

Sharing skills and experience

By **ALDERMAN ROGER GIFFORD**

LORD MAYOR OF THE CITY OF LONDON



ROGER GIFFORD was born in 1955 and was educated at Sedbergh and Trinity College, Oxford. Following a career in finance, becoming Country Head of SEB, he was elected Lord Mayor in 2012. He is involved in a wide range of charitable causes with an emphasis on education and music.

The City of London and Kuwait partnership is one which grows stronger every year and I am delighted to be welcoming His Highness Sheikh Sabah Al-Ahmed Al-Jaber Al-Sabah to the Guildhall so early in my mayoral year.

Last year marked the 50th anniversary of independence for Kuwait and the 20th anniversary of its liberation after the first Gulf conflict, and during that time the relationship between Kuwait and the UK has been “governed by a spirit of close friendship” and extended across a broad range of mutual interests.

Our relationship of course stretches back much further due to our heritage as maritime trading nations, but even as we celebrate our shared past we must look to the future to strengthen our strategic ties.

Here in the City, we see this relationship as one of sharing skills and experience to grow both of our financial sectors – trade and investment are the bridges that span the 3,000 miles between our two nations and those bridges become ever more concrete.

Kuwait has set out an ambitious £90 billion development plan encompassing more than 1,000 projects that cover sectors ranging from housing to healthcare, infrastructure to education and the scale of these plans are vast: Madinat al Hareer, the City of Silk,

and Bubiyan Port in particular are ambitious projects that pose a multitude of challenges.

Governments alone cannot pay for these vast projects, they must demonstrate a commitment to attracting businesses and find innovative ways to attract capital for infrastructure developments for example by entering into partnerships with providers of capital and construction companies. The United Kingdom is uniquely placed to be Kuwait’s partner of choice when it comes to delivering these projects. In the last 15 years we have invested to an unprecedented degree in our infrastructure. A significant proportion of this investment has been funded via public-private partnerships (PPPs), which have been responsible for around 25 per cent of UK public infrastructure spending.

This means the UK – and the City in particular – leads the field when it comes to planning, procuring, managing and delivering projects from roads to hospitals, prisons to street lighting.

PPP can help Kuwait to lock in long-term expertise through involving the private sector in public service delivery. Our expertise when it comes to professional services is second to none – of particular interest as Kuwait takes forward its PPP programmes.

In addition, our financial sector has deep pools of capital available and long experience of using public



Land of opportunity: the Kuwait City skyline

private partnerships to build and also maintain and run infrastructure and services. The City of London itself is a world leader at mobilising the capital needed for such large-scale development and our companies have experience of working on ventures across the globe. This encompasses both conventional Western financing models and Islamic finance, with 22 banks supplying Islamic financial services – five of which are fully Sharia compliant.

Governments across the world are now recognising that top quality infrastructure is vital to attracting leading institutions and individuals in a competitive global market. But in many cases rapid economic growth means that infrastructure demand continues to outstrip supply. Addressing this perennial challenge is vital to ensuring Kuwait's long-term prosperity.

London recognises the fact that there is an increasing shift of economic influence towards economically dynamic nations such as Kuwait. We see this shift as a real opportunity for London, as a chance to work even more globally than we do already and form long-standing partnerships across the world.

London is a financial centre which thrives on these relationships – it is truly internationally owned, managed and staffed, it leads the world in cross border lending, plays host to nearly 300 foreign owned banks and is a second home to people from New Zealand to New York. But we are far from complacent and recognise the need to strengthen our ties with countries across the Gulf. Indeed, our government made this a priority with the launch of its Gulf Initiative.

We already have excellent links with Kuwait, and are fortunate to have attracted significant investment into the United Kingdom. Around £100 billion is invested from Kuwait through the City, while a further £20bn is directly invested in the United Kingdom.

In fact, Kuwaitis own around 15,000 properties in London and the United Kingdom. Half the top ten sovereign wealth funds have offices here and we are honoured that Kuwait has based its international investment operation, the Kuwaiti Investment Office, in the City.

Much of their influence is quiet, discreet, understated. But a vast number of developments including Cheapside, the City's 'high street', are financed and driven by the KIO.

These investments reflect efforts across the Gulf to move away from dependence on hydrocarbon production and create broad-based economies plugged in to the whole spectrum of world trade. This diversification creates opportunities for both sides of the trade equation. Gulf companies are international players; Gulf centres are global business hubs. We welcome Kuwaiti business and this is mirrored by the large number of British financial and professional

services firms operating in Kuwait.

Our business relationship also gives individuals scope to develop their careers across international networks – in addition to generating considerable economic benefits for both sides. Kuwaiti authorities have underlined their commitment to improving opportunities for citizens. Acquiring international experience and sharing expertise is one way of building the domestic talent pool. But education, training and qualifications are all equally crucial when it comes to nurturing the skills base needed to develop a financial services cluster.

In this light, plans for a new Kuwait University City are a significant step in the right direction. Education is integral to releasing untapped potential and ensuring a sustainable future. Closer collaboration between Kuwait and the UK in this area will help to boost the mutually beneficial exchange of talent, ideas and capital. The provision of world class education has long been central to the UK's reputation for developing and attracting the talent needed by firms operating in the global financial services industry.

Clearly the UK has had its fair share of difficulties in the global economic crisis, but no more than anywhere else. The City has demonstrated resilience and we are now back on the path to growth – although the road to recovery is rarely a straight line. It is my belief that when it comes to financial services and trade in general we are all stronger by working together to overcome the challenges of a fast-changing world.

The past 50 years have seen some remarkable economic achievements and by working together closely we can help secure similarly strong progress for both Kuwait and the UK.

**We are
honoured
that Kuwait
has based its
international
investment
operation,
the Kuwaiti
Investment
Office, in
the City**

Centre of excellence:
the City of London

