



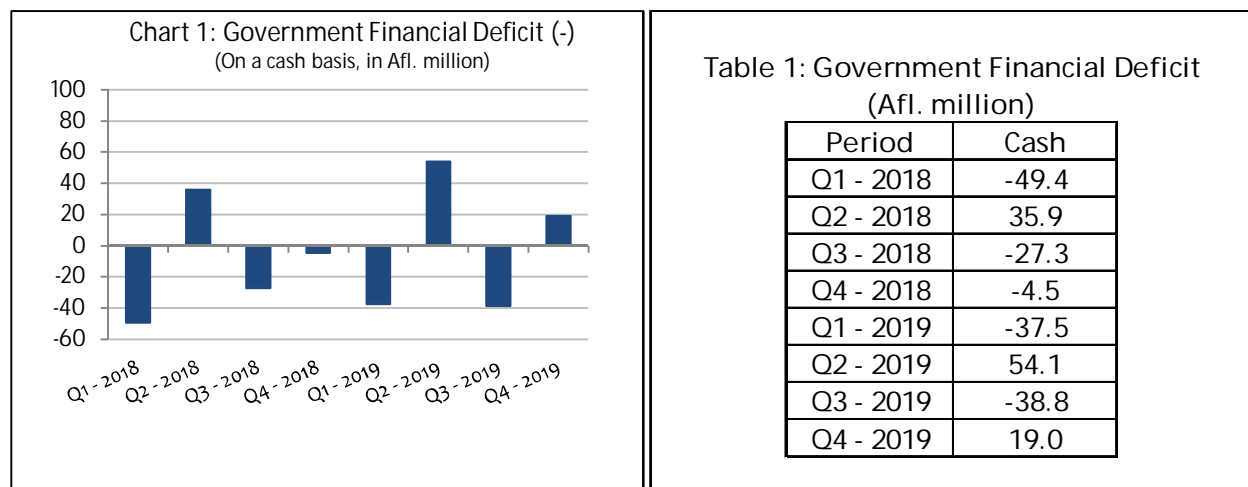
## CENTRALE BANK VAN ARUBA

### Statistical News Release

Date: March 23, 2020

The government registered a surplus in the fourth quarter of 2019

The government's financial deficit of Afl. 4.5 million in the fourth quarter of 2018 turned into an Afl. 19.0 million surplus in the fourth quarter of 2019. (Chart 1 and Table 1). The government recorded Afl. 4,318.3 million in outstanding debt at the end of December 2019, i.e., Afl. 19.2 million more than end-December 2018.

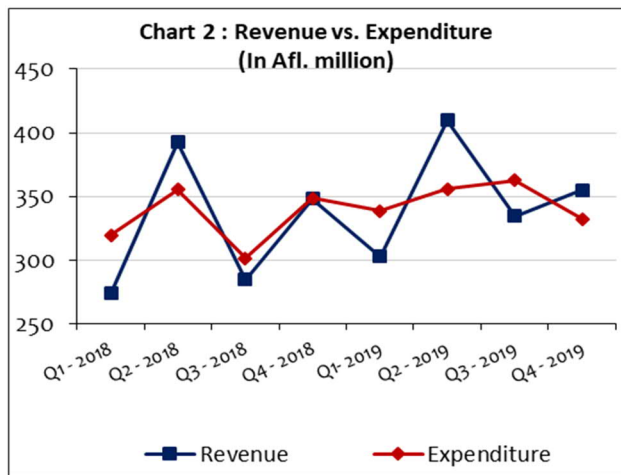


Source: Department of Finance; Tax Collector's Office; CBA.

### Financial operations

The government's total revenue grew by Afl. 7.0 million to Afl. 355.1 million in the fourth quarter of 2019, compared to the fourth quarter of 2018 (Chart 2 and Table 2). This growth resulted from an increase of Afl. 11.3 million in tax revenue and a decrease of Afl. 4.5 million in nontax revenue. The expansion in tax revenue was mainly due to higher income from income tax (+Afl. 32.9 million), turnover tax (B.B.O./B.A.V.P.) (+Afl. 3.4 million), excises on tobacco (+Afl. 2.5 million), excises on gasoline (+Afl. 2.2 million), and excises on liquor (+Afl. 2.0 million). These increases were partly counterbalanced by lower income from profit tax (-Afl. 25.6 million), wage tax (-Afl. 4.0 million), land tax (-Afl. 2.5 million) and motor vehicle fees (-Afl. 1.9 million).

