

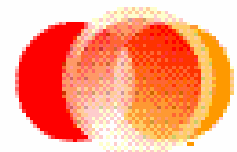
KRC RESEARCH



MasterCard Global Small Business Survey

US, UK, France, Mexico, Brazil, Australia, Hong Kong and China

December 2006



MasterCard
Worldwide

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Purpose of Research

- To understand the general climate and optimism for the future among small businesses
- To assess the working environment, motivations and rewards involved in owning your own small business
- To explore future challenges for small businesses
- To compare the business climate among countries across the World, and on a year-on-year basis (comparing results in 2006 to the 2005 MasterCard Global Business Survey)

Methodology

- Telephone survey of 4,000 small business owners across eight countries:
 - US (n=500)
 - UK (n=500)
 - France (n=500)
 - Mexico (n=500)
 - Brazil (n=500)
 - Australia (n=500)
 - Hong Kong (n=500)
 - China (n=500)
- Fieldwork was conducted from October 3rd – November 3rd 2006
- The overall margin of error for the entire study of 4000 interviews is plus or minus 1.5 percentage points at the 95% confidence level. The overall margin of error for the national samples is +/- four percentage points.
- Quotas were set on number of employees in the business and industry sector to make sure that the sample for each country was representative of recently published industry or government figures.
- Results from the 2006 survey are compared with data from a similar survey carried out in 2005. Please note that the 2005 survey took place in all the countries above except China, so the comparison is valid.
- Some totals do not add to 100% due to rounding or because “don’t know” answers are not shown.
- The full dataset arising from this survey can be found in the separate document “MasterCard Global Small Business Survey 2006 Data”.



Highlights

Business Climate
Confidence
Key Challenges
Globalization
Technology
Motivations
Fulfilment
Control of business future
Working hours
The admin burden
Annual staff bonus

Highlights - Global small business owners

Have mixed perceptions about the current business climate. They are positive about their own business, being confident that financial goals will be met and say the future outlook is promising. Globalization is more likely to be seen as helping than hurting their business and many have been directly affected by globalization. They work an average of 54 hours a week and run their own business to make enough money to live on, to have more control of the future and to be their own boss. Competition is seen to be the key challenge for the coming year.

Mixed perceptions on current Business Climate, slightly more optimism for next year

- One in four (23%) think the business climate for small businesses is more favorable than a year ago. One in four (23%) say it is now less favorable
- Three in ten (28%) think the business climate for small businesses will be more favorable in one year from now. One in five (21%) say it will be less favorable one year from now

Are confident financial goals will be met next year and say their future outlook is promising

- Half (51%) are confident financial goals will be met
- Half (50%) say their own business' future outlook is promising

Competition (27%) perceived to be key challenge in coming year

- Slightly less (22%) think the top key challenge will be cost increases

Work 54 hours in an average working week

- 18 of these hours are on administrative tasks

Half (50%) see increasing globalization as helping their business. Just one in four (26%) see globalization hurting their business

- Cheaper domestic suppliers, increased domestic competition or increased opportunities for branching out into new markets have affected around one in three small businesses over the past few years

Motivations for running own business

- Making enough money to live on, having more control of the future and being their own boss are top motivations for running one's own business
- Most (80%) say running their own business is as fulfilling as they expected in to be

Three in four (78%) say technology is important to their business' future

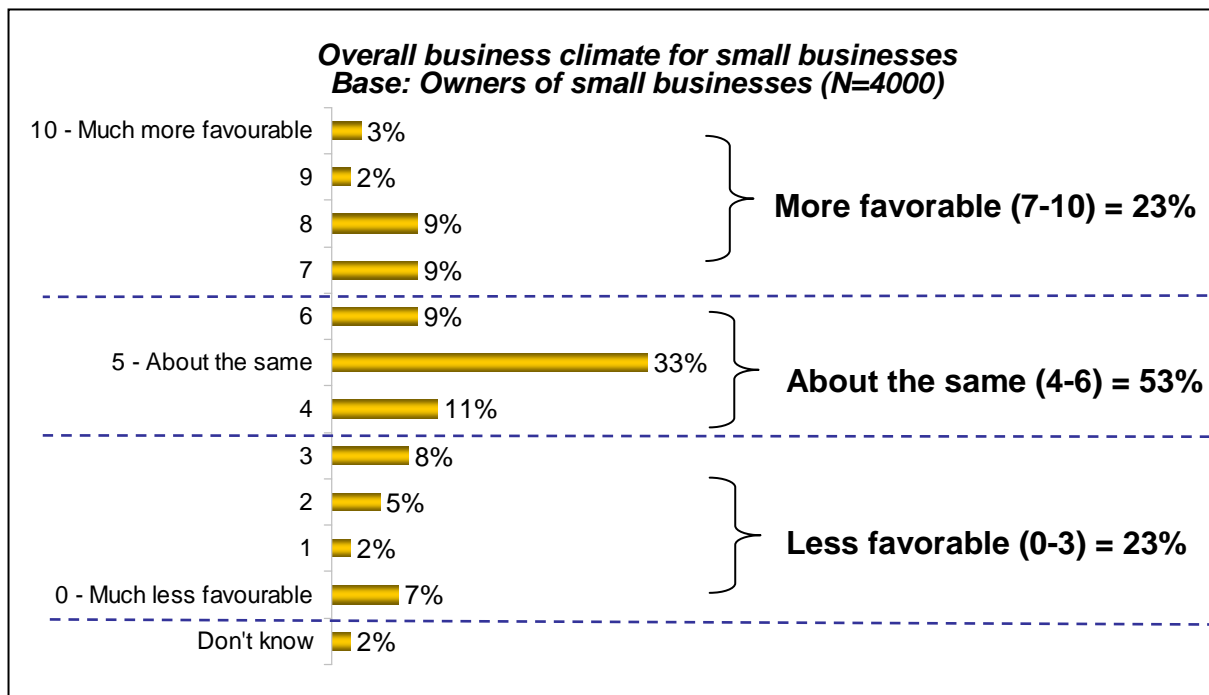
- Indeed, one in four (26%) says that technology is "extremely important"

Average annual bonus to be 10% of salary

- One in three (34%) not planning on giving a bonus

Mixed perceptions on whether the business climate for small businesses has improved

One in four (23%) small business owners think the business climate for small businesses is more favorable now than a year ago. One in four (23%) say the climate is now less favorable



- Business Climate
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Larger companies find the business climate more favorable

Companies with 10-99 employees (30%) are more likely than those with fewer than ten employees (20%) to say that the climate is more favorable compared to a year ago.

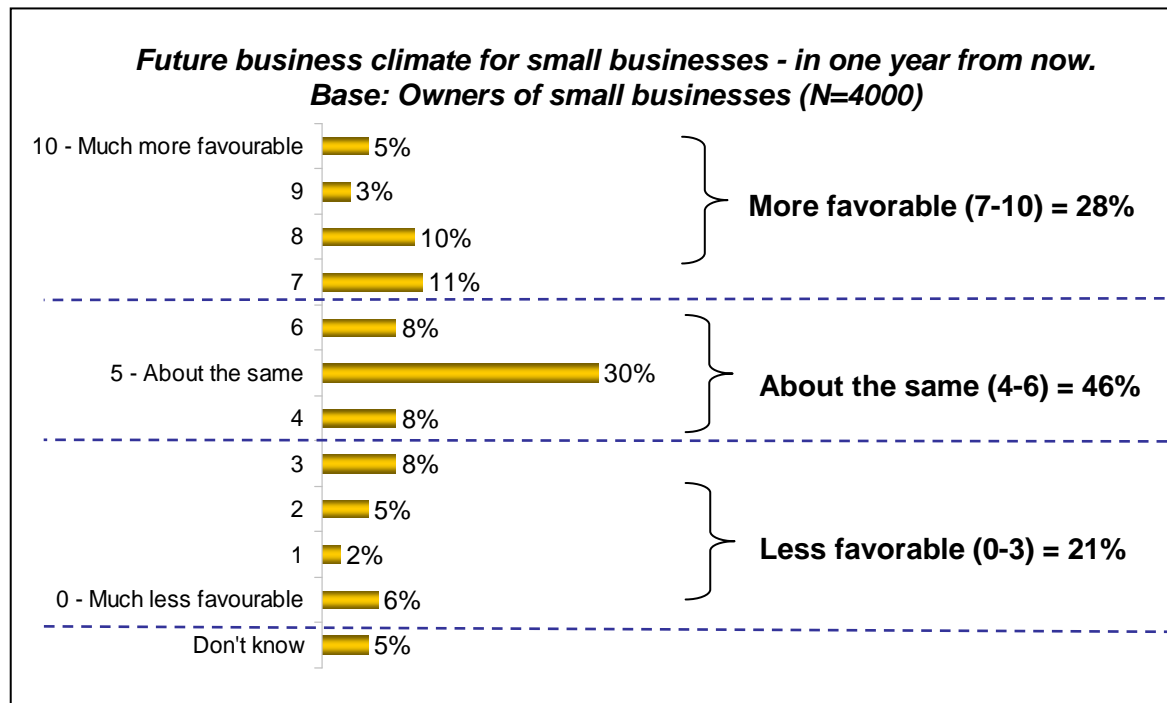
Education companies are most likely (34%) to find the current business climate favorable

Agricultural (15%) and Publishing (17%) companies are least likely to find it favourable

Outlook for next year is slightly more favorable

Three in ten (28%) small business owners think the business climate for small businesses will be more favorable in one year from now.

