

# Business Expectations Survey <sup>1</sup>

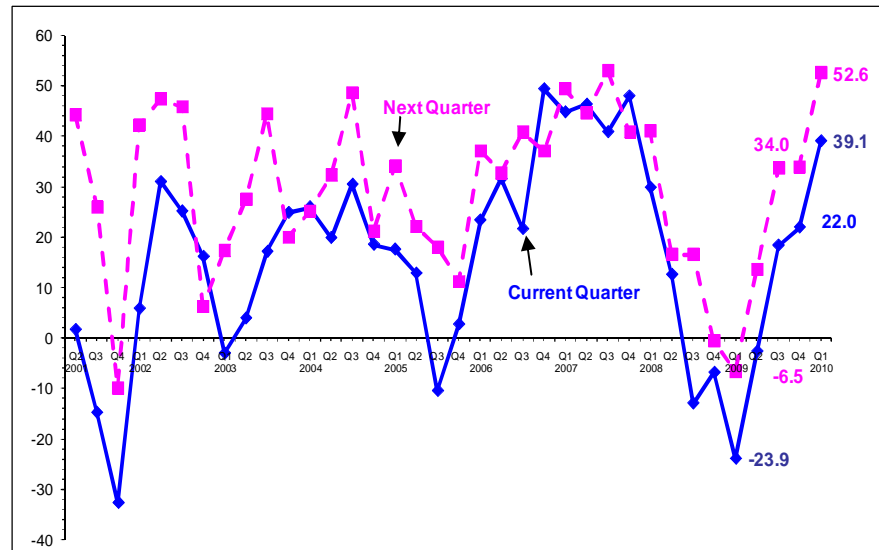
## First Quarter 2010

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### Businesses Are More Confident in Q1 2010

#### Overall Business Outlook on the Macroeconomy

#### Overall Business Confidence Index Q2 2001 – Q1 2010



*Business confidence is more upbeat in Q1 2010.*

Emerging from the challenging economic conditions in 2009, businesses expect economic activity to continue to pick up in the current and succeeding quarters amid clearer signs of global economic rebound. Business sentiment turned more optimistic, with the business confidence index (CI)<sup>1</sup> for Q1 2010 rising sharply to 39.1 percent (the highest level in two years) compared to 22.0 percent in Q4 2009 and -23.9 percent in Q1 2009. The next quarter (Q2 2010) index stood at 52.6 percent, the second highest level reached since the survey started in 2001. Moderate inflation, the steady stream of overseas Filipinos (OFs) remittances, and election-related spending are some of the factors that buoyed respondents' expectations of higher spending that will spur business activity. Furthermore, firms expected that continued foreign investment inflows will help provide funds for economic expansion. This favorable business outlook mirrors the improving business confidence in countries such as Hong Kong, Singapore, Australia, Europe, and the United States.

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

<sup>2</sup> 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 inflation rate and the peso-borrowing rate, where a positive CI indicates the opposite.



*Both NCR and AONCR respondents share a more favorable outlook.* Business morale in both NCR and AONCR is more buoyant for Q1 2010 relative to the outlook prevailing a quarter ago. NCR respondents continued to be relatively more optimistic in their business outlook than respondents based in AONCR, indicating that economic conditions and prospects remained more favorable in NCR compared to that in AONCR.

A detailed analysis of AONCR respondents (consisting of Regions I, III, IV, VII, XI, and XII)<sup>2</sup> showed that except for Region XI, businesses in the regions have a broadly more positive outlook in Q1 2010 compared to that in Q4 2009 and a year ago. The business outlook of firms in Region XI, while remaining positive, declined as more respondents expect no change in economic conditions relative to that in Q4 2009.

The favorable reading in business sentiment in NCR and the regions was also reflected in their Q2 2010 outlook.

