



Capital Movements Across the Middle East and Africa

1 April 2023

March proved to be a highly active month for sovereign wealth funds (SWFs) across the Middle East and Africa (MEA) region. As anticipated, the investment landscape was led by the financial heavyweights of Saudi Arabia, Qatar, and the United Arab Emirates (UAE). Below is an analysis of the most significant strategic investment moves made by these funds.

East Africa's Institutional Development

Ethiopian Investment Holdings (EIH)

- **Renewable Energy Infrastructure:** The fund finalized a landmark agreement with the prominent UAE-based renewable energy company Masdar (which is partly owned by Abu Dhabi's Mubadala Investment Company) to co-develop a 500-megawatt (MW) solar power project.
- **Capital Market Mobilization:** EIH announced structured plans to launch the Ethiopian Securities Exchange (ESX). The nascent exchange is designed to list over 50 companies, serving as a platform to facilitate partial privatizations and aggressively increase capitalization for other state-owned enterprises within the EIH portfolio.

The Aggressive Mandate of the Saudi PIF

To fulfill the Kingdom's Vision 2030 objective of attracting 100 million visitors annually, the Public Investment Fund (PIF) launched Riyadh Air (RIA) to connect Saudi Arabia to more than 100 global destinations. The fund appointed Tony Douglas, former CEO of Abu Dhabi-based Etihad Airways, as the new airline's Chief Executive Officer, and Peter Bellew as its Chief Operating Officer. The carrier is projected to add \$20 billion to non-oil GDP growth and generate over 220,000 direct and indirect jobs. The PIF initiated this rollout with a firm order of 39 Boeing commercial jets valued at \$35 billion, alongside an option to acquire 23 additional aircraft.

In a broader effort to pivot the domestic economy away from hydrocarbon dependency, the fund intends to deploy more than \$100 billion in total aviation

infrastructure to reinforce its overarching tourism ecosystem.

Key Deals and Joint Ventures

- **Clean Energy Feasibility:** The fund executed a memorandum of understanding (MOU) with Japan's Marubeni Corporation to conduct a joint feasibility study focused on producing clean hydrogen within Saudi Arabia.
- **Entertainment Acquisitions:** Media reports from the Wrestling Observer Newsletter confirmed that the PIF expressed a strong institutional interest in acquiring the global entertainment company WWE, which was reportedly seeking a \$9 billion valuation for a total sale.
- **Private Sector and Real Estate Cultivation:** The PIF announced targeted financial frameworks to empower the private sector, aiming to increase its aggregate contribution to the non-oil economy from 40% to 65% of national GDP by 2030. A primary focus will remain on large-scale agricultural projects and residential real estate development. Currently, the fund's real estate arm, ROSHN, is actively executing four major master-planned communities: Alfulwa, Sedra, and Warefah in Riyadh, alongside Alarous in Jeddah.

Strategic Outlook: The PIF is poised to maintain its intense capital backing of tourism and domestic real estate infrastructure. However, to structurally resolve youth unemployment, the fund would benefit from shifting incremental allocations toward building large-scale, tech-driven industrial and manufacturing complexes in both primary and secondary cities throughout the Kingdom.

Accolades and Adjustments in North and Sub-Saharan Africa

The Sovereign Fund of Egypt (TSFE)

Established in 2018, the TSFE manages approximately \$2 billion in assets under management (AUM). Highlighting its growing regional influence, the entity was selected as the "Fund of the Month" by the specialized industry organization Global SWF. The TSFE executive team, led by CEO Ayman Soliman, drew international praise for its capability to successfully attract foreign direct investment (FDI) while restructuring state-owned enterprises into highly profitable operations.



