ACCA Think Ahead

ima The Association of Accountants and Financial Professionals in Business

GLOBAL ECONOMIC CONDITIONS SURVEY REPORT: **Q1, 2021**

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Since 1904 being a force for public good has been embedded in our purpose. And because we're a not-for-profit organisation, we build a sustainable global profession by re-investing our surplus to deliver member value and develop the profession for the next generation.

Through our world leading ACCA Qualification, we offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. And using our respected research, we lead the profession by answering today's questions and preparing us for tomorrow.

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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 (the Institute of Management Accountants), is the largest regular economic survey of accountants around the world, in terms of 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 2021 Q1 survey took place between 26 February and 11 March 2021 and attracted 1,004 responses from ACCA and IMA members, including over 100 CFOs.

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 Q1 GLOBAL ECONOMIC CONDITIONS SURVEY (GECS) PAINTS A MUCH BRIGHTER PICTURE THAN ITS IMMEDIATE PREDECESSOR, WITH CONFIDENCE RISING BY THE MOST IN THE HISTORY OF THE SURVEY.

The Q1 Global Economic Conditions Survey (GECS) paints a much brighter picture than its immediate predecessor, with confidence rising by the most in the history of the survey. The approval and deployment of several effective vaccines has dramatically improved the prospects of an end to the COVID crisis. A very large US fiscal stimulus has also boosted global economic prospects this year. The global orders index, which is less volatile than the confidence measure, also increased in the Q1 survey and is consistent with further recovery in the global economy into the second half of 2021.

The two 'fear' indices – measured by concern that customers and suppliers may go out of business – gave contrasting messages in the Q1 survey. Fear that customers would go out of business fell significantly while fear that suppliers would do so edged very slightly higher. Both are still at relatively high levels, underscoring the high degree of uncertainty still prevalent in the global economy (Chart 2).

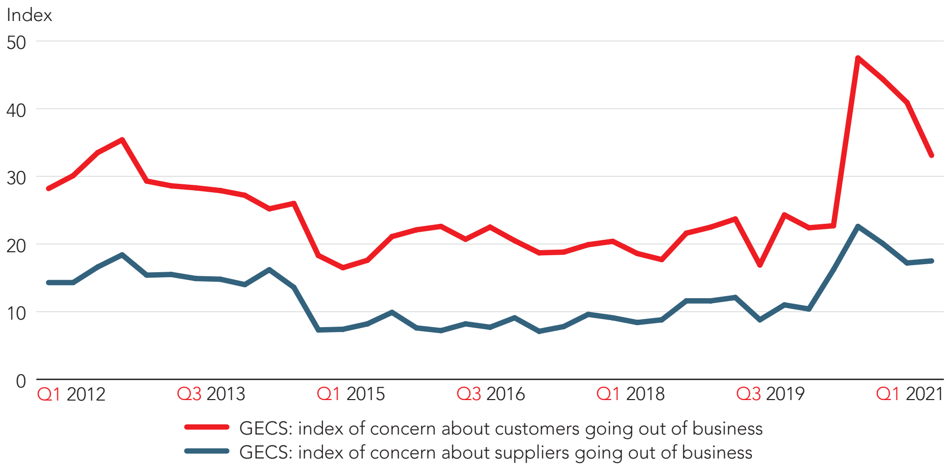
Looking at a regional breakdown, confidence jumped the most in North America where the combined effects

CHART 1: Global activity set to recover further

Source: OECD. ACCA/IMA (2012–21)

FEAR THAT CUSTOMERS WOULD GO OUT OF BUSINESS FELL SIGNIFICANTLY WHILE FEAR THAT SUPPLIERS WOULD DO SO EDGED VERY SLIGHTLY HIGHER.

CHART 2: The 'fear indices' give mixed messages



Source: ACCA/IMA (2012–21)

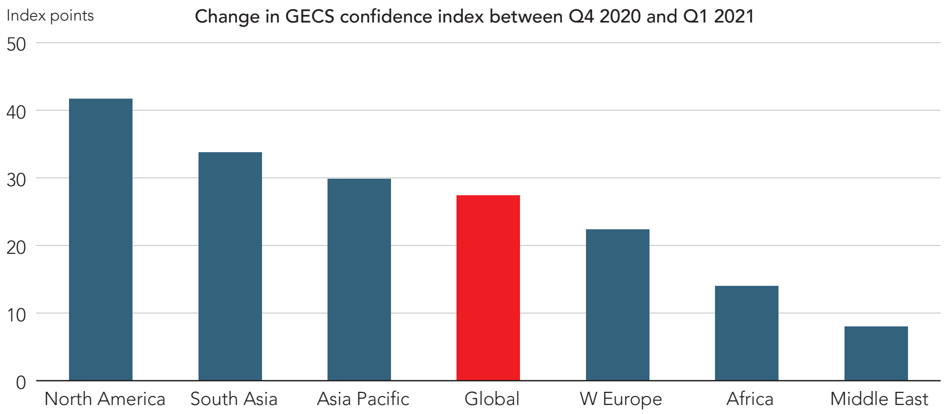
of vaccines and fiscal stimulus have transformed the outlook in recent months. South Asia and Asia Pacific also recorded much improved confidence, reflecting better domestic and global demand prospects. Western Europe, Africa and the Middle East all showed more modest increases in confidence, but sentiment in all major regions improved (Chart 3).

With orders – the proxy for real economic activity – the biggest gain in Q1 came in North America. The Middle East also showed recovery in orders, helped by the rise in oil prices. The rise in orders reported in Western Europe was small, reflecting the continued high COVID infection rates and associated restrictions. Africa was the only major region to record a fall in orders, albeit a very small one (Chart 4).

Section 2 of this report provides a detailed global economic outlook, painting a fairly optimistic picture for the rest of 2021. Three factors will heavily influence economic prospects in the coming months. Most significant is the rate of vaccination which varies greatly across countries. Put simply, vaccination can replace lockdown as a means of controlling COVID-19, thereby allowing economic conditions to return to normal. Policy is also very important and a major fiscal stimulus in the US will have positive spill-over effects on many other economies this year. Especially in advanced economies, there is also a large pile of savings accumulated during periods when spending was severely restricted. This can be a source of extra demand when economic conditions improve. On these criteria, the US and UK have better growth prospects than the euro-zone, while China is likely to continue to experience strong growth in any case. Many emerging markets will benefit from increased global demand, but vaccination rates are likely to remain low over the rest of 2021.

