

## Industrial Outlook Survey of the Manufacturing Sector for Q1:2023-24

Today, the Reserve Bank released the results of 102<sup>nd</sup> round of its industrial outlook survey (IOS). The survey encapsulates qualitative assessment of the business climate by Indian manufacturing companies for Q1:2023-24 and their expectations for Q2:2023-24<sup>1</sup> as well as outlook on selected parameters for the two subsequent quarters. In all, 1,247 companies responded in this round of the survey, which was conducted during Q1:2023-24.

### Highlights:

#### A. Assessment for Q1:2023-24

- Manufacturing companies reported somewhat slower improvement in demand conditions during Q1:2023-24, as revealed in their assessment on production, order books and capacity utilisation (Table A).
- Raw material cost pressures eased during the quarter but the pressures from rising salary outgo and elevated cost of finance are assessed to have sustained.
- Manufactures reported an uptick in selling price sentiments, with concomitant change in assessment for profit margin.
- Overall business sentiments in the manufacturing sector remained positive; business assessment index (BAI)<sup>2</sup> remained steady at 112.2 in Q1:2023-24 (Chart 1).

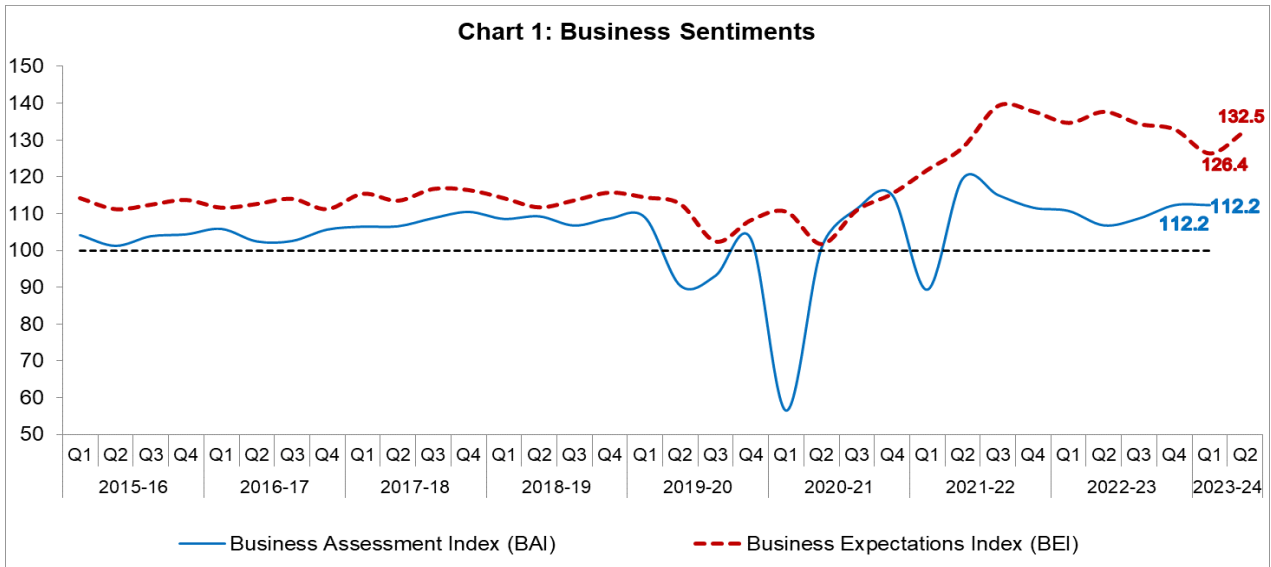
#### B. Expectations for Q2:2023-24

- Respondents were more optimistic on demand conditions for Q2:2023-24, as reflected in their improved expectations on production, order book, capacity utilisation, employment and foreign trade (Table A).
- Cost pressures from financing and wages are likely to continue during Q2:2023-24, whereas it is expected to soften a bit in the case of raw materials.
- Manufacturers expect higher selling prices and profit margins in Q2:2023-24.
- The business expectations index (BEI) improved to 132.5 for Q2:2023-24 from 126.4 in the previous quarter (Chart 1).

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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 [April 06, 2023](#).

<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.



**C. Expectations for Q3:2023-24 and Q4:2023-24**

- Manufacturers continue to remain optimistic on production, order books, employment, capacity utilisation and overall business situation for the second half of the financial year (Table B).
- Input cost pressure is expected to continue with some easing and manufacturers expect that improved pricing power may enable them to raise selling price.

