

Results Business Cycle Survey 2019

Datum, June 2020

CONTENTS

Introduction	2
Investment obstacles	3
Confidence in the economy	3
Confidence in the future	4
Opinion towards investment climate	5
Business cycle index	6
Changes in turnover	6
Business operation results	6

Introduction

In December 2019, almost 280 companies were approached in connection with the business survey. It thus took place before the corona crisis and lockdown of society and economy. The purpose of the survey is to provide up-to-date information on business and economic parameters and developments. This will take place twice a year. It also provides insight into the expectations and opinions of entrepreneurs and is important for information regarding the economy, work and employment and the investment climate.

For reasons of efficiency improvement and a limited budget, companies have been able, for the second time, to complete the survey entirely online. This by using a special software that has been obtained for this.

As usual, the survey was conducted at all companies with ten or more employees, while a sample of companies from three to ten employees was taken. It is thus in part a sample survey. By doing so, an estimate is made of the characteristics of the entire population (all companies) which allows statements to be made about this in a responsible manner. For this survey, companies are understood to be N.V.s and sole traders with a balance sheet and profit and loss account.

The survey and response in terms of size of companies has been focused to small (up to 10 employees), medium (up to 50 employees) and large companies (50 employees and up). The response distribution over the second half year of 2019 over small, medium and large was respectively 18, 62 and 20 percent (the first half year this was 21, 59 and 20 percent).

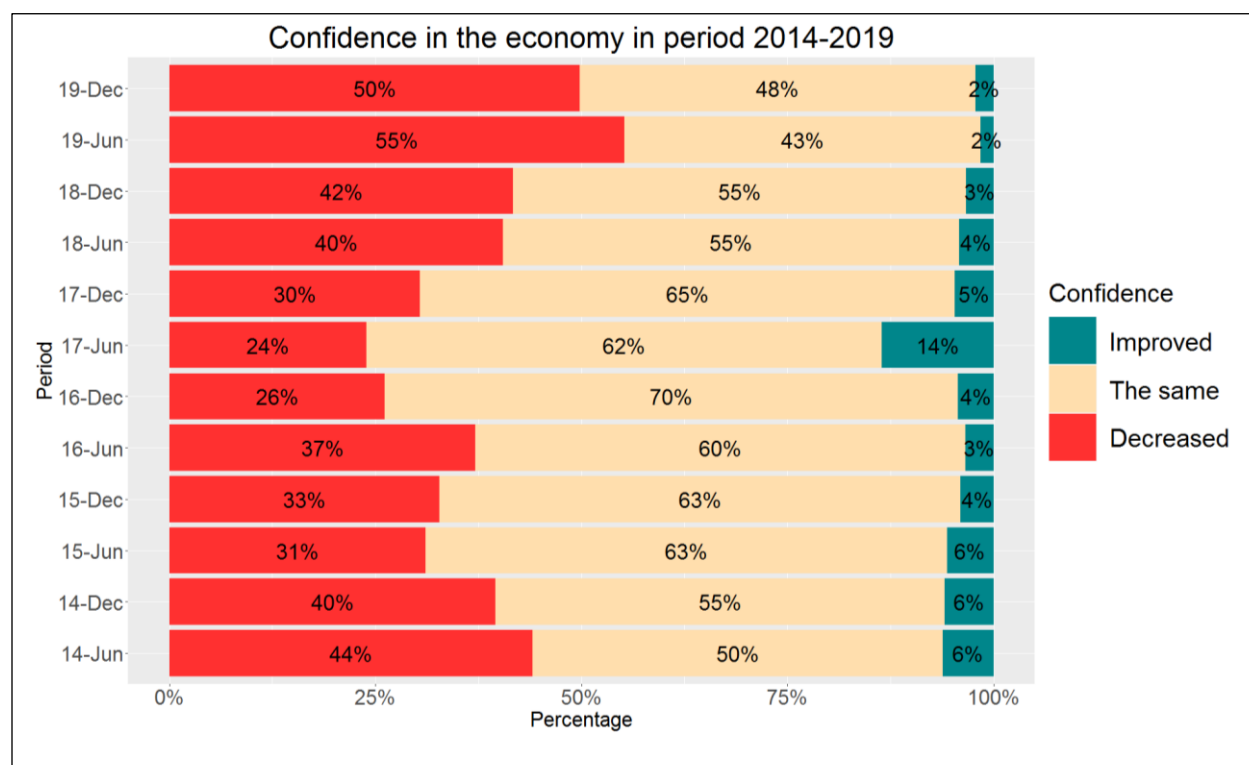
Investment obstacles

Nearly 43 percent of the responding companies said they had invested in the second half of 2019. This is almost the same compared to June 2019 (42%). Some 26 percent of the companies indicated that there were investment obstacles. Also virtually the same percentage as in June 2019 (25%).

