



Business  
Perception  
Survey Report

Q2 2024

October 9, 2024



CENTRALE BANK VAN ARUBA



Cover design:

Our turtles.

They choose Aruba's beaches as a safe haven;

They choose Aruba's beaches as their breeding ground;

They connect and communicate through vocalizations and body language.

Their slow and steady pace represents resilience and endurance.

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

Correspondence related to this business perception survey report should be addressed to the Statistics Department of the Centrale Bank van Aruba via Website: [www.cbaruba.org](http://www.cbaruba.org) or E-mail: [statistics.department@cbaruba.org](mailto:statistics.department@cbaruba.org)

## Summary

Almost 60% of the business respondents expected positive economic growth in the next 12 months.

The Central Bank of Aruba (CBA) concluded its Business Perception Survey (BPS) for the second quarter of 2024. The BPS assesses the economic sentiments of local businesses. The Business Perception Index, comprising the current and expected short-term economic conditions, grew from 106.7 in the first quarter of 2024 to 107.4 in the second quarter of 2024. The Current Economic Conditions Index increased by 2.1 index points to 107.3 in the second quarter of 2024, while the Expected Short-term Economic Conditions Index dropped by 1.2 index points to 107.6 in the second quarter of 2024.

In terms of economic growth expectations, almost 60% (58.3%) of business respondents expected a positive economic growth in the next 12 months.

In the second quarter of 2024, the percentage of business respondents indicating “no change” in employment fell by 15.4 percentage points to 33.3%. The percentage of business respondents reporting a profit dropped by 6.4 percentage points to 83.3%. As for the percentage of business respondents indicating “worsening” current economic investments conditions, this rose by 6.0 percentage points to 11.1% during the second quarter of 2024.

In terms of long-term economic conditions over the next 12 months, 38.9% anticipated the inflation rate to range between 2% and 3% during the second quarter of 2024.

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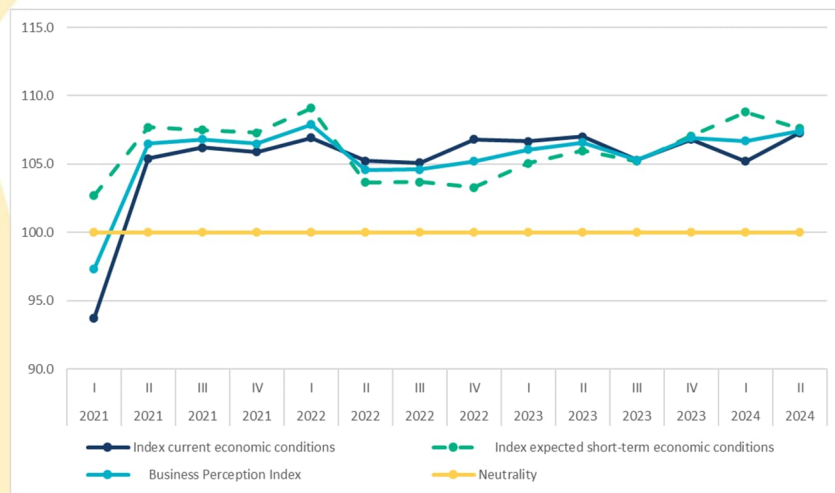
## Economic Conditions

The Business Perception Index grew by 0.7 index point in the second quarter of 2024.

The Business Perception Index, comprising the current and expected short-term economic conditions, grew from 106.7 in the first quarter of 2024 to 107.4 in the second quarter of 2024 (see chart 1). The current economic conditions index increased by 2.1 index points to 107.3 in the second quarter of 2024, while the expected short-term economic conditions index dropped by 1.2 index points to 107.6 in the second quarter of 2024 (see annex 1).

The percentage of business respondents expecting a positive economic growth in the next 12 months grew by 1.9 percentage points to 58.3%, during the second quarter of 2024. Meanwhile, the percentage of business respondents anticipating negative economic growth in the next 12 months dropped by 2.1 percentage points to 5.6%, while the percentage of business respondents anticipating a flat economic growth grew by 0.2 percentage point to 36.1% (see annex 2).

