

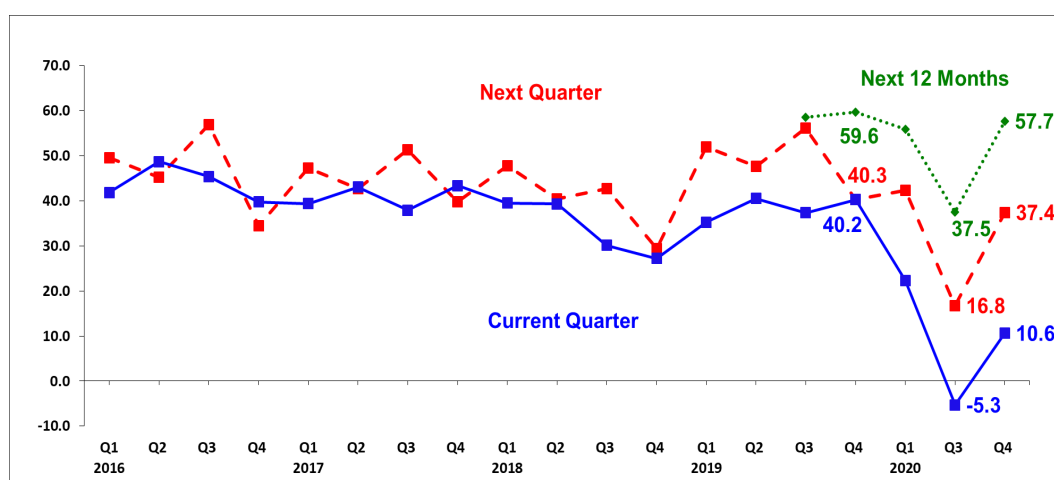
Business Expectations Survey ¹

Fourth Quarter 2020

Business Confidence Turns Optimistic for Q4 2020; More Upbeat for Q1 2021 and the Next 12 Months

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index Q1 2016 – Q4 2020



Business confidence turns optimistic for Q4 2020...

Business confidence on the economy improved for Q4 2020 as the overall confidence index (CI) reverted to the positive territory at 10.6 percent from -5.3 percent in Q3 2020.² The positive reading indicates that respondents with optimistic views increased and outnumbered those with pessimistic views.

The respondents' optimism for Q4 2020 was attributed to the following: (a) reopening of businesses and adapting to the "new normal," (b) easing of community quarantines nationwide, (c) seasonal factors such as uptick in demand during the holiday season and start of milling season, and (d) increase in volume of sales and orders.

The sentiment of businesses in the Philippines mirrored the business outlook in Australia, and Chile, which turned optimistic. Further, business confidence in Brazil, Canada, and United States of America was more buoyant, while that of Bulgaria and Germany was less favorable. However, the sentiment of businesses in Croatia, Denmark, euro area, France, Greece, Hong Kong, Hungary, Israel, Mexico, Netherlands, New Zealand, South Korea, and Thailand was pessimistic, while that of the United Kingdom was neutral.³

¹ The Business Expectations Survey (BES) is a quarterly survey of firms drawn at random from the list of Top 7,000 Corporations ranked based on total assets in 2016 from the Bureau van Dijk database. 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 Hong Kong and the United Kingdom have quarterly business confidence index. Meanwhile, Australia, Bulgaria, Brazil, Canada, Chile, Croatia, Denmark, euro area, France, Germany, Greece, Hungary, Israel, Mexico, Netherlands, New Zealand, South Korea, and Thailand record their business confidence index on a monthly basis. For cross-country assessment of the business sentiment, the latest CI level is compared with the CI level of the previous reference period.

..., and more upbeat for Q1 2021... **Improved business sentiment persisted for Q1 2021**, with the next quarter CI rising to 37.4 percent from the previous quarter's survey result of 16.8 percent. Respondents' more buoyant outlook for Q1 2021 was associated mainly with expectations of: (a) reopening of firms and adapting to the "new normal", (b) gradual recovery from the coronavirus disease (COVID-19) pandemic, particularly with the anticipated availability of the vaccine, (c) relaxing the quarantine restrictions, and (d) rise in sales and orders.

...and the next 12 months. Similarly, **the business outlook on the country's economy was more optimistic for the next 12 months** as the CI rose to 57.7 percent from the Q3 2020 survey result of 37.5 percent due to the aforementioned reasons.⁴

Business outlook improves in the NCR and AONCR for Q4 2020... Consistent with the overall business sentiment, the outlook of respondents in the National Capital Region (NCR) and Areas Outside NCR (AONCR) turned upbeat as the CI returned to positive territory for the current quarter. For the next quarter and the next 12 months, the outlook was more optimistic for respondent firms in both NCR and AONCR.⁵

The business outlook across regions was mixed for the current and next quarters and the next 12 months. For Q4 2020, the outlook of respondent firms in Regions I, II, IV, VII, VIII, IX, and X improved and posted positive CIs, while those in Regions III, V, and VI continued to be pessimistic but at a lesser degree. Respondents attributed the better prospects in said regions to the following: (a) gradual recovery of businesses and adapting to the "new normal" as the quarantine restrictions ease, (b) uptick in consumer demand during the Christmas season, (c) strong peso which lowers the cost of imported materials, (d) increased/new clients and projects/business lines, (e) start of milling season, and (f) implementation of programs to help expand client base. Meanwhile, respondents' business outlook was less upbeat in Region XII as they cited (a) low fish supply amid high fishing operation cost and unavailability of fishing boats, and (b) increase in unemployment rate while establishments close due to the pandemic. On another note, the outlook of respondent firms in Region XI was steady.

... and more buoyant for the next quarter... For the quarter ahead (Q1 2021), business sentiment of respondents was more optimistic in Regions I, II, IV, V, VI, VII, and IX, while that of Region X was less pessimistic. The improved outlook of said regions was mainly due to expectations of the following: (a) availability of COVID-19 vaccine, (b) market adjustments to new normal conditions, (c) total lifting of quarantine restrictions, (d) brisker demand as consumers slowly recover, and (e) new business opportunities with the establishment of health protocols. Meanwhile, respondent firms in Regions III, VIII, and XII were less upbeat as they anticipated the: (a) continued adverse effects of the COVID-19 pandemic, (b) seasonal slack in demand after the holiday season, (c) lower production of agricultural products, and (d) sustained high fishing operation cost despite unpredictable volume of catch. The outlook for the next quarter of respondent firms in Region XI was broadly steady.

...and the next 12 months. For the next 12 months, the outlook of respondent firms was more favorable in Regions I, II, III, IV, V, VI, VII, VIII, IX, and XI, while that of Region X was less pessimistic. Respondents owed their outlook to the abovementioned positive reasons. Meanwhile, sentiment of respondents in Regions XII for the next 12 months was broadly steady.

⁴ Beginning with the Q3 2019 BES, the questionnaire was enhanced to include questions on the 12-month outlook of businesses on the macroeconomy, business activity, employment, and expectations on selected economic indicators.

⁵ The survey covered all 16 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).

Outlook across different types of businesses is buoyant for Q4 2020.

Favorable sentiment prevailed across the different types of trading firms (i.e., exporter, importer, dual-activity and domestic-oriented), but at varying degrees. Importers and domestic-oriented firms turned optimistic on the business environment for Q4 2020, while exporters became more optimistic and dual-activity respondent firms were less upbeat.

Importer, domestic-oriented, and exporter respondent firms' improved sentiment was attributed to the: (a) reopening of businesses while adapting to the "new normal" setup, (b) increased consumer demand due to the upcoming holiday season, and (c) favorable effects of easing of community quarantines. Meanwhile, dual-activity respondent firms were less optimistic for Q4 2020 as they anticipated the continued adverse effects of the ongoing pandemic.

For Q1 2021 and the next 12 months, the different types of respondent trading firms indicated stronger optimism as the CIs for the said periods registered higher levels than the Q3 2020 survey. For Q1 2021, respondents from different types of trading firms expressed a favorable outlook due to their expectation that people may have adjusted to the "new normal" after gradually easing the lockdowns and reopening of businesses. The said reopening of businesses is anticipated to result to increase in sales, new projects, and income. For the next 12 months, respondents across different types of trading firms were hopeful that the government will have a solution to stabilize businesses and anticipate economic recovery. Further, most firms have cited that they are anticipating the availability of vaccine against COVID-19 for the next 12 months.

Outlook across employment size improves for Q4 2020.

Sentiment for Q4 2020 of small- and medium-sized respondent firms turned upbeat, while sentiment of large-sized respondent firms was more buoyant. For Q1 2021 and the next 12 months, business outlook of firms across all employment size was more favorable.⁶

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

Sectoral Outlook

Current Quarter Business Outlook Index by Sector
Q1 2016 – Q4 2020



Business sentiment improves across sectors for Q4 2020...

