

# **GLOBAL COST SUMMIT 2020**

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## **MISSION 5 TRILLION – COST MANAGEMENT STRATEGIES / TOOLS**

### **CHAIRMAN'S INITIAL INTRODUCTION**

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# **MISSION 5 TRILLION GROWTH DRIVERS ( NITI AYOOG)**

## **GROWTH:**

- **Growth in GDP**
- **Growth in Investment Rate**
- **Increase in Exports**
- **Employment and Labour Reforms**
- **Technology and Innovation**
- **Industry Growth**
- **Doubling Farmers Income**
- **Housing for All**
- **Travel Tourism and Hospitality**
- **Minerals**

## **INFRASTRUCTURE:**

- **Energy – Power, Oil & Gas Coal, Renewable Energy, Energy Efficiency etc.**
- **Surface Transport**
- **Railways**
- **Civil Aviation**
- **Ports, Shipping and Inland Waterways**
- **Logistics**
- **Digital Connectivity**
- **Smart Cities for Urban Transformation**
- **Swachh Bharat Mission**
- **Water Resources**
- **Sustainable Environment**



## **INCLUSION:**

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- **School Education**
- **Higher Education**
- **Teacher Education and Training**
- **Skill Development**
- **Public Health Management and Action**
- **Comprehensive Primary Health Care**
- **Human Resources for Health**
- **Universal Health Coverage**
- **Nutrition**
- **Gender**

## **GOVERNANCE:**

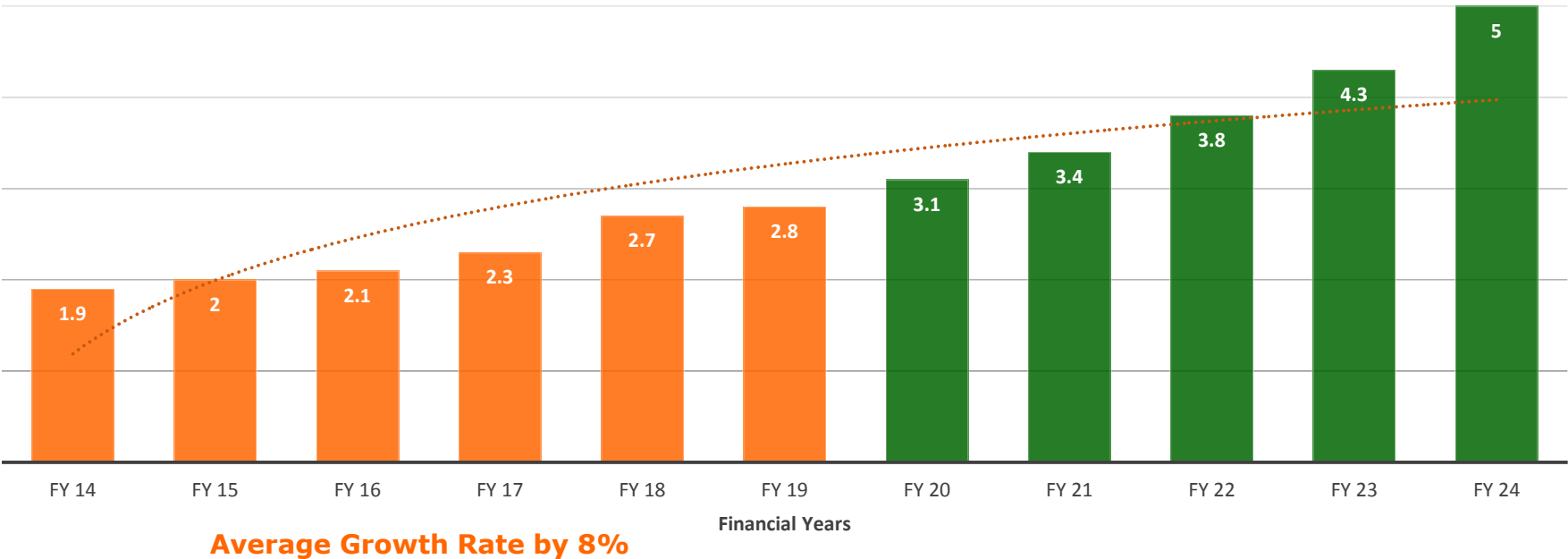
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- **Balanced Regional Development: Transforming Aspirational Districts**
- **The North-East Region**
- **Legal, Judicial and Police Reforms**
- **Civil Services Reforms**
- **Modernizing City Governance for Urban Transformation**
- **Optimizing the Use of Land Resources**
- **Data Led Governance and Policy Making**

