

CONSUMER CONFIDENCE

Q1 2022

Executive Summary
Centrale Bank van Aruba
June 21, 2022



CENTRALE BANK VAN ARUBA

Executive Summary

Consumers became more pessimistic, as consumer confidence index fell by 0.6 index point to 93.5* in the first quarter of 2022.

By the end of the first quarter, consumers were mainly concerned about (i) worsening of the financial position of the government (Q4-2021: 61 percent) and (ii) deteriorating economic conditions (Q4-2021: 32 percent). Almost all the respondents (98 percent) indicated that they expect prices to be higher in the next 6 months. More than half of respondents still thought that finding a new job was difficult, i.e., 10 percentage points more compared to previous quarter (Q4-2021: 41 percent). In addition, 31 percent of respondents expect their financial household position to deteriorate, i.e., 15 percentage points more compared to previous quarter (Q4-2021: 16 percent).

Both the future expectation and the present situation index fell, i.e., by 1.8 index points to 94.3 and 0.2 index point to 93.2, respectively, in the first quarter of 2022.

The number of respondents reporting that buying a car was not suitable grew from 66 percent to 69 percent in the first quarter of 2022, while 66 percent indicated that taking out a loan was not appropriate (Q4-2021: 67 percent). Also, 62 percent of respondents mentioned that taking out a mortgage was unsuitable (Q4-2021: 60 percent). About 50 percent stated that going on vacation was not appropriate (Q4-2021: 51 percent). Consequently, the consumer purchasing habit index remained unchanged at 93.9 in the first quarter of 2022.

*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 Q1 2022

50%

expect worse economic
conditions

Q4-2021: 32%

52 percent
of respondents foresaw
government financial position to
worsen in the first quarter of
2022, while 51 percent expect it
to be more difficult to find a new
job.

About 50 percent of respondents
expect economic conditions to
deteriorate, while 31 percent of
respondents expect their
household to be financially worse.

