



**Business Confidence Survey
November 2024**

Business Confidence Survey

Summary

Overall Business Confidence Index drops to 62.5 in the latest survey round

- The latest round of FICCI's Business Confidence Survey revealed a moderation in the optimism level of members of India Inc for the second consecutive quarter. The Overall Business Confidence Index stood at 62.5 in the current round as compared to 67.3 in the previous survey round.
- Both the Current Conditions Index and the Expectations Index noted a moderation. While the Current Conditions Index moderated to 55.9 in the present survey, compared to 60.9 in the previous round; the Expectations Index witnessed an equivalent dip, registering a value of 65.8 in the current survey vis-à-vis 70.5 in the last survey round.
- Regarding operational parameters, barring sales, the near-term outlook for key parameters such as investments, profits, employment, and exports noted some improvement.
- In the latest round, the proportion of respondents anticipating better sales prospects over the near term reported a dip - with 54% participants foreseeing 'much higher to higher' sales in the coming two quarters vis-à-vis 61% stating likewise in the previous survey.
- Further, the proportion of respondents citing 'much higher to higher' investments in the coming six months witnessed an uptick in the current survey compared to the previous round. 53% participants said that they foresee higher to much higher investments over coming six months as compared to 45% participants stating likewise in the previous round.
- The survey results also reported a positive outlook for profits with 43% participants citing "much higher to higher" profits in the near term in contrast to 31% stating same in the previous round.
- Outlook on employment and exports reported an improvement as well. About 33% respondents were optimistic about better hiring prospects over next two quarters (up from 28% stating the same in the previous round). Export prospects were also reported to be better in the current round with 40% respondents indicating higher outbounds shipments. The corresponding number in the previous round was 26%.
- Weak demand persists to be a constraining factor for business –with a majority 60% respondents citing it as a major impediment for business. On the other hand, in comparison to the previous round, the proportion of participants citing cost of credit and cost of raw materials as limiting factor for businesses noted a marginal decline.

Business Confidence Survey

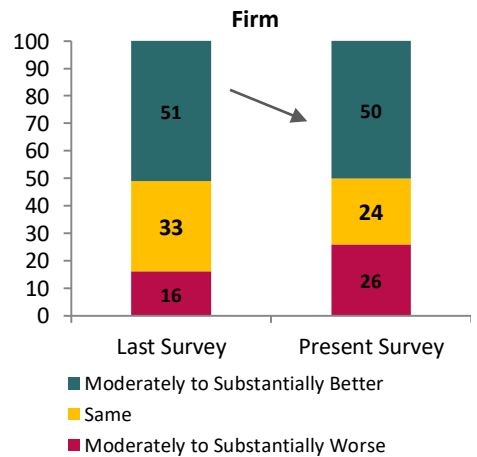
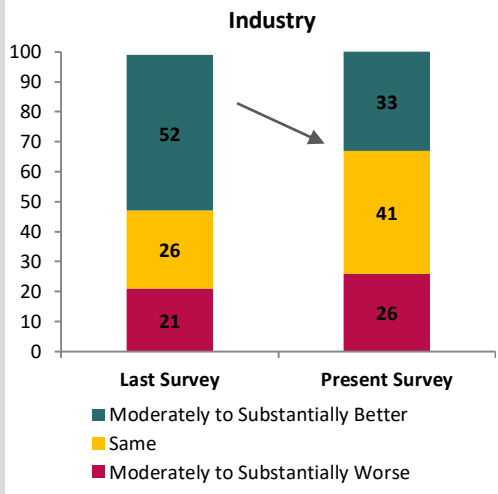
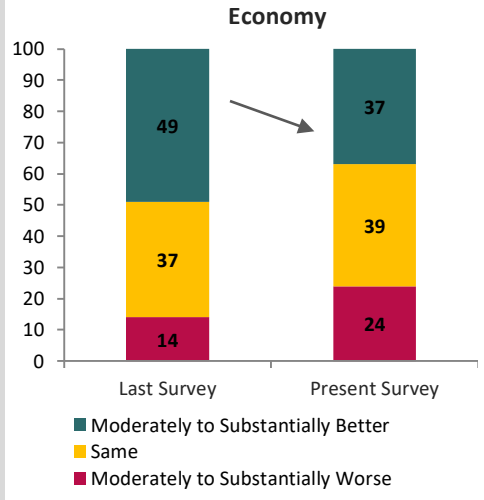
Summary

