

**RESULTS OF BUSINESS OUTLOOK SURVEY  
JULY TO DECEMBER 2009**



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# **ECCU BUSINESS OUTLOOK SURVEY**

## **JULY TO DECEMBER 2009**

### **1.0 EXECUTIVE SUMMARY**

The results of the Business Outlook Survey, conducted by the ECCB in each of its member countries during the second half of 2009 revealed moderate signs of optimism for economic improvement in the ECCU in the near future. However, in general, economic conditions for businesses for the period January to June 2009 were worse than expected. Notwithstanding, businesses in the ECCU expect that the general conditions will improve in the future, at a faster rate during the period July to December 2009 when compared to the corresponding period in 2008.

The report also highlights the most challenging problems identified by businesses over the period January to June 2009, such as low sales turnover, low cash flow/debts/receivables, and external competition. In addition, business owners were also concerned about the lack of skilled employees, commercial banks interest rates, the cost of transporting goods and the price of oil on the international market.

It is noteworthy that, although the price of fuel was not one of top concerns during the first half of the year, there is some concern regarding the possibility that fuel prices will increase again in the future.

### **2.0 OBJECTIVE AND METHODOLOGY**

The Business Outlook Survey (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 future state of their business operations, as well as the economies in which they operate. The surveyed businesses indicate the direction of change in three main areas: *general business conditions*, *business conditions in their sector* and *their individual business performance*. They were also asked to indicate changes in key areas of business activity such as employment, sales, 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 Credit Market Conditions Survey, 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 barometer for forecasting economic conditions in the short term and for ascertaining the major constraints affecting business operations.

This survey captures the views of businesses on their expectations for the second half of the year, that is, July to December 2009. In addition, it also gathers ex post information on the business environment for the first half of 2009.

The survey was carried out by a consultant in Anguilla and statisticians in the various statistics offices in the other member territories of the ECCU on behalf of the ECCB. A minimum of twenty-five companies in each of the member countries were selected to participate. This was done based on the composition of each of the member countries' gross domestic product and sought to ensure that the survey captured a good cross-section of opinions in each country. However, the relatively small sample size limits the statistical reliability of the results. Table 1 shows that a total of 151 completed questionnaires, out of a maximum of 200, were received representing a response rate of 75.5 per cent. The response rate for January to June 2009 survey was 85.0 per cent.

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

Country	Target No.	No. Responded	Response Rate	Country Response to Total ECCU Response
Anguilla	25	25	100.0%	16.6%
Antigua and Barbuda	25	22	88.0%	14.6%
Dominica	25	15	60.0%	9.9%
Grenada	25	5	20.0%	3.3%
Montserrat	25	11	44.0%	7.3%
St Kitts and Nevis	25	25	100.0%	16.6%
Saint Lucia	25	23	92.0%	15.2%
St Vincent and the Grenadines	25	25	100.0%	16.6%
<b>Total</b>	<b>200</b>	<b>151</b>	<b>75.5%</b>	<b>100.0%</b>

