



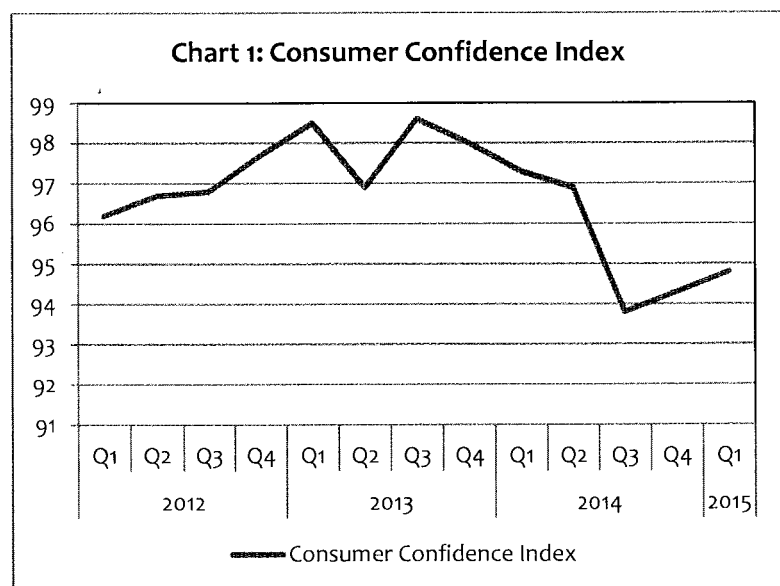
CENTRALE BANK VAN ARUBA

Consumer sentiment continues to improve in the first quarter of 2015¹

Press Release²

For the second consecutive survey period, confidence of Aruban consumers improved somewhat in the first quarter of 2015. The Consumer Confidence Index edged up by 0.5 index point, reaching 94.8 this quarter, however still remaining in the pessimistic territory (see Chart 1)³. This small increase may have likely been attributed to the fact that the survey period occurred before the Easter break as the component of consumption habits related to vacation improved significantly.

48.5 percent of the respondents indicated that taking a vacation right now was suitable (14.5 percentage points higher than the previous quarter). It should be noted that this does not indicate that consumers actually went on vacation but simply believe it would have been fitting. Additionally, 33.3 percent of consumers noted that it was appropriate to buy some major appliance at the present time, an improvement of 5.0 percentage points compared to the previous quarter. These two



components of consumption habits, the others being sentiments on purchasing a car, taking out a loan and taking out a mortgage, had the largest positive contribution to the consumer confidence index this survey period. Furthermore, consumers reported a less negative outlook on the present and future labor market compared to the previous quarter.

On the other hand, respondents indicated a deterioration in their personal financial situation during the previous six months, and for the coming six months. Moreover, more

than half of the respondents (54.8 percent) perceived a worsening in the economic and business conditions compared to six months ago (12 percentage points higher compared to the previous quarter). 42.8 percent expects future economic and business conditions to worsen (2.5 percentage points higher compared to the previous quarter). It is evident that consumers' perception on consumption habits contradict with their perceptions on their personal situation and economic

¹ The Centrale Bank van Aruba (CBA) introduced the Consumer Confidence Survey (CCS) in 2012. The principle aim of the CCS is to provide the CBA with valuable information for its macro-economic analyses and forecasts, as well as for determining the sentiments of Aruban consumers, which will further the CBA's understanding of economic developments. For a complete overview of the CCS methodology, please review our press releases of March 23, 2012 and May 10, 2012, both can be downloaded from our website (www.cbaruba.org):

² The English text prevails.

³ 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.

Table 1: Indices			
	Consumer Confidence Index	Present Situation Index	Expectation Index
2013 I	98.5	100.1	101.3
2013 II	96.9	97.7	99.1
2013 III	98.6	99.1	101.4
2013 IV	98.0	99.9	101.0
2014 I	97.3	96.9	98.9
2014 II	96.9	96.0	97.3
2014 III	93.8	92.5	93.4
2014 IV	94.3	93.5	95.3
2015 I	94.8	93.9	95.4

conditions. A possible explanation is that consumers may find it appropriate to make purchases but may not have the means to actually make these purchases.


Consumers' responses on the current government's financial position remained somewhat divided as 55.3 percent indicated a worsening, while 27.8 percent signaled that the government's financial position remained the same as six months ago. 8.3 percent believed that the government's financial position had

improved compared to six months ago. Finally, a large group of respondents (44.8 percent) stated that the government's financial position will worsen in the future. This sentiment has increased by 4.5 percentage points compared to the previous quarter.

The complete presentation of the results of this survey can be downloaded from the CBA's website. For further information, please contact Mr. Jonathan Upegui, Economist at the Research Department, at telephone 5252215 or email j.uegui@cbaruba.org.

Centrale Bank van Aruba

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