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CANADIAN SMALL BUSINESSES INCREASINGLY CONFIDENT ABOUT EXPANDING IN INTERNATIONAL MARKETS: HSBC SURVEY

A survey conducted by HSBC Bank Canada in five major markets has found that Canadian small and medium sized business owners are increasingly optimistic that their international business activity will grow significantly over the next year.

According to the survey, 54 per cent of small and medium sized enterprises (SME's) that are currently involved in foreign markets predict that they will expand their international activity over the next 12 months. This demonstrates a significantly more positive mood than during the second half of 2008 when a similar survey found that only 42 per cent of small business owners thought their international business would grow in the coming year.

Of the five cities surveyed - Vancouver, Edmonton, Calgary, Toronto and Montreal - businesses in Vancouver and Toronto showed the most optimism about their growth prospects with 71 per cent and 67 per cent respectively anticipating an upward trend. The least optimistic were Montreal businesses of which only 30 per cent forecast that their international opportunities would grow in the coming year.

Miguel Barrieras, Senior Vice President, Business Banking, HSBC Bank Canada said: "Canadian international business confidence is on the rise once again. We have always been an outwardly looking nation and this survey shows that Canadian businesses are working to make the most of their opportunities in foreign markets."

The survey asked small business owners who were doing business internationally whether they expected to expand or reduce that business in the following year. It found that 41 per cent believed they would be expanding their international business by more than 10 per cent over the next 12 months. Thirteen per cent felt that their overseas exposure would grow, but by less than 10 per cent and 36 per cent felt it would stay the same. This contrasts with a survey conducted in the Fall of 2008 which found that only 32 per cent anticipated growth of more than 10 per cent, 10 per cent felt it would grow by less than 10 per cent and 39 per cent felt their international transactions would stay the

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same. In the recent survey, ten per cent of business owners felt their global business would be reduced. This was however a major improvement over the 2008 survey in which some 15 per cent felt it would decline.

The survey also looked at the regions in which SME's say they conduct business and found that most conducted transactions in multiple regions.

HSBC Bank Canada Survey Results by City

International regions where Canadian Small and Medium Sized Businesses are Currently Trading					
	Total	Vancouver	Calgary / Edmonton	Toronto	Montreal
Europe	43%	47%	23%	63%	45%
North America	85%	88%	85%	76%	94%
Central America	14%	28%	10%	20%	6%
South America	18%	28%	11%	22%	17%
Mainland China	22%	48%	13%	33%	9%
Asia Pacific	28%	51%	20%	40%	16%
Middle East	16%	27%	1%	23%	23%
Africa	12%	30%	2%	20%	6%

Small and Medium Sized Businesses currently trading overseas that expect their international business to change over the next 12 months*					
	Total	Vancouver	Calgary/Edmonton	Toronto	Montreal
Grow by over 10%	41%	49%	41%	52%	26%
Grow by less than 10%	13%	22%	14%	15%	4%
Stay the same	36%	24%	30%	25%	62%
Slow down	10%	5%	15%	7%	7%

*numbers may not add up to 100% due to rounding

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The survey was conducted by TNS UK Limited with SME businesses in Vancouver, Calgary, Edmonton, Toronto and Montreal. In total 594 interviews were completed, producing a margin of error of +/- 4 per cent at the 95 per cent confidence level.

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