



CENTRALE BANK VAN ARUBA

BUSINESS PERCEPTION INDEX EDGED UP DURING THE FOURTH QUARTER OF 2018

Press Release¹

Results for the fourth quarter of 2018

The Business Perception Survey for the last quarter of 2018 indicates a slightly more confident business environment. The businesses are more optimistic about the short-term future. The overall Business Perception Index (BPI), comprising the current and short-term economic conditions, edged up by 0.4 point, from 99.0 in the third quarter of 2018 to 99.4 in the quarter under review, slightly below the neutral sentiment point (= 100.0)

The current economic condition index contracted by 1.2 points, from 100.3 in the previous quarter to 99.1 in the fourth quarter of 2018. The short-term future economic condition index, however, increased by 2.7 points, from 97.0 in the third quarter of 2018 to 99.7 in the fourth quarter of 2018 (See Chart 1)².

In the quarter under review, the majority of respondents noted no change in employment conditions (See Table 1). The number of profitable businesses within the sample expanded, with a growing number of firms registering increases or no changes in sales, compared to the third quarter of 2018. Most of the businesses that were surveyed reported increases in average wage costs.

¹ The English original prevails.

² The index can vary between 90 and 110. Between 90 and 100 indicates a situation of pessimism. An index of exactly 100 indicates that businesses are neither pessimistic nor optimistic, but are neutral in regards to their thoughts about economic developments in Aruba. Between 100 and 110 indicates a situation of optimism in business sentiments.

Chart 1: Business Perception Index

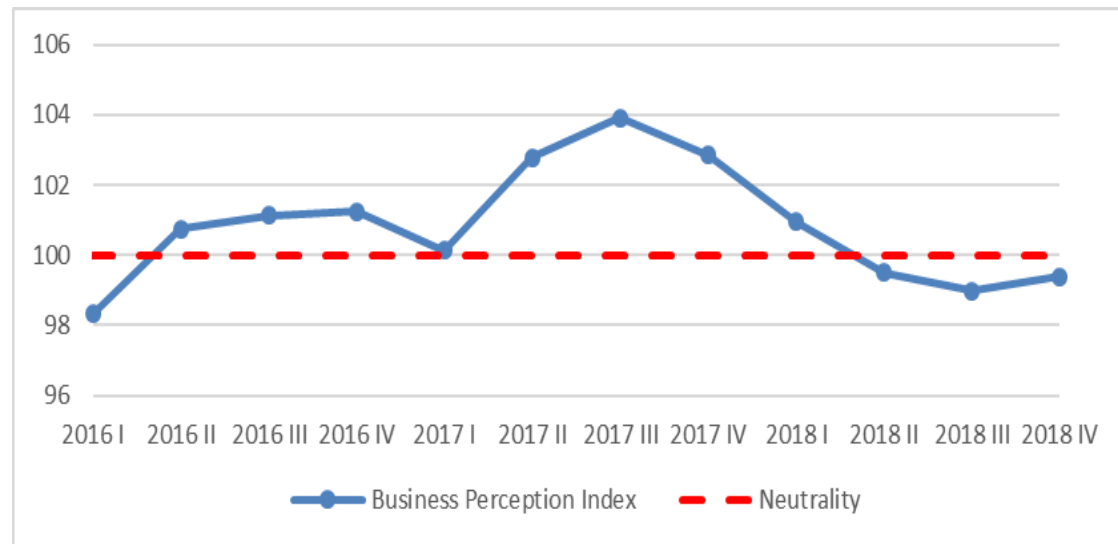
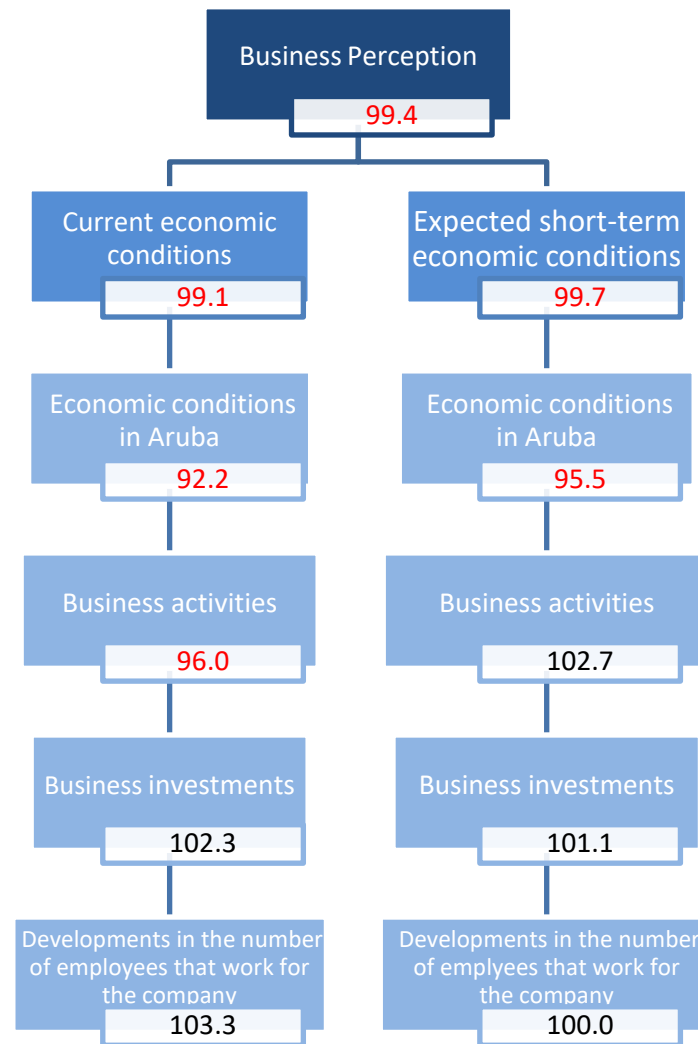


