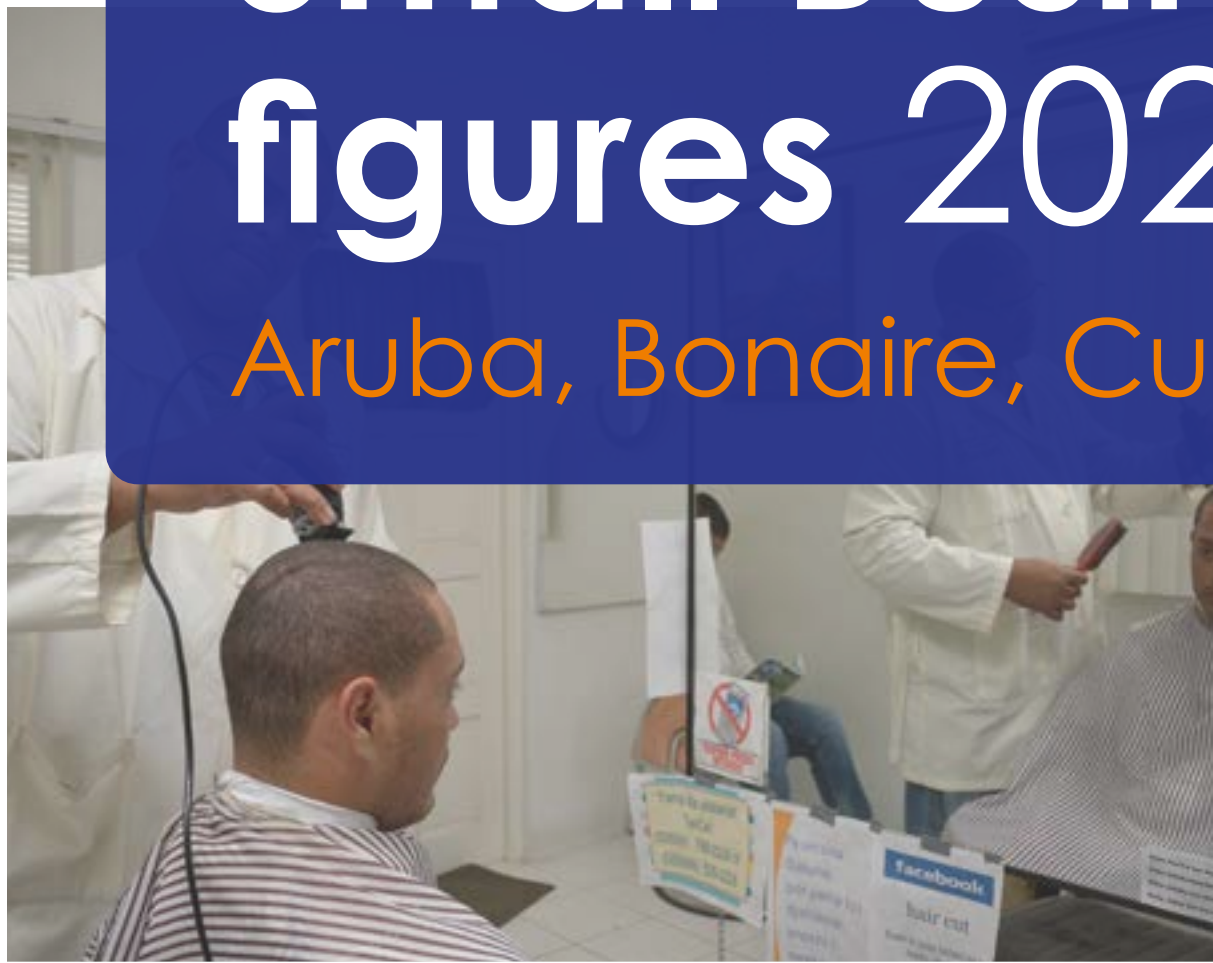


# Small Business figures 2021

Aruba, Bonaire, Curaçao





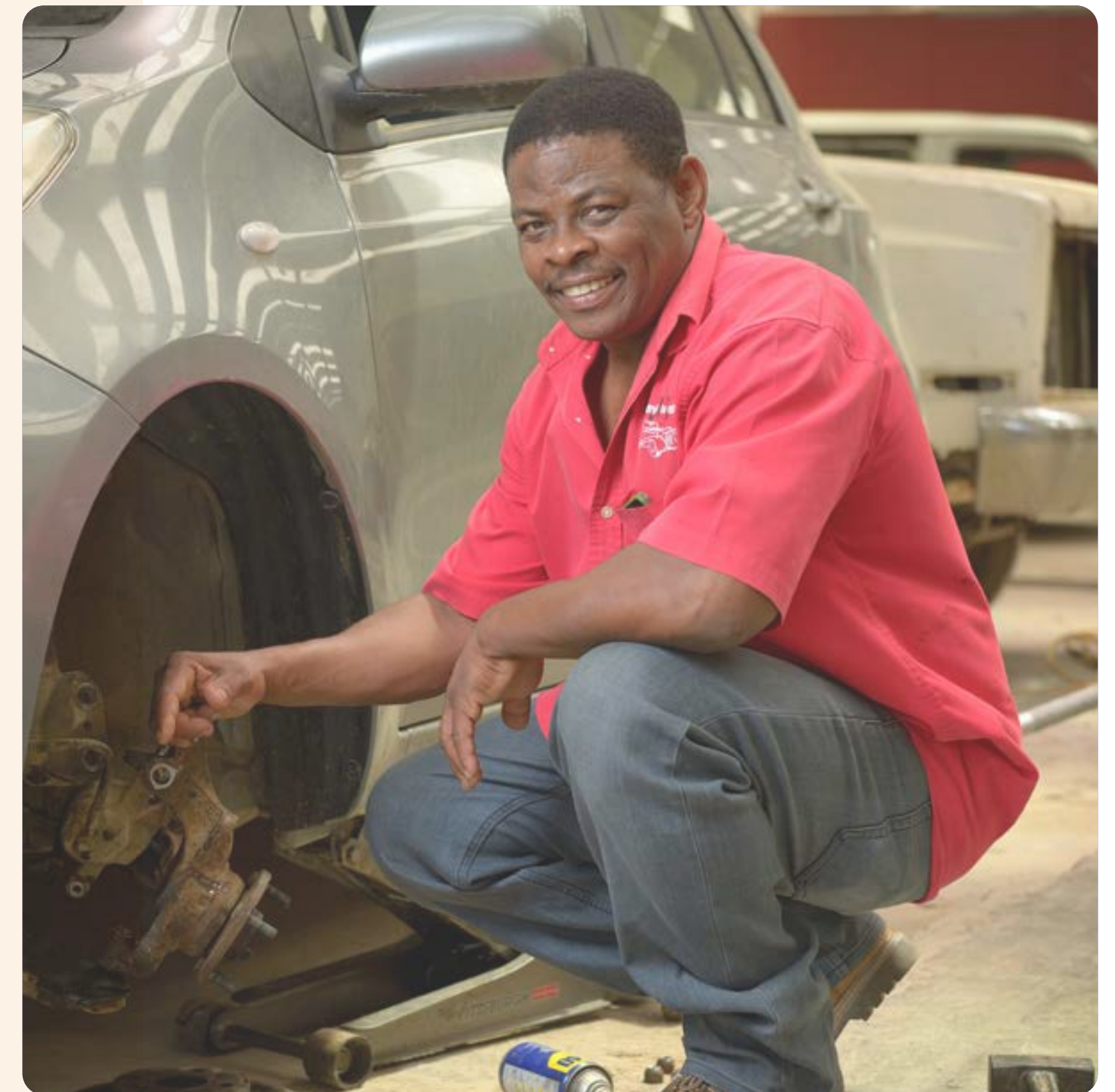
# Summary: Small Business Index for Aruba, Bonaire and Curaçao

## Severely hit businesses expect a bright near future

Business owners are severely hit by Corona preventive closures. Just a third of all business owners can pay their bills in time. Investments are at a low level. 62% of all business owners have a (far) lower remuneration than in 2019. Nearly half of all business owners earn less than social welfare allowances. This indicates their businesses are not viable in the long run if sales or net margins do not change. Business owners endure above average stress, with a quarter of them at extreme levels.

