

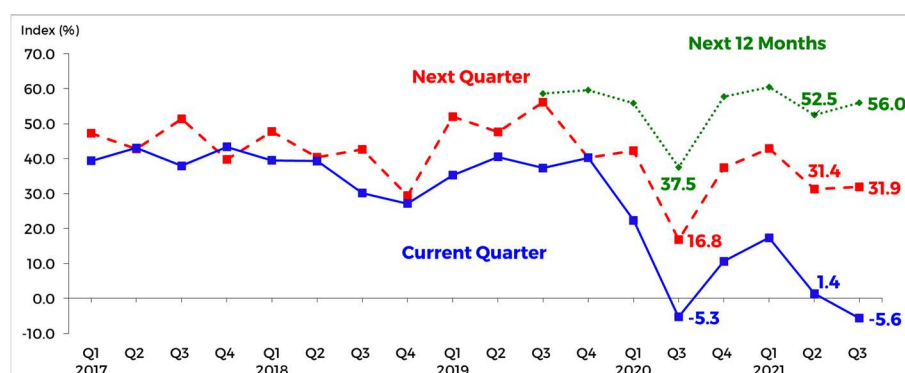
BUSINESS EXPECTATIONS SURVEY¹

Third Quarter 2021

Business Confidence Turns Pessimistic in Q3 2021, but More Optimistic for Q4 2021 and the Next 12 Months

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index
Q1 2017 – Q3 2021



Business sentiment turns pessimistic in Q3 2021...

After 3 consecutive quarters of optimistic sentiment, the outlook of business owners on the economy turned pessimistic as the overall confidence index (CI) declined to -5.6 percent in Q3 2021 from 1.4 percent in Q2 2021. The negative index resulted from the combined effects of decrease in the percentage of optimists and the increase in the percentage of pessimists.

The respondents' pessimism was attributed to: (a) the ongoing COVID-19 pandemic and its protracted adverse effects to their businesses, (b) re-imposition of Enhanced Community Quarantine (ECQ) particularly in NCR, (c) decrease in sales, orders, and income, (d) concerns over government policies, particularly the actions to curb the spread of COVID-19 and its Delta variant, and (e) higher prices of raw materials, i.e., steel, wood liner, glue, and other commodities.²

The sentiment of businesses in the Philippines mirrored the business outlook in Australia, which also turned pessimistic in Q3 2021. Further, business sentiment in New Zealand, South Korea, and Thailand was more pessimistic. However, the view of businesses in Brazil, Bulgaria, Canada, Chile, China, Croatia, Denmark, euro area, France, Germany, Greece, Hong Kong, Hungary, Israel, Mexico, Netherlands, the United States of America, and the United Kingdom was optimistic.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 NCR Shifts to ECQ Aug. 6-20. <https://www.pna.gov.ph/articles/1148783>

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-



...but remains optimistic for Q4 2021...

For the next quarter, the business sentiment improved as the overall CI increased slightly to 31.9 percent from 31.4 percent a quarter ago.

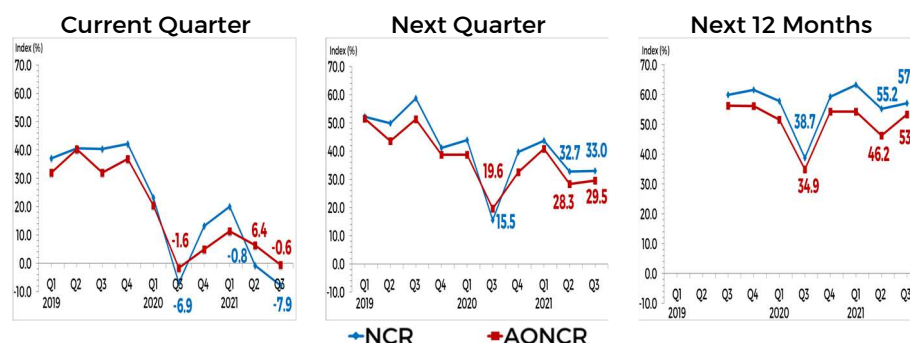
The respondents' optimism for the next quarter was attributed primarily to expectations of: (a) availability of more vaccines and the prospect of achieving herd immunity, (b) easing of community quarantine and restrictions, (c) improvement in economic conditions and recovery from losses incurred during the stricter community quarantines, and (d) increase in volume of sales and orders. Respondents also cited the coming holiday season as one of the reasons for their improved sentiment for Q4 2021.

...and for the next 12 months.

For the next 12 months, business sentiment was more optimistic as the overall CI increased to 56 percent from previous quarter's survey result of 52.5 percent.⁴

The respondents' more upbeat outlook for the next 12 months was attributed to the aforementioned reasons, including their expectations of continued recovery in economic and business environment.

Overall Business Outlook Index by Area Q1 2019 – Q3 2021



Business outlook in the NCR and AONCR mirrors the national trend for all periods.

Mirroring the national trend, the overall business sentiment of respondents in the National Capital Region (NCR) and Areas Outside NCR (AONCR) weakened for the current quarter but improved for the next quarter and the next 12 months.⁵ Notably, the outlook of respondents was more pessimistic in NCR than in AONCR for the current quarter.

