

# **Business Expectations Survey Report**

**A Quarterly Publication**

**First Quarter, 2017**



**Statistics Department  
Central Bank of Nigeria**

## EXECUTIVE SUMMARY

The Q1, 2017 Business Expectations Survey (BES) was carried out during the period January 23<sup>rd</sup> to February 03<sup>rd</sup> 2017 with a sample size of 1,950 businesses nationwide. A response rate of 99.5 per cent was achieved during the reporting quarter, and covered the Industry, Construction, Wholesale/Retail Trade and Services sectors.

The highlights of the business expectations report are as follows:

- Respondent firms were pessimistic on the macro economy in Q1 2017. The pessimism was driven by the opinion of respondents from all the sectors: services, industrial, wholesale/retail trade and construction.
- Respondents' pessimism in the volume of total order and their internal liquidity positions (financial conditions), dampened the volume of their business activities in the current quarter. Similarly, respondents' pessimism on access to credit, further lessened their internal liquidity positions in the review quarter.
- Participants indicated a positive outlook in the volume of business activities, as well as improved prospects for employment in the next quarter. The sectors with the prospects for employment were services, wholesale/retail trade, industrial and construction sectors.
- The surveyed firms identified insufficient power supply as the major constraining factor to their business activities in Q1 2017. Other constraining factors were financial problems<sup>1</sup>, high interest rate, unfavourable economic climate, unclear economic laws, access to credit, unfavourable political climate, competition and insufficient demand.
- Respondent firms expected the Naira to further weaken in the current and the next quarters. However, inflation and borrowing rates were expected to rise in the current and next quarters.

<sup>1</sup> Difficulty in paying off debts, tax and other financial obligations

## Business Expectations Survey First Quarter, 2017

### About the Survey

The Business Expectations Survey (BES)<sup>2</sup> for Q1 2017 was conducted during the period January 23<sup>rd</sup> to February 03<sup>rd</sup>, 2017. A total of 1,950 firms were surveyed nationwide, drawn from the updated survey frames of both the Central Bank of Nigeria (CBN) and the National Bureau of Statistics (NBS). The survey response rate was 99.5 per cent in the quarter under review.

The map below shows all the states in the federation, and the colours depict the six geo-political zones, while table 1 shows the sampled states within the geopolitical zones as well as the sample size and the response rate of the Q1 2017 survey.



*Of the 1,950  
firms surveyed,  
1,940 responded,  
representing 99.5  
per cent response  
rate*

ZONE	SAMPLE STATE	Q1 2017 SAMPLE SIZE	Q1 2017 RESPONSES	Q1 2017 RESPONSE RATE (%)
North Central	Niger, Kwara, Kogi, Abuja, Nassarawa, Benue and Plateau	350	342	97.7
North East	Bauchi, Borno, Adamawa, Gombe, Taraba and Yobe	300	300	100.0
North West	Kaduna, Katsina, Kano, Jigawa, Zamfara, Sokoto and Kebbi	350	350	100.0
South East	Anambra, Enugu, Ebonyi, Imo and Abia	250	250	100.0
South South	Edo, Delta, Rivers, Cross River, Bayelsa and Akwa-Ibom	300	300	100.0
South West	Lagos, Oyo, Ekiti, Osun, Ogun and Ondo	400	398	99.5
TOTAL		1950	1940	99.5

<sup>2</sup>The BES is a quarterly survey of firms drawn from Business Establishments frame of the National Bureau of Statistics. The BES result provides advance indication of change in the overall business activity in the economy and in the various measures of activity of the companies' own operations as well as selected economic indicators.

Respondents were drawn from the Industrial, Construction, Wholesale/Retail trade and Services sectors. The Services sector is made up of Financial Intermediation, Hotels & Restaurants, Renting & Business activities, and Community & Social Services.

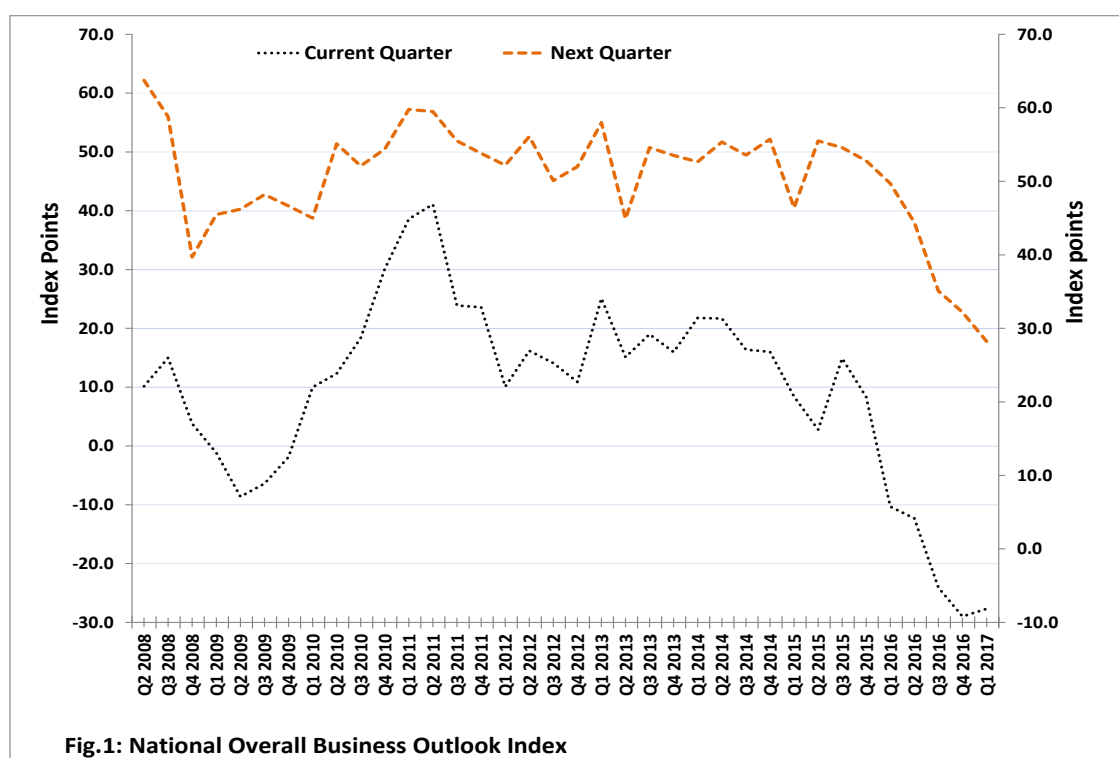
The distribution of firms by sector showed that services sector constituted the highest number of respondents (36.5 per cent), followed by wholesale/retail (26.5 per cent), industrial (24.2 per cent) and construction (12.7 per cent) (Table 2, Sections 18 & 26).

A breakdown of the respondents by type of businesses showed that 16.3 per cent were import-oriented, 2.8 per cent were export-oriented, 7.9 per cent were both import- and export-oriented, and 73.0 per cent were neither import- nor export-oriented (Table 2, sections 16).

The distribution of firms by employment size showed that small size firms constituted 76.3 per cent of responses, medium size firms 16.0 per cent, and large size firms 7.7

## Overall Business Outlook on the Macro Economy

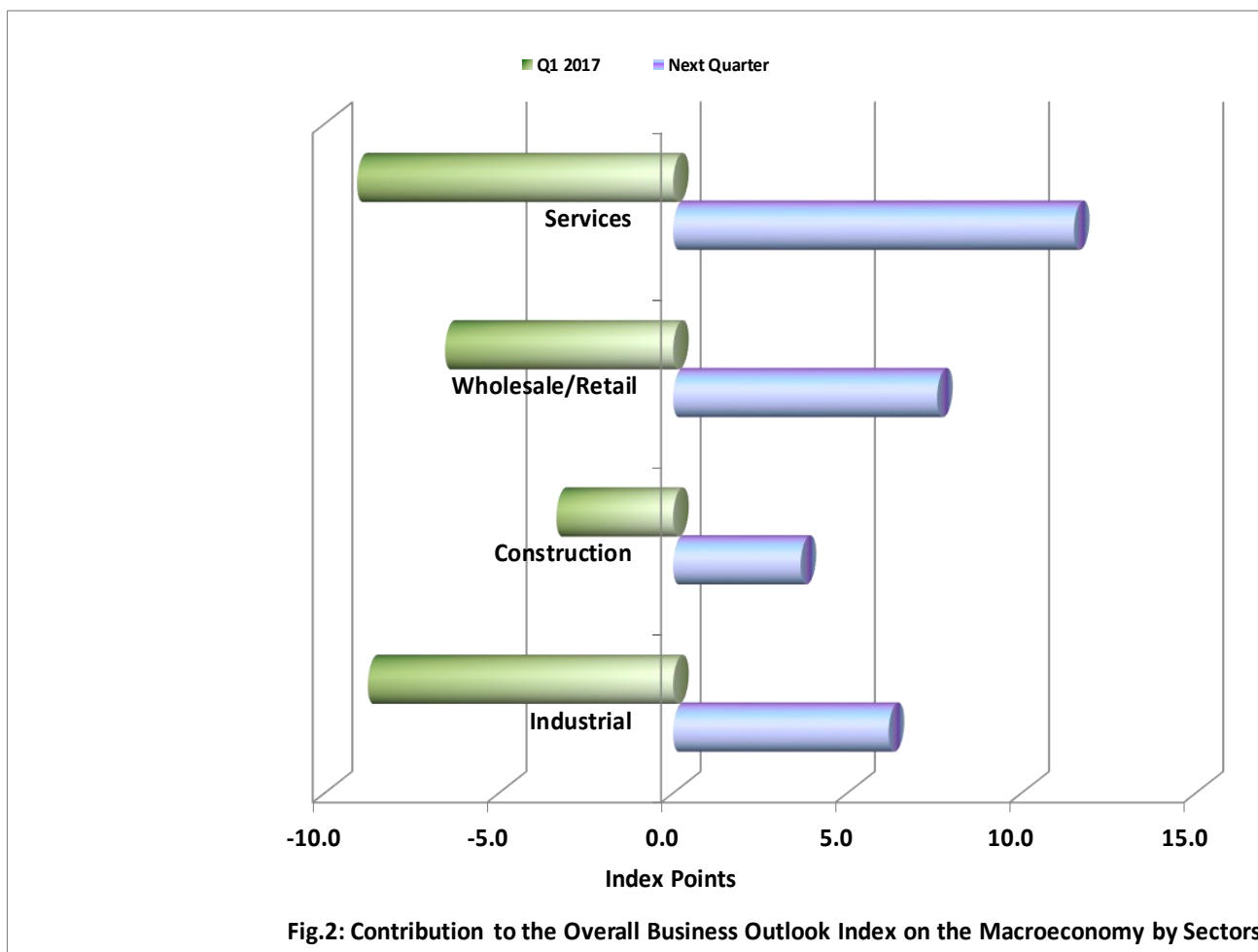
*The current confidence index was -27.7 points, indicating respondents' pessimism on the macro economy in Q1, 2017.*



The current confidence index (CI)<sup>3</sup>, which stood at -27.7 points in Q1 2017, indicated respondent firms' pessimism on the macro economy. The gloomy perception of the economy by the respondent firms has persisted since Q4 2015, however at 28.2 points, the next quarter CI points to greater confidence on the

<sup>3</sup>The CI is computed as the percentage of firms that answered in the affirmative less the percentage of firms that answered in the negative in a given indicator. A positive CI indicates a favourable view, except for the average inflation rate and the average naira borrowing rate, where a positive CI indicates the opposite.

The pessimistic outlook of respondents in the current quarter was driven by the opinion of respondents from services (-9.1 points), industrial (-8.8 points), wholesale/retail trade (-6.5 points) and construction (-3.4 points) sectors. Conversely, the drivers for the optimism on the macro economy in the next quarter are services (11.5 points), wholesale/retail trade (7.6 points), industrial (6.2 points) and construction (3.7 points) sectors (Table 2, Sections 19 & 20).



## Macro Economy Outlook by Type and Size of Business

The drivers (by type of business) of the pessimism on the macro economy in the current quarter were “neither importer nor exporter” (-18.7 per cent), followed by “importer” (-4.8 per cent) and “both importer & exporter” (-3.4 per cent) (Table 2 Section 23).

The drivers (by size of business) of the pessimism on the macro economy in the current quarter were the small (-22.9 per cent), large (-2.8 per cent) and medium (-2.0 per cent) (Table 2 Section 25).

*Business sentiment was bearish across all the sectors in Q1 2017.*

## Business Outlook Index on the Macro Economy by Sector

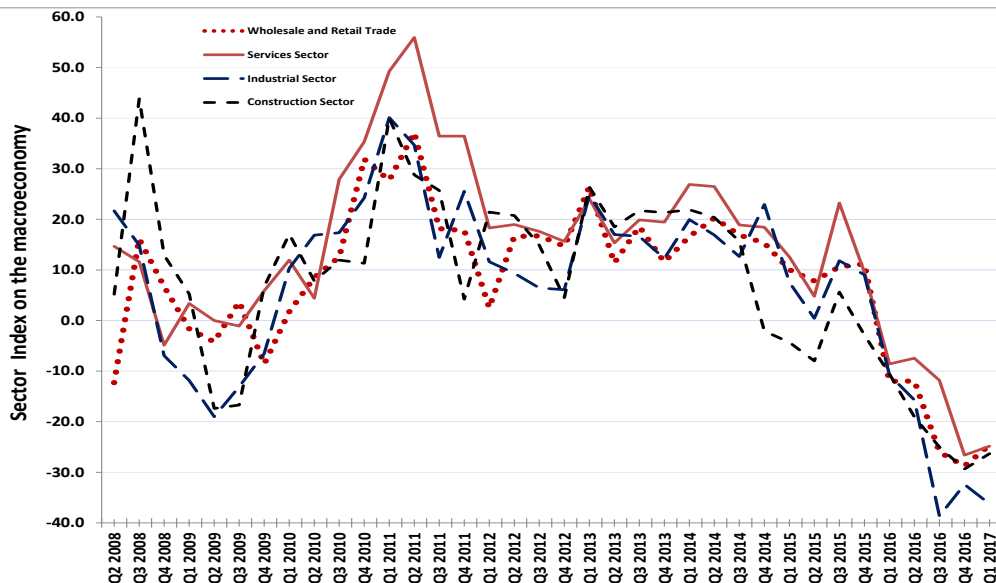


Fig.3a: Business Outlook Index on the Macroeconomy

Business sentiment across all sectors was gloomy in the current quarter. The indices of the industrial, construction, services and wholesale/retail stood at -36.2, -26.3, -24.8 and -24.7 points, respectively (Fig 3a and Table 2, Section 2).

## Business Confidence on Own Operations by Sector

*Business confidence on own operations was less optimistic across all sectors when compared with the outlook in the corresponding quarter of 2016.*

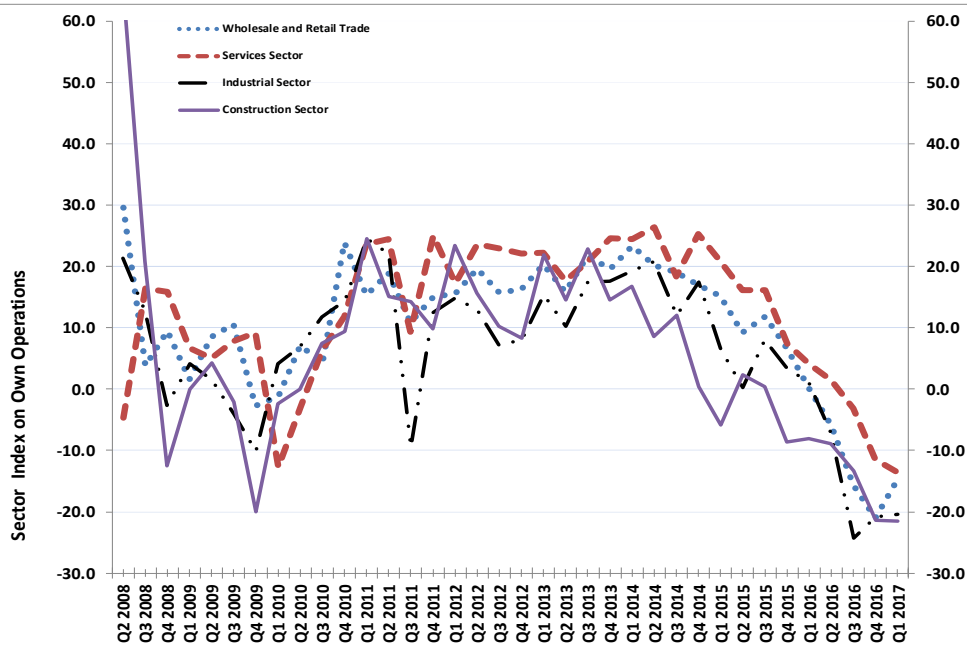
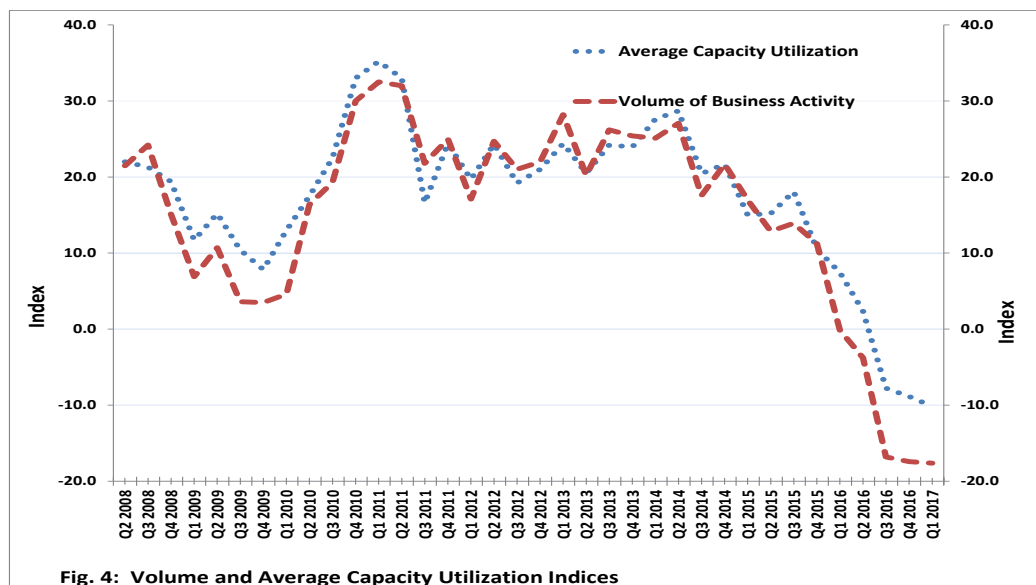


Fig.3b: Business Confidence on Own Operation by Sector

The respondents' confidence index on own operations was less optimistic across all sectors in the current quarter compared with the corresponding quarter of 2016. The confidence indices for construction, industrial, wholesale/retail trade and services sectors stood at -21.5, -20.5, -14.8 and -13.6 in Q1, 2017 as compared to their levels of -8.0, 1.1, 0.0 and 4.1 in the corresponding quarter of 2016, respectively (Fig 3b).

*Capacity utilization index stood at -10.2 points in the current quarter as compared to 7.4 points in Q1, 2016.*

At -10.2 points, the average capacity utilization index (CUI) in Q1, 2017 plummeted by 17.6 points when compared with the 7.4 points achieved a year earlier (Fig. 4 and Table 2, Section 5).