31%

expect worse financial
position of household

Q4-2021: 16%

51%

expect finding a new
job to be more difficult

Q4-2021: 41%

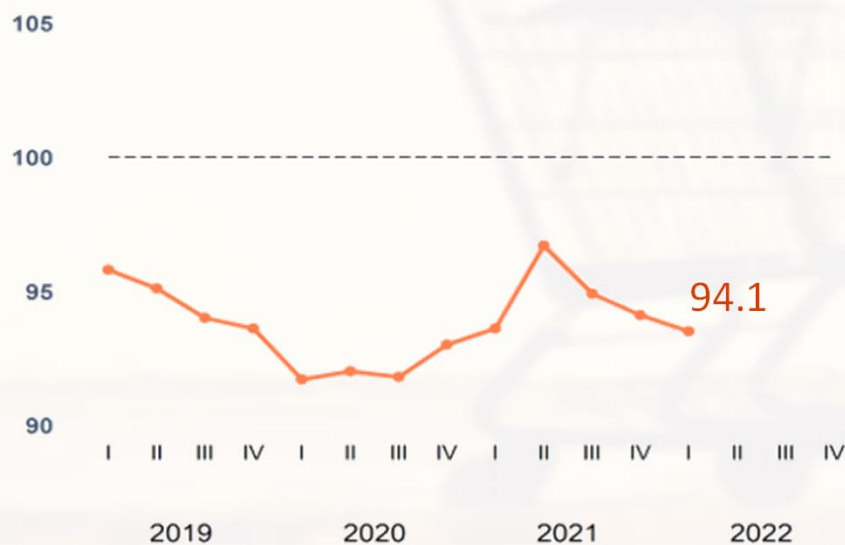
52%
worsened government
position

Q4-2021: 61%

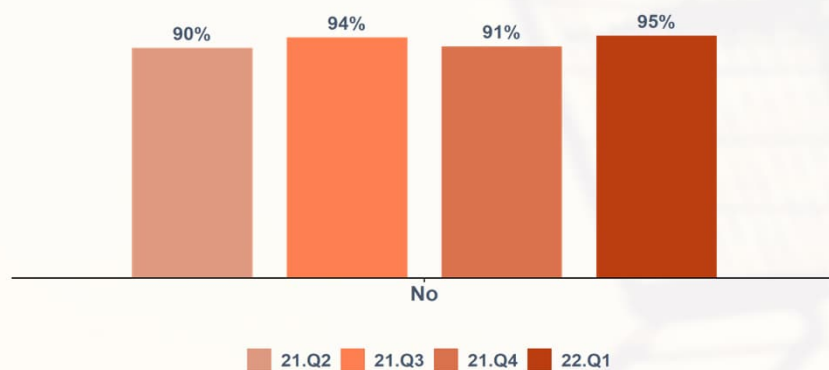


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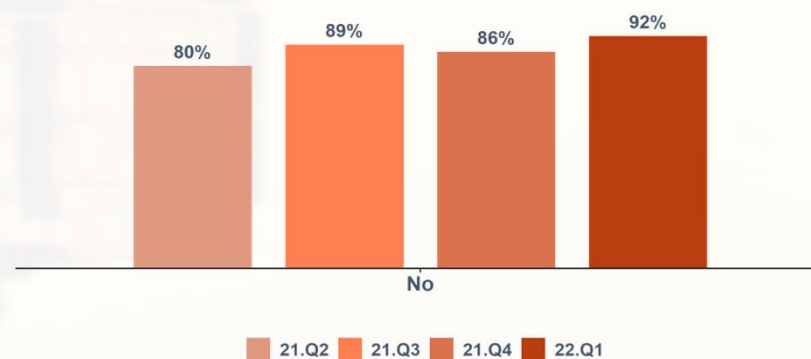
The Consumer Confidence Index fell further down to 93.5 during the first quarter of 2022, compared to 94.1 in the fourth quarter of 2021



95 percent of respondents reported that their income did not increase compared to 6 months ago.



Up by 6 percentage points compared to the previous quarter, 92 percent of respondents reported in Q1-2022 that they can purchase less with their income compared to 6 months ago.

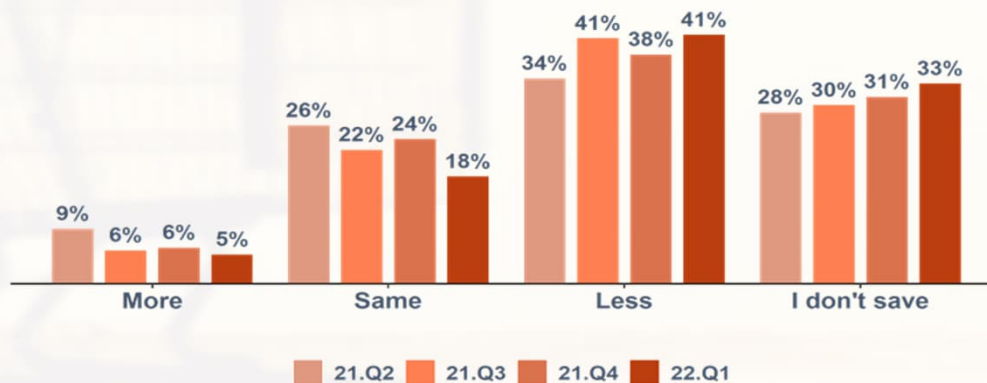


41%

of respondents indicated that they save less, which is a rise of almost 4 percentage points compared with previous quarter (Q4-2021: 38%).

An estimated one-third (33%) of respondents indicated that they do not save.

An estimated 41 percent of respondents indicated that they save less compared to 6 months ago. Close to one-third (33%) of respondents indicated that they don't save.

