



CENTRALE BANK VAN ARUBA

Sustained economic growth in the first three quarters of 2024

Press release

February 25, 2025

Today, the Centrale Bank van Aruba (CBA) published the State of the Economy report for the first nine months of 2024. The publication contains a review and analysis of national and international economic developments. The highlights of this publication are presented below.

The Aruban economy grew by 7.8% during the first nine months of 2024 compared to the same period in 2023. Persistent buoyant tourism activities drove this growth, with stay-over visitors rising by 16.4% and cruise visitors by +13.2%. Although visitors had on average shorter stays in Aruba, tourism revenue increased notably, totaling Afl. 3.1 billion. This amount only includes transactions registered at commercial banks.

A stronger tourism boost also pushed up consumption. Reflective thereof is that merchandise imports (excluding imported machinery and electrotechnical equipment) grew by 9.2%. Personal loans, household electricity consumption (in kWh), and payments via the I-Pago system also rose. Meanwhile, improved labor market conditions and increased economic activities pushed up nearly all tax revenue components.

Despite ongoing investments in the hotel sector to accommodate more visitors, some investment indicators declined during the first three quarters of 2024. Construction material imports, the value of new commercial mortgages, and construction permits all contracted. Conversely, the value of new housing mortgages expanded, whereas the Business Perception Survey (BPS) index showed improvement.

In the first nine months of 2024, Aruba's economy saw more money coming in than going out. Tourism exports brought in significant receipts, while payments for imported goods were lower in comparison. Additionally, more money flowed into the country through investments and other financial transactions than flowed out. This resulted in a surplus on the balance of payments, thus raising official reserves to Afl. 3.4 billion and international reserves to Afl. 3.8 billion at the end of September 2024. As such, reserves remained amply adequate, which supports the CBA in fulfilling its primary mandate of maintaining the fixed value of the Aruban Florin vis à vis the U.S. dollar.

Over the last 12 months, prices were higher, on average, than during the previous 12 months. In the period September 2023 – September 2024, prices accelerated, on average, by 2.0%. The three components contributing the most to inflation were communication, housing, and food. Furthermore, comparing September 2024 to September 2023, prices rose by 1.5%. Monitoring inflation is crucial, as it impacts consumer spending, investment, employment, and ultimately international reserves. The CBA will continue to closely track inflation developments.

The complete publication is available on the CBA's website (<https://www.cbaruba.org/document/state-of-the-economy>).