



Press release

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CAft: "Continuation of reforms keeps healthcare affordable"

Oranjestad – Aruba has been realizing surpluses since 2023, and repays debts annually. Combined with the economic growth, this leads to a rapid reduction of the debt ratio. At the same time, the foundation remains fragile: interest expenses remain exceptionally high, and due to the aging population, healthcare expenditure will make up an increasingly larger share of the budget in the future. The CAft also identifies risks regarding the hospital. Reforms remain necessary to ensure sustainability of public finances.

Future-proof healthcare

The CAft notes that Aruba is showing positive developments in several areas within healthcare. For example, the healthcare ratio of 8.7 percent of gross domestic product (GDP) in 2023 has been reduced. Controlling healthcare expenditure remains important given the aging population. In that context, it is positive that the AZV is working on adopting a long-term perspective and applying a multi-year expenditure framework as a control tool.

Aruba is implementing reforms as outlined in the healthcare agreement. The focus is on relieving the burden on hospital care by strengthening the gatekeeper role of general practitioners and by promoting prevention. At the same time, policies are needed to accommodate the increasing demand for long-term care. Currently, expenditure for elderly care is still limited, but the aging population will increase the demand for care. It is therefore essential to make choices now that will keep healthcare future-proof and affordable.

In discussions with several parties, shortcomings in the hospital building have been mentioned. If no solution is found, there is a risk that healthcare will be compromised. Considering the vital role of healthcare, it is important that the parties involved take responsibility and quickly reach agreement on a joint approach.

Getting the basics right

Although Aruba has been realizing surpluses since 2023 and the debt ratio is being reduced rapidly, interest expenses still weigh heavily: at current, 16 percent of the budget is spent on interest. Therefore, debt reduction remains essential and will also lead to budgetary room for healthcare reforms. In that context, the CAft points out the amount of over AWG 500 million in surplus funds at the AZV and the Sociale Verzekeringsbank, which can be (partially) used for debt repayment, subject to the statutory requirement to keep a reserve.

Furthermore, the CAft emphasizes the importance of stricter supervision and management of government entities. Establishment of a participations and dividend policy is a prerequisite. Prompt implementation of adequate corporate governance is also essential.



[End of press release]

Photographer: Nathan Roosberg

Photo caption: If no solution is found to the shortcomings in the hospital building, there is a risk that healthcare will be compromised.

Note for the editor – not for publication

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