MA’s Business Confidence Performance Index recorded a new low in the second quarter (July to September) of the current financial year FY2014. The sectors reflect the cautious approach that business has adopted. A very high majority of respondents across all sectors in the four categories of sales growth, order book, hiring, and profitability, are maintaining that growth in these areas have remained the same as in the previous quarter April to June 2013.

In the BFSI sector, the number of respondents who agreed that their sales had risen has dropped sharply to 15 per cent in the second quarter, from 30 per cent (See Chart 1) in the previous quarter (April to June 2013), and 70.5 per cent two quarters ago (January to March 2013). More than half the respondents said their sales have remained the same and this number has progressively increased over the last two quarters. The number of respondents who agreed that their sales growth had dropped has also increased over the last two quarters. The trend is slightly different for IT-enabled services, where the number of respondents who agreed that their sales growth had slowed is...
and this is exactly the opposite of the last quarter. Services reflect a similar trend. So do pharma and healthcare, infrastructure telecom and energy, and industrials. But it changes for the consumer goods (including FMCG) sector where sales growth has increased as well as decreased at the same rate, and far more people felt it had remained the same.

On order book increases during the quarter, IT-enabled services reported the sharpest drop, while IT orders have actually increased and very few respondents said that it had not, with the maximum number agreeing to it remaining the same. The Consumer Goods (including FMCG) sector shows a similar performance as it did for sales growth (See Chart 2).

Almost all sectors have pulled back on hiring and have not increased their workforce which has largely remained the same. Far fewer people said they had increased their workforce, with more respondents saying that they had not, while the majority here too, said it had remained the same (See Chart 3).

In the BFSI sector, the least number of respondents said that their profits had increased, but a big majority of them said it had remained the same. Profitability wise among the lowest sectors are Consumer Goods, Infrastructure, and Industrials (See Chart 4).