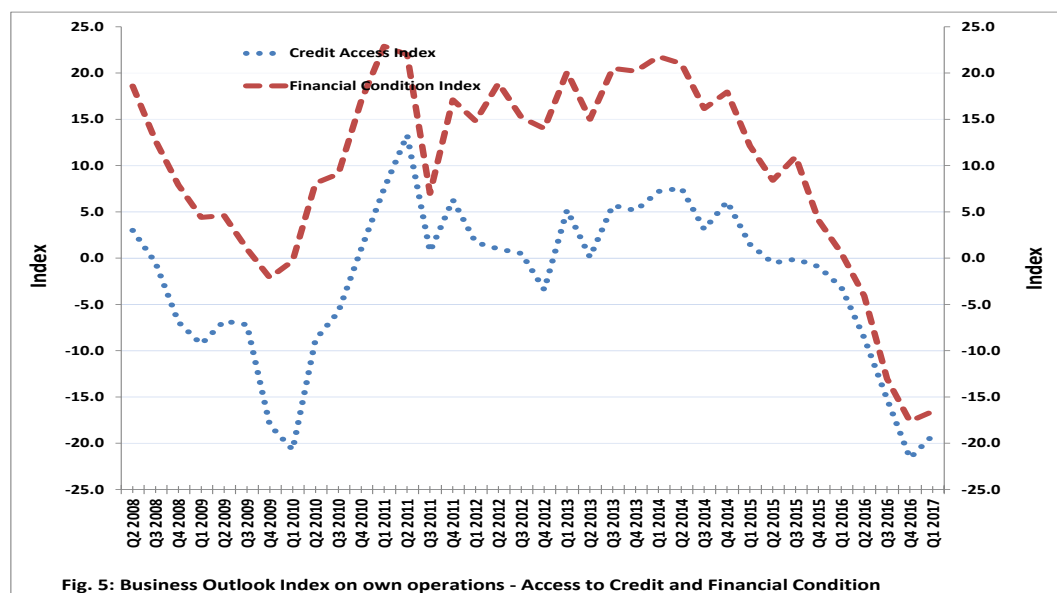


## Access to Credit and Financial Condition

The financial condition index in the current quarter stood at -16.6 per cent and was driven by the services sector (-5.0 points), industrial (-4.9 points), wholesale/retail trade (-3.9 points) and construction (-2.7 points) sectors (Table 2, Sections 5 & 21).

Respondents' pessimism on the volume of total orders and internal liquidity positions (financial conditions), dampened the volume of their business activities in the current quarter. Similarly, their pessimism on access to credit, further lessened their internal liquidity positions in the review quarter (Table 2, Section 5).

*Respondents were pessimistic on the volume of business activities and access to credit in the current quarter*



*The positive outlook on the volume of business activities of firms reflects higher prospects for expansion in the next quarter.*

*The employment outlook index by sector shows that the services sector has the highest prospects for employment in the next quarter.*

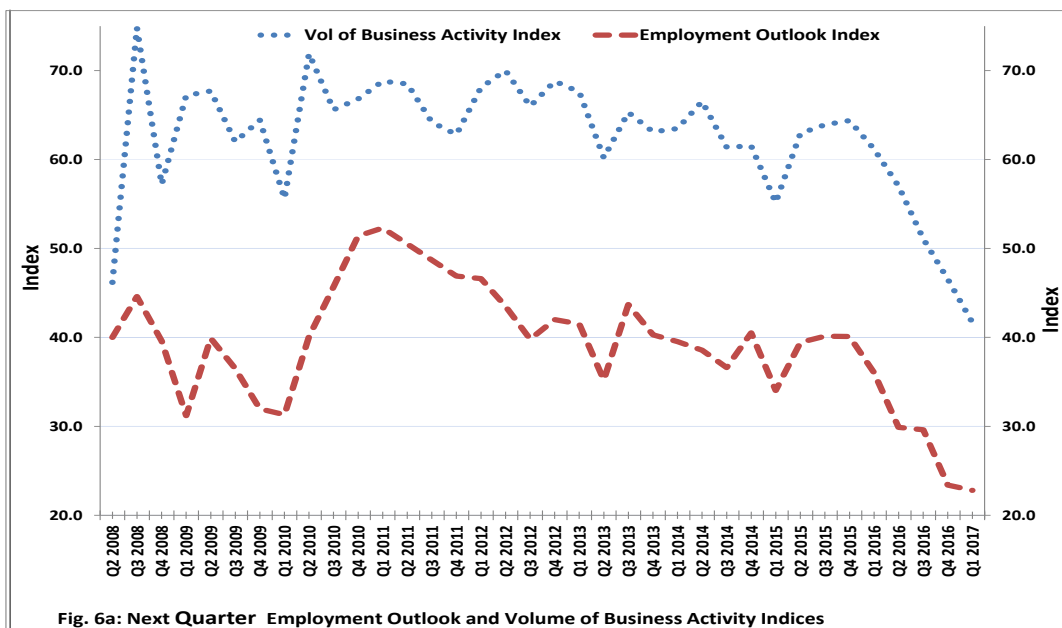


Fig. 6a: Next Quarter Employment Outlook and Volume of Business Activity Indices

### Employment and Expansion Plans

At 41.7 index points, the positive outlook in the volume of business activities reflected prospects for expansion in the next quarter. The employment index stood at 22.8 points, indicating a favourable outlook. The employment outlook index by sector, showed that the services sector (10.1 per cent) indicates higher prospects for creating jobs, followed by the wholesale/retail trade (5.6 per cent), industrial (4.6 per cent) and construction (2.5 per cent) sectors (Table 2, Sections 6,7 & 22).

An analysis of businesses with expansion plans by sector in the next quarter showed that the wholesale/retail trade indicates disposition for expansion with an index of 60.8 points. Similarly, services, construction and industrial sector firms registered expansion plans for Q1, 2017 with indices of 60.5, 58.6 and 56.4 points, respectively (Table 2, Section 8).

### Business Constraints

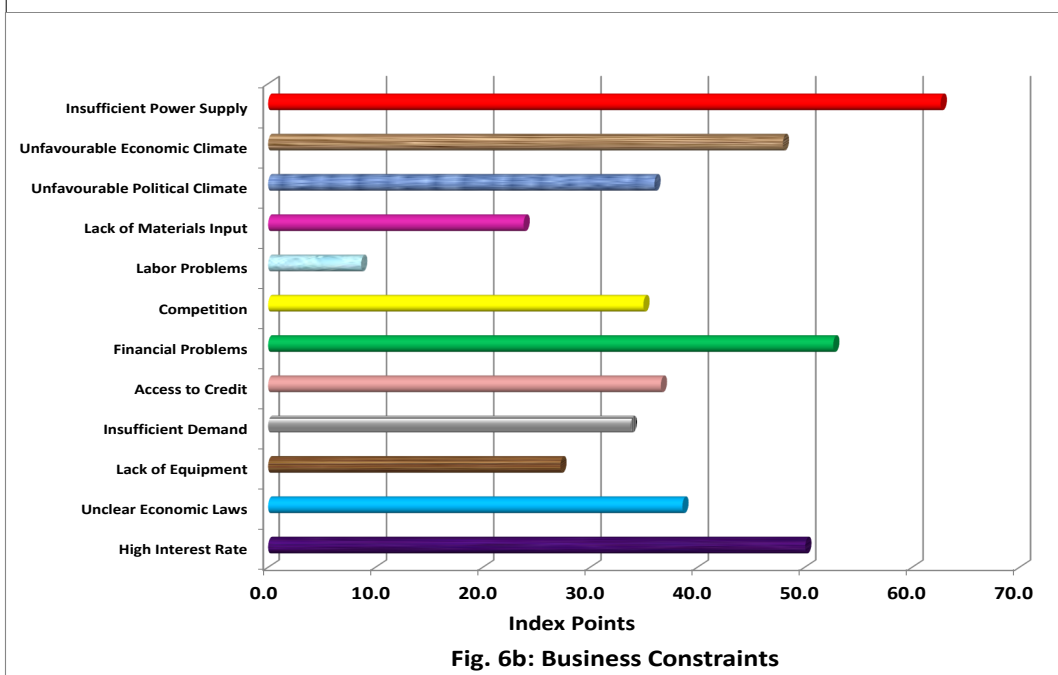


Fig. 6b: Business Constraints



*Insufficient power supply, financial problems, high interest rate and unfavourable economic climate remain major constraints to businesses in Nigeria.*

*The surveyed firms expect the naira to depreciate in both the current and the next quarters.*

*Inflation rate was expected to rise in the current and next quarters.*

The surveyed firms identified insufficient power supply (62.7 index points), financial problems (52.7 points), high interest rate (50.1 points), unfavourable economic climate (48.0 points), unclear economic laws (38.6 points), access to credit (36.6 point), unfavourable political climate (36.0 points), competition (35.0 points) and insufficient demand (33.8 points) as the major factors constraining business activity in the current quarter (Fig. 6b and Table 2, Section 9).

### Expectations on Exchange Rate

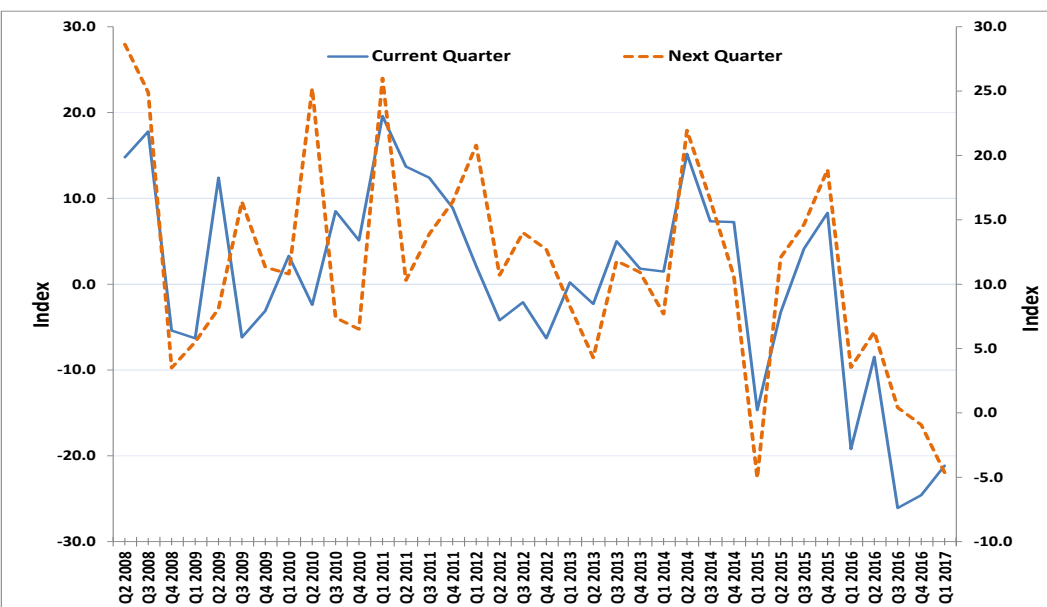


Fig. 6c: N/\$ Exchange Rate Index

Majority of the respondent firms expect the naira to depreciate in both the current and next quarters, as the confidence indices stood at -21.1 and -4.6 points for the current and next quarter, respectively (Fig. 6c and Table 2, Sections 10 & 11).

### Expectations on Inflation and Borrowing Rates

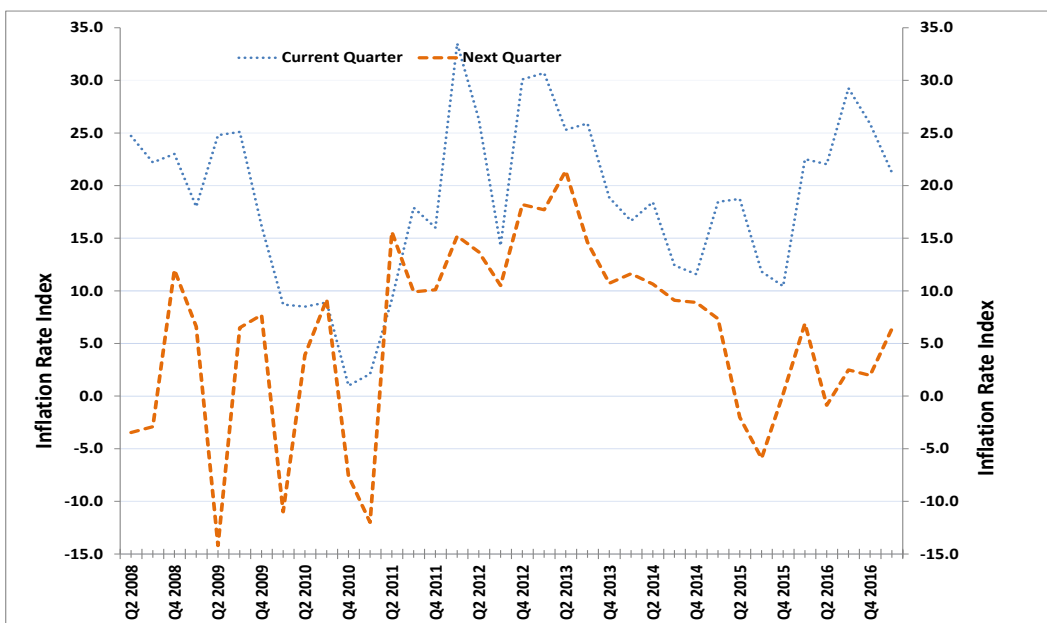
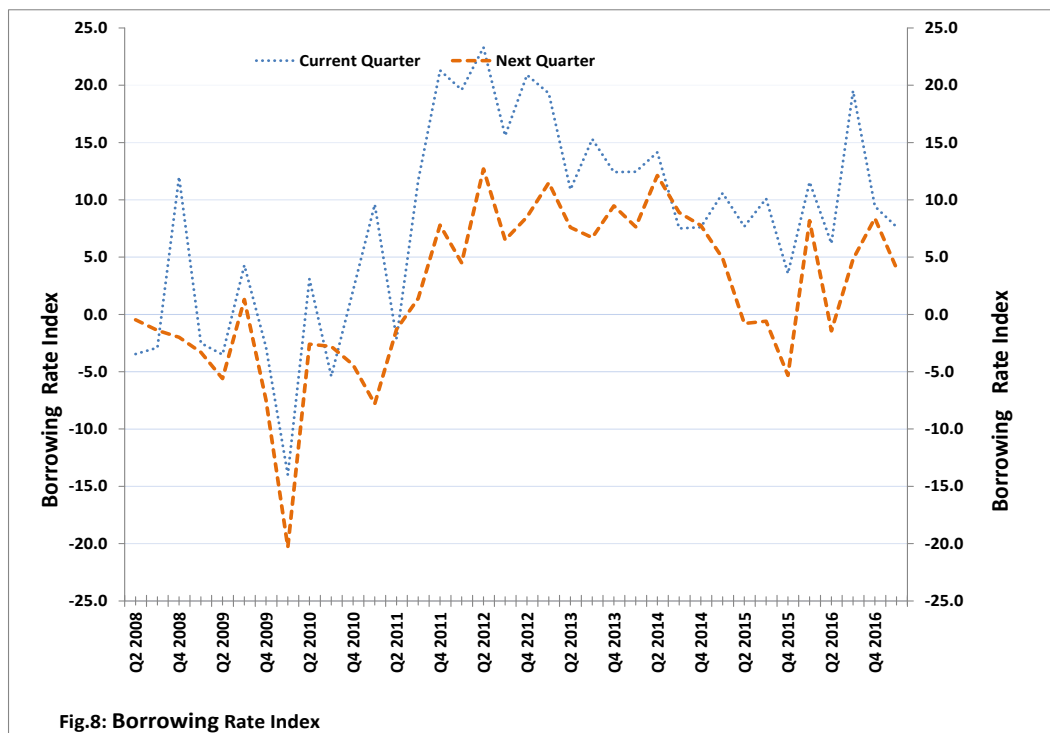


Fig. 7: Inflation Rate Index

Respondent firms expected inflation rate to rise in both the current quarter and the next quarter, with confidence indices of 21.2 and 6.4 points for the current and next quarter, respectively (Fig. 7 and Table 2, Sections 10 & 11).

*Borrowing rates are expected to rise in both the current quarter and the next quarter.*



Similarly, respondent firms expect the borrowing rate to rise in the current and next quarters as the confidence indices stood at 7.6 and 4.0 points, respectively (Fig. 8 and Table 2, Sections 10 & 11).