Sovereign Wealth Fund of Namibia (Welwitschia Fund)

The Welwitschia Fund was established in May 2022 with an initial seed capital injection of 262 million Namibian dollars (approximately \$16.5 million). During the presentation of the national budget, the country's Minister of Finance and Public Enterprises announced that, in order to safeguard fiscal sustainability and avoid accumulating additional public debt, no further capital allocations would be funneled to the fund from current revenue streams. Despite receiving no subsequent capital injections, the fund continues to grow strictly through its diversified asset returns and favorable currency valuations.

United Arab Emirates: Strategic Private Credit and Bio-Pharma Alliances

Mubadala Investment Company

- **Private Credit Expansion:** In partnership with Apollo Global Management, Inc., Mubadala pledged \$2 billion to establish a joint venture with Alpha Dhabi Holding. The specialized vehicle will invest in the private credit sector, focusing on corporate borrowers.
- **Geothermal Energy IPO:** UAE energy group Masdar (Abu Dhabi Future Energy Company), alongside the Indonesia Investment Authority (INA), participated in one of the year's largest public listings: the initial public offering (IPO) of Indonesia's PT Pertamina Geothermal Energy (PGE). As one of the world's largest geothermal energy producers, the company raised \$595 million.
- **Advanced Biomanufacturing:** Mubadala's healthcare division finalized an equity agreement with the U.S.-based biopharmaceutical company Resilience. The partnership will establish and operate a state-of-the-art biopharma manufacturing facility in Abu Dhabi dedicated to producing advanced cancer therapies and essential vaccines.

Capital Cultivation in Sub-Saharan Africa and the Gulf.

Nigeria Sovereign Investment Authority (NSIA)

- **Digital Innovation Incentives:** The fund officially launched an innovation prize program, opening applications for a \$225,000 grant pool. The initiative is



designed to support and scale local startups and tech entrepreneurs within Nigeria's rapidly evolving digital technology sector.

Qatar Investment Authority (QIA)

- **Legal Leadership Enhancement:** The Qatari fund strengthened its executive ranks by appointing Scott Senecal as Deputy General Counsel. Mr. Senecal brings over 30 years of elite international legal experience, with deep expertise spanning European, Asian, and Middle Eastern jurisdictions.
- **Hydrocarbon-Backed Capital Inflows:** Driven by the continuous expansion of liquefied natural gas (LNG) production, rising global sales, and favorable pricing, QIA Chief Executive Officer Mansoor bin Ebrahim Al-Mahmoud announced that the fund projects an increase in state budget allocations of up to \$32 billion.

Strategic Outlook: The QIA is expected to progressively increase its exposure to global technology markets, venture capital pipelines, and advanced medical sciences. Concurrently, the fund will likely reduce its exposure to traditional financial institutions until greater stability returns to global capital markets.

Libya: Institutional Paralysis and Executive Recommendations

Libyan Investment Authority (LIA)

Unfortunately, there remain no strategic investment updates or operational developments concerning the \$67 billion LIA or its leading subsidiary, the Libyan Foreign Investment Company (LAFICO). Due to the fund's relentless legal entanglements, many European and American asset managers have colloquially labeled the institution "The Lawsuit Authority" rather than an investment authority. Since 2012, the LIA has expended and lost hundreds of millions of dollars on exhausting, high-stakes litigation against prominent global financial institutions—with no definitive end to these legal battles in sight.

Strategic Recommendations for Libya's Leadership

To the LIA Board of Trustees and Prime Minister Abdul Hamid Dbeibeh, who hold direct oversight over Libya's sovereign wealth apparatus, the following structural interventions are urgently recommended:



- **Executive Restructuring:** Initiate a comprehensive overhaul of the current executive teams across the LIA and its primary sub-funds.
- **Governance Reform:** Implement stringent regulatory frameworks and policies governing future management and board appointments.
- **Depoliticization:** Insulate all leadership recruitment from regional politics and factional quota systems.
- **Merit-Based Appointments:** Prioritize deep industry expertise, proven macroeconomic knowledge, and international financial literacy as the non-negotiable criteria for sovereign wealth stewardship.