

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

Results for 189 Chinese firms (own-firm changes expected during the next 12 months)

	March 2008	Dec 2007	Sept 2007	
	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	
Weighted Averages for Earnings growth*	+11.06%	+8.2%	+7.4%	
Capital spending	+16.70%	+13.5%	+14.6%	
Advertising and marketing spending	+8.06%	+6.3%	+6.9%	
Technology spending	+11.39%	+6.8%	+6.0%	
Employment	+8.28%	+7.3%	+10.6%	
Outsourced Employment	+4.87%	+3.4%	+4.7%	
Wages and Salaries	+9.74%	+8.0%	+8.1%	
Productivity	+7.45%	+5.2%	+5.6%	
Inflation (Chg in prices of own-firm products)	+4.11%	+1.6%	+1.6%	
Health Care Costs	+6.43%	Not asked	+4.8%	
Dividends*	+2.52%	+4.7%	+3.1%	
Cash on balance sheet*	+2.34%	+10.0%	+8.8%	
Inventory	Not asked	+2.7%	+6.4%	
Mergers and Acquisitions	47.5% plan to acquire. 22.1% plan to sell part or all of firm.	36.6% plan to acquire. 19.0% plan to sell part or all of firm.	Not comparable	
Business Terrorism Index (out of 100)	Not asked	Not asked	Not asked	
Share Repurchases*	+0.98%	Not asked	+0.5%	

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

Chinese BUSINESS OPTIMISM
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	March 2008	Dec 2007	Sept 2007
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More optimistic: 25.9% Less optimistic: 34.1% No change: 40.0%	More optimistic: 30.6% Less optimistic: 38.4% No change: 31.0%	More optimistic: 41.3% Less optimistic: 29.3% No change: 29.3%
Optimism about own company	More optimistic: 43.8% Less optimistic: 34.6% No change: 21.6%	More optimistic: 40.8% Less optimistic: 35.1% No change: 24.1%	More optimistic: 50.8% Less optimistic: 24.7% No change: 24.5%

Top Concerns for Chinese Businesses:

- MACRO CONCERNS**
- Consumer Demand
 - Cost of Fuel
 - Credit Markets / Interest Rates
 - Appreciation of Chinese Yuan
 - Cost of Non-Fuel Commodities

INTERNAL CONCERNS