

# Results Business Cycle Survey 1st half 2020



Central Bureau of Statistics Curaçao



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## Introduction

In July 2020, some 420 companies were approached in connection with the business survey. It took place during the corona crisis and after the lockdown of society and economy. Consequence of this was that business activities and turnover of companies deteriorated sharply. More than 83 percent of the companies indicated that this had a (very) negative impact on turnover. More than 27 percent had to lay off a number of employees.

The purpose of the bi-annual survey is to provide up-to-date information on business and economic parameters and developments. It also provides insight into the expectations and opinions of entrepreneurs and is important for information regarding the economy, work and employment and the investment climate.

For the third time, companies have been able to complete the survey entirely online, by using a special software that has been obtained for this.

As usual, the survey was conducted at all companies with ten or more employees, while a sample of companies from three to ten employees was taken. It is thus in part a sample survey. By doing so, an estimate is made of the characteristics of the entire population (all companies) which allows statements to be made about this in a responsible manner.

For this survey, companies are understood to be limited liability companies and sole traders with a balance sheet and profit and loss account.

The survey and response in terms of size of companies has been focused to small (up to 10 employees), medium (up to 50 employees) and large companies (50 employees and up). The response distribution over the first half year of 2020 over small, medium and large was respectively 23, 58 and 19 percent (the first half year this was 18, 62 and 20 percent).

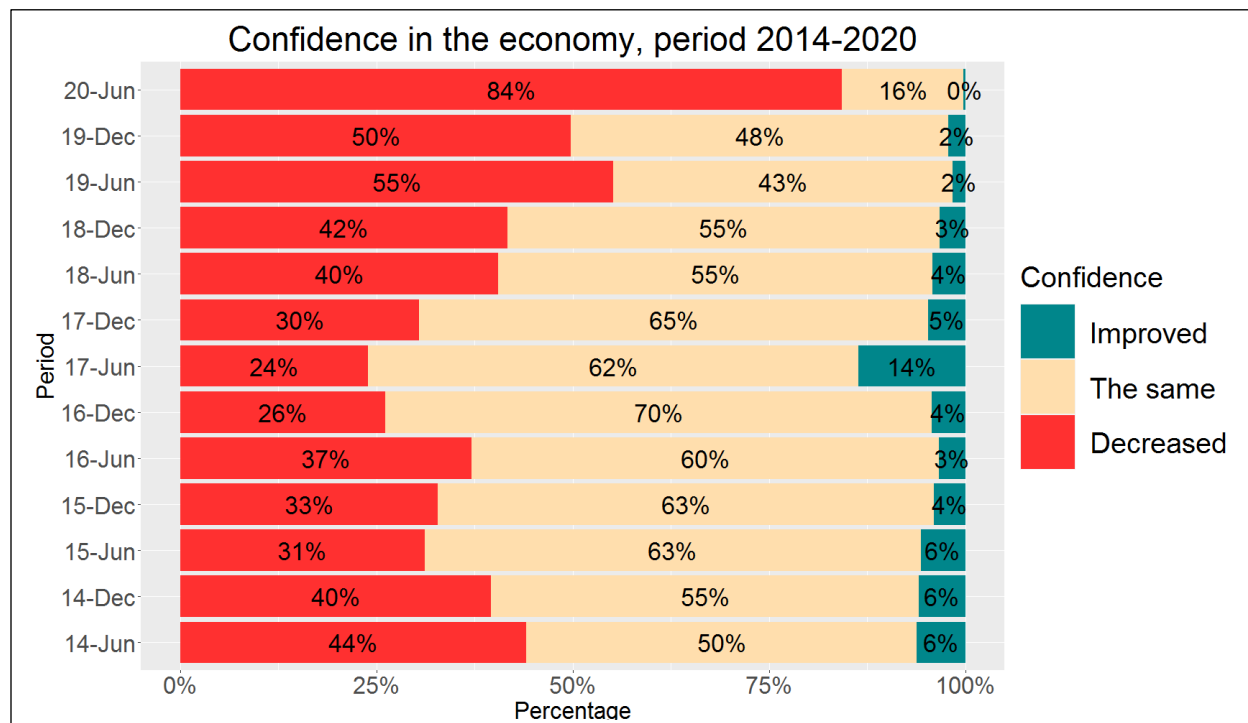
## Investment obstacles

Exactly 30 percent of the responding companies said they had invested in the first half of 2020. This is 13 percent points less compared to December 2020 (43%). Some 41 percent of the companies indicated that there were investment obstacles, the highest percentage ever measured (in December 2014 this was 39%) and 15 percentage points more than last December.

