



Special Press Release Business Confidence in Pakistan Wave 2

Business community significantly impacted by the COVID-19 outbreak in Pakistan; Gallup Business Confidence Index Scores plummet — Gallup Pakistan Business Confidence Index

Islamabad, April 23, 2020

According to a Gallup Pakistan Survey with business owners in the first quarter of 2020 for the Gallup Business Confidence Index reporting, business owners are increasingly pessimistic about the conditions of their businesses due to the unforeseen impact of coronavirus in Pakistan and the world.

The survey is the second of a Quarterly Business Confidence Survey that Gallup Pakistan aims to do in Pakistan. Business Confidence Index is an important barometer capturing the sentiments of business community in any country and used across the world by policy makers. The survey was conducted in the first Quarter of 2020 with around 500 businesses across Pakistan.

KEY QUESTIONS ANSWERED BY GALLUP BUSINESS CONFIDENCE INDEX:

The Business Confidence Index answers the following key questions:

1. What do businesses think with respect to future of their business and the country?
2. Are they hopeful or pessimistic about upcoming year?
3. What is the biggest hurdle faced by the businesses?

In addition, the survey also measures the impact of the COVID-19 outbreak on businesses in Pakistan.

Gallup Business Confidence Index Pakistan is comprised of 3 strands. On all 3 strands the value was negative which meant that more businesses posed lack of confidence in the Business situation of Pakistan. The number fell significantly during the current time period eating away some healthy gains made between last Quarter of 2019 and first quarter of 2020.

Gallup Business Confidence Index	Q1 2020 Score	Assessment
Strand 1 Current Business Situation Score	-68%	Negative Confidence
Strand 2 Future Business Situation Score	-9%	Poor Confidence
Strand 3 Direction of the Country Score	-32%	Poor Confidence

Bilal Ijaz Gilani, Executive Director Gallup Pakistan and Chief architect of the Gallup Business Confidence Index Pakistan notes “*These are extremely difficult times for the business community in Pakistan. The situation in pre-corona times was difficult with economy having decelerated under the demand compression strategy enforced under IMF programme. The Covid-19 lock downs in the country has plunged the business sector into deep red. Despite this situation, businesses are optimistic and are saying in large numbers that they wish to retain their work force. Pakistan’s business community has weathered many hardships and they seem confident to pass through this one as well.*”

FULL REPORT: The Business Confidence Index report can be accessed [here](#).

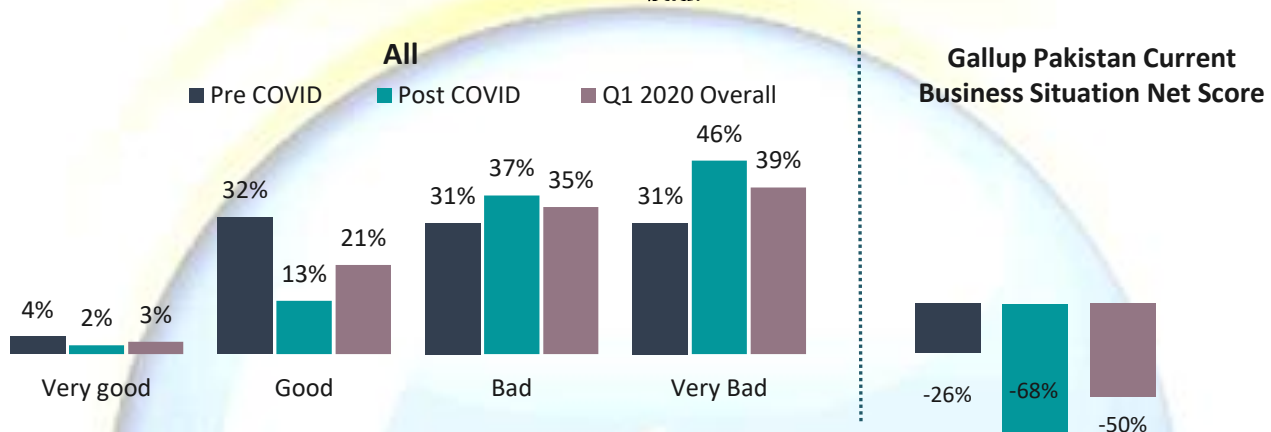


Strand 1: Current Business Conditions

A sample of around 500 business owners and managers across Pakistan were asked the following question, **“How well is your business doing nowadays. Would you say it is very good, good, bad, or very bad?”** Before the COVID-19 outbreak in Pakistan, in response to this question, 36% said their business is doing good or very good, while 62% had a negative opinion.

