

Special Edition: COVID-19



# Business Barometer

Issue #58

January - March 2021



## Business Evaluation and Outlook



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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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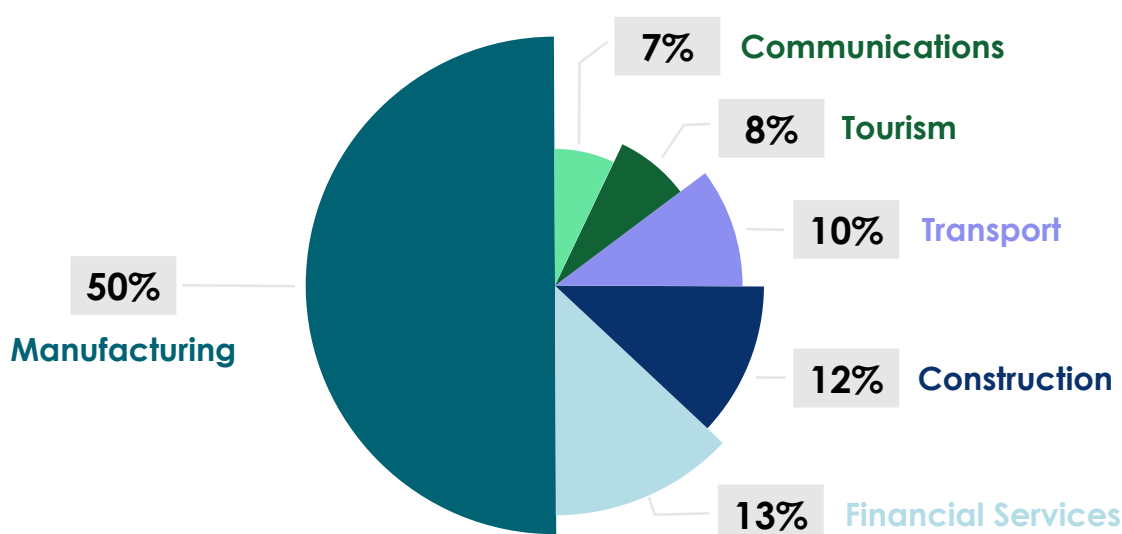
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## About the Business Barometer

The Egyptian Center for Economic Studies (ECES) publishes its Business Barometer (BB) quarterly to provide timely information about the developments of economic activity in Egypt based on a survey as well as 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 5 March 2017.



This issue of the Business Barometer comes at a time where there is a global war on the Coronavirus (COVID-19). It aims to explore the impact of the virus on businesses, especially in light of the measures taken by the government to deal with the crisis and mitigate its impact on economic activity. This prompted ECES to add a new question to explore the opinions of businesses about these measures, and their expectations for new measures to be taken to reduce the drop in economic activity over the coming period. Another question was also added about the constraints and challenges faced by firms during the crisis.

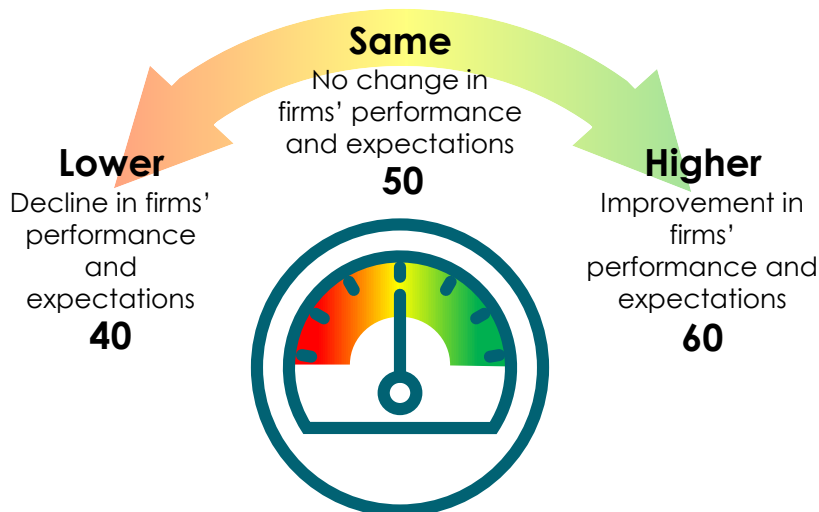
It also provides an assessment of the performance of a sample of firms and results of their operations in Q3 FY 2020/2021 (January-March 2021) compared to the second quarter (October-December 2020). It also summarizes their expectations for overall economic performance as well as their own activities for Q4 FY 2020/2021 (April-June 2021).

## Methodology

The BB Index is a simple average of the sub-indices of surveyed variables:



It is calculated once for large firms and once for SMEs, both for Evaluation and Outlook.



The index is calculated for each variable using this 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.



# BBI Results (January-March 2021)

## Macro Overview

**This section provides an overview of the main developments in the global economy, as well as the performance of key macroeconomic indicators in Egypt according to the latest available data at the time of writing this report.**

Although uncertainty still prevails worldwide due to the continued pandemic, especially with the emergence of new strains of the virus and higher human losses resulting from it, increasing vaccinations and economic policies adopted by most countries in the face of the pandemic led to optimism regarding economic recovery. The International Monetary Fund (IMF) projected global growth rate to reach 6 percent in 2021 compared to an unprecedented contraction estimated at -3.3 percent in 2020 due to the outbreak.<sup>1</sup>

Recovery paths are expected to vary across countries and regions according to disparity of the disruptions caused by the pandemic and the ability to vaccinate the population, as well as the extent to which the economic structure is affected by the repercussions of the pandemic and effectiveness of the policies adopted to alleviate the consequences of the contraction and ensure sustainable recovery. Developed economies are expected to grow by 5.1 percent in 2021 from a contraction of -4.7 percent in the previous year. Emerging and developing economies are expected to grow 6.7 percent from a contraction of -2.2 percent in the previous year.

At the local level, the Egyptian economy is still reeling from the pandemic. However, with the economic policies adopted in the face of the virus, and with the gradual return of economic activities after easing precautionary measures, GDP in the first quarter of FY 2020/2021 (July - September 2020) witnessed a positive growth rate of 0.7 percent, although it is still far from the growth rate recorded in the corresponding quarter prior to the pandemic—estimated at 5.6 percent. It is worthy of note that the pandemic caused a negative growth rate of -1.6 percent during the fourth quarter of FY 2019/2020.

