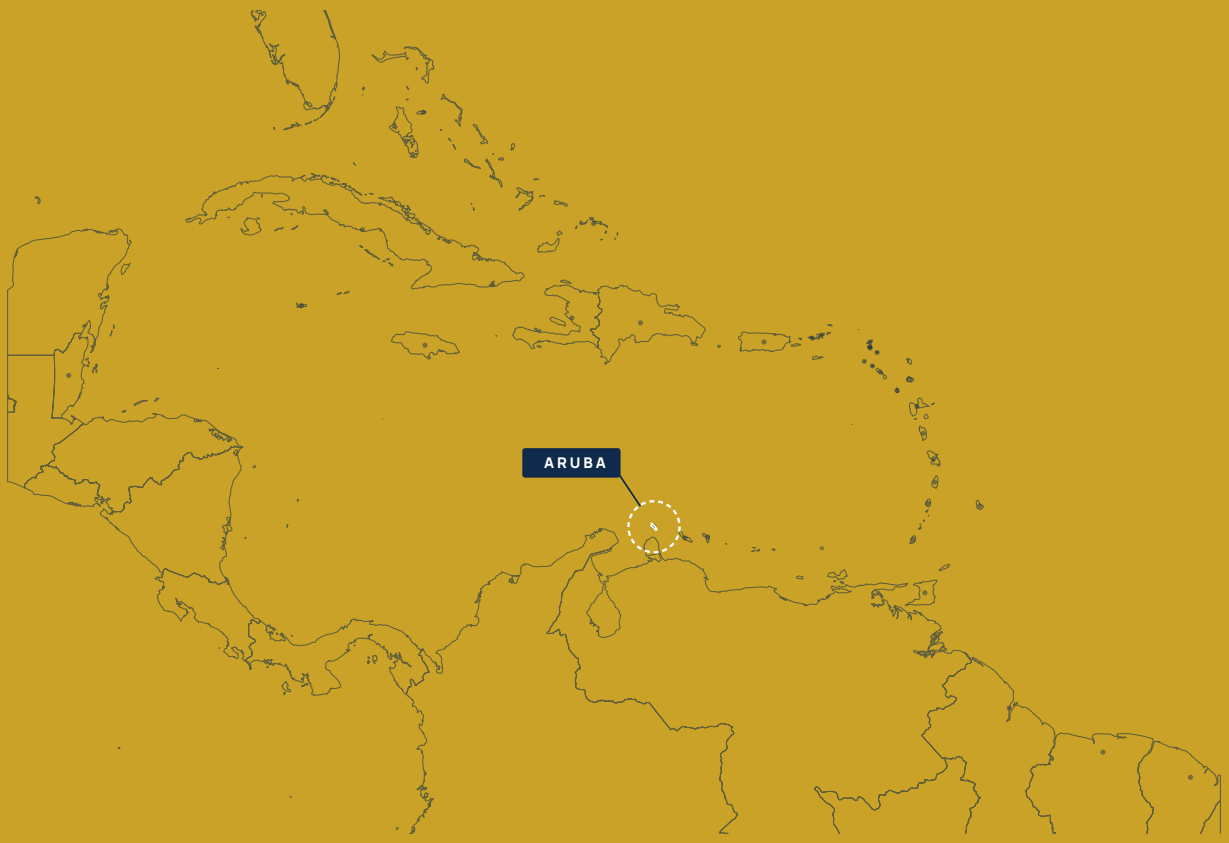


FISCAL BALANCE

+2.6% of GDP

Collective-sector surplus, adopted 2026 budget

REAL GDP GROWTH

3.7%

Centrale Bank van Aruba projection for 2026

PUBLIC DEBT

AWG 5.08 billion

Government debt, end-June 2026

CARIBBEAN TAX SERVICE DESK · SOUTHERN CARIBBEAN

Aruba Budget Review 2026

What the 2026 Budget means for businesses and individuals

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FOREWORD

Aruba's 2026 Budget is a surplus budget. It keeps public finances inside the rules supervised within the Kingdom, while directing new tax incentives at start-ups and at the two city centres.

The Budget pairs debt reduction with targeted support: a higher repair allowance for pensioners, a new hourly minimum wage, relief on fuel and new tax incentives for start-ups and for redevelopment in Oranjestad and San Nicolas. The imputation payment company transition has ended, and the draft 2027 Budget is now before Parliament.

This review sets out the figures, the measures and their effective dates, and what they mean for each sector. It should be read with our Aruba Doing Business Guide and Tax Guide.

