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THE FUTURE TODAY

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FOR IMMEDIATE RELEASE

Economic Confidence Among Finance Professionals Rebounds as Fears Fade Over 2023 Recession

*The latest Global Economic Conditions Survey from ACCA and IMA
paints a brightening picture*

New York and Montvale, N.J., April 20, 2023 — While the Q1 2023 Global Economics Conditions Survey (GECS) shows confidence lower than a year ago, it rose for the third consecutive quarter as fears fade over the prospects of a recession in 2023. Published quarterly by [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.

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

This better news is underlined by the two GECS “Fear” indices which reflects respondents’ concerns that customers and/or suppliers may go out of business. Both these series improved on Q4 2022. Indeed, worries about suppliers have fallen to the lowest level since 2020. And although new orders have flatlined this quarter, the survey showed improvements in both employment and capital expenditure (capex).

Although with central banks still raising interest rates and the delayed effect of monetary policy tightening on the real economy, as well as recent challenges in the banking sector, it may be premature to sound the “all clear.”

“The global economy entered 2023 with more momentum than many had expected. Confidence has risen as business comes to terms with the fallout from the Russian-Ukraine war,” said Jamie Lyon, head of skills, sectors and technology at ACCA. “The economic climate has been helped by a faster-than-expected relaxation of China’s zero-COVID policies, and more normal energy prices in Europe, that should help to reduce headline inflation and may bring about a pause in central banks’ tightening of monetary policy, but there are still some downside risks that may prevail.”

“Looking at the change in the GECS Confidence Indices over the quarter, what stands out is the 30-point improvement in Confidence in Western Europe,” said Loreal Jiles, vice president of research and thought leadership at IMA. “However, this good news was not limited to Europe; Asia-Pacific, North America and South Asia also registered an improvement. This was a broad-based pick-up, with the exception of Africa and the Middle East.”

Although Global New Orders are flatlining, one factor sustaining the rebound in Confidence may be the decline in the level of concern about “increased costs.” Cost pressures look like they may have peaked, although they still remain well above the median recorded over the survey’s history. Commodity prices remain subdued, and Europe has benefitted from natural gas prices returning to levels seen before Russia’s invasion of Ukraine.

Global confidence has edged up for the third consecutive quarter, not only because cost concerns have eased, but also because worries about accessing finance and securing prompt payment have declined.

Indeed, reports of problems with prompt payment fell to the second lowest level in the survey’s history. The improved macro conditions also appear to have encouraged companies to revisit their capex and hiring plans.

When asked how they planned to respond to the changing economic environment, the net balance of companies planning to increase investment in capital and staff rose on the quarter, as did the net balance of companies planning to increase job creation.

This is something of a surprise given the rapid tightening of global monetary policy by the world’s central banks. The past 12 months have seen the most aggressive simultaneous tightening of policy in more than 40 years in terms of pace, scale, and breadth. It is curious that this has not yet had a material impact on financing conditions and corporates’ capex and hiring intentions. But monetary policy works with long and variable lags, which suggests that this could still become a problem later in the year.

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

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.

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 2023 Q1 survey took place between 21 February and 7 March 2023 and gathered 802 responses: 382 from ACCA members and 420 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.