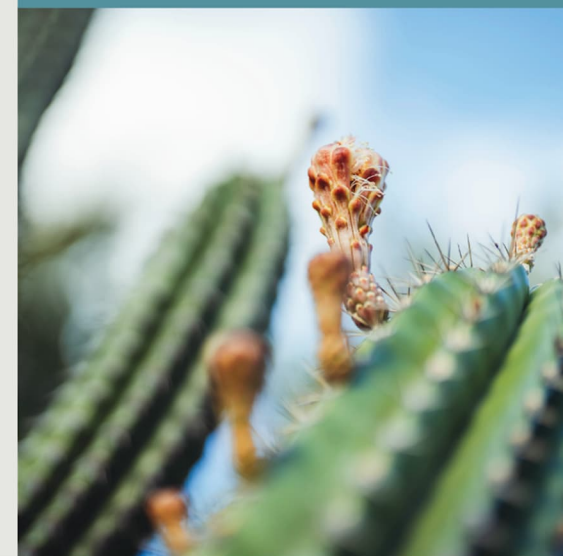


Quarterly Economic Bulletin Government Sector 2026-I

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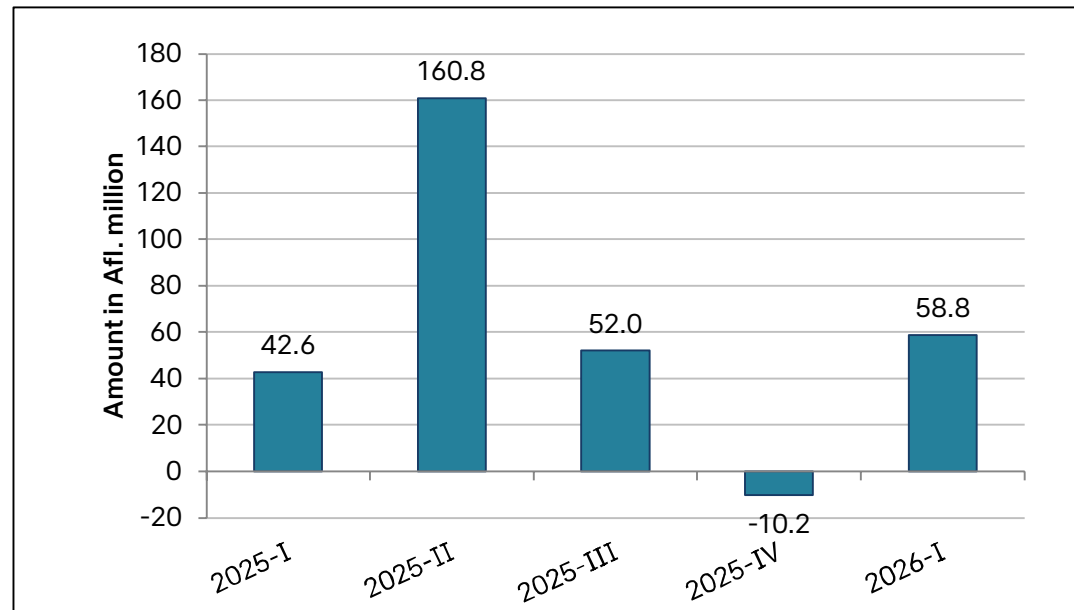
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Government's financial surplus expanded in the first quarter of 2026

The government recorded Afl. 5,003.9 million in outstanding debt at the end of March 2026, compared to Afl. 5,235.6 million at end-March 2025. The government's financial surplus¹ of Afl. 42.6 million in the first quarter of 2025 expanded to Afl. 58.8 million in the quarter under review (see chart 1).

