

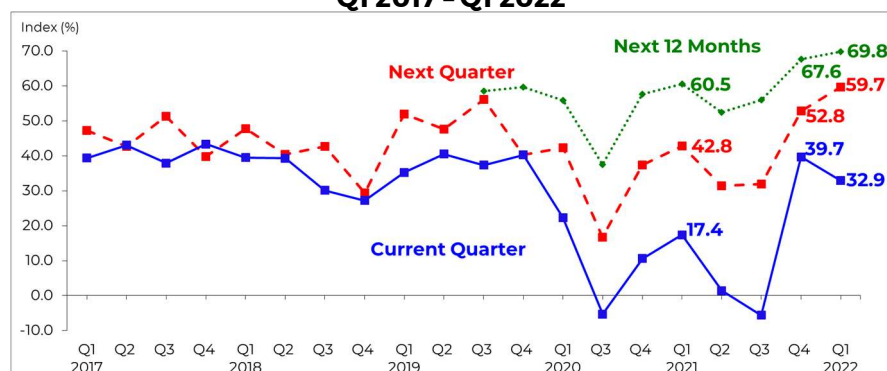
BUSINESS EXPECTATIONS SURVEY¹

First Quarter 2022

Business Sentiment is Less Optimistic in Q1 2022, but More Buoyant for Q2 2022 and the Next 12 Months

Overall Business Outlook on the Macroeconomy

**Overall Business Confidence Index (CI)
Q1 2017 - Q1 2022**



Business confidence weakens in Q1 2022...

Business confidence, while remaining positive, weakened in Q1 2022 as the overall confidence index (CI) decreased to 32.9 percent from 39.7 percent in Q4 2021. The lower positive index resulted from the combined effects of a decrease in the percentage of optimists and an increase in the percentage of pessimists (see Table 1).

The respondents' less buoyant outlook was largely affected by the resurgence of cases from the new Omicron variant and the consequent reimposition of stricter quarantine restrictions in many areas at the beginning of the year. Other factors that contributed to the weaker business confidence for Q1 2022 were as follows: (a) increase in prices of raw materials and fuel; (b) decrease in sales/demand for certain goods and services (such as motor vehicles, education services, and construction); (c) weakening peso; and (d) adverse impact of natural calamities, i.e., Typhoon Odette (in December 2021).

Countries such as Brazil, China, Greece, Mexico, Netherlands, and the United States of America also recorded less optimistic business sentiments in Q1 2022. In contrast, business sentiment in Bulgaria, Croatia, euro area, France, Germany, Hungary, and Israel was more optimistic. Meanwhile, the business sentiment of Australia, Canada, and Chile turned optimistic. Moreover, the view of businesses in Denmark and the United Kingdom turned pessimistic while that of New Zealand and Thailand was more pessimistic.²

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 Q1 2022 BES was conducted during the period 21 January to 4 March 2022.

² 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 continues to be more optimistic for Q2 2022...

For the next quarter, the business sentiment turned more buoyant as the overall CI increased to 59.7 percent from 52.8 percent a quarter ago (see Table 1).

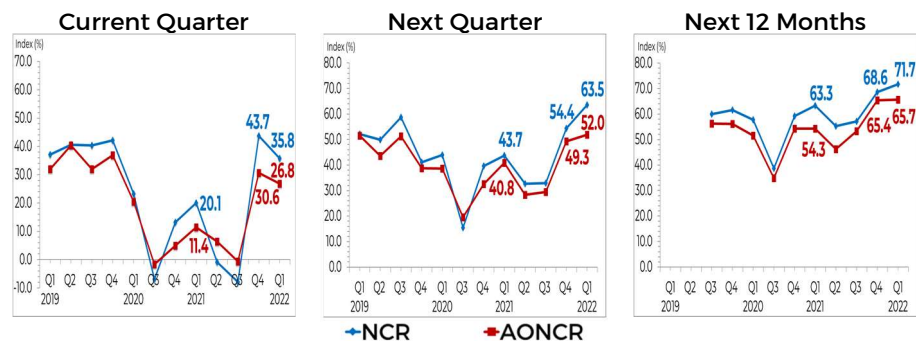
The respondents' optimism for the next quarter was attributed primarily to the expectations of: (a) a decline in the number of COVID-19 cases; (b) the further easing of community quarantines; (c) an improvement in economic conditions and prospects of a recovery from losses incurred during the stricter community quarantines; (d) the increase in volume of sales and orders; and (e) an increase in economic activity due to the upcoming elections.

