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IMPACT OF SOVEREIGN WEALTH FUND (SWF) IN A RECESSED ECONOMY: LESSONS FOR NIGERIA'S ECONOMIC DEVELOPMENT.

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ABSTRACT

The study examined the impact of sovereign wealth funds in a recessed economy and the lessons for economic development in Nigeria. The basic objectives of establishing sovereign wealth fund determine its significant impact in the economy. Generally, Sovereign Wealth Fund is designed to smooth the effect of shortfalls in government revenue by setting aside revenue during periods of rapid growth, which could be drawn on during periods of economic stress. It also serves as a mechanism for tackling the challenges associated with short term volatility in oil revenues. It is therefore imperative for countries to create clear rules of fund savings, investment strategies and scenarios under which the government could access fund capital to smooth out economic downturns. The study found that sovereign wealth funds can help generate economic benefits in times of economic recession, but several important conditions must be fulfilled in order to produce the intended results, such as strict adherence to the rules and regulations guiding the Fund's operations must be properly integrated into the home country economic policy framework. Some remedial measures were recommended which include that fiscal discipline, transparency and accountability in the management and reporting must be seen as major watch words of the Sovereign Wealth Fund.

KEYWORDS: Sovereign Wealth Fund, Recessed economy; Economic development; Nigeria; Impact.

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INTRODUCTION

Sovereign Wealth Fund (SWF) is a state owned investment fund that invests in real and financial assets such as stock, bonds, real estate, precious metals, or in alternative investments such as private equity fund or hedge funds. While such national investment vehicles have been operated by many countries for decades, SWFs have only recently become important players in global financial markets (Bagattini, 2011). The more recent rise of SWFs is mainly linked to the accumulation of sizeable foreign exchange reserves by emerging market economies over the past few years, an increasing number of such countries have created new SWFs to accumulate foreign assets and to improve the return on traditional foreign exchange reserves. The motives for establishing a sovereign wealth fund vary by country. For example, the United Arab Emirates generates a large portion of its revenue from exporting oil and needs a way to protect the surplus reserves from oil-based risk, thus it places a portion of that money in a sovereign wealth fund. Many nations use sovereign wealth funds as a way to accrue profit for the benefit of the nation's economy and its citizens (Sovereign Wealth Fund Institute 2015).

According to Thatcher and Vlandas (2016) SWFs are typically created when governments have budgetary surpluses and have little or no international debt. It is not always possible or desirable to hold this excess liquidity as money or to channel it into immediate consumption. This is especially the case when a nation depends on raw material exports like oil, copper or diamonds. In such countries, the main reason for creating a SWF is because of the properties of resource revenue: high volatility of resource prices, unpredictability of extraction, and exhaustibility of resources. According to Bagattini, (2011) there are two types of funds: Saving funds and Stabilization funds. Stabilization fund portfolio of SWFs is created to reduce the volatility of government revenues, to counter the boom-bust cycles' adverse effect on government spending and the national economy. Savings SWFs build up savings for future generations. It is believed that SWFs in resource-rich countries can help avoid resource curse, but the literature on this question is controversial. Governments may be able to spend the money immediately, but risk causing the economy to overheat. In such circumstances, saving the money to spend during a period of low inflation is often desirable.

The main group of countries that have established SWFs are resource-rich economies which currently benefit from high oil and commodity prices. According to Thatcher and Vlandas, (2016) in these countries, SWFs partly also serve the purpose of stabilising government and export revenues which would otherwise mirror the volatility of oil and commodity prices. Another purpose of such funds in resource-rich countries is the accumulation of savings for future generations as natural resources are non-renewable and are hence anticipated to be exhausted after sometime. Prominent examples of such SWFs are highlighted in the table 1 (see appendix).