One in four (21%) say the climate will be less favorable one year from now.



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Again, larger companies are more optimistic about the future business climate

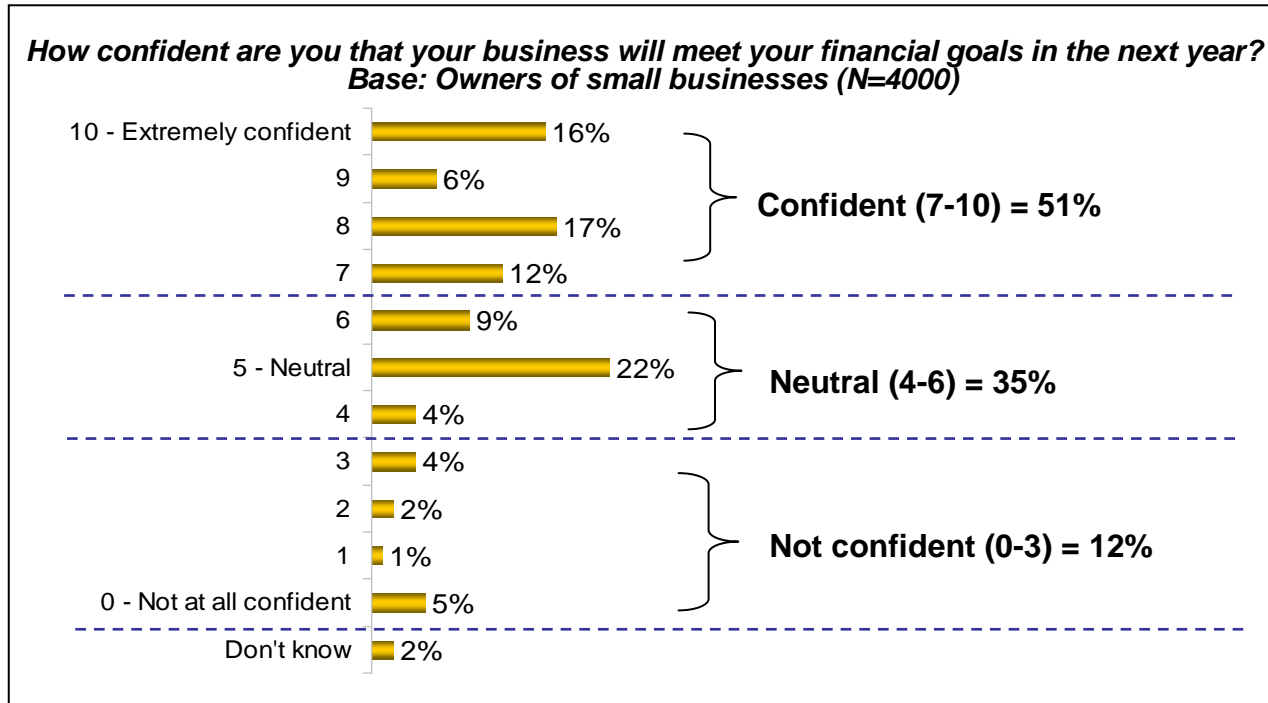
Companies with 10-99 employees (35%) are more likely than those with less than ten employees (25%) to say the climate will be more favorable in one year's time than it is now.

Education companies are most likely (44%) to expect the future business climate to be favorable

Agricultural (15%) and Publishing (21%) companies are least likely

Half (51%) of small business owners are confident financial goals will be met

One in eight (12%) are not confident they will meet their financial goals in the next year.



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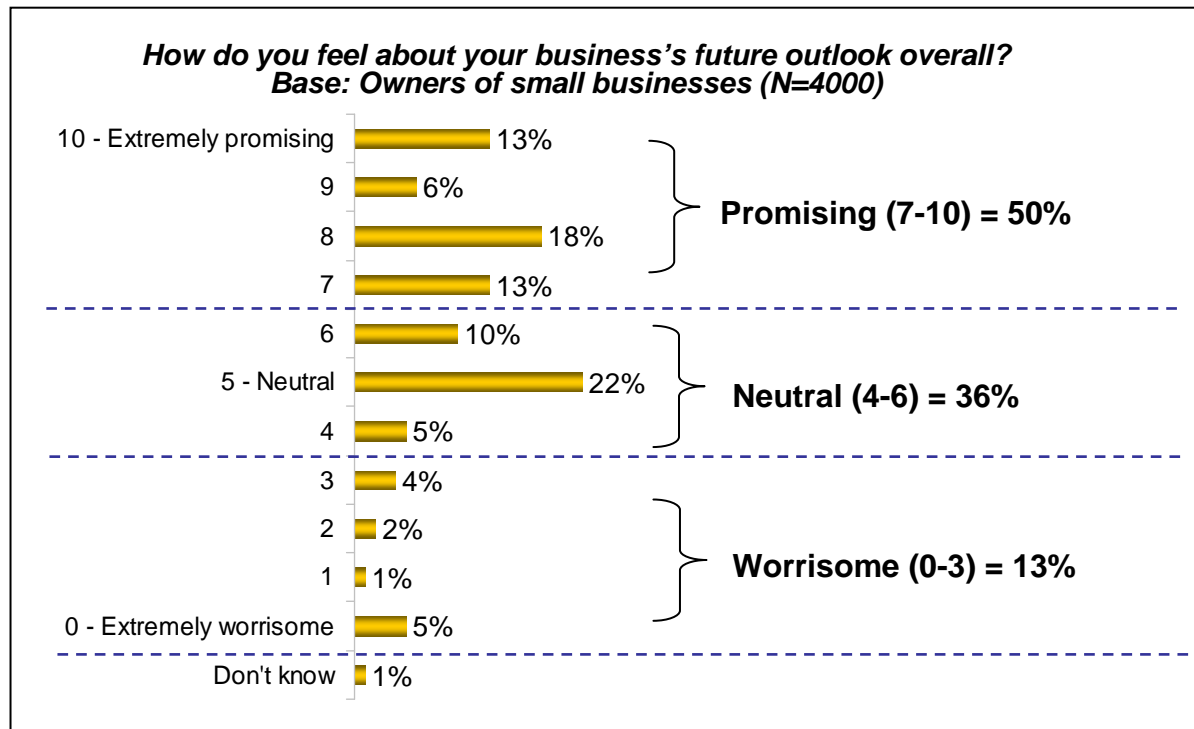
Larger companies are more confident of meeting their financial goals

Six in ten (58%) companies with 10-99 employees are confident in meeting their financial goals in the next year compared with half (51%) of companies with 2-9 employees and four in ten (42%) Sole business owners.

Education (69%) and Finance (64%) companies are most likely to be confident of meeting financial goals



Half (51%) of small business owners say their own business' future outlook is promising
 One in eight (13%) say their future outlook is worrying.



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Larger companies are more confident of their own business' future outlook

Six in ten companies with 10-99 employees (57%) feel that their overall business future outlook is promising compared to half (49%) of companies with 2-9 employees and four in ten (41%) Sole business owners.

