

Business Confidence Survey
May 2025

Business Confidence Survey

Summary

Overall Business Confidence Index at 64.1 - marking a marginal increase in the latest survey round

▪The Overall Business Confidence Index rose to 64.1 in the current survey round, up from 63.3 in the previous survey. The improvement was supported by gains in both the Current Conditions Index, which increased to 59.2 from 57.2, and the Expectations Index, which rose to 66.6 from 66.3.

▪The improvement in business sentiment was broad-based, with respondents noting some signs of improvement across all three levels—economy, industry, and the firm level—in terms of both current conditions and the near-term outlook.

▪However, concerns persist. The global economic environment, marked by geopolitical tensions and an uncertain trade policy landscape, continues to weigh on business prospects. While weak demand and cost of credit remain key concerns, exchange rate volatility emerged as a growing constraint, cited by 40% of respondents — up from 31% in the last round and about 25% a year ago.

▪Survey results related to operational parameters indicated a mixed picture. The outlook for sales and investment remained steady, while expectations around profits, exports, and employment continued to be subdued.

▪About 59% of participating companies in the current round anticipated an increase in sales over the next two quarters, up from 57% in the previous survey. Investment expectations also improved slightly, with 53% of respondents expecting higher capital expenditure, compared to 52% earlier. These positive trends are being supported by easing inflationary pressures and stronger rural demand.

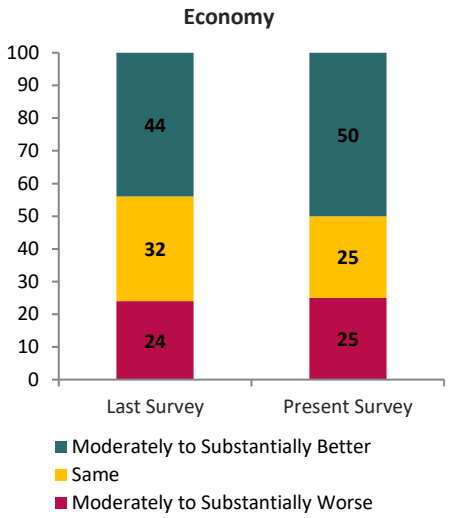
▪In contrast, profit expectations reflected a more cautious outlook. A majority (43%) of businesses expected no change in profit levels over the coming six months, while 29% anticipated lower profits. Another 29% expected an increase in profits, down from 36% who held a similar view in the previous round.

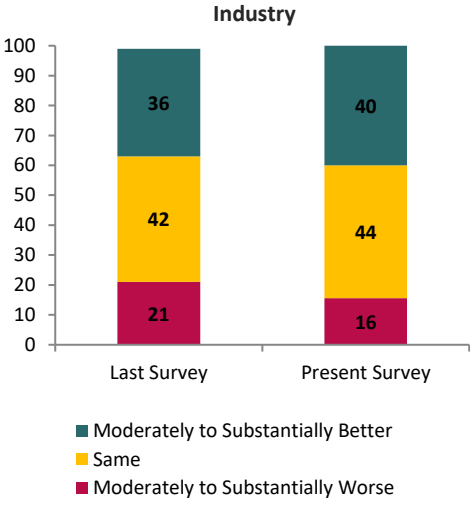
▪Similarly, sentiment around exports and employment remained muted. 60% of participants expected hiring levels to remain unchanged in the near term, and nearly half of respondents cited no change in their expectations around outbound shipments for the April–September 2025 period.

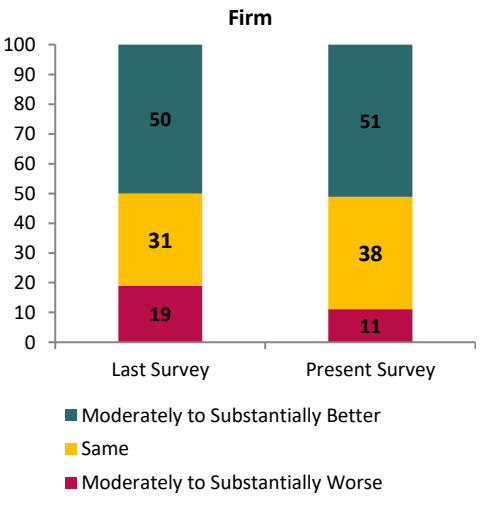
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Business Confidence Survey

Current conditions vis-à-vis last six months







FICCI's latest round of Business Confidence Survey indicates an improvement in overall current conditions relative to last six months across all the levels - economy, industry and firm.