**TABLE 2**  
**BUSINESS EXPECTATIONS SURVEY**  
**National**

Year Quarter	2014				2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Overall Business Outlook on the Macroeconomy</b>														
Confidence Index: All Sectors														
<b>Current Quarter</b>														
National	21.8	21.7	16.4	16.0	8.4	2.8	14.9	8.3	-10.3	-12.3	-24.1	-29.0	-27.7	-25.4
North Central	12.7	17.1	22.9	30.2	23.4	-1.7	22.5	-5.5	-2.6	-1.7	-22.1	-23.4	-25.4	-11.0
North East	21.6	7.5	18.8	12.8	8.8	10.4	33.6	21.2	-5.2	-13.7	-21.4	-2.3	-11.0	-14.3
North West	25.6	17.9	10.6	12.7	-0.9	14.5	20.4	15.4	-4.6	-5.4	-33.7	-30.6	-45.2	-40.0
South East	10.8	36.7	10.1	6.5	8.8	-1.2	-18.5	8.5	-17.4	-48.4	-52.2	-57.0	-45.2	-40.0
South South	38.0	35.0	17.8	25.2	19.3	-16.3	23.6	-1.7	-24.4	1.7	9.4	-27.5	-33.9	-33.9
South West	20.9	17.0	17.0	8.3	-5.6	8.5	6.8	13.1	-10.4	-14.5	-26.8	-37.8	-33.9	-33.9
<b>Next Quarter</b>														
National	52.7	55.3	53.6	55.7	46.4	55.5	54.6	52.8	49.7	44.4	35.1	32.2	28.2	31.9
North Central	39.5	55.7	50.9	65.9	52.9	48.0	48.4	43.1	43.8	43.6	23.8	14.5	31.9	53.7
North East	61.3	48.0	60.0	63.6	59.6	66.8	57.2	74.8	61.6	47.2	46.8	53.7	53.7	41.1
North West	51.3	49.7	54.4	58.7	42.4	62.3	59.9	50.1	59.1	55.1	35.4	32.6	41.1	-7.2
South East	44.0	55.7	44.8	39.5	48.8	56.0	33.3	50.0	42.9	9.3	13.3	16.1	5.7	33.9
South South	65.0	62.3	53.7	64.8	55.9	47.7	65.1	39.7	38.6	53.7	46.2	33.1	5.7	33.9
South West	57.0	58.0	56.6	43.2	27.3	54.8	59.0	61.1	51.6	48.6	41.2	35.9	33.9	33.9
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>														
Industrial Sector	20.0	16.9	12.7	22.9	7.5	0.4	11.8	9.0	-10.8	-15.7	-38.7	-32.4	-36.2	-26.3
Construction Sector	21.9	20.4	15.7	-2.1	-4.3	-8.0	5.6	-2.9	-10.6	-19.0	-25.0	-29.3	-26.3	-24.7
Wholesale and Retail Trade	16.6	20.3	16.9	15.3	10.0	7.8	10.6	11.2	-12.0	-11.9	-26.0	-28.7	-24.8	-24.8
Services Sector of which:	26.9	26.5	18.9	18.4	12.6	4.8	23.2	9.5	-8.6	-7.5	-11.8	-26.6	-24.8	-24.8
Financial Intermediation	36.1	33.1	28.7	32.3	22.0	8.1	45.1	9.3	-17.2	-12.9	-8.3	-20.9	-34.6	-34.6
Hotels and Restaurants	26.7	5.2	5.9	0.6	-1.7	-2.1	8.5	7.8	-23.9	-18.2	-18.8	-29.7	-34.6	-34.6
Renting and Business Activities	20.9	31.4	20.1	25.9	7.3	-2.7	24.3	11.8	1.3	-5.0	-9.2	-33.6	-17.0	-17.0
Community and Social Services	24.2	37.2	24.7	19.5	23.7	15.6	15.5	9.5	5.1	4.8	-11.6	-30.3	-24.8	-24.8
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>														
Industrial Sector	50.5	53.4	53.1	57.6	41.7	51.6	54.9	51.0	44.8	38.0	17.0	26.9	25.6	28.7
Construction Sector	52.2	52.7	55.8	46.9	31.9	50.2	53.6	43.2	48.2	42.2	39.1	28.3	28.7	28.5
Wholesale and Retail Trade	54.7	53.8	51.8	51.4	51.5	56.6	47.4	56.6	55.0	44.9	41.6	31.9	31.5	31.5
Services Sector of which:	54.7	58.8	54.5	61.5	51.5	59.6	60.2	54.5	55.0	49.6	41.9	34.9	31.5	31.5
Financial Intermediation	58.5	68.5	64.8	63.0	65.9	65.9	54.9	60.5	55.2	51.1	52.6	43.2	23.0	23.0
Hotels and Restaurants	58.3	45.9	50.5	58.4	47.5	61.0	61.6	47.2	54.3	39.2	33.0	37.8	50.4	50.4
Renting and Business Activities	52.7	58.5	55.8	67.3	39.7	49.0	66.2	54.2	50.0	57.8	37.4	28.8	29.1	29.1
Community and Social Services	49.1	64.4	50.5	58.5	55.1	62.2	59.1	57.7	59.9	51.3	47.0	31.7	27.7	27.7
<b>4. Business Confidence Index on Own Operations by Sector: Current Quarter</b>														
Industrial Sector	19.3	20.8	12.0	17.5	6.5	0.2	8.1	3.4	1.1	-7.0	-24.3	-20.8	-20.5	-21.5
Construction Sector	16.7	8.6	12.0	0.4	-5.9	2.3	0.4	-8.6	-8.0	-9.0	-13.3	-21.4	-21.5	-14.8
Wholesale and Retail Trade	23.3	20.1	19.0	17.0	15.2	9.2	11.9	6.6	4.0	-6.0	-15.6	-21.1	-14.8	-13.6
Services Sector	24.5	26.5	18.4	25.4	20.8	16.2	16.2	7.4	4.1	1.5	-3.1	-11.4	-13.6	-13.6
<b>5. Business Outlook Index on Own Operations : Current Quarter</b>														
Volume of Business Activity Index	25.1	27.1	17.6	21.7	17.0	12.9	13.9	11.2	-0.2	-3.8	-16.8	-17.4	-17.6	-18.4
Volume of Total Order Book Index	26.8	25.6	19.3	20.6	17.2	12.6	14.4	11.0	2.1	-3.8	-15.2	-18.5	-18.4	-19.1
Credit Access Index	7.2	7.6	3.1	6.1	1.5	-0.5	-0.1	-0.9	-3.2	-8.6	-15.2	-21.6	-19.1	-16.6
Financial Condition Index	21.8	21.0	16.2	18.0	12.1	8.4	11.0	4.1	0.5	-4.1	-13.0	-17.6	-16.6	-16.6
Average Capacity Utilization	27.6	28.7	20.4	21.7	15.0	15.2	18.1	10.5	7.4	2.4	-7.8	-8.9	-10.2	-10.2
<b>6. Business Outlook Index on Own Operations : Next Quarter</b>														
Volume of Business Activity Index	63.5	66.5	61.4	61.5	55.2	62.9	63.9	64.4	61.2	57.0	51.1	46.5	41.7	41.7
Volume of Total Order Book Index	39.5	38.6	36.6	40.5	34.0	39.4	40.1	40.1	36.0	29.9	29.6	23.4	22.8	22.8
<b>7. Employment Outlook Index on Own Operations by Sector: Next Quarter</b>														
Industrial Sector	37.4	41.4	34.5	41.5	29.7	31.4	35.0	38.1	31.6	25.8	20.2	18.6	19.2	19.8
Construction Sector	37.1	32.2	32.9	36.0	21.7	40.3	42.9	35.0	33.9	34.3	33.6	19.2	19.8	21.0
Wholesale and Retail Trade	42.2	37.3	43.3	38.9	39.4	42.6	38.2	43.7	35.7	30.1	31.5	21.9	21.0	27.5
Services Sector	40.1	39.2	34.2	42.6	37.9	42.4	44.0	40.6	40.1	30.8	33.5	29.5	27.5	27.5
<b>8. Business with Expansion Plans (in per cent): Next Quarter</b>														
Industrial Sector	62.0	62.9	56.1	59.6	54.4	62.3	59.8	62.2	57.1	56.0	46.2	55.3	56.2	58.6
Construction Sector	66.1	57.1	61.0	55.9	49.2	63.9	65.4	60.5	61.7	64.6	57.4	58.3	58.6	60.8
Wholesale and Retail Trade	67.2	69.3	68.7	56.8	59.8	71.0	66.7	69.6	63.7	64.2	54.9	61.0	60.8	60.5
Services Sector of which:	66.7	63.6	63.3	64.2	58.5	66.0	62.5	68.2	66.6	64.4	59.2	56.5	60.5	60.5
Financial Intermediation	66.7	65.4	63.9	66.1	60.2	64.9	60.1	60.5	67.2	63.0	58.6	58.8	70.4	70.4
Hotels and Restaurants	59.4	58.7	61.7	61.8	55.8	66.3	60.4	66.7	62.5	60.2	56.0	55.7	51.4	51.4
Renting and Business Activities	69.6	67.3	65.4	67.3	61.6	57.8	64.4	72.5	66.9	69.6	67.3	55.5	61.5	61.5
Community and Social Services	72.0	63.8	62.6	62.6	57.6	73.3	64.9	71.4	70.1	65.1	56.1	56.4	59.0	59.0



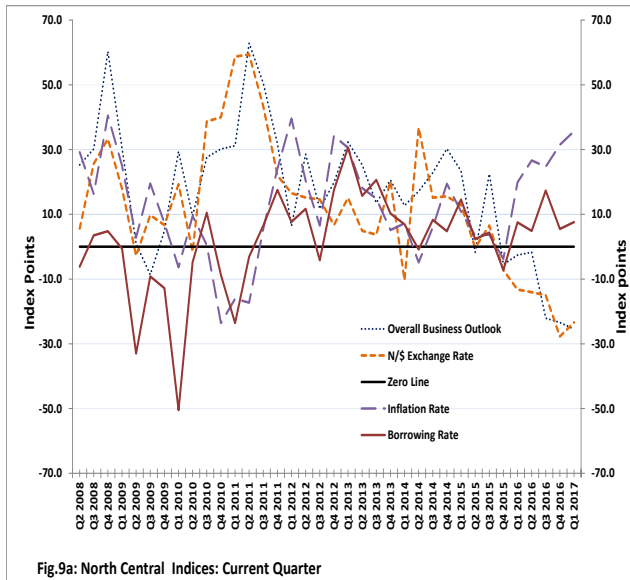
**TABLE 2 (Continued)**  
**BUSINESS EXPECTATIONS SURVEY**  
**National**

Year	2014				2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
<b>18. Distribution of Respondent Firms by Sector</b>														
Sample Size (N)	1850	1850	1900	1900	1900	1900	1900	1900	1900	1900	1950	1950	1950	1950
Response Rate (%)	99.0	98.7	98.3	97.9	98.9	99.4	97.8	98.8	98.5	99.5	99.5	99.1	99.5	99.5
<b>All Sectors</b>	<b>1832</b>	<b>1826</b>	<b>1868</b>	<b>1861</b>	<b>1880</b>	<b>1889</b>	<b>1859</b>	<b>1878</b>	<b>1872</b>	<b>1941</b>	<b>1933</b>	<b>1940</b>	<b>1940</b>	<b>1940</b>
Industrial Sector	481.0	461.0	458	458	465	465	457	465	446	484	489	472	469	469
Construction Sector	251	245	249	239	254	263	233	243	274	268	256	276	247	247
Wholesale and Retail Trade	464	474.0	515	502	508	512	489	519	499	519	503	508	515	515
Services Sector of which:	<b>636</b>	<b>646</b>	<b>646</b>	<b>662</b>	<b>653</b>	<b>649</b>	<b>680</b>	<b>651</b>	<b>653</b>	<b>670</b>	<b>685</b>	<b>684</b>	<b>709</b>	<b>709</b>
Financial Intermediation	147	127	122	127	123	135	173	129	134	139	133	132	187	187
Hotels and Restaurants	180	172	188	178	181	187	165	180	184	181	191	185	185	185
Renting and Business Activities	148	159	154	162	151	147	148	153	157	161	163	146	135	135
Community and Social Services	161	188	182	195	198	180	194	189	178	189	198	221	202	202
<b>19. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter</b>														
Industrial Sector	5.2	4.3	3.1	5.6	1.9	0.1	2.9	2.2	-2.6	-3.9	-9.8	-7.9	-8.8	-8.8
Construction Sector	3.0	2.7	2.1	-0.3	-0.6	-1.1	0.7	-0.4	-1.5	-2.6	-3.8	-4.2	-3.4	-3.4
Wholesale and Retail Trade	4.2	5.3	4.7	4.1	2.7	2.1	2.8	3.1	-3.2	-3.2	-6.8	-7.5	-6.5	-6.5
Services Sector	9.3	9.4	6.5	6.6	4.4	1.6	8.5	3.3	-3.0	-2.6	-4.2	-9.4	-9.1	-9.1
	<b>21.8</b>	<b>21.6</b>	<b>16.4</b>	<b>16.1</b>	<b>8.4</b>	<b>2.8</b>	<b>14.9</b>	<b>8.3</b>	<b>-10.3</b>	<b>-12.3</b>	<b>-24.1</b>	<b>-29.0</b>	<b>-27.7</b>	<b>-27.7</b>
<b>20. Business Outlook Index on the Macroeconomy by Sector Contribution: Next Quarter</b>														
Industrial Sector	13.3	13.5	13.0	14.2	10.3	12.7	13.5	12.6	10.7	9.5	4.3	6.5	6.2	6.2
Construction Sector	7.2	7.1	7.4	6.0	4.3	7.0	6.7	5.6	7.1	5.8	5.2	4.0	3.7	3.7
Wholesale and Retail Trade	13.3	14.0	14.3	13.9	13.9	15.4	12.5	15.7	12.8	12.0	10.8	8.4	7.6	7.6
Services Sector	19.0	20.8	18.8	21.9	17.9	20.5	22.0	18.9	19.2	17.1	14.8	12.3	11.5	11.5
	<b>52.7</b>	<b>55.3</b>	<b>53.6</b>	<b>55.9</b>	<b>46.4</b>	<b>55.5</b>	<b>54.7</b>	<b>52.8</b>	<b>49.7</b>	<b>44.4</b>	<b>35.1</b>	<b>31.2</b>	<b>28.9</b>	<b>28.9</b>
<b>21. Business Confidence Index on Own Operations by Sector: Current Quarter</b>														
Industrial Sector	5.1	5.3	2.9	4.3	1.6	0.1	2.0	0.9	0.3	-1.8	-6.2	-5.1	-4.9	-4.9
Construction Sector	2.3	1.2	1.6	0.1	-0.8	0.3	0.1	-1.1	-1.2	-1.2	-1.8	-3.0	-2.7	-2.7
Wholesale and Retail Trade	5.9	5.2	5.2	4.6	4.1	2.5	3.1	1.8	0.0	-1.6	-4.1	-5.5	-3.9	-3.9
Services Sector	8.5	9.4	6.4	9.0	7.2	5.6	2.6	1.4	0.5	-1.1	-4.0	-5.0	-5.0	-5.0
	<b>21.8</b>	<b>21.0</b>	<b>16.2</b>	<b>18.0</b>	<b>12.1</b>	<b>8.4</b>	<b>11.1</b>	<b>4.1</b>	<b>0.5</b>	<b>-4.1</b>	<b>-13.1</b>	<b>-17.6</b>	<b>-16.6</b>	<b>-16.6</b>
<b>22. Employment Outlook Index on Own Operations by Sector: Next Quarter</b>														
Industrial Sector	9.8	10.5	8.5	10.2	7.3	7.7	8.6	9.4	7.5	6.4	5.1	4.5	4.6	4.6
Construction Sector	5.1	4.3	4.4	4.6	2.9	5.6	5.4	4.5	5.0	4.7	4.4	2.7	2.5	2.5
Wholesale and Retail Trade	10.7	9.7	11.9	10.5	10.6	11.5	10.1	12.1	9.5	8.0	8.2	5.7	5.6	5.6
Services Sector	13.9	13.9	11.8	15.2	13.2	14.6	16.1	14.1	14.0	10.6	11.9	10.4	10.1	10.1
Employment Outlook Index	<b>39.5</b>	<b>38.3</b>	<b>36.6</b>	<b>40.5</b>	<b>34.1</b>	<b>39.4</b>	<b>40.1</b>	<b>40.1</b>	<b>36.0</b>	<b>29.8</b>	<b>29.7</b>	<b>23.4</b>	<b>22.8</b>	<b>22.8</b>
<b>23. Drivers of macroeconomic Outlook by type of business: Current Quarter</b>														
Importer	4.5	2.3	5.1	2.4	0.8	0.1	2.6	0.4	-2.0	-3.5	-6.3	-3.9	-4.8	-4.8
Exporter	0.2	0.7	0.3	0.6	0.3	0.5	0.1	0.6	-0.3	0.1	0.0	-0.3	-0.9	-0.9
Both Importer and Exporter	2.8	0.4	1.2	0.3	-0.3	-1.2	0.6	0.6	-2.3	-1.5	-3.4	-2.8	-3.4	-3.4
Neither Importer nor exporter	14.2	18.2	9.8	12.8	7.5	3.3	11.6	6.6	-5.7	-7.4	-14.3	-22.0	-18.7	-18.7
Macroeconomic Outlook Index	<b>21.8</b>	<b>21.7</b>	<b>16.4</b>	<b>16.0</b>	<b>8.4</b>	<b>2.8</b>	<b>14.9</b>	<b>8.3</b>	<b>-10.3</b>	<b>-12.3</b>	<b>-24.0</b>	<b>-29.0</b>	<b>-27.7</b>	<b>-27.7</b>
<b>24. Drivers of macroeconomic Outlook by type of business: Next Quarter</b>														
Importer	8.4	7.3	10.3	7.8	7.8	9.9	7.5	7.9	7.0	6.5	4.3	2.3	1.0	1.0
Exporter	1.1	1.3	1.5	0.7	0.8	0.6	1.0	1.8	0.4	1.4	1.0	0.6	-0.2	-0.2
Both Importer and Exporter	4.5	4.1	4.6	4.2	3.1	4.0	3.1	3.0	3.4	2.6	3.1	0.8	0.8	0.8
Neither Importer nor exporter	38.6	42.6	37.2	43.0	35.5	40.9	42.1	38.0	38.9	33.3	27.2	25.3	26.5	26.5
Macroeconomic Outlook Index: Next Quarter	<b>52.7</b>	<b>55.3</b>	<b>53.5</b>	<b>55.7</b>	<b>46.4</b>	<b>55.6</b>	<b>54.6</b>	<b>52.8</b>	<b>49.7</b>	<b>44.4</b>	<b>35.2</b>	<b>31.2</b>	<b>28.2</b>	<b>28.2</b>
<b>25. Drivers of macroeconomic Outlook by Size of Business: Current Quarter</b>														
Small (<50)	17.4	18.2	12.9	12.5	6.3	2.5	12.7	6.5	-8.7	-10.3	-19.3	-23.7	-22.9	-22.9
Medium (50 and <200)	3.6	3.0	2.8	2.6	1.3	0.2	2.1	1.8	-1.2	-1.4	-2.7	-4.3	-2.0	-2.0
Large (200 and Up)	0.8	0.4	0.7	0.9	0.7	-0.1	0.2	-0.1	-0.4	-0.6	-2.0	-1.0	-2.8	-2.8
Macroeconomic Outlook Index: Current Quarter	<b>21.8</b>	<b>21.6</b>	<b>16.4</b>	<b>16.0</b>	<b>8.4</b>	<b>2.6</b>	<b>15.0</b>	<b>8.3</b>	<b>-10.3</b>	<b>-12.3</b>	<b>-24.1</b>	<b>-29.0</b>	<b>-27.7</b>	<b>-27.7</b>
<b>26. Percentage Distribution of Respondent Firms by Sector</b>														
Industrial Sector	26.3	25.2	24.5	24.6	24.7	24.6	24.6	24.8	23.8	24.9	25.3	24.3	24.2	24.2
Construction Sector	13.7	13.4	13.3	12.8	13.5	13.9	12.5	12.9	14.6	13.8	13.2	14.2	12.7	12.7
Wholesale and Retail Trade	25.3	26.0	27.6	27.0	27.0	27.1	26.3	27.6	26.7	26.7	26.0	26.2	26.5	26.5
Services Sector	34.7	35.4	34.6	35.6	34.7	34.4	36.6	34.7	34.9	34.5	35.4	35.3	36.5	36.5

# Business Expectations Survey

## Q1 2017 North Central Zone

### Business Outlook

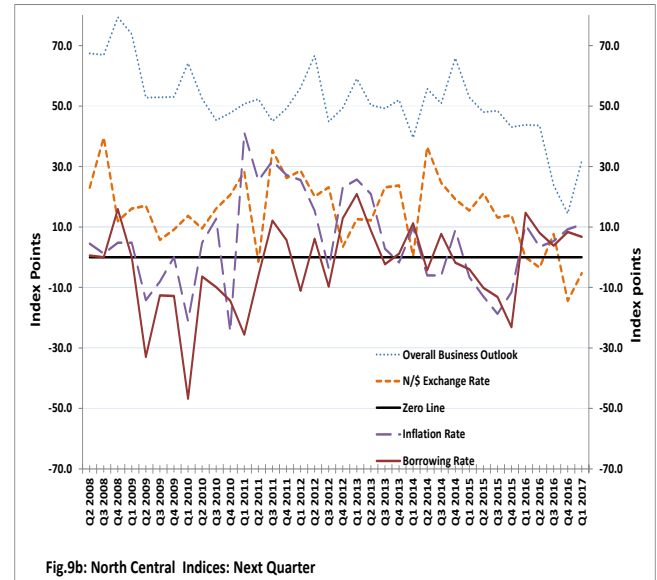


Respondents in the North Central zone were pessimistic on business activities in the review quarter as overall confidence index stood at -25.4 index points, compared to -2.6 index points achieved in the corresponding quarter of 2016. At 31.9 points, respondents were more optimistic about business activities in the next quarter (Fig. 9).

The pessimism in the overall business outlook in the zone was driven by the industrial (-9.4 points) construction (-5.6 points) and services (-5.6 points) while wholesale and retail trade (-5.0 point) sectors (Table 3 Sections 2 & 14).

Respondents' pessimism in the volume of total order and internal liquidity positions (financial conditions), dampened the volume of their business activities in the current quarter. Similarly, respondents' pessimism on access to credit negatively affected their internal liquidity positions in the review quarter.

The financial condition (internal liquidity position) index of the firms at -18.4 points in the current quarter was driven by services (-8.2 points), industrial (-4.4 points), construction (-3.5 points) and wholesale & retail trade (-2.3 points) (Table 3, Sections 4,5 & 15).



Respondents in the zone cited insufficient power supply, unfavourable economic climate, financial problems and unfavourable political climate as major constraints to the growth of business activities (Table 3 Section 8).

Respondent firms in the zone expected the Naira to depreciate in the current and the next quarters. Similarly, inflation and borrowing rates were expected to rise in the current and next quarters (Table 3 Sections 9 & 10).

The respondent firms by type of business showed that majority of firms in the North-Central Region neither export nor import (80.1 per cent); 10.5 per cent are import-oriented; 7.9 per cent import and export; while 1.5 percent are export-oriented (Table 3 Section 11).

