

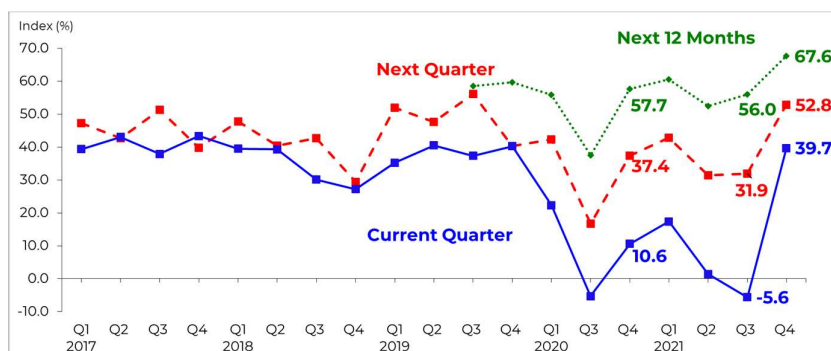
BUSINESS EXPECTATIONS SURVEY¹

Fourth Quarter 2021

Business Confidence Turns Optimistic in Q4 2021, and More Buoyant for Q1 2022 and the Next 12 Months

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index (CI)
Q1 2017 – Q4 2021



Business CI turns sharply higher in Q4 2021...

In Q4 2021, the outlook of business owners on the economy turned optimistic as the overall confidence index reverted to the positive territory at 39.7 percent, the highest level since the onset of the COVID-19 pandemic in the country in Q1 2020, from -5.6 percent in Q3 2021.² The positive index resulted from the combined effects of increase in the percentage of optimists and the decrease in the percentage of pessimists. (See Table 1.)

The respondents' optimism was attributed to the: (a) easing of COVID-19 restrictions and opening of borders, (b) increase in demand and sales, (c) continuous vaccine roll out, leading to herd immunity, (d) seasonal factors, such as the uptick in demand during the holiday season, and start of mining and milling seasons, as well as (e) decreasing number of COVID-19 cases. The release of positive economic news, such as the real GDP performance for Q3 2021, may have also influenced the more sanguine business expectations.

The sentiment of businesses in the Philippines mirrored the business outlook in China, which also turned optimistic in Q4 2021. Further, business sentiment in Australia, Bulgaria, Croatia, euro area, France, Greece, Hungary, Israel, Mexico, and the United States of America was more optimistic. Meanwhile, the business sentiment of Brazil, Canada, Chile, Denmark, Germany, Hong Kong, Netherlands, and the United

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. The Q4 2021 BES was conducted during the period 8 October to 18 November 2021.

² The first suspected COVID-19 case in the Philippines was investigated on 21 January 2020. <https://doh.gov.ph/doh-press-release/doh-confirms-first-2019-nCoV-case-in-the-country>



Kingdom was less optimistic. However, the view of businesses in New Zealand, South Korea, and Thailand was pessimistic.³

...and continues to be more optimistic for Q1 2022...

For the next quarter, the business sentiment further improved as the overall CI increased to 52.8 percent from 31.9 percent a quarter ago. (See Table 1.)

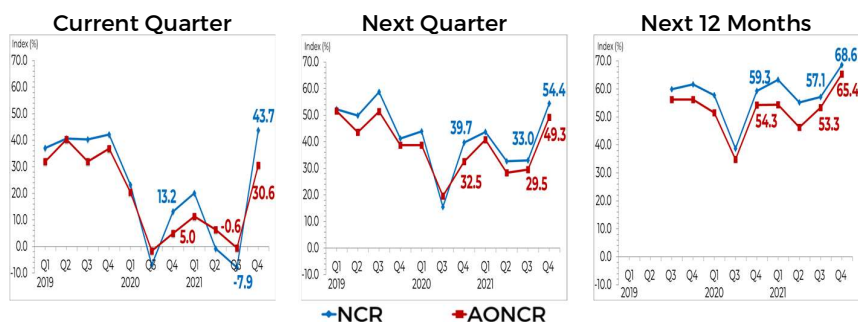
The respondents' optimism for the next quarter was attributed primarily to expectations of: (a) availability of more vaccines and the prospect of achieving herd immunity, (b) easing of community quarantines, (c) increase in volume of sales and orders, (d) improvement in economic conditions and prospect of recovery from losses incurred during the stricter community quarantines, and (e) the continuous decline in the number of COVID-19 cases.

