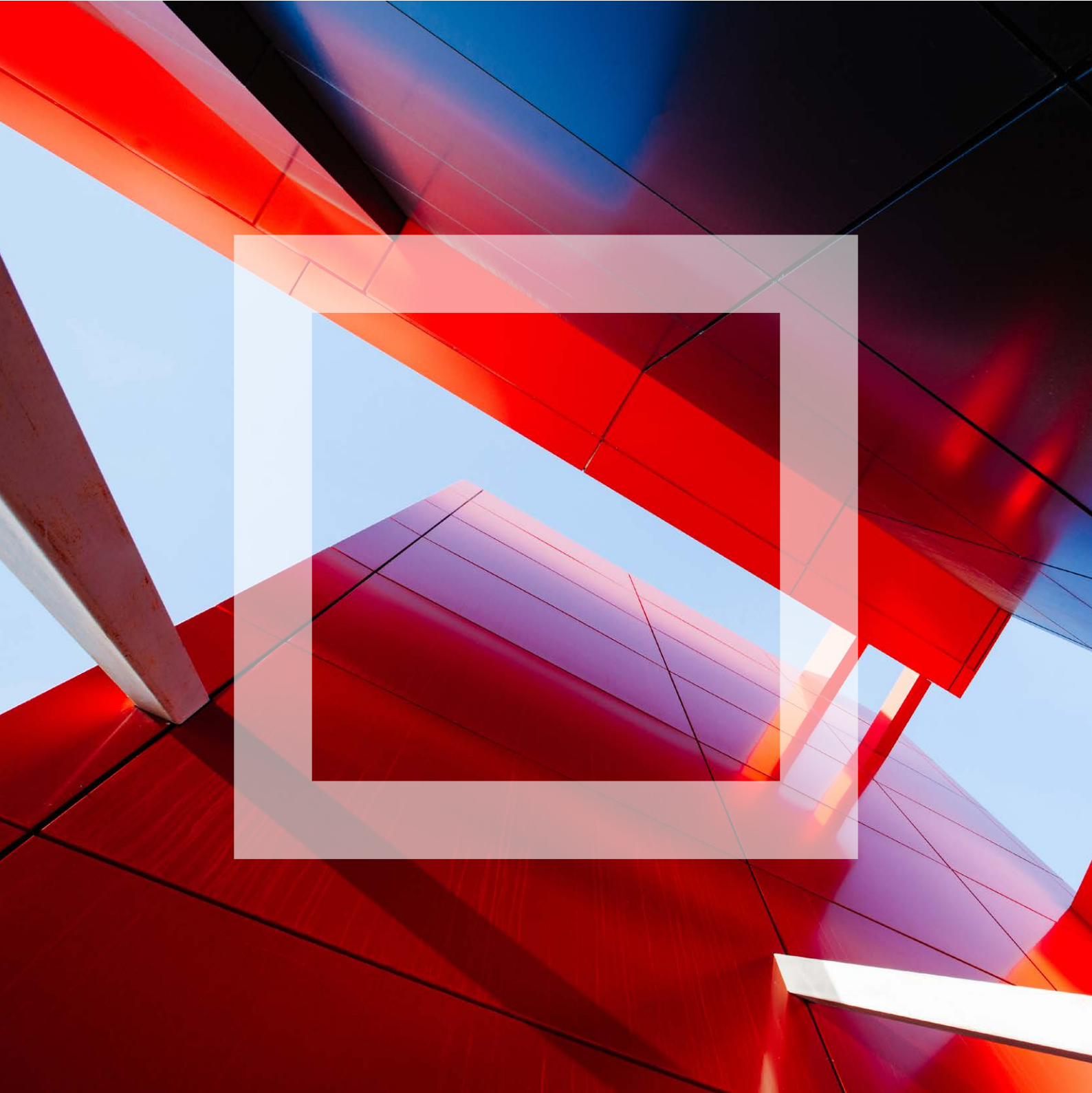




Think Ahead



The Association of
Accountants and
Financial Professionals
in Business



GLOBAL ECONOMIC CONDITIONS SURVEY REPORT: **Q4, 2023**

About ACCA

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over 247,000 members and 526,000 future members in 181 countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

Find out more at www.accaglobal.com

About IMA® (Institute of Management Accountants)

IMA® is one of the largest and most respected associations focused exclusively on advancing the management accounting profession. Globally, IMA supports the profession through research, the CMA® (Certified Management Accountant), CSCA® (Certified in Strategy and Competitive Analysis), and FMAA™ (Financial and Managerial Accounting Associate) certification programs, continuing education, networking, and advocacy of the highest ethical business practices. Twice named Professional Body of the Year by *The Accountant/International Accounting Bulletin*, IMA has a global network of about 140,000 members in 150 countries and 350 professional and student chapters. Headquartered in Montvale, N.J., USA, IMA provides localized services through its six global regions: The Americas, China, Europe, Middle East/North Africa, India, and Asia Pacific.

**For more information about IMA, please visit:
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Introduction

THE GLOBAL ECONOMIC CONDITIONS SURVEY (GECS), IS THE LARGEST REGULAR ECONOMIC SURVEY OF ACCOUNTANTS AROUND THE WORLD.

The Global Economic Conditions Survey (GECS), carried out jointly by ACCA (the Association of Chartered Certified Accountants) and IMA (Institute of Management Accountants), is the largest regular economic survey of accountants around the world, in both the number of respondents and the range of economic variables it monitors.

The GECS has been conducted for over 10 years. Its main indices are good lead indicators of economic activity and provide a valuable insight into the views of finance professionals on key variables, such as investment, employment, and costs.

Fieldwork for the 2023 Q4 survey took place between 28 November and 12 December 2023 and gathered 1,447 responses: 1,228 from ACCA members and 219 from IMA members.

ACCA and IMA would like to thank all members who took the time to respond to the survey. It is their first-hand insights into the fortunes of companies around the world that make GECS a trusted barometer for the global economy.



Executive summary

THE GLOBAL ECONOMIC CONDITIONS SURVEY SUGGESTS THAT CONFIDENCE DECLINED AGAIN IN Q4, CONSISTENT WITH A FURTHER SLOWING IN GLOBAL GROWTH.

The latest ACCA and IMA Global Economic Conditions Survey (GECS) suggests that confidence among accountants and finance professionals declined slightly for the third quarter in a row and is now moderately below its long-term average. There was also a decline in the Employment Index, which is at its weakest since 2020 Q4, consistent with some easing in job markets. Meanwhile, the New Orders Index increased fractionally and is just above its average, while capital expenditure improved but remains below average (see **Chart 1**).

A good cross-check on the economic outlook is provided by the two GECS ‘fear’ indices, which reflect respondents’ concerns that customers and/or suppliers may go out of business (see **Chart 2**). Fears about customers going out of business edged up slightly again, but concerns about suppliers continued to ease. Neither series looks alarming by historical standards. With corporate bankruptcies rising, and as monetary policy tightening

works with a lag, we are likely to see some deterioration in these indices in 2024.

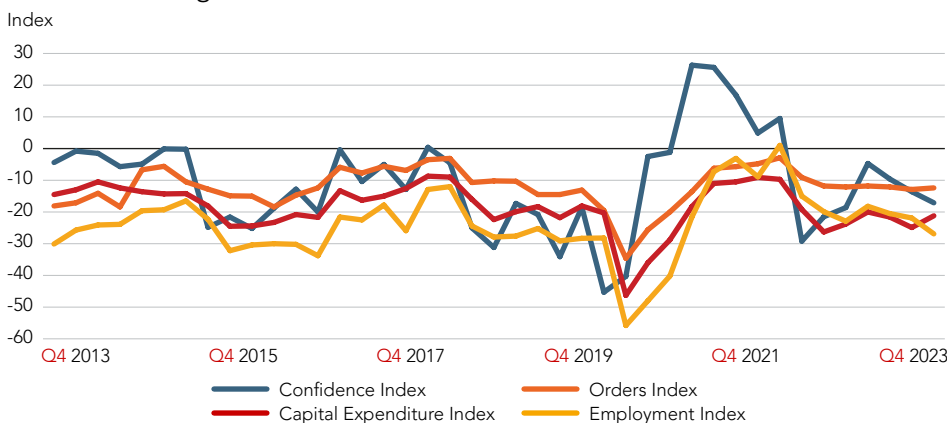
At the regional level, there was a very large rise in confidence in North America, which is now close to its long-term average. This perhaps reflects increased confidence that the U.S. Federal Reserve may be able to pull off a soft landing in 2024. By contrast, confidence declined in both Western Europe and Asia Pacific, and is below average in both regions. There was also a very sharp fall in Africa, erasing the gains made earlier in 2023.

All in all, the GECS survey remains consistent with some further slowing in global economic growth, although it does not suggest that a major downturn is in the offing. Nevertheless, the global economy looks set to grow at materially less than its long-term average rate in 2024 and downside risks remain. Indeed, geopolitical risks continue to build, in particular given the risk of an escalation of the conflict in the Middle East.

