



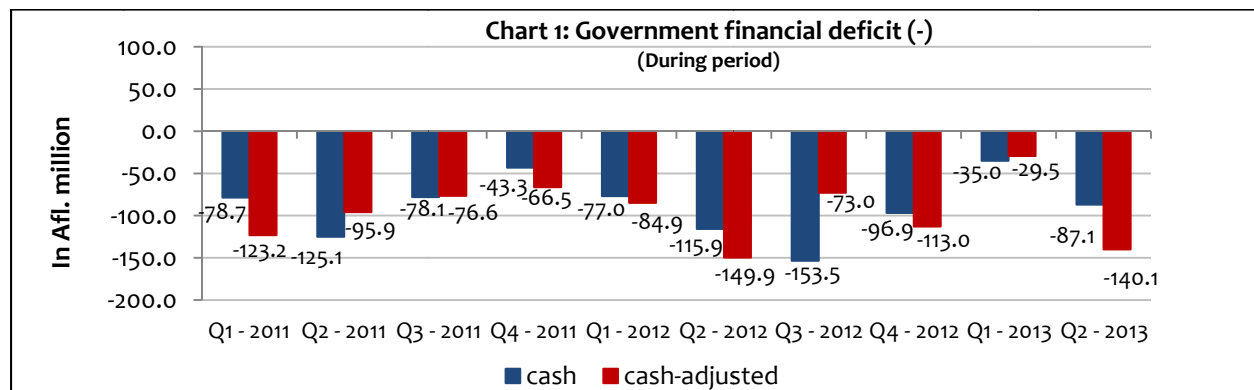
## CENTRALE BANK VAN ARUBA

### Statistical News Release

Date: October 3, 2013

#### Government's financial deficit dropped to Afl. 87.1 million during the second quarter of 2013

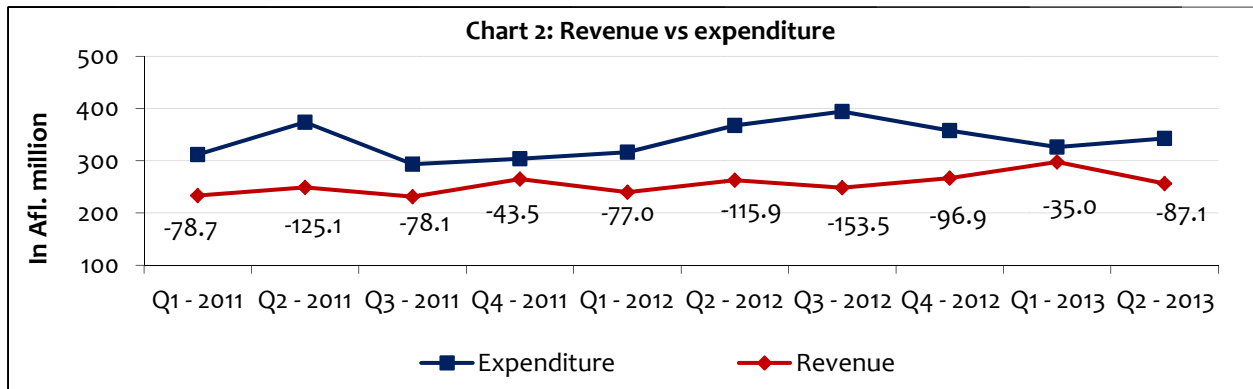
The government's financial deficit on a cash basis decreased by Afl. 28.8 million to Afl. 87.1 million in the second quarter of 2013, compared to the same quarter of 2012 (Chart 1). The cash-adjusted financial deficit reached Afl. 140.1 million in the second quarter of 2013, down from Afl. 149.9 million in the corresponding quarter of 2012. At the end of June 2013, the government's outstanding debt amounted to Afl. 3,132.2 million, which is Afl. 308.9 million or 10.9 percent higher than the level recorded at the end of June 2012.



