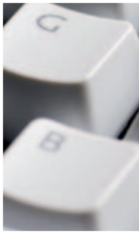








CFO Survey

Czech Republic | June 2013

When looking at the financial situation of companies and at the scope of uncertainties that might potentially affect them, one starts to believe that the companies have accepted the high level of uncertainty as an essential part of the current economy and business environment.

The Chance to Improve the Economy Lies Mainly in the Corporate Sector

In the last year, the Czech economy experienced a recession and this trend has continued in the first half of 2013. The economic decline, which has been going on for the last five quarters, has brought the Czech economy to a total year-on-year decline of 1.3%. This happened despite the fact that the economies of our key business partners' countries were doing relatively well throughout most of 2012. For example, the German economy experienced a growth of 0.7%; thus, it is not surprising that the economies in our neighbouring countries within Central and Eastern Europe were doing significantly better than our economy.

Towards the end of 2012, there was a significant slump in growth in European countries that did not have a significant impact on the Czech Republic. Based on the results from the beginning of 2013, the prospects are cautiously optimistic. The total expected stagnation of EU economies was foreseen as economic growth in the countries of our business partners, which should also have brought the Czech economy, so greatly affected by weak consumer demand and the impacts of the fiscal reform, to a state near stagnation.

Such state was anticipated as a result of the continual economic decline from the beginning of the year and was to bring a gradual economic improvement in the second half of 2013.

Unfortunately, the real development did not follow the expected scenario. The situation in Europe has worsened (as opposed to the global economy) and has had a negative impact on the prospects of growth in many countries (e.g. France) or has even resulted in critical situations in Cyprus or Slovenia, which have tested the EU and its capacity to deal with such problems. The political situation in many countries has become rather tense and the European economy is also influenced by the fact that many important countries are approaching elections (namely Germany). Owing to the fact that our economy is highly dependent on European demand, the situation in Europe has had a negative impact on our development, which was intensified by the fact that all other economic sectors apart from export were experiencing a decline. Regarding sectors, our economy suffers from the slowing down of car sales in most European countries or from impacts resulting from changes in energy markets.

It still remains true that, from a macro-economic point of view, the Czech economy is stable and our financial system is efficient, and that we are able to remove fiscal imbalances relatively quickly. On the other hand, it has become clear that this is not enough to succeed in boosting our economy, a prerequisite for creating new job opportunities on labour market. Thus, it can hardly be expected that a turnaround in the rather pessimistic trend of our economy will increase household consumption. The chance for improvement lies more in the business sector and in a shift in the budgeting policy towards the lower pressure on decreasing the budget deficit and higher concentration on economic growth, for example through a change in the state investment activities that have so far been highly restricted.

Thus, it is now more important than ever before to get a picture of the situation in the business sector despite the fact that business conditions remain complicated and burdened by great uncertainty. The CFO survey in the Czech Republic shows how leading Czech companies face this uncertainty. The survey of individual areas also provides insight into how expectations developed in the last twelve months, which is reflected in the absolute score of answers (e.g. optimistic and pessimistic expectations) as well as in the development of the results over time.

Martin Tesař
Partner, Deloitte Czech Republic

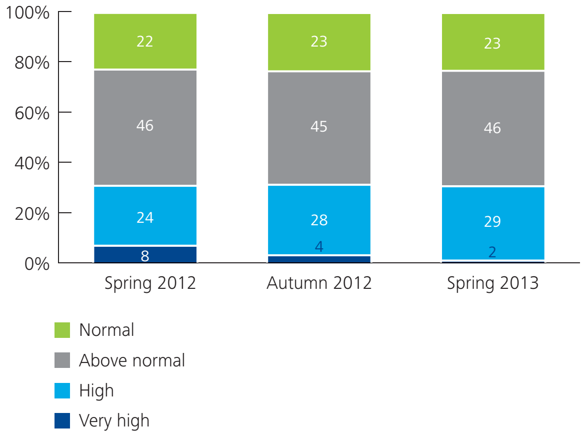
Key findings:

- Regarding macro-economic indicators, CFOs are more optimistic than the majority of economic analysts.
- The principal priorities for CFOs remain the same – reducing direct and indirect costs and increasing presence to current and new markets.
- An increased appetite to invest in riskier assets is apparent.
- The opportunities for loan financing are sufficient.

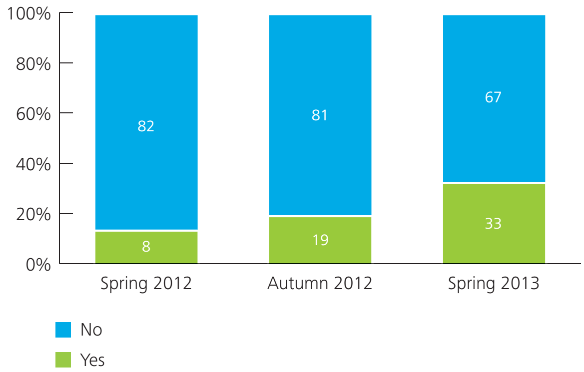
Survey results

The financial outlooks for companies and the perception of external financial and economic uncertainty follow the trend described in the past surveys. There are significantly fewer strikingly negative or positive expectations, which might be interpreted as a kind of acceptance of the current state of economy. The CFOs are well aware of economic opportunities and threats and the measures taken in past periods provide a sound basis for slightly more-optimistic expectations.

Graph 1: In your opinion, what is the general extent of external financial and economic uncertainty your company has to face? (%)



Graph 2: Is this a good time to be taking greater risks on a company's balance sheet? (%)

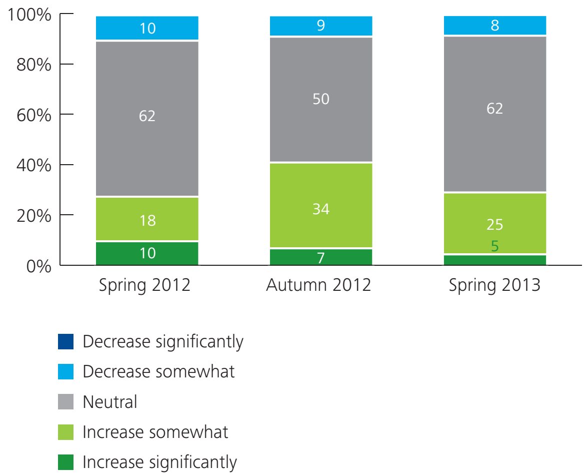


Financial data from the beginning of the year have brought a very unpleasant surprise in the form of a quarter-to-quarter economic decline of 1.1%, which lead to a year-on-year drop of 2.2%. This ranks us among the group of European countries with the slowest economic growth. On the other hand, it is too early to draw any conclusions based on these results as their structure has indicated the possibility that future data will be slightly more positive.

Luděk Niedermayer, Director

CFOs have been more willing to take greater risks despite the objectively uncertain and difficult situation. This may be explained by the fact that the companies are mostly able to service their debts.

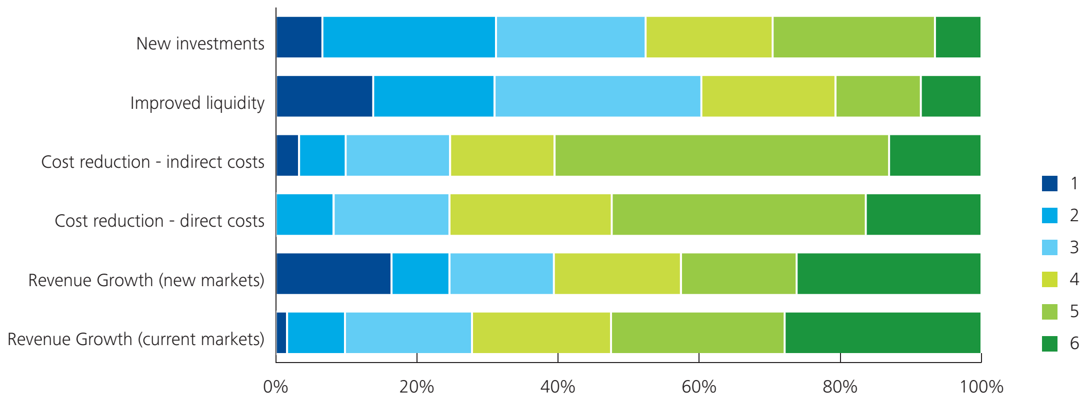
Graph 3: What are your expectations regarding the company's capacity to service its debts in the next three years? (%)



The survey shows that while the views on economic uncertainty have not changed, the number of companies expecting significant improvement in the financial situation, as well as the number of those who expect the situation of their company to become worse, has decreased.

