

# CGMA global economic forecast

*-insights from management accountants*

**2Q, 2012**

**Detailed survey results with regional appendices**



# **Appendix - Regional breakdown**

**Asia**

# CGMA global economic forecast -2Q 2012

## Asia region highlights

**Respondents** = 107 of 609 total

**CGMA Global Index** – Asia down 7 points from Q2 2012

- Asia 2Q 2012 = 58
- Asia 1Q 2012 = 65
- Combined regions 2Q 2012 = 58

### **Optimism**

- Only 7% of respondents optimistic about global economy
- Respondents optimistic about domestic economies down significantly from 46% in Q1 2012 to 31% in Q2 2012
- Just 50% currently optimistic about prospects for own company, down from 54% at Q1 2012

### **KPIs**

- Revenue, profit and headcount expectations all down from Q1 2012 levels
- Spending for IT, other capital and training also down from Q1 2012 levels

**Inflation** – Asia respondents more concerned about inflation than others, interest costs now top concern, displacing labour costs at Q1 2012, and raw material costs at Q4 2011

**Financing** – 37% expect financing to be more difficult next quarter – most challenging region

**Challenges** – Regulatory requirements/changes now tied for second ranking challenge

- Top 3 Challenges = Global economic conditions, domestic economic conditions, regulatory requirements/changes



