

BUSINESS OUTLOOK SURVEY

JANUARY TO JUNE 2024



The **Business Outlook Survey (BOS)** is a semi-annual survey designed to capture the **opinions** of 200 businesses within the Eastern Caribbean Currency Union (ECCU) in respect of the current and expected state of their business operations as well as the economies in which they operate. The respondents focused on two main areas: individual business performance and the general economic conditions. This report focuses on the outlook for **2024 relative to 2023**.

The **Net Percentage Indicator (NPI)** is critical to the analysis. It measures the difference between responses marked “improved” and “deteriorated”.

SUMMARY OF FINDINGS

Response Rate

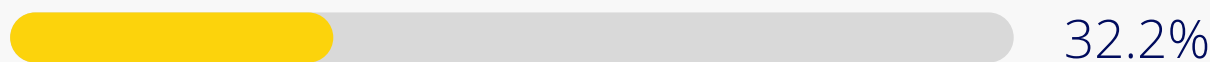


Expectations for General Economic Conditions

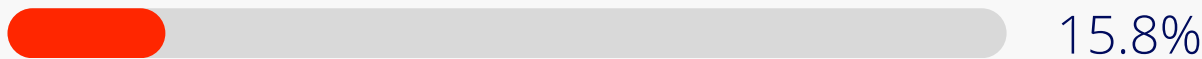