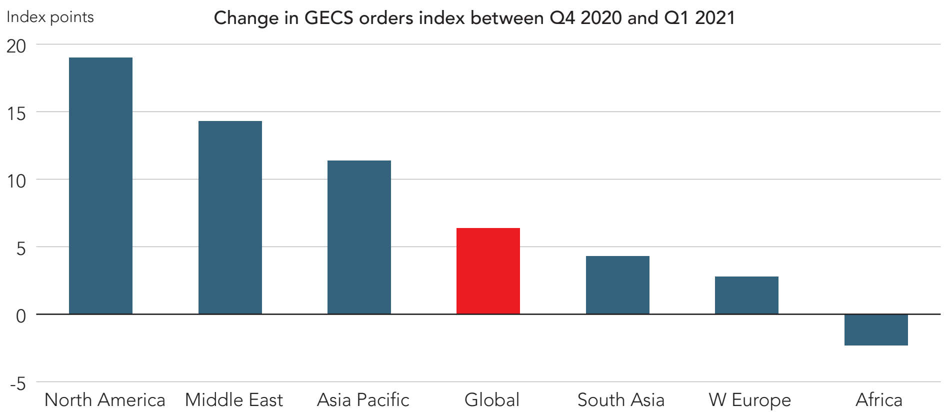
LOOKING AT A REGIONAL BREAKDOWN, CONFIDENCE JUMPED THE MOST IN NORTH AMERICA WHERE THE COMBINED EFFECTS OF VACCINES AND FISCAL STIMULUS HAVE TRANSFORMED THE OUTLOOK IN RECENT MONTHS.

CHART 3: Confidence recovers everywhere



Source: OECD. ACCA/IMA (2012–21)

CHART 4: Orders increase in all regions except one



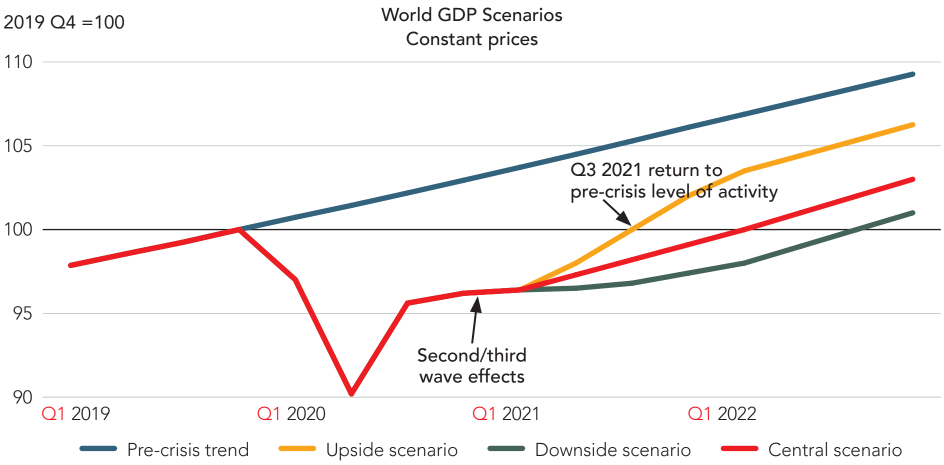
Source: OECD. ACCA/IMA (2012–21)

Risks from the evolution of the virus and the variable speed and effectiveness of vaccination rollouts remain high. Chart 5 shows scenarios for the global economy. Reflecting a much-improved outlook, the three scenarios all show a higher profile for global activity than the corresponding chart in the Q4 2020 GECS report published in January. Now the central scenario has the level of activity returning to pre-pandemic levels by early 2022 and there is a good chance that this point is reached later this year.

A strong economic rebound with continued easy monetary and fiscal policy globally has raised concerns about the risks of a sustained increase in inflation. Headline inflation rates will rise from very low levels in coming months as higher prices for commodities, electronic components and shipping feed through into consumer prices. But this cost-push inflation will be temporary unless matched by sustained demand-pull inflation caused by rapid economic growth. The likely strength of US GDP growth this year has raised inflation expectations there, but elsewhere the lagged effect of the deep 2020 recessions will suppress inflation over the next year or so. Even so, on a three-to-five-year view, the risks are that inflation will trend a few percentage points higher than it did before the pandemic.

GREATLY IMPROVED ECONOMIC PROSPECTS IN RECENT MONTHS MEANS THAT IT IS QUITE LIKELY THAT THE PRE-PANDEMIC LEVEL OF ACTIVITY WILL BE REACHED LATER THIS YEAR, RATHER THAN IN 2022.

CHART 5: The path of global economic recovery



Source: OECD (2021) ACCA estimates (unpublished)

1. Global and regional analysis

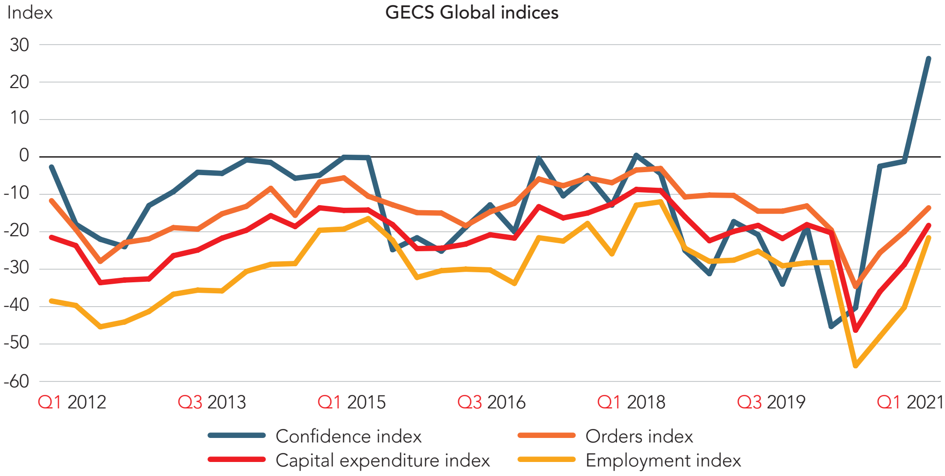
THIS GECS HAS RECORDED THE BIGGEST RISE IN GLOBAL CONFIDENCE SINCE THE SURVEY BEGAN IN 2011.

