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The Association of
Accountants and
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in Business



GLOBAL ECONOMIC CONDITIONS SURVEY REPORT: **Q3, 2024**

Executive summary

Accountants and CFOs become more pessimistic on global economic prospects in Q3.

Confidence among accountants and chief financial officers (CFOs) declines.

The ACCA and IMA Global Economic Conditions Survey (GECS) suggests that global confidence among accountants and finance professionals declined moderately in Q3. It is now at its lowest since Q4 2023 and slightly below its historical average.¹ There was also a moderate decline in the forward-looking New Orders Index, and modest falls in the Capital Expenditure and Employment indices (see [Chart 1](#)). The message coming from the global CFOs in our panel was also more cautious. Confidence among CFOs fell moderately, and is now below its historical average, and there was a sharp deterioration in their assessment of new orders (see [Chart 15](#)).

Some recovery in confidence in North America, but large falls in Asia Pacific and Western Europe. Confidence improved in North America (see [Chart 2](#)), although it recouped less than half of its Q2 fall, and the key indicators for the region look weak by historical standards. Growth in the U.S. economy is likely to slow over coming quarters, but a soft landing looks the most likely scenario. There was a marked decline in confidence in Asia Pacific, erasing most of the gains made earlier in 2024. Concerns about the continued

weakness of the Chinese economy may have weighed on sentiment, as well as fears about the risk of a U.S. recession. The survey was completed before the Chinese authorities announced a pivot to a more aggressive policy stimulus. A sharp decline in confidence in the UK weighed heavily on the index for Western Europe, amid concerns about predicted tax rises in the upcoming Budget.

Cost concerns remain elevated, but indicators of corporate stress are still not concerning. The proportion of respondents reporting increased operating costs remains elevated by historical standards in most regions (see [Chart 5](#)), suggesting central banks need to proceed quite cautiously with monetary easing, particularly given events in the Middle East. But concerns that customers and/or suppliers could go out of business remain close to historical averages and the proportion of global firms having problems accessing finance has moved lower amid easing global financial conditions (see [Charts 7 and 8](#)).

The global risks section asked accountants to rank their top three risk priorities. Regulatory change was the top concern for the second quarter running for respondents in financial services, while the economy

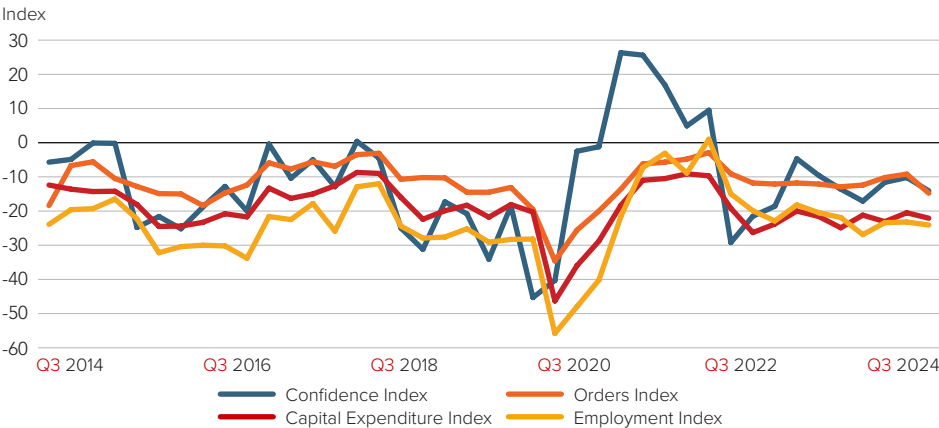
remained well out in front for those in the corporate sector. Both public sector entities and small and medium-sized practices (SMPs) put cybersecurity as their top priority, and for the first time since the risk survey started, climate change claimed a top three spot, with the public sector placing it third. Another first-ever was Western Europe being the only region to rank talent scarcity as its highest risk priority.

GECS survey points to some slowing in global growth in Q3. The global economy has been quite resilient so far in 2024, but the latest survey of accountants points to some easing in growth at the current juncture. On a positive note, the increased policy stimulus should boost the Chinese economy over the coming months and quarters, and the move to rate cuts by the U.S. Federal Reserve, and many other central banks, will increasingly support global activity. That said, geopolitical risks are very elevated, with the conflict in the Middle East escalating. In addition to potentially weighing on confidence, any further spike in oil prices would clearly be problematic for central banks and consumers. Meanwhile, significant uncertainty about the upcoming U.S. election could increase corporate caution.

Confidence among global accountants declined in Q3 to its lowest since Q4 2023.



CHART 1: GECS global indicators



Source: ACCA/IMA (2014–24)

¹ The median is used to calculate the averages.

1. Global and regional analysis

There was some recovery in confidence in North America, but a sharp fall in Asia Pacific.