## Confidence in the economy

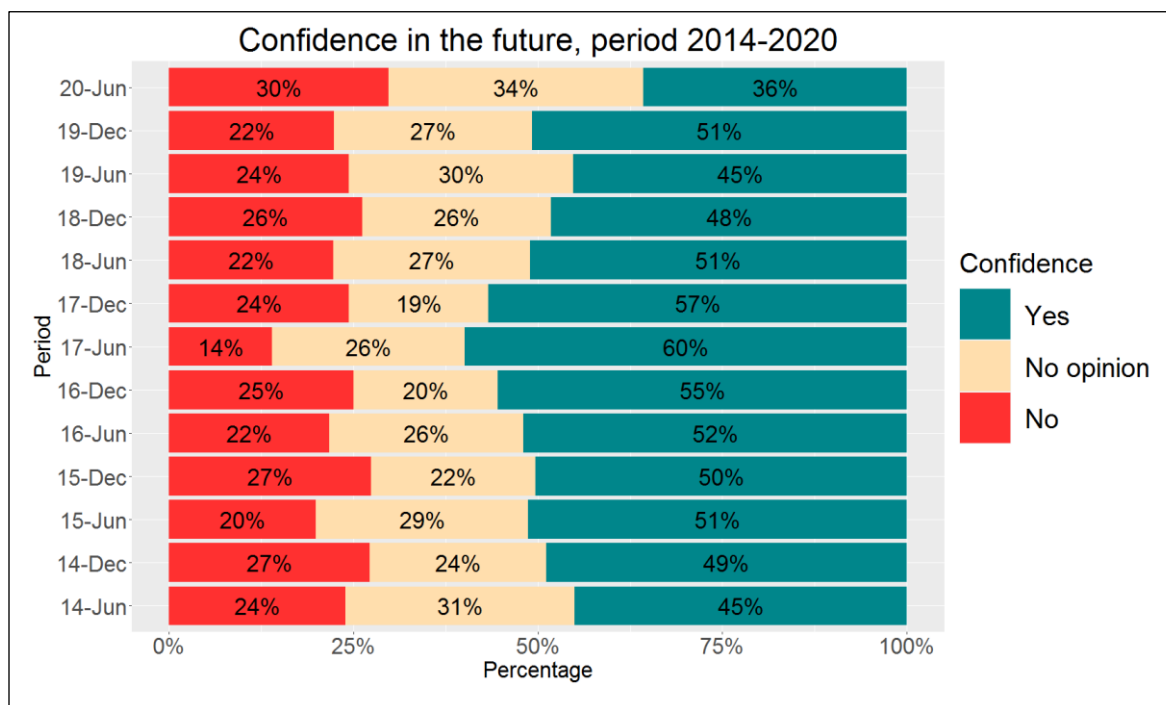
According to the businesses, confidence in the economy deteriorated strongly. The proportion of companies that indicated that it has decreased has changed unfavorably from 50 to 84 percent. This after an improvement that had occurred in the previous period. The percentage amount of entrepreneurs who indicated that confidence has remained unchanged decreased from 48 to 16 percent compared to December 2019.

Almost zero percent of the businesses acknowledged that their confidence in the economy improved over the past half year (2% in December 2019).



