



**Business Confidence Survey  
November 2023**

# Business Confidence Survey

## Summary

### Overall Business Confidence Index at 66.9 – FICCI's Business Confidence Survey

❖ The latest survey results report an improvement in the assessment of respondents regarding current conditions vis-à-vis last six months at all the three levels. A majority of the participants at economy (58%), industry (56%) and firm level (60%) reported 'moderately to substantially better' conditions compared to previous two quarters.

❖ With respect to expectations, the survey results reported mixed sentiments about the prospects. Even though a distinct majority of participants were optimistic about the foreseeable future, a moderation in the percentage of respondents citing an improvement at industry and firm level was noted vis-à-vis the previous survey round. Nonetheless, at the economy level, 62% participants anticipated a 'moderately to substantially better' performance over the near term, vis-à-vis 55% stating likewise in the previous round.

❖ The Overall Business Confidence Index demonstrated a further improvement in the latest survey round. The Current Condition Index stood at 63.4 in the present survey, up from 59.5 in the previous round. The Expectations Index increased to 68.6 in the current round, compared to 67.4 in the previous survey. The Overall Business Confidence Index increased a notch up to 66.9 from 64.8 in the last survey round.

❖ Results pertaining to the outlook on key operational parameters indicate that a sense of cautious optimism remains prevalent. While outlook of participants on employment and exports reflects an improvement, not much change is evident in the prospects pertaining to sales, profits and investments.

❖ Regarding factors impeding businesses, the latest survey reported a moderation in the proportion of respondents citing demand as a constraining factor. About 52% participating companies reported weak demand to be a concern, compared to 56% stating likewise in the previous round.

# Business Confidence Survey

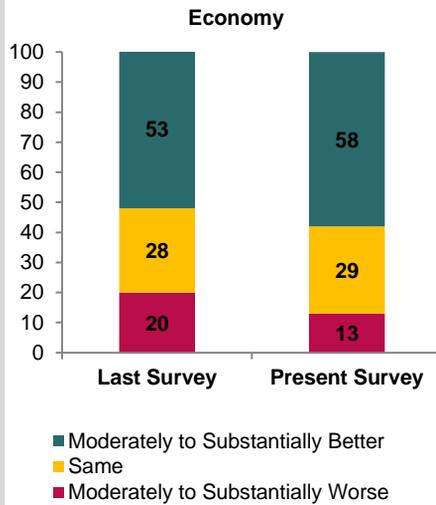
## Summary

❖ Moreover, a decline was noted in the proportion of companies citing credit cost as a constraining factor. However, cost of raw materials was put across as a concern by a little over half of the respondents in the current survey round. This number was about 44% in the previous survey round.

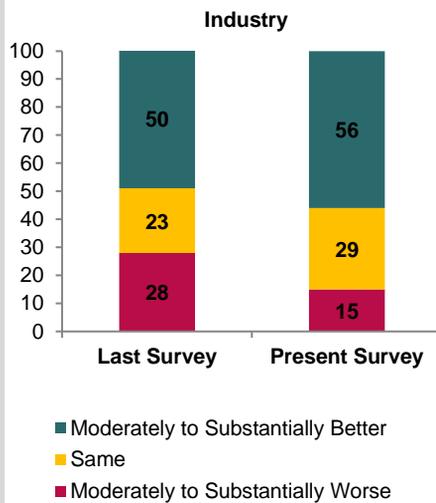
# Business Confidence Survey

## Current conditions vis-à-vis last six months

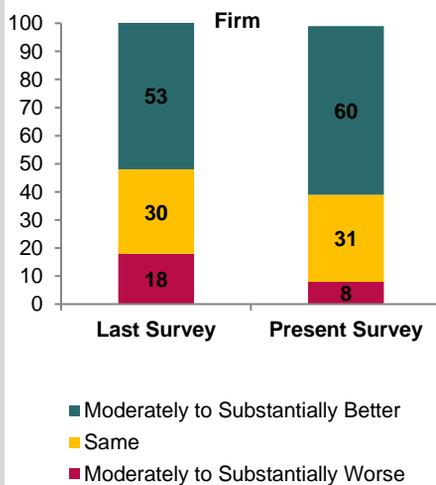
Assessment of respondents regarding overall current conditions witnesses further improvement....



