

CONSUMER CONFIDENCE



Q4 2021

Executive Summary
Centrale Bank van Aruba
March 4, 2022



CENTRALE BANK VAN ARUBA

Executive Summary

As the new COVID-19 variant, Omicron, was causing a new wave of infections, consumers became more pessimistic, as consumer confidence index fell by 0.8 index point to 94.1* in the fourth quarter of 2021.

By the end of the fourth quarter, top of mind consumer concerns were: (i) worsening of the government financial position (7 percentage points more compared to the previous quarter (Q3-2021: 54 percent)), while (ii) 32 percent expected worse economic conditions, i.e., 7 percentage points more compared to previous quarter (Q3-2021: 25 percent). Noteworthy is that 51 percent of respondents still thought that finding a new job would be difficult, i.e., 4 percentage points more compared to previous quarter (Q3-2021: 47 percent). However, only 56 percent of respondents indicated that they were concerned about their personal health, which is 10 percentage points less compared to previous quarter (Q3-2021: 66 percent).

Both the present situation and the future expectation index fell, i.e., by, respectively, 1.6 index points to 93.4 and 1.0 index point to 96.1 in the fourth quarter of 2021. More respondents reported (60 percent) that they expected the Aruban economy to take an additional 2 years to fully recover from the COVID-19 crisis (Q3-2021: 56 percent).

The number of respondents (66 percent) reporting that buying a car was not suitable remained practically the same (Q3-2021: 67 percent), while a slightly higher number (67 percent) indicated that taking out a loan was not appropriate (Q3-2021: 65 percent). A marginally smaller number of respondents (60 percent) reported that taking out a mortgage was unsuitable (Q3-2021: 61 percent). About 51 percent stated that going on vacation was not appropriate (Q3-2021: 56 percent). Consequently, the consumer purchasing habit index stood at 93.9 in the fourth quarter of 2021, down from 94.1 in the previous 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

Key Consumer Concerns Q4 2021

32%

expect worse
economic conditions

Q3-2021: 25%

51%

more difficult to find a
new job

Q3-2021: 47%

More than two-thirds of respondents foresaw government financial position to worsen in the fourth quarter of 2021. In addition, 32 percent of respondents expect economic conditions to deteriorate, while 51 percent find it more difficult to get a new job during the fourth quarter of 2021. Less respondents reported to have concerns about their personal health reported.

