

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

Results for 153 Asian (non-Japanese) firms (own-firm changes expected during the next 12 months)

	Mar 2014	Dec 2013	Sept 2013	June 2013	Mar 2013
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*	5.1%	7.0%	-0.9%	4.2%	6.3%
Capital spending	2.1%	4.6%	3.3%	6.3%	5.1%
Technology spending	7.9%	9.1%	3.2%	3.7%	8.7%
R&D spending	6.7%	3.4%	2.8%	1.7%	5.4%
Advertising and marketing spending	3.8%	5.1%	3.1%	1.0%	4.3%
Employment – full-time	-0.4%	1.9%	-1.1%	0.5%	5.9%
Employment – temporary	-2.0%	-1.6%	-7.3%	-3.2%	-0.1%
Outsourced Employment	3.8%	1.1%	1.6%	-1.4%	5.0%
Wages and Salaries	6.9%	5.9%	4.3%	4.1%	8.0%
Productivity	3.7%	3.0%	1.6%	2.1%	5.8%
Inflation (Chg in prices of own-firm products)	3.0%	-0.2%	-1.3%	-0.5%	3.0%
Health Care Costs	5.8%	2.4%	2.6%	2.5%	2.8%
Dividends*	3.6%	6.9%	-0.3%	3.0%	5.9%
Share Repurchases*	0.1%	-0.4%	1.4%	0.8%	1.7%
Cash on balance sheet*	-1.2%	1.2%	-5.8%	-0.3%	7.0%
Mergers and Acquisitions	27.9% plan to acquire; Foreign targets in 37.4% of acq.	Not asked.	Not asked.	Not asked.	29.8% plan to acquire; Foreign targets in 30.8% of acq.
Revenue	9.4%	7.6%	8.3%	6.6%	11.1%

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

ASIA BUSINESS OPTIMISM

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	Mar 2014	Dec 2013	Sept 2013	Jun 2013	Mar 2013
	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: 47.4% Less opt: 28.3% No chg: 24.3%	More opt: 47.0% Less opt: 29.8% No chg: 23.2%	More opt: 22.9% Less opt: 60.5% No chg: 16.6%	More opt: 45.9% Less opt: 30.4% No chg: 23.8%	More opt: 43.2% Less opt: 32.9% No chg: 23.9%
Country optimism level	63.6	63.1	54.3	61.3	61.1
Optimism about own company	More opt: 53.9% Less opt: 23.0% No chg: 23.0%	More opt: 51.2% Less opt: 28.6% No chg: 20.2%	More opt: 36.1% Less opt: 38.7% No chg: 25.2%	More opt: 47.3% Less opt: 32.4% No chg: 20.3%	More opt: 52.9% Less opt: 30.3% No chg: 16.8%
Own company optimism level	68.3	64.3	62.2	63.5	64.1

Top Concerns for Asian Businesses

MACRO CONCERNS

- Consumer Demand
- Cost of non-fuel commodities
- Cost of fuel
- Currency risk

INTERNAL TO OWN FIRM

- Ability to maintain margins
- Ability to forecast results
- Balance sheet weakness
- Attracting and retaining qualified employees