- The participants were also asked about their outlook regarding the upcoming festive season. Almost half of the respondents, 48% were moderately optimistic about the demand conditions, while only about 11% of the participants cited being considerably optimistic. A little over one-third of participants, 39% expected no change in the demand momentum.
- India's advancements in digitization, driven by its Digital Public Infrastructure (DPI), have boosted innovation, transparency, efficiency, and financial inclusion, solidifying its position as a global digital leader. In this context, companies were asked to share their assessment on the impact of digitization on business operations. About three quarters of the participants indicated an improvement in their business operations with the advancements in digitization.

Business Confidence Survey

Current conditions vis-à-vis last six months

Assessment of respondents regarding overall current conditions vis-à-vis last six months noted a moderation at the economy and industry level.....



The results of FICCI’s latest Business Confidence Survey report a noticeable moderation in the proportion of respondents citing an improvement in overall current conditions relative to last six months at the economy and industry levels.

At the economy level, the proportion of participants citing current conditions as ‘moderately to substantially better’ vis-à-vis last six months moderated to 37%, vis-à-vis 49% stating likewise in the previous round. The proportion of participants reporting no change in current conditions vis-a-vis previous six months increased marginally to 39% in the present round, vis-à-vis 37% last time.

At the industry level, about 33% respondents reported ‘moderately to substantially better’ current conditions vis-à-vis last six months, while the proportion was higher at 52% in the previous round. Those citing conditions to remain the same noted an increase to 41% from 26% in the previous round.

At the firm level, 50% respondents cited current conditions as ‘moderately to substantially better’ vis-à-vis last six months, which does not mark much change from the number in the last round. However, an increase was noted in the percentage of participants citing a worsening at the firm level situation – vis-à-vis last six months. 26% participants reported ‘moderately to substantially worse’ performance vis-à-vis past two quarter at the firm level the corresponding number in the last round was 16%.

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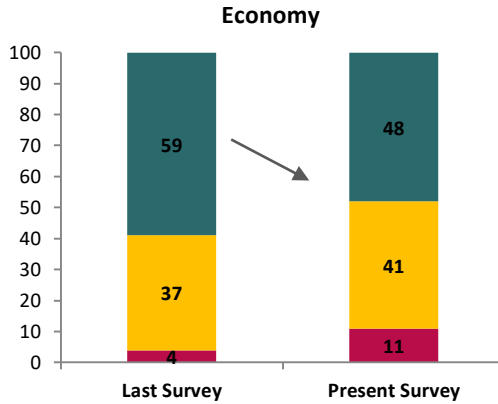
Expected conditions over next six months

Results of the latest survey indicate deterioration in the optimism level of respondents about near-term prospects at all the three levels - economy, industry, and firm.

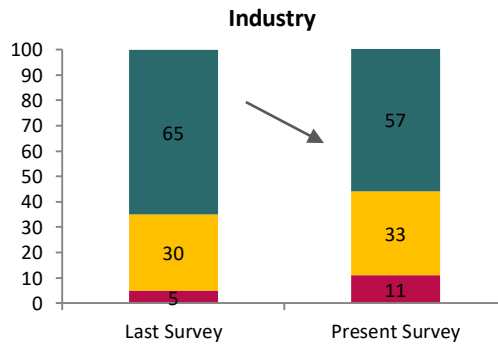
At the economy level, the proportion of respondents foreseeing 'moderately to substantially better' performance over next six months declined noticeably from 59% in the previous round to 48% in the present survey. Those expecting economy wide conditions to deteriorate in the next six months rose to 11% in the current round from 4% in the previous round, while 41% expected no change in the situation.

57% of the surveyed companies reported that they expect an improved performance over next two quarters at the industry level. This marked a decline from the previous round when 65% respondents had said so. Further, about 33% of the participants expected no change in the industry level performance over the next two quarters.