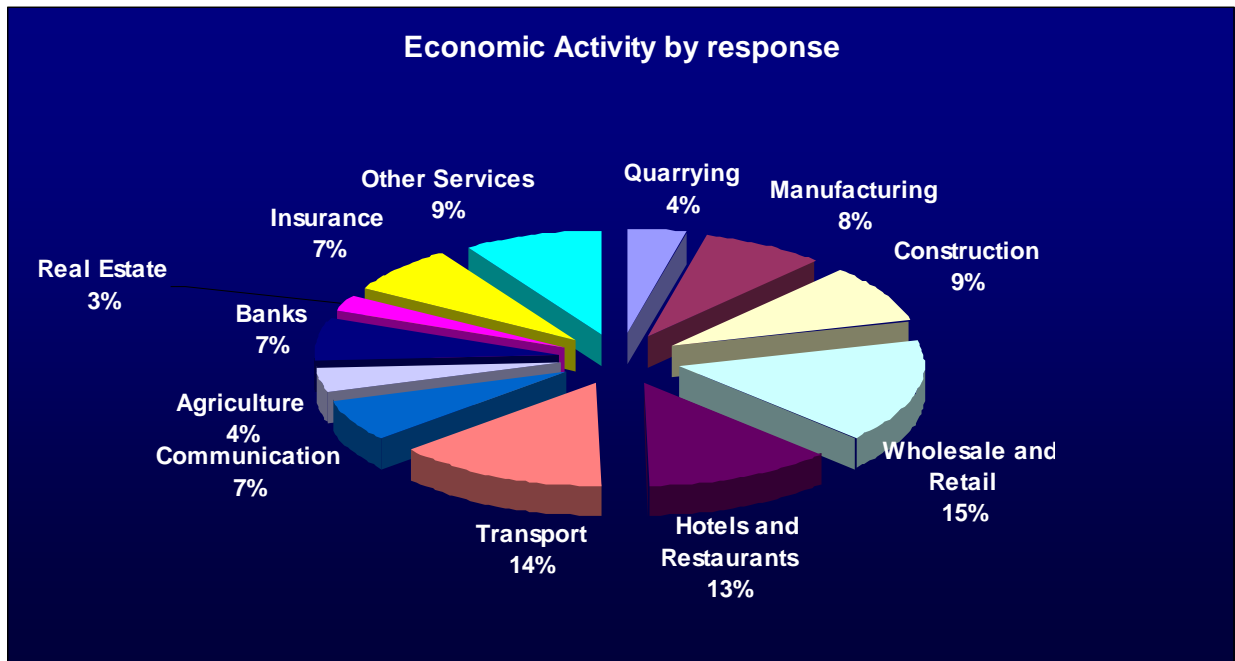
The main statistic used in this analysis is the *net percentage indicator (NPI)*. It is calculated as the difference between those responses marked “improved/increased” and “deteriorated/decreased.” Essentially the *NPI* is a change-value measure that is a good predictor of current and future business conditions and it has been shown to be more reliable than direct survey responses such as “increase” and “decrease”. 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 remain indifferent, 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 responding to the survey represented important sectors that make up the pillars of the ECCU member economies (Table 2). Some of these industries and their responses as a percentage of the total include: Wholesale and Retail (15.0%), Transport (14%), Hotels and Restaurants (13.0%) and Construction (9.0%).

**Graph 1: Economic Sectors**



### 3.2 *Economic Conditions (January to June 2009)*

In examining the current state of economic performance, the survey compared and reviewed the periods January to June 2009 with the corresponding period of 2008. In Table 3, the NPI of -62.7 for the ECCU suggests that, overall; respondents perceived that actual *general business conditions* in the sub-region deteriorated during the first half of 2009. This is a further deterioration of economic expectations based on the outlook from the January to June 2009 Survey, as reflected by an NPI of -55.1. Among the member countries responded five countries felt that conditions deteriorated when compared to their outlook or expectations.

**Table 2: Expected vs. Actual General Business Conditions in the ECCU:  
January to June 2009**

	<b>Based on Survey Jan to June 2009</b>	<b>Based on Survey July to Dec 2009</b>
<b>Country</b>	<b>Expected NPI</b>	<b>Actual NPI</b>
<b>Anguilla</b>	-56.5	-92.0
<b>Antigua and Barbuda</b>	-66.7	-68.2
Dominica	-23.1	-13.3
<b>Grenada</b>	-80.0	-60.0
Montserrat	-28.6	-80.0
St Kitts and Nevis	-62.5	-68.0
<b>Saint Lucia</b>	-60.9	-65.2
St. Vincent and the Grenadines	-54.2	-44.0
<b>ECCU</b>	-55.1	-62.7

Table 2 also highlights the disparity in the expected and actual NPIs for the ECCU member countries. As at the end of 2008, all member countries had pessimistic expectations for business conditions for the January to June 2009 period. Business sentiment deteriorated further by the middle of 2009, with most countries, recording stronger negative NPIs for general business conditions. The countries which were most pessimistic about their conditions were Anguilla (-92.0), Montserrat (-80.0) and Antigua and Barbuda (-68.2). For Dominica, Grenada and St Vincent and the Grenadines, the results indicate that actual business conditions were better than was expected.

The major factors for the period January to June 2009 contributing to the future deterioration in business sentiments in the ECCU member countries are provided in Table 3.

**Table 3: Main Reasons for Negative Business Sentiment over the Period  
January to June 2009**

Country	Comments from Individual Businesses
Anguilla	<ul style="list-style-type: none"> <li>• Decline in the volume of sales of goods during the first half of 2009</li> </ul>
Antigua and Barbuda	<ul style="list-style-type: none"> <li>• Increase in the cost of goods</li> <li>• Decrease in the volume of sales.</li> </ul>
Dominica	<ul style="list-style-type: none"> <li>• There were declines in the cost of operating during the first half of 2009</li> </ul>
Grenada	<ul style="list-style-type: none"> <li>• No comments</li> </ul>
Montserrat	<ul style="list-style-type: none"> <li>• The cost of raw materials and inputs into production has increased significantly during the period</li> </ul>
St Kitts and Nevis	<ul style="list-style-type: none"> <li>• The cost of inputs in production has increased</li> </ul>
Saint Lucia	<ul style="list-style-type: none"> <li>• Customers are spending more carefully</li> <li>• The decline in the world economy is cause for concern</li> </ul>
St Vincent and the Grenadines	<ul style="list-style-type: none"> <li>• No comments</li> </ul>