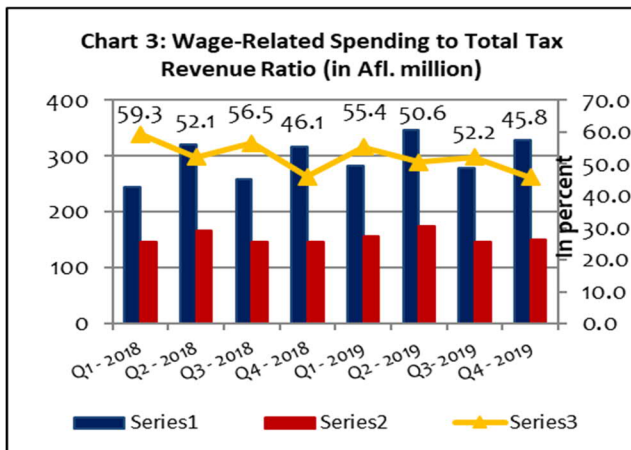
Total government expenditure contracted by Afl. 16.5 million to Afl. 332.2 million in the fourth quarter of 2019, compared to the same quarter of 2018. The downturn resulted mostly from lower spending on goods and services (-Afl. 13.0 million) and transfers and subsidies (-Afl. 8.9 million), which was partly mitigated by higher wages (+Afl. 3.6 million) and investment (+Afl. 2.1 million).



Period	Revenue	Expenditure
Q1 - 2018	273.9	319.8
Q2 - 2018	392.6	355.5
Q3 - 2018	284.8	301.6
Q4 - 2018	348.1	348.7
Q1 - 2019	302.8	338.8
Q2 - 2019	410.0	355.7
Q3 - 2019	334.5	362.8
Q4 - 2019	355.1	332.2

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

The government's wage-related spending expanded by Afl. 4.3 million to Afl. 150.3 million in the quarter under review, compared to the fourth quarter of 2018. This resulted from increases in wages (+Afl. 3.6 million) and employer's contribution (+Afl. 0.9 million) and a decrease in wage subsidies (-Afl. 0.2 million). In the quarter under review, the wage-related outlays to total-tax-revenue ratio noted a reduction of 0.3 percentage points to 45.8 percent, down from 46.1 percent in the fourth quarter of the previous year (Chart 3 and Table 3).



Period	Total Tax Revenue	Wage-Related Spending	WRS / TTR
Q1 - 2018	245.5	145.6	59.3
Q2 - 2018	321.2	167.5	52.1
Q3 - 2018	258.1	145.8	56.5
Q4 - 2018	316.7	146.0	46.1
Q1 - 2019	282.3	156.4	55.4
Q2 - 2019	346.3	175.2	50.6
Q3 - 2019	279.6	146.0	52.2
Q4 - 2019	328.0	150.3	45.8

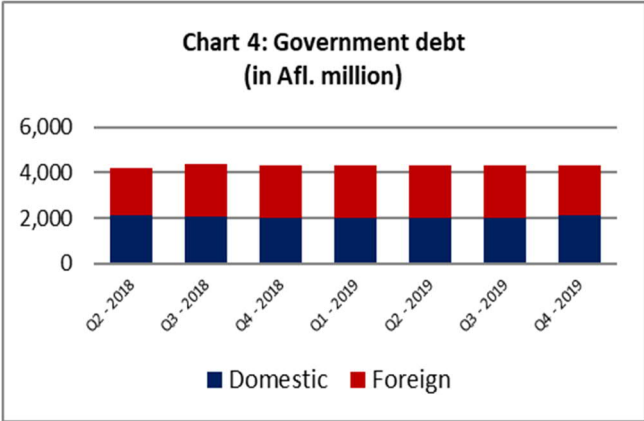
Source: Department of Finance; Tax Collector's Office; CBA.

### Outstanding debt

The government's total outstanding debt rose by Afl. 19.2 million or 0.4 percent to Afl. 4,318.3 million at end-December 2019, compared to the end of December 2018 (Chart 4 and Table 4). This rise resulted from an Afl. 76.8 million expansion in domestic debt, which was largely mitigated by an Afl. 57.7 million decline in foreign debt.

The growth in domestic debt resulted from increases in negotiable debt as well as in non-negotiable debt of Afl. 57.4 million and Afl. 19.6 million, respectively. The expansion in negotiable debt is attributed to a rise in government bonds (+Afl. 72.4 million), which was partly offset by a decrease in treasury bills (-Afl. 15.0 million). The increase in non-negotiable debt resulted from a growth in non-negotiable short-term debt (+Afl.26.4 million), which was partly offset by an Afl. 6.8 million drop in non-negotiable long term debt. Non-negotiable short-term debt expanded due to higher other non-negotiable debt (+AFL. 21.0 million), short-term liabilities to APFA (+Afl.3.5 million) and suppliers' credit (+Afl. 1.9 million). The non-negotiable long-term debt recorded a decline in long-term

liabilities to APFA of Afl 6.8 million. The reduction in foreign debt resulted from lower net claims of the United States (-Afl. 82.5 million) and the Netherlands (-Afl. 4.2 million), while other countries expanded by Afl. 29.6 million.



End-period	Domestic	Foreign	Total
Q1 - 2018	2,086.2	2,119.2	4,205.4
Q2 - 2018	2,118.0	2,089.9	4,208.0
Q3 - 2018	2,088.7	2,313.5	4,402.2
Q4 - 2018	2,030.8	2,268.4	4,299.1
Q1 - 2019	2,010.3	2,307.7	4,318.0
Q2 - 2019	2,033.2	2,305.2	4,338.4
Q3 - 2019	2,018.4	2,300.2	4,318.6
Q4 - 2019	2,107.6	2,210.7	4,318.3

Source: Department of Finance; APFA; CBA.