

## FAQ – Bank Indonesia Business Survey (BIBS) Update

### Description/At a Glance

Bank Indonesia Business Survey (BIBS) is a quarterly survey conducted by Bank Indonesia in 34 provinces that aims to present leading indicators describing the latest conditions of economic activity in each sector. In the context of the recent update concerning the GDP base year to 2010, the classification of sector categories used in the Business Survey has also been updated, commencing with Q1/2023 data.

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1. Why has **the BIBS methodology** been updated?

**Answer:**

- a. BIBS data up to the fourth quarter of 2022 was collated based on the classification of 9 sector categories referring to a Gross Domestic Product (GDP) base year of 2000.
- b. Badan Pusat Statistik (hereafter BPS-Statistics Indonesia) has updated its GDP base year from 2000 to 2010 and increased the number of sectoral classifications from 9 to 17 sectors.
- c. In that context, the classification of sectors used in the Business Survey must also be updated to reflect the sectors used for GDP data published by BPS-Statistics Indonesia.

2. What is the **purpose** of updating the BIBS methodology?

**Answer:**

The purpose of updating the Business Survey is to ensure that the BIBS leading indicators continue to reflect sectoral GDP developments in line with the latest classification of categories.

3. What is the **release schedule and data availability** of the updated BIBS?

**Answer:**

The Business Survey will use the updated methodology starting in the first quarter of 2023, released on 14<sup>th</sup> April 2023, with data available commencing in the fourth quarter of 2022.

4. What **changes** have been made to the updated BIBS?

**Answer:**

- a. **Sector Classifications:** referring to the classifications published by BPS-Statistics Indonesia, the number of sectoral classifications has increased from 9 to 17 sectors (Appendix 1).
- b. **Sector Weight:** sector weights have been updated in line with the update to the base year from 2000 to 2010.

5. How will **the new groups** formed due to the updated method be mapped based on existing commodity groups?

**Answer:**

The mapping of existing BIBS sectors (through to Q4/2023) refers to the GDP base year of 2000. Meanwhile, the new sectors in the updated BIBS will refer to the GDP base year of 2010. The mapping of sectors in the existing and updated BIBS is presented in Appendix 1.

6. Will there be any change to the **data processing** method in the updated methodology compared with the existing methodology?

**Answer:**

There will be no change in the data processing method. In general, the BIBS calculation method is presented in Appendix 2.

7. Will there be any change in the **business process** flow of BIBS implementation?

**Answer:**

There will be no change in the business process flow.

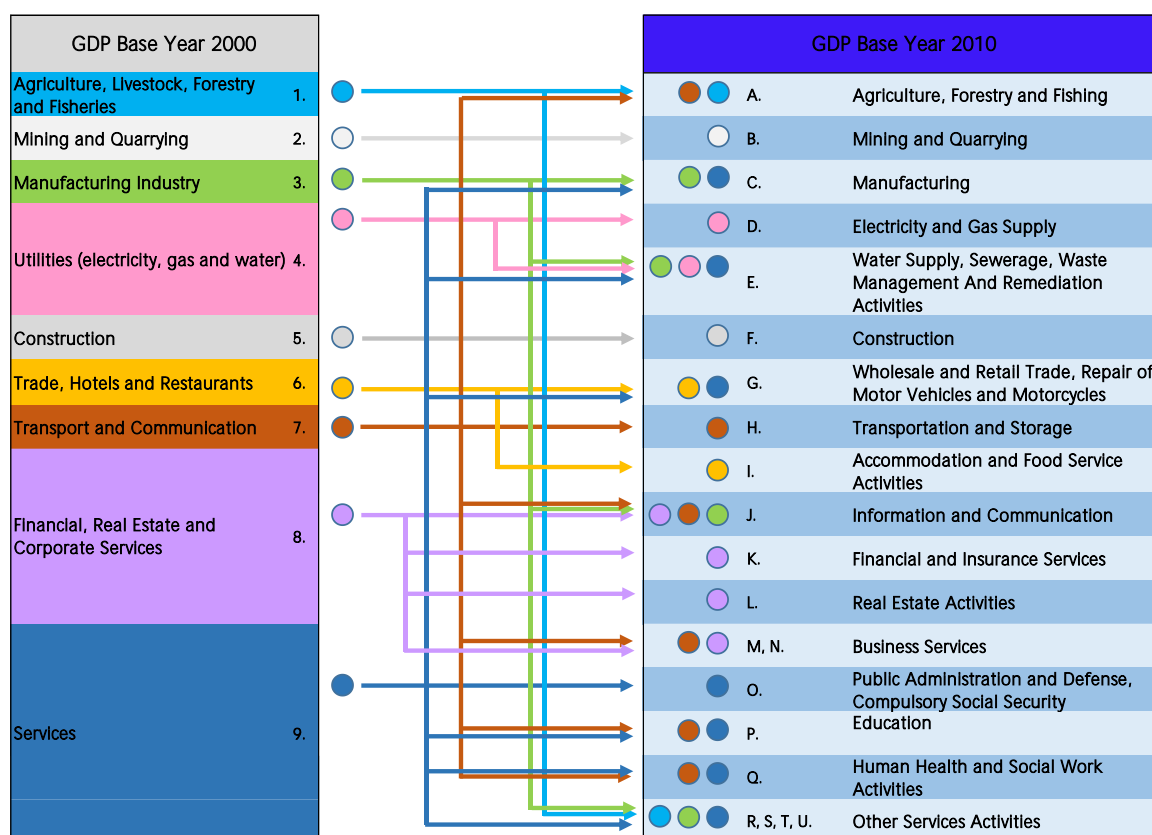
8. What is the relationship between **the output series** in the existing and updated BIBS methods?

**Answer:**

The data series to be disseminated is discontinuous between the current period and the previous period. The output data series of the updated BIBS method will commence in the fourth quarter of 2022, which will **not** replace the series output of BIBS published previously.

## Appendix 1

### Mapping Sector Classifications from 9 to 17 Sectors



Source: BPS-Statistics Indonesia

## Appendix 2

### BIBS Updated Calculation Methodology

#### Net Balance:

Percentage of respondents predicting an increase response – percentage of respondents predicting a decrease response

#### Weighted Net Balance:

$$\mathbf{WNB\ Subsector}_y = \mathbf{NB\ Subsector}_y \times \mathbf{Share\ Subsector}_y$$

WNB > 0: percentage of respondents predicting an 'increase' response exceeds percentage of respondents predicting a 'decrease' response, implying business activity will **increase** compared with the previous period.

WNB = 0: percentage of respondents predicting an 'increase' response and percentage of respondents predicting a 'decrease' response are balanced, implying business activity will **remain approximately the same** compared with the previous period.

WNB < 0: percentage of respondents predicting a 'decrease' response exceeds percentage of respondents predicting an 'increase' response, implying business activity will **decrease** compared with the previous period.

#### Note:

- The weights used in calculating WNB are the share values of each sector/subsector to total GDP (Based on constant prices in 2010)
- NB is calculated for the variables of liquidity, profitability and access to bank loans
- WNB is calculated for the variables of business activity, labour, selling prices and investment.