



Global economic conditions survey report: **Q2, 2025**

ACCA



The Association of
Accountants and
Financial Professionals
in Business

Executive summary.

Confidence among global accountants rose for the first time since Q2 2024, but remains weak historically.

Confidence among global accountants rose to its highest level since Q3 2024: the latest ACCA and IMA Global Economic Conditions Survey (GECS) suggests that global confidence improved in Q2 2025 (see **Chart 1**), although it is still at a low level by historical standards. The changes in the other key indicators were modest. The New Orders and Capital Expenditure indices declined, although the former is at its historical average¹

and the latter not much below, and both are at levels broadly similar to other readings since the aftermath of Russia's invasion of Ukraine. Meanwhile, the Employment Index improved and is not very far below its historical average. Confidence among chief financial officers (CFOs) fell slightly (see [Chart 16](#)), and the index for them is now very similar to that of the broader panel. There was also a notable deterioration in their perception of new orders.²

Chart 1 GECS global indicators



Source: ACCA/IMA (2015–25)

‘Confidence among global accountants improved in Q2, after falling sharply over recent quarters.’

Confidence rose somewhat in Western Europe and North America but fell sharply in Asia Pacific.

Confidence in North America rose in Q2 (see [Chart 2](#)), amid some improvement in sentiment among U.S.-based accountants, but it remains depressed by historical standards, and the other key indicators for the region are at low levels historically. There was another moderate gain in confidence in Western Europe, aided by a further improvement in the UK from its record low in Q4 2024. Nonetheless, confidence in the region is still low by historical standards. Meanwhile, there was a sharp fall in confidence in Asia Pacific, erasing the gains made in Q1 2025. The deterioration in the backdrop for global trade, amid major changes in U.S. trade policy, was likely the key factor weighing on sentiment. At the time of the survey, many countries in the region faced the threat of large additional increases in U.S. import tariffs once the 90-day tariff pauses ended on 9 July.

Global cost pressures eased according to accountants, although there are divergent regional pressures.

The proportion of North American respondents reporting increased operating costs eased slightly, although remaining on the high side historically after the large increase in Q1 – which likely reflected the rise in import tariffs, increasing the risk that firms may attempt to raise prices over coming months. Except for Western Europe, cost pressures don’t look concerning in the other regions (see [Chart 5](#)).

For the first time, geopolitics topped accountants’ global risk priorities in Q2: economic fears tied with regulatory and compliance risks as the second highest risk priority (see [Chart 18](#)). Talent scarcity and cybersecurity remain critical but were slightly less prominent this quarter. Climate change, fraud and supply chain risks remained lower down the agenda for respondents, suggesting a renewed focus on macro-external volatility, with boards and executives reacting to intensifying global conflicts, regulatory unpredictability and economic pressure.

The GECS was not indicative of a sharp slowing in global growth in Q2, despite heightened uncertainty: global growth has generally proved quite resilient in the first half of 2025, despite the large increases in U.S. tariffs and massive rise in trade policy uncertainty. While the key GECS indicators are certainly not pointing to a global economy in rude health, with confidence in particular remaining low, neither are they suggesting that a major downswing is imminent. Nevertheless, with higher tariffs likely to push U.S. inflation higher over coming months, and as uncertainty and tariffs weigh on the U.S. and global economies, some slowing in global growth looks likely over the second half of 2025. The extent of the slowing will depend on developments in the U.S. economy and in its trade policy, as well as geopolitics.

¹ The median is used to calculate the averages.
² Caution should be exhibited with the CFO results, owing to a small sample size in Q2 2025.

1. Global and regional analysis

Confidence among accountants globally improved in Q2 2025, but it is still quite depressed historically

There were divergent regional changes. Among the major economic regions, confidence rose somewhat in Western Europe and North America but fell sharply in Asia Pacific (see **Chart 2**). Despite this, confidence remains at very low levels in Western Europe and especially North America, with many U.S.-based accountants highlighting the rise in import tariffs and policy uncertainty. Tight monetary policy and the risk of slowing U.S. growth are also likely weighing

on sentiment. The large drop in confidence in Asia Pacific likely reflects the rise in U.S. tariffs and the significant uncertainty caused by changes in U.S. trade policy. Confidence in Asia Pacific is now meaningfully below its historical average.

Among the other regions,³ confidence improved sharply in Africa and is at its highest level since Q1 2022.

While the index can be volatile, the rise in 2025 may reflect a confluence of factors, including improvements in the inflationary backdrop in a number of countries, declining central bank interest rates, and the recent weakening of the U.S. dollar against some currencies in the region. There was a small rise in confidence in the Middle East, which remains at a relatively favourable level compared with the survey’s history. Looking at survey responses by date, the escalation of the conflict between Israel and Iran did not appear to have a negative impact on sentiment. By contrast, confidence fell sharply in South

Asia and is now at a low level by historical standards. Regional tensions and the rise in U.S. import tariffs, and threat of additional sharp increases if trade agreements cannot be reached, may have been important factors weighing on sentiment.