Disclaimer: Comments in the table do not reflect the views of all the businesses surveyed

At the sectoral level, sentiments were also negative as indicated by the overall NPI of -62.7 for the January to June 2009 compared with one of -29.7 over the corresponding period in 2008. A further analysis by sector reveals that the Hotels and Restaurant, Wholesale and Retail and Construction sectors were the most pessimistic about their outcome for the first half of 2009 (Table 4). The Banks and Insurance sector recorded an NPI of -38.1 while the NPI recorded for manufacturing was -33.3. Some of the major factors influencing this outturn include the global recessionary climate, the reduction of sales volumes and the increase in the prices of raw materials. It is noteworthy that the results of the survey are well in-line with the general sentiments the Hotel and Restaurant sector is showing signs of serious depression in the ECCU.

**Table 4: Actual Business Conditions in the ECCU by Sector:  
January to June 2009**

Sector	Actual NPI
Manufacturing	-33.3
Construction	-71.4
Wholesale and Retail	-78.3
Hotels and Restaurants	-85.0
Transport	-71.4
Communication	-70.0
Agriculture	-33.3
Banks and Insurance	-38.1
Real Estate	-38.1
Other	-35.7
ECCU Sectors	-62.7

In respect of individual business performance, most of the surveyed businesses indicated that their sales and profits declined during the period January to June 2009 compared with the corresponding period in 2008. Table 5 displays the results of some key business indicators at the country level.

**Table 5: Actual Performance in Selected Business Variables by *Country*:  
January to June 2009 Compared with January to June 2008**

Indicator	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	Saint Lucia	St Vincent and the Grenadines	ECCU
Number employed	-40.0	-50.0	-13.3	-40.0	-45.5	-40.0	-39.1	-32.0	-37.7
Sales (i.e. volume not \$reve	-92.0	-71.4	-40.0	20.0	-60.0	-62.5	-69.6	-33.3	-59.9
Profit	-76.0	-72.7	-33.3	0.0	-60.0	-60.0	-68.2	-43.5	-58.5
price of goods/services	0.0	-11.1	7.1	0.0	-12.5	36.0	19.0	-15.0	5.9
Investment in buildings	-8.3	-10.0	9.1	40.0	-10.0	-12.5	0.0	4.5	-2.9
Investment in plant/machine	-8.3	-10.0	9.1	40.0	-10.0	-12.5	0.0	4.5	-0.8
Construction activity	-20.0	-8.3	16.7	66.7	33.3	-50.0	-30.8	-9.1	-11.3
Exports	-28.6	-50.0	-50.0	N/A	-66.7	-50.0	-25.0	-20.0	-36.4
Cost of production/doing bu	-24.0	-10.0	-40.0	-100.0	-75.0	-54.2	-61.9	-39.1	-41.3

On balance, the following were observed:

- The net balance of opinion for the *employment* indicator was -37.7, implying that most businesses saw a decrease in their employment numbers over the first half of 2009 compared with the corresponding period in 2008. Employment sentiment was negative in all countries with the highest pessimism reflected in Antigua and Barbuda with an NPL of -50.0.

- **Sales performance** deteriorated further in January to June 2009 compared with the first half of 2008. The ECCU's NPI for this indicator was -59.9, driven largely by negative sentiments expressed in most territories except Grenada. Among the countries, Anguilla and Antigua and Barbuda had the largest deterioration in sales performance, with NPIs of -92 and -71.4 respectively.
- The performance for **profits** was very much in line with the negative sentiments for sales growth as evidenced by the ECCU's NPI for this indicator reaching -58.5 per cent. This result was driven by the negative sentiments expressed in all territories, with Anguilla, Antigua and Barbuda and Saint Lucia being the most pessimistic. This situation reflected a further deterioration from the BOS: January to June<sup>1</sup> 2009 survey where the businesses were also pessimistic about their **expected** profit levels for the first half of 2009, as evidenced by the negative NPI of 38.9 Table 22: Appendix I.
- **Construction activity**, one of the largest contributors to aggregate output, was viewed as being negative at the ECCU level, reflected in the NPI of -11.3. This was mainly recorded in the negative business sentiments expressed in St Kitts and Nevis with an NPI -50.0 and Saint Lucia with one of -30.8. Among some ECCU member countries, such as Grenada, Dominica and Montserrat, conditions were seen as positive when comparing January to June 2009 with the corresponding period of 2008. It should be noted that the small sample size in these three territories may have contributed significantly to the positive NPI.
- **Exports**, a primary source of foreign exchange earnings, were viewed to have diminished when comparing January to June 2009 with the corresponding period in 2008, driven by negative business sentiments in all member territories except Grenada where the businesses surveyed did not participate in this activity. At the ECCU sectoral level, negative sentiments were expressed in respect of the performance of hotels and restaurants, a major export sector, as well as agriculture.