...and the next 12 months.

For the next 12 months, business sentiment was more optimistic as the overall CI increased to 67.6 percent from previous quarter's survey result of 56 percent.⁴ (See Table 1.)

The respondents' more upbeat outlook for the next 12 months was attributed to the aforementioned reasons, including the expected resumption of business operations in the near future.

**Overall Business Outlook Index by Area
Q1 2019 - Q4 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) improved for the current and next quarters and the next 12 months.⁵ (See Table 1.)

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.

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).



Business confidence, by region, generally improves in Q4 2021 and for Q1 2022... Business outlook across the regions generally turned more optimistic in the current quarter, for the next quarter and the next 12 months. Outlook of respondent firms in Q4 2021 turned upbeat in Regions I, III, VII, and VIII, while all other regions were more optimistic. Aside from the seasonal factors, such as uptick in demand during the holidays, start of mining and milling seasons and the coming elections, respondents in said regions attributed their buoyant outlook mainly to expectations of an economic recovery due to the continuous vaccine roll out and easing of quarantine restrictions.

For the quarter ahead (Q1 2022), the business sentiment of respondents across all regions was more buoyant, except for respondents in Regions II, V, and IX, whose business sentiment was less optimistic. The better business outlook was due to their anticipated improvement in the economy amid the continuous roll out of vaccines and easing of quarantine restrictions. Further, respondents cited the boost in election-related spending as one of their reasons for the positive business outlook. On the contrary, the less optimistic outlook of respondents in Regions II, V, and IX was due to expectations of the lingering negative effects of COVID-19 and the seasonal low business activity during Q1 2022 in the trade sub-sector, i.e., food and agricultural machineries and equipment.

...as well as the next 12 months. For the next 12 months, respondent firms in all regions were more optimistic, except for those in Regions VIII and IX, who were less confident amid the uncertainty surrounding the long-term effects of the COVID-19 pandemic. Respondents attributed their optimism to the aforementioned reasons and on expectations that the economy will improve further after the elections.

All types of trading firms are optimistic in Q4 2021... **Optimism prevailed across the different types of trading firms (i.e., exporter, importer, dual-activity, and domestic-oriented) in Q4 2021.** Importers and domestic-oriented respondent firms turned optimistic, while exporters and dual-activity firms were more confident. (See Table 15.)

The favorable outlook was primarily due to the anticipated reopening of the economy brought about by the less strict community quarantines and the granular lockdowns amid the ongoing government vaccination program.

...and more confident for the near term. For Q1 2022, the outlook across all types of trading firms was more buoyant as the indices were higher compared to the Q3 2021 survey results. Moreover, for the next 12 months, the CIs of all types of trading firms reached record highs. (See Tables 19 and 23.)

Outlook of firms by employment size improves in all reference periods. The business outlook of firms across various employment sizes improved significantly in Q4 2021. The sentiment of small- and large-sized firms turned optimistic, while that of the medium-sized firms was more upbeat. Similarly, the same upbeat sentiment was recorded for Q1 2022 and the next 12 months among different sized firms.⁶ (See Tables 17, 21, and 24.)

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 2017 - Q4 2021**



Buoyant business sentiment is evident across all sectors in Q4 2021... All sectors indicated a more positive outlook for their sectoral performance in Q4 2021 as the CIs turned positive for firms from the construction, services, and wholesale and retail trade sectors and more positive for the industry sector. (See Table 2.)

