

# KIET Manufacturing Business Survey Index (BSI) for the 2nd Quarter 2021

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## 1. Overview

The overall composite Business Survey Index for the manufacturing sector in Q2 2021 remained under the baseline (100). However, most feeder indices have increased compared to the previous quarter. Specifically, business conditions (97), sales (100), domestic demand (99), exports (102), ordinary profit (92), and others in the manufacturing sector have increased this quarter;

only inventory (100) recorded a decrease. Expectations have been tempered compared to the 2nd quarter, but the BSI outlook for the 3rd quarter of 2021 indicates that manufacturers anticipate the favorable business environment. Most indices for the manufacturing sector are forecast to be over the baseline as only ordinary profit (98) and financial conditions (95) are projected to stay below baseline levels in the next quarter.

**Table 1. Business Survey Indices for the Manufacturing Sector**

	2020			2021		
	2/4	3/4	4/4	1/4	2/4	3/4
Business conditions	69 (84)	84 (84)	92 (88)	92 (92)	97 (103)	(101)
Sales	68 (88)	84 (85)	96 (89)	91 (94)	100 (107)	(103)
Domestic demand	69 (88)	85 (84)	96 (88)	90 (94)	99 (107)	(102)
Exports	69 (87)	91 (84)	94 (92)	97 (97)	102 (109)	(105)
Ordinary profit	70 (87)	82 (83)	92 (88)	88 (92)	92 (100)	(98)
Facilities investment	95 (97)	99 (96)	100 (97)	102 (99)	104 (103)	(102)
Operation ratio of facilities	76 (93)	91 (90)	97 (91)	95 (96)	100 (107)	(103)
Inventory	103 (100)	100 (100)	101 (99)	101 (99)	100 (101)	(101)
Employment	91 (97)	97 (96)	98 (97)	100 (101)	102 (104)	(103)
Financial condition	74 (83)	83 (83)	89 (86)	86 (90)	91 (97)	(95)

Note : 1) Figures in ( ) represent outlooks.

## 2. Sales BSI and Outlook by Industry

In Q2 2021, sales indices in most industries have gotten better compared to the previous quarter. Despite some improvement across industrial sectors, sales indices in most industries stayed under the baseline, excepting semicon-

ductors (107), general machinery (101), steel (108), chemicals (106), refined petroleum products (109), secondary batteries (112), ICT (101), material industries (105), new industries (100), and large companies (114). Only displays (87) got worse in this quarter. The sales outlook for the next quarter suggests all groups will post

**Table 2. Sales BSI by Industry**

	2020			2021		
	2/4	3/4	4/4	1/4	2/4	3/4
Overall	68 (88)	84 (85)	96 (89)	91 (94)	100 (107)	(103)
Semiconductors	82 (93)	88 (97)	99 (83)	98 (100)	107 (105)	(112)
Automobiles	37 (79)	91 (68)	93 (98)	86 (93)	89 (108)	(103)
Shipbuilding	76 (81)	62 (75)	79 (80)	70 (82)	87 (86)	(78)
General machinery	67 (85)	73 (86)	93 (85)	87 (90)	101 (108)	(103)
Steel	58 (85)	73 (57)	96 (80)	91 (88)	108 (108)	(99)
Chemicals	70 (96)	90 (75)	94 (97)	95 (95)	106 (113)	(103)
Textiles	55 (65)	73 (83)	68 (87)	77 (66)	87 (99)	(90)
Displays	72 (99)	94 (97)	90 (91)	94 (97)	87 (109)	(94)
Electronic products	68 (87)	84 (84)	101 (98)	73 (88)	92 (107)	(101)
Wireless communication products	95 (93)	95 (111)	111 (99)	77 (88)	98 (115)	(109)
Refined petroleum products	68 (86)	80 (100)	117 (80)	100 (101)	109 (110)	(102)
Bio/Health care	91 (82)	81 (94)	96 (90)	84 (101)	96 (111)	(104)
Secondary batteries	60 (89)	83 (100)	99 (89)	101 (97)	112 (97)	(109)
ICT	80 (92)	89 (97)	98 (87)	94 (97)	101 (107)	(108)
Material industry	65 (81)	82 (78)	96 (88)	93 (91)	105 (110)	(100)
Machinery industry	54 (82)	81 (76)	92 (90)	85 (90)	94 (106)	(100)
New industries	83 (84)	82 (95)	97 (90)	89 (100)	100 (107)	(105)
Large companies	74 (90)	88 (92)	105 (95)	102 (99)	114 (110)	(111)
Small and medium-sized enterprises (SMEs)	64 (83)	80 (81)	90 (89)	84 (88)	95 (106)	(99)

