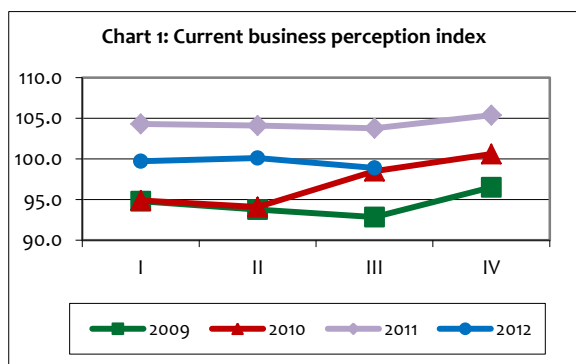




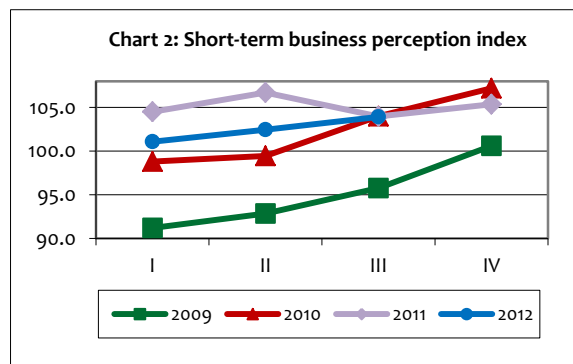
## CENTRALE BANK VAN ARUBA

### THE BUSINESS PERCEPTION SURVEY FOR THE THIRD QUARTER OF 2012 BUSINESS CONFIDENCE IMPROVED SLIGHTLY

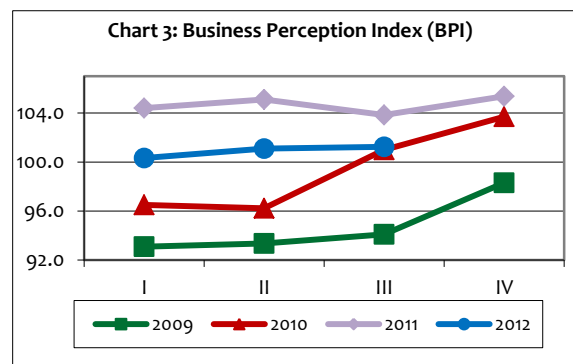
The results of the Business Perception Survey (BPS) for the third quarter of 2012 indicate that businesses became slightly pessimistic about the current economic conditions as the index moved downward from 100.1 to 98.9 compared to the previous quarter of 2012 (Chart 1). Despite this turnaround in business sentiment on current economic conditions, businesses were more positive on short-term future economic conditions, as the index moved upward from 102.5 to 103.9 compared to the previous quarter of 2012 (Chart 2).



The responses to the questions on the short-term future economic conditions showed that 46.6 percent of respondents perceived that the economic conditions will not change, while 37.2 percent expected an improvement during the next 6 months, following the third quarter of 2012 (Annex 5). During the second quarter's survey only 27.9 percent of respondents, 9.3 percentage points lower than in the quarter under review, indicated that the short-term economic conditions will improve (Annex 6).

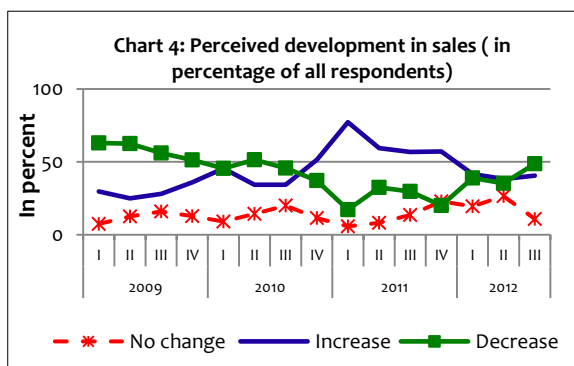


The overall Business Perception Index (BPI), comprising the current and short-term perceptions, rose marginally from 101.1 to 101.2 in the quarter under review, compared to the previous quarter (Chart 3). However, when compared to the third quarter of 2011, the third quarter's BPI is still 2.6 percentage points lower. The BPI revealed drops in most sectors, except the real estate, construction, and health, other community & personal service activities sectors, which recorded increases of, respectively, 18.0, 4.7, and 0.6 percentage points in the third quarter of 2012, compared to the same quarter of 2011.

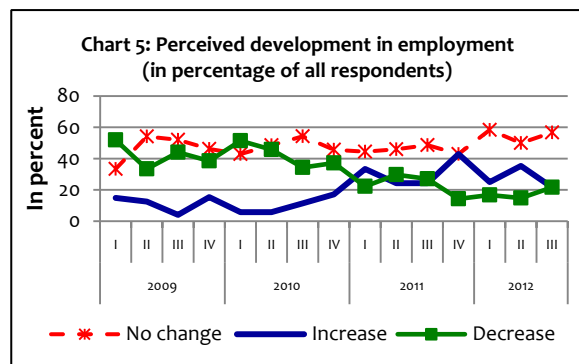


About 41 percent of the respondents indicated an increase in sales, compared to 56.8 percent in the same quarter of 2011

(Chart 4). More than one-fifth of the firms surveyed noted an increase in their staff. Expansion of employment occurred mostly in the wholesale and retail sector and in the health, other community & personal activities sector (Annex 7).



