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01 About the Sage Business Index

Populus provided online interviews with 13,710 decision-makers in businesses in the USA, Canada, Germany, Austria, Switzerland, France, UK, Ireland, Spain, Portugal, Poland, South Africa, Malaysia, Singapore, Brazil, Australia and North Africa (Morocco and Tunisia). The businesses were drawn from two sources:

- 8,248 respondents were drawn from Sage's local customer databases across the USA, Canada, Germany, Austria, Switzerland, France, UK, Ireland, Spain, Portugal, Poland, South Africa, Malaysia, Singapore, Brazil, Australia and North Africa (Morocco and Tunisia). Sage's local operating companies sent an email invitation to participate to specially selected databases with a survey link provided by Populus.
- 5,462 respondents were drawn from a dedicated online panel of business people, which has 2.4 million members worldwide. A random sample of respondents whose

profiles met Sage's criteria were invited to take part in the survey, ensuring a spread of business sizes and industries. Respondents were then asked a screener question to ensure that they were a decision maker at their business.

Note: Due to the smaller sample sizes, the findings in Morocco and Tunisia were combined to create findings for North Africa

02 Introduction

The Sage Business Index is an annual global measure of confidence across small and medium sized companies. Since our last Sage Business Index in summer 2013, we have extended the reach of the survey to include 13,710 businesses from 18 countries, this time adding Australia.

This has provided us with a clear picture of the pressures and challenges faced by small and medium sized companies around the world. Sage surveyed decision-makers from small and medium

sized businesses across the globe to find out how confident they were about the prospects for their business and the national and global economy. The research identifies how decision-makers approach risk and what they see as the barriers to business growth within their country.

All scores recorded this year were at their highest since the Sage Business Index began in 2011, suggesting that business confidence has recovered following the worst of the global economic crisis.

Business decision makers were asked to plot their confidence on a scale of 1-100 on three core areas affecting their business:

- Confidence in their businesses prospects has risen 2.13 points to 64.14
- Confidence in their country's economy has risen 2.78 points to 51.63
- Confidence in the global economy has risen 3.08 points to 51.68

Global business confidence 2011 - 2014

	Summer 2011	Spring 2012	Summer 2012	Summer 2013	Summer 2014	2013 - 2014
Prospects for your business	57.88	58.86	56.46	62.01	64.14	+2.13
Your country's economy	47.11	47.26	42.47	48.85	51.63	+2.78
The global economy	44.47	43.95	42.59	48.60	51.68	+3.08

03 Executive summary of global findings

Global business confidence is at a four year high, with the majority of businesses predicting growth in turnover and staff in the next twelve months.

Confidence has been on the rise for some time but we appear to have reached a global tipping point where for the first time businesses are optimistic about the prospects for their business, their national economy and the global economy. This is underlined by their business predictions for the year ahead.

To achieve business growth, globally over a third of businesses aim to increase their customer loyalty and the same proportion aim to reduce operating costs. However, businesses around the world believe that growth is restrained by bureaucracy, especially when it comes to exporting.

Confidence

According to the Sage Business Index, businesses' confidence in their own prospects has risen from 62.01 in 2013 to 64.14 in 2014, the highest it has been in four years. Business' confidence in their national economies has risen 2.78 points to 51.63, while businesses also have greater confidence in the global economy, with confidence rising three points in the last twelve months to 51.68.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Business confidence 2014 by country

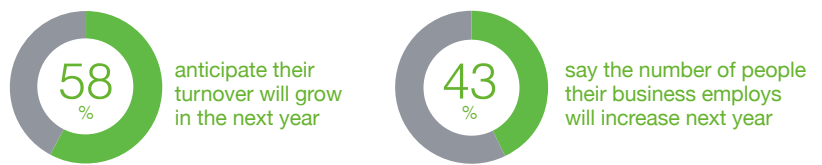
	Prospect for your business (summer 2014)	Your country's economy (summer 2014)	The global economy (summer 2014)
All markets	64.14	51.63	51.68
Australia	63.71	54.52	54.15
Austria	61.66	48.52	47.01
Brazil	70.55	43.57	53.72
Canada	67.48	56.04	51.20
France	55.45	35.07	47.44
Germany	63.63	57.32	50.53
Ireland	64.99	58.67	57.34
Malaysia	66.62	49.81	51.66
North Africa	71.76	49.03	48.89
Poland	60.88	62.32	51.70
Portugal	57.94	44.70	48.18
Singapore	66.18	59.14	54.85
South Africa	65.69	34.54	47.50
Spain	61.48	50.00	54.34
Switzerland	64.46	57.53	48.38
UK	66.29	61.76	55.90
USA	67.53	53.22	48.60

03 Executive summary of global findings

Predictions for growth

The global rise in confidence is apparent in businesses' predictions for the year ahead. The majority of businesses (58%) anticipate their turnover will grow by an average of 2.5% in the next year, while 43% say the number of people their business employs will increase in the same time period.

