

BANGKO SENTRAL NG PILIPINAS

Monetary and Economics Sector
Department of Economic Statistics



BUSINESS EXPECTATIONS SURVEY REPORT

April 2026



APRIL 2026 BUSINESS EXPECTATIONS SURVEY

OVERALL BUSINESS CONFIDENCE INDEX (CI)*

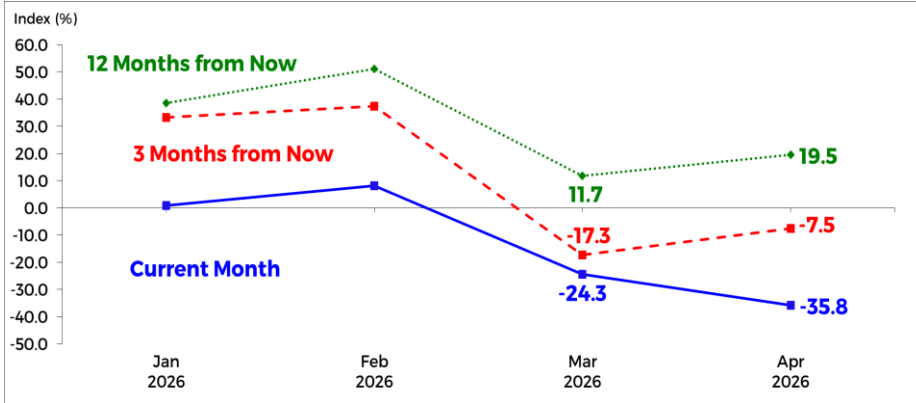
Respondents attributed their more pessimistic sentiment in April 2026 to:



