

FT Alphaville Gulf Cooperation Council

Just how rich are Arab rulers?

Les gros fromages



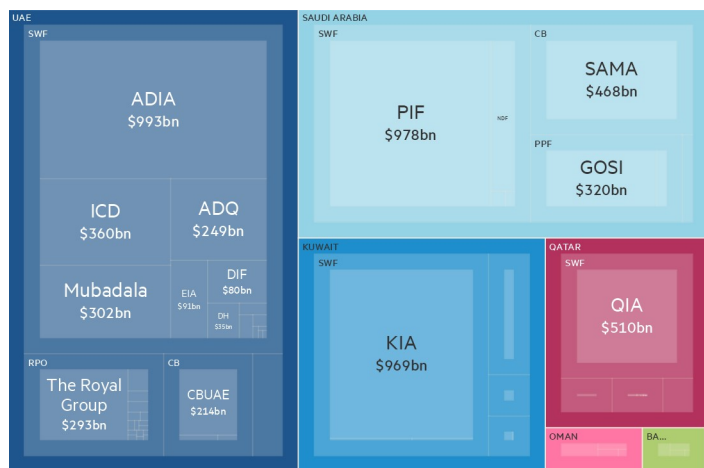
Toby Nangle 6 HOURS AGO

It's no secret that Gulf autocrats control serious cheddar. A [\(paywalled\) report out this month](#) attempts to estimate quite how much.

Totting up the available numbers, Global SWF reckon the Gulf Cooperation Council's ruling families control around \$6.8 trillion of assets. That's two whole Apples! Click through the chart below to see how this breaks down by state, category and fund:

GCC state-controlled AuM, 2023

L'etat c'est moi



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Source: Global SWF 2024

What do these funds even do with \$6.8 trillion? It turns out, at least four things.

First, they [diversify their economies](#) beyond the expected life of the reservoir of hydrocarbons upon which the region floats.

Second, they [project soft power](#) internationally. Think [football](#), [golf](#), [media](#), [universities](#), maybe even the [capture of international professional elites](#) through butlering gigs.

Third, [buy garish bling](#) and stroke rulers' [giant egos](#).

Lastly, they own pretty much everything in touching distance. According to the report, Gulf SWFs own every one of their national champions across every major industry. State capitalism at its most

obvious ([high-res here](#)):

	Bahrain	Kuwait	Oman	Qatar	Saudi	UAE - AD	UAE - Dubai	UAE - NE
NOC	BAPCO	KPC (KIA)	OQ (OIA), PDO	QE	Aramco (PIF)	ADNOC	ENOC (ICD)	SNOC
CB	CBB	CBK	CBO	QCB	SAMA	ADDoF	DDoF	CBUAE
SWF	Mumtalakat, FGR	KIA	OIA	QIA	PIF [Sanabil], NDF, SDA	ADIA, Mubad, ADQ [Lunata]	ICD, DH, DIF	EIA, FH, RAKEZ SAM [Osool]
PPF	SIO-MPF [Osool]	PIFSS [Wafra]	SPF/Himaya-MSSRF	GRSIA	GOSI [Hasana], Aramco [Wisay]	ADPF	PSILMP	GPSSA, SSSF
RPO	Premier Group	KIPCO, Action Group	Miras	QF, AlMirqab, Ezdan Hld	KHC	RG, IHC, ADH, ADUG, ADCCG	Shamal	Al Qassimi
Bank	NBB, GIB (Mumtalakat)	KFH, NBK (KIA, PIFSS)	Bank Muscat (SPF)	QNB, QIB (QIA)	SNB, RIBL (PIF)	FAB, ADCB (Mubadala)	ENBD, DIB (ICD, DH)	BOS, SIB (SAM)
Airline	Gulf Air (Mumtalakat)	Kuwait Airways (KIA)	Oman Air (OIA)	Qatar Airways (QIA)	Saudia, RIA (PIF)	Ethiad (ADQ)	Emirates (ICD)	Air Arabia (SAM)
Telecom	BEYON (Mumtalakat)	Zain (KIA)	Omantel (OIA)	Ooredoo (QIA)	STC (PIF)	e& (EIA)	du (EIA, DIFC, Mubadala)	n.a.
Utilities	AlBa (Mumtalakat)	Aznoula (PIFSS)	OQ GN (OIA)	Kahramaa, Nebras (QIA)	ACWA Power (PIF)	TAQA, Masdar (ADQ)	DEWA (DIF)	EthadWE (EIA)
RE	Gulf Hotels (Mumtalakat)	Mabanee (NIG-PIFSS)	OMRAN (OIA)	QD, Katara (QIA)	Al Akaria, Taiba (PIF)	Aldar (Mubadala)	Emaar (ICD, DH)	Sharjah Holding (SAM)
Infra	APM (Kanoos)	Agility (PIFSS)	Asyad (OIA)	Mwani (QIA)	SGP, Maaden (PIF)	ADPorts (ADQ)	DP World (DIF)	Emirates Transport (EIA)
Exchange	BB (State)	BK (PIFSS)	MSX (OIA)	QSE (QIA)	Tadawul (PIF)	ADX (ADQ)	BD-DFM, ND (ICD, DH, DIFC)	n.a.

