

Business Super Growth : UK Ranks Fourth, Armenia Surprisingly Strong with 38%

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Record levels of British businesses experience extraordinary growth results as UK ranks fourth in 'super growth' worldwide league tables. Business in Armenia achieves 38% super growth. India and Hong Kong fall outside the Top 10 for the first time.

More than a quarter of businesses in the UK (26%) experienced well above average growth levels in 2007 which has propelled the country to a fourth place ranking in the world league tables of 'super growth' companies*, according to new research published today by leading business and financial advisers Grant Thornton UK LLP. This result now sees the UK move up two places higher than last year's league tables, when only 23% of businesses were classed as achieving super growth.

The Super Growth Index, now in its fourth year, forms part of the Grant Thornton International Business Report (IBR), which surveys more than 7,200 businesses owners from 32 countries. The survey looks at how businesses have performed over the past year, the issues that concern them most and their plans for the future.

Although this is a great result for the UK, the accolade of highest ranked EU country still remains elusive, with Ireland securing the top spot this year.

Anuj Chande, International Business Partner at Grant Thornton says: "This is a fantastic result for the UK and shows what businesses can achieve when they are innovative, invest in their employees and maximise opportunities that arise from positive economic conditions. This record achievement positions the UK as one of only three EU countries to make the top 10 list."

"The UK's position is a result of the significant investment we have seen in business capital and employee numbers, coupled with strong consumer confidence and demand. It has also been bolstered by the substantial growth of business and financial services," he continues. "Over the past four years, the buoyant conditions experienced in the UK have allowed businesses to retain a relatively stable position in the league table of super growth countries."

Global business picture

The US has topped the Index for the third year running, with 44% of companies achieving super growth status. Much of the US' result can be attributed to the continued dynamism which characterises the current economic picture.

The real surprise in the global picture was Armenia, a newcomer to the survey, with 38% of businesses achieving super growth. Armenia knocked India from a second place ranking in 2006 to a ranking of 15th (15%) in 2007. In an equally surprising result, Hong Kong (18% super growth companies) dropped from 3rd place to 11th.

Other strong performers this year included the Philippines (21%) who climbed a staggering 15 places from 23rd to 8th place, Argentina (14%) rising from 27th to 15th, Russia (14%) from 29th to 18th place and Italy (11%) which ascended from 30th to 21st place.

Less impressive results came from Malaysia (10%) who fell an astounding 18 places from 8th to 26th and New Zealand businesses (8%) which dropped from 15th to 28th place.

Commenting further Chande says: "The surprise winner of this year's survey was clearly Armenia achieving a ranking of second place, with 38% of businesses in the country experiencing growth well above and beyond the norm. On further inspection this can be explained by strong GDP growth which has exceeded 10% per annum over the past few years."

"It would have been difficult to predict India and Hong Kong's decline in the league tables, as one would have expected them to continue the rampant growth they have experienced in the past few years. However, companies there are clearly consolidating their business models, reviewing their growth strategies and concentrating on significantly increasing their profit levels," he continued.

Outlook and constraints on business

Overall super growth companies are more optimistic than 'ordinary' businesses about a range of indicators over the next 12 months including: turnover (87% compared to 70%), profitability (66% compared to 54%), employment (67% vs 45%) and investment in plant and machinery (58% compared to 46%)

The availability of a skilled workforce was the biggest cause for concern to super growth businesses with 44% saying it caused them problems, however, only 36% of 'ordinary business' felt it was a constraint

One third (32%) of super growth companies still believe that regulation and red tape is of key concern in contrast to 38% of 'ordinary' businesses

Only 13% of super growth companies believed that the ability to raise long-term finance was a constraint in comparison to one-fifth (21%) of all businesses.