

Business Expectations Survey¹

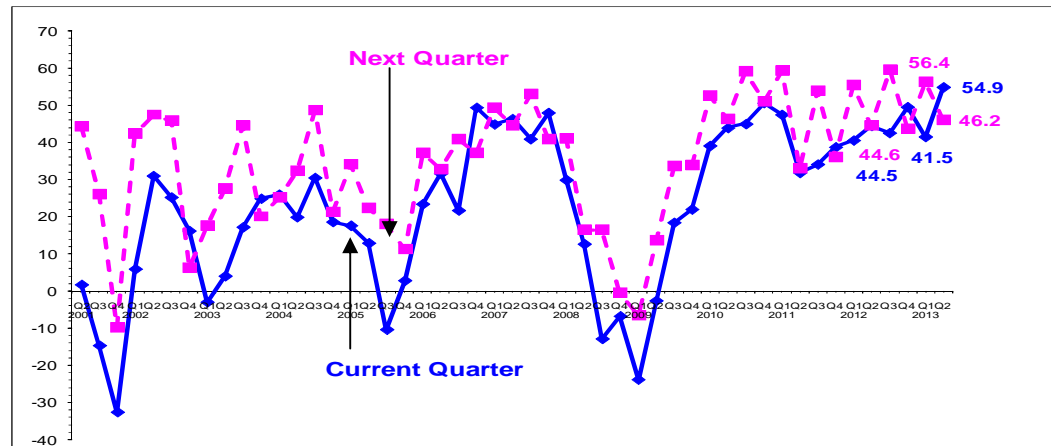
Second Quarter 2013

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Business Sentiment Soars to an All-Time High in Q2 2013

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index
Q2 2001 – Q2 2013



Business confidence registers a record high in Q2 2013.

Businesses were bullish in their outlook on the economy in Q2 2013, with the overall confidence index (CI)² rising to 54.9 percent. This is the highest reading since the start of the nationwide survey in Q4 2006. Respondents attributed the record-high outlook to expectations of: (a) expansion of businesses, new product lines (for manufacturing and trade), and additional projects (particularly in construction and real estate), (b) brisker business due to election-related spending, and (c) seasonal uptick in demand during the summer and harvest/fishing seasons. They were also optimistic that their business operations would benefit from the country's strong macroeconomic fundamentals and investment grade credit rating from three ratings agencies, namely, Fitch Ratings, Standard and Poor's and Japan Credit Rating Agency.³

The sentiment of businesses in the Philippines mirrored the bright business prospects in the US, UK, Singapore, Hong Kong SAR and South Korea, but was in contrast to the weaker outlook of those in Canada, Germany, New Zealand and India.

For the quarter ahead (Q3 2013), the business outlook continued to be favorable. However, the next quarter CI was lower at 46.2 percent compared to that of a quarter ago. According to respondents, their less optimistic views were due to seasonal factors, such as: (a) slowdown in demand (from a high base during election period) for those in the

¹ The Business Expectations Survey (BES) is a quarterly survey of firms drawn at random from the Securities and Exchange Commission's Top 7,000 Corporations in 2010. 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.

³ On 27 March 2013, Fitch Ratings raised the Philippines' credit rating to investment grade, the first time the country has bagged the seal of good fiscal housekeeping. This was followed by similar upgrades by Standard and Poor's on 2 May 2013 and by Japan Credit Rating Agency on 7 May 2013.



manufacturing and trade sectors, (b) interruption of regular business activities during the rainy season, (c) lower output (which leads to lower trade activities) during the planting season, and (d) expected slow month for businesses in August.

Outlook for both NCR and AONCR is upbeat in the current quarter. Tracking the national trend, the sentiment of businesses in both the National Capital Region (NCR) and Areas Outside the NCR (AONCR) was quite upbeat in Q2 2013 but turned less sanguine for the next quarter. For both the current and next quarters, NCR respondents remained more bullish in their outlook on the economy than those from AONCR. This indicated firms' expectations that economic conditions would be more favorable in NCR than in AONCR.

A more detailed look at the responses of firms in AONCR⁴ showed broadly high levels of business confidence across regions. The outlook in all regions (with the exception of Region VI-Western Visayas) was more robust in Q2 2013. In particular, the CI for Region IV (Southern Tagalog) registered the highest level since the start of the survey in Q4 2006. However, the sentiment of firms in Region VI was less favorable although positive in the current quarter, largely driven by the lower optimism in the industry and trade sectors.

For the quarter ahead (Q3 2013), business confidence was mixed across regions. On the one hand, businesses in Regions V (Bicol), XI (Davao) and XII (SOCCSKARGEN) were more bullish. On the other hand, the sentiment of firms in Regions I (Ilocos), III (Central Luzon), IV and VII (Central Luzon) was less optimistic, similar to the national trend. Meanwhile, the outlook of firms in Regions VI and IX (Zamboanga Peninsula) was steady.

