



# Business Barometer

Issue 56 2020



## Performance & Expectations of the Egyptian Business Sector

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# **Business Barometer**

## **Issue No. 56 – 2020**

**The Impact of COVID-19  
on the Business Community**



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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 analyze 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 BB comes at an exceptional time in which the world is waging a fierce battle to confront the Corona virus (COVID-19). This issue aims to explore the impact of the Corona virus on the business community, especially in light of the measures taken by the Government to deal with the crisis and to contain the decline in economic activity. This prompted ECES to include a question about the opinion of the business community regarding these measures and their expectations of new measures to reduce the decline in economic activity over the coming period. Another question was added regarding the constraints and challenges faced during the crisis period.

This edition of BB provides an assessment of the performance of a sample of firms and results of their operations in the first quarter of FY2020/2021 (July-September 2020) compared to the fourth quarter of FY2019/2020 (April-June 2020). It also summarizes their expectations for overall economic performance as well as own activities for the second quarter of FY2020/2021 (October-December 2020).

## 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.

## Macro Overview

This section provides an overview of the main developments in the global and local economies as well as performance of the key macroeconomic indicators in Egypt (according to the latest available data).

The world is still facing the Covid-19 pandemic, which has claimed more than a million lives since the beginning of the year, as everyone is racing to discover treatments or vaccines to confront it. During the second quarter of the year, the global economy began to gradually recover following the great general lockdown period. The International Monetary Fund projected a somewhat less severe recession, although remaining deep in 2020, with global growth estimated at -4.4 percent in 2020, compared to expectations of -4.9 percent in June 2020. This improvement reflects the “better-than-expected” recovery of GDP, especially for developed economies and China. This was linked to the easing of the general lockdown in May and June and the start of a gradual recovery of economic activities. There is no doubt that the economic policies and measures adopted by organizations and countries in facing up to the various repercussions of the pandemic have contributed to mitigating its disastrous repercussions, both socially and economically, at the global level.

With respect to the Egyptian economy, the Corona pandemic reduced the rate of output growth for FY2019/2020, according to the Ministry of Planning and Economic Development, from a targeted 5.8 percent to 4.2 percent, then to 3.6 percent for FY 2019/2020. This indicates a decline

in GDP by 2 percent during the fourth quarter of the fiscal year (Figure 1.1).

It is noteworthy that repercussions of the crisis on the Egyptian economy started from the third quarter of FY 2019/2020 and then worsened during the fourth quarter with the intensification of the crisis and tightening of precautionary measures and closure. Consequently, available detailed official data on GDP on the demand and supply sides did not go beyond the third quarter, and thus do not accurately reflect the real consequences of the crisis.

Regarding the sources of growth, the crisis at its beginning led to a significant decline in the contribution of investment to output by about 2.3 percent, while the contribution of final consumption and net exports as sources of growth increased, according to the data of the third quarter of FY2019/2020 (Ministry of Planning and Economic Development, September 2020).

On the supply side, the telecommunications, construction and building sectors and the Suez Canal continued to achieve growth rates that exceeded the average rate of GDP growth during the first nine months of FY 2019/2020. The tourism, manufacturing and extraction sectors were directly affected by the spread of the virus in the world, even if the spread of the virus in Egypt had not yet worsened (Central Bank of Egypt, Monthly Statistical Bulletin, June 2020).

Repercussions of the crisis were reflected in the rise in unemployment to about 9.6 percent during the second quarter of 2020 (Figure 1.1). May 2020 witnessed the highest rate of unemployment over the period April-June 2020. Unemployment reached 9.9 percent, reflecting the impact of the



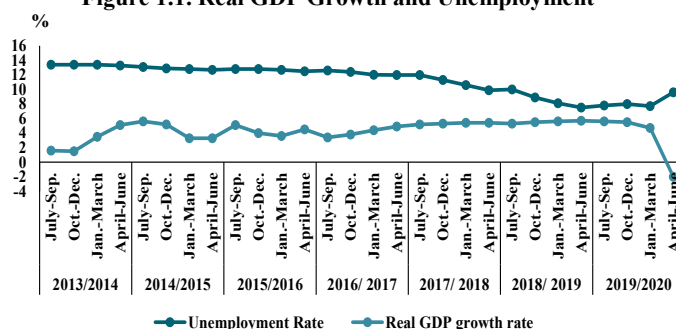
closure, the partial curfew and the multiple precautionary measures applied to contain the virus. The rate then improved slightly to reach 9, with the beginning of gradual re-opening of most activities and reduction of the severity of precautionary measures in June.

The unemployment rate varied in terms of gender, educational qualification, or region, which is reflected in the characteristics of the unemployed. The female unemployment rate (12.6 percent) still exceeds the male unemployment rate (8.5 percent), with a high rate of youth unemployment in the age group 15-29 years, which reached 17.3 percent. At the regional level, border governorates witnessed the highest unemployment rate, reaching 14.6 percent, indicating precursors of the impact of the crisis on economic activities, especially tourism. This is followed by urban governorates, with an unemployment rate of 13.9 percent which is 4.4 percent higher than the corresponding quarter. According to the educational status of the unemployed, the category of those with an intermediate qualification recorded the highest unemployment rate, which reached 21 percent during the second quarter of 2020 which is an increase of 7 percent over the previous quarter, which is logical due to the decrease in the rate of economic activity as a result of the crisis followed by those with a university and above university qualification, with an unemployment rate of 14 percent.

Finally, there has been no significant change in the nature of job opportunities generated in previous years, which witnessed a decline in the unemployment rate. This continued in the

distribution of workers during the quarter under study, with agriculture, wholesale and retail trade, construction and building being at the forefront of sectors absorbing labor, with more than half the number of employed. However, these sectors are attractive to low-skilled labor to a large extent, and avail unsustainable job opportunities (Central Agency for Public Mobilization and Statistics).