The Global New Orders Index declined slightly in Q2 (see **Chart 3**) but is at its historical average, supporting the view that global growth was still generally holding up despite the weakness in confidence over recent quarters. Among the major regions, declines in the New

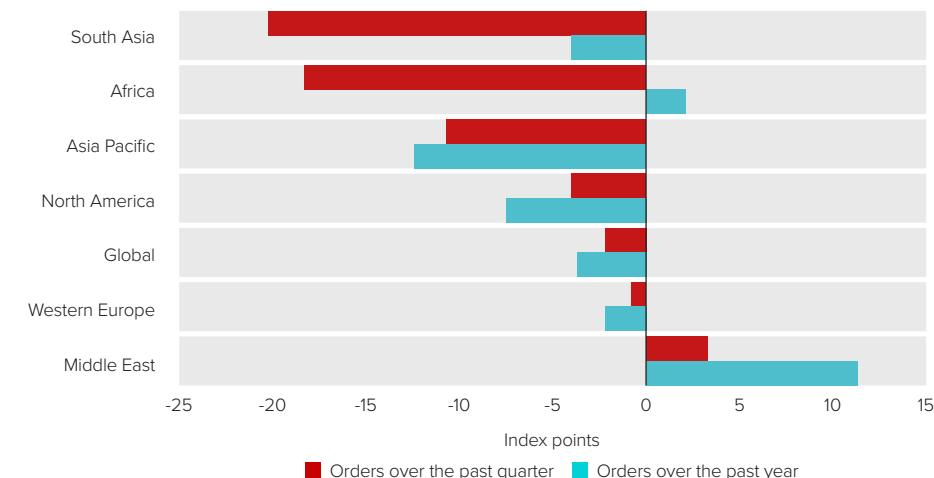
Chart 2 **Confidence – change over the past quarter/year, by region**



Source: ACCA/IMA (2024–25)

‘Confidence moved somewhat higher in Western Europe and North America but fell quite sharply in Asia Pacific.’

Chart 3 **GECS Orders – change over the past quarter/year, by region**



Source: ACCA/IMA (2024–25)

‘The New Orders Index deteriorated in most regions in Q2.’

³ The survey results for Africa, the Middle East, and South Asia should be viewed with caution, owing to the small sample sizes in Q2 2025.

Orders Index were very minor in Western Europe and quite modest in North America, although there was quite a sharp fall in Asia Pacific. New Orders are meaningfully below their historical average in North America, but only slightly lower in Western Europe, and remain somewhat higher in Asia Pacific.

As regards inflation, in Q2 the proportion of global respondents reporting ‘increased costs’ declined to its lowest since Q4 2021 – just before Russia’s invasion of Ukraine, although it remains high by historical standards (see **Chart 4**). Even so, there remains quite a wide divergence by region. The proportion of Western European accountants reporting increased operating costs fell quite materially but remains very high from a historical perspective (see **Chart 5**). Elevated, but

moderating, cost pressures in the UK are a factor behind this. The proportion of North American-based accountants reporting increased costs eased slightly in Q2 but, after surging in Q1, remains materially above its historical average. There is a significant risk that firms will try to pass on their higher costs to consumers over coming months. Rising inflation would complicate the task of the Federal Reserve, if slowing growth and an easing jobs market begins to increase the need for a loosening in monetary policy.

Outside the Western economies, cost pressures don’t look elevated by historical standards in Asia Pacific, Africa, the Middle East or South Asia. Concerns about costs among CFOs rose again in Q2 (see **Chart 6**) and remain elevated historically.

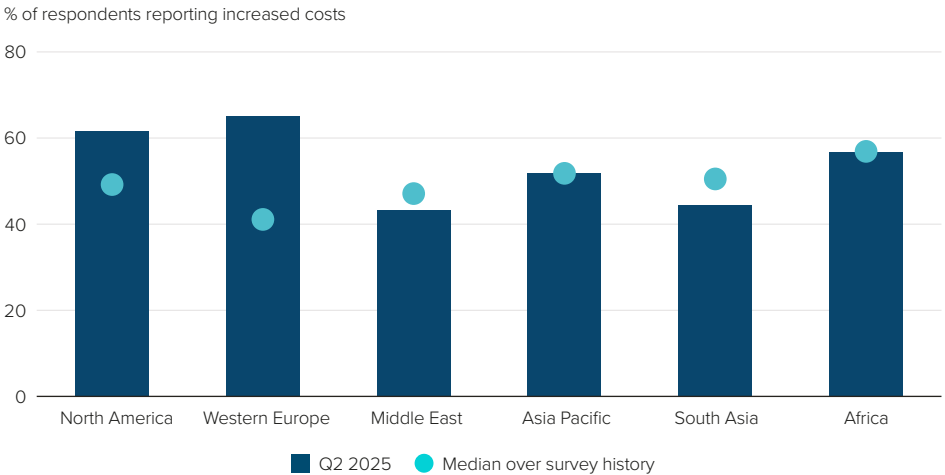
Chart 4 Concerns about increased operating costs



Source: ACCA/IMA (2015–25)

‘The proportion of accountants globally reporting increased operating costs fell to its lowest since Q4 2021.’

