

**Joint UNCTAD - International Accounting Education
Standards Board**

Accountancy Education Forum

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Opening remarks

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Ladies and gentlemen,

It gives me great pleasure to welcome you to this special forum on accountancy education. The Forum is jointly organized by UNCTAD and the International Accounting Education Standards Board of the International Federation of Accountants.

The importance of competent accounting professionals for supporting the growth and stability of the world economy cannot be overemphasized. In recognition of this, UNCTAD and the International Federation of Accountants signed a Memorandum of Understanding in 2004. We see this event as one of our joint contributions to fulfilling the objectives of the MoU.

This morning, I would like to share with you a few thoughts to provide you with a broader context for your discussions. Within UNCTAD, our Division is the focal point for issues on investment and enterprise development. One of the core outputs of our Division is servicing the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting - often known as *ISAR*. For three decades, *ISAR* has been providing member States with an inclusive and neutral platform for sharing views and experiences on a variety of accounting and corporate reporting issues. It has also developed and published a variety of tools to assist developing countries and transition economies in implementing international standards and codes.

Policy-makers, investors, and other stakeholders depend on information provided by the accountancy profession for making critical economic decisions. *ISAR* recognized in its early years, the importance of competent accountants for promoting reliable and comparable corporate reporting on a global basis. Therefore, one of the tools that *ISAR* produced is the *Model Accounting Curriculum*. I understand that you will discuss this topic later today.

Ladies and gentlemen,

The growing interdependence and interconnectedness of the world economy has made the need for reliable and comparable corporate reporting more critical than ever. The recent financial crisis has clearly shown us how financial instability in one corner of the world can easily spread and affect the rest of the global economy in a short period of time. The lessons learnt should not be lost. The stability of the global economy is founded on transparent reporting in the private as well as the public sector - around the world.

One of the salient features of the globalization is wider geographical spread of economic activities. For example, UNCTAD's *World Investment Report* indicates that - from 1998 to 2008, the transnationality index of the top 100 transnational corporations has grown by 10 percentage points. The index takes into account foreign assets, foreign sales and foreign employment by the largest transnational corporations.

With respect to corporate reporting, one of the implications of globalization has been the widespread implementation of international standards and codes, particularly in the areas of financial reporting and auditing. As a result, the need for competent accountants, capable of implementing these standards has been dramatically increasing.

Member States of UNCTAD recognized these developments. At the twelfth quadrennial conference of UNCTAD, which took place in April 2008, they requested the Organisation to assist developing countries and transition economies in implementing international accounting and reporting standards and codes. As a result, institutional and human capacity building in this area has become more urgent than ever. This is particularly true for least developed countries which lack the bare minimum in terms of establishing the

necessary institutions for training competent accountants. In this respect, the event today provides a valuable opportunity for both UNCTAD and IFAC and other stakeholders to join efforts in identifying priorities, challenges and means to strengthen accounting education and training, including possible revision of the Model Curriculum, as a key element of capacity framework for high quality corporate reporting. This was discussed and agreed by the 27th session of ISAR in October 2010.

We are privileged to have among us today leading experts in the area of accounting education, including the Chair and Deputy Chair of the International Accounting Education Standards Board - and senior representatives from the World Bank and IFAC to provide us with their insights on implementation of International Education Standards and Capacity-building for high-quality corporate reporting.

I wish you a productive forum and look forward to the outcome of your discussions.

Thank you.