Opening Note by Prof Bernard Yeung, Dean and Stephen Riady Distinguished Professor at 8th Annual Darden International Finance Conference, Shangri-La Hotel, 8 May 2009, 8am – 9pm.

Dean Robert Bruner, Darden School of Business - University of Virginia
Professor Saw Swee Hock, Patron of Saw Centre for Financial Studies, NUS Business School
Distinguished speakers
Fellow academics
Ladies and gentlemen
Good morning.

Eight years ago, when Dean Bruner and his colleagues launched the first