Industry firms' more upbeat outlook in Q4 2021 was due to the usual uptick in the volume of orders and consumer demand during the holiday season. Further, a boost in economic activity was expected by the respondents amid the continued vaccine roll out.

The construction sector attributed their optimistic view to the resumption and launch of new government projects with the easing of quarantine restrictions.

Similarly, the sentiment of responding firms from the services sector turned buoyant due to the decreasing COVID-19 cases and reopening of businesses as more people get vaccinated and return to work.

The outlook of wholesale and retail trade firms was favorable in Q4 2021 due to expectations of brisker sales and orders during the holiday season, less quarantine restrictions, a decline in COVID-19 cases and a rise in the vaccination rate.

...and more bullish for the next quarter... For Q1 2022, business outlook across all sectors was more bullish due to the aforementioned reasons. Further, the industry sector cited low cost of supplies (i.e., wood and raw materials for manufacturing of



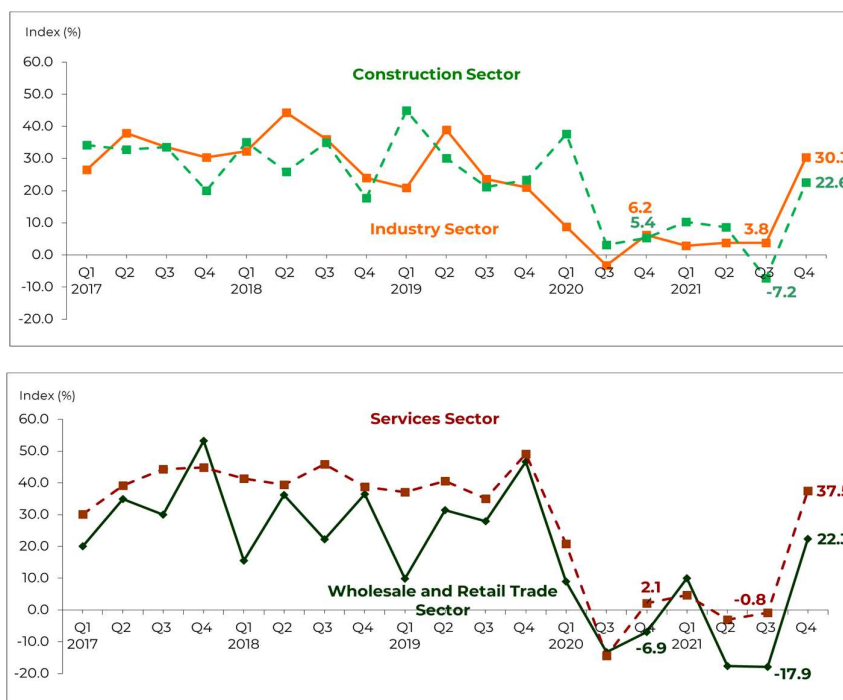
drums) and more projects and business opportunities as reasons for their more buoyant expectations. The construction sector attributed their optimism to their anticipation of additional/new projects in the coming quarter. Meanwhile, the services sector was more confident that Q1 2022 would bring in more job opportunities and increase in demand for loans (i.e., banks and lending companies). The wholesale and retail trade sector's more upbeat outlook for the next quarter was likewise due to their expectation of increased demand, particularly in imported and exported products, beverages, building materials, and garden equipment and supplies. (See Table 3.)

...and the next 12 months.

Likewise, the CIs across all sectors for the next 12 months reached all-time highs. Business confidence improved across all sectors in anticipation of herd immunity, the further reopening of the economy, an easing in quarantine restrictions, an increase in demand and a return to "normal" business activity. Further, respondents anticipated an increase in investors, following the presidential elections in May 2022. (See Table 4.)

❖ Business Outlook on Own Operations

**Current Quarter Business Activity Index by Sector
Q1 2017 – Q4 2021**



Firms' outlook on their business operations is optimistic in Q4 2021.

