

Kingdom of the Netherlands—Aruba: Selected Issues and Statistical Appendix

This Selected Issues paper and Statistical Appendix for the Kingdom of the Netherlands—Aruba was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on April 8, 2005. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of the Kingdom of the Netherlands—Aruba or the Executive Board of the IMF.

The policy of publication of staff reports and other documents by the IMF allows for the deletion of market-sensitive information.

To assist the IMF in evaluating the publication policy, reader comments are invited and may be sent by e-mail to publicationpolicy@imf.org.

Copies of this report are available to the public from

International Monetary Fund • Publication Services
700 19th Street, N.W. • Washington, D.C. 20431
Telephone: (202) 623 7430 • Telefax: (202) 623 7201
E-mail: publications@imf.org • Internet: <http://www.imf.org>

Price: \$15.00 a copy

**International Monetary Fund
Washington, D.C.**

INTERNATIONAL MONETARY FUND
KINGDOM OF THE NETHERLANDS—ARUBA

Selected Issues and Statistical Appendix

Prepared by a staff team consisting of István P. Székely,
Céline Allard, and Evridiki Tsounta

Approved by the European Department

April 8, 2005

	Page
I. Long-run Growth and Fiscal Sustainability in Aruba.....	3
A. Introduction.....	3
B. Recent Fiscal Developments.....	3
C. Medium-Term Fiscal Trends	6
D. Long-term Fiscal Trends and the Impact of Aging.....	8
E. Conclusions.....	11

Figures

1. Public Sector Debt	3
2. Share of Foreign Debt.....	3
3. Effective Average Interest Rate on Public Debt.....	4
4. Alternative Scenarios.....	7
5. Old-Age-Related Balance	9
6. Interest Charges and Deficit	10
7. Debt Projection	10
8. Debt Projection Under Alternative Scenarios.....	11

Tables

1. Comparison of Interest Payments with Other BBB-Rated Countries, 2003.....	5
2. GDP Growth Rate and Public Deficit for Aruba and the Euro Area.....	5
3. Medium-Term Fiscal Framework Under Unchanged Policies	6
4. Bounds Test Analysis	7
5. Population Projections to 2030 Under the No-Immigration Assumption.....	8
6. Long-Term Public Debt Sustainability Exercise, 2004–30	10

Statistical Appendix Tables

A1. Indicators of Tourism Activity, 1995–2003	12
A2. GDP and Components, 1995–2003	13
A3. Components in Percent of GDP, 1995–2003	14
A4. Real GDP, 1996–2003	15
A5. Contributions to Real GDP Growth, 1996–2003	16
A6. Changes in Consumer Price Index, 1996–2003	17
A7. Legal Minimum Wages, 1995–2004	17
A8. Summary of Trends in Public Finance, 1995–2003	18
A9. Summary of Trends in Public Finance, 1995–2003 (In Percent of GDP)	19
A10. Tax Revenue, 1995–2003	20
A11. Tax Revenue, 1995–2003 (In Percent of GDP)	21
A12. Operational Budget of the Social Insurance Bank (SVB), 1996–2003	22
A13. Government Debt, 1995–2003	23
A14. Balance of Payments Summary, 1995–2003	24
A15. Balance of Payments Summary, 1995–2003	25
A16. Monetary Survey, 1995–2003	26
A17. Monetary Developments, 1995–2003	27
A18. Changes in Sources of Broad Money, 1995–2003	28

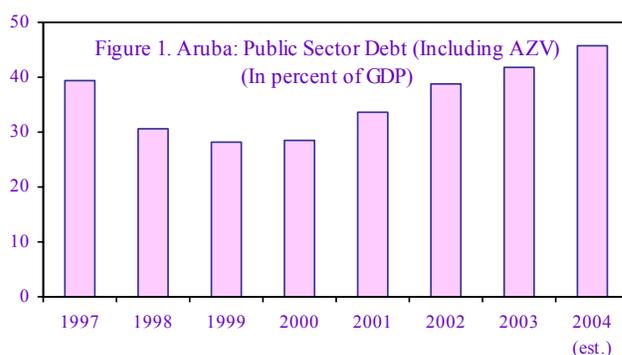
I. LONG-RUN GROWTH AND FISCAL SUSTAINABILITY IN ARUBA¹

A. Introduction

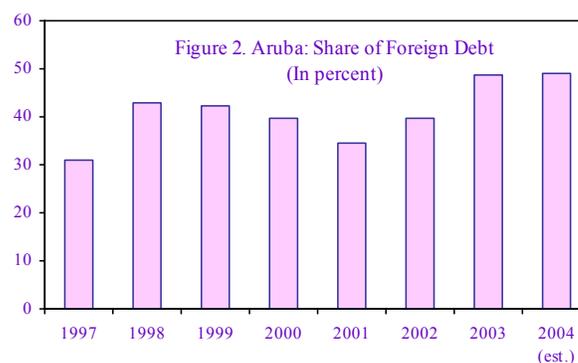
1. **This paper assesses medium- and long-term fiscal trends in Aruba.** Aruba's fiscal position has been deteriorating since the turn of the century, and the medium-term fiscal sustainability analysis shows a continuous weakening ahead of population aging. The long-term projections, partly because of the weak starting fiscal position, indicate an even bigger problem. If immigration is stopped and labor productivity growth remains as low as in the past decade, the population will begin to age rapidly, and economic growth will drop to below ½ percent a year by 2020. This, combined with the consequent rapid increase in pension spending, will make public finances unsustainable.

B. Recent Fiscal Developments

2. **Public debt has been increasing rapidly since 2000** (Figure 1). From about 28½ percent of GDP in 1999–2000, public debt, including the health care fund (AZV) (hereafter, public debt), reached an estimated 45.9 percent of GDP at end-2004. Besides persistently high deficits, payments on guarantees, amounting to 6 percent of GDP (or \$120 million) in 2003, have also contributed to the rapid growth in public debt.² To meet its financing needs, the government has increasingly resorted to foreign borrowing on commercial terms. The share of foreign debt at end-2004 is estimated to have reached almost 50 percent (Figure 2).



Sources: Central Bank of Aruba (CBA); and IMF staff estimates.

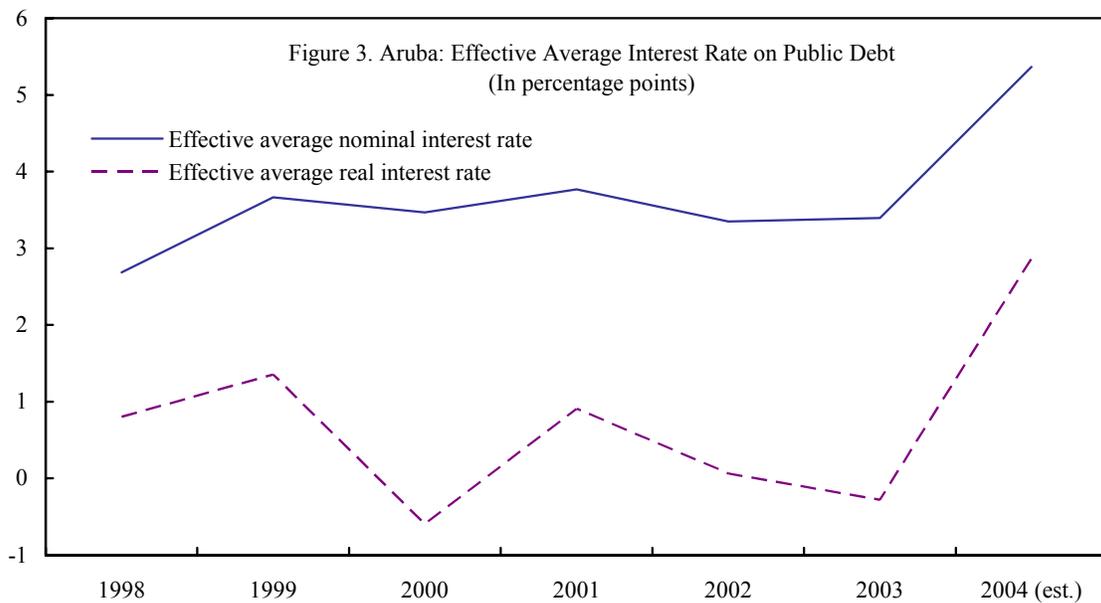


Sources: CBA; and IMF staff estimates.

¹ Prepared by Céline Allard.

² The stock of existing guarantees—previously issued to support the nascent tourism industry—is now close to zero, as the government stopped granting new guarantees to hotels in 1995; however, called guarantees under litigation still amounted to 3.6 percent of GDP at the end of 2004.

3. **The cost of public borrowing has been low but is likely to increase rapidly in the medium term.** Though Aruba has a high income level, a significant part of its public debt—from the European Investment Bank and the Netherlands—is still on concessional terms. Moreover, domestic state-owned public utilities lend at low rates to the government, and arrears that bear no interest reached about 8 percent of GDP in 2003. As a result, the effective average interest rate remained close to zero in real terms in 2003 (Figure 3). With a shift to commercial loans in external borrowing and the conversion of arrears into interest-bearing loans, the interest charges started to increase in 2004.³ A comparison with other similarly rated (BBB) countries shows that interest costs are likely to rise further in the medium term as the share of public debt carrying commercial rates continues to increase (Table 1). In 2003, the average real interest rate paid on Aruba’s public debt was -0.3 percent; the same rate reached 1.6 percent in Thailand and 4.7 percent in South Africa. This means that, had Aruba paid real interest rates equal to those of Thailand (South Africa), the interest payments would have amounted to 1.9 (3.1) percent of GDP, instead of the actual 1.2 percent of GDP.