It seems that CFOs see the current situation as a challenge for the company's operation as there is a growing tendency to take greater risks on the balance sheets throughout the whole monitored period. Assumingly, CFOs take the on-going economic uncertainty as a fact rather than taking it as a reason for increased caution.

Graph 4: Business focus for the upcoming year (1 - least important, 6 - most important) (%)



The willingness to take greater risks or to evaluate the company's situation positively may be related to the favourable situation of companies regarding their ability to service their debts.

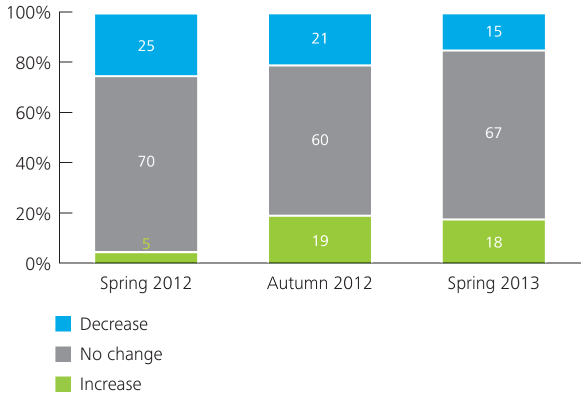
Ladislav Šauer, Director

The attempt to reduce costs directly has become only one of many items on the agenda of the companies. The key factor is the growth in sales, namely on current markets. Significantly less priority is ascribed to improving the company's liquidity or to new investments.

Petr Brich, Director

The issue that keeps cropping up in CFOs' answers is the high priority ascribed to reducing costs; nevertheless, the majority sees searching for new ways of increasing sales as the highest, and probably realistic, priority of the day. Based on the findings from the past surveys, the potential for reducing direct costs has been used up and thus increased attention is being paid to indirect costs. There has been an interesting change in the attitude to the priority of sales growth. Whereas in our first surveys, CFOs stressed the necessity to enter new markets, in the two latest surveys they claimed their priority was to increase sales on current markets. This can be accounted for by the already-realised market expansion and by geopolitical impacts in the target countries.

Graph 5: What is your goal regarding financial gearing over the next 12 months? (%)

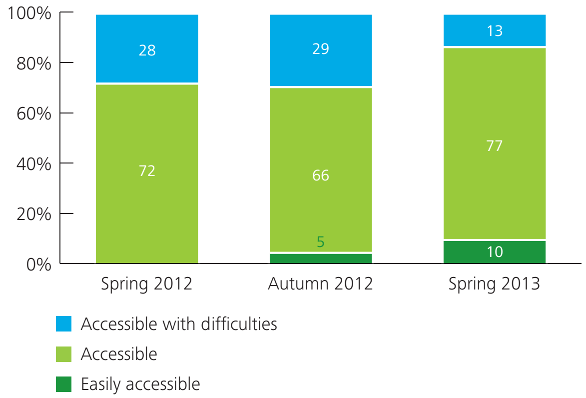


There are a number of companies that are moving towards increasing their debts, which is related to easier loan accessibility.

Martin Tesař, Partner

The answers reflect two closely-related issues. Since the beginning of the crisis in 2008, a number of companies have reduced the amount of bank borrowings for their funding, which is related to the overall need of western economies to "deleverage", or to reduce their dependence on bank loans. The need to continue in this process has decreased over time, as is reflected in the data gained from Czech companies. The question is if the higher accessibility of loans reflects the fact that companies have decreased their leverage and therefore are more solvent and creditworthy or if it reflects the fact that banks have difficulties in searching for new business opportunities and are thus loosening their loan policy.

Graph 6: How do you evaluate new loan accessibility for companies? (%)

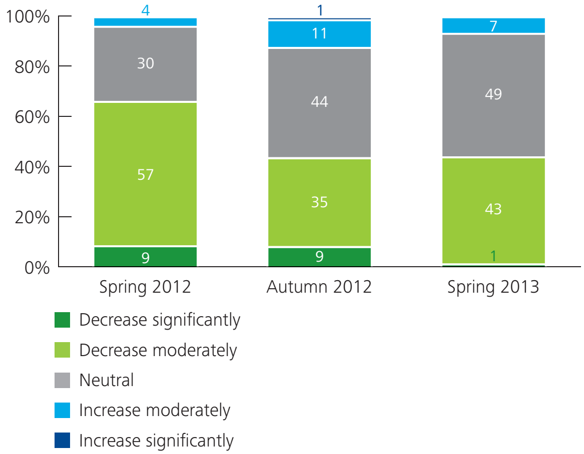


In general, CFOs consider bank loan pricing as rather attractive with the possibility of an increase in the future (part of the respondents), which may represent one of the motives for increasing the company's leverage. On the other hand, based on the survey, new equity funding is not considered as an attractive option.

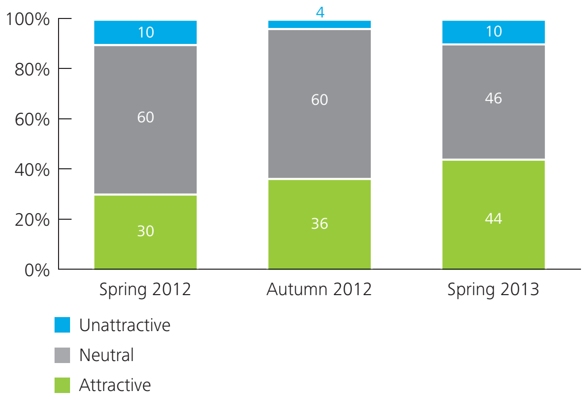
Petr Brich, Director

In the Czech Republic, there are an increasing number of CFOs who see the current loans as attractive. At the same time, however, the number of those who consider current loans unattractive has risen compared to the last survey (even though the increase is lower compared to those who find loans attractive). This may reflect the fact that a number of CFOs believe that loan prices will not increase in the near future.

Graph 7: In what ways do you expect the funding of companies in your country to change over the next 12 months? (%)

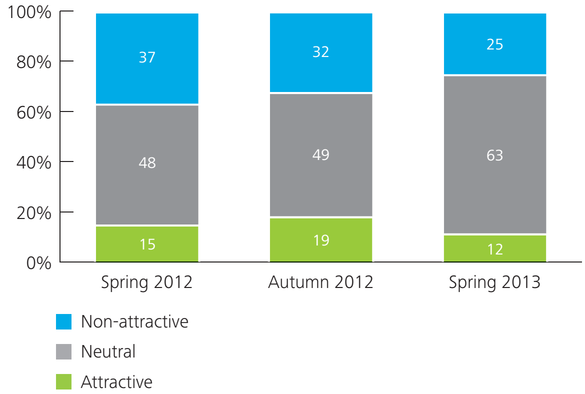


Graph 8: Bank loans as the source of a company's funding are currently (%)

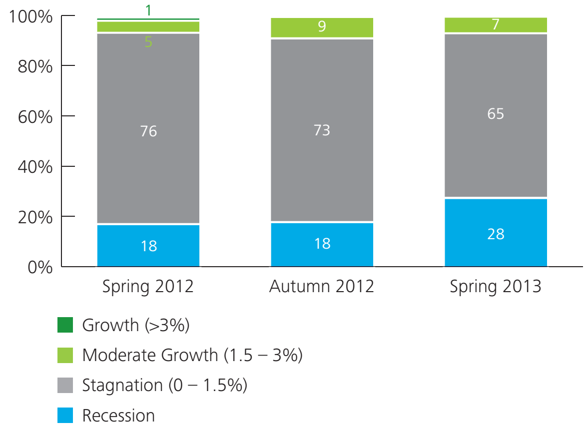


Similar to the past surveys, there is little willingness to use equity for funding. It is not clear if this trend reflects the low equity culture in the Czech Republic, or if it demonstrates the good capital situation of the companies. In any case, there are only slightly more than a tenth of companies that see equity funding as attractive.