According to Sovereign Wealth Fund Institute (SWFI) each sovereign wealth fund has its own unique reason for its creation but traditionally, the classification of SWF includes: Stabilization Funds, Saving or Future Generational Funds, Pension Reserves Funds, Reserve Investment Funds and Strategic Development Sovereign Wealth Funds (SDSWFs). Stabilization Fund has remained the most prominent investment portfolios amongst the countries that established SWFs. Thus, sovereign wealth funds indicate that they do not engage directly in macroeconomic policies but with three key exceptions (Transfers to the budget for exceptional and targeted needs; Stabilize domestic businesses or corporations vital to the interest of the economy; and the drawdown of funds for transfer to the central bank in case of exceptional balance of payments or monetary policy needs. In case a separate short-term fund was at aside for such purposes (Sovereign Wealth Fund Institute (2015).

The question is can the objectives of SWFs impact significantly on the economy during recession? The lofty objectives of sovereign wealth fund indicate that it could be a potential policy instrument to promote economic stability. Consequently, the study argue that sovereign wealth fund with its stabilization fund and saving fund investment portfolios can impact positively to absorb all the shocks in a recessed economy.

ATTRIBUTES OF SOVEREIGN WEALTH FUNDS (SWFS)

1. Characteristics of Sovereign Wealth Funds

Sovereign wealth funds can be characterized as maximizing long-term return, with foreign exchange reserves serving short-term "currency stabilization", and liquidity management. There are several examples of Sovereign Wealth Funds, which vary from country to country in the manner in which they are created. The main characteristics of SWFs can be defined as: its purpose, the source of revenues, the rules determining how revenues flow into and out of the fund, its relationship to the budget, the structures and institutions that are responsible for managing its operations, including their degree of discretion, and the use of the fund’s resources. Finally, the size of a stabilisation fund’s assets is also important (International Monetary Fund, 2008).

2. Purpose of Sovereign Wealth Funds

Sovereign Wealth Funds typically are designed with one or more of the following purposes. First of all, they can have a stabilisation function within the fiscal framework, helping to shield the economy from volatile commodity prices. Secondly, they can have a savings function, in an attempt to share income across generations in a more equitable manner. Some countries may have explicitly determined that the fund is an efficient instrument to curtail government spending by restricting the flow of resources into the national budget. Finally, they may also seek to foster economic diversification, by channelling funds for investment in sectors other than that of the exploitation of natural resources. A country may also choose to set up a fund for a combination of these reasons.

3. Relationship to the budget

Many Sovereign Wealth Funds are established as extra-budgetary funds, which may even have the oversight of an independent authority. This usually means that transfers from the fund to the budget are treated as below-the-line financing. Other countries, such as Norway, handle the revenues within the framework of a unified budget. These ‘virtual funds’ are the closest thing to a full integration of Sovereign Wealth Funds into the government budget, provided that there is ‘adequate accounting, reporting, and auditing’.

4. Size of Sovereign Wealth Funds Assets

Sovereign Wealth Funds vary widely with regard to the size of their resources. These variations are a reflection of many factors, including the size of transfers which they have received (which, in turn, can be a reflection of international commodity prices), the longevity of the fund and its asset management strategy (International Monetary Fund, 2008). The largest resource-based Sovereign Wealth Funds are shown in Table 1. Although most of these funds have had many years to accumulate resources, a few of the countries on the list established stabilisation funds relatively recently. Nonetheless, they recognise that Sovereign Wealth Funds are often much larger and theorise that this is because there are positive externalities which arise out of having these funds. These include increasing market confidence and reducing public pressure to spend windfall gains quickly or inefficiently. The opportunity cost may also be smaller than that estimated, depending on the asset management strategy of the Sovereign Wealth Funds (John, 2015).

5. The Stabilizing Effects of Sovereign Wealth Funds

SWFs have proven to be a stabilizing force on global financial stability in a number of ways. At the country level, they have allowed states to manage capital inflows, while addressing long-run structural issues, thus providing a basis for sustained economic growth. At the same time, by virtue of their size and investment strategies, SWFs are liquidity providers and contrarian investors that support global markets in times of stress while facilitating the gradual unwinding of global imbalances. SWFs may also have other goals such as protecting and stabilising the budget and economy from excess volatility in revenues or exports, diversifying from non-renewable commodity exports and ensuring sustainable long-term capital growth (Pettinger, 2015).