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

(per cent)				
Parameters	Assessment period		Expectation period	
	Q4:2022-23	Q1:2023-24	Q1:2023-24	Q2:2023-24
Production	33.0	25.3	54.8	58.0
Order Books	25.4	21.9	47.8	58.1
Pending Orders	8.9	4.9	3.4	-1.7
Capacity Utilisation	22.8	15.5	41.2	46.6
Inventory of Raw Materials	-8.3	-6.3	-18.0	-29.0
Inventory of Finished Goods	-8.2	-7.2	-17.2	-28.8
Exports	12.2	17.6	36.2	53.5
Imports	15.3	20.4	33.2	52.6
Employment	12.4	16.1	26.7	40.5
Financial Situation (Overall)	30.6	24.0	52.9	56.3
Availability of Finance (from internal accruals)	28.8	25.8	46.6	52.3
Availability of Finance (from banks & other sources)	23.3	20.4	40.1	49.0
Availability of Finance (from overseas, if applicable)	7.6	18.0	32.5	50.4
Cost of Finance	-32.4	-32.4	-45.8	-54.2
Cost of Raw Material	-59.1	-41.1	-60.9	-58.3
Salary/ Other Remuneration	-21.2	-38.1	-44.3	-49.3
Selling Price	9.7	12.8	28.4	41.4
Profit Margin	-5.4	-1.2	19.1	35.7
Overall Business Situation	34.4	24.9	58.3	60.7

**Table B: Business Expectations of Select Parameters for extended period – Net response**

(per cent)				
Parameters	Round 101	Round 102		
	Q1:2023-24	Q2:2023-24	Q3:2023-24	Q4:2023-24
Overall Business Situation	58.3	60.7	60.7	63.1
Production	54.8	58.0	58.0	60.2
Order Books	47.8	58.1	54.6	55.2
Capacity Utilisation	41.2	46.6	54.4	56.5
Employment	26.7	40.5	43.7	43.3
Cost of Raw Materials	-60.9	-58.3	-49.3	-49.6
Selling Prices	28.4	41.4	45.1	46.5

