

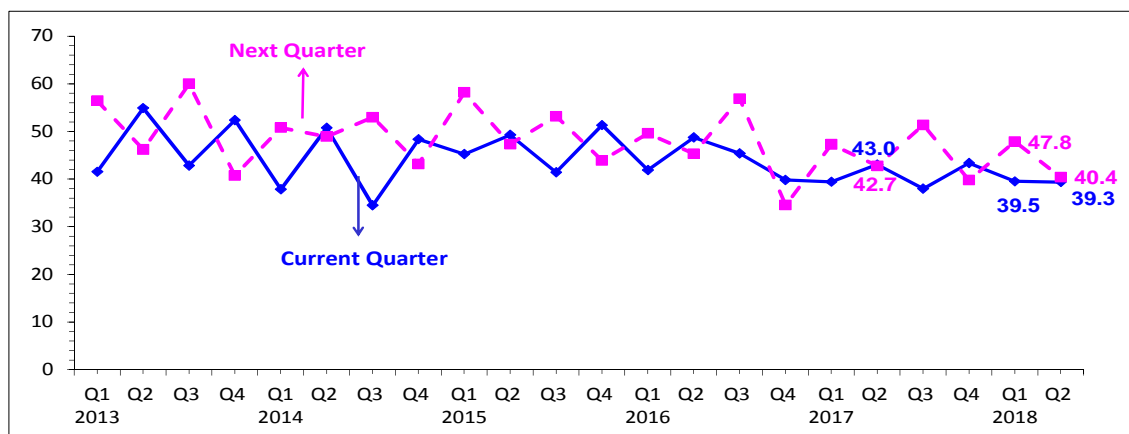
# Business Expectations Survey <sup>1</sup>

## Second Quarter 2018

### Business Confidence is Steady for Q2 2018

#### Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index  
Q1 2013 – Q2 2018



*Business confidence is steady for Q2 2018.*

Business optimism on the economy was steady for Q2 2018, with the overall confidence index (CI)<sup>2</sup> declining slightly to 39.3 percent from 39.5 percent for Q1 2018. This means that the optimists continued to outnumber the pessimists but the margin was almost unchanged from that of a quarter ago. Specifically, respondents with steady outlook noted that sustained demand and ongoing market adjustments as a result of the recently enacted Tax Reform for Acceleration and Inclusion (TRAIN)<sup>3</sup> Law were to be expected for the current quarter. Outlook remained optimistic due to the (a) usual higher demand during summer (given the expected arrival of local and foreign tourists), enrolment and harvest periods, (b) increase in orders and volume of production, (c) ongoing rollout of government infrastructure projects with the “Build, Build, Build” strategy of the administration, (d) positive view on the TRAIN Law as its revenue is expected to support infrastructure projects of the government, which may attract new investments, (e) expansion of businesses and new product lines, and (f) sound macroeconomic conditions. However, there was a slight dent on optimism caused by expectations of higher consumer prices, partly due to oil price hikes, and peso depreciation.

The sentiment of businesses in the Philippines mirrored the steady business outlook in China, Chile, Mexico, Germany and the Euro Area. Meanwhile, a less optimistic outlook was

<sup>1</sup> 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 2016. 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.

<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.

<sup>3</sup> The TRAIN Law was signed on 19 December 2017. The package consists of a reduction in personal income taxes, higher excise tax on petroleum products and coal, higher automobile tax, higher tax on sugar-sweetened beverages, VAT-base expansion, uniform donor and estate tax, higher excise tax on non-metallic minerals and quarry resources, adjustment in the excise tax of tobacco products, doubled documentary stamp tax rates on documents, instruments, loan agreements and papers, higher final tax on foreign currency deposit units and excise tax on cosmetic procedures (Inflation Report 4<sup>th</sup> Quarter 2017, Bangko Sentral ng Pilipinas).



registered by businesses in the United States, France, the Netherlands and Thailand, while more buoyant views were reported by those in Canada, Hong Kong SAR and South Korea.

For the quarter ahead (Q3 2018), business outlook was less positive. The next quarter CI, at 40.4 percent, was lower than the 47.8 percent in the previous quarter's survey. Respondents cited the following factors as reasons behind their lower business confidence: (a) interruption of business activities during the rainy season, (b) lower consumer demand as households prioritized enrolment expenses, and (c) expectations of higher commodity prices.

*Business outlook is more buoyant in the AONCR but less optimistic in NCR for the current quarter.* By area, the slight decline in overall business confidence for Q2 2018 was traced to the less favorable business sentiment in the National Capital Region (NCR) (partly due to higher prices of inputs, e.g., electricity and fuel, and stiffer competition), which more than offset the more positive outlook of firms in Areas Outside NCR (AONCR).<sup>4</sup> Consistent with the overall trend, businesses in both NCR and AONCR were less optimistic for the next quarter.

