

Results for 15 Chinese firms (own-firm changes expected during the next 12 months)

	Jun 2017	Mar 2017	Dec 2016	Sept 2016	Jun 2016
<b>Weighted Averages for</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>	<b>Expected growth in next 12 months</b>
<b>Earnings growth*</b>	5.0%	4.5%	5.4%	10.9%	12.9%
<b>Capital spending</b>	-10.3% Median = -0.1%	1.4%	6.2%	5.6%	8.8%
<b>Advertising and marketing spending</b>	-1.8%	3.9%	2.0%	3.0%	7.5%
<b>Technology spending</b>	10.8%	8.7%	5.5%	7.0%	9.3%
<b>R&amp;D spending</b>	8.8%	6.2%	5.8%	3.8%	10.6%
<b>Employment – full-time</b>	8.9%	6.7%	7.3%	1.4%	1.3%
<b>Wages and Salaries</b>	9.1%	7.7%	7.6%	3.6%	6.3%
<b>Inflation (Chg in prices of own-firm products)</b>	-1.1%	1.6%	2.5%	-0.4%	-1.2%
<b>Health Care Costs</b>	4.8%	1.8%	3.0%	1.8%	5.3%
<b>Revenue</b>	11.9%	6.3%	12.3%	7.2%	10.3%

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

Chinese BUSINESS OPTIMISM

	Jun 2017	Mar 2017	Dec 2016	Sept 2016	Jun 2016
	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More opt: 20.0% Less opt: 33.3% No chg: 46.7%	More opt: 24.0% Less opt: 40.0% No chg: 36.0%	More opt: 32.8% Less opt: 32.8% No chg: 34.5%	More opt: 29.2% Less opt: 34.0% No chg: 36.8%	More opt: 13.5% Less opt: 64.9% No chg: 21.6%
<b>Country optimism level</b>	69.3	60.6	70.1	69.5	55.0
<b>Optimism about own company</b>	More opt: 33.3% Less opt: 40.0% No chg: 26.7%	More opt: 28.0% Less opt: 32.0% No chg: 40.0%	More opt: 39.3% Less opt: 31.6% No chg: 29.1%	More opt: 34.0% Less opt: 31.1% No chg: 34.9%	More opt: 25.0% Less opt: 27.8% No chg: 47.2%
<b>Own company optimism level</b>	69.6	60.3	72.0	70.1	61.2

Top Concerns for Chinese Businesses

- Economic uncertainty
- Attracting and retaining qualified employees
- Currency risk
- Government policies
- Weak demand for products/services
- Data security
- Employee morale
- Access to capital
- Regulatory requirements
- Employee productivity