



CENTRALE BANK VAN ARUBA

October 12, 2012

To all respondents of the
Business Perception Survey

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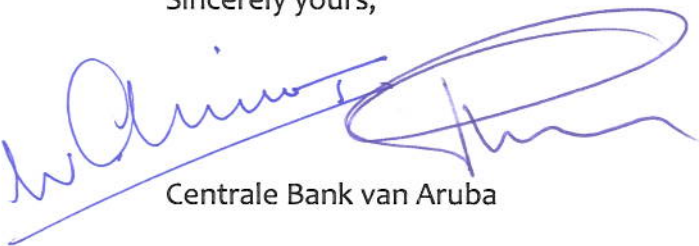
Re: Business Perception Survey (BPS)

Dear Madam/Sir,

Enclosed with this letter you will find a detailed report on the results of the BPS for the second quarter of 2012.

For additional information on the aforementioned report you can contact Mr. Calix Ashby of the Statistics Department by telephone: 525-2213 or via e-mail: c.ashby@cbaruba.org.

Sincerely yours,



Centrale Bank van Aruba

Enclosure: Report on the results of the BPS for the second quarter of 2012

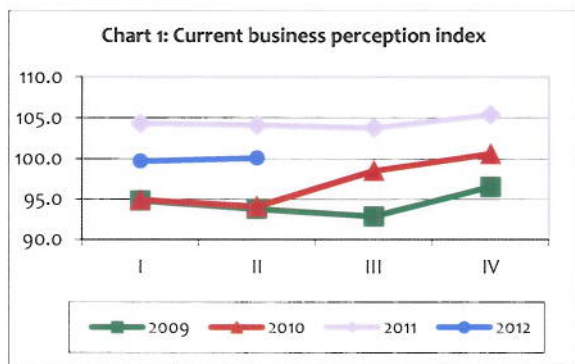


CENTRALE BANK VAN ARUBA

THE BUSINESS PERCEPTION SURVEY IN ARUBA BUSINESS CONFIDENCE IMPROVED SLIGHTLY

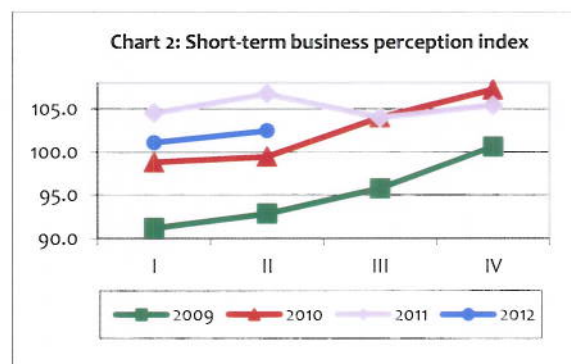
Survey results for the second quarter of 2012

The results of the Business Perception Survey (BPS) for the second quarter of 2012 indicate that businesses became more optimistic about the current and short-term future economic conditions in Aruba, as the index on the current economic conditions in Aruba moved to slightly above neutral, while that for the future became more positive. The indications about a possible sale and restart of the oil refinery's operations may have led to this increase in optimism. The index on the current economic conditions rose by 0.4 percentage point to 100.1 in the second quarter of 2012, up from 99.7 in the previous quarter (Chart 1).

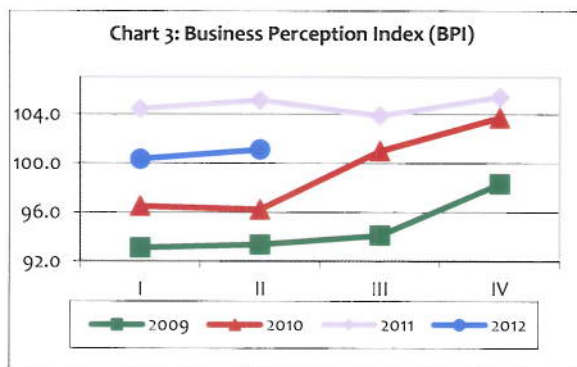


The responses to the questions on the short-term future economic conditions showed that 55.1 percent of respondents perceived that the economic conditions would not change, while 27.9 percent expected an improvement during the next 6 months, following the second quarter (Annex 5). During the first quarter's survey only 21.5 percent of