Note: 1) Figures in ( ) represent projections.

above-baseline figures except only for shipbuilding (78), steel (99), textiles (90), displays (94), and SMEs (99). However, the BSI outlook for the 3rd quarter of 2021 in most of industries have slightly declined from the previous quarter, except for semiconductors, secondary batteries, ICT, and large companies.

### 3. Export BSI and Outlook by Industry

The overall export indices of manufacturing industries for the 3rd quarter indicate favorable conditions, unlike the last few quarters. Most feeder indices have slightly improved compared to the previous quarter. Particularly, general ma-

**Table 3. Export BSI by Industry**

	2020			2021		
	2/4	3/4	4/4	1/4	2/4	3/4
Overall	69 (87)	91 (84)	94 (92)	97 (97)	102 (109)	(105)
Semiconductors	91 (91)	101 (100)	97 (93)	111 (105)	113 (109)	(115)
Automobiles	34 (77)	92 (63)	89 (99)	88 (96)	95 (108)	(103)
Shipbuilding	83 (89)	79 (85)	83 (79)	91 (83)	95 (107)	(93)
General machinery	62 (84)	74 (80)	91 (83)	93 (94)	104 (106)	(104)
Steel	52 (80)	71 (48)	102 (75)	86 (94)	92 (104)	(97)
Chemicals	70 (95)	97 (71)	95 (96)	105 (95)	103 (114)	(99)
Textiles	40 (65)	84 (81)	75 (85)	72 (69)	85 (103)	(92)
Displays	81 (96)	97 (98)	74 (95)	83 (88)	90 (115)	(100)
Electronic products	60 (84)	93 (95)	101 (104)	91 (99)	89 (121)	(102)
Wireless communication products	77 (86)	86 (119)	111 (93)	104 (98)	97 (122)	(112)
Refined petroleum products	78 (91)	90 (100)	109 (92)	110 (106)	109 (100)	(106)
Bio/Health care	82 (93)	84 (89)	104 (92)	80 (108)	101 (109)	(107)
Secondary batteries	70 (86)	90 (93)	103 (87)	108 (100)	126 (100)	(121)
ICT	86 (88)	99 (100)	94 (95)	103 (101)	105 (112)	(111)
Material industry	64 (80)	88 (74)	97 (89)	97 (94)	100 (107)	(99)
Machinery industry	51 (82)	83 (72)	89 (90)	90 (94)	98 (107)	(102)
New industries	79 (91)	85 (90)	103 (91)	88 (106)	108 (106)	(111)
Large companies	67 (90)	94 (88)	102 (93)	102 (103)	111 (106)	(111)
Small and medium-sized enterprises (SMEs)	61 (83)	85 (78)	91 (89)	89 (92)	97 (109)	(101)

Note: 1) Figures in ( ) represent projections.

chinery (104), textiles (85), bio/health care (101), secondary batteries (126), and new industries (108) showed dramatic increases among all industries, while electronic products (89), wireless communication products (97), and refined petroleum products (109) have decreased from the previous quarter. The outlook for the 3rd quarter indicates improvement, as many industries

are forecasted to post above-baseline performances. In particular semiconductors, refined petroleum products, secondary batteries, new industries, and large companies are expected to improve export performance in the next quarter, although the shipbuilding, steel, chemicals, and textile, material industries are set to deliver relatively poor export performance.

