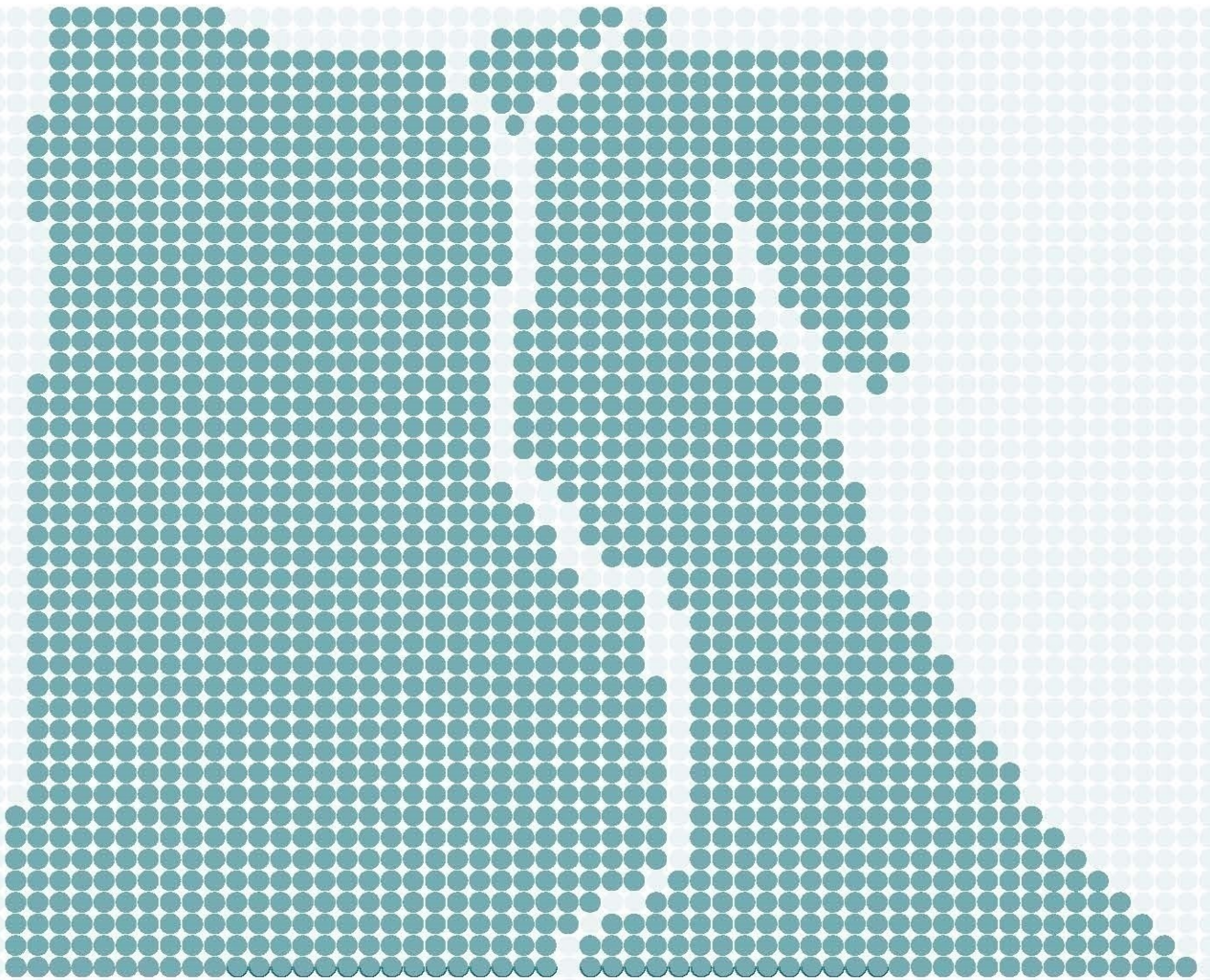


المركز المصري للدراسات الاقتصادية  
*The Egyptian Center for Economic Studies*

# Business Barometer

Issue 52 2019



## Performance & Expectations of the Egyptian Business Sector

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The Egyptian Center for Economic Studies (ECES) is an independent, non-profit think tank that conducts specialized economic research, drawing on international experience and constructive discussions among various stakeholders. ECES's main objective is to propose sound economic policies, and institutional and legislative reforms that contribute to sustainable development in Egypt, all on the basis of combined economic efficiency and social justice.

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Economic efficiency and social justice are of core interest to ECES. Combined, they constitute the Center's strategic direction. ECES research and activities focus on studying past, present and future challenges facing the Egyptian economy, whether they are related to macroeconomic stability, microeconomic efficiency, or political economy aspects both on the internal and external dimensions. In its analysis, ECES is keen on adopting a comprehensive approach that encompasses legislative, institutional, policy and structural aspects of whatever problem or area addressed, not to mention implementation mechanisms. In all its activities, ECES relies on its competent team of in-house researchers, in addition to collaboration with external experts and like-minded think tanks as needed.

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# *Business Barometer*

Issue No. 52 – 2019

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## **About the Business Barometer**

The Egyptian Center for Economic Studies (ECES) publishes its Business Barometer (BB) survey periodically as part of its role in providing timely information about the developments of economic activity in Egypt based on an assessment of macroeconomic indicators produced by the relevant authorities. The survey covers an assessment by a sample of firms of economic growth and results of own operations in terms of production, domestic sales, exports, commodity inventories, capacity utilization, prices, wages, employment and investment during the quarter under review as well as their outlook for the same set of variables in the upcoming quarter.

ECES launched its first Business Barometer in 1998. The report analyzes the results of a sample survey of 121 private firms that cover manufacturing (50 percent), financial services (13 percent), construction (12 percent), transportation (10 percent), tourism (8 percent) and telecommunications (7 percent). The survey is conducted on a number of micro, small, medium and large firms as per the definition of the Central Bank of Egypt (CBE) announced on March 5, 2017.

This edition of BB provides an assessment of the performance of a sample of firms and results of their operations in the last quarter of FY 2018/2019 (April-June 2019). It also summarizes their expectations for overall economic performance as well as own activities for the first quarter of FY 2019/2020 (July-September 2019).



## Methodology

The BB Index is a simple average of the sub-indices of surveyed variables (production, domestic sales, exports, inventory, capacity utilization, prices, wages, employment and investments). The Index is calculated once for large firms and once for SMEs, both for evaluation and expectations.