Confidence in the economy

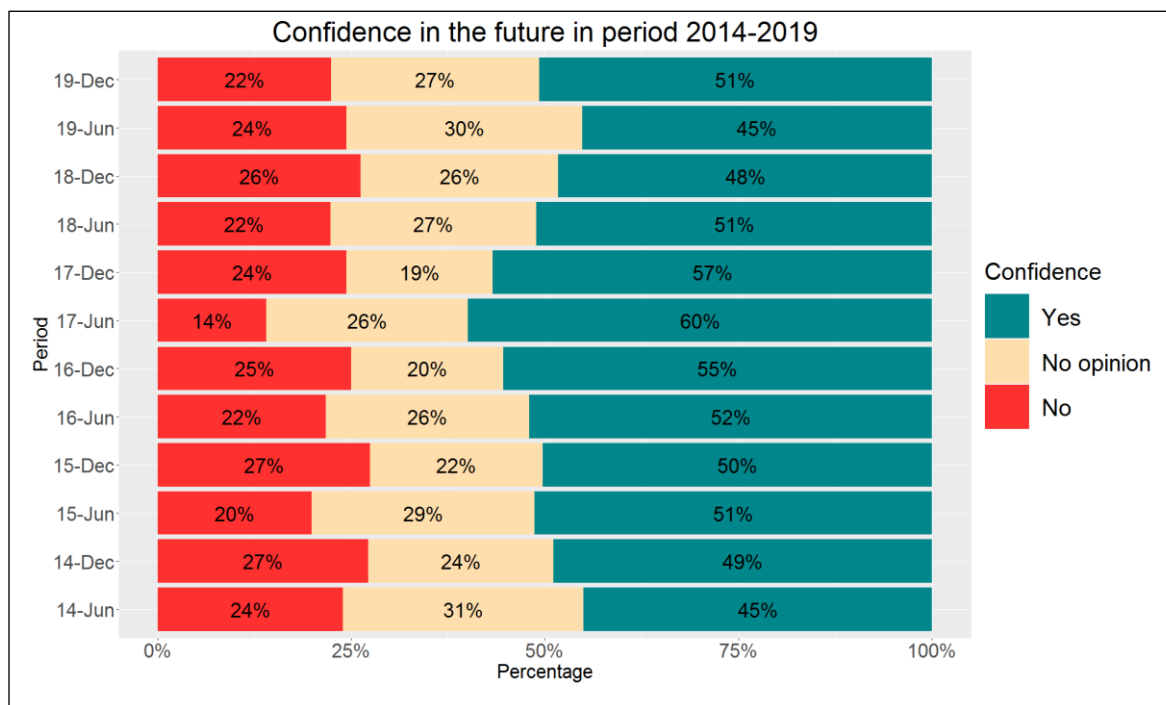
According to the businesses, confidence in the economy improved somewhat. In December 2019 about 50 percent stated their confidence worsened. An improvement relative to June 2019 when this was 55 percent. More companies, 48 percent, experienced no change towards their confidence in the economy (was 42%).

Only 2 percent of the businesses acknowledged that their confidence in the economy improved over the past half year (same as June 2019).



