Consumer confidence holds
Press Release
October 22, 2018

Consumer sentiments remained stable in the third quarter of 2018. The Consumer Confidence Index inched to 94.2, up by 0.4 index point compared to the previous period, according to the latest results of the Consumer Confidence Survey (CCS) of the Centrale Bank van Aruba (Chart 1).

1 The index can vary between 90 and 110. Between 90 and 100 indicates a situation of pessimism. An index of exactly 100 indicates that consumers are neither pessimistic nor optimistic, but are neutral in regards to their thoughts about economic developments in Aruba. Between 100 and 110 indicates a situation of optimism in consumer sentiments.
Consumers’ sentiments turned negative due to their present personal financial situation, as this index fell to 95.1 (100.2 previous period). The other components in the Present Situation Index remained pessimistic, consequently inducing a decrease in the Present Situation Index, i.e. from 94.3 to 92.4 (Chart 2).

Chart 2: Components of the Consumer Confidence Index

- **Consumer Confidence**: 94.2
- **Present situation consumer**: 92.4
  - **Present personal financial situation**: 95.1
  - **Present business and economic conditions**: 90.6
  - **Present government financial position**: 92.7
  - **Present job situation**: 91.4
- **Expectations consumer**: 94.0
  - **Expectations personal financial situation**: 96.1
  - **Expectations business and economic conditions**: 93.0
  - **Expectations government financial position**: 95.2
  - **Job expectations**: 91.7
- **Consumption habits**: 96.4
  - **Car buying**: 93.9
  - **Major appliance buying**: 98.3
  - **Going on vacation**: 101.5
  - **Taking out a loan**: 95.6
  - **Taking out a mortgage**: 93.0

*90-100: pessimistic
100-110: optimistic*
The Expectations Index, however, improved by 0.5 index point to 94.0, with consumers reporting a less negative outlook on all the components of the index except for the expectations of the government’s financial position: 43.9% indicated that this will become worse in the coming 6 months (37.8% in the previous quarter).

The Consumption Habits Index improved in the quarter under review. Consumers were positive about going on vacation, likely stemming from the prospect of the vacation period in October. Meanwhile, the other components were less negative than in the previous survey period. The vast majority of respondents (88.3%) expects that prices will rise in the coming six months, leading to a Price Expectations Index of 90.3 (previous period: 90.1).

In summary, the stable consumer confidence is attributed mostly to an improvement in the short-term outlook and an upturn in consumption habits (Table 1).

Table 1: Main results

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<th>Year</th>
<th>2015</th>
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<td>II</td>
<td>III</td>
<td>IV</td>
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<td>94.6</td>
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<td>2. Present situation consumer</td>
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<td>4. Consumption habits</td>
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