

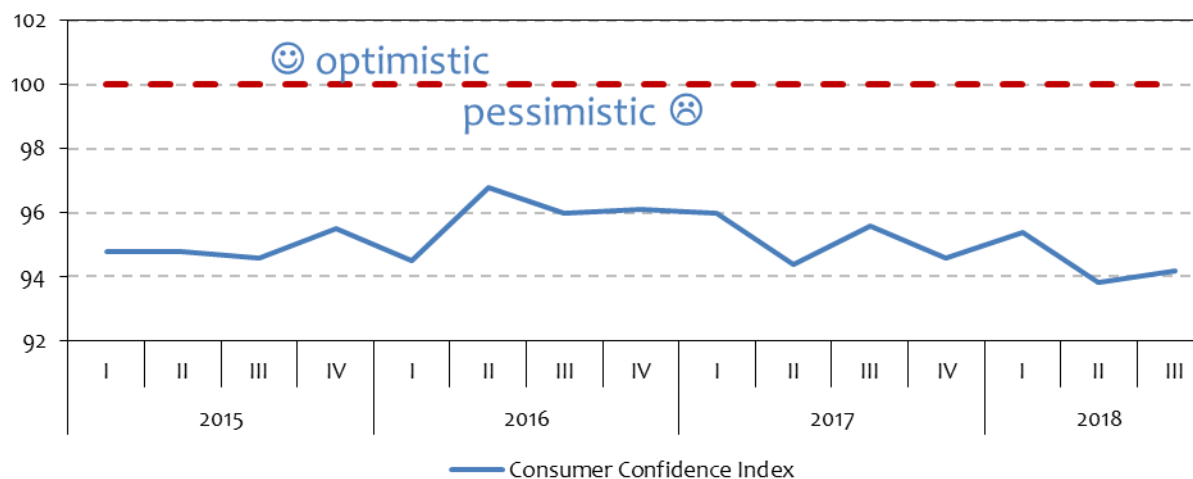
Consumer confidence holds

Press Release

October 22, 2018

Consumer sentiments remained stable in the third quarter of 2018. The Consumer Confidence Index inched to 94.2, up by 0.4 index point compared to the previous period, according to the latest results of the Consumer Confidence Survey (CCS) of the Centrale Bank van Aruba (Chart 1).¹

