

PRESS RELEASE**Rising costs cause concern for SMEs amid global uncertainty, according to latest international study**

- Geo-political uncertainty diminishes prospects as confidence in local economies falls from 54% in 2017 to 48% in 2019
- Rising costs, government regulation and cashflow are the top three issues facing small businesses
- One in three (32%) SMEs are struggling with cashflow and less than half expect growth in 2020

Paris, October 8th, 2019 - Rising costs are the greatest challenge facing small businesses around the world, according to the latest Global Business Monitor study from global SME partner, Bibby Financial Services (BFS) and global leader in trade credit insurance Euler Hermes.

Findings of the research, based on a survey of more than 2,300 SMEs in 13 countries across Asia, Europe and North America, show that two-fifths of businesses (42%) believe rising costs and overheads are their greatest challenge. Government regulation (36%) and cashflow (32%) were also cited in the top three concerns in 2019.

Despite concerns about the knock-on effects of global uncertainty, almost half say they believe their business performance will improve in the next 12 months, and a third believe they will maintain existing growth levels.

Global Chief Executive at Bibby Financial Services, David Postings, said:
"It's clear that SMEs around the world are becoming accustomed to global uncertainty and many are taking matters into their hands, investing in capability and expansion.

"However, the impacts of geopolitical events such as the U.S. and China trade war, and Brexit, are already impacting costs significantly. This cost inflation is contagious due to the interconnected supply-chains in which small businesses operate. Ultimately, smaller businesses will need to pass on these costs on to customers, but in the short term – at least – this situation has a hugely detrimental impact on cashflow levels."

Across the study, SMEs in Hong Kong were most concerned about the health of the global economy (70%), with Slovakian businesses (39%) least likely to show concern.

Ludovic Subran, Global Chief Economist, Euler Hermes, added:

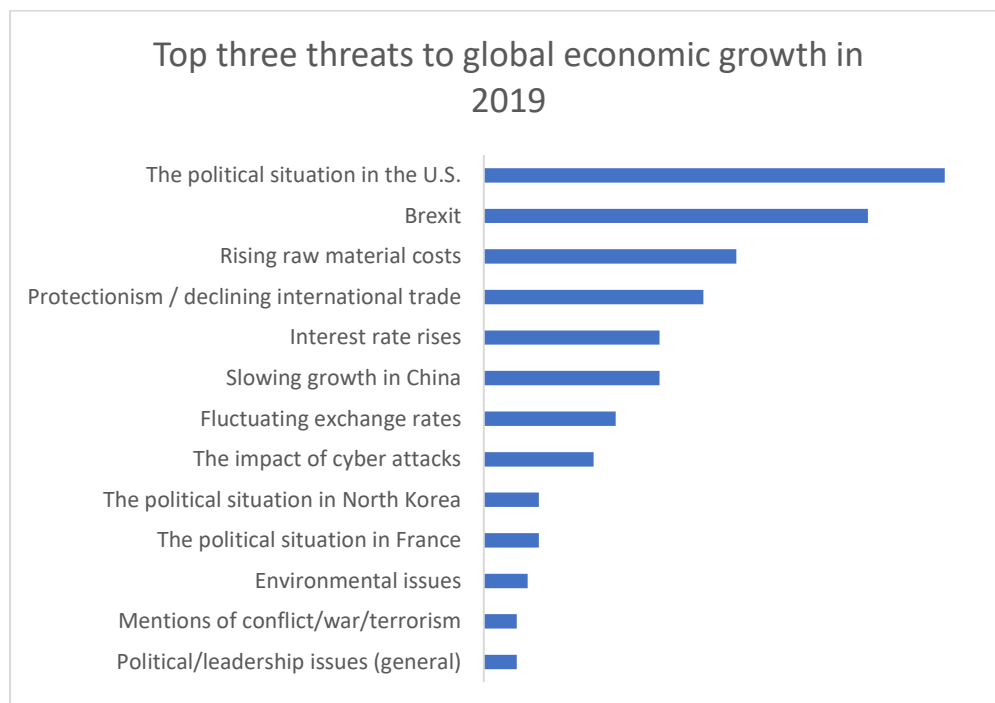
"As the risks of a recession rise and global GDP is expected to grow at its slowest pace since 2009 in 2020 (+2.4%), it is all the more important that SMEs have virtuous payment loops to avoid going bust. Global insolvencies are expected to rise by 8% in 2020 for the fourth consecutive year, and one in four bankruptcies for SMEs comes from a non-payment."

The third Global Business Monitor since 2016 shows that SMEs are continuing to invest to overcome challenges and 85 per cent say they plan to invest throughout the remainder of 2019 in areas such as sales and marketing, IT, and employee training.

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Notes to Editors

The Global Business Monitor report is available to download at:
www.bibbyfinancialservices.com; www.eulerhermes.com.



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With over 40 operations in 14 countries spanning Asia, Europe and North America, BFS provides specialist and adaptable FX services, trade, asset and working capital finance, helping businesses to grow in domestic and international markets.

Formed in 1982, BFS is part of the Bibby Line Group (BLG), a diverse and forward-looking family business delivering personal, responsive and flexible customer solutions for over 200 years.

In 2011, 2012, 2014, 2015, 2016, 2017, 2018 and 2019 the business was awarded a place in The Sunday Times 100 Best Companies to Work For, ranking 42nd in the most recent poll.

To find out more about Bibby Financial Services, visit: www.bibbyfinancialservices.com

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