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THE 7 C'S OF PRICING IN INTERNATIONAL MARKETS

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THE 7 C'S OF PRICING IN INTERNATIONAL MARKETS

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*"The single most important decision in evaluating a business is pricing power… If you've got the power to raise prices without losing business to a competitor, you've got a very good business. And if you have to have a prayer session before raising the price by 10 percent, then you've got a terrible business. You can determine the strength of a business over time by the amount of agony they go through in raising prices."– **Warren Buffett.***

The above quote from highlights both the importance and difficulties that businesses face in the pricing decision. Setting prices is not an easy task even in domestic markets, but pricing in international markets is even more complex. International markets are all different and decisions related to product, price, and distribution are unique to each country and will inevitably differ from the domestic market.

The pricing decision is based on a host of interrelated factors. Some of these are internal to the organisation such as costs, required rate of return, marketing and the marketing mix objectives etc. Others are external to the firm such as market competition, customers, demand and supply, environmental factors, government policy etc. All these factors need to be considered in formulating pricing strategy and in arriving at the optimum pricing decision.

The international pricing decision needs to take into consideration all of the above factors but in addition to those when the organisation crosses into international markets it encounters a variety of different cultures, legal systems, customs, geographical and climatic conditions, education, religions, wants, attitudes, values, purchasing powers, influences etc. We will look at how these factors affect pricing in the **7 C's of International Pricing**.

VENTURING OVERSEAS

Why Do Firms Venture Overseas?

Firms embark on an international venture or adventure in pursuit of a wide range of objectives based on "pull" factors, as well as for "push" factors. International pull factors are those that lure a company towards the overseas market and are based on the attractiveness of a potential foreign market. International push factors are compulsions or occurrences within the internal or domestic environment of the company which force it to seek overseas markets.

A company lured by the pull factor proactively seeks foreign markets. On the other hand, companies pushed into venturing overseas are reacting to internal or domestic market compulsions. Formulation of international business strategy is highly complex in nature and companies consider a combination of multiple factors both push and pull in evaluating international expansion.

Following are some of the reasons why companies venture overseas:

- **Large foreign markets** – This is the reason why international companies consider India and China with over a billion people in each of them to be attractive destinations for their products and services – for the same reason that a global brand like amazon is ready to pour US$ one billion into India in 2020 just to recover their losses to date.
- **Resource availability** – These resources could be labour (cheap or talented) or availability of raw material or even suitable climatic conditions. For example, availability of cheap labour is the reason for developed countries like USA and Australia to manufacture in countries like China and Vietnam. Mineral resources attract investment in Australia. Apple cannot manufacture the iPhone in the USA and needs to manufacture it in Asia due to the non-availability of sufficient tiny screws in the US[i].
- **First mover advantage and new market development** – Often companies are willing to enter and develop new markets before their competitors to get a competitive first mover advantage.
- **Export only products** – Sometimes companies develop a product for international and export markets only an example of this would be some of the garment manufacturers in Bangladesh who manufacture exclusively for exports.
- **Attractive export promotion schemes** – Governments have created Special Economic Zones (SEZ) like Jebel Ali in Dubai and SEEPZ in India for companies manufacturing only for export.
- **Economies of scale** – The domestic market may be too small and exporting may be a viable option to exploit economies of scale. For example, Australia has a relatively small population so though it ranks 8th in the world for per capita consumption of wine.[ii] However, Australia is the fifth largest exporter of wine in the world and exports approximately 60 per cent of its total production[iii].
- **The nature of the business** – The product requires firms to operate internationally or in foreign markets – e.g. international airlines and most online businesses.
- **Diversification** – Firms that look to reduce their dependence on a single market go for geographical diversification. Do not put all your eggs in one basket is a wise saying and many multinational companies like Coca-Cola have succeeded in offsetting low or negative growth in one market with high and positive growth in other markets.
- **Optimising the product life cycle – **When a product has reached its mature (and saturated) stage in the domestic market, while being at earlier stages of its life cycle in less developed markets, firms look overseas. For example, a Bloomberg report suggests that Apple seems to be following this strategy by selling its older iPhones in India.[iv]

Why Do Firms Resist Going Overseas?

Despite all the lure and attraction of the International markets some firms are still reluctant to go there due to the following reasons:

- Foreign markets are perceived to be more difficult as well as more expensive to enter.
- International business brings with is higher risk – actual as well as perceived.
- Foreign exchange risks involved in international business.
- Unfamiliar international environment – Different culture, language, geography, climate, education, religion, attitudes and values.
- Unfamiliar international laws and regulations.
- Product modifications required – due to acceptable quality levels or other reasons.
- Local labour laws and conditions.

Despite these inherent difficulties in entering international markets, in a globalised business environment, firms that resist even considering the overseas option are like the frog in the well who thinks that the outside world is only as big as the top of the well. If they actually ventured out of the well, they would have an entirely different view. Companies need to strategically consider the global market to realise their full potential.

INTERNATIONAL BUSINESS STRATEGIES

Companies today might venture overseas due to push factors or pull factors or some might resist going overseas. However, very few companies can survive without an international business strategy in today's globalised business environment. It is important to emphasise that all companies face international competition, not only in export markets, but in domestic markets as well. Becoming internationally competitive is therefore not only an essential requirement for successful exporters, but also the best means of defence that local companies can use to counter foreign imports. So, it is imperative that all companies formulate a carefully considered International Business Strategy to survive in a globalized international market.

Exporting

Exporting is normally the first option to be explored when firms decide to pursue international trade. This form of international trade has been happening for centuries – the most well-known international trade was established when the Han Dynasty in China officially opened trade with the West in 130 B.C. The *Silk Road routes* remained in use until 1453 A.D., when the Ottoman Empire boycotted trade with China. Export trade was carried out over a network of mostly land but also sea trading routes, the *Silk Road* stretched from China to Korea and Japan in the east, and *connected* China through Central Asia to India in the south and to Turkey and Italy in the west. The *Silk Road* system has existed for over 2,000 years, with specific routes changing over time[v].

Often it is companies that are successful in the domestic market that decide to venture overseas looking for expansion opportunities beyond the shores of their home countries. However just because a company is successful in the domestic market does not mean that it will be similarly successful in overseas markets.

Exporting provides economic benefits not just to the exporter but also to the exporting country. Consequently, many countries provide incentives and subsidies to promote export trade. Exporting companies benefit in different ways from the internationalisation of their products. The following are some of the benefits of exporting:

- Enhanced revenue and profit.
- Increased market share in global markets.
- Reduced risk from geographical diversification and seasonal demand risks.
- Economies of scale leading to lower production cost and increased profitability.
- Optimum capacity utilisation.
- Expansion of product life cycle.
- Gain knowledge and experience benefiting both local and international trade.

PRICING DECISIONS IN INTERNATIONAL MARKETING

"Pricing is actually a pretty simple and straight forward thing. Customers will not pay literally a penny more than the true value of the product."– Ron Johnson, the former Chief Executive Officer of J. C. Penney [New York Time, 2013].

Customers in one overseas market are dissimilar to customers in other markets and so are many other market dimensions that are unique to each market. So, determining what the value of your product is to the foreign customer and consequently determining what the customer will pay in each market makes the international pricing decision much more complex.

The 7 C's of International Pricing Strategy

Pricing strategy brand depends on three primary factors: your cost to offer the product to consumers, competitors' products and pricing, and the perceived value that consumers place on your brand and product vis-a-vis the cost. These three factors can be referred to as the *3 C's of Pricing Strategy[vi]* and are relevant both domestically and internationally.:

1. Costs: Comprehensive understanding of all costs related to offering the product, including development, creative, production, distribution, storage, advertising, manpower, and so on. International transportation and related costs like freight, insurance & handling lead to increase in costs. And then there is TAX. There could be custom duty and turnover tax like the local GST or VAT which could result in an escalating price

2. Competitors: Comprehensive and up-to-date analysis of your competitors' in the international marketplace – competing products, brand, and prices as well as where your brand is positioned relative to those competitors.

3. Customers: Customers overseas will have a different perception of the value of the product as compared to domestic markets due to many differential cultural and other factors. It should also be noted that customers today are able to instantly compare their prices with domestic prices on the internet.

Besides the primary factors (3 c's) that determine international pricing there are a range of secondary factors which are unique to each international market. These make the pricing decision much more complex in international marketing. When a firm crosses its domestic borders and enters a foreign country it encounters many unique international dimensions. These factors affect the pricing decision and consequently in case of international pricing we have expanded the 3 C's of pricing to 7 C's of International Pricing by adding the following additional 4 C's:

4. Cultural Differences: The international pricing decision requires a comprehensive understanding of the overseas markets culture as well as the wants and needs of its inhabitants, including their perceptions of the value of your brand and products and your competitors' brands and products.

