

Duke's Fuqua School of Business / CFO Magazine Business Outlook

Results for 48 Brazilian firms (own-firm changes expected during the next 12 months)

	Jun 2014	Mar 2014	Dec 2013	Sept 2013	Jun 2013
Weighted Averages for	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*	1.2%	16.5%	10.5%	14.4%	19.7%
Capital spending	-1.6%	2.5%	3.5	7.3%	1.9%
Technology spending	7.7%	4.4%	4.0%	7.4%	3.6%
R&D spending	5.5%	2.2%	1.2%	4.1%	9.8%
Advertising and marketing spending	2.1%	2.2%	3.3%	2.1%	21.2%
Employment – full-time	2.5%	2.2%	2.6%	5.1%	2.7%
Employment – temporary	-1.9%	-0.4%	0.7%	5.3%	2.1%
Outsourced Employment	0.9%	0.4%	1.0%	1.0%	1.7%
Wages and Salaries	7.3%	7%	7.9%	8.1%	8.0%
Productivity	3.1%	4.7%	0.6%	4.0%	5.0%
Inflation (Chg in prices of own-firm products)	4.7%	4.7%	2.4%	3.0%	6.4%
Health Care Costs	10.6%	8.2%	6.6%	10.1%	8.4%
Dividends*	8.8%	-5.3%	7.4%	11.2%	3.0%
Share Repurchases*	0%	0%	0%	0%	0%
Cash on balance sheet*	3.1%	-0.7%	-3.8%	-0.1%	-12.0%
Mergers and Acquisitions	Not asked.	37.7% plan to acquire; Foreign targets in 17.4% of acq. 2.1% plan to sell part or all of firm.	Not asked	Not asked.	Not asked.
Revenue	8.5%	8.9%	8.4%	7.8%	14.9%

* indicates public firms only. All other numbers are for all survey respondents (including private). The reported averages are weighted by revenue or number of employees, so that large firms are weighted more heavily.

Brazilian BUSINESS OPTIMISM

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	Jun 2014	Mar 2014	Dec 2013	Sept 2013	Jun 2013
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 4.2% Less opt: 62.5% No chg: 33.3%	More opt: 9.5% Less opt: 68.3% No chg: 22.2%	More opt: 11.8% Less opt: 45.1% No chg: 43.1%	More opt: 7.8% Less opt: 71.1% No chg: 21.1%	More opt: 19.6% Less opt: 45.7% No chg: 34.8%
Country optimism level	49.5	52.6	53.3	54.7	61.4
Optimism about own company	More opt: 27.1% Less opt: 33.3% No chg: 39.6%	More opt: 31.7% Less opt: 30.2% No chg: 38.1%	More opt: 49.0% Less opt: 21.6% No chg: 29.4%	More opt: 42.2% Less opt: 33.3% No chg: 24.4%	More opt: 50.0% Less opt: 28.3% No chg: 21.7%
Own company optimism level	59.7	63.3	66.2	67.5	68.1

Top Concerns for Brazilian Businesses

- Government policy
- Economic Uncertainty
- Inflation
- Cost of benefits
- Input or commodity costs
- Corporate tax code
- Attracting and retaining qualified employees
- Currency risk
- Underlying demand for your product/services
- Wages and salaries