Predictions for growth in the next year



Attitudes to risk

The shift in confidence has also seen businesses more open to risk as nearly half (49%) of business decision makers described themselves as risk-seekers, up 2% from last year. However, nearly a third of businesses (35%) said that they have become more risk averse over the last seven years.

Predictions for growth in the next year



Decision-makers describing themselves as a risk-seeker

Exporting

Among the most confident, were those businesses operating beyond their domestic market. Over a third (41%) of businesses surveyed say they do business in countries outside their own, stating that exports account for 20% of their turnover on average. Indeed, exporters say the last year has been a good one with 40% seeing their level of exports increase and just 11% saying they have fallen. Furthermore, over half of those companies (54%) expect export turnover to increase by approximately 3.2% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 12% say they receive the support they need from government, citing the logistical costs (30%) and the level of competition in international markets (25%) as the two biggest barriers to exporting. Nearly a third of businesses (29%) believe the one thing government should do to help them grow exports is to provide greater financial incentives.

Predictions for growth in the next year

Market	Percentage	Market	Percentage
All markets	54%	Canada	54%
North Africa	78%	USA	52%
Malaysia	68%	UK	50%
Spain	67%	Portugal	50%
Brazil	66%	Germany	47%
Poland	63%	France	44%
Australia	60%	Switzerland	42%
South Africa	59%	Singapore	41%
Ireland	57%	Austria	40%



04 Country summaries

Australia

Confidence

Australian businesses are optimistic about their own prospects scoring their confidence at 63.71 points out of 100. They are more confident than many other countries when it comes to their national economy scoring it at 54.52, 2.89 points above the global average. Similarly, confidence in the global economy was 2.47 points above the global average at 54.15. This suggests that Australian business decision-makers believe that both the national and global economies are improving rather than declining.

Predictions for growth

Australian business optimism also resulted in predictions for growth over the coming year. Over half of businesses (53%) anticipate their turnover will grow by an average of 0.6% in the next year. While 40% say the number of people their business employs will increase by 2.7 people on average in the same time period.

Over half of business decision makers (53%) described themselves as risk-seekers, 4% above the global average of 49%

Attitudes to risk

Australian confidence has also seen businesses more open to risk. Over half of business decision makers (53%) described themselves as risk-seekers, 4% above the global average of 49%.

Exporting

Among the most confident, were those businesses operating beyond their domestic market. Nearly half of those surveyed (42%) currently do business in countries outside their own, stating that exports account for 21% of turnover on average. Indeed,

exporters say the last year has been a good one with 41% seeing their level of exports increase and just 11% saying they have fallen. Furthermore, the majority (60%) expect turnover to increase by 3.5% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Less than a fifth (19%) say they receive the support they need from government, with over a third (34%) saying the one thing the government should do to help them grow exports is to provide greater financial incentives.

Austria

Confidence

Austrian businesses are most optimistic when it comes to their own prospects, with confidence rising 3.57 points to 61.66 since this time last year. Confidence in the national economy rose marginally, climbing 0.42 to 48.52. However, that remains 3.11 points below the global average. Similarly, despite a slight rise of 0.36, confidence in the global economy also remains lower than elsewhere, scoring 47.01 compared to 51.68 globally.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

Despite pessimism over the national, European and global economy, the majority of businesses in Austria are planning for growth over the next twelve months. Over half of businesses (55%) anticipate their

Nearly half of businesses (46%) say their headcount will increase in the next twelve months, by an average of 1.2, while just 18% say they plan to reduce staffing levels

turnover will grow in the next year, while just 17% predict turnover will decrease. Similarly, nearly half of businesses (46%) say their headcount will increase in the next twelve months, by an average of 1.2, while just 18% say they plan to reduce staffing levels.

