

British business confidence drops to years' low, BDO survey

LONDON, Feb. 11 (Xinhua) -- Britain's businesses had the lowest confidence in 21 years in January, accountancy firm BDO said in a survey.

BDO's Optimism Index fell to 88.9 in January, far below the score of 95 needed to indicate growth, which is the lowest level recorded since the survey was launched in 1992.

BDO said it suggests the economy will struggle to grow in the first quarter of this year, although the country's labor market has continuously showed signs of improvement. BDO's partner Peter Hemington said: "It seems the damaging effects on businesses of five years' zigzagging economic growth has left them wary of making concrete plans for expansion and resigned to the 'new normal' of economic stagnation." The survey by BDO estimates confidence in business performance and the economy over the next six months.

Britain's economy is widely expected to return to recession this year, after its GDP shrank by 0.3 percent in the fourth quarter of 2012. Its economy had seen consecutive negative growth since the fourth quarter of 2011 before the London Olympics was held in the third quarter.