Graph 9: Equity-raising as the source of a company's funding is currently (%)

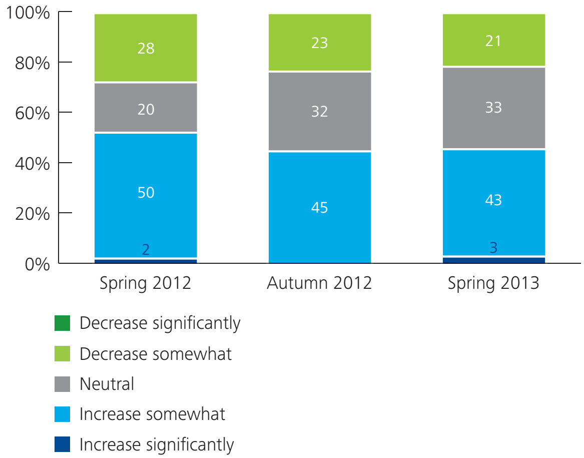


Graph 10: What are your expectations for the country's GDP growth for the year 2013? (%)

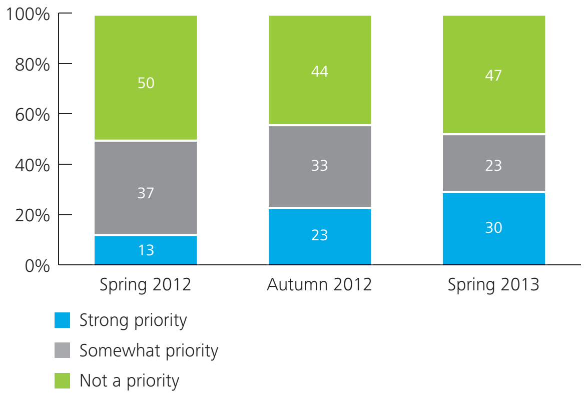


CFOs opinions on the development of unemployment have not changed significantly. The majority of respondents are relatively positive about unemployment (a slight majority of respondents chose “neutral “or “decrease moderately”). The fact that there was an increase in the number of those whose expectations are negative does not come as a surprise considering the foreseen economic development (supported by the new prognosis).

Graph 11: What are your expectations regarding the level of unemployment in your country over the next 12 months? (%)

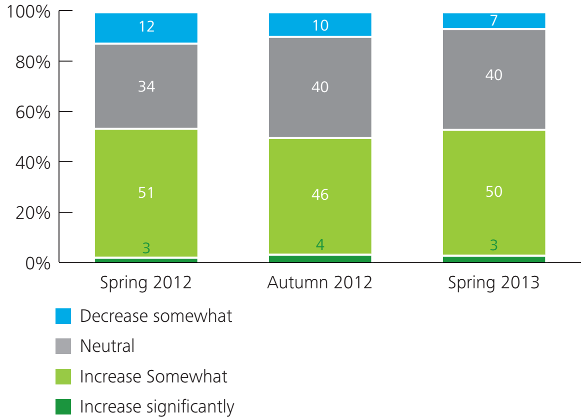


Graph 12: To what extent do you see business remodelling or restructuring as a likely priority for your company over the next 12 months? (%)



Data on company restructuring and M&A confirm the observation that many companies are concentrating on improving the company's everyday operations, strategic development or business activity development (via M&A) rather than focusing on crisis management, which had been a strong priority for most CFOs in recent years.

Graph 13: To what extent do you expect levels of M&A will change in your country over the next 12 months? (%)



Based on our survey, crisis management has ceased to be a priority. The strongest priority is ascribed to improving everyday business operations rather than to non-generic growth through M&A.

Martin Tesař, Partner

Central European economic and business overview

Central European economic and business overview

This section of the report was prepared by Dr Daniel Thorniley, President, DT-Global Business Consulting, exclusively for Deloitte Central Europe.

The outlook for Central Europe

The global business and economic outlook is strained and under pressure. We probably have several more years of sub-par growth ahead of us. In the short-term the second half of 2013 could be better than the first half but sustainable, solid growth is unlikely to return until at least 2017. Companies and CFOs need to manage their own expectations and those of their customers.

The final quarter of 2012 was extremely difficult for the global economy and for the CE region, with nearly all markets reporting significant slowdowns, but Poland and Ukraine in particular. The first quarter of 2013 has been mixed at best.

Given the business cake is not growing much globally, western companies are doing two things:

1. Moving to emerging, faster-growth markets; and

2. Engaging in best practice wherever they can. Unfortunately the CE region is performing more weakly than most other 'non-developed' markets. Core CE grew by only 0.6% last year, and we estimate that GDP growth this year will be a mere 0.8% thanks to a slower Polish outlook: for comparison, Asia Pacific will grow by 4.8% this year and Latin America by 3.4%.

Table 14: Growth trends in CE

	GDP 2013 (%)	When does GDP return to 3%	Long-term growth trend to 2023 (%)
Albania	2.2	2014	3.9
Bulgaria	1.3	2016	3.4
Baltic States	3.2	now	3.6
Croatia	-0.4	not before 2023	2.6
Czech Republic	-0.1	not before 2023	2.5
Hungary	-0.1	2017	2.8
Poland	1.4	2015	3.4
Romania	1.3	2015	3.6
Serbia	1.4	2018	2.8
Slovakia	1.0	2015	3.6
Slovenia	-1.2	not before 2023	2.4

Source: Eurostat, IMF

Central Europe is next to the crumbling eurozone, and CE exports are heavily dependent on that market. The eurozone declined by -0.4% last year and this year a best case is zero growth; another mild recession of -0.5% is more likely, however. The eurozone has gone from critical illness phase to chronic debility, although crises like Cyprus intermittently raise the level to one of intensive care.

In terms of the best-performing business sectors in the CE region, these can be categorised as:

1. Pharmaceuticals and medical equipment
2. Luxury products
3. IT products and services (although these have tumbled badly in the last 15 months)
4. Retail
5. Food & beverages
6. General consumer products and FMCG
7. Beer industry (as a sub-sector)
8. B2B (engineering, manufacturing, equipment, chemicals)

Five major factors are holding back the global economic recovery including that of the CE region.

1. Banks are not functioning properly and not lending enough to the corporate sector and end-consumers. This is a global feature; new bank loans in the USA are a bare 2-3% of the total, but in the UK they are negative and in the eurozone close to flat while loans to SMEs are -4%. Across much of core CE region new loans are only rising by 1-2 %, while in Hungary, for example, they are down by -10% to 20%. Western investor banks are downsizing their assets in the CE region to protect their home balance sheets. Banks are also tending not to finance local CE firms, and this is making sales difficult for western and local supplier companies into the B2B sector.

2. The austerity programmes that many CE governments are currently engaged in are not balanced with any growth element, and some might argue that this is exacerbating an already weak outlook in markets such as the Czech Republic, Bulgaria and Romania. Poland is something of an exception; following an initial commitment to austerity measures in early 2012, the government has changed direction and is now working with the National Bank to support the country's crumbling GDP growth. While this might enable Poland to write out its 'mini-crisis', falling sales mean that many companies are already suffering.

3. Consumers are neither happy globally nor in the CE region: they are worried about elevated levels of unemployment, ranging from 5-8% in Romania and the Czech Republic to 14-17% in Slovakia and Poland. Indirect taxes are rising, social benefits are being cut and pensions are losing their value – so it is unsurprising that consumers fear for their future and are alienated by rampant public corruption.

Consumer confidence indicators in selected markets in 2013 (where zero = contentment)

China	+12 (happiest people in the world)
Sweden	+11
Germany	-5
Eurozone	-23
Spain	-32
Greece	-72 (unhappiest people in the world)
Bulgaria	-42
Czech Rep.	-20
Hungary	-36
Poland	-30
Slovakia	-29

Source: DT Global Business Consulting

Household spending in most core CE markets is currently close to zero and has been strained for several years: in Hungary, household spending has been flat or negative for close to seven years, and markets such as the Czech Republic are currently reporting retail sales have fallen by 5% in the last year.

4. Companies are not spending; eurozone companies are sitting on 1.5 trillion euros because they are not confident enough to invest, to spend or to hire workers. This trend is also visible right across the CE region. If governments engage in austerity and consumers are not spending, then the future is highly uncertain. This means that companies too are not confident enough to invest and we see this in the survey results below. Uncertainty and lack of confidence are damaging company financing and the outlook of CFOs.