**TABLE 3**  
**BUSINESS EXPECTATIONS SURVEY**  
**North Central Zone**

Year	2014				2015				2016				2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>1. Overall Business Outlook on the Macroeconomy</b>													
<b>Confidence Index: All Sectors</b>													
<b>Current Quarter</b>													
North Central	12.7	17.1	22.9	30.2	23.4	-1.7	22.5	-5.5	-2.6	-1.7	-22.1	-23.4	-25.4
<b>Next Quarter</b>													
North Central	39.5	55.7	50.9	65.9	52.9	48.0	48.4	43.1	43.8	43.6	23.8	14.5	31.9
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>													
Industrial Sector	25.7	2.9	20.9	29.4	33.3	-4.4	1.6	-9.3	-2.7	7.2	-22.7	-22.9	-43.2
Construction Sector	-1.9	10.2	34.0	9.1	6.1	-8.5	30.2	-8.3	-4.0	-2.0	2.0	-20.4	-39.6
Wholesale and Retail Trade	12.4	29.9	32.4	37.5	31.1	5.9	40.5	1.2	2.1	-3.0	-43.2	-27.8	-19.5
Services Sector of which:	11.8	17.6	11.2	32.8	19.3	-3.9	18.5	-6.4	-5.5	-5.4	-17.8	-21.9	-14.3
Financial Intermediation	6.9	26.7	24.0	30.8	18.5	-10.7	28.6	3.8	-26.7	3.8	-7.7	-16.0	13.3
Hotels and Restaurants	21.2	-9.1	-2.9	3.0	-14.3	2.9	-2.6	-4.8	0.0	-2.9	-42.9	-20.6	-34.1
Renting and Business Activities	9.4	18.9	3.4	53.1	24.1	-5.9	38.7	-3.0	-9.1	-33.3	-15.6	-32.4	3.7
Community and Social Services	9.5	33.3	22.2	41.9	43.2	-3.1	15.2	-17.9	13.8	10.8	-4.8	-17.1	-28.6
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>													
Industrial Sector	41.4	51.5	56.7	69.1	46.0	52.9	46.0	38.7	45.3	43.5	16.0	27.1	20.3
Construction Sector	32.7	42.9	51.1	31.8	36.7	42.6	46.5	31.3	28.0	46.9	34.7	-2.0	29.2
Wholesale and Retail Trade	44.9	67.0	55.0	76.1	57.3	54.9	41.7	51.8	40.4	37.6	17.3	17.8	28.7
Services Sector of which:	37.5	54.4	44.0	68.7	58.5	41.9	54.6	44.3	51.6	46.9	28.1	11.7	44.7
Financial Intermediation	44.8	60.0	52.0	69.2	81.5	42.9	57.1	53.8	30.0	57.7	38.5	16.0	40.0
Hotels and Restaurants	54.5	36.4	42.9	63.6	45.7	45.7	55.3	35.7	66.7	35.3	-5.7	2.9	67.7
Renting and Business Activities	37.5	48.6	55.2	75.0	44.8	41.2	58.1	48.5	54.5	57.6	34.4	13.5	22.2
Community and Social Services	19.0	72.2	30.6	67.4	63.6	37.5	48.5	43.6	51.7	40.5	45.2	14.6	45.7
<b>4. Business Confidence Index on Own Operations by Sector: Current Quarter</b>													
Industrial Sector	1.4	19.1	1.5	20.6	19.0	-2.9	15.9	-24.0	-2.7	7.2	-14.7	-34.3	-20.3
Construction Sector	7.7	-4.1	21.3	13.6	8.2	-4.3	18.6	-41.7	-18.0	12.2	-4.1	-30.6	-25.0
Wholesale and Retail Trade	11.2	36.1	26.1	34.1	24.3	2.9	21.4	-7.2	-9.6	5.9	-30.4	-23.3	-9.2
Services Sector	4.4	27.2	11.2	19.4	31.9	3.9	6.2	-20.0	-10.9	6.2	-6.0	-16.1	-21.1
<b>5. Business Outlook Index on Own Operations : Current Quarter</b>													
Volume of Business Activity Index	9.2	22.3	21.1	28.4	27.1	6.4	20.3	-7.2	4.0	5.4	-17.1	-13.9	-11.4
Volume of Total Order Book Index	11.5	22.6	20.6	29.9	30.0	6.1	16.9	-12.7	-2.3	1.4	-19.4	-16.8	-14.9
Credit Access Index	2.0	3.7	6.0	9.6	8.0	-6.6	-4.7	-16.2	-7.8	-6.6	-15.6	-14.2	-14.9
Financial Condition Index	6.1	23.9	15.4	22.8	24.0	1.2	13.8	-20.8	-9.8	7.2	-13.2	-23.7	-18.4
Average Capacity Utilization	12.4	27.3	20.9	27.2	28.0	9.5	23.1	-6.9	2.9	15.8	-4.1	-11.8	-3.8
<b>6. Business Outlook Index on Own Operations : Next Quarter</b>													
Volume of Business Activity Index	53.9	66.7	59.4	75.7	63.7	49.7	54.7	48.6	45.0	58.2	40.0	20.8	40.1
Employment Outlook Index	29.4	44.0	40.9	53.0	43.4	35.8	40.9	34.7	23.9	35.2	29.4	15.3	24.9
<b>7. Business with Expansion Plans (in per cent): Next Quarter</b>													
Industrial Sector	57.1	70.6	59.7	61.8	58.7	66.2	68.3	65.3	49.3	56.7	42.7	50.0	66.2
Construction Sector	57.7	57.1	59.6	50.0	51.0	68.1	72.1	72.9	54.0	75.5	51.0	49.0	68.8
Wholesale and Retail Trade	64.0	77.3	71.2	64.8	67.0	80.2	73.8	80.7	58.5	67.7	38.0	61.4	63.2
Services Sector of which:	58.8	73.5	59.2	62.7	61.5	69.5	69.0	68.6	54.7	64.6	54.1	48.9	59.1
Financial Intermediation	55.2	70.0	60.0	61.5	66.7	63.0	53.6	65.4	53.3	64.0	46.2	48.0	56.7
Hotels and Restaurants	57.6	69.7	54.3	60.6	62.9	80.0	65.8	69.0	44.4	52.9	45.7	55.9	53.7
Renting and Business Activities	62.5	75.7	62.1	62.5	51.7	58.8	76.7	69.7	63.6	81.8	59.4	51.4	63.0

**TABLE 3 (Continued)**  
**BUSINESS EXPECTATIONS SURVEY**  
**North Central Zone**

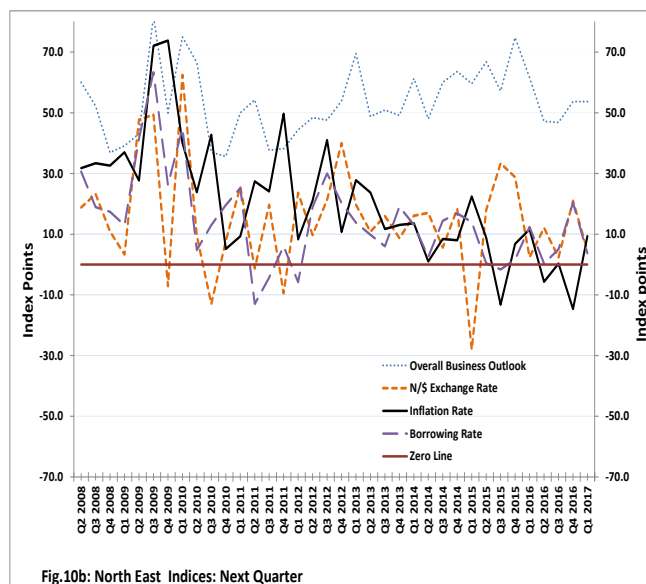
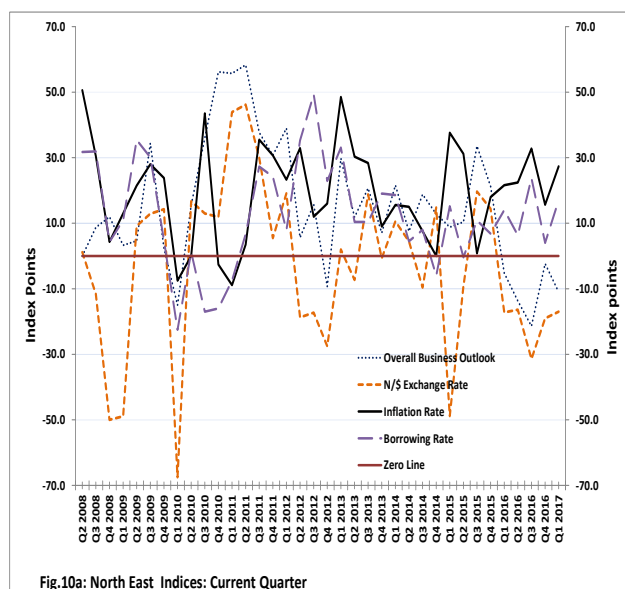
Year Quarter	2014				2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q4
<b>8. Business Constraints: Current Quarter</b>														
High Interest Rate	38.6	37.9	55.6	43.7	60.0	50.3	44.7	51.4	50.4	53.4	54.3	56.9	43.1	43.1
Unclear Economic Laws	24.9	22.7	40.6	31.7	43.4	38.4	28.8	34.2	43.4	41.1	43.4	47.5	41.5	41.5
Lack of Equipment	4.6	16.0	35.3	4.5	22.0	24.7	16.6	16.0	20.6	29.4	25.2	27.6	31.6	31.6
Insufficient Demand	11.5	27.1	36.7	34.0	25.1	38.3	28.4	30.8	24.9	35.7	42.2	42.3	29.4	29.4
Access to Credit	30.7	22.7	46.3	27.8	40.9	37.7	23.4	40.2	23.5	48.0	44.9	50.7	32.0	32.0
Financial Problems	39.9	45.4	54.9	36.4	42.1	51.7	47.8	54.6	45.5	60.3	61.6	57.5	49.4	49.4
Competition	33.4	51.1	56.9	52.5	49.6	45.1	35.8	43.4	45.0	48.7	51.9	43.1	25.9	25.9
Labor Problems	-7.8	1.7	24.9	-0.7	11.0	15.2	5.9	10.1	11.5	13.0	17.3	25.7	15.5	15.5
Lack of Materials Input	0.0	9.7	25.7	6.6	16.7	14.0	9.1	2.2	16.1	29.7	24.6	35.3	24.9	24.9
Unfavourable Political Climate	26.1	32.6	38.3	35.6	41.6	34.7	26.4	34.8	34.3	41.3	40.6	53.2	45.5	45.5
Unfavourable Economic Climate	28.7	39.9	48.0	40.6	49.6	44.9	36.3	41.5	40.8	54.2	48.2	54.5	51.9	51.9
Insufficient Power Supply	48.1	61.4	64.7	60.5	68.3	65.2	68.6	49.3	44.2	70.9	67.8	67.1	68.0	68.0
<b>9. Business Expectation Index on Selected Economic Indicators: Current Quarter</b>														
N/\$ Exchange Rate	-10.4	36.8	15.1	15.6	12.9	-0.3	6.6	-7.2	-13.3	-14.0	-15.0	-27.7	-23.4	-23.4
Inflation Rate	7.2	-4.9	6.0	19.5	10.9	3.5	3.8	-3.8	19.9	26.6	24.7	31.5	35.7	35.7
Borrowing Rate	6.9	-0.9	8.3	4.8	14.6	2.3	4.4	-7.2	7.5	4.9	17.4	5.5	7.6	7.6
<b>10. Business Expectation Index on Selected Economic Indicators: Next Quarter</b>														
N/\$ Exchange Rate	0.3	36.5	24.6	19.2	15.4	21.1	13.1	13.9	0.0	-3.4	7.6	-14.5	-5.3	-5.3
Inflation Rate	9.8	-6.0	-6.0	9.0	-6.6	-13.0	-18.8	-11.6	10.7	3.4	5.3	9.2	10.8	10.8
Borrowing Rate	11.2	-4.3	7.7	-1.8	-4.0	-10.1	-13.1	-23.1	14.7	8.0	3.8	8.4	6.7	6.7
<b>11. Percentage Distribution of Respondent Firms by Type of Business</b>														
Importer	11.8	11.7	21.1	11.7	20.9	15.7	15.0	10.1	14.4	17.5	5.3	14.7	10.5	10.5
Exporter	0.9	2.3	2.9	2.4	2.6	3.2	1.3	2.3	1.7	2.0	0.0	2.9	1.5	1.5
Both Importer and Exporter	7.5	9.7	6.9	4.2	9.7	6.1	4.7	9.0	8.6	4.3	11.2	5.5	7.9	7.9
Neither Importer nor exporter	79.8	76.3	69.1	81.7	66.9	75.1	79.1	78.6	75.2	76.2	83.5	76.9	80.1	80.1
<b>12. Percentage Distribution of Respondent Firms by Employment Size</b>														
Small (<50)	85.3	84.5	85.1	90.4	85.1	84.7	90.0	79.2	80.7	86.8	81.2	87.0	87.4	87.4
Medium (50 and <200)	10.1	10.3	12.0	8.7	10.9	11.3	8.1	13.6	13.5	12.0	15.0	10.7	9.1	9.1
Large (200 and Up)	4.6	5.2	2.9	0.9	4.0	4.0	1.9	7.2	5.8	1.1	3.8	2.3	3.5	3.5
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>13. Distribution of Respondent Firms by Sector</b>														
<b>All Sectors</b>	<b>347</b>	<b>350</b>	<b>350</b>	<b>334</b>	<b>350</b>	<b>346</b>	<b>320</b>	<b>346</b>	<b>347</b>	<b>349</b>	<b>340</b>	<b>346</b>	<b>342</b>	<b>342</b>
Industrial Sector	70	68	67	68	63	68	63	75	75	69	75	70	74	74
Construction Sector	52	49	47	44	49	47	43	48	50	49	49	49	48	48
Wholesale and Retail Trade	89	97	111	88	103	102	84	83	94	101	81	90	87	87
Services Sector of which:	<u>136</u>	<u>136</u>	<u>125</u>	<u>134</u>	<u>135</u>	<u>129</u>	<u>130</u>	<u>140</u>	<u>128</u>	<u>130</u>	<u>135</u>	<u>137</u>	<u>133</u>	<u>133</u>
Financial Intermediation	29	30	25	26	27	28	28	26	30	26	26	25	30	30
Hotels and Restaurants	33	33	35	33	35	35	38	42	36	34	35	34	41	41
Renting and Business Activities	32	37	29	32	29	34	31	33	33	33	32	37	27	27
Community and Social Services	42	36	36	43	44	32	33	39	29	37	42	41	35	35
<b>14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter</b>														
Industrial Sector	5.2	0.6	4.0	6.0	6.0	-0.9	0.3	-2.0	-0.6	1.4	-5.0	-4.6	-9.4	-9.4
Construction Sector	-0.3	1.4	4.6	1.2	0.9	-1.2	4.1	-1.2	-0.6	-0.3	0.3	-2.9	-5.6	-5.6
Wholesale and Retail Trade	3.2	8.3	10.3	9.9	9.1	1.7	10.6	0.3	0.6	-0.9	-10.3	-7.2	-5.0	-5.0
Services Sector	4.6	6.9	4.0	13.2	7.4	-1.4	7.5	-2.6	-2.0	-2.0	-7.1	-8.7	-5.6	-5.6
<b>15. Business Confidence Index on Own Operations by Sector: Current Quarter</b>														
Industrial Sector	0.3	3.7	0.3	4.2	3.4	-0.6	3.1	-5.2	-0.6	1.4	-3.2	-6.9	-4.4	-4.4
Construction Sector	1.2	-0.6	2.9	1.8	1.1	-0.6	2.5	-5.8	-2.6	1.7	-0.6	-4.3	-3.5	-3.5
Wholesale and Retail Trade	2.9	10.0	8.3	9.0	7.1	0.9	5.6	-1.7	-2.6	1.7	-7.2	-6.1	-2.3	-2.3
Services Sector	1.7	10.6	4.0	7.8	12.3	1.4	2.5	-8.1	-4.0	2.3	-2.4	-6.4	-8.2	-8.2



# Business Expectations Survey

## Q1 2017 North East Zone

### Business Outlook



Respondents in the North East zone were pessimistic on business activities in Q1 2017. At -11.0 points, overall confidence index declined by 5.8 index points compared with the level recorded in the corresponding quarter of 2016. Respondents were optimistic about business activities in the next quarter as the index stood at 53.7 points (Fig. 10).

The pessimism in the overall business outlook in the zone could be attributed to industrial (-5.0 points), wholesale and retail trade (-4.7 points) and services sectors (-2.0 points) (Table 4 Sections 2 & 14).

Respondents' pessimism in the volume of total order dampened the volume of their business activities in the current quarter. Although respondents were pessimistic on access to credit, their internal liquidity position improved in the review quarter.

The financial condition (or internal liquidity position) index of the firms which stood at 1.7 points in the current quarter was driven by services (1.3 points) construction (1.0 points) and wholesale & retail trade (0.7 points) (Table 4 Sections 4, 5 & 15).

Respondents in the zone cited insufficient power supply, high interest rate, financial problems, unfavourable economic climate and competition as major factors inhibiting the growth of business activities in the zone (Table 4 Section 8).

Respondent firms expect the Naira to depreciate in the current quarter and appreciate in next quarter. Inflation was expected to rise in the current quarter and fall in next quarter while borrowing rates were expected to rise in both the current and next quarters (Table 4 Sections 9 & 10).

The respondent firms by type of business showed that majority of firms in the North-East Region neither export nor import (87.3 per cent); 9.0 per cent are import-oriented; 6.3 per cent import and export; while 0.7 percent are export-oriented (Table 4 Section 11).

**TABLE 4**  
BUSINESS EXPECTATIONS SURVEY  
**North East Zone**

Year Quarter	2014				2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1
<b>1. Overall Business Outlook on the Macroeconomy</b>														
<b>Confidence Index: All Sectors</b>														
<b>Current Quarter</b>														
North East	21.6	7.5	18.8	12.8	8.8	10.4	33.6	21.2	-5.2	-13.7	-21.4	-2.3	-11.0	
Next Quarter														
North East	61.3	48.0	60.0	63.6	59.6	66.8	57.2	74.8	61.6	47.2	46.8	53.7	53.7	
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>														
Industrial Sector	12.5	-2.6	14.0	18.0	0.0	18.0	39.2	32.0	4.0	-30.0	-30.0	-23.3	-25.0	
Construction Sector	6.5	22.6	-10.8	0.0	16.2	8.1	28.1	25.6	-10.5	0.0	-33.3	2.2	4.3	
Wholesale and Retail Trade	7.8	-3.9	30.8	12.1	24.2	4.5	21.1	9.2	3.1	-15.4	-24.4	-5.1	-17.9	
Services Sector of which:	41.6	12.8	24.5	15.5	0.0	11.3	39.4	21.9	-13.4	-9.6	-10.3	8.5	-5.2	
Financial Intermediation	50.0	52.6	29.2	21.7	0.0	4.5	62.0	9.1	-34.8	-23.1	7.4	28.6	11.1	
Hotels and Restaurants	21.1	-10.5	-4.2	29.2	4.2	20.0	21.1	37.5	-33.3	-6.9	-13.8	-10.3	-10.3	
Renting and Business Activities	40.0	-10.0	40.0	12.0	-28.0	-12.0	15.0	24.0	28.0	-13.3	-16.7	13.3	-20.0	
Community and Social Services	55.0	20.0	32.0	0.0	24.0	32.0	25.0	16.0	-16.0	3.3	-16.7	3.3	0.0	
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>														
Industrial Sector	57.5	35.9	50.0	56.0	50.0	68.0	54.9	78.0	64.0	45.0	33.3	25.0	38.3	
Construction Sector	58.1	51.6	45.9	51.4	51.4	51.4	65.6	64.1	63.2	47.8	55.6	68.9	63.0	
Wholesale and Retail Trade	54.9	41.2	60.0	59.1	71.2	63.6	68.4	76.9	64.6	46.2	50.0	60.3	50.0	
Services Sector of which:	68.8	56.4	70.4	76.0	59.8	74.2	51.4	76.0	57.7	48.7	48.3	58.1	63.1	
Financial Intermediation	66.7	68.4	83.3	65.2	60.9	81.8	18.0	77.3	56.5	53.8	66.7	71.4	70.4	
Hotels and Restaurants	68.4	42.1	54.2	82.6	66.7	76.0	84.2	75.0	37.5	31.0	48.3	48.3	75.0	
Renting and Business Activities	55.0	55.0	76.0	76.0	44.0	56.0	75.0	80.0	76.0	53.3	23.3	53.3	46.7	
Community and Social Services	85.0	60.0	68.0	80.0	68.0	84.0	80.0	72.0	60.0	56.7	56.7	60.0	63.3	
<b>4. Business Confidence Index on Own Operations by Sector: Current Quarter</b>														
Industrial Sector	30.0	20.5	22.0	34.0	6.0	24.0	21.6	22.0	22.0	-16.7	-13.3	-15.0	-6.7	
Construction Sector	29.0	38.7	27.0	27.0	21.6	29.7	31.3	12.8	-15.8	-4.3	4.4	0.0	6.5	
Wholesale and Retail Trade	47.1	29.4	26.2	43.9	37.9	28.8	10.5	20.0	18.5	-3.8	-19.2	9.0	2.6	
Services Sector	61.0	25.6	31.6	53.6	22.7	21.6	20.4	17.7	5.2	0.0	-6.9	6.8	3.4	
<b>5. Business Outlook Index on Own Operations : Current Quarter</b>														
Volume of Business Activity Index	33.7	20.5	30.8	32.8	29.6	16.4	9.2	16.4	-6.4	-13.0	-27.4	-5.0	-10.3	
Volume of Total Order Book Index	42.2	14.0	32.4	31.6	28.8	21.6	14.1	22.8	4.0	-6.7	-16.1	-2.7	-7.7	
Credit Access Index	13.1	3.0	4.4	20.0	9.6	1.6	3.6	9.6	-0.4	-6.0	-14.7	-14.0	-9.0	
Financial Condition Index	46.2	27.5	27.6	43.2	23.2	25.2	19.3	18.4	8.8	-5.0	-9.7	2.0	1.7	
Average Capacity Utilization	41.7	25.0	28.8	33.6	22.4	22.4	28.9	24.4	4.4	-7.4	-19.1	5.7	-10.7	
<b>6. Business Outlook Index on Own Operations : Next Quarter</b>														
Volume of Business Activity Index	64.8	73.0	63.6	67.2	68.8	78.0	72.7	76.4	71.2	56.9	52.2	60.7	56.3	
Employment Outlook Index	50.3	43.0	42.4	47.2	54.4	59.2	52.6	49.2	48.4	38.1	34.4	35.3	45.7	
<b>7. Business with Expansion Plans (in per cent): Next Quarter</b>														
Industrial Sector	75.0	71.8	62.0	86.0	62.0	72.0	66.0	72.0	88.0	78.3	66.7	55.0	65.0	
Construction Sector	71.0	87.1	70.3	83.8	59.5	83.8	90.3	74.4	84.2	89.1	62.2	48.9	73.9	
Wholesale and Retail Trade	76.5	78.4	75.4	80.3	72.7	80.3	80.7	72.3	83.1	73.1	73.1	61.5	80.8	
Services Sector of which:	84.4	69.2	73.5	79.4	68.0	77.3	64.6	71.9	70.1	69.6	65.5	48.7	65.5	
Financial Intermediation	72.2	63.2	75.0	73.9	60.9	72.7	62.5	54.5	56.5	53.8	59.3	46.4	63.0	
Hotels and Restaurants	84.2	73.7	66.7	83.3	70.8	72.0	68.4	75.0	75.0	69.0	69.0	44.8	58.6	
Renting and Business Activities	90.0	80.0	76.0	92.0	76.0	80.0	65.0	80.0	88.0	76.7	76.7	53.3	73.3	
Community and Social Services	90.0	60.0	76.0	68.0	64.0	84.0	65.0	76.0	60.0	76.7	56.7	50.0	66.7	

