

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

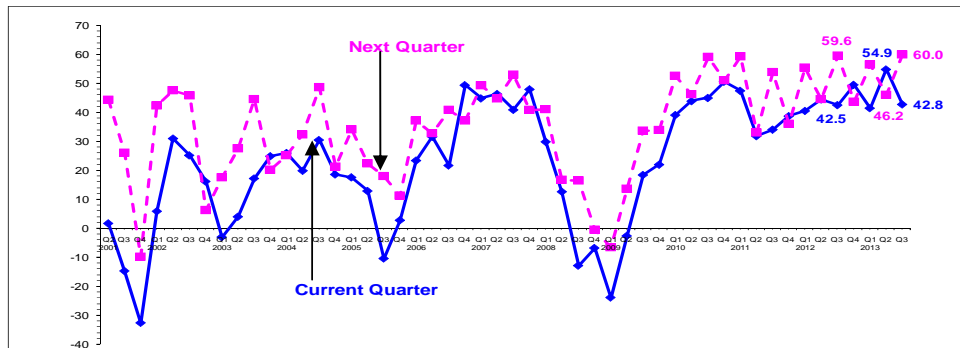
## Third Quarter 2013

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### Business Outlook Remains Bullish in Q3 2013; Enthusiasm Rises Sharply for Q4 2013

#### Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index  
Q2 2001 – Q3 2013



*Business confidence remains favorable in Q3 2013...*

Businesses' outlook on the economy continued to be favorable in Q3 2013. It was however less upbeat, with the overall confidence index (CI)<sup>2</sup> lower at 42.8 percent compared to the all-time high of 54.9 percent recorded in the Q2 2013 survey. The lower but positive CI indicates that the number of optimists declined but continued to be greater than the number of pessimists during the quarter. Respondents attributed their less buoyant outlook to expectations of: (a) lower seasonal demand during the quarter (i.e., slowdown in demand from a high base in the last quarter, interruption in business activities during the rainy season), (b) stiffer competition, particularly from products from China, and (c) volatility in the movements of the peso. Uncertainties in the global economy such as the impact of the anticipated exit from quantitative easing in the US also contributed to their lower optimism.

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

*... and registers a record high in Q4 2013.*

For the quarter ahead (Q4 2013), the business outlook turned more bullish as the next quarter index rose to an all-time high of 60 percent since the nationwide survey started in Q4 2006. This reading suggests that the growth momentum could accelerate in the last quarter of 2013. Respondents' more positive outlook in Q4 2013 was due to expectations of: (a) brisker business during the Christmas season, (b) the continued increase in orders

<sup>1</sup> 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.

<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.



and projects leading to higher volume of production, and (c) expansion of businesses and new product lines. The prevailing favorable macroeconomic conditions such as low interest rates, manageable inflation, steady growth of overseas Filipinos' (OFs) remittances, increase in investment inflows as well as the recent investment-grade credit rating from three rating agencies, namely, Fitch Ratings, Standard and Poor's and Japan Credit Rating Agency also boosted business confidence for the next quarter.

*Outlook of respondents from both NCR and AONCR is less sanguine in the current quarter but more favorable in the next quarter.* Tracking the national trend, the sentiment of businesses in both the National Capital Region (NCR) and Areas Outside the NCR (AONCR) was less sanguine in Q3 2013. However, for the next quarter (Q4 2013), the businesses' outlook in NCR rose to an all-time high while that of AONCR firms edged higher.

A more detailed look at the responses of firms in AONCR<sup>3</sup> showed a mixed yet broadly positive outlook across regions in the current and next quarters. For Q3 2013, the business outlook was less favorable in Regions I (Ilocos), III (Central Luzon), IV (Southern Tagalog), V (Bicol), VI (Iloilo), VII (Cebu), and IX (Zamboanga Peninsula) but more upbeat in Regions XI (Davao) and XII (SOCCSKARGEN). Firms in Region XI were bullish on account of a combination of factors affecting businesses' sentiment, such as expectations of brisker business due to new product lines and additional suppliers, boost in tourism during the Kadayawan Festival, as well as the recovery of businesses from the damages caused by typhoon Pablo. Meanwhile, businesses in Region XII attributed their optimism to expectations of an increase in demand for tuna and other livestock in preparation for the holiday season, as well as of a surge in investment and business opportunities, particularly in the trade sector.