Meanwhile, consistent with the national trend, the outlook of firms on their own business operations turned optimistic in Q4 2021. This positive outlook emanated from the hopeful views of firms on higher volumes of business activity and total orders booked. The same upbeat expectations were recorded for Q1 2022 and the next 12 months as well. (See Tables 5-7.)



❖ Average Capacity Utilization

Capacity utilization inches higher in Q4 2021. The average capacity utilization of the industry and construction sectors in Q4 2021 increased to 70.6 percent (from 69.8 percent in Q3 2021).⁷ This development is consistent with the results of the Monthly Integrated Survey of Selected Industries (MISSI) of the Philippine Statistics Authority (PSA) which, likewise, showed a higher level of capacity utilization in Q3 2021 compared with the results of the previous quarter.⁸ (See Table 5.)

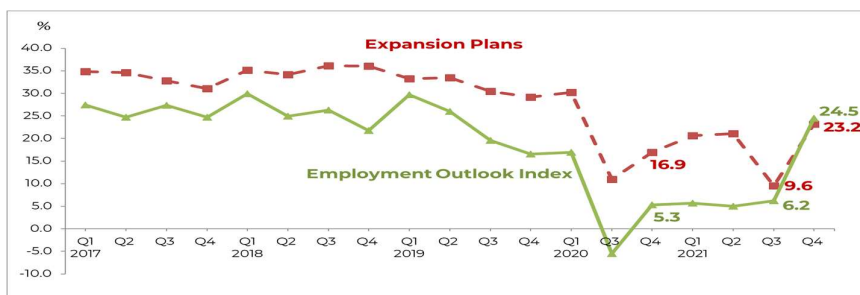
❖ Financial Conditions and Access to Credit ⁹

Firms expect financial conditions and access to credit to remain tight in Q4 2021. The financial conditions index declined to -22.4 percent in Q4 2021 from -33.1 percent in the previous quarter. This means that the number of firms that expected tight financial conditions declined, but continued to outnumber those that said otherwise during the quarter. (See Table 5.)

Further, more firms indicated that their access to credit in Q4 2021 was still constrained as the credit access index remained in the negative territory at -7.7 percent in Q4 2021 from -11.4 percent in Q3 2021. This view is aligned with the outcome of the Q3 2021 Senior Bank Loan Officers' Survey (SLOS), which pointed to a net tightening of overall credit standards for both loans to enterprises and households.¹⁰ (See Table 5.)

❖ Employment and Expansion Plans

**Next Quarter Employment Outlook and Expansion Plans
Q1 2017 – Q4 2021**



For Q1 2022, the employment outlook is more optimistic and more firms plan The employment outlook index climbed to 24.5 percent for Q1 2022 (from 6.2 percent in the Q3 2021 survey results) and was higher for the next 12 months at 32.4 percent (from 24.3 percent). The higher positive readings suggest that firms are looking forward to hiring more people for Q1 2022 and the next 12 months. (See Tables 6 and 7.)

⁷ 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.

⁸ The average capacity utilization of the MISSI was higher at 66.1 percent in Q3 2021 (from 65 percent in Q2 2021).

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 Q3 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>



to expand operations. Moreover, the percentage of businesses with expansion plans in the industry sector rose to 23.2 percent for Q1 2022 (from 9.6 percent in the Q3 2021 survey results), but slightly declined to 26.8 percent for the next 12 months (from 27.3 percent). The percentage of firms that expressed expansion plans for the next quarter increased across all industry sub-sectors. For the next 12 months, more firms from the agriculture, fishery and forestry and the electricity, gas and water sub-sectors 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 sub-sector decreased for the next 12 months. (See Tables 8 and 9.)

