
REPORT OF THE BUSINESS OUTLOOK SURVEY

JANUARY TO JUNE 2017



**EASTERN CARIBBEAN CENTRAL BANK
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REPORT OF THE BUSINESS OUTLOOK SURVEY

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1.0 EXECUTIVE SUMMARY

The results of the Business Outlook Survey (BOS), conducted by the Eastern Caribbean Central Bank (ECCB) in each of its member countries during the revised period 18 January to 17 February 2017, indicate that, businesses in the Eastern Caribbean Currency Union (ECCU) expect an improvement in economic conditions for the first half of 2017, compared with the corresponding period in 2016. The respondents' opinion also suggests that economic conditions for businesses during the period July to December 2016 did not change relative to the corresponding period of 2015.

The businesses surveyed indicated that the terms and conditions for lending set by the banks tightened during the second half of 2016. Of the businesses surveyed, 20.0 per cent indicated that terms and conditions for credit has tightened somewhat, and 28.0 per cent of business indicated that conditions have tightened significantly during July to December 2016 compared with the comparative period of 2015. Credit conditions for the first half of 2017 are expected to tighten further.

Respondents of the survey were asked to identify and rank those constraints in the business environment that negatively impact the operations of their businesses. Of the major problem/challenges facing businesses, the top six (6) cited were, low sales turnover, competition from local firms, cash flow/receivables issues, high utility rates/ fuel prices, lack of skilled employees and the total tax burden.¹

2.0 OBJECTIVE AND METHODOLOGY

The BOS is designed to capture, on a semi-annual basis, the opinions of businesses in the ECCU member countries in respect of the current and expected state of their business operations, as well as the economies in which they operate. The surveyed businesses indicate the direction of change

¹ Table 21- Appendix I

in two main areas: *individual business performance* and the general economic conditions. They were also asked to comment on changes in key areas of business activity such as employment, sales, and prices of goods and services.

The BOS augments other economic reports, such as the Quarterly and Annual Economic and Financial Review as well as the Commercial Banks' Senior Loan Officers Opinion Survey on Credit Market Conditions in the ECCU, by providing important qualitative information on overall economic and business conditions in the ECCU. The main advantage of the BOS vis-à-vis the other reports is that it directly supplies information about the expectations of the business community. It can also be used as a tool for forecasting economic conditions in the short term and for ascertaining the major constraints affecting business operations.

This survey captures the views of businesses and their expectations for January to June 2017. In addition, it also gathers ex-post information on the business environment for the July to December 2016 period.

The survey was conducted by consultants and statisticians in the ECCU. A minimum of twenty-five (25) companies in each of the member countries was selected to participate. This was based on the composition of each of the member countries' gross domestic product (GDP) and sought to ensure that the survey captured a representative cross-section of opinions in each country.

Table 1 shows that a total of 196 completed questionnaires out of 200 were received, representing a response rate of 98.0 per cent; an increase of 2.0 percentage points over the last BOS conducted. The response rate for the July to December 2016 survey was 96.0 per cent. A full sample was not received from Saint Lucia for this round of the survey.

Table 1: Sample Size: Number of Respondents by Country of Origin

Table 1. Number of Respondents by Country				
Country	Target No.	No. Responded	Response Rate	Country Response to Total ECCU Response
Anguilla	25	25	100.0%	12.8%
Antigua and Barbuda	25	25	100.0%	12.8%
Dominica	25	25	100.0%	12.8%
Grenada	25	25	100.0%	12.8%
Montserrat	25	25	100.0%	12.8%
St Kitts and Nevis	25	25	100.0%	12.8%
Saint Lucia	25	21	84.0%	10.7%
St Vincent and the Grenadines	25	25	100.0%	12.8%
Total	200	196	98.0%	100.0%

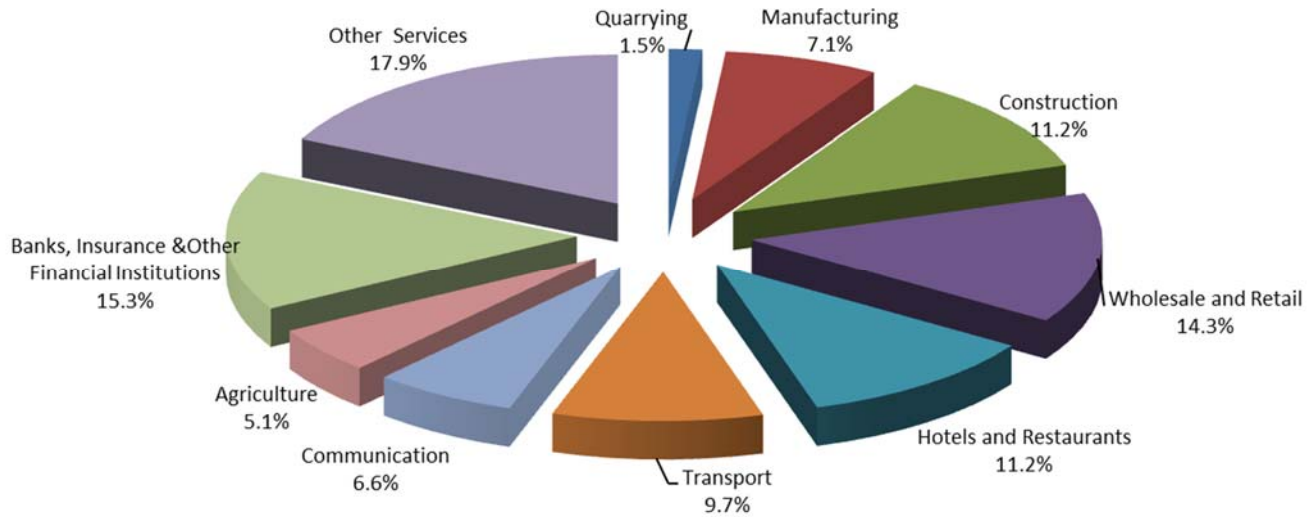
The main statistic used in this analysis is the *net percentage indicator (NPI)*. It is calculated as the difference between those responses marked “improved/increased” and “deteriorated/decreased.” Essentially the *NPI* is a change-value measure that is a good predictor of current and future business conditions. For example, if out of 100 businesses surveyed 60 per cent indicated that they expect conditions to improve, while 30 per cent indicated deterioration and 10 per cent expect conditions to remain the same, the *NPI* would be calculated as 60 minus 30, thus producing a score of positive 30. *A positive indicator reflects improvement in economic conditions over time while a negative one signals deterioration.*