**TABLE 4 (Continued)**  
**BUSINESS EXPECTATIONS SURVEY**  
**North East Zone**

Year	2014				2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q4
<b>8. Business Constraints: Current Quarter</b>														
High Interest Rate	45.7	37.5	39.2	43.6	32.0	43.0	32.3	41.8	42.2	33.9	43.3	49.0	43.2	43.2
Unclear Economic Laws	41.5	38.0	32.2	40.6	27.2	39.0	36.5	35.0	31.4	37.1	34.1	41.3	27.5	27.5
Lack of Equipment	30.7	24.0	26.0	27.0	20.0	21.8	26.9	17.2	24.8	31.1	30.8	25.2	33.3	33.3
Insufficient Demand	25.9	23.8	22.8	31.4	16.0	27.8	26.3	22.2	28.4	35.6	34.8	30.3	30.8	30.8
Access to Credit	21.9	25.3	19.0	16.8	15.8	33.2	31.9	27.4	31.4	38.6	31.4	21.8	30.0	30.0
Financial Problems	46.5	52.0	43.0	48.0	39.6	51.6	46.6	44.4	55.6	58.5	58.4	53.2	55.5	55.5
Competition	39.2	40.3	36.8	32.4	23.2	31.6	33.7	47.6	44.4	45.0	33.6	47.2	41.5	41.5
Labor Problems	19.1	8.8	4.4	15.6	-2.8	4.4	9.2	-2.2	7.2	25.1	5.5	21.5	4.2	4.2
Lack of Materials Input	26.1	14.5	23.4	29.8	12.6	17.6	24.7	7.0	25.6	34.6	23.9	28.3	24.8	24.8
Unfavourable Political Climate	44.2	48.5	46.4	46.0	37.6	36.4	42.8	28.6	26.2	42.5	32.8	33.3	31.0	31.0
Unfavourable Economic Climate	50.5	45.8	38.8	47.8	41.0	47.4	51.8	40.0	40.4	50.0	51.5	45.0	44.3	44.3
Insufficient Power Supply	70.6	76.0	67.2	71.0	77.2	83.0	68.9	61.2	48.0	74.7	71.2	51.5	56.0	56.0
<b>9. Business Expectation Index on Selected Economic Indicators: Current Quarter</b>														
N/\$ Exchange Rate	10.6	4.5	-9.6	14.8	-48.8	-9.2	19.7	14.4	-17.2	-16.4	-31.4	-19.0	-17.0	-17.0
Inflation Rate	15.6	15.0	7.6	0.0	37.6	31.2	0.8	18.0	21.6	22.4	32.8	15.7	27.3	27.3
Borrowing Rate	18.6	4.5	8.0	-6.0	15.2	-0.4	10.8	6.8	14.0	6.4	23.7	4.0	17.0	17.0
<b>10. Business Expectation Index on Selected Economic Indicators: Next Quarter</b>														
N/\$ Exchange Rate	16.1	17.0	5.6	18.4	-28.0	18.0	33.3	28.8	2.4	12.0	2.3	21.0	4.7	4.7
Inflation Rate	13.6	1.0	8.4	8.0	22.4	8.8	-13.3	6.8	11.6	-5.7	0.3	-14.7	9.3	9.3
Borrowing Rate	13.1	2.5	14.4	16.8	14.0	0.4	-1.6	1.6	12.4	0.3	5.0	20.3	3.7	3.7
<b>11. Percentage Distribution of Respondent Firms by Type of Business</b>														
Importer	21.6	11.0	10.0	5.2	3.6	10.4	23.2	9.6	9.2	11.4	14.0	9.0	8.0	8.0
Exporter	1.5	0.0	0.0	0.0	0.0	1.2	4.4	1.2	0.0	1.3	2.3	1.3	0.7	0.7
Both Importer and Exporter	11.6	5.5	4.0	5.6	1.6	2.8	4.8	4.4	4.4	6.0	2.3	6.3	4.0	4.0
Neither Importer nor exporter	65.3	83.5	86.0	89.2	94.8	85.6	67.6	84.8	86.4	81.3	81.3	83.3	87.3	87.3
<b>12. Percentage Distribution of Respondent Firms by Employment Size</b>														
Small (<50)	75.4	73.0	70.8	82.0	82.0	80.0	78.0	78.0	83.2	80.6	83.6	83.7	83.0	83.0
Medium (50 and <200)	14.1	21.5	22.0	13.2	12.0	14.0	15.6	18.4	15.6	17.4	14.4	13.0	15.0	15.0
Large (200 and Up)	10.6	5.5	7.2	4.8	6.0	6.0	6.4	3.6	1.2	2.0	2.0	3.3	2.0	2.0
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>13. Distribution of Respondent Firms by Sector</b>														
<b>All Sectors</b>	<b>199</b>	<b>199</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>249</b>	<b>250</b>	<b>250</b>	<b>299</b>	<b>299</b>	<b>300</b>	<b>300</b>	<b>300</b>
Industrial Sector	40	39	50	50	50	50	51	50	50	60	60	60	60	60
Construction Sector	31	31	37	37	37	37	32	39	38	46	45	45	46	46
Wholesale and Retail Trade	51	51	65	66	66	66	57	65	65	78	78	78	78	78
Services Sector of which:	<u>77</u>	<u>78</u>	<u>98</u>	<u>97</u>	<u>97</u>	<u>97</u>	<u>109</u>	<u>96</u>	<u>97</u>	<u>115</u>	<u>116</u>	<u>117</u>	<u>116</u>	<u>116</u>
Financial Intermediation	18	19	24	23	23	22	50	22	23	26	27	28	27	27
Hotels and Restaurants	19	19	24	24	24	25	19	24	24	29	29	29	29	29
Renting and Business Activities	20	20	25	25	25	25	20	25	25	30	30	30	30	30
Community and Social Services	20	20	25	25	25	25	20	25	25	30	30	30	30	30
<b>14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter</b>														
Industrial Sector	2.5	-0.5	2.8	3.6	0.0	3.6	8.0	6.4	0.8	-6.0	-6.0	-4.7	-5.0	-5.0
Construction Sector	1.0	3.5	-1.6	0.0	2.4	1.2	3.6	4.0	-1.6	0.0	-5.0	0.3	0.7	0.7
Wholesale and Retail Trade	2.0	-1.0	8.0	3.2	6.4	1.2	4.8	2.4	0.8	-4.0	-6.4	-1.3	-4.7	-4.7
Services Sector	16.1	5.0	9.6	6.0	0.0	4.4	17.3	8.4	-5.2	-3.7	-4.0	3.3	-2.0	-2.0
<b>15. Business Confidence Index on Own Operations by Sector: Current Quarter</b>														
Industrial Sector	6.0	4.0	4.4	6.8	1.2	4.8	4.4	4.4	4.4	-3.3	-2.7	-3.0	-1.3	-1.3
Construction Sector	4.5	6.0	4.0	4.0	3.2	4.4	4.0	2.2	-2.4	-0.7	0.7	0.0	1.0	1.0
Wholesale and Retail Trade	12.1	7.5	6.8	11.6	10.0	7.6	2.4	4.8	4.8	-1.0	-5.0	2.3	0.7	0.7
Services Sector	23.6	10.1	12.4	20.8	8.8	8.4	8.9	6.8	2.0	0.0	-2.7	2.7	1.3	1.3

# Business Expectations Survey

## Q1 2017 North West Zone

### Business Outlook

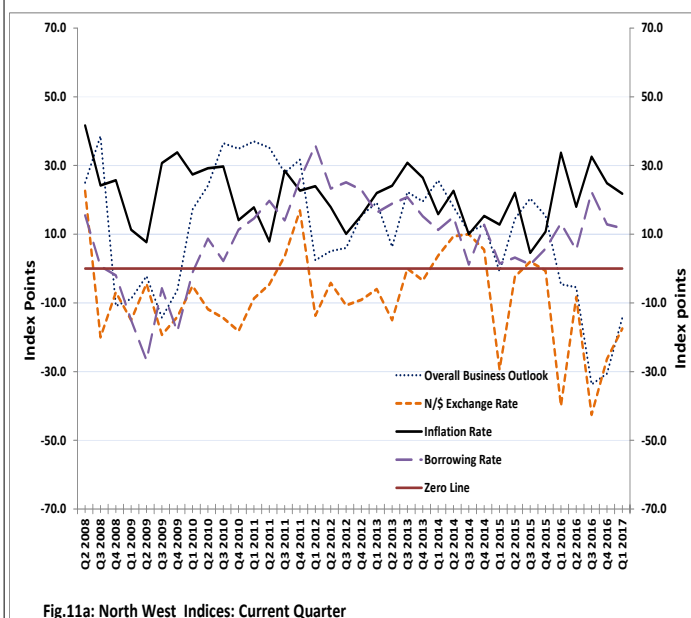


Fig.11a: North West Indices: Current Quarter

Respondents in the North West zone were pessimistic on business activities in the quarter under review. At -14.3 points, overall confidence index declined by 18.9 index points below the level achieved in the corresponding quarter of 2016. Respondents were optimistic about business activities in the next quarter as the index stood at 41.1 points (Fig. 11 and Table 5 Sections 2 & 14).

The pessimism in the overall business outlook in the zone could be adduced to the contributions of industrial (-8.6 points), wholesale and retail trade (-5.1 points) and services sector (-0.6 points).

Respondents' pessimism in the volume of total order and internal liquidity positions, dampened the volume of their business activities in the current quarter. Similarly, respondents' pessimism on access to credit, further worsened their internal liquidity positions in the review quarter.

The financial condition (or internal liquidity position) of the firms, which stood at -10.6 points in the current quarter, was driven by industrial (-4.0 points) services (-2.3 points), construction (-2.3 points) and wholesale & retail trade (-2.0 points) (Table 5 Sections 5 & 15).

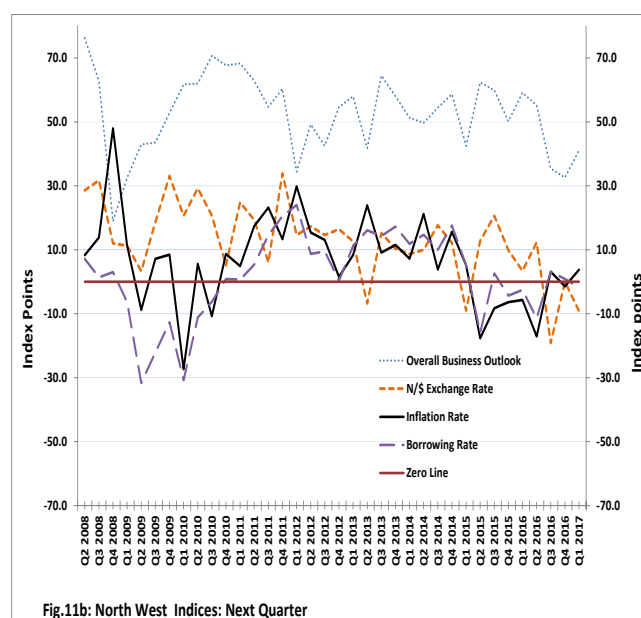


Fig.11b: North West Indices: Next Quarter

Respondents in the zone cited insufficient power supply, high interest rate, financial problems, unfavourable economic climate and unclear economic laws as the major factors inhibiting the growth of business activities (Table 5 Section 8).

Respondent firms expected the Naira to depreciate in the current and next quarters. Inflation was expected to rise in both quarters, while borrowing rates were expected to rise in the current quarter and decline in the next quarter (Table 5 Sections 9 & 10).

The respondent firms by type of business showed that majority of firms in the North-West Region neither export nor import (67.7 per cent); 16.9 per cent are import-oriented; 12.0 per cent import and export; while 3.4 percent are export-oriented (Table 5 Section 11).

**TABLE 5**  
**BUSINESS EXPECTATIONS SURVEY**  
**North West Zone**

Year Quarter	2014				2015				2016				2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>1. Overall Business Outlook on the Macroeconomy</b>													
<b>Confidence Index: All Sectors</b>													
Current Quarter	25.6	17.9	10.6	12.7	-0.9	14.5	20.4	15.4	-4.6	-5.4	-33.7	-30.6	-14.3
North West	51.3	49.7	54.4	58.7	42.4	62.3	59.9	50.1	59.1	55.1	35.4	32.6	41.1
Next Quarter	<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>												
North West	15.5	6.0	3.1	21.3	-4.3	14.9	7.9	10.8	-10.1	0.0	-50.9	-35.3	-30.9
Industrial Sector	11.1	10.8	25.0	-16.7	-10.4	-15.9	6.5	-14.6	-4.2	-18.8	-26.8	-42.6	0.0
Construction Sector	19.3	14.8	4.5	7.5	-5.6	19.3	16.1	30.7	-10.6	-9.3	-38.4	-21.3	-20.9
Wholesale and Retail Trade	43.3	32.0	16.2	20.5	9.6	21.8	40.4	17.9	4.2	-1.8	-16.5	-28.6	-1.7
Services Sector of which:	52.0	32.0	37.5	38.5	23.1	18.5	57.1	32.0	12.0	3.8	22.7	11.1	20.7
Financial Intermediation	48.6	21.2	9.7	3.2	-19.4	12.5	20.0	14.7	-12.1	-21.9	-22.9	-28.1	-31.3
Hotels and Restaurants	32.1	30.3	3.7	25.0	10.3	16.7	53.8	3.2	13.8	14.3	-33.3	-60.0	-7.1
Renting and Business Activities	40.6	45.2	17.2	17.9	28.6	40.0	33.3	24.2	6.5	0.0	-22.6	-39.3	14.8
Community and Social Services	<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>												
Industrial Sector	46.6	50.0	59.4	67.0	34.4	52.1	53.5	38.7	42.4	46.6	14.8	20.6	39.2
Construction Sector	47.2	37.8	63.6	35.7	39.6	54.5	63.8	31.7	60.4	60.4	51.2	44.7	51.0
Wholesale and Retail Trade	54.5	35.8	49.4	52.7	46.1	61.4	52.9	58.0	62.4	66.3	39.5	30.3	34.9
Services Sector of which:	54.2	62.3	50.5	65.0	47.4	73.9	69.3	59.3	70.3	52.2	46.1	40.2	45.4
Financial Intermediation	40.0	56.0	54.2	76.9	53.8	81.5	75.0	72.0	76.0	61.5	81.8	40.7	69.0
Hotels and Restaurants	62.9	63.6	54.8	61.3	38.7	81.3	63.3	47.1	66.7	43.8	45.7	65.6	44.0
Renting and Business Activities	50.0	69.7	44.4	71.9	37.9	66.7	88.5	51.6	62.1	71.4	33.3	8.0	29.6
Community and Social Services	59.4	58.1	48.3	50.0	60.7	66.7	53.3	69.7	77.4	33.3	32.3	39.3	37.0
<b>4. Business Confidence Index on Own Operations by Sector: Current Quarter</b>													
Industrial Sector	24.3	5.0	6.3	3.2	4.3	-3.2	5.9	-4.3	-4.0	1.0	-26.9	-19.6	-14.4
Construction Sector	8.3	13.5	11.4	-23.8	-16.7	4.5	0.0	-4.9	-14.6	-10.4	-12.2	-27.7	-15.7
Wholesale and Retail Trade	25.0	7.4	-1.1	7.5	-1.1	-3.4	14.9	8.0	0.0	0.0	-25.6	-12.4	-8.1
Services Sector	31.7	28.7	15.3	29.9	14.0	17.6	35.1	13.8	17.8	8.8	1.7	-11.7	-7.0
<b>5. Business Outlook Index on Own Operations : Current Quarter</b>													
Volume of Business Activity Index	26.8	21.5	0.3	18.5	5.2	18.3	18.9	13.0	-2.6	-0.6	-26.6	-23.4	-11.7
Volume of Total Order Book Index	28.8	18.8	4.4	16.5	5.5	17.7	18.6	13.9	0.6	-4.3	-25.7	-22.0	-12.6
Credit Access Index	15.0	14.7	1.5	9.0	0.0	11.6	12.0	5.5	8.0	-4.3	-9.7	-18.6	-3.7
Financial Condition Index	25.4	15.0	7.9	10.1	3.2	4.9	16.9	5.2	2.9	1.7	-15.4	-16.3	-10.6
Average Capacity Utilization	28.0	22.6	4.7	19.1	5.2	15.9	14.9	16.5	6.6	2.3	-17.1	-14.0	-7.7
<b>6. Business Outlook Index on Own Operations : Next Quarter</b>													
Volume of Business Activity Index	63.1	59.7	57.1	64.5	44.2	60.9	59.6	55.4	63.7	55.1	50.9	47.7	41.8
Employment Outlook Index	39.8	29.7	30.9	39.0	24.1	38.8	33.5	32.2	37.7	22.9	20.6	17.1	22.1
<b>7. Business with Expansion Plans (in per cent): Next Quarter</b>													
Industrial Sector	59.2	60.0	44.8	50.0	48.4	50.5	50.0	43.0	49.0	40.8	37.0	39.2	47.4
Construction Sector	61.1	54.1	70.5	52.4	47.9	56.8	65.2	51.2	54.2	45.8	63.4	42.6	49.0
Wholesale and Retail Trade	47.7	71.6	55.1	47.3	38.6	46.6	57.5	62.5	57.6	47.7	40.7	45.5	45.3
Services Sector of which:	70.8	59.8	55.5	63.2	55.3	48.7	57.1	73.2	68.6	54.9	49.1	48.2	53.0
Financial Intermediation	56.0	60.0	70.8	69.2	57.7	55.6	57.1	68.0	76.0	61.5	63.6	61.5	58.6
Hotels and Restaurants	68.6	42.4	45.2	61.3	41.9	50.0	58.6	67.6	66.7	50.0	48.3	43.8	50.0
Renting and Business Activities	71.4	69.7	53.8	53.1	65.5	26.7	60.0	80.6	72.4	57.1	42.3	44.0	57.1
Community and Social Services	84.4	67.7	55.2	71.4	57.1	63.3	53.3	75.8	61.3	51.9	45.2	44.4	46.2

