



# Consumer Confidence Survey Report Q3 & Q4 2023

May 2, 2024



**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 were less pessimistic in the second half of 2023, as consumer confidence index rose by 1.5 index points to 94.1<sup>1</sup> in the third quarter and 0.9 index point to 95.0<sup>1</sup> in the fourth quarter of 2023.**

In the second half of 2023, consumers were mainly concerned about (i) weakening business and economic conditions (Q3-2023: 48 percent, Q4-2023: 41 percent), (ii) deteriorating financial position of the government (Q3-2023: 37 percent, Q4-2023: 35 percent), and (iii) finding a new job more difficult (Q3-2023: 36 percent, Q4-2023: 34 percent). In addition, respondents reported worsening household's financial position in the third quarter (Q3-2023: 31 percent), compared to the fourth quarter (Q4-2023: 20 percent). About 90 percent of all respondents indicated that they expect prices to be higher in the next 6 months, almost the same percentage of respondents as in the third quarter of 2023 (Q3-2023: 91 percent).

The present situation index increased in the second half of 2023, i.e., by 0.7 index point to 93.4, and 2.1 index points to 95.5 in the third and fourth quarter of 2023, respectively. In addition, the future expectation index rose by 1.5 index points to 94.5 and 1.1 index points to 95.6 in the third and fourth quarter of 2023, respectively.

The number of respondents stating that taking out a loan was not appropriate grew by 10 percentage points to 63 percent in the fourth quarter of 2023 (Q3-2023: 53 percent). As for going on vacation 48 percent of respondents (Q3-2023: 37 percent) reported that it was not appropriate, while 46 percent of respondents (Q3-2023: 36 percent) revealed that it was unsuitable to purchase a major appliance. Furthermore, the respondents indicating that taking out a mortgage and to buy a car was unsuitable, expanded to 59 percent (Q3-2023: 53 percent) and 56 percent (Q3-2023: 52 percent), respectively, in the fourth quarter of 2023. Consequently, the consumption and borrowing habits index increased by 2.6 index points to 95.2 in the third quarter and, subsequently, fell by 0.3 index point to 94.9 in the fourth quarter of 2023.

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<sup>1</sup> 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 Second Half 2023

**expected  
worse  
business and  
economic  
conditions**

Q3-2023: 48%

Q4-2023: 41%

**expected  
worse  
government  
financial  
position**

Q3-2023: 37%

Q4-2023: 35%

More than 40 percent of respondents anticipated deteriorating business and economic conditions in the fourth quarter of 2023, while 35 percent of respondents foresaw the government's financial position to worsen.

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

Q3-2023: 36%

Q4-2023: 34%

More than 30 percent of respondents expected it to be more difficult to find a new job in the fourth quarter of 2023, while 20 percent of respondents expected their household to be financially worse off.

