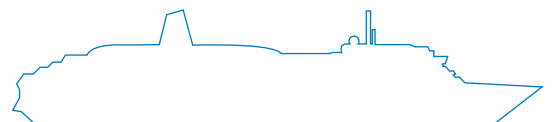


Richmond Events - UK Business Panel

The Eurozone
October 2011



**Research into the Eurozone
Undertaken by Richmond Events, September 2011.**

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1. Background

We launched the UK Business Panel in January 2007. Our intention was to create the most informed and reliable specialist research audiences available in the UK. Our customers are, exclusively, senior budget-holders across a range of disciplines from major companies and public sector organisations.

We've recruited a panel of over **1,200** directors, heads of departments and senior managers who have agreed to answer our questionnaires. The first questionnaire in February 2007 was on the topic of **Leadership**. Since then we have completed over a dozen surveys on topics as diverse as **Social media** to views on **The Coalition**. A full list of topics can be found at the end of this report.

This report focuses on the subject of **The Eurozone**.

A more detailed breakdown of the panel follows:

Gender		Age		Job Title		Job function	
Male	84%	25 to 30	1%	Director	30%	IT	25%
Female	16%	31 to 37	8%	Head of Function	31%	Communications	4%
		38 to 45	25%	Board Director	20%	Financial Services (PIMS)	12%
		46 to 55	47%	Senior Manager	11%	Human Resources	12%
		56 to 65	17%	General Manager	5%	Catering	6%
		66+	2%	Public Sector Equivalent	3%	Finance	10%
				Other	1%	Marketing	10%
						Logistics	16%
						Property	3%
						Other	1%

Our panel members control personal budgets of up to £200m each and come from organisations with turnovers up to and beyond £1bn.

189 people completed the online questionnaire. Their responses were both entirely confidential and strictly anonymous. This report analyses the results and comments where appropriate.

We'd like to thank everyone who took time to complete the questionnaire.