...and the next 12 months.

For the next 12 months, business sentiment was also more optimistic as the overall CI increased to 69.8 percent from previous quarter's survey result of 67.6 percent.³ This is the highest reported CI for the next 12 months since the BES started to collect outlook for the next 12 months in Q3 2019 (see Table 1).

The respondents' more upbeat outlook for the next 12 months was attributed to: (a) the easing of quarantine restrictions; (b) the further re-opening and improving state of the economy; (c) an uptick in the volume of demand and sales; and (d) an increase in economy activity due to the upcoming elections.

Overall Business Outlook Index by Area Q1 2019 – Q1 2022



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 in the current quarter, while it turned more buoyant for the next quarter and the next 12 months (see Table 1).⁴

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

³ 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.

⁴ 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 is generally less optimistic in Q1 2022... Business outlook across the regions was generally less optimistic in the current quarter, but more buoyant for the next quarter and the next 12 months. Outlook of respondent firms in Q1 2022 was less upbeat in Regions VI, VII, VIII, IX, XI, and XII, while outlook of businesses in Regions I, III, IV, and X was more optimistic. Meanwhile, the business sentiment in Regions II and V was positive and steady. Adverse effects of the COVID-19 pandemic and typhoon Odette as well as the increase in prices of raw materials, fuel, and shipping cost were the reasons cited by firms for their less buoyant business outlook for Q1 2022.

...but more buoyant for Q2 2022... For the quarter ahead (Q2 2022), the business sentiment of respondents across most regions was more buoyant, except for firms in Regions V, VI, and X, whose business sentiment was less optimistic. Meanwhile, firms' sentiment in Regions I and VII remained favorable. The better business outlook of most regions was due to 1) the anticipated sustained economic recovery amid plummeting COVID-19 cases, 2) the increasing vaccine uptake, 3) the easing of community quarantine restrictions, and 4) the expected positive impact of the upcoming elections on economic activity. Conversely, the less optimistic outlook of respondents in Regions V, VI, and X for Q2 2022 was due to the end of the milling season and the higher fuel and shipping costs.

...as well as the next 12 months. For the next 12 months, respondent firms in II, III, VI, VII, VIII, and IX were more optimistic, while those in Regions I, IV, V, X, and XII were less upbeat. Respondents attributed their optimism to the further re-opening of the economy amid the declining number of COVID-19 cases and the expected economic boost from election-related spending.

Outlook across all types of trading firms is less upbeat in Q1 2022... **Moreover, a less favorable outlook was observed across the different types of trading firms (i.e., exporter, importer, dual-activity, and domestic-oriented)** as all types of trading firms registered lower CI in Q1 2022 (see Table 15).

The less favorable outlook across all trading groups was primarily due the protracted negative effects of COVID-19 and its variants on household spending and mobility, high cost of raw materials, and the depreciation of the peso.

...but turns generally more buoyant for the near term. Meanwhile, the outlook for Q2 2022 of importers, dual activity firms, and domestic-oriented firms was more buoyant, while that of exporters was less optimistic. For the next 12 months, domestic-oriented firms continued to be more bullish for the second consecutive quarter, whereas importers and exporters turned bearish. Meanwhile, dual-activity firms' optimism was relatively steady (see Tables 19 and 23).

Outlook by employment size remains optimistic for all reference periods. The sentiment of medium-sized and large-sized firms was less buoyant, while that of small-sized firms was more bullish in Q1 2022. For Q2 2022, outlook of firms across employment size improved. For the next 12 months, the optimism of small-sized and medium-sized firms was more upbeat, while that of large-sized firms slightly weakened (see Tables 17, 21, and 24).⁵

⁵ 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



Business sentiment weakens across all sectors in Q1 2022...

Similarly, the outlook across sectors turned less optimistic in Q1 2022 as the CIs dropped for firms in the industry, construction, services, and the wholesale and retail trade sectors (see Table 2).

Industry firms' less upbeat outlook in Q1 2022 was due to the lingering effects of the COVID-19 pandemic on the economy, a decline in consumer demand, and an increase in the prices of raw materials.

The construction sector attributed their less optimistic view to the postponement and delays in construction projects due to the pandemic.