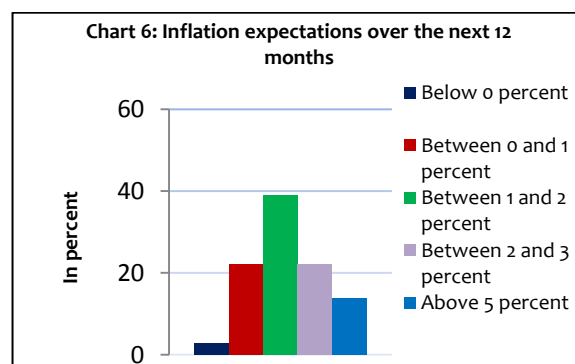
The responses to the survey's questions on profitability indicate the positive sentiment of businesses about the current economic conditions, as 86.5 percent of the respondents reported that profits were observed (Annex 7). The highest profit surges were noted in the wholesale and retail trade sector, and in the health, other community & personal activities sector. On the other hand, the biggest decreases in profitability occurred in the manufacturing and financial intermediation sectors.



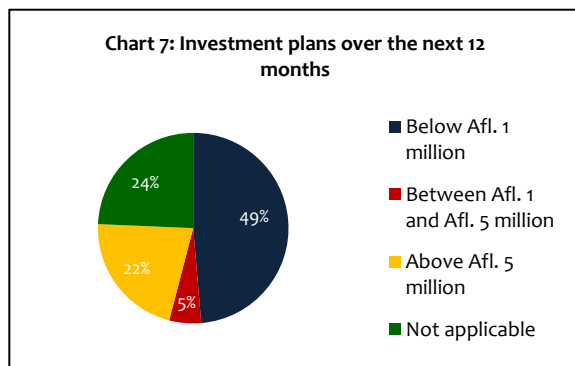
As of the third quarter of 2012, the BPS has been expanded with additional questions to

capture other valuable information, related to the respondent's expectations, such as plans for investment, financing rates, and economic growth.

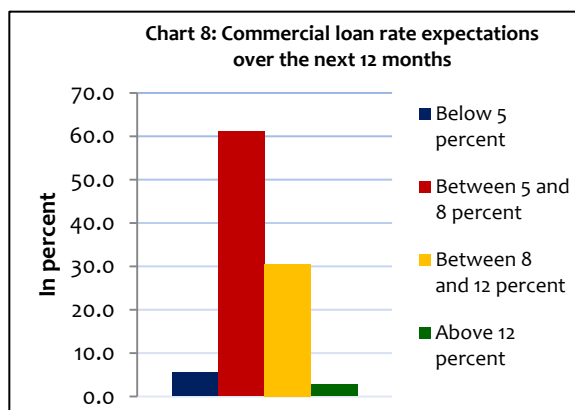
Notable is that almost all businesses expected consumer pricing levels to rise over the 12 months following the third quarter of 2012. The majority of the companies surveyed (38.9 percent) perceive the inflation to move between 1 and 2 percent, while 22.9 percent and 13.9 percent of the respondents believe inflation would lie, respectively, between 2 and 3 percent and above 3 percent. Only a fraction (2.8 percent of the companies surveyed) expected a deflation (Chart 6, Annex 8).



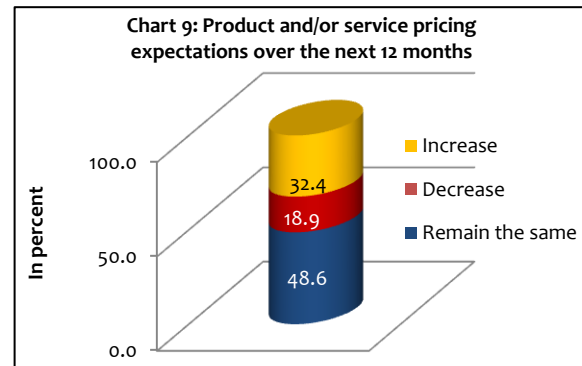
Approximately 76 percent of the companies surveyed reported to have plans for investment during the 12 months, following the third quarter of 2012, of which 48.6 percent will be investing less than Afl. 1 million, 21.6 percent will be investing more than Afl. 5 million, and 5.4 percent will be investing amounts between Afl. 1 and 5 million. On the other hand, 24.3 percent of the respondents have no plans for investment during the next 12 months (Chart 7, Annex 8).



The survey's responses on financing rate expectations over the next 12 months reported that the majority of the companies surveyed assume that commercial loans will be available at rates between 5 and 12 percent at the local commercial banks, of which 61.1 percent of the respondents perceive that the available financing rate will lie between 5 and 8 percent (Chart 8, Annex 8).