Figure 1.1. Real GDP Growth and Unemployment



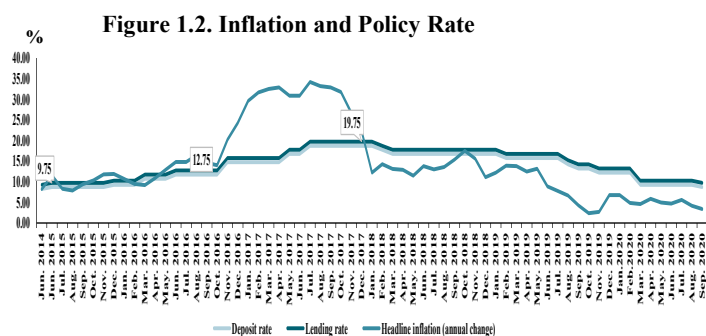
Sources: The Central Agency for Public Mobilization and Statistics, Quarterly Labor Force Survey, July 2020; Ministry of Planning and Economic Development, Economic and Social Performance Follow-up Reports, various issues.

On the monetary front, while confronting the Corona crisis and its negative economic repercussions on economic activity, all governments took the initiative to adopt expansionary monetary and fiscal policies. With the move of central banks around the world to reduce interest rates, the Central Bank of Egypt in March 2020 reduced interest rates by 300 basis points, then by another 50 points in September 2020, bringing the overnight deposit and lending rate and the credit and discount rates to 8.75 percent, 9.75 percent, and 9.25 percent, respectively (Figure 1.2) (Central Bank of Egypt, 2020).

In theory, under normal circumstances, a low interest rate is associated with stimulating the private sector's appetite for credit to finance expansionary operations. However, the

government's increased reliance on domestic credit to finance the budget deficit, especially in light of the crisis, left only 21 percent of total credit available to the private sector in June 2020, compared to 36 percent in June 2011, while the government accounted for about 67 percent of total domestic credit (Central Bank, Statistical Monthly Bulletin, various issues).

This was helped by a decline in annual inflation,<sup>1</sup> which reached 3.4 percent during the month of September 2020, the second lowest rate after the inflation rate registered in October 2019 (2.4 percent) in nearly fourteen years.



Sources: The Central Bank of Egypt, the monthly statistical bulletin, various issues; Central Agency for Public Mobilization and Statistics, Monthly Consumer Price bulletin, various issues.

Externally, the balance of payments achieved a total deficit of \$5.1 billion in the first nine months of FY2019/2020, representing 14.5 times the total deficit for the corresponding period (\$351 million). This deficit is mainly due to the decline in the capital and financial account surplus, while the current account balance continued to improve. The following is a brief explanation of the most important developments in the main items of the

balance of payments during the period under review:

1) *Current account:*

The current account deficit decreased by 25 percent to reach \$7.3 billion during the period July-March 2019/2020, compared to \$9.8 billion during the corresponding period. This decline is due to the improvement of the non-oil trade deficit and the increase in current transfers.

- a. The non-oil trade balance deficit decreased by 7 percent, to reach \$27.3 billion during July-March 2019/2020, compared to \$29.7 billion in the corresponding period. Non-oil exports increased by 10 percent to reach \$13.6 billion and achieved \$4.4 billion during the third quarter of January-March of FY2019/2020—an increase of 7 percent over the corresponding quarter. Payments for non-oil merchandise imports decreased by 2 percent, to \$40.9 billion.
- b. Current transfers rose by 18 percent to \$21.5 billion, mainly as a result of a continued rise in remittances from Egyptians abroad since the beginning of the exchange rate liberalization and even during the period January-March 2020 despite turmoil in the global

<sup>1</sup> It should be noted that there are many reasons for the decline in the rate of inflation since September 2019, including reasons related to the methodology, where the base year has changed and the relative weights have been updated in the income, expenditure and consumption

survey for 2017/2018, in addition to the continued decline in food commodity prices, especially with the availability of supply after the relative decline in exports, as a result of the crisis.

economy during this period as a result of the crisis.

- c. The service balance surplus declined by 13.8 percent to \$8.4 billion due to the decline in tourism revenues by 11 percent and transport revenues, excluding the Suez Canal, by 72 percent during the period January-March as a direct consequence of the crisis.

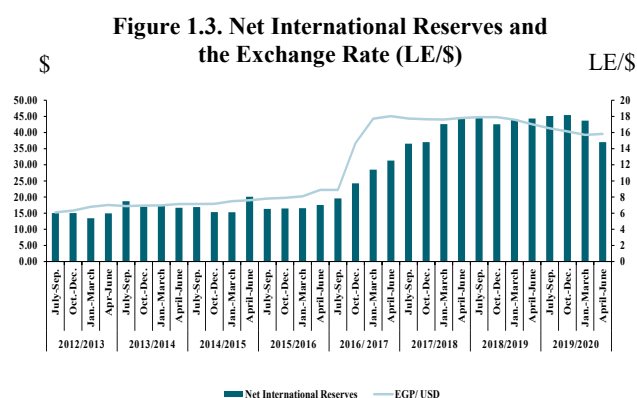
2) *Capital and Financial Account:*

The capital and financial account surplus decreased by 58 percent to reach \$4.1 billion during July-March 2019/2020 against \$9.6 billion during the corresponding period, and this decline was especially pronounced with the pandemic in the period January-March 2020, due to the following:

- a. The shift of portfolio investments in Egypt to record a net outflow of \$7.9 billion during July-March FY 2019/2020 against an inflow of \$1.1 billion during the corresponding period, due to the sharp capital outflows caused by the Corona crisis from emerging markets, including the Egyptian market.
- b. The high uncertainty associated with the crisis resulted in a decline in net foreign direct investment by 9 percent to reach \$5.9 billion during the period July-March 2019/2020 compared to \$6.5 billion in the corresponding period.