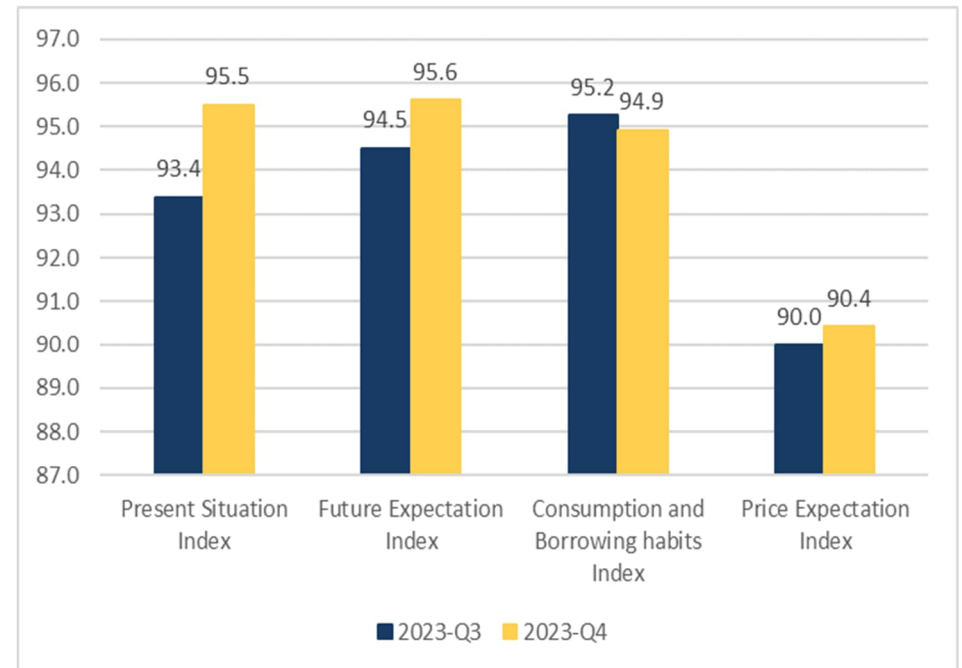
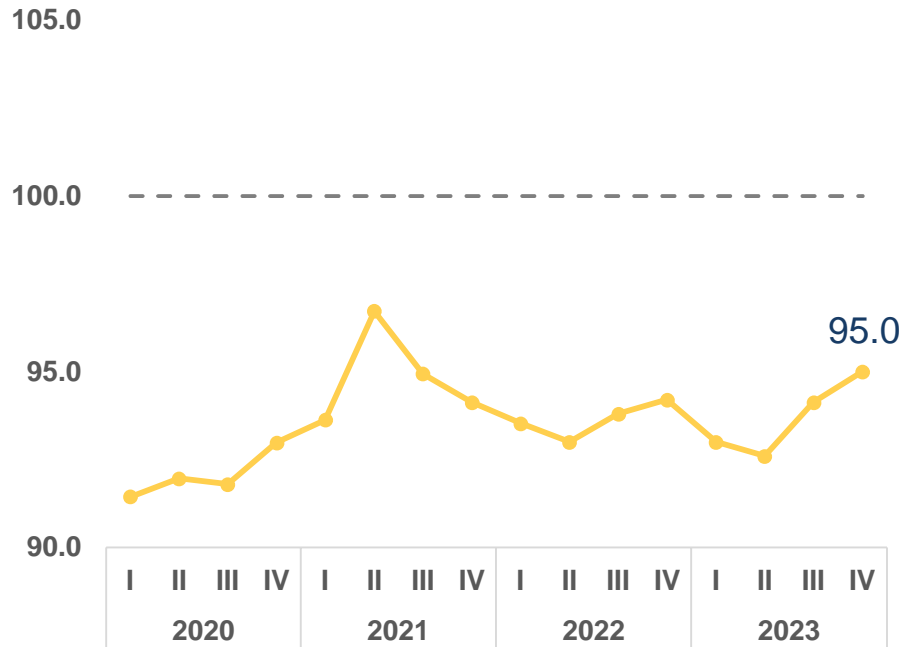
**expected  
worse  
household  
financial  
position**

Q3-2023: 31%

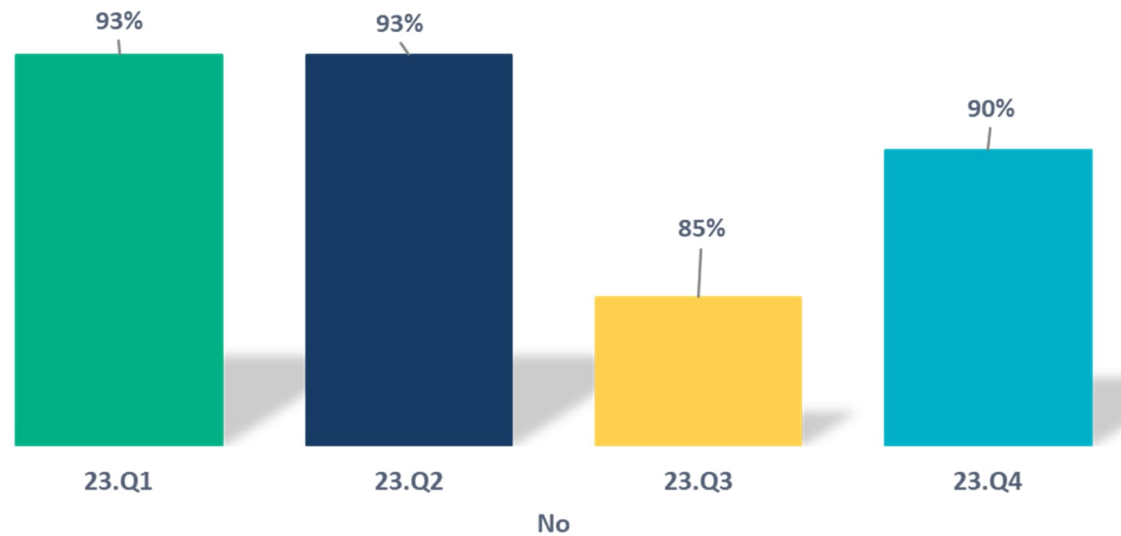
Q4-2023: 20%

The Consumer confidence index grew to 94.1 index points in the third quarter and rose further to 95.0 index points in the fourth quarter of 2023.

