

Consumer Confidence Survey Report Q2 2022

August 12, 2022



CENTRALE BANK VAN ARUBA

Cover design:

Our golden tree, our Kibrahacha. Resilient, firmly rooted, and gives a beautiful bloom.

It offers us shade and protection if needed. When it breaks out, it displays an overwhelming yellow, illustrating a brighter and bolder future.

The full text of this report is available on the CBA website.

Executive Report

Consumers turned more pessimistic, as consumer confidence index fell by 0.5 index point to 93.0¹ in the second quarter of 2022.

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.

¹ 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 Q2 2022



75%
**expect worse
economic
conditions**

Q1-2022: 59%



60%
**expect worse
government
financial position**

Q1-2022: 52%



55%
**expect finding a
new job to be more
difficult**

Q1-2022: 56%

About 75 percent of respondents expect economic conditions to deteriorate, while 60 percent of respondents foresaw the government's financial position to worsen in the second quarter of 2022.

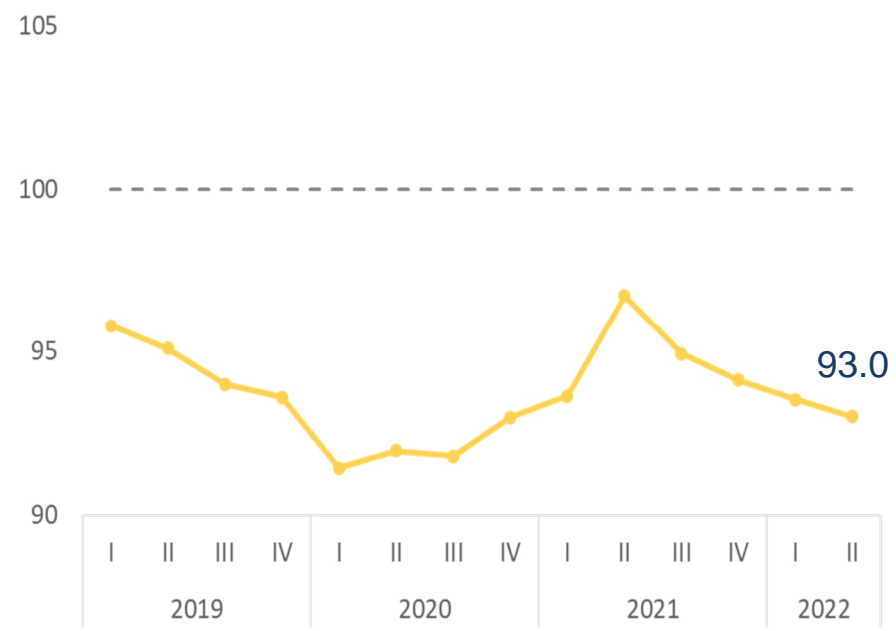
55 percent of respondents expect it to be more difficult to find a new job, while 46 percent of respondents expect their household to be financially worse off.



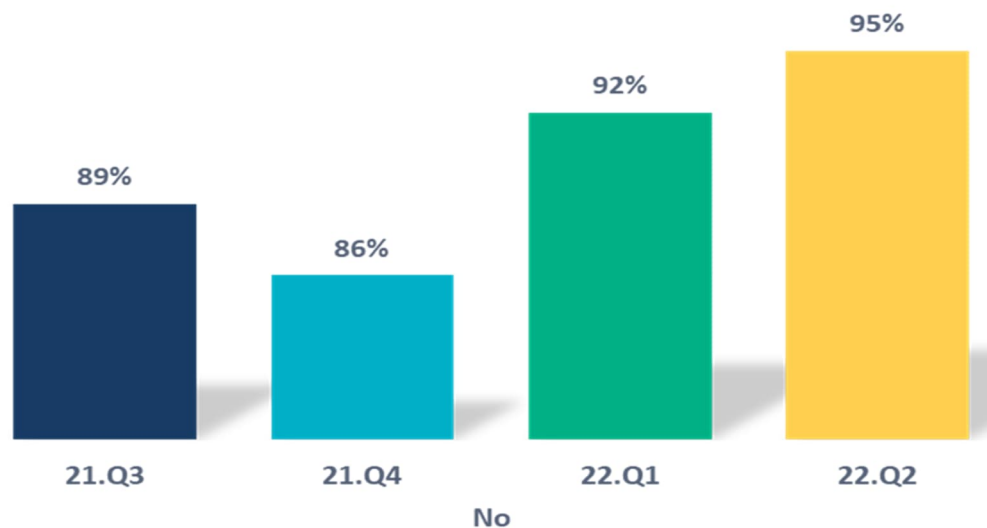
46%
**expect worse
household
financial position**