For the quarter ahead (Q4 2013), business confidence was also mixed across regions. On the one hand, businesses in Regions I, VI, XI and XII were more bullish, similar to the national trend. On the other hand, the sentiments of firms in Regions III, IV, VII and IX were less optimistic. Meanwhile, the outlook of firms in Region V held steady.

*Importers' optimism rises in Q4 2013.* Importers were less optimistic in Q3 2013 as a result of lower seasonal demand and the volatility of the peso but they turned more bullish in Q4 2013 on account of the expected increase in consumer demand during the Christmas season and the forthcoming barangay elections, continuous business expansion and new product launches, and sustained growth in the construction sector (both private and public).

Meanwhile, exporters and dual-activity firms were less confident in Q3 and Q4 2013, largely as a result of concerns over the global economy, decrease in demand with the sluggish recovery of exports markets, tighter competition, lower farm production, and volatile metal prices. For Q4 2013, respondents also cited the off-season for fishing activities and weather disturbances as factors that adversely affected their outlook.

*Small- and medium-sized firms* Similarly, firms' sentiments across employment size were less favorable in Q3 2013.<sup>4</sup> For Q4 2013, the outlook of small- and medium-sized firms turned more upbeat as seasonal demand picks up, spurred by the more favorable conditions of the domestic economy.

<sup>3</sup> 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).

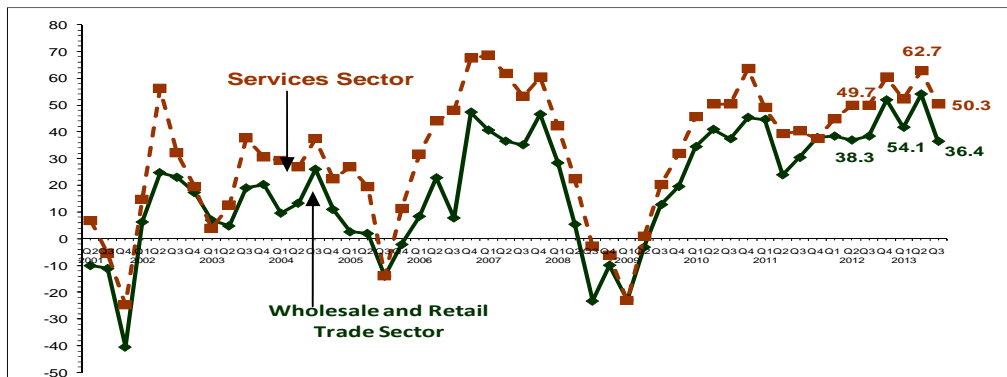
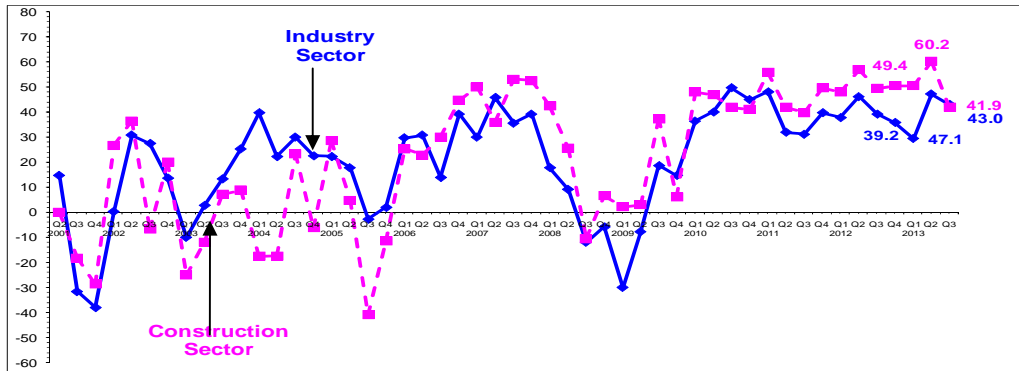
<sup>4</sup> Small firms have less than 100 employees; medium firms, 100-499 employees; large firms have over 500 employees.



*turn more upbeat in Q4 2013.* However, the optimism of large-sized firms continued to decline in the next quarter, reflecting their concerns over external risks such as the uncertainties in the global market (e.g., speculation over the tapering of the US Federal Reserve’s stimulus program, low metal prices).

**Sectoral Outlook**

**Current Quarter Business Outlook Index by Sector**  
**Q2 2001 – Q3 2013**



*Business confidence improves across sectors in Q4 2013.* Across sectors, the outlook of businesses was less upbeat in Q3 2013 but turned more buoyant for the next quarter (Q4 2013).