The present situation index, future expectation index, and price expectation index rose in the second half of 2023, while consumption and borrowing habits index fell.



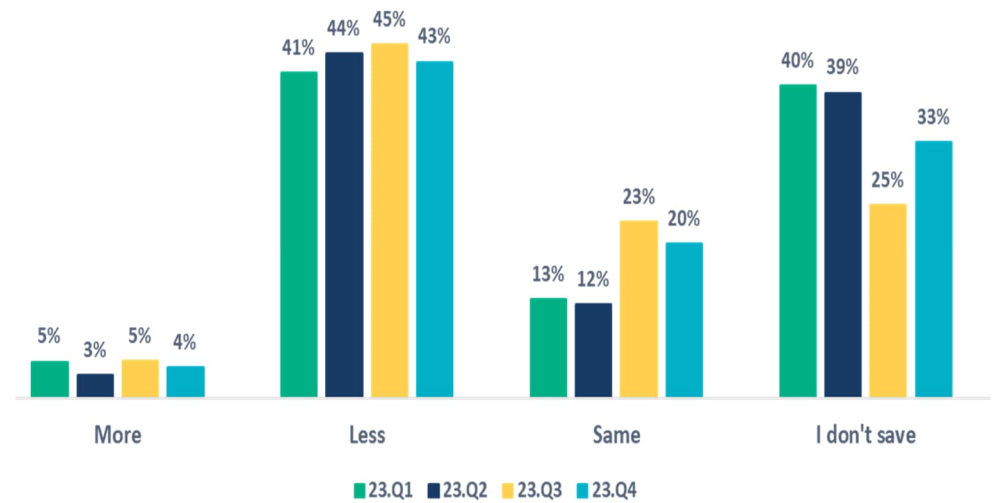
The percentage of respondents stating that they can 'purchase less with their income compared to 6 months ago' dropped to 85 percent in the third quarter, but increased to 90 percent in the fourth quarter of 2023.



In the second half of 2023, a lower percentage of respondents reported that they don't save (Q3-2023: 25 percent, Q4-2023: 33 percent).

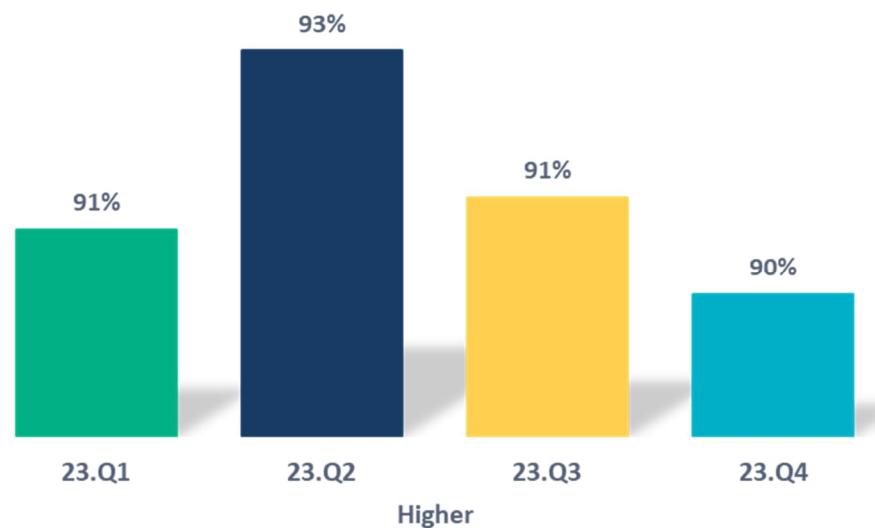
In the second half of 2023, the respondents that reported that they save the same increased to more than 20 percent compared to the first half of 2023.

The respondents that indicated that they saved less remained above 40 percent.



In the third and fourth quarter of 2023, about 90 percent of respondents foresaw that prices would be higher in the next 6 months.