CONFIDENCE AMONG ACCOUNTANTS GLOBALLY DECLINED SLIGHTLY FOR THE THIRD CONSECUTIVE QUARTER. THE EMPLOYMENT INDEX ALSO FELL, WHILE THE INDEX FOR CAPITAL EXPENDITURE ROSE MODESTLY. NEW ORDERS WERE LARGELY UNCHANGED.



CHART 1: GECS global indicators

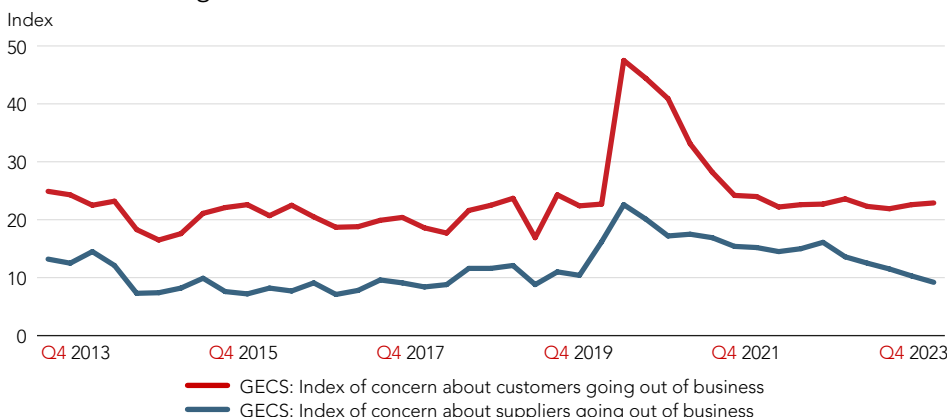


Source: ACCA/IMA (2013–23)

CONCERNS THAT CUSTOMERS COULD GO OUT OF BUSINESS INCREASED MARGINALLY, BUT FEARS ABOUT SUPPLIERS CONTINUED TO EASE. THE LAGGED IMPACT OF AGGRESSIVE GLOBAL MONETARY TIGHTENING SHOULD LEAD TO SOME DETERIORATION IN OUR ‘FEAR’ INDICES IN 2024.



CHART 2: GECS global ‘fear’ indices



Source: ACCA/IMA (2013–23)

1. Global and regional analysis

LOOKING AT THE CHANGE IN THE GECS CONFIDENCE INDICES OVER THE PAST QUARTER, THE SHARP JUMP IN NORTH AMERICA OF ALMOST 25 POINTS IS STRIKING.

Looking at the change in the GECS Confidence indices over the past quarter, the sharp jump in North America of almost 25 points is striking (see **Chart 3a**). This was the fifth-largest gain in the survey's history and comes after a marked fall in Q3. Continued robust GDP growth in the U.S. has likely buoyed sentiment, while sharply falling inflation may have increased expectations that the economy could be heading for the much talked about "soft landing." Surprisingly, confidence rose in the Middle East despite the recent events in Israel and Gaza, and also increased in South Asia. Confidence declined in Western Europe for the third consecutive quarter, which is hardly surprising given the weakness in the eurozone and UK economies. Confidence fell quite sharply in Asia Pacific after previous tentative signs of improvement. Renewed concerns about the state of China's economic recovery could have been the driver. There was a very sharp plunge in confidence in Africa, erasing the strong gains over the first three quarters of 2023.

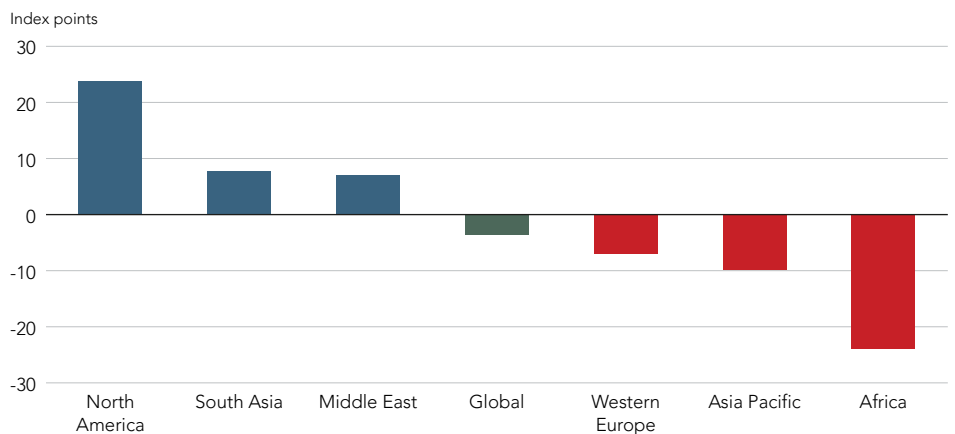
This could reflect the challenging global economic backdrop, amid weakness in key markets such as China and Western Europe, as well as rising geopolitical risks.

Looking at the past 12 months, global confidence is slightly higher than at the start, but this is entirely owing to the sharp rise in Q1 2023. Confidence fell back in each of the subsequent quarters. It is up the most in North America after the sharp rebound in Q4 (see **Chart 3b**). The next largest rise was in South Asia, followed by Western Europe. The latter's improvement was driven by the huge Q1 increase, with confidence subsequently falling by over 25 points. Asia Pacific recorded by far the largest fall in confidence, while there were small declines in the Middle East and Africa. Confidence is higher than its long-term average in the Middle East, and close to it in North America and South Asia, although slightly lower in Asia Pacific, and materially lower in Western Europe, and, to a lesser extent in Africa.

THE GLOBAL CONFIDENCE INDEX DECLINED SLIGHTLY FROM Q3 TO Q4. WHILE CONFIDENCE ROSE SHARPLY IN NORTH AMERICA, THERE WAS A VERY MARKED FALL IN AFRICA, AND DECLINES IN THE IMPORTANT ASIA PACIFIC AND WESTERN EUROPE REGIONS.



CHART 3a: Confidence – change over the past quarter

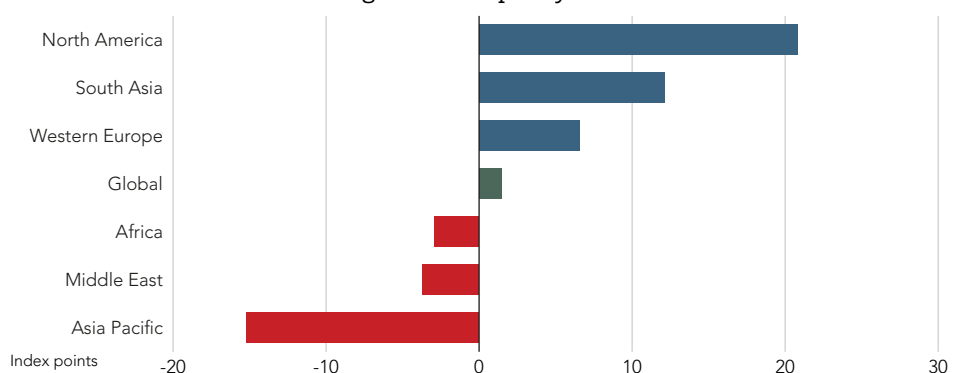


Source: ACCA/IMA (2013–23)

CONFIDENCE IS UP MODESTLY AT A GLOBAL LEVEL OVER THE PAST YEAR DESPITE AGGRESSIVE MONETARY TIGHTENING. THERE ARE SOME STRIKING REGIONAL DIFFERENCES THOUGH. IT IS MUCH HIGHER IN NORTH AMERICA BUT MATERIALLY LOWER IN ASIA PACIFIC.



CHART 3b: Confidence – change over the past year



Source: ACCA/IMA (2013–23)

The GECS Global New Orders Index increased marginally in Q4 and is slightly above its average over the survey's history. At the regional level, orders rose modestly in Western Europe, the Middle East, and South Asia, but declined noticeably in Asia Pacific, Africa, and, to a lesser extent, in North America (see **Chart 4a**). Looking back over the past year, the declines in new orders were largest in Asia Pacific

and Africa. South Asia, North America, and the Middle East registered modest declines, while Western Europe was the only region recording an increase (see **Chart 4b**). Compared with their history, new orders are well above their long-term average in the Middle East, and less so in Africa and Western Europe. They are below average in North America, Asia Pacific, and South Asia.

Concerns about increased costs eased slightly again in the latest quarter. As **Chart 5** shows, cost pressures clearly look to have peaked, although they still remain well above the median recorded over the survey's history. This suggests that the risk is that financial market expectations may be too optimistic on the timing and magnitude of central bank rate cuts in 2024.

THE GECS GLOBAL NEW ORDERS INDEX MOVED MARGINALLY HIGHER IN THE LATEST QUARTER, ALTHOUGH THERE WAS A RATHER MIXED REGIONAL PROFILE. ORDERS ROSE MODESTLY IN WESTERN EUROPE, THE MIDDLE EAST AND SOUTH ASIA, BUT DECLINED NOTICEABLY IN ASIA PACIFIC AND AFRICA, AND TO A LESSER EXTENT, NORTH AMERICA.



