

DEPARTMENT OF ECONOMIC STATISTICS

Monetary and Economics Sector
Bangko Sentral ng Pilipinas



BUSINESS EXPECTATIONS SURVEY REPORT

4th Quarter 2022



Q4 2022 BUSINESS EXPECTATIONS SURVEY

OVERALL BUSINESS OUTLOOK INDEX



Respondents attribute their less optimistic outlook in Q4 2022 to:

- Higher inflation
- Peso depreciation
- Decline in sales and demand
- Rising costs of raw materials and fuel
- Higher interest rates

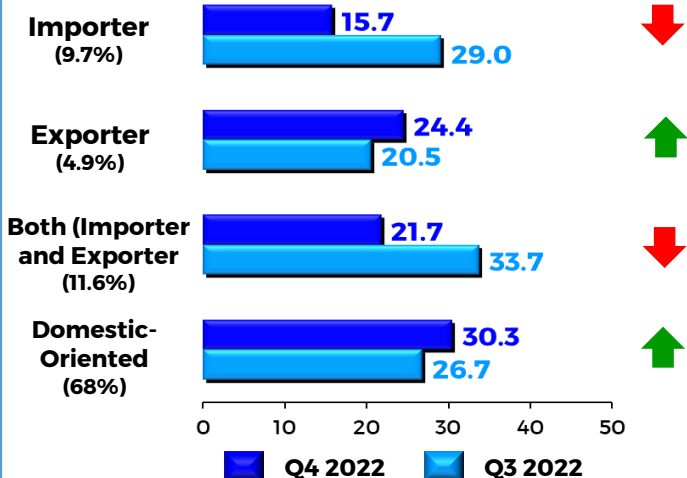
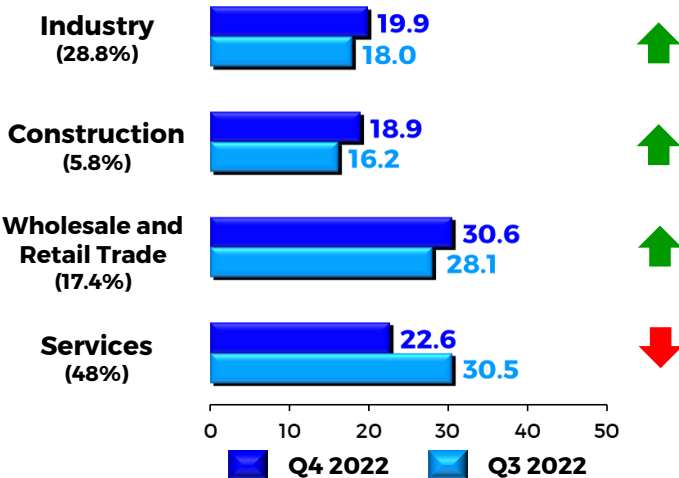
BUSINESS OUTLOOK

BY SECTOR

BY TYPE OF TRADING GROUP

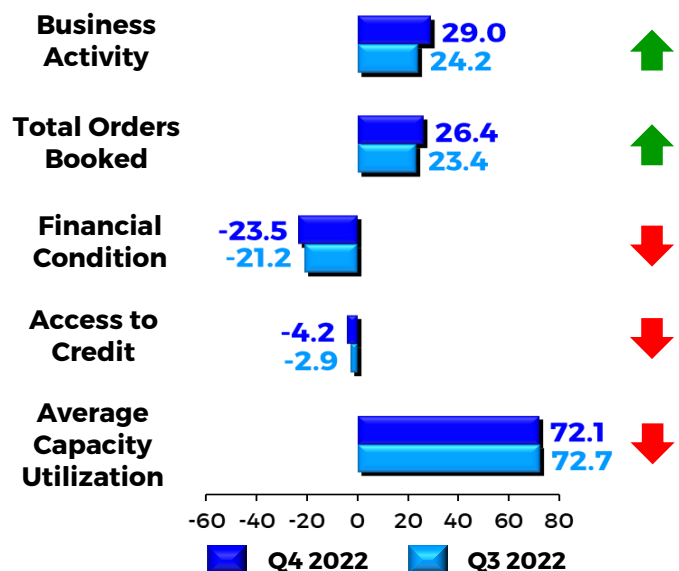
% Share of Respondents

% Share of Respondents



SENTIMENT INDICATORS

ECONOMIC INDICATORS



Indicator	Current Quarter	Next Quarter	Next 12 Months
Inflation Rate*	72.2 ▲	42.9 ▲	19.2 ▲
Peso Borrowing Rate*	25.6 ▲	26.8 ▲	24.8 ▲
US\$/Peso Rate**	-25.6 ▼	-13.5 ▼	-2.5 ▼
Employment Rate*	N.A.	21.2 ▲	29.0 ▲

Based on the Diffusion Index (DI) of the reference period:
 * ▲ - Increase if DI is positive, ▼ - Decrease if DI is negative
 ** ▲ - Philippine peso to appreciate / US\$ to depreciate
 ▼ - Philippine peso to depreciate / US\$ to appreciate

Legend: ▲ Up ▼ Down — Steady (for diffusion indices with less than 1 percent absolute difference)

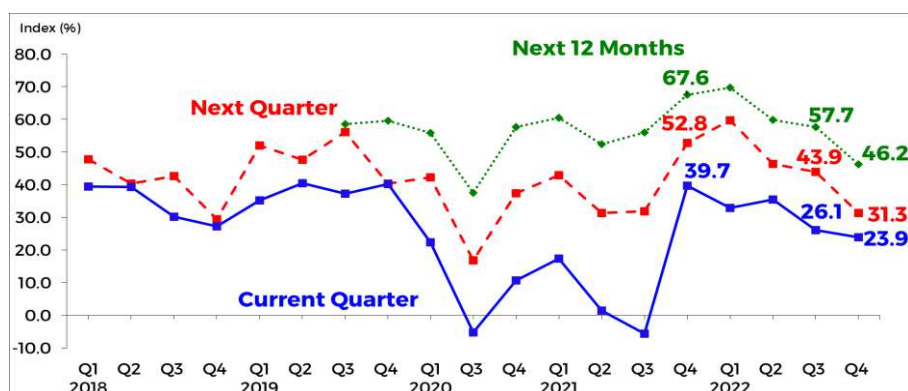
BUSINESS EXPECTATIONS SURVEY¹

Fourth Quarter 2022

Business Sentiment Weakens in Q4 2022 and 2023

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index (CI)
Q1 2018 - Q4 2022



Business confidence declines in Q4 2022...