61%

worsened
government position

Q3-2021: 54%

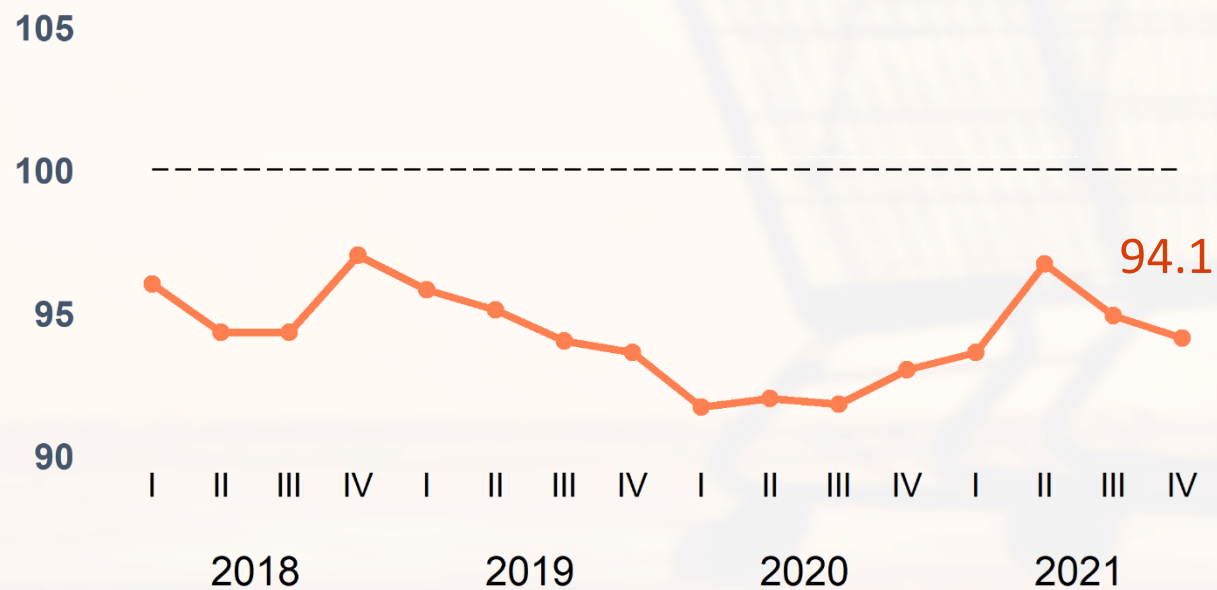
56%

concerned about
personal health

Q3-2021: 66%



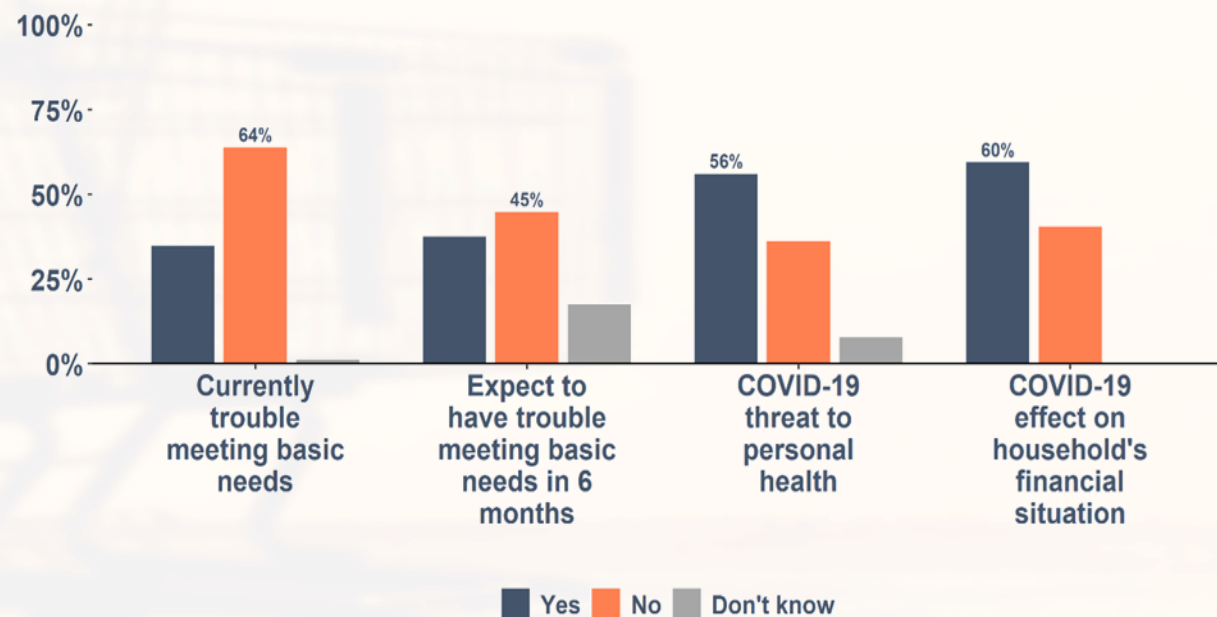
After peaking in the second quarter of 2021, the Consumer Confidence Index fell further to 94.1 during the fourth quarter of 2021, down from 94.9 in the third quarter of 2021



56%

of respondents reported that
COVID-19 was still a threat to
their personal health.

