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finance, with half of them cutting their workforce or putting a recruitment freeze in place, and 40% saying they had cut back investment plans since the third quarter.

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Falling income is the biggest concern for global businesses, according to a new global survey of finance professionals. Nearly half of businesses (46%) reported a decline in earnings in the fourth quarter of 2015 in the final Global Economic Conditions Survey (GECS) of last year carried out by ACCA (the Association of Chartered Certified Accountants) and IMA (the Institute of Management Accountants).

The survey of more than 2,500 finance professionals and more than 200 CFOs around the world also shows that business confidence has hit rock bottom, where

44% of respondents were less confident than three months earlier.

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2.1% in Q3, retail sales continued to expand in October and November, and auto sales hit a record high for the year. Moreover, concerns that the labor market was losing momentum were eased by strong employment gains. In October to December, non-farm payrolls increased by an average of 284,000 a month, up from an average of 174,000 in the third quarter.

“Despite this overall good news, there is a clear divergence within the U.S. economy,” said Raef Lawson, Ph.D., CMA, CPA, IMA vice president of research and policy.

“While domestic-oriented sectors have benefited from the strong labor market and U.S. dollar, the manufacturing and energy sectors continue to perform poorly, in part due to oil prices.”

Confidence remained especially weak in emerging economies. China's slowdown is affecting business confidence around the world and contributing to serious problems in other major emerging economies, especially those that rely on commodity exports, such as Brazil and Russia.

As the price of oil continues to tumble the producers that were relatively well prepared for a drop in energy prices, like Saudi Arabia and the UAE, are now facing weaker growth as governments turn their attention to repairing their finances. More than 60% of respondents in the region reported they had cut back on investment and employment. Businesses in OECD economies are more upbeat. Most advanced economies are net importers of energy and have benefitted from declines in oil prices.

The most significant improvement in business confidence was in the eurozone, where the risk of a near-term break-up of the currency area has faded into the distance after the latest Greek bailout.

Rising costs were still a problem, with 40% of businesses reporting concerns. While commodity prices have fallen, firms in many parts of the world, particularly Asia and

Africa, are still having to deal with rapidly rising wages.

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The GECS report can be viewed online at <http://www.imanet.org/docs/default-source/acca/ea-gecs28.pdf?sfvrsn=4>.

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