

Business Expectations Survey ¹

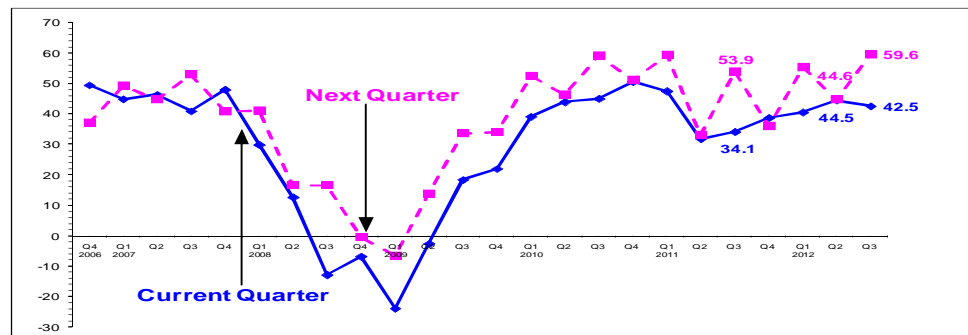
Third Quarter 2012

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Business Confidence Edges Lower in Q3 2012 Amid Weather Disturbances, But Hits All-Time High for Q4 2012

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index
Q4 2006 – Q3 2012



Business sentiment is less favorable in Q3 2012... Businesses' outlook on the economy was less optimistic in Q3 2012, as the overall confidence index (CI)² declined to 42.5 percent from 44.5 percent in Q2 2012. Respondents attributed the decline in optimism to (a) lower seasonal demand during the quarter; (b) weather disturbances; (c) global developments such as the risk of a China slowdown, slow recovery in the US and the protracted sovereign debt and banking crises in the Eurozone; (d) volatile commodity prices; (e) expectations of oil price hike; and (f) continuous spread of banana diseases affecting the harvest (intended largely for exports) as well as other related business activities (e.g., transportation, storage and communication) in Region XI. The sentiment of businesses in the Philippines mirrored the weaker business outlook globally, particularly in the US, Germany, Hong Kong, Korea and Singapore.

...but hits record high in Q4 2012. Going forward, respondents' outlook for the next quarter (Q4 2012) turned more buoyant as the next quarter index rose to an all-time high of 59.6 percent since the nationwide survey started in Q4 2006. This reading suggests that the growth momentum could accelerate in the last quarter of 2012. Respondents' more positive outlook in Q4 2012 was due to expectations of (a) continued increase in orders and projects leading to higher volume of production; (b) expansion of businesses and new product lines; (c) increased government infrastructure spending; and (d) brisker business during the Christmas season and the run-up towards the 2013 elections. The prevailing favorable macroeconomic conditions such as low interest rates, manageable inflation, and steady growth of overseas Filipinos' (OFs) remittances, as well as the recent positive credit rating action by Moody's also boosted business confidence for the

¹ The Business Expectations Survey (BES) is a quarterly survey of firms drawn at random 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 companies' operations as well as 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 inflation rate and the peso-borrowing rate, where a positive CI indicates the opposite.



next quarter.

NCR respondents are more bullish than AONCR respondents. The sentiment of businesses in the National Capital Region (NCR) remained broadly steady while those in Areas Outside the NCR (AONCR) turned less sanguine for the current quarter. For Q4 2012, the outlook improved in both NCR and AONCR. In particular, the next quarter CI of respondents in the NCR reached a record high of 64.5 percent. Moreover, NCR respondents remained more optimistic in their outlook on the economy than those from AONCR for both the current and next quarters. This indicated firms' expectations that economic conditions continued to be more favorable in NCR than in AONCR.

A more detailed analysis of responses of firms in AONCR³ showed a mixed regional outlook in Q3 2012. The sentiment of respondent firms in Regions I, V, VI, and XI remained positive but was less upbeat during the current quarter. Meanwhile, business confidence improved quarter-on-quarter in Regions III, VII and IX. For the quarter ahead, the outlook of businesses in the said regions was more buoyant, consistent with the national trend. Notably, the optimism of respondent firms in Region VII was at its highest in both Q3 and Q4 2012 on account of continued business expansion of the manufacturing, trade and construction firms; uptick in consumer demand; resumption of orders from Japan; and increase in government spending on infrastructure in the region.