Chart 5 Concerns about increased operating costs



Source: ACCA/IMA (2025)

‘Cost pressures remain very elevated in Western Europe, and to a lesser extent North America.’

Chart 6 Global CFO concerns about increased operating costs



Source: ACCA/IMA (2015–25)

‘Cost pressures rose for the second consecutive quarter, CFOs reported.’

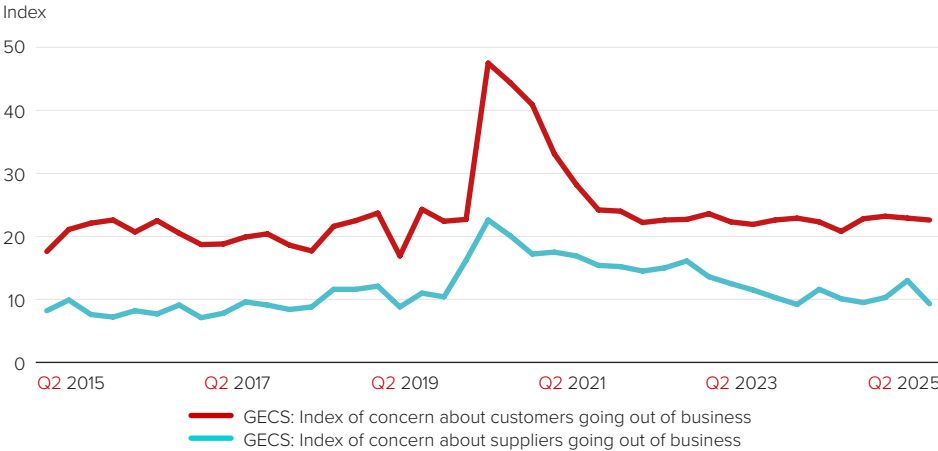
Concerns globally that customers might go out of business eased very slightly again in Q2 and concerns that suppliers' businesses might fail also declined. At the current juncture, neither of our two GECS 'fear' indices look worrying by historical standards (see **Chart 7**). That said, the headline numbers mask some notable movements in the indices at the regional level (see **Chart 8**). Concerns that customers could go out of business declined meaningfully and by varying degrees in North America, Western Europe and Africa, but rose sharply in Asia Pacific and South Asia. In the latter two, concerns appear very elevated by historical standards. Major changes in U.S. trade policy could be the driver behind the rise in concerns.

Global problems accessing finance and securing prompt payment both increased, but both series are at encouraging levels from a historical standpoint (see **Chart 9**). That said, again, there were some notable

divergences at the regional level. The proportion of accountants reporting problems securing prompt payment fell meaningfully in North America and Africa, was largely unchanged in Western Europe, but rose by varying degrees in Asia Pacific, the Middle East and South Asia.

Developments with U.S. trade policy over coming months and quarters will clearly be very important, with any sharp rises in import tariffs being likely to increase pressure on companies in the affected countries. Meanwhile, with higher tariffs set to push up U.S. inflation over coming months, the Federal Reserve is likely to be quite cautious about monetary easing, although financial markets currently expect around two quarter-point rate cuts by year-end. With changes in U.S. trade policy weighing on growth in countries around the world, further monetary easing seems likely from many other central banks over coming months.

Chart 7 GECS global 'fear' indices



Source: ACCA/IMA (2015–25)

‘Accountants globally don’t seem particularly worried that their customers and suppliers could go out of business.’

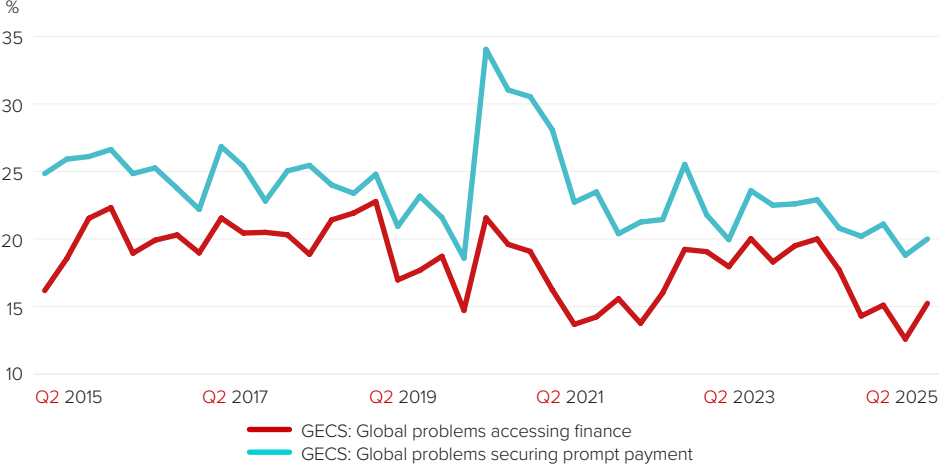
Chart 8 Concerns about customers going out of business



Source: ACCA/IMA (2015–25)

‘The global aggregates mask some important regional changes, with concerns that customers might go out business rising materially in Asia Pacific.’