*Improving external demand pulls up sentiment across all types of businesses.* Businesses expect export growth to accelerate in the first two quarters of 2010. Respondents involved in international commodity trading (i.e., importers, exporters and those engaged in dual activities) were more sanguine in their business outlook following indications of improving external demand for Philippine goods from key markets in Asia, Europe and the United States.

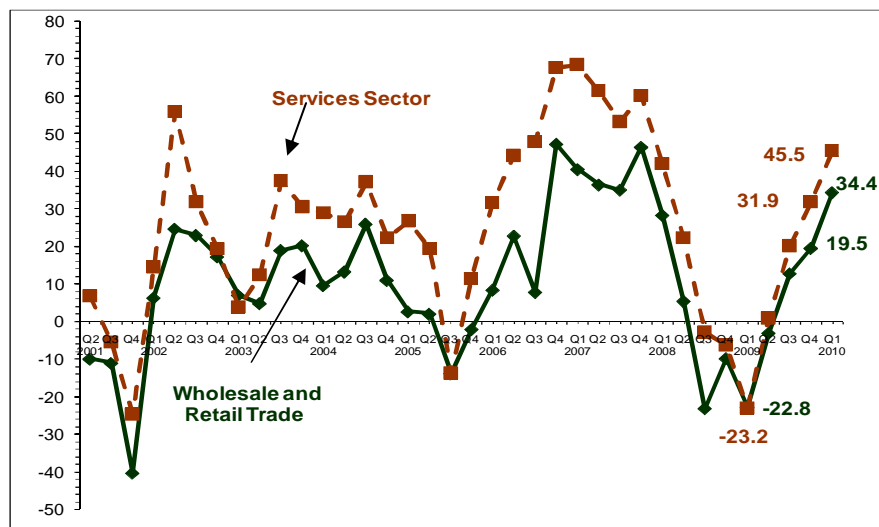
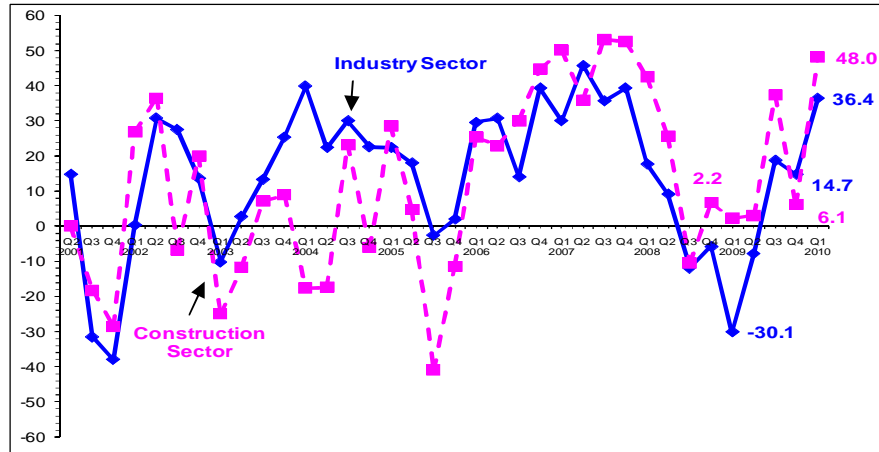
*Optimism improves across all sizes of establishments...* All firms, regardless of the size of operations, reported stronger business confidence indicating that the economic recovery will benefit the business sector as a whole.

<sup>2</sup> While the survey covered 17 regions, the bulk of the respondents were from Regions I, III, IV, VII, XI and XII. Region I (Ilocos) includes the provinces of Ilocos Norte, Ilocos Sur, La Union and Pangasinan; Region III (Central Luzon) is composed of Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales; 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; Region XI (Davao) consists of Compostela Valley, Davao del Norte, Davao del Sur and Davao Oriental; and Region XII (SOCCSKSARGEN) is made up of North Cotabato, Sultan Kudarat, South Cotabato and Sarangani.



Sectoral Outlook

Current Quarter Business Outlook Index by Sector  
Q2 2001 – Q1 2010



... as well as across sectors.

