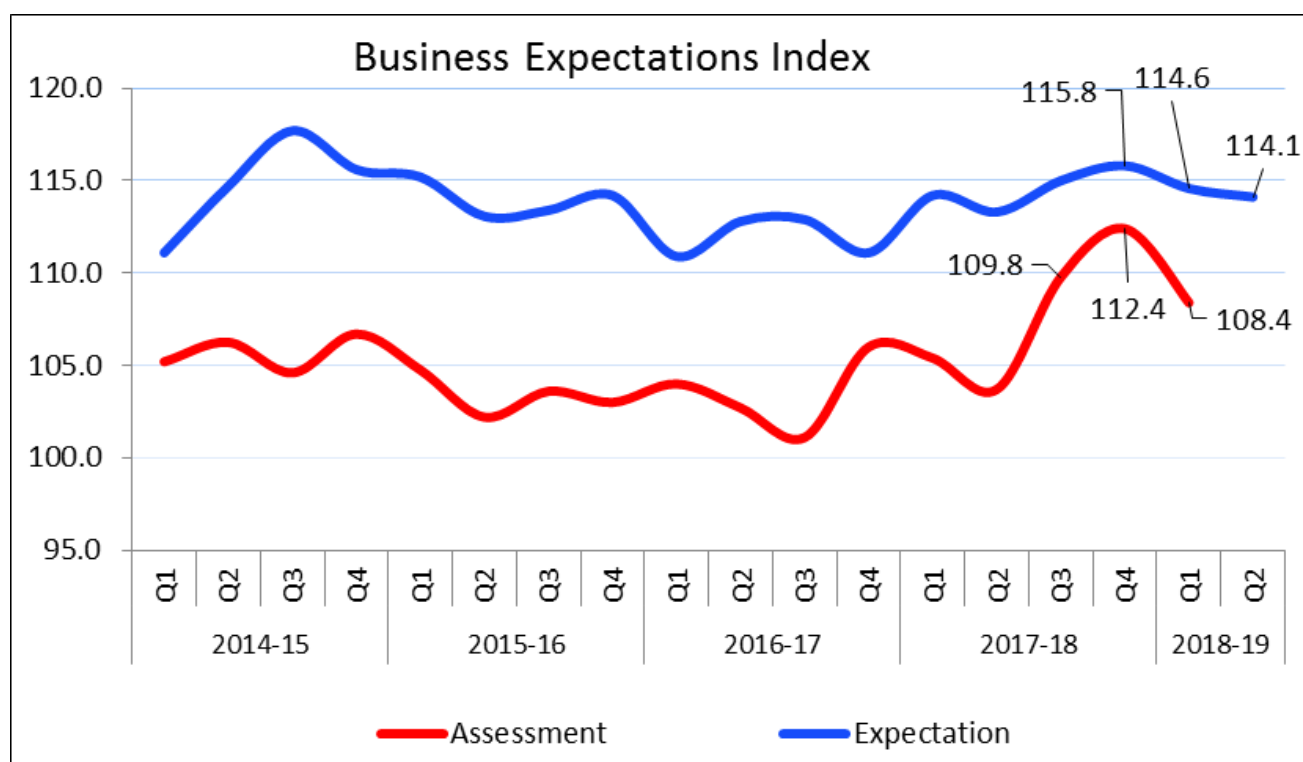


## Industrial Outlook Survey of the Manufacturing Sector for Q1:2018-19

Today, the Reserve Bank released the results of the 82<sup>nd</sup> round of the Industrial Outlook Survey (IOS) conducted in April-June 2018. The Survey captures qualitative assessments of the business environment by companies in India's manufacturing sector for Q1:2018-19 and their expectations for Q2:2018-19<sup>1</sup>. Responses were received from 1207 companies in this round of the survey.

