



Special Press Release
Gallup Pakistan Business Confidence Index
2nd Quarter 2020 – Wave 3

Gallup Business Confidence Index's (BCI's) all three strands about current business environment, future business environment and direction of the country are now in positive territory since the lockdown reported in Q1. Despite hardships optimism about future business is unusually high as almost 8 in 10 businesses report future will be better: Gallup Pakistan Business Confidence Index

Islamabad, August 31, 2020

According to a Gallup Pakistan Survey with business owners in the second quarter of 2020 for the Gallup Business Confidence Index reporting, business owners are increasingly optimistic about the conditions of their businesses since the lifting of coronavirus lockdown 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 second 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 the upcoming year?
3. What is the biggest hurdle being faced by businesses?

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

Gallup Business Confidence Index Pakistan is comprised of 3 strands. All 3 strands of the Gallup Business Confidence Index (BCI) are in **Green territory** pointing that more businesses are now posing confidence in current and future business situation than those who are feeling pessimistic. Among the three strands of Gallup Business Confidence Index (BCI) on one the forecast stands at great confidence and on 2 it is now on fair Confidence

Gallup Business Confidence Index	Q1 2020 Score	Q2 2020 Score	Assessment
Strand 1 Current Business Situation Score	-50%	+16%	Fair Confidence
Strand 2 Future Business Situation Score	-7%	+58%	Great Confidence
Strand 3 Direction of the Country Score	-25%	+10%	Fair Confidence

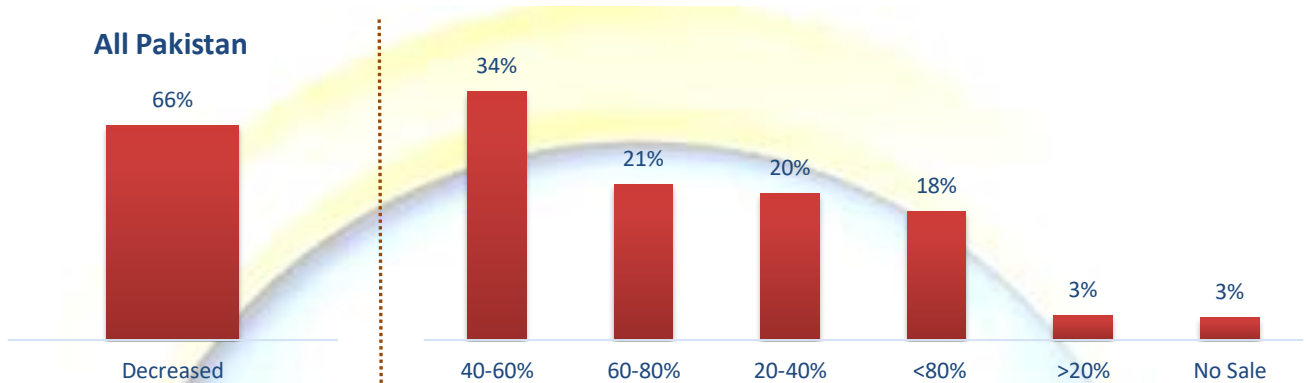
Bilal Ijaz Gilani, Executive Director Gallup Pakistan and Chief architect of the Gallup Business Confidence Index Pakistan notes “Covid-19 and the lockdown was the **single most devastating blow to the Pakistani Business landscape in its entire 70-year history**. Let there be no confusion about the disastrous effects of the Lockdown despite it being significantly inimical in Pakistan. 9 in 10 businesses in Q2 report being affected adversely and most of these businesses report having felt revenue loss of at least 60%. With these revenue losses came employment lay-offs reported by at least 25% of the firms. Since the lifting of lockdown Resilient Pakistanis are back to business and very optimistic about future. We at Gallup conclude that next 3 months provide significant hope for cautious optimism and signs of recovery are surely visible!”