Business confidence, by region, is mixed

Business outlook across the regions was mixed for the current quarter and the next, as well as over the next 12 months. Outlook of respondent firms for the Q3 2021 turned pessimistic in Region VII, was more bearish in Region I, while remaining pessimistic in Regions III and VIII.

country assessment of the business sentiment, the latest CI level is compared with the CI level of the previous reference period.

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).



in Q3 and for Q4 2021... Meanwhile, the respondents in Regions II, IV, V, X, XI, and XII were less optimistic. Respondents in said regions attributed their dampened outlook to the following: (a) continued upward trend in COVID-19 cases, and (b) tightening of community quarantine restrictions, which affected the mobility and business operations of the responding firms. By contrast, respondents' sentiment turned optimistic in Region VI and more buoyant in Region IX. Firms from these two regions cited the following reasons for their improved sentiment: (a) increased availability of vaccines, (b) better financial conditions due to higher sales as compared to the previous quarter, (c) brisker business activity driven by the resumption of infrastructure projects, and (d) their overall expectation of economic recovery.

For the quarter ahead (Q4 2021), the business sentiment of respondents was more buoyant in Regions V, VI, VIII, and IX, as they mainly anticipated higher consumer demand during the holiday, milling, and peak seasons, despite the pandemic, and the recovery of the economy due to the ongoing rollout of vaccines. Meanwhile, the sentiment of respondent firms in Regions I, II, III, IV, X, and XI was less optimistic as they anticipated the adverse effects of the imposition of stricter lockdowns and the continued rise of COVID-19 cases. Business confidence of respondents in Regions VII and XII was mostly steady and optimistic.

...as well as the next 12 months. For the next 12 months, respondent firms in Regions I, III, IV, V, VI, VIII, IX, X, and XII were more upbeat, less optimistic for Regions II and VII, while remaining relatively unchanged and positive for Region XI. Respondents attributed their optimism to the ongoing vaccination programs of the public and private sectors, which hopefully will lead to herd immunity soon. In addition, the responding firms were looking forward to the reopening of the economy and the resumption of normal operations.

Business confidence of trading firms is generally less favorable in Q3 2021... **A less favorable sentiment generally prevailed across the different types of trading firms (i.e., exporter, importer, dual-activity, and domestic-oriented) in Q3 2021.** Importers and domestic-oriented respondent firms turned pessimistic, while exporters and dual-activity firms were less optimistic.

The dampened views of importers and domestic-oriented firms emanated from the: (a) surge of COVID-19 cases driven by the Delta variant, (b) the uncertainties of the ongoing lockdowns, and (c) lower demand, sales, and income due to the pandemic. The less optimistic views of exporters and dual-activity firms were primarily due to the anticipated unfavorable impact of the COVID-19 pandemic and re-imposition of the Enhanced Community Quarantine (ECQ) and Modified ECQ.

...but improves for the near term. For Q4 2021, the outlook of importers and domestic-oriented responding firms were more optimistic, while that of exporters and dual-activity firms were less buoyant. Importers and domestic-oriented firms anticipated more business and domestic economic activities as more people get vaccinated and with the upcoming holiday season. Meanwhile, exporters and dual-activity firms cited the unfavorable



effects of the pandemic and the government-implemented restrictions as their reasons for their less upbeat outlook.

For the next 12 months, the improved business sentiment persisted across the different types of respondent trading firms as the indices were higher than the Q2 2021 survey results, except for the dual-activity firms whose positive outlook was relatively steady.

Outlook of firms by employment size weakens in Q3 2021.

The business outlook in Q3 2021 of firms across employment size weakened, with sentiment in large-sized firms turning negative for the first time since Q2 2009. Nonetheless, the business outlook of all firms remained positive for Q4 2021, albeit less buoyant for large-sized firms. For the next 12 months, the sentiment of respondent firms across employment size improved with the CIs higher compared with the Q2 2021 survey results.⁶

❖ Sectoral Outlook

**Current Quarter Business Outlook Index by Sector
Q1 2017 – Q3 2021**



Business sentiment deteriorates across sectors in Q3 2021...

Business sentiment across all sectors deteriorated for Q3 2021, with the overall CI of firms from the construction sector turning negative for the first time since Q4 2008. Similarly, firms from the services, wholesale and retail trade, and the industry sectors find that business would be less favorable in Q3 2021.

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



Industry firms' less upbeat outlook in the current quarter was due to the: (a) adverse effects and risk of COVID-19 and the Delta variant, (b) decline in the volume of orders and consumer demand, and (c) increase in prices of raw materials (i.e., metal, wood liner, glue), and fuel.

The construction sector attributed their pessimistic outlook in the current quarter to the loss of projects and clients due to the imposition of strict quarantine.

Similarly, the sentiment of responding firms from the services sector turned pessimistic due to the uncertainties brought about by the COVID-19 pandemic and the effect of the quarantine restrictions on their businesses, e.g., lower enrollment for schools and the limited/no operation in the air and land transportation sector.

The outlook of wholesale and retail trade firms was more pessimistic for Q3 2021 amid concerns on the prolonged and frequent impositions of lockdowns, community restrictions and the continued spread of COVID-19 Delta variant, which will result in a decline in consumption.

...but remains optimistic for the next quarter...