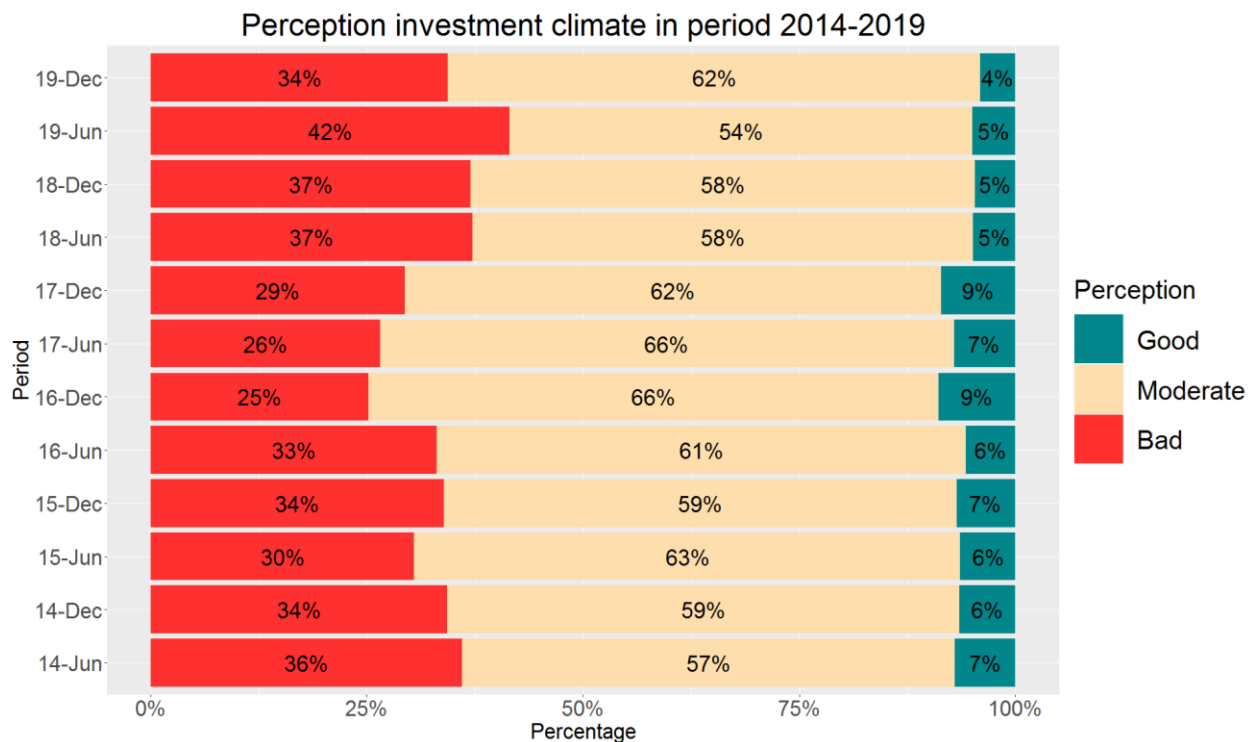
Confidence in the future

The percentage of enterprises with confidence in the future improved somewhat last half year of 2019. In comparison with June the percentage of companies with confidence inclined from 45 to 51 percent. In addition, the share of companies that have indicated that they have no confidence in the future has decreased slightly from 24 to 22 percent. The companies with 'no opinion' decreased from 30 to 27 percent in December 2019.



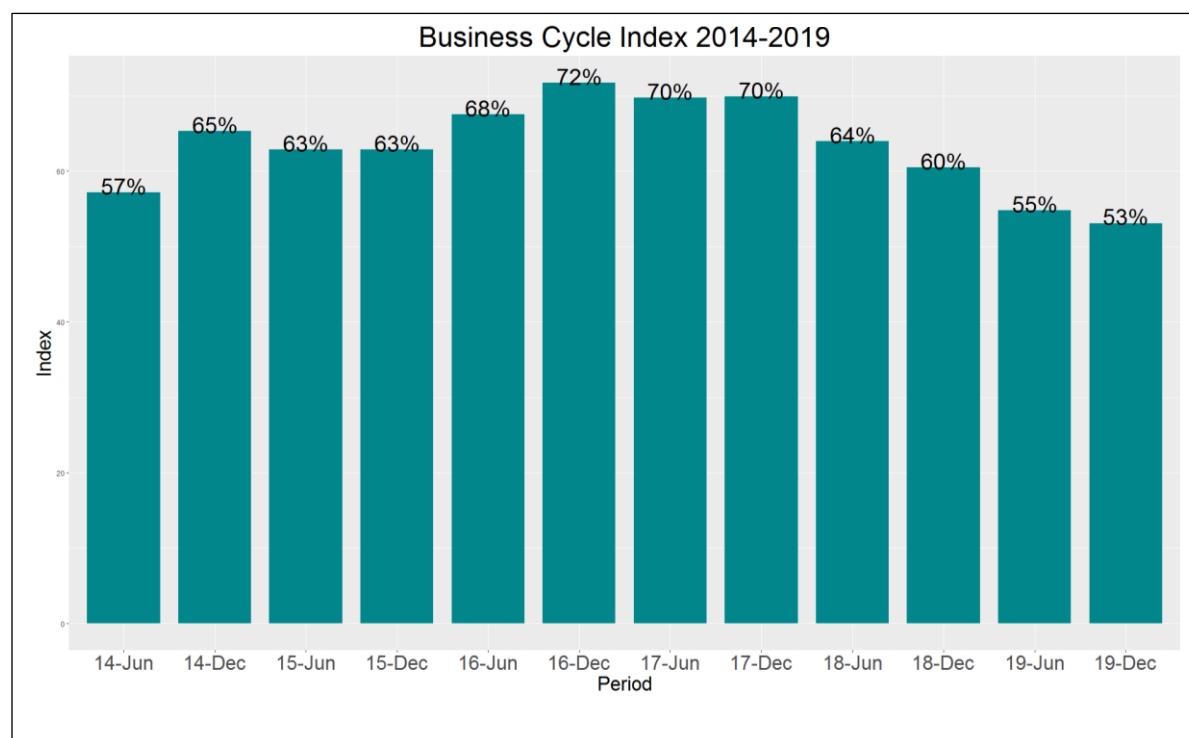
Opinion towards investment climate

The opinion towards the investment climate also improved somewhat. More entrepreneurs stated that the investment climate was moderate. This percentage increased from 54 to 62 percent. The percentage of companies which said it is bad, decreased from 42 to 34 percent. Like former years, just a few companies, 4 percent, consider the investment climate to be good (was 5% last June).



