

# **BUSINESS TENDENCY SURVEY REPORT**

for

## **MANUFACTURING AND MINING SECTORS**



**3<sup>rd</sup> QUARTER 2023**

**MANUFACTURING AND MINING SECTORS BUSINESS TENDENCY SURVEY:  
3<sup>rd</sup> QUARTER 2023 REPORT**

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## List of Acronyms

BTS	Business Tendency Survey
MCI	Manufacturing Confidence Index
PMI	Purchasing Managers’ Index
pp	Percentage points

## Executive Summary

The Business Tendency Survey is conducted with the objective of producing indicators for use in monitoring current business situation and short-term developments in the manufacturing and mining sectors.

Views on business performance during 3<sup>rd</sup> quarter 2023 and expectations for 4<sup>th</sup> quarter 2023 were obtained from respondents of 440 manufacturing companies and 103 mining companies. The response rates were 59 percent for manufacturing sector and 81.8 percent for mining sector giving a combined response rate of 62.3 percent.

Key indicators produced from the survey include Capacity Utilization, Purchasing Managers' Index (PMI), Manufacturing Confidence Index and Mining Confidence Index. Values of the Purchasing Managers Index (PMI) range from 0 to 100, with those above 50 reflecting an expansion in the sector and those below 50 signifying a contraction. The further away from 50 the greater the level of change.

A positive value of the confidence index reflects optimism towards the business conditions while a negative value implies pessimism and zero implies no change expected in the business situation.

### **Capacity Utilization**

The combined capacity utilization for large, medium and small companies in manufacturing sector was 47.4 percent for third quarter 2023. Large companies had capacity utilization of 56.8 percent, up from 54.7 percent in second quarter 2023. For small and medium companies in the sector capacity utilization reduced to 44.4 percent, from 44.7 percent recorded in second quarter 2023.

Third quarter capacity utilization for the mining sector was 52.6 percent, an increase from 51.1 percent during second quarter 2023.

### **Manufacturing Confidence Index**

The Manufacturing Confidence Index went up from 3.5 in second quarter 2023 to 8.3 in third quarter 2023 indicating more optimism about the business environment.

### **Mining Confidence Index**

The Mining Confidence Index decreased to 4 in third quarter 2023 from 12.7 in second quarter 2023.

### **Manufacturing Sector's Purchasing Managers' Index (PMI)**

The Purchasing Managers' Index (PMI) for third quarter 2023 was 39.6, reflecting a 0.5-point decrease from the second quarter value of 40.1.

### **Main Factors affecting production**

Three major constraints to production in the manufacturing and mining sectors as cited by respondents were shortage of power, cash flow challenges and uncertainty towards the economic environment.



## 1. Introduction

This report presents results of the Business Tendency Survey (BTS) conducted for the manufacturing and mining sectors covering the period July-September 2023. The survey objective is to produce indicators for use in monitoring current business situation and short-term developments in manufacturing and mining sectors.

Views on business performance during third quarter 2023 and expectations for the fourth quarter 2023 were obtained from respondents of 440 manufacturing companies and 103 mining companies. The response rates were 59 percent for manufacturing sector and 81.8 percent for mining sector giving a combined response rate of 62.3 percent.

Confidence indices are compiled using an average of the balances of questions relating to production expectations, total order books and stocks of finished goods. A positive value of the confidence indicator reflects optimism towards the business conditions while a negative value implies pessimism and zero implies same situation expected in the next quarter compared to the previous quarter.

Balance of opinion is the difference between the proportion of positive responses and that of negative responses. Values of the indicator range from -100, when all responses are negative to +100, when all responses are positive.

Methodological guidelines used in undertaking the survey were obtained from the United Nations Handbook on Economic Tendency Surveys as well as the Organization for Economic Co-operation and Development Handbook on Business Tendency Surveys.

## 2. Results

### 2.1 Capacity Utilization for Manufacturing Sector

Third quarter 2023 capacity utilization for large manufacturing companies was 56.8 percent, an increase from the second quarter value of 54.7 percent (Figure 2.2). For small and medium companies in the sector, capacity utilization for third quarter 2023 was 44.4 percent from 44.7 percent (Figure 2.3). Combined third quarter 2023 capacity utilization for the manufacturing sector remained at 47.4 percent. (Figure 2.1)