ECONOMIC EXPECTATIONS AND LIMITATIONS OF SOVEREIGN WEALTH FUNDS

Yi-chong and Bahgat, (2011) Highlighted the economic expectations of sovereign wealth funds to include first of all, stabilisation funds portfolio part of sovereign wealth funds can help a country shield itself from the negative effects of revenue volatility. They reduce the uncertainty arising from fluctuations in commodity prices and their impact on resource revenues. When prices are high, revenues are absorbed into the fund to prevent a destabilising flood of revenues into the budget and the adverse effects of Dutch disease. When they are low, the fund can release money to the budget, to smooth revenues and allow predictability in the fiscal environment. Overall fiscal discipline may also be improved, to the extent that government expenditures are tied to fund revenues.

They may also serve a simpler purpose to save a portion of the proceeds from non-renewable resource revenues of which future generations can make use. The theory, thus, is that using all the resource wealth during the lifespan of the resource is not only economically destabilising, but also unjust to the future generations which could have benefited from the resource. Savings funds are thus used to substitute below-the-ground wealth with above-the-ground resources, provided that the real value is kept constant and that only the income from these resources are spent.

However, a stabilisation fund is not a panacea and cannot substitute for good fiscal policy. It is important to note that there is no economic reason to establish a separate fund to address issues of stabilisation and savings (Truman, 2008). The functions of a stabilisation fund can be replicated in a country's fiscal policy without the creation of an actual fund. Or as one author put it, it can be equally said that 'anything that a government could achieve by means of creating a constitution could equally be achieved with no constitution if political leaders simply consistently acted with restraint, coherence, and unanimity' (Reisen, 2008). One should also clarify that, despite its name, a stabilisation fund cannot stabilise resource revenues, as these are dependent on international prices, but rather they can serve to stabilise revenue transfers to the budget.

According to sovereign wealth fund institute (2015) there is also no guarantee that the mere presence of a fund will prevent the fiscal authority from spending revenue windfalls or financing increased expenditures through borrowing. A government may even be able to borrow against the assets in the fund and thus avoid any income restraints posed by the existence of the fund. Money is fungible, meaning that the size of the fund can be misleading if government is borrowing heavily.

THE IMPACT OF SOVEREIGN WEALTH FUNDS ON THE ECONOMY

According to Tresor (2008) Sovereign Wealth Funds act as overseas investment and savings vehicles which may affect exchange rates, inflation or economic growth. Funds also provide a system for allocating government funds and in doing so may increase transparency. A Sovereign Wealth Fund is also a store of wealth which may be drawn upon at times of crisis, and so may encourage investors to lend money to the government more cheaply than they would have done otherwise. The key findings of the study on the analysis of the impact of a Sovereign Wealth Fund are that:

- Setting up a Sovereign Wealth Fund may help to reduce inflation the presence of a fund is linked to lower inflation, even when we account for a number of other factors likely to affect inflation, such as monetary policy stance, the state of the labour market and the current account balance. This result is stronger for commodity rich countries than for those with a non-commodity based trade surplus.

- Exchange rate appreciation may be lessened by a Sovereign Wealth Fund in countries with floating exchange rates we found a relationship between the presence of a Sovereign Wealth Fund and a weaker exchange rate. The effect was equally strong for countries with and without commodity wealth. This may occur because monies can be held in foreign currencies (often in US dollars), so not bidding up the value of the local currency.

- Sovereign Wealth Funds may help improve transparency in an economy our analysis found levels of transparency to be correlated with measures of economic development such as GDP per capita and the depth of financial markets. Even when these factors are taken into account, however, we see lower levels of perceived corruption in countries where a Fund is present. The effect appears slightly stronger in countries with non-commodity based trade surpluses.