2. **Headline findings**

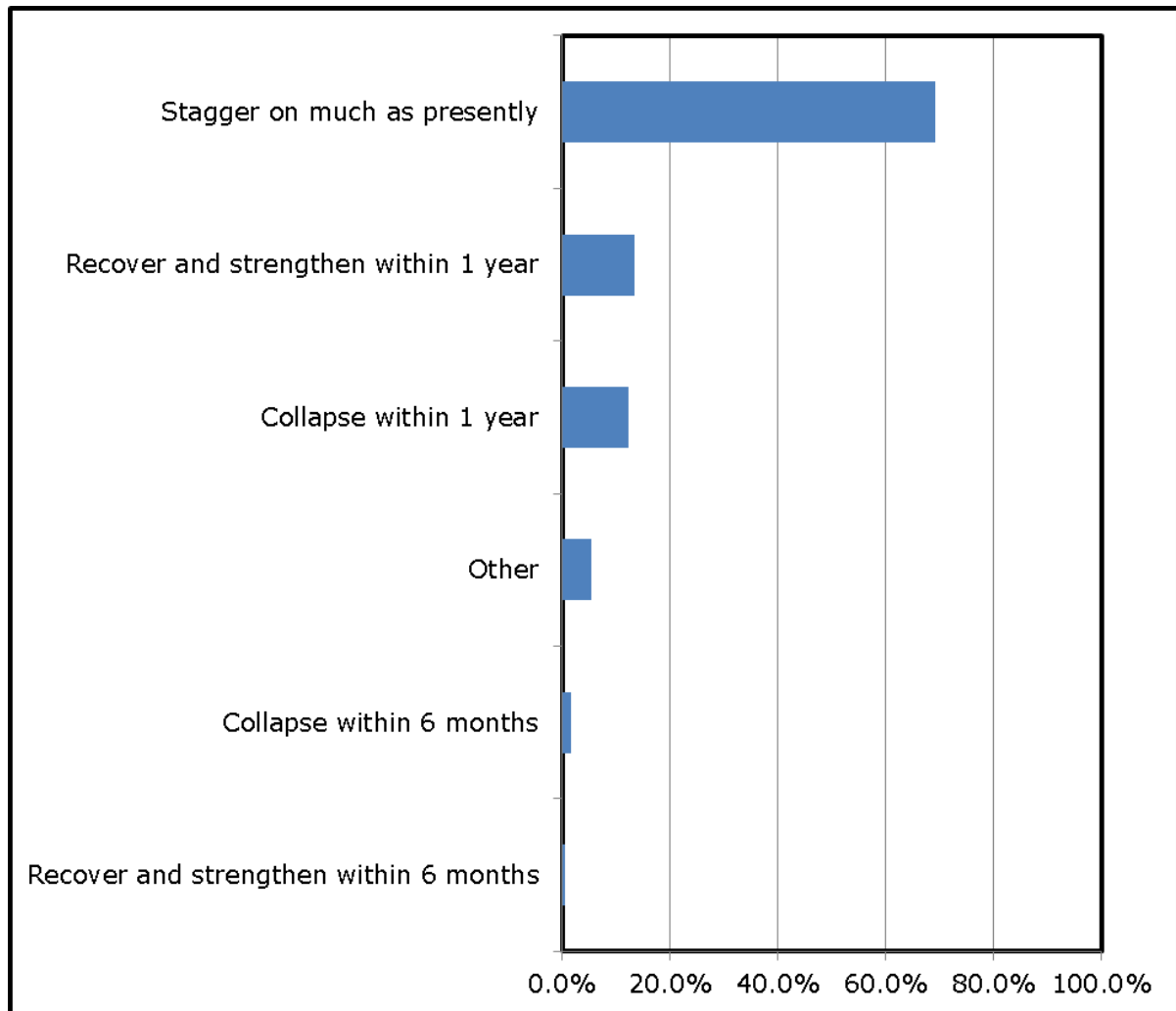
- Asked for their views on the Euro a 69% majority of the panel feel it's likely to stagger on much as presently.
- The next highest proportion of 13% feel the Euro will recover and strengthen within one year, whilst 12% feel the polar opposite, i.e. it will collapse within one year.
- Only one person feels it will strengthen within 6 months, whilst 2% feel it will collapse within 6 months. Interesting times indeed!
- Asked about their view of a return to individual currencies for the Eurozone the highest proportion of the panel is indifferent. Of those with a view over one third believes it would be advantageous to Britain whilst one in five believe it would be disastrous.
- We then asked if Europe was to regain stability and its former economic strength would the panel favour Britain joining the Eurozone. Only 14% said yes compared to 63% no, the remainder maybe; never say never.
- 6% of the panel feel the Eurozone will return to a sustained period of growth within the year. The highest proportion, 43% feel it will return within 2 years, whilst 41% feel it will within 5 years. 10% admit to having no idea whatsoever!
- In terms of banks lending to British businesses, one in five claims it's not as easy to obtain credit as it was before the recession, whilst 9% say 'their' banks have not always been helpful lately. 7% have found it excessively expensive to borrow from their banks whilst 3% admit to having real problems.
- Two thirds of the panel believe unemployment will eventually fall; over half the panel feels it will reduce within 2 years and 9% within the year. Against this, the remaining third cannot see a fall in unemployment for the foreseeable future.
- Asked for their agreement levels from a series of statements: the most vehement are that British banks should separate their retail functions from the more speculative investment arm, and, that whilst the Coalition promised to slash the numbers of quangos and civil servants, the results so far have been wholly unimpressive.
- Interestingly over half the panel *disagreed* with the statement that the Government should relax some of its austerity measures to stimulate the economy. Just under one third *agreed* they should.
- Over ½ the panel agree that Anti-Europe sentiment is increasing in Britain.
- Almost two thirds of the panel *agree* that British banks have been insufficiently penalised for their role in provoking the credit crunch.

The full results follow.