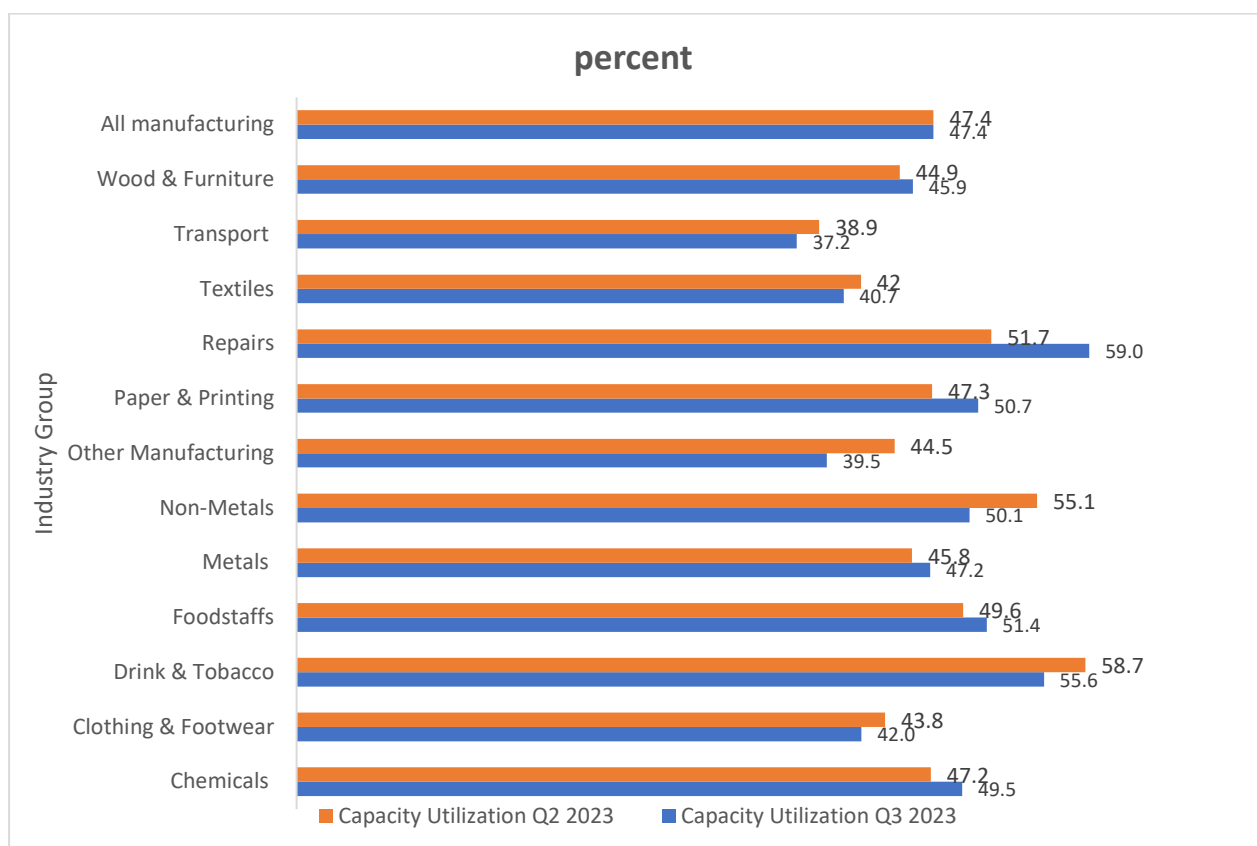
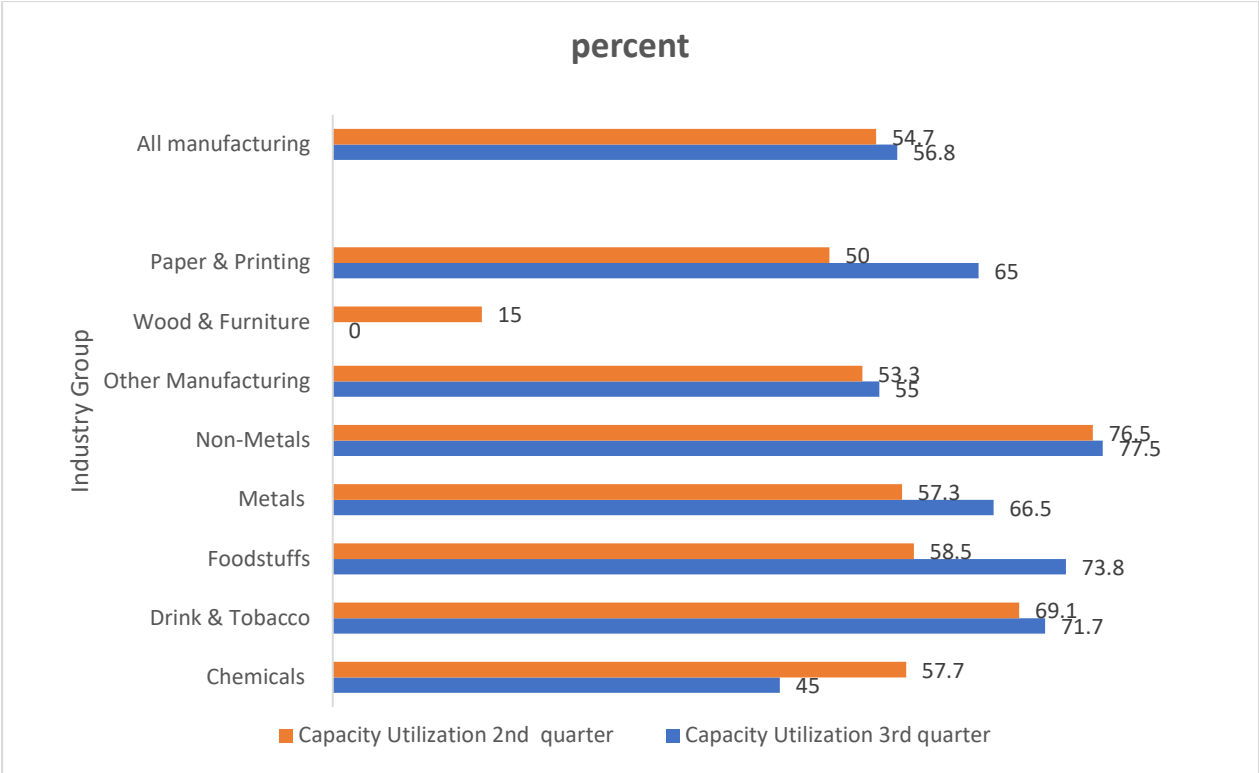
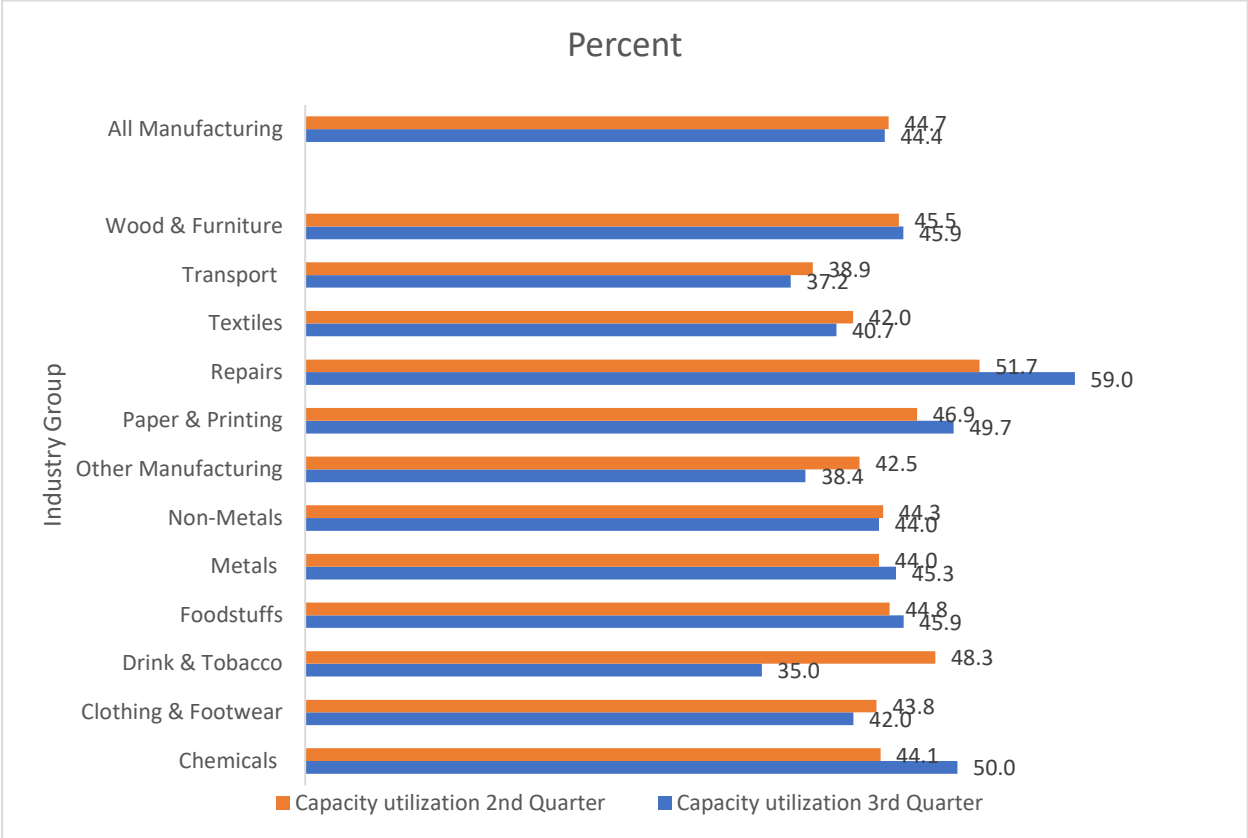


Figure 2-1: Capacity utilization in manufacturing sector, 3<sup>rd</sup> quarter 2023



**Figure 2-2:Capacity utilization for large companies in manufacturing sector, 3<sup>rd</sup> quarter 2023**



**Figure 2-3:Capacity utilization for small and medium companies in manufacturing sector, 3<sup>rd</sup> quarter 2023**

## 2.2 Capacity Utilization for Mining Sector

For the mining sector, capacity utilization was 52.6 percent, from 51.1 percent recorded in second quarter 2023. (Figure 2.4)

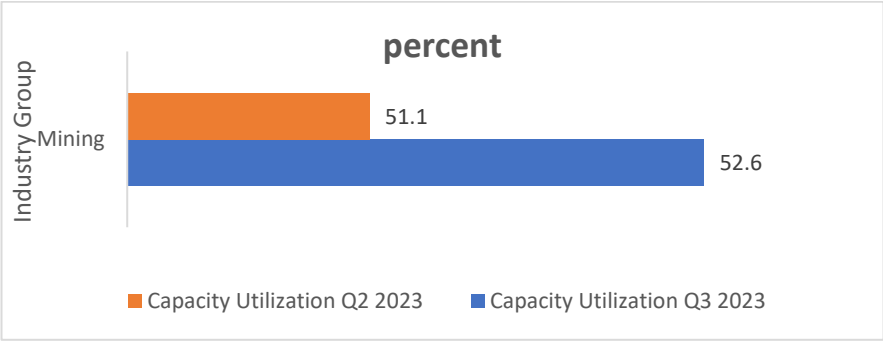
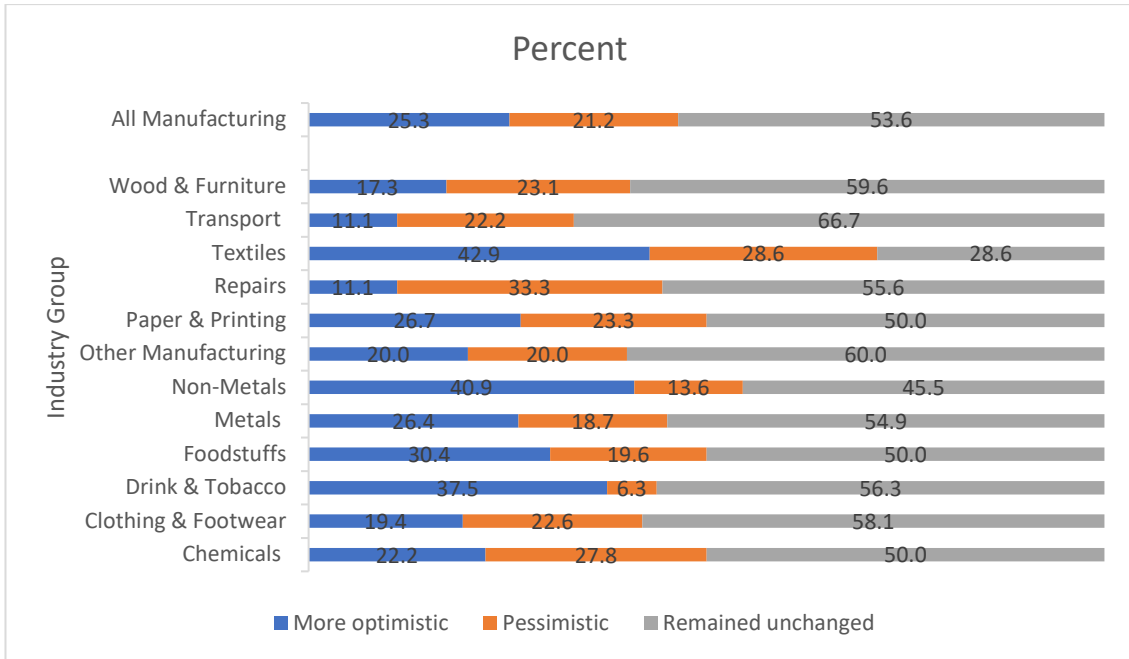