SOVEREIGN WEALTH FUNDS IN A RECESSED ECONOMY

Although, in recent times many oil exporting countries have established Sovereign Wealth Funds (SWFs) to mitigate the volatility of oil prices at the international market and to provide a buffer that would sustain government spending during these periods of falling oil prices. However, many countries seems to be deeply plunged in the recession and are finding it difficult to generate enough revenue to finance their budget and other public spending as a result many projects/programmes have been halted despite owning and operating sovereign wealth fund investment portfolios.

According to Truman (2008) Sovereign Wealth Funds (SWFs) have been originally created as stabilization funds to reduce the boom and boost tendency of commodity dependent economies, states created clear rules of fund savings, investment strategies and scenarios under which the government could access fund capital to smooth out economic downturns.

The National Bureau of Economic Research (NBER) define economic recession as “a significant decline in economic activity spread across the economy and lasting for more than few months, visible through the wholesale-retail sales, industrial production, employment, real income, gross domestic product.” In general, economic recession is declined by a long-lasting increase of unemployment, drop in the stock market and negative growth of GDP. Nevertheless, it’s less severe than economic depression. According to Pettinger (2015) recession is a period of negative economic growth, a fall in real GDP. This means that there is a fall in National Output and National Income. Inevitably a recession will involve higher unemployment and an increase in government borrowing and are primarily caused by a fall in aggregate demand. This demand side shock could be due to several factors, such as financial crisis, rise in interest rates or fall in commodity prices (like crude oil). Features of a recession include higher unemployment, lower living standards and increase in government borrowing.

NECESSARY CONDITIONS FOR THE SUCCESS OF SOVEREIGN WEALTH FUNDS

Castelli and Fabio (2012) while sovereign wealth funds can help generate long-term economic benefits to oil exporting nations. However, several important conditions must be fulfilled in order to produce the intended results.

- First, appropriate budget and monetary policies represent the most important of these preconditions. Thus, the operations of the SWF must be well integrated in the overall policy framework. Failing this, an SWF could produce potential policy pitfalls, such as creating parallel budgets, or through ill-timed withdrawals undermining the operations of the central bank.

- Second, for the Fund's operations to be properly integrated into the home country economic policy framework, it is critical that adequate information is reported to the relevant agencies, and that accurate data are included in national accounts, as well as monetary, government finance, and external sector statistics.

- Third, recent cross-country evidence suggests that SWFs are successful in achieving efficient resource management when they have well-designed funding and withdrawal rules that are consistent with their stated goals. Most recently, following such rules, the government of Chile has established its two existing SWFs as an integral part of Chile's macroeconomic framework. The fiscal framework adopted in 2006 apportioned fiscal surpluses between the SWFs within a fiscal rule designed to smooth government expenditures across the business cycle.

- Fourth, an SWF should be underpinned by well-framed corporate governance arrangements. These include the government as its owner setting the Fund's objectives, its governance structure, and an effective accountability framework. Governance structures typically articulate clear roles, responsibilities, and interrelationships between the different bodies involved in the SWF's administration and management with the goal of facilitating operational independence in making investment decisions.

- Fifth, clear accountability procedures among the different levels of SWF governance, and to the public, are important in order to prevent misuse of public resources and to gain public support for the Fund and its objectives. These arrangements can generate public support for saving resources rather than spending them, inform the public about the accumulated revenue, and provide the economic rationale for the build-up of SWF resources. Transparency arrangements, in this regard, entail regular public disclosure of the investment objectives of the SWF, its funding, the withdrawals and spending on behalf of the government, the governance framework, and the Fund's asset size and its allocation, and return.

