



# CONSUMER CONFIDENCE

Q1 2021

Executive Summary  
Centrale Bank van Aruba  
May 25, 2021



CENTRALE BANK VAN ARUBA

# Executive Summary

During the first quarter of 2021, consumers felt less pessimistic as the consumer confidence index picked up by 0.6 index point to 93.6\*.

By the end of the first quarter, top of mind consumer concerns were their employment opportunities as 70 percent of those surveyed reported that finding a job has become more difficult over the past 6 months. Also, 65 percent of them perceived the financial position of the government to have worsened, while 64 percent indicated that they were still worried about their personal health. Noticeable is that 72 percent of respondents indicated that they would get vaccinated in 2021. In addition, 56 percent felt a deterioration of business and economic conditions, while 55 percent stated that their household's financial situation remained the same throughout the past 6 months.

In the first quarter of 2021, the present situation index grew by 0.4 index point to 92.1, while the future expectation index rated 96.0, up from 94.2 in the previous quarter, reflecting less negative sentiments amongst respondents. More than half (56 percent) of those surveyed expected the Aruban economy to take more than 2 years to fully recover from the COVID-19 crises. In the first quarter of 2021, 72 percent reported that buying a car was not suitable, 67 percent indicated that taking out a loan was not appropriate, and close to 62 percent reported that going on vacation or taking out a mortgage was unsuitable. Consequently, the consumer purchasing habit index stood at 93.6 in the first quarter.

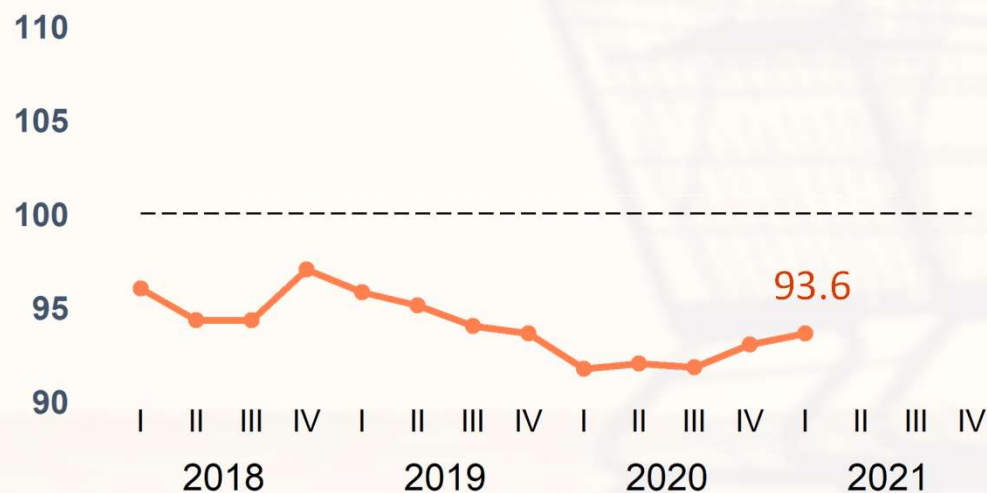
\*The consumer confidence index can vary between 90 and 100 (pessimistic sentiments), and 100 and 110 (optimistic sentiments). An index of 100 indicates relatively neutral sentiments.

# Top of Mind

## Consumer Concerns Q1 2021

- ① Job security (70%)
- ① Financial position of the government (65%)
- ② Personal health (64%)
- ④ Economic conditions (56%)
- ⑤ Household's financial position (55%)