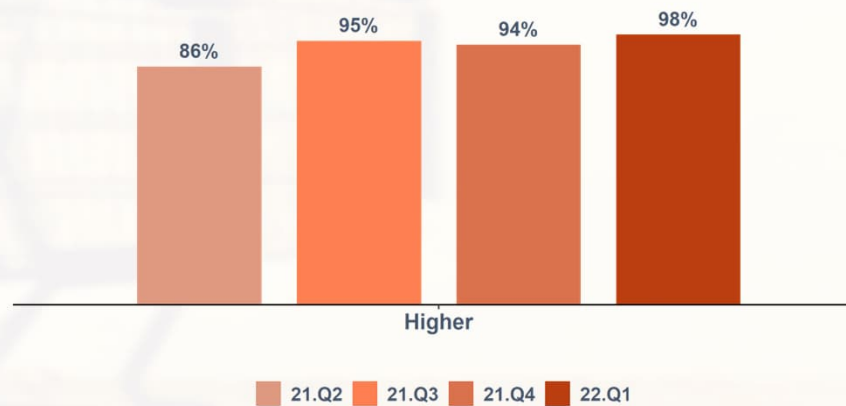


*Note: Slight difference in bar level due to rounding of percentage value.

98%

of respondents foresaw that the prices will be higher in the next 6 months, which is 4 percentage points more than the previous quarter (Q4-2021:94%).

Almost all the respondents (98 percent) indicated that that they expect prices to be higher in the next 6 months.

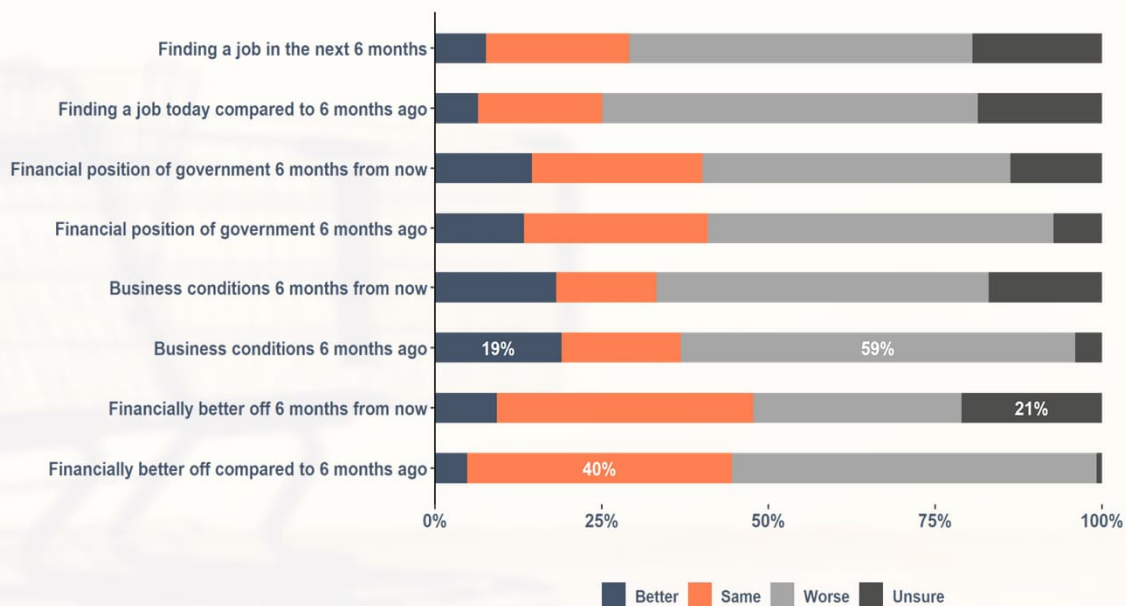


59%

of respondents indicated that the business and economic conditions worsened from 6 months ago (Q4-2021: 51%).

An estimated 40% of respondents reported that compared to 6 months ago their financial situation would remain the same.

