

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

Results for 5 Chinese firms (own-firm changes expected during the next 12 months)

	Dec 2019	Sept 2019	Jun 2019	Mar 2019	Dec 2018
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*	-4.9% Median=5.0%	16.4% Median=24.0%	1.9% Median=1.1%		1.8%
Capital spending	-5.4% Median=-0.2%	-2.0% Median=6.6%	5.6% Median=12.5%	4.7% Median=10.0%	0.5% Median=3.8%
Advertising and marketing spending	2.4% Median=1.8%	0.2% Median=0.0%	4.6% Median=2.3%		3.0%
Technology spending	2.9% Median=0.0%	-1.2% Median=0.0%	2.0% Median=2.0%		6.1%
R&D spending	-4.9% Median=3.3%	-2.1% Median=0.0%	3.1% Median=4.0%		3.4%
Employment – full-time	-10.3% Median=-4.5%	-5.2% Median=-1.6%	-3.9% Median=-1.8%	3.0% Median=1.8%	1.8% Median=2.1%
Wages and Salaries	2.4% Median=7.5%	-5.0% Median=0.0%	7.4% Median=7.2%	7.7% Median=5.8%	1.7% Median=1.7%
Inflation (Chg in prices of own-firm products)	-2.7% Median=-0.2%	-5.0% Median=-2.9%	1.6% Median=-0.2%		-0.1%
Health Care Costs	0.3% Median=0.0%	0.0% Median=0.0%	0.2% Median=1.3%		4.3%
Revenue	-6.7% Median=5.2%	11.9% Median = 13.8%	-0.6% Median = 0.7%	14.4% Median=10.0%	6.9%

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

Chinese BUSINESS OPTIMISM

	Dec 2019	Sept 2019	Jun 2019	Mar 2019	Dec 2018
	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% Less opt: 60.0% No chg: 40.0%	More opt: 40.0% Less opt: 20.0% No chg: 40.0%	More opt: 0.0% Less opt: 100.0% No chg: 0.0%	More opt: 40.6% Less opt: 34.4% No chg: 25.0%	More opt: 0.0% Less opt: 90.0% No chg: 10.0%
Country optimism level	57.0	67.5	52.0	62.7	53.0
Optimism about own company	More opt: 0% Less opt: 50.0% No chg: 50.0%	More opt: 20.0% Less opt: 40.0% No chg: 40.0%	More opt: 0.0% Less opt: 80.0% No chg: 20.0%	More opt: 53.1% Less opt: 21.9% No chg: 25.0%	More opt: 20.0% Less opt: 70.0% No chg: 10.0%
Own company optimism level	60.0	65.0	60.0	68.2	66.9

Top Concerns for Chinese Businesses (December 2019)

- Economic uncertainty
- Employee productivity
- Government policy
- Weak demand for products/services
- Access to capital
- Rising wages and salaries
- Currency risk
- Regulatory requirements
- Difficulty attracting/retaining qualified employee
- Data security