Chart 1: Business Perception Index



Source: Centrale Bank van Aruba

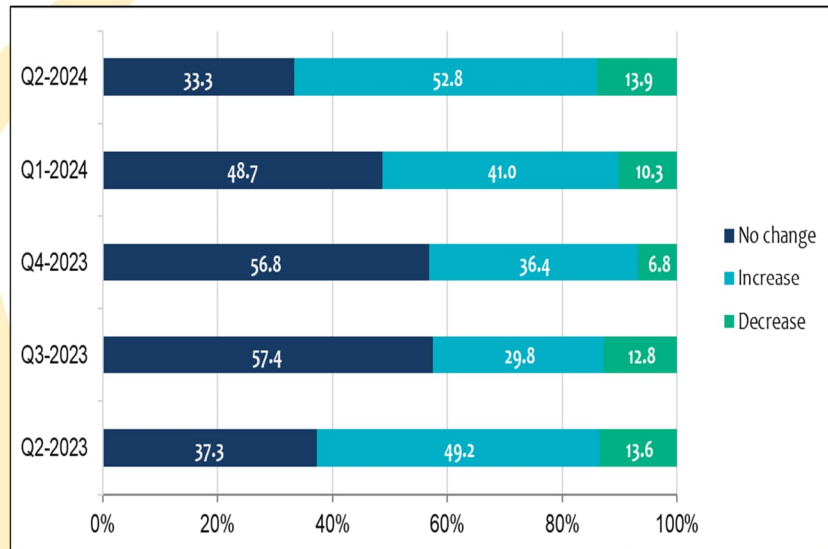
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## Employment and Wages

In the second quarter of 2024, the percentage of business respondents indicating “no change” in employment fell by 15.4 percentage points to 33.3%.

The percentage of business respondents reporting an “increase” and a “decrease” in employment expanded by 11.8 and 3.6 percentage points, respectively (see chart 2).

Chart 2: Perceived developments in employment

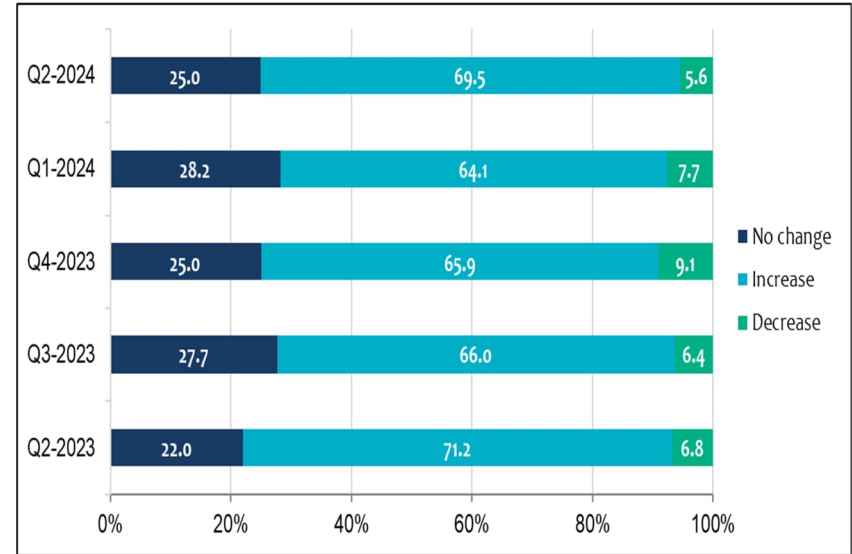


Source: Centrale Bank van Aruba

With reference to average wages, the percentage of business respondents reporting “improvement” in the average wage cost grew by 5.4 percentage points. Meanwhile, the percentage of

business respondents recording “no change” and “deterioration” in wage conditions shrank by 3.2 and 2.1 percentage points, respectively (see chart 3).

Chart 3: Perceived developments in average wages



Source: Centrale Bank van Aruba

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## Profitability and Sales

The percentage of business respondents reporting a profit dropped by 6.4 percentage points to 83.3% in the second quarter of 2024.

The percentage of business respondents reporting “decreases” in sales fell by 9.0 percentage points to 16.7%. As for the percentage of business respondents registering “increases” and “no change” in sales, both expanded by 4.5 percentage points during the second quarter of 2024 (see table 1).

