

Business Confidence Survey
January 2025

Business Confidence Survey

Summary

Overall Business Confidence Index at 63.3 - marking a marginal increase over 62.5 in the previous survey round

▪The Overall Business Confidence Index climbed to 63.3 in the current survey round, up from 62.5 in the previous one. This improvement was driven by better assessments of both current and future business conditions — the Current Conditions Index rose to 57.2 from 55.9, while the Expectations Index increased to 66.3 from 65.8.

▪Survey findings on key operational indicators presented a mixed outlook. While expectations for sales and investments remained steady, sentiment around profits, exports, and employment continued to be restrained.

▪About 57% of participating firms anticipated an increase in sales over the next two quarters, marginally higher than 56% in the previous survey. Investment sentiment also strengthened slightly, with 52% of respondents expecting higher capital expenditure, compared to 50% earlier.

▪In contrast, profit expectations were more cautious. Around 37% of businesses projected no change in profit levels over the next six months, 27% expected a decline, and 36% anticipated an improvement — lower than 41% in the previous round.

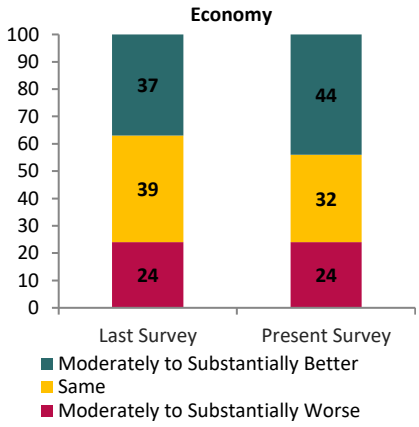
▪Sentiment regarding exports and employment remained subdued. A majority (57%) expected hiring levels to remain stable, while around 43% reported no change in their export expectations for the January–June 2025 period.

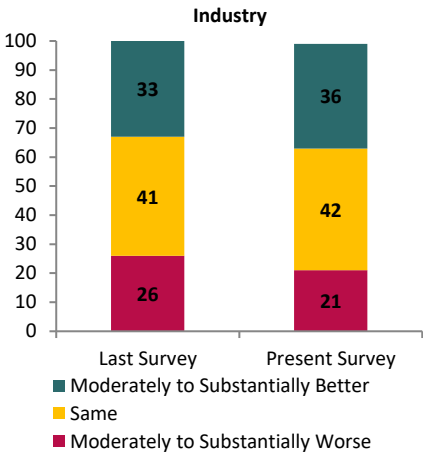
▪Meanwhile, the global economic environment continues to exert pressure on business sentiment. Persistent challenges such as weak demand and high cost of credit remain key concerns, while rising raw material costs also seems to be emerging as an additional constraint.

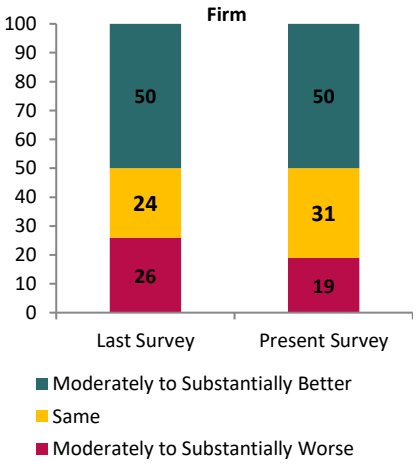
FICCI

Business Confidence Survey

Current conditions vis-à-vis last six months







FICCI's latest survey round reflects an improvement in current business conditions relative to last six months across economy and industry levels.

At the economy level, 44% of respondents described current conditions as 'moderately to substantially better' compared to the previous six months — up from 37% in the last survey round. Meanwhile, those reporting no change in conditions declined to 32%, compared to 39% earlier.

Industry-level sentiment also saw a slight uptick, with 36% of respondents noting an improvement in industry performance, up from 33% in the previous round.

At the firm level, 50% of respondents cited current conditions as 'moderately to substantially better' than six months ago — the same as in the previous round. However, there was an increase in the share of respondents who expect business conditions at the firm level to remain unchanged.

