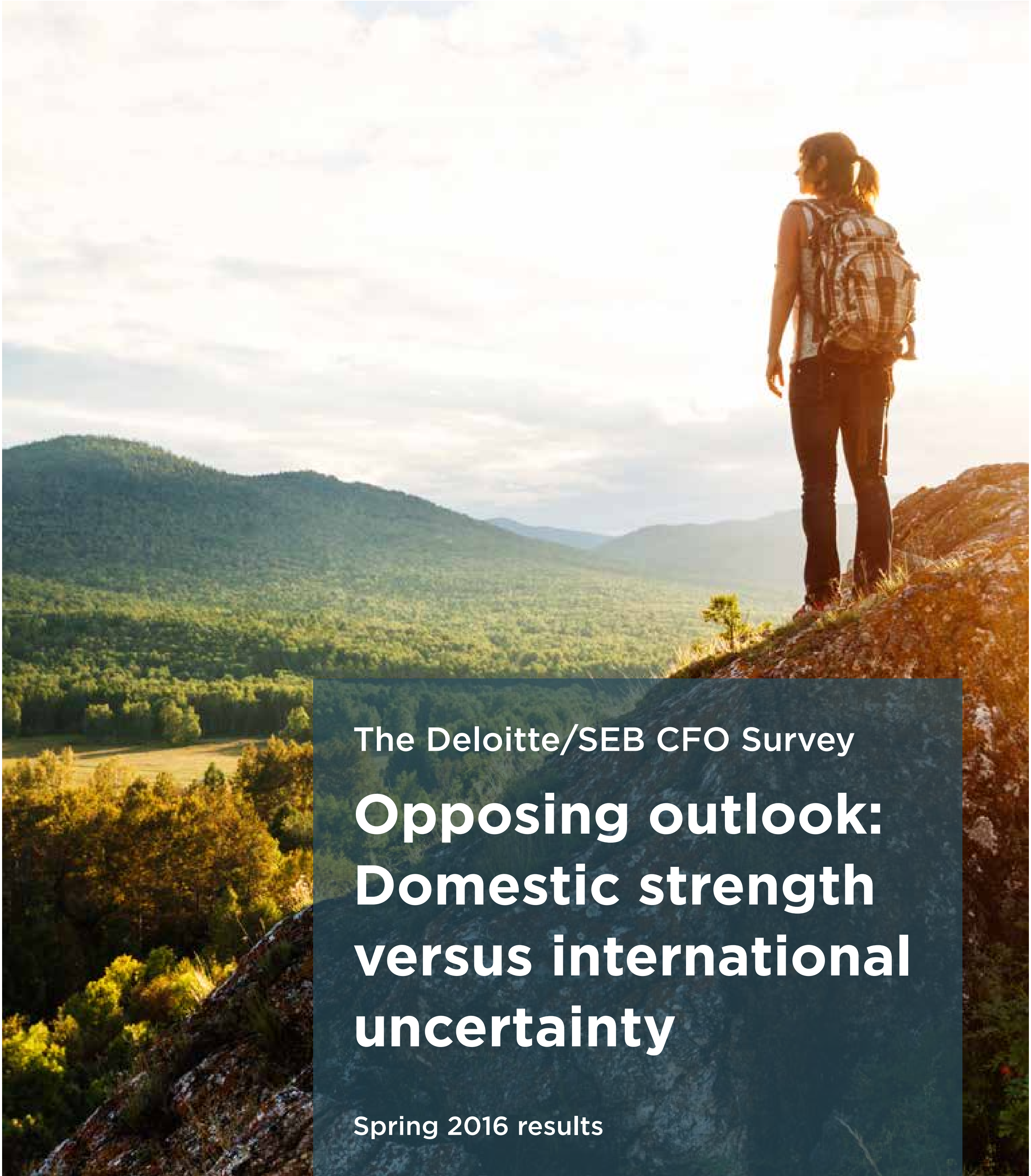
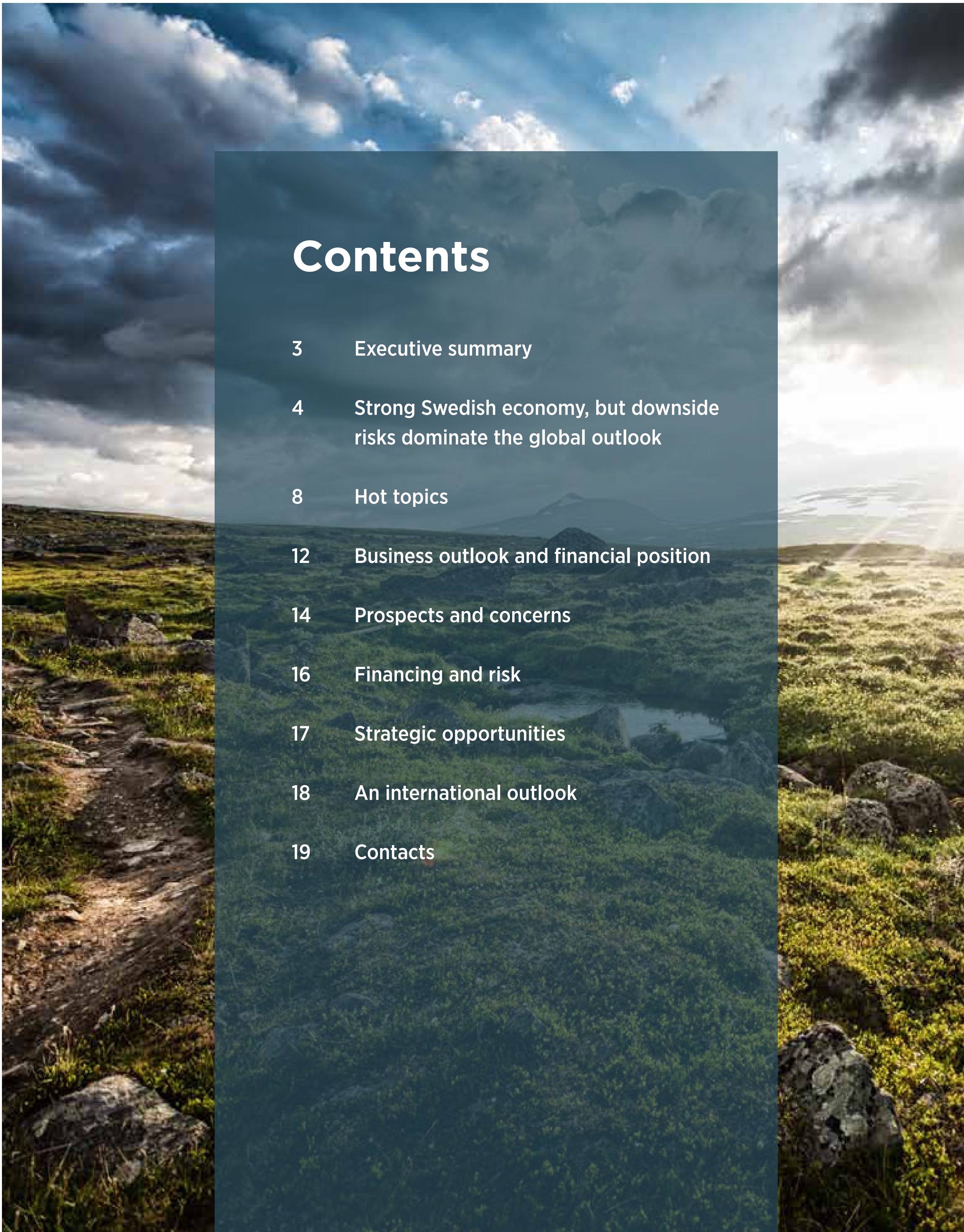


The Deloitte/SEB CFO Survey

Opposing outlook: Domestic strength versus international uncertainty

Spring 2016 results



Contents

Executive summary

We are excited to present the spring 2016 results of the Deloitte/SEB CFO Survey and hope that you find our accompanying analysis both stimulating and valuable.

