



Consumer Confidence Survey Report Q2 2023

August 3, 2023



CENTRALE BANK VAN ARUBA

Cover design:

Mangroves are hotspots of biodiversity, connecting life on land with life below water. These 'forests of the sea' are essential to the health and vibrancy of our coastal ecosystems, including our community livelihoods. They provide a vital habitat for marine life, help to protect against coastal erosion and storm surges, as well as filter pollutants from the sea. Mangroves are one of nature's most effective tools in the fight against climate change and are integral to nature.

The full text of this report is available on the CBA website.



Executive Report

Consumers became even more pessimistic, as consumer confidence index fell by 0.4 index point to 92.6¹ in the second quarter of 2023.

By the end of the second quarter, consumers were mainly concerned about (i) weakening business and economic conditions (Q2-2023: 61 percent vs. Q1-2023: 51 percent), (ii) difficulty in finding a new job (Q2-2023: 51 percent vs. Q1-2023: 44 percent), and (iii) deteriorating financial position of the government (Q2-2023: 44 percent vs. Q1-2023: 43 percent). In addition, 39 percent of respondents reported worsening household's financial position in the second quarter of 2023, which was 9 percentage points more compared to the previous quarter (Q1-2023: 30 percent). An estimated 93 percent of all respondents indicated that they expect prices to be higher in the next 6 months (Q1-2023: 91 percent).

Both the future expectation index and the present situation index diminished, i.e., by 0.9 index point to 93.0 and 0.7 index point to 92.7, respectively, in the second quarter of 2023.

The number of respondents stating that taking out a mortgage was unsuitable increased to 68 percent (Q1-2023: 65 percent), as for taking out a loan, 69 percent of respondents indicated it was not appropriate (Q1-2023: 68 percent). While the respondents that indicated it unsuitable to buy a car and to purchase a major appliance, remained unchanged at 73 percent and 56 percent, respectively. Furthermore, 56 percent of respondents mentioned that going on vacation was not appropriate (Q1-2023: 57 percent). Consequently, the consumer purchasing habit index inched up from 92.5 in the first quarter of 2023 to 92.6 in the second quarter of 2023.

¹ 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

Key Consumer Concerns Q2 2023

61%

**expected worse
business and
economic conditions**

Q1-2023: 51%

About 61 percent of respondents anticipated deteriorating business and economic conditions, while 51 percent of respondents expected it to be more difficult to find a new job.

51%

**expected finding a
new job to be more
difficult**

Q1-2023: 44%

More than 40 percent of respondents foresaw the government's financial position to worsen, while 39 percent of respondents expected their household to be financially worse off in the second quarter of 2023.