At the economy level, the proportion of participants citing current conditions as 'moderately to substantially better' compared to previous six months noted an increase to 50%, vis-à-vis 44% stating the same in the previous round. Meanwhile, the proportion of participants reporting no change in current conditions vis-a-vis previous six-month declined to 25% in the present round, vis-à-vis 32% last time.

Sentiments at the industry level also showed improvement, with about 40% respondents expressing an improvement in the industry performance compared to 36% in the previous survey.

At the firm level, the uptick in sentiments was only marginal. 51% of the respondents cited current conditions as 'moderately to substantially better' vis-à-vis last six months, nearly unchanged from 50% in the previous round. However, there was a rise in the proportion of respondents expecting conditions at the firm level to remain the same.

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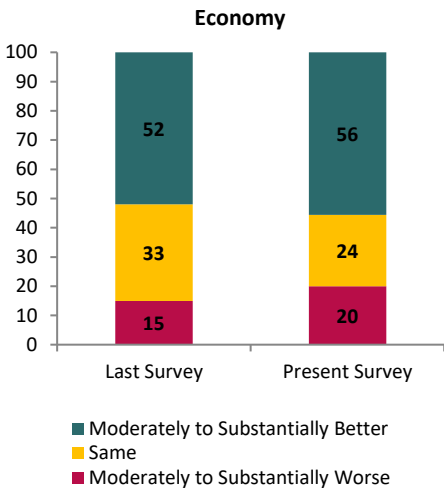
Expected conditions over next six months

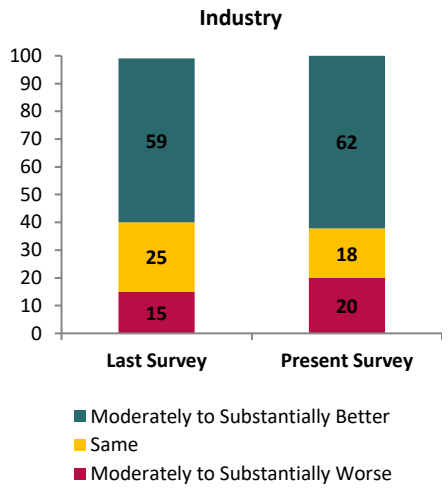
The outlook of the participants regarding business prospects over the period April-September 2025 remained optimistic.

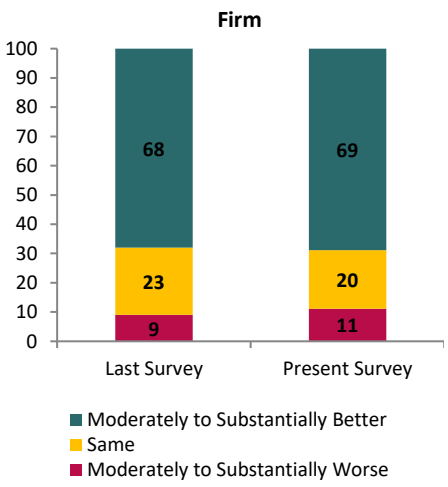
At economy level, the share of respondents anticipating 'moderately to substantially better' performance over next six months improved to 56% in the present round compared to 52% reporting likewise last time. Additionally, the percentage of participants expecting economy-wide conditions to remain the same over the next two quarters witnessed a decline in the current survey to 24%, down from 33% participants stating in the last round.

At industry level, 62% of the surveyed companies reported that they expect a better performance over next two quarters compared to 59% respondents stating same in the previous round.

At the firm level also, optimism was reflected in the recent survey. The percentage of participants hopeful of better prospects in the next six months edged up slightly from 68% to 69%. Meanwhile, those anticipating no change in conditions over the near term declined to 20%, compared to about 23% stating the same in the previous round.