Importers are the most optimistic. Businesses involved in international commodity trading had more favorable views in Q2 2013. Importers were the most optimistic. Higher domestic demand and a stronger peso which reduces the cost of imports in peso terms were cited by importers as reasons behind their optimism. The outlook of dual-activity firms also improved appreciably during the quarter. The optimism of firms engaged in importing activities (i.e., importers and dual-activity firms) could indicate an expected strengthening of domestic demand that would fuel economic growth during the current quarter. However, the outlook of importing and dual-activity firms was less favorable although remaining positive in Q3 2013 due to expectations of lower consumer demand during the rainy and non-harvest seasons.

Exporters' outlook was more buoyant in both Q2 and Q3 2013, with expectations of more projects and orders as a result of the continuing recovery in the US economy and stronger growth prospects in emerging market and developing economies.

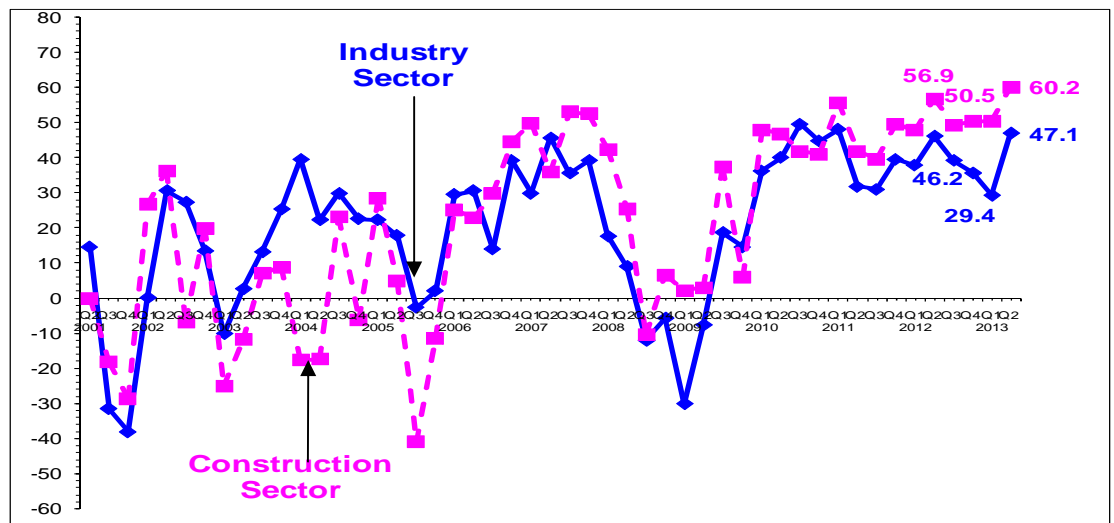
Optimism is observed across employment size. Business sentiment was more upbeat across employment size in Q2 2013.⁵ Large-sized firms' business confidence was the most buoyant, with the CI reaching an all-time high. Medium- and small-sized firms posted near record-high confidence in the current quarter. However, the outlook of all firms was less positive for Q3 2013.

⁴ The survey covered all 17 regions of the Philippines. (For the list of regions and the distribution of top 7,000 corporations by region, please see Annexes A and B).

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
Q2 2001 – Q2 2013



Business confidence is high across sectors. Across sectors, the outlook of businesses was more bullish in Q2 2013. The confidence of firms in the construction and wholesale and retail trade sectors were at their highest levels. Likewise, greater optimism was observed among firms in industry and services. For the next quarter (Q3 2013), business confidence was less upbeat but remained positive across sectors, with the exception of firms in the construction sector which continued to have a more buoyant outlook.

Construction firms expected that the expansion of construction services would be sustained as more favorable business conditions would encourage the influx of foreign investments, particularly in office and housing construction and the expansion of factories. Construction firms also expected more public infrastructure projects after the May elections.