On the other hand, the outlook of firms in Regions IV and XII was bearish in both Q3 and Q4 2012. Respondents cited the lack of inputs for production (particularly the supply of fish), heightened domestic competition due to new business entrants in the market, recent oil price hikes, and uncertainty in the global economy, for their cautious outlook.

Exporters are less optimistic for Q3 and Q4 2012. Businesses involved in international commodity trading (i.e., exporters and importers) have a positive but less favorable outlook in Q3 2012. Exporters were the least optimistic, largely as a result of rising oil prices, volatile metal prices, lack of raw materials and uncertainty in world markets. Respondents in Region XI particularly cited the slack in demand due to low volume of fish catch, the rainy season, and the proliferation of banana diseases in the region as reasons for their lower outlook. However, dual-activity firms, i.e., firms involved in both exporting and importing activities, had a broadly steady outlook.

For Q4 2012, importers recorded the highest level of optimism since Q1 2007.⁴ Likewise, the outlook of dual-activity firms improved compared to their quarter-ago level, similar to the national trend. By contrast, exporters were less optimistic for the next quarter.

Outlook of firms across employment size declines in Q3 2012. Similarly, firms' sentiments across employment size were less favorable in Q3 2012 but turned more upbeat for Q4 2012.⁵ Small-sized firms registered an all-time high next-quarter-outlook since Q1 2007. Meanwhile, large-sized firms' business confidence was the most buoyant in both the current and next quarters.

³ While the survey covered all 17 regions of the Philippines, the bulk (93.3 percent) of the respondents were from NCR and nine regions outside NCR, namely: Regions I, III, IV, V, VI, VII, IX, XI and XII. (For the list of regions and the distribution of top 7000 corporations by region, please see Annexes A and B).

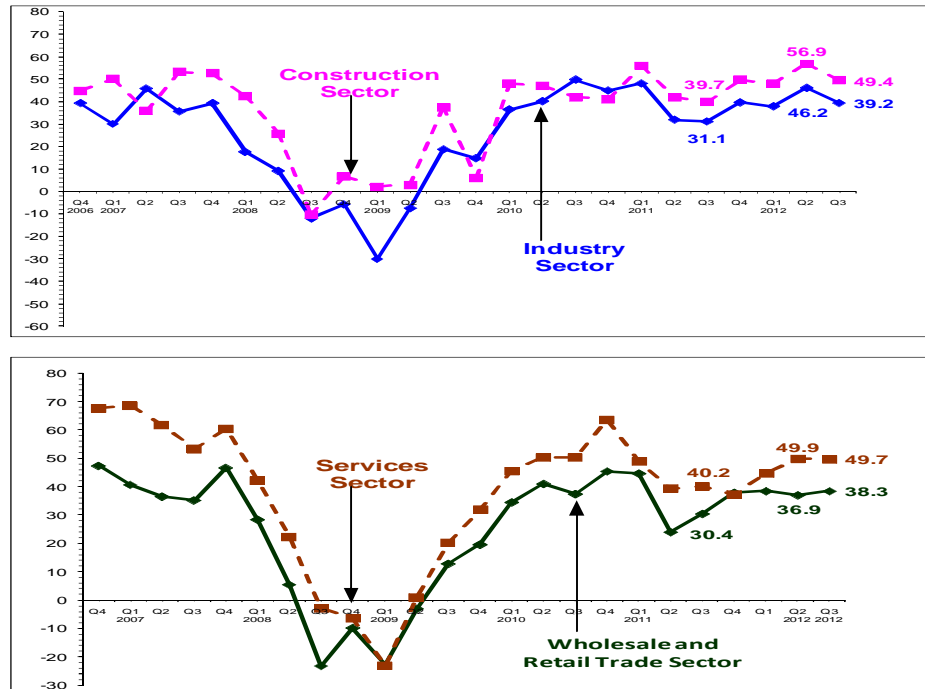
⁴ Information on the outlook of firms by type of business and by employment size were generated beginning Q1 2007.

⁵ Small firms have less than 100 employees; medium firms, 100-499 employees; large firms have over 500 employees.