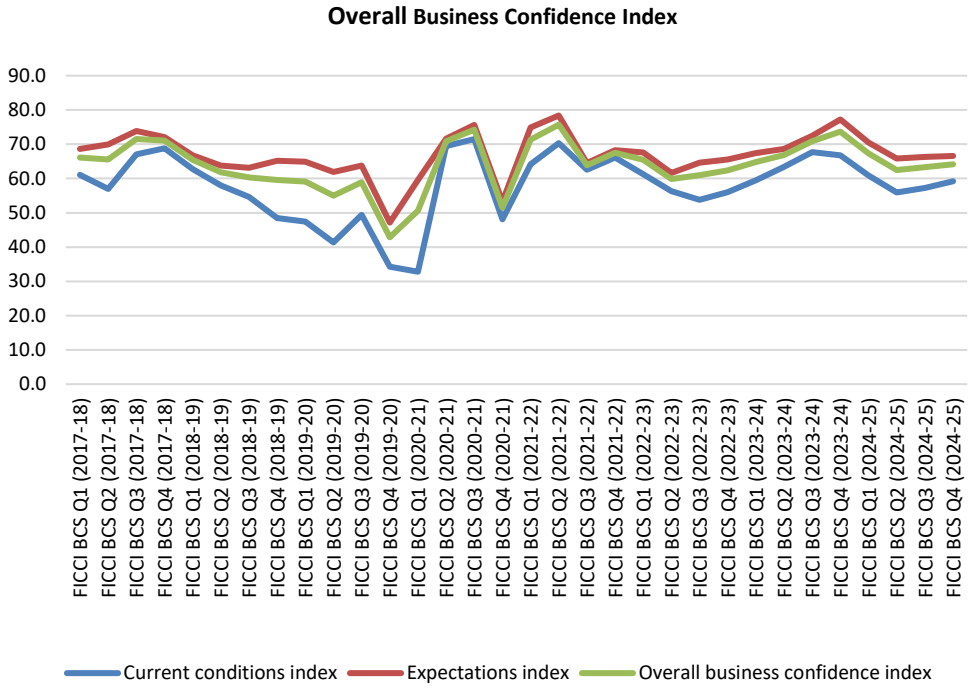






Business Confidence Survey

Business Confidence Index



The current survey round reflects a further improvement in the optimism levels of corporate India. The Overall Business Confidence Index rose to 64.1, up from 63.3 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 59.2 in the latest round, compared to 57.2 in the previous survey. Similarly, the Expectations Index edged up marginally to 66.6 from 66.3 in the last round.

Despite prevailing global economic uncertainties, domestic growth continues to exhibit resilience. Easing inflationary pressures, the forecast of a favorable summer crop season, sustained buoyancy in the services sector, and continued emphasis on capital expenditure by the government are expected to support growth momentum in the coming months.

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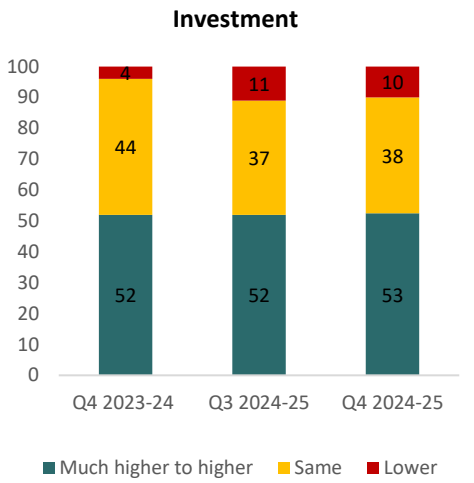
Operational Parameters

Investments

The proportion of respondents citing 'much higher to higher' investments in the coming six months largely remained unchanged in the latest survey round.

53% participating companies anticipated an increase in investments over coming six months in the latest survey as compared to 52% respondents reporting likewise in the previous survey round. Further, the participants indicated that planned investments are aimed at enhancing existing capacity and undertaking new fresh investments for business diversification. However, about 38% participants expected no change in investment levels.

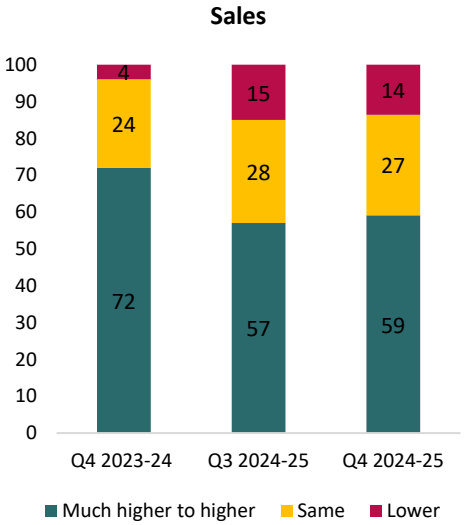
(Proportion of respondents)



Changing global geo-political environment and the overall economic situation are key factors deterring businesses from undertaking investments.

Sales

(Proportion of respondents)



The latest survey results report a marginal improvement in sales outlook in the coming six months. About 59% of the participating companies anticipated an increase in sales over the period April-September 2025, vis-à-vis 57% respondents citing the same in the previous survey round. While 14% of the participants expected sales to be lower in near future, the proportion of those expecting sales to be same dropped marginally to 27% from 28% respondents saying likewise in the previous round.

