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Article: Clearlybusiness

Tech firms remain confident despite global turmoil

According to a poll by corporate finance firm Cobalt, 41% of businesses in the TMT sector believe they would fare better if a recession were to hit.

This confidence comes despite the fact that 70% of businesses believe the UK would follow in the US' footsteps if a recession occurred.

Businesses in the TMT sector are so confident of their growth, despite current global economic fears, that 44% expect employment figures to rise in 2008 and 40% expect them to stay the same.

Chris Williams, partner at Cobalt, said:

"I'm highly encouraged by a TMT sector that has reacted quickly and proactively to the much talked about storm clouds in the US and the looming global credit crunch.

"Businesses expect the UK to follow any US downturn but the majority do not expect the impact on the sector to be as devastating as 2000/2001."

He added that the TMT industry was a 'mature' one which was 'quick to spot the potential opportunities and ready to embrace global change'. However, he claimed the recent changes to Capital Gains Tax had dented businesses' confidence in the government.

"[Brown] has a long way to go in wooing them back following the Capital Gains Tax debacle and business sentiment has moved to view him less as an ally and more as a threat."