



Quarterly
Economic Bulletin
Government Sector

Q1 2024

August 23, 2024



CENTRALE BANK VAN ARUBA



Cover design:

Our turtles.

They choose Aruba's beaches as a safe haven;

They choose Aruba's beaches as their breeding ground;

They connect and communicate through vocalizations and body language.

Their slow and steady pace represents resilience and endurance.

The full text of this report is available on the CBA website.

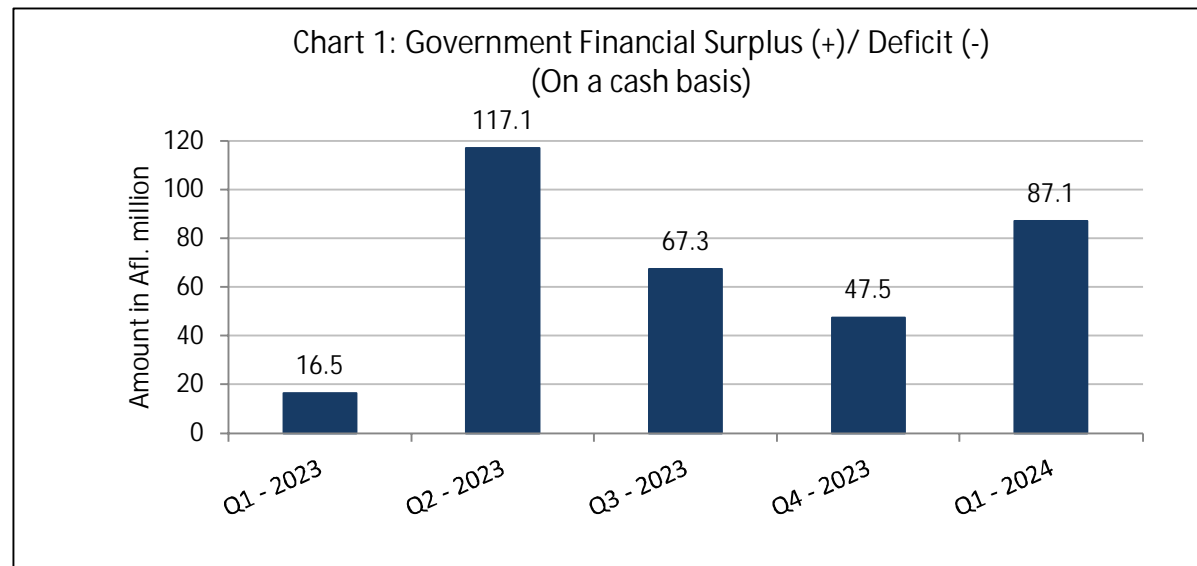
Correspondence related to this quarterly economic bulletin should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: www.cbaruba.org or E-mail: statistics.department@cbaruba.org



Government debt decreased in the first quarter of 2024

Quarterly economic bulletin
Results for the first quarter of 2024

The government's financial surplus¹ of Afl. 16.5 million in the first quarter of 2023 expanded to Afl. 87.1 million in the quarter under review (see Chart 1). The government recorded Afl. 5,439.3 million in outstanding debt at the end of March 2024, i.e., Afl. 320.9 million less than at end-March 2023.