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# CGMA optimism – Asia

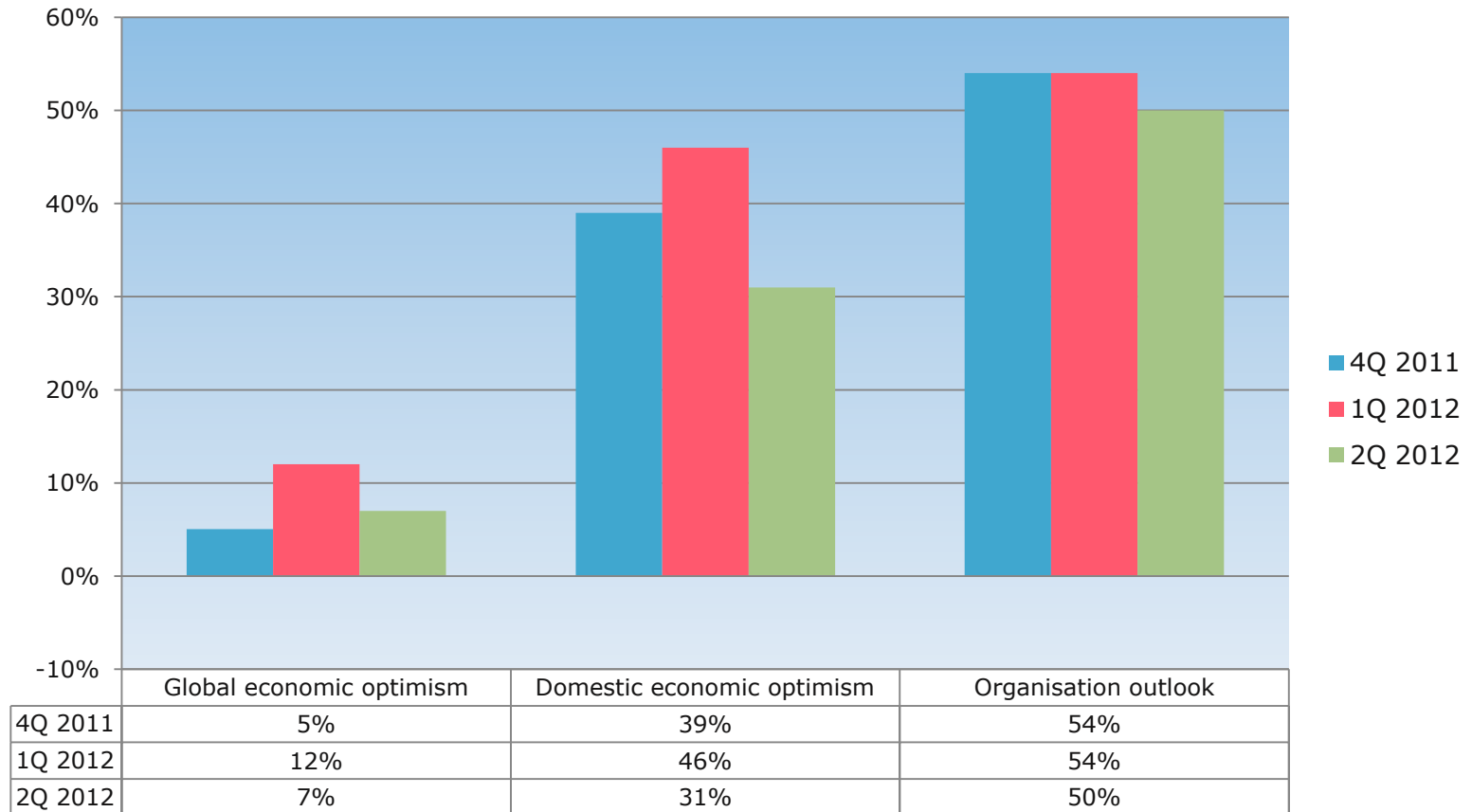
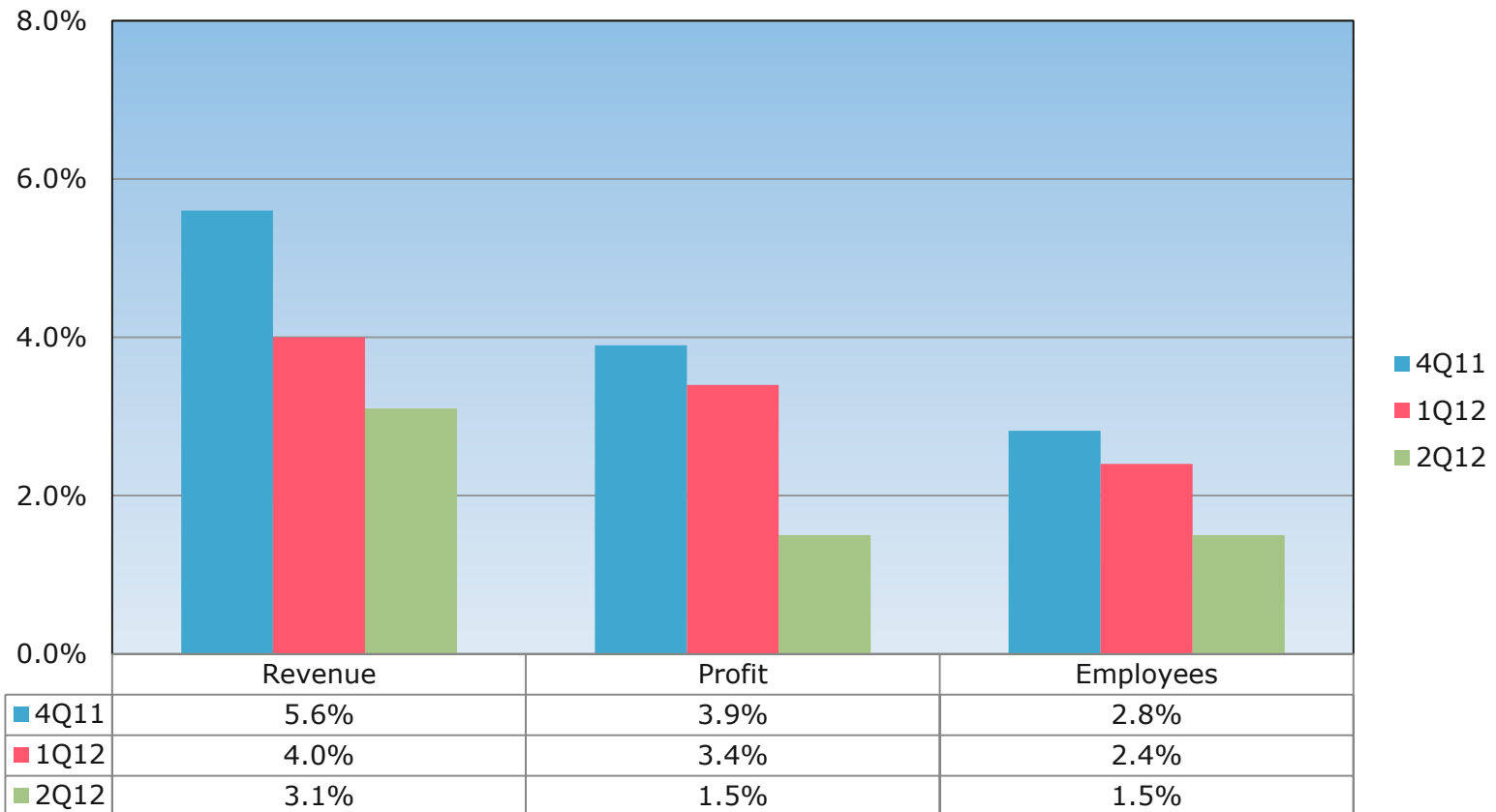