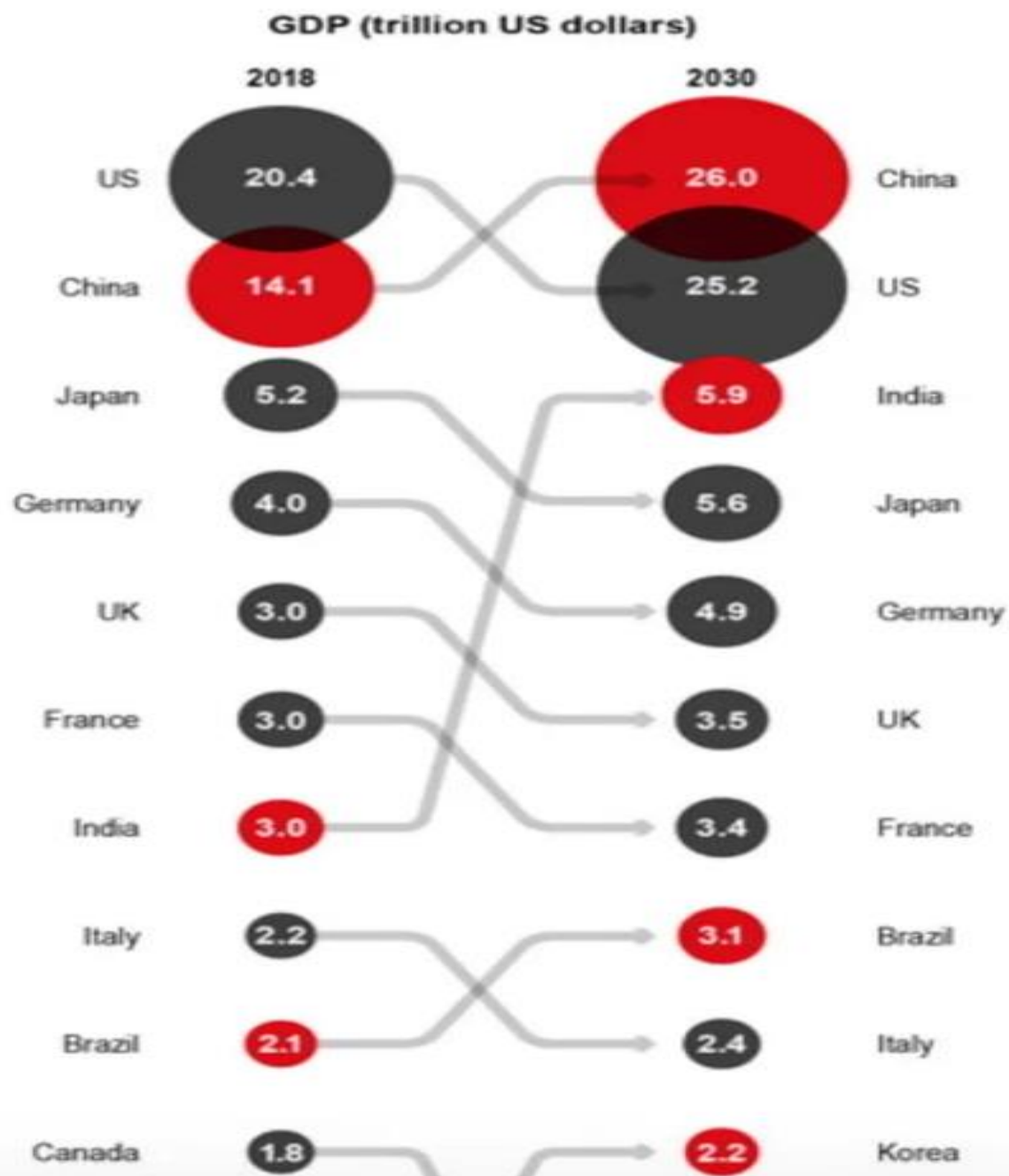
# Can India Become A 5 Trillion Magic Figure By 2024?

