

# CGMA global economic forecast

*-insights from management accountants*

**2Q, 2012**

**Detailed survey results with regional appendices**



# **Appendix - Regional breakdown**

## **Europe**

# CGMA global economic forecast - -2Q 2012

## Europe region highlights (excluding UK)

**Respondents** = 120 of 609 total

**CGMA Global Index** – Europe down from 57 at Q1 2012 to 47; optimism for both global and domestic economies still weak

- Europe 2Q 2012 = 47
- Europe 1Q 2012 = 57
- Combined regions 2Q 2012 = 58

### **Optimism**

- Only 8% of respondents optimistic about global economy
- Only 14% optimistic about domestic economies, down from 23% in 1Q 2012
- Only 27% currently optimistic about prospects for own company, down from 51% in Q1

### **KPIs**

- Revenue, profit and headcount expectations down, headcount expectation turns negative again
- Spending for IT, other capital and training also down, essentially no increase or slight decrease

**Inflation** – About 1/4 (24%) concerned about inflation; energy costs concerns down from 1Q 2012

**Financing** – 28% expect financing to be more difficult in next quarter, up from 24% at 1Q 2012

**Challenges** – Global conditions, stagnant markets most significant challenges

- Top 3 Challenges = Global economic conditions, stagnant/declining markets, domestic economic conditions