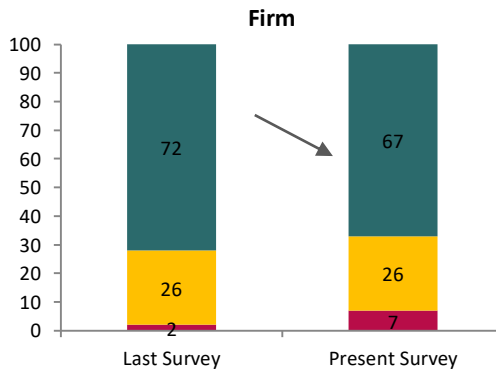
Further, the proportion of participating companies hopeful of better prospects in the next six months at the firm level also witnessed a decline from 72% in the last survey round to 67% in the present round.



- Moderately to Substantially Better
- Same
- Moderately to Substantially Worse



- Moderately to Substantially Better
- Same
- Moderately to Substantially Worse



- Moderately to Substantially Better
- Same
- Moderately to Substantially Worse

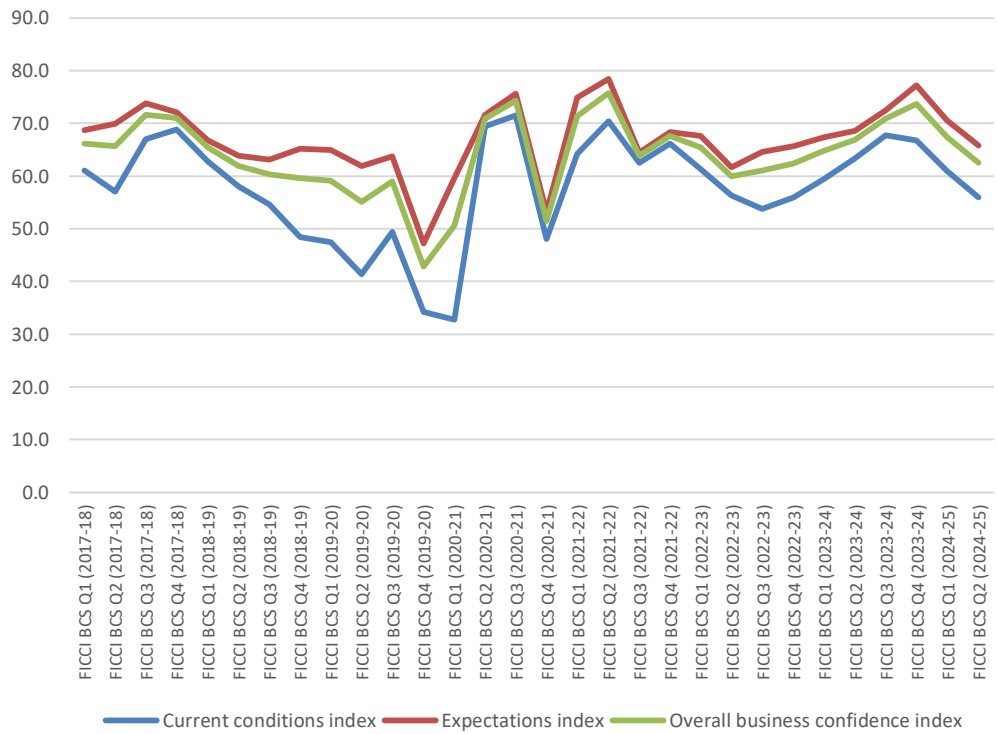
The expectations of respondents regarding performance over coming two quarters witnessed moderation at all the three levels....



Business Confidence Survey

Business Confidence Index

Overall Business Confidence Index



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

...Overall Business Confidence Index stood at 62.5 vis-à-vis 67.3 in the previous round...

In the current survey round, a moderation was noted in the confidence levels for the second consecutive quarter. The Overall Business Confidence Index stood at 62.5 in the present survey round as compared to an index value of 67.3 in the previous survey. Participating companies reported a moderation in current conditions as well as near-term expectations.

The growth in the domestic economy has noted some loss in momentum owing to factors including a sluggish pickup in public capital expenditure, moderation in urban demand, and a slowdown in industrial activity caused by uneven and excessive rainfall. Reflecting these elements, the Current Conditions Index declined from 60.9 in the previous survey to 55.9 in the latest round.

The Expectations Index, on the other hand, also declined from 70.5 in the previous survey to 65.8 in this round.