There was a wide divergence in the regional changes in confidence in Q3 (see **Chart 2**). The largest rise was in the Middle East, and there were decent gains in South Asia and North America. The improvement in the latter was driven by quite a large rise in U.S. confidence after a huge fall previously. While less than half of the previous decline was recouped, it would suggest that fears about a potential U.S. recession may have eased somewhat. That said, the other key indicators look consistent with a slowing economy. Meanwhile, there was a huge decline in confidence in Asia Pacific, wiping out most of the gains made earlier in 2024. This may reflect growing concerns about the weakness of the Chinese economy, fears

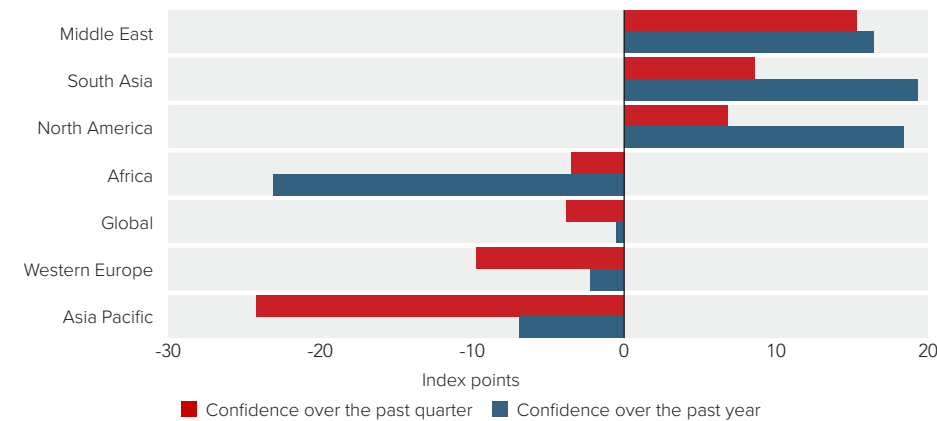
about the risk of a hard landing for the U.S. economy, and the recent weakening in the global manufacturing sector. The survey was carried out before the announcement of a more aggressive policy stimulus by the Chinese authorities. There was also quite a material decline in confidence in Western Europe, driven by a very sharp fall in the UK. Concerns about tax rises in the upcoming Budget and other policy changes appear to have been a key factor. Confidence is moderately below its historical average in North America, Western Europe, and Africa, and very slightly lower in Asia Pacific. Confidence is significantly above average in the Middle East, and meaningfully so in South Asia.

The Global New Orders Index declined moderately in the latest quarter (see **Chart 3**). It is now at its lowest since Q4 2020, albeit only slightly below its average over the survey's history. The declines in orders were quite broad-based across regions. The largest falls occurred in the key regions of Western Europe, North America, and Asia Pacific, with more modest declines in Africa and the Middle East. Bucking the trend was South Asia, with a small rise. Compared with their history, new orders are meaningfully below average in North America and Western Europe, but above average by varying degrees in Asia Pacific, Africa, South Asia, and the Middle East.

Confidence fell sharply in Asia Pacific in Q3 and registered quite a large decline in Western Europe. There was some improvement in North America after the huge fall in Q2.



CHART 2: Confidence – change over the past quarter / year, by region



The Global New Orders Index declined moderately in Q3, driven by falls in the key Asia Pacific, North America and Western Europe regions.



CHART 3: GECS Orders – change over the past quarter / year, by region



The proportion of global respondents reporting ‘increased costs’ was largely unchanged in Q3 but remains elevated by historical standards (see **Chart 4**). At the regional level, cost pressures increased materially in Western Europe (driven by a very significant rise in the UK), rose slightly in the Middle East, and were largely unchanged in Asia Pacific.

Cost pressures fell very sharply in South Asia, and to a much lesser extent in Africa and North America.

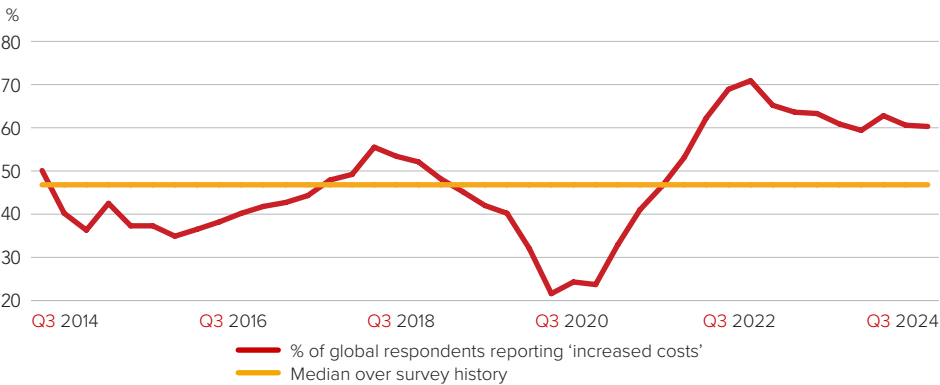
Cost pressures remain elevated by historical standards in Western Europe, Africa, Asia Pacific, and North America (see **Chart 5**), suggesting that central banks enacting, or contemplating, monetary easing in those

regions need to tread somewhat carefully. Cost pressures are around their historical averages in the Middle East and South Asia. Concerns about costs among CFOs declined meaningfully versus the previous quarter (see **Chart 6**), but over 60% are still reporting increased operating costs compared with a historical average of under 50%.