With respect to sources of growth, the uncertainty associated with the ongoing pandemic resulted in a further decline in the contribution of investment to output to -6.9 points during the first quarter of FY 2020/2021. The contribution of net exports remained positive at 2.2 percentage points, thus consumer demand, both government and private, remained the main source of growth during the first quarter of FY 2020/2021.<sup>2</sup>

On the supply side, service sectors, specifically communications and construction, continued to achieve growth rates that exceeded the average rate of GDP growth during the first quarter of FY 2020/2021. Meanwhile, the tourism, manufacturing and extraction sectors are still witnessing a negative impact due to the continuation of the pandemic (Figure 1.1).<sup>3</sup>

The ongoing pandemic was reflected in higher unemployment during the first quarter of 2021. Unemployment reached 7.4 percent—an increase of 0.2 percent compared to the fourth quarter of 2020, and a decrease of 0.3 percent compared to the corresponding quarter of last year (Figure 1.1)

The unemployment rate differed by gender, age group, educational qualification and place of residence, as shown by the characteristics of the unemployed during the period under review. The female unemployment rate (15.9 percent) still exceeds the male unemployment rate (5.6 percent). The percentage of unemployed youth (aged 15-29 years) represents about 62.4 percent of the total unemployed, while the percentage of unemployed persons with intermediate, upper intermediate and university qualifications and above represent 81.5 percent of the total unemployed. According to place of residence, the unemployment rate in urban areas (11.1 percent) is higher than in rural areas (4.4 percent).

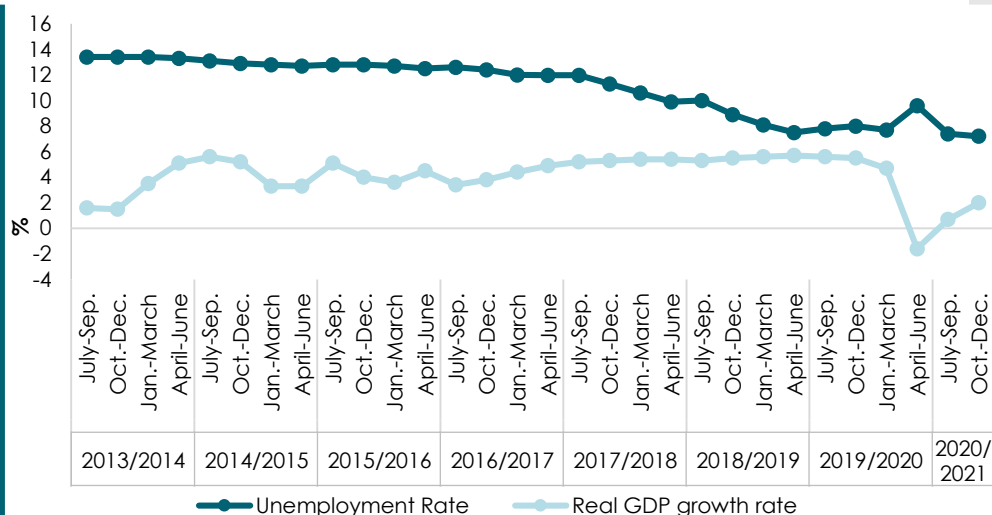
1 International Monetary Fund (IMF), *World Economic Outlook*, April 2021.

2 Central Bank of Egypt (CBE), *Monthly Statistical Bulletin*, April 2021.

3 Ibid.

Regarding relative distribution of the employed at the level of economic activities, agriculture, wholesale and retail trade, construction, and transportation and storage accounted for 19.4, 14.4, 13.9, and 9 percent of the total employed, respectively. This indicates that there has been no significant change in the nature of the jobs generated over the past years that witnessed a decline in the unemployment rate. This distribution of employment continued during the quarter under study, especially that these sectors attract low-skilled labor, in addition to being unsustainable opportunities.<sup>4</sup>

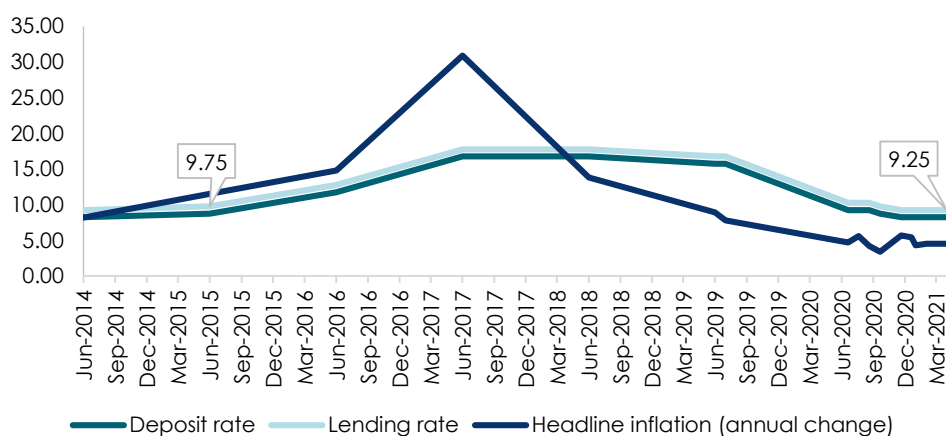
**Figure 1.1.**  
Real GDP  
growth and  
unemployment



Sources: Central Agency for Public Mobilization and Statistics (CAPMAS), *Quarterly Labor Force Survey Bulletin*, May 2021; CBE, *Monthly Statistical Bulletin*, April 2021; Ministry of Planning and Economic Development, *Economic and Social Performance Follow-up Reports*, various issues.

On the monetary side, real monetary conditions stabilized due to the decline in inflation and the application of monetary easing through successive interest rate cuts in March, September, and November of 2020. The rate of return on deposits and overnight lending and the credit and discount rate stabilized at 8.25, 9.25, and 8.75 percent, respectively (Figure 1.2).<sup>5</sup>

**Figure 1.2.**  
Inflation  
and policy  
rates




Sources: CBE, *Monthly Statistical Bulletin*, various issues; CAPMAS, *Monthly Bulletin of Consumer Price Index (CPI)*, various issues.

<sup>4</sup> CAPMAS, *Labour Force Survey, Quarter Jun-Sep 2020*, May 2020 edition.

<sup>5</sup> CBE, *Monthly Statistical Bulletin*, April 2021.





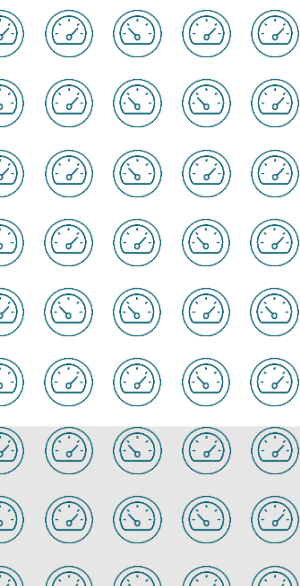
Externally, the balance of payments in the first half of FY 2020/2021 (July - December 2020) achieved an overall surplus of about \$1.5 billion, compared to a surplus of \$410.9 million in the corresponding period. This surplus is due to the increase in net inflows to the capital and financial accounts by about \$3.9 billion. The rise in the overall surplus was offset by the current account deficit. The following is a summary of the most important developments in the main components of the balance of payments:

### **1. Current account**

The current account deficit widened to about \$7.6 billion, compared to \$4.6 billion during the corresponding period. This deficit is due to the decline in the surplus of the services balance, and increased deficit of the non-oil trade balance. The increase in the current account deficit was offset by an increase in unrequited current transfers, and lower deficit in the oil trade balance and in the balance of investment income.

