



CENTRALE BANK VAN ARUBA

## **Tourism expected to drive modest expansion of the Aruban economy in 2025 and 2026**

Press release

March 5, 2025

*Today, the Centrale Bank van Aruba (CBA) published its most recent Economic Outlook. This publication contains economic projections for the short (2025-2026) and medium term (2027-2028)<sup>1</sup>.*

**Based on CBA's estimation, real Gross Domestic Product (GDP) is likely to expand by 2.1% in 2025 and 2.9% in 2026, a slow-down compared to the 6.8% growth registered in 2024.** This deceleration is mainly the outcome of a less buoyant growth in tourism exports (i.e., +2.3% in 2025 and +2.1% in 2026), resulting from air seat capacity constraints. Consequently, the tourism-driven growth in real consumption (i.e., +0.8% in 2025 and +0.7% in 2026) is also forecasted to be tempered.

**In 2025, estimated real investment is anticipated to grow marginally, as there are relatively fewer new private construction projects to compensate for those finalized in 2024.** Moreover, real public sector investment outlays are expected to decline during the year. For 2026, the outlook for real investment is more favorable (+5.8%), principally due to the planned construction of a new hotel.

**Imports follow the developments in consumption, investment, and exports.** Given the low growth in exports and domestic demand, real imports are projected to only inch up by 0.3% in 2025 before accelerating to a growth of 1.8% in 2026.

**In the medium term, the CBA estimates real GDP growth to amount to 2.4% in 2027 and 2.0% in 2028.** The main drivers of real GDP growth through this forecasting horizon are (tourism) exports, consumption, and investment.

**The Balance of Payments (BOP) is foreseen to record surpluses of Afl. 923.0 million in 2025 and Afl. 1,035.5 million in 2026.** The surpluses are principally due to higher tourism revenues.

---

<sup>1</sup> The Economic Outlook contains forecasts that represent assumptions and expectations of the CBA in light of available information up to and including January 2025 (cut-off date). These projections are subject to many uncertainties. The actual results, as published by the Central Bureau Statistics (CBS), may differ from those projected in the Economic Outlook of the CBA. Consequently, no guarantee or warranty is presented as to the accuracy of specific forecasts contained therein. The CBA does not assume any liability for any loss that may result from the reliance on the information in this publication.

Nevertheless, the expectation of a growing local economy and rising global prices for services induces service payment outflows. Moreover, growth in tourism exports, consumption, and investment pushes up outflows related to goods import. Higher dividend payments to abroad are also likely to weigh upon the surpluses.

**With regard to price developments, the CBA projects a twelve-month average inflation rate of 0.9% in 2025, driven by the core component (excluding changes in the prices of food and energy).** Consistent with the longer-term average, inflation is forecasted to reach 2.0% in 2026.

**Table 1 summarizes the estimated growth in GDP and its components (2024-2026).** The complete publication is available on the CBA’s website ([www.cbaruba.org](http://www.cbaruba.org)).

<b>Table 1: Growth of real GDP and its components 2024 – 2026 (in %)</b>			
<b>Indicator</b>	<b>2024 e</b>	<b>2025 f</b>	<b>2026 f</b>
<b>Current outlook</b>			
<b>GDP</b>	6.8	2.1	2.9
<b>Consumption</b>	-0.2	0.8	0.7
<b>Private consumption</b>	2.2	1.4	1.3
<b>Public consumption</b>	-7.4	-1.3	-1.2
<b>Investment</b>	22.4	0.3	7.0
<b>Private investment</b>	19.4	0.7	5.8
<b>Public investment</b>	345.6	-9.6	43.6
<b>Exports</b>	9.8	2.2	2.4
<b>Tourism exports</b>	9.0	2.3	2.1
<b>Non-tourism exports</b>	13.0	1.7	3.8
<b>Imports</b>	7.8	0.3	1.8

Source: CBA

e = estimate, f = forecast