In the second half of 2023, most respondents still expect prices to be higher in the next 6 months

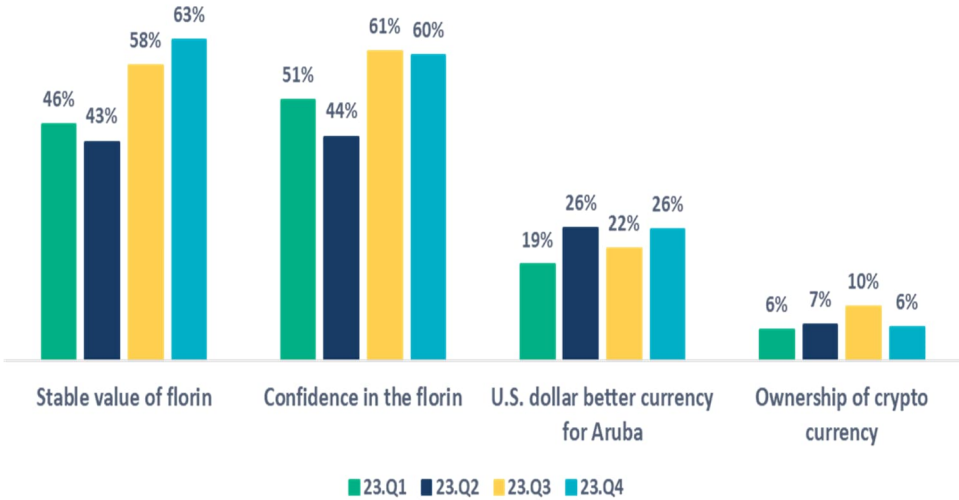




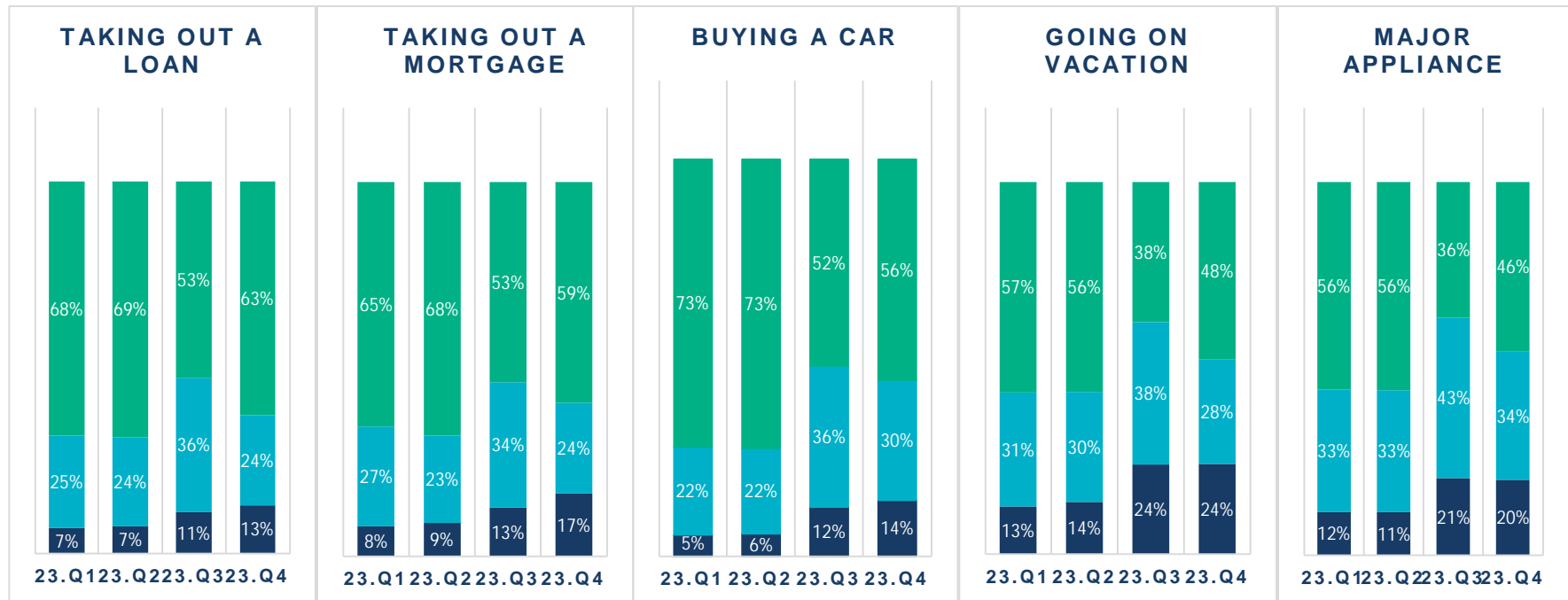
More than 60 percent of respondents stated in the fourth quarter that the Aruban florin is stable, this is the highest percentage reported during 2023.