5. Finally, global and regional export trade slumped last year. This trend applies to ALL CE markets, but Romania is a particularly powerful example where exports have slumped brutally in recent years:

This is a significant downward slide, but it is one that reflects global/European trends. We do except a mild export recovery this year to +2.0%, but even this presumes that there is a steady recovery in the euro-zone driven by Germany; this is not guaranteed. As in other markets, industry and investment struggle when exports fall, another source of pain for the B2B sector.

Table 15: Exports (% change annually)

Country	2010	2011	2012
Romania	15%	10%	-4.0%
Hungary	12%	6.5%	2%
Poland	15%	7.5%	0.5%
Czech Republic	12%	4%	5%
Slovakia	16%	13%	9%

The dependency on exports has also warped the structure of some economies, of which Slovakia is a very good case study. Here, strong export growth spurred industrial output to feed external demand that provided the confidence needed for investment (but even this export growth started to slow in 2011/2012).

Table 16: Slovakia GDP growth and by sector, 2010-12

	2010	2011	2012
GDP	4.4	3.2	2.0
Industrial output	18.9	7.1	10.1
Fixed investment	6.5	14.2	-3.7
Exports	16.5	12.7	8.6
Household spending	-0.9	-0.5	-0.6

It is clear from the table above that Slovak consumers were left out of the Slovak growth story. This was because wages were not rising, companies were squeezing productivity out of the existing workforce and unemployment was elevated at 12-17%, so undermining any consumer confidence and spending.

The bad news for the Slovak economy is that exports are set to slow further in 2013 to 4%.

Overall the business outlook will remain challenging until 2016-17, given that the eurozone will be weak for at least as long.

But in terms of business the CE region does have some pluses as well as minuses:

- Brand penetration is weak, and western investors have room to expand strongly
- Companies can look to expand sales in rural areas outside the capital cities
- There are opportunities for affordable innovation of products and services in the region
- EU funding does and will provide a buttress to growth and infrastructure spending
- While south-east Europe is particularly weak, closer ties with an eventually recovering EU and improved trade links by 2015-16 will act as some support.

The region remains attractive for out-sourcing as western firms look for service centres which are physically close to their European bases. The quality of human resources in the region is good to very good.

Central European comparative

This section of the report compares the expectations of CFOs from the 13 Central European countries that participated in the survey (Albania & Kosovo, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Slovakia and Slovenia). It is based on answers of 668 CFOs from a broad range of industries.

How CFOs are rising to the challenge

CE businesses are operating in difficult times, so it is unsurprising that a lack of confidence permeates the responses of participating CFOs from most of the markets across the region. There are exceptions, of course – to the north of the region, the mini-boom in the Baltic states is supporting more positive attitudes to risk and expectations for the future that are above average across many metrics.

But the recent rapid slowdown of the Polish economy and continuing negative pressures in the Czech Republic are nonetheless causing uncertainty for finance professionals across the region as its two largest economies falter in the face of continued pressures among the key trading partners of Western Europe.

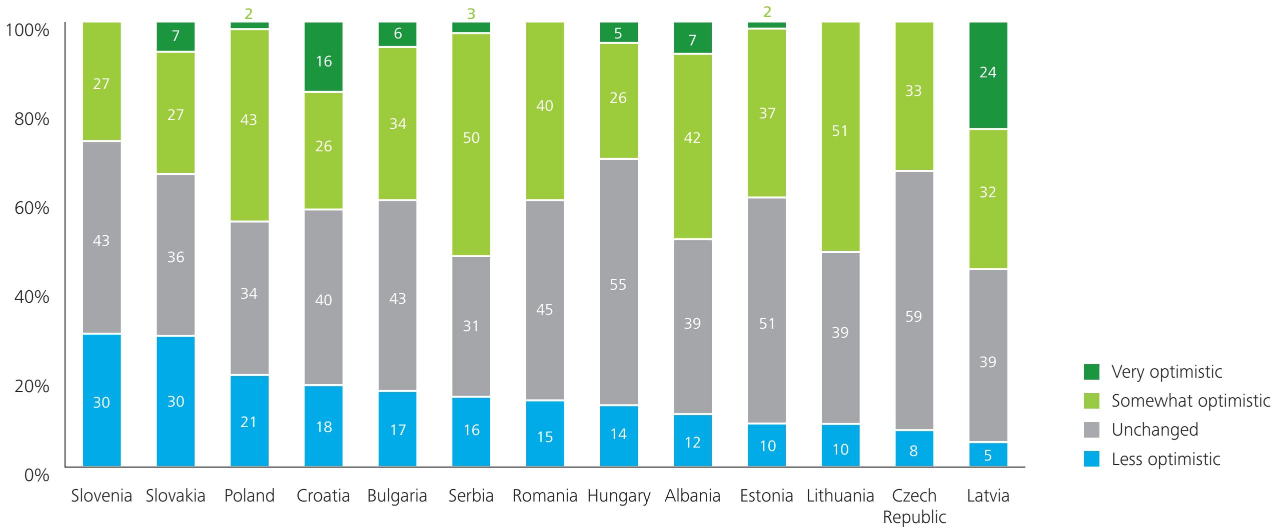
Further south, CFOs in the troubled market of Slovenia can see little prospect of improvement as the country's woes continue. Those in Hungary have only, meanwhile, raised their expectations for a less uncertain economic future because of the exceptional depths they had already plummeted.

But right across the region, embracing Bulgaria and Romania, Slovakia and Albania, Serbia and Croatia, CFOs continue to rise to the ever-evolving challenges whose roots can still be traced to the global financial crisis of 2008 and 2009. While there appears to be an emerging consensus that recovery will be well on track for most by 2017, this still represents close to a 'lost decade' for today's generation of senior financial managers. So their determination to lead their companies through such turbulent times remains impressive and inspirational.

Optimism in short supply

Quite understandably, few companies are 'very optimistic' as there are no grounds for excessive confidence. The large number of companies who expect little change in main markets such as the Czech Republic, Hungary, Romania and Slovakia is understandable as several drivers here are static. Some 43% of Polish companies are fairly optimistic about their home market compared with six months ago. The moderate/good opinion of the Baltic markets is also understandable as these markets undergo a mini-boom as they recover from deep lows. Serbian CFOs share upbeat opinions, but again a very recent softening in this market could raise doubts.

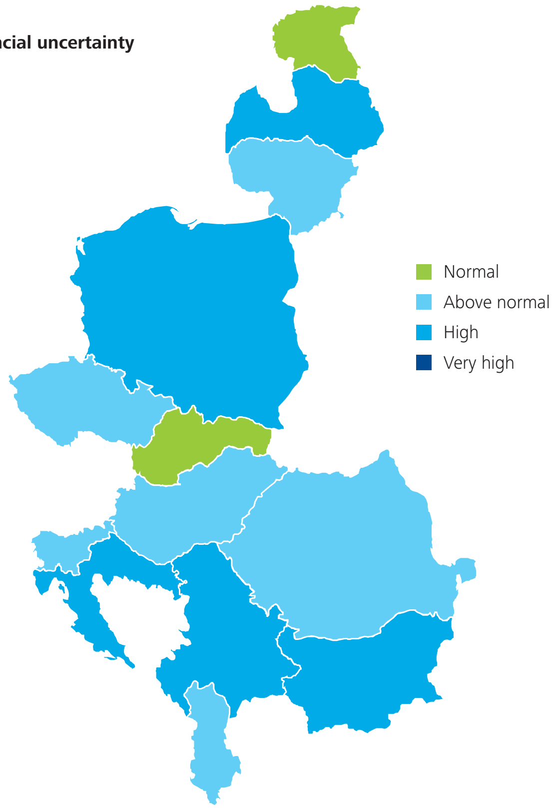
Graph 17: Financial prospects for companies (%)



Living in uncertain times

The great majority of companies express elevated levels of uncertainty, which are particularly high in Slovenia. Hungary is only less uncertain because companies have already lowered their expectations. While Croatia is feeling high levels of uncertainty as the market deteriorates, Slovakia is rightly judged as a more stable market than its neighbours. The Czech Republic has changed from a stable, even traditionally well-performing market to a much weaker one with downside risks; respondent opinions reflect this.