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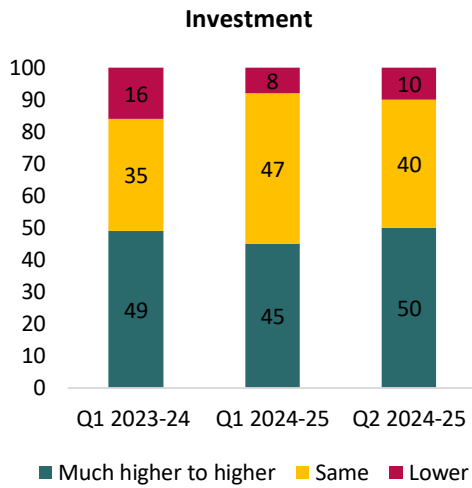
Operational Parameters

Investments

The proportion of respondents citing 'much higher to higher' investments in the coming six months witnessed a pickup in the latest round of the survey, while the proportion of participants citing investment levels to be same noted a dip.

50% participating companies anticipated an increase in investments over coming six months in the latest survey as compared to 45% respondents reporting likewise in the previous survey round. About 40% participants expected no change in investment levels.

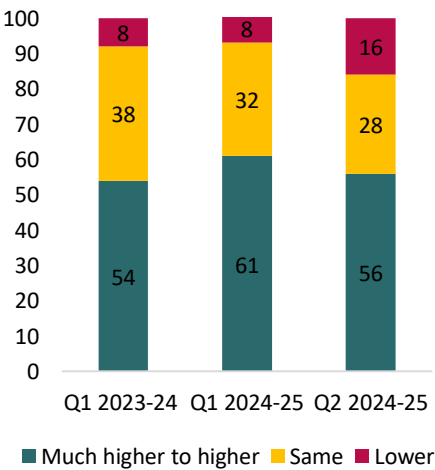
(Proportion of respondents)



Investment outlook reports an uptick....

(Proportion of respondents)

Sales



Sales

Latest survey results reported a moderation in the outlook of the participating companies regarding the sales prospects.

56% participating companies anticipated an increase in sales over next two quarters, lower than 61% respondents citing the same in the previous survey round. While 28% of the participants expected sales to remain same in near future, the proportion of those expecting sales to be lower doubled to 16% in contrast to 8% stating likewise in the previous round.

...sales prospects note a deterioration...



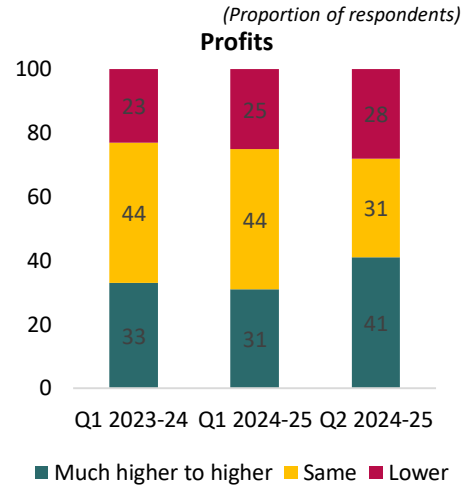
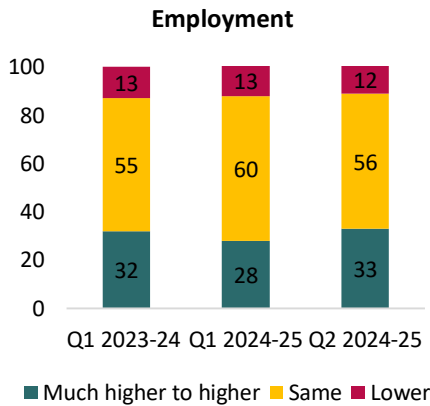
Business Confidence Survey

Operational Parameters

Profits

About 41% of the respondents expected profit levels to be higher over the next two quarters—this marked an increase of about 10 percentage points from the previous round. Further, 31% of the participating companies expected no change in their profit levels over the coming six months; while about a quarter of participants cited lower profits in the near term.