The following is an explanation of these items:

- The surplus in the services balance decreased by 69.9 percent to reach 1.9 billion compared to \$6.3 billion during the corresponding period, as a result of the decline in tourism revenue by about 75.3 percent due to the continued crisis to record \$1.8 billion, and the decline in transport receipts by 17 percent to record \$3.6 billion because of the decline in airlines proceeds.
- The deficit in the non-oil trade balance widened by 6.6 percent to record \$19.1 billion due to increased payments for commodity imports by \$1.3 billion to \$28.5 billion, while commodity exports increased by \$131.5 million to record \$9.3 billion only during the period under study.
- Net unrequited current transfers rose by 10.9 percent, to record about \$15.1 billion, as a result of the increase in remittances from Egyptians working abroad by 13.5 percent.
- The oil trade balance deficit improved to only \$54.2 million compared to \$733.3 million, as a result of the decline in payments for petroleum imports by about \$2.1 billion, to record about \$3.6 billion. On the other hand, the proceeds of petroleum exports decreased by about \$1.5 billion to record \$3.59 billion during the study period.
- The deficit in the investment income balance decreased by 6 percent, to record about \$5.4 billion during the study period compared to \$5.8 billion in the corresponding period.



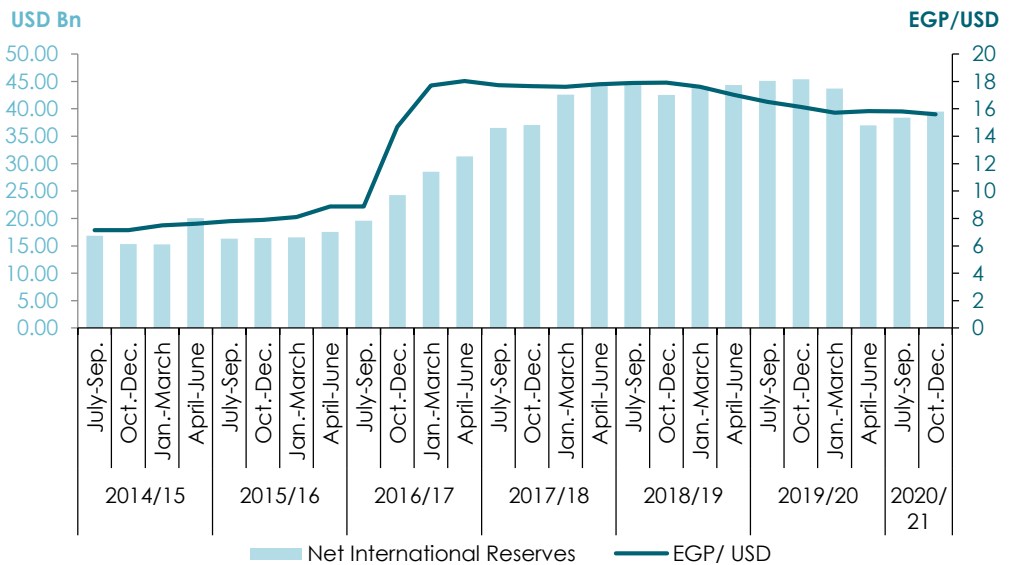
2) Capital and financial accounts:

Net inflows to the capital and financial accounts increased by about \$3.9 billion to reach \$9.2 billion during the first half of FY 2020/2021. This is due to the following:

- Higher net portfolio investment inflows to Egypt, to record about \$10.2 billion, against net inflows of \$273.6 million during the corresponding period.
- The high uncertainty associated with the crisis resulted in a decline in net foreign direct investment by 32.3 percent, to record about \$3.4 billion. This decline was witnessed in foreign investments, both in the oil and non-oil sectors.
- Net usage of long- and medium-term loans and facilities increased to \$4.5 billion during the study period, compared to \$2.1 billion in the corresponding period.

The pandemic continues to negatively affect some sources of foreign exchange for Egypt, specifically tourism revenues and net foreign direct investment. However, the relative stability of Egypt's total sources of foreign exchange, especially remittances from workers abroad and revenues from the Suez Canal, has led to an increase in net foreign reserves to reach \$40.2 billion during January-March 2021, rising by 2 percent over the last quarter of 2020. The exchange rate has also witnessed a continuous decline since June 2020, to record 15.6 pounds per US dollar during January-March 2021, which represents the highest value of the Egyptian pound against the US dollar since October 2016 (Figure 1.3).

**Figure 1.3.**  
Net foreign reserves and exchange rate



Source: CBE, *Monthly Statistical Bulletin*, various issues.

# Business Barometer Index



Evaluation



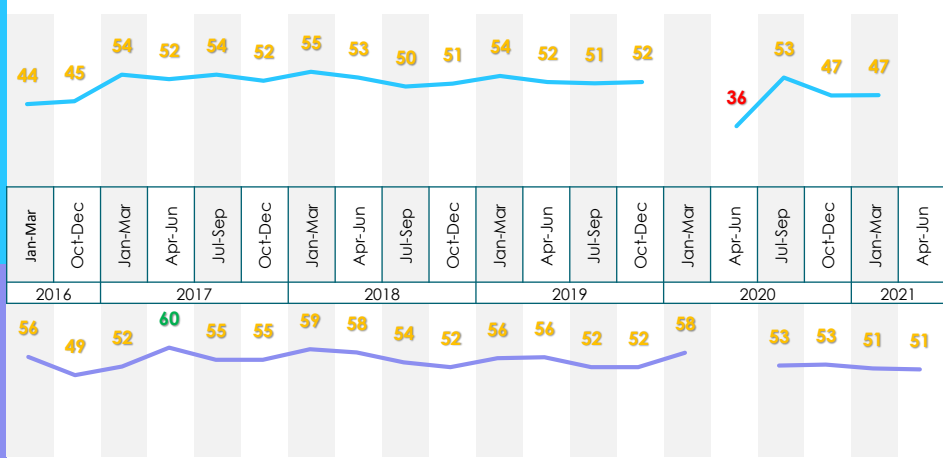
Outlook

## Decline of the Business Barometer Index (BBI) with the emergence of new strains of the Coronavirus; and expectations of slight growth during the next quarter

The Coronavirus, with its new strains, has become an ongoing challenge to all countries, and the pandemic continues to cast its shadow over the business community in Egypt with the beginning of the third wave of the virus. The BBI continued its decline during the quarter under study (January - March 2021) scoring 47 points, which is the same as the previous quarter and three points below the neutral level (50 points). However, this decline is less severe compared to the first wave of the virus, as the index during April - June 2020 scored 36 points (Figure 2.1). Despite continued uncertainty regarding the pandemic, the business community expects slight growth during the next quarter (April-June 2021), with the index reaching 51 points—similar to the previous quarter and one point above the neutral level (Figure 2.2).