Aruba is served by Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston, with tax matters handled by our Caribbean Tax Service Desk. We would be glad to help you work through the impact on your business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This review summarises the 2026 Budget and what it means for businesses and individuals in Aruba. It is general information, current to October 2026; measures may change as they pass into law. Our companion Doing Business and Tax Guides give the wider picture. Speak to us before you act.

OVERVIEW

01 Budget at a glance

Aruba's budget runs on the calendar year. The draft 2026 Budget was presented to Parliament in the autumn of 2025 by the Minister of Finance, Economic Affairs and Primary Sector, Hon. Geoffrey Wever, and the College Aruba financieel toezicht (CAft) reported on the adopted budget in January 2026.

FISCAL BALANCE
+2.6% of GDP
Collective-sector surplus; the legal minimum is 1%

NOMINAL GDP
AWG 8.08 bn
DEACI forecast for 2026, the first year above AWG 8 billion

PUBLIC DEBT
AWG 5.08 bn
End-June 2026, down from about 116% of GDP in 2020

REPAIR ALLOWANCE
+AWG 150 a month
Per pensioner from 1 January 2026

HALF-YEAR SURPLUS
AWG 233.7 m
Government, January to June 2026

PROFIT TAX
22%
Unchanged; no VAT introduced

Five key messages

- **A surplus budget.** The fiscal rules are met, and the surplus goes mainly to debt reduction.
- **New incentives.** Start-up and Oranjestad and San Nicolas regimes took effect on 1 January 2026.
- **Support for households.** A higher repair allowance for pensioners, an hourly minimum wage and fuel relief.
- **Transition complete.** The imputation payment company (IPC) transition has ended.
- **2027 next.** The draft 2027 Budget was submitted to Parliament on 1 September 2026 and is still a proposal.

ECONOMY

02 Economic context

Growth is moderating after a strong 2025, with tourism still the main engine and fuel prices the main source of price pressure.

REAL GDP
3.7%
CBA projection for 2026, after an estimated 6.3% in 2025

INFLATION
2.4%
CBA projection for 2026, from 0.1% in 2025

VISITORS
1.5 million
Stay-over visitors in 2025, up 7%

UNEMPLOYMENT
4.3%
2024, well below the long-run average

RESERVES
AWG 5.32 bn
International reserves, May 2026; about 10 months of foreign payments

CURRENCY
AWG 1.79 = US$1
Fixed peg; bank reserve requirement 12.5%

Outlook

The Centrale Bank van Aruba expects growth to slow to 2.3% in 2027 and about 1% by 2030. In an adverse case of high oil prices through 2027, growth falls to 0.4% and inflation rises to 4.9%. DEACI forecasts nominal GDP of about AWG 8.4 billion in 2027.

Risks

The CBA lists tourism demand, energy prices, labour availability, investment delivery, fiscal policy and global conditions.

IMF view

The IMF found the 2026 draft budget compliant with the fiscal rules and slightly expansionary, and suggested about 0.3% of GDP of further savings. It recommends evaluating a broad-based VAT, containing the wage bill and reviewing social security and health finances for an ageing population.

PUBLIC FINANCES

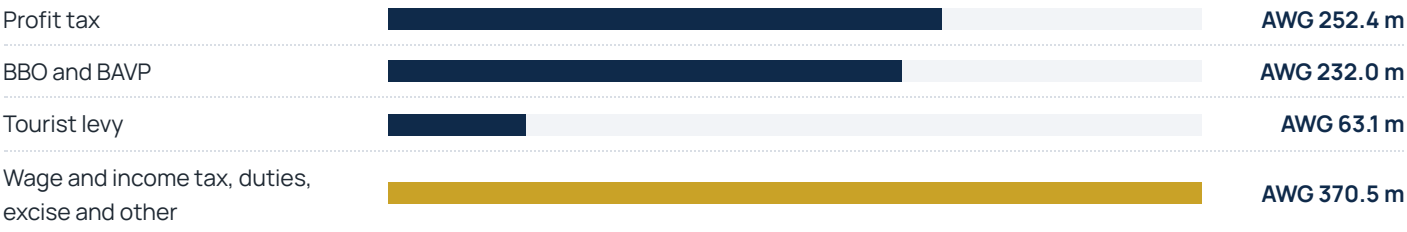
03 Fiscal framework

The 2026 Budget targets a collective-sector surplus of 2.6% of GDP, well above the 1% minimum. Half-year results show revenue running ahead of spending.

Government, AWG million	Q1 2026	Q2 2026	January–June 2026
Revenue	436.8	670.6	1,107.4
Expenditure	376.2	496.7	872.9
Financial surplus	58.8	174.9	233.7
Debt at quarter-end	5,003.9	5,082.2	—

Centrale Bank van Aruba quarterly bulletins. Q1 revenue rose by AWG 23.7 million on a year earlier, mainly from tax.

