

# The AGN Covid Business Recovery Index – June 2020

## A Global Business Voice – SPECIAL REPORT

AGN members report a significant improvement in business confidence over the previous 30 days.

- In a turnaround of business sentiment, AGN members shift from experiencing a 'deterioration' of business confidence in May (-33%) to an 'improvement' in business confidence in June (+17%).
- Their view that the next 30 days will see a further improvement also gets a marginal 1 percent point improvement at +23% (from +22%)
- There's been no change in the proportion of members who expect some improvement in their economies (44%) within the next 90 days, but there has been a 4% fall in those that think things will be back to normal within 12 months (20% May to 16% June).

### Business Confidence\*

Last 30 days:  
Improved = +17%

(May 2020 Result = -33%)



Next 30 days:  
To improve a little = +23%

(May 2020 Result = +22%)



### Recovery Expectation\*\*

Some improvement in the next 90 days = 44%

(May 2020 Result = 44%)



Pre-COVID levels within 12 months = 16%

(May 2020 Result = 20%)



\* An index of responses, where 100% is all responses were optimistic, -100% all were negative, and 0% is neutral.

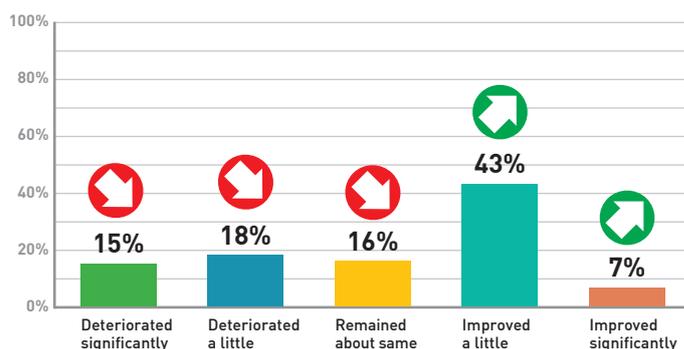
\*\* The percentage of respondents expecting to see the level of improvement specified within the noted timescale.

## Sharp improvement in business confidence over previous 30 days.

### Global Outlook: It has improved a little

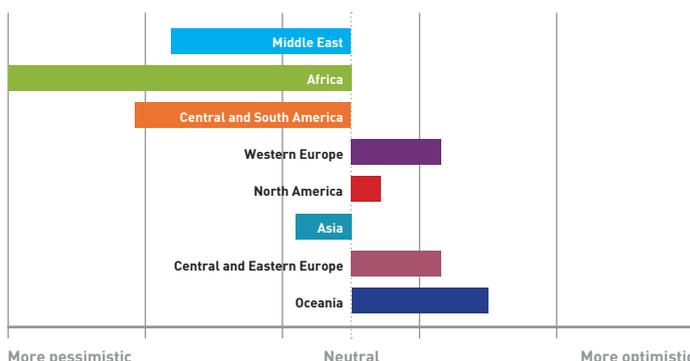
Governments across the world have introduced extensive stimulus policies in hopes of encouraging spending during the pandemic. The survey indicates that 43% of respondents believe business confidence has improved a little, which is the single most popular response. This is a huge jump from last month's survey where the global outlook was that business confidence had deteriorated.

### How has business confidence in your country changed in the last 30 days?



### Regional Outlook

Similar to the sentiments in May, Middle East, Africa and Central and South America businesses are pessimistic. However, firms in Western Europe and Oceania still have a more positive perspective.