For Q4 2021, business outlook across all sectors remained in the positive territory, but at varying degrees. Business sentiment in the industry, construction, and wholesale and retail trade sectors was more buoyant for the next quarter. The positive sentiment of respondents from these sectors was attributed to the upcoming holiday season and additional business and domestic economic activities that may arise as more people get vaccinated. Further, the industry sector attributed their optimism to the start of the sugar crop cycle—which begins in September and ends in August of the following year—and the beginning of the milling season.⁷ The construction sector cited upcoming projects as a source of their upbeat sentiment for Q4 2021. Meanwhile, firms in the wholesale and retail trade sector were more bullish for Q4 2021 due to their anticipated increase in sales during the holiday and harvest seasons. The business outlook of responding firms in the services sector, though remaining positive for Q4 2021, was affected by concerns on the effects of the ECQ implementation and the continued surge of COVID-19 cases.

...and more bullish for the next 12 months.

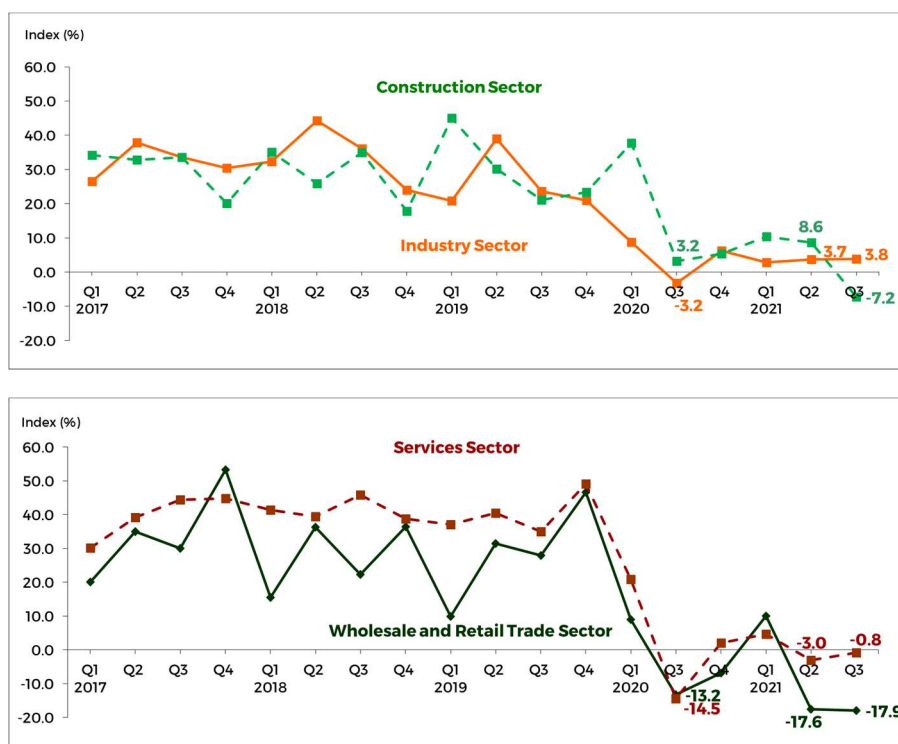
Likewise, the CI across all sectors for the next 12 months was more positive. Business confidence improved across all sectors in anticipation of herd immunity, which will result in the reopening of the economy, easing of restrictions, increase in demand, and return to normalcy of processing transactions.

⁷ Sugar production for the crop year 2021-2022 is September 1, 2021-August 31, 2022.
Source: <http://www.sra.gov.ph/wp-content/uploads/2021/09/2021-2022-SO-1.pdf>



❖ Business Outlook on Own Operations

Current Quarter Business Activity Index by Sector Q1 2017 – Q3 2021



Firms' outlook about their business operations is pessimistic in Q3 2021.

The outlook of firms on their own business operations remained largely pessimistic in Q3 2021. This negative outlook mainly emanated from the bleak views of firms on their volume of business activity and total orders booked.

For Q4 2021, the outlook on the volume of business activity was less optimistic due to the waning outlook of the construction, wholesale and retail trade, and services sectors. Meanwhile, the outlook on the volume of business activity for the next 12 months was more upbeat on account of the improved outlook of the industry, construction and services sectors.

❖ Average Capacity Utilization

Capacity utilization inches higher in Q3 2021.

The average capacity utilization in the industry and construction sectors in Q3 2021 increased slightly to 69.8 percent (from 69.6 percent in Q2 2021).⁸ The results of the Monthly Integrated Survey of Selected Industries (MISSI) of the Philippine Statistics Authority (PSA), likewise, showed a higher level of capacity utilization in Q2 2021 compared with the result of the previous quarter.

⁸ For the BES average capacity utilization, firms from the industry and construction sectors were sampled. This differs from the sampling methodology of the MISSI, where a sample of large manufacturing firms was used. The average capacity utilization of the MISSI was higher at 66.1 percent in Q2 2021 (from 63.5 percent in Q1 2021).



❖ Financial Conditions and Access to Credit ⁹

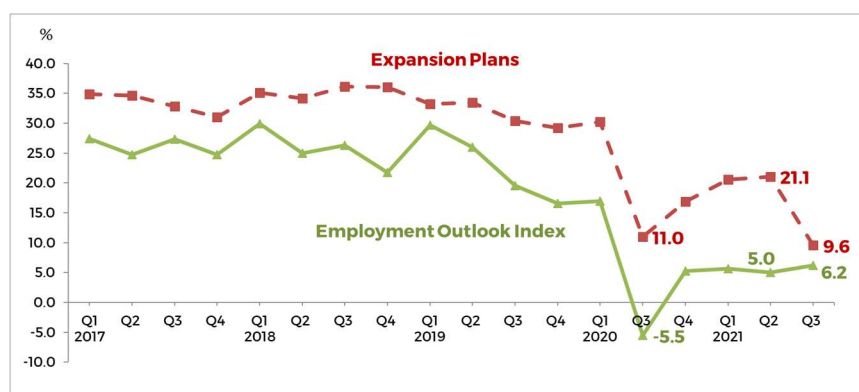
Firms expect financial conditions and access to credit to be tighter in Q3 2021.

