

Results for 25 Chinese firms (own-firm changes expected during the next 12 months)

	Mar 2017	Dec 2016	Sept 2016	Jun 2016	Mar 2016
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*	4.5%	5.4%	10.9%	12.9%	-0.8%
Capital spending	1.4%	6.2%	5.6%	8.8%	4.0%
Advertising and marketing spending	3.9%	2.0%	3.0%	7.5%	4.8%
Technology spending	8.7%	5.5%	7.0%	9.3%	3.9%
R&D spending	6.2%	5.8%	3.8%	10.6%	4.8%
Employment – full-time	6.7%	7.3%	1.4%	1.3%	-2.1%
Wages and Salaries	7.7%	7.6%	3.6%	6.3%	3.7%
Inflation (Chg in prices of own-firm products)	1.6%	2.5%	-0.4%	-1.2%	-0.2%
Health Care Costs	1.8%	3.0%	1.8%	5.3%	3.8%
Revenue	6.3%	12.3%	7.2%	10.3%	3.8%

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

Chinese BUSINESS OPTIMISM

	Mar 2017	Dec 2016	Sept 2016	Jun 2016	Mar 2016
	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: 24.0% Less opt: 40.0% No chg: 36.0%	More opt: 32.8% Less opt: 32.8% No chg: 34.5%	More opt: 29.2% Less opt: 34.0% No chg: 36.8%	More opt: 13.5% Less opt: 64.9% No chg: 21.6%	More opt: 9.1% Less opt: 75.8% No chg: 15.2%
Country optimism level	60.6	70.1	69.5	55.0	56.4
Optimism about own company	More opt: 28.0% Less opt: 32.0% No chg: 40.0%	More opt: 39.3% Less opt: 31.6% No chg: 29.1%	More opt: 34.0% Less opt: 31.1% No chg: 34.9%	More opt: 25.0% Less opt: 27.8% No chg: 47.2%	More opt: 18.2% Less opt: 57.6% No chg: 24.2%
Own company optimism level	60.3	72.0	70.1	61.2	60.6

Top Concerns for Chinese Businesses

- Economic uncertainty
- Weak demand for products/services
- Currency risk
- Government policies
- Rising input/commodity costs
- Corporate tax code
- Attracting and retaining qualified employees
- Employee productivity
- Cost of borrowing
- Access to capital