



Consumer Confidence Survey Report Q2 2024

October 11, 2024



CENTRALE BANK VAN ARUBA



Cover design:

Our turtles.

They choose Aruba's beaches as a safe haven;

They choose Aruba's beaches as their breeding ground;

They connect and communicate through vocalizations and body language.

Their slow and steady pace represents resilience and endurance.

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

Correspondence related to this consumer confidence survey report should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: www.cbaruba.org or E-mail: statistics.department@cbaruba.org

Summary

In the second quarter of 2024, consumers expected their household to be financially challenging in the coming 6 months.

The Central Bank of Aruba (CBA) concluded its Consumer Confidence Survey (CCS) for the second quarter of 2024. The CCS assesses the economic sentiments of local consumers. Consumers were more pessimistic, as the Consumer Confidence Index fell by 0.6 index point to 93.7¹ in the second quarter of 2024.

The Present Situation Index fell by 0.9 index point to 93.7 in the second quarter of 2024. Meanwhile, both the Consumption Habits Index and the Future Expectation Index decreased by 0.7 index point to 93.8 and 0.5 index point to 94.3, respectively, during the second quarter of 2024.

Respondents stating that they can “purchase less with their income compared to 6 months ago” increased to 93% in the second quarter of 2024. As for the percentage of respondents expressing that they saved less, this dropped to 43% in the second quarter of 2024. Higher price expectation in the next 6 months was still a major concern for respondents in the second quarter of 2024.

Consumers were still cautious about their consumption and borrowing habits in the second quarter of 2024.

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. Correspondence related to this consumer confidence survey report should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: www.cbaruba.org or E-mail: statistics.department@cbaruba.org

Top of Mind

Key Consumer Concerns Q2 2024

1

Roughly 42% of respondents expected their household to be financially worse off (Q1-2024: 20%).

2

About 43% of respondents anticipated deteriorating business and economic conditions in the second quarter of 2024 (Q1-2024: 47%).

3

About 37% of respondents foresaw the government's financial position to worsen (Q1-2024: 34%).

4

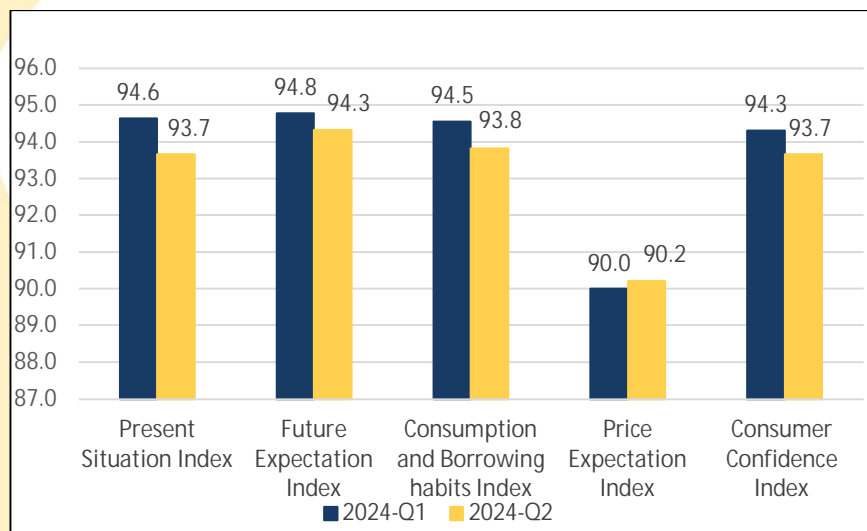
Roughly 35% of respondents expected it to be more difficult to find a new job (Q1-2024: 38%).

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The Present Situation Index fell by 0.9 index point to 93.7 in the second quarter of 2024. Meanwhile, both the Consumption Habits Index and the Future Expectation Index decreased by 0.7 index point to 93.8 and 0.5 index point to 94.3, respectively, during the second quarter of 2024. The Price Expectation Index rose by 0.2 index point, from 90.0 in the first quarter of 2024 to 90.2 in the second quarter of 2024 (see chart 1).

