

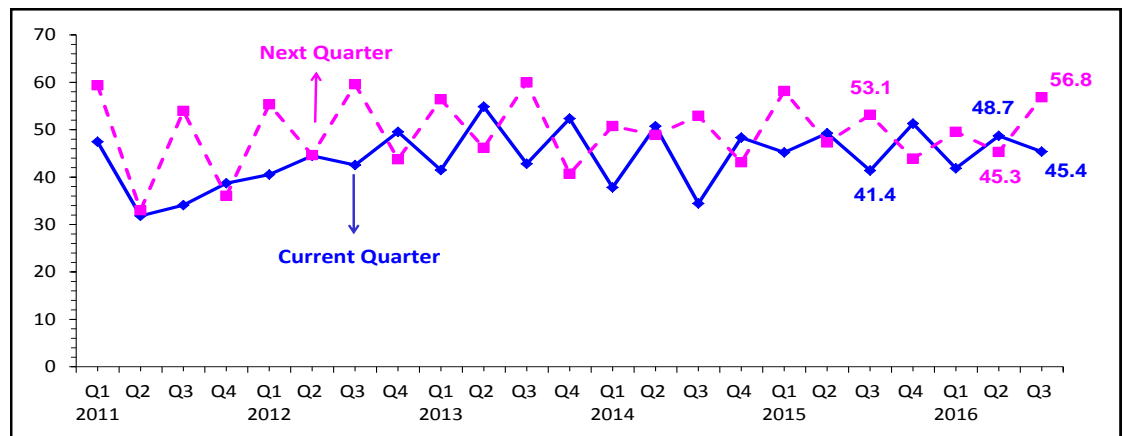
Business Expectations Survey ¹

Third Quarter 2016

Business Optimism Lower for Q3, Rises for Q4 2016

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index
Q1 2011 – Q3 2016



Business confidence is slightly lower than the previous quarter's survey...

Business outlook on the economy turned slightly less optimistic for Q3 2016, with the overall confidence index (CI)² declining to 45.4 percent compared to 48.7 percent in the Q2 2016 survey. This indicates that the number of optimists declined but continued to be greater than the number of pessimists during the quarter. Despite the typical decline in sentiment during the third quarter due to seasonal factors, the current quarter index is the highest Q3 reading of all time. Respondents attributed their less buoyant outlook to expectations of: (a) interruption of business activities during the rainy season, (b) slack in demand during the planting and closed milling seasons, (c) lower consumer demand as households prioritized enrolment expenses, (d) implementation of stricter new mining policies that put some mining concessions on hold,³ (e) closed fishing season in Davao Gulf from July to September,⁴ (f) stiff competition, and (g) concerns over the weak global economy.

¹ The Business Expectations Survey (BES) is a quarterly survey of firms drawn at random from the combined list of the Securities and Exchange Commission's Top 7,000 Corporations in 2010 and Business World's Top 1,000 Corporations in 2014. Results of the BES provide advance indication of the direction of the change in 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 Beginning 8 July until end-August 2016, the Department of Environment and Natural Resources (DENR) is conducting a nationwide audit of Philippine mining companies to ensure the implementation of Administrative Order DAO 2015-07 that requires all miners to secure ISO 14001 (an environmental management certification). Adherence to international standards will ensure that appropriate measures are put in place to minimize the negative impact of mining on the environment. Currently, eight nickel mines have closed, after their licenses were suspended for breaching environmental standards. (Sainsbury, M. and Venzon, C. (2016, August 17). Philippine mining turmoil drives nickel prices. Retrieved from <http://asia.nikkei.com/Markets/Commodities/Philippine-mining-turmoil-drives-nickel-prices>)

⁴ The Bureau of Fisheries and Aquatic Resources (BFAR) has implemented the fishing ban in Davao Gulf for the third consecutive year under Joint Department of Agriculture-Department of Interior and Local Government (DA-DILG) Administrative Order 02 Series of 2014 (JAO 02) establishing the closed fishing season from 1 June to end of August every year.



The sentiment of businesses in the Philippines mirrored the less buoyant business outlook in the US, UK, Germany and Hong Kong, but was in contrast to the more bullish views of those in France, Italy, South Korea, India and Switzerland.

... but turns more bullish for Q4 2016. For the quarter ahead (Q4 2016), business outlook turned more upbeat as the next quarter index rose to 56.8 percent from 45.3 percent in the previous quarter's survey results. This reading suggests that growth could accelerate in the last quarter of 2016. Respondents' more positive outlook for Q4 2016 was due to expectations of: (a) the expected uptick in consumer demand during the holiday, harvest and milling seasons, (b) increased confidence in the new administration, (c) continued increase in orders and projects translating to higher volume of production, (d) expansion of businesses and new product lines, (e) introduction of new and enhanced business strategies and processes, (f) improved farm gate prices, and (g) opening of high seas/fishing operations in October. Their more positive outlook was further driven by expectations of an acceleration in the roll-out of infrastructure and other development projects under the public-private partnership (PPP) program and the favorable macroeconomic conditions in the country (particularly, stable inflation and low interest rates), sustained foreign investment inflows and the steady stream of overseas Filipinos' (OFs) remittances.

Business outlook is less sanguine in the NCR and steady in AONCR for Q3 2016 but more favorable for the next quarter. Consistent with the national trend, the sentiment of businesses in the National Capital Region (NCR) was less sanguine for Q3 2016 but more buoyant for Q4 2016. Meanwhile, the outlook of businesses in Areas Outside the NCR (AONCR) remained steady for the current quarter and improved for the next quarter. NCR respondents remained more optimistic with respect to their outlook on the economy compared to those from AONCR for both the current and next quarters. This indicates that economic conditions were expected to be more favorable in NCR than in AONCR.

A more detailed look at the responses of firms in AONCR⁵ showed that outlook was mixed across regions for the current and next quarters. For Q3 2016, the sentiment of firms in Regions I, II, V, VI, VIII, IX, X, and XII was less positive similar to the national trend. Respondent firms cited the onset of the rainy season that usually slows down business activity, slack in demand during the planting season and enrolment period, as well as the closed fishing season as reasons that adversely affected their outlook.

Meanwhile, business optimism in Region IV was more pronounced as the CI reached an all-time high. Businesses in Regions III, VII, and XI were also more upbeat. The reasons cited by respondents for their more bullish sentiment were the expected brisker demand for electronics and industrial products, increase in production order in anticipation of the coming Christmas holidays, better agricultural produce with the end of El Niño, uptick in tourism receipts due to regional festivals (i.e., Bohol Island's Sandugo in July and Davao's Kadayawan in August), business expansion and the launching of new product lines, and renewed confidence in the government.

