



CENTRALE BANK VAN ARUBA

## **CONSUMERS WERE LESS PESSIMISTIC IN THE SECOND HALF OF 2023: PRICE HIKES STILL A MAJOR CONCERN**

Press release

Results for the second half of 2023

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

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).

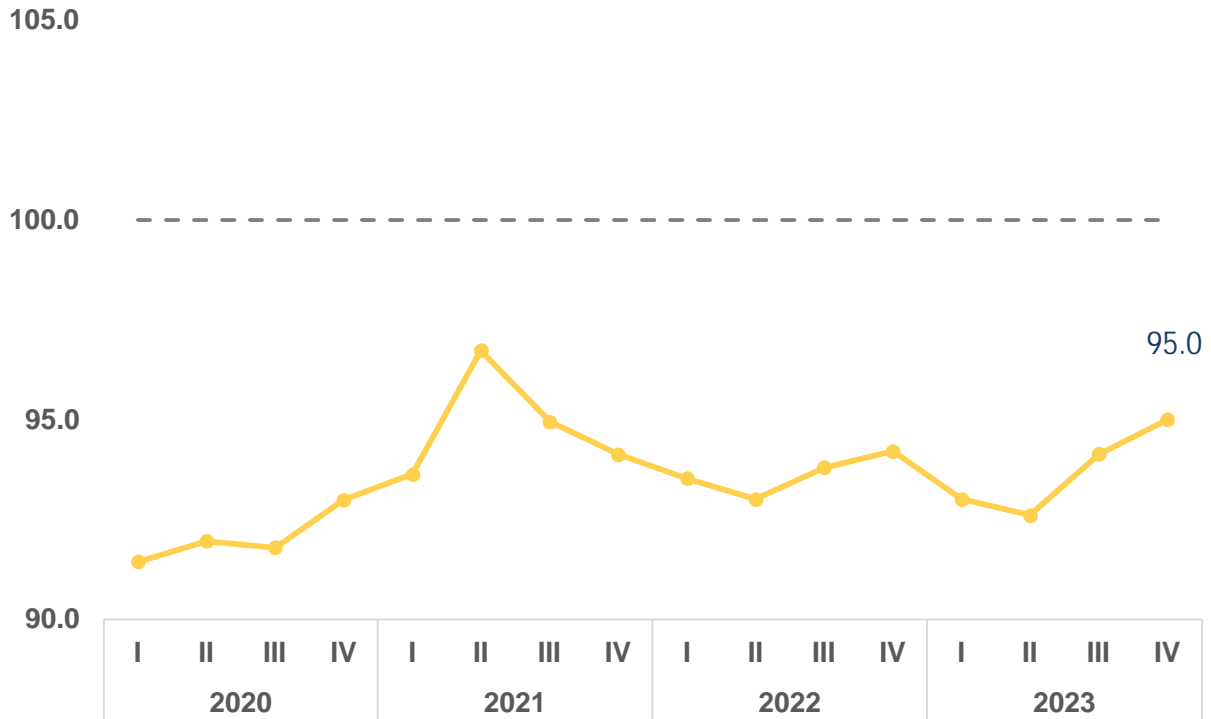
The present situation index increased in the second half of 2023, i.e., by 0.7 index point to 93.4, and 2.1 index points to 95.5 in the third and fourth quarter of 2023, respectively. In addition, the future expectation index rose by 1.5 index points to 94.5 and 1.1 index points to 95.6 in the third 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 index can vary between 90 and 110. Between 90 and 100 indicates a situation of pessimism. An index of exactly 100 indicates that consumers 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 consumer sentiments.

Chart 1: Consumer Confidence Index



Source: Centrale Bank van Aruba

More information on the Consumer Confidence survey is available on CBA's website (<https://www.cbaruba.org/>).

Centrale Bank van Aruba  
May 2, 2024



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### **About the Centrale Bank van Aruba**

The main purpose of the Centrale Bank van Aruba (CBA) is to contribute to financial stability and the economic well-being of the Aruban community. The CBA accomplishes this by implementing an effective monetary policy aimed towards maintaining the fixed value of the florin vis à vis the U.S. dollar, by promoting the soundness and integrity of the financial system, and by enhancing an efficient and reliable payments system.

Besides these core tasks, the CBA is also the sole issuer of florin banknotes and florin coins, and acts as banker to the Government of Aruba. In addition, it regulates the flow of international payments, manages the available foreign exchange reserves of Aruba, and oversees the spending thereof.

For more information on the Centrale Bank van Aruba, please visit our website [www.cbaruba.org](http://www.cbaruba.org)

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