

## Industrial Outlook Survey of the Manufacturing Sector for Q2:2022-23

Today, the Reserve Bank released the results of the 99<sup>th</sup> round of its industrial outlook survey (IOS) conducted during July-September 2022. The survey encapsulates qualitative assessment of the business climate by Indian manufacturing companies for Q2:2022-23 and their expectations for Q3:2022-23<sup>1</sup>. In all, 1,234 companies responded in this round of the survey. The additional response block for assessing the outlook on key parameters for two more quarters, which was introduced in the wake of uncertainties since the onset of the COVID-19 pandemic, was continued in this round of survey.

### Highlights:

#### A. Assessment for Q2: 2022-23

- Business conditions in the manufacturing sector moved further on the recovery path during Q2:2022-23 as the impact of the COVID-19 pandemic ebbed further; respondents maintained positive assessment for production, order books, capacity utilisation, employment and foreign trade situations, though the sentiments were marginally tempered from the previous round of the survey (Table A).
- Manufacturers assessed continued pressures from rising cost for raw materials, salary outgo and the cost of finance during the quarter; they, however, perceived some moderation in the pace of increase in raw material cost.
- Respondents reported deceleration in the pace of rise in selling prices during Q2:2022-23; their sentiments on profit margin for the quarter deteriorated.
- Overall, business sentiments in the manufacturing sector remained positive, *albeit* with some moderation; the business assessment index (BAI)<sup>2</sup> stood at 106.7 in Q2:2022-23 as compared with 110.7 in the previous quarter (Chart 1).

#### B. Expectations for Q3: 2022-23

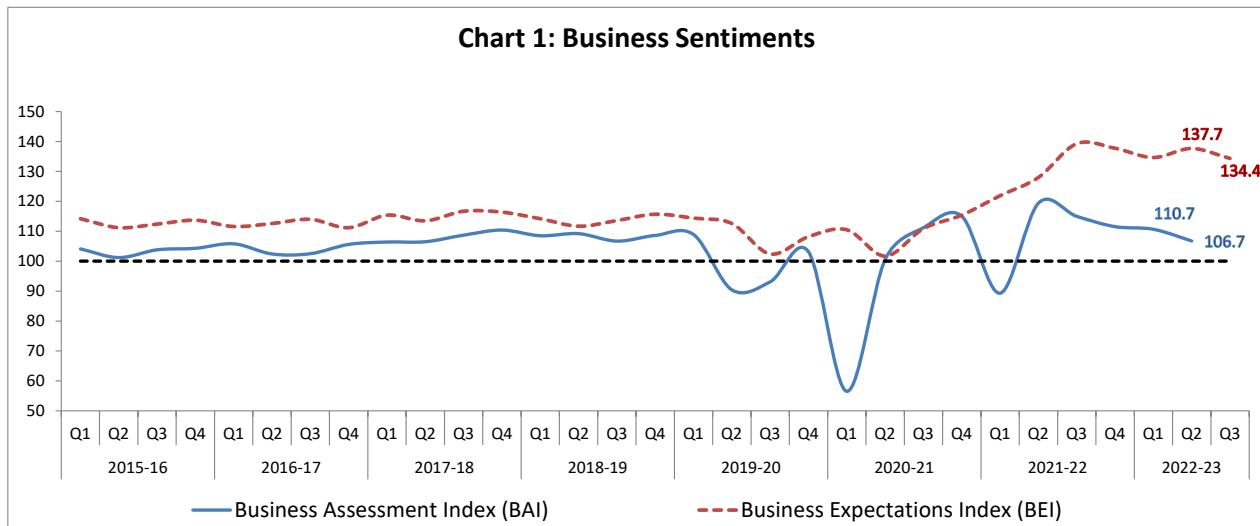
- Respondents remained optimistic on demand conditions during Q3:2022-23, though it waned marginally, as reflected in their expectations on production, order books and employment.
- Pressures from purchase of raw materials and staff cost are likely to soften during Q3:2022-23.

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<sup>1</sup> The survey results reflect the respondents' views, which are not necessarily shared by the Reserve Bank. Results of the previous survey round were released on the Bank's website on [August 05, 2022](#).