Ongoing Middle East conflict pushing oil prices and inflation higher

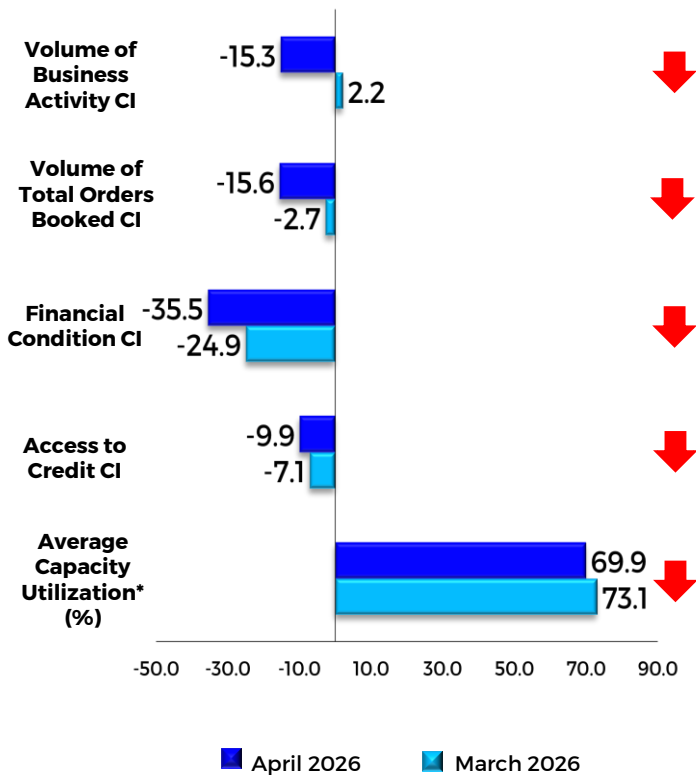


Higher business operating costs and lower consumer purchasing power



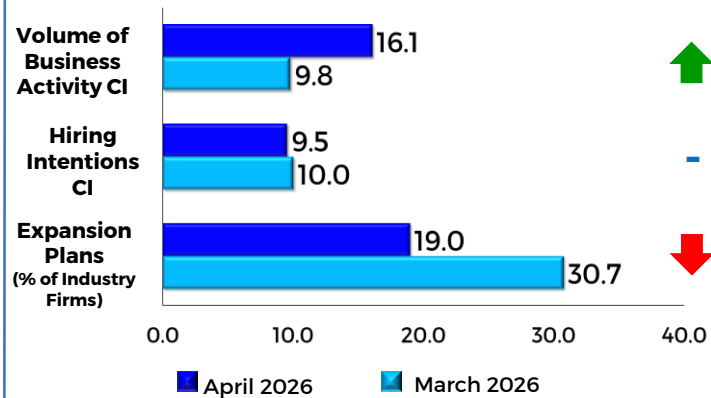
*Non-seasonally adjusted

CURRENT-MONTH INDICATORS



FORWARD-LOOKING INDICATORS

12 MONTHS FROM NOW



MACROECONOMIC EXPECTATIONS

Indicator	Period	Current Month	3 Months from Now	12 Months from Now
Inflation Rate CI	Apr '26	68.9	57.5	22.2
	Mar '26	70.2	67.6	55.4
Peso Borrowing Rate CI	Apr '26	2.2	5.6	13.2
	Mar '26	4.0	8.4	19.4
Exchange Rate (₱/US\$) CI	Apr '26	-41.8	-25.5	3.0
	Mar '26	-28.1	-19.7	-16.2

* Respondent firms that reported 0% capacity utilization are included in the computation of the average capacity utilization (ACU) of the industry and construction sectors for the reference month. This is in line with the PSA Board Resolution No. 13, Series of 2020, wherein the computation of the ACU rate in the Monthly Integrated Survey of Selected Industries (MISSI) considers the impact of establishments that are temporarily closed (i.e., with zero capacity utilization rate).

Based on the Diffusion Index (DI) of the reference period:
 +/- Inflation Rate - more respondents expect that inflation may increase/decrease
 +/- Peso Borrowing Rate - more respondents expect that the peso borrowing rate may increase/decrease
 +/- Exchange Rate - more respondents expect that the peso may appreciate/depreciate against the US dollar

Legend: ▲ Up ▼ Down ▬ Steady (for diffusion indices with less than 1 percent absolute difference) as compared with the previous survey round

SAMPLE SIZE:

507

RESPONSE RATE:
MARGIN OF ERROR:

49.9%
±6.1%

SURVEY PERIOD:

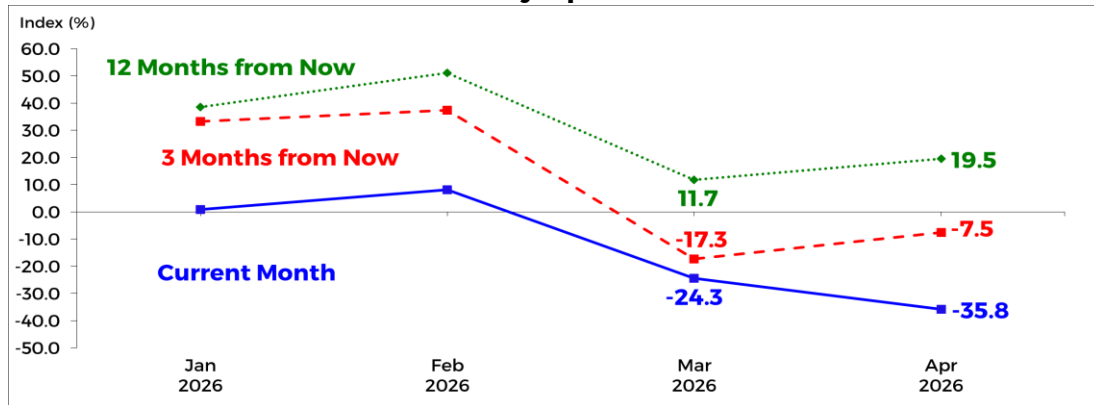
7-30 April 2026



APRIL 2026 BUSINESS EXPECTATIONS SURVEY

Business Confidence Declines in April 2026 but Improves for the Next 12 Months

Figure 1. Overall Business Confidence Index (CI)*
January-April 2026



*Non-seasonally adjusted

Business sentiment in the Philippines was more pessimistic in April 2026. The current-month confidence index (CI) declined from -24.3 percent in March 2026 to -35.8 percent in April 2026. A negative CI means more respondents are pessimistic than optimistic (see Figure 1).