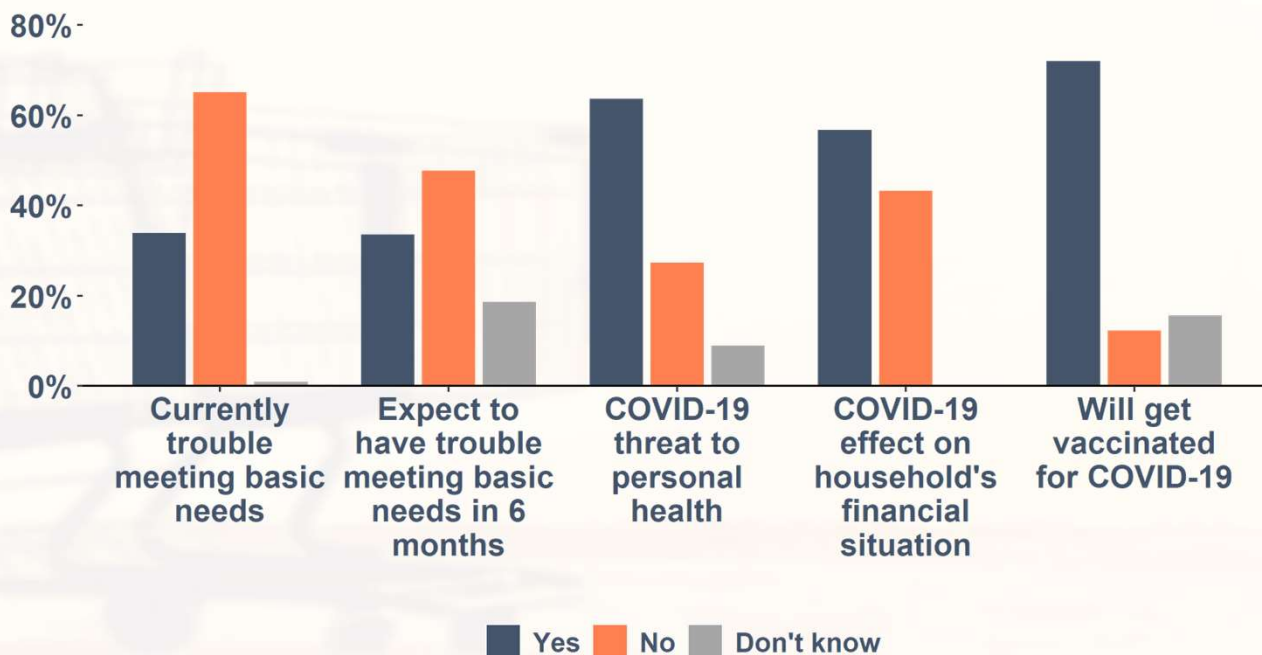
The Consumer Confidence Index continued to strengthened during the first quarter of 2021, but remained pessimistic



72%

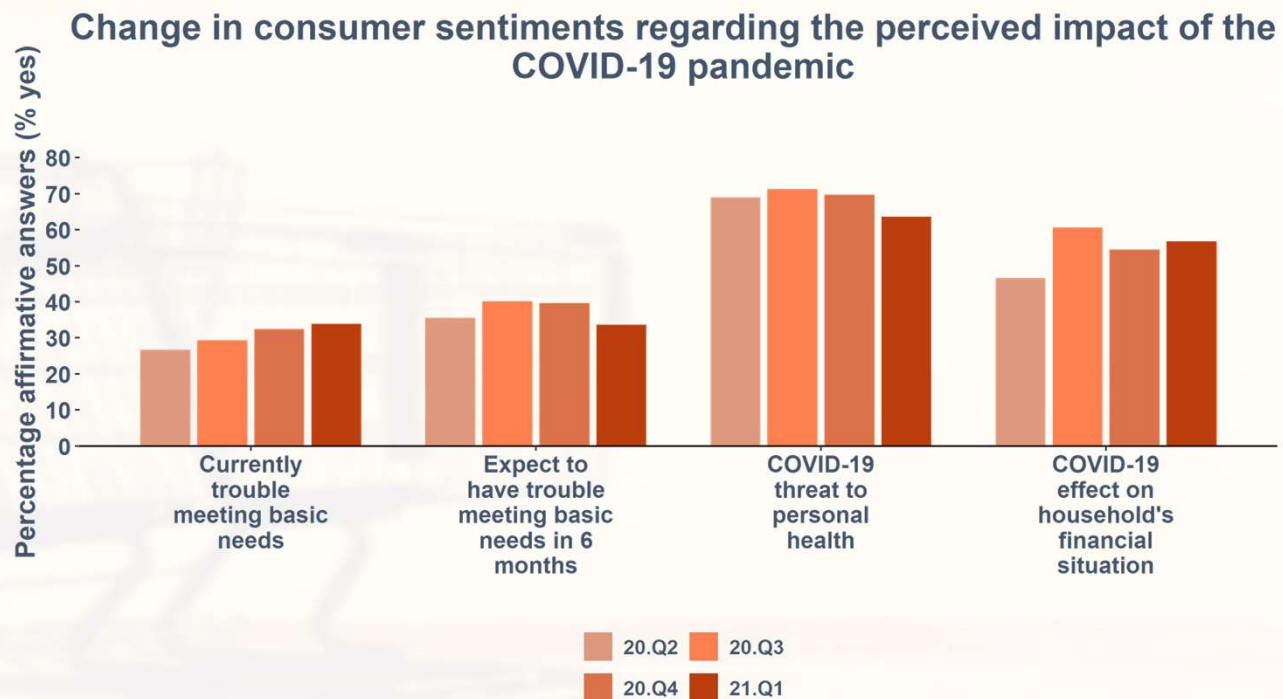
Close to three quarters of respondents answered yes to getting vaccinated for COVID-19 in 2021, as 64% still feel that COVID-19 is a threat to their personal health. Additionally, 65% of respondents indicated that currently, they do not have trouble meeting basic needs, while 48% expect to have trouble meeting basic needs in the coming 6 months.