Business sentiment turned less optimistic in Q4 2022 as the overall confidence index (CI) declined for the second consecutive quarter to 23.9 percent from 26.1 percent in Q3 2022. The lower index resulted from the increase in the percentage of pessimists, outweighing the increase in the percentage of optimists (see Table 1).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 Q3 2022 BES was conducted during the period 4 October to 11 November 2022.

² The business confidence index (CI) is computed as the percentage of firms that answered in the affirmative less the percentage of firms that answered in the negative with regard to their views on the overall business outlook.

Generally, the overall business CI for the country is computed by summing up the products of 1) the weights of the two (2) geographic areas, *i.e.*, *National Capital Region (NCR)* and *Areas Outside the National Capital Region (AONCR)*, and 2) their respective CIs, *i.e.*, *the NCR CI and AONCR CI*. The weights of the geographic areas are computed by dividing the number of firms in the NCR and AONCR by the total population of firms used in the survey, *i.e.*, *BES Total Firms*. The National Capital Region (NCR) is composed of 16 highly urbanized cities and 1 municipality, while Areas Outside the National Capital Region (AONCR) are composed of 16 regions outside the NCR.

The geographic area CI, *e.g.*, *NCR CI*, is computed by summing up the products of 1) the weights of the four (4) economic sectors in a geographic area and 2) their respective CIs. The weights of the economic sectors in a geographic area are computed by dividing the number of firms in specific geographic area and economic sector, *e.g.*, *NCR Industry Sector firms*, by the total population of firms in a geographic area, *e.g.*, *NCR Total Firms*. The four (4) economic sectors are as follows:

1. **Industry Sector** is composed of Manufacturing, Mining and Quarrying, Electricity, Gas and Water, and Agriculture, Fishery and Forestry Sub-sectors
2. **Construction Sector** is made up of firms engaged in general construction and specialized construction activities for buildings and civil engineering works
3. **Services Sector** is composed of Financial Intermediation, Real Estate, Renting and Business Activities, Hotels and Restaurants, Transport, Storage and Communications and Community, Social and Personal Services Sub-sectors
4. **Wholesale and Retail Trade Sector** is made up of businesses engaged in wholesale and retail sale (*i.e.*, *sale without transformation*) of any type of goods and the rendering services incidental to the sale of these goods.

Similarly, the economic sector CI is generated by summing up the products of 1) the economic sub-sector weights in a geographic area and 2) their respective sub-sector CIs. The weights of the economic sub-sectors in a geographic area are computed by dividing the number of firms in a specific geographic area, economic sector and economic sub-sector, *e.g.*, *NCR Industry Sector Manufacturing firms*, by the total population of firms in a geographic area and economic sector, *e.g.*, *NCR Industry Sector Total firms*.



The respondents' less optimistic sentiment in Q4 2022 was attributed to: (a) higher inflation (i.e., faster increase in prices of consumer goods and services), (b) peso depreciation, (c) decline in sales and demand, (d) rising costs of production inputs, e.g., raw materials and fuel, and (e) higher interest rates.

The country's top trading partners, such as the euro area, Hong Kong, the United States of America and Vietnam, recorded a less optimistic business sentiment in Q4 2022. Meanwhile, South Korea and Thailand posted a more pessimistic business sentiment. China and Taiwan registered a steady business outlook as with the previous quarter, while Australia's sentiment turned neutral.³

*...for Q1 2023 and
the next
12 months.*

The business outlook for the next quarter also turned less upbeat as the overall CI decreased to 31.3 percent from 43.9 percent a quarter ago (See Table 1).

For the next 12 months, business confidence was likewise less optimistic as the overall CI decreased for the third consecutive quarter to 46.2 percent following the previous quarter's survey result of 57.7 percent (Table 1).⁴

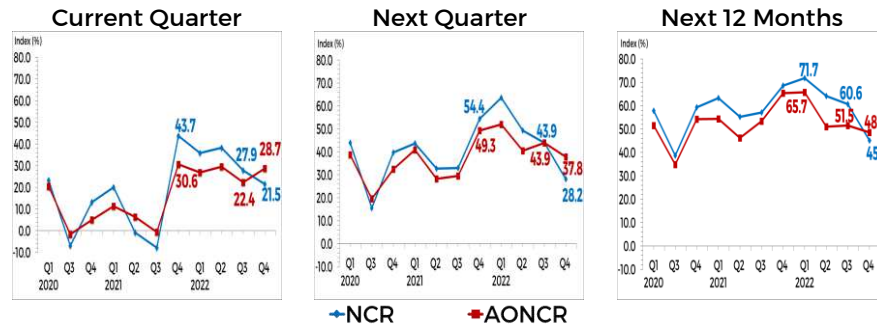
The respondents' less optimistic business confidence for the next quarter and the next 12 months was similarly attributed to their concerns over higher inflation, weaker peso, lower demand/sales and higher interest rates.

³ Refers to top trading partners of the Philippines, each accounting for at least 1 percent share of the country's total merchandise trade for the past five years (2017-2021). Hong Kong has quarterly business confidence index. Meanwhile, Australia, China, euro area, South Korea, Taiwan, Thailand, the United States of America and Vietnam 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 as posted in <https://tradingeconomics.com/>.