The Corona crisis led to a decline in some foreign exchange sources, specially tourism revenues and net foreign direct investment. In the meantime, the

central bank had to draw down on reserves to meet Egypt's international debt obligations and to ensure that the Egyptian market's needs from strategic imports were filled, as well as to bridge the decline in foreign portfolio investments in Egypt. This resulted in a decline in net international reserves of foreign exchange by 15 percent, to reach \$37 billion in the fourth quarter of FY2019/2020 compared to \$43.7 billion during the third quarter of the same year. The relative stability of Egypt's total sources of foreign exchange, especially the Suez Canal and remittances of workers abroad, helped the Egyptian pound maintain its performance against the US dollar. The crisis at its inception caused a slight decline exchange rate against the US dollar, reaching EGP 15.8 per dollar in Q4, FY2019/2020, which represents an increase of about 1 percent from its value in the previous quarter and an increase of about 7 percent from its value in the corresponding quarter. The exchange rate soon appreciated to 15.7 in September 2020, which indicates stability in the value of the pound (Figure 1.3).



Source: Central Bank of Egypt (CBE).

## Business Barometer Index (BBI)

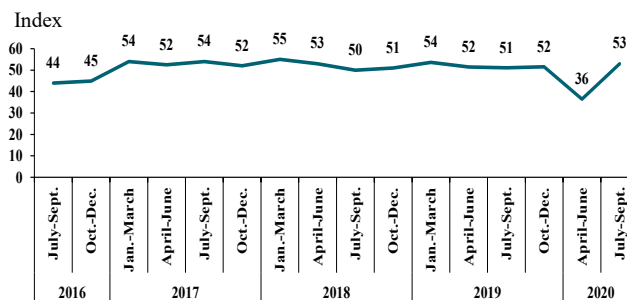
### Improved business barometer index, optimistic outlook for the next quarter

The Business Barometer Index improved during the quarter under review July-September 2020 to score 53 points. This is due to the private sector's efforts to maintain its presence in the market after losses incurred during the previous quarter (April-June), which witnessed the peak of Covid-19, and the application of many precautionary measures (Figure 2.1). The results of the survey also showed the continuation of positive expectations for companies during the next quarter (October - December 2020), as the index posted 53 points same as the previous quarter (Figure 2.2).

With respect to company sizes, the results of the survey during the quarter under study (July - September 2020) showed an improvement in company performance compared to the previous quarter (April - June 2020). The performance index of large companies scored 55 points compared to 38 points in the previous quarter, while small and medium enterprises witnessed an improvement to 52 points against 35 in the previous quarter (Figures 2.3, 2.4).

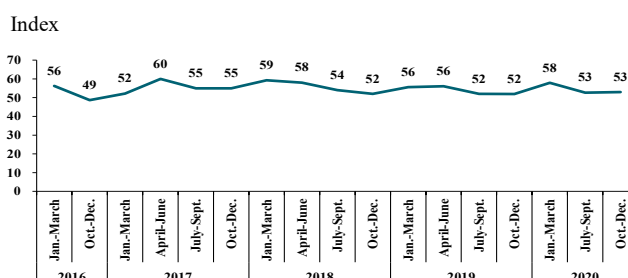
Despite the continued uncertainty associated with the virus, the private sector companies were optimistic in their expectations for the next quarter (October - December 2020), albeit slightly less so among small enterprises compared to large ones. The results showed a slight increase in the expectations index of small and medium-sized enterprises during the next quarter (October - December 2020), to score 51 points compared to 55 points among large companies (Figures 2.3, 2.4).

Figure 2.1: Business Barometer Index - Evaluation



Source: Survey results.  
 \* Data for the two quarters of January-March and April-June 2016, and the January-March 2020 quarter are unavailable.

Figure 2.2. Business Barometer Index - Outlook



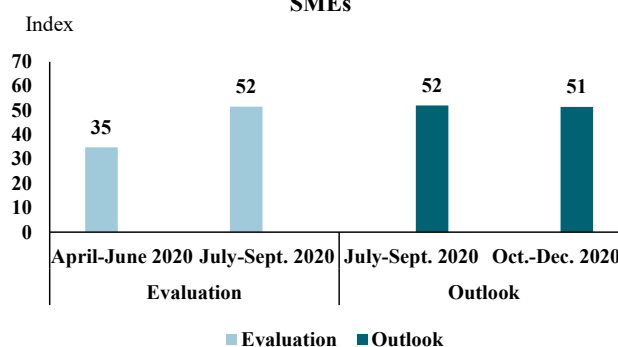
Source: Survey results.  
 \* Data for the two quarters of January-March and April-June 2016, and the April-June 2020 quarter are unavailable.

Figure 2.3. Business Barometer Index Large Firms



Source: Survey results.

Figure 2.4. Business Barometer Index SMEs



Source: Survey results.



