YPO Global Pulse

# Highlights from the October 2013 Survey

CEO CONFIDENCE CONVERGING WORLDWIDE

- Business confidence in the disparate regions of the world continued to converge in the third quarter of 2013, as some of the hotter economies stayed tempered while some of the slower-growing economies picked up the pace.

- Specifically, less than a point now separates the confidence levels of Asia and the European Union, compared with a 12.8-point difference six months ago.

- CEO confidence within Asia is also converging dramatically. The spread between confidence levels in the Asian Tiger Cub economies and Japan has shrunk from 17 points to just 7 points over the past year.

- YPO and WPO member confidence in the European Union surged to its highest level in two and a half years. Last quarter, the EU broke its two-year run as the world's most discouraged region, leaving that dubious honor to Latin America.

- Australasia (Australia and New Zealand) shot up to its highest level in three years and is more confident than Asia for the first time in the history of the survey – but Africa is still the world's most optimistic region.

- YPO and WPO members: get exclusive in-depth analysis at www.ypowpo.org/globalpulse. Friends of YPO: see www.ypo.org/globalpulse.

Business confidence converging in Asia, EU and United States
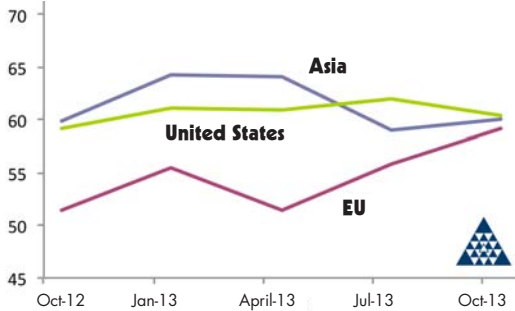
The converging confidence between developed and emerging economies revealed 18 months ago through the YPO Global Pulse persists, with the combined confidence of G7 nations now on a par with that of the BRICS. Despite growing optimism in other markets, confidence in the United States remains stuck in the tight range it has held for 15 months. Southeast Asia and South Africa are still bright spots.

YPO CONFIDENCE INDEX BY AREA *arrows indicate directional change versus previous quarter*

Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	United States
60.4 ↑	65.8 ↑	60.1 ↑	63.3 ↑	60.0 ↑	59.2 ↑	58.3 ↑	57.0 ↑	63.3 ↑	60.5 ↓

KEY FINDINGS n=2,113

Business confidence converging within Asia
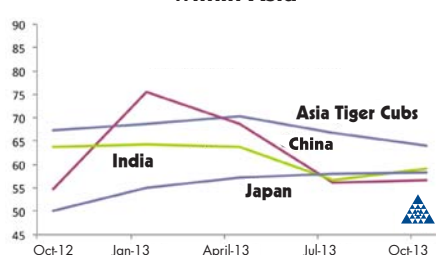
Eurozone: core and periphery both more upbeat
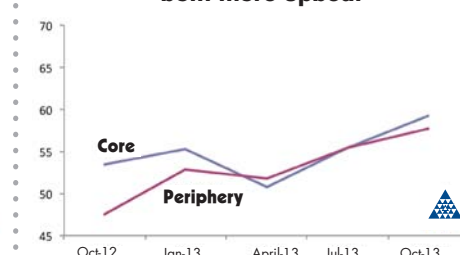
Business confidence in South Africa breaks away from other BRICS

YPOGlobalPulse
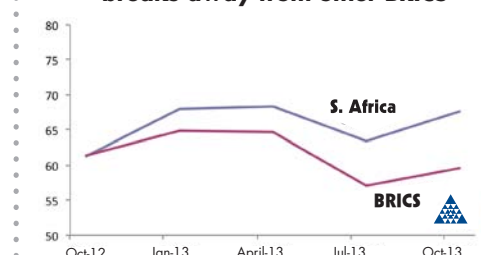
Results by Geographic Area, October 2013
expressed as a percentage of total category responses

KEY
- more than 20% higher
- more than 10% higher
- about the same
- more than 10% lower
- more than 20% lower

Most recent quarter results, compared to last year

	Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	U.S.
Sales — more than 20% higher	18.6	32.0	18.1	26.2	11.1	15.9	24.2	16.1	20.4	19.0
more than 10% higher	25.8	29.8	30.8	22.0	30.6	22.4	23.1	29.5	28.0	23.9
about the same	44.6	25.8	38.7	39.4	48.6	49.9	41.2	44.4	36.1	46.7
more than 10% lower	7.1	8.1	8.7	7.1	7.5	6.6	6.6	8.1	10.3	6.4
more than 20% lower				5.3		5.1	4.9		5.2	4.1