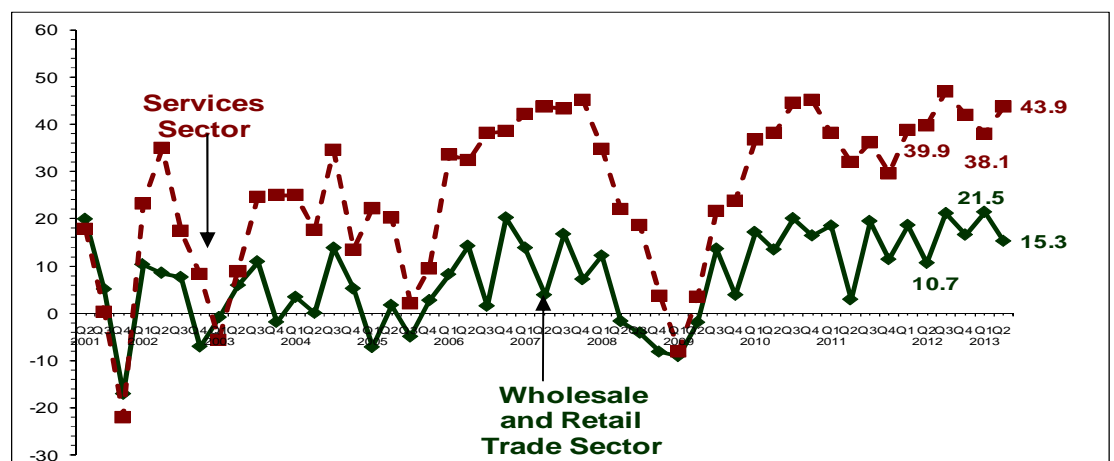
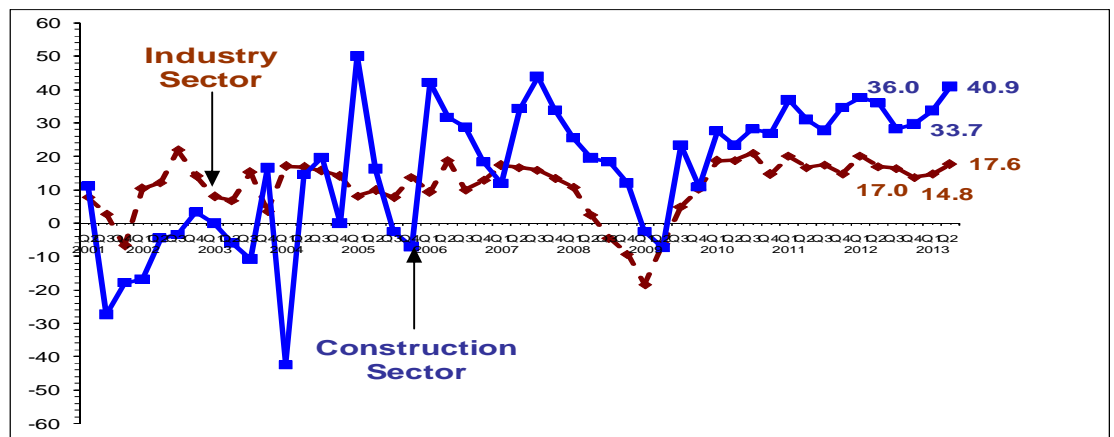


The sanguine outlook of the wholesale and retail trade and industry sectors stemmed from respondents' expectations of a surge in consumer demand and business activity due to election-related spending, the improvement/launch of new product lines and rise in investments. Respondents from the trade sector also cited good governance and lower prices of imports in peso terms as other factors behind their stronger outlook. Those in the industry sector (which includes agriculture, forestry and fishing, manufacturing, electricity gas and water, and mining and quarrying) attributed their optimism to favorable weather conditions, the onset of the fishing season, recovery of agriculture from past typhoons and aggressive marketing strategies that are expected to result in higher market shares globally.

The services sector recorded the most bullish outlook across sectors for Q2 and Q3 2013. Among its sub-sectors, financial services remained the most optimistic, with the CI registering a six-year high of 89.4 percent in Q2 2013. Likewise, the outlook of other sub-sectors rose, except for transportation which remained almost steady.

Business Confidence on Own Operations

**Current Quarter Business Confidence Index by Sector
Q2 2001 – Q2 2013**



Businesses' outlook about their own operations is more upbeat. With respect to their own operations in Q2 2013, the outlook of businesses across sectors was more upbeat, except for wholesale and retail trade which turned less optimistic.⁶ The index for the trade sector was lower on account of expectations of higher volume of inventory in the current quarter and less favorable business conditions for the next quarter.

Average capacity utilization increases. Consistent with the improvement in business confidence of the industry sector, the average capacity utilization for the current quarter increased slightly to 74 percent from 73 percent registered a quarter ago.

Access to Credit and Financial Conditions⁷

Firms expect easier access to credit and better financial conditions. The financial conditions index reverted to positive territory at 1.3 percent in Q2 2013 from -1.5 percent in the previous quarter. This means that firms that expected better financial conditions outnumbered those that said otherwise during the quarter. Firms were also of the view that their liquidity requirements could be met through available credit as more respondents continued to report easier access to credit relative to those that indicated the opposite a quarter ago. The credit access index rose to its highest level ever in Q2 2013. This is consistent with the results of the Senior Loan Officers' Survey in Q4 2012 which showed generally unchanged bank credit standards for the fifteenth consecutive quarter, suggesting steady supply of credit for businesses' needs.

Volume of Business Activity

Outlook on volume of business activity and total orders turns upbeat. Consistent with the favorable overall business confidence in Q2 2013, the outlook on the volume of business activity and total order booked was more upbeat. Looking ahead to Q3 2013, the outlook on the volume of business activity turned less sanguine compared to a quarter ago, as consumer demand is expected to adjust to the post-election period.