Attitudes to risk

Business attitudes to risk also appear to be changing. Over two fifths of business decision makers (41%) described themselves as risk-takers, compared with just 33% in 2013.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Over two thirds of Austrian businesses (70%) say they

do business in countries outside their own, stating exports account for 25% of their turnover on average. Indeed, exporters say the last year has been a good one with 36% seeing their level of exports increase and just 10% saying they have fallen. Furthermore, two fifths of those companies (40%) expect export turnover to increase by approximately 0.7% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 13% say they receive the support they need from government, with over a quarter of businesses (27%) saying the one thing government should do to help them grow exports is to provide greater financial incentives.

Brazil

Confidence

Brazilian businesses are among the most optimistic in the world when it comes to their own prospects, despite confidence falling 1.07 points to 70.55 since this time last year. However, while Brazilian businesses remain optimistic about their own prospects, confidence in the national economy dropped by 3.81 points to 43.57. However, confidence in the global economy is improving, rising 1.66 points to 53.72 since last year, 2.04 points above the global average.

Predictions for growth

Despite falling confidence in the national economy, businesses in Brazil are predicting significant growth over the next twelve months. Nearly three quarters of businesses (72%) anticipate their turnover will grow in the next year by an average of

7.3% the highest rate in all countries surveyed, while just 16% predict turnover will decrease. Similarly, nearly two thirds of businesses (65%) say their headcount will increase in the next twelve months, by an average of 5.3, while just 9% say they plan to reduce staffing levels.

Attitudes to risk

Business attitudes to risk also appear to be changing. Over three fifths of business decision makers (61%) described themselves as risk-takers, compared with 56% in 2013. Although nearly a third (32%) said they have become more risk averse over the last seven years.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Over a third of

Brazilian businesses surveyed (36%) say they do business in countries outside their own, stating that exports account for 18% of their turnover on average. Indeed, exporters say the last year has been a good one with 41% seeing their level of exports increase and just 13% saying they have fallen. Furthermore, two thirds of those companies (66%) expect export turnover to increase by approximately 4.3% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 14% say they receive the support they need from government, with over a third of businesses (35%) saying the one thing government should do to help them grow exports is to make changes to legislation.

Nearly three quarters of businesses (72%) anticipate their turnover will grow in the next year by an average of 7.3% the highest rate in all countries surveyed

Canada

Confidence

Canadian businesses are increasingly optimistic about their own prospects with confidence rising 0.68 to 67.48 over the last year, 3.34 points above the global average of 64.14. While businesses believe that the Canadian economy is improving, confidence has fallen 3.39 points to 56.04 over the last twelve months. They are also less optimistic about the global economy, with confidence down 1.35 points to 51.20 over the last year.

Predictions for growth

The global rise in confidence is apparent in businesses' predictions for the year ahead. More than half of Canadian business decision-makers (54%) expect revenue to grow in the next year by an average of 2.5% (in line with global respondents). More

than a third (37%) also anticipate that the number of people employed by their company will increase in the next year by 1.6 people on average, compared with just 9% who say they expect to reduce staffing levels.

Attitudes to risk

Canadian businesses have also become more open to risk with over half (53%) of Canadian business decision makers describing themselves as risk-seekers, up 1% from last year. This puts them well above the global average (49% risk seeking) but marginally behind their US counterparts (54%).

Exporting

Canadian businesses are relatively unlikely to do business overseas, with two thirds (62%) saying that

their company does no business in countries outside their own, and only 15% saying that they do business in three or more countries. Those who export, say their main markets are the USA (67%) and China (at just 4%). However, 39% of Canadian exporters say export revenue increased in the last year, with 54% expecting export revenue to increase by an average of 2.3% over the coming twelve months, reflecting a more positive outlook.

However, only 18% of Canadians feel they currently have the support they need from government to grow their exports. Over a third (31%) believe the government should provide greater financial incentives to help, while 20% believe the government should be championing their businesses abroad.

More than a third (37%) anticipate that the number of people employed by their company will increase in the next year by 1.6 people on average, compared with just 9% who say they expect to reduce staffing levels

France

Confidence

French businesses' remain optimistic about their own prospects, with confidence rising 0.29 points in the last twelve months. However, confidence in the national economy fell by 0.10 points to 35.07, among the lowest scores registered this year. While confidence in the global economy is improving, rising 3.33 points to 47.44 since last year, businesses remain more pessimistic than optimistic.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

Businesses appear split over their prospects for growth over the next twelve months. Over a third of businesses (38%) anticipate their turnover will grow in the next

Over a third of businesses (38%) anticipate their turnover will grow in the next year, while 37% predict turnover will decrease

year, while 37% predict turnover will decrease. On average French businesses project that turnover in the next twelve months will fall by 1.6%. Despite this, more than a quarter of French businesses say their headcount will increase in the next twelve months, by an average of 0.4, while just 16% say they plan to reduce staffing levels.

