PwC Market Barometer

Businesses today are facing more and more challenges due to the development of regulations and compliance costs. The increasing competition for both business and resources is also causing pressure on profitability. Consequently, are you considering any of the following?

Our PwC 2020 Q1 Market Barometer assesses the market sentiment and appetite of the local retail and importing and distribution industries.

Besides seeking feedback on the level of business in the 2019 festive season and the outlook for the next six months, the barometer sensitises local business on key strategic considerations namely the pursuit of alternative strategies to ensure long-term shareholder value.

This market exercise in which over 100 local businesses participated, was carried out during January 2020 and hence does not feature any implications emanating from the COVID-19 pandemic.

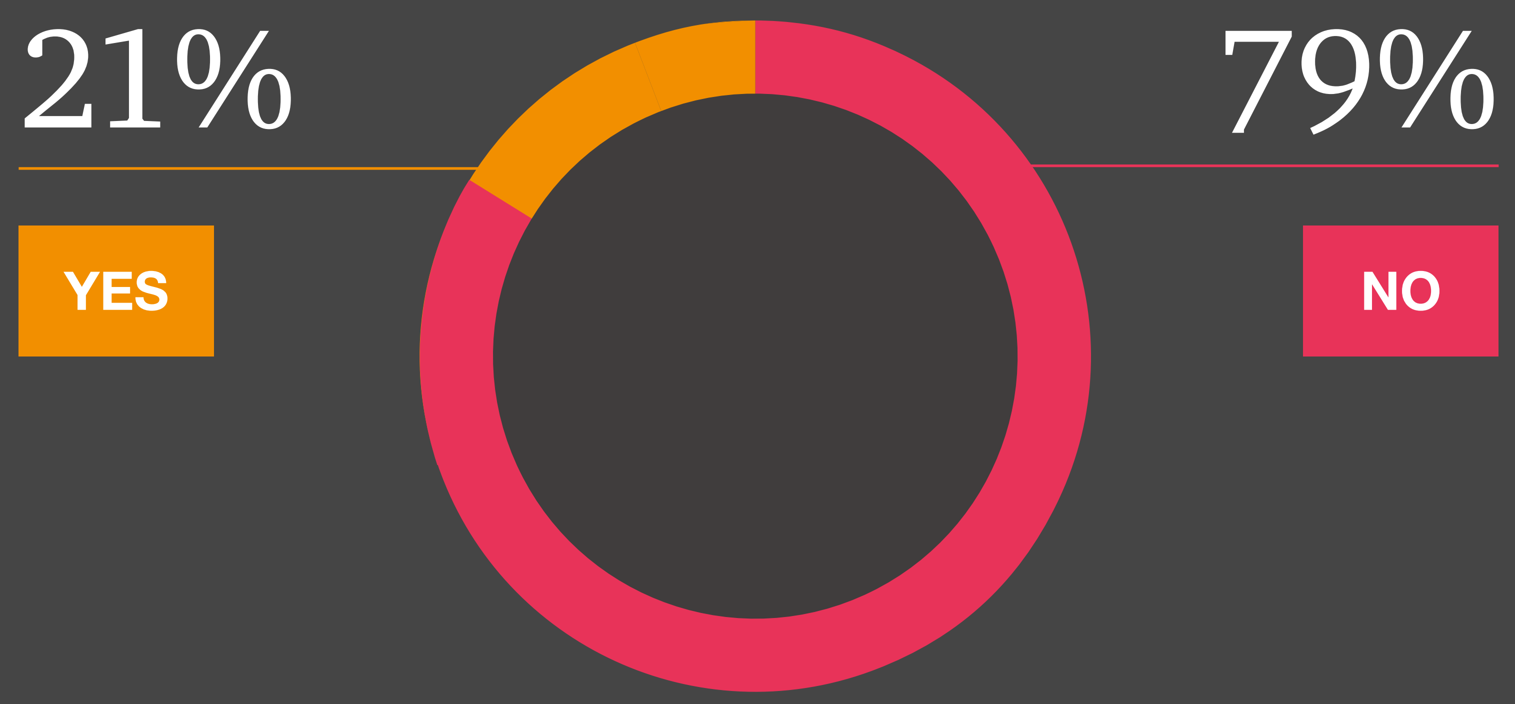
The most noteworthy results refer to the considerable number of business who experienced a drop in business during December 2019 when compared to the prior year – a consequence of the political turmoil experienced in the country, and also the encouraging number of businesses which have stated that in the light of decreasing profitability margins, they would consider plans for merging operations with a peer company.