Sources: CBA; and IMF staff estimates.

³ For example, in December 2004, all arrears by the government to the civil servant pension fund, APFA, (6.7 percent of GDP) were transformed into government loans and bonds with an interest rate of 6.7 percent in nominal terms.

Table 1. Aruba: Comparison of Interest Payments
with Other BBB-Rated Countries, 2003

	Aruba	Countries with Same Rating (BBB) from Fitch	
		Thailand	South Africa
Implicit nominal interest rate (percent)	3.4	3.4	10.5
Inflation (percent)	3.7	1.8	5.8
Implicit real interest rate (percent)	-0.3	1.6	4.7
Actual interest payments in 2003 (in percent of GDP)	1.2		
Aruba's interest costs assuming the real interest rates of Thailand or South Africa in 2003 (in percent of GDP)		1.9	3.1

Sources: CBA; IMF staff reports; and IMF staff calculations.

4. **Aruba's vulnerability to large shocks and the sensitivity of its fiscal performance to economic fluctuations point to the need for a more conservative policy on debt accumulation.** While Aruba's average growth and fiscal deficit over the cycle seem broadly similar to those of regions with similar income levels, like the euro area, the standard deviation is about three times higher (Table 2). Consequently, debt limits used in other countries, like the Maastricht criterion of 60 percent of GDP, to which the authorities frequently refer, are not applicable to Aruba.

Table 2. Aruba: GDP Growth Rate and Public Deficit for Aruba and the Euro Area

	Peak of Cycle	Bottom of Cycle	Average	Standard Deviation
GDP growth rate (in percent)				
Aruba	<u>1997</u> 7.8	<u>2002</u> -2.5	<u>1997-2003</u> 2.5	3.8
Euro area	<u>2000</u> 3.5	<u>2003</u> 0.5	2.1	1.1
Fiscal deficit (in percent of GDP)				
Aruba	<u>1998</u> 1.0	<u>2001</u> -4.1	<u>1997-2003</u> -1.8	2.1
Euro area	<u>2000</u> -0.9	<u>2003</u> -2.8	<u>1998-2003</u> -1.9	0.7

Sources: CBA; IMF staff reports; and IMF staff calculations.

C. Medium-Term Fiscal Trends

5. **Under unchanged policies, public debt is projected to increase rapidly in the medium term.**⁴ Reflecting increasing borrowing costs, the overall deficit is set to widen further, from 5¼ percent of GDP in 2005 to 6½ percent in 2009. As a result, public debt is projected to soar to over 60 percent of GDP in 2009, from about 42 percent in 2003 (Table 3).

Table 3. Aruba: Medium-Term Fiscal Framework Under Unchanged Policies

(In percent of GDP)

Unchanged policies	2003	2004	2005	2006	2007	2008	2009
Revenues	22.3	22.2	21.9	21.6	21.5	21.4	21.3
Expenditures	25.0	26.6	26.2	26.3	26.5	26.7	27.0
Current noninterest expenditure	22.5	23.2	22.6	22.5	22.3	22.2	22.1
Interest	1.2	1.7	2.0	2.2	2.5	2.9	3.3
Capital expenditure	1.2	1.7	1.7	1.6	1.6	1.6	1.6
Central government balance	-2.6	-4.4	-4.4	-4.7	-5.0	-5.3	-5.6
AZV balance	-0.9	-1.0	-0.9	-0.9	-0.9	-0.9	-0.9
Balance, including AZV	-3.5	-5.5	-5.2	-5.6	-5.8	-6.2	-6.5
Debt	41.7	45.9	48.6	51.6	54.6	58.1	61.7

Sources: CBA; and IMF staff projections.

6. **The results for alternative scenarios reveal major vulnerabilities** (Figure 4):

- **The most important risk appears to stem from real shocks.** Assuming that GDP growth is lowered to -4.7 percent per year in 2005–06, two standard deviations below the historical average, debt is projected to reach 90 percent of GDP by 2009 (Table 4).
- **A recession similar to the one Aruba experienced in 2001–02 would also substantially increase public debt.** In this scenario, (i) the growth rate is assumed to drop by one standard deviation in 2005–06 (to -0.3 percent in 2005 and -1.2 percent in 2006);⁵ (ii) as in 2001, the revenue-to-GDP ratio is assumed to drop by 1 percentage point for two years and to recover by only ½ percentage point afterward, as the result of tax base erosion; and (iii) interest rates are permanently higher by 200 basis points, reflecting the increase in risk premium likely to be requested by foreign investors in such circumstances. Under these

⁴ The assumptions underlying this central scenario include a stable tax revenue ratio, the disbursement of Dutch grants according to the schedule agreed upon with the authorities, current spending in line with GDP, stable capital spending, a marginal improvement in the AZV deficit, and a gradual increase of interest rates to international levels.

⁵ In the 2001–02 recession, Aruba recorded growth rates of -0.7 percent in 2001 and -2.6 percent in 2002.

assumptions, debt would reach 77 percent of GDP in 2009, some 16 percentage points higher than in the baseline scenario (Figure 4).

Table 4. Aruba: Bounds Test Analysis

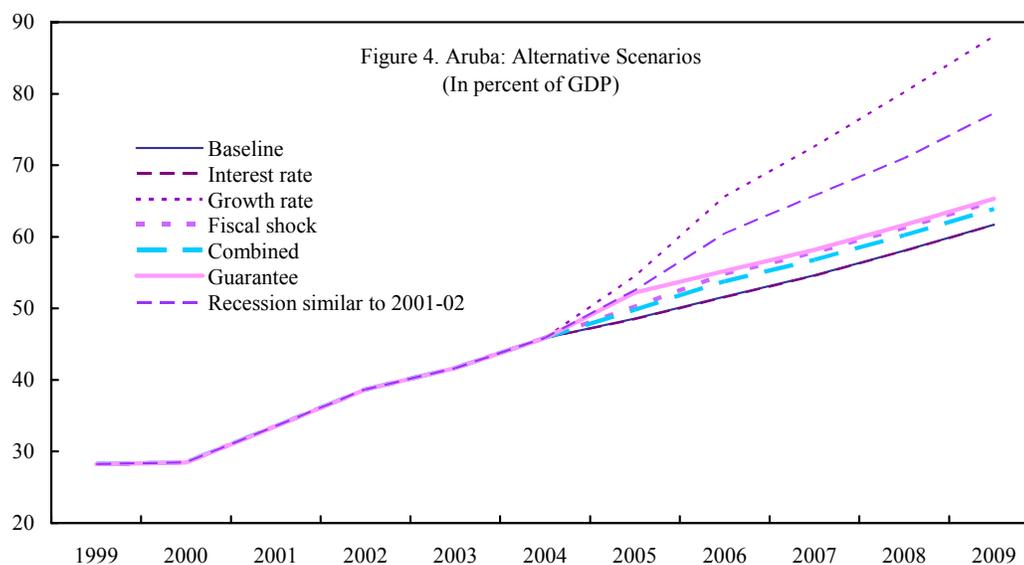
	Average 2004-09			Debt (in percent of GDP)	
	Real interest	Real GDP	Primary Deficit	In 2004	In 2009
	Rate (In percent)	Growth	(In percent of GDP)		
Average 1997-2003	0.4	2.3	0.8		
Baseline scenario	2.3	2.7	3.3	45.9	61.7
Alternative scenarios					
Interest rate shock 1/	2.2	2.7	3.3	45.9	61.7
Growth rate shock 2/	2.3	0.2	6.4	45.9	88.1
Fiscal shock 2/	2.3	2.7	3.9	45.9	64.9
Combination of three shocks 3/	2.0	1.4	3.2	45.9	63.9
All called guarantees still under litigation become payable in 2005	2.3	2.7	3.3	45.9	65.3

Sources: CBA; and IMF staff estimates.

1/ Historical average (over 1997-2003) plus two standard deviations in 2005-06.

2/ Historical average (over 1997-2003) minus two standard deviations in 2005-06. The primary balance is the variable modified in the fiscal shock.

3/ Historical average is augmented or decreased by only one standard deviation.



Source: IMF projections.

D. Long-Term Fiscal Trends and the Impact of Aging

7. **The rapid population growth of the 1990s may not be sustainable in the future.** Since it gained *status aparte* in 1986, Aruba has relied on immigration to meet the labor

demand in its booming tourism industry. The resulting increase in population (from 66,700 in 1991 to 90,500 in 2000 and 95,000 in 2003) made Aruba the second most densely populated island in the Caribbean (after Barbados), leading to problems in the housing market and in the provision of water, electricity, and telecommunications.⁶ The government tightened its immigration legislation in June 2002 and intends to rely more on short-term foreign contractors while phasing out permanent immigration.