## TRILLION DOLLAR MAGIC

A Steep Task : Asking Growth Rate is 11.5%



# 2030: Long-term global GDP rankings



# GLOBAL COMPETITIVENESS

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- **As per the Global Competitiveness Index Rankings of 2019 carried out by World Economic Forum – India is in 68<sup>th</sup> Rank (10 Point drop from 58<sup>th</sup> Rank)**
- **Global Competitiveness Index Rankings are prepared covering 141 Economies, National competitiveness, which are defined as the Set of Institutions, Policies & Factors that determine the level of Productivity**
- **Singapore stood at the 1<sup>st</sup> Rank and USA at the 2<sup>nd</sup> Rank**
- **Japan & Germany are in 6<sup>th</sup> & 7<sup>th</sup> Position and China is in 28<sup>th</sup> Position**



# **GLOBAL COMPETITIVENESS**

## **STRENGTHS OF INDIA**

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- **Market Size – 3<sup>rd</sup> Rank**
- **Corporate Governance – 15<sup>th</sup> Rank**
- **Future Orientation of Government – 15<sup>th</sup> Rank**
- **Public Sector Performance – 25<sup>th</sup> Rank**
- **Transport – 28<sup>th</sup> Rank**
- **Innovation – 35<sup>th</sup> Rank**
- **Financial System – 40<sup>th</sup> Rank**
- **Macro Economic Stability – 43<sup>rd</sup> Rank**
- **Checks & Balances – 54<sup>th</sup> Rank**

# **WEAKNESSES OF INDIA**

- **Transparency – 66<sup>th</sup> Rank**
- **Business Dynamism – 69<sup>th</sup> Rank**
- **Property Rights – 87<sup>th</sup> Rank**
- **Banking System – 89<sup>th</sup> Rank**
- **Product Market Efficiency – 101<sup>st</sup> Rank**
- **Social Capital – 101<sup>st</sup> Rank**
- **Labour Market – 103<sup>rd</sup> Rank**
- **Utility Infrastructure – 103<sup>rd</sup> Rank**
- **Skill Base – 107<sup>th</sup> Rank**
- **Health – 110<sup>th</sup> Rank**
- **ICT Adoption – 120<sup>th</sup> Rank**
- **Security – 124<sup>th</sup> Rank**
- **Lack of Trade Openness – 131<sup>st</sup> Rank**

# **GLOBAL COMPETITIVENESS**

## **– REASONS FOR FALL IN THE RANK**

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### **Broad Reasons for the fall in India's Rank by 10 Points:**

- **The drop is only partly the consequence of a relatively small decline in score (61.4, -0.7 points), but the progress made by several countries ranked close to India i.e. Colombia (62.7, +1.1 points, 57th), Azerbaijan (62.7, +2.7, 58th), South Africa (62.4, +1.7, 60th) and Turkey (62.1, +0.5, 61st).**
- **India ranks beyond 100<sup>th</sup> on Five Pillars and features in the Top 50 of just Four Pillars**



# SUM UP

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- **It is clear that unless India turns around the Weaknesses into Strengths and improves its Rank in Global Competitive Index, it cannot achieve the desired Economic Growth of 5 Trillion Economy by 2024.**
- **In this context, the role of Cost Accountants in developing Innovative Cost Management Strategies becomes imperative.**
- **The CMAs should identify and develop Cost Management Strategies under each Component of Growth Drivers.**



# PANEL SPEAKER'S PRESENTATION

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- **CMA Asim K Mukhopadhyay**

- **Designing Cost Effective Sustainable Products**

- **CMA Neeraj D Joshi**

- **Cost Audit – A Tool for Management Strategies**

- **Prof Shailesh Gandhi**

- **Importance of Sustainable Business Model thru CMA**

- **CMA AK Tiwari**

- **CMA practices in Oil Sector**

# **ROLE OF COST MANAGEMENT STRATEGIES**

**Efficient Cost Management Strategies are needed for getting reliable MIS in the following areas:**

- **Activity Based Costing**
- **Activity Profitability**
- **Target Costing**
- **Risk Based Costing**
- **Down Time Costing**
- **Value Engineering**
- **Services Pricing**
- **Customer Profitability**
- **Delivery Channel Profitability**
- **Department Profitability**
- **Branch Profitability**

**“KAUTILYA”**

**says**

**“ALWAYS ONE HAS TO BE FIT AS ONLY  
THE FITTEST CAN SURVIVE”**

**“ONLY EFFICIENT COST MANAGEMENT  
STRATEGIES MAKE THE BUSINESSES  
AND ECONOMY FIT FOR SURVIVAL &  
FOR SUSTAINING GROWTH”**



**THANK YOU**

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