

The AGN Covid Business Recovery Index – May 2020

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.

Business Confidence*

Last 30 days:
Deteriorated = -33%

Next 30 days:
To improve a little = +22%

Recovery Expectation**

Some improvement in
next 90 days = 44%

Pre-Covid levels within
12 months = 20%

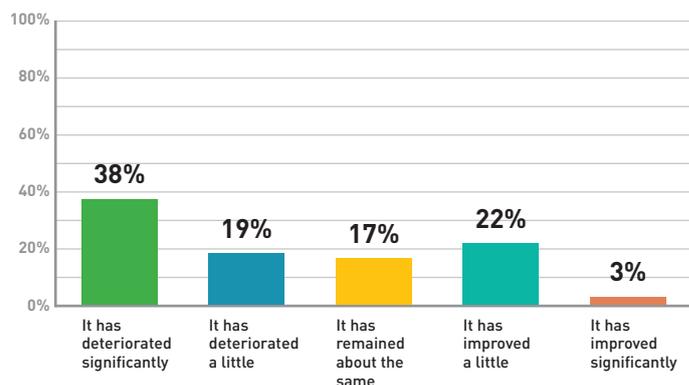
* An index of responses, where 100% is all responses were optimistic, -100% all were negative, and 0% is neutral.

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

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

Global Outlook: Deteriorated Significantly.

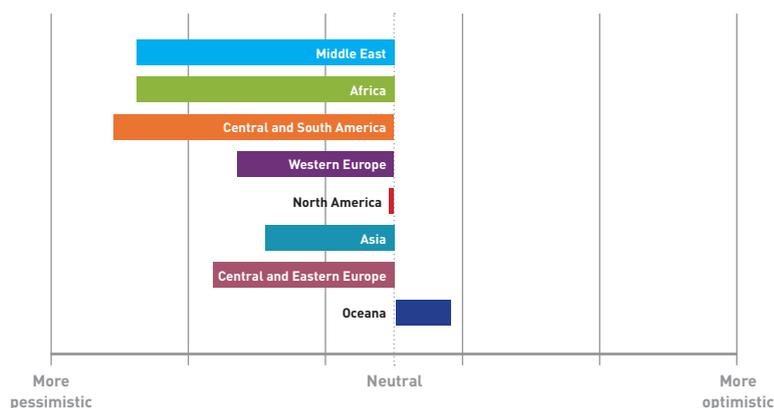
Despite the easing of lockdown measures in many economies over the last month the Index indicates that over 57% of respondents site business confidence as having deteriorated at least a little. The biggest single response was that it has deteriorated significantly (38%).



Regional Outlook

Its been a very challenging 30 days for business – by all accounts the most challenging in many generations.

Middle East, Africa and, Central and South America have experienced a relatively large decline in business confidence in the past month – twice the global average. However, firms in Oceania have had a more positive perspective.

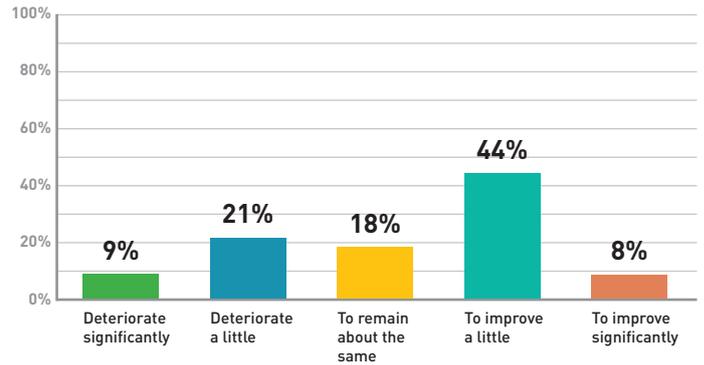


NEXT 30 DAYS

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

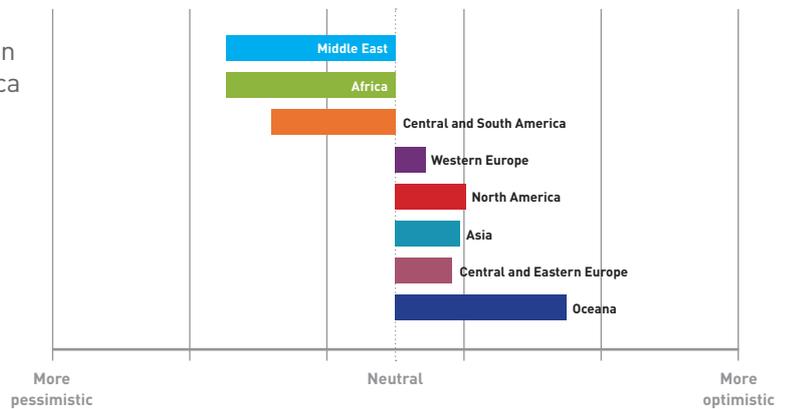
Global Outlook: To improve a little.

Globally members expect that business confidence will show a slight improvement the biggest response at 44% was to expect confidence to 'improve a little' in this time period.



Regional Outlook

Our members' perception of the next 30 days seems to take a turn for the better as the majority of regions obtain a positive average rating. However, the Middle East, Africa and Central & South America still have a pessimistic outlook. That being said, across all regions the business confidence rating for the next month increases from the last month, excluding the Middle East where business confidence remains similar.



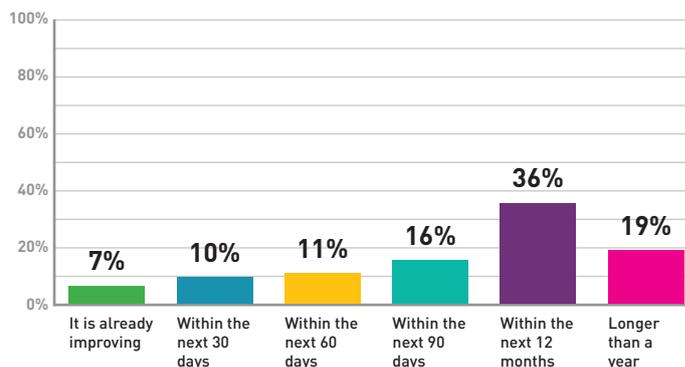
Average Business Confidence Rating Geographic visualization

- Pessimistic
- Optimistic

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

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 most believe it will be up to a year. As governments re-start their economies, there is some expectation of an economic 'bounce back' – the index will be an interesting monitor of how long the 'bounce back' is expected to take.

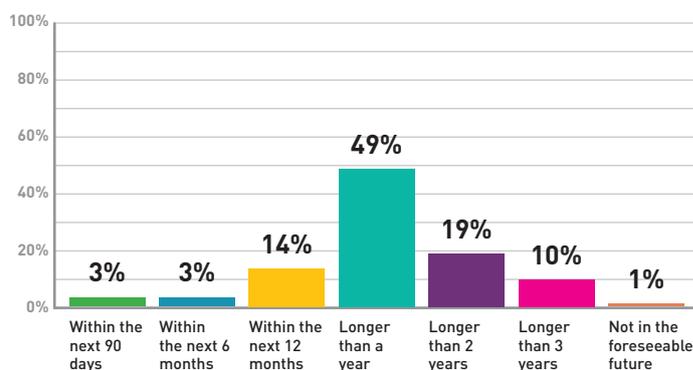


GETTING BACK TO NORMAL?

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

Global Outlook: Longer than a year.

It is interesting to see that 20% of members think that business will return to normality within the next year, but 49% of respondents believe that it will take one to two years for business performance to reach pre-COVID levels.



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