Chart displaying percentage of 'Very optimistic' and 'Optimistic' responses

# CGMA KPIs - revenue, profit and headcount Asia



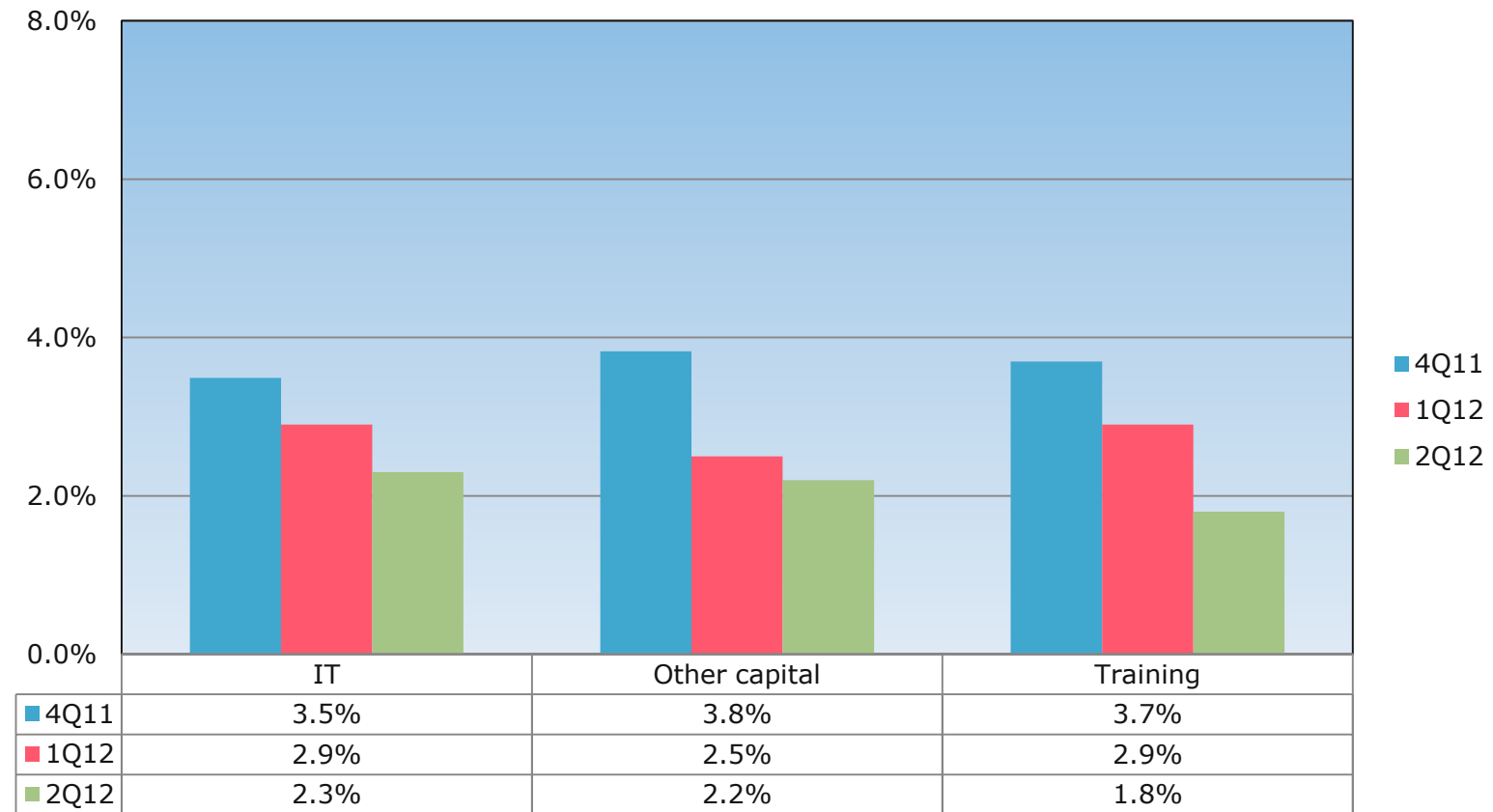
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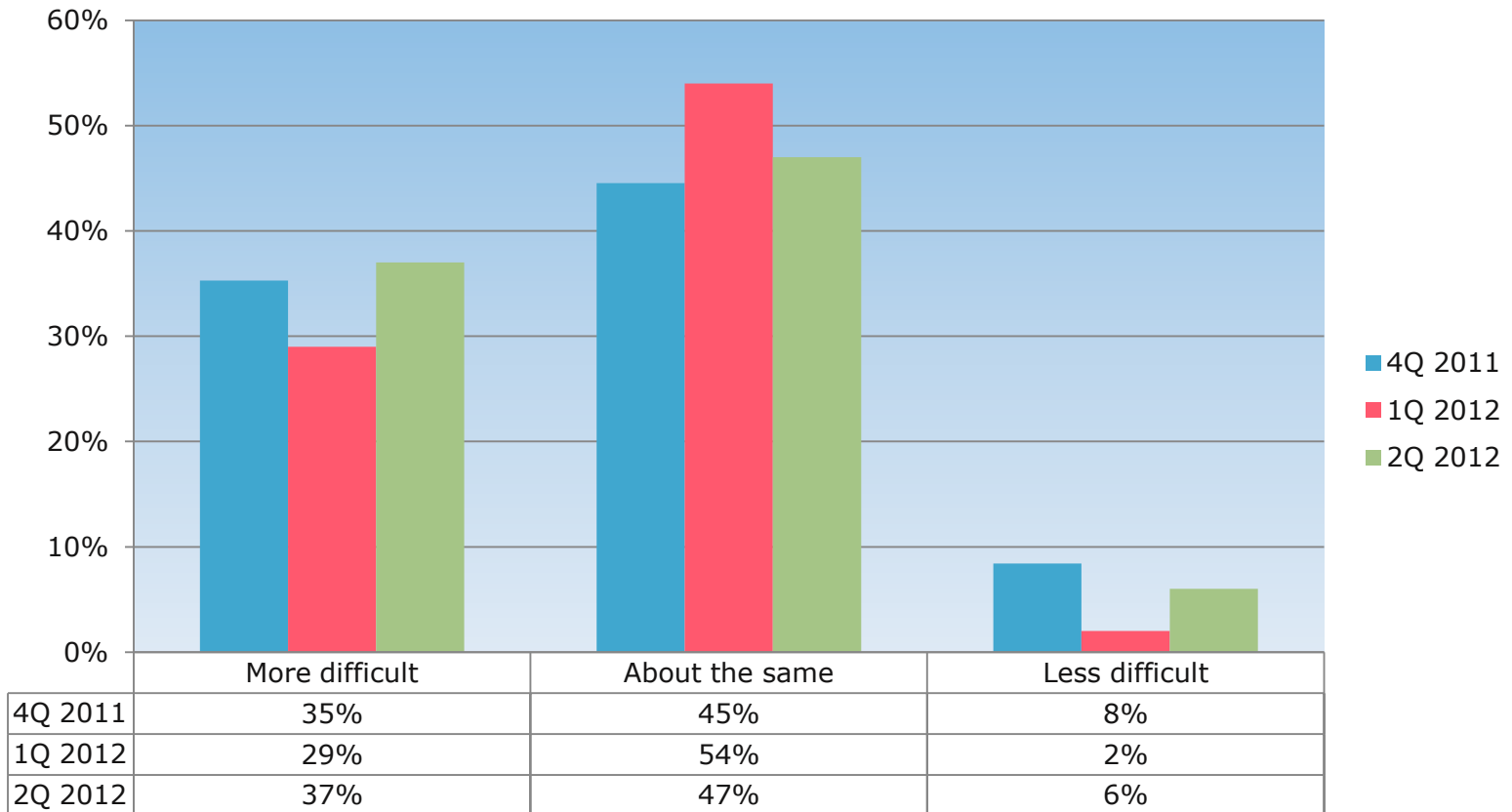
Thinking about the coming 12 months, please comment on the probable change for your organisation of each of the following key performance indicators

Percentage displayed represents average expected change.

