



News release

Tough year ahead for employees

Figure 1: How has the number of people you employ changed in the past year?

Percentage balance indicating an increase against those indicating a decrease

	Vietnam	54
	India	33
	Botswana	31
	Philippines	29
	Mainland China	26
	Netherlands	18
	Chile	13
	Singapore	13
	Brazil	11
	Argentina	9
	Australia	9
	Armenia	5
	Thailand	5
	Malaysia	4
	Belgium	3
	Japan	3
	South Africa	2
	Hong Kong	0
	Poland	0
	Taiwan	-2
	Canada	-7
Global		-8
	Greece	-10
	Turkey	-10
	France	-11
	Mexico	-13
	Italy	-19
	Germany	-20
	Sweden	-20
	New Zealand	-23
	Finland	-28
	Russia	-28
	United Kingdom	-30
	United States	-33
	Denmark	-38
	Spain	-38
	Ireland	-54

Singapore, 5 March 2010 - Privately held businesses (PHBs) across the world decreased their employee numbers during 2009, the first time since Grant Thornton International began researching employment issues in its International Business Report (IBR) in 2003 that the number of businesses cutting headcount has exceeded those increasing it. The survey, of over 7,400 PHBs across 36 economies, shows a global balance* of -8% compared to +21% in 2009 - a drop of 29 percentage points.

While the majority of businesses around the world are more optimistic for 2010, employees would be wrong to think the worst is over. When asked about their intentions for employee salaries in the year ahead 40% of Singapore PHBs (globally 36%) indicated that they were less likely to give pay rises during 2010 than they were in 2009 where 49% indicated they would (globally 24%). And while 52% of employers did indicate that they plan to increase pay by inflation or above during 2010 (globally 51%), there is a drop of 19 percentage points against 2009.

The global employment index shows businesses in some of the world's more mature economies suffering the greatest decreases in employee numbers, including Ireland (with a balance* of -54%), Spain, Denmark (both -38%) and the US (-33%) while emerging markets enjoyed some of the biggest increases in headcount during 2009, including Vietnam (+54%), India (+33%), Botswana (+31%) and the Philippines (+29%) (see figure 1). Commenting on the employment trend, Alex MacBeath, global leader, markets for Grant Thornton explains, "Employment typically lags behind other factors when countries emerge from recession, as these results demonstrate. While job losses have been harsh in some economies, one of the features of this global recession is that unemployment has not, so far, been as high as originally feared. It is typical of the adaptability of privately held businesses that they have strived to retain their staff during the year."

Commenting on the Singapore findings, Wong Kian Kok, Managing Partner, Foo Kon Tan Grant Thornton LLP added, "We are fortunate in that the suite of initiatives such as the Jobs Credit and the Special Risk-Sharing schemes rolled out by the government and the cross border expansion and/or joint ventures undertaken by Singapore businesses have contributed to job retention and creation".

While 2009 has been a difficult year, the future looks brighter. Businesses in 29 of the 36 economies surveyed expect to increase staff numbers in 2010, a global balance of +20% (compared to -4% in 2009). The most optimistic businesses were in Vietnam (+60%), Brazil (+59%), Botswana (+50%), Australia and India (both +47%). By contrast, European businesses were far more pessimistic than their counterparts elsewhere in the world with businesses in Ireland, Italy (both -14%), France (-10%) and Spain (-8%) continuing to expect to cut jobs.

* the balance is the number of firms indicating an increase against those indicating a decrease

The report also shows how creative privately held businesses became as they tried to avoid compulsory redundancies of permanent staff in 2009. 50% of businesses indicated that they needed to introduce measures to avoid redundancies and the survey results suggest that every possible approach was introduced. Reducing working hours (11%) and redeployment of staff (10%) were among the most popular measures globally but pay cuts, voluntary redundancies, career breaks, reduced benefits and laying off contract staff were all used to protect existing permanent staff and the business itself.

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Notes to Editors:

About International Business Report (IBR)

Entering its eight year, Grant Thornton's International Business Report (IBR) 2010 was carried out over 7,400 senior executives of medium to large privately held businesses (PHBs) from 36 countries/regions in late 2009. 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). The IBR draws upon 17 years of trend data for original EBS participants and 7 years for original IBOS countries. The 17 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and the United Kingdom, while the 7 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Russia, Singapore, South Africa and the United States.

A privately held business (PHB) includes businesses such as entrepreneurs, family businesses and non-listed entities which account for over 98% of businesses worldwide.

The research is conducted by Experian Business Strategies Ltd. Grant Thornton International donates US\$5 to UNICEF for every completed IBR questionnaire; this has resulted in a donation of US\$36,600 in 2009.

To find out more about the Grant Thornton International Business Report, please visit www.internationalbusinessreport.com

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