## Past Performance of Businesses

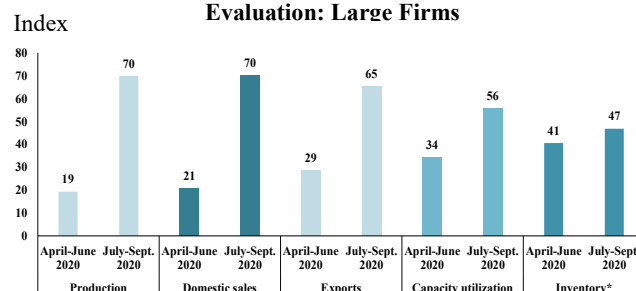
### Economic performance indicators of large, small and medium enterprises mostly witnessed unprecedented improvement

Companies of all sizes reported significant improvement in performance during the quarter under review (July - September 2020) in both domestic sales and exports compared to April - June 2019/2020. This was reflected in an improvement in production and capacity utilization indicators. Production indicators posted remarkable improvement in performance for all company sizes. This was reflected in the capacity utilization indicator for large companies compared to the previous quarter and stable performance for small enterprises due to new measures easing the restrictions imposed to face up to Covid-19 during the quarter under review (Figures 3.1 and 3.2).

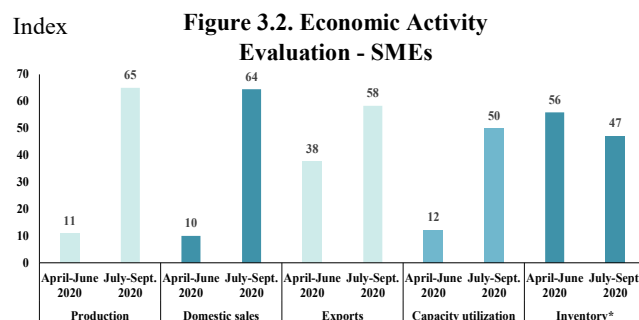
Sectorally, as shown in Table 1 in the Appendix, the results of the survey indicated the start of a recovery in many activities with the end of closure measures, particularly manufacturing industries, and the financial services and telecommunications sectors. The manufacturing sector posted the best performance during the quarter under study, due to several reasons, including the package of financial and monetary measures taken by the government to confront the crisis and the start of disbursing dues of exporters by the Ministry of Finance. This is followed by the financial services sector, which began to witness optimism as a result of return of capital inflows from Arab and foreign investors to invest in the stock market, as well as the government's pumping of EGP 20 billion to invest in the Egyptian stock market. Then came the telecommunications

sector, which has witnessed a boom in demand for Internet services since the start of the crisis. The communications and information technology sector benefited greatly from the curfew measures caused by the pandemic. This resulted in an increase in the use of electronic means, contributing to an increase in demand for communications and information technology services. The transport sector witnessed a decline in performance during the quarter under study due to the non-return of global supply chains and trade movement, and the high government fees on the sector. The construction sector followed as a result of sluggish demand for real estate during the crisis period, as well as the decision to stop building licenses. The tourism sector recorded the largest decline due to the suspension of tourism, including domestic tourism, although Egypt has begun as of July 2020 to reopen its airspace to tourists, while ensuring the implementation of precautionary measures.

**Figure 3.1. Economic Activity Evaluation: Large Firms**



**Figure 3.2. Economic Activity Evaluation - SMEs**

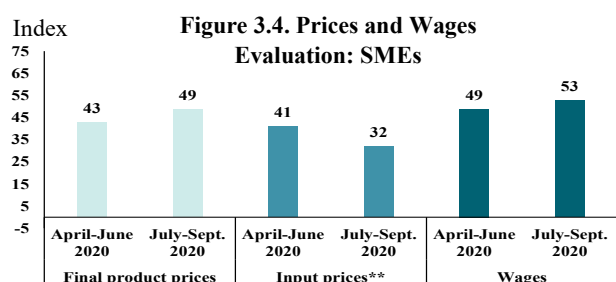
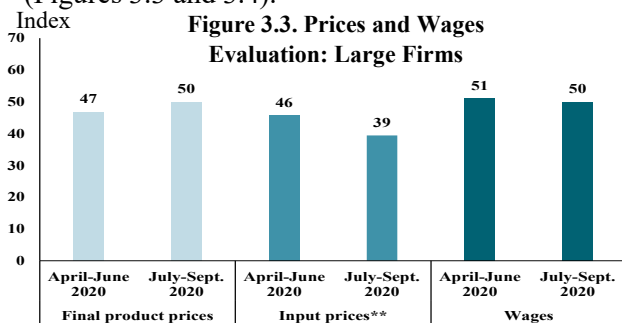


Source: Survey results.

\* 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.

### Increase in input prices and decline in the final product price index for small enterprises and its stability for large enterprises

The results of performance evaluation showed an increase in input prices for large, small and medium enterprises alike due to the disruption the crisis caused in global supply chains, as well as the irregularity in the import of production supplies and raw materials and slow customs clearance procedures. This drove suppliers to raise the prices of raw materials during the quarter under study, while most small and medium-sized enterprises resorted to a slight reduction in the prices of final products to overcome the recession and face the noticeable decline in activity, which was evident in the quarter under study and the previous quarter. The results showed stable prices for large enterprises, but a slight increase in the wage index for small and medium enterprises, which is due to the fact that the majority of small and medium enterprises availed incentives to encourage workers to continue performing their work, with the index scoring 53 points during the quarter under study (July - September 2020) compared to April - June 2020. Large companies resorted to fixing wages during the same period (Figures 3.3 and 3.4).