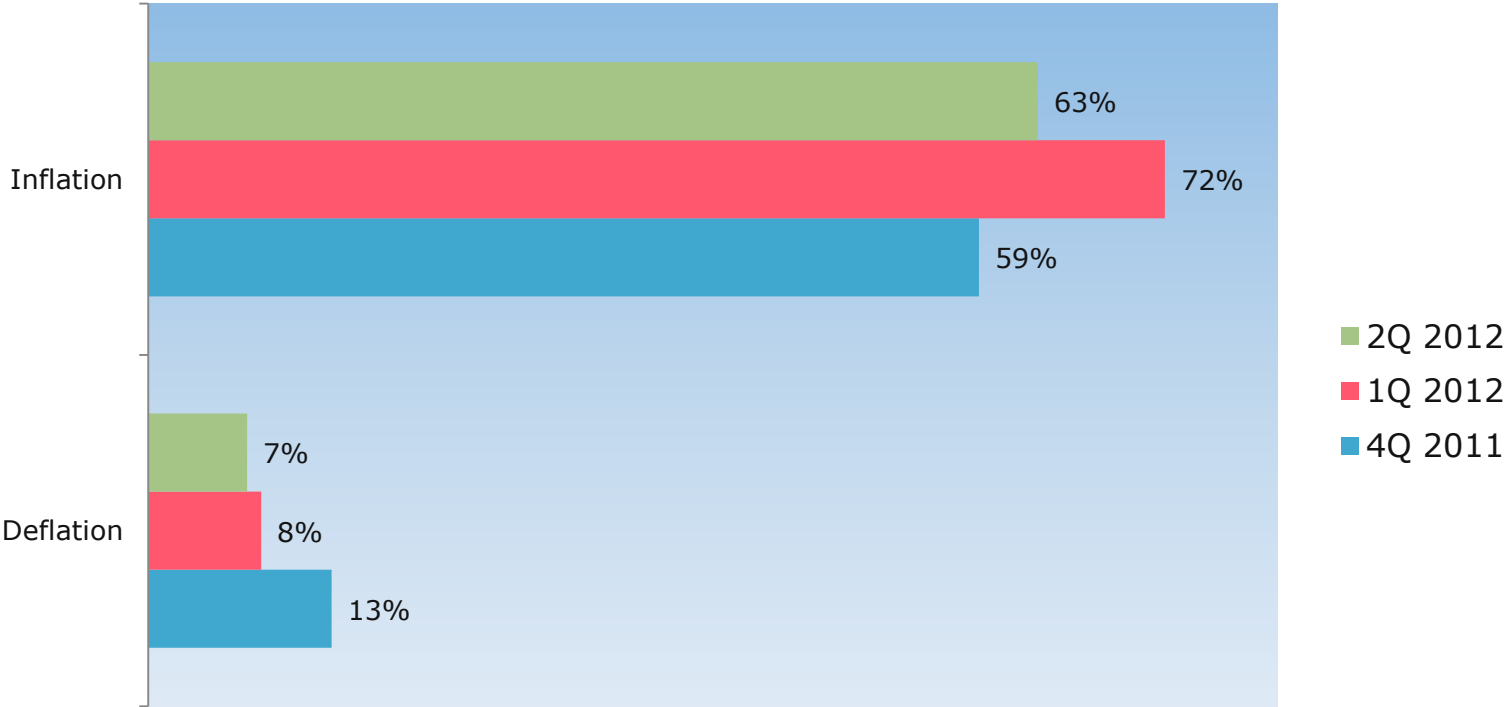
# CGMA spending - IT, other capital and training - Asia



