

APPMC Singapore Speech

Good morning, and thank you to Albert and the SBMA for inviting me to speak.

Singapore plays a significant role in the gold market as a physical trading centre, as an investment centre, and as a base for some of the most innovative digital gold products in the region. Our recent gold demand trends report show that the Singapore market is very buoyant – first quarter jewellery demand was up 18% year on year, and bar and coin demand was up 17%. Very healthy figures reflecting Singapore's robust economic performance and recovery from the worst of COVID.

This morning, I'm going to talk about some of the WGC's global and regional initiatives.

Fifty years since the closing of the gold window, gold continues to meet the challenges of an uncertain world. But so too, must the gold industry.

The World Gold Council is striving to advance the frontiers of the gold market by making sure that gold meets the requirements of modern investors and consumers.

Having worked for many years in the Interest rates and FX markets, I have seen the need for an industry to adapt to the changing requirements of its stakeholders.

The need to transform and adapt to a changing environment is now on our doorstep. We are currently on the cusp of the 4th industrial revolution.

All sectors of the economy, and indeed the way we lead our lives, are impacted through huge advances in digital technology, and the gold market is not immuned.

To ensure gold meets the needs and aspirations of individuals and investors in the 21st century, the market should fully grasp the opportunities that new technologies provide.

Our vision for the gold market, is underpinned by digitisation and technology.

First, the gold industry should operate with the **highest integrity and proven provenance**.

Today's consumers and investors demand to know where their gold comes from, who produced it, and whether it's been responsibly and sustainably sourced.

Gold needs to have unimpeachable credentials, as maintaining the trust and confidence of consumers, investors and regulators, is key to broadening participation and the unlocking of latent demand.

Second, physical gold has to be fully accessible, so that everyone can benefit from its wealth enhancing, risk mitigating and stabilising role as a financial asset.

This includes gold being traded 24hrs a day, and being fully accessible through contemporary channels, such as digital investment accounts or simply one's iPhone.

Third, we want to ensure gold is fully fungible, which means, we should be working to harmonise regional silos, reduce market fragmentation, and ensure that local and regional gold markets are fully interoperable.

The WGC aims to direct significant resources to these 3 most important areas, and hopes that the industry, and in due course the various regulators, can come together and rally around these goals.

With the technology at our disposal today, we have never been better placed to bring the global gold industry into the digital era.

If we're able to combine our efforts on this agreed future vision, I'm confident that gold will remain as relevant as ever in the 21st century.

Over the past 18 months, the WGC has been busy laying the foundation of the first pillar of our vision, which is ensuring the **integrity, transparency and provenance** of the gold supply chain.

This vision requires the development of two separate but connected initiatives.

The first is the development of standards to ensure gold has been responsibly sourced and sustainably produced.

And so, in 2019, we launched the Responsible Gold Mining Principles, and since then, we have been working hard to increase the awareness of the important work undertaken by gold producers to reduce their carbon footprint and meet stringent ESG goals.

The WGC and its members have also long believed, that responsible gold mining can support sustained socio-economic development, for communities and countries that host large-scale gold mining operations.

Last year, we took on a quantitative approach and pooled data from our members to quantify the industry's socio-economic contribution.

We found that for each dollar of gold revenue, at least 63 cents remains in the host country, where it accrues as income for employees, businesses, communities and governments.

In addition, given the multiplier effect, for each employee of a gold company, there are almost six other jobs created elsewhere in the supply chain, and close to four more jobs, in the broader economy.

Equally as important, we also looked into how central bank, domestic gold purchase programmes, can formalize the artisanal and small-scale gold mining industry, increase prosperity and alleviate some of

the socially and environmentally damaging issues that beset this industry.

And to the second initiative - our work to ensure the highest ESG Standards in our industry needs to be pursued in conjunction with the implementation of new technologies, that can ease the transition into a truly transparent gold supply chain.

And so, on behalf of the industry, the WGC, working with the LBMA, has recently announced on the 28th March, the development and implementation of a global system of gold bar integrity, provenance and chain of custody, which will take the form of a **global ledger of all gold bars**.

The WGC and LBMA hope, that by securing the chain of custody and preventing fraudulent or illegitimate bars from entering the formal gold supply chain, we will be able to foster greater trust in the integrity of gold, and ultimately increase the participation of both financial institutions, retail investors and consumers.

The Gold market is global, with consumer demand coming from across the world, and what happens in one market, has reputational implications for us all.

But by working together, with all international partners, in all major gold trading centres, we can create a global system of integrity and provenance that consumers, investors and regulators can trust.

All we need for this to happen, is for all global stakeholders to commit to the initiative, come together, and support making this happen.

We must act now, without further delay, because for gold the asset class to enter the tokenisation arena, without having solved for the lingering provenance and integrity issues that have dogged this industry for so long, would be to squander an enormous opportunity – an opportunity to place gold at the front of mind of not only

consumers, HNW and institutional investors, but also the minds, of future generations.

It is clear that trust is at the heart of World Gold Council initiatives.

Our global consumer research has found that 48% of retail participants actively considering making a gold purchase, cited trust barriers in regard to both gold products and gold providers. 60% of those polled simply didn't understand the actual product on offer. There are similar figures when we look at some of the key markets in South East Asia. We published consumer research in Vietnam last year that showed 46% of those considering buying gold cited trust as a barrier to doing so. There are similar findings in our Thailand consumer research, which will be published later this year.

And so, in response, after extensive industry consultation, the WGC launched the **Retail Gold Investment Principles**, or **RGIP's**.

These new Principles have been developed to enhance best practice in the retail sector, and to increase trust in gold as an asset class.

We first introduced the RGIPs to India, where industry stakeholders came together to form a steering committee focused on drafting a market wide Code of Conduct and secondly we introduced them to Germany, where the principles have already been distributed to many thousands of investors and dealers by the largest Landesbanks.

We are on the cusp of extending this roll out globally, with industry engagement underway in key global markets, including here in Singapore.

Coincident to this, we introduced a comprehensive guide to retail investment, the **Retail Gold Investment Guidance**, or **RGIG**, that ensures novice investors are made fully aware of the wholesalers and retailers who have chosen to adopt, and live the high standards, of the RGIP's.

The RGIPs are a comprehensive set of principles encouraging retailer and wholesaler best practices, so that customers can feel confident, when investing in Gold.

To further raise standards and knowledge in our industry, we will also be soon launching a **professional development curriculum** for gold in Singapore, before, rolling it out globally.

And finally, our research, sales and marketing teams work to ensure the benefits of gold to all investors are well understood, so that gold continues to play a fundamental role in the international financial system. We have a distribution team here in Singapore making the case for gold to institutional investors and the wealth management industry in Singapore and the region.

In conclusion, our aspirations are that gold continues to meet the challenges of tomorrow.

As we strive to improve the gold market, please know, that the World Gold Council will continue to support the needs of investors, consumers and all industry stakeholders alike.

Thank you for the invitation to speak this morning.