



الهيئة العامة للإستثمار
Kuwait Investment Authority

KIA/Daimler 40th Anniversary Celebrations
By

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**Kuwait Minister of Finance and Chairman of the Kuwait
Investment Authority**

September 18th 2014 - *Stuttgart*

Good evening.

It is a great honor for the **KIA** to celebrate our 40th anniversary of our investment in Daimler this evening.

I am especially pleased that the celebration is taking place in the same year when Kuwait celebrated our 50th year of diplomatic relationship with Germany. And it is in the same year that Germany won its fourth World Cup victory. My belated congratulations, especially since Daimler is a major sponsor of the German national team.

When Kuwait first made its initial investments in Daimler in December 1974, the headlines were full of foreboding disaster. The Washington Post of December 2nd 1974 stated "*West Germany is shocked by Daimler Benz stock sale*". Other headlines that day stated "*Daimler-Benz bought by Arabs*"; "*Kuwait behind Benz purchase*". The Financial Times stated "*Bonn irritated by secrecy of Daimler Benz deal*". The State Secretary in the Economic Ministry of West Germany at that time was quoted by the Wall Street Journal as stating "*the Federal government is an important customer of Daimler-Benz and cannot remain indifferent to the new shareholder*".

At that time, Dresdner Bank, which handled the sale from the Quandt family to Kuwait, reassured the German government and public that "*Kuwait has no intention of seeking a voice in running the business side of the company*". This position was subsequently reaffirmed by Dresdner Bank, as reported in the Herald Times, to the Economic Minister of West Germany that Kuwait has "*no intention of interfering in the management of West Germany's second largest automotive company*".

Cooler heads prevailed where the West German government reaffirmed that they "*had no direct strategic reservations*" about the deal based on the assumption that Kuwait would "*stick to its commitment to allow Daimler a free hand in its operations*".

As the Supervisory Board as well as the Management Board of Daimler can reaffirm, Kuwait kept our word. We have been a dependable, stable, reliable partner.

The **KIA** has been a shareholder in Daimler even during Daimler's difficult days as we never lost faith in the brilliance of "*our*" common company.

From a 14.6% stake of around US\$ 329 million acquisition in December 1974, the **KIA** is now the largest consistent shareholder in Daimler over 40 years where our 6.9% stake is currently valued around \$7 billion.

The **KIA** has always believed in the prospects of Germany. From a small portfolio with Dresdner Bank in the mid 1960s, the **KIA** now has nearly US\$ 18 billion invested in Germany. These investments are being made through 31 External Fund Managers; 17 equity External Fund Managers and 14 bonds External Fund Managers. Germany is **KIA's** largest continental European investments.

The **KIA** considers Germany to be an anchor economy. Not only for Europe but for the world. This is proven by **KIA** where our investments in Germany have grown by nearly 3 times over the past 10 years. In 2004, **KIA's** investments in Germany were only around \$6 billion.

The **KIA** is a responsible and long term institutional investor. We are a natural partner to capital intensive German companies. We provide real contribution. We bring stability. Our investments create meaningful jobs in Germany. We never changed, even during the height of the great financial crises of recent years. We are a partner you can count on.

As my predecessor gave our word to your government nearly 40 years ago; I give you my word today. The only way forward for our two countries is to further strengthen our relationship. The **KIA** will continue to increase its investments in Germany.

On behalf of the Board of Directors of the Kuwait Investment Authority, and all of the staff of the **KIA**, I wish to thank all at Daimler and Your Highness for sharing this occasion with us this evening. This partnership between the **KIA** and Daimler is a partnership built on trust and common interest.

Thank you and good evening.