8. **If immigration is halted, however, Aruba’s population will age rapidly over the next 25 years.** Extending population projections of the CBS, which assume zero net immigration and run until 2016, and using mortality and fertility rates derived from the 2000 census, staff projects the share of old people (above 60 years old) in the total population to double over the next 25 years, from 11–12 percent currently to 22 percent in 2030.⁷ As a result, the dependency ratio⁸ of the pay-as-you-go pension fund would drop from 5.7 in 2005 to 2.7 in 2030 (Table 5).

Table 5. Aruba: Population Projections to 2030
Under the No-Immigration Assumption

Year	Total Population	Share in Total Population (In percent)			Dependency Ratio (In percent)
		Age 0-15	Age 16-59	Age 60 & over	
2001	91,871	22.7	66.3	11.0	6.0
2003	95,033	21.6	67.1	11.2	6.0
2004	95,288	21.4	67.0	11.5	5.8
2005	95,543	21.2	67.0	11.8	5.7
2009	97,046	20.0	66.7	13.3	5.0
2011	97,878	19.3	66.6	14.1	4.7
2016	99,428	18.0	65.0	16.9	3.8
2021	98,670	18.2	62.7	19.1	3.3
2026	97,323	18.4	59.9	21.6	2.8
2030	95,830	18.7	59.1	22.1	2.7

Sources: CBS; and IMF staff projections.

9. **The projected decline in the labor force, combined with the existing productivity trends, would slow economic growth dramatically in the long run.** Over 1991–2000, despite a solid average growth rate of 4.9 percent, labor productivity increased by only 0.9 percent annually, reflecting the large share of the tourism industry, where the labor force is predominantly low-skilled. Assuming an unchanged economic structure and the projected

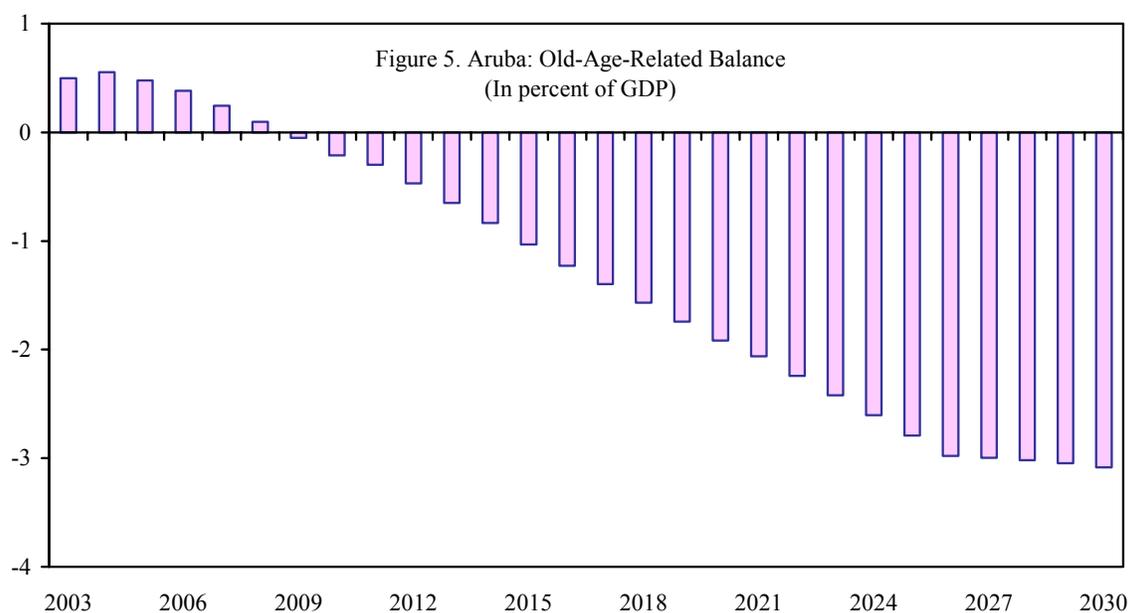
⁶ Central Bureau of Statistics (CBS) of Aruba, 2002, “The People of Aruba, Continuity and Changes” (Census 2000 Special Reports, February).

⁷ The recent waves of immigrants were concentrated in the early-working-age cohort. This large generation, now in its 30s to early 40s, will retire over the next 25 years.

⁸ The dependency ratio is the ratio of contributors to beneficiaries.

decline in the labor force, annual growth rates are projected to drop to about $\frac{3}{4}$ percent in 2015, close to 0 in 2020, and to $\frac{1}{4}$ percent afterward.

10. **With such population and growth trends, the financial position of the universal pension system would deteriorate significantly in the long run.** Aruba's General Old Age Pension Scheme (AOV), a pay-as-you-go system, provides flat benefits to all citizens over the age of 60 that currently amount to about 25 percent of per-worker GDP.⁹ The contribution rate is 13.5 percent, but insurable earnings are capped, resulting in an average effective rate on the overall payroll of just below 5 percent. Assuming that pension benefits are indexed to inflation plus half of the labor productivity gains, and assuming no change in the pension legislation, AOV's current surplus would turn into deficit by 2009 and would reach 3 percent of GDP by the second half of the 2020s (Figure 5).



Sources: Aruba Social Insurance Bank (SVB); and IMF staff calculations.

11. **In the absence of corrective measures, this would lead to an escalation of public debt over the next 25 years** (Table 6 and Figures 6 and 7). Beyond the medium-term horizon previously discussed, the additional 3 percent or so of old-age-related spending would put public finances on an unsustainable path, and the explosion of both interest costs and debt would make a sharp adjustment in the fiscal position inevitable.

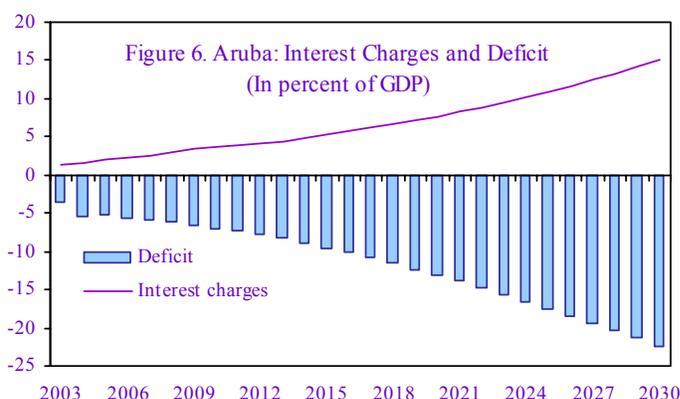
⁹ This system is complemented by the General Widows and Orphans Insurance (AWW)—much smaller, but governed by the same principles.

Table 6. Aruba: Long-Term Public Debt Sustainability Exercise, 2004-30

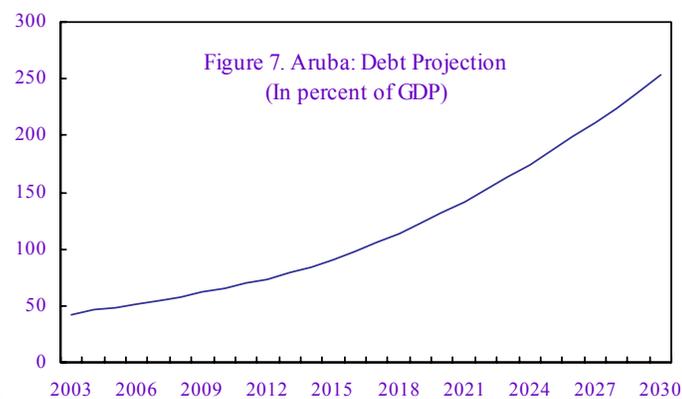
(In percent of GDP; unless stated otherwise)

	2004	2009	2015	2020	2025	2030
Public sector debt	45.9	61.7	90.9	132.3	185.8	253.4
Public sector balance	-5.5	-6.5	-9.5	-13.1	-17.5	-22.4
Interest payments	1.7	3.3	5.3	7.7	10.9	15.0
Public sector primary balance	-3.8	-3.2	-4.3	-5.4	-6.6	-7.4
<i>Of which:</i> balance related to aging	0.6	-0.1	-1.0	-1.9	-2.8	-3.1
Memorandum items:						
Population (number of inhabitants)	95,288	97,046	99,118	98,822	97,592	95,830
Ratio of active persons per pensioners	5.8	5.0	4.0	3.4	2.9	2.7
Real GDP growth (in percent)	3.5	2.1	0.8	0.1	0.3	0.2
Inflation (in percent)	2.5	3.0	3.0	3.0	3.0	3.0

Sources: SVB; CBA; and IMF staff estimates.

