

Business Expectations Survey ¹

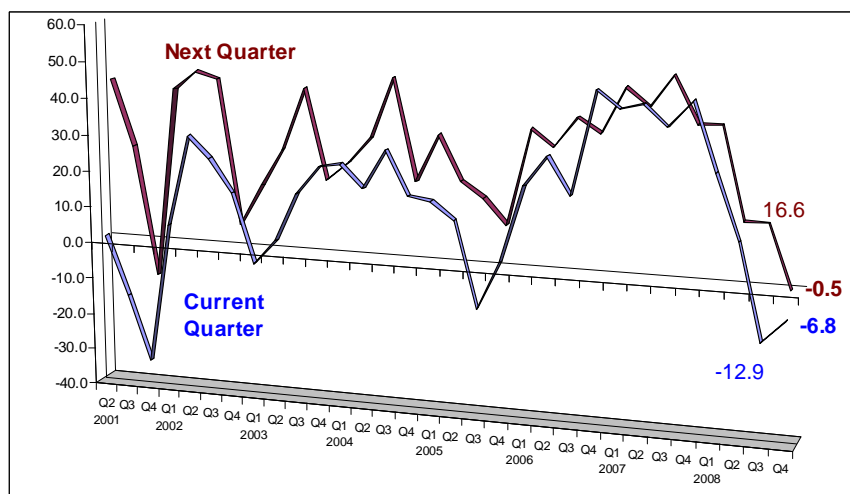
Fourth Quarter 2008

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Business Confidence Bearish, Improves Quarter-on-Quarter

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index Q2 2001 – Q4 2008



Business outlook improves quarter-on-quarter in Q4 2008.

Business confidence in Q4 2008 improved slightly relative to the previous quarter, although the overall confidence index (CI)² remained negative. The CI at -6.8 percent, went up by 6.1 percentage points quarter-on-quarter. This moderate uptick may be due to the recent easing of world oil prices as well as expectations of a seasonal pick-up in demand and higher OFW remittances during the year-end holidays. The bearish outlook on the macroeconomy mirrored the weak global sentiment due to the global economic slowdown and the financial turmoil.

The respondents attributed their negative sentiment largely to expectations of an economic slowdown and lower exports, especially to the US, the country's major export destination. Other reasons cited included the decline in consumer demand for certain commodities (particularly milk and other milk-based products due to the melamine scare), the peso depreciation and political noise.

¹ The Business Expectations Survey (BES) is a quarterly survey of leading firms drawn from the Securities and Exchange Commission's 2006 Top 7000 Corporations. Results of the BES provide advance indications on the direction of change in the overall business activity in the economy, in various measures of activity at the companies' own operations and in selected economic indicators.

² The CI is computed as the percentage of firms that answered in the affirmative less the percentage of firms that answered in the negative with respect to their views on a given indicator. A positive CI indicates a favorable view, except for the average inflation rate and the average peso-borrowing rate, where a positive CI indicates the opposite.



In Q1 2009, the number of pessimists outnumbered the optimists with the CI at -0.5 percent. This is the first time that the next quarter index has moved to the negative territory as the respondent firms that registered a weaker sentiment believed that business conditions in Q1 2009 would remain fragile, reflecting the uncertainties in the external economic environment.

Respondents from the AONCR are less pessimistic than those from the NCR.

Respondents from the AONCR (Areas Outside National Capital Region) are less pessimistic than their counterparts from the NCR (National Capital Region) as the former's CI in Q4 2008 was at -1.0 percent and positive in Q1 2009 (at 8.1 percent). By contrast, NCR respondents were pessimistic about general economic conditions in both the current quarter and the next (at -9.6 percent and -4.7 percent, respectively).

Responses in AONCR are mixed in Q4 2008.

An analysis of responses from the AONCR in the major regions surveyed (Regions I, IV, VII and XI)³ showed mixed trends in their outlook in Q4 2008. Firms from Regions I and IV posted CIs of -11.8 percent and -10.8 percent, respectively. Meanwhile, firms from Regions VII and XI remained optimistic with indices at 6.0 percent and 9.2 percent, respectively. Except for Region XI, respondents were positive about the macroeconomy in Q1 2009.

Outlook differs according to type of business in Q4 2008, but is generally more upbeat in Q1 2009.

A breakdown of respondents by business type (i.e., importers, exporters and those engaged in dual activities) also showed mixed results in Q4 2008. Firms engaged in dual roles registered a negative index of 4.1 percent as they expected to be doubly hit by the weaker peso that would increase input costs, as well as lower demand for exports due to global economic slowdown. The CI was, however, higher than last quarter, due in part to seasonality. By contrast, exporters and importers were more upbeat as their indices were positive at 3.3 percent and 0.7 percent, respectively. The respondents cited pick-up in orders due to seasonal demand and roll-back in crude oil prices as reasons for their positive sentiment.