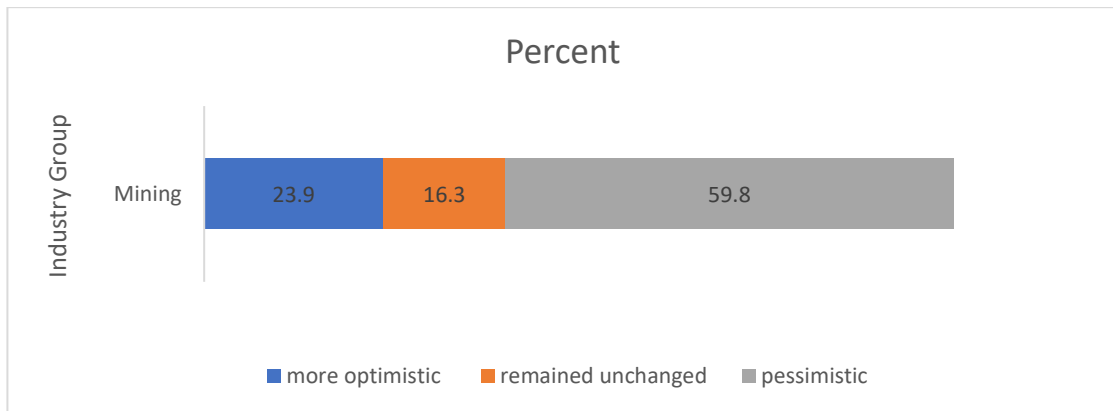
Figure 2-4: Capacity utilization for mining sector, 3<sup>rd</sup> quarter 2023.

## 2.3 General Business Climate

In the manufacturing sector, 25.3 percent of the respondents showed more optimism towards the general business climate for third quarter 2023. (Figure 2.5). In the mining sector, 23.9 percent were of the same view. (Figure 2.6)



**Figure 2-5: Sentiments towards general business climate, 3<sup>rd</sup> quarter 2023**



**Figure 2-6: Sentiments towards general business climate in mining sector, 3<sup>rd</sup> quarter 2023**

Overall balance of opinion<sup>1</sup> for general business climate in the manufacturing sector was -28.3 percentage points (pp), down from the second quarter value of -4.0pp. (Table 2.1).

<sup>1</sup> Balance of opinion is the difference between the proportion of positive responses and that of negative responses. Values of the indicator range from minus 100pp, when all responses are negative to plus 100pp, when all responses are positive. A net balance of zero percentage points implies proportions of positive responses were the same as proportions of negative responses.

**Table 2.1: Comparison of balance of opinion for general business climate**

	<b>2<sup>nd</sup> Quarter 2023 Balance of Opinion</b>	<b>3<sup>rd</sup> Quarter 2023 Balance of Opinion</b>
Food Stuffs	-8.7	-19.6
Drinks, Tobacco and Beverages	-35.0	-18.8
Textiles and Ginning	20.0	14.3
Clothing and Footwear	9.4	-38.7
Wood and Furniture	-8.5	-42.3
Paper, Printing and Publishing	-6.5	-23.3
Chemicals and Petroleum Products	3.8	-27.8
Non-Metallic Minerals Products	-22.2	-4.5
Metals and Metal Products	-2.2	-28.6
Transport and Equipment	0.0	-55.6
Other Manufactured Products	0.0	-40
Repairs of Machinery and Equipment	22.2	-44.4
<b>Manufacturing Sector</b>	<b>-4.0</b>	<b>-28.3</b>
<b>Mining Sector</b>	<b>-15.4</b>	<b>-35.9</b>

## **2.4 Production Level**

About 45.2% of respondents in the manufacturing sector viewed production levels over the third quarter 2023 as having remained unchanged, while 22.4% were of the opinion that the levels had increased. (Figure 2.7)

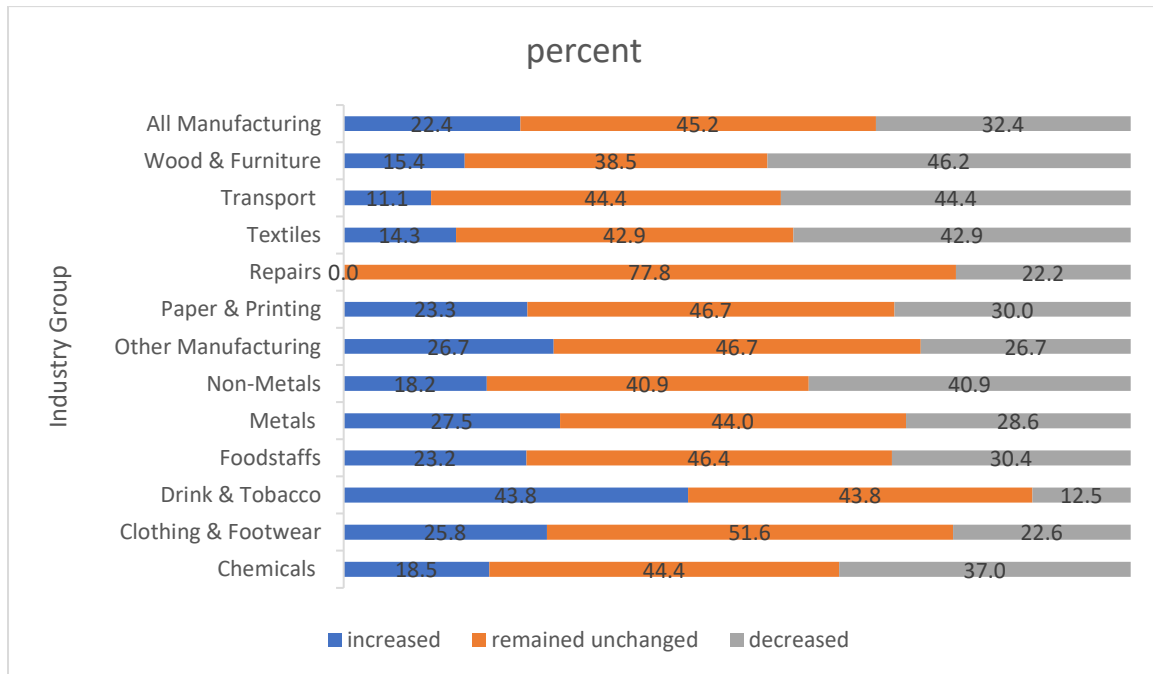


Figure 2-7: Sentiments towards production level in manufacturing sector, 3<sup>rd</sup> quarter 2023

For the mining sector, 45.7% of the respondents had the perception that production levels had remained the same over third quarter 2023. (Figure 2.8)

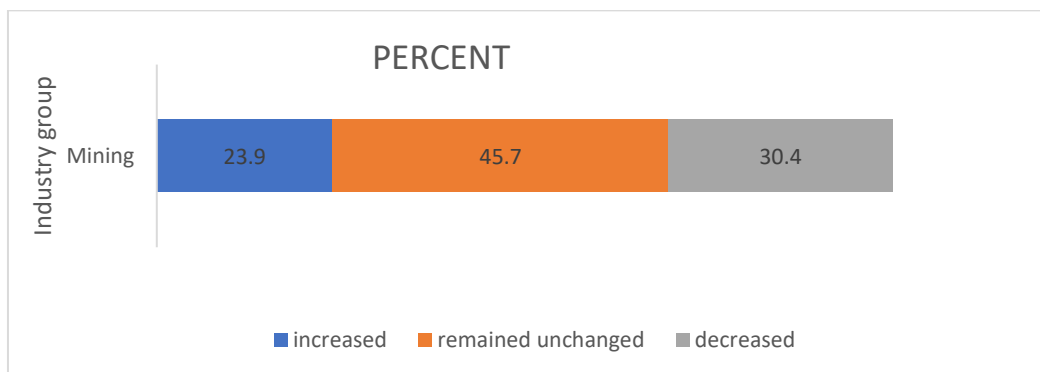


Figure 2-8: Sentiments towards production level in mining sector, 3<sup>rd</sup> quarter 2023

Balance of opinion for change in production levels during the third quarter 2023 was -9.9pp for the manufacturing sector and -6.5pp for the mining sector. The Drinks, Tobacco and Beverages sub-sector balance of opinion increased from 20pp to 31.3pp in the third quarter 2023, whilst for mining it decreased from 7.7pp in second quarter 2023 to -6.5 in third quarter 2023. (Table 2.2)

Table 2.2: Balance of opinion for production level during 3<sup>rd</sup> quarter 2023

	<b>2<sup>nd</sup> Quarter 2023 Balance of Opinion</b>	<b>3<sup>rd</sup> Quarter 2023 Balance of Opinion</b>
Food Stuffs	-9.0	7.1
Drinks, Tobacco and Beverages	20.0	31.3
Textiles and Ginning	-60.0	-28.6
Clothing and Footwear	-6.3	3.2
Wood and Furniture	-8.5	-30.8
Paper, Printing and Publishing	-16.1	-6.7
Chemicals and Petroleum Products	-30.9	-18.5
Non-Metallic Minerals Products	11.1	22.7
Metals and Metal Products	-25.0	-1.1
Transport and Equipment	-44.4	-33.3
Other Manufactured Products	-31.3	0.0
Repairs of Machinery and Equipment	-11.1	-22.2
<b>Manufacturing Sector</b>	<b>-16.1</b>	<b>-9.9</b>