More than half of the respondents indicated that COVID-19 was still a threat to their personal health, although considerably less than in the previous quarter

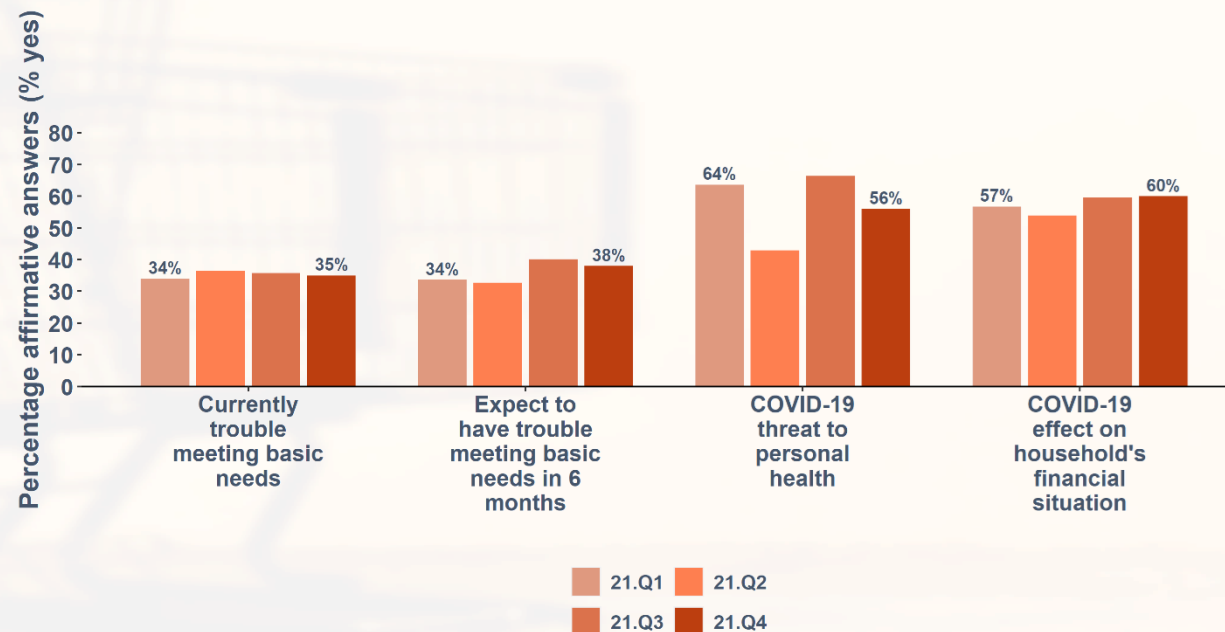


60%

of respondents perceived COVID-19 to have an adverse effect on their household financial situation, consistent with previous quarter (Q3-2021: 60%).

An estimated one-third (35%) of respondents indicated that they still have trouble in meeting basic needs – relatively unchanged from previous quarters.

Despite significantly reduced perceived threat of COVID-19 to personal health, the reported impact on the financial situation of the household was consistent with previous quarter



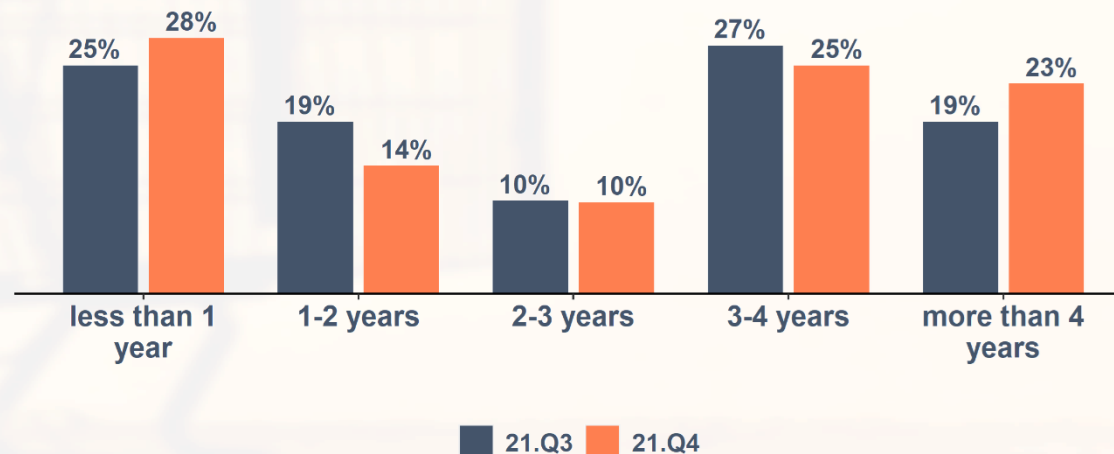
*Note: Slight difference in bar level due to rounding of percentage value.

