

Australian industry outlook for 2024



Industry leaders go into 2024 with caution. They have identified uncertainty, ongoing cost pressures and weakening demand as the key challenges for the coming year.



40% expect weaker business conditions in 2024, while only **27%** expect an improvement

Barriers to growth in 2024



38%

of respondents consider **lack of demand their primary concern** – much higher than the 18% in 2023



80%

of businesses expect **input costs to rise**, and **34%** anticipate it will be their largest constraint on growth

Investment intentions in 2024

Investment will be oriented to **driving productivity gains that can deliver cost savings and competitiveness** in tougher market conditions:



52% will focus on **business process improvement**



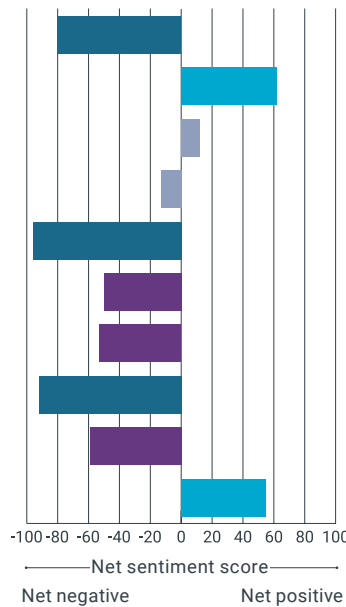
41% will concentrate on **staff training and development**



35% intend to direct their investment to **new business development**

Sentiment factors for 2024

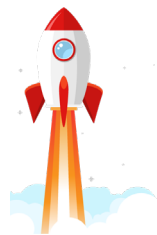
Uncertainty and cost pressures dominate the industry outlook



- Level of uncertainty **-80**
- Growth opportunities **62**
- General optimism **12**
- Demand **-13**
- Input costs **-96**
- Competition **-50**
- Labour supply **-53**
- Industrial relations **-92**
- Skill shortages **-59**
- Technology and innovation **55**

Strategies

Industry leaders plan to focus on their **product offering as the key driver of growth in 2024**



33% consider developing new products and services their primary growth strategy

31% plan to improve sales of current offerings



Scan the QR code or go to go.aigroup.com.au/outlook2024 to access the full report