

Consumer Confidence Survey Report Q1 2023

June 1, 2023



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 more pessimistic, as consumer confidence index plummeted by 1.2 index points to 93.0¹ in the first quarter of 2023.

By the end of the first quarter, consumers were mainly concerned about (i) deteriorating business and economic conditions (Q1-2023: 51 percent vs. Q4-2022: 54 percent), (ii) difficulty in finding a new job (Q1-2023: 44 percent vs. Q4-2022: 38 percent), and (iii) deteriorating financial position of the government (Q1-2023: 43 percent vs. Q4-2022: 35 percent). In addition, 33 percent of respondents reported worsening household's financial position in the first quarter of 2023, which is 15 percentage points less compared to the previous quarter (Q4-2022: 45 percent). An estimated 91 percent of all respondents indicated that they expect prices to be higher in the next 6 months (Q4-2022: 92 percent).

Both the present situation index and the future expectation index diminished, i.e., by 0.8 index point to 93.4 and 0.1 index point to 93.9, respectively, in the first quarter of 2023.

The number of respondents stating that going on vacation was not appropriate increased to 57 percent (Q4-2022: 36 percent), while 56 percent of the respondents reported that purchasing a major appliance was unsuitable (Q4-2022: 41 percent). As for taking out a loan, 68 percent of respondents indicated it was not appropriate (Q4-2022: 60 percent). Furthermore, 65 percent of respondents mentioned that taking out a mortgage was unsuitable (Q4-2022: 58 percent) and 73 percent of respondents indicated that buying a car was not suitable (Q4-2022: 65 percent). Consequently, the consumer purchasing habit index fell from 95.1 in the fourth quarter of 2022 to 92.5 in the first quarter of 2023.

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 Q1 2023

51%

**expected worse
business and
economic
conditions**

Q4-2022: 54%

44%

**expected finding a
new job to be
more difficult**

Q4-2022: 38%

Close to 50 percent of respondents anticipated deteriorating business and economic conditions, while 44 percent of respondents expected it to be more difficult to find a new job.

More than 40 percent of respondents foresaw the government's financial position to worsen, while 30 percent of respondents expected their household to be financially worse in the first quarter of 2023.

43%

**expected worse
government
financial position**

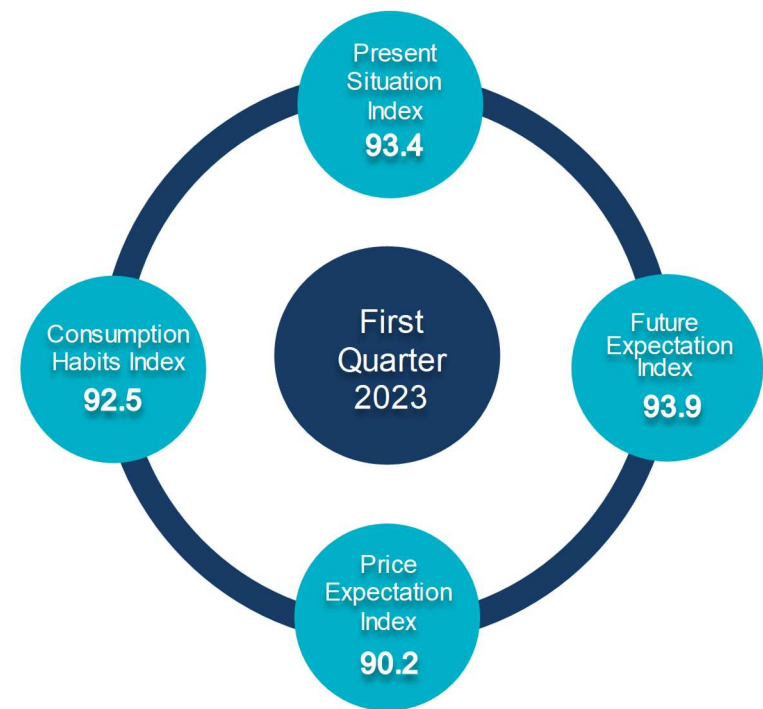
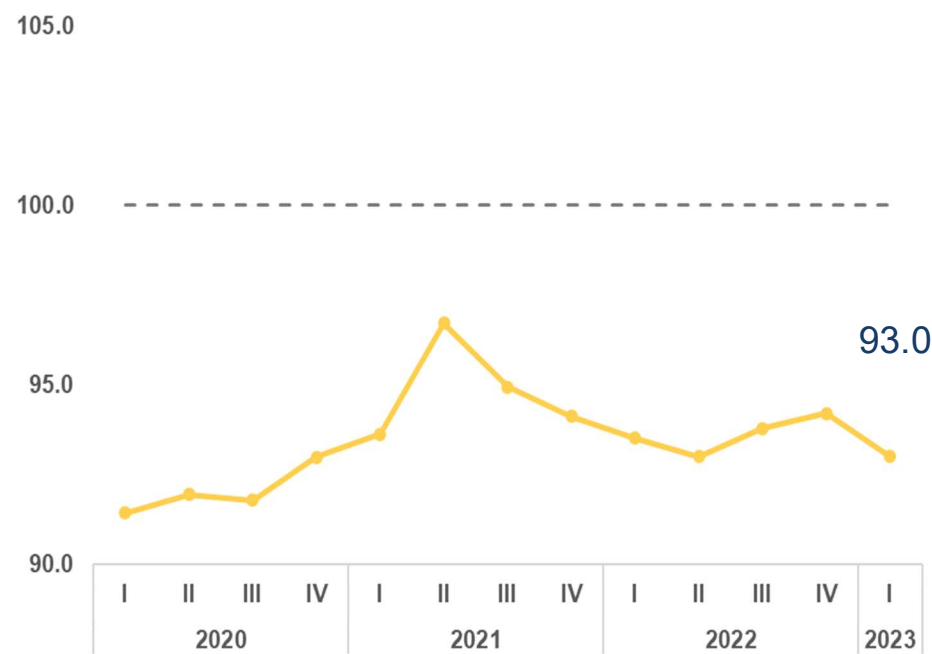
Q4-2022: 35%

