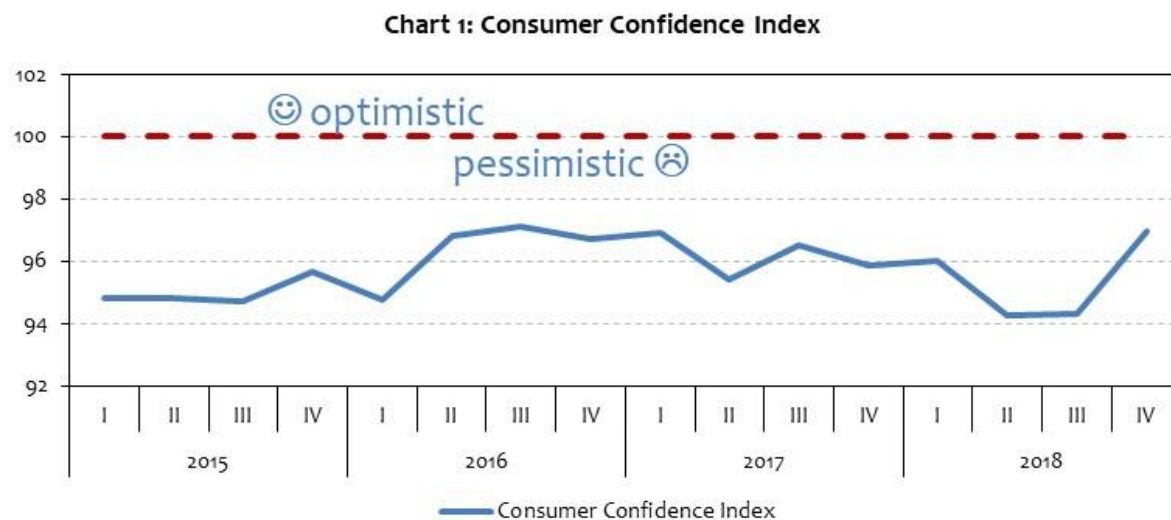


## Consumer confidence rebounds

Press Release

February 27, 2019

Consumer sentiments improved during the last quarter of 2018, resulting in a Consumer Confidence Index of 97.0, up by 2.7 index points compared to the previous period, according to the latest results of the Consumer Confidence Survey (CCS)<sup>1</sup> of the Centrale Bank van Aruba (Chart 1).<sup>2</sup>