For the quarter ahead (Q4 2016), firms across regions were more optimistic. Record-high confidence indices were registered in Regions I and XI on account of expected uptick in consumer demand during the holidays.

The outlook across trade The outlook of businesses involved in international commodity trading was mixed for Q3 2016. Among business types, importers and domestic-oriented firms' views were relatively

⁵ The survey covered all 18 regions of the Philippines. (For the list of regions and the distribution of top 7000 corporations by region, please see Annexes A and B).

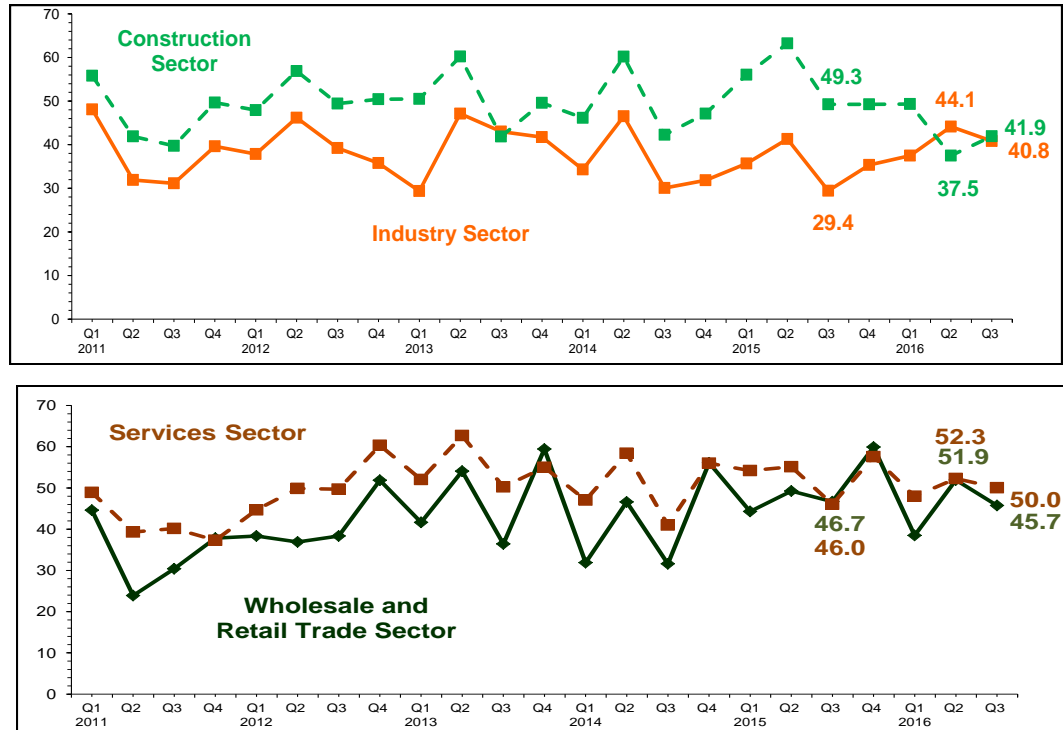
groups is mixed for the current and next quarters. less favorable as they expected lower consumer demand during the rainy season as well as the lean season for travel and scheduled shipping vessel dry dock in September. Meanwhile, the improved optimism of exporters and dual-activity firms stemmed from the anticipated increase in volume of production in preparation for fourth quarter orders, lower costs of raw materials, and improved agricultural output with the end of drought.

For the quarter ahead (Q4 2016), the sentiment across different types of businesses was more optimistic, with the exception of dual-activity firms. The outlook of importers and domestic-oriented firms improved compared to that of the previous quarter with expectations of increase in consumer demand during the Christmas season, sustained expansion of businesses, additional product lines, enhanced marketing strategies, new projects, and confidence in the change of administration. The sentiment of exporters likewise was more positive with the improvement in forecasted weather conditions, higher demand for fish products (e.g., tuna, shrimps) during the holidays, and better business environment on account of the agenda put forward by the new administration. Meanwhile, dual-activity firms' outlook was less sanguine largely due to the typical slack in production demand during the fourth quarter.

Large-sized firms have the most upbeat outlook. Similar to the national trend, firms across employment size were less optimistic for Q3 2016 but broadly more upbeat for Q4 2016.⁶ Large-sized firms were the most positive for both the current and next quarters.

Sectoral Outlook

Current Quarter Business Outlook Index by Sector
Q1 2011 – Q3 2016



⁶ Small firms have less than 100 employees; medium firms, 100-499 employees; large firms have over 500 employees.



Business confidence across sectors is broadly less favorable for Q3 2016. Business sentiment across sectors was generally less upbeat for Q3 2016 and more buoyant for Q4 2016. This is with the exception of the construction sector, whose outlook was more favorable for the current quarter and deteriorated slightly for the next quarter.

Industry firms (i.e., mining and quarrying, manufacturing, and electricity, gas and water) were less optimistic for Q3 2016 largely due to the usual slack in production activities during the rainy season, stiffer competition, and decrease in sales receipts of energy firms with the decline in power rates. Meanwhile, firms in the agriculture, fishery and forestry sub-sector were bullish as they expected more favorable farming conditions with the end of El Niño.

Likewise, due to the seasonal slack in demand in the third quarter, the outlook of the wholesale and retail trade sector was less buoyant compared to that a quarter ago. Trading firms' outlook was dampened by the sluggish demand during the planting season/closed milling season, adverse effects of weather disturbances (with the expected onset of La Niña), and concerns over the economic situation in Europe.