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



Overall Business Outlook Index by Area Q1 2020 - Q4 2022



Business outlook of NCR firms mirrors the national trend for all periods, while the outlook of AONCR firms is mixed.

Mirroring the national trend, the overall confidence index of respondents in the National Capital Region (NCR) declined in the current and next quarters, and for the next 12 months. However, the respondents in Areas Outside NCR (AONCR) recorded a more upbeat sentiment in the current quarter but were less optimistic for the next quarter and the next 12 months (See Table 1).⁵

Business confidence in most regions outside NCR is more optimistic in Q4 2022...

The business outlook in the majority of the regions outside the NCR was more upbeat in the current quarter. Specifically, the outlook of respondent firms in Q4 2022 was more optimistic in Regions II, IV, V, VI, IX, XI and XII. The firms in said regions cited the following as reasons for their more upbeat business outlook for the current quarter: (a) increase in sales and demand of products and services due to the upcoming holiday season, (b) continued reopening of the economy, i.e., return of full face-to-face or hybrid classes in schools, including colleges and universities, (c) further easing of border controls and travel restrictions to boost tourism.⁶ By contrast, the outlook of businesses in Regions I, III, VII, VIII and X was less favorable due to: (a) lower demand for construction materials, financial products, and transportation, (b) rising inflation driven by higher production cost, prices of fuel and other key commodities and (c) peso depreciation against the U.S. dollar.

...but less buoyant for Q1 2023...

For the quarter ahead (Q1 2023), the business sentiment of respondents in regions outside the NCR was generally less buoyant. Firms in Regions I, III, VI, VII, VIII, X, XI and XII cited higher inflation and production costs driven by the rise in fuel prices as reasons for their less upbeat outlook. On the contrary, the more upbeat business outlook of respondents in Regions II and V was due to the expected increase in sales and orders resulting from the easing of travel restrictions and return of businesses to normal operations.

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).

⁶ The Commission on Higher Education (CHED) ordered colleges and universities to implement full in-person classes or hybrid learning beginning the second semester of academic year 2022-2023. <https://bit.ly/3i6l88j>



...and the next 12 months. For the next 12 months, the outlook of firms in Regions I, III, IV, VI, VII, VIII, IX, X and XI was less upbeat. Businesses in the said regions attributed their less optimistic outlook to higher production costs due to higher prices of raw materials and fuel, and the expected decline in the volume of sales/orders due to elevated inflation. Meanwhile, respondent firms in Regions II, V, and XII were more optimistic as they anticipate that the return to full face-to-face classes in public schools and the lifting of passenger capacity restrictions in public transport would translate to an increase in consumer demand.

Outlook across all types of trading firms is mixed in Q4 2022... **Across different types of trading firms (i.e., exporter, importer, dual-activity and domestic-oriented), business sentiment was mixed in Q4 2022.**⁷ Importers and dual-activity firms were less optimistic, while exporters and domestic-oriented firms were more upbeat in the current quarter (see Table 15). Importers and dual-activity firms attributed their less buoyant sentiment to the peso depreciation and higher inflation. Meanwhile, exporters and domestic-oriented firms cited the usual uptick in consumer demand due to the upcoming holiday season and lifting of travel and social gathering restrictions as their reasons for their more upbeat outlook in the current quarter.

...but generally less favorable for the near term. For Q1 2023, the outlook was less buoyant for importers, dual-activity and domestic-oriented firms, but more optimistic for exporters. Meanwhile, the outlook for the next 12 months was less upbeat across all types of trading firms as they recorded lower CIs from the previous quarter's survey result (see Tables 19 and 23).

Outlook by employment size is generally less upbeat in Q4 2022 and for the near term. The business outlook in Q4 2022 of small- and large-sized firms was less optimistic, while that of medium-sized firms turned more buoyant. However, for Q1 2023 and the next 12 months, the business outlook across all employment sizes was less upbeat (see Tables 17, 21, and 24).⁸

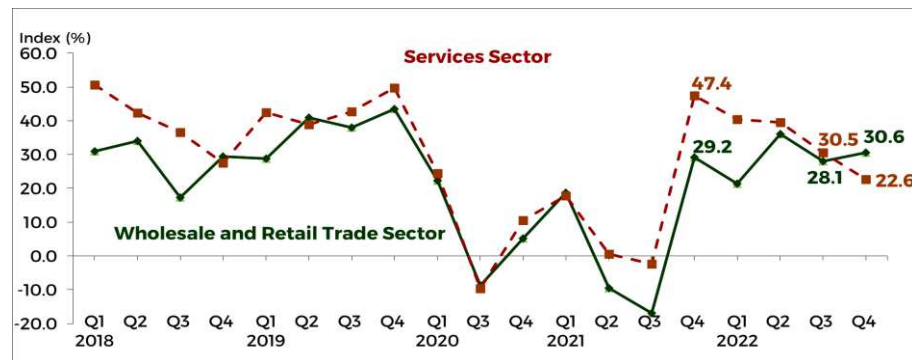
⁷ Dual-activity firms refer to companies who are involved in both importing and exporting.

⁸ 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 2018 - Q4 2022



Business sentiment by sector is largely more optimistic in Q4 2022...

The CI across all sectors increased in Q4 2022, except for the services sector. The less positive outlook of the services sector outweighed the more optimistic outlook of the construction, industry, and wholesale and retail trade sectors, which in turn translated to a lower overall CI (see Table 2).

Respondent firms in the services sector identified the elevated inflation and depreciation of the Philippine peso against the U.S. dollar as reasons for their less buoyant outlook for Q4 2022. Meanwhile, the industry and trade firms' more upbeat outlook in Q4 2022 was attributed to the higher sales expected due to the holiday season. The construction firms' more optimistic sentiment in the current quarter was due to the continued reopening of the economy and easing of pandemic-related restrictions.

...but mostly less upbeat for the next quarter...