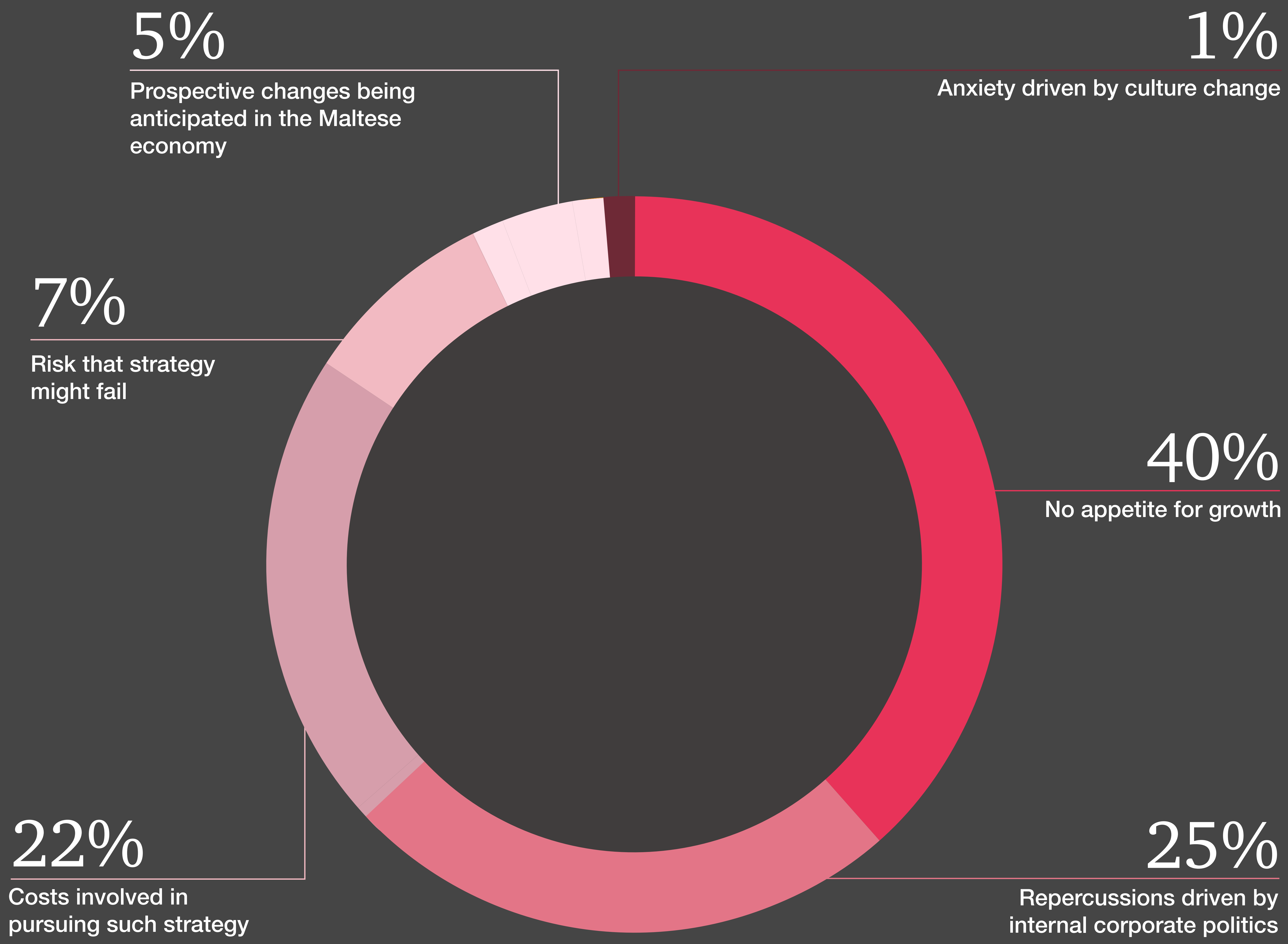
The prospect of listing in the stock exchange has been downplayed by all the respondents in the barometer. Costs considerations always top the list of the reasons why companies do not seek alternative growth strategies.

Discover the full results of the barometer:

Question 1

Plans for seeking new oversees markets?