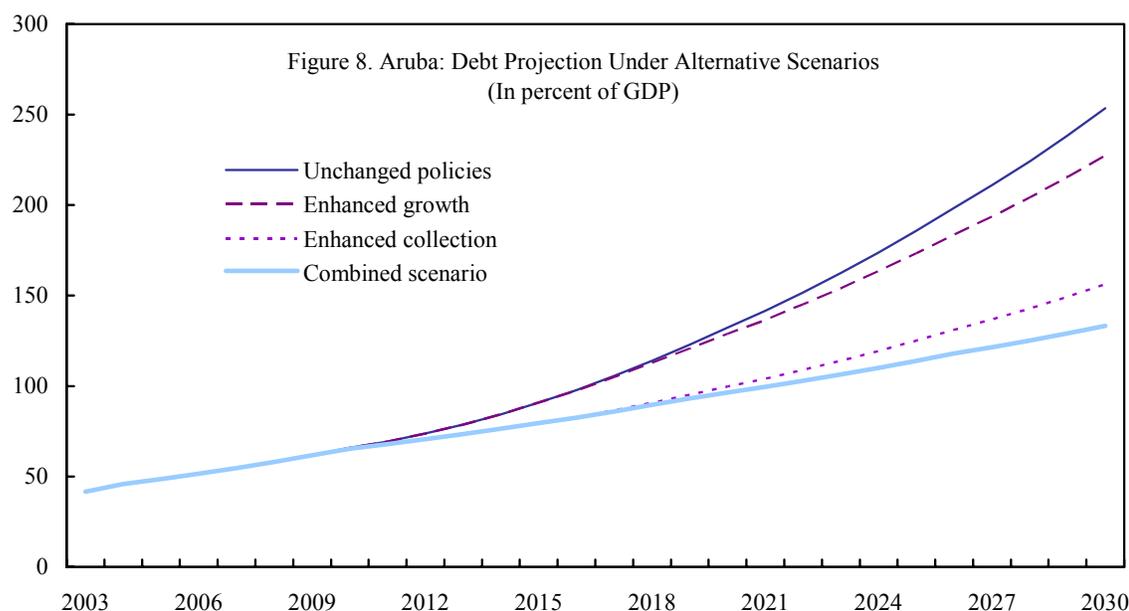


Sources: CBA; and IMF staff calculations.



Sources: CBA; and IMF staff estimates.

12. **Given the magnitude of the problem, measures will need to be taken on all fronts to bring public finances under control.** Increasing productivity growth by 1 percentage point (more than doubling it), would still leave public debt above 200 percent of GDP by 2030. Doubling the effective pension contribution rate would only lower public debt in 2030 to 150 percent of GDP. Even the combination of these two measures would leave public debt above 100 percent of GDP in 2030. These results point to the critical importance of strengthening the fiscal position and lowering the public debt before the onset of population aging (Figure 8).



Sources: CBA; and IMF staff estimates.

E. Conclusion

13. **Aruba's public finances are at a critical juncture.** With unchanged policies, public debt is projected to continue to increase rapidly in the medium term. This would not only further increase fiscal vulnerabilities but also exacerbate the fiscal problems of upcoming population aging. To avoid this, an up-front and ambitious fiscal consolidation, significantly lowering the deficit and reducing the level of public debt, seems necessary.

14. **In addition to medium-term fiscal consolidation, labor productivity will have to be raised and the pension legislation overhauled to ensure the stability of public finances in the long run.** In order to foster labor productivity, the challenge will be to diversify the economy into higher-value-added activities. On the pension front, measures could include increasing the mandatory retirement age and expanding the contribution base.

Table A1. Aruba: Indicators of Tourism Activity, 1995-2003
(In millions of Aruban florins at current prices; unless otherwise indicated)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total revenue (Af. million)	932	1,098	1,196	1,307	1,292	1,446	1,464	1,474	1,508
(Change in percent)	11.2	17.8	8.9	9.3	-1.1	11.9	1.2	0.7	2.3
(Change in percent, in real terms)	7.6	14.2	5.8	7.2	-3.3	7.6	-1.6	-2.5	-1.3
Stay-over visitors (thousands)	618.9	640.8	646.0	647.4	683.3	721.2	691.4	642.6	641.9
(Change in percent)	6.5	3.5	0.8	0.2	5.5	5.5	-4.1	-7.1	-0.1
Tourist nights (thousands)	4,473	4,714	4,835	4,890	5,143	5,248	5,145	4,863	5,098
(Change in percent)	5.7	5.4	2.6	1.1	5.2	2.0	-2.0	-5.5	4.8
Average stay (nights)	7.2	7.4	7.5	7.6	7.5	7.3	7.4	7.6	7.9
Expenditure per tourist per day (in Aruban florins)	208.3	233.0	247.4	267.3	251.2	275.5	284.6	303.1	295.8
Hotel occupancy rate (percent)	72.0	71.5	73.4	77.6	77.0	75.9	75.6	71.7	74.4
Hotel capacity	6,462	6,483	6,586	6,133	6,596	6,980	7,004	6,831	6,912
(Change in percent)	8.0	0.3	1.6	-6.9	7.5	5.8	0.3	-2.5	1.2
Cruise tourists (thousands)	294.0	316.7	297.7	257.8	289.1	490.0	487.3	582.2	542.3
(Change in percent)	14.3	7.8	-6.0	-13.4	12.1	69.5	-0.6	19.5	-6.8
Contribution to foreign exchange earnings	51.4	55.7	54.9	57.4	60.5	67.5	69.1	72.2	72.7

Sources: CBA, *Quarterly Bulletin*; Aruba Tourism Authority; CBS; Aruba Hotel and Tourism Association; and the Cruise Tourism Authority.

Table A2. Aruba: GDP and Components, 1995-2003

(In millions of Aruban florins at current prices)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Final consumption expenditure at purchasers' prices	1,665	1,819	2,014	2,155	2,276	2,396	2,517	2,698	2,847
Household final consumption expenditure	1,193	1,320	1,367	1,500	1,602	1,664	1,712	1,800	1,908
Government final consumption expenditure	472	498	647	655	674	731	805	899	939
Gross capital formation	736	703	830	945	952	818	763	798	985
Private gross fixed capital formation	613	589	702	812	858	759	715	744	896
Public gross fixed capital formation	56	58	71	40	41	28	28	22	50
Changes in inventories	66	56	56	93	53	31	20	32	39
Exports of goods and services 1/	2,007	2,140	2,263	2,374	2,465	2,476	2,467	2,370	2,345
Exports of goods	574	554	618	557	471	370	334	284	212
Tourism exports of goods and services	1,024	1,097	1,159	1,210	1,292	1,443	1,459	1,327	1,332
Regular exports of services	409	488	486	607	702	663	674	759	801
Imports of goods and services 1/	2,044	2,191	2,365	2,493	2,610	2,363	2,348	2,445	2,578
Imports of goods	1,437	1,499	1,589	1,657	1,685	1,494	1,473	1,498	1,505
Imports of services	607	692	776	836	925	868	875	948	1,073
Gross domestic product at market prices	2,364	2,470	2,742	2,981	3,084	3,327	3,399	3,421	3,599
(Change in percent)		4.5	11.0	8.7	3.5	7.9	2.2	0.7	5.2

Source: CBS, 2003 Estimates; CBA.

1/ The activities of the oil refinery are registered on a net basis, namely a refining fee is computed and used as the oil sector's output and export. Other goods and/or services imported or exported by the oil-sector are included in the trade figures. Refinery products delivered to Aruban users are registered as import.

Table A3. Aruba: Components in Percent of GDP, 1995-2003

(In percent)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Gross domestic product	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Private absorption	79.3	79.5	77.5	80.7	81.5	73.8	72.0	75.3	79.0
Consumption	50.5	53.5	49.9	50.3	52.0	50.0	50.4	52.6	53.0
Private investment 1/	28.8	26.1	27.6	30.4	29.5	23.7	21.6	22.7	26.0
Government absorption	22.3	22.6	26.2	23.3	23.2	22.8	24.5	26.9	27.5
Consumption	19.9	20.2	23.6	22.0	21.9	22.0	23.7	26.3	26.1
Investment 2/	2.4	2.4	2.6	1.3	1.3	0.8	0.8	0.6	1.4
Exports less imports 3/	-1.6	-2.1	-3.7	-4.0	-4.7	3.4	3.5	-2.2	-6.5
Goods	-26.4	-28.1	-25.6	-27.7	-29.3	-23.6	-23.7	-26.9	-27.7
Services	24.9	26.0	21.9	23.8	24.6	27.0	27.2	24.7	21.2

Source: CBS.

1/ Private investment is equal to private gross fixed capital formation and private changes in inventories. The investment of the oil sector is included in these figures.

2/ Public investment is equal to public gross fixed capital formation and public changes in inventories.

3/ Exports less imports of goods and services. The activities of the oil refinery are registered on a net basis, namely a refining fee is computed and used as the oil sector's output and export. Other goods and/or services imported or exported by the oil sector are included in the trade figures. Refinery products delivered to Aruban users are registered as import.

Table A4. Aruba: Real GDP, 1996-2003
(In millions of Aruban florins at constant 1995 prices)

	1996	1997	1998	1999	2000	2001	2002	2003
Gross domestic product	2,393.0	2,579.2	2,751.7	2,783.8	2,886.3	2,866.3	2,792.4	2,836.2
(Percent change)	1.2	7.8	6.7	1.2	3.7	-0.7	-2.6	1.6
Private absorption	1,902.4	1,998.8	2,219.9	2,269.0	2,128.7	2,064.0	2,102.7	2,240.4
Consumption	1,279.3	1,285.8	1,384.4	1,446.5	1,443.8	1,444.0	1,469.0	1,503.9
Private investment 1/	624.9	713.0	835.5	822.6	684.9	620.0	633.7	736.6
Government absorption	540.8	675.8	641.1	645.8	658.1	702.2	751.2	779.1
Consumption	483.4	608.7	605.4	609.7	635.0	679.3	734.4	739.7
Investment 2/	57.4	67.1	35.8	36.2	23.1	22.9	16.8	39.4
Exports less imports 3/	-50.3	-95.4	-110.1	-130.8	98.1	100.3	-61.4	-183.3
Goods	-672.4	-660.3	-762.2	-815.7	-681.2	-679.3	-751.2	-785.8
Services	622.2	564.8	654.9	684.8	779.3	779.6	689.7	602.5

Source: CBS.