Reasons for the mixed outlook in Q4 2008 between firms engaged in dual roles and those that were either sole exporters or sole importers were their product lines and the final market of their goods. Exporter-importer firms would have the foreign market as the final destination of their goods (e.g. electronics). As such, they tended to be more vulnerable to contractions in consumer demand. On the other hand, firms solely engaged in export activities came mostly from Regions VII and XI whose exports included food and agri-based products, Christmas ornaments, woodcraft and furniture. These firms expected

³ While the survey covered 17 regions, the bulk of the respondents were from Regions I, IV, VII and XI. Region I (Ilocos) includes the provinces of Ilocos Norte, Ilocos Sur, La Union and Pangasinan; Region IV (Southern Tagalog) comprises Cavite, Laguna, Batangas, Marinduque, Occidental Mindoro, Oriental Mindoro, Palawan, Quezon, Rizal and Romblon; Region VII (Central Visayas) covers Cebu, Bohol, Negros Oriental and Siquijor; and Region XI (Davao) consists of Compostela Valley, Davao del Norte, Davao del Sur and Davao Oriental.



pick-up in demand. Meanwhile, importers were reliant on the domestic demand propelled by the influx of remittances during the last quarter of the year.

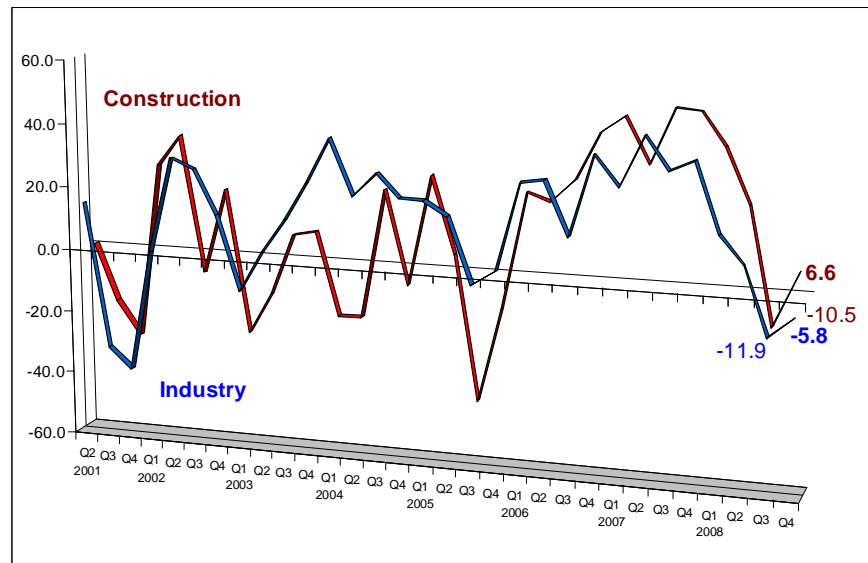
All types of businesses, however, anticipated that macroeconomic conditions would be better in Q1 2009.

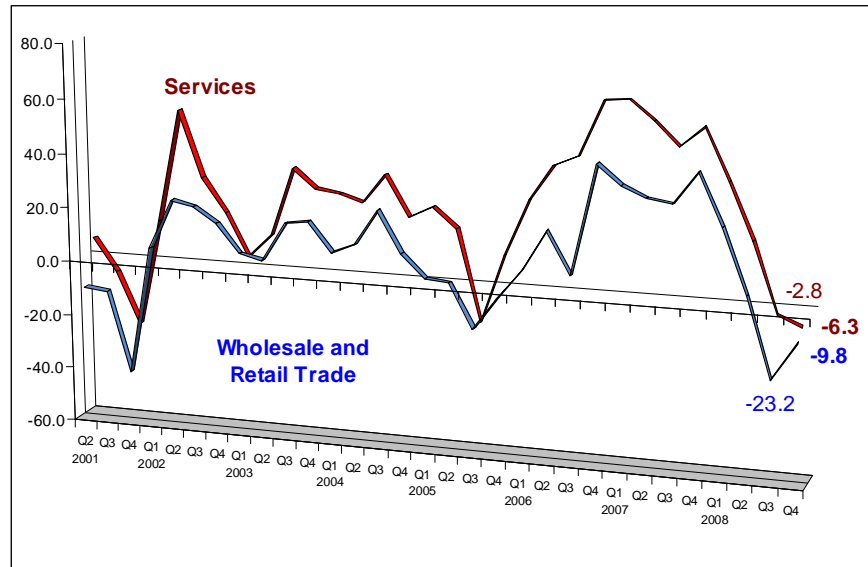
Medium-sized firms are relatively bullish in Q4 2008 and Q1 2009.

By firm size, medium-sized firms (with 100-500 employees) were optimistic about the macroeconomy as their CIs in Q4 2008 and Q1 2009 were at 6.8 percent and 8.8 percent, respectively. On the other hand, the index of small-sized firms (less than 100 employees) was negative at -5.9 percent in Q4 2008 and -2.1 percent in Q1 2009. Large firms perceived themselves to be the most vulnerable over the short-term horizon, with indices at -20.5 percent and -3.0 percent, respectively.

Sectoral Outlook

**Current Quarter Business Outlook Index by Sector
Q2 2001 – Q4 2008**





Bearish outlook in Q4 2008 is noted across all sectors, except for construction.