5. Channels of Distribution: Lengthening channels of distribution means that more people are going to be handling your product including importers and wholesalers which causes not just cost escalation but increases distribution complexities.

6. Currency Rates – The complexities of multiple currencies which are subject to exchange rate fluctuations plus conversion costs.

7. Control by Government: Governmental and bureaucratic controls and regulations can be onerous and complex, like in China and even some European countries. Some countries have price control over some products like pharmaceuticals, fuel and food.

INTERNATIONAL PRICING STRATEGIES – Ensuring that your 'Price is Right?'

"Don't sell yourself short. No one will value you. Set a fair price for you, your book, your services, whatever it is that you have to offer. Most of us set way too low a price. Put it a little higher than you would normally be inclined to do. The worst that can happen is someone will come along and steal it." — John Kremer, 1001 Ways to Market Your Books: For Authors and Publishers.

"If you're not worried that you're pricing it too cheap, you're not pricing it cheap enough." Roy H. Williams

When formulating international pricing strategies, firms are also faced with the question – is our price too high to compete or is it unnecessarily low at the cost of profitability? The answer to this already complex question is further complicated by dimensions of international business which are unique to each country. So, it makes sense to have a different pricing strategy for each country based on that market's unique dimensions which will lead to optimum pricing for the product – not too high to compete and not too low to reduce profitability, but striking the right balance to set an optimum price. In order to arrive at the optimum price a firm is required to undertake a full strategic analysis of the competitor and consumer environment (e.g. SWOT, GAP, and BCG analyses, PLC states of products/services etc.).

The international pricing strategy for firms will differ based on the elasticity of demand for the product which is linked with its competitive advantage. For example, the international pricing policy for Sensodyne repair and protect which is a specialist dental product with a differential advantage will differ from your run of the mill toothpaste without any differentiation.

Based on the differentiation that the product offers and considering the 7 C's of international pricing – namely Cost, Customer, Competitors, Culture, Channels, Currency & Controls – the firm can select one or more of the following international pricing strategies:

Skimming in the International Market

Skimming as we know is the setting of the highest possible initial price for a new product and then lowering it progressively over time. This strategy is best for short term profit maximisation and is only possible for differentiated products for which there is no credible competition in the short run. In the International market the success of this strategy depends on factors like the demand in the local market, customer preferences, purchasing power etc. Apple, which seems to have mastered the art of skimming the market by introducing a new iPhone model every year, adopts this policy across all international markets.

Sliding-Down the Demand Curve

Sliding down the demand curve like skimming starts with the highest possible initial price but then as technology and competition increases move quickly down the demand curve to optimise your profit while remaining competitive. In the international market Samsung seems to be adopting this strategy in respect of its range of phones. Like Apple it skims the top end of the market segment by pricing its latest products high (but lower than Apple) and as the technology improves or as other Android phones are produced with similar features, it quickly reduces its prices to grab customers at the lower end. Thus, it combines skimming with competitive pricing by sliding down the demand curve to attract buyers in successively lower price segments of the market.

Penetration Pricing in the International market

Penetration pricing is the opposite of skimming in that the initial price is set very low to get the largest international market share. Internationally penetration pricing can allow profitable companies to gain access to market share in foreign countries. However, the trade policies of the foreign government would need to be considered as they might deem the low-priced products to be dumping or anti-competitive and in breach of their local legislation. As opposed to Apple, most manufactures of Android phones have a strategy of penetrating the International market.

Pre-emptive and extinction pricing strategies

Preemptive and extinction strategies are similar to penetration pricing policies in that they set the price very low in order to fight competition. Pre-emptive international pricing strategy sets the price very low so that new entrants to the international market find it uneconomical to enter that market. The example of Nintendo Wii which was first to enter the gaming market, intentionally set a low price to capture the market as a pre-emptive strategy against Sony which was to launch its Playstation. Extinction international pricing strategy is a strategy of driving away existing competitors by setting a low price that makes the business of competitors unviable. This could lead to a price war and is a risky strategy – it could also lead to breaching of 'anti-dumping or fair competition' legislation in some countries.

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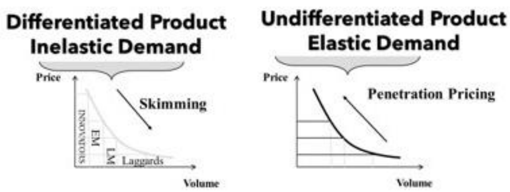
This workshop is dedicated to help managers or advisors of commercial companies succeed. If you are responsible for managing or advising a department, a business unit or a company then you need to analyse and increase the business's financial performance. Then you will require critical analyses and communication of profit, cashflow and returns that impact business financial performance, value, product or customer profitability, acquisitions, risk assessment, sensitivity of market and management decisions on the business's future financial performance then this workshop is for you.

David has more than 30 years of experience as an independent and non-executive board director (and chairman), strong commercial acumen, corporate governance training and practical experience. David's objectives are to continue to add value to business as an independent director or advisory board member and to facilitate performance, meeting performance objectives, strengthening decision-making, leadership, board governance & risk management.

David's experience includes: Non-executive Chairman of listed engineering group EGL, Chairman of Trivantage electrical contracting group, independent director of Education Horizons Software, Chairman Victoria Parade Day hospital, Advisory board member in the timber industry David's Timber, Chairman CEO institute forum groups, Chairman of International Business Mentors, Chairman Independent Medical Opinion medico legal, Chairman Commercial View dot com- an online commercial property portal, CEO Betta Foods confectionary manufacturing, MD Goalfix financial software, partner Cartney, Milner & Associates CAs, CEO Elders Kiwi Fruit New Zealand, senior manager ANZ Bank, manger Security Pacific Finance London, change manager British Airways privatisation and Chartered Accountant Grant Thornton.

David is a Chartered Accountant (1981) Scotland, Directors Diploma University New England (1987), Australian Chartered Accountant (1988), Past member of AAIB (Senior) Institute of Bankers (1992), ICMA (1995); Fellow Australian Institute of Company Directors AICD (1998); Fellow CPA Australia (2002)

Skimming the Market v Penetration Pricing Strategy



Should a firm go for Skimming or Market Penetration pricing? This decision depends on the answer to two important inter-related questions:

1. Do you have a differentiated product?
2. Is the demand for your product elastic or inelastic?

These questions are interrelated because differentiated products generally have inelastic demand as compared to undifferentiated products which have elastic demand. For example, the Apple iPhone has a relatively inelastic demand compared to cheaper undifferentiated phones which compete on price.

So, if like Apple a firm has a differentiated product it can go for skimming otherwise (like the cheaper smartphone brands) it can aim for market penetration to capture a share of the market.

Differential Pricing in International markets

As discussed above, customers in different international markets have differing value perceptions of a product as well as differing purchasing power. Besides this there could be other local factors discussed above which could affect the pricing of a product. A differential pricing strategy is a 'horses for course' approach allowing the firm to charge different prices across different international segments.

Differential pricing can be used by a multinational firm where it wants to pursue different pricing strategies in different markets. For example, a firm using differential pricing may pursue skimming in one geographical market and penetration pricing in another

Example of differential pricing in International market

Sensodyne – Repair & Protect toothpaste

Prices in different countries:

- Ireland – AU$9 – Manufactured in Ireland
- Australia – AU$10 – Manufactured in Ireland
- India – AU$4 – Manufactured in India
- Thailand – AU$6.60 – Manufactured in India
- Indonesia – AU$3.50 – Manufactured in China

As shown above Multinational Companies like GlaxoSmithKline which sell the same product (Sensodyne Repair & Protect) globally have a wide variation in pricing. Based on the above information it is evident that products manufactured in first world countries (Ireland) are sold in those countries at a price which is more than double the price for the same product manufactured and sold in developing countries.

The price differential can be explained by the following factors:

- Cost – Manufacturing is cheaper in China & India than Ireland.
- Transportation costs & Custom Duties – this accounts for part of the difference in the price of the same product in India & Thailand (the other being purchasing power discussed next).
- Purchasing power – Purchasing power of consumers in Ireland & Australia is higher than the purchasing power of customers in India & Indonesia with Thailand somewhere in between. A good way of gauging the purchasing power of consumers in different countries would be by using the grading given to countries by the Australian Taxation Office for the purpose of allowing International business travel costs[vii]. Ireland (Group 5) is in the highest cost bracket where the minimum per diem allowed is $245. Indonesia and India (Group 3) are in the similar bracket the comparable per diem is $165. Thailand is in between (Group 4) with a comparable per diem of $205.
- Competition and Substitute products – 'Sensodyne Repair & Protect' is a differentiated product and is priced accordingly at a higher price than competing products.