44%

**expected worse
government financial
position**

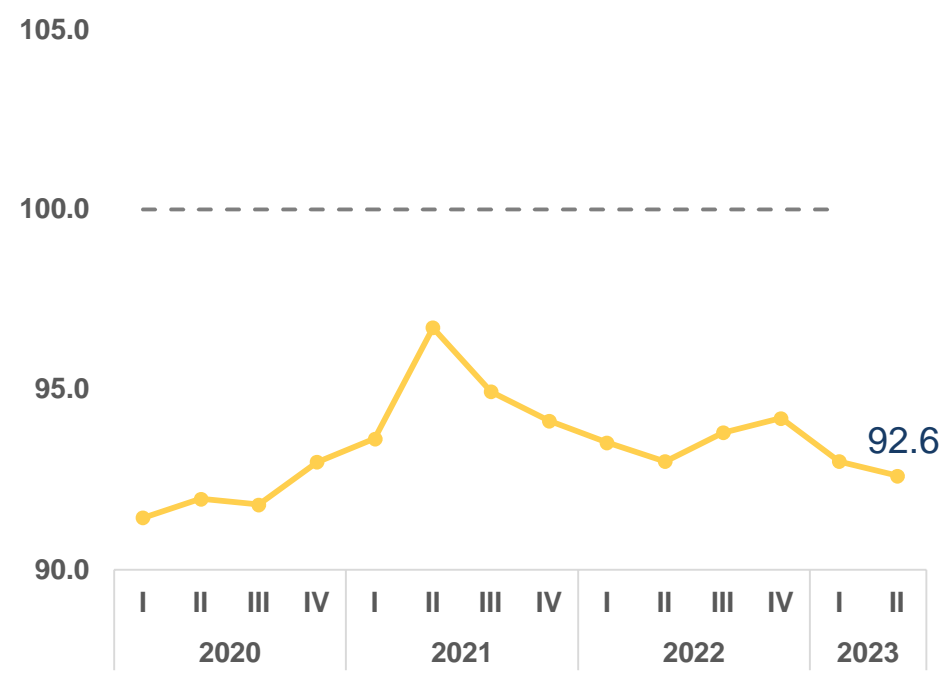
Q1-2023: 43%

39%

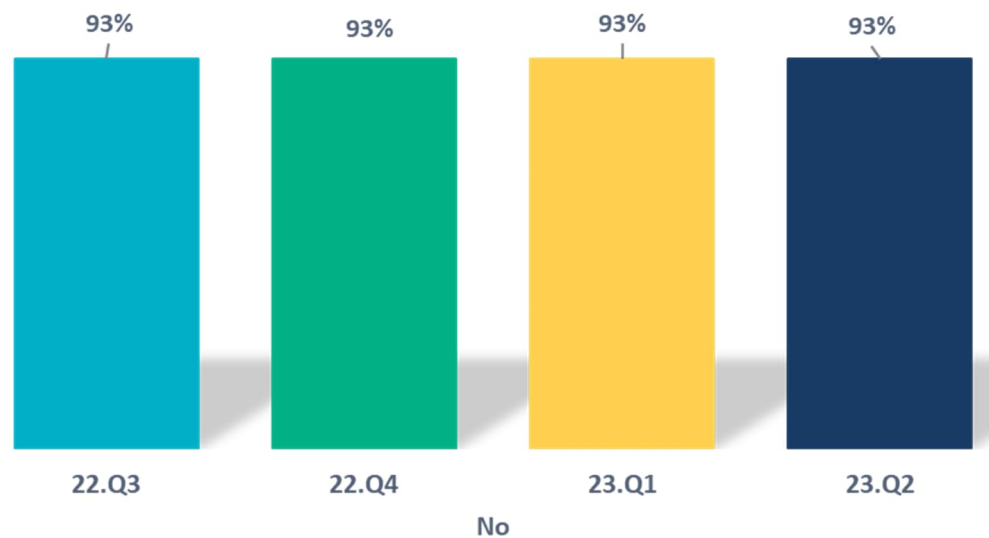
**expected worse
household financial
position**

Q1-2023: 30%

The Consumer Confidence Index fell to 92.6 index points during the second quarter of 2023, compared to 93.0 index points in the first quarter of 2023.



The percentage of respondents stating that they can 'purchase less with their income compared to 6 months ago' remained unchanged for four (4) consecutive quarters at 93 percent.

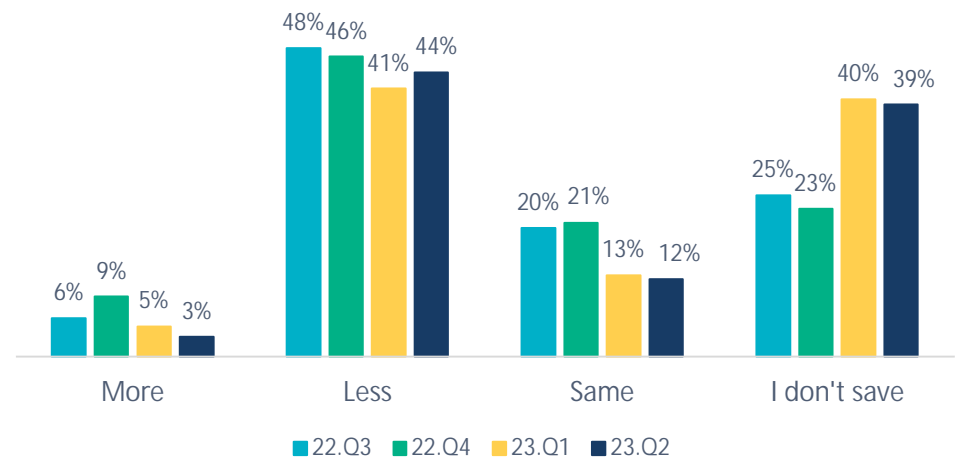


39%

of respondents reported that they don't save.

In addition, 3% of respondents reported that they saved more, which is 2 percentage points less compared to previous quarter (Q1-2023: 5%).