Across regions, the outlook was generally favorable for the current quarter. For Q2 2018, the outlook of firms in Region II was steady. Respondents in nine regions (I, III, V, VII, VIII, IX, X, XI and XII) were more bullish due to the following: (a) increase in consumer demand and tourist receipts during summer, enrolment and fiesta seasons, (b) availability of new projects, (c) business expansion, (d) enhanced business strategies and new product lines, (e) positive impact of the comprehensive tax reform law on household disposable income, (f) increase in government spending, and (g) favorable business conditions. Meanwhile, the outlook in Regions IV and VI was less upbeat. Respondents attributed their less optimistic outlook to expectations of higher commodity prices, lack of supply of raw materials (e.g., corn, fish), decline in production and sales with the ongoing export ban for poultry products (in Region IV), and lower revenues from tourism following the closure of Boracay (in Region VI).

For the quarter ahead (Q3 2018), business confidence was broadly less favorable across regions as more firms anticipated the seasonal slack in demand during the rainy season. This is with the exception of firms in Regions IX and XI whose outlook improved due to the expected commencement of new projects (mostly construction), improved weather forecast, and influx of tourists during the Kadayawan Festival in August (in Region XI).

*The outlook of trading firms turns more upbeat for Q2 2018.* The outlook of businesses involved in international commodity trading turned more buoyant for Q2 2018. Among business types, exporters were the most bullish on account of better prices of export commodities in the world market (particularly metal for the mining industry), increasing orders from abroad, and anticipated increase in volume of production (e.g., agricultural products) with the ongoing infrastructure development as well as expected uptick in investments as an offshoot of the TRAIN Law. Likewise, importers and domestic-oriented firms were more optimistic as they expected that economic growth would be driven by robust consumer demand (arising from seasonal factors during summer as well as the anticipated higher levels of household disposable income as the TRAIN Law takes effect) and expected gains from enhanced marketing strategies and business processes. The outlook of dual-activity (both importer and exporter) firms was also more favorable as firms benefited from expectations of increasing volume of sales/orders, business expansion, introduction of new product lines, and brisker business conditions.

<sup>4</sup> The survey covered all 16 regions of the Philippines. (For the list of regions and the distribution of top 7000 corporations by region, please see Annexes A and B).

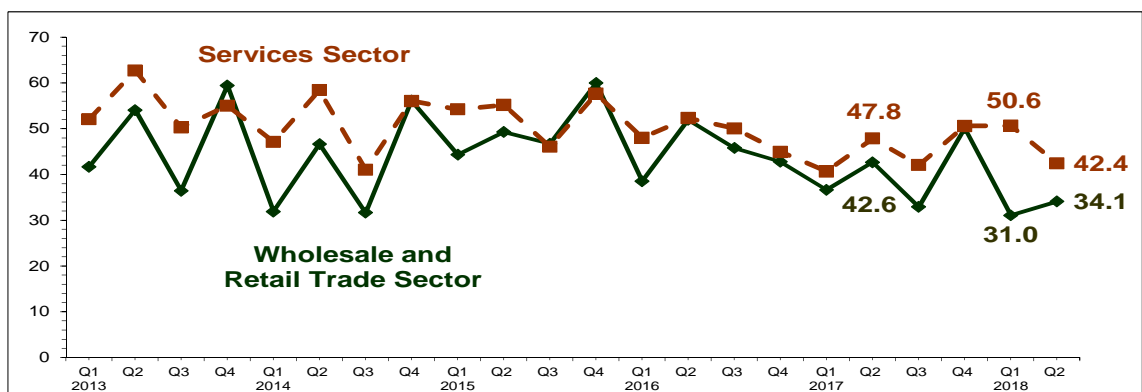
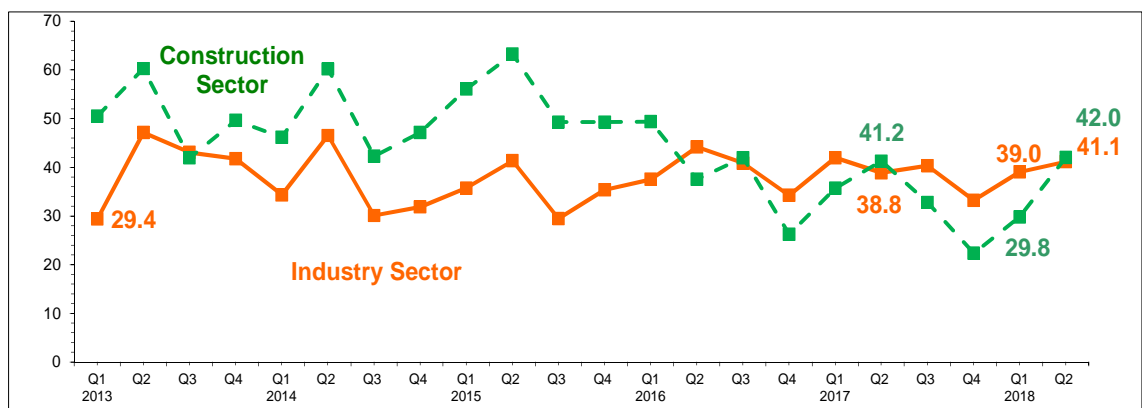
For the quarter ahead (Q3 2018), the outlook of firms across trade groups was mixed. Exporters and dual-activity firms anticipated that the volume of production and orders would be sustained for the next quarter, resulting in a steady outlook. Meanwhile, importers and domestic-oriented firms were less optimistic as they noted that their operations could be adversely affected by the seasonal slack in domestic demand, stiffer competition, rising fuel prices, and possible foreign exchange losses due to the peso depreciation.