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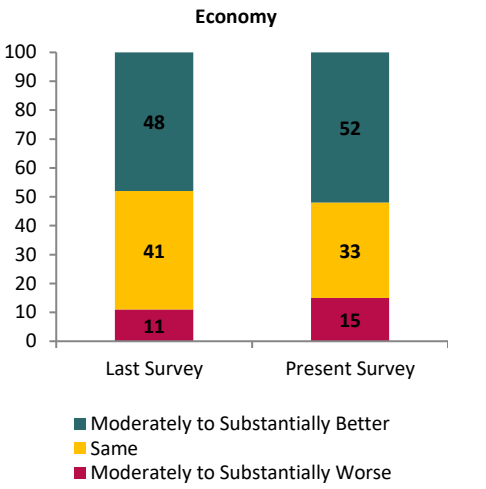
Expected conditions over next six months

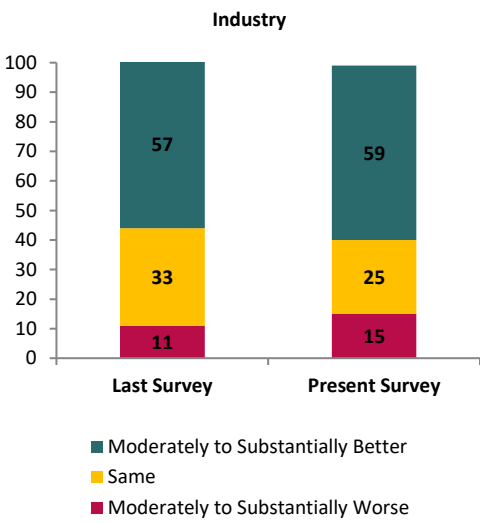
Participants maintained an overall optimistic outlook for business prospects during the period January–June 2025.

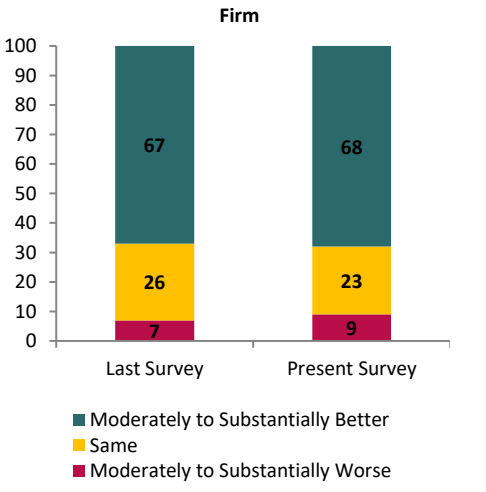
At the economy level, 52% of respondents expect conditions to be 'moderately to substantially better' over the next six months — up from 48% in the previous round. The proportion of those anticipating no change in the economic situation declined to 33%, compared to 41% earlier.

At the industry level, optimism strengthened a tad, with 59% of respondents foreseeing improved performance in the next two quarters, up from 57% in the last survey.

At the firm level, confidence remained steady, with 68% of respondents expecting better business prospects in the coming six months, slightly higher than 67% in the previous round. Meanwhile, the share of participants expecting no change in conditions eased to 23%, compared to 26% earlier.