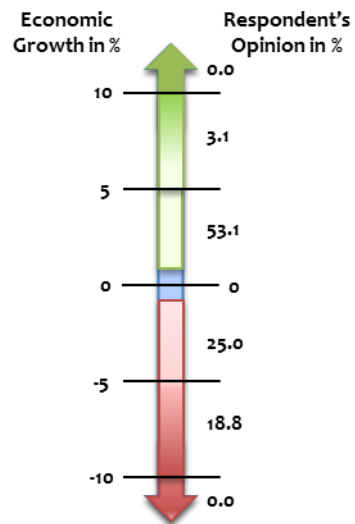
In terms of product and/or service pricing expectations over the next 12 months, 48.6 percent of the companies surveyed indicated that their prices will remain the same, while 32.4 percent expected an increase, and 18.9 percent a decrease (Chart 9, Annex 8).



When asked about economic growth expectations for the next 12 months, 56.2 percent of the companies surveyed indicated that the economy will grow above 1 percent, of which 53.1 percent of the respondents anticipate a growth between 1 and 5 percent, and 3.1 percent expect the growth to lie between 5 and 10 percent.

On the other hand, 43.8 percent of the companies surveyed reported that the economic growth will be below 1 percent (including negative growth). While 25.0 percent of the companies noted that the growth will move between -5 and 1 percent, 18.8 percent believed it will be between -10 and -5 (Chart 10, Annex 8).

**Chart 10: Economic growth expectations over the next 12 months**



On balance, while numerous respondents reported that the current economic

conditions were less encouraging, many anticipate that the economic conditions will improve slightly in the near future.

Centrale Bank van Aruba  
April 19, 2013

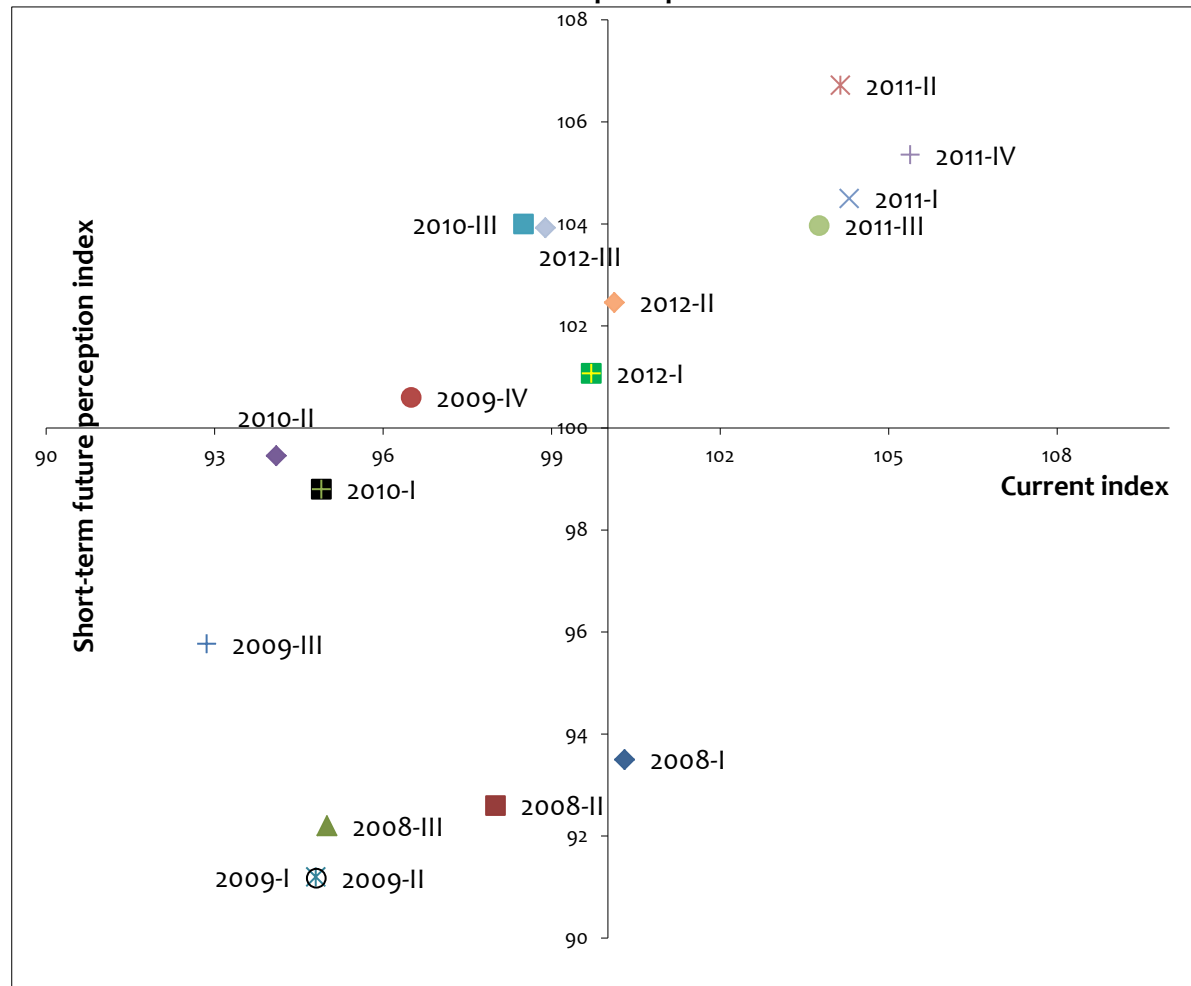
## Annex 1: Response rate and indices 1]

