	11.8	32.3	18.2	39.9	8.7	25.2
II. Total sales of foreign exchange	245.0	661.8	337.6	745.0	278.5	603.8
Of which to:						
1. Commercial banks	180.7	522.7	207.9	487.7	67.4	302.5
2. Government	61.8	127.9	127.4	252.2	208.6	294.4
3. Other clients	2.6	11.2	2.4	5.1	2.5	6.9
III. Net purchases/sales (-) of foreign exchange	-53.4	-23.5	4.9	320.9	231.8	388.2
IV. Net purchases/sales (-) from/to commercial banks	-10.3	63.8	-97.8	-119.1	73.4	-6.9
V. Net purchases/sales (-) from/to government	-52.3	-108.3	86.8	405.2	152.2	376.8
VI. Net purchases/sales (-) from/to other clients	9.2	21.0	15.9	34.7	6.2	18.3

Source: Centrale Bank van Aruba

¹ January up to and including September.



The total foreign exchange sales of the CBA fell by Afl. 59.1 million or 17.5 percent to Afl. 278.5 million, resulted from a drop of Afl. 140.5 million to Afl. 67.4 million in foreign exchange sales to the commercial banks, and an increase of Afl. 81.2 million to Afl. 208.6 million in foreign exchange sales to the government. The latter was associated largely with higher foreign debt service payments.

Developments in the first nine months of 2021

During the first nine months of 2021, foreign exchange transactions effectuated via CBA resulted in a net purchase of Afl. 388.2 million of foreign exchange, Afl. 67.3 million higher compared to the same period of 2020. This outcome was caused mainly by transactions with the commercial banks. Net foreign exchange sale to the commercial banks shrank by Afl. 112.2 million to Afl. 6.9 million. In contrast, net foreign exchange purchases from both the government and other clients contracted by Afl. 28.4 million to Afl. 376.8 million and Afl. 16.4 million to Afl. 18.3 million, respectively.

On a gross basis, the CBA's total foreign exchange purchases contracted by Afl. 73.9 million or 6.9 percent to Afl. 992.0 million during the first nine months of 2021, compared to the same period of 2020. This decline was caused mainly by decreases in foreign exchange purchases from the commercial banks (-Afl. 73.0 million) and other clients (-Afl. 14.7 million). Foreign exchange purchases from the government grew (+Afl. 13.8 million) associated with increased foreign borrowing from the Netherlands mentioned earlier.

Total foreign exchange sales fell by Afl. 141.2 million or 19.0 percent to Afl. 603.8 million during the first nine months of 2021. This contraction resulted mainly from a drop in foreign exchange sales to the commercial banks (-Afl. 185.2 million). On the other hand, foreign exchange sales to the government (+Afl. 42.2 million) and other clients (+Afl. 1.8 million) increased.

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.