



Great Blue Heron.

Many Native American tribes see the heron as a symbol of patience and prosperity. It is believed that if fishermen spot a heron, they will have good luck and a successful fishing trip.

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: <a href="www.cbaruba.org">www.cbaruba.org</a> or E-mail: <a href="mailto:statistics.department@cbaruba.org">statistics.department@cbaruba.org</a>

**Quarterly Economic Bulletin Government Sector 2025-I** 

## Government's financial surplus decreased in the first quarter of 2025

Quarterly economic bulletin Results for the first quarter of 2025

The government's financial surplus<sup>1</sup> of Afl. 87.2 million in the first quarter of 2024 decreased to Afl. 42.6 million in the quarter under review (see chart 1). The government recorded Afl. 5,236.0 million in outstanding debt at the end of March 2025, compared to Afl. 5,439.3 million at end-March 2024.

150.3 160 140 Amount in Afl. million 120 100 87.2 73.2 42.6 40 20 2024-1 2024-11 2024-111 2024-IV 2025-1

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

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

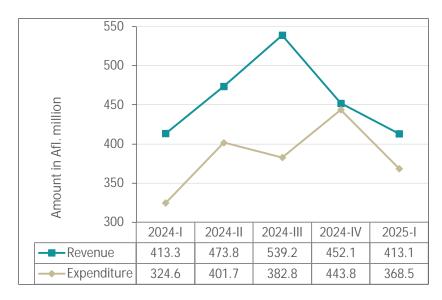
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<sup>&</sup>lt;sup>1</sup> The financial surplus (+)/ deficit (-) is calculated according to the compilation method of the CBA and may differ from third-party publications using an accrual method of compilation.

## Financial operations

The government's total revenue declined by Afl. 0.2 million to Afl. 413.1 million during the first quarter of 2025, compared to the first quarter of 2024 (see chart 2). This contraction resulted from a decrease in nontax revenue of Afl. 2.9 million, and an increase in tax revenue of Afl. 2.6 million. The increase in tax revenue was due to more income from turnover tax (+ Afl. 8.7 million), import duties (+Afl. 7.0 million), income tax (+Afl. 3.9 million), and hotel room tax (+Afl. 3.6 million). In contrast, income from wage tax (-Afl. 14.9 million), foreign exchange tax (-Afl. 8.5 million), and land tax (-Afl. 2.5 million) decreased.

Chart 2: Revenue vs. Expenditure

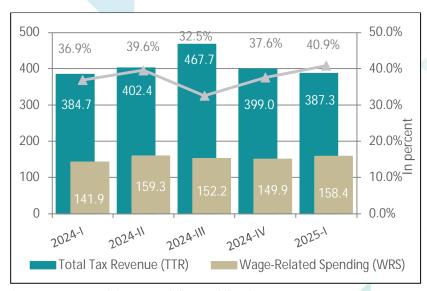


Source: Department of Finance; Tax Collector's Office; CBA.

Total government expenditure rose by Afl. 43.9 million to Afl. 368.5 million during the first quarter of 2025, compared to the same quarter of 2024 (see chart 2). This increase stemmed primarily from higher spending on transfer and subsidies (+Afl. 32.4 million), wages (+Afl. 7.8 million), and wage subsidies (+Afl. 6.8 million). In contrast, both goods and services and interest decreased by Afl. 3.5 million and Afl. 2.3 million, respectively.

The government's wage-related spending increased by Afl. 16.5 million to Afl. 158.4 million during the first quarter of 2025. In the first quarter of 2025, the wage-related outlays to total-tax-revenue ratio noted a growth of 4.0 percentage points to 40.9%, up from 36.9% in the first quarter of 2024 (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. 203.3 million (3.7%) to Afl. 5,236.0 million at end-March 2025, compared to the end of March 2024 (see chart 4). This decline resulted from lower domestic debt (-Afl. 174.1 million) and foreign debt (-Afl. 29.1 million).

The drop in domestic debt stemmed from lower non-negotiable debt of Afl. 155.9 million and negotiable debt of Afl. 18.2 million. The decline in non-negotiable debt resulted from lower non-negotiable long-term debt (-Afl. 131.9 million) as well as lower non-negotiable short-term debt (-Afl. 24.0 million). The decrease in non-negotiable long-term debt was due to decreases in long-term liabilities to APFA (-Afl. 67.2 million) and private loans (-Afl. 63.7 million). The drop in non-negotiable short-term debt was mainly because of lower other short-term debt (-Afl. 20.6 million).

The downturn in negotiable debt was attributed to decreases in treasury bills (-Afl. 51.3 million) and cash loan certificate (-Afl. 5.0 million). In contrast, government bonds (+Afl. 38.0 million) increased.

The drop in foreign debt was mainly caused by decreases in claims of other countries (-Afl. 102.7 million) and claims of the Netherlands (-Afl. 47.6 million), and an increase in claims of the United States (+ Afl. 121.7 million).

Chart 4: Government debt



Source: Department of Finance; APFA; CBA.