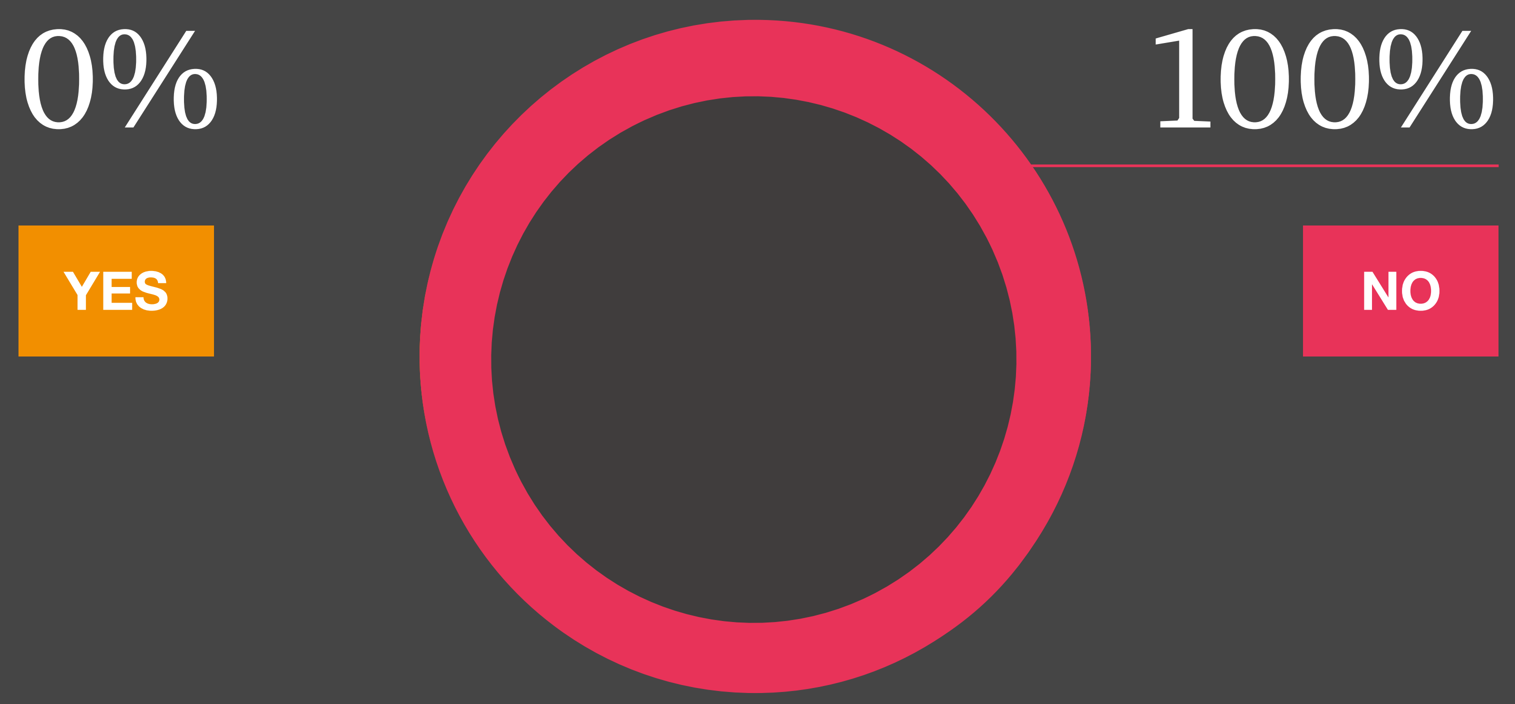


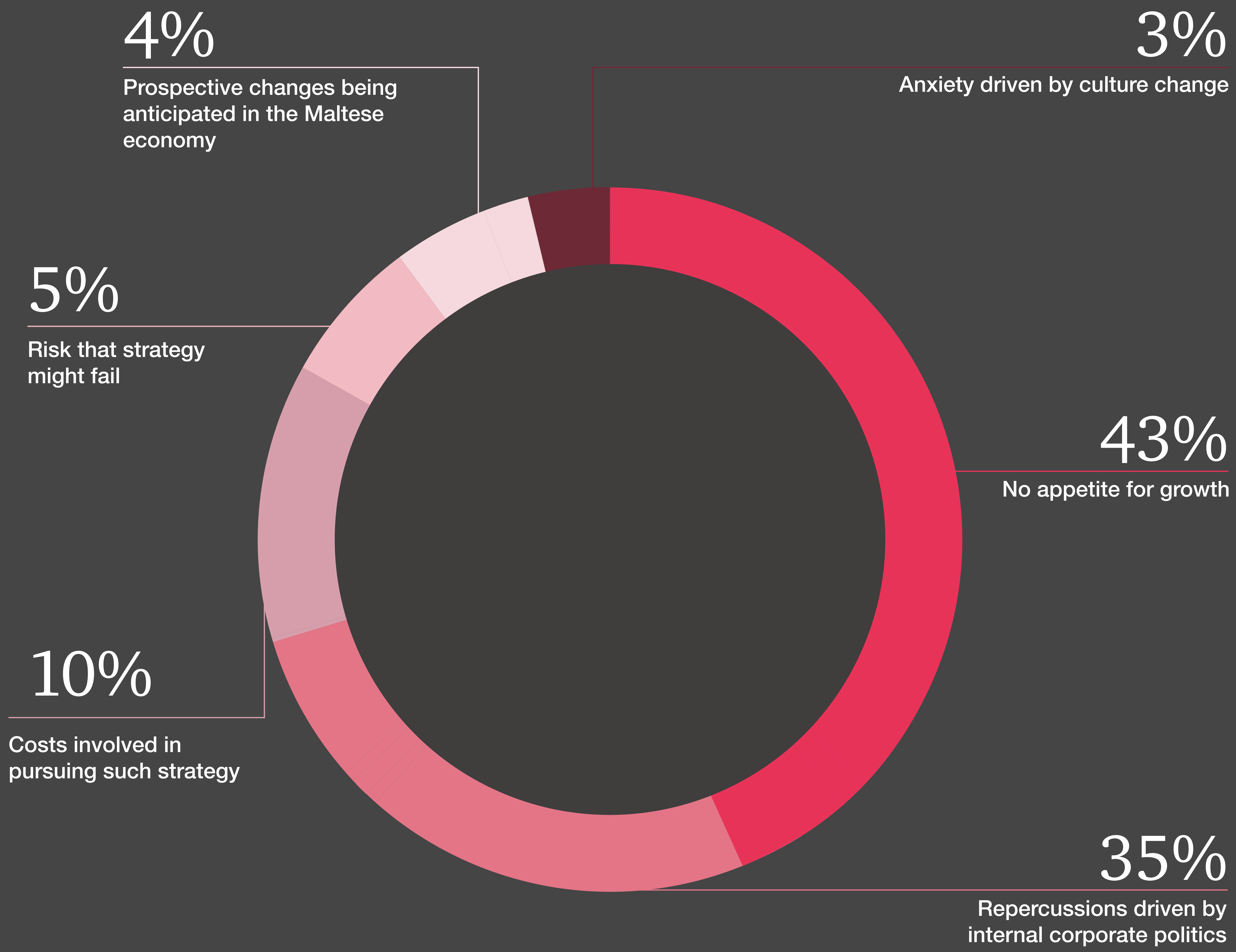


Why 79% said no

Question 2

Plans for listing shares on the Malta Stock Exchange?