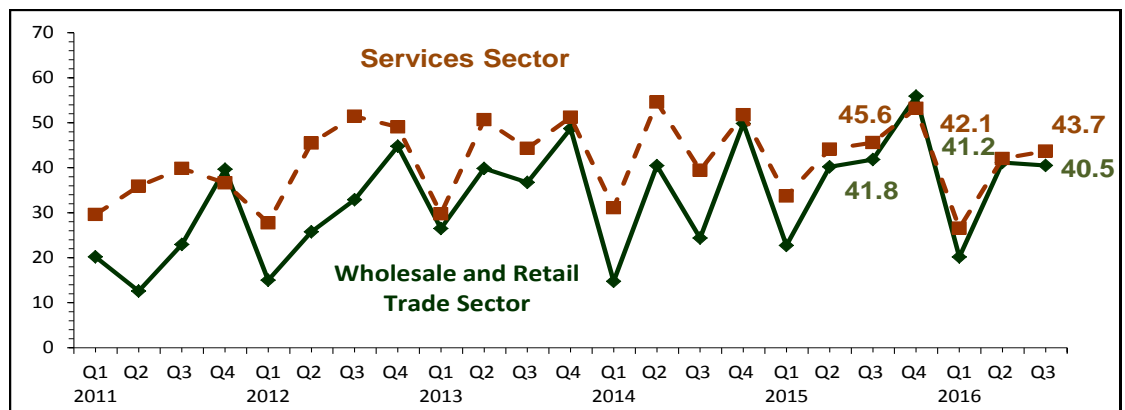
The outlook of the services sector remained favorable although less upbeat for the current quarter, generally on account of the seasonal sluggish demand during the rainy season. The less optimistic sentiment emanated from the outlook of the hotels and restaurants, community and social services, and transportation sub-sectors. The views of firms from these sub-sectors were affected by the seasonal slack in demand during the quarter and scheduled vessel dry dock in September. Meanwhile, firms engaged in financial intermediation registered the highest CI (albeit lower compared to that of last quarter) largely on account of the favorable outcome of the elections and public support to the new administration, robust domestic activity, healthy investment climate, accelerated implementation of government projects, and the low inflation and interest rate environment. Respondents from the real estate and business sub-sectors expected an increase in demand for industrial and commercial real estate as well as credit and investment information, respectively.

Meanwhile, the outlook in the construction sector improved for the current quarter compared to the previous quarter on account of the sustained demand in construction services (both public and private). Government infrastructure spending is expected to accelerate while business expansion projects continued for the third quarter.

For the next quarter (Q4 2016), the outlook across sectors and sub-sectors were generally more buoyant due to seasonal factors. However, the sentiment of the mining and quarrying sub-sector and the construction sector declined slightly for the next quarter with the end of the mining season and completion of some construction projects.

Business Outlook on Own Operations

Current Quarter Business Activity Index by Sector
Q1 2011 – Q3 2016



Firms are steady about their outlook on own business operations. With respect to their own operations for Q3 2016, the outlook on the volume of business activity was steady compared to that a quarter ago. In particular, the outlook of firms was more buoyant in the industry and services sectors, steady in the wholesale and retail trade and less optimistic in construction.

Average Capacity Utilization

Capacity utilization is increasing. The average capacity utilization for the current quarter was higher at 74.9 percent from 74 percent a quarter ago, indicating expansion in the volume of business activity in the current quarter. Meanwhile, the results of the Monthly Integrated Survey of Selected Industries (MISSI) of the Philippine Statistics Authority (PSA) showed a steady capacity utilization for Q2 2016 compared to that of the previous quarter.⁷

⁷ The average capacity utilization of the BES used sample firms from the industry and construction sectors while that of the MISSI was based on a sample of large manufacturing firms. The average capacity utilization of the MISSI was steady at 83.4 percent for Q1 and Q2 2016.



Financial Conditions and Access to Credit⁸

Firms expect better financial conditions and easy access to credit. The financial conditions index remained steady at 1.5 percent for Q3 2016 from 1.3 percent in the previous quarter. This means that firms that expected better financial conditions continued to outnumber those that said otherwise during the quarter. Firms were also of the view that their financing requirements could be met through available credit as respondents who reported easy access to credit exceeded those that said otherwise. However, the number that said so decreased compared to that a quarter ago. Meanwhile, the results of the Q2 2016 Senior Bank Loan Officers' Survey (SLOS) showed that most banks reported broadly unchanged credit standards for the 29th consecutive quarter starting Q2 2009.

Employment and Expansion Plans

Employment outlook index is steady while the number of firms with expansion plans decrease. The employment outlook index for the next quarter was broadly steady at 23.6 percent from 23.8 percent in the last quarter's survey. The positive reading indicates that more firms will continue to hire new employees than those that said otherwise. The outlook of firms on their hiring intentions was more optimistic in the wholesale and retail trade and industry sectors, steady in services, and less upbeat in construction. Moreover, the percentage of businesses with expansion plans in the industry sector for Q4 2016 decreased to 28.1 percent from 30.3 percent a quarter ago due largely to weaker expansion plans of firms in the manufacturing sub-sector.

Business Constraints

Domestic competition and insufficient demand are the major risks to business. The major business constraints identified by respondents for Q3 2016 were domestic competition (cited by 50.2 percent of the total number of respondents) and insufficient demand leading to low sales volume (cited by 25.6 percent of the total number of respondents). However, the percentage of businesses that identified the above mentioned constraints continued to show a broadly declining trend. The easing of these business constraints could indicate that business conditions are improving.

Expectations on Key Economic Indicators⁹

Firms expect inflation to remain low, peso to depreciate The survey results showed that businesses anticipated inflation to increase but to remain low, peso to depreciate, and interest rates to go up for the current quarter. Respondents who expected inflation to go up continued to outnumber those that held the opposite view for the current and next quarters, but the number that said so declined relative

⁸ 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. 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.

⁹ 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 key economic 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 interest rates to go up. to the previous quarter. Businesses expected the rate of increase in commodity prices to remain low at 1.5 percent for Q3 2016 and 1.6 percent for Q4 2016 (from 1.6 percent and 1.7 percent in the previous quarter's survey results). This is consistent with the results of the June 2016 BSP's survey of private sector economists which yielded a lower mean inflation forecast of 1.8 percent for 2016 (from 1.9 percent in March 2016). Similarly, the results of the June 2016 Consensus Economics survey also showed a lower mean inflation forecast for 2016 at 1.9 percent (from 2.2 percent in March 2016). Firms' lower inflation expectations may be attributed to low global oil prices and slower global economic growth.

Meanwhile, more respondents anticipated the peso to depreciate for Q3 2016 but to appreciate for Q4 2016. Lastly, firms expected that interest rates would be higher for Q3 and Q4 2016. However, interest rate expectations were expected to be tempered for Q3 2016 as the number of firms that expected higher interest rates declined against quarter-ago expectation. For Q4 2016, the number of business that anticipated the interest rates to increase remained steady relative to a quarter-ago level.