1/ Private investment is equal to private gross fixed capital formation and private changes in inventories. The investment of the oil sector is included in these figures.

2/ Public investment is equal to public gross fixed capital formation and public changes in inventories.

3/ Exports less imports of goods and services. The activities of the oil refinery are registered on a net basis, namely a refining fee is computed and used as the oil sector's output and export. Other goods and/or services imported or exported by the oil sector are included in the trade figures. Refinery products delivered to Aruban users are registered as import.

Table A5. Aruba: Contributions to Real GDP Growth, 1996-2003

(In percent)

	1996	1997	1998	1999	2000	2001	2002	2003
Private absorption	1.2	4.1	8.6	1.8	-5.0	-2.2	1.4	4.9
Consumption	3.6	0.3	3.8	2.3	-0.1	0.0	0.9	1.2
Private investment 1/	-2.5	3.8	4.7	-0.5	-4.9	-2.2	0.5	3.7
Government absorption	0.6	5.6	-1.3	0.2	0.4	1.5	1.7	1.0
Consumption	0.5	5.2	-0.1	0.2	0.9	1.5	1.9	0.2
Investment 2/	0.2	0.4	-1.2	0.0	-0.5	0.0	-0.2	0.8
Exports less imports 3/	-0.6	-1.9	-0.6	-0.8	8.2	0.1	-5.6	-4.4
Goods	-2.0	0.5	-4.0	-1.9	4.8	0.1	-2.5	-1.2
Services	1.4	-2.4	3.5	1.1	3.4	0.0	-3.1	-3.1
Real GDP growth	1.2	7.8	6.7	1.2	3.7	-0.7	-2.6	1.6
Memorandum item:								
Nominal growth rate	4.5	11.0	8.7	3.5	7.9	2.2	0.7	5.2

Source: CBS.

1/ Private investment is equal to private gross fixed capital formation and private changes in inventories. The investment of the oil sector is included in these figures.

2/ Public investment is equal to public gross fixed capital formation and public changes in inventories.

3/ Exports less imports of goods and services. The activities of the oil refinery are registered on a net basis, namely a refining fee is computed and used as the oil sector's output and export. Other goods and/or services imported or exported by the oil sector are included in the trade figures. Refinery products delivered to Aruban users are registered as import.

Table A6. Aruba: Changes in Consumer Price Index, 1996-2003

	(Annual percentage change)							
	1996	1997	1998	1999	2000	2001	2002	2003
Total	3.2	3.0	1.9	2.3	4.1	2.9	3.3	3.7
Food	4.0	3.1	2.0	2.1	1.8	3.3	3.3	3.1
Beverage and tobacco	2.7	1.9	1.5	1.3	1.5	-0.2	2.4	4.4
Clothing and footwear	6.4	4.9	6.3	5.5	5.6	8.9	6.8	4.5
Housing costs	1.5	5.0	0.8	2.0	8.1	2.3	4.1	5.7
Housekeeping and furnishings	3.7	1.8	2.6	3.1	3.5	4.1	4.0	2.7
Recreation and education	4.3	2.5	2.1	2.7	3.9	2.0	2.7	2.4
Miscellaneous	1.8	2.1	1.5	1.7	3.0	2.8	2.5	2.6
Medical care	6.6	2.1	0.5	0.3	0.4	0.1	0.0	0.0
Transport and communications	1.8	1.6	-0.1	0.6	3.1	0.3	0.9	2.8
United States	2.9	2.3	1.6	2.2	3.4	2.8	1.6	2.3
Netherlands Antilles	3.6	3.3	1.1	0.4	5.8	1.8	0.4	2.0
Core inflation	2.5	2.1	2.0	1.9	2.7	3.0	2.9	2.5

Sources: CBA, *Quarterly Bulletin*; and CBS.

Table A7. Aruba: Legal Minimum Wages, 1995-2004 1/

	(In Aruban florins per month)									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 2/
Category:										
Construction and industry	994.5	1,025.4	1,060.2	1,088.9	1,111.8	1,111.8	1,111.8	1,200.0	1,200.0	1,236.0
Household personnel	460.0	478.4	494.7	508.1	518.8	560.0	560.0	560.0	560.0	576.8

Source: Aruban Department of Labor.

1/ As of January 1st.

2/ As of July 1st.

Table A8. Aruba: Summary of Trends in Public Finance, 1995-2003

(In millions of Aruban florins)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Revenue	602.7	645.3	627.6	646.5	701.6	742.2	731.8	751.2	803.5
Taxes	458.6	491.6	499.7	535.5	608.7	624.5	606.3	610.0	687.4
Nontax revenue	117.0	125.8	89.6	95.3	91.5	100.8	125.5	103.8	86.1
Grants	27.1	27.9	38.3	15.7	1.4	16.9	0.0	37.4	30.1
Expenditure	611.7	728.9	692.9	618.0	674.8	783.8	833.8	822.9	898.9
Current expenditure	...	...	612.7	586.3	648.6	755.5	815.4	805.9	856.3
Wage costs	...	...	344.4	339.8	354.1	416.1	446.5	473.3	465.9
Wages	...	...	205.7	213.1	222.3	246.3	255.2	261.7	265.6
Employers contributions 1/	...	...	80.4	50.0	46.1	80.1	99.8	107.9	94.4
Wage subsidies	...	...	58.3	76.8	85.6	89.7	91.5	103.7	105.9
Goods and services 2/	...	...	170.5	149.0	170.7	215.3	177.2	113.9	150.5
Interest	...	...	23.9	29.0	33.4	30.2	35.7	38.2	44.9
Items not included elsewhere 3/	...	...	73.8	68.4	90.5	93.9	156.0	180.5	195.0
Capital expenditure	...	...	80.2	31.8	26.2	28.3	18.4	17.0	42.6
Investment	...	...	41.9	13.6	24.8	28.3	18	13.3	26.4
Capital transfers	...	...	38.3	18.1	1.4	0.0	0	3.7	16.2
Balance 4/	-9.0	-83.6	-65.3	28.5	26.8	-41.6	-102.0	-71.7	-95.3
Statistical discrepancy	0.0	0.0	-1.5	7.3	3.9	-0.1	0.3	0.1	0.0
Financing	9.0	83.6	63.7	-21.2	-22.9	41.5	102.3	71.7	95.3
Nonmonetary sectors	35.5	28.1	15.0	17.0	2.8	7.3	42.1	98.5	-20.0
Net foreign capital	1.0	-19.0	-16.0	39.7	13.3	24.1	27.9	96.0	-29.0
Loans received	20.2	0.0	0.0	55.6	26.7	73.4	49.3	136.0	293.6
Repayments on loans received	19.2	19.0	16.0	15.9	13.4	49.3	21.4	40.0	322.6
Net domestic capital	34.5	47.1	31.0	-22.7	-10.5	-16.8	14.2	2.5	9.0
Monetary sectors	-26.5	19.1	31.8	0.8	21.3	-13.4	-24.7	-36.2	19.1
Net lending	...	...	15.1	31.9	37.4	16.2	32.0	-3.0	-71.1
Change in domestic payment obligations 4/	...	36.4	32.0	-7.1	-9.6	63.8	116.9	6.4	25.1
Memorandum item:									
Health care fund balance 5/	...	...	...	...	...	...	-36.3	-46.0	-31.6

Source: Data provided by the Aruban authorities.

1/ It includes arrears to the public employee pension fund (APFA) from 1997 and to the health care fund (AZV) from 2001.

2/ From 1997, it includes arrears to suppliers.

3/ Up to 1997, it includes net lending.

4/ For 1995, the change in payment arrears is not known. Hence, any spending financed by a change in arrears is not included in the balance. For 1996, change in domestic payment obligations excludes APFA arrears.

5/ The health care fund (AZV) was introduced in 2001.