Index Value	Index Definition
50 points	Same (no change in firms' performance and expectations)
Above 50 points	Higher (improvement in firms' performance and expectations)
Below 50 points	Lower (decline in firms' performance and expectations)

The index is calculated for each variable using the following equation:

$$X = \frac{I+S}{100+S} \times 100$$

where  $I$  is the share of firms reporting an increase and  $S$  the share of firms reporting "same."

The index is designed to have a maximum of 100 points when all firms report an increase, a minimum of 0 when all firms report a decrease and a middle value of 50 when all firms report no change. Between 0 and 100, the index grows proportionally with larger shares of "increase," and inversely with larger shares of "decrease," while the change in "same" is neutralized by including it in the numerator and the denominator. A higher index thus reflects a better business climate and vice versa. It is worth noting that the index is inverted for inventories and input prices as increases of these two variables reflect an adverse business climate for firms.

## Overview

This section provides an overview of the main developments in the fourth quarter of FY2018/2019 (April – June 2019), as well as an assessment of the performance of the main macro indicators (as per the latest available data).

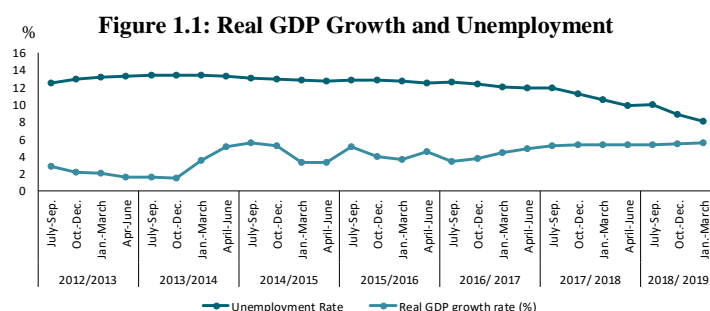
At the international level, the International Monetary Fund (IMF) revised global growth projections for 2019 and 2020 down by 0.4 percentage point and 0.1 percentage point to 3.3 and 3.6 percent, respectively. The 2018 growth rate was revised down by 0.1 percentage point in April, compared to October figures, to 3.6 percent; reflecting weak economic performance during the second half of the year. These revisions come in the wake of slower growth rates in many regions, namely the Eurozone and emerging Asia, in addition to the rising trade tensions between the United States and China.

However, the IMF’s growth forecasts for Egypt remain the same compared to October figures. The growth rate predicted for 2019 stands at 5.5 percent up from the 5.3 growth forecast for 2018. These forecasts are in line with the latest official growth figures of 5.6 percent in Q3 FY 2018/2019 (Figure 1.1). The IMF positive view concerning the Egyptian economy was confirmed later in May in its last review for the \$12 bn. extended fund facility.

Moreover, Moody’s, the international credit rating agency, upgraded the long-term foreign and local currency issuer ratings of Egypt to B2 from B3. However, it changed its outlook for Egypt from positive to stable. The decision was based on “*Moody’s expectation that ongoing fiscal and*

*economic reforms will support a gradual but steady improvement in Egypt’s fiscal metrics and raise real GDP growth”.*

According to the latest available data, unemployment dropped to 8.1 percent in Q3 then to 7.5 percent in Q4 2018/2019, compared to 9.9 percent in the corresponding quarter of the previous year (Figure 1.1).



**Sources:** Ministry of Planning, Monitoring and Administrative Reform (MPMAR); and the Central Agency for Public Mobilization and Statistics (CAPMAS).

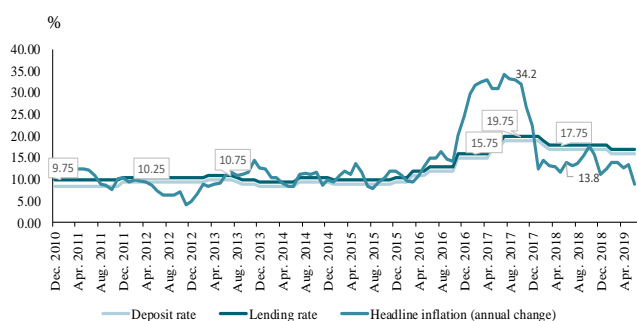
In spite of declined overall rate, unemployment rose significantly among certain segments, namely, the below 30 age group. Unemployment reached 40 percent among the age group (20-24) and 36.9 percent among the age group (25-29) in the quarter under review compared to 30.8 percent and 30.4 percent in Q3 2018/2019 respectively. While female unemployment rose to 22.4 percent in Q4 compared to 18.9 percent in Q3, male unemployment dropped from 5.7 percent to 4.2 percent in the same period. Intermediate and university graduates accounted for as high as 88.9 percent of the unemployed in the quarter understudy compared to 77.9 percent in the previous quarter. The rate of participation in economic activity dropped significantly compared to the corresponding quarter of the past fiscal year. It is worth mentioning that the highest accommodating sectors of labor are agriculture,



constructions and wholesale and retail, which are all low productive sectors.

On the monetary side, despite the cooling down of inflation in the period under study, reaching its lowest, 8.9 percent, in June, the CBE's Monetary Policy Committee (MPC) decided in May to keep overnight deposit rate, overnight lending rate, and the rate of the main operation unchanged at 15.75 percent, 16.75 percent, and 16.25 percent, respectively. This decision comes in light of the anticipated hike in inflation caused by fuel subsidy removal in the new fiscal year and the new electricity tariffs. MPC also referred to potential external supply shocks with negative weight on domestic inflation, due to the global conditions and regional geo-political risks especially oil price volatility and trade tensions.

**Figure 1.2: Inflation and the Policy Rate of Monetary Policy**



Sources: Central Bank of Egypt (CBE); Central Agency for Public Mobilization and Statistics (CAPMAS).

