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Asian Business Outlook

Part of the Global Business Outlook

A joint survey effort between
Duke University and **CFO Magazine**

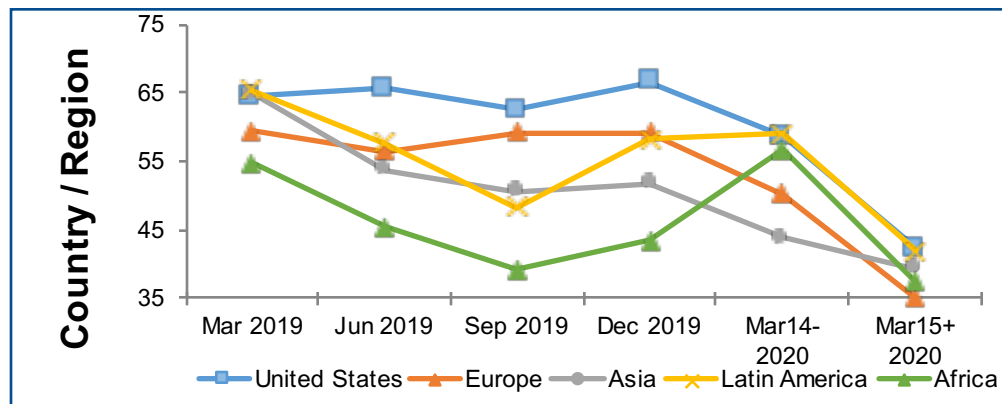
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Business Optimism Index

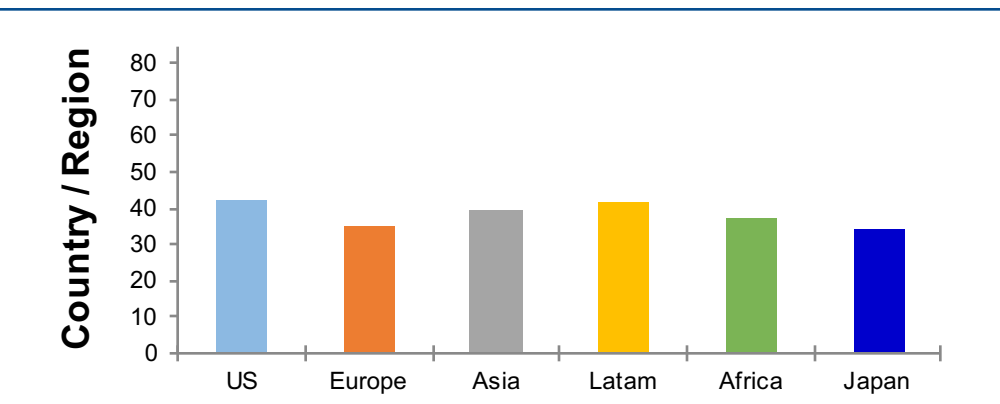
The Asian Country Optimism Index and the Own-Firm Index are at the lowest in the last decade

Country Business Optimism Index

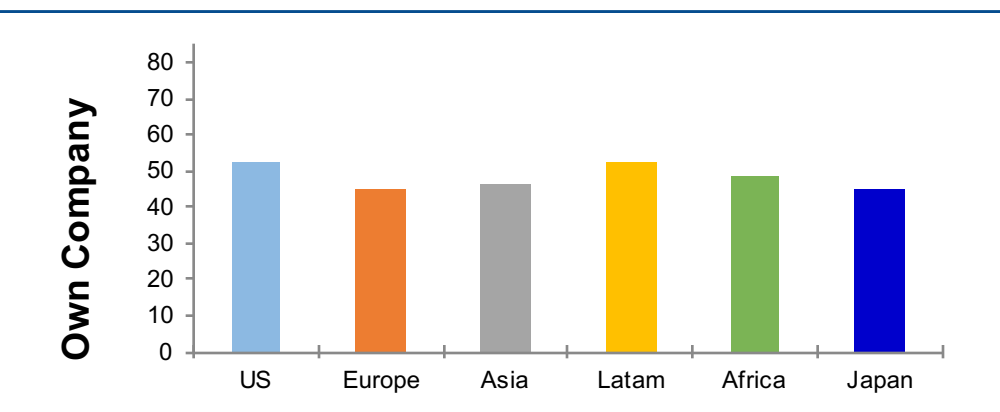
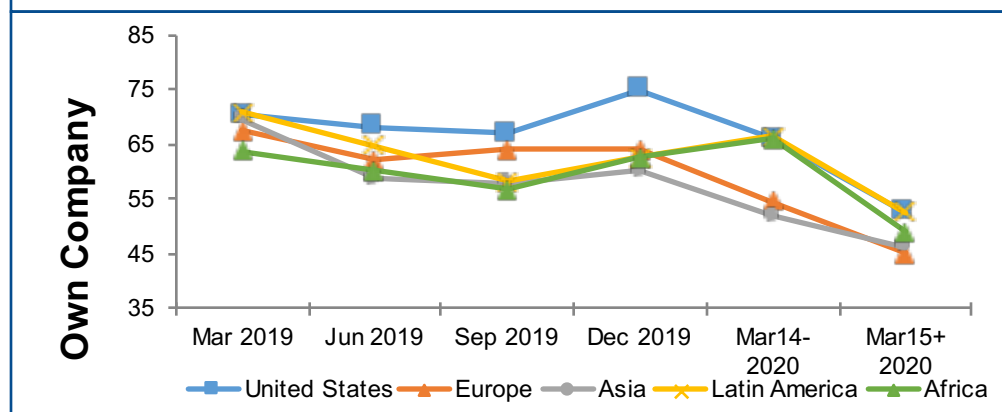
Global Trends