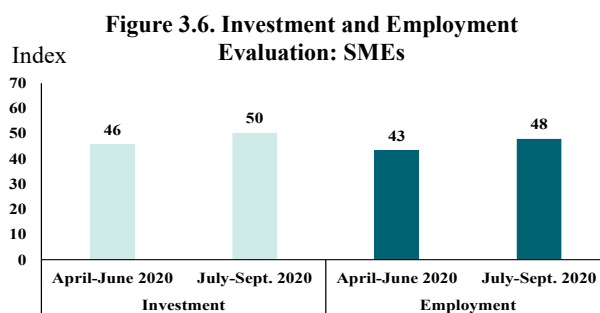
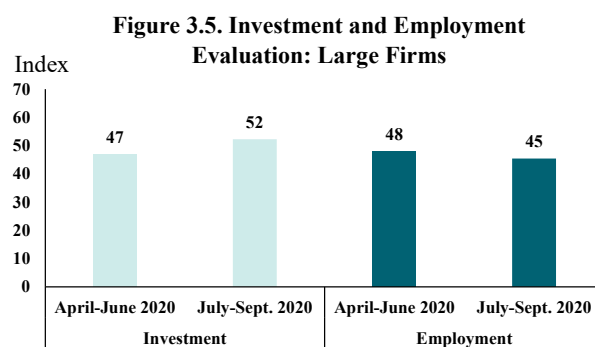


Source: Survey results.

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

### Improved investment index for large companies and its stability for small enterprises; and a lower employment index for large, small and medium enterprises

The results showed a slight improvement in the investment index for large companies after witnessing a decline in the previous quarter, but remained stable for small and medium enterprises. This is due to the measures taken by the government to stimulate investment, including reducing the interest rate and postponing all clients' credit payments, as well as introducing a new package of facilities in support of production and service, including putting off paying taxes and social insurance dues. This was not reflected in the employment index. The lack of a full recovery for companies resulted in a decline in the employment index, although the decline was more severe among large and small businesses, with the index scoring 45 points for large enterprises and 48 points for small and medium companies in the quarter under study (Figures 3.5 and 3.6).



Source: Survey results.

## Business Strategy Going Forward

### Expectations of an improvement in economic activity for large, small and medium enterprises

Despite continued uncertainty about the Corona pandemic, the business community was optimistic for the next quarter (October - December 2020) due to their expectation of an improvement in economic conditions. Expectations of large, small and medium companies were optimistic about all economic variables, including production, sales, exports and capacity utilization. This reflects expectations of a recovery in domestic and external demand (Fig. 4.1, 4.2).

Sectorally, as shown in Table 2 in the Appendix, expectations for the next quarter were generally positive for all sectors. This can be traced to the beginning of the recovery of economic activity both globally and locally. The results also showed that the tourism sector is the most optimistic sector about the coming quarter, followed by the manufacturing sector, reflecting the impact of policies announced by the government in support of this sector. This is followed by the financial services sector due to expectations of Arab and foreign capital flows returning to invest in the stock market, followed by the telecommunications sector as a result of the trend of digital transformation of services, followed by the construction and transportation sectors.

Figure 4.1. Economic Activity Outlook: Large Firms

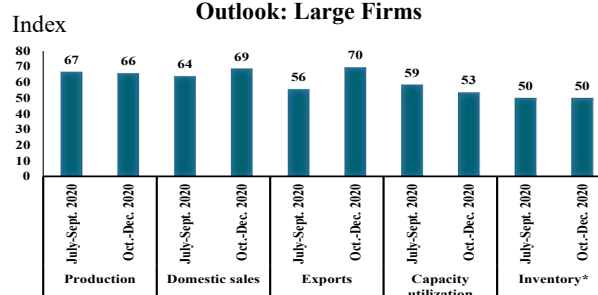
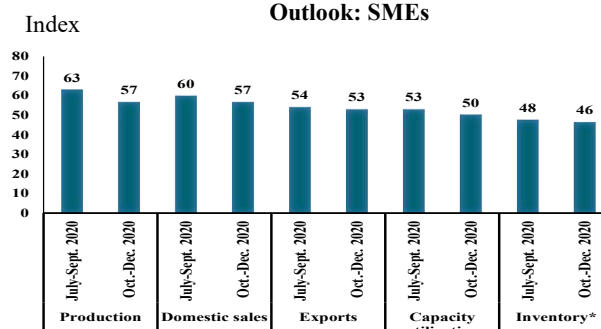


Figure 4.2. Economic Activity Outlook: SMEs



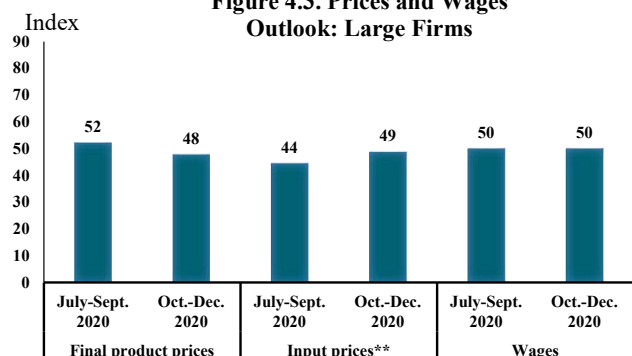
Source: Survey results.

\* 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.

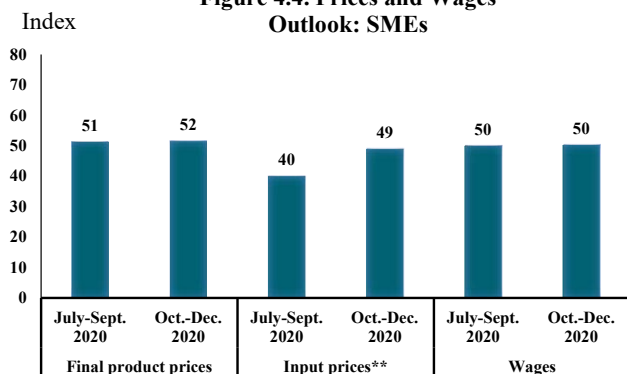
## Expectations of higher input prices and lower product prices for large companies and higher product prices for small firms

Large companies, and small and medium-sized enterprises expect a continued rise in input prices, albeit lesser in the case of large firms, which would enable them to decrease final product prices. The results also showed that small and medium-sized enterprises expected a slight increase in final product prices, as the index exceeded 50 points. The results also showed a slight decrease in the same index in the case of large companies. Large, small and medium-sized enterprises also expect the wage index to remain stable over the next quarter (Figures 4.3, 4.4).