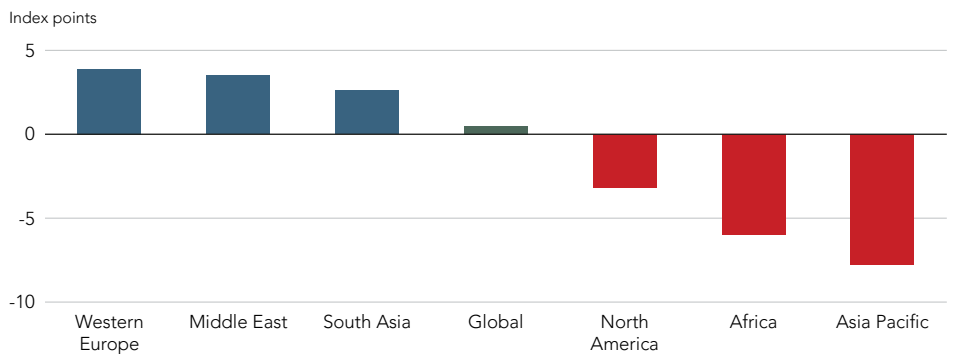
OVER THE PAST YEAR, NEW ORDERS HAVE FALLEN MOST IN ASIA PACIFIC AND AFRICA. WESTERN EUROPE WAS THE ONLY REGION RECORDING A RISE.



CONCERNS ABOUT INCREASED COSTS EASED AGAIN BUT REMAIN ELEVATED BY HISTORICAL STANDARDS. THIS SUGGESTS THAT THE RISK IS THAT FINANCIAL MARKET EXPECTATIONS MAY BE TOO OPTIMISTIC ON THE TIMING AND MAGNITUDE OF CENTRAL BANK RATE CUTS IN 2024.

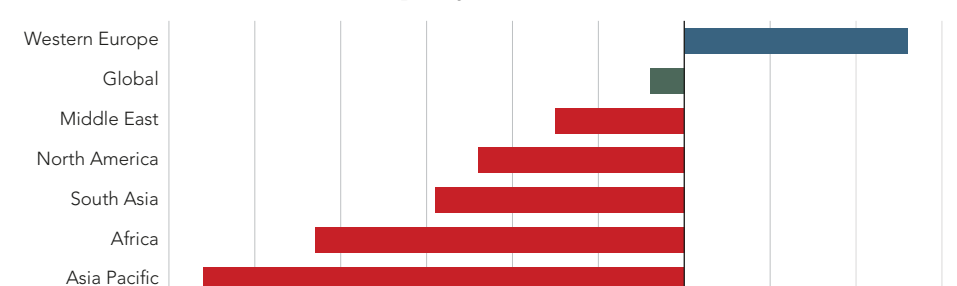


CHART 4a: GECS Orders over the past quarter



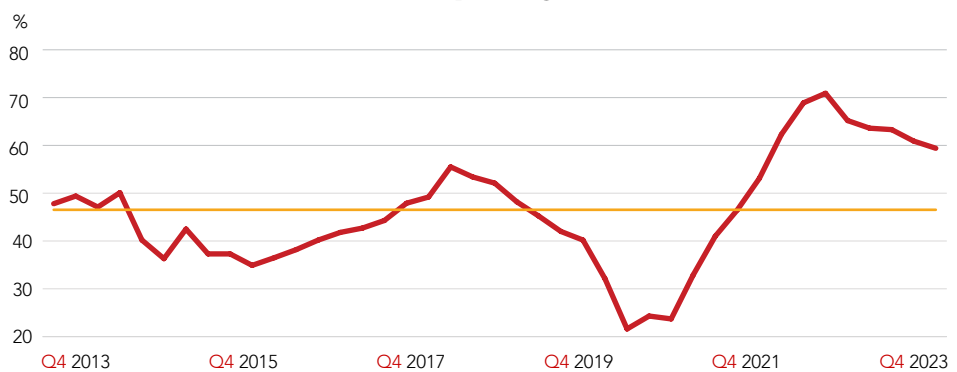
Source: ACCA/IMA (2013–23)

CHART 4b: GECS Orders over the past year



Source: ACCA/IMA (2013–23)

CHART 5: Concerns about increased operating costs



Source: ACCA/IMA (2013–23)

— Global % of respondents concerned about 'increased costs'
— Median over survey history

Global problems accessing finance edged up slightly in Q4, while problems securing prompt payment were largely unchanged (see **Chart 6**). Neither series currently looks concerning by historical standards. This is surprising, given the aggressive global monetary tightening we have seen over the past couple of years.

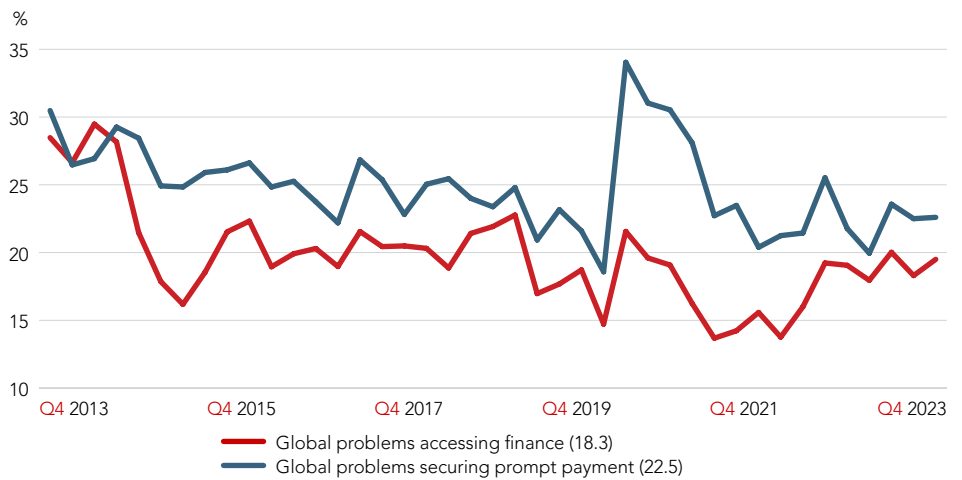
This may reflect the fact that monetary policy works with lags. Meanwhile, the sharp fallback in U.S. government bond yields from their recent peaks in the autumn has sparked a welcome easing in global financial conditions, as has the softening of the U.S. dollar.

Firms hiring and investing in staff declined for the third consecutive quarter, although there was a modest improvement in capital expenditure (see **Chart 7**). Despite the slowing global economy, firms don't appear to be embarking on a major retrenchment. Indeed, the employment and capital expenditure indices are only modestly below their long-term averages at the global level.

THERE WAS A SMALL RISE IN THE PROPORTION OF COMPANIES EXPERIENCING PROBLEMS ACCESSING FINANCE, WHILE PROBLEMS SECURING PROMPT PAYMENT WERE LARGELY UNCHANGED. NEITHER SERIES LOOKS CONCERNING BY HISTORICAL STANDARDS.



CHART 6: Problems securing prompt payment and accessing finance

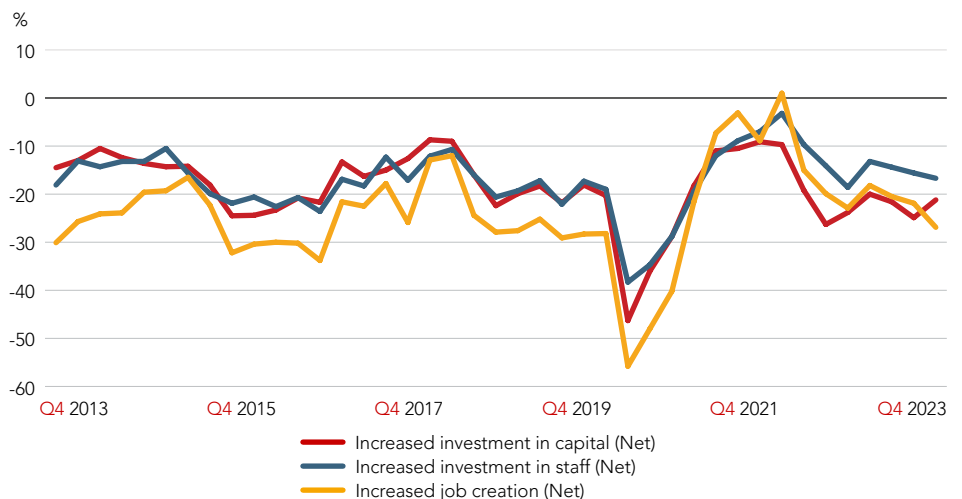


Source: ACCA/IMA (2013–23)

COMPANIES REDUCED JOB CREATION AND INVESTMENT IN STAFF FOR THE THIRD SUCCESSIVE QUARTER, BUT CAPITAL EXPENDITURE IMPROVED SLIGHTLY.