3. The Eurozone - results

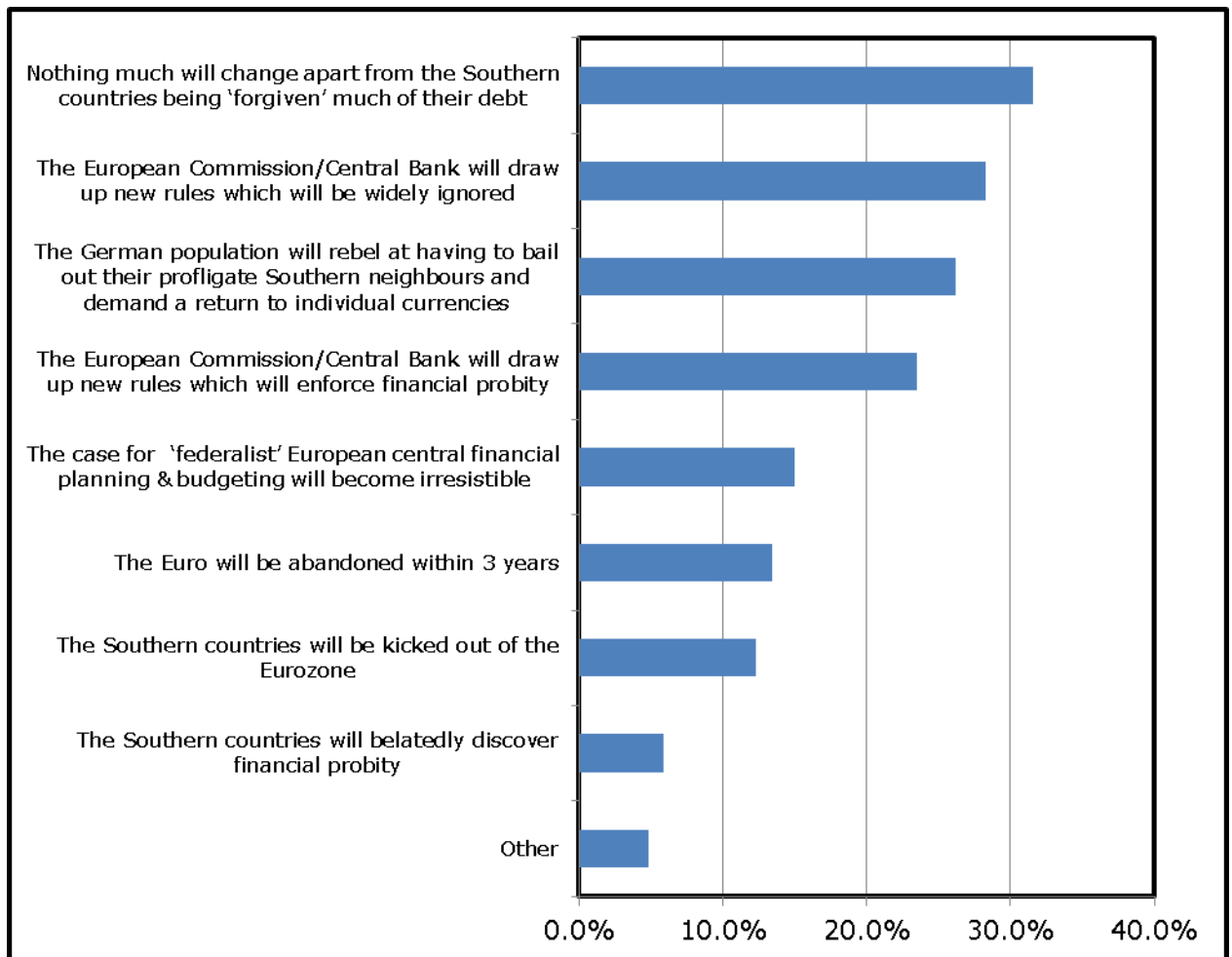
3.1. The future of the Euro.

The panel was asked for their views on the future of the Euro.



Comment

- The graph shows an overwhelming 'winner' in terms of the panel's view of the Euro; it's likely to stagger on much as presently. Not the most positive vote of confidence.
- The next highest proportion of 13% feels the Euro will recover and strengthen within one year, whilst 12% feel the polar opposite, i.e. it will collapse within one year.
- Only one person feels it will strengthen within 6 months, whilst 2% feel it will collapse within 6 months. Interesting times indeed!
- Next we asked the panel if, as appears to be the case, northern European countries struggle to co-exist financially with their Southern neighbours, which of the following alternatives do they believe will happen. *Please note this questionnaire was undertaken before the Brussels summit on 26th October.*

