



Quarterly  
Economic Bulletin  
Government Sector  
2024-II

October 28, 2024



CENTRALE BANK VAN ARUBA



Cover design:

Our turtles.

They choose Aruba's beaches as a safe haven;

They choose Aruba's beaches as their breeding ground;

They connect and communicate through vocalizations and body language.

Their slow and steady pace represents resilience and endurance.

The full text of this report is available on the CBA website.

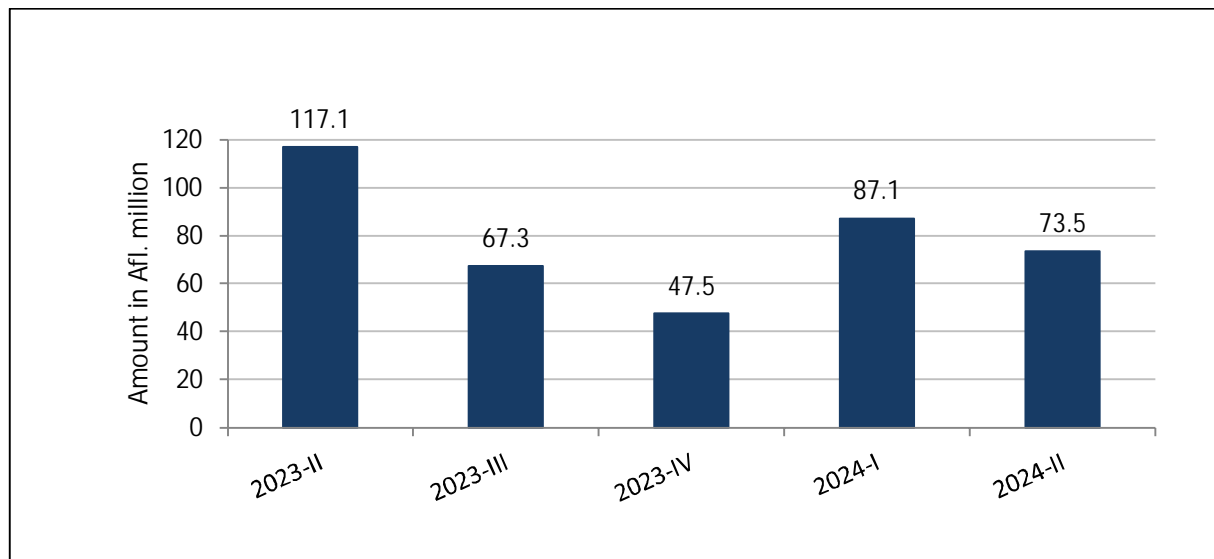
Correspondence related to this quarterly economic bulletin should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: [www.cbaruba.org](http://www.cbaruba.org) or E-mail: [statistics.department@cbaruba.org](mailto:statistics.department@cbaruba.org)

## Government debt decreased in the second quarter of 2024

Quarterly economic bulletin  
Results for the second quarter of 2024

The government's financial surplus<sup>1</sup> of Afl. 117.1 million in the second quarter of 2023 contracted to Afl. 73.5 million in the quarter under review (see chart 1). The government recorded Afl. 5,450.0 million in outstanding debt at the end of June 2024, compared to Afl. 5,628.0 million at end-June 2023.

Chart 1: Government Financial Surplus (+)/ Deficit (-) (On a cash basis)