Chart 9 Problems securing prompt payment and accessing finance



Source: ACCA/IMA (2015–25)

‘Global problems accessing finance and securing prompt payment both rose in Q2 but remain at low levels historically.’

North America

Confidence rose somewhat in North America in Q2 but still remains close to its Q1 record low (see **Chart 10**). The Employment Index also increased from a very low level, driven by a decline in the proportion of respondents reporting ‘Staff cuts/hiring freeze’, although the proportion reporting ‘New jobs created/hiring resumed’ declined again, and remains close to record lows. The Capital Expenditure Index was largely unchanged but remains weak by historical standards. There was a fall in the New Orders Index, which is now quite meaningfully below its historical average, albeit not significantly different from some of the levels since Russia invaded Ukraine. Somewhat encouragingly, after jumping in Q1, the proportion of accountants reporting increased operating costs eased slightly, while remaining elevated historically. All in all, our key indicators point to significant caution on behalf of companies, which is hardly surprising given the heightened policy uncertainty in the U.S. With higher import tariffs set to push up inflation over coming months, and ongoing uncertainty, sub-par U.S. growth looks likely in the second half of the year.

Chart 10 North America

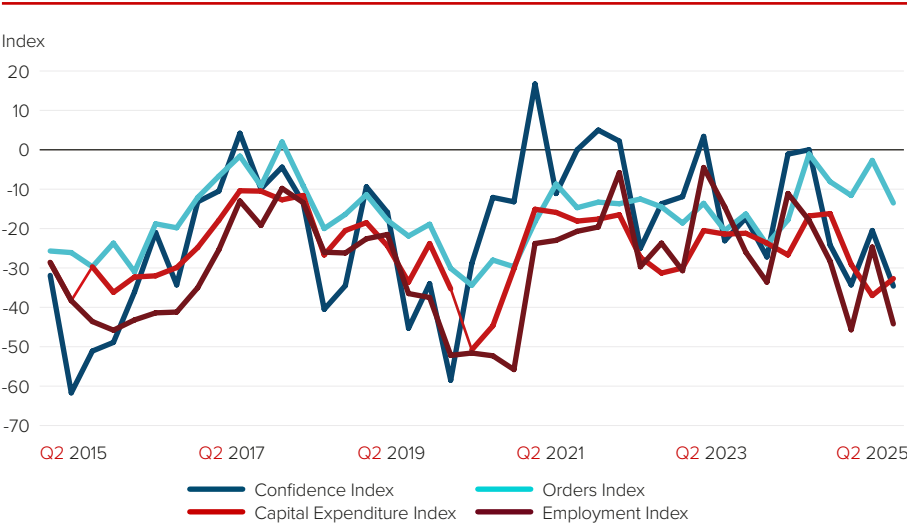


Source: ACCA/IMA (2015–25)

Asia Pacific

Confidence fell quite sharply in Q2 (see **Chart 11**), relinquishing the gains from Q1, and is now meaningfully below its historical average. There was also quite a large fall in the New Orders Index, although it remains above its average. There was a contrasting picture provided by the Capital Expenditure and Employment indices. The former rose somewhat, but the latter fell very sharply. Both series are quite weak historically. Meanwhile, cost pressures rose, according to accountants in the region, but are not elevated compared with the series' history. Overall, the large falls in most of the key indicators for the region likely reflect the impact of the rise in U.S. import tariffs, and concerns about the risk of further significant increases once various tariff pauses come to an end. This export-oriented region remains significantly exposed to any further worsening in global trade relations. Some indicators of corporate stress worsened in Q2, with a sharp rise in the proportion of respondents reporting concerns that customers could go out of business.

Chart 11 Asia Pacific

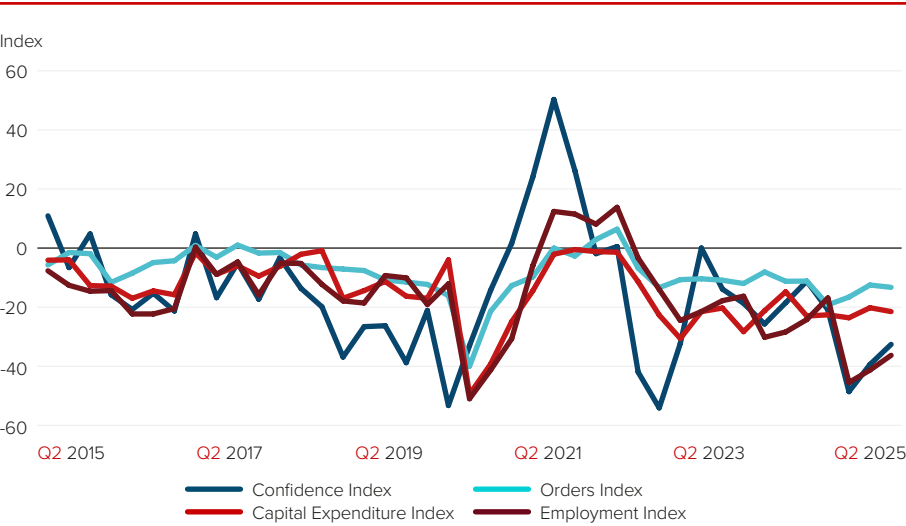


Source: ACCA/IMA (2015–25)

