A joint survey effort between
Duke University
Fundação Getúlio Vargas
CFO Magazine
El IMEF
PyME

Latin American Business Outlook
Part of the Global Business Outlook
## Top Concerns of Latin American CFOs

<table>
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<th>Concern</th>
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<tr>
<td>1</td>
<td>Economic Uncertainty</td>
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<td>2</td>
<td>Government policies</td>
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<td>3</td>
<td>Weak demand for product/services</td>
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<td>4</td>
<td>Currency risk</td>
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<td>5</td>
<td>Employee productivity</td>
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<td>6</td>
<td>Access to capital</td>
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<td>7</td>
<td>Corporate tax code</td>
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<td>8</td>
<td>Regulatory requirements</td>
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<td>9</td>
<td>Raising input or commodity costs</td>
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<td>10</td>
<td>Attracting and retaining qualified employee</td>
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</table>
Latin American CFO optimism decreases significantly from last quarter.

Notes: Presented data are the mean value for each region or country. Scale from 0-100
Latin American companies expect moderate inflation

**Global Trends**

- Price increases of 2% to 3% expected in Latin America
  - Latam price expectations are lower than last quarter
  - CFOs in Asia expect no price inflation

**September 2019 Outlook**

- Inflation expectations highest in Mexico
  - Prices expected to increase 2% in Brazil and Chile
  - Inflation expected to be flat in Peru

Notes: Presented data are the mean or median values for each region or country.
Expected Growth in Sales Revenue

Latin America sales revenue expectations continue to fall

**Global Trends**

Latin American revenue growth expectation drops to 3% to 4%
- Revenue expectations decreases from last quarter
- US sales revenue expectations remains stable

**September 2019 Outlook**

Chile expects rapid revenue growth
- Overall Latin American revenue growth is higher than Asia

Notes: Presented data are the mean or median values for each region or country.
Capital Spending Plans

Capital spending expectations fall around the world

Global Trends

Capital spending plans decrease in all regions
- Latin American CFOs expect 2% spending growth
- U.S. capital spending plans are flat

September 2019 Outlook

Business spending is weak within Latin America
- Mexico and Chile anticipate decline in capital expenditures
- 5% spending growth expected in Brazil

Notes: Presented data are the mean or median values for each region or country.
Expected Change in Earnings

Earnings expectations decreased from last quarter

### Global Trends

![Graph showing earnings trends over time for different regions]

**Asia and US expect weak earnings**
- Europe increases earnings expectations moderately from last quarter, though still weak
- African earnings expectations fall sharply

### September 2019 Outlook

![Bar chart showing earnings growth by region]

**Large variation in earnings growth in Latin America**
- Mexico and Brazil expect strongest earnings growth
- Earnings are expected to grow slowly in Ecuador

Notes: Presented data are the mean or median values for each region or country.
Latin American CFOs expect modest fulltime employment growth in 2019

**Global Trends**

**September 2019 Outlook**

- Latin America CFOs expect 1% employment growth
  - US CFOs expect moderate employment growth
  - Employment growth slows down in Asia
  - Employment growth increases Africa, though still weak

- Employment growth varies across L.A.
  - Employment outlook in Brazil is moderate
  - Chile drives up the average for overall Latin America

Notes: Presented data are the mean value for each region or country
#FT=Number of Fulltime Employees
Latin American wages and salaries are projected to increase by 3% in 2019

**Wage growth expectations vary across regions**

- Africa expects wages to grow 6.6% in this quarter, which is driven in part by high inflation
- Europe wage growth shrinks to the second lowest

**Latin American wages to increase 3%**

- All participating Latam countries expect moderate wage growth, highest in Chile
- Wage growth in Brazil falls behind average growth rate in Latin America

Notes: Presented data are the mean or median values for each region or country.
When Will a Recession Occur?

For your country: In which quarter do you expect a downturn (recession) will occur? A majority of CFOs in all regions expect a recession to start within one year.
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