

# AGN Covid Business Recovery Index – March 2021

## Business Confidence

**Last 30 days:  
Improved = +27%**



[January 2021 result: -16%]

**Next 30 days:  
Improved = +34%**



[January 2021 result: +18%]

## Recovery Expectation

**Some improvement in  
the next 90 days = 45%**



[January 2021 result: 54%]

**Pre-COVID levels  
within 12 months = 23%**



[January 2021 result: 16%]

## BUSINESS CONFIDENCE GETS A BOOST AS VACCINE DEPLOYMENT GATHERS PACE

In an “about face” from the January C19 Index, business confidence has risen significantly from -16% to +27%! Confidence relating to the past 30 days is now at the highest levels since June 2020.

Business confidence for the upcoming month shows increasing positivity - however, only 45% of respondents believe there will be some improvement within the next 90 days, in contrast to 54% in January.

That being said, the return to normality seems to be closer in range, as 23% of AGN members believe economic activity will return to normal within 12 months, up from 16% last time. There seems to be a picture of modest optimism alongside a recognition that there remains a long way to go. This might of course be particularly true as the withdrawal of various government interventions begins to be anticipated.

## GLOBAL BUSINESS CONFIDENCE BACK ON THE RISE

Over the past month, we can see a steep increase in the proportion of respondents that reported a significant or slight improvement in business confidence – from -16% to +27% - the highest level ever reported by our members.

The last report presented a collapse in confidence as new waves of Covid-19 spread around the globe. But two months later it's a different story. Infection rates are on the rise in many countries but success with vaccine deployment is signalling the escape route out of the Covid crisis and a path back to economic growth and stability.

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

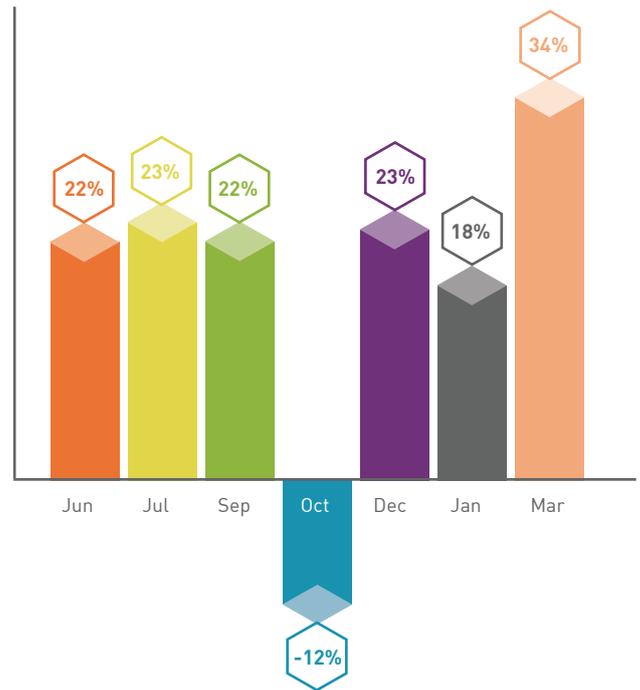


## OPTIMISM HERE TO STAY?

As we look ahead, there has been a 16% increase in the respondents that reported confidence would improve in the next 30 days. Once again, this is the highest level reported by our members since July and December 2020.

Aside from the October negative spike in sentiment, the March index is presenting a significant pick-up of future expectations, following a period of remarkably stable positive but slightly muted results over the duration of the pandemic to date. Surely a degree of caution remains in light of the possible emergence of new variants of Covid-19, or any disruption in the vaccine supply, as we have seen in Europe.