The spring 2016 CFO Survey reveals that large **Swedish companies remain in good shape. However the Swedish CFO index fell for the first time in 1½ years, albeit rather marginal** to 55.3 from 55.9 in the 2015 fall survey. All four sub-indices – business climate, financial position, lending willingness and counterparty default risk – came in lower. It is evident that the increased CFO worries identified in previous surveys are starting to materialise, since there are signs that global macroeconomic concerns are gradually imposing real effects on some of these companies' performance. In the current survey, CFOs still note growth expectations but on a more moderate level and order bookings ("intake") are a major concern. We also see a **greater divergence between sectors**; more domestic-oriented sectors such as consumer business and transport as well as real estate generally have a more positive outlook, especially compared to manufacturing companies with a global presence and financial services with their heavy regulatory agenda and a digitisation trend that is putting pressure on business models and pricing power.

Among corporate priorities, it is clear that **more than previously, CFOs prefer to "wait and see"** and not to engage in change activities until the situation becomes clearer. Notably, there is still more to do within "reducing costs" and then specifically within "process efficiency improvements" – likely areas that are perceived as owned by the company and thus easier to control than other areas.

Compared to the fall 2015 survey, the **M&A outlook is less aggressive, lending willingness has fallen and excess cash will be used to pay down debt** to a larger extent – despite strong balance sheets and record-low interest rates.

To sum up, it is evident that Swedish CFOs are increasingly worried about the future, but in comparison with their peers elsewhere in Europe, external financial and economic uncertainty is still perceived as much lower.

Please send us your feedback together with any suggestions for improvement to help us ensure that the Deloitte/SEB CFO Survey remains an essential resource for your work.

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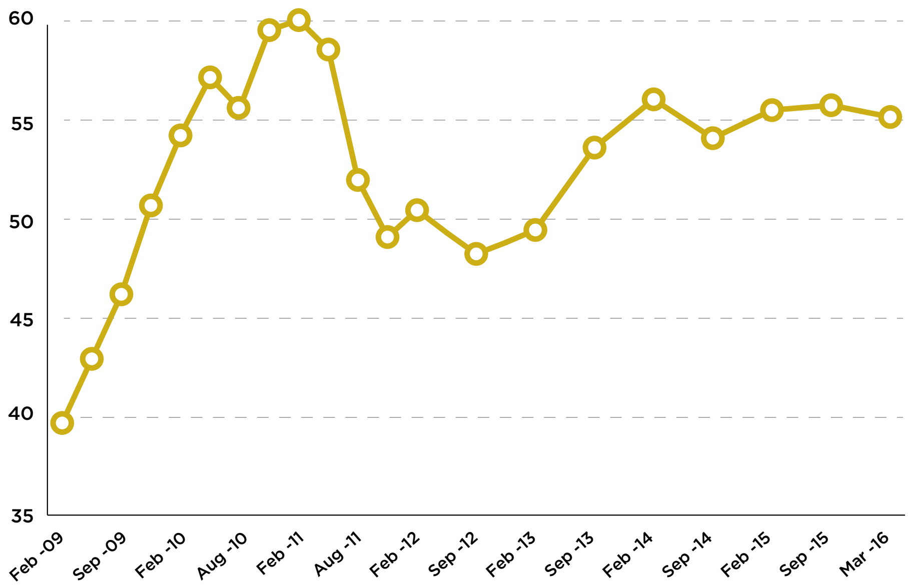
Strong Swedish economy, but downside risks dominate the global outlook

So far this year, markets have been plagued by growth worries and financial market turbulence. An improved growth outlook has been challenged by weak industrial production and indicators, primarily in the United States and China. Low oil prices, along with Chinese capital outflows and deviating central bank policies, all contributed to financial market turbulence and fuelled fears of a deteriorating business cycle – though in our view these worries are exaggerated. We expect market attention soon to be diverted by signs of a turnaround in the US manufacturing sector and a continued recovery in the euro zone.

The Swedish economy is putting on a strong show. Growth surged to 4.1 per cent in 2015 and indicators point to continued good performance. Employment is increasing fast and unemployment is declining, although immigration will push unemployment higher in the second half of 2017. A strong upswing in residential investments and consumption, partly driven by large-scale immigration, remain the foremost drivers of growth. However, a slight upturn in manufacturing is now also discernible.

Swedish CFO Index



The Swedish CFO index for spring 2016 has a value of 55.3 (fall 2015: 55.9), which reflects somewhat less positive expectations. The index is based on four components: business climate, financial position, lending willingness and counterparty default risk. All four components fell in the spring 2016 survey, coming in at 51.2 (fall 2015: 51.3), 58.0 (58.7), 63.0 (63.9) and 49.0 (49.7), respectively.

Global outlook

Increasing uncertainty

In early 2016, uncertainty regarding the strength of the global economy mounted as industrial activity faltered in many places. The US economy ended 2015 on a weak note and worries about the Chinese economy have impacted financial markets. These worries concern both the extent of China's ongoing deceleration and more long-term questions about currency policy, the credibility of official statistics and the ability of the authorities to deal with economic challenges. Also, the decline in oil prices has intensified financial market volatility. The energy sector weighs relatively heavily in global stock market indices, while low oil prices are squeezing public finances in many producer countries. This increases the risks that political instability will worsen the geopolitical situation, especially in the Middle East. There is also selling pressure, mainly in the stock market, as producer countries are forced to use sovereign wealth funds to cover deficits. This increased uncertainty is also reflected in the Deloitte/SEB survey, where **a clear plurality of CFOs view external financial and economic uncertainty as higher than norma**l (36 per cent) versus lower than normal (4 per cent).

Global GDP continues to recover

Downside risks dominate but we expect global GDP to grow by 3.4 per cent in 2016 and 3.8 per cent in 2017, slightly higher than the 3.1 per cent seen in 2015. We see good reason to believe we are not facing a recession. The US economy has underlying strength due to the robust labour market and expansive service sector, and we believe that positive effects of the oil price slide will kick in. Also, there are signs of the manufacturing sector rebounding. Meanwhile, financial market worries about China's economy seem exaggerated, among other things because they do not actually reflect recent data. We also believe that oil prices are now close to bottoming out. The next few months will be turbulent, but we expect oil to rebound to about USD 45/barrel by year-end. In Europe, refugee crisis management and the threat of British withdrawal from the European Union ("Brexit") are raising many questions about the political outlook, but this is unlikely to affect the economy especially much during the next couple of years.

Fragile growth with bubble risks

Although we do not foresee a recession, global growth remains fragile. Economies are still in need of monetary policy support, and capital spending is not taking off despite good profit levels. One reflection of this is that central banks are increasingly starting to signal a view of the economy consistent with the "secular stagnation" thesis. Inflation and inflation expectations are at uncomfortably low levels, strengthening this picture by pushing up real interest rates. Many central banks thus seem to have difficulty foreseeing any end point to their large-scale stimulus efforts. In an environment where monetary policies in many countries risk becoming stuck in an exceptional stimulus mode, it is inevitable that risks of financial bubbles and distorted resource allocation will eventually emerge.

US monetary policy continue to diverge

Our forecast implies that the European Central Bank, the Bank of Japan and the Scandinavian central banks will keep monetary policy extremely expansionary in the near future, while the Bank of England will delay its rate hikes. This means that the US Federal Reserve must carry out rate hikes on its own during the coming year. SEB thus expects a moderate dollar appreciation, with the EUR/USD exchange rate reaching 1.06 at the end of 2016.