Chart 2: Components of the Business Perception Index



90 – 100 Pessimistic

100 – 110 Optimistic

**Table 1: Perceived developments in employment, profitability, sales, and average wage costs
(In percentages of all respondents)**

	2016 I	2016 II	2016 III	2016 IV	2017 I	2017 II	2017 III	2017 IV	2018 I	2018 II	2018 III	2018 IV
EMPLOYMENT												
1. No change	29.6	57.1	23.1	38.5	61.9	26.9	44.0	48.1	48.0	64.3	38.5	56.5
2. Increase	29.6	32.1	42.3	26.9	19.0	46.2	36.0	29.6	28.0	21.4	34.6	30.4
3. Decrease	40.7	10.7	34.6	34.6	19.0	26.9	20.0	22.2	24.0	14.3	26.9	13.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PROFITABILITY - PROFITS												
1. No change	22.2	21.4	19.2	15.4	9.5	11.5	8.0	11.1	28.0	14.3	11.5	17.4
2. Increase	40.7	32.1	34.6	42.3	52.4	53.8	64.0	55.6	44.0	46.4	30.8	43.5
3. Decrease	18.5	35.7	34.6	30.8	23.8	23.1	16.0	14.8	24.0	14.3	38.5	26.1
Total	81.5	89.3	88.5	88.5	85.7	88.5	88.0	81.5	96.0	75.0	80.8	87.0
PROFITABILITY - LOSSES												
1. No change	3.7	0.0	0.0	3.8	0.0	0.0	0.0	7.4	0.0	7.1	3.8	4.3
2. Increase	11.1	7.1	3.8	3.8	0.0	3.8	8.0	3.7	0.0	7.1	11.5	8.7
3. Decrease	3.7	3.6	7.6	3.8	14.3	7.7	4.0	7.4	4.0	10.7	3.8	0.0
Total	18.5	10.7	11.5	11.5	14.3	11.5	12.0	18.5	4.0	25.0	19.2	13.0
SALES												
1. No change	11.1	22.2	23.1	11.5	9.5	7.7	12.0	7.4	20.0	14.3	7.7	13.0
2. Increase	51.9	37.0	57.7	53.8	71.4	65.4	76.0	63.0	64.0	60.7	42.3	47.8
3. Decrease	37.0	40.7	19.2	34.6	19.0	26.9	12.0	29.6	16.0	25.0	50.0	39.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
AVERAGE WAGE COSTS												
1. No change	25.9	21.4	19.2	15.4	23.8	19.2	24.0	22.2	16.0	21.4	23.1	13.0
2. Increase	63.0	67.9	65.4	69.2	71.4	73.1	56.0	55.6	72.0	64.3	57.7	78.3
3. Decrease	11.1	10.7	15.4	15.4	4.8	7.7	20.0	22.2	12.0	14.3	19.2	8.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
In percentages of all respondents.												

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June 6, 2019