

Results for 122 Chinese firms (own-firm changes expected during the next 12 months)

	Dec 2016	Sept 2016	Jun 2016	Mar 2016	Dec 2015
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*	5.4%	10.9%	12.9%	-0.8%	4.0%
Capital spending	6.2%	5.6%	8.8%	4.0%	1.8%
Advertising and marketing spending	2.0%	3.0%	7.5%	4.8%	1.2%
Technology spending	5.5%	7.0%	9.3%	3.9%	2.9%
R&D spending	5.8%	3.8%	10.6%	4.8%	2.7%
Employment – full-time	7.3%	1.4%	1.3%	-2.1%	-1.1%
Wages and Salaries	7.6%	3.6%	6.3%	3.7%	5.0%
Inflation (Chg in prices of own-firm products)	2.5%	-0.4%	-1.2%	-0.2%	0.7%
Health Care Costs	3.0%	1.8%	5.3%	3.8%	0.6%
Revenue	12.3%	7.2%	10.3%	3.8%	4.3%

* indicates public firms only. All other numbers are for all survey respondents (including private)

Chinese BUSINESS OPTIMISM

	Dec 2016	Sept 2016	Jun 2016	Mar 2016	Dec 2015
	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: 32.8% Less opt: 32.8% No chg: 34.5%	More opt: 29.2% Less opt: 34.0% No chg: 36.8%	More opt: 13.5% Less opt: 64.9% No chg: 21.6%	More opt: 9.1% Less opt: 75.8% No chg: 15.2%	More opt: 14.3% Less opt: 76.2% No chg: 9.5%
Country optimism level	70.1	69.5	55.0	56.4	47.7
Optimism about own company	More opt: 39.3% Less opt: 31.6% No chg: 29.1%	More opt: 34.0% Less opt: 31.1% No chg: 34.9%	More opt: 25.0% Less opt: 27.8% No chg: 47.2%	More opt: 18.2% Less opt: 57.6% No chg: 24.2%	More opt: 9.5% Less opt: 57.1% No chg: 33.3%
Own company optimism level	72.0	70.1	61.2	60.6	54.0

Top Concerns for Chinese Businesses

- Economic uncertainty
- Government policies
- Attracting and retaining qualified employees
- Weak demand for products/services
- Employee productivity
- Cost of borrowing
- Corporate tax code
- Rising input/commodity costs
- Access to capital
- Employee morale