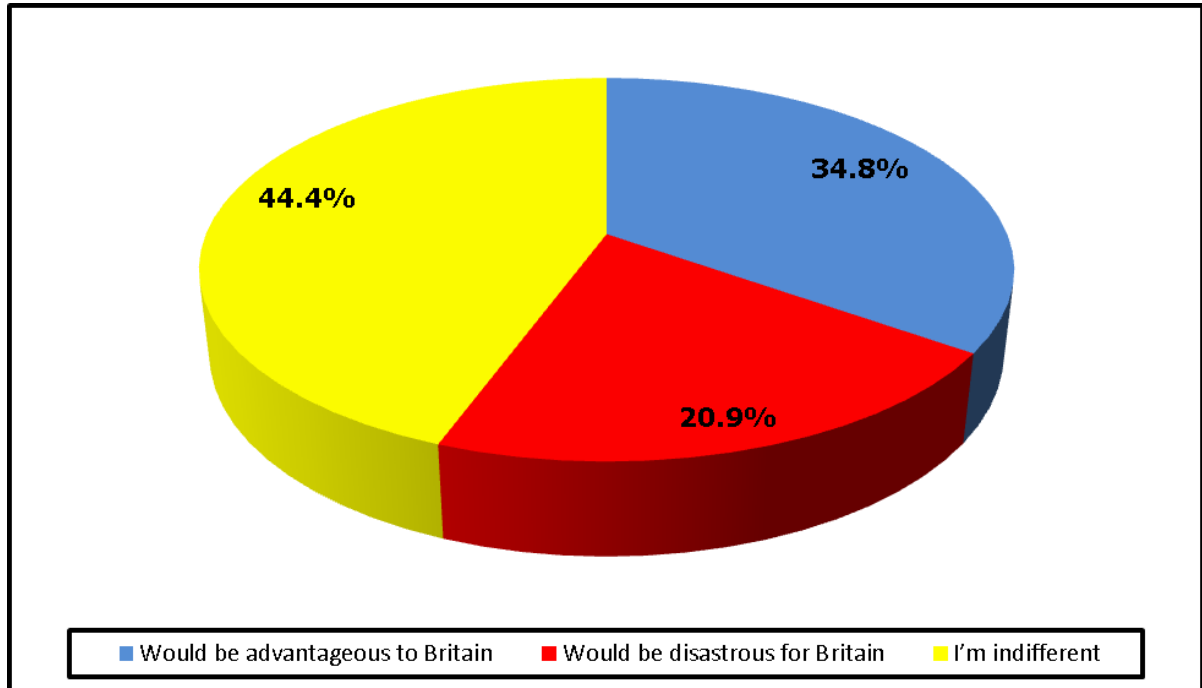


Comment

- There's a pattern emerging here. Once again the top response is that the panel feels nothing much will change apart from the Southern countries being 'forgiven' much of their debt. One can only marvel at the panel's foresight!
- This is closely followed by: the European Commission / Central Bank will draw up new rules which will be widely ignored and the German population will rebel at having to bail out their profligate Southern neighbours and demand a return to individual currencies. Watch this space...
- At the other end of the scale only 6% of the panel feel the Southern countries will discover financial probity, whilst only 12% feel they'll be kicked out of the Eurozone. These 2 together pretty much encapsulate the current goings on.

3.2. Return to individual European currencies.

Next, the panel was asked their views on a return to individual European currencies.



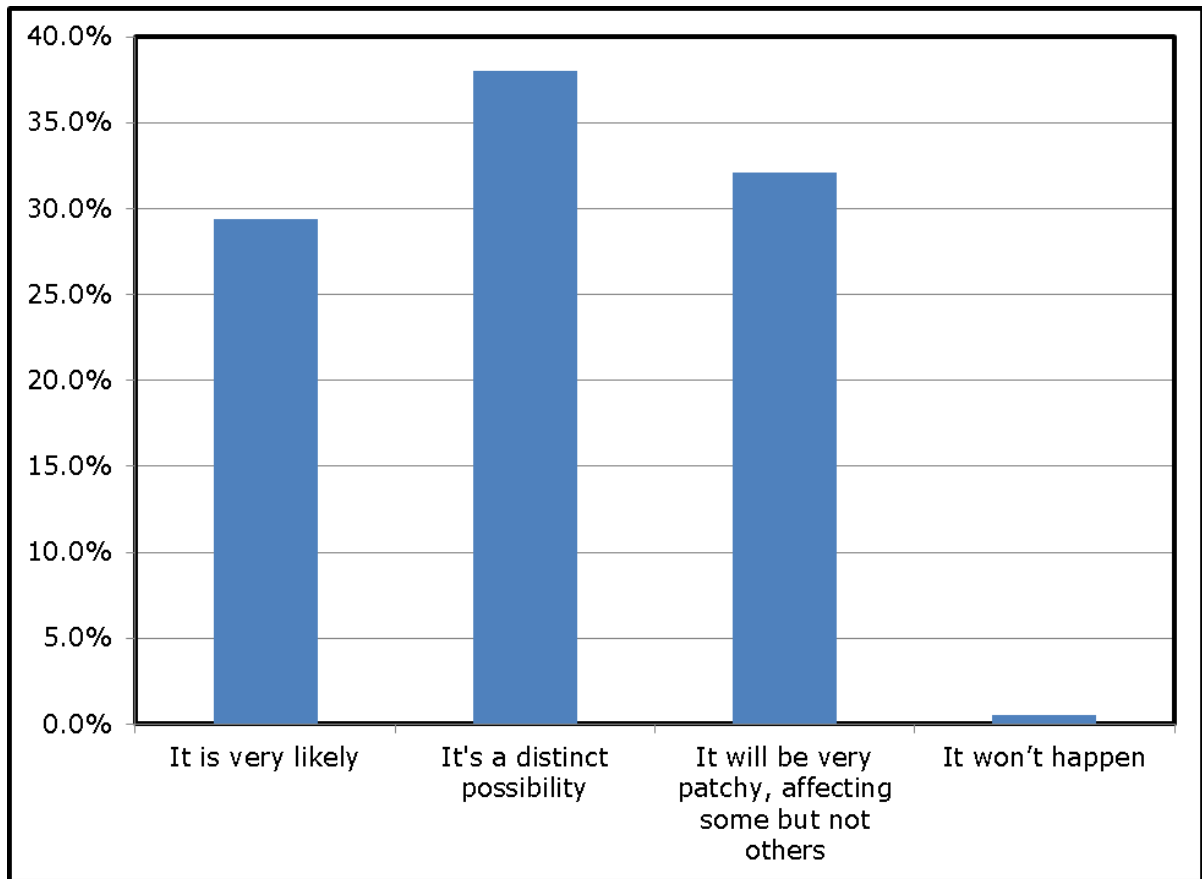
Comment

- The highest proportion of the panel is indifferent to what a return to individual currencies would mean for Britain.
- Of those with a view, over one third believes it would be advantageous to Britain whilst one in five believe it would be disastrous.
- We then asked: if Europe was to regain stability and its former economic strength would the panel favour Britain joining the Eurozone.