IMPROVEMENTS



REMAIN THE SAME



DETERIORATION

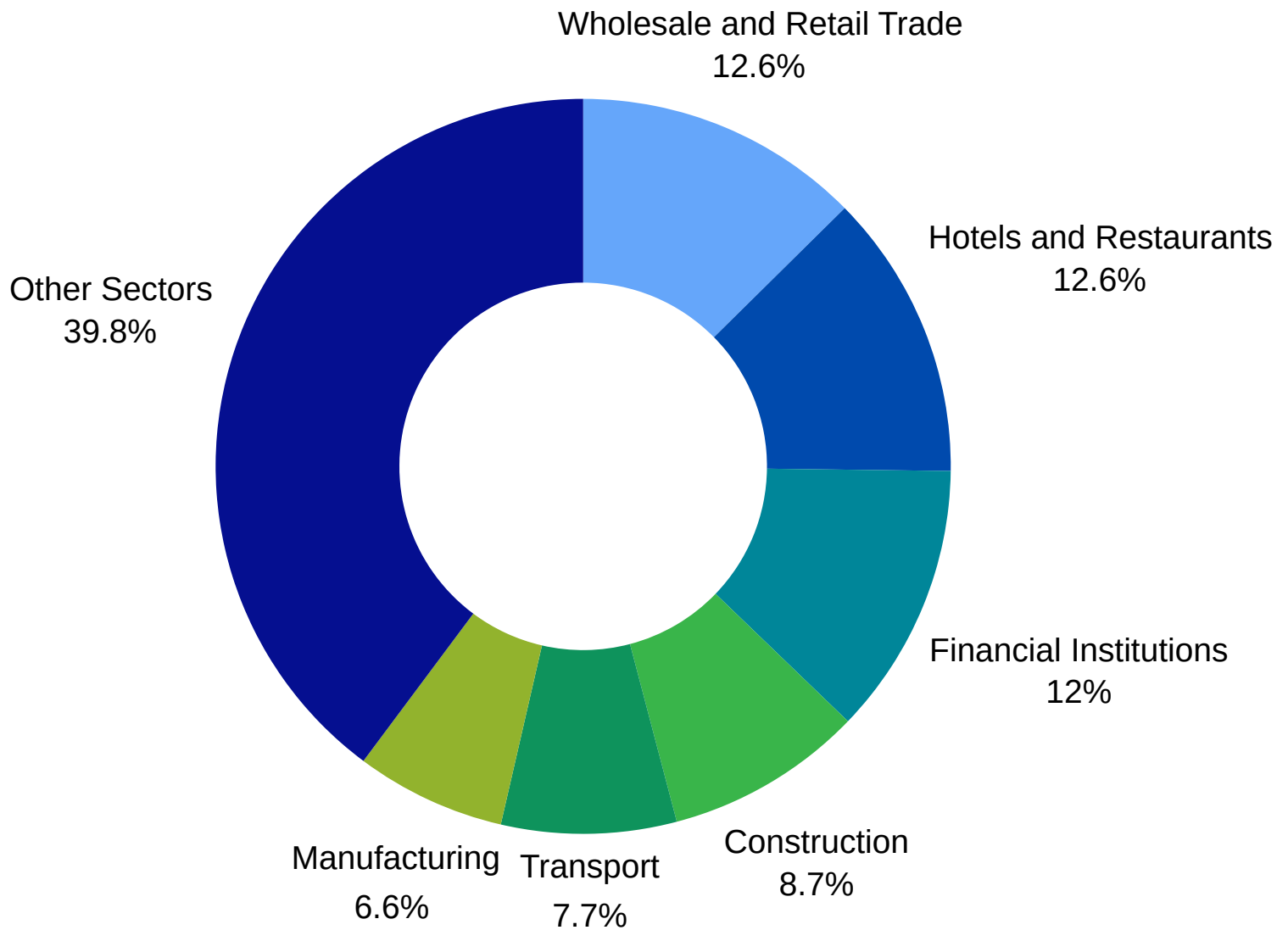


- An NPI of 36.1 was achieved for January to June 2024, indicating an overall improvement in the sentiments for general economic conditions.

Acknowledgement

This report is a product of the Research, Statistics and Data Analytics Department of the Eastern Caribbean Central Bank (ECCB). Special thanks is extended to the ECCU businesses that participated in the survey and the consultants who executed the survey on our behalf.

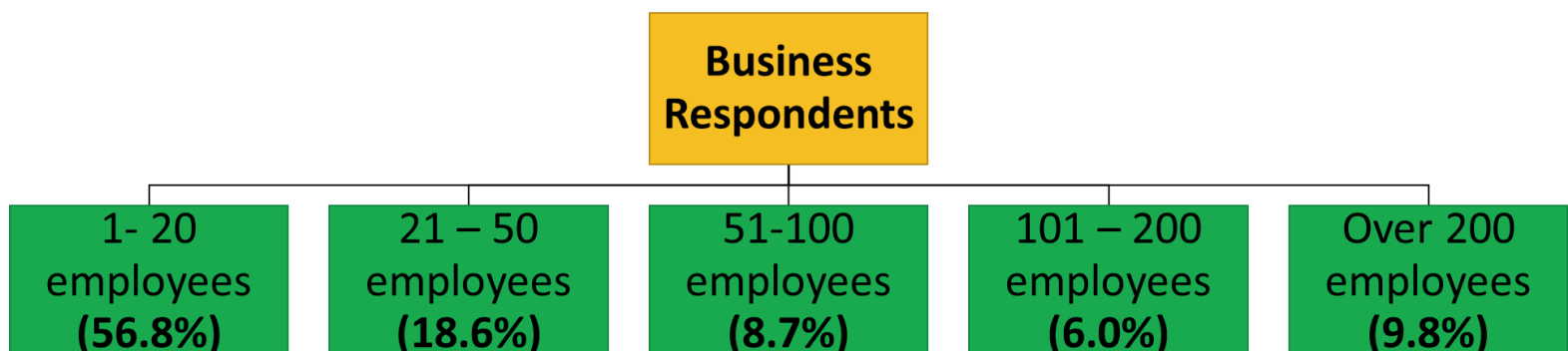
BUSINESS DISTRIBUTION BY SECTOR



The participating businesses are classified in industries that make up the economic pillars of the ECCU member countries. Other Sectors includes Real Estate, Medical, Educational, Communication and Agricultural businesses.