The financial conditions index declined to -33.1 percent in Q3 2021 from -32.1 percent in the previous quarter. This means that firms that expected tighter financial conditions continued to outnumber those that said otherwise during the quarter.

Further, firms indicated that their access to credit in Q3 2021 was more constrained as the credit access index declined further to -11.4 percent for Q3 2021 from -8.2 percent in Q2 2021. This view is consistent with the outcome of the Q2 2021 Senior Bank Loan Officers' Survey (SLOS) which point to a net tightening of overall credit standards for both loans to enterprises and households.¹⁰

❖ Employment and Expansion Plans

Next Quarter Employment Outlook and Expansion Plans Q1 2017 – Q3 2021



Employment outlook is more optimistic, while fewer firms plan to expand for Q4 2021 and the next 12 months.

The employment outlook index increased to 6.2 percent for Q4 2021 (from 5 percent in the Q2 2021 survey results) and was higher for the next 12 months at 24.3 percent (from 14.7 percent). The higher positive readings suggest that firms are looking forward to hiring more people for Q4 2021 and the next 12 months.

Meanwhile, the percentage of businesses with expansion plans in the industry sector dropped to 9.6 percent for Q4 2021 (from 21.1 percent in the Q2 2021 survey results), and slightly declined to 27.3 percent for the next 12 months (from 27.8 percent). The percentage of firms that expressed expansion plans for the next quarter decreased across all industry sub-sectors, except for the agriculture, fishery and forestry sub-sector. For the next 12 months, more firms from the agriculture, fishery and forestry sub-sector expressed their plans to expand, but the percentage of firms from the manufacturing sub-sector remained relatively unchanged. In contrast, the percentage of firms with expansion plans in the mining and quarrying and electricity, gas and water sub-sectors decreased for the next 12 months.

⁹ Financial conditions refer to the firm's general cash position considering 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.

¹⁰ Results of the Q2 2021 Senior Bank Loan Officers' Survey (SLOS) as indicated by the diffusion index (DI) approach showed a net tightening of overall credit standards for both loans to enterprises and households in Q2 2021. <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=5862>



❖ Business Constraints

Insufficient demand and domestic competition continue to be the major risks to businesses.

The major risks to businesses identified by respondents in Q3 2021 remained to be weak demand (resulting in low sales volume) and stiff competition as indicated by 43.8 percent and 37.9 percent of the total number of respondents, respectively. Majority of the respondents also indicated the continued adverse effects of the COVID-19 pandemic as additional business constraint.

❖ Expectations on Key Economic Indicators ¹¹

Firms expect a weaker peso, higher peso borrowing rates and inflation in Q3 2021 and for the near term.

The survey results showed that businesses expect the peso to depreciate against the U.S. dollar and peso borrowing rates and inflation to rise in Q3 and Q4 2021, and the next 12 months.

Further, businesses expected that inflation will remain within the government's 2–4 percent inflation target range for 2021 and 2022. In particular, respondents estimated inflation to be at 3.9 percent in Q3 2021, Q4 2021, and the next 12 months (from 4.1 percent, 4.2 percent, and 4.1 percent, respectively in the Q2 2021 survey results). Moreover, businesses anticipated that the peso-dollar rate will average at Php 49.4/US\$1 (from Php 48.4/US\$1) in Q3 2021, Php 49.5/US\$1 (from Php 48.6/US\$1) for Q4 2021, and Php 49.6/US\$1 (from Php 48.7/US\$1) for the next 12 months.

¹¹ 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.



About the Survey

Survey response rate is 60.6 percent. The Q3 2021 BES was conducted during the period 22 July – 15 September 2021.¹² There were 1,511 firms surveyed nationwide, consisting of 584 companies in NCR and 927 firms in AONCR, covering all 16 regions nationwide. Samples were drawn from the Top 7,000 Corporations ranked based on total assets in 2016 from the Bureau van Dijk (BvD) database. The BES sample was derived through stratified random sampling.¹³

The nationwide survey response rate for this quarter was lower at 60.6 percent (from 66 percent in the Q2 2021). The response rate was lower for NCR at 56.5 percent (from 60.9 percent) and AONCR at 63.2 percent (from 69.2 percent). For this quarter's survey round, the conduct (i.e., data collection) of the BES was subcontracted to RLR Research and Analytics, Inc. The data collection was done amid the heightened mobility restrictions which might have caused the low response rate.

A breakdown of responses by type of business showed that 70.2 percent were domestic-oriented firms, 12.4 percent were both importers and exporters, 10.2 percent were importers, and 6.9 percent were exporters. The remaining 0.3 percent of the respondents did not specify their firm type.¹⁴

By size of employment, the survey showed that 47.6 percent of respondents were small-sized firms, 35 percent were medium-sized, and 13.5 percent were large firms. About 3.8 percent of the respondents indicated that their company does not have any employee.