### Business Barometer Index

Figure 2.1. Evaluation  
Figure 2.2. Outlook

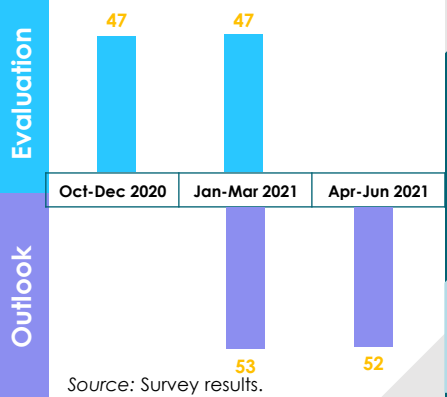


Source: Survey results.  
\*Data for the quarters (April-June and July-September 2016, and January-March 2020) are unavailable.

The survey results of the quarter under study (January - March 2021) showed continued low performance of all firms. The performance index of large firms scored 47 points, which is similar to the previous quarter and three points below the neutral level. The index of small and medium enterprises (SMEs) also scored the same level as in the previous quarter, but four points below the neutral level (Figures 2.3 and 2.4).

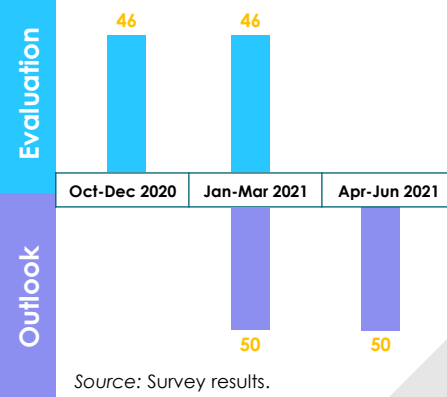
The outlook index for large firms scored 52 points, two points above the neutral level, but one point below the previous quarter (January-March 2021). The outlook of SMEs scored the neutral level of 50 points. These projections are similar to the previous quarter (January - March 2021), (Figures 2.3 and 2.4).

Figure 2.3. Large firms



Source: Survey results.

Figure 2.4. SMEs



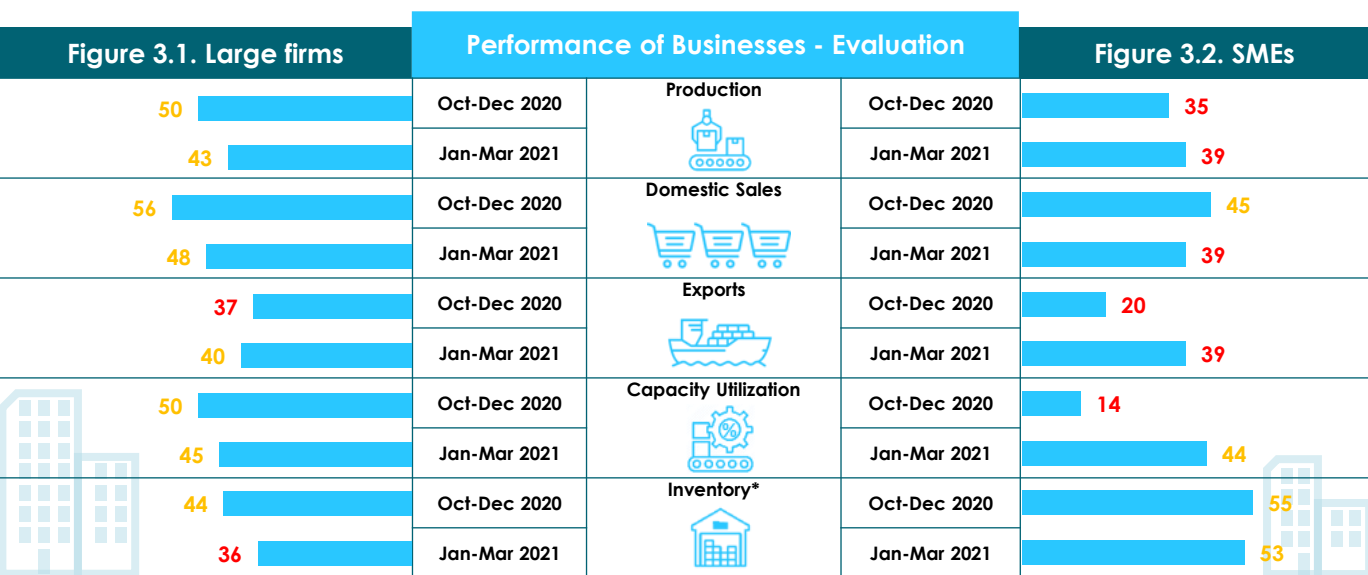
Source: Survey results.

# Past Performance of Businesses



**Most economic activity indicators of all firms have declined due to the repercussions of the continued pandemic, emergence of new virus strains in some countries and the spread of the third wave of the virus locally**

Production, domestic sales and capacity utilization recovered during the previous quarter (October - December 2020), especially for large firms, reflecting government initiatives at the level of financial and monetary policies and measures taken in support of the sectors affected by the pandemic. Nevertheless, the continuation of the pandemic, emergence of new virus strains in some countries and the spread of the third wave of the virus locally led to a decline in economic activity indicators for the whole firm sample during the quarter under study (January - March 2021), but with a more severe impact on SMEs. Whereas the performance of large firms was below the neutral level for production, capacity utilization and exports by about seven, five, ten points respectively, the results of SMEs were low for all indicators of economic activity and less than the neutral level (Figures 3.1, 3.2).