CHART 7: Changes in net investment and job creation



Source: ACCA/IMA (2013–23)

Regional analysis

THE SHARP JUMP IN CONFIDENCE IN NORTH AMERICA STOOD OUT, BUT SENTIMENT WEAKENED IN ASIA PACIFIC AND WESTERN EUROPE.

The latest results were mixed at the regional level. The significant increase in confidence in North America was striking, and there were also gains in South Asia and the Middle East. But confidence fell for the third consecutive quarter in Western Europe and declined in Asia Pacific after signs of improvement in Q3. Moreover, confidence dropped very sharply in Africa (see **Chart 8**).

New orders fell the most in Asia Pacific, followed by Africa and North America (see **Chart 9**). There were modest gains

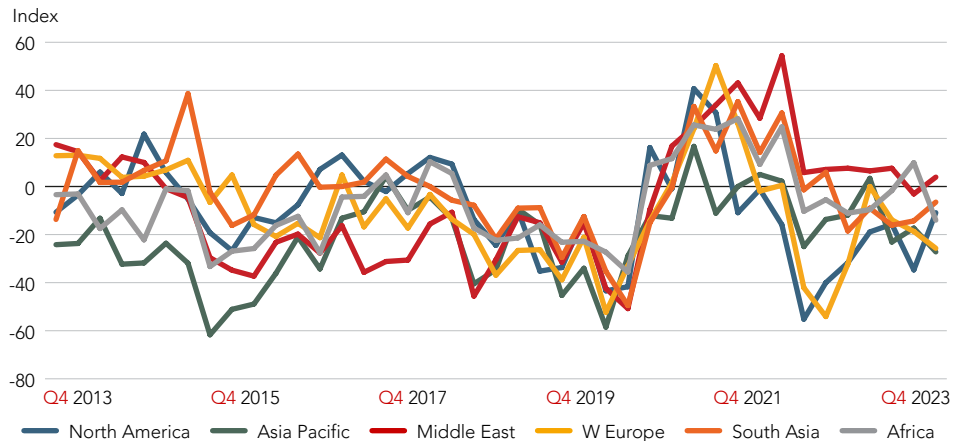
in Western Europe, the Middle East, and South Asia.

All in all, North America stood out with its large jump in confidence, perhaps reflecting the continued resilience of the U.S. economy and increased optimism that the Federal Reserve will be able to pull off a soft landing amid sharply falling inflation. Meanwhile, the declines in confidence and new orders in Asia Pacific could reflect concerns about the state of China's recovery.

AFTER FALLING SHARPLY IN Q3, CONFIDENCE SURGED IN NORTH AMERICA IN THE LATEST QUARTER. IT ALSO ROSE IN SOUTH ASIA AND THE MIDDLE EAST. IN CONTRAST, IT DECLINED MATERIALLY IN ASIA PACIFIC AND FOR THE THIRD CONSECUTIVE QUARTER IN WESTERN EUROPE. THERE WAS ALSO A VERY SHARP DROP IN CONFIDENCE IN AFRICA.



CHART 8: Regional Confidence

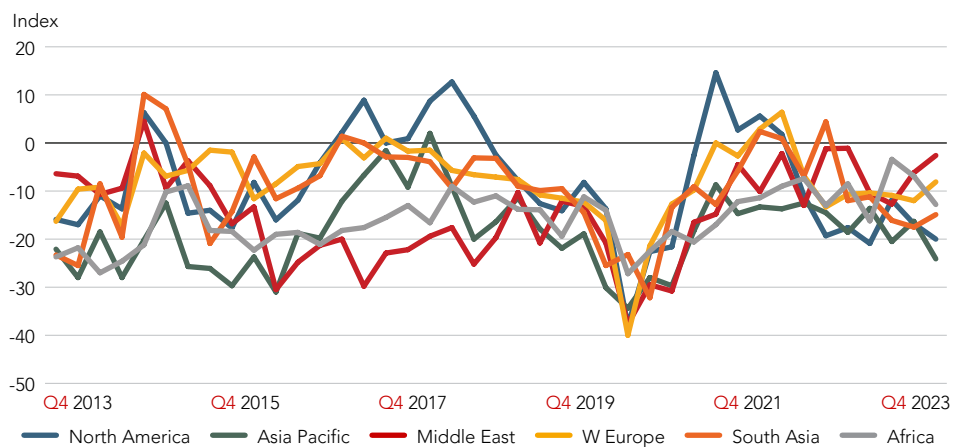


Source: ACCA/IMA (2013–23)

REGIONALLY, NEW ORDERS FELL QUITE MATERIALLY IN ASIA PACIFIC AND AFRICA, AND TO A LESSER EXTENT IN NORTH AMERICA. THERE WERE RELATIVELY MODEST GAINS IN WESTERN EUROPE, THE MIDDLE EAST, AND SOUTH ASIA.



CHART 9: Regional Orders



Source: ACCA/IMA (2013–23)

NORTH AMERICA

Confidence rose very sharply in Q4, after a marked retreat previously. Interestingly though, the employment component fell sharply, there was a moderate decline in the capital expenditure component, and a modest fall in new orders (see **Chart 10**). This is a bit perplexing. The Confidence Index can be volatile. The bounce could reflect increased optimism that the U.S. economy is set to achieve a “soft landing.” Federal Reserve Nowcasts point to solid growth of over 2% in Q4, following growth of almost 5% in Q3. At the same time, inflationary pressures have continued to ease. Growth looks set to slow materially in 2024, but the recent significant easing in financial conditions and the dovish pivot from the Federal Reserve may reduce the risks of a recession. The Confidence Index is around its long-term average. But the Employment and Capital Expenditure indices are significantly below theirs, suggesting that firms may still want to see how the economy performs before switching into a more expansionary mode.

ASIA PACIFIC

The GECS Asia Pacific Confidence Index recorded a material decline in Q4, after improving modestly previously. There were also quite material falls in new orders and employment, and a modest retreat in the Capital Expenditure Index (see **Chart 11**). All the key indicators are below their long-term averages. Concerns about the state of China’s economy are probably weighing on regional confidence given mixed signs about its recovery. Weakness in the European economy, and rather subdued global prospects, are also probably reducing confidence in this export-oriented region. A strengthening in China’s recovery would clearly be beneficial for Asia Pacific, as would a soft landing for the U.S. economy. More protectionist policies in the Western economies remain a key risk for the region, although some countries will be beneficiaries of supply chain diversification.

WESTERN EUROPE

Confidence declined in Western Europe for the third consecutive quarter. It is down by over 25 points since its most recent peak in 1Q 2023 and is quite materially below its long-term average. New orders improved somewhat and are slightly above average. The Capital Expenditure Index rose but looks weak by historical standards, while the employment component fell sharply and is now well below its long-term average (see **Chart 12**). The region’s economy is weak at the present time amid the impacts from the aggressive monetary tightening by the European Central Bank and Bank of England, and as the soft global economy weighs on exports. The significant decline in the Employment Index would suggest that the region’s job markets may be beginning to soften. All in all, the prospects for growth in Western Europe look pretty subdued. Nevertheless, it is not clear that a major downturn is in the offing. Indeed, improving real income growth should provide some support to consumer spending.