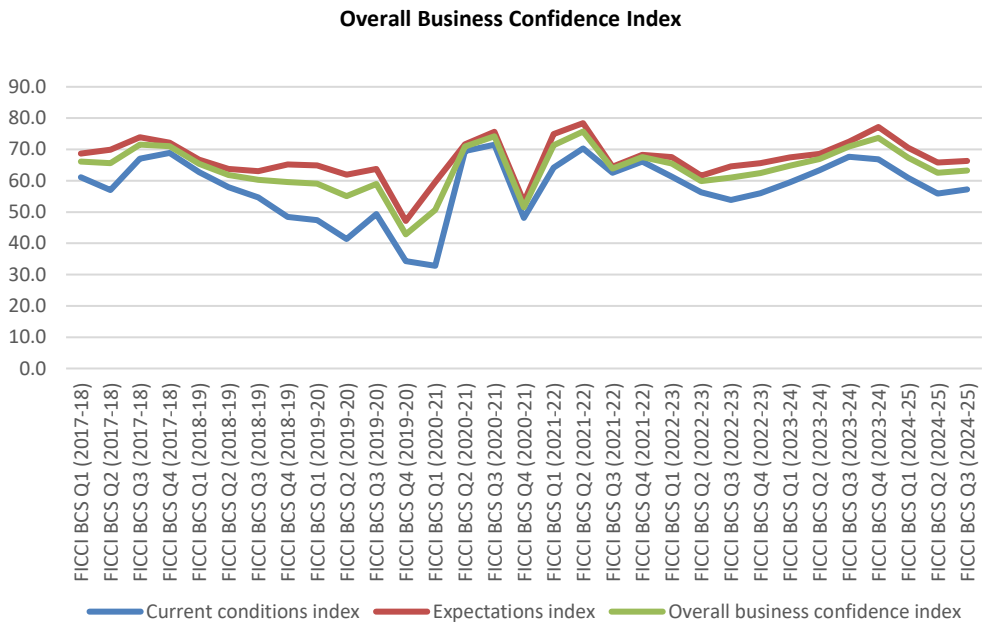






Business Confidence Survey

Business Confidence Index



The latest survey indicates an improvement in optimism among corporate India. The Overall Business Confidence Index climbed to 63.3, compared to 62.5 in the previous round.

This improvement was driven by an uptick in both the near-term expectations of respondents as well as their assessment of current conditions. The Current Conditions Index increased to 57.2 in the latest round, compared to 55.9 in the previous survey. Likewise, the Expectations Index edged up marginally to 66.3 from 65.8 in the last round.

Business Confidence Survey

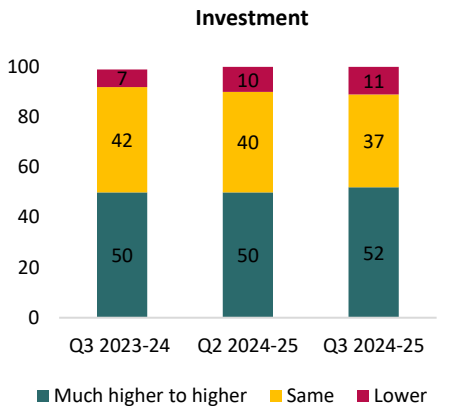
Operational Parameters

Investments

The share of respondents expecting 'much higher to higher' investments over the next six months showed a slight improvement in the latest survey round.

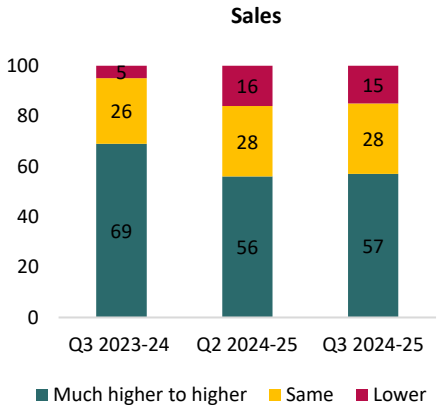
In the current survey, 52% of participating companies anticipated an increase in investments, up from 50% in the previous round. Meanwhile, around 37% of respondents expected investment levels to remain unchanged.

(Proportion of respondents)



Sales

(Proportion of respondents)



The latest survey indicates a slight improvement in the sales outlook for the next six months. Around 57% of participating companies expect sales to increase in the near term, compared to 56% in the previous round. Meanwhile, 15% of respondents anticipate a decline in sales, and about 28% expect sales to remain unchanged.

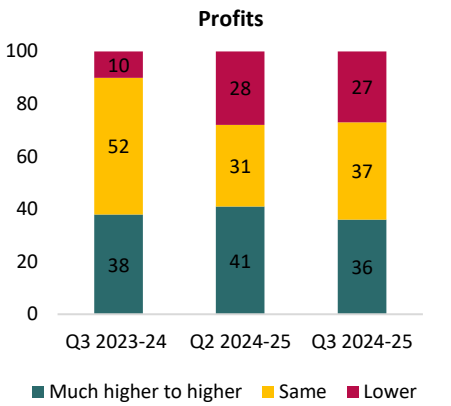
Business Confidence Survey

Operational Parameters

Profits

About 37% of participating businesses expect their profit levels to remain unchanged over the next six months, while around 27% anticipate a decline in profits in the near term. Meanwhile, 36% of respondents foresee higher profits over the next two quarters — down from 41% who expressed similar expectations in the previous survey round.