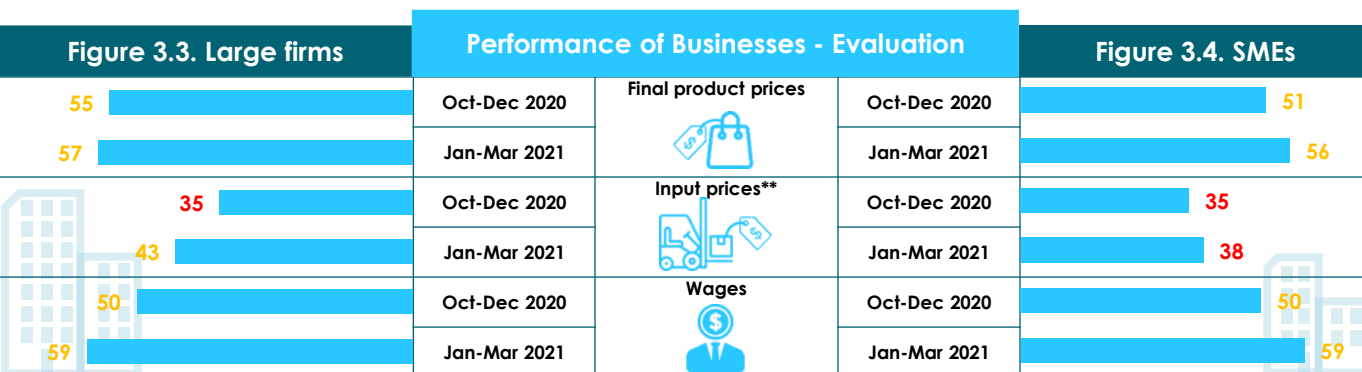
Source: Survey results.

\* 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, as shown in Table A1, the survey results showed that most sectors were affected by the COVID-19 crisis and the subsequent emergence of new strains of the virus. The magnitude of the damage varied across sectors. The tourism sector recorded the largest decline due to insecurity after emergence of new mutated strains, which led to the collapse of global tourism. The transport sector followed due to disruptions in global supply chains and trade, and the high burden of government fees on the sector. Then comes the manufacturing sector due to unavailability of raw materials and their higher prices due to disruptions in some supply chains. The financial services sector also witnessed a decline in the volume of shares traded due to sales by foreign institutions and Arab investors. The survey results showed improvement in the telecom and construction sectors. The telecom sector recorded the best performance in the quarter under review, due to increased use of remote work technologies, which stimulated demand for communications and information technology services. The construction sector also witnessed an improvement in performance, which may be attributed to the new real estate financing initiatives.

## B. Higher input prices led to a rise in the final product price index; and a marked increase in the wage index

Results of the performance evaluation showed an increase in input prices for large, small and medium firms alike due to the disruption caused by the third wave of the virus in global supply chains, albeit at a slower pace than the previous quarter. This can also be ascribed to irregularity in the import of production inputs and raw materials as well as slow customs clearance procedures, leading suppliers to raise prices of their raw materials during the quarter under study. This was reflected in a higher final product price index for all firms, surpassing the neutral level by seven points for firms companies and 6 points for SMEs compared to the previous quarter. The results also showed expectations of an increase in the wage index for all firms, as a result of the annual salary increase at the beginning of the new year, registering an increase of 9 points (Figures 3.3 and 3.4).

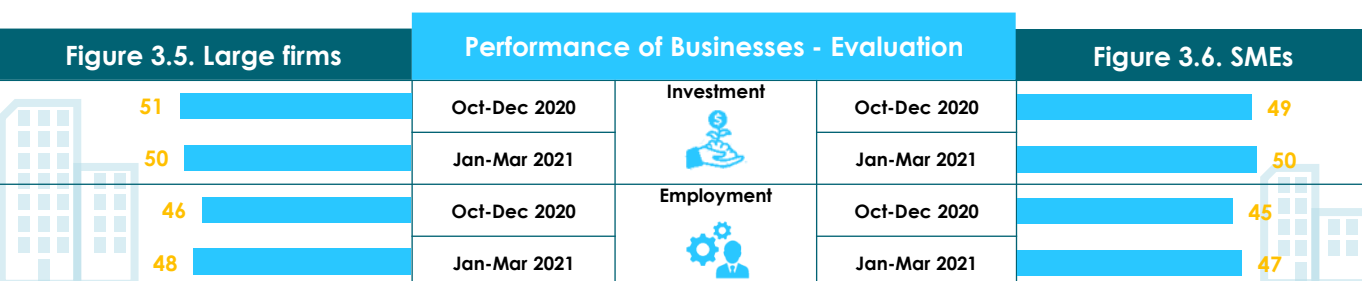


Source: Survey results.

\*\* The index for inputs is inverted to indicate the negative impact of price increases on the overall index. Hence, a lower index indicates higher prices and vice versa.

## C. Stable investment index at the neutral level and lower employment index for all firms

The Government made efforts to stimulate investment since the beginning of the pandemic, through measures such as lowering the interest rate, postponing all credit payments, putting off tax and insurance payments, as well as providing a new package of facilities in support of the affected sectors such as tourism and industry. Nevertheless, investment was limited due to repercussions of the pandemic and associated uncertainty as well as continued challenges facing the business environment as a result of the pandemic. Survey results showed that the investment index remained at the neutral level for all firms. The employment index declined for all firms during the quarter under study, scoring 48 points for large firms, and 47 points for SMEs, although this decline is lower compared to the previous quarter (Figures 3-5 and 3-6).



Source: Survey results.

# Business Strategy Going Forward



## A. Expectations of an improvement in economic activity for all firms

Despite continued uncertainty about the pandemic, the business community expressed optimism about the next quarter (April-June 2021), as firms expect improved economic conditions. This may be attributed to expectations of a global economic recovery due to distributing the vaccine to a large number of country populations. Therefore, the outlook of large firms is optimistic about most economic variables, while expectations for capacity utilization were stable at the neutral level. The results of most SMEs indicators recorded values above the neutral level, except for the export index, which stabilized at the neutral level, and the production capacity utilization and commodity stocks, as both of them recorded a decline (Figures 4.1 and 4.2).



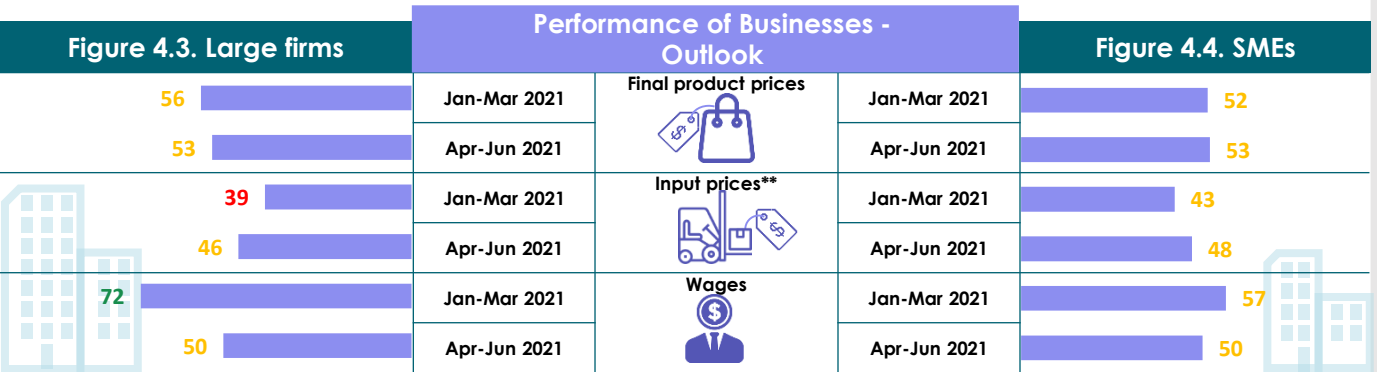
Source: Survey results.