Western Europe

Confidence registered another decent increase in Western Europe, although it remains at a low level historically (see **Chart 12**). There was a small fall in the New Orders Index, although it is only modestly below its historical average. Meanwhile, there was a slight decline in the Capital Expenditure Index, but a moderate rise in the Employment Index. Even so, the latter remains at a very low level by historical standards. Somewhat encouragingly, there was quite a large fall in the proportion of accountants reporting increased operating costs, although it remains very elevated by historical standards. In the UK, after falling sharply in Q3 and Q4 2024, amid the announcement of large tax rises on businesses, confidence has improved over recent quarters, although it remains at a low level. UK cost pressures also became somewhat less severe in Q2. Growth in the euro area and UK economies is likely to remain lacklustre in 2025, and global trade developments remain a key downside risk. Monetary policy is becoming more supportive across the region.

Chart 12 Western Europe

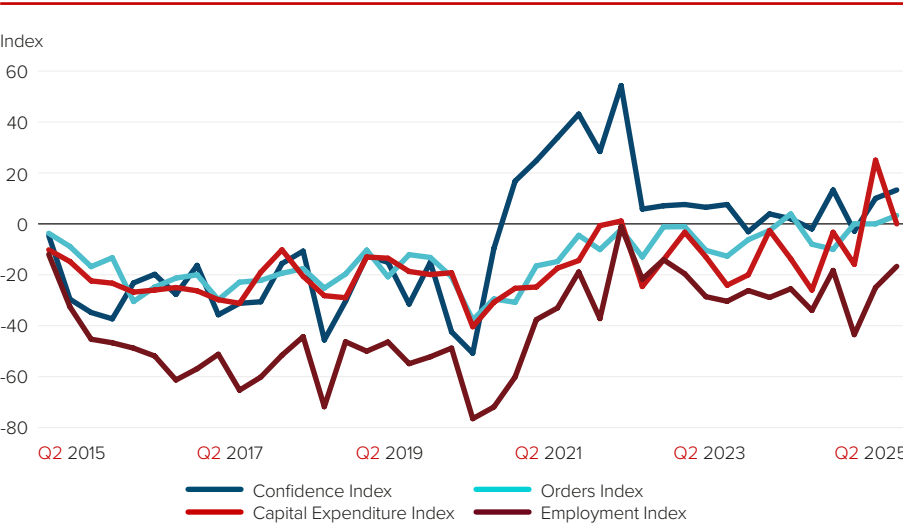


Source: ACCA/IMA (2015–25)

Middle East

Confidence rose slightly in the Middle East and remains well above its historical average (see **Chart 13**).⁴ There was a similar rise in the New Orders Index, which remains at a very high level historically. There were differing dynamics with the Capital Expenditure and Employment indices. The former fell markedly, while the latter registered a decent increase. Both series are well above their historical averages. Meanwhile, the proportion of respondents reporting increased operating costs fell significantly and is now below its average. Overall, the indices remain consistent with quite an encouraging picture for the region. Survey responses taken after the escalation of the conflict between Iran and Israel appear to show little perceivable negative impact on sentiment. Growth in the region should remain bolstered by healthy expansions in the non-oil economies in key countries such as Saudi Arabia and the United Arab Emirates, and amid the ongoing rise in oil production as OPEC+ countries continue to reverse past production cuts. Geopolitics remains a major downside risk.

Chart 13 Middle East



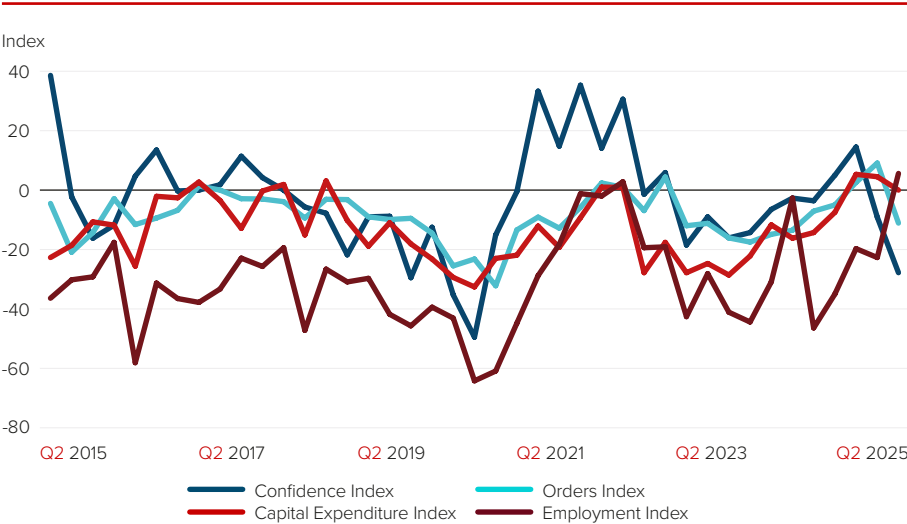
Source: ACCA/IMA (2015–25)

