

CEO Confidence Survey



CEO Confidence on the Rise

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Second Quarter 2013

The Conference Board Measure of CEO Confidence™, which had increased in the first quarter of 2013, improved again in the second quarter of 2013. The Measure now reads 62, up from 54 in Q1 2013 (a reading of more than 50 points reflects more positive than negative responses).

CEOs' appraisal of current economic conditions has improved dramatically. Now, 60 percent are claiming conditions are better compared to six months ago, up from 36 percent in the first quarter. Business leaders are also more upbeat about conditions in their own industries. Approximately 40 percent say conditions in their own industries have improved, compared with close to 29 percent last quarter.

CEOs' short-term outlook also improved significantly from last quarter. Currently, 60 percent of business leaders expect economic conditions to improve over the next six months, up from 32 percent in the first quarter. Expectations for their own industries are also more positive, with 53 percent of CEOs anticipating an improvement in conditions in the months ahead, up from 33 percent last quarter.

Global Outlook

CEOs were more positive in their assessment of current economic conditions in the U.S and Japan than last quarter, while sentiment was about the same for Europe, India and Brazil. However, CEOs were considerably more pessimistic about current conditions in China than in the first quarter.

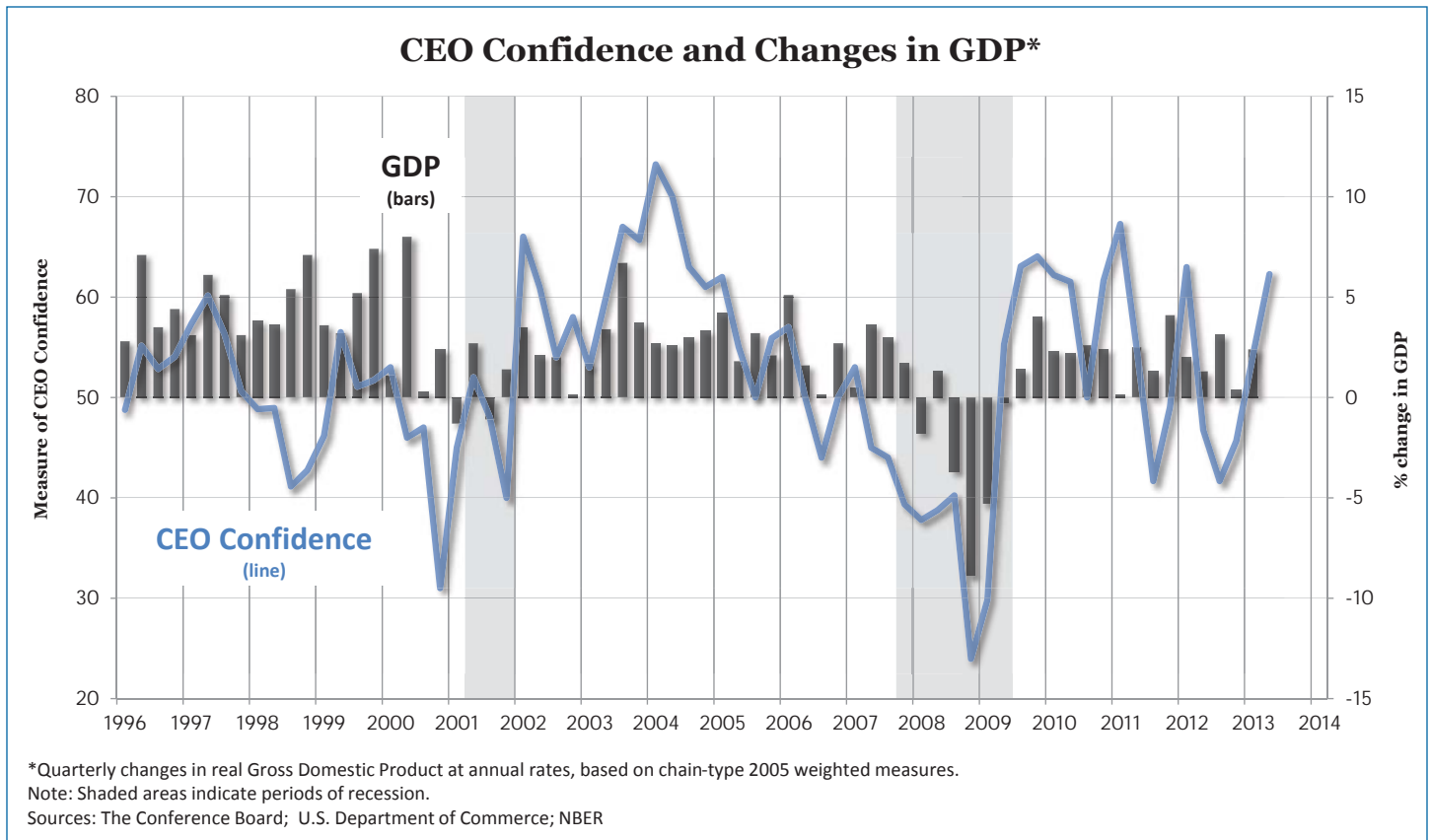
Expectations over the next six months were generally more favorable, with the U.S., Japan and Brazil faring best. Expectations for Europe edged into positive territory, above 50, and expectations for India and China remained the same.