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



Impact of COVID-19 Outbreak

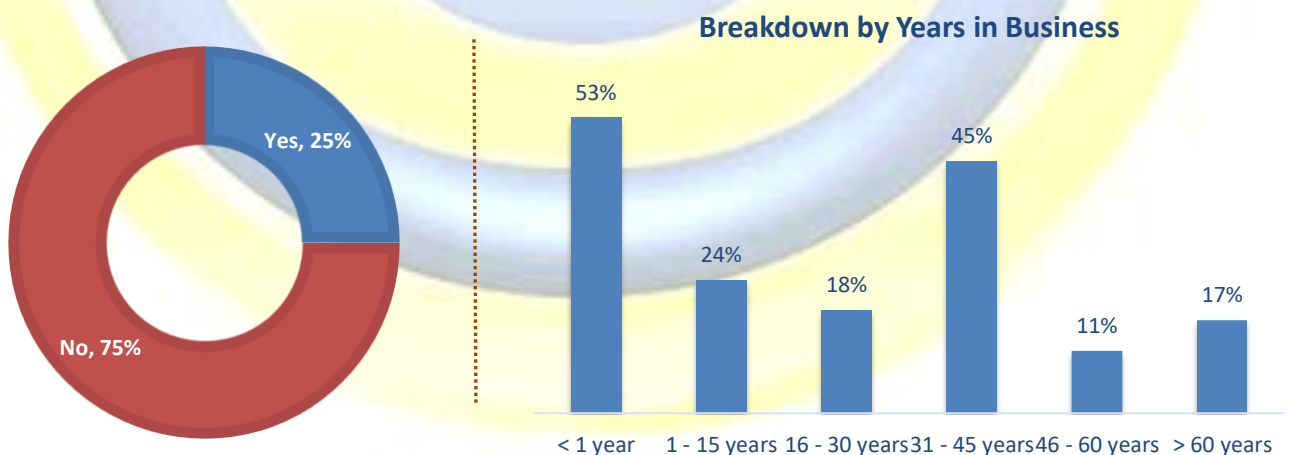
In order to understand the impact of the COVID-19 outbreak on businesses, business owners were then asked, *“Some people say their sales have decreased, increased or stayed same in Corona times. How have your sales been affected?”* For 2 in 3 business sales have decreased since coronavirus, with majority reporting up to 60% decline in sales



Source: Gallup Pakistan Business Confidence Survey. (Report 3, Quarter 2 2020)

1 in 4 Businesses in Pakistan reported laying off employees/giving them leave without pay. More than half of the businesses established less than a year ago reported downsizing, while businesses established more than 46 years ago reported least downsizing.

Further, business owners were asked *“To minimize losses of your business due to Corona, did you lay off or give leave without pay to any of your employees?”* 25% business owners reported downsizing to minimize losses due to coronavirus, while 75% did not give any layoffs.

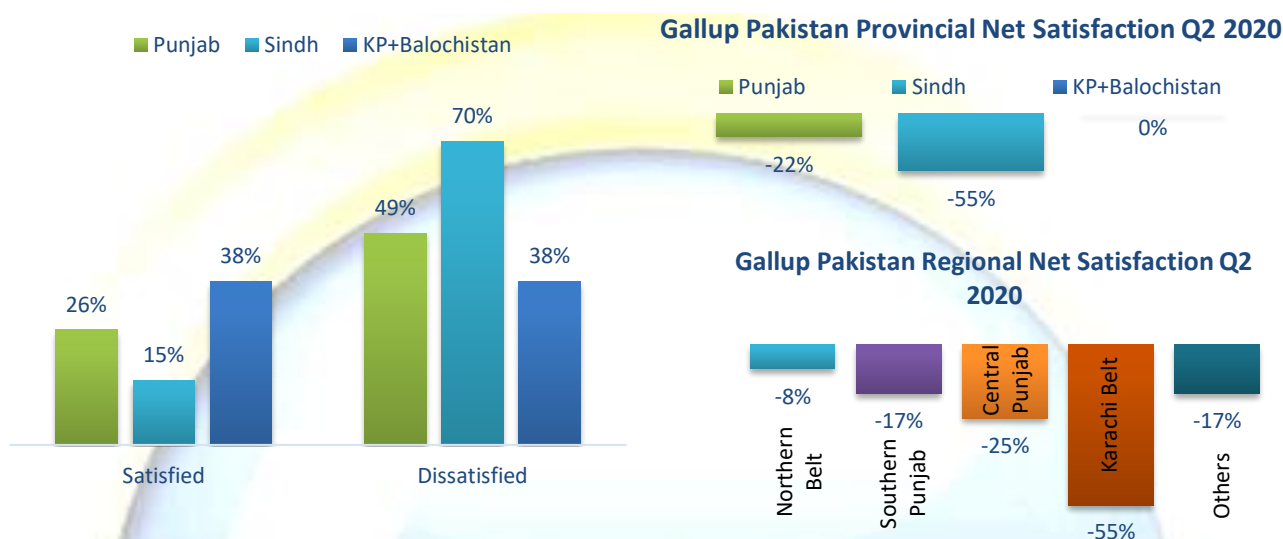


Source: Gallup Pakistan Business Confidence Survey. (Report 3, Quarter 2 2020)