<b>Mining Sector</b>	<b>7.7</b>	<b>-6.5</b>
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About 43 percent of respondents in the manufacturing sector are expecting an increase in production levels during the fourth quarter 2023. About 78 percent and 73 percent of the respondents in the repairs and Other Manufacturing products sub-sectors respectively, have the perception that the production level would remain unchanged over the fourth quarter of 2023, while about 27 percent and 20 percent of those in non-metallic and Paper and printing and other manufactured products sub-sectors, respectively, are expecting a decrease in production level. (Figure 2.9)



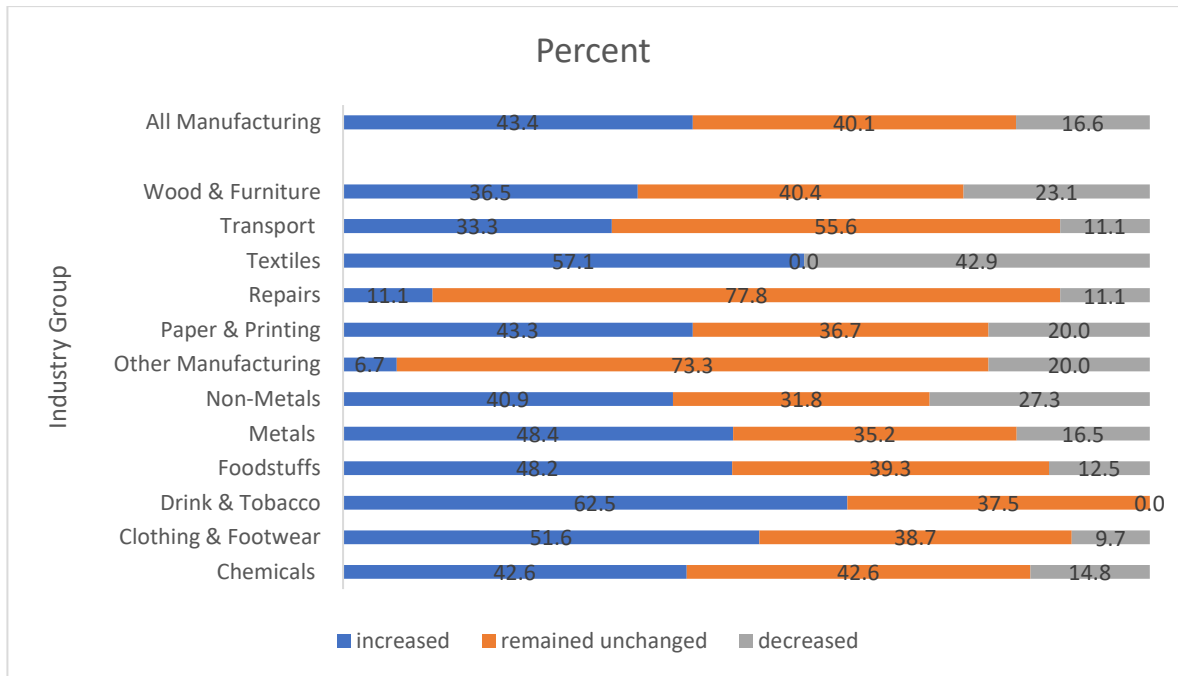


Figure 2-9: Views towards production level in 4<sup>th</sup> quarter 2023

In the mining sector, 50 percent of respondents are expecting no change in production levels during the fourth quarter 2023.

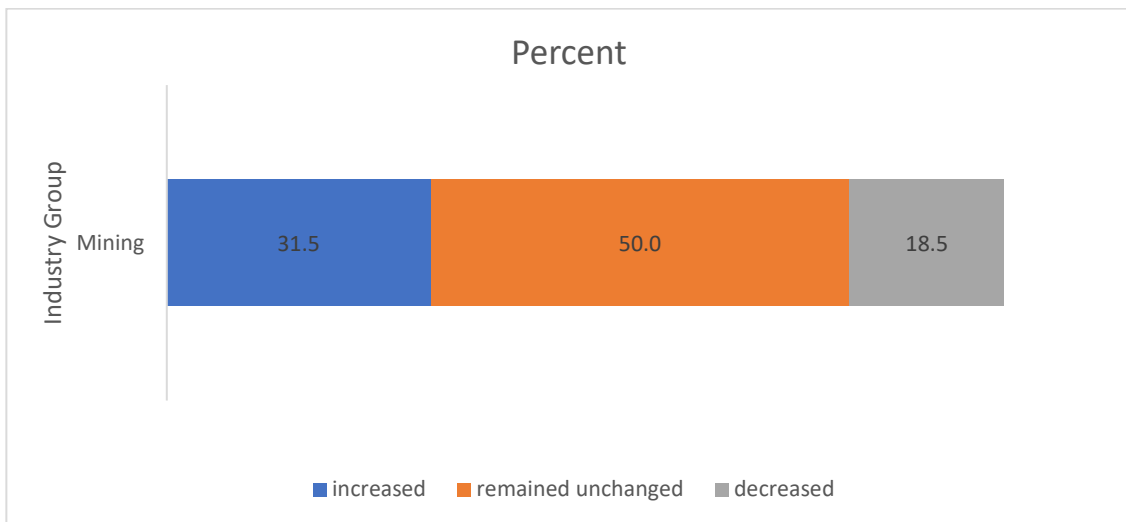


Figure 2-10: Views towards production level in 4<sup>th</sup> quarter 2023

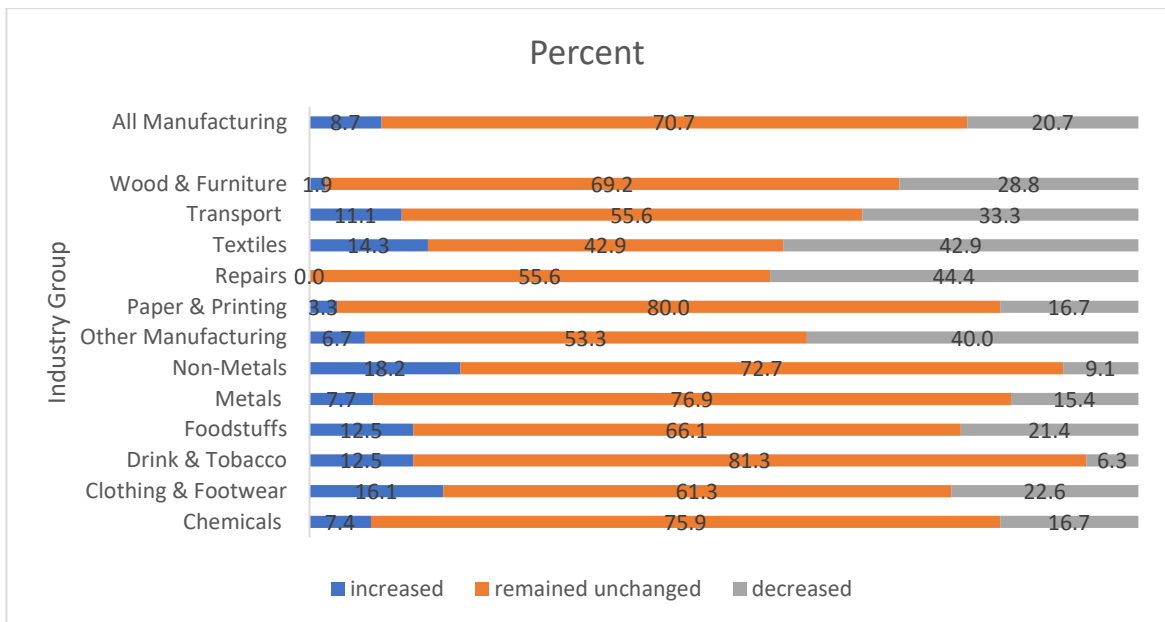
Expectations towards change in production levels in 4<sup>th</sup> quarter 2023 shows that manufacturing sector net balance will be 26.8pp, up from 9.9pp in the third quarter. A net balance of 13.0pp is expected for the mining sector in the fourth quarter, up from 6.5pp in third quarter. (Table 2.3)