	%
Yes	14%
No	63%
Maybe. I'd never say never	23%

- Quite damning statistics!

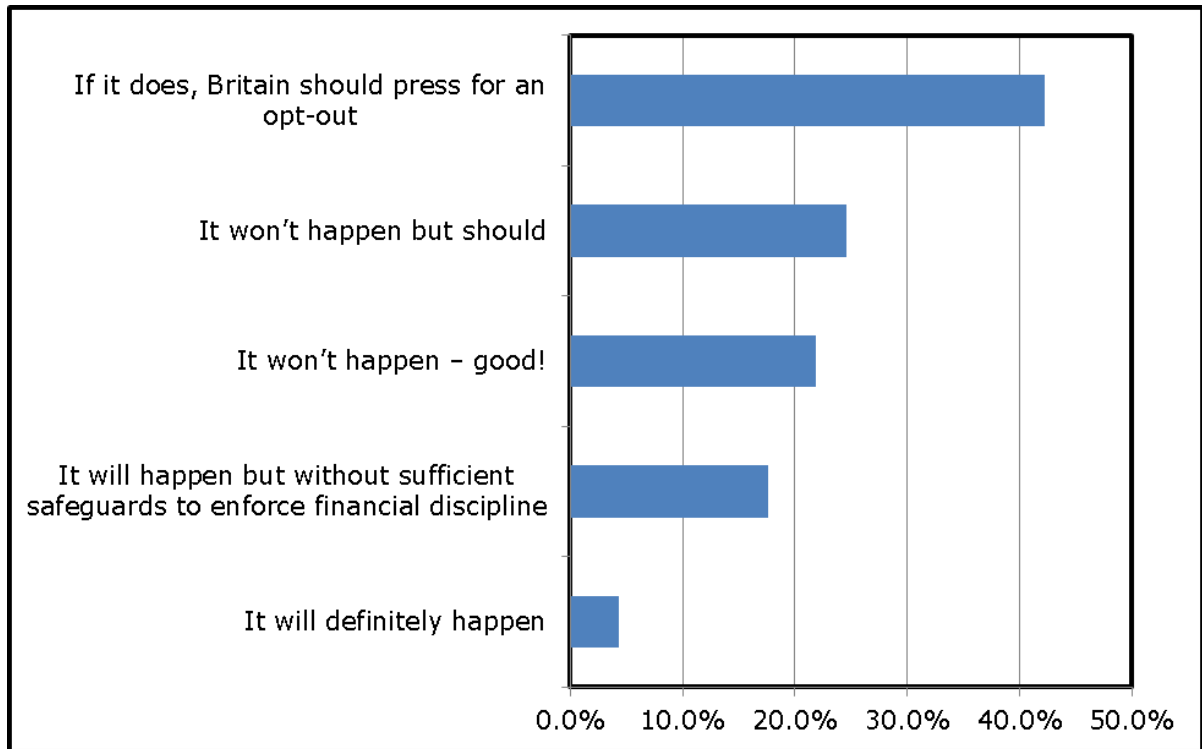
- A second dose of recession within the Eurozone has been widely forecast. We asked the panel whether or not they agreed.



- Scary! 99% of the panel feel a second dose of recession, be it full or patchy, is on the way for the Eurozone.

3.3. Tax regimes & fiscal policies.

The present crisis has generated much talk about the need to 'harmonise' European tax regimes and fiscal policies. Do you believe:

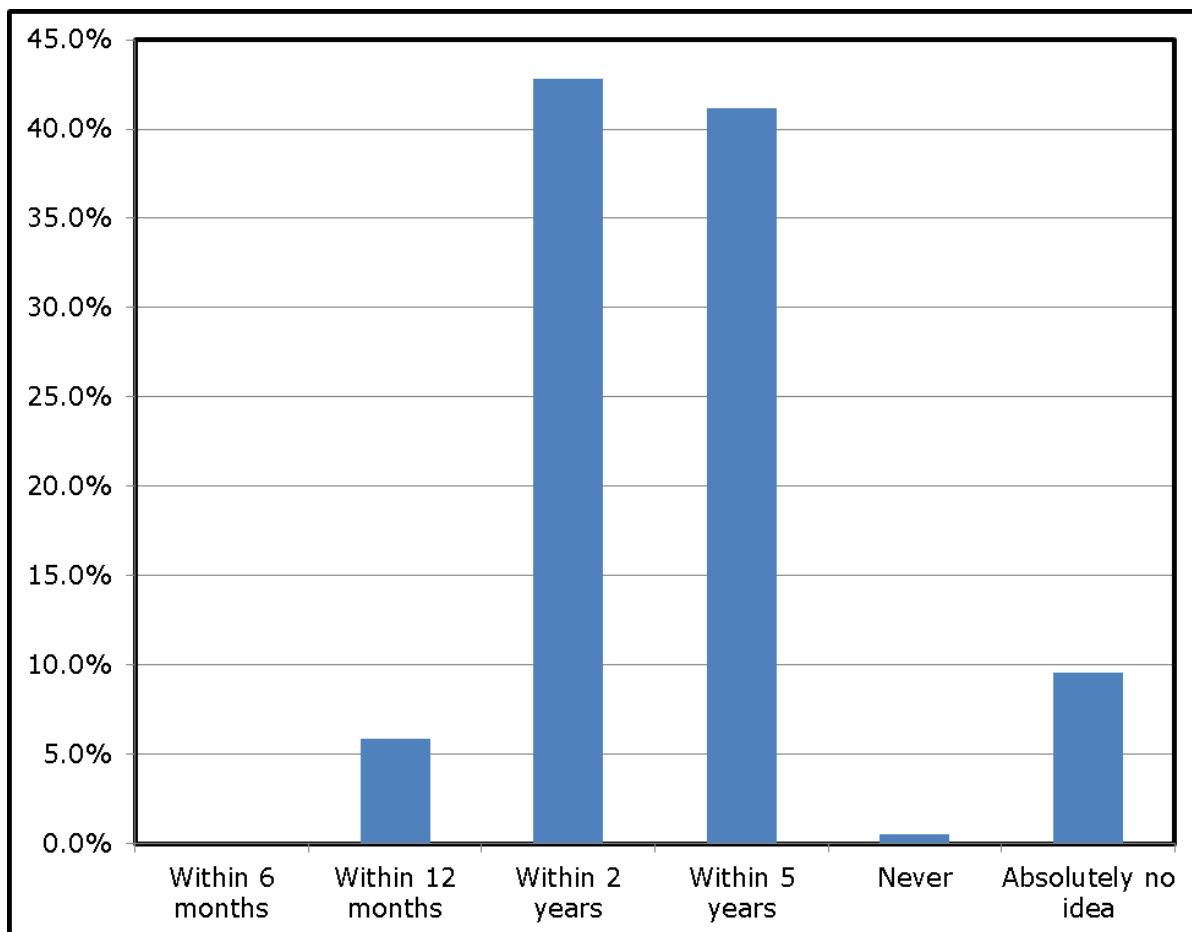


Comment

- The highest proportion of the panel believes that if the Eurozone does harmonise tax regimes then Britain should press for an opt-out.
- Of those that are sure it won't happen, 25% believe it won't but it should whilst 22% believe it won't - good!
- 18% of the panel believe it will happen but without sufficient safeguards to enforce financial discipline.

3.4. A return to growth?

The panel was then asked when they felt Europe would return to a sustained period of growth.