¹² Approval for the conduct of the Q2 2021 BES was issued on 1 July 2019 through PSA Approval Nos. BSP-1939-01 to 04, which refers to the 4 questionnaire types of the BES.

¹³ 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.

¹⁴ Details may not add up to 100 percent due to rounding.

**BUSINESS EXPECTATIONS SURVEY
2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3
1. Overall Business Outlook on the Macroeconomy																		
Confidence Index: All Sectors																		
Current Quarter	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	17.4	1.4	-5.6
NCR	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	20.1	-0.8	-7.9
AONCR	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	11.4	6.4	-0.6
Next Quarter	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	42.8	31.4	31.9
NCR	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	43.7	32.7	33.0
AONCR	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	40.8	28.3	29.5
Next 12 Months¹											58.6	59.6	55.8	37.5	57.7	60.5	52.5	56.0
NCR											59.9	61.6	57.8	38.7	59.3	63.3	55.2	57.1
AONCR											56.2	56.2	51.5	34.9	54.3	54.3	46.2	53.3
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																		
Industry Sector	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	16.8	10.3	1.2
Mining and Quarrying	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	24.1	16.8	5.1
Manufacturing	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	17.4	9.6	-0.8
Electricity, Gas and Water	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	20.9	18.2	29.0
Agriculture, Fishery and Forestry	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	-6.6	9.3	4.8
Construction Sector	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	9.9	22.0	-7.2
Wholesale and Retail Trade	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	18.7	-9.5	-16.9
Services Sector	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	17.8	0.6	-2.4
of which:																		
Financial Intermediation	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	28.6	4.6	8.1
Hotels and Restaurants	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	-5.6	-5.4	-32.8
Business Activities	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	18.0	10.9	5.0
Real Estate	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	14.7	-11.0	-6.9
Community and Social Services	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	13.8	-20.9	-16.3
Transportation	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	18.0	13.1	-3.0
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																		
Industry Sector	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	40.5	31.0	33.6
Mining and Quarrying	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	51.7	29.0	12.4
Manufacturing	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	40.7	31.3	33.8
Electricity, Gas and Water	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	43.2	40.0	62.8
Agriculture, Fishery and Forestry	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	20.3	18.3	23.6
Construction Sector	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	29.5	30.1	31.6
Wholesale and Retail Trade	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	51.5	30.0	31.8
Services Sector	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	40.5	32.6	31.1
of which:																		
Financial Intermediation	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	47.8	31.7	39.3
Hotels and Restaurants	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	29.6	47.3	29.1
Business Activities	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	35.7	31.7	31.2
Real Estate	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	41.9	29.4	26.4
Community and Social Services	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	32.4	35.7	24.6
Transportation	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	44.3	33.8	31.1

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2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3
4. Business Outlook Index on the Macroeconomy by Sector: Next 12 Months¹																		
Industry Sector													51.7	55.0	49.0	30.9	49.3	57.6
Mining and Quarrying													39.9	38.7	42.6	46.7	51.9	69.0
Manufacturing													51.8	57.6	50.9	29.4	49.1	57.2
Electricity, Gas and Water													53.6	42.9	46.3	43.3	64.3	79.3
Agriculture, Fishery and Forestry													55.6	32.0	23.8	28.7	35.2	29.6
Construction Sector													54.0	52.6	63.0	46.2	70.0	45.6
Wholesale and Retail Trade													62.2	60.7	56.7	43.2	55.7	65.0
Services Sector													62.5	64.6	57.8	36.4	61.4	61.2
of which:																		
Financial Intermediation													70.5	74.3	67.9	44.6	75.2	69.0
Hotels and Restaurants													48.3	63.8	77.2	65.4	57.9	42.2
Business Activities													61.3	56.9	51.9	34.3	57.1	57.0
Real Estate													73.0	60.4	46.9	29.0	53.3	62.6
Community and Social Services													63.0	63.5	72.8	38.7	62.7	58.5
Transportation													52.1	71.8	56.7	27.8	63.0	63.1
5. Business Outlook index on Own Operations: Current Quarter																		
Volume of Business Activity Index	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	6.0	-4.6	-4.6
Industry Sector	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	2.9	3.7	3.8
Mining and Quarrying	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	-1.8	25.5	26.7
Manufacturing	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	3.0	0.8	1.3
Electricity, Gas and Water	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	10.6	12.7	33.8
Agriculture, Fishery and Forestry	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	-1.7	25.1	-5.2
Construction Sector	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	10.4	8.6	-7.2
Wholesale and Retail Trade	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	10.0	-17.6	-17.9
Services Sector	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	4.7	-3.0	-0.8
Financial Intermediation	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	20.7	2.5	10.6
Hotels and Restaurants	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	-18.3	-21.9	-35.0
Business Activities	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	6.1	10.2	14.3
Real Estate	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	1.9	-15.7	-14.6
Community and Social Services	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	-5.5	-18.3	-19.9
Transportation	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	-3.5	5.5	5.5
Volume of Total Order Book Index	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	2.2	-5.5	-7.3
Industry Sector	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	2.3	3.6	-1.0
Mining and Quarrying	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	0.0	25.5	21.5
Manufacturing	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	2.2	0.8	-4.5
Electricity, Gas and Water	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	7.1	3.6	31.4
Agriculture, Fishery and Forestry	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	0.6	31.8	6.8
Construction Sector	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	-3.6	6.7	-7.2
Wholesale and Retail Trade	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	4.8	-20.7	-16.9
Services Sector	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	1.4	-2.7	-5.0
Financial Intermediation	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	12.3	2.2	1.1
Hotels and Restaurants	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	-18.3	-17.4	-29.4
Business Activities	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	6.4	5.6	4.6
Real Estate	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	-1.2	-9.9	-15.0
Community and Social Services	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	-9.3	-20.2	-18.1
Transportation	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	-6.5	4.8	4.8