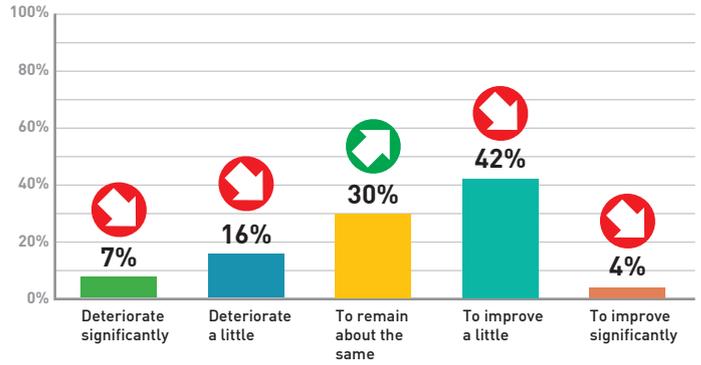
## NEXT 30 DAYS

### Business confidence in the next 30 days remains almost satatic.

#### Global Outlook: To improve a little.

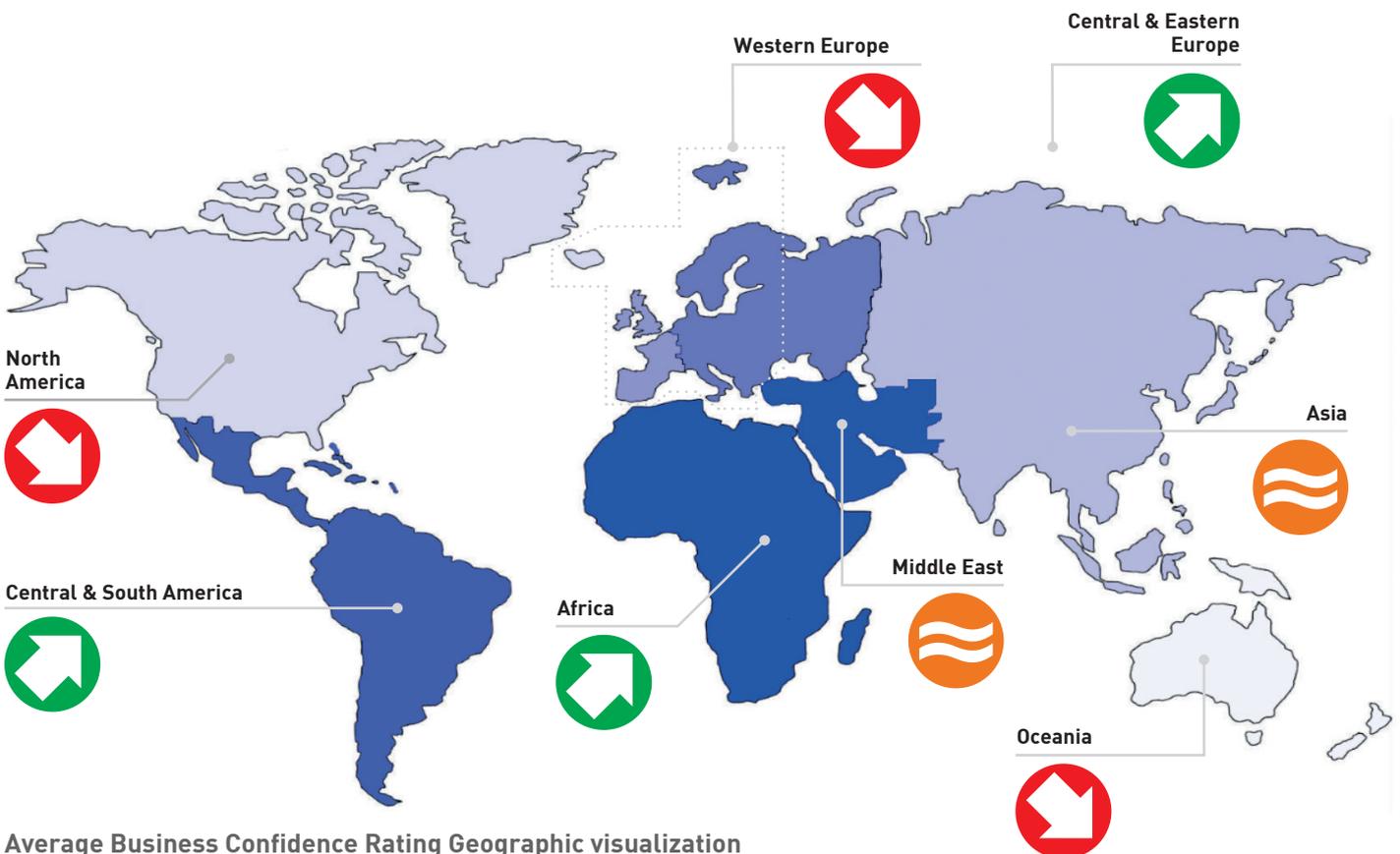
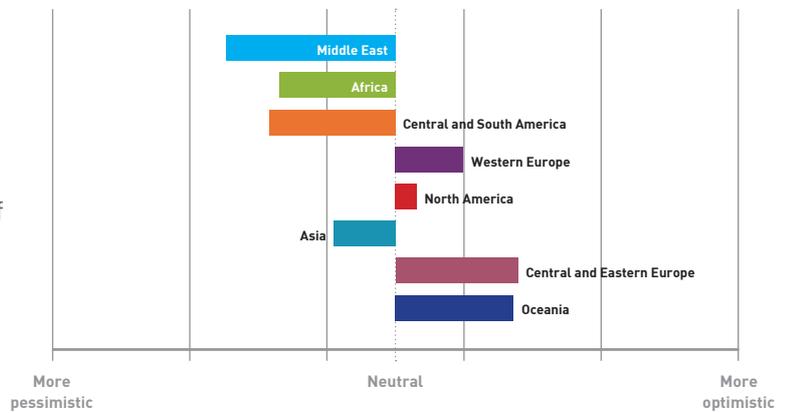
Globally members expect that business confidence will show a slight improvement in the biggest response at 42%. There is almost no change from last month's global outlook. This indicates that their business's future expectations are improving slowly but surely.