*The outlook of large firms follows the national trend for Q2 2018.*

Business sentiment was generally more positive across employment size for Q2 2018.<sup>5</sup> The outlook of large-sized firms was broadly steady, following the national trend. Meanwhile, the sentiment of small- and medium-sized firms was more favorable. For the next quarter (Q3 2018), business confidence waned across employment size.

**Sectoral Outlook**

**Current Quarter Business Outlook Index by Sector**  
Q1 2013 – Q2 2018



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



*The less favorable sentiment of the services sector weighs down overall business confidence.*

Business sentiment for Q2 2018 was generally upbeat across sectors (i.e., construction, industry, and wholesale and retail trade sectors), except for the services sector whose views were less positive. For the next quarter (Q3 2018), the outlook across sectors was less buoyant.

Construction firms' bullish outlook for Q2 2018 was on account of the award of new construction projects (both public and private) for 2018 and better business environment.

Business confidence across industry sub-sectors (i.e., mining and quarrying, manufacturing, and agriculture, fishery and forestry) was broadly more positive, except that of the electricity, gas and water sub-sector, which was less favorable. Respondents attributed their optimism to anticipation of more robust demand, business expansion and enhancement of marketing strategies during the current quarter.

The improved outlook of the wholesale and retail trade sector for Q2 2018 was due to expectations of a brisker domestic economy. This is on the back of the seasonal uptick in demand during summer, enrolment, and harvest seasons, stronger business activity over the course of the campaign period for the barangay elections, and expected increase in purchasing power of consumers with the implementation of the TRAIN Law.

Meanwhile, the less optimistic outlook of the services sector for the current quarter stemmed from concerns over a weaker peso and higher commodity costs (particularly fuel) in the global economy.

**Business Outlook on Own Operations**

**Current Quarter Business Activity Index by Sector  
Q1 2013 – Q2 2018**



*Firms are more upbeat about their own business operations.* The outlook of firms about their own business operations improved for Q2 2018 compared to that a quarter ago. The outlook of firms on the volume of business activity and total orders booked was more upbeat, particularly for the industry and wholesale and retail trade sectors.

For the next quarter (Q3 2018), the outlook on volume of business activity was less positive across sectors.

### Average Capacity Utilization

*Capacity utilization improves.* The average capacity utilization (in the industry and construction sectors) for Q2 2018 was slightly higher at 74.8 percent (from 74.3 percent in Q1 2018). Likewise, the results of the Monthly Integrated Survey of Selected Industries (MISSI) of the Philippine Statistics Authority (PSA) indicated an increase in the level of capacity utilization in Q1 2018 compared to that of the previous quarter.<sup>6</sup>

### Financial Conditions and Access to Credit<sup>7</sup>

*Firms expect tighter financial conditions but easy access to credit.* The financial conditions index remained in negative territory at -4.8 percent for Q2 2018 from -4.6 percent in the previous quarter. This means that firms that expected tighter financial conditions continued to outnumber those that said otherwise. However, firms were of the view that their financing requirements could be met through available credit as more respondents reported easy access to credit although the number that said so declined relative to a quarter ago. The results of the Q1 2018 Senior Bank Loan Officers' Survey (SLOS) showed that most of respondent banks continued to maintain their credit standards for loans to both enterprises and households for the 36<sup>th</sup> consecutive quarter since Q2 2009.