Lynn Franco



Table 1
CEO Confidence

	2010			2011				2012				2013	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
MEASURE OF CEO CONFIDENCE	62	50	62	67	55	42	49	63	47	42	46	54	62
Current Economic Conditions vs. 6 Months Ago	67	50	62	72	51	32	45	66	42	40	43	54	62
Expectations for Economy, 6 Months Ahead	59	49	62	68	57	45	51	63	48	42	47	54	63
Expectations for Own Industry, 6 Months Ahead	58	51	61	62	57	48	50	60	50	43	47	54	62
Current Conditions in Own Industry vs. 6 Months Ago	63	52	60	65	55	38	41	57	45	41	47	52	55



There are five reply options for each question. A score for each question is determined by assigning the following values to the replies and calculating the average: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The **Measure of CEO Confidence** is the average of the scores for Questions 1, 2, and 3. The score for each question, and the **Measure of CEO Confidence**, thus can range from 0 to 100.

Note: In 2013, the survey was expanded to include *Fortune* 1000 companies in addition to members of The Conference Board.

Table 2

**Expectations of Business Conditions
in Own Industry 6 Months Hence**

	2012			2013	
	Q2	Q3	Q4	Q1	Q2
ALL INDUSTRIES	50	43	47	54	62
Manufacturing	45	39	48	57	62
Nondurables	43	39	45	58	60
Food, Textiles, Apparel	67	50	40	61	63
Paper, Printing, Publishing	n.a.	25	63	50	50
Chemicals, Petroleum, Rubber	25	39	43	57	61
Durables	46	39	51	56	63
Metals	42	42	63	67	58
Machinery	42	25	38	48	65
Services	53	46	46	55	65
Utilities	44	46	53	57	57
Wholesale & Retail Trade	63	28	50	48	63
Banking & Finance	38	50	50	43	53
Insurance	38	42	25	49	57
Business Services	55	41	35	63	67

n.a.=not available

Table 3

**Current Conditions in Own Industry
Compared with 6 Months Ago**

	2012			2013	
	Q2	Q3	Q4	Q1	Q2
ALL INDUSTRIES	45	41	47	52	55
Manufacturing	43	34	48	52	50
Nondurables	39	36	46	53	50
Food, Textiles, Apparel	58	42	45	57	59
Paper, Printing, Publishing	n.a.	25	25	75	42
Chemicals, Petroleum, Rubber	25	36	54	50	47
Durables	44	33	49	51	51
Metals	42	25	50	56	53
Machinery	42	29	42	47	50
Services	48	46	46	54	63
Utilities	63	46	42	57	54
Wholesale & Retail Trade	58	50	54	42	56
Banking & Finance	13	44	44	57	45
Insurance	38	42	38	50	64
Business Services	48	41	45	50	56

n.a.=not available

Table 4

**Expectations of Business Conditions
6 Months Hence**

	2012			2013	
	Q2	Q3	Q4	Q1	Q2
United States	n.a.	n.a.	n.a.	58	65
Europe	n.a.	n.a.	n.a.	47	51
China	n.a.	n.a.	n.a.	56	56
Japan	n.a.	n.a.	n.a.	55	59
India	n.a.	n.a.	n.a.	54	54
Brazil	n.a.	n.a.	n.a.	54	57

n.a.=not available

Table 5

**Current Business Conditions
Compared with 6 Months Ago**

	2012			2013	
	Q2	Q3	Q4	Q1	Q2
United States	n.a.	n.a.	n.a.	57	64
Europe	n.a.	n.a.	n.a.	42	41
China	n.a.	n.a.	n.a.	51	42
Japan	n.a.	n.a.	n.a.	51	58
India	n.a.	n.a.	n.a.	47	48
Brazil	n.a.	n.a.	n.a.	50	49

n.a.=not available