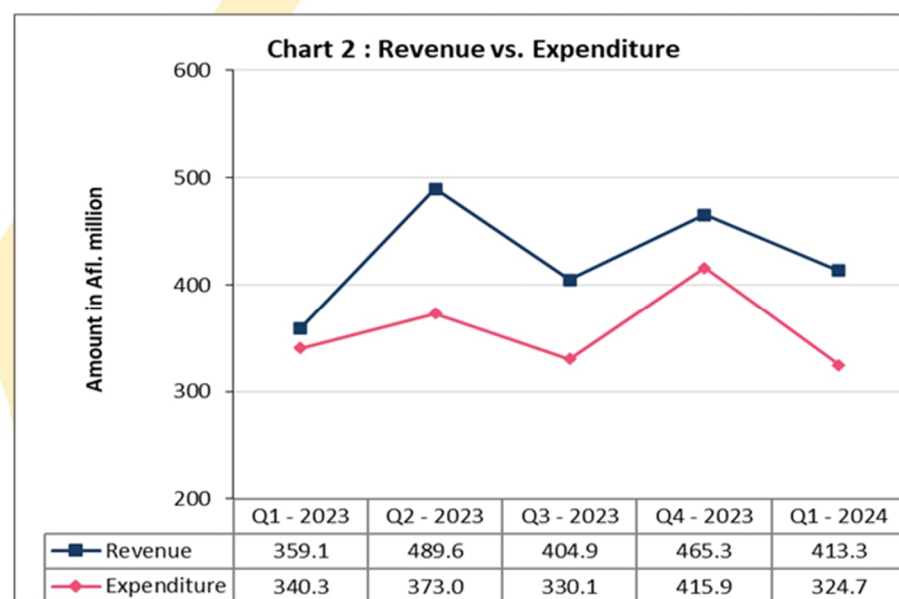
Source: Department of Finance; Tax Collector's Office; CBA

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.

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Financial operations

The government's total revenue expanded by Afl. 54.2 million to Afl. 413.3 million in the first quarter of 2024, compared to the first quarter of 2023 (see Chart 2). This growth resulted from an increase in tax revenue of Afl. 61.1 million, and a decrease in nontax revenue of Afl. 6.8 million. The increase in tax revenue was due mainly to higher income from turnover tax (+Afl. 22.6 million), hotel room tax (+Afl. 11.1 million), wage tax (+Afl. 9.9 million), foreign exchange tax (+Afl. 4.1 million), and profit tax (+3.2 million).

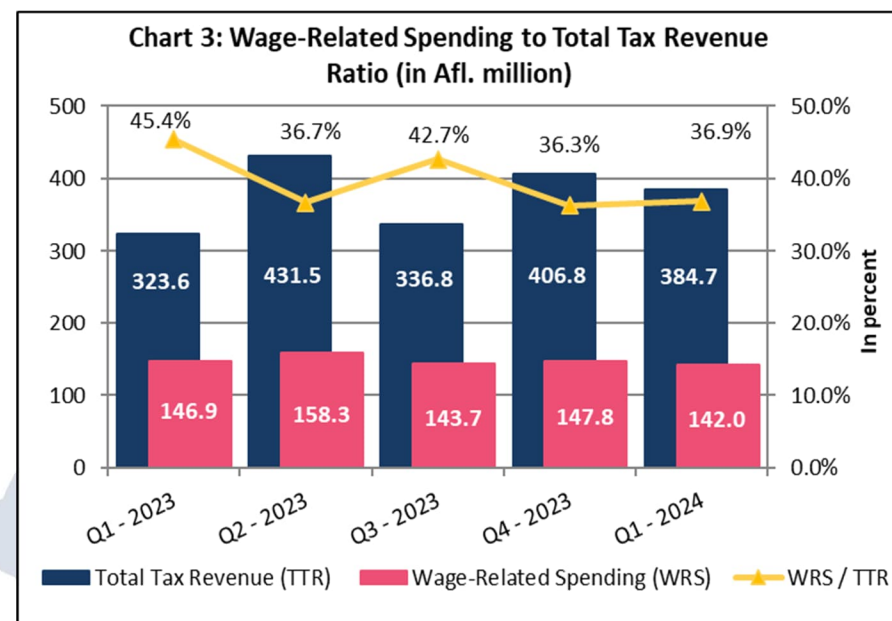


Source: Department of Finance; Tax Collector's Office; CBA.

Total government expenditure contracted by Afl. 15.6 million to Afl. 324.7 million in the first quarter of 2024, compared to the same quarter of 2023 (see Chart 2). This decrease stemmed primarily from lower spending

on wage subsidies (-Afl. 4.8 million), interest (-Afl. 4.4 million), transfers and subsidies (-Afl. 2.6 million), and goods and services (-Afl. 2.3 million). In contrast, wages registered an increase (+Afl. 1.0 million) in the quarter under review.

