

A sea turtle is shown swimming underwater, its head and front flippers visible. The background is a deep blue with a pattern of horizontal lines. In the upper left, there is a stylized logo of a bird in flight, composed of blue and yellow elements. The text is in a yellow, sans-serif font.

Quarterly Economic Bulletin Government Sector 2024-III

February 3, 2025



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 or E-mail: statistics.department@cbaruba.org

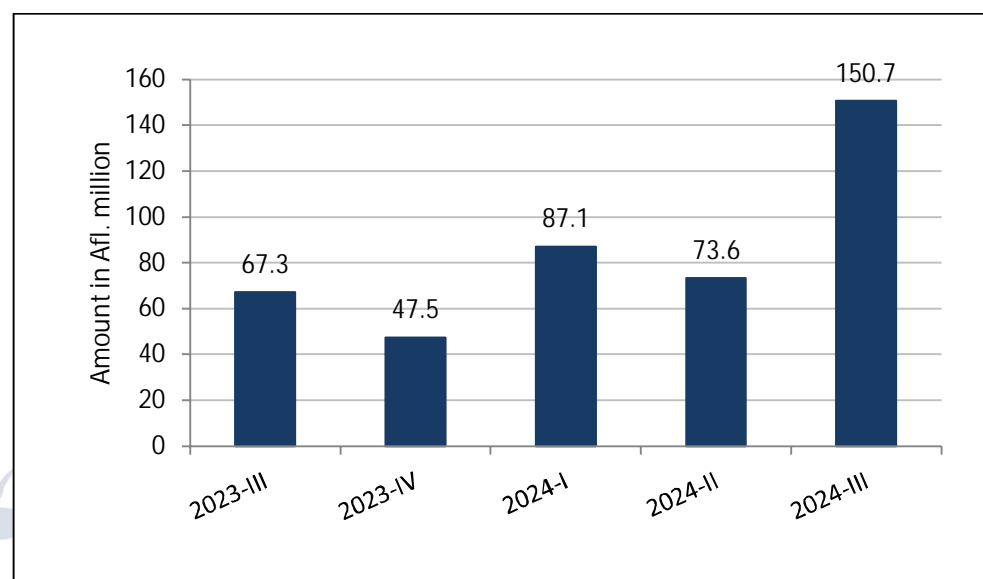


Government's financial surplus expanded in the third quarter of 2024

Quarterly economic bulletin
Results for the third quarter of 2024

The government's financial surplus¹ of Afl. 67.3 million in the third quarter of 2023 grew to Afl. 150.7 million in the quarter under review (see chart 1). The government recorded Afl. 5,570.5 million in outstanding debt at the end of September 2024, compared to Afl. 5,619.4 million at end-September 2023.

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



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

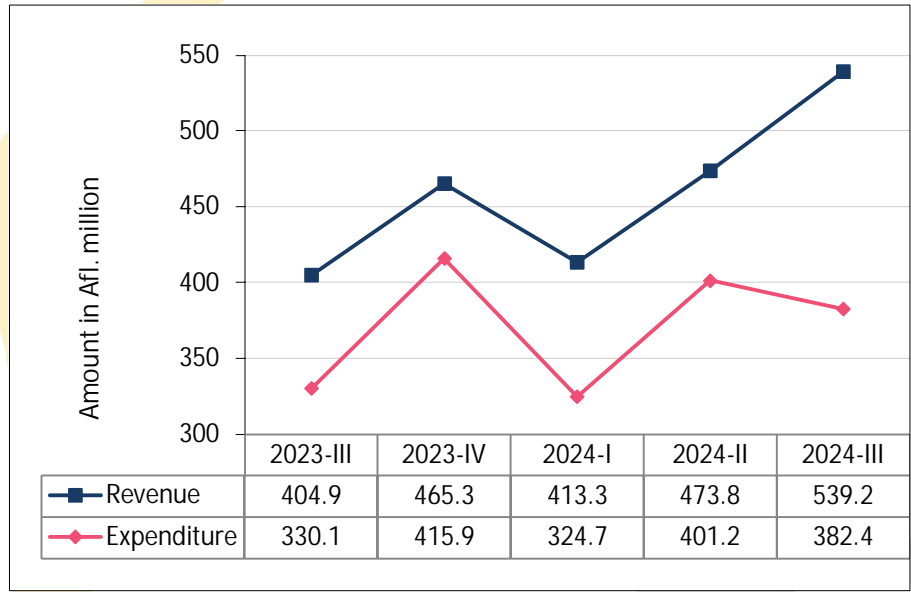
¹ The financial surplus (+)/ deficit (-) is calculated according to the compilation method of the CBA and may differ from third-party publications using an accrual method of compilation.

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Financial operations

The government's total revenue expanded by Afl. 134.3 million to Afl. 539.2 million during the third quarter of 2024, compared to the third quarter of 2023 (see chart 2). This rise resulted from increases in both tax revenue and nontax revenue of Afl. 130.9 million and Afl. 3.6 million, respectively. The growth in tax revenue was due to increases in income from profit tax (+Afl. 91.4 million), transfer tax (+Afl. 8.0 million), turnover tax (+Afl. 6.3 million), import duties (+Afl. 6.1 million), and wage tax (+Afl. 5.1 million).