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# CGMA optimism – Europe

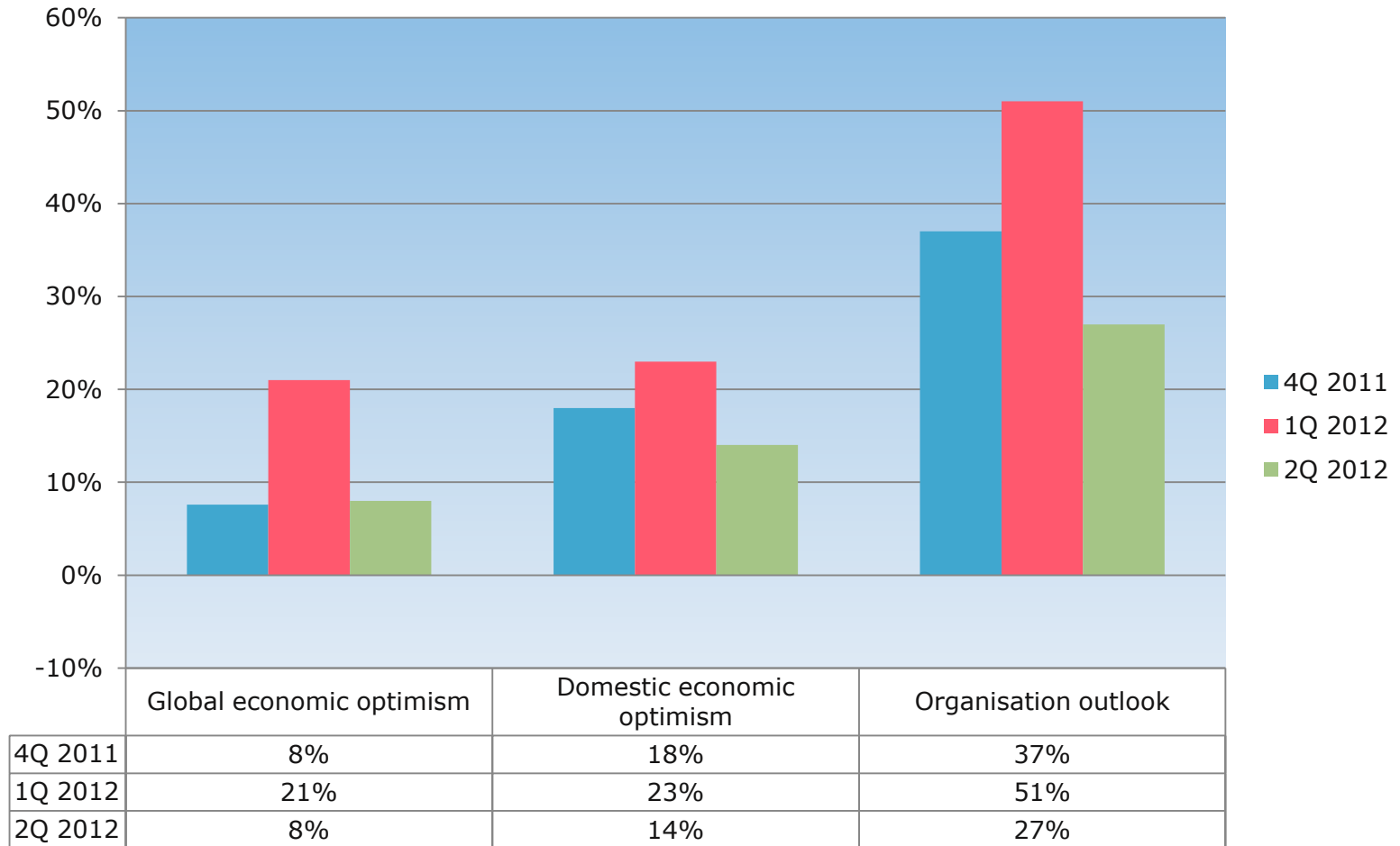
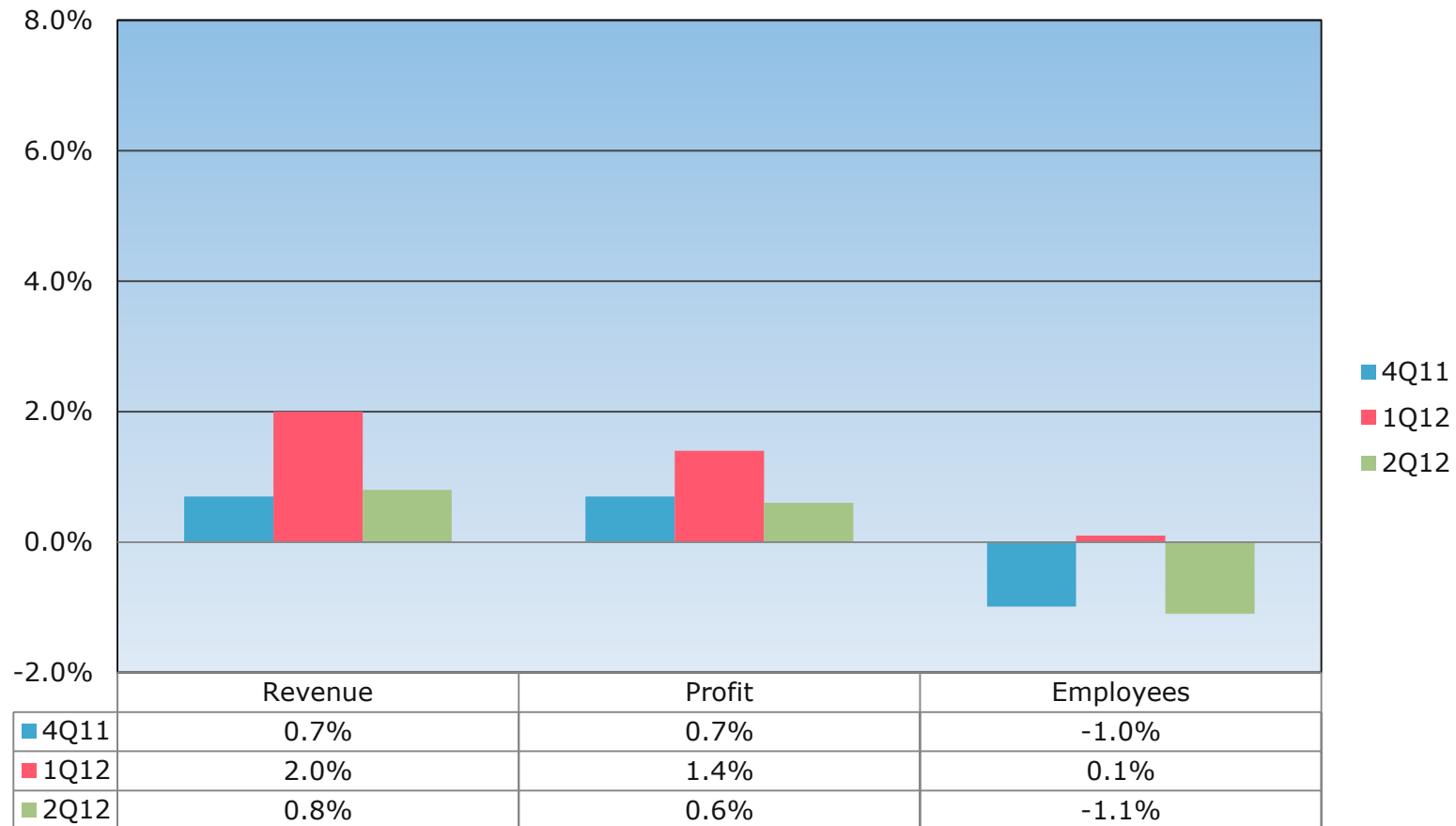