Sectoral Outlook

Current Quarter Business Outlook Index by Sector
Q4 2006 – Q3 2012



Business confidence across sectors is mixed. Business outlook was mixed across sectors in Q3 2012. The business confidence of the wholesale and retail trade sector improved while that of services was broadly steady relative to a quarter ago. On the other hand, the sentiment of firms in the construction and industry sectors declined but remained positive compared to that in the previous quarter.

Despite the seasonal slack in demand in the third quarter, the outlook of the wholesale and retail trade sector was more bullish from a quarter ago. The wholesale and retail trade sector's positive sentiments drew support from a sound investment climate, relatively stable prices, new and improved products, and expectations of a more robust demand, including early orders for the Christmas season.

In the services sector, businesses in the financial intermediation, real estate and community and social services sub-sectors remained upbeat in view of favorable business conditions, an upsurge in investment (both public and private), increasing bank loan portfolio, the recent positive credit rating action by Moody's, and robust consumer demand owing in part to a widening customer base. Meanwhile, firms from the hotels and restaurants, business activities and transportation sub-sectors were less bullish during the quarter as consumer demand usually slackens after its usual peak during the summer season.

Construction firms' outlook in the current quarter was less sanguine due largely to the moderation of construction activities during the rainy season. However, firms were of the view that bidding for and implementation of the planned Public-Private Partnership (PPP) projects as well as other public infrastructure projects (augmented by the coming



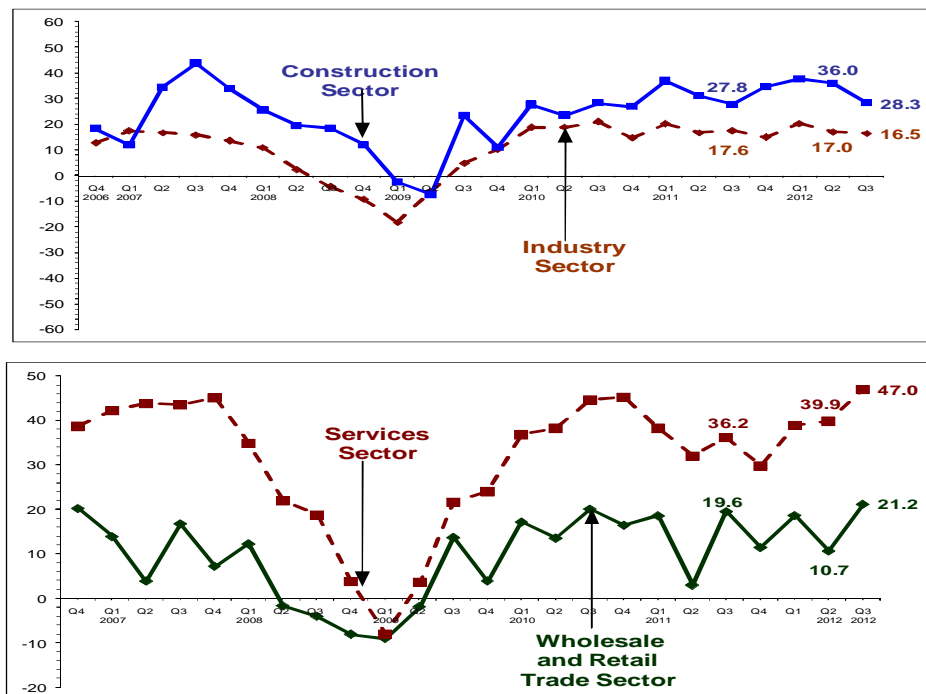
elections in 2013) and expansion plans of the private sector to accelerate construction activities will continue in the next quarter.

Meanwhile, the outlook of industry firms declined as business prospects of some firms were constrained by stiff domestic competition, weather disturbances, expectations of rising oil prices, and the lingering sovereign debt and banking crises in the Eurozone.

For the next quarter (Q4 2012), the business sentiment of firms across sectors turned more bullish, except those in the construction sector. Businesses in the trade sector posted an all-time high CI of 66.6 percent on account of the expected increase in consumer demand during the holidays.

Business Confidence on Own Operations

Current Quarter Business Confidence Index by Sector
Q4 2006 – Q3 2012



Businesses have different views about their own operations. With respect to the outlook about their own operations during the current quarter, businesses across sectors were of different views. The sentiment of firms turned more bullish in the services and wholesale and retail trade sectors, remained broadly steady in industry, and was less optimistic in construction.