### Highlights:

- Respondents were less optimistic on demand conditions in Q1:2018-19 than in Q4:2017-18, as revealed in their assessment of production, order books, capacity utilisation and exports.
- In their view, the overall financial situation deteriorated slightly on account of overseas finance. However, sentiment on the availability of finance from banks and other sources remained stable.
- The outlook on selling price remained positive. Respondents continued to perceive a drop in profit margins due to higher input (raw material) prices and rising cost of finance.
- Overall, business sentiment in the Indian manufacturing sector deteriorated marginally, as reflected in drop in the Business Expectations Index (BEI)<sup>2</sup> from 112.4 in Q4:2017-18 to 108.4 in Q1:2018-19.



<sup>1</sup> The survey responses are those of the respondents and are not necessarily shared by the Reserve Bank. The 81<sup>st</sup> round (Q4:2017-18) survey results were released on [April 5, 2018](#) on the RBI website.

<sup>2</sup> The Business Expectations Index (BEI) is a composite indicator calculated as a weighted (share of GVA of different industry group) net response of nine business indicators. The nine indicators considered for the computation of the BEI 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. It gives a snapshot of the business outlook in every quarter. BEI takes values between 0 and 200, and 100 is the threshold separating expansion from contraction.

- As regards their expectations for Q2: 2018-19, respondents were optimistic in the outlook on demand conditions.
- Their sentiments on availability of finance remained stable.
- There was a slight deterioration in the outlook on selling prices, however, profit margins are expected to remain unchanged.
- The BEI declined from 114.6 in Q1:2018-19 to 114.1 in Q2:2018-19.

<b>Summary Table</b>				
<b><u>Net response<sup>3</sup> (in %) comparison over previous quarter</u></b>				
<b>Parameters</b>	<b>Assessment period</b>		<b>Expectation period</b>	
	<b>Q4:2017-18</b>	<b>Q1:2018-19</b>	<b>Q1:2018-19</b>	<b>Q2:2018-19</b>
Production	27.3	25.4	29.5	33.2
Order Books	24.5	22.7	28.4	27.7
Pending Orders	10.3	7.3	7.6	4.4
Capacity Utilisation	14.8	12.0	17.9	21.6
Exports	12.5	9.1	18.6	18.5
Imports	11.0	11.2	13.8	13.3
Employment	9.4	10.9	11.1	12.9
Financial Situation (Overall)	22.4	20.7	28.0	27.9
Availability of Finance (from internal accruals)	14.7	16.0	18.2	18.6
Availability of Finance (from banks & other sources)	11.9	11.7	14.6	14.3
Availability of Finance (from overseas, if applicable)	3.4	1.4	4.3	4.4
Cost of Finance	-10.3	-19.9	-12.2	-19.3
Cost of Raw Material	-49.5	-53.0	-39.0	-43.4
Selling Price	6.7	11.5	10.4	8.8
Profit Margin	-9.9	-10.3	-0.7	0.0
Overall Business Situation	30.2	29.6	36.9	34.6
Salary	26.6	40.0	35.0	31.6

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

<sup>3</sup> Net Response (NR) is the difference of percentage of the respondents reporting optimism and that reporting pessimism. The range is -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism i.e.,  $NR = (I - D)$ ; 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';  $I+D+E=100$ . For example, increase in production is optimism whereas decrease in cost of raw material is optimism.

**Table 1: Assessment & Expectation for Production**(Percentage responses)<sup>@</sup>

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response <sup>#</sup>	Increase	Decrease	No change	Net response <sup>#</sup>
Q1:2017-18	1250	34.5	18.5	46.9	<b>16.0</b>	41.5	11.7	46.8	<b>29.9</b>
Q2:2017-18	1141	34.9	18.5	46.6	<b>16.4</b>	42.2	12.0	45.8	<b>30.2</b>
Q3:2017-18	1299	36.8	14.7	48.5	<b>22.0</b>	43.4	9.1	47.5	<b>34.3</b>
Q4:2017-18	1250	40.7	13.4	45.9	<b>27.3</b>	42.5	8.4	49.2	<b>34.1</b>
Q1:2018-19	1207	39.4	14.0	46.6	<b>25.4</b>	40.4	11.0	48.6	<b>29.5</b>
Q2:2018-19						43.0	9.8	47.2	<b>33.2</b>

'Increase' in production is optimistic.

