

## Cover design:

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.

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>

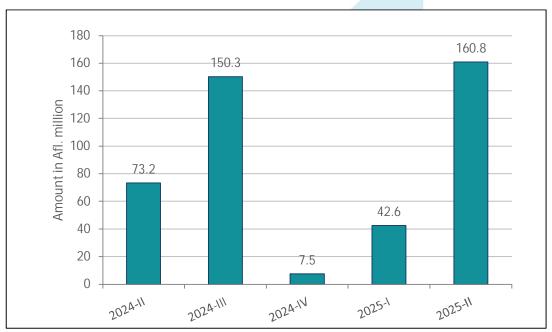
**Quarterly Economic Bulletin Government Sector 2025-II** 

## Government's financial surplus expanded in the second quarter of 2025

Quarterly economic bulletin
Results for the second quarter of 2025

The government's financial surplus<sup>1</sup> of Afl. 73.2 million in the second quarter of 2024 increased to Afl. 160.8 million in the quarter under review (see chart 1). The government recorded Afl. 5,280.2 million in outstanding debt at the end of June 2025, compared to Afl. 5,450.0 million at end-June 2024.

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



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

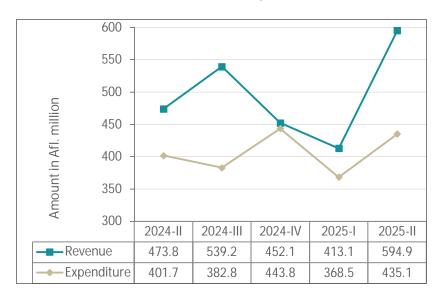
Correspondence related to this quarterly economic bulletin should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: <a href="www.cbaruba.org">www.cbaruba.org</a> or E-mail: <a href="mailto:statistics.department@cbaruba.org">statistics.department@cbaruba.org</a>

<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 expanded by Afl. 121.1 million to Afl. 594.9 million during the second quarter of 2025, compared to the second quarter of 2024 (see chart 2). This growth resulted from an increase in tax revenue of Afl. 160.6 million and a decrease in nontax revenue of Afl. 39.6 million. The increase in tax revenue was due to more income from profit tax (+Afl. 149.4 million), turnover tax (+ Afl. 8.4 million), foreign exchange tax (+Afl. 7.0 million), import duties (+Afl. 5.5 million), and income tax (+Afl. 3.0 million). In contrast, income from wage tax (-Afl. 13.8 million) decreased.

Chart 2: Revenue vs. Expenditure

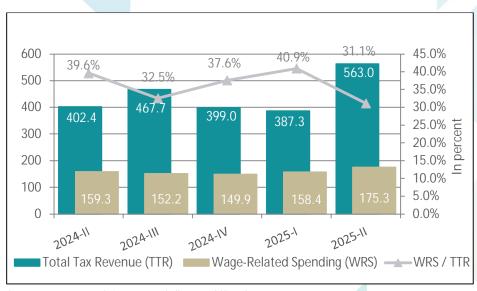


Source: Department of Finance; Tax Collector's Office; CBA.

Total government expenditure rose by Afl. 33.4 million to Afl. 435.1 million during the second 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. 9.8 million), investment (+Afl. 8.2 million), wages (+Afl. 8.0 million), and wage subsidies (+Afl. 7.2 million). In contrast, both spending on goods and services (-Afl. 0.9 million) and interest (-Afl. 0.4 million) decreased.

The government's wage-related spending increased by Afl. 16.0 million to Afl. 175.3 million during the second quarter of 2025. In the second quarter of 2025, the wage-related outlays to total-tax-revenue ratio noted a drop of 8.5 percentage points to 31.1%, down from 39.6% in the second 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

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>

## **Outstanding debt**

The government's total outstanding debt dropped by Afl. 169.8 million (-3.1%) to Afl. 5,280.2 million at end-June 2025, compared to the end of June 2024 (see chart 4). This decline resulted from lower domestic debt (-Afl. 172.9 million) and higher foreign debt (+Afl. 3.2 million).

The drop in domestic debt stemmed from lower non-negotiable debt of Afl. 146.4 million and lower negotiable debt of Afl. 26.4 million. The decline in non-negotiable debt resulted from lower non-negotiable long-term debt (-Afl. 132.1 million) as well as lower non-negotiable short-term debt (-Afl. 14.4 million). The decrease in non-negotiable long-term debt was due to decreases in long-term liabilities to APFA (-Afl. 67.3 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. 13.6 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), and an increase in government bonds (+Afl. 29.8 million) increased.

The growth in foreign debt was mainly caused by an increase in claims of the United States (+ Afl. 181.1 million) and decreases in claims of other countries (-Afl. 130.1 million) and claims of the Netherlands (-Afl. 47.6 million).

Chart 4: Government debt



Source: Department of Finance; APFA; CBA.