BUSINESS SIZE : NUMBER OF EMPLOYEES

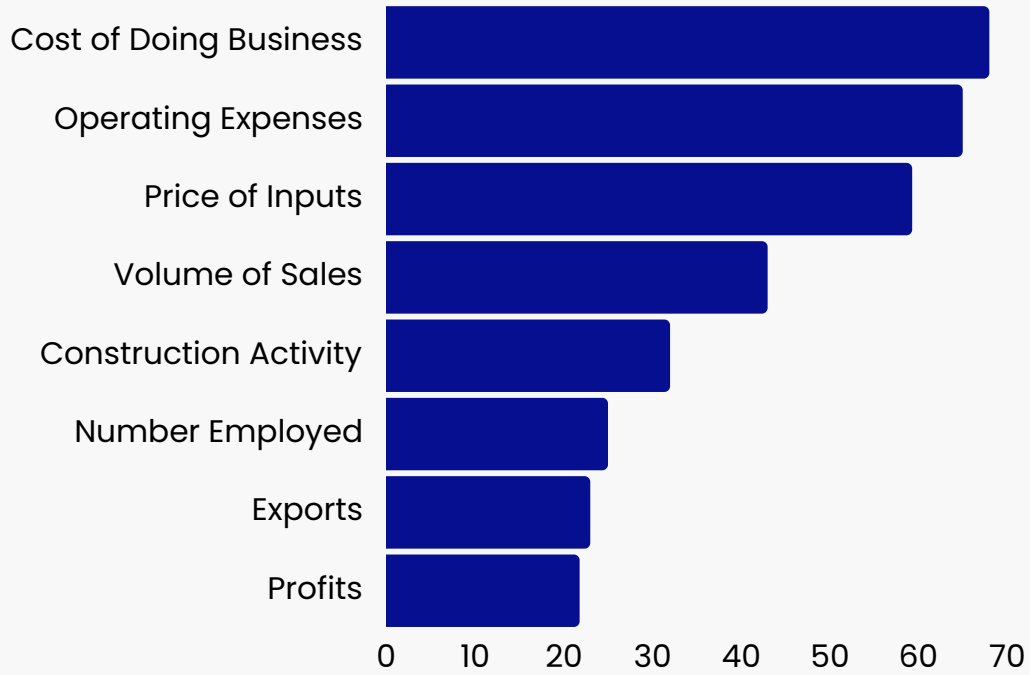
Small Businesses at the helm



Most of the businesses surveyed are considered small enterprises since the data revealed that approximately 56.8% of surveyed businesses employ between 1-20 persons.

