

# A firm friend and partner

By **ALDERMAN PETER ESTLIN**

LORD MAYOR OF THE CITY OF LONDON



**PETER ESTLIN** is the 691st Lord Mayor of the City of London, acting as an international ambassador for the UK's financial and professional services industry, meeting government representatives from around the world, alongside business leaders and policy makers in the UK and abroad. He is an advisor to Barclays plc and was previously chief financial officer at Salomon Brothers Asia. He then joined Citigroup. He holds a degree in Economics and Accounting from the University of Bristol.

In a changing world, the City of London's commitment to Kuwait remains constant 120 years on – long may that continue. Much has changed in the world since the UK-Kuwait Friendship Agreement of 1899, guaranteeing Kuwait's territorial integrity for generations to come. And in those 120 years, we have repeatedly shown our commitment to one another, tackling many challenges together.

The City of London has been on hand for many of the most important milestones, whether that be establishing the Kuwait Investment Office here in the Square Mile, or building important partnerships to develop Kuwait's financial services industry.

Now, as we embark upon the fourth industrial revolution, there are new challenges for us to face together. As Kuwait looks to transform its infrastructure and diversify its economy, London stands as ready as ever to offer a wider array of expertise in fintech, project finance, consulting and green finance.

So how can we take advantage of new technologies such as blockchain and AI to foster a global culture of innovation, and continue to promote free trade at a time when certain others are looking inwards?

My recent visit to Kuwait in January gave me great encouragement that not only can we solve these problems by working together, but that these challenges could also be huge opportunities, forming the next steps in our friendship. This was a view shared by His Highness the Amir of Kuwait, His Excellency Sheikh Mubarak Abdulla Al Sabah, the Kuwait Investment Authority and the Kuwait Banking Association among several others.

The UK is well-placed to help make that happen, and this country remains an excellent partner for Kuwaiti sovereign investment – just as it was when the Kuwait Investment Authority began investing here in 1952. Indeed, just last year Kuwait invested US\$1.7bn in the UK's North Sea energy infrastructure, adding to stakes that the Kuwait Investment Authority already own in London City Airport and Thames Water.

Brexit may throw up some challenges in the immediate future, but London's significance as a global financial hub will remain, and the UK's offer to Kuwait remains. We have the second largest banking reserves in the world and are the second largest centre for asset management. We are the world's largest currency trading hub, and the leading hub for sharia-compliant

finance outside the Islamic world. Today, the UK boasts five licensed Islamic banks, over 20 conventional banks offering Islamic financial products and the London Stock Exchange has over 65 sukuku listed for a total amount of nearly US\$50 billion. London provides access to the deepest pool of internationally oriented capital in the world, and accounts for 70 per cent of the secondary market turnover in international bonds. It remains a welcoming place with a diverse, highly-educated international workforce, governed by strong respect for the rule of law.

And as always, we're ahead of the curve in growth areas for the sector – we have more fintech unicorns here than anywhere else in Europe, and fintech start-ups from Africa to the Baltics see London and the UK as the crossroads for the best in finance, creative and tech, and therefore as the ideal place to scale up their businesses. Investors in Kuwait will also be interested in the work that the UK is doing as a global leader in regulating green finance, providing transparency and clear principles to the sector. London has already underwritten and issued US\$80 billion of green bonds, and a new Green Finance Institute – to be launched by the City of London Corporation and UK Government later this year – will allow us to do even more, acting as a unique one-stop shop designed to help find innovative global solutions to this global problem.

Yes, much has changed since 1899 – and who knows what the world will be like in another 120 years' time – but you can be sure that the UK and City of London's commitment to Kuwait will remain as steadfast as ever.

Together though the UK and Kuwait share strong, skilled workforces, world-class infrastructure, an openness to ideas, creative energy, excellent educational institutions and a geographical time zone that lets us work 24 hours a day with East and West. We share an interest in strengthening free trade and global financial regulation as integral parts of the global financial system. While some others may be using this moment to look inwards, we must remain committed to these principles and continue to build towards this future.

As the UK tackles the economic and social challenges of the fourth industrial revolution, we do so knowing that we can realise the opportunities in those challenges, too, and that we have a firm friend and partner in Kuwait – long may that continue. **E**