The vast majority of respondents indicated that they will get vaccinated



64%

While a large percentage of respondents perceived COVID-19 to be a threat to their health, this perception decreased from 70% in Q4-2020 to 64% in Q1-2021. The effect of COVID-19 on the household's financial situation increased slightly from 55% to 57% during the same period. Expectations to have trouble meeting basic needs in the coming 6 months have declined, yet an increasing trend can be observed for the current situation.

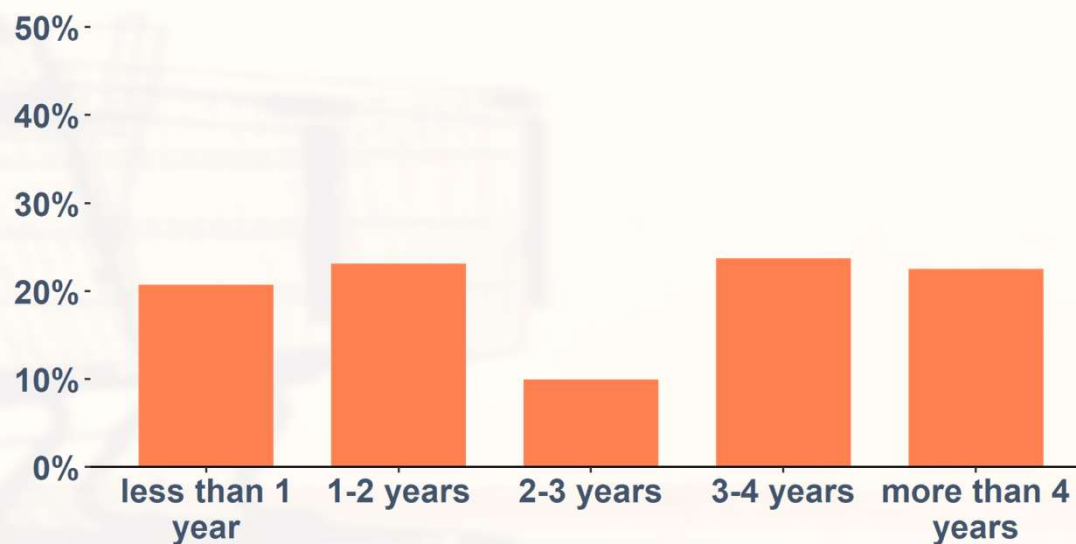




56%

An estimated 56% of respondents expected the Aruban economy to take more than 2 years to fully recover from the COVID-19 crisis, with 24% anticipating a complete recovery in 3 to 4 years and 23% expecting a full recovery to take more than 4 years.

