

JANUARY TO JUNE 2023



THE EASTERN CARIBBEAN CENTRAL BANK

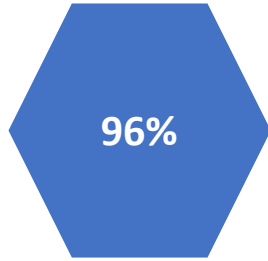
BUSINESS OUTLOOK SURVEY

Overview

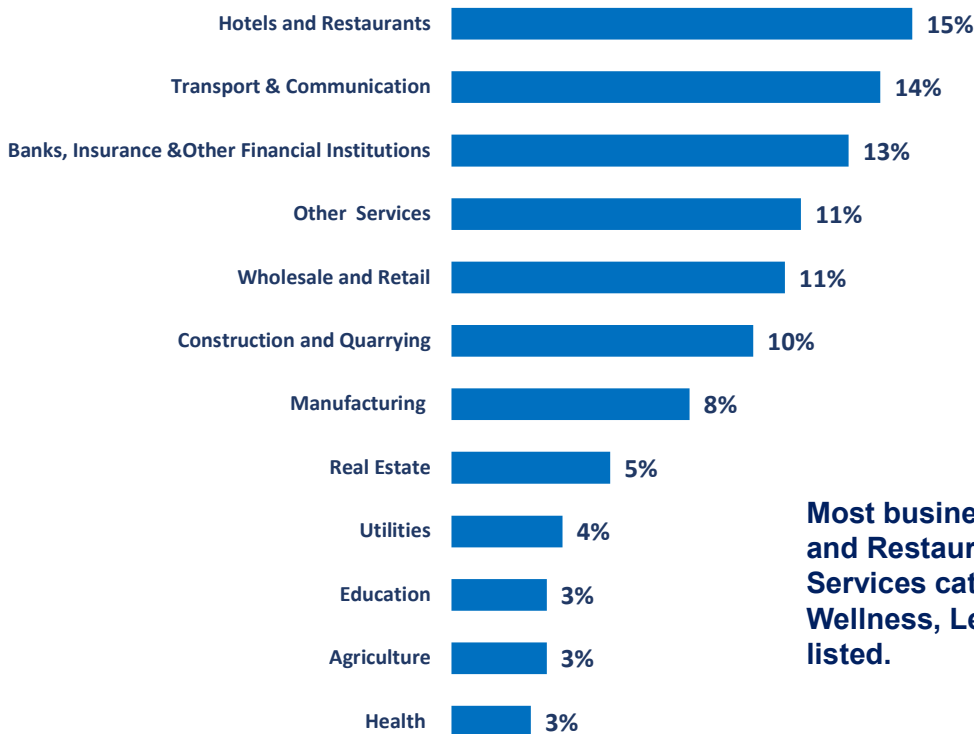
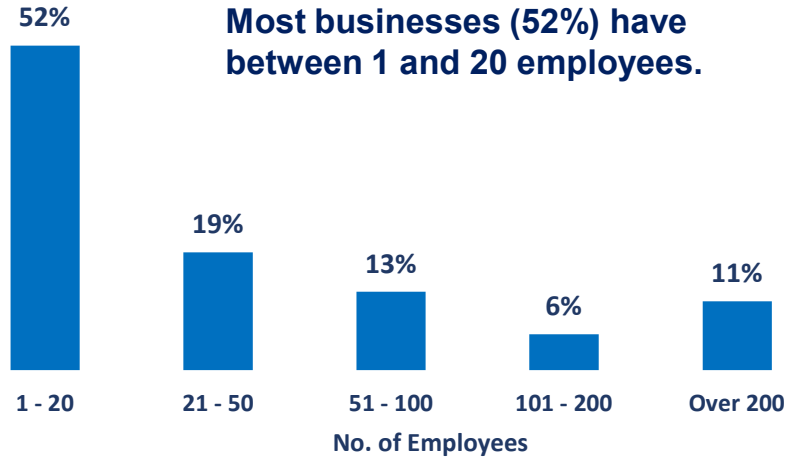
- The Business Outlook Survey (BOS) is a semi-annual survey modelled in a way as to garner the opinions of the business sector of the eight (8) member countries within the Eastern Caribbean Currency Union (ECCU).
- A sample of the business sector (25 businesses per country) is selected and their thoughts and opinions are collected as it relates to their individual business operations and the economies in which they function.
- Businesses surveyed were also asked to provide their thoughts on fluctuations in the major areas of business activity such as the prices of goods and services, sales and employment.
- Captured in this survey are the views of businesses and their expectations for the January to June 2023 period and any ex-post information on the business environment for January to June 2022. The official survey period ran from 19 January to 10 March, 2023.
- Critical to this analysis is a statistic known as the Net Percentage Indicator (NPI). The NPI (%) is calculated by taking the difference between responses marked “improved/increased” and “deteriorated/decreased”.

