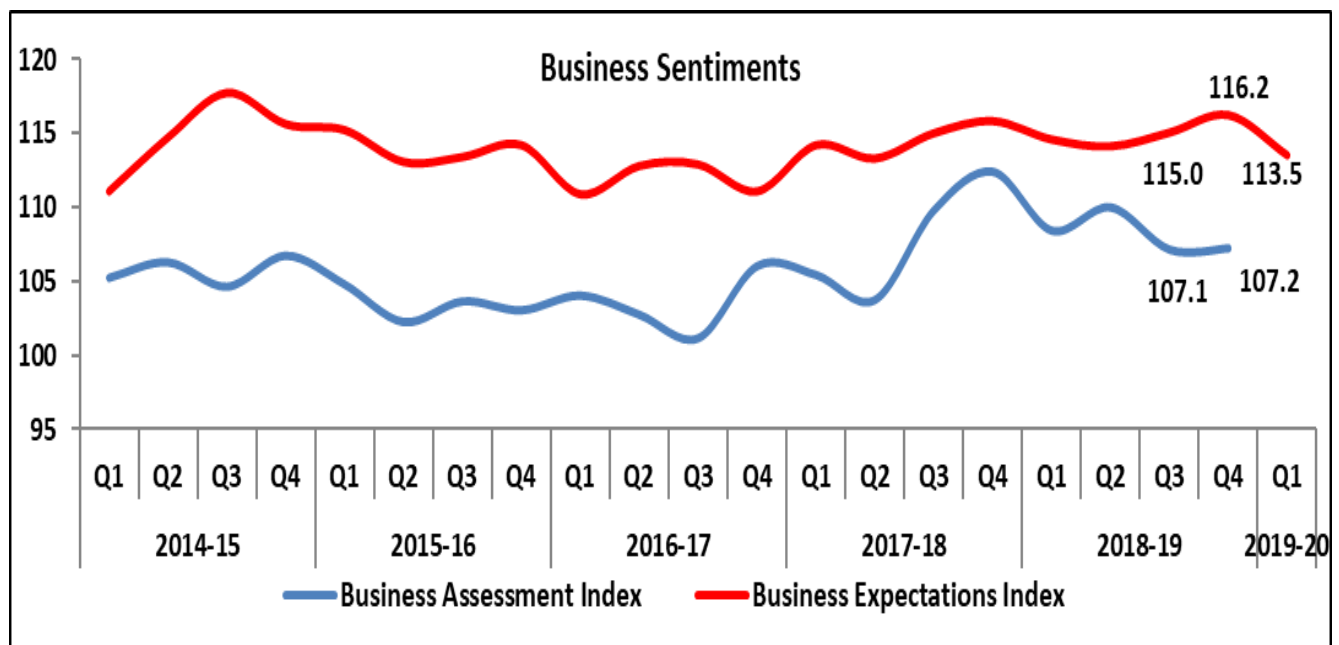


## Industrial Outlook Survey of the Manufacturing Sector for Q4:2018-19

Today, the Reserve Bank released the results of the 85<sup>th</sup> round of the Industrial Outlook Survey (IOS) conducted during January-March, 2019. The survey captures qualitative assessments of the business environment by companies in India's manufacturing sector for Q4:2018-19 and their expectations for Q1:2019-20<sup>1</sup>. Responses were received from 1,258 companies in this round of the survey.

### Highlights:

- Respondents assessed demand conditions in Q4:2018-19 to be broadly similar to those in the previous quarter, with a modest improvement in sentiments on production, employment and exports offset by deterioration in optimism on imports, while the assessment of order books remained unchanged.
- Sentiments regarding the overall financial situation turned around, with improved availability of finance from internal accruals; however, respondents were less hopeful of easier availability of finance from banks.
- Moderation in cost pressures, including cost of finance, cost of raw materials and salary expenses brought some respite to manufacturers reeling under stressed profit margins.
- Overall business sentiment in the Indian manufacturing sector, as reflected by the Business Assessment Index (BAI)<sup>2</sup> remained optimistic at 107.2 in Q4:2018-19.