<sup>@</sup>:Due to rounding off percentage may not add up to 100.

<sup>#</sup>: Net Response (NR) is the difference of percentage of the respondents reporting optimism and that reporting pessimism. The range is -100 to 100. Any value greater than zero indicates expansion and any value less than zero indicates contraction.

**Table 2: Assessment & Expectation for Order Books**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	32.7	19.0	48.3	<b>13.7</b>	39.6	11.5	48.9	<b>28.0</b>
Q2:2017-18	1141	31.8	19.7	48.5	<b>12.1</b>	39.7	11.7	48.6	<b>28.0</b>
Q3:2017-18	1299	35.4	16.2	48.4	<b>19.2</b>	39.6	9.6	50.8	<b>29.9</b>
Q4:2017-18	1250	38.9	14.4	46.6	<b>24.5</b>	40.5	10.2	49.2	<b>30.3</b>
Q1:2018-19	1207	36.2	13.5	50.3	<b>22.7</b>	38.8	10.4	50.8	<b>28.4</b>
Q2:2018-19						38.4	10.8	50.8	<b>27.7</b>

'Increase' in order books is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 3: Assessment & Expectation for Pending Orders**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Above Normal	Below Normal	Normal	Net response	Above Normal	Below Normal	Normal	Net response
Q1:2017-18	1250	5.7	17.0	77.3	<b>11.3</b>	4.9	13.4	81.8	<b>8.5</b>
Q2:2017-18	1141	4.2	17.9	77.9	<b>13.7</b>	6.5	12.5	81.0	<b>6.0</b>
Q3:2017-18	1299	6.7	16.2	77.1	<b>9.5</b>	4.7	11.4	83.9	<b>6.7</b>
Q4:2017-18	1250	4.5	14.8	80.7	<b>10.3</b>	6.8	12.5	80.7	<b>5.7</b>
Q1:2018-19	1207	5.1	12.4	82.4	<b>7.3</b>	4.9	12.6	82.5	<b>7.6</b>
Q2:2018-19						6.3	10.7	83.0	<b>4.4</b>

Pending orders 'Below Normal' is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 4: Assessment & Expectation for Capacity Utilisation (Main Product)** (Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	22.5	15.4	62.0	<b>7.1</b>	28.1	10.9	61.0	<b>17.2</b>
Q2:2017-18	1141	22.9	15.8	61.3	<b>7.1</b>	27.6	11.3	61.1	<b>16.3</b>
Q3:2017-18	1299	23.9	12.7	63.4	<b>11.3</b>	28.8	8.0	63.2	<b>20.8</b>
Q4:2017-18	1250	27.4	12.6	60.0	<b>14.8</b>	28.4	8.9	62.7	<b>19.5</b>
Q1:2018-19	1207	24.5	12.5	63.0	<b>12.0</b>	27.8	9.8	62.4	<b>17.9</b>
Q2:2018-19						29.3	7.7	63.0	<b>21.6</b>

'Increase' in capacity utilisation is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 5: Assessment & Expectation for Level of CU (compared to the average in last 4 quarters)** (Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Above Normal	Below Normal	Normal	Net response	Above Normal	Below Normal	Normal	Net response
Q1:2017-18	1250	8.4	15.1	76.5	<b>-6.7</b>	9.9	12.2	77.9	<b>-2.3</b>
Q2:2017-18	1141	9.7	15.6	74.7	<b>-6.0</b>	9.7	10.8	79.5	<b>-1.1</b>
Q3:2017-18	1299	10.3	14.1	75.6	<b>-3.8</b>	11.4	9.6	79.0	<b>1.8</b>
Q4:2017-18	1250	12.6	13.5	73.9	<b>-0.9</b>	13.0	10.7	76.2	<b>2.3</b>
Q1:2018-19	1207	11.0	12.9	76.1	<b>-2.0</b>	13.0	10.6	76.5	<b>2.4</b>
Q2:2018-19						11.8	9.3	78.9	<b>2.5</b>