Swedish economy

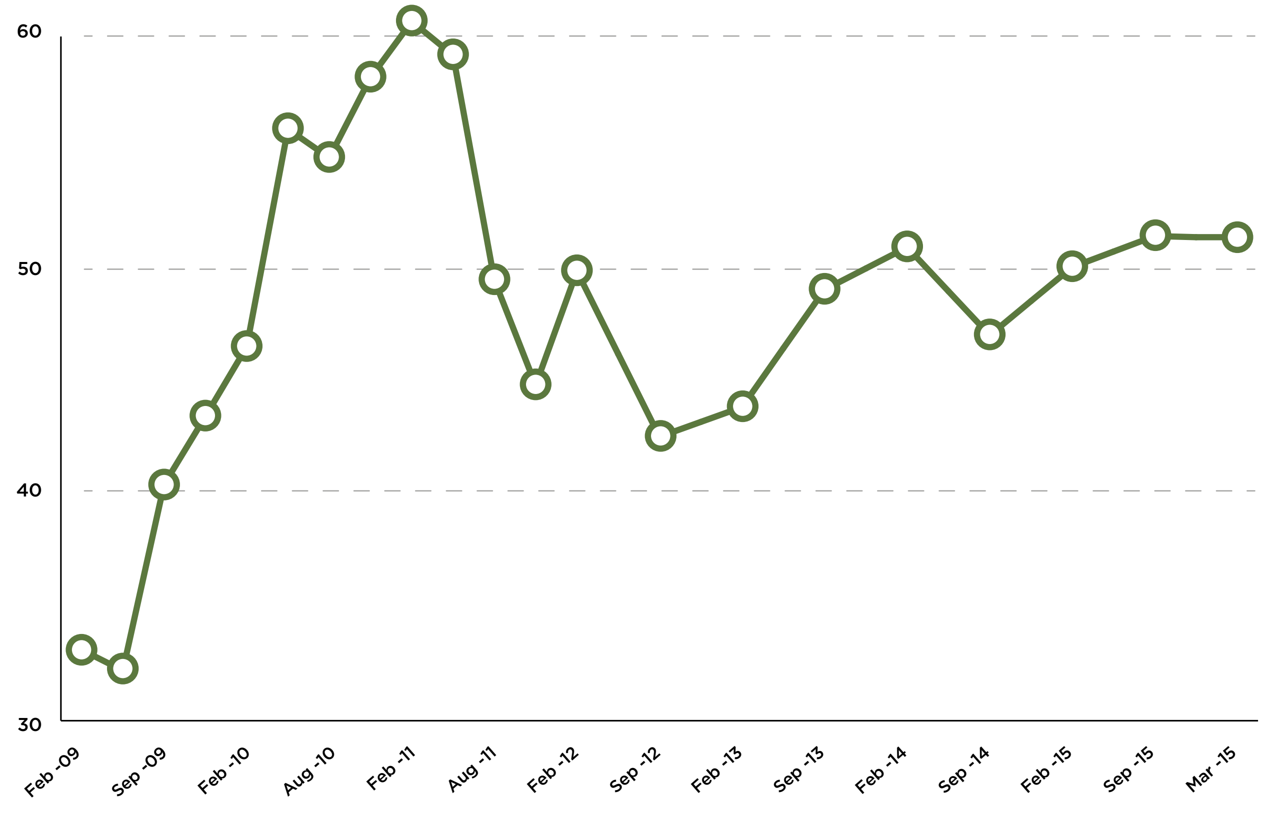
Industrial upturn is discernible

Signals from Swedish manufacturers have mainly been positive, despite greater international uncertainty, and increasing signs support our view that industry will recover. At the same time, service production and exports continue to perform well. **The slight decrease in the Deloitte/SEB business climate index, the first in 1½ years, is probably connected to global growth and financial worries**. Primarily the financial service and manufacturing sectors are more pessimistic than others. The overall level still points to a healthy expansion, however.

Increased housing and public investments

The somewhat brighter outlook for manufacturers is reflected in a capital spending rebound. In SCB's investment survey (October 2015) businesses say they plan to lift in-

Business Conditions



vestments further in 2016 and SEB expects spending to climb by 4 per cent. Residential investments rose by nearly 20 per cent in 2015, contributing 0.7 per cent-points to GDP growth. Very heavy demand for housing suggests that the upturn will continue at largely the same pace in 2016 and 2017. Still, **companies in the Deloitte/SEB survey have turned more negative towards investments since last fall. Reducing costs and improving cash flow remain as main focuses**. Surprisingly, only a minority of real estate companies surveyed have "operational investments to increase capacity" as a main priority for the coming year. The survey also finds that if investments are made, this will be more in Sweden than abroad, although sectors differ to a large extent.

SEB expects public investments to increase, partially driven by increased demand for public services due to immigration. Overall capital spending is expected to grow by 6-7 per cent yearly in 2016 and 2017, well above the historical average.

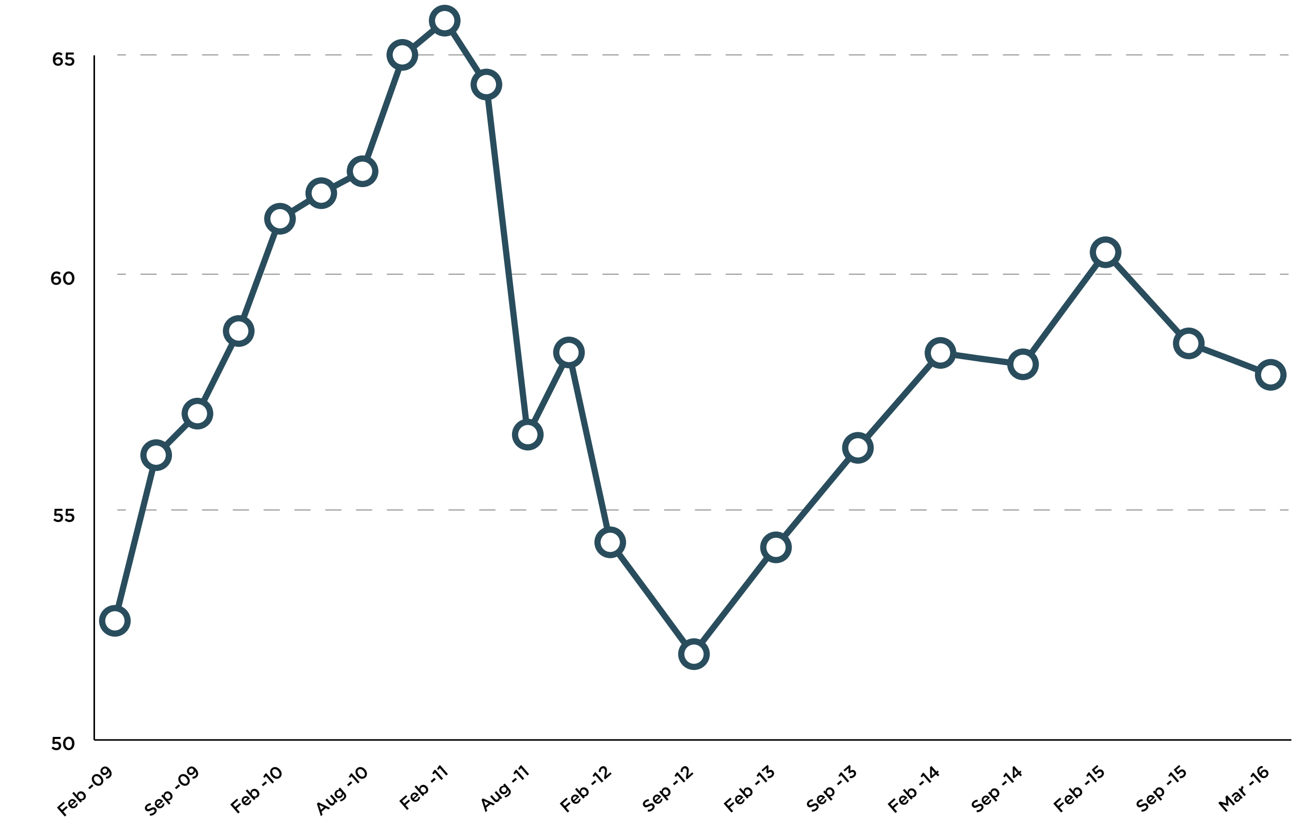
More jobs, growing population equals higher consumption

Job growth and strong real incomes, mostly due to low inflation, will boost household consumption. There are good prospects for a continued upturn as falling oil prices contribute to good real incomes, despite moderate pay hikes. We expect consumption to rise by 3.0 and 2.8 per cent in 2016 and 2017, respectively, but per capita consumption growth will be substantially more modest. To some extent, households will lower their historically high savings ratio, at present 16 per cent of disposable income. But since households are expressing great concern about the future according to various surveys, we expect their savings ratio to remain high.

Continued strong labour market

Job growth will accelerate further. During the past 2-3 years, unemployment has stayed high due to a rising labour supply, but in the past six months there has been a falling trend.