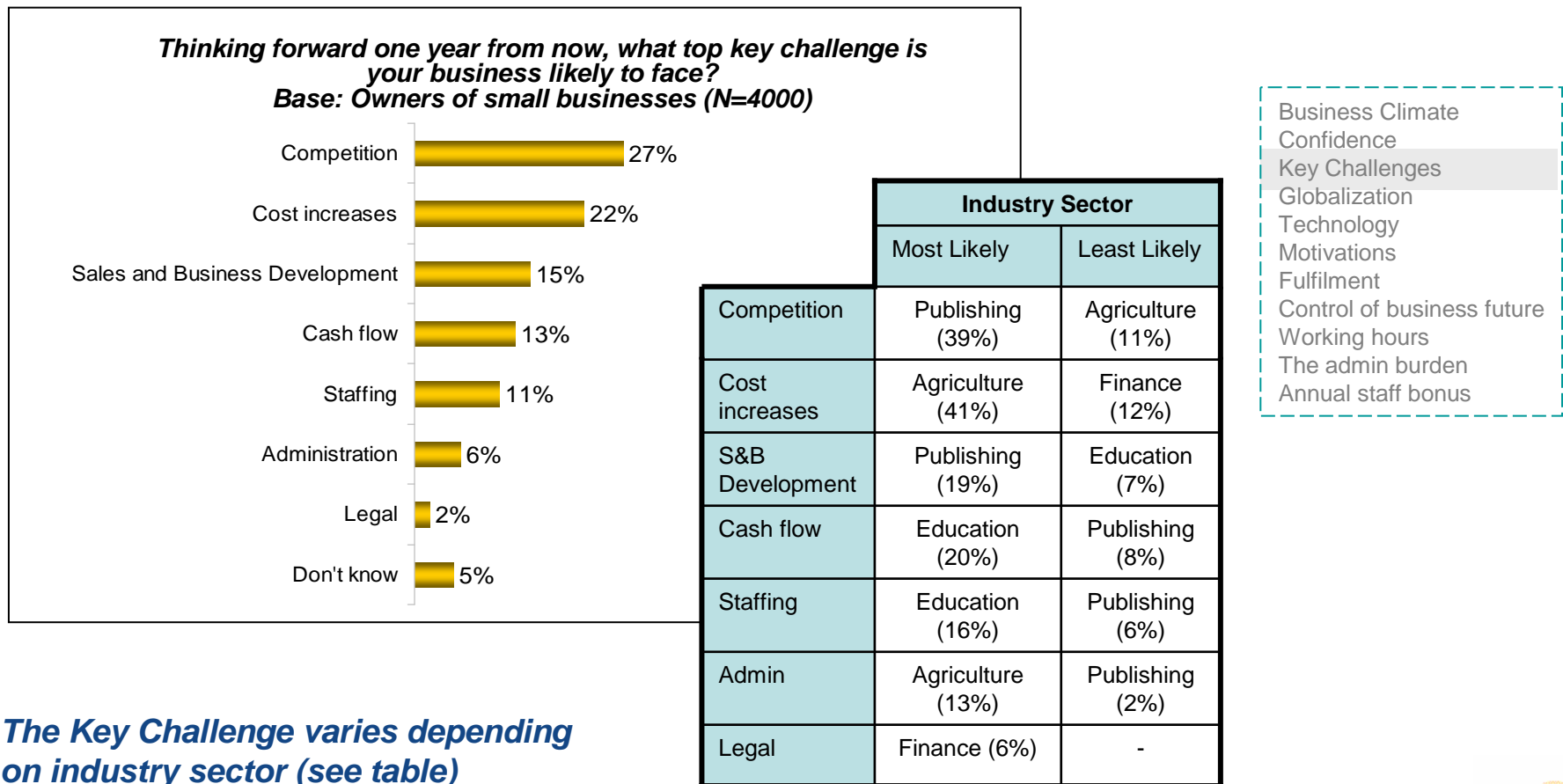
Education (70%) companies are most likely to say their outlook is promising, agricultural (35%) companies are least likely



Competition (27%) is perceived to be the key challenge in the coming year for one in four small business owners

A similar proportion (22%) think that the top key challenge will be cost increases.

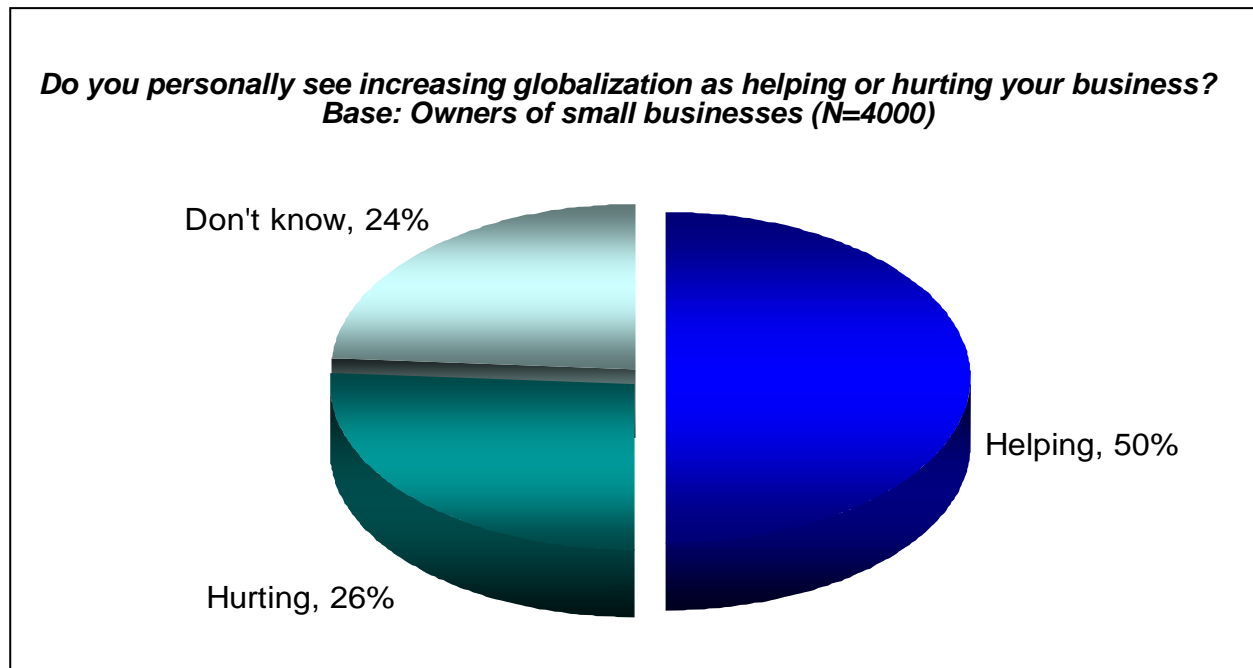
One in seven see the top challenge as sales & business development (15%) or cash flow (13%).



The Key Challenge varies depending on industry sector (see table)

Half (50%) of small business managers see increasing globalization as helping their business

Just one in four (26%) see globalization hurting their business.



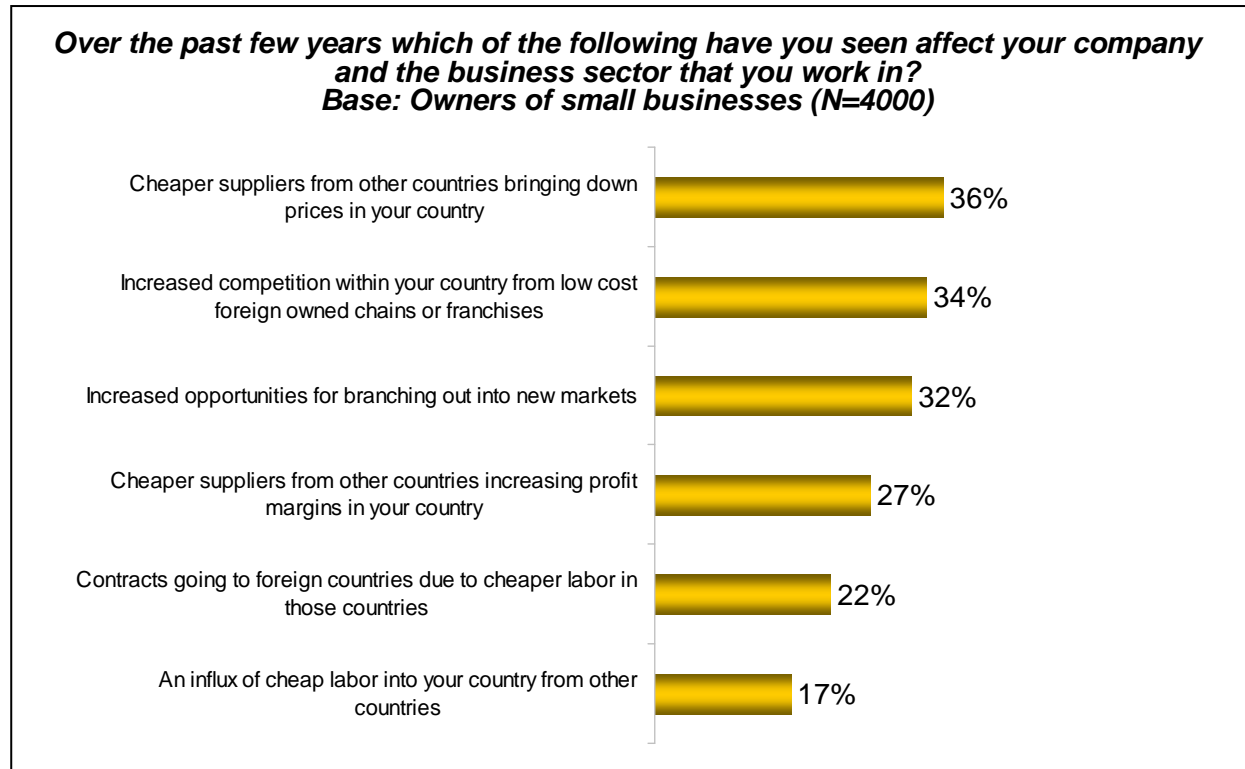
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Globalization favors larger companies