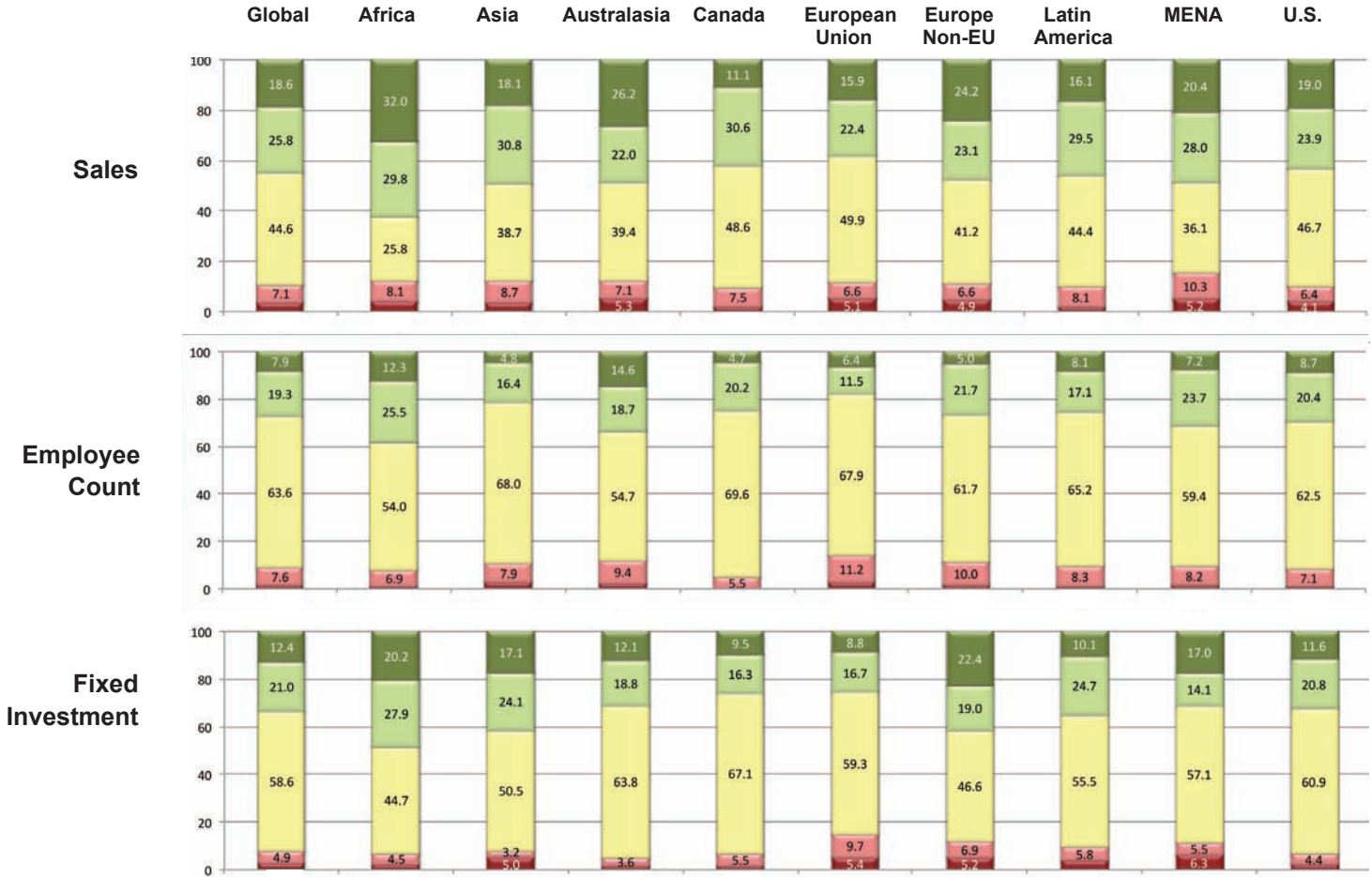|	Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	U.S.
Employee Count — more than 20% higher	7.9	12.3	4.8	14.6	4.7	6.4	5.0	8.1	7.2	8.7
more than 10% higher	19.3	25.5	16.4	18.7	20.2	11.5	21.7	17.1	23.7	20.4
about the same	63.6	54.0	68.0	54.7	69.6	67.9	61.7	65.2	59.4	62.5
more than 10% lower	7.6	6.9	7.9	9.4	5.5	11.2	10.0	8.3	8.2	7.1

	Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	U.S.
Fixed Investment — more than 20% higher	12.4	20.2	17.1	12.1	9.5	8.8	22.4	10.1	17.0	11.6
more than 10% higher	21.0	27.9	24.1	18.8	16.3	16.7	19.0	24.7	14.1	20.8
about the same	58.6	44.7	50.5	63.8	67.1	59.3	46.6	55.5	57.1	60.9
more than 10% lower	4.9	4.5	3.2	3.6	5.5	9.7	6.9	5.8	5.5	4.4
more than 20% lower			5.0			5.4	5.2		6.3	

Expected results one year from now, compared to today

	Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	U.S.
Sales — more than 20% higher	21.4	39.0	23.3	28.0	19.7	20.1	19.2	22.2	29.9	19.4
more than 10% higher	40.6	41.3	41.4	42.9	41.5	35.4	44.5	38.2	40.0	41.1
about the same	32.5	15.3	26.5	23.8	35.0	37.9	26.4	34.2	23.3	34.8
more than 10% lower	3.9	3.8	6.0	5.3	3.0	3.7	6.6	1.9	4.5	3.7

	Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	U.S.
Employee Count — more than 20% higher	8.4	13.6	8.3	18.4	6.9	6.4	4.4	6.7	12.3	8.2
more than 10% higher	27.9	32.2	25.3	25.7	29.6	22.7	26.4	24.8	25.9	29.7
about the same	57.5	49.9	58.0	47.2	61.2	61.5	61.0	58.6	55.9	57.1
more than 10% lower	5.4	3.7	6.8	8.8	1.5	7.5	6.6	8.1	4.4	4.8

	Global	Africa	Asia	Australasia	Canada	European Union	Europe Non-EU	Latin America	MENA	U.S.
Fixed Investment — more than 20% higher	12.5	21.4	15.7	15.3	8.4	10.4	11.7	11.3	18.8	11.8
more than 10% higher	27.2	36.6	29.9	31.5	20.3	23.4	36.3	23.6	27.4	27.4
about the same	53.3	39.5	46.4	44.3	66.6	54.6	38.5	57.5	46.2	54.6
more than 10% lower	5.4	2.5	3.6	7.1	3.8	10.1	8.4	5.7	4.6	5.4
more than 20% lower							5.0			