Employment and Expansion Plans

Employment outlook improves. Another indicator providing support to expectations of sustained growth is the employment outlook index for the next quarter, which increased to 24.1 percent from 23 percent last quarter. By sector, firms in the services sector were the most optimistic in their employment outlook in Q3 2013. The employment outlook of firms in the industry and construction sector was likewise upbeat, while that of the wholesale and retail trade declined slightly compared to that of the previous quarter.

⁶ The outlook on own operations in the wholesale and retail trade sector is based on firms' outlook on business conditions for the current and next quarters as well as the outlook on volume of inventory in the current quarter.

⁷ 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.

Number of firms with expansion plans remains steady. In line with the favorable business sentiment for the next quarter, firms in the industry sector continued to have a favorable outlook on the economy. The percentage of businesses with expansion plans for the next quarter remained broadly steady at 28.7 percent. Across sub-sectors, mining and quarrying recorded the most robust expansion plans, followed by electricity, gas and water, agriculture, and manufacturing sub-sectors.

Business Constraints

Competition and weak demand remain to be the major challenges to business. The top business constraints identified by respondents in Q2 2013 continued to be domestic competition (cited by about three-fifths of the total number of respondents) and insufficient demand (leading to low sales volume). However, overall, the percentage of businesses that identified the above-mentioned constraints has been declining. The easing of these business constraints could indicate that business conditions are improving. It is also notable that 11.8 percent of businesses (the second highest percentage since the nationwide survey started in Q4 2006) indicated that they did not encounter constraints to their operations.

Expectations on Key Economic Indicators⁸

A stronger peso, higher inflation and lower interest rates are expected in Q2 and Q3 2013. Expectations on the direction of key economic indicators showed that strong macroeconomic fundamentals are expected to be sustained in the current and next quarters. Even as respondents who expected inflation to go up continued to outnumber those that held the opposite view, businesses anticipated that inflation would settle at the lower end of the inflation target—at 3.3 percent for both the current and next quarters. This is consistent with inflation expectations based on forecast surveys of private sector economists by the BSP and by Asia Pacific (AP) Consensus, indicating that inflation has remained well-anchored and within target for 2013-2014. Stronger inflationary pressures, however, could emanate from pending petitions for utility rate adjustments and the likelihood of higher electricity rates in Mindanao as a result of the current power supply shortfall. The possibility of a continued strong surge in liquidity arising from strong foreign exchange inflows on the back of favorable domestic growth prospects also constitutes an upside risk to inflation.

More respondents expected the peso to appreciate in Q2 and Q3 2013, although the number that said so declined compared to the previous quarter. Expectations of the peso's sustained appreciation could be due to the 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, more respondents expected interest rates to decline in the current and next quarters, as the impact of the cumulative 100-basis point reduction in policy rates as well as SDA rate cuts in 2012 continue to work its way into the economy.

⁸ 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.

About the Survey

Survey response rate is 83 percent. The Q2 2013 BES was conducted during the period 1 April–10 May 2013. There were 1,554 firms surveyed nationwide. Respondents were drawn from the Securities and Exchange Commission's Top 7,000 Corporations in 2010, as follows: 607 companies in NCR and 947 firms in AONCR, covering all 17 regions nationwide. The survey response rate for this quarter was higher at 83 percent (from 80.2 percent in the previous quarter). The response rate was higher for both NCR at 81.7 percent (from 76.8 percent in the previous quarter) and AONCR at 83.8 percent (from 82.4 percent in Q1 2013).

A breakdown of responses by type of business showed that 14.9 percent were importers, 7.1 percent were exporters, and 17.6 percent were both importers and exporters. About 60.5 percent of the respondents were neither importers nor exporters, or did not specify their firm type.

The BES uses the stratified random sampling design covering corporations from the SEC's Top 7,000 Corporations (ranked based on gross revenues) as sampling units. The top 7,000 corporations are subdivided into 192 strata classified by region—NCR and Areas Outside NCR (the other 15 regions of the country)⁹—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.

⁹ In the sampling design, Regions 4A and 4B were combined into one region.