March 2020 Outlook



Own-Firm Business Optimism Index

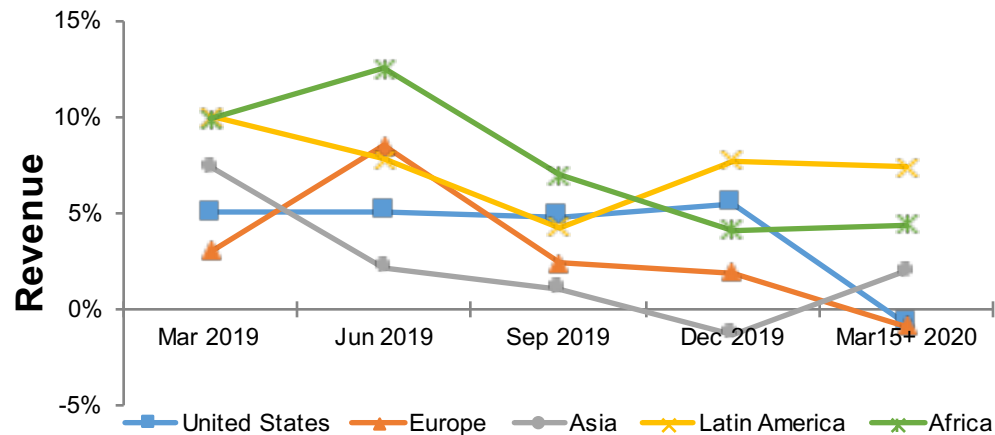


Notes: Presented data are the mean value for each region or country, Scale from 0-100

Expected Growth in Sales Revenue

The revenue growth outlook for United States, Europe and Latin America declined since the last quarter; In contrast Asia's and Africa's growth outlook increased modestly

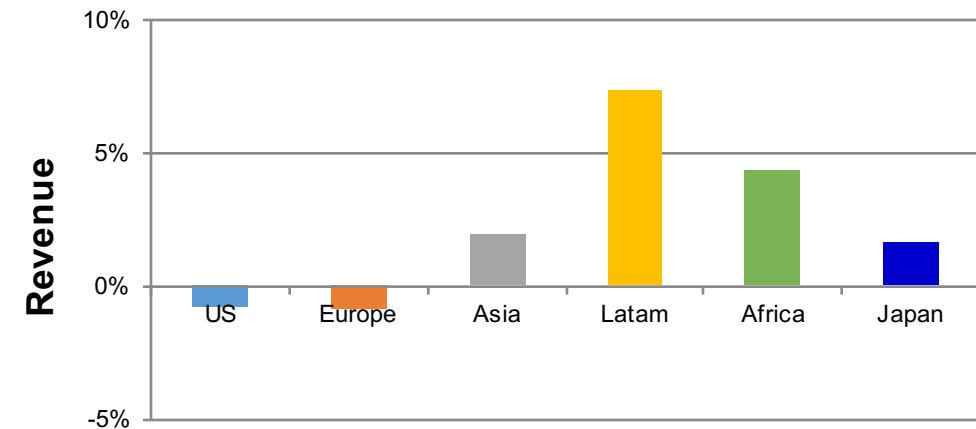
Global Trends



United States and Europe expect moderate declines, respectively, while Asia's outlook increased but is still low

- For United States and Europe, the revenue growth outlook is at its lowest in the history of the survey

March 2020 Outlook



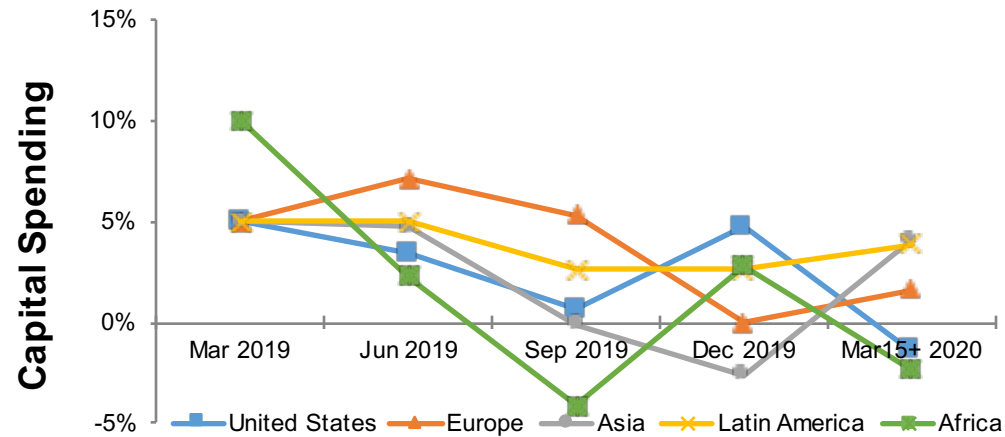
Latam is the most optimistic on revenue outlook at 7%, followed by Africa at 4%