3.0 BUSINESS OPINION AT THE ECCU LEVEL

3.1 Economic Activity Profile

The companies that responded to the survey were distributed across various industries that make up the economic pillars of the ECCU member countries. Graph 1 illustrates the major industries and their contribution to the total responses.

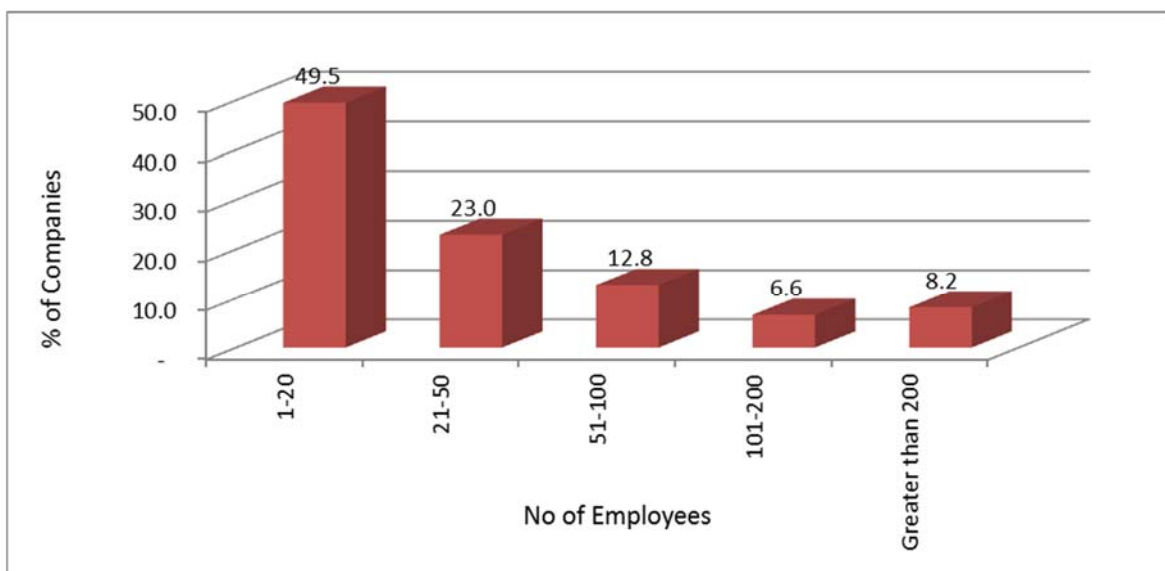
Graph 1: Responses by Economic Activity



3.1.1 Business Size

Most of the businesses surveyed are considered small enterprises since the data revealed that approximately 49.5 per cent of the businesses surveyed employed between 1 and 20 persons. (See graph 2 below). However, 16 companies (8.2 per cent) revealed that upwards of 200 persons are employed².

Graph 2: Size of Businesses Surveyed in the ECCU



² See Appendix I, Table 11

3.2 Actual Economic Conditions (July to December 2016)

Respondents were neutral about the economic performance for July to December 2016, as the survey revealed, an NPI (0.0). This suggests that, respondents believed that actual *general economic conditions* in the ECCU had remained the same during the second half of 2016 compared to the corresponding period in 2015. Although economic conditions were perceived to have been the same at the ECCU level, the results for the member countries were mixed. (See table 2)

**Table 2: General Economic Conditions in the ECCU:
(Actual) July to December 2016 compared with (Expected) July to December 2016**

	Expected Conditions July to December 2016	Actual Conditions July to December 2016
Country	Outlook NPI	Actual NPI
Anguilla	-26.09	-48.00
Antigua and Barbuda	28.00	8.00
Dominica	40.00	12.00
Grenada	28.00	72.00
Montserrat	-16.67	-48.00
St Kitts and Nevis	0.00	12.00
Saint Lucia	-66.67	-14.29
St. Vincent and the Grenadines	40.00	4.00
ECCU	16.67	0.00