The proportion of respondents reporting increased operating costs remained elevated by historical standards in Q3.

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CHART 4: Concerns about increased operating costs

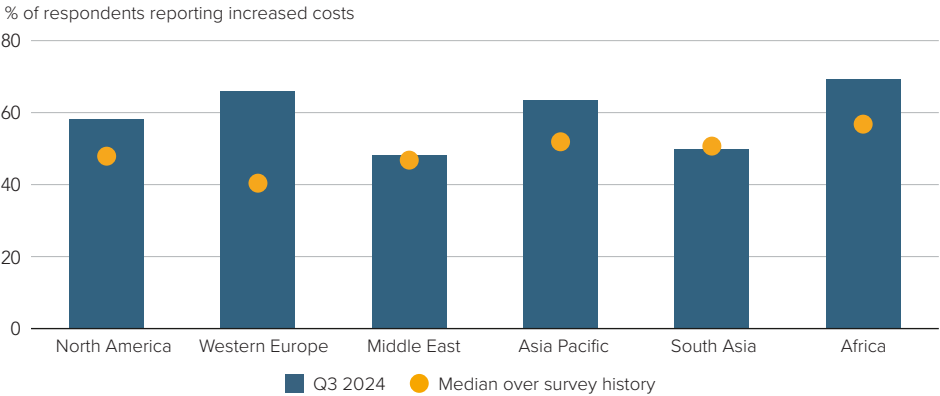


Source: ACCA/IMA (2014–24)

Cost pressures facing businesses remain elevated in Western Europe, Asia Pacific, North America, and Africa.

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CHART 5: Concerns about increased operating costs



Source: ACCA/IMA (2024)

The proportion of CFOs experiencing increased operating costs declined materially in Q3 and is now similar to that of the broader panel.

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CHART 6: Global CFO concerns about increased operating costs



Source: ACCA/IMA (2014–24)

Concerns globally that customers could go out of business rose slightly in Q3, while concerns about suppliers eased again. Neither of our two GECS ‘fear’ indices look worrying by historical standards (see **Chart 7**). Meanwhile, global problems accessing finance eased for the second consecutive quarter, with only 14% of respondents reporting issues accessing finance, below the historical average of 20%. The recent decline likely reflects the improvement in

global financial conditions since autumn 2023 and the beginning of rate cuts by the major global central banks. Global problems securing prompt payment also eased slightly and are below their historical average (see **Chart 8**).

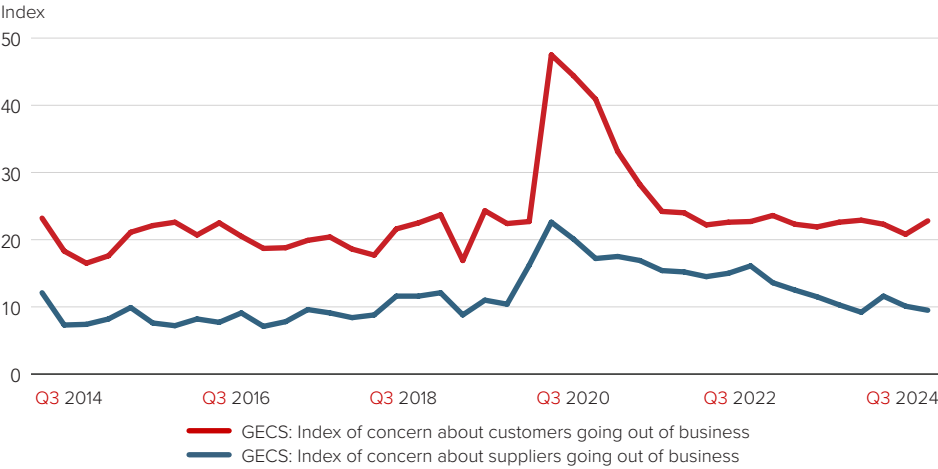
The easing in global financial conditions has been a helpful tailwind for the global economy, and monetary easing by central banks, particularly the U.S. Federal Reserve,

is clearly very beneficial. Nevertheless, absent a sharp slowing in growth, interest-rate-cutting cycles are likely to be quite gradual and rates are still likely to remain high by the standards of the post-Global Financial Crisis period. Hence, firms and households that locked in very low interest rates in recent years are likely to experience a rise in borrowing costs when they come to renew their loans.