**Figure 4.3. Prices and Wages Outlook: Large Firms**



**Figure 4.4. Prices and Wages Outlook: SMEs**



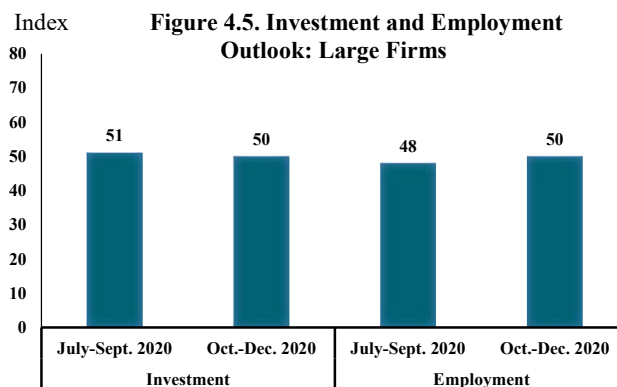
Source: Survey results.

\*\* 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.

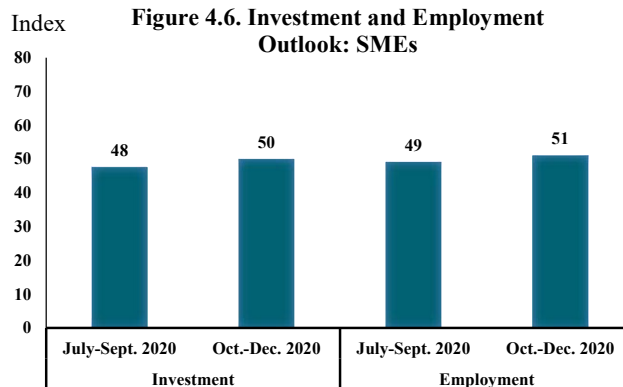
## Expectations of a stable investment index for all sizes of companies, a slight increase in the employment index for small and medium-sized companies and its stability for large companies

All companies expect a stable investment index for the next quarter (October-December 2020), as a result of the private sector's fear of pumping new investments in light of the second wave of the virus. The results also showed slight improvement in employment in small and medium-sized businesses and its stability for large companies, which requires directing policies to urge companies to retain employment and offer more incentives to motivate them to expand and invest in job-generating activities (Figures 4.5, 4.6).

**Figure 4.5. Investment and Employment Outlook: Large Firms**



**Figure 4.6. Investment and Employment Outlook: SMEs**



Source: Survey results.

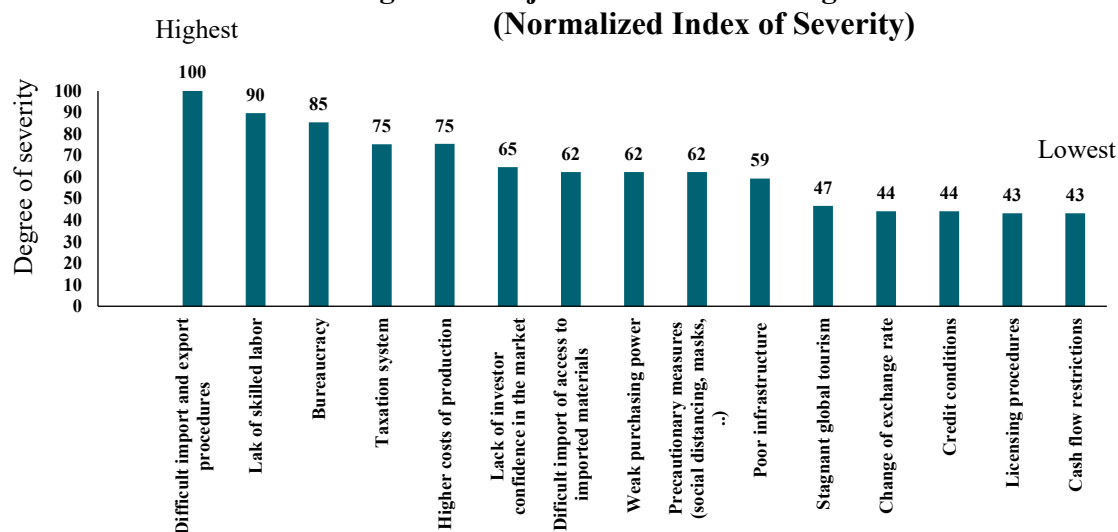


## Major constraints facing the business sector during the crisis

### The most severe obstacles: Difficult import and export procedures, lack of skilled labor, government bureaucracy, and the tax system

Figure 5 below shows the main obstacles that faced the business community during the quarter under review, arranged in descending order of severity from the viewpoint of the sample: Difficulty of export procedures, as the biggest obstacle that the sample witnessed during the quarter under study, followed by lack of skilled workers, government bureaucracy and the tax system, in that order. This necessitates developing strategic solutions to simplify many government procedures under these critical circumstances.