After the Coronavirus outbreak, the percentage of businessmen with a positive view of the current conditions of their business fell to 15%, indicating a significant impact of the outbreak on perceptions of businessmen. Overall, net positivity fell significantly from -26% to -68% after the outbreak.

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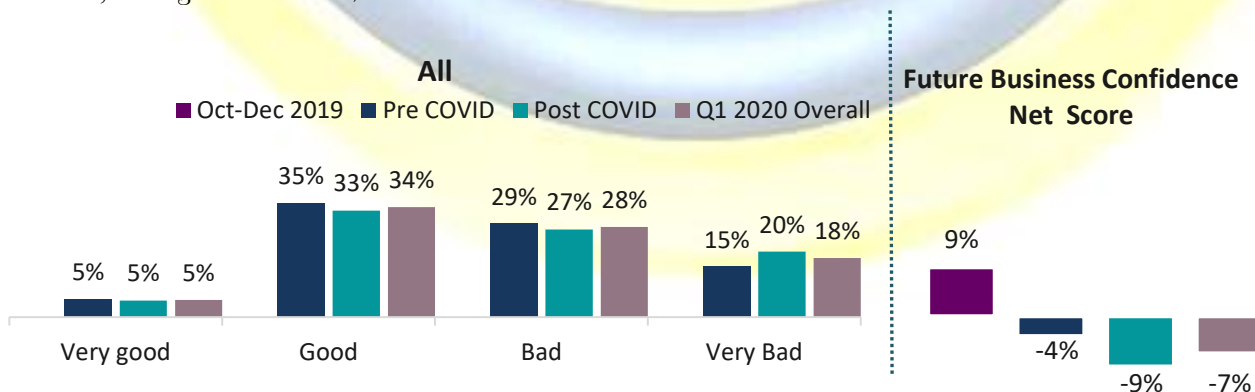


Source: Gallup Pakistan Business Confidence Survey. (Report 2, Quarter 1 2020)

Strand 2: Expectations for the Future of Business

Business owners were further asked, **“What are your expectations for the future of your business compared to the past?”** Prior to the COVID 19 outbreak, 40% business owners were optimistic about the future of their business, which fell slightly to 38% after the outbreak.

Net expectation about the future of business fell from 9% in Q4 2019, to -4% during the initial months of 2020, falling further to -9% after the COVID 19 outbreak.

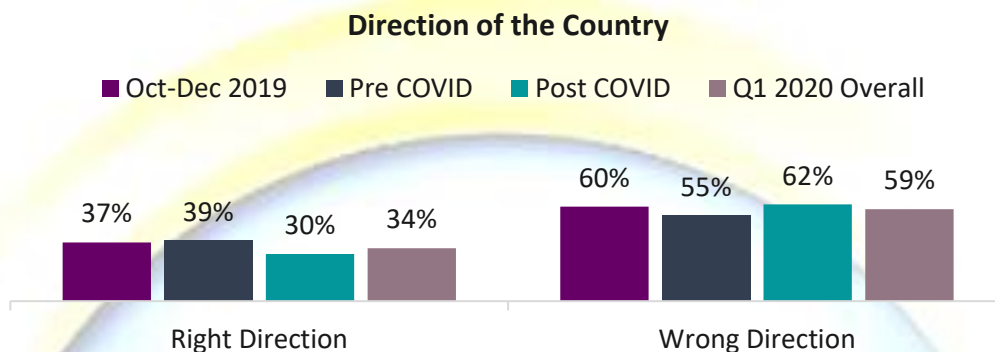


Source: Gallup Pakistan Business Confidence Survey. (Report 2, Quarter 1 2020)