Table A9. Aruba: Summary of Trends in Public Finance, 1995-2003

(In percent of GDP)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Revenue	25.5	26.1	22.9	21.7	22.8	22.3	21.5	22.0	22.3
Taxes	19.4	19.9	18.2	18.0	19.7	18.8	17.8	17.8	19.1
Nontax revenue	4.9	5.1	3.3	3.2	3.0	3.0	3.7	3.0	2.4
Grants	1.1	1.1	1.4	0.5	0.0	0.5	0.0	1.1	0.8
Expenditure	25.9	29.5	25.3	20.7	21.9	23.6	24.5	24.1	25.0
Current expenditure	...	...	22.3	19.7	21.0	22.7	24.0	23.6	23.8
Wage costs	...	...	12.6	11.4	11.5	12.5	13.1	13.8	12.9
Wages	...	...	7.5	7.1	7.2	7.4	7.5	7.6	7.4
Employers contributions 1/	...	...	2.9	1.7	1.5	2.4	2.9	3.2	2.6
Wage subsidies	...	...	2.1	2.6	2.8	2.7	2.7	3.0	2.9
Goods and services 2/	...	...	6.2	5.0	5.5	6.5	5.2	3.3	4.2
Interest	...	...	0.9	1.0	1.1	0.9	1.1	1.1	1.2
Items not included elsewhere 3/	...	...	2.7	2.3	2.9	2.8	4.6	5.3	5.4
Capital expenditure	...	...	2.9	1.1	0.8	0.9	0.5	0.5	1.2
Investment	...	...	1.5	0.5	0.8	0.9	0.5	0.4	0.7
Capital transfers	...	...	1.4	0.6	0.0	0.0	0.0	0.1	0.5
Balance 4/	-0.4	-3.4	-2.4	1.0	0.9	-1.3	-3.0	-2.1	-2.6
Statistical discrepancy	0.0	0.0	-0.1	0.2	0.1	0.0	0.0	0.0	0.0
Financing	0.4	3.4	2.3	-0.7	-0.7	1.2	3.0	2.1	2.6
Nonmonetary sectors	1.5	1.1	0.5	0.6	0.1	0.2	1.2	2.9	-0.6
Net foreign capital	0.0	-0.8	-0.6	1.3	0.4	0.7	0.8	2.8	-0.8
Loans received	0.9	0.0	0.0	1.9	0.9	2.2	1.5	4.0	8.2
Repayments on loans received	0.8	0.8	0.6	0.5	0.4	1.5	0.6	1.2	9.0
Net domestic capital	1.5	1.9	1.1	-0.8	-0.3	-0.5	0.4	0.1	0.3
Monetary sectors	-1.1	0.8	1.2	0.0	0.7	-0.4	-0.7	-1.1	0.5
Net lending	...	...	0.6	1.1	1.2	0.5	0.9	-0.1	-2.0
Change in domestic payment obligations 4/	...	1.5	1.2	-0.2	-0.3	1.9	3.4	0.2	0.7
Memorandum item:									
Health care fund balance 5/	...	...	...	...	...	...	-1.1	-1.3	-0.9

Source: Data provided by the Aruban authorities.

1/ It includes arrears to the public employee pension fund (APFA) from 1997 and to the health care fund (AZV) from 2001.

2/ From 1997, it includes arrears to suppliers.

3/ Up to 1996, it includes net lending.

4/ For 1995, the change in payment arrears is not known. Any spending financed by a change in arrears is therefore not included in the balance. For 1996, change in domestic payment obligations excludes APFA arrears.

5/ The health care fund (AZV) was introduced in 2001.

Table A10. Aruba: Tax Revenue, 1995-2003 1/

(In millions of Aruban florins)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxes	458.6	491.6	499.7	535.5	608.7	624.5	606.3	610.0	687.4
Direct taxes	258.7	277.3	283.6	310.9	372.3	371.0	368.5	370.7	424.4
Wage taxes	141.6	150.5	159.9	176.2	200.6	202.3	209.7	220.1	234.9
Income taxes	14.2	10.6	8.8	13.1	28.1	25.8	3.1	3.0	-0.6
Profit taxes	54.7	61.9	62.8	62.0	80.1	81.4	90.0	78.3	105.6
Solidarity tax	0.6	0.3	0.1	0.3	0.2	0.0	0.0	0.0	0.0
Other	47.6	54.0	52.0	59.3	63.3	61.5	65.7	69.4	84.5
Land tax	8.1	8.8	9.4	12.1	14.7	11.6	9.7	12.3	27.5
Hotel room taxes	14.9	19.0	17.4	18.8	19.3	21.9	26.6	24.8	25.1
Gambling taxes	14.9	15.7	14.5	15.2	17.5	15.2	16.1	17.1	17.2
Motor vehicle taxes	9.7	10.5	10.7	13.2	11.8	12.8	13.3	15.2	14.7
Indirect taxes	199.9	214.3	216.1	224.6	236.4	253.5	237.8	239.3	263.0
Excises	94.3	92.3	95.4	98.9	100.6	106.5	104.6	109.0	119.5
Gasoline	56.0	54.8	54.9	58.4	59.9	62.6	62.2	65.2	68.7
Tobacco	10.2	9.7	9.8	9.9	10.4	11.4	9.8	10.4	12.6
Beer	18.9	17.7	19.7	20.1	19.3	20.3	19.4	20.3	24.3
Liquor	9.2	10.1	11.0	10.5	11.0	12.2	13.2	13.1	13.9
Import duties	77.5	87.3	88.1	88.8	97.4	106.1	98.0	104.5	114.9
Foreign exchange tax	17.2	15.8	16.8	20.2	21.6	23.6	24.8	14.4	14.0
Other taxes 2/	10.9	18.9	15.8	16.7	16.8	17.3	10.4	11.4	14.6

Source: Ministry of Finance, Tax Department.

1/ Cash basis.

2/ Includes property transfer tax, stamp duties, and succession tax.

Table A11. Aruba: Tax Revenue, 1995-2003 1/

(In percent of GDP)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxes	19.4	19.9	18.2	18.0	19.7	18.8	17.8	17.8	19.1
Direct taxes	10.9	11.2	10.3	10.4	12.1	11.2	10.8	10.8	11.8
Wage taxes	6.0	6.1	5.8	5.9	6.5	6.1	6.2	6.4	6.5
Income taxes	0.6	0.4	0.3	0.4	0.9	0.8	0.1	0.1	0.0
Profit taxes	2.3	2.5	2.3	2.1	2.6	2.4	2.6	2.3	2.9
Solidarity tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.0	2.2	1.9	2.0	2.1	1.8	1.9	2.0	2.3
Land tax	0.3	0.4	0.3	0.4	0.5	0.3	0.3	0.4	0.8
Hotel room taxes	0.6	0.8	0.6	0.6	0.6	0.7	0.8	0.7	0.7
Gambling taxes	0.6	0.6	0.5	0.5	0.6	0.5	0.5	0.5	0.5
Motor vehicle taxes	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Indirect taxes	8.5	8.7	7.9	7.5	7.7	7.6	7.0	7.0	7.3
Excises	4.0	3.7	3.5	3.3	3.3	3.2	3.1	3.2	3.3
Gasoline	2.4	2.2	2.0	2.0	1.9	1.9	1.8	1.9	1.9
Tobacco	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Beer	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.7
Liquor	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Import duties	3.3	3.5	3.2	3.0	3.2	3.2	2.9	3.1	3.2
Foreign exchange tax	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.4	0.4
Other taxes 2/	0.5	0.8	0.6	0.6	0.5	0.5	0.3	0.3	0.4

Source: Ministry of Finance, Tax Department.

1/ Cash basis.

2/ Includes property transfer tax and stamp duties.

Table A12. Aruba: Operational Budget of the Social Insurance Bank (SVB), 1996-2003