Table 2 highlights the disparity between the expected and actual NPIs for the ECCU member countries for the period July to December 2016. The results from the July to December 2016 outlook survey conducted in July 2016 showed that businesses were optimistic about general economic conditions for the second half of 2016 relative to the period July to December 2015, recording an NPI of 16.67. However, the results from the January to June 2017 outlook survey now indicate that the outcome for general economic conditions for businesses remained unchanged for the period July to December 2016, evidenced by the NPI of (0.00). During the July to December 2016 outlook survey, four (4) member countries, Antigua and Barbuda, Dominica,

Grenada and St Vincent and the Grenadines expected conditions to improve during July to December 2016 when compared to the corresponding period in 2015. However, of this group, only Grenada recorded an increase in sentiments (from 28.0 to 72.0) over the previous period. The other countries, while sentiments remained positive, the recorded NPI was lower. Businesses in St Kitts and Nevis (12.0) were more optimistic about actual conditions moving from (0.0), while Anguilla, Montserrat and Saint Lucia were pessimistic about the July to December 2016 period in both surveys.

At the industry level, sentiments were mostly pessimistic as indicated by a negative NPI of (-7.22). Negative NPIs were reported for manufacturing, communication, banks, insurance & other financial institutions, transport, agriculture, wholesale and retail trade and quarrying. Positive sentiments were reported for other services and construction. The hotels and restaurants industry remained neutral. (Table 3)

**Table 3: Actual Business Conditions in the ECCU by Industry
July to December 2016**

Industry	Actual NPI	No. Of Firms in Industry
Manufacturing	-21.43	14
Communication	-38.46	13
Banks , Insurance & Other Financial Institutions	-6.90	30
Transport	-10.53	19
Other Services	17.65	35
Hotels and Restaurants	0.00	22
Agriculture	-55.56	10
Wholesale and Retail	-6.90	28
Construction	4.76	22
Quarrying	-33.33	3
ECCU Sectors	-7.22	196

With respect to individual business performance, the surveyed businesses felt that their operating expenses³, the cost of doing business, the price of inputs, construction activity, numbers employed and sales (i.e. volume not \$ revenue) had increased during the period July to December 2016

³ For Operating Expenses, price of inputs or the cost of doing business, an increase is considered a negative sentiment and vice versa

compared with the corresponding period in 2015. However, it was felt that profits and exports had declined. Table 4 depicts the results of some key business indicators at the country level.

**Table 4: Actual Performance of Selected Business Variables by Country:
(NPI)
July to December 2016**

Indicator	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	Saint Lucia	St Vincent and the Grenadines	ECCU
Number employed	0.00	20.00	24.00	32.00	4.17	20.83	0.00	12.00	14.51
Sales (i.e. volume not \$revenue)	-58.33	24.00	12.00	52.00	-32.00	63.64	-14.29	20.83	8.42
Price of Inputs	42.11	54.17	33.33	16.00	25.00	30.43	33.33	73.91	38.55
Operating Expenses	30.43	72.00	40.00	52.00	44.00	4.17	57.14	72.00	46.63
Profit	-56.52	-9.09	-27.27	40.00	-32.00	54.17	-25.00	8.00	-4.84
Cost of Doing Business	39.13	64.00	36.00	20.00	56.00	4.17	28.57	70.83	40.10
Exports	-16.67	-20.00	-55.56	-40.00	-25.00	-33.33	-14.29	-100.00	-32.50
Construction activity	-62.50	30.00	12.50	70.00	-16.67	0.00	44.44	100.00	17.39

On balance, the following were observed:

- i. **Sales performance by volume** was viewed to have improved during the period July to December 2016 compared with the second half of 2015. The ECCU's NPI for this indicator was (8.42), driven by positive sentiments expressed in all countries except Anguilla, Montserrat and Saint Lucia.
- ii. Business sentiments indicate a decline in **Profits** in the ECCU during the period July to December 2016 as evidenced by an overall NPI of (-4.84). This result was driven by the negative sentiments expressed in all member countries except Grenada, St Kitts and Nevis and St Vincent and the Grenadines which showed positive sentiments. The performance of profits was not in line with the overall positive sentiments expressed for sales growth. Notwithstanding, profits in the ECCU would have been directly affected by the negative sentiments expressed for the cost of doing business, operating expenses, the price of inputs and the number employed (*which were all viewed to have increased during the review period, in general*).

- iii. **Exports** were viewed to have decreased over the period July to December 2016 relative to the corresponding period in 2015. The NPI at the ECCU level was recorded at (-32.50). This was driven by negative business sentiments expressed in all the ECCU Countries.

Notwithstanding,

- iv. The net balance of opinion for the **employment** indicator was (14.51) overall, indicating that businesses saw an increase in their employment numbers for the second half of 2016 compared with the corresponding period in 2015. Employment sentiments were positive in Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis and St Vincent and the Grenadines; but neutral in Anguilla and Saint Lucia.
- v. **Operating expenses**⁴ in the ECCU for the second half of 2016 were viewed to have increased, recording an NPI of 46.63. The sentiments regarding increased operating expenses were unanimous across the member countries.
- vi. **Construction activities** were viewed to have increased at the ECCU level as reflected in the NPI of 17.39. Positive NPIs were expressed in St Vincent and the Grenadines (100.00), Grenada (70.00), Saint Lucia (44.44), Antigua and Barbuda (30.00) and Dominica (12.50) while negative NPIs were reported for Anguilla (-62.50) and Montserrat (-16.67). Neutral sentiments were expressed in St Kitts and Nevis.