**BUSINESS EXPECTATIONS SURVEY *
2001 - 2012**

	2007				2008				2009				2010				2011				2012				2013	
	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
1. Overall Business Outlook on the Macroeconomy																										
Confidence Index: All Sectors																										
Current Quarter	44.9	46.4	40.9	48.0	29.9	12.6	-12.9	-6.8	-23.9	-2.6	18.4	22.0	39.1	43.9	45.0	50.6	47.5	31.8	34.1	38.7	40.5	44.5	42.5	49.5	41.5	54.9
NCR	53.0	53.1	44.9	55.1	34.0	11.4	-16.1	-9.6	-25.4	-3.6	20.3	24.2	42.4	50.1	51.6	55.7	54.4	35.2	38.4	38.5	46.1	49.3	48.9	54.5	45.6	60.6
AONCR	30.6	34.6	34.0	35.6	21.4	15.2	-6.2	-1.0	-21.1	-0.9	15.0	18.0	33.8	34.0	34.2	42.4	35.7	26.1	26.6	39.1	31.1	36.4	31.9	41.1	34.5	45.1
Next Quarter	49.4	44.7	53.0	40.9	41.0	16.6	16.6	-0.5	-6.5	13.7	33.7	34.0	52.6	46.3	59.2	51.0	59.4	33.0	53.9	36.1	55.4	44.6	59.6	43.8	56.4	46.2
NCR	53.3	48.2	57.1	44.6	42.2	12.4	17.6	-4.7	-9.6	14.7	35.0	37.3	57.2	51.4	63.1	54.9	62.3	35.6	55.0	37.5	59.0	48.1	64.5	47.7	60.9	47.8
AONCR	42.2	37.2	44.8	33.7	37.6	24.7	14.8	8.1	-0.7	11.9	30.9	27.7	44.6	37.2	52.0	44.4	53.6	28.1	51.4	32.9	48.1	37.9	50.3	36.6	48.8	43.4
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																										
Industry Sector	30.0	45.7	35.6	39.2	17.7	9.1	-11.9	-5.8	-30.1	-7.6	18.8	14.7	36.4	40.1	49.6	44.9	48.1	31.9	31.1	39.6	37.8	46.2	39.2	35.8	29.4	47.1
Construction Sector	50.0	35.9	53.1	52.5	42.4	25.5	-10.5	6.6	2.2	3.0	37.3	6.1	48.0	46.9	41.9	41.0	55.8	41.9	39.7	49.7	47.9	56.9	49.4	50.4	50.5	60.2
Wholesale and Retail Trade	40.6	36.5	35.1	46.5	28.3	5.4	-23.2	-9.8	-22.8	-3.1	12.8	19.5	34.4	40.9	37.4	45.3	44.6	23.9	30.4	37.8	38.4	36.9	38.3	51.9	41.7	54.1
Services Sector	68.5	61.6	53.3	60.3	42.1	22.4	-2.8	-6.3	-23.2	1.0	20.2	31.9	45.5	50.3	50.3	63.4	48.9	39.3	40.2	37.3	44.7	49.9	49.7	60.3	52.0	62.7
of which:																										
Financial Intermediation	90.8	74.3	61.3	71.0	60.5	-6.5	-28.9	-46.6	-44.1	-6.2	29.7	47.7	68.2	72.2	77.1	83.6	74.5	45.0	51.7	32.0	58.8	56.7	77.3	75.5	81.3	89.4
Hotels and Restaurants	86.4	39.7	59.7	92.2	50.1	29.9	9.8	40.2	-18.5	14.1	23.0	49.9	35.6	45.7	41.7	62.3	57.2	37.9	33.3	66.4	47.7	45.8	0.0	64.2	41.8	58.9
Business Activities	60.8	53.8	54.1	59.3	22.8	28.3	2.2	-10.2	-39.3	-9.0	11.9	16.3	47.5	49.2	47.7	72.8	41.0	42.8	40.3	33.8	35.6	55.0	49.9	51.9	43.7	64.7
Real Estate	59.0	76.2	54.8	69.4	46.5	36.1	6.7	5.3	-14.2	-18.1	-4.7	10.3	43.6	44.7	51.9	53.1	44.9	36.2	36.1	38.3	54.0	45.0	49.1	68.5	64.4	68.6
Community and Social Services	44.9	37.4	54.3	30.7	48.1	16.3	0.2	-21.3	9.8	7.0	27.7	31.4	40.9	44.6	40.7	46.5	41.1	34.7	45.3	21.6	35.5	43.4	56.0	42.5	36.4	46.5
Transportation	67.0	69.6	38.1	46.7	42.5	30.1	-1.6	14.7	-13.8	16.0	30.5	41.2	27.4	39.4	34.8	46.5	35.9	32.9	29.4	43.2	38.5	43.7	38.8	58.1	34.4	33.2
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																										
Industry Sector	46.5	39.3	41.4	32.3	32.5	16.8	6.6	-1.3	-10.4	10.4	27.1	26.3	50.5	44.8	55.5	51.3	57.9	34.9	47.9	26.1	52.8	41.0	49.2	34.4	53.8	39.7
Construction Sector	39.9	59.0	63.8	54.0	54.3	30.6	29.5	9.1	2.8	20.0	27.7	43.0	47.9	44.4	51.3	54.1	65.2	38.7	55.2	48.3	55.1	55.6	52.9	48.2	43.9	56.2
Wholesale and Retail Trade	43.6	35.7	51.6	36.1	35.2	8.4	16.4	-5.1	-10.0	10.3	32.4	32.3	50.9	41.8	57.3	44.3	58.4	24.1	54.0	42.2	56.0	44.0	66.6	44.3	57.1	40.2
Services Sector	62.1	60.7	68.1	55.8	54.2	23.6	25.2	3.9	-1.8	18.2	41.0	40.3	57.3	53.0	65.9	58.2	60.8	40.6	59.2	36.3	57.2	47.3	62.7	51.8	60.1	58.1
of which:																										
Financial Intermediation	75.4	73.0	79.5	73.3	57.0	14.4	7.9	-22.1	-22.0	19.6	52.8	70.9	71.8	74.9	88.3	76.8	72.8	46.5	68.8	45.3	57.8	61.8	73.2	66.8	75.2	83.8