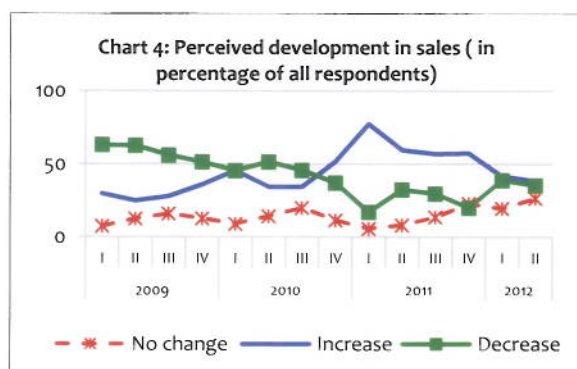
respondents believed that the short-term economic conditions would improve, 6.4 percentage points lower than in the quarter under review (Annex 6). Overall, the index on the short-term future economic condition rose by 1.4 percentage points to 102.5, up from 101.1 in the first quarter of 2012 (Annex 1).



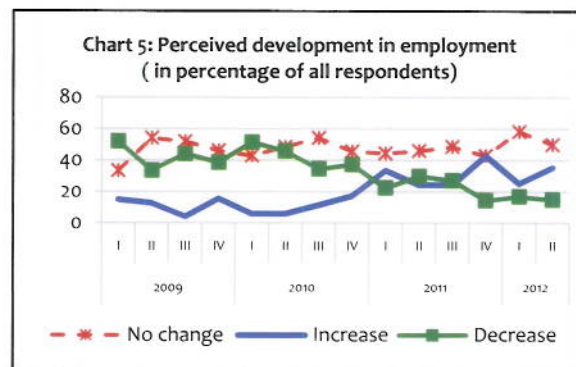
In the quarter under review, the overall Business Perception Index (BPI), comprising the current and short-term perceptions, grew to the level observed in the third quarter of 2010. The BPI rose from 100.3 to 101.1 in the quarter under review, compared to the previous quarter (Chart 3). However, compared to the second quarter of 2011, the BPI is still 4.0 percentage points lower. The BPI noted drops in most sectors, except the real estate and utilities sectors, which recorded increases of, respectively, 11 and 7 percentage points in the second quarter of 2012, compared to the same quarter of 2011.



38.2 percent of respondents indicated an increase in sales, compared to 59.4 percent in the same quarter of 2011 (Chart 4). 35.3 percent of the firms surveyed noted an increase in staffing of up to 10.1 percent. Expansion of employment occurred mostly in the wholesale and manufacturing sectors (Annex 7).



The responses to the survey's questions on profitability indicate the positive sentiment of businesses about the current economic conditions, as 67.6 percent of the respondents reported that profits were observed (annex 7). The highest profit surges were noted in the wholesale and retail trade, financial intermediation, and hotel & restaurant sectors.



Altogether, on balance, businesses gained a more positive outlook on the economy in the second quarter of 2012.

Centrale Bank van Aruba
October 12, 2012

Annex 1: Response rate and indices 1]

	2009	2010	2011	2010				2011				2012	
				I	II	III	IV	I	II	III	IV	I	II
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
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
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
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
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