28%

of respondents foresaw the Aruban economy to be fully recovered from the COVID-19 crisis in less than 1 year, which is 3 percentage points more than the previous quarter (Q3-2021:25%).

58 percent of the respondents expected the recovery period to take more than 2 years, with 25% anticipating a complete recovery in 3 to 4 years.

Consistent with the previous quarter, more than half of the consumers expected the Aruban economy to take an additional 2 years to recover from the COVID-19 crisis

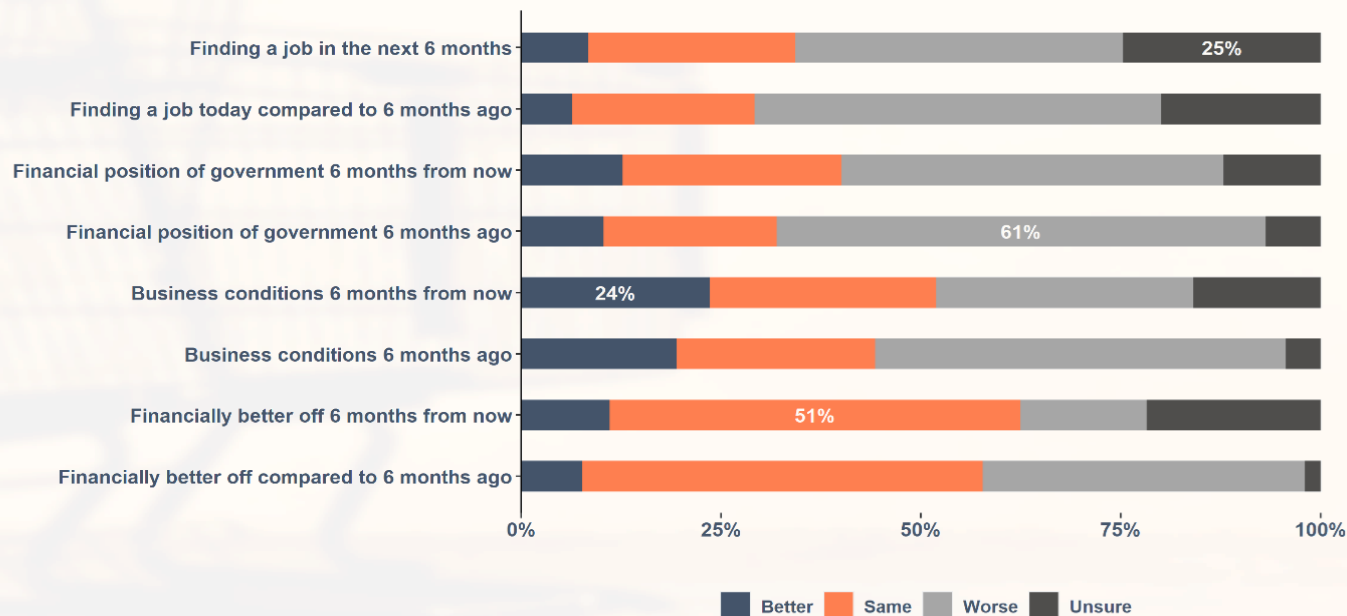


61%

of respondents indicated that the financial position of the government worsened from 6 months ago (Q3-2021: 54%).

An estimated 51% of respondents reported that in the next 6 months their financial situation would remain the same.