<sup>1</sup> The survey responses are those of the respondents and are not necessarily shared by the Reserve Bank of India. The survey results of 84<sup>th</sup> round (Q3:2018-19) were released on [February 7, 2019](#) on the RBI website.

<sup>2</sup> For each of the survey round, two indices are computed - one based on assessment namely Business Assessment Index (BAI) and another based on expectations, namely Business Expectations Index (BEI). Each indicator for the respective period is calculated as a weighted (share of GVA of different industry group) net response of nine business indicators. The nine indicators 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.

- As regards expectations for Q1:2019-20, respondents anticipated softer expansion in demand, with prospect of employment holding up.
- Sentiment on the overall financial situation remained optimistic on expectations of easier availability of finance from internal accruals.
- Anticipating large increases in staff costs, manufacturers expressed muted optimism on profit margins in Q1:2019-20.
- The Business Expectations Index (BEI) moderated from 116.2 in Q4:2018-19 to 113.5 in Q1:2019-20.

<b>Summary Table</b> <u>Net responses<sup>3</sup></u>				
(per cent)				
Parameters	Assessment period		Expectations period	
	Q3:2018-19	Q4:2018-19	Q4:2018-19	Q1:2019-20
Production	24.9	25.3	36.3	32.8
Order Books	19.5	19.5	32.5	29.9
Pending Orders	8.6	9.2	3.6	4.3
Capacity Utilisation	12.6	12.8	23.8	19.6
Exports	12.1	13.0	19.8	17.7
Imports	11.6	10.9	15.7	13.0
Employment	9.4	9.8	12.2	12.3
Financial Situation (Overall)	16.5	17.8	28.7	29.3
Availability of Finance (from internal accruals)	10.8	15.3	19.2	20.5
Availability of Finance (from banks and other sources)	11.2	10.8	16.0	14.2
Availability of Finance (from overseas, if applicable)	2.9	4.7	6.0	6.0
Cost of Finance	-19.5	-15.7	-17.5	-14.4
Cost of Raw Materials	-49.2	-41.9	-38.6	-33.7
Salary/ Other Remuneration	-28.2	-26.7	-21.4	-32.9
Selling Price	6.2	4.4	12.3	11.0
Profit Margin	-11.7	-9.3	2.0	0.8
Overall Business Situation	24.6	22.4	36.7	36.9

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

<sup>3</sup> Net Response (NR) is the difference in 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.  $NR = (I - D)$ , 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 and Expectations for Production**(Percentage responses)<sup>@</sup>

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response <sup>#</sup>	Increase	Decrease	No change	Net response
Q4:2017-18	1,250	40.7	13.4	45.9	<b>27.3</b>	42.5	8.4	49.7	<b>34.1</b>
Q1:2018-19	1,207	39.4	14.0	46.6	<b>25.4</b>	40.4	11.0	48.6	<b>29.5</b>
Q2:2018-19	1,095	39.2	13.1	47.7	<b>26.0</b>	43.0	9.8	47.2	<b>33.2</b>
Q3:2018-19	1,267	38.2	13.3	48.5	<b>24.9</b>	41.6	9.0	49.4	<b>32.5</b>
Q4:2018-19	1,258	40.2	14.9	44.9	<b>25.3</b>	43.5	7.2	49.3	<b>36.3</b>
Q1:2019-20						42.1	9.3	48.5	<b>32.8</b>

<sup>#</sup>'Increase' in production is optimistic.

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

**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
Q4:2017-18	1,250	38.9	14.4	46.7	<b>24.5</b>	40.5	10.2	49.3	<b>30.3</b>
Q1:2018-19	1,207	36.2	13.5	50.3	<b>22.7</b>	38.8	10.4	50.8	<b>28.4</b>
Q2:2018-19	1,095	37.3	12.8	49.9	<b>24.5</b>	38.4	10.8	50.8	<b>27.7</b>
Q3:2018-19	1,267	35.3	15.8	48.9	<b>19.5</b>	38.6	9.6	51.8	<b>28.9</b>
Q4:2018-19	1,258	35.3	15.9	48.8	<b>19.5</b>	41.0	8.5	50.5	<b>32.5</b>
Q1:2019-20						38.5	8.6	52.8	<b>29.9</b>