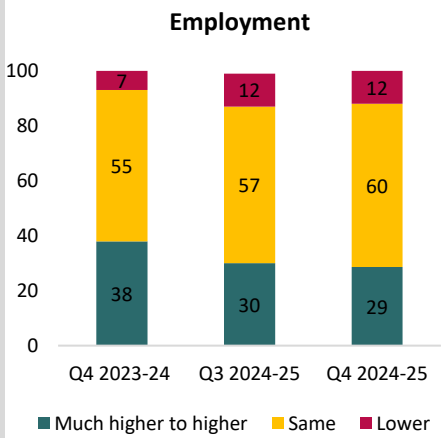
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Operational Parameters

Profits

43% of participating businesses expect no change in their profit levels over the coming six months; while about 29% participants anticipated lower profits over the near term. Meanwhile, 29% of the respondents expected their profit levels to be higher over the next two quarters –a decline from 36% who reported similarly in the previous survey round.

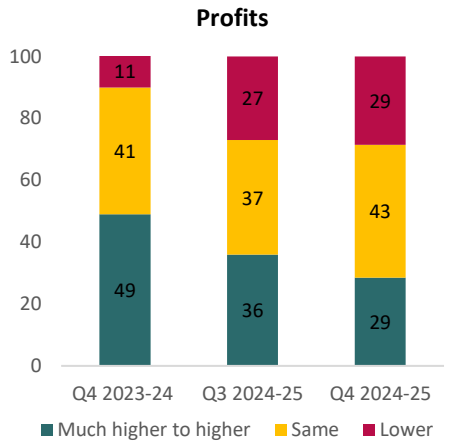
(Proportion of respondents)



Exports

In the present survey round, 26% respondents indicated that they foresee much higher-to-higher exports over next two quarters - a decline from 32% participants reporting likewise in the previous survey round. This was accompanied by a corresponding uptick in the proportion of participants anticipating export levels to remain same. Meanwhile 23% of businesses cited lower export prospects over the near term in the latest survey round.

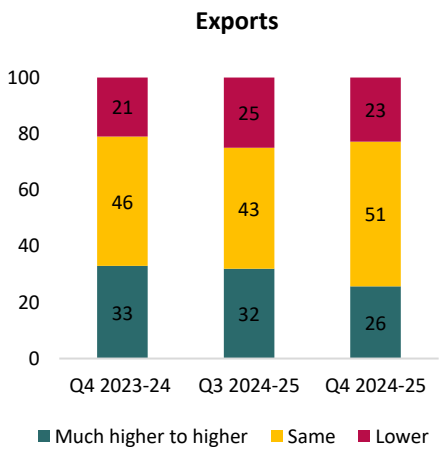
(Proportion of respondents)



Employment

In the present survey round, employment outlook of businesses remained muted. Only about 29% respondents cited hiring new employees over the next six months in the current survey round. A majority - 60% of the participants anticipate hiring levels to remain the same over the near term.

(Proportion of respondents)

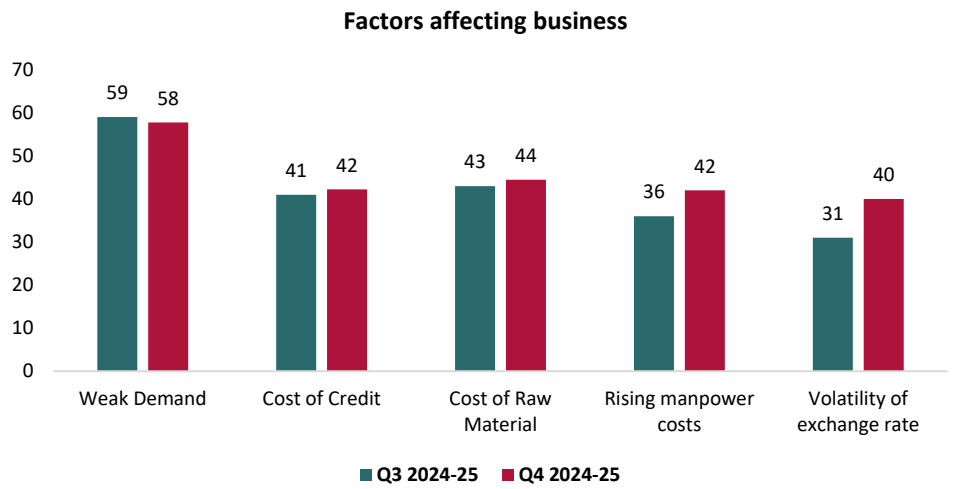


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Constraining Factors

Major Constraining Factors for Businesses

(Proportion of respondents)



The latest survey results indicate a marginal decline in concerns over weak demand, with 58% of respondents identifying it as a challenge, compared to 59% in the previous round.

