



- HOME /
- ABOUT US /
- DIVISIONS /  Advance Search
- NEWS
- BOOKS
- TRAINING
- SUBSCRIPTION /
- MAGAZINES /
- EVENTS /
- CONTACT /
- ONLINE MEDIA PACK



**Sparkling Fridays! A Bubbles & Tapas Brunch**

Join us every Friday in Azur for Bubbles & Tapas Brunch, the right place to enjoy an extensive selection of homemade Spanish Tapas and delicious deserts... add this to free flowing Bubbles, Sangria and selected beverages and you have the perfect start to the weekend!

**Every Friday from 12:30pm to 4pm, for AED 290\***

\* Subject to 10% service charge & 6% tourism fee. To book a table and for further information, call 800 AL RAHA





LATEST NEWS

TVNL reseller partnership agreement with Path Solutions\_

Tuesday 12 October 2010



AUDUSD 0.986000 ↑ NZDUSD 0.754330 ↓ GBPUSD 1.577530 ↑ EURUSD 1.391020 ↑ GBPAUD 1.599640 ↓ EURAUD 1.4

HOME

Tuesday, October 12 2010

SECTORS

- ▣ Islamic Finance
- ▣ Retail Banking
- ▣ Market/ Commodities/ Forex
- ▣ Alternative Investments
- ▣ Technology
- ▣ Investment Banking
- ▣ The Economy
- ▣ Results
- ▣ Commercial Banking
- ▣ Insurance
- ▣ Wealth Management
- ▣ Business Lifestyle

Business Lifestyle

# Global survey of CFOs reveals weak US optimism relative to Asia

By: Contributor

[Print this article](#)

Asian CFO's plan to unleash cash reserves while US and Europe seek liquidity buffer. Half of the US CFOs surveyed say they will cling tightly to cash due to economic uncertainty, and as a liquidity buffer, while the other half will spend some cash reserves in the next year, primarily on investment, to pay down debt and to make acquisitions.



A survey of 937 Chief Financial Officers (CFOs) from a broad range of global public and private companies has shown declining optimism about expectations for the next few months. The survey was conducted by Duke University's Fuqua School of Business, in collaboration with CFO Magazine and Tilburg University in the Netherlands.

According to the survey, US based CFOs have the least optimism about economic conditions with a rating of 49 on a zero-to-100 scale. Pessimists outnumber optimists four-to-one. However, optimism by European CFOs was rated 58 while Asian CFOs had the highest at 70.

Julia Homer, executive vice president for content at CFO Publishing said, "This dramatic drop in optimism bodes poorly for the US economic outlook. Half of CFOs say there is only a six-month window during which they can maintain current levels of business activity without improvement in the overall economy; another one-fourth believe it's a 12-month window."

In addition to declining optimism, employment in the US is expected to be almost stagnant with companies expecting full-time domestic employment to inch up by only 0.7 percent over the next year. Temporary employment is forecast to grow by 0.8 percent. The employment picture is about the same in Europe, but much positive in Asia - with expected growth of more than five percent.

In addition to declining optimism, employment in the US is expected to be almost stagnant with companies expecting full-time domestic employment to inch up by only 0.7 percent over the next year. Temporary employment is forecast to grow by 0.8 percent. The employment picture is about the same in Europe, but much positive in Asia - with expected growth of more than five percent.

"This rate of US employment growth will increase payrolls, but not put a dent in the unemployment rate due to growth in labor force participation," Homer said. "Another negative employment trend is the recent surge in hiring contract and temporary employees rather than permanent workers."

Credit conditions were also shown to be a significant challenge to CFOs as 30 percent of companies surveyed say borrowing has become more difficult. "There has been no progress in fixing the credit problem over the last year," said Campbell Harvey, a professor of finance at Duke's Fuqua School of Business and founding director of the survey. "Indeed, half of the small businesses say credit conditions are worse than in 2009."

"The math is simple. A) Banks are sitting on cash because of their poor health and general uncertainty. B) Small and medium-sized firms have employment-generating projects that they cannot get financed because banks will not extend credit. C) In usual circumstances, small and medium-sized businesses account for the majority of employment growth. A+B+C implies that the US is stuck at 9 or 10 percent unemployment," Harvey added.

Half of the US CFOs surveyed say they will cling tightly to cash due to economic uncertainty, and as a liquidity buffer, while the other half will spend some cash reserves in the next year, primarily on investment, to pay down debt and to make acquisitions. However, Asian CFOs do not intend to hold too tightly to cash unlike their European US counterparts; about

MOST READ LAST COMMENTED MOST EMAILED

- » Bahrain Air to fly to Baghdad and Najaf
- » DQG ties up with DAMAS Jewellery
- » World's largest companies need to double the pace of CO2 reduction
- » Fashion jewellery accounted for 26 per cent of UAE's non-oil foreign trade in 2008
- » James Bond's Fort Knox in City of London sold

APPLY FOR OUR NEWSLETTER

Subscribe to Business Intelligence, the weekly newsletter from [www.cpifinancial.net](http://www.cpifinancial.net)

E-mail address

## Quick Poll

Is bailing out a bank a good taxpayer investment?

- Yes
- No

Poll Result

**Yes** 38%

**No** 62%

RSS Feeds

Keep up with the latest news from CPI Financial and have jobs delivered direct to your desktop, by RSS feed.

Delivered direct to your desktop

[www.cpifinancial.net](http://www.cpifinancial.net)

The financial news website for the Middle East

**JUMP START YOUR CAREER THROUGH CPI FINANCIAL**

**COMING SOON!**

## Blog of the week



**Risk really does matter!**  
Equities have their strongest

September in seventy years but risk still evident in the global economy – this week it is Ireland. Improvement in China continues, US data also better. Wave of cash heading for emerging markets and commodities

[Blogs archive](#)