

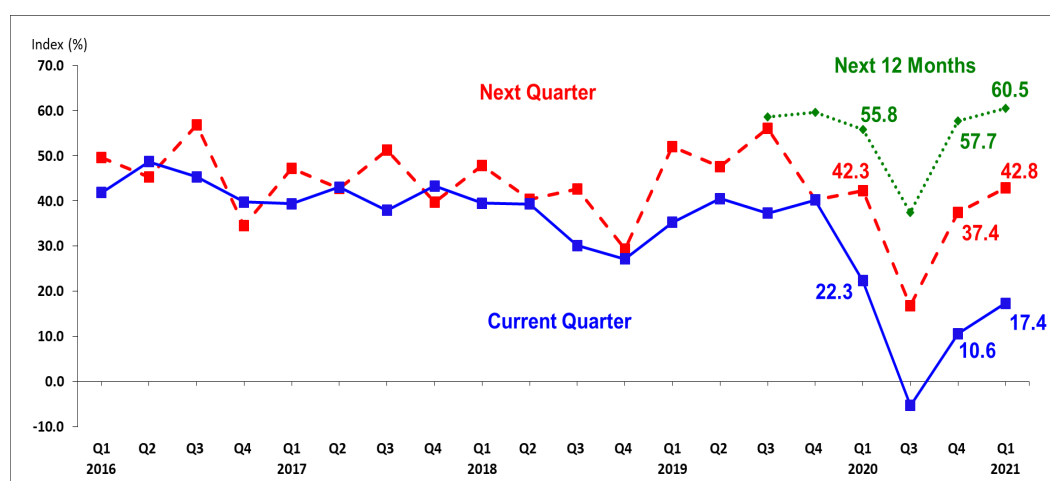
Business Expectations Survey ¹

First Quarter 2021

Business Confidence More Upbeat for the First Half of 2021 and the Next 12 Months

Overall Business Outlook on the Macroeconomy

Overall Business Confidence Index Q1 2016 – Q1 2021



Business optimism higher in Q1 and Q2 2021...

Sentiment of business owners improved for the second consecutive quarter. The overall confidence index (CI) for Q1 and Q2 both posted increases from previous quarter survey results, indicating greater optimism for many of the respondents. Specifically, CI for Q1 2021 increased to 17.4 percent from 10.6 percent in Q4 2020 while that for Q2 2021, rose to 42.8 percent from the previous quarter's survey result of 37.4 percent.²

The respondents' optimism for the two quarters of 2021 was attributed primarily to the following: (a) easing of quarantine restrictions and reopening of businesses, (b) observation that people are adapting to the "new normal," (c) increase in volume of sales and orders, (d) the rollout of vaccine for COVID-19, and (e) the development of new business/marketing strategies. Respondents also cited expectations of higher demand for electricity and construction activities during summer for their more buoyant views for Q2 2021.

The sentiment of businesses in the Philippines mirrored the more optimistic business outlook in Australia, Bulgaria, Chile, Germany, Israel, and the United States of America. Meanwhile, business confidence in Canada turned optimistic but that of Brazil, China, and Netherlands was less buoyant. However, the sentiment of businesses in Croatia, Denmark, euro area, France, Greece, Hong Kong, Hungary, Mexico, South Korea, Thailand, and the United Kingdom was pessimistic, while that of New Zealand was neutral.³

¹ The Business Expectations Survey (BES) is a quarterly survey of firms drawn at random from the list of Top 7,000 Corporations ranked based on total assets in 2016 from the Bureau van Dijk database. Results of the BES provide advance indication of the direction of the change in overall business activity in the economy and in the various measures of companies' operations as well as in selected economic indicators.

² The CI is computed as the percentage of firms that answered in the affirmative less the percentage of firms that answered in the negative with respect to their views on a given 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.

³ Hong Kong and the United Kingdom have quarterly business confidence index. Meanwhile, Australia, Bulgaria, Brazil, Canada, Chile, Croatia, Denmark, euro area, France, Germany, Greece, Hungary, Israel, Mexico, Netherlands, New Zealand, South Korea, and



...and the next 12 months. Finally, **the business outlook on the country's economy for the next 12 months was more upbeat** as the CI increased to 60.5 percent from the Q4 2020 survey result of 57.7 percent predominantly due to the aforementioned reasons.⁴ Notably, the next 12 months CI is the highest index recorded since the start of the 12-month outlook in Q3 2019.

Business outlook is more buoyant in the NCR and AONCR for Q1 2021... Consistent with the overall business sentiment, the outlook of respondents in the National Capital Region (NCR) and Areas Outside NCR (AONCR) was generally more optimistic as the CIs for the current quarter, the next quarter and the next 12 months increased.⁵

Meanwhile, the business outlook across regions was mixed for the current and next quarters and the next 12 months. For Q1 2021, the outlook of respondent firms in Regions I, III, IV, V, VI, and X improved and posted positive CIs. Respondents attributed the better prospects in said regions to the following: (a) gradual recovery of businesses and adapting to the “new normal”, (b) onset of the COVID-19 vaccine rollout, (c) easing of community quarantine restrictions, (d) increased/new clients due to the reopening of businesses, and (e) anticipated new projects and implementation of new business/marketing strategies. Meanwhile, respondents' business outlook was less upbeat in Regions II, IX, and XI and turned pessimistic in Regions VIII and XII as they cited the following: (a) unfavorable impact of the pandemic such as stricter travel rules, increased operational costs, low volume of sales, and closure of businesses, (b) seasonal slack in demand at the start of the year, (c) concerns over the peace and order situation in Mindanao, and (d) the continued increase of COVID-19 cases. On another note, the outlook of respondent firms in Region VII was steady.

...and the next quarter. For the quarter ahead (Q2 2021), business sentiment of respondents was more optimistic in Regions III, IV, VIII, XI, and XII, while that of Region X turned bullish. The strengthened outlook of said regions was due primarily to expectations of the following: (a) availability of COVID-19 and African Swine Flu (ASF) vaccines, (b) reopening of businesses as well as market adjustments to new normal conditions, (c) easing of quarantine restrictions, (d) resumption of infrastructure projects owing to the approval of government budget for 2021, and (e) seasonal brisker demand after Q1 2021. Meanwhile, views of respondent firms in Regions I, II, VI, VII, and IX were less favorable as they anticipated the: (a) continued adverse effects of the COVID-19 pandemic and community quarantine restrictions (e.g., less volume of hotel guests and travel limitations), and (b) decline in milling production (e.g., sugar). Lastly on the outlook for the next quarter, respondent firms in Region V was broadly steady.