Financial position



Strong job growth suggests that unemployment will continue to fall during the next 12 months. Then unemployment will climb as the many new arrivals begin to join the labour market. There is a risk that this upturn will occur somewhat later than in our forecast. The Deloitte/SEB survey supports this view. **Most companies say that the number of employees will stay unchanged, but more companies will increase than decrease their number of employees. Also, the survey highlights no large risk of skilled labour shortages in the near term.**

At present, unemployment is close to equilibrium level, and surveys indicate that businesses are starting to have more difficulty in finding suitable job applicants. Yet we do not believe that labour market shortages are big enough to affect the current wage round especially much. Collective agreements are expected to end up below 2.5 per cent once negotiations are completed. Overall wages and salaries are expected to increase by 3.1 per cent in 2016 and 3.4 per cent in 2017, although unexpectedly low wage drift is a downside risk.

Riksbank on hold in 2016, hikes in 2017

After its latest key interest rate cut, the Riksbank is not expected to add further stimuli. Although inflation remains below target, the Executive Board will gradually be influenced by rising resource utilisation and strong economic growth. Once the wage round is completed, there will also be less opportunity to affect expectations. In the second half of 2016, we believe that the Riksbank will become less focused on exchange rates and will signal approaching interest rate hikes. We expect the first hike in February 2017.

Riksbank will hold down SEK a bit longer

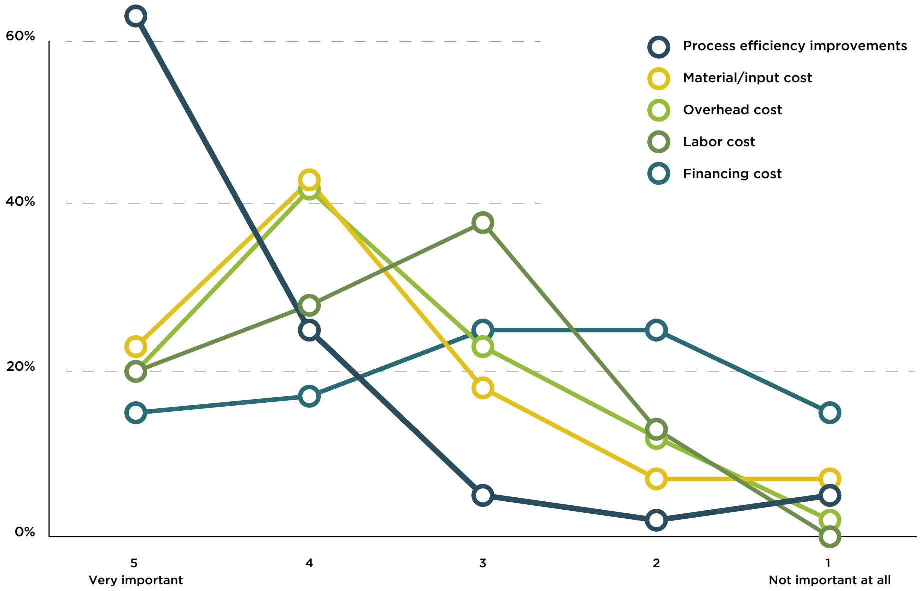
Both relative economic performance and long-term valuation suggest that the krona will strengthen ahead, but the Riksbank's signals that it will take action in case of a clear appreciation are holding it back. This suggests that during the next six months the EUR/SEK exchange rate is stuck in the 9.00-9.50 range. Given SEB's forecast that the Riksbank will gradually shift towards a more neutral currency policy stance, the krona may appreciate to about 9.00 per EUR during the second half of 2016.

HOT TOPICS

Process efficiency improvements are high on the CFOs' agenda when it comes to cost reduction activities. The level of M&A activity is highly dependent on acquisition target price levels, and CSR aspects have become an important element of financial service procurement.

QUESTION 1

What are your priorities among cost reduction activities? Please rank the following alternatives (5 being very important and 1 not important at all)

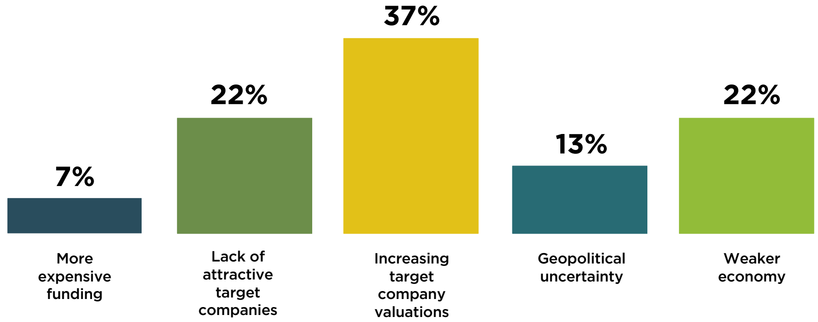


In the recurring question regarding corporate priorities, cost reduction has been the most prioritised area in all recent studies. Given that companies have generally worked hard to streamline and reduce their cost structure during the past couple of years, it is very interesting to explore what type of cost reductions the CFOs consider most important. It is fairly clear that "process efficiency improvements" are the number one cost reducing activity among the CFOs. Process efficiency improvements are of course interconnected to the other alternatives, as steps in this direction often begin with layoffs or reduction of overhead costs. A vast majority of the participating CFOs view process efficiency improvements as the most important cost-cutting area. This is also an area which is under the direct control of the company, which is why it might tend to be the most attractive alternative. Since large Swedish companies are technologically advanced, the need to constantly challenge their way of working is a matter of retaining competitiveness over time. Looking at different economic sectors, there is also an ongoing media discussion regarding the need to increase the degree of digitisation in day-to-day work, not least in the financial sector where there is a strong current digitisation trend. This underlines the need for Swedish corporations to always look at productivity improvements and slimming their organisations in order to maintain international competitiveness.

QUESTION 2

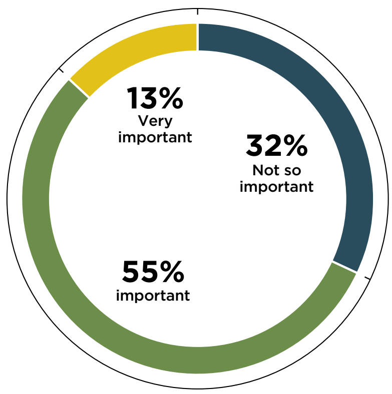
What do you think would have the most negative impact on current M&A activity?

Because recent surveys have indicated a strong belief in increased M&A activity in the market, in this survey the CFOs have been asked to elaborate on what factors would impact the level of M&A activity the most. Increased target company valuations is the most often picked alternative, which is expected since higher transaction prices increase the risk for the acquiring party. It might also be connected to the fact that CFOs view current valuations as already high. This has been underscored by stronger stock market valuations in recent months, although they fell around year-end 2015. A weaker economy and lack of attractive targets are tied as the second most often picked alternatives, whereas more expensive funding is the least often picked alternative. This indicates that access to capital is not viewed as a major hurdle, which is consistent with the companies' view of their financial position (see question 6) and the lending attitudes of financial institutions (see question 10).



QUESTION 3

Are corporate sustainability aspects an important element of your procurement of financial services?



Given the increased focus on corporate sustainability in society, we asked CFOs if corporate sustainability aspects are an important element of their procurement of financial services. As many as two out of three CFOs answered that sustainability is an important or very important aspect. This clearly shows that sustainability has turned into being an important element of financial services.

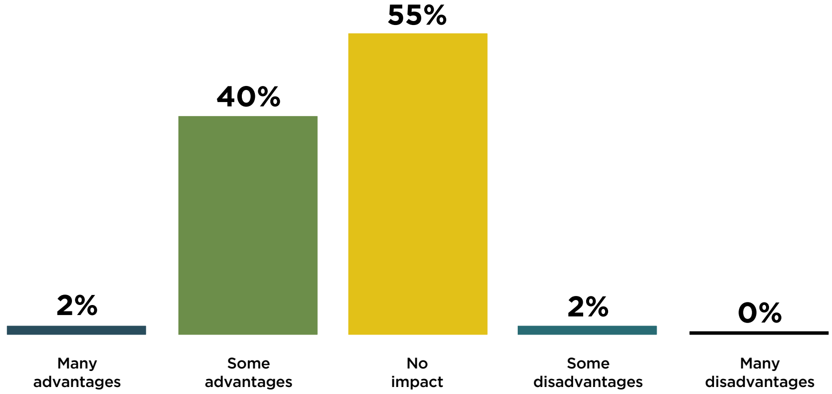
QUESTION 4

How would your company be impacted by the formation of a Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US?