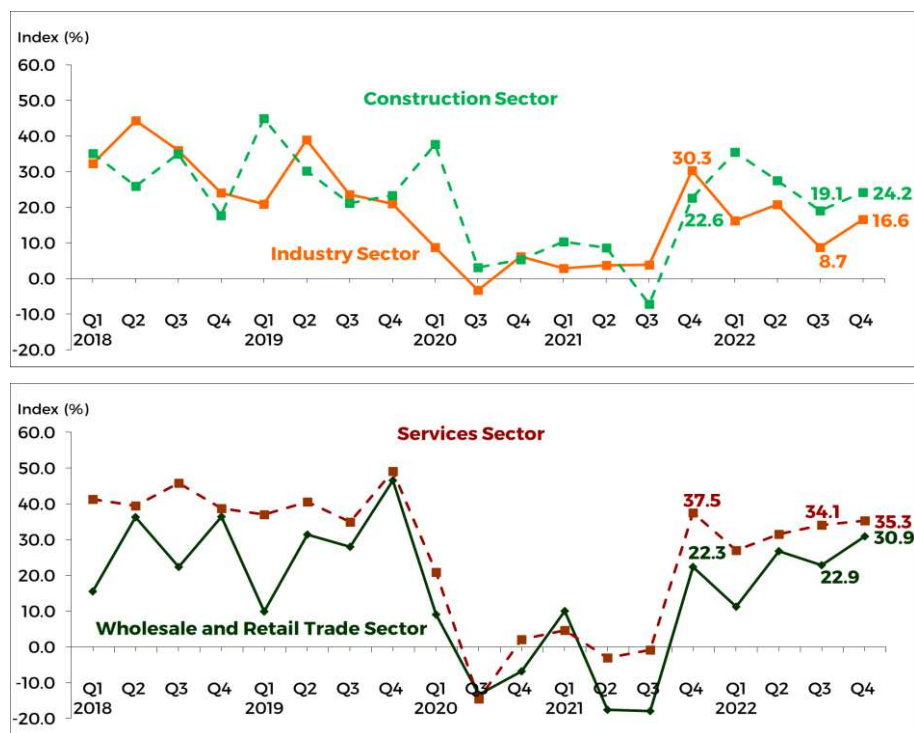
The outlook for Q1 2023 of the respondent firms was less optimistic across sectors, except for those in the construction sector, which posted a more upbeat outlook. Firms in the industry, services and wholesale and retail trade sectors cited the following reasons for their less favorable outlook: (a) lower consumer demand due to the increase in prices of goods (including petroleum products) and services, as well as (b) peso depreciation. Meanwhile, the sentiment of businesses in the construction sector was more upbeat as firms expect new projects.



...and for the next 12 months. For the next 12 months, the outlook of businesses was less optimistic across all sectors as they anticipate: (a) the peso to depreciate, (b) interest rates to increase, (c) prices of raw materials, labor and fuel to rise and (d) the volume of sales and demand for consumer commodities to decline (see Table 4).

❖ Business Outlook on Own Operations

**Current Quarter Business Activity Index by Sector
Q1 2018 - Q4 2022**



Firms' outlook on their business operations is more optimistic in Q4 2022. The outlook of firms across sectors on their own business operations, which was based on the volume of business activity and total orders booked, was more optimistic in Q4 2022. By contrast, a generally less favorable outlook on the volume of business activity was recorded for Q1 2023. The sentiment of firms in the industry, services and wholesale and retail trade sectors was less optimistic, while that of the construction sector was steady. Meanwhile, the firms' outlook for the next 12 months was steady due to the less buoyant outlook of firms in the industry, construction, and services sectors, which was counterbalanced by the more upbeat sentiment of firms in the trade sector (see Tables 5-7).



❖ Average Capacity Utilization

Capacity utilization edges lower in Q4 2022. The average capacity utilization of the industry and construction sectors was slightly lower at 72.1 percent in Q4 2022 (from 72.7 percent in Q3 2022) (see Table 5).⁹ In particular, the average capacity utilization of the industry sector in Q4 2022 marginally declined to 71.5 percent (from 72.2 percent in Q3 2022). Meanwhile, the September 2022 results of the Monthly Integrated Survey of Selected Industries (MISSI) of the Philippine Statistics Authority (PSA) indicated slightly higher capacity utilization rate among selected major industries compared with the August 2022 results.¹⁰

❖ Financial Condition and Access to Credit ¹¹

Firms expect financial condition and access to credit to be tighter in Q4 2022. Firms expected that their financial condition and access to credit would be tighter in Q4 2022 as their corresponding indices declined further to -23.5 percent (from -21.2 percent) and -4.2 percent (from -2.9 percent), respectively. This means that the number of firms that expect tight financial conditions and access to credit increased and continued to outnumber those that said otherwise during the current quarter (see Table 5). This finding is aligned with the outcome of the Q3 2022 Senior Bank Loan Officers' Survey (SLOS), which pointed to an expectation of a net tightening of lending standards for businesses for Q4 2022.¹²

❖ Employment and Expansion Plans

**Next Quarter Employment Outlook and Expansion Plans
Q1 2018 - Q4 2022**



For Q1 2023, the percentage of firms that look The employment outlook index declined to 21.2 percent for Q1 2023 (from 22.7 percent in the Q3 2022 survey results) and inched lower to 19.5 percent (from 23.4 percent) for the next 12 months.

⁹ For the BES average capacity utilization, firms in the industry and construction sectors were sampled. This differs from the sampling methodology of the MISSI, where a sample of only large manufacturing firms was used.

¹⁰ The average capacity utilization of the MISSI was slightly higher at 71.5 percent in September 2022 (from 71.4 percent in August 2022).

¹¹ 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 in the banking system and other financial institutions.

¹² Results of the Q3 2022 Senior Bank Loan Officers' Survey (SLOS) as indicated by the diffusion index (DI) approach generally reflected a net tightening of overall credit standards to enterprises in Q4 2022. <https://bit.ly/3tRK9rw>



forward to hiring more people and with expansion plans decreases.