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

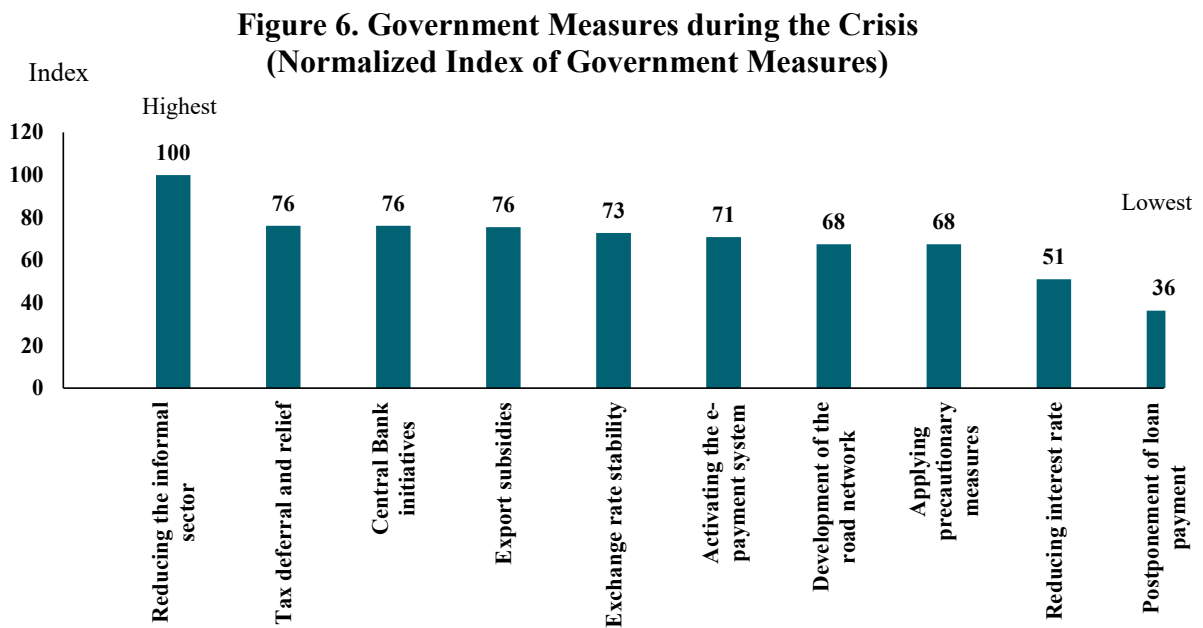


Source: Survey results.

## Key Measures Taken by the Government during the Crisis

### Reducing the informal sector, postponing and reducing taxes, central bank initiatives, export subsidies

As can be seen from Figure 6, the business community commended government measures to reduce the informal sector through several methods, the most important of which is reducing cash-based financial transactions by expanding the system of electronic and banking payments instead of cash payments. The business community also commended the decision to postpone and reduce taxes to support the private sector in facing the negative effects of the Corona pandemic. The companies also praised the Central Bank's initiatives to support the various sectors, which contributed to alleviating the negative impact of the pandemic on companies. The companies also commended the government's decisions in support of the business sector, including the disbursement of export subsidies, as well as the measures taken to support affected sectors through credit facilities.



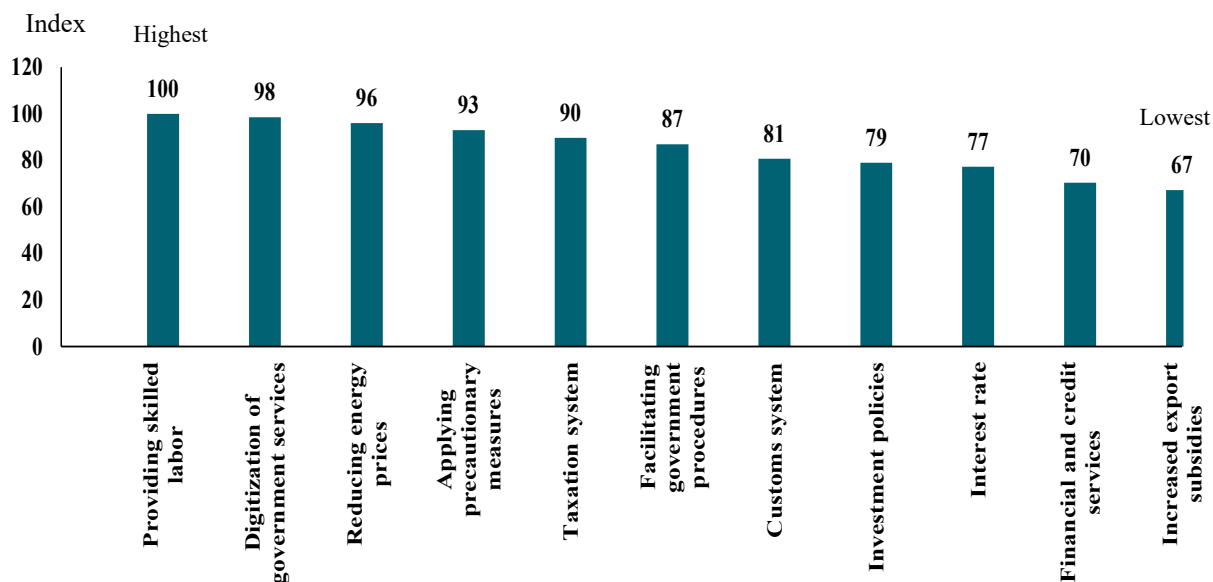
Source: Survey results.

## Expected government measures to check the decline in economic activity (based on Respondents' Views)

**Priority: Availing qualified workers, digital transformation of government services, reducing energy prices, and applying precautionary measures.**

As can be seen in Figure 7, the companies proposed a set of actions to be taken during the recovery period, including availing qualified labor and the digital transformation of government services. Reducing energy prices is also among the measures suggested by the business community during the recovery period, followed by the application of health policies and precautionary measures to keep the expected number of infections low during the coming period.

**Figure 7. Proposed Measures**  
 (Normalized Index of the Importance of Priorities)



Source: Survey results.