Hotels and Restaurants	56.8	28.5	81.2	28.2	64.0	1.9	73.6	20.6	12.5	17.9	51.3	62.6	56.8	41.7	72.0	62.3	62.9	24.8	77.1	29.3	53.1	31.9	72.3	49.5	52.6	54.8
Business Activities	68.6	67.7	64.9	63.8	49.4	31.7	25.0	4.0	-11.4	6.0	30.6	36.6	66.7	57.6	66.9	52.7	63.1	39.1	53.7	29.0	64.9	43.5	55.4	39.9	47.9	55.9
Real Estate	55.1	73.8	71.6	67.4	49.2	31.7	15.8	11.8	-11.3	8.9	8.7	33.9	43.6	50.0	50.5	56.3	49.3	47.7	55.7	43.7	65.9	51.8	73.4	66.6	71.0	52.3
Community and Social Services	52.0	42.9	54.3	32.3	58.4	27.4	10.1	2.8	3.3	19.9	21.1	21.2	50.6	45.2	53.6	45.0	58.1	42.9	41.3	23.5	43.3	49.6	41.5	44.0	51.0	45.7
Transportation	52.4	52.2	58.8	42.6	55.1	22.0	32.7	14.7	15.0	31.0	60.1	29.8	42.5	35.1	58.8	55.2	53.5	37.0	64.1	44.5	46.7	38.6	60.9	46.1	62.3	45.4
4. Business Confidence Index on Own Operations by Sector																										
Industry Sector	17.4	16.8	15.9	13.5	10.8	2.5	-4.4	-9.3	-18.3	-6.1	4.9	10.3	18.7	18.8	20.9	14.7	20.1	16.7	17.6	14.9	20.3	17.0	16.5	13.8	14.8	17.6
Construction Sector	11.9	34.3	43.8	33.8	25.6	19.5	18.4	12.0	-2.6	-7.4	23.4	10.9	27.6	23.5	28.2	26.8	36.9	31.0	27.8	34.6	37.6	36.0	28.3	29.7	33.7	40.9
Wholesale and Retail Trade	13.9	3.9	16.8	7.2	12.2	-1.6	-4.1	-8.1	-9.0	-1.9	13.7	3.9	17.2	13.5	20.1	16.5	18.6	3.0	19.6	11.5	18.7	10.7	21.2	16.7	21.5	15.3
Services Sector	42.2	43.8	43.5	45.1	35.0	22.0	18.8	3.9	-8.0	3.7	21.8	24.0	36.8	38.2	44.6	45.3	38.3	32.1	36.2	29.7	38.9	39.9	47.0	42.0	38.1	43.9
Financial Intermediation	53.3	56.3	53.5	59.9	46.4	40.3	8.9	-14.1	-6.0	14.3	31.5	48.9	59.4	59.7	63.6	65.2	55.1	48.1	56.4	40.8	53.4	48.3	67.2	57.6	61.0	66.1
Hotels and Restaurants	34.8	40.5	35.1	52.9	38.9	23.1	46.6	32.7	-0.2	19.9	33.8	37.0	29.2	25.0	43.9	39.4	37.8	18.4	41.0	35.4	36.3	25.9	42.6	50.1	26.8	31.8
Business Activities	47.1	48.3	54.7	46.0	31.2	15.5	16.7	0.5	-26.0	-5.4	18.2	18.8	34.0	43.5	49.0	49.8	39.8	36.6	33.8	35.6	39.5	47.8	47.5	32.1	31.9	42.3
Real Estate	28.2	49.7	49.7	41.2	29.9	34.8	22.1	3.3	-4.0	-3.3	12.4	17.2	32.1	31.6	39.9	40.3	29.1	30.3	31.5	30.6	35.1	37.7	44.6	44.9	40.7	47.3
Community and Social Services	36.4	34.2	31.8	35.7	31.5	14.1	11.1	-1.6	-6.8	-12.1	17.5	4.1	30.4	26.0	29.5	31.4	20.1	25.2	17.3	11.9	23.0	32.0	26.3	34.2	29.9	43.0
Transportation	41.4	25.9	23.8	32.3	33.2	19.5	17.6	15.1	1.6	8.6	21.7	20.6	29.4	27.3	31.0	32.8	36.7	18.8	29.4	14.2	35.1	31.2	39.8	37.6	29.6	23.0
5. Business Outlook Index on Own Operations: Current Quarter																										
Volume of Business Activity In	22.6	35.7	27.3	39.3	15.8	16.2	-1.5	-0.3	-26.3	1.7	15.9	22.0	24.6	35.6	34.9	42.8	23.8	24.1	29.5	37.1	22.5	36.7	38.9	40.8	25.1	43.5
Volume of Total Order Book In	17.1	27.7	22.9	31.2	8.0	13.7	-3.1	-1.4	-27.3	-1.2	14.5	16.8	19.5	30.5	30.2	37.7	19.3	21.5	25.8	33.1	17.6	31.4	31.0	33.9	20.0	37.2
Credit Access Index	10.1	9.0	10.4	7.3	6.6	3.0	-1.6	-7.4	-12.8	-7.2	-0.8	0.1	5.4	9.2	10.1	10.0	11.3	6.1	10.3	8.9	9.6	13.4	14.8	16.9	16.0	18.1
Financial Condition	-8.8	-11.0	-5.1	-7.8	-11.6	-17.8	-29.1	-29.9	-32.9	-26.8	-17.4	-15.5	-7.9	-5.0	-2.6	-1.1	-3.6	-10.8	-6.9	-6.8	-2.9	-0.9	-1.9	2.4	-1.5	1.3
Average Capacity Utilization (in	73.7	75.5	76.1	75.4	76.2	76.5	74.8	72.8	71.5	69.2	68.8	69.8	72.0	74.1	74.7	74.1	75.3	75.1	76.1	74.5	74.8	76.2	74.4	74.1	73.0	74.0
6. Business Outlook Index on Own Operations: Next Quarter																										
Volume of Business Activity In	48.1	40.4	49.5	34.0	44.1	25.3	24.8	1.6	2.1	14.2	36.2	27.9	54.3	46.6	59.2	45.8	53.5	33.6	51.6	32.5	54.7	46.1	56.3	39.7	51.1	45.2
Employment Outlook Index	16.6	17.3	21.1	16.6	21.7	11.4	8.3	-1.4	-8.2	-6.4	9.4	8.7	22.0	19.9	24.0	21.1	23.0	14.5	23.2	16.8	24.0	22.1	27.4	22.0	23.0	24.1