❖ Business Constraints

Domestic competition and insufficient demand continue to be the major risks to businesses as well as the adverse effects of the COVID-19 pandemic. The major risks to businesses identified by respondents in Q4 2021 remained to be stiff competition and weak demand (resulting in low sales volume) as indicated by 44.5 percent and 44.3 percent of the total number of respondents, respectively. Further, majority of the respondents indicated that the adverse effects of the COVID-19 pandemic continued to weigh on business activity. (See Table 10.)

❖ Expectations on Key Economic Indicators ¹¹

Firms expect a weak peso, higher borrowing and inflation rates in Q4 2021 and the near term. The survey results showed that businesses expect the peso to continue to depreciate against the U.S. dollar and peso borrowing and inflation rates to rise in Q4 2021, for Q1 2022, and the next 12 months. Further, businesses expected that inflation will breach the upper end of the government's 2-4 percent inflation target range for 2021 and 2022. In particular, respondents estimated inflation to be at 4.2 percent in Q4 2021, for Q1 2022, and the next 12 months (from 3.9 percent across said periods in the Q3 2021 survey results). Moreover, businesses anticipated that the peso-dollar rate will average at Php 50.3/US\$1 (from Php 49.4/US\$1) in Q4 2021, Php 50.5/US\$1 (from Php 49.5/US\$1) for Q1 2022, and Php 50.6/US\$1 (from Php 49.6/US\$1) for the next 12 months. (See Tables 11-13.)

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 58.5 percent. The Q4 2021 BES was conducted during the period 8 October – 18 November 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 58.5 percent (from 60.6 percent in the Q3 2021). The response rate was lower for NCR at 49.7 percent (from 56.5 percent), but higher for AONCR at 64.1 percent (from 63.2 percent). Similar to the previous quarter, the data collection for the Q4 2021 BES was subcontracted to RLR Research and Analytics, Inc. The data collection was done amid the heightened mobility restrictions, which may have caused the low response rate.

A breakdown of responses by type of business showed that 71.4 percent were domestic-oriented firms, 13.6 percent were both importers and exporters, 10.1 percent were importers, and 4.9 percent were exporters. The remaining 0.1 percent of the respondents did not specify their firm type.¹⁴ (See Table 20.)

By size of employment, the survey showed that 48.1 percent of respondents were small-sized firms, 35.4 percent were medium-sized, and 14.1 percent were large firms. About 2.4 percent of the respondents indicated that their company does not have any employee. (See Table 22.)

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 I: Industry, which consists of manufacturing, mining and quarrying, electricity, gas and water, and agriculture, fishery and forestry; (b) Group II: Construction; (c) Group III: Services, which consists of financial intermediation, real estate, renting and business activities, hotels and restaurants, transport, storage and communications and community, social and personal services; and (d) Group IV: Wholesale and Retail Trade. Beginning Q1 2012, industry classification of companies shifted from the 1994 Philippine Standard Industrial Classification (PSIC) to the 2009 PSIC.

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	Q4
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	39.7
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	43.7
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	30.6
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	52.8
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	54.4
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	49.3
Next 12 Months¹											58.6	59.6	55.8	37.5	57.7	60.5	52.5	56.0	67.6
NCR											59.9	61.6	57.8	38.7	59.3	63.3	55.2	57.1	68.6
AONCR											56.2	56.2	51.5	34.9	54.3	54.3	46.2	53.3	65.4
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	35.4
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	33.8
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	32.8
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	70.8
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	49.2
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	47.5
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	29.2
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	47.4
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	62.9
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	58.5
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	57.8
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	27.5
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	17.7
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	54.4
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	49.1
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	55.8
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	47.1
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	70.8
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	55.6
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	68.6
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	43.2
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	58.7
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	65.5
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	72.1
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	63.2
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	40.8
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	48.1
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	75.2