While six in ten (60%) companies with 10-99 employees report globalization helping their business, just half (50%) of companies with 2-9 employees are of this opinion, as are four in ten (37%) Sole business owners.

Globalization is most likely to be thought harmful by agricultural companies (44%) and to be thought helpful by educational companies (68%)

Cheaper domestic suppliers (36%), increased domestic competition (34%) or increased opportunities for branching out into new markets (32%) have affected around one in three small businesses over the past few years.



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Very small businesses with less than \$100,000 revenue (38%) are more likely than those with higher revenue (32%) to have been affected by increased domestic competition from low-cost foreign-owned chains or franchises.

However, very small business are also less likely to have been affected by increased opportunities for branching out into new markets (29% vs. 36% \$100,000+).





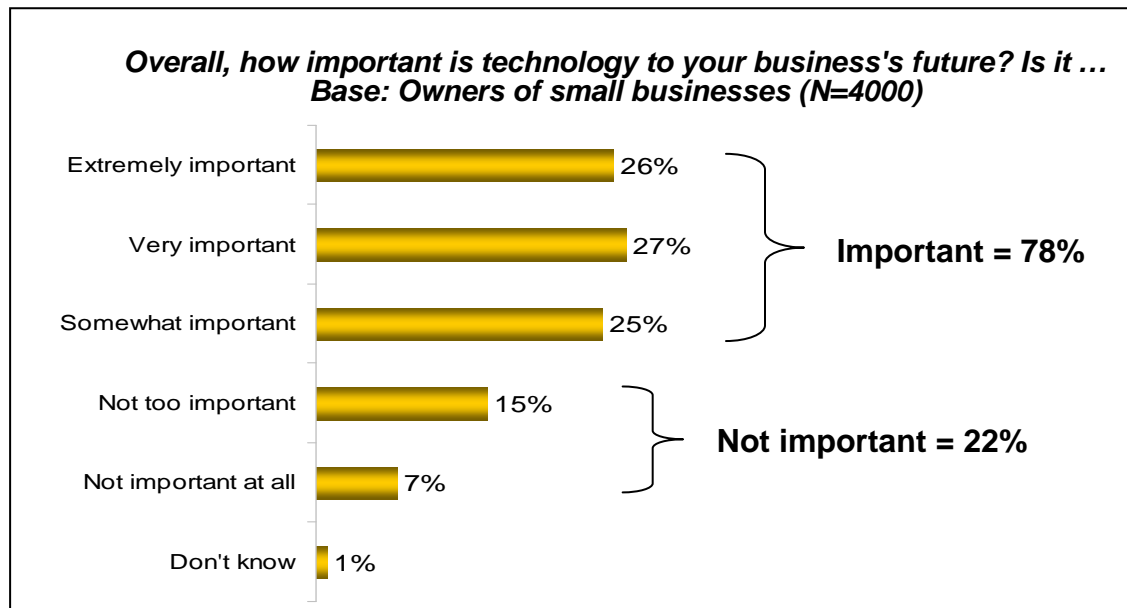
The experience of globalization varies depending on industry sector (see table)

	Industry Sector	
	Most Likely	Least Likely
Cheaper suppliers bringing down prices	Wholesale (52%)	Education (14%)
Increased competition	Retail/Catering (46%)	Education (11%)
Increased opportunities for branching out	Wholesale (37%)	Education (23%)
Cheaper suppliers increasing profit	-	Education (8%)
Contracts going...	Publishing (39%)	Healthcare (8%)
Influx of cheap labor	Construction (25%)	Healthcare (7%)

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Three in four small business managers (78%) say that technology is important to their business' future

Indeed, one in four (26%) say that technology is "extremely important".
Just one in five (22%) say it is not important.



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Technology more important to larger companies

One in three companies with 10-99 employees (33%) report that technology is "extremely important" to their business' future. This is compared to one in four companies with 2-9 employees (26%) and one in six (16%) Sole business owners.

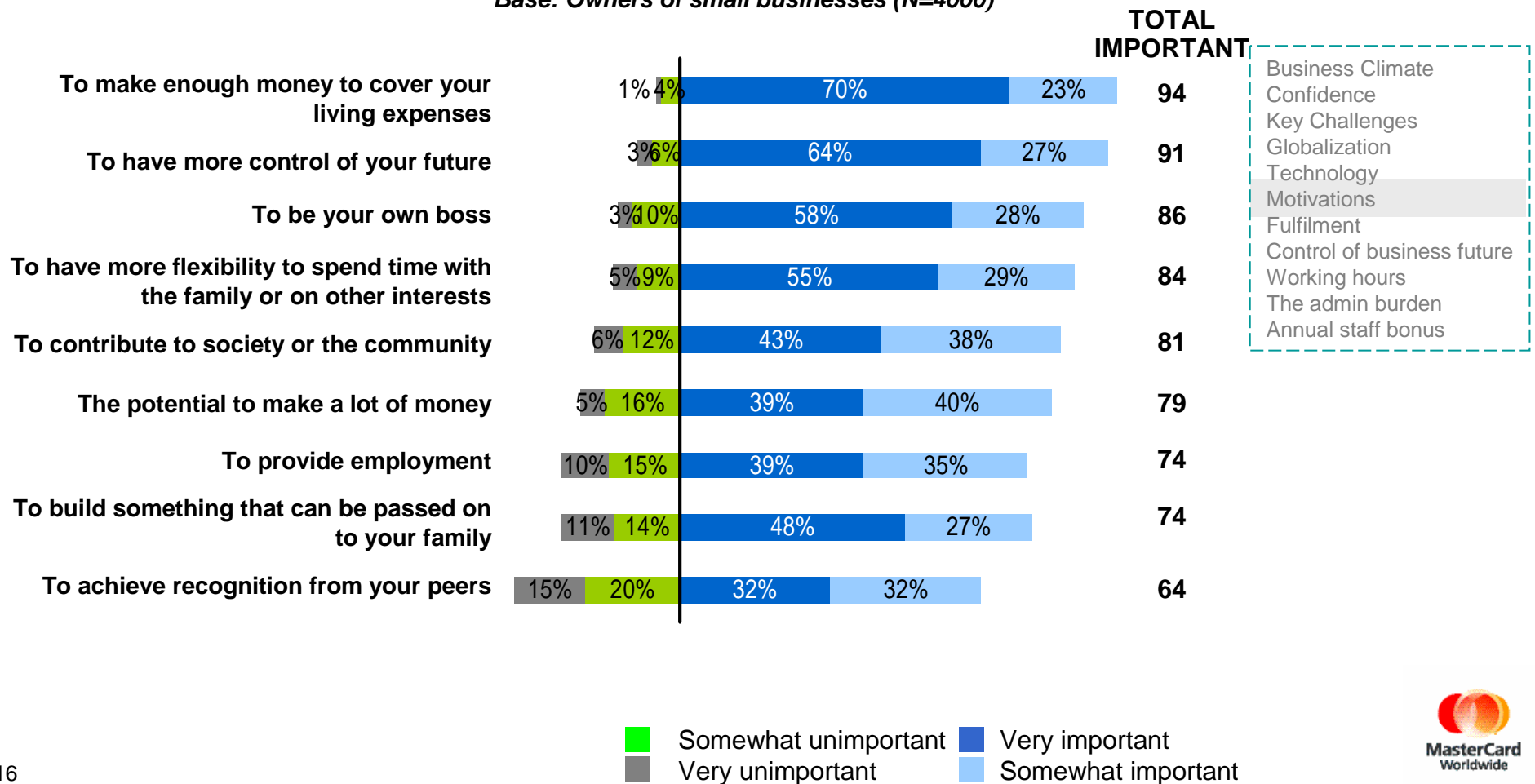
Men (55%) are more likely than women (48%) to deem technology at least "very important" to their business' future.