Source: Department of Finance; Tax Collector's Office; CBA

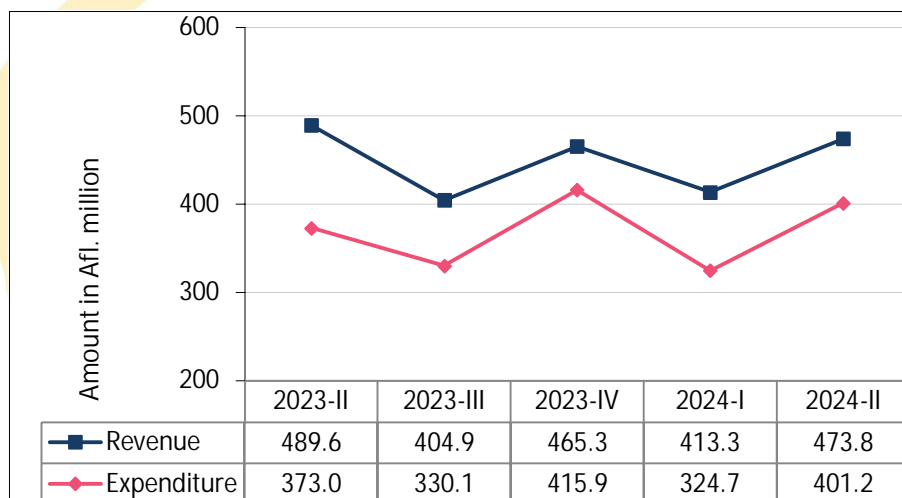
<sup>1</sup> The financial surplus (+)/ deficit (-) is calculated according to the compilation method of the CBA and may differ from third-party publications using an accrual method of compilation.

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## Financial operations

The government's total revenue contracted by Afl. 15.8 million to Afl. 473.8 million during the second quarter of 2024, compared to the second quarter of 2023 (see chart 2). This decrease is the result of a drop in tax revenue of Afl. 29.2 million, while nontax revenue grew by Afl. 13.4 million. The decrease in tax revenue was due to less income from profit tax (-Afl. 72.1 million). In contrast, income from turnover tax (+Afl. 14.4 million), wage tax (+Afl. 10.8 million), import duties (+Afl. 5.4 million), transfer tax (+Afl. 4.6 million), land tax (+Afl. 4.4 million), and hotel room tax (+Afl. 4.0 million) registered increases.

Chart 2: Revenue vs. Expenditure



Source: Department of Finance; Tax Collector's Office; CBA.

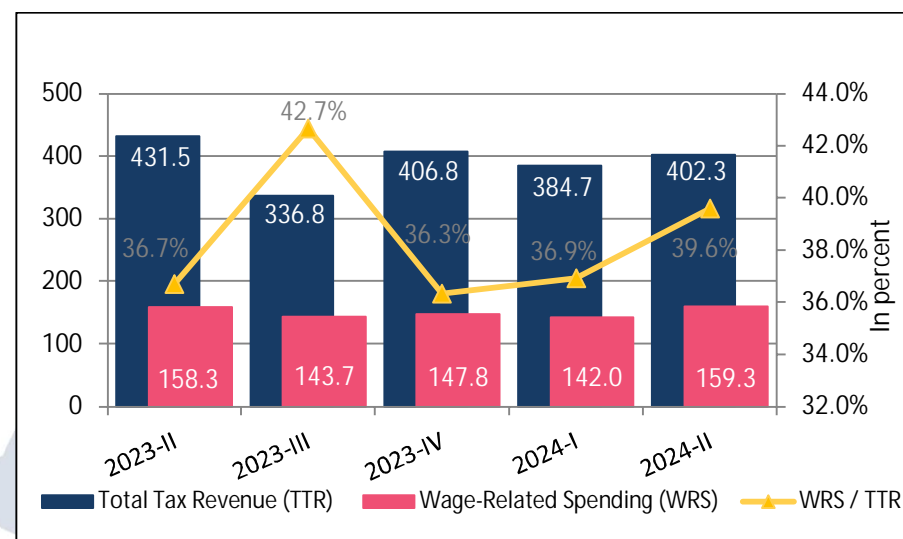
Total government expenditure expanded by Afl. 28.2 million to Afl. 401.2 million during the second quarter of 2024, compared to the same

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quarter of 2023 (see chart 2). This increase stemmed primarily from higher spending on interest (+Afl. 10.6 million), goods and services (+Afl. 10.0 million), and transfers and subsidies (+Afl. 6.6 million).