The results of the latest round of FICCI's Business Confidence Survey show an improvement in present overall economic conditions compared to the last six months. About 58% of respondents in the present round indicated that economic conditions have improved, vis-à-vis 53% reporting likewise in the previous survey.



The sentiments regarding the situation at industry level were also reported to be favourable, with about 56% respondents expressing an improvement in their sector performance compared to 50% in the previous survey.



At the organization level 60% participants indicated an improvement in the current condition of the organization as compared to the last six months. In the present survey round, a higher percentage of respondents have reported an increase at the firm levels - compared to 53% reporting the same in the previous survey.

At all the three levels – economy, industry and firm, a moderation was noted in the proportion of participants citing current conditions to have worsened vis-à-vis last two quarters.

# Business Confidence Survey

## Expected conditions over next six months

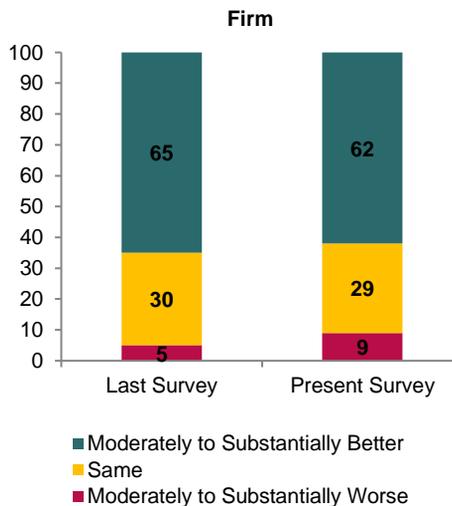
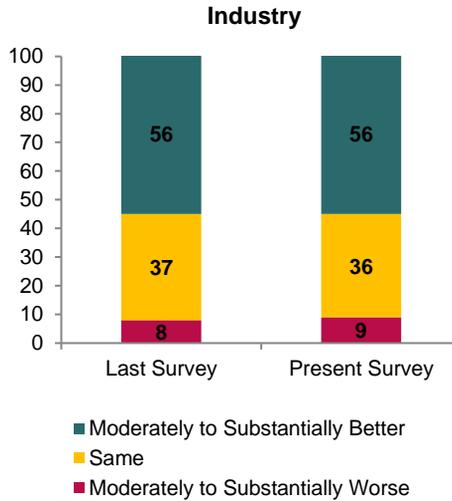
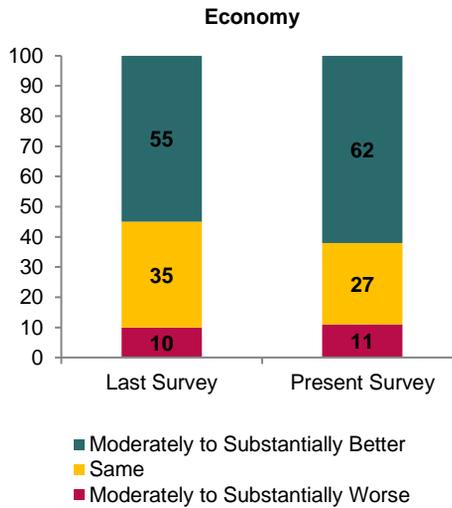
On the expectations front, the latest survey results reported mixed results. While the participants were optimistic about the economic situation over coming two quarters, the sentiment seemed marginally subdued regarding industry and firm level prospects.

According to survey results, 62% of the respondents anticipate better overall economic conditions in the next six months. This was about seven percentage points higher from about 55% participants reporting likewise in the previous round.

Further, 56% respondents cited 'moderately to substantially better' performance at the industry level over the near term - marking no change from the percentage of participants stating the same in the last round.

At the firm level, a marginal moderation was noted in the proportion of participants foreseeing a better performance over the period October 2023– March 2024.