This GECS has recorded the biggest rise in global confidence since the survey began in 2011. Between the Q4 survey conducted last December and the Q1 survey in March there has been a significant improvement in the outlook. The regulatory approval of several highly effective vaccines against COVID-19 and the subsequent introduction of vaccination schemes in many countries has boosted confidence that a permanent solution to the health crisis is within reach. Activity indicators covering orders, capital spending and employment all increased to some degree in the Q1 survey (Chart 6). These are now at, or close to, levels in 2019 Q4 just before the pandemic struck. Meanwhile, the 'fear' indices – concern that customers and suppliers may go out of business – remain at high levels, underlining that uncertainty remains elevated.

In this survey, respondents were again asked when they expected substantial economic recovery in their region (Chart 7). Responses illustrate the divergence across the global economy with Asia Pacific and North America most frequently reporting that economic recovery is already established, while those in Western Europe were by far the least likely to be of this view. As on previous occasions with this question, there is a general tendency for expectations to be pushed further out into the future. In the Middle East, Africa and Western Europe, over 40% did not expect significant economic recovery until Q4 this year or later.

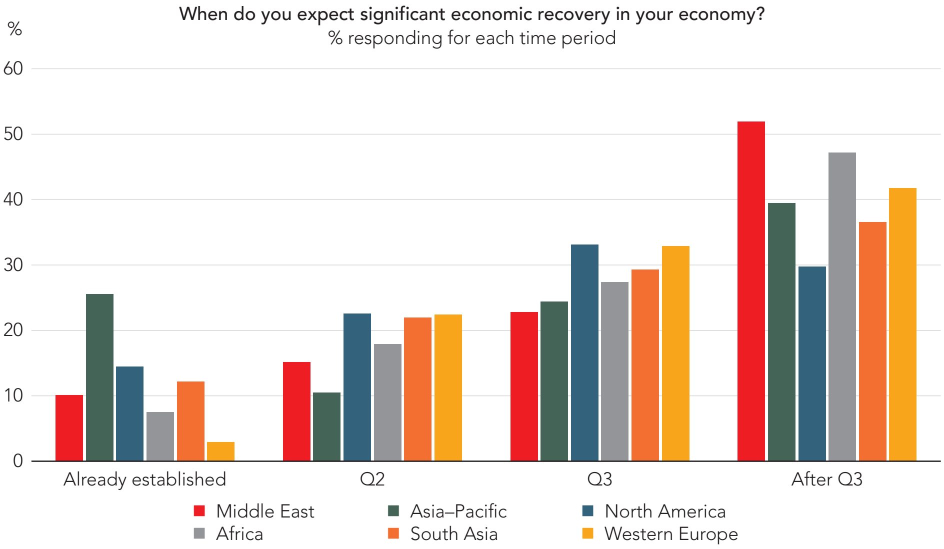
ACTIVITY INDICATORS COVERING ORDERS, CAPITAL SPENDING AND EMPLOYMENT ALL INCREASED TO SOME DEGREE IN THE Q1 SURVEY.

CHART 6: Global indices continue to regain ground



Source: ACCA/IMA (2012–21)

CHART 7: Expectations of economic recovery



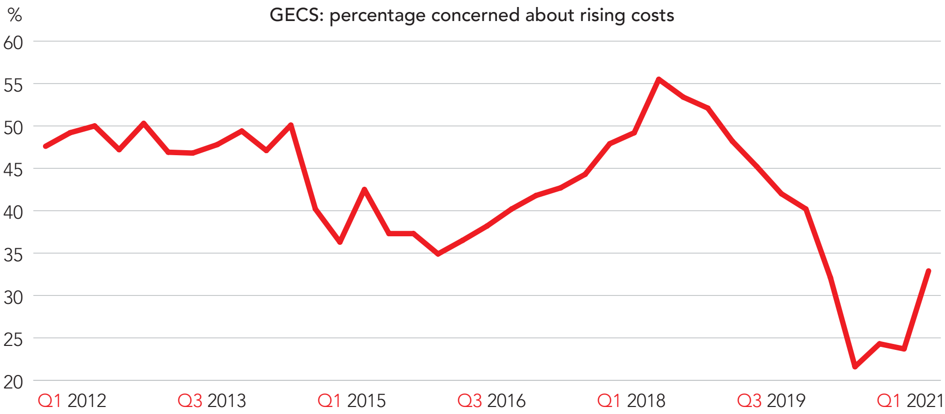
The GECS index of concern about operating costs increased in the latest survey, but remains below its long-run average (Chart 8). This is to be expected given the rebound in commodity prices and shipping costs over recent months. A degree of 'cost-push' inflation is inevitable this year, but the scale of this is likely to be modest.

Despite this, there is some concern about higher inflation on a medium-term view (see discussion in Section 2.) In the Q1 survey respondents were asked about inflation expectations over the next five years (Chart 9). In all regions at least two-thirds of respondents expect inflation to be slightly or much higher than now.

There is a marked contrast between the relatively high expectations of North America, South Asia and Africa and rather lower expectations in Western Europe.

