



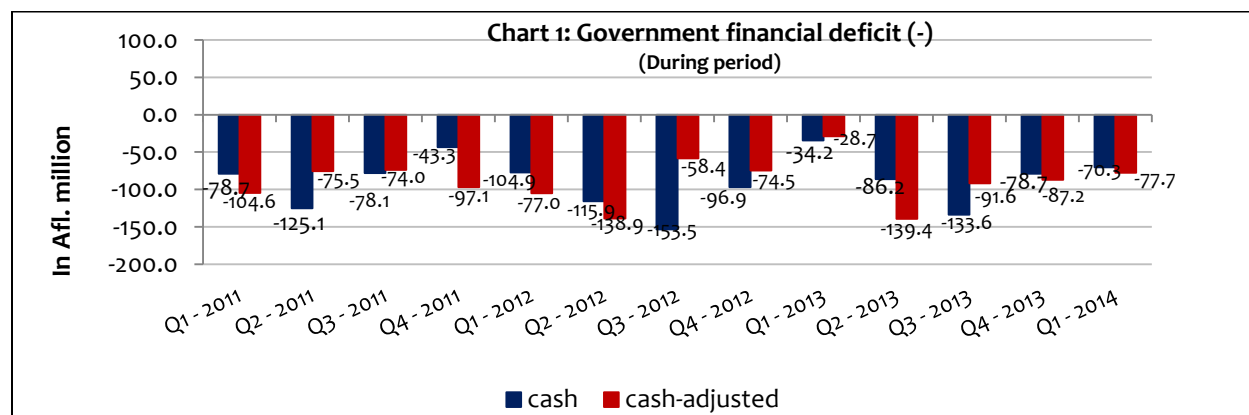
CENTRALE BANK VAN ARUBA

Statistical News Release

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Government's financial deficit amounted to Afl. 70.3 million in the first quarter of 2014

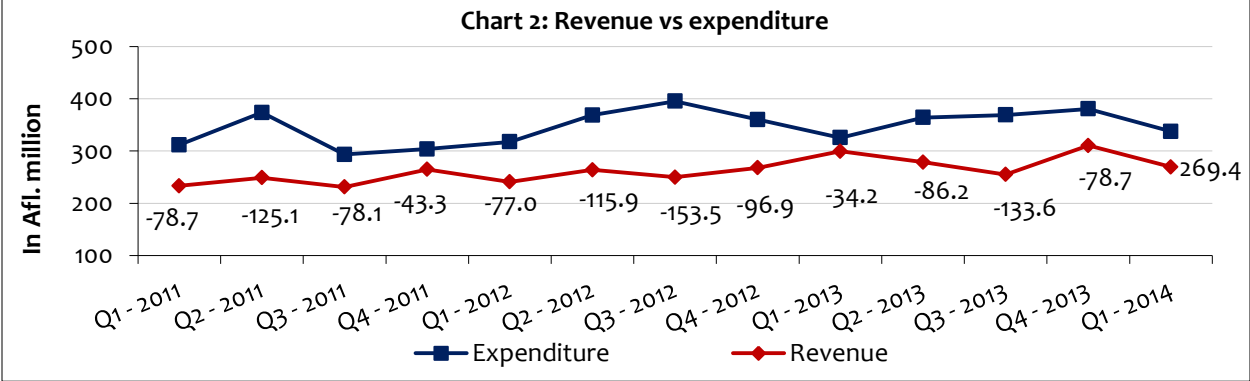
The government's financial deficit on a cash basis expanded by Afl. 36.1 million to Afl. 70.3 million in the first quarter of 2014, when compared to the same period in 2013 (Chart 1). The cash-adjusted financial deficit, likewise, noted a growth of Afl. 49.0 million in the first quarter of 2014, up from an Afl. 28.7 million deficit registered in the corresponding quarter of 2013. At the end of March 2014, the government's outstanding debt amounted to Afl. 3,466.1 million, which is Afl. 408.0 million or 13.3 percent higher than the level recorded at the end of March 2013.



Financial operations

In the first quarter of 2014, total government revenue fell by Afl. 30.2 million (-10.1 percent) to Afl. 269.4 million, compared to the corresponding quarter of 2013. This decrease resulted mainly from an Afl. 35.2 million drop in nontax revenue because of a reduction in other non-tax revenue, while no grants were received. This drop was slightly mitigated by a rise of Afl. 5.0 million in tax revenue, stemming from modest increases in almost every tax category except for receipts from taxes on income and profit (Chart 2). Despite a sharp rise in income from wage tax (+Afl. 16.0 million or 25.3 percent), this was completely offset by a fall in profit tax revenue (-Afl. 20.6 million or 50.9 percent). The latter resulted from a delay in the mailing-out of the profit tax assessments for 2014. As a consequence, payments routinely collected during the first quarter of 2014 for profit tax are expected to be recorded during the second quarter of 2014. Other categories registering the most notable growth were revenue from taxes on commodities (+Afl. 4.2 million) and taxes on services (+Afl. 3.3 million). In addition, income from turnover tax increased by Afl. 1.7 million.

Total government expenditures increased by Afl. 11.9 million to Afl. 337.4 million in the first quarter of 2014, brought about mainly by rises in “items not included elsewhere” (+Afl. 10.0 million), interest payments (+Afl. 6.6 million), goods and services (+Afl. 6.3 million), and wage-related expenditures (+Afl. 5.0 million). These increases were mainly offset by drops in transfers to the General Health Insurance (AZV) and investments of, respectively, Afl. 8.5 million and Afl. 7.9 million.



Outstanding debt

At the end of March 2014, total outstanding government debt climbed to Afl. 3,466.1 million, i.e., Afl. 53.7 million or 1.6 percent higher than the level recorded at the end of December 2013 (Chart 3).

Domestic debt tipped down by Afl. 4.4 million, due mainly to maturing government bonds in April 2014, which was partly offset by an Afl. 1.6 million rise in the short-term claims of the civil service pension fund (APFA) on the government. Foreign debt expanded by Afl. 58.0 million, brought about mainly by an Afl. 174.0 million (USD 97.2 million) issuance of government bonds on the international capital market in March 2014. Debt repayments in the amount of Afl. 119.9 million in part countered the aforementioned bond issuance.