3.3 Credit Market Conditions and Investments

3.3.1 Credit Conditions and Investments – July to December 2016

Results of the BOS revealed that 80.9 per cent of businesses surveyed, did not apply to commercial banks and non-bank financial institutions for loans during the second half of 2016⁵. Of those businesses surveyed who did apply for credit, 80.8 per cent indicated that all their loans were approved while 15.4 per cent indicated that only some were approved⁶. Of those who did apply for credit facilities they did so mainly to meet inventory and working capital needs (54.1 per cent), to

⁴ For Operating Expenses, price of inputs or the cost of doing business, an increase is considered a negative sentiment and vice versa

⁵ Table 13: Appendix I

⁶ Table 14: Appendix I

finance the purchase of fixed assets (32.4 per cent)⁷, to finance debt restructuring (16.2 per cent) and for other reasons (13.5 per cent). Additionally, the survey revealed that of the businesses that applied for lines of credit, 70.3 per cent applied for loans, 35.1 per cent applied for overdraft facilities and 16.2 per cent applied for credit cards. (see table 22)⁸.

In respect of the terms and conditions for lending, the general sentiment expressed by businesses is one of overall tightening in the second half of 2016. Of the businesses surveyed, 28.0 per cent indicated that terms and conditions for credit has tightened significantly and 20.0 per cent of business indicated that conditions have tightened somewhat. This contributed to an overall NPI of (-28.00). See Table 5

Table 5: Changes in Terms and Conditions for Credit during the Period July to December 2016

	Number	Percent
Tightened significantly	7	28.00
Tightened somewhat	5	20.00
Remained the same	8	32.00
Eased significantly	4	16.00
Eased somewhat	1	4.00
Total	25	100.00
Net Percentage	-7	-28.00

3.3.2 Outlook for Credit Conditions and Investments – January to June 2017

Credit market conditions for the first half of 2017 is expected to tighten. This is evidenced by the NPI of (-39.78) during the outlook period. However, 39.2 per cent of the survey respondents expect that the terms and conditions for credit in the first half of 2017 will remain the same⁹.

⁷ Table 15: Appendix I

⁸ Please note that respondents may apply for more than one facility at a time.

⁹ Table 18: Appendix I

4.0 FORECAST FOR JANUARY TO JUNE 2017

The January to June 2017 survey revealed that there are expectations for an improvement in economic conditions compared with the corresponding period in 2016. (See table 6) This is consistent with previous surveys where businesses are usually optimistic about the outlook period.

Table 6: Expectations for General Economic Conditions over the Period January to June 2017 compared with January to June 2016

	Number	Percent
Improve	90	47.12
Remain the same	64	33.51
Deteriorate	37	19.37
Total	191	100.00
Net Percentage Indicator	53.00	27.75

At the ECCU level, 47.1 per cent of the businesses surveyed anticipate that business conditions will improve in the first half of 2017, while 33.5 per cent expect that conditions would remain the same. Of the total, 19.4 per cent expect conditions to deteriorate. This resulted in an overall NPI of 27.75 for the ECCU. Optimism was also expressed when respondents were asked about the economic climate within their respective sectors¹⁰.

Table 7: Expectations for General Economic Conditions by Country: January to June 2017 Relative to January to June 2016

Country	Expected NPI
Anguilla	(22.73)
Antigua and Barbuda	32.00
Dominica	30.43
Grenada	76.00
Montserrat	(20.00)
St Kitts and Nevis	44.00
Saint Lucia	0.0
St Vincent and the Grenadines	52.00
ECCU	27.75

¹⁰ Table 19: Appendix I

As shown in Table 7, survey respondents in five (5) of the ECCU member countries are optimistic about their prospects for the first half of 2017, with positive NPIs being recorded. In Anguilla and Montserrat respondents are pessimistic about their prospects for the next six (6) months; while in Saint Lucia, respondents expect economic conditions to remain the same. Table 8 lists some of the key reasons outlined for the outlook for business conditions across the ECCU member countries.

Table 8: Factors Driving Business Sentiment for January to June 2017

	Comments from Individual Businesses
Optimistic	<ul style="list-style-type: none"> • Expanding sales to other islands • Second half of 2017 expected to be better than first half. We have commenced exporting aggregates to Guyana • Sector improvements forecast based on response from advertising • The world economy is improving, therefore we should benefit • We are hoping business would improve with the opening of the Int'l airport • With the operation of the Argyle Int'l Airport and Glossy Bay Mariner and the Black Sand Project, we are expecting an increase in business
Pessimistic	<ul style="list-style-type: none"> • General economic conditions look worst based on the number of layoffs. Store prices have increased • Outlook judged based on the low number of upcoming capital investment projects to drive the economy • Salaries will not be increased and there would not be any new jobs • Sector stagnation due to little or no change in government directed activity Operating expenses will change with a slight increase in compliance costs There is no improvement that we can see for the future. We have to squeeze to pay our staff

Disclaimer: Comments in the table do not reflect the views of all the businesses surveyed nor do they reflect the views of the ECCB

As has been observed in previous surveys, businesses are optimistic regarding their performance in the upcoming six (6) months. During the January to June 2017 period, most businesses expect their sales performance and profits to improve relative to the first half of 2016. Respondents throughout the ECCU indicate that they expect the cost of doing business and operating expenses to continue on an upward trajectory, which can dampen some of the expected gains (profits). With respect to overall exports, all member countries with the exception of Montserrat and St Vincent and the Grenadines (*which expect conditions to deteriorate*) and Anguilla and Antigua and Barbuda (*which expect conditions to remain the same*), are optimistic about their exporting prospects. With respect to construction activity, businesses in most the ECCU member countries are optimistic about the outlook period. Sentiments, with regards to employment, were unanimous among the

member countries for an increase in employment, consistent with the expectation for an improvement in economic conditions.

