



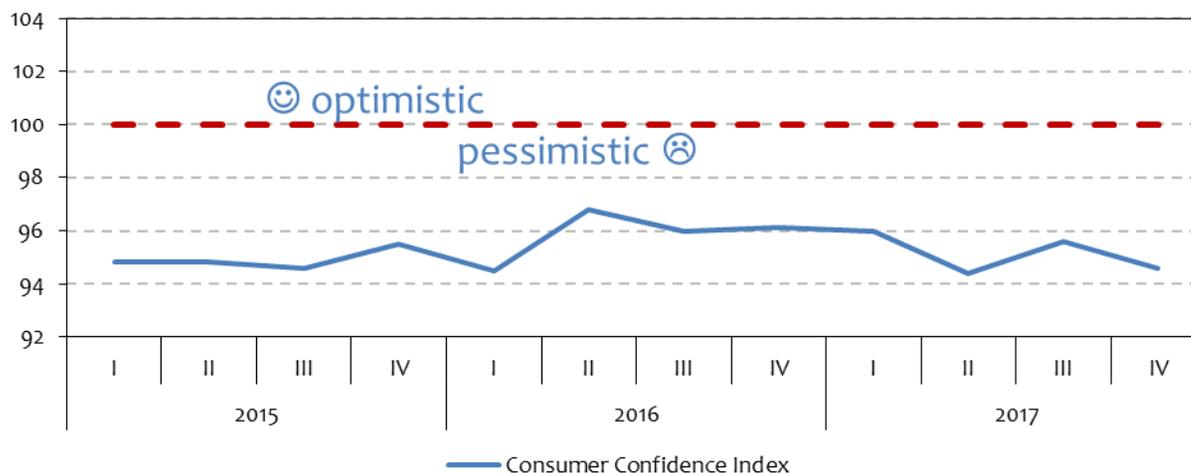
Despite improved financial situation, consumers remain pessimistic

Press Release

January 24, 2018

In the fourth quarter of 2017, consumer sentiment worsened according to the latest results of the Consumer Confidence Survey (CCS) of the Centrale Bank van Aruba (CBA). The Consumer Confidence Index (CCI) stood at 94.6 against 95.6 in the preceding quarter, indicative of relatively pessimistic sentiments (Chart 1).¹

Chart 1: Consumer Confidence Index



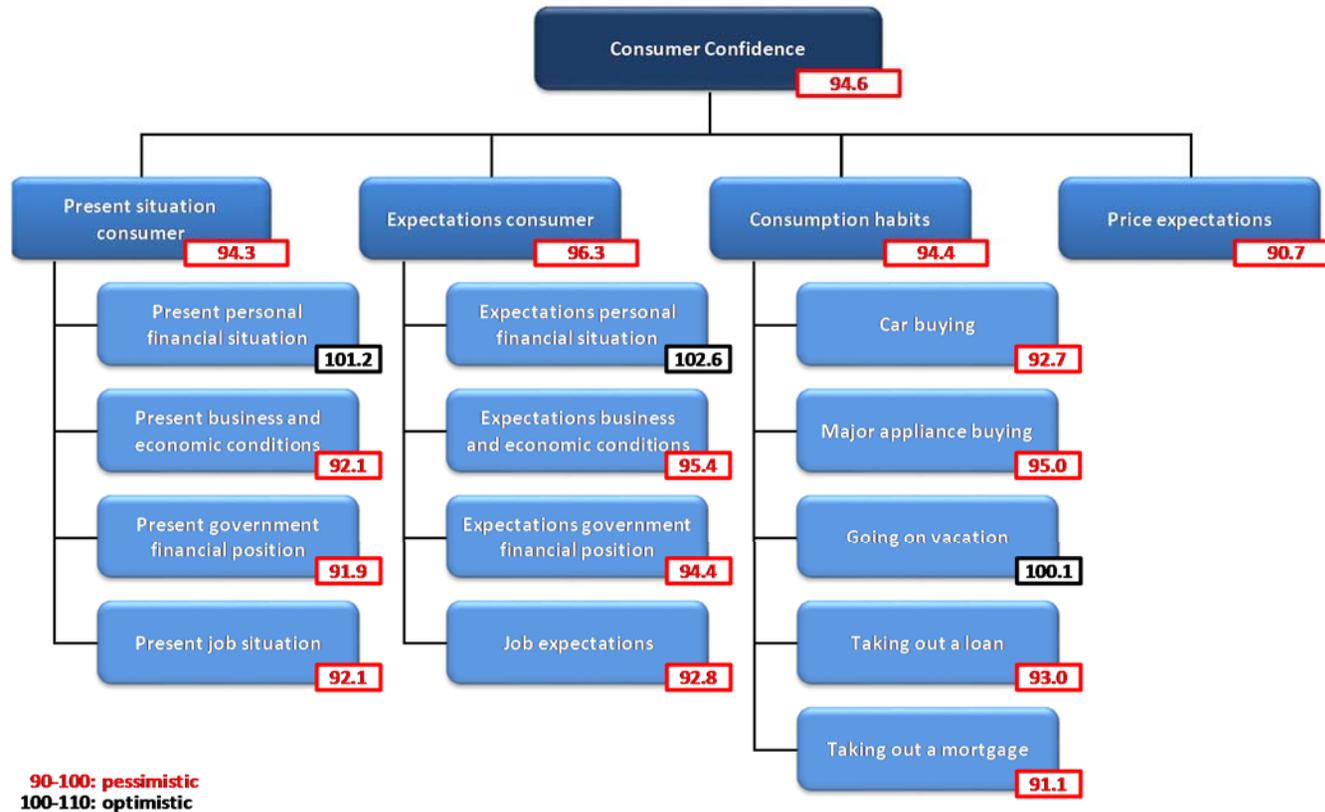
Despite general negative sentiments, consumers were, however, positive about their *present personal financial situation*, with the index at 101.2. Consumers were also confident about their *future financial situation* (102.6). Other components in the present

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.

situation index of the consumer had more pessimistic outcomes compared to the last survey, leading to a small decrease in the Present Situation Index, i.e. from 94.8 to 94.3 (Chart 2).

The expectations index of the consumer declined from 97.3 to 96.3, driven largely by a negative outlook on the future business and economic conditions, low job expectations as well as the (lower) expectations on the financial position of the government.

Chart 2: Components of the Consumer Confidence Index



The Consumption Habits Index also fell in the quarter under review (Chart 2). Most consumers indicated that it was unsuitable to purchase a car (74.1%), to take out a loan (72.0%) or a mortgage (86.0%). The vast majority of respondents (78.4%) expect that prices will increase in the coming 6 months leading to a Price Expectations Index of 90.7.

In summary, the decrease in consumer confidence is attributed to declines in all components of the Consumer Confidence Index (Table 1).

Table 1: Main results

	2015				2016				2017			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
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
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
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
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
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