



Press release

February 20th 2019

Drastic measures unavoidable for Curaçao

Willemstad - The government of Curaçao has been given until coming March 6th to present solutions for a minimum amount of 127 million guilders with which the 2019 budget can be balanced. Just like it was the case the previous two years, this year again a budget deficit seems eminent, based on which the standards laid down in the Kingdom Act on Financial Supervision cannot be met. Therefore, substantial and urgent measures are needed to balance the Curaçao budget. The measures will need to have an effect that lasts for several years, because also on the long term a considerable shortage is foreseeable.

Minister Gijsbertha has already indicated that, considering the fact that the tax revenues did not meet the forecast, he will decrease the initial estimated revenues in the 2019 budget with 92 million guilders. In addition, a downward adjustment of other revenues of at least 35 million guilders must also be taken into account. In total, the government must therefore present at least 127 million guilders in real revenue-increasing and/or cost-reducing measures in 2019. As a result of the rising health costs and the costs of the old age fund (AOV), multi-year deficits in the social funds can also be anticipated. These rise to 1.25 billion guilders in 2028. Chairman Raymond Gradus declares: "In order to guarantee these facilities for later generations, reforms will be needed in order to make the multi-annual budget realistic and sustainable."

The government of Curaçao has already presented a number of measures, such as a commitment stop, no hiring of new personnel and the postponement of decision-making on the indexation of government personnel. However, the Cft has asked for a full bundle of measures that for the year 2019 will add to at least 127 million guilders whilst balancing the budget on a long-term basis as well. Moreover, the Cft has requested that the other risks for the budget, such as the education covenant, the additional charges for HNO, the residual debts of Sehos and the operating deficit of C-Post be registered and covered. The Cft has given the government the time to do so until March 6th at the latest, so the budget can be audited by a committee that was set up for that specific purpose. This should lead to a budget amendment that will be submitted to Parliament before April 1st.

During its visit to Curaçao, the Cft spoke with the Governor, the Council of Ministers, the Minister of Finance, the financial committee of Parliament and the management of both Sehos and the SVB. Also a meeting was held with the Minister of Finance, the SOAB, the National Audit Office Curaçao and the Cft, during which the roadmap towards an unqualified audit report on the 2021 financial statements was discussed. The Cft consists of the following members: Raymond Gradus (chairman), Gregory Damoen (member on behalf of Curaçao), Henk Kamp (member on behalf of the Netherlands) and Russell Voges (member on behalf of Sint Maarten).

[End of Press release]



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Caption:

Up till March 6th the government of Curaçao has the time present solutions to the budget for 127 million guilders.

Note for the editing department – not for publication

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