

**ECONOMIC OUTLOOK***Percent (%) of respondents*

		<b>2006</b>	<b>2007</b>
<b>GDP GROWTH</b>	<b>Better than last year</b>	<b>47.9</b>	<b>80.6</b>
	Same as last year	41.5	17.7
	Worse than last year	9.6	0.0
<b>INFLATION RATE</b>	Higher than last year	30.8	8.1
	Same as last year	<b>42.6</b>	29.0
	<b>Lower than last year</b>	25.5	<b>61.3</b>
<b>91-DAY T-BILL RATE</b> <i>(average)</i>	Higher than last year	18.1	11.3
	Same as last year	<b>52.1</b>	21.0
	<b>Lower than last year</b>	28.7	<b>66.1</b>
<b>PESO-DOLLAR RATE</b> <i>(yearend)</i>	Same as yearend rate	28.7	22.6
	<b>Appreciating over yearend rate</b>	27.7	<b>62.9</b>
	<i>Rate of appreciation (%)</i>	3.4	3.7
	Depreciating over yearend rate	<b>40.4</b>	11.3
	<i>Rate of depreciation (%)</i>	5.9	3.2
<b>INVESTMENTS</b>	<b>Higher than last year</b>	<b>61.7</b>	<b>74.2</b>
	Same as last year	26.6	21.0
	Lower than last year	9.6	3.2
<b>EXPORTS</b>	<b>Higher than last year</b>	<b>50.0</b>	<b>72.6</b>
	Same as last year	34.0	17.7
	Lower than last year	14.9	8.1
<b>IMPORTS</b>	<b>Higher than last year</b>	<b>71.3</b>	<b>83.9</b>
	Same as last year	19.1	9.7
	Lower than last year	8.5	1.6

*No. of respondents: 62 (9.4% of MBC membership)**Survey period: 2006 (3 to 31 January); 2007 (22 January to 15 February)**Totals may not add up to 100% due to rounding off or no response.*

**CORPORATE PERFORMANCE***Percent (%) of respondents*

		<b>2006</b>	<b>2007</b>
<b>GROSS REVENUES</b> (in previous year)	<b>Growth</b>	<b>66.0</b>	<b>67.7</b>
	<i>Average rate (%)</i>	20.7	16.3
	Decline	14.9	16.1
	<i>Average rate (%)</i>	10.0	7.0
	No change	8.5	8.1
<b>NET INCOME</b> (in previous year)	<b>Growth</b>	<b>61.7</b>	<b>58.1</b>
	<i>Average rate (%)</i>	57.3	50.3
	Decline	13.8	21.0
	<i>Average rate (%)</i>	15.3	16.8
	No change	11.7	11.3
<b>MANUFACTURING CAPACITY UTILIZATION</b>	<i>Average rate (%)</i>	<b>68.2*</b>	<b>70.6**</b>
<b>RAW MATERIAL INVENTORY</b>	Average no. of months	<b>2.1*</b>	<b>1.7**</b>
<b>FINISHED GOODS INVENTORY</b>	Average no. of months	<b>3.0*</b>	<b>1.4**</b>

\* as of 12/31/05

\*\* as of 12/31/06

**CORPORATE OUTLOOK***Percent (%) of respondents*

		<b>2006</b>	<b>2007</b>
<b>GROSS REVENUES</b> (in current year)	<b>Growth</b>	<b>77.7</b>	<b>87.1</b>
	<i>Average rate (%)</i>	14.5	14.7
	Decline	4.3	1.6
	<i>Average rate (%)</i>	15.0	6.0
	No change	8.5	6.4
<b>NET INCOME</b> (in current year)	<b>Growth</b>	<b>62.8</b>	<b>64.5</b>
	<i>Average rate (%)</i>	14.1	19.6
	Decline	7.4	11.3
	<i>Average rate (%)</i>	20.0	11.6
	No change	19.1	14.5
<b>HIRING</b>	Hiring/Expand workforce	29.8	32.3
	<i>Average rate (%)</i>	10.6	10.2
	<b>Hold workforce</b>	<b>58.5</b>	<b>51.6</b>
	Layoff/Downsize	6.4	4.8
	<i>Average rate (%)</i>	10.8	3.0
<b>INVESTMENTS</b>	Will make additional investments	<b>50.0</b>	<b>45.2</b>
	<i>Average (Million Pesos)</i>	387.3	953.6

No. of respondents: 62 (9.4% of MBC membership)

Survey period: 2006 (3 to 31 January); 2007 (22 January to 15 February)

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January 2007

**PERCEPTION OF GOVERNMENT PERFORMANCE***How business rates the previous year's performance of 37 government agencies**Percent (%) of respondents*