Table 1: Perceived developments in profitability and sales (in % of all respondents)

	2023				2024	
	I	II	III	IV	I	II
<b>PROFITABILITY - PROFITS (%)</b>						
1. No change	16.4	18.6	23.4	20.5	15.4	13.9
2. Increase	58.2	62.7	38.3	54.6	51.2	61.1
3. Decrease	12.7	10.2	19.2	13.6	23.1	8.4
<b>Total</b>	<b>87.3</b>	<b>91.5</b>	<b>80.9</b>	<b>88.6</b>	<b>89.7</b>	<b>83.3</b>
<b>PROFITABILITY - LOSSES (%)</b>						
1. No change	5.5	0.0	6.4	4.5	2.6	5.6
2. Increase	5.4	5.1	10.6	4.6	0.0	8.3
3. Decrease	1.8	3.4	2.1	2.3	7.7	2.8
<b>Total</b>	<b>12.7</b>	<b>8.5</b>	<b>19.1</b>	<b>11.4</b>	<b>10.3</b>	<b>16.7</b>
<b>SALES (%)</b>						
1. No change	20.0	20.3	29.8	27.3	20.5	25.0
2. Increase	61.9	57.7	49.0	56.8	53.8	58.3
3. Decrease	18.2	22.0	21.3	15.9	25.7	16.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
In percentages of all respondents						

Source: Centrale Bank van Aruba

## Investment and Financing Activity

The percentage of business respondents indicating “worsening” current economic investments activities rose by 6.0 percentage points to 11.1% during the second quarter of 2024.

The percentage of business respondents indicating “no change” in investment conditions fell by 5.6 percentage points to 61.1%, while the percentage of business respondents stating an “improvement” in investment conditions fell by 0.4 percentage point to 27.8% (see table 2).

Table 2: Business Perception Survey: general results

	Improvement (%)		No change (%)		Worsening (%)	
	2024		2024		2024	
	I	II	I	II	I	II
A. Current economic conditions	44.9	52.8	40.4	38.9	14.1	8.3
1. The economic conditions in Aruba	56.4	52.8	35.9	41.7	7.7	5.6
2. The activities of your business	46.2	61.1	41.0	33.3	12.8	5.6
3. The investments of your business	28.2	27.8	66.7	61.1	5.1	11.1
4. The number of employees that work for your company	48.7	69.4	17.9	19.4	30.8	11.1
B. Expected short-term economic conditions	39.7	30.6	57.7	65.3	2.6	4.2
1. The economic conditions in Aruba	41.0	27.8	53.8	69.4	5.1	2.8
2. The activities of your business	43.6	36.1	53.8	61.1	2.6	2.8
3. The investments of your business	43.6	27.8	56.4	66.7	0.0	5.6
4. The number of employees that work for your company	30.8	30.6	66.7	63.9	2.6	5.6

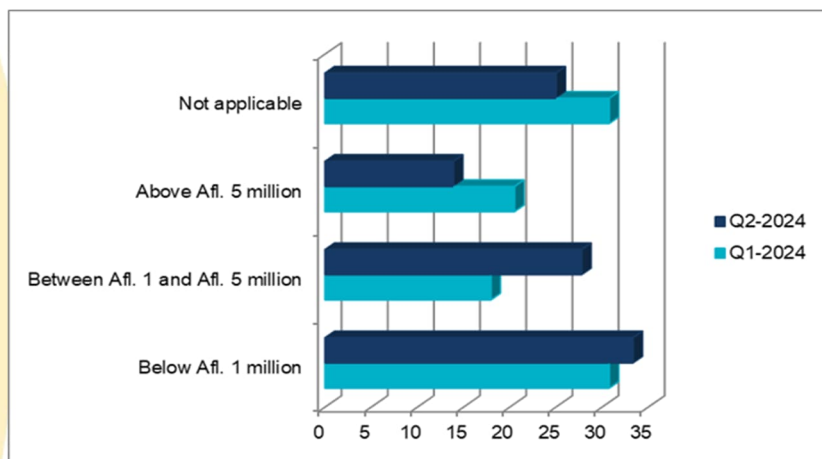
Source: Centrale Bank van Aruba

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During the second quarter of 2024, 27.8% of the business respondents foresaw that the short-term investment conditions would improve during the next 6 months, a downturn of 15.8 percentage points compared to the first quarter of 2024. The percentage of business respondents indicating “no change” expanded by 10.3 percentage points to 66.7%. The percentage of business respondents reporting “worsening” short-term investment conditions, grew by 5.6 percentage points in the second quarter of 2024 (see table 2).