### Employment and Expansion Plans

*Employment outlook remains positive, while expansion plans slightly decline.* The employment outlook index for the next quarter remained positive across sectors although lower compared to a quarter ago. This suggests that more firms will continue to hire new employees than those that indicated otherwise, although the number of new hires could be lower compared to the previous quarter's survey. Likewise, the percentage of businesses with expansion plans in the industry sector for the next quarter edged lower to 34.2 percent from 35.1 percent in the previous quarter. Among sub-sectors, agriculture, fishery and forestry, mining and quarrying, and manufacturing recorded stronger expansion plans, while those of electricity, gas and water were slightly lower from a quarter ago.

<sup>6</sup> 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 higher at 84.2 percent in Q1 2018 compared to 83.9 percent in Q4 2017.

<sup>7</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. 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

*Domestic competition and insufficient demand are the major risks to business.* The major business constraints identified by respondents for Q2 2018 were domestic competition and insufficient demand leading to low sales volume (indicated by 55.2 percent and 25.2 percent of the total number of respondents, respectively).

Expectations on Key Economic Indicators<sup>8</sup>

*Firms expect inflation to increase, peso to depreciate and interest rates to go up.* The survey results showed that businesses anticipated inflation to increase but to remain within target, peso to depreciate, and interest rates to go up for the current quarter and the next quarter.

Respondents who expected inflation to go up continued to outnumber those who held the opposite view for Q2 and Q3 2018. Inflationary expectations eased for the next quarter as the number of respondents who indicated higher inflation declined relative to the previous quarter's survey results. Businesses anticipated the rate of increase in prices of consumer goods and services to stay within the government's 2 to 4 percent inflation target range for 2018, at 3.8 percent for both Q2 and Q3 2018 (albeit higher from the previous quarter's survey results).<sup>9</sup>

Respondents also anticipated the peso to depreciate for Q2 2018 and Q3 2018. Meanwhile, the percentage of respondents who expected higher interest rates increased for the current quarter but decreased for the next quarter compared to those in the previous quarter's survey.

<sup>8</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 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.

<sup>9</sup> Effective 6 March 2018, the Philippine Statistics Authority (PSA) changed the base year of the Consumer Price Index (CPI) from 2006 to 2012. Beginning Q2 2018, the basis of BES respondents' inflation estimates for the current quarter and next quarter is 2012=100.



## About the Survey

*Survey response rate is 83.5 percent.* The Q2 2018 BES was conducted during the period 2 April – 22 May 2018. There were 1,466 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 2016, consisting of 583 companies in NCR and 883 firms in AONCR, covering all 16 regions nationwide. The survey response rate for this quarter was higher at 83.5 percent (from 82.3 percent in the previous quarter). The response rate was higher for both NCR at 80.4 percent (from 80 percent in the previous quarter) and AONCR at 85.5 percent (compared to 83.8 percent in the previous quarter).

A breakdown of responses by type of business showed that 12 percent were importers, 6.1 percent were exporters, 17.1 percent were both importers and exporters and 58.3 percent were domestic-oriented. About 6.5 percent of the respondents did not specify their firm type.

By size of employment, the survey showed that 22.2 percent of respondents were large firms, 39.7 percent were medium-sized and 31 percent were small-sized. About 7.1 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 192 strata classified by region—NCR and Areas Outside NCR (the other 15 regions of the country)—and by industry sub-group, namely: (a) Group I: 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  
2013 - 2018**