Similarly, the sentiment of responding firms from the services sector was less buoyant due to the adverse effects of the ongoing COVID-19 pandemic, weak demand for services, and the seasonal decline in demand for trucking services during the first quarter of the year.

The outlook of wholesale and retail trade firms was less buoyant in Q1 2022 due to the increase in the price of basic commodities and fuel and the impact of the ongoing pandemic on consumer spending.

...but is generally more bullish for the next quarter...

For Q2 2022, business outlook was more bullish for all sectors, except the construction sector, whose sentiment turned less optimistic. The more upbeat outlook of the firms in the industry sector was attributed to the easing of quarantine restrictions, improving management of COVID-19 pandemic by the national government, and the continuing



rise in the number of businesses that have reopened since the worst periods of the pandemic. Likewise, the services and wholesale and retail trade sectors pointed to the declining COVID-19 cases and easing quarantine restrictions as reasons for their more upbeat outlook for the next quarter (see Table 3).

...and the next 12 months. Likewise, the CIs across all sectors for the next 12 months, except for the industry sector, recorded all-time highs in the current quarter. Business confidence generally improved across all sectors as firms foresee a sustained decline in COVID-19 cases in the near term. Businesses also expect to benefit from post-election spending (see Table 4).

❖ Business Outlook on Own Operations

**Current Quarter Business Activity Index by Sector
Q1 2017 - Q1 2022**



Firms' outlook on their business operations is less optimistic in Q1 2022. Consistent with the national trend, the outlook of firms on their own business operations, as measured by their views on the volume of business activity and total orders booked, was less optimistic in Q1 2022. Meanwhile, a more optimistic outlook on the volume of business activity was recorded for Q2 2022, but a less upbeat outlook was recorded for the next 12 months (see Tables 5-7).



❖ Average Capacity Utilization

Capacity utilization slightly declines in Q1 2022.

The average capacity utilization of the industry and construction sectors in Q1 2022 slightly decreased to 70.2 percent (from 70.6 percent in Q4 2021) (see Table 5).⁶ In particular, the average capacity utilization of the industry sector in Q1 2022 is 69.4 percent (from 69.9 percent in Q4 2021). Meanwhile, the latest results of the Monthly Integrated Survey of Selected Industries (MISSI) of the Philippine Statistics Authority (PSA) showed a slightly higher level of capacity utilization among selected major industries in January 2022 compared with the results of the previous month.⁷

❖ Financial Conditions and Access to Credit ⁸

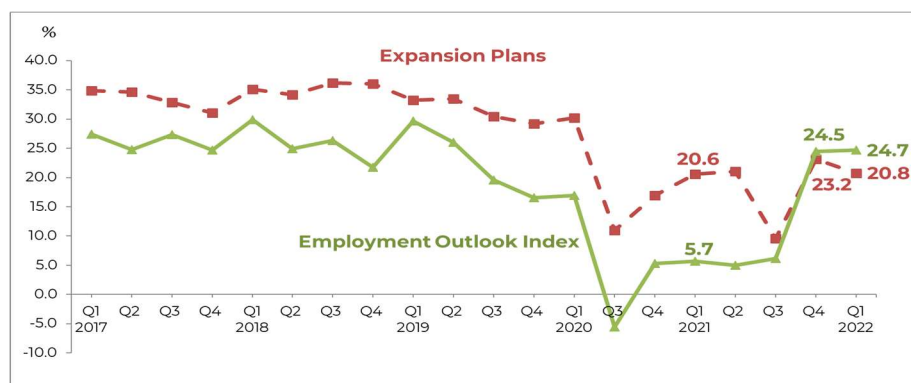
Firms expect financial conditions and access to credit to remain tight in Q1 2022.

The financial conditions index turned less negative at -19.1 percent in Q1 2022 from -22.4 percent in the previous quarter. This means that the number of firms that expect tight financial conditions decreased, but continued to outnumber those that said otherwise during the quarter (see Table 5).

Further, more firms indicated that their access to credit in Q1 2022 was still constrained as the credit access index remained in negative territory at -2.9 percent in Q1 2022 from -7.7 percent in Q4 2021 (see Table 5). This view is aligned with the outcome of the Q4 2021 Senior Bank Loan Officers' Survey (SLOS), which pointed to an expectation of a net tightening of overall credit standards for loans to enterprises in Q1 2022.⁹

❖ Employment and Expansion Plans

**Next Quarter Employment Outlook and Expansion Plans
Q1 2017 - Q1 2022**



⁶ 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 only.