Fiscally, data for the period July-May 2018/2019 indicate a primary surplus of 1.1 percent of GDP, compared to a primary deficit of 0.04 in the same period last year. The total budget deficit reached 6.2 percent of GDP in the period July-May, down from 7.6 percent during the same period last year. Detailed figures show that the 19.6 percent increase in the total revenues (almost LE 125 billion) comes from an increase in the tax receipts by LE 93.9

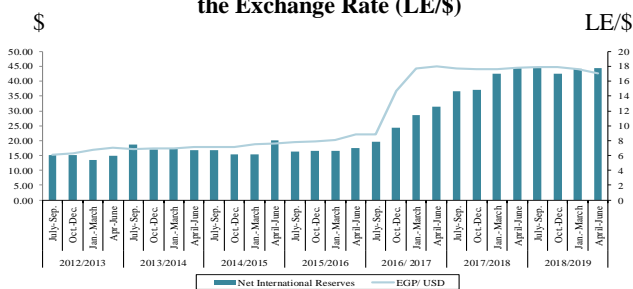
billion (mainly from value-added tax), and an increase by LE 31.6 billion in non-tax revenues, mainly from Suez Canal, economic authorities' dividends and proceeds from the sales of goods and services. On the expenditure side, interest payment remains the largest component, accounting for almost 40 percent of the total increase in expenditures during the period understudy. The share of wages and compensation of employees rose from 21.7 percent of total expenditure in July-May 2017/2018 to 22.3 percent in July-May 2018/2019, with a nominal growth rate of 14.9 percent. Starting the upcoming fiscal year 2019/2020 the minimum monthly wage of state employees will be increased to LE 2000 compared to LE 1200 currently. In addition, the annual raise will be increased to 7 percent of the minimum wage, under the salary scheme of the civil service law. These measures are meant to mitigate the inflationary effects of fuel subsidy removal.

On the external front, the balance of payment (BoP) during the period July/March 2018/2019 recorded a deficit of \$351.2 million. compared to a surplus of almost \$11 bn. in the corresponding period the year before. This overall deficit is actually mitigated by a \$1.4 bn. surplus achieved in Q3 2018/2019 as the BoP recorded a deficit of \$1.7 bn. in H1 2018/2019. The main contributor to changes in the BoP, during July/March 2018/2019, remains to be net portfolio investment, which decreased to almost \$1 bn. from \$14.9 bn. in the corresponding period the year before. Net foreign direct investment also decreased from \$6 bn. to \$4.6 bn. The trade balance deteriorated from a deficit of \$2.8 bn. to about \$3 bn., where non-oil exports decreased by about 3.1 percent mainly on the back

of a retreat in gold exports. The services balance increased by \$1.9 bn. during July/March 2018/2019, where travel (tourism) surplus increased by \$1.8 bn. and Suez Canal receipts rose by \$0.1 bn. In addition, oil exports also rose by almost 41.6 percent due to a hike in natural gas and oil products' exports. This was accompanied with a decline in oil imports by 6.3 percent as Egypt achieved self-sufficiency in natural gas starting October 2018.

For the average exchange rate in Q4 2018/2019, Figure 1.3 shows a slight appreciation in the value of the pound against the dollar from 17.6 EGP/USD in Q3 to 17 EGP/USD in Q4, where net international reserves slightly increased from \$44.1 bn. to \$44.3 bn. in the same period.

**Figure 1.3: Net International Reserves and the Exchange Rate (LE/\$)**



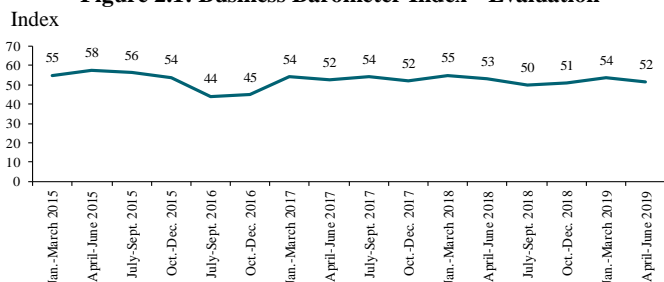
Source: Central Bank of Egypt (CBE).

## Business Barometer Index (BBI)

### Continued Improvement in Business Performance and Outlook Indexes albeit Lower than the Previous Quarter

The survey results show a slight improvement in the overall performance of firms during the quarter under study (April-June 2019), with the BBI reaching 52 points, down 2 points from the previous quarter, and one point lower than the corresponding quarter of the previous fiscal year (Figure 2.1).

Figure 2.1: Business Barometer Index - Evaluation

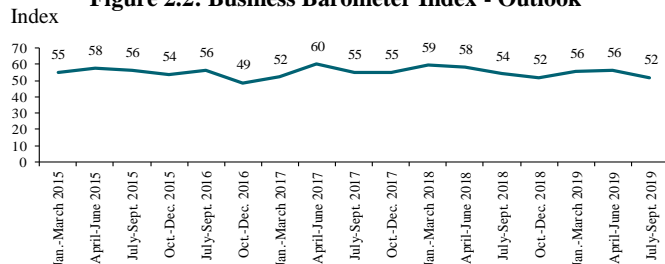


Source: Survey results.

\* Data for the two quarters of January-March and April-June 2016 are unavailable.

The results also show a positive outlook of firms for the next quarter (July-September 2019), though lower than the previous quarter. This could be attributed to the recent reforms adopted by the government, including removing fuel subsidies and raising electricity tariffs, directly affecting businesses (Figure 2.2).

Figure 2.2: Business Barometer Index - Outlook

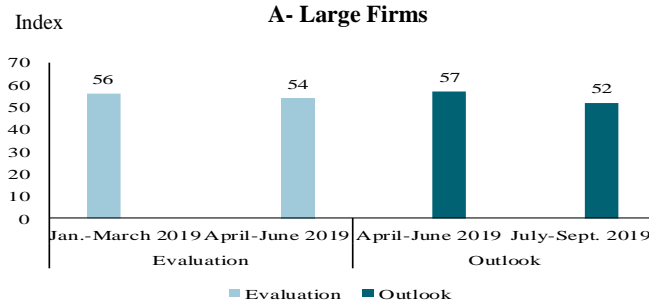


Source: Survey results.

\* Data for the two quarters "January-March 2016" and "April-June 2016" are unavailable.

With respect to firm size, the survey results for the quarter under review (April-June 2019) indicate continued improvement in **large firms'** performance index albeit two points lower than the previous quarter (January-March 2019). Similarly, the outlook index for (July-September 2019) continued its upward trend, reaching 52 points. However, it remains lower than the previous quarter, which may be attributed to the effect of removing fuel subsidies and raising electricity tariffs (Figure 2.3).