Results: Business Outlook Survey: January to June 2023

Response Rate

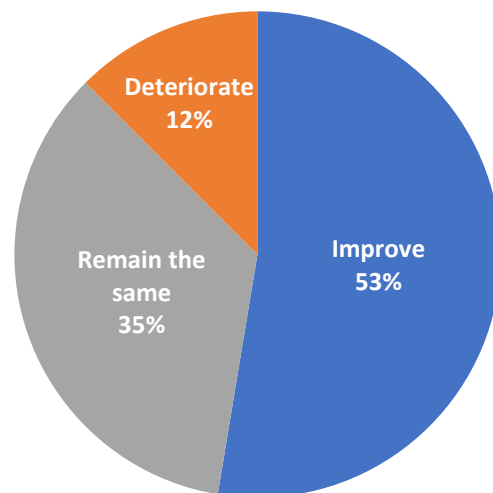


184 businesses were surveyed. Most businesses (52%) have between 1 and 20 employees.



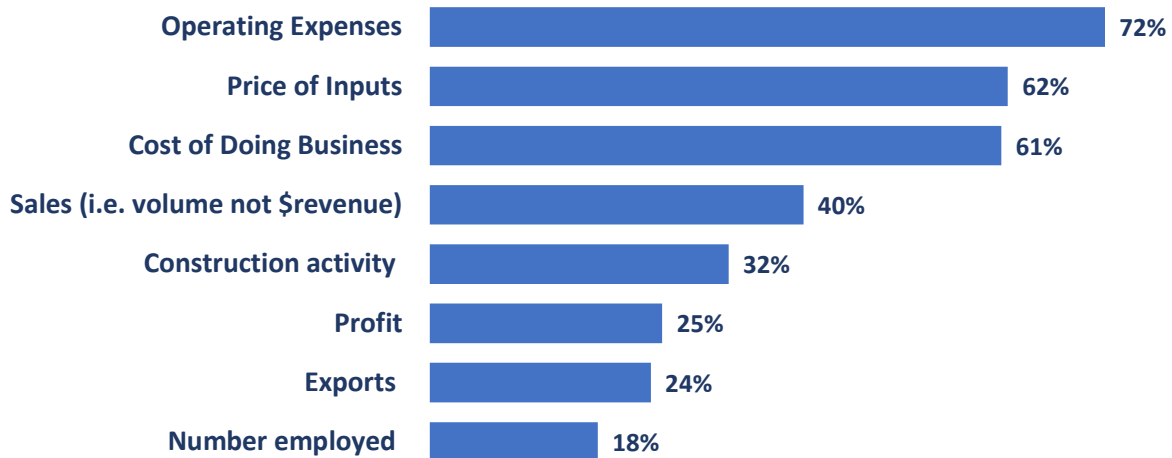
Most businesses operate in the Hotels and Restaurants sector. The Other Services category include Beauty & Wellness, Legal and other services not listed.

More than half (53%) of the businesses surveyed indicated that they expect the general economic conditions to improve over the period January to June 2023 compared with January to June 2022.