⁷ The average capacity utilization of the MISSI was slightly higher at 67.9 percent in January 2022 (from 67.4 percent in December 2021).

⁸ 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.

⁹ Results of the Q4 2021 Senior Bank Loan Officers' Survey (SLOS) as indicated by the diffusion index (DI) approach showed a net tightening of overall credit standards to enterprises in Q1 2022 mainly due to less favorable economic outlook and deterioration of borrower's profile.

<https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6135>



For Q2 2022, the employment outlook index edges higher, but fewer firms plan to expand operations. The employment outlook index inched higher to 24.7 percent for Q2 2022 (from 24.5 percent in the Q4 2021 survey results), but was lower for the next 12 months at 28.9 percent (from 32.4 percent). The slightly higher positive reading for Q2 2022 suggests that firms are looking forward to hiring more people in the next quarter, while the lower index for the next 12 months implies that firms are still looking to hire, but at a lesser degree, in the next several months (see Tables 6 and 7).

Moreover, the percentage of businesses in the industry sector with expansion plans for Q2 2022 declined to 20.8 percent (from 23.2 percent in the Q4 2021 survey results). Similarly, the percentage of industry firms with expansion plans for the next 12 months decreased to 25.6 percent (from 26.8 percent). For the next quarter, the percentage of firms in the manufacturing and the electricity, gas and water sub-sectors that reported expansion plans decreased, while the percentage of firms in the mining and quarrying and agriculture, fishery and forestry with expansion plans increased. For the next 12 months, the percentage of firms in the manufacturing and agriculture, fishery and forestry with the intention of expanding business operations declined. Conversely, the percentage of firms in the mining and quarrying and the utilities sub-sectors with the intention of expanding business operations within the next 12 months rose (see Tables 8 and 9).

❖ Business Constraints

Domestic competition and insufficient demand continue to be major risks to businesses. The major risks to businesses in Q1 2022 identified by firms were 1) stiff competition (44.4 percent of respondents) and 2) weak demand, resulting in low sales volume (40.6 percent of respondents). Majority of the respondents also indicated that the adverse effects of the ongoing COVID-19 pandemic continue to be a drag on business activity (see Table 10).

❖ Expectations on Key Economic Indicators ¹⁰

Firms expect a weak peso, and higher borrowing and inflation rates in Q1 2022 and Q2 2022. The survey results showed that businesses expect that the peso may depreciate against the U.S. dollar in Q1 and Q2 2022, but begin to appreciate in Q3 2022 up to Q1 2023, i.e., within a 12-month period. Results also indicated that firms expect the peso borrowing and inflation rates may rise in Q1 2022, Q2 2022, and the next 12 months. Businesses are expecting that inflation will settle at 4.2 percent for the first half of 2022 and in the next 12 months, which is slightly higher than the upper end of the government's 2-4 percent inflation target range for 2022. These estimates were unchanged from the Q4 2021 survey results. Moreover, firms are anticipating that the peso-dollar rate will average at Php 50.9/US\$1 in Q1 2022 (from Php 50.3/US\$1), Php 51/US\$1 for Q2 2022 (from Php 50.5/US\$1), and Php 51/US\$1 over the next 12 months (from Php 50.6/US\$1) (see Tables 11-13).

¹⁰ 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 53.4 percent. The Q1 2022 BES was conducted during the period 21 January – 4 March 2022.¹¹ There were 1,498 firms surveyed nationwide, consisting of 578 companies in NCR and 920 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.¹²

The nationwide survey response rate for this quarter was lower at 53.4 percent (from 58.5 percent in Q4 2021). The response rate was higher for NCR at 52.9 percent (from 49.7 percent), but lower for AONCR at 53.7 percent (from 64.1 percent). The relatively low response rate/s, i.e., prior to the pandemic, may be attributed to the following factors: 1) impact of COVID-19 i.e., some respondents are either on quarantine or on medical leave; 2) higher alert level/stricter COVID restrictions in certain areas (e.g., National Capital Region (in January only), Benguet, Kalinga, Abra, La Union, Ilocos Norte, Pangasinan, Nueva Vizcaya, Isabela, Quirino, Nueva Ecija, Tarlac, Quezon Province, Oriental and Occidental Mindoro, Camarines Sur, Albay, Bacolod City, Aklan, Capiz, Antique, Iloilo City, Cebu City, Mandaue City, Tacloban City, Cagayan de Oro, Davao City, Butuan City, Agusan del Sur, Cotabato City, and Zamboanga City) during the survey period; 3) difficulty in reaching respondents in areas with limited telephone or communication lines due to Typhoon Odette; and 4) respondent fatigue.