**Table 9: Expected Performance (NPI) in Selected Business Variables by Country:
January to June 2017 Compared with January to June 2016**

Indicator	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	Saint Lucia	St Vincent and the Grenadines	ECCU
Number employed	20.00	32.00	33.33	24.00	4.17	20.00	9.52	20.00	20.62
Sales (i.e. volume not \$revenue)	-21.74	32.00	62.50	76.00	0.00	50.00	9.52	66.67	35.08
Price of Inputs	16.67	24.00	13.04	24.00	38.10	16.67	23.81	78.26	29.44
Operating Expenses	47.83	52.00	33.33	64.00	40.00	4.00	23.81	68.00	41.97
Profit	-42.86	16.00	47.83	48.00	-36.00	64.00	-4.76	60.00	20.53
Cost of Doing Business	45.83	48.00	34.78	28.00	52.00	-4.00	19.05	70.83	36.98
Exports	0.00	0.00	20.00	60.00	-25.00	100.00	-12.50	-100.00	11.90
Construction activity	25.00	30.00	0.00	75.00	-7.69	25.00	11.11	50.00	25.00

5.0 SPECIAL ISSUES

5.1 Government agencies, Financial Institutions and suppliers¹¹

The survey also sought to solicit the views of businesses on the quality of services offered by government agencies, suppliers and financial institutions with whom they interact on a daily basis. Approximately 29.0 per cent of respondents rated the services provided by government agencies in the ECCU as “fair” while 68.3 per cent rated their services as “good” or “excellent”. In the previous survey, 33.1 per cent of respondents rated government services as “fair” and 64.0 per cent rated it as “good” or “excellent”.

In general, there was a slight deterioration in the percentage of businesses that were pleased with the quality of services provided by banks. Of those who responded, 70.4 per cent rated the facilitation of their transactions with banks as “good” or “excellent” compared to 73.8 per cent in the previous survey (July to December 2016). There was a sizeable improvement in the number of businesses that were satisfied with the quality of services provided by suppliers. Approximately 84.2 per cent of respondents rated the services provided by suppliers as “good” or “excellent” in the January to June 2017 survey compared to 75.1 per cent in the July to December 2016 survey.

¹¹ Table 20 – Appendix I

The survey also solicited comments from respondents on how the services of government, suppliers and banks could be improved. A snapshot of comments is provided in Table 10.

Table 10: Recommendations made by individual businesses on improving the services provided by Government, Suppliers and Banks

	Comments from Individual Businesses
Government	<ul style="list-style-type: none"> • Gov't needs to be prompt in their payment • Computer systems at customs need to be upgraded/fixed • Lower import duties and service charges • Government takes too long in processing documents related to concession • Government takes too long to respond to businesses. • Gov't needs to expedite approval of local projects • Urgent need for second pier so that the commercial pier can operate as intended
Financial Institutions	<ul style="list-style-type: none"> • The banks need to be more efficient. • Banks need to recognize their peak times to facilitate their customers by having more staff to attend to customers. • Set up a desk designated for faster business transactions, and automate money counting. • Suppliers and banks need to pay their bills on time • Banks location does not facilitate ease of doing business. Too much bank service charge. • Loans department should be more timely in their response on loans • There needs to be someone to answer calls at the financial institutions rather than a machine
Suppliers	<ul style="list-style-type: none"> • Suppliers need to be more customer friendly • They need to be more professional • Getting local produce is a major problem • They need to give a longer period of time to pay • Suppliers and banks need to pay their bills on time •

Disclaimer: Comments in the table do not reflect the views of all the businesses surveyed nor do they reflect the views of the ECCB.

5.2 Measures taken by businesses to become more cost efficient and competitive¹²

The main measures cited by businesses in their attempt to become more cost effective are as follows:

1. Improvement in accounting and record keeping practices
2. Greater use of technology
3. Bulk purchase of goods and materials
4. Purchase of more energy efficient appliances/machines

¹² Table 21 – Appendix I

5. Strengthen networks throughout the Caribbean and the Diaspora
6. Fewer delivery runs in an effort to save petrol

6.0 PROBLEMS AND CONSTRAINTS

Respondents of the survey were asked to identify and rank those constraints in the business environment that negatively impact the operations of their businesses. Of the major problem/challenges facing businesses, the top six (6) cited were, low sales turnover, competition from local firms, cash flow/receivables issues, high utility rates/ fuel prices, lack of skilled employees and total tax burden.¹³

7.0 SUMMARY

The results of the survey indicate that business were neutral regarding *general business conditions* in the ECCU, for the period July to December 2016, however as has been observed in past surveys, businesses are optimistic about an improvement in business conditions during the first six months of 2017. The sentiments revealed that credit conditions tightened during the last six months of 2016 and further tightening is expected over the period January to June 2017. Businesses also highlighted some of the problems and constraints that impede their operations. Useful recommendations for improving business relations between government, suppliers and financial institutions were also provided.