- Other factors like customer preferences and needs are considered while fixing prices in various markets. This finally comes down to adjusting your price to ensure that the consumer in that market perceives that the product is 'worth the price'.

It should be noted that whereas such price variations are easily maintainable for FMCG products with a relatively low price it would be harder for highly priced items like iPhones as this would create a profitable grey market for traders as explained below.

Problem of Grey Markets caused by Differential Pricing in International Markets:

"If Americans could legally access prescription drugs outside the United States, then drug companies would be forced to re-evaluate their pricing strategy." Chuck Grassley

Price differentials like those exemplified in the Sensodyne case above or non-availability of products in some markets may create a grey market which is an unofficial market not authorised by the manufacturer. Grey markets of course depend upon demand to make them viable. For example, if the Sensodyne toothpaste is in high demand in Australia it might be profitable for a trader in Indonesia to buy and export this toothpaste to Australia due to the price differential. Louis Vuitton Bags were sold for the equivalent of US$970 in Paris while at the same time priced at US$1129 in Japan and US$1260 in Hawaii.[viii] So it became profitable for traders to buy the bags in Paris and ship them to Japan.

Grey markets also exist due to non-availability of the product in some countries – like the example of infant milk formula from Australia which was systematically bought by Chinese students from the supermarkets to be sent to China where there is a shortage of good quality infant milk.

Foreign exchange fluctuations and the pricing decision

One of the risk factors in international business are volatile currency markets. Foreign exchange rates can fluctuate drastically, and this can impact the pricing decision. The firm has to make a strategic decision to either increase prices with an unfavourable change in exchange rate or to absorb the resultant loss. This decision will depend on the product the company is selling, the customers willingness to absorb the increase and its market positioning in comparison to its competitors. An example of how currency changes affects the international pricing decisions is from the Australian luxury car market in the pre-euro era. At one time the Australian Dollar depreciated against the DM / Pound Sterling / Japanese Yen and Italian Lira but appreciated against the Swedish Kroner. This put a downward pressure on the profitability of the German cars Mercedes, BMW & Audi, the Japanese Lexus, the Italian Alfa Romeo and the British Jaguar at the same time increasing the profit margins of the Swedish Volvo & Saab.

The cars affected by the unfavourable exchange rate all increased their prices to maintain profitability. The two Swedish car manufacturers had three pricing options:

- Keep prices the same as before and enjoy the increase in profits driven by the favourable exchange rate as well as the competitive benefit offered by a price lower than the competitors.
- Increase the prices to increase profitability even more.
- Decrease prices and try to get a larger market share while maintaining the same profit margin.

Volvo chose to keep the same price whereas the Saab reduced its price to pass the exchange rate benefit to its consumers. However, the price decrease backfired on Saab as it lost its prestige position as a luxury car. The question that needs to be asked is – if the other car manufacturers could raise the prices without a decrease in demand why did they need to wait for an adverse exchange rate to raise prices? Had they all priced their cars too low?

Prestige Pricing & Price as an indicator of quality in International Markets

"We knew how much these people were paying for cocaine—and the more coke cost, the more people wanted it. We applied the same marketing plan to our budding catering operation, along with a similar pricing structure, and business was suddenly very, very good." – Anthony Bourdain

The experience of the Cocaine business (albeit illegal) which Anthony Bourdain draws upon to use as a pricing model for his successful catering business, indicates that many customers consider price as an indicator of quality. So, while fixing a pricing strategy at any level the firm should be careful as to not go low enough for customers to doubt the quality of their product.

For products like Rolex watches and Louis Vuitton bags that fall in the luxury goods market, the element of prestige pricing needs to be considered. In the example referred to above when Saab dropped its price in Australia to pass on the advantage of exchange rate gains to its customers, it inadvertently lost its reputation as a luxury car.

Conclusion

"Pricing is the moment of truth – all of marketing strategy comes to focus on the pricing decision." – Raymond Corey

The international pricing decision is the moment of truth in a firms international marketing and business strategy. It is a complex and difficult decision that cannot be made in isolation but needs to take into consideration all related factors – International Customers, Costs, Competitors, Culture, Channels, Currency & Comparability – the 7 C's of International Pricing discussed above. International pricing decision requires a thorough knowledge and understanding of its own products costs, which then allows it to identify the competitive advantage it has in the context of the overseas marketplace comprising of unique cultural and economic environment.

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MORE RETAIL FAILURES ON THE CARDS FOR 2020

Australian retailers need to evolve their business models – otherwise we'll continue to see more retail insolvencies in 2020. That's the message from Andrew Spring, a retail insolvency specialist.

"Retail failures aren't new and it's not a situation that's likely to change unless many retailers make changes," says Spring, a partner with insolvency and business recovery firm, Jirsch Sutherland.

"Retail is a tough environment to be successful in over the long term. However, there are things that retailers – large and small – can do to set themselves up for success rather than failure."

A key issue is understanding obsolescence and the need for companies to read customer trends and evolve their businesses to stay ahead of the curve, Spring says.

"You only have to look at well-known examples of companies like Encyclopedia Britannica, Blockbuster and Kodak, whose products became redundant because the companies didn't keep on top of changing trends. A more recent example is the Australian textbook retailer, the Co-op Bookshop, which for decades used to be *the* place to buy your university textbooks but sadly went into administration after, among other reasons, over-the-counter textbook sales plummeted."

Spring says a failure to adopt an e-commerce platform continues to hamper many retailers, particularly with the growth in online shopping. "E-commerce is a necessity, not a point of difference. However, some retailers are being left behind or have not sufficiently invested in their e-commerce platforms, and they find that the fixed costs of having a bricks-and-mortar presence alone are too high," he says.

Spring's top 10 tips for retailers to consider when starting or running an existing business:

1. Understand what's happening in the market – e.g. changing product demand
2. Understand the barriers to entry
3. Know who your target audience is
4. Develop a strategy for going to market and attracting customers
5. Have a strategy for retaining customers
6. Work out what you want to be known for or great at and know how to "tell the world"
7. Know how to create brand loyalty
8. Know how to use data that you gather (e.g. through loyalty programs)
9. Ensure you have strong back office management
10. Always take time to know your numbers and accrued liabilities such as taxes

"Not knowing your accrued liabilities can be a sleeping bear that could one day wake up and bite you," adds Spring. "Ignorance is not a defense. Business owners have statutory requirements and if they don't have the money to pay off their debts or meet statutory obligations, that can have a major impact on a business. It's vital to be conscious of a positive cash-flow cycle, as it can be hard to manage."

Spring adds a final tip for retailers who find themselves in financial trouble. "Seek help early – whether it's discussing your issues with your accountant or an experienced insolvency specialist. There are options out there if you speak up early."

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Sustainable Value Creators

FLIGHT SHAME WON'T FIX AIRLINE EMISSIONS. WE NEED A SMARTER SOLUTION

By Duygu Yengin and Tracey Dodd

"Fake news", the chief executive of Lufthansa has called it. But his counterpart at Air France calls it the airline industry's "biggest challenge". So does the president of Emirates: "It's got to be dealt with."

What they're talking about is "flight shame" – the guilt caused by the environmental impacts of air travel. Specifically, the carbon emissions.

It's the reason teen climate-change activist Greta Thunberg refused to fly to New York to address the United Nations Climate Action Summit in September, taking a 14-day sea voyage instead.

In Thunberg's native Sweden, flight shame ("*flygskam*") has really taken off, motivating people to not take off. Last year 23% of Swedes reduced their air travel to shrink their carbon footprint, according to a WWF survey. Swedish airport operator Swedavia reported passenger numbers at its ten airports in October were down 5% on the previous year.

The potency of this guilt is what put Lufthansa's head, Carsten Spohr, on the defensive at an aviation industry conference in Berlin in November.

"Airlines should not have to be seen as a symbol of climate change. That's just fake news," he declared. "Our industry contributes 2.8% of global CO_2 emissions. As I've asked before, how about the other 97.2%? Are they contributing to global society with as much good as we do? Are they reducing emissions as much as we do?"

Does he have a point? Let's consider the evidence.

A publicity photo of Greta Thunberg on her way to New York aboard the yacht Malizia II in August 2019. The phrase 'skolstrejk för klimatet' means school strike for climate.

How bad are aviation CO_2 emissions?

The International Council on Clean Transportation (the same organisation that exposed Volkwagen's diesel emissions fraud), estimates commercial aviation accounted for 2.4% of all carbon emissions from fossil-fuel use in 2018.