	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Overall Business Outlook on the Macroeconomy</b>																						
<b>Confidence Index: All Sectors</b>																						
<b>Current Quarter</b>	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	39.8	39.4	43.0	37.9	43.3	39.5	39.3
NCR	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	38.0	40.8	43.8	37.0	44.2	41.1	37.3
AONCR	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	42.9	36.9	41.7	39.7	41.8	36.7	43.0
<b>Next Quarter</b>	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	34.5	47.2	42.7	51.3	39.7	47.8	40.4
NCR	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	33.0	47.8	42.6	52.2	40.1	47.9	39.5
AONCR	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	37.2	46.3	42.9	49.7	39.2	47.7	41.9
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>																						
<b>Industry Sector</b>	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	34.2	41.9	38.8	40.3	33.2	39.0	41.1
<b>Construction Sector</b>	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	26.2	35.7	41.2	32.8	22.3	29.8	42.0
<b>Wholesale and Retail Trade</b>	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	42.8	36.6	42.6	32.9	50.1	31.0	34.1
<b>Services Sector</b>	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	44.9	40.6	47.8	42.0	50.6	50.6	42.4
of which:																						
Financial Intermediation	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	44.0	43.6	58.0	50.1	57.0	67.9	41.8
Hotels and Restaurants	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	46.0	33.2	44.0	13.0	73.0	41.2	19.4
Business Activities	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	42.1	38.5	49.0	42.1	43.7	48.2	37.0
Real Estate	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	46.0	38.1	41.3	46.7	57.1	44.8	44.0
Community and Social Services	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	43.6	41.3	18.3	29.5	38.4	52.0	50.9
Transportation	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	50.3	47.0	56.9	49.2	43.1	43.1	59.9
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>																						
<b>Industry Sector</b>	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	35.9	47.8	39.6	42.4	31.2	47.1	43.2
<b>Construction Sector</b>	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	55.3	39.2	37.5	46.1	59.7	49.1	37.7
<b>Wholesale and Retail Trade</b>	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	29.7	45.3	41.5	52.7	41.0	45.3	33.9
<b>Services Sector</b>	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	33.6	50.4	48.0	59.5	42.3	50.8	44.8
of which:																						
Financial Intermediation	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	36.0	56.4	54.8	56.7	58.5	69.8	56.2
Hotels and Restaurants	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	40.3	47.3	18.7	79.4	48.6	46.8	-6.0
Business Activities	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	34.7	46.5	50.2	56.3	43.2	42.5	53.1
Real Estate	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	30.2	46.6	51.2	61.3	43.7	42.4	44.6
Community and Social Services	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	21.3	31.5	42.8	51.4	9.8	51.8	52.9
Transportation	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	34.8	65.7	51.1	60.7	32.4	52.0	38.1
<b>4. Business Outlook Index on Own Operations: Current Quarter</b>																						
<b>Volume of Business Activity Index</b>	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	34.9	26.1	37.0	35.8	41.6	30.0	39.0
<b>Industry Sector</b>	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	26.6	26.5	37.9	33.5	30.4	32.3	44.3
<b>Construction Sector</b>	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	11.7	34.2	32.8	33.6	20.1	35.1	25.9
<b>Wholesale and Retail Trade</b>	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	42.6	20.0	35.0	30.0	53.3	15.5	36.3
<b>Services Sector</b>	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	40.0	30.1	39.1	44.4	44.8	41.4	39.4
Financial Intermediation	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	53.4	38.7	61.6	52.9	65.9	63.4	49.1
Hotels and Restaurants	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	31.4	11.7	24.3	19.6	67.7	11.5	4.4
Business Activities	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	38.7	25.9	35.2	46.8	39.4	41.0	40.2
Real Estate	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	34.8	40.3	37.3	36.2	50.1	42.6	34.3
Community and Social Services	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	22.3	24.8	14.7	45.5	7.0	30.0	30.4
Transportation	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	44.9	29.9	40.8	49.7	30.7	34.8	54.3
<b>Volume of Total Order Book Index</b>	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	31.6	22.0	34.4	32.9	37.4	25.3	36.0
<b>Credit Access Index</b>	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	13.2	12.8	13.6	12.7	12.1	10.3	9.7
<b>Financial Condition</b>	-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	0.1	-1.2	-2.0	-1.0	-0.9	-4.6	-4.8
<b>Average Capacity Utilization in the Industry and Construction Sectors</b>	73.0	74.0	74.9	75.2	75.2	76.6	76.5	76.9	76.8	77.2	76.2	77.0	74.8	74.0	74.9	74.9	75.0	75.8	76.7	76.0	74.3	74.8
<b>5. Business Outlook Index on Own Operations: Next Quarter</b>																						
<b>Volume of Business Activity Index</b>	51.1	45.2	55.7	36.8	51.1	46.2	52.7	38.7	54.2	49.3	51.7	37.0	50.7	44.8	49.1	30.1	46.7	44.7	49.6	35.9	48.9	43.2
<b>Employment Outlook Index</b>	23.0	24.1	31.7	23.6	23.3	25.4	27.4	24.1	25.6	20.7	22.3	19.5	27.2	23.8	23.6	19.0	27.4	24.7	27.3	24.7	29.9	24.9