- Finally, the success of a Sovereign Wealth Fund is contingent upon responsible investment policies that are consistent with its policy purpose. These include care, skill, and prudence in investment practices, and a robust framework to identify, assess, and manage the risks of its operation. For instance, stabilization funds that are the most common form of SWF and have shorter investment horizons are more likely to invest conservatively and may hold relatively large stocks of liquid assets. In contrast, savings funds seek to earn higher returns over a longer horizon, and may invest across all major asset classes, including alternative investments. Pension reserve funds may even determine their investment policies in an asset and liability context to match entitlement payments, thereby choosing portfolios similar to those of funds with direct pension liabilities.

According to Tsani, Ahmadov and Aslanli (2010) it is generally recognized that the main condition for a SWF to be successful is a clear mandate able to guarantee good governance and SWF’s accountability and transparency. Where for Governance it is intended the rules in place defining the role of the Government, of the governing bodies and of the managers and their independency, with specific reference to the inflow and outflow of money. Transparency is related to the detailed communication of the Fund role and objectives and, as well, the timely provision of information on the Fund’s activities and operations. Accountability, regards the degree to which the SWF and its governing bodies are responsible for their decision.

THE ESTABLISHMENT OF SOVEREIGN WEALTH FUND (SWF) IN NIGERIA

In Nigeria, Sovereign Wealth Fund (SWF) was brought into law via the Nigerian Sovereign Investment Authority (NSIA) Act of 2011. The act authorized the establishment of the Nigerian Sovereign Investment Authority, giving it jurisdiction to invest the savings gained on the difference between the benchmark price in the budget and actual international market prices for crude oil to earn returns that would benefit to the Nigerian economy. The fund is intended as security against future economic instability, to contribute towards the development of the country's infrastructure and as a savings mechanism for future generations. It is also expected that managing these reserve funds will help to protect Nigeria's economy from external shocks. In oil-dependent countries, a major issue is how to stabilize fiscal spending when government revenue fluctuates along with the international price of oil. A stabilization fund would allow the government to pull through an oil price trough and absorb windfall revenue when prices are high. According to the Nigeria National Sovereign Investment Authority document the mission of NSIA is to play a leading role in driving sustained economic development for the benefit of all Nigerians through, building a savings base for the Nigerian people, enhancing the development of Nigeria's infrastructure and providing stabilisation support in times of economic stress.

Nigeria's Sovereign Wealth Fund is composed of three distinct funds or windows, each with specific investment and development objectives. Of the initial $1bn, 85 percent of the funds will be distributed among the three windows with an initial 15 percent or $150 million remaining unallocated, to be assigned to any of the three funds as needed in the future. The funds will be invested in various securities. The Stabilisation Fund was allocated an initial 20 percent while 40 percent each went to the Future Generation and the Nigeria Infrastructure funds.

LESSONS FOR NIGERIA'S ECONOMIC DEVELOPMENT

According to John (2015) Nigeria has sovereign wealth funds, but they have been depleted and misallocated. At a time when the country needs the benefits of functional sovereign funds the most declining oil prices, erratic and undependable power generation, and an obscene unemployment rate, its Sovereign Wealth Funds exist in name only. This has left citizens and economists both within and without the country scratching their heads and each other's head for plausible answers. While the country's experience with its sovereign wealth funds is a sad commentary on the moral and work ethics of its extant political leadership, it must not discourage future governments, and other African countries rich in natural resources from implementing and using such funds for national development agenda. They have been shown to be extremely serviceable in Saudi Arabia, Kuwait, New Zealand, and South Africa.

In the case of Nigeria, the sovereign wealth fund is aimed at having good management of the nation's oil windfall. In order to ensure that the government had a mechanism that compels it to create buffers needed in times of economic crises the Nigeria Sovereign Investment Authority (NSIA) was created to manage the Sovereign Welfare Fund (SWF). An initial amount of US$1 billion was transferred into the account for its take-off. The SWF would:

i. Provide for stabilisation and ensure that there is a buffer/insurance against external shocks
ii. Provide resources for critical infrastructure
iii. Boost savings for future generations in view of the intergenerational dimensions of crude oil

There are number of ways the NSIA can use the different investment portfolios within its jurisdiction to promote economic stability in Nigeria: The first is that the Stabilisation Fund is designed to provide macroeconomic stabilisation in times of economic distress that is, the Ministry of Finance can make a case for withdrawing from the Fund for economic stabilization. The SWF is a tool of fiscal discipline as it forces and enforces an investment and savings culture in a clearly defined manner. Investments in infrastructure will help enhance development, which in the long run aids in overall economic growth and development.