The lower readings in Q4 2022 suggest that hiring intentions may turn less favorable for the next quarter and the next 12 months (see Tables 6 and 7).

Moreover, the percentage of businesses in the industry sector with expansion plans for Q1 2023 was lower at 19.5 percent (from 23.4 percent in the Q3 2022 survey results). In particular, the percentage of firms in the mining and quarrying, manufacturing and agriculture, fishery and forestry sub-sectors that reported expansion plans declined, while that of firms in the electricity, gas and water sub-sector increased. Likewise, the percentage of industry firms with expansion plans for the next 12 months slightly decreased to 22.9 percent (from 23.2 percent) driven by the decline in the percentage of firms in the mining and quarrying, and the agriculture, fishery and forestry sub-sectors (see Tables 8 and 9).

❖ Business Constraints

Domestic competition and insufficient demand are major risks to businesses. COVID-19 is less of threat to businesses.

The major business risks in Q4 2022 as identified by the respondents were (1) stiff domestic competition (48.3 percent of respondents) and (2) insufficient demand (31.9 percent of respondents). Concerns over COVID-19 remained as a threat to business activity, though at a lesser degree (see Table 10). It may be noted though that the number of firms indicating COVID-related restrictions as a business constraint declined from 394 in Q3 2020 to 51 in the current quarter.

❖ Expectations on Key Economic Indicators¹³

Firms expect a weaker peso, and higher borrowing and inflation rates in Q4 2022 and in the near term.

Businesses expected that the peso may continue to depreciate against the U.S. dollar and that the peso borrowing and inflation rates may continue to rise in Q4 2022, Q1 2023, and the next 12 months.

Further, businesses expected that inflation may breach the upper end of the National Government's 2-4 percent inflation target range for 2022-2023. In particular, firms were expecting that inflation may settle at 6.2 percent in Q4 2022, 6.1 percent for Q1 2023 and 5.9 percent for the next 12 months. Moreover, businesses were anticipating that the peso-dollar rate may average Php58.1/US\$1 in Q4 2022, Php58.5/US\$1 for Q1 2023, and Php58.3/US\$1 for the next 12 months (see Tables 11-13).

¹³ 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 61 percent. The Q4 2022 BES was conducted during the period 4 October – 11 November 2022.¹⁴ There were 1,501 firms surveyed nationwide, consisting of 584 companies in the NCR and 917 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.¹⁵

The nationwide survey response rate for this quarter was higher at 61 percent (from 58.8 percent in Q2 2022). The response rate was lower for the NCR at 57 percent (from 64 percent) but higher for the AONCR at 63.6 percent (from 55.4 percent).

A breakdown of responses by type of business showed that 68 percent were domestic-oriented firms, 11.6 percent were both importers and exporters, 9.7 percent were importers, and 4.9 percent were exporters. The remaining 5.8 percent of the respondents did not specify their firm type (see Table 20).¹⁶

By size of employment, the survey showed that 44.2 percent of respondents were small-sized firms, 33.8 percent were medium-sized, and 13.8 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).

¹⁴ Approval for the conduct of the Q1-Q4 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.

¹⁵ 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.

¹⁶ Details may not add up to 100 percent due to rounding.

**BUSINESS EXPECTATIONS SURVEY
2018 - 2022**

	2018				2019				2020 *			2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																			
Confidence Index: All Sectors																			
Current Quarter	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	32.9	35.4	26.1	23.9
NCR	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	35.8	38.2	27.9	21.5
AONCR	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	26.8	29.5	22.4	28.7
Next Quarter	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	59.7	46.4	43.9	31.3
NCR	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	63.5	49.3	43.9	28.2
AONCR	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	52.0	40.5	43.9	37.8
Next 12 Months¹							58.6	59.6	55.8	37.5	57.7	60.5	52.5	56.0	67.6	69.8	59.9	57.7	46.2
NCR							59.9	61.6	57.8	38.7	59.3	63.3	55.2	57.1	68.6	71.7	64.1	60.6	45.1
AONCR							56.2	56.2	51.5	34.9	54.3	54.3	46.2	53.3	65.4	65.7	51.1	51.5	48.5
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																			
Industry Sector	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	31.2	29.9	18.0	19.9
Mining and Quarrying	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	57.1	37.0	10.1	-15.7
Manufacturing	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	30.3	29.9	18.2	21.8
Electricity, Gas and Water	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	18.4	19.8	0.6	20.2
Agriculture, Fishery and Forestry	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	32.5	32.6	38.4	21.7
Construction Sector	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	34.7	22.6	16.2	18.9
Wholesale and Retail Trade	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	21.4	36.1	28.1	30.6
Services Sector	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	40.5	39.5	30.5	22.6
of which:																			
Financial Intermediation	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	51.4	39.1	25.7	11.6
Hotels and Restaurants	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	21.8	53.8	62.6	56.7
Business Activities	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	37.3	42.6	30.5	23.3
Real Estate	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	46.7	41.0	26.6	25.2
Community and Social Services	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	23.3	39.7	63.9	37.2
Transportation	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	33.4	25.0	13.4	11.2
																			0.0
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																			
Industry Sector	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	52.1	37.7	27.1	23.0
Mining and Quarrying	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	54.3	41.7	-5.2	-6.0
Manufacturing	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	52.5	38.5	28.2	24.3
Electricity, Gas and Water	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	60.4	23.6	31.6	24.0
Agriculture, Fishery and Forestry	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	34.9	34.2	34.4	27.9
Construction Sector	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	66.4	55.4	36.4	37.9
Wholesale and Retail Trade	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	56.6	47.9	46.8	34.3
Services Sector	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	65.0	49.2	52.4	33.2
of which:																			
Financial Intermediation	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	77.3	59.3	49.3	22.6
Hotels and Restaurants	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	54.7	38.0	92.9	65.1
Business Activities	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	59.1	49.0	52.5	29.8
Real Estate	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	59.0	32.2	43.2	34.1
Community and Social Services	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	65.7	68.2	62.6	61.1
Transportation	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	72.5	62.2	52.4	25.4