Strand 3: Direction of the Country Score

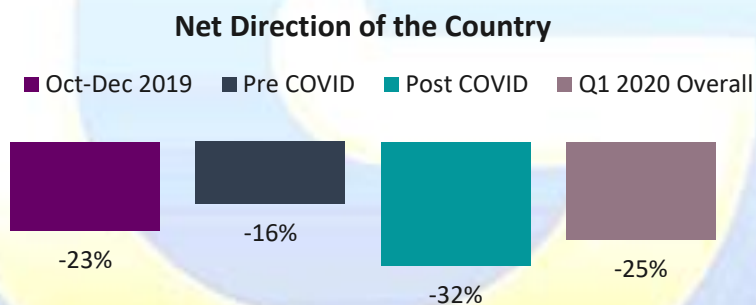
Business owners were then asked, ***“What is your opinion on the direction of the country? Are we headed in the right direction or wrong direction?”*** During the initial months of 2020, there was a slight rise in optimism of business owners about the direction of the country; from 37% to 39%. However, since the COVID 19 outbreak, optimism fell to 30%. Overall for the first quarter of 2020, 34% business owners were optimistic about the direction the country is heading in.



Source: Gallup Pakistan Business Confidence Survey. (Report 2, Quarter 1 2020)

Net Direction of the Country

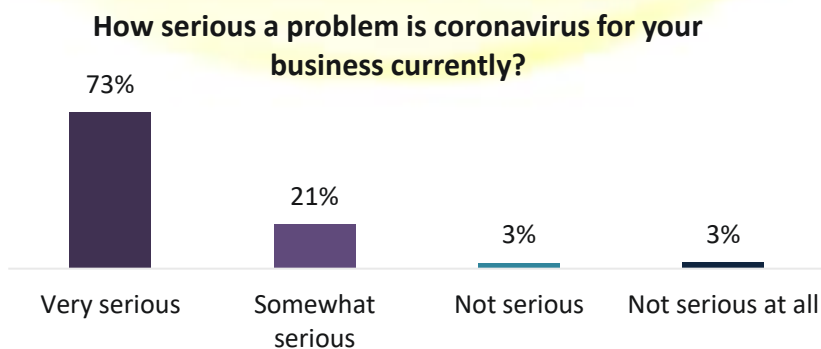
The initial months of 2020 saw a rise in the net rating for direction of the country, from -23% during Oct-Dec 2019, to -16%. However, a sharp decline to -32% was observed after the COVID-19 outbreak.



Source: Gallup Pakistan Business Confidence Survey. (Report 2, Quarter 1 2020)

Impact of COVID-19 Outbreak

In order to understand the impact of the COVID-19 outbreak on businesses, business owners were then asked, ***“How serious a problem is coronavirus for your business currently?”*** 94% business owners claimed that coronavirus is a somewhat or very serious problem for their business.



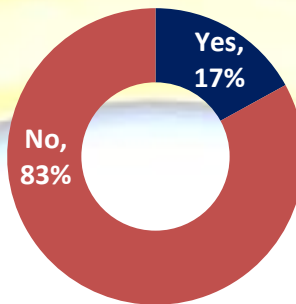
Source: Gallup Pakistan Business Confidence Survey. (Report 2, Quarter 1 2020)



Most Businesses in Pakistan are not considering laying off their employees:

Further, business owners were asked ***“Are you considering laying off employees to minimize losses to your business due to Coronavirus?”*** 83% business owners reported that they are not considering laying off employees to minimize losses due to coronavirus, while 17% said they are considering layoffs.

“Are you considering laying off employees to minimize losses to your business due to Coronavirus?”



Source: Gallup Pakistan Business Confidence Survey. (Report 2, Quarter 1 2020)

METHODOLOGY

For details please see the detailed report on the Gallup Pakistan website.

This project is done under the guidance of Bilal I Gilani, Executive Director Gallup Pakistan. Mr. Gilani has an experience of over a decade in directing business surveys in Pakistan apart from spearheading over 500 research projects on behalf of Gallup Pakistan.



Opinion Poll from Gallup Pakistan
The Pakistani Affiliate of Gallup



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(05 Pages, English version Only)

Gilani Research Foundation is a not for profit public service project to provide social science research to students, academia, policy makers and concerned citizens in Pakistan and across the globe.

Gilani Research Foundation is headed by Dr. Ijaz Shafi Gilani who pioneered the field of opinion polling in Pakistan and established Gallup Pakistan in 1980. Currently Dr. Gilani, who holds a PhD from the Massachusetts Institute of Technology (MIT) and has taught at leading universities in Pakistan and abroad, is Chairman of Gallup Pakistan.

If you have any further questions regarding this poll, please feel free to contact us.

Best Regards,

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of Gallup Pakistan
(1980-2019)