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India Inc confidence declines to lowest in 5 yrs: NCAER  
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NCAER's Business Confidence Index (BCI) has declined by 4.7 per cent in October over July 2008 -- its lowest in five years -- on account of dragging down of all the four components which comprise the Index, namely perceptions of worsening economic conditions, investment climate as well as financial position of firms and poorer capacity utilisation. The indicator of perception of "overall economic conditions over the next six months" has lost 2.8 points, while "expectation of the financial position of the firm in the next months" has gone down by 3.9 points over the last round.

The proportion of respondents viewing the prevailing investment climate as "more positive" decreased by 3.5 points and the fourth component of the BCI, "capacity utilisation", has declined by 1.4 points in the present round.

The maximum loss in BCI was seen in the capital goods and services sectors, where it dropped by 17.4 and 6.7 points respectively, followed by consumer non-durable and durable goods sectors with 6.3 and 2.5 points loss respectively.

However, the intermediate goods sector warded off the trend to register a 0.2 per cent increase in the sectoral BCI.

Region-wise, the respondents from the Southern and the Western regions expressed increased confidence, while the other two regions of the country reflect the opposite trend.

The Survey showed that BCI of the very small firm (annual turnover less than Rs one crore) and very large firms (annual turnover more than Rs 500 crore) has improved with increase of 7.2 and 1.7 points respectively over the previous round, whereas that of mid-size firms has plummeted.

The Survey said there is a marginal increase in the proportion of respondents expecting sales to remain the same or decline over the next six months.

In case of exports, the Survey noted that there is a rise in the proportion of firms expecting slower improvement in exports in the second half of the present financial year. In case of raw material imports, the expectation is one of the slight increase.

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