Tax revenue, January to June 2026: AWG 918 million, up 7%



Government figures. Profit tax was the highest for a first half since at least 2019; BBO and BAVP rose 8% and the tourist levy 18%. The gold bar is the balance of tax revenue.

How the budget was adopted

Capital spending in the adopted budget was cut to AWG 7 million, from AWG 50 million in the draft. The CAft noted that the fiscal space goes mainly to structural policy, debt reduction and social transfers. Public sector personnel costs are projected at 8.2% of GDP for 2026.

BUSINESS TAX

04 Tax measures for businesses

There are no changes to the profit tax rates. The 2026 changes for companies are two new incentive regimes, set by ministerial decree from 1 January 2026, and the end of the IPC transition.

Measure	What changes	Effective	Who is affected
Start-up regime	For five years: profit exemption up to AWG 50,000 a year, a 20% investment allowance and a deduction for 50% of new bank loans, up to AWG 30,000 a year. The minimum salary for working shareholders is the statutory minimum wage.	Companies formed from 1 Jan 2026	New companies in tourism, knowledge economy, logistics, agriculture, circular economy and creative industries
Oranjestad and San Nicolas	Exempt company status to 31 December 2035 on qualifying redevelopment income, dividend tax exemption, and transfer and turnover tax relief. Minimum investment: the higher of AWG 500,000 or 50% of the property value.	1 Jan 2026	Property owners and developers in the city centres
IPC transition	The transitional regime covered only fiscal years beginning before 2026, so the single 22% rate now applies. Distributions of IPC profits stay at 0% dividend tax through 2027.	From 2026	Former IPCs and their shareholders

Conditions

Start-ups must register within one month, reinvest at least 15% of turnover, pay no dividends or shareholder loans in the five years and show real substance. The city-centre exemption is revoked retroactively if conditions are breached.

Unchanged

Profit tax of 22%; 2% for qualifying free zone companies; 10% dividend tax; no withholding on interest or royalties; 10% investment allowance; no Pillar Two legislation.

INDIVIDUALS

05 Tax measures for individuals and households

The rate cuts of 2025 continue, and the 2026 measures focus on pensioners, low earners and the cost of fuel.

Taxable income, 2026 (AWG)	Rate
Up to 34,930	0%
34,931 to 63,904	21%
63,905 to 135,527	42%
Above 135,527	52%

The bands apply after a tax-free amount of AWG 30,000, so income up to AWG 64,930 is untaxed. The Departamento di Impuesto updated the 2026 wage tax tables, including the small income allowance table.

Pensioners and seniors

- Repair allowance up AWG 150 a month per pensioner from 1 January 2026, at a cost of at least AWG 140 million a year
- Higher old-age pensions and lower health costs for some seniors

Wages and social premiums

An hourly minimum wage of AWG 11.58 applies from 1 January 2026 to employees aged 18 and over. Social premium rates are unchanged for 2026. SVB sets the premium rates and the maximum wages each year; confirm the current figures with SVB.

Household costs

Fuel excise was reduced from May 2025. Government then cushioned pump prices from April to mid-August 2026 with AWG 10 million of support. When that ended, it said help would go to lower-income families through higher social assistance and school allowances.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

There are no new indirect taxes in 2026. Turnover tax and tourist levy receipts are rising with tourism and imports.

Tax	2026 position	Revenue, Jan–Jun 2026
Turnover taxes	BBO 2.5%, BAVP 1.5% and BAZV 3%, 7% combined on local supplies and imports; unchanged	BBO and BAVP AWG 232 million, up 8%
Tourist levy	12.5% on hotel and resort stays; unchanged	AWG 63.1 million, up 18%
Fuel excise	Reduced on gasoline and diesel from May 2025, with temporary price support in 2026	Gasoline excise lower than a year earlier
Import duty and excise	Aruba's own tariff, plus excise on fuel, alcohol and tobacco	—
Start-up turnover tax relief	Qualifying start-ups may use the small business scheme for turnover below AWG 50,000	—

VAT

Aruba has no VAT, and no VAT legislation has been introduced. The IMF has recommended evaluating a broad-based VAT; any change would need new law.

