

KCIC targets farming

KUWAIT: Kuwait China Investment Co (KCIC), a firm linked to the Kuwait sovereign wealth fund, is eyeing investments in Asia's agriculture sector, the company's managing director said yesterday. Gulf investors have spent billions of petrodollars on buying foreign farmland to help secure food supplies.

KCIC is looking to invest in Asian agribusiness and farming projects and could consider buying farmland to grow crops such as rice, wheat and corn for purely commercial reasons, said Ahmad Al-Hamad. "We think that there are opportunities in the agri sector not because of food scarcity or for food security," Hamad said in an interview.

"But we think that for purely commercial reasons there are interesting opportunities in the agricultural sector in Asia," he said. The company sees investment opportunities from funding projects to improve farming productivity, said Hamad, adding that government reforms were needed to attract foreign agri-investors. "(But) I believe in the long term the agri sector would be a very exciting sector in Asia," he added without giving details on how much the company plans to invest in the sector.

Kuwait, the world's fourth largest oil exporter, had said it was interested in investing in agriculture and farmland abroad, in both Asia and Africa, as it looks to diversify food sources. The OPEC member, which imports most of its food, had said it was talking with Asian countries about securing food supplies and investing in agriculture. A delegation headed by the country's prime minister and including the sovereign wealth fund and the Kuwait Investment Authority (KIA), visited eight Asian countries last year to boost trade ties and discuss food imports.

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KCIC, which was established in 2005 with a capital of KD80 million (\$278.7 million), is also looking at investments in the energy sector and equities and wants to buy stakes in firms in the financial and real estate sectors, said Hamad.

"We look at sectors that we think are going to succeed in Asia and specifically China, such as the real estate sector because of urbanization that is taking place there," he said, adding that the financial services and energy sectors were also being eyed.

KCIC, an asset management firm,

was set up to become an investment vehicle in Asia to tap into the emerging market economies' potential growth. It is currently managing assets worth about \$450 million. The KIA owns a 15 percent stake in KCIC. Other investors include Kuwait's family-owned conglomerate Al-Ghanim Industries. — Reuters