

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

Results for 14 Chinese firms (own-firm changes expected during the next 12 months)

	Mar 2018	Dec 2017	Sept 2017	Jun 2017	Mar 2017
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*	2.4%	-3.0% Median=-1.5%	-8.7% Median=2.1%	5.0%	4.5%
Capital spending	9.1%	2.1%	11.3%	-10.3% Median = -0.1%	1.4%
Advertising and marketing spending	16.2%	1.8%	1.7%	-1.8%	3.9%
Technology spending	11.2%	3.0%	12.2%	10.8%	8.7%
R&D spending	5.7%	3.1%	2.5%	8.8%	6.2%
Employment – full-time	3.4%	1.4%	1.6%	8.9%	6.7%
Wages and Salaries	4.9%	0.4%	6.6%	9.1%	7.7%
Inflation (Chg in prices of own-firm products)	2.5%	2.8%	3.2%	-1.1%	1.6%
Health Care Costs	6.4%	1.0%	0.6%	4.8%	1.8%
Revenue	22.9% Median = 9.0%	8.7%	5.0%	11.9%	6.3%

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

Chinese BUSINESS OPTIMISM

	Mar 2018	Dec 2017	Sept 2017	Jun 2017	Mar 2017
	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: 35.7% Less opt: 21.4% No chg: 42.9%	More opt: 53.3% Less opt: 13.3% No chg: 33.3%	More opt: 31.6% Less opt: 31.6% No chg: 36.8%	More opt: 20.0% Less opt: 33.3% No chg: 46.7%	More opt: 24.0% Less opt: 40.0% No chg: 36.0%
Country optimism level	65.8	75.2	62.1	69.3	60.6
Optimism about own company	More opt: 35.7% Less opt: 35.7% No chg: 28.6%	More opt: 35.7% Less opt: 35.7% No chg: 28.6%	More opt: 26.3% Less opt: 31.6% No chg: 42.1%	More opt: 33.3% Less opt: 40.0% No chg: 26.7%	More opt: 28.0% Less opt: 32.0% No chg: 40.0%
Own company optimism level	66.3	72.1	62.6	69.6	60.3

Top Concerns for Chinese Businesses

- Economic uncertainty
- Attracting and retaining qualified employees
- Access to capital
- Employee productivity
- Weak demand for products/services
- Employee morale
- Currency risk
- Corporate tax code
- Cost of borrowing
- Rising wages and salaries