For Q4 2020, the business sentiment of the industry and construction sectors was more upbeat, while the sentiment of the services and wholesale and retail trade sectors turned optimistic.

Industry firms' confidence for the current quarter increased as respondents cited expectations of higher demand due to the reopening of businesses and the Christmas season.

The outlook of the construction sector was more buoyant for Q4 2020 as firms looked forward to new projects amid easing of community quarantine and expected inflow of OFW remittances in time for the holiday season.

Meanwhile, the wholesale and retail trade firms turned optimistic for the current quarter as businesses anticipated the Christmas season to boost their sales.

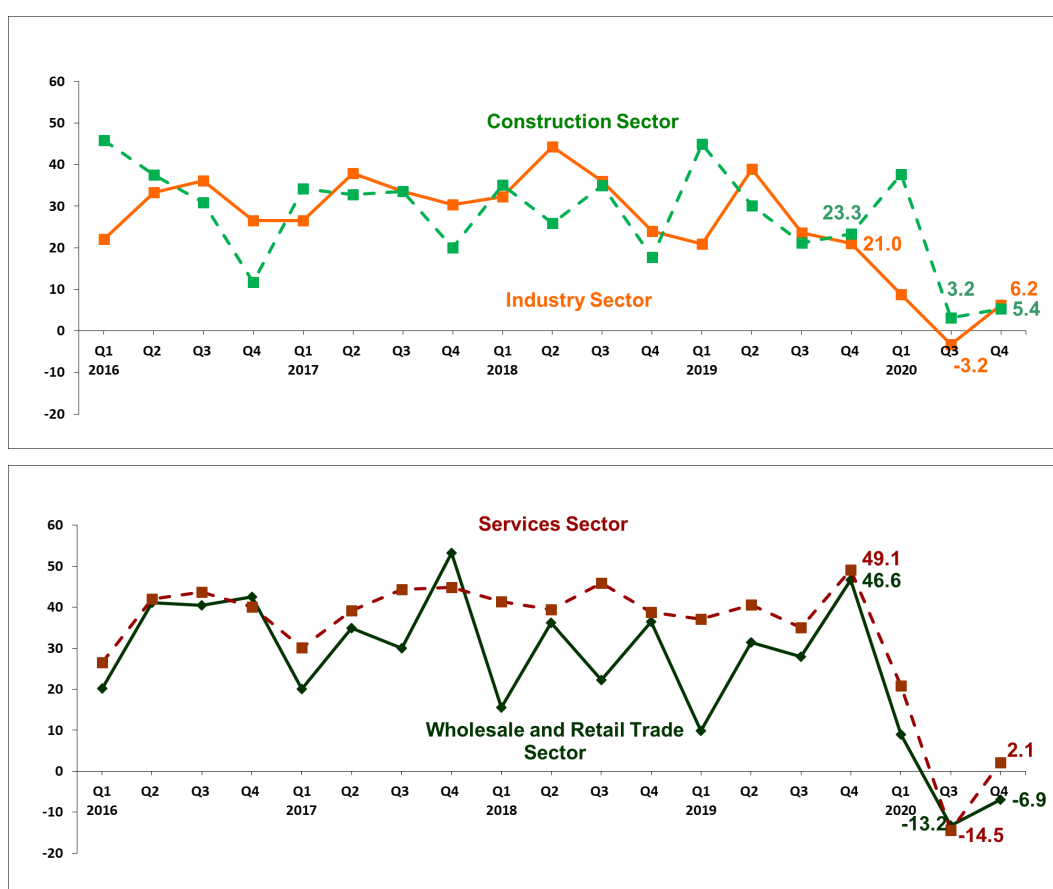
Similarly, the sentiment of the services sector for Q4 2020 became favorable due to the anticipated increase in sales/demand with relaxed community quarantine and opening of establishments.

...for the next quarter... For Q1 2021, the business confidence surged across sectors as they expected people to adjust to the “new normal” and for the economy to recover from the pandemic. Further, increase in sales/demand, new projects, and new product lines were also cited as reasons for the more upbeat sentiment across sectors.

...as well as for the next 12 months. For the next 12 months, the business confidence across sectors was more favorable due to their expectation of the availability of the vaccine against COVID-19, which they perceived can help improve the current economic situation of the country, among the other aforementioned reasons.

Business Outlook on Own Operations

Current Quarter Business Activity Index by Sector
Q1 2016 – Q4 2020



Firms' outlook about their business operations turns optimistic for Q4 2020. Consistent with the national trend, the outlook of firms on their own business operations turned optimistic for Q4 2020 from a pessimistic sentiment in Q3 2020. Moreover, the sentiment of firms on the volume of business activity and total orders booked improved across sectors.

For Q1 2021 and the next 12 months, the outlook on the volume of business activity was more upbeat across sectors.

Average Capacity Utilization

Capacity utilization rises for Q4 2020. The average capacity utilization in the industry and construction sectors for Q4 2020 was higher at 67.9 percent (from 66.2 percent in Q3 2020).⁷

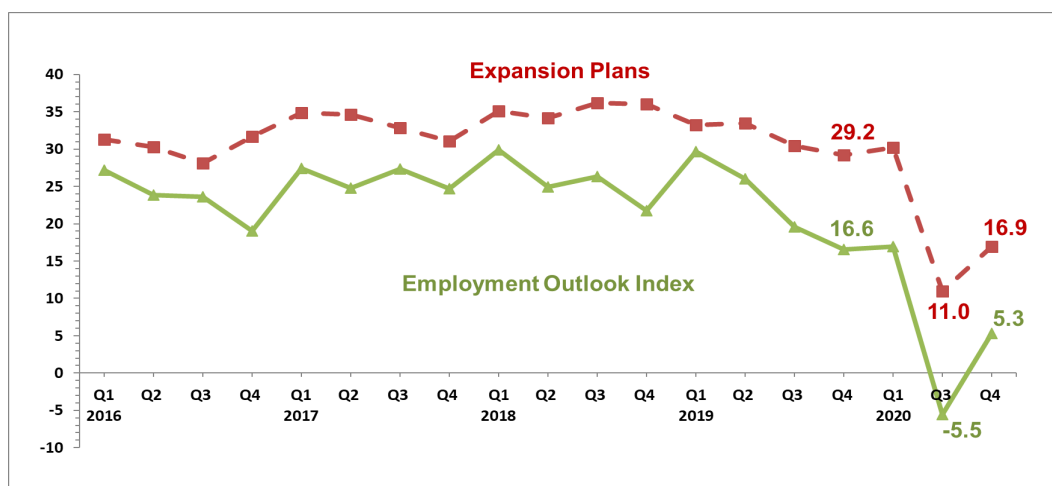
Financial Conditions and Access to Credit⁸

Firms expect financial conditions and access to credit to remain tight. The financial conditions index improved slightly albeit remaining in the negative territory at -43.4 percent for Q4 2020 from -47 percent in the previous quarter. This means that firms continued to be pessimistic regarding their financial conditions for the current quarter, although the number of pessimists declined.

Further, firms indicated that their access to credit in Q4 2020 was constrained as the credit access index remained negative from -15.5 percent in Q3 2020 to -12.2 percent for Q4 2020. The negative index means that respondents who reported difficulties in accessing credit outnumbered those that said otherwise, although the number of pessimists declined. This outcome coincides with the results of the Q3 2020 Senior Bank Loan Officers' Survey (SLOS), which indicated that fewer banks reported tighter credit standards compared to the previous quarter's survey results.

Employment and Expansion Plans

Next Quarter Employment Outlook and Expansion Plans
Q1 2016 – Q4 2020



Employment outlook and expansion plans improve for Q1 2021. The employment outlook index returned to the positive territory for Q1 2021 and the next 12 months at 5.3 percent (from -5.5 percent in the Q3 2020 survey results) and at 7.8 percent (from -2.1 percent), respectively, suggesting that firms are looking forward to hiring people in Q1 2021 and the next 12 months.

⁷ For the BES average capacity utilization, firms from the industry and construction sectors were sampled. This differs from the sampling methodology of the Monthly Integrated Survey of Selected Industries (MISSI), where a sample of large manufacturing firms was used. The average capacity utilization of the MISSI was lower at 67.3 percent in Q3 2020 (from 74.3 percent in Q2 2020).

⁸ Financial conditions refer to the firm's general cash position, taking into account the level of cash and other cash items and repayment 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.

Relative to the Q3 2020 survey results, the percentage of businesses with expansion plans in the industry sector rose to 16.9 percent for Q1 2021 (from 11 percent in the Q3 2020 survey results) and for the next 12 months at 28 percent (from 20.4 percent). The percentage of firms that expressed expansion plans for the next quarter and the next 12 months increased across all industry sub-sectors, except for the agriculture, fishery, and forestry sub-sector, which declined.

