

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

Results for 486 Latin American firms (own-firm changes expected during the next 12 months)

	Mar 2016	Dec 2015	Sept 2015	Jun 2015	Mar 2015
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*	-0.3%	-0.0%	2.9%	-0.8%	6.2%
Capital spending	2.2%	2.4%	-11.7% Median=0.5%	-0.1%	-1.5%
Advertising and marketing spending	-1.1%	-1.7%	-1.1%	-3.8%	1.6%
Technology spending	2.9%	6.5%	3.3%	0.2%	4.6%
R&D spending	3.3%	2.6%	3.9%	-1.8%	-0.0%
Employment – full-time	-2.2%	-1.3%	-0.8%	0.5%	-0.3%
Employment – temporary	-0.2%	-1.4%	-1.0%	-1.6%	2.3%
Outsourced Employment	-1.2%	0.6%	-0.6%	-0.3%	-1.5%
Wages and Salaries	2.1%	3.5%	5.5%	4.2%	5.1%
Productivity	3.4%	3.3%	1.6%	3.6%	1.5%
Inflation (Chg in prices of own-firm products)	1.1%	2.9%	7.5%	3.2%	1.1%
Health Care Costs	3.6%	4.5%	9.4%	5.2%	6.3%
Dividends*	2.2%	1.5%	-6.4%	-4.2%	3.4%
Cash on balance sheet*	0.4%	1.3%	-0.9%	-6.9%	-3.6%
Share Repurchases*	0.0%	0.0%	0.0%	0.0%	2.3%
Revenue	-1.0%	2.2%	7.5%	3.9%	4.2%
Mergers and Acquisitions	Not asked.	Not asked.	17.7% plan to acquire; mainly for industry position improvement and consolidation.	Not asked.	13.3% plan to acquire; Foreign targets in 27.1% of acq. 13.5% plan to sell part or all of firm.

* indicates public firms only. All other numbers are for all survey respondents (including private). The reported averages are weighted by revenue or number of employees, so that large firms are weighted more heavily.

Latin America BUSINESS OPTIMISM

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	Mar 2016	Dec 2015	Sept 2015	Jun 2015	Mar 2015
	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: 13.6% Less opt: 59.7% No chg: 26.7%	More opt: 10.4% Less opt: 66.8% No chg: 22.8%	More opt: 7.3% Less opt: 73.8% No chg: 18.8%	More opt: 23.7% Less opt: 49.3% No chg: 27.0%	More opt: 18.5% Less opt: 67.7% No chg: 13.8%
Country optimism level	44.6	46.3	42.9	52.8	49.4
Optimism about own company	More opt: 31.4% Less opt: 30.0% No chg: 38.6%	More opt: 29.0% Less opt: 37.9% No chg: 33.1%	More opt: 25.1% Less opt: 41.9% No chg: 33.0%	More opt: 41.4% Less opt: 27.0% No chg: 31.6%	More opt: 35.4% Less opt: 36.9% No chg: 27.7%
Own company optimism level	58.0	61.6	58.9	63.6	63

Top Concerns for Latin American Businesses

- Economic Uncertainty
- Government policy
- Currency risk
- Weak demand for your product/services
- Corporate tax code (domestic)
- Access to capital
- Cost of benefits
- Employee productivity
- Regulatory requirements
- Inflation