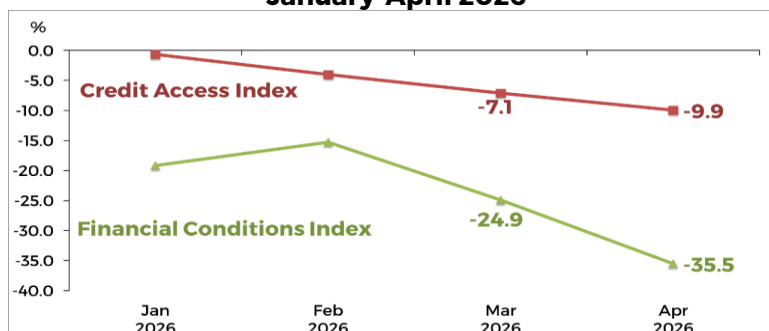
Concerns over the ongoing Middle East conflict, which has kept oil prices elevated, weighed on business confidence in April 2026. Firms reported that higher inflation could raise operating costs and erode consumers' purchasing power.

The business outlook for both the near term (July 2026) and the medium term (April 2027) improved. The three-month-ahead CI rose from -17.3 percent to -7.5 percent, while the 12-month-ahead CI increased from 11.7 percent to 19.5 percent (see Figure 1).

Firms were **less pessimistic** about the next three months mainly because the start of the academic year for most schools is expected to drive demand for loans and financing products, as well as for clothing and apparel. Looking 12 months ahead, they were **more optimistic** due to anticipated stronger demand for business process outsourcing, construction, and transportation services. Respondents also cited expectations of higher sales and income, better overall economic conditions, and a possible resolution of the Middle East conflict as additional reasons for their improved outlook.

Current-Month Sentiment Indicators

Figure 2. Financial Condition and Access to Credit CIs
January-April 2026





Firms expected tighter cash position and credit access in April 2026. The financial condition index declined from -24.9 percent in March 2026 to -35.5 percent in April 2026. Similarly, the credit access index further decreased from -7.1 percent to -9.9 percent over the same period (see Figure 2).¹

Respondents in the industry and construction sectors reported lower average capacity utilization (ACU). The ACU rate declined from 73.1 percent in March 2026 to 69.9 percent in April 2026, reflecting a larger share of industry and construction firms operating below 50 percent capacity (see Table 2).² Firms across all industry sub-sectors, except for the agriculture, fishery and forestry sub-sector, as well as those in the construction sector, scaled back operations.

Major business constraints cited: domestic competition, weak demand, and high interest rates (see Table 6). In addition, firms indicated that the high price of oil amid the ongoing Middle East conflict as a further constraint given its direct impact on their production costs.

Future Tendencies

Figure 3. Employment Outlook Index (%)
January-April 2026

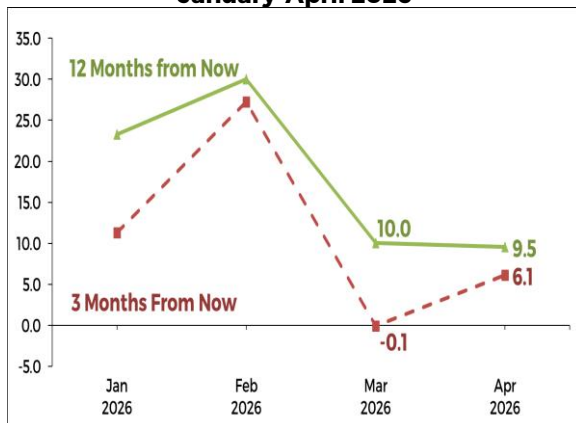
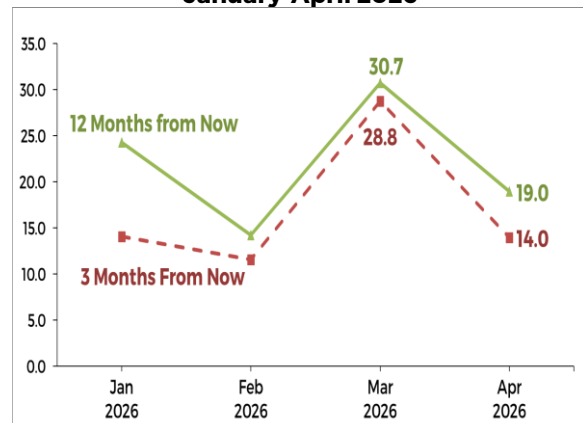


Figure 4. Expansion Plans (% of Industry Firms)
January-April 2026



Firms' hiring intentions for three-month ahead improved, while those for the 12-month ahead remained favorable. The three-month-ahead employment outlook index turned positive from -0.1 percent to 6.1 percent, while the 12-month-ahead index stayed positive, little changed from 10.0 percent to 9.5 percent (see Figure 3).