Every company doing business across the Atlantic will be affected in one form or another; some much more than others, when the TTIP between the European Union and the United States is signed. We have included this question in order to get an understanding on what impact European companies expect.

The majority of the CFOs stated that they expect "no impact". This result might be attributable to the fact that it is difficult to assess the full impact at this stage, since only unofficial texts have circulated so far. Another factor might be a misunderstanding or lack of familiarity with the type of issues the TTIP will cover, and it might to some extent also be due to a portion of the respondents not having direct trade over the Atlantic.

The second most preferred response leans towards "some advantages" – and aligns with most other studies in the US and across Europe. This is also expected to some extent, given the aim of the TTIP; it is less about tariff cuts and customs (e.g. traditional border access issues) and more about regulatory coherence through mutual recognition and other forms of interoperability in order to achieve the full potential of transatlantic commerce and consumption.



BUSINESS OUTLOOK AND FINANCIAL POSITION

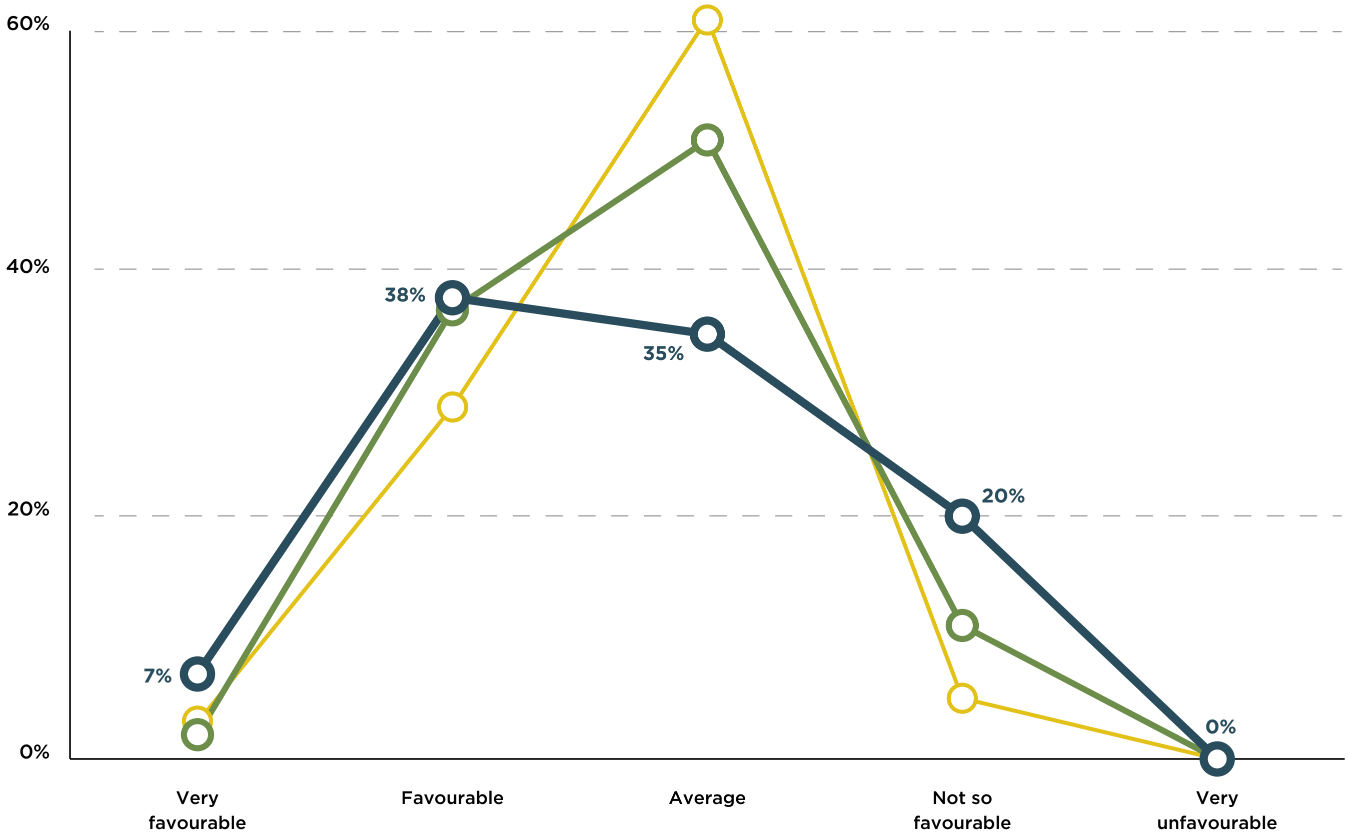
Business conditions deteriorated for the first time in 1½ years. The large discrepancies between companies observed in the previous survey widened but are explained by differences' between sectors. The CFOs' confidence in their financial position is still generally positive but has retreated somewhat, as worries mentioned in the previous survey now generally spill over into less favourable views.

QUESTION 5

Business conditions for your company in the next 6 months are seen as:

The ***business climate*** sub-index (which is based on answers to this question) has fallen after increasing in two straight reports. However, the decrease is small: a score of 55.3 compared to 55.9. Thus the worries voiced in the fall 2015 survey have spilled over into slightly deteriorating conditions for businesses. The split in the views already noted in the previous survey increased, with fewer CFOs viewing business conditions as average but more viewing conditions both as favourable and not so favourable.

In order to obtain a better understanding of this divergence, we have analysed the answers based on economic sector. This analysis reveals clear differences between sectors, with a predominantly positive view in the real estate sector and a predominantly negative view in the manufacturing sector. The consumer business and transport sector is also much more positive than negative, while the financial service sector is more negative. These observations are supportive of our tentative explanation of the split in the fall 2015 survey. In other words, the two-speed trend in the Swedish economy – with healthy growth in domestically focused sectors (such as services) and less positive growth in export-oriented sectors (such as manufacturing) was behind the divergence in views of business conditions. This explanation is also consistent with results of the interview-based Riksbank Business Survey in February 2016. Concerning the more negative view expressed by CFOs in the financial service sector, a tentative explanation is that the heavy regulatory agenda and digitisation trend puts pressure on business models and pricing power.



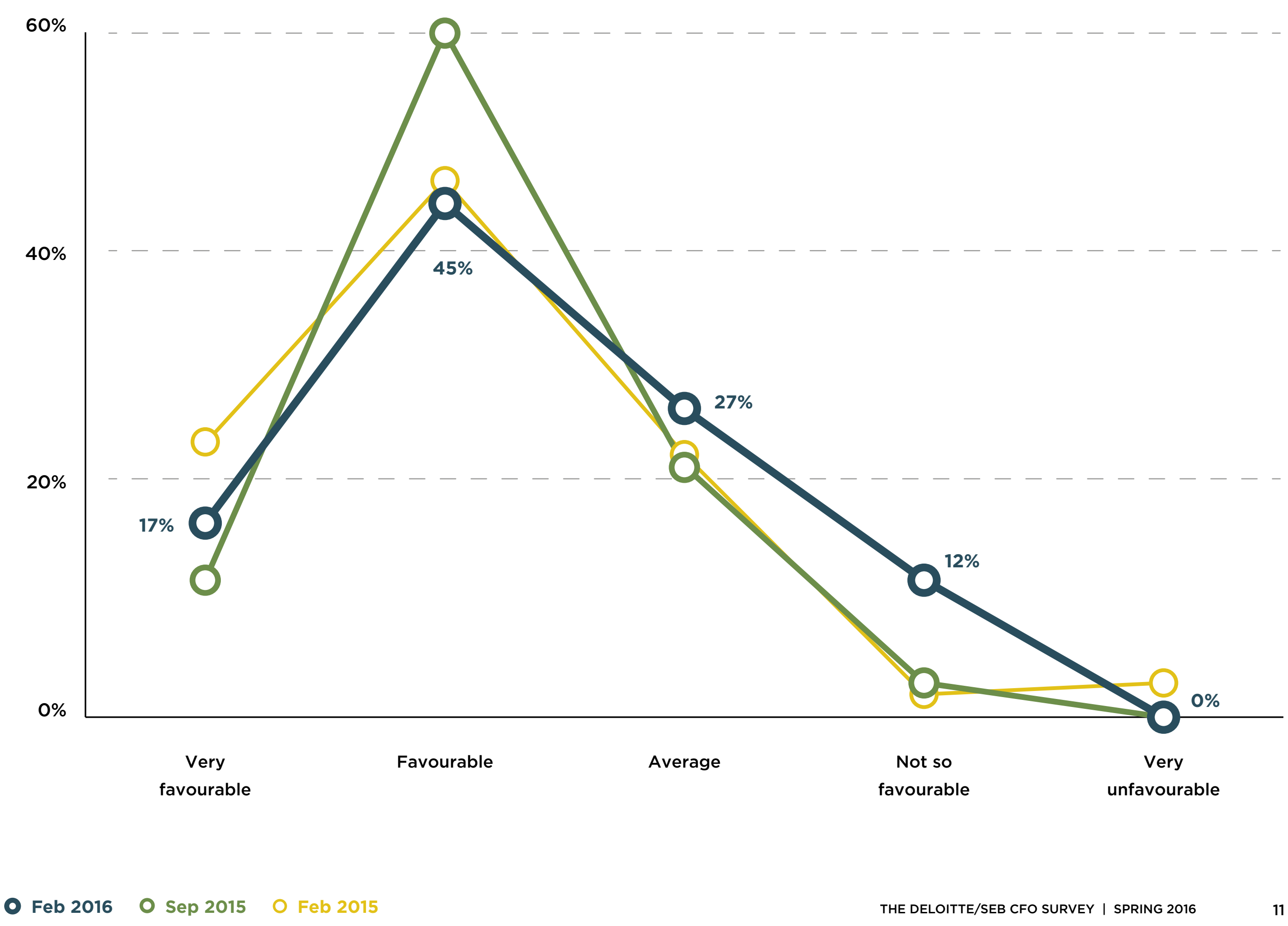
[1] For this analysis the companies were divided into sectors, and only sectors with more than 10 companies have been included in the analysis, so that there is no risk of compromising the confidentiality of the companies participating in the survey. The sectors included are consumer business and transport, financial services, manufacturing and real estate.

