



CENTRALE BANK VAN ARUBA

BUSINESS SENTIMENTS REMAIN UPBEAT IN THE FOURTH QUARTER OF 2021

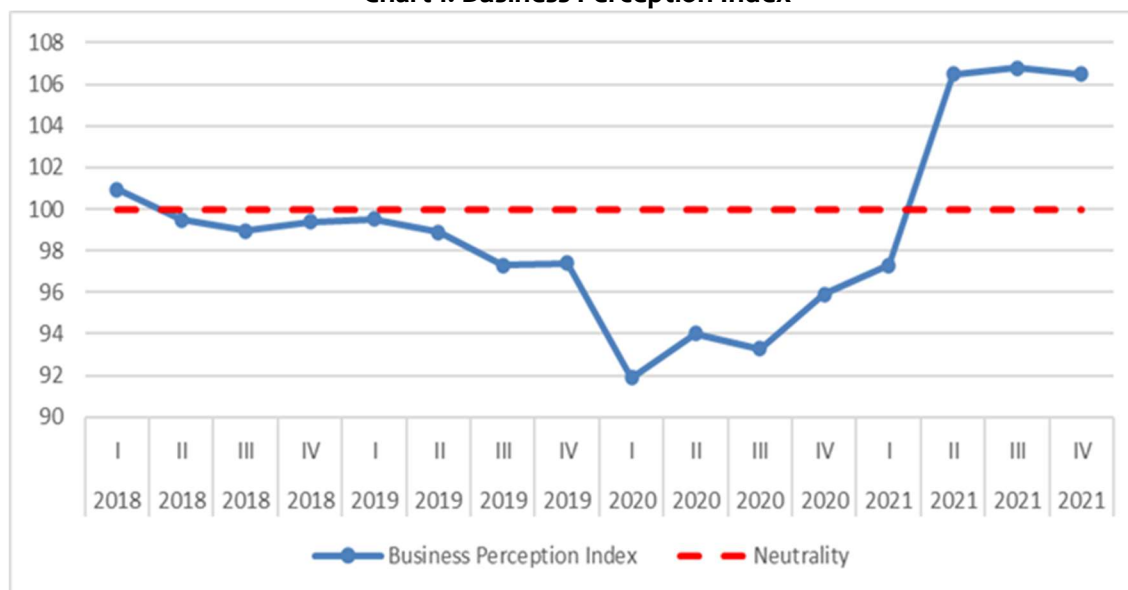
Press release

Results for the fourth quarter of 2021

The Central Bank of Aruba (CBA) concluded its Business Perception Survey (BPS) for the fourth quarter of 2021. The BPS assesses the economic sentiments of local businesses, as well as the impact of the COVID-19 pandemic on their business activities.

In the fourth quarter of 2021, the Business Perception Index (BPI), comprising the current and short-term economic conditions, fell by 0.3 index point to 106.5, reflecting a slight decrease in business sentiments, yet still optimistic (See Chart 1)¹. The dip in business sentiments resulted from a contraction in both current and short-term future economic conditions.

Chart 1: Business Perception Index



Source: Centrale Bank van Aruba

The *current economic condition* index noted a decline of 0.3 index point to 105.9, down from 106.2 in the third quarter of 2021. The *short-term future economic condition* index fell by 0.2 index point, i.e., from 107.5 in the third quarter of 2021 to 107.3 in the fourth quarter of 2021 (See Chart 2). The percentage of respondents expecting positive economic growth in the next 12 months dropped by 5.3 percentage points to 43.9 percent. Meanwhile, the expectations of a flat economic growth in the next 12 months grew by 11.2 percentage points to 45.6 percent, up from 34.4 percent in the third quarter of 2021.

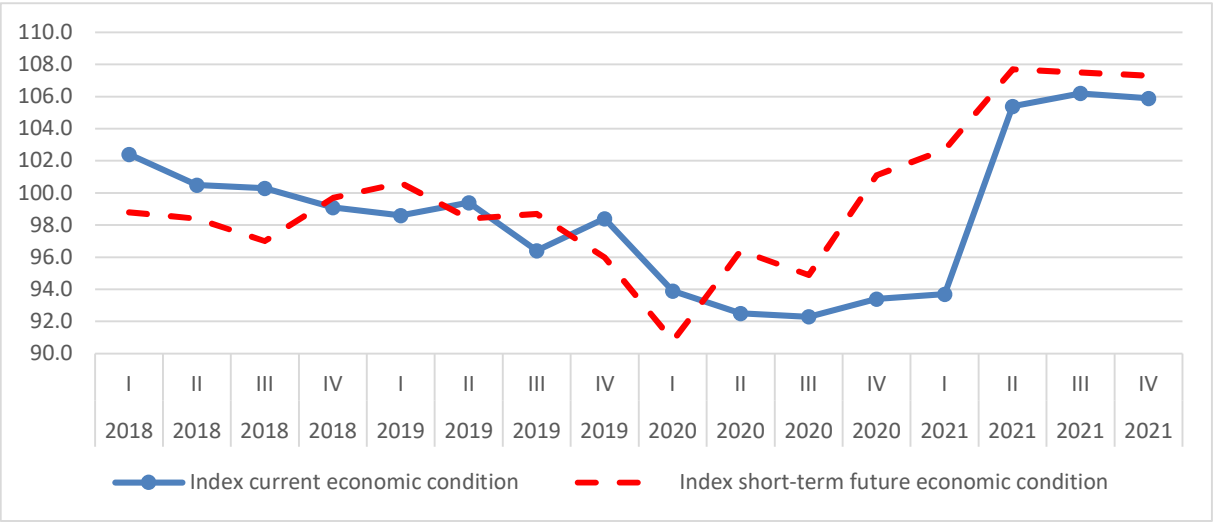
¹ The index can vary between 90 and 110. Between 90 and 100 indicates a situation of pessimism. An index of exactly 100 indicates that businesses are neither pessimistic nor optimistic but are neutral with regard to their thoughts about economic developments in Aruba. Between 100 and 110 indicates a situation of optimism in business sentiments.

In terms of the impact of the COVID-19 pandemic, the expanded Business Perception Survey also assessed the expected impact on business sales and the need for applying for emergency business funds in the fourth quarter of 2021.

For two consecutive quarters, close to 28 percent of the respondents (27.9 percent) pointed out that the COVID-19 pandemic continued to have a significant impact on their business sales.

The complete report of the Business Perception Survey is available on the website of the CBA (<https://www.cbaruba.org/>).

Chart 2: Current economic and Short-term future economic condition Index



Source: Centrale Bank van Aruba

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