Chart 1: Consumer Confidence Index results.

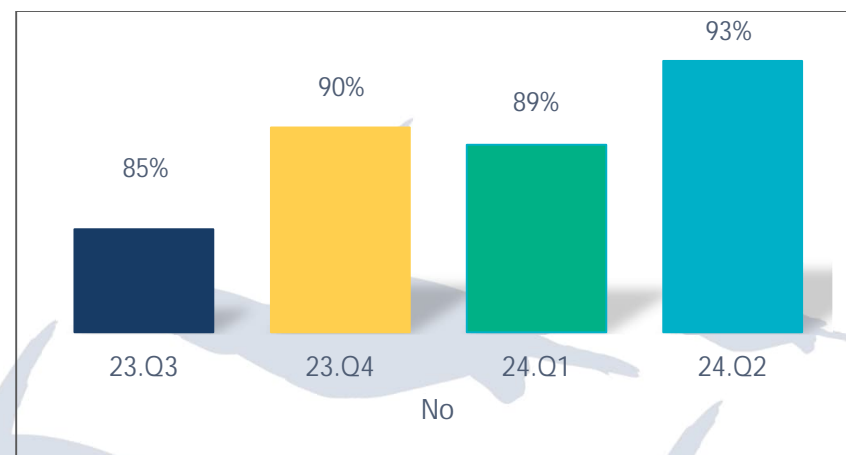


Source: Centrale Bank van Aruba

Respondents stated that they “cannot purchase as much with their income compared to 6 months ago”.

The percentage of respondents stating that they “cannot purchase as much with their income compared to 6 months ago” increased to 93% in the second quarter of 2024, compared to 89% in the first quarter of 2024 (see chart 2). As for the respondents indicating that they can “purchase as much with their income compared to 6 months ago”, this decreased to 5%, compared to 7% in the first quarter of 2024.

Chart 2: Respondents purchasing power - 6 months ago.



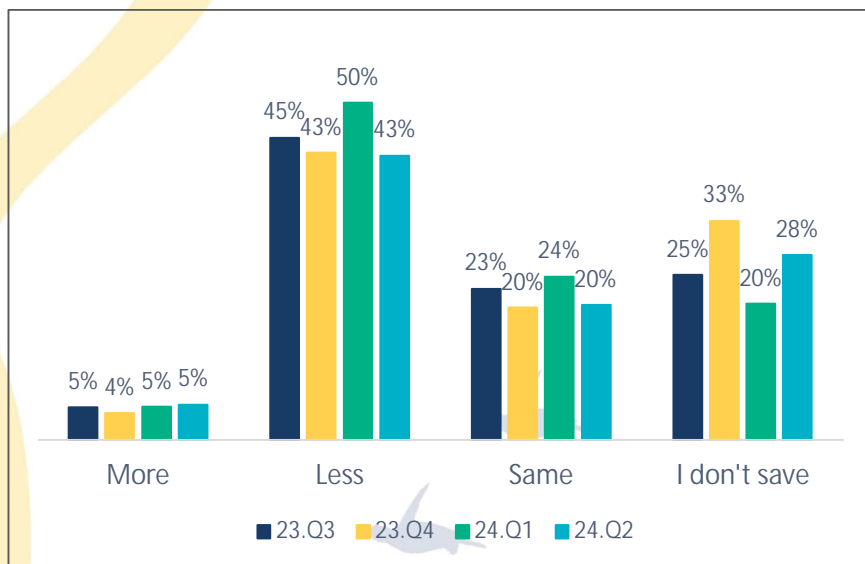
Source: Centrale Bank van Aruba

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The percentage of respondents expressing that they saved less dropped to 43% during the second quarter of 2024.

In the second quarter of 2024, the respondents that reported that they don't save increased to 28%, while the respondents that indicated that they save the same fell to 20% during the second quarter of 2024 (see chart 3).