About the Survey

Survey response rate is 83.8 percent. The Q3 2016 BES was conducted during the period 1 July - 12 August 2016. There were 1,474 firms surveyed nationwide. Respondents were drawn from the combined list of the Securities and Exchange Commission's Top 7,000 Corporations in 2010 and Business World's Top 1,000 Corporations in 2014, consisting of 587 companies in NCR and 887 firms in AONCR, covering all 17 regions nationwide. The survey response rate for this quarter was higher at 83.8 percent (from 82.9 percent in the previous quarter). The response rates were both higher for NCR at 80.7 percent (from 80.2 percent in the previous quarter) and AONCR at 85.8 percent (from 84.7 percent in Q2 2016).

A breakdown of responses by type of business showed that 11.3 percent were importers, 6.7 percent were exporters, 15.9 percent were both importers and exporters and 51.9 percent were domestic-oriented. About 14.2 percent of the respondents did not specify their firm type.

By size of employment, the survey showed that 18.8 percent of respondents were large firms, 34.4 percent were medium-sized and 31.5 percent were small-sized. About 15.3 percent of the respondents did not specify the number of employees in their company.

The BES sample was derived through stratified random sampling. The combined list of top corporations was subdivided into 204 strata classified by region—NCR and Areas Outside NCR (the other 17 regions of the country)—and by industry sub-group, 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 2009 PSIC.



**BUSINESS EXPECTATIONS SURVEY
2011 - 2016**

	2011				2012				2013				2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1. Overall Business Outlook on the Macroeconomy																							
Confidence Index: All Sectors																							
Current Quarter	47.5	31.8	34.1	38.7	40.5	44.5	42.5	49.5	41.5	54.9	42.8	52.3	37.8	50.7	34.4	48.3	45.2	49.2	41.4	51.3	41.9	48.7	45.4
NCR	54.4	35.2	38.4	38.5	46.1	49.3	48.9	54.5	45.6	60.6	49.9	58.7	40.6	53.4	37.5	49.8	47.3	52.3	45.7	55.2	44.3	53.2	48.1
AONCR	35.7	26.1	26.6	39.1	31.1	36.4	31.9	41.1	34.5	45.1	30.7	41.5	33.0	46.1	29.1	45.8	41.5	43.9	33.9	44.3	37.5	40.8	40.5
Next Quarter	59.4	33.0	53.9	36.1	55.4	44.6	59.6	43.8	56.4	46.2	60.0	40.7	50.8	48.9	52.9	43.1	58.2	47.3	53.1	43.9	49.6	45.3	56.8
NCR	62.3	35.6	55.0	37.5	59.0	48.1	64.5	47.7	60.9	47.8	68.3	42.3	52.7	51.4	56.8	44.1	61.3	50.0	54.5	44.3	48.5	48.8	58.4
AONCR	53.6	28.1	51.4	32.9	48.1	37.9	50.3	36.6	48.8	43.4	45.8	38.1	47.3	44.5	46.2	41.4	52.7	42.5	50.8	43.2	51.4	39.1	54.2
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																							
Industry Sector	48.1	31.9	31.1	39.6	37.8	46.2	39.2	35.8	29.4	47.1	43.0	41.7	34.3	46.5	30.1	31.8	35.7	41.3	29.4	35.3	37.5	44.1	40.8
Construction Sector	55.8	41.9	39.7	49.7	47.9	56.9	49.4	50.4	50.5	60.2	41.9	49.6	46.1	60.2	42.3	47.1	56.1	63.2	49.3	49.3	49.3	37.5	41.9
Wholesale and Retail Trade	44.6	23.9	30.4	37.8	38.4	36.9	38.3	51.9	41.7	54.1	36.4	59.4	31.9	46.6	31.6	56.1	44.3	49.2	46.7	59.9	38.5	51.9	45.7
Services Sector	48.9	39.3	40.2	37.3	44.7	49.9	49.7	60.3	52.0	62.7	50.3	55.0	47.1	58.4	41.0	56.0	54.2	55.2	46.0	57.6	48.0	52.3	50.0
of which:																							
Financial Intermediation	74.5	45.0	51.7	32.0	58.8	56.7	77.3	75.5	81.3	89.4	61.0	76.7	47.4	63.5	51.5	72.9	74.5	72.8	41.6	63.8	45.9	64.4	62.0
Hotels and Restaurants	57.2	37.9	33.3	66.4	47.7	45.8	0.0	64.2	41.8	58.9	37.4	79.6	51.6	38.4	8.7	72.3	52.8	31.5	32.2	83.4	57.3	59.3	27.6
Business Activities	41.0	42.8	40.3	33.8	35.6	55.0	49.9	51.9	43.7	64.7	43.0	44.8	50.2	59.0	39.1	38.7	35.7	45.7	52.2	45.2	35.4	40.3	44.7
Real Estate	44.9	36.2	36.1	38.3	54.0	45.0	49.1	68.5	64.4	68.6	60.4	56.3	52.1	64.2	43.8	66.7	57.6	54.7	46.8	57.4	56.5	57.6	60.2