Outlook in AONCR is steady for the next 12 months. For the next 12 months, the outlook of respondent firms was more upbeat in Regions IV, VI, XI, and XII, while that of Region X turned optimistic. Respondents attributed their outlook to the abovementioned positive reasons. Meanwhile, sentiment of respondents in Regions I, II, III, V, VII, VIII, and IX for the next 12 months was less buoyant as they expected the unfavorable impact of the pandemic to persist.

Thailand record their business confidence index on a monthly basis. For cross-country assessment of the business sentiment, the latest CI level is compared with the CI level of the previous reference period.

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

⁵ The survey covered all 16 regions of the Philippines. (For the list of regions and the distribution of top 7,000 corporations by region, please see Annexes A and B).



Trading firms remain optimistic for Q1 2021 and the near term **Favorable sentiment prevailed across the different types of trading firms (i.e., exporter, importer, dual-activity, and domestic-oriented), but at varying degrees.** Importer, dual-activity, and domestic-oriented respondent firms were more confident on the business environment for Q1 2021, while exporters were less optimistic.

Importer, dual-activity, and domestic-oriented respondent firms' improved sentiment for Q1 2021 was attributed to the: (a) high consumer demand, (b) resumption of business operations, and (c) the availability of COVID-19 vaccine. Meanwhile, exporter respondent firms were less optimistic for Q1 2021 as they anticipated high inflation rate and adverse effects of the delay in rollout of vaccination and travel restrictions.

For Q2 2021, the different types of respondent trading firms indicated stronger optimism as the CIs for the said period registered higher levels than the Q4 2020 survey results, except for the domestic-oriented firms, whose outlook was broadly steady.

Meanwhile, outlook of importer and dual-activity respondent firms was more favorable for the next 12 months. In addition to the favorable reasons mentioned for Q1 2021, respondents also cited expectations of the following for their more optimistic sentiment: (a) more products and new projects to be introduced in the market, and (b) boost in sales for the transportation and manufacturing sub-sectors. However, the less upbeat sentiment for the next 12 months of exporter and domestic-oriented respondent firms was caused by their anticipation of the unfavorable effects of the prolonged pandemic and quarantine restrictions.

Outlooks across employment size improves for Q1 and Q2 2021. Business outlook of respondent firms across employment size was more favorable for Q1 and Q2 2021. For the next 12 months, the sentiment of small- and large-sized firms was more optimistic, while less buoyant for the medium-sized firms.⁶

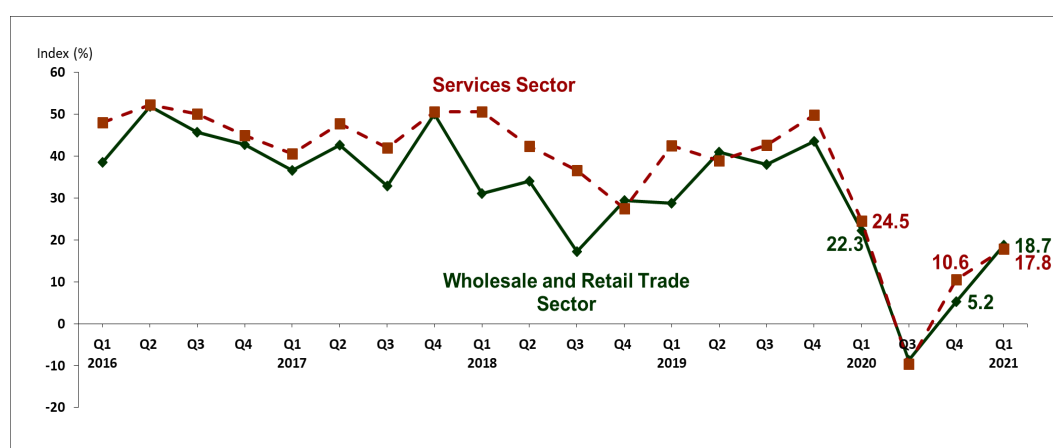
⁶ Small-sized firms have less than 100 employees; medium-sized firms, 100-499 employees; large-sized firms have 500 or more employees.



Sectoral Outlook

Current Quarter Business Outlook Index by Sector

Q1 2016 – Q1 2021



Business sentiment generally improves across sectors for Q1 and Q2 2021...

For Q1 and Q2 2021, the business sentiments of the industry and wholesale and retail trade sectors were more upbeat, while that of the construction sector was less optimistic. The outlook of the services sector was more buoyant for Q1 2021, but was broadly steady for Q2 2021.

Industry firms' more favorable outlook for the current quarter and the next emanates from expectations of higher demand due to the resumption of business operations.

The wholesale and retail trade firms were more buoyant for the current quarter and the next as businesses anticipated improvement in business activities with the reopening of establishments as well as tourist sites for domestic tourism, and relaxation of community quarantine.

Similarly, the sentiment of the services sector became more favorable in Q1 2021 but remained broadly steady for Q2 2021 as firms looked forward to the increase in sales/demand with the easing of lockdown measures, reopening of businesses, and the vaccine rollout.

