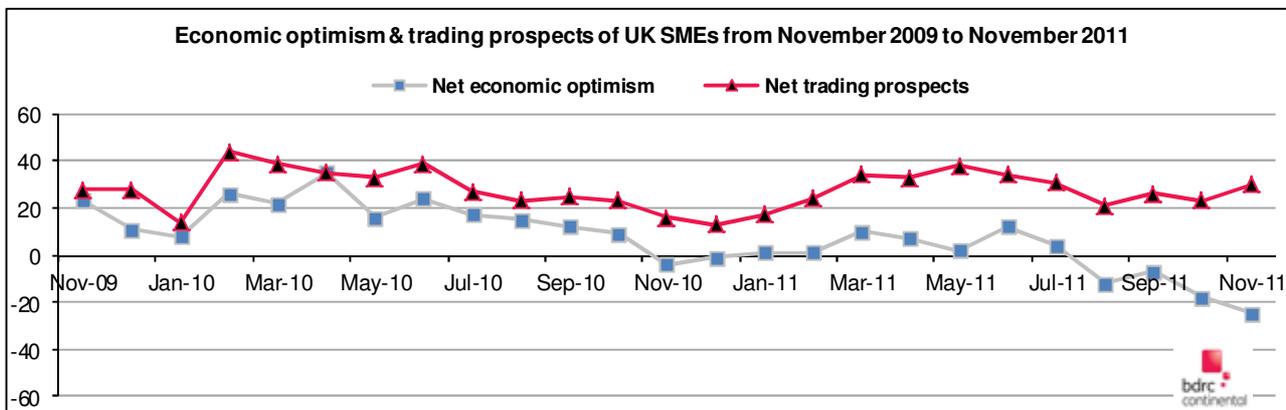


## Gap between SMEs' own trading prospects compared to economic optimism reaches record high

**London 7<sup>th</sup> December 2011:** The latest findings from BDRC Continental's Business Opinion Omnibus have revealed a remarkable disparity between SMEs' optimism for their own trading prospects, which remains relatively high, and their general economic optimism, which has fallen steadily since May this year, creating a gap of 55 points – the largest on record. [www.bdrcc-continental.com](http://www.bdrcc-continental.com)

SMEs' optimism in the economy fell to -25% in November, reinforcing fears of a double dip recession. At the same time SMEs' confidence in their trading prospects increased 7 points on October, moving to +30% net balance. Such a polarised view indicates SMEs are increasingly fearful for the state of the economy, but do not predict such a dire forecast for their own business.

### Economic optimism and trading prospects of UK SMEs – November 2009 to November 2011



All respondents: 453 businesses with up to and including 250 employees. Note that prior to May 2011 the sample comprised of 300 businesses with a turnover of between 50K-£1m.

Not since the end of 2008 has there been such difference between SMEs' economic optimism and their trading prospects. October 2008 reported a 52 point gap, with economic optimism reaching a record low at -50% net balance. The trading prospects during this period were +2%, so at +30%, SMEs are now significantly more confident in their own business now than they were throughout the last major period of economic concern.

In the past 12 months optimism in the economy has fallen sharply, from a net balance of -4% in November 2010 to -25% in November 2011. Meanwhile, confidence in SMEs' own trading prospects has increased significantly (from +16 to +30%). This has resulted in the gap between the two tracking issues, now 55 points, to become much more defined than 12 months ago where just 20 points separated the two.

Vicky Whiting, Associate Director of Financial and Business research at BDRC Continental says: "This month's results are a reflection of the concerns that SMEs have towards the current state of the economy. With recent downgraded forecasts, spiralling unemployment and the euro-zone crisis impacting on global economic markets, these are certainly worrying times for the UK economy and our economic confidence tracker has mirrored these fears with the lowest economic optimism since the recession in early 2009. It is encouraging however, to see net confidence in SMEs' own trading prospects rising. Maintaining this upbeat attitude in their own business whilst the economy is seemingly faltering provides some indication of how SMEs are positioning themselves for the future, despite operating within a vulnerable economy. The fact that a net balance of 30 per cent of SMEs predict business activity to increase is certainly the positive to take from this month's results."

Ends

**For press enquiries please contact:**

Lucy Green, Greenfields Communications [lgreen@greenfieldscommunications.com](mailto:lgreen@greenfieldscommunications.com)

Tel: +44 (0)7817 698366

**Note to editors**

The BDRC Continental Business Opinion Omnibus has been tracking the economic optimism of small and medium sized enterprises (SMEs) since 1998. Every month the BDRC Continental Business Opinion Omnibus surveys approximately 450 senior financial decision makers at businesses with up to and including 250 employees (and greater than £50k turnover). In

November 2011, BDRC Continental polled 453 SMEs from Monday 7<sup>th</sup> November to Friday 18<sup>th</sup> November 2011. Data was weighted to be nationally representative of the 1.721 million SME businesses in the UK according to turnover, region and industry based on the latest ONS data.

### **About 'Net balance'**

Net balance is the percentage of respondents replying 'increase' minus the percentage replying 'decrease'. We ignore the percentage replying 'the same' for this purpose.

*Q1- Thinking about the trading prospects for your company in the next year, do you expect business activity to increase, decrease or stay the same as the past year?*

*Q2- And thinking about the economy generally, would you say you are more optimistic than three months ago, or more pessimistic?*

### **About BDRC Continental**

BDRC Continental is the UK's largest independent market research agency. Established in 1991, the company has built an unrivalled reputation as a full service consultancy with specialist expertise across a number of sectors including business to business; financial services; travel & transport; culture, tourism & leisure; hotels, meetings & hospitality; media & advertising; internet & telecoms; Government & not for profit.

BDRC Continental is staffed by highly experienced researchers with great reputations in their individual fields as well as in the market research industry. The company is renowned for its consultative approach and ability to add value to clients' businesses by bringing insights from multiple markets to the research. This cross-disciplinary approach enables BDRC Continental to provide intelligence that is informed by a deep understanding of the client's issues and the wider market context. As well as undertaking bespoke research for a wide variety of clients, the company conducts a number of syndicated studies and has developed proprietary techniques including Traktion, Grapevine, Service Intensity, the Business Opinion Omnibus, SME Finance Monitor and ZMET Visionary Thinking. [www.bdrc-continental.com](http://www.bdrc-continental.com)