# CGMA difficulty obtaining finance Asia

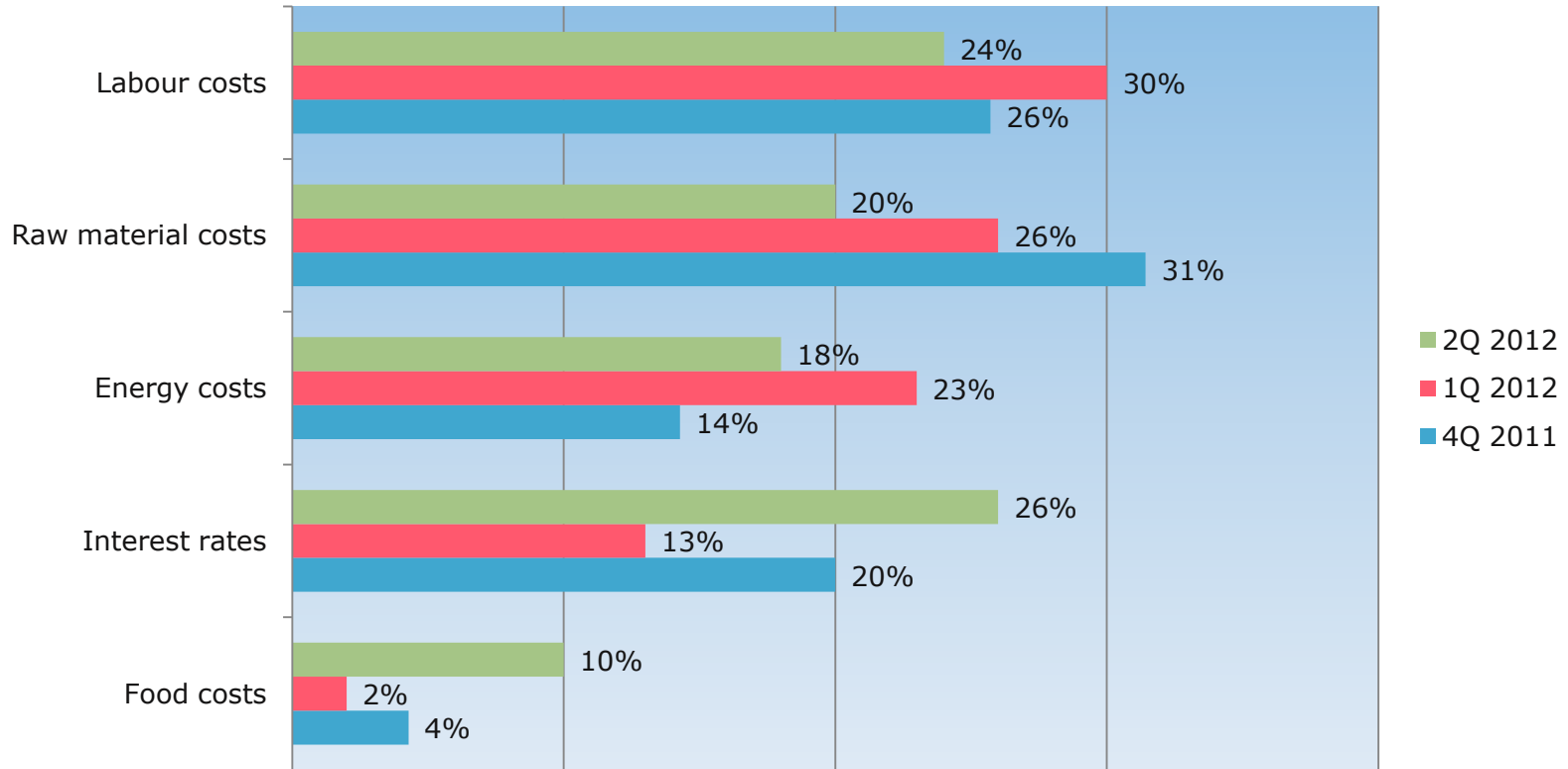


# CGMA risk of inflation vs. deflation in Asia





# CGMA inflationary factors representing most risk – Asia



Which of the following potential inflationary factors represents the most significant risk to your business?

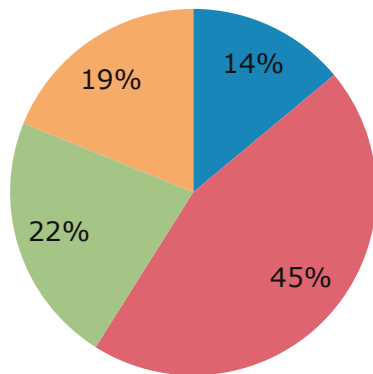
# CGMA top challenges for organisations in Asia

