

# Issues and Insights

## AUGUST EDITION

Welcome to the latest issue of *Issues and Insights*, summarizing our latest thinking on subjects affecting your business. Use the information to stay resilient and grow through these disruptive times.

### Hot topics



#### When will industrial production bounce back?

Though a flat month was expected, industrial production in June fell by 0.5%—after a similar downwardly-revised drop of 0.5% in May. The one bright spot was construction, positive for the third month in a row. [What's next? And when?](#)



#### Retail sales slow, and inflation cools

The pace of core retail sales, which feeds into the calculation of real GDP data, has slowed to less than half the first-quarter pace, which was buoyed by the largest bump in Social Security payments on record. Inflation continued to moderate in July, but [see why the ride down could be bumpy in the fourth quarter.](#)



#### Top business leaders excited by Generative AI

KPMG surveyed 200 senior executives in companies with at least \$1 billion in revenue to get their views on generative AI. Nearly 80% selected it as the top emerging technology over the next 3-5 years, and they expect it to transform IT, operations, marketing and sales. [See why.](#)



#### Consumers are spending more for Back to School. But why?

A recent KPMG survey of more than 1,000 consumers on their back-to-school spending and inflation revealed that they plan to spend 21% more per student than they did in 2022. And they're spending a third more on apparel than they did in 2017. [Is it only inflation, or is there more to it?](#)



#### Let tech drive effective risk and compliance

Today, companies are implementing crucial technology and data to drive compliance by identifying areas of enhancement, prioritizing processes for automation and investing for compliance returns. [See how they're doing it.](#) And learn which areas of risk and compliance are securing the investments.



#### Will rising inflation break healthcare supply chains?

Current economic conditions are putting pressure on healthcare leadership to find innovative ways to control costs. [This new KPMG report](#) shows you the steps healthcare providers are taking to re-evaluate their supply chains from both business and technology perspectives to find more efficient, cost-effective solutions.



#### Building a cyber-resilient life sciences organization

Future-ready life sciences companies are developing broader cybersecurity oversight to help maintain resilience to new threats. [A new report](#) shows how they're building digital trust among stakeholders, driving cultural change and securing a data-centric future.

## Tax Matters



#### Tax Reimagined 2023: Perspectives from the C-suite

This year's report emphasizes the role technology will play in the transformation of tax as it evolves from a compliance function to a broader value creator for the business. KPMG surveyed 500 US C-suite large-company executives and found that whatever the issue, AI, innovation, and technology are driving solutions.



#### Chief Tax Officer Insights

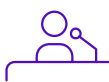
With Pillar Two rules set to take effect in 2024, operational readiness is top of mind for Chief Tax Officers (CTOs) straining to understand impact the rules will have on their organization's tax position, planning, and processes. [This new KPMG report](#) explores the urgent operational changes needed in the tax function.

## Podcasts and Webcasts



#### TaxWatch Webcast

This webcast examines the latest guidance released by the Organisation for Economic Co-operation and Development on PillarTwo and GloBE, and its potential impact on multinational enterprises with operations in the United States.



#### Employee Retention Credit Podcast

In this episode from our Banking Industry Podcast Series, Elizabeth L'Hommedieu is joined by Mike George, Stacy Janssen, and Sally Hawkins to discuss the employee retention credit (ERC) in banking.



#### Business in the Age of AI: A LinkedIn conversation with KPMG, Microsoft and AICPA

How is AI revolutionizing corporate tax and finance departments across America? In a June 28 "LinkedIn Live," KPMG Tax leaders and professionals from Microsoft and AICPA discussed recent C-suite findings on how AI is—and will continue to—impact business success. [Watch the replay.](#)



#### Webcast replay: Guidance on direct pay and transferable tax credits

The U.S. Treasury Department and IRS recently released guidance related to direct pay and transferable tax credits available under the Inflation Reduction Act of 2022 (IRA). [This one-hour webcast](#), led by KPMG Washington National Tax professionals who focus on energy-related tax credits and incentives, provides an overview of the guidance and addresses the transformative incentive-related provisions in the IRA.

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