



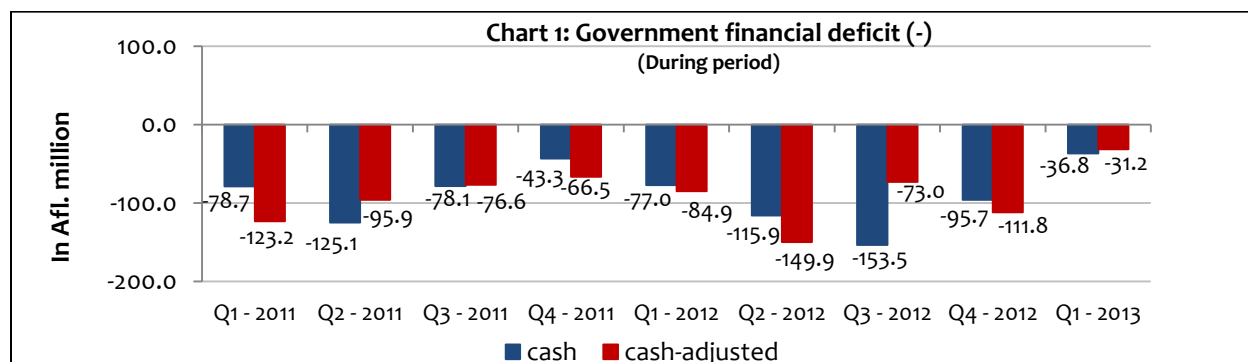
CENTRALE BANK VAN ARUBA

Statistical News Release

Date: August 27, 2013

Government finance: During the first quarter of 2013, the government registered an Afl. 36.8 million financial deficit

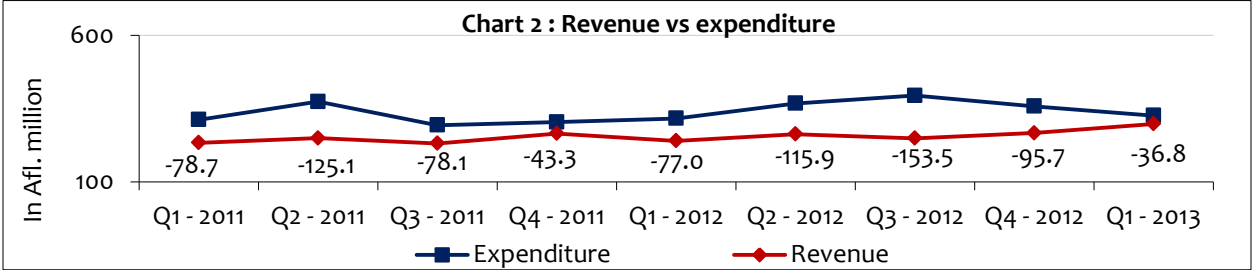
The government's financial deficit on a cash basis decreased by Afl. 40.2 million to Afl. 36.8 million in the first quarter of 2013, compared to a deficit of Afl. 77.0 million in the same quarter of 2012 (Chart 1). The cash-adjusted financial deficit reached Afl. 31.2 million in the first quarter of 2013, compared to Afl. 84.9 million in the corresponding quarter of 2012. At the end of March 2013, the government's outstanding debt amounted to Afl. 3,036.4 million, which is Afl. 304.8 million or 11.2 percent higher than the level recorded at the end of March 2012. Despite an increase in total government expenditures, higher total government revenue during the first quarter of 2013 led to a lower financial deficit.



Financial operations

In the first quarter of 2013, total government revenue rose significantly by Afl. 58.0 million (+24.2 percent) to Afl. 297.7 million compared to the corresponding quarter of 2012. This increase resulted from an upturn in both nontax and tax revenue of, respectively, Afl. 35.6 million and Afl. 22.4 million. The expansion in nontax revenue is attributed to a grant transfer by the Dutch government to the development fund foundation (F.D.A.) and a surge in other nontax revenue of, respectively, Afl. 18.6 million and Afl. 17.0 million. The most notable increases in tax revenue were registered in taxes on profit, income and import duty. On the other hand, turnover tax (B.B.O.) showed a marginal drop.

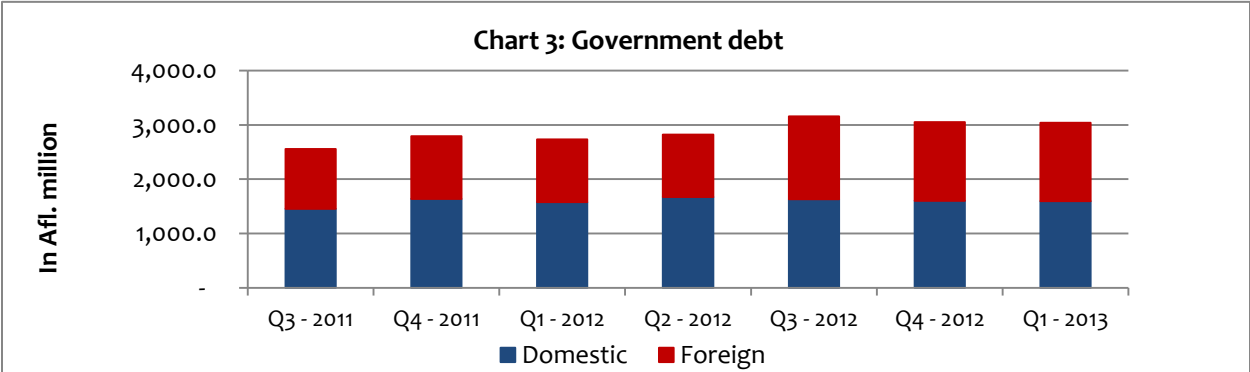
Total government expenditures grew by Afl. 10.0 million in the quarter under review, brought about mainly by surges in interest payments and wage-related spending¹, owing to increases in wages and wage subsidies. Conversely, these surges were partially offset by a decline in the “items not included elsewhere” (Chart 2). As a consequence, the wage-related spending to total revenue ratio dropped by 10.4 percentage points to 55.9 percent in the quarter under review.



Outstanding debt

At the end of March 2013, the total outstanding government debt fell by Afl. 15.7 million or 0.5 percent Afl. 3,036.4 million, compared to end-December 2012 (Chart 3).

Domestic debt declined by Afl. 9.7 million, due largely to a drop in suppliers credit, which was partly offset by a rise in the short-term claims of APFA on the government. Foreign debt decreased by Afl. 6.0 million, brought about mainly by repayments on loans, which were partially offset by an Afl. 3.5 million increase in suppliers’ credit.



¹Wage-related spending includes: wages, employer’s contribution, and wage subsidies.