EXPECTED PERFORMANCE ON SELECTED VARIABLES

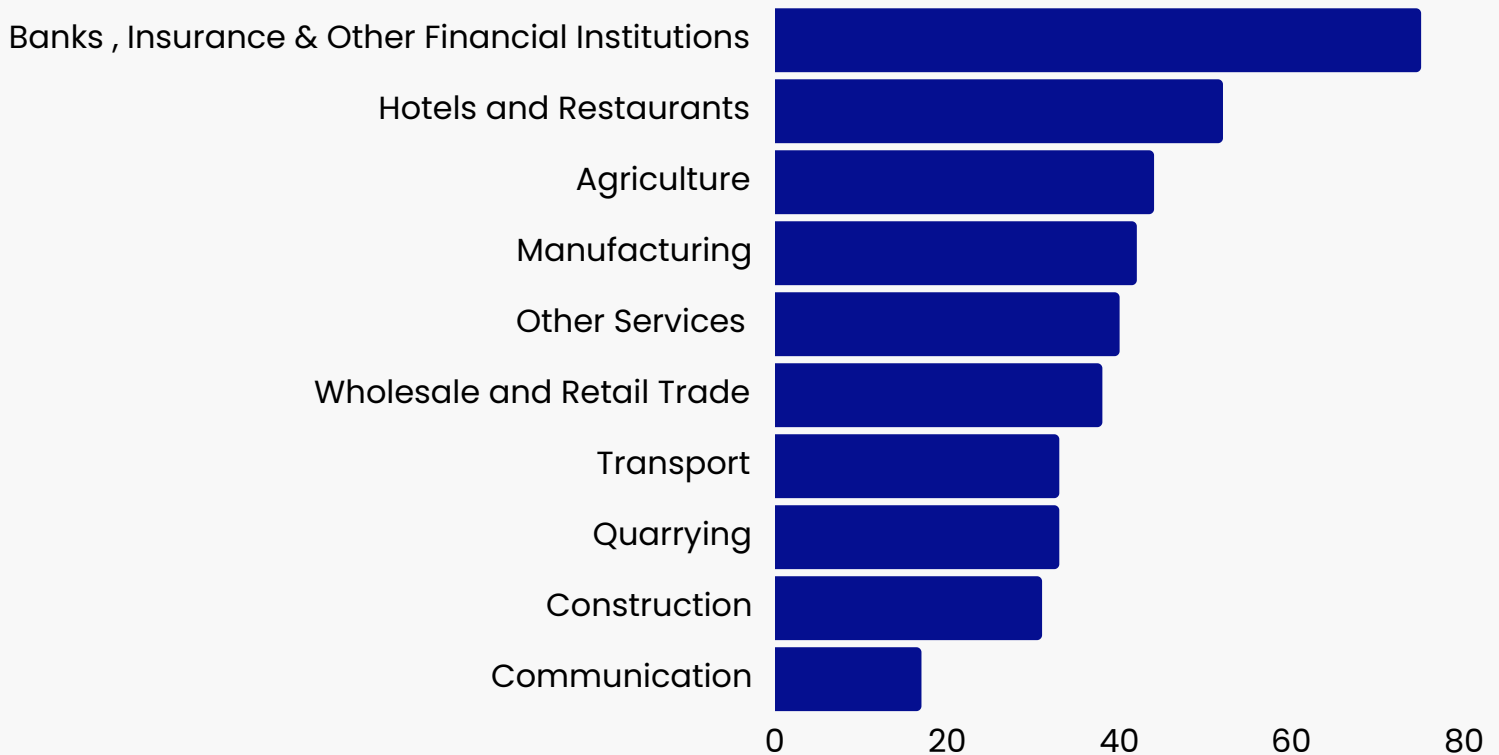
Rising costs outpace Profits



Increases are expected in all selected variables, during the first half of 2024 compared to the comparable period in 2023.