- Asia's CFOs' revenue growth outlook increased by 3.3% to 2%, from a low of -1.3% in the last quarter

Capital Spending Plans

Capital spending plans among Asian CFOs have increased, demonstrating a boost from the previous quarter

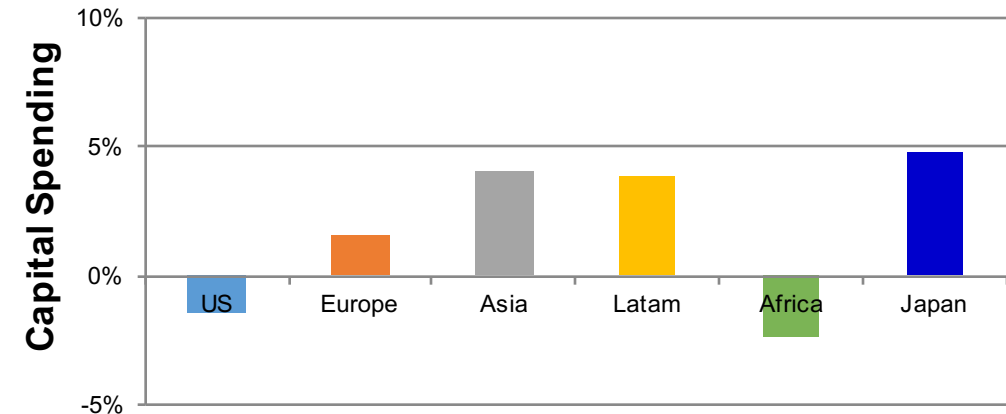
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Capital spending plans in Asia turned positive, though are still low by historic standards

- Both Asia and LatAm expect capital spending to increase about 4%
- Asia's spending represents a rebound from the previous quarter, while Latin America's plan has stabilized

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The capital spending outlook for Asia is higher than the expectations of other regions

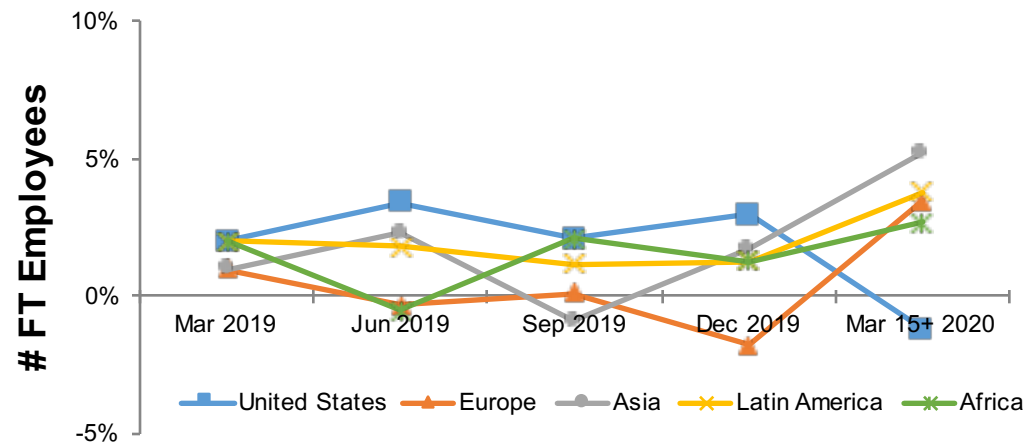
- Asia's positive capital spending outlook is driven by the outlook of one of Asia's major economies, Japan, which is anticipating capital spending to increase 4.8%

Notes: Presented data are the mean or median values for each region or country.

Fulltime Employment Outlook

The employment outlook for the US turned negative while outlooks for all other regions remain positive

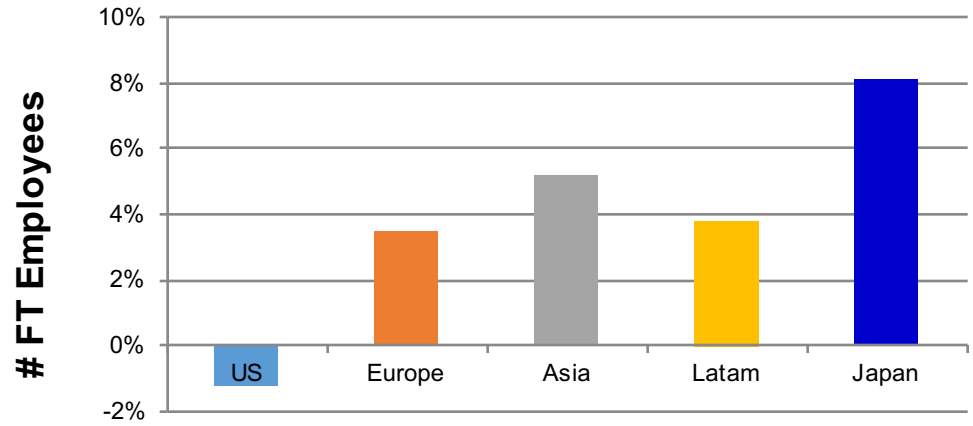
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Employment growth is expected to be above 2% for all regions except the US

- The U.S. outlook weakened, where employment is expected to shrink over the next year
- Asia expects a 5% increase in employment over the next year, showing a rebound from last quarters weak employment