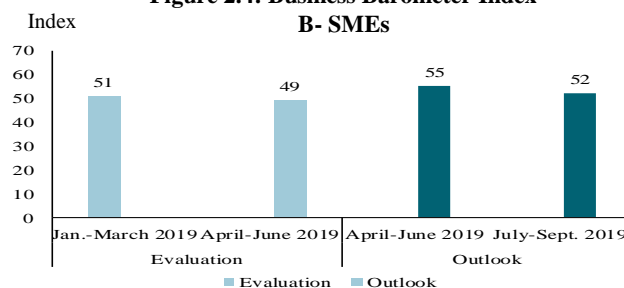
Figure 2.3: Business Barometer Index A- Large Firms



Source: Survey results.

according to the survey results, **SMEs** past performance index declined in the quarter under review (April-June 2019), to 49 from 51 points in the corresponding quarter (January-March 2019), which raises concerns regarding small businesses' benefit from the government's incentives. However, the SMEs outlook index reflects firms' optimism regarding performance in the upcoming quarter (July-September 2019), (Figure 2.4).

Figure 2.4: Business Barometer Index B- SMEs



Source: Survey results.

## Past Performance of Businesses

### Most economic activity indicators improved for large firms but declined for SMEs

At the level of economic activity, **large firms** reported positive views for the quarter under review (April-June 2019) regarding domestic sales, accompanied by increased production, which reflected positively on the economic growth index. These views are in line with the official statistics, which show higher real GDP growth rates. Moreover, the final products inventory index rose significantly (Figure 3.1). The exports index fell remarkably by 16 points in the quarter under review compared to the previous quarter, although it remains above 50 points. This means that the amount of increase in exports dropped within the quarters of comparison and that a significant number of firms were unable to increase their exports in the quarter (April-June 2019).

Despite GDP recovery in the quarter under review and the continued good performance of large firms, the evaluation results of **SMEs** performance are generally weak. Production and capacity utilization declined, dragging exports and domestic sales indexes down below 50 points and reducing inventory. According to the results, SMEs face challenges related to the production process, production and operating costs as well as domestic and international marketing ability, stressing SMEs' needs for support (Figure 3.2).

Figure 3.1: Economic Activity

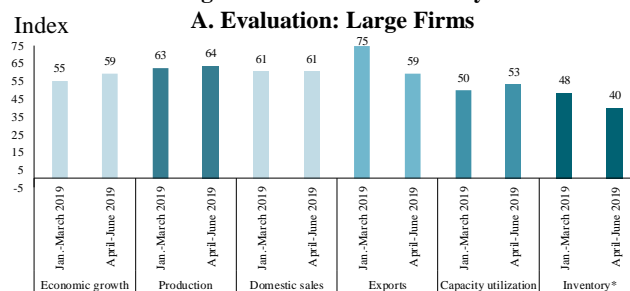
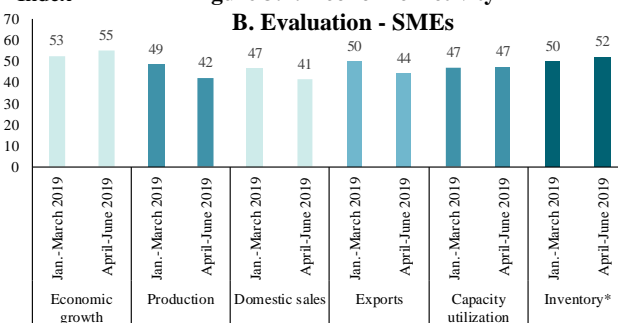


Figure 3.2: Economic Activity



Source: Survey results.

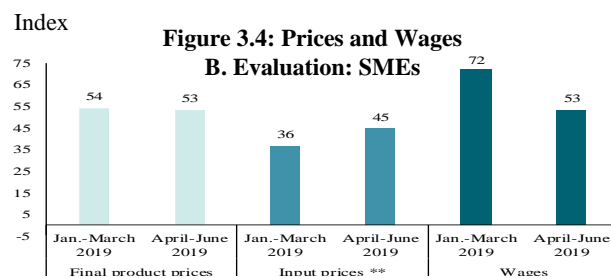
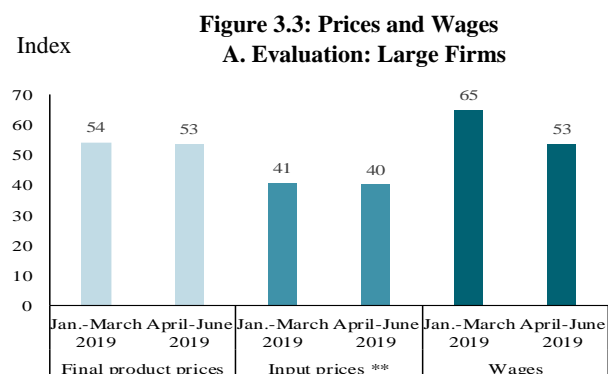
\* The index for inventory is inverted to indicate the negative impact of its increase on businesses. Hence, a higher inventory index indicates lower inventory and vice versa.

At the sectoral level, the tourism sector recorded the best performance, which can be attributed to several factors, including the implementation of the first phase of the e-Visa project for a number of foreign countries to facilitate the access of tourists to visas, and to the promotional activities undertaken by the Ministry of Tourism. The quarter under review also saw a boom in African tourism as a result of Egypt's organizing the African Nations Cup. Firms in both the communications and manufacturing sectors reported a slight improvement in performance that can be ascribed to increased e-payment of government services, increasing the volume of communications firms' business in the market. The results also show an improvement in the manufacturing sector, driven by increased demand on the products of certain firms of the sample that lead to an increase in their domestic sales index. The transportation sector declined slightly, which can be attributed to the

increase in the prices of maintenance and road tolls, as reported by some respondents. The construction firms reported declined performance in the quarter under review due to stagnant sales, increased cost of building materials and rising land prices. The financial service sector saw the largest percentage of decline compared to other sectors due to various factors, including investors' appetite for T-bills in light of CBE's decision to maintain high deposit and lending rates, which discouraged investors from directing their investments to the Stock Exchange, particularly in the absence of a timeframe for government public offerings.

### Input and final product prices and wages continue rising though at lower rates

The assessment of both large firms' and SMEs' performance shows a continued rise in input prices during the quarter under review. However, the rise in input prices for SMEs is lower than large firms, due to the former's reliance on domestic components for production. The drop in the index to below 50 points indicates higher input prices (see the Methodology). Moreover, wages in both large firms and SMEs rose slightly but at a significantly lower rate compared to the previous quarter. Higher wages and input prices resulted in increased final product prices (Figures 3.3 and 3.4).