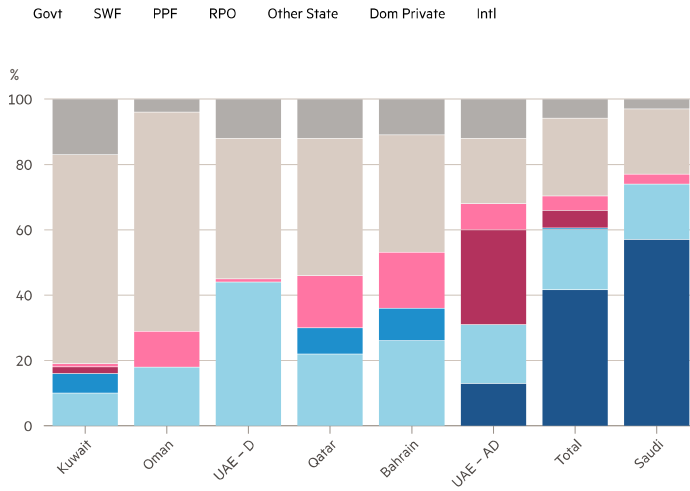
Source: Public sources, Global SWF analysis. The list is not comprehensive, and only selected entities in each industry are featured, with the respective stakeholder into brackets. Highlighted in color are companies that are listed or have discussed a potential listing.

But it's not just champions. They also own most of all stocks listed in GCC.

The report's authors combed through the share registers of each of the 877 companies listed in the region and found that 68 per cent of the Abu Dhabi market cap is owned by local SWFs and royal family offices. In Saudi, a full 77 per cent of the market is owned by PIF and the state. For the GCC overall, 70 per cent of market capitalisation is ultimately state-owned.

Admittedly, much of this is owing to the outsized prominence of the Saudi market in the region, and the outsized prominence of the almost wholly state-owned Aramco. But still:

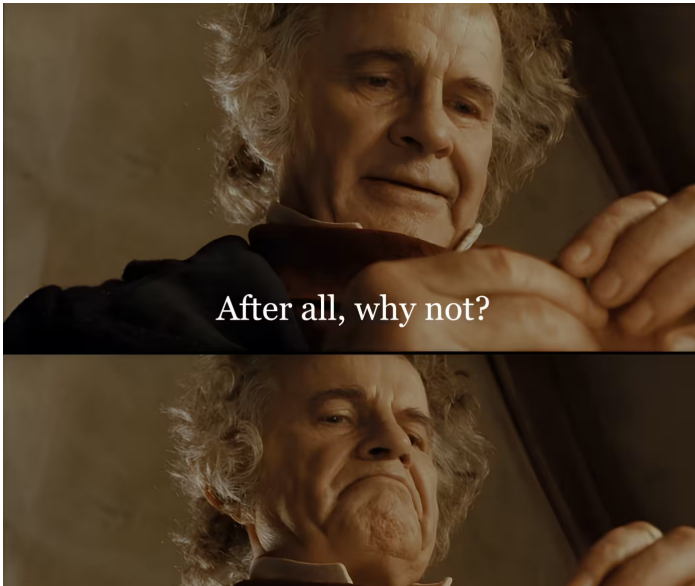
State ownership of domestic stocks

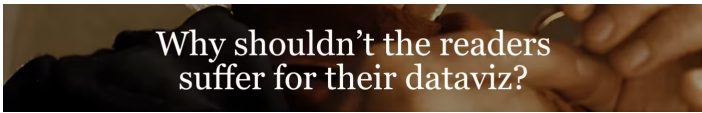


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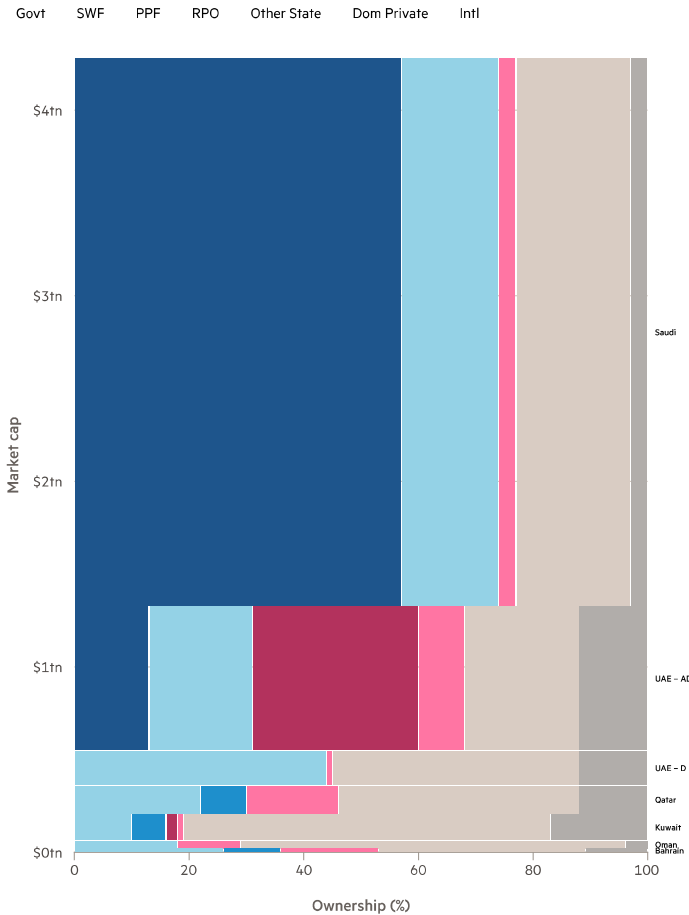
Source: Global SWF 2024

Hang on, is this a chance for [another marimekko moment](#)?!





GCC stock market size and ownership



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Source: Global SWF 2024

Despite owning so much of their listed markets, GCC authorities have still made some efforts to get outsiders interested in their stocks. These efforts have had mixed results.

Norway's \$1.7 trillion mega-SWF NBIM divested all its Saudi stocks in 2021. And Norway's largest domestic pension fund KLP [dumped GCC stocks](#) on human rights concerns in 2023. Sweden's giant pension fund AP7 [blacklisted Saudi Aramco](#) — which makes up around a quarter of the region's market cap — at the start of the year, although this didn't stop Saudi from selling \$11.2bn of stock over the summer, albeit at the [bottom end of the range](#) and at a 6 per cent discount to the market. And despite its phenomenal share price growth, [IHC](#) (which constitutes around a third of Abu Dhabi's ADX exchange market cap) mostly [just perplexes](#) international investors.

But passive investors? They're much more enthused. Or, at least, they've found their money poured into the region following choices made by the index providers to whom they've outsourced investment decision-making. MSCI's decision to include [UAE and Qatar](#) (in 2014), [Saudi \(in 2019\)](#), and [Kuwait \(in 2020\)](#) to its indices has meant anyone committing cash to a MSCI EM or MSCI ACWI tracker fund is buying stocks in the region.

The [BIS noted](#) that MSCI [and FTSE's](#) admission of Saudi stocks to their indices in 2019 coincided with foreign equity flows into the country that exceeded those heading to India and China. And MSCI themselves calculate that foreign investment in Saudi stocks has [more than quadrupled](#) from \$23.5bn to \$97.5bn since their index inclusion decision was made.

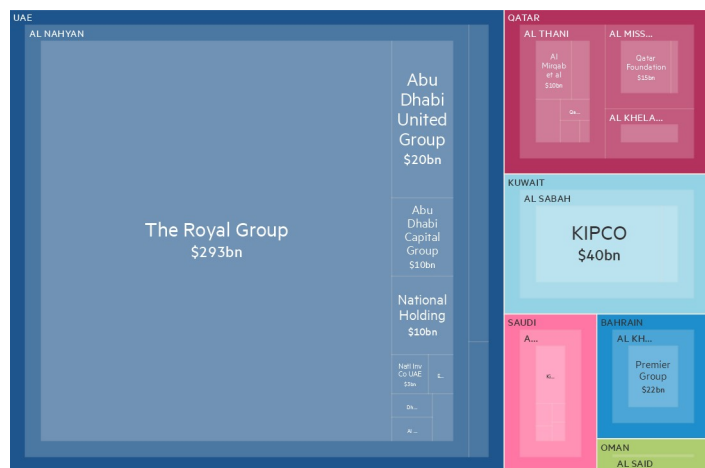
Somewhat unusually, the study includes Royal Private Offices — a category of state-controlled assets we haven't seen analysed before. These account for a cool \$0.5tn, or about half a Berkshire Hathaway, which sounds maybe less impressive. Almost \$350bn of these assets are run for the UAE's ruling [Al Nahyan family](#), alone. But as the authors note:

This group of entities, led by Abu Dhabi's Royal Group and all its subsidiaries, is even more opaque than SWFs ... links to the royal families can make the boundaries

between SWFs and RPOs blurry at times.

Royal Private Office AuM, 2023

It's a family affair



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Source: Global SWF 2024

Given that GCC states are overwhelmingly absolute monarchies, it's probably not worth getting too hung up over the distinction.

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