



الهيئة العامة للإستثمار
Kuwait Investment Authority

ABANA Achievement Award Acceptance Speech
By

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Ladies and Gentlemen,

Good Evening. It is a great honor and privilege for me to be here tonight to receive the 2019 ABANA Achievement Award. I want to thank the Board and the members of ABANA for this award and a special thanks to my dear friend David for his kind introduction. I have known David for more than 25 years, David is one of few people who pledged to donate more than half of his wealth to philanthropic causes. He has donated large sum of monies to a number of leading universities and had a leading role in preserving the memory of this country's heritage.

Congratulations on **ABANA's 35th anniversary**. ABANA, in its 35-year history, has been a bridge between the financial sector in North America and the MENA region. The people present at this event tonight is the best example that ABANA accomplished its task successfully.

I stand before you tonight to **accept this award** humbly amongst many of my friends and colleagues. It is a great honor and privilege to be recognized amongst my peers and to follow so many great financial leaders. It is also a recognition of all of my colleagues at the KIA who work around the clock to make KIA a success.

I was thinking about a subject to share with you tonight and a quote by **Voltaire** came to my mind, **"COMMON SENSE IS NOT SO COMMON."** This is very true in the world we live in today and I like to give you some examples:

Geopolitics:

Geopolitics has become an increasingly important factor in economics and is making our lives more difficult every day. Allow me to name few topics:

- Brexit
- The President's impeachment inquiry
- US China trade war
- Demonstrations in Hong Kong
- Rise of Populism
- Middle East issues – of course this has been in the list for the last 3000 years
- And so on.

Another **growing concern** that needs to be addressed is the **ever-increasing levels of debt**.

- Each American, even a new born, is saddled with a debt of more than 70 thousand US dollars.

- The US Historical Debt Outstanding has more than doubled since the Financial Crises hitting nearly 23 trillion US dollars.
- US student loans has reached more than 1 trillion US dollars, more than doubling over a period of 10 years.
- US car loans have grown to almost USD 1.3 trillion.
- Global debt rose to a record of \$ 247 trillion.
- World debt has surged almost \$ 150 trillion over the past 15 years.
- China's debt is now nearly 300% of its GDP.

One of the main reasons for this huge increase in debt all over the world is the zero or near zero interest rate

Whether it is corporations, nations or consumers, **debt has grown by multiples worldwide**. In this interlinked world, the **inability to pay off a loan will have a rippling effect** on Main Street and not only Wall Street. As we have seen in the 2008 financial crisis, when a bubble bursts, the losses are immense and global.

Although there are several other issues we can discuss for hours I would like to talk to you about **climate change**.

Climate change is not a fad. It is here. It is real. And it is happening now.

Climate change is a reality that we can no longer ignore. All of us share the same planet. We share the responsibility to protect it for our future generations. President Macron of France aptly stated: **"there is no Planet B"**. The longer it takes humanity to curb emissions, the greater the dangers.

Let me provide you with more perspective:

- Globally, July of this year was the hottest month ever recorded. All time heat records were topped in **Germany, Belgium, France** and the **Netherlands**.

- Hurricanes Harvey, Irma and Maria caused as much as \$265 billion in damages. **Overall, weather disaster in 2017 and 2018 cost the global economy \$653 billion.** There are now more Category 5 hurricanes **each year** than what were recorded during the last 100 years!
- The **Amazon forest stores up to 120 billion metric tons of CO2 which is equivalent to almost 12 years of global emissions at current rates.** If the Amazon forest is cleared, that 120 billion metric tons of carbon dioxide will be released into the atmosphere.
- In 2000, Russia's weather service recorded 141 "**severe weather phenomena,**" which it defines as intense weather conditions that threaten human safety and causes economic damage. **Last year, the number grew to 580. This is a more than a four-fold increase in less than 20 years.**
- In the US, **extreme heat causes more deaths than any other severe weather event,** killing an estimated **1,500 people each year.** In 2003, a heat wave in Europe is estimated to have caused **70,000 deaths.**
- **According to the World Economic Forum, China and the US are responsible for more than 40% of the world's CO2 emissions. The top 15 countries generate 72% of CO2 emissions. The rest of the world's 180 countries produce nearly 28% of the global total.**

In November of last year, **Kuwait had severe flooding,** probably one of its worst in history. The country shut down for two consecutive days as the rains continued. In fact, some of you present tonight were unable to return to Kuwait or were unable to depart as the runways were flooded.

As human beings coexisting together on one planet, we play a vital role in preserving our environment. Our actions have a profound impact. Whether it is to improve or destroy our surroundings. These actions can be a simple life style change. Such as carrying reusable bags or planting a tree. As the globe continues to warm up, we can no longer escape rising temperatures, forest fires or hurricanes. **We simply can't run away from nature.**

Every Friday, for more than a year, many students around the world have been striking from school demanding action on the climate crisis. Change is still possible as our youth has been showing us every single day. **Nelson Mandela rightly said it, "it always seems impossible until it's done."** Imagine the capabilities and opportunities available in this room if we used our skills and resources together. **We can no longer put this off to tomorrow. Tomorrow is already here.**

Some say necessity is the mother of innovation. The need to save our planet has paved the way for renewable energy in all its forms. **Solar power installations cost about 80% less than a decade ago. Last year, California generated 19% of its electricity from solar power growing from 1% over a span**

of 10 years only. Solar and wind energy provided 17% of electricity generation in the US in 2018. Electricity from the wind and the sun now accounts for 7% of the world's total generation.

In December 2017, **KIA was invited to attend the one planet summit in Paris.** The objective was for a group of leading SWFs to arrive at a framework of principles for reasonable ESG investing. Subsequently, the Framework was launched in July 2018.

KIA has been an **advocate for climate change through adoption of the One Planet Sovereign Wealth Fund Framework.** We contacted more than 130 asset managers, with some of you being in this room, in order to push for a sustainable environment through climate friendly investment policies. In **July and September this year,** the working group met in Paris and New York, alongside the **One Planet Research Forum** and the **One Planet Asset Managers** initiatives to further our cause to address climate change. Collectively, the founding six Sovereign Wealth Funds and the eight Asset Managers have pledged to support the One Planet Framework. We hope to expand the group by adding other Sovereign Wealth Funds and Asset Managers. We are also considering including Pension Funds and Private Asset Managers to help us to achieve this task. **I urge each of you to take this issue seriously and join the One Planet Sovereign Wealth Fund and the One Planet Asset Managers Groups to help in our efforts to address climate change. We can make a difference. And we need your help.**

The KIA is managing the Future Generations Fund for Kuwait. **If there is no planet, there is no future generations.** Full stop. I am delighted to inform you that Kuwait will host the **annual One Planet Meetings in July 2020.** Of course, Kuwait in July, when the temperature will be over 120°F it will most certainly drive home the point to any climate change skeptic.

In Conclusion:

What I have spoken about may be bleak. But this is our reality. I encourage all of you to work together to overcome these obstacles. If anyone was looking for a magical solution to those issues they will be disappointed. But I will leave you with this. All of us should **use common sense as much as possible. In politics, business and certainly in protecting the environment.**

Friends and colleagues. Thank you for this opportunity to speak to you tonight and for your support at this event.

I would like to thank ABANA again for this distinguished recognition and to ask them to keep up their great work.

Thank you very much.