However, industry sector expansion plans moderated for July 2026 and April 2027. The share of industry firms with expansion plans for the three-month ahead and the 12-month ahead declined from 28.8 percent and 30.7 percent to 14.0 percent and 19.0 percent, respectively (see Figure 4). Despite a more favorable 12-month-ahead overall business outlook, fewer firms indicated plans to expand due to heightened demand uncertainty resulting from the Middle East conflict.

¹ Financial condition refers 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.

² Respondent firms that reported 0% capacity utilization are included in the computation of the average capacity utilization (ACU) of the industry and construction sectors for the reference month. This is in line with the PSA Board Resolution No. 13, Series of 2020, wherein the computation of the ACU rate in the Monthly Integrated Survey of Selected Industries (MISSI) considers the impact of establishments that are temporarily closed (i.e., with zero capacity utilization rate).



Selected Economic Indicators

Figure 5. Outlook on Economic Indicators

		Current Month	3 Months from Now	12 Months from Now
		Apr '26	Jul '26	Apr '27
Exchange Rate		₱ 59.90	₱ 60.14	₱ 60.11
Inflation Rate		4.2 %	4.4 %	4.2 %

Firms expected the Philippine peso to depreciate against the US dollar in April 2026 and July 2026, but to appreciate in April 2027. Furthermore, businesses expected that peso borrowing rates may increase over the same periods (see Tables 7-9 and Figure 5).

Business inflation expectations settled above the tolerance ceiling. More firms anticipated the inflation rate to increase rather than decrease in April 2026, July 2026, and April 2027. Inflation expectations exceed the BSP's 4.0-percent tolerance ceiling (see Tables 7-9 and Figure 5).

About the Survey

The Business Expectations Survey (BES) is a monthly survey of firms drawn using stratified random sampling from the Bureau van Dijk (BvD) database of the Top 7,000 Corporations, based on total assets in 2017.

The April 2026 BES was conducted during the period **7 to 30 April 2026**. A total of 507 firms were surveyed nationwide, comprising 193 (38.1 percent) companies in the National Capital Region (NCR) and 314 (61.9 percent) firms in areas outside the NCR, covering all 18 regions across the country.

The nationwide response rate for April 2026 was lower at 49.9 percent (from 51.3 percent in March 2026) with a sampling error margin of ± 6.1 percent.

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.

About the Confidence Index

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 regarding their views on the overall business outlook. A positive CI means more respondents are optimistic than pessimistic.

The expectations on financial condition and access to credit are also expressed in terms of CIs, which were computed as the percentage of firms expecting "easy" conditions minus those expecting "tight." A positive CI signals more firms anticipate easier access while a negative CI signals tighter conditions.

The expectations on key economic indicators are likewise expressed in terms of CIs, which were 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.

Business Expectations Survey

Jan - Apr 2026

List of Statistical Tables

Table Number	Title	Page Number
1	Overall business outlook index on the macroeconomy	1
2	Business Outlook Index on Own Operations: Current Month	1
3	Business outlook index on own operations: 3 Months from Now	1
4	Business outlook index on own operations: 12 Months from Now	1
5	Companies with expansion plans (in percent of total respondents)	1
6	Business constraints (in percent to total respondents): Current Month	1
7	Business expectations index on selected economic indicators: Current Month	1
8	Business expectations index on selected economic indicators: 3 Months from Now	1
9	Business expectations index on selected economic indicators: 12 Months from Now	1
10	Distribution of respondent firms by Sector	1
11	Percentage distribution of respondent firms by Sector	2
12	Overall business outlook on the macroeconomy (by type of trading group): Current Month	2
13	Overall business outlook on the macroeconomy (by type of trading group): 3 Months from Now	2
14	Overall business outlook on the macroeconomy (by type of trading group): 12 Months from Now	2
15	Number of respondents (by type of trading group)	2
16	Percentage distribution of respondent firms (by type of trading group)	2
17	Overall business outlook on the macroeconomy (by size of employment): Current Month	2
18	Overall business outlook on the macroeconomy (by size of employment): 3 Months from Now	2
19	Overall business outlook on the macroeconomy (by size of employment): 12 Months from Now	2
20	Number of respondents (by size of employment)	2
21	Percentage distribution of respondent firms (by size of employment)	2
22	Distribution of sampled firms by Geographic Area	2

