

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

Results for 246 Latin American firms (own-firm changes expected during the next 12 months)

	Sept 2013	Jun 2013	Mar 2013	Dec 2012	Sept 2012
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*	9.3%	11.5%	18.0%	10.5%	5.4%
Capital spending	6.0%	4.3%	7.4%	12.2%	3.5%
Technology spending	7.8%	8.3%	8.5%	6.6%	5.6%
R&D spending	3.7%	6.9%	4.1%	5.6%	6.7%
Advertising and marketing spending	3.8%	9.6%	6.2%	5.2%	8.6%
Employment – full-time	6.6%	4.8%	5.9%	3.1%	2.9%
Employment – temporary	6.1%	2.7%	1.7%	1.1%	-0.9%
Outsourced Employment	2.2%	3.1%	2.5%	-0.4%	0.1%
Wages and Salaries	7.0%	6.5%	5.3%	6.7%	7.4%
Productivity	4.2%	4.8%	6.0%	4.0%	5.8%
Inflation (Chg in prices of own-firm products)	3.1%	2.5%	4.4%	6.7%	4.4%
Health Care Costs	7.6%	6.3%	5.9%	6.4%	7.2%
Dividends*	2.4%	5.4%	21.4%	10.8%	5.6%
Share Repurchases*	0.1%	0.0%	0.8%	0.0%	1.8%
Cash on balance sheet*	3.5%	-3.3%	0.2%	11.5%	25.6%
Revenue	7.8%	11.2%	11.2%	13.2%	10.5%
Mergers and Acquisitions	Not asked.	Not asked.	31.3% plan to acquire; Foreign targets in 28.6% 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.

Latin America BUSINESS OPTIMISM

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	Sept 2013	Jun 2013	Mar 2013	Dec 2012	Sept 2012
	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: 14.2% Less opt: 59.8% No chg: 26.0%	More opt: 24.3% Less opt: 46.4% No chg: 29.3%	More opt: 52.5% Less opt: 18.3% No chg: 29.2%	More opt: 51.4% Less opt: 23.2% No chg: 25.4%	More opt: 37.8% Less opt: 35.4% No chg: 26.8%
Country optimism level	61.0	66.1	69.0	66.1	59.7
Optimism about own company	More opt: 37.7% Less opt: 32.0% No chg: 30.3%	More opt: 42.9% Less opt: 25.7% No chg: 31.4%	More opt: 56.9% Less opt: 19.3% No chg: 23.8%	More opt: 57.0% Less opt: 20.4% No chg: 22.5%	More opt: 54.3% Less opt: 18.3% No chg: 27.4%
Own company optimism level	69.2	71.6	69.4	71.1	69.5

Top Concerns for Latin American Businesses

MACRO CONCERNS

- Consumer Demand
- Federal government policies
- Currency risk
- Price pressure

INTERNAL TO OWN FIRM

- Ability to Maintain Margins
- Attracting and retaining qualified employees
- Ability to forecast results
- Working capital management