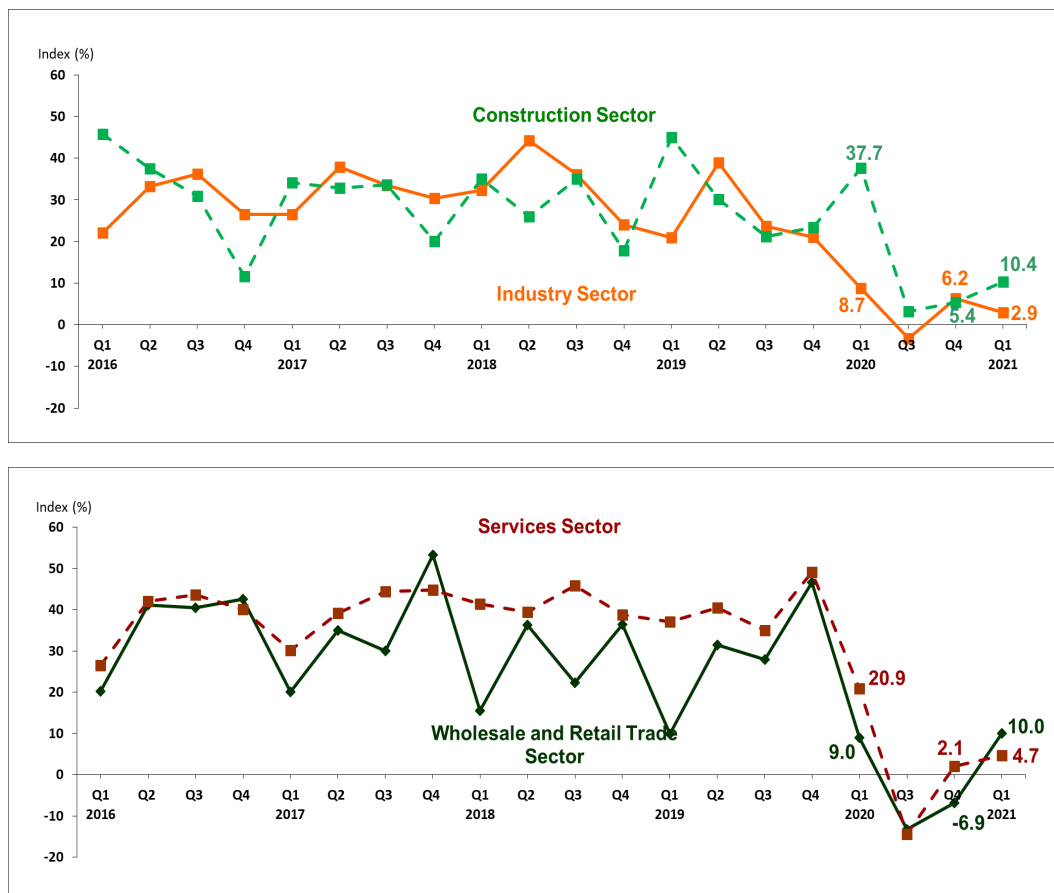
By contrast, the sentiment of the construction sector for the 2 quarters was less buoyant due to the expected slow moving projects and concerns that the pandemic may continue to hamper construction activities.



...as well as for the next 12 months. Respondents expressed similar business sentiment for the next 12 months. Specifically, respondent firms in the industry and wholesale and retail trade sectors were more optimistic, while those from the construction sector were less favorable due to the same aforementioned reasons.

Business Outlook on Own Operations

**Current Quarter Business Activity Index by Sector
Q1 2016 – Q1 2021**



Firms' outlook about their business operations is more buoyant for Q1 2021. Consistent with the national trend, the outlook of firms on their own business operations was more favorable for Q1 2021. Moreover, the sentiment of firms on the volume of business activity and total orders booked generally improved across sectors. For Q2 2021 and the next 12 months, the outlook on the volume of business activity was more upbeat across sectors, except for the construction sector, which was less optimistic.

Average Capacity Utilization

Capacity utilization is higher for Q1 2021. The average capacity utilization in the industry and construction sectors for Q1 2021 increased to 70.1 percent (from 67.9 percent in Q4 2020).⁷

⁷ For the BES average capacity utilization, firms from the industry and construction sectors were sampled. This differs from the sampling methodology of the Monthly Integrated Survey of Selected Industries (MISSI), where a sample of large manufacturing firms was used. The average capacity utilization of the MISSI was lower at 51.9 percent in Q4 2020 (from 56.5 percent in Q3 2020).



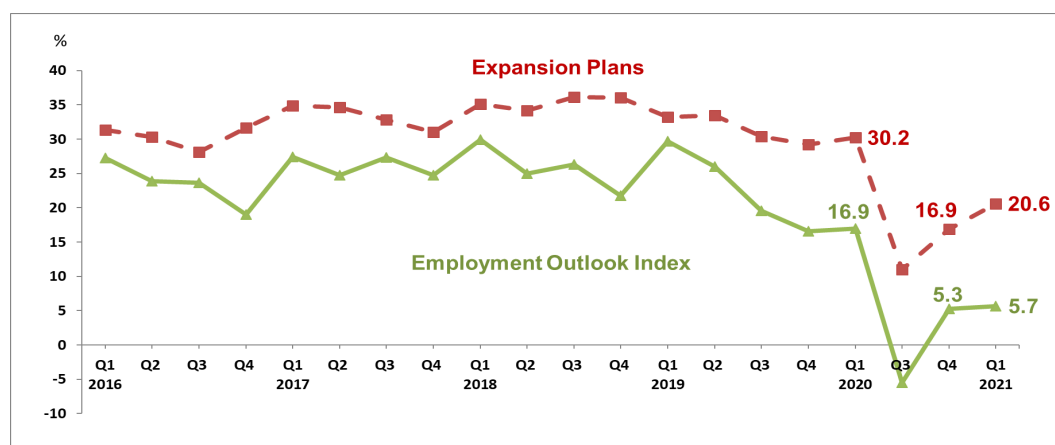
Financial Conditions and Access to Credit⁸

Firms expect financial conditions and access to credit to remain tight, but to a lesser degree.

The financial conditions index improved albeit remaining in the negative territory at -32.9 percent for Q1 2021 from -43.4 percent in the previous quarter. This means that firms continued to be pessimistic regarding their financial conditions for the current quarter, although the number of pessimists declined.

Further, firms indicated that their access to credit in Q1 2021 was still constrained as the credit access index remained negative at -7.5 percent for Q1 2021, although improving from -12.2 percent in Q4 2020. The negative index means that respondents who reported difficulties in accessing credit continued to outnumber those that said otherwise. Meanwhile, the outcome of the Q4 2020 Senior Bank Loan Officers' Survey (SLOS) reflected a slight improvement compared to the Q3 2020 survey where almost half of the respondent banks stated that they tightened credit standards amid the continued economic and business disruptions caused by the ongoing COVID-19 pandemic.⁹

Employment and Expansion Plans

Next Quarter Employment Outlook and Expansion Plans
Q1 2016 – Q1 2021

Employment outlook is steady while expansion plans are higher for Q2 2021.

The employment outlook index marginally increased to 5.7 percent for Q2 2021 (from 5.3 percent in the Q4 2020 survey results) but was significantly higher for the next 12 months at 11.7 percent (from 7.8 percent). The positive readings suggest that firms are looking forward to hiring people in Q2 2021 and the next 12 months.

Based on Q1 2021 survey results, the percentage of businesses with expansion plans in the industry sector rose to 20.6 percent for Q2 2021 (from 16.9 percent in the Q4 2020 survey results) but lower for the next 12 months at 27 percent (from 28 percent). The percentage of firms that expressed expansion plans for the next quarter increased for

⁸ Financial conditions refer to the firm's general cash position, taking into account 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 2020 SLOS indicated that majority of respondent banks maintained their overall credit standards for loans to both enterprises and households during the quarter.

https://www.bsp.gov.ph/Pages/MediaAndResearch/PublicationsAndReports/regular_slos.aspx.



mining and quarrying and manufacturing sub-sectors. Meanwhile, fewer respondents in the manufacturing and agriculture, fishery and forestry sub-sectors indicated expansion plans for the next 12 months.