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<sup>1</sup> This survey recorded the expectations for the January to June 2009 period.

Along with the pessimistic sentiments expressed for most business variables during the period January to June 2009 compared with the corresponding period in 2008, the *cost of doing business* still appears to be a deterrent for businesses to expand into new products and services in the ECCU economy since more than fifty percent of business opined that overall costs are still at an elevated level. Overall, the actual cost of doing business in the ECCU in the first half of 2009 was viewed to have increased with an NPI of -41.3.

### 3.3 *Credit Market Conditions*

In respect of the terms and conditions for lending, the general sentiment expressed by businesses is one of overall tightening<sup>2</sup> going into the second half of 2009. This is reflected in an NPI of -75.9. *The main reasons advanced for the tightening in credit market conditions are the downturn in the global economy and risk averseness of the banking industry.* When compared with the results from the Credit Conditions Survey for January to June 2009<sup>3</sup>, commercial banks confirmed that there was decreased demand for all categories of business loans during this period and most businesses indicated that changes in commercial banks' terms for business loans was the main reason for decreased demand. The banks opined that waning business confidence and changes in financing needs for fixed investment have contributed to the net decrease in demand for loans by small-medium sized businesses and large businesses.

The survey also revealed that the majority of businesses surveyed (69.3 per cent) did not apply to banks and non-bank financial institutions for loans during the first half of 2009<sup>4</sup>. However, of those who did apply, they did so mainly to finance the purchase of fixed assets, to meet inventory and working capital needs and to restructure debt<sup>5</sup>. Furthermore, the survey revealed that the majority of businesses relied predominantly on their cash flow, overdraft facilities at banks and retained earnings to finance their working capital needs<sup>6</sup>.

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<sup>2</sup> Table 12: Appendix I

<sup>3</sup> A survey of the opinions of Senior Loans Officers in the Commercial Banks of the ECCU

<sup>4</sup> Table 12: Appendix I

<sup>5</sup> Table 13: Appendix I

<sup>6</sup> Table 14: Appendix I

In respect of the outlook for changes in credit market conditions for the second half of 2009, most businesses anticipate a further tightening of those conditions as evidenced by the negative NPI of -75.9 (Table 11: Appendix I).

#### 4.0 FORECAST FOR JULY TO DECEMBER 2009

The survey revealed that, in general, businesses are pessimistic about the general economic conditions for the second half of 2009, compared with the corresponding period in 2008. (Table 6)

**Table 6: Expectations for general business conditions over the period July to December 2009 compared with July to December 2008**

	Number	Percent
Improve	31	20.7
Remain the same	46	30.7
Deteriorate	73	48.7
Total	150	100.0
<b>Net Percentage Indicator</b>	-42	-28.0

At the ECCU level, only 20.7 per cent of the businesses surveyed indicated that they anticipate that general business conditions would improve in the first half of 2009, while 48.7 per cent expected conditions to deteriorate. This resulted in an overall NPI of -28.0 for the region, reflecting the overall negative business sentiment for the second half of 2009.

**Table 7: Expectations for General Business Conditions by Country:  
July to December 2009 Relative to July to December 2008**

Country	Expected NPI
Anguilla	-56.0
Antigua and Barbuda	-59.1
Dominica	26.7
Grenada	-100.0
Montserrat	9.1
St Kitts and Nevis	-7.7
Saint Lucia	-26.1
St. Vincent and the Grenadines	-29.2
ECCU	-28.0

As shown in table 7, survey respondents in six of the ECCU member countries are generally pessimistic about their prospects for the second half of the 2009, with the most negative NPIs being recorded for Grenada (-100.0), Antigua and Barbuda (-59.1) and Anguilla (-56.0). Two countries, Dominica and Montserrat recorded positive NPIs of 26.1 and 9.1 respectively, compared with the other member countries. However, the high negative NPI for Grenada and the positive NPI for Dominica and Montserrat should be treated with caution, given the low response rates for these member countries.