**BUSINESS EXPECTATIONS SURVEY  
2013 - 2018**

	2011				2012				2013				2014				2015				2016				2017				2018	
	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
<b>6. Companies with Expansion Plans (in percent of total respondents): Next Quarter</b>																														
<b>All Industry Sector</b>	<b>33.9</b>	<b>24.7</b>	<b>26.6</b>	<b>27.0</b>	<b>28.8</b>	<b>29.1</b>	<b>27.8</b>	<b>28.9</b>	<b>29.6</b>	<b>28.7</b>	<b>32.1</b>	<b>30.5</b>	<b>32.9</b>	<b>30.0</b>	<b>34.2</b>	<b>32.0</b>	<b>32.5</b>	<b>29.1</b>	<b>32.9</b>	<b>31.9</b>	<b>31.3</b>	<b>30.3</b>	<b>28.1</b>	<b>31.7</b>	<b>34.9</b>	<b>34.6</b>	<b>32.8</b>	<b>31.1</b>	<b>35.1</b>	<b>34.2</b>
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	13.7	21.6	24.2	33.8	25.5	19.9	23.5
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	31.5	35.5	34.7	31.8	31.0	35.2	34.4
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	40.1	30.9	34.4	33.4	33.3	36.8	29.2
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	37.1	38.0	40.7	49.9	33.1	41.4	44.5
<b>7. Business Constraints (in percent to total respondents): Current Quarter</b>																														
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	7.1	8.0	7.7	7.0	7.3	10.0	12.1
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	15.8	14.2	14.3	13.2	13.9	13.5	13.9
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	6.5	5.2	5.8	5.3	5.7	6.1	5.6
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	24.8	24.0	25.0	24.5	24.2	24.3	25.2
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	4.7	4.4	3.9	3.9	4.1	4.9	5.0
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	8.3	7.4	8.5	8.5	7.7	8.0	7.9
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	52.6	53.0	56.4	53.1	55.9	52.7	55.2
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	12.4	13.2	13.5	12.7	13.2	12.9	14.4
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	8.0	8.1	6.6	7.7	7.4	6.8	7.6
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	24.4	23.7	23.1	24.8	23.6	24.6	26.5
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	9.8	10.5	10.2	10.1	10.2	11.1	9.8
<b>8. Business Expectations Index on Selected Economic Indicators: Current Quarter</b>																														
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	-25.7	-22.2	-4.1	-28.7	-18.2	-11.7	-22.7
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	49.4	51.0	49.4	35.9	50.1	61.3	63.5
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	8.4	12.1	17.4	8.3	14.9	19.6	21.7
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	2.0	2.3	2.9	3.1	3.1	3.4	3.8
Exchange Rate Expectations (Php : \$1.00)																			44.9	45.4	47.1	46.8	46.8	48.0	49.5	49.9	50.3	50.9	50.8	51.8
<b>9. Business Expectations Index on Selected Economic Indicators: Next Quarter</b>																														
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	-12.6	-14.2	-9.5	-9.5	-13.0	-6.0	-16.6
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	35.5	38.6	41.1	42.3	31.9	49.2	47.1
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	14.3	19.6	19.1	18.2	17.6	23.2	20.6
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	2.1	2.4	3.0	3.2	3.2	3.5	3.8
Exchange Rate Expectations (Php : \$1.00)																			44.9	45.7	47.3	46.8	46.8	48.2	49.7	50.0	50.4	51.1	50.9	52.0
<b>10. Percentage Distribution of Respondent Firms by Employment Size</b>																														
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	31.0	32.0	32.4	30.9	30.4	31.3	31.0
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	37.6	38.2	38.3	38.4	37.9	39.6	39.7
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	20.7	20.1	21.0	21.9	21.0	22.3	22.2
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	10.7	9.7	8.3	8.8	10.7	6.8	7.1
<b>11. Distribution of Respondent Firms by Sector</b>																														
<b>All Sectors</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>	<b>1288</b>	<b>1267</b>	<b>1283</b>	<b>1288</b>	<b>1272</b>	<b>1285</b>	<b>1282</b>	<b>1242</b>	<b>1266</b>	<b>1271</b>	<b>1229</b>	<b>1235</b>	<b>1186</b>	<b>1239</b>	<b>1239</b>	<b>1238</b>	<b>1237</b>	<b>1209</b>	<b>1224</b>
<b>Industry</b>	<b>376</b>	<b>378</b>	<b>366</b>	<b>359</b>	<b>384</b>	<b>375</b>	<b>338</b>	<b>353</b>	<b>380</b>	<b>400</b>	<b>401</b>	<b>386</b>	<b>377</b>	<b>381</b>	<b>387</b>	<b>378</b>	<b>393</b>	<b>392</b>	<b>371</b>	<b>387</b>	<b>388</b>	<b>380</b>	<b>381</b>	<b>366</b>	<b>368</b>	<b>376</b>	<b>374</b>	<b>373</b>	<b>365</b>	<b>370</b>
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	29	37	36	36	32	33	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	228	224	229	228	230	222	225
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	53	48	50	49	51	51	54
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	56	59	61	61	60	59	58
<b>Construction</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>87</b>	<b>93</b>	<b>91</b>	<b>86</b>	<b>87</b>	<b>80</b>	<b>90</b>	<b>85</b>	<b>82</b>	<b>95</b>	<b>95</b>	<b>103</b>	<b>89</b>	<b>94</b>	<b>88</b>	<b>85</b>	<b>85</b>	<b>84</b>	
<b>Wholesale and Retail Trade</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>423</b>	<b>413</b>	<b>422</b>	<b>417</b>	<b>417</b>	<b>415</b>	<b>394</b>	<b>395</b>	<b>397</b>	<b>370</b>	<b>333</b>	<b>337</b>	<b>318</b>	<b>338</b>	<b>335</b>	<b>329</b>	<b>322</b>	<b>322</b>	<b>330</b>
<b>Services</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>	<b>392</b>	<b>384</b>	<b>389</b>	<b>398</b>	<b>390</b>	<b>397</b>	<b>406</b>	<b>391</b>	<b>400</b>	<b>418</b>	<b>421</b>	<b>414</b>	<b>413</b>	<b>439</b>	<b>440</b>	<b>450</b>	<b>457</b>	<b>437</b>	<b>440</b>
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	82	83	89	85	87	84	83
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	51	56	55	57	60	52	54
Business Activities	69	75	69	68	75	78	70	67	71	73	73	70	60	60	63</															