CHART 10: North America

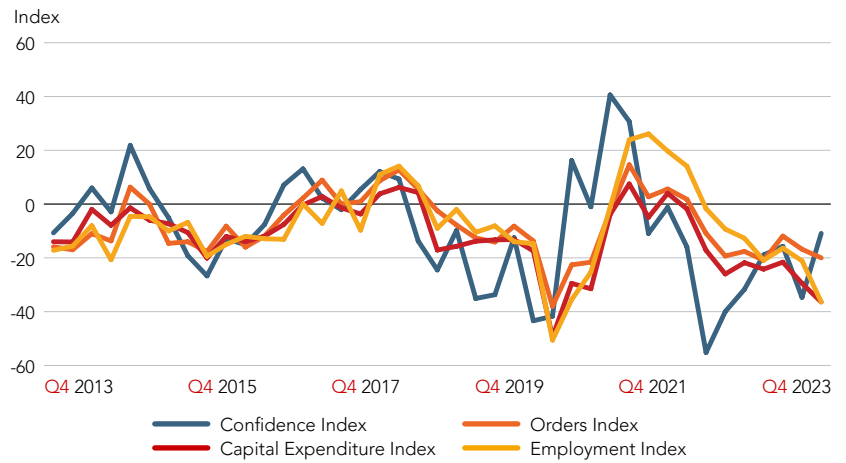


CHART 11: Asia Pacific

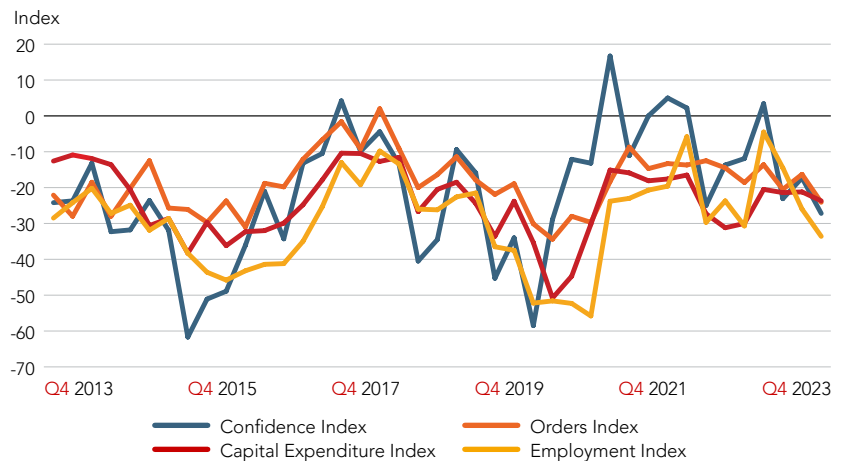
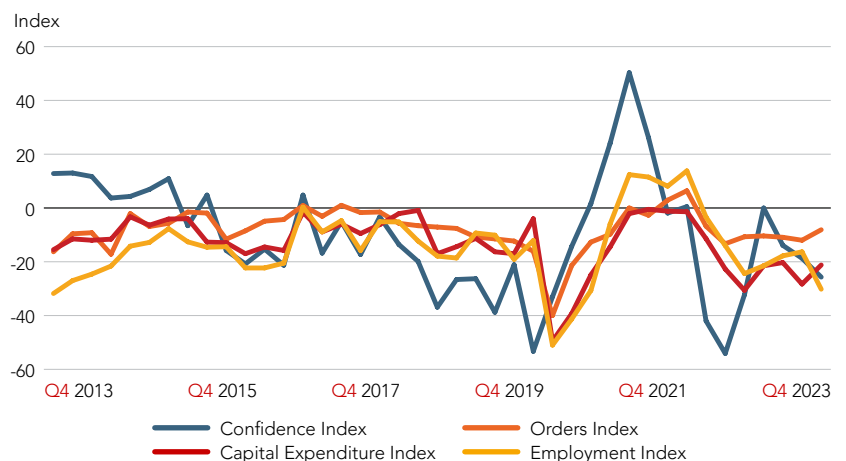


CHART 12: Western Europe



MIDDLE EAST

The survey results for the Middle East are stronger than may have been expected, given the events in Israel and Gaza and the fall in the price of oil over recent months (see **Chart 13**). Confidence rose by seven points and is meaningfully above its long-term average. There was also a very sharp increase in the Capital Expenditure Index, which is now well above average. Meanwhile, new orders increased modestly and look strong by historical standards. By contrast, there was a small fall in the Employment Index, although it remains meaningfully above its long-term average. All in all, the key indices are indicative of a rather encouraging picture for the Middle East. However, geopolitical developments remain a major downside risk, given the risk of an escalation of the conflict in the region.

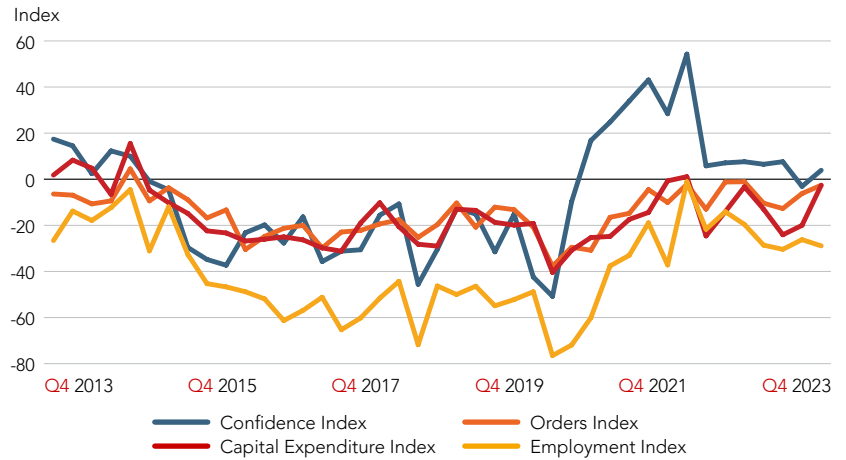
SOUTH ASIA

The most recent survey results for South Asia were encouraging (see **Chart 14**). Confidence rose by almost eight points and is now only slightly below its long-term average. There were also strong gains in the Employment and Capital Expenditure indices, both of which are now above their historical averages. New orders improved modestly but remain below their long-term average. A sharp rebound in the indicators for Pakistan, from depressed levels, appears to have boosted the regional indices. Since Pakistan secured financial support from the International Monetary Fund (IMF) in July, there has been some improvement in the country's economic and financial indicators. The economy expanded by 2.1% on a year-on-year basis in the July–September quarter, after being negative in the previous two quarters, while the stock market has surged and is close to record highs. The key indicators for India also improved and are above their average levels. The country should continue to be the best-performing major global economy in 2024.

AFRICA

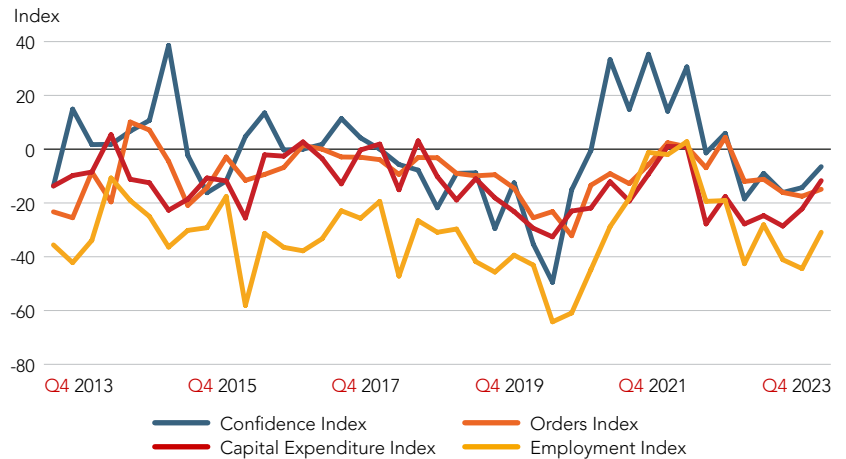
The GECS Confidence Index for Africa fell extremely sharply in Q4, eradicating the sizeable gains made over the first three quarters of 2023. Confidence is now quite materially below its long-term average. New orders also declined but are above their average levels. Nonetheless, the Employment Index was largely unchanged and remains above its average. On another positive note, the Capital Expenditure Index improved sharply and is slightly above average (see **Chart 15**). While the Confidence Index can be volatile, the decline may reflect the challenging economic backdrop in key export markets such as China and Western Europe, as well as rising geopolitical risks amid the events in the Middle East. Weak global growth will be a headwind to the continent in 2024. Nevertheless, monetary easing by the U.S. Federal Reserve should prove helpful, as will any further softening in the U.S. dollar.

CHART 13: Middle East



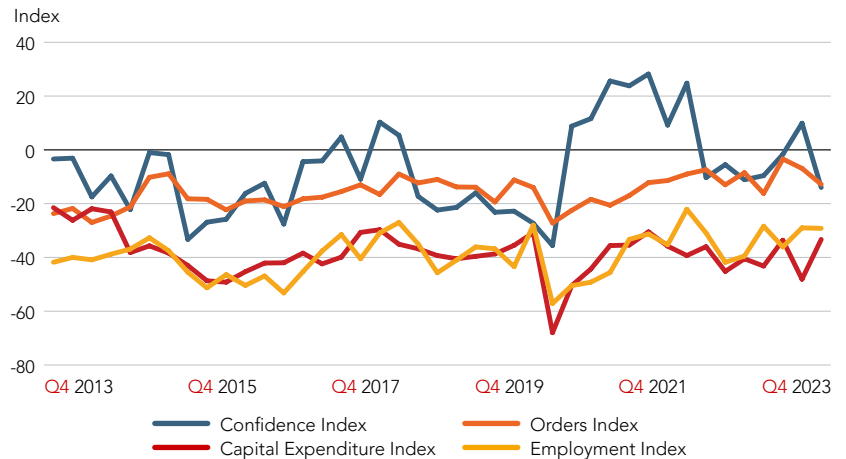
Source: ACCA/IMA (2013–23)

CHART 14: South Asia



Source: ACCA/IMA (2013–23)

CHART 15: Africa



Source: ACCA/IMA (2013–23)

Chief Financial Officers

CONFIDENCE AMONG CFOs ROSE AGAIN IN Q4, BUT THE EMPLOYMENT AND CAPITAL EXPENDITURE INDICES INDICATE SOME CAUTION.

The indices reported in this section reflect the survey responses of chief financial officers (CFOs) who are part of our broader global panel of accountants and finance professionals.

Confidence among CFOs in our panel improved in Q4 for the second consecutive quarter and is now slightly above its long-term average. New orders also improved again according to CFOs but remain below average (see **Chart 16**). The Confidence Index for CFOs is moderately higher than for the broader panel (accountants, auditors, CFOs, etc.), with the converse for the New Orders Index.