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The Asian employment outlook has overall increased despite a decline in India's employment outlook

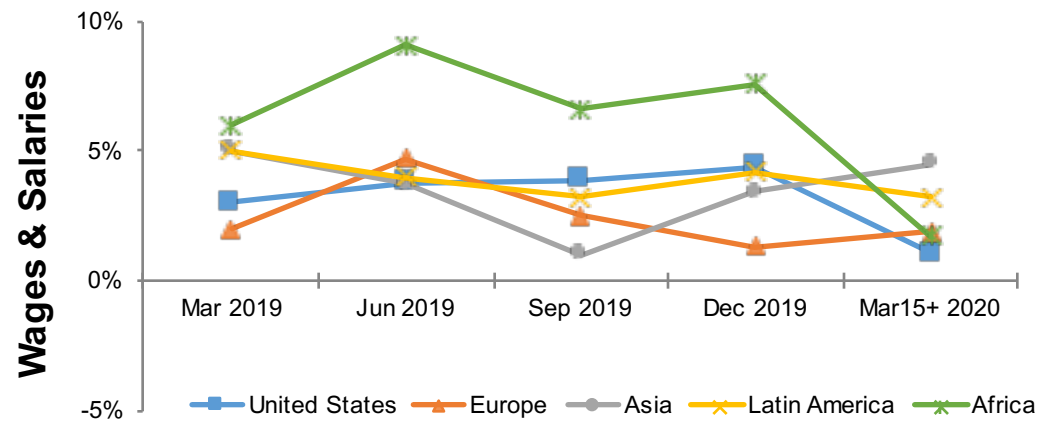


Notes: Presented data are the mean value for each region or country | #FT=Number of Fulltime Employees

Expected Wages and Salary

Wage growth expectations in Asia and Europe have moderately increased with Asian CFOs expecting the highest growth

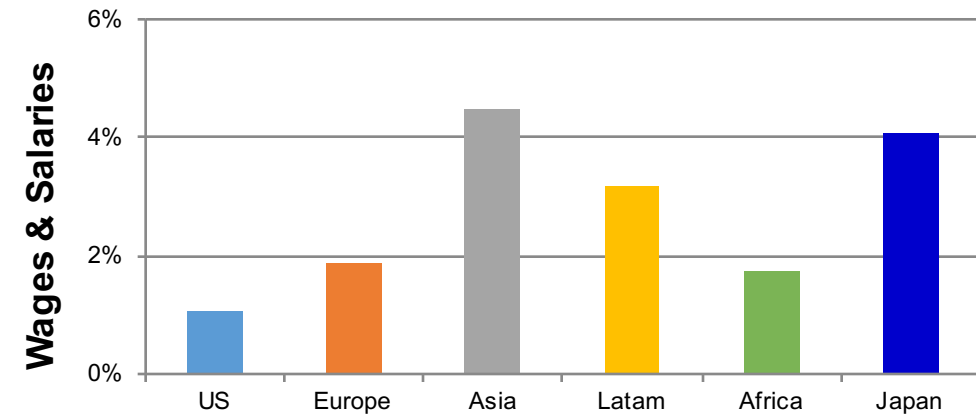
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Wage growth outlook mostly consistent across regions, except for Africa and the US

- Asian and European regions are expecting faster wage growth than the previous quarter, growing at 4.5% and 1.9%, respectively
- Despite positive expectations, wage growth in Africa and in the US is expected to soften over the next year

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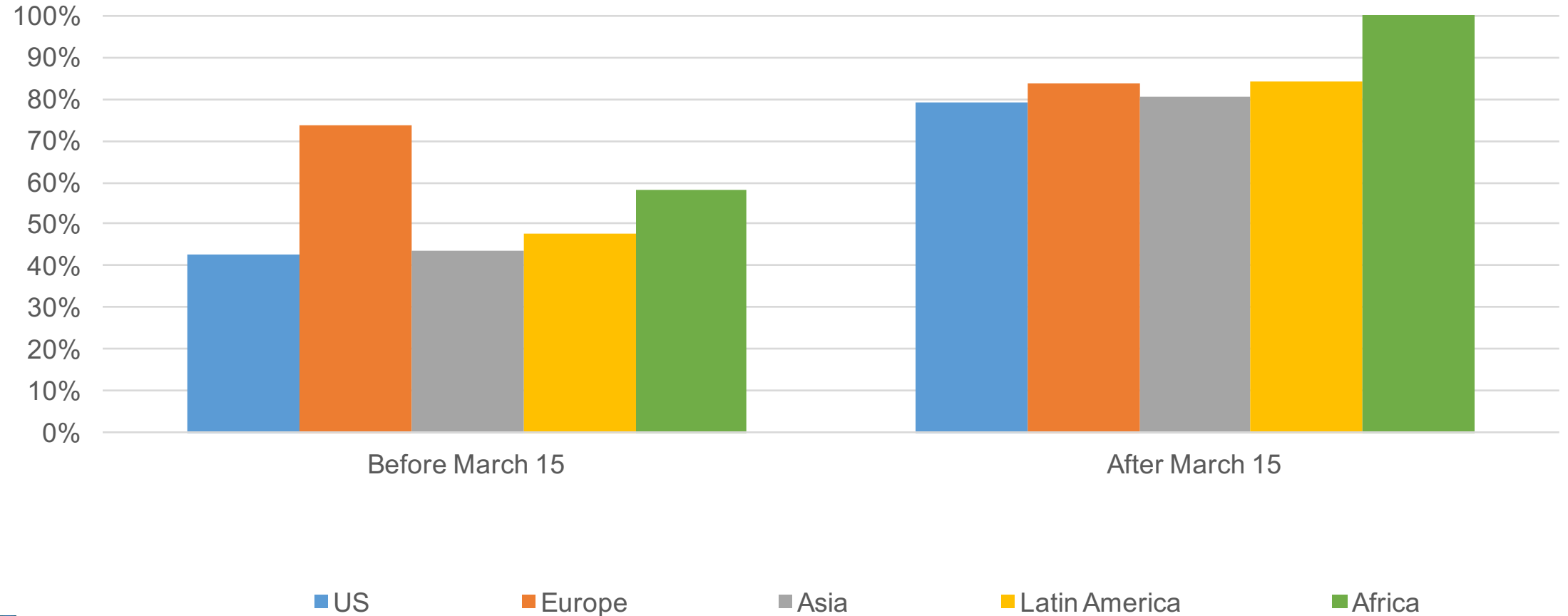
Asian CFOs have moderately optimistic wage expectations