How do you expect business confidence in your country to change in the next 30 days?



#### Regional Outlook

Our members' perception of the next 30 days seems to be quite mixed as Western Europe, North America, Oceania and Central and Eastern Europe are optimistic about the future. However, the Middle East, Asia, Africa and Central & South America still have a pessimistic outlook. The mixed responses could be the result of the uncertainty regarding a potential second or third wave of the coronavirus. Nevertheless, the global average rating tells us that business confidence in the next month has improved from the last month.



#### Average Business Confidence Rating Geographic visualization

Arrows are an indication of how the index has changed from last month's survey

■ Pessimistic ■ Optimistic

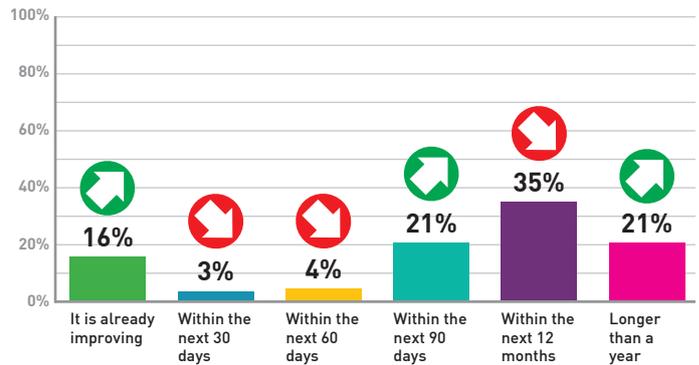
## START TO IMPROVE

### Expectations for 'some improvement' remain static at 44%.

#### Global Outlook: Within the next 12 months.

Over 44% of respondents indicate that they expect business performance to at least improve within the next 90 days, but the majority expected it to take up to a year. Although governments have been injecting cash into economies, its made almost no difference to when members believe business activity will start improving.

When do you expect business performance will start to improve in your country?



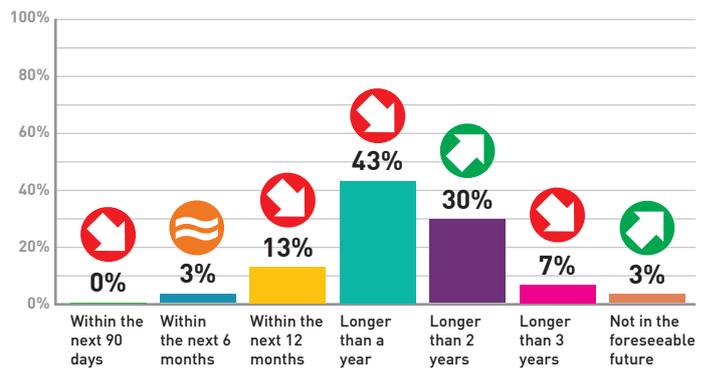
## RETURN TO NORMALITY

### 4% drop in confidence of recovery within 12 months.

#### Global Outlook: Longer than a year.

16% of respondents think that business will return to normality within the next 12 months. Which is a 4% drop since the May Index. Perhaps there is recognition of a slower bounce back and deeper recession than previously anticipated. However, an overwhelming number of respondents believe that businesses will take 1-3 years to reach pre-COVID levels. Since the last survey, members seem to be less inclined to believe that the global economy will return to normal soon but rather it will take several years.

When do you expect business performance in your country to reach pre-COVID levels?



AGN International member firms are comprised of thousands of advisory professionals that actively work with small and medium sized businesses around the world. Their 'confidence' about the future is founded on interactions with these businesses making them a

credible proxy for business confidence more broadly. With this in mind we have developed the Covid Business Recovery Index – a monthly barometer or snapshot of business confidence from every region around the world.



For further information, or become involved, please contact:

AGN International

Email: [info@agn.org](mailto:info@agn.org) | Office: +44 (0)20 7971 7373 | Web: [www.agn.org](http://www.agn.org)

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