¹³ Table 22- Appendix I

APPENDIX I

Table 11. Number of employees in your company		
Range	Number	Percent
1 - 20	97	49.5
21 - 50	45	23.0
51 - 100	25	12.8
101 - 200	13	6.6
Over 200	16	8.2
Total	196	100.0

Table 12. Actual Performance in Selected Business Variables by Country: July to December 2016 compared with July to December 2015									
Indicator	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	Saint Lucia	St Vincent and the Grenadines	ECCU
Number employed	0.00	20.00	24.00	32.00	4.17	20.83	0.00	12.00	14.51
Sales (i.e. volume not \$revenue)	-58.33	24.00	12.00	52.00	-32.00	63.64	-14.29	20.83	8.42
Price of Inputs	42.11	54.17	33.33	16.00	25.00	30.43	33.33	73.91	38.55
Operating Expenses	30.43	72.00	40.00	52.00	44.00	4.17	57.14	72.00	46.63
Profit	-56.52	-9.09	-27.27	40.00	-32.00	54.17	-25.00	8.00	-4.84
Cost of Doing Business	39.13	64.00	36.00	20.00	56.00	4.17	28.57	70.83	40.10
Exports	-16.67	-20.00	-55.56	-40.00	-25.00	-33.33	-14.29	-100.00	-32.50
Construction activity	-62.50	30.00	12.50	70.00	-16.67	0.00	44.44	100.00	17.39

Table 13. Applied for business loans from banks and non-bank financial institutions during the last six months of 2016		
	Number	Percent
Yes	37	19.07
No	157	80.93
Total	194	100.00

Table 14. Approval of applications for business loans during the period July to December 2016

	Number	Percent
All loans approved	21	80.77
Some loans approved	4	15.38
None	1	3.85
Total	26	100

Table 15. Of those who applied for business loans, reasons for demand for loans

	Number	Percent
Financing needs for fixed assets	12	32.43
Financing needs for inventories and working capital	20	54.05
Financing needs for debt restructuring	6	16.22
Other	5	13.51

Table 16. Method of payment usually used for working capital

	Top 1	Top 2	Top 3	Top 4	Top 5	Overall	Overall
Cash	116	25	12	0	1	717	1
Credit cards	4	31	12	7	2	196	4
Retained earnings	27	26	8	4	2	273	2
Overdraft	12	10	6	5	6	134	5
Loan	17	22	18	3	3	236	3
Other	15	8	4	2	1	124	6

Table 17. Change in terms and conditions for credit during the last six months of 2016

	Number	Percent
Tightened significantly	7	28.00
Tightened somewhat	5	20.00
Remained the same	8	32.00
Eased significantly	4	16.00
Eased somewhat	1	4.00
Total	25	100.00
Net Percentage	-7	-28.00

Table 18. Change in terms and conditions for credit during the first six months of 2017

	Number	Percent
Tightened significantly	55	30.39
Tightened somewhat	36	19.89
Remained the same	71	39.23
Eased significantly	15	8.29
Eased somewhat	4	2.21
Total	181	100.00
Net Percentage	-72	-39.78

Table 19. Expectations for business conditions in your sector to change over the period January to June 2017 compared with January to June 2016

	Number	Percent
Improve	87	45.31
Remain the same	66	34.38
Deteriorate	39	20.31
Total	192	100.00
Net Percentage Indicator	48.0	25.00

Table 20. Rating of the facilitation of business transactions by government agencies and suppliers during the period July to December 2015

Rating	Government		Suppliers		Banks	
	Number	Percent	Number	Percent	Number	Percent
Excellent	10	5.5	37	19.5	22	12.3
Good	115	62.8	123	64.7	104	58.1
Fair	53	29.0	18	9.5	41	22.9
Poor	5	2.7	12	6.3	12	6.7
Total	183	100.0	190	100.0	179	100.0

Table 21. Measures taken by businesses to become more cost effective/competitive

	Number	Percent	
Purchase of more energy	73	37.2	4
Greater use of solar energy	24	12.2	7
Bulk purchase of goods and services	78	39.8	3
Fewer delivery runs in an area	33	16.8	6
Merger/partnership with suppliers	11	5.6	9
Greater use of technology	85	43.4	2
Strengthen networks through trade associations	38	19.4	5
Improve the accounting and record keeping	91	46.4	1
Other	14	7.1	8

Table 22. Three main problems challenging your business

	Top 1	Top 2	Top 3	Top 4	Top 5	Overall Rank
Low sales turnover	49	23	9	8	4	1
Lack of skilled employees	13	22	11	10	12	5
Cash flow/receivables	34	22	19	8	7	3
Interest Rates	4	7	13	6	11	11
Utility rates/Fuel Prices	7	17	18	17	14	4
Public sector bureacracy	4	7	11	7	7	12
Wage Costs	4	7	9	10	11	9
Shortage of Supplies	6	4	6	5	8	14
Access to Finance	5	3	7	9	5	15
Inflation	2	7	7	8	16	8
Freight cost	4	9	9	7	6	13
Competition from local fir	21	23	17	18	10	2
Total Tax burden	5	13	8	18	8	6
Crime and Security	2	5	9	5	6	16
Bad Weather	5	4	9	8	11	10
External competition	7	4	6	6	3	17
US economic growth	4	3	4	11	16	7
Credit from Suppliers	1	0	3	4	5	19
Other	13	5	1	3	1	18