<sup>2</sup> For each survey round, two summary indices are computed – one based on assessment [viz., Business Assessment Index (BAI)] and another based on expectations [viz., Business Expectations Index (BEI)]. Each index is a composite indicator calculated as a simple average of nine business parameters, where each parameter is derived as a weighted net response, weights being the share of industry groups in gross value added (GVA). The nine parameters considered are: (1) overall business situation; (2) production; (3) order books; (4) inventory of raw material; (5) inventory of finished goods; (6) profit margins; (7) employment; (8) exports; and (9) capacity utilisation. BAI/BEI gives a snapshot of the business outlook in every quarter and takes values between 0 and 200, with 100 being the threshold separating expansion from contraction.

- Selling prices and profit margins are expected to rise further; lower share of respondents expect further rise in selling prices as well as rise in profit margins during the ensuing quarter *vis-à-vis* the survey round.
- Overall, manufacturers remained optimistic about business conditions: the business expectations index (BEI) remained high at 134.4 in Q3:2022-23 though it moderated marginally from 137.7 in the previous quarter (Chart 1).



### **C. Expectations for Q4:2022-23 and Q1:2023-24**

- Manufacturers are optimistic on demand conditions, employment situation and overall business scenario till Q1:2023-24 (Table B).
- Respondents expect sustained input cost pressures and selling price rise till first quarter of the next financial year.

**Table A: Summary of Net responses<sup>3</sup> on Survey Parameters (per cent)**

Parameters	Assessment period		Expectation period	
	Q1:2022-23	Q2:2022-23	Q2:2022-23	Q3:2022-23
Production	22.2	18.1	67.4	56.2
Order Books	21.7	18.6	68.1	62.4
Pending Orders	7.5	7.3	2.6	-0.7
Capacity Utilisation	16.8	8.6	60.6	46.6
Inventory of Raw Materials	-9.8	-4.6	-41.5	-25.7
Inventory of Finished Goods	-9.0	-4.0	-41.3	-26.5
Exports	14.3	11.1	60.8	56.0
Imports	14.9	13.4	61.3	57.6
Employment	15.3	12.5	54.9	43.8
Financial Situation (Overall)	20.6	13.9	67.1	57.7
Availability of Finance (from internal accruals)	18.1	15.9	61.9	49.3
Availability of Finance (from banks & other sources)	17.2	15.4	60.4	55.1
Availability of Finance (from overseas, if applicable)	14.4	10.6	64.6	58.9
Cost of Finance	-23.6	-30.1	-64.0	-51.9
Cost of Raw Material	-84.4	-72.5	-79.0	-64.2
Salary/ Other Remuneration	-34.8	-26.4	-60.8	-46.0
Selling Price	25.0	14.4	60.3	45.1
Profit Margin	1.8	-9.3	47.4	35.2
Overall Business Situation	22.3	15.8	70.7	59.4

**Table B: Business Expectations of Select Parameters for extended period – Net response (per cent)**

Parameters	Round 98		Round 99	
	Q2:2022-23	Q3:2022-23	Q4:2022-23	Q1:2023-24
Overall Business Situation	70.7	59.4	56.4	57.3
Production	67.4	56.2	55.9	56.6
Order Books	68.1	62.4	55.6	56.0
Capacity Utilisation	60.6	46.6	54.3	55.0
Employment	54.9	43.8	45.6	45.5
Cost of Raw Materials	-79.0	-64.2	-57.7	-57.8
Selling Prices	60.3	45.1	46.3	47.3

**Note:** [Please see the excel file for time series data.](#)

<sup>3</sup> Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism. In other words,  $NR = (I - D)$ , where, I is the percentage response of 'Increase/optimism', and D is the percentage response of 'Decrease/pessimism' and E is the percentage response as 'no change/equal' (i.e.,  $I+D+E=100$ ). For example, increase in production is optimism whereas decrease in cost of raw material is optimism.

