

Results for 62 Asian firms (own-firm changes expected during the next 12 months)

|   | Jun 2018                                 | Mar 2018                                 | Dec 2017                                 | Sept 2017                                | Jun 2017                                 |
|---|--|--|--|--|--|
| <b>Weighted Averages for</b>                          | <b>Expected growth in next 12 months</b> | <b>Expected growth in next 12 months</b> | <b>Expected growth in next 12 months</b> | <b>Expected growth in next 12 months</b> | <b>Expected growth in next 12 months</b> |
| <b>Earnings growth*</b>                               | 5.7%                                     | 3.4%                                     | 2.5%                                     | 0.7%                                     | 10.8%<br>Median = 8.8%                   |
| <b>Capital spending</b>                               | 7.0%                                     | 11.9%                                    | 8.0%                                     | 8.1%                                     | 5.4%                                     |
| <b>Advertising and marketing spending</b>             | 3.9%                                     | 10.5%                                    | 2.8%                                     | 2.5%                                     | 2.0%                                     |
| <b>Technology spending</b>                            | 6.0%                                     | 8.5%                                     | 6.3%                                     | 8.9%                                     | 3.7%                                     |
| <b>R&amp;D spending</b>                               | 4.7%                                     | 8.0%                                     | 3.6%                                     | 3.4%                                     | 1.6%                                     |
| <b>Employment – full-time</b>                         | 3.6%                                     | 3.0%                                     | 0.7%                                     | -0.5%                                    | 2.6%                                     |
| <b>Wages and Salaries</b>                             | 4.1%                                     | 5.3%                                     | 1.1%                                     | 1.7%                                     | 3.0%                                     |
| <b>Inflation (Chg in prices of own-firm products)</b> | 4.3%                                     | 4.5%                                     | 3.1%                                     | 0.8%                                     | -0.9%<br>Median=0%                       |
| <b>Health Care Costs</b>                              | 2.0%                                     | 6.0%                                     | 2.2%                                     | 1.8%                                     | 5.7%                                     |
| <b>Revenue</b>  | 4.8%                                     | 9.5%                                     | 6.6%                                     | 2.9%                                     | 3.6%                                     |

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

\*\* numbers in the bracket are GDP-weighted results

**ASIA BUSINESS OPTIMISM**

|   | Jun 2018  | Mar 2018  | Dec 2017  | Sept 2017   | Jun 2017  |
|---|---|---|---|---|---|
|   | <b>Compared to last qtr.</b>                        | <b>Compared to last qtr.</b>                        | <b>Compared to last qtr.</b>                        | <b>Compared to last qtr.</b>                        | <b>Compared to last qtr.</b>                        |
| <b>Optimism about the country's economy</b> | More opt: 36.5%<br>Less opt: 36.6%<br>No chg: 26.9% | More opt: 40.9%<br>Less opt: 26.3%<br>No chg: 32.8% | More opt: 53.3%<br>Less opt: 16.1%<br>No chg: 30.6% | More opt: 39.8%<br>Less opt: 23.4%<br>No chg: 36.9% | More opt: 36.0%<br>Less opt: 31.6%<br>No chg: 32.4% |
| <b>Country optimism level</b>               | 60.3  | 61.0  | 66.3  | 60.2  | 63.6  |
| <b>Optimism about own company</b>           | More opt: 38.0%<br>Less opt: 25.4%<br>No chg: 36.5% | More opt: 39.8%<br>Less opt: 29.6%<br>No chg: 30.6% | More opt: 45.5%<br>Less opt: 21.6%<br>No chg: 32.9% | More opt: 43.8%<br>Less opt: 24.6%<br>No chg: 31.6% | More opt: 46.9%<br>Less opt: 25.9%<br>No chg: 27.2% |
| <b>Own company optimism level</b>           | 64.8  | 61.2  | 67.6  | 62.5  | 68.0  |

Top Concerns for Asian Businesses

- Difficulty attracting/retaining qualified employees
- Economic Uncertainty
- Government policies
- Weak demand for your products/services
- Currency risk
- Rising wages and salaries
- Regulatory requirements
- Data security
- Geopolitical/health crises
- Access to capital