A breakdown of responses by type of business showed that 64.4 percent were domestic-oriented firms, 10.9 percent were both importers and exporters, 5.9 percent were importers, and 5.3 percent were exporters. The remaining 13.6 percent of the respondents did not specify their firm type (see Table 20).¹³

By size of employment, the survey showed that 42.6 percent of respondents were small-sized firms, 32.4 percent were medium-sized, and 14.5 percent were large firms. The rest of the respondents either did not specify the number of their employees or indicated that their company does not have any employee (see Table 22).

¹¹ Approval for the conduct of the Q1 2022 BES was issued on 17 December 2021 through PSA Approval Nos. BSP-2167-01 to 04 corresponding to the four (4) BES questionnaire versions for firms in the following sectors: (1) Industry, (2) Construction, (3) Services, and (4) Wholesale and Retail Trade.

¹² 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.

¹³ Details may not add up to 100 percent due to rounding.

**BUSINESS EXPECTATIONS SURVEY
2017 - 2022**

	2017				2018				2019				2020 *			2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1
4. Business Outlook Index on the Macroeconomy by Sector: Next 12 Months¹																				
Industry Sector																				
Mining and Quarrying																				
Manufacturing																				
Electricity, Gas and Water																				
Agriculture, Fishery and Forestry																				
Construction Sector																				
Wholesale and Retail Trade																				
Services Sector																				
of which:																				
Financial Intermediation																				
Hotels and Restaurants																				
Business Activities																				
Real Estate																				
Community and Social Services																				
Transportation																				
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	20.7
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	16.2
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	40.2
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	14.9
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	18.0
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	12.5
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	35.5
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	11.2
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	27.0
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	42.0
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	0.0
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	35.1	33.6
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	20.5
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	13.8
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	21.8
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	18.5
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	19.2
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	45.7
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	18.8
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	-1.4
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	45.0	17.5
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	27.9
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	5.4
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	24.8
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	37.7
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	1.8
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	27.6
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	19.5	21.6
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	12.2
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	21.8

**BUSINESS EXPECTATIONS SURVEY
2017 - 2022**

	2017				2018				2019				2020 *			2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	-2.9
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	-1.5
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	-17.1
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	1.6	-0.2
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	0.5
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	-10.0
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	-0.6
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	-2.0
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	-4.5
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	0.1
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	-0.5
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	-14.3	3.3
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	-6.5
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	-21.2
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	-12.4	-16.0
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	-19.1
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	-15.7	-17.4
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	-5.6
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	-18.3
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	-21.1	-12.4
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	-20.0
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	-25.5
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	-16.3
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	-20.9
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	2.7
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	-54.7
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	-22.3
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	-20.8
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	-41.3
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	-31.8
Average Capacity Utilization																				
Industry and Construction Sectors	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	70.2
Industry Sector					74.0	74.4	75.2	75.4	75.7	75.2	75.8	73.9	73.9	67.8	67.7	69.5	69.6	70.0	69.9	69.4

**BUSINESS EXPECTATIONS SURVEY
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	2017				2018				2019				2020 *			2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	54.5
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	47.9
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	37.2
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	49.1
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	62.7
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	24.9
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	59.4
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	54.1
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	57.7
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	54.4	71.4
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	35.3
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	58.6
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	29.8	51.2
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	41.3
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	65.2
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	24.5	24.7
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	18.4
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	11.3
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	18.0
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	32.3
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	20.0
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	48.6
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	22.1
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	26.6
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	41.2
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	36.5
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	33.9
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	22.2	13.8
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	26.0
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	10.2