EXPECTED BUSINESS PERFORMANCE BY SECTOR

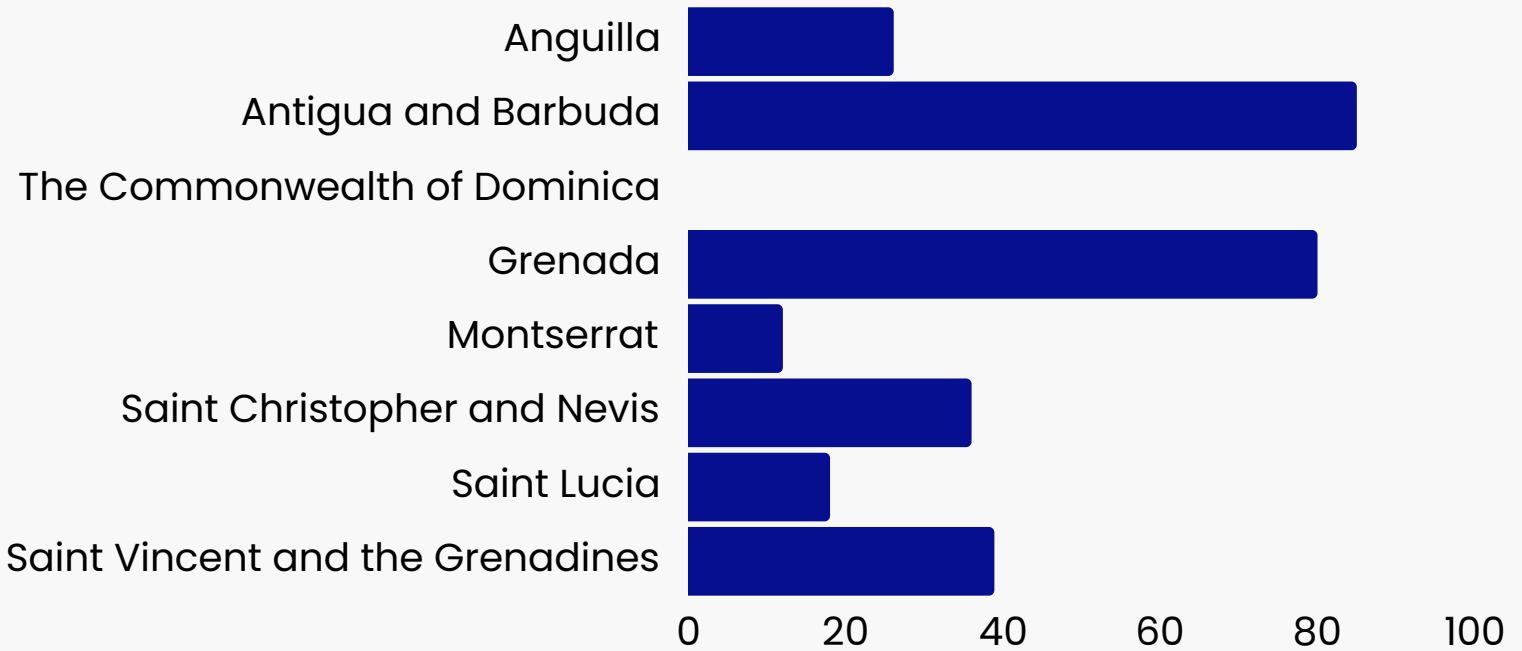
Optimism is prevalent across sectors



Collectively, these sectors / industries achieved an NPI of 44.3.

BUSINESS OPINION BY MEMBER COUNTRY

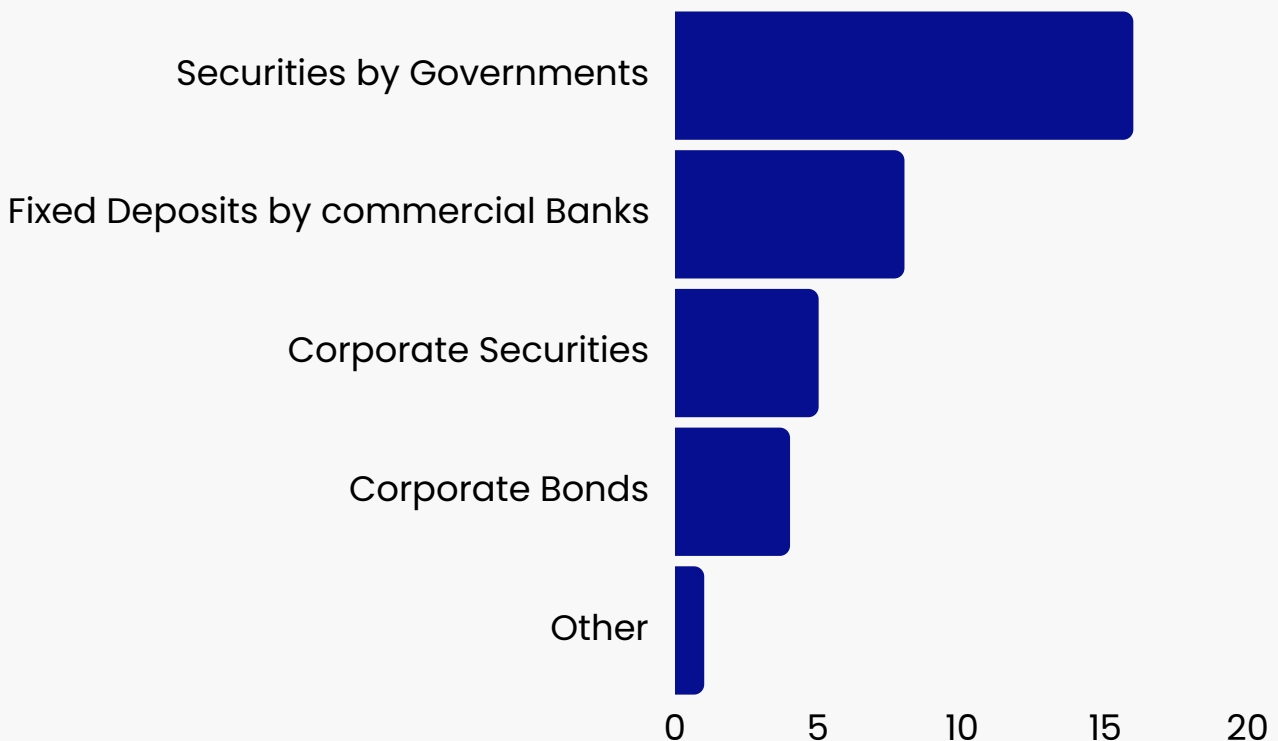
Optimism is also prevalent across member countries



Most member countries registered a positive NPI with the exception of the Commonwealth of Dominica where business sentiments were neutral. General business conditions are expected to improve over the periods under review as the ECCU registered an NPI of 36.1.

