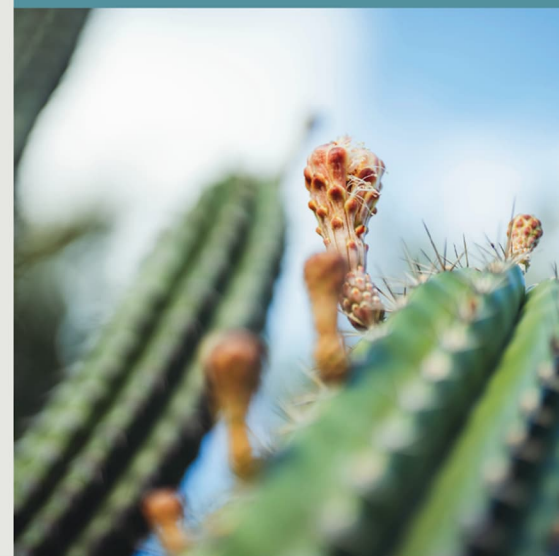


Quarterly Economic Bulletin Government Sector 2025-III

Publication date: 15 December 2025





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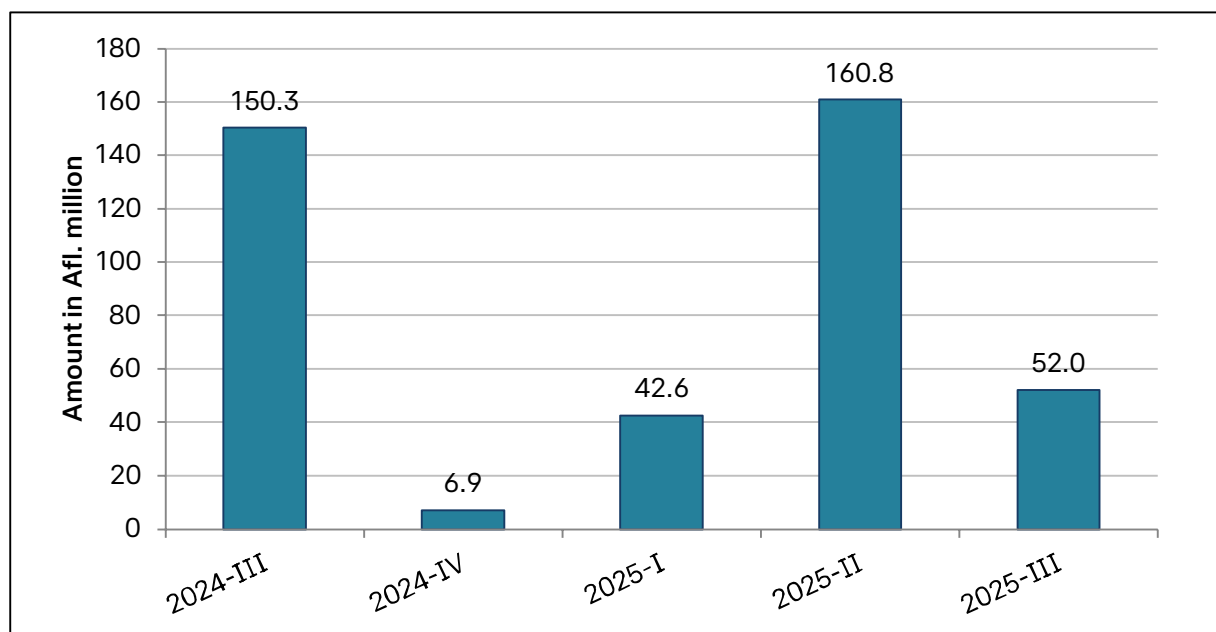
Correspondence related to this publication should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: www.cbaruba.org or E-mail: statistics.department@cbaruba.org



Government's debt contracted in the third quarter of 2025

The government recorded Afl. 5,069.4 million in outstanding debt at the end of September 2025, compared to Afl. 5,570.5 million at end-September 2024. The government's financial surplus¹ of Afl. 150.3 million in the third quarter of 2024 decreased to Afl. 52.0 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