(Proportion of respondents)



Employment

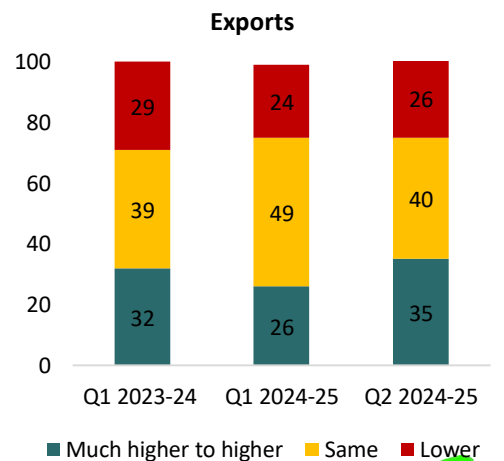
In the present survey round, employment outlook of businesses noted an improvement. In the current survey round, about 33% participants cited hiring new employees over the next six months—noting an increase vis-à-vis 28% respondents stating likewise in the previous round. However, a majority of the respondents - 56% anticipated hiring levels to remain the same in the near term.

(Proportion of respondents)

Exports

In the latest survey round, about 35% respondents said that they foresee much higher-to-higher exports over next two quarters – vis-à-vis 26% participants reporting likewise in the previous survey round.

On the other hand, the proportion of participants anticipating exports to remain same declined from 49% in the previous round to 40% in the current survey.



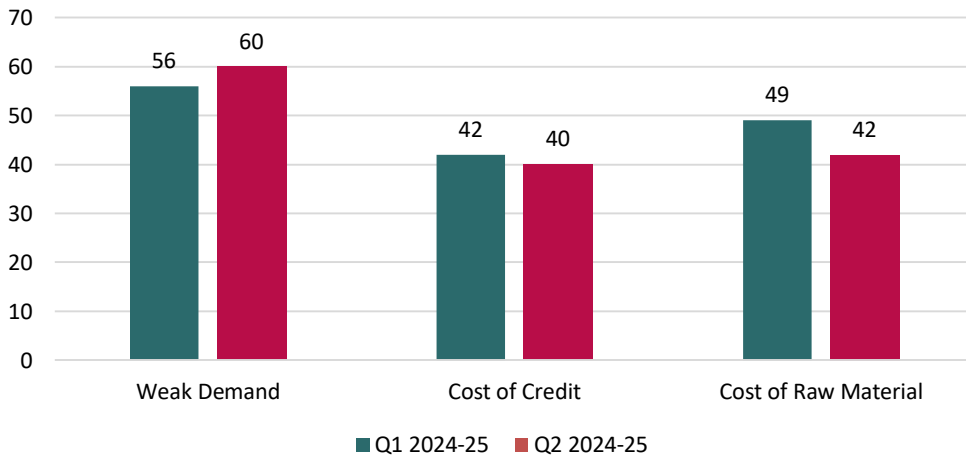
Business Confidence Survey

Constraining Factors

Major Constraining Factors for Businesses

(Proportion of respondents)

Factors affecting business



An increase was noted in the proportion of respondents citing weak demand as a cause of concern for businesses. In the current survey, 60% respondents cited weak demand as a worry compared to 56% stating likewise in the last round.

Data on high frequency indicators suggests that while rural demand has witnessed an improvement buoyed by robust south-west monsoon, there are has been slowdown in urban demand as evidenced in slow FMCG and passenger vehicle sales. High food inflation remain one persistent factor affecting both urban and rural demand components.

On the other hand, concerns around cost of credit as a constraining factor remains - 40% respondents cited cost of credit to be a worrisome factor in the present survey vis-à-vis 42% stating likewise in the previous round.

Additionally, the proportion of respondents identifying raw material costs as a constraining factor noted a moderation - with 42% stating it as a cause of concern, in contrast to 49% stating likewise in the previous round.

