



Business Perception Survey Report 2024-IV

April 29, 2025



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 business perception 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

Businesses Perception Index strengthened by 1.5 percentage points during the fourth quarter of 2024.

The Central Bank of Aruba (CBA) concluded its Business Perception Survey (BPS) for the fourth quarter of 2024. The BPS assesses the economic sentiments of local businesses. The Business Perception Index, comprising the current and expected short-term economic conditions, strengthened from 106.3 in the third quarter of 2024 to 107.8 in the fourth quarter of 2024. The expected short-term economic conditions index and the current economic conditions index increased by 2.1 index points and 1.2 index point to 107.8 and 107.8, respectively, in the fourth quarter of 2024.

In terms of economic growth expectations, 49% of business respondents expected a flat economic growth in the next 12 months.

In the fourth quarter of 2024, the percentage of business respondents indicating a “decrease” in employment expanded by 12.6 percentage points to 18.4%. The percentage of business respondents reporting a profit fell by 4.9 percentage points to 81.6% in the fourth quarter of 2024. The percentage of business respondents stating an “improvement” in current economic investments activities rose by 2.5 percentage points to 42.9% during the fourth quarter of 2024.

In terms of long-term economic conditions over the next 12 months, 42.9% anticipated the inflation rate to range between 2% and 3% during the fourth quarter of 2024.

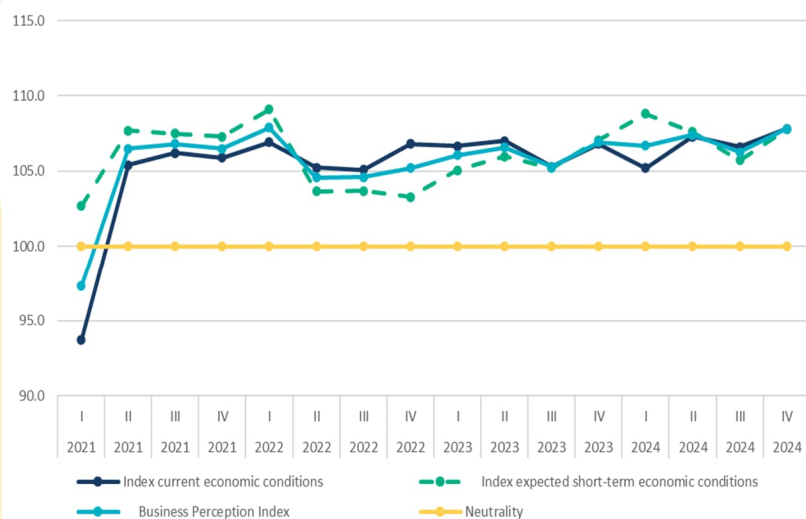
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Economic Conditions

The Business Perception Index rose by 1.5 index points in the fourth quarter of 2024.

The Business Perception Index, comprising the current and expected short-term economic conditions, increased from 106.3 in the third quarter of 2024 to 107.8 in the fourth quarter of 2024 (see chart 1). The expected short-term economic conditions index and the current economic conditions index increased by 2.1 index points and 1.2 index points to 107.8 and 107.8, respectively, in the fourth quarter of 2024 (see annex 1).

Chart 1: Business Perception Index.



Source: Centrale Bank van Aruba

The percentage of business respondents expecting a positive economic growth in the next 12 months grew by 2.7 percentage points to 46.9%, during the fourth quarter of 2024. Meanwhile, the percentage of business respondents anticipating negative economic growth in the next 12 months dropped by 9.4 percentage points to 4.1%. As for the percentage of business respondents anticipating a flat economic growth, this grew by 6.7 percentage points to 49.0% (see annex 2).

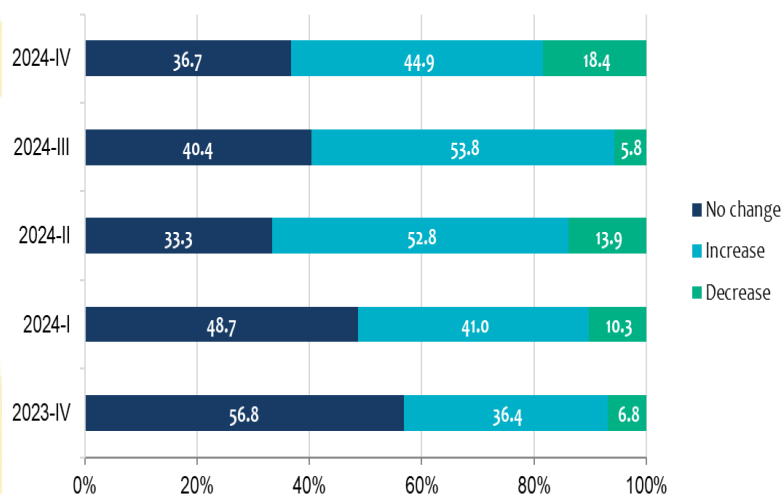
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Employment and Wages

In the fourth quarter of 2024, the percentage of business respondents indicating a “decrease” in employment expanded by 12.6 percentage points to 18.4%.