Business Constraints

Insufficient demand and domestic competition continue to be the major risks to businesses. The major risks to businesses identified by respondents for Q4 2020 remained to be insufficient demand (resulting in low sales volume) and stiff competition as indicated by 45.6 percent and 36.7 percent of the total number of respondents, respectively. Further, majority of the respondents that specified other factors indicated the continued adverse effects of the COVID-19 pandemic as their additional business constraint.

Expectations on Key Economic Indicators⁹

Firms expect a stronger peso and lower interest rate, but higher inflation for Q4 2020. The survey results showed that businesses expect the peso to appreciate, interest rates to decline, but inflation to increase for Q4 2020. Firms anticipated the peso to appreciate for the next quarter but depreciate for the next 12 months. Moreover, respondents indicated that inflation and interest rates were likely to rise for the next quarter and the next 12 months. However, inflationary pressures may ease in Q1 2021 and the next 12 months as the number of respondents that expected higher inflation declined vis-à-vis the Q3 2020 survey results.

Further, businesses expected that inflation rate will generally remain within the government's 2–4 percent inflation target range for 2020 and 2021. In particular, respondents estimated inflation to be at 2.5 percent for Q4 2020 and 2.6 percent for both Q1 2021 and the next 12 months (from 2.3 percent, 2.4 percent, and 2.5 percent, respectively in the Q3 2020 survey results). Moreover, businesses anticipated that the peso-dollar rate will average at Php 48.7/US\$1 (from Php 49.8/US\$1) for Q4 2020 and Php 48.9/US\$1 (from Php 49.8/US\$1) for Q1 2021 and Php 49.2/US\$1 (from Php 50.1/US\$1) for the next 12 months.

About the Survey

Survey response rate is 64.8 percent. The Q4 2020 BES was conducted during the period 6 October–24 November 2020. There were 1,513 firms surveyed nationwide. Samples were drawn from the Top 7,000 Corporations ranked based on total assets in 2016 from the Bureau van Dijk (BvD) database, consisting of 585 companies in NCR and 928 firms in AONCR, covering all 16 regions nationwide.

The nationwide survey response rate for this quarter was slightly higher at 64.8 percent (from 64.7 percent in the Q3 2020). The response rate was marginally lower for NCR at

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.

65.3 percent (from 65.5 percent in Q3 2020) but a little higher for AONCR at 64.5 percent (from 64.2 percent in Q3 2020).

A breakdown of responses by type of business showed that 70 percent were domestic-oriented firms, 11.2 percent were both importers and exporters, 8.7 percent were importers, and 5.4 percent were exporters. The remaining 4.7 percent of the respondents did not specify their firm type.

By size of employment, the survey showed that 40.9 percent of respondents were small-sized firms, 35.1 percent were medium-sized, and 12.3 percent were large firms. About 11.7 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 AONCR (the other 15 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.

Annexes: Business Expectations Survey (BES) Report Q4 2020

Annex A. Distribution of Top 7000 Corporations Ranked According to their 2016 Total Assets from the Bureau van Dijk Database of 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	14		2	1		1	4	26	6	1	0		18	77
Business	3	2	27	40	2	2	19	1		0	4	2			1	634	737
Community	5	2	26	52	2	2	5	1	3	2	2	2	1		1	123	229
Construction	2		43	75	7	2	8	2	4		13	3	1			361	521
EGW	4		10	11	1	1	6				1				1	42	77
Finance	3	9	24	58	8	8	28	3	1	5	7	5	1		1	495	656
Hotels and Restaurants	3	1	13	11	2	3	12		1	1	5	1			3	116	172
Manufacturing	3	1	132	405	8	6	61	7	1	6	24	10		2		733	1399
Mining			3	8			4						4			66	85
Real Estate	1	3	28	85	6	4	27	2	2	2	14	4			1	613	792
Trade	10	6	129	146	15	13	61	4	15	6	60	14	1	1		1176	1657
Transportation			26	38	7	1	11		1	1	9	2				294	390
Services Sector	15	17	144	284	27	20	102	7	8	11	41	16	2		7	2275	2976
Industry Sector	7	1	149	438	9	9	72	7	2	10	51	16	5	2	1	859	1638
Grand Total	34	24	465	943	58	44	243	20	29	27	165	49	9	3	8	4671	6792

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			4	11		2	1		1	4	17	6	1			16	63
Business	3	2	16	17	2	2	13	1			4	2			1	70	133
Community	5	2	18	24	2	2	5	1	3	2	2	2	1		1	16	86
Construction	2		21	22	7	2	8	2	4		9	3	1			43	124
EGW	4		8	8	1	1	6				1				1	23	53
Finance	3	9	18	23	8	8	20	3	1	5	7	5	1		1	59	171
Hotels and Restaurants	3	1	9	8	2	3	9		1	1	5	1			3	15	61
Manufacturing	3	1	17	48	8	6	20	7	1	6	16	10		2		82	227
Mining			3	6			4						4			25	42
Real Estate	1	3	19	17	6	4	16	2	2	2	10	4			1	70	157
Trade	10	6	13	17	15	14	21	4	15	6	27	14	1	1		130	294
Transportation			17	21	7	1	8		1	1	8	2				36	102
Services Sector	15	17	97	110	27	20	71	7	8	11	36	16	2		7	266	710
Industry Sector	7	1	32	73	9	9	31	7	2	10	34	16	5	2	1	146	385
GRAND TOTAL	34	24	163	222	58	45	131	20	29	27	106	49	9	3	8	585	1513

Annexes: Business Expectations Survey (BES) Report Q4 2020

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, 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) 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).