Attitudes to risk

The drop in confidence has also affected attitudes to risk with 47% of business decision makers describing

themselves as risk-takers, compared with 48% in 2013. However, nearly half of businesses (49%) said that they have become more risk averse over the last seven years.

Exporting

Among the most confident, were those businesses operating beyond their domestic market. Nearly half (44%) of businesses surveyed say they do business in countries outside their own, stating that exports account for 18% of their turnover on average. Indeed, exporters say the last year has been a good one with 32% seeing their level of exports increase and just 16% saying they have fallen. Furthermore, nearly half of those companies (44%) expect export turnover to increase by approximately 1.3% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 18% say they receive the support they need from government, with two fifths of businesses (40%) saying the one thing government should do to help them grow exports is to champion their businesses and raise awareness abroad.

Germany

Confidence

Businesses in Germany are more optimistic than ever about their own prospects, with confidence rising 1.81 points to 63.63 since 2013.

They are also increasingly confident about the German economy, which climbed 3.19 points to 57.32. Last year, German businesses were more pessimistic than optimistic about the global economy (47.93), however this year businesses feel that it is finally starting to improve (50.53).

Germany joins the UK, Ireland, Spain, and Poland in being more optimistic than pessimistic about the European economy. However, in France, Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

More than half of German businesses (58%) predict that their turnover will grow in the next year by an average of 2.3%, while only 18% anticipate that it will shrink. Businesses are also

Businesses in Germany are more optimistic than ever about their own prospects, with confidence rising 1.81 points to 63.63 since 2013

planning to employ more staff, with 38% anticipating their headcount will increase by an average of 1.5%.

Attitudes to risk

The rise in confidence appears to have had an adverse impact on businesses' attitudes to risk. Germany remains one of the most risk averse countries with only Portuguese and Austrian businesses more risk averse. Just 43% describe themselves as risk-takers, which is down 2% from the same time last year.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Nearly half of those surveyed (47%) say they do business

in countries outside their own, stating that exports account for 17% of their turnover on average. Indeed, exporters say the last year has been a good one with 39% seeing an increase in the level of exports and just 10% saying they have fallen. Furthermore, nearly half of those companies (47%) expect export turnover to increase by an average of 2.2% next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 13% say they receive the support they need from government, with 24% saying the one thing the government should do is provide greater financial incentives and 21% suggesting changes in legislation are necessary.

Ireland

Confidence

Irish businesses are more optimistic about their own prospects with confidence rising 2.92 points to 64.99 in 2014, the highest it has been in two years. But, perhaps more encouragingly, business confidence in the national economy has seen a large increase. For the first time, Irish businesses think the economy is improving, with confidence up 10.45 points to 58.67. Businesses also believe the global economy is improving, with confidence rising three points in the last twelve months to 51.68.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France

is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

The rise in confidence is reflected in businesses' predictions for the year ahead. The majority (63%) anticipate their business turnover will grow in the next year by an average of 3.2%. Additionally, 48% expect the number of people employed by their company to increase by an average of 2.7 people, while just 8% expect the number to fall.

Attitudes to risk

The shift in confidence has also seen businesses more open to risk. Nearly half (48%) of business decision makers described themselves as risk-seekers, up 2% from last year. However, two-fifths of businesses (40%) said they have become more risk averse over the last seven years, 5% above the global average (35%).

Exporting

Among the most confident were those businesses operating beyond their domestic market. Half of those surveyed (50%) do business in countries outside their own, stating that exports account for 10% of their business's turnover. Indeed, exporters say the last year has been a good one with 39% saying the level of exports has increased in the last year and just 5% saying it has fallen. Furthermore, over half of exporters (57%) anticipate that export turnover will increase in the next year by an average of 4.9%.

However, only one-in-ten (10%) Irish business decision makers feel they are supported in their ambitions to grow their exports. Over a third (41%) of all businesses think that the one thing that the Irish government should be doing to help businesses grow exports is offering greater financial incentives.