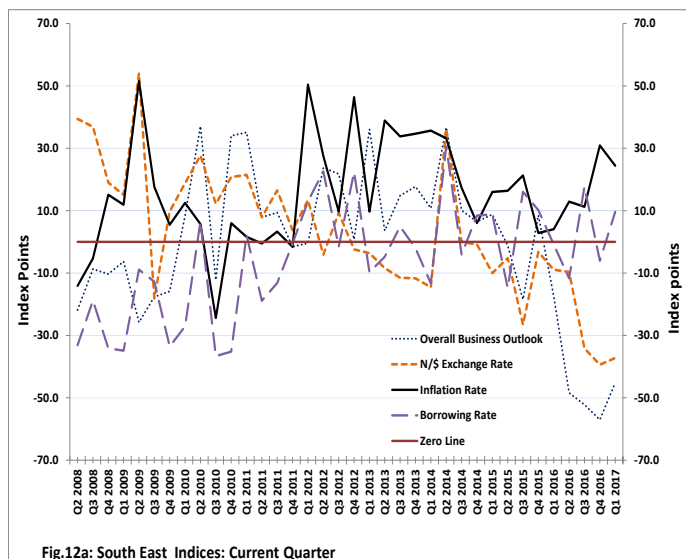
**TABLE 5 (Continued)**  
**BUSINESS EXPECTATIONS SURVEY**  
**North West Zone**

Year	2014				2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>8. Business Constraints: Current Quarter</b>														
High Interest Rate	51.2	51.6	36.0	44.7	50.7	39.0	43.0	48.7	44.0	42.0	44.9	57.7	56.0	
Unclear Economic Laws	37.8	43.1	28.5	35.8	39.4	33.8	33.5	35.6	31.9	40.3	35.9	49.0	42.8	
Lack of Equipment	22.9	29.6	14.4	23.1	19.9	15.5	20.8	22.8	26.1	20.4	22.1	38.3	34.8	
Insufficient Demand	32.3	35.3	32.2	34.4	38.5	33.8	18.9	23.5	37.0	38.9	38.7	50.6	40.8	
Access to Credit	28.0	35.3	32.5	32.8	37.4	32.9	27.2	31.8	30.6	32.4	39.9	50.7	36.2	
Financial Problems	42.9	50.1	49.6	48.3	49.3	44.5	38.4	42.4	46.7	57.0	57.3	56.9	53.3	
Competition	38.8	39.4	35.6	34.8	42.9	26.8	30.9	28.5	34.1	40.3	38.3	41.9	37.2	
Labor Problems	9.7	13.1	3.4	3.6	-3.6	2.9	7.9	9.7	-3.3	4.3	-7.3	14.9	14.9	
Lack of Materials Input	11.1	16.5	5.0	14.3	11.9	14.8	11.5	12.4	19.6	20.3	17.0	34.9	27.5	
Unfavourable Political Climate	37.3	39.6	33.2	34.5	45.8	32.5	23.9	23.8	24.4	38.9	27.3	38.1	33.5	
Unfavourable Economic Climate	40.6	42.8	42.6	42.9	51.7	42.3	32.8	28.9	39.4	54.1	40.4	54.6	44.3	
Insufficient Power Supply	63.4	65.9	62.9	66.3	68.3	69.6	49.6	45.8	50.7	72.3	63.1	56.9	66.2	
<b>9. Business Expectation Index on Selected Economic Indicators: Current Quarter</b>														
N/\$ Exchange Rate	3.7	9.4	10.0	5.5	-29.4	-2.3	2.0	-0.6	-40.0	-8.3	-42.6	-26.3	-17.5	
Inflation Rate	15.9	22.6	10.0	15.3	12.8	22.0	4.6	10.7	33.7	18.0	32.6	24.9	21.8	
Borrowing Rate	11.2	15.0	1.2	12.7	1.5	3.2	1.1	5.8	13.1	5.4	22.3	12.9	11.7	
<b>10. Business Expectation Index on Selected Economic Indicators: Next Quarter</b>														
N/\$ Exchange Rate	8.6	10.0	17.6	12.1	-9.0	12.8	20.6	9.9	3.4	12.3	-19.1	0.0	-9.2	
Inflation Rate	7.2	21.2	3.8	15.6	5.2	-17.7	-8.3	-6.4	-5.7	-17.1	3.1	-1.4	3.7	
Borrowing Rate	11.8	14.7	10.0	17.6	5.2	-15.9	2.6	-4.3	-2.6	-11.4	3.1	0.9	-1.7	
<b>11. Percentage Distribution of Respondent Firms by Type of Business</b>														
Importer	11.8	11.5	14.5	11.6	12.5	13.0	13.5	14.8	14.3	13.4	10.3	17.4	16.9	
Exporter	2.9	2.4	2.4	2.0	5.8	2.3	2.0	1.7	1.1	2.9	1.1	2.9	3.4	
Both Importer and Exporter	13.5	9.7	12.1	11.8	13.1	11.9	11.5	13.9	12.0	10.0	12.0	11.1	12.0	
Neither Importer nor exporter	71.8	76.5	71.0	74.6	68.6	72.8	73.1	69.6	72.6	73.7	76.6	68.6	67.7	
<b>12. Percentage Distribution of Respondent Firms by Employment Size</b>														
Small (<50)	73.8	75.3	78.8	74.3	74.4	73.7	74.1	72.5	72.6	74.9	75.4	70.9	64.9	
Medium (50 and <200)	16.7	16.5	12.6	17.1	17.2	18.4	19.0	19.1	20.9	17.1	16.6	21.4	24.6	
Large (200 and Up)	9.5	8.2	8.5	8.7	8.4	7.9	6.9	8.4	6.6	8.0	8.0	7.7	10.6	
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>13. Distribution of Respondent Firms by Sector</b>														
<b>All Sectors</b>	<b>347</b>	<b>340</b>	<b>340</b>	<b>346</b>	<b>344</b>	<b>345</b>	<b>349</b>	<b>345</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
Industrial Sector	103	100	96	94	93	94	101	93	99	103	108	102	97	
Construction Sector	36	37	44	42	48	44	47	41	48	48	41	47	51	
Wholesale and Retail Trade	88	81	89	93	89	88	87	88	85	86	86	89	86	
Services Sector of which:	<u>120</u>	<u>122</u>	<u>111</u>	<u>117</u>	<u>114</u>	<u>119</u>	<u>114</u>	<u>123</u>	<u>118</u>	<u>113</u>	<u>115</u>	<u>112</u>	<u>116</u>	
Financial Intermediation	25	25	24	26	26	27	28	25	25	26	22	27	29	
Hotels and Restaurants	35	33	31	31	31	32	30	34	33	32	35	32	32	
Renting and Business Activities	28	33	27	32	29	30	26	31	29	28	27	25	28	
Community and Social Services	32	31	29	28	28	30	30	33	31	27	31	28	27	
<b>14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter</b>														
Industrial Sector	4.6	1.8	0.9	5.8	-1.2	4.1	2.3	2.9	-2.9	0.0	-15.7	-10.3	-8.6	
Construction Sector	1.2	1.2	3.2	-2.0	-1.5	-2.0	0.9	-1.7	-0.6	-2.6	-3.1	-5.7	0.0	
Wholesale and Retail Trade	4.9	3.5	1.2	2.0	-1.5	4.9	4.0	7.8	-2.6	-2.3	-9.4	-5.4	-5.1	
Services Sector	15.0	11.5	5.3	6.9	3.2	7.5	13.2	6.4	1.4	-0.6	-5.4	-9.1	-0.6	
<b>15. Business Confidence Index on Own Operations by Sector</b>														
Industrial Sector	7.2	1.5	1.8	0.9	1.2	-0.9	1.7	-1.2	-1.1	0.3	-8.3	-5.7	-4.0	
Construction Sector	0.9	1.5	1.5	-2.9	-2.3	0.6	0.0	-0.6	-2.0	-1.4	-1.4	-3.7	-2.3	
Wholesale and Retail Trade	6.3	1.8	-0.3	2.0	-0.3	-0.9	3.7	2.0	0.0	0.0	-6.3	-3.1	-2.0	
Services Sector	11.0	10.3	5.0	10.1	4.7	6.1	11.5	4.9	6.0	2.9	0.6	-3.7	-2.3	

# Business Expectations Survey

## Q1 2017 South East Zone

### Business Outlook

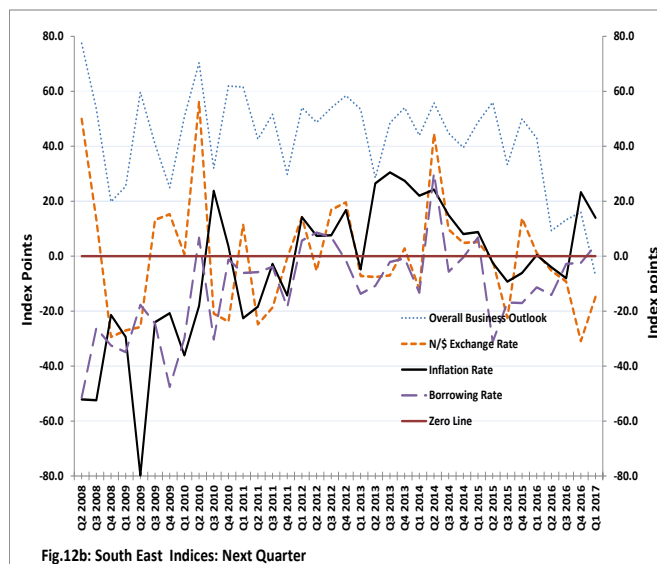


Respondents in the South East zone were pessimistic on business activities in Q1 2017. At -45.2 points, the overall confidence index declined by 27.8 index points, compared with the level achieved in the corresponding quarter of 2016. However, respondents were pessimistic about business activities in the next quarter as the index stood at -7.2 points (Fig. 12).

The pessimism in the overall business outlook in the zone could be added to the contributions of services (-16.0 points), wholesale and retail trade (-10.8 points), construction (-9.6 points) and industrial (-8.8 points) (Table 6 Sections 2 & 14).

Respondents' pessimism in the volume of total order and internal liquidity positions, dampened the volume of their business activities in the current quarter. Similarly, respondents' pessimism on access to credit, further worsened their internal liquidity positions in the review quarter.

The financial condition (or internal liquidity position) index of the firms, which stood at -38.0 points in the current quarter was driven by wholesale and retail trade (-11.6 points), construction (-9.6 points), services (-9.2 points) and industrial sectors (-7.6 points) (Table 6 Sections 5 & 15).



Respondents in the zone cited insufficient power supply, unfavourable economic climate, high interest rate, financial problems and access to credit as the major factors inhibiting the growth of business activities (Table 6 Section 8).

Respondent firms expected the Naira to depreciate in the current and next quarters. Inflation and borrowing rates were expected to rise in the current and the next quarters, (Table 6 Section 9 & 10).

The respondent firms by type of business showed that majority of firms in the South-East Region neither export nor import (60.4 per cent); 21.2 per cent are import-oriented; 11.2 per cent import and export; while 7.2 per cent are export-oriented (Table 6 Section 11).

**TABLE 6**  
**BUSINESS EXPECTATIONS SURVEY**  
**South East Zone**

Year Quarter	2014				2015				2016				2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q4	Q1
<b>1. Overall Business Outlook on the Macroeconomy</b>															
<b>Confidence Index: All Sectors</b>															
<b>Current Quarter</b>	10.8	36.7	10.1	6.5	8.8	-1.2	-18.5	8.5	-17.4	-48.4	-52.2	-57.0	-45.2		
<i>South East</i>															
<b>Next Quarter</b>	44.0	55.7	44.8	39.5	48.8	56.0	33.3	50.0	42.9	9.3	13.3	16.1	-7.2		
<i>South East</i>															
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>															
Industrial Sector	2.7	35.6	10.1	18.6	10.8	-3.0	-7.4	19.7	-12.9	-57.8	-72.8	-61.7	-36.7		
Construction Sector	30.8	37.8	5.3	-25.6	-12.8	-11.9	-29.7	-7.3	-14.6	-63.2	-66.0	-64.9	-75.0		
Wholesale and Retail Trade	-1.6	21.7	-4.8	5.9	7.3	-4.4	-35.9	13.6	-18.5	-45.7	-25.8	-59.0	-38.6		
Services Sector of which:	19.7	53.6	24.1	13.4	17.6	9.5	-8.8	1.5	-21.5	-35.5	-40.7	-49.5	-45.5		
Financial Intermediation	7.7	44.4	40.0	18.2	63.6	0.0	-5.0	-7.7	-17.6	-43.8	-46.2	-53.3	-45.0		
Hotels and Restaurants	28.6	25.0	4.0	-7.7	-4.5	4.2	5.0	0.0	-44.0	-52.4	-64.7	-45.5	-58.3		
Renting and Business Activities	17.6	64.7	27.8	36.4	16.0	13.3	-5.0	-11.8	-20.0	-13.0	-23.1	-62.5	-23.1		
Community and Social Services	20.0	61.3	34.6	13.0	18.2	20.0	-30.0	22.2	5.9	-37.5	-25.0	-44.7	-45.2		
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>															
Industrial Sector	33.3	61.0	40.6	33.9	44.6	47.0	30.9	52.1	25.8	-20.3	-18.5	11.7	-1.7		
Construction Sector	64.1	51.4	57.9	20.5	20.5	47.6	27.0	26.8	43.9	2.6	14.9	-5.4	-37.5		
Wholesale and Retail Trade	36.1	50.7	37.1	35.3	60.0	54.4	25.0	43.9	58.5	18.6	45.2	14.8	-5.7		
Services Sector of which:	51.5	62.3	48.1	60.5	57.1	70.3	45.0	67.6	43.0	28.9	22.0	28.6	-1.3		
Financial Intermediation	61.5	100.0	90.0	63.6	90.9	86.7	55.0	69.2	76.5	31.3	46.2	53.3	45.0		
Hotels and Restaurants	66.7	50.0	48.1	70.0	59.1	66.7	40.0	70.0	44.0	23.8	-5.9	22.7	-20.0		
Renting and Business Activities	35.3	64.7	38.9	54.5	40.0	60.0	40.0	64.7	10.0	34.8	23.1	6.3	-15.4		
Community and Social Services	40.0	54.8	38.5	56.5	57.6	70.0	45.0	66.7	47.1	25.0	31.3	31.6	-16.1		
<b>4. Business Confidence Index on Own Operations by Sector: Current Quarter</b>															
Industrial Sector	8.0	16.9	0.0	16.9	10.8	-15.2	-7.4	26.8	6.5	-37.5	-46.9	-30.0	-31.7		
Construction Sector	12.8	0.0	7.9	-23.1	-15.4	-11.9	-21.6	-7.3	-4.9	-31.6	-38.3	-35.1	-75.0		
Wholesale and Retail Trade	4.9	1.5	0.0	-10.3	12.7	1.5	-12.5	10.6	6.2	-41.4	-6.5	-31.1	-41.4		
Services Sector	22.7	21.7	20.3	-9.8	39.6	-2.7	6.3	14.7	-2.5	-10.5	-15.3	-33.0	-26.1		
<b>5. Business Outlook Index on Own Operations : Current Quarter</b>															
Volume of Business Activity Index	22.0	33.2	6.9	7.7	16.8	3.2	-3.6	19.5	-5.7	-33.9	-30.9	-42.2	-37.2		
Volume of Total Order Book Index	16.2	31.5	12.9	-3.6	18.8	5.2	-3.6	25.2	-2.0	-37.9	-30.9	-38.6	-36.8		
Credit Access Index	-2.5	17.9	2.8	-13.3	0.4	-14.0	-21.3	-7.7	-17.0	-47.2	-34.9	-44.6	-49.6		
Financial Condition Index	12.0	11.1	7.7	-5.6	17.6	-6.4	-6.4	13.4	1.6	-29.4	-27.7	-32.1	-38.0		
Average Capacity Utilization	12.4	31.5	17.3	1.6	15.6	0.0	1.2	7.7	3.2	-26.6	-16.9	-26.1	-28.4		
<b>6. Business Outlook Index on Own Operations : Next Quarter</b>															
Volume of Business Activity Index	59.8	61.7	67.7	53.2	70.4	63.2	59.8	69.9	54.7	31.0	43.4	30.1	15.6		
Employment Outlook Index	31.1	15.7	29.0	31.5	34.0	27.2	19.7	32.1	21.9	-4.0	15.7	6.8	-8.8		
<b>7. Business with Expansion Plans (in per cent): Next Quarter</b>															
Industrial Sector	48.0	25.4	37.7	32.2	40.0	48.5	20.6	52.1	33.9	39.1	39.5	53.3	48.3		
Construction Sector	66.7	24.3	50.0	39.5	28.2	40.5	29.7	36.6	41.5	28.9	48.9	51.4	35.5		
Wholesale and Retail Trade	72.1	28.4	54.8	45.6	41.8	67.6	34.4	51.5	56.9	58.6	46.8	47.5	55.7		
Services Sector of which:	50.0	17.4	60.8	54.9	47.3	62.2	43.8	50.0	55.1	60.5	40.7	58.2	51.7		
Financial Intermediation	61.5	22.2	40.0	18.2	45.5	53.3	50.0	38.5	76.5	62.5	46.2	60.0	63.2		
Hotels and Restaurants	33.3	25.0	60.0	57.7	36.4	66.7	40.0	50.0	44.0	47.6	35.3	50.0	33.3		
Renting and Business Activities	58.8	5.9	77.8	54.5	56.0	53.3	45.0	47.1	40.0	69.6	53.8	50.0	46.2		
Community and Social Services	53.3	19.4	57.7	69.6	48.5	70.0	40.0	61.1	68.8	62.5	31.3	65.8	61.3		



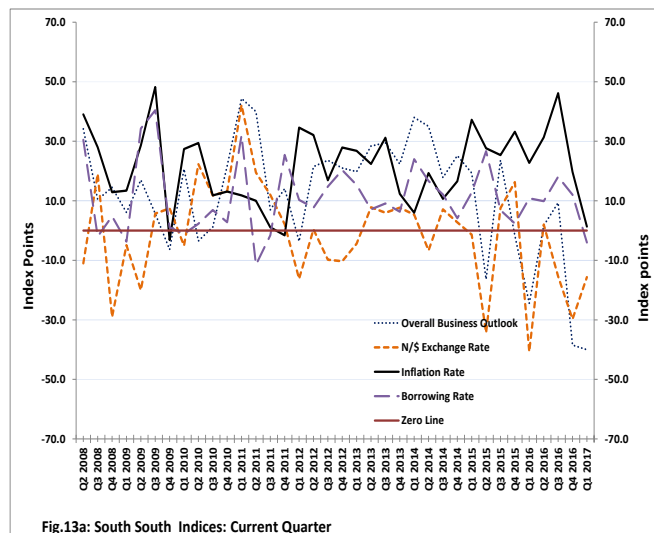
**TABLE 6 (Continued)**  
**BUSINESS EXPECTATIONS SURVEY**  
**South East Zone**