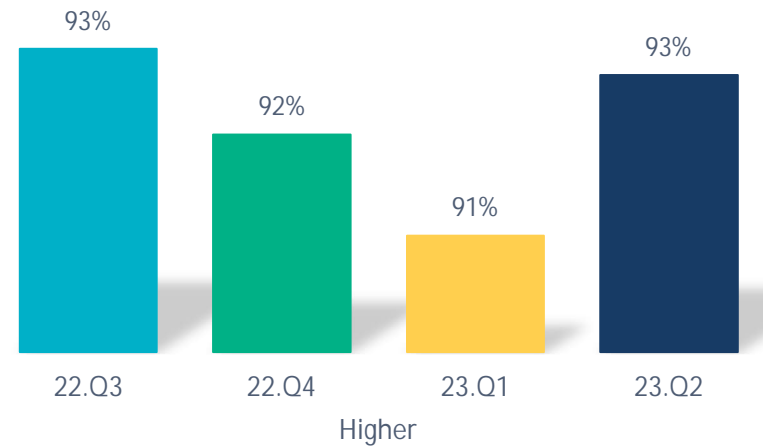
About 44 percent of respondents indicated that they saved less, which is an increase of 3 percentage points compared to previous quarter (Q1-2023: 41%).



93%

of respondents foresaw that prices would be higher in the next 6 months, which is 2 percentage points more than the previous quarter (Q1-2023: 91%).

Respondents indicated that they expect prices to be higher in the next 6 months, compared to previous two (2) quarters.

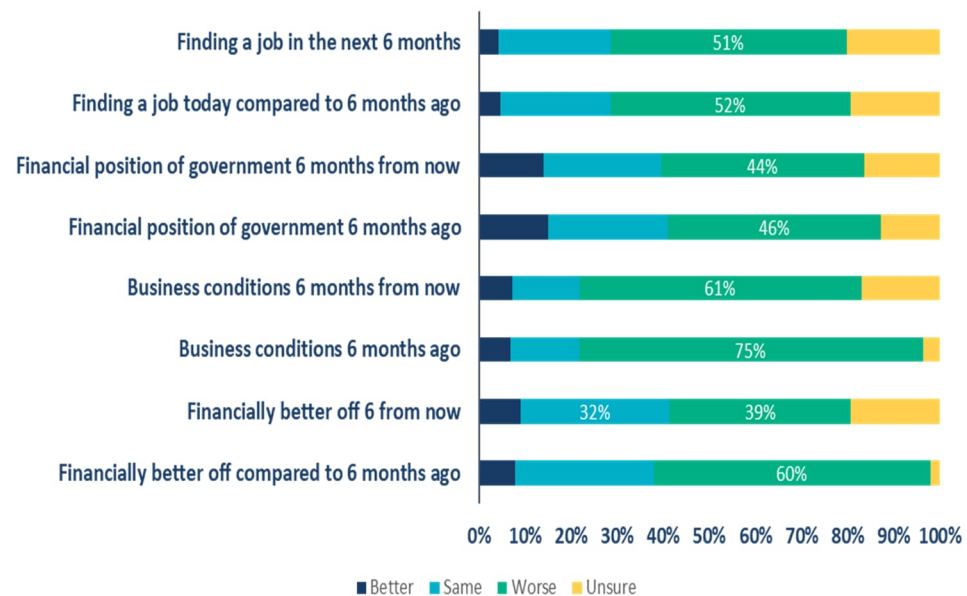


75%

of respondents stated that the business and economic conditions worsened from 6 months ago (Q1-2023: 72%).

An estimated 60% of respondents reported that their financial situation worsened. compared to 6 months ago