BUSINESS EXPECTATIONS SURVEY

2001 - 2012

	2007				2008				2009				2010				2011				2012				2013	
	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
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	28.9	29.6	28.7
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	41.0	40.0	45.0
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	28.0	28.4	27.5
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	38.2	42.3	40.2
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	29.7	33.3	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	9.9	8.7	8.1
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	15.8	13.4	14.1
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	7.7	11.1	7.0
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	34.5	32.0	33.5
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	8.2	9.4	8.5
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	11.6	16.1	12.8
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	61.3	60.0	59.8
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	11.0	13.7	11.4
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	9.4	8.1	8.9
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	22.5	21.0	22.4
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	9.1	13.2	11.8
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	32.0	35.1	16.9
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	3.3	1.1	10.4
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	-11.1	-10.8	-14.4
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	17.4	26.5	18.0
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	5.2	9.0	15.3
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	-5.0	-4.6	-4.8
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	34.3	36.3	36.8
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	38.4	35.6	36.2
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	13.6	16.8	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	13.7	11.2	9.6
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	1183	1247	1290
Industry	287	279	292	281	327	321	344	327	323	338	321	325	325	341	335	348	376	378	366	359	384	375	338	353	380	400
Mining Quarrying	6	6	6.0	5	7	9	8	8	12	12	11	10	11	16	20	18	17	19	16	17	19	17	16	17	17	20
Manufacturing	250	244	255.0	246	273	267	282	269	260	275	255	266	253	259	242	262	280	273	265	257	280	273	246	253	282	297
Electricity, Gas and Water	14	14	11.0	12	15	16	17	15	19	19	23	22	21	23	28	25	27	30	27	29	37	34	31	34	35	37
Agriculture, Fishery and Forestry	17	15	20.0	18	32	29	37	35	32	32	32	27	40	43	45	43	52	56	58	56	48	51	45	49	46	46
Construction	22	20	20	22	33	40	37	50	53	58	51	53	61	73	65	70	75	88	71	79	74	86	85	84	87	83
Wholesale and Retail Trade	265	262	237	270	279	297	317	323	374	377	377	358	428	416	424	415	428	429	405	388	421	415	387	372	405	408
Services	191	196	183	199	225	233	230	236	312	321	310	310	401	395	395	392	396	412	402	409	369	388	365	374	375	399
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	72	72	83
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	49	54	54
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	67	71	73
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	61	57	67
Community and Social Service	24	26	24	25	32	32	32	29	34	35	30	32	60	56	64	60	60	62	63	61	54	55	58	58	58	59
Transportation	28	38	37	40	37	40	38	45	74	78	75	75	69	66	63	60	65	66	65	64	61	67	63	67	63	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, VIII & 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				2013	
	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
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	52.0	39.7	55.2
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	22.4	26.9	35.2
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	52.4	48.8	40.7	42.5	26.3	32.0	24.8	30.6	39.1	38.5	26.2	30.7	46.7
Neither Importer nor Exporter	49.0	45.9	40.4	54.4	35.7	16.4	-20.3	-12.7	-16.2	2.9	23.0	29.3	42.5	40.6	39.7	56.6	40.5	29.7	28.1	33.9	39.3	43.3	40.1	56.3	45.5	54.7