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**12. Business Outlook Index on the Macroeconomy**  
**by Type of Business**  
**Current Quarter**

	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Importer	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	40.1	43.9	46.5	39.2	43.8	38.2	45.6
Exporter	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	29.5	33.3	46.9	50.0	50.0	43.0	49.3
Both (Importer and Exporter)	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	27.0	36.4	42.9	39.3	33.0	37.9	39.7
Domestic-Oriented	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	48.8	42.3	47.2	38.4	49.6	38.6	42.5

**13. Number of Respondents**  
**by Type of Business**

	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Importer	189	192	195	312	218	227	233	232	173	167	161	152	155	153	140	147	155	144	148	146	157	147
Exporter	93	91	84	92	83	77	76	107	80	87	81	81	82	87	83	78	81	81	88	80	86	75
Both (Importer and Exporter)	215	227	232	233	242	250	265	234	260	255	233	252	201	199	196	200	214	217	219	218	195	209
Domestic-Oriented	650	570	671	537	546	616	601	570	603	612	612	623	704	672	641	664	685	702	675	694	676	713
Not Specified	100	210	112	114	178	113	113	129	169	161	155	158	129	118	175	97	104	95	108	99	95	80
<b>Total</b>	<b>1247</b>	<b>1290</b>	<b>1294</b>	<b>1288</b>	<b>1267</b>	<b>1283</b>	<b>1288</b>	<b>1272</b>	<b>1285</b>	<b>1282</b>	<b>1242</b>	<b>1266</b>	<b>1271</b>	<b>1229</b>	<b>1235</b>	<b>1186</b>	<b>1239</b>	<b>1239</b>	<b>1238</b>	<b>1237</b>	<b>1209</b>	<b>1224</b>

**14. Business Outlook Index on the Macroeconomy**  
**by Size of Employment**  
**Current Quarter**

	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Small (<100)	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	44.6	39.0	43.8	34.7	37.5	36.0	41.4
Medium (100-<500)	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	38.3	40.0	40.1	39.2	48.6	39.2	40.5
Large (500 & up)	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	40.8	41.0	56.5	45.0	49.6	48.1	47.4

**15. Number of Respondents**  
**by Size of Employment**

	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Small (<100)	453	475	445	438	427	428	425	408	403	403	383	394	398	392	389	368	397	402	383	376	378	379
Medium (100-<500)	444	467	498	462	452	465	463	457	468	472	456	467	495	476	425	446	473	474	475	469	479	486
Large (500 & up)	210	224	218	241	226	250	249	245	249	263	256	272	240	231	232	245	249	260	271	260	270	272
Not Specified	140	124	133	147	162	140	151	162	165	144	147	133	138	130	189	127	120	103	109	132	82	87
<b>Total</b>	<b>1247</b>	<b>1290</b>	<b>1294</b>	<b>1288</b>	<b>1267</b>	<b>1283</b>	<b>1288</b>	<b>1272</b>	<b>1285</b>	<b>1282</b>	<b>1242</b>	<b>1266</b>	<b>1271</b>	<b>1229</b>	<b>1235</b>	<b>1186</b>	<b>1239</b>	<b>1239</b>	<b>1238</b>	<b>1237</b>	<b>1209</b>	<b>1224</b>