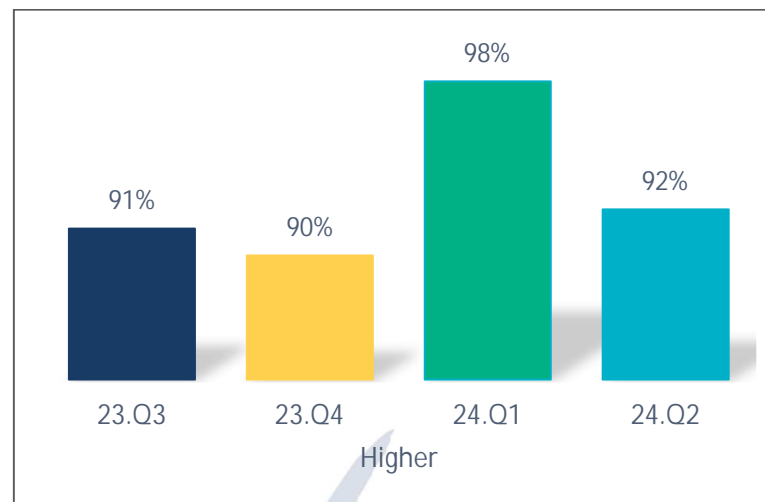
Chart 3: Respondents savings behaviour.



Source: Centrale Bank van Aruba

Higher price expectation in the next 6 months was still a major concern for respondents, despite a decrease of 6.0 percentage points to 92% during the second quarter of 2024 (see chart 4).

Chart 4: Respondents price expectation - next 6 months.