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

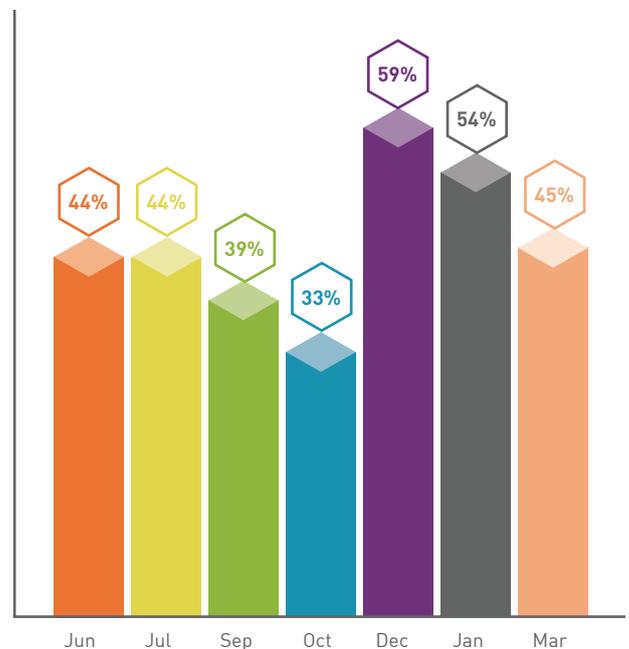


## MEDIUM TERM BUSINESS PERFORMANCE EXPECTATION ON A STEADY DECLINE

There has been a notable drop in the proportion of respondents that expect business performance will improve in the next 90 days to 45%, back to similar levels experienced in the summer of 2020. Nevertheless, it has not reached the low levels we observed in late 2020, perhaps reflecting a more muted but general positivity for a long road to recovery.

Ultimately, even if economic activity increases in the next few months, businesses may find it challenging to respond to the changing economic conditions as their financial problems have only been deferred, not deleted, by government support. Clients will require sophisticated advice around restructuring, deferring creditors and tax mitigation services.

## Business Performance expectation - will improve in the next 90 days



## LONGER TERM EXPECTATION TAKES A TURN FOR THE BETTER

23% of AGN members now think that economies will return to pre-Covid levels within the next 12 months - this is a 7% point increase in the proportion found in the last report, and broadly in line with the longer term trend. As above, there is perhaps a picture of general positivity on a lengthy road.

The rate of economic 'bounce back' is at least partly connected to governments continued financial support for individuals and business - this will of course vary.

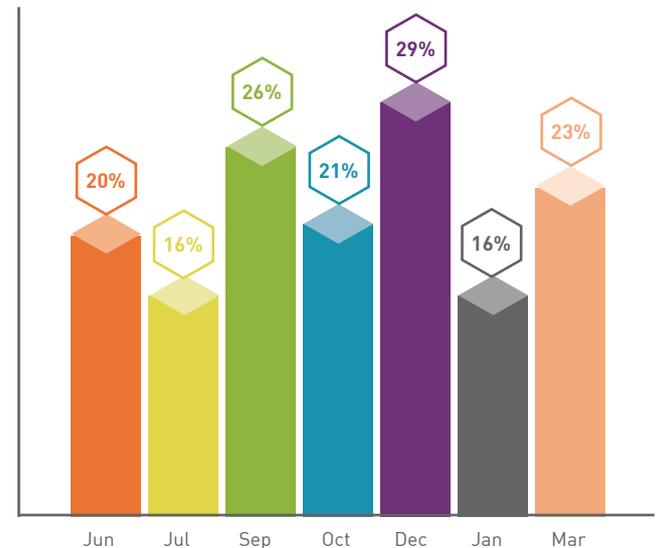
## CONFIDENCE OVER TIME SLOWLY IMPROVING

The Asia-Pacific is the only region where confidence is declining, perhaps reflecting the lack of aggressive monetary policy in countries such as Japan. Nevertheless, the Asia-Pacific, alongside Europe Middle East and Asia, and North America, maintains a positive outlook.

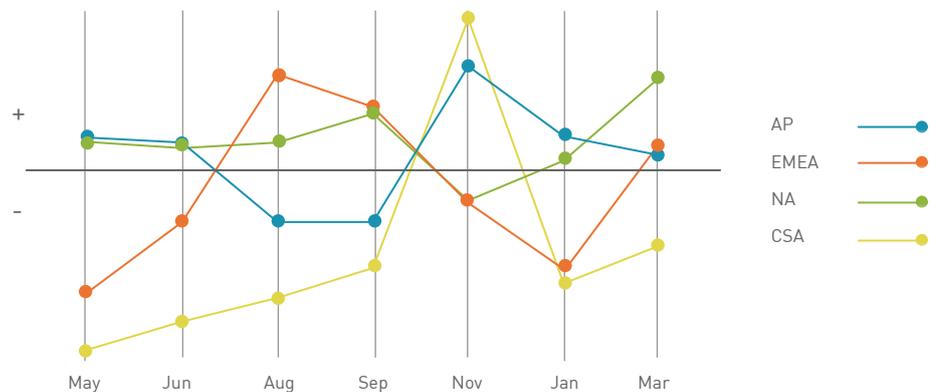
In contrast, Central and South America's business confidence remain in negative territory- a part of which might be attributed to Brazil's specific problems, which have caused Covid-related deaths to soar.

Aside from the Asia-Pacific region, our indicators are looking more positive than they have since commissioning the AGN C19 Business Recovery Index almost a year ago. There has been much turbulence but it would appear that at last members are beginning to see path out of the crisis. We eagerly anticipate the May report to see if this positivity continues.

## Business Performance Expectation - pre-covid levels within the next 12 months



## Regional business confidence over time



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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