The percentage of business respondents reporting an “increase” and “no change” in employment contracted by 8.9 percentage points and 3.7 percentage points, respectively (see chart 2).

Chart 2: Perceived developments in employment.

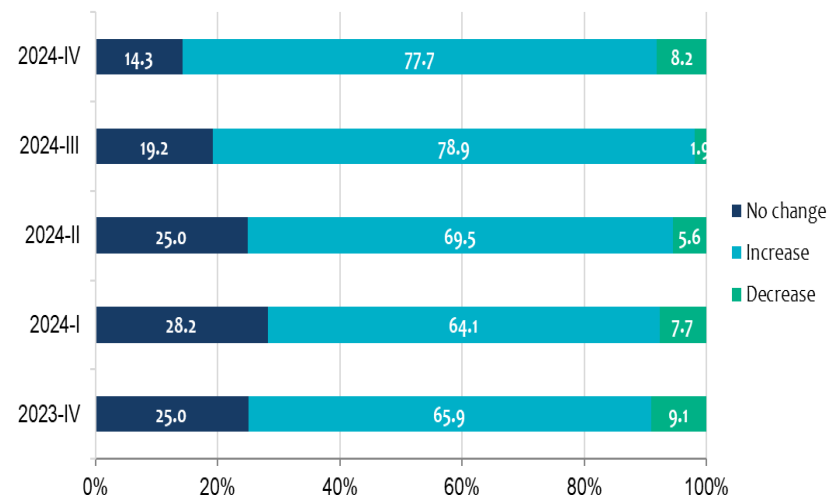


Source: Centrale Bank van Aruba

With reference to average wages, the percentage of business respondents reporting “deterioration” in the average wage cost grew by 6.3 percentage points. Meanwhile, the percentage of

business respondents recording “no change” and “improvement” in wage conditions shrank by 4.9 and 1.2 percentage points, respectively (see chart 3).

Chart 3: Perceived developments in average wages.



Source: Centrale Bank van Aruba

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Profitability and Sales

The percentage of business respondents reporting a profit decreased by 4.9 percentage points to 81.6% in the fourth quarter of 2024.

The percentage of business respondents reporting “no change” in sales expanded by 16.8 percentage points to 24.5%. As for the percentage of business respondents registering “decreases” and “increases” in sales, both contracted by, respectively, 10.7 and 6.1 percentage points during the fourth quarter of 2024 (see table 1).

Table 1: Perceived developments in profitability and sales
(in % of all respondents).

	2023				2024			
	I	II	III	IV	I	II	III	IV
PROFITABILITY - PROFITS (%)								
1. No change	16.4	18.6	23.4	20.5	15.4	13.9	15.4	12.2
2. Increase	58.2	62.7	38.3	54.6	51.2	61.1	59.6	63.3
3. Decrease	12.7	10.2	19.2	13.6	23.1	8.4	11.5	6.1
Total	87.3	91.5	80.9	88.6	89.7	83.3	86.5	81.6
PROFITABILITY - LOSSES (%)								
1. No change	5.5	0.0	6.4	4.5	2.6	5.6	7.7	8.2
2. Increase	5.4	5.1	10.6	4.6	0.0	8.3	3.8	6.1
3. Decrease	1.8	3.4	2.1	2.3	7.7	2.8	1.9	4.1
Total	12.7	8.5	19.1	11.4	10.3	16.7	13.4	18.4
SALES (%)								
1. No change	20.0	20.3	29.8	27.3	20.5	25.0	7.7	24.5
2. Increase	61.9	57.7	49.0	56.8	53.8	58.3	65.3	59.2
3. Decrease	18.2	22.0	21.3	15.9	25.7	16.7	27.0	16.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Centrale Bank van Aruba

Investment and Financing Activity

The percentage of business respondents stating an “improvement” in current economic investments activities rose by 2.5 percentage points to 42.9% during the fourth quarter of 2024.

The percentage of business respondents indicating “no change” in investment conditions rose by 2.8 percentage points to 49.0%, while the percentage of business respondents indicating “worsening” investment conditions fell by 5.3 percentage points to 8.2% (see table 2).

Table 2: Business Perception Survey: general results.