So it's true many other sectors contribute more.

It is also true airlines are making efforts to reduce the amount of carbon they emit per passenger per kilometre. Australia's aviation industry, for example, has reduced its "emissions intensity" by 1.4% a year since 2013.

However, the ICCT estimates growth in passenger numbers, and therefore total flights, means total carbon emissions from commercial aviation have ballooned by 32% in five years, way faster than UN predictions. On that trajectory, the sector's total emissions could triple by 2050.

Alternatives to fossil fuels

A revolution in aircraft design could mitigate that trajectory. The International Air Transport Association suggests the advent of hybrid electric aircraft propulsion (similar to how a hybrid car works, taking off and landing using electric power) by about 2030-35 could reduce fossil fuel consumption by up to 40%. Fully electric propulsion after that could eliminate fossil fuels completely.

Even with the advent of electric airliners by mid-century, the huge cost and long lifespan of commercial jets means it could still take decades to wean fleets off fossil fuels.

A shorter-term solution might be replacing fossil fuels with "sustainable aviation fuels" such as biofuels made from plant matter. But in 2018 just 15 million litres of aviation biofuel were produced – less than 0.1% of total aviation fuel consumption. The problem is it costs significantly more than standard kerosene-based aviation fuel. Greater use depends on the price coming down, or the price of fossil fuels going up.

Pricing carbon

This brings us to the role of economics in decarbonising aviation.

An economist will tell you, for most goods the simplest way to reduce its consumption is to increase its price, or reduce the price of alternatives. This is the basis of all market-based solutions to reduce carbon emissions.

One way is to impose a tax on carbon, the same way taxes are levied on alcohol and tobacco, to deter consumption as well as to raise revenue to pay the costs use imposes on society.

The key problem with this approach is a government must guess at the price needed to achieve the desired reduction in demand. How the tax revenue is spent is also crucial to public acceptance.

In France, opposition to higher fuel taxes led the government to instead announce an "eco-tax" on flights.

This proposed tax will range from €1.50 (about A$2.40) for economy flights within the European Union to €18 (about A$29.30) for business-class flights out of the EU. Among those who think this price signal is too low to make any real difference is Sam Fankhauser, director of the Grantham Research Institute on Climate Change and the Environment in London.

Trading and offsets

Greater outcome certainty is the reason many economists champion an emissions trading scheme (also known as "cap and trade"). Whereas a tax seeks to reduce carbon emissions by raising the price of emission, a trading scheme sets a limit on emissions and leaves it to the market to work out the price that achieves it.

One advantage economists see in emissions trading is that it creates both disincentive and incentives. Emitters don't pay a penalty to the government. They effectively pay other companies to achieve reductions on their behalf through the trade of "carbon credits".

The European Union already has an emissions trading scheme that covers flights within the European Economic Area, but it has been criticised for limiting incentives for companies to reduce emissions because they can cheaply buy credits, such as from overseas projects such as tree-planting schemes.This led to the paradox of scheme delivering a reported 100 million tonnes of "reductions/offsets" from Europe's aviation sector between 2012 and 2018 even while the sector's emissions increased.

A better solution might come from a well-designed international trading scheme. The basis for this may be the global agreement known as the Carbon Offsetting and Reduction Scheme for International Aviation. Already 81 countries, representing three-quarters of international aviation activity, have agreed to participate.

What seems clear is that guilt and voluntary action to reduce carbon emissions has its limits. This is suggested by the data from Sweden, the heartland of flight shame.

Behind the 5% reduction in passenger numbers reported by Swedavia is a major difference between domestic passengers (down 10%) and international passengers (down just 2%). That might have something to do with the limited travel alternatives when crossing an ocean.

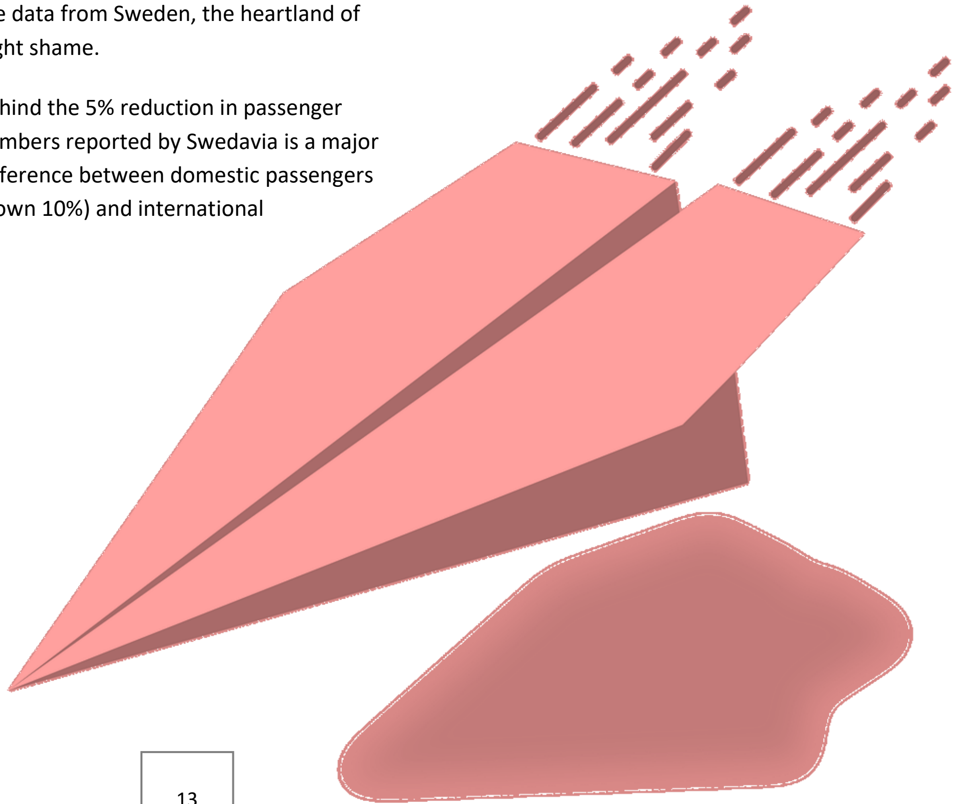
For most of us to consider emulating Greta Thunberg by taking a sailboat instead, the price of a flight would have to be very high indeed.

Duygu Yengin, Associate Professor of Economics, ***University of Adelaide*** and **Tracey Dodd**, Research Fellow, Adelaide Business School, ***University of Adelaide***

Disclosure statement

Dr Tracey Dodd receives funding from Junction, an Australian not for profit working to eliminate homelessness and is a board member of Green Industries South Australia.

Duygu Yengin does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.



'SELF-DISRUPT' YOUR CAREER TO LAND YOUR DREAM JOB IN 2020

Is a new job on your radar for 2020? If so, you might think you've mastered the art of the job search – but think again. In 2020, it'll take more than tailoring your CV and preparing thoroughly for interviews to get your dream job.

This year, taking calculated risks, not raising salary too early and highlighting transferable skills for a sideways move all feature in Hays's list of how to get a job in 2020, with the recruiter labelling it the year to 'self-disrupt' your career.

Here is Hays's advice on how to land your dream job in 2020:

1. Take calculated risks: Disruption is impacting all industries and the traditional notion of a 'career' is changing along with it. So, before beginning your job search decide which jobs you should apply for that will best serve you long-term. "The conventional idea that a career involves working your way up the ranks of one chosen profession is changing," explains Nick Deligiannis, Managing Director of Hays in Australia & New Zealand. "This means that you need to think long-term when considering your next career move. The next step up may offer an immediate salary increase, but a sideways move could allow you to learn new skills and take your career down a slightly different but more sustainable or rewarding career path. Such self-disruption will keep your skills relevant and employable for the long haul."

2. Brevity matters: Next, update your CV. Hiring managers and recruiters still want to see a one- to two-page CV, yet this is far from the norm. "You'd be amazed at how many CVs we see that are four or more pages long," Nick said. "You don't need to list every job you've had since high school. Rather than simply adding each new job to the top of a CV you first created fifteen years ago, take the time to refresh it completely." An added advantage is that by crafting your CV in today's acceptable format – and adding those all-important keywords – you're more likely to get past initial screening algorithms or applicant tracking systems. To help, Hays has created a free downloadable CV template, which is available on their website.

3. 'Skills' are not 'competencies': The relevancy of your skills and competencies to the job you've applied for is your top method of standing out. But many people fail to sell themselves to the best of their ability because they don't understand the difference between the two. Nick suggests you research the differences so you can win an interviewer over by showing which specific skills and competencies will make you successful in the job.