'Above Normal' in Level of capacity utilisation is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 6: Assessment & Expectation for Assessment of Production Capacity (with regard to expected demand in next 6 months)** (Percentage responses)

Quarter	Total response	Assessment				Expectation			
		More than adequate	Less than adequate	Adequate	Net response	More than adequate	Less than adequate	Adequate	Net response
Q1:2017-18	1250	12.3	7.4	80.3	<b>4.9</b>	13.2	6.7	80.0	<b>6.5</b>
Q2:2017-18	1141	10.4	7.4	82.2	<b>3.0</b>	12.2	6.6	81.2	<b>5.6</b>
Q3:2017-18	1299	11.8	7.1	81.2	<b>4.7</b>	11.1	6.5	82.4	<b>4.6</b>
Q4:2017-18	1250	12.2	6.3	81.4	<b>5.9</b>	12.9	6.9	80.2	<b>6.0</b>
Q1:2018-19	1207	10.5	6.6	82.9	<b>3.9</b>	13.0	6.0	81.0	<b>7.0</b>
Q2:2018-19						11.3	6.0	82.7	<b>5.2</b>

'More than adequate' in Assessment of Production Capacity is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 7: Assessment & Expectation for Exports** (Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	22.2	18.8	59.0	<b>3.4</b>	26.4	11.3	62.3	<b>15.1</b>
Q2:2017-18	1141	24.2	15.4	60.4	<b>8.8</b>	27.9	11.6	60.5	<b>16.3</b>
Q3:2017-18	1299	22.5	14.7	62.8	<b>7.8</b>	27.6	8.6	63.8	<b>19.0</b>
Q4:2017-18	1250	26.3	13.8	59.9	<b>12.5</b>	25.4	8.8	65.8	<b>16.6</b>
Q1:2018-19	1207	23.6	14.5	61.8	<b>9.1</b>	28.4	9.8	61.8	<b>18.6</b>
Q2:2018-19						27.8	9.2	63.0	<b>18.5</b>

'Increase' in exports is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 8: Assessment & Expectation for Imports**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	17.4	10.3	72.2	<b>7.1</b>	17.4	7.2	75.4	<b>10.2</b>
Q2:2017-18	1141	17.1	8.2	74.7	<b>8.9</b>	18.6	7.9	73.5	<b>10.7</b>
Q3:2017-18	1299	18.2	9.1	72.7	<b>9.1</b>	17.8	5.0	77.2	<b>12.8</b>
Q4:2017-18	1250	19.8	8.7	71.5	<b>11.0</b>	19.7	6.2	74.1	<b>13.5</b>
Q1:2018-19	1207	19.6	8.4	72.0	<b>11.2</b>	19.6	5.8	74.7	<b>13.8</b>
Q2:2018-19						19.1	5.8	75.1	<b>13.3</b>

'Increase' in imports is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 9: Assessment & Expectation for level of Raw Materials Inventory**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Above average	Below average	Average	Net response	Above average	Below average	Average	Net response
Q1:2017-18	1250	12.2	6.7	81.2	<b>-5.5</b>	8.7	6.1	85.2	<b>-2.6</b>
Q2:2017-18	1141	13.1	6.2	80.8	<b>-6.9</b>	10.7	6.1	83.2	<b>-4.6</b>
Q3:2017-18	1299	14.6	6.0	79.4	<b>-8.6</b>	10.4	4.3	85.4	<b>-6.1</b>
Q4:2017-18	1250	14.0	5.9	80.2	<b>-8.1</b>	11.5	6.0	82.5	<b>-5.5</b>
Q1:2018-19	1207	14.6	4.9	80.5	<b>-9.6</b>	10.8	5.7	83.5	<b>-5.2</b>
Q2:2018-19						11.0	5.2	83.7	<b>-5.8</b>