Pessimists outnumbered optimists across all sectors in Q4 2008 except the construction sector. All the indices in Q4 2008 were lower relative to the comparable levels last year. Behind this broadly pessimistic outlook were concerns on the domestic economic slowdown, the peso depreciation and investors' rising risk aversion.

The construction sector recorded an index of 6.6 percent (up by 17.1 index points, quarter-on-quarter, but down by 45.9 index points, year-on-year). Meanwhile, the CI of the services sector was at -6.3 percent, lower by 3.5 index points and 66.6 index points, quarter-on-quarter and year-on-year, respectively. Among its sub-sectors, only the hotels and restaurants sub-sector continued to post a positive index at 40.2 percent. This could be explained in large part by expectations of brisker business during the holidays.

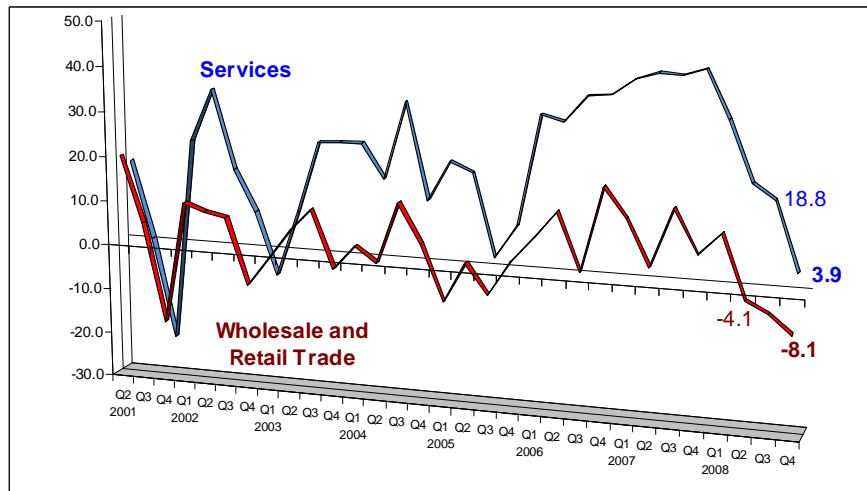
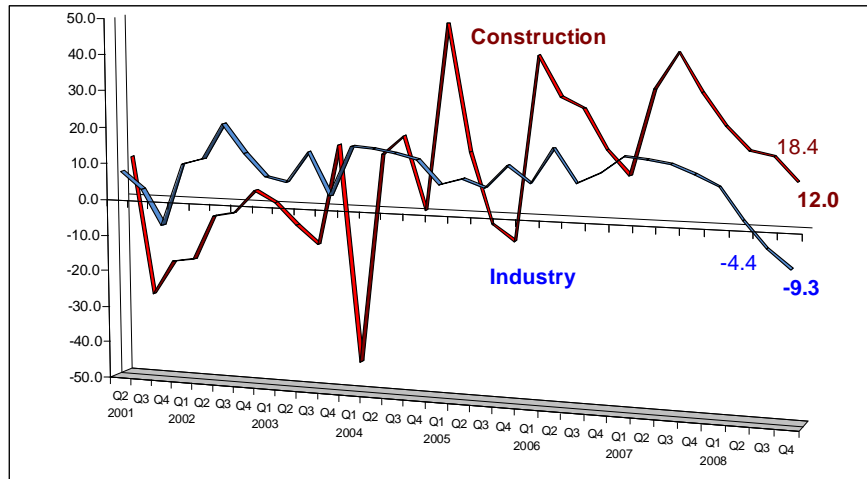
The industry and wholesale and retail trade sectors registered indices of -5.8 percent and -9.8 percent, respectively. Respondents from these sectors cited the weaker peso and lower consumer demand as the reasons behind their bearish outlook of the macroeconomy.

Looking ahead in Q1 2009, the construction and services sectors turned more upbeat with CIs at 9.1 percent and 3.9 percent, respectively. However, the next quarter outlook in all sectors were all lower compared to the levels recorded last quarter and a year ago.



Business Confidence on Own Operations

**Business Confidence Index on Own Operations by Sector
Current Quarter, Q2 2001 – Q4 2008**



Sentiment on business operations is mixed.

Firms have mixed sentiments on their own business operations in Q4 2008. More firms from the construction and services sectors were confident that their current business operations would be better in Q4 2008, although the index was lower than the comparable levels last quarter and last year. By contrast, firms belonging to the industry and trade sectors anticipated weaker business in Q4 2008. The pessimism of the industry and trade sectors may be attributed to expectations of lower consumer demand and relatedly lower sales volume.

Average capacity utilization is down. The average capacity utilization of the industry sector in Q4 2008 of 74.8 percent was lower by 2.8 percentage points relative to its level in the previous quarter, and by more than 1 percentage point relative to its level a year ago. This development was consistent with expectations of further weakening in consumer demand in Q4 2008.

Access to Credit and Financial Condition

Credit access and financial conditions are anticipated to be tighter. The credit access index in Q4 2008 was at -7.4 percent, a drop from last quarter's -1.6 percent and last year's 7.3 percent, indicating expectations of tighter access to credit. This was the second consecutive quarter that the index posted a negative level. Respondents attributed tighter credit conditions to anticipation that banks might be more risk averse in the coming months and therefore would impose stricter credit policies.