<sup>#</sup>'Increase' in order books is optimistic. Footnote '<sup>@</sup>' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	4.5	14.8	80.7	<b>10.3</b>	6.8	12.5	80.7	<b>5.7</b>
Q1:2018-19	1,207	5.1	12.4	82.4	<b>7.3</b>	4.9	12.6	82.5	<b>7.6</b>
Q2:2018-19	1,095	7.2	13.2	79.7	<b>6.0</b>	6.3	10.7	83.0	<b>4.4</b>
Q3:2018-19	1,267	4.7	13.2	82.1	<b>8.6</b>	7.4	11.0	81.6	<b>3.6</b>
Q4:2018-19	1,258	5.1	14.3	80.6	<b>9.2</b>	6.3	9.9	83.8	<b>3.6</b>
Q1:2019-20						6.1	10.4	83.5	<b>4.3</b>

Pending orders 'Below Normal' is optimistic. Footnote '<sup>@</sup>' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	27.4	12.6	60.0	<b>14.8</b>	28.4	8.9	62.7	<b>19.5</b>
Q1:2018-19	1,207	24.5	12.5	63.0	<b>12.0</b>	27.8	9.8	62.4	<b>17.9</b>
Q2:2018-19	1,095	24.4	11.9	63.6	<b>12.5</b>	29.3	7.7	63.0	<b>21.6</b>
Q3:2018-19	1,267	24.9	12.3	62.8	<b>12.6</b>	28.3	7.3	64.4	<b>21.0</b>
Q4:2018-19	1,258	26.2	13.3	60.5	<b>12.8</b>	30.3	6.5	63.1	<b>23.8</b>
Q1:2019-20						27.2	7.7	65.1	<b>19.6</b>

'Increase' in capacity utilisation is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	12.6	13.5	73.9	<b>-0.9</b>	13.0	10.7	76.3	<b>2.3</b>
Q1:2018-19	1,207	11.0	12.9	76.1	<b>-2.0</b>	13.0	10.6	76.5	<b>2.4</b>
Q2:2018-19	1,095	11.7	12.3	76.0	<b>-0.6</b>	11.8	9.3	78.9	<b>2.5</b>
Q3:2018-19	1,267	10.1	12.9	76.9	<b>-2.8</b>	12.5	9.1	78.4	<b>3.4</b>
Q4:2018-19	1,258	11.6	13.0	75.3	<b>-1.4</b>	12.7	8.6	78.7	<b>4.1</b>
Q1:2019-20						12.2	8.2	79.6	<b>4.0</b>

'Above Normal' in Level of capacity utilisation is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	12.2	6.3	81.5	<b>5.9</b>	12.9	6.9	80.2	<b>6.0</b>
Q1:2018-19	1,207	10.5	6.6	82.9	<b>3.9</b>	13.0	6.0	81.0	<b>7.0</b>
Q2:2018-19	1,095	11.2	7.2	81.6	<b>4.0</b>	11.3	6.0	82.7	<b>5.2</b>
Q3:2018-19	1,267	10.3	7.2	82.5	<b>3.0</b>	11.9	6.3	81.8	<b>5.6</b>
Q4:2018-19	1,258	11.2	7.4	81.4	<b>3.8</b>	10.6	6.1	83.3	<b>4.5</b>
Q1:2019-20						12.2	6.2	81.6	<b>6.0</b>

'More than adequate' in Assessment of Production Capacity is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-	1,250	26.3	13.8	59.9	<b>12.5</b>	25.4	8.8	65.8	<b>16.6</b>
Q1:2018-	1,207	23.6	14.5	61.8	<b>9.1</b>	28.4	9.8	61.8	<b>18.6</b>
Q2:2018-	1,095	23.7	13.1	63.2	<b>10.7</b>	27.8	9.2	63.0	<b>18.5</b>
Q3:2018-	1,267	25.1	13.0	61.9	<b>12.1</b>	26.1	10.2	63.7	<b>15.9</b>
Q4:2018-	1,258	25.0	12.0	63.0	<b>13.0</b>	27.8	8.0	64.2	<b>19.8</b>
Q1:2019-						25.7	8.0	66.2	<b>17.7</b>