Table 8 lists some of the key reasons given for the outlook for business conditions across the ECCU member countries.

**Table 8: Main Factors Driving Business Sentiment for July to December 2009**

Country	Comments from Individual Businesses
Anguilla	<ul style="list-style-type: none"> <li>Economic prospects will depend on the future price of fuel</li> </ul>
Antigua and Barbuda	<ul style="list-style-type: none"> <li>Sales is expected to improve in the Christmas season</li> </ul>
Dominica	<ul style="list-style-type: none"> <li>Strategies will be put in place to reduce operating costs</li> </ul>
Grenada	<ul style="list-style-type: none"> <li>No comments</li> </ul>
Montserrat	<ul style="list-style-type: none"> <li>New ferry service should improve prospects for increased sales</li> </ul>
St Kitts and Nevis	<ul style="list-style-type: none"> <li>Concerns about the cost of transporting goods</li> </ul>
Saint Lucia	<ul style="list-style-type: none"> <li>Increased profits is expected due to new strategies undertaken</li> </ul>
St Vincent and the Grenadines	<ul style="list-style-type: none"> <li>Improved prospects depend on the price of fuel</li> </ul>

Disclaimer: Comments in the table do not reflect the views of all the businesses surveyed

In respect of the projected performance of key business indicators for the second half of 2009, expectations are generally negative for the ECCU as a whole (Table 9). Given the current environment in which they operate, businesses are pessimistic about their sales performance and expect further deterioration in their profit performance relative to the second half of 2009. With respect to exports, St Kitts and Nevis, Montserrat and Antigua and Barbuda expect poor performances whilst Dominica and Saint Lucia are optimistic about their exporting prospects during the outlook period.

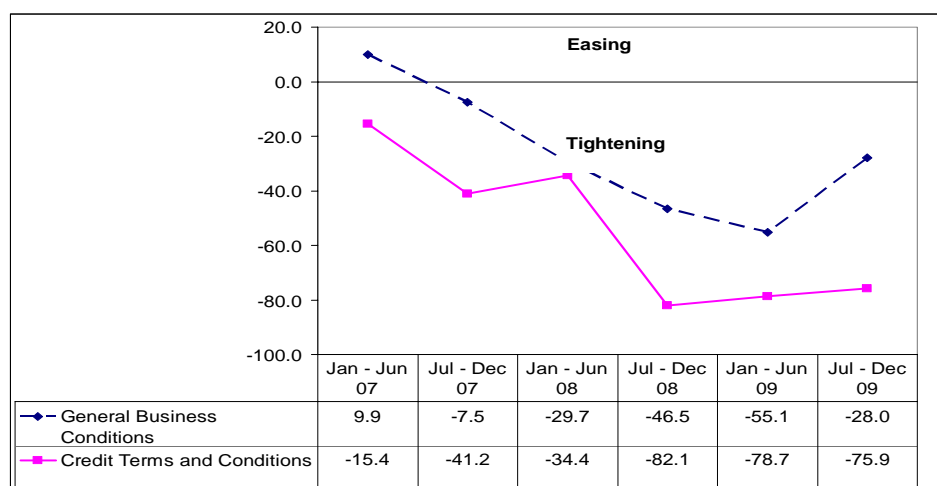
**Table 9: Expected Performance in Selected Business Variables by Country: July to December 2009 Compared with July to December 2008**

Indicator	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	Saint Lucia	St Vincent and the Grenadines	ECCU
Number employed	-28.0	-36.4	-20.0	-20.0	0.0	-15.4	0.0	-12.0	-17.9
Sales (i.e. volume not \$revenue)	-60.0	-28.6	6.7	0.0	-20.0	-33.3	-41.7	-25.0	-31.3
Profit	-62.5	-45.5	13.3	-60.0	-30.0	-32.0	-50.0	-20.8	-36.1
price of goods/services	-4.3	-11.1	21.4	0.0	40.0	19.2	-4.8	-4.5	5.9
Investment in buildings	-25.0	-5.0	20.0	20.0	0.0	-12.0	-9.1	-13.6	-10.3
Investment in plant/machinery	-20.8	-16.7	25.0	40.0	0.0	-8.0	0.0	-4.8	-5.3
Construction activity	-50.0	-16.7	0.0	0.0	-40.0	-18.2	0.0	-10.0	-19.7
Exports	-42.9	-33.3	50.0	N/A	-25.0	0.0	30.0	-20.0	-8.8
Cost of production/doing business	-12.0	-9.5	-50.0	-100.0	-12.5	-37.5	-47.4	-9.1	-25.6