Q1-2022: 31%

The Consumer Confidence Index fell further down to 93.0 during the second quarter of 2022, compared to 93.5 in the first quarter of 2022.



Up by 3 percentage points compared to the previous quarter, 95 percent of respondents reported in Q2-2022 that they can purchase less with their income compared to 6 months ago.

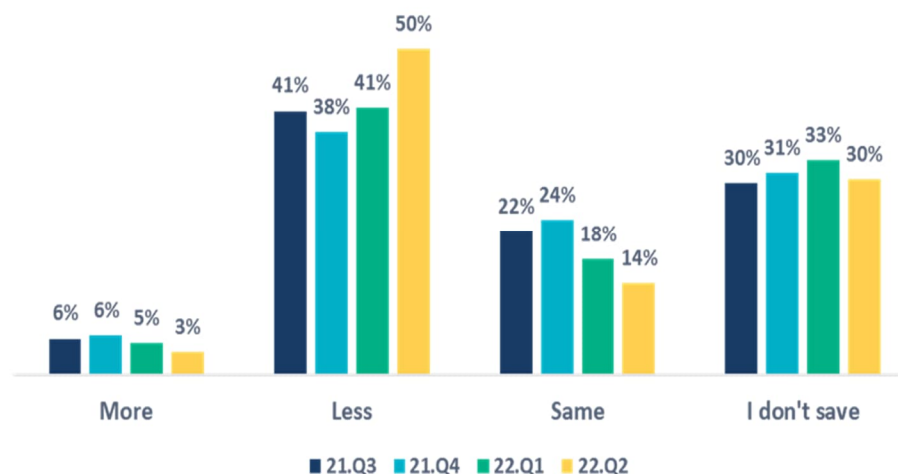


50%

of respondents reported that they save less, which is a rise of 9 percentage points compared with previous quarter (Q1-2022: 41%).

About 30 percent of respondents indicated that they do not save.

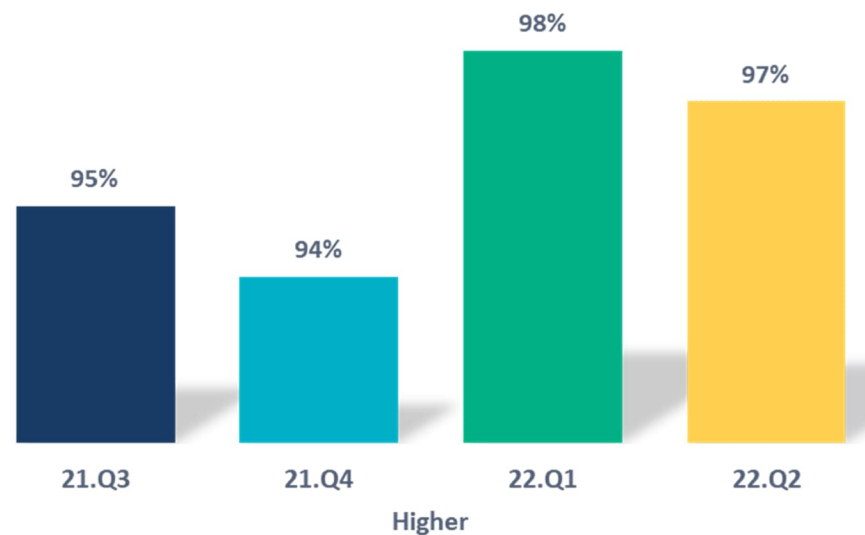
About half of respondents indicated that they save less compared to 6 months ago. Close to one-third (30%) of respondents indicated that they don't save.