4 The survey results for the Middle East should be viewed with caution, owing to the small sample size in Q2 2025.

South Asia

There was another very large fall in confidence in the region in Q2 (see **Chart 14**), leaving it at a low level historically.⁵ There was also a marked decline in the forward-looking New Orders Index, although it is close to its historical average. There was a contrasting picture offered by changes in the Capital Expenditure and Employment indices. The former declined somewhat, while the latter improved sharply, although both are at favourable levels historically. Regarding inflation, the proportion of respondents reporting increased operating costs fell quite sharply and is below its historical average. Overall, the decline in the Confidence and New Orders indices suggest some caution about the prospects for the region’s economy, despite signs of a pickup in Indian growth after the slowing in 2024 and the gradual improvement in Pakistan’s economy. The escalation in regional tensions and the rise in U.S. import tariffs, and concerns about the risk of additional increases, may have been factors weighing on business sentiment.

Chart 14 South Asia



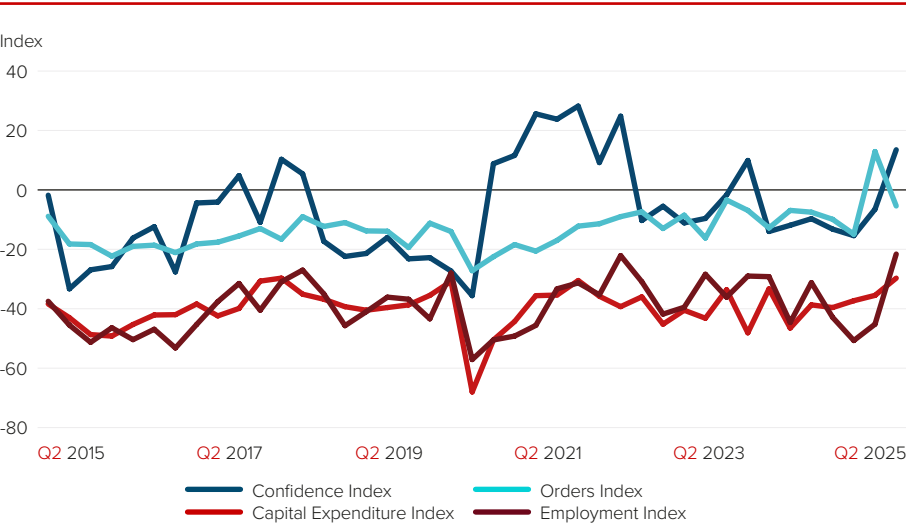
Source: ACCA/IMA (2015–25)

5 The survey results for South Asia should be viewed with caution, owing to the small sample size in Q2 2025.

Africa

Confidence rose strongly in Africa in Q2 2025, reaching its highest level since Russia invaded Ukraine in Q1 2022.⁶ There was a sharp decline in the New Orders Index, however, although it remains at a healthy level by historical standards (see **Chart 15**). There were gains in both the Capital Expenditure and Employment indices, and both are meaningfully above their historical averages. The news on inflation was also encouraging, with the proportion of accountants in the region reporting increased operating costs falling sharply and is now at its historical average. All in all, there has been quite a noticeable improvement in the key indicators in 2025, likely reflecting ongoing improvements in the inflationary backdrop in a number of countries, lower central bank interest rates, and the recent weakening of the U.S. dollar against some currencies in the region. Deteriorating global trade relations, geopolitics, and climate-related events remain major downside risks.

Chart 15 Africa



Source: ACCA/IMA (2015–25)

5 The survey results for Africa should be viewed with caution, owing to the small sample size in Q2 2025.

2. Chief Financial Officers (CFOs)

Confidence among CFOs eases, and there is a sharp deterioration in their perception of new orders.

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

Confidence among CFOs declined moderately in Q2 and remains meaningfully below its historical average.⁷ There was a very sharp fall in the New Orders Index, which admittedly can be volatile, and it is also now meaningfully below average (see **Chart 16**). The Confidence Index for CFOs is now broadly similar to that of the broader panel (accountants, auditors, CFOs, etc.), but the New Orders Index is materially weaker.

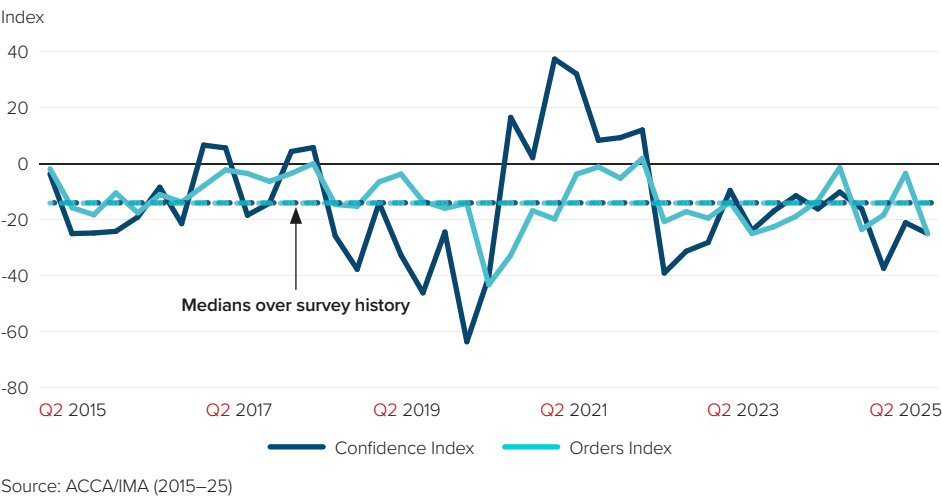
The Capital Expenditure Index for CFOs improved moderately in Q2. It is not much lower than its historical average and is similar to the reading for the broader panel. The Employment Index eased slightly and remains very low by historical standards (see **Chart 17**) and decidedly lower than the reading for the broader panel. Meanwhile, the proportion of CFOs experiencing increased operating costs rose moderately and remains elevated by historical standards (see [Chart 6](#)).