For the first time, Irish businesses think the economy is improving, with confidence up 10.45 points to 58.67

Malaysia

Confidence

Malaysian businesses are increasingly optimistic about their own prospects, with confidence rising 0.37 points to 66.24, the highest it has been in the

Two thirds of businesses (66%) predict their headcount will increase over the next year by an average of 2.1, while just 8% say that staffing levels will decrease

last four years. However, confidence in the Malaysian economy has fallen 2.29 points to 49.81, in the last twelve months. Confidence in the global economy has also fallen slightly, dropping 0.10 points to 51.66.

Predictions for growth

The rise in confidence is apparent in businesses' predictions for the year ahead. The majority of businesses (55%) anticipate their turnover will grow by an average of 0.6% in the next twelve months. Two thirds of businesses (66%) also predict their headcount will increase over the next year by an average of 2.1, while just 8% say that staffing levels will decrease.

Attitudes to risk

Business attitudes to risk also appear to have changed over the last twelve months. While nearly half (46%) of business decision makers described themselves as risk-seekers, this is down 6% from last year. Over a third of businesses

(35%) said they have become more risk averse over the last seven years.

Exporting

Among the most confident, were those businesses operating beyond their domestic market. Over a third of those surveyed (37%) do business in countries outside their own, stating that exports account for 24% of their turnover on average. Indeed, exporters say the last year has been a good one with 46% seeing turnover from exports increase and just 15% seeing a decrease. Furthermore, 68% expect turnover to increase by an average of 2.9% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Only 40% of businesses say they receive the support they need from government to grow their exports and nearly half of businesses (47%) believe the one thing government should do to help them grow exports is to provide greater financial incentives.

North Africa

Confidence

North African businesses are most optimistic about their own prospects, with confidence rising 10.84 points to 71.76 in the last year, the highest score of all countries surveyed.

There were also increases in the level of confidence in the national and global economy, rising 3.17 points to 49.03 and 1.14 points to 48.89 respectively. Although these figures suggest they remain more pessimistic than optimistic about both.

Predictions for growth

Optimism over their own prospects is apparent in businesses' predictions for the year ahead. Two-thirds (66%) – the second highest globally – anticipate their turnover will grow by an average of 6.4% in the next year. The same percentage also say the number of people their business employs will increase by an average of 3 in the same time period.

North African businesses are most optimistic about their own prospects, with confidence rising 10.84 points to 71.76 in the last year, the highest score of all countries surveyed

Attitudes to risk

Businesses have also become more open to risk with nearly two-thirds (63%) of decision makers – the highest globally – describing themselves as risk-seekers, up 14% from last year.

Exporting

Among the most confident, were those businesses operating beyond their domestic market. Over half of North African businesses surveyed (52%) say they do business in three or more countries outside their own, stating that exports account for 24% of their turnover on average. Indeed, exporters say the last year has been a good one with 40% seeing their level of exports increase and just 16% saying they have fallen. Furthermore, over three quarters of those companies (78%) expect export turnover to increase by approximately 6.8% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just under a third (31%) say they receive the support they need from government and nearly two-thirds of businesses (63%) believe that the government should champion businesses and raise awareness abroad to further grow exports.

Poland

Confidence

Polish businesses are more optimistic than ever about their prospects with confidence rising 3.28 points to 60.88. They are the most confident of the countries surveyed when it comes to their national economy, with scores rising 2.13 points to 62.32, and are increasingly confident in the global economy, rising 4.65 to 51.70 since last year.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

Poland's rise in confidence is apparent in businesses' predictions for the year ahead. Two-thirds of businesses (63%) predict that their business turnover will grow by an average of 3.6% in the next year, compared to just 22% who believe it will shrink. Similarly, 50% anticipate that the

They are the most confident of the countries surveyed when it comes to their national economy, with scores rising 2.13 points to 62.32

number of people employed by their company will increase by an average of 2.2 in the next year, with only 12% planning to reduce staffing levels.

Attitudes to risk

The shift in confidence has also seen businesses more open to risk. Nearly two-thirds of business decision makers (59%) described themselves as risk-seekers, up 7% from last year, and 10% higher than the global average. However, a quarter of businesses (25%) said that they have become more risk averse over the last seven years.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Over a third of those surveyed (43%) say they do business in countries outside their

own, stating that exports account for 20% of their turnover on average. Indeed, exporters say that the last year has been a good one with 47% saying the level of turnover generated by exports has increased (more than in any other market) with just 13% it had fallen. Furthermore, 63% of exporters anticipate exports will increase in the next year by an average of 5.2%.