Staff employment hardly decreased in Q2 2021. And Business Confidence is high for Q3 2021. Not only sales are expected to rise considerably, but also investments and on time payments.

One explanation is that only Bonaire firm owners could tap into Dutch government measures to postpone taxes and alleviate costs or reduced incomes.





# Summary: Small Business Index for Aruba, Bonaire and Curaçao

Overall start-ups and self-employed are as steady going as established firms and business with employees. Counter intuitively firms with employees seem most vulnerable in times of Corona.

The best option to increase continuity perceived by business owners is the provision of fresh capital. Most strongly so in Curaçao.

#Small Business Index - is designed, funded and powered by Qredits and HU Research Center for Digital Business & Media.





# Background of Small Business Index

There is no discussion on the importance of small business for economies. They represent in most countries more than 90% of all firms. Furthermore micro firms have surpassed the results of small, medium-sized and even large corporates. Yet firms having less than 5 employees are exempted from most surveys of the Central Bureau of Statistics (CBS).

We all know firm size matters. Measures for companies with 10 – 250 employees are not automatically effective or even counter-productive for start-ups, self-employed and the smallest companies. The smaller a firm, the more vulnerable on the one hand, due to limited resources and people. On the other hand, they are often the most agile, flexible and productive.

To fill this gap Qredits has developed in cooperation with HU Research Center for Digital Business & Media the Small Business Index for Aruba, Bonaire & Curacao. Every six months we monitor the business performances of the small business entrepreneurs on the 3 islands.





# Panel composition

The panel includes 925 business owners evenly distributed over the (is)lands of Aruba, Bonaire and Curaçao. Business owners were invited digitally. The questionnaire was completed in June and July 2021. Corona measures were strongly imposed on the (is)lands, especially so by lockdowns in April, curfews and a strong limitations of tourists and flight passengers until June 15th.

389 business owners participated, which leads to a very satisfactory response rate of 42%. Comparative analyses are based on lesser observation, as low as 318 observations, due to missing data. Because of the relatively low number of observation per sector, the researchers abstained from sector comparisons. If difference between any other characteristics are reported there are statistically significant at a 5% level.

## **The characteristics of the respondents are:**

- The majority (54%) of business owners are female. Less so in Bonaire (46%).
- 95% of the business owners have fewer than 10 employees.
- 55% are self-employed professionals, even more so on Bonaire (65%).
- 75% are start-ups (up to 5 years active), more so in Bonaire (86%).
- Business owners are 25 years to 55 years of age, mostly so 25 years - 40 years (46%).





# Panel composition

- The best represented sectors (in total 54%) are automotive, transport, care and retail/commerce.
- The entrepreneurs have completed MBO (52%) or a HBO/University education (33%). On Bonaire the overall level of education is lower, with 17% HBO/University education.

There is a possible bias in our results for business owners having been granted a loan by Qredits offices. In that sense they have approved and documented plans and a financial forecast on business activities.

Still, 41% of the business owner can't provide for an annual report in business years of 2019 and 2020. And 29% can only provide an annual report over either 2019 or 2020. Less so on Aruba, where only 24% of the business owners can't provide any annual reports over (one of) these years.





# Sales index

Percentage of business owners with sales more than 11K Arubaanse florijns/6000 US dollar/11K NAF per month.

- Sales in Aruba are at a higher level than in Bonaire and Curaçao.
- Start-ups have significant lower sales than established firms.
- Self-employed have significant lower sales than business owners with employees.

20

100%





# Business confidence index

Percentage of business owners expecting an increase in sales minus percentage expecting a decrease in sales.

- There are no differences between start-up and established firms.
- There are no differences between self-employed and business owners with employees.