Motivations for deciding to run own business

Making enough money to live on, having more control of the future and being your own boss are the top motivations for running one's own business.

Please tell me whether each of the following were important or unimportant motivations for you to run your own business?

Base: Owners of small businesses (N=4000)





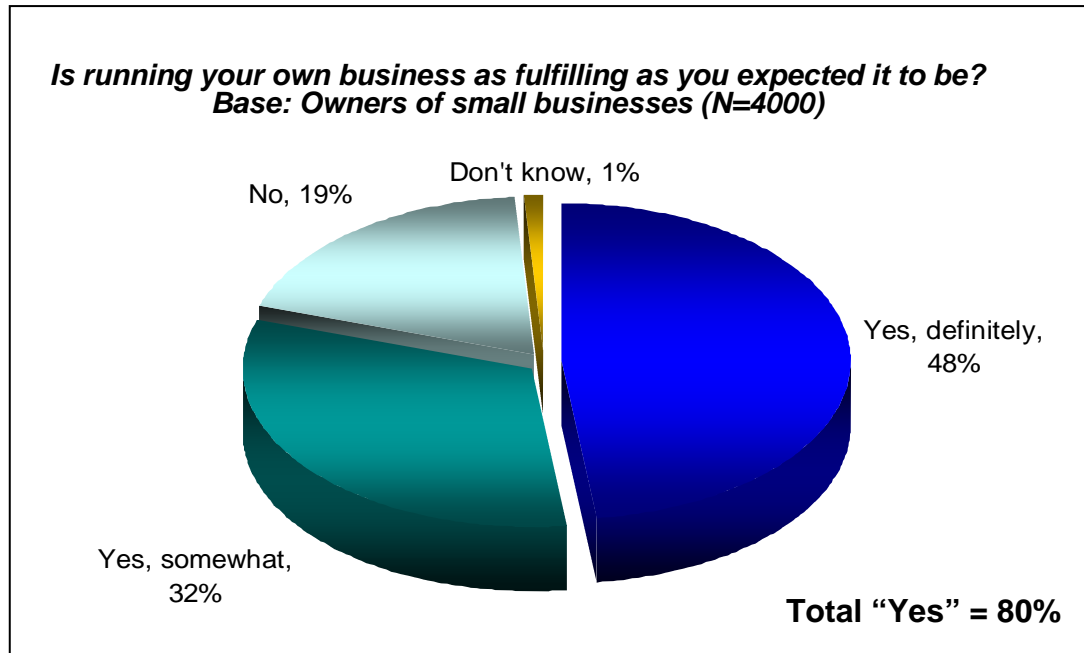
Different types of small business owners have different motivations to run their own business (see table).

For example small business owners in the education sector are particularly motivated by being able to contribute to society or the community and are less likely to be motivated by money than those in other sectors.

	Particularly likely to say motivation is very important	Particularly unlikely to say motivation is very important
To make enough money to cover your living expenses	Construction 78%	Agriculture 61%, Education 60%
To have more control of your future	Construction 71%	Sole business owners 57%, Agriculture 46%
To be your own boss	<10 employees 62%, Construction 65%	10-99 employees 48%, Education 40%
To have more flexibility to spend time with the family or on other interests	Construction 62%	Education 44%
To contribute to society or the community	Education 67%	Sole business owners 35%, Publishing 29%
The potential to make a lot of money	Discrete Manufacturing 47%	Sole business owners 30%, Agriculture 20%
To provide employment	-	Sole business owners 24%, Agriculture 21%, Publishing 17%
To build something to be passed on to your family	-	Sole business owners 37%, Publishing 31%
To achieve recognition from your peers	Education 46%	Sole business owners 26%, Agriculture 23%

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Most (80%) say running their own business is as fulfilling as they expected it to be
 Although one in five (19%) say it is not.

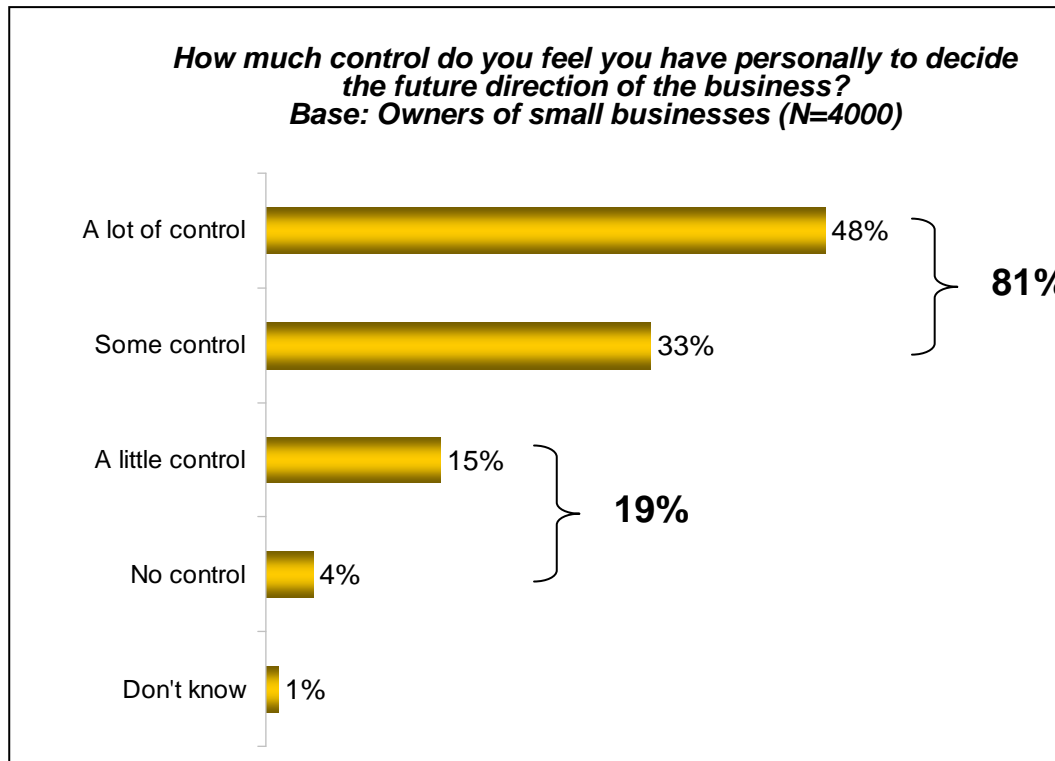


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Owners of small businesses with income over \$1m are particularly likely to find running the business fulfilling - only one in eight (12%) say it isn't as fulfilling as expected.

Those in Printing/Publishing (33%) are most likely to say that running their own business is not fulfilling.

Most (81%) say they have at least some control in deciding the future direction of their business
 Although one in five (19%) say they have little or no control.