**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	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	57.6	56.2	58.4	60.3
Mining and Quarrying													39.9	38.7	42.6	46.7	51.9	69.0	45.8	70.0	65.9
Manufacturing													51.8	57.6	50.9	29.4	49.1	57.2	57.5	56.6	58.3
Electricity, Gas and Water													53.6	42.9	46.3	43.3	64.3	79.3	61.8	81.9	85.4
Agriculture, Fishery and Forestry													55.6	32.0	23.8	28.7	35.2	29.6	38.7	54.2	64.6
Construction Sector													54.0	52.6	63.0	46.2	70.0	45.6	50.7	66.8	75.3
Wholesale and Retail Trade													62.2	60.7	56.7	43.2	55.7	65.0	46.2	47.7	66.6
Services Sector													62.5	64.6	57.8	36.4	61.4	61.2	54.4	58.4	71.3
of which:																					
Financial Intermediation													70.5	74.3	67.9	44.6	75.2	69.0	64.5	59.6	78.0
Hotels and Restaurants													48.3	63.8	77.2	65.4	57.9	42.2	45.5	44.9	67.4
Business Activities													61.3	56.9	51.9	34.3	57.1	57.0	55.3	65.0	76.6
Real Estate													73.0	60.4	46.9	29.0	53.3	62.6	50.4	53.5	52.6
Community and Social Services													63.0	63.5	72.8	38.7	62.7	58.5	62.0	63.6	77.9
Transportation													52.1	71.8	56.7	27.8	63.0	63.1	43.5	56.4	85.7
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	30.9		
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	30.3		
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	27.6		
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	29.1		
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	47.4		
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	38.1		
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	22.6		
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	22.3		
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	37.5		
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	51.6		
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	58.5		
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	35.1		
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	27.5		
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	4.5		
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	48.2		
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	26.8		
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	27.5		
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	3.5		
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	27.5		
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	36.0		
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	45.0		
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	23.7		
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	23.1		
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	29.2		
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	37.1		
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	57.4		
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	29.1		
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	19.5		
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	2.7		
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	38.4		

**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	Q4
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	-7.7
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	0.7
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	8.0
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	1.6
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	-6.5
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	-18.0
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	-12.3
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	-8.9
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	-11.0
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	-8.9
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	-7.8
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	-14.3
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	-5.7
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	-25.1
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	-12.4
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	-22.4
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	-15.7
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	-5.9
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	-15.1
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	-21.1
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	-32.3
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	-33.8
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	-24.5
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	-23.5
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	-7.7
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	-26.8
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	-28.9
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	-21.7
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	-54.2
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	-24.1
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	70.6

**BUSINESS EXPECTATIONS SURVEY
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	2017				2018				2019				2020 *			2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4
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	43.7
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	43.2
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	35.6
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	42.2
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	69.8
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	42.9
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	52.9
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	36.3
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	47.4
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	54.4
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	70.9
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	49.3
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	29.8
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	44.5
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	59.0
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	24.5
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	20.1
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	11.9
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	19.7
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	41.6
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	15.3
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	26.9
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	19.4
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	29.7
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	29.6
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	21.3
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	42.0
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	22.2
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	21.0
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	30.5