The services sector recorded the most bullish outlook for Q3 2013. Among its sub-sectors, financial services remained the most optimistic for the seventh consecutive quarter. Despite the lower CI for the services sector, the outlook of the transportation and community and social services sub-sectors was more buoyant in the current quarter. For Q4 2013, the more upbeat outlook of the services sector was primarily driven by heightened optimism in the hotels and restaurant sub-sector, followed by the financial intermediation, real estate, transportation and business activities sub-sectors. This is in view of expectations of brisker business activity during the holiday season, the improvement/launch of new product lines, stable macroeconomic conditions, and expected rise in investments following the investment-grade credit ratings for the Philippines.



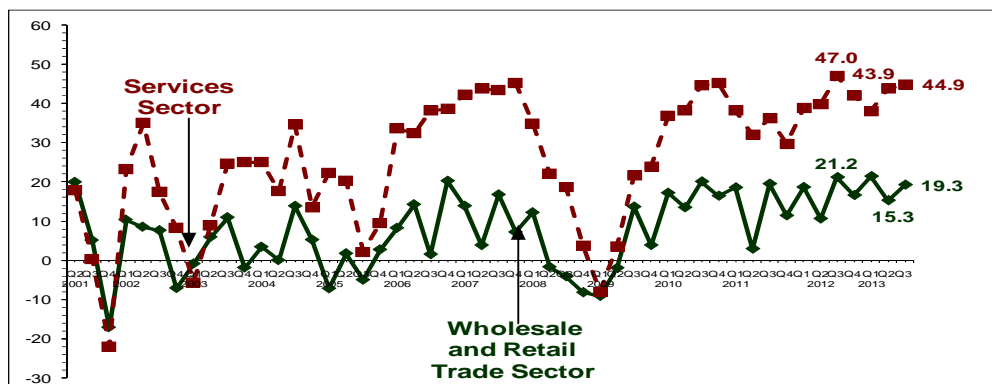
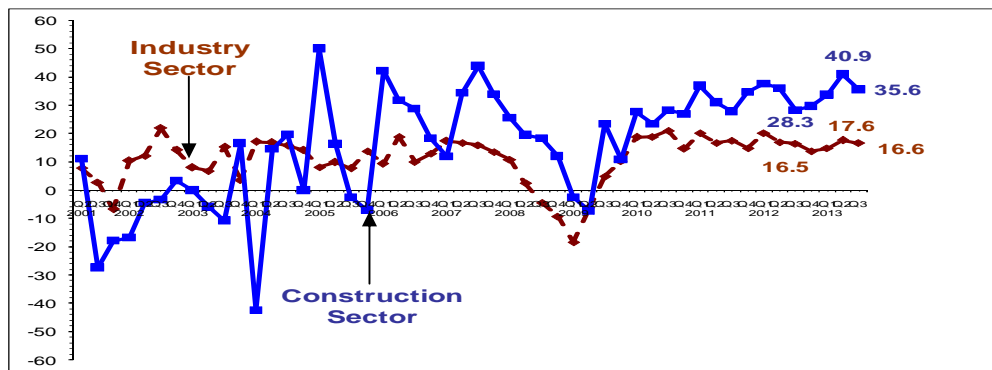
Construction firms' outlook in the current quarter was less sanguine due largely to the slowdown of construction activities during the rainy season. However, firms continued to expect that the expansion of construction services would accelerate in the last quarter of the year.

Due to the seasonal slack in demand in the third quarter, the outlook of the wholesale and retail trade sector was less bullish from a quarter ago. However, in the quarter ahead (Q4 2013), businesses in the trade sector posted an all-time high CI of 66.9 percent on account of the expected increase in consumer demand during the Christmas and harvest seasons. Consumption is anticipated to be propped up by a sound investment climate and the steady growth of OF remittances.

Likewise, industry firms (which includes agriculture, forestry and fishing, manufacturing, electricity gas and water, and mining and quarrying) were less optimistic in Q3 2013 largely due to seasonal factors, stiff competition and volatile metal prices. For Q4 2013, businesses in the industry sector turned more optimistic as they expect full recovery of agriculture from past typhoons and an increase in the supply of raw materials inputs for industrial production. Firms were also of the view that aggressive marketing strategies are expected to result in higher market shares globally.