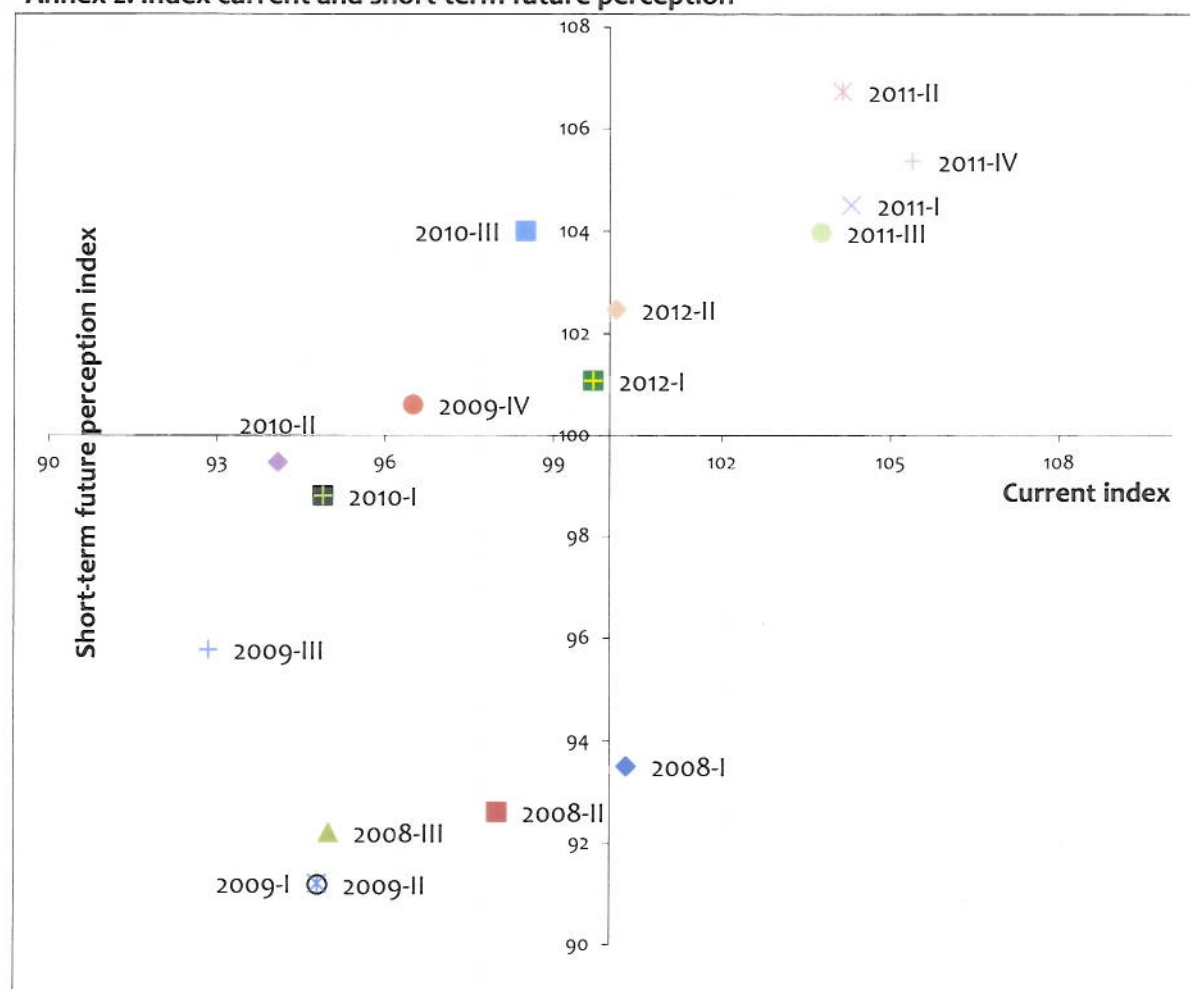
Source: CBA.