Average capacity utilization declines. Consistent with the less positive outlook of the industry and construction sectors in Q3 2012, the average capacity utilization for the current quarter declined to 74.4 percent, compared to a record high of 76.2 percent registered last quarter. This is consistent with the results of the Monthly Integrated Survey of Selected Industries (MISSI) of the National Statistics Office (NSO), which showed decreasing capacity utilization in June 2012.



Access to Credit and Financial Conditions⁶

More firms expect easier access to credit but tighter financial conditions. Firms were of the view that financial conditions were tighter in Q3 2012 compared to that in the previous quarter. However, firms' liquidity requirements could be met through available financing as more firms expected easy access to credit. This is validated by the results of the Senior Loan Officers Survey which showed that most banks had generally unchanged credit standards for the 13th consecutive quarter, suggesting steady supply of credit for businesses' needs.

Volume of Business Activity

The outlook for volume of business activity improves while total orders remain steady in Q3 2012. Providing support to the favorable overall business confidence was the positive outlook for the volume of business activity and total orders in Q3 2012. The number of firms that have favorable views on the volume of business activity went up while those on total orders remained steady. Looking ahead to Q4 2012, the outlook on the volume of business activity was likewise more upbeat compared to a quarter ago, consistent with the expected uptick in demand during the year end.

Employment and Expansion Plans

Employment outlook remains positive. Another indicator supporting expectations of sustained growth momentum in 2012 was the employment outlook index for the next quarter, which rose to 27.4 percent, the highest reading since the start of the nationwide survey in Q4 2006. By sector, firms in the services sector, particularly financial intermediation, hotels and restaurants, business activities, transportation and real estate were the most optimistic in their employment outlook.

The number of firms with expansion plans declines slightly. The percentage of respondent firms in the industry sector which indicated expansion plans for the next quarter (at 27.8 percent) declined slightly from last quarter's survey. Lower expansion plans were noted across sub-sectors, except in mining and quarrying.

Business Constraints

Competition, weak demand, and unclear economic laws are the major risks to business. The top three business constraints identified by respondents in Q3 2012 were: competition (cited by about three-fifths of the total number of respondents), followed by insufficient demand (leading to low sales volume), and unclear economic laws (such as inconsistent applications of tax laws, red tape, delays in approval of government licenses and permits, and vague labor laws).

The percentage of businesses that identified insufficient demand and unclear economic laws as the top business constraints showed a declining trend since Q4 2006. In addition, the percentage of respondents citing other business constraints such as high interest rates, financial problems, lack of materials input, lack of equipment, and access to credit has declined. The easing of these business constraints indicates that business conditions are improving, although competitiveness remains to be the foremost challenge faced by businesses.

⁶ *Financial conditions* refer to the firm's general cash position, taking into account the level of cash and other cash items and repayments terms on loans. On the other hand, *access to credit* refers to the environment external to the firm, such as the availability of credit from the banking system and other financial institutions.



Expectations on Key Economic Indicators⁷

A stronger peso, higher inflation and lower interest rates are expected in Q3 and Q4 2012.

Respondents that expected inflation to go up continued to outnumber those with the opposite view, but the number that said so declined in Q3 and Q4 2012. This indicates that inflation expectations remained well anchored, consistent with the BSP's assessment of a manageable inflation environment.

On the other hand, more respondents expected the peso to appreciate in Q3 and Q4 2012. Expectations of the peso's sustained appreciation could be due to anticipated strong inflows of overseas Filipinos' remittances, business process outsourcing (BPO) services receipts, and foreign investments as well as the recovery of export demand. Meanwhile, interest rates were expected to decline in the current and next quarters, after the Monetary Board's decision to cut policy rates by another 25 basis points (bps) in July 2012 following the rate cuts in January and March 2012.

About the Survey

Survey response rate is 74.3 percent.

The Q3 2012 BES was conducted during the period 2 July–13 August 2012. There were 1,581 firms surveyed nationwide. Respondents were drawn from the Securities and Exchange Commission's Top 7,000 Corporations, as follows: 607 companies in NCR and 974 firms in AONCR, covering all 17 regions nationwide. The survey response rate for this quarter was lower at 74.3 percent (from 79.6 percent in the previous quarter) partly due to weather disturbances in the second week of August 2012 that could have affected the normal business operations of firms. The response rates were lower for both NCR at 74 percent (from 79.6 percent in the previous quarter) and AONCR at 74.5 percent (from 79.7 percent in Q2 2012).