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



Source: Department of Finance; Tax Collector's Office; Centrale Bank van Aruba

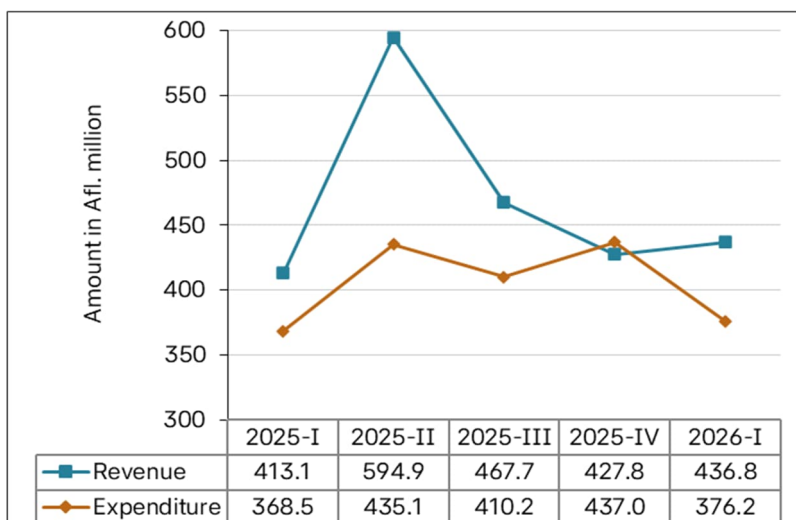
¹ The financial surplus (+)/ deficit (-) is calculated according to the compilation method of the CBA and may differ from third-party publications using an accrual method of compilation.



Financial operations

The government's total revenue expanded by Afl. 23.7 million to Afl. 436.8 million during the first quarter of 2026, compared to the first quarter of 2025 (see chart 2). This rise resulted from increases in both tax revenue and nontax revenue of Afl. 20.1 million and Afl. 3.6 million, respectively. The increase in tax revenue was due to higher income from foreign exchange tax (+Afl. 10.7 million), turnover tax (+Afl. 8.7 million), profit tax (+Afl. 10.1 million), hotel room tax (+Afl. 5.2 million), import duties (+Afl. 3.5 million), and motor vehicle fees (+Afl. 2.7 million). In contrast, income from income tax (-Afl. 10.1 million), transfer tax (-Afl. 6.2 million), wage tax (-Afl. 3.4 million), and excises on gasoline (-Afl. 2.7 million) decreased.

Chart 2: Revenue vs. Expenditure

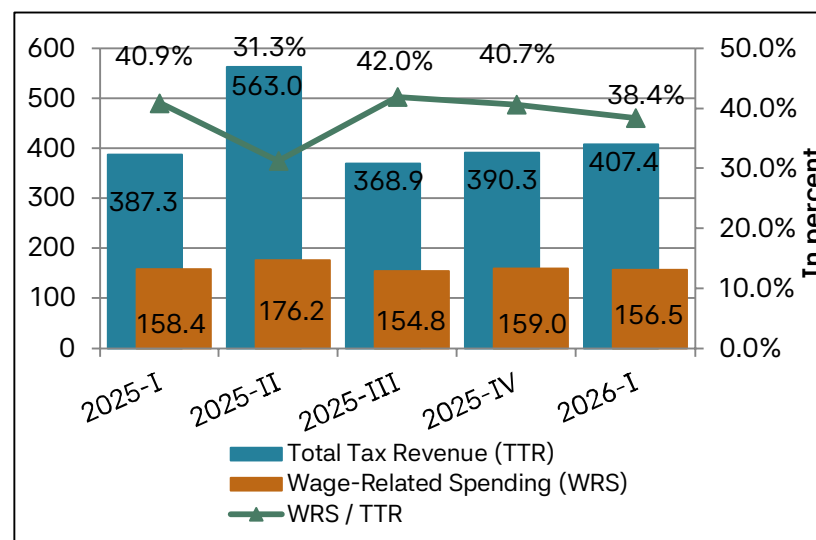


Source: Department of Finance; Tax Collector's Office; Centrale Bank van Aruba

Total government expenditure grew by Afl. 7.7 million to Afl. 376.2 million during the first quarter of 2026, compared to the same quarter of 2025 (see chart 2). This increase stemmed from more spending on goods and services (+Afl. 8.1 million), transfer and subsidies (+Afl. 5.1 million), and investment (+Afl. 4.0 million). In contrast, spending on interest (-Afl. 7.4 million) and wage subsidies (-Afl. 2.0 million) decreased.