**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 pessimism.

**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
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	1,356	40.5	15.4	44.1	<b>25.1</b>	60.8	4.6	34.5	<b>56.2</b>
Q4:2022-23	1,066	46.3	13.3	40.4	<b>33.0</b>	61.2	3.8	34.9	<b>57.4</b>
Q1:2023-24	1,247	39.6	14.3	46.0	<b>25.3</b>	60.6	5.8	33.6	<b>54.8</b>
Q2:2023-24						63.0	5.0	31.9	<b>58.0</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
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	1,356	33.1	12.1	54.8	<b>21.0</b>	67.1	4.7	28.3	<b>62.4</b>
Q4:2022-23	1,066	37.2	11.8	51.0	<b>25.4</b>	63.3	3.9	32.8	<b>59.4</b>
Q1:2023-24	1,247	33.0	11.1	55.9	<b>21.9</b>	54.6	6.8	38.6	<b>47.8</b>
Q2:2023-24						63.0	4.8	32.2	<b>58.1</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
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	1,356	8.4	14.6	76.9	<b>6.2</b>	10.8	10.1	79.2	<b>-0.7</b>
Q4:2022-23	1,066	4.2	13.1	82.7	<b>8.9</b>	8.9	10.1	81.0	<b>1.2</b>
Q1:2023-24	1,247	9.2	14.1	76.6	<b>4.9</b>	4.5	8.0	87.5	<b>3.4</b>
Q2:2023-24						10.9	9.2	79.9	<b>-1.7</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
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	1,356	29.8	15.0	55.2	<b>14.9</b>	51.5	4.9	43.6	<b>46.6</b>
Q4:2022-23	1,066	34.3	11.5	54.1	<b>22.8</b>	51.3	4.1	44.6	<b>47.2</b>
Q1:2023-24	1,247	28.5	13.0	58.5	<b>15.5</b>	46.7	5.5	47.8	<b>41.2</b>
Q2:2023-24						51.8	5.2	42.9	<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
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	1,356	28.7	13.2	58.1	<b>15.5</b>	37.0	6.1	56.9	<b>30.9</b>
Q4:2022-23	1,066	19.8	10.5	69.7	<b>9.3</b>	34.7	8.1	57.2	<b>26.7</b>
Q1:2023-24	1,247	31.4	10.4	58.2	<b>21.0</b>	23.7	6.2	70.2	<b>17.5</b>
Q2:2023-24						39.0	6.0	55.1	<b>33.0</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
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	1,356	28.9	4.4	66.7	<b>24.6</b>	42.9	4.5	52.7	<b>38.4</b>
Q4:2022-23	1,066	17.3	5.7	77.0	<b>11.6</b>	42.7	3.3	53.9	<b>39.4</b>
Q1:2023-24	1,247	25.8	5.7	68.4	<b>20.1</b>	25.3	3.8	70.9	<b>21.5</b>
Q2:2023-24						43.4	3.9	52.7	<b>39.5</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
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	1,356	25.6	17.1	57.3	<b>8.5</b>	61.2	5.2	33.6	<b>56.0</b>
Q4:2022-23	1,066	25.4	13.3	61.3	<b>12.2</b>	55.5	3.9	40.6	<b>51.5</b>
Q1:2023-24	1,247	30.1	12.5	57.4	<b>17.6</b>	43.0	6.8	50.2	<b>36.2</b>
Q2:2023-24						57.9	4.4	37.7	<b>53.5</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
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	1,356	23.8	12.2	64.0	<b>11.6</b>	60.8	3.2	36.0	<b>57.6</b>
Q4:2022-23	1,066	22.6	7.3	70.1	<b>15.3</b>	54.3	2.8	42.9	<b>51.5</b>
Q1:2023-24	1,247	28.9	8.6	62.5	<b>20.4</b>	37.4	4.2	58.4	<b>33.2</b>
Q2:2023-24						55.8	3.2	41.0	<b>52.6</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
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	1,356	18.1	7.3	74.6	<b>-10.8</b>	32.8	7.1	60.1	<b>-25.7</b>
Q4:2022-23	1,066	13.1	4.7	82.2	<b>-8.3</b>	32.4	5.6	62.0	<b>-26.8</b>
Q1:2023-24	1,247	13.4	7.1	79.5	<b>-6.3</b>	20.5	2.5	76.9	<b>-18.0</b>
Q2:2023-24						33.0	4.0	63.1	<b>-29.0</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
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	1,356	17.1	7.7	75.2	<b>-9.5</b>	33.4	6.9	59.7	<b>-26.5</b>
Q4:2022-23	1,066	13.3	5.1	81.5	<b>-8.2</b>	31.9	5.8	62.3	<b>-26.1</b>
Q1:2023-24	1,247	14.0	6.8	79.2	<b>-7.2</b>	19.9	2.8	77.3	<b>-17.2</b>
Q2:2023-24						33.2	4.4	62.4	<b>-28.8</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
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	1,356	23.0	9.4	67.7	<b>13.6</b>	45.0	1.2	53.9	<b>43.8</b>
Q4:2022-23	1,066	19.3	7.0	73.7	<b>12.4</b>	39.0	2.5	58.5	<b>36.4</b>
Q1:2023-24	1,247	25.9	9.9	64.2	<b>16.1</b>	29.8	3.1	67.1	<b>26.7</b>
Q2:2023-24						43.5	3.0	53.5	<b>40.5</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
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	1,356	35.6	15.5	49.0	<b>20.1</b>	61.4	3.8	34.8	<b>57.7</b>
Q4:2022-23	1,066	40.2	9.6	50.2	<b>30.6</b>	63.9	3.3	32.8	<b>60.6</b>
Q1:2023-24	1,247	36.6	12.6	50.7	<b>24.0</b>	56.3	3.4	40.3	<b>52.9</b>
Q2:2023-24						60.2	3.9	35.9	<b>56.3</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
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	1,356	35.2	7.3	57.5	<b>27.9</b>	51.2	1.6	47.3	<b>49.6</b>
Q4:2022-23	1,066	36.4	4.3	59.3	<b>32.1</b>	52.3	1.1	46.5	<b>51.2</b>
Q1:2023-24	1,247	34.8	5.8	59.4	<b>29.1</b>	48.0	1.9	50.0	<b>46.1</b>
Q2:2023-24						53.3	2.2	44.4	<b>51.1</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
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	1,356	31.1	9.1	59.8	<b>21.9</b>	51.3	2.0	46.7	<b>49.3</b>
Q4:2022-23	1,066	33.3	4.5	62.2	<b>28.8</b>	55.2	1.7	43.1	<b>53.5</b>
Q1:2023-24	1,247	33.2	7.4	59.4	<b>25.8</b>	48.7	2.0	49.3	<b>46.6</b>
Q2:2023-24						54.4	2.1	43.5	<b>52.3</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
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	1,356	26.0	9.1	64.9	<b>17.0</b>	56.7	1.7	41.6	<b>55.1</b>
Q4:2022-23	1,066	27.8	4.5	67.7	<b>23.3</b>	50.5	1.3	48.2	<b>49.2</b>
Q1:2023-24	1,247	26.5	6.1	67.4	<b>20.4</b>	42.2	2.1	55.7	<b>40.1</b>
Q2:2023-24						50.5	1.5	47.9	<b>49.0</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
Q1:2022-23	1,239	21.9	7.5	70.6	14.4	60.2	0.9	38.9	59.2
Q2:2022-23	1,234	17.4	6.8	75.8	10.6	65.8	1.2	33.0	64.6
Q3:2022-23	1,356	20.4	9.7	69.9	10.7	59.6	0.8	39.6	58.9
Q4:2022-23	1,066	11.1	3.6	85.3	7.6	51.3	1.3	47.4	50.1
Q1:2023-24	1,247	23.8	5.8	70.4	18.0	34.3	1.8	64.0	32.5
Q2:2023-24						52.4	2.0	45.7	50.4