Because of the weak business outlook, firms expected that they would be less liquid in Q4 2008. The financial condition index—an indicator of internal liquidity—dropped slightly to -29.9 percent in Q4 2008 from -29.1 percent last quarter and -7.8 percent a year-ago.

Employment and Expansion Plans

The employment outlook index is negative even as more industrial firms are planning to expand in Q1 2009. The employment outlook index in Q1 2009 reversed to -1.4 percent, from 8.3 percent in the previous quarter. The outlook was weighed down by the negative sentiment of the manufacturing firms. The index was lower by 9.7 index points quarter-on-quarter and 18.0 index points year-on-year. This indicated that more firms will not hire new workers in Q1 2009 even as about 30.4 percent of respondents (from 25.0 percent last quarter) from the industry sector expressed expansion plans in Q1 2009. Expansion could be in the form of capital investments that would cut operational costs and improve efficiency.

Business Constraints

Competition, weak demand, and high interest rates are still the major risks to business. Competition, weak demand (leading to low sales volume), and high interest rates were cited by the respondents as the major risks to their business prospects in Q4 2008.



Expectations on Key Economic Indicators

A weaker peso, higher inflation, and rising interest rates are expected.

More respondent firms expected the peso to weaken in Q4 2008. Similarly, more firms expected that the inflation rate and the interest rate would be higher in the current quarter. Nonetheless, the number of respondents that indicated that inflation and interest rates would go up declined compared to the numbers in the last quarter and a year ago. In the case of the peso, the number of respondents that indicated that it will depreciate increased, quarter-on-quarter and year-on-year. These trends were anticipated to persist onto Q1 2009.


About the Survey

A total of 1,242 firms are surveyed.

The Q4 2008 BES was conducted during the period 1 October to 5 November 2008. A total of 1,242 firms nationwide were surveyed. Respondents were drawn from the Securities and Exchange Commission 2006 Top 7,000 Corporations as follows: 515 companies in NCR (41.5 percent) and 727 firms in AONCR (58.5 percent), covering all 17 regions nationwide. The survey response rate for this quarter was higher at 75.4 percent compared to 74.3 percent last quarter. For NCR, the response rate was 76.9 percent (73.0 percent last quarter); and for AONCR, the response rate was 74.3 percent (from 75.2 percent). A breakdown of responses received by type of business showed that 14.7 percent were importers, 9.8 percent were exporters, and 15.5 percent were both importers and exporters. Sixty percent of the respondents were neither importers nor exporters or did not specify their firm type.



