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**OPENING SPEECH BY MR S ISWARAN, MINISTER OF  
STATE FOR TRADE AND INDUSTRY AT THE 1ST WAVO  
VALUATION CONGRESS OPENING CEREMONY ON 27  
NOVEMBER 2006 AT 9:30 AM AT MANDARIN  
BALLROOM, MERITUS MANDARIN**

Dr Amy Khor, Mayor of South West District,  
Senior Parliamentary Secretary for the Ministry of  
Environment and Water Resources,  
and Chairperson of the Singapore Institute of Surveyors and  
Valuers

Dr Lim Lan Yuan, Chairman of the World Association of  
Valuation Organisations

Distinguished Delegates

Ladies and Gentlemen

Good morning.

**Introduction**

I am pleased and honoured to join you this morning  
for the opening of the 1<sup>st</sup> World Association of Valuation

Organisations (WAVO) Valuation Congress organised by the Singapore Institute of Surveyors and Valuers (SISV).

2 I would like to extend a very warm welcome to all the delegates, especially our guests from overseas. Singapore is honoured to host this inaugural event and I hope that your stay here will be pleasant, productive and memorable.

### **Regular meetings of the valuation fraternity**

3 I understand that WAVO member countries meet regularly to promote closer relations, co-operation and mutual understanding within the fraternity of valuers. WAVO provides a valuable organisational framework for regional and international co-operation, for the harmonisation of valuation practices in the region and the world. It also helps to foster co-operation with other relevant international, regional, and national organisations in the real estate industry in the area of valuation.

## **Opportunities in cross-border interaction**

4      Against this backdrop, it is appropriate that the theme for this congress is “Valuation in the Globalised Economy”. Globalisation and technology have resulted in unprecedented flows of goods, capital and people across borders in the real world. The cyberworld has no such borders and it has become the primary habitat of ideas, innovation and communication. Financial markets are profoundly interconnected and today, no business plan is complete without an internationalization strategy. The burgeoning markets of Asia highlight the need for enterprises to have an outward orientation if they are to seize the opportunities and withstand the challenges that arise from globalization.

5.      Valuers are not insulated from these trends. You now have more opportunities for cross-border practice and interaction. Indeed, it is precisely for this reason that SISV

and other developed valuation organizations have come together under the umbrella of WAVO to establish a mutually recognised designation for your members. This will allow all your members to pursue opportunities in diverse overseas markets.

6      However, mutual recognition of professional qualifications alone is insufficient for valuation companies to take advantage of business opportunities abroad. It is equally important that the valuation fraternity establish strong international networks and contacts; so that you can readily find likeminded partners who can help you appreciate the local context, practices and customs in diverse markets.

7      To this end, this inaugural WAVO Congress will serve as a valuable platform to facilitate the understanding of such practices for cross-border transactions and the real estate markets. It will also serve as a useful forum for the

discussion of best practices and benchmarking in order to meet the increasingly exacting demands of the global business community.

8 The growing REIT market is a good example. In Singapore, the Government has engendered a conducive investment environment for the establishment and development of the REIT market. We are now seeing the emergence of a rich REIT eco-system with diverse product offerings in various vertical and horizontal segments. Valuers play an important role in this market given the need to provide a market valuation of the worth of the underlying property portfolio that constitutes the REIT. They would need to appreciate the underlying business model and market focus of REITs, and appreciate the differences between the REIT and the property stock markets, in order to provide a reasonable valuation and accurate advice to investors.

9        Apart from Singapore, other markets like Hong Kong, Malaysia, Taiwan, Thailand, China and India are also taking steps to promote their own REITs and attract investors. This highlights the need, and also the opportunity, for internationally recognised valuation expertise and consultancy services in the REITs market.

### **Challenges for valuers in the world**

10       In order to take advantage of these new opportunities, the real estate industry and the various valuation bodies can focus on the following three areas. Firstly, valuers must constantly keep up to date with the changes in the field and raise their level of professional competence, to effectively perform their role in this complex knowledge-based economy. For instance, in addition to acquiring skills in conducting REIT valuations, valuers may need to work closely with other professionals like accountants and lawyers

to undertake other forms of business valuations involving intellectual property and patent rights.

11 Secondly, the valuation fraternity must constantly upgrade and improve its service quality by exploring and exploiting new technology. As new business models emerge in the real estate sector with the ensuing keen competition, valuers should seek to adopt the latest technological innovations in real estate modeling so as to offer new business solutions to investors and developers.

12 Thirdly, valuation associations like the SISV and WAVO can conduct more training courses to raise the knowledge base and skill sets in the industry. I am pleased to note that WAVO as well as SISV organise short courses in various aspects of valuation for your members, and that you also offer customised training when requested by foreign participants.

## **Conclusion**

13 I would like to conclude by reiterating my belief that globalization and the integration of markets heralds a new era of opportunities for the valuation fraternity. To seize these opportunities, it is important that valuers are equipped with the knowledge, technology and network to meet the complex needs of the international business environment. Organisations like WAVO and SISV can and do play a significant role in this regard.

14 On that note, it is now my pleasure to declare the 1<sup>st</sup> WAVO Valuation Congress officially open. I hope this will serve as an opportunity to forge strong regional and international alliances. I wish you all fruitful and productive conference, and an enjoyable stay in Singapore. Thank you.