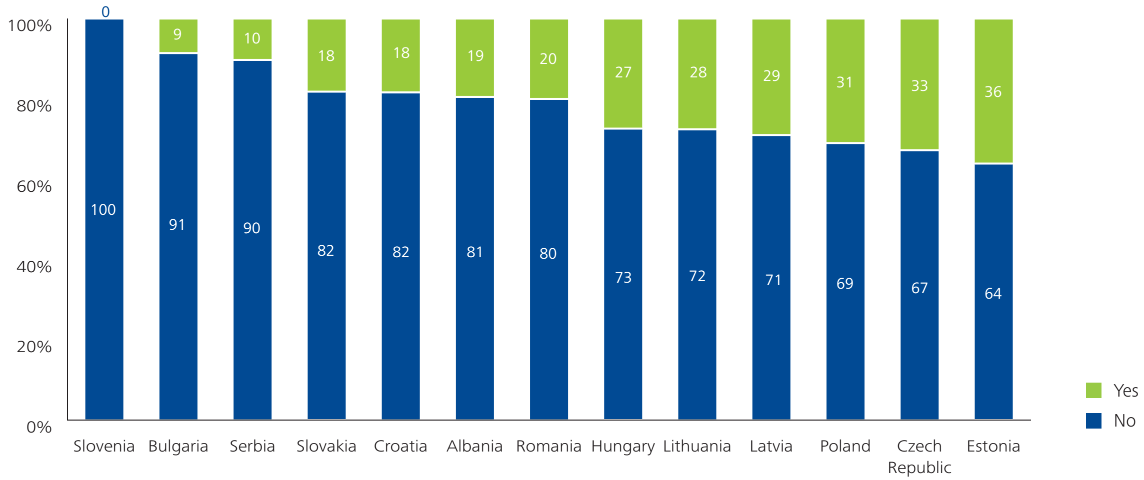
Map 18: General level of external financial uncertainty



Risk-aversion rules

Right across the region, the response is perfectly clear: companies and CFOs want to avoid risk on the balance sheet. The relatively high number of Czech CFOs who feel differently may reflect the view that while the market is currently weak, now is the time for risk in the expectation of returning stability in the medium and longer terms – and the same arguments apply to Poland.

Graph 19: CFOs' view if now is a good time to be taking greater risk onto companies' balance sheets (%)



Business focus for the year ahead

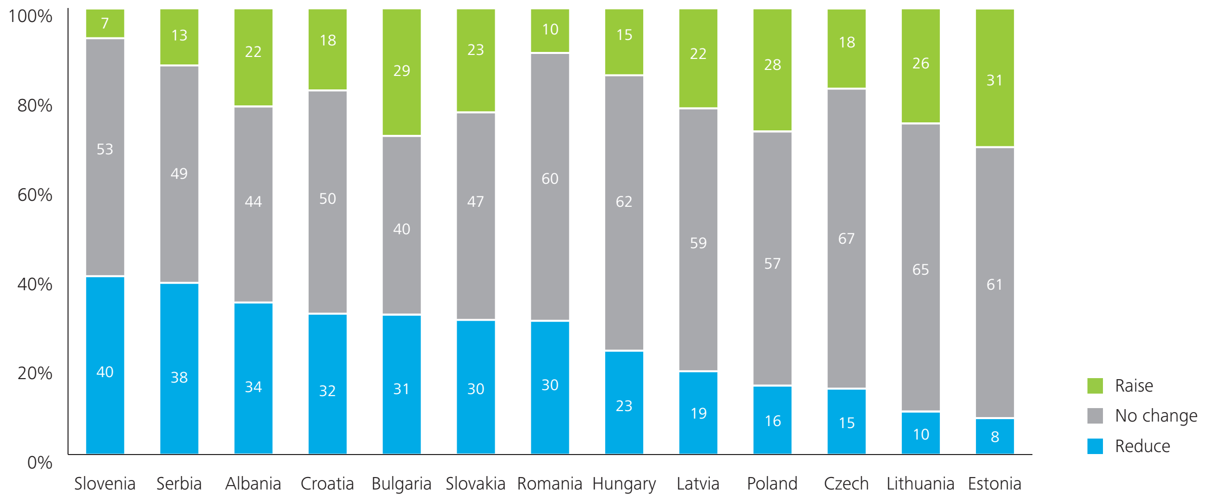
When searching for revenue growth, most CFOs across Central Europe's markets mix their priorities between domestic growth and expansion in foreign markets, which may include other core CE markets and those such as Russia and Turkey. CFOs outside Poland may be looking to the Polish market for future growth, but this remains tight and competitive.

Reducing fixed and indirect costs is important to most CFOs in the core CE markets; an exception is Poland. However, cost reduction is increasing even here. Again, the Baltic states are more focused on growth at the moment than cost cutting. Improving liquidity remains moderately important or more across nearly all CE markets.

Gearing up for no change?

Most CFOs remain cautious on the subject of gearing, with large majorities in most markets anticipating no change. Poland and the Baltics emerge as markets where gearing may be raised, while around 40% of CFOs in Slovenia and Serbia are planning to reduce their gearing.

Graph 20: CFOs' aim for the level of gearing over the next 12 months (%)

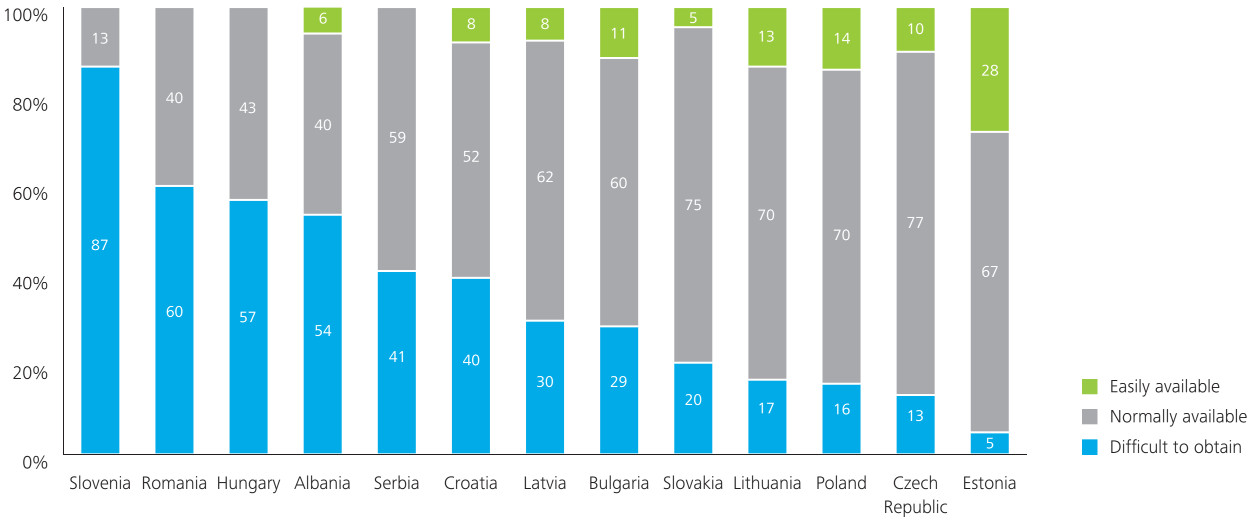


A mixed credit picture

It is a pleasant surprise that so many CFOs rate new credit as 'normally available' given the low amounts of new credit released in most core CE markets. Some of this response may be due to companies not wanting to borrow, but feeling that funds are 'on the table' if required.

That said, in Hungary, Romania and Albania more than half CFOs state that new credit is hard to find, which echoes common complaints in these markets. The worst situation seems to be in Slovenia, where almost 90% of CFOs claim that credit is difficult to obtain.