30%

**expected worse
household
financial position**

Q4-2022: 45%

The Consumer Confidence Index plummeted to 93.0 during the first quarter of 2023, compared to 94.2 in the fourth quarter of 2022.



The respondents reporting they can purchase less with their income compared to 6 months ago remained unchanged for three (3) consecutive quarters at 93 percent.

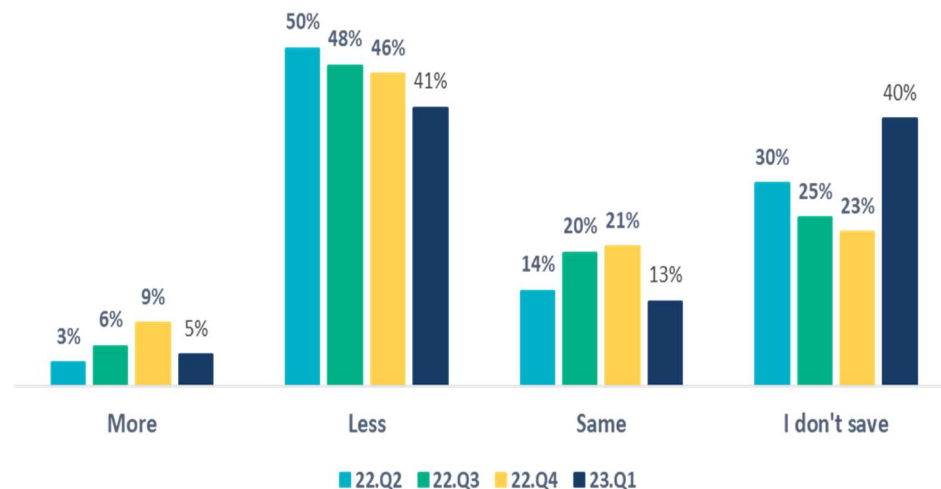


41%

of respondents reported that they saved less, which is a decrease of 5 percentage points compared to previous quarter (Q4-2022: 46%).

In addition, 5% of respondents reported that they save more, which is 4 percentage points less compared to previous quarter (Q4-2022: 9%).