Concerns regarding the cost of credit and raw material prices continue in the current round, with about 42% and 44% of respondents respectively highlighting these as constraining factors.

Heightened geopolitical tensions have contributed to increased external uncertainty, leading to greater concern around exchange rate volatility. Approximately 40% of participants cited this as a concern, up from 31% in the last round and from about a quarter of respondents a year ago.

Rising manpower costs also seems to be emerging as a worrying factor, with 42% of respondents flagging it in the current survey round, an increase from 36% in the previous round.

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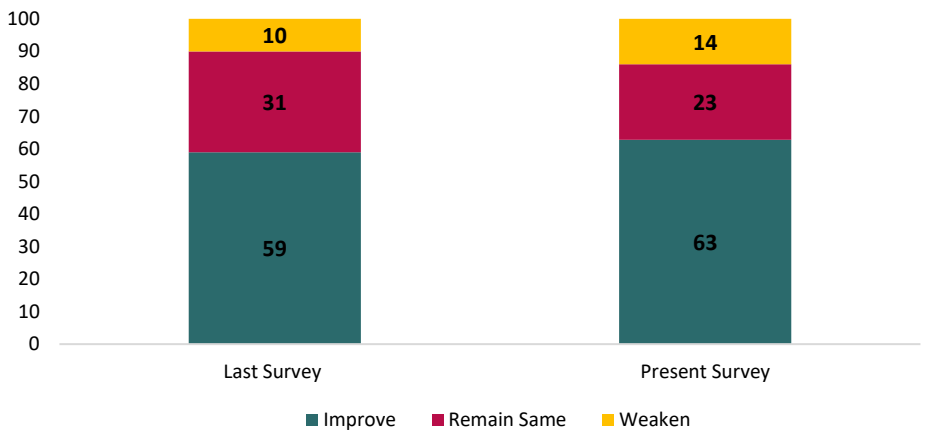
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Expected Order Book Position

Proportion of respondents anticipating better order books over next six months increased in the present survey round to 63% from 59% citing likewise in the last survey round. Also, about 23% companies expected their order book position to remain the same in the coming six months vis-à-vis 31% in the previous round.

(Proportion of respondents)

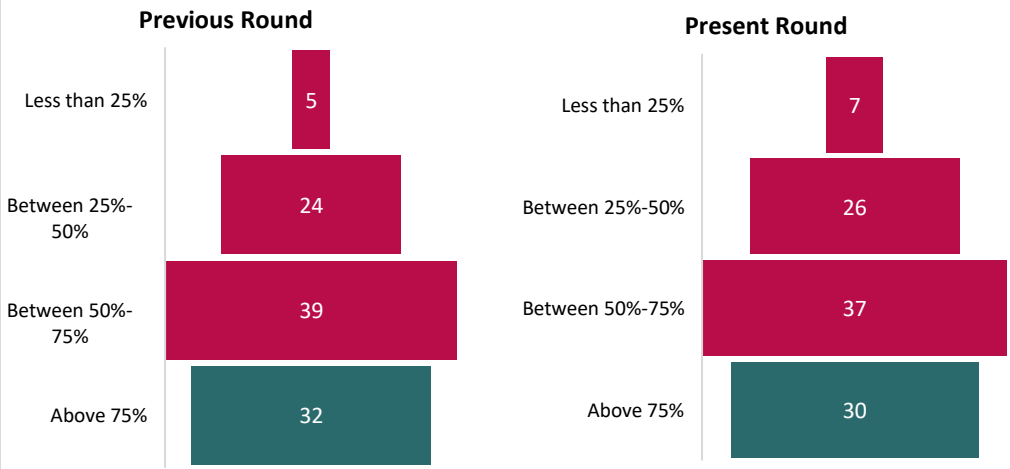
Expected order book position over next six months



Capacity Utilization

In terms of capacity utilization, there was a marginal decline in the share of respondents reporting utilization levels in the brackets 50%–75% and above 75% in the current survey round. In the present round, 37% respondents (vis-à-vis 39% last round) reported capacity utilization between 50%–75%, while 30% (vis-à-vis 32%) indicated utilization rates above 75%.

(Proportion of respondents)



Business Confidence Survey

Survey Profile

The survey drew responses from about 175 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 April 2025 to September 2025.

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

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