- CFOs in Japan have similar wage expectations with the overall Asian region, at about 4%

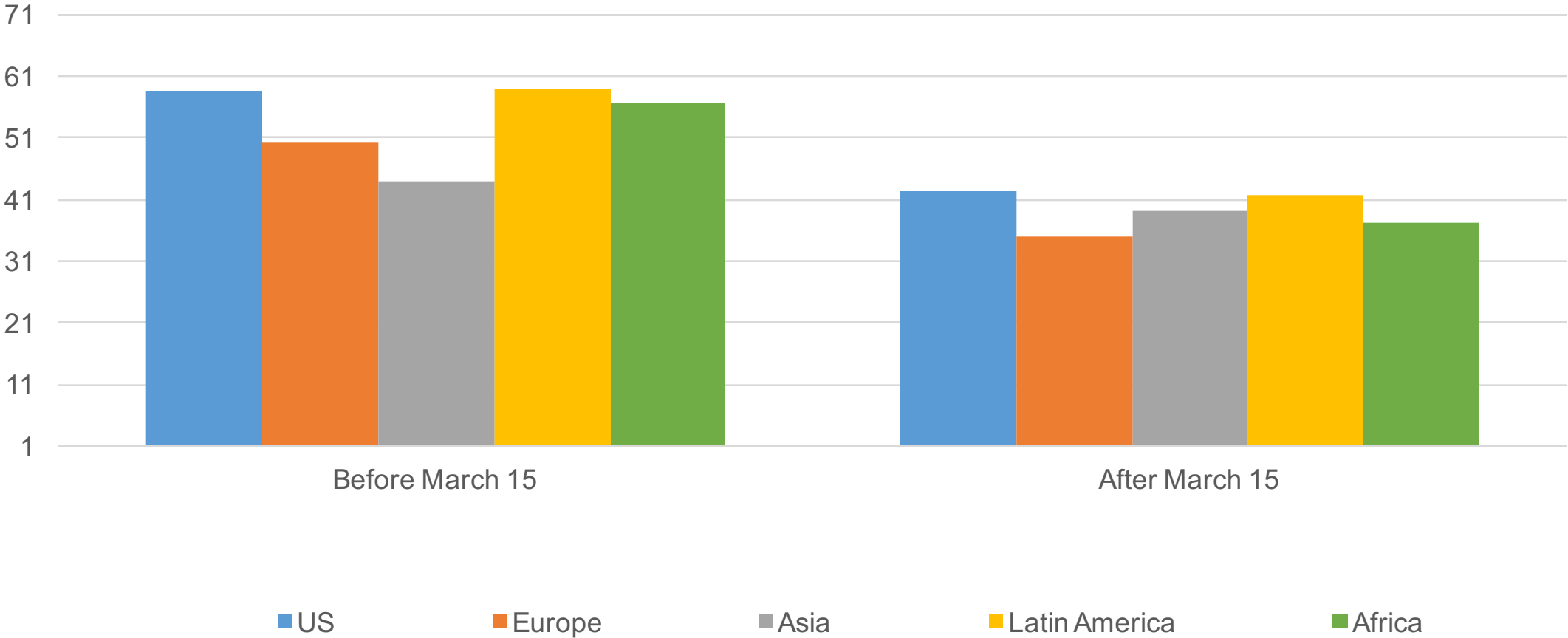
Notes: Presented data are the mean or median values for each region or country.