Chart 2: Revenue vs. Expenditure

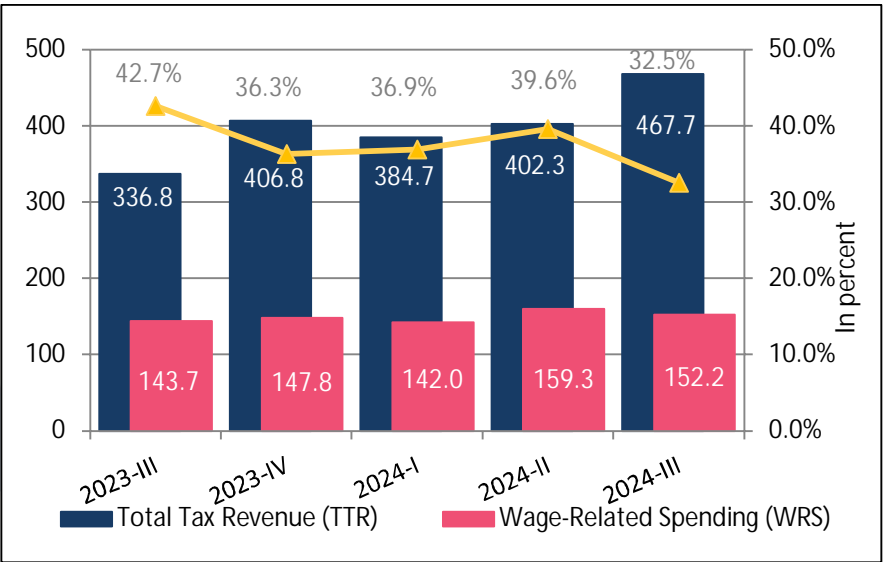


Source: Department of Finance; Tax Collector's Office; CBA.

Total government expenditure rose by Afl. 52.3 million to Afl. 382.4 million during the third quarter of 2024, compared to the same quarter of 2023 (see chart 2). This increase stemmed primarily from higher spending on goods and services (+Afl. 27.8 million) and transfers and subsidies (+Afl. 20.9 million).

The government's wage-related spending increased by Afl. 8.5 million to Afl. 152.2 million during the third quarter of 2024. In the third quarter of 2024, the wage-related outlays to total-tax-revenue ratio noted a drop of 10.2 percentage points to 32.5%, down from 42.7% in the third 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.

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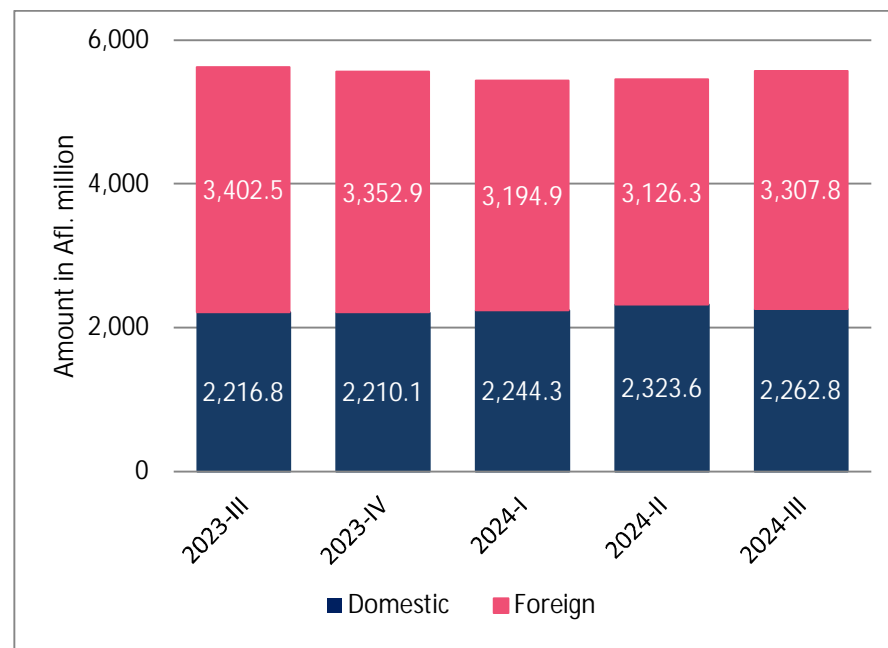
Outstanding debt

The government's total outstanding debt dropped by Afl. 48.9 million (0.9%) to Afl. 5,570.5 million at end-September 2024, compared to the end of September 2023 (see chart 4). This decline resulted from lower foreign debt (-Afl. 94.7 million) and higher domestic debt (+Afl. 46.0 million).

The drop in foreign debt was caused by a decrease in claims of other countries of Afl. 103.4 million, and an increase in claims of the United States of Afl. 11.1 million.

The increase in domestic debt stemmed from higher negotiable debt of Afl. 120.1 million and lower non-negotiable debt of Afl. 74.1 million. The upsurge in negotiable debt was attributed to an increase in government bonds (+Afl. 134.0 million) and decreases in treasury bills and cash loan certificate (-Afl. 9.0 million) and (-Afl. 5.0 million). The drop in non-negotiable debt resulted from lower non-negotiable short-term debt (-Afl. 60.4 million) as well as lower non-negotiable long-term debt (-Afl. 13.7 million). The drop in non-negotiable short-term debt was mainly because of lower other short-term debt (-Afl. 28.9 million), short-term liabilities to APFA (-Afl. 21.9 million), and lower suppliers' credit (-Afl. 9.6 million). The decrease in non-negotiable long-term debt was due to decreases in private loans (-Afl. 7.2 million) and long-term liabilities to APFA (-Afl. 5.7 million).

Chart 4: Government debt



Source: Department of Finance; APFA; CBA.

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A stylized map of Aruba is shown in a light blue color, set against a dark blue background. The map is surrounded by several sea turtles in various shades of blue and green, swimming in the water. The map is oriented horizontally, with the coastline of Aruba clearly visible.

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