	2009	2010	2011	2010				2011				2012		
				I	II	III	IV	I	II	III	IV	I	II	III
1. Response and non-response rates														
a. Average response rate	76.0	70.0	76.1	69.6	69.8	74.47	76.1	77.9	78.7	78.7	76.1	78.3	72.3	78.7
b. Average non-response rate	24.0	30.0	23.9	30.4	30.2	31.91	23.9	22.1	21.3	21.3	23.9	21.7	27.7	21.3
2. Indices														
a. Index current economic condition	94.6	98.2	106.1	94.8	94.1	98.5	100.6	104.3	104.1	103.8	105.4	99.7	100.1	98.9
b. Index short-term future economic condition	98.2	106.3	107.0	99.0	99.5	104.0	107.2	104.5	106.7	104.0	105.4	101.1	102.5	103.9
c. Business Perception Index	96.0	101.7	106.5	96.5	96.2	101.0	103.7	104.4	105.1	103.8	105.4	100.3	101.1	101.2

Source: CBA.

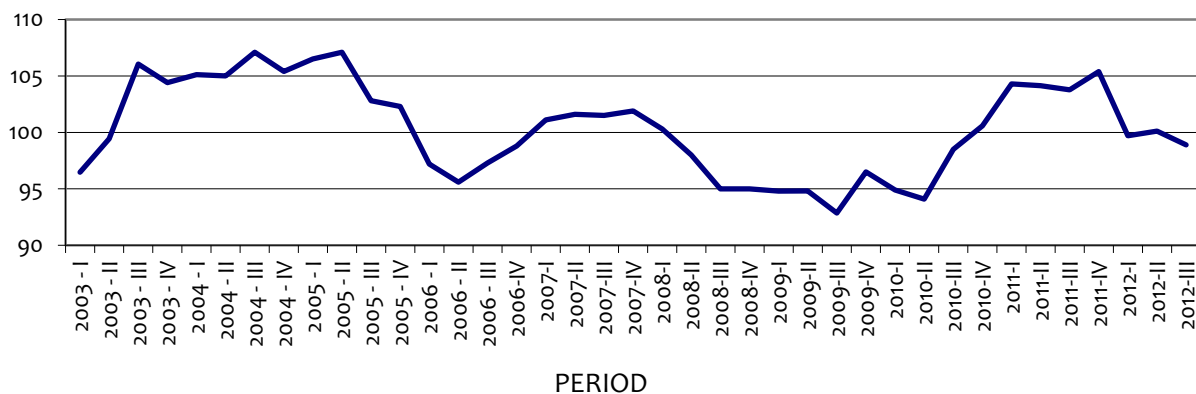
- 1] Index value = between 100 and 110: Optimistic perception  
Index value = 100: Neutral  
Index value = between 90 and 100: Pessimistic perception