Chart displaying percentage of 'Very optimistic' and 'Optimistic' responses

# CGMA KPIs - revenue, profit and headcount Europe



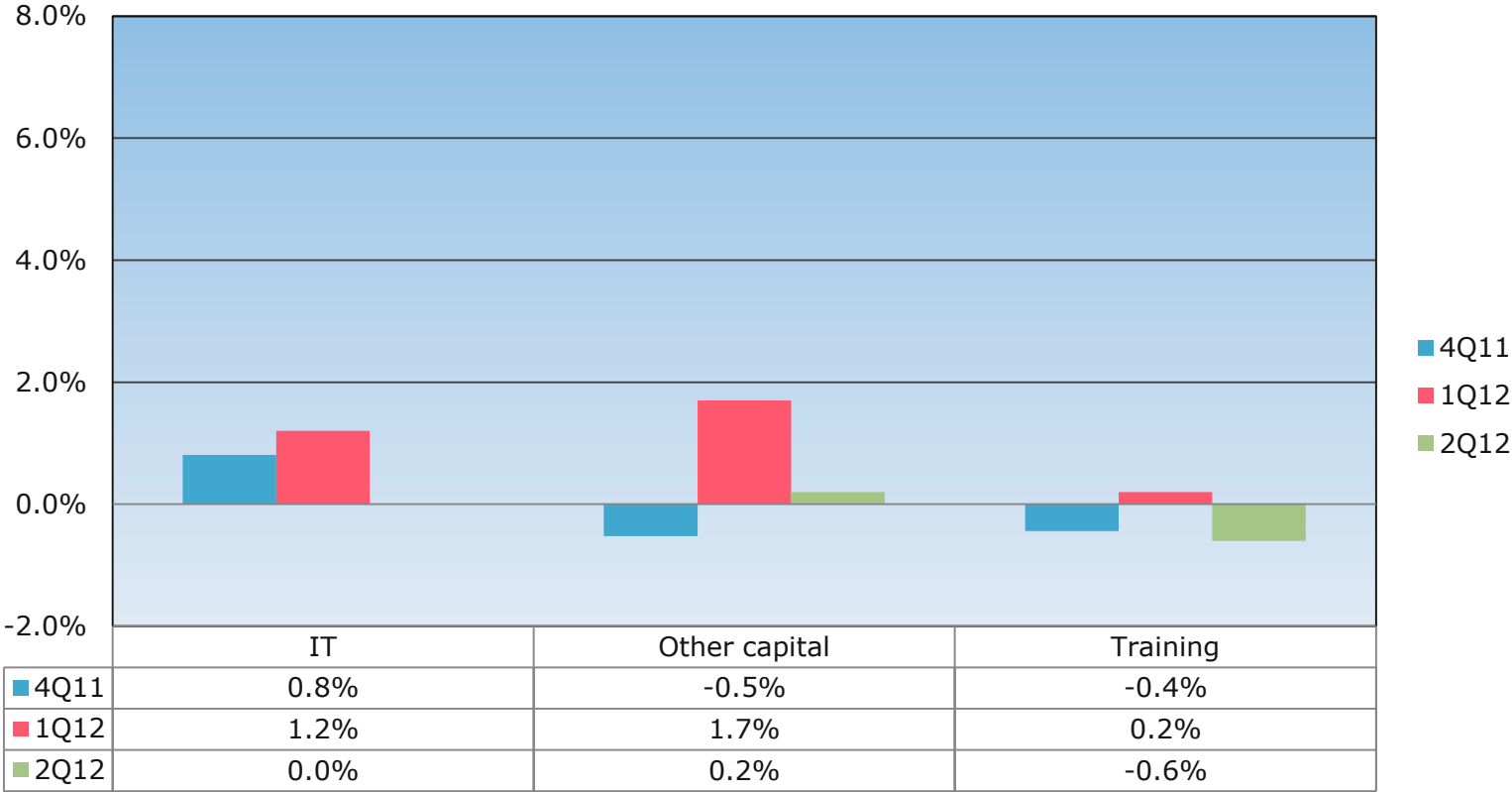
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Thinking about the coming 12 months, please comment on the probable change for your organisation of each of the following key performance indicators