Business cycle index

This index is based on data from confidence in the future, perception of the investment climate and changes of the turnover. The intention of the index is to give an indication of the trend of the business cycle from December 2010 on to date. Since the end of 2010, the index diminished to 51 points (December 2013). From that date forward the situation improved, till December 2016. Last December 2019 the index decreased from 55 to 53 points.



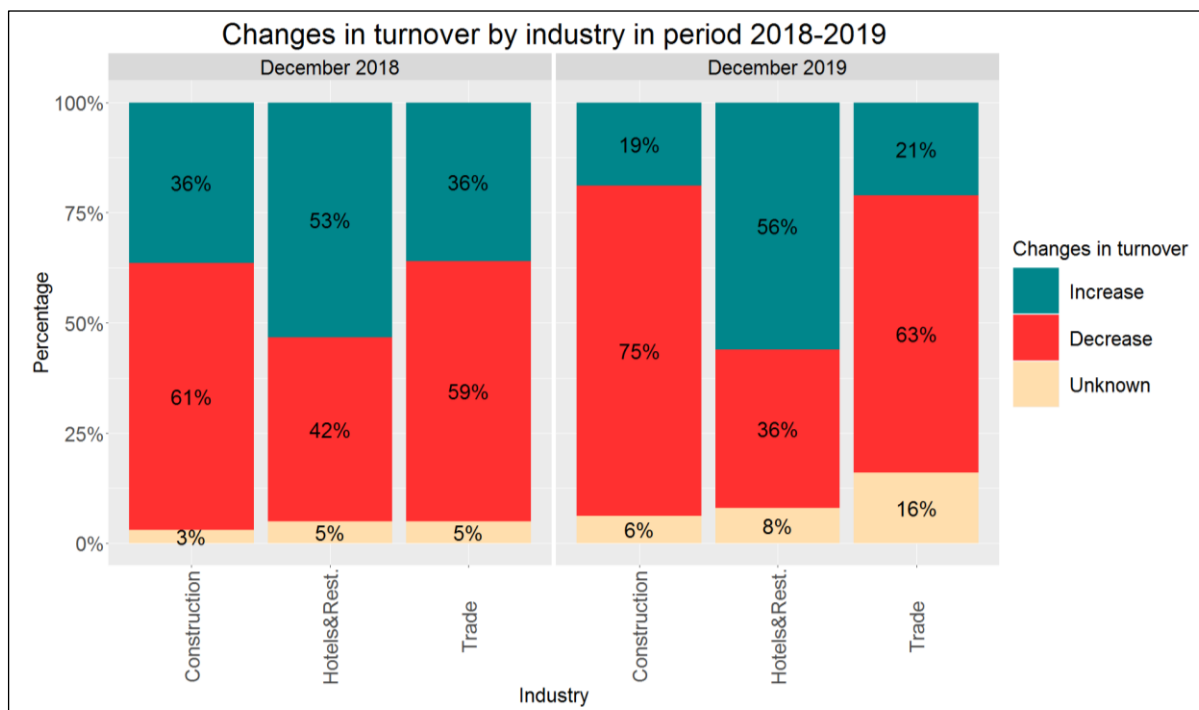
Changes in turnover

In comparison with December 2018 the same percentage of companies had a decrease of the turnover. This percentage changed slightly from 56 to less than 57 percent. This means that more than half of the businesses had a decrease of their turnover. The percentage of companies with a turnover increase worsened from 37 to 27 percent.

In case of the changes of turnover especially has been focused on the most important industries (for the business cycle and economy) i.c. construction, trade and the hospitality sector (hotels & restaurants).

In the hospitality sector relatively many companies had an increase in turnover last half of 2019. This improved from 53 to 56 percent. The percentage 'decrease in turnover' has decreased from 42 to 36 percent.

In construction and trade, the percentage 'increase' in turnover has decreased from 36 to 19 and 21 percent respectively. In addition, more companies have reported a decrease in turnover. In construction, this has increased from 61 to 75 percent, trade from 59 to 63 percent of companies.



Business operation results

The percentage of companies which made a positive business result for the year 2019 is 66 percent. This is an increase in comparison with December 2018 when this was 58 percent. On the other hand, 34 percent of the companies had a loss (8% point less in comparison with December 2018). Unfortunately and though less than last year, many companies are not able to make profit with their enterprise.

With regard to the results for the economically important industries construction, trade and hospitality, it is striking that the percentage of positive results in trade has increased; from 54 to 62 percent of these companies. In the hospitality industry this has increased even more, from 64 to 78 percent. In construction slightly more companies than in December 2018 indicated that they made profit (50%, was 48%).