**Table 1: Assessment and Expectations for Production**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	44.5	10.7	44.8	<b>33.8</b>	58.8	6.8	34.3	<b>52.0</b>
Q3:2021-22	1,082	42.5	11.6	45.9	<b>30.9</b>	75.3	3.8	20.9	<b>71.5</b>
Q4:2021-22	1,283	38.0	14.2	47.8	<b>23.8</b>	66.5	5.3	28.3	<b>61.2</b>
Q1:2022-23	1,239	36.6	14.4	48.9	<b>22.2</b>	70.4	4.9	24.7	<b>65.6</b>
Q2:2022-23	1,234	34.3	16.3	49.4	<b>18.1</b>	72.4	5.0	22.6	<b>67.4</b>
Q3:2022-23						60.8	4.6	34.5	<b>56.2</b>

'Increase' in production is optimistic.

Note: The sum of components may not add up to total due to rounding off (This is applicable for all tables).

**Table 2: Assessment and Expectations for Order Books**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	44.9	10.1	45.0	<b>34.7</b>	56.9	6.5	36.7	<b>50.4</b>
Q3:2021-22	1,082	39.0	9.5	51.5	<b>29.5</b>	73.9	3.6	22.4	<b>70.3</b>
Q4:2021-22	1,283	34.7	13.4	51.9	<b>21.3</b>	66.2	4.7	29.1	<b>61.5</b>
Q1:2022-23	1,239	34.1	12.5	53.4	<b>21.7</b>	70.4	4.2	25.4	<b>66.1</b>
Q2:2022-23	1,234	30.7	12.1	57.2	<b>18.6</b>	72.7	4.6	22.6	<b>68.1</b>
Q3:2022-23						67.1	4.7	28.3	<b>62.4</b>

'Increase' in order books is optimistic.

**Table 3: Assessment and Expectations for Pending Orders**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above Normal	Below Normal	Normal	Net response	Above Normal	Below Normal	Normal	Net response
Q2:2021-22	1,414	9.6	8.1	82.3	<b>-1.6</b>	10.8	7.2	82.0	<b>-3.7</b>
Q3:2021-22	1,082	7.2	10.9	81.9	<b>3.6</b>	8.8	4.8	86.4	<b>-4.1</b>
Q4:2021-22	1,283	9.8	13.7	76.5	<b>3.9</b>	8.5	7.9	83.6	<b>-0.5</b>
Q1:2022-23	1,239	6.7	14.2	79.1	<b>7.5</b>	8.8	10.6	80.6	<b>1.8</b>
Q2:2022-23	1,234	10.3	17.6	72.0	<b>7.3</b>	7.7	10.3	82.1	<b>2.6</b>
Q3:2022-23						10.8	10.1	79.2	<b>-0.7</b>

Pending orders 'Below Normal' is optimistic.

**Table 4: Assessment and Expectations for Capacity Utilisation (Main Product)** (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	39.2	10.4	50.4	<b>28.8</b>	51.6	6.2	42.2	<b>45.4</b>
Q3:2021-22	1,082	31.2	9.0	59.8	<b>22.2</b>	68.3	3.1	28.5	<b>65.2</b>
Q4:2021-22	1,283	30.2	13.0	56.9	<b>17.2</b>	57.0	4.5	38.5	<b>52.6</b>
Q1:2022-23	1,239	29.5	12.8	57.7	<b>16.8</b>	63.5	4.5	32.0	<b>59.0</b>
Q2:2022-23	1,234	23.4	14.8	61.8	<b>8.6</b>	65.6	5.0	29.4	<b>60.6</b>
Q3:2022-23						51.5	4.9	43.6	<b>46.6</b>

'Increase' in capacity utilisation is optimistic.

**Table 5: Assessment and Expectations for Level of CU (compared to the average in last 4 quarters)**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above Normal	Below Normal	Normal	Net response	Above Normal	Below Normal	Normal	Net response
Q2:2021-22	1,414	15.4	7.7	76.9	<b>7.8</b>	15.6	7.9	76.5	<b>7.7</b>
Q3:2021-22	1,082	12.6	8.4	78.9	<b>4.2</b>	30.4	3.7	65.9	<b>26.7</b>
Q4:2021-22	1,283	12.6	10.8	76.6	<b>1.9</b>	30.1	5.8	64.2	<b>24.3</b>
Q1:2022-23	1,239	19.6	10.4	70.0	<b>9.2</b>	39.3	5.4	55.4	<b>33.9</b>
Q2:2022-23	1,234	20.5	12.8	66.7	<b>7.8</b>	50.2	6.3	43.5	<b>43.9</b>
Q3:2022-23						37.0	6.1	56.9	<b>30.9</b>

'Above Normal' in Level of capacity utilisation is optimistic.