**BUSINESS EXPECTATIONS SURVEY
2016 - 2020**

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																			
Confidence Index: All Sectors																			
Current Quarter	41.9	48.7	45.4	39.8	39.4	43.0	37.9	43.3	39.5	39.3	30.1	27.2	35.2	40.5	37.3	40.2	22.3	-5.3	10.6
NCR	44.3	53.2	48.1	38.0	40.8	43.8	37.0	44.2	41.1	37.3	29.7	27.4	37.1	40.6	40.4	42.2	23.2	-6.9	13.2
AONCR	37.5	40.8	40.5	42.9	36.9	41.7	39.7	41.8	36.7	43.0	30.9	26.8	32.0	40.3	31.9	36.8	20.4	-1.6	5.0
Next Quarter	49.6	45.3	56.8	34.5	47.2	42.7	51.3	39.7	47.8	40.4	42.6	29.4	52.0	47.6	56.1	40.3	42.3	16.8	37.4
NCR	48.5	48.8	58.4	33.0	47.8	42.6	52.2	40.1	47.9	39.5	43.4	29.5	52.2	49.9	58.7	41.2	43.9	15.5	39.7
AONCR	51.4	39.1	54.2	37.2	46.3	42.9	49.7	39.2	47.7	41.9	41.4	29.3	51.6	43.6	51.3	38.8	38.7	19.6	32.5
Next 12 Months¹															58.6	59.6	55.8	37.5	57.7
NCR															59.9	61.6	57.8	38.7	59.3
AONCR															56.2	56.2	51.5	34.9	54.3
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																			
Industry Sector	37.5	44.1	40.8	34.2	41.9	38.8	40.3	33.2	39.0	41.1	36.5	24.4	32.0	43.1	32.5	29.4	14.8	2.9	13.3
Mining and Quarrying	6.1	51.9	27.1	10.1	21.6	51.5	45.1	35.4	32.0	41.9	15.2	-12.6	30.7	38.9	26.9	14.1	6.1	15.6	-1.9
Manufacturing	39.5	45.1	42.2	33.9	42.6	37.5	41.2	32.0	40.4	42.1	37.3	25.1	33.0	45.1	32.0	29.8	16.1	2.7	14.7
Electricity, Gas and Water	38.3	36.1	21.7	35.5	40.9	33.7	22.0	32.2	28.8	26.9	33.5	28.8	32.1	37.8	34.2	36.1	28.0	3.5	24.3
Agriculture, Fishery and Forestry	18.6	27.3	48.5	55.1	45.7	61.4	43.1	54.6	31.3	42.0	40.1	31.0	14.7	16.2	43.0	24.4	-12.4	-7.2	-4.8
Construction Sector	49.3	37.5	41.9	26.2	35.7	41.2	32.8	22.3	29.8	42.0	32.8	27.2	47.2	34.3	30.6	28.7	33.8	4.5	19.7
Wholesale and Retail Trade	38.5	51.9	45.7	42.8	36.6	42.6	32.9	50.1	31.0	34.1	17.3	29.4	28.8	40.9	38.0	43.5	22.3	-8.7	5.2
Services Sector	48.0	52.3	50.0	44.9	40.6	47.8	42.0	50.6	50.6	42.4	36.6	27.5	42.5	38.9	42.7	49.8	24.5	-9.6	10.6
of which:																			
Financial Intermediation	45.9	64.4	62.0	44.0	43.6	58.0	50.1	57.0	67.9	41.8	39.0	29.9	56.6	56.1	62.6	59.6	33.2	-5.7	7.9
Hotels and Restaurants	57.3	59.3	27.6	46.0	33.2	44.0	13.0	73.0	41.2	19.4	20.5	60.4	21.9	39.8	9.7	85.2	21.0	-9.3	14.3
Business Activities	35.4	40.3	44.7	42.1	38.5	49.0	42.1	43.7	48.2	37.0	38.9	20.9	32.1	43.2	38.0	31.8	23.1	-4.7	15.7
Real Estate	56.5	57.6	60.2	46.0	38.1	41.3	46.7	57.1	44.8	44.0	33.7	5.4	36.6	22.0	39.8	47.6	28.0	-5.1	18.8
Community and Social Services	48.9	54.1	51.8	43.6	41.3	18.3	29.5	38.4	52.0	50.9	56.5	34.7	60.2	32.0	66.3	37.9	18.4	-19.9	-12.8
Transportation	60.2	49.5	46.1	50.3	47.0	56.9	49.2	43.1	43.1	59.9	30.4	37.0	52.4	29.0	35.5	60.2	10.7	-28.4	0.8
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																			
Industry Sector	48.7	43.5	48.6	35.9	47.8	39.6	42.4	31.2	47.1	43.2	36.5	25.9	50.2	45.0	46.9	36.5	35.6	13.5	30.8
Mining and Quarrying	35.4	34.9	30.2	6.6	53.0	37.3	19.8	31.4	53.9	38.7	37.9	12.2	52.3	37.5	8.5	31.7	12.2	14.3	31.5
Manufacturing	49.4	44.7	49.3	37.1	47.4	39.7	43.6	31.5	48.0	45.0	36.3	27.0	49.9	45.5	47.4	39.2	38.6	13.1	30.0
Electricity, Gas and Water	48.6	31.1	44.1	32.5	47.0	31.0	32.4	30.8	34.8	26.3	25.3	14.3	52.8	45.9	53.5	17.1	32.7	38.1	46.8
Agriculture, Fishery and Forestry	45.1	40.2	55.2	39.5	53.1	49.9	49.2	26.1	42.9	34.9	54.6	29.4	50.6	39.7	55.3	14.8	9.8	-5.1	27.4
Construction Sector	49.8	44.0	39.6	55.3	39.2	37.5	46.1	59.7	49.1	37.7	37.0	31.9	54.6	43.8	35.4	41.8	53.8	14.2	58.3
Wholesale and Retail Trade	48.3	43.5	62.8	29.7	45.3	41.5	52.7	41.0	45.3	33.9	43.4	31.9	52.6	47.5	65.5	35.7	40.9	19.3	30.3
Services Sector	51.6	49.2	62.2	33.6	50.4	48.0	59.5	42.3	50.8	44.8	48.9	29.7	52.5	51.0	59.6	48.4	44.7	17.6	41.4
of which:																			
Financial Intermediation	53.9	55.5	65.3	36.0	56.4	54.8	56.7	58.5	69.8	56.2	59.9	33.7	68.0	62.4	71.1	57.6	57.1	18.9	55.1
Hotels and Restaurants	48.8	38.9	91.6	40.3	47.3	18.7	79.4	48.6	46.8	-6.0	76.5	35.8	44.9	35.8	88.1	53.7	49.1	42.2	39.2
Business Activities	47.8	49.2	50.0	34.7	46.5	50.2	56.3	43.2	42.5	53.1	47.6	25.0	56.1	52.5	56.5	43.1	43.1	22.3	39.9
Real Estate	58.0	53.3	73.1	30.2	46.6	51.2	61.3	43.7	42.4	44.6	31.1	22.8	41.5	46.7	55.8	36.2	43.7	14.1	39.3
Community and Social Services	38.0	39.5	41.5	21.3	31.5	42.8	51.4	9.8	51.8	52.9	32.9	41.6	39.3	56.0	25.8	39.2	57.7	-3.7	34.0
Transportation	58.3	47.4	65.6	34.8	65.7	51.1	60.7	32.4	52.0	38.1	48.5	30.4	48.6	44.0	56.9	61.2	19.4	15.4	30.8

**BUSINESS EXPECTATIONS SURVEY
2016 - 2020**

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4
4. Business Outlook Index on the Macroeconomy by Sector: Next 12 Months¹																			
Industry Sector													51.7	55.0	49.0	30.9	49.3		
Mining and Quarrying													39.9	38.7	42.6	46.7	51.9		
Manufacturing													51.8	57.6	50.9	29.4	49.1		
Electricity, Gas and Water													53.6	42.9	46.3	43.3	64.3		
Agriculture, Fishery and Forestry													55.6	32.0	23.8	28.7	35.2		
Construction Sector													54.0	52.6	63.0	46.2	70.0		
Wholesale and Retail Trade													62.2	60.7	56.7	43.2	55.7		
Services Sector													62.5	64.6	57.8	36.4	61.4		
of which:																			
Financial Intermediation													70.5	74.3	67.9	44.6	75.2		
Hotels and Restaurants													48.3	63.8	77.2	65.4	57.9		
Business Activities													61.3	56.9	51.9	34.3	57.1		
Real Estate													73.0	60.4	46.9	29.0	53.3		
Community and Social Services													63.0	63.5	72.8	38.7	62.7		
Transportation													52.1	71.8	56.7	27.8	63.0		
5. Business Outlook index on Own Operations: Current Quarter																			
Volume of Business Activity Index	24.5	38.8	39.6	34.9	26.1	37.0	35.8	41.6	30.0	39.0	34.7	32.2	24.0	36.4	28.4	38.1	16.4	-10.1	1.2
Industry Sector	22.1	33.3	36.2	26.6	26.5	37.9	33.5	30.4	32.3	44.3	36.0	24.0	20.9	39.0	23.6	21.0	8.7	-3.2	6.2
Mining and Quarrying	23.1	38.2	24.0	-7.7	13.7	45.4	19.8	-9.1	5.8	20.9	18.9	-25.4	7.3	24.9	8.5	-18.3	8.3	17.6	-14.8
Manufacturing	23.1	33.9	38.9	26.3	26.1	37.7	34.7	31.6	34.5	45.2	38.7	26.0	22.4	40.6	23.9	22.1	8.3	-5.3	6.7
Electricity, Gas and Water	23.0	35.3	14.8	32.2	38.1	32.6	20.5	26.8	23.8	44.9	13.2	18.6	22.9	35.1	22.3	27.0	22.0	11.7	22.8
Agriculture, Fishery and Forestry	1.8	12.2	21.2	48.6	28.8	42.8	37.9	40.0	21.1	42.9	27.5	29.4	0.7	23.8	29.3	18.7	3.3	-3.6	4.8
Construction Sector	45.8	37.5	30.9	11.7	34.2	32.8	33.6	20.1	35.1	25.9	35.0	17.8	45.0	30.2	21.1	23.3	37.7	3.2	5.4
Wholesale and Retail Trade	20.2	41.2	40.5	42.6	20.0	35.0	30.0	53.3	15.5	36.3	22.3	36.4	9.9	31.4	27.9	46.6	9.0	-13.2	-6.9
Services Sector	26.6	42.1	43.7	40.0	30.1	39.1	44.4	44.8	41.4	39.4	45.8	38.8	37.1	40.6	35.0	49.1	20.9	-14.5	2.1
Financial Intermediation	26.6	60.8	65.6	53.4	38.7	61.6	52.9	65.9	63.4	49.1	48.9	46.5	41.9	61.5	54.9	68.0	33.7	-0.2	7.3
Hotels and Restaurants	5.3	32.2	17.6	31.4	11.7	24.3	19.6	67.7	11.5	4.4	15.6	77.1	6.0	11.8	1.4	78.9	30.3	-37.6	1.6
Business Activities	24.8	29.2	36.3	38.7	25.9	35.2	46.8	39.4	41.0	40.2	54.4	28.2	35.6	53.8	39.0	31.9	17.7	-9.4	7.9
Real Estate	13.0	48.4	60.9	34.8	40.3	37.3	36.2	50.1	42.6	34.3	40.8	30.3	42.0	40.5	31.0	41.3	23.3	-14.8	5.2
Community and Social Services	42.6	17.8	31.2	22.3	24.8	14.7	45.5	7.0	30.0	30.4	59.1	10.1	50.1	18.9	52.2	16.3	16.8	-26.0	-20.7
Transportation	45.9	54.3	33.3	44.9	29.9	40.8	49.7	30.7	34.8	54.3	40.1	51.5	39.1	16.9	16.3	66.5	-1.3	-30.4	-10.3
Volume of Total Order Book Index	21.6	34.1	33.8	31.6	22.0	34.4	32.9	37.4	25.3	36.0	32.1	30.5	20.7	33.8	27.1	34.4	14.2	-11.6	-2.8
Industry Sector	21.6	30.5	34.2	27.6	25.9	36.6	33.1	26.7	30.8	39.4	37.4	24.5	21.7	42.6	25.2	20.8	14.9	-0.9	5.1
Mining and Quarrying	11.3	28.7	18.0	-4.2	8.8	45.4	19.8	-2.6	9.1	17.8	16.7	-25.3	0.8	19.5	15.1	-18.3	8.3	21.2	-14.8
Manufacturing	23.8	31.9	36.7	28.3	26.9	36.8	33.9	27.3	33.8	41.1	39.8	26.6	23.2	44.7	25.2	22.2	16.0	-2.4	6.2
Electricity, Gas and Water	15.4	23.7	12.3	21.5	24.5	27.3	29.1	27.9	11.4	26.7	21.8	20.1	23.3	33.8	23.8	27.6	23.1	2.2	14.9
Agriculture, Fishery and Forestry	-4.3	10.7	25.7	44.6	21.0	37.6	31.9	35.4	13.2	38.8	27.5	26.3	6.8	30.4	33.6	11.3	-6.2	-1.8	-2.4
Construction Sector	36.5	30.5	23.0	5.2	25.6	29.7	27.2	16.3	27.4	20.9	33.8	17.2	38.3	27.2	18.2	24.0	29.6	-7.0	5.4
Wholesale and Retail Trade	15.4	36.3	34.6	38.9	14.4	32.9	29.0	47.9	10.2	36.3	21.6	34.0	4.9	28.8	25.5	42.1	5.5	-17.3	-9.0
Services Sector	24.9	36.2	34.9	33.7	25.3	34.8	37.9	41.5	35.2	35.6	37.4	35.6	32.4	32.0	32.5	41.7	16.0	-15.1	-5.0
Financial Intermediation	26.8	52.1	51.9	46.2	30.4	53.8	43.5	55.8	51.5	45.3	43.9	41.6	33.6	48.6	47.4	59.2	28.5	-2.7	3.9
Hotels and Restaurants	5.3	27.9	15.9	41.9	7.7	23.4	17.0	70.4	10.6	6.6	9.9	73.1	3.4	14.6	4.1	73.4	27.3	-41.6	-9.0
Business Activities	26.2	26.2	32.6	25.6	24.3	32.2	38.4	36.7	38.0	37.5	47.3	24.5	37.2	44.2	39.0	28.0	15.8	-5.6	0.8
Real Estate	13.0	43.7	41.5	30.2	29.8	35.2	33.9	46.0	31.1	31.3	27.5	22.8	39.2	36.4	24.8	31.5	14.7	-16.9	-3.6
Community and Social Services	25.7	6.9	8.6	18.6	15.9	17.1	40.5	14.7	30.8	31.3	47.3	32.2	43.3	11.2	47.3	10.5	5.7	-24.3	-26.5
Transportation	41.5	47.4	35.4	40.0	30.8	30.4	43.8	26.1	28.4	41.6	29.9	42.8	25.7	4.4	17.4	54.9	-1.3	-33.1	-19.7