## 5.0 TRENDS IN BUSINESS SENTIMENT AND CREDIT TERMS AND CONDITIONS

An analysis of the trends in business sentiments and credit terms and conditions since January - June 2007, demonstrates that the sentiments expressed about the expected business climate have been constant. Most businesses surveyed felt that the general business conditions will ease in the future and expressed less negative sentiments than in the three previous survey periods. This was however in stark contrast to their feelings about the credit terms and conditions offered by the banks which according to the trend remained relatively the same as in the last two survey periods with only slight improvements in their perceived ability to access better credit terms and conditions. See Graph 2.

**Graph 2: Trends in Business Sentiments and Credit Conditions in ECCU**



## 6.0 SPECIAL ISSUES

### 6.1 Government Agencies and Suppliers<sup>7</sup>

The survey also sought to solicit the views of businesses on the quality of services offered by the government agencies, suppliers and banks with whom they interact on a daily basis. Approximately 50.0 per cent of respondents rated the services provided by government agencies in the ECCU as “fair” while 29.3 per cent rated their services as “good”. This represented some deterioration from the “good” to “fair” sentiments previously expressed in the BOS January – June 2009 survey. The respondents also expressed concerns about the

<sup>7</sup> Table 18 – Appendix I

efficacy of the public sector bureaucracy, especially as it relates to the volume of documentation required and the time taken for the processing of payment claims and the clearing of goods.

In general, businesses were pleased with the quality of services provided by both their local and foreign suppliers as well as the commercial banks. In the case of suppliers, approximately 51.8 per cent of respondents rated their services as “good”, while 46.0 percent of businesses gave a “good” rating for their interaction with commercial banks.

### ***6.2 Measures taken by businesses to become more cost efficient and competitive***

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

1. The need to strengthen their networks throughout the Caribbean and the Diaspora,
2. The need to enter into mergers/partnerships with similar companies
3. The ability to make greater use of technology.
4. The ability to bulk purchase of goods and materials,
5. The usage of solar energy and the purchase of more energy efficient appliances/machines.

## **7.0 PROBLEMS AND CONSTRAINTS**

The survey also asked respondents to identify and rank those constraints in the business environment which were negatively impacting the operation of their businesses. Of the three main problems challenges facing businesses, two, were noted from the last survey businesses that is, the low sales turnover and cash flow/debts/receivables. For the July to December 2009 survey, the additional challenge cited was external competition. This replaced the concern of high utility rates, obviously since oil prices on the international market has declined significantly in 2009 when compared to the corresponding period in 2008.

**Table 10: Solutions given by Businesses to alleviate Problems and Constraints**

<b>Rank</b>	<b>Problem</b>	<b>Suggested Solutions from Individual Businesses</b>
1	Low sales turnover	<ul style="list-style-type: none"> <li>• Reduce price of goods sold</li> <li>• Increase internal training of employees and encourage employees to take courses since well trained employees improve sales</li> <li>• Increase marketing., decrease energy consumption</li> </ul>
2	Cash flow/Debts	<ul style="list-style-type: none"> <li>• Negotiate for a lower interest rate on overdraft facility</li> <li>• Consolidate orders of raw materials within distribution chain</li> </ul>
3	External Competition	<ul style="list-style-type: none"> <li>• Businesses felt that this problem was beyond their control</li> <li>• Offering a wider variety of products</li> </ul>

Disclaimer: Comments in the table do not reflect the views of all the businesses surveyed

## **8.0 SUMMARY**

The results of the survey indicate that *general business conditions* in the ECCU deteriorated further than what was expected during the period January to June 2009 however; a slight improvement in the business environment is expected for the last six months of 2009 leading into 2010. This is placed within the context of the global recession which started in 2008 and the impending recovery. Optimistic sentiments were broad-based across member countries for the latter half of 2009. The two common constraints within the **top 3** cited by respondents in the January to June 2009 and the July to December 2009 surveys, were the low sales turnover and cash flow/debts/receivables.