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

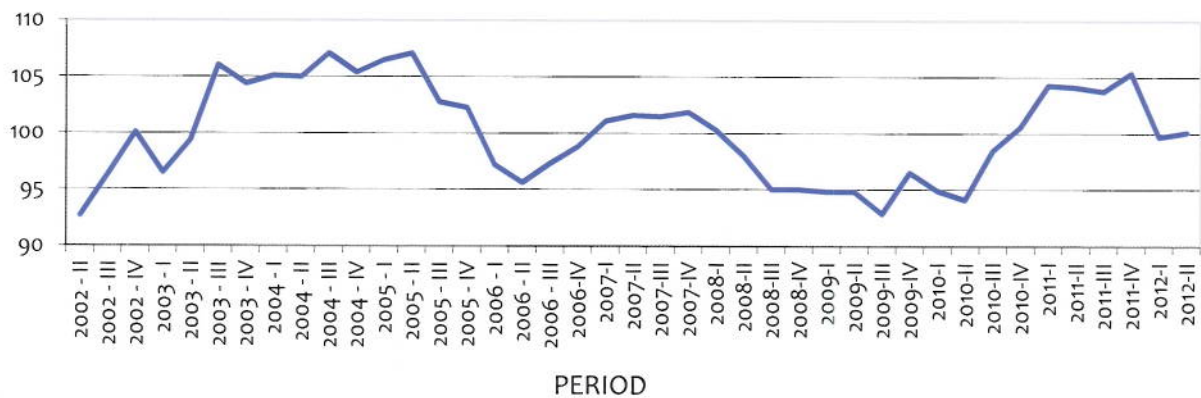


CHART 2: INDEX SHORT-TERM FUTURE ECONOMIC CONDITION

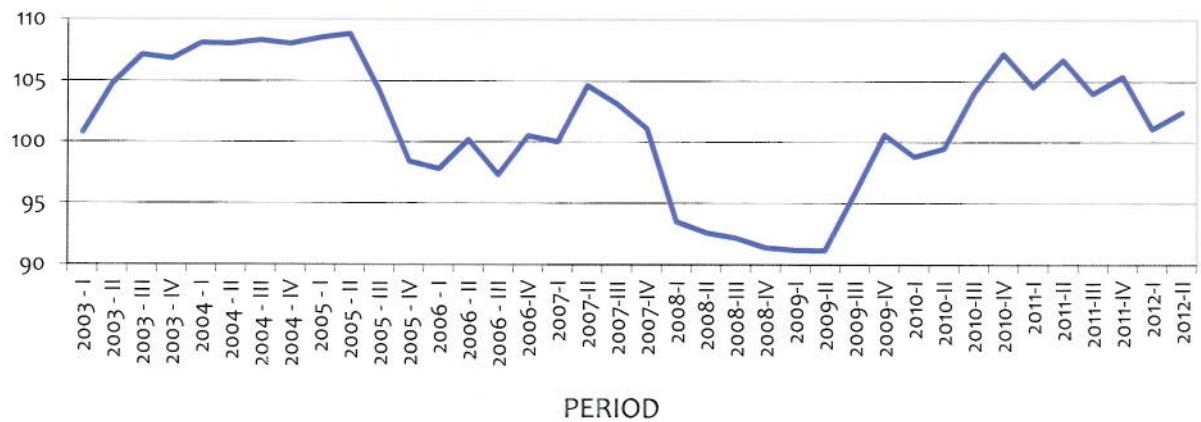
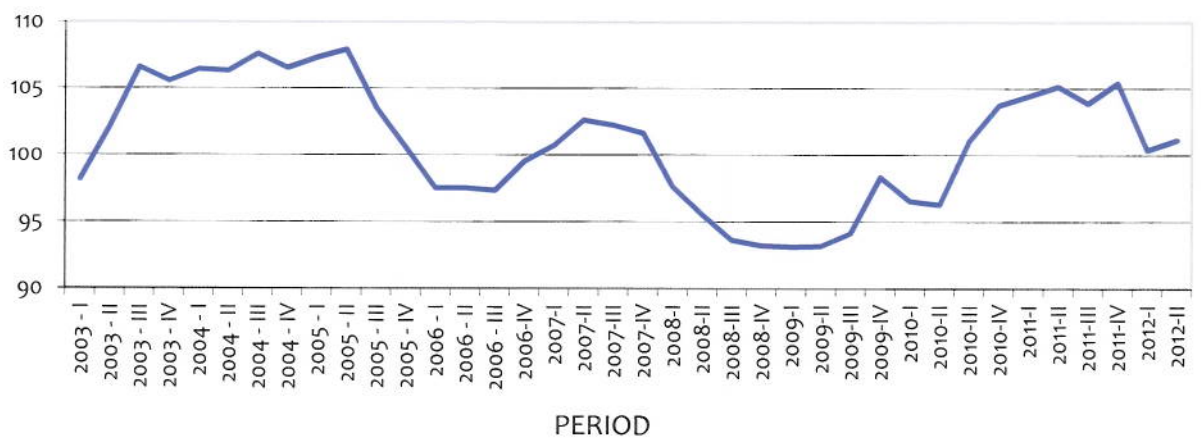


CHART 3: BUSINESS PERCEPTION SURVEY



Annex 3: Business perception Survey (by sectors)

	2009	2010	2011	2010				2011				2012	
				I	II	III	IV	I	II	III	IV	I	II
1. 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
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
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
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
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
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
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
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
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
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
2. 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
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
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
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
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
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
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
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
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
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
3. 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
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
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
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
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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
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
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
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

Source: CBA.