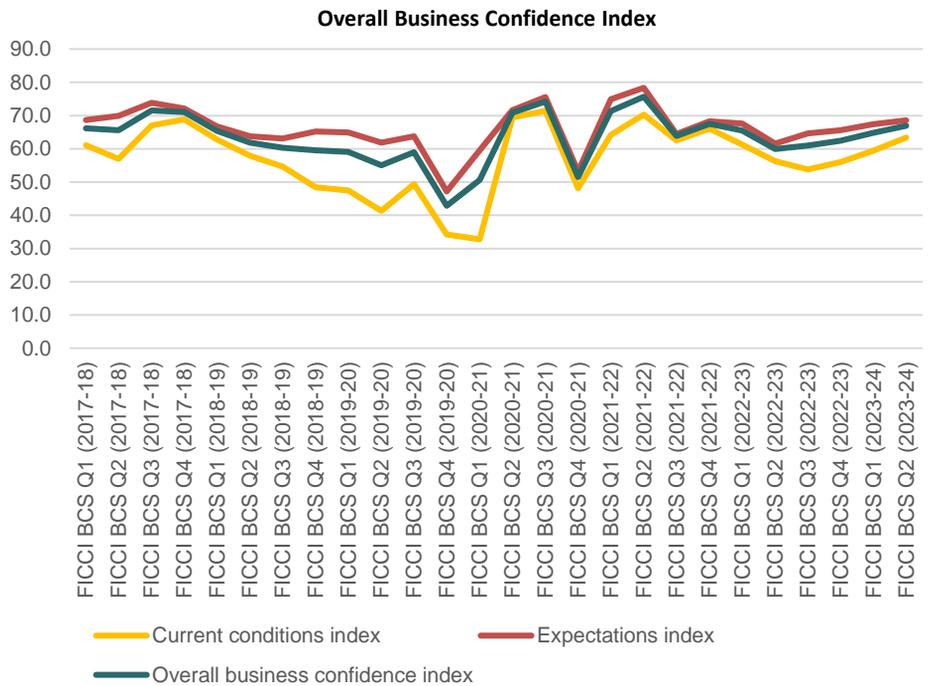
Even though a majority 62% respondents expressed optimism and reported 'moderately to substantially better' performance over the forthcoming two quarters – this was about 3 percentage points lower than the proportion of companies stating the same in the previous survey round.



# Business Confidence Survey

## Business Confidence Index

Overall Business Confidence Index witnessed an improvement from the levels observed in the previous survey round...



In the current survey round, an improvement was noted in the confidence levels of corporate India for the fourth consecutive quarter.

The Overall Business Confidence Index stood at 66.9 in the present survey round as compared to a value of 64.8 in the last round.

The values of both current conditions index and the expectations index reported an improvement. The Current Conditions Index increased from a value of 59.5 in the previous survey to 63.4 in the latest round; while the Expectations Index increased from a value of 67.4 last time to 68.6 in the present round.

...Overall Business Confidence Index stood at 66.9 vis-à-vis 64.8 in the previous round...

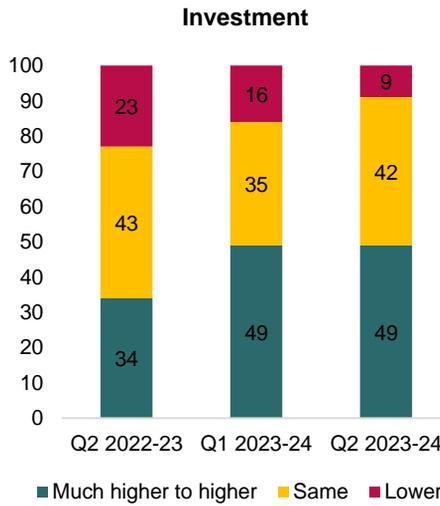
# Business Confidence Survey

## Operational Parameters

### Investments

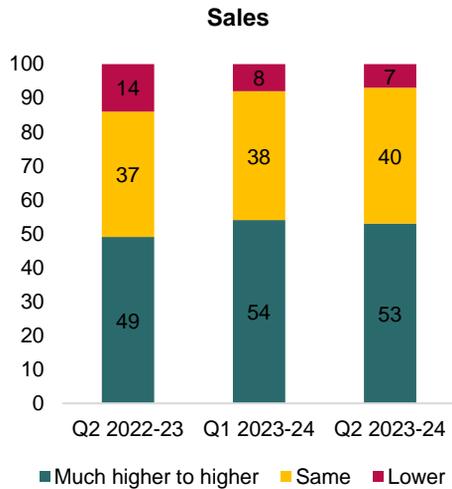
In the latest survey round the percentage of participants anticipating an increase in investments over the near term remained unchanged at 49%. Further, while 42% of the participants cited no change in the investment levels over the coming six months, a marginal 9% respondents expected lower investment levels.