4. Pair online and offline content: It may seem obvious, but Nick says there are still plenty of examples of people who submit a CV that does not align with their professional social media. "It's job seeking 101," explains Nick. "Your social media profile should round out and enhance your CV, not send up red flags. Add relevant examples of your work, backed with quantifiable evidence, and ask as many relevant colleagues or associates as possible for recommendations that highlight the key skills and competencies required in the jobs you're applying for."

5. Tell a story: When preparing for job interviews, think of real-life examples you can share that demonstrate how you have successfully used the skill or competency in question to add value. "Employers are less likely to take a chance on an unproven candidate these days, so use your previous successes to paint a picture in the interviewer's mind of you doing the job well," says Nick.

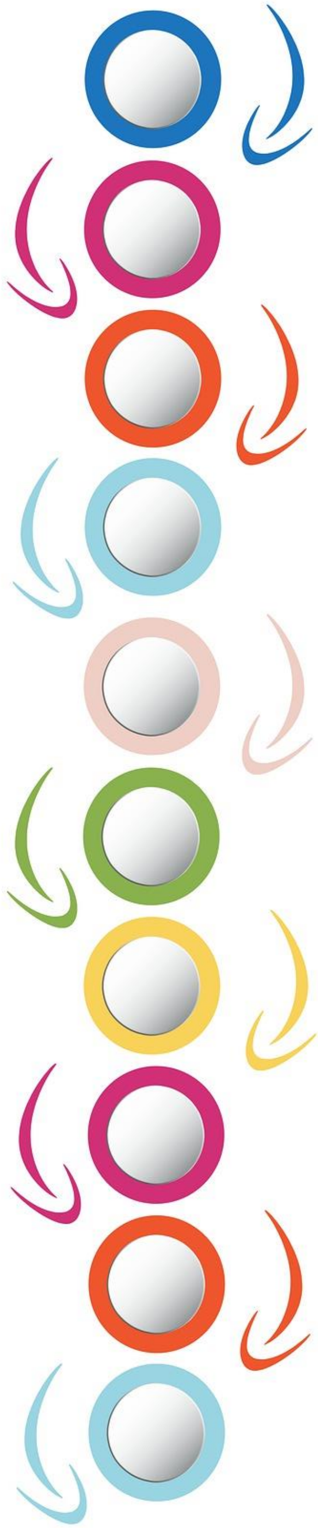
6. Show off your soft skills: From a willingness to learn to adaptability and interpersonal skills, demonstrated soft skills supplement your technical skills and give you an advantage in the jobs market. Given this, Nick says it's advisable to conduct a soft skills self-audit and upskill to overcome any gaps. "Even if your soft skills are strong, continue to take every opportunity in your existing job to improve yours. Don't forget to add your soft skills to your CV and professional social media profiles too," he said.

7. Highlight transferable skills: If you are looking to make a sideways move, promote your transferable skills. “Employers are open to considering candidates who are interested in a sideways move, particularly in skill-short areas,” says Nick. “This can be a sensible step for candidates who want to break out of their current mould to diversify their experience, so make sure you highlight your transferable skills on your CV to show what makes you a suitable candidate for the role.”

8. Don’t raise salary too early: With wage growth remaining stubbornly subdued, employee turnover is rising since a higher salary increase can be achieved by changing jobs. Employers are therefore wary of any candidate who asks about money too early in the process. As Nick explains, “Your recruiter will give you an indication of the salary available, so also raising the topic with the hiring manager gives the impression that it’s your main motivation. Instead, wait for an offer to be made. This occurs once you’ve been selected as the preferred candidate, which puts you in a stronger negotiating position than if you’d raised the topic earlier,” he says.

9. Look beyond salary to long-term gain: When it does come time to negotiate, don’t price yourself out of consideration. Consult a Salary Guide to ensure your expectations are aligned with current market rates rather than the figure you want. “You should also carefully consider the career progression and learning and development available in the context of your long-term career goals and future employability,” advises Nick. “If a job comes with regular upskilling, it will help future-proof your employability and may be of greater financial benefit long-term than a few thousand dollars more here and now.”

10. Plan for automation: While just 14 per cent of existing jobs could disappear over the next 15 to 20 years in response to automation, a further 32 per cent are likely to change radically, according to an Organisation for Economic Co-operation and Development (OECD) report. “This year, consider what your job would look like if 30% of your tasks were automated,” said Nick. “Identify the higher-value, non-routine tasks you could fill your time with and upskill so you are ready and keep your skills employable for the future.”



10 NON-MONETARY INCENTIVES FOR STAFF

Statistics from the latest Randstad Award employer branding research has found that the top motivator for employees in Australia is no longer job security, but more competitive salary packages. However, in our current tight economic situation, it can be tough for hiring managers and small business owners to offer extra cash when their own budgets are already struggling to stay afloat.

Here are 10 excellent non-cash incentives you can use to motivate and retain top talent:

1. Offer flexible working arrangements such as giving telecommuters the chance to work-from-home once a week, or for staff to choose their own core working hours instead of the typical 9 to 5.
2. Provide extensive training plans - both in house and offsite - for staff to complete accredited courses and upskill.
3. Offer tangible recognition for staff who consistently excel - either by sending an email cc'ing in business leaders with congratulations on a job well done, giving staff a handwritten note, or mentioning their successes during monthly meetings.
4. Provide a rostered day off (outside of annual leave) as a reward for successful task completion.
5. Create a monthly office theme day to boost morale - for example, international food day, where each staff member brings a plate of food from their country of origin.
6. Offer rewards based on specific personal interests – like membership to their local gym or tickets to the latest theatre show.
7. Offer time out of normal work commitments to work on projects which your staff may be passionate about but are not necessarily related to your core business. This is actually something which was pioneered by Google, and from which many of Google's stand out products originate from (including Google maps!).
8. Create a monthly or quarterly awards event which showcases the efforts of staff who continually excel in their field. Include peer-nominated awards to show off the employees who consistently show leadership and help their fellow colleagues.
9. Provide the opportunity for staff to engage in volunteer work - this can offer not only a nice break from the office, but also provides the added benefit of increased morale through altruistic pursuits.
10. For businesses which benefit from multiple office locations, offer staff the chance of a change of scenery by swapping roles for a week or month, for example, from the Sydney to the Melbourne office.

Remember, rewards are designed as a way to show your staff appreciation for their hard work, and whilst extra money is often cited as a motivator for employees, it's often the intangible employee benefits which have the most impact on staff morale. Regardless of the benefits you offer to staff, seek to make your workplace an atmosphere where hard work is recognised and rewarded on a regular basis.

GLOBAL TAX CHIEFS UNDERTAKE UNPRECEDENTED MULTI-COUNTRY DAY OF ACTION TO TACKLE INTERNATIONAL TAX EVASION

A globally coordinated day of action to put a stop to the suspected facilitation of offshore tax evasion has been undertaken this week across the United Kingdom (UK), United States (US), Canada, Australia and the Netherlands.

The action occurred as part of a series of investigations in multiple countries into an international financial institution located in Central America, whose products and services are believed to be facilitating money laundering and tax evasion for customers across the globe.

It is believed that through this institution a number of clients may be using a sophisticated system to conceal and transfer wealth anonymously to evade their tax obligations and launder the proceeds of crime.

The coordinated day of action involved evidence, intelligence and information collection activities such as search warrants, interviews and subpoenas. Significant information was obtained as a result and investigations are ongoing. It is expected that further criminal, civil and regulatory action will arise from these actions in each country.

This is the first major operational activity for the Joint Chiefs of Global Tax Enforcement, known as the J5, formed in mid-2018 to lead the fight against international tax crime and money laundering. This group brings together leaders of tax enforcement authorities from Australia, Canada, the UK, US and the Netherlands.

“This is the first coordinated set of enforcement actions undertaken on a global scale by the J5 – the first of many,” said Don Fort, US Chief, Internal Revenue Service Criminal Investigation.

“Working with the J5 countries who all have the same goal, we are able to broaden our reach, speed up our investigations and have an exponentially larger impact on global tax administration. Tax cheats in the US and abroad should be on notice that their days of non-compliance are over,” Fort said.

