

SMEs globally more optimistic as they seek to grow in their home markets and diversify their offerings

SMEs globally are showing renewed optimism as they look to grow domestic market share and diversify their product offering. Almost one in five increased wages and every sixth added staff in the last 12 months according to findings of the Zurich 2014 SME Survey.

Zurich, September 17, 2014 – A recent survey on behalf of Zurich Insurance Group (Zurich) reveals that almost one in five small and medium sized businesses (SMEs) increased wages and every sixth added staff in the last 12 months. Less than 5% of the companies surveyed had considered closing their operations and only about 6% significantly reduced their offerings.

SMEs in most countries were once again focused on expanding activities to target new customers in their domestic market (23%) and diversifying their product ranges or services (21%). Germany and Austria, where companies were more concerned with investing in business assets and operations, were noted exceptions.

Mike Kerner, Zurich's CEO General Insurance, said: "SMEs were hit particularly hard by the financial crisis, which affected their ability to grow and restricted their ability to borrow in regions like Europe. The survey findings are encouraging. Not only do they show that SMEs are taking advantage of the economic recovery and positioning themselves for growth, but in doing so they will enable a more sustained recovery."

Kerner added: "Insurance plays a key role in helping these businesses fulfill their ambitions by giving them the tools to manage the risks they face and thus the confidence to pursue new opportunities."

The Zurich 2014 SME Survey also uncovered some broad regional differences. In Europe, where economic growth and inflation remain subdued, fewer companies were looking to take on new employees, increase wages, expand into new markets, or seek out credit or new investment to fund growth. In Southern Europe, where the economic slowdown has been particularly pronounced, businesses continued to focus on cutting prices.

By comparison, companies in Latin America and particularly Brazil were looking to aggressively increase wages despite slower economic growth across the region. Their peers in Africa and the Middle East were also increasing wages, though to a lesser extent, but were much more focused on expanding into new markets. Businesses in Europe and Latin America, however, were considerably less likely to invest in exploring global opportunities.

Further information

Zurich's second annual SME survey was carried out by research company GfK in summer 2014. The leaders of 3,800 small and medium sized enterprises (0 to 250 full-time employees) around the world were asked to identify up to three actions they had taken over the previous 12 months. A representative sample of 200 CEO/owners, general managers, CFO/treasurers, COO/head of operations from each of the following 19 countries were included: Argentina, Australia, Austria, Brazil, Germany, Hong Kong, Ireland, Italy, Malaysia, Mexico, Morocco, Portugal, South Africa, Spain, Switzerland, Taiwan, Turkey, United Arab Emirates, and the UK. Zurich and GfK continue to monitor SMEs to understand how they are managing the challenges they face and expect to publish further reports in the near future.

Supporting materials

- Presentation 'SMEs – a 12 month retrospective' with detailed survey results available in [English](#) and [German](#)
- [Info graph](#) available in English



- **Video** with quotes from **Mike Kerner, CEO General Insurance**: watch the video in our [Videos Library](#) or download it in our [Multimedia Pressroom](#).

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