Year Quarter	2014				2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
<b>8. Business Constraints: Current Quarter</b>														
High Interest Rate	60.8	-8.7	68.8	65.5	58.2	65.0	48.4	46.3	54.7	56.7	63.5	63.5	63.5	63.0
Unclear Economic Laws	17.4	-23.9	34.9	11.3	23.8	18.4	18.5	26.4	32.2	40.1	42.6	43.8	43.8	47.8
Lack of Equipment	3.9	-29.2	5.4	-7.1	-0.2	0.8	0.6	3.9	25.9	29.6	21.1	22.1	22.1	17.0
Insufficient Demand	0.4	-16.9	13.1	1.8	13.6	10.4	17.9	6.7	41.3	34.3	44.2	22.9	24.6	24.6
Access to Credit	41.1	14.4	52.6	48.6	43.0	57.0	46.8	37.0	53.4	46.0	48.0	51.6	54.8	54.8
Financial Problems	57.3	37.7	63.3	57.7	55.4	60.8	40.8	48.2	52.4	52.2	61.8	60.6	57.4	57.4
Competition	25.9	22.0	31.0	32.1	39.6	39.8	36.7	46.5	33.2	22.6	47.4	32.3	15.8	15.8
Labor Problems	-12.4	-31.8	-10.3	-17.7	-7.0	-8.4	-11.0	-12.4	7.1	-7.1	-0.6	1.0	4.0	4.0
Lack of Materials Input	3.1	-33.5	-0.8	-13.9	-5.6	-5.6	-2.0	0.4	20.2	29.8	28.5	23.3	15.6	15.6
Unfavourable Political Climate	16.0	-5.7	31.9	10.3	23.6	10.8	26.9	29.5	31.2	36.1	41.4	39.4	50.0	50.0
Unfavourable Economic Climate	30.1	-9.3	40.7	18.3	29.0	32.0	34.9	40.4	43.9	56.0	57.2	60.4	63.2	63.2
Insufficient Power Supply	67.4	63.1	81.3	77.2	79.8	82.4	74.5	59.6	66.0	66.7	82.3	75.3	76.0	76.0
<b>9. Business Expectation Index on Selected Economic Indicators: Current Quarter</b>														
N/\$ Exchange Rate	-14.5	36.2	0.0	-0.8	-10.0	-5.2	-26.5	-3.3	-8.9	-9.7	-34.1	-39.4	-37.2	-37.2
Inflation Rate	35.7	33.2	17.3	6.0	16.0	16.4	21.3	2.8	4.0	12.9	11.2	30.9	24.4	24.4
Borrowing Rate	-13.3	30.6	-4.0	8.5	8.8	-14.8	16.1	10.2	-0.8	-11.7	17.7	-6.0	9.6	9.6
<b>10. Business Expectation Index on Selected Economic Indicators: Next Quarter</b>														
N/\$ Exchange Rate	-12.0	44.7	9.7	4.8	5.2	-1.6	-22.5	13.8	1.2	-5.2	-9.2	-30.9	-14.8	-14.8
Inflation Rate	22.0	24.3	14.9	8.1	8.8	-2.4	-9.2	-6.1	0.4	-4.0	-8.0	23.3	14.0	14.0
Borrowing Rate	-13.3	30.2	-5.6	-0.4	6.8	-31.2	-16.9	-17.1	-11.3	-14.1	-2.8	-2.4	4.0	4.0
<b>11. Percentage Distribution of Respondent Firms by Type of Business</b>														
Importer	12.9	16.5	24.7	19.8	23.3	30.8	27.3	22.0	23.9	26.2	21.7	16.9	21.2	21.2
Exporter	4.1	1.7	0.8	0.4	0.8	0.4	0.4	0.8	0.4	0.8	2.4	0.0	11.2	11.2
Both Importer and Exporter	6.6	3.8	5.7	6.5	4.4	2.8	4.8	2.8	4.0	9.3	6.8	3.6	7.2	7.2
Neither Importer nor exporter	76.3	78.0	68.8	73.4	71.5	66.0	67.5	74.4	71.7	63.7	69.1	79.5	60.4	60.4
<b>12. Percentage Distribution of Respondent Firms by Employment Size</b>														
Small (<50)	78.4	87.8	87.0	80.6	85.1	77.2	81.9	84.1	73.7	79.8	81.9	80.3	80.0	80.0
Medium (50 and <200)	16.6	10.1	9.7	16.6	11.2	18.8	14.5	13.4	24.7	16.9	14.1	16.9	16.8	16.8
Large (200 and Up)	5.0	2.1	3.2	2.8	3.6	4.0	3.6	2.4	1.6	3.2	4.0	2.8	3.2	3.2
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>13. Distribution of Respondent Firms by Sector</b>														
<b>All Sectors</b>	<b>241</b>	<b>237</b>	<b>248</b>	<b>248</b>	<b>250</b>	<b>250</b>	<b>249</b>	<b>246</b>	<b>247</b>	<b>248</b>	<b>249</b>	<b>249</b>	<b>249</b>	<b>250</b>
Industrial Sector	75	59	69	59	65	66	68	71	62	64	81	60	60	60
Construction Sector	39	37	38	39	38	42	37	41	41	38	47	37	32	32
Wholesale and Retail Trade	61	69	62	68	55	68	64	66	65	70	62	61	70	70
Services Sector of which:	<u>66</u>	<u>72</u>	<u>79</u>	<u>82</u>	<u>91</u>	<u>74</u>	<u>80</u>	<u>68</u>	<u>79</u>	<u>76</u>	<u>59</u>	<u>91</u>	<u>88</u>	<u>88</u>
Financial Intermediation	13	9	10	11	11	15	20	13	17	16	13	15	20	20
Hotels and Restaurants	21	12	25	26	22	24	20	20	25	21	17	22	24	24
Renting and Business Activities	17	17	18	22	25	15	20	17	20	23	13	16	13	13
Community and Social Services	15	34	26	23	33	20	20	18	17	16	16	38	31	31
<b>14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter</b>														
Industrial Sector	0.8	8.9	2.8	4.4	2.8	-0.8	-2.0	5.7	-3.2	-14.9	-23.7	-14.9	-8.8	-8.8
Construction Sector	5.0	5.9	0.8	-4.0	-2.0	-2.0	-4.4	-1.2	-2.4	-9.7	-12.4	-9.6	-9.6	-9.6
Wholesale and Retail Trade	-0.4	6.3	-1.2	1.6	1.6	-1.2	-9.2	3.7	-4.9	-12.9	-6.4	-14.5	-10.8	-10.8
Services Sector	5.4	16.3	7.7	4.4	6.4	2.8	-2.8	0.4	-6.9	-10.9	-9.6	-18.1	-16.0	-16.0
<b>15. Business Confidence Index on Own Operations by Sector: Current Quarter</b>														
Industrial Sector	2.5	4.2	0.0	4.0	2.8	-4.0	-2.0	7.7	1.6	-9.7	-15.3	-7.2	-7.6	-7.6
Construction Sector	2.1	0.0	1.2	-3.6	-2.4	-2.0	-3.2	-1.2	-0.8	-4.8	-7.2	-5.2	-9.6	-9.6
Wholesale and Retail Trade	1.2	0.4	0.0	-2.8	2.8	0.4	-3.2	2.8	1.6	-11.7	-1.6	-7.6	-11.6	-11.6
Services Sector	6.2	6.6	6.5	-3.2	14.4	-0.8	2.0	4.1	-0.8	-3.2	-3.6	-12.0	-9.2	-9.2

# Business Expectations Survey

## Q1 2017 South South Zone

### Business Outlook

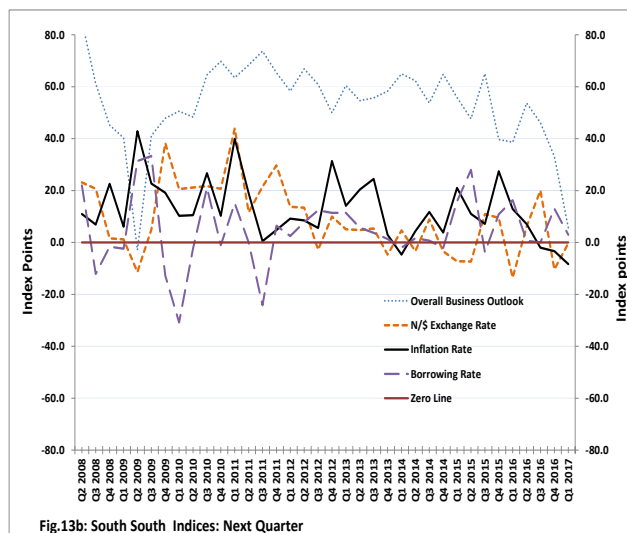


Respondents in the South-South zone were pessimistic on business activities in the current quarter. At -40.0 points, the overall confidence index declined by 25.6 points when compared with the level achieved in the corresponding quarter of 2016. Respondents were optimistic about business activities in the next quarter as the overall business outlook index for the next quarter stood at 5.7 points (Fig. 13b).

The pessimism in the overall business outlook could be attributed to the contribution of services (-19.7 points), industrial (-10.3 points), wholesale/retail trade (-7.0 points) and construction sectors (-3.0 points) (Table 7 Sections 2 & 14).

Respondents' pessimism in the volume of total order and internal liquidity positions, dampened the volume of their business activities in the current quarter. Similarly, respondents' pessimism on access to credit further worsened their internal liquidity positions in the review quarter.

The financial condition (internal liquidity position) index of the firms, which stood at -34.3 points in the current quarter, was driven by services (-15.0 points) industrial (-10.0 points), wholesale/retail trade (-6.3 points) and construction (-1.7 points) (Table 7 Sections 5 & 15).



Respondents cited financial problems, insufficient power supply, high interest rate, unfavourable economic climate and access to credit as major factors inhibiting the growth of business activities in the zone (Table 7 Section 8).

Respondent firms expected the Naira to depreciate in the current and next quarters. Inflation was expected to rise in the current quarter and fall in the next quarter, while borrowing rates were expected to decline in the current quarter and rise in the next quarter (Table 7 Sections 9 & 10).

The respondent firms by type of business showed that majority of firms in the South-South Region neither export nor import (69.3 per cent); 23.3 per cent are import-oriented; 5.3 per cent import and export; while 2.0 per cent are export-oriented (Table 7 Section 11).

**TABLE 7**  
**BUSINESS EXPECTATIONS SURVEY**  
**South South Zone**

Year Quarter	2014			2015			2016			2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>1. Overall Business Outlook on the Macroeconomy</b>													
<b>Confidence Index: All Sectors</b>													
Current Quarter	38.0	35.0	17.8	25.2	19.3	-16.3	23.6	-1.7	-24.4	1.7	9.4	-38.5	-40.0
South South													
Next Quarter	65.0	62.3	53.7	64.8	55.9	47.7	65.1	39.7	38.6	53.7	46.2	33.1	5.7
South South													
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>													
Industrial Sector	40.5	50.7	19.4	39.4	6.9	-20.6	28.8	-1.5	-26.3	-16.7	-11.9	-47.6	-54.4
Construction Sector	40.8	24.5	13.6	18.6	-4.8	-33.3	11.1	-7.5	-19.7	-8.3	0.0	-20.0	-22.0
Wholesale and Retail Trade	28.8	22.4	17.1	17.3	17.3	5.2	10.5	-8.5	-25.9	8.9	-5.0	-36.4	-27.3
Services Sector of which:	41.3	38.2	19.0	23.8	41.1	-20.4	34.8	5.6	-25.0	11.2	33.3	-45.5	-47.2
Financial Intermediation	34.8	23.8	20.8	50.0	40.0	-19.0	50.0	12.0	-36.8	-12.5	15.8	-40.0	-55.4
Hotels and Restaurants	50.0	22.6	-12.9	3.3	48.4	-30.8	20.7	-6.3	-39.5	9.7	48.8	-45.0	-36.7
Renting and Business Activities	30.8	57.7	36.0	30.8	65.0	-31.6	37.9	34.6	-5.0	22.2	45.5	-68.4	-42.1
Community and Social Services	48.0	50.0	40.0	17.4	12.5	10.5	30.8	-16.0	7.1	24.0	4.2	-30.0	-45.0
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>													
Industrial Sector	67.6	67.1	62.9	70.4	48.6	35.3	79.7	50.8	43.9	53.3	30.5	34.9	-5.3
Construction Sector	61.2	71.4	47.7	83.7	50.0	45.6	57.8	57.5	44.3	39.6	58.1	31.7	19.5
Wholesale and Retail Trade	53.4	48.7	44.3	50.7	49.4	55.8	44.7	37.8	29.6	48.1	41.3	36.4	27.3
Services Sector of which:	73.1	64.7	57.1	68.8	69.5	51.0	74.1	27.8	39.6	64.5	53.0	30.3	-7.6
Financial Intermediation	69.6	81.0	62.5	54.5	70.0	47.6	82.1	36.0	47.4	62.5	42.1	30.0	-44.6
Hotels and Restaurants	63.3	38.7	38.7	72.7	61.3	43.6	72.4	21.9	37.2	58.1	63.4	27.5	58.3
Renting and Business Activities	92.3	65.4	72.0	80.8	85.0	31.6	69.0	30.8	25.0	59.3	48.5	26.3	21.1
Community and Social Services	68.0	83.3	60.0	65.2	66.7	89.5	73.1	24.0	57.1	80.0	50.0	40.0	-10.0
<b>4. Business Confidence Index on Own Operations by Sector: Current Quarter</b>													
Industrial Sector	31.1	41.1	33.9	11.3	23.6	-4.4	1.7	-10.8	-10.5	-8.3	-23.7	-22.2	-52.6
Construction Sector	18.4	0.0	2.3	0.0	-7.1	-3.5	-20.0	-2.5	4.9	-25.0	-11.6	-5.0	-12.2
Wholesale and Retail Trade	23.3	14.5	30.0	1.3	17.3	6.5	15.8	-6.1	-11.1	-3.8	-8.8	-36.4	-24.7
Services Sector	23.1	27.5	16.2	29.7	14.7	21.4	4.5	4.6	-4.2	-7.5	13.7	-6.1	-36.0
<b>5. Business Outlook Index on Own Operations : Current Quarter</b>													
Volume of Business Activity Index	34.7	33.3	23.1	22.4	21.4	8.3	19.5	8.1	-2.4	9.5	11.4	-17.7	-34.3
Volume of Total Order Book Index	41.3	32.3	28.8	20.3	23.1	4.0	23.6	8.1	-3.1	8.2	12.7	-21.4	-32.7
Credit Access Index	7.0	0.3	-7.1	3.1	2.1	-7.7	3.4	-2.4	-10.8	-2.4	-12.7	-19.1	-30.3
Financial Condition Index	24.3	23.0	21.4	13.4	14.5	7.0	3.1	-2.7	-5.4	-9.5	-3.3	-17.1	-33.0
Average Capacity Utilization	42.3	30.0	27.0	22.1	25.5	16.0	24.7	3.1	4.7	9.9	9.4	-3.0	-18.7
<b>6. Business Outlook Index on Own Operations : Next Quarter</b>													
Volume of Business Activity Index	68.3	60.7	57.7	60.0	71.0	72.3	70.5	70.2	66.8	71.4	65.6	64.5	33.0
Employment Outlook Index	45.0	36.0	26.7	31.4	41.4	33.3	46.9	42.4	32.5	42.2	53.8	26.8	21.0
<b>7. Business with Expansion Plans (in per cent): Next Quarter</b>													
Industrial Sector	67.6	67.1	69.4	70.4	75.0	66.2	78.0	75.4	52.6	66.7	44.1	68.3	61.4
Construction Sector	65.3	53.1	50.0	48.8	69.0	59.6	64.4	57.5	65.6	72.9	55.8	78.3	58.5
Wholesale and Retail Trade	65.8	61.8	64.3	45.3	70.4	68.8	65.8	54.9	65.4	67.1	62.5	70.1	55.8
Services Sector of which:	64.4	56.9	52.4	53.5	69.5	65.3	58.0	57.4	66.7	63.6	65.8	63.6	63.2
Financial Intermediation	69.6	57.1	58.3	68.2	60.0	66.7	64.3	52.0	73.7	66.7	57.9	65.0	91.1
Hotels and Restaurants	50.0	41.9	54.8	43.3	67.7	59.0	62.1	53.1	69.8	74.2	65.9	57.5	40.0
Renting and Business Activities	65.4	76.9	48.0	69.2	85.0	57.9	62.1	69.2	50.0	59.3	78.8	68.4	42.1
Community and Social Services	76.0	54.2	48.0	34.8	66.7	84.2	42.3	56.0	71.4	52.0	54.2	70.0	40.0

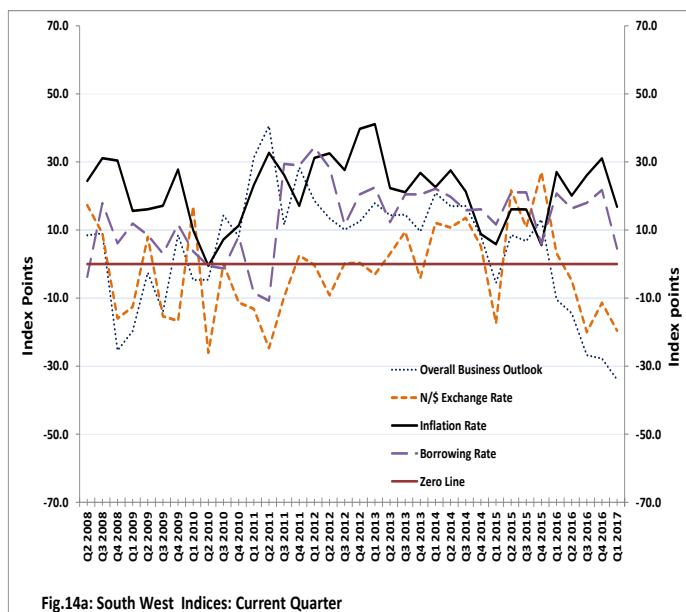
**TABLE 7**  
**BUSINESS EXPECTATIONS SURVEY**  
**South South Zone**