**Table 6: Assessment and Expectations for Assessment of Production Capacity (with regard to expected demand in next 6 months)**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		More than adequate	Less than adequate	Adequate	Net response	More than adequate	Less than adequate	Adequate	Net response
Q2:2021-22	1,414	17.3	7.6	75.1	<b>9.7</b>	28.4	5.8	65.8	<b>22.6</b>
Q3:2021-22	1,082	13.2	6.1	80.6	<b>7.1</b>	31.0	4.0	65.1	<b>27.0</b>
Q4:2021-22	1,283	14.1	7.1	78.8	<b>7.1</b>	30.7	4.0	65.3	<b>26.7</b>
Q1:2022-23	1,239	25.2	7.2	67.6	<b>18.0</b>	42.7	3.9	53.5	<b>38.8</b>
Q2:2022-23	1,234	21.1	6.8	72.1	<b>14.3</b>	51.5	5.4	43.0	<b>46.1</b>
Q3:2022-23						42.9	4.5	52.7	<b>38.4</b>

'More than adequate' in Assessment of Production Capacity is optimistic.

**Table 7: Assessment and Expectations for Exports**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	39.2	7.7	53.0	<b>31.5</b>	49.8	6.2	44.0	<b>43.6</b>
Q3:2021-22	1,082	29.8	9.7	60.5	<b>20.0</b>	67.3	3.1	29.6	<b>64.3</b>
Q4:2021-22	1,283	25.3	12.6	62.1	<b>12.7</b>	59.2	4.5	36.4	<b>54.7</b>
Q1:2022-23	1,239	25.5	11.2	63.4	<b>14.3</b>	62.4	4.4	33.2	<b>58.0</b>
Q2:2022-23	1,234	25.2	14.0	60.8	<b>11.1</b>	65.2	4.4	30.4	<b>60.8</b>
Q3:2022-23						61.2	5.2	33.6	<b>56.0</b>

'Increase' in exports is optimistic.

**Table 8: Assessment and Expectations for Imports**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	36.0	5.8	58.2	<b>30.2</b>	47.3	4.5	48.3	<b>42.8</b>
Q3:2021-22	1,082	26.8	6.9	66.3	<b>19.9</b>	63.4	2.9	33.7	<b>60.4</b>
Q4:2021-22	1,283	22.9	11.6	65.4	<b>11.3</b>	55.6	3.8	40.6	<b>51.8</b>
Q1:2022-23	1,239	23.9	9.0	67.0	<b>14.9</b>	59.7	3.4	36.9	<b>56.4</b>
Q2:2022-23	1,234	23.5	10.1	66.4	<b>13.4</b>	64.5	3.2	32.3	<b>61.3</b>
Q3:2022-23						60.8	3.2	36.0	<b>57.6</b>

'Increase' in imports is optimistic.

**Table 9: Assessment and Expectations for level of Raw Materials Inventory**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above average	Below average	Average	Net response	Above average	Below average	Average	Net response
Q2:2021-22	1,414	20.2	5.5	74.4	<b>-14.7</b>	23.7	6.2	70.0	<b>-17.5</b>
Q3:2021-22	1,082	16.5	5.1	78.4	<b>-11.4</b>	33.7	4.4	61.9	<b>-29.4</b>
Q4:2021-22	1,283	14.7	6.9	78.4	<b>-7.8</b>	32.7	3.7	63.5	<b>-29.0</b>
Q1:2022-23	1,239	16.8	7.0	76.1	<b>-9.8</b>	42.4	3.6	54.0	<b>-38.8</b>
Q2:2022-23	1,234	15.0	10.5	74.5	<b>-4.6</b>	46.1	4.6	49.3	<b>-41.5</b>
Q3:2022-23						32.8	7.1	60.1	<b>-25.7</b>

'Below average' Inventory of raw materials is optimistic.

