



CENTRALE BANK VAN ARUBA

CONSUMERS MORE PESSIMISTIC IN THE SECOND QUARTER OF 2022: PRICE HIKES A KEY CONCERN

Press release

Results for the second quarter of 2022

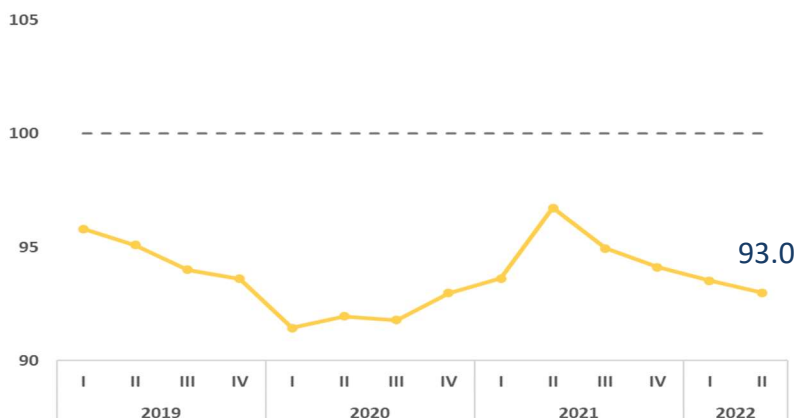
Consumers turned more pessimistic, as consumer confidence index fell by 0.5 index point to 93.0 in the second quarter of 2022 (Chart 1)¹.

By the end of the second quarter, consumers were mainly concerned about (i) deteriorating economic conditions (Q1-2022: 59 percent), and (ii) worsening of the financial position of the government (Q1-2022: 52 percent). Almost all the respondents (97 percent) indicated that they expect prices to be higher in the next 6 months. Half of the respondents still thought that finding a new job was difficult, i.e., 1 percentage point less compared to previous quarter (Q1-2022: 51 percent). In addition, 46 percent of respondents expect their household's financial position to deteriorate, i.e., 5 percentage points more compared to previous quarter (Q1-2022: 31 percent).

Both the future expectation and the present situation index fell, i.e., by, 1.1 index points to 93.2 and 0.5 index point to 92.7, respectively, in the second quarter of 2022.

The number of respondents reporting that buying a car was not suitable remained unchanged at 69 percent in the second quarter of 2022, while 67 percent indicated that taking out a loan was not appropriate (Q1-2022: 66 percent). Also, 58 percent of respondents mentioned that taking out a mortgage was unsuitable (Q1-2022: 62 percent). As for going on vacation 50 percent stated it was not appropriate, this remained unchanged compared to previous quarter. Consequently, the consumer purchasing habit index dropped marginally from 93.9 in the first quarter of 2022 to 93.8 in the second quarter of 2022.

Chart 1: Consumer Confidence Index



Source: Centrale Bank van Aruba

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 with regard to their thoughts about economic developments in Aruba. Between 100 and 110 indicates a situation of optimism in consumer sentiments.

More information on the Consumer Confidence survey is available on CBA's website (<https://www.cbaruba.org/>).

Centrale Bank van Aruba
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