(Proportion of respondents)



(Proportion of respondents)



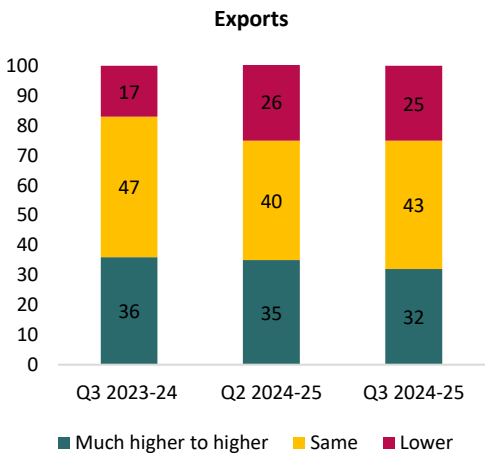
Employment

In the current survey round, the employment outlook among businesses remained subdued. Only around 30% of respondents indicated plans to hire new employees in the next six months, while a majority — 57% — expect hiring levels to remain unchanged in the near term.

(Proportion of respondents)

Exports

In the current survey round, 32% of respondents indicated expectations of 'much higher to higher' exports over the next two quarters — down from 35% in the previous round. This was accompanied by a slight increase in the share of participants expecting export levels to remain unchanged. Meanwhile, about one-fourth of the surveyed businesses reported weaker export prospects in the near term.

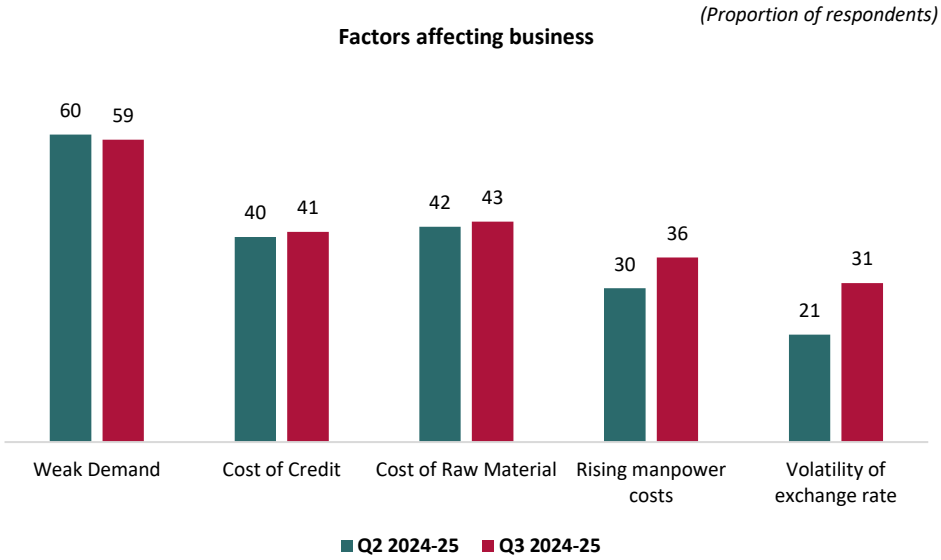


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Constraining Factors

Major Constraining Factors for Businesses

(Proportion of respondents)



The latest survey shows a slight easing of concerns over weak demand, with 59% of respondents citing it as a challenge, compared to 60% in the previous round.

Concerns related to the cost of credit and raw material prices remained largely unchanged, with around 41% and 43% of respondents, respectively, identifying them as key constraints.