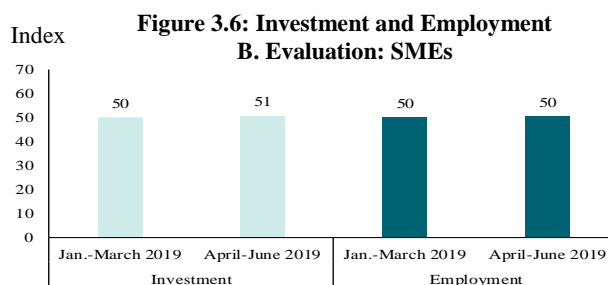
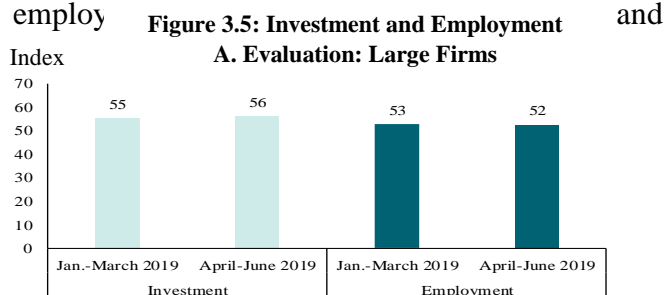


Source: Survey results.

\*\* The input prices index is inverted to reflect the negative impact of rising input prices on the BBI. In

### Slight improvement in investment for large firms and SMEs, in employment for large firms, and stable employment for SMEs

The survey results show improved investment and employment during the quarter under review for large firms, which can be attributed to the reform efforts undertaken by the government to improve the investment climate. However, the employment index of large firms in the quarter under review is lower than in the previous quarter. The results also indicate slight improvement in SMEs' investment albeit the index stands around 50 points, while the employment



Source: Survey results.

\*\* The input prices index is inverted to reflect the negative impact of rising input prices on the BBI. In other words, a lower index indicates higher input prices.

## Business Strategy Going Forward

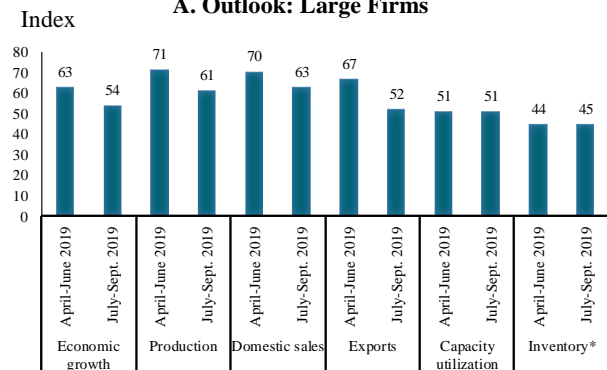
### Positive expectations of large firms and SMEs for most economic indicators albeit lower than the previous quarter

The expectations of large firms for the upcoming quarter (July-September 2019) reflect the business community's optimism. Large firms' expectations for both domestic sales and production are highly optimistic, albeit slightly lower than the previous quarter. Economic growth and exports indexes are also positive but significantly lower than the previous quarter. The expectations for capacity utilization remain unchanged with expectations of increased inventory (Figure 4.1).

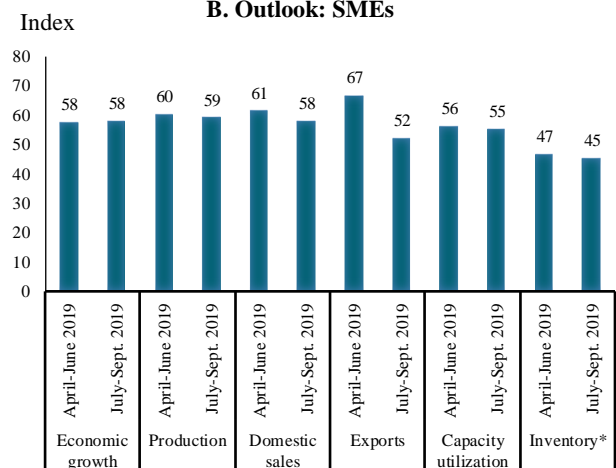
SMEs expectations for economic activity in the quarter under review are similar to those of the large firms (Figure 4.2).

Sectorally, firms in the constructions sector conveyed the most positive outlook, which may be attributed to increased demand on real-estate in Summer and to the CBE initiative to activate the sector in Egypt, followed by the tourism firms due to the government's promotional efforts, then the manufacturing sector, which may be attributed to the adoption of a national program to increase domestic manufacturing, followed by the firms in the telecommunications sector thanks to the digitization strategy. Finally, firms in the transportation sector conveyed the least optimistic expectations. The outlook index indicates declined outlook of the financial services sector for the upcoming quarter, which may be attributed to the continued application of the stamp duty on the stock exchange transactions.

**Figure 4.1: Economic Activity  
 A. Outlook: Large Firms**



**Figure 4.2: Economic Activity  
 B. Outlook: SMEs**



Source: Survey results.

\* The inventory index is inverted to reflect the negative impact of rising inventory on businesses. In other words, a higher index indicates lower inventory and vice versa.