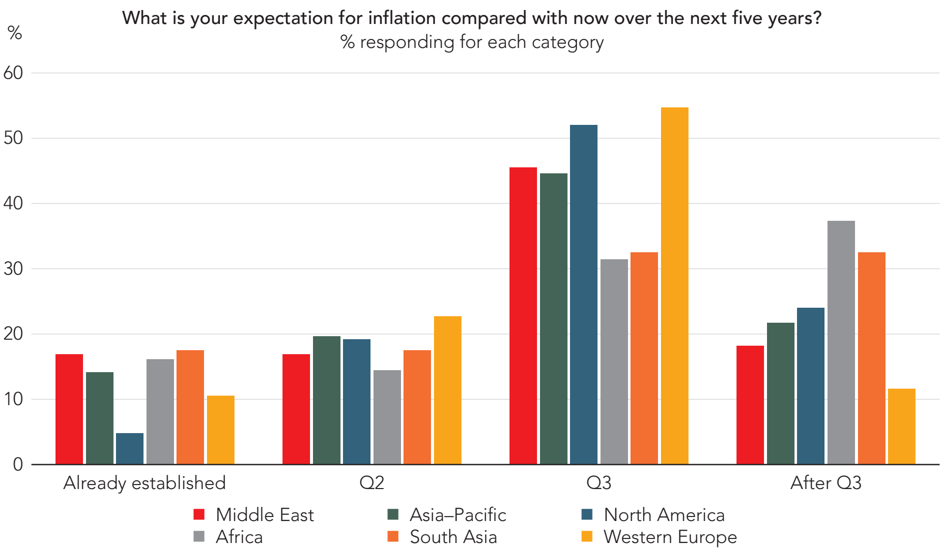
THE GECS INDEX OF CONCERN ABOUT OPERATING COSTS INCREASED IN THE LATEST SURVEY, BUT REMAINS BELOW ITS LONG-RUN AVERAGE.

CHART 8: Concern about operating costs



Source: ACCA/IMA (2012-21)

CHART 9: Inflation expectations

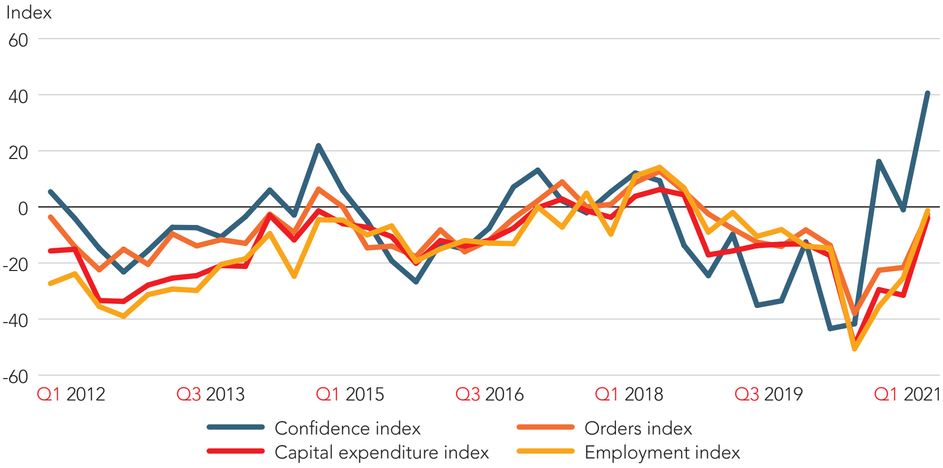


Regional picture

NORTH AMERICA

In the latest survey confidence jumped by the most since the GECS began over 10 years ago and the orders and employment indices both reached the highest level in over two years. The combined effect of good progress with vaccination and the huge US fiscal stimulus has transformed the economic outlook in the region. Growth forecasts for the US, Canada and Mexico have all been upgraded recently. The North America region GECS is consistent with a very strong recovery through into the second half of 2021.

CHART 10: North America

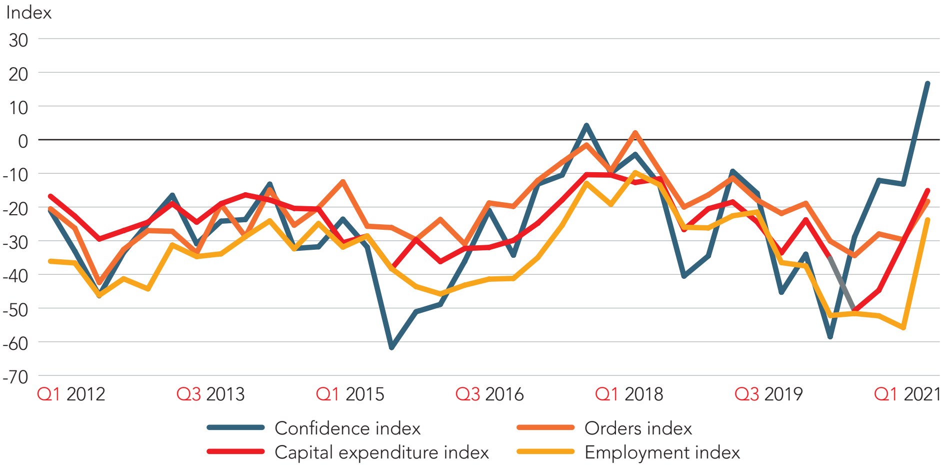


Source: ACCA/IMA (2012-20)

ASIA-PACIFIC

After faltering in 2020 Q4, confidence and other indicators rebounded in the latest survey. The Asia-Pacific region suffered relatively modest falls in output last year and China recovered quickly and continues to grow strongly. As well as reasonable prospects within the region, the prospect of a wider global economic recovery is brightening the region's economic prospects this year.

CHART 11: Asia-Pacific

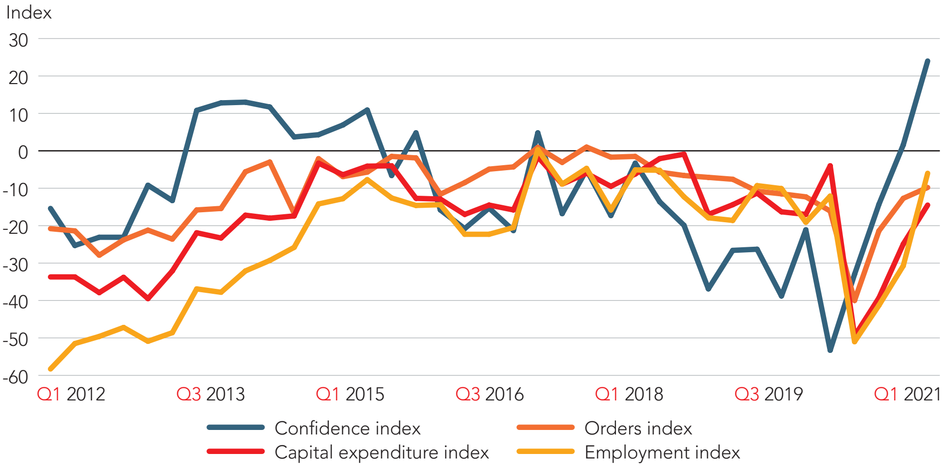


Source: ACCA/IMA (2012-20)

