

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

Results for 16 Japanese firms (own-firm changes expected during the next 12 months)

	Mar 2018	Dec 2017	Sept 2017	Jun 2017	Mar 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*	4.4%	2.1%	4.7%	11.0%	9.2%
Capital spending	14.2% Median = 9.1%	8.6%	15.9% Median = 1.3%	6.9%	19.9% Median = 13.3%
Advertising and marketing spending	5.5%	0.8%	0.3%	2.3%	-1.6%
Technology spending	3.3%	3.9%	6.9%	1.2%	5.4%
R&D spending	3.2%	4.2%	6.5%	0.6%	2.2%
Employment – full-time	0.9%	2.5%	1.4%	0.7%	2.8%
Wages and Salaries	2.1%	1.6%	-0.1%	1.1%	2.5%
Inflation (Chg in prices of own-firm products)	6.3%	3.9%	1.9%	-1.7%	-0.6%
Healthcare cost	8.5%	2.2%	1.4%	8.1%	4.6%
Revenue	6.1%	5.6%	2.2%	2.2%	-1.0%

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

Japanese BUSINESS OPTIMISM

	Mar 2018	Dec 2017	Sept 2017	Jun 2017	Mar 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: 43.8% Less opt: 18.8% No chg: 37.5%	More opt: 50.0% Less opt: 4.5% No chg: 45.5%	More opt: 18.2% Less opt: 13.6% No chg: 68.2%	More opt: 40.0% Less opt: 16.0% No chg: 44.0%	More opt: 40.0% Less opt: 16.7% No chg: 43.3%
Country optimism level	52.9	57.8	52.4	55.6	55.7
Optimism about own company	More opt: 26.7% Less opt: 26.7% No chg: 46.7%	More opt: 40.0% Less opt: 20.0% No chg: 40.0%	More opt: 31.8% Less opt: 50.0% No chg: 18.2%	More opt: 37.5% Less opt: 25.0% No chg: 37.5%	More opt: 30.0% Less opt: 30.0% No chg: 40.0%
Own company optimism level	47.1	57.1	57.6	58.0	58.4

Top Concerns for Japanese Businesses

- Employee productivity
- Weak demand for your product/services
- Difficulty attracting and retaining qualified employees
- Employee morale
- Rising input/commodity costs
- Currency risk
- Access to capital
- Economic Uncertainty
- Geopolitical/Health Crises
- Cost of borrowing