Business Constraints

Weak demand and domestic competition remain to be the major risks to businesses. The major risks to businesses identified by respondents for Q1 2021 remained to be insufficient demand (resulting in low sales volume) and stiff competition as indicated by 46.7 percent and 41.6 percent of the total number of respondents, respectively. Further, majority of the respondents that specified other factors indicated the continued adverse effects of the COVID-19 pandemic as their additional business constraint.

Expectations on Key Economic Indicators¹⁰

Firms expect a stronger peso and lower peso borrowing rate, but higher inflation for Q1 2021. The survey results showed that businesses expect the peso to appreciate against the U.S. dollar, peso borrowing rates to decline, but inflation to increase for Q1 2021. Firms anticipated the peso to depreciate for the next quarter and the next 12 months. Moreover, respondents indicated that inflation and peso borrowing rates were likely to increase for the next quarter and the next 12 months. Inflationary pressures may rise for Q1 2021, Q2 2021, and the next 12 months as the number of respondents that expected higher inflation increased vis-à-vis the Q4 2020 survey results.

Further, businesses expected that inflation rate will generally remain within the government's 2–4 percent inflation target range for 2021 and 2022. In particular, respondents estimated inflation to be at 3.6 percent for Q1 2021 and 3.7 percent for both Q2 2021 and the next 12 months (from 2.5 percent, 2.6 percent, and 2.6 percent, respectively in the Q4 2020 survey results). Moreover, businesses anticipated that the peso-dollar rate will average at Php 48.4/US\$1 (from Php 48.7/US\$1) for Q1 2021 and Php 48.6/US\$1 (from Php 48.9/US\$1) for Q2 2021 and Php 48.8/US\$1 (from Php 49.2/US\$1) for the next 12 months.

About the Survey

Survey response rate is 63.8 percent. The Q1 2021 BES was conducted during the period 4 February–12 March 2021.¹¹ There were 1,512 firms surveyed nationwide. Samples were drawn from the Top 7,000 Corporations ranked based on total assets in 2016 from the Bureau van Dijk (BvD) database, consisting of 585 companies in NCR and 927 firms in AONCR, covering all 16 regions nationwide.

The nationwide survey response rate for this quarter was lower at 63.8 percent (from 64.8 percent in the Q4 2020). The response rate was lower for NCR at 61 percent (from 65.3 percent) but higher for AONCR at 65.6 percent (from 64.5 percent).¹²

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.

¹¹ Approval for the conduct of the Q1 2021 BES was issued on 1 July 2019 through PSA Approval Nos. BSP-1939-01 to 04, which refers to the 4 questionnaire types of the BES.

¹² The lower response rate for Q1 2021 BES was due to business disruption from the continued implementation of community quarantines nationwide. Thus, some companies have either limited (e.g., work-from-home arrangement of employees) or no operations to answer follow up calls of BSP personnel to request for the firms' participation in the Q1 2021 BES.



A breakdown of responses by type of business showed that 69.3 percent were domestic-oriented firms, 11.5 percent were both importers and exporters, 9.8 percent were importers, and 4.7 percent were exporters. The remaining 4.7 percent of the respondents did not specify their firm type.

By size of employment, the survey showed that 44.7 percent of respondents were small-sized firms, 33.6 percent were medium-sized, and 12.7 percent were large firms. About 9 percent of the respondents did not specify the number of employees in their company.

The BES sample was derived through stratified random sampling. 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.



Annexes: Business Expectations Survey (BES) Report Q1 2021

Annex A. Distribution of Top 7000 Corporations Ranked According to their 2016 Total Assets from the Bureau van Dijk Database of Corporations by Region

Population

SECTOR/SUB-SECTOR	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Region 11	Region 12	CARAGA	ARMM	CAR	NCR	Philippines
Agriculture			4	14		2	1		1	4	24	6	1			17	74
Business	3	2	27	40	2	2	17	1			4	2			1	632	733
Community	5	2	24	51	2	2	5	1	3	2	2	2	1		1	123	226
Construction	2		34	56	7	0	2	2	2		6	1	1			250	363
EGW	4		10	11	1	1	6				1				1	42	77
Finance	3	9	24	59	8	8	26	3	1	5	7	5	1		1	495	655
Hotels and Restaurants	3	1	13	11	2	3	11		1	1	5	1			3	116	171
Manufacturing	3	1	131	404	8	6	54	7	1	6	23	10		2		731	1387
Mining			3	8			4						4			64	83
Real Estate	1	3	27	85	6	4	22	2	2	2	13	4			1	614	786
Trade	10	6	135	164	15	16	59	4	17	6	63	16	1	1		1283	1796
Transportation			25	37	7	1	10		1	1	9	2				294	387
Services Sector	15	17	140	283	27	20	91	7	8	11	40	16	2		7	2274	2958
Industry Sector	7	1	148	437	9	9	65	7	2	10	48	16	5	2	1	854	1621
Grand Total	34	24	457	940	58	45	217	20	29	27	157	49	9	3	8	4661	6738

Number of Samples

SECTOR/SUB-SECTOR	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Region 11	Region 12	CARAGA	ARMM	CAR	NCR	Philippines
Agriculture			4	11		2	1		1	4	17	6	1			15	62
Business	3	2	16	17	2	2	13	1			4	2			1	70	133
Community	5	2	18	25	2	2	5	1	3	2	2	2	1		1	16	87
Construction	2		15	16	7		2	2	2		4	1	1			33	85
EGW	4		8	8	1	1	6				1				1	23	53
Finance	3	9	18	23	8	8	20	3	1	5	7	5	1		1	62	174
Hotels and Restaurants	3	1	9	8	2	3	9		1	1	4	1			3	15	60
Manufacturing	3	1	16	48	8	6	20	7	1	6	16	10		2		81	225
Mining			3	7			4						4			24	42
Real Estate	1	3	19	18	6	4	16	2	2	2	10	4			1	70	158
Trade	10	6	19	23	15	16	26	4	17	6	32	16	1	1		140	332
Transportation			17	20	7	1	8		1	1	8	2				36	101
Services Sector	15	17	97	111	27	20	71	7	8	11	35	16	2		7	269	713
Industry Sector	7	1	31	74	9	9	31	7	2	10	34	16	5	2	1	143	382
GRAND TOTAL	34	24	162	224	58	45	130	20	29	27	105	49	9	3	8	585	1512