COVID-19 Risk Assessment: Before/After March 15

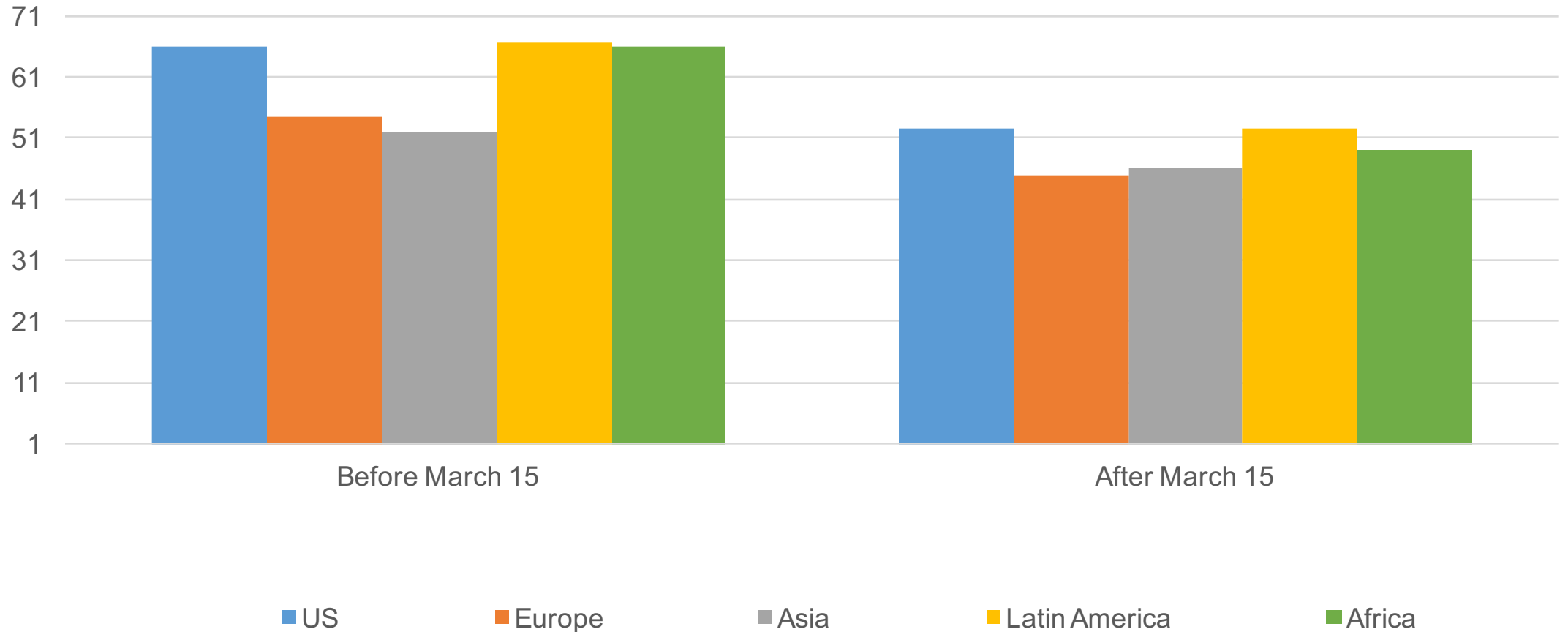
Percentage of firms suffering medium to large COVID-19 risk.