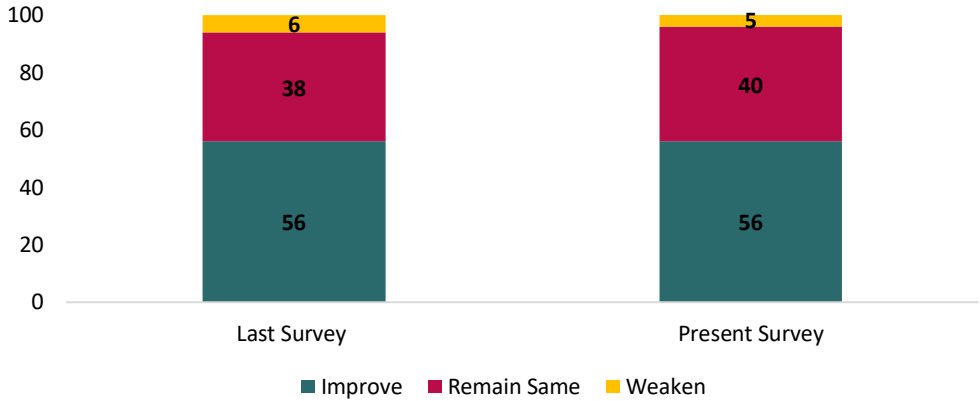
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Expected Order Book Position

Proportion of respondents anticipating better order books over next six months witnessed no change in the present survey round . On the other hand, proportion of respondents expecting their order book position to remain the same in the coming six months increased marginally from 38% in the previous round to 40% in the present survey.

(Proportion of respondents)

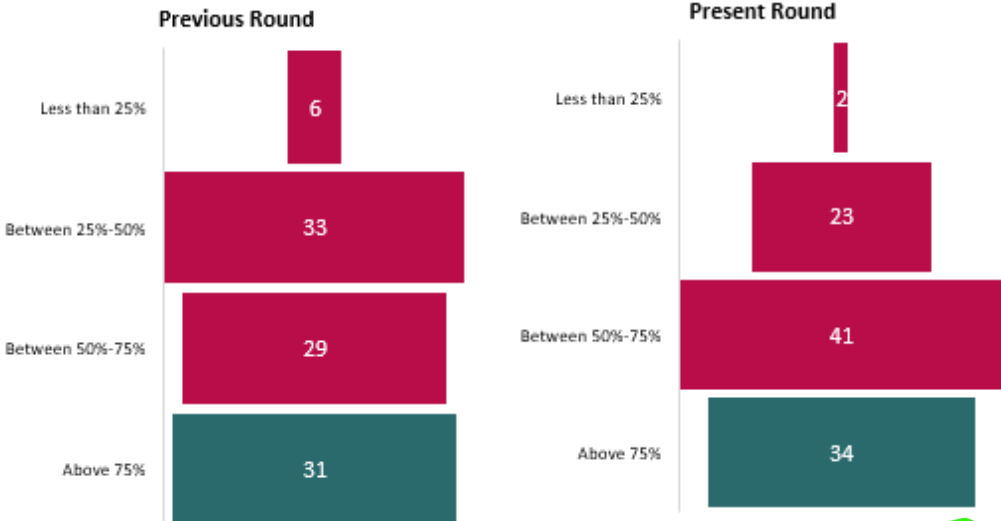
Expected order book position over next two quarters



Capacity Utilization

In terms of capacity utilization, there was an increase in the proportion of respondents citing capacity utilization rate between 50% to 75% - 41% of the participants companies cited a capacity utilization rate between 50-75% in the current survey , vis-à-vis 29% stating likewise in the previous round. Additionally, 34% respondents cited a capacity utilization rate of over 75% in the latest survey – relative to 31% respondents citing same in the previous round.

(Proportion of respondents)



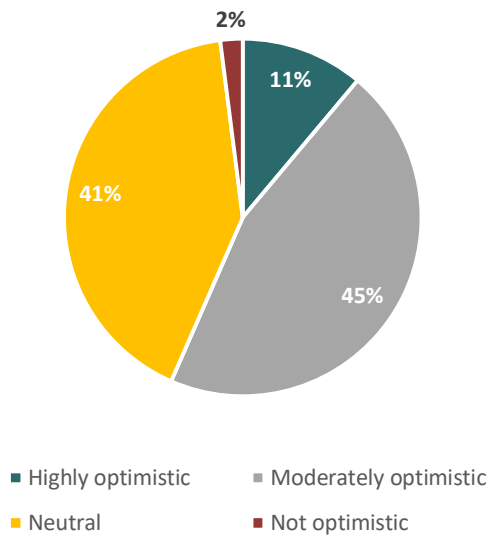
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Optimism about demand in festive season

The Q1 2024-25 estimates reported a revival in Private Final Consumption Expenditure, recording a robust 7.5% y-o-y growth. Further, with signs of revival in rural demand and some easing in headline inflation, the survey participants were asked to share their views on the demand scenario during upcoming festive season.