Business Expectations Survey¹
for periods indicated

	2026			
	Jan	Feb	Mar	Apr
1. Overall business outlook index on the macroeconomy				
Confidence Index: All Sectors				
Current Month	0.9	8.2	-24.3	-35.8
NCR	-8.0	6.6	-26.4	-44.0
AONCR	20.6	11.7	-19.9	-17.7
3 Months from Now	33.3	37.4	-17.3	-7.5
NCR	35.3	35.5	-23.2	-15.4
AONCR	28.8	41.5	-4.3	9.7
12 Months from Now	38.6	51.1	11.7	19.5
NCR	35.9	51.3	8.3	14.5
AONCR	44.3	50.8	19.2	30.5
2. Business Outlook Index on Own Operations: Current Month				
Volume of Business Activity Index	3.5	10.8	2.2	-15.3
Volume of Total Order Book Index	-0.1	12.4	-2.7	-15.6
Credit Access Index	-0.6	-4.0	-7.1	-9.9
Financial Condition	-19.2	-15.2	-24.9	-35.5
Average Capacity Utilization ² (in percent)	69.6	67.2	73.1	69.9
3. Business outlook index on own operations: 3 Months from Now				
Volume of Business Activity Index	39.1	41.1	3.9	14.7
Employment Outlook Index	11.3	27.2	-0.1	6.1
4. Business outlook index on own operations: 12 Months from Now				
Volume of Business Activity Index	45.5	44.6	9.8	16.1
Employment Outlook Index	23.3	30.0	10.0	9.5
5. Companies with expansion plans (in percent of total respondents)				
3 Months from Now	14.1	11.6	28.8	14.0
12 Months from Now	24.3	14.2	30.7	19.0
6. Business constraints (in percent to total respondents): Current Month				
High Interest Rate	21.6	20.5	18.3	18.4
Unclear Economic Laws	18.7	14.5	14.9	18.4
Lack of Equipment	6.0	8.6	8.1	5.6
Insufficient Demand	39.7	33.2	34.4	42.5
Access to Credit	8.4	12.2	7.9	6.0
Financial Problems	18.7	11.6	13.3	15.6
Domestic Competition	62.2	70.0	53.3	53.6
Labor Problems	10.0	15.1	10.0	10.8
Lack of Materials Input	5.9	5.4	5.8	6.5
Others	28.9	28.1	29.9	38.2
None	6.1	9.5	7.2	3.6
7. Business expectations index on selected economic indicators: Current Month				
P/\$ Exchange Rate	-24.3	9.5	-28.1	-41.8
Inflation Rate	38.3	45.4	70.2	68.9
Peso Borrowing Rate	-6.3	-8.4	4.0	2.2
Inflation Rate Expectations (in %)	2.2	2.3	2.8	4.2
Exchange Rate Expectations (Php: \$1.00)	58.88	58.68	59.16	59.90
8. Business expectations index on selected economic indicators: 3 Months from Now				
P/\$ Exchange Rate	-7.3	3.0	-19.7	-25.5
Inflation Rate	44.6	56.0	67.6	57.5
Peso Borrowing Rate	3.8	-6.9	8.4	5.6
Inflation Rate Expectations (in %)	2.4	2.5	3.1	4.4
Exchange Rate Expectations (Php: \$1.00)	58.88	58.76	59.60	60.14
9. Business expectations index on selected economic indicators: 12 Months from Now				
P/\$ Exchange Rate	-2.9	-1.1	-16.2	3.0
Inflation Rate	44.7	47.1	55.4	22.2
Peso Borrowing Rate	2.8	5.6	19.4	13.2
Inflation Rate Expectations (in %)	2.6	2.7	3.3	4.2
Exchange Rate Expectations (Php: \$1.00)	58.99	58.94	60.00	60.11
10. Distribution of respondent firms by Sector				
All Sectors	244	244	264	253
Industry (including Agriculture, Fishery and Forestry)	66	59	69	66
Construction	15	8	15	16
Wholesale and Retail Trade	54	54	48	60
Services	109	123	132	111
11. Percentage distribution of respondent firms by Sector				
All Sectors	100.0	100.0	100.0	100.0
Industry (including Agriculture, Fishery and Forestry)	27.0	24.2	26.1	26.1
Construction	6.1	3.3	5.7	6.3
Wholesale and Retail Trade	22.1	22.1	18.2	23.7
Services	44.7	50.4	50.0	43.9