However, most Polish businesses do not feel they are supported in their ambitions to grow their exports. Just 15% say they receive the support they need from government. Legislation changes (33%), the championing of businesses abroad (27%), and financial incentives (20%) are seen as the most important things the government should be doing to help businesses grow exports.

Portugal

Confidence

Portuguese businesses remain optimistic about their own prospects, with confidence rising 5.07 points to 57.94 in the last twelve months. However, despite a significant rise of 7.34 points to 44.70, confidence in the national economy remains 6.93 points below the global average. Similarly, despite confidence in the global economy rising 5.79 points to 48.18 in the last twelve months, it remains 3.5 points below the global average.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

Portugal also appear to trail other nations when it comes to their prospects for growth over the next twelve months. Just 42% of businesses anticipate their turnover will grow in the next year, compared with 58% globally, while 30% predict turnover will decrease. On average Portuguese businesses predict that turnover in the next twelve months will fall by 0.6%. Despite this, more than a quarter (29%) of businesses say their headcount will increase in the next twelve months, by an average of 0.6, while just 7% say they plan to reduce staffing levels.

Attitudes to risk

The rise in confidence has also affected attitudes to risk with 40% of business decision makers describing themselves as risk-takers, compared with 38% in 2013. However, nearly half of businesses (44%) said that they have become more risk averse over the last seven years.

Exporting

Among the most confident, were those businesses operating beyond their domestic market. Nearly a third (36%) of businesses surveyed say they do business in countries outside their own, stating that exports account for 22% of their turnover on average. Indeed, exporters say the last year has been a good one with 37% seeing their level of exports increase and just 14% saying it has fallen. Furthermore, nearly half of those companies (50%) expect export turnover to increase by approximately 2.1% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 6% say they receive the support they need from government, with two fifths of businesses (40%) saying the one thing government should do to help them grow exports is to provide greater financial incentives.

Just 42% of businesses anticipate their turnover will grow in the next year, compared with 58% globally, while 30% predict turnover will decrease

Singapore

Confidence

Singaporean businesses are among the most optimistic despite decreasing levels of confidence over the last twelve months. Confidence in their own prospects has fallen by 0.78 points to 66.18 in the last year but remains 2.04 points above the global average. Confidence in the national economy has also fallen by 2.49 points to 59.14 in the last twelve months, but is 7.51 points above the global average. While businesses also have less confidence in the global economy, with confidence dipping marginally by 0.3 point to 54.85, but staying 3.17 points above the global average.

Predictions for growth

Despite their optimistic outlook, few businesses in Singapore expect significant business growth over the next 12 months, in comparison with other countries. Under half of businesses (45%) anticipate turnover will grow by an average of 1.8% in the next year, compared with the

predicted global rate of 2.5%. Despite this, nearly half of Singaporean businesses (49%) say their headcount will increase by an average of 2.4 while just 9% say it will decrease.

Attitudes to risk

Singaporean businesses are also more open to risk than this time last year. Nearly half of business decision makers (48%) described themselves as risk-seekers, up 4% from last year. However, nearly two-thirds of businesses (61%) said that their attitude to risk has remained the same over the last seven years.

Exporting

Businesses in Singapore are more likely to export than those in most other countries. Over three quarters (76%) currently do business outside of their domestic market, stating that exports account for 29% of their turnover on average. Indeed exporters say the last year has been a good one with 38% seeing

Confidence in their own prospects has fallen by 0.78 points to 66.18 in the last year, but remains 2.04 points above the global average

their level of exports increase and just 11% saying they have fallen. Furthermore, 41% of exporters expect export turnover to increase by approximately 1.9% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 35% of Singaporean businesses say they receive the support they need from government, with 38% saying the one thing government should do to help them grow exports is to provide greater financial incentives.

South Africa

Confidence

While South African businesses remain optimistic about their own prospects, confidence fell by 0.11 points to 65.69 in the last twelve months. Confidence in the national economy dropped by 5.38 points to 34.54, and was the lowest of all countries surveyed this year. However, confidence in the global economy is improving, rising 0.73 points to 47.50 since last year, although it remains 4.18 points below the global average.

Predictions for growth

Despite low levels of confidence in the national and global economy, businesses appear optimistic about their prospects for growth over the next twelve months. Nearly two thirds of businesses (65%) anticipate their turnover will grow in the next year by an average of 4.9%, while just 22% predict turnover will decrease. Similarly, over half (51%) of South African businesses say their headcount will increase in the next twelve months, by an average of 2.8, while just 12% say they plan to reduce staffing levels.