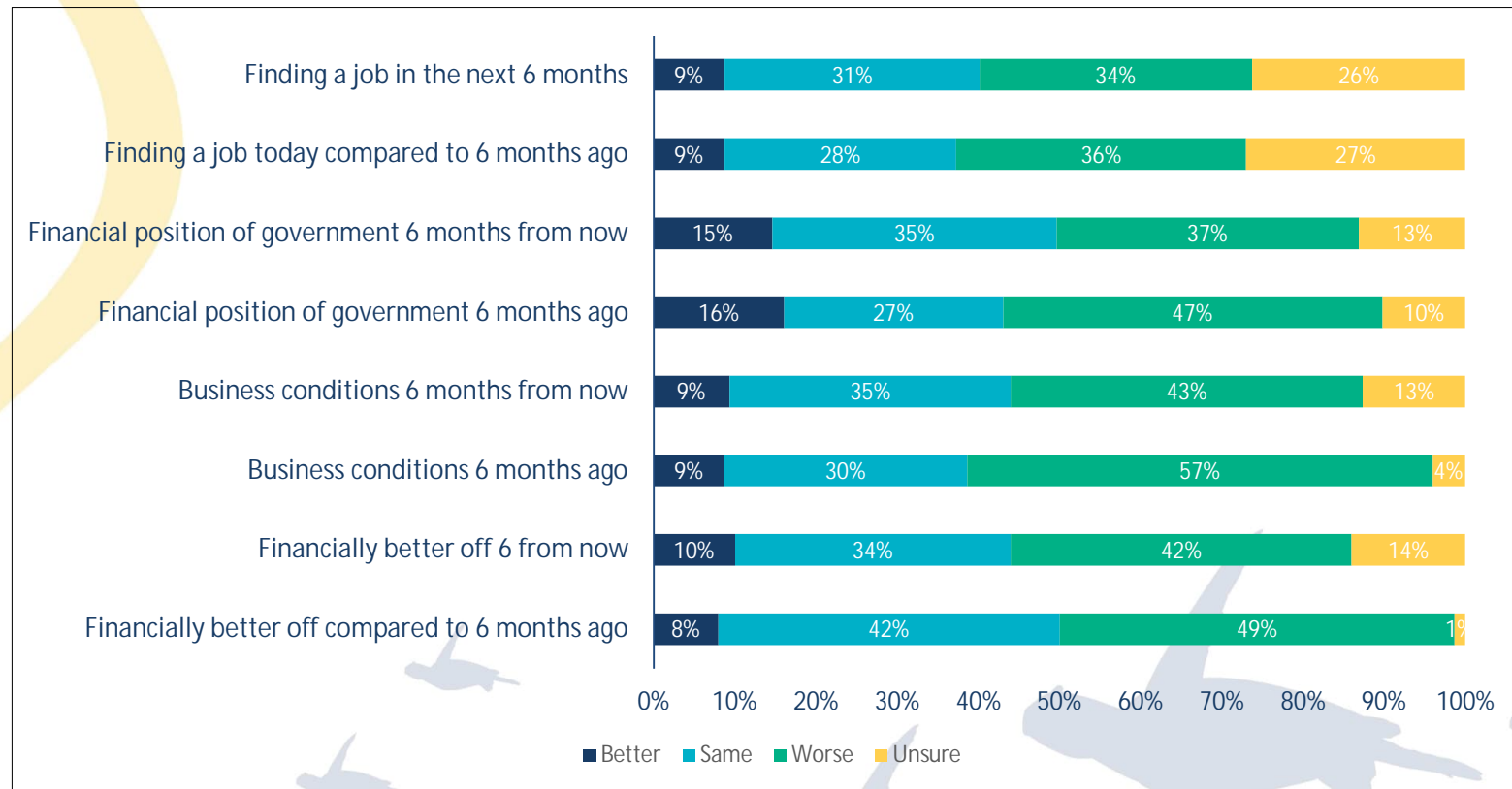


Source: Centrale Bank van Aruba

The percentage of respondents stating that the business and economic conditions worsened compared to 6 months ago, dropped to 57%, compared to 63% in the first quarter of 2024. An estimated 49% of the respondents reported that their financial household situation worsened compared to 6 months ago and 47% foresaw the government's financial position to worsen (see chart 5).

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Chart 5: Respondents sentiments – 6 Months ago versus 6 months from now.



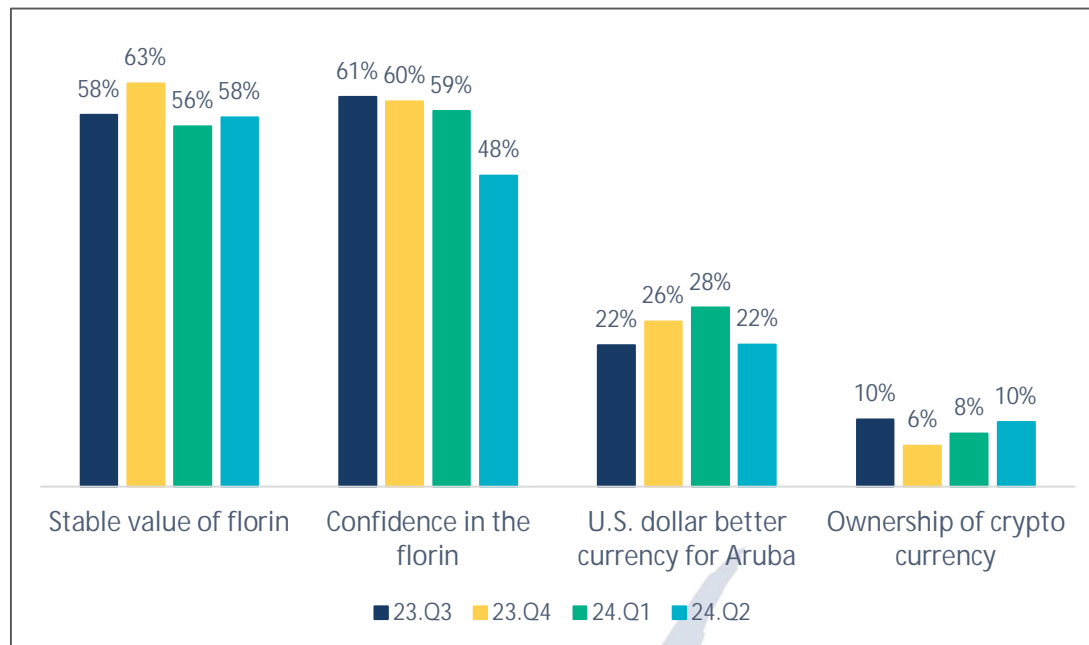
Source: Centrale Bank van Aruba

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Almost 60 % of the respondents stated that the Aruban florin is stable in the second quarter of 2024.