WESTERN EUROPE

Western Europe joined in the improving economic picture in this survey, but to a more modest degree than other regions i.e., the change from Q4 last year to Q1 was relatively modest. The region includes both the UK and EU, with the latter making slow progress with vaccinations. The country readings for the UK are stronger than for the region as a whole. Nevertheless, with the orders balance at a two-year high, the Q1 survey points to economic recovery gathering momentum in coming months.

CHART 12: Western Europe

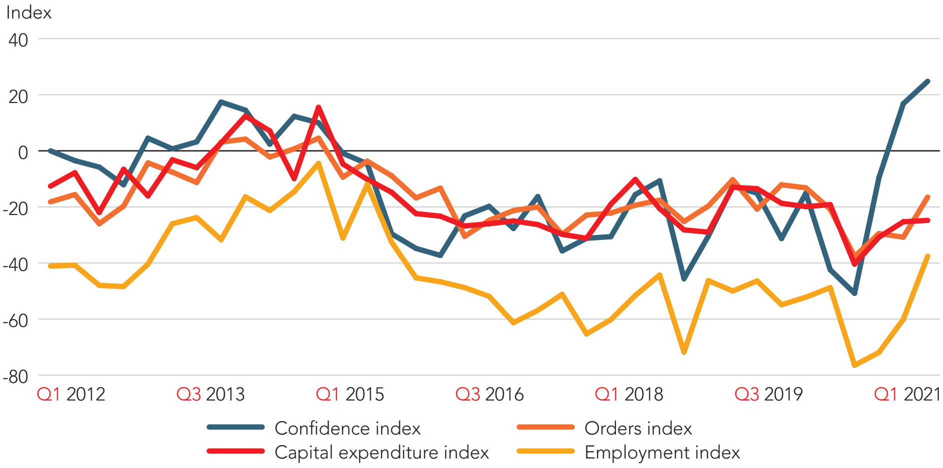


Source: ACCA/IMA (2012-20)

MIDDLE EAST

Confidence in the Middle East region increased modestly in Q1 but activity indicators, such as orders, showed a strong relative increase. Confidence was supported by a further rise in oil prices this year, touching US$70 per barrel in March. In addition, some countries in the region, Israel, UAE and Bahrain especially, are well advanced in vaccination schemes. Improved oil revenues and a relaxation of social restrictions suggest economic recovery.

CHART 13: Middle East

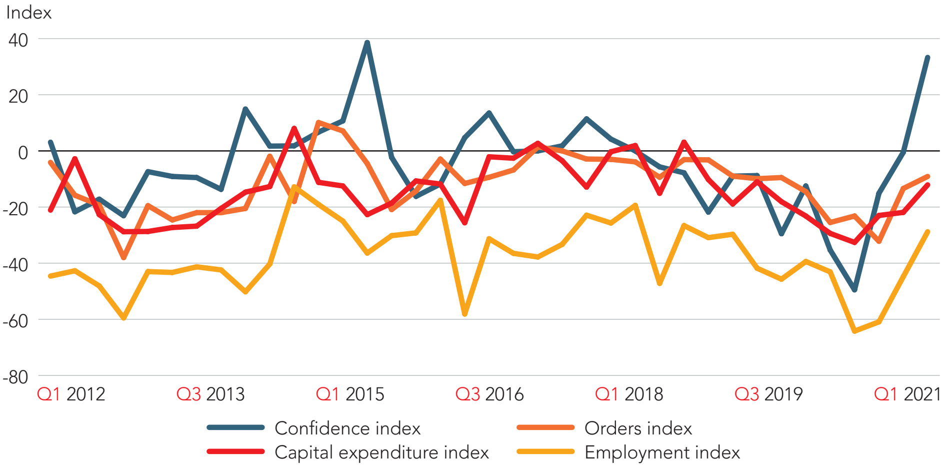


Source: ACCA/IMA (2012-20)

SOUTH ASIA

Confidence rose sharply in South Asia with only North America recording a bigger increase. A shift in gear to greater fiscal ease in India has significantly improved the economic outlook there with economic activity already having regained its pre-pandemic level. Activity indicators in the region improved but by less than the global average. There remains a legacy of tens of millions of people in the region who have fallen into poverty as a result of the COVID crisis.

CHART 14: South Asia

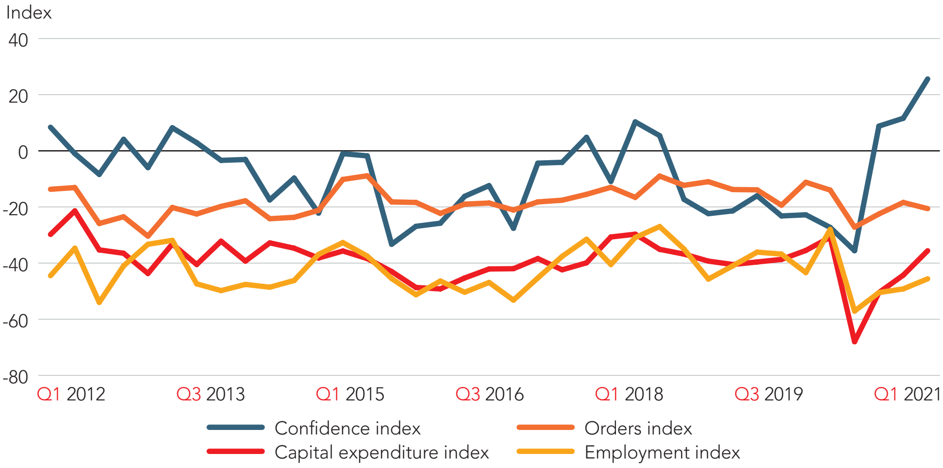


Source: ACCA/IMA (2012-20)

AFRICA

Confidence improved across Africa in the Q1 survey, albeit more modestly than in most other regions. Africa is the only region to record a fall in the orders index in Q1, although the other activity indicators of employment and capital spending both rose. Previous experience of pandemics and a relatively young population prevented dramatic falls in output last year. But negligible progress on vaccination plus a continued absence of foreign tourists, suggests there will be no strong recovery in many countries. Commodity exporters will fare better as prices and demand have rebounded.