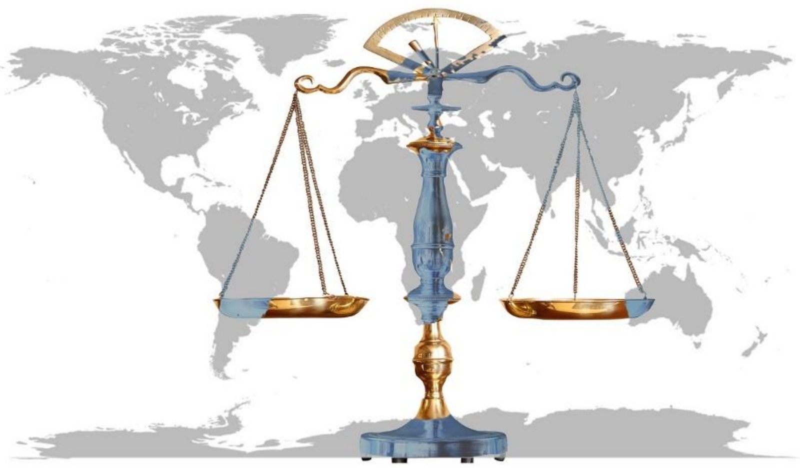
Australian Taxation Office (ATO) Deputy Commissioner and Australia’s J5 Chief, Will Day, said that this operation shows that the collaboration between the J5 countries is working. “Today’s action shows the power of our combined efforts in tackling global tax crime, fraud and evasion.”

“This multi-agency, multi-country activity should degrade the confidence of anyone who was considering an offshore location as a way to evade tax or launder the proceeds of crime.”

The ATO has commenced investigations into Australian based clients of this institution who are suspected to have undeclared income. The Australian Criminal Intelligence Commission (ACIC) is playing a supportive intelligence role, and investigations into more clients may follow.

“Never before have criminals been at such risk of being detected as they are now. Our increased collaboration, data analytics and intelligence sharing mean there is no place worldwide you can hide your money to avoid contributing your obligations,” Day said.

Hans van der Vlist, Chief and General Director Fiscal Information and Investigation Service (FIOD), the Netherlands, said, “This is the first outcome of an operational collaboration



between five countries on tackling professional enablers that facilitate offshore tax crime.

The international investigation started on information obtained by the Netherlands. By sharing this information and working together an international impact is created. Together as the J5 we will try to close the net on tax criminals."

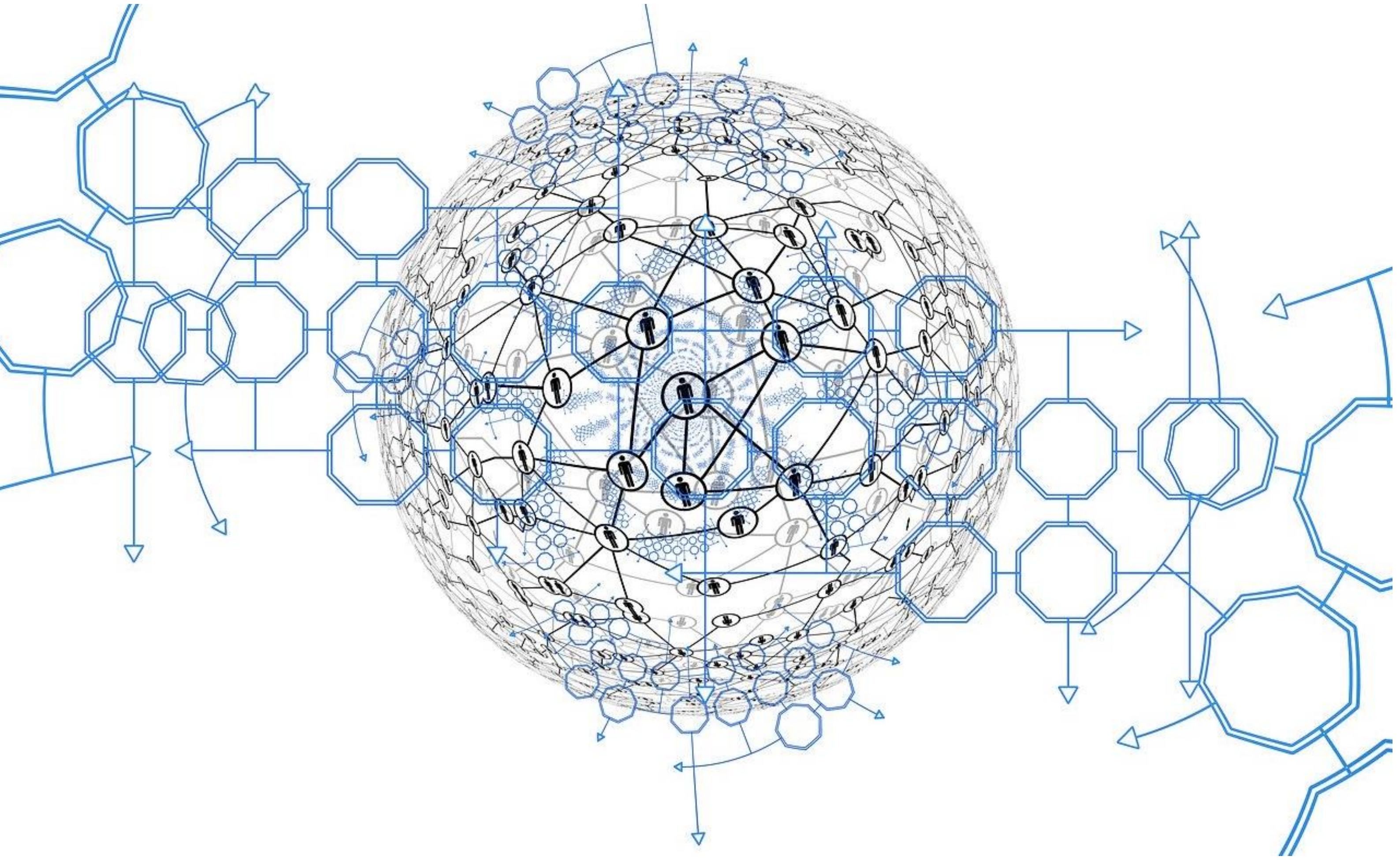
Canada Revenue Agency (CRA) Chief Eric Ferron said, "I am very pleased with the role the CRA is playing in what will be the first of many major operational activities for the J5. This coordinated operation shows that the collaboration between J5 countries is working. Tax evaders beware; today's action shows that through our combined efforts we are making it increasingly difficult for taxpayers to hide their money and avoid paying their fair share."

Simon York, Chief and Director of Her Majesty's Revenue and Customs (HMRC)'s Fraud Investigation Service said, "Tax evasion is a global problem that needs a global response and that is what the J5 provides. This kind of international action shows that we can, and we will take on the most harmful, sophisticated and complex crimes and that we are committed to levelling the playing field for honest businesses and taxpayers.

"International tax evasion robs our public services of vital funds, undermines economies and, left unchecked, can enrich the dishonest at the expense of the honest majority.

Working together, HMRC and our J5 partners are closing the net on tax criminals, wherever they are, to ensure nobody is beyond our reach. The message to them is clear – the J5 are closing in."

More information about J5 is available at ato.gov.au/j5



AUSTRALIAN BUSINESSES WANT TO USE NEW TECHNOLOGY TO ACT ON CLIMATE CHANGE AND SOCIAL ISSUES

- 81 percent of business executives surveyed believe climate change will negatively impact their operations
- 41 percent want to use new technologies to counteract the effects and positively impact society

A new global report from Deloitte shows that 81 percent of Australia's business leaders believe that climate change will have a negative impact on their business operations (compared with a global average of 48 percent).

The report, ***The Fourth Industrial Revolution: At the intersection of readiness and responsibility***, surveyed more than 2,000 C-suite executives across 19 countries, including 151 in Australia, to understand how businesses are preparing for the massive impact of the fourth industrial revolution*, also known as Industry 4.0, and the role of technology in disrupting business models and processes. It explores how leaders are re-evaluating their approaches to four key areas seen as critical to succeeding in the fourth industrial revolution: strategy, societal impact, talent, and technology.

The report suggests that as we enter a new decade, capitalism is being redefined, with evidence business leaders and organisations around the world are starting to prioritise their responsibilities to society alongside profitability.

"Business is increasingly recognising its role in proactively contributing to society and acting to make a difference to local communities," noted **Robert Hillard, Deloitte Australia's Chief Strategy & Innovation Officer.** "Australian businesses appear to be more socially-minded than their global counterparts, with 41 percent saying they want to use new technologies to increase their company's positive impact on society, versus a global average of 23 percent. In terms of the top five greatest outcomes they hope to achieve with their investments, this is second only to driving greater revenue (62 percent).

"We're entering a new era where shifting community attitudes have made it an imperative for businesses to place societal responsibility at the heart of their strategies. Business readiness now demands leaders understand this expanded responsibility and deliver solutions not just for corporate growth, but also to benefit their local communities.