	Improvement (%)		No change (%)		Worsening (%)	
	2024		2024		2024	
	III	IV	III	IV	III	IV
A. Current economic conditions	51.9	54.1	37.5	39.3	10.6	6.6
1. The economic conditions in Aruba	53.8	53.1	42.3	42.9	3.8	4.1
2. The activities of your business	50.0	51.0	38.5	44.9	11.5	4.1
3. The investments of your business	40.4	42.9	46.2	49.0	13.5	8.2
4. The number of employees that work for your company	63.5	69.4	23.1	20.4	13.5	10.2
B. Expected short-term economic conditions	33.7	32.7	57.2	63.3	9.1	4.1
1. The economic conditions in Aruba	21.2	26.5	71.2	71.4	7.7	2.0
2. The activities of your business	38.5	36.7	48.1	57.1	13.5	6.1
3. The investments of your business	38.5	34.7	53.8	61.2	7.7	4.1
4. The number of employees that work for your company	36.5	32.7	55.8	63.3	7.7	4.1

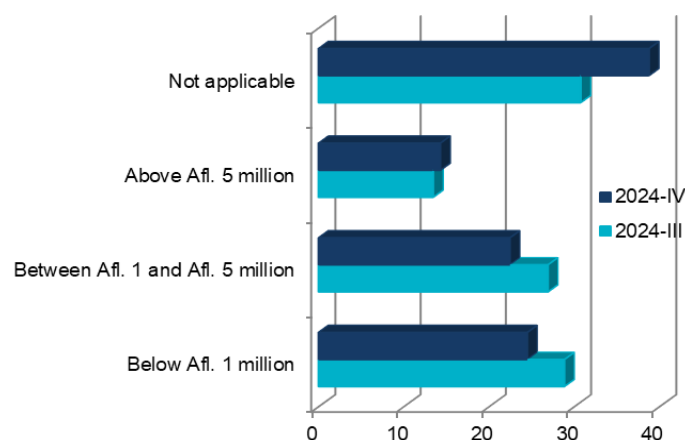
Source: Centrale Bank van Aruba

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During the fourth quarter of 2024, 34.7% of the business respondents foresaw that the short-term investment conditions would “improve” during the next 6 months, a downturn of 3.8 percentage points compared to the third quarter of 2024. The percentage of business respondents indicating “no change” expanded by 7.4 percentage points to 61.2%. The percentage of business respondents reporting “worsening” short-term investment conditions, fell by 3.6 percentage points in the fourth quarter of 2024 (see table 2).

During the fourth quarter of 2024, the percentage of business respondents with investment plans over the next 12 months decreased by 8.0 percentage points to 61.3% (see chart 4).

Chart 4: Investment plans over the next 12 months reported in 2024-IV (In % of all respondents).



Source: Centrale Bank van Aruba

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Business respondents stating that the terms and conditions for obtaining financing “remained the same”, expanded by 1.6 percentage points to 93.9% in the fourth quarter of 2024. Business respondents indicating “tightened” terms and conditions for obtaining business financing during the fourth quarter of 2024 dropped by 1.7 percentage points to 4.1%, while business respondents reporting “eased”, increased by 0.1 percentage point (see annex 2).

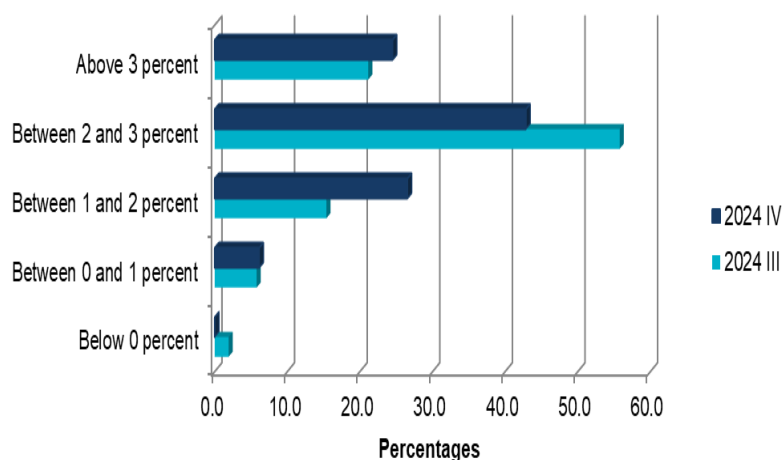
During the fourth quarter of 2024, 75.5% of the business respondents expected the annual effective financing rate to be between 5% and 8%. The percentage of business respondents anticipating the annual effective financing rate to be below 5% increased by 2.8 percentage points to 16.3%. Those expecting the annual effective financing rate to be between 8% and 12% fell by 5.3 percentage points to 8.2% (see annex 2).

Inflation and prices for products and services

In terms of long-term economic conditions over the next 12 months, 42.9% anticipated the inflation rate to range between 2% and 3% during the fourth quarter of 2024.

About 26.5% of the business respondents expected the inflation rate to be between 1% and 2%. (see chart 5).