The Capital Expenditure Index for CFOs improved modestly in Q4 but remains at a low level by historical standards.

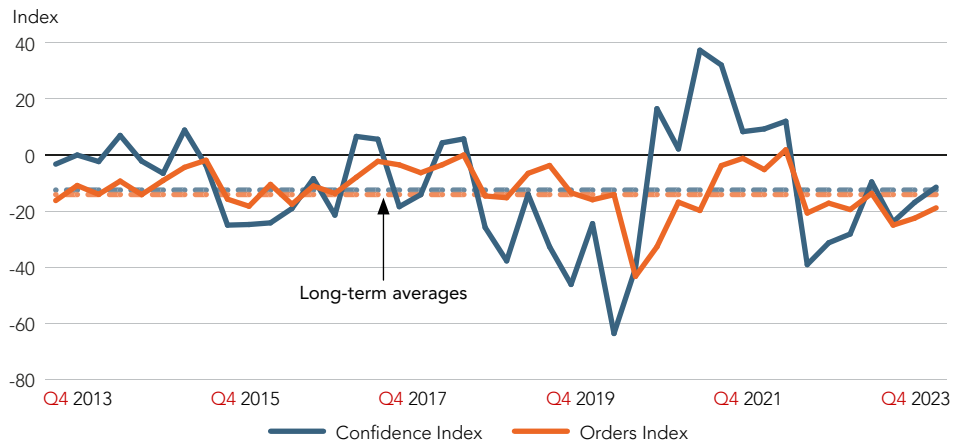
Moreover, it is significantly lower than that for the broader panel. Meanwhile, the Employment Index fell extremely sharply and is now well below its long-term average (see **Chart 17**). It is now lower than that of the broader panel.

All in all, the rise in confidence among CFOs for the second consecutive quarter is encouraging, as is the gradual improvement in the New Orders Index. Perhaps this reflects increased confidence that the global economy, while slowing, could avoid a recession. Nevertheless, the weakness in the Capital Expenditure and Employment indices suggests caution on the part of CFOs. The responses are consistent with expectations that firms are battenning down the hatches rather than being in expansion mode.

CONFIDENCE AMONG CFOs IN OUR PANEL INCREASED AGAIN IN THE FOURTH QUARTER AND IS MODESTLY ABOVE ITS LONG-TERM AVERAGE. NEW ORDERS ALSO IMPROVED BUT REMAIN BELOW THEIR HISTORICAL AVERAGE.



CHART 16: GECS global indicators – CFOs

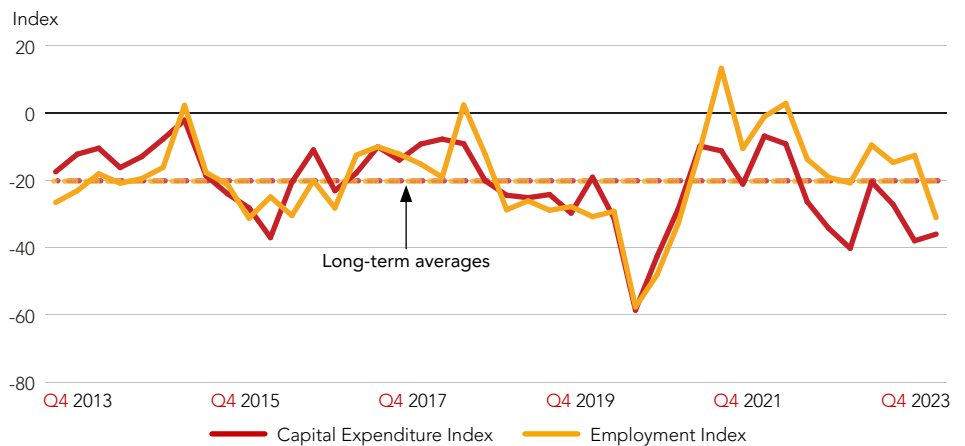


Source: ACCA/IMA (2013–23)

DESPITE A MODEST IMPROVEMENT IN Q4, CAPITAL EXPENDITURE REMAINS VERY WEAK BY HISTORICAL STANDARDS, ACCORDING TO CFOs. MEANWHILE, THE EMPLOYMENT INDEX PLUNGED IN Q4. BOTH INDICES ARE INDICATIVE OF CAUTION ON THE PART OF CFOs.



CHART 17: GECS global indicators – CFOs



Source: ACCA/IMA (2013–23)

2. ACCA/IMA global risks survey

WHAT A DIFFERENCE A YEAR CAN MAKE, ESPECIALLY FOR UNDERSTANDING AND PRIORITISING RISK. AS WE ENTER AN UNPRECEDENTED YEAR OF ELECTION POLLS AROUND THE WORLD, RESPONSES FROM OUR 2023 Q4 GLOBAL RISKS SURVEY REVEAL HOW ACCOUNTANCY AND FINANCIAL PROFESSIONALS ACROSS REGIONS AND SECTORS BELIEVE POLITICAL UNCERTAINTIES MAY AFFECT THEIR ORGANISATIONS IN 2024.

Author

Rachael Johnson,

Head of Risk Management and Corporate Governance for Policy & Insights, ACCA

It was unsurprising to see 'international and geopolitical instability' climb up the list of risk priorities for financial professionals globally in our 2023 Q4 survey compared with 2022 Q4, but what proved interesting is the different ways in which ACCA and IMA members perceive such risks. Some respondents see growing geopolitical complexities through the cybersecurity lens, while others consider them as 'business-critical' risks, for example, how they manifest through supply chain disruptions (see **Chart 18**).

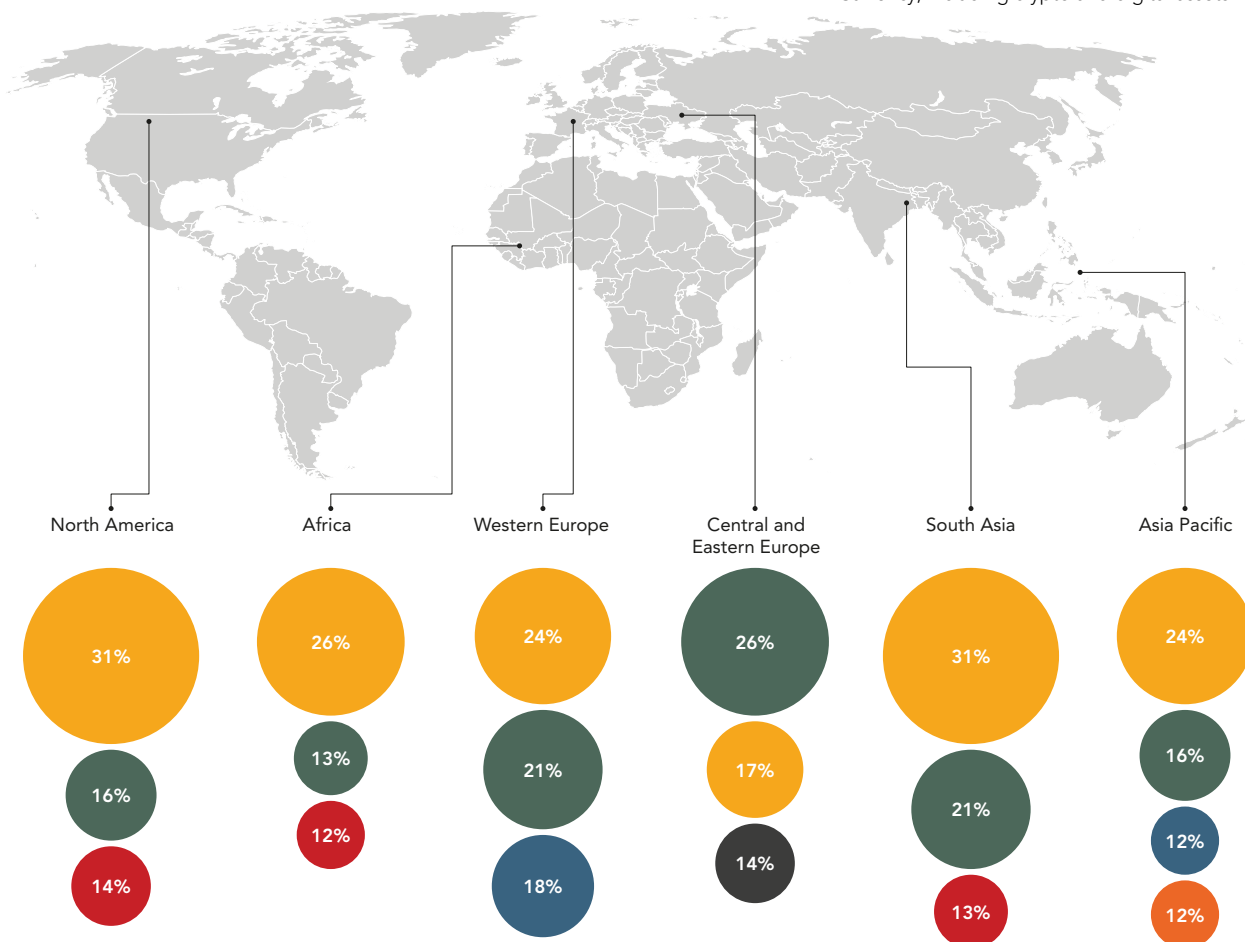
While concerns over rising fraud and cyber threats were expressed by respondents across all sectors and regions, the consensus was clear that different risks are increasingly influencing and exacerbating each other.