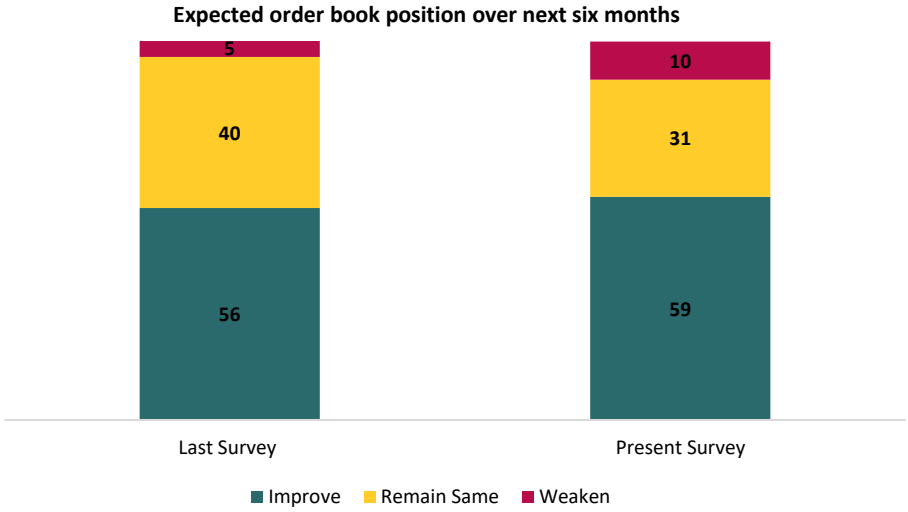
Rising manpower costs are also emerging as a growing concern, flagged by 36% of respondents in the current round — up from 30% in the previous survey.

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Expected Order Book Position

The share of respondents expecting an improvement in their order books over the next six months rose to 59% in the current survey round, up from 56% in the previous one. Additionally, about 31% of companies anticipated their order book position to remain unchanged, compared to 40% who reported the same in the last round.

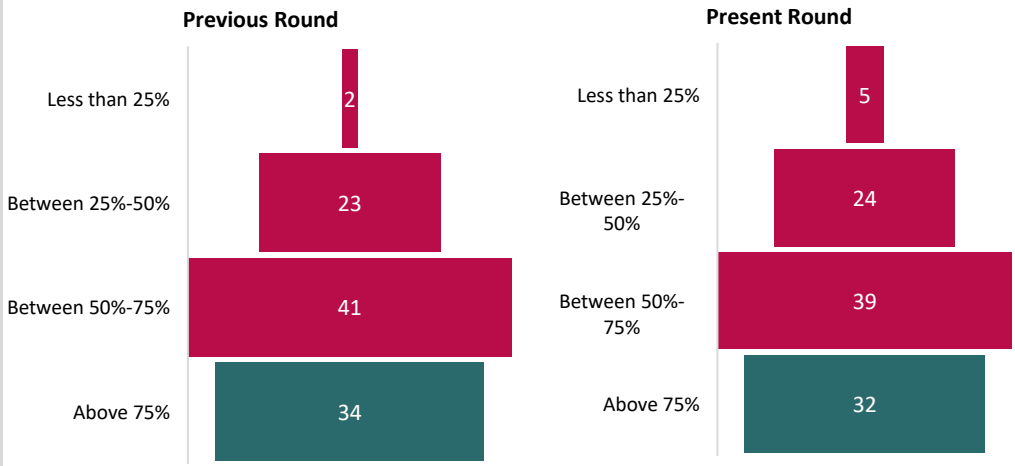
(Proportion of respondents)



Capacity Utilization

Regarding capacity utilization, the current survey recorded a slight decline in the proportion of respondents operating within the 50%–75% and above 75% utilization ranges. In this round, 39% of respondents reported capacity utilization between 50%–75%, compared to 41% in the previous round, while 32% indicated utilization above 75%, down from 34% earlier.

(Proportion of respondents)



Business Confidence Survey

Survey Profile

The survey drew responses from about 170 companies with a turnover ranging from Rs 2 crore to Rs 30,000 crore and belonging to a wide array of sectors. The survey gauges expectations of the respondents for the period January 2025 to June 2025.

Agriculture	Apparel	Information Technology	Electronics
Energy	Logistics	Metals & Minerals	Consumer Products
Automotive	Engineering Goods	Food Processing	Pharmaceuticals
	Banking & Financial Services	Hotel & Hospitality	

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