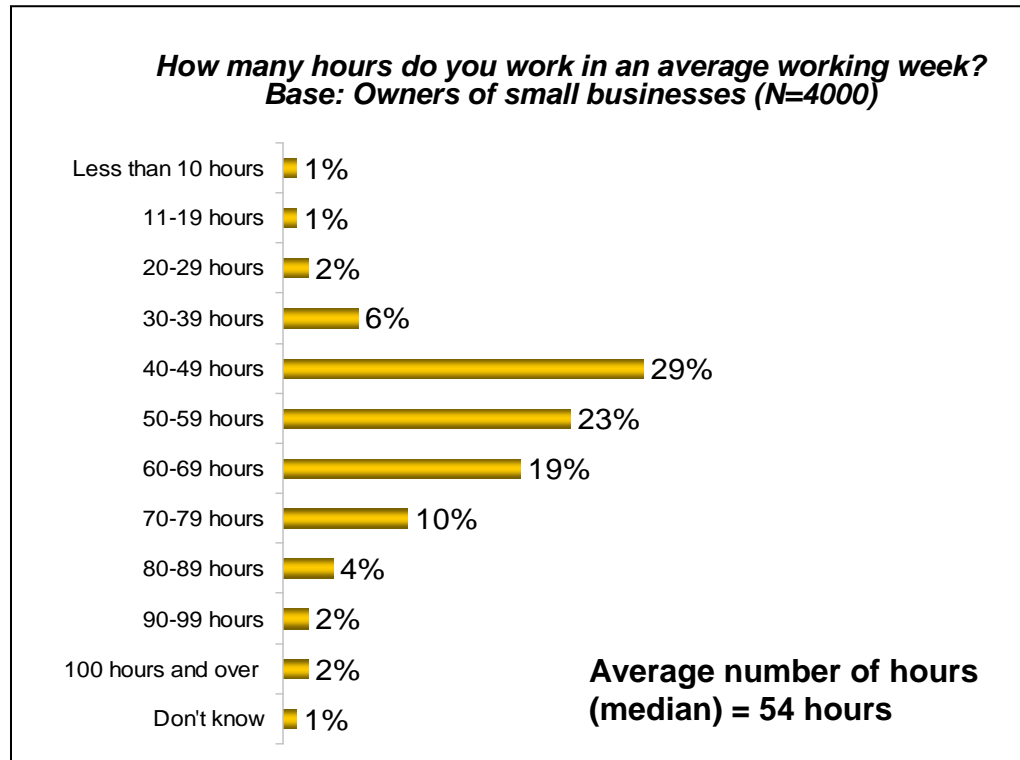


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Owners of larger small businesses with 10-99 employees are less likely to say they have a lot of control (39%) to decide the future of the business

Those in educational services (54%) are the least likely to say they have at least some control to decide the future of the business

The average number of hours that small business managers work in a working week is 54 hours.



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Working hours are slightly longer the more revenue the small company makes

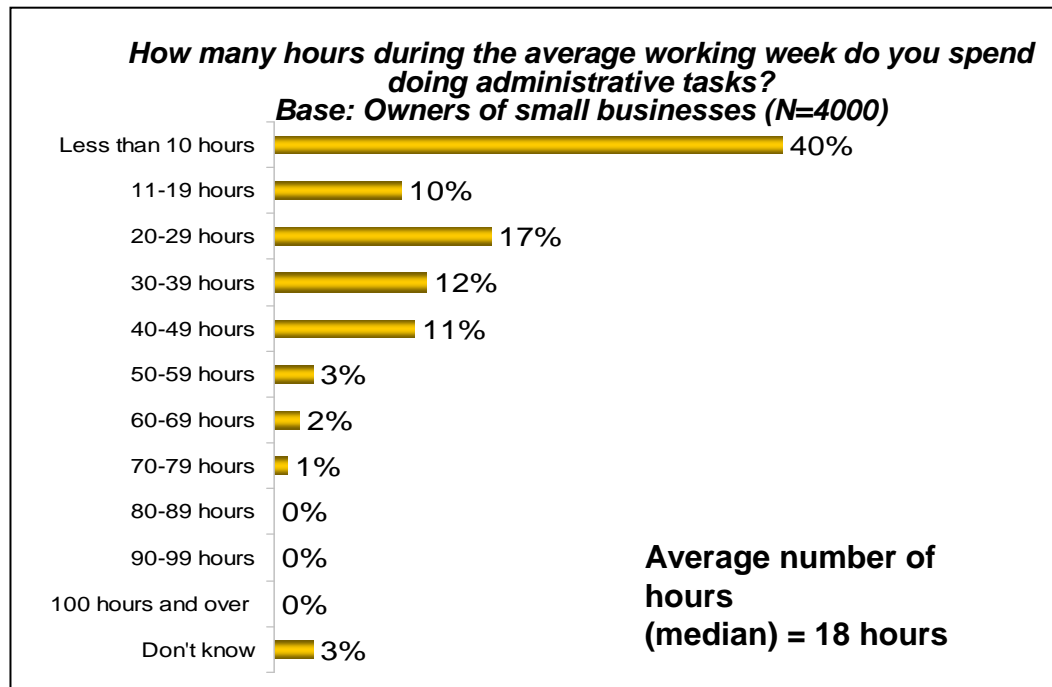
53 hours for those with under \$100,000 revenue, 55 hours for \$100,000-\$1m revenue and 56 hours for those in excess of \$1 million revenue.

Working hours are longer for men (55 hours) than for women (50 hours)

The longest working hours are reported by those in retail/catering (58 hours), the shortest by those in process manufacturing (49 hours)



The average number of hours that small business managers spend on administrative tasks in a working week is 18 hours



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Hours spent on administration rise as the number of employees rises

Sole business owners spend 7 hours on administration in an average week. Those with 2-9 employees spend an average of 18 hours on administration each week. Those with ten or more employees spend an average of 31 hours on administration in an average week.

The most admin hours are reported by those in educational services (31 hours), the least by those in agriculture, fishing and forestry (8 hours).

The average bonus is 10% of annual salary.

One in three (34%) is not planning on giving a bonus.

Q. If you are planning on giving your employees an annual bonus this year, what proportion of their annual salary do you expect the average reward to be?

Average percentage of salary as bonus = 10%

34% not planning to give a bonus

3% to give some other sort of non-cash or fixed bonus

- Business Climate
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The smaller the company, the less likely to give a bonus

Over half of Sole business owners (57%) are not planning to give themselves a bonus, compared with one in three (32%) of those with 2-9 employees and one in five (21%) of those with 10-99 employees.

Those in Printing/Publishing (50%), Agriculture (45%) and Healthcare (44%) are the most likely not to give a bonus this year.

Women (38%) are more likely than men (32%) to not be planning to give a bonus this year.



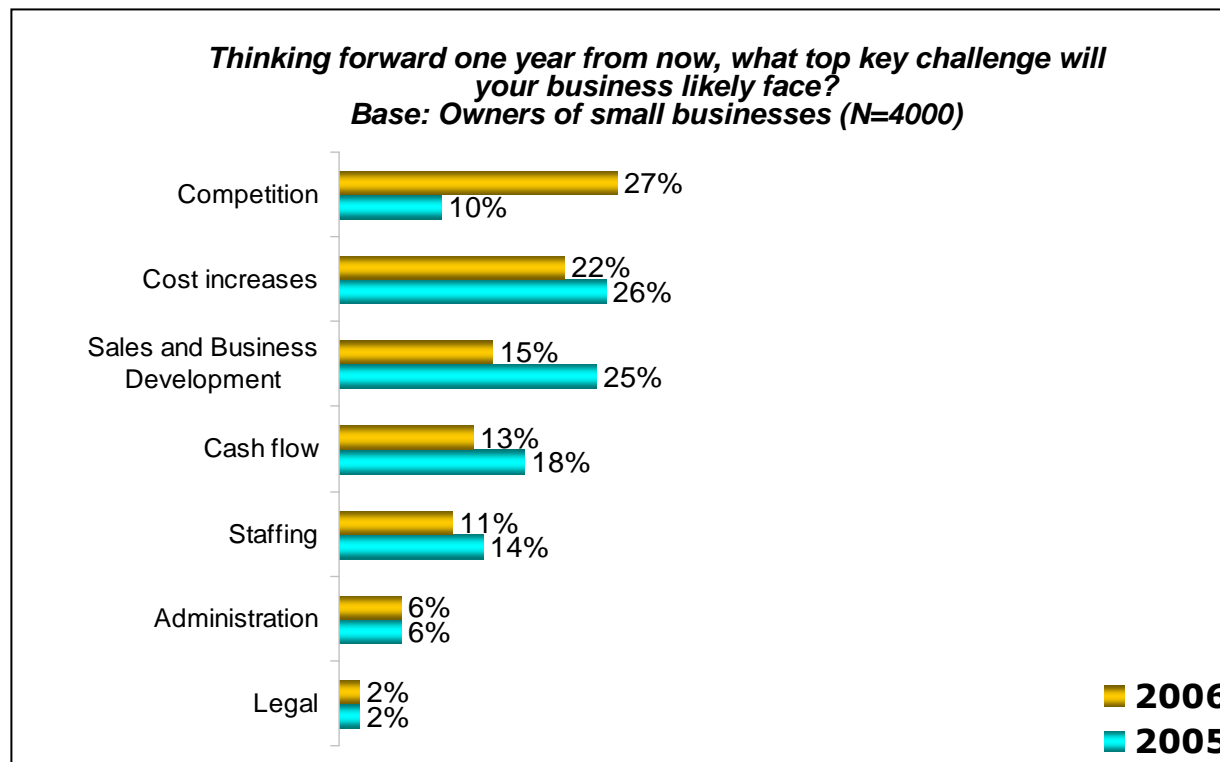
Year-on-year trends

The overall business climate for small business is very similar in 2006 to that in 2005.
 However, businesses in 2006 (51%) have a little more confidence that they will meet their financial goals than in 2005 (46%).