**BUSINESS EXPECTATIONS SURVEY
2018 - 2022**

	2018				2019				2020 *			2021				2022					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	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	60.0	48.9	47.8	43.7
Mining and Quarrying									39.9	38.7	42.6	46.7	51.9	69.0	45.8	70.0	65.9	71.4	58.9	52.6	23.0
Manufacturing									51.8	57.6	50.9	29.4	49.1	57.2	57.5	56.6	58.3	59.8	49.2	47.6	46.3
Electricity, Gas and Water									53.6	42.9	46.3	43.3	64.3	79.3	61.8	81.9	85.4	65.0	37.6	47.4	33.1
Agriculture, Fishery and Forestry									55.6	32.0	23.8	28.7	35.2	29.6	38.7	54.2	64.6	47.5	43.0	47.6	28.5
Construction Sector									54.0	52.6	63.0	46.2	70.0	45.6	50.7	66.8	75.3	77.4	58.9	61.8	52.6
Wholesale and Retail Trade									62.2	60.7	56.7	43.2	55.7	65.0	46.2	47.7	66.6	68.2	56.7	57.8	44.4
Services Sector									62.5	64.6	57.8	36.4	61.4	61.2	54.4	58.4	71.3	75.1	68.0	62.5	48.0
of which:																					
Financial Intermediation									70.5	74.3	67.9	44.6	75.2	69.0	64.5	59.6	78.0	86.7	76.0	59.0	41.0
Hotels and Restaurants									48.3	63.8	77.2	65.4	57.9	42.2	45.5	44.9	67.4	58.8	74.0	95.3	53.3
Business Activities									61.3	56.9	51.9	34.3	57.1	57.0	55.3	65.0	76.6	71.8	62.9	66.4	53.4
Real Estate									73.0	60.4	46.9	29.0	53.3	62.6	50.4	53.5	52.6	72.0	59.4	56.8	48.1
Community and Social Services									63.0	63.5	72.8	38.7	62.7	58.5	62.0	63.6	77.9	81.5	72.0	70.5	50.6
Transportation									52.1	71.8	56.7	27.8	63.0	63.1	43.5	56.4	85.7	72.5	77.1	53.7	45.5
5. Business Outlook index on Own Operations: Current Quarter																					
Volume of Business Activity Index	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	27.5	24.2	29.0		
Industry Sector	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	20.8	8.7	16.6		
Mining and Quarrying	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	33.9	12.6	-21.7		
Manufacturing	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	18.3	7.6	18.3		
Electricity, Gas and Water	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	46.6	1.9	37.7		
Agriculture, Fishery and Forestry	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	27.6	30.0	5.3		
Construction Sector	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	27.5	19.1	24.2		
Wholesale and Retail Trade	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	26.7	22.9	30.9		
Services Sector	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	31.6	34.1	35.3		
Financial Intermediation	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	26.7	31.6	32.3		
Hotels and Restaurants	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	60.1	58.3	62.6		
Business Activities	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	39.6	36.2	37.7		
Real Estate	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	33.6	20.1	31.6		
Community and Social Services	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	8.8	63.9	39.0		
Transportation	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	20.8	35.4	29.2		
Volume of Total Order Book Index	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	27.7	23.4	26.4		
Industry Sector	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	18.6	12.5	15.4		
Mining and Quarrying	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	37.5	9.8	-9.7		
Manufacturing	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	16.7	11.7	16.5		
Electricity, Gas and Water	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	14.5	4.4	16.2		
Agriculture, Fishery and Forestry	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	36.2	35.6	20.2		
Construction Sector	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	27.7	11.0	23.1		
Wholesale and Retail Trade	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	33.0	23.5	28.7		
Services Sector	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	29.4	30.7	31.6		
Financial Intermediation	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	24.9	28.1	27.0		
Hotels and Restaurants	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	60.1	61.4	66.2		
Business Activities	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	34.1	34.2	33.0		
Real Estate	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	27.3	19.0	31.6		
Community and Social Services	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	5.0	57.3	32.0		
Transportation	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	33.0	24.4	20.6		

**BUSINESS EXPECTATIONS SURVEY
2018 - 2022**

	2018				2019				2020 *			2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
5. Business Outlook index on Own Operations: Current Quarter - continued																			
Credit Access Index	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	-0.4	-2.9	-4.2
Industry Sector	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	2.0	-0.7	-6.0
Mining and Quarrying	-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	-5.2	-13.4	-17.0
Manufacturing	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	3.2	0.6	-4.4
Electricity, Gas and Water	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	-6.1	2.2	-4.4
Agriculture, Fishery and Forestry	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	-3.3	-13.6	-23.2
Construction Sector	-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	6.2	-4.6	3.1
Wholesale and Retail Trade	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	2.8	-0.9	-3.9
Services Sector	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	-4.5	-5.1	-4.3
Financial Intermediation	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	-4.2	-2.4	-10.9
Hotels and Restaurants	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	22.7	9.6	-20.4
Business Activities	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	-7.4	-2.3	5.3
Real Estate	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	-10.2	-15.7	-8.1
Community and Social Services	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	-2.5	-9.7	9.9
Transportation	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	-0.6	3.7	-4.3
Financial Condition	-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	-18.2	-21.2	-23.5
Industry Sector	-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	-16.4	-22.2	-27.4
Mining and Quarrying	-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	-16.7	-13.7	-11.0
Manufacturing	-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	-16.5	-21.8	-28.0
Electricity, Gas and Water	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	-13.9	-34.2	-17.5
Agriculture, Fishery and Forestry	-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	-17.0	-25.6	-42.5
Construction Sector	-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	-30.0	-40.5	-37.9
Wholesale and Retail Trade	-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	-16.4	-14.8	-21.0
Services Sector	-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	-18.9	-22.2	-21.0
Financial Intermediation	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	-10.2	-15.6	-24.8
Hotels and Restaurants	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	-36.1	-33.4	-33.5
Business Activities	-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	-14.3	-21.5	-17.6
Real Estate	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	-17.5	-21.1	-15.8
Community and Social Services	-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	-20.5	-22.9	-21.5
Transportation	-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	-36.5	-31.7	-26.2
Average Capacity Utilization																			
Industry and Construction Sectors	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	72.7	72.7	72.1
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	71.8	72.2	71.5