Indeed, one year on from the launch of ChatGPT, another war and more record-breaking weather events, many ACCA members around the world admit that they are navigating territories and a landscape of multiple crises never seen before in their careers – from changing monetary policies and inflation to the socio-economic implications of climate change, with the last of these becoming a much higher priority for respondents overall since the end of 2022, when ACCA conducted its original global risks survey as part of the overarching report and podcast series, [Risk Culture: Building Resilience and Seizing Opportunities](#) (April 2023).

The first survey closing in 2022 Q4 showed how accountancy and financial

CHART 18: Top three risk priorities around the world – Q4 2023

- Regulatory / compliance / legal
- Technology / data / cyber security
- Economic inflation / recession
- Talent scarcity / skills gaps / employee retention
- Misconduct / fraud / reputational damage
- Withdrawal of fiscal measures / higher taxation
- International and geopolitical instability
- Logistics, including supply chain
- Climate change and its social and economic implications
- Currency, including crypto and digital assets



Source: ACCA/IMA Global Risks survey (2023)

Compare this chart with the 'Top risk priorities around the world' Figure 2.3 in [Risk Culture: Building Resilience and Seizing Opportunities](#) (2023), with Chart 17 'The top 3 risk priorities around the world, Q2 2023', in [Global Economic Conditions Survey: Q2 2023](#), and with Chart 19 'The top 3 risk priorities around the world, Q3 2023' in [Global Economic Conditions Survey: Q3 2023](#).

professionals were most concerned about being compliant, with 'regulatory, compliance, legal' receiving the highest number of mentions as a top-three risk priority and 'climate change and its social and economic implications' one of the fewest. While 'economic inflation, recession' went from third to first in the ranks by 2023 Q2 and has since stayed at the top, another striking trend over the past year is how 'talent retention and skills' has continued to climb into the top three. Talent retention was increasingly mentioned in each quarter in 2023 as an 'underestimated risk' by respondents in both financial services and non-financial

corporates, and we have seen competition for top talent heating up for governance, risk and compliance roles especially (see **Charts 19** and **20**).

The open-ended questions always help us put these responses into context. Below are a just few responses to the question in the 2023 Q4 survey, 'what do you believe will be the most underestimated risk facing your organisation in 2024?'

'Lack of action about the impact of climate change and adaption, and what the associated costs of this will be.'
ACCA member in Canada

'Thinning funds, availability of capital, and transportation disruptions.'
ACCA member in Malaysia

'Non-compliance with all the new regulatory requirements.'
ACCA member in Czech Republic

'People risk and the threat of losing key talent to competitors.'
ACCA member in Zimbabwe

'Rising labour and compliance costs.'
ACCA member in Singapore

'Data security, phishing and internet fraud.'
ACCA member in the UK

'Corruption and internal fraud.'
ACCA member in Ghana

CHART 19: Top ranked risk priorities – Q4, Q3 and Q2 2023

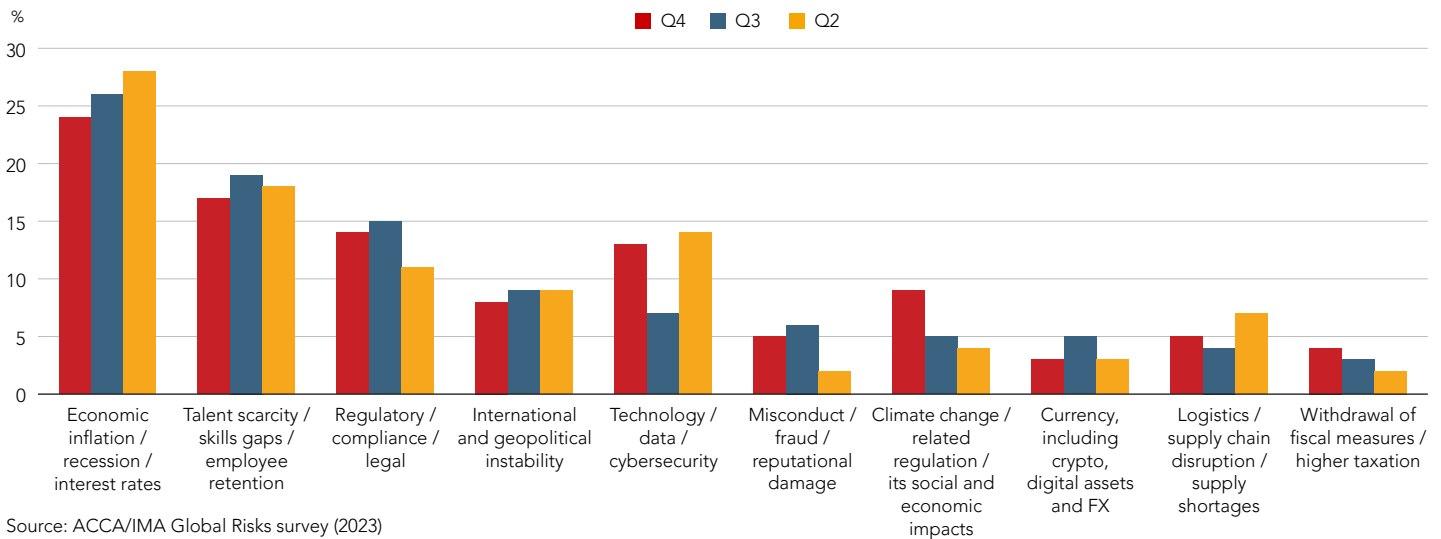
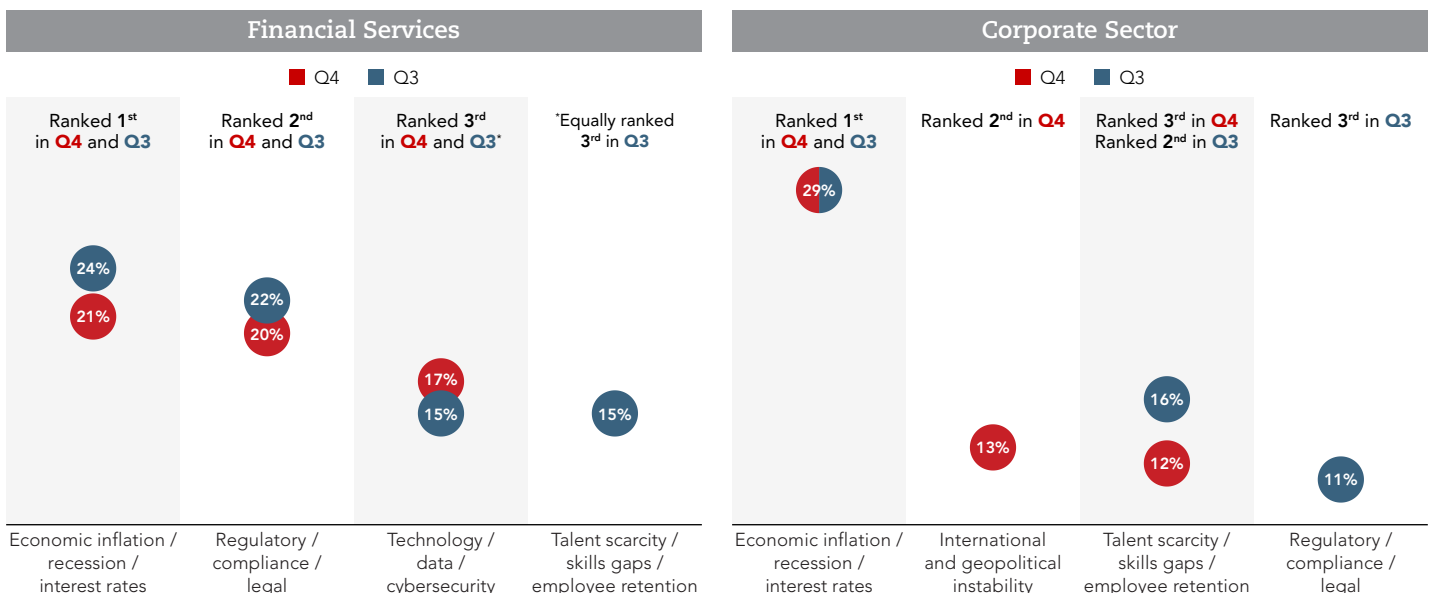


CHART 20: Top three risk priorities financial services versus non-financial corporates – Q4 vs Q3 2023



The responses to our quarterly global risks survey have also revealed the extent to which ethics is at the core of today's paradigm shifts, particularly where the sustainability and artificial intelligence (AI) agendas are concerned.