'Increase' in exports is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	19.8	8.7	71.5	11.0	19.7	6.2	74.1	13.5
Q1:2018-19	1,207	19.6	8.4	72.0	11.2	19.6	5.8	74.7	13.8
Q2:2018-19	1,095	18.3	8.6	73.1	9.8	19.1	5.8	75.1	13.3
Q3:2018-19	1,267	20.1	8.5	71.4	11.6	19.3	7.1	73.6	12.2
Q4:2018-19	1,258	19.7	8.7	71.6	10.9	21.0	5.3	73.7	15.7
Q1:2019-20						19.2	6.2	74.6	13.0

'Increase' in imports is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	14.0	5.9	80.2	-8.1	11.5	6.0	82.5	-5.5
Q1:2018-19	1,207	14.6	4.9	80.5	-9.6	10.8	5.7	83.5	-5.2
Q2:2018-19	1,095	14.3	6.1	79.6	-8.2	11.0	5.2	83.7	-5.8
Q3:2018-19	1,267	14.3	4.6	81.0	-9.7	11.3	4.6	84.1	-6.7
Q4:2018-19	1,258	14.9	5.5	79.6	-9.5	12.1	4.2	83.8	-7.9
Q1:2019-20						12.0	3.7	84.3	-8.3

'Below average' Inventory of raw materials is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	13.3	6.5	80.2	-6.8	10.9	6.5	82.6	-4.4
Q1:2018-19	1,207	12.0	6.3	81.7	-5.7	10.4	5.8	83.9	-4.6
Q2:2018-19	1,095	13.3	6.5	80.2	-6.9	9.9	5.0	85.1	-4.8
Q3:2018-19	1,267	15.0	4.9	80.1	-10.0	10.8	5.2	83.9	-5.6
Q4:2018-19	1,258	14.4	6.5	79.1	-7.9	11.1	4.6	84.3	-6.5
Q1:2019-20						10.5	4.9	84.6	-5.6

'Below average' Inventory of finished goods is optimistic. Footnote '@' given in Table 1 is applicable here.

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

(Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2017-18	1,250	17.5	8.1	74.4	9.4	17.0	5.3	77.7	11.7
Q1:2018-19	1,207	18.1	7.2	74.6	10.9	17.7	6.6	75.7	11.1
Q2:2018-19	1,095	16.2	7.8	76.1	8.4	17.6	4.7	77.7	12.9
Q3:2018-19	1,267	16.1	6.7	77.1	9.4	17.1	4.2	78.7	12.9
Q4:2018-19	1,258	16.7	6.9	76.5	9.8	17.0	4.8	78.2	12.2
Q1:2019-20						17.1	4.8	78.1	12.3

'Increase' in employment is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	31.9	9.5	58.6	<b>22.4</b>	35.2	6.6	58.2	<b>28.6</b>
Q1:2018-19	1,207	31.0	10.3	58.7	<b>20.7</b>	34.5	6.5	59.0	<b>28.0</b>
Q2:2018-19	1,095	30.0	11.3	58.7	<b>18.6</b>	35.1	7.2	57.6	<b>27.9</b>
Q3:2018-19	1,267	28.5	11.9	59.6	<b>16.5</b>	34.4	7.5	58.0	<b>26.9</b>
Q4:2018-19	1,258	29.3	11.4	59.3	<b>17.8</b>	35.2	6.5	58.3	<b>28.7</b>
Q1:2019-20						35.0	5.7	59.3	<b>29.3</b>

'Better' overall financial situation is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	35.5	5.3	59.2	<b>30.1</b>	32.4	3.6	64.0	<b>28.8</b>
Q1:2018-19	1,207	32.4	4.8	62.8	<b>27.7</b>	30.8	5.3	63.9	<b>25.4</b>
Q2:2018-19	1,095	30.4	5.5	64.2	<b>24.9</b>	30.8	4.5	64.7	<b>26.3</b>
Q3:2018-19	1,267	30.5	5.6	63.9	<b>24.9</b>	30.6	4.0	65.4	<b>26.6</b>
Q4:2018-19	1,258	30.8	4.6	64.6	<b>26.2</b>	29.9	4.4	65.7	<b>25.6</b>
Q1:2019-20						29.6	4.1	66.3	<b>25.6</b>