	1996	1997	1998	1999	2000	2001	2002	2003
(In millions of Aruban florins)								
Total contributions	162.7	177.4	179.6	198.2	190.1	172.2	180.7	198.9
Total benefits	152.4	165.1	180.7	178.0	188.1	152.0	152.0	157.2
Administrative and interest costs	12.7	13.3	13.6	12.9	7.6	8.9	11.5	12.0
Administrative costs	9.5	9.9	10.4	9.4	8.8	...	9.3	9.5
Interest costs	3.2	3.4	3.2	3.5	-1.2	...	2.2	2.5
Overall balance	-2.3	-0.9	-14.7	7.3	-5.6	11.3	17.3	29.6
Old age and widowers and orphans insurance								
Contributions	110.7	122.1	113.6	134.6	139.7	149.5	150.2	158.9
Benefits	104.1	110.1	118.8	120.7	125.5	135.7	136.7	138.4
Administrative and interest costs	3.3	3.4	3.2	3.0	-1.7	2.3	1.6	2.6
Administrative costs	1.5	1.6	1.9	2.1	2.2	...	2.4	2.7
Interest costs	1.8	1.8	1.3	0.9	-3.9	...	-0.8	-0.1
Balance	3.3	8.6	-8.5	10.9	15.8	11.5	11.9	17.9
Sickness and accident insurance								
Contributions	50.8	54.0	65.8	62.2	49.7	20.2	29.9	39.1
Benefits	47.8	54.7	61.4	56.4	61.2	15.5	14.7	18.5
Administrative and interest costs	9.8	10.3	10.9	10.6	9.6	6.3	10.4	9.9
Administrative costs	7.9	8.2	8.5	7.5	6.3	0.0	6.5	6.4
Interest costs	1.9	2.1	2.4	3.1	3.3	0.0	3.9	3.5
Balance	-6.8	-11.0	-6.5	-4.8	-21.1	-1.6	4.8	10.7
Severance insurance								
Contributions	1.3	1.4	0.2	1.4	0.7	1.6	0.6	0.9
Interest revenues	0.5	0.5	0.6	0.5	0.7	0.9	0.9	0.9
Benefits	0.4	0.3	0.4	0.9	1.4	0.8	0.6	0.3
Administrative costs	0.1	0.1	0.1	0.1	0.3	0.3	0.4	0.4
Balance	1.3	1.5	0.3	0.9	-0.3	1.4	0.6	1.0
(Overall balances in percent of GDP)								
Total contributions	6.6	6.5	6.0	6.4	5.7	5.1	5.3	5.5
Total benefits	6.2	6.0	6.1	5.8	5.7	4.5	4.4	4.4
Administrative and interest costs	0.5	0.5	0.5	0.4	0.2	0.3	0.3	0.3
Administrative costs	0.4	0.4	0.4	0.3	0.3	...	0.3	0.3
Interest costs	0.1	0.1	0.1	0.1	0.0	...	0.1	0.1
Overall balance	-0.1	0.0	-0.5	0.2	-0.2	0.3	0.5	0.8
Old age and widowers and orphans insurance								
Contributions	4.5	4.5	3.8	4.4	4.2	4.4	4.4	4.4
Benefits	4.2	4.0	4.0	3.9	3.8	4.0	4.0	3.8
Administrative and interest costs	0.1	0.1	0.1	0.1	-0.1	0.1	0.0	0.1
Administrative costs	0.1	0.1	0.1	0.1	0.1	...	0.1	0.1
Interest costs	0.1	0.1	0.0	0.0	-0.1	...	0.0	0.0
Balance	0.1	0.3	-0.3	0.4	0.5	0.3	0.3	0.5
Sickness and accident insurance								
Contributions	2.1	2.0	2.2	2.0	1.5	0.6	0.9	1.1
Benefits	1.9	2.0	2.1	1.8	1.8	0.5	0.4	0.5
Administrative and interest costs	0.4	0.4	0.4	0.3	0.3	0.2	0.3	0.3
Administrative costs	0.3	0.3	0.3	0.2	0.2	...	0.2	0.2
Interest costs	0.1	0.1	0.1	0.1	0.1	...	0.1	0.1
Balance	-0.3	-0.4	-0.2	-0.2	-0.6	0.0	0.1	0.3
Severance insurance								
Contributions	0.05	0.05	0.01	0.04	0.02	0.05	0.02	0.02
Interest revenues	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.02
Benefits	0.02	0.01	0.01	0.03	0.04	0.02	0.02	0.01
Administrative costs	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01
Balance	0.05	0.05	0.01	0.03	-0.01	0.04	0.02	0.03
Memorandum items:	(Number of beneficiaries or insured)							
Number of beneficiaries per category								
Old age and widowers and orphans insurance	9,057	9,496	10,154	10,520	10,855	11,387	11,465	11,949
Old age	8,000	8,351	8,922	9,237	9,506	9,942	10,225	10,640
Widowers and orphans	1,057	1,145	1,232	1,283	1,349	1,445	1,240	1,309
Sickness and accident insurance	...	12,808	12,789	12,306	12,148	10,918	10,166	11,383
Sickness	...	11,489	11,437	11,003	10,767	9,834	9,413	10,797
Accident	...	1,319	1,352	1,303	1,381	1,084	753	586
Severance insurance	113	57	56	415	482	228	174	59
Number of insured per category								
Old age and widowers and orphans insurance	134,526	...	145,053	169,207	145,472	142,149	145,032	156,889
Old age	57,766	...	62,556	74,006	61,112	60,114	61,938	73,475
Widowers and orphans	76,760	...	82,497	95,201	84,360	82,035	83,094	83,414
Sickness and accident insurance	58,004	62,054	61,404	63,582	64,037	63,366	62,278	63,733
Sickness	27,742	29,652	29,306	30,169	30,265	29,827	29,233	29,310
Accident	30,262	32,402	32,098	33,413	33,772	33,539	33,045	34,423
Severance insurance 1/	30,262	32,402	32,098	33,413	33,772	33,539	33,045	34,423

Source: SVB.

1/ Concerns the same category of insured as those insured for accidents.

Table A13. Aruba: Government Debt, 1995-2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
(In millions of Aruban florins)									
Total	1,007.1	1,043.2	1,079.9	910.8	870.9	947.2	1,103.6	1,240.6	1,500.0
Domestic debt	568.5	636.3	746.7	520.3	503.6	571.5	710.5	717.5	769.5
Tradable	139.7	194.9	220.6	186.8	189.2	165.1	179.2	189.1	218.5
Short term	32.0	32.0	32.0	32.0	40.0	37.4	48.0	48.0	48.0
Long term	107.7	162.9	188.6	154.8	149.2	127.7	131.2	141.1	170.5
Nontradable 1/	428.8	441.4	526.1	333.5	314.4	406.4	531.3	528.4	551.0
Short term	97.0	133.4	105.4	76.6	88.7	156.0	272.2	275.8	300.9
Long term	331.8	308.0	420.6	256.8	225.7	250.4	259.2	252.6	250.2
Foreign debt	438.6	406.9	333.2	390.5	367.3	375.7	393.1	523.1	730.5
Netherlands	373.2	345.1	275.9	278.2	231.0	204.4	181.5	199.7	219.7
European investment bank	22.4	21.5	19.0	19.5	16.5	14.4	13.0	15.0	17.2
Other	43.0	40.3	38.2	92.8	119.8	156.8	198.6	308.4	493.6
(In percent of GDP)									
Total	42.6	42.2	39.4	30.6	28.2	28.5	32.5	36.3	41.7
Domestic debt	24.1	25.8	27.2	17.5	16.3	17.2	20.9	21.0	21.4
Tradable	5.9	7.9	8.0	6.3	6.1	5.0	5.3	5.5	6.1
Short term	1.4	1.3	1.2	1.1	1.3	1.1	1.4	1.4	1.3
Long term	4.6	6.6	6.9	5.2	4.8	3.8	3.9	4.1	4.7
Nontradable 1/	18.1	17.9	19.2	11.2	10.2	12.2	15.6	15.4	15.3
Short term	4.1	5.4	3.8	2.6	2.9	4.7	8.0	8.1	8.4
Long term	14.0	12.5	15.3	8.6	7.3	7.5	7.6	7.4	7.0
Foreign debt	18.6	16.5	12.2	13.1	11.9	11.3	11.6	15.3	20.3
Netherlands	15.8	14.0	10.1	9.3	7.5	6.1	5.3	5.8	6.1
European investment bank	0.9	0.9	0.7	0.7	0.5	0.4	0.4	0.4	0.5
Other	1.8	1.6	1.4	3.1	3.9	4.7	5.8	9.0	13.7

Sources: Data provided by the authorities, and IMF staff estimates.

1/ From 1996 onward, excluding the debt to the public pension fund (APFA), which was canceled following the March 2001 consensus on a framework for the actuarial analysis of APFA and reevaluation of government obligations to this fund. Government debt data excluding liabilities to APFA before 1996.

Table A14. Aruba: Balance of Payments Summary, 1995-2003

(In millions of Aruban florins)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current account	-27.6	-110.8	-350.9	-25.6	-742.0	416.0	594.7	-589.7	-278.1
Trade balance	-446.7	-539.8	-700.1	-632.5	-1,084.3	-100.8	96.0	-948.4	-596.7
Oil sector	273.8	180.3	-21.3	206.0	-184.4	904.1	1,030.6	35.5	482.6
Free zone	28.3	71.7	84.4	42.7	48.9	3.9	9.9	13.6	12.6
Rest of the economy	-748.8	-791.9	-763.2	-881.2	-945.7	-1,008.8	-944.5	-997.5	-1,091.9
Services	385.4	456.7	399.8	607.7	476.2	663.9	678.3	691.8	537.2
Travel and tourism	794.8	907.2	957.5	1,080.8	1,058.7	1,200.3	1,232.5	1,196.1	1,183.0
Transportation	-219.9	-290.4	-332.0	-176.9	-239.5	-353.6	-380.1	-332.7	-413.5
Government services	-34.3	-25.5	-39.8	-18.0	-14.8	-10.1	-18.0	-24.6	-39.2
Other services	-155.2	-134.6	-185.8	-278.2	-328.1	-172.8	-156.0	-147.0	-193.1
Income	-16.5	-21.2	-30.8	8.7	-54.1	-16.2	-77.7	-211.0	-67.1
Current transfers	50.2	-6.5	-19.8	-9.5	-79.8	-127.6	-101.9	-122.1	-151.5
Financial and capital account	62.4	53.6	315.7	184.0	797.0	-483.0	-441.6	591.5	165.0
Private capital	34.3	44.7	293.4	128.6	782.1	-524.0	-469.6	458.1	181.5
Oil sector	-23.2	109.6	326.3	107.4	663.0	-428.6	-577.1	372.1	79.4
Non-oil sector	57.5	-64.9	-32.9	21.2	119.1	-95.4	107.5	86.0	102.2
Government capital	28.1	8.9	22.3	55.4	14.9	41.0	28.0	133.4	-16.5
Inflows	47.3	27.9	38.3	71.3	28.2	90.2	49.3	173.5	324
Grants	27.1	27.9	38.3	15.7	1.4	16.8	0.0	37.4	30.0
Loans	20.2	0.0	0.0	55.6	26.8	73.4	49.3	136.1	294.0
Outflows	19.2	19.0	16.0	15.9	13.3	49.2	21.3	40.1	340.5
Banking sector	48.0	0.0	4.9	-67.7	-14.0	19.9	18.5	32.9	-3.8
Errors and omissions	-6.3	10.1	1.2	2.2	-35.8	20.2	-23.4	31.0	52.5
Change in reserves 1/	-76.5	47.1	29.1	-92.9	-5.2	26.8	-148.2	-71.8	65.0

Source: CBA.