Concerns globally that customers could go out of business edged up in Q3, but concerns about suppliers continued to ease. Neither series looks alarming by historical standards.

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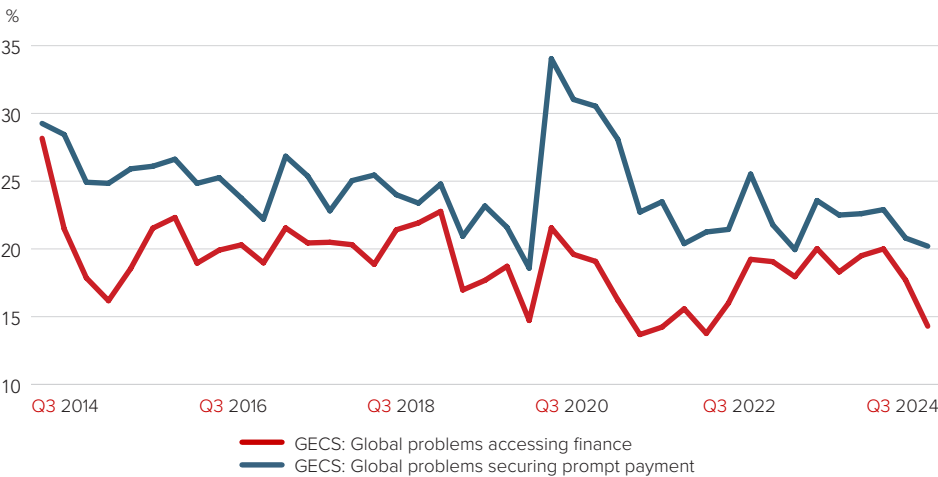
CHART 7: GECS global ‘fear’ indices



Global problems accessing finance have eased quite materially in 2024 and are close to record lows.

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CHART 8: Problems securing prompt payment and accessing finance



NORTH AMERICA

Confidence improved somewhat in Q3, albeit recouping less than half of Q2's decline (see **Chart 9**), and remains below its historical average. The New Orders, Capital Expenditure and Employment indices all declined by varying degrees and are well below their historical averages. Somewhat encouragingly, the proportion of respondents reporting increased operating costs eased to its lowest since Q1 2021, while remaining high by historical standards. All in all, while the increase in confidence is welcome, the key indicators are consistent with some slowing in the U.S. economy and significant caution on behalf of businesses. But with the job market showing resilience and the Federal Reserve beginning its rate-cutting cycle, the most likely scenario for the U.S. economy still looks to be a soft landing. Nevertheless, given the uncertainty faced by firms amid the election, and sharply heightened geopolitical tensions, one cannot rule out a sharper-than-expected slowdown.

ASIA PACIFIC

Confidence fell very sharply in Q3, erasing most of the gains made earlier in the year, although it is only slightly below its historical average. There was also quite a meaningful decrease in the forward-looking New Orders Index (see **Chart 10**), but it remains well above average. The message coming from the Capital Expenditure and Employment indices was mixed. The former improved slightly and is above average, while the latter fell quite materially, but is close to its average. All in all, the key indicators point to a more downbeat backdrop for the region. The continued weakness of the Chinese economy was likely a factor, as well as concerns about the U.S. economy and signs of weakening in global manufacturing. The move to a more aggressive policy stimulus by the Chinese authorities, subsequent to the survey period, should help activity in the region, as will falling U.S. interest rates. The U.S. election and geopolitics remain important risks.

WESTERN EUROPE

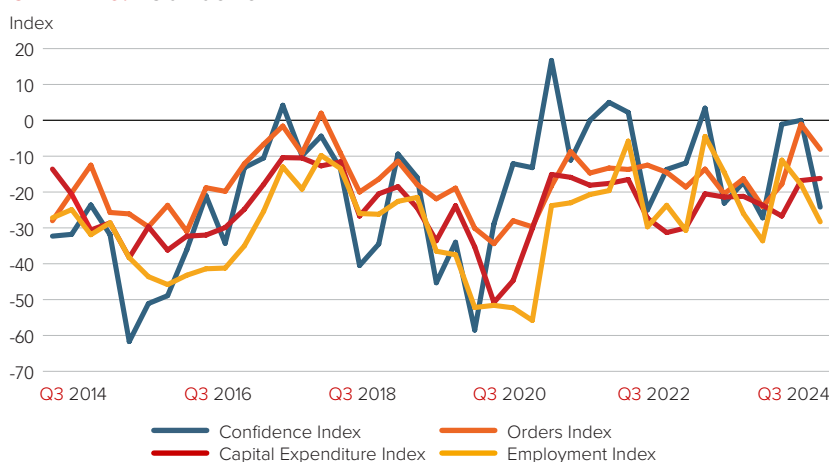
There was quite a large decline in confidence, which is now at its lowest since Q4 2023 (see **Chart 11**). Similarly for the New Orders Index, which is now meaningfully below its historical average. More encouragingly, the Capital Expenditure Index edged slightly higher, and there was a decent gain in the Employment Index. The former is below its historical average while the latter is just above. Meanwhile, the proportion of respondents reporting increased operating costs jumped and remains well above its average. Much worse than expected, outturns for the UK heavily influenced the results. UK confidence fell markedly, and there was a meaningful decline in the New Orders Index. The proportion of UK respondents citing increased operating costs also soared. The UK results seem to fly in the face of the improving data this year, both on the activity and inflation front, and likely reflect business concerns about policy changes and tax rises at the Budget on 30 October.

