

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

Results for 194 Latin American firms (own-firm changes expected during the next 12 months)

	Sept 2015	Jun 2015	Mar 2015	Dec 2014	Sept 2014
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*	2.9%	-0.8%	6.2%	11.2%	-0.3%
Capital spending	-11.7% Median=0.5%	-0.1%	-1.5%	2.0%	2.2%
Technology spending	3.3%	0.2%	4.6%	3.8%	5.1%
R&D spending	3.9%	-1.8%	-0.0%	3.5%	3.0%
Advertising and marketing spending	-1.1%	-3.8%	1.6%	2.1%	5.5%
Employment – full-time	-0.8%	0.5%	-0.3%	1.3%	3.1%
Employment – temporary	-1.0%	-1.6%	2.3%	0.7%	4.9%
Outsourced Employment	-0.6%	-0.3%	-1.5%	-2.1%	2.7%
Wages and Salaries	5.5%	4.2%	5.1%	5.9%	7.1%
Productivity	1.6%	3.6%	1.5%	1.4%	1.9%
Inflation (Chg in prices of own-firm products)	7.5%	3.2%	1.1%	2.3%	3.1%
Health Care Costs	9.4%	5.2%	6.3%	9.0%	6.7%
Dividends*	-6.4%	-4.2%	3.4%	7.5%	-1.3%
Share Repurchases*	0.0%	0.0%	2.3%	0.0%	6.1%
Cash on balance sheet*	-0.9%	-6.9%	-3.6%	-2.3%	-2.3%
Revenue	7.5%	3.9%	4.2%	9.0%	6.0%
Mergers and Acquisitions	17.7% plan to acquire; mainly for industry position improvement and consolidation.	Not asked.	13.3% plan to acquire; Foreign targets in 27.1% of acq. 13.5% 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 2015	Jun 2015	Mar 2015	Dec 2014	Sept 2014
	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: 7.3% Less opt: 73.8% No chg: 18.8%	More opt: 23.7% Less opt: 49.3% No chg: 27.0%	More opt: 18.5% Less opt: 67.7% No chg: 13.8%	More opt: 22.6% Less opt: 58.5% No chg: 18.9%	More opt: 17.0% Less opt: 61.7% No chg: 21.3%
Country optimism level	42.9	52.8	49.4	54.1	50.2
Optimism about own company	More opt: 25.1% Less opt: 41.9% No chg: 33.0%	More opt: 41.4% Less opt: 27.0% No chg: 31.6%	More opt: 35.4% Less opt: 36.9% No chg: 27.7%	More opt: 37.1% Less opt: 28.3% No chg: 34.6%	More opt: 34.8% Less opt: 41.1% No chg: 24.1%
Own company optimism level	58.9	63.6	63	67.4	63.3

Top Concerns for Latin American Businesses

- Economic Uncertainty
- Currency risk
- Government policy
- Weak demand for your product/services
- Corporate tax code (domestic)
- Inflation
- Cost of benefits
- Regulatory requirements
- Access to capital
- Employee productivity