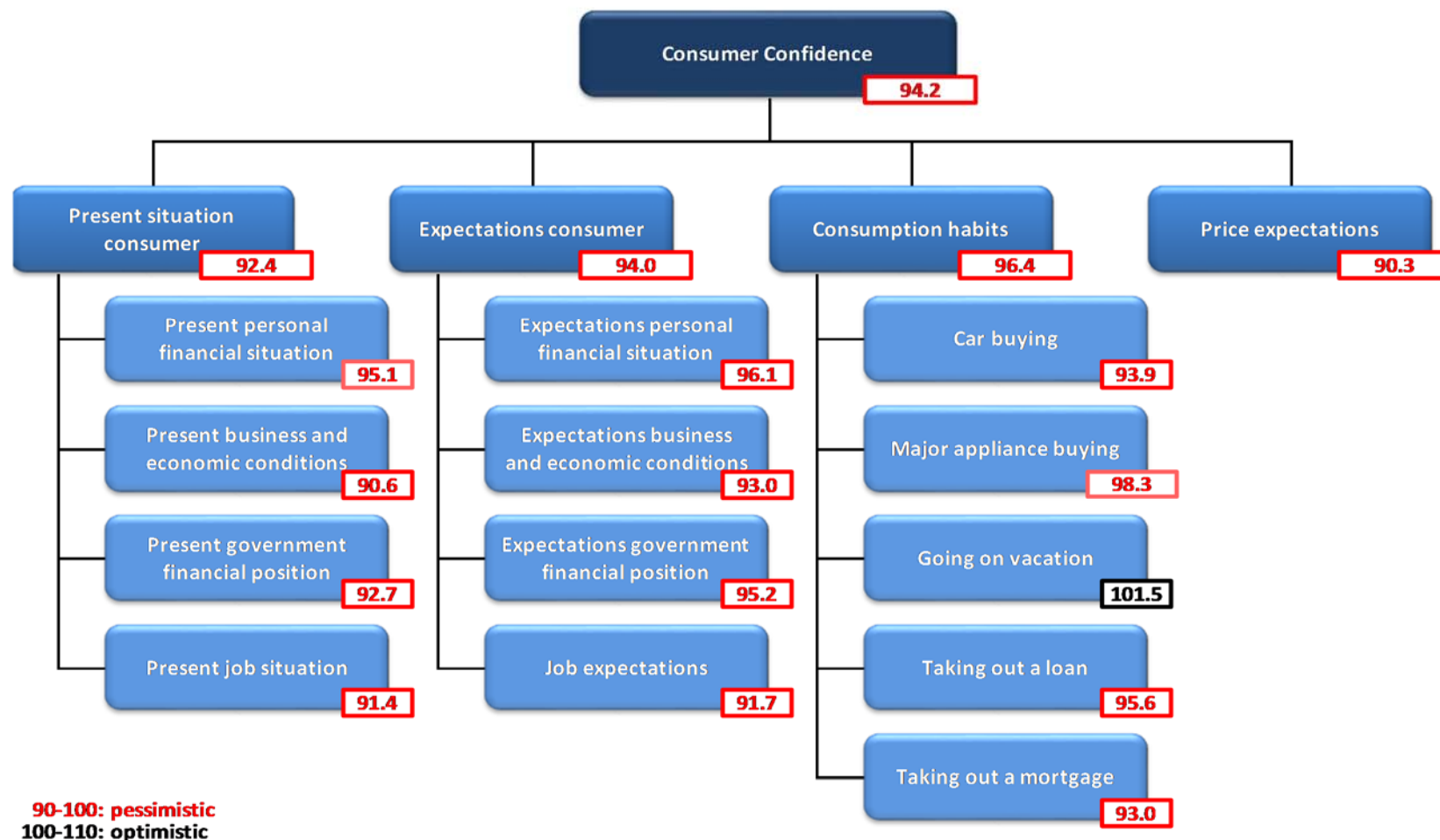
Chart 1: Consumer Confidence Index



¹ 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.

Consumers' sentiments turned negative due to their *present personal financial situation*, as this index fell to 95.1 (100.2 previous period). The other components in the Present Situation Index remained pessimistic, consequently inducing a decrease in the Present Situation Index, i.e. from 94.3 to 92.4 (Chart 2).

Chart 2: Components of the Consumer Confidence Index



The Expectations Index, however, improved by 0.5 index point to 94.0, with consumers reporting a less negative outlook on all the components of the index except for the expectations of the government's financial position: 43.9% indicated that this will become worse in the coming 6 months (37.8% in the previous quarter).

The Consumption Habits Index improved in the quarter under review. Consumers were positive about going on vacation, likely stemming from the prospect of the vacation period in October. Meanwhile, the other components were less negative than in the previous survey period. The vast majority of respondents (88.3%) expects that prices will rise in the coming six months, leading to a Price Expectations Index of 90.3 (previous period: 90.1).

In summary, the stable consumer confidence is attributed mostly to an improvement in the short-term outlook and an upturn in consumption habits (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
Consumer confidence	94.8	94.8	94.6	95.5	94.5	96.8	96.0	96.1	96.0	94.4	95.6	94.6	95.4	93.8	94.2
Present situation consumer	93.9	93.4	93.2	94.7	93.2	95.3	94.8	96.5	94.6	95.5	94.8	94.3	93.9	94.3	92.4
Expectations consumer	95.4	95.0	96.6	98.0	95.1	100.2	99.6	99.3	97.6	94.7	97.3	96.3	96.4	93.5	94.0
Consumption habits	95.9	96.6	95.0	95.1	96.0	96.4	95.2	94.3	96.8	94.2	95.7	94.4	96.7	94.5	96.4
Price expectations	90.2	90.7	90.2	90.5	90.7	91.0	90.7	90.2	91.2	90.3	90.9	90.7	90.3	90.1	90.3