Rank		Agency	2006	2007			Change in Net Score
2006	2007		Net Score	Satisfied	Not Satisfied	Net Score	
1	1	Bangko Sentral	87.3	93.6	6.4	87.2	(0.1)
2	2	Finance	67.0	91.9	6.4	85.5	18.5
8	3	Supreme Court	25.5	83.9	9.7	74.2	48.7
3	4	Securities and Exchange Commission	42.6	82.3	14.5	67.8	25.2
5	5	Tourism	37.2	77.4	19.4	58.0	20.8
4	6	Trade and Industry	38.3	77.4	21.0	56.4	18.1
7	7	National Economic and Development Authority	31.9	74.2	21.0	53.2	21.3
13	8	Budget and Management	7.4	71.0	22.6	48.4	41.0
11	9	Labor and Employment	10.7	67.7	25.8	41.9	31.2
15	10	Bureau of Internal Revenue	(14.9)	66.1	25.8	40.3	55.2
10	11	Metro Manila Development Authority	13.9	59.7	37.1	22.6	8.7
14	11	Social Welfare and Development	3.2	58.1	35.5	22.6	19.4
6	12	Foreign Affairs	34.0	54.8	33.9	20.9	(13.1)
17	13	Education	(16.9)	56.4	38.7	17.7	34.6
19	13	National Defense	(22.3)	54.8	37.1	17.7	40.0
21	14	Agriculture	(26.6)	51.6	37.1	14.5	41.1
9	14	Health	17.0	53.2	38.7	14.5	(2.5)
18	14	Office of the Vice President	(21.3)	51.6	37.1	14.5	35.8
24	15	Armed Forces of the Philippines	(37.2)	53.2	40.3	12.9	50.1
26	16	Bureau of Customs	(40.5)	50.0	40.3	9.7	50.2
25	17	Office of the President	(40.4)	50.0	46.8	3.2	43.6
12	18	Science and Technology	8.5	45.2	43.6	1.6	(6.9)
20	19	Energy	(23.4)	46.8	46.8	0.0	23.4
16	20	HUDCC (Housing)	(15.9)	41.9	50.0	(8.1)	7.8
33	21	Environment and Natural Resources	(56.4)	38.7	54.8	(16.1)	40.3
22	22	Garbage Collection	(29.8)	27.4	67.7	(40.3)	(10.5)
29	23	Transportation and Communications	(47.8)	24.2	67.7	(43.5)	4.3
27	24	Traffic Management	(42.6)	27.4	71.0	(43.6)	(1.0)
32	25	Agrarian Reform	(54.2)	21.0	67.7	(46.7)	7.5
28	26	Appeals and Lower Court System	(44.7)	19.4	69.4	(50.0)	(5.3)
30	27	Philippine National Police	(50.0)	19.4	71.0	(51.6)	(1.6)
33	28	Public Works and Highways	(56.4)	14.5	79.0	(64.5)	(8.1)
35	29	House of Representatives	(86.2)	14.5	80.6	(66.1)	20.1
35	30	Commission on Elections	(86.2)	11.3	79.0	(67.7)	18.5
31	31	Justice	(52.1)	11.3	80.6	(69.3)	(17.2)
34	32	Senate	(81.9)	12.9	82.3	(69.4)	12.5
23	33	Interior and Local Government	(30.9)	9.7	80.6	(70.9)	(40.0)

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**PERCEPTION OF GOVERNMENT PERFORMANCE****A. BIGGEST INCREASE IN NET SCORE***Percent (%) of respondents*

<b>Rank</b>		<b>Agency</b>	<b>Change in Net Score</b>
<b>2006</b>	<b>2007</b>		
15	<b>10</b>	Bureau of Internal Revenue	<b>55.2</b>
26	<b>16</b>	Bureau of Customs	<b>50.2</b>
24	<b>15</b>	Armed Forces of the Philippines	<b>50.1</b>
8	<b>3</b>	Supreme Court	<b>48.7</b>
25	<b>17</b>	Office of the President	<b>43.6</b>

**B. BIGGEST REDUCTION IN NET SCORE***Percent (%) of respondents*

<b>Rank</b>		<b>Agency</b>	<b>Change in Net Score</b>
<b>2006</b>	<b>2007</b>		
23	<b>33</b>	Interior and Local Government	<b>(40.0)</b>
31	<b>31</b>	Justice	<b>(17.2)</b>
6	<b>12</b>	Foreign Affairs	<b>(13.1)</b>
22	<b>22</b>	Garbage Collection	<b>(10.5)</b>
33	<b>28</b>	Public Works and Highways	<b>(8.1)</b>

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**A. MOST POSITIVE DEVELOPMENTS IN 2006**

- 1 Improving fiscal position of the national government
- 2 Appreciation of the peso against the US dollar
- 3 Sustained GDP growth
- 4 Low inflation rate
- 5 Growing investor confidence
- 6 Low interest rate

**B. MOST IMPORTANT ISSUES THE PRESIDENT SHOULD ADDRESS IN 2007**

- 1 Clean and honest elections
- 2 Infrastructure development
- 3 Graft and corruption
- 4 Peace and order
- 5 Poverty alleviation
- 6 Extrajudicial killings

**C. MOST IMPORTANT BILLS CONGRESS SHOULD PASS INTO LAW IN 2007**

- 1 National budget
- 2 Anti-terrorism bill
- 3 Investment incentives
- 4 Renewable energy bill
- 5 Anti-political dynasty bill

**D. WHO RESPONDENTS WANT TO SEE VOTED INTO THE SENATE IN MAY 2007**

- 1 Manuel Villar, Jr.
- 2 Francis Pangilinan
- 3 Francis Escudero
- 4 Joker Arroyo
- 5 Ralph Recto

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*Survey period: 2007 (22 January to 15 February)*