BUSINESS EXPECTATIONS SURVEY
2016 - 2020

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4
5. Business Outlook index on Own Operations: Current Quarter - continued																			
Credit Access Index	14.1	15.9	12.0	13.2	12.8	13.6	12.7	12.1	10.3	9.7	7.1	5.1	8.2	8.0	7.8	9.8	5.2	-15.5	-12.2
Industry Sector	17.3	15.0	14.9	14.6	14.6	14.8	13.7	15.2	13.6	14.7	15.8	10.4	10.7	11.7	9.8	14.4	2.4	-14.8	-11.1
Mining and Quarrying	-4.6	12.8	6.0	-0.6	10.8	8.1	6.7	5.8	-1.0	-3.7	1.5	-6.4	-6.5	-10.2	-0.6	-7.7	-16.5	-17.8	-9.2
Manufacturing	18.6	15.4	15.5	15.3	14.5	14.7	14.3	15.9	14.4	16.2	17.0	11.5	12.2	13.9	10.5	16.4	4.0	-14.3	-11.0
Electricity, Gas and Water	10.3	10.5	17.9	21.1	19.0	21.7	13.1	11.2	13.0	9.7	14.7	6.3	11.1	4.0	10.4	8.0	6.8	-10.0	-7.4
Agriculture, Fishery and Forestry	16.6	12.8	6.7	3.3	13.3	12.3	7.5	13.9	10.2	7.3	4.1	6.4	-5.8	-5.0	1.4	-0.2	-10.1	-26.6	-18.3
Construction Sector	-9.3	3.4	0.9	-0.1	-1.1	-1.4	-3.2	4.9	-5.9	1.1	-1.1	-9.1	2.9	0.6	3.8	5.5	5.7	-14.7	-11.1
Wholesale and Retail Trade	14.0	17.4	13.0	12.8	15.3	14.1	12.2	11.1	10.6	8.6	4.3	5.7	8.8	6.3	5.4	6.4	8.5	-14.5	-11.4
Services Sector	16.2	18.0	10.5	15.3	11.7	15.2	15.7	11.6	10.2	7.8	3.5	2.4	6.4	7.9	9.2	9.8	4.8	-16.6	-13.6
Financial Intermediation	24.6	22.9	11.2	16.0	12.0	22.0	16.4	14.8	13.8	5.4	0.8	-2.0	-1.8	5.5	10.7	12.6	11.8	-2.2	-1.4
Hotels and Restaurants	21.6	22.0	15.9	19.9	19.4	27.6	19.2	14.3	22.7	12.7	15.0	11.1	10.7	11.4	10.3	20.5	3.6	-21.7	-31.0
Business Activities	11.8	13.2	1.2	14.5	5.5	8.1	13.2	9.4	3.3	5.4	-2.0	-2.6	4.7	0.0	-3.7	-2.1	6.7	-18.9	-16.8
Real Estate	13.6	7.5	12.8	3.5	5.7	6.9	13.9	5.8	9.5	6.0	5.4	4.3	13.0	19.1	23.5	17.3	1.5	-17.3	-11.8
Community and Social Services	23.2	30.3	25.7	22.2	9.5	13.8	14.7	2.8	11.6	13.3	13.9	9.8	18.6	13.0	11.3	12.3	11.3	-13.6	-0.9
Transportation	9.8	22.7	13.8	21.3	25.6	21.9	19.9	20.5	11.7	11.7	3.7	6.7	4.6	9.8	16.0	14.1	-7.5	-34.8	-31.5
Financial Condition	-0.1	1.3	1.5	0.1	-1.2	-2.0	-1.0	-0.9	-4.6	-4.8	-5.3	-10.6	-7.5	-5.8	-7.0	-5.4	-12.2	-47.0	-43.4
Industry Sector	-2.1	0.2	3.8	-0.6	-1.9	-2.8	0.4	2.7	-2.1	-2.7	0.8	-5.0	-8.2	-3.3	-7.0	-5.2	-12.0	-47.1	-42.9
Mining and Quarrying	-21.6	-6.9	-0.1	-18.4	-5.9	-12.2	-7.7	-6.6	-10.8	-12.6	-15.9	-28.3	-26.1	-22.0	-25.5	-28.2	-22.6	-35.9	-24.1
Manufacturing	-1.0	0.6	4.8	0.2	-1.2	-3.0	1.6	3.1	-1.0	-1.7	2.0	-3.5	-6.9	-1.7	-6.0	-3.7	-10.0	-48.6	-44.5
Electricity, Gas and Water	-2.6	5.1	1.2	6.6	-2.0	8.3	0.1	9.7	1.3	-3.5	2.6	-3.3	-1.1	1.3	-1.5	-1.9	-15.1	-35.5	-32.9
Agriculture, Fishery and Forestry	-7.8	-9.1	-8.3	-11.7	-12.2	-5.2	-15.9	-7.7	-20.4	-13.5	-12.5	-19.2	-30.1	-25.8	-20.6	-22.3	-34.1	-42.2	-42.8
Construction Sector	-6.4	-9.5	-5.5	-3.1	-12.1	-13.7	-5.8	-12.5	-14.0	-12.3	-12.4	-21.1	-5.1	-16.6	-11.6	-10.9	-13.6	-56.8	-44.6
Wholesale and Retail Trade	-2.1	1.2	2.1	3.1	1.6	-1.4	-2.7	-0.4	-6.7	-4.7	-9.4	-13.6	-6.7	-7.7	-8.8	-7.8	-13.6	-44.2	-43.2
Services Sector	5.1	4.6	0.0	-1.7	-1.0	0.6	0.4	-2.5	-2.9	-5.3	-5.5	-10.7	-8.0	-3.9	-4.2	-1.9	-11.3	-46.7	-43.6
Financial Intermediation	9.3	15.1	7.1	1.2	3.0	6.0	7.7	7.2	7.5	-4.4	-7.2	-11.3	-8.8	-5.0	5.1	0.8	2.5	-20.9	-21.4
Hotels and Restaurants	15.5	11.8	3.3	13.0	13.4	19.0	2.2	6.8	13.8	0.0	3.5	11.1	-10.7	0.0	6.0	16.6	-20.4	-65.8	-71.5
Business Activities	-1.4	-5.4	-12.1	-11.3	-10.1	-11.4	-11.4	-12.5	-13.8	-12.9	-11.6	-20.7	-16.7	-15.4	-21.0	-19.2	-19.6	-54.1	-50.0
Real Estate	10.2	6.2	10.6	1.6	-1.3	5.6	14.5	9.3	3.0	-3.0	5.1	-3.2	5.2	12.0	16.7	13.2	-0.7	-41.2	-36.4
Community and Social Services	3.8	5.9	4.6	1.9	-4.3	-7.7	-5.7	-8.9	-2.5	-2.6	0.0	-7.8	2.9	4.3	-8.0	-0.9	-19.0	-65.6	-53.4
Transportation	2.1	4.2	-0.5	0.0	5.3	5.5	1.5	-9.0	-10.5	1.1	-9.8	-11.9	-7.8	-3.3	-8.3	1.5	-31.8	-68.1	-65.3
Average Capacity Utilization in the Industry and Construction Sectors (in percent)	74.8	74.0	74.9	74.9	75.0	75.8	76.7	76.0	74.3	74.8	75.1	76.0	76.5	75.5	76.1	75.1	74.9	66.2	67.9