Community and Social Services	41.1	34.7	45.3	21.6	35.5	43.4	56.0	42.5	36.4	46.5	49.3	34.3	42.8	51.7	48.0	45.7	51.7	41.7	40.5	55.9	48.9	54.1	51.8
Transportation	35.9	32.9	29.4	43.2	38.5	43.7	38.8	58.1	34.4	33.2	47.6	43.8	37.0	60.8	41.1	51.6	58.3	70.3	52.0	57.6	60.2	49.5	46.1
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																							
Industry Sector	57.9	34.9	47.9	26.1	52.8	41.0	49.2	34.4	53.8	39.7	48.2	31.7	47.5	39.9	39.9	33.6	51.5	42.4	36.0	35.9	48.7	43.5	48.6
Construction Sector	65.2	38.7	55.2	48.3	55.1	55.6	52.9	48.2	43.9	56.2	58.5	56.3	52.4	63.9	53.3	52.2	54.2	55.4	56.2	52.6	49.8	44.0	39.6
Wholesale and Retail Trade	58.4	24.1	54.0	42.2	56.0	44.0	66.6	44.3	57.1	40.2	66.9	41.5	47.9	51.5	60.2	41.2	58.7	46.2	60.7	43.9	48.3	43.5	62.8
Services Sector	60.8	40.6	59.2	36.3	57.2	47.3	62.7	51.8	60.1	58.1	63.7	46.3	57.1	52.6	57.4	53.6	64.8	52.3	61.0	50.6	51.6	49.2	62.2
of which:																							
Financial Intermediation	72.8	46.5	68.8	45.3	57.8	61.8	73.2	66.8	75.2	83.8	73.2	58.7	53.9	59.4	68.5	56.9	72.4	57.6	72.3	65.6	53.9	55.5	65.3
Hotels and Restaurants	62.9	24.8	77.1	29.3	53.1	31.9	72.3	49.5	52.6	54.8	74.1	59.9	47.7	43.2	81.2	54.6	56.3	37.9	72.2	59.9	48.8	38.9	91.6
Business Activities	63.1	39.1	53.7	29.0	64.9	43.5	55.4	39.9	47.9	55.9	60.6	38.8	59.7	54.2	47.6	51.8	63.7	53.7	44.9	24.7	47.8	49.2	50.0
Real Estate	49.3	47.7	55.7	43.7	65.9	51.8	73.4	66.6	71.0	52.3	68.7	51.2	64.2	54.7	52.3	62.0	62.5	53.2	68.5	60.6	58.0	53.3	73.1
Community and Social Services	58.1	42.9	41.3	23.5	43.3	49.6	41.5	44.0	51.0	45.7	38.3	31.4	52.7	50.3	52.2	41.7	61.5	43.4	43.6	48.9	38.0	39.5	41.5
Transportation	53.5	37.0	64.1	44.5	46.7	38.6	60.9	46.1	62.3	45.4	63.4	41.6	58.6	45.7	54.8	52.0	65.9	56.2	72.4	61.3	58.3	47.4	65.6
4. Business Outlook Index on Own Operations: Current Quarter																							
Volume of Business Activity Index	23.8	24.1	29.5	37.1	22.5	36.7	38.9	40.8	25.1	43.5	38.7	43.8	22.7	46.1	28.7	42.7	27.1	40.3	39.0	46.5	24.5	38.8	39.6
Industry Sector	20.1	24.1	26.4	33.8	23.9	39.9	34.0	28.0	16.3	38.8	36.1	32.9	20.5	43.6	22.3	26.9	23.6	35.6	27.9	28.9	22.1	33.3	36.2
Construction Sector	36.1	33.1	28.4	40.5	35.9	43.8	35.3	38.6	42.6	56.3	33.8	29.1	42.5	49.6	33.2	33.8	39.6	46.2	47.8	46.2	45.8	37.5	30.9
Wholesale and Retail Trade	20.2	12.6	23.0	39.6	15.0	25.7	32.9	44.8	26.5	39.8	36.7	48.7	14.8	40.5	24.4	49.8	22.7	40.2	41.8	55.9	20.2	41.2	40.5
Services Sector	29.6	35.9	39.8	36.6	27.7	45.5	51.4	49.0	29.8	50.7	44.3	51.2	31.1	54.6	39.5	51.8	33.7	44.1	45.6	53.2	26.6	42.1	43.7
Financial Intermediation	58.1	52.3	61.7	40.0	52.0	58.5	79.2	72.2	54.4	65.0	61.0	73.6	34.8	65.8	54.4	72.8	53.3	64.1	45.6	58.7	26.6	60.8	65.6
Hotels and Restaurants	31.8	35.1	24.5	60.6	25.3	36.1	10.4	67.0	17.7	47.7	25.8	71.1	19.2	38.8	8.7	62.4	33.7	23.7	38.8	66.7	5.3	32.2	17.6
Business Activities	16.7	39.1	34.2	39.1	16.3	47.7	57.5	33.8	21.7	49.2	46.1	45.2	31.4	55.3	40.3	32.7	14.2	35.4	50.0	47.8	24.8	29.2	36.3
Real Estate	19.6	33.4	34.0	39.0	29.0	45.4	50.9	56.5	25.1	55.3	43.1	52.9	31.2	51.4	41.9	69.8	33.3	43.0	43.9	52.9	13.0	48.4	60.9
Community and Social Services	23.6	17.8	48.1	-1.1	26.6	39.2	48.2	20.6	31.8	51.8	42.1	13.4	34.8	50.7	35.6	38.5	30.9	24.8	38.6	36.3	42.6	17.8	31.2
Transportation	28.8	25.7	29.4	38.9	17.8	34.9	32.0	48.6	22.2	31.7	33.3	46.1	29.9	52.9	35.8	43.3	43.2	57.8	47.9	59.2	45.9	54.3	33.3
Volume of Total Order Book Index	19.3	21.5	25.8	33.1	17.6	31.4	31.0	33.9	20.0	37.2	32.8	38.0	20.0	39.7	26.6	38.3	25.2	34.6	34.0	41.5	21.6	34.1	33.8
Credit Access Index	11.3	6.1	10.3	8.9	9.6	13.4	14.8	16.9	16.0	18.1	15.8	16.8	15.0	17.5	15.2	15.1	16.6	14.8	16.6	14.7	14.1	15.9	12.0
Financial Condition	-3.6	-10.8	-6.9	-6.8	-2.9	-0.9	-1.9	2.4	-1.5	1.3	-1.9	-0.5	-2.1	-1.2	-2.9	-2.5	1.3	-0.2	1.1	-0.7	-0.1	1.3	1.5
Average Capacity Utilization (in percent																							