## Annex 2: Index current and short-term future perception

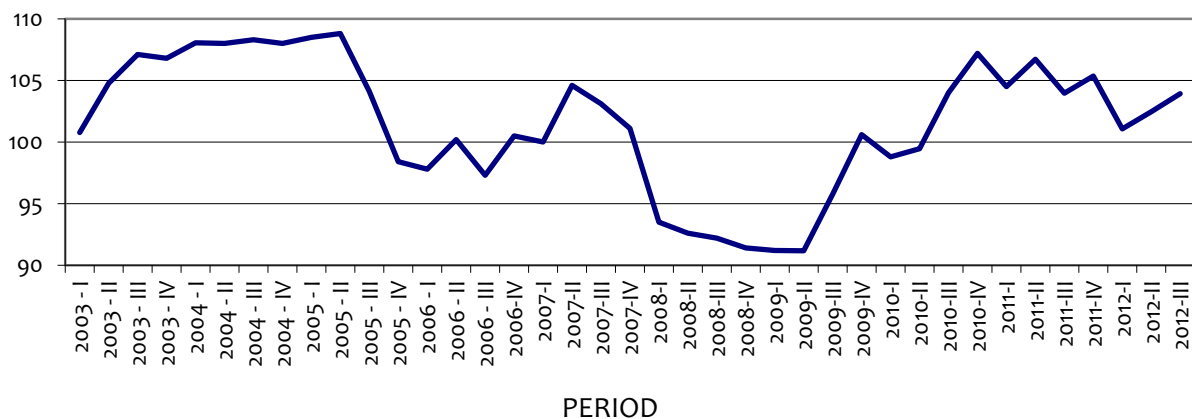


### Annex 3: Trends in perception

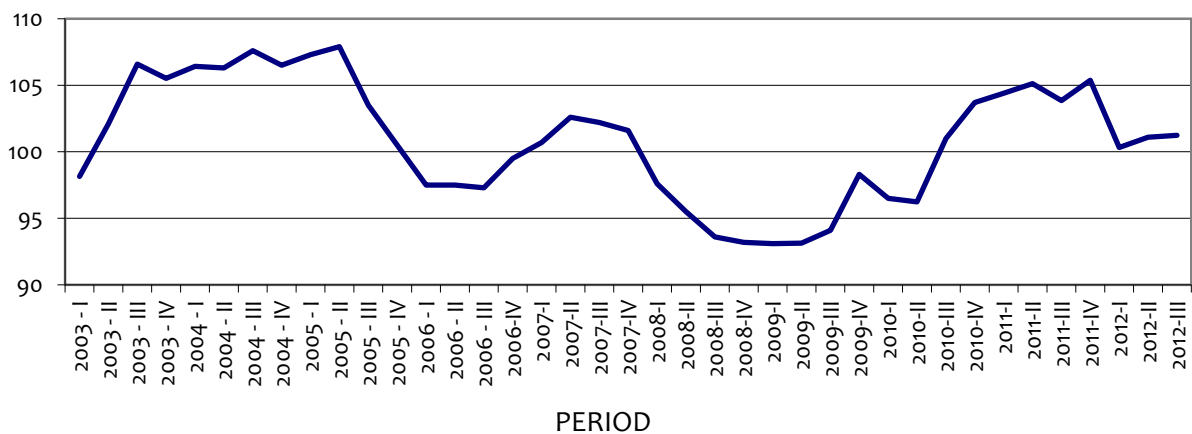
**CHART 1: INDEX CURRENT ECONOMIC CONDITION**



**CHART 2: INDEX SHORT-TERM FUTURE ECONOMIC CONDITION**



**CHART 3: BUSINESS PERCEPTION SURVEY**



**Annex 3: Business perception Survey (by sectors)**

	2009	2010	2011	2010				2011				2012		
				I	II	III	IV	I	II	III	IV	I	II	III
<b>1. Index current economic condition</b>	<b>94.6</b>	<b>98.2</b>	<b>106.1</b>	<b>94.8</b>	<b>94.1</b>	<b>98.5</b>	<b>100.6</b>	<b>104.3</b>	<b>104.1</b>	<b>103.8</b>	<b>105.4</b>	<b>99.7</b>	<b>100.1</b>	<b>98.9</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	95.0	105.0	110.0	96.7	90.0	103.3	100.0	110.0	105.0	105.0	110.0	90.0	96.7	90.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	90.0	110.0	100.0	100.0	90.0	110.0	110.0	90.0	90.0	110.0	100.0	100.0	100.0	103.3
c. Construction	101.7	92.0	105.6	96.0	96.7	94.6	96.0	98.6	104.5	105.0	103.3	100.0	97.5	101.1
d. Wholesale and retail trade, repair of motor vehicles and household goods	95.3	97.3	108.1	91.3	92.0	96.2	100.7	105.0	107.3	106.8	108.7	103.8	102.9	102.9
e. Hotels and restaurants	92.2	110.0	108.5	105.0	95.0	102.0	110.0	108.2	110.0	103.8	105.7	94.3	96.7	94.3
f. Transport, storage and communication	91.3	91.4	110.0	92.9	96.2	96.0	94.0	108.2	105.6	110.0	105.0	98.0	97.3	95.0
g. Financial intermediation	98.6	97.5	110.0	93.6	95.0	96.7	95.7	104.5	105.0	108.0	102.5	103.3	110.0	96.7
h. Real estate and other business activities	94.0	97.3	97.5	93.3	93.1	106.0	103.3	98.6	96.0	90.0	102.0	100.0	107.8	110.0
i. Health, other community and personal service activities	91.3	98.8	102.2	92.7	91.7	95.3	100.7	105.0	102.6	99.6	103.7	101.3	99.5	97.8
<b>2. Index short-term future economic condition</b>	<b>98.2</b>	<b>106.3</b>	<b>107.0</b>	<b>99.0</b>	<b>99.5</b>	<b>104.0</b>	<b>107.2</b>	<b>104.5</b>	<b>106.7</b>	<b>104.0</b>	<b>105.4</b>	<b>101.1</b>	<b>102.5</b>	<b>103.9</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	100.0	110.0	100.0	100.0	100.0	110.0	110.0	100.0	100.0	100.0	100.0	90.0	90.0	90.0
b. Electricity, gas and water supply	110.0	110.0	110.0	105.0	105.0	110.0	100.0	100.0	110.0	110.0	100.0	110.0	103.3	110.0
c. Construction	94.0	110.0	110.0	101.4	96.7	103.3	110.0	106.7	110.0	95.0	110.0	110.0	110.0	110.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	100.0	105.3	107.6	99.4	97.3	96.0	106.0	110.0	110.0	108.8	108.6	105.0	101.7	102.5
e. Hotels and restaurants	103.3	106.7	102.5	110.0	106.0	107.5	108.0	95.0	110.0	96.7	107.1	92.9	96.7	105.4
f. Transport, storage and communication	94.6	108.0	105.6	90.0	100.0	100.0	108.0	110.0	106.7	110.0	102.5	98.6	99.1	99.2
g. Financial intermediation	102.0	105.6	110.0	100.0	106.0	110.0	106.0	110.0	110.0	107.8	105.0	110.0	110.0	106.0
h. Real estate and other business activities	102.5	110.0	110.0	93.3	93.1	106.0	103.3	98.6	100.0	94.0	110.0	106.0	110.0	110.0
i. Health, other community and personal service activities	94.0	99.1	102.2	92.7	91.7	95.3	100.7	105.0	102.6	99.6	103.7	101.3	99.5	97.8
<b>3. Business Perception Index</b>	<b>96.0</b>	<b>101.7</b>	<b>106.5</b>	<b>96.5</b>	<b>96.2</b>	<b>101.0</b>	<b>103.7</b>	<b>104.4</b>	<b>105.1</b>	<b>103.8</b>	<b>105.4</b>	<b>100.3</b>	<b>101.1</b>	<b>101.2</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	95.0	106.7	110.0	96.7	90.0	106.7	103.3	110.0	105.0	105.0	110.0	90.0	94.0	90.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	100.0	110.0	110.0	102.5	100.0	110.0	110.0	90.0	95.0	110.0	100.0	110.0	102.0	106.0
c. Construction	97.4	99.4	106.7	98.2	96.7	98.2	102.2	102.3	105.4	100.0	106.0	110.0	100.9	104.7
d. Wholesale and retail trade, repair of motor vehicles and household goods	97.3	100.8	107.9	95.6	94.8	96.1	103.3	107.4	108.5	107.8	108.6	104.3	102.3	102.8
e. Hotels and restaurants	93.8	108.8	106.2	107.1	99.2	104.4	109.1	102.6	110.0	101.6	106.2	93.8	96.7	99.6
f. Transport, storage and communication	92.9	98.3	108.1	91.7	97.6	97.8	101.0	108.9	106.0	110.0	103.8	98.2	98.2	97.2
g. Financial intermediation	100.0	101.8	110.0	94.6	99.2	104.3	101.8	107.0	107.5	107.9	104.7	104.0	107.1	104.0
h. Real estate and other business activities	97.8	103.3	103.3	95.3	95.3	105.8	107.3	99.6	97.8	92.0	105.0	103.3	108.8	110.0
i. Health, other community and personal service activities	92.4	98.9	104.0	93.0	92.1	97.5	101.9	103.3	103.1	100.5	103.3	101.5	101.8	101.1

