

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

Results for 18 Japanese firms (own-firm changes expected during the next 12 months)

	Sept 2018	Jun 2018	Mar 2018	Dec 2017	Sept 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*	21.9% Median=17.6%	4.9%	4.4%	2.1%	4.7%
Capital spending	3.9% Median=6.3%	6.4% Median=9.6%	14.2% Median = 9.1%	8.6%	15.9% Median = 1.3%
Advertising and marketing spending	0.0%	4.0%	5.5%	0.8%	0.3%
Technology spending	2.3%	4.3%	3.3%	3.9%	6.9%
R&D spending	3.2%	4.7%	3.2%	4.2%	6.5%
Employment – full-time	2.7% Median=3.4%	3.5% Median=5.0%	0.9%	2.5%	1.4%
Wages and Salaries	3.1% Median=3.0%	3.7% Median=3.0%	2.1%	1.6%	-0.1%
Inflation (Chg in prices of own-firm products)	4.9%	6.6%	6.3%	3.9%	1.9%
Healthcare cost	0.1%	2.2%	8.5%	2.2%	1.4%
Revenue	4.4%	3.5%	6.1%	5.6%	2.2%

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

Japanese BUSINESS OPTIMISM

	Sept 2018	Jun 2018	Mar 2018	Dec 2017	Sept 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: 11.1% Less opt: 16.7% No chg: 72.2%	More opt: 40.0% Less opt: 6.7% No chg: 53.3%	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%
Country optimism level	55.2	58.9	52.9	57.8	52.4
Optimism about own company	More opt: 11.8% Less opt: 35.3% No chg: 52.9%	More opt: 40.0% Less opt: 26.7% No chg: 33.3%	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%
Own company optimism level	52.1	58.9	47.1	57.1	57.6

Top Concerns for Japanese Businesses

- Difficulty attracting and retaining qualified employees
- Employee productivity
- Economic uncertainty
- Rising input or commodity costs
- Employee morale
- Currency risk
- Government policies
- Data security
- Geopolitical/Health Crises
- Access to capital