Administration

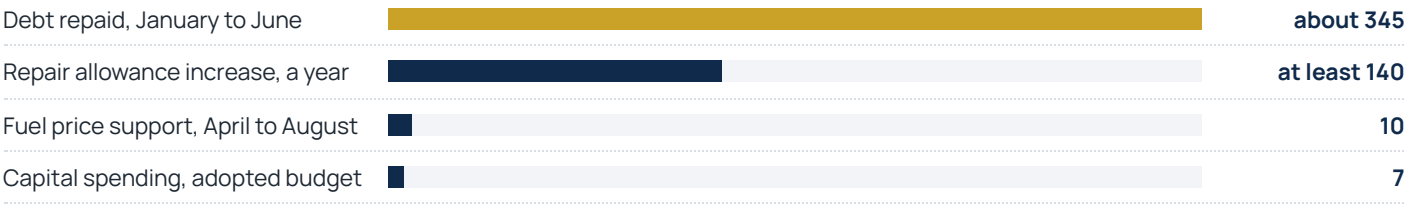
Profit tax and dividend tax returns are filed online. In August 2026 the Court of First Instance confirmed that turnover tax penalties apply without a reminder, so pay on time.

SPENDING

07 Spending priorities and capital programme

The 2026 Budget puts its fiscal space into social transfers and debt reduction. Public investment depends on a new investment fund that is not yet operating.

Selected 2026 commitments, AWG million



Government and CAft figures. The gold bar is debt repayment.

Investment fund

The CAft asked for the General Investment and Development Fund (AIOF) to be set up by the first quarter of 2026, with a multi-year investment agenda. It was not formally established by then, and in July 2026 the CAft said the fund still had to submit its budget and investment agenda. Until it operates, reserved investment money cannot be used.

2027 priorities (proposed)

- Pensions and repair allowance
- Purchasing power
- Entrepreneurship
- Agriculture
- Blue economy
- Fintech
- Renewable energy
- Creative industry
- Oranjestad and San Nicolas

The draft 2027 Budget moves towards policy-based budgeting, linking spending to goals and results.

DEBT

08 Debt, financing and fiscal rules

Debt has fallen fast since the pandemic, and the fiscal rules require a surplus that is used to repay it.

Public debt, % of GDP

2020	116.3%
2024	68.6%
2025 projected	64.4%
2026 projected	61.4%
2030 projected	50.4%

IMF central government figures and projections, October 2025. Debt was AWG 5,082.2 million at end-June 2026, down 3.7% in the quarter.

2027 (proposed)

The draft 2027 Budget projects a surplus of AWG 84.1 million for the Country, 1% of GDP, more than AWG 203 million for the collective sector, and collective-sector debt of 54% of GDP in 2027.

Fiscal rules

- The National Ordinance on Aruba Financial Supervision (LAft) requires a surplus of at least 1% of GDP, used to reduce debt
- Personnel costs must stay below 10% of GDP from 2027
- Debt must fall to no more than 50% of GDP by 2040
- The CAft advises on each budget and on quarterly execution reports

Proposed reform

A proposed Kingdom Act on sustainable public finances would replace the current rules with a debt anchor and a primary balance rule. It is not yet law.

Risks to watch

The CAft points to weak investment delivery, rising transfer costs as the population ages, the unapplied income test for the repair allowance, AZV and SVB surpluses not yet secured by agreement, and state-owned enterprise risks.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	Tourist levy receipts up 18% in the first half. No rate changes. The start-up regime covers new tourism businesses. Tourism growth is expected to slow in 2027.
Real estate and construction	Exempt status to 2035 and transfer and turnover tax relief for qualifying redevelopment in Oranjestad and San Nicolas. Public capital spending is small until the investment fund operates.
Retail and distribution	Turnover tax receipts up 8%, helped by the fiscal stimulus to household spending. Fuel and import costs remain the main price risk.
Financial services	Strong reserves and a 12.5% reserve requirement. Start-ups can deduct half of new loans from supervised Aruban lenders.
Energy and transport	Fuel excise relief since May 2025 and temporary price support in 2026. Renewable energy is a 2027 priority (proposed).
Technology and knowledge	Knowledge economy start-ups qualify for the five-year regime. Fintech is a 2027 priority (proposed).
Agriculture and logistics	Both are start-up sectors; agriculture and the blue economy feature in the draft 2027 Budget.
SMEs	Start-ups get profit tax and turnover tax relief for five years. Budget for the hourly minimum wage.
Employers generally	Apply the 2026 wage tax tables and minimum wage, and confirm premium rates and maximum wages with SVB.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Test new companies against the start-up regime
- [ ] Assess city-centre property projects before investing
- [ ] Plan former IPC distributions before the end of 2027
- [ ] Check payroll for the minimum wage and 2026 tables
- [ ] Pay turnover tax on time; penalties need no reminder
- [ ] Follow the 2027 Budget through Parliament