Business sentiment across sectors continued to improve in Q1 2010. The construction sector exhibited heightened optimism, benefiting from government infrastructure projects and big construction activities in the real estate market. Similarly, the level of optimism of the services sector remained high, with the financial sub-sector's positive outlook approximating pre-crisis levels. Timely assistance to ensure the availability of ample liquidity during the global financial crisis and effective supervision of banks contributed to the resilience of the domestic banking system. These factors helped to ensure that asset quality is high, that asset growth continues, and that capital is adequate to sustain the industry's growth momentum. The favorable outlook of the services sector was also largely lifted by the significant improvement in business outlook of the renting and business activities sub-sectors due partly to respondents' expectations of strong demand



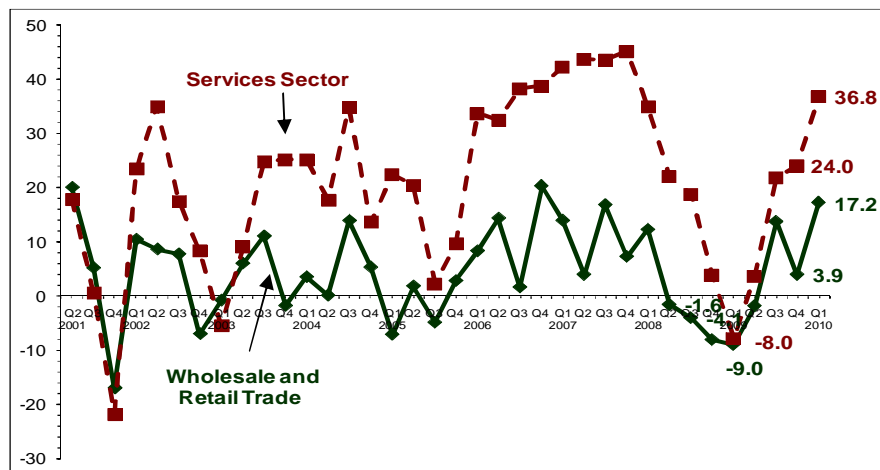
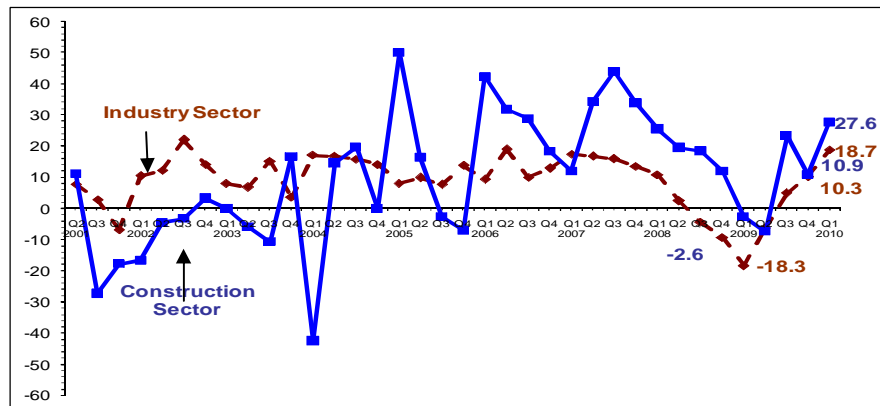
for housing in the low- to medium-market segments, the increase in advertising spending of candidates for the forthcoming May 2010 elections, and the consistent growth of business process outsourcing (BPO) activities in the country.

The industry sector is also expecting a rebound, with the mining and agriculture sub-sectors having the most optimistic outlook. The sentiments of the wholesale and retail trade sectors were also more favorable quarter-on-quarter and year-on-year, due to expectations of recovery of exports and increased consumer demand due to election-related spending.

Looking ahead to the next quarter, businesses were also more upbeat in their outlook. The services sector was the most optimistic, followed by the wholesale and retail trade sector.

