

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

Results for 11 Chinese firms (own-firm changes expected during the next 12 months)

	Dec 2018	Sept 2018	Jun 2018	Mar 2018	Dec 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*	1.8%	4.5%	7.5%	2.4%	-3.0% Median=-1.5%
Capital spending	0.5% Median=3.8%	17.8% Median=29.6%	7.4% Median=6.7%	9.1%	2.1%
Advertising and marketing spending	3.0%	9.2%	-2.4% Median=0%	16.2%	1.8%
Technology spending	6.1%	5.8%	10.0%	11.2%	3.0%
R&D spending	3.4%	5.4%	8.9%	5.7%	3.1%
Employment – full-time	1.8% Median=2.1%	4.3% Median=8.6%	-1.9% Median=-0.9%	3.4%	1.4%
Wages and Salaries	1.7% Median=1.7%	4.4% Median=1.9%	-2.6% Median=-0.9%	4.9%	0.4%
Inflation (Chg in prices of own-firm products)	-0.1%	-0.3%	2.5%	2.5%	2.8%
Health Care Costs	4.3%	11.4%	0%	6.4%	1.0%
Revenue	6.9%	7.4%	4.1%	22.9% Median = 9.0%	8.7%

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

Chinese BUSINESS OPTIMISM

	Dec 2018	Sept 2018	Jun 2018	Mar 2018	Dec 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: 0.0% Less opt: 90.0% No chg: 10.0%	More opt: 0% Less opt: 77.8% No chg: 22.2%	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%
Country optimism level	53.0	59.8	58.8	65.8	75.2
Optimism about own company	More opt: 20.0% Less opt: 70.0% No chg: 10.0%	More opt: 0% Less opt: 44.4% No chg: 55.6%	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%
Own company optimism level	66.9	65.9	65.5	66.3	72.1

Top Concerns for Chinese Businesses

- Economic uncertainty
- Currency risk
- Access to capital
- Cost of borrowing
- Regulatory requirement
- Government policy
- Employee productivity
- Geopolitical/ health crises
- Rising wages and salaries
- Employee morale