**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	Q4				
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	40.4	44.0	57.2
Industry Sector															46.6	46.6	41.6	19.8	28.3	38.1	43.1	47.5	59.9
Mining and Quarrying															17.7	4.9	-6.1	-10.6	0.0	0.1	8.2	1.1	-3.9
Manufacturing															16.1	19.4	-1.0	18.7	26.9	38.7	43.7	47.7	60.8
Electricity, Gas and Water															28.4	28.5	18.4	33.8	58.1	51.9	49.1	63.8	75.3
Agriculture, Fishery and Forestry															23.5	11.4	-24.6	16.4	19.3	3.1	36.4	42.6	52.9
Construction Sector															17.7	17.3	26.0	27.6	47.4	30.0	25.0	45.1	59.6
Wholesale and Retail Trade															20.0	33.6	2.7	14.0	37.6	50.0	45.1	35.9	52.5
Services Sector															63.9	70.1	49.4	13.5	38.4	41.9	37.9	46.9	58.4
Financial Intermediation															83.6	81.6	63.2	33.2	51.9	48.0	47.1	52.9	59.0
Hotels and Restaurants															44.3	63.1	58.8	11.4	46.9	15.5	35.7	56.2	77.6
Business Activities															61.4	63.7	52.2	19.3	31.7	40.1	46.5	54.1	65.0
Real Estate															57.1	54.5	41.6	0.1	30.2	38.3	20.6	40.2	32.0
Community and Social Services															67.0	79.3	44.6	-0.9	31.8	34.5	48.3	21.0	68.2
Transportation															60.1	82.5	35.3	6.3	44.9	58.4	35.9	48.0	84.0
Employment Outlook Index															35.8	34.5	30.8	-2.1	7.8	11.7	14.7	24.3	32.4
Industry Sector															24.7	23.1	26.0	2.1	10.4	11.7	13.0	18.1	29.6
Mining and Quarrying															15.1	4.9	16.3	1.7	9.3	18.9	-8.6	24.7	19.6
Manufacturing															24.4	23.0	26.7	1.9	10.3	12.1	13.8	16.7	30.0
Electricity, Gas and Water															35.8	40.2	47.8	12.6	25.5	20.9	29.1	28.3	43.8
Agriculture, Fishery and Forestry															22.3	16.6	2.6	-4.4	-1.1	-14.6	6.7	26.1	19.0
Construction Sector															28.6	52.7	60.7	11.7	25.4	18.1	15.9	35.2	35.9
Wholesale and Retail Trade															36.7	29.6	23.7	-7.0	-1.2	13.1	11.0	21.3	25.0
Services Sector															47.0	46.8	32.1	-4.0	8.3	10.1	17.7	28.3	37.9
Financial Intermediation															64.3	57.9	46.0	18.0	20.0	21.8	36.1	29.4	32.6
Hotels and Restaurants															32.4	37.8	34.7	-36.7	-15.1	-33.9	3.6	20.2	39.2
Business Activities															46.8	45.4	31.3	2.6	6.7	19.5	23.9	42.8	43.2
Real Estate															35.8	34.4	24.1	-7.3	6.0	8.8	7.3	22.5	27.9
Community and Social Services															59.2	58.6	42.5	-23.4	10.5	8.3	19.2	10.9	47.2
Transportation															38.5	46.6	19.2	-21.2	5.5	-4.7	1.4	24.2	51.1
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	23.2				
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	10.1				
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	22.6				
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	43.8				
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	26.5				
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	27.8	27.3	26.8
Mining and Quarrying															28.1	33.1	34.8	12.5	14.8	17.2	25.5	19.6	8.0
Manufacturing															37.3	38.3	37.1	19.5	28.4	27.7	27.2	26.8	26.7
Electricity, Gas and Water															44.8	36.8	44.2	28.8	32.2	32.9	45.5	41.6	43.8
Agriculture, Fishery and Forestry															47.2	38.9	35.6	37.1	31.3	20.0	22.8	28.7	31.7

**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	Q4
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	10.1
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	18.0
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	5.2
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	44.3
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	7.8
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	15.9
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	44.5
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	9.7
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	10.3
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	36.7
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	8.5
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	-11.0
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	53.9
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	14.6
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	4.2
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	50.3
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	-5.8
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	30.6
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	19.9
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	4.2
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	50.5

**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	Q4

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	-2.2
Inflation Rate												10.6	17.3	26.9	29.6	28.2	32.9	24.6	35.5	28.7
Peso Borrowing Rate												1.9	4.4	6.3	2.7	13.9	13.3	14.1	18.4	26.4
Inflation Rate Expectations (in %)												3.6	3.2	3.2	2.5	2.6	3.7	4.1	3.9	4.2
Exchange Rate Expectations (Php: \$1.00)												51.8	51.8	51.2	50.1	49.2	48.8	48.7	49.6	50.6