Feb 2016 Sep 2015 Feb 2015

QUESTION 6

Compared to six months ago, the overall financial position of your company is seen as:

Our fall 2015 survey indicated that the CFOs' confidence in their financial position continued to be positive, despite the turmoil in stock markets and geopolitical unrest. In the spring 2016 survey we see a shift towards more modest expectations. Overall the CFOs remain positive, however the dampened expectations and the lean towards more uncertainty is evident. The number of CFOs indicating an unfavourable financial position has increased. We can also see a sector-specific spread among the respondents. CFOs within the consumer business sector as well as real estate sector tend to be more optimistic, whereas CFOs among financial services providers and within the manufacturing sector tend to lean more towards "average" and "not so favourable". The trend mirrors the shift in question 5 regarding the outlook on the business conditions for the coming 6 months, where the previously positive expectations have shifted towards more uncertainty.



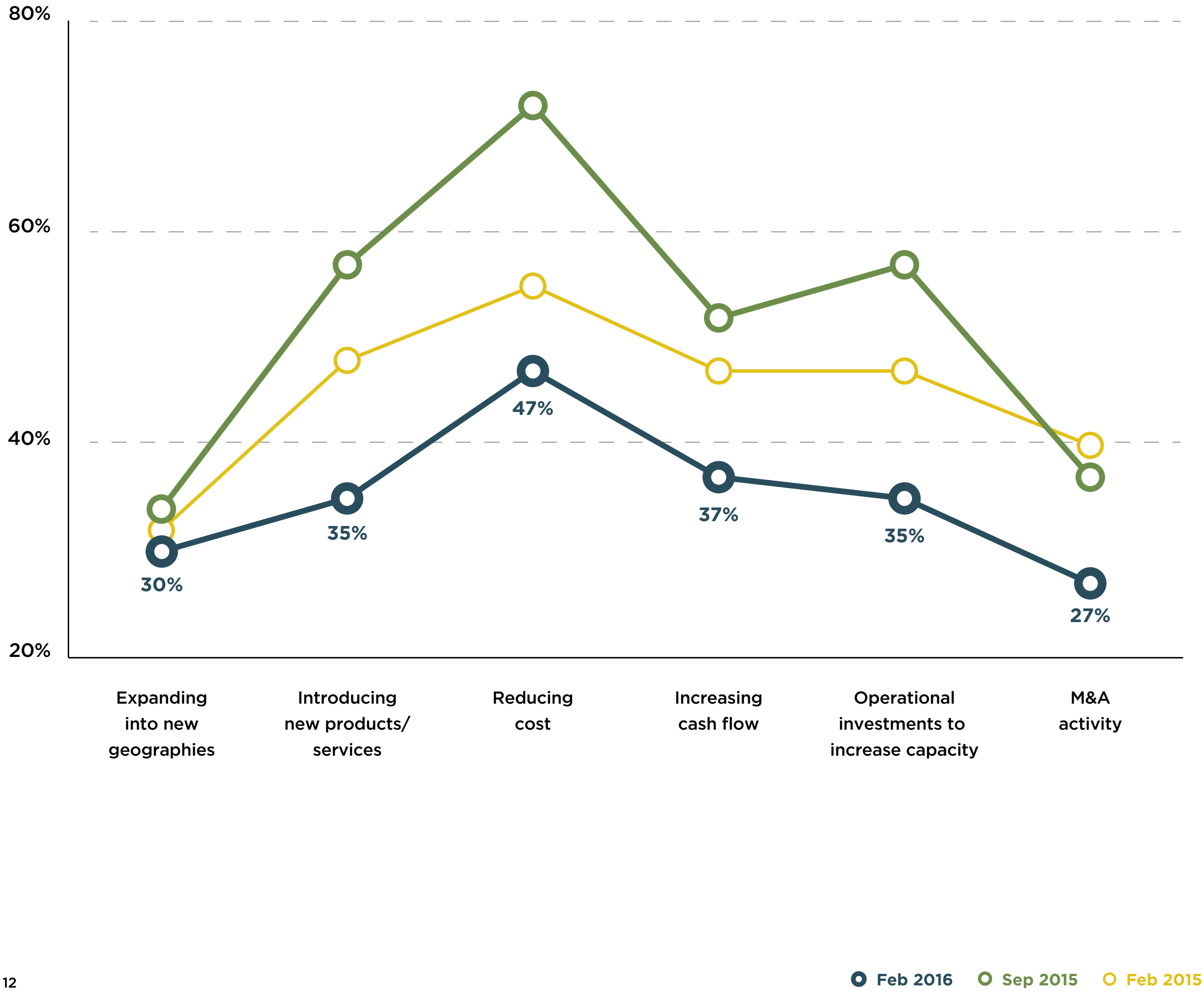
PROSPECTS AND CONCERNS

Geopolitical and macro-economic concerns have increased, whereas the high level of uncertainty is tending to result in decreasing preferences for expansion strategies. Reducing cost, with a clear focus on process efficiency improvements, continues to dominate as the top priority for CFOs during the coming 12 months.

QUESTION 7

What are your corporate priorities for the next year?

For this question, CFOs are allowed to choose several alternatives. What was striking about the results of the fall 2015 survey was the continuous increase towards reducing cost, given the focus that companies have had on this area in the wake of the financial crisis. In this survey, cost reduction continues to be the most prioritised area, whereas increasing cash flow, M&A activity and diversification remain as other focus areas. Since cost reduction has always been the highest priority area in recent surveys, we asked the CFOs to elaborate on what type of cost reductions (Question 1). What is apparent is that the main area is related to process efficiency improvements rather than direct cost-cutting, which is viewed as an area for continuous improvement and also an area that the companies tend to have control over. In this survey we also evidence of the effects of increased uncertainty, i.e. it is more attractive to do less in a turbulent environment and wait for signs of greater stability before key initiatives are taken.