Consumer Sentiments - 6 months ago versus 6 months from now

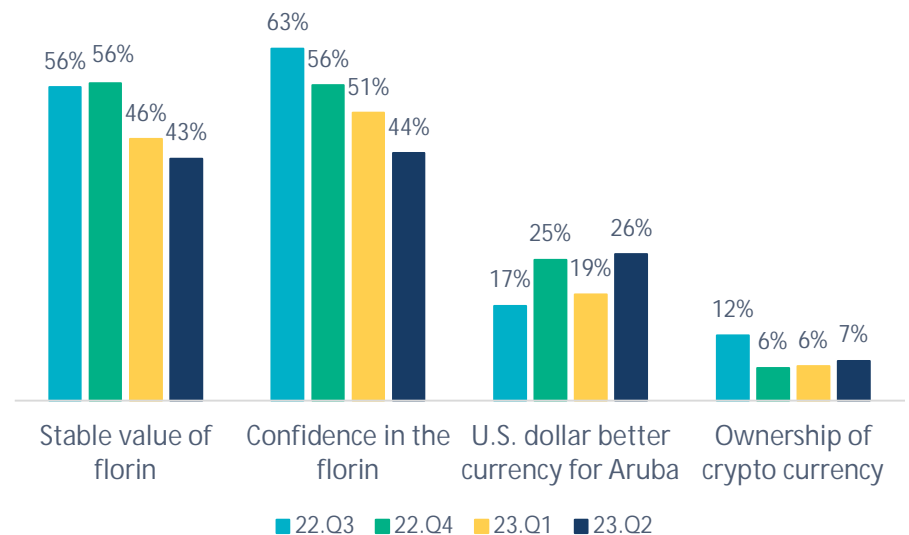


44%

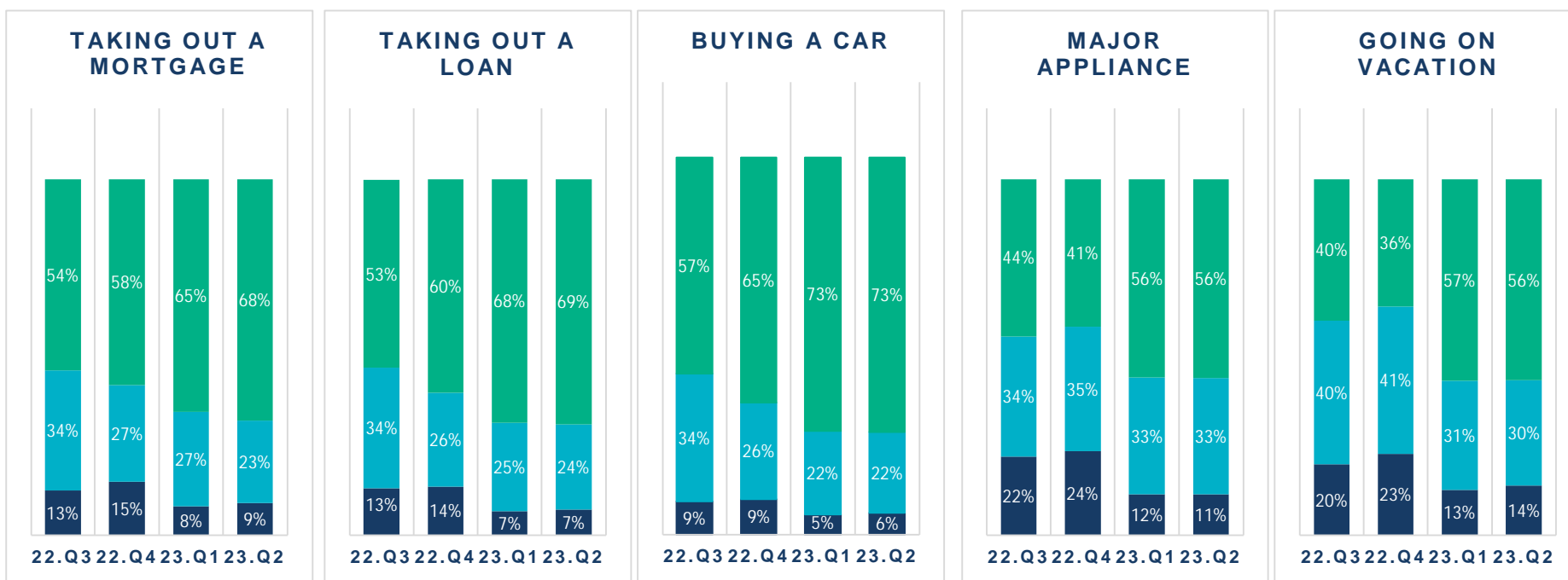
of respondents (Q1-2023: 51%) stated that they have confidence in the Aruban florin.

In addition, 26% of respondents reported that the U.S. Dollar would be a better currency for Aruba.

Less respondents have confidence in the Aruban florin, compared to previous quarter.