Number of Respondents by Type of Business

	Current Quarter																									
	2007				2008				2009				2010				2011				2012				2013	
	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
Importer	81	87	99	111	125	122	109	138	119	119	110	105	162	147	150	156	181	189	169	157	218	211	187	175	189	192
Exporter	41	40	48	66	85	81	88	92	83	82	83	81	89	88	88	95	86	86	69	76	68	94	71	76	93	91
Both (Import 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	191	215	227
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	629	650	570
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	112	100	210
Total	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1215	1225	1219	1225	1275	1307	1244	1235	1248	1264	1175	1183	1247	1290

Business Outlook Index on the Macroeconomy by Size of Employment

	Current Quarter																									
	2007				2008				2009				2010				2011				2012				2013	
	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
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	46.6	35.8	44.4
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	45.3	41.8	55.6	44.6	29.2	29.0	38.7	37.1	44.4	41.5	46.9	41.0	52.9
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	52.8	49.5	66.5

Number of Respondents by Size of Employment

	Current Quarter																									
	2007				2008				2009				2010				2011				2012				2013	
	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
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	406	453	475
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	454	444	467
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	161	210	224
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	162	140	124
Total	765	757	732	772	864	891	928	936	1062	1094	1059	1046	1215	1225	1219	1225	1275	1307	1244	1235	1248	1264	1175	1183	1247	1290

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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				2013	
	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
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	44.0	52.9	39.1
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	25.0	44.1	47.3
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	35.1	54.4	48.9
Neither Importer nor Exporter	50.0	41.1	58.4	46.5	49.7	20.4	11.5	-0.6	1.1	14.5	44.4	35.1	52.4	39.7	62.1	53.7	56.1	27.8	58.6	42.6	52.2	39.4	60.4	47.4	54.9	49.6

Number of Respondents

by Type of Business	Percent to Total																									
	2007				2008				2009				2010				2011				2012				2013	
	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
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	14.8	15.2	14.9
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	6.4	7.5	7.1
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	16.1	17.2	17.6
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	53.2	52.1	44.2
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	9.5	8.0	16.3
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	100.0	100.0	100.0

Business Outlook Index on the Macroeconomy

by Size of Employment	Next Quarter																									
	2007				2008				2009				2010				2011				2012				2013	
	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
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	42.9	45.0	42.5
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	41.6	56.5	46.5
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	49.7	66.7	57.1

Number of Respondents

by Size of Employment	Percent to Total																									
	2007				2008				2009				2010				2011				2012				2013	
	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
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	34.3	36.3	36.8
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	38.4	35.6	36.2
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	13.6	16.8	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	13.7	11.2	9.6
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	100.0	100.0	100.0

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Annexes: Business Expectations Survey (BES) Report Q2 2013

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	10	1	0	0	34
Business	1	2	21	35	1	1	22	0	1	0	8	3	0	0	0	487
Community	6	1	14	27	0	9	8	0	1	2	5	1	0	1	0	152
Construction	0	1	22	32	8	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	4	163	572	7	10	108	9	4	7	40	8	0	3	3	869
Mining	0	0	0	4	0	0	3	0	0	0	2	0	1	0	0	40
Real Estate	0	0	11	39	1	3	15	0	1	1	7	2	0	0	0	233
Trade	19	14	206	265	43	62	137	15	22	13	96	20	0	1	0	1539
Transportation	1	0	22	27	1	2	15	0	3	0	16	2	0	0	0	251
Services Sector	14	5	86	147	7	26	90	1	7	4	60	10	2	1	0	1620
Industry Sector	8	5	186	595	8	19	131	9	9	12	80	18	2	3	4	984
Grand Total	41	25	500	1039	66	111	382	28	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	4	15	10	1	0	0	9
Business	1	2	5	5	1	1	8	0	1	0	4	2	0	1	0	52
Community	6	1	3	5	0	9	4	0	1	2	2	1	0	1	0	31
Construction	0	1	8	6	8	4	7	3	1	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	1	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	4	39	104	7	10	46	8	2	3	18	6	0	5	3	76
Mining	0	0	0	2	0	0	2	0	0	0	1	0	1	0	0	18
Real Estate	0	0	3	4	1	3	7	0	1	0	2	1	0	1	0	57
Trade	19	14	61	47	36	62	48	13	21	11	28	2	0	1	0	130
Transportation	1	0	6	6	1	2	8	0	3	0	7	20	0	0	0	49
Services Sector	14	5	23	24	7	26	37	1	7	3	23	26	2	3	0	283
Industry Sector	8	5	45	115	8	19	54	8	7	7	35	16	2	5	4	125
GRAND TOTAL	41	25	137	192	59	111	146	25	36	21	88	45	5	9	4	607

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

Annexes: Business Expectations Survey (BES) Report Q2 2013

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