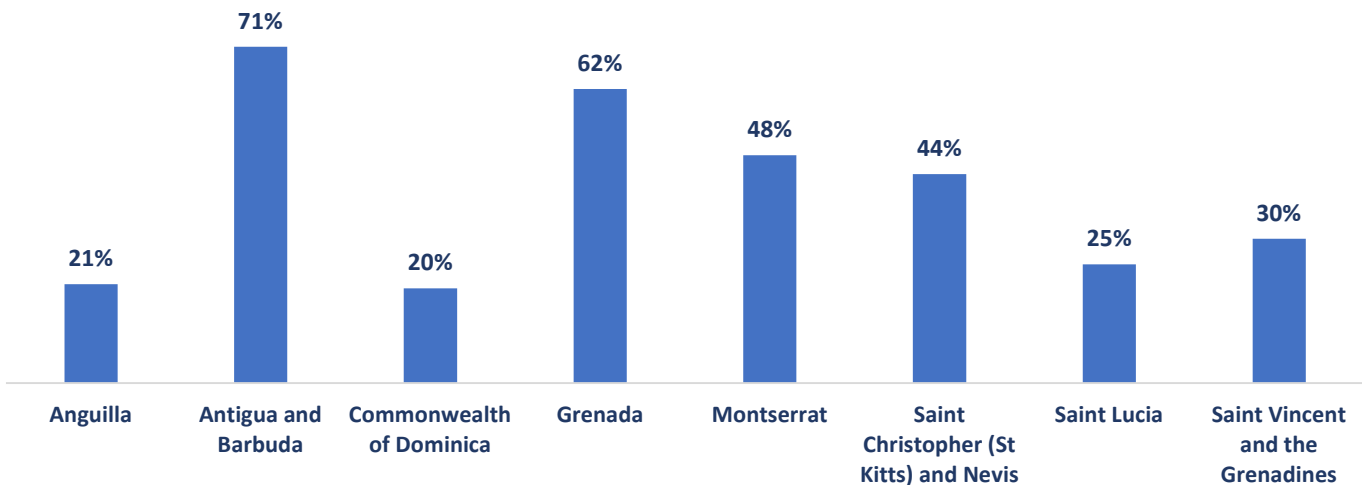
Results: Business Outlook Survey: January to June 2023

**Expected NPI (%)* in selected business variables over the period
January to June 2023 compared with January to June 2022**



Across all selected business variables, businesses surveyed expect to see increases during the first half of 2023 compared to same period in 2022. The largest increase is expected for the Operating Expenses (72%) while the smallest increase is expected for Employment (18%).

**Expected NPI (%)* For General Business Conditions by Country:
January to June 2023 compared with January to June 2022**

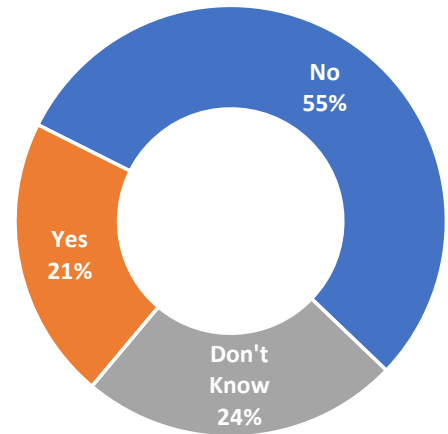


All countries in the ECCU registered a positive NPI, indicating that respondents expect general business conditions to improve over the period January to June 2023 compared with January to June 2022.

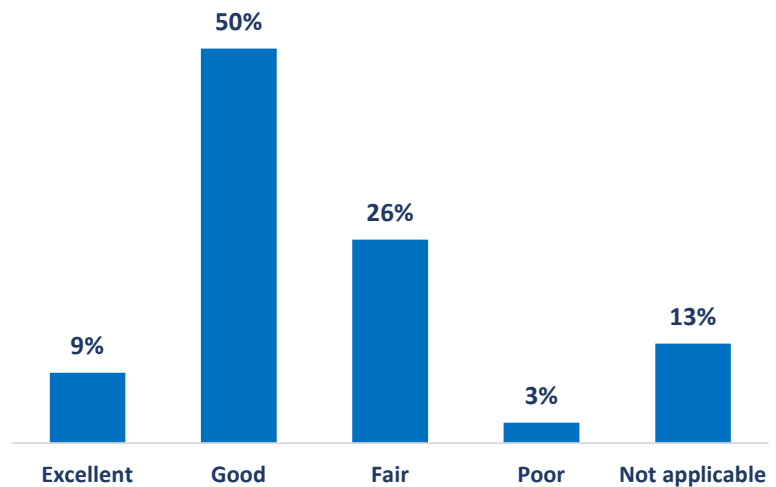
The ECCU registered a NPI of 40% which characterizes an overall positive outlook for the 1st half of 2023, compared to the same period in 2022.