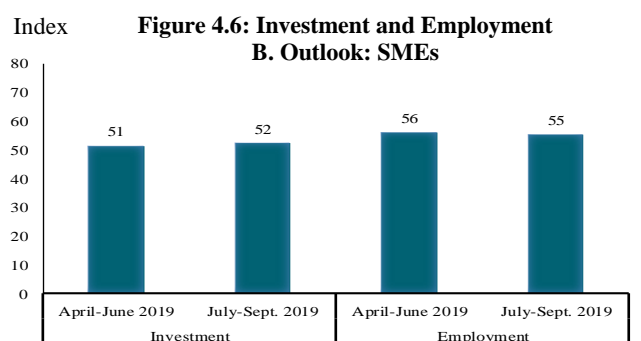
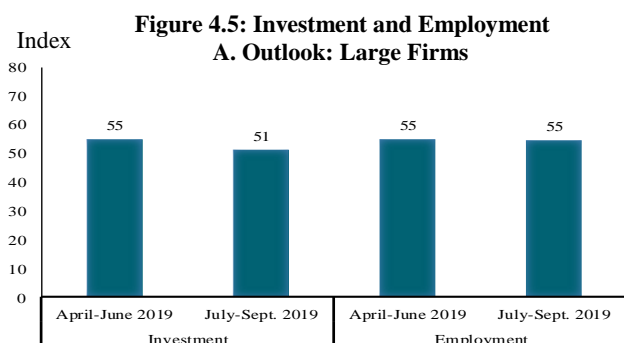
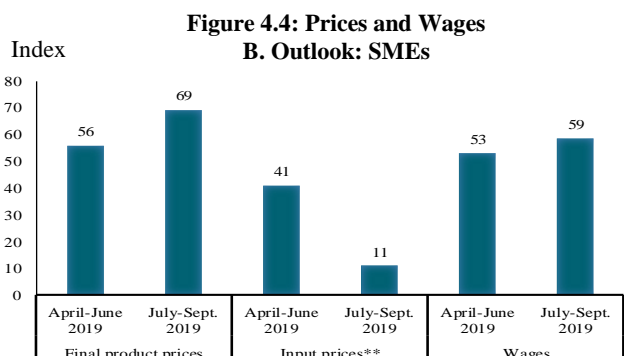
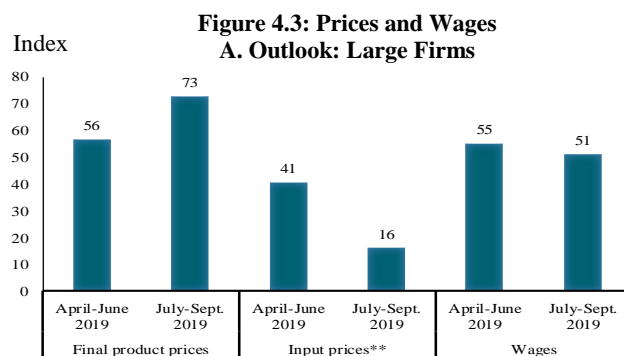


## Expectations of Increased final product prices due to higher input prices and wages

Both large firms and SMEs expect a remarkable increase in input prices in the upcoming quarter (July-September 2019) as a result of removing energy subsidies and raising electricity prices at the beginning of the new FY 2019/ 2020. Businesses also expect a rise in wages, remarkably driving final product prices up (Figures 4.3 and 4.4).

## Expectations of continued improvement in employment and slight increase in investments albeit lower for large firms than the previous quarter

Most large firms and SMEs expressed positive outlook regarding investment in the upcoming quarter (July-September 2019). However, the investment outlook index of large firms is lower than the previous quarter. Both large firms and SMEs expect higher employment, which comes in line with their expectations for economic activity. However, SMEs' employment outlook index is lower compared to the previous quarter (Figures 4.5 and 4.6).



Source: Survey results.

\*\* The index for input prices is inverted to indicate the negative effect of the increase in input prices on businesses. Hence, a lower value of this index indicates higher input prices.

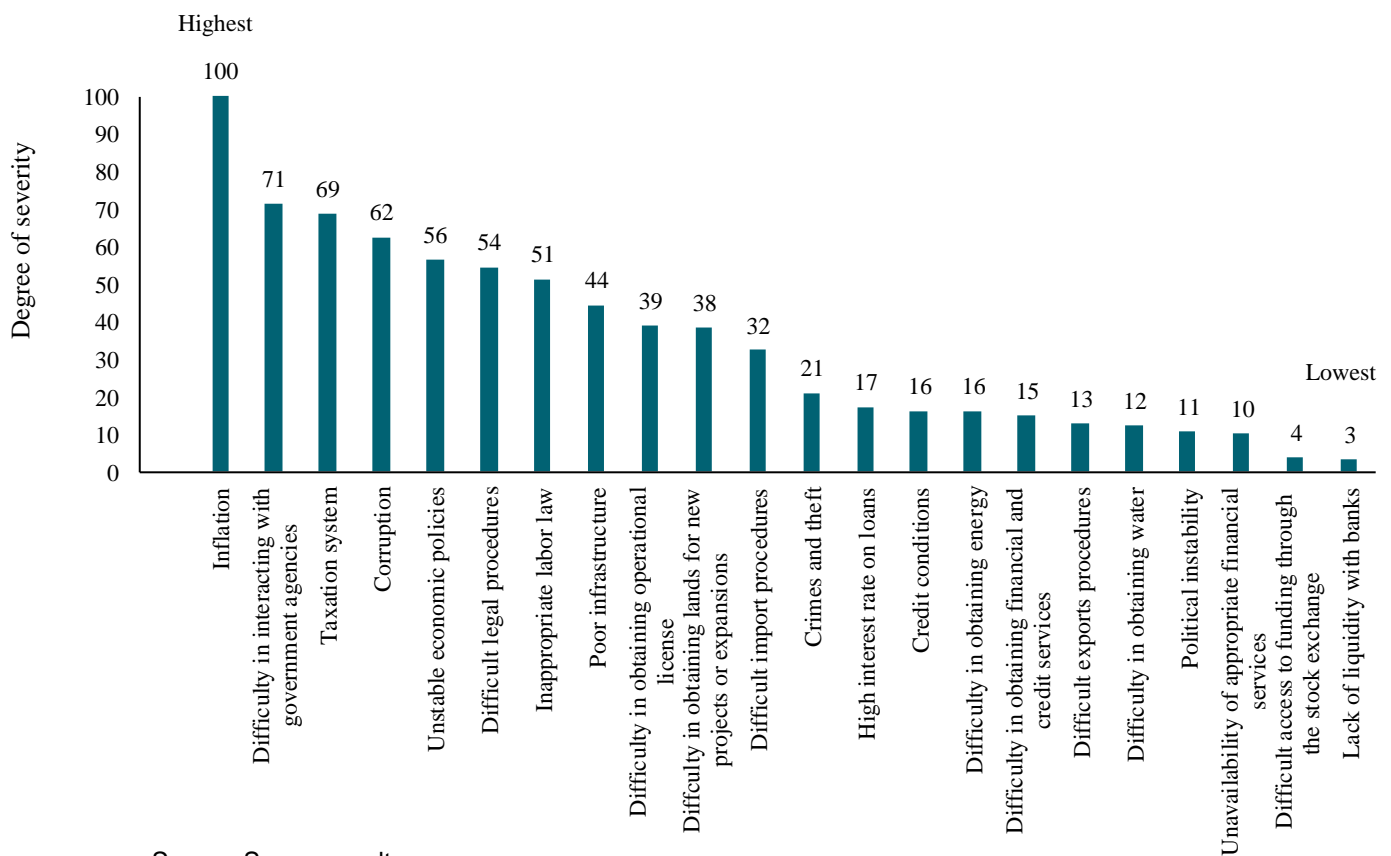
## Business Constraints

### Major constraints: Inflationary pressures, difficulty in dealing with government authorities, tax regime, and corruption.