CHART 15: Africa



Source: ACCA/IMA (2012-20)

2. Thematic analysis

THE LONG SHADOW CAST BY THE COVID-19 PANDEMIC IS BEGINNING TO LIFT IN MANY PARTS OF THE GLOBAL ECONOMY.

The global economy – climbing out of the abyss

The long shadow cast by the COVID-19 pandemic is beginning to lift in many parts of the global economy. Prospects are rising that, by the end of this year, the level of global economic activity will have regained its pre-pandemic level at the end of 2019. Uncertainty is still very high, about both the health crisis and how economies may perform once the crisis is finally over.

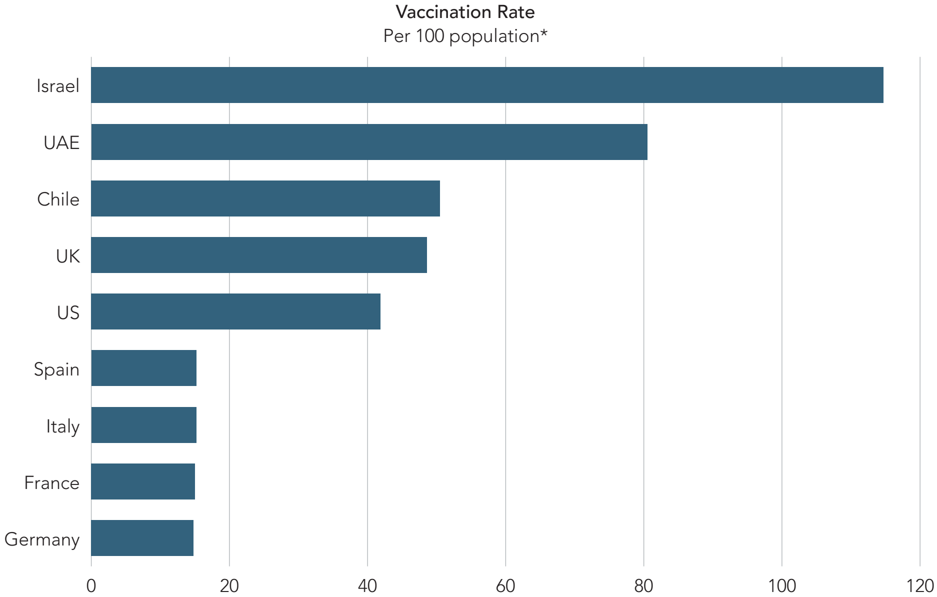
Three main factors will affect the global economic outlook in the coming months.

Vaccination Schemes

Vaccination is the way out of the pandemic and the route to returning economic activity to normal by allowing the removal of restrictions. Last autumn there was no approved vaccine against COVID-19 and it was uncertain whether there would even be one. Six months later, and several highly effective vaccines have regulatory approval and are now being given to people in many countries. Vaccines will almost certainly bring an end to this pandemic, even allowing for the emergence of new variants of the virus. For the time being there are significant differences in vaccination rates across countries (Chart 16). This will greatly influence relative economic prospects.

FOR THE TIME BEING THERE ARE SIGNIFICANT DIFFERENCES IN VACCINATION RATES ACROSS COUNTRIES. THIS WILL GREATLY INFLUENCE RELATIVE ECONOMIC PROSPECTS.

CHART 16: Multi-speed vaccination



* Chart shows total number of vaccination doses administered per 100 people in the total population. This is counted as a single dose, and may not equal the total number of people vaccinated. Where two doses have been given to a large share of the population this number of vaccinations per 100 can exceed 100.

Source: Our World in Data (Data as of 29 March)

Policy Stimulus

Governments across the globe have spent trillions of dollars on supporting the incomes of households and businesses as lockdown measures took their toll on economic activity. In many countries, these support measures are likely to remain in place through much or all of this year. But there is now the issue of additional fiscal stimulus in order to boost economic growth as the health crisis fades. For example, the EU's Recovery Fund is likely to start distributing funds, probably worth around 1% of EU GDP in the second half of this year. But this is as nothing compared with the US$1.9 trillion US COVID Relief Act. This is equivalent to around 9% of US GDP and comes on top of a US$0.9 trillion package passed last December. As well as significantly boosting growth in the US, the spill-over effects will also lift growth among its trading partners (Chart 17).

Accumulated savings

Lockdowns that restricted spending opportunities – plus massive fiscal support that sustained disposable incomes – had the inevitable consequence of pushing savings rates to extreme levels. As a consequence, over the last 12 months households in many countries have accumulated a large stock of 'excess' savings. This pile of cash represents pent up demand that may be unleashed when economic conditions return to normal, giving a major 'sugar rush' spurt to growth. How strong this effect will be in a particular economy depends on the total size of accumulated funds. But it will also depend on how much of these savings are spent as opposed to retained as additions to household assets. An important factor here is the distribution of savings across the income distribution: the greater savings are skewed towards the upper end of the income distribution, the more moderate the spending boost is likely to be. (Technically, those on higher incomes have a lower marginal propensity to consume.)

In March, the OECD interim Economic Outlook updated forecasts made last December. (Table 1.) Global GDP growth this year is now forecast at 5.6%, up from 4.2% in the previous forecast. Vaccines and the US fiscal stimulus are the two main explanatory factors for such a large upgrade.