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	884
Industry	368	376	374	373	365	370	368	355	367	371	357	354	281	268	266	259	262	237	220
Mining and Quarrying	37	36	36	32	33	33	35	32	32	34	32	32	30	34	33	28	29	26	24
Manufacturing	224	229	228	230	222	225	224	219	228	225	219	222	159	152	146	148	149	139	129
Electricity, Gas and Water	48	50	49	51	51	54	51	46	52	54	49	46	42	39	43	42	40	29	27
Agriculture, Fishery and Forestry	59	61	61	60	59	58	58	58	55	58	57	54	50	43	44	41	44	43	40
Construction	94	88	85	85	85	84	87	85	92	89	87	89	81	73	73	49	47	49	49
Wholesale and Retail Trade	338	335	329	322	322	330	332	334	347	332	335	333	209	179	174	193	204	180	198
Services	439	440	450	457	437	440	439	431	428	438	436	429	540	462	468	464	485	450	417
Financial Intermediation	83	89	85	87	84	83	82	83	80	81	80	80	148	138	139	141	149	126	117
Hotels and Restaurants	56	55	57	60	52	54	56	51	49	51	55	52	43	30	31	29	32	39	35
Business Activities	104	101	103	106	98	101	93	95	98	102	100	94	100	83	84	85	88	73	64
Real Estate and Renting	60	61	63	62	63	62	70	65	65	67	65	66	114	96	93	95	98	94	92
Community and Social Services	59	57	61	63	62	59	60	59	60	60	58	61	70	64	66	60	61	62	60
Transportation	77	77	81	79	78	81	78	78	76	77	78	76	65	51	55	54	57	56	49

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	Q4

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	39.3
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	41.9
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	39.2
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	37.4

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	89
Exporter	81	81	88	80	86	75	81	83	75	72	72	74	62	55	53	45	48	63	43
Both (Importer and Exporter)	214	217	219	218	195	209	206	203	208	211	205	203	124	106	110	111	106	114	120
Domestic-Oriented	685	702	675	694	676	713	709	687	723	721	719	704	744	679	687	669	687	643	631
Not Specified	104	95	108	99	95	80	75	84	74	79	88	80	72	49	46	45	55	3	1
Total	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916	884

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	33.6
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	39.9
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	51.2

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	425
Medium (100-<500)	473	474	475	469	479	486	481	465	466	462	416	438	345	302	344	324	317	321	313
Large (500 & up)	249	260	271	260	270	272	289	278	303	316	278	287	158	135	121	123	142	124	125
Not Specified ²	120	103	109	132	82	87	86	94	97	86	215	151	159	144	115	87	123	35	21
Total	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916	884

**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	Q4

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	56.2
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	58.1
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	50.8
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	51.3

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	10.1
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	4.9
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	13.6
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	71.4
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	0.1
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)	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	50.4
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	52.7
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	59.2

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	48.1
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	35.4
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	14.1
Not Specified ²	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	2.4
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
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	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	69.5	52.0	57.0	78.7
Exporter													48.6	44.6	61.3	47.3	60.4	57.8	45.8	47.6	69.8
Both (Importer and Exporter)													48.8	59.6	37.9	38.7	57.3	63.1	58.5	57.9	65.8
Domestic-Oriented													64.0	60.2	57.0	37.1	58.1	56.1	51.2	58.0	66.7

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	67.1
Medium (100-<500)													60.1	60.3	57.1	44.4	64.2	60.5	52.7	56.4	67.7
Large (500 & up)													58.6	59.2	60.1	46.7	68.6	71.5	67.6	71.8	76.8

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

² Starting Q3 2021, this row represents the percentage of respondents that indicated that their company does not have any employee.

* Due to the implementation of the Community Quarantine nationwide, the cond

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Department of Economic Statistics

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