BUSINESS EXPECTATIONS SURVEY *
2001 - 2008

	2001			2002			2003			2004			2005			2006			2007			2008										
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
1. Overall Business Outlook on the Macroeconomy																																
Confidence Index: All Sectors																																
Current Quarter	1.7	-14.7	-32.6	5.9	31.0	25.2	16.2	-3.0	4.0	17.2	24.9	26.0	19.9	30.5	18.6	17.6	12.9	-10.4	2.8	23.4	31.6	21.7	49.4	44.9	46.4	40.9	48.0	29.9	12.6	-12.9	-6.8	
NCR	1.7	-14.7	-32.6	5.9	31.0	25.2	16.2	-3.0	4.0	17.2	24.6	15.1	15.7	33.6	19.8	21.1	12.3	-13.0	-0.8	28.9	35.1	28.2	58.7	53.0	53.1	44.9	55.1	34.0	11.4	-16.1	-9.6	
AONCR											26.8	50.5	29.5	23.6	16.0	11.1	14.0	-5.6	9.3	17.3	25.0	9.4	32.1	30.6	34.6	34.0	35.6	21.4	15.2	-6.2	-1.0	
Next Quarter	44.3	26.0	-9.8	42.3	47.5	45.8	6.3	17.5	27.6	44.5	20.1	25.2	32.4	48.7	21.3	34.2	22.3	18.1	11.3	37.2	32.8	40.9	37.1	49.4	44.7	53.0	40.9	41.0	16.6	16.6	-0.5	
NCR	44.3	26.0	-9.8	42.3	47.5	45.8	6.3	17.5	27.6	44.5	20.4	15.7	32.8	52.5	17.3	34.2	20.7	14.3	11.0	43.0	32.4	43.8	38.7	53.3	48.2	57.1	44.6	42.2	12.4	17.6	-4.7	
AONCR											18.4	46.6	31.6	40.2	30.1	34.2	25.4	25.1	11.7	27.5	33.6	35.6	34.0	42.2	37.2	44.8	33.7	37.6	24.7	14.8	8.1	
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																																
Industry Sector	14.7	-31.5	-38.0	0.3	30.7	27.5	13.6	-10.1	2.7	13.3	25.4	39.7	22.3	29.9	22.6	22.3	17.9	-2.7	2.0	29.6	30.7	14.0	39.2	30.0	45.7	35.6	39.2	17.7	9.1	-11.9	-5.8	
Construction Sector	0.0	-18.2	-28.6	26.7	36.4	-6.7	20.0	-25.0	-11.8	7.1	8.8	-17.6	-17.4	23.2	-6.1	28.6	4.8	-40.9	-11.4	25.3	22.9	30.0	44.7	50.0	35.9	53.1	52.5	42.4	25.5	-10.5	6.6	
Wholesale and Retail Trade	-10.0	-11.1	-40.4	6.3	24.7	23.0	17.3	7.0	4.8	19.0	20.3	9.6	13.3	26.0	11.0	2.6	2.0	-13.9	-2.1	8.4	22.8	7.8	47.3	40.6	36.5	35.1	46.5	28.3	5.4	-23.2	-9.8	
Services Sector	6.8	-5.5	-24.7	14.7	56.1	32.0	19.5	3.8	12.5	37.5	30.6	29.1	26.7	37.3	22.3	26.8	19.4	-13.8	11.3	31.6	44.1	47.9	67.6	68.5	61.6	53.3	60.3	42.1	22.4	-2.8	-6.3	
of which:																																
Financial Intermediation	-11.8	-41.4	33.3	20.6	64.7	40.0	14.3	3.8	22.6	46.7	36.1	28.8	18.0	37.3	26.1	31.1	37.5	-19.7	11.1	53.0	67.2	64.7	92.2	90.8	74.3	61.3	71.0	60.5	-6.5	-28.9	-46.6	
Hotels and Restaurants	0.0	77.8	-9.1	50.0	33.3	0.0	71.4	10.0	-7.7	8.3	62.5	40.0	40.0	36.7	45.8	36.8	35.3	17.6	31.8	50.0	24.5	44.2	93.3	86.4	39.7	59.7	92.2	50.1	29.9	9.8	40.2	
Renting and Business Activities	20.0	0.0	-41.7	7.7	53.8	20.0	30.0	0.0	22.2	38.9	24.4	49.5	45.6	46.9	40.4	11.8	19.6	5.2	15.6	32.7	31.6	53.1	53.3	60.8	53.8	54.1	59.3	22.8	28.3	2.2	-10.2	
Community and Social Services	0.0	0.0	-40.0	-10.0	30.0	20.0	15.4	30.8	-14.3	21.4	19.6	17.7	19.2	43.7	2.7	23.6	25.7	5.2	6.7	20.6	16.6	28.8	58.7	44.9	37.4	54.3	30.7	48.1	16.3	0.2	-21.3	
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																																
Industry Sector	35.3	10.4	-10.0	26.7	38.6	46.8	4.6	12.6	26.2	41.2	20.9	38.4	30.6	37.1	27.1	38.7	19.0	16.6	12.0	32.6	30.7	30.7	26.7	46.5	39.3	41.4	32.3	32.5	16.8	6.6	-1.3	
Construction Sector	55.6	36.4	-14.3	46.7	45.5	26.7	33.3	18.8	29.4	7.1	32.3	-9.4	23.9	41.0	33.5	47.7	36.1	12.2	-5.7	57.7	45.8	36.6	45.5	39.9	59.0	63.8	54.0	54.3	30.6	29.5	9.1	
Wholesale and Retail Trade	46.7	22.2	-17.0	51.2	48.1	43.7	3.7	25.6	28.9	49.4	13.3	18.0	30.5	60.2	14.3	27.1	19.5	22.3	17.1	34.8	23.7	36.2	37.2	43.6	35.7	51.6	36.1	35.2	8.4	16.4	-5.1	