'Increase' in working capital finance is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	23.7	8.9	67.4	<b>14.7</b>	26.6	5.2	68.2	<b>21.4</b>
Q1:2018-19	1,207	24.2	8.2	67.5	<b>16.0</b>	25.1	6.9	67.9	<b>18.2</b>
Q2:2018-19	1,095	24.3	10.2	65.5	<b>14.1</b>	25.1	6.5	68.3	<b>18.6</b>
Q3:2018-19	1,267	21.2	10.4	68.4	<b>10.8</b>	24.9	6.7	68.3	<b>18.2</b>
Q4:2018-19	1,258	22.8	7.5	69.6	<b>15.3</b>	25.4	6.2	68.4	<b>19.2</b>
Q1:2019-20						25.5	5.0	69.5	<b>20.5</b>

'Improvement' in availability of finance is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	18.8	7.0	74.2	<b>11.9</b>	20.9	4.4	74.7	<b>16.5</b>
Q1:2018-19	1,207	19.0	7.3	73.7	<b>11.7</b>	20.9	6.4	72.7	<b>14.6</b>
Q2:2018-19	1,095	18.7	6.4	74.9	<b>12.2</b>	19.9	5.6	74.4	<b>14.3</b>
Q3:2018-19	1,267	17.2	6.0	76.8	<b>11.2</b>	19.0	5.9	75.1	<b>13.1</b>
Q4:2018-19	1,258	17.8	7.0	75.2	<b>10.8</b>	20.1	4.1	75.8	<b>16.0</b>
Q1:2019-20						19.3	5.0	75.7	<b>14.2</b>

'Improvement' in availability of finance is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	8.0	4.6	87.4	<b>3.4</b>	9.2	2.6	88.2	<b>6.6</b>
Q1:2018-19	1,207	7.1	5.7	87.1	<b>1.4</b>	8.6	4.3	87.1	<b>4.3</b>
Q2:2018-19	1,095	9.0	4.0	87.0	<b>4.9</b>	9.0	4.6	86.4	<b>4.4</b>
Q3:2018-19	1,267	6.9	4.0	89.1	<b>2.9</b>	9.5	4.3	86.2	<b>5.2</b>
Q4:2018-19	1,258	8.6	3.9	87.6	<b>4.7</b>	9.0	3.0	88.0	<b>6.0</b>
Q1:2019-20						9.5	3.5	87.0	<b>6.0</b>

'Improvement' in availability of finance is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	18.1	7.9	74.0	<b>-10.3</b>	13.9	9.8	76.3	<b>-4.1</b>
Q1:2018-19	1,207	25.3	5.4	69.2	<b>-19.9</b>	18.7	6.4	74.9	<b>-12.2</b>
Q2:2018-19	1,095	25.7	6.4	67.9	<b>-19.3</b>	24.1	4.8	71.1	<b>-19.3</b>
Q3:2018-19	1,267	24.9	5.4	69.7	<b>-19.5</b>	24.7	4.9	70.4	<b>-19.8</b>
Q4:2018-19	1,258	21.3	5.6	73.1	<b>-15.7</b>	22.3	4.8	73.0	<b>-17.5</b>
Q1:2019-20						20.2	5.8	74.0	<b>-14.4</b>

'Decrease' in cost of finance is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	52.8	3.3	43.9	<b>-49.5</b>	38.3	4.3	57.4	<b>-34.0</b>
Q1:2018-19	1,207	55.9	2.8	41.3	<b>-53.0</b>	42.7	3.7	53.6	<b>-39.0</b>
Q2:2018-19	1,095	55.5	2.6	41.8	<b>-52.9</b>	46.2	2.8	50.9	<b>-43.4</b>
Q3:2018-19	1,267	53.1	3.9	43.1	<b>-49.2</b>	46.5	1.9	51.6	<b>-44.5</b>
Q4:2018-19	1,258	46.8	4.8	48.4	<b>-41.9</b>	42.1	3.5	54.3	<b>-38.6</b>
Q1:2019-20						37.2	3.5	59.2	<b>-33.7</b>