An estimated 48% of respondents have confidence in the Aruban florin (see chart 6). However, 22% of the respondents reported that the U.S. Dollar would be a better currency for Aruba. For a second consecutive quarter, an increase in the percentage of respondents owning crypto currency was noted.

Chart 6: Respondents confidence in the Aruban florin.



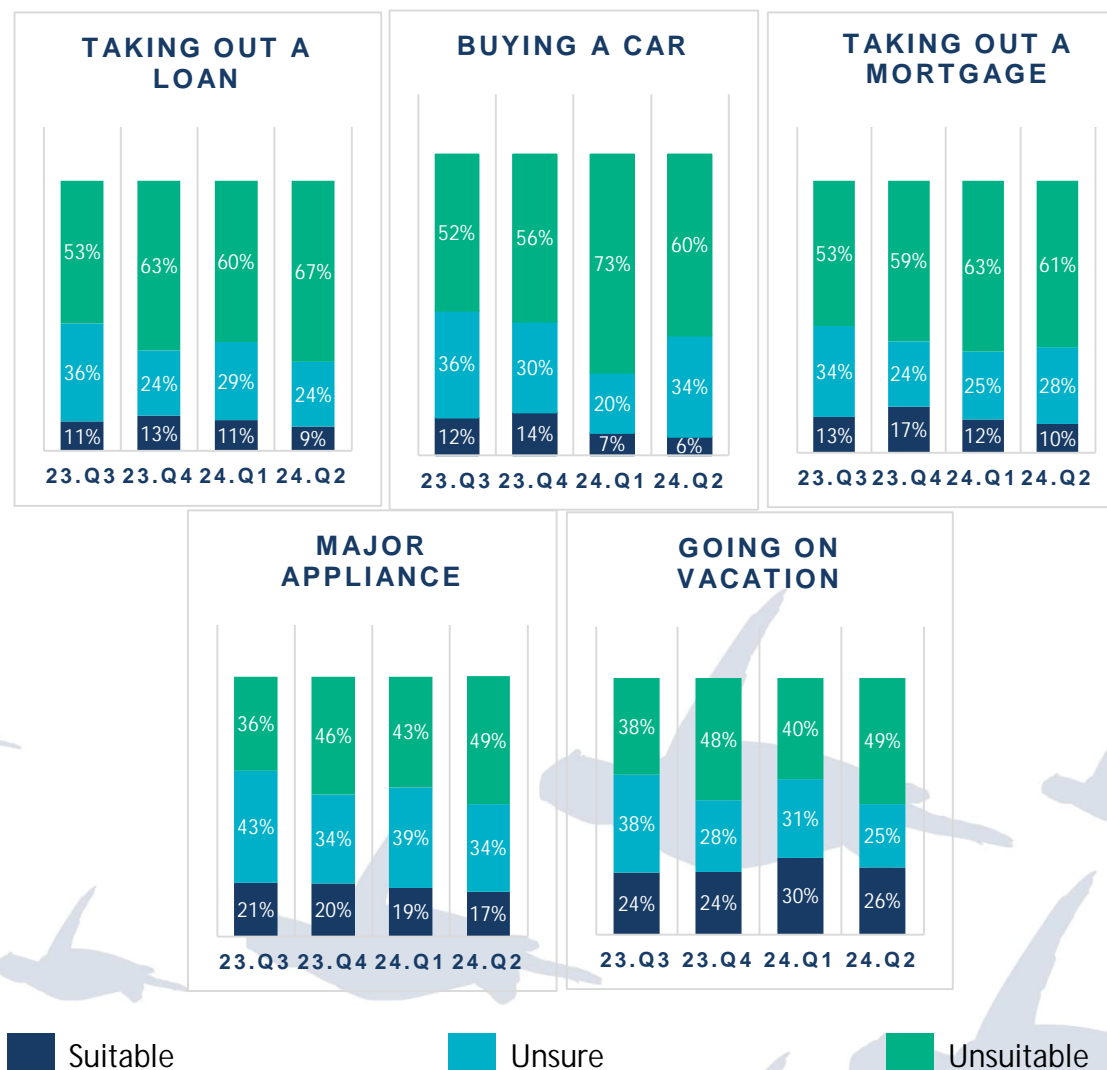
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Consumers were still cautious about their consumption and borrowing habits in the second quarter of 2024.