**BUSINESS EXPECTATIONS SURVEY
2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3
5. Business Outlook index on Own Operations: Current Quarter - continued																		
Credit Access Index	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	-7.5	-8.2	-11.4
Industry Sector	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	-11.2	-9.7	-6.1
Mining and Quarrying	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	-8.7	-3.3	2.1
Manufacturing	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	-11.5	-9.7	-6.3
Electricity, Gas and Water	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	-6.8	-5.5	-9.2
Agriculture, Fishery and Forestry	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	-14.4	-20.4	-9.7
Construction Sector	-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	6.2	-17.8	-20.7
Wholesale and Retail Trade	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	-4.2	-7.5	-15.4
Services Sector	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	-9.0	-6.5	-10.8
Financial Intermediation	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	-0.8	0.7	0.3
Hotels and Restaurants	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	0.1	7.6	-14.5
Business Activities	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	-13.8	-18.7	-10.3
Real Estate	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	-8.7	-0.4	-9.6
Community and Social Services	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	-11.9	-10.3	-18.2
Transportation	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	-16.8	-12.4	-26.8
Financial Condition	-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	-32.9	-32.1	-33.1
Industry Sector	-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	-33.0	-29.5	-31.1
Mining and Quarrying	-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	-17.3	-11.7	-7.2
Manufacturing	-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	-33.8	-30.5	-32.3
Electricity, Gas and Water	-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	-32.6	-29.1	-39.2
Agriculture, Fishery and Forestry	-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	-36.4	-29.5	-25.5
Construction Sector	-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	-44.6	-57.1	-54.4
Wholesale and Retail Trade	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	-22.9	-29.1	-36.1
Services Sector	-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	-37.6	-32.3	-29.7
Financial Intermediation	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	-24.9	-14.4	-6.8
Hotels and Restaurants	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	-80.3	-61.2	-52.8
Business Activities	-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	-41.5	-34.9	-35.2
Real Estate	-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	-29.9	-27.5	-23.4
Community and Social Services	-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	-58.1	-62.8	-60.0
Transportation	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	-36.2	-37.2	-43.2
Average Capacity Utilization in the Industry and Construction Sectors (in percent)	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	70.1	69.6	69.8

**BUSINESS EXPECTATIONS SURVEY
2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3
6. Business Outlook Index on Own Operations: Next Quarter																		
Volume of Business Activity Index	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	33.6	29.3	24.0
Industry Sector	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	31.9	26.2	31.2
Mining and Quarrying	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	53.2	18.7	23.6
Manufacturing	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	30.8	28.6	29.6
Electricity, Gas and Water	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	48.3	5.5	62.1
Agriculture, Fishery and Forestry	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	10.1	11.4	37.1
Construction Sector	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	23.8	33.7	21.8
Wholesale and Retail Trade	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	35.6	26.4	11.8
Services Sector	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	34.4	32.2	27.7
Financial Intermediation	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	38.3	26.2	38.6
Hotels and Restaurants	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	29.6	42.0	6.5
Business Activities	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	35.2	35.9	35.6
Real Estate	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	29.1	22.1	13.8
Community and Social Services	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	19.5	67.9	21.8
Transportation	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	47.7	30.4	35.2
Employment Outlook Index	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	5.7	5.0	6.2
Industry Sector	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	5.0	5.7	6.6
Mining and Quarrying	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	15.4	-6.8	-2.1
Manufacturing	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	4.3	6.7	6.6
Electricity, Gas and Water	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	3.5	-1.8	12.6
Agriculture, Fishery and Forestry	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	9.6	9.1	9.4
Construction Sector	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	10.9	9.2	17.1
Wholesale and Retail Trade	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	6.6	-4.1	-4.3
Services Sector	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	4.8	9.7	11.0
Financial Intermediation	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	12.6	19.7	27.3
Hotels and Restaurants	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	-11.3	-5.8	-11.3
Business Activities	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	14.7	14.1	22.9
Real Estate	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	4.3	7.2	-0.4
Community and Social Services	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	-14.6	6.6	-3.6
Transportation	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	-7.7	-2.1	2.6

