CENTRALE BANK VAN ARUBA

Fiscal surplus boosted by a growing economy

Press release

March 26, 2026

Today, the Centrale Bank van Aruba (CBA) published its most recent Economic Outlook for the fiscal sector. This publication contains projections of government finances for the short term (2025-2026) and medium term (2027-2029)[1].

In the first half of 2025, the Government of Aruba (GoA) registered a fiscal surplus exceeding that of the same period of 2024. Greater tax revenues receipts were the main contributor, whereas lower non-tax revenues and higher expenditures dampened the overall improvement in the fiscal balance. By the end of the first half of 2025, the GoA's estimated debt-to-GDP ratio reached 67.0%, down from 68.6% at the end of 2024.

For 2025 as a whole, the baseline government finance forecast estimates that the GoA will record a larger fiscal surplus compared to 2024. The CBA expects this improvement to be supported by a growing economy resulting from continued strong tourism performance, albeit moderating. The outlook presumes that tourist and domestic demand will bolster tax revenue growth, although income tax reforms and lower gasoline excise taxes will dampen this effect. Meanwhile, the CBA foresees that receipts from taxes on income and profit, taxes on commodities, and turnover tax (BBO) will be the main drivers of higher tax revenues. On the expenditures side, the CBA also anticipates an increase in 2025. Higher personnel costs, partly due to the 5.7% indexation, along with greater goods and services outlays and capital expenditures will likely drive the uptick in expenditures. Lower interest payments resulting from public debt reduction should provide some relief on the expenditure side.

Over the 2026-2029 forecast horizon, the CBA projects a continued expansion of the fiscal surplus. The CBA anticipates government revenues to rise, largely reflecting higher tax receipts amid a growing economy. Expenditures are also set to expand, largely due to greater capital expenditures.

[1] The Economic Outlook contains forecasts that represent assumptions and expectations of the CBA in light of available information up to and including October 2025 (cut-off date). These projections are subject to several uncertainties. The actual results may differ from current projections. Consequently, no guarantee or warranty is presented as to their accuracy. The CBA does not assume any liability for losses arising from reliance on this publication.

This outlook reflects a baseline scenario, and is consequently exposed to a mix of domestic and international risks. A lower than projected economic growth, external shocks including geopolitical tensions relating to the ongoing trade war and the current U.S. - Venezuela tensions, changes in external financing conditions, expenditures related to social security, and investment project delays may impact the outcomes of the government finance baseline projections.

For the full publication please visit www.cbaruba.org.