**Table 2.3: Balance of opinion towards production level in 4<sup>th</sup> quarter 2023**

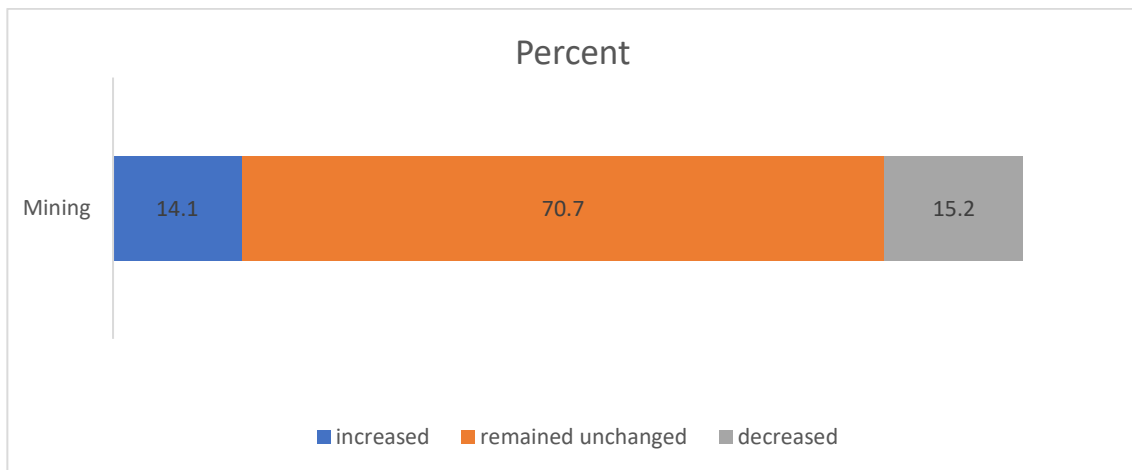
	<b>3<sup>rd</sup> Quarter 2023 Balance of Opinion.</b>	<b>Expectations of 4<sup>th</sup> Quarter 2023 Balance of Opinion</b>
Food Stuffs	7.1	35.7
Drinks, Tobacco and Beverages	-31.3	62.5
Textiles and Ginning	28.6	14.3
Clothing and Footwear	-3.2	41.9
Wood and Furniture	30.8	13.5
Paper, Printing and Publishing	6.7	23.3
Chemicals and Petroleum Products	18.5	27.8
Non-Metallic Minerals Products	22.7	13.6
Metals and Metal Products	1.1	31.9
Transport and Equipment	33.3	22.2
Other Manufactured Products	0.0	-13.3
Repairs of Machinery and Equipment	22.2	0.0
<b>Manufacturing Sector</b>	<b>9.9</b>	<b>26.8</b>
<b>Mining Sector</b>	<b>6.5</b>	<b>13.0</b>

## **2.5 Total Employment**

Excluding seasonal variations, 70.7 percent of respondents in the manufacturing and mining sectors, reported their firms' total employment as having remained unchanged during third quarter 2023. Most manufacturing sub-sectors had more than 50 percent of the respondents anticipating the employment level to remain the same in fourth quarter 2023. (Figure 2.11)



**Figure 2-11: Sentiments towards employment during 3<sup>rd</sup> quarter 2023**

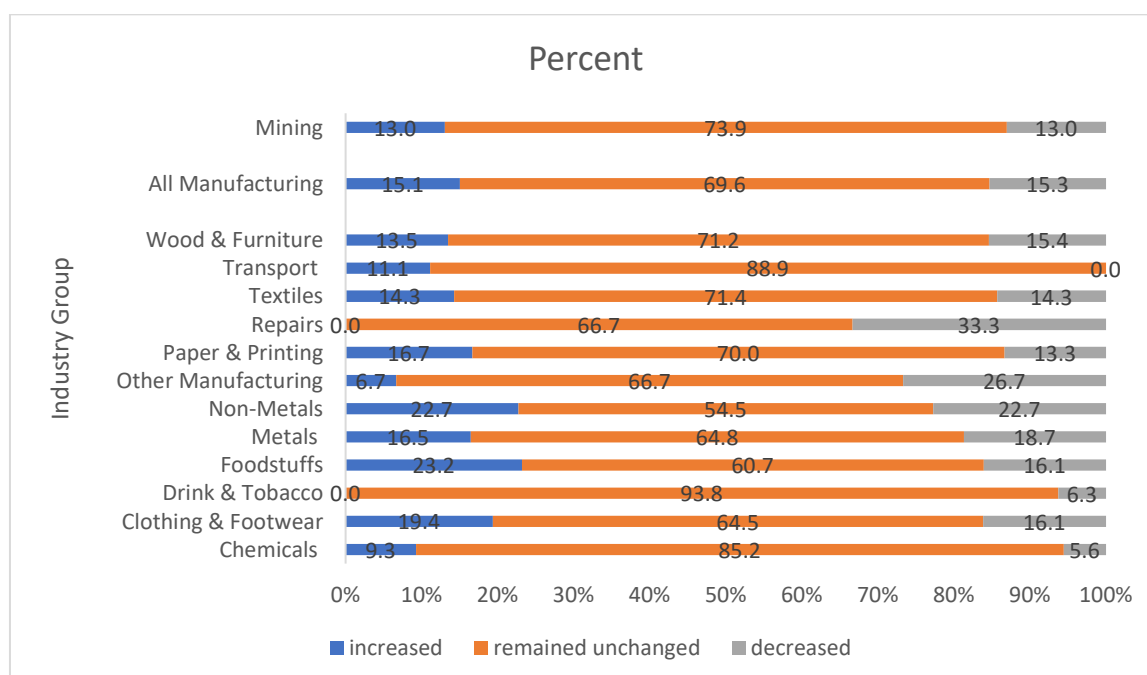


**Figure 2-12: Sentiments towards employment during 3<sup>rd</sup> quarter 2023**

As shown in Table 2.4, third quarter 2023 balances of opinion for total employment for manufacturing and mining sectors were -12pp and -1.1pp, respectively. All other sub-sectors excluding the drinks, tobacco & beverages and non-metals have a negative balance of opinion.

**Table 2.4: Balance of opinion towards change in total employment during 3<sup>rd</sup> Quarter 2023**

	2 <sup>nd</sup> Quarter 2023 Balance of Opinion	3 <sup>rd</sup> Quarter 2023 Balance of Opinion
Food Stuffs	-10.9	-8.9
Drinks, Tobacco and Beverages	0.0	6.3
Textiles and Ginning	-40.0	-28.6
Clothing and Footwear	-3.1	-6.5
Wood and Furniture	-12.8	-26.9
Paper, Printing and Publishing	-9.7	-13.3
Chemicals and Petroleum Products	-17.0	-9.3
Non-Metallic Minerals Products	-16.7	9.1
Metals and Metal Products	-17.4	-7.7
Transport and Equipment	-44.4	-22.2
Other Manufactured Products	-56.3	-33.3
Repairs of Machinery and Equipment	11.1	-44.4
<b>Manufacturing Sector</b>	<b>-15</b>	<b>-12</b>
<b>Mining Sector</b>	<b>2</b>	<b>-1.1</b>



**Figure 2-13: Perceptions towards change in total employment in 4<sup>th</sup> quarter 2023**

All manufacturing sub-sectors have more than 50 percent of the respondents reporting that they are anticipating that the employment level will remain the same in the fourth quarter 2023. (Figure 2.13)

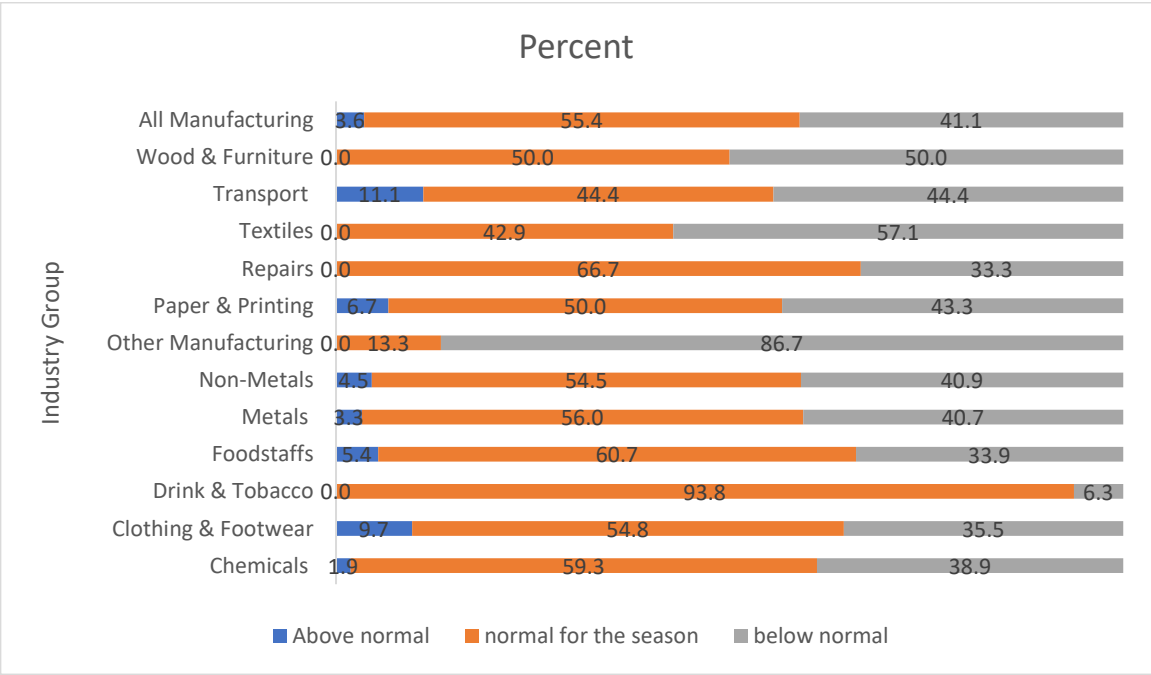
Respondents in the mining sector that do not anticipate any change in total employment during the next quarter 2023, comprised 73.9percent. (Figure 2.13)

In Table 2.5, the manufacturing and mining sectors are expecting a fall in balance of opinion in fourth quarter from 12pp and 1.1pp to 0.3pp and 0pp, respectively. All other sub-sectors, excluding drink, tobacco and beverages and non-metallic sub-sectors, are expecting a decrease in balance of opinion with respect to changes in total employment in the fourth quarter.