CHART 9: North America



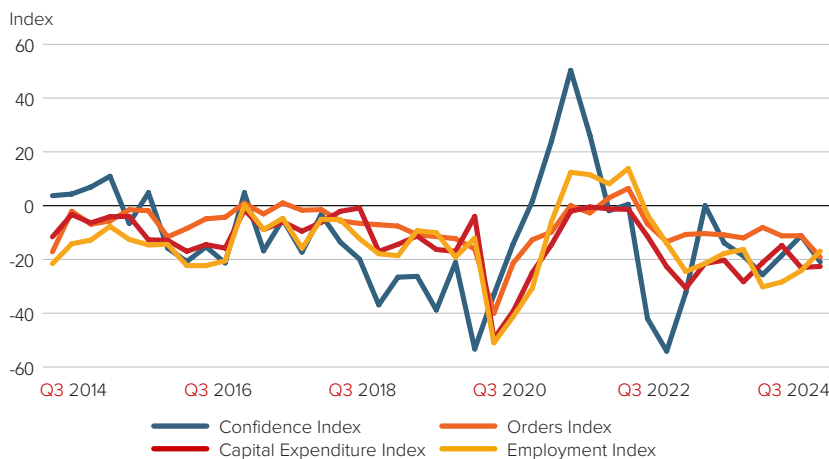
Source: ACCA/IMA (2014–24)

CHART 10: Asia Pacific



Source: ACCA/IMA (2014–24)

CHART 11: Western Europe



Source: ACCA/IMA (2014–24)

MIDDLE EAST

Confidence in the region improved quite sharply in Q3, as did the Capital Expenditure and Employment indices (see **Chart 12**), all of which are now well above their historical averages. By contrast, there was a small fall in the New Orders Index, although it remains above average. The latest results were clearly encouraging and come despite conflict in the region and the fall in oil prices since the Q2 survey. The positive results likely reflect the continued resilience of the non-oil economies in key countries such as Saudi Arabia, as well as rising expectations of easier U.S. monetary policy, with many currencies in the region pegged to the U.S. dollar. Compared with Q2, survey respondents also became more optimistic on the prospects for increases in government spending over the next 12 months. On a note of caution, the survey was conducted before the latest intensification of hostilities in the region, which risk weighing on business and consumer sentiment, despite pushing oil prices higher.

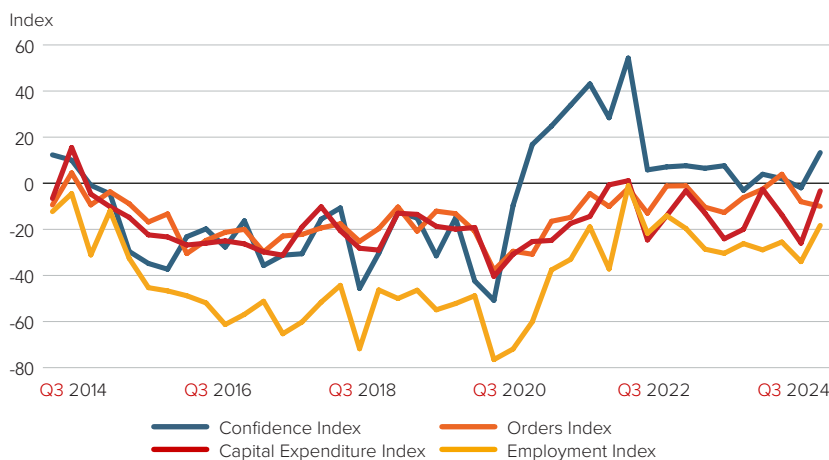
SOUTH ASIA

Confidence registered a decent increase in Q3 – it is now at its highest level since Q3 2022 and above its historical average. There was also a small improvement in the New Orders Index, which remains above its average (see **Chart 13**). There were solid gains in both the Capital Expenditure and Employment indices. The former is above its historical average, while the latter is at it. Meanwhile, the proportion of survey respondents reporting increased operating costs fell sharply and is now at its historical average. Overall, the key indicators are consistent with a quite positive backdrop for South Asia. The region's largest economy, India, should continue to be the world's fastest growing major economy in both 2024 and 2025. It should benefit from strong infrastructure investment by the government, fast growth in the services sector, and the continued diversification of international supply chains. The job market remains an area of some weakness though.