Table 23. Of those who applied for Lines of credit, lines of credit applied for

	Number	Percent
Credit Card	6	16.22
Loans	26	70.27
Overdraft	13	35.14
Other	0	0.00



Business Outlook Survey – 2017

January to
June 2017

The BOS provides a snapshot of the opinions of the business community on the current and future business conditions and their impact on current and future business performance. This information will help the ECCB to assess and keep track of economic trends. Individual responses will not be published or quoted. **Participation is voluntary. Please ensure that the comments sections are duly completed.**

I. GENERAL INFORMATION

Company Information	
Q1. Company name	
Q2. Address	
Q3. Name of Interviewee	
Q4. Designation	
Q5. E-mail Address/ Tel Number	

Q6. How many employees are in your company?		Q7. What is the <u>main</u> economic activity of your business?							
1. 1-20	<input type="checkbox"/>	1. Quarrying	<input type="checkbox"/>	6. Road Transport	<input type="checkbox"/>	11. Banks	<input type="checkbox"/>		
2. 21-50	<input type="checkbox"/>	2. Manufacturing	<input type="checkbox"/>	7. Sea Transport	<input type="checkbox"/>	12. Insurance	<input type="checkbox"/>		
3. 51-100	<input type="checkbox"/>	3. Construction	<input type="checkbox"/>	8. Air Transport	<input type="checkbox"/>	13. Other Financial Institutions	<input type="checkbox"/>		
4. 101-200	<input type="checkbox"/>	4. Wholesale & Retail	<input type="checkbox"/>	9. Communication	<input type="checkbox"/>	14. Other Services	<input type="checkbox"/>		
5. Over 200	<input type="checkbox"/>	5. Hotels & Restaurants	<input type="checkbox"/>	10. Agriculture	<input type="checkbox"/>	Please Specify _____			

II. BUSINESS CONDITIONS

The first six questions relate to your thoughts on the business Conditions in the local economy. Use an **X** to indicate whether you think conditions have **increased (1)**, **remained the same (2)** or **deteriorated (3)**, **not applicable (99)**.

Actual Performance	1	2	3	99	Comments
Q8. How did general economic conditions change over the period July to December 2016 compared with July to December 2015 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Q9. How did business conditions in your sector change over the period July to December 2016 compared with July to December 2015 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Q10. Compared with the period July to December 2015 how did the following variables change in July to December 2016 ?					
i. Number of Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ii. Sales (i.e. Volume not revenue)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
iii. Price of Inputs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
iv. Operating Expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

v. Profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Actual Performance Continued	1	2	3	99	Comments
vi. Cost of Doing Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
vii. Exports (i.e. Volume not revenue)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
viii. Construction Activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Outlook Performance	1	2	3	99	Comments
Q11. How do you expect general economic conditions to change over the period January to June 2017 compared with January to June 2016 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Q12. How do you expect economic conditions in your sector to change over the period January to June 2017 compared with January to June 2016 ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Q13. Compared with the performance in January to June 2016 , do you expect the following variables in your business to increase, remain the same, or decrease in January to June 2017 ?					
i. Number of Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ii. Sales (i.e. Volume not revenue)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
iii. Price of Inputs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
iv. Operating Expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
v. Profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
vi. Cost of Doing Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
vii. Exports (i.e. Volume not revenue)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
viii. Construction Activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

III. CREDIT MARKET CONDITIONS AND INVESTMENT

Q14. Which method of payment do you usually use for working capital? (Rank in order of importance). 1 being the most important	Credit Market Conditions: Actual Performance				
	Q15. A. Did you apply for lines of credit or use any form of credit from commercial banks or non-bank financial institutions (such as credit unions) during the period July to December 2016 ?				<input type="checkbox"/> YES → Go on to Q15B <input type="checkbox"/> NO → Skip to Q20A
Cash <input type="checkbox"/>	Q15. B. If your answer to Part A is "yes" indicate by ticking which type of credit is applicable:	Q15. C What were the reasons for the demand for credit?			
Credit Cards <input type="checkbox"/>		Credit Card <input type="checkbox"/>	i. Financing needs for fixed assets <input type="checkbox"/>		
Overdraft <input type="checkbox"/>			Loans <input type="checkbox"/>	ii. Financing needs for inventories and working capital <input type="checkbox"/>	
Loan <input type="checkbox"/>				Overdraft <input type="checkbox"/>	iii. Financing needs for debt restructuring <input type="checkbox"/>
Retained earnings <input type="checkbox"/>		Other <input type="checkbox"/>			
Comments _____					