33

100%

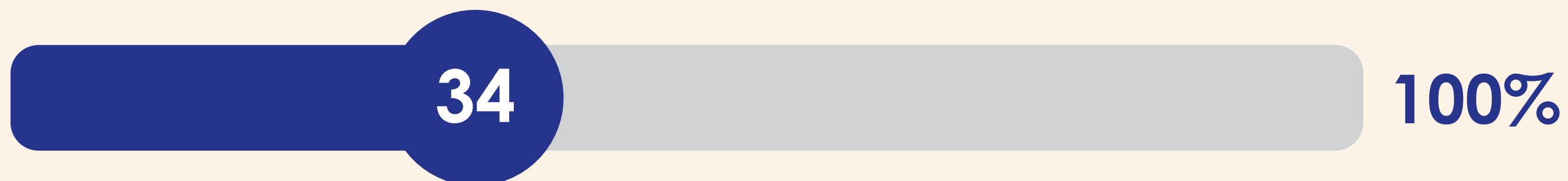




# Pay on Time index

Percentage of business owners paying within the legal period after billing.

Business owners in Curaçao deviate from Aruba and Bonaire, with just 20% of them paying on time.



## Pay on Time expectancy

**+44%**

Percentage of business owners expecting to pay quicker next quarter.



# Employment expectancy

Percentage of business owner that expects to increase employment minus percentages of decrease of employment.

5

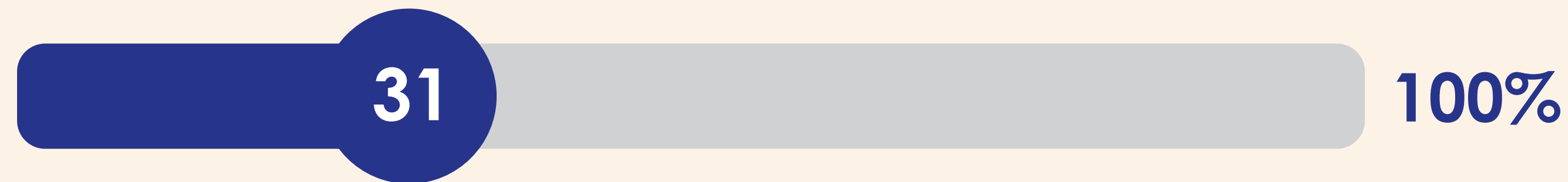
-100%





# Innovation quote

Percentage of business owners investing 10% or more of sales in their firm.



## Innovation expectation

14%

Percentage of business owners that will increase investments minus percentage decreasing investments in the next quarter.

- There are no differences between start-up and established firms.
- There are no differences between self-employed and business owners with employees.



# Top innovator quote

Percentage of business owners investing more than 25% of their sales in their firm.

- Self-employed invest significant less than business owners with employees.
- Start-ups invest as much as established firms.