Business Expectations Survey¹
for periods indicated

	2026			
	Jan	Feb	Mar	Apr
12. Overall business outlook on the macroeconomy (by type of trading group): Current Month				
Importer	19.2	4.5	-34.3	-14.8
Exporter	11.1	-30.0	0.0	-20.0
Both (Importer and Exporter)	-8.0	3.8	-34.6	-17.2
Domestic-Oriented	11.2	15.6	-28.3	-37.8
13. Overall business outlook on the macroeconomy (by type of trading group): 3 Months from Now				
Importer	57.7	45.5	-20.0	3.7
Exporter	22.2	70.0	-8.3	13.3
Both (Importer and Exporter)	32.0	50.0	-11.5	6.9
Domestic-Oriented	27.6	34.6	-14.7	-9.9
14. Overall business outlook on the macroeconomy (by type of trading group): 12 Months from Now				
Importer	42.3	40.9	-8.6	29.6
Exporter	33.3	50.0	-8.3	46.7
Both (Importer and Exporter)	48.0	65.4	15.4	20.7
Domestic-Oriented	43.5	48.0	19.0	20.9
15. Number of respondents (by type of trading group)				
Total	244	244	264	253
Importer	26	22	35	27
Exporter	9	10	12	15
Both (Importer and Exporter)	25	26	26	29
Domestic-Oriented	170	179	184	172
Not Specified	14	7	7	10
16. Percentage distribution of respondent firms (by type of trading group)				
Total	100.0	100.0	100.0	100.0
Importer	10.7	9.0	13.3	10.7
Exporter	3.7	4.1	4.5	5.9
Both (Importer and Exporter)	10.2	10.7	9.8	11.5
Domestic-Oriented	69.7	73.4	69.7	68.0
Not Specified	5.7	2.9	2.7	4.0
17. Overall business outlook on the macroeconomy (by size of employment): Current Month				
Small (<100)	10.9	8.7	-23.7	-28.1
Medium (100-<500)	14.5	12.3	-33.3	-31.2
Large (500 & up)	6.1	27.3	-40.0	-44.1
18. Overall business outlook on the macroeconomy (by size of employment): 3 Months from Now				
Small (<100)	27.3	28.3	-13.2	-2.5
Medium (100-<500)	37.3	49.3	-9.7	1.3
Large (500 & up)	33.3	54.5	-28.6	-17.6
19. Overall business outlook on the macroeconomy (by size of employment): 12 Months from Now				
Small (<100)	40.0	40.9	18.4	23.1
Medium (100-<500)	44.6	57.5	9.7	32.5
Large (500 & up)	57.6	54.5	8.6	17.6
20. Number of respondents (by size of employment)				
Total	244	244	264	253
Small (<100)	110	127	114	121
Medium (100-<500)	83	73	93	77
Large (500 & up)	33	22	35	34
Not Specified	18	22	22	21
21. Percentage distribution of respondent firms (by size of employment)				
Total	100.0	100.0	100.0	100.0
Small (<100)	45.1	52.0	43.2	47.8
Medium (100-<500)	34.0	29.9	35.2	30.4
Large (500 & up)	13.5	9.0	13.3	13.4
Not Specified	7.4	9.0	8.3	8.3
22. Distribution of sampled firms by Geographic Area				
All Areas	244	244	264	253
NCR	82	84	89	89
AONCR	162	160	175	164

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 A monthly survey conducted by the Department of Economic Statistics

² Respondent firms that reported 0% capacity utilization are included in calculating the average capacity utilization (ACU) for the industry and construction sectors for the reference month. This is in line with PSA Board Resolution No. 13, Series of 2020, which provides that the computation of the ACU rate in the Monthly Integrated Survey of Selected Industries (MISSI) takes into account the impact of establishments that are temporarily closed (i.e., with zero capacity utilization rate).

Source: Bangko Sentral ng Pilipinas