An ACCA member in the UK said it would 'take some time to really understand how AI systems and their use cases, including for environmental, social and governance reporting, can be used responsibly and ethically'.

An ACCA member in Saudi Arabia, where we see tremendous investment in AI through our member engagement, also commented: 'There are skills and capability shortages across the region at all levels, including the board'. He said that the amount of change and innovation

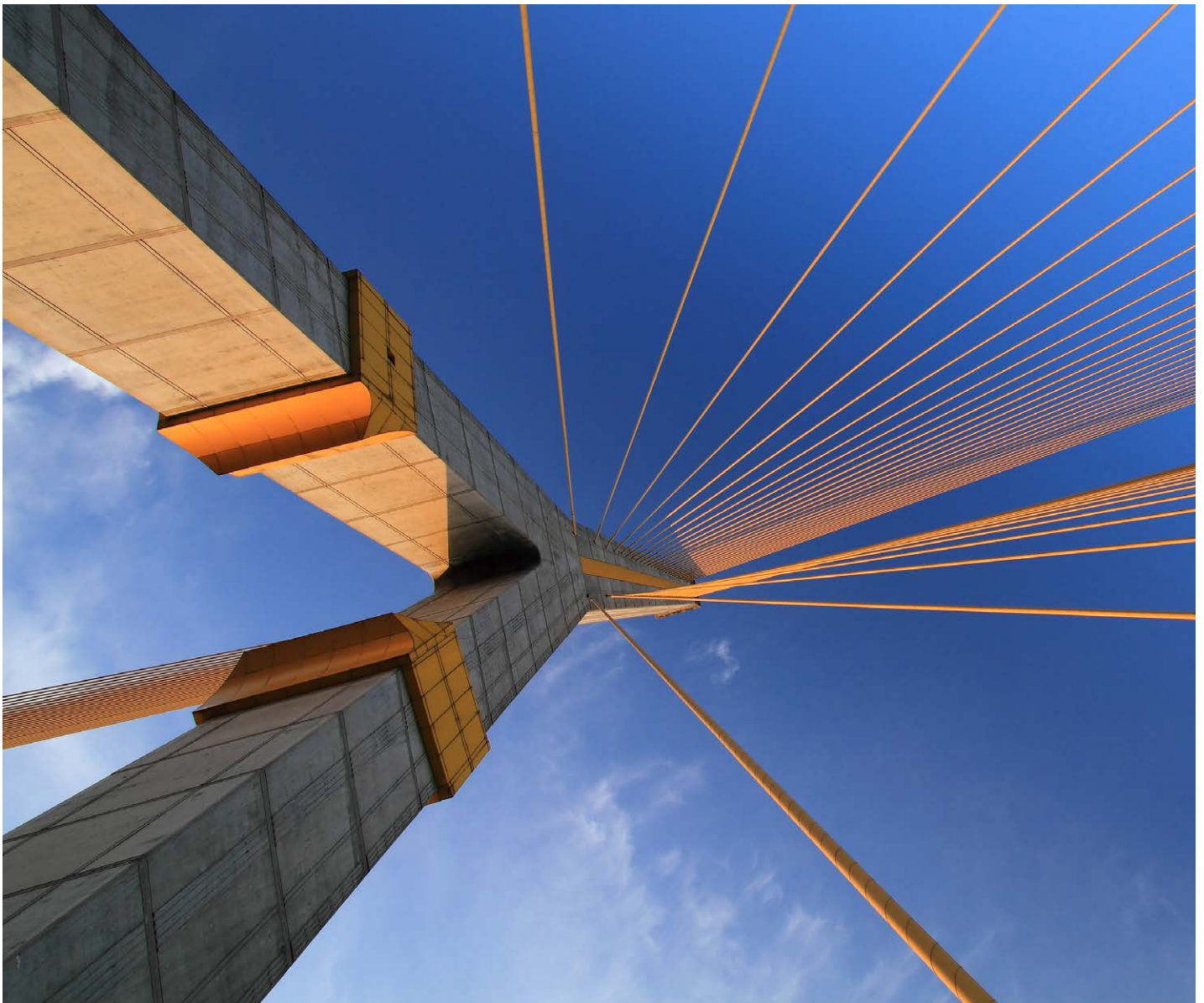
over the past year is equivalent to what we'd normally expect in 20 years.

Regionally, Central and Eastern Europe was the only one where talent retention had been a top-three risk priority in 2022 Q4, with many members explaining how highly skilled employees left the region after the Ukraine invasion. Sector-wise, the public practice and public sectors were the only ones that had put talent retention in the top three risk priorities in 2022 Q4. A year on, it is the second most-mentioned top-three risk priority overall for the 2023 GECS Q4 survey.

Another year-on-year regional change worth mentioning is in North America, which back in 2022 Q4 was the only one in the world where respondents ranked 'technology, data, cybersecurity' higher

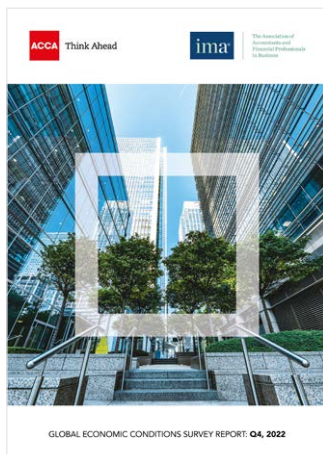
than 'regulatory, compliance and legal' and have since consistently ranked 'economic inflation and recession' and 'talent scarcity, skills, and employee retention' as their first and second risk priorities, respectively.

An ACCA member who is the finance director of a retailer in North America summed it up: 'We are facing risk everywhere, especially with the unpredictable approach of policymakers at both the state and national levels. As for cybersecurity, it is one of the biggest problems for the best of us. New sorts of ransomwares are emerging all the time and we go to the Big Four, but they also are playing catch-up. We have had to deal with all this before, but not to the magnitude it is now'.



[📄](#) Links to previous Global Economic Conditions Survey (GECS) reports:

Click on the covers to view previous reports online:



Economies covered by Q4 survey responses

NORTH AMERICA	MIDDLE EAST	ASIA-PACIFIC	CENTRAL & EASTERN EUROPE	SOUTH ASIA	WESTERN EUROPE	AFRICA	CARIBBEAN	CENTRAL & SOUTH AMERICA
Canada	Bahrain	Australia	Bulgaria	Afghanistan	Cyprus	Cameroon	Barbados	Belize
Mexico	Egypt	Mainland China	Czech Republic	Bangladesh	Finland	Ethiopia	Bermuda	Brazil
USA	Iraq	Hong Kong SAR	Hungary	India	Germany	Ghana	Grenada	Columbia
	Israel	Indonesia	Moldova	Kazakhstan	Greece	Ivory Coast	Guyana	Costa Rica
	Jordan	Japan	Poland	Maldives	Ireland, Republic of	Kenya	Jamaica	
	Kuwait	Korea, Republic of	Romania	Nepal	Italy	Liberia	Puerto Rico	
	Lebanon	Malaysia	Russia	Pakistan	Luxembourg	Malawi	St Vincent	
	Oman	New Zealand	Slovakia		Malta	Mauritius	Trinidad & Tobago	
	Palestine	Philippines	Ukraine		Netherlands	Namibia		
	Qatar	Singapore			Spain	Nigeria		
	Saudi Arabia	Vietnam			Switzerland	Sierra Leone		
	United Arab Emirates				Turkey	South Africa		
					UK	Sudan		
						Tanzania		
						Uganda		
						Zambia		
						Zimbabwe		

ACCA, IMA and the global economy

To find out more visit:
www.accaglobal.com
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Global economic conditions continue to dominate business and political life. News and debates on economic issues are almost constantly the focus of media attention. While most national economies are now growing once again, it is far from clear how sustainable this growth is or how long it will be before a sense of normalcy returns to the global economy.

ACCA and IMA have been prominent voices on what the accounting profession can do to help turn the global economy around. Both bodies have published extensively on a range of topics, from the regulation of financial markets or the prevention of fraud and money laundering, to fair value or the role of international accounting standards, to talent management and the development of an ethical business culture.

ACCA and IMA aim to demonstrate how an effective global accountancy profession contributes to sustainable global economic development; to champion the role of accountants as agents of value in business; and to support their members in challenging times. Both professional bodies believe that accountants add considerable value to business, and never more so than in the current environment.

Accountants are particularly instrumental in supporting the small business sector. Small and medium-sized enterprises (SMEs) account for more than half of the world's private sector output and about two-thirds of all employment.

Both ACCA and IMA focus much of their research and advocacy efforts on articulating the benefits to SMEs of solid financial management and reliable financial information.

WHERE NEXT?

As countries around the world continue to consider strategies to promote stability and stimulate growth, the interconnectedness of national economies, and how they are managed and regulated, is now under close scrutiny. The development of the global accountancy profession has benefited from, and in turn contributed greatly to, the development of the interconnected global economy. The fortunes of the two are tied. ACCA and IMA will, therefore, continue to consider the challenges ahead for the global economy, and focus on equipping professional accountants for the uncertain future.

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