Figure 5 shows the major constraints facing businesses during the surveyed period (April-June 2019), arranged in a descending order of severity, based on survey responses.

Inflationary pressures topped the list of major constraints in spite of the pound appreciation, failing to affect domestic prices. Difficulty in dealing with government agencies came second on the list, indicating limited progress in facilitating government procedures for businesses. Increased taxes and imposing fees on the electronic applications for taxation are also considered among the major constraints. Finally, corruption is one of the severest obstacles facing businesses in Egypt, shading light on the need for more measures combating corruption. This is similar to the previous survey, which reflects limited progress in removing these constraints.

**Figure 5: Major Constraints Facing the Business Sector (Normalized Index of Severity)**



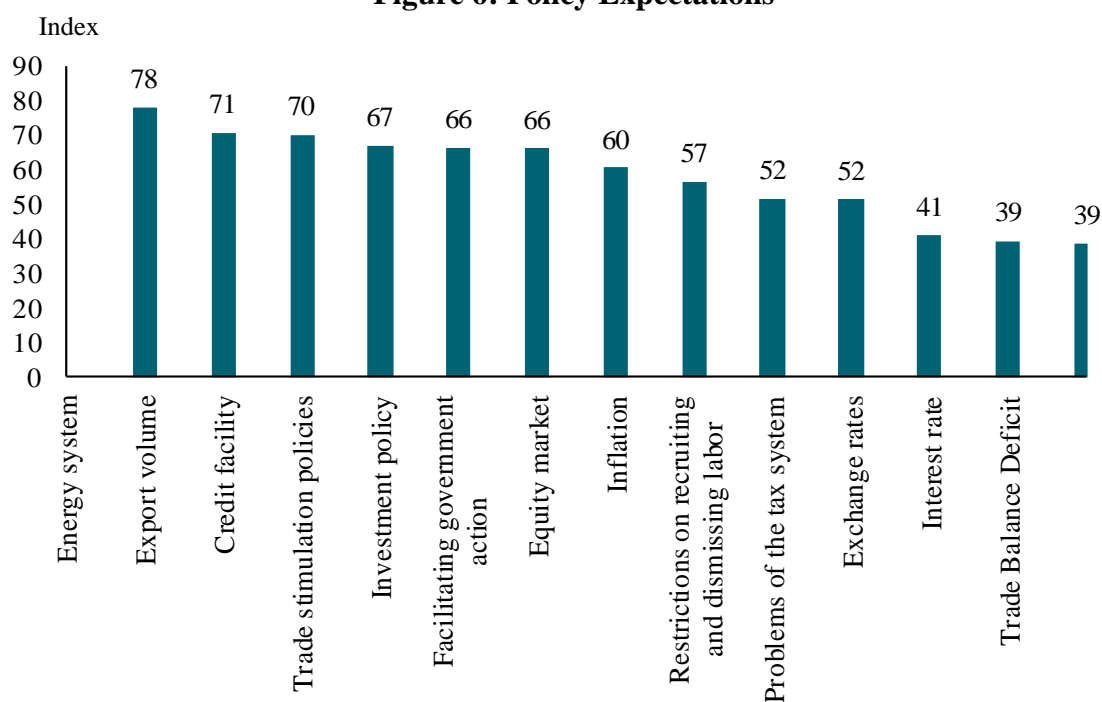
Source: Survey results.

## Policy Expectations

### Expected improvement in energy, exports, credit facilities and trade policies

According to Figure 6, most firms expect improvements in the energy system due to the government's adoption of a stable strategy aiming at improving energy and ensuring its sustainability. Besides the expected increase in exports, which may be due to the announcement of reaching a final settlement regarding exporters' accruals with the Export Development Fund, firms also expect more credit facilities, as they are considered one of the most important obstacles facing businesses in Egypt.

**Figure 6: Policy Expectations**



Source: Survey results.

Table A1. Survey Results: Summary of Business Sector Past Performance of all Firms (April-May-June 2019)<sup>1</sup>

Index	Manufacturing				Construction				Tourism				Transportation			Communications			Financial Intermediation					
	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>				
	Higher	Same	Lower	51	Higher	Same	Lower	48	Higher	Same	Lower	55	Higher	Same	Lower	49	Higher	Same	Lower	51	Higher	Same	Lower	43
<b>Economic growth</b>	30	62	8	<b>57</b>	21	71	7	<b>54</b>	30	70	0	<b>59</b>	25	58	17	<b>53</b>	13	75	13	<b>50</b>	31	69	0	<b>59</b>
<b>Business activity</b>																								
Production	32	43	25	<b>52</b>	21	43	36	<b>45</b>	30	50	20	<b>53</b>	25	42	33	<b>47</b>	38	50	13	<b>58</b>	0	0	100	<b>0</b>
Domestic sales	30	42	28	<b>51</b>	14	43	43	<b>40</b>	30	50	20	<b>53</b>	25	42	33	<b>47</b>	38	50	13	<b>58</b>	0	6	94	<b>6</b>
Exports	24	52	24	<b>50</b>	0	100	0	<b>50</b>	50	50	0	<b>67</b>	0	100	0	<b>50</b>	0	100	0	<b>50</b>	-	-	-	<b>-</b>
Inventory	30	55	15	<b>45</b>	7	64	29	<b>57</b>	20	60	20	<b>50</b>	25	50	25	<b>50</b>	38	50	13	<b>42</b>	13	31	56	<b>67</b>
Level of capacity utilization	17	65	18	<b>49</b>	0	64	36	<b>39</b>	20	70	10	<b>53</b>	0	100	0	<b>50</b>	0	100	0	<b>50</b>	0	94	6	<b>48</b>
<b>Prices</b>																								
Final product prices	18	73	8	<b>53</b>	21	79	0	<b>56</b>	40	60	0	<b>63</b>	8	83	8	<b>50</b>	13	88	0	<b>53</b>	0	100	0	<b>50</b>
Intermediate input prices	30	58	12	<b>44</b>	43	50	7	<b>38</b>	14	86	0	<b>46</b>	13	88	0	<b>47</b>	33	67	0	<b>40</b>	0	100	0	<b>50</b>
Wage level	15	85	0	<b>54</b>	7	93	0	<b>52</b>	10	90	0	<b>53</b>	8	92	0	<b>52</b>	25	75	0	<b>57</b>	6	94	0	<b>52</b>
<b>Primary inputs</b>																								
Investment	8	92	0	<b>52</b>	7	93	0	<b>52</b>	10	90	0	<b>53</b>	0	100	0	<b>50</b>	0	100	0	<b>50</b>	0	100	0	<b>50</b>
Employment	10	85	5	<b>51</b>	7	86	7	<b>50</b>	10	90	0	<b>53</b>	0	92	8	<b>48</b>	13	88	0	<b>53</b>	6	81	13	<b>48</b>