Percentage displayed represents average expected change.

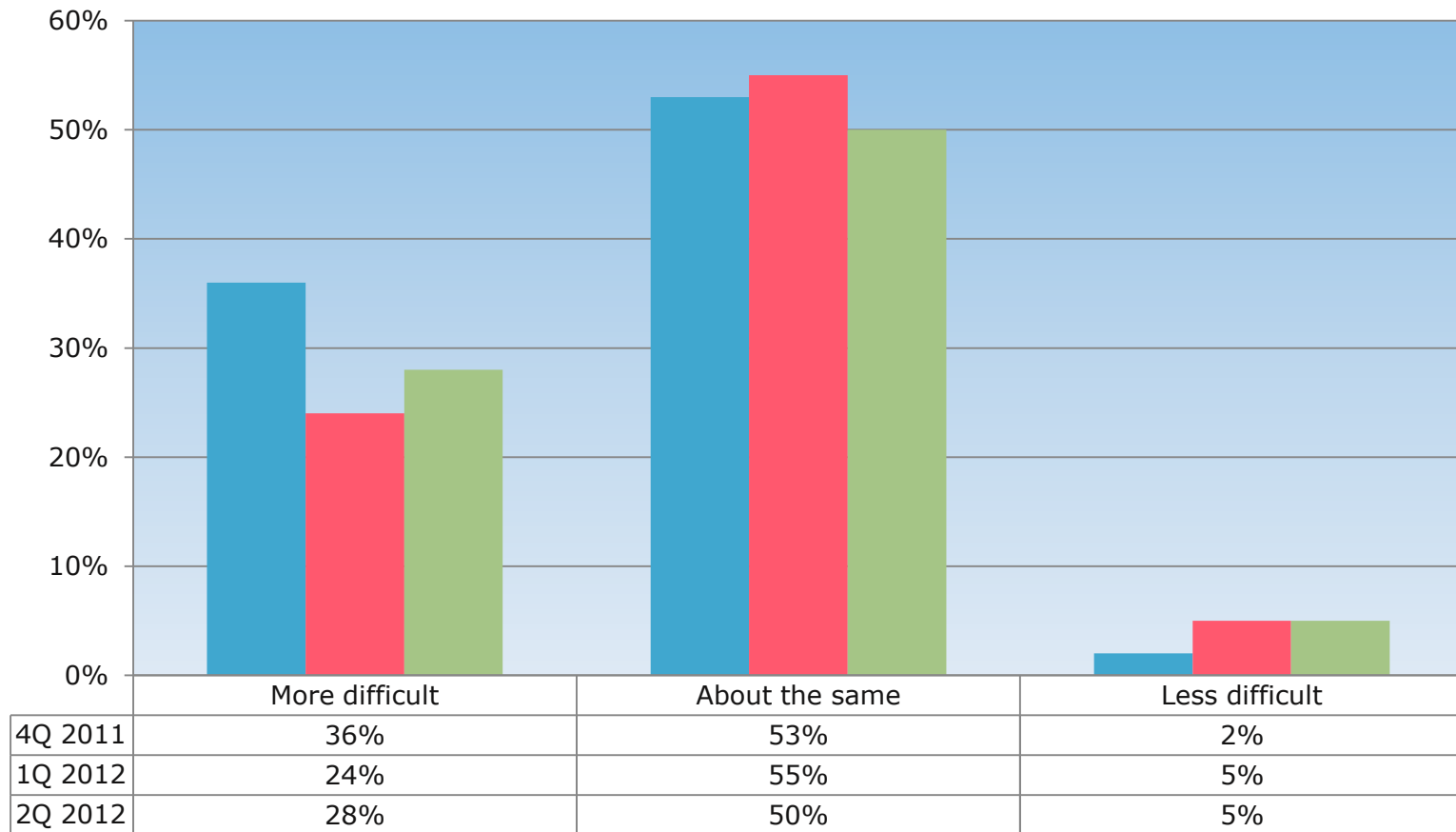
# CGMA spending - IT, other capital and training - Europe