Services Sector	47.6	37.0	-4.1	42.8	67.6	53.4	16.6	14.0	33.6	50.2	24.2	17.4	39.6	55.8	17.4	34.0	28.7	16.1	5.6	43.9	44.9	62.0	51.0	62.1	60.7	68.1	55.8	54.2	23.6	25.2	3.9	
of which:																																
Financial Intermediation	29.4	31.0	-7.4	50.0	73.5	57.5	0.8	19.2	41.9	53.3	36.1	15.7	34.0	58.6	20.8	28.9	39.2	6.4	20.0	51.8	67.2	79.1	83.3	75.4	73.0	79.5	73.3	57.0	14.4	7.9	-22.1	
Hotels and Restaurants	50.0	77.8	0.0	50.0	44.4	70.0	14.3	40.0	30.8	58.3	58.6	25.2	26.1	71.0	21.3	62.7	35.3	54.9	16.5	50.1	31.4	81.4	55.4	56.8	28.5	81.2	28.2	64.0	1.9	73.6	20.6	
Renting and Business Activities	60.0	41.7	-8.3	38.5	61.5	46.7	25.0	47.6	44.4	55.6	12.2	45.4	71.0	53.0	38.6	44.7	21.6	26.8	25.2	45.1	39.9	53.9	23.6	68.6	67.7	64.9	63.8	49.4	31.7	25.0	4.0	
Community and Social Services	42.9	0.0	0.0	30.0	60.0	10.0	0.0	0.0	21.4	21.4	-4.3	12.3	36.9	46.1	14.3	25.7	23.4	-20.4	29.6	45.7	37.9	60.0	55.1	73.8	71.6	67.4	49.2	22.0	15.8	11.8		
4. Business Confidence Index on Own Operations by Sector: Current Quarter																																
Industry Sector	7.8	2.8	-6.7	10.4	12.2	22.0	14.2	8.0	6.8	15.2	3.6	17.1	16.8	15.8	14.2	8.1	9.9	7.7	13.8	9.3	18.9	10.0	12.9	17.4	16.8	15.9	13.5	10.8	2.5	-4.4	-9.3	
Construction Sector	11.1	-27.3	-17.9	-16.7	-4.5	-3.3	3.3	0.0	-5.9	-10.7	16.6	-42.4	14.5	19.7	0.0	50.0	16.3	-2.6	-7.0	42.2	31.7	28.7	18.3	11.9	34.3	43.8	33.8	25.6	19.5	18.4	12.0	
Wholesale and Retail Trade	20.0	5.2	-17.0	10.4	8.6	7.7	-7.0	-0.8	6.0	11.0	-1.8	3.5	0.1	13.9	5.3	-7.1	1.8	-4.9	2.8	8.3	14.3	1.6	20.3	13.9	3.9	16.8	7.2	12.2	-1.6	-4.1	-8.1	
Services Sector	17.9	0.5	-21.9	23.4	35.0	17.5	8.3	-5.5	9.0	24.8	25.1	25.1	17.7	34.7	13.6	22.4	20.4	2.2	9.6	33.7	32.4	38.2	38.7	42.2	43.8	43.5	45.1	35.0	22.0	18.8	3.9	
5. Business Outlook index on Own Operations: Current Quarter																																
Volume of Business Activity Index	7.8	0.0	-14.7	-5.1	23.6	20.9	22.1	-8.1	13.2	21.1	31.1	6.5	25.4	26.9	23.7	9.3	19.2	0.7	17.0	16.0	31.3	21.8	42.4	22.6	35.7	27.3	39.3	15.8	16.2	-1.5	-0.3	
Volume of Total Order Book Index	-0.9	-3.4	-19.6	-5.7	22.7	20.9	20.4	-8.7	10.2	19.8	25.6	3.8	18.0	19.5	20.0	7.4	14.8	-0.5	15.5	14.5	25.9	16.4	34.2	17.1	27.7	22.9	31.2	8.0	13.7	-3.1	-1.4	
Credit Access Index	-18.3	-19.8	-26.1	-27.6	-20.0	-14.9	-15.0	-17.9	-12.5	-5.9	-12.7	-13.4	-14.6	-7.3	-7.5	-9.8	-12.2	-13.2	-11.5	-5.5	-3.5	0.5	2.8	10.1	9.0	10.4	7.3	6.6	3.0	-1.6	-7.4	
Financial Condition	-47.0	-40.7	-48.9	-46.6	-30.6	-30.8	-35.6	-46.4	-34.8	-26.6	-27.5	-32.8	-31.4	-25.7	-25.0	-28.3	-28.6	-36.5	-30.9	-20.0	-20.2	-20.1	-14.1	-8.8	-11.0	-5.1	-7.8	-11.6	-17.8	-29.1	-29.9	
Average Capacity Utilization	67.0	66.2	68.8	62.7	66.2	70.3	69.1	69.4	69.1	69.2	71.3	76.2	76.7	74.8	75.4	78.2	74.2	73.3	73.5	75.5	75.0	75.8	75.6	83.1	83.4	78.6	76.3	83.1	79.5	77.6	74.8	
6. Business Outlook Index on Own Operations: Next Quarter																																
Volume of Business Activity Index	41.7	24.9	0.0	35.2	32.9	42.7	2.7	28.8	31.0	43.4	20.0	30.6	36.4	50.2	24.2	29.7	28.5	27.5	16.2	37.7	36.7	39.0	35.3	48.1	40.4	49.5	34.0	44.1	25.3	24.8	1.6	
Employment Outlook Index	3.5	-1.1	-19.6	-8.8	-8.6	0.3	-5.5	-4.6	-6.3	2.0	-2.0	-2.8	4.9	16.8	7.5	11.6	6.5	7.3	-0.5	14.4	12.6	13.8	8.9	16.6	17.3	21.1	16.6	21.7	11.4	8.3	-1.4	
A quarterly survey conducted by the Department of Economic Statistics Nov 20, 2008 4:00:00 PM															Bangko Sentral ng Pilipinas Manila, Philippines www.bsp.gov.ph 																	