**Table 4. Major Index Components of Current Manufacturing Activity**

	Sales	Domestic Demand	Exports	Ordinary Profit	Facilities Investment	Employment
Overall	100	99	102	92	104	102
Semiconductors	107	103	113	101	112	108
Displays	87	91	90	82	96	99
Wireless communication products	98	96	97	97	103	102
Electronic products	92	91	89	89	100	102
Automobiles	89	90	95	85	100	100
Shipbuilding	87	86	95	80	99	89
General machinery	101	101	104	87	101	104
Refined petroleum products	109	111	109	100	106	102
Chemicals	106	102	103	95	106	103
Steel	108	107	92	100	102	95
Textiles	87	88	85	86	98	95
Bio/Health care	96	96	101	85	100	99
Secondary batteries	112	101	126	91	107	109
ICT	101	99	105	96	107	105
Machinery industry	94	94	98	85	100	100
Material industry	105	103	100	96	104	100
New industries	100	97	108	87	102	102
Large companies	114	112	111	107	107	108
Small and medium-sized enterprises (SMEs)	95	94	97	87	101	99

Note: 115 above, 100~115, 85~100, 85 below.

## 4. Industrial Weather Chart for the 2nd Quarter 2021

Overall, it is clear that indices gauging sales, domestic demand, exports, facilities investment and employment in the manufacturing sector in Q2 2021 have slightly increased. And it is clear that most manufacturing activities

have improved since last quarter. Specifically, the BSI for most manufacturing activities has risen above the baseline figure of 100. Only domestic demand and ordinary profit have remained stagnant among all manufacturing activities. In addition, displays, wireless communication products, electronic products, automobiles, shipbuilding, textiles, machinery

**Table 5. Manufacturing Outlook Major Index Components**

	Sales	Domestic Demand	Exports	Ordinary Profit	Facilities Investment	Employment
Overall	103	102	105	98	102	103
Semiconductors	112	107	115	105	104	105
Displays	94	100	100	100	98	101
Wireless communication products	109	105	112	104	101	101
Electronic products	101	100	102	96	100	101
Automobiles	103	101	103	95	100	102
Shipbuilding	78	82	93	76	99	91
General machinery	103	104	104	93	101	103
Refined petroleum products	102	102	106	107	106	104
Chemicals	103	101	99	96	107	106
Steel	99	100	97	97	98	98
Textiles	90	91	92	90	98	98
Bio/Health care	104	103	107	94	101	103
Secondary batteries	109	101	121	93	110	101
ICT	108	105	111	103	102	104
Machinery industry	100	100	102	92	101	101
Material industry	100	100	99	98	103	102
New industries	105	103	111	94	103	103
Large companies	111	108	111	105	103	104
Small and medium-sized enterprises (SMEs)	99	99	101	93	101	101

Note: 115 above, 100~115, 85~100, 85 below.

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industries and SMEs have seen relatively unfavorable conditions.

## 5. Industrial Weather Forecast for the 3rd Quarter 2021

There are numerous partly sunny items mixed with the sunny ones in Table 5, which means that overall BSI figures for Q3 2021 suggest an optimistic business climate and strong economic performance. In particular, major indices of

manufacturing activities are projected to enjoy a favorable business climate, excepting only ordinary profit. Also, major indices of most industries are expected to post figures above the baseline, except for the shipbuilding, steel and textiles industries.

Although a few major indices are expected to stay below the baseline, most manufacturing activities in every industry and among most companies should post measurably better figures in the next quarter.

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[〈 Appendix 〉](#)

### Outline of KIET Quarterly Manufacturing Business Survey Index

- BSI figures were compiled through surveys completed by representatives at 1034 domestic manufacturing firms, with 91 percent of the respondents who complied with the survey identifying as a small or medium-sized enterprise. The survey was conducted from June 10 to 22, 2021.
- The questionnaire issued comprises 10 sections on business conditions, sales, domestic demand, exports, ordinary profit, facilities investment, operation ratio of facilities, inventory, employment, and financial conditions. This survey is intended to assess quarterly performance and grasp the economic climate of the upcoming quarter.