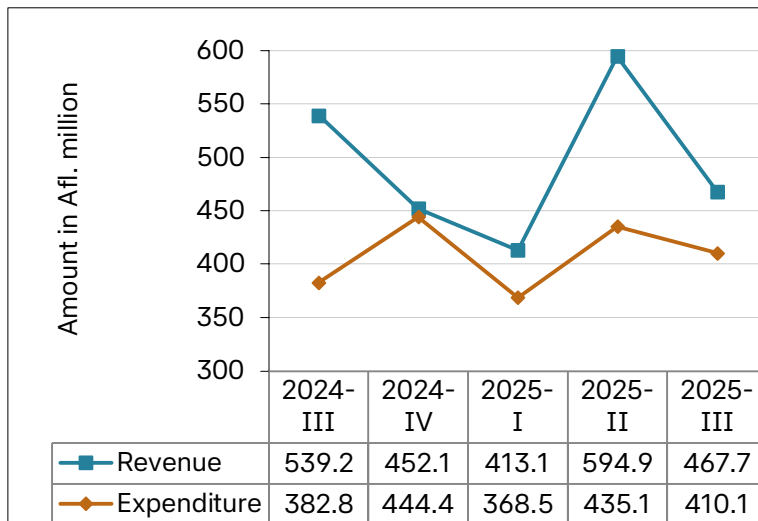
¹ The financial surplus (+)/ deficit (-) is calculated according to the compilation method of the CBA and may differ from third-party publications using an accrual method of compilation.



Financial operations

The government's total revenue contracted by Afl. 71.5 million to Afl. 467.7 million during the third quarter of 2025, compared to the third quarter of 2024 (see chart 2). This drop resulted from a decrease in tax revenue of Afl. 98.8 million and an increase in nontax revenue of Afl. 27.3 million. The decrease in tax revenue was due to less income from profit tax (-Afl. 105.2 million), wage tax (-Afl. 13.7 million), and transfer tax (-Afl. 7.7 million). In contrast, income from turnover tax (+Afl. 9.4 million), import duties (+Afl. 7.2 million), and land tax (+Afl. 5.0 million) increased.

Chart 2: Revenue vs. Expenditure

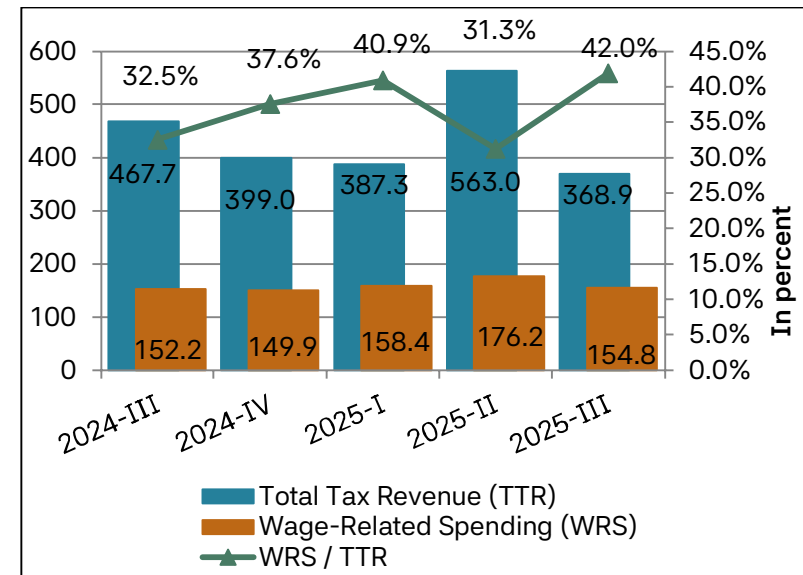


Source: Department of Finance; Tax Collector's Office; Centrale Bank van Aruba

Total government expenditure rose by Afl. 27.3 million to Afl. 410.1 million during the third 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. 35.0 million). In contrast, spending on goods and services (-Afl. 5.7 million) and investments (-Afl. 4.0 million) decreased.