Consumer Sentiments: 6 months ago versus 6 months from now



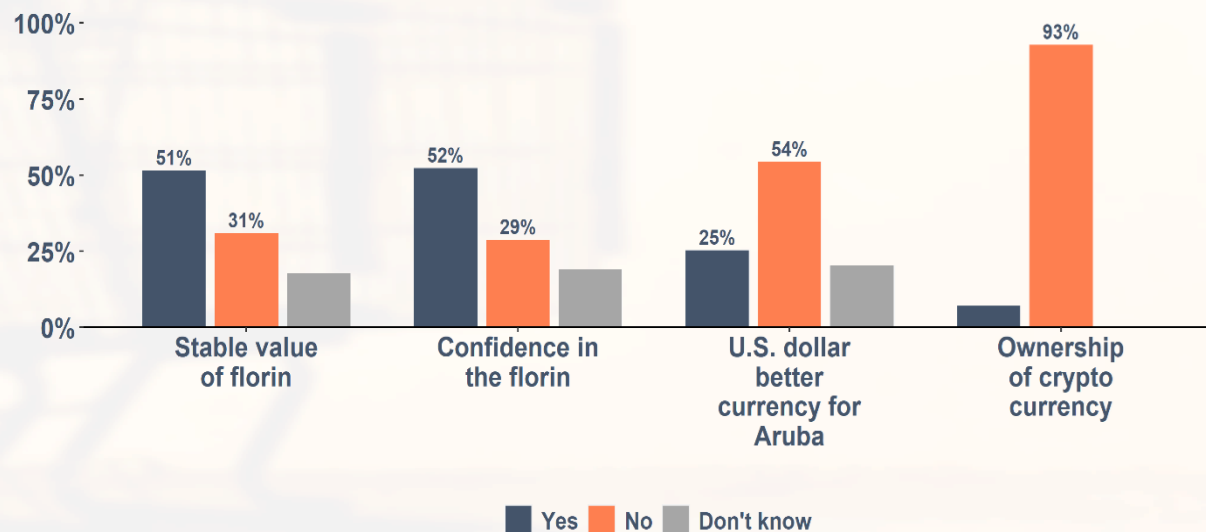
52%

of respondents (Q3-2021: 56%) said that they have confidence in the Aruban florin, while less than a third or 29% indicate the opposite (Q3-2021: 28%)

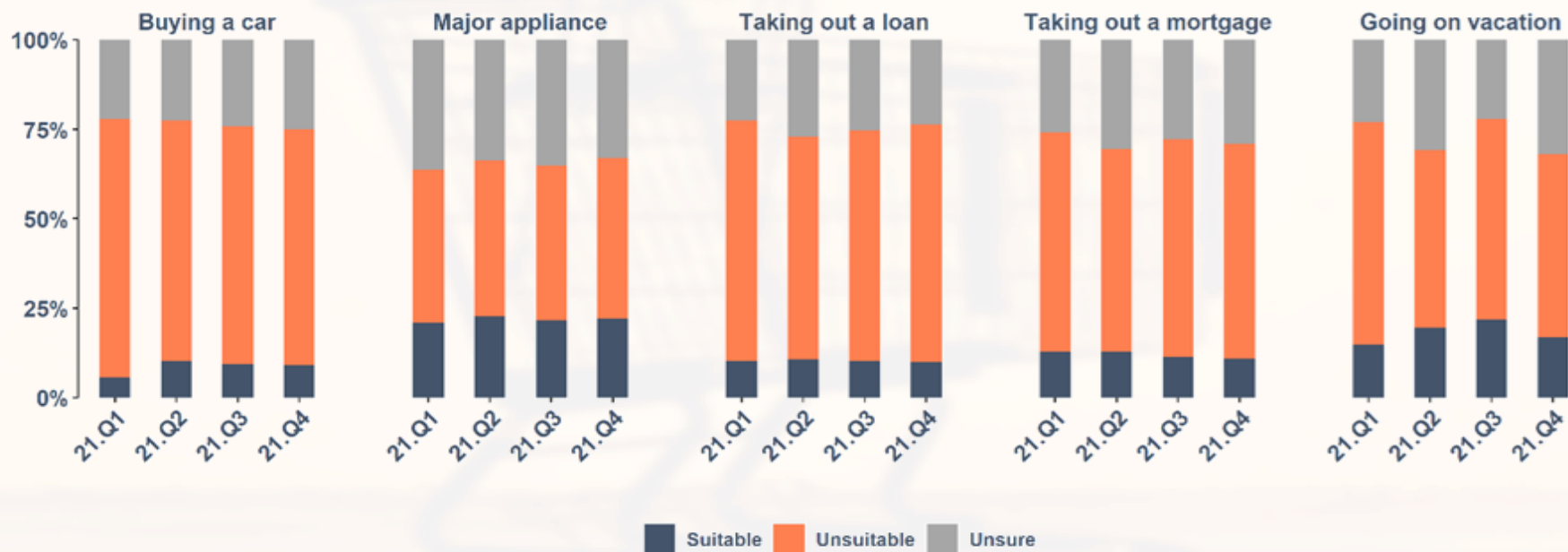
For two consecutive quarters, 54% of respondents reported that the U.S. Dollar is not a better currency for Aruba.