11

100%





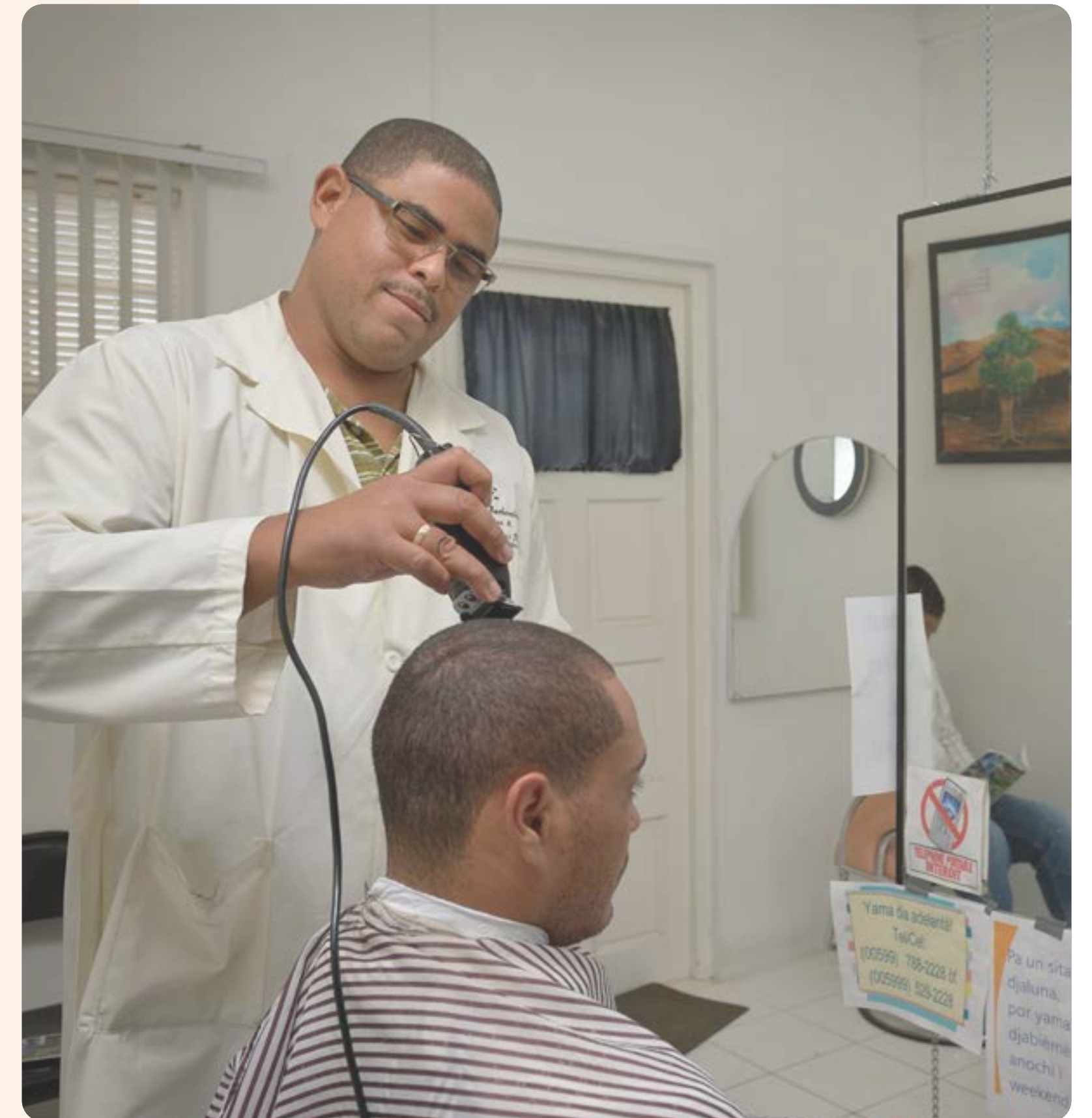
# Entrepreneurial Renumeration Index

Percentage business owners earning above legal minimum wages.

- 62% of all business owners have a (far) lower remuneration than in 2019.
- Start-ups have significant lower owner remunerations than established firms.
- Remuneration of self-employed is significant lower than of business owners with employees.

31

100%





# Entrepreneurial Poverty Index

Business owners earning less than social welfare allowance

Nearly half of all business owners earn less than social welfare allowances. This indicates their business is not viable in the long run if sales or net margins do not change.

