



# Quarterly Economic Bulletin External Sector Official Reserves Q4 2023

April 19, 2024



**CENTRALE BANK VAN ARUBA**

**Cover design:**

Mangroves are hotspots of biodiversity, connecting life on land with life below water. These ‘forests of the sea’ are essential to the health and vibrancy of our coastal ecosystems, including our community livelihoods. They provide a vital habitat for marine life, help to protect against coastal erosion and storm surges, as well as filter pollutants from the sea. Mangroves are one of nature’s most effective tools in the fight against climate change and are integral to nature.



**The official reserves of the Centrale Bank van Aruba increased during the fourth quarter of 2023**  
 Quarterly economic bulletin  
 Results for the fourth quarter of 2023

In the fourth quarter of 2023, foreign exchange transactions settled through the Centrale Bank van Aruba (CBA) resulted in a net purchase by the CBA of Afl. 8.3 million, which was Afl. 4.7 million lower than in the same quarter of 2022. This outcome resulted from a net foreign exchange purchase from the commercial banks of Afl. 106.2 million (Q4 2022: Afl. 99.9 million), a net foreign exchange sale of Afl. 110.0 million (Q4 2022: 95.6 million) in the quarter under review, and other transactions which led to a net purchase of Afl. 12.1 million.

**Table 1: Factors affecting CBA's official reserves<sup>1</sup>**  
 (in Afl. million)

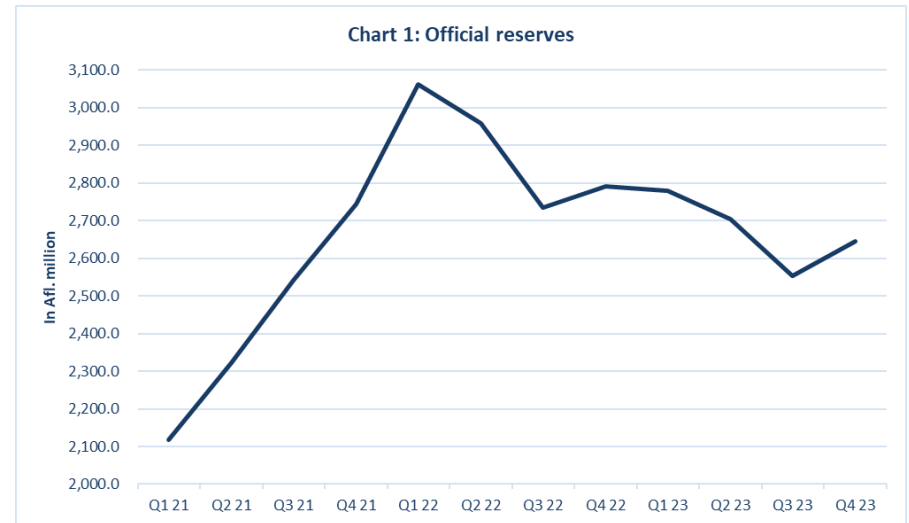
	Q4 2021	2021	Q4 2022	2022	Q4 2023	2023
I. Reserves at beginning of period	2,542.7	2,208.6	2,734.0	2,744.9	2,552.7	2,790.9
II. Net purchases/sales (-) of foreign exchange	199.8	588.1	13.0	162.4	8.3	-274.9
Of which from/to:						
1. Commercial banks	247.9	244.2	99.9	286.9	106.2	244.4
2. Government	-53.0	323.7	-95.6	-148.1	-110.0	-540.9
3. Other	5.0	20.2	8.7	23.6	12.1	21.6
III. Other changes <sup>2</sup>	2.4	-51.7	43.9	-116.4	84.7	129.7
IV. Reserves at ending of period (I+II+III)	2,744.9	2,744.9	2,790.9	2,790.9	2,645.7	2,645.7
V. Change in official reserves during period (IV-I)	202.2	536.3	56.9	46.0	93.0	-145.2

Source: Centrale Bank van Aruba

<sup>1</sup> Including valuation changes.

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

Consequently, the official reserves of the CBA, including other changes, increased by Afl. 93.0 million to Afl. 2,645.7 million at the end of December 2023 compared to the end of September 2023 (see Table 1 and Chart 1).



On a gross basis, the CBA's total foreign exchange purchases increased by Afl. 63.5 million to Afl. 245.5 million in the fourth quarter of 2023, compared to the same quarter of 2022 (Table 2 and Chart 2). This expansion was mainly caused by a growth of Afl. 72.4 million to Afl. 225.7 million in purchases of foreign exchange from the commercial banks. In addition, other transactions grew by Afl. 1.4 million to Afl. 17.1 million. In contrast, foreign exchange purchases to the government fell by Afl. 10.4 million to Afl. 2.7 million.

