



Opening Session of the Sovereign Investment Forum in Indonesia

## **President, IDB Group Calls on Sovereign Funds to Boost Investments among IDB Member Countries**

**Bali, Indonesia; 16/4/2017:** The President of the Islamic Development Bank Group, Dr. Bandar Hajjar, declared open the 3<sup>rd</sup> Sovereign Investment Forum of IDB Member Countries, which took place on 10 – 12 April 2017 in Bali, Indonesia. He also declared open an exhibition of investment opportunities, which was staged in parallel with the Forum.

He stated that the main point for discussion by the participants is how to harness investment toward IDB member countries. He indicated that the Forum was a good opportunity to exchange views and shed light on investment opportunities in member countries for greater strengthen cooperation among them.

The President, IDB Group said he was positive that the Forum would continue the notable success it achieved during its two previous sessions at the IDB Headquarters, Kingdom of Saudi Arabia in 2015 and in Rabat, Morocco in 2016. He also welcomed Gabon's request to host the 4<sup>th</sup> session in 2018. He urged the participants to scout for investment opportunities in member countries, particularly in Indonesia, the country hosting the Forum. He also called on them to boost the existing ties between the IDB and various investment institutions.

He indicated that the scale of investments globally required to finance infrastructure projects is estimated at roughly US\$ 3.3 trillion and that the scale of investments required to finance infrastructure projects in IDB member countries is estimated at US\$ 200 billion. These huge investments cannot be financed from government budgets or from a single source, be it multilateral banks or private sector institutions. Consequently, sovereign funds have an opportunity to invest in the said projects in that 78 funds exist worldwide with overall assets worth US\$ 7.4 trillion including 32 funds in IDB member countries. Sovereign funds have not been established by oil producing countries only; eleven of them have been established over the past five years in some member countries such as Senegal, Tunisia and Turkey.

At the sideline of the Forum, the President, IDB Group signed a memorandum of understanding with the Chairman of the Board of Directors of **PT SMI**, a company that finances state-owned infrastructure in Indonesia. The company is catered for by the government of Indonesia as a sovereign fund for infrastructure investments. The MOU is designed to strengthen cooperation between the IDB and **PT SMI** on the exchange of information, discussion of jointly planned projects, organizing meeting and seminars via the Internet as well as workshops and conferences, communication via email, studies on issues agreed on, which can include projects that may be jointly implemented. The two sides are also trying to explore opportunities to jointly finance projects and investments through funds and capital market instruments.

At the end of the Forum, a press conference was organized jointly by the President, IDB, the Minister of Small and Medium Enterprises Development of Indonesia and the Chief Executive Officer of the Gabon Sovereign Fund. It was announced on the occasion that Gabon would play host to the 4<sup>th</sup> Annual Sovereign Investment Forum of IDB Member Countries in 2018. Dr. Hajjar announced during the press conference that the IDB has financed, since it started its financing activity in 1975 until 2016, a great deal of development projects worth over US\$ 127 billion. The infrastructure sector received approximately 53% of the financing, agriculture 10.7% and education and health 9.3%. The IDB has financed a number of public/private partnership projects to the tune of US\$ 3.4 billion over the past ten years. The IDB has also helped to launch a number of investment funds in the infrastructure sector as well as other vital sectors such as health and education whereby the IDB's direct investment portfolio and investment funds stand at approximately US\$ 2 billion.