**Business Confidence on Own Operations**

**Current Quarter Business Confidence Index by Sector**  
Q2 2001 – Q3 2013



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

*Average capacity utilization slightly increases.* The average capacity utilization for the current quarter slightly improved to 74.9 percent from 74 percent registered a quarter ago in anticipation of brisker business activities in the next quarter.

#### Access to Credit and Financial Conditions<sup>5</sup>

*Firms expect easier access to credit but tighter financial conditions.* Firms were of the view that their liquidity requirements could be met through available credit as more respondents continued to report easy access to credit compared to those that said otherwise. This is consistent with the results of the Senior Loan Officers' Survey in Q2 2013 which showed generally unchanged bank credit standards for the 17<sup>th</sup> consecutive quarter, suggesting the steady supply of credit for businesses' needs. However, firms that expected tighter financial conditions outnumbered those that said otherwise as the financial conditions index reverted to negative territory at -1.9 percent in Q3 2013. A number of respondents indicated that their financial conditions were affected by problems in the collection of accounts receivables.

#### Volume of Business Activity

*The outlook is less sanguine in Q3 but improves in Q4 2013.* Consistent with the favorable but lower overall business confidence in Q3 2013, the outlook on the volume of business activity and total orders, while remaining positive, declined compared to that of a quarter ago. Looking ahead to Q4 2013, the outlook on the volume of business activity turned more bullish relative to a quarter ago, reflecting the expected surge in demand during the Christmas season and the barangay 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 jumped to 31.7 percent from 24.1 percent last quarter. By sector, firms in the construction sector were the most optimistic in their employment outlook in Q4 2013. The employment outlook of firms in the services and wholesale and retail trade sectors was likewise upbeat, while that of industry remained steady.

*Number of firms with expansion plans increases.* In line with the more favorable business sentiment of the industry sector for the next quarter, the percentage of businesses with expansion plans increased to 32.1 percent (from 28.7 percent). Across sub-sectors, mining and quarrying recorded the most robust expansion plans, followed by agriculture, fishery and forestry; electricity, gas and water; and manufacturing sub-sectors.

<sup>5</sup> 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.



### Business Constraints

*Competition and weak demand remain to be the major challenges to business.* The top business constraints identified by respondents in Q3 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, 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.

### Expectations on Key Economic Indicators<sup>6</sup>

*Inflation is expected to increase at around 3 percent in Q3 and Q4 2013.* Even as respondents who expected inflation to go up outnumbered those that held the opposite view in the current and next quarters, businesses anticipated that inflation would settle at the lower end of the inflation target—at 3.2 percent in Q3 2013 and 3.3 percent in Q4 2013. This is consistent with inflation expectations based on forecast surveys of private sector economists by the BSP and by Consensus Economics, indicating that inflation expectations has remained well anchored and within target for 2013-2014. Stronger inflationary pressures, however, could emanate from the recent hike in international crude oil prices due to the ongoing political turmoil in the Middle East, the depreciation of the peso in the first two months of Q3 2013, the expected increase in utility rates and the impact of sustained growth in liquidity.

*Expectations on the exchange rate and interest rate are mixed.* More respondents expected the peso to depreciate in Q3 2013 but to appreciate in Q4 2013. Expectations of a stronger peso in the next quarter could be due to the anticipated strong inflows of OF remittances in Q4.

Meanwhile, respondents that expected lower interest rates continued to outnumber those that said otherwise in the current quarter even as the former declined significantly in number compared to the previous quarter. For the next quarter, more respondents expected interest rates to increase.

<sup>6</sup> 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 83.4 percent.* The Q3 2013 BES was conducted during the period 1 July–13 August 2013. There were 1,552 firms surveyed nationwide. Respondents were drawn from the Securities and Exchange Commission’s Top 7,000 Corporations in 2010, consisting of: 606 companies in NCR and 946 firms in AONCR, covering all 17 regions nationwide. The survey response rate for this quarter was higher at 83.4 percent (from 83 percent in the previous quarter). The response rate was higher for both NCR at 82.2 percent (from 81.7 percent in the previous quarter) and AONCR at 84.1 percent (from 83.8 percent in Q2 2013).

A breakdown of responses by type of business showed that 15.1 percent were importers, 6.5 percent were exporters, and 17.9 percent were both importers and exporters. About 60.6 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)<sup>7</sup>—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.

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<sup>7</sup> In the sampling design, Regions 4A and 4B were combined into one region.



