Business sentiment remains stable in Q3: NCAER

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The business sentiment in the country remained largely unchanged, growing by just 0.6 per cent during the quarter ended December, a survey by economic thinktank NCAER has found.

"NCAER's Business Confidence Index (BCI) remained relatively unchanged in the third quarter of 2015-16.

"The 95th round of the Business Expectations Survey (BES) shows that the BCI increased by 0.6 per cent suggesting, business sentiments have remained largely unchanged since the last quarter", the survey said.

However, the BCI continues to fall on a year-on-year basis (12.2 per cent), it said.

The National Council of Applied Economic Research (NCAER) said the services sector has the highest BCI followed by consumer durables, consumer non-durables, intermediate goods and capital goods.

The BCI of consumer durables sector increased the most (8.3 per cent) while the BCI of the intermediate goods sector declined the most (6.4 per cent), it said.

NCAER survey said there was improvement in the BCI in all expect the private limited companies, with public sector firms BCI rising the highest (21.6 per cent).

The BCI of the private limited companies has fallen by 4.8 per cent, it added.

While, sentiments regarding production, domestic sales, exports, imports of raw materials, pre-tax profits and costs either have remained the same or have shown marginal improvement during the quarter.

"Significant exception is the consumer nondurables sectors, which shows decline in sentiments with regard to production, sales, exports and profit."

Overall expectations about costs of raw materials, labour and electricity remain muted, it said, adding labour markets show some optimism with expectations regarding employment and wages showing improvement.

Also, the survey showed political sentiment remained more or less stable with the Political Confidence Index (PCI) showing a quarter-on-quarter fall of 0.8 per cent.