**BUSINESS EXPECTATIONS SURVEY
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	2017				2018				2019				2020 *			2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
7. Business Outlook Index on Own Operations: Next 12 Months¹																						
Volume of Business Activity Index																						
Industry Sector																						
Mining and Quarrying													57.2	57.7	45.1	16.2	36.5	42.5	40.4	44.0	57.2	55.8
Manufacturing													46.6	46.6	41.6	19.8	28.3	38.1	43.1	47.5	59.9	47.9
Electricity, Gas and Water													17.7	4.9	-6.1	-10.6	0.0	0.1	8.2	1.1	-3.9	10.9
Agriculture, Fishery and Forestry													16.1	19.4	-1.0	18.7	26.9	38.7	43.7	47.7	60.8	47.9
Construction Sector													28.4	28.5	18.4	33.8	58.1	51.9	49.1	63.8	75.3	63.1
Wholesale and Retail Trade													23.5	11.4	-24.6	16.4	19.3	3.1	36.4	42.6	52.9	35.0
Services Sector													17.7	17.3	26.0	27.6	47.4	30.0	25.0	45.1	59.6	32.8
Financial Intermediation													20.0	33.6	2.7	14.0	37.6	50.0	45.1	35.9	52.5	55.3
Hotels and Restaurants													63.9	70.1	49.4	13.5	38.4	41.9	37.9	46.9	58.4	63.2
Business Activities													83.6	81.6	63.2	33.2	51.9	48.0	47.1	52.9	59.0	76.6
Real Estate													44.3	63.1	58.8	11.4	46.9	15.5	35.7	56.2	77.6	48.8
Community and Social Services													61.4	63.7	52.2	19.3	31.7	40.1	46.5	54.1	65.0	68.4
Transportation													57.1	54.5	41.6	0.1	30.2	38.3	20.6	40.2	32.0	49.9
Employment Outlook Index													67.0	79.3	44.6	-0.9	31.8	34.5	48.3	21.0	68.2	70.4
Industry Sector													60.1	82.5	35.3	6.3	44.9	58.4	35.9	48.0	84.0	60.9
Mining and Quarrying													35.8	40.2	47.8	12.6	25.5	20.9	29.1	28.3	43.8	39.2
Manufacturing													22.3	16.6	2.6	-4.4	-1.1	-14.6	6.7	26.1	19.0	12.6
Electricity, Gas and Water													28.6	52.7	60.7	11.7	25.4	18.1	15.9	35.2	35.9	30.6
Agriculture, Fishery and Forestry													36.7	29.6	23.7	-7.0	-1.2	13.1	11.0	21.3	25.0	22.7
Construction Sector													47.0	46.8	32.1	-4.0	8.3	10.1	17.7	28.3	37.9	37.4
Wholesale and Retail Trade													64.3	57.9	46.0	18.0	20.0	21.8	36.1	29.4	32.6	47.9
Services Sector													32.4	37.8	34.7	-36.7	-15.1	-33.9	3.6	20.2	39.2	58.2
Financial Intermediation													46.8	45.4	31.3	2.6	6.7	19.5	23.9	42.8	43.2	43.8
Hotels and Restaurants													35.8	34.4	24.1	-7.3	6.0	8.8	7.3	22.5	27.9	23.4
Business Activities													59.2	58.6	42.5	-23.4	10.5	8.3	19.2	10.9	47.2	35.4
Real Estate													38.5	46.6	19.2	-21.2	5.5	-4.7	1.4	24.2	51.1	27.6
Community and Social Services																						
Transportation																						
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	20.8		
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	17.1		
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	19.9		
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	33.2		
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	27.5		
9. Companies with Expansion Plans (in percent of total respondents): Next 12 Months¹																						
All Industry Sector																						
Mining and Quarrying																						
Manufacturing																						
Electricity, Gas and Water																						
Agriculture, Fishery and Forestry																						