		Other (please specify): _____	<input type="checkbox"/>	iv. Other (please specify):		<input type="checkbox"/>
Credit Market Conditions: Actual Performance Continued						
Q16. How many applications for business loans did you submit during the last six months of 2016?	Q17. Were your loans approved?	Yes, all	<input type="checkbox"/>	Q18. If none or some of the applications were approved, what were the main reasons given to you by your loan officer? (Tick all where applicable)		
		Yes, some	<input type="checkbox"/>			
		No	<input type="checkbox"/>	i. Incomplete proposals <input type="checkbox"/>	iv. Inadequate equity <input type="checkbox"/>	
Q19. How do you think the terms and conditions on business loans have changed over the last six months of 2016?			ii. Project not financially viable <input type="checkbox"/>	v. Inadequate collateral <input type="checkbox"/>		
i. Tightened significantly <input type="checkbox"/>	iv. Eased somewhat <input type="checkbox"/>	iii. Inadequate cash flow <input type="checkbox"/>		vi. Inappropriate management <input type="checkbox"/>		
ii. Tightened somewhat <input type="checkbox"/>	v. Eased significantly <input type="checkbox"/>	vii. Other, Please specify <input type="checkbox"/>				
iii. Remained the same <input type="checkbox"/>	vi. N/A – First Application <input type="checkbox"/>	Comments				

Q20. A. Has your business invested in any financial products during the period July to December 2016 ?	<input type="checkbox"/>	YES → Go on to Q20B
	<input type="checkbox"/>	NO → Skip to Q21
Q20. B What financial products has your business invested in during the period July to December 2016 ?		
i. Government Securities <input type="checkbox"/>	v. Mutual Funds <input type="checkbox"/>	
ii. Corporate bonds <input type="checkbox"/>	vi. Insurance companies annuities <input type="checkbox"/>	
iii. Corporate Securities (Shares) <input type="checkbox"/>	vii. Other <input type="checkbox"/>	
iv. Fixed deposits in commercial banks <input type="checkbox"/>	Other, Please specify	

Credit Market Conditions: Outlook				Q23. A Is your business considering investing in any financial products during the period January to June 2017 ?		YES → Go on to Q23.B.		
Q21. Is your business considering applying for lines of credit from commercial banks or non-bank financial institutions (such as credit unions and development banks) during the period January to June 2017 ?		YES	<input type="checkbox"/>			<input type="checkbox"/>	NO → Skip to Q24A	
		NO	<input type="checkbox"/>			Q23. B What financial products is your business considering investing in during the period January to June 2017 ?		
Q22. How do you expect the terms and conditions for credit to change over the period January to June 2017 ?				i. Government Securities		<input type="checkbox"/>	v. Mutual Funds	<input type="checkbox"/>
				ii. Corporate bonds		<input type="checkbox"/>	vi. Insurance companies annuities	<input type="checkbox"/>
i. Tighten		<input type="checkbox"/>	iv. Ease somewhat		<input type="checkbox"/>			
ii. Tighten somewhat		<input type="checkbox"/>	v. Ease significantly		<input type="checkbox"/>	iii. Corporate Securities (Shares)		<input type="checkbox"/>
iii. Remain the same		<input type="checkbox"/>			<input type="checkbox"/>	iv. Fixed deposits in commercial banks		<input type="checkbox"/>
Comments _____						Other, Please specify		

IV. GENERAL QUESTIONS

Q24. A How do you rate the facilitation of your business transactions with government agencies, suppliers and Financial Institutions during the last six months? Excellent (1), Good (2), Fair (3), Poor (4), Not applicable (99).						Q25. What are the five main problems/challenges for your business at this time? Rank by order of importance. 1 being most important and 5 being least important.			
	1	2	3	4	99				
i. Government agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	i. Low sales turnover	<input type="checkbox"/>	xi. Freight cost	<input type="checkbox"/>
ii. Suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ii. Lack of skilled employees	<input type="checkbox"/>	xii. Competition from local firms	<input type="checkbox"/>
iii. Financial Institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	iii. Cash flow/receivables	<input type="checkbox"/>	xiii. Total tax burden	<input type="checkbox"/>
Q24. B. How can the Government agencies, suppliers and/or financial institutions improve the services rendered?						iv. Interest rates	<input type="checkbox"/>	xiv. Crime and security	<input type="checkbox"/>
						v. Utility rates	<input type="checkbox"/>	xv. Bad weather	<input type="checkbox"/>
						vi. Public sector bureaucracy	<input type="checkbox"/>	xvi. External competition	<input type="checkbox"/>
						vii. Wage costs	<input type="checkbox"/>	xvii. US economic performance	<input type="checkbox"/>
						viii. Shortage of supplies	<input type="checkbox"/>	xviii. Credit from Suppliers	<input type="checkbox"/>
						ix. Access to finance	<input type="checkbox"/>	xix. Fuel Prices	<input type="checkbox"/>
x. Inflation	<input type="checkbox"/>	xx. Other, please specify	<input type="checkbox"/>						

Q26. What measures, if any, has your company taken to become more cost effective or competitive, even if these measures are on-going?

C O U N T R Y : _____

i. Purchase of more energy efficient appliances/ machines	<input type="checkbox"/>	iv. Fewer delivery runs in an effort to save petrol	<input type="checkbox"/>	vii. Strengthen networks throughout the Caribbean and the Diaspora	<input type="checkbox"/>
ii. Greater use of solar energy	<input type="checkbox"/>	v. Merger/partnership with similar companies	<input type="checkbox"/>	viii. Improve the accounting and record keeping practices	<input type="checkbox"/>
iii. Bulk purchase of goods and materials	<input type="checkbox"/>	vi. Greater use of technology (computer, internet, etc.)	<input type="checkbox"/>	ix. Other, Please specify _____	<input type="checkbox"/>

Thank you for participating in the survey!