\* 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.

At the sectoral level, as shown in Table A2, expectations for the next quarter were generally positive for all sectors, except tourism and financial services. Specifically, the results reflected optimism of the business community regarding the telecom sector, followed by the construction sector, and then the manufacturing sector during the upcoming quarter. This can be attributed to the Government's efforts to support various sectors. The transport sector registered a neutral level, while the tourism firms are not optimistic due to developments related to the virus, including new waves and strains, and the consequent measures that may reach again the level of lockdown, rendering the return of tourism to its normal movement very difficult. This was followed by the financial services sector, perhaps due to lack of new IPOs on the stock exchange.

## B. Expectations of higher input prices, higher final product prices, and stable wages at the neutral level for all companies

Large, small and medium firms alike expect the rise in input prices to continue, which may be attributed to uncertainty about the regularity of supply chains in the near term. The indicators of large, small and medium firms recorded an increase of 3 points each above the neutral level. The increase in the prices of production inputs is bound to lead to an increase in the final product prices of all firms, albeit less than expectations of the previous quarter (January-March 2021). The results also showed that the wage index for all firms is expected to remain at the neutral level (Figures 4.3 and 4.4).

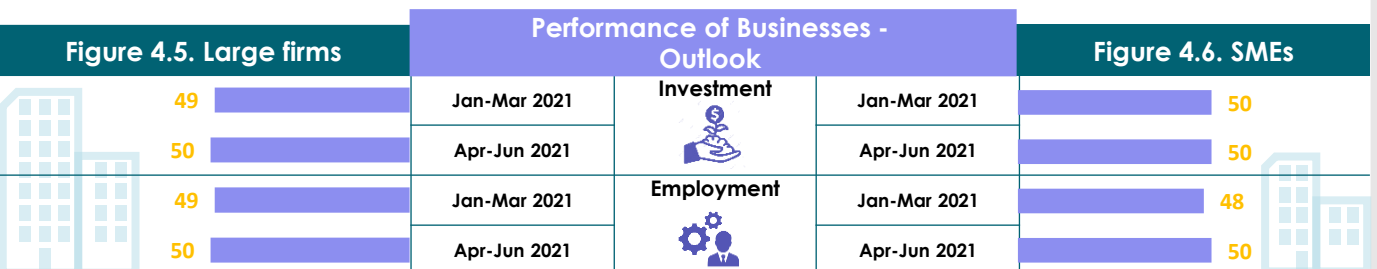


Source: Survey results.

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

## C. Expectations of stable investment and employment indices for all firms

All large, small and medium firms expect the investment index to remain at the neutral level during the next quarter (April - June 2021), registering 50 points. This may be due to the lack of future plans to expand under the current circumstances, reflecting uncertainty of the business community regarding developments of the Coronavirus and its repercussions. The results also showed a stable employment index for all firms, which requires support policies for existing firms in order to be able to retain employment and granting them more incentives to encourage them to expand and invest, creating job opportunities (Figures 4-5 and 4-6).



Source: Survey results.

# Major constraints facing the business sector during the crisis

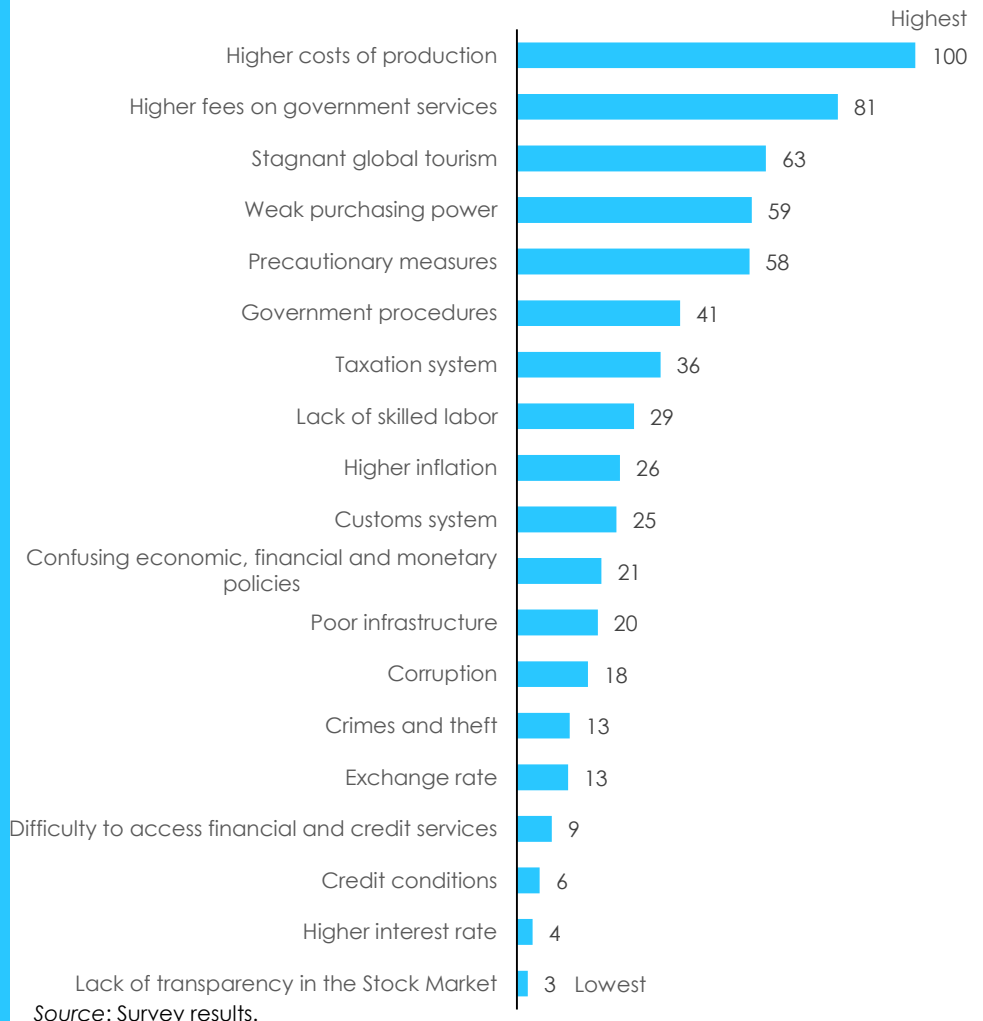


**The most severe constraints: High production costs, increased fees on government services, stagnant global tourism, and weak purchasing power**