CREDIT MARKET CONDITIONS

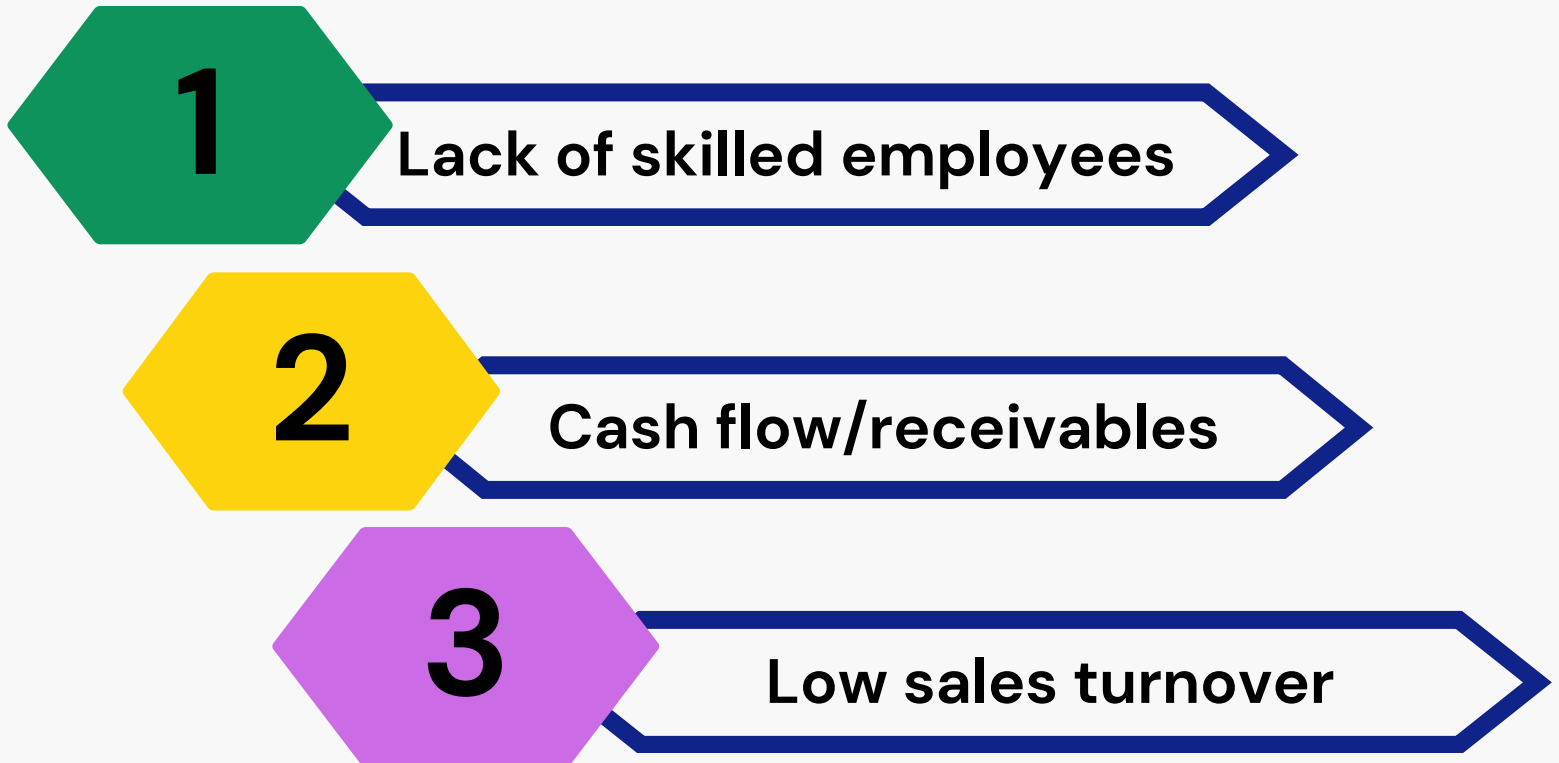
13.6% of businesses set sight on financial Instruments