'Decrease' in cost of raw materials is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	28.8	2.2	69.0	<b>-26.6</b>	25.2	2.3	72.5	<b>-22.9</b>
Q1:2018-19	1,207	42.0	2.1	55.9	<b>-40.0</b>	36.8	1.8	61.3	<b>-35.0</b>
Q2:2018-19	1,095	35.5	2.0	62.5	<b>-33.5</b>	32.8	1.2	65.9	<b>-31.6</b>
Q3:2018-19	1,267	29.8	1.6	68.6	<b>-28.2</b>	25.6	1.2	73.2	<b>-24.4</b>
Q4:2018-19	1,258	28.5	1.8	69.7	<b>-26.7</b>	22.8	1.4	75.8	<b>-21.4</b>
Q1:2019-20						34.0	1.1	64.9	<b>-32.9</b>

'Decrease' in Salary / other remuneration is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	19.3	12.6	68.1	<b>6.7</b>	17.4	9.5	73.1	<b>7.9</b>
Q1:2018-19	1,207	23.0	11.4	65.6	<b>11.5</b>	19.2	8.9	71.9	<b>10.4</b>
Q2:2018-19	1,095	22.1	10.7	67.2	<b>11.3</b>	18.5	9.6	71.9	<b>8.8</b>
Q3:2018-19	1,267	19.9	13.7	66.4	<b>6.2</b>	21.0	6.7	72.3	<b>14.3</b>
Q4:2018-19	1,258	17.5	13.1	69.3	<b>4.4</b>	19.4	7.1	73.5	<b>12.3</b>
Q1:2019-20						19.5	8.5	72.0	<b>11.0</b>

'Increase' in selling price is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	16.2	26.1	57.7	<b>-9.9</b>	18.8	18.7	62.5	<b>0.1</b>
Q1:2018-19	1,207	15.5	25.8	58.7	<b>-10.3</b>	18.0	18.7	63.3	<b>-0.7</b>
Q2:2018-19	1,095	14.3	26.3	59.2	<b>-12.2</b>	18.0	18.0	64.0	<b>0.0</b>
Q3:2018-19	1,267	16.1	27.8	56.1	<b>-11.7</b>	17.1	17.0	65.9	<b>0.1</b>
Q4:2018-19	1,258	16.2	25.5	58.3	<b>-9.3</b>	18.7	16.7	64.5	<b>2.0</b>
Q1:2019-20						17.8	17.0	65.1	<b>0.8</b>

'Increase' in profit margin is optimistic. Footnote '@' given in Table 1 is applicable here.

**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
Q4:2017-18	1,250	39.2	9.0	51.8	<b>30.2</b>	42.5	6.4	51.2	<b>36.1</b>
Q1:2018-19	1,207	38.7	9.0	52.3	<b>29.6</b>	42.7	5.8	51.5	<b>36.9</b>
Q2:2018-19	1,095	38.1	10.3	51.6	<b>27.9</b>	40.5	5.9	53.6	<b>34.6</b>
Q3:2018-19	1,267	34.9	10.3	54.8	<b>24.6</b>	43.3	7.0	49.8	<b>36.3</b>
Q4:2018-19	1,258	33.9	11.5	54.7	<b>22.4</b>	43.2	6.5	50.3	<b>36.7</b>
Q1:2019-20						42.5	5.6	51.9	<b>36.9</b>

'Better' Overall Business Situation is optimistic. Footnote '@' given in Table 1 is applicable here.

**Table 23: Business Sentiments**

Quarter	Business Assessment Index (BAI)	Business Expectations Index (BEI)
Q4:2017-18	112.4	115.8
Q1:2018-19	108.4	114.6
Q2:2018-19	110.0	114.1
Q3:2018-19	107.1	115.0
Q4:2018-19	107.2	116.2
Q1:2019-20		113.5