Overall business climate for small businesses		Future business climate for small businesses - in one year from now		Confidence business will meet financial goals in the next year		Business' future outlook overall	
2006	2005	2006	2005	2006	2005	2006	2005
More favorable (7-10): 23%	More favorable (7-10): 25%	More favorable (7-10): 28%	More favorable (7-10): 28%	Confident (7-10): 51%	Confident (7-10): 46%	Promising (7-10): 50%	Promising (7-10): 51%
About the same (4-6): 53%	About the same (4-6): 50%	About the same (4-6): 46%	About the same (4-6): 51%	Neutral (4-6): 35%	Neutral (4-6): 38%	Neutral (4-6): 36%	Neutral (4-6): 33%
Less favorable (0-3): 23%	Less favorable (0-3): 25%	Less favorable (0-3): 21%	Less favorable (0-3): 21%	Not confident (0-3): 12%	Not confident (0-3): 16%	Worrisome (0-3): 13%	Worrisome (0-3): 16%

More businesses in 2006 (27%) perceive competition to be the key challenge in the coming year than in 2005 (10%).

Cost increases (26%) and sales and business development (25%) were perceived to be the biggest challenges in 2005.





Optimism for the future business climate has grown in the last year in the USA, but deteriorated in Mexico

<i>Overall business climate for small businesses</i>	<i>Future business climate for small businesses - in one year from now</i>	<i>Confidence business will meet financial goals in the next year</i>	<i>Business's future outlook overall</i>
More favorable (7-10):	More favorable (7-10):	Confident (7-10):	Promising (7-10):
Increased since 2005: USA (19% to 29%)	Increased since 2005: USA (21% to 33%)	Increased since 2005: France (26% to 41%) UK (38% to 52%) USA (33% to 62%)	Increased since 2005: UK (42% to 52%) USA (46% to 66%)
Decreased since 2005: Mexico (51% to 36%) Brazil (37% to 26%)	Decreased since 2005: Mexico (58% to 48%)	Decreased since 2005: Mexico (66% to 52%)	Decreased since 2005: Mexico (64% to 52%) Brazil (63% to 51%)

Competition is an area in which many country's small business leaders feel that challenges are growing

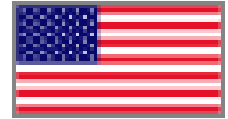
Sales and business development is now not so much of a challenge for some countries, while those in the USA feel less of a challenge from financial issues such as cash flow and cost increases.

Challenge likely to face one year from now	Increase since 2005	Decrease since 2005
Competition	Australia (11% to 22%) Brazil (15% to 28%) Mexico (5% to 45%) UK (9% to 23%) USA (10% to 22%)	
Staffing	Australia (9% to 20%)	Mexico (39% to 4%)
Sales and Business Development		France (34% to 11%) Mexico (25% to 12%) UK (28% to 12%)
Cash flow		USA (25% to 15%)
Cost increases		USA (43% to 26%)

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Country profiles



Small business owners in the USA

Small business owners in the USA find the business climate more favourable and are more optimistic than average. They are also more optimistic than other nationalities about meeting their financial goals and the future outlook for their business. Views on globalization are similar to the global findings, as are motivations for running their own business. They are particularly likely to find running their own business fulfilling. They work an average of 52 hours a week but only 9 of these hours are spent doing administrative tasks. Cost increases are seen to be the key challenge for the coming year.

Positive about current business climate and optimistic for next year

- Three in ten (29%) think the business climate for small businesses is more favorable now than a year ago. One in seven (15%) say it is now less favorable
- One in three (33%) think the business climate for small businesses will be more favorable in one year from now. One in seven (15%) say it will be less favorable one year from now

Are very confident about meeting financial goals next year & say their future outlook is promising

- Two in three (62%) are confident financial goals will be met
- Two in three (66%) say their own business' future outlook is promising

Cost increases (26%) perceived to be key challenge in coming year

- A similar proportion (22%) thinks that the top key challenge will be competition

Work 52 hours in an average working week

- Nine of these hours are spent on administrative tasks

Half (48%) see increasing globalization as helping their business. Just one in five (22%) sees globalization hurting their business

- Cheaper external suppliers bringing down domestic prices, increased domestic competition or increased opportunities for branching out into new markets have affected around one in four small businesses over the past few years

Motivations for running own business

- Making enough money to live on, having more control of the future, being their own boss and having time for non-work pursuits are top motivations for running one's own business
- Most (89%) say running their own business is as fulfilling as they expected it to be

Most (83%) say technology is important to their business' future

- Indeed, one in four (27%) says that technology is "extremely important"

Average annual bonus to be 5% of salary

- Half (46%) are not planning on giving a bonus



Small business owners in Mexico

Small business owners in Mexico find the business climate the most favourable and are the most optimistic about the business climate than any other country. However, their optimism about meeting financial goals and about the future outlook for their own business is average. Mexicans are particularly likely to say that technology is important to their business and also particularly likely to say that globalization is helping their business. They work an average of 54 hours a week. Competition is seen to be the key challenge for the coming year.

Very positive about current business climate and very optimistic for next year

- One in three (36%) thinks the business climate for small businesses is more favorable now than a year ago. One in six (17%) says it is now less favorable
- Half (48%) think the business climate for small businesses will be more favorable in one year from now. One in eight (13%) says it will be less favorable one year from now

Are confident about meeting financial goals next year & say their future outlook is promising

- Half (52%) are confident that financial goals will be met
- Half (52%) say their own business' future outlook is promising

Competition (45%) is perceived to be the key challenge in coming year

- One in six (18%) thinks that the top key challenge will be cost increases

Work 54 hours in an average working week

- 15 of these hours are spent on administrative tasks

Three in five (59%) see increasing globalization as helping their business. One in three (33%) sees globalization hurting their business

- Mexicans are particularly likely to have been affected by globalization - Cheaper external suppliers bringing down domestic prices, increased domestic competition or cheaper foreign suppliers increasing profit margins have affected around half of small businesses over the past few years

Motivations for running own business

- Having more control of the future, making enough money to live on and to build something to be passed on to the family are top motivations for running one's own business
- Most (90%) say running their own business is as fulfilling as they expected it to be

Almost all (91%) say technology is important to their business' future

- One in five (20%) say that technology is "extremely important"

Average annual bonus to be 10% of salary

- One in five (20%) is not planning on giving a bonus



Small business owners in Brazil

Small business owners in Brazil are more optimistic about the future business climate than small business owners in other countries. However, their optimism about meeting financial goals and the future outlook for their own business is average. Brazilians are particularly likely to say technology is important to their business and particularly likely to say globalization is helping their business. They work an average of 54 hours a week with an above-average 24 of these hours spent doing administrative tasks. Competition is seen to be the key challenge for the coming year.

Positive about current business climate and very optimistic for next year

- One in four (26%) thinks the business climate for small businesses is more favorable now than a year ago. A further one in four (26%) says it is now less favorable
- Two in five (41%) thinks the business climate for small businesses will be more favorable in one year from now. One in six (17%) says it will be less favorable one year from now

Are confident about meeting financial goals next year & say their future outlook is promising

- Three in five (57%) are confident financial goals will be met
- Half (51%) say their own business' future outlook is promising

Competition (28%) is perceived to be the key challenge in coming year

- A similar proportion (23%) thinks that the top key challenge will be sales and business development

Work 54 hours in an average working week

- 24 of these hours are spent on administrative tasks

Two in three (63%) see increasing globalization as helping their business. Just one in five (20%) sees globalization hurting their business

- Cheaper external suppliers bringing down domestic prices, increased domestic competition or increased opportunities for branching out into new markets have affected around two in five small businesses over the past few years

Motivations for running own business

- Making enough money to live on, to provide employment and having more control of the future are top motivations for running one's own business
- Most (87%) say running their own business is as fulfilling as they expected it to be

Almost all (91%) say technology is important to their business' future

- Two in five (38%) say that technology is "extremely important"

Average annual bonus to be 10% of salary

- Three in ten (29%) are not planning on giving a bonus



Small business owners in the UK

Small business owners in the UK find the business climate less favourable and are less optimistic than average. However, they have an average optimism about meeting their financial goals and the future outlook for their business. Only four in ten Brits say globalization is helping their business compared to five in ten globally. They work an average of 53 hours a week with only 9 of these hours spent doing administrative tasks. Competition is seen to be the key challenge for the coming year.