**BUSINESS EXPECTATIONS SURVEY
2011 - 2016**

	2011				2012				2013				2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
6. Companies with Expansion Plans (in percent of total respondents): Next Quarter																							
All Industry Sector	33.9	24.7	26.6	27.0	28.8	29.1	27.8	28.9	29.6	28.7	32.1	30.5	32.9	30.0	34.2	32.0	32.5	29.1	32.9	31.9	31.3	30.3	28.1
Mining Quarrying	47.3	41.8	62.6	41.1	47.3	35.2	49.7	41.0	40.0	45.0	42.3	55.0	50.9	40.3	30.7	31.8	21.8	31.8	36.1	22.3	31.8	19.4	27.2
Manufacturing	32.5	24.2	24.9	24.9	27.9	28.6	27.2	28.0	28.4	27.5	31.2	29.2	31.5	28.8	33.2	31.0	31.5	27.8	31.5	31.3	30.8	30.9	27.5
Electricity, Gas and Water	38.5	23.8	34.4	41.0	32.2	31.3	26.2	38.2	42.3	40.2	35.3	38.7	48.6	50.0	54.5	52.9	44.8	35.7	41.2	34.5	30.8	28.9	36.3
Agriculture, Fishery and Forestry	45.3	24.3	31.7	41.9	31.5	31.7	30.1	29.7	33.3	30.1	40.3	33.9	33.3	24.8	34.0	28.4	41.5	43.1	46.7	43.8	38.5	27.3	29.5
7. Business Constraints (in percent to total respondents): Current Quarter																							
High Interest Rate	19.8	19.9	20.1	19.8	14.6	13.8	10.8	9.9	8.7	8.1	7.4	7.3	9.1	9.3	8.4	7.8	7.8	7.3	7.4	7.1	8.3	6.4	6.2
Unclear Economic Laws	21.2	21.6	21.9	24.2	18.5	17.8	18.1	15.8	13.4	14.1	13.8	11.6	12.0	13.3	13.8	14.4	14.5	14.6	13.6	13.2	13.3	13.6	11.7
Lack of Equipment	16.1	16.0	17.3	16.7	10.9	10.2	9.9	7.7	11.1	7.0	7.7	6.8	7.1	6.8	6.8	5.8	7.1	7.2	6.2	6.4	6.7	5.6	6.2
Insufficient Demand	42.2	44.0	43.7	44.4	36.5	36.5	36.5	34.5	32.0	33.5	35.7	34.9	31.6	30.2	29.5	28.4	27.0	25.4	29.0	26.6	26.6	27.5	25.6
Access to Credit	17.8	18.4	18.6	18.6	11.7	10.5	9.4	8.2	9.4	8.5	6.8	6.2	6.7	6.2	6.0	5.2	7.8	5.8	5.9	4.8	6.4	4.5	4.0
Financial Problems	22.6	24.4	21.7	22.9	16.9	15.9	13.2	11.6	16.1	12.8	10.9	10.6	10.8	10.3	9.8	10.1	8.1	6.4	7.0	8.0	8.7	7.9	7.3
Competition	68.8	65.5	68.1	66.4	60.6	62.9	60.7	61.3	60.0	59.8	59.6	58.5	57.9	55.5	54.7	54.5	53.1	57.7	55.4	52.6	53.3	54.2	50.2
Labor Problems	19.3	21.6	20.4	18.5	13.4	12.5	11.8	11.0	13.7	11.4	10.7	8.6	9.6	9.5	10.2	9.7	11.4	9.4	10.2	10.3	11.5	12.4	10.9
Lack of Materials Input	18.4	19.1	19.0	18.4	12.4	12.5	11.2	9.4	8.1	8.9	9.4	8.4	6.5	7.6	8.8	9.2	8.1	7.3	7.0	7.5	7.8	7.2	7.1
Others	21.1	23.6	22.2	25.7	23.0	25.3	22.9	22.5	21.0	22.4	22.3	23.4	22.9	23.2	25.5	25.9	25.5	26.3	23.5	23.1	22.6	23.8	22.7
None	6.0	7.9	5.7	7.5	8.0	7.6	9.3	9.1	13.2	11.8	8.2	8.2	10.1	10.0	8.6	9.4	10.5	8.4	9.0	9.0	11.5	12.5	10.7
8. Business Expectations Index on Selected Economic Indicators: Current Quarter																							
P/\$ Exchange Rate	15.0	19.4	29.3	14.9	11.7	19.3	29.8	32.0	35.1	16.9	-2.4	12.3	3.9	10.1	7.4	10.0	3.1	5.6	2.7	12.3	2.7	23.4	-6.7
Inflation Rate	21.3	38.7	32.1	28.3	16.8	15.4	5.4	3.3	1.1	10.4	22.8	25.0	43.0	31.4	40.2	38.7	-0.7	11.6	10.2	18.2	25.2	31.4	25.3
Peso Borrowing Rate	4.0	13.9	11.1	5.7	-2.1	1.1	-4.5	-11.1	-10.8	-14.4	-3.0	-0.9	11.4	11.3	13.8	16.8	6.9	6.8	8.5	8.1	15.1	12.3	7.9
Inflation Rate Expectations (in %)										3.3	3.2	2.9	3.4	4.0	4.2	4.3	3.9	3.2	2.7	2.1	1.9	1.6	1.5
Exchange Rate Expectations (Php : \$1.00)																			44.9	45.4	47.1	46.8	46.8
9. Business Expectations Index on Selected Economic Indicators: Next Quarter																							
P/\$ Exchange Rate	14.1	16.3	31.5	9.8	12.8	16.0	26.7	17.4	26.5	18.0	14.6	10.9	13.1	10.5	16.7	11.6	6.8	3.0	11.9	7.5	6.0	5.6	9.0
Inflation Rate	23.5	34.8	29.2	18.2	14.1	18.3	11.5	5.2	9.0	15.3	22.5	18.0	32.0	28.4	38.9	21.1	7.4	15.7	26.4	21.4	32.7	32.3	28.0
Peso Borrowing Rate	11.7	16.5	12.8	7.0	1.1	4.8	-0.8	-5.0	-4.6	-4.8	2.4	5.7	16.8	18.5	18.7	20.8	11.9	11.3	11.8	12.7	18.0	12.0	12.2
Inflation Rate Expectations (in %)										3.3	3.3	3.0	3.5	4.1	4.2	4.3	3.9	3.4	2.9	2.3	2.1	1.7	1.6
Exchange Rate Expectations (Php : \$1.00)																			44.9	45.7	47.3	46.8	46.8
10. Percentage Distribution of Respondent Firms by Employment Size																							
Small (<100)	39.2	40.0	38.9	37.0	36.1	33.8	34.0	34.3	36.3	36.8	34.4	34.0	33.7	33.4	33.0	32.1	31.4	31.4	30.8	31.1	31.3	31.9	31.5
Medium (100-<500)	34.8	35.1	36.3	36.2	35.8	36.0	36.1	38.4	35.6	36.2	38.5	35.9	35.7	36.2	35.9	35.9	36.4	36.8	36.7	36.9	38.9	38.7	34.4
Large (500 & up)	15.1	13.8	13.5	15.0	15.5	15.5	17.4	13.6	16.8	17.4	16.8	18.7	17.8	19.5	19.3	19.3	19.4	20.5	20.6	21.5	18.9	18.8	18.8
No Response	10.8	11.0	11.3	11.8	12.7	14.7	12.5	13.7	11.2	9.6	10.3	11.4	12.8	10.9	11.7	12.7	12.8	11.2	11.8	10.5	10.9	10.6	15.3
11. Distribution of Respondent Firms by Sector																							
All Sectors	1275	1307	1244	1235	1248	1264	1175	1183	1247	1290	1294	1288	1267	1283	1288	1272	1285	1282	1242	1266	1271	1229	1235
Industry	376	378	366	359	384	375	338	353	380	400	401	386	377	381	387	378	393	392	371	387	388	380	381
Mining Quarrying	17	19	16	17	19	17	16	17	17	20	19	20	20	20	21	19	19	16	17	19	25	31	33
Manufacturing	280	273	265	257	280	273	246	253	282	297	297	289	278	288	288	282	285	287	269	282	249	233	232
Electricity, Gas and Water	27	30	27	29	37	34	31	34	35	37	36	34	31	32	33	32	42	38	37	37	56	55	55
Agriculture, Fishery and Forestry	52	56	58	56	48	51	45	49	46	46	49	43	48	41	45	45	47	51	48	49	58	61	61
Construction	75	88	71	79	74	86	85	84	87	83	84	87	93	91	86	87	80	90	85	82	95	95	103
Wholesale and Retail Trade	428	429	405	388	421	415	387	372	405	408	407	423	413	422	417	415	394	395	397	397	370	333	337
Services	396	412	402	409	369	388	365	374	375	399	402	392	384	389	398	390	397	406	391	400	418	421	414
Financial Intermediation	76	84	85	84	80	81	72	72	72	83	80	80	80	79	84	80	88	90	86	85	78	84	84
Hotels and Restaurants	62	63	59	62	48	47	52	49	54	54	52	48	47	50	48	47	47	48	48	48	51	48	49
Business Activities	69	75	69	68	75	78	70	67	71	73	73	70	60	60	63	65	68	72	64	69	92	93	92
Real Estate and Renting	64	62	61	70	51	60	50	61	57	67	70	65	64	64	67	63	66	62	64	66	63	63	58
Community and Social Services	60	62	63	61	54	55	58	58	58	59	60	60	60	60	63	63	59	57	60	60	60	55	52
Transportation	65	66	65	64	61	67	63	67	63	63	67	69	73	73	73	76	71	69	69	72	74	78	79

