

**Keynote Address by HE Ahmed Al Sayegh,
Minister of State (UAE) and Chairman of ADGM
2018 IIF MENA Financial Summit, 6 Nov 2018
Theme : The Global Outlook and Investment Climate in MENA**

Your Excellencies, Distinguished Guests, Ladies and Gentlemen.

Good morning. To our international dignitaries and guests, I am honoured to welcome you to Abu Dhabi. Abu Dhabi Global Market (ADGM), the International Financial Centre in the capital of the UAE, is pleased to host the 2018 IIF MENA Financial Summit.

UAE remained the main destination of Foreign Direct Investment Flow (FDI)

1. In 2017, the UAE remained the main destination of Foreign Direct Investment (FDI) in the MENA region. Last year, the UAE saw FDI inflows of approximately \$11 billion, accounting for 22 per cent of total FDI to the region. The UAE's comprehensive business ecosystem and political stability continue to position the country as one of the most preferred investment destinations in the world¹.
2. In addition to this growing inflow of FDI, the UAE jumped 10 places to 11th position in the World Bank's Ease of Doing Business ranking to lead the Arab world for the sixth consecutive year². This has not only supported large entities but, in the spirit of economic diversification and innovation, it is acting as a catalyst for investment in start-ups. In nurturing entrepreneurs, the World Bank report noted the UAE's progress in introducing new reforms and its entry into the top 20 in the global ranking. This proactive approach has seen the UAE contributing to 70 per cent of all investments in digital start-ups, together with Saudi Arabia, Lebanon and Egypt³.
3. Reforms and investment are taking place 'hand in hand'. To anchor growth and investors' confidence in UAE, several strategic initiatives have been introduced. These include:
 - (i) A UAE stimulus packages of 50 billion Dirhams to support growth of the SMEs and private sector;
 - (ii) A new law to raise UAE Central Bank capital to 20 billion Dirhams and to establish a robust general reserve to safeguard the stability of the financial system, in addition to the national currency;
 - (iii) Announcement of a new Foreign Direct Investment (FDI) law which aims to promote and develop the country's investment environment and increase the flow of foreign direct investment in priority sectors;
 - (iv) A new law on anti-money laundering and countering the financing of terrorism to defend the stability and integrity of our marketplace; and
 - (v) The upcoming Expo 2020 has led to an increase in public spending and will stimulate greater investment to the benefit of the region and businesses locally and globally.
4. Let us not forget the rapid economic transformation and growing population in the MENA region. More infrastructure, more services, more jobs will be needed to support this growing region and its increasingly

¹ <https://www.khaleejtimes.com/uae-draws-11b-in-fdi-in-2017>

² <https://gulfnews.com/business/economy/uae-rises-10-places-to-11th-in-world-bank-s-2019-ease-of-doing-business-report-1.2296324>

³ <https://www.khaleejtimes.com/technology/uae-remains-no1-in-mena-for-investment-in-startups-and-number-of-deals>

diversifying economies. Rapid technological changes have also allowed new growth opportunities across a range of key industries and supported more public-private initiatives regionally, and government-to-government co-operation globally.

5. The UAE and several of our neighbours will continue to leverage these transformational technologies to address and sustain the dynamic developments in our markets.

ADGM – Innovative Financial Centre

6. To support our stakeholders in harnessing these growth opportunities, ADGM has been actively initiating thought leadership, pioneering new regulations and establishing innovative solutions to enable financial intermediation, attract more liquidity and investments, and anchor financial services in the region.
7. Just last week, ADGM marked its 3rd year in operation. During this period, we introduced the region's first calibrated venture capital manager regime, first private REIT regime, first regulatory sandbox regime in this region, and first crypto-asset regulatory framework, first fully digital eCourts platform that has transformed how the Courts interact with litigants and the legal profession and providing a holistic judicial dispute-resolution service in this region. More recently, we launched a very well-received all-industry Tech Start-up licence and Entrepreneurship Support Programme to advance the development of the SME industry to support the wider real economy.
8. On widening the economy, our Belt & Road strategy has secured the Jiangsu Provincial Government's interest and action in establishing a financial services platform in ADGM – Jiangsu being the province with the second highest GDP in China. Alongside this, we are also working with Shanghai Stock Exchange in reviewing the establishment of an international exchange in ADGM to support the Belt & Road initiative and bolster the global capital markets.
9. Global Systemically Important Financial Institutions such as BNP Paribas, Citibank, Unicredit, and State Street Corporation and international investment firms such as Softbank and McKinley Capital now call ADGM "home" in seeking to fulfil their global ambitions. Abu Dhabi's sovereign wealth funds have also lent their weight. ADIA and Mubadala have announced plans to expand their presence and operations in ADGM. The decision to move existing, or start new, operations in ADGM validates our efforts and strategy as an IFC and FinTech hub.

ADGM – Advocating Sustainable Finance

10. An area within the financial services sector that continues to need greater innovation and collective effort going forward is Sustainable Finance. In order to meet the UN Sustainable Development Goals and the climate change ambitions of the Paris Agreement, an unprecedented level of capital needs to be mobilised in the coming years. This requires the joint efforts of governments, regulators and private sector to work hand-in-hand to develop new approaches to financial intermediation, scaling up investments, and supporting momentum of investing in new asset classes with long-term social, environmental and economic benefit.

11. In this regard, ADGM has stepped forward to work with international and regional stakeholders to drive investments in this space to achieve long-term good for society and future generations. We intend for Abu Dhabi to become a centre for the raising and deployment of capital and the prudent management of risk in support of sustainably-oriented, long-term economic growth.
12. For any organisation, this translates into tapping the opportunities available and managing any associated risks properly, steering decisions to realise strategies and achieve long-term goals whilst avoiding short-term pitfalls. Organisations need to adopt a long-term view and sustainable approach to assure continued success.
13. Similarly, countries and societies are increasingly recognising the need to adopt more sustainable approaches to development in order to assure their long-term well-being for future generations.
14. In conclusion, it is an incredibly exciting and challenging time for all of us. I hope today represents the beginning of new collaborations and the renewal of friendships and partnerships. We have much to discuss at this conference and I look forward to all of us working together to achieve our collective success.

Thank you.