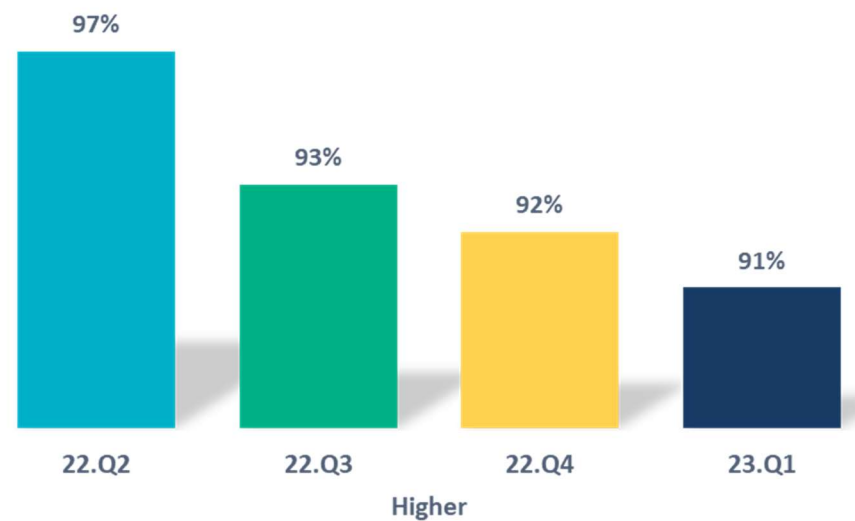
Close to 40 percent of respondents indicated that they don't save, this is a significant increase of 17 percentage points compared to previous quarter (Q4-2022: 23%).



91%

of respondents foresaw that prices will be higher in the next 6 months, which is 1 percentage point less than the previous quarter (Q4-2022: 92%).

Respondents indicated that they expect prices to be higher in the next 6 months, reflecting a steady decrease for the last three (3) quarters.

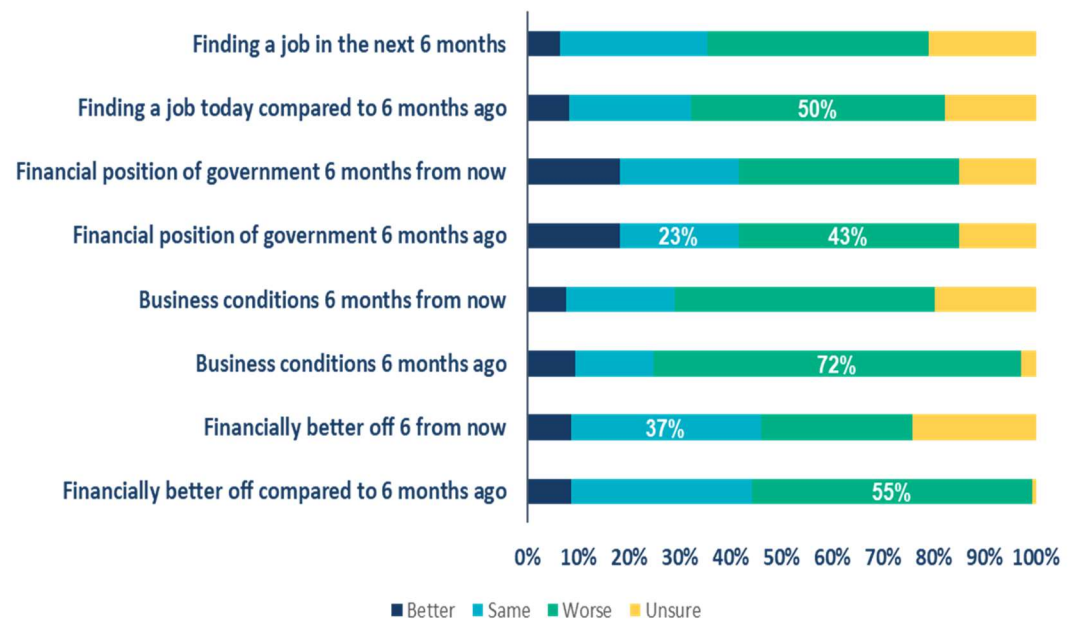


72%

of respondents stated that the business and economic conditions worsened from 6 months ago (Q4-2022: 68%).

An estimated 55% of respondents reported that compared to 6 months ago their financial situation worsened.

