



## External Relations Department

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### **State Bank's Business Confidence Survey**

State Bank of Pakistan (SBP), in its pursuit to improve policy formulation, has been increasing its outreach to various stakeholders for their feedback for many years now. Specifically, it obtains views of consumers, businesses and other stakeholders on current and expected economic trends in the country by directly contacting them through various surveys. SBP, in collaboration with Institute of Business Administration (IBA), has been conducting bi-monthly Consumer Confidence Survey (CCS) of more than 1600 households since 2012 and disseminating its results in the form of a Consumer Confidence Index (CCI), which are available at SBP website (<http://www.sbp.org.pk/research/intro.asp>).

Continuing with the spirit, SBP in collaboration with IBA, has also started conducting the Business Confidence Survey (BCS) since 2017 at a bi-monthly frequency (i.e. February, April, June, August, October and December). BCS aims to obtain the opinion of firms in industry and services sector about current and expected business conditions and major factors affecting their businesses. This telephonic survey targets large firms spread across the country to seek their opinions on production, employment, demand for credit and economic conditions etc. The survey results are disseminated in the form of a composite index namely Business Confidence Index (BCI). This index measures business sentiment and is based on six parameters including current and expected economic conditions, current and expected production/sales of businesses and current and expected hiring of employees by large scale firms.

The survey provides an opportunity for businesses to contribute directly to the policy formulation process by sharing their perceptions of current and future economic and business conditions.

In the latest wave of BCS conducted in August 2018, the overall BCI, based on 444 successful interviews, remained slightly positive at 55. This positive perception of businesses is relatively more pronounced for services sector than industry. The overall BCI has increased from 51 to 55 compared to last BCS wave conducted in June, 2018. The detailed results of latest wave of BCS are available at the SBP website (<http://www.sbp.org.pk/research/BCS.asp>)

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