Why 100% said no

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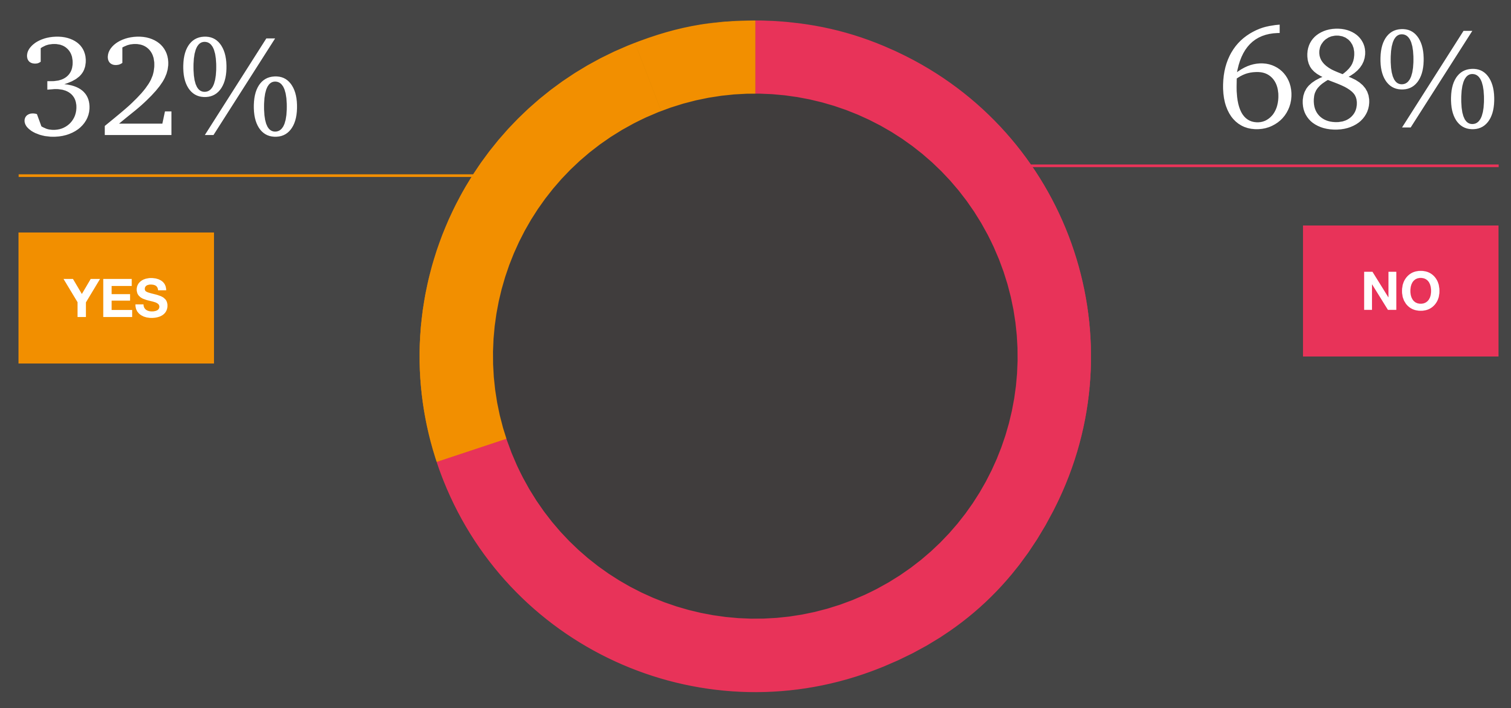
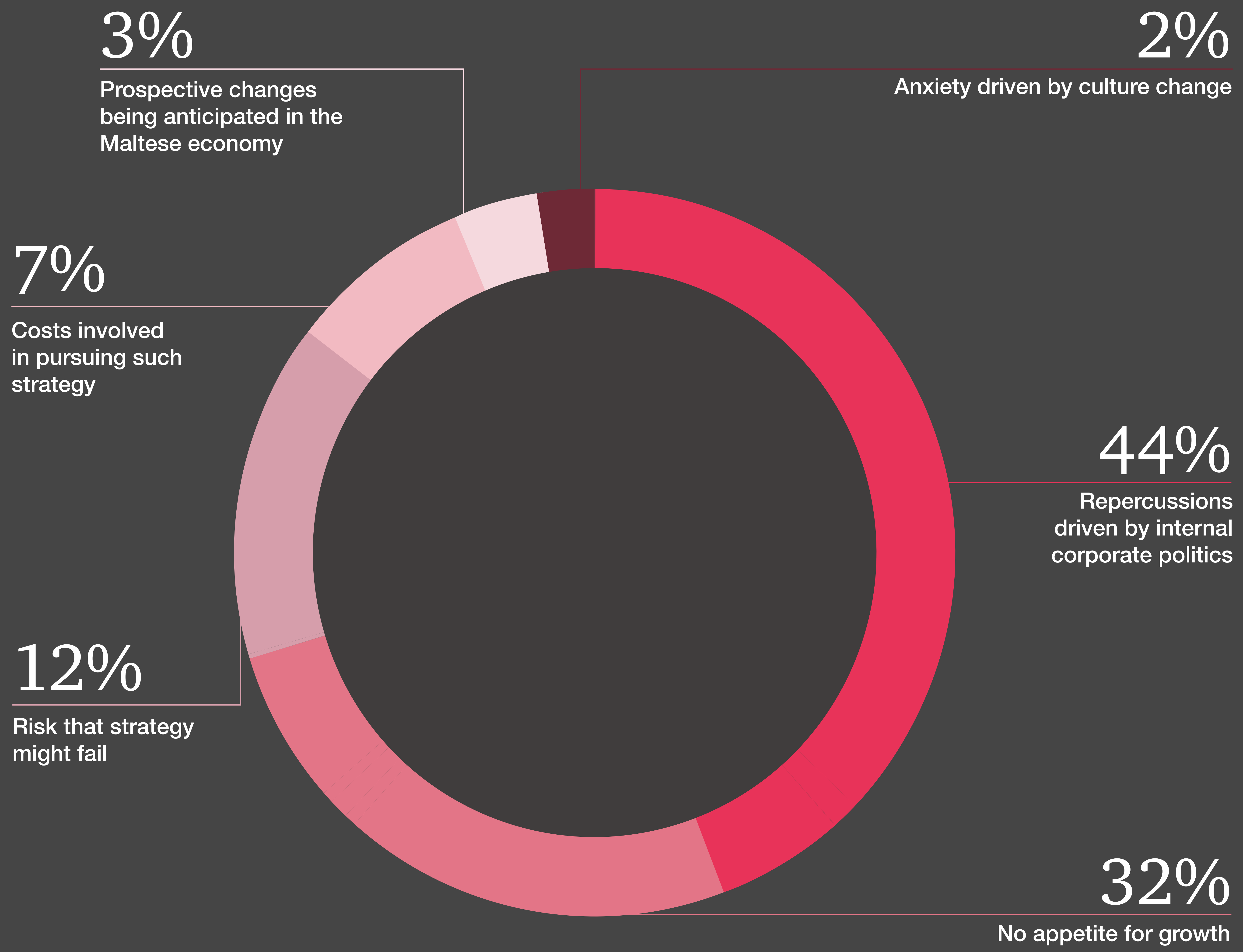
Question 3

Plans for consolidating the business with a peer company or a competitor?