**Table 2.5: Balance of opinion towards change in total employment in 4<sup>th</sup> quarter 2023**

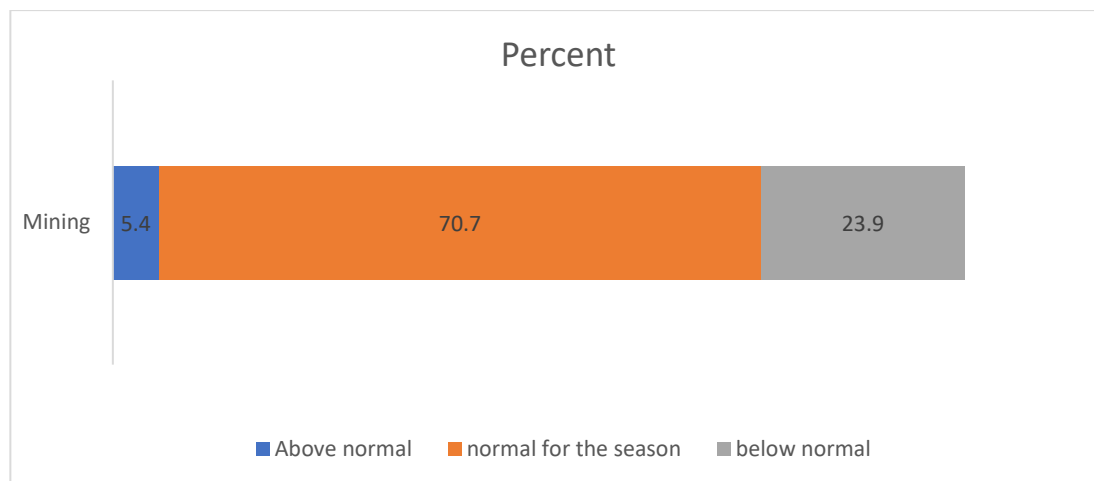
	<b>3<sup>rd</sup> Quarter 2023 Balance of Opinion</b>	<b>Expectations of 4<sup>th</sup> Quarter 2023 Balance of Opinion</b>
Food Stuffs	8.9	7.1
Drinks, Tobacco and Beverages	-6.3	-6.3
Textiles and Ginning	28.6	0
Clothing and Footwear	6.5	3.2
Wood and Furniture	26.9	-1.9
Paper, Printing and Publishing	13.3	3.3
Chemicals and Petroleum Products	9.3	3.7
Non-Metallic Minerals Products	-9.1	0
Metals and Metal Products	7.7	-2.2
Transport and Equipment	22.2	11.1
Other Manufactured Products	33.3	-20
Repairs of Machinery and Equipment	44.4	-33.3
<b>Manufacturing Sector</b>	<b>12</b>	<b>-0.2</b>
<b>Mining Sector</b>	<b>1.1</b>	<b>0</b>

**2.6 Order Books**



**Figure 2-14: Sentiments towards level of total order books in 3<sup>rd</sup> quarter 2023**

With reference to level of total order books during third quarter 2023, 55.4 percent of the respondents in manufacturing sector had the sentiment that they were normal for the season. (Figure 2.14)



**Figure 2-15: Sentiments towards level of order books in 3<sup>rd</sup> quarter 2023**

Around 70.7 percent of respondents in the mining sector had the same view that the level of total order books were normal for the season. (Figure 2.15)

Table 2. 6 shows that all industry groups, including mining, recorded negative net balances with respect to level of order books during 3<sup>rd</sup> quarter 2023.

**Table 2.6: Balances of opinion towards level of order books in 3<sup>rd</sup> quarter 2023**

	2 <sup>nd</sup> Quarter 2023 Balance of Opinion	3 <sup>rd</sup> Quarter 2023 Balance of Opinion
Food Stuffs	-34.8	-28.6
Drinks, Tobacco and Beverages	-15.0	-6.3
Textiles and Ginning	-40.0	-57.1
Clothing and Footwear	-50.0	-25.8
Wood and Furniture	-48.9	-50
Paper, Printing and Publishing	-54.8	-36.7
Chemicals and Petroleum Products	-54.7	-37
Non-Metallic Minerals Products	-27.8	-36.4
Metals and Metal Products	-50.0	-37.4
Transport and Equipment	-66.7	-33.3
Other Manufactured Products	-25.0	-86.7
Repairs of Machinery and Equipment	-55.6	-33.3
<b>Manufacturing Sector</b>	<b>-45.5</b>	<b>- 37.5</b>

<b>Mining Sector</b>	<b>-17.3</b>	<b>-18.5</b>
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## 2.7 Stocks of Finished Goods and Raw Materials

Sentiments towards stocks of finished products with regards to the third quarter 2023, were that less than 7 percent of respondents in the manufacturing (5.9%) and mining (6.5%) sectors, considered them to be above normal for the season. (Figure 2.16)

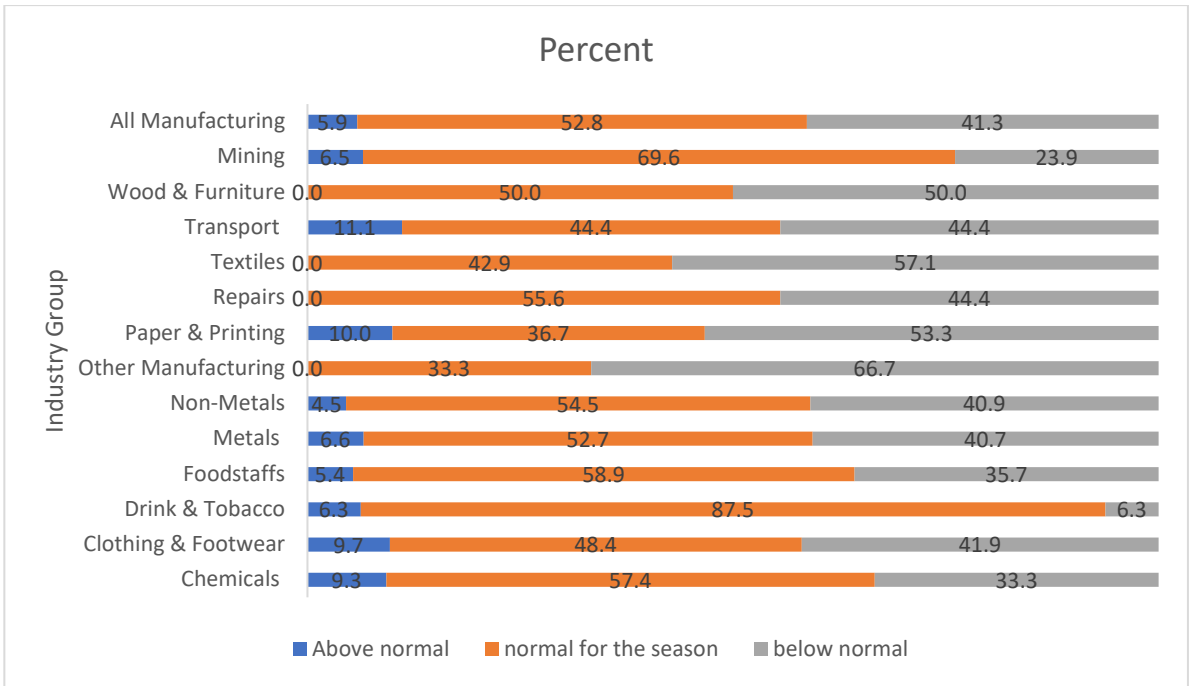


Figure 2-16: Sentiments towards stocks of finished products in 3<sup>rd</sup> quarter 2023