AFRICA

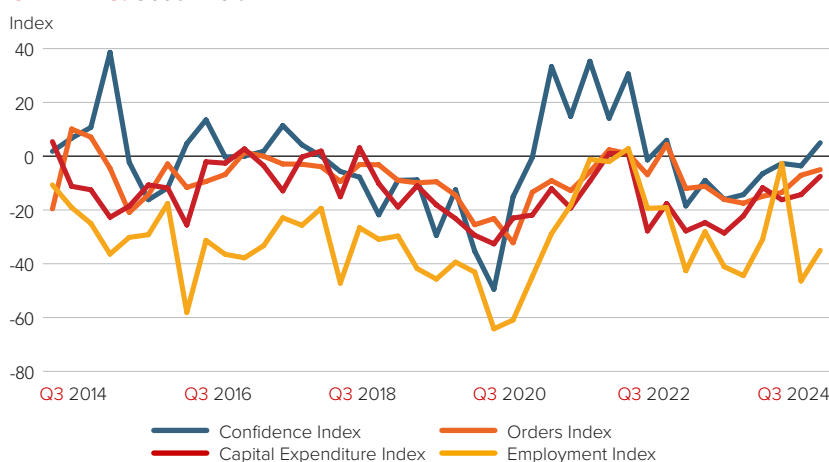
All the key indices declined by varying degrees in Q3 (see **Chart 14**). The Confidence and New Orders indices both registered quite small falls. The former is below its historical average, while the latter is above it. The Capital Expenditure Index recorded a modest decline, but there was a larger retreat in the Employment Index. Both indices are below their historical averages, but not significantly. Meanwhile, the proportion of respondents reporting increased operating costs eased in Q3 while remaining elevated by historical standards. Inflation remains a major issue in the region, although the improving picture in some countries is allowing central banks to reduce policy rates. Monetary easing by the U.S. Federal Reserve should prove very helpful by reducing currency depreciation pressures, but geopolitical developments remain a major risk, given their potential impact on commodity prices.

CHART 12: Middle East



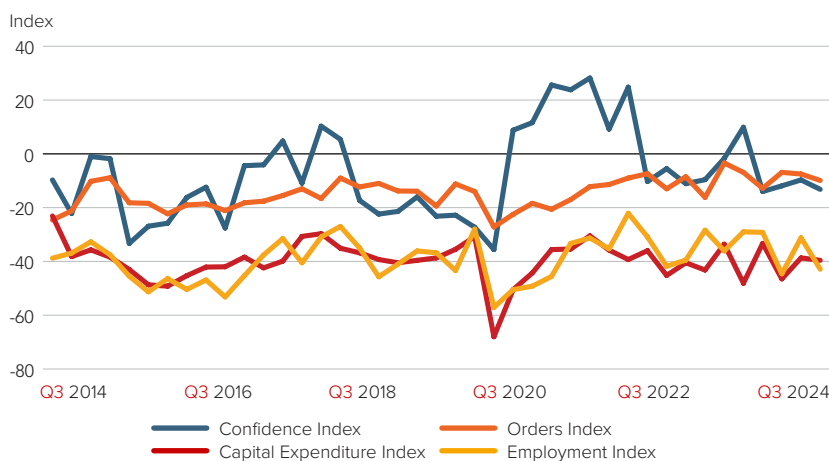
Source: ACCA/IMA (2014–24)

CHART 13: South Asia



Source: ACCA/IMA (2014–24)

CHART 14: Africa



Source: ACCA/IMA (2014–24)

2. Chief Financial Officers (CFOs)

Confidence among CFOs falls in Q3, amid a big decline in new orders.

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

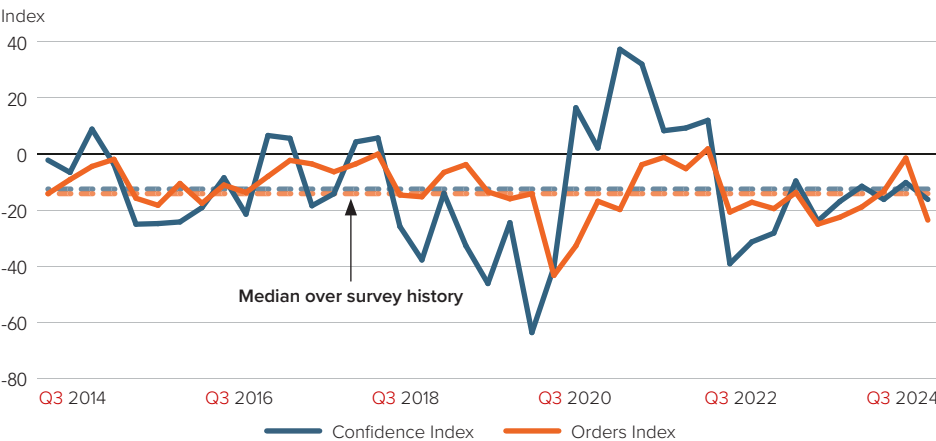
Confidence among CFOs recorded a moderate decline in Q3 and is now slightly below its historical average. The New Orders Index fell sharply, though, and is well below average (see **Chart 15**). The Confidence Index for CFOs is just below that of the broader panel (accountants, auditors, etc., as well as CFOs), while the New Orders Index is meaningfully lower.