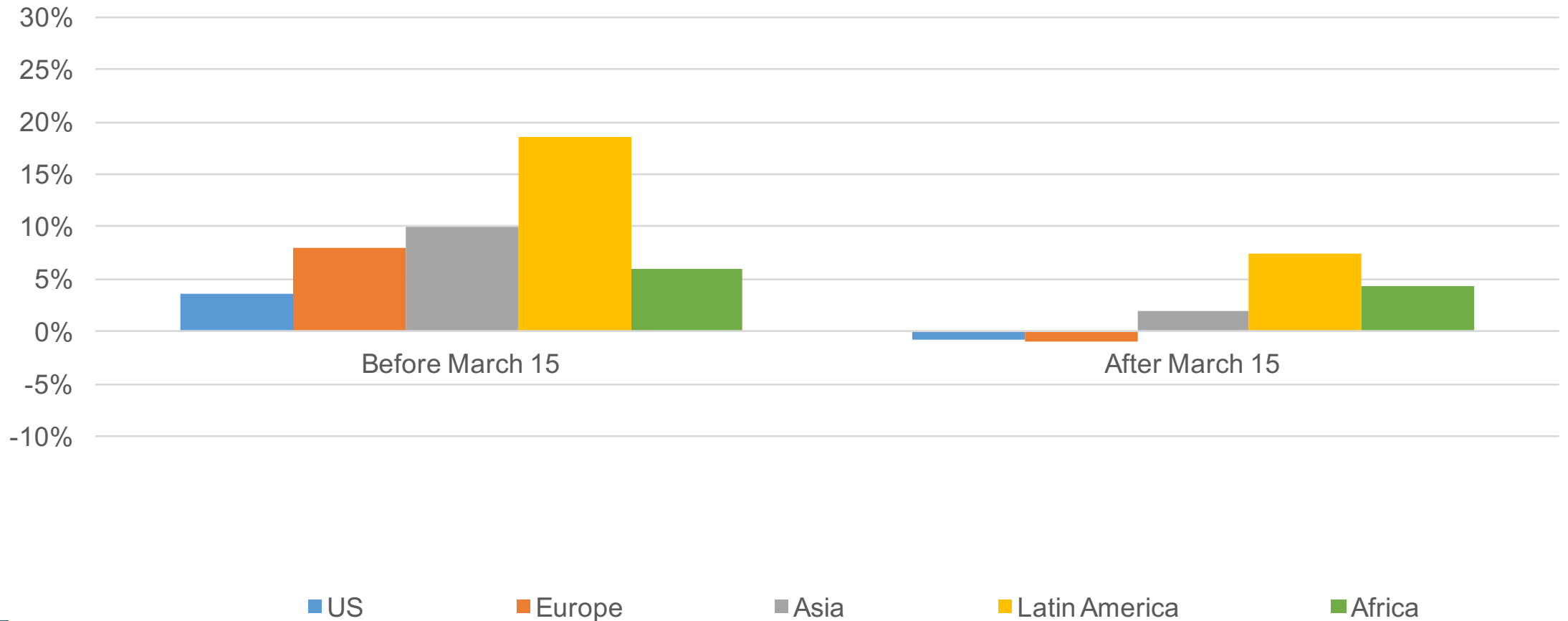
Country Optimism Fell in Mid-March 2020



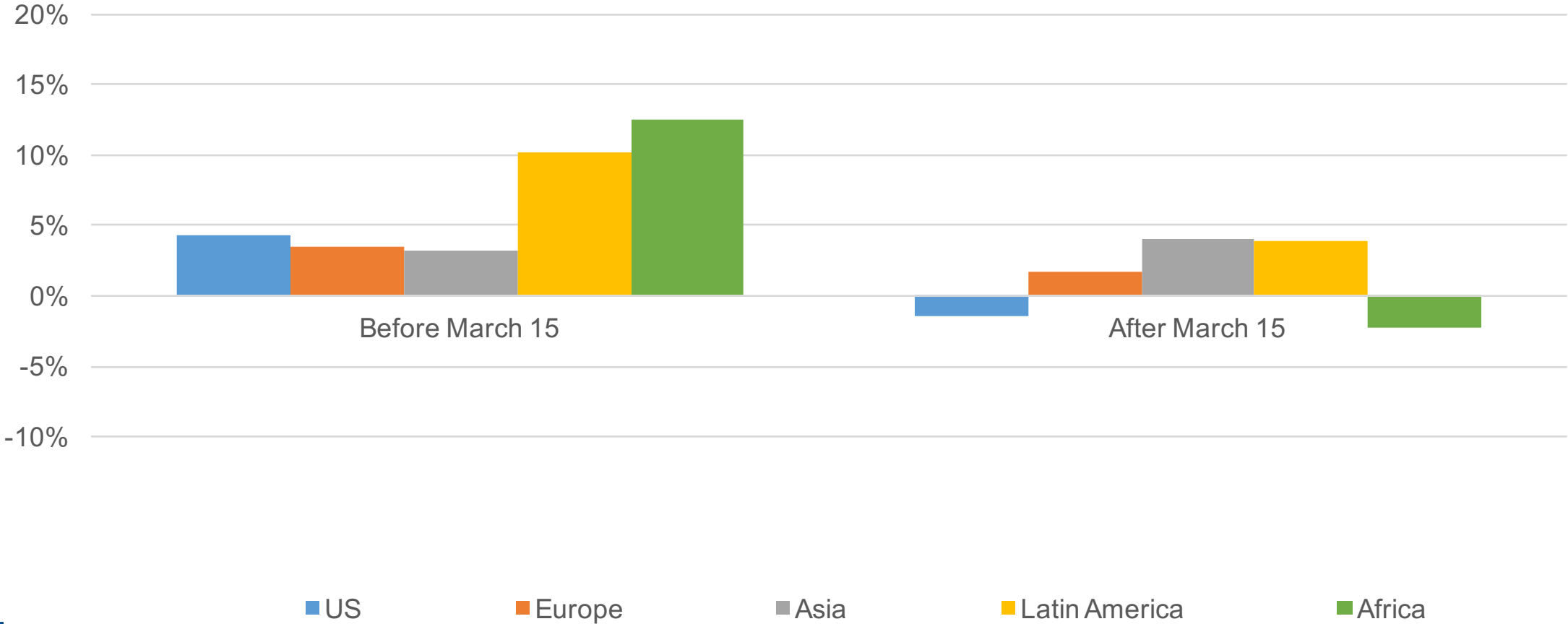
Own-Firm Optimism Fell in Mid-March 2020