Figure 5 shows the main constraints that faced the business community during the quarter under review (January - March 2021), ranked in descending order of severity from the point of view of the sample firms. Higher production cost was cited as the most severe constraint during the quarter under study, followed by higher fees on government services. This requires a detailed study of the impact of successive rises in electricity, water and gas prices, as well as the cost of importing inputs and supplies and others on economic activities, especially in light of the negative impact of the crisis. It also demands coming up with unconventional solutions to reduce production costs, and to stimulate tourism such as through promotion of domestic tourism. Weak purchasing power was also reported among the constraints that faced the business community.

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

Evaluation





# Priorities to improve the business environment in Egypt

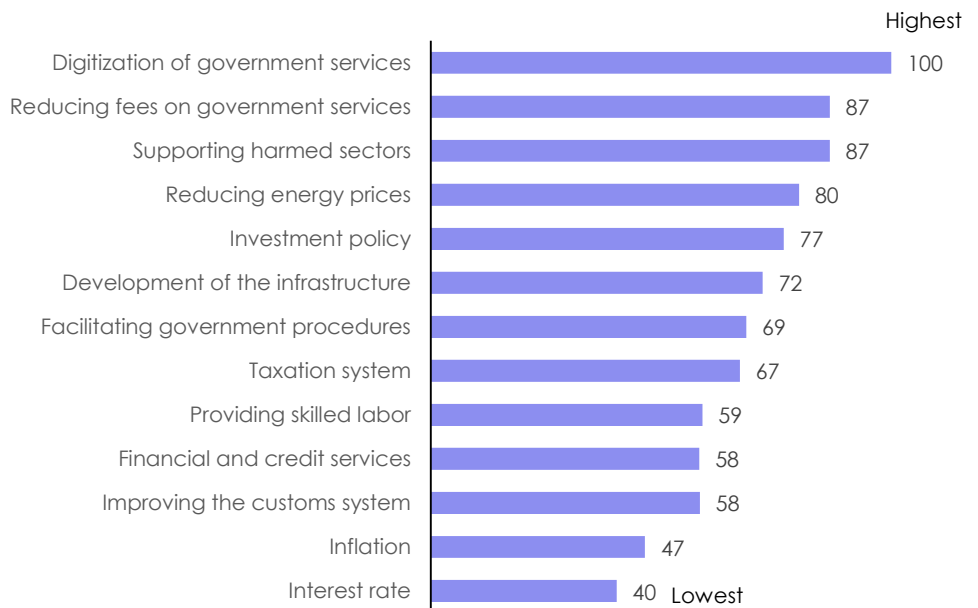


## Digital transformation of government services, reducing fees on government services, supporting sectors affected by the crisis, and reducing energy prices

As seen from Figure 6, firms reported that digital transformation of government services helps facilitate government services such as operating licenses procedures, litigation procedures, and access to land, which lead to increasing investment and building a stronger economy in Egypt. They also indicated the importance of reducing government fees on some commercial activities and operations, such as notary services, internet bills for companies and establishments, and the need to provide support to the sectors affected by the crisis, as well as reducing electricity, water and gas prices to help boost production.

**Figure 6.**  
Priorities to improve the business environment in Egypt (normalized index of the importance of priorities)

Outlook



Source: Survey results.



# Policy Expectations

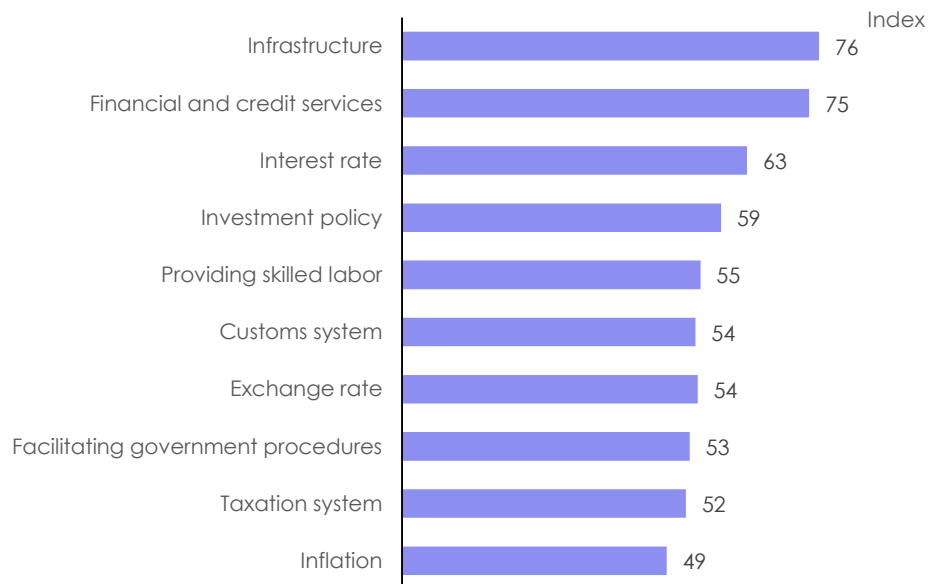
## Expectations of improved infrastructure, financial and credit services, interest rates, and investment policies

As can be seen from Figure 7, the majority of firms expressed optimism about current trends in infrastructure, as a result of the Government's undertaking of national projects in roads, bridges, and power and water stations. Financial and credit services improved due to the adoption of new monetary policies aimed at promoting economic development. Firms also expect a further cut in interest rate, despite several reductions over the past year. The business community anticipates an improvement in investment policies due to the development of the new electronic establishment system and the new executive regulations for free zones aimed at availing a more favorable business environment to increase foreign direct investment.



**Figure 7.**  
Policy  
Expectations

Outlook



Source: Survey results.