The government's wage-related spending increased by Afl. 1.0 million to Afl. 159.3 million during the second quarter of 2024. During the second quarter of 2024, the wage-related outlays to total-tax-revenue ratio noted a growth of 2.9 percentage points to 39.6%, up from 36.7% in the second quarter of 2023 (see chart 3).

Chart 3: Wage-Related Spending to Total Tax Revenue Ratio (in Afl. million)



Source: Department of Finance; Tax Collector's Office; CBA.

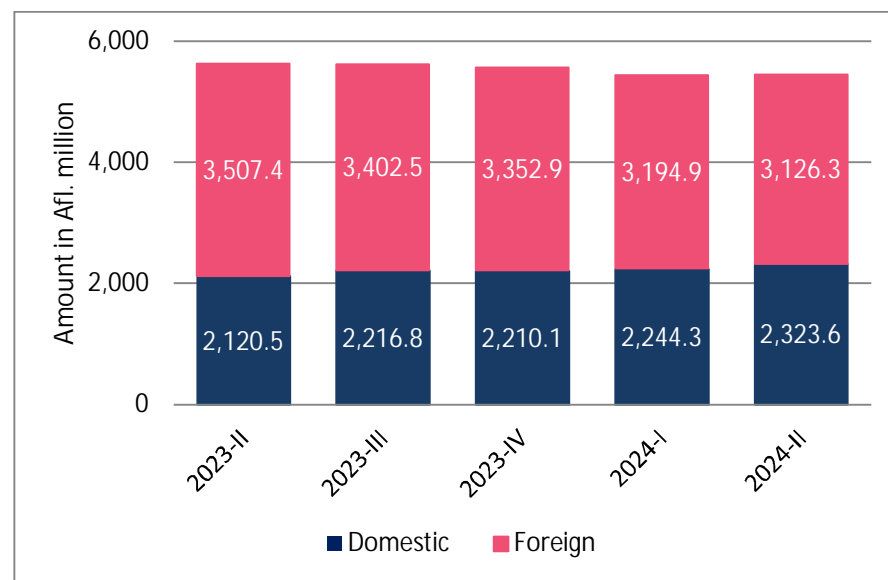
## Outstanding debt

The government's total outstanding debt dropped by Afl. 178.0 million (3.2%) to Afl. 5,450.0 million at end-June 2024, compared to the end of June 2023 (see chart 4). This decline resulted from lower foreign debt (-Afl. 381.1 million) and higher domestic debt (+Afl. 203.1 million).

The drop in foreign debt was caused mainly by decreases in claims of the United States and other countries of Afl. 349.7 million and Afl. 28.5 million, respectively.

The increase in domestic debt stemmed from higher negotiable debt of Afl. 216.5 million and lower non-negotiable debt of Afl. 13.4 million. The upsurge in negotiable debt was attributed to an increase in government bonds of Afl. 234.3 million and a decrease in treasury bills of Afl. 17.7 million. The drop in non-negotiable debt resulted from lower non-negotiable long-term debt (-Afl. 13.6 million). The decrease in non-negotiable long-term debt was due to lower long-term liabilities to private loans (-Afl. 7.2 million) and lower long-term liabilities to APFA (-Afl. 5.6 million). The increase in non-negotiable short-term debt was mainly because of higher other short-term debt (+Afl. 7.6 million) and suppliers' credit (+Afl. 4.6 million), and lower short-term liabilities to APFA (-Afl. 11.9 million).

Chart 4: Government debt



Source: Department of Finance; APFA; CBA.

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A stylized graphic of the island of Aruba, outlined in yellow, set against a dark blue background. The island is surrounded by silhouettes of sea turtles swimming in the water. The background transitions to a lighter blue with horizontal lines on the right side.

## CENTRALE BANK VAN ARUBA

J.E. Irausquin Blvd 8  
P.O. Box 18  
Oranjestad, Aruba  
Phone: (+297) 5252 100  
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