Consumers still cautious about taking out a loan. Compared to the previous quarter, 68 percent of the respondents considered taking out a mortgage improper, while 69 percent of the respondents considered it unsuitable to take out a loan. Almost three quarters (73 percent) of the respondents still consider it unfitting to buy a new car. Likewise, more than half (56 percent) of the respondents considered it not the best time to purchase a major appliance. In addition, 56 percent of the respondents considered going on vacation inappropriate.



Suitable

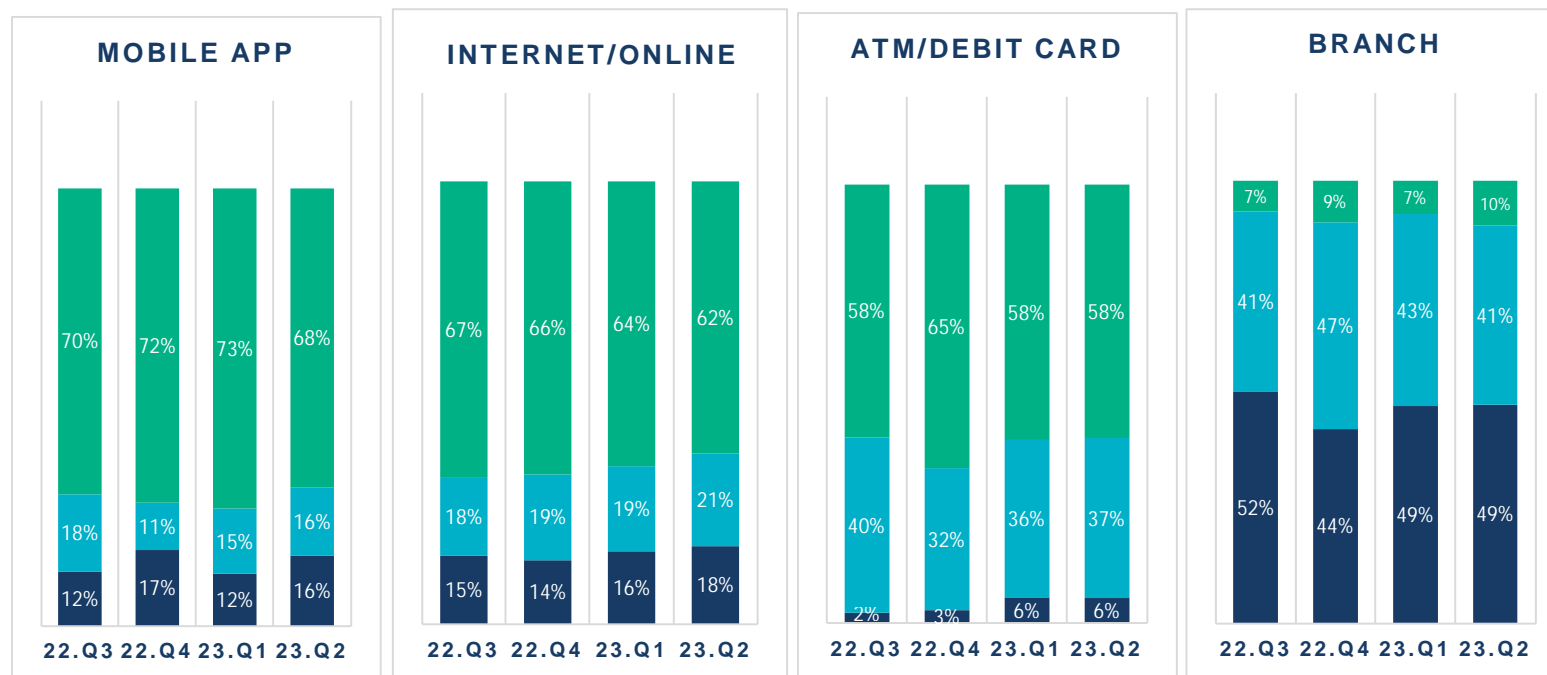


Unsure



Unsuitable

Mobile banking app remained the dominant personal banking channel. The frequent use of mobile applications dropped by 5 percentage points to 68 percent, while the frequent use of online banking also decreased by 2 percentage points (Q1-2023:64%). In addition, the percentage of consumers who use their ATM/debit card on a frequent basis remained unchanged at 58 percent. The respondents who never use a branch also remained unchanged at 49 percent, while the frequent use of a branch increased by 3 percentage points (Q1-2023:7%).



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