A joint survey effort between
Duke University
Fundação Getúlio Vargas
CFO Magazine
El IMEF
PyME
## Top Concerns of Latin American CFOs

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<tr>
<th>1.</th>
<th>Economic Uncertainty</th>
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<td>Government policies</td>
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<td>3.</td>
<td>Currency risk</td>
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<td>Weak demand for product/services</td>
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<td>Corporate tax code</td>
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<td>6.</td>
<td>Attracting and retaining qualified employee</td>
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<td>7.</td>
<td>Access to capital</td>
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<td>Employee productivity</td>
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<td>Regulatory requirements</td>
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<td>Data Security</td>
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Latin American CFO optimism increases from last quarter.

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

**Global Trends**

**Expected Product Price Inflation**

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

**Price increases of 4% expected in Latin America**
- Latam price expectations are higher than last quarter
- CFOs in Europe and Asia expect no price inflation

**December 2019 Outlook**

**Inflation expectations highest in Chile**
- Prices expected to increase about 3% in Brazil and Chile
- Inflation expected to be flat in Peru
Latin America sales revenue expectations increase

**Global Trends**

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**December 2019 Outlook**

Peru expects rapid revenue growth
- Overall Latin American revenue growth is the fastest

Latin American revenue growth expected increase 7% to 8% in 2020
- Revenue expectations increase from last quarter
- US sales revenue expectations remain stable

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

Capital spending plans relatively low in all regions

Global Trends

Capital spending plans low in all regions
- Latin American CFOs expect 3% spending growth
- U.S. capital spending plans increase to 5% in 2020

December 2019 Outlook

Business spending varies within Latin America
- Chile anticipates decline in capital expenditures
- 3% spending growth expected in Mexico

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

Earnings expectations vary widely around the globe

**Global Trends**

**December 2019 Outlook**

Europe and Asia expect weak earnings
- US earnings expectations show moderate growth from last quarter, though still weak
- African earnings expectations increase sharply

Large variation in earnings growth in Latin America
- Overall, 3% to 4% earnings growth for 2020
- Brazil expect strongest earnings growth
- Earnings are expected to fall sharply in Mexico

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**

**December 2019 Outlook**

Latin America CFOs expect 1% employment growth
- US CFOs expect 3% employment growth
- Employment growth slows in Europe
- Employment growth increases Asia, though still weak

Employment growth varies across L.A.
- Employment outlook in Brazil is moderate at 3%
- Chile drives down 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 4% in 2019

Wage growth expectations vary across regions

- Africa expects wages to grow 7.6% in 2020, which is driven in part by high inflation
- Europe wage growth expectations shrink to 1%

Latin American wages to increase 4%

- All participating Latam countries expect moderate wage growth except Chile
- Chile expects wages to decline.

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.
The Latin American Business Outlook is frequently reported in the press.
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