About 67% of respondents considered it unsuitable to take out a loan. As for buying a car, 60% of respondents judged it unsuitable, while taking out a mortgage was considered unsuitable by 61%. About 49% deemed it unsuitable to buy a major appliance and to go on vacation (see chart 7).

Chart 7: Respondents consumption and borrowing habits.

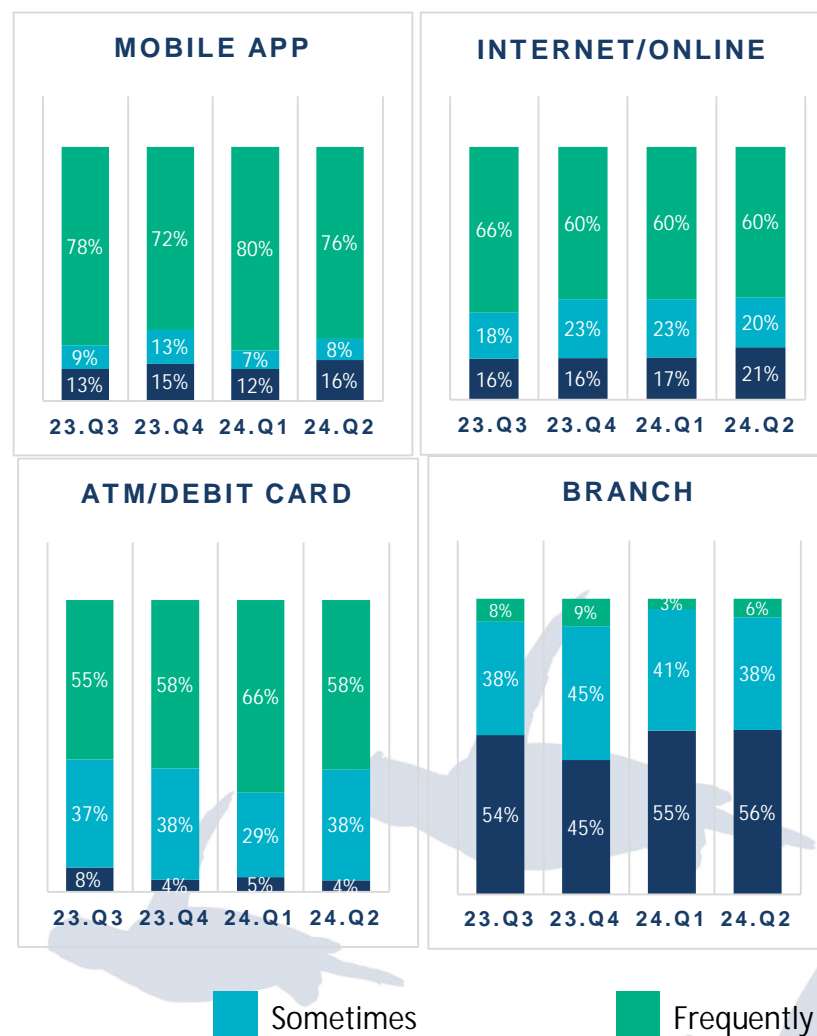


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Mobile banking app remained the preferred and dominant personal banking channel in the second quarter of 2024.

The consumers using online banking remained stable at 60% for a third consecutive quarter. In addition, the percentage of consumers who use ATM/debit card on a frequent basis dropped to 58%. As for the consumers who never visit a branch, this inched up to 56% (see chart 8).

Chart 8: Respondents personal banking preferred method.



A stylized map of Aruba is shown in yellow, separating a dark blue area on the left from a light blue area on the right. Several sea turtles are depicted in silhouette, swimming in the water. The right side of the image features a pattern of horizontal lines.

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