BUSINESS EXPECTATIONS SURVEY
2016 - 2020

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4
6. Business Outlook Index on Own Operations: Next Quarter																			
Volume of Business Activity Index	50.7	44.8	49.1	30.1	46.7	44.7	49.6	35.9	48.9	43.2	48.2	31.7	52.4	47.2	48.7	31.4	43.4	16.1	29.2
Industry Sector	48.1	35.7	37.1	27.6	43.9	37.2	35.8	32.4	48.6	41.3	40.6	31.2	49.7	40.0	40.8	24.7	43.1	14.3	21.9
Mining and Quarrying	38.4	38.2	21.1	-18.4	45.1	41.4	7.2	24.8	49.6	31.3	12.9	2.8	36.0	18.6	-17.6	12.0	24.6	1.9	11.1
Manufacturing	48.3	36.4	37.9	28.2	44.5	38.1	36.8	32.0	49.6	43.5	43.0	34.2	51.5	42.4	42.3	25.9	44.9	14.0	22.2
Electricity, Gas and Water	60.4	28.7	27.8	33.6	45.9	16.4	29.1	37.5	37.8	28.5	19.5	14.3	30.3	25.7	43.2	30.7	50.4	27.7	42.3
Agriculture, Fishery and Forestry	34.0	28.0	44.7	41.4	30.3	43.8	45.5	38.5	43.8	23.1	42.7	17.3	49.9	27.5	50.2	3.6	23.5	18.9	7.2
Construction Sector	60.1	50.1	42.3	48.3	55.8	52.1	53.6	48.7	51.3	49.1	43.2	48.5	55.4	49.7	23.5	37.1	59.3	23.2	54.2
Wholesale and Retail Trade	44.1	44.9	56.3	23.5	47.9	45.3	57.3	33.1	43.1	39.5	49.2	30.8	50.9	46.9	56.0	22.6	36.8	15.4	21.6
Services Sector	57.9	52.1	54.6	35.2	46.1	49.7	54.1	39.4	54.5	47.4	55.4	29.5	56.0	53.7	54.2	45.8	44.4	16.2	33.1
Financial Intermediation	69.0	63.8	63.8	42.5	67.8	69.7	68.0	58.4	71.3	56.3	73.3	35.9	74.8	73.9	63.4	46.1	54.1	33.9	53.5
Hotels and Restaurants	46.8	49.2	79.0	36.2	48.1	29.9	65.9	34.2	41.0	-12.0	70.8	23.8	44.2	20.7	82.6	43.4	59.8	4.4	26.5
Business Activities	63.7	53.1	45.7	30.5	34.6	46.5	53.1	43.3	51.9	52.4	46.7	18.1	54.5	47.0	50.1	46.3	46.0	18.5	38.1
Real Estate	41.4	55.9	60.7	33.4	41.0	37.8	46.1	38.9	55.2	51.2	53.8	36.2	65.8	69.7	45.3	39.7	38.1	15.2	21.5
Community and Social Services	14.3	18.9	30.3	27.8	9.8	44.3	34.9	-3.8	26.8	57.8	20.7	30.1	12.3	56.9	16.2	42.3	61.0	-8.0	22.2
Transportation	78.5	50.5	53.3	40.1	63.5	55.7	49.7	33.7	59.0	49.8	60.8	38.6	55.2	42.1	63.3	53.9	21.6	3.8	22.1
Employment Outlook Index	27.2	23.8	23.6	19.0	27.4	24.7	27.3	24.7	29.9	24.9	26.3	21.8	29.7	26.0	19.6	16.6	16.9	-5.5	5.3
Industry Sector	17.6	12.5	13.5	12.2	23.1	18.7	16.5	20.1	25.2	21.9	21.7	15.6	22.1	18.5	11.8	6.9	14.3	-1.3	2.4
Mining and Quarrying	-1.0	5.7	2.9	-15.4	32.4	29.2	19.8	15.0	23.2	11.5	-4.5	3.0	27.5	14.9	-11.0	-2.8	5.8	-5.4	-1.9
Manufacturing	17.4	11.7	11.9	12.1	23.1	18.4	15.2	19.8	26.6	22.9	22.9	15.9	22.3	19.8	13.1	6.8	15.4	-0.9	2.4
Electricity, Gas and Water	38.6	24.1	46.1	30.4	32.4	23.3	33.1	38.6	12.4	14.6	20.5	21.6	30.3	12.2	13.4	19.3	22.0	6.5	13.4
Agriculture, Fishery and Forestry	8.6	16.6	8.3	10.1	5.9	10.8	15.8	5.4	16.4	19.0	19.8	9.6	4.4	3.9	1.4	0.0	-3.9	-11.3	-4.3
Construction Sector	48.2	33.6	18.4	30.4	44.7	35.3	31.3	30.9	36.5	34.7	29.6	30.0	44.8	39.0	5.6	16.1	22.8	3.8	25.0
Wholesale and Retail Trade	20.1	23.7	25.7	13.6	23.5	21.5	25.6	19.2	27.2	20.0	22.6	19.1	24.9	17.8	24.0	14.9	8.6	-7.1	4.4
Services Sector	39.0	32.7	32.1	28.5	31.8	31.5	38.7	33.4	35.7	30.9	33.8	28.6	38.7	39.0	25.4	27.7	22.0	-8.6	3.9
Financial Intermediation	50.6	51.3	45.1	54.2	57.0	49.8	57.1	60.9	48.1	45.0	50.4	43.4	52.6	51.6	29.7	38.0	33.2	8.7	18.9
Hotels and Restaurants	48.8	16.1	54.7	14.6	34.1	17.4	42.8	22.8	35.4	-6.7	41.7	20.7	32.0	21.1	23.4	28.4	12.7	-29.7	-2.9
Business Activities	48.2	36.6	28.0	22.0	22.2	32.4	36.2	26.6	31.4	30.4	28.8	22.8	45.1	51.8	28.8	22.1	21.6	-6.0	0.7
Real Estate	20.5	24.5	30.4	22.4	21.5	24.2	25.6	36.9	35.4	30.7	18.9	21.8	21.9	28.8	24.8	21.8	19.4	-8.0	-0.1
Community and Social Services	9.3	18.3	2.2	26.0	22.3	19.5	33.4	13.2	23.0	44.6	21.5	38.0	33.8	30.2	15.7	24.7	26.4	-26.5	-5.0
Transportation	36.2	26.3	28.7	22.9	31.9	28.0	33.3	24.3	35.3	26.9	38.6	26.8	32.3	23.7	20.7	32.5	10.7	-24.3	0.8