**BUSINESS EXPECTATIONS SURVEY \***  
**2001 - 2013**

	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	Q3
<b>1. Overall Business Outlook on the Macroeconomy</b>																											
<b>Confidence Index: All Sectors</b>																											
<b>Current Quarter</b>	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	42.8
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	49.9
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	30.7
<b>Next Quarter</b>	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	60.0
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	68.3
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	45.8
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>																											
<b>Industry Sector</b>	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	43.0
<b>Construction Sector</b>	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	41.9
<b>Wholesale and Retail Trade</b>	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	36.4
<b>Services Sector</b>	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	50.3
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	61.0
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	37.4
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	43.0
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	60.4
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	49.3
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	47.6
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>																											
<b>Industry Sector</b>	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	48.2
<b>Construction Sector</b>	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	58.5
<b>Wholesale and Retail Trade</b>	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	66.9
<b>Services Sector</b>	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	63.7
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	73.2
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	74.1
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	60.6
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	68.7
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	38.3
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	63.4
<b>4. Business Confidence Index on Own Operations by Sector</b>																											
<b>Industry Sector</b>	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	16.6
<b>Construction Sector</b>	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	35.6
<b>Wholesale and Retail Trade</b>	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	19.3
<b>Services Sector</b>	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	44.9
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	57.0
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	45.1
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	46.5
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	51.0
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	27.8
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	32.8
<b>5. Business Outlook index on Own Operations: Current Quarter</b>																											
<b>Volume of Business Activity Index</b>	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	38.7
<b>Volume of Total Order Book Index</b>	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	32.8
<b>Credit Access Index</b>	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	15.8
<b>Financial Condition</b>	-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	-1.9
<b>Average Capacity Utilization (in percent)</b>	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	74.9
<b>6. Business Outlook Index on Own Operations: Next Quarter</b>																											
<b>Volume of Business Activity Index</b>	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	55.7
<b>Employment Outlook Index</b>	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	31.7



**BUSINESS EXPECTATIONS SURVEY  
2001 - 2013**

	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	Q3	
<b>7. Companies with Expansion Plans (in percent of total respondents): Next Quarter</b>																												
<b>All Industry Sector</b>	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	32.1	
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	42.3	
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	31.2	
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	38.2	42.3	40.2	35.3	
Agriculture, Fishery and Forest	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	40.3	
<b>8. Business Constraints (in percent to total respondents): Current Quarter</b>																												
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	7.4	
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	13.8	
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	7.7	
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	35.7	
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	6.8	
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	10.9	
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	59.6	
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	10.7	
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	9.4	
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	22.3	
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	8.2	
<b>9. Business Expectations Index on Selected Economic Indicators: Current Quarter</b>																												
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	-2.4	
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	22.8	
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	-3.0	
Inflation Rate Expectations (in %)																											3.3	3.2
<b>10. Business Expectations Index on Selected Economic Indicators: Next Quarter</b>																												
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	14.6	
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	22.5	
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	-5.0	-4.6	-4.8	2.4	
Inflation Rate Expectations (in %)																											3.3	3.3
<b>11. Percentage Distribution of Respondent Firms by Employment Size</b>																												
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	34.4	
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	38.5	
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	16.8	
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	10.3	
<b>12. Distribution of Respondent Firms by Sector</b>																												
<b>All Sectors</b>	<b>765</b>	<b>757</b>	<b>732</b>	<b>772</b>	<b>864</b>	<b>891</b>	<b>928</b>	<b>936</b>	<b>1062</b>	<b>1094</b>	<b>1059</b>	<b>1046</b>	<b>1215</b>	<b>1225</b>	<b>1219</b>	<b>1225</b>	<b>1275</b>	<b>1307</b>	<b>1244</b>	<b>1235</b>	<b>1248</b>	<b>1264</b>	<b>1175</b>	<b>1183</b>	<b>1247</b>	<b>1290</b>	<b>1294</b>	
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	401	
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	17	20	19
Manufacturing	250	244	###	246	273	267	282	269	260	275	255	266	253	259	242	262	280	273	265	257	280	273	246	253	282	297	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	36	
Agriculture, Fishery and Forest	17	15	20.0	18	32	29	37	35	32	32	27	40	43	45	43	52	56	58	56	48	51	45	49	46	46	49	49	
<b>Construction</b>	<b>22</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>33</b>	<b>40</b>	<b>37</b>	<b>50</b>	<b>53</b>	<b>58</b>	<b>51</b>	<b>53</b>	<b>61</b>	<b>73</b>	<b>65</b>	<b>70</b>	<b>75</b>	<b>88</b>	<b>71</b>	<b>79</b>	<b>74</b>	<b>86</b>	<b>85</b>	<b>84</b>	<b>87</b>	<b>83</b>	<b>84</b>	
<b>Wholesale and Retail Trade</b>	<b>265</b>	<b>262</b>	<b>237</b>	<b>270</b>	<b>279</b>	<b>297</b>	<b>317</b>	<b>323</b>	<b>374</b>	<b>377</b>	<b>377</b>	<b>358</b>	<b>428</b>	<b>416</b>	<b>424</b>	<b>415</b>	<b>428</b>	<b>429</b>	<b>405</b>	<b>388</b>	<b>421</b>	<b>415</b>	<b>387</b>	<b>372</b>	<b>405</b>	<b>408</b>	<b>407</b>	
<b>Services</b>	<b>191</b>	<b>196</b>	<b>183</b>	<b>199</b>	<b>225</b>	<b>233</b>	<b>230</b>	<b>236</b>	<b>312</b>	<b>321</b>	<b>310</b>	<b>401</b>	<b>395</b>	<b>395</b>	<b>392</b>	<b>396</b>	<b>412</b>	<b>402</b>	<b>409</b>	<b>369</b>	<b>388</b>	<b>365</b>	<b>374</b>	<b>375</b>	<b>399</b>	<b>402</b>		
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	80	
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	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	67	71	73	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	70	
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	57	59	60	
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	67	

