

## PRESS RELEASE

### ***NCAER-NSE Business Expectations Survey for 2022–23: Business Confidence Index exhibits the highest ever jump year-on-year in 2022-23: Q1 while sequentially remaining almost flat***

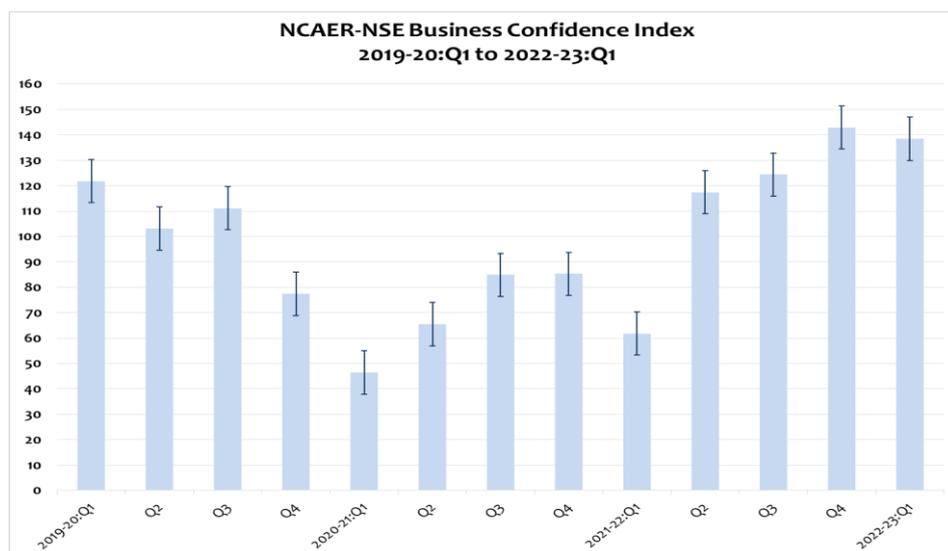
**New Delhi (Monday, August 1, 2022):** The National Council of Applied Economic Research (NCAER), one of India’s premier economic policy research think tanks, carried out the 121<sup>st</sup> Round of its Business Expectations Survey (BES) in June 2022, with support from the National Stock Exchange of India Limited (NSE). NCAER has been carrying out the BES every quarter since 1991, covering 500 firms across four regions.

The Business Confidence Index (BCI) witnessed a sharp jump of 124 per cent over the same quarter of the preceding year. This jump essentially comes over the COVID–19 second wave when the Index was at its all-time low. The Index, at 138.5 in 2022–23:Q1, was statistically not different from 142.9 in 2021–22:Q4.

There were no major changes in the components of the BCI, though there was some sequential moderation in the perceptions of respondents with regard to the components, the ‘present investment climate is positive’ and the ‘financial position of firms will improve in the next six months’.

There was also a small moderation in the Political Confidence Index, though this index remains above the long-term average and higher than in any of the last 18 quarters, except in the sequentially preceding quarter.

The latest BES Report can be accessed and downloaded from [here](#).



**Note:** The bars in the graph represent error bars.

**Methodology:** NCAER has been conducting the BES every quarter since 1991. The BES findings reported here relate to 500 firms. The survey elicits responses from firms across six cities to assess business sentiments in the four regions of India: Delhi-NCR, representing the North; Mumbai and Pune, the West; Kolkata, the East; and Bengaluru and Chennai, the South. All the industries are represented in terms of ownership type (public sector, private limited, public limited, partnerships/individually owned firms, and multinational corporations); industry sector (consumer durables, consumer non-durables, intermediate goods, capital goods, and services); and firm size based on the annual turnovers of the firms (in the range of less than or equal to ₹1 crore, more than ₹1 crore to less than or equal to 10 crore, more than ₹10 crore to less than or equal to ₹100 crore, more than ₹100 crore to less than or equal to 500 crore, and more than ₹500 crore). The sample is drawn randomly from a list of firms in each city. A sizeable number of units taken in one round are retained in the next round to maintain continuity of the analysis.

The BCI is computed on the basis of responses from firms to four questions. Two of these questions focus on macro factors and the other two on micro factors. All the questions carry equal weight. The BCI is a simple average of all the positive responses in the case of three questions, whereas in the case of the fourth question on capacity utilisation, an average of the sum of the responses indicating 'improvement' and 'status quo' is taken. Thereafter, the BCI is compared with the base value (denoted by the value of 100 in Round 7; 1993) to determine change. An increase in the level of the BCI (that is, a larger share of positive responses) reflects optimism in the business sector about the performance of the economy.

## **About NCAER**

NCAER, the National Council of Applied Economic Research, is India's oldest and largest independent economic think tank, set up in 1956 to inform policy choices for both the public and private sectors. Over the past 65 years, NCAER has served the nation well with its rich offering of applied policy research, unique data sets, evaluations, and policy inputs to Central and State governments, corporate India, the media, and the citizenry. It is one of a few independent think tanks world-wide that combines rigorous economic analysis and policy outreach with deep data collection capabilities, particularly for large-scale household surveys. NCAER is led by its Director General, Dr Poonam Gupta, the institution's first woman head, who assumed office on 1 July 2021, and it is governed by an independent Governing Body currently chaired by Mr Nandan M. Nilekani.

## **About NSE**

The National Stock Exchange of India (NSE) is the world's largest derivatives exchange by trading volume (as per Futures Industry Association) for the calendar year 2021. NSE is ranked 4<sup>th</sup> in the world in cash equities by number of trades (as per World Federation of Exchanges) for the calendar year 2021. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of the total and average daily turnover for equity shares every year since 1995. NSE has a fully integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions, and financial education offerings.

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