**BUSINESS EXPECTATIONS SURVEY
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	2017				2018				2019				2020 *			2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	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	14.6
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	3.4
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	40.6
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	7.9
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	14.5
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	44.4
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	10.2
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	9.3
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	41.6
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	7.5
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	-19.1
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	30.3
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	10.7
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	2.3	2.5	3.6	4.1	3.9	4.2	4.2	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	50.9
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	-9.9
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	32.1
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	16.5
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	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	51.0
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	4.9
Inflation Rate											10.6	17.3	26.9	29.6	28.2	32.9	24.6	35.5	28.7	20.7
Peso Borrowing Rate											1.9	4.4	6.3	2.7	13.9	13.3	14.1	18.4	26.4	27.9
Inflation Rate Expectations (in %)											3.6	3.2	3.2	2.5	2.6	3.7	4.1	3.9	4.2	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	51.0
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	800
Industry	368	376	374	373	365	370	368	355	367	371	357	354	281	268	266	259	262	237	220	223
Mining and Quarrying	37	36	36	32	33	33	35	32	32	34	32	32	30	34	33	28	29	26	24	22
Manufacturing	224	229	228	230	222	225	224	219	228	225	219	222	159	152	146	148	149	139	129	128
Electricity, Gas and Water	48	50	49	51	51	54	51	46	52	54	49	46	42	39	43	42	40	29	27	33
Agriculture, Fishery and Forestry	59	61	61	60	59	58	58	58	55	58	57	54	50	43	44	41	44	43	40	40
Construction	94	88	85	85	85	84	87	85	92	89	87	89	81	73	73	49	47	49	49	44
Wholesale and Retail Trade	338	335	329	322	322	330	332	334	347	332	335	333	209	179	174	193	204	180	198	170
Services	439	440	450	457	437	440	439	431	428	438	436	429	540	462	468	464	485	450	417	363
Financial Intermediation	83	89	85	87	84	83	82	83	80	81	80	80	148	138	139	141	149	126	117	106
Hotels and Restaurants	56	55	57	60	52	54	56	51	49	51	55	52	43	30	31	29	32	39	35	30
Business Activities	104	101	103	106	98	101	93	95	98	102	100	94	100	83	84	85	88	73	64	80
Real Estate and Renting	60	61	63	62	63	62	70	65	65	67	65	66	114	96	93	95	98	94	92	77
Community and Social Services	59	57	61	63	62	59	60	59	60	60	58	61	70	64	66	60	61	62	60	35
Transportation	77	77	81	79	78	81	78	78	76	77	78	76	65	51	55	54	57	56	49	35

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

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

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

**BUSINESS EXPECTATIONS SURVEY
2017 - 2022**

	2017				2018				2019				2020 *			2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	34.0
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	26.2
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	33.3
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	34.0
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	47
Exporter	81	81	88	80	86	75	81	83	75	72	72	74	62	55	53	45	48	63	43	42
Both (Importer and Exporter)	214	217	219	218	195	209	206	203	208	211	205	203	124	106	110	111	106	114	120	87
Domestic-Oriented	685	702	675	694	676	713	709	687	723	721	719	704	744	679	687	669	687	643	631	515
Not Specified	104	95	108	99	95	80	75	84	74	79	88	80	72	49	46	45	55	3	1	109
Total	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916	884	800
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	37.5
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	25.1
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	43.1
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	341
Medium (100-<500)	473	474	475	469	479	486	481	465	466	462	416	438	345	302	344	324	317	321	313	259
Large (500 & up)	249	260	271	260	270	272	289	278	303	316	278	287	158	135	121	123	142	124	125	116
Not Specified ²	120	103	109	132	82	87	86	94	97	86	215	151	159	144	115	87	123	35	21	84
Total	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916	884	800

**BUSINESS EXPECTATIONS SURVEY
2017 - 2022**

	2017				2018				2019				2020 *			2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	66.0
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	33.3
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	52.9
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	61.0
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	5.9
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	5.3
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	10.9
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	64.4
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	13.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
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	60.4
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	55.6
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	65.5
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	42.6
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	35.4	32.4
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	14.5
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	10.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**BUSINESS EXPECTATIONS SURVEY
2017 - 2022**

	2017				2018				2019				2020 *			2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
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	76.6
Exporter													48.6	44.6	61.3	47.3	60.4	57.8	45.8	47.6	69.8	42.9
Both (Importer and Exporter)													48.8	59.6	37.9	38.7	57.3	63.1	58.5	57.9	65.8	66.7
Domestic-Oriented													64.0	60.2	57.0	37.1	58.1	56.1	51.2	58.0	66.7	74.0
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	67.1	70.1
Medium (100-<500)													60.1	60.3	57.1	44.4	64.2	60.5	52.7	56.4	67.7	72.6
Large (500 & up)													58.6	59.2	60.1	46.7	68.6	71.5	67.6	71.8	76.8	75.9

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

² Starting Q3 2021, this category also includes respondent firms which reported that they have no employees.

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

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