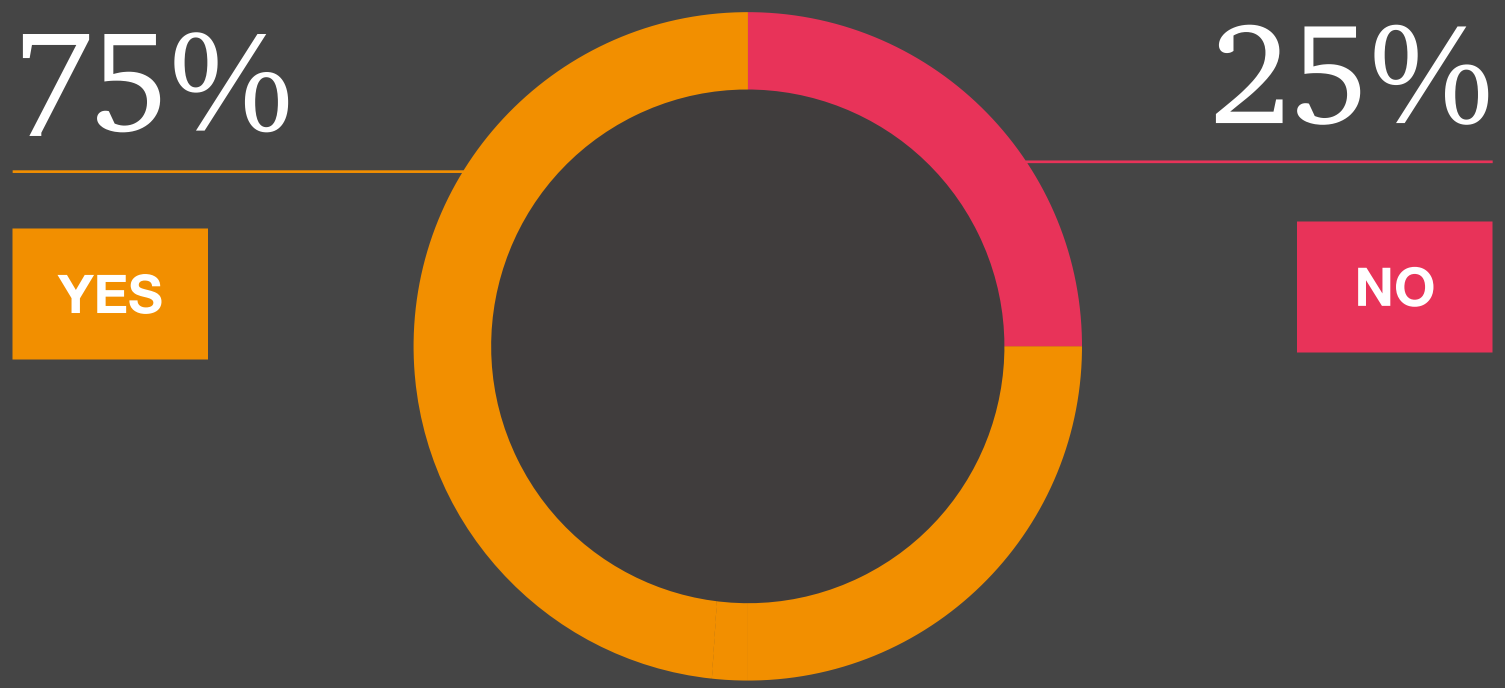


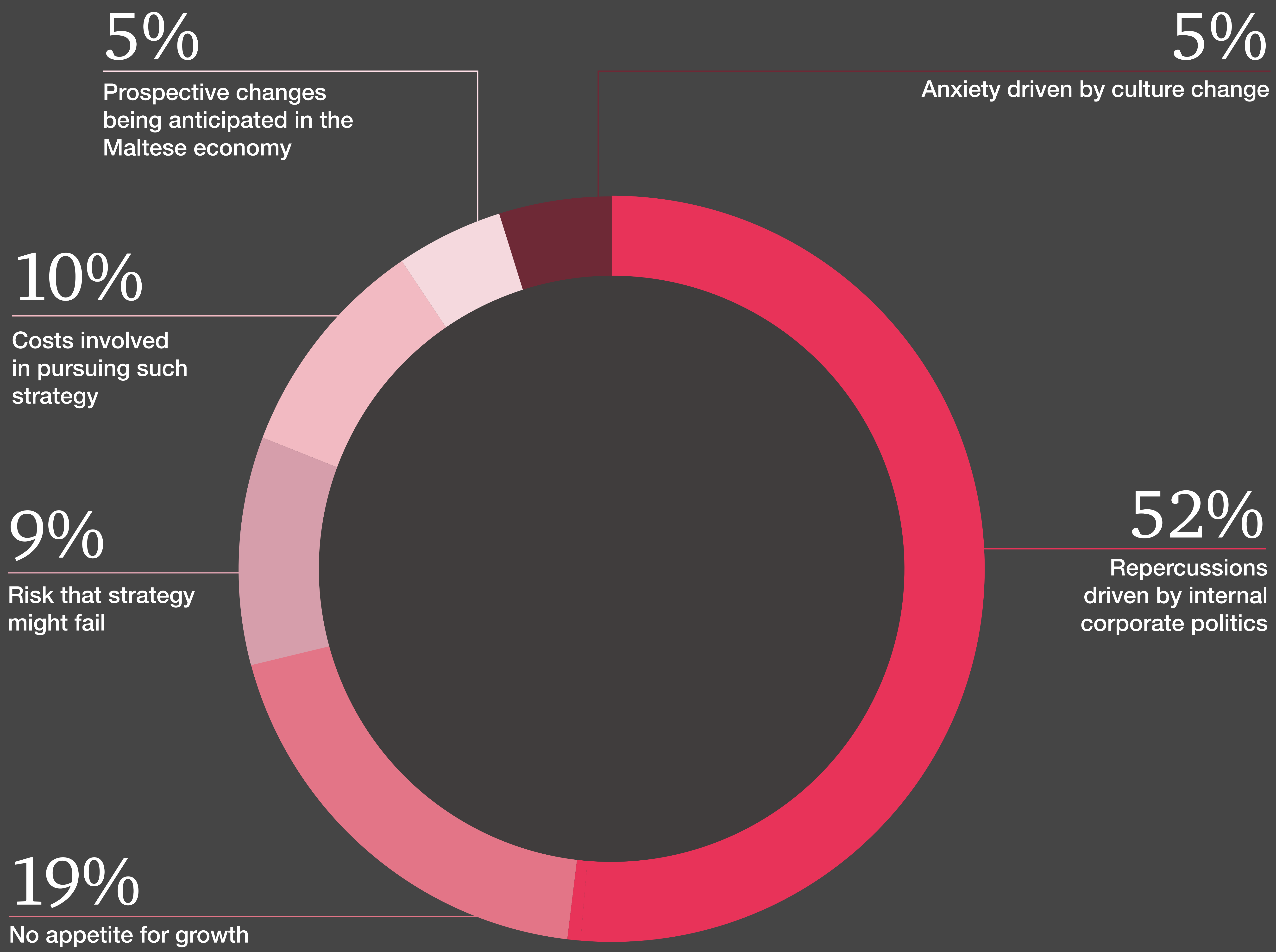
Why 68% said no



Question 4

Plans for hiring a non-family member as key management personnel with the objective of seeking new insights into the business?