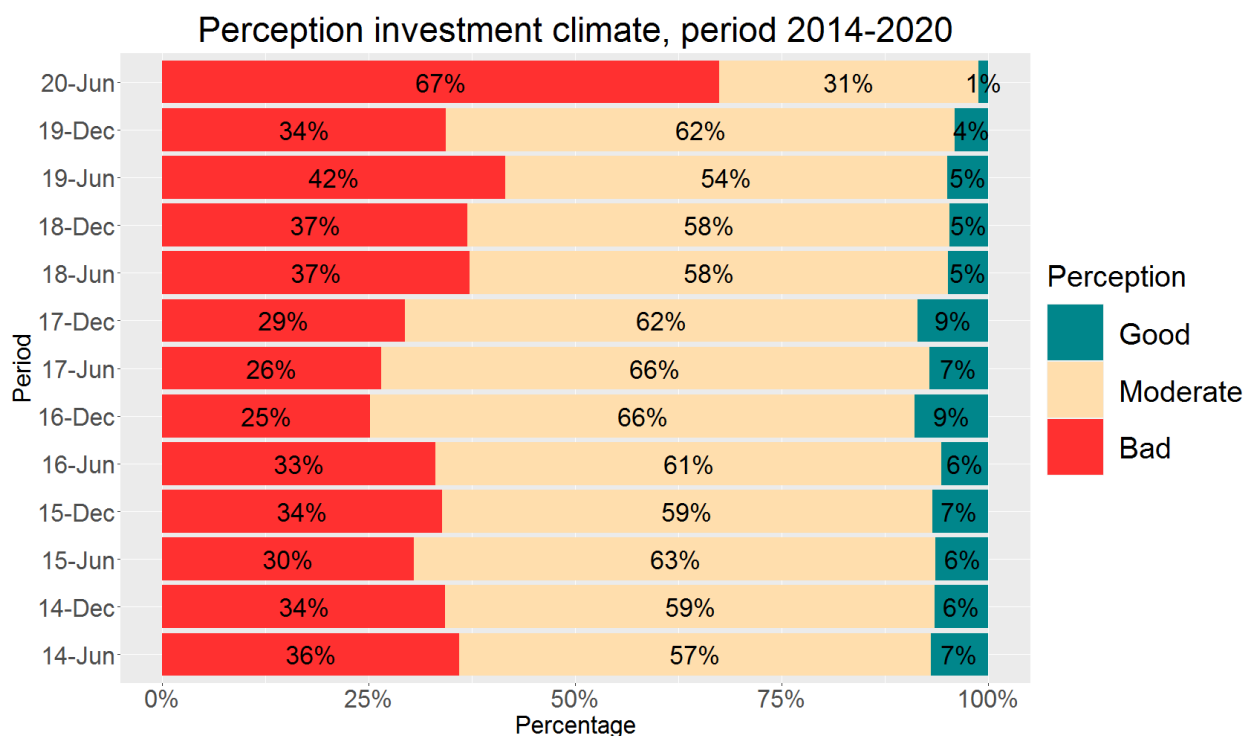
## Confidence in the future

The percentage of enterprises with confidence in the future decreased last first half of 2020. In comparison with December 2019, the percentage of companies with confidence declined from 51 to 36 percent. In addition, the share of companies that have indicated that they have no confidence in the future increased from 22 to 30 percent. The percentage of companies with 'no opinion' increased from 27 to 34 percent last July 2020.



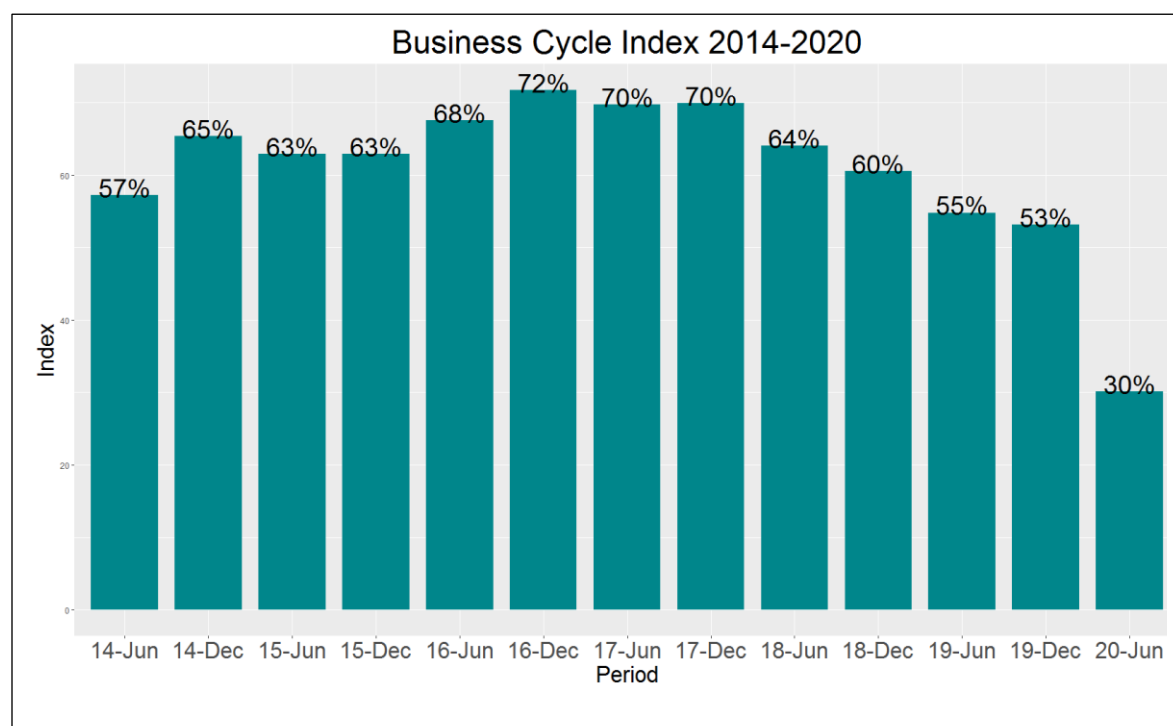
## Opinion towards investment climate

The opinion towards the investment climate also deteriorated. Less entrepreneurs stated that the investment climate was moderate. This percentage decreased sharply from 62 to 31 percent. The percentage of companies that said it is bad almost doubled from 34 to 67 percent. Like previous years, just a few companies, this time only 1 percent, consider the investment climate to be good (was 4% last December).