The government's wage-related spending increased by Afl. 2.6 million to Afl. 154.8 million during the third quarter of 2025. In the third quarter of 2025, the wage-related outlays to total-tax-revenue ratio noted a growth of 9.5 percentage points to 42.0%, up from 32.5% in the third 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; Centrale Bank van Aruba



Outstanding debt

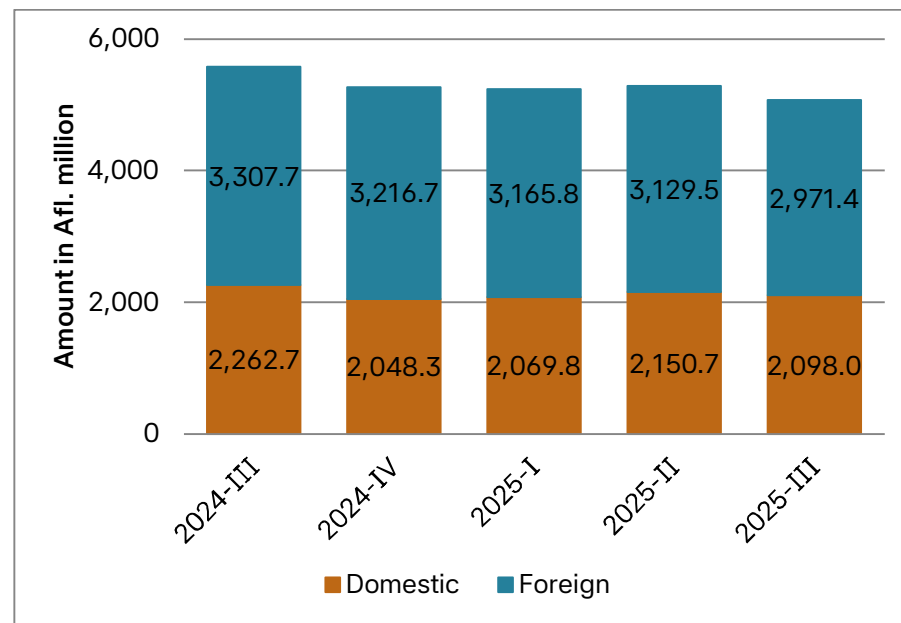
The government's total outstanding debt dropped by Afl. 501.1 million (-9.0%) to Afl. 5,069.4 million at end-September 2025, compared to the end of September 2024 (see chart 4). This decline resulted from lower foreign and domestic debt of Afl. 336.3 million and Afl. 164.7 million, respectively.

The drop in foreign debt was caused by decreases in claims of other countries (-Afl. 143.4 million), claims of the United States (- Afl. 118.5 million) and claims of the Netherlands (-Afl. 74.0 million).

The drop in domestic debt stemmed from lower non-negotiable debt of Afl. 175.0 million and higher negotiable debt of Afl. 10.4 million. The decline in non-negotiable debt resulted from lower non-negotiable long-term debt (-Afl. 150.2 million) as well as lower non-negotiable short-term debt (-Afl. 24.8 million). The decrease in non-negotiable long-term debt was due to decreases in private loans (-Afl. 81.7 million) and long-term liabilities to APFA (-Afl. 67.4 million). The drop in non-negotiable short-term debt was mainly because of lower other short-term debt (-Afl. 17.3 million).

The upturn in negotiable debt was attributed to an increase in government bonds (+Afl. 52.6 million) and a decrease in treasury bills (-Afl. 42.3 million).

Chart 4: Government debt



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



Tel: (297) 5252 100

documentmanagement@cbaruba.org

J.E. Irausquin Boulevard 8, P.O. Box 18

Oranjestad, Aruba