The US

The US economy scores highly on all three of the factors listed above and is likely to see economic growth of over 6% this year as a result. The dominant influence is fiscal policy; measures worth around 14% of GDP have been passed since last December. A large proportion of the spending plans in the American Rescue Plan Act of 2021 are not directly related to COVID relief but are other policies of the new Biden administration. But the funds paid to households are likely to boost growth as they add to accumulated savings of those lower down the income distribution. Total household savings in over and above those that would have occurred anyway are estimated at $1.8 trillion (8% of GDP).

Last year the US economy shrank by a relatively modest 3.5% and at the turn of the year was already growing steadily. With around 40% of the population vaccinated the economy was already on a strong upward trajectory even before the latest stimulus. Indeed, the US will almost certainly be the first major economy (after China) to regain its pre-pandemic level of output, probably in the second half of this year. By the end of 2022, the OECD expects the economy to have returned to the path it would have been on had the pandemic not occurred. The risk for US policymakers is that massive fiscal and monetary ease, plus accumulated savings, could boost growth to the extent that overheating and higher inflation becomes a realistic prospect.

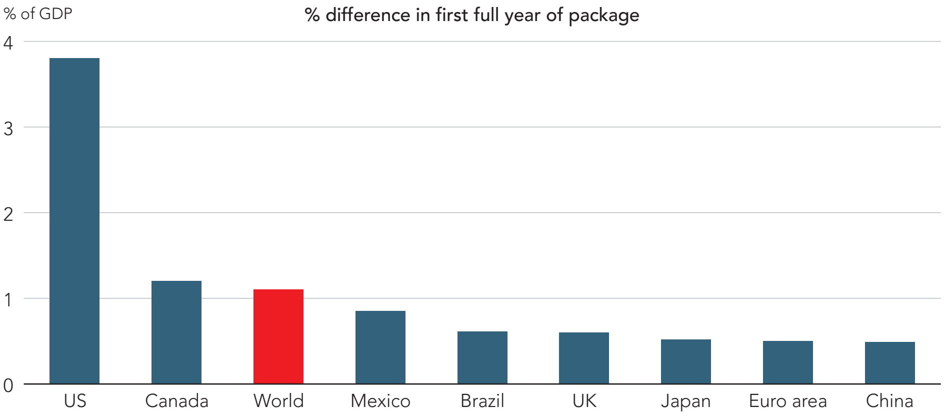
The euro-zone

In contrast to the US, the near-term outlook in the euro area is distinctly less positive. At the heart of this is the relatively slow pace of the EU-wide vaccination scheme. This has coincided with a surge in COVID infections and renewed lockdown measures in the early months of the year. The consequent economic weakness may be extended well into the April to June period. Renewed restrictions are being applied to contain a third wave of COVID-19 infections.

Once vaccination rates have reached sufficient levels, the euro-zone will enjoy economic recovery. This will be assisted by a modest boost from the €750 billion EU Recovery Fund, which

THE MASSIVE FISCAL STIMULUS IN THE US WILL NOT ONLY GREATLY BOOST US GDP GROWTH THIS YEAR BUT THROUGH SPILL-OVER EFFECTS IT WILL ALSO LIFT ACTIVITY ELSEWHERE.

CHART 17: US fiscal stimulus benefits more than just the US economy



Source: OECD 2021

is due to start being distributed later in the year. National fiscal policies are likely to continue to provide support through wage subsidies and other measures. But relatively cautious households are likely to treat accumulated savings during the pandemic as an increase in wealth rather than a boost to income. This suggests that a relatively small proportion will be spent, limiting the upside to consumer spending. More positively, the revival in the global economy will boost demand for exports and lift the manufacturing sector, especially in Germany.

The UK

A surge in infections in late 2020 has meant that the UK has been in a strict lockdown through the first three months of the year. GDP will have contracted, probably by between 4% and 5% over this period. While significant, this is a much smaller fall than the 20% collapse during the first lockdown in 2020. (Government, business and households have adapted to lockdown measures over the last year, allowing more economic activity to be maintained.) Looking ahead, the big positive factor is the success of the vaccination scheme with over half the adult population given a first dose by 20th March. Given this, domestic lockdown restrictions are projected to be fully lifted by late June. Hence, very strong growth is expected in the second half of the year as pent-up consumer demand is unleashed. This demand will be boosted by accumulated savings, estimated at over £120 billion over the last year. The distribution of these funds is skewed towards those on higher incomes, which may moderate the rebound. The March Budget has continued the various fiscal support schemes, such as the furlough scheme which will last until September this year. But there is no US-style extra fiscal stimulus. Reflecting the speed of vaccine delivery, the OECD recently upgraded its GDP forecast to 5.1% for this year from 4.2% previously. It is likely that the UK will regain its 2019 Q4 level of economic activity by early 2022, possibly even by the end of this year depending on the strength of consumer demand in the second half.

China

The Chinese economy has continued to grow strongly in 2021, having recovered quickly from an early lockdown in February 2020. Momentum has been maintained in both domestic demand and exports. Combined data for January and February 2021 show that retail sales were 33.8% higher than in the same period a year ago and industrial production up 35.1% over the same period. These numbers are flattered by the comparison with a year earlier, but both are consistent with strong growth. In March 2021, at the People's Congress, a target of 'at least 6% GDP growth' was set for this year, a rate that is likely to be exceeded easily. (The OECD is forecasting 7.8% GDP growth for this year.) Chinese exports are booming and will benefit further from recovery in world GDP growth this year, especially in the US. (The three factors are less relevant for China – effective control of the virus makes vaccination less important, there are few accumulated savings as support was directed towards businesses rather than households, and policy may even be tightened slightly this year.)

Emerging markets (EM)

The outlook for EMs remains mixed. Some countries, such as Brazil and South Africa, are suffering rising infections while at the same time making negligible progress on vaccinations. Policy support is also limited. In addition, those EMs heavily reliant on overseas visitors are not likely to see improved economic conditions for some time, given that travel restrictions are likely to be among the last to be lifted. More positively, recovery in the global economy will boost international trade, to the benefit of many EMs. In addition, commodity exporters are seeing both increased demand and higher prices.