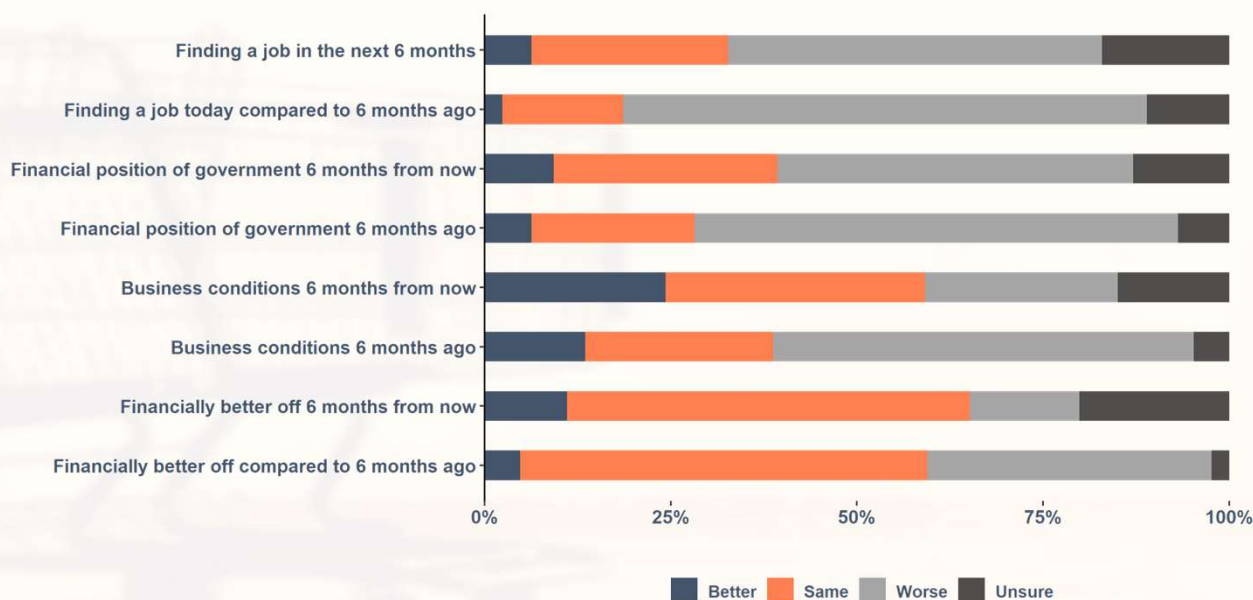
The majority of consumers expected the Aruban economy to take more than 2 years to recover from the COVID-19 crisis.



**70%**

About 70% (Q4-2020: 72%) of respondents reported that finding a job has become more difficult over the past 6 months, while 65% (Q4-2020: 69%) perceived the financial position of the government to have worsened. Also 56% (Q4-2020: 73%) felt a deterioration of business and economic conditions, 55% (Q4-2020: 39%) stated that their household's financial situation remained the same throughout the past 6 months.