Individuals

- [ ] Check withholding under the 2026 wage tax tables
- [ ] Pensioners: confirm the repair allowance is paid
- [ ] File 2026 returns by the end of February 2027

Date	What happens
1 January 2026	Incentive regimes; minimum wage AWG 11.58 an hour; repair allowance up AWG 150
15th monthly	Wage tax, premiums and turnover tax
31 May 2026	Profit tax return or provisional return
April–August 2026	Temporary fuel price support
1 September 2026	Draft 2027 Budget submitted to Parliament
30 November 2026	Final profit tax return under the extension
End of February 2027	Individual returns for 2026, unless extended
1 January 2027	2027 Budget, if adopted; personnel cost ceiling applies
31 December 2027	0% dividend tax on IPC profits ends
31 December 2035	City-centre exempt period ends

Dates assume a calendar year-end.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps businesses and individuals turn the Budget into a plan.

Budget impact assessment

Modelling the measures against your costs, prices, margins and tax position.

Tax planning and restructuring

Former IPC structures, dividends, group structure and investment timing.

Compliance updates and payroll changes

Wage tax tables, the minimum wage, SVB premiums and turnover tax.

Incentives and concessions

Start-up, Oranjestad and San Nicolas, and free zone regimes.

Cash flow and pricing reviews

Forecasts, fuel and import costs, pricing and working capital.

Engagement with the tax authority

Rulings, objections, audits and correspondence with the Departamento di Impuesto and Customs.

Start with a conversation

Tell us how the 2026 Budget affects your plans, and we will set out the steps for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **aruba@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget

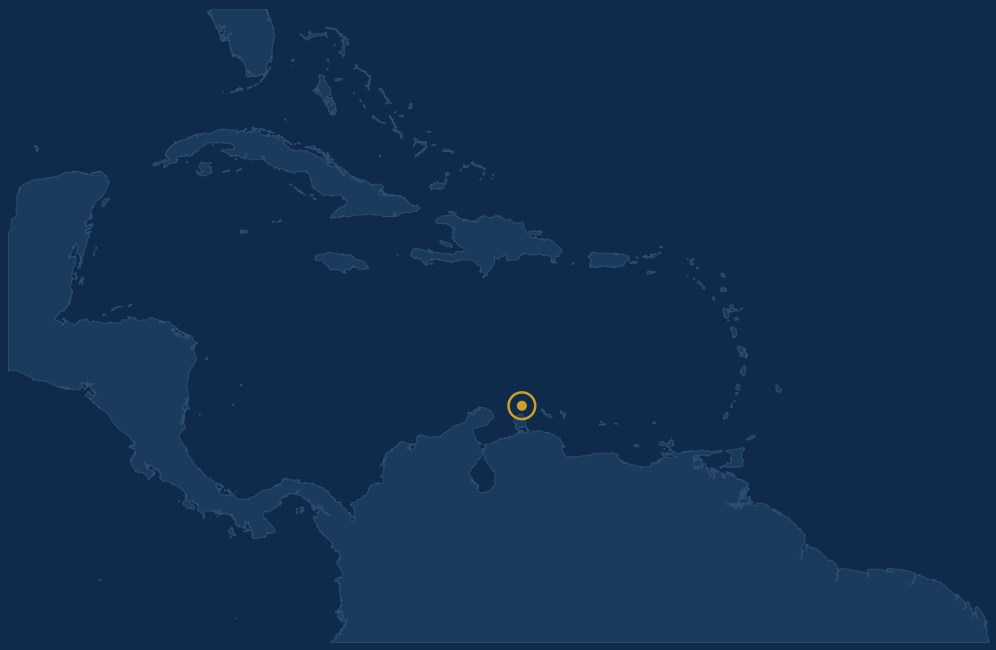
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Key official sources

- Government of Aruba, Ministry of Finance, Economic Affairs and Primary Sector (gobierno.aw)
- Parliament of Aruba (parlamento.aw)
- College Aruba financieel toezicht (CAft)
- Departamento di Impuesto (impuesto.aw)
- Centrale Bank van Aruba (cbaruba.org)
- Sociale Verzekeringsbank Aruba (svbaruba.org)
- Department of Economic Affairs, Commerce and Industry, DEACI (gobierno.aw)
- International Monetary Fund, 2025 Article IV mission (imf.org)



This publication contains general information only, current to October 2026, and is not professional advice. Budget figures are estimates, and measures may change as they pass into law or are implemented; the draft 2027 Budget is a proposal until adopted. Confirm the current position with Dawgen Global or the relevant authority before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.

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