Graph 21: Overall availability of new credit for companies nowadays (%)

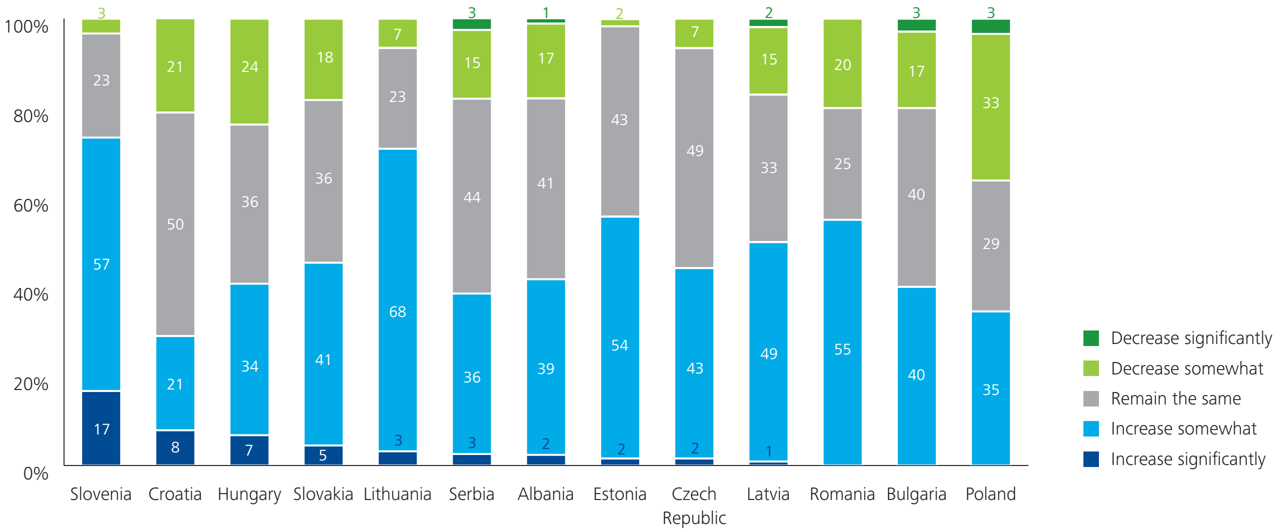


Recovery will drive up finance costs

Broadly, CFOs feel that the costs of finance are set to rise. Interest rates are low or very low in most markets; rates will start to rise, possibly slowly, whenever the economic cycle picks up, and this is reflected in most responses.

One exception is Poland where the National Bank is embarking on a cycle of interest rate cuts in response to the country's sharp economic slowdown.

Graph 22: Expected change in financing costs for companies over the next 12 months (%)

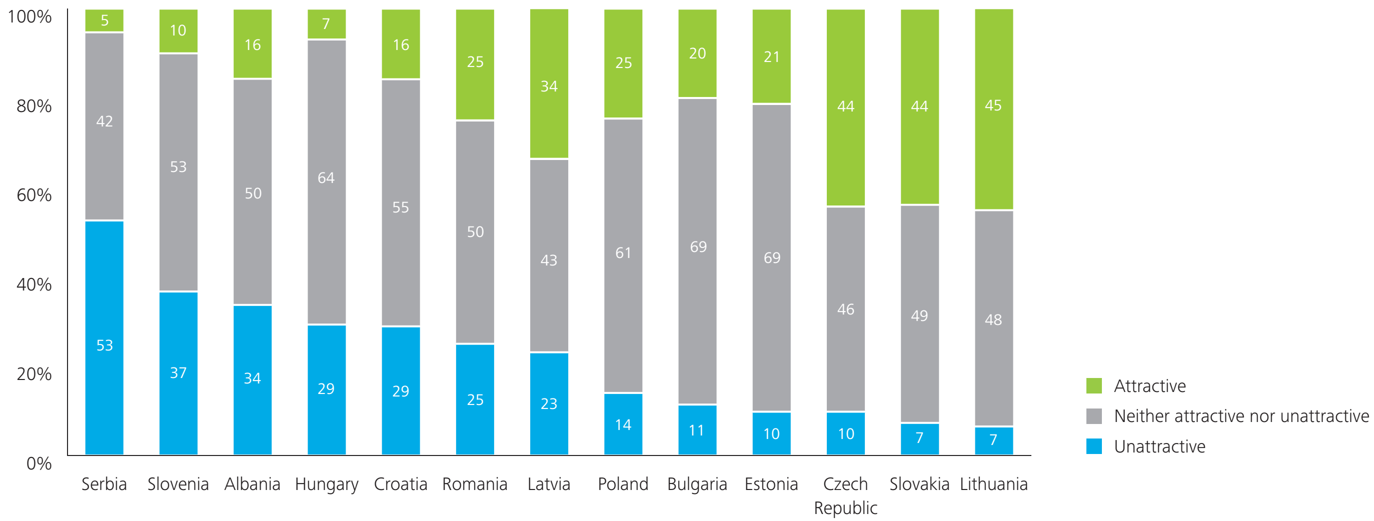


	Slovenia	Croatia	Hungary	Slovakia	Lithuania	Serbia	Albania	Estonia	Czech Republic	Latvia	Romania	Bulgaria	Poland
Decrease significantly						3	1			2		3	3
Decrease somewhat	3	21	24	18	7	15	17	2	7	15	20	17	33
Remain the same	23	50	36	36	23	44	41	43	49	33	25	40	29
Increase somewhat	57	21	34	41	68	36	39	54	43	49	55	40	35
Increase significantly	17	8	7	5	3	3	2	2	2	1			

Most CFOs are banking neutral

Most CFOs are neutral about the attractiveness of bank borrowing. This fits in with the financing and growth picture across the region, with its combination of banks not lending and some companies not wanting or needing to borrow. Several markets across the region, such as the Czech Republic, Slovakia and Lithuania regard it as more attractive than others, but there is no discernible logical pattern and variations are probably driven by specific corporate needs in those markets.

Graph 23: Attractiveness of bank borrowing as a source of funding (%)

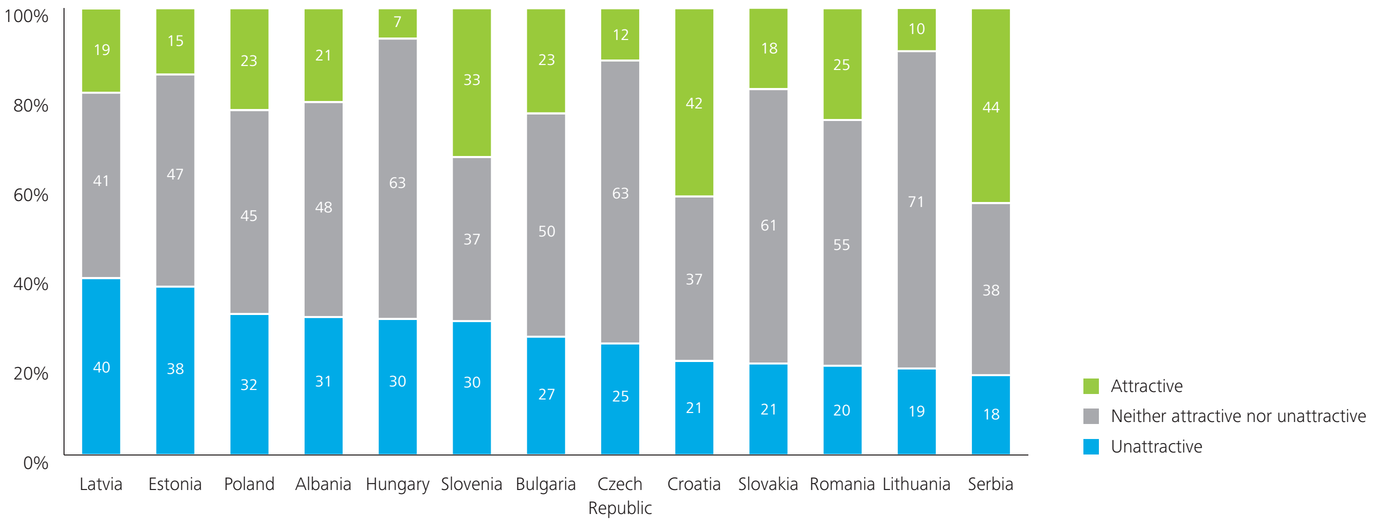


Opinions split on equity funding

Most CFOs currently find raising equity as neither an attractive nor an unattractive source of funding, but those in Croatia, Serbia and Slovenia stand out as mild exceptions and those in Latvia find it less appealing.

Responses from Poland are quite mixed, which reflects the country's shifting economic direction and increasing uncertainty.