During the second quarter of 2024, the percentage of business respondents with investment plans over the next 12 months increased by 5.7 percentage points to 75.0 (see chart 4).

Chart 4: Investment plans over the next 12 months reported in Q2 2024 (In % of all respondents)



Source: Centrale Bank van Aruba

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Business respondents indicating “eased” and “tightened” terms and conditions for obtaining business financing during the second quarter of 2024 grew by 3.0 and 1.1 percentage points to 5.6% and 13.9%, respectively. Business respondents stating that the terms and conditions “remained the same”, contracted by 4.0 percentage points to 80.6% (see annex 2).

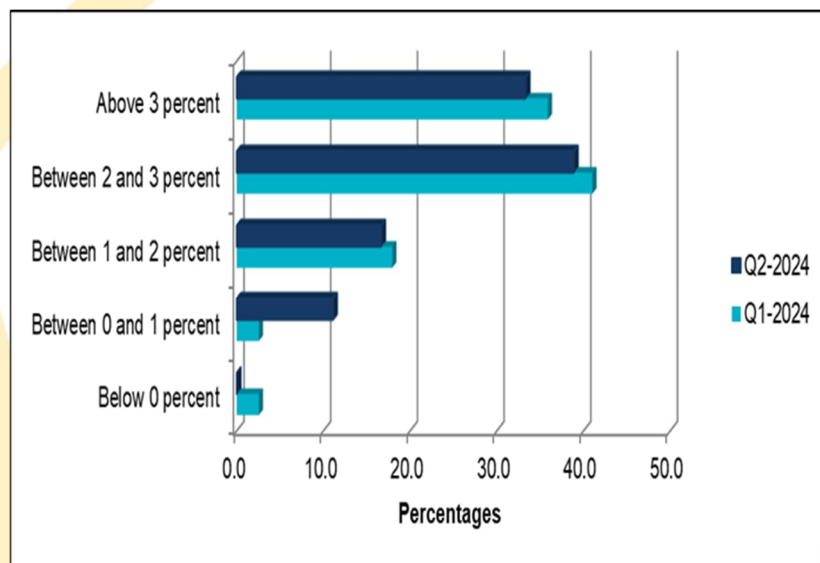
During the second quarter of 2024, 83.3% of the business respondents expected the annual effective financing rate to be between 5% and 8%. Those foreseeing the annual effective financing rate to be between 8% and 12%, fell by 4.5 percentage points to 8.3%. The percentage of business respondents foreseeing the annual effective financing rate to be below 5% dropped by 2.1 percentage points to 5.6% (see annex 2).

## Inflation and prices for products and services

In terms of long-term economic conditions over the next 12 months, 38.9% anticipated the inflation rate to range between 2% and 3% during the second quarter of 2024.

About 33.3% of the business respondents expected the inflation rate to be above 3%. (see chart 5).

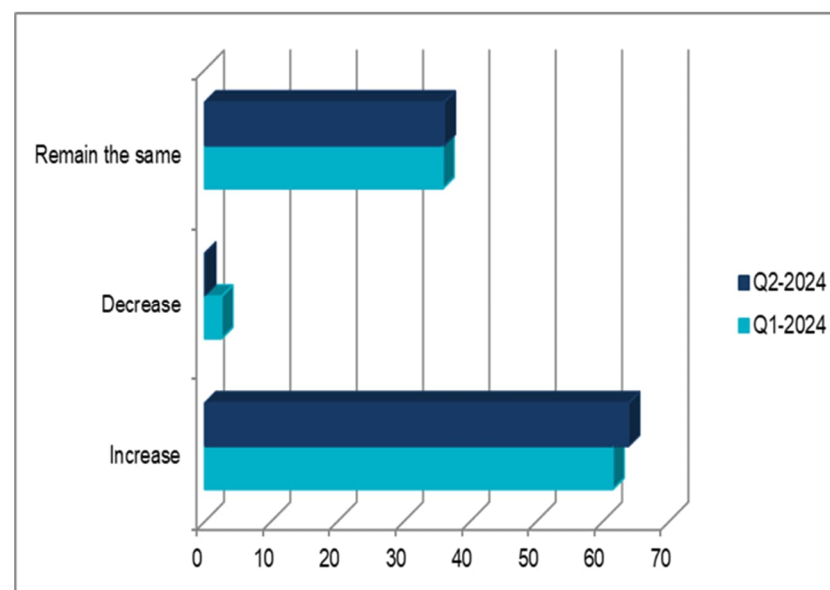
Chart 5: Inflation over the next 12 months reported in Q2 2024 (In % of all respondents)