A quarterly survey conducted by the
Department of Economic Statistics

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 in the negative with respect to their views on a given indicator.

Business Expectations Survey

2011 - 2016

12. Business Outlook Index on the Macroeconomy

by Type of Business

Current Quarter

	2011				2012				2013				2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Importer	50.3	36.5	39.6	47.8	44.0	47.9	44.4	52.0	39.7	55.2	33.8	50.0	33.9	41.4	36.5	50.4	41.0	46.1	39.8	57.2	45.8	58.8	51.4
Exporter	45.3	36.0	26.1	17.1	19.1	37.2	12.7	22.4	26.9	35.2	31.0	31.5	24.1	33.8	27.6	29.0	28.8	35.6	13.6	11.1	13.4	26.4	32.5
Both (Importer and Exporter)	42.5	26.3	32.0	24.8	30.6	39.1	38.5	26.2	30.7	46.7	41.8	45.5	43.0	54.4	34.3	38.0	41.2	37.6	37.8	34.5	36.8	37.7	46.4
Domestic-Oriented	40.5	29.7	28.1	33.9	39.3	43.3	40.1	56.3	45.5	54.7	39.6	51.0	39.9	55.0	34.6	58.1	52.1	56.2	40.4	59.4	45.3	50.1	44.9

13. Number of Respondents

by Type of Business

	2011				2012				2013				2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Importer	181	189	169	157	218	211	187	175	189	192	195	312	218	227	233	232	173	167	161	152	155	153	140
Exporter	86	86	69	76	68	94	71	76	93	91	84	92	83	77	76	107	80	87	81	81	82	87	83
Both (Importer and Exporter)	179	171	175	161	206	202	195	191	215	227	232	233	242	250	265	234	260	255	233	252	201	199	196
Domestic-Oriented	592	644	584	552	534	589	596	629	650	570	671	537	546	616	601	570	603	612	612	623	704	672	641
Not Specified	237	217	247	289	222	168	126	112	100	210	112	114	178	113	113	129	169	161	155	158	129	118	175
Total	1275	1307	1244	1235	1248	1264	1175	1183	1247	1290	1294	1288	1267	1283	1288	1272	1285	1282	1242	1266	1271	1229	1235

14. Business Outlook Index on the Macroeconomy

by Size of Employment

Current Quarter

	2011				2012				2013				2014				2015				2016		
	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)	37.8	27.5	30.4	33.0	32.7	38.4	34.6	46.6	35.8	44.4	33.3	42.5	35.1	42.8	32.0	45.1	44.9	44.4	34.5	45.4	35.9	43.1	42.2
Medium (100-<500)	44.6	29.2	29.0	38.7	37.1	44.4	41.5	46.9	41.0	52.9	41.0	51.3	35.8	58.7	35.6	51.9	44.7	51.9	38.6	50.1	44.0	44.5	42.4
Large (500 & up)	56.0	43.1	40.5	39.5	47.2	53.6	45.4	52.8	49.5	66.5	46.8	55.2	46.0	57.2	39.4	55.9	53.8	55.1	45.7	52.2	46.3	58.0	48.3

15. Number of Respondents

by Size of Employment

	2011				2012				2013				2014				2015				2016		
	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)	500	523	484	457	450	427	399	406	453	475	445	438	427	428	425	408	403	403	383	394	398	392	389
Medium (100-<500)	444	459	451	447	447	455	424	454	444	467	498	462	452	465	463	457	468	472	456	467	495	476	425
Large (500 & up)	193	181	168	185	193	196	205	161	210	224	218	241	226	250	249	245	249	263	256	272	240	231	232
Not Specified	138	144	141	146	158	186	147	162	140	124	133	147	162	140	151	162	165	144	147	133	138	130	189
Total	1275	1307	1244	1235	1248	1264	1175	1183	1247	1290	1294	1288	1267	1283	1288	1272	1285	1282	1242	1266	1271	1229	1235

Business Expectations Survey

2011 - 2016

16. Business Outlook Index on the Macroeconomy by Type of Business Next Quarter

	2011				2012				2013				2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Importer	62.4	39.2	55.0	42.7	56.0	46.9	62.0	44.0	52.9	39.1	56.4	38.5	53.2	52.0	51.9	41.4	56.6	46.7	50.3	44.7	51.0	53.6	62.9
Exporter	55.8	48.8	34.8	27.6	42.6	44.7	39.4	25.0	44.1	47.3	29.8	38.0	45.8	37.7	46.1	37.4	50.0	41.4	17.3	18.5	37.8	37.9	44.6
Both (Importer and Exporter)	62.0	36.3	50.9	32.9	54.9	45.5	50.3	35.1	54.4	48.9	41.8	37.3	51.2	46.8	40.8	44.0	54.2	46.3	43.8	40.5	46.3	42.7	40.8
Domestic-Oriented	56.1	27.8	58.6	42.6	52.2	39.4	60.4	47.4	54.9	49.6	61.1	43.2	52.2	51.5	58.4	46.1	61.5	45.6	64.1	50.2	56.0	44.6	63.2