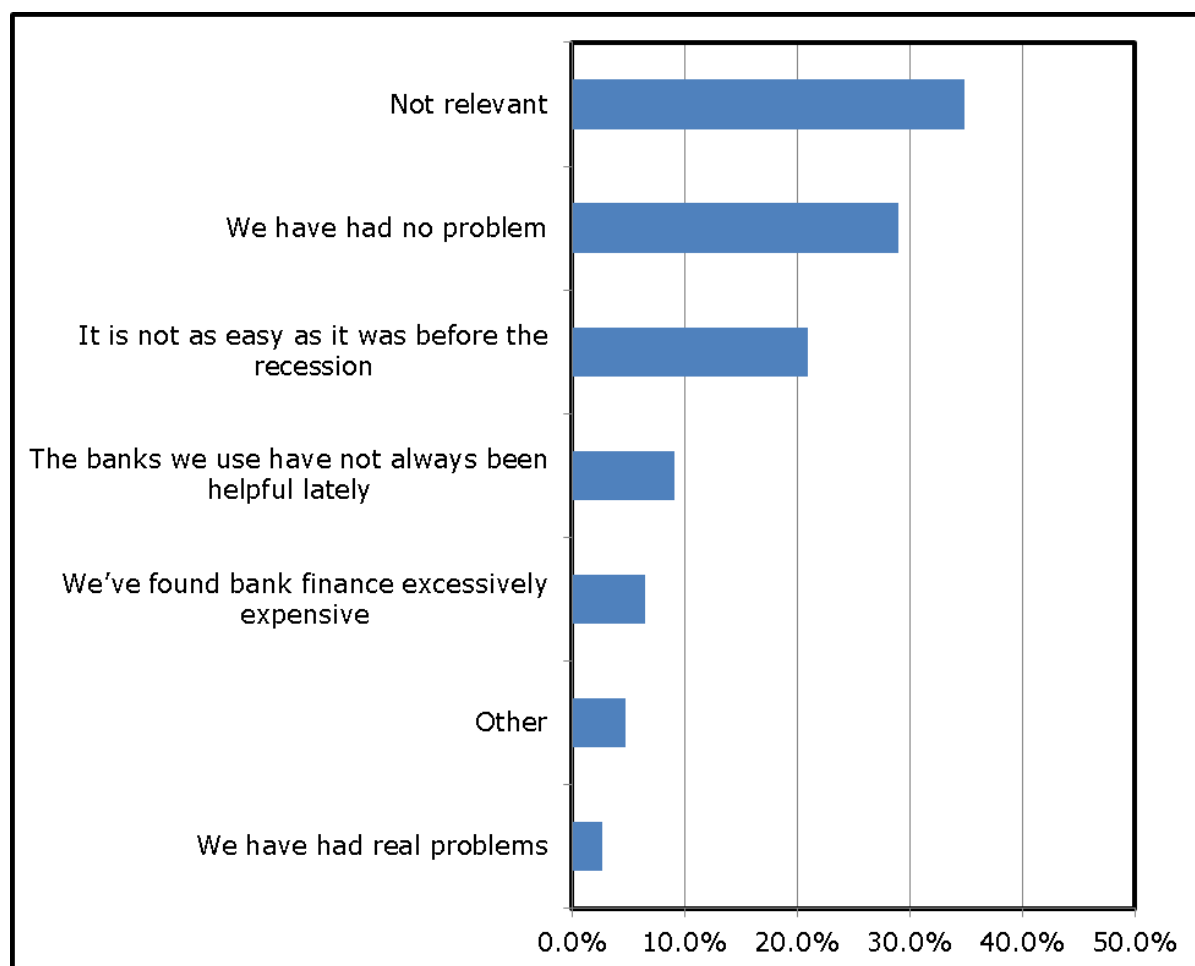


Comment

- Only 6% of the panel feel the Eurozone will return to a sustained period of growth within the year. Many may argue 6% is quite a high figure!
- The highest proportion, 43%, feels it will return within 2 years. Whilst 41% feel it will within 5 years.
- 10% admit to having no idea whatsoever!

3.5. Bank finance.

Lending levels to British businesses have provoked widespread criticism in recent months. We asked the panel what has been their experience.