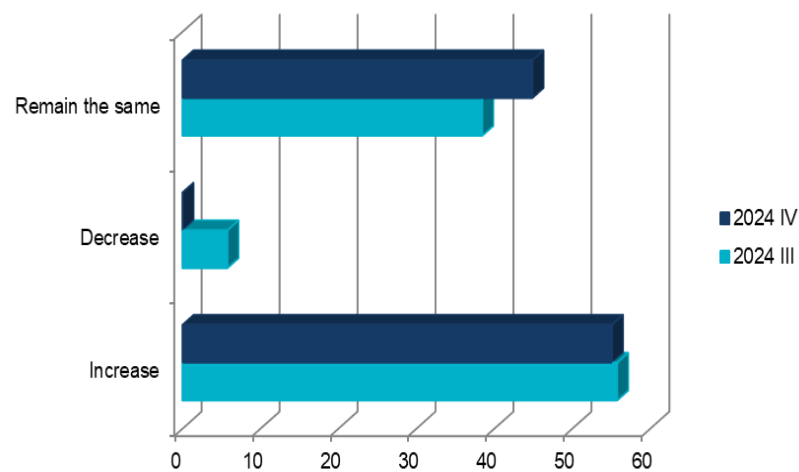
Chart 5: Inflation over the next 12 months reported in 2024-IV (In % of all respondents).



Source: Centrale Bank van Aruba

Regarding the prices for products and services over the next 12 months, 55.1% of the business respondents anticipated price accelerations, i.e., a downturn of 0.7 percentage point. About 45% of the business respondents deemed that the prices for products and services would remain the same (see chart 6).

Chart 6: Prices for products and services over the next 12 months reported in 2024-IV (In % of all respondents).



Source: Centrale Bank van Aruba

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Annex 1: Business perception Survey by sectors

	2024-III	2024-IV
1. Index current economic condition	106.6	107.8
a. Manufacturing (excl. manufacture of refined petroleum products)	107.1	110.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	110.0	106.0
c. Construction	110.0	110.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	107.4	107.3
e. Hotels and restaurants	106.8	110.0
f. Transport, storage and communication	100.0	106.0
g. Financial intermediation	105.4	107.1
h. Real estate and other business activities	104.5	110.0
i. Health, other community and personal service activities	105.6	106.4
2. Index short-term future economic condition	105.7	107.8
a. Manufacturing (excl. manufacture of refined petroleum products)	110.0	110.0
b. Electricity, gas and water supply	110.0	110.0
c. Construction	110.0	110.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	103.0	110.0
e. Hotels and restaurants	106.5	110.0
f. Transport, storage and communication	100.0	106.7
g. Financial intermediation	110.0	110.0
h. Real estate and other business activities	95.0	100.0
i. Health, other community and personal service activities	103.3	105.0
3. Business Perception Index	106.3	107.8
a. Manufacturing (excl. manufacture of refined petroleum products)	108.7	110.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	110.0	107.8
c. Construction	110.0	110.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	105.6	108.2
e. Hotels and restaurants	106.7	106.7
f. Transport, storage and communication	100.0	109.0
g. Financial intermediation	107.3	108.9
h. Real estate and other business activities	102.0	110.0
i. Health, other community and personal service activities	104.7	105.9

Source: Centrale Bank van Aruba

Annex 2: Future expectations and activities 1)

	2024 III	2024 IV
A. Inflation		
Below 0 percent	1.9	0.0
Between 0 and 1 percent	5.8	6.1
Between 1 and 2 percent	15.4	26.5
Between 2 and 3 percent	55.8	42.9
Above 3 percent	21.2	24.5
Total	100.0	100.0
B. Investment plans		
1. Below Afl. 1 million	28.9	24.5
2. Between Afl. 1 and Afl. 5 million	26.9	22.5
3. Above Afl. 5 million	13.5	14.3
4. Not applicable	30.8	38.8
Total	100.0	100.0
C. Annual effective financing rate 2)		
1. Below 5 percent	13.5	16.3
2. Between 5 and 8 percent	73.1	75.5
3. Between 8 and 12 percent	13.5	8.2
4. Above 12 percent	0.0	0.0
Total	100.0	100.0
D. Product and/or service pricing		
Increase	55.8	55.1
Decrease	5.8	0.0
Remain the same	38.5	44.9
Total	100.0	100.0
E. Annual rate of Economic growth (GDP growth)		
Negative	13.5	4.1
Flat	42.3	49.0
Positive	44.2	46.9
Total	100.0	100.0
F. Terms for obtaining financing		
Tightened	5.8	4.1
Remained the same	92.3	93.9
Eased	1.9	2.0
Total	100.0	100.0

Source: Centrale Bank van Aruba

1) During the next 12 months

2) Annual effective financing rate for business loans

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A stylized map of Aruba is shown in the center, with a yellow landmass and a blue ocean. The map is surrounded by several sea turtles swimming in the water. The background is a solid blue color.

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