Results: Business Outlook Survey: January to June 2023

55% of the businesses surveyed reported that they do not expect their businesses to face any supply chain disruptions that might constrain their ability to meet demand over the 1st half of 2023.



Most of the businesses surveyed (76%) rated their current ability to deal with supply-side challenges as good and fair.



Low sales turnover

1

Utility Rates

2

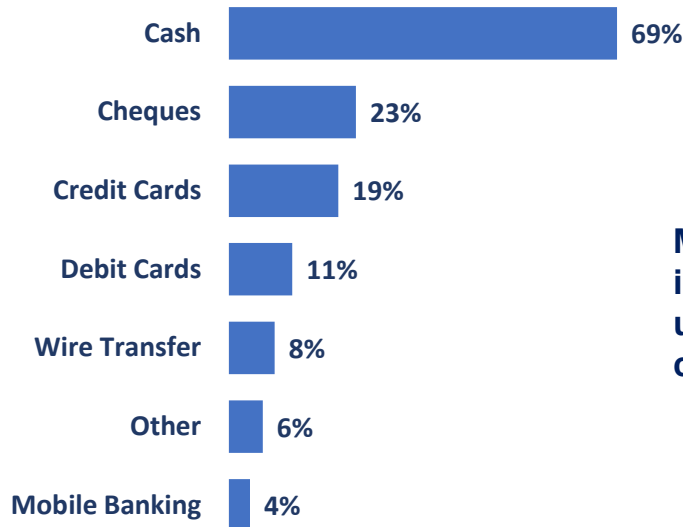
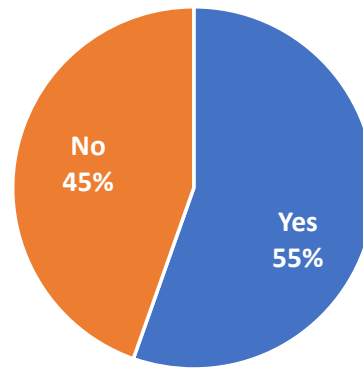
Competition from local firms

3

Of the top 3 challenges faced by the businesses that were surveyed, Low Sales Turnover was ranked number 1.

Results: Business Outlook Survey: January to June 2023

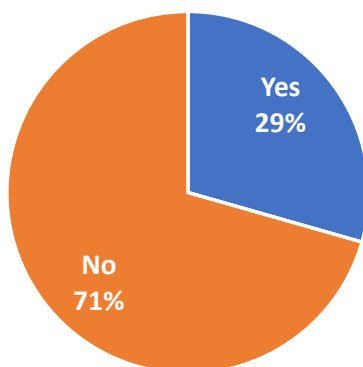
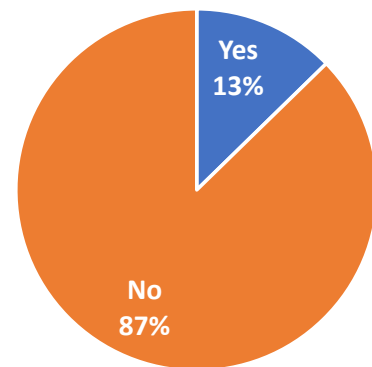
Most businesses surveyed (55%) indicated that they can accommodate online/cashless forms of payment by their customers.



Most businesses surveyed (69%) indicated that cash is the most widely used form of payment by their customers.

The majority of businesses surveyed (87%) indicated that they have not invested in the greater use of renewable energy recently.

Among those that indicated they recently invested in the greater use of renewable energy, the installation of solar panels and solar lights were listed as devices that are being used.



Most businesses surveyed (71%) indicated that they have not invested in digital technology recently.

Among the 29% that indicated they recently invested in digital technology, the top 3 reported items were software, hardware and mobile banking.