**Table 10: Assessment and Expectations for level of Finished Goods Inventory**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above average	Below average	Average	Net response	Above average	Below average	Average	Net response
Q2:2021-22	1,414	20.0	5.2	74.8	<b>-14.9</b>	25.0	5.6	69.4	<b>-19.4</b>
Q3:2021-22	1,082	15.3	5.5	79.2	<b>-9.8</b>	34.4	3.8	61.8	<b>-30.7</b>
Q4:2021-22	1,283	13.7	7.2	79.0	<b>-6.5</b>	31.1	3.9	64.9	<b>-27.2</b>
Q1:2022-23	1,239	16.4	7.4	76.2	<b>-9.0</b>	42.4	3.0	54.6	<b>-39.5</b>
Q2:2022-23	1,234	14.2	10.2	75.6	<b>-4.0</b>	45.6	4.3	50.1	<b>-41.3</b>
Q3:2022-23						33.4	6.9	59.7	<b>-26.5</b>

'Below average' Inventory of finished goods is optimistic.

**Table 11: Assessment and Expectations for Employment**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	29.5	4.6	65.9	<b>24.9</b>	28.6	2.5	69.0	<b>26.1</b>
Q3:2021-22	1,082	25.3	5.4	69.3	<b>19.8</b>	52.2	1.3	46.5	<b>50.9</b>
Q4:2021-22	1,283	20.3	8.9	70.8	<b>11.4</b>	49.2	2.0	48.8	<b>47.2</b>
Q1:2022-23	1,239	23.4	8.1	68.4	<b>15.3</b>	52.7	2.5	44.7	<b>50.2</b>
Q2:2022-23	1,234	21.5	9.0	69.5	<b>12.5</b>	57.1	2.1	40.8	<b>54.9</b>
Q3:2022-23						45.0	1.2	53.9	<b>43.8</b>

'Increase' in employment is optimistic.

**Table 12: Assessment and Expectations for Overall Financial Situation**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
Q2:2021-22	1,414	41.7	8.9	49.4	<b>32.8</b>	54.0	5.8	40.2	<b>48.2</b>
Q3:2021-22	1,082	38.1	9.8	52.0	<b>28.3</b>	71.5	2.9	25.7	<b>68.6</b>
Q4:2021-22	1,283	33.9	13.2	53.0	<b>20.7</b>	64.0	4.7	31.3	<b>59.3</b>
Q1:2022-23	1,239	33.0	12.3	54.7	<b>20.6</b>	69.3	3.9	26.7	<b>65.4</b>
Q2:2022-23	1,234	28.7	14.8	56.4	<b>13.9</b>	70.4	3.4	26.2	<b>67.1</b>
Q3:2022-23						61.4	3.8	34.8	<b>57.7</b>

'Better' overall financial situation is optimistic.

**Table 13: Assessment and Expectations for Working Capital Finance Requirement**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	39.6	4.7	55.7	<b>34.9</b>	44.7	3.0	52.2	<b>41.7</b>
Q3:2021-22	1,082	31.6	4.5	63.9	<b>27.1</b>	63.3	2.2	34.4	<b>61.1</b>
Q4:2021-22	1,283	31.4	8.1	60.5	<b>23.3</b>	54.7	2.9	42.4	<b>51.7</b>
Q1:2022-23	1,239	33.4	7.9	58.7	<b>25.5</b>	62.8	1.4	35.7	<b>61.4</b>
Q2:2022-23	1,234	29.6	6.8	63.5	<b>22.8</b>	65.0	2.6	32.5	<b>62.4</b>
Q3:2022-23						51.2	1.6	47.3	<b>49.6</b>

'Increase' in working capital finance is optimistic.