**Business Confidence on Own Operations**

**Business Confidence Index on Own Operations by Sector  
Current Quarter, Q2 2001 – Q1 2010**



*Optimism on business operations is higher across all sectors.* Consistent with the improved economic outlook, businesses across all sectors are more optimistic about their own business operations, reflecting the confluence of more favorable domestic and global conditions due in part to the economic stimulus packages introduced in 2009. The continued increase in the volume of business activity and total orders reflected the more positive outlook of firms on their own business operations.

*Average capacity utilization increases.* The average capacity utilization in Q1 2010 rose to 72.0 percent from last quarter's 69.8 percent. This is consistent with the results of the Monthly Integrated Survey of Selected Industries (MISSI) of the National Statistics Office (NSO), which showed an increasing trend for capacity utilization for the period February - November 2009.<sup>4</sup>

### Access to Credit and Financial Condition

*Monetary easing measures help improve credit access and financial conditions of firms.* Credit access continued to improve in Q1 2010, with more firms reporting a marked improvement in their access to credit. Financial conditions likewise improved but remained tight as the index continued to be in the negative territory at -7.9 percent. These showed that monetary policy easing measures that started in December 2008 were able to address the liquidity requirements of the economy and provided sufficient credit to businesses for their operations.

### Employment and Expansion Plans

*Employment expectations are favorable.* Another indicator supporting expectations of an economic recovery is the employment outlook index for the next quarter which reached an all-time high of 22.0 percent. This suggested that respondents are optimistic about increasing employment prospects in Q2 2010. The employment outlook was particularly favorable for the construction and services sectors, (e.g., the financial intermediation, renting and business activities, real estate and hotel and restaurant sub-sectors) as these companies gear up for strong demand during the summer season and the May political exercise.

*Fewer firms have plans for expansion.* As firms in the industry sector still have excess capacity, fewer firms (19.9 percent) indicated expansion plans for Q1 2010 compared to the last quarter's survey (23.7 percent).

### Business Constraints

*Competition, weak demand, and financial problems limit business activity.* Respondents indicated that competition, weak demand (leading to low sales volume), and financial problems were the key challenges to business activity in Q1 2010. These three business constraints were the same factors identified by the respondents since the Q1 2009 survey round.

<sup>4</sup> The average capacity utilization on MISSI was based on a sample of large manufacturing firms while that of the BES used sample firms from the industry and construction sectors.



**Expectations on Key Economic Indicators<sup>5</sup>**

*Higher inflation and interest rates as well as a stronger peso are expected in Q1 and Q2 2010.*

Respondent firms expected inflation and interest rates to go up and the peso to appreciate in Q1 and Q2 2010. The expected increase in inflation could stem from the possible shortfall in the supply of agricultural products due to El Niño weather conditions and the impending power rate adjustments. These factors could be tempered, however, by the expected appreciation of the peso. Expectations of higher inflation could exert upward pressure on the interest rates.

Meanwhile, the appreciation of the peso in Q1 and Q2 2010 is anticipated given the expected recovery in exports and sustained inflows from OF remittances.

**About the Survey**

*The survey response rate is 73.0 percent.*

The Q1 2010 BES was conducted during the period 5 January – 12 February 2010. There were 1,664 firms surveyed nationwide. Respondents were drawn from the Securities and Exchange Commission's Top 7,000 Corporations, as follows: 603 companies in NCR (36.2 percent) and 1,061 firms in AONCR (63.8 percent), covering all 17 regions nationwide. The survey response rate for this quarter was 73.0 percent. For NCR, the response rate was 77.6 percent (from 74.7 percent last quarter); and for AONCR, the response rate was 70.4 percent (from 76.5 percent).

A breakdown of responses received by type of business showed that 13.3 percent were importers, 7.3 percent were exporters, and 14.4 percent were both importers and exporters. Sixty-five percent of the respondents were neither importers nor exporters or those that did not specify their firm type.

