

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

Results for 63 Asian (non-Chinese, non-Japanese) firms (own-firm changes expected during the next 12 months)

	Dec 2015	Sept 2015	Jun 2015	Mar 2015	Dec 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*	9.5%	-0.4% Median=5%	8.3%	27.3% Median=5%	7.8%
Capital spending	12.7% Median=5%	0.3%	3.0%	13.5%	9.8%
Technology spending	8.2%	6.5%	6.2%	6.7%	6.5%
R&D spending	4.3%	5.4%	7.1%	4.1%	7.1%
Advertising and marketing spending	6.1%	10.2%	9.4%	10.5%	5.5%
Employment – full-time	2.3%	-0.7%	3.2%	1.9%	5.2%
Employment – temporary	4.5%	2.0%	7.8%	0.1%	2.3%
Outsourced Employment	5.2%	0.7%	1.8%	3.6%	1.3%
Wages and Salaries	8.0%	5.7%	5.8%	7.6%	8.7%
Productivity	2.3%	3.5%	3.3%	1.7%	3.4%
Inflation (Chg in prices of own-firm products)	-0.2%	-6.2%	-4.6%	-4.4%	3.2%
Health Care Costs	2.6%	1.1%	1.5%	6.0%	6.2%
Dividends*	1.8%	-8.5% Median=0%	8.1%	-3.2%	4.3%
Share Repurchases*	0%	0%	1.5%	0.4%	-0.0%
Cash on balance sheet*	-0.8%	3.9%	14.1%	2.0%	10.6%
Revenue	6.9%	3.0%	8.6%	6.3%	11.3%
Mergers and Acquisitions	Not asked.	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.

* 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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	Dec 2015	Sept 2015	Jun 2015	Mar 2015	Dec 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: 44.3% Less opt: 37.7% No chg: 18.0%	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%
Country optimism level	56.4	55.7	63.5	66.5	66.8
Optimism about own company	More opt: 42.6% Less opt: 27.9% No chg: 29.5%	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%
Own company optimism level	58.0	62.6	62.0	64.2	66.6

Top Concerns for Asian Businesses

- Economic uncertainty
- Currency risk
- Weak demand for your product/services
- Government policy
- Regulatory requirement
- Attracting and retaining qualified employees
- Employee productivity
- Access to capital
- Rising input or commodity costs
- Inflation