

INTERVIEW WITH THE PRIME MINISTER OF ARUBA: EVELYN WEVER-CROES

By Thayisa Farro, Senior Tax Advisor at Grant Thornton Aruba

On July 1, 2022, I had the honor to interview the first female Prime Minister of Aruba, Mrs. Evelyn Wever-Croes. During this interview, we covered topics such as the upcoming tax reform of 2023, the economy of Aruba, Aruba's investment climate, and Aruba as a sustainable island.

A DAY IN THE LIFE

The Prime Minister's normal workday starts at 6.00 a.m. with some quality family time before she starts checking her WhatsApp and e-mails. By 8.00 a.m. she arrives at the "Bestuurskantoor" (Government's office) where she attends a day filled with meetings. These usually tend to end at around 7.00 p.m. Once she arrives home and after having dinner, her workday continues. It is at nighttime when the Prime Minister digs deeper into the paperwork, reviewing and drawing up of advices, and finalizing pending matters until the wee hours of the morning. In her free time, the Prime Minister loves spending time with her family. She also enjoys going to the beach and takes pleasure in reading a good book.



Mrs. Evelyn Wever-Croes

FROM MEDICINE TO POLITICS

Being born and raised in a political family, the Prime Minister lacked the same interest in politics. After graduating from high school in Aruba she moved to Costa Rica to pursue a degree in medicine. However, after 6 months she returned to Aruba to be close to her family. Notwithstanding being in Aruba, she enrolled in the University of the Netherlands Antilles where she studied Antillean law. However, since the University of the Netherlands Antilles withdrew Antillean law, she had to move abroad to the Netherlands to complete her degree. The Prime Minister obtained her master's degree in tax law at Leiden University. She then quickly returned to Aruba. At 22 years old, the Prime Minister started working at the tax authorities. After 13 years, she left the public sector and started working at a law office, determined to become a lawyer. In the meantime, the Prime Minister received various remarks and requests (from amongst others the Prime Minister of back then, Mr. Nelson Oduber) to go into politics. After a while, the Prime Minister realized that by being involved in politics she can have a greater impact and can better help the community of Aruba compared to working in the private sector. In 2009 she participated in her first political election and has been active in politics ever since.

LET'S TALK ABOUT TAX

When asked for the Prime Minister's opinion on the ongoing worldwide shift from direct to indirect taxes the Prime Minister mentioned that since the beginning of her career, she was an advocate for the shift from direct to indirect taxes. As of 1989 when the Prime Minister started working at the tax authorities, there were talks about shifting in the direction of indirect taxes (at that time the "omzetbelasting"). There was a high demand to modernize the Aruba tax system. However, it was not until 2007, that the turnover tax ("BBO") was introduced.

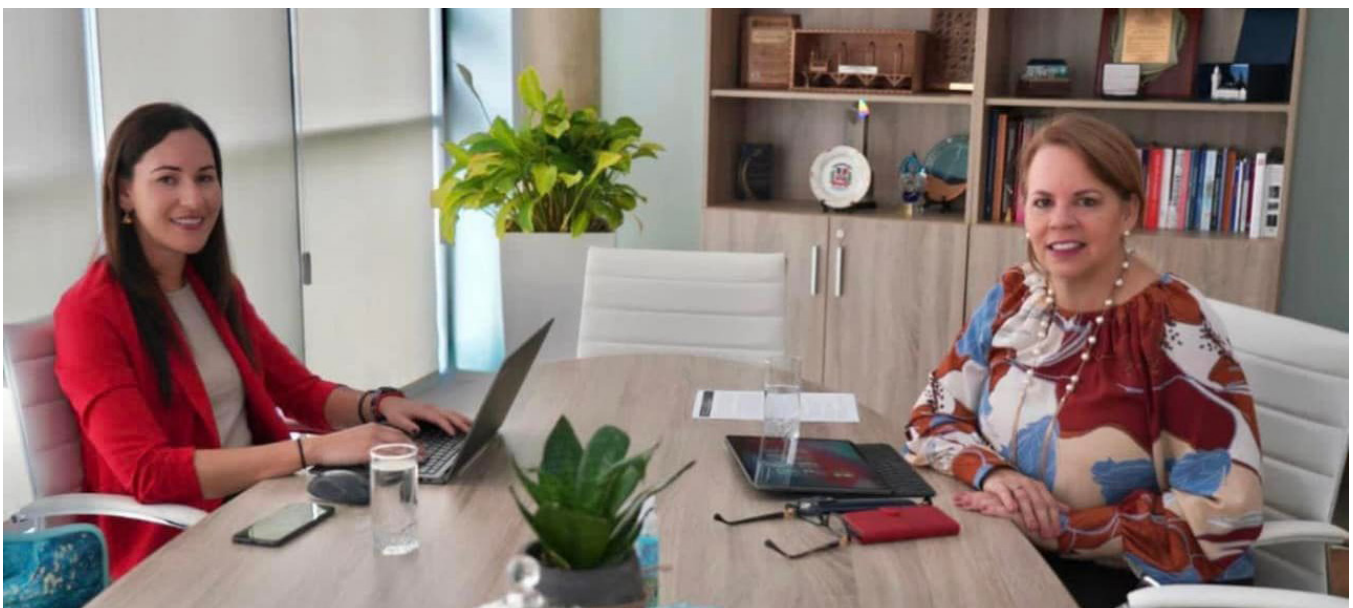
One of the Prime Minister's commitments since entering politics was to modernize and simplify the Aruba tax legislation. In January 2019, it was announced that a reform of the Aruba tax system will take place, split into four phases. Only phase one could be completed before the Covid-19 pandemic. The remaining phases were set on hold due to the pandemic. During the pandemic, the Netherlands provided a funding package to amongst others Aruba. One of the conditions tied to the funding package provided is that Aruba will introduce the new indirect tax (the VAT) in coordination with the