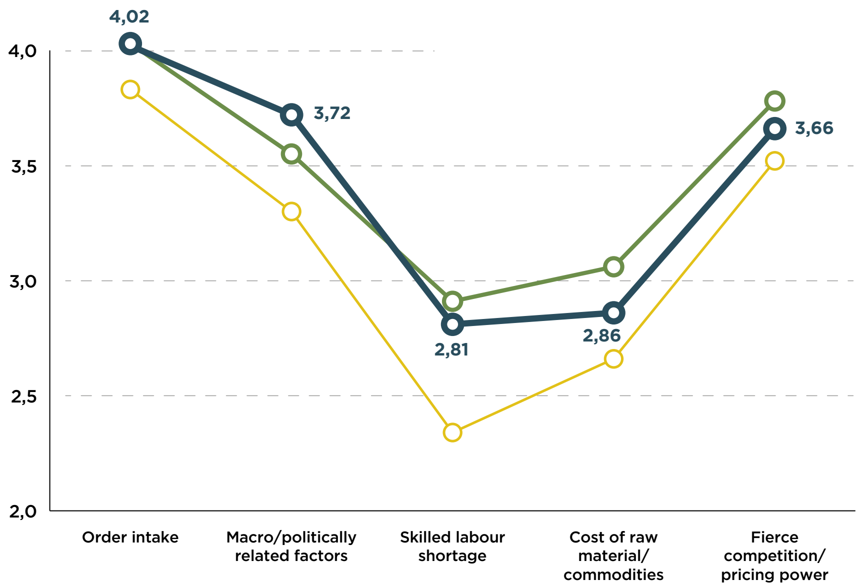


QUESTION 8

What are the greatest concerns for your company?

As usual, the greatest concern for CFOs is order intake (bookings). However what is most eye-catching is that concern for macroeconomic and politically related factors is the only alternative which increased, making it the second most important concern for CFOs. But given worries about economic growth and the financial market turbulence so far this year, this is hardly surprising. Although falling somewhat, the CFOs' still relatively high concern for pricing power and relatively low concern about skilled labour shortages continue to be an indication of low inflation pressure going forward.

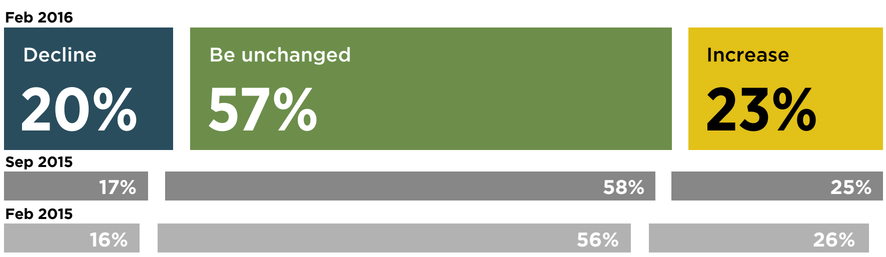
Among the different sectors, consumer business and transport as well as financial services stand out as the ones where concern about "Fierce competition/Pricing power" is largest. Even if the concern for "Skilled labour shortages" in general is a low, one CFO in four in the Real estate sector sees it as a very important concern. The domestic construction boom thus already seems to be facing limits to its expansion. These results indicate that we will see increasing salaries as well as an increased international presence in the construction workforce.



QUESTION 9

The number of employees in your company in Sweden is, in the next 6 months, expected to:

Overall, the CFOs' expectations are in line with our fall 2015 survey. The majority of respondents still expect unchanged levels, with a small increase in the number of respondents expecting a declining number of employees in Sweden during the next six months. This is not a major shift but still underlines increased uncertainty and the somewhat more negative outlook.



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FINANCING AND RISK

CFOs of large corporations generally continue to perceive a favourable lending attitude from financial institutions, though there is a few more seeing an unfavourable attitude. This goes hand in hand with a skew among CFOs towards viewing external uncertainty to be higher than usual and a majority not regarding this as a good time to add risk to the balance sheet. When ranking sources of external financing, bank borrowing is by far the most attractive in the eyes of Swedish CFOs – just as for their EU counterparts.

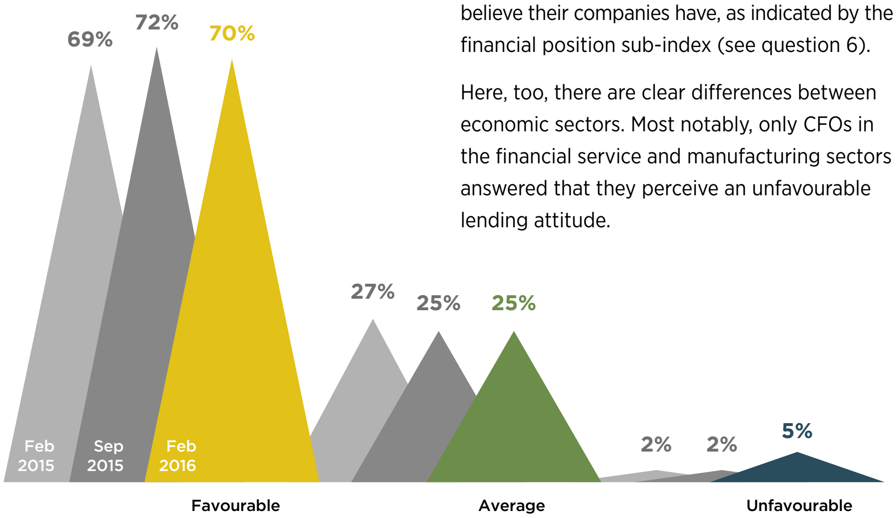
QUESTION 10

The lending attitude of financial institutions towards your company is seen as:

The sub-index ***lending willingness***, which is based on this question, fell to 63.0 from 64.0 as fewer CFOs see the lending attitude as favourable and more see it as unfavourable.

However, the index still has the highest reading of all five sub-indices. So, at the moment, access to financing does not seem to be an issue for large companies. One likely explanation is the strong financial position that most CFOs believe their companies have, as indicated by the financial position sub-index (see question 6).

Here, too, there are clear differences between economic sectors. Most notably, only CFOs in the financial service and manufacturing sectors answered that they perceive an unfavourable lending attitude.



QUESTION 11

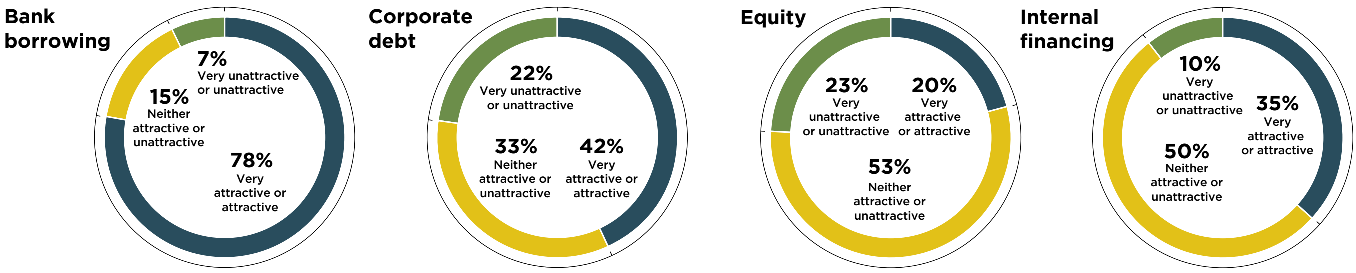
The probability of counterparties' default in the next 6 months is expected to be:

The sub-index ***counterparty risk,*** which is based on this question, fell to 49.0 from 49.7 since somewhat fewer CFOs though the probability was "average" and slightly more thought it to be "above average". Changes were small but could possibly be explained by the business climate in general being viewed as slightly less favourable which, at least if it continue to deteriorate, could result in more defaults.

QUESTION 12

How do you currently rate the following sources of external funding?

Bank borrowing is by far the most attractive source of external funding with a resounding 78 per cent weight. Corporate debt (42 per cent) and internal financing (35 per cent) are also viewed by many as attractive, while relatively few currently regard equity as an attractive alternative. These results corresponding relatively well to the results of the Deloitte's European CFO Survey from fall 2015. In the EU as a whole, bank borrowing was also the most attractive alternative (63 per cent), followed by internal financing (49 per cent), corporate debt (48 per cent) and equity (23 per cent).

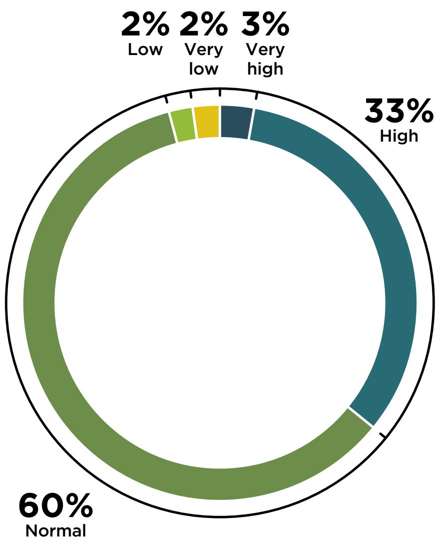


QUESTION 13

How would you rate the overall level of external financial and economic uncertainty facing your business?