49

100%



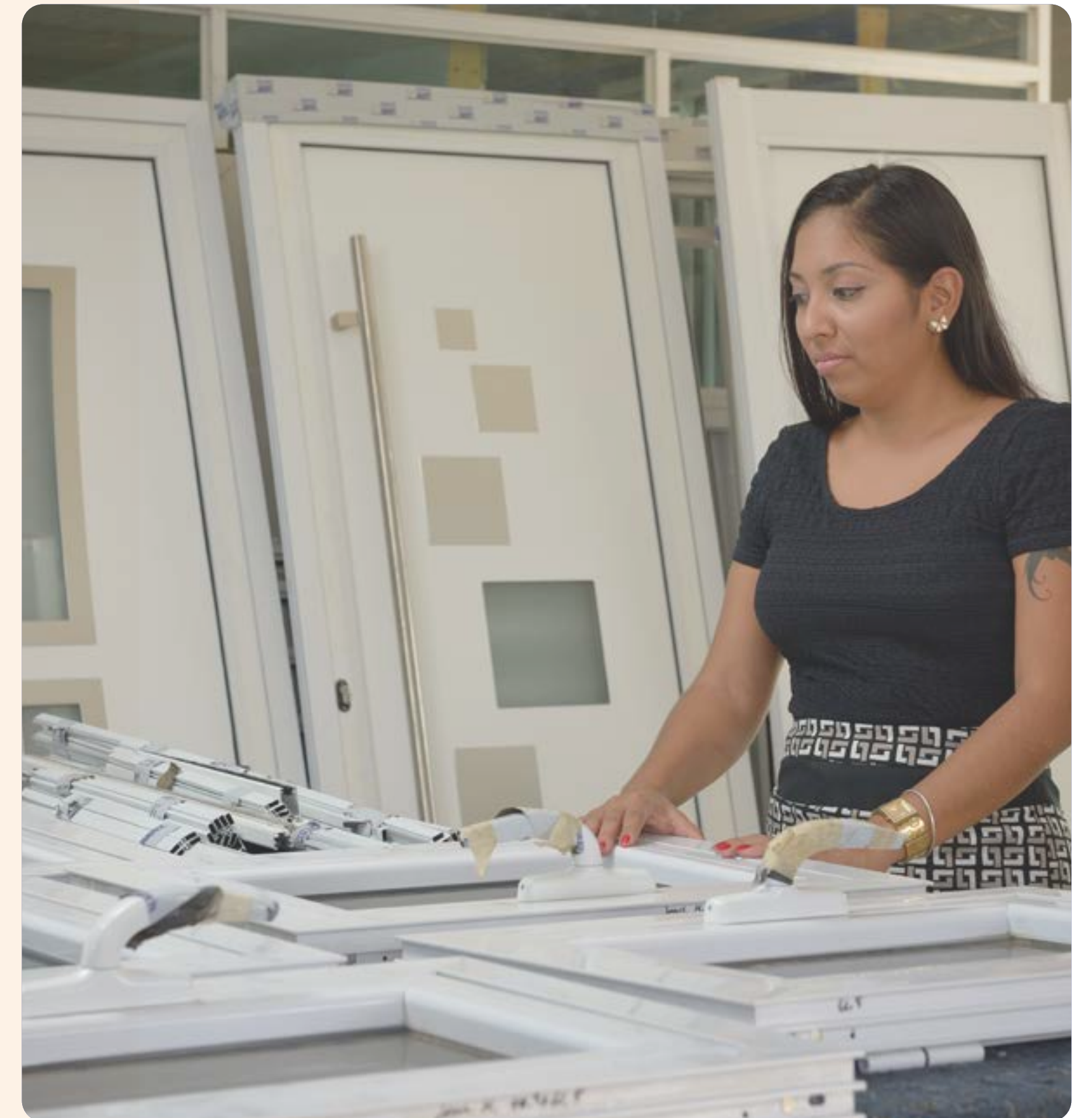


# Stress level

Stress level (1 -25 low, 26 -50 average, 51 -75 above average, 76 – 100 high)

- 26% of all business owners have extreme stress levels between 76 – 100. Above average and high stress levels for prolonged periods decrease the quality of (financial) decision making.
- There are no difference in stress levels of self-employed and business owners with employees.
- Also start-ups are as stressed as established business owners.

57





# Continuity Index

Percentage business owners with sufficient financial assets to continue the business during a calendar year.

- On Bonaire the CI is considerably higher 0.50 compared to Aruba (0.36 ) and Curaçao (0.27).
- The most chosen option to increase continuity (47%) is extra capital provisions. By far the highest need is on Curaçao (60%).
- There are no difference in continuity of start-ups and established firms.
- Yet, counter intuitively, self-employed have a higher CI (0.43) than business owner with employees (0,31).

38

100%







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