



The Association of  
Accountants and  
Financial Professionals  
in Business

The global  
body for  
professional  
accountants



THE FUTURE TODAY

**CONTACT:**

Brian Sherry  
Stern Strategy Group  
908-325-3860  
[ima@sternstrategy.com](mailto:ima@sternstrategy.com)

Jaime Williams  
Anat Gerstein, Inc.  
(on behalf of ACCA North  
America)  
347-361-7183  
[jaime@anatgerstein.com](mailto:jaime@anatgerstein.com)

FOR IMMEDIATE RELEASE

## **Survey of Finance Professionals Finds Global Economy Subdued with Weaknesses Persisting**

*The latest economic conditions report from ACCA and IMA paints a picture of a steady but weak global economy; North American confidence continues recovering from Q2 blow*

**New York and Montvale, N.J., January 26, 2023**— The global economy shows signs of steadying, however, many indicators remain weaker than a year ago, according to the Global Economic Conditions Survey (GECS) for Q4 2022 from ACCA (the Association of Chartered Certified Accountants) and [IMA® \(Institute of Management Accountants\)](#). GECS is the largest regular economic survey of accountants carried out globally each quarter by IMA and ACCA.

The Q4 report shows the GECS Confidence Index bounced slightly for the second consecutive quarter, perhaps reflecting hopes that the worst of the central bank tightening might soon be over, and that China might successfully relax its zero-COVID restrictions.

The full report is available at <https://www.imanet.org/about-ima/GECS>

Even so, the Confidence Index remains below its median reading for the period since 2012. There is also not much positive news from the other three economic indicators – new orders, capital expenditure (CapEx), and employment. CapEx picked up marginally but remains below the median of the same period; new orders and employment showed a further modest deterioration.

Taken as a whole, the results are consistent with a subdued macro-economic outlook. But the good news is that they do not appear yet to be at levels consistent with an outright global recession in 2023 – even though this is the base case scenario for many economic forecasters.

A good cross-check is provided by the two GECS “Fear” indices, which reflect respondents’ concerns that customers and/or suppliers may go out of business. Reassuringly, these were little changed from the Q3 2022 survey, despite the sharp rise in borrowing costs and the prospect of negative corporate-earnings growth in 2023.

“What stands out is the improvement in confidence in both Western Europe and North America,” said Jamie Lyon, head of skills, sectors and technology at ACCA. “The swing in the former more than reverses the fall that we saw in Q3 2022, when worries about the impact of higher energy prices were at their most intense. The improvement in confidence probably reflects hopes that the Russia–Ukraine conflict can be contained, and that there will be sufficient natural gas to see Europe through what now looks increasingly likely to be a mild winter. Looking to the rest of the world and emerging markets however, 2023 could still prove to be a challenging time.”

Looking back at 2022, North American results were particularly striking in how severely confidence was reduced by Russia’s invasion of Ukraine and by the ensuing spike in commodity prices. The GECS Confidence Index for North America in Q2 2022 actually fell below the 2020 pandemic lows. It has begun to recover during the GECS Q3 and Q4 2022 – and that is despite the aggressive tightening of monetary policy by the U.S. Federal Reserve. Interestingly, while the other macro-economic indicators – on capital spending, employment, and new orders – have pulled back, the retracement has not been as severe. The GECS results suggest that North American respondents may be less worried than they were about Ukraine, but the risk is that they could be underestimating the impact of the Fed’s tightening on the U.S. economy in 2023.

“Global confidence has edged up for the second consecutive quarter as cost concerns have eased and with worries about accessing finance and securing prompt payment having not gotten any worse,” said Loreal Jiles, vice president of research and thought leadership at IMA. “This is something of a surprise given the global rapid tightening of monetary policy by the world’s central banks. The past 12 months have seen the most aggressive tightening of policy in more than 40 years, in pace, scale and breadth. It is strange that this has not yet had a material impact on financing conditions and corporate cash flows. But monetary policy works with long and variable lags, which suggests that this may become more of a problem later in 2023.”

The global economy faces three major uncertainties.

First, have central banks overdone or underdone the amount of tightening that they have imposed?

Second, can China engineer a smooth exit from zero-COVID without additional lockdowns?

And third, will wage pressures ease without a major weakening of the employment market?

One of the unresolved questions from the COVID crisis is whether the combination of early retirement, prolonged ill health, and the move to hybrid working has profoundly altered the balance of power between employers and employees. These changed employment-market dynamics may make it harder for central banks to bring core inflation back to their 2% targets.

The answer to each of these questions will become much clearer as 2023 progresses.

### **About ACCA**

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants.

We're a thriving global community **of 241,000 members and 542,000 future members based in 178** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organizations and flourishing societies.

Since 1904, being a force for public good has been embedded in [our purpose](#). In December 2020, we made commitments to [the UN Sustainable Development Goals](#) which we are measuring and will report on in our annual integrated report.

We believe that accountancy is a cornerstone profession of society and is vital helping economies, organizations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organizations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organization. Find out more at [accaglobal.com](https://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) and CSCA® (Certified in Strategy and Competitive Analysis) 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 four global regions: The Americas, Asia/Pacific, Europe and Middle East/India. For more information about IMA, please visit [www.imanet.org](https://www.imanet.org).

### **About GECS**

The Global Economic Conditions Survey (GECS), carried out jointly by ACCA and IMA, 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 every quarter 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 2022 Q4 survey took place in December 2022 and gathered 1720 responses: 1430 from ACCA members and 290 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.