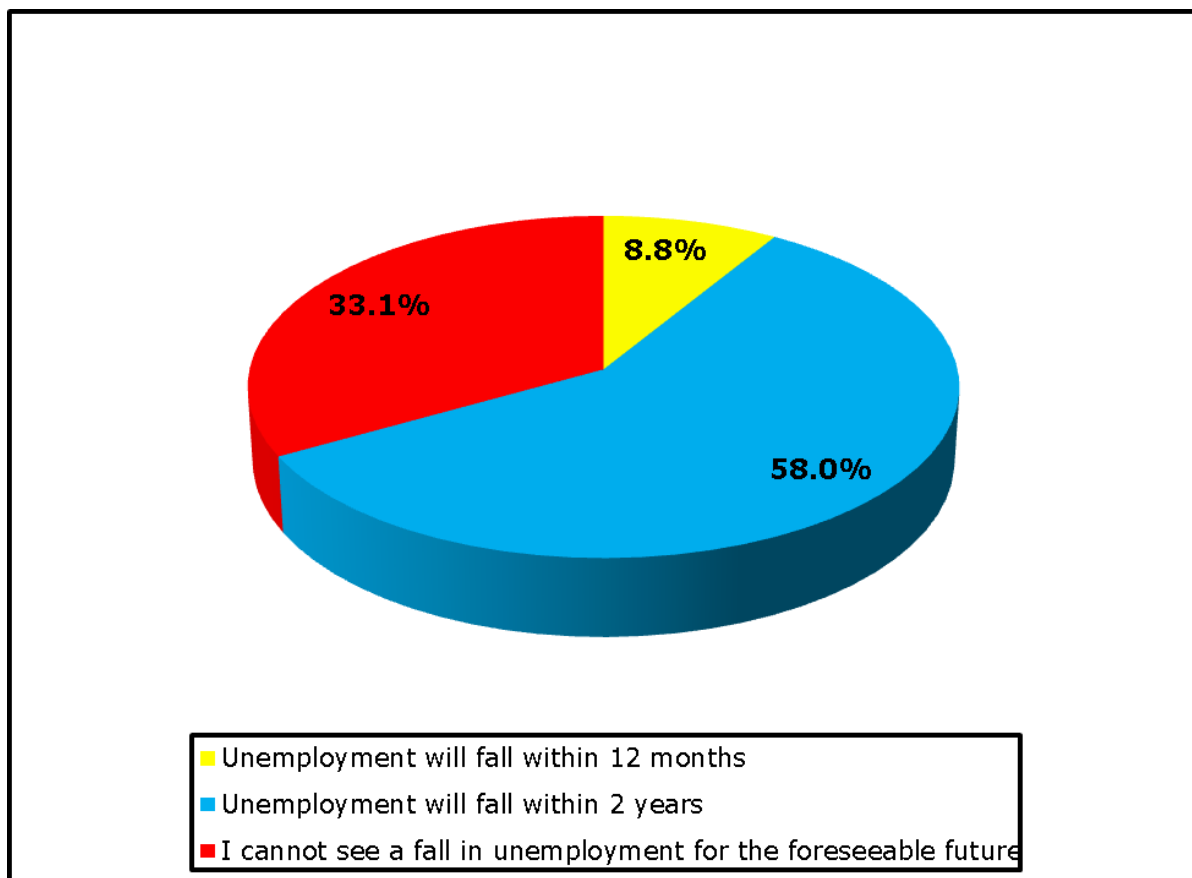


Comment

- Taking out those who aren't relevant, the highest proportion admit to having no problem in terms of banks lending.
- A further fifth claim it's not as easy as it was before the recession, whilst 9% say 'their' banks have not always been helpful lately.
- 7% have found it excessively expensive to borrow from their banks whilst 3% admit to having real problems.

3.6. Unemployment.

Next we asked the panel for their views on UK unemployment, which at the time of the questionnaire stood at 7.6%.



Comment

- The good news is that two thirds of the panel believe unemployment will eventually fall; over half the panel feels it will within 2 years and 9% within the year.
- On the flip side one third of the panel cannot see a fall in unemployment for the foreseeable future.

3.7. Agreement levels.

Finally we gave the panel a series of statements and asked for their agreement levels for each one. The table below shows the full responses for each statement.

	Agree	Unsure	Disagree	No opinion
The government should relax some of its austerity measures to stimulate the economy	31%	17%	52%	1%
An immediate reduction in taxes in Britain would kick start real recovery	33%	27%	39%	1%
Government-led cuts should be still deeper to restore Britain's financial equilibrium	26%	16%	57%	2%
The government should allow inflation to rise to help the economy grow again	24%	28%	47%	1%
We should play an active - and contributing - role in any financial rescue operations (such as those recently put into place for Ireland & Greece)	16%	17%	65%	2%
We would do well to harmonise our tax and fiscal policies with those of Europe as much as practicable	12%	15%	70%	2%
Anti-Europe sentiment is increasing in Britain	56%	23%	16%	5%
The Coalition promised to slash the numbers of quangos and civil servants. So far, the results are unimpressive	75%	14%	7%	4%
British banks have been insufficiently penalised for their role in provoking the credit crunch which in turn led to the recent/present recession	62%	12%	24%	2%
British banks should separate retail functions from more speculative investment banking	81%	8%	9%	2%

Comment

- The most vehement agreement levels are that British banks should separate their retail functions from their more speculative investment arms, and that whilst the Coalition promised to slash the numbers of quangos and civil servants, the results so far have been wholly unimpressive.
- In terms of where the panel disagrees strongly, the suggestion that we should harmonise our tax and fiscal policies with those of Europe receives a huge thumbs down as does the proposition that the UK should play an active and contributing role to the current Eurozone debt crisis.

- Interestingly, over half the panel *disagreed* with the statement that the government should relax some of its austerity measures to stimulate the economy. Just under one third *agreed* they should.
- Over half the panel agrees that anti-Europe sentiment is increasing in Britain.
- Almost two thirds of the panel agree that British banks have been insufficiently penalised for their role in provoking the credit crunch.

4. Further Information

We are always looking to build our panel with senior professionals from UK businesses. If you wish to join or would like to recommend someone else, please see the contact details below. Further criteria for participation can be found on page 2.

This research is produced by Richmond Events, who would like to express their gratitude to all those who took part.

Previous research titles undertaken by the UK Business panel:

- Leadership
- Change management
- Career planning
- Economic outlook (08, 09, 10 & 11)
- Recruitment & retention
- Tax
- Transport
- The Environment
- Culture change
- The Internet
- Personal development
- People management
- Training
- The future
- Attitudes towards the Coalition
- New Government priorities
- Business personality
- Social media
- The workings of organisations
- Happiness

For details of other research available please contact:

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