'Below average' Inventory of raw materials is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 10: Assessment & Expectation for level of Finished Goods Inventory**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Above average	Below average	Average	Net response	Above average	Below average	Average	Net response
Q1:2017-18	1250	14.2	6.8	79.0	<b>-7.5</b>	10.7	6.4	82.9	<b>-4.3</b>
Q2:2017-18	1141	15.9	7.1	77.0	<b>-8.8</b>	11.6	6.0	82.4	<b>-5.6</b>
Q3:2017-18	1299	14.5	6.9	78.6	<b>-7.6</b>	10.0	6.2	83.8	<b>-3.8</b>
Q4:2017-18	1250	13.3	6.5	80.3	<b>-6.8</b>	10.9	6.5	82.6	<b>-4.5</b>
Q1:2018-19	1207	12.0	6.3	81.7	<b>-5.7</b>	10.4	5.8	83.9	<b>-4.6</b>
Q2:2018-19						9.9	5.0	85.1	<b>-4.8</b>

'Below average' Inventory of finished goods is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 11: Assessment & Expectations for Employment Outlook**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	14.6	9.2	76.2	<b>5.5</b>	15.9	6.6	77.6	<b>9.3</b>
Q2:2017-18	1141	15.5	8.2	76.3	<b>7.3</b>	15.2	6.5	78.3	<b>8.7</b>
Q3:2017-18	1299	15.8	7.4	76.8	<b>8.4</b>	15.8	5.3	78.9	<b>10.4</b>
Q4:2017-18	1250	17.5	8.1	74.4	<b>9.4</b>	17.0	5.3	77.7	<b>11.7</b>
Q1:2018-19	1207	18.1	7.2	74.6	<b>10.9</b>	17.7	6.6	75.7	<b>11.1</b>
Q2:2018-19						17.6	4.7	77.7	<b>12.9</b>

'Increase' in employment is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 12: Assessment & Expectation for Overall Financial Situation**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
Q1:2017-18	1250	30.9	11.8	57.2	<b>19.1</b>	37.8	7.0	55.1	<b>30.8</b>
Q2:2017-18	1141	29.0	13.2	57.7	<b>15.8</b>	35.6	7.7	56.6	<b>27.9</b>
Q3:2017-18	1299	28.6	11.4	60.0	<b>17.1</b>	35.3	6.6	58.1	<b>28.7</b>
Q4:2017-18	1250	31.9	9.5	58.6	<b>22.4</b>	35.2	6.6	58.2	<b>28.6</b>
Q1:2018-19	1207	31.0	10.3	58.7	<b>20.7</b>	34.5	6.5	59.0	<b>28.0</b>
Q2:2018-19						35.1	7.2	57.6	<b>27.9</b>

'Better' overall financial situation is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 13: Assessment & Expectation for Working Capital Finance Requirement**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	29.3	5.7	65.0	<b>23.6</b>	29.4	5.1	65.5	<b>24.4</b>
Q2:2017-18	1141	29.7	6.3	64.1	<b>23.4</b>	29.4	5.7	65.0	<b>23.7</b>
Q3:2017-18	1299	34.4	5.0	60.6	<b>29.4</b>	30.5	4.1	65.4	<b>26.4</b>
Q4:2017-18	1250	35.5	5.3	59.2	<b>30.1</b>	32.4	3.6	64.0	<b>28.8</b>
Q1:2018-19	1207	32.4	4.8	62.8	<b>27.7</b>	30.8	5.3	63.9	<b>25.4</b>
Q2:2018-19						30.8	4.5	64.7	<b>26.3</b>