**BUSINESS EXPECTATIONS SURVEY
2018 - 2022**

	2018				2019				2020 *			2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
6. Business Outlook Index on Own Operations: Next Quarter																			
Volume of Business Activity Index	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	43.5	44.4	30.3
Industry Sector	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	33.6	20.7	17.6
Mining and Quarrying	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	31.8	-18.1	15.7
Manufacturing	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	35.3	22.4	15.7
Electricity, Gas and Water	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	5.5	15.8	40.9
Agriculture, Fishery and Forestry	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	32.7	34.4	29.3
Construction Sector	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	56.8	37.0	37.9
Wholesale and Retail Trade	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	44.0	50.8	24.6
Services Sector	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	46.9	54.4	39.7
Financial Intermediation	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	52.9	55.5	32.2
Hotels and Restaurants	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	50.6	80.9	61.4
Business Activities	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	53.4	56.6	43.0
Real Estate	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	34.1	45.9	36.1
Community and Social Services	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	56.5	55.9	43.6
Transportation	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	43.9	53.7	42.1
Employment Outlook Index	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	25.4	22.7	21.2
Industry Sector	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	16.0	11.3	9.6
Mining and Quarrying	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	23.4	-2.5	14.4
Manufacturing	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	15.7	12.3	9.1
Electricity, Gas and Water	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	12.3	9.2	7.8
Agriculture, Fishery and Forestry	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	17.3	10.0	15.5
Construction Sector	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	43.9	14.4	26.3
Wholesale and Retail Trade	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	23.3	23.9	15.8
Services Sector	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	29.5	29.2	30.2
Financial Intermediation	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	28.9	27.1	26.9
Hotels and Restaurants	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	44.3	59.0	15.6
Business Activities	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	41.0	38.2	41.1
Real Estate	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	18.0	16.2	22.3
Community and Social Services	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	31.0	44.5	25.6
Transportation	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	25.0	20.7	41.2

**BUSINESS EXPECTATIONS SURVEY
2018 - 2022**

	2018				2019				2020 *			2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
7. Business Outlook Index on Own Operations: Next 12 Months¹																			
Volume of Business Activity Index																			
Industry Sector																			
Mining and Quarrying																			
Manufacturing																			
Electricity, Gas and Water																			
Agriculture, Fishery and Forestry																			
Construction Sector																			
Wholesale and Retail Trade																			
Services Sector																			
Financial Intermediation																			
Hotels and Restaurants																			
Business Activities																			
Real Estate																			
Community and Social Services																			
Transportation																			
Employment Outlook Index																			
Industry Sector																			
Mining and Quarrying																			
Manufacturing																			
Electricity, Gas and Water																			
Agriculture, Fishery and Forestry																			
Construction Sector																			
Wholesale and Retail Trade																			
Services Sector																			
Financial Intermediation																			
Hotels and Restaurants																			
Business Activities																			
Real Estate																			
Community and Social Services																			
Transportation																			
8. Companies with Expansion Plans (in percent of total respondents): Next Quarter																			
All Industry Sector																			
Mining and Quarrying																			
Manufacturing																			
Electricity, Gas and Water																			
Agriculture, Fishery and Forestry																			
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
2018 - 2022**

	2018				2019				2020 *			2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
10. Business Constraints (in percent to total respondents): Current Quarter																			
High Interest Rate	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	12.6	18.0	23.9
Unclear Economic Laws	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	15.7	13.4	13.5
Lack of Equipment	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	3.6	3.6	5.1
Insufficient Demand	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	37.1	35.0	31.9
Access to Credit	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	7.8	8.1	7.9
Financial Problems	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	14.4	13.1	13.4
Competition	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	49.4	48.2	48.3
Labor Problems	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	10.1	9.3	10.1
Lack of Materials Input	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	9.5	10.3	9.5
Others	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	40.4	35.4	36.6
None	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	9.1	9.6	10.9
11. Business Expectations Index on Selected Economic Indicators: Current Quarter																			
P/\$ Exchange Rate	-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	-26.7	-28.7	-25.6
Inflation Rate	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	65.6	67.7	72.2
Peso Borrowing Rate	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	18.0	25.2	25.6
Inflation Rate Expectations (in %)	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	4.2	4.0	5.6	6.2
Exchange Rate Expectations (Php: \$1.00)	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	52.0	55.0	58.1
12. Business Expectations Index on Selected Economic Indicators: Next Quarter																			
P/\$ Exchange Rate	-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	-15.9	-14.4	-13.5
Inflation Rate	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	53.4	44.6	42.9
Peso Borrowing Rate	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	22.6	26.0	26.8
Inflation Rate Expectations (in %)	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	4.1	5.6	6.1
Exchange Rate Expectations (Php: \$1.00)	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	52.2	55.2	58.5