Source: CBA.

**Annex 5: Survey questionnaire for the third quarter of 2012**  
(as a percentage of the total)

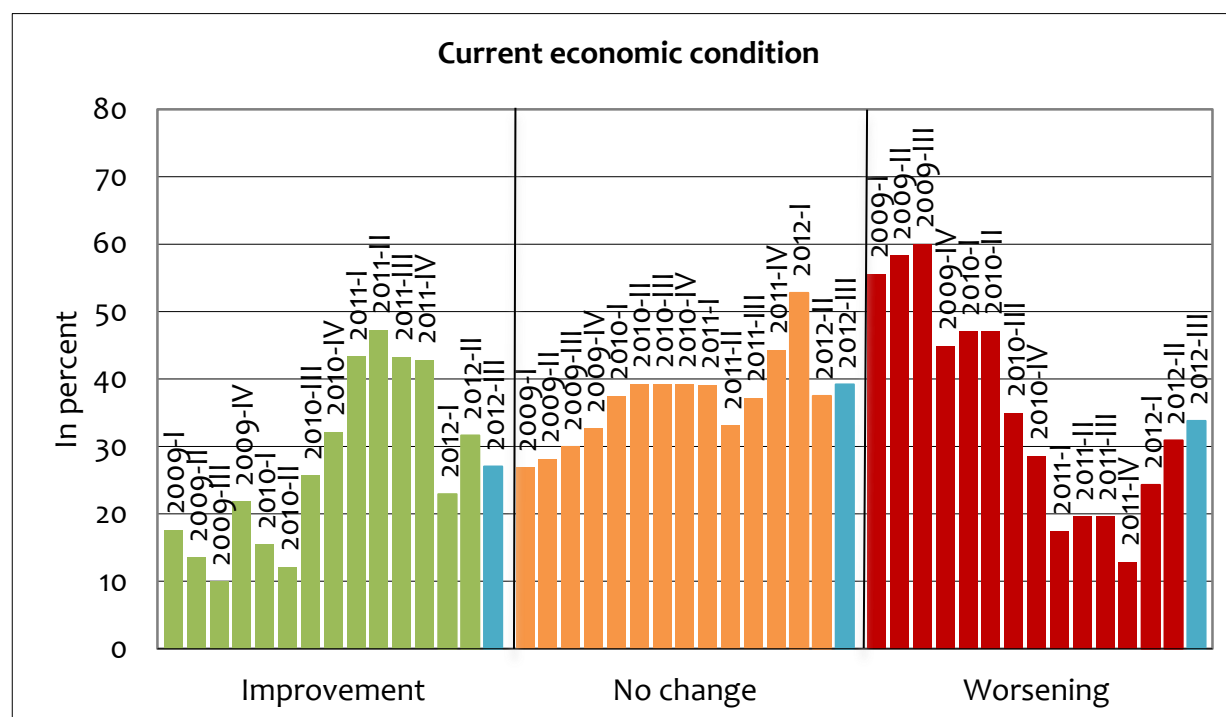
	Improvement	No change	Worsening
<b>A. Current economic condition 1]</b>	<b>27.0</b>	<b>39.2</b>	<b>33.8</b>
1. The economic conditions in Aruba	24.3	24.3	51.4
2. The activities of your business	37.8	24.3	37.8
3. The investments of your business	24.3	51.4	24.3
4. The number of employees that work for your company	21.6	56.8	21.6
<b>B. Expected short-term economic conditions 2]</b>	<b>37.2</b>	<b>46.6</b>	<b>16.2</b>
1. The economic conditions in Aruba	29.7	37.8	32.4
2. The activities of your business	43.2	40.5	16.2
3. The investments of your business	40.5	54.1	5.4
4. The number of employees that work for your company	35.1	54.1	10.8

Source: CBA.