'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
Q1:2022-23	1,239	30.5	6.9	62.6	-23.6	57.0	2.1	40.9	-54.9
Q2:2022-23	1,234	36.1	6.1	57.8	-30.1	65.6	1.6	32.8	-64.0
Q3:2022-23	1,356	37.0	5.9	57.1	-31.1	53.5	1.6	44.9	-51.9
Q4:2022-23	1,066	36.2	3.8	60.0	-32.4	51.6	1.1	47.3	-50.5
Q1:2023-24	1,247	36.9	4.5	58.6	-32.4	47.5	1.7	50.8	-45.8
Q2:2023-24						56.4	2.2	41.5	-54.2

'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
Q1:2022-23	1,239	85.5	1.1	13.3	-84.4	78.2	1.2	20.6	-77.0
Q2:2022-23	1,234	77.0	4.6	18.4	-72.5	80.6	1.6	17.9	-79.0
Q3:2022-23	1,356	73.0	8.1	18.9	-64.9	66.8	2.6	30.7	-64.2
Q4:2022-23	1,066	64.5	5.4	30.2	-59.1	63.4	2.4	34.2	-60.9
Q1:2023-24	1,247	49.1	8.0	42.8	-41.1	62.6	1.7	35.8	-60.9
Q2:2023-24						60.6	2.4	37.0	-58.3

'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
Q1:2022-23	1,239	39.6	4.8	55.5	-34.8	66.3	0.7	33.0	-65.6
Q2:2022-23	1,234	30.8	4.4	64.7	-26.4	61.3	0.4	38.3	-60.8
Q3:2022-23	1,356	30.1	3.1	66.8	-27.0	46.3	0.3	53.4	-46.0
Q4:2022-23	1,066	23.1	1.9	75.0	-21.2	39.3	0.6	60.0	-38.7
Q1:2023-24	1,247	41.1	3.0	56.0	-38.1	45.2	0.9	53.9	-44.3
Q2:2023-24						49.8	0.5	49.7	-49.3

'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
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	1,356	23.3	12.9	63.8	<b>10.4</b>	48.8	3.7	47.5	<b>45.1</b>
Q4:2022-23	1,066	21.6	11.8	66.6	<b>9.7</b>	43.2	3.6	53.1	<b>39.6</b>
Q1:2023-24	1,247	26.1	13.3	60.6	<b>12.8</b>	34.0	5.6	60.4	<b>28.4</b>
Q2:2023-24						46.9	5.4	47.7	<b>41.4</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
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	1,356	17.6	26.1	56.3	<b>-8.4</b>	44.2	9.0	46.8	<b>35.2</b>
Q4:2022-23	1,066	16.2	21.6	62.1	<b>-5.4</b>	41.0	8.1	50.9	<b>32.9</b>
Q1:2023-24	1,247	20.6	21.8	57.5	<b>-1.2</b>	30.5	11.4	58.1	<b>19.1</b>
Q2:2023-24						43.8	8.1	48.1	<b>35.7</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
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	1,356	37.7	17.4	44.9	<b>20.3</b>	63.8	4.4	31.7	<b>59.4</b>
Q4:2022-23	1,066	45.9	11.4	42.7	<b>34.4</b>	66.9	3.7	29.4	<b>63.1</b>
Q1:2023-24	1,247	39.9	15.0	45.1	<b>24.9</b>	62.4	4.0	33.6	<b>58.3</b>
Q2:2023-24						65.0	4.3	30.7	<b>60.7</b>

'Better' Overall Business Situation is optimistic.

**Table 23: Business Sentiments**

Quarter	Business Assessment Index (BAI)	Business Expectations Index (BEI)
Q1:2022-23	110.1	134.7
Q2:2022-23	106.7	137.5
Q3:2022-23	108.6	134.4
Q4:2022-23	112.2	132.9
Q1:2023-24	112.2	126.4
Q2:2023-24		132.5