# Tables Index

**Table A1. Survey Results: Summary of all firms evaluation at the sectoral level (January-February-March)<sup>1</sup>**

Indicator	Manufacturing			Construction			Tourism			Transportation			Communications			Financial Services								
	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low						
	Index <sup>2</sup> 46	Index <sup>2</sup> 46	Index <sup>2</sup> 46	Index <sup>2</sup> 53	Index <sup>2</sup> 53	Index <sup>2</sup> 53	Index <sup>2</sup> 28	Index <sup>2</sup> 28	Index <sup>2</sup> 28	Index <sup>2</sup> 41	Index <sup>2</sup> 41	Index <sup>2</sup> 41	Index <sup>2</sup> 62	Index <sup>2</sup> 62	Index <sup>2</sup> 62	Index <sup>2</sup> 62	Index <sup>2</sup> 62	Index <sup>2</sup> 62						
<b>Economic activity</b>																								
Production	19	45	36	44	7	71	21	46	0	100	0	17	25	58	33	75	13	13	78	0	37	63	27	
Domestic sales	20	41	39	43	7	64	29	43	0	100	0	20	30	50	38	75	13	13	78	5	37	58	31	
Exports	14	29	57	33	0	100	0	50	0	100	0	0	100	0	0	100	0	0	100	0	100	0	50	
Inventory	37	42	21	44	8	69	23	55	0	100	100	10	70	20	53	75	13	13	22	5	84	11	51	
Capacity utilization	5	74	21	46	7	93	0	52	0	100	0	8	50	42	39	50	38	13	36	0	79	21	44	
<b>Prices</b>																								
Final product prices	29	69	2	58	71	29	0	78	0	80	20	44	8	83	8	50	0	100	0	50	11	89	0	53
Intermediate product prices	52	48	0	33	7	93	0	48	0	100	0	50	67	0	50	33	67	0	60	0	100	0	50	
Wage level	40	59	2	62	29	71	0	58	0	80	20	44	0	92	8	48	75	25	0	80	37	63	0	61
<b>Primary inputs</b>																								
Investment <sup>1</sup>	0	98	2	50	0	100	0	50	0	80	20	44	0	92	8	48	38	63	0	62	0	100	0	50
Employment	2	90	9	48	7	93	0	52	0	100	0	48	0	92	8	48	0	100	0	50	5	95	0	51

**Table A1. Survey Results: Summary of all firms expectations at the sectoral level (April-May-June)<sup>1</sup>**

Indicator	Manufacturing			Construction			Tourism			Transportation			Communications			Financial Services								
	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low	Percentage Higher	Percentage Same	Low						
	Index <sup>2</sup> 51	Index <sup>2</sup> 51	Index <sup>2</sup> 51	Index <sup>2</sup> 52	Index <sup>2</sup> 52	Index <sup>2</sup> 52	Index <sup>2</sup> 45	Index <sup>2</sup> 45	Index <sup>2</sup> 45	Index <sup>2</sup> 50	Index <sup>2</sup> 50	Index <sup>2</sup> 50	Index <sup>2</sup> 52	Index <sup>2</sup> 52	Index <sup>2</sup> 52	Index <sup>2</sup> 52	Index <sup>2</sup> 52	Index <sup>2</sup> 52						
<b>Economic activity</b>																								
Production	26	57	17	53	57	43	0	70	30	50	20	53	25	58	17	53	25	75	0	57	26	32	42	44
Domestic sales	29	51	20	53	57	43	0	70	33	56	11	57	30	50	20	53	38	63	0	62	26	32	42	44
Exports	29	71	0	58	0	100	0	50	0	100	0	33	67	0	60	0	100	0	38	0	33	67	25	
Inventory	16	77	7	47	62	38	0	28	10	70	20	53	10	90	0	47	38	63	0	50	0	100	0	50
Capacity utilization	7	83	10	49	7	93	0	52	10	70	20	47	0	67	33	40	25	75	0	57	0	58	42	37
<b>Prices</b>																								
Final product prices	21	79	0	56	7	93	0	52	0	90	10	47	0	100	0	50	0	100	0	50	0	100	0	50
Intermediate product prices	16	83	2	46	7	93	0	48	0	100	0	50	0	100	0	50	0	100	0	50	0	100	0	50
Wage level	0	100	0	50	7	93	0	52	0	90	10	47	0	100	0	50	13	88	0	53	5	95	0	51
<b>Primary inputs</b>																								
Investment	0	100	0	50	0	100	0	50	0	90	10	47	0	100	0	50	13	88	0	53	0	100	0	50
Employment	2	98	0	50	7	93	0	52	0	90	10	47	0	100	0	50	13	88	0	53	0	100	0	50

<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 appendix.

# Tables Index

**Table A3. Survey Results: Summary of all firms past performance (by size) (January-February-March)<sup>1</sup>**

Variable	SMEs				Large Firms			
	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>
	Higher	Same	Lower	46	Higher	Same	Lower	47
<b>Economic activity</b>								
Production	15	39	45	<b>39</b>	24	35	41	<b>43</b>
Domestic sales	17	37	47	<b>39</b>	27	40	33	<b>48</b>
Exports	21	29	50	<b>39</b>	18	36	45	<b>40</b>
Inventory	20	52	29	<b>53</b>	50	38	13	<b>36</b>
Capacity utilization	4	72	24	<b>44</b>	29	29	41	<b>45</b>
<b>Prices</b>								
Final product prices	24	73	3	<b>56</b>	29	65	6	<b>57</b>
Intermediate product prices	39	61	0	<b>38</b>	23	77	0	<b>43</b>
Wage level	33	64	3	<b>59</b>	35	59	6	<b>59</b>
<b>Primary inputs</b>								
Investment	2	95	3	<b>50</b>	6	88	6	<b>50</b>
Employment	1	87	13	<b>47</b>	12	71	18	<b>48</b>

**Table A4. Survey Results: Summary of all firms expectations (by size) (April-May-June)<sup>1</sup>**

Variable	SMEs				Large Firms			
	Percentage			Index <sup>2</sup>	Percentage			Index <sup>2</sup>
	Higher	Same	Lower	50	Higher	Same	Lower	52
<b>Economic activity</b>								
Production	30	51	19	<b>54</b>	29	59	12	<b>56</b>
Domestic sales	33	46	21	<b>54</b>	33	60	7	<b>58</b>
Exports	14	71	14	<b>50</b>	27	64	9	<b>56</b>
Inventory	20	76	5	<b>46</b>	19	75	6	<b>46</b>
Capacity utilization	6	77	17	<b>47</b>	12	76	12	<b>50</b>
<b>Prices</b>								
Final product prices	10	90	0	<b>53</b>	18	76	6	<b>53</b>
Intermediate product prices	11	88	1	<b>48</b>	15	85	0	<b>46</b>
Wage level	2	98	0	<b>50</b>	6	88	6	<b>50</b>
<b>Primary inputs</b>								
Investment	0	100	0	<b>50</b>	6	88	6	<b>50</b>
Employment	2	98	0	<b>50</b>	6	88	6	<b>50</b>

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

2 Equal to the simple average of the variables' indexes. The index's method of calculation is provided in the appendix.