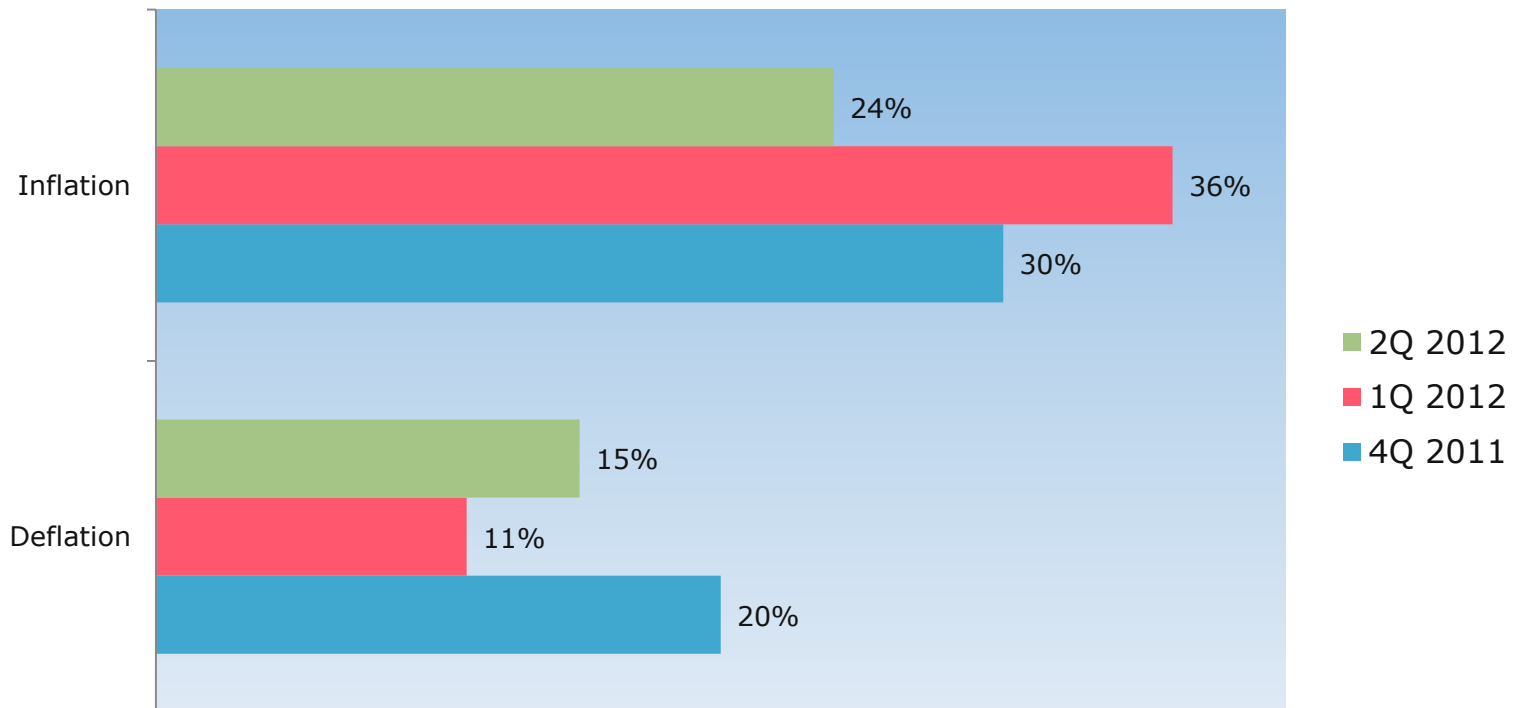
Thinking about the coming 12 months, please comment on the probable change for your organisation of each of the following key performance indicators