A breakdown of responses by type of business showed that 15.9 percent were importers, 6 percent were exporters, and 16.6 percent were both importers and exporters. About 61.4 percent of the respondents were neither importers nor exporters, or did not specify their firm type.

The Business Expectations Survey (BES) uses the stratified random sampling design covering corporations from the SEC's Top 7000 Corporations (ranked based on gross revenues) as sampling units. The top 7000 corporations are subdivided into 192 strata classified by region—NCR and Areas Outside NCR (the other 15 regions of the country)⁸—and by industry sub-groups, namely: (a) Group 1: Industry, which consists of manufacturing, mining and quarrying, electricity, gas and water, and agriculture, fishery and forestry; (b) Group II: Construction; (c) Group III: Services, which consists of financial intermediation, real estate, renting and business activities, hotels and restaurants, transport, storage and communications and community, social and personal services; and (d) Group IV: Wholesale and Retail Trade. Beginning Q1 2012, industry classification of companies shifted from the 1994 Philippine Standard Industrial Classification (PSIC) to the 2000 PSIC.

⁷ The expectations on key economic indicators are expressed in terms of confidence indices (CIs), which are 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.

⁸ In the sampling design, Regions 4A and 4B were combined into one region.



Annexes: Business Expectations Survey (BES) Report Q3 2012

Annex A. Distribution of Top 7000 Corporations by Region: 2010^a

Population

SECTOR/SUB-SECTOR	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Region 11	Region 12	CARAGA	ARMM	CAR	NCR
Agriculture	0	0	5	8	1	6	4	0	5	5	36	11	1	0	0	34
Business	1	6	21	34	1	2	22	0	1	0	8	3	0	0	0	487
Community	6	4	14	27	0	10	8	0	1	2	5	2	0	1	0	152
Construction	0	1	22	32	9	4	24	3	2	0	4	1	1	0	0	211
EGW	4	1	18	11	0	3	16	0	0	0	2	0	0	0	1	41
Finance	0	2	7	11	1	4	17	0	1	1	16	2	2	0	0	363
Hotels	6	0	11	8	3	7	13	1	0	0	8	0	0	0	0	134
Manufacturing	4	3	163	573	7	12	108	9	4	7	40	9	0	3	3	869
Mining	0	0	0	4	0	0	3	0	0	0	2	0	1	0	0	40
Real Estate	0	1	11	39	1	3	15	0	1	1	7	2	0	0	0	233
Trade	19	15	206	265	43	62	137	16	22	13	96	19	0	1	0	1539
Transportation	1	0	22	28	1	2	15	0	3		16	2	0	0	0	251
Services Sector	14	13	86	147	7	28	90	1	7	4	60	11	2	1	0	1620
Industry Sector	8	4	186	596	8	21	131	9	9	12	80	20	2	3	4	984
Grand Total	41	33	500	1040	67	115	382	29	40	29	240	49	5	5	4	4354

Number of Samples

SECTOR/SUB-SECTOR	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Region 11	Region 12	CARAGA	ARMM	CAR	NCR
Agriculture	0	0	2	5	1	6	3	0	5	5	16	10	1	0	0	9
Business	1	6	4	5	1	2	8	0	1	0	4	3	0	0	0	52
Community	6	4	3	5	0	10	4	0	1	2	2	1	0	1	0	31
Construction	0	1	8	6	9	4	7	3	2	0	2	1	1	0	0	69
EGW	4	1	4	4	0	3	3	0	0	0	1	0	0	0	1	22
Finance	0	2	2	2	1	4	5	0	2	1	5	2	2	0	0	66
Hotels	6	0	4	2	3	7	5	1	0	0	3	0	0	0	0	28
Manufacturing	4	3	36	101	7	12	46	9	4	7	18	8	0	3	3	76
Mining	0	0	0	2	0	0	2	0	0	0	1	0	1	0	0	18
Real Estate	0	1	3	4	1	3	7	0	0	1	2	2	0	0	0	57
Trade	19	15	59	50	43	62	48	16	22	13	28	2	0	1	0	130
Transportation	1	0	5	6	1	2	8		3	0	7	20	0	0	0	49
Services Sector	14	13	21	24	7	28	37	1	7	4	23	28	2	1	0	283
Industry Sector	8	4	42	112	8	21	54	9	9	12	36	18	2	3	4	125
GRAND TOTAL	41	33	130	192	67	115	146	29	40	29	89	49	5	5	4	607