Satisfaction with Provincial Government's Relief Efforts during COVID-19

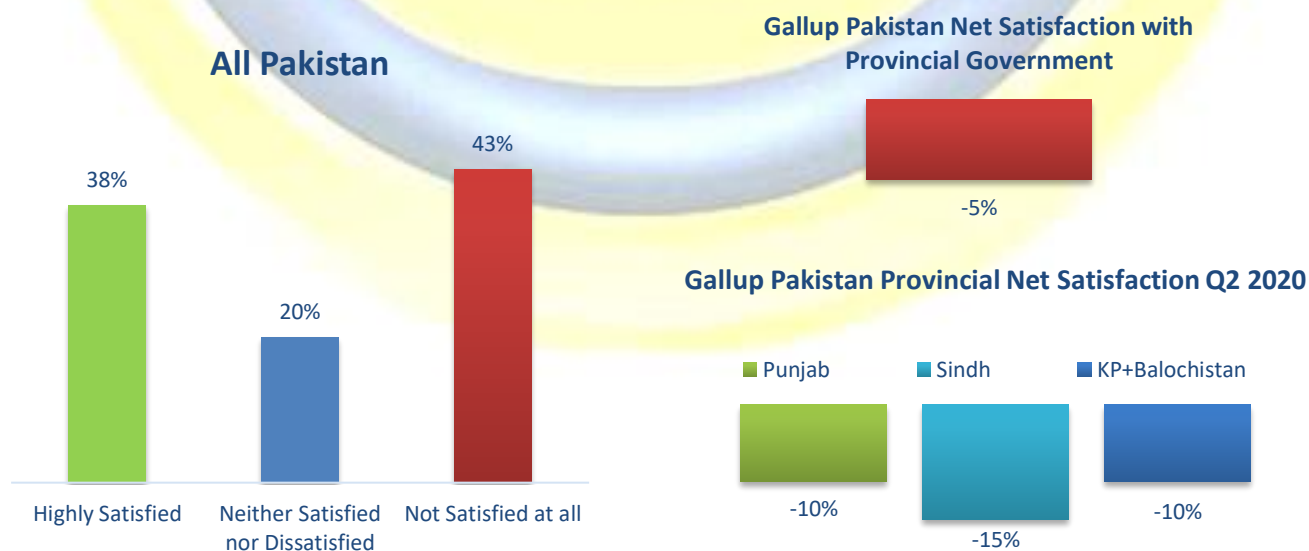
In order to understand the impact of the COVID-19 outbreak on businesses, business owners were then asked, ***“How satisfied are you with your provincial government's efforts in providing relief to businesses like yours during Corona?”*** 7 in 10 businesses from Sindh are dissatisfied with the provincial government's efforts to provide relief to businesses during coronavirus. Net satisfaction among businesses from Karachi Belt lowest at -55% followed by Central Punjab at -25%



Source: Gallup Pakistan Business Confidence Survey. (Report 3, Quarter 2 2020)

Satisfaction with Federal Government's Relief Efforts during COVID-19

Further, business owners were asked ***“How satisfied are you with the federal government's efforts in providing relief to businesses like yours during Corona?”*** 2 in 5 Businesses are dissatisfied with the federal government's efforts in providing relief to businesses. Overall net satisfaction for businesses is at -5% indicating poor satisfaction.



Source: Gallup Pakistan Business Confidence Survey. (Report 3, Quarter 2 2020)



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?”*** During the COVID-19 outbreak and lockdown in Pakistan, in response to this question, 24% said their business is doing good or very good.

Since the lifting of Coronavirus lockdown, the percentage of businessmen with a positive view of the current conditions of their business rose to 58%, indicating optimism in the perceptions of businessmen. Overall, net positivity rose significantly from -50% to +16% after the outbreak.