Attitudes to risk

Business attitudes to risk also appear to be changing. Half of business decision makers (50%) described themselves as risk-takers, compared with 48% in 2013. Although 40% said that they have become more risk averse over the last seven years.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Over two fifths of businesses (41%) surveyed say they do business in countries outside their own, stating that exports account for 17% of their turnover on average. Indeed, exporters say the last year has been a good one with 40% seeing their level of exports increase and just 14% saying they have fallen. Furthermore, over half of those companies (59%) expect export turnover to increase by approximately 3.2% in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 7% say they receive the support they

Nearly two thirds of businesses (65%) anticipate their turnover will grow in the next year by an average of 4.9%, while just 22% predict turnover will decrease

need from government, with over a third of businesses (36%) saying the one thing government should do to help them grow exports is to offer more financial incentives.

Spain

67% of exporting businesses expect export turnover to increase by an average of 3.9% next year

Confidence

Spanish businesses' confidence in their own prospects has risen from 55.8 in 2013 to 61.48 in 2014, the highest it has been in four years. Confidence in Spain's economy has also increased 6.81 points to 50.00, while businesses also have greater confidence in the global economy, with confidence rising 5.15 points in the last twelve months to 54.34.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring

56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

This rise in confidence is apparent in businesses' predictions for the year ahead. Six-in-ten Spanish businesses (60%) forecast their turnover will grow in the next year by an average of 1.5%, while only 23% predict that it will shrink. Similarly, 42% say their number of employees will increase by an average of 1.6 with just 11% saying they will reduce staffing levels.

Attitudes to risk

The shift in confidence has also seen businesses more open to risk with over half (52%) of business decision makers describing themselves as risk-seekers, just above the global average of 49%.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Over half of those surveyed (58%) do business outside of their own country, stating that exports account for 22% of their turnover on average. Indeed, exporters say the last year has been a good one with 46% seeing their level of exports increase and just 13% saying they have fallen. Furthermore, 67% of those companies expect export turnover to increase by an average of 3.9% next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports and want more financial support as well as advice and guidance. Just 10% say they receive the support they need from the government. To grow exports, 30% say that financial incentives would help, followed by 24% who claim that the government should champion their businesses and raise awareness abroad, and another 24% who state that the government should provide more advice and guidance.

Switzerland

Nearly half (43%) of those surveyed say they do business in countries outside their own, stating that exports account for 19% of their turnover on average

Confidence

Swiss businesses are optimistic about their own prospects, with confidence rising 0.93 points to 64.46 in the last year. Similarly, confidence in the Swiss economy is improving rising 0.05 points to 57.53. However, confidence in the global economy has fallen by 2.15 points to 48.38, suggesting that businesses are more pessimistic than optimistic when it comes to economic conditions in the rest of the world.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all

countries scoring below 50. France is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

The rise in confidence in businesses' own prospects is reflected in their predictions for the year ahead.

The majority (51%) anticipate an increase in turnover by an average of 1.5%. However, only 32% plan to hire more people in the next year, compared with 43% globally.

Attitudes to risk

While confidence has remained stable in Switzerland since 2013, businesses have become more open to risk. Nearly half of business decision makers (49%) described themselves as risk-seekers. However,

nearly a third of businesses (35%) said they have become more risk averse over the last seven years.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Nearly half (43%) of those surveyed say they do business in countries outside their own, stating that exports account for 19% of their turnover on average. Indeed, exporters say the last year has been a good one with 30% seeing an increase in the level of exports and just 9% seeing a decrease. Furthermore, 42% anticipate that export turnover will increase in the next year.

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 13% say they receive the support they need from government. Nearly a quarter (23%) say the one thing the government should do to help them grow exports is to champion their businesses and raise awareness abroad, while 20% say the government should provide greater financial incentives.

UK

Confidence

Businesses in the UK are more optimistic about the prospects for their own business rising 3.74 points to a four-year high of 66.29. Similarly, businesses have greater confidence in the national economy following a 7.81 increase to 61.76 in the last year, putting them 4.44 points ahead of German businesses and 26.69 points ahead of those in France. Confidence in the global economy is also the highest it has been in four years, after rising 5.15 points to 55.90, 4.22 points above the global average.