Annexes: Business Expectations Survey (BES) Report Q1 2021

Annex B. Regions and Provinces of the Philippines

Regions	Provinces
I-Ilocos	Ilocos Norte, Ilocos Sur, La Union and Pangasinan
II-Cagayan Valley	Batanes, Cagayan, Isabela, Nueva Vizcaya and Quirino
III-Central Luzon	Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales
IV-Southern Tagalog	Cavite, Laguna, Batangas, Marinduque, Occidental Mindoro, Oriental Mindoro, Palawan, Quezon, Rizal and Romblon
V-Bicol	Albay, Camarines Norte, Camarines Sur, Catanduanes, Masbate and Sorsogon
VI-Western Visayas	Aklan, Antique, Capiz, Guimaras, Negros Occidental and Iloilo
VII-Central Visayas	Cebu, Bohol, Negros Oriental and Siquijor
VIII-Eastern Visayas	Biliran, Eastern Samar, Leyte, Northern Samar, Samar and Southern Leyte
IX-Zamboanga Peninsula	Zamboanga del Norte, Zamboanga del Sur, Zamboanga Sibugay, Isabela City and Zamboanga City
X-Northern Mindanao	Bukidnon, Camiguin, Lanao del Norte, Misamis Occidental and Misamis Oriental
XI-Davao	Compostela Valley, Davao del Norte, Davao del Sur and Davao Oriental
XII-SOCCSKARGEN	Cotabato, Sultan Kudarat, South Cotabato and Sarangani
Cordillera Administrative Region (CAR)	Abra, Apayao, Benguet, Ifugao, Kalinga and Mountain Province
Autonomous Region of Muslim Mindanao (ARMM)	Basilan (excluding Isabela City), Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi
Caraga	Agusan del Norte, Agusan Del Sur, Dinagat Islands, Surigao del Norte and Surigao del Sur
National Capital Region (NCR) ¹	Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Pateros, Quezon City, San Juan, Taguig and Valenzuela

¹ NCR is composed of 16 highly-urbanized cities and one municipality (Pateros).

**BUSINESS EXPECTATIONS SURVEY
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1
1. Overall Business Outlook on the Macroeconomy																				
Confidence Index: All Sectors																				
Current Quarter	41.9	48.7	45.4	39.8	39.4	43.0	37.9	43.3	39.5	39.3	30.1	27.2	35.2	40.5	37.3	40.2	22.3	-5.3	10.6	17.4
NCR	44.3	53.2	48.1	38.0	40.8	43.8	37.0	44.2	41.1	37.3	29.7	27.4	37.1	40.6	40.4	42.2	23.2	-6.9	13.2	20.1
AONCR	37.5	40.8	40.5	42.9	36.9	41.7	39.7	41.8	36.7	43.0	30.9	26.8	32.0	40.3	31.9	36.8	20.4	-1.6	5.0	11.4
Next Quarter	49.6	45.3	56.8	34.5	47.2	42.7	51.3	39.7	47.8	40.4	42.6	29.4	52.0	47.6	56.1	40.3	42.3	16.8	37.4	42.8
NCR	48.5	48.8	58.4	33.0	47.8	42.6	52.2	40.1	47.9	39.5	43.4	29.5	52.2	49.9	58.7	41.2	43.9	15.5	39.7	43.7
AONCR	51.4	39.1	54.2	37.2	46.3	42.9	49.7	39.2	47.7	41.9	41.4	29.3	51.6	43.6	51.3	38.8	38.7	19.6	32.5	40.8
Next 12 Months¹															58.6	59.6	55.8	37.5	57.7	60.5
NCR															59.9	61.6	57.8	38.7	59.3	63.3
AONCR															56.2	56.2	51.5	34.9	54.3	54.3
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																				
Industry Sector	37.5	44.1	40.8	34.2	41.9	38.8	40.3	33.2	39.0	41.1	36.5	24.4	32.0	43.1	32.5	29.4	14.8	2.9	13.3	16.8
Mining and Quarrying	6.1	51.9	27.1	10.1	21.6	51.5	45.1	35.4	32.0	41.9	15.2	-12.6	30.7	38.9	26.9	14.1	6.1	15.6	-1.9	24.1
Manufacturing	39.5	45.1	42.2	33.9	42.6	37.5	41.2	32.0	40.4	42.1	37.3	25.1	33.0	45.1	32.0	29.8	16.1	2.7	14.7	17.4
Electricity, Gas and Water	38.3	36.1	21.7	35.5	40.9	33.7	22.0	32.2	28.8	26.9	33.5	28.8	32.1	37.8	34.2	36.1	28.0	3.5	24.3	20.9
Agriculture, Fishery and Forestry	18.6	27.3	48.5	55.1	45.7	61.4	43.1	54.6	31.3	42.0	40.1	31.0	14.7	16.2	43.0	24.4	-12.4	-7.2	-4.8	-6.6
Construction Sector	49.3	37.5	41.9	26.2	35.7	41.2	32.8	22.3	29.8	42.0	32.8	27.2	47.2	34.3	30.6	28.7	33.8	4.5	19.7	9.9
Wholesale and Retail Trade	38.5	51.9	45.7	42.8	36.6	42.6	32.9	50.1	31.0	34.1	17.3	29.4	28.8	40.9	38.0	43.5	22.3	-8.7	5.2	18.7
Services Sector	48.0	52.3	50.0	44.9	40.6	47.8	42.0	50.6	50.6	42.4	36.6	27.5	42.5	38.9	42.7	49.8	24.5	-9.6	10.6	17.8
of which:																				
Financial Intermediation	45.9	64.4	62.0	44.0	43.6	58.0	50.1	57.0	67.9	41.8	39.0	29.9	56.6	56.1	62.6	59.6	33.2	-5.7	7.9	28.6
Hotels and Restaurants	57.3	59.3	27.6	46.0	33.2	44.0	13.0	73.0	41.2	19.4	20.5	60.4	21.9	39.8	9.7	85.2	21.0	-9.3	14.3	-5.6
Business Activities	35.4	40.3	44.7	42.1	38.5	49.0	42.1	43.7	48.2	37.0	38.9	20.9	32.1	43.2	38.0	31.8	23.1	-4.7	15.7	18.0
Real Estate	56.5	57.6	60.2	46.0	38.1	41.3	46.7	57.1	44.8	44.0	33.7	5.4	36.6	22.0	39.8	47.6	28.0	-5.1	18.8	14.7
Community and Social Services	48.9	54.1	51.8	43.6	41.3	18.3	29.5	38.4	52.0	50.9	56.5	34.7	60.2	32.0	66.3	37.9	18.4	-19.9	-12.8	13.8
Transportation	60.2	49.5	46.1	50.3	47.0	56.9	49.2	43.1	43.1	59.9	30.4	37.0	52.4	29.0	35.5	60.2	10.7	-28.4	0.8	18.0
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																				
Industry Sector	48.7	43.5	48.6	35.9	47.8	39.6	42.4	31.2	47.1	43.2	36.5	25.9	50.2	45.0	46.9	36.5	35.6	13.5	30.8	40.5
Mining and Quarrying	35.4	34.9	30.2	6.6	53.0	37.3	19.8	31.4	53.9	38.7	37.9	12.2	52.3	37.5	8.5	31.7	12.2	14.3	31.5	51.7
Manufacturing	49.4	44.7	49.3	37.1	47.4	39.7	43.6	31.5	48.0	45.0	36.3	27.0	49.9	45.5	47.4	39.2	38.6	13.1	30.0	40.7
Electricity, Gas and Water	48.6	31.1	44.1	32.5	47.0	31.0	32.4	30.8	34.8	26.3	25.3	14.3	52.8	45.9	53.5	17.1	32.7	38.1	46.8	43.2
Agriculture, Fishery and Forestry	45.1	40.2	55.2	39.5	53.1	49.9	49.2	26.1	42.9	34.9	54.6	29.4	50.6	39.7	55.3	14.8	9.8	-5.1	27.4	20.3
Construction Sector	49.8	44.0	39.6	55.3	39.2	37.5	46.1	59.7	49.1	37.7	37.0	31.9	54.6	43.8	35.4	41.8	53.8	14.2	58.3	29.5
Wholesale and Retail Trade	48.3	43.5	62.8	29.7	45.3	41.5	52.7	41.0	45.3	33.9	43.4	31.9	52.6	47.5	65.5	35.7	40.9	19.3	30.3	51.5
Services Sector	51.6	49.2	62.2	33.6	50.4	48.0	59.5	42.3	50.8	44.8	48.9	29.7	52.5	51.0	59.6	48.4	44.7	17.6	41.4	40.5
of which:																				
Financial Intermediation	53.9	55.5	65.3	36.0	56.4	54.8	56.7	58.5	69.8	56.2	59.9	33.7	68.0	62.4	71.1	57.6	57.1	18.9	55.1	47.8
Hotels and Restaurants	48.8	38.9	91.6	40.3	47.3	18.7	79.4	48.6	46.8	-6.0	76.5	35.8	44.9	35.8	88.1	53.7	49.1	42.2	39.2	29.6
Business Activities	47.8	49.2	50.0	34.7	46.5	50.2	56.3	43.2	42.5	53.1	47.6	25.0	56.1	52.5	56.5	43.1	43.1	22.3	39.9	35.7
Real Estate	58.0	53.3	73.1	30.2	46.6	51.2	61.3	43.7	42.4	44.6	31.1	22.8	41.5	46.7	55.8	36.2	43.7	14.1	39.3	41.9
Community and Social Services	38.0	39.5	41.5	21.3	31.5	42.8	51.4	9.8	51.8	52.9	32.9	41.6	39.3	56.0	25.8	39.2	57.7	-3.7	34.0	32.4
Transportation	58.3	47.4	65.6	34.8	65.7	51.1	60.7	32.4	52.0	38.1	48.5	30.4	48.6	44.0	56.9	61.2	19.4	15.4	30.8	44.3