17. Number of Respondents by Type of Business Percent to Total

	2011				2012				2013				2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Importer	14.2	14.5	13.6	12.7	17.5	16.7	15.9	14.8	15.2	14.9	15.1	24.2	17.2	17.7	18.1	18.2	13.5	13.0	13.0	12.0	12.2	12.4	11.3
Exporter	6.7	6.6	5.5	6.2	5.4	7.4	6.0	6.4	7.5	7.1	6.5	7.1	6.6	6.0	5.9	8.4	6.2	6.8	6.5	6.4	6.5	7.1	6.7
Both (Importer and Exporter)	14.0	13.1	14.1	13.0	16.5	16.0	16.6	16.1	17.2	17.6	17.9	18.1	19.1	19.5	20.6	18.4	20.2	19.9	18.8	19.9	15.8	16.2	15.9
Domestic-Oriented	46.4	49.3	46.9	44.7	42.8	46.6	50.7	53.2	52.1	44.2	51.9	41.7	43.1	48.0	46.7	44.8	46.9	47.7	49.3	49.2	55.4	54.7	51.9
Not Specified	18.6	16.6	19.9	23.4	17.8	13.3	10.7	9.5	8.0	16.3	8.7	8.9	14.0	8.8	8.8	10.1	13.2	12.6	12.5	12.5	10.1	9.6	14.2
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

18. Business Outlook Index on the Macroeconomy by Size of Employment Next Quarter

	2011				2012				2013				2014				2015				2016		
	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)	53.0	29.8	53.3	39.4	46.9	39.3	56.1	42.9	45.0	42.5	54.2	41.1	45.4	44.6	51.3	42.6	54.6	41.2	51.4	43.9	51.0	43.9	56.6
Medium (100-<500)	58.8	31.4	56.5	40.5	53.7	41.8	55.2	41.6	56.5	46.5	54.4	37.7	54.9	53.1	50.1	45.3	59.2	48.7	55.3	46.3	49.5	41.8	58.1
Large (500 & up)	69.4	41.4	56.5	38.4	59.1	53.6	62.4	49.7	66.7	57.1	55.0	51.0	51.8	50.4	56.6	46.5	67.5	51.7	60.5	44.1	57.1	52.4	58.6

19. Number of Respondents by Size of Employment Percent to Total

	2011				2012				2013				2014				2015				2016		
	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)	39.2	40.0	38.9	37.0	36.1	33.8	34.0	34.3	36.3	36.8	34.4	34.0	33.7	33.4	33.0	32.1	31.4	31.4	30.8	31.1	31.3	31.9	31.5
Medium (100-<500)	34.8	35.1	36.3	36.2	35.8	36.0	36.1	38.4	35.6	36.2	38.5	35.9	35.7	36.2	35.9	35.9	36.4	36.8	36.7	36.9	38.9	38.7	34.4
Large (500 & up)	15.1	13.8	13.5	15.0	15.5	15.5	17.4	13.6	16.8	17.4	16.8	18.7	17.8	19.5	19.3	19.3	19.4	20.5	20.6	21.5	18.9	18.8	18.8
Not Specified	10.8	11.0	11.3	11.8	12.7	14.7	12.5	13.7	11.2	9.6	10.3	11.4	12.8	10.9	11.7	12.7	12.8	11.2	11.8	10.5	10.9	10.6	15.3
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

Annexes: Business Expectations Survey (BES) Report Q3 2016

Annex A. Distribution of Combined List of 2010 SEC's Top 7000 Corporations and 2014 Business World's Top 1000 Corporations by Region

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	NIR	NCR	Philippines
Agriculture			4	8	1	5	4		5	4	33	9					22	95
Business	1		20	38	1	1	18		2		8	2					569	660
Community	6		14	28		5	8		1	2	4	2				3	111	184
Construction		1	26	46	8	2	32	3	1		12	1	1			3	326	462
EGW	4		18	8	1	3	15				3						69	121
Finance		3	8	12	1	4	15		1	1	16	2	2				380	445
Hotels and Restaurants	5		11	7	3	6	12	1			8					1	135	189
Manufacturing	4	3	165	582	7	3	106	9	3	4	38	7		2	3	5	839	1780
Mining			1	4			5				2						55	67
Real Estate			11	37	1	2	15				7	2				2	269	346
Trade	19	11	204	239	36	30	123	11	21	12	89	20		1		23	1370	2209
Transportation	1		22	28	1		15		3		15	3				2	259	349
Services Sector	13	3	86	150	7	18	83	1	7	3	58	11	2			8	1723	2173
Industry Sector	8	3	188	602	9	11	130	9	8	8	76	16		2	3	5	985	2063
Grand Total	40	18	504	1037	60	61	368	24	37	23	235	48	3	3	3	39	4404	6907

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	NIR	NCR	Philippines
Agriculture			3	6	1	3	3		5	4	19	9					14	67
Business	1		12	22	1	1	13		1		6	2					68	127
Community	3		9	19		5	6			2	3	1				2	14	64
Construction		1	14	23	6	1	19	2	1		8	1	1			2	42	121
EGW	3		12	6	1	2	10				2						27	63
Finance		3	6	8	1	4	10		1	1	4	2	2				50	92
Hotels and Restaurants	5		7	5	2	6	8	1			6					1	17	58
Manufacturing	3	2	21	69	5	2	14	9	3	2	22	7		2	3	3	100	267
Mining				3			4				1						28	36
Real Estate			7	22	1	2	10				5	1				2	33	83
Trade	17	9	25	31	30	23	15	8	18	10	17	19		1		20	161	404
Transportation			15	19			10		1		10	2				2	33	92
Services Sector	9	3	56	95	5	18	57	1	3	3	34	8	2			7	215	516
Industry Sector	6	2	36	84	7	7	31	9	8	6	44	16		2	3	3	169	433
GRAND TOTAL	32	15	131	233	48	49	122	20	30	19	103	44	3	3	3	32	587	1474

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 and 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 and Iloilo
VII-Central Visayas	Cebu, Bohol 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 and 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
Negros Island Region (NIR)	Negros Occidental and Negros Oriental
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 and Surigao del Sur
Negros Island Region (NIR)	Negros Occidental, Negros Oriental
National Capital Region (NCR) ¹	Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Pateros, Quezon City, San Juan, Taguig and Valenzuela

¹ NCR is composed of 16 highly-urbanized cities and one municipality (Pateros).