	4Q11	1Q12	2Q12
<b>Challenge 1</b>	Global economic conditions	Global economic conditions	Global economic conditions
<b>Challenge 2</b>	Domestic economic conditions	Inflation	Domestic economic conditions <sup>(T2)</sup>
<b>Challenge 3</b>	Availability of skilled personnel	Availability of skilled personnel <sup>(T3)</sup>	Regulatory requirements <sup>(T2)</sup>
<b>Challenge 4</b>	Domestic competition	Employee and benefit costs <sup>(T3)</sup>	Currency exchanges rates
<b>Challenge 5</b>	Stagnant/declining markets	Energy costs	Inflation
<b>Challenge 6</b>	Regulatory requirements/changes	Domestic competition	Availability of skilled personnel <sup>(T6)</sup>
<b>Challenge 7</b>	Currency exchange rates	Developing new products/services/markets <sup>(T7)</sup>	Financing(access/cost of capital) <sup>(T6)</sup>
<b>Challenge 8</b>	Inflation	Financing (access/cost of capital) <sup>(T7)</sup>	Developing new products/services/markets
<b>Challenge 9</b>	Developing new products/services/markets	Stagnant/declining markets <sup>(T9)</sup>	Materials/supplies/equipment costs <sup>(T8)</sup>
<b>Challenge 10</b>	Employee and benefit costs	Changing customer preferences <sup>(T9)</sup>	Domestic competition

# Demographics

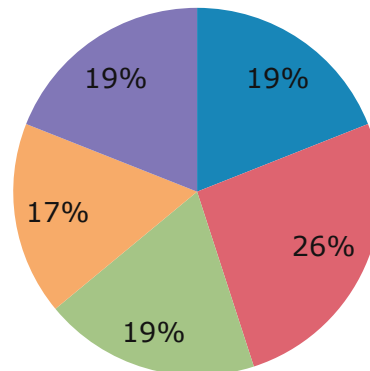
# Demographics

## Positions



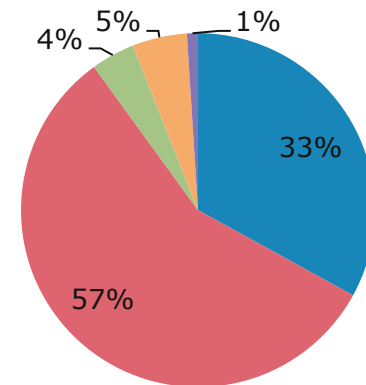
- Chair/MD/Pres/CEO/COO
- CFO/FD/VP
- Financial Controller
- Other

## Size of organisation (by number of employees)



- 1-50
- 51-250
- 251-1,000
- 1,001-10,000
- 10,000+

## Type of organisation



- Publicly listed company
- Privately owned company
- Government
- Not for Profit
- Other

# About this survey

In connection with the launch of the new CGMA credential by the AICPA and CIMA we have launched the CGMA Global Economic Survey designed to capture the views of CGMA Management Accounting professional decision makers from around the world on global economic conditions and current topical issues. The CGMA Global Economic Forecast is intended to highlight the broad business perspective of management accounting executives and the value that they bring to their organisations.

This quarterly survey was sent to a select panel of AICPA and CIMA executives (primarily CFOs, CEOs and Controllers) between 23 May and 18 June 2012. Panelists were identified and baseline data were collected during a pilot survey conducted in November 2011.

In total, the opinions of 609 CGMA Management Accounting Professional Decision makers from around the world were captured in 2Q 2012. The regional breakdown of panelists who participated in the 2Q 2012 survey is as follows:

- Asia: 107
- US: 132
- Europe (excl. UK): 120
- UK: 91
- Rest of World Developed (RoWD): 73
- Rest of World Emerging (RoWE): 86

# Regional definitions

**Asia** = Azerbaijan, Bangladesh, China, Hong Kong, India, Japan, Kazakhstan, Malaysia, Myanmar, Pakistan, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam

**US** = United States

**Europe (excl. UK)** = Austria, Belgium, Bosnia & Herzegovina, Bulgaria, Cyprus, Czech republic, France, Germany, Gibraltar, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Switzerland, Turkey

**UK** = United Kingdom

**Rest of World Developed (RoWD)** = Australia, Canada, New Zealand

**Rest of World Emerging (RoWE)** = Angola, Bahamas, Barbados, Bermuda, Botswana, Brazil, Cayman Islands, Gambia, Ghana, Guam, Kenya, Kuwait, Liberia, Malawi, Mauritius, Nigeria, Paraguay, Peru, Puerto Rico, Qatar, Saudi Arabia, Senegal, Sierra Leone, South Africa, St. Helena, Tanzania, Trinidad and Tobago, UAE, Zambia, Zimbabwe

# Thank you

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