## APPENDIX I

<b>Table 11. Change in terms and conditions on Business Loans during the first six months of 2009</b>		
	<b>Number</b>	<b>Percent</b>
Tightened significantly	15	51.7
Tightened somewhat	9	31.0
Remained the same	3	10.3
Eased significantly	0	-
Eased somewhat	2	6.90
<b>Total</b>	<b>29</b>	<b>100.0</b>
<b>Net Percentage</b>	<b>-22</b>	<b>-75.9</b>

<b>Table 12: Applied for business loans from banks and non-bank financial institutions during the first six months of 2009</b>		
	<b>Number</b>	<b>Percent</b>
Yes	31	30.7
No	70	69.3
<b>Total</b>	<b>101</b>	<b>100.0</b>

<b>Table 13: Of those who applied for business loans, reasons for demand for loans</b>		
	<b>Number</b>	<b>Percent</b>
Financing needs for fixed assets	7	22.6
Financing needs for inventories and working capital	7	22.6
Financing needs for debt restructuring	8	25.8
Other	6	19.9
<b>No Response</b>	<b>3</b>	<b>9.7</b>

<b>Table 14: Method of payment usually used for working capital</b>						
	<b>Top 1</b>	<b>Top 2</b>	<b>Top 3</b>	<b>Top 4</b>	<b>Top 5</b>	<b>Overall</b>
Cash	76	16	9	6	1	1
Credit cards	6	11	12	6	8	5
Retained earnings	18	19	13	6	6	3
Overdraft	37	30	11	1	3	2
Loan	8	23	14	9	3	4

**Table 16: Expected Performance in Selected Business Variables by Sector:  
July to December 2009 Compared with July to December 2008**

Indicator	Manufacturing	Construction	Wholesale & Retail Trade	Hotels & Restaurants	Transport	Communication	Agriculture	Banks & Insurance	Real Estate	Other Services
Number employed	0.00	(28.57)	(41.7)	(30.0)	(9.5)	(50.0)	(33.3)	9.5	-	(7.1)
Stes (i.e. volume not \$revenue)	16.67	(16.67)	(58.3)	(55.0)	(40.0)	(50.0)	16.7	(25.0)	(25.0)	(14.3)
Profit	8.33	(35.71)	(75.0)	(50.0)	(36.8)	(50.0)	16.7	(31.6)	-	(14.3)
price of goods/services	16.67	(7.69)	34.8	(10.5)	50.0	(20.0)	(33.3)	(5.6)	-	(7.1)
Investment in buildings	0.00	(28.57)	(4.8)	(40.0)	-	(10.0)	-	10.5	(33.3)	(23.1)
Investment in pltt/machinery	0.00	(14.29)	-	(33.3)	(15.4)	20.0	-	11.8	(33.3)	(14.3)
Construction activity	(28.57)	(35.71)	8.3	(10.0)	(25.0)	(33.3)	(100.0)	20.0	(50.0)	(66.7)
Exports	12.50	(66.67)	-	-	(20.0)	(50.0)	25.0	-	-	-
Cost of production/doing business	9.09	(7.69)	(52.4)	(11.1)	(37.5)	37.5	(33.3)	(58.8)	-	(42.9)

**Table 17. Rating of the facilitation of business transactions by government agencies and suppliers during the period January to June 2009**

Rating	Government		Suppliers		Banks	
	Number	Percent	Number	Percent	Number	Percent
Excellent	6	4.3	17	12.2	16	11.5
Good	41	29.3	72	51.8	64	46.0
Fair	70	50.0	48	34.5	48	34.5
Poor	23	16.4	2	1.4	11	7.9
<b>Total</b>	<b>140</b>	<b>100.0</b>	<b>139</b>	<b>100.0</b>	<b>139</b>	<b>100.0</b>

	<b>Top 1</b>	<b>Top 2</b>	<b>Top 3</b>	<b>Overall Rank</b>
Low sales turnover	49	15	16	1
Lack of skilled employees	11	8	9	4
Cash flow/debts/receivables	25	19	11	2
Wage costs	1	7	9	10
Interest Rates	7	15	7	4
Utility rates	2	5	6	13
Public sector bureaucracy	2	3	8	15
Shortage of supplies	0	5	3	16
Access to finance	4	4	3	12
Regulation of paper work	2	2	1	20
Tax burden	2	9	9	8
Inflation	1	4	1	19
Freight cost	5	10	9	6
Competition from local firms	3	7	4	9
Crime and security	2	2	3	16
Bad weather	2	0	5	20
Price of oil	5	7	11	7
Transportation and distribution	4	4	5	11
External competition	14	8	5	3
US economic growth	2	2	3	16
Credit from Suppliers	0	1	1	22
Other	4	2	6	13

**Table 19: Expected Performance in Selected Business Variables by Country:  
Jul to Dec 2009 Compared with Jul to Dec 2008**

