



CENTRALE BANK VAN ARUBA

BUSINESS SENTIMENT IMPROVE AGAIN FOR A THIRD TIME IN A ROW IN THE FIRST QUARTER OF 2021

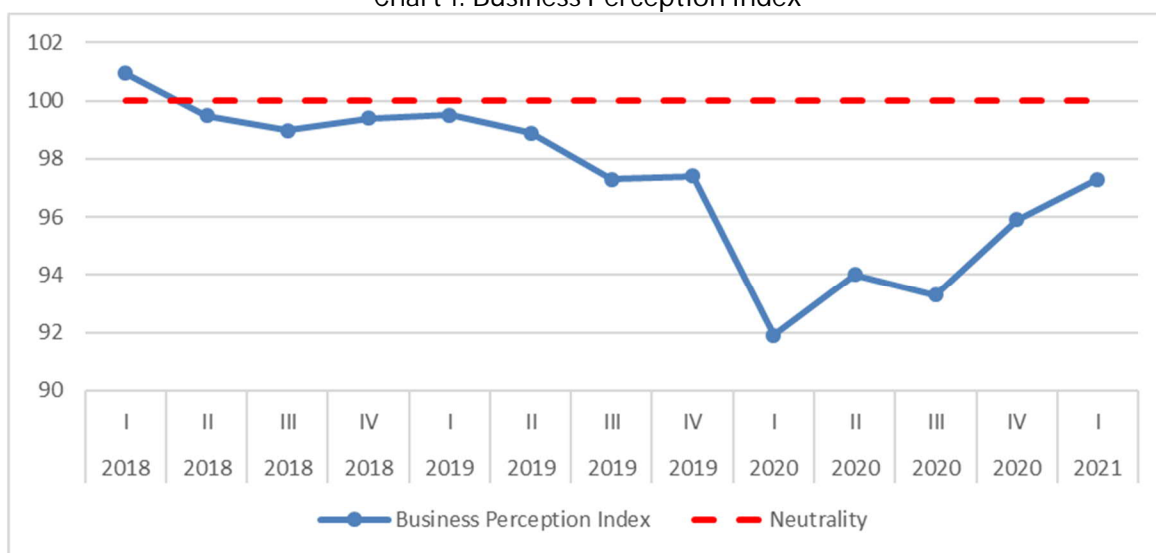
Press release

Results for the first quarter of the year 2021

The Central Bank of Aruba (CBA) recently concluded its Business Perception Survey (BPS) for the first quarter of 2021. The BPS assesses the economic perceptions and sentiments of local businesses, as well as the continued impact of the COVID-19 pandemic on economic conditions and business activities.

The Business Perception Index (BPI), comprising the current and short-term economic conditions, grew by 1.4 index points to 97.3 during the first quarter of 2021. The overall BPI remains below 100, despite a further improvement in business sentiments, compared to last quarter (See Chart 1)¹. The boost in business sentiments resulted from a battlement in both current and short-term future economic conditions.

Chart 1: Business Perception Index



Source: Centrale Bank van Aruba

The current economic condition index noted an expansion of 0.3 index point to 93.7, up from 93.4 in the fourth quarter of 2020. The short-term future economic condition index strengthened by 1.6 index points, i.e., from 101.1 in the fourth quarter of 2020 to 102.7 in the first quarter of 2021. The percentage of respondents expecting positive economic growth in the next 12 months grew substantially, i.e., by 10.8 percentage points to 26.5 percent.

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 businesses are neither pessimistic nor optimistic but are neutral with regard to their thoughts about economic developments in Aruba. Between 100 and 110 indicates a situation of optimism in business sentiments.

In terms of the impact of the COVID-19 pandemic, the expanded Business Perception Survey also assessed the expected impact on business sales, the need for applying for emergency business funds, and the anticipated economic recovery period.

More than 40 percent of the respondents (44.7 percent) pointed out that the COVID-19 pandemic continued to have a significant impact on their business sales, i.e., 0.7 percentage point more compared to the fourth quarter.

The complete report of the Business Perception Survey is available on the website of the CBA (<https://www.cbaruba.org/>).

Table 1: Business Perception Survey (General results)

	Q1-2021		
	Improvement (%)	No change (%)	Worsening (%)
A. Current economic condition	13.3	27.4	59.3
1. The economic conditions in Aruba	13.3	16.9	69.9
2. The activities of your business	8.4	32.5	59.0
3. The investments of your business	6.0	45.8	48.2
4. The number of employees that work for your company	25.3	14.5	60.2
B. Expected short-term economic conditions	24.6	61.2	14.2
1. The economic conditions in Aruba	7.2	75.9	16.9
2. The activities of your business	44.6	44.6	10.8
3. The investments of your business	34.9	56.6	8.4
4. The number of employees that work for your company	20.5	65.1	14.5

Source: Centrale Bank van Aruba

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