E-mail: [statistics.department@cbaruba.org](mailto:statistics.department@cbaruba.org) Website: [www.cbaruba.org](http://www.cbaruba.org)

**Table 2: Foreign exchange transactions**

(in Afl. million)

	Q4 2021	2021	Q4 2022	2022	Q4 2023	2023
<b>I. Total purchases of foreign exchange</b>	<b>306.2</b>	<b>1,297.1</b>	<b>182.0</b>	<b>899.8</b>	<b>245.5</b>	<b>782.7</b>
<i>Of which from:</i>						
1. Commercial banks	298.8	597.6	153.3	467.1	225.7	704.4
2. Government	0.4	671.6	13.1	381.2	2.7	7.4
3. Other	7.0	27.9	15.7	51.5	17.1	70.8
<b>II. Total sales of foreign exchange</b>	<b>106.4</b>	<b>709.0</b>	<b>169.0</b>	<b>737.4</b>	<b>237.2</b>	<b>1,057.6</b>
<i>Of which to:</i>						
1. Commercial banks	50.9	353.4	53.4	180.3	119.5	460.1
2. Government	53.5	347.9	108.7	529.3	112.6	548.3
3. Other	2.0	7.7	7.0	27.9	5.1	49.3
<b>III. Net purchases/sales (-) of foreign exchange</b>	<b>199.8</b>	<b>588.1</b>	<b>13.0</b>	<b>162.4</b>	<b>8.3</b>	<b>-274.9</b>
IV. Net purchases/sales (-) from/to commercial banks	247.9	244.2	99.9	286.9	106.2	244.4
V. Net purchases/sales (-) from/to government	-53.0	323.7	-95.6	-148.1	-110.0	-540.9
VI. Net purchases/sales (-) from/to other	5.0	20.2	13.6	28.6	12.1	21.6

Source: Centrale Bank van Aruba

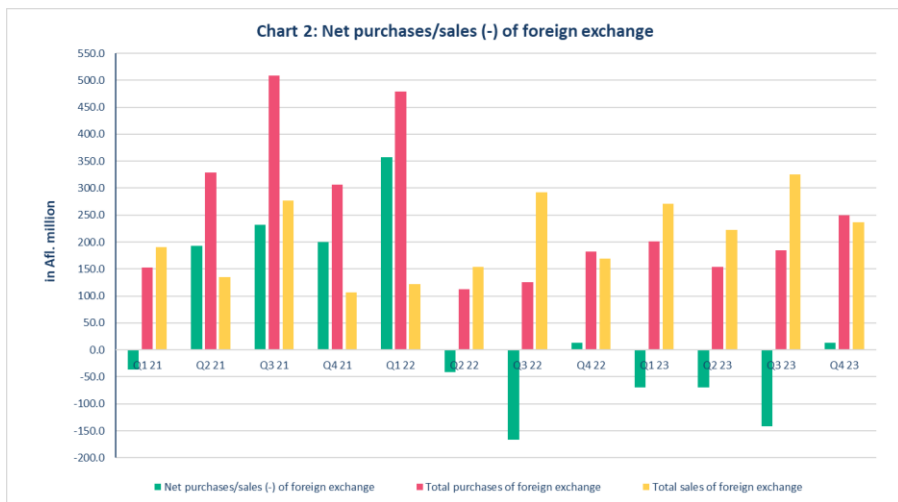
Additionally, foreign exchange sales to the government increased by Afl. 3.9 million to Afl. 112.6 million. In contrast, other transactions fell by Afl. 1.9 million to Afl. 5.1 million.

### *Developments during 2023*

During 2023, foreign exchange transactions effectuated via CBA resulted in a net sale of foreign exchange Afl. 274.9 million, compared to a net purchase of foreign exchange of Afl. 162.4 million in 2022. This outcome was largely caused by transactions of the government. These transactions led to a net foreign exchange sale of Afl. 540.9 million, which is Afl. 392.8 million higher than in 2022. In contrast, net foreign exchange purchases from commercial banks fell by Afl. 42.5 million to Afl. 244.4 million in 2023. Furthermore, other transactions led to a decrease in foreign exchange purchases of Afl. 2.0 million to Afl. 21.6 million.

On a gross basis, the CBA's total foreign exchange purchases contracted by Afl. 117.1 million or 13.0 percent to Afl. 782.7 million during 2023, compared to 2022. This decrease was largely caused by a drop in foreign exchange purchases from the government (-Afl. 373.8 million) associated with the foreign borrowing from the Netherlands in 2022. In contrast, foreign exchange purchases from the commercial banks grew (+Afl. 237.3 million). Furthermore, other transactions led to a rise (+Afl. 19.3 million) in foreign exchange purchases.

Total gross foreign exchange sales rose by Afl. 320.2 million or 43.4 percent to Afl. 1,057.6 million during 2023. This expansion resulted mainly from increases in foreign exchange sales to the commercial banks (+Afl. 279.8 million). Additionally, foreign exchange sales to the government (+Afl. 19.0 million) and other transactions (+Afl. 21.4 million) led to increases in foreign exchange sales.



The total foreign exchange sales of the CBA grew by Afl. 68.2 million to Afl. 237.2 million, mainly because foreign exchange sales to the commercial banks expanded by Afl. 66.1 million to Afl. 119.5 million.

E-mail: [statistics.department@cbaruba.org](mailto:statistics.department@cbaruba.org) Website: [www.cbaruba.org](http://www.cbaruba.org)

General notes to the tables: Owing to rounding of figures, the sum of separate items may differ from the total shown.

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CENTRALE BANK VAN ARUBA

J.E. Irausquin Blvd 8

P.O. Box 18

Oranjestad, Aruba

Phone: (+297) 5252 100

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