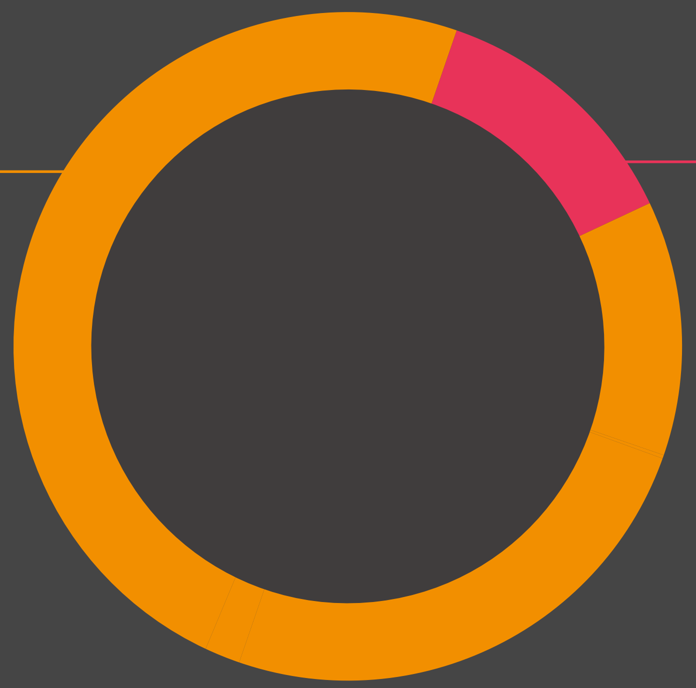


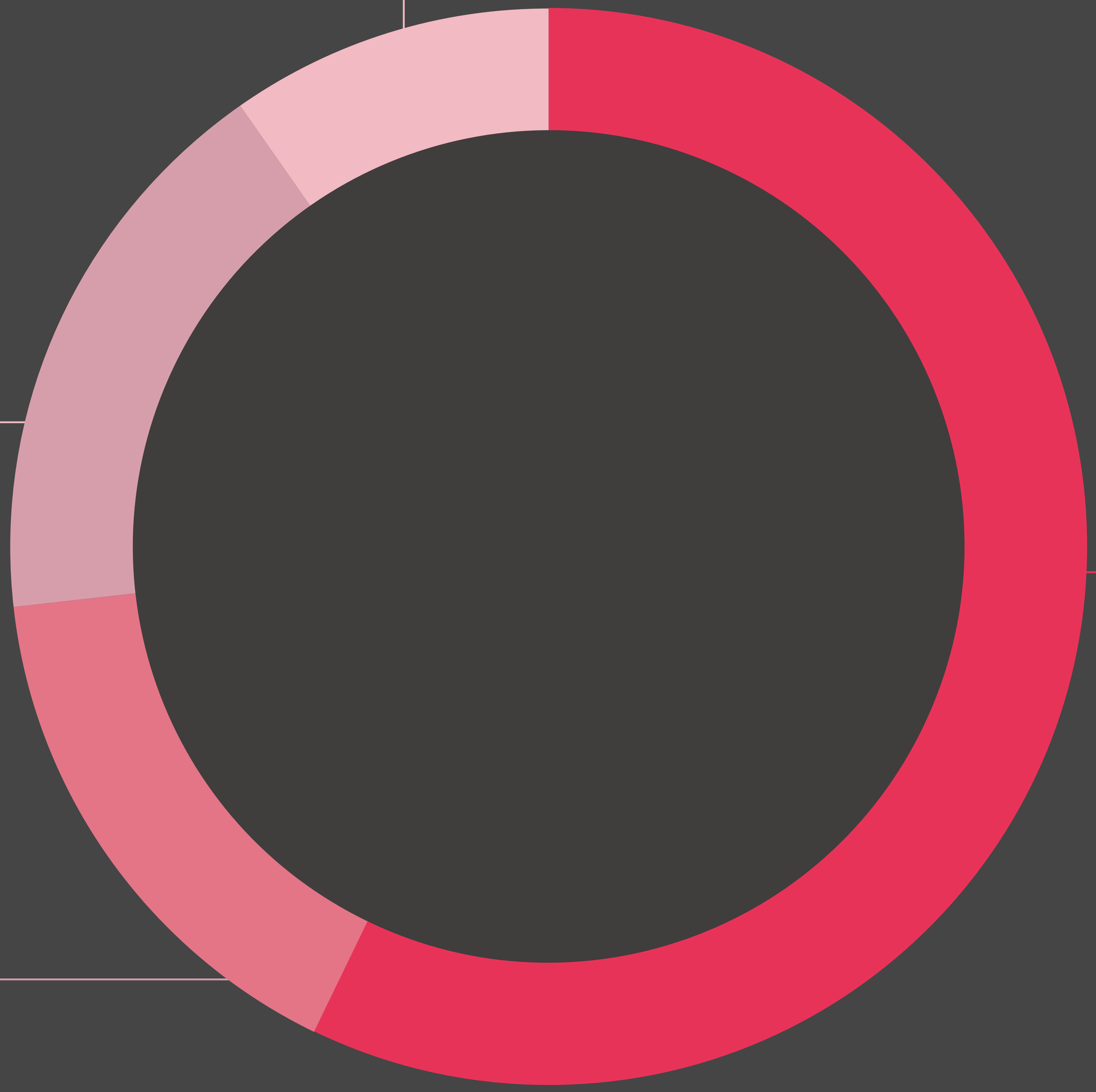


Why 25% said no

Question 5

Plans for investing in new technologies?