#### Financial operations

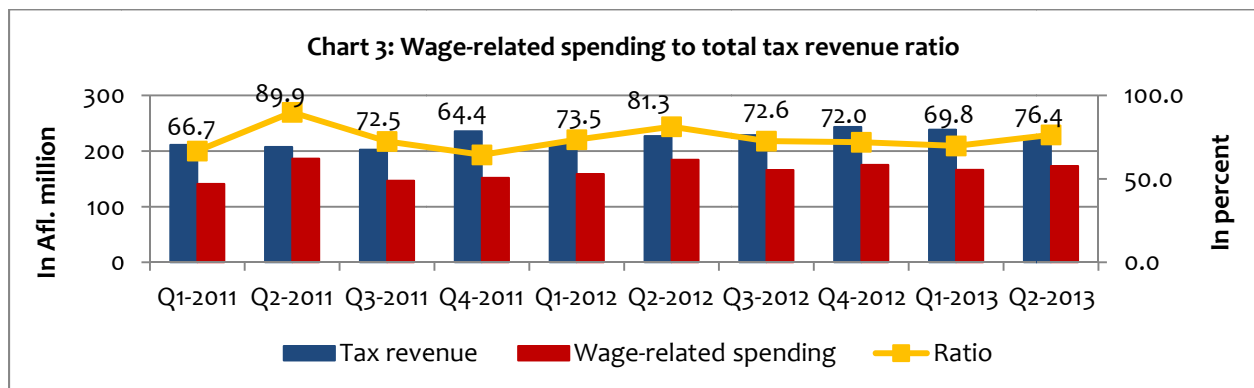
In the second quarter of 2013, total government revenue shrank by Afl. 6.3 million (-2.4 percent) to Afl. 256.3 million, compared to the corresponding quarter of 2012. This decrease resulted mainly from a fall in nontax revenue of Afl. 6.1 million, attributed principally to lower dividend distributions. Tax revenue noted a slight drop of Afl. 0.3 million, due chiefly to a decrease in income from taxes on income and profits (-Afl. 11.2 million), which was mostly mitigated by higher receipts from taxes on property (+Afl. 7.2 million) and on commodities (+Afl. 2.2 million). The latter increase was predominately related to income gains from land and transfer tax (Chart 2).

On the other hand, total government revenue grew by Afl. 51.7 million (+10.3 percent) during the first two quarters of 2013, compared to the same period of 2012. This notable increase reflected upturns in both nontax and tax revenue of, respectively, Afl. 29.5 million and Afl. 22.2 million.



Total government expenditures declined by Afl. 24.8 million to Afl. 342.6 million in the quarter under review, brought about mainly by drops in the “items not included elsewhere” (-Afl. 19.5 million) and wage-related spending<sup>1</sup> (-Afl. 16.5 million). The latter was attributed largely to a decline in employer’s contribution. These declines were partially offset by a growth in goods and services (+Afl. 7.0 million). As a consequence, the wage-related-spending to total-tax-revenue ratio fell by 4.9 percentage points to 76.4 percent in the quarter under review (Chart 3).

During the first six months of 2013, total government expenditures also recorded an Afl. 16.6 million (-2.4 percent) decline, when compared to the same period of 2012. The main contributors to this contraction were registered in “items not included elsewhere” and employer’s contribution, which were partly offset by increases in goods and services, wages, and interest costs.



### Outstanding debt

At the end of June 2013, the total outstanding government debt amounted to Afl. 3,132.2 million, i.e., Afl. 93.2 million or 3.1 percent higher than the level recorded at the end of March 2013 (Chart 4).

Domestic debt went up by Afl. 65.4 million, due to rises in the short-term claims of other government institutions and APFA on the government of, respectively, Afl. 29.3 million and Afl. 25.9 million. Foreign debt increased by Afl. 27.7 million, brought about mainly by an Afl. 32.6 million purchase of government bonds by nonresidents in June 2013.

<sup>1</sup>Wage related spending include: wages, employer’s contribution, and wage subsidies.