**BUSINESS EXPECTATIONS SURVEY
2018 - 2022**

	2018				2019				2020 *			2021				2022					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	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	4.9	-2.6	-3.4	-2.5
Inflation Rate									10.6	17.3	26.9	29.6	28.2	32.9	24.6	35.5	28.7	20.7	35.2	15.9	19.2
Peso Borrowing Rate									1.9	4.4	6.3	2.7	13.9	13.3	14.1	18.4	26.4	27.9	29.9	25.8	24.8
Inflation Rate Expectations (in %)									3.6	3.2	3.2	2.5	2.6	3.7	4.1	3.9	4.2	4.2	4.1	5.4	5.9
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	52.2	54.9	58.3
14. Distribution of Respondent Firms by Sector																					
All Sectors	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916	884	800	780	884	916		
Industry	365	370	368	355	367	371	357	354	281	268	266	259	262	237	220	223	217	227	264		
Mining and Quarrying	33	33	35	32	32	34	32	32	30	34	33	28	29	26	24	22	29	23	19		
Manufacturing	222	225	224	219	228	225	219	222	159	152	146	148	149	139	129	128	123	126	156		
Electricity, Gas and Water	51	54	51	46	52	54	49	46	42	39	43	42	40	29	27	33	32	36	43		
Agriculture, Fishery and Forestry	59	58	58	58	55	58	57	54	50	43	44	41	44	43	40	40	33	42	46		
Construction	85	84	87	85	92	89	87	89	81	73	73	49	47	49	49	44	47	52	53		
Wholesale and Retail Trade	322	330	332	334	347	332	335	333	209	179	174	193	204	180	198	170	154	185	159		
Services	437	440	439	431	428	438	436	429	540	462	468	464	485	450	417	363	362	420	440		
Financial Intermediation	84	83	82	83	80	81	80	80	148	138	139	141	149	126	117	106	107	116	114		
Hotels and Restaurants	52	54	56	51	49	51	55	52	43	30	31	29	32	39	35	30	26	39	39		
Business Activities	98	101	93	95	98	102	100	94	100	83	84	85	88	73	64	80	73	87	87		
Real Estate and Renting	63	62	70	65	65	67	65	66	114	96	93	95	98	94	92	77	81	93	103		
Community and Social Services	62	59	60	59	60	60	58	61	70	64	66	60	61	62	60	35	43	43	47		
Transportation	78	81	78	78	76	77	78	76	65	51	55	54	57	56	49	35	32	42	50		

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
2018 - 2022**

	2018				2019				2020 *			2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

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

Importer	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	47.6	29.0	15.7
Exporter	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	30.8	20.5	24.4
Both (Importer and Exporter)	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	26.7	33.7	21.7
Domestic-Oriented	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	35.8	26.7	30.3

16. Number of Respondents (by Type of Business)

Importer	157	147	155	148	154	147	131	144	109	93	85	95	102	93	89	47	82	93	89
Exporter	86	75	81	83	75	72	72	74	62	55	53	45	48	63	43	42	39	44	45
Both (Importer and Exporter)	195	209	206	203	208	211	205	203	124	106	110	111	106	114	120	87	86	89	106
Domestic-Oriented	676	713	709	687	723	721	719	704	744	679	687	669	687	643	631	515	531	618	623
Not Specified	95	80	75	84	74	79	88	80	72	49	46	45	55	3	1	109	42	40	53
Total	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916	884	800	780	884	916

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

Small (<100)	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	34.6	29.0	22.2
Medium (100-<500)	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	35.8	25.4	33.2
Large (500 & up)	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	41.2	34.7	31.7

18. Number of Respondents (by Size of Employment)

Small (<100)	378	379	370	368	368	366	306	329	449	401	401	431	416	436	425	341	341	393	405
Medium (100-<500)	479	486	481	465	466	462	416	438	345	302	344	324	317	321	313	259	268	291	310
Large (500 & up)	270	272	289	278	303	316	278	287	158	135	121	123	142	124	125	116	114	118	126
Not Specified ²	82	87	86	94	97	86	215	151	159	144	115	87	123	35	21	84	57	82	75
Total	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965	998	916	884	800	780	884	916

**BUSINESS EXPECTATIONS SURVEY
2018 - 2022**

	2018				2019				2020 *			2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

19. Business Outlook Index on the Macroeconomy (by Type of Business): Next Quarter

Importer	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	46.3	39.8	38.2
Exporter	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	35.9	25.0	31.1
Both (Importer and Exporter)	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	43.0	43.8	35.8
Domestic-Oriented	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	46.7	49.2	34.7

20. Percentage Distribution of Respondent Firms by Type of Business

Importer	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	10.5	10.5	9.7
Exporter	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	5.0	5.0	4.9
Both (Importer and Exporter)	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	11.0	10.1	11.6
Domestic-Oriented	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	68.1	69.9	68.0
Not Specified	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	5.4	4.5	5.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

21. Business Outlook Index on the Macroeconomy (by Size of Employment): Next Quarter

Small (<100)	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	43.1	41.2	30.6
Medium (100-<500)	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	48.5	53.3	42.6
Large (500 & up)	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	48.2	45.8	33.3

22. Percentage Distribution of Respondent Firms by Size of Employment

Small (<100)	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	43.7	44.5	44.2
Medium (100-<500)	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	34.4	32.9	33.8
Large (500 & up)	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	14.6	13.3	13.8
Not Specified ²	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	7.3	9.3	8.2
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
2018 - 2022**

	2018				2019				2020 *			2021				2022					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1	Q2	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	76.6	62.2	59.1	46.1
Exporter									48.6	44.6	61.3	47.3	60.4	57.8	45.8	47.6	69.8	42.9	43.6	52.3	37.8
Both (Importer and Exporter)									48.8	59.6	37.9	38.7	57.3	63.1	58.5	57.9	65.8	66.7	50.0	52.8	50.9
Domestic-Oriented									64.0	60.2	57.0	37.1	58.1	56.1	51.2	58.0	66.7	74.0	59.9	59.9	48.5
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	55.7	57.8	43.5
Medium (100-<500)									60.1	60.3	57.1	44.4	64.2	60.5	52.7	56.4	67.7	72.6	61.6	62.5	56.8
Large (500 & up)									58.6	59.2	60.1	46.7	68.6	71.5	67.6	71.8	76.8	75.9	64.0	56.8	50.0

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 conduct of the Q2 2020 BES was cancelled

A quarterly survey conducted by the
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