**BUSINESS EXPECTATIONS SURVEY
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1
5. Business Outlook index on Own Operations: Current Quarter - continued																				
Credit Access Index	14.1	15.9	12.0	13.2	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
Industry Sector	17.3	15.0	14.9	14.6	14.6	14.8	13.7	15.2	13.6	14.7	15.8	10.4	10.7	9.8	14.4	2.4	-14.8	-11.1	-11.2	
Mining and Quarrying	-4.6	12.8	6.0	-0.6	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
Manufacturing	18.6	15.4	15.5	15.3	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
Electricity, Gas and Water	10.3	10.5	17.9	21.1	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
Agriculture, Fishery and Forestry	16.6	12.8	6.7	3.3	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
Construction Sector	-9.3	3.4	0.9	-0.1	-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
Wholesale and Retail Trade	14.0	17.4	13.0	12.8	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
Services Sector	16.2	18.0	10.5	15.3	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
Financial Intermediation	24.6	22.9	11.2	16.0	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
Hotels and Restaurants	21.6	22.0	15.9	19.9	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
Business Activities	11.8	13.2	1.2	14.5	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
Real Estate	13.6	7.5	12.8	3.5	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
Community and Social Services	23.2	30.3	25.7	22.2	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
Transportation	9.8	22.7	13.8	21.3	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
Financial Condition	-0.1	1.3	1.5	0.1	-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
Industry Sector	-2.1	0.2	3.8	-0.6	-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
Mining and Quarrying	-21.6	-6.9	-0.1	-18.4	-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
Manufacturing	-1.0	0.6	4.8	0.2	-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
Electricity, Gas and Water	-2.6	5.1	1.2	6.6	-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
Agriculture, Fishery and Forestry	-7.8	-9.1	-8.3	-11.7	-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
Construction Sector	-6.4	-9.5	-5.5	-3.1	-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
Wholesale and Retail Trade	-2.1	1.2	2.1	3.1	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
Services Sector	5.1	4.6	0.0	-1.7	-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
Financial Intermediation	9.3	15.1	7.1	1.2	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
Hotels and Restaurants	15.5	11.8	3.3	13.0	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
Business Activities	-1.4	-5.4	-12.1	-11.3	-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
Real Estate	10.2	6.2	10.6	1.6	-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
Community and Social Services	3.8	5.9	4.6	1.9	-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
Transportation	2.1	4.2	-0.5	0.0	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
Average Capacity Utilization in the Industry and Construction Sectors (in percent)	74.8	74.0	74.9	74.9	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