Consumer Sentiments - 6 months ago versus 6 months from now

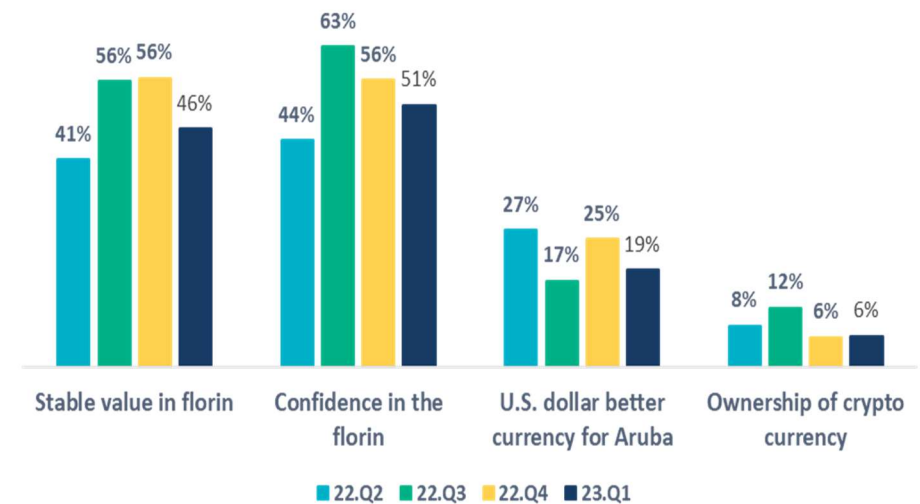


51%

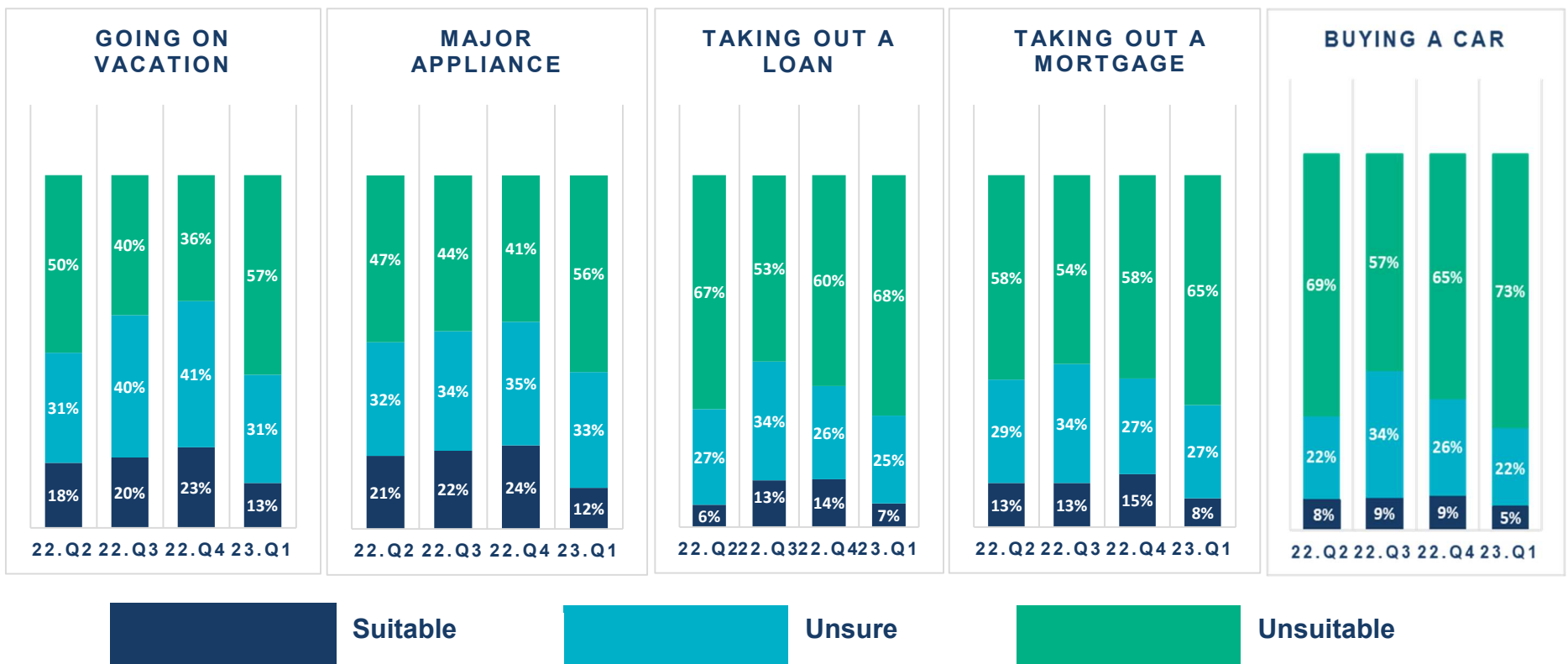
of respondents (Q4-2022: 56%) stated that they have confidence in the Aruban florin.

In addition, 19% of respondents reported that the U.S. Dollar would be a better currency for Aruba.