97%

of respondents foresaw that prices would be higher in the next 6 months, which is 1 percentage point less than the previous quarter (Q1-2022:98%).

Almost all the respondents (97 percent) indicated that they expect prices to be higher in the next 6 months.



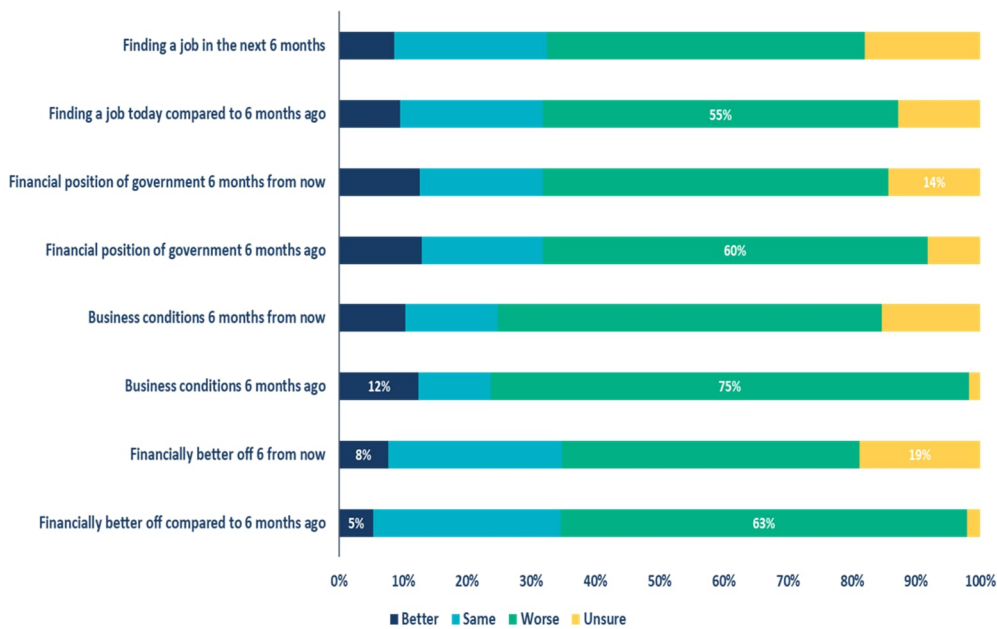
75%

of respondents stated that the business and economic conditions worsened from 6 months ago

(Q1-2022: 59%).

An estimated 63% of respondents reported that compared to 6 months ago their financial situation would worsen.