* From 2001 to 2003, survey respondents came from a random sample of firms in SEC's Top 5000 Corporations in the Philippines which are located in the NCR. Beginning Q4 2003, the survey was expanded to include those areas which are located outside NCR specifically Regions I, VII & XI. Finally in Q4 2006, the BES was further expanded to become a nationwide survey of firms in the top 5000 corporations.

**BUSINESS EXPECTATIONS SURVEY
2001 - 2008**

	2001			2002				2003				2004				2005				2006				2007				2008				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
7. Companies with Expansion Plans (in percent): Next Quarter																																
All Industry Sector	5.9	20.7	20.6	13.0	20.3	10.7	18.7	24.3	22.6	19.9	20.0	21.5	15.9	24.3	27.5	27.0	22.0	16.0	20.8	25.9	25.8	23.0	23.0	27.2	31.1	28.7	33.7	37.8	23.1	25.0	30.4	
Mining Quarrying	0.0	0.0	0.0	25.0	25.0	33.3	0.0	0.0	50.0	50.0	100.0	39.1	39.1	78.3	78.3	50.0	0.0	0.0	8.3	33.3	41.7	25.0	83.3	66.7	42.9	42.9	52.4	41.9	26.2	45.1	27.0	
Manufacturing	19.4	21.0	7.3	0.0	0.0	8.5	21.2	23.5	23.0	19.0	17.5	31.7	15.2	22.9	25.7	28.9	21.3	16.9	20.3	25.3	24.0	22.7	20.8	23.7	28.1	27.1	32.0	37.8	22.3	23.7	29.5	
Electricity, Gas and Water	0.0	25.0	25.0	13.3	20.4	33.3	0.0	20.0	0.0	16.7	0.0	0.0	0.0	0.0	16.0	6.0	11.6	11.6	35.9	25.4	47.2	44.3	48.5	54.0	42.8	33.5	39.0	45.4	37.0	59.2		
Agriculture, Fishery and Forestry	100.0	0.0	0.0	0.0	33.3	0.0	0.0	50.0	25.0	33.3	52.6	19.6	25.0	32.5	37.5	13.1	39.1	8.2	40.4	28.3	32.4	23.2	35.4	62.2	64.0	42.4	59.6	35.0	21.3	30.6	28.0	
8. Business Constraints: Current Quarter																																
High Interest Rate	49.6	46.9	38.0	46.0	35.9	28.2	24.2	31.5	32.9	28.6	34.2	33.0	33.1	38.4	39.8	37.0	34.7	35.9	36.2	32.4	30.0	29.1	27.6	23.0	23.6	23.7	21.3	22.1	23.7	29.8	29.5	
Unclear Economic Laws	36.5	37.9	29.9	37.8	31.1	30.3	31.0	34.0	33.5	35.9	41.2	34.7	35.2	37.0	38.2	37.6	38.0	45.9	48.7	40.3	41.4	34.3	33.1	27.6	27.2	24.5	27.1	25.9	27.1	27.1	27.1	
Lack of Equipment	27.8	17.5	15.8	21.8	20.6	19.6	19.4	18.8	20.0	22.0	24.2	19.8	21.5	22.0	20.8	24.4	22.6	23.8	24.6	21.2	19.5	19.4	17.9	17.1	17.9	16.0	19.4	16.3	16.0	15.6	17.7	
Insufficient Demand	67.8	65.0	75.5	76.3	72.4	77.2	67.5	67.2	70.9	69.7	63.7	56.4	57.2	58.7	61.1	61.3	60.9	64.3	65.4	58.7	60.6	58.7	55.3	51.6	49.8	46.8	46.3	44.1	46.7	49.6	51.9	
Access to Credit	40.0	32.8	31.0	42.1	35.5	34.5	30.0	24.5	25.2	26.8	29.0	30.7	25.4	27.9	27.3	31.1	30.3	31.8	29.8	24.8	23.4	19.1	19.6	18.9	20.1	16.9	17.0	17.5	20.5	20.5		
Financial Problems	34.8	33.3	32.1	39.4	30.8	33.4	30.8	31.4	30.2	30.8	34.2	31.9	31.1	33.5	33.6	36.2	36.1	37.6	37.6	31.1	30.5	29.4	27.5	27.2	26.0	24.7	23.6	26.4	23.4	25.3	27.9	
Competition	73.9	71.8	77.7	77.9	76.8	78.4	73.8	70.7	73.3	77.3	73.0	62.5	68.8	70.3	73.1	74.0	73.4	74.2	74.4	74.1	75.3	37.1	38.7	62.6	66.0	62.2	63.0	57.9	60.4	58.6	61.1	
Labor Problems	22.6	23.2	22.3	24.1	20.0	28.6	32.3	25.9	23.0	21.3	23.5	18.5	20.8	22.8	23.5	27.7	26.8	26.5	25.3	23.0	22.9	20.9	21.7	20.3	18.6	19.7	20.1	19.4	19.3	20.8	20.2	
Lack of Materials Input	22.6	18.1	17.4	21.7	18.3	18.3	18.6	23.4	23.2	22.9	24.6	19.4	24.2	23.6	28.3	26.8	24.7	24.4	25.7	21.8	21.6	22.1	21.2	22.3	20.1	19.0	20.6	19.7	19.4	19.8	19.6	
Others	26.1	27.7	22.8	25.0	19.6	19.4	20.7	20.9	18.3	17.3	16.2	16.4	19.0	13.2	15.8	16.7	17.1	21.0	20.0	16.5	15.9	19.4	18.7	17.4	16.8	17.5	20.7	20.8	20.4	19.9	23.5	