All in all, the key indicators are generally consistent with relative caution on behalf of CFOs at the present time, which is not surprising given the highly uncertain global economic backdrop.



⁷ The CFO results should be viewed with caution, owing to a small sample size in Q2 2025.

Chart 16 GECS global indicators – CFOs



‘Confidence among CFOs softened in Q2, and there was a sharp deterioration in their perception of new orders.’

Chart 17 GECS global indicators – CFOs



‘The Employment Index remains very low by historical standards.’

3. Geopolitics emerges as the top risk for the first time

For the first time in the ACCA/IMA global risk survey history, geopolitical instability rose to become the top global risk priority, overtaking economic concerns, which dominated in previous quarters. While inflation, recession and interest rate fears tied with regulatory and compliance risk in second place, talent scarcity and cybersecurity remained pressing but less prominent as external shocks dominated.

A multi-layered view from accountants

This quarter’s survey numbers reveal a pivot from Q1’s economic anxiety to a more nuanced and fragmented view of today’s risk landscape. With boards and executives reacting to rising costs, fractured supply chains and unpredictable policy shifts, accountancy professionals across sectors and geographies expressed growing concern not just with external threats but also with internal exposure: governance gaps, cost fragility, workforce strain, and cultural and digital readiness.

This shift in sentiment shows how accountancy professionals are increasingly worried about their organisations’ internal resilience – their ability to adapt, sustain margins, and lead amid the constant change and disruption.

Comments in response to the open-ended question, ‘what do you believe is the most underestimated risk facing your organisation?’ reveal how the real story lies beneath the surface: in the growing complexity and fragmentation of risks experienced on the ground by finance professionals.

Tariff turbulence and cost compression

From the U.S. to the Gulf and East Asia, finance leaders consistently flagged the impact of rising tariffs, currency volatility, and pricing pressure as underestimated threats. These risks are eroding margins, straining cash flow, and disrupting supply chains – often more severely than headline inflation figures suggest.

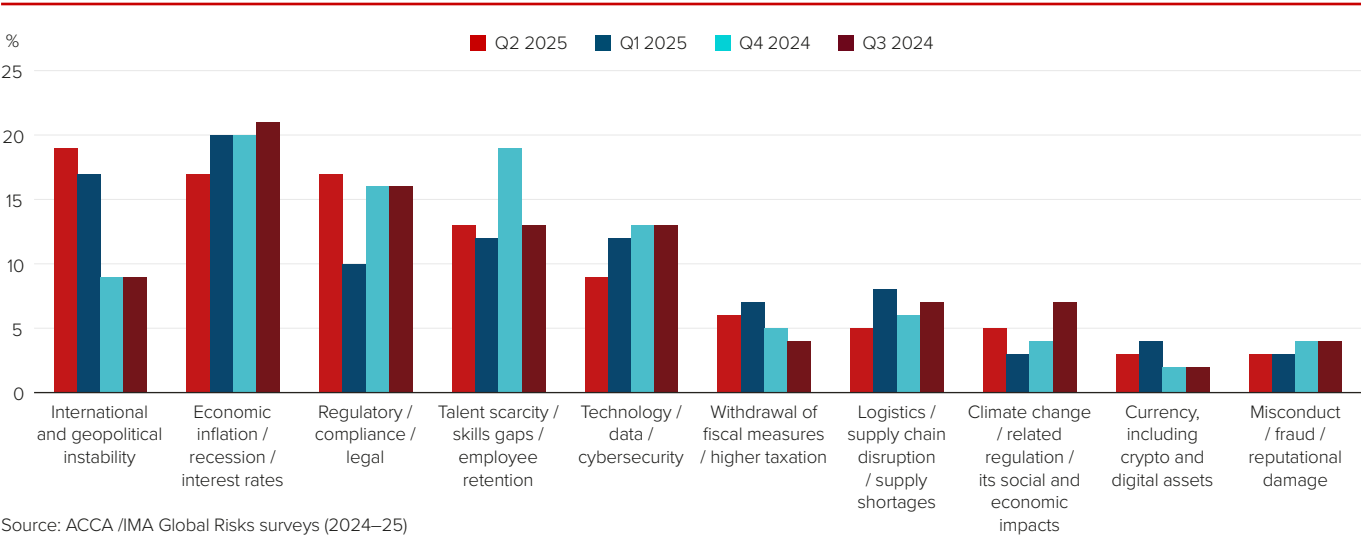
‘Tariffs are unsustainable on cash, especially if there are any delays in orders.’