"We're also seeing business leaders increase their focus and attention on climate and environmental sustainability. Our research indicates that industry leaders acknowledge the business imperative of climate change and the associated risks to their business.

"Climate-related disasters will have a significant economic impact and businesses need to demonstrate to investors that they are taking appropriate steps to mitigate their exposure. We anticipate that climate risk stress testing will become a key imperative for Australian businesses in 2020."

Stakeholder pressure driving climate focus

Business' desire to help address the issues of climate change and environmental sustainability have risen dramatically in importance over the past two years. In this year's survey, 57 percent of Australian executives believe their generation is responsible for encouraging sustainability (compared to a global average of 38 percent) and 83 percent of Australian business leaders (the highest percentage of all 19 countries surveyed) cite tackling climate change as their generation's responsibility to solve. Two years ago, just 7 percent of Australian executives (10 percent globally) believed their companies could influence environmental sustainability to a significant degree.

This growing attention to social purpose may largely be attributed to increased pressure from internal and external stakeholders, such as employees, investors and regulators. The top two reasons Australian executives claim they focus on societal issues are "external stakeholders' priority" (48 percent) and "employee pressure" (25 percent).

Richard Deutsch, Deloitte Australia CEO, commented on the need to consider the timing of the survey: "It's important to note the timing of this global survey, which took place before the devastating Australian bushfire crisis commenced late last year. We can assume that Australian executives would feel even more strongly about businesses helping to address climate change and encouraging sustainability for the long term. There's no doubt that our immediate focus must be on supporting local communities and those in need on the ground. Regeneration and rebuild will take years and I have no doubt Australian business will play a critical role in making this happen."

Technology investment priorities

On par with the global average of 68 percent, 65 percent of Australian business leaders see Artificial Intelligence (AI) as the Industry 4.0 technology expected to have the most profound impact, followed by nano-tech (61 percent). They are far less bullish on the value of the top globally rated technology, the Internet of Things (seen as having the most profound impact by just 32 percent of Australians, versus 72 percent globally).

Australians are also more likely to take an integrated approach to implementing new technologies, with 88 percent of Australian executives saying this was an investment priority, compared to 47 percent globally. It is also notable that just 8 percent of Australian businesses said they would invest in new technology to protect themselves from disruption, versus 56 percent globally.

Investing in future skills development

Business is recognising how radically Industry 4.0 technologies will change the workplace: almost all Australian executives surveyed (89 percent) indicate training and developing their workforces is a priority, and 99 percent say they are committed to a culture of lifelong learning. But they appear to still be in the dark about where best to focus their training efforts. Just three percent strongly believe their organisation currently has the Industry 4.0 skills needed in the future (compared to 20 percent globally); and only 13 percent have an understanding of exactly which skills will be required to thrive, versus a global average of 59 percent.

"As we noted in our major report on the future of work last year, ***The path to prosperity: Why the future of work is human***, the nature of work is changing to become more skills-based," commented **Robert Hillard**. "These new Industry 4.0 technologies will automate and augment many tasks, and while it will be important for companies to invest in ensuring their workforce is tech-savvy, it's going to be equally important to ensure high levels of competency in the uniquely human skills like creativity, customer service, care for others, and collaboration – those skills that are hardest of all for technology to replace.

"Technology is changing the workplace so quickly that many of the jobs of the future haven't been invented yet. People need the chance to play with and explore new technology and work out new ways to use it. Problem-solving is also a very human skill."

For more information and to view the full results of Deloitte's 2019 Readiness Report, click here: https://www.deloitte.com/insights/4IR.

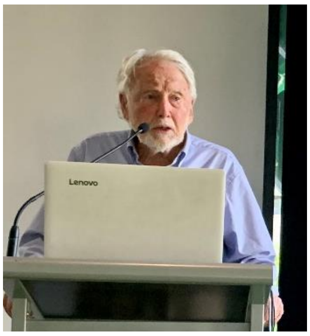
REGIONAL OFFICE AND BRANCH NEWS

FRONTIERS OF ACCOUNTING SYMPOSIUM 2019

The annual *"The Frontiers of Accounting''* was held at RMIT University **21st November 2019** to discuss the future direction of various themes related to accounting. The speakers were leading academics and professionals who were asked to provide their views on specific frontier areas of financial reporting, management accounting, governance and sustainability.

Prof John Miller, AO, Patron ICMA gave the *Welcome Address*, which was followed by talks by Prof Damminda Alahakoon and Prof Paul Mather, both of La Trobe University who gave an *Overview of Big Data and Data Analytics* and *Accounting in the 4th industrial revolution: The Role of Big Data.*

Professor Brendan O'Connell, President ICMA, opening the Symposium and inviting Dr John Miller, ICMA Patron to give the Welcome address.



Dr John Miller, ICMA Patron to giving the Welcome address.

The other speakers were Prof Carol Tilt of the University of South Australia who talked on "*GRI Sustainability Reporting Standards, and their Applicability to Developing Countries";* Mr Clinton Marks of Robert Half on "*The Finance Function in a Digital Era";* Prof Paul De Lange, University of Tasmania on "*Accounting Skills Required for Employment";* Prof Nava Subramaniam of RMIT University on *"Mergers, Restructures and Not-For-Profit Sector: Potential Roles of Management Accounting Controls";* Mr Stewart Marshall of Marshall Floyd on *"The Service Revolution - Why Finance Leaders Must Push for Innovation" and* Prof Brendan O'Connell of RMIT University on *"Future of Accounting Work and the Changing Skills Needed to Succeed"*.

Professors Damminda Alahakoon and Prof Paul Mather of La Trobe University overviewing *"Data Analytics and the Role of Big Data in Accounting"*

Prof Carol Tilt of the University of South Australia; Prof Nava Subramaniam of RMIT University and Prof Paul De Lange, University of Tasmania delivering their talks.

SINGAPORE'S INAUGURAL GLOBAL ACCOUNTING HALL OF FAME INDUCTION DINNER

Dr Gerard Ee being inducted to the Global Management Accounting Hall of Fame. Also, in the picture are Dr Lim Lai Cheng and Prof. Janek Ratnatunga.

The *Inaugural Global Accounting Hall of Fame Induction Dinner* was held on Friday, 29th November 2019, at the Suntec Singapore International Convention & Exhibition Centre on Raffles Blvd in Singapore.

At the event ***Dr Gerard Ee*** was inducted to the *Global Management Accounting Hall of Fame*

Dr Ee's many achievements were read out by *Associate Professor Themin Suwardy*, ICMA Fellow Member.

Amongst Dr Ee's many prestigious appointments, he is currently the Chairman of Agency for Integrated Care (AIC), Changi General Hospital and the Chancellor of UniSIM. Dr Ee is also a Board Member of the Singapore Accountancy Commission, under the ambit of the Ministry of Finance. On an international front, Dr Ee serves as a Council Member of the ASEAN Federation of Accountants (AFA). He is also the Former President of the *Institute of Singapore Chartered Accountants (ISCA)*.

Dr Gerard Ee was presented with his induction plaque by *Dr Lim Lai Cheng*, the Executive Director-SMU Academy.

Prof. Janek Ratnatunga, CEO ICMA, giving his talk on Cost of Life: Air, Food & Water

Prior to the presentation of the award, there was a professional talk by Professor Janek Ratnatunga, CEO ICMA, on the *Cost of Life: Air, Food & Water*. This was well received by the over 80 participants at the dinner.

INTERNATIONAL MANAGEMENT ACCOUNTING CONFERENCE (IMAC) IN SURABAYA

The ICMA Indonesia Branch held a symposium titled the *'International Management Accounting Conference (IMAC)'* on Dec 2, 2019, at *Petra Christian University* in Surabaya. It had 150 very senior participants. At the conference, *Professor Slamet Sugiri* from the Faculty of Economics and Business, *Universitas Gadjah Mada was* inducted to the *Global Management Accounting Hall of Fame* for his Lifetime of Achievement to the profession in Indonesia.

A number of leading public servants, academics and practitioners spoke at the conference. The speakers from ICMA Australia were Professor Janek Ratnatunga, the CEO, who spoke on the topic, *"The Silence of the Auditors: Why Audit Reports Are Untrue and Unfair"*; and Dr Chris D'Souza, the COO (International), who spoke on the topic "*Corporate Myopia in the 21st Century*".

Whilst in Indonesia by Prof. Janek Ratnatunga, CEO ICMA, and Dr Chris D'Souza, the COO (International) gave a number of seminars for ICMA Partners Business Number Consulting (BNC) in Surabaya and Inspire education in Jakarta. The seminar topics were on *Project Management, Project Finance* in Surabaya, *International Business and Risk Management* in Jakarta.