Consumer Sentiments: 6 months ago versus 6 months from now



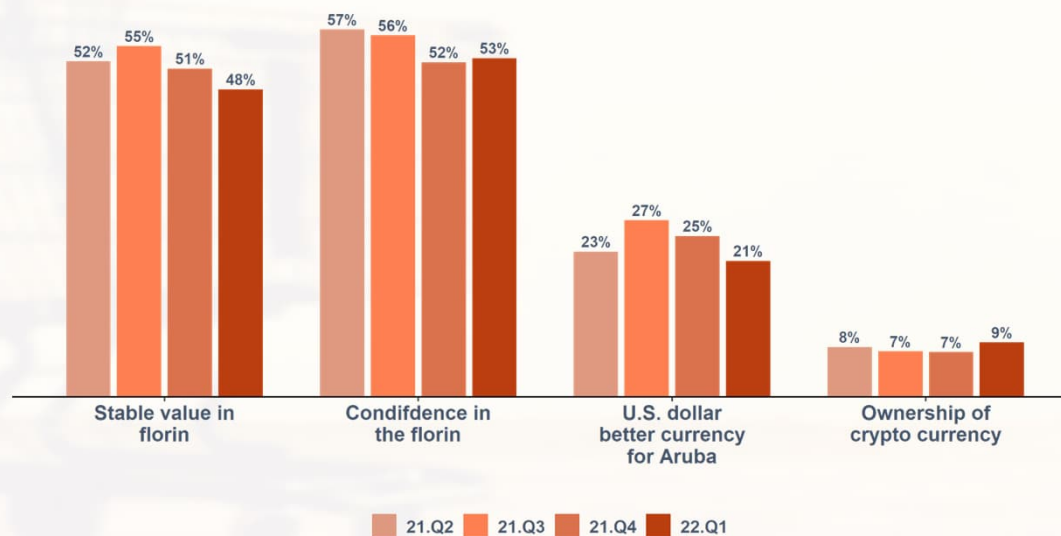
53%

of respondents (Q4-2021: 52%)
indicated
that they have confidence in the Aruban
florin.

In addition, 21% of respondents reported
that the U.S. Dollar is a better currency
for Aruba.

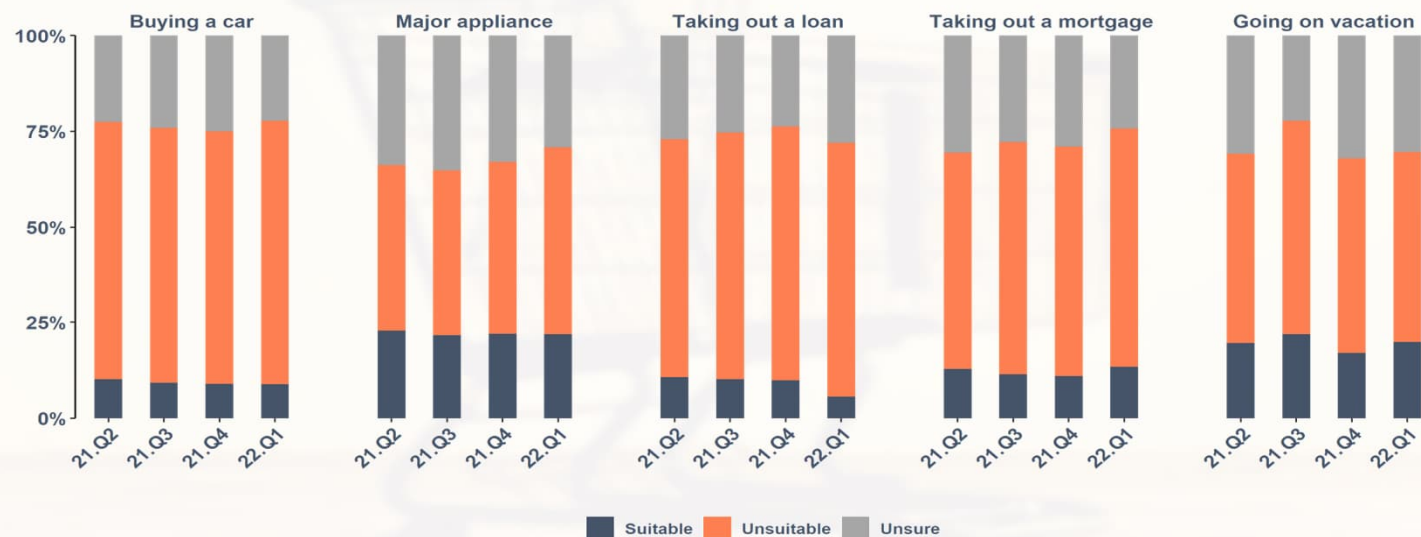
Also, 48% (Q4-2021: 51%)
believed the Aruban florin is
a stable currency.