However, the Sovereign Wealth Fund has not been able to rescue the Nigerian economy out of recession due to administrative lapses. At the onset, the establishment of the fund was faced with political challenges. The state governors refuse to support its establishment, they collectively took the federal government to court. While the federal legislators during the time of high crude oil prices at the international market keep on increasing the bench mark for oil in the budget yearly therefore reducing the surplus that supposed to have been save in the sovereign wealth fund for the raining day. Thus, the size of what was going into the fund was small and it depleted fast during the declining in oil price at the international market, therefore was not sustainable to last for the economic recession period in Nigeria. According to Ewuoso, (2016),

> The state of governance in some developing countries might make it difficult for even an internally well-managed fund to have concrete positive fallouts on the real economy. Indeed, a SWF while it offers some hope and real opportunities can substitute neither a well-functioning government with sound monetary and fiscal policies nor the application of the rule of law.

Thus, the management of sovereign wealth fund in Nigeria negate sound monetary and fiscal policies hence, the fund cannot impact positively to promote economic development in a recessed economy. For many countries that manage their sovereign wealth fund properly, the fund has positive impact on their economy in a recessed period.

Taking the case of Chile as an example of a well-managed sovereign wealth fund where the two existing Funds being operated by the government based on well-accepted international practices relevant for the structures of such types of Funds. The authorities publish monthly reports on the size and portfolio composition of the SWFs, as well as quarterly reports discussing performance. Several other SWFs around the world also follow similar carefully constructed governance, accountability and transparency principles. Therefore, Nigeria should learn from Chile and other countries with disciplined fiscal policy on how to effectively manage her sovereign wealth fund.

CONCLUSION AND RECOMMENDATIONS

Sovereign Wealth funds have generally been effective instruments for resource-dependent countries seeking to stabilise transfers to their budgets during economic downturns. Sovereign wealth fund has its own unique reason for its creation but traditionally, the classification of SWF includes: Stabilization Funds, Saving or Future Generational Funds. However, Nigeria's Sovereign Wealth Fund is composed of three distinct funds or windows, each with specific investment and development objectives.

To measure the impact of Nigeria's Sovereign Wealth Fund in a recessed economy it is necessary to look at the fund’s effectiveness on different dimensions. On the revenue side, the fund should create an incentive for government to maintain an active non-resource revenue stream to ensure its long-term budget sustainability. On the expenditure side, a well-functioning stabilisation fund will have established norms to prevent policymakers from usurping its resources to finance large expenditure increases. Thus, Sovereign Wealth Fund is unique in every sense and it has varied investment portfolios, strategies and stated objectives. In Nigeria the key objective for the establishment of the fund was to provide for stabilisation and ensure that there is a buffer/insurance against external shocks. But over the periods of the boom the amount that was saved into the fund was small and it was not enough to cushion the effects of the falling oil price at international market during the recessed period in Nigeria. Therefore the paper offer that Nigeria should learn from the countries that have disciplined Sovereign Wealth Fund management like Chile in order to make Sovereign Wealth Fund have a beneficial impact on the economy, particularly during recessed periods.

Sovereign Wealth Fund investment can be very effective in mitigating the falling oil price during recessed economy in Nigeria if the fund is well managed. Therefore, based on the findings of this study some recommendations are vital:

i. There is need to ensure that investment into the stabilization fund portfolio increased in the future during high oil price level to guarantee sustainability during falling oil prices.

ii. Efforts should be made to shield Sovereign Wealth Fund from undue political influence through well-defined administrative and operating procedures and

iii. Finally, fiscal discipline, transparency and accountability in the management and reporting must be seen as major watch words of the Sovereign Wealth Fund.