'Increase' in working capital finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 14: Assessment & Expectation for Availability of Finance (from Internal Accruals)**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q1:2017-18	1250	23.5	9.5	67.0	<b>14.1</b>	27.5	6.2	66.3	<b>21.3</b>
Q2:2017-18	1141	23.2	9.5	67.3	<b>13.7</b>	26.8	6.4	66.9	<b>20.4</b>
Q3:2017-18	1299	22.2	8.4	69.3	<b>13.8</b>	25.8	5.6	68.6	<b>20.2</b>
Q4:2017-18	1250	23.7	8.9	67.4	<b>14.7</b>	26.6	5.2	68.2	<b>21.4</b>
Q1:2018-19	1207	24.2	8.2	67.5	<b>16.0</b>	25.1	6.9	67.9	<b>18.2</b>
Q2:2018-19						25.1	6.5	68.3	<b>18.6</b>

'Improvement' in availability of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 15: Assessment & Expectation for Availability of Finance (from banks & other sources)**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q1:2017-18	1250	21.0	6.1	72.9	<b>14.9</b>	24.8	4.9	70.3	<b>19.8</b>
Q2:2017-18	1141	19.8	6.1	74.1	<b>13.8</b>	21.5	4.6	73.9	<b>17.0</b>
Q3:2017-18	1299	19.8	5.8	74.4	<b>14.0</b>	18.6	4.5	77.0	<b>14.1</b>
Q4:2017-18	1250	18.8	7.0	74.2	<b>11.9</b>	20.9	4.4	74.7	<b>16.5</b>
Q1:2018-19	1207	19.0	7.3	73.7	<b>11.7</b>	20.9	6.4	72.7	<b>14.6</b>
Q2:2018-19						19.9	5.6	74.4	<b>14.3</b>

'Improvement' in availability of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

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

Quarter	Total response	Assessment				Expectation			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q1:2017-18	1250	9.5	3.7	86.8	<b>5.8</b>	9.8	2.8	87.4	<b>7.0</b>
Q2:2017-18	1141	8.0	3.0	89.0	<b>5.0</b>	10.9	3.9	85.2	<b>7.0</b>
Q3:2017-18	1299	7.9	3.9	88.1	<b>4.0</b>	7.2	3.0	89.8	<b>4.1</b>
Q4:2017-18	1250	8.0	4.6	87.4	<b>3.4</b>	9.2	2.6	88.2	<b>6.6</b>
Q1:2018-19	1207	7.1	5.7	87.1	<b>1.4</b>	8.6	4.3	87.1	<b>4.3</b>
Q2:2018-19						9.0	4.6	86.4	<b>4.4</b>

'Improvement' in availability of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 17: Assessment & Expectation for Cost of Finance**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	14.8	13.6	71.6	<b>-1.2</b>	15.5	12.9	71.6	<b>-2.5</b>
Q2:2017-18	1141	14.5	14.0	71.6	<b>-0.5</b>	14.7	10.9	74.5	<b>-3.8</b>
Q3:2017-18	1299	14.5	11.6	73.9	<b>-3.0</b>	14.1	11.9	74.0	<b>-2.2</b>
Q4:2017-18	1250	18.1	7.9	74.0	<b>-10.3</b>	13.9	9.8	76.3	<b>-4.1</b>
Q1:2018-19	1207	25.3	5.4	69.2	<b>-19.9</b>	18.7	6.4	74.9	<b>-12.2</b>
Q2:2018-19						24.1	4.8	71.1	<b>-19.3</b>

'Decrease' in cost of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 18: Assessment & Expectation for Cost of Raw Materials**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	47.2	5.1	47.8	<b>-42.1</b>	41.9	4.1	54.0	<b>-37.8</b>
Q2:2017-18	1141	46.8	5.0	48.2	<b>-41.8</b>	40.4	4.0	55.6	<b>-36.5</b>
Q3:2017-18	1299	47.9	5.2	46.8	<b>-42.7</b>	37.6	5.7	56.7	<b>-31.9</b>
Q4:2017-18	1250	52.8	3.3	43.9	<b>-49.5</b>	38.3	4.3	57.4	<b>-34.0</b>
Q1:2018-19	1207	55.9	2.8	41.3	<b>-53.0</b>	42.7	3.7	53.6	<b>-39.0</b>
Q2:2018-19						46.2	2.8	50.9	<b>-43.4</b>