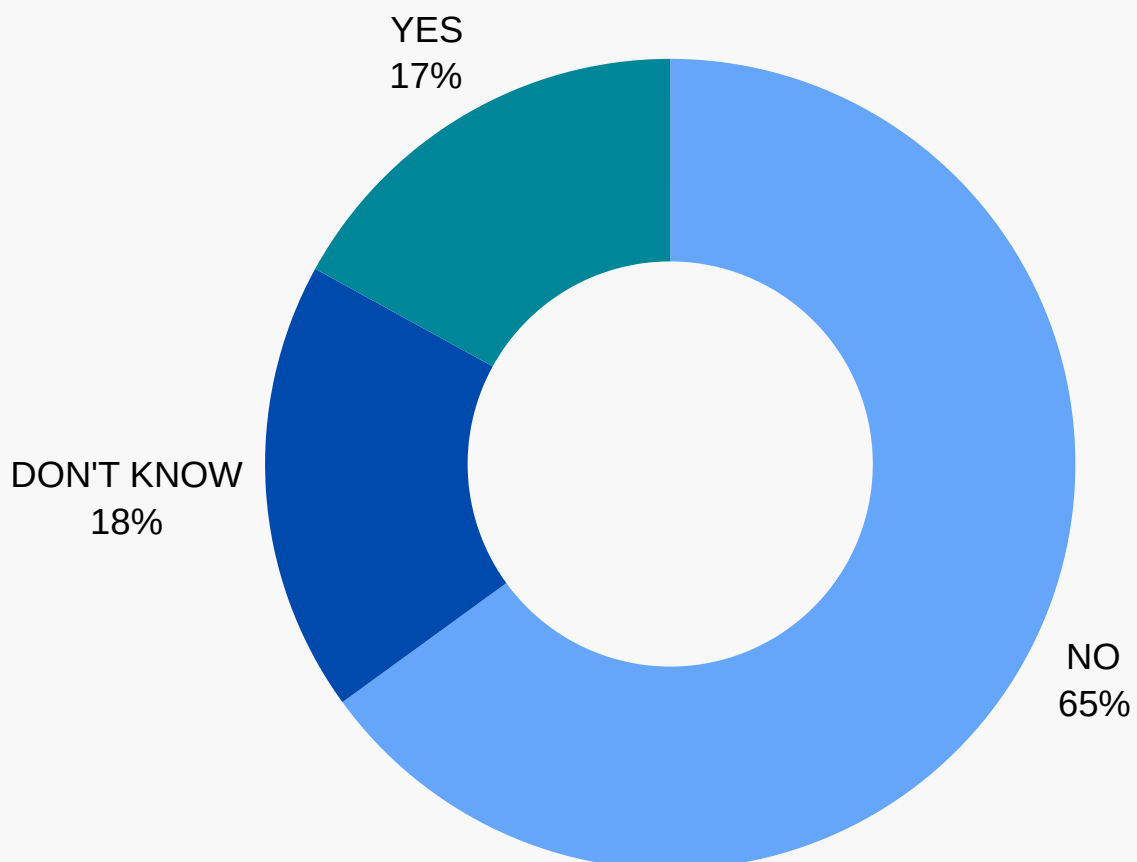
The mix of instruments is outlined above.