CFOs views are currently clearly skewed to the risky side. As much as 36 per cent perceive uncertainty to be "high" or "very high" while only 4 per cent answered "low" or "very low". With the high turbulence in the financial markets in 2015 and beginning of 2016 this is hardly surprising. However, compared to other EU-based CFOs, for which the average for a higher than normal level of uncertainty was 67 per cent in Deloitte's European CFO Survey fall 2015, the Swedes seem to view the world as much less uncertain.

In this question it is obvious that different economic sectors are facing different external environments, since the sectors with larger international exposure are the ones viewing uncertainty as high. Actually it is only among CFOs in the manufacturing and financial service sectors that a majority (albeit small) view uncertainty as higher than normal.



QUESTION 14

Is this a good time to be taking greater risk onto your balance sheet?

Yes	No
38%	60%

Given their perception of a deteriorating business climate and a high level of external uncertainty, it is somewhat surprising to see that as many as 38 per cent of the CFOs believe that this is a good time to add risk to their balance sheet. But this result is well in line which what CFOs in other EU countries thought in the fall of 2015, when the average was 31 per cent.

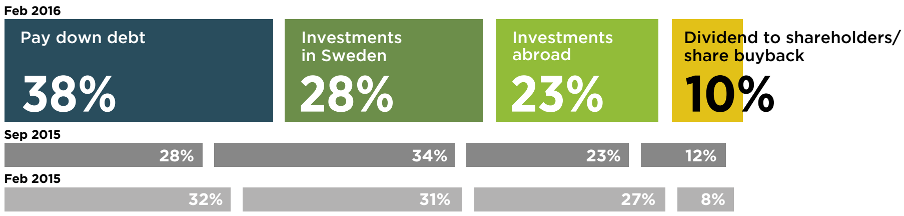
Among economic sectors, only in the consumer business and transport sector was there a majority who believed this is a good time to be taking greater risk. This is in line with CFO's in these sectors also being the most positive towards their business conditions. Somewhat surprisingly, however, the real estate sector – which also was very positive about business conditions – was the sector most negative towards adding risk to their balance sheet, possibly because interest rates are expected to rise gradually.

STRATEGIC OPPORTUNITIES

In an uncertain economic environment, paying down debt seems more rational than an appetite for increased investments.

QUESTION 15

Assume a current cash surplus position. How would you prefer to use the money in the next 6 months?



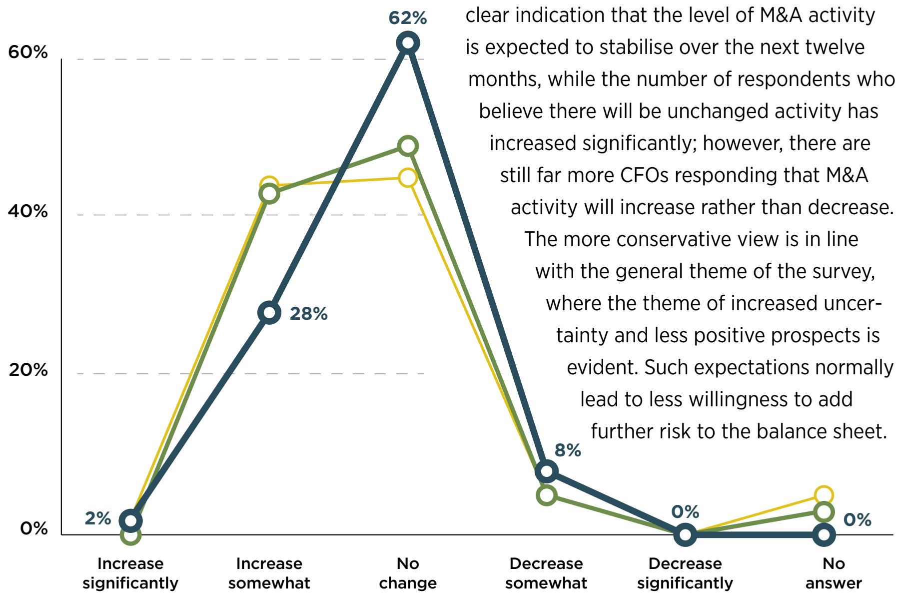
In the fall 2015 survey, we saw a shift in the most preferred alternative from paying down debt to increasing investments in Sweden. In the spring of 2016 the CFOs' favourite choice has returned to paying down debt. In some respects this is remarkable. Given low interest rates, the expectation would be that this choice would decline. However, it has increased.

This is an indication of the companies' strong financial positions, combined with a lack of attractive alternatives such as expected M&A potential in times of uncertainty. Appetite for investments abroad is unchanged compared to the fall survey, whereas willingness to invest further in the Swedish market has fallen, in favour of paying down debt.

QUESTION 16

Over the next 12 months, how do you expect levels of corporate acquisitions and divestments in Sweden to change?

Since the previous two studies, there is a clear indication that the level of M&A activity is expected to stabilise over the next twelve months, while the number of respondents who believe there will be unchanged activity has increased significantly; however, there are still far more CFOs responding that M&A activity will increase rather than decrease. The more conservative view is in line with the general theme of the survey, where the theme of increased uncertainty and less positive prospects is evident. Such expectations normally lead to less willingness to add further risk to the balance sheet.



AN INTERNATIONAL OUTLOOK
Braced for a bumpy ride

EUROPE

CFO sentiment in Europe tempered most notably in the UK Q4. Shrinking optimism is very apparent in CFOs' risk appetite: down to 37 per cent in the fourth quarter, from 47 per cent in the third quarter and a peak of 72 per cent in late 2014. Moreover, CFOs' strategies have turned markedly more defensive, with cost control topping their list of priorities for the first time in more than a year. However, optimism among Belgium's CFOs has rebounded, and now the vast majority expect revenues, operating margins, and profit before taxes to increase in 2016.

An increasingly upbeat story can be found in Switzerland, where despite still adjusting to the removal of their currency floor, almost half (45 per cent) of CFOs rate their company's prospects over the next 12 months as positive. Meanwhile, in Central Europe, which has 11 countries reporting, CFOs are somewhat more optimistic about the future of the region's economy but remain united in their concern about Greece's potential to destabilise progress. They are also united in their positive outlooks about margins, capital expenditures and hiring. Finally, in Russia, which remains in recession, multiple barriers to business development continue to dampen CFO optimism. In fact, the survey shows that by the end of 2015, the negative effect of sanctions rose by seven percentage points to 64 per cent, while exchange rate fluctuations continue to be a major concern for most companies (73 per cent).

NORTH AMERICA

In North America, CFOs remain optimistic in Q4—just a little less so. Q4's net optimism index of +10.7 may be the 12th consecutive positive reading, but it is below last quarter's +14.2 and is now at the lowest level in three years. But in contrast to their declining sentiment, CFOs' expectations for revenue, earnings, and capital spending growth are up from their second quarter 2015 lows. CFOs again voiced concerns about China. Overall, though, there seems to be a belief among many that North America (and the US in particular) can continue to shoulder the burden of economic growth again in 2016—despite interest rate increases and the upcoming elections.

ASIA/PACIFIC

While CFOs in Japan foresee a slow recovery, more than half (52 per cent) view the level of uncertainty as high or very high. Some factors—aside from China—contributing to that perception include "terror risks abroad," "monetary policies in the US and EU", "political instability in Europe", and "further decline in commodity prices". These factors contributed to a net optimism of -23 per cent. Still, most CFOs are expecting sales and earnings growth trends to continue. It is worth noting, however, that the percentage who expect declining sales and earnings increased by 13 points, indicating a widening of negative perceptions about future growth.

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ABOUT THE SURVEY

The CFOs who responded represent a selection of the 200 largest companies in Sweden across industries. The survey was carried out as a web-based questionnaire in March 2016. Given the broad range of industries and organisations that responded, the trends observed and conclusions made are considered representative of the wider Swedish CFO community.

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