The government's wage-related spending declined by Afl. 4.9 million to Afl. 142.0 million in the quarter under review, because of decreases in wage subsidies and employer's contribution. In the first quarter of 2024, the wage-related outlays to total-tax-revenue ratio noted a decrease of 8.5 percentage points to 36.9 percent, down from 45.4 percent in the first quarter of the previous year (see Chart 3).



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

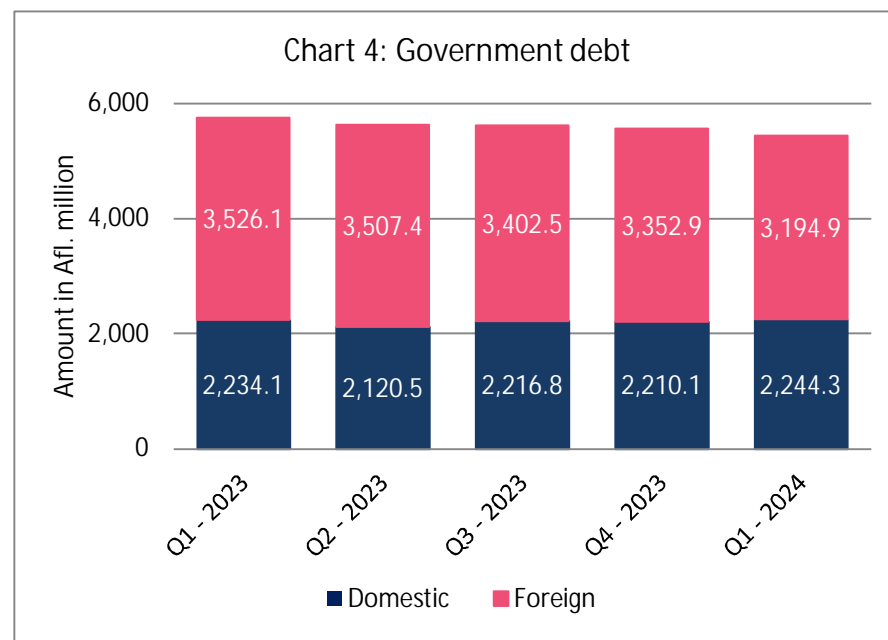
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Outstanding debt

The government's total outstanding debt dropped by Afl. 320.9 million or 5.6 percent to Afl. 5,439.3 million at end-March 2024, compared to the end of March 2023 (see Chart 4). This decrease resulted from lower foreign debt (-Afl. 331.2 million), and higher domestic debt (+Afl. 10.2 million).

The drop in foreign debt was caused mainly due to a decline in claims of the United States and other countries of Afl. 290.3 million and Afl. 38.2 million, respectively.

The increase in domestic debt stemmed from higher negotiable debt of Afl. 103.5 million and lower non-negotiable debt of Afl. 93.3 million. The upsurge in negotiable debt was attributed to an increase in government bonds of Afl. 157.3 million and a decrease in treasury bills of Afl. 53.7 million. The drop in non-negotiable debt resulted from decreases in both non-negotiable short-term debt (-Afl. 86.9 million) and non-negotiable long-term debt (-Afl. 6.4 million). The decrease in non-negotiable short-term debt was primarily due to lower other short-term debt (-Afl. 71.2 million), while the decline in non-negotiable long-term debt was mainly because of lower long-term liabilities to APFA (-Afl. 5.5 million).



Source: Department of Finance; APFA; CBA.

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A stylized map of Aruba is shown in dark blue on the left side of the page. A thick yellow line represents the coastline, separating the land from the ocean. The ocean is a lighter blue color. Several dark blue silhouettes of sea turtles are scattered throughout the water. On the right side of the page, there are horizontal white lines representing a window blind or a screen, with a sea turtle silhouette visible behind them.

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