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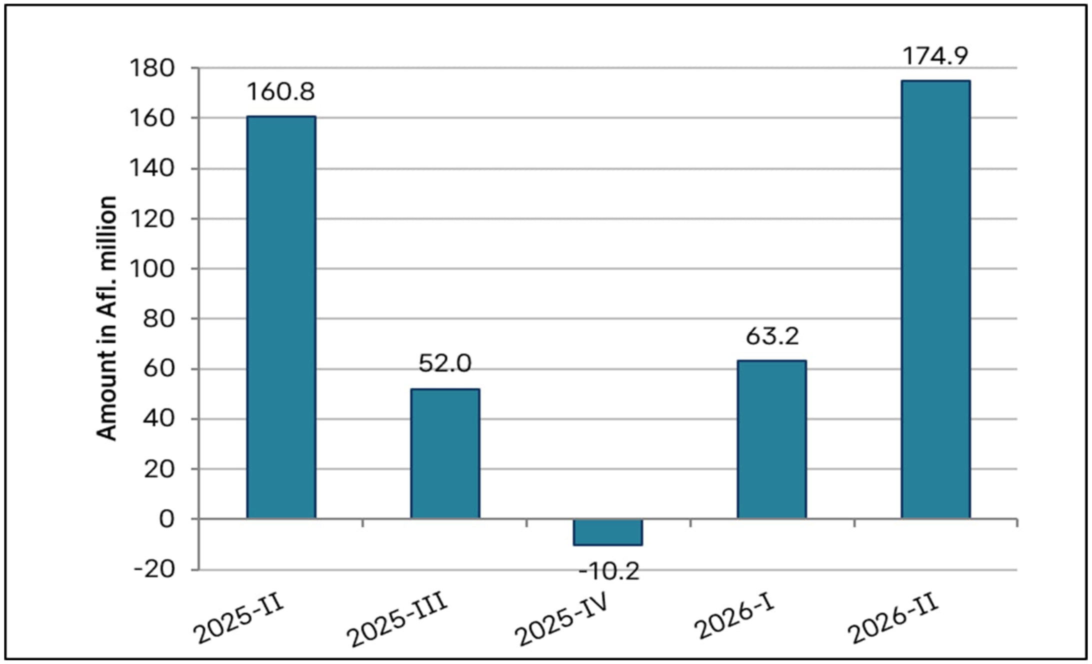
Government's financial surplus expanded in the second quarter of 2026

The government recorded Afl. 5,082.2 million in outstanding debt at the end of June 2026, compared to Afl. 5,280.2 million at end-June 2025. The government's financial surplus[1] of Afl. 160.8 million in the second quarter of 2025 expanded to Afl. 174.9 million in the quarter under review (see chart 1).

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



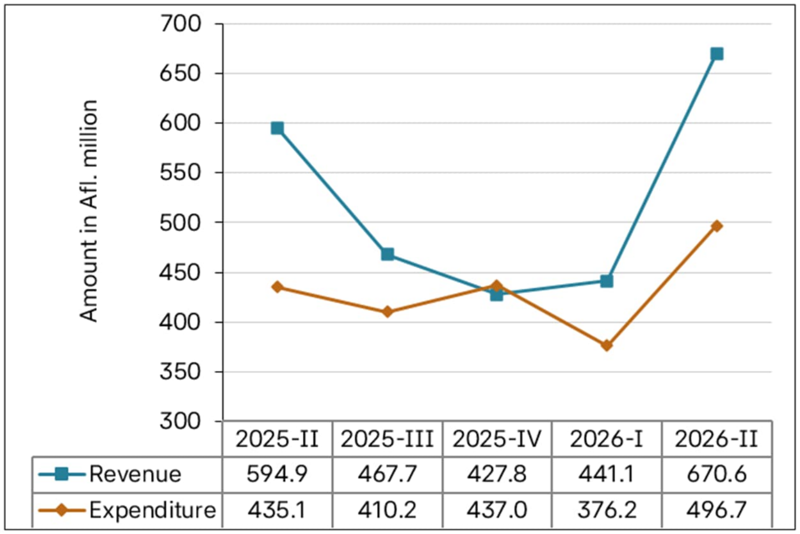
Source: Department of Finance; Tax Collector's Office; Centrale Bank van Aruba

[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. 75.7 million to Afl. 670.6 million during the second quarter of 2026, compared to the second quarter of 2025 (see chart 2). This rise resulted from increases in both tax revenue and nontax revenue of Afl. 57.8 million and Afl. 18.0 million, respectively. The increase in tax revenue was due to higher income from profit tax (+Afl. 42.1 million), turnover tax (+Afl. 8.9 million), transfer tax (+Afl. 5.4 million), hotel room tax (+Afl. 5.2 million), land tax (+Afl. 4.6 million), and wage tax (+Afl. 2.2 million). In contrast, income from excises on gasoline (-Afl. 6.0 million), foreign exchange tax (-Afl. 4.3 million), and income tax (-Afl. 4.0 million) decreased.