The government's wage-related spending decreased by Afl. 1.9 million to Afl. 156.5 million during the first quarter of 2026. In the first quarter of 2026, the wage-related outlays to total-tax-revenue ratio noted a drop of 2.5 percentage points to 38.4%, down from 40.9% in the first quarter of 2025 (see chart 3).

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



Source: Department of Finance; Tax Collector's Office; Centrale Bank van Aruba



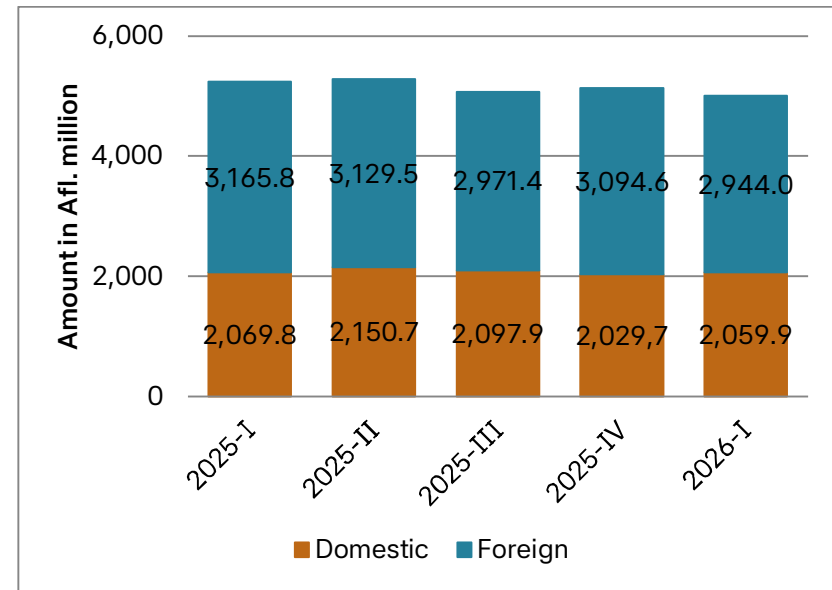
Outstanding debt

The government's total outstanding debt dropped by Afl. 231.7 million (-4.4%) to Afl. 5,003.9 million at end-March 2026, compared to the end of March 2025 (see chart 4). This decline resulted from lower foreign and domestic debt of Afl. 221.8 million and Afl. 9.9 million, respectively.

The drop in foreign debt was caused by decreases in claims of other countries (-Afl. 175.5 million) and claims of the Netherlands (-Afl. 148.6 million), while claims of the United States (+ Afl. 102.6 million) increased.

The drop in domestic debt stemmed from lower non-negotiable debt of Afl. 106.5 million and higher negotiable debt of Afl. 96.6 million. The decline in non-negotiable debt resulted from lower non-negotiable long-term debt (-Afl. 95.4 million), as well as lower non-negotiable short-term debt (-Afl. 11.1 million). The decrease in non-negotiable long-term debt was due to decreases in private loans (-Afl. 88.1 million) and long-term liabilities to APFA (-Afl. 6.3 million). The drop in non-negotiable short-term debt was because of lower suppliers' credit (-Afl. 10.7 million) and other short-term debt (-Afl. 5.4 million). The upturn in negotiable debt was attributed to an increase in government bonds Afl. 96.6 million.

Chart 4: Government debt



Source: Department of Finance; Tax Collector's Office; Centrale Bank van Aruba



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