**BUSINESS EXPECTATIONS SURVEY
2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3
7. Business Outlook Index on Own Operations: Next 12 Months¹																		
Volume of Business Activity Index													57.2	57.7	45.1	16.2	36.5	42.5
Industry Sector													46.6	46.6	41.6	19.8	28.3	38.1
Mining and Quarrying													17.7	4.9	-6.1	-10.6	0.0	8.2
Manufacturing													16.1	19.4	-1.0	18.7	26.9	43.7
Electricity, Gas and Water													28.4	28.5	18.4	33.8	58.1	63.8
Agriculture, Fishery and Forestry													23.5	11.4	-24.6	16.4	19.3	36.4
Construction Sector													17.7	17.3	26.0	27.6	47.4	30.0
Wholesale and Retail Trade													20.0	33.6	2.7	14.0	37.6	50.0
Services Sector													63.9	70.1	49.4	13.5	38.4	41.9
Financial Intermediation													83.6	81.6	63.2	33.2	51.9	47.1
Hotels and Restaurants													44.3	63.1	58.8	11.4	46.9	15.5
Business Activities													61.4	63.7	52.2	19.3	31.7	40.1
Real Estate													57.1	54.5	41.6	0.1	30.2	38.3
Community and Social Services													67.0	79.3	44.6	-0.9	31.8	34.5
Transportation													60.1	82.5	35.3	6.3	44.9	58.4
Employment Outlook Index													35.8	34.5	30.8	-2.1	7.8	11.7
Industry Sector													24.7	23.1	26.0	2.1	10.4	11.7
Mining and Quarrying													15.1	4.9	16.3	1.7	9.3	18.9
Manufacturing													24.4	23.0	26.7	1.9	10.3	12.1
Electricity, Gas and Water													35.8	40.2	47.8	12.6	25.5	20.9
Agriculture, Fishery and Forestry													22.3	16.6	2.6	-4.4	-1.1	-14.6
Construction Sector													28.6	52.7	60.7	11.7	25.4	18.1
Wholesale and Retail Trade													36.7	29.6	23.7	-7.0	-1.2	13.1
Services Sector													47.0	46.8	32.1	-4.0	8.3	10.1
Financial Intermediation													64.3	57.9	46.0	18.0	20.0	21.8
Hotels and Restaurants													32.4	37.8	34.7	-36.7	-15.1	-33.9
Business Activities													46.8	45.4	31.3	2.6	6.7	19.5
Real Estate													35.8	34.4	24.1	-7.3	6.0	8.8
Community and Social Services													59.2	58.6	42.5	-23.4	10.5	8.3
Transportation													38.5	46.6	19.2	-21.2	5.5	-4.7
8. Companies with Expansion Plans (in percent of total respondents): Next Quarter																		
All Industry Sector	34.9	34.6	32.8	31.1	35.1	34.2	36.1	36.0	33.2	33.5	30.4	29.2	30.2	11.0	16.9	20.6	21.1	9.6
Mining and Quarrying	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	17.2	13.6	2.1
Manufacturing	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	21.4	21.1	9.2
Electricity, Gas and Water	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	20.7	30.9	14.4
Agriculture, Fishery and Forestry	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	9.8	18.2	20.3
9. Companies with Expansion Plans (in percent of total respondents): Next 12 Months¹																		
All Industry Sector													37.9	38.1	37.2	20.4	28.0	27.0
Mining and Quarrying													28.1	33.1	34.8	12.5	14.8	17.2
Manufacturing													37.3	38.3	37.1	19.5	28.4	27.7
Electricity, Gas and Water													44.8	36.8	44.2	28.8	32.2	32.9
Agriculture, Fishery and Forestry													47.2	38.9	35.6	37.1	31.3	20.0

**BUSINESS EXPECTATIONS SURVEY
2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3
10. Business Constraints (in percent to total respondents): Current Quarter																		
High Interest Rate	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	10.6	8.6	9.5
Unclear Economic Laws	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	16.3	14.8	20.0
Lack of Equipment	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	3.9	4.6	4.5
Insufficient Demand	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	46.7	44.1	43.8
Access to Credit	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	8.8	8.7	9.3
Financial Problems	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	17.5	14.9	17.2
Competition	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	41.6	38.1	37.9
Labor Problems	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	6.5	7.3	8.5
Lack of Materials Input	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	9.4	7.9	8.7
Others	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	47.5	51.7	41.8
None	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	5.1	4.3	7.1
11. Business Expectations Index on Selected Economic Indicators: Current Quarter																		
P/\$ Exchange Rate	-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	0.1	-8.5	-28.6
Inflation Rate	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	55.1	40.6	50.0
Peso Borrowing Rate	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	-4.8	0.3	5.8
Inflation Rate Expectations (in %)	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	3.6	4.1	3.9
Exchange Rate Expectations (Php: \$1.00)	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	48.4	48.4	49.4
12. Business Expectations Index on Selected Economic Indicators: Next Quarter																		
P/\$ Exchange Rate	-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	-11.6	-13.7	-11.8
Inflation Rate	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	43.9	37.7	45.8
Peso Borrowing Rate	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	0.8	7.7	11.1
Inflation Rate Expectations (in %)	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	3.7	4.2	3.9
Exchange Rate Expectations (Php: \$1.00)	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	48.6	48.6	49.5

BUSINESS EXPECTATIONS SURVEY 2017 - 2021

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3

13. Business Expectations Index on Selected Economic Indicators: Next 12 Months¹

P/\$ Exchange Rate											0.8	-0.3	8.4	5.3	-2.9	-7.7	-6.4	-10.6
Inflation Rate											10.6	17.3	26.9	29.6	28.2	32.9	24.6	35.5
Peso Borrowing Rate											1.9	4.4	6.3	2.7	13.9	13.3	14.1	18.4
Inflation Rate Expectations (in %)											3.6	3.2	3.2	2.5	2.6	3.7	4.1	3.9
Exchange Rate Expectations (Php: \$1.00)											51.8	51.8	51.2	50.1	49.2	48.8	48.7	49.6

