

Welcome Address by Vice Chairman, IVSC Lim Hwee Hua

Welcome and thanks

- Good morning ladies and gentlemen, can I start by thanking IVAS Chairman, Mr **Lie Kok Keong**, for his remarks, and to the team at IVAS for their wonderful work in organising this conference. The Chairman of IVSC Alistair Darling sends his regrets for not being able to attend this in person.
- May I also thank the many **sponsors** that have supported us this year for what has become the leading business valuation conference in Asia; a key date in the calendar for anyone that undertakes or uses business valuations.
- Singapore in particular stands out as a global leader in the advancement of the business valuation profession. Events such as this highlight, and facilitate, its rapid evolution.
- It is an honour for us to welcome back **Minister Indranee Rajah** and we look forward to hearing her reflections during her keynote speech, after lunch.
- The IVAS-IVSC Business Valuation Conference is now in its **sixth year** and it is a pleasure to return to a hybrid event and to welcome so many attendees in person. It has been a few years now since we were last together, and I think it is fair to say quite a bit has happened in that intervening period.

The world today – what is the backdrop to this conference

- In the Chairman's welcome address at last year's virtual conference, he spoke about the prospect of a return to some semblance of normality after nearly two years of COVID. At that time, the travel industry, businesses and schools were starting to open up and finally the vaccination programme was beginning to roll out in many countries.
- Fast-forward a year and the COVID pandemic is largely behind us. However, the uncertainties we face today are just as pervasive. **Critically, the need for international valuation standards and professionalism has only heightened.**
- The human tragedy of war in the **Ukraine** has worsened over the course of the year. So too has the economic impact of the conflict, especially through **commodity price shocks** that are crimping growth and driving a **cost-of-living crisis** that is affecting hundreds of millions of people – especially the poor. This trend is showing little sign of abating any time soon.
- **Inflation** is now a reality all over the world, including here in Singapore. **Interest rates** have risen as central banks scramble to curb this upward trajectory, which will inevitably weigh on a recovery that was yet to get off the ground following the pandemic. And renewed bottlenecks in **global supply chains** continue to hamper economic activity.
- Because of all this, the world economy is slowing more than expected and the OECD recently [26 Sept.] slashed its 2023 global growth forecast to 2.2% down from 2.8%. It sees some \$2.8 trillion lower output for 2023 than its projections at the end of last year. This represented the organisation's estimate of the toll of the war in Ukraine on the global economy, tightening of monetary policy and China's strict lockdowns.

- The only thing we can be certain about today is that uncertainty will continue for some time to come.

ESG

- The Chairman also spoke last year about the growing focus on Environmental, Social and Governance (ESG)-related themes. The **pandemic only served to accelerate the broader adoption of ESG frameworks** with the unleashing of widespread climate change effects like heatwave and flooding; social unrest in many parts of the world; and businesses needing to continuously adapt in order to guide a path to recovery.
- As we emerge from the pandemic, there is hope that new ways of employee engagement, new business models and a greater focus on collaboration can catalyse efforts towards a more sustainable and socially-conscious world.
- **ESG continues to build momentum today**, despite the challenging global backdrop. In a **survey carried out by the IVSC in April**, ESG was identified as the number one area of focus amongst the 100+ Valuation Professional Organisations and standard-setters within our network of member organisations. Many of these organisations are actively thinking about how the standards and qualifications they offer, reflect ESG considerations.
- Without doubt, the climate change emergency can only become more acute.
- While the **energy crisis in Europe** has the worrying potential to cause governments to focus on carbon-intensive solutions in the immediate term, it does also put the subject of long-term investment in clean and sustainable energy sources at the centre of many a political debate.

- The ESG agenda is only going to become more central to business, investment and political decision-making in the future.
- Another major positive development in this space over the last year has been the launch of the **International Sustainability Standards Board (ISSB)**, bringing hope for the consolidation and simplification of climate-related reporting standards.
- The ISSB's focus on investor needs when developing the new standards, as a means of creating 'market pull' for a new disclosure framework, is a defining characteristic and one that is highly relevant to the business valuation community too.
- Later, we will hear from **ISSB Vice Chair, Sue Lloyd**, about the progress to date and the goals of the Board.

What this means for valuers and the valuation profession

- Both the **ESG agenda** and the current **global macroeconomic uncertainties** place an emphasis on the vital role that professional valuers play.
- In the case of the latter – a need for valuation professionalism and standards as a means of **steering markets through periods of uncertainty**; giving confidence in the underlying values of assets and liabilities; supporting transparency and comparability.
- In the case of ESG – and especially in keeping with the ISSB's focus on investor needs – valuers are called upon to estimate Enterprise Value. Increasingly, the users of this information – be they investors, regulators, corporates – will want to know **how ESG factors are affecting values**.

- The relevance and importance of the valuation profession, today and into the future, has never been so apparent.

How is the IVSC and IVS evolving to support the profession?

- Valuation matters. The standards that valuers use, matter.
- Whatever the reason for conducting a valuation – for example - financial reporting; M&A; Financing; Restructuring; Taxation; Insurance; Determining the capital adequacy of a financial institution and whatever is being valued, the need for trusted and reliable valuations has never been greater.
- IVSC and the standards we set, the International Valuation Standards, will **continue to support and empower the global valuation profession**, evolving to reflect our changing world.
- Our **goal is to raise standards** of professional practice and in so doing, champion the role of valuers in all markets around the world.
- This mission has been made all the more achievable following the **launch of our new Asia office** here in Singapore, in July this year which was opened by Minister Indranee Rajah.
- This is our first office outside Europe and has been made possible through the support of government and private sector sponsors.
- Our physical presence here in Singapore – led by our recently appointed Asia Director, Nicolas Konialidis – **will ensure that the International Valuation Standards continue to be informed by the extensive valuation knowledge and expertise in the region.**

- It will also support our efforts to collaborate with professional bodies, standard setters, regulators, valuers and users of valuations across Asia.
- I encourage all of you to stay engaged with the IVSC and with IVAS as we work together to advance standards and professionalism in valuation.

Close

- We have an excellent programme of speakers and discussions ahead of us and look forward to meeting many of you over the next two days.
- Thank you.