

CONSUMERS LESS PESSIMISTIC IN THE FOURTH QUARTER OF 2022: PRICE HIKES STILL A KEY CONCERN

Press release

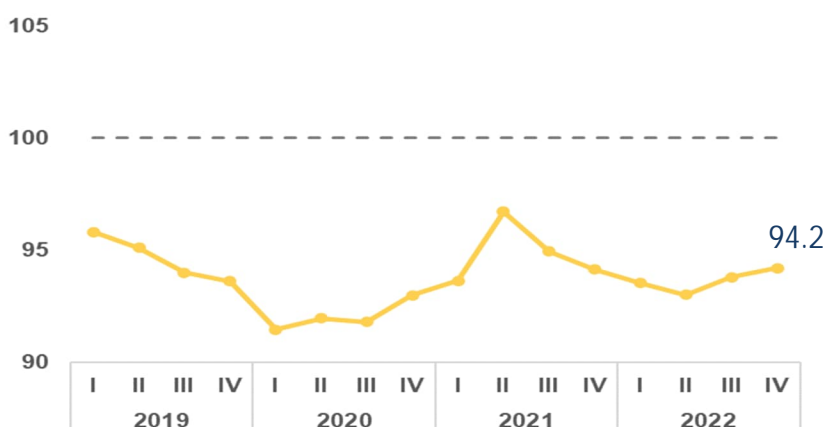
Results for the fourth quarter of 2022

Consumers turned less pessimistic, as consumer confidence index rose by 0.4 index point to 94.2 in the fourth quarter of 2022 (Chart 1)¹.

By the end of the fourth quarter, consumers were mainly concerned about (i) deteriorating business and economic conditions (Q4-2022: 54 percent vs. Q3-2022: 63 percent), (ii) worsening household's financial position (Q4-2022: 45 percent vs. Q3-2022: 33 percent), and (iii) difficulty in finding a new job (Q4-2022: 38 percent vs. Q3-2022: 49 percent). In addition, 35 percent of respondents anticipated the financial position of the government to worsen in the fourth quarter of 2022, i.e., 11 percentage points less compared to previous quarter (Q3-2022: 46 percent). An estimated 92 percent of all respondents indicated that they expect prices to be higher in the next 6 months (Q3-2022: 93 percent).

The present situation index rose, i.e., by 1.0 index point to 94.2 in the fourth quarter of 2022, while the future expectation index remained unchanged at 94.0 compared to previous quarter. The number of respondents reporting that buying a car was not suitable increased to 65 percent in the fourth quarter of 2022 (Q3-2022: 57 percent), while 60 percent indicated that taking out a loan was not appropriate (Q3-2022: 53 percent). Furthermore, 58 percent of respondents mentioned that taking out a mortgage was unsuitable (Q3-2022: 54 percent). As for going on vacation 36 percent stated it was not appropriate (Q3-2022: 40 percent). Consequently, the consumer purchasing habit index rose from 94.8 in the third quarter of 2022 to 95.1 in the fourth 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.



CENTRALE BANK VAN ARUBA

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

Centrale Bank van Aruba
March 15, 2023



About the Centrale Bank van Aruba

The main purpose of the Centrale Bank van Aruba (CBA) is to contribute to the financial stability and economic well-being of the Aruban community. The CBA accomplishes this mission by implementing an effective monetary policy aimed towards maintaining the value of the florin, by promoting the soundness and integrity of the financial system, and by enhancing an efficient and reliable payments system.

Besides these core tasks, the CBA is also the sole issuer of florin banknotes and florin coins, and acts as banker to the Government of Aruba. In addition, it regulates the flow of international payments, manages the available foreign exchange reserves of Aruba, and supervises the spending thereof.

For more information on the Centrale Bank van Aruba, please visit the website www.cbaruba.org