In Europe, countries are split over the prospects for the European economy. Businesses in Ireland and Spain are most confident, scoring 56.40 and 54.14 respectively, while the UK, Germany and Poland are all more optimistic than pessimistic. However, in Austria, Switzerland and Portugal the reverse is true, with all countries scoring below 50. France

is the most pessimistic about the European economy of all nations surveyed, scoring just 44.08.

Predictions for growth

The rise in confidence is reflected in businesses' predictions for the year ahead. Nearly two-thirds (63%) expect their turnover to grow in the next year by 3.5% on average. Almost half of businesses (47%) anticipate that the number of people their company employs will also increase by an average of 1.9, compared with just 6% who believe it will decrease.

Attitudes to risk

The rise in confidence has also resulted in a shift in business attitudes. Nearly half of business decision makers (44%) describe themselves as risk seekers, up 2% from last year. However, the UK still ranks as one of the more risk averse countries, trailing risk seekers in the US (54%) and Brazil (61%).

Exporting

Among the most confident were those who also do business outside of their domestic market. Two fifths (40%) of those surveyed currently do business in countries outside their own, accounting for 20% of their turnover. Indeed, the last year has been a good one for exporters with 39% seeing an increase in their level of exports and just 10% seeing a decrease. Furthermore, 50% predict that turnover generated by exports will increase by an average of 3.4% next year.

In spite of this, few UK businesses feel they receive enough help with exports from the UK Government. Only 8% feel they receive the support they need to help grow their exports, with 28% saying the government should offer greater financial incentives and 22% say it should champion businesses and raise awareness abroad.

Businesses have greater confidence in the national economy following a 7.81 increase to 61.76 in the last year, putting them 4.44 points ahead of German businesses and 26.69 points ahead of those in France

USA

Confidence

US business optimism over their own prospects is the highest it has been for four years, with confidence rising 2.88 points to 67.53 in the last year. Confidence in the local economy is also improving, climbing 0.42 to a four-year high of 53.22. However, despite an improvement of 0.80 points, doubts over the global economy remain, with businesses rating their confidence at 48.60, 3.08 points below the global average.

Predictions for growth

The rise in confidence is reflected in businesses' predictions for the year ahead. The majority of businesses (58%) anticipate their turnover will grow by an average of 3.1% in the next year (above the global average of 2.5%). Nearly half (44%) say the number of people their business employs will also increase in the same time period, by 2.5 people on average.

Attitudes to risk

More than half (54%) of American decision-makers describe themselves as risk seekers, and only a quarter as risk averse, placing them above the global average (49% risk seekers and 31% as risk averse). This is also a 7% increase in the number of risk-seekers in the last twelve months.

Exporting

Among the most confident were those businesses operating beyond their domestic market. Nearly a third of those surveyed say they do business in countries outside their own, stating that exports account for 17% of their turnover on average. Indeed exporters say the last year has been a good one, with 45% seeing their level of exports increase and just 9% saying they have fallen. Furthermore, more than half (52%) expect export turnover to increase by 4.5% on average in the next year.

The majority of businesses (58%) anticipate their turnover will grow by an average of 3.1% in the next year (above the global average of 2.5%)

However, many businesses do not feel they are supported in their ambitions to grow their exports. Just 16% say they receive the support they need from government, with a quarter saying the one thing the government should do to help them grow exports is to make changes to legislation, while 24% would like to see greater financial incentives.



05 Methodology

We have applied an index methodology which allows us to measure the changing mood of the businesses surveyed in relation to business and economic confidence. The Sage Business Index is based on a scale of one to 100 where 0 means a significant decline, 100 means a significant improvement, and 50 means it is no different.

For the business confidence question the scale translates to below 50 as less confident, over 50 is more confident and 50 is no different. We

retrospectively applied this index methodology to the countries that took place in the first business survey in February 2011 (US, Canada, UK, Germany and France) where the questions were asked as follows:

- “Do you feel your country’s economy is recovering or declining?” and “Do you feel the global economy is recovering or declining?” Sage Business Index scores have been derived from this data where answer options in this study, and their Sage Business

Index score weighting, were: “It is recovering significantly (100)”, “It is recovering slightly (75)”, “It is no different (50)”, “It is declining slightly (25)”, “It is declining significantly (0)”

- “Are you more or less confident of your business prospects over the next year?” Sage Business Index scores have been derived from this data where answer options in this study, and their Sage Business Index score weighting, were: “More confident (75)”, “No different (50)” and “Less confident (25)”

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