1/ Including gold, excluding revaluation differences.

Table A15. Aruba: Balance of Payments Summary, 1995-2003

(In percent of GDP)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current account	-1.2	-4.5	-12.8	-0.9	-24.1	12.5	17.5	-17.2	-7.7
Trade balance	-18.9	-21.9	-25.5	-21.2	-35.2	-3.0	2.8	-27.7	-16.6
Oil sector	11.6	7.3	-0.8	6.9	-6.0	27.2	30.3	1.0	13.4
Free zone	1.2	2.9	3.1	1.4	1.6	0.1	0.3	0.4	0.4
Other	-31.7	-32.1	-27.8	-29.6	-30.7	-30.3	-27.8	-29.2	-30.3
Services	16.3	18.5	14.6	20.4	15.4	20.0	20.0	20.2	14.9
Travel and tourism	33.6	36.7	34.9	36.3	34.3	36.1	36.3	35.0	32.9
Transportation	-9.3	-11.8	-12.1	-5.9	-7.8	-10.6	-11.2	-9.7	-11.5
Government services	-1.5	-1.0	-1.5	-0.6	-0.5	-0.3	-0.5	-0.7	-1.1
Other services	-6.6	-5.4	-6.8	-9.3	-10.6	-5.2	-4.6	-4.3	-5.4
Income	-0.7	-0.9	-1.1	0.3	-1.8	-0.5	-2.3	-6.2	-1.9
Current transfers	2.1	-0.3	-0.7	-0.3	-2.6	-3.8	-3.0	-3.6	-4.2
Financial and capital account	2.6	2.2	11.5	6.2	25.8	-14.5	-13.0	17.3	4.6
Private capital	1.5	1.8	10.7	4.3	25.4	-15.7	-13.8	13.4	5.0
Oil sector	-1.0	4.4	11.9	3.6	21.5	-12.9	-17.0	10.9	2.2
Non-oil sector	2.4	-2.6	-1.2	0.7	3.9	-2.9	3.2	2.5	2.8
Government capital	1.2	0.4	0.8	1.9	0.5	1.2	0.8	3.9	-0.5
Inflows	2.0	1.1	1.4	2.4	0.9	2.7	1.5	5.1	9.0
Grants	1.1	1.1	1.4	0.5	0.0	0.5	0.0	1.1	0.8
Loans	0.9	0.0	0.0	1.9	0.9	2.2	1.5	4.0	8.2
Outflows	0.8	0.8	0.6	0.5	0.4	1.5	0.6	1.2	9.5
Banking sector	2.0	0.0	0.2	-2.3	-0.5	0.6	0.5	1.0	-0.1
Errors and omissions	-0.3	0.4	0.0	0.1	-1.2	0.6	-0.7	0.9	1.5
Change in reserves	-3.2	1.9	1.1	-3.1	-0.2	0.8	-4.4	-2.1	1.8

Sources: CBA; and IMF staff estimates.

Table A16. Aruba: Monetary Survey, 1995-2003

(In millions of Aruban florins, end of period)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Net foreign assets	478	431	397	558	577	530	660	699	638
Central bank 1/	396	349	320	413	418	391	540	611	546
Commercial banks	82	82	77	145	159	139	121	88	91
Net domestic assets	783	870	963	981	1,122	1,208	1,181	1,335	1,577
Domestic credit	957	1,083	1,176	1,244	1,394	1,512	1,544	1,703	1,922
Public sector	-61	-42	-10	-9	12	-1	-26	-62	-43
Central government	-52	-39	0	1	22	22	6	9	37
Development aid	-9	-3	-10	-10	-9	-23	-31	-71	-79
Private sector	1,018	1,124	1,186	1,253	1,382	1,513	1,570	1,765	1,964
Enterprises	609	620	636	636	670	730	740	836	926
Consumer credit	215	233	269	288	336	357	367	409	435
Housing mortgages	186	243	263	301	350	401	445	491	550
Other	8	28	17	28	26	25	18	28	54
Other items (net)	-174	-213	-212	-263	-273	-304	-363	-368	-345
Money supply (M2)	1,261	1,301	1,361	1,539	1,699	1,738	1,841	2,034	2,214
Money (M1)	435	445	473	547	590	596	701	845	933
Quasi-money	826	856	888	992	1,109	1,142	1,140	1,189	1,281

Source: CBA, *Quarterly and Monthly Bulletins*.

1/ Including gold, excluding revaluation differences.

Table A17. Aruba: Monetary Developments, 1995-2003

	(Percent change)									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	
Net foreign assets	6.3	-9.8	-7.9	40.4	3.4	-8.1	24.4	5.9	-8.8	
Central bank 1/	23.9	-11.9	-8.3	29.0	1.3	-6.4	37.8	13.3	-10.6	
Commercial banks	-36.9	0.1	-6.0	87.7	9.7	-12.5	-13.3	-27.3	4.3	
Net domestic assets	4.6	11.1	10.8	1.8	14.4	7.7	-2.3	13.1	18.1	
Domestic credit	4.5	13.1	8.6	5.8	12.1	8.4	2.1	10.3	12.8	
Public sector 2/	-77.7	31.5	76.6	8.2	238.2	-108.9	-2,236.4	-141.2	31.3	
Central government 2/	-98.9	25.0	100.3	800.0	2,311.1	-0.9	-74.0	60.7	306.7	
Development aid 2/	-8.7	70.1	-276.9	0.0	4.1	-140.4	-38.5	-126.8	-11.5	
Private sector	7.2	10.5	5.5	5.7	10.3	9.5	3.7	12.4	11.3	
Enterprises	5.5	1.8	2.5	0.1	5.3	9.0	1.4	13.0	10.7	
Consumer credit	1.5	8.7	15.4	6.9	16.6	6.5	2.6	11.6	6.2	
Housing mortgages	21.7	30.8	8.3	14.3	16.5	14.3	11.1	10.4	12.0	
Other	-1.2	237.8	-37.5	61.8	-6.8	-2.7	-28.3	55.5	90.8	
Other items (net)	4.4	22.3	-0.1	23.9	3.6	11.6	19.4	1.3	-6.3	
Money supply (M2)	5.2	3.2	4.6	13.1	10.4	2.3	5.9	10.5	8.9	
Money (M1)	-1.4	2.2	6.3	15.6	7.9	1.0	17.6	20.5	10.5	
Quasi-money	9.1	3.7	3.7	11.7	11.8	3.0	-0.2	4.3	7.7	

Source: CBA, *Quarterly and Monthly Bulletins*.

1/ Including gold, excluding revaluation differences.

2/ Stock series is typically low and contains negative values; percent change calculations based on the convention that a less negative number or a change to a positive number constitute an increase in domestic credit to the public sector.

Table A18. Aruba: Changes in Sources of Broad Money, 1995-2003

(Change in percent of broad money at the beginning of the period)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Net foreign assets	2.4	-3.7	-2.6	11.8	1.2	-2.7	7.5	2.1	-3.0
Central bank 1/	6.4	-3.7	-2.2	6.8	0.3	-1.6	8.5	3.9	-3.2
Commercial banks	-4.0	0.0	-0.4	5.0	0.9	-1.2	-1.1	-1.8	0.2
Net domestic assets	2.9	6.9	7.2	1.3	9.1	5.1	-1.6	8.4	11.9
Net domestic credit	3.5	10.0	7.2	5.0	9.8	6.9	1.8	8.6	10.8
Public sector	-2.2	1.5	2.4	0.1	1.4	-0.8	-1.4	-2.0	1.0
Central government	-2.2	1.0	3.0	0.1	1.4	0.0	-0.9	0.2	1.4
Development aid	-0.1	0.5	-0.6	0.0	0.0	-0.8	-0.5	-2.2	-0.4
Private sector	5.7	8.4	4.7	5.0	8.4	7.7	3.2	10.6	9.8
Enterprises	2.7	0.9	1.2	0.0	2.2	3.5	0.6	5.2	4.4
Consumer credit	0.3	1.5	2.8	1.4	3.1	1.3	0.5	2.3	1.2
Housing mortgages	2.8	4.5	1.5	2.8	3.2	2.9	2.5	2.5	2.9
Other	0.0	1.5	-0.8	0.8	-0.1	0.0	-0.4	0.5	1.3
Other items (net)	-0.6	-3.1	0.0	-3.7	-0.6	-1.9	-3.4	-0.3	1.1
Broad money	5.2	3.2	4.6	13.1	10.4	2.3	5.9	10.5	8.9
Money (M1)	-0.5	0.8	2.2	5.4	2.8	0.3	6.0	7.8	4.4
Quasi-money	5.7	2.4	2.4	7.6	7.6	2.0	-0.1	2.7	4.5

Source: CBA, *Quarterly and Monthly Bulletins*.

1/ Including gold, excluding revaluation differences.