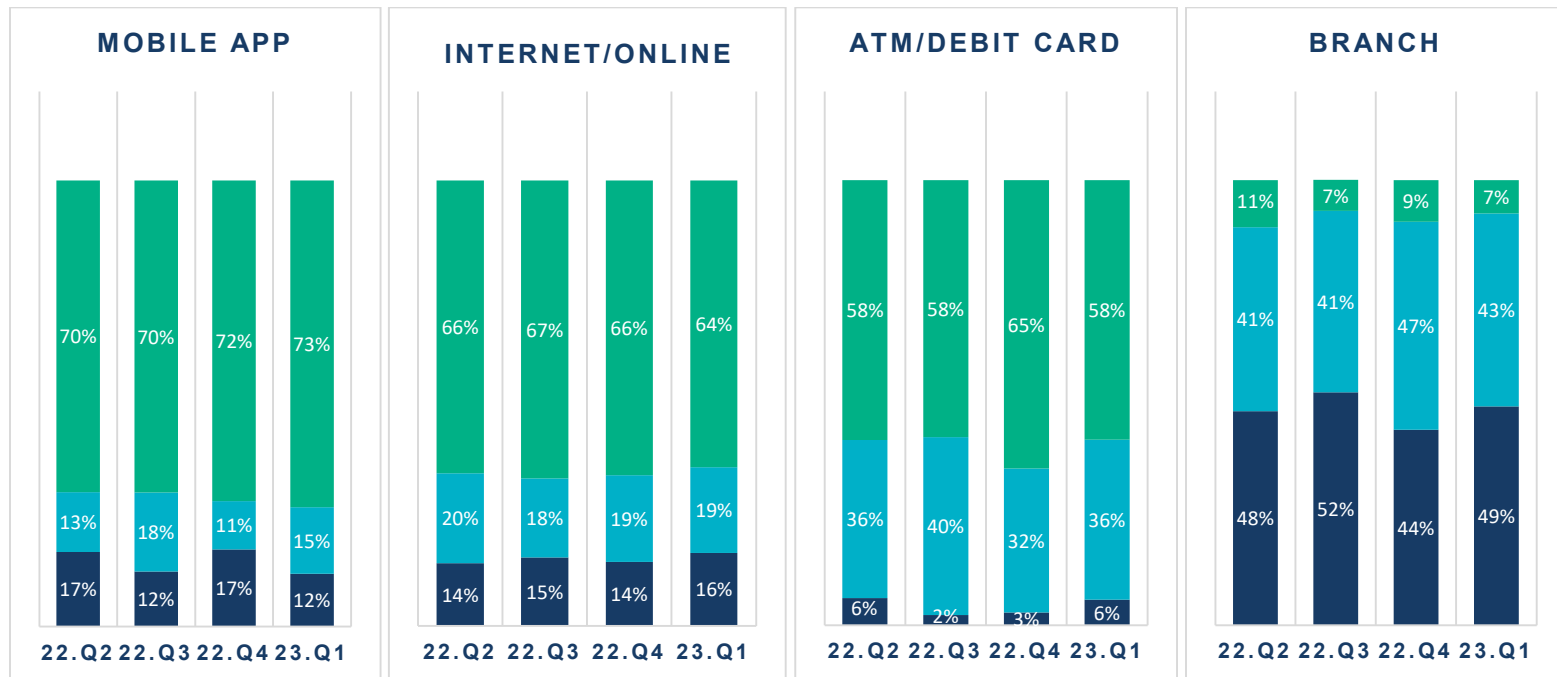
Close to 50 percent of the respondents have confidence in the Aruban florin.



Compared to the previous quarter, 57 percent of the respondents considered it unsuitable going on vacation which is 21 percentage points more (Q4-2022:36%). About 56 percent of the respondents considered it not the best time to purchase a major appliance, while 68 percent of the respondents considered taking out a loan inappropriate. In addition, 65 percent of the respondents considered taking out a mortgage improper while 73 percent of the respondents considered it unfitting to buy a new car.



The frequent use of mobile applications rose by 1 percentage point to 73 percent, while the frequently use of online banking decreased by 2 percentage points (Q4-2022:66%). In addition, the percentage of consumers who use their ATM/debit card on a frequent basis declined by 7 percentage points (Q4-2022:65%). The respondents who never use a branch increased by 5 percentage points (Q4-2022:44%).



Never



Sometimes



Frequently



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