Also, 51% (Q3-2021: 54%) believed the Aruban florin is a stable currency.

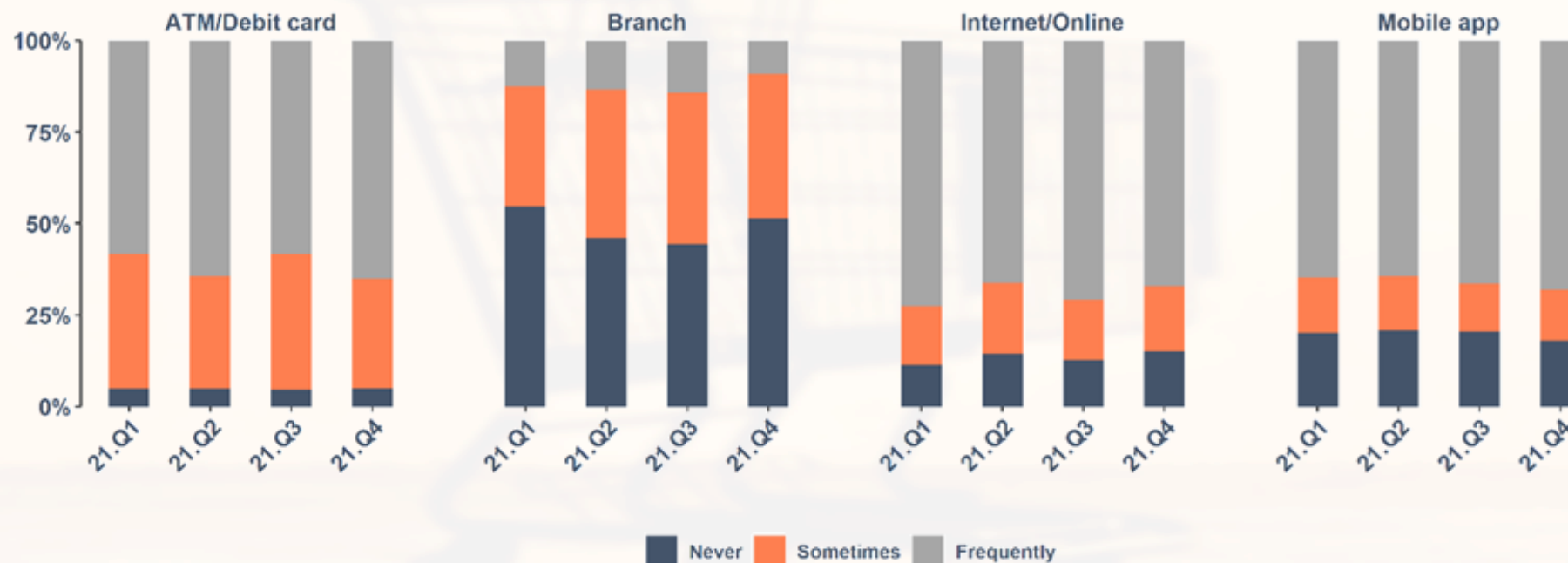
Consistent with previous quarters, more than half of the respondents reported to have confidence in the Aruban florin



Similar to Q3-2021, more than two-thirds of the respondents considered it unsuitable to buy a new car, and to take out a mortgage or a loan. Meanwhile, one-third of the respondents were unsure if going on vacation was appropriate.



The daily use of online banking, mobile app, and ATM edged up in Q4 2021, which is also the case for consumers that never use a branch.



FOR MORE INFORMATION, PLEASE CONTACT THE
STATISTICS DEPARTMENT

E-MAIL: statistics.department@cbaruba.org



CENTRALE BANK VAN ARUBA