None	3.5	3.4	7.6	2.1	2.5	6.4	1.7	3.5	5.0	5.0	6.3	6.5	6.2	6.3	5.7	5.1	4.6	3.0	3.4	5.5	4.2	4.7	3.6	5.4	6.9	7.9	6.5	7.4	5.8	5.4	4.9	
9. Business Expectations Index on Selected Economic Indicators: Current Quarter																																
P/\$ Exchange Rate	19.1	36.7	20.1	-0.1	7.5	-8.0	4.3	11.2	6.9	7.5	0.5	-15.9	-1.5	-2.5	-8.3	10.8	7.2	-11.9	10.1	7.5	11.8	7.5	39.5	31.1	34.3	35.0	44.8	39.9	0.9	-19.0	-21.5	
Inflation Rate	37.4	65.0	46.2	-8.4	1.4	3.9	32.4	36.8	25.8	27.9	42.1	45.8	52.0	51.0	61.9	30.3	51.0	61.4	53.6	22.9	32.8	31.6	-3.1	-13.9	-5.1	-2.3	6.3	14.4	47.9	61.5	43.0	
Peso Borrowing Rate	6.1	22.6	23.4	-37.2	-32.9	-6.7	11.4	16.0	26.5	9.5	27.2	33.7	38.7	39.8	43.2	21.7	28.3	41.9	37.1	6.8	10.8	17.3	-5.8	-23.5	-15.4	-3.2	-9.6	-15.9	13.5	37.8	29.7	
10. Business Expectations Index on Selected Economic Indicators: Next Quarter																																
P/\$ Exchange Rate	11.3	10.7	22.3	11.7	4.9	-8.9	6.3	9.4	11.3	5.5	-11.5	-15.6	0.2	4.6	-7.3	3.4	0.9	-5.0	-0.9	-3.6	5.7	18.0	23.3	11.2	21.9	37.9	34.8	29.0	-0.3	-3.4	-19.5	
Inflation Rate	23.5	46.9	44.0	-0.4	15.7	16.6	26.0	43.2	28.6	31.6	33.4	52.9	42.2	41.6	53.3	29.7	44.4	55.1	45.7	27.8	30.3	31.0	-0.6	4.1	5.5	9.5	3.0	17.3	42.3	48.8	25.2	
Peso Borrowing Rate	4.4	19.8	20.7	-21.8	1.8	4.8	10.0	29.3	25.3	15.1	22.0	32.6	31.8	32.0	42.5	25.5	29.8	39.4	31.4	16.5	17.6	18.3	-2.6	-4.9	-2.3	3.2	-3.2	-8.3	15.9	32.3	23.0	
11. Percentage Distribution of Respondent Firms by Employment Size																																
Small (<100)	41.7	44.6	42.4	41.9	38.1	41.4	43.5	41.8	38.4	36.3	35.5	33.7	31.8	36.1	36.2	35.0	34.4	31.8	33.6	32.1	31.5	34.2	33.2	33.9	33.9	38.3	37.8	41.0	28.7	39.2	40.2	
Medium (100-<500)	36.5	31.1	31.0	32.1	35.6	34.3	32.1	27.6	31.7	30.8	29.6	35.1	36.1	33.8	31.4	36.2	36.9	37.6	33.7	35.8	32.8	33.8	35.7	36.0	32.4	32.6	30.1	35.0	27.1	32.5	32.4	
Large (500 & up)	14.8	13.0	12.0	13.2	14.4	14.3	16.6	13.3	14.0	17.3	14.9	15.3	15.6	15.0	17.0	16.1	14.8	14.6	16.0	17.2	15.8	18.1	16.2	17.4	17.8	15.6	16.2	14.3	14.9	16.2	17.6	
No Response	7.0	11.3	14.7	12.8	11.9	10.0	7.8	17.3	15.9	15.6	20.0	15.9	16.5	15.1	15.4	12.7	13.9	16.0	16.7	14.9	19.9	13.9	14.9	12.7	15.9	13.6	15.9	9.8	29.3	12.2	9.9	
12. Distribution of Respondent Firms by Sector																																
All Sectors	115	177	184	234	236	251	271	294	315	289	348	377	429	574	500	510	614	614	627	673	652	748	786	765	757	732	772	864	891	928	936	
Industry	34	48	50	54	59	56	75	109	119	104	141	135	137	208	174	169	223	219	218	270	262	284	311	287	279	292	281	327	321	344	327	
Construction	9	11	14	15	11	15	15	16	17	14	20	11	15	21	19	17	20	18	20	25	22	28	32	22	20	20	22	33	40	37	50	
Wholesale and Retail Trade	30	45	47	80	81	87	81	86	83	79	96	93	118	153	132	165	187	187	196	195	187	237	238	265	262	237	270	279	297	317	323	
Services	42	73	73	85	85	93	100	83	96	92	91	138	159	192	175	159	184	190	193	183	181	199	205	191	196	183	199	225	233	230	236	
Financial Intermediation	17	29	27	34	34	40	42	26	31	30	28	45	50	57	53	45	52	50	48	45	43	49	50	48	48	46	50	51	50	52	54	
Hotels and Restaurants	4	9	11	9	9	10	7	10	13	12	15	20	20	23	21	16	23	19	23	20	20	16	18	17	16	13	15	18	19	21	19	
Renting and Business Activities	5	12	12	13	13	15	20	16	18	18	16	24	26	33	27	29	35	40	41	41	42	42	44	45	38	34	41	52	55	54	55	
Community and Social Services	7	8	5	10	10	10	13	13	14	14	13	17	22	29	26	26	23	27	27	27	26	33	31	29	30	29	28	35	37	33	34	

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