Global Feelgood Index

msi Global Alliance
Independent Legal & Accounting Firms

**FOR IMMEDIATE RELEASE**

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## MSI Global Feelgood Index Reveals that Business Confidence is Finely Balanced

*Inaugural survey shows that although the overall balance of global business confidence is neutral, it is noticeably lower in the major developed markets than in the emerging economies.*

**London, 10 November 2011** – New business research into business confidence worldwide from leading international association of professional services firms MSI Global Alliance, has revealed that comparatively low levels of confidence in the developed economies of North America and Europe do not augur well for global economic prospects.

According to the MSI Global Feelgood Index which uses weighted averages of seven key business performance indicators, the balance of confidence is finely balanced at the global level (+0.08). It is barely positive in North America (+0.04) with Western Europe even more downbeat (-0.02). Sentiment remains particularly negative around the prospects for spending on investment capital in the United States (-0.07) and in the United Kingdom (-0.23).

However, the opposite is true in the majority of developing economic regions, with business confidence remaining significantly positive in the Middle East (+0.33), Latin America (+0.27), and Southern Africa (+0.22). Confidence is also positive, but only marginally so, in the Australia and New Zealand region (+0.03) and perhaps unexpectedly, confidence in the Indian Region (including Pakistan and Bangladesh) is even lower (-0.28) than in the USA. Levels of confidence in the prospects for spending on investment capital are noticeably higher in Mexico (+0.33) and in Malaysia (+0.5).

Joe Nellis, Professor of International Management Economics at Cranfield School of Management, a leading international business school based in the UK, comments: “Looking ahead, world economic growth is expected to slow down from just over 5 per cent in 2010 to around 4 per cent in 2011 and in 2012. According to the IMF, developed economies as a whole are likely to achieve only modest growth of 1.5 to 2 per cent at best, while emerging and developing markets will still record solid figures of at least 6 per cent over the next year. This optimism is shared by participants in the first issue of the MSI Global Feelgood Index.

“The world is facing a two-speed recovery path in the coming years. In the absence of clear and substantial policy co-ordination by governments, the developed economies are in danger of facing a ‘Lost Decade’ as experienced by Japan in the last decade(s). This will be in sharp contrast to the outlook for the emerging and developing countries. The world is on the brink of a major paradigm shift in terms of the balance of economic and political influence.”

James Mendelssohn, Chief Executive of MSI Global Alliance, comments: “The Global Feelgood Index provides a fascinating insight into the balance of confidence in 105 countries worldwide. Going forward, it will provide companies with a benchmark they can refer to on a quarterly basis when looking at prospects for the global economy.”

**Note to Editors**

Each quarter, the MSI Global Feelgood Index surveys business owners and managers in over 100 countries on their levels of optimism regarding seven key areas of business: sales pipeline, profit margins, cash flow, spending on investment capital, staff numbers, spending on marketing and advertising, and spending on staff training and welfare.

From the period 16-22 October 2011, participants were asked to state their level of optimism or pessimism for each of the seven key areas of business. The responses were then collated and weighted to reflect the size of the different economies in the responding countries, before being analysed by Joe Nellis, Professor of International Management Economics at Cranfield School of Management, a leading international business school based in the UK.

A video showing comments from MSI Global Alliance members in the North American, European and Asia Pacific regions can be viewed at http://youtu.be/A8ZvGaA5mTU. The full research report with global and regional breakdowns and additional comments from Professor Joe Nellis can be requested by email (marketing@msiglobal.org).

**About MSI Global Alliance (MSI)**

MSI Global Alliance (MSI) is an international association of independent professional firms, with over 250 member firms in some 105 countries. MSI was established in 1990 in response to the growing need for cross-border co-operation between professional services firms. MSI is different to other international associations and networks due to its multidisciplinary membership of both accounting and law firms and its comprehensive global coverage. MSI was recently shortlisted by The Lawyer magazine in the category Law Firm Network of the Year category at the Lawyer European Awards.

For more information about MSI, the Global Feelgood Index, and MSI's member firms, please go to www.msiglobal.org or follow the association's updates on Twitter @msi_global