



Global Businesses Look to 2013 with Renewed Confidence, According to Research from FTI Consulting

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Business Leaders Recognise the Need to Invest in Innovation to Overcome Low Growth Banking Sector Rebuilding Trust with the Business Community Survey Highlights Global Business Support for a 'Brexit' Business Leaders Recognise the "Two Super Power World," with China Edging Ahead of the United States

DAVOS, Switzerland, Jan. 21, 2013 /PRNewswire/ -- Global business leaders have entered the New Year feeling surprisingly confident about future growth prospects, according to the latest research from FTI Consulting, Inc. (NYSE: FCN), the global business advisory firm dedicated to helping organisations protect and enhance their enterprise value.

In a poll of more than 1,000 business leaders in major global economies, FTI Consulting found that 77% of respondents are optimistic about significant global economic growth in 2013. This compares with 45% optimism expressed in a similar poll conducted in January 2012. The optimism is fairly evenly spread across the regions: 76% in Europe, 78% in North America and 75% in Asia.

With business leaders feeling more secure about global economic prospects for 2013, executives are anticipating some growth for their own businesses. 62% of respondents to the FTI Consulting poll expect increasing growth and prosperity for their own organisations: 48% in Europe, 71% in North America and 61% in Asia. Furthermore, 61% expect growth of over 2% in the coming year, while 10% are expecting growth of 10% or more.

The FTI Consulting poll also found there still is appetite for acquisitions, with 42% of respondents saying they will make an acquisition in their own region and 37% outside their own region. Innovation will be a key theme for 2013, with 57% of respondents planning to invest in innovation to combat low growth in 2013. The focus on innovation is most pronounced in Europe: 61% compared with 53% in North America and 49% in Asia.

The general feeling that the economy has started to turn the corner is further demonstrated by a surprisingly positive attitude towards the banking sector. 89% of global business leaders believe the banking sector in their home country has a positive reputation, and 85% feel the banking sector globally is in a good state. Nearly five years after the collapse of Lehman Brothers, 70% of respondents are confident there is a strong enough global regulatory framework in place to prevent the risk of another banking crisis.

When asked about threats to growth, 58% of respondents remain concerned about ongoing problems in the Eurozone, with a further 49% concerned about the negative trickle-down effect from the ongoing fiscal problems in the United States, 48% concerned about the ongoing credit crisis and 43% concerned about slowing growth in China. The BRICS (Brazil, Russia, India, China and South Africa) appear to provide some salvation to these risks and threats, with 58% of global business leaders polled believing the biggest opportunities in 2013 are in these countries.

"Having spent the past five years grappling with the global banking crisis, the Eurozone crisis and recession, businesses appear to be ready to move forward," said Mark Malloch-Brown, EMEA Chairman at FTI Consulting. "While there still is concern about ongoing problems in the Eurozone and the trickle-down effect from the inevitable spending cuts in the United States, we are anticipating a lighter mood at Davos this year compared with 2012, when we were facing a possible Armageddon following a collapse in the Eurozone. Businesses seem to have the measure of potential threats, are looking to exploit opportunities in emerging markets and feel positively about the new leadership in China."

Other findings from the FTI Consulting poll

Survey highlights global business support for greater distance between the UK and the European Union

With the UK government set to tackle its relationship with the European Union (EU), the FTI Consulting poll shows UK business leaders are split on the idea of the so-called Brexit, with 54% believing such action would be better for the UK economy. Global businesses, however, are stronger in their support for a looser connection between the UK and Europe: 66% of business leaders believe the UK would be better off with greater distance between the UK and the EU.

The FTI Consulting research further highlights a split of opinion between business leaders within and those outside of Europe. 43% of European business leaders believe the UK economy would be stronger if there was greater distance between the UK and the EU, with 71% stating their own businesses would suffer if the UK cut ties with the EU. By contrast, 74% of business leaders globally claim the UK economy would be better with greater distance (driven by 76% in North America and 80% in Asia), and 53% claim their own businesses would benefit if there was greater distance between the UK and the EU. In either scenario, 70% of those outside the EU claim the UK will increase in importance as a gateway to Europe in 2013 (driven by 78% in North America and 74% in Asia).

"While we always would expect a split on the Europe question among UK business, it is surprising that businesses in North America and Asia take such a strong anti-Europe view on behalf of the UK economy," explained Malloch-Brown. "It is possible that the Europe brand has been so tarnished by the Eurozone crisis and drawn-out attempts to strengthen the European regulatory framework that observers in major economies believe the UK would be better off going it alone."

Business leaders recognise the "two super power world," with China edging ahead of the United States

The elections in the two largest global economies, China and the United States, appear to have created a sense of stability in the minds of global leaders. According to the FTI Consulting research, 81% of global business leaders entered 2013 believing President Xi Jinping will have a positive effect on the global economy, and 83% think the same about President Obama. 79% feel Xi Jinping will enhance sentiment around the Chinese economy, and 76% believe Obama will have a positive effect on general sentiment around the U.S. economy.

At the same time, there appears to be recognition of the growing influence of Chinese political leaders, with 80% believing Xi Jinping will enhance the ability to do business in China.

About the Research

Research was conducted by the Strategy Consulting and Research team at FTI Consulting from 2-5 January 2013, with 1,031 C-suite executives involved in strategic decision making for their commercial organisations. Respondents were drawn from affiliate panel databases and represent 15 major economies in Europe, North America, Australia, Asia, South America and Africa.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,800 employees located in 24 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The company generated \$1.56 billion in revenues during fiscal year 2011. More information can be found at www.fticonsulting.com.

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