Controller, U.S.

‘Softening demand in our largest market is being driven by regulatory shifts and margin pressure.’

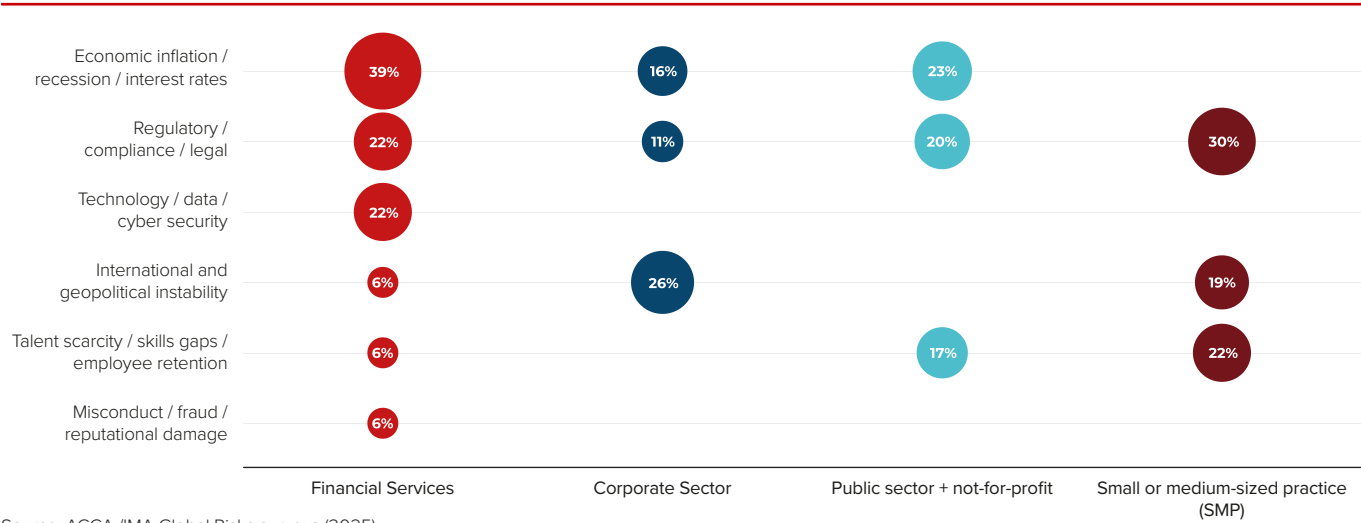
Accountant, UAE

Chart 18 Top three risk priorities overall – change over the past year



Source: ACCA /IMA Global Risks surveys (2024–25)

Chart 19 Top-ranked risk priorities across sectors, Q2 2025



Source: ACCA /IMA Global Risks surveys (2025)

Avoiding cracks in ownership and culture

Governance fragility is surfacing in SMEs and family-run firms, where ownership tensions, succession planning, and cultural inertia are now seen as critical but under-discussed risks.

‘A potential split in the ownership group is the most underestimated risk.’

CFO, Kenya

‘Culture and compliance are now risk issues — not just HR or ethics.’

Finance manager, UK

Cyber and tech risks outpacing controls

While cybersecurity remained high on the agenda, comments suggest that professionals feel outpaced by the acceleration of AI, vendor dependence, and digital regulatory burdens. There is growing concern over compliance fatigue and inadequate cyber-resilience strategies.

‘Cyber threats are escalating, especially as we move more of our operations online.’

Accountant at a regulator, Zambia

‘Data sovereignty and vendor consolidation are the real blind spots.’

Director, U.S.

Workforce risk is widening

Talent scarcity is evolving fast, from a staffing issue into a harder-hitting strategic risk. Respondents pointed to rising costs of skilled labour, regulatory-driven workforce pressure (e.g. higher taxes and reporting reforms), and the threat of being out-innovated by leaner, tech-first rivals.

‘Talent scarcity is not just a cost issue — it’s about survival.’

Senior manager, UK

‘Shortage of qualified employees amid reforms is our biggest concern.’

Director, South Asia

Accountancy professionals working as the connective tissue

Q2’s risk results show how sentiment is clearly evolving from macro-level uncertainty to a deeper worry over internal resilience gaps in an increasingly geopolitically driven world. In this quarter, accountancy professionals talked about how external shocks magnify internal vulnerabilities and how resilience depends as much on foresight and agility as on control and compliance.

For boards and decision-makers, the message is clear that governance must not only be principled, but practical, adaptive and integrated — with finance leaders equipped to connect the dots before fragmentation becomes failure.



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 2025 Q2 survey took place between 3 – 23 June 2025, gathering 420 responses: 286 ACCA members and 134 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](#)

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Founded in 1904 to widen access to the accountancy profession, we’ve long championed inclusion and today proudly support a diverse community of over **252,500** members and **526,000** future members in **180** 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.

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