^a The latest available listing from the Securities and Exchange Commission

Annexes: Business Expectations Survey (BES) Report Q3 2012

Annex B. Regions and Provinces of the Philippines

Regions	Provinces
I-Ilocos	Ilocos Norte, Ilocos Sur, La Union and Pangasinan
II-Cagayan Valley	Batanes, Cagayan, Isabela, Nueva Vizcaya, Quirino
III-Central Luzon	Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales
IV-Southern Tagalog	Cavite, Laguna, Batangas, Marinduque, Occidental Mindoro, Oriental , Mindoro, Palawan, Quezon, Rizal and Romblon
V-Bicol	Albay, Camarines Norte, Camarines Sur, Catanduanes, Masbate and Sorsogon
VI-Western Visayas	Aklan, Antique, Capiz, Guimaras, Iloilo and Negros Occidental
VII-Central Visayas	Cebu, Bohol, Negros Oriental and Siquijor
VIII-Eastern Visayas	Biliran, Eastern Samar, Leyte, Northern Samar, Samar and Southern Leyte
IX-Zamboanga Peninsula	Zamboanga del Norte, Zamboanga del Sur, Zamboanga Sibugay, Isabela City and Zamboanga City
X-Northern Mindanao	Bukidnon, Camiguin, Lanao del Norte, Misamis Occidental, Misamis Oriental,
XI-Davao	Compostela Valley, Davao del Norte, Davao del Sur and Davao Oriental
XII-SOCCSKARGEN	Cotabato, Sultan Kudarat, South Cotabato and Sarangani
Cordillera Administrative Region (CAR)	Abra, Apayao, Benguet, Ifugao, Kalinga, and Mountain Province
Autonomous Region of Muslim Mindanao (ARMM)	Basilan (excluding Isabela City), Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi
Caraga	Agusan del Norte, Agusan Del Sur, Dinagat Islands, Surigao del Norte, Surigao del Sur

