

According to Grant Thornton International Business Report, global confidence remains unexpectedly robust

## Press release

Optimism has increased in Botswana 25 per cent this year from (+positive) 41 per cent to +66 per cent, well above the global average of +42 per cent.

Botswana is the only country in the survey which is increasing in optimism for the next 12 months across all seven indicators. They are also the highest risers in optimism for profitability, investment in new buildings and investment in new machinery.

The economy is expanding at a strong pace and prospects for 2008 are good as the positive near-term outlook for diamond mining and cattle farming underpin expansion throughout the economy

Businesses are resilient in the face of global financial turmoil according to the Grant Thornton International Business Report (IBR). The annual survey of privately held businesses shows that despite intense media coverage of the global financial crisis, 64 per cent of businesses report feeling optimistic about the economic outlook for the next 12 months. This is only three percentage points lower than that reported in January 2007. Optimism in the United States has even gone up this year to 22 per cent from 14 per cent, despite the sub-prime mortgage crisis and resulting credit crunch.

When asked about specific business practices, survey respondents are positive about the future. 64 per cent of businesses globally expect turnover to increase over the next 12 months. 34 per cent of businesses globally are expecting to raise their selling prices over the next twelve months. 22 per cent of businesses globally are expecting to increase exports, a two per cent increase on 2007.

However, is the optimism of the surveyed global business leaders misplaced? . **Jay Ramesh, Managing Partner of Grant Thornton in Botswana says:** The positive survey result is very encouraging after a period of very low activity in this part of the world. It reflects confidence that our region is set for growth. We can reasonably expect global attention turn towards Africa more especially to the Sub-Saharan African region.

We have to monitor the consumption pattern in the economy and exercise restraint in non-productive spending that could lead to higher inflation, increase in interest rates etc. Channelising resources into revenue generating projects and promoting the savings culture will bring about stability and positive trends in the economy.

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### Balance of optimism vs pessimism over the next 12 months

	Philippines	95
	India	95
	Vietnam	87
	Singapore	84
	Hong Kong	82
	Poland	78
	Australia	77
	Mainland China	77
	South Africa	75
	Denmark	74
	Brazil	70
	Netherlands	70
	Germany	67
	Botswana	66
	Mexico	62
	Armenia	61
	Sweden	61
	Russia	58
	Canada	42
	Malaysia	38
	Argentina	38
	France	36
	New Zealand	30
	Turkey	28
	Belgium	26
	US	22
	Greece	22
	Ireland	17
	UK	14
	Spain	1
	Italy	0
	Taiwan	(9)
	Thailand	(30)
	Japan	(44)

**Notes to editors**

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2008, this will result in a donation of over US\$39,000.

The research was conducted by Experian Business Strategies Limited. To find out more about IBR and to obtain details of IBR reports and results please visit [www.internationalbusinessreport.com](http://www.internationalbusinessreport.com).

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Grant Thornton Acumen is the Botswana member firm of Grant Thornton International. With branch offices in Selebi –Phikwe and Francistown Grant Thornton Acumen is the leader in their chosen market of privately held businesses. Offering a wide range of professional services Grant Thornton Acumen is “A Category of One”.