## Business cycle index

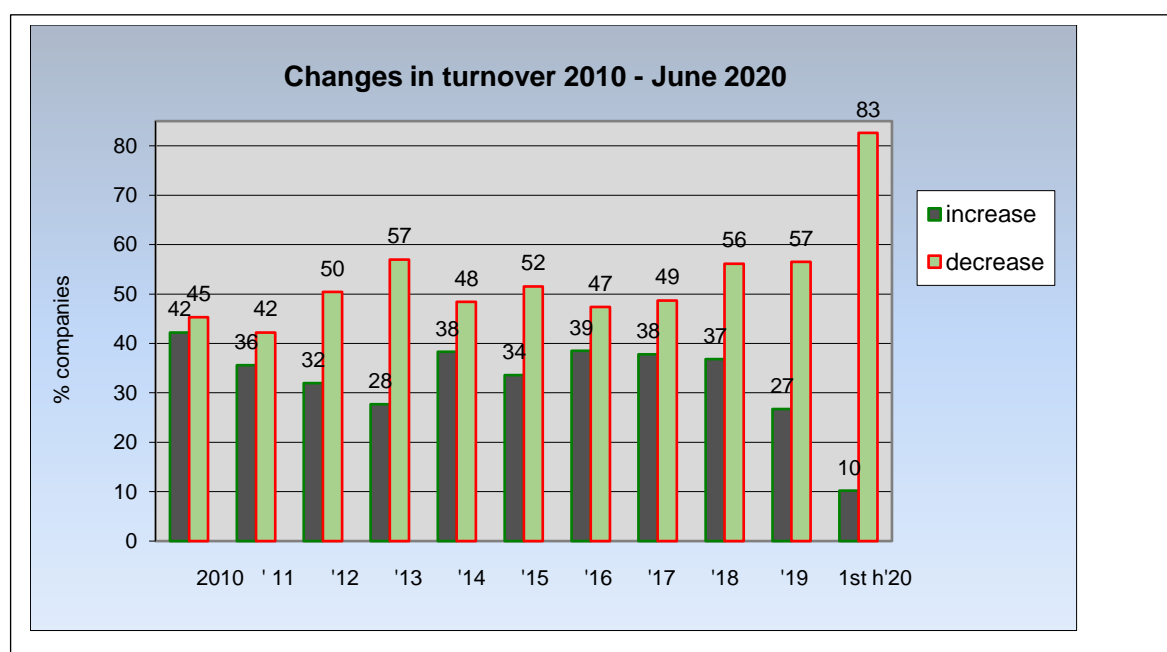
The business cycle index is based on data from 'confidence in the future', 'perception of the investment climate' and 'changes of the turnover'. The intention of the index is to give an indication of the trend of the business cycle from December 2010 to date. Since the end of 2010, the index diminished to 51 points (December 2013). From that date onwards, the situation improved, up to December 2016. As of July 2020, after the corona crisis and lockdown, the index figures has shown a whopping 23 percentage points lower at 30 percent compared to December 2019.



## Changes in turnover

The changes in turnover provide insight into the extent to which turnover has changed compared to the previous period. Compared to December 2019, the percentage of companies with a decrease in turnover has risen sharply from 57 to 83 percent. The percentage of companies with an increase in turnover, decreased from 27 to 10 percent.

More than 83 percent of the companies indicated that the corona crisis and lockdown had a (very) negative impact on turnover. Almost 15 percent indicated "no influence" and more than 2 percent that it had a (very) positive influence on sales.





## Business operation results

The share of companies that expect to achieve a positive operating result is more than 34 percent. This is almost 32 percentage points less than the December 2019 percentage. Almost 66 percent of the companies interviewed indicated they expect a negative operating result for 2020, no less than 31 percentage points more than in 2019.

A strongly increased and high proportion of companies do not expect to be able to make a profit this year. These percentage figures do not provide insight into the size of the business results and any bankruptcies.