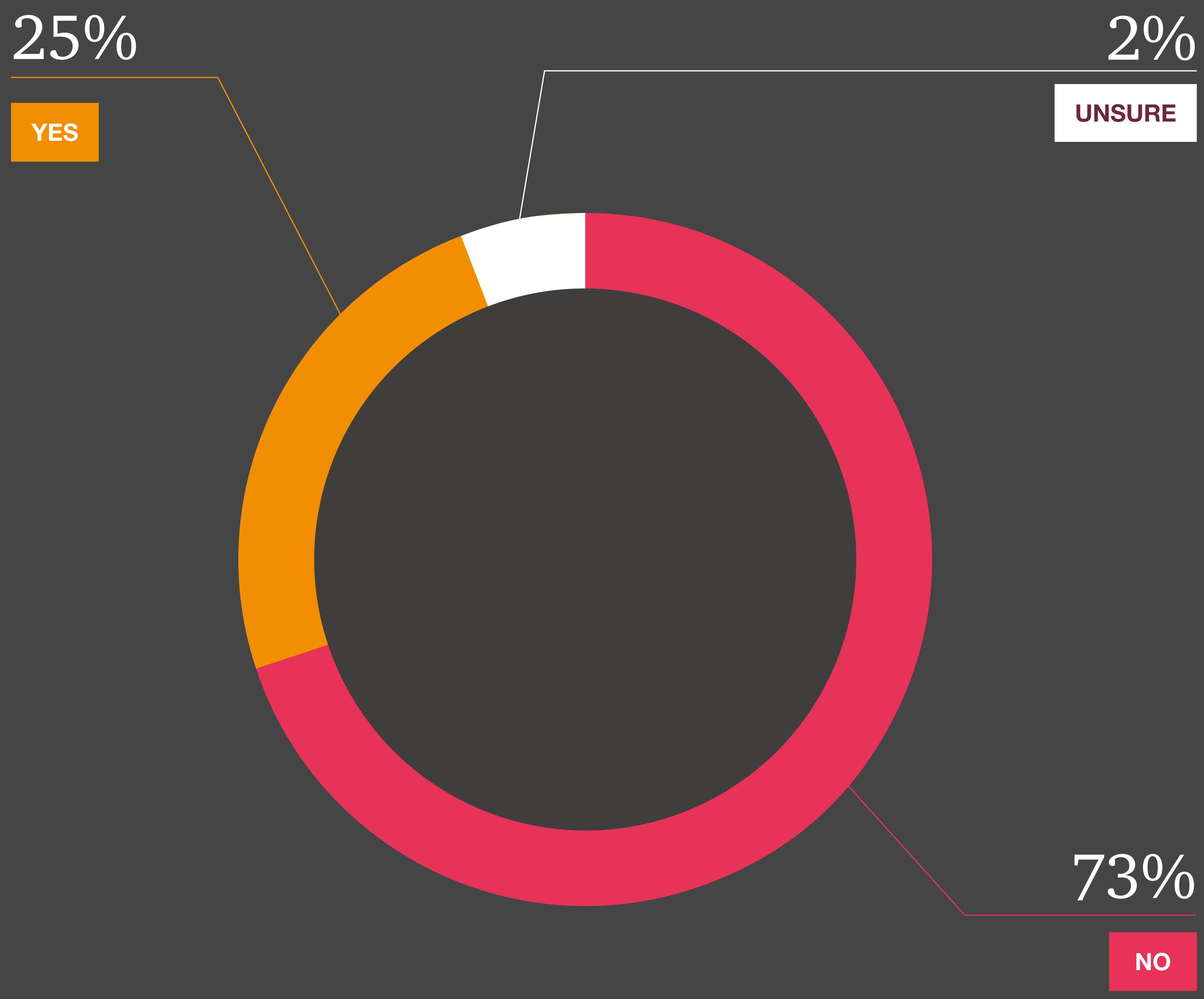




Why 14% said no

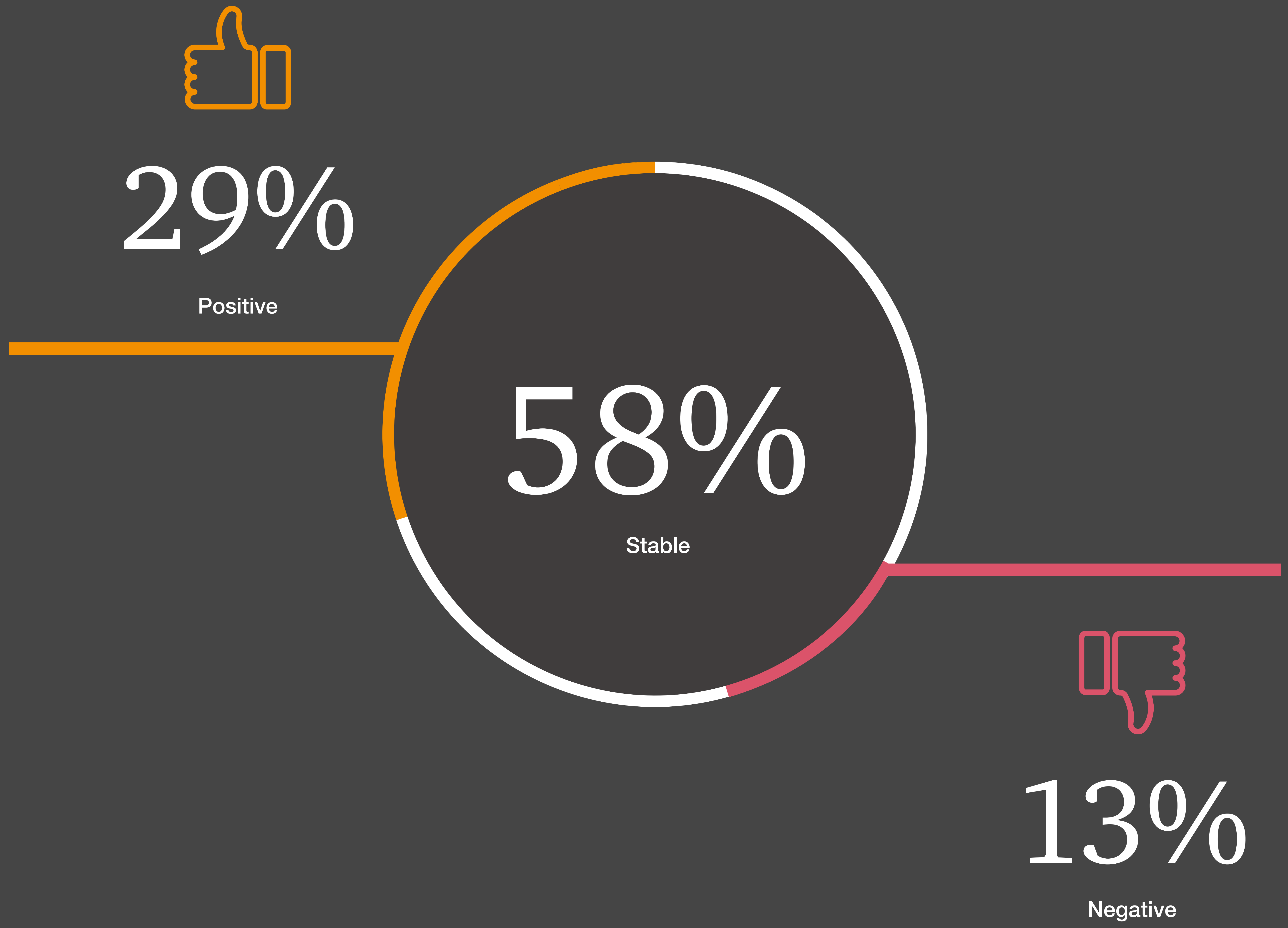
Question 6

During the last festive period, has your business increased when compared to the festive period of 2018?



Question 7

What is your business outlook for the next six months?



Question 8