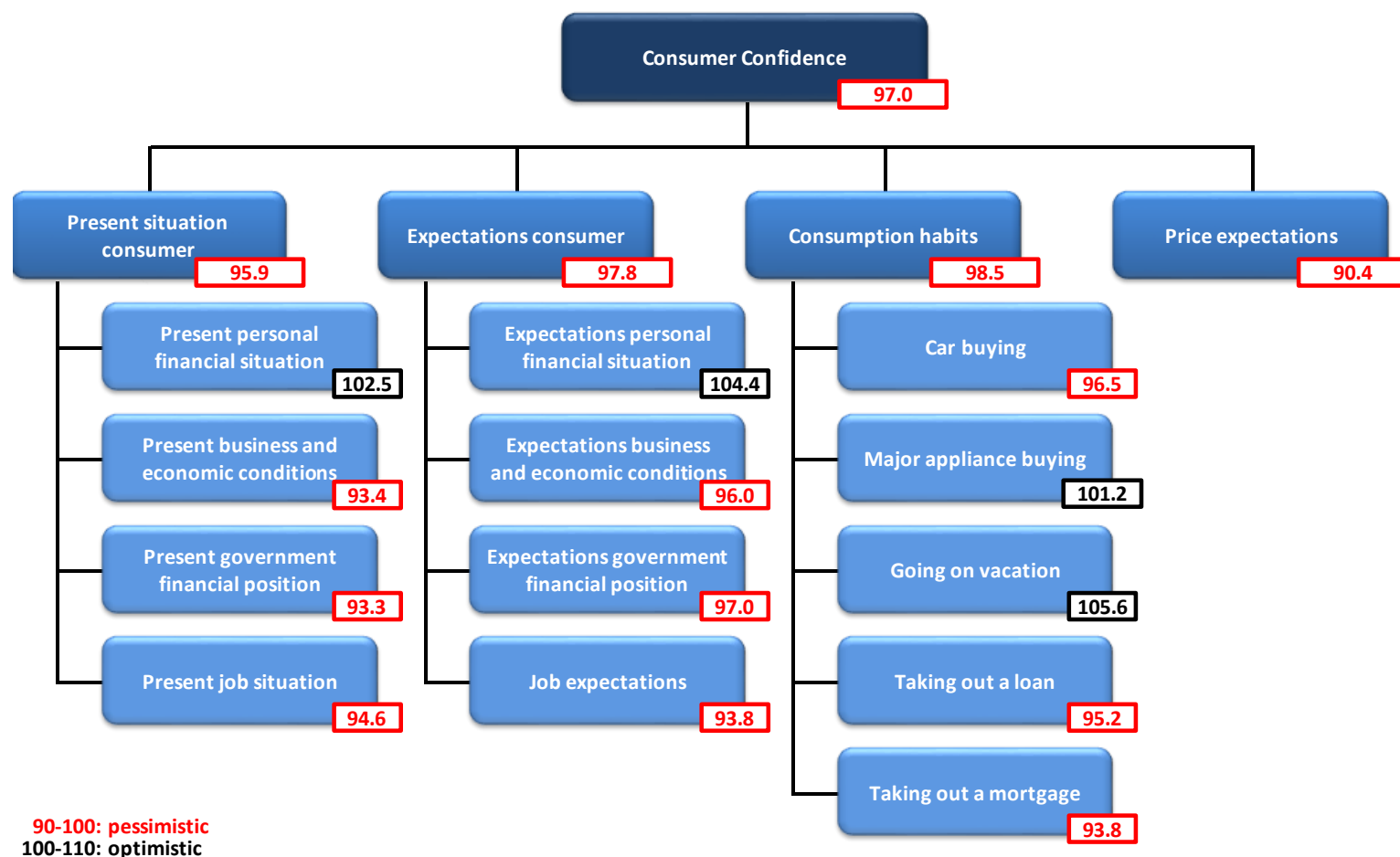


<sup>1</sup> The Consumer Confidence Index had a technical revision.

<sup>2</sup> The index can vary between 90 and 110. Between 90 and 100 indicates a situation of pessimism. An index of exactly 100 indicates that consumers 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 consumer sentiments.

The Present Situation Index improved during the last quarter of 2018, by 3.3 index points to 95.9. Consumers were positive about their *present personal financial situation*, as this index turned to optimistic, i.e. from 95.3 to 102.5 (Chart 2). Even though the other components of the Present Situation Index of the consumer remained pessimistic, consumers did report a less negative outlook on the other components of the Present Situation Index, with an exception for the *present government position* which remained at 93.3 (Chart 2).

**Chart 2: Components of the Consumer Confidence Index**



The Expectations Index improved the most during the quarter under review, by 3.3 index points to 97.8. Consumers had positive expectations on their *personal financial situation*, as this index turned to optimistic, i.e. from 98.0 to 104.4 (41.6% of respondents indicated that their personal financial situation will be better in the coming 6 months). Respondents were still pessimistic about the other components of the Expectations Index, but with a less negative outlook compared to the previous quarter (Chart 2).

The Consumption Habits Index improved during the last quarter of 2018, by 2.1 index points to 98.5. Consumers were positive on buying major appliances (46.2% of respondents) and about going on vacation (69.3% of respondents). Meanwhile, the other components were slightly less negative than in the previous survey period, except for *taking out a loan*, which remained at 95.2. The vast majority of respondents (72.7%) expects that prices will increase in the coming six months, leading to a Price Expectations Index of 90.4.

In summary, the improvement in consumer confidence is attributed to increases in all components, with the exception of price expectations (Table 1).

**Table 1: Main results**

	2015				2016				2017				2018			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Consumer confidence	94.8	94.8	94.7	95.6	94.7	96.8	97.1	96.7	96.9	95.4	96.5	95.8	96.0	94.3	94.3	97.0
Present situation consumer	93.9	93.4	93.3	94.9	93.4	95.3	95.5	97.4	95.3	96.3	95.3	95.1	94.3	95.0	92.6	95.9
Expectations consumer	95.4	95.0	96.8	98.5	95.4	100.2	101.8	100.9	99.2	96.5	99.1	98.6	97.5	94.0	94.4	97.8
Consumption habits	95.9	96.6	95.1	95.0	96.0	96.4	95.9	94.1	97.4	94.8	96.4	95.2	97.3	94.8	96.3	98.5
Price expectations	90.2	90.7	90.3	90.6	91.0	91.0	91.0	90.3	91.5	90.4	91.0	90.9	90.4	90.1	90.4	90.4