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

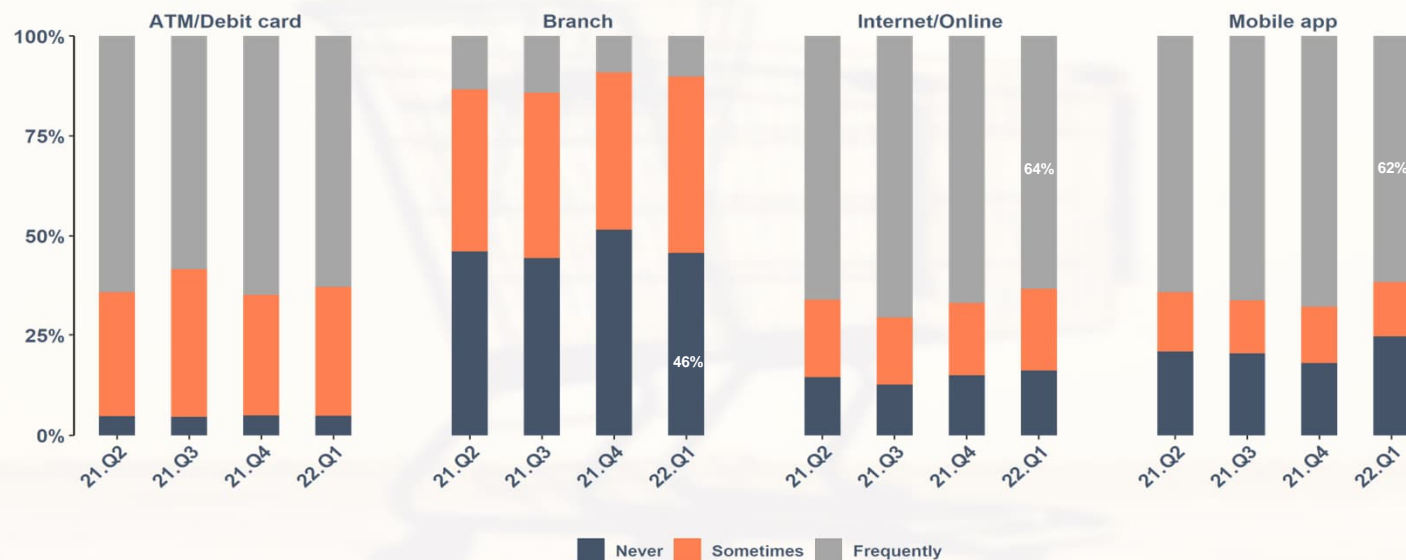


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Consistent with Q4-2021, about two-thirds of the respondents considered it unsuitable to buy a new car, and to take out a mortgage or a loan. Meanwhile, one-third of the respondents were unsure if going on vacation or purchasing a major appliance was appropriate.



The daily use of mobile app and online banking declined in Q1-2022 by 6 and 4 percentage points, respectively, which is also the case for consumers that never use a branch.



FOR MORE INFORMATION, PLEASE CONTACT THE
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