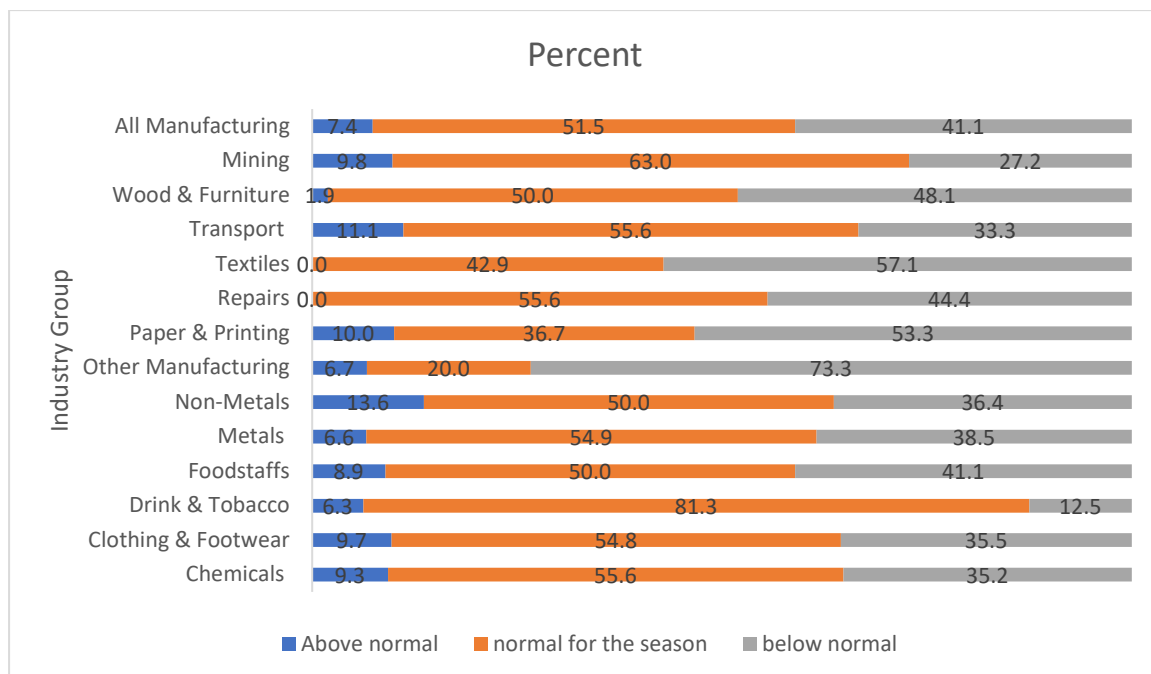


All industry groups show negative net balances for third quarter 2023 with manufacturing slightly increasing from -40.5 percent to -35.5 percent while mining sector decreased from -13.5 percent to -17.4 percent in the third quarter 2023. (Table 2.8)

**Table 2.7: Balances of opinion towards stock of finished products in 3<sup>rd</sup> quarter 2023**

	<b>2<sup>nd</sup> Quarter 2023 Balance of Opinion</b>	<b>3<sup>rd</sup> Quarter 2023 Balance of Opinion</b>
Food Stuffs	-30.4	-30.4
Drinks, Tobacco and Beverages	-5.0	0.0
Textiles and Ginning	-60.0	-57.1
Clothing and Footwear	--37.5	-32.3
Wood and Furniture	-46.8	50
Paper, Printing and Publishing	-41.9	-43.3
Chemicals and Petroleum Products	-45.3	-24.1
Non-Metallic Minerals Products	--22.2	-36.4
Metals and Metal Products	-44.6	-34.1
Transport and Equipment	--66.7	-33.3
Other Manufactured Products	-43.8	-66.7
Repairs of Machinery and Equipment	-66.7	-44.4
<b>Manufacturing Sector</b>	<b>-40.5</b>	<b>-35.5</b>
<b>Mining Sector</b>	<b>-13.5</b>	<b>-17.4</b>

Proportions of respondents who viewed their third quarter 2023 stocks of raw materials as being normal for the season were 51.5% for manufacturing and 63% for mining. (Figure 2.17)



**Figure 2-17: Sentiments towards stock of raw materials in 3<sup>rd</sup> quarter 2023**

Third quarter balances of opinion for stocks of raw materials were -33.7 pp for the manufacturing sector and -17.4 pp for the mining sector (Table 2.9).

**Table 2.8: Balances of opinion towards stock of raw materials in 3<sup>rd</sup> quarter 2023**

	2 <sup>nd</sup> Quarter 2023 Balance of Opinion	3 <sup>rd</sup> Quarter 2023 Balance of Opinion
Food Stuffs	-43.5	-32.1
Drinks, Tobacco and Beverages	-5.0	-6.3
Textiles and Ginning	-60.0	-57.1
Clothing and Footwear	-21.9	-25.8
Wood and Furniture	-42.6	-46.2
Paper, Printing and Publishing	-16.1	-43.3
Chemicals and Petroleum Products	-37.7	-25.9
Non-Metallic Minerals Products	-16.7	-22.7
Metals and Metal Products	-47.8	-31.9
Transport and Equipment	-55.6	-22.2
Other Manufactured Products	-50.0	-66.7
Repairs of Machinery and Equipment	-66.7	-44.4
<b>Manufacturing Sector</b>	<b>-37.6</b>	<b>-33.7</b>
<b>Mining Sector</b>	<b>-15.4</b>	<b>-17.4</b>

## 2.8 Change in Selling Prices

The outlook for changes in selling prices towards the fourth quarter 2023, is such that 64.3% of respondents in the manufacturing and 53.3% in the mining sector, are anticipating prices to remain unchanged. (Figure 2.18)

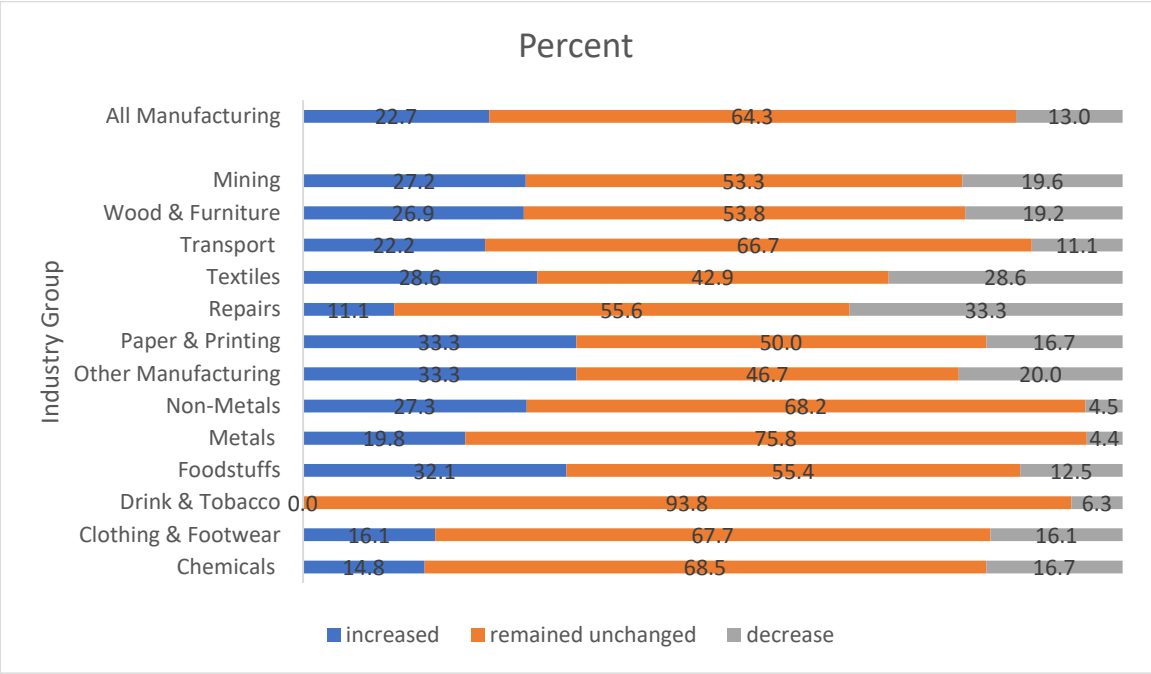


Figure 2-18: Sentiments towards change in selling prices during the 4<sup>th</sup> quarter 2023

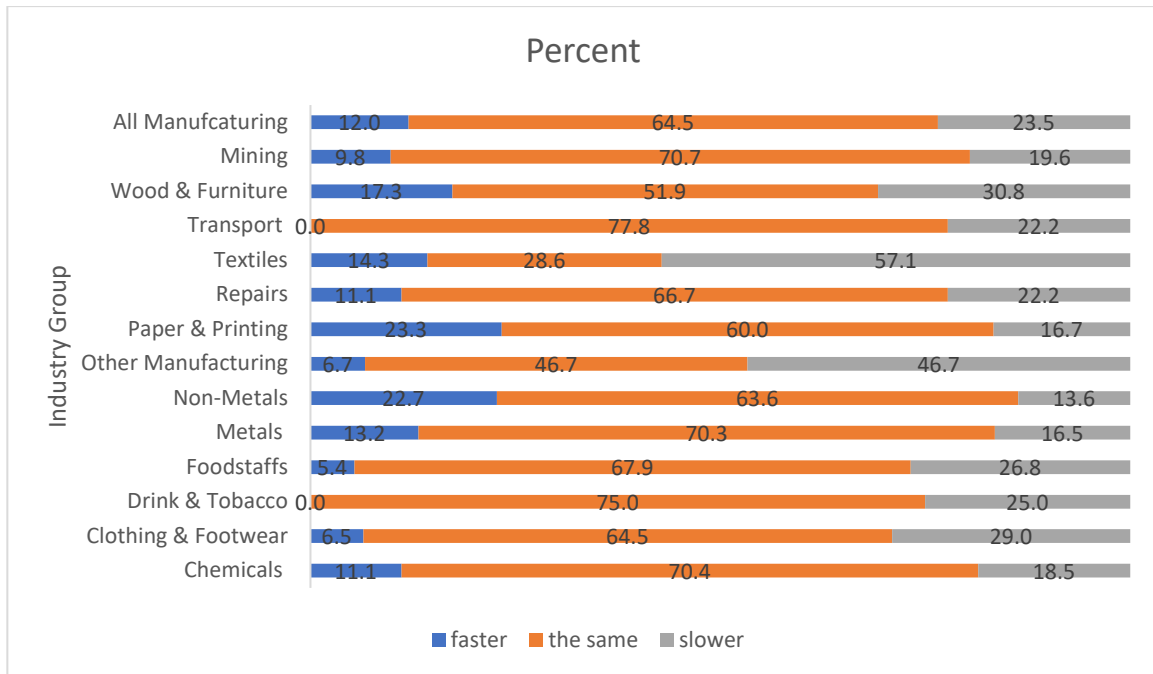
All industry groups, except Repairs of Machinery and Equipment, chemicals and clothing and footwear, are anticipating positive net balances in relation to expectations towards changes in selling prices for the 4<sup>th</sup> Quarter. (Table 2.10)