The Capital Expenditure Index for CFOs fell moderately after a very large gain previously (see **Chart 16**). It remains below its historical average, although it has been materially lower on several occasions since Russia invaded Ukraine. It remains lower than the index for the broader panel, but not significantly. The Employment Index increased moderately and is above its average (see **Chart 16**) and well above that of the broader panel. Meanwhile, the proportion of CFOs experiencing increased operating costs declined by almost 10 percentage points but remains elevated by historical standards (see **Chart 6**).

All in all, the latest results from CFOs point to some increase in caution in Q3, and are consistent with some slowing in global growth. The large fall in the proportion of CFOs reporting increased operating costs is a welcome development, nonetheless, and points to an inflationary backdrop that is becoming more conducive to a reduction in the magnitude of central banks' policy restraint. That said, with cost concerns remaining on the high side historically, policymakers still need to tread carefully.

Confidence among CFOs declined in Q3, and there was a very sharp fall in the New Orders Index.

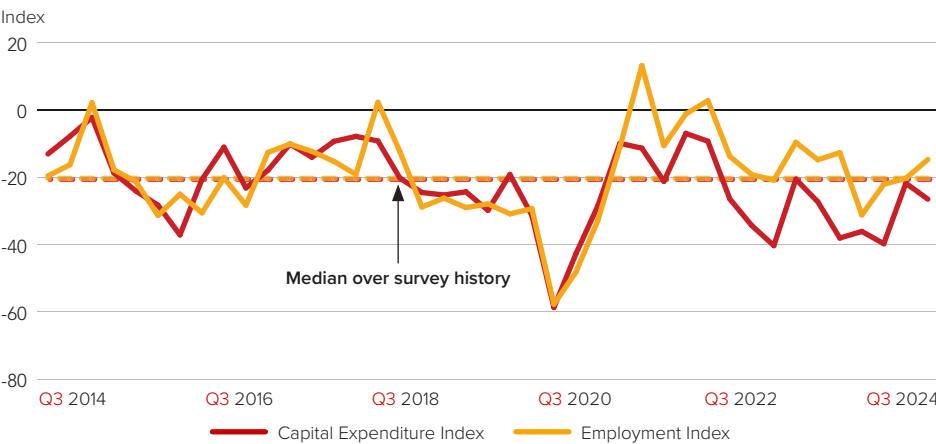
CHART 15: GECS global indicators – CFOs



Source: ACCA/IMA (2014–24)

The message from the Capital Expenditure and Employment indices was mixed, with the former declining and the latter rising.

CHART 16: GECS global indicators – CFOs



Source: ACCA/IMA (2014–24)

3. The ultimate year of national elections and geopolitical uncertainties

While accountants around the world again ranked macroeconomics as the highest risk priority overall, differences across sectors painted a telling story about how the profession is making sense of today's landscape.

Worldwide, more voters in history will have headed to the polls by the end of 2024, with at least 64 countries, plus the European Union, holding national elections, the results of which may prove consequential for years to come. With intensifying conflicts in the Middle East and the war between Russia and Ukraine, responses to the risk section of our third-quarter 2024 (Q3 2024) GECS report reveal how challenging it has become for financial professionals to understand the economic impacts of this unprecedented combination of risks.

By region, North America had the largest proportion of respondents to rank 'economic inflation, recession and interest rates' as their top risk priority for Q3 2024. Answers to the open-ended question, 'what do you feel is the most underestimated risk facing your organisation?' illustrate the degree of emerging threats facing businesses in today's poly-crisis environment. U.S. respondents pointed to a range of scenarios from trade tariffs to changing cybersecurity reporting requirements and artificial intelligence (AI) laws. A financial manager from a manufacturer in the Midwest said: 'the implications of these are hard to measure'. Others also showed growing concerns about the shortage of skills, not least in the accountancy profession. A controller from another U.S. manufacturer replied more candidly about blind spots within her own company, saying that 'the biggest risks to my organisation are internal. With no consistent internal controls

or centralised risk assessment, I believe there are things happening that could cause irreparable damage in the future'.

'Bearish' is the best way to describe risk survey responses from the UK, which accentuated what ACCA's chief economist wrote in the previous section about falling confidence despite long-awaited economic growth. 'The most underestimated risk for us is the reduction in charitable donations if the new government increases taxes', said an ACCA member from the not-for-profit sector. This respondent also said that the biggest impact the economy had on his business was 'scaling back investment in capital projects and staff'.