Mixed perceptions about current and future business climate

- One in seven (15%) thinks the business climate for small businesses is more favorable now than a year ago. One in four (25%) says it is now less favorable
- One in six (16%) thinks the business climate for small businesses will be more favorable in one year from now. One in four (27%) expects it will be less favorable one year from now

Are confident about meeting financial goals next year & say their future outlook is promising

- Half (52%) are confident financial goals will be met
- Half (52%) say their own business' future outlook is promising

Competition (23%) is perceived to be the key challenge in coming year

- A similar proportion (21%) thinks that the top key challenge will be cost increases

Work 53 hours in an average working week

- Nine of these hours are spent on administrative tasks

Two in five (40%) see increasing globalization as helping their business. One in three (31%) see globalization hurting their business

- Cheaper external suppliers bringing down domestic prices, increased domestic competition or increased opportunities for branching out into new markets have affected around one in three small businesses over the past few years

Motivations for running own business

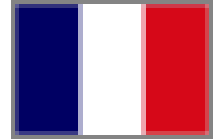
- Making enough money to live on, having more control of the future and being their own boss are top motivations for running one's own business
- Most (85%) say running their own business is as fulfilling as they expected it to be

Two in three (69%) say technology is important to their business' future

- One in five (21%) say that technology is "extremely important"

Average annual bonus to be 5% of salary

- Half (51%) are not planning on giving a bonus



Small business owners in France

Small business owners in France have the least favorable views on the business climate and are more pessimistic than in any other country. They are also not very optimistic about meeting their financial goals or about the future outlook for their own business compared to the average. The French are equally likely to say globalization is helping their business as hurting it. They work an above-average of 59 hours a week with a below-average 8 of these hours spent doing administrative tasks. Cost increases are seen to be the key challenge for the coming year.

Not positive about current business climate and pessimistic for next year

- One in eight (12%) thinks the business climate for small businesses is more favorable now than a year ago. One in three (31%) says it is now less favorable
- One in eight (12%) thinks the business climate for small businesses will be more favorable in one year from now. One in three (37%) says it will be less favorable one year from now

Are not very confident about meeting financial goals next year or about future outlook

- Two in five (41%) are confident that financial goals will be met
- One in three (36%) says their own business' future outlook is promising

Cost increases (28%) is perceived to be the key challenge in coming year

- One in six (17%) thinks that the top key challenge will be competition

Work 59 hours in an average working week

- Eight of these hours are spent on administrative tasks

One in three (32%) sees increasing globalization as helping their business. Similarly, one in three (36%) sees globalization hurting their business

- Increased domestic competition, cheaper external suppliers bringing down domestic prices or increased opportunities for branching out into new markets have affected around one in four small businesses over the past few years

Motivations for running own business

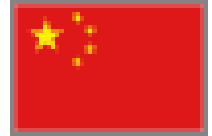
- To be your own boss, to make enough money to live on and to have more control of their future are top motivations for running one's own business
- Most (86%) say running their own business is as fulfilling as they expected it to be

Two in three (68%) say technology is important to their business' future

- Only one in nine (11%) say that technology is "extremely important"

Average annual bonus to be 10% of salary

- Two in Five (43%) are not planning on giving a bonus



Small business owners in China

Small business owners in China find the business climate more favorable and are more optimistic than average. However, they are averagely optimistic about meeting their financial goals and about the future outlook for their own business. The Chinese are the most likely to say that globalization is helping their business. Although they work a below-average 46 hours a week, only half say running their own business is as fulfilling as expected.

Positive about current business climate and optimistic for next year

- One in three (31%) thinks the business climate for small businesses is more favorable now than a year ago. One in six (18%) says it is now less favorable
- Two in five (37%) thinks the business climate for small businesses will be more favorable in one year from now. One in ten (10%) says it will be less favorable one year from now

Are confident about meeting financial goals next year & say their future outlook is promising

- Half (55%) are confident financial goals will be met
- Half (53%) say their own business' future outlook is promising

Competition (30%) is perceived to be the key challenge in coming year

- One in six (16%) thinks that the top key challenge will be sales and business development

Work 46 hours in an average working week

- 41 of these hours are on administrative tasks (*SEE NOTE)

Two in three (66%) see increasing globalization as helping their business. Only one in twelve (8%) sees globalization hurting their business

- Nearly half say they have not seen any affects of globalization. However, increased opportunities for branching out into new markets and increased domestic competition have affected around one in four small businesses over the past few years

Motivations for running own business

- Building something to be passed on to the family, and making enough money to live on are top motivations for running one's own business
- Only half (49%) say running their own business is as fulfilling as they expected it to be

Three in four (73%) say technology is important to their business' future

- One in three (33%) say that technology is "extremely important"

Average annual bonus to be 10% of salary

- One in five (21%) is not planning on giving a bonus

**In China the word "administration" may apply for the majority of management tasks*



Small business owners in Hong Kong

Small business owners in Hong Kong do not find the business climate very favorable and are not optimistic for the future. They are also not very optimistic about meeting their financial goals or about the future outlook for their own business. Hong Kongers are twice as likely to say that globalization is helping their business than hurting it. They work an above-average 58 hours a week. Cost increases are seen as the key challenge for the coming year.

Not positive about current business climate and pessimistic for next year

- One in six (16%) thinks the business climate for small businesses is more favorable now than a year ago. One in four (28%) says it is now less favorable
- One in six (18%) thinks the business climate for small businesses will be more favorable in one year from now. One in four (25%) says it will be less favorable one year from now

Are not very confident about meeting financial goals next year - few say their future outlook is promising

- One in four (26%) is confident financial goals will be met
- One in five (22%) says their own business' future outlook is promising

Cost increases (32%) is perceived to be the key challenge in coming year

- One in four (28%) thinks that the top key challenge will be competition

Work 58 hours in an average working week

- 23 of these hours are spent on administrative tasks

Half (46%) see increasing globalization as helping their business. One in four (23%) sees globalization hurting their business

- Cheaper external suppliers bringing down domestic prices, contracts going to foreign countries due to cheaper labor, and increased opportunities for branching out into new markets have affected around two in five small businesses over the past few years

Motivations for running own business

- Making enough money to live on, to be their own boss and having more control of the future are top motivations for running one's own business
- Seven in ten (69%) say running their own business is as fulfilling as they expected it to be

Two in three (66%) say technology is important to their business' future

- One in four (26%) say that technology is "extremely important"

Average annual bonus to be 9% of salary

- One in three (32%) is not planning on giving a bonus



Small business owners in Australia

Small business owners in Australia find the business climate slightly less favorable and are less optimistic than average. However, they are particularly optimistic about meeting their financial goals and about the future outlook for their own business. Only four in ten Australians say globalization is helping their business compared to five in ten globally. They work an average of 55 hours a week with 18 of these hours spent doing administrative tasks.

Mixed perceptions about current and future business climate

- One in five (19%) thinks the business climate for small businesses is more favorable now than a year ago. One in four (24%) says it is now less favorable
- One in five (20%) thinks the business climate for small businesses will be more favorable in one year from now. One in five (20%) says it will be less favorable one year from now

Are very confident about meeting financial goals next year & say their future outlook is promising

- Six in ten (61%) are confident financial goals will be met
- Two in three (65%) say their own business' future outlook is promising

Competition (22%) & cost increases (22%) are perceived to be key challenges in coming year

- One in five (20%) thinks that the top key challenge will be staffing

Work 55 hours in an average working week

- 18 of these hours are spent on administrative tasks

Two in five (44%) see increasing globalization as helping their business. One in three (35%) sees globalization hurting their business

- Cheaper external suppliers bringing down domestic prices, increased opportunities for branching out into new markets and increased domestic competition have affected around one in three small businesses over the past few years

Motivations for running own business

- Making enough money to live on, having more control of the future and having time for non-work pursuits are top motivations for running one's own business
- Most (86%) say running their own business is as fulfilling as they expected it to be

Most (84%) say technology is important to their business' future

- Three in ten (29%) say that technology is "extremely important"

Average annual bonus to be 5% of salary

- One in three (31%) is not planning on giving a bonus

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