

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

Results for 22 Japanese firms (own-firm changes expected during the next 12 months)

	Sept 2017	Jun 2017	Mar 2017	Dec 2016	Sept 2016
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*	4.7%	11.0%	9.2%	6.4%	-1.2%
Capital spending	15.9% Median = 1.3%	6.9%	19.9% Median = 13.3%	-5.4%	0.1%
Advertising and marketing spending	0.3%	2.3%	-1.6%	0.1%	-1.8%
Technology spending	6.9%	1.2%	5.4%	2.7%	4.6%
R&D spending	6.5%	0.6%	2.2%	2.5%	4.0%
Employment – full-time	1.4%	0.7%	2.8%	2.4%	0.6%
Wages and Salaries	-0.1%	1.1%	2.5%	3.0%	2.6%
Inflation (Chg in prices of own-firm products)	1.9%	-1.7%	-0.6%	-0.6%	-5.2% Median=-3%
Healthcare cost	1.4%	8.1%	4.6%	2.4%	4.9%
Revenue	2.2%	2.2%	-1.0%	-3.6%	-6.7% Median=-5%

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

Japanese BUSINESS OPTIMISM

	Sept 2017	Jun 2017	Mar 2017	Dec 2016	Sept 2016
	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: 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%	More opt: 33.3% Less opt: 12.5% No chg: 54.2%	More opt: 12.5% Less opt: 56.3% No chg: 31.3%
Country optimism level	52.4	55.6	55.7	53.9	48.0
Optimism about own company	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%	More opt: 16.7% Less opt: 33.3% No chg: 50.0%	More opt: 15.6% Less opt: 34.4% No chg: 50.0%
Own company optimism level	57.6	58.0	58.4	48.9	54.4

Top Concerns for Japanese Businesses

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