Most respondents expressed concerns about the upcoming Budget speech. One said that the most underestimated risk was 'uncertainty around changes to taxation and employment law and how that impacts recruitment, which is already difficult. I worry how we will be able to provide acceptable levels of support for our customers'.

Responses from those working at small-to-medium-sized enterprises (SMEs) also struck chords about the increasing risk overload and thinning capacity. One commented how 'higher taxation and increased workers' rights are hitting small business employers hard' while another ACCA member added, 'I have never seen such uncertainty since qualifying'.

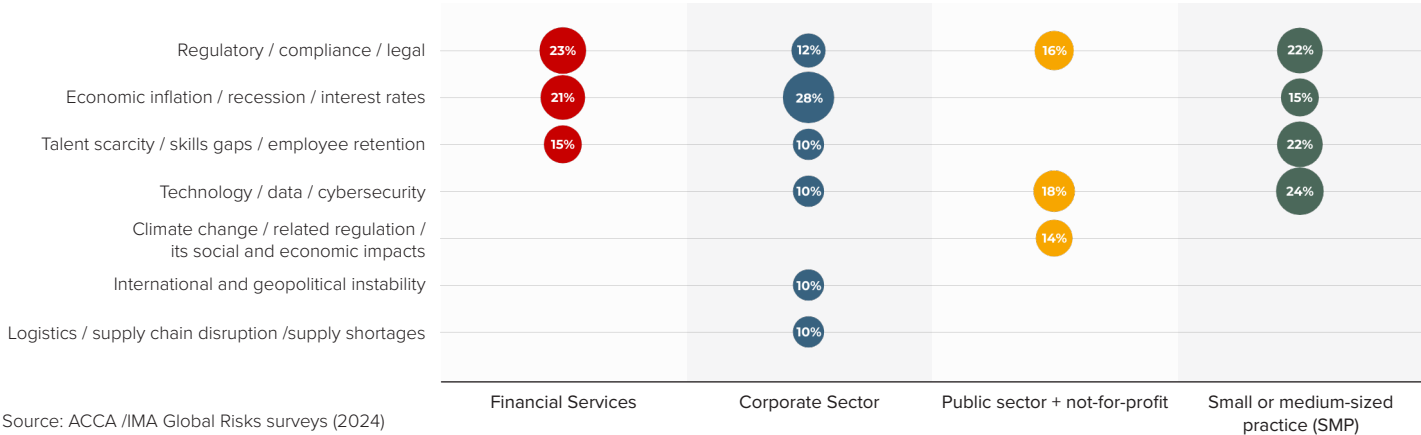
Respondents from the corporate sector ranked macroeconomics as the highest risk priority, but responses from around the world showed how interconnected everything is. For example, one ACCA member in Australia, noted the 'increasing possibility of a global AI-triggered crash' while also suggesting that automation will help eliminate inefficiencies. A finance director

at a transportation company in the United Arab Emirates emphasised the 'web of risks' facing multinational corporates: 'Geopolitical uncertainty is affecting global shipping in many ways, but we're also exposed to volatile currency fluctuations, new cyber threats and talent retention [problems], plus global freight and bunker charges variations that we have never seen before'.

As for financial services, challenges with sanctions compliance came up more, suggesting that many firms do not have dedicated teams or personnel with the necessary knowledge and skills to conduct effective screening. It's clear that many are struggling to keep up with the constantly evolving sanctions landscape and therefore finding it difficult to identify potentially costly risks. A Kenya-based CFO working in financial services said: 'There is a lack of capabilities of long-serving employees to understand risk in this new environment we operate in'.

Climate change and nature-related risks were also mentioned more than previously, with many suggesting that the economic implications are just as existential. An accountant in Ghana said: 'The rate at which the environment and water bodies are being destroyed through illegal mining is critical. Water could be a very serious problem in the near future, which for now is not on the hot plate for discussion'. Another, from a retailer in Zimbabwe, pointed out the pervasiveness of fraud and underlined the sheer lack of trust in leadership seen across all sectors and regions: 'Fraudulent activities involving senior management and how they're protected are underestimated given the existential risks we face'. An internal auditor from financial services in Ireland summed it up: 'Environmental and social risks have become so political, it is hard to know where next [for the economy and society at large]'.

CHART 17: Top ranked risk priorities in Q3 2024 – Financial Services vs Corporate Sector vs Public sector + not-for-profit vs SMPs



Source: ACCA /IMA Global Risks surveys (2024)

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.

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About this report

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 2024 Q3 survey took place between 3 and 19 September 2024, gathering 697 responses: 476 from ACCA members and 221 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.

Read the previous GECS reports [here](#)

Contacts

For further information about the Global Economic Conditions Survey and the series of quarterly reports, please contact:

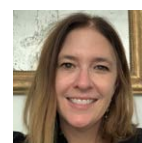


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