**BUSINESS EXPECTATIONS SURVEY
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1
6. Business Outlook Index on Own Operations: Next Quarter																				
Volume of Business Activity Index	50.7	44.8	49.1	30.1	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
Industry Sector	48.1	35.7	37.1	27.6	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
Mining and Quarrying	38.4	38.2	21.1	-18.4	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
Manufacturing	48.3	36.4	37.9	28.2	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
Electricity, Gas and Water	60.4	28.7	27.8	33.6	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
Agriculture, Fishery and Forestry	34.0	28.0	44.7	41.4	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
Construction Sector	60.1	50.1	42.3	48.3	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
Wholesale and Retail Trade	44.1	44.9	56.3	23.5	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
Services Sector	57.9	52.1	54.6	35.2	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
Financial Intermediation	69.0	63.8	63.8	42.5	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
Hotels and Restaurants	46.8	49.2	79.0	36.2	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
Business Activities	63.7	53.1	45.7	30.5	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
Real Estate	41.4	55.9	60.7	33.4	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
Community and Social Services	14.3	18.9	30.3	27.8	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
Transportation	78.5	50.5	53.3	40.1	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
Employment Outlook Index	27.2	23.8	23.6	19.0	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
Industry Sector	17.6	12.5	13.5	12.2	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
Mining and Quarrying	-1.0	5.7	2.9	-15.4	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
Manufacturing	17.4	11.7	11.9	12.1	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
Electricity, Gas and Water	38.6	24.1	46.1	30.4	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
Agriculture, Fishery and Forestry	8.6	16.6	8.3	10.1	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
Construction Sector	48.2	33.6	18.4	30.4	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
Wholesale and Retail Trade	20.1	23.7	25.7	13.6	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
Services Sector	39.0	32.7	32.1	28.5	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
Financial Intermediation	50.6	51.3	45.1	54.2	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
Hotels and Restaurants	48.8	16.1	54.7	14.6	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
Business Activities	48.2	36.6	28.0	22.0	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
Real Estate	20.5	24.5	30.4	22.4	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
Community and Social Services	9.3	18.3	2.2	26.0	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
Transportation	36.2	26.3	28.7	22.9	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

**BUSINESS EXPECTATIONS SURVEY
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1		
7. Business Outlook Index on Own Operations: Next 12 Months¹																						
Volume of Business Activity Index																	57.2	57.7	45.1	16.2	36.5	42.5
Industry Sector																	46.6	46.6	41.6	19.8	28.3	38.1
Mining and Quarrying																	17.7	4.9	-6.1	-10.6	0.0	0.1
Manufacturing																	16.1	19.4	-1.0	18.7	26.9	38.7
Electricity, Gas and Water																	28.4	28.5	18.4	33.8	58.1	51.9
Agriculture, Fishery and Forestry																	23.5	11.4	-24.6	16.4	19.3	3.1
Construction Sector																	17.7	17.3	26.0	27.6	47.4	30.0
Wholesale and Retail Trade																	20.0	33.6	2.7	14.0	37.6	50.0
Services Sector																	63.9	70.1	49.4	13.5	38.4	41.9
Financial Intermediation																	83.6	81.6	63.2	33.2	51.9	48.0
Hotels and Restaurants																	44.3	63.1	58.8	11.4	46.9	15.5
Business Activities																	61.4	63.7	52.2	19.3	31.7	40.1
Real Estate																	57.1	54.5	41.6	0.1	30.2	38.3
Community and Social Services																	67.0	79.3	44.6	-0.9	31.8	34.5
Transportation																	60.1	82.5	35.3	6.3	44.9	58.4
Employment Outlook Index																	35.8	34.5	30.8	-2.1	7.8	11.7
Industry Sector																	24.7	23.1	26.0	2.1	10.4	11.7
Mining and Quarrying																	15.1	4.9	16.3	1.7	9.3	18.9
Manufacturing																	24.4	23.0	26.7	1.9	10.3	12.1
Electricity, Gas and Water																	35.8	40.2	47.8	12.6	25.5	20.9
Agriculture, Fishery and Forestry																	22.3	16.6	2.6	-4.4	-1.1	-14.6
Construction Sector																	28.6	52.7	60.7	11.7	25.4	18.1
Wholesale and Retail Trade																	36.7	29.6	23.7	-7.0	-1.2	13.1
Services Sector																	47.0	46.8	32.1	-4.0	8.3	10.1
Financial Intermediation																	64.3	57.9	46.0	18.0	20.0	21.8
Hotels and Restaurants																	32.4	37.8	34.7	-36.7	-15.1	-33.9
Business Activities																	46.8	45.4	31.3	2.6	6.7	19.5
Real Estate																	35.8	34.4	24.1	-7.3	6.0	8.8
Community and Social Services																	59.2	58.6	42.5	-23.4	10.5	8.3
Transportation																	38.5	46.6	19.2	-21.2	5.5	-4.7
8. Companies with Expansion Plans (in percent of total respondents): Next Quarter																						
All Industry Sector	31.3	30.3	28.1	31.7	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		
Mining and Quarrying	31.8	19.4	27.2	13.7	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		
Manufacturing	30.8	30.9	27.5	31.5	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		
Electricity, Gas and Water	30.8	28.9	36.3	40.1	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		
Agriculture, Fishery and Forestry	38.5	27.3	29.5	37.1	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		
9. Companies with Expansion Plans (in percent of total respondents): Next 12 Months¹																						
All Industry Sector																	37.9	38.1	37.2	20.4	28.0	27.0
Mining and Quarrying																	28.1	33.1	34.8	12.5	14.8	17.2
Manufacturing																	37.3	38.3	37.1	19.5	28.4	27.7
Electricity, Gas and Water																	44.8	36.8	44.2	28.8	32.2	32.9
Agriculture, Fishery and Forestry																	47.2	38.9	35.6	37.1	31.3	20.0

