



CENTRALE BANK VAN ARUBA

**BUSINESS SENTIMENTS IMPROVED IN THE FOURTH QUARTER OF 2020**

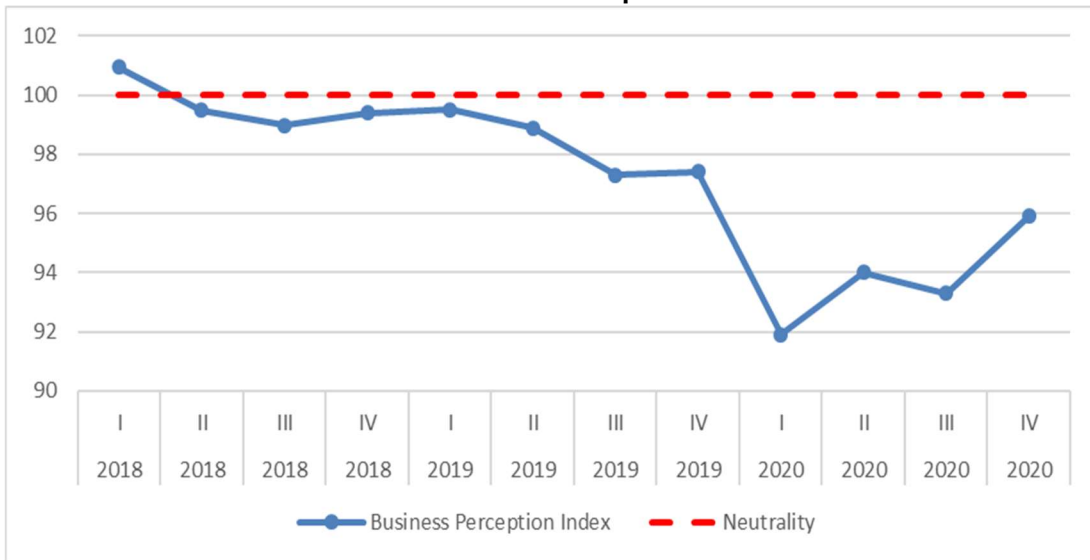
Press release

Results for the fourth quarter of the year 2020

**The Central Bank of Aruba (CBA) recently concluded its Business Perception Survey (BPS) for the fourth quarter of 2020. 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, rose by 2.6 index points to 95.9 during the fourth quarter of 2020. The overall BPI remains pessimistic despite an improvement in sentiments, compared to last quarter (See Chart 1)<sup>1</sup>. The positive in sentiments resulted from an improved perception on 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 1.1 index points to 93.4, up from 92.3 in the third quarter of 2020. The *short-term future economic condition* index grew significantly by 6.2 index points, i.e., from 94.9 in the third quarter of 2020 to 101.1 in the fourth quarter of 2020 (See Table 1). The percentage of respondents expecting negative economic growth in the next 12 months, dropped by 12.4 percentage points to 57.8 percent.

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

<sup>1</sup> 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.

More than 40 percent of the respondents (44.0 percent) pointed out that the COVID-19 pandemic continued to have a significant impact on their business sales, i.e., 2.5 percentage points more compared to the third 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)**

	Q4-2020		
	Improvement (%)	No change (%)	Worsening (%)
<b>A. Current economic condition</b>	13.9	17.1	69.0
1. The economic conditions in Aruba	3.8	7.6	88.6
2. The activities of your business	6.3	17.7	75.9
3. The investments of your business	13.9	26.6	59.5
4. The number of employees that work for your company	31.6	16.5	51.9
<b>B. Expected short-term economic conditions</b>	22.5	59.5	18.0
1. The economic conditions in Aruba	29.1	44.3	26.6
2. The activities of your business	27.8	58.2	13.9
3. The investments of your business	21.5	60.8	17.7
4. The number of employees that work for your company	11.4	74.7	13.9

Source: Centrale Bank van Aruba

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