Year	2014				2015				2016				2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>8. Business Constraints: Current Quarter</b>													
High Interest Rate	41.8	47.8	52.0	43.6	49.1	39.2	43.3	40.8	38.3	38.1	43.8	39.1	49.0
Unclear Economic Laws	27.8	38.2	43.8	33.3	30.7	19.5	24.7	27.6	23.6	29.6	38.3	30.9	36.7
Lack of Equipment	28.5	29.7	31.3	20.9	12.1	-7.7	15.6	16.4	5.1	24.0	30.3	9.9	25.8
Insufficient Demand	20.3	20.5	32.0	20.5	22.9	17.5	22.9	34.6	22.4	32.3	44.3	26.4	37.0
Access to Credit	30.5	45.0	39.7	30.9	35.5	19.5	33.6	35.4	23.4	32.3	28.1	13.5	42.3
Financial Problems	49.0	51.3	46.8	38.4	40.5	44.2	49.3	49.0	45.3	52.4	59.7	51.0	54.2
Competition	42.2	51.8	57.1	38.4	37.8	47.7	38.0	32.7	47.1	34.9	35.1	48.2	41.5
Labor Problems	15.3	25.8	24.4	12.6	2.1	-8.2	-2.1	8.6	-4.1	-3.1	19.7	0.0	6.2
Lack of Materials Input	21.8	19.5	24.0	17.1	4.1	-7.5	6.0	4.2	8.0	13.3	23.1	19.1	30.0
Unfavourable Political Climate	36.3	41.5	44.7	35.9	33.6	24.8	25.9	26.8	24.7	28.9	44.5	23.9	28.7
Unfavourable Economic Climate	45.5	50.0	56.2	42.9	43.4	32.2	46.1	48.5	28.6	58.0	63.0	48.3	43.5
Insufficient Power Supply	59.3	73.0	68.9	59.7	72.9	75.8	67.5	66.1	66.8	70.1	70.7	62.4	51.2
<b>9. Business Expectation Index on Selected Economic Indicators: Current Quarter</b>													
N/\$ Exchange Rate	5.3	-6.7	7.1	2.8	-1.4	-34.3	7.5	16.3	-40.7	2.0	-15.4	-29.8	-15.7
Inflation Rate	6.0	19.3	10.7	16.6	37.2	27.7	25.3	33.2	22.7	31.3	46.2	19.7	1.3
Borrowing Rate	24.0	16.7	12.1	4.1	12.8	26.7	6.8	2.4	10.8	9.9	18.1	12.0	-4.0
<b>10. Business Expectation Index on Selected Economic Indicators: Next Quarter</b>													
N/\$ Exchange Rate	4.7	-3.3	8.9	-3.4	-7.2	-7.3	11.0	9.5	-13.6	6.1	20.1	-10.4	-0.3
Inflation Rate	-4.7	4.3	11.7	3.8	21.0	11.0	7.2	27.5	12.9	7.1	-2.0	-3.3	-8.3
Borrowing Rate	-2.0	1.7	0.7	-2.1	15.9	28.0	-3.8	10.8	16.3	0.7	0.0	13.0	3.0
<b>11. Percentage Distribution of Respondent Firms by Type of Business</b>													
Importer	12.3	13.3	16.0	19.0	22.4	9.0	13.4	16.9	10.8	12.9	23.7	11.7	23.3
Exporter	2.3	3.0	1.4	2.8	4.1	2.7	5.1	6.4	4.4	3.1	4.3	2.3	2.0
Both Importer and Exporter	12.3	7.3	13.5	9.7	7.2	13.0	7.9	7.8	10.8	6.1	8.4	9.7	5.3
Neither Importer nor exporter	73.0	76.3	69.0	68.6	66.2	75.3	73.6	68.8	73.9	77.9	63.5	76.3	69.3
<b>12. Percentage Distribution of Respondent Firms by Employment Size</b>													
Small (<50)	82.3	82.3	82.9	77.9	74.5	77.3	82.2	85.1	73.2	83.3	81.9	82.6	70.7
Medium (50 and <200)	12.3	10.7	10.3	12.1	16.6	19.3	12.0	10.2	23.4	13.3	15.7	14.7	14.0
Large (200 and Up)	5.3	7.0	6.8	10.0	9.0	3.3	5.8	4.7	3.4	3.4	2.3	2.7	15.3
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>13. Distribution of Respondent Firms by Sector</b>													
<b>All Sectors</b>	<b>300</b>	<b>300</b>	<b>281</b>	<b>290</b>	<b>290</b>	<b>300</b>	<b>292</b>	<b>295</b>	<b>295</b>	<b>294</b>	<b>299</b>	<b>299</b>	<b>300</b>
Industrial Sector	74	73	62	71	72	68	59	65	57	60	59	63	57
Construction Sector	49	49	44	43	42	57	45	40	61	48	43	60	41
Wholesale and Retail Trade	73	76	70	75	81	77	76	82	81	79	80	77	77
Services Sector of which:	<u>104</u>	<u>102</u>	<u>105</u>	<u>101</u>	<u>95</u>	<u>98</u>	<u>112</u>	<u>108</u>	<u>96</u>	<u>107</u>	<u>117</u>	<u>99</u>	<u>125</u>
Financial Intermediation	23	21	24	22	20	21	28	25	19	24	19	20	56
Hotels and Restaurants	30	31	31	30	31	39	29	32	43	31	41	40	30
Renting and Business Activities	26	26	25	26	20	19	29	26	20	27	33	19	19
Community and Social Services	25	24	25	23	24	19	26	25	14	25	24	20	20
<b>14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter</b>													
Industrial Sector	10.0	12.3	4.3	9.7	1.7	-4.7	5.8	-0.3	-5.1	-3.4	-2.3	-10.0	-10.3
Construction Sector	6.7	4.0	2.1	2.8	-0.7	-6.3	1.7	-1.0	-4.1	-1.4	0.0	-4.0	-3.0
Wholesale and Retail Trade	7.0	5.7	4.3	4.5	4.8	1.3	2.7	-2.4	-7.1	2.4	-1.3	-9.4	-7.0
Services Sector	14.3	13.0	7.1	8.3	13.4	-6.7	13.4	2.0	-8.1	4.1	13.0	-15.1	-19.7
<b>15. Business Confidence Index on Own Operations by Sector: Current Quarter</b>													
Industrial Sector	7.7	10.0	7.5	2.8	5.9	-1.0	0.3	-2.4	-2.0	-1.7	-4.7	-4.7	-10.0
Construction Sector	3.0	0.0	0.4	0.0	-1.0	-0.7	-3.1	-0.3	1.0	-4.1	-1.7	-1.0	-1.7
Wholesale and Retail Trade	5.7	3.7	7.5	0.3	4.8	1.7	4.1	-1.7	-3.1	-1.0	-2.3	-9.4	-6.3
Services Sector	8.0	9.3	6.0	10.3	4.8	7.0	1.7	1.7	-1.4	-2.7	5.4	-2.0	-15.0

# Business Expectations Survey

## Q1 2017 South West Zone

### Business Outlook

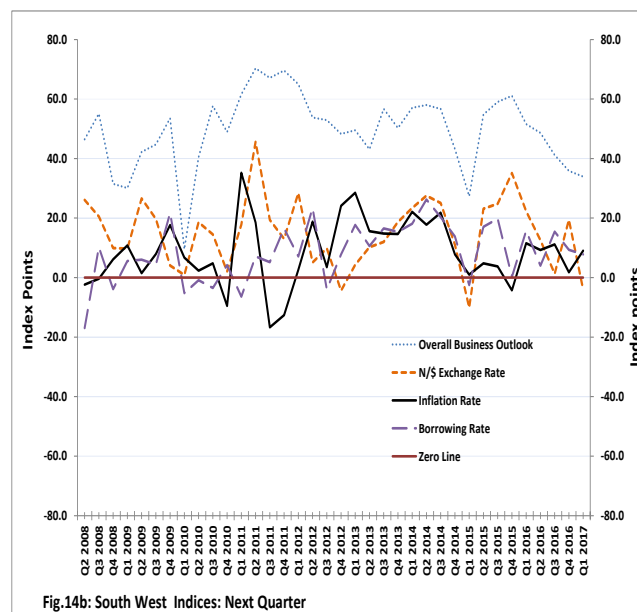


Respondents in the South West zone were pessimistic on business activities in Q1 2017. At -33.9 points, the overall confidence index fell by 23.5 index points, compared with the level achieved in the corresponding quarter of 2016. Respondents were optimistic about business activities in the next quarter as the index stood at 33.9 points (Fig. 14).

The pessimism in the overall business outlook in the zone could be attributed to services (-12.6 points), industrial (-10.1 points), wholesale/retail trade (-7.5 points), and construction sector (-3.8 points) (Table 8 Sections 2 & 14).

Respondents' pessimism in the volume of total order and internal liquidity positions, dampened the volume of their business activities in the current quarter. Similarly, respondents' pessimism on access to credit, further worsened their internal liquidity positions in the review quarter.

The financial condition (or internal liquidity position) index of the firms, which stood at -8.0 points in the current quarter was driven by wholesale & retail trade (-3.8 points), industrial sector (-3.5 points) and construction (-1.8 points) (Table 8 Sections 5 & 15).



Respondents cited insufficient power supply, high interest rate, financial problems, unfavourable economic climate and competition as factors inhibiting the growth of business activities in the zone (Table 7 Section 8).

Respondent firms expected the Naira to depreciate in both the current and next quarters. Inflation and borrowing rates were expected to rise in both the current and next quarters (Table 7 Sections 9 & 10).

The respondent firms by type of business showed that "neither importer nor exporter" category constituted the majority with 71.4 per cent, followed by "importer" 18.6 per cent, "both importer and exporter" 9.8 per cent and "exporter" firms 0.3 per cent (Table 7 Section 11).

The respondent firms by type of business showed that majority of firms in the South-West Region neither export nor import (71.4 per cent); 18.6 per cent are import-oriented; 9.8 per cent import and export; while 0.3 per cent are export-oriented (Table 5 Section 11).

**TABLE 8**  
**BUSINESS EXPECTATIONS SURVEY**  
**South West Zone**

Year Quarter	2014			2015			2016			2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q4			
<b>1. Overall Business Outlook on the Macroeconomy</b>													
<b>Confidence Index: All Sectors</b>													
Current Quarter	20.9	17.0	17.0	8.3	-5.6	8.5	6.8	13.1	-10.4	-14.5	-26.8	-27.8	-33.9
South West													
Next Quarter													
South West	57.0	58.0	56.6	43.2	27.3	54.8	59.0	61.1	51.6	48.6	41.2	35.9	33.9
<b>2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter</b>													
Industrial Sector	21.0	10.7	13.2	14.7	4.9	-1.7	11.3	9.0	-14.6	-12.5	-31.1	-17.1	-33.1
Construction Sector	40.9	25.0	20.5	0.0	-20.5	30.6	-20.7	-2.9	-8.3	-33.3	-25.8	-42.1	-51.7
Wholesale and Retail Trade	24.5	19.0	15.3	10.7	-8.8	11.7	5.8	16.3	-20.2	-13.3	-20.7	-30.1	-25.6
Services Sector of which:	11.3	16.2	21.1	3.1	-8.3	9.1	9.6	18.1	0.0	-11.6	-28.7	-31.3	-38.2
Financial Intermediation	51.3	30.4	26.7	26.3	6.3	54.5	52.6	-5.6	0.0	-19.0	-34.6	-11.8	-48.0
Hotels and Restaurants	-2.4	-6.8	31.0	-20.6	-18.4	-9.4	-6.9	14.3	-17.4	-44.1	-52.9	-28.6	-41.4
Renting and Business Activities	0.0	34.6	16.7	-8.0	-39.1	0.0	-13.6	23.8	-3.3	0.0	-28.6	-15.8	-27.8
Community and Social Services	-14.8	20.9	12.2	15.1	11.4	5.6	12.3	26.5	8.1	7.4	-10.9	-42.2	-35.6
<b>3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter</b>													
Industrial Sector	57.1	50.8	49.1	48.3	36.1	55.5	62.6	56.8	49.5	46.9	30.2	36.8	39.7
Construction Sector	54.5	57.1	69.2	58.8	-10.3	63.9	62.1	52.9	55.6	48.7	16.1	26.3	20.7
Wholesale and Retail Trade	64.7	68.0	58.5	36.4	36.3	52.3	51.2	66.7	40.7	48.6	52.6	31.0	30.8
Services Sector of which:	51.9	57.4	57.8	42.7	22.3	53.8	62.4	61.2	60.9	50.4	45.5	42.2	36.3
Financial Intermediation	69.2	69.6	60.0	42.1	43.8	63.6	78.9	61.1	55.0	28.6	38.5	47.1	32.0
Hotels and Restaurants	45.2	45.5	61.9	44.1	26.3	62.5	57.1	53.6	78.3	38.2	29.4	64.3	45.5
Renting and Business Activities	44.0	50.0	46.7	40.0	-8.7	37.5	63.6	57.1	55.2	70.0	53.6	68.4	50.0
Community and Social Services	44.4	67.4	61.0	43.4	27.3	51.9	59.4	67.3	59.0	59.3	54.5	23.4	30.5
<b>4. Business Confidence Index on Own Operations by Sector: Current Quarter</b>													
Industrial Sector	21.8	24.6	14.0	24.1	-10.7	5.9	12.2	13.5	1.9	-0.8	-17.9	-11.1	-11.6
Construction Sector	27.3	14.3	2.6	11.8	-25.6	5.6	0.0	0.0	-2.8	2.6	-19.4	-39.5	-24.1
Wholesale and Retail Trade	31.7	27.0	27.1	22.5	6.1	19.8	14.0	13.3	1.8	-1.9	-5.2	-31.0	-12.8
Services Sector	19.5	26.5	18.8	25.2	4.1	29.5	22.2	23.5	15.6	6.2	-9.8	-11.7	3.1
<b>5. Business Outlook Index on Own Operations : Current Quarter</b>													
Volume of Business Activity Index	27.9	31.0	23.6	20.1	7.1	21.1	14.3	19.7	7.6	1.3	-12.4	-8.8	-8.8
Volume of Total Order Book Index	26.1	31.5	20.1	24.8	3.5	19.4	13.3	15.2	13.1	6.5	-12.6	-13.9	-12.3
Credit Access Index	8.0	6.5	8.5	6.3	-7.8	6.8	1.3	5.6	3.9	3.3	-9.6	-24.0	-16.3
Financial Condition Index	24.1	24.8	18.3	22.9	-2.8	17.6	15.3	15.2	6.3	1.5	-11.4	-19.7	-8.0
Average Capacity Utilization	31.7	34.3	25.6	24.1	-0.8	23.9	15.5	19.2	19.2	10.6	-1.3	-6.3	0.5
<b>6. Business Outlook Index on Own Operations : Next Quarter</b>													
Volume of Business Activity Index	70.1	76.3	64.2	49.7	27.3	59.5	67.4	70.7	66.9	63.3	53.9	54.0	54.8
Employment Outlook Index	43.7	54.5	45.9	39.4	16.2	43.0	45.4	49.2	49.3	37.2	24.6	34.8	25.6
<b>7. Business with Expansion Plans (in per cent): Next Quarter</b>													
Industrial Sector	68.1	73.8	64.9	62.1	49.2	70.6	74.8	70.3	71.8	60.9	52.8	66.7	54.2
Construction Sector	77.3	71.4	66.7	64.7	38.5	80.6	75.9	70.6	75.0	69.2	67.7	76.3	58.6
Wholesale and Retail Trade	80.4	88.0	83.1	58.9	63.2	80.2	79.3	83.7	64.2	69.5	63.8	73.5	63.2
Services Sector of which:	70.7	82.4	76.6	69.5	50.4	72.7	74.1	80.2	80.0	71.3	69.2	71.9	67.2
Financial Intermediation	79.5	91.3	66.7	84.2	62.5	77.3	73.7	77.8	75.0	71.4	73.1	82.4	68.0
Hotels and Restaurants	61.9	77.3	83.3	67.6	52.6	71.9	62.1	82.1	78.3	64.7	61.8	82.1	69.0
Renting and Business Activities	72.0	73.1	76.7	76.0	39.1	75.0	72.7	81.0	76.7	70.0	82.1	73.7	77.8
Community and Social Services	70.4	88.4	73.2	62.3	50.0	70.4	80.0	79.6	83.9	75.9	65.5	64.1	62.7

**TABLE 8 (continued)**  
**BUSINESS EXPECTATIONS SURVEY**  
**South West Zone**

Year	2014				2015				2016				2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>8. Business Constraints: Current Quarter</b>													
High Interest Rate	51.5	32.9	47.9	37.5	31.1	52.9	41.1	49.6	51.8	50.3	57.2	56.4	48.6
Unclear Economic Laws	33.0	30.6	27.8	25.4	24.9	38.6	28.5	30.0	35.6	29.9	42.8	46.1	36.4
Lack of Equipment	25.0	15.3	19.3	22.9	14.4	22.1	16.9	14.3	21.2	19.5	18.8	30.6	19.7
Insufficient Demand	29.8	19.9	21.7	23.8	18.7	21.9	22.9	30.1	34.7	32.1	38.5	40.0	36.9
Access to Credit	34.9	23.8	23.7	24.7	15.5	25.5	20.8	26.2	31.7	34.1	28.8	34.6	30.0
Financial Problems	48.6	37.1	31.5	35.0	31.8	39.4	34.3	43.3	47.3	46.4	52.4	55.2	48.6
Competition	45.7	38.5	39.6	35.9	40.3	30.9	34.5	40.6	46.7	39.8	41.5	49.2	43.0
Labour Problems	5.8	1.5	-1.5	3.9	0.4	5.7	3.0	7.1	11.1	2.9	4.8	20.3	5.5
Lack of Materials Input	16.0	6.0	6.6	8.6	9.0	14.3	12.3	11.3	16.6	15.0	14.8	32.2	19.3
Unfavourable Political Climate	25.3	29.1	24.3	26.8	16.7	29.9	33.8	23.2	27.7	30.8	37.1	40.5	30.5
Unfavourable Economic Climate	40.5	37.5	34.1	31.2	24.0	40.5	36.6	29.9	42.8	38.0	51.1	53.9	44.3
Insufficient Power Supply	70.9	55.1	57.8	45.1	48.6	61.7	50.4	46.7	61.4	59.3	64.3	63.4	60.3
<b>9. Business Expectation Index on Selected Economic Indicators: Current Quarter</b>													
N/\$ Exchange Rate	12.1	10.8	13.5	5.3	-17.4	21.6	10.8	27.0	3.1	-4.8	-20.0	-11.4	-19.6
Inflation Rate	22.6	27.5	21.3	8.8	5.8	16.1	16.0	5.6	27.0	20.1	26.1	31.1	16.8
Borrowing Rate	22.1	19.8	15.8	16.1	11.6	21.1	21.1	5.8	20.7	16.3	18.0	21.7	4.5
<b>10. Business Expectation Index on Selected Economic Indicators: Next Quarter</b>													
N/\$ Exchange Rate	23.4	27.5	25.1	11.1	-10.1	23.1	24.8	35.1	22.3	12.6	1.3	19.4	-4.0
Inflation Rate	22.1	17.8	21.8	7.8	1.0	4.8	3.8	-4.3	11.5	9.3	11.1	1.8	9.0
Borrowing Rate	18.1	26.3	20.3	13.8	-2.5	17.1	19.8	0.3	15.7	4.0	15.4	9.3	7.8
<b>11. Percentage Distribution of Respondent Firms by Type of Business</b>													
Importer	18.8	23.0	27.1	17.0	15.7	21.6	16.5	20.7	18.0	21.2	19.2	13.1	18.6
Exporter	4.0	4.3	3.5	0.5	1.5	5.0	1.3	4.3	2.1	3.0	1.8	2.0	0.3
Both Importer and Exporter	9.3	13.5	12.3	10.0	8.6	9.8	11.8	11.6	10.2	9.5	11.4	9.1	9.8
Neither Importer nor exporter	67.8	59.3	57.1	72.5	74.2	63.6	70.5	63.4	69.7	66.3	67.6	75.8	71.4
<b>12. Percentage Distribution of Respondent Firms by Employment Size</b>													
Small (<50)	77.6	66.8	78.7	67.5	73.0	75.4	83.0	80.1	76.0	78.8	75.3	83.3	73.9
Medium (50 and <200)	15.8	19.0	11.8	14.5	16.2	13.6	9.3	12.1	12.3	12.7	13.4	9.8	16.1
Large (200 and Up)	6.5	14.3	9.5	18.0	10.9	11.1	7.8	7.8	11.7	8.5	11.4	6.8	10.1
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>13. Distribution of Respondent Firms by Sector</b>													
<b>All Sectors</b>													
Industrial Sector	398	400	399	393	396	398	400	396	383	401	396	396	398
Construction Sector	119	122	114	116	122	119	115	111	103	128	106	117	121
Wholesale and Retail Trade	44	42	39	34	39	36	29	34	36	39	31	38	29
Services Sector of which:	102	100	118	112	114	111	121	135	109	105	116	113	117
Financial Intermediation	<u>133</u>	<u>136</u>	<u>128</u>	<u>131</u>	<u>121</u>	<u>132</u>	<u>135</u>	<u>116</u>	<u>135</u>	<u>129</u>	<u>143</u>	<u>128</u>	<u>131</u>
Hotels and Restaurants	39	23	15	19	16	22	19	18	20	21	26	17	25
Renting and Business Activities	42	44	42	34	38	32	29	28	23	34	34	28	29
Community and Social Services	25	26	30	25	23	24	22	21	30	20	24	19	18
	27	43	41	53	44	54	65	49	62	54	55	64	59
<b>14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter</b>													
Industrial Sector	6.3	3.3	3.8	4.3	1.5	-0.5	3.3	2.5	-3.9	-4.0	-8.3	-5.1	-10.1
Construction Sector	4.5	2.0	2.0	0.0	-2.0	2.8	-1.5	-0.3	-0.8	-3.2	-2.0	-4.0	-3.8
Wholesale and Retail Trade	6.3	6.3	4.5	3.1	-2.5	3.3	1.8	5.6	-5.7	-3.5	-6.1	-8.6	-7.5
Services Sector	3.8	5.5	6.8	1.0	-2.5	3.0	3.3	5.3	0.0	-3.7	-10.4	-10.1	-12.6
<b>15. Business Confidence Index on Own Operations by Sector: Current Quarter</b>													
Industrial Sector	6.5	7.5	4.0	7.1	-3.3	1.8	3.5	3.8	0.5	-0.2	-4.8	-3.3	-3.5
Construction Sector	3.0	1.5	0.3	1.0	-2.5	0.5	0.0	-0.3	0.0	0.2	-1.5	-3.8	-1.8
Wholesale and Retail Trade	8.1	6.8	8.0	6.4	1.8	5.5	4.3	4.5	-0.5	-0.5	-1.5	-8.8	-3.8
Services Sector	6.5	9.0	6.0	8.4	1.3	9.8	7.5	6.9	5.5	2.0	-3.5	-3.8	1.0