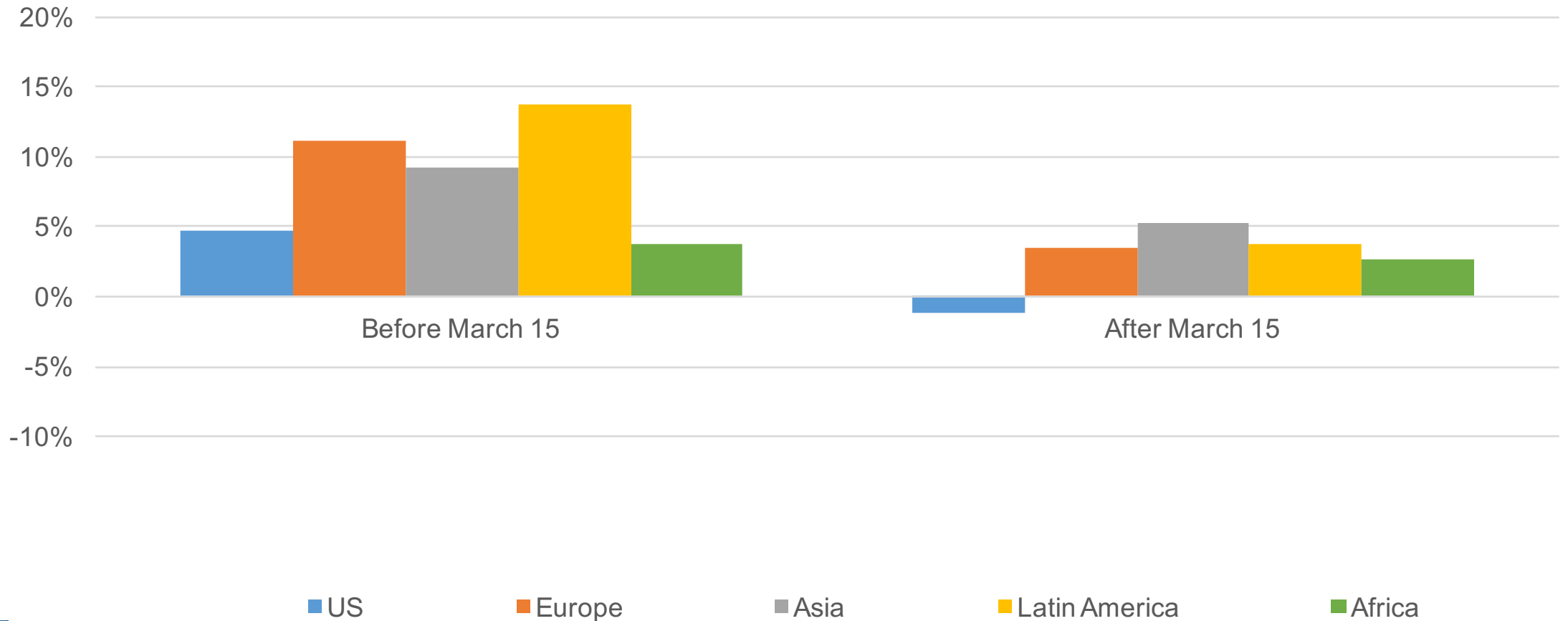
Sales Revenue Forecasts Fell After March 15



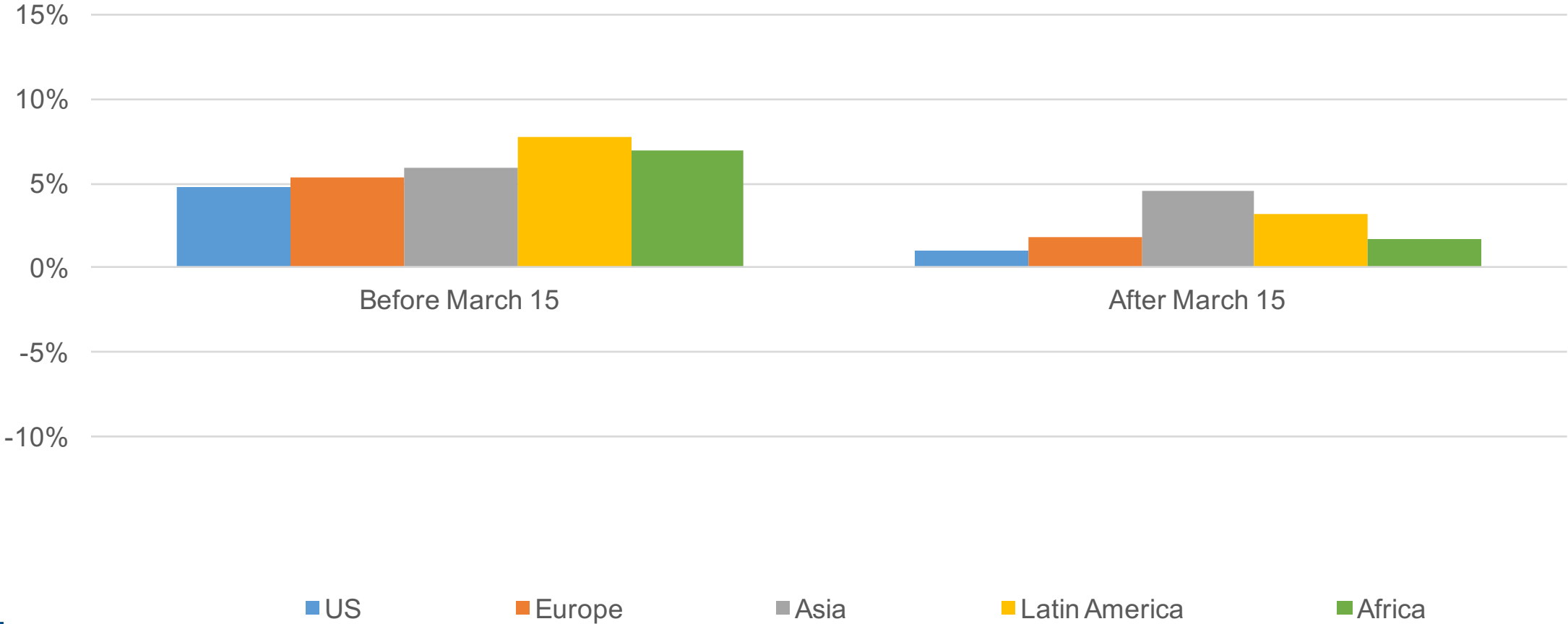
Capital Spending Plans Fell After March 15



Hiring Plans Fell After March 15



Wage/ Salary Plans Fell After March 15



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