**BUSINESS EXPECTATIONS SURVEY
2016 - 2020**

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4
7. Business Outlook Index on Own Operations: Next 12 Months¹																			
Volume of Business Activity Index																			
Industry Sector																			
Mining and Quarrying																			
Manufacturing																			
Electricity, Gas and Water																			
Agriculture, Fishery and Forestry																			
Construction Sector																			
Wholesale and Retail Trade																			
Services Sector																			
Financial Intermediation																			
Hotels and Restaurants																			
Business Activities																			
Real Estate																			
Community and Social Services																			
Transportation																			
Employment Outlook Index																			
Industry Sector																			
Mining and Quarrying																			
Manufacturing																			
Electricity, Gas and Water																			
Agriculture, Fishery and Forestry																			
Construction Sector																			
Wholesale and Retail Trade																			
Services Sector																			
Financial Intermediation																			
Hotels and Restaurants																			
Business Activities																			
Real Estate																			
Community and Social Services																			
Transportation																			
8. Companies with Expansion Plans (in percent of total respondents): Next Quarter																			
All Industry Sector	31.3	30.3	28.1	31.7	34.9	34.6	32.8	31.1	35.1	34.2	36.1	36.0	33.2	30.4	29.2	30.2	11.0	16.9	
Mining and Quarrying	31.8	19.4	27.2	13.7	21.6	24.2	33.8	25.5	19.9	23.5	19.7	21.8	21.0	22.6	15.7	19.7	22.4	7.1	9.3
Manufacturing	30.8	30.9	27.5	31.5	35.5	34.7	31.8	31.0	35.2	34.4	36.0	36.5	33.2	33.2	30.7	29.8	31.0	9.9	16.9
Electricity, Gas and Water	30.8	28.9	36.3	40.1	30.9	34.4	33.4	33.3	36.8	29.2	38.5	36.8	36.9	40.5	31.4	27.6	25.5	18.9	21.5
Agriculture, Fishery and Forestry	38.5	27.3	29.5	37.1	38.0	40.7	49.9	33.1	41.4	44.5	46.4	35.8	37.6	38.1	33.3	26.1	29.7	27.6	20.2
9. Companies with Expansion Plans (in percent of total respondents): Next 12 Months¹																			
All Industry Sector																			
Mining and Quarrying																			
Manufacturing																			
Electricity, Gas and Water																			
Agriculture, Fishery and Forestry																			

**BUSINESS EXPECTATIONS SURVEY
2016 - 2020**

	2016				2017				2018				2019				2020 *			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	
10. Business Constraints (in percent to total respondents): Current Quarter																				
High Interest Rate	8.3	6.4	6.2	7.1	8.0	7.7	7.0	7.3	10.0	12.1	14.8	18.2	18.3	17.6	15.3	13.1	16.5	9.8	10.2	
Unclear Economic Laws	13.3	13.6	11.7	15.8	14.2	14.3	13.2	13.9	13.5	13.9	12.8	15.5	14.0	12.6	13.4	13.2	11.9	15.4	15.0	
Lack of Equipment	6.7	5.6	6.2	6.5	5.2	5.8	5.3	5.7	6.1	5.6	5.1	4.4	4.2	4.6	4.9	5.0	5.6	4.1	4.4	
Insufficient Demand	26.6	27.5	25.6	24.8	24.0	25.0	24.5	24.2	24.3	25.2	24.6	23.5	24.2	23.3	25.1	25.0	27.6	46.2	45.6	
Access to Credit	6.4	4.5	4.0	4.7	4.4	3.9	3.9	4.1	4.9	5.0	4.2	5.4	4.5	4.7	4.5	5.3	7.2	9.6	8.0	
Financial Problems	8.7	7.9	7.3	8.3	7.4	8.5	8.5	7.7	8.0	7.9	9.1	9.0	7.8	7.2	7.2	7.4	10.8	19.2	19.9	
Competition	53.3	54.2	50.2	52.6	53.0	56.4	53.1	55.9	52.7	55.2	55.0	53.6	55.6	55.2	53.1	53.4	46.8	34.1	36.7	
Labor Problems	11.5	12.4	10.9	12.4	13.2	13.5	12.7	13.2	12.9	14.4	14.8	12.2	13.9	13.4	15.1	15.9	9.4	9.0	10.5	
Lack of Materials Input	7.8	7.2	7.1	8.0	8.1	6.6	7.7	7.4	6.8	7.6	6.9	6.2	5.9	6.1	5.5	5.3	7.0	6.8	7.0	
Others	22.6	23.8	22.7	24.4	23.7	23.1	24.8	23.6	24.6	26.5	25.6	25.8	24.3	22.2	19.9	23.4	22.7	54.2	46.5	
None	11.5	12.5	10.7	9.8	10.5	10.2	10.1	10.2	11.1	9.8	8.5	9.2	8.9	9.4	8.6	8.9	10.2	5.6	4.9	
11. Business Expectations Index on Selected Economic Indicators: Current Quarter																				
P/\$ Exchange Rate	2.7	23.4	-6.7	-25.7	-22.2	-4.1	-28.7	-18.2	-11.7	-22.7	-33.9	-26.3	13.9	6.5	17.2	21.4	8.1	18.0	15.9	
Inflation Rate	25.2	31.4	25.3	49.4	51.0	49.4	35.9	50.1	61.3	63.5	68.6	62.1	-9.8	-5.5	-5.1	0.1	19.7	14.5	14.8	
Peso Borrowing Rate	15.1	12.3	7.9	8.4	12.1	17.4	8.3	14.9	19.6	21.7	29.1	32.1	21.9	13.0	-2.5	-2.6	-1.3	-22.7	-13.0	
Inflation Rate Expectations (in %)	1.9	1.6	1.5	2.0	2.3	2.9	3.1	3.1	3.4	3.8	4.7	6.1	5.0	3.9	3.4	2.9	2.9	2.3	2.5	
Exchange Rate Expectations (Php: \$1.00)	47.1	46.8	46.8	48.0	49.5	49.9	50.3	50.9	50.8	51.8	53.1	53.9	52.7	52.3	51.8	51.5	50.9	49.8	48.7	
12. Business Expectations Index on Selected Economic Indicators: Next Quarter																				
P/\$ Exchange Rate	6.0	5.6	9.0	-12.6	-14.2	-9.5	-9.5	-13.0	-6.0	-16.6	-16.0	-25.8	0.2	-0.3	13.2	-1.6	2.3	10.9	1.5	
Inflation Rate	32.7	32.3	28.0	35.5	38.6	41.1	42.3	31.9	49.2	47.1	50.1	24.1	-0.8	2.7	13.7	10.6	22.7	22.4	18.7	
Peso Borrowing Rate	18.0	12.0	12.2	14.3	19.6	19.1	18.2	17.6	23.2	20.6	29.1	22.4	11.9	7.3	-0.9	1.4	-1.9	-10.3	1.4	
Inflation Rate Expectations (in %)	2.1	1.7	1.6	2.1	2.4	3.0	3.2	3.2	3.5	3.8	4.8	6.0	4.9	4.0	3.5	3.0	3.0	2.4	2.6	
Exchange Rate Expectations (Php: \$1.00)	47.3	46.8	46.8	48.2	49.7	50.0	50.4	51.1	50.9	52.0	53.3	54.1	52.8	52.4	51.7	51.7	51.1	49.8	48.9	
13. Business Expectations Index on Selected Economic Indicators: Next 12 Months ¹																				
P/\$ Exchange Rate																0.8	-0.3	8.4	5.3	-2.9
Inflation Rate																10.6	17.3	26.9	29.6	28.2
Peso Borrowing Rate																1.9	4.4	6.3	2.7	13.9
Inflation Rate Expectations (in %)																3.6	3.2	3.2	2.5	2.6
Exchange Rate Expectations (Php: \$1.00)																51.8	51.8	51.2	50.1	49.2
14. Distribution of Respondent Firms by Sector																				
All Sectors	1271	1229	1235	1186	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	
Industry	388	380	381	366	368	376	374	373	365	370	368	355	367	371	357	354	281	268	266	
Mining and Quarrying	25	31	33	29	37	36	36	32	33	33	35	32	32	34	32	32	30	34	33	
Manufacturing	249	233	232	228	224	229	228	230	222	225	224	219	228	225	219	222	159	152	146	
Electricity, Gas and Water	56	55	55	53	48	50	49	51	51	54	51	46	52	54	49	46	42	39	43	
Agriculture, Fishery and Forestry	58	61	61	56	59	61	61	60	59	58	58	55	58	57	54	50	43	44		
Construction	95	95	103	89	94	88	85	85	85	84	87	85	92	89	87	89	81	73	73	
Wholesale and Retail Trade	370	333	337	318	338	335	329	322	322	330	332	334	347	332	335	333	209	179	174	
Services	418	421	414	413	439	440	450	457	437	440	439	431	428	438	436	429	540	462	468	
Financial Intermediation	78	84	84	82	83	89	85	87	84	83	82	83	80	81	80	80	148	138	139	
Hotels and Restaurants	51	48	49	51	56	55	57	60	52	54	56	51	49	51	55	52	43	30	31	
Business Activities	92	93	92	92	104	101	103	106	98	101	93	95	98	102	100	94	100	83	84	
Real Estate and Renting	63	63	58	57	60	61	63	62	63	62	70	65	65	67	65	66	114	96	93	
Community and Social Services	60	55	52	56	59	57	61	63	62	59	60	59	60	60	58	61	70	64	66	
Transportation	74	78	79	75	77	77	81	79	78	81	78	78	76	77	78	76	65	51	55	

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

¹ Starting Q3 2019, questionnaire was enhanced to include outlook for the next 12 months.

