

OPENING SPEECH

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SUNDAY APRIL 5, 2009

**ON THE OCCASION OF THE VISIT OF THE
INTERNATIONAL WORKING GROUP OF SOVEREIGN
WEALTH FUNDS (IWG)**

Good Morning

Your Excellencies; Ladies and Gentlemen

It is an honor for the Kuwait Investment Authority to host the fourth meeting of the International Working Group of Sovereign Wealth Funds. I greatly appreciate the significant role of the IMF in assisting the International Working Group to arrive at the Santiago Principles; Generally Accepted Principles and Practices for Sovereign Wealth Funds.

We have come a long way since we met in Washington DC in April 2008 and from the subsequent meetings in Oslo, Singapore and in Santiago. I hope that the formation of the International Forum of Sovereign Wealth Funds, through the adoption of today's Declaration, would have the same significance as the creation of other global multilateral financial institutions.

All of us played a critical role in completing the GAPP. We achieved this in a very short span of time of around five months. I am not sure if this is a record time for agreeing to a multilateral convention, which can sometimes take forever to be completed. The GAPP is a comprehensive document which will hold the global financial community, especially the Sovereign Wealth Funds, in good stead over time. We now need to ensure that the GAPP, and our organization, the International Working Group, continue to remain topical and relevant under different environments and market conditions. That is the primary purpose why we had the Paris Charter, and now, today's Declaration. We need to arrive at a foundation for the International Working Group to have a platform from which we can continue to project our views for the common good of the global financial community.

When the whole issue of the size of Sovereign Wealth Funds emerged in 2007, very few imagined, at that time, a scenario which we currently face. The media was in a frenzy regarding the threat from Sovereign Wealth Funds, with projections of the size of assets under management based on unrealistic expectations. Nearly all of the values which were projected at that time were astronomical and imaginary. Over time and with experience, the Sovereign Wealth Funds have proven, once again, valued members of the international financial community. This was through our actions and not merely by words.

It is the right time for all of us to meet. This is a crisis which none of us have ever personally experienced. This crisis will place extra pressure on our group to have increased coordination and greater cooperation. We survived other crisis in the past by sticking to our long term vision and principals.

Today, the whole world has entered into a new era. An era which will be dominated by politicians leading the markets. This will impact the future of the markets. We will see more regulated and controlled markets. We will see more nationalization and greater protectionism. Over regulation will lead to deficiencies in the markets. We hope that this will be temporary.

Dear Colleagues: After we finalized the Principles in Santiago, we proposed to form a club where we could meet frequently. We met in Paris early this year and proposed the creation of the International Forum of Sovereign Wealth Funds. The aim of this Forum would be to maintain a stable and open investment environment. The Forum also aims to contribute to global financial stability. The success of this Forum is in our hands. The greater our commitment, the higher the chances of success.

Finally, the marvelous venue in which we are meeting today is similar to the concept of a group of entities with a shared goal. It houses various multilateral agencies who share a common objective, working in tandem while maintaining their independence. I look forward to the International Forum of Sovereign Wealth Funds replicating this success story. I am pleased to thank our host, Mr. Abdul Latif Al Hammad, the Chairman and CEO of the Arab Fund for Economic Development, who kindly made their facilities open to us.

I am now pleased to request Mr. David Murray, the Chairman and CEO of the Australian Future Fund, to give us his report on the Paris Charter regarding the Formation Committee meeting which was held in Paris in January of this year.

Thank you.