**Business Expectations Survey**  
2013 - 2018

<b>16. Business Outlook Index on the Macroeconomy</b>																						
<b>by Type of Business</b>																						
<b>Next Quarter</b>																						
	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Importer	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	40.8	48.4	46.5	53.4	38.4	49.7	47.6
Exporter	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	30.8	53.1	51.9	51.1	41.3	50.0	50.7
Both (Importer and Exporter)	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	31.5	39.7	41.9	35.2	34.4	43.1	44.0
Domestic-Oriented	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	36.7	52.6	42.9	57.3	44.5	50.6	38.4

<b>17. Number of Respondents</b>																						
<b>by Type of Business</b>																						
<b>Percent to Total</b>																						
	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Importer	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	12.4	12.5	11.6	12.0	11.8	13.0	12.0
Exporter	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	6.6	6.5	6.5	7.1	6.5	7.1	6.1
Both (Importer and Exporter)	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	16.9	17.3	17.5	17.7	17.6	16.1	17.1
Domestic-Oriented	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	56.0	55.3	56.7	54.5	56.1	55.9	58.3
Not Specified	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	8.1	8.4	7.7	8.7	8.0	7.9	6.5
<b>Total</b>	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

<b>18. Business Outlook Index on the Macroeconomy</b>																						
<b>by Size of Employment</b>																						
<b>Next Quarter</b>																						
	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Small (<100)	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	39.7	46.1	41.3	51.2	42.0	48.9	41.2
Medium (100-<500)	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	33.9	49.3	42.0	50.9	39.0	45.9	39.3
Large (500 & up)	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	33.1	54.2	50.0	55.7	46.9	55.6	45.2

<b>19. Number of Respondents</b>																						
<b>by Size of Employment</b>																						
<b>Percent to Total</b>																						
	2013				2014				2015				2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Small (<100)	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	31.0	32.0	32.4	30.9	30.4	31.3	31.0
Medium (100-<500)	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	37.6	38.2	38.3	38.4	37.9	39.6	39.7
Large (500 & up)	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	20.7	20.1	21.0	21.9	21.0	22.3	22.2
Not Specified	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	10.7	9.7	8.3	8.8	10.7	6.8	7.1
<b>Total</b>	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 Q2 2018

Annex A. Distribution of Combined List of 2010 SEC's Top 7000 Corporations and 2015 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	NCR	Philippines
Agriculture			4	8	1	5	4		5	4	33	9				22	95
Business	1		15	38	1	1	18		2		7	2				568	653
Community	6		14	28		8	8		1	2	4	2				111	184
Construction		1	24	46	8	4	33	3	1		12	1	1			325	459
EGW	4		18	8	1	3	15				3					69	121
Finance		3	8	11	1	4	15		1	1	16	2	2			380	444
Hotels and Restaurants	5		10	7	3	6	13	1			8					135	188
Manufacturing	4	3	164	582	7	8	105	9	3	4	37	7		2	3	836	1774
Mining				4			5				2		1			54	66
Real Estate			9	36	1	4	15				7	2				268	342
Trade	19	11	203	239	36	48	125	11	21	12	89	20		1		1368	2203
Transportation	1		22	28	1	2	14		3		15	3				258	347
Services Sector	13	3	78	148	7	25	83	1	7	3	57	11	2			1720	2158
Industry Sector	8	3	186	602	9	16	129	9	8	8	75	16	1	2	3	981	2056
Grand Total	40	18	491	1035	60	93	370	24	37	23	233	48	4	3	3	4394	6876

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	Philippines
Agriculture			3	6	1	3	3		5	4	19	9				22	75
Business	1		9	23	1	1	14		2		5	2				69	127
Community	3		10	19		6	8		1	2	4	1				15	69
Construction			11	23	6	2	14	3	1		9	1				42	112
EGW	3		12	6		2	8				2				1	22	56
Finance		3	6	9	1	3	10		1	1	3	2	2			42	83
Hotels and Restaurants	5		8	6	2	6	9	1			7					18	62
Manufacturing	2	2	21	68	5	6	15	8	1	2	20	7		2	3	97	259
Mining				3			5				2		1			28	39
Real Estate			6	22	1	3	14				4	2				35	87
Trade	17	9	21	32	30	40	22	8	18	9	18	18		1		162	405
Transportation			16	18		2	11		1		11	2				31	92
Services Sector	9	3	55	97	5	21	66	1	5	3	34	9	2			210	520
Industry Sector	5	2	36	83	6	11	31	8	6	6	43	16	1	2	4	169	429
GRAND TOTAL	31	14	123	235	47	74	133	20	30	18	104	44	3	3	4	583	1466

**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 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, Negros Occidental and Iloilo
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 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
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
National Capital Region (NCR) <sup>1</sup>	Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Pateros, Quezon City, San Juan, Taguig and Valenzuela

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