(Proportion of respondents)



### Sales

(Proportion of respondents)



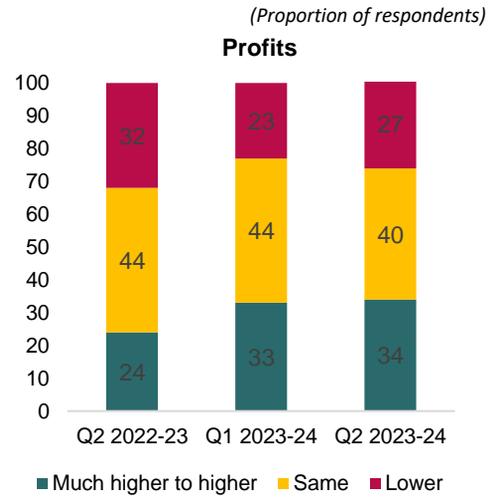
The results of the latest survey round report not much change in the sales outlook of the companies. About 53% companies participating in the latest survey round indicated 'much high to higher sales' in the foreseeable six months. The corresponding number in the last survey round was 54%. Another 40% of the participants cited sales level in the next six months to remain unchanged.

# Business Confidence Survey

## Operational Parameters

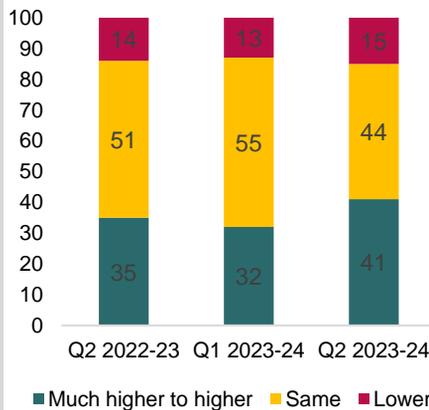
### Profits

According to the latest survey results, a little over a third of the respondents expressed optimism about an increase in profits in the coming two quarters. However, a significant 40% of respondents anticipated profit levels to remain unchanged; while 27% of participants said that they foresee lower profit in the immediate term.



(Proportion of respondents)

### Employment



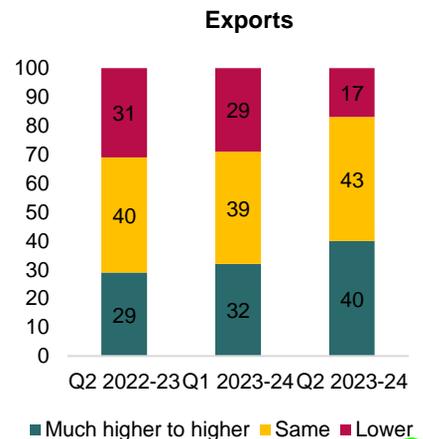
### Employment

In the present survey round, 41% of the participating companies expected an increase in hiring levels over the near term. This marks a noticeable increase from 32% participants stating likewise in the previous round. Further, while 44% participants anticipated no change in employment levels, the remaining 15% cited lower hiring in the next six months.

(Proportion of respondents)

### Exports

On external front, a notable 40% respondents expected an increase in export levels in immediate future - higher than 32% stating likewise in the last survey. However, still 43% of the participants expected their exports to remain unchanged. The world economic situation remains uncertain and the impact on global trade has been amply visible.



Survey results indicate some improvement in employment outlook...

# Business Confidence Survey

## Constraining Factors

### Major Constraining Factors for Businesses

(Proportion of respondents)

#### Factors affecting business



The businesses confront a multitude of challenges affecting their operations. Moderating global growth, geopolitical events, rising protectionism continue to compound the economic complexities.