What is your top most business concern?

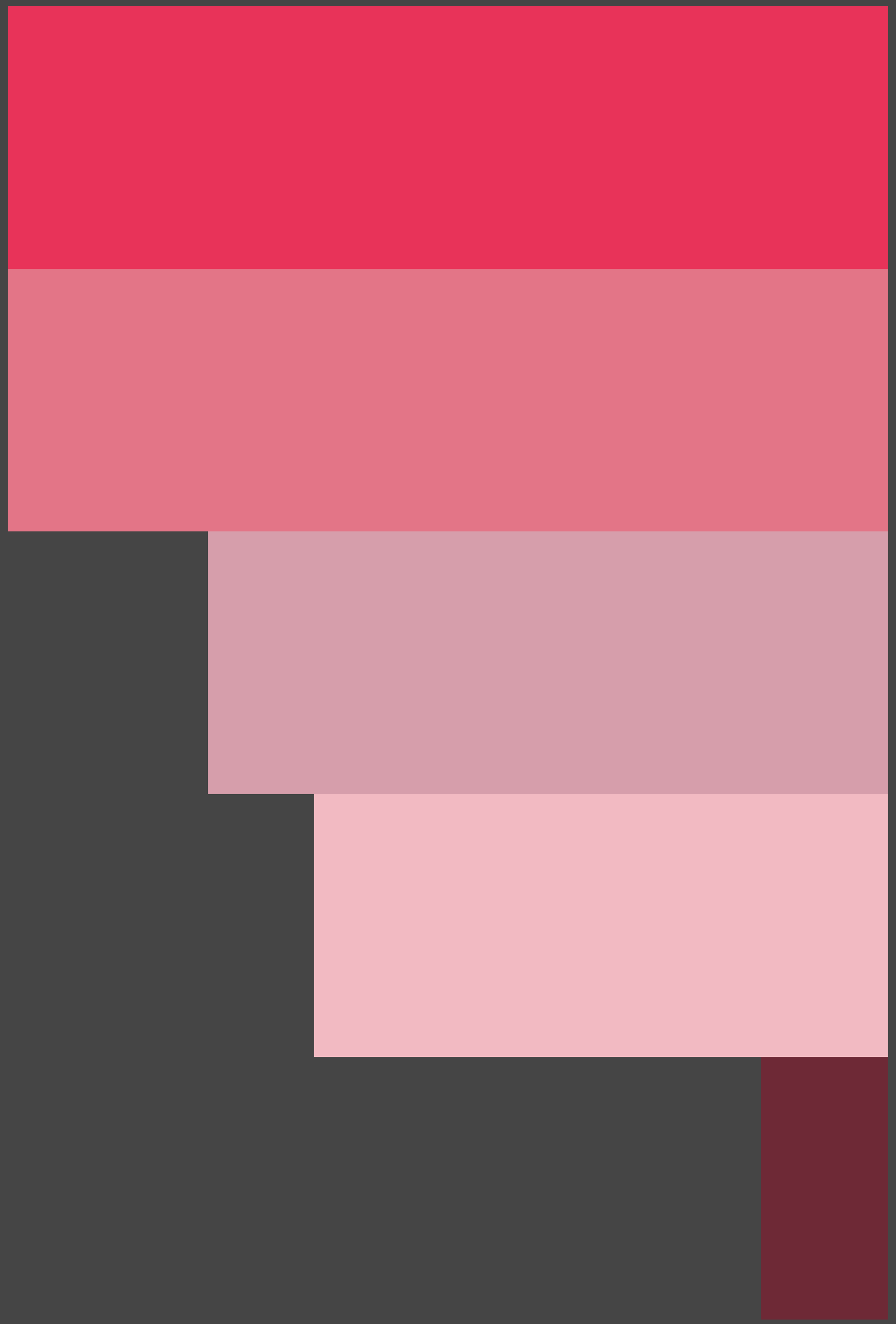
26% Competition

26% Availability and suitability of human resources

23% Turmoil in political landscape

22% Increase in costs

3% Level of infrastructure in the country



www.pwc.com/mt/barometer

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