Consumer Sentiments - 6 months ago versus 6 months from now

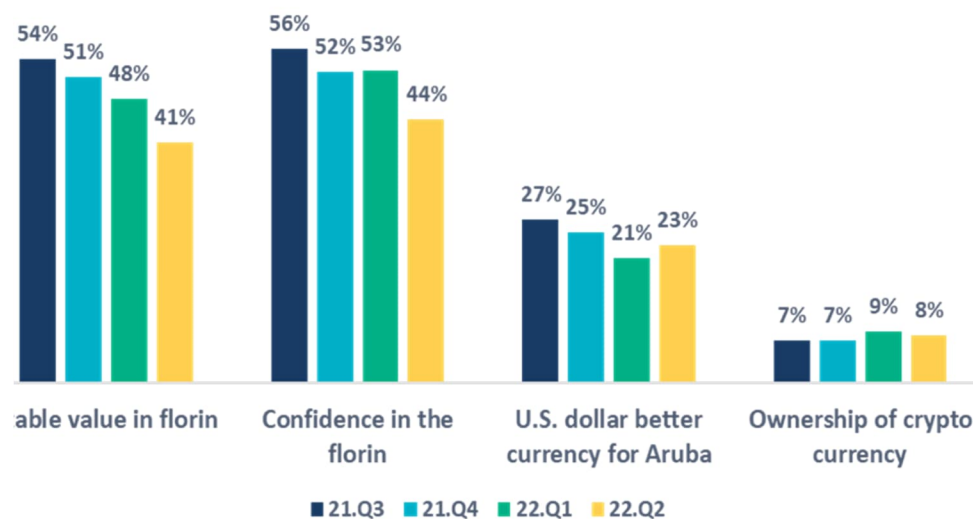


44%

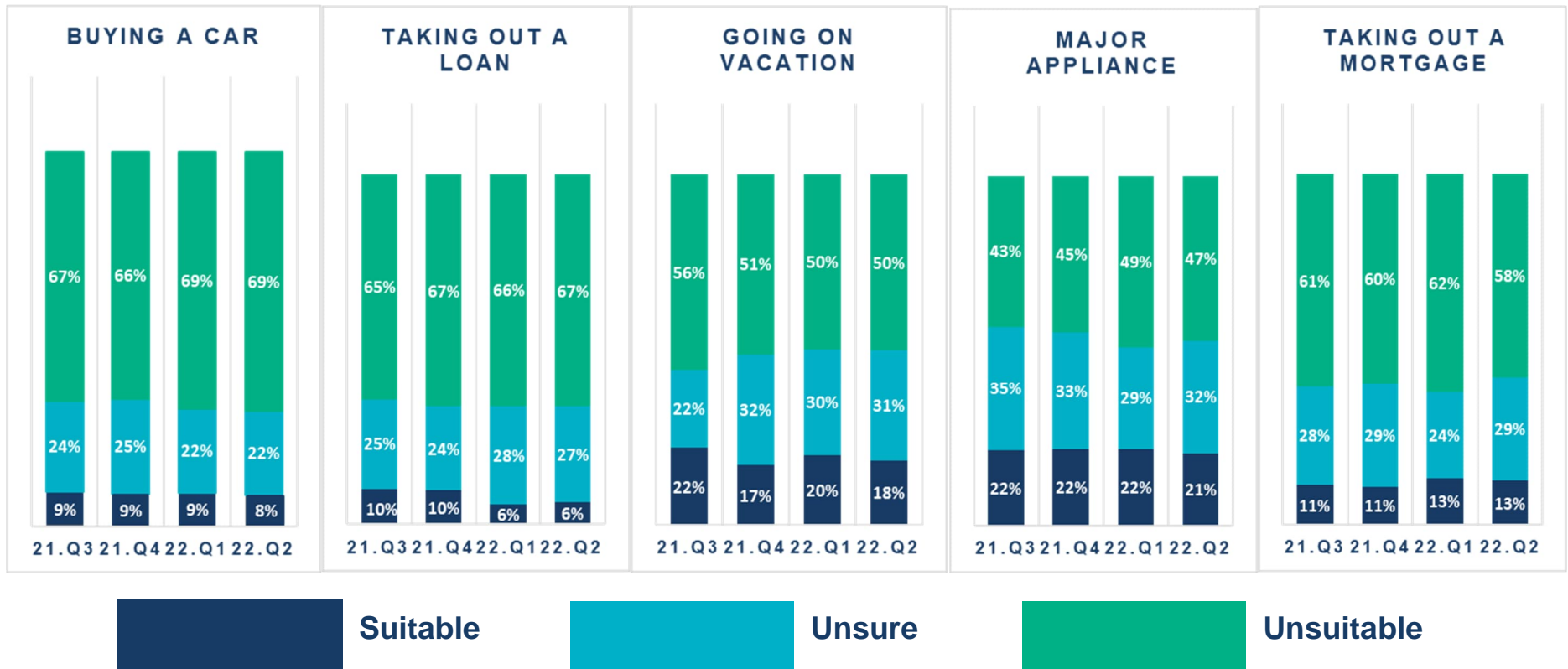
of respondents (Q1-2022: 53%) stated that they have confidence in the Aruban florin.

In addition, 23% of respondents reported that the U.S. Dollar is a better currency for Aruba.