'Decrease' in cost of raw materials is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 19: Assessment & Expectation for Selling Price**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	20.1	15.1	64.8	<b>5.0</b>	21.5	9.1	69.4	<b>12.4</b>
Q2:2017-18	1141	16.1	16.2	67.6	<b>-0.1</b>	18.9	11.0	70.2	<b>7.9</b>
Q3:2017-18	1299	17.7	13.2	69.0	<b>4.5</b>	17.5	10.6	71.9	<b>7.0</b>
Q4:2017-18	1250	19.3	12.6	68.1	<b>6.7</b>	17.4	9.5	73.2	<b>7.9</b>
Q1:2018-19	1207	23.0	11.4	65.6	<b>11.5</b>	19.2	8.9	71.9	<b>10.4</b>
Q2:2018-19						18.5	9.6	71.9	<b>8.8</b>

'Increase' in selling price is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 20: Assessment & Expectation for Profit Margin**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	15.7	28.2	56.0	<b>-12.5</b>	20.2	19.2	60.6	<b>1.0</b>
Q2:2017-18	1141	14.5	28.5	57.1	<b>-14.0</b>	20.3	20.0	59.7	<b>0.3</b>
Q3:2017-18	1299	15.4	25.4	59.1	<b>-10.0</b>	19.6	17.8	62.5	<b>1.8</b>
Q4:2017-18	1250	16.2	26.1	57.7	<b>-9.9</b>	18.8	18.7	62.5	<b>0.1</b>
Q1:2018-19	1207	15.5	25.8	58.7	<b>-10.3</b>	18.0	18.7	63.3	<b>-0.7</b>
Q2:2018-19						18.0	18.0	64.0	<b>0.0</b>

'Increase' in profit margin is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 21: Assessment & Expectation for Overall Business Situation**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
Q1:2017-18	1250	34.4	13.0	52.6	<b>21.3</b>	43.6	7.6	48.7	<b>36.0</b>
Q2:2017-18	1141	31.7	14.4	53.9	<b>17.3</b>	42.7	9.0	48.4	<b>33.7</b>
Q3:2017-18	1299	35.1	11.2	53.7	<b>23.9</b>	42.9	6.0	51.1	<b>36.9</b>
Q4:2017-18	1250	39.2	9.0	51.8	<b>30.2</b>	42.5	6.4	51.2	<b>36.1</b>
Q1:2018-19	1207	38.7	9.0	52.3	<b>29.6</b>	42.7	5.8	51.5	<b>36.9</b>
Q2:2018-19						40.5	5.9	53.6	<b>34.6</b>

'Better' Overall Business Situation is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 22: Assessment & Expectation for Salary/Other Remuneration**

(Percentage responses)

Quarter	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q1:2017-18	1250	42.1	2.7	55.2	<b>39.4</b>	38.8	2.2	59.0	<b>36.6</b>
Q2:2017-18	1141	36.7	2.2	61.2	<b>34.5</b>	34.5	2.5	63.0	<b>32.0</b>
Q3:2017-18	1299	29.4	2.2	68.4	<b>27.2</b>	25.9	2.0	72.1	<b>23.9</b>
Q4:2017-18	1250	28.8	2.2	69.0	<b>26.6</b>	25.2	2.3	72.5	<b>22.9</b>
Q1:2018-19	1207	42.0	2.1	55.9	<b>40.0</b>	36.8	1.8	61.3	<b>35.0</b>
Q2:2018-19						32.8	1.2	65.9	<b>31.6</b>

'Increase in Salary / other remuneration' is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

**Table 23: Business Expectations Index (BEI)**

Quarter	BEI-Assessment Quarter	BEI-Expectation Quarter
Q1:2017-18	105.4	114.2
Q2:2017-18	103.7	113.3
Q3:2017-18	109.8	115.0
Q4:2017-18	112.4	115.8
Q1:2018-19	108.4	114.6
Q2:2018-19		114.1