**Table 2.9: Balances of opinion towards change in selling prices during 3<sup>rd</sup> quarter 2023**

	<b>2<sup>nd</sup> Quarter 2023 Balance of Opinion</b>	<b>Expectations in the 4<sup>th</sup> Quarter 2023 Balance of Opinion</b>
Food Stuffs	19.6	19.6
Drinks, Tobacco and Beverages	10.0	-6.3
Textiles and Ginning	20.0	0.0
Clothing and Footwear	0.0	0.0
Wood and Furniture	31.9	7.7
Paper, Printing and Publishing	35.5	16.7
Chemicals and Petroleum Products	3.8	-1.9
Non-Metallic Minerals Products	27.8	22.7
Metals and Metal Products	14.1	15.4
Transport and Equipment	11.1	11.1
Other Manufactured Products	18.8	13.3
Repairs of Machinery and Equipment	11.1	-22.2
<b>Manufacturing Sector</b>	<b>16.7</b>	<b>9.7</b>
<b>Mining Sector</b>	<b>26.9</b>	<b>7.6</b>

## **2.9 Supplier Delivery Time**

In terms of supplier delivery time, 12 percent of the manufacturing sector's respondents and 9.8 percent in the mining sector, viewed the turnaround time in third quarter 2023 as having been faster than was in second quarter 2023. More than 50 percent of all manufacturing groups viewed the turnaround time in the third quarter 2023 as having been the same as second quarter 2023. (Figure 2.19)



**Figure 2-19: Sentiments towards supplier delivery time during 3<sup>rd</sup> quarter 2023**

All manufacturing industry groups except non-metals and paper & printing recorded a negative balance of opinions for the third quarter 2023. The net balance for the manufacturing sector increased marginally from -12.4pp to -11.5pp in the third quarter while for mining it decreased from 1.1pp to -9.8pp in the third quarter. (Table 2.11)

**Table 2.10: Balance of opinion for supplier delivery time during 3<sup>rd</sup> quarter 2023**

	<b>2<sup>nd</sup> Quarter 2023 Balance of Opinion</b>	<b>3<sup>rd</sup> Quarter 2023 Balance of Opinion</b>
Food Stuffs	-19.6	-21.4
Drinks, Tobacco and Beverages	15.0	-25.0
Textiles and Ginning	-20.0	-42.9
Clothing and Footwear	-6.3	-22.6
Wood and Furniture	-10.6	-13.5
Paper, Printing and Publishing	-19.4	6.7
Chemicals and Petroleum Products	-15.1	-7.4
Non-Metallic Minerals Products	-16.7	9.1
Metals and Metal Products	-9.8	-3.3
Transport and Equipment	-33.3	-22.2
Other Manufactured Products	-25.0	-40.0
Repairs of Machinery and Equipment	0.0	-11.1
<b>Manufacturing Sector</b>	<b>-12.4</b>	<b>-11.5</b>
<b>Mining Sector</b>	<b>1.9</b>	<b>-9.8</b>

## **2.10 Purchasing Managers' Index (PMI) for Manufacturing Sector**

The Purchasing Managers' Index (PMI) for third quarter 2023 was 39.6, reflecting a 0.5-point decrease from the second quarter value of 40.1. (Figure 2.20)



Figure 2-20: Purchasing Manager's Index, 3<sup>rd</sup> quarter 2021 to 3<sup>rd</sup> quarter 2023

## 2.11 Manufacturing Confidence Index

The Manufacturing Confidence Index increased from 3.5 in second quarter 2023 to 8.3 in third quarter 2023. (Figure 2.21)

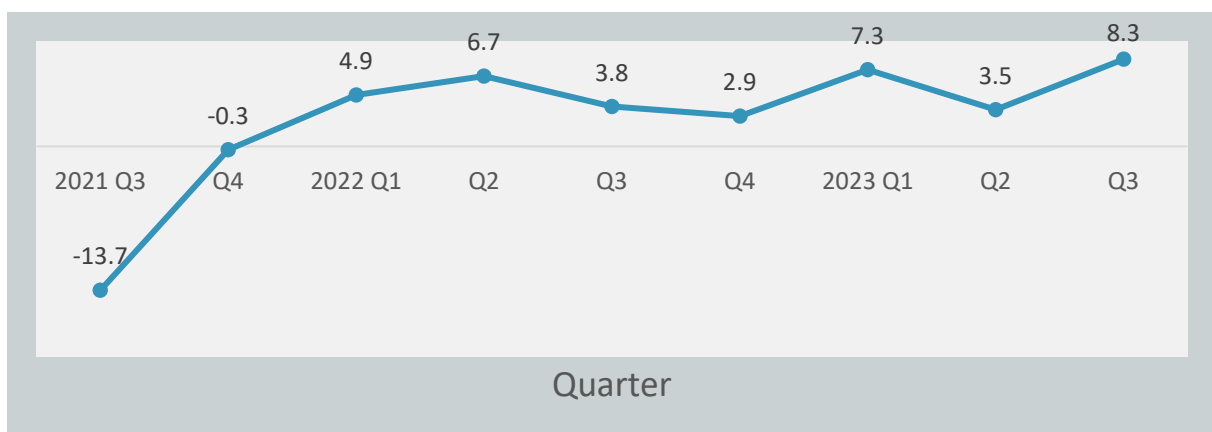


Figure 2-21: Manufacturing Confidence Index, 3<sup>rd</sup> quarter 2021 to 3<sup>rd</sup> quarter 2023

## 2.12 Mining Confidence Index

The Mining Confidence Index decreased to 4 in third quarter 2023, from 12.7 recorded in the second quarter 2023. (Figure 2.22)

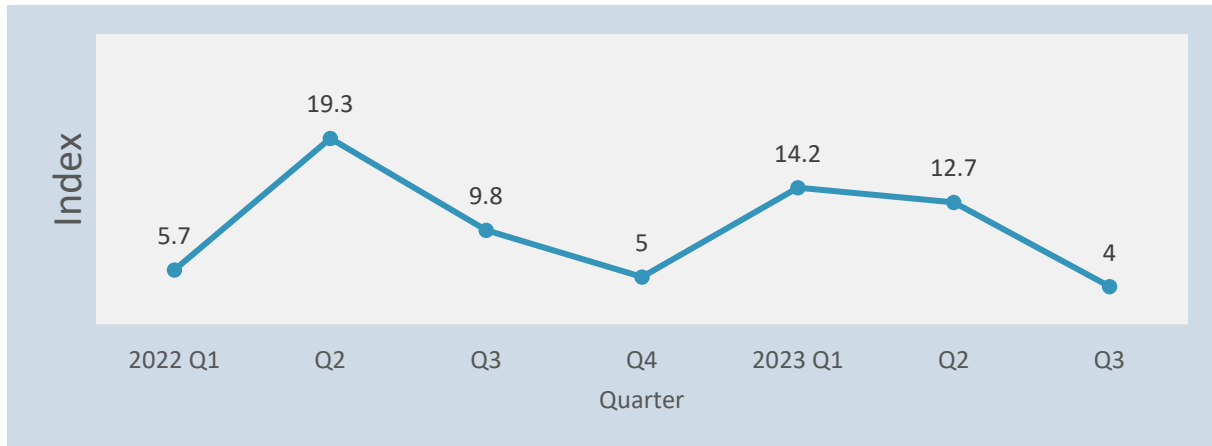


Figure 2-22: Mining Confidence Index, 1<sup>st</sup> quarter 2021 to 3<sup>rd</sup> quarter 2023

## 2.13 Factors Affecting Production

Three major constraints to production cited by respondents in both manufacturing and mining sectors were:

- shortage of power,
- cash flow challenges and
- uncertainty towards the economic environment.