Table A1. Survey Results: Summary of Business Sector Past Performance of all Firms (July-August-September 2019)<sup>1</sup>

Index	Manufacturing				Construction				Tourism				Transportation			Communications			Financial Intermediation					
	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>				
	Higher	Same	Lower	53	Higher	Same	Lower	59	Higher	Same	Lower	53	Higher	Same	Lower	51	Higher	Same	Lower	52	Higher	Same	Lower	49
<b>Economic growth</b>	27	68	5	<b>56</b>	36	64	0	<b>61</b>	40	60	0	<b>63</b>	42	50	8	<b>61</b>	0	88	13	<b>47</b>	19	81	0	<b>55</b>
<b>Business activity</b>																								
Production	34	49	17	<b>56</b>	57	36	7	<b>68</b>	60	30	10	<b>69</b>	33	50	17	<b>56</b>	25	63	13	<b>54</b>	56	44	0	<b>70</b>
Domestic sales	36	46	19	<b>56</b>	50	36	14	<b>63</b>	60	30	10	<b>69</b>	33	50	17	<b>56</b>	25	63	13	<b>54</b>	50	50	0	<b>67</b>
Exports	8	76	16	<b>48</b>	100	0	0	<b>100</b>	50	50	0	<b>67</b>	0	100	0	<b>50</b>	100	0	0	<b>100</b>	-	-	-	<b>-</b>
Inventory	20	58	22	<b>51</b>	43	43	14	<b>40</b>	60	30	10	<b>31</b>	33	58	8	<b>42</b>	25	75	0	<b>43</b>	38	56	6	<b>40</b>
Level of capacity utilization	20	78	2	<b>55</b>	29	71	0	<b>58</b>	10	90	0	<b>53</b>	17	83	0	<b>55</b>	0	100	0	<b>50</b>	0	100	0	<b>50</b>
<b>Prices</b>																								
Final product prices	64	36	0	<b>74</b>	93	7	0	<b>93</b>	40	60	0	<b>63</b>	75	17	8	<b>79</b>	38	63	0	<b>62</b>	6	94	0	<b>52</b>
Intermediate input prices	81	17	2	<b>16</b>	100	0	0	<b>0</b>	86	14	0	<b>13</b>	100	0	0	<b>0</b>	83	17	0	<b>14</b>	100	0	0	<b>0</b>
Wage level	36	64	0	<b>61</b>	21	79	0	<b>56</b>	10	90	0	<b>53</b>	17	83	0	<b>55</b>	0	100	0	<b>50</b>	13	88	0	<b>53</b>
<b>Primary inputs</b>																								
Investment	8	92	0	<b>52</b>	14	86	0	<b>54</b>	0	100	0	<b>50</b>	8	92	0	<b>52</b>	0	100	0	<b>50</b>	6	94	0	<b>52</b>
Employment	22	78	0	<b>56</b>	29	71	0	<b>58</b>	10	90	0	<b>53</b>	17	83	0	<b>55</b>	0	100	0	<b>50</b>	13	88	0	<b>53</b>

<sup>1</sup>Numbers represent percent of total responses. Higher, same and lower may not add up to 100 due to rounding.

<sup>2</sup>Equal to the simple average of the variables' indexes. The index's method of calculation is provided in the Methodology.

**Table A3. Survey Results: Summary of Past Performance of all Firms (by size) (April-May-June 2019) <sup>1</sup>**

Indicator	SMEs				Large firms			
	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>
	Higher	Same	Lower	49	Higher	Same	Lower	54
<b>Economic growth</b>	25	68	7	<b>55</b>	38	54	8	<b>59</b>
<b>Business activity</b>								
Production	20	39	42	<b>42</b>	50	38	13	<b>64</b>
Domestic sales	19	39	43	<b>41</b>	46	38	17	<b>61</b>
Exports	17	50	33	<b>44</b>	31	69	0	<b>59</b>
Inventory	20	54	26	<b>52</b>	42	46	13	<b>40</b>
Level of capacity utilization	9	72	19	<b>47</b>	13	88	0	<b>53</b>
<b>Prices</b>								
Final product prices	17	78	5	<b>53</b>	17	79	4	<b>53</b>
Intermediate input prices	27	64	9	<b>45</b>	36	59	5	<b>40</b>
Wage level	13	88	0	<b>53</b>	13	87	0	<b>53</b>
<b>Primary inputs</b>								
Investment	2	98	0	<b>51</b>	21	79	0	<b>56</b>
Employment	6	88	5	<b>50</b>	17	75	8	<b>52</b>

**Table A4. Survey Results: Summary of Outlook of all Firms (by size) (July-August-September 2019) <sup>1</sup>**

Indicator	SMEs				Large firms			
	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>
	Higher	Same	Lower	52	Higher	Same	Lower	52
<b>Economic growth</b>	29	68	3	<b>58</b>	21	71	8	<b>54</b>
<b>Business activity</b>								
Production	41	45	14	<b>59</b>	42	50	8	<b>61</b>
Domestic sales	39	45	16	<b>58</b>	46	46	8	<b>63</b>
Exports	22	61	17	<b>52</b>	15	77	8	<b>52</b>
Inventory	31	54	16	<b>45</b>	29	58	13	<b>45</b>
Level of capacity utilization	19	80	1	<b>55</b>	4	96	0	<b>51</b>
<b>Prices</b>								
Final product prices	56	43	1	<b>69</b>	63	38	0	<b>73</b>
Intermediate input prices	88	12	0	<b>11</b>	82	14	5	<b>16</b>
Wage level	29	71	0	<b>59</b>	4	96	0	<b>51</b>
<b>Primary inputs</b>								
Investment	8	92	0	<b>52</b>	4	96	0	<b>51</b>
Employment	19	81	0	<b>55</b>	17	83	0	<b>55</b>

<sup>1</sup>Numbers represent percent of total responses. Higher, same and lower may not add up to 100 due to rounding.

<sup>2</sup>Equal to the simple average of the variables' indexes. The index's method of calculation is provided in the Methodology.