Even though the consumption trends indicate a mixed story, the latest survey reported a moderation in the proportion of respondents citing demand as a constraining factor. About 52% participating companies reported weak demand to be a concern, compared to 56% stating likewise on the previous round.

A decline was also noted in the companies citing credit cost as a constraining factor. However, cost of raw materials was put across as a concern by a little over half of the respondents in the current survey round. This number was about 44% in the previous survey round.

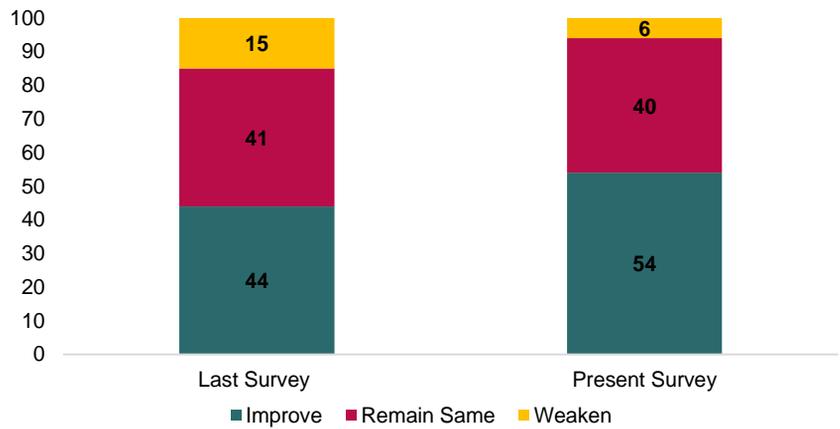
# Business Confidence Survey

## Expected Order Book Position

In the present survey, a majority 54% of respondents were hopeful of an improvement in their order book position over the next six months. Furthermore, while another 40% participants did not expect any change in their order book position over the near term, only a meagre 6 per cent anticipated a decline.

(Proportion of respondents)

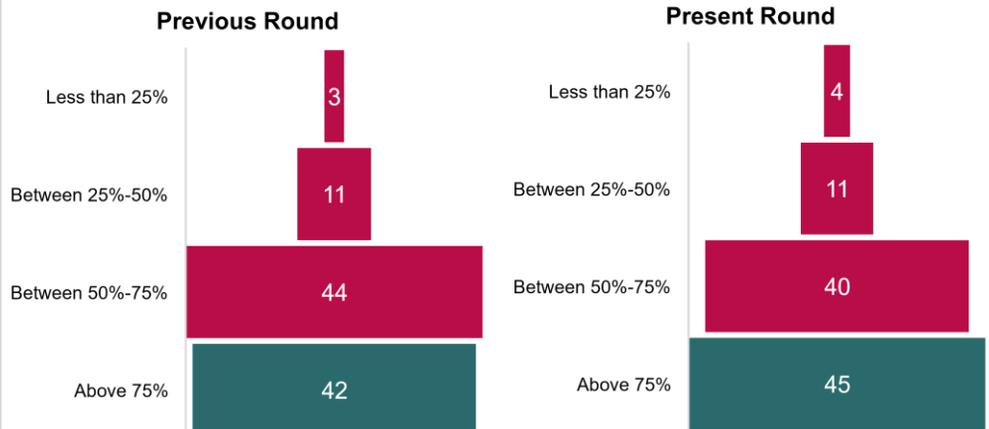
### Expected order book position over next two quarters



## Capacity Utilization

In terms of capacity utilization, 40% of the participants companies in the current survey cited a capacity utilization rate between 50% to 75% , vis-à-vis 44% in the last round. However, those indicating a capacity utilization rate of over 75% increased marginally to 45% in the current round compared to 42% in the previous survey round.

(Proportion of respondents)



# Business Confidence Survey

## Survey Profile

The survey drew responses from about 160 companies with a turnover ranging from Rs 10 crore to Rs 3,000 crore and belonging to a wide array of sectors. The survey gauges expectations of the respondents for the period October 2023 to March 2024.

Broad Sectoral Coverage			
Agri Products / Food Processing	Textile/Apparel	Gems & Jewellery	Engineering
Services	Chemicals	Metals	Electronics & Electricals
FMCG	Consultancy	Travel & Tourism	Medical Devices

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