CONSUMER CONFIDENCE
Q2 2020

Special COVID-19 edition
Executive Summary
Centrale Bank van Aruba
August 4, 2020
Executive Summary

In the wake of the COVID-19 pandemic and the lift on border closures, consumers were slightly less pessimistic as the consumer confidence index nudged upward to 92*, up 0.3 index point, during the second quarter of 2020. While consumers reported being more positive about their household’s financial situation, concerns about their personal health remained.

By the end of the second quarter, top of mind consumer concerns were the economic conditions (88%) and the financial position of the government (85%), followed by their job security (77%). More than two-thirds of consumers (69%) indicated that they are still worried about their personal health, whereas 72% of consumers reported that they do not have trouble in meeting their basic needs. Most consumers perceived their household’s financial situation (55%) to worsen, although this perception decreased from the previous quarter (66%).

During the second quarter of 2020, the present situation index measured 90.6, while the future expectation index rated 93.3, up from 92.3 in the previous quarter. In comparison to the first quarter, consumers were slightly more optimistic about the future. Nevertheless, almost 80% of consumers expected the impact of the COVID-19 pandemic to last for at least 9 months. During the second quarter, 81% of consumers reported that buying a car was not suitable. Close to 78% of consumers indicated that taking out a loan or going on a vacation was not appropriate, while only about 18% of consumers considered purchasing a household appliance. Consequently, the consumer purchasing habit index stood at 92 inching up by 0.4 index point in the second quarter.

*The consumer confidence index can vary between 90 and 100 (pessimistic sentiments), and 100 and 110 (optimistic sentiments). An index of 100 indicates relatively neutral sentiments.
Top of Mind
Consumer Concerns Q2 2020

1. Economic conditions (88%)
2. Financial position of the government (85%)
3. Job security (77%)
4. Personal health (69%)
5. Household’s financial position (55%)
The Consumer Confidence Index rebounds slightly during the second quarter of 2020

Second Quarter 2020

Present Situation Index 90.6
Future Expectation Index 93.3
Consumption Habits Index 92
Price Expectation Index 92
Almost 70% of consumers reported that the COVID-19 pandemic is a threat to their personal health, up by 10% points compared to the first quarter.
Almost 80% of consumers expected the COVID-19 crisis to last at least 9 months or more, compared to 48% in the previous quarter.

The large majority of consumers expects the COVID-19 crisis to persist at least until mid 2021.
Consumer Sentiments: 6 months ago versus 6 months from now

- Finding a job in the next 6 months:
  - Better: 0%
  - Same: 25%
  - Worse: 75%

- Finding a job today compared to 6 months ago:
  - Better: 0%
  - Same: 25%
  - Worse: 75%

- Financial position of government 6 months from now:
  - Better: 0%
  - Same: 25%
  - Worse: 75%

- Financial position of government 6 months ago:
  - Better: 25%
  - Same: 50%
  - Worse: 25%

- Business conditions 6 months from now:
  - Better: 75%
  - Same: 25%
  - Worse: 0%

- Business conditions 6 months ago:
  - Better: 0%
  - Same: 25%
  - Worse: 75%

- Financially better off 6 months from now:
  - Better: 50%
  - Same: 25%
  - Worse: 25%

- Financially better off compared to 6 months ago:
  - Better: 50%
  - Same: 25%
  - Worse: 25%
Major expenditures or loans are not suitable right now

- Car
- Major appliance
- Taking out a loan
- Taking out a mortgage
- Vacation

Consumer banking channels continue to experience a digital shift

- Mobile app
- Internet/Online
- ATM/Debit card
- Branch

- Suitable
- Unsuitable
- Unsure
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