In addition, still more than 20 percent of the respondents reported that the U.S. Dollar would be a better currency for Aruba in the second half of 2023.

**About 60 percent of the respondents have confidence in the Aruban florin in the second half of 2023.**



Consumers were still cautious about their consumption and borrowing habits in the second half of 2023, but the percentages of respondents who find it more suitable to take out a loan, take out a mortgage, buy a new car, go on vacation, and purchase a major appliance increased in the second half of 2023.



Suitable

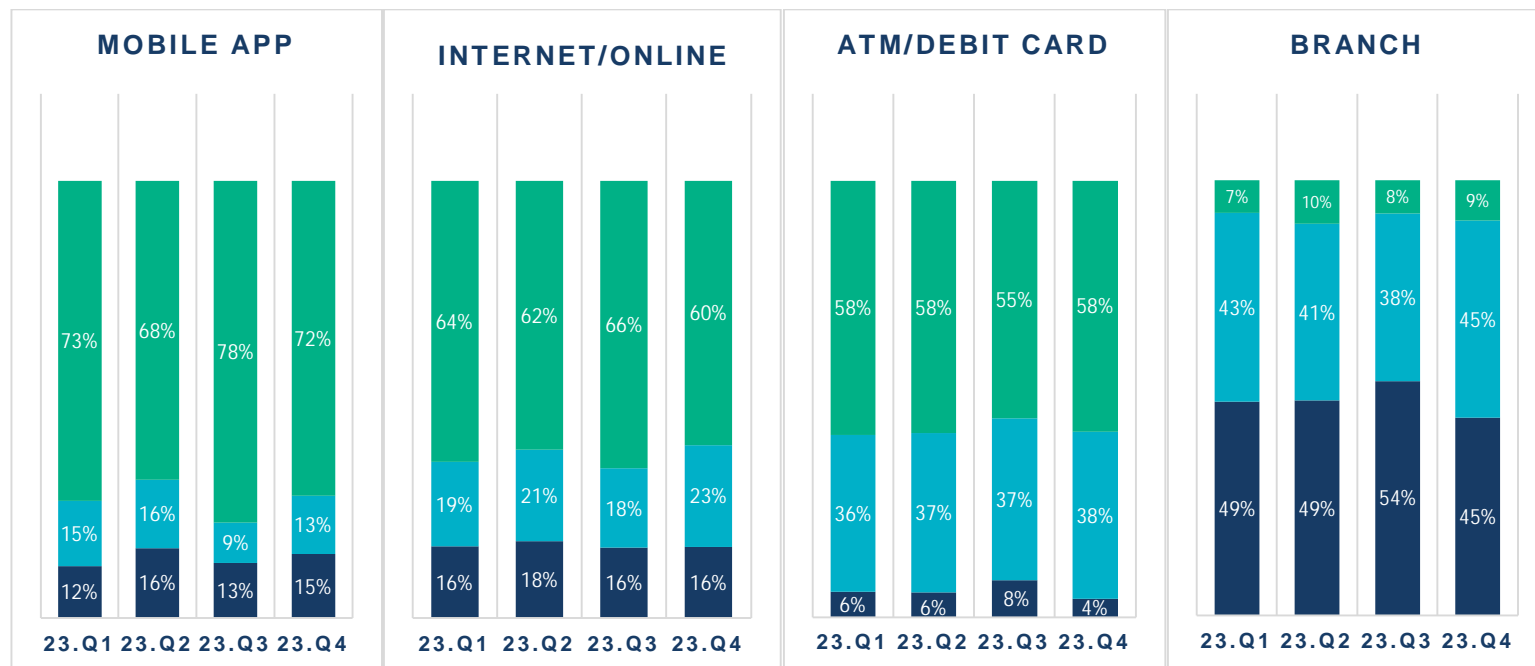


Unsure



Unsuitable

Mobile banking app remained the preferred and dominant personal banking channel in the second half of 2023 according to the respondents. The frequent use of online banking decreased from 66 percent to 60 percent. In addition, the percentage of consumers who use their ATM/debit card on a frequent basis also remained stable at around 58 percent. The respondents who never use a branch decreased to 45 percent.



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