Source: Centrale Bank van Aruba

With regard to the prices for products and services over the next 12 months, 63.9% of the business respondents anticipated price accelerations, i.e., an upturn of 2.4 percentage points. About 36.1% of the business respondents deemed that the prices for products and services would remain the same (see chart 6).

Chart 6: Prices for products and services over the next 12 months reported in Q2 2024 (In % of all respondents)



Source: Centrale Bank van Aruba

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### Annex 1: Business perception Survey by sectors

	Q1-2024	Q2-2024
1. Index current economic condition	105.2	107.3
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	0.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	100.0	90.0
c. Construction	103.3	110.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	103.8	104.4
e. Hotels and restaurants	105.0	110.0
f. Transport, storage and communication	110.0	0.0
g. Financial intermediation	104.3	110.0
h. Real estate and other business activities	96.7	106.0
i. Health, other community and personal service activities	108.9	106.2
2. Index short-term future economic condition	108.8	107.6
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	0.0
b. Electricity, gas and water supply	110.0	100.0
c. Construction	110.0	90.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	107.6	106.0
e. Hotels and restaurants	107.1	110.0
f. Transport, storage and communication	100.0	0.0
g. Financial intermediation	108.8	110.0
h. Real estate and other business activities	110.0	110.0
i. Health, other community and personal service activities	110.0	105.0
3. Business Perception Index	106.7	107.4
a. Manufacturing (excl. manufacture of refined petroleum products)	0.0	0.0
b. Electricity, gas and water supply, manufacture of refined petroleum products	103.3	90.0
c. Construction	107.1	100.0
d. Wholesale and retail trade, repair of motor vehicles and household goods	105.3	104.8
e. Hotels and restaurants	105.8	110.0
f. Transport, storage and communication	110.0	0.0
g. Financial intermediation	106.3	110.0
h. Real estate and other business activities	103.3	107.8
i. Health, other community and personal service activities	109.4	105.7

Source: Centrale Bank van Aruba

### Annex 2: Future expectations and activities 1)

	Q1-2024	Q2-2024
<b>A. Inflation</b>		
Below 0 percent	2.6	0.0
Between 0 and 1 percent	2.6	11.1
Between 1 and 2 percent	18.0	16.7
Between 2 and 3 percent	41.0	38.9
Above 3 percent	35.9	33.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>B. Investment plans</b>		
1. Below Afl. 1 million	30.8	33.3
2. Between Afl. 1 and Afl. 5 million	18.0	27.8
3. Above Afl. 5 million	20.5	13.9
4. Not applicable	30.8	25.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>C. Annual effective financing rate 2)</b>		
1. Below 5 percent	7.7	5.6
2. Between 5 and 8 percent	79.5	83.3
3. Between 8 and 12 percent	12.8	8.3
4. Above 12 percent	0.0	2.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>D. Product and/or service pricing</b>		
Increase	61.5	63.9
Decrease	2.6	0.0
Remain the same	35.9	36.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>E. Annual rate of Economic growth (GDP growth)</b>		
Negative	7.7	5.6
Flat	35.9	36.1
Positive	56.4	58.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>F. Terms for obtaining financing</b>		
Tightened	12.8	13.9
Remained the same	84.6	80.6
Eased	2.6	5.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: Centrale Bank van Aruba

1) During the next 12 months

2) Annual effective financing rate for business loans

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A stylized graphic of the island of Aruba, outlined in yellow, set against a dark blue background. The island is surrounded by silhouettes of sea turtles swimming in the water. The background transitions to a lighter blue with horizontal lines on the right side.

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