CHALLENGES FACED BY BUSINESSES

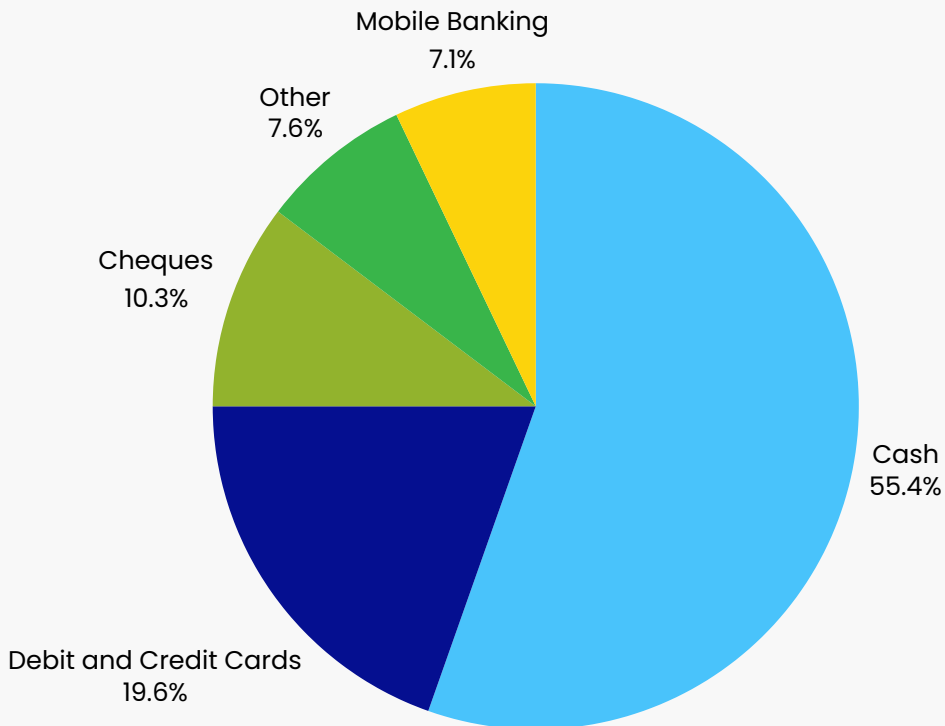
Top challenge: attracting skilled employees



Generally, supply chain disruptions are not expected to affect business operations



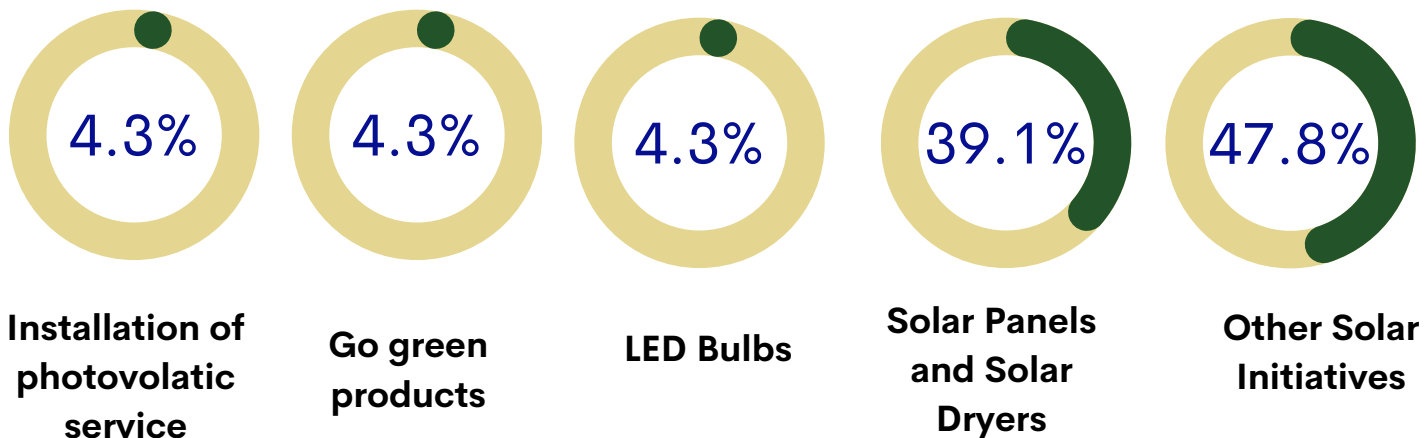
Cash still reigns supreme in the ECCU



Cash is the most widely used form of payment by customers in the ECCU, although 65.0% of surveyed businesses indicated their capacity to accept digital payments. This signals the need for a shift in consumer behaviour to the use of safer payment systems.

SPECIAL ISSUE #2 : RENEWABLE ENERGY

Underperformance in Renewable Energy Investments



27 businesses indicated that they had recent investments in renewable energy products, with the hotels and restaurant sub-sector leading the way. There is potential for other sectors/industries to benefit from adopting green energy. The distribution of investment in green products is outlined above.