**BUSINESS EXPECTATIONS SURVEY
2001 - 2012**

	2007				2008				2009				2010				2011				2012		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
7. Companies with Expansion Plans (in percent of total respondents): Next Quarter																							
All Industry Sector	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	25.0	27.0	25.7	33.9	24.7	26.6	27.0	28.8	29.1	27.8
Mining Quarrying	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	36.7	45.0	34.7	47.3	41.8	62.6	41.1	47.3	35.2	49.7
Manufacturing	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	24.1	25.4	24.7	32.5	24.2	24.9	24.9	27.9	28.6	27.2
Electricity, Gas and Water	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	16.7	28.2	20.4	38.5	23.8	34.4	41.0	32.2	31.3	26.2
Agriculture, Fishery and Forestry	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	39.7	43.4	41.6	45.3	24.3	31.7	41.9	31.5	31.7	30.1
8. Business Constraints (in percent to total respondents): Current Quarter																							
High Interest Rate	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	20.5	20.9	17.4	19.8	19.9	20.1	19.8	14.6	13.8	10.8
Unclear Economic Laws	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	13.0	20.9	18.7	21.2	21.6	21.9	24.2	18.5	17.8	18.1
Lack of Equipment	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	17.5	17.9	15.1	16.1	16.0	17.3	16.7	10.9	10.2	9.9
Insufficient Demand	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	44.4	43.6	39.2	42.2	44.0	43.7	44.4	36.5	36.5	36.5
Access to Credit	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	16.6	17.7	16.7	17.8	18.4	18.6	18.6	11.7	10.5	9.4
Financial Problems	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	25.8	27.3	22.9	22.6	24.4	21.7	22.9	16.9	15.9	13.2
Competition	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	64.5	65.8	66.6	68.8	65.5	68.1	66.4	60.6	62.9	60.7
Labor Problems	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	19.4	18.9	17.0	19.3	21.6	20.4	18.5	13.4	12.5	11.8
Lack of Materials Input	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	18.8	18.9	15.9	18.4	19.1	19.0	18.4	12.4	12.5	11.2
Others	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	19.2	18.0	19.0	21.1	23.6	22.2	25.7	23.0	25.3	22.9
None	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	5.9	8.2	8.6	6.0	7.9	5.7	7.5	8.0	7.6	9.3
9. Business Expectations Index on Selected Economic Indicators: Current Quarter																							
P/\$ Exchange Rate	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	14.6	14.2	35.3	15.0	19.4	29.3	14.9	11.7	19.3	29.8
Inflation Rate	-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	20.9	9.5	2.4	21.3	38.7	32.1	28.3	16.8	15.4	5.4
Peso Borrowing Rate	-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	3.1	4.4	-5.4	4.0	13.9	11.1	5.7	-2.1	1.1	-4.5
10. Business Expectations Index on Selected Economic Indicators: Next Quarter																							
P/\$ Exchange Rate	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	6.7	24.7	20.8	14.1	16.3	31.5	9.8	12.8	16.0	26.7
Inflation Rate	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	18.6	12.3	6.5	23.5	34.8	29.2	18.2	14.1	18.3	11.5
Peso Borrowing Rate	-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	10.2	8.8	2.3	11.7	16.5	12.8	7.0	1.1	4.8	-0.8
11. Percentage Distribution of Respondent Firms by Employment Size																							
Small (<100)	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	40.8	40.2	40.8	39.2	40.0	39.3	37.0	36.1	34.2	34.0
Medium (100-500)	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	35.6	34.9	34.2	34.8	35.1	36.4	36.2	35.8	37.4	36.1
Large (500 & up)	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	13.6	14.4	14.9	15.1	13.8	13.5	15.0	15.5	16.1	17.4
No Response	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	10.0	10.4	10.1	10.8	11.0	10.8	11.8	12.7	12.3	12.5
12. Distribution of Respondent Firms by Sector																							
All Sectors	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1215	1225	1219	1225	1275	1307	1244	1235	1248	1264	1175
Industry	287	279	292	281	327	321	344	327	323	338	321	325	325	341	335	348	376	378	366	359	384	375	338
Construction	22	20	20	22	33	40	37	50	53	58	51	53	61	73	65	70	75	88	71	79	74	86	85
Wholesale and Retail Trade	265	262	237	270	279	297	317	323	374	377	358	428	416	424	415	428	429	405	388	421	415	387	
Services	191	196	183	199	225	233	230	236	312	321	310	310	401	395	395	392	396	412	402	409	369	388	365
Financial Intermediation	48	48	46	50	51	50	52	54	64	62	59	62	69	81	77	81	76	84	85	84	80	81	72
Hotels and Restaurants	17	16	13	15	18	19	21	19	32	32	35	30	50	53	51	54	62	63	59	62	48	47	52
Business Activities	45	38	34	41	52	55	54	55	65	69	76	69	83	79	78	76	69	75	69	68	75	78	70
Real Estate and Renting	29	30	29	28	35	37	33	34	43	45	35	42	70	60	62	61	64	62	61	70	51	60	50
Community and Social Services	24	26	24	25	32	32	32	29	34	35	30	32	60	56	64	60	60	62	63	61	54	55	58
Transportation	28	38	37	40	37	40	38	45	74	78	75	75	69	66	63	60	65	66	65	64	61	67	63

A quarterly survey conducted by the
Department of Economic Statistics
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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.

Note: Unless otherwise stated, all numbers are in diffusion indices, i.e., Confidence Index (CI) is computed as the percentage of firms that answered in affirmative less the percentage of firms that answered in the negative with respect to their views on a given indicator.

Business Expectations Survey

Business Outlook Index on the Macroeconomy

by Type of Business

	Current Quarter																							
	2007				2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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	37.4	38.7	53.2	50.3	36.5	39.6	47.8	44.0	47.9	44.4	
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	46.6	43.2	24.2	45.3	36.0	26.1	17.1	19.1	37.2	12.7	
Both (Importer 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	52.4	48.8	40.7	42.5	26.3	32.0	24.8	30.6	39.1	38.5	