<sup>5</sup> The expectations on Key Economic Indicators are confidence indices (CIs) computed as the percentage of firms that answered "up" less the percentage of firms that answered "down" with respect to their views on a given economic key indicator. A positive CI indicates a favorable view, except for the inflation rate and the peso-borrowing rate, where a positive CI indicates the opposite.





**BUSINESS EXPECTATIONS SURVEY  
2001 - 2009**

	2001			2002				2003				2004				2005				2006				2007				2008				2009				2010
	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	Q1	Q2	Q3	Q4	Q1
<b>7. Companies with Expansion Plans (in percent): Next Quarter</b>																																				
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	17.8	16.0	17.4	23.7	19.9
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	31.6	9.2	13.0	38.5	33.2
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	15.7	14.6	15.3	20.3	18.8
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	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	34.6	30.5	36.6	44.3	10.5
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	32.5	30.0	37.4	54.6	37.4
<b>8. Business Constraints: Current Quarter</b>																																				
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	26.9	24.1	24.4	20.5	21.2
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	25.7	25.1	23.3	21.7	14.2	13.0
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	16.6	15.5	17.3	15.5	16.4
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	54.8	59.0	54.2	53.4	46.1
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	30.4	31.8	29.2	30.8	24.8	23.4	19.1	19.6	18.9	20.1	16.9	17.0	17.5	20.5	20.9	19.3	19.3	19.2	18.5
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	30.1	29.9	26.4	26.8	28.1
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	59.4	62.0	61.8	63.4	64.4
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	20.6	18.8	19.0	17.6	18.1
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	18.5	16.5	18.5	18.1	16.7
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	20.4	18.6	18.8	24.2	18.6
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	5.7	5.4	6.5	6.7	6.0
<b>9. Business Expectations Index on Selected Economic Indicators: Current Quarter</b>																																				
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	-12.0	-10.2	-4.2	18.7	6.4
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	14.0	14.1	4.4	28.2	23.3
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	6.9	1.9	-2.7	2.6	5.5
<b>10. Business Expectations Index on Selected Economic Indicators: Next Quarter</b>																																				
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	-13.2	-11.6	4.1	4.2	4.7
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	12.2	15.0	15.7	25.1	22.6
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	7.3	4.6	5.8	12.8	15.5
<b>11. Percentage Distribution of Respondent Firms by Employment Size</b>																																				
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	34.2	33.7	32.9	35.6	36.4	35.9	36.2	41.6	41.6	39.9	39.9	41.2
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	37.1	33.2	35.0	34.6	35.8	34.9	32.7	32.9	33.5	33.3	32.9	34.5	34.7
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	17.0	18.0	20.1	19.6	16.1	14.6	16.8	17.7	13.6	13.7	13.9	14.1	13.2
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	12.0	14.7	11.2	13.0	12.5	14.1	14.7	13.1	11.3	11.4	13.3	11.6	11.0
<b>12. Distribution of Respondent Firms by Sector</b>																																				
All Sectors	115	177	184	234	236	251	271	294	315	289	348	377	429	574	500	614	614	627	673	652	748	786	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1215	
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	323	338	321	325	325
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	53	58	51	53	61
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	317	323	374	377	377	358	428	
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	312	321	310	310	401
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	64	62	59	62	69
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	32	32	35	30	50
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	65	69	76	69	83
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	43	45	35	42	70
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## Business Expectations Survey

### Business Outlook Index on the Macroeconomy

#### by Type of Business

	Current Quarter												Next Quarter																						
	2007				2008				2009				2010				2007				2008				2009				2010						
	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	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Importer	39.5	49.4	47.5	45.1	36.8	15.6	-17.4	0.7	-26.1	-6.7	10.9	15.2	43.2	40.7	44.8	59.6	43.2	50.4	9.8	26.6	0.0	-9.2	16.8	43.6	31.4	50.0									
Exporter	24.4	37.5	4.2	24.2	3.5	8.6	-6.8	3.3	-39.8	-6.1	7.2	13.6	33.7	39.0	37.5	6.3	31.8	22.4	33.3	6.8	8.7	-10.8	6.1	6.0	19.8	57.3									
Both (Import and Exporter)	38.9	50.0	41.5	36.8	9.3	0.7	-5.4	-4.1	-24.7	-8.4	21.8	20.8	37.1	51.1	44.2	42.5	37.6	19.6	13.7	14.5	10.1	-7.4	9.0	33.3	35.2	50.3									