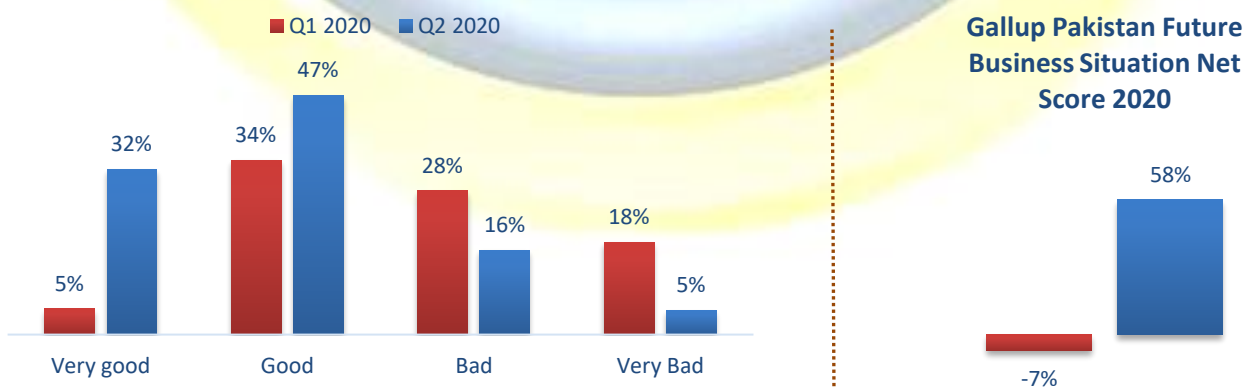
Question: “How well is your business doing nowadays. Would you say it is very good, good, bad, or very bad?”



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?”*** During the COVID-19 outbreak and lockdown, 39% business owners were optimistic about the future of their business which rose 79% in Q2 2020.

Net expectation about the future of business fell from -7% in Q1 2020, to +58% in Q2 2020



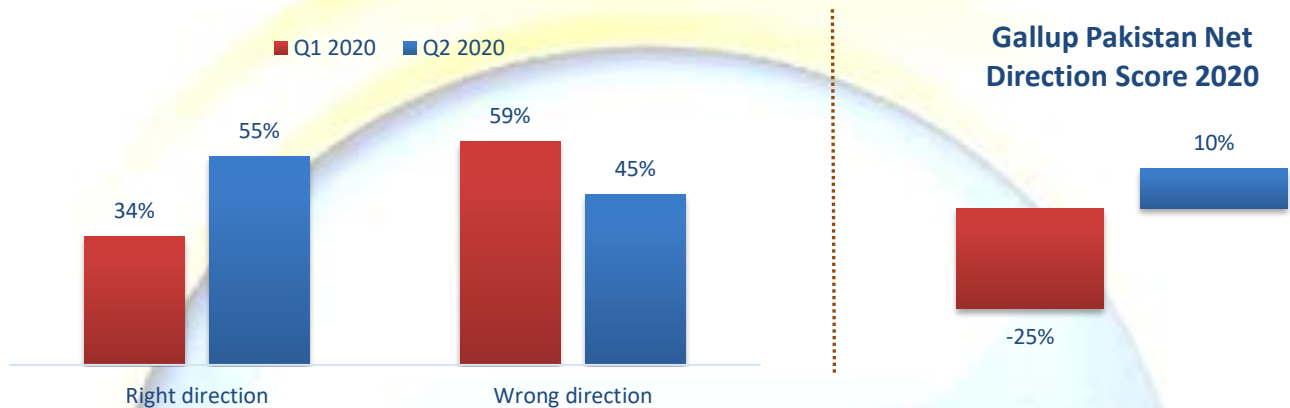


Strand 3: Direction of the Country Score

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 Q1 2020, 1 in 3 businesses said the country was in the right direction. However, in Q2, optimism rose to 55%, as majority business owners were optimistic about the direction the country is heading in.

Net Direction of the Country

Since Q1, there has been a 35% rise in the net direction score from -25% to +10%



Source: Gallup Pakistan Business Confidence Survey. (Report 3, Quarter 2 2020)

METHODOLOGY

Note: Even though the study took place in August 2020, we are calling this report Quarter 2. The field dates of the survey should not be confused with the report title. The main forte of this study is to be the first study of its kind in measuring business sentiments since the lifting of lockdown.

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
International*



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(06 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
(1980-2020)