Netherlands as of January 1, 2023. The Prime Minister agreed with the introduction of a VAT system. However, she is concerned with the proposed introduction date considering the ongoing war in Ukraine, the after-effects of the Covid-19 pandemic, and the potential inflation.

ARUBA'S ECONOMY AND THE INVESTMENT OPPORTUNITIES

It goes without saying that Aruba is highly dependent on tourism and that the Covid-19 pandemic has had an effect on Aruba's economy. We asked the Prime Minister if Aruba should introduce and/or focus on other sources of income. She explained that before the Covid-19 pandemic, the Government of Aruba together with the World Bank organization drafted a policy that analyzed the potential areas of Aruba which might be attractive for investors. This resulted in six Promising Sectors:

- Diversification of tourism.
- Knowledge economy.
- Agriculture.
- Logistics.
- Blue economy.
- Creative industry (orange economy).



Prime Minister of Aruba, Mrs. Evelyn Wever-Croes interviewed by Thayisa Farro (left).

The Prime Minister further mentioned that they are not limited to the abovementioned sectors. Nonetheless, all other sectors are more than welcome in Aruba. In addition, the focus is also on the so-called accelerators such as eliminating the “red tape” when establishing a business in Aruba -ideally, a one-stop shop where investors can submit all the required documents. Other accelerators are digitalization and labor law reforms. Another factor that inhibits investors, and is a point of attention, is our tax legislation. The Aruban tax legislation is complicated and is usually unfamiliar to foreign investors. The goal is to simplify and modernize the Aruban tax legislation to make it more appealing.

SUSTAINABILITY

It is no secret that Aruba has gone through a major transformation over the years and that there is a lot of construction going on. We asked the Prime Minister of Aruba for her thoughts on sustainability and the future of Aruba. She indicated that what happened in the past is difficult to change. However, going forward, she hopes that with more guidelines in place we can preserve our island for the upcoming generation. There is already a moratorium in place for hotel rooms. In addition, another guideline in place as of 2021 is the regulations of the spatial development plan Aruba (“ROPv”). The ROPv is set for a period of five years. The goal of the ROPv is to bring more balance and structure as well as improving the infrastructure of Aruba. For instance, the ROPv points out the areas which are strictly destined for amongst other residential, commercial, and natural reserves.

There is also a task force group for the purpose of the Sustainable Development Goals (“SDGs”) in place. They drafted a National Strategic Plan (“NSP”) together with various governmental entities in order to commit to the SDGs. It should also be mentioned that the national budget of Aruba for the last few years is also based on the SDGs. The ultimate goal is to allocate the budget per SDG. Furthermore, Aruba’s annual report also includes items relating to the SDGs including designation per ministry.

The Prime Minister finalized by mentioning that being sustainable has a high priority when it comes to construction. Certain ongoing projects were even put on hold since they discovered protected subspecies and had to relocate these subspecies to a different location.

WORDS OF MOTIVATION

The Prime Minister of Aruba encourages students and professionals to be determined and work hard toward their goals. There may be obstacles along the way, but one has to stay persistent. The goal may even change, but it is important to remain disciplined, committed, and dedicated so that we can all contribute to a better Aruba.

Food for thought: what advice would you give to your younger self? For the Prime Minister of Aruba, her advice would be to not stress on the little things too much. In the end, everything will be all right.