### Number of Respondents

#### by Type of Business

	Current Quarter												Next Quarter																						
	2007				2008				2009				2010				2007				2008				2009				2010						
	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	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Importer	81	87	99	111	125	122	109	138	119	119	110	105	162	10.6	11.5	13.5	14.4	14.5	13.7	11.7	14.7	11.2	10.9	10.4	10.0	13.3									
Exporter	41	40	48	66	85	81	88	92	83	82	83	81	89	5.4	5.3	6.6	8.5	9.8	9.1	9.5	9.8	7.8	7.5	7.8	7.7	7.3									
Both (Import and Exporter)	90	86	106	117	140	141	147	145	162	178	156	159	175	11.8	11.4	14.5	15.2	16.2	15.8	15.5	15.3	16.3	14.7	15.2	14.4										
Not Applicable	194	209	245	228	328	329	340	316	451	413	387	379	595	25.4	27.6	33.5	29.5	38.0	36.9	36.6	33.8	42.5	37.8	36.5	36.2	49.0									
Not Specified	359	335	234	250	186	218	244	245	247	302	323	322	194	46.9	44.3	32.0	32.4	21.5	24.5	26.3	26.2	23.3	27.6	30.5	30.8	16.0									
Total	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1215	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0									

### Business Outlook Index on the Macroeconomy

#### by Size of Employment

	Current Quarter												Next Quarter																						
	2007				2008				2009				2010				2007				2008				2009				2010						
	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	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Small (<100)	41.7	43.2	33.6	43.2	29.2	10.5	-19.2	-5.9	-19.0	-4.8	16.8	16.3	32.8	51.7	43.2	53.8	43.2	39.9	17.3	14.1	-2.1	1.6	19.1	34.3	30.5	46.4									
Medium (100-<500)	41.5	37.8	42.2	45.8	22.0	16.4	-5.6	6.8	-19.9	3.6	19.5	23.8	40.0	44.4	43.8	48.8	40.7	39.2	24.1	15.2	8.8	-7.9	14.3	37.9	32.4	51.4									
Large (500 & up)	42.3	54.4	39.5	53.0	30.9	15.4	-5.1	-20.5	-29.2	2.0	20.4	32.7	50.6	50.0	43.4	55.1	44.4	46.0	29.2	18.6	-3.0	-4.2	5.3	32.7	40.8	57.5									

### Number of Respondents

#### by Size of Employment

	Current Quarter												Next Quarter																						
	2007				2008				2009				2010				2007				2008				2009				2010						
	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	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Small (<100)	259	259	247	254	308	324	333	339	442	455	423	417	500	33.9	34.2	33.7	32.9	35.6	36.4	35.9	36.2	41.6	41.6	39.9	39.9	41.2									
Medium (100-<500)	284	251	256	267	309	311	303	308	356	364	346	361	420	37.1	33.2	35.0	34.6	35.8	34.9	32.7	32.9	33.5	33.3	32.9	34.5	34.6									
Large (500 & up)	130	136	147	151	139	130	156	166	144	150	147	147	160	17.0	18.0	20.1	19.6	16.1	14.6	16.8	17.7	13.6	13.7	13.9	14.1	13.2									
Not Specified	92	111	82	100	108	126	136	123	120	125	141	121	135	12.0	14.7	11.2	13.0	12.5	14.1	14.7	13.1	11.3	11.4	13.3	11.6	11.1									
Total	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1,215	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0									