Professor Slamet Sugiri the Global Management Accounting Hall of Fame inductee flanked by Prof. Janek Ratnatunga, CEO ICMA, and Dr Chris D'Souza, the COO (International). Also, in the picture is ICMA Indonesia Branch President, Mr. Daniel Godwin Sihotang and Mr. Nursakti Niko Rosandy.

Prof. Janek Ratnatunga, CEO ICMA, with some happy participants in the Project Finance in Surabaya seminar conducted by Business Number Consulting (BNC) in Surabaya

STRATEGIC MANAGEMENT ACCOUNTING FORUM 2019 IN PHILIPPINES

Prof. Janek Ratnatunga, ICMA CEO delivering his talk at the Strategic Management Accounting Forum 2019 in Manila.

The next stop on the 'Road Show' for Prof Brendan O'Connell (ICMA President), Prof Janek Ratnatunga (ICMA CEO) and Dr Chris D'Souza, (ICMA COO- International) was the Philippines.

The '*Strategic Management Accounting Forum 2019'* was held on December 7th at the *Astoria Plaza* in Manila. There were over 100 attendees. Professor Janek Ratnatunga, the CEO of ICMA who spoke on the topic, *"The Silence of the Auditors: Why Audit Reports Are Untrue and Unfair"*; Prof Brendan O'Connell, the President of ICMA and Professor of Accounting, RMIT University, spoke on *"The Social CRM: The Wild Child of Big Data and Customer Relationship Management" and* Dr Chris D'Souza, the COO (International), who spoke on the topic "*Corporate Myopia in the 21st Century*".

At the forum *Dr. Noe Quiñanola* the Chairman of the Board of Accountancy in the Philippines was inducted to the *Global Accounting Hall of Fame*. *Mr. Jeffrey C. Lim* is the President of SM Prime was also inducted to the *Global Management Accounting Hall of Fame*.

The other speakers were drawn from amongst the distinguished members of ICMA.

Ms. Christine Buenaflor of the ICMA Regional Office, Philippines, presenting an award to Dr Chris D'Souza COO (International) at the Strategic Management Accounting Forum 2019 in Manila.

From Left to Right: Dr Chris D'Souza COO (International); Prof. Janek Ratnatunga, ICMA CEO; Prof Brendon O'Connell ICMA Global President; Mr Henry Ong, ICMA Regional Director, Philippines and Dr. Joselito Diga at the Strategic Management Accounting Forum 2019 in Manila.

"GRAND CONFERENCE" IN HANOI ATTRACTS OVER 100 PARTICIPANTS

The next stop on the 'Road Show' was Hanoi, Vietnam.

A CMA Australia 'Grand Conference' was held on December 14th, 2019 at the Hoa Binh Hotel in Hanoi. The event was organised by Mr. Long Phan, Regional Director of ICMA in Vietnam.

Professor Janek Ratnatunga, the CEO of ICMA who spoke on the topic, *"The Silence of the Auditors: Why Audit Reports Are Untrue and Unfair"*; Prof Brendan O'Connell, the President of ICMA and Professor of Accounting, RMIT University, spoke on *"The Social CRM: The Wild Child of Big Data and Customer Relationship Management" and* Dr Chris D'Souza, the COO (International), who spoke on the topic "*Corporate Myopia in the 21st Century*".

At the event, *Dr. Nguyen Thi Hong Thuy*, the Dean of Accounting and Auditing Faculty, at the University of Economics and Business at the *Vietnam National University* was inducted to the *Global Management Accounting Hall of Fame.*

There were over 100 attendees.

The picture shows Prof Janek Ratnatunga, Prof Brendan O'Connell and Dr Chris D'Souza with Mr Long Phan, ICMA Regional Director Vietnam standing in the centre

A WARM WELCOME TO NEW MEMBERS (DEC 2019 & JAN 2020)

Adalla, Demi Iravon
Akalanka, Anju
Aldhamari, Redhwan
Alfonso, Arny
Ape, Mariella Andrea
Aravind, Anil
Baldono, Christine Rose
Baula, Kirsten
Beronque, Ciara Mae
Bhatia, Vikram
Borgonia, Jollyn
Bumanglag, John Juwyn
Calamba, Stephanie
Chan, Tak Yiu
Chen, He
Chin, Vincent
Chong, Siew Keng Catherine
Chow, Wai Wa
Cortez, Adrian
Cuizon, Vera Beatrice
Dang Le, Minh
Dang Tuyet, Trinh
Dao Trung, Hieu
Dau Thi, Huong
Djeng, Lisa Marie
Duong Hoang, Long
Duong Son, Tung
Duro, Jenine Rei
Ellar, Vanessa Mae
Felix, Jolina
Fernando, Priyanga
Fontanilla, Jason
Fontanilla, Jason
Gador, Carla Nicolai
Hatmoko, Guntur
Hendrawan, Ronny Agung
Ho, Ting Shan Suki
Hossain, Md Zakir
Hossain, Mohammad
Hussain, Aijaz
Huynh Tan, Cao
Ilagan, Karen
Jain, Rajeev
Jayathunga, Thushara
Karunarathne, Kaveesha
Kwan, Kam Fan
Lau, Hiu Fung
Le Thi Hai, Ly
Lee, Wing Han
Leung, Wai Man
Lie, Catharina
Malaga, Julie Ann
Manangan, Jennifer
Meehella, Udara
Menikgama, Anuruddha
Michael, Gia
Mohamed Rushan, Mohamed Farook
Muhammedkutty, Anas Muhammed
Naina Mohamed, Abdul Hadhi
Nalzaro, Airez Jean
Nguyen Thi Hong, Nga
Nguyen Thi Nguyet, Huong
Nguyen Thi Tuyet, Nhung
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Nguyen Thi, Thao
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Plaza, Mae-Ann
Prihantoro, Hery
Putranti, Sekar Elkana
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Sandy, Arryan
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Subhan, Austin Faradian Nur
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Wong, Siu Kee
Wulandari, Scholastica Dwi
Yi Ling, Carolyn
Yim, King Chiu
Yonathan, Alfred

CMA EVENTS CALENDAR

- CPD – Project Finance Workshop 25 February 2020
- CMA Preparatory Program, Academy of Finance, Colombo, Sri Lanka 28 February 2020
- Strategic Cost Management, conducted by Workplace Skills Development Academy (WSDA), Dhaka, Bangladesh 12 March 2020
- CPD – Enterprise Risk Analysis workshop 19 March 2020
- CPD – Business Valuation Workshop 23 April 2020
- CPD – Critical Financial Analysis Workshop 7 May 2020
- CPD – Project Finance Workshop 15 May 2020
- CMA Program in Kathmandu, Neal organised by Academy of Management Accountancy Nepal, (AMAN) 17 May 2020
- Certificate of Proficiency in Strategic Cost Management, SMU Academy, Singapore (3rd Intake) 6 June 2020
- CPD – International Business Analysis Workshop 17 June 2020
- Strategic Business Analysis, conducted by Workplace Skills Development Academy (WSDA), Dhaka, Bangladesh 24 June 2020
- CMA Preparatory Program (intensive), IPMI Business School, Jakarta, Indonesia 4 July 2020
- 2020 Certificate of Proficiency in Strategic Business Analysis, SMU Academy, Singapore (3rd Intake) 10 July 2020
- CPD – Business Valuation Workshop 16 July 2020
- 7th CMA Intensive Program at Mercu Buana University Jakarta, Indonesia, organised by Inspire Consulting. 25 July 2020
- CMA Intensive Program at Mercu Buana University Jakarta, Indonesia, organised by Inspire Consulting 1 August 2020

Private Providers

Wharton Institute of Technology and Science (WITS), Australia

Syme Business School, Australia

Academy of Finance, Sri Lanka

IPMI (Indonesian Institute for Management Development), Indonesia

Singapore Management University Academy (SMU Academy)

Business Sense, Inc. , Philippines

HBS for Certification and Training, Lebanon

SMART Education Group, UAE

Institute of Professional and Executive Management, Hong Kong

AFA Research and Education, Vietnam

Segal Training Institute, Iran

PT Angka Bisnis Indonesia (Business Number Consulting), Indonesia

Inspire Consulting, Indonesia

ManAcc Consulting, New Zealand

STRACC Learning LLP, India

Workplace Skills Development Academy (WSDA), Bangladesh

Ra-Kahng Associates Ltd, Thailand

Academy of Management Accountancy, Nepal

Singapore Training Institute, Singapore

Blue Globe Inc, Japan

New Zealand Institute of Business, Fiji

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