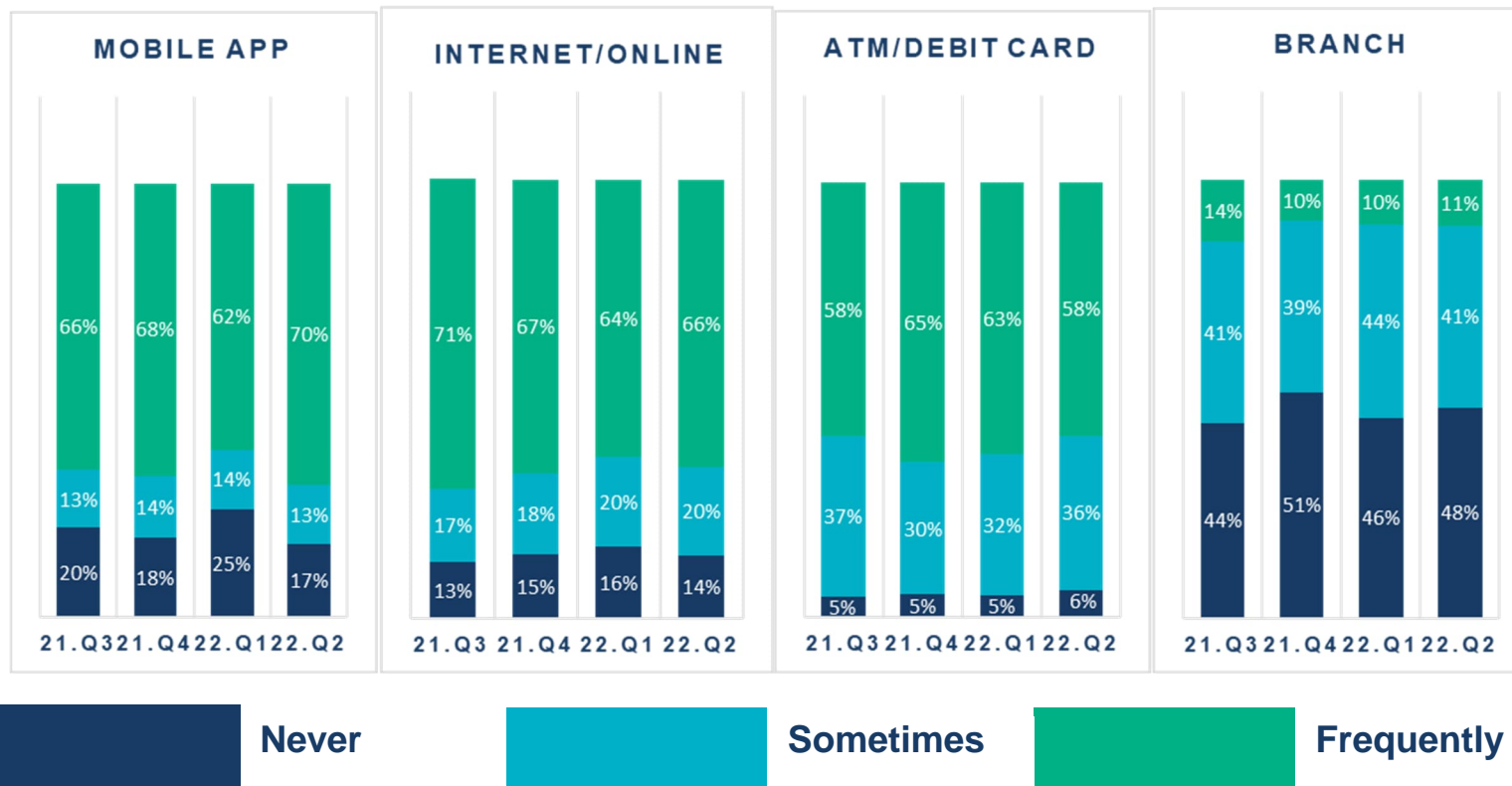
Less than half of the respondents reported to have confidence in the Aruban florin compared to previous quarters.



Consistent with Q1 2022, about two-thirds of the respondents considered it unsuitable to buy a new car and to take out a loan. Meanwhile, about half of the respondents considered it unsuitable going on vacation or purchasing a major appliance.



The daily use of mobile app and online banking increased in Q2-2022 by 6 and 5 percentage points, respectively, while the percentage of consumers that never use a branch increased by 2 percentage points.





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