1] Compared to the corresponding quarter of 2011.

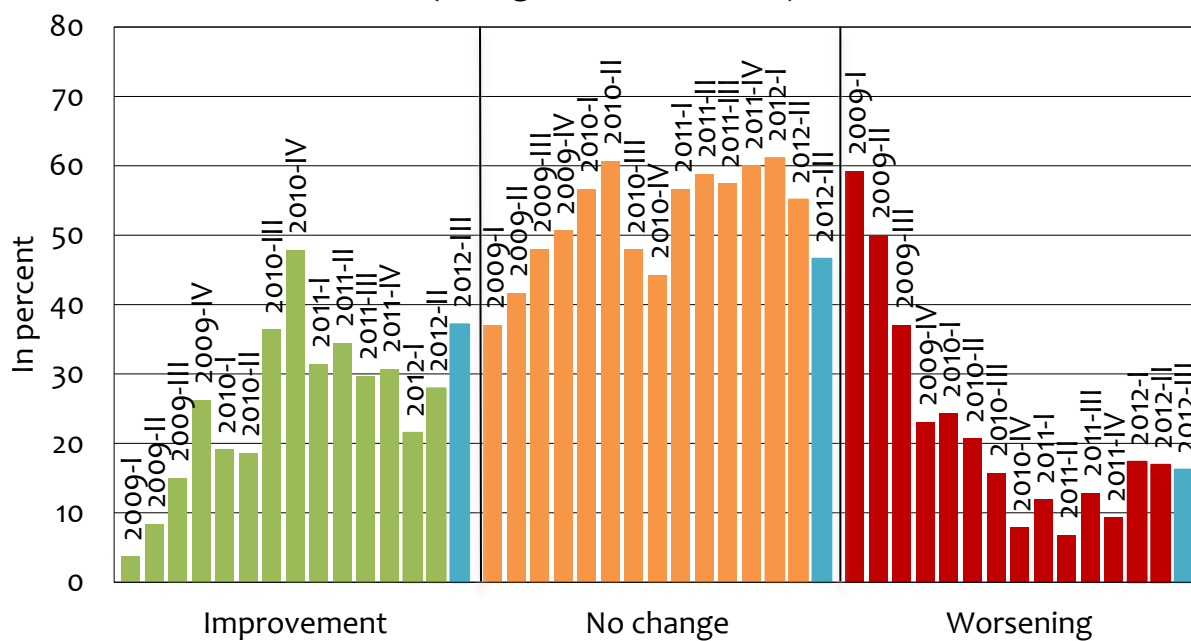
2] During the next 6 months.

**Annex 6: Trends in the current and the expected short-term economic condition**





# Expected short-term economic condition (during the next 6 months)



**Annex 7: Economic indicators by sector (2012-III)**

	No Change	Decrease			Increase		
		Less than 5.1 percent	Between 5.1 - 10.1 percent	More than 10.1 percent	Less than 5.1 percent	Between 5.1 - 10.1 percent	More than 10.1 percent
<b>1. Employment, in percentages of all responding sectors</b>	<b>56.8</b>	<b>16.2</b>	<b>0.0</b>	<b>5.4</b>	<b>16.2</b>	<b>2.7</b>	<b>2.7</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	5.4	0.0	0.0	0.0	0.0	0.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	0.0	0.0	0.0	0.0	2.7	0.0	0.0
c. Construction	5.4	0.0	0.0	0.0	2.7	0.0	0.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	10.8	0.0	0.0	0.0	2.7	0.0	2.7
e. Hotels and restaurants	8.1	2.7	0.0	5.4	0.0	0.0	0.0
f. Transport, storage and communication	8.1	2.7	0.0	0.0	2.7	0.0	0.0
g. Financial intermediation	0.0	2.7	0.0	0.0	0.0	0.0	0.0
h. Real estate and other business activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
i. Health, other community and personal service activities	16.2	2.7	0.0	0.0	2.7	2.7	0.0
<b>2. A. Profitability (profits), in percentages of all responding sectors</b>	<b>13.5</b>	<b>5.4</b>	<b>2.7</b>	<b>18.9</b>	<b>18.9</b>	<b>10.8</b>	<b>16.2</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	0.0	0.0	5.4	0.0	0.0	0.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	0.0	0.0	0.0	0.0	0.0	0.0	2.7
c. Construction	2.7	0.0	0.0	2.7	0.0	0.0	2.7
d. Wholesale and retail trade, repair of motor vehicles and household goods	5.4	0.0	0.0	0.0	2.7	5.4	2.7
e. Hotels and restaurants	2.7	0.0	0.0	2.7	0.0	5.4	0.0
f. Transport, storage and communication	0.0	5.4	2.7	0.0	2.7	0.0	2.7
g. Financial intermediation	0.0	0.0	0.0	5.4	0.0	0.0	0.0
h. Real estate and other business activities	0.0	0.0	0.0	2.7	5.4	0.0	0.0
i. Health, other community and personal service activities	2.7	0.0	0.0	2.7	8.1	0.0	5.4
<b>2. B. Profitability (losses), in percentages of all responding sectors</b>	<b>2.7</b>	<b>2.7</b>	<b>0.0</b>	<b>2.7</b>	<b>5.4</b>	<b>0.0</b>	<b>0.0</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c. Construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e. Hotels and restaurants	0.0	0.0	0.0	2.7	2.7	0.0	0.0
f. Transport, storage and communication	0.0	0.0	0.0	0.0	0.0	0.0	0.0
g. Financial intermediation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
h. Real estate and other business activities	2.7	0.0	0.0	0.0	0.0	0.0	0.0
i. Health, other community and personal service activities	0.0	2.7	0.0	0.0	2.7	0.0	0.0