**BUSINESS EXPECTATIONS SURVEY
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1		
10. Business Constraints (in percent to total respondents): Current Quarter																						
High Interest Rate	8.3	6.4	6.2	7.1	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		
Unclear Economic Laws	13.3	13.6	11.7	15.8	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		
Lack of Equipment	6.7	5.6	6.2	6.5	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		
Insufficient Demand	26.6	27.5	25.6	24.8	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		
Access to Credit	6.4	4.5	4.0	4.7	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		
Financial Problems	8.7	7.9	7.3	8.3	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		
Competition	53.3	54.2	50.2	52.6	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		
Labor Problems	11.5	12.4	10.9	12.4	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		
Lack of Materials Input	7.8	7.2	7.1	8.0	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		
Others	22.6	23.8	22.7	24.4	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		
None	11.5	12.5	10.7	9.8	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		
11. Business Expectations Index on Selected Economic Indicators: Current Quarter																						
P/\$ Exchange Rate	2.7	23.4	-6.7	-25.7	-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		
Inflation Rate	25.2	31.4	25.3	49.4	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		
Peso Borrowing Rate	15.1	12.3	7.9	8.4	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		
Inflation Rate Expectations (in %)	1.9	1.6	1.5	2.0	2.3	2.9	3.1	3.1	3.4	3.8	4.7	6.1	5.0	3.9	3.4	2.9	2.9	2.3	2.5	3.6		
Exchange Rate Expectations (Php: \$1.00)	47.1	46.8	46.8	48.0	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		
12. Business Expectations Index on Selected Economic Indicators: Next Quarter																						
P/\$ Exchange Rate	6.0	5.6	9.0	-12.6	-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		
Inflation Rate	32.7	32.3	28.0	35.5	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		
Peso Borrowing Rate	18.0	12.0	12.2	14.3	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		
Inflation Rate Expectations (in %)	2.1	1.7	1.6	2.1	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		
Exchange Rate Expectations (Php: \$1.00)	47.3	46.8	46.8	48.2	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		
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
Inflation Rate																	10.6	17.3	26.9	29.6	28.2	32.9
Peso Borrowing Rate																	1.9	4.4	6.3	2.7	13.9	13.3
Inflation Rate Expectations (in %)																	3.6	3.2	3.2	2.5	2.6	3.7
Exchange Rate Expectations (Php: \$1.00)																	51.8	51.8	51.2	50.1	49.2	48.8
14. Distribution of Respondent Firms by Sector																						
All Sectors	1271	1229	1235	1186	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965		
Industry	388	380	381	366	368	376	374	373	365	370	368	355	367	371	357	354	281	268	266	259		
Mining and Quarrying	25	31	33	29	37	36	36	32	33	33	35	32	32	34	32	32	30	34	33	28		
Manufacturing	249	233	232	228	224	229	228	230	222	225	224	219	228	225	219	222	159	152	146	148		
Electricity, Gas and Water	56	55	55	53	48	50	49	51	51	54	51	46	52	54	49	46	42	39	43	42		
Agriculture, Fishery and Forestry	58	61	61	56	59	61	61	60	59	58	58	55	58	57	54	50	43	44	41			
Construction	95	95	103	89	94	88	85	85	85	84	87	85	92	89	87	89	81	73	73	49		
Wholesale and Retail Trade	370	333	337	318	338	335	329	322	322	330	332	334	347	332	335	333	209	179	174	193		
Services	418	421	414	413	439	440	450	457	437	440	439	431	428	438	436	429	540	462	468	464		
Financial Intermediation	78	84	84	82	83	89	85	87	84	83	82	83	80	81	80	80	148	138	139	141		
Hotels and Restaurants	51	48	49	51	56	55	57	60	52	54	56	51	49	51	55	52	43	30	31	29		
Business Activities	92	93	92	92	104	101	103	106	98	101	93	95	98	102	100	94	100	83	84	85		
Real Estate and Renting	63	63	58	57	60	61	63	62	63	62	70	65	65	67	65	66	114	96	93	95		
Community and Social Services	60	55	52	56	59	57	61	63	62	59	60	59	60	60	58	61	70	64	66	60		
Transportation	74	78	79	75	77	77	81	79	78	81	78	78	76	77	78	76	65	51	55	54		

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
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1

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

Importer	45.8	58.8	51.4	40.1	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
Exporter	13.4	26.4	32.5	29.5	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
Both (Importer and Exporter)	36.8	37.7	46.4	27.0	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
Domestic-Oriented	45.3	50.1	44.9	48.8	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

16. Number of Respondents (by Type of Business)

Importer	155	153	140	147	155	144	148	146	157	147	155	148	154	147	131	144	109	93	85	95
Exporter	82	87	83	78	81	81	88	80	86	75	81	83	75	72	72	74	62	55	53	45
Both (Importer and Exporter)	201	199	196	200	214	217	219	218	195	209	206	203	208	211	205	203	124	106	110	111
Domestic-Oriented	704	672	641	664	685	702	675	694	676	713	709	687	723	721	719	704	744	679	687	669
Not Specified	129	118	175	97	104	95	108	99	95	80	75	84	74	79	88	80	72	49	46	45
Total	1271	1229	1235	1186	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965

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

Small (<100)	35.9	43.1	42.2	44.6	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
Medium (100-<500)	44.0	44.5	42.4	38.3	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
Large (500 & up)	46.3	58.0	48.3	40.8	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

18. Number of Respondents (by Size of Employment)

Small (<100)	398	392	389	368	397	402	383	376	378	379	370	368	368	366	306	329	449	401	401	431
Medium (100-<500)	495	476	425	446	473	474	475	469	479	486	481	465	466	462	416	438	345	302	344	324
Large (500 & up)	240	231	232	245	249	260	271	260	270	272	289	278	303	316	278	287	158	135	121	123
Not Specified	138	130	189	127	120	103	109	132	82	87	86	94	97	86	215	151	159	144	115	87
Total	1271	1229	1235	1186	1239	1239	1238	1237	1209	1224	1226	1205	1234	1230	1215	1205	1111	982	981	965

**BUSINESS EXPECTATIONS SURVEY
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Q1

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

Importer	51.0	53.6	62.9	40.8	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
Exporter	37.8	37.9	44.6	30.8	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
Both (Importer and Exporter)	46.3	42.7	40.8	31.5	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
Domestic-Oriented	56.0	44.6	63.2	36.7	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

20. Percentage Distribution of Respondent Firms by Type of Business

Importer	12.2	12.4	11.3	12.4	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
Exporter	6.5	7.1	6.7	6.6	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
Both (Importer and Exporter)	15.8	16.2	15.9	16.9	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
Domestic-Oriented	55.4	54.7	51.9	56.0	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
Not Specified	10.1	9.6	14.2	8.1	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
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)	51.0	43.9	56.6	39.7	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
Medium (100-<500)	49.5	41.8	58.1	33.9	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
Large (500 & up)	57.1	52.4	58.6	33.1	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

22. Percentage Distribution of Respondent Firms by Size of Employment

Small (<100)	31.3	31.9	31.5	31.0	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
Medium (100-<500)	38.9	38.7	34.4	37.6	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
Large (500 & up)	18.9	18.8	18.8	20.7	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
Not Specified	10.9	10.6	15.3	10.7	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
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
2016 - 2021**

	2016				2017				2018				2019				2020 *			2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	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
Exporter																	48.6	44.6	61.3	47.3	60.4	57.8
Both (Importer and Exporter)																	48.8	59.6	37.9	38.7	57.3	63.1
Domestic-Oriented																	64.0	60.2	57.0	37.1	58.1	56.1
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
Medium (100-<500)																	60.1	60.3	57.1	44.4	64.2	60.5
Large (500 & up)																	58.6	59.2	60.1	46.7	68.6	71.5

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.

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