Graph 24: Attractiveness of equity raising as a source of funding (%)

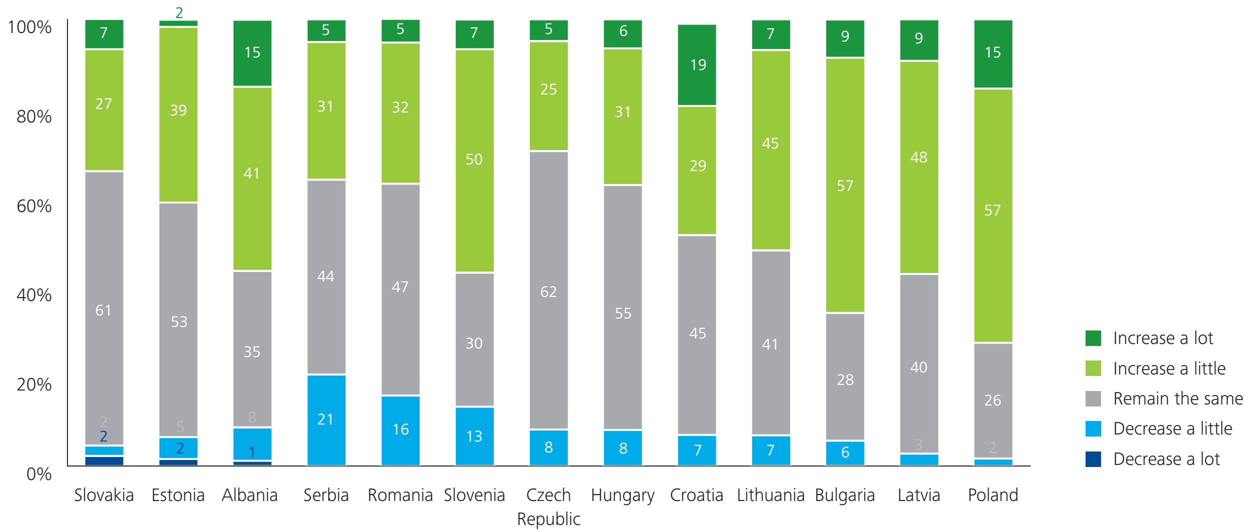


Servicing debt

Regarding companies' ability to service their debt, responses are much as expected: most CFOs predict an unchanged environment while almost the same proportion expects an improvement.

This is based on the view that markets will improve moderately over the next three years. Rising interest rates may prove a hindrance here, but it appears unlikely that rates will rise fast enough to be a problem in this period.

Graph 25: Expected change in companies' ability to service their debt over the next 3 years (%)

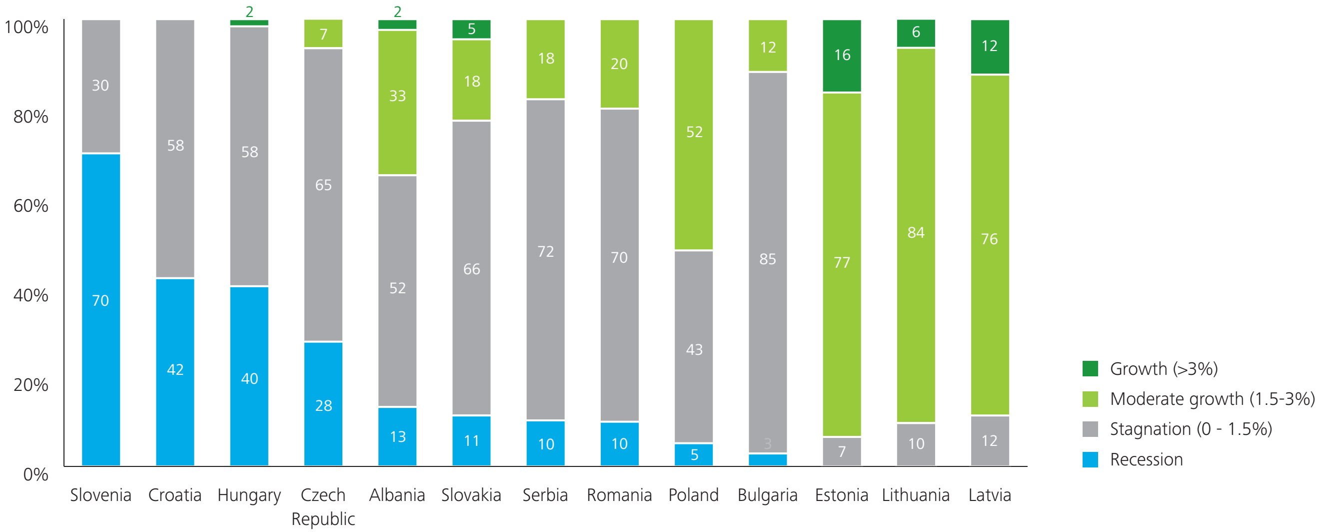


Expectations for growth

CFOs expect low single-digit GDP growth across the region, with a weaker performance expected in the Czech Republic, Croatia and Hungary and a somewhat stronger than average return from the small Baltic markets.

As last year, Slovenia is once again the most pessimistic country in the sample, with 70% of CFOs expecting recession.

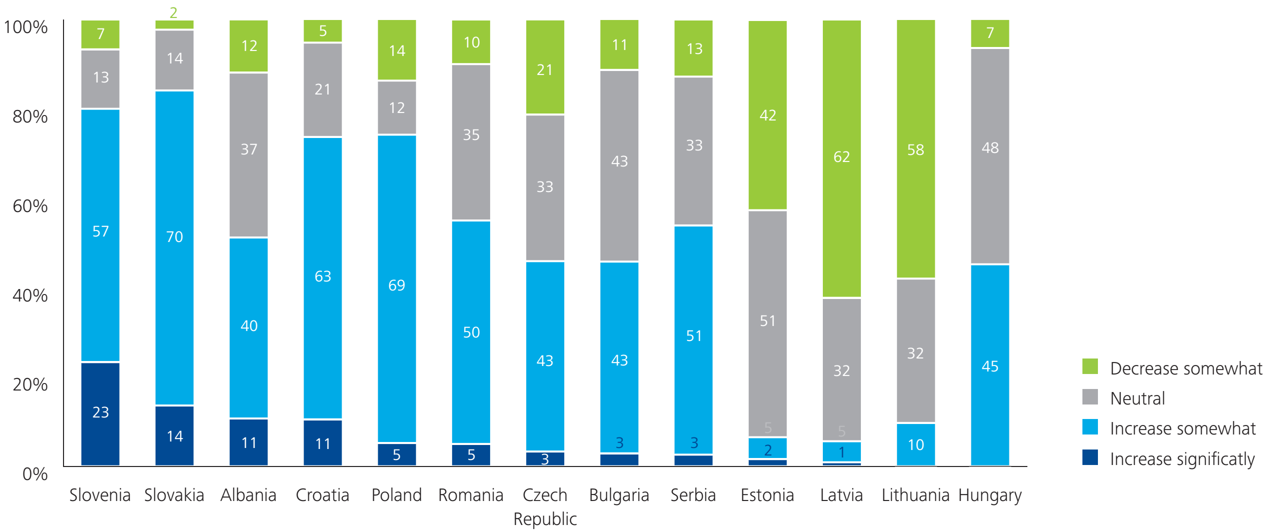
Graph 26: CFOs' expectations for the country GDP growth in 2013 (%)



Expectations for unemployment

Most CFOs expect unemployment to increase somewhat or at best remain neutral in most markets; the exception is the again Baltic states, where a majority of CFOs forecasts that unemployment will fall.