**Table A1: Survey Results: Summary of all firms evaluation at the sectoral level (July-August-September)<sup>1</sup>**

Indicator	Manufacturing				Construction				Tourism				Transportation				Communications				Financial Services			
	Percentage			Index 2	Percentage			Index 2	Percentage			Index 2	Percentage			Index 2	Percentage			Index 2				
	Higher	Same	Lower	56	Higher	Same	Lower	44	Higher	Same	Lower	41	Higher	Same	Lower	45	Higher	Same	Lower	53	Higher	Same	Lower	56
<b>Economic activity</b>																								
Production	64	28	8	72	7	21	71	24	64	0	36	64	54	23	23	63	75	0	25	75	78	17	6	81
Domestic sales	62	28	10	70	7	21	71	24	70	0	30	70	54	23	23	63	75	0	25	75	78	17	6	81
Exports	61	26	13	69	.	.	.	.	0	0	100	0	.	.	.	.	33	33	33	50	.	.	.	.
Inventory	32	38	30	49	0	29	71	78	64	0	36	36	42	50	8	39	25	63	13	46	61	33	6	29
Capacity utilization	33	51	16	55	7	71	21	46	0	55	45	35	8	83	8	50	25	63	13	54	6	89	6	50
<b>Prices</b>																								
Final product prices	11	74	15	49	7	93	0	52	9	64	27	44	0	77	23	43	13	88	0	53	0	100	0	50
Intermediate product prices	40	58	2	38	64	36	0	26	43	57	0	36	100	0	0	0	80	20	0	17	-	-	-	-
Wage level	18	80	2	55	0	93	7	48	0	82	18	45	0	100	0	50	0	100	0	50	17	83	0	55
<b>Primary inputs</b>																								
Investment	5	93	2	51	0	100	0	50	0	82	18	45	0	100	0	50	38	63	0	62	0	100	0	50
Employment	0	92	8	48	7	86	7	50	0	45	55	31	0	92	8	48	13	63	25	46	0	100	0	50

**Table A2: Survey Results: Summary of all firms expectations at the sectoral level (October-November-December)<sup>1</sup>**

Indicator	Manufacturing				Construction				Tourism				Transportation				Communications				Financial Services			
	Percentage			Index 2	Percentage			Index 2	Percentage			Index 2	Percentage			Index 2	Percentage			Index 2				
	Higher	Same	Lower	53	Higher	Same	Lower	51	Higher	Same	Lower	57	Higher	Same	Lower	51	Higher	Same	Lower	55	Higher	Same	Lower	56
<b>Economic activity</b>																								
Production	34	59	7	59	7	79	14	48	18	55	27	53	31	46	23	53	50	50	0	67	67	28	6	74
Domestic sales	35	58	7	59	7	79	14	48	20	60	20	50	33	50	17	56	50	50	0	67	67	28	6	74
Exports	48	48	4	65	.	.	.	.	0	0	100	100	.	.	.	.	67	33	0	75	.	.	.	.
Inventory	20	71	10	47	7	79	14	52	18	55	27	53	17	67	17	50	50	50	0	33	28	67	6	43
Capacity utilization	8	89	3	51	7	93	0	52	0	82	18	55	0	92	8	48	25	75	0	57	6	94	0	51
<b>Prices</b>																								
Final product prices	8	89	3	51	7	93	0	52	0	91	9	52	0	100	0	50	13	88	0	53	0	100	0	50
Intermediate product prices	5	95	0	49	0	100	0	50	0	100	0	50	0	100	0	50	20	80	0	44	-	-	-	-
Wage level	2	97	2	50	8	92	0	52	0	91	9	52	0	100	0	50	0	100	0	50	0	100	0	50
<b>Primary inputs</b>																								
Investment	2	98	0	50	0	100	0	50	0	82	18	55	0	100	0	50	13	88	0	53	0	100	0	50
Employment	3	97	0	51	7	93	0	52	0	91	9	52	0	100	0	50	13	88	0	53	6	94	0	51

<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 all firms past performance (by size) (July, August, September)<sup>1</sup>**

Variable	SMEs				Large Firms			
	Percentage			Index 2	Percentage			Index 2
	Higher	Same	Lower	52	Higher	Same	Lower	55
<b>Economic activity</b>								
Production	58	20	22	65	63	25	13	70
Domestic sales	57	21	22	64	64	23	14	70
Exports	55	9	36	58	53	35	12	65
Inventory	36	36	28	47	38	33	29	47
Capacity utilization	16	68	16	50	38	42	21	56
<b>Prices</b>								
Final product prices	7	81	12	49	13	75	13	50
Intermediate product prices	54	45	1	32	35	65	0	39
Wage level	12	86	2	53	8	83	8	50
<b>Primary inputs</b>								
Investment	3	95	2	50	13	83	4	52
Employment	2	88	10	48	0	83	17	45

**Table A4: Survey Results: Summary of all firms expectations (by size) (October, November, December)<sup>1</sup>**

Variable	SMEs				Large Firms			
	Percentage			Index 2	Percentage			Index 2
	Higher	Same	Lower	51	Higher	Same	Lower	55
<b>Economic activity</b>								
Production	32	57	11	57	50	46	4	66
Domestic sales	32	57	11	57	55	45	0	69
Exports	27	55	18	53	59	35	6	70
Inventory	21	70	9	46	21	58	21	50
Capacity utilization	5	91	4	50	17	79	4	53
<b>Prices</b>								
Final product prices	6	94	0	52	4	83	13	48
Intermediate product prices	4	96	0	49	5	95	0	49
Wage level	1	99	0	50	4	88	8	49
<b>Primary inputs</b>								
Investment	1	98	1	50	4	91	4	50
Employment	4	96	0	51	4	92	4	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 Methodology.