

Gain “ but not without pain:- Australia sees revenues rising but slowdown in pace of growth

In Australia 25% more medium-sized businesses than the global average (42%) report that they have experienced a rise in revenues

Global

economic growth is progressing steadily, but full recovery will not be reliably under way until December 2010, according to the latest edition of the bi-annual Regus BusinessTracker survey. The surveys 15,000 respondents reported a higher percentage of businesses seeing revenue and profit growth than were experiencing decline. However, respondents, who were asked When do you expect economic recovery and growth to be advancing strongly and reliably in your country? have now shifted their expectation of the full momentum of economic recovery back five months, from July to December. In Australia specifically, net growth companies are positive at 29%, but optimistic recovery expectations have shifted a little from June 2010 to September 2010.

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key findings of this worldwide survey emphasize that the business community needs to retain an element of caution in their optimism. The study revealed net growth, with 12% more firms reporting a rise in revenues rather than a decline, and 8% more companies experiencing an increase in profits rather than a reduction. However, businesses across the globe need to stay focused on strategies for cost management, streamlining and greater operating flexibility.

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edition of the Regus BusinessTracker international economic indicator survey was conducted in over 75 countries and canvassed over 15,000 respondents about the financial performance of their companies and their expectations for growth.

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survey also analyzed the effects of company size on economic expectations and stimuli. In Australia 25% more medium sized businesses than the global average (42%) had experienced a rise in revenues, as a result large businesses were 40% more bullish than the global average about the recovery taking place in the first half of 2010 (globally 14%). When asked about the measures they believed would be most effective in aiding the recovery, 78% of small businesses (globally 64%) advocated additional tax breaks for businesses suggesting that this measure may help smaller businesses improve their revenues and profitability on a par with their larger counterparts.

The survey also analysed sector differences, finding that here in Australia where we have a higher level of confidence, the media and marketing sector is 36% more positive than the global average that the recovery will take place as soon as the first half of 2010. With the Australian banking systems strength, commodities demand from China and prompt policy response it is not surprising that the recovery should start much sooner in this economy.[1]

Mark Dixon, Chief Executive of workspace solutions provider Regus, comments: Despite the slippage between expectations and real experience of business growth observed in this latest survey, it is important to emphasize that the experience of growth is overall still positive around the globe, with only Spain in showing a net revenue decline and Australia being particularly placed to exploit demand from growing economies.[2]

An important caveat remains, however; commentators everywhere agree that businesses must take some important lessons away from the downturn. In particular the restructuring of workforces and workplaces should become a continuing process as the flexible working practices which helped weather the recession have yielded a number of positives for employers and employees alike. Anecdotal evidence gathered by Regus from its operations globally indicated that the shift from traditional commercial property leasing to solutions that accommodate more flexible working systems is certainly underway and likely to play a large part in the coming recovery.

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[1] Source: The IMF, Recovering from the Global Crisis: Exit Policies and Challenges Ahead, 3rd March 2010

[2] Source: as above About Regus

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Contacts

Kayleigh Ford
0404 638 222
mailto: kayleigh@bondpr.com