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APPENDIX 1

TABLE 1: SELECTED COUNTRIES WITH SOVEREIGN WEALTH FUNDS

	Country	Abbreviation	Fund	Assets US$Billion	Inception	Origin
1	Norway	GPF	Government Pension Fund - Global	885	1990	Oil
2	China	CIC	China Investment Corporation	813.8	2007	Non-commodity
3	United Arab Emirates (Abu Dhabi)	ADIA	Abu Dhabi Investment Authority	792	1976	Oil
4	Kuwait	KIA	Kuwait Investment Authority	592	1953	Oil
5	Saudi Arabia	SAMA	SAMA Foreign Holdings	576.3	1952	Oil
6	China	SAFE	SAFE Investment Company	474**	1997	Non-commodity
7	Hong Kong	HKMA	Hong Kong Monetary Authority Investment Portfolio	456.6	1993	Non-commodity
8	Singapore	GIC	GIC Private Limited	350	1981	Non-commodity
9	Qatar	QIA	Qatar Investment Authority	335	2003	Oil
10	China	NSSF	National Social Security Fund	295	2000	Non-commodity
11	Canada	CPP	Canada Pension Plan	287.3		Non-commodity
12	United Arab Emirates Dubai	ICD	Investment Corporation of Dubai	200.5	2006	Oil
13	Singapore	TH	Temasek Holdings	180	1974	Non-commodity
14	Saudi Arabia	PIF/Sanabil	Government's Public	160	2008	Oil

			Investment Fund that owns Sanabil Investments			
15	United Arab Emirates Abu Dhabi	MDC	Mubadala Development Company	125	2002	Oil
16	United Arab Emirates Abu Dhabi	ADIC	Abu Dhabi Investment Council	110	2007	Oil
17	South Korea	KIC	Korea Investment Corporation	108	2005	Non-commodity
18	Australia	AFF	Future Fund	91.1	2006	Non-commodity
19	Russia	RNWF	Russian National Wealth Fund	72.2	2008	Oil
20	United Arab Emirates Abu Dhabi	IPIC	International Petroleum Investment Company	66.3	1984	Oil
21	Libya	LIA	Libyan Investment Authority	66	2006	Oil
22	Kazakhstan	KNF	Kazakhstan National Fund	64.7	2000	Oil
23	Brunei	BIA	Brunei Investment Agency	40	1983	Oil
24	Algeria	RRF	Revenue Regulation Fund	27.2	2000	Oil
25	Botswana	PF	Pula Fund	5.7	1996	Diamonds and Minerals
26	Trinidad and Tobago	HSF	Heritage and Stabilization Fund	5.5	2007	Oil
27	Angola	FSDEA	Fundo Soberano de Angola	4.6	2012	Oil
28	Nigeria (Bayelsa State)	BDIC	Bayelsa Development and Investment Corporation	1.5	2012	Non-commodity
29	Nigeria	NSIA	Nigeria Sovereign Investment Authority	1.4	2011	Oil
30	Senegal	SSIF	Senegal Strategic Investment Fund - FONSIS	1	2012	Non-commodity
31	Brazil	SFB	Sovereign Fund of Brazil	0.5	2008	Non-commodity
32	Ghana	GPF	Ghana Petroleum Funds	0.45	2011	Oil
33	Gabon	GSWF	Sovereign Fund of the Gabonese Republic	0.4	1998	Oil
34	Mauritania	NFHR	National Fund for Hydrocarbon Reserves	0.3	2006	Oil and Gas
35	Mongolia	FSF	Fiscal Stability Fund	0.3	2011	Mining
36	Equatorial Guinea	FFG	Fund for Future Generations	0.08	2002	Oil

Source: Sovereign Wealth Fund Institute's list