

Media release

Business expectations at 15 year high

6 February 2018 – Business expectations for the June quarter are the highest they’ve been since Lord of the Rings was in the cinemas, John Howard was Prime Minister and England won the Rugby World Cup.

The Preliminary Business Expectations survey from data registries and analytics business illion (formerly Dun and Bradstreet), highlighted that momentum from the March quarter has carried, boosting the Business Expectations Index to its highest level since December 2003, representing a 31% annual rise.



Stephen Koukoulas, illion Economic Adviser said, “While core business metrics like sales, selling prices and employment have all improved, the central driver of this positive sentiment was a sharp upswing in profits.”

The latest Business Expectation Survey data also shows that:

- actual profits in the December quarter exceeded expectations,
- the Selling Prices Index has increased nearly 80% since the same time last year, and,
- expectations in the Construction industry have increased to 17.7 points, a level almost three times higher than the same time last year

Illion CEO Simon Bligh said the latest results were undoubtedly a positive sign for the economy.

“It’s a great encouragement to see sustained business confidence, driven in part by a sharp rise in the actual performance of the business sector. “ he said.

Mr Bligh was quick to add that while the outlook remained positive, cautious optimism should be exercised. “Despite the buoyant mood among business, consumer sentiment remains the key factor for converting optimism into results and for that to rise sustainably we need to see wages grow.”, he said.

The illion Business Expectations Survey full report for Q2 2018 is available [here](#).

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About the illion Australian Business Expectations Survey

Each month, illion asks a sample of executives if they expect an increase, decrease or no change in their quarter-ahead sales, profits, employees, capital investment and selling prices compared with the same quarter a year ago. The executives are also asked for actual changes over the twelve months to the latest completed quarter.

In this issue, the final indexes for the latest quarter are based on approximately 400 responses obtained during January 2018.