

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

Results for 83 Asian (non-Chinese, non-Japanese) firms (own-firm changes expected during the next 12 months)

	Sept 2015	Jun 2015	Mar 2015	Dec 2014	Sept 2014
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*	-0.4% Median=5	8.3%	27.3% Median=5%	7.8%	8.3%
Capital spending	0.3%	3.0%	13.5%	9.8%	7.8%
Technology spending	6.5%	6.2%	6.7%	6.5%	6.1%
R&D spending	5.4%	7.1%	4.1%	7.1%	6.9%
Advertising and marketing spending	10.2%	9.4%	10.5%	5.5%	6.5%
Employment – full-time	-0.7%	3.2%	1.9%	5.2%	1.1%
Employment – temporary	2.0%	7.8%	0.1%	2.3%	-5.4%
Outsourced Employment	0.7%	1.8%	3.6%	1.3%	3.2%
Wages and Salaries	5.7%	5.8%	7.6%	8.7%	8.1%
Productivity	3.5%	3.3%	1.7%	3.4%	6.7%
Inflation (Chg in prices of own-firm products)	-6.2%	-4.6%	-4.4%	3.2%	4.2%
Health Care Costs	1.1%	1.5%	6.0%	6.2%	3.7%
Dividends*	-8.5% Median=0	8.1%	-3.2%	4.3%	-0.2%
Share Repurchases*	0%	1.5%	0.4%	-0.0%	0.0%
Cash on balance sheet*	3.9%	14.1%	2.0%	10.6%	2.9%
Revenue	3.0%	8.6%	6.3%	11.3%	11.1%
Mergers and Acquisitions	32.9% plan to acquire; mainly to improve industry position and product diversification.	Not asked.	28.8% plan to acquire; Foreign targets in 26.9% of acq. 14.6% plan to sell part or all of firm.	Not asked.	Not asked.

* 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.

Asian BUSINESS OPTIMISM

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	Sept 2015	Jun 2015	Mar 2015	Dec 2014	Sept 2014
	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: 32.9% Less opt: 50.0% No chg: 17.1%	More opt: 54.2% Less opt: 31.9% No chg: 13.9%	More opt: 53.6% Less opt: 26.1% No chg: 20.3%	More opt: 62.9% Less opt: 22.5% No chg: 14.6%	More opt: 61.1% Less opt: 23.0% No chg: 15.9%
Country optimism level	55.7	63.5	66.5	66.8	64.4
Optimism about own company	More opt: 50.0% Less opt: 36.6% No chg: 13.4%	More opt: 56.9% Less opt: 27.8% No chg: 15.3%	More opt: 51.4% Less opt: 24.3% No chg: 24.3%	More opt: 57.5% Less opt: 27.6% No chg: 14.9%	More opt: 65.1% Less opt: 17.5% No chg: 17.5%
Own company optimism level	62.6	62.0	64.2	66.6	66.1

Top Concerns for Asian Businesses

- Economic uncertainty
- Currency risk
- Weak demand for your product/services
- Attracting and retaining qualified employees
- Government policy
- Rising wages and salaries
- Access to capital
- Regulatory requirement
- Employee productivity
- Geopolitical/health crises

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