

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

Results for 9 Chinese firms (own-firm changes expected during the next 12 months)

	Jun 2018	Mar 2018	Dec 2017	Sept 2017	Jun 2017
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*	7.5%	2.4%	-3.0% Median=-1.5%	-8.7% Median=2.1%	5.0%
Capital spending	7.4%	9.1%	2.1%	11.3%	-10.3% Median = -0.1%
Advertising and marketing spending	-2.4% Median=0%	16.2%	1.8%	1.7%	-1.8%
Technology spending	10.0%	11.2%	3.0%	12.2%	10.8%
R&D spending	8.9%	5.7%	3.1%	2.5%	8.8%
Employment – full-time	-1.9%	3.4%	1.4%	1.6%	8.9%
Wages and Salaries	-2.6%	4.9%	0.4%	6.6%	9.1%
Inflation (Chg in prices of own-firm products)	2.5%	2.5%	2.8%	3.2%	-1.1%
Health Care Costs	0%	6.4%	1.0%	0.6%	4.8%
Revenue	4.1%	22.9% Median = 9.0%	8.7%	5.0%	11.9%

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

Chinese BUSINESS OPTIMISM

	Jun 2018	Mar 2018	Dec 2017	Sept 2017	Jun 2017
	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: 9.1% Less opt: 63.6% No chg: 27.3%	More opt: 35.7% Less opt: 21.4% No chg: 42.9%	More opt: 53.3% Less opt: 13.3% No chg: 33.3%	More opt: 31.6% Less opt: 31.6% No chg: 36.8%	More opt: 20.0% Less opt: 33.3% No chg: 46.7%
Country optimism level	58.8	65.8	75.2	62.1	69.3
Optimism about own company	More opt: 9.1% Less opt: 36.4% No chg: 54.5%	More opt: 35.7% Less opt: 35.7% No chg: 28.6%	More opt: 35.7% Less opt: 35.7% No chg: 28.6%	More opt: 26.3% Less opt: 31.6% No chg: 42.1%	More opt: 33.3% Less opt: 40.0% No chg: 26.7%
Own company optimism level	65.5	66.3	72.1	62.6	69.6

Top Concerns for Chinese Businesses

- Weak demand for products/services
- Economic uncertainty
- Government policy
- Currency risk
- Rising wages and salaries
- Data security
- Geopolitical/health crises
- Access to capital
- Attracting and retaining qualified employees
- Corporate tax code