<b>Indicator</b>	<b>Anguilla</b>	<b>Antigua and Barbuda</b>	<b>Dominica</b>	<b>Grenada</b>	<b>Montserrat</b>	<b>St Kitts and Nevis</b>	<b>Saint Lucia</b>	<b>St Vincent and the Grenadines</b>	<b>ECCU</b>
Number employed	(28.0)	(36.4)	(20.0)	(20.0)	-	(15.4)	-	(12.0)	(17.9)
Sales (i.e. volume not \$revenue)	(60.0)	(28.6)	6.7	-	(20.0)	(33.3)	(41.7)	(25.0)	(31.3)
Profit	(62.5)	(45.5)	13.3	(60.0)	(30.0)	(32.0)	(50.0)	(20.8)	(36.1)
price of goods/services	(4.3)	(11.1)	21.4	-	40.0	19.2	(4.8)	(4.5)	5.9
Investment in buildings	(25.0)	(5.0)	20.0	20.0	-	(12.0)	(9.1)	(13.6)	(10.3)
Investment in plant/machinery	(20.8)	(16.7)	25.0	40.0	-	(8.0)	-	(4.8)	(5.3)
Construction activity	(50.0)	(16.7)	-	-	(40.0)	(18.2)	-	(10.0)	(19.7)
Exports	(42.9)	(33.3)	50.0	N/A	(25.0)	-	30.0	(20.0)	(8.8)
Cost of production/doing business	(12.0)	(9.5)	(50.0)	(100.0)	(12.5)	(37.5)	(47.4)	(9.1)	(25.6)

**Table 20: Number of employees in your company**

Range	Number	Percent
1 - 20	55	36.4
21 - 50	42	27.8
51 - 100	18	11.9
100 - 200	19	12.6
Over 200	17	11.3
<b>Total</b>	<b>151</b>	<b>100.0</b>

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

	Number	Percent	
Purchase of more energy efficient appliances/machines	36	23.8	6
Substitution of fans of air conditioning	6	4.0	10
Greater use of solar energy	38	25.2	5
Bulk purchase of goods and materials	45	29.8	4
Reduction of delivery runs in an effort to save gasoline/diesel	21	13.9	9
Merger/partnership with similar companies	55	36.4	2
Greater use of technology	46	30.5	3
Strengthen networks throughout the Caribbean and the Diaspora	57	37.7	1
Improve the accounting and record keeping practices	29	19.2	7
Other	29	19.2	7

**Table 22: Expected Performance in Selected Business Variables by Country: Jan to Jun 2009 compared with Jan to Jun 2008**

Indicator	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	Saint Lucia	St Vincent and the Grenadines	ECCU
<b>Number employed</b>	(21.7)	(34.8)	7.1	(26.7)	(4.8)	(29.2)	(12.5)	(29.2)	(20.2)
<b>Sales (i.e. volume not \$revenue)</b>	(45.5)	(30.4)	7.7	(13.3)	(19.0)	(54.2)	(20.8)	(25.0)	(27.7)
<b>Profit</b>	(43.5)	(43.5)	-	(33.3)	(50.0)	(54.2)	(40.9)	(27.3)	(38.9)
price of goods/services	36.4	17.4	25.0	7.1	21.1	20.8	29.2	-	20.3
Investment in buildings	(9.1)	5.0	30.0	-	(6.3)	(29.2)	-	(50.0)	(10.0)
Investment in plant/machinery	(13.6)	4.8	50.0	14.3	(13.3)	(12.5)	31.8	(20.0)	2.8
<b>Construction activity</b>	-	<b>31.3</b>	<b>42.9</b>	<b>(50.0)</b>	<b>(16.7)</b>	<b>(25.0)</b>	<b>(9.1)</b>	<b>(44.4)</b>	<b>(5.1)</b>
<b>Exports</b>	<b>40.0</b>	<b>(20.0)</b>	-	-	<b>(40.0)</b>	<b>(50.0)</b>	<b>14.3</b>	<b>20.0</b>	<b>(4.8)</b>
Capacity utilisation (human)	-	18.2	18.2	(7.7)	(6.3)	20.8	17.4	(10.0)	7.2
Capacity utilisation (equipment)	-	10.5	20.0	7.7	21.4	12.5	35.0	5.9	13.8
<b>Cost of production/doing business</b>	<b>34.8</b>	<b>30.4</b>	<b>46.2</b>	<b>38.5</b>	<b>55.6</b>	<b>45.8</b>	<b>28.6</b>	<b>30.0</b>	<b>38.1</b>