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Manila, Philippines  
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\* 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 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	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	52.0	39.7	55.2	33.8	
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	31.0	
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	26.2	30.7	46.7	41.8	
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	39.6	

### Number of Respondents by Type of Business

	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	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	175	189	192	195
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	84
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	191	215	227	232
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	671
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	112
<b>Total</b>	<b>765</b>	<b>757</b>	<b>732</b>	<b>772</b>	<b>864</b>	<b>891</b>	<b>928</b>	<b>936</b>	<b>1062</b>	<b>1094</b>	<b>1059</b>	<b>1046</b>	<b>1215</b>	<b>1225</b>	<b>1219</b>	<b>1225</b>	<b>1275</b>	<b>1307</b>	<b>1244</b>	<b>1235</b>	<b>1248</b>	<b>1264</b>	<b>1175</b>	<b>1183</b>	<b>1247</b>	<b>1290</b>	<b>1294</b>

### 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	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	46.6	35.8	44.4	33.3	
Medium (100-<500)	41.5	37.8	42.2	45.5	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	41.0	
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	46.8	

### Number of Respondents by Size of Employment

	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	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	406	453	475	445
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	498
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	218
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	133
<b>Total</b>	<b>765</b>	<b>757</b>	<b>732</b>	<b>772</b>	<b>864</b>	<b>891</b>	<b>928</b>	<b>936</b>	<b>1062</b>	<b>1094</b>	<b>1059</b>	<b>1046</b>	<b>1215</b>	<b>1225</b>	<b>1219</b>	<b>1225</b>	<b>1275</b>	<b>1307</b>	<b>1244</b>	<b>1235</b>	<b>1248</b>	<b>1264</b>	<b>1175</b>	<b>1183</b>	<b>1247</b>	<b>1290</b>	<b>1294</b>

# 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	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	44.0	52.9	39.1	56.4			
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	29.8			
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	41.8			
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	61.1			

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	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	14.8	15.2	14.9	15.1			
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	6.5			
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	17.9			
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	51.9			
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	8.7			
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

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	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	42.9	45.0	42.5	54.2			
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	54.4			
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	55.0			

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	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	34.3	36.3	36.8	34.4			
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	38.5			
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	16.8			
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	10.3			
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

Annex A. Distribution of Top 7000 Corporations by Region: 2010 <sup>a</sup>

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	68
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	9	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	15	21	11	27	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	9	7	7	35	16	2	5	4	125
GRAND TOTAL	41	25	137	192	59	111	146	28	36	21	87	45	5	9	4	606

<sup>a</sup> The latest available listing from the Securities and Exchange Commission

**Annexes: Business Expectations Survey (BES) Report Q3 2013**

**Annex B. Regions and Provinces of the Philippines**

<b>Regions</b>	<b>Provinces</b>
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