Source: CBA.

**Annex 7: Economic indicators by sector (2012-III) (continued)**

	No Change	Decrease			Increase		
		Less than 5.1 percent	Between 5.1 - 10.1 percent	More than 10.1 percent	Less than 5.1 percent	Between 5.1 - 10.1 percent	More than 10.1 percent
<b>3. Sales, in percentages of all responding sectors</b>	<b>10.8</b>	<b>29.7</b>	<b>13.5</b>	<b>5.4</b>	<b>13.5</b>	<b>18.9</b>	<b>8.1</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	5.4	0.0	0.0	0.0	0.0	0.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	0.0	0.0	0.0	0.0	2.7	0.0	0.0
c. Construction	0.0	2.7	0.0	0.0	0.0	2.7	2.7
d. Wholesale and retail trade, repair of motor vehicles and household goods	0.0	2.7	5.4	2.7	0.0	2.7	2.7
e. Hotels and restaurants	0.0	5.4	2.7	0.0	0.0	8.1	0.0
f. Transport, storage and communication	2.7	2.7	2.7	0.0	2.7	2.7	0.0
g. Financial intermediation	0.0	2.7	0.0	0.0	0.0	0.0	0.0
h. Real estate and other business activities	2.7	2.7	0.0	0.0	2.7	2.7	0.0
i. Health, other community and personal service activities	5.4	5.4	2.7	2.7	5.4	0.0	2.7
<b>4. Average wage costs, in percentages of all responding sectors</b>	<b>29.7</b>	<b>16.2</b>	<b>5.4</b>	<b>2.7</b>	<b>37.8</b>	<b>8.1</b>	<b>0.0</b>
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	0.0	0.0	0.0	5.4	0.0	0.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	0.0	0.0	2.7	0.0	0.0	0.0	0.0
c. Construction	2.7	0.0	0.0	0.0	5.4	0.0	0.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	2.7	8.1	0.0	0.0	5.4	0.0	0.0
e. Hotels and restaurants	5.4	0.0	0.0	0.0	5.4	5.4	0.0
f. Transport, storage and communication	5.4	5.4	0.0	0.0	2.7	0.0	0.0
g. Financial intermediation	0.0	0.0	0.0	2.7	0.0	0.0	0.0
h. Real estate and other business activities	5.4	0.0	0.0	0.0	2.7	2.7	0.0
i. Health, other community and personal service activities	8.1	2.7	2.7	0.0	10.8	0.0	0.0

Source: CBA.

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**Annex 8: Future expectations and activities (2012-III)**

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**A. Inflation over the next 12 months**

1. Below 0 percent	2.8
2. Between 0 and 1 percent	22.2
3. Between 1 and 2 percent	38.9
4. Between 2 and 3 percent	22.2
5. Above 3 percent	13.9
<b>Total</b>	<b>100.0</b>

**B. Investment plans over the next 12 months**

1. Below Afl. 1 million	48.6
2. Between Afl. 1 and Afl. 5 million	5.4
3. Above Afl. 5 million	21.6
4. Not applicable	24.3
<b>Total</b>	<b>100.0</b>

**C. Annual effective financing rate over the next 12 months**

1. Below 5 percent	5.6
2. Between 5 and 8 percent	61.1
3. Between 8 and 12 percent	30.6
4. Above 12 percent	2.8
<b>Total</b>	<b>100.0</b>

**D. Product and/or service pricing over the next 12 months**

1. Increase	32.4
2. Decrease	18.9
3. Remain the same	48.6
<b>Total</b>	<b>100.0</b>

**E. Economic growth (GDP growth) over the next 12 months**

1. Below negative 10 percent	0.0
2. Between negative 10 percent and negative 5 percent	18.8
3. Between negative 5 percent and 1 percent	25.0
4. Between 1 and 5 percent	53.1
5. Between 5 and 10 percent	3.1
6. Above 10 percent	0.0
<b>Total</b>	<b>100.0</b>