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# CGMA difficulty obtaining finance Europe

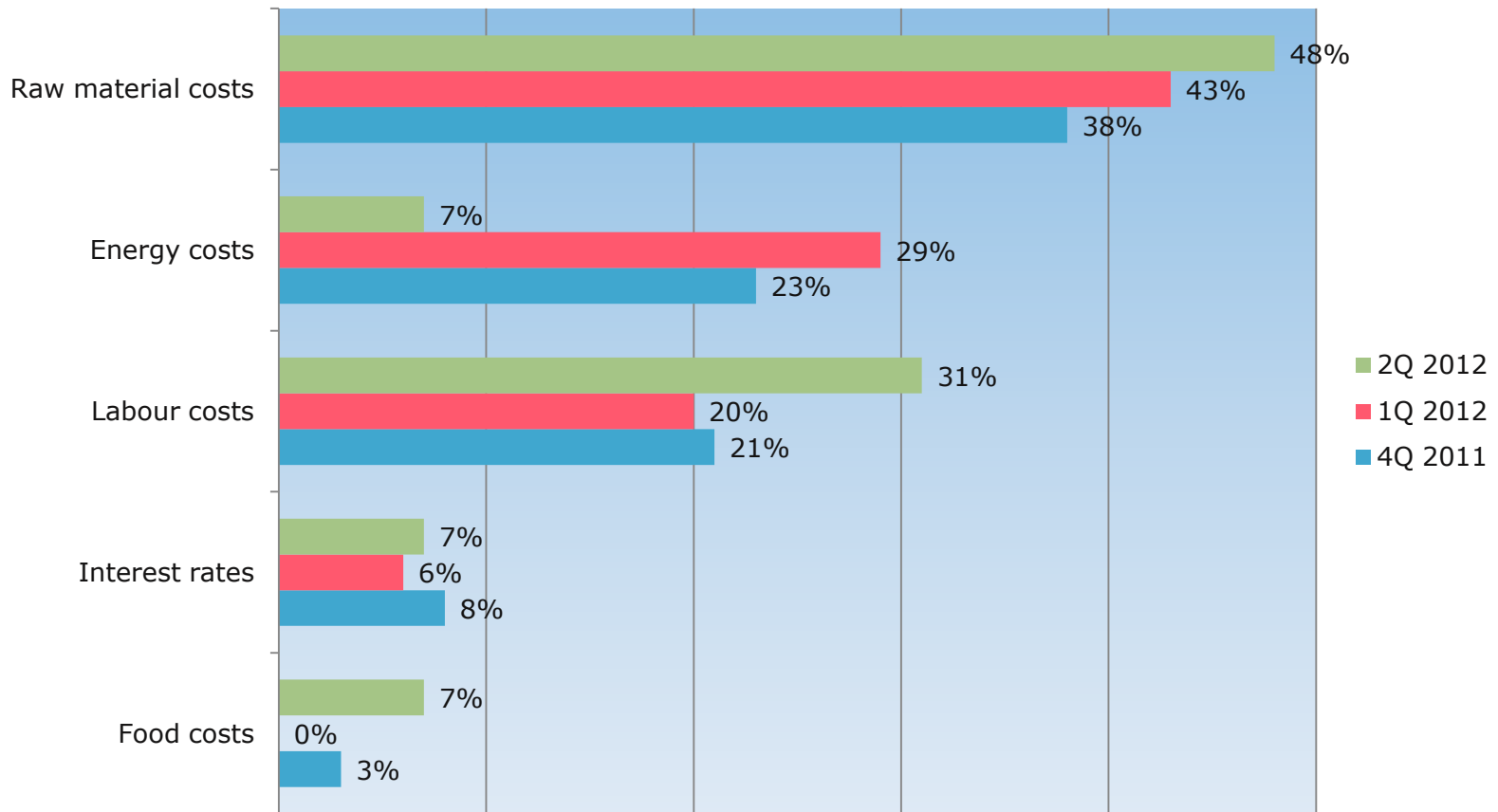


# CGMA risk of inflation vs. deflation in Europe





# CGMA inflationary factors representing most risk – Europe



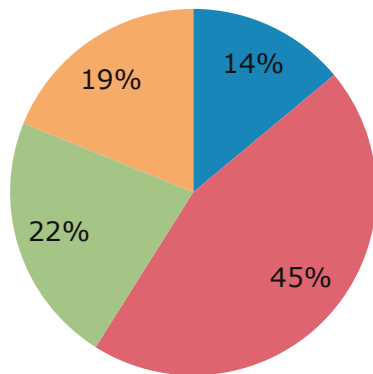
# CGMA top challenges for organisations in Europe

	4Q11	1Q12	2Q12
<b>Challenge 1</b>	Global economic conditions	Global economic conditions	Global economic conditions
<b>Challenge 2</b>	Stagnant/declining markets	Stagnant/declining markets	Stagnant/declining markets
<b>Challenge 3</b>	Domestic economic conditions	Developing new products/services/markets	Domestic economic conditions
<b>Challenge 4</b>	Regulatory requirements/changes	Regulatory requirements/changes <sup>(T4)</sup>	Regulatory requirements/changes
<b>Challenge 5</b>	Developing new products/services/markets	Materials/supplies/equipment costs <sup>(T4)</sup>	Developing new products/services/markets
<b>Challenge 6</b>	Currency exchange rates	Financing (access/cost of capital)	Domestic competition <sup>(T6)</sup>
<b>Challenge 7</b>	Credit control/collections	Credit control/collections <sup>(T7)</sup>	Changing customer preferences <sup>(T6)</sup>
<b>Challenge 8</b>	Materials/supplies/equipment costs	Domestic economic conditions <sup>(T7)</sup>	Currency exchange rates <sup>(T8)</sup>
<b>Challenge 9</b>	Domestic competition	Availability of skilled personnel <sup>(T7)</sup>	Credit control/collections <sup>(T8)</sup>
<b>Challenge 10</b>	Financing (access/cost of capital)	Domestic competition	Financing (access/cost of capital)

# Demographics

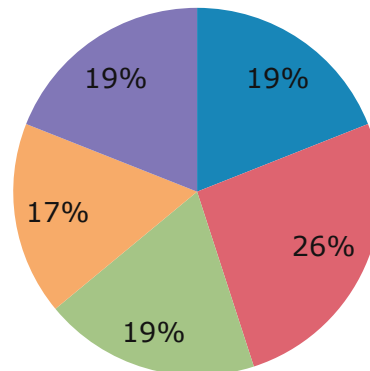
# Demographics

## Positions



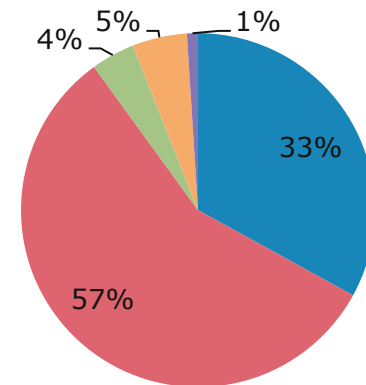
- Chair/MD/Pres/CEO/COO
- CFO/FD/VP
- Financial Controller
- Other

## 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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