### Consumer Sentiments: 6 months ago versus 6 months from now

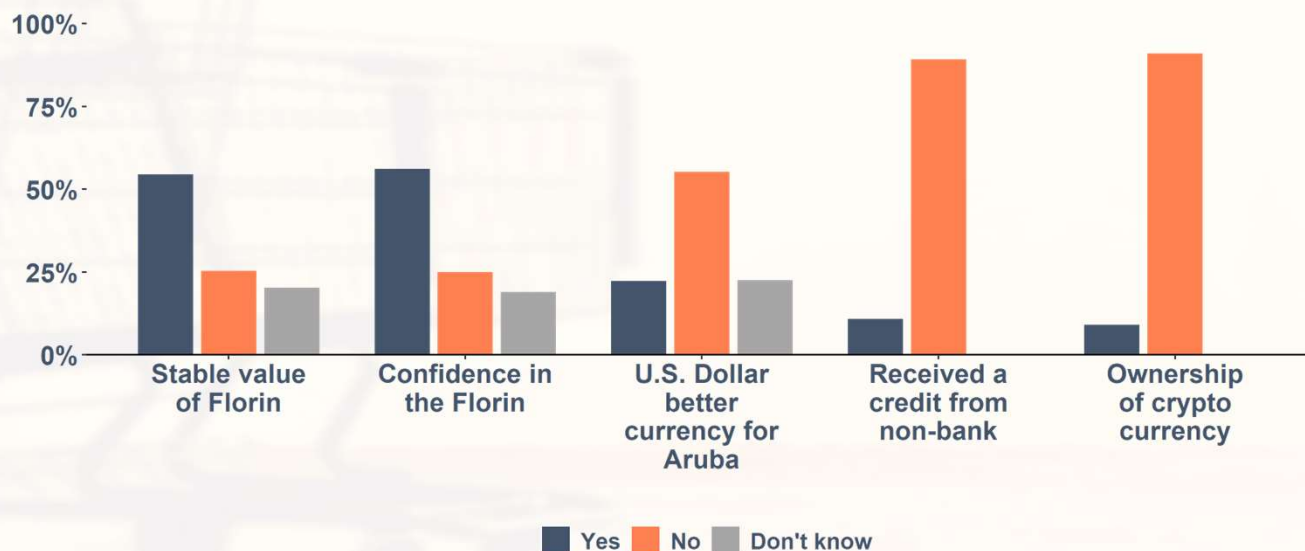




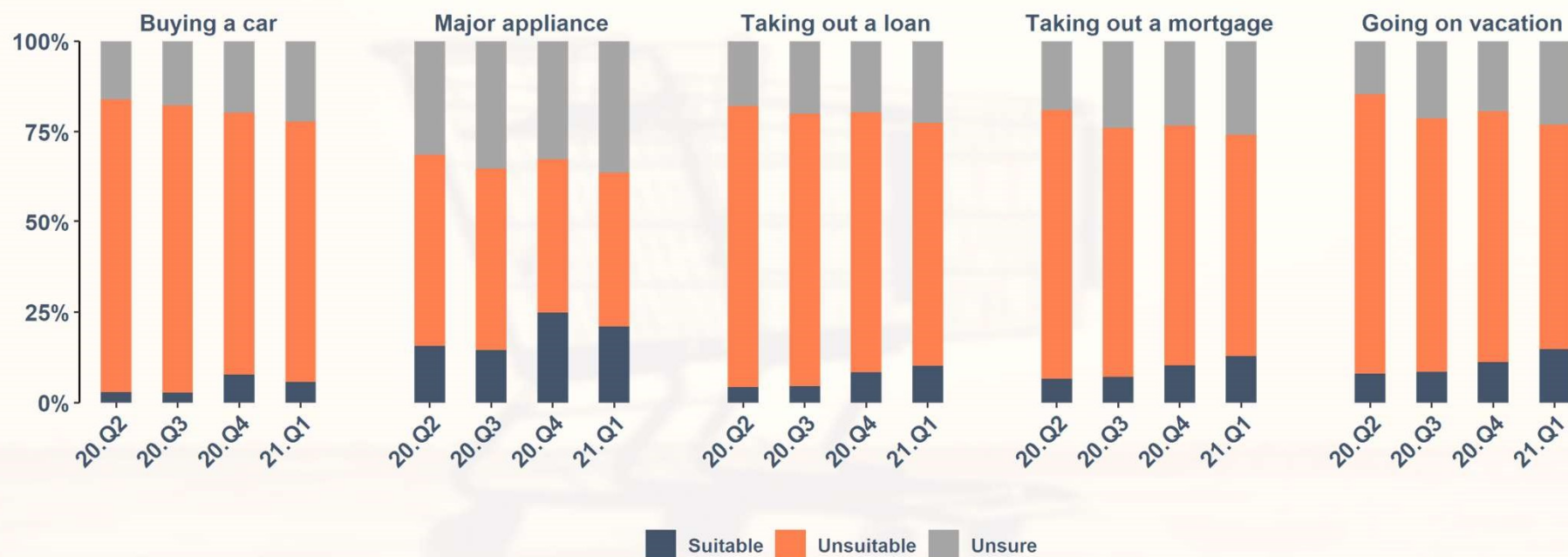
56%

Well over 50% of respondents believe the Florin is stable (55%) and indicate that they are confident in the Florin (56%). About 55% do not agree that the U.S. Dollar would be a better currency for Aruba. About 89% of consumers reported to not have received a credit from a non-bank organization during the last 6 months. Also, most consumers do not own any type of crypto currency (91%).

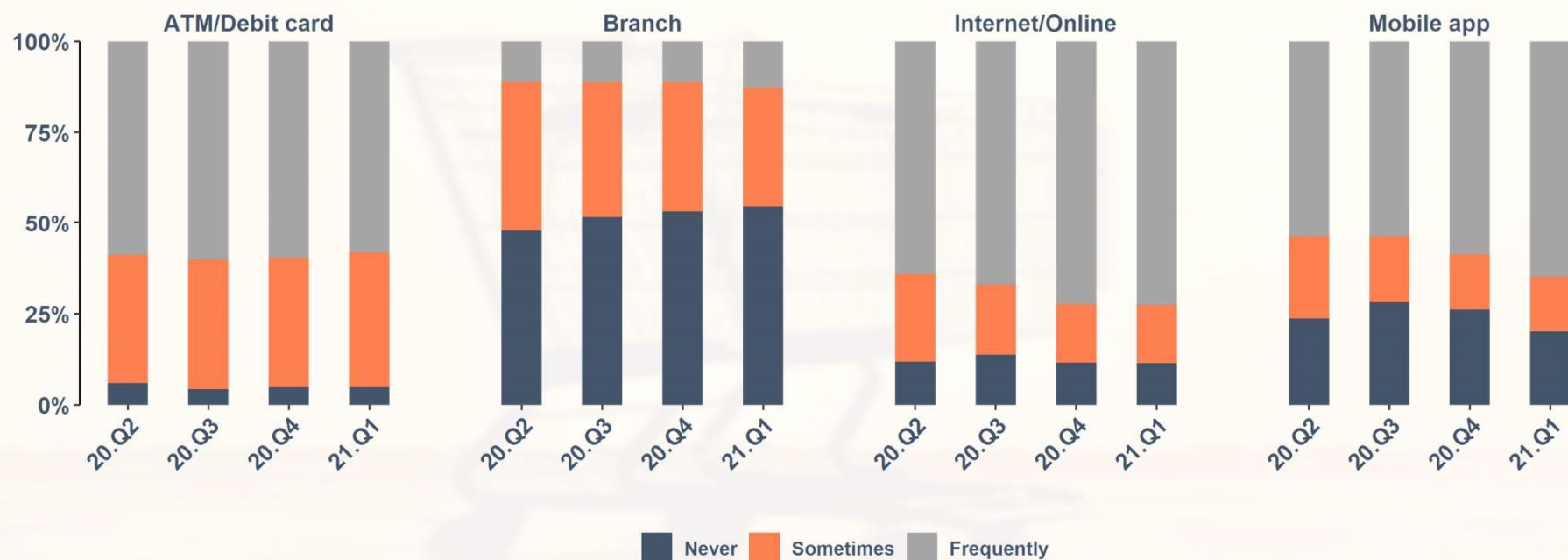
Consumers reported confidence in the Aruban Florin, non-bank credit is not common and crypto currency has low ownership



Although in a decreasing trend, the largest group of consumers found it unsuitable to undertake major expenditures. On the other hand, an increasing share of consumers believed it was suitable to take out a loan or mortgage, or go on vacation.



The proportion of respondents that did not use their bank's branch increased consistently throughout the past quarters, reaching 55% by the end of the first quarter of 2021. Alternatively, the use of internet and mobile banking continued to pick up during the past three quarters.





FOR MORE INFORMATION, PLEASE CONTACT THE  
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