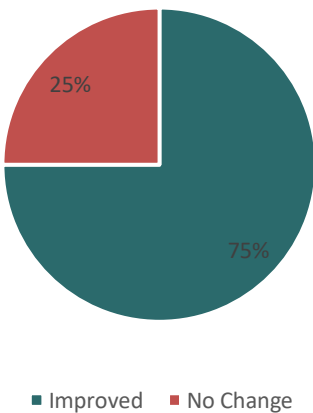
The survey findings showed that 45% of the respondents were moderately optimistic about the demand conditions while 41% of the respondents were neutral. Only about 11% of the surveyed companies were highly optimistic about the demand prospects during the festive season.

Optimism about demand in festive season



Impact of digitization on business operation

Impact of digitization on business operations



India's advancements in digitization, powered by its Digital Public Infrastructure (DPI), has accelerated innovation, improved transparency, enhanced efficiency, and fostered financial inclusion, positioning the country as a global leader in this domain. Against this backdrop, companies were asked to share their assessment on the impact of digitization on business operations.

A majority three quarters of the participants indicated an improvement in their business operations with the advancements in digitization.

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Benefits of digitization to businesses

In response to a question on the areas where digitization and Digital Public Infrastructure (DPI) have been most beneficial to their businesses, participants identified payment systems and financial transactions as the most important area of application. This demonstrates the pivotal role of UPI and digital platforms in enabling seamless, efficient, and secure financial operations, which are fundamental to business functioning.

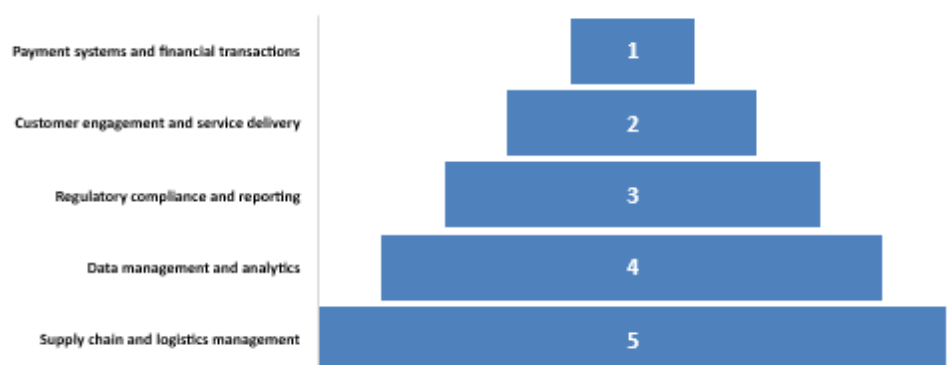
Customer engagement and service delivery ranked second, highlighting role of digital platforms in enhancing customer interactions and experience. Businesses are increasingly leveraging digital tools to create more personalized, responsive, and accessible service models that meet evolving customer expectations. The digital transformation in this realm has enabled more intuitive, real-time communication channels and more sophisticated customer support mechanisms.

Regulatory compliance and reporting secured the third position, reflecting the growing importance of digital solutions in managing complex governance and reporting requirements.

Data management and analytics claimed the fourth rank, underlining the critical role of digital infrastructure in transforming raw data into strategic insights. Organizations are recognizing the potential of advanced analytics to drive decision-making, optimize performance, and uncover hidden business opportunities.

Finally, supply chain and logistics management were ranked fifth, demonstrating how digitization is revolutionizing operational efficiency in managing complex logistics networks. Digital technologies have enabled more precise tracking, improved inventory management, and enhanced coordination across supply chain ecosystems.

Benefits of digitization to businesses (in order of ranking)



Business Confidence Survey

Survey Profile

The survey drew responses from 148 companies belonging to a wide array of sectors. The survey gauges expectations of the respondents for the period October 2024 to March 2025.

Agriculture	Textile/Apparel	Chemicals	Energy
FMCG	Logistics	Metals	Banking & Financial Services
Automotive	Engineering Goods	Food Processing	Pharmaceuticals
Information Technology	Consulting	Media & Entertainment	Jewellery

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