Chart 2: Revenue vs. Expenditure

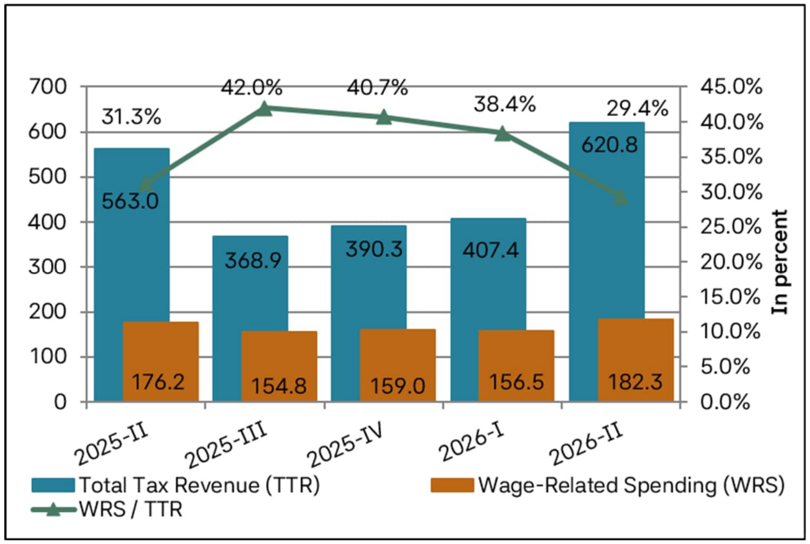


Source: Department of Finance; Tax Collector's Office; Centrale Bank van Aruba

Total government expenditure grew by Afl. 61.6 million to Afl. 496.7 million during the second quarter of 2026, compared to the same quarter of 2025 (see chart 2). This increase stemmed from more spending on transfer and subsidies (+Afl. 27.1 million), goods and services (+Afl. 24.0 million), interest (+Afl. 7.5 million), wages (+Afl. 3.8 million), and wage subsidies (+Afl. 2.1 million). In contrast, spending on investment (-Afl. 3.3 million) decreased.

The government's wage-related spending increased by Afl. 6.1 million to Afl. 182.3 million during the second quarter of 2026. The wage-related outlays to total-tax-revenue ratio noted a drop of 1.9 percentage points to 29.4% in the second quarter of 2026 (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

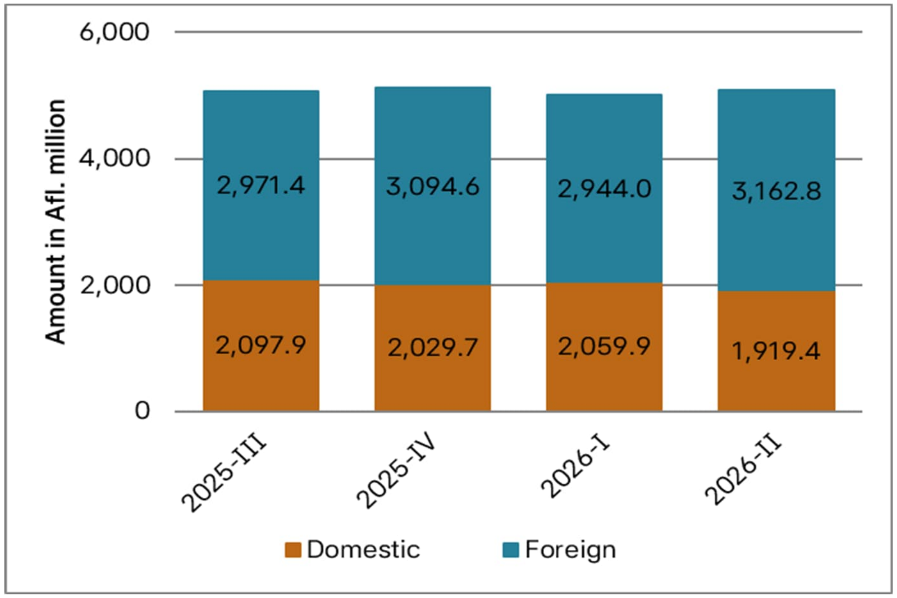
Outstanding debt

The government's total outstanding debt dropped by Afl. 198.0 million (-3.7%) to Afl. 5,082.2 million at end-June 2026, compared to the end of June 2025 (see chart 4). This decline resulted from lower domestic debt of Afl. 231.3 million and higher foreign debt of Afl. 33.3 million.

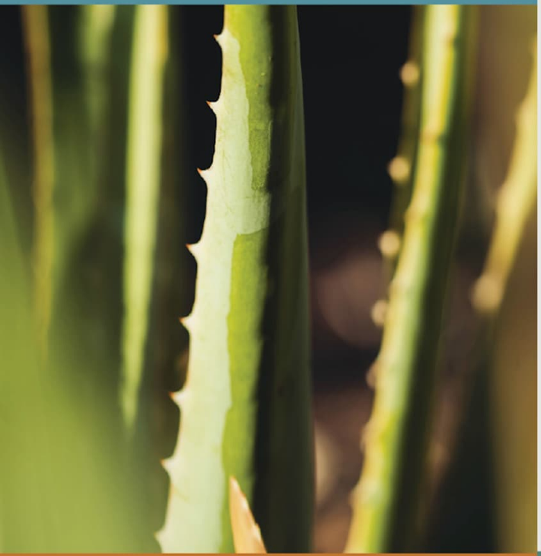
The drop in domestic debt stemmed from lower non-negotiable debt of Afl. 131.8 million as well as lower negotiable debt of Afl. 99.5 million. The decline in non-negotiable debt resulted from lower non-negotiable long-term debt (-Afl. 107.9 million) as well as lower non-negotiable short-term debt (-Afl. 24.0 million). The decrease in non-negotiable long-term debt was due mainly to decreases in private loans (-Afl. 100.5 million) and long-term liabilities to APFA (-Afl. 6.4 million). The drop in non-negotiable short-term debt was because of lower other short-term debt (-Afl. 11.1 million), short-term liabilities to APFA (-Afl. 6.7 million), and suppliers' credit (-Afl. 6.2 million). The downturn in negotiable debt was attributed to a decrease in government bonds of Afl. 99.5 million.

The increase in foreign debt was caused by an increase in claims of the United States (+Afl. 390.6 million), while claims of other countries (-Afl. 209.7 million) and of the Netherlands (-Afl. 147.0 million) decreased.

Chart 4: Government debt



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



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