Nevertheless, the COVID crisis has set back the progress of emerging and middle-income countries in catching up with advanced economies. The International Monetary Fund (IMF) estimates that by the end of 2022, cumulative per capita income will be 13% below pre-crisis projections in advanced economies, compared with 22% for emerging and developing countries excluding China. This projected hit to per capita income will increase by millions the number of extremely poor people in the developing world (Georgieva 2021).

IN MARCH THE OECD UPGRADED ITS GLOBAL GDP FORECAST TO OVER 5% FOR 2021, REFLECTING PROGRESS WITH VACCINATIONS AND THE US FISCAL STIMULUS.

TABLE 1: OECD GDP forecasts

% CHANGE ON A YEAR EARLIER	2019a	2020a	2021f	2022f
World	2.7	-3.4	5.6	4.0
United States	2.2	-3.5	6.5	4.0
Euro-zone	1.3	-6.8	3.9	3.8
Germany	0.6	-5.3	3.0	3.7
France	1.5	-8.2	5.9	3.8
Italy	0.3	-8.9	4.1	4.0
Spain	2.0	-11.0	5.7	4.8
United Kingdom	1.3	-9.9	5.1	4.7
Canada	1.7	-5.4	4.7	4.0
Japan	0.7	-4.8	2.7	1.8
China	6.1	2.3	7.8	4.9
India	4.8	-7.4	12.6	5.4

a = actual, e = estimate, f = forecast

Source: OECD 2021

Is higher inflation a risk?

Last year lockdowns shut down large parts of economies, global demand collapsed and commodity prices plummeted. This was a powerful disinflationary force and inflation fell close to – or even below – zero in many advanced economies and was subdued elsewhere. But as the post-pandemic world begins to take shape, there is now a debate about whether inflation is set to move higher, both over the short and medium term.

In the near-term, rising costs will lift headline inflation rates back towards 2% in many cases. Oil and other commodity prices are now much higher than a year ago and this will put upward pressure on 12-month rates of consumer price inflation. In addition, international shipping costs have also jumped in recent months as global trade has picked up. But such cost-push inflation does not imply a sustained rise in inflation rates – once these higher costs fall out of the annual calculation, rates of inflation will fall back.

Of more concern is the medium-term inflation outlook. Central banks have provided significant support to economies during the pandemic through lower interest rates and quantitative easing (QE). This has resulted in very strong money growth, at rates well above what would be consistent with trend rate real GDP growth and 2% inflation (Chart 18). Most central banks are committed to maintaining loose monetary policy at least until economic recovery is well established. This suggests that very rapid money growth is likely to persist for a while yet.

There is also likely to be a greater tolerance of inflation by authorities than during the pre-pandemic situation. The huge rise in government debt as a result of fiscal support measures means that a slightly higher inflation rate will more quickly erode the real value of this debt. Already the US Federal Reserve has said it will target average inflation, rather than inflation at a point in time. This means that periods of undershooting the usual 2% inflation target permit a subsequent period of overshoot.

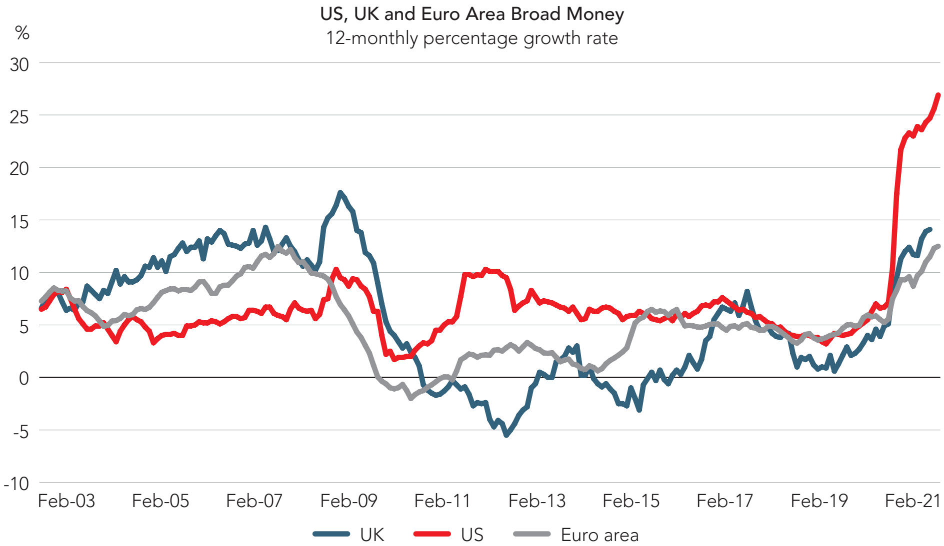
Note that the only economy that may get close to overheating in the next year or so is the US as discussed above. Other countries have significant spare capacity after deep recessions in 2020 and will not return to pre-pandemic levels of activity until sometime in 2022. Only once this point has been passed is it possible for continued strong money growth and demand to start to put upward pressure on inflation. Nevertheless, on a three-to-five-year view there are significant risks that in many advanced economies, consumer price inflation will fluctuate in a 3% to 5% range rather than the 0% to 2% of recent years.

Conclusion

Having suffered the biggest recession for several decades in 2020, the global economy is on course for a relatively quick rebound. Recovery from the Global Financial Crisis of 2007-09 resulted in a long period of subdued growth as private sector balance sheets were rebuilt through increased savings. This crisis is different as its root cause is health and not economic. For now, global COVID-19 infections are high relative to the vaccination rate, so risks remain significant. But the huge government support provided to both households and companies over the last year leaves both well placed to resume spending once the health crisis is over. There are likely to be permanent changes in the pattern of spending and other long-term economic consequences of the COVID crisis. But the good news is that vaccination schemes with continued policy support are on course to lift the global economy out of the COVID abyss this year.

MOST CENTRAL BANKS ARE COMMITTED TO MAINTAINING LOOSE MONETARY POLICY AT LEAST UNTIL ECONOMIC RECOVERY IS WELL ESTABLISHED. THIS SUGGESTS THAT VERY RAPID MONEY GROWTH IS LIKELY TO PERSIST FOR A WHILE YET.

CHART 18: Rapid broad money growth signals inflation warning



Source: FRED

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Appendix I:

Economies covered by Q1 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

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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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