Number of Respondents

by Type of Business

	2007				2008				2009				2010				2011				2012		
	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	147	150	156	181	189	169	157	218	211	187
Exporter	41	40	48	66	85	81	88	92	83	82	83	81	89	88	88	95	86	86	69	76	68	94	71
Both (Importer and Exporter)	90	86	106	117	140	141	147	145	162	178	156	159	175	166	168	177	179	171	175	161	206	202	195
Neither Importer nor Exporter	194	209	245	228	328	329	340	316	451	413	387	379	595	584	612	553	592	644	584	552	534	589	596
Not Specified	359	335	234	250	186	218	244	245	247	302	323	322	194	240	201	244	237	217	247	289	222	168	126
Total	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1215	1225	1219	1225	1275	1307	1244	1235	1248	1264	1175

Business Outlook Index on the Macroeconomy

by Size of Employment ^{1/}

	Current Quarter																							
	2007				2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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	31.7	34.5	43.4	37.8	27.5	30.4	33.0	32.7	38.4	34.6	
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	45.3	41.8	55.6	44.6	29.2	29.0	38.7	37.1	44.4	41.5	
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	53.3	59.1	61.0	56.0	43.1	40.5	39.5	47.2	53.6	45.4	

Number of Respondents

by Size of Employment ^{1/}

	2007				2008				2009				2010				2011				2012		
	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	499	490	500	500	523	484	457	450	427	399
Medium (100-<500)	284	251	256	267	309	311	303	308	356	364	348	361	420	437	426	419	444	459	451	447	447	455	424
Large (500 & up)	130	136	147	151	139	130	156	166	144	150	147	147	160	167	176	182	193	181	168	185	193	196	205
Not Specified	92	111	82	100	108	126	136	123	120	125	141	121	135	122	127	124	138	144	141	146	158	186	147
Total	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1215	1225	1219	1225	1275	1307	1244	1235	1248	1264	1,175

^{1/} No. of employees in parenthesis

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Business Expectations Survey

Business Outlook Index on the Macroeconomy by Type of Business

	Next Quarter																							
	2007				2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Importer	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	46.3	55.3	49.4	62.4	39.2	55.0	42.7	56.0	46.9	62.0	
Exporter	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	60.2	44.3	31.6	55.8	48.8	34.8	27.6	42.6	44.7	39.4	
Both (Import and Exporter)	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	54.8	60.1	49.7	62.0	36.3	50.9	32.9	54.9	45.5	50.3	

Number of Respondents by Type of Business

	Percent to Total																							
	2007				2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Importer	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	13.3	12.3	12.7	14.2	14.5	13.6	12.7	17.5	16.7	15.9	
Exporter	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	7.3	7.2	7.8	6.7	6.6	5.5	6.2	5.4	7.4	6.0	
Both (Import and Exporter)	11.8	11.4	14.5	15.2	16.2	15.8	15.8	15.5	15.3	16.3	14.7	15.2	14.4	14.4	13.8	14.4	14.0	13.1	14.1	13.0	16.5	16.0	16.6	
Neither Importer nor Exporter	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	49.0	50.2	45.1	46.4	49.3	46.9	44.7	42.8	46.6	50.7	
Not Specified	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	16.0	16.5	19.9	18.6	16.6	19.9	23.4	17.8	13.3	10.7	
Total	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	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 ^{1/}

	Next Quarter																							
	2007				2008				2009				2010				2011				2012			
	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)	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	40.5	55.3	50.4	53.0	29.8	53.3	39.4	46.9	39.3	56.1	
Medium (100-500)	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	44.6	57.0	53.2	58.8	31.4	56.5	40.5	53.7	41.8	55.2	
Large (500 & up)	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	56.3	69.9	50.0	69.4	41.4	56.5	38.4	59.1	53.6	62.4	

Number of Respondents by Size of Employment ^{1/}

	Percent to Total																							
	2007				2008				2009				2010				2011				2012			
	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)	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	41.2	40.2	40.8	39.2	40.0	38.9	37.0	36.1	33.8	34.0	
Medium (100-500)	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	34.6	34.9	34.2	34.8	35.1	36.3	36.2	35.8	36.0	36.1	
Large (500 & up)	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	13.2	14.4	14.9	15.1	13.8	13.5	15.0	15.5	15.5	17.4	
Not Specified	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	11.1	10.4	10.1	10.8	11.0	11.3	11.8	12.7	14.7	12.5	
Total	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	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

^{1/} No. of employees in parenthesis