* Due to the implementation of the Community Quarantine nationwide, the conduct of the Q2 2020 BES was cancelled.

BUSINESS EXPECTATIONS SURVEY
2016 - 2020

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4
15. Business Outlook Index on the Macroeconomy (by Type of Business): Current Quarter																			
Importer	45.8	58.8	51.4	40.1	43.9	46.5	39.2	43.8	38.2	45.6	29.7	32.4	39.6	40.1	38.2	41.7	15.6	-3.2	12.9
Exporter	13.4	26.4	32.5	29.5	33.3	46.9	50.0	50.0	43.0	49.3	40.7	21.7	38.7	51.4	43.1	23.0	25.8	12.7	20.8
Both (Importer and Exporter)	36.8	37.7	46.4	27.0	36.4	42.9	39.3	33.0	37.9	39.7	30.6	15.8	21.2	39.8	33.2	25.1	16.9	11.3	9.1
Domestic-Oriented	45.3	50.1	44.9	48.8	42.3	47.2	38.4	49.6	38.6	42.5	29.2	29.3	37.2	40.2	35.2	49.1	22.8	-8.1	7.9
16. Number of Respondents (by Type of Business)																			
Importer	155	153	140	147	155	144	148	146	157	147	155	148	154	147	131	144	109	93	85
Exporter	82	87	83	78	81	81	88	80	86	75	81	83	75	72	72	74	62	55	53
Both (Importer and Exporter)	201	199	196	200	214	217	219	218	195	209	206	203	208	211	205	203	124	106	110
Domestic-Oriented	704	672	641	664	685	702	675	694	676	713	709	687	723	721	719	704	744	679	687
Not Specified	129	118	175	97	104	95	108	99	95	80	75	84	74	79	88	80	72	49	46
Total	1271	1229	1235	1186	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981
17. Business Outlook Index on the Macroeconomy (by Size of Employment): Current Quarter																			
Small (<100)	35.9	43.1	42.2	44.6	39.0	43.8	34.7	37.5	36.0	41.4	29.2	24.7	32.6	35.8	35.0	40.7	26.1	-5.2	5.2
Medium (100-<500)	44.0	44.5	42.4	38.3	40.0	40.1	39.2	48.6	39.2	40.5	28.9	31.0	36.1	41.1	33.4	40.4	15.1	-9.6	14.8
Large (500 & up)	46.3	58.0	48.3	40.8	41.0	56.5	45.0	49.6	48.1	47.4	36.3	26.3	37.0	44.9	40.6	44.3	22.8	10.4	17.4
18. Number of Respondents (by Size of Employment)																			
Small (<100)	398	392	389	368	397	402	383	376	378	379	370	368	368	366	306	329	449	401	401
Medium (100-<500)	495	476	425	446	473	474	475	469	479	486	481	465	466	462	416	438	345	302	344
Large (500 & up)	240	231	232	245	249	260	271	260	270	272	289	278	303	316	278	287	158	135	121
Not Specified	138	130	189	127	120	103	109	132	82	87	86	94	97	86	215	151	159	144	115
Total	1271	1229	1235	1186	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981

BUSINESS EXPECTATIONS SURVEY
2016 - 2020

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4
19. Business Outlook Index on the Macroeconomy (by Type of Business): Next Quarter																			
Importer	51.0	53.6	62.9	40.8	48.4	46.5	53.4	38.4	49.7	47.6	46.5	32.4	57.8	49.7	58.8	43.1	37.6	24.7	30.6
Exporter	37.8	37.9	44.6	30.8	53.1	51.9	51.1	41.3	50.0	50.7	43.2	24.1	60.0	55.6	41.7	33.8	50.0	16.4	41.5
Both (Importer and Exporter)	46.3	42.7	40.8	31.5	39.7	41.9	35.2	34.4	43.1	44.0	34.0	25.6	43.3	48.3	37.1	40.4	27.4	25.5	38.2
Domestic-Oriented	56.0	44.6	63.2	36.7	52.6	42.9	57.3	44.5	50.6	38.4	46.7	29.1	53.8	45.5	61.6	40.9	43.0	17.5	37.1
20. Percentage Distribution of Respondent Firms by Type of Business																			
Importer	12.2	12.4	11.3	12.4	12.5	11.6	12.0	11.8	13.0	12.0	12.6	12.3	12.5	12.0	10.8	12.0	9.8	9.5	8.7
Exporter	6.5	7.1	6.7	6.6	6.5	6.5	7.1	6.5	7.1	6.1	6.6	6.9	6.1	5.9	5.9	6.1	5.6	5.6	5.4
Both (Importer and Exporter)	15.8	16.2	15.9	16.9	17.3	17.5	17.7	17.6	16.1	17.1	16.8	16.8	16.9	17.2	16.9	16.8	11.2	10.8	11.2
Domestic-Oriented	55.4	54.7	51.9	56.0	55.3	56.7	54.5	56.1	55.9	58.3	57.8	57.0	58.6	58.6	59.2	58.4	67.0	69.1	70.0
Not Specified	10.1	9.6	14.2	8.1	8.4	7.7	8.7	8.0	7.9	6.5	6.1	7.0	6.0	6.4	7.2	6.6	6.5	5.0	4.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
21. Business Outlook Index on the Macroeconomy (by Size of Employment): Next Quarter																			
Small (<100)	51.0	43.9	56.6	39.7	46.1	41.3	51.2	42.0	48.9	41.2	42.7	33.2	55.4	47.8	56.2	40.4	41.6	17.7	36.7
Medium (100-<500)	49.5	41.8	58.1	33.9	49.3	42.0	50.9	39.0	45.9	39.3	46.4	30.8	53.0	47.0	58.2	37.9	40.6	15.9	40.1
Large (500 & up)	57.1	52.4	58.6	33.1	54.2	50.0	55.7	46.9	55.6	45.2	45.0	23.4	50.8	46.5	55.8	43.2	45.6	23.7	44.6
22. Percentage Distribution of Respondent Firms by Size of Employment																			
Small (<100)	31.3	31.9	31.5	31.0	32.0	32.4	30.9	30.4	31.3	31.0	30.2	30.5	29.8	29.8	25.2	27.3	40.4	40.8	40.9
Medium (100-<500)	38.9	38.7	34.4	37.6	38.2	38.3	38.4	37.9	39.6	39.7	39.2	38.6	37.8	37.6	34.2	36.3	31.1	30.8	35.1
Large (500 & up)	18.9	18.8	18.8	20.7	20.1	21.0	21.9	21.0	22.3	22.2	23.6	23.1	24.6	25.7	22.9	23.8	14.2	13.7	12.3
Not Specified	10.9	10.6	15.3	10.7	9.7	8.3	8.8	10.7	6.8	7.1	7.0	7.8	7.9	7.0	17.7	12.5	14.3	14.7	11.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

BUSINESS EXPECTATIONS SURVEY

2016 - 2020

	2016				2017				2018				2019				2020 *		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4

23. Business Outlook Index on the Macroeconomy (by Type of Business): Next 12 Months¹

Importer																	58.8	57.6	52.3	47.3	58.8
Exporter																	48.6	44.6	61.3	47.3	60.4
Both (Importer and Exporter)																	48.8	59.6	37.9	38.7	57.3
Domestic-Oriented																	64.0	60.2	57.0	37.1	58.1

24. Business Outlook Index on the Macroeconomy (by Size of Employment): Next 12 Months¹

Small (<100)																	59.5	56.5	54.3	31.7	55.4
Medium (100-<500)																	60.1	60.3	57.1	44.4	64.2
Large (500 & up)																	58.6	59.2	60.1	46.7	68.6

¹ Starting Q3 2019, questionnaire was enhanced to include outlook for the next 12 months.

* Due to the implementation of the Community Quarantine nationwide, the conduct of the Q2 2020 BES was cancelled.

A quarterly survey conducted by the

Department of Economic Statistics

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