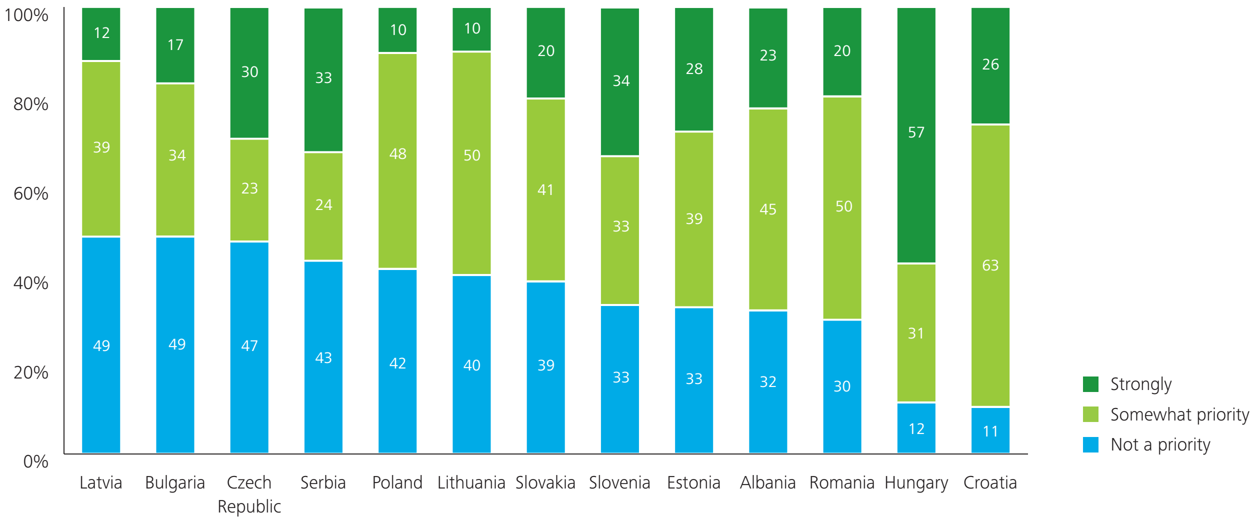
Graph 27: Expected change in unemployment level over the next 12 months (%)



A question of remodelling

CFOs are split as to whether remodelling or restructuring will be a priority for their business in the near future. This partially reflects a desire to remain stable as they wait and see how things develop; it is also partly because much has already been done in most markets. Hungary and Slovenia stand out as two markets where one third to more than half of executives expect to remodel; in Slovenia, this relates to the possible need for a bail-out and even a longer-term recession, while in Hungary the ongoing slump and government regulations also encourage further right-sizing. CFOs will also monitor developments in the Czech Republic and Croatia to see whether they need to downsize or, in Croatia's case, adapt to the EU.

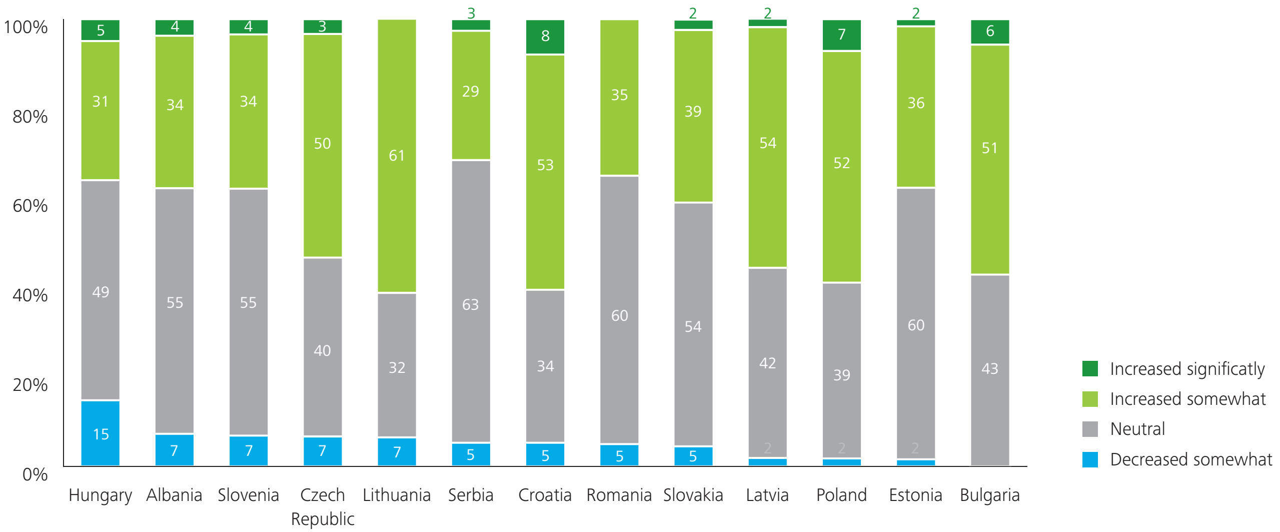
Graph 28: Expectations to what extent is business remodelling or restructuring likely to be a priority for your business over the next 12 months (%)



A marginal increase in M&A?

Regarding M&A, the respondents' outlook fits with their responses to other questions. In fact, with almost half of executives replying that they will see some slight increase in M&A this year, there is a marginally optimistic view. Some of this anticipated M&A activity will be due to sales of distressed assets, Western investors divesting and private equity playing a larger role. Again, however, almost half the CFOs from across the region expect the flat trend to continue. Moderately increased activity in Poland could be due to executives responding to the current slowdown by planning to buy and sell.

Graph 29: Expected change in M&A levels over the next 12 months (%)

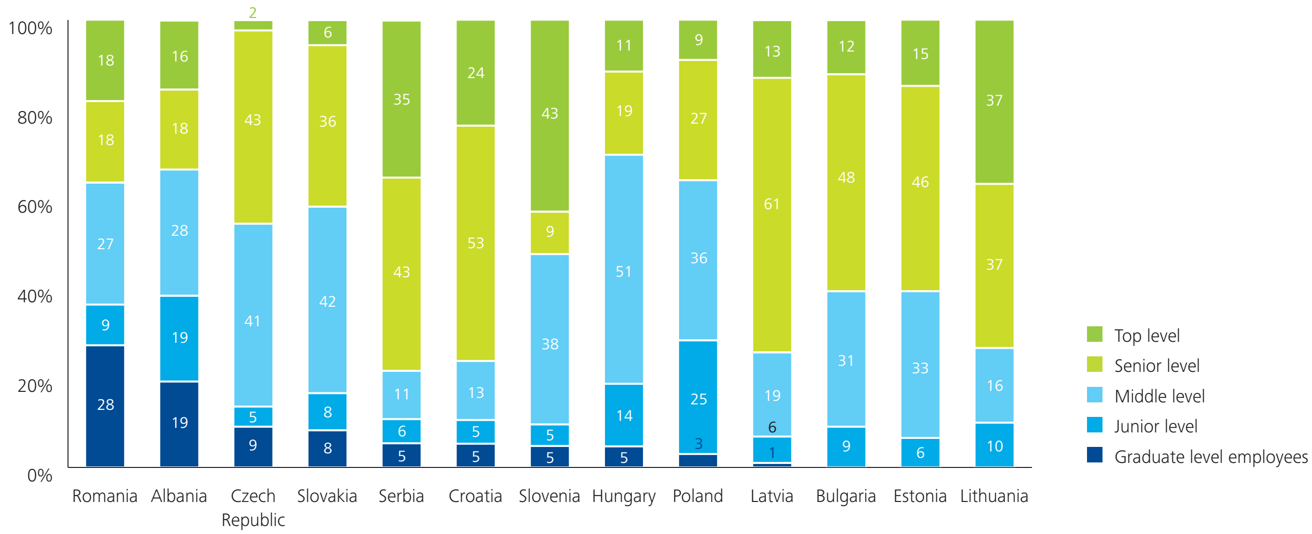


Talent in finance

Around two thirds of all respondents do not expect any talent shortages in financial roles across the region. This makes sense; there is not much of a talent shortage at the moment, and a fragile business outlook puts most power in the hands of the employers. (For comparison, this is not the case in Russia where talent shortages exist across the board and salaries remain elevated.)

That said, almost one third of CFOs do feel that there will be shortages, and this possibly includes top-quality people in key roles. This conclusion is reflected in the final question of the survey, where CFOs indicate that shortages will apply to the more senior levels. However, Romania and Albania stand out with 28% and 19% of CFOs respectively predicting quite significant talent shortages at the graduate level, which contrasts with the other countries.

Graph 30: Expected talent shortages in finance over the next year (%)



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Methodology

The 4th CFO Survey took place between the 18th of February and the 1st of April. A total of 668 CFOs across 13 countries completed our survey. The survey is divided into two parts, first - local analysis based on responses from Czech Republic and the second part is based on all the responses across the region. Not all survey questions are reported in each bi-annual survey. If you were interested to see the full range of questions, please contact ifiserova@deloitteCE.com.

We would like to thank all participating CFOs for their efforts in completing our survey. We hope the report makes an interesting read, clearly highlighting the challenges facing CFOs, and providing an important benchmark to understand how your organization rates among peers.