14. Distribution of Respondent Firms by Sector

All Sectors	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916
Industry	368	376	374	373	365	370	368	355	367	371	357	354	281	268	266	259	262	237
Mining and Quarrying	37	36	36	32	33	33	35	32	32	34	32	32	30	34	33	28	29	26
Manufacturing	224	229	228	230	222	225	224	219	228	225	219	222	159	152	146	148	149	139
Electricity, Gas and Water	48	50	49	51	51	54	51	46	52	54	49	46	42	39	43	42	40	29
Agriculture, Fishery and Forestry	59	61	61	60	59	58	58	58	55	58	57	54	50	43	44	41	44	43
Construction	94	88	85	85	85	84	87	85	92	89	87	89	81	73	73	49	47	49
Wholesale and Retail Trade	338	335	329	322	322	330	332	334	347	332	335	333	209	179	174	193	204	180
Services	439	440	450	457	437	440	439	431	428	438	436	429	540	462	468	464	485	450
Financial Intermediation	83	89	85	87	84	83	82	83	80	81	80	80	148	138	139	141	149	126
Hotels and Restaurants	56	55	57	60	52	54	56	51	49	51	55	52	43	30	31	29	32	39
Business Activities	104	101	103	106	98	101	93	95	98	102	100	94	100	83	84	85	88	73
Real Estate and Renting	60	61	63	62	63	62	70	65	65	67	65	66	114	96	93	95	98	94
Community and Social Services	59	57	61	63	62	59	60	59	60	60	58	61	70	64	66	60	61	62
Transportation	77	77	81	79	78	81	78	78	76	77	78	76	65	51	55	54	57	56

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 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
2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3

15. Business Outlook Index on the Macroeconomy (by Type of Business): Current Quarter

Importer	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	26.3	16.7	-1.1
Exporter	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	11.1	14.6	7.9
Both (Importer and Exporter)	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	28.8	12.3	7.0
Domestic-Oriented	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	11.5	1.9	-3.9

16. Number of Respondents (by Type of Business)

Importer	155	144	148	146	157	147	155	148	154	147	131	144	109	93	85	95	102	93
Exporter	81	81	88	80	86	75	81	83	75	72	72	74	62	55	53	45	48	63
Both (Importer and Exporter)	214	217	219	218	195	209	206	203	208	211	205	203	124	106	110	111	106	114
Domestic-Oriented	685	702	675	694	676	713	709	687	723	721	719	704	744	679	687	669	687	643
Not Specified	104	95	108	99	95	80	75	84	74	79	88	80	72	49	46	45	55	3
Total	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916

17. Business Outlook Index on the Macroeconomy (by Size of Employment): Current Quarter

Small (<100)	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	12.5	-0.2	-4.6
Medium (100-<500)	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	17.9	8.2	0.9
Large (500 & up)	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	32.5	16.9	-1.6

18. Number of Respondents (by Size of Employment)

Small (<100)	397	402	383	376	378	379	370	368	368	366	306	329	449	401	401	431	416	436
Medium (100-<500)	473	474	475	469	479	486	481	465	466	462	416	438	345	302	344	324	317	321
Large (500 & up)	249	260	271	260	270	272	289	278	303	316	278	287	158	135	121	123	142	124
Not Specified	120	103	109	132	82	87	86	94	97	86	215	151	159	144	115	87	123	35
Total	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916

**BUSINESS EXPECTATIONS SURVEY
2017 - 2021**

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3
19. Business Outlook Index on the Macroeconomy (by Type of Business): Next Quarter																		
Importer	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	50.5	29.4	34.4
Exporter	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	51.1	41.7	23.8
Both (Importer and Exporter)	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	49.5	41.5	31.6
Domestic-Oriented	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	37.8	29.7	31.9
20. Percentage Distribution of Respondent Firms by Type of Business																		
Importer	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	9.8	10.2	10.2
Exporter	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	4.7	4.8	6.9
Both (Importer and Exporter)	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	11.5	10.6	12.4
Domestic-Oriented	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	69.3	68.8	70.2
Not Specified	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	4.7	5.5	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
21. Business Outlook Index on the Macroeconomy (by Size of Employment): Next Quarter																		
Small (<100)	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	37.8	26.7	27.3
Medium (100-<500)	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	43.2	34.1	36.4
Large (500 & up)	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	57.7	43.0	36.3
22. Percentage Distribution of Respondent Firms by Size of Employment																		
Small (<100)	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	44.7	41.7	47.6
Medium (100-<500)	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	33.6	31.8	35.0
Large (500 & up)	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	12.7	14.2	13.5
Not Specified	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	9.0	12.3	3.8
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

BUSINESS EXPECTATIONS SURVEY 2017 - 2021

	2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3

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	69.5	52.0	57.0
Exporter													48.6	44.6	61.3	47.3	60.4	57.8	45.8	47.6
Both (Importer and Exporter)													48.8	59.6	37.9	38.7	57.3	63.1	58.5	57.9
Domestic-Oriented													64.0	60.2	57.0	37.1	58.1	56.1	51.2	58.0

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	57.1	48.1	54.1
Medium (100-<500)													60.1	60.3	57.1	44.4	64.2	60.5	52.7	56.4
Large (500 & up)													58.6	59.2	60.1	46.7	68.6	71.5	67.6	71.8

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 conc
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