**Table 14: Assessment and Expectations for Availability of Finance (from Internal Accruals)**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q2:2021-22	1,414	35.3	6.8	57.9	<b>28.5</b>	42.4	3.8	53.7	<b>38.6</b>
Q3:2021-22	1,082	30.6	5.8	63.6	<b>24.8</b>	64.1	2.1	33.8	<b>61.9</b>
Q4:2021-22	1,283	27.7	9.6	62.7	<b>18.1</b>	55.7	2.8	41.5	<b>52.9</b>
Q1:2022-23	1,239	27.8	9.7	62.4	<b>18.1</b>	62.4	2.5	35.2	<b>59.9</b>
Q2:2022-23	1,234	24.0	8.0	68.0	<b>15.9</b>	64.2	2.4	33.4	<b>61.9</b>
Q3:2022-23						51.3	2.0	46.7	<b>49.3</b>

'Improvement' in availability of finance is optimistic.

**Table 15: Assessment and Expectations for Availability of Finance (from banks and other sources)**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q2:2021-22	1,414	33.2	4.9	61.8	<b>28.3</b>	38.4	2.9	58.8	<b>35.5</b>
Q3:2021-22	1,082	26.2	3.9	69.9	<b>22.4</b>	60.6	1.9	37.5	<b>58.7</b>
Q4:2021-22	1,283	24.1	8.0	68.0	<b>16.1</b>	52.0	2.1	45.9	<b>49.8</b>
Q1:2022-23	1,239	24.8	7.6	67.5	<b>17.2</b>	59.3	1.5	39.2	<b>57.8</b>
Q2:2022-23	1,234	21.9	6.5	71.6	<b>15.4</b>	62.2	1.8	36.1	<b>60.4</b>
Q3:2022-23						56.7	1.7	41.6	<b>55.1</b>

'Improvement' in availability of finance is optimistic.

**Table 16: Assessment and Expectations for Availability of Finance (from overseas, if applicable)**  
(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q2:2021-22	1,414	33.8	2.3	63.9	<b>31.5</b>	44.0	1.3	54.7	<b>42.7</b>
Q3:2021-22	1,082	22.4	3.4	74.1	<b>19.0</b>	66.5	0.6	32.8	<b>65.9</b>
Q4:2021-22	1,283	17.9	8.7	73.4	<b>9.1</b>	52.5	1.5	46.0	<b>50.9</b>
Q1:2022-23	1,239	21.9	7.5	70.6	<b>14.4</b>	60.2	0.9	38.9	<b>59.2</b>
Q2:2022-23	1,234	17.4	6.8	75.8	<b>10.6</b>	65.8	1.2	33.0	<b>64.6</b>
Q3:2022-23						59.6	0.8	39.6	<b>58.9</b>

'Improvement' in availability of finance is optimistic.

**Table 17: Assessment and Expectations for Cost of Finance**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	32.5	4.0	63.5	<b>-28.6</b>	34.9	3.3	61.8	<b>-31.5</b>
Q3:2021-22	1,082	24.9	5.5	69.5	<b>-19.4</b>	58.3	2.5	39.3	<b>-55.8</b>
Q4:2021-22	1,283	22.1	9.6	68.3	<b>-12.6</b>	50.7	2.1	47.2	<b>-48.6</b>
Q1:2022-23	1,239	30.5	6.9	62.6	<b>-23.6</b>	57.0	2.1	40.9	<b>-54.9</b>
Q2:2022-23	1,234	36.1	6.1	57.8	<b>-30.1</b>	65.6	1.6	32.8	<b>-64.0</b>
Q3:2022-23						53.5	1.6	44.9	<b>-51.9</b>

'Decrease' in cost of finance is optimistic.

**Table 18: Assessment and Expectations for Cost of Raw Materials**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	62.5	1.4	36.1	<b>-61.0</b>	56.8	2.0	41.2	<b>-54.9</b>
Q3:2021-22	1,082	62.0	3.2	34.8	<b>-58.8</b>	76.6	1.4	22.1	<b>-75.2</b>
Q4:2021-22	1,283	55.0	5.5	39.4	<b>-49.5</b>	75.1	1.5	23.3	<b>-73.6</b>
Q1:2022-23	1,239	85.5	1.1	13.3	<b>-84.4</b>	78.2	1.2	20.6	<b>-77.0</b>
Q2:2022-23	1,234	77.0	4.6	18.4	<b>-72.5</b>	80.6	1.6	17.9	<b>-79.0</b>
Q3:2022-23						66.8	2.6	30.7	<b>-64.2</b>

'Decrease' in cost of raw materials is optimistic.

**Table 19: Assessment and Expectations for Salary/Other Remuneration**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	33.1	1.8	65.2	<b>-31.3</b>	32.5	0.9	66.6	<b>-31.6</b>
Q3:2021-22	1,082	29.3	2.4	68.3	<b>-26.9</b>	51.2	0.9	47.9	<b>-50.4</b>
Q4:2021-22	1,283	24.6	6.4	69.0	<b>-18.2</b>	50.9	1.0	48.2	<b>-49.9</b>
Q1:2022-23	1,239	39.6	4.8	55.5	<b>-34.8</b>	66.3	0.7	33.0	<b>-65.6</b>
Q2:2022-23	1,234	30.8	4.4	64.7	<b>-26.4</b>	61.3	0.4	38.3	<b>-60.8</b>
Q3:2022-23						46.3	0.3	53.4	<b>-46.0</b>

'Decrease' in Salary / other remuneration is optimistic.

**Table 20: Assessment and Expectations for Selling Price**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	42.0	3.9	54.1	<b>38.2</b>	31.1	2.9	66.0	<b>28.2</b>
Q3:2021-22	1,082	34.5	6.3	59.2	<b>28.2</b>	59.7	2.3	38.0	<b>57.4</b>
Q4:2021-22	1,283	30.0	9.7	60.2	<b>20.3</b>	54.0	3.7	42.3	<b>50.3</b>
Q1:2022-23	1,239	33.3	8.3	58.4	<b>25.0</b>	59.5	3.8	36.7	<b>55.7</b>
Q2:2022-23	1,234	25.1	10.7	64.2	<b>14.4</b>	63.4	3.2	33.4	<b>60.3</b>
Q3:2022-23						48.8	3.7	47.5	<b>45.1</b>

'Increase' in selling price is optimistic.

**Table 21: Assessment and Expectations for Profit Margin**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q2:2021-22	1,414	30.0	20.6	49.5	<b>9.4</b>	43.7	11.0	45.3	<b>32.7</b>
Q3:2021-22	1,082	22.8	19.0	58.2	<b>3.8</b>	59.9	8.2	31.9	<b>51.7</b>
Q4:2021-22	1,283	20.6	21.8	57.6	<b>-1.2</b>	49.5	9.7	40.8	<b>39.8</b>
Q1:2022-23	1,239	22.5	20.7	56.7	<b>1.8</b>	53.6	10.4	35.9	<b>43.2</b>
Q2:2022-23	1,234	16.2	25.5	58.2	<b>-9.3</b>	57.6	10.1	32.3	<b>47.4</b>
Q3:2022-23						44.2	9.0	46.8	<b>35.2</b>

'Increase' in profit margin is optimistic.

**Table 22: Assessment and Expectations for Overall Business Situation**

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
Q2:2021-22	1,414	43.5	9.5	47.0	<b>34.0</b>	59.9	7.5	32.5	<b>52.4</b>
Q3:2021-22	1,082	42.3	9.8	47.9	<b>32.5</b>	73.1	2.8	24.1	<b>70.3</b>
Q4:2021-22	1,283	37.7	13.6	48.8	<b>24.1</b>	67.6	4.2	28.2	<b>63.4</b>
Q1:2022-23	1,239	36.0	13.8	50.2	<b>22.3</b>	71.8	3.8	24.4	<b>68.0</b>
Q2:2022-23	1,234	31.6	15.7	52.7	<b>15.8</b>	73.9	3.2	22.9	<b>70.7</b>
Q3:2022-23						63.8	4.4	31.7	<b>59.4</b>

'Better' Overall Business Situation is optimistic.

**Table 23: Business Sentiments**

Quarter	Business Assessment Index (BAI)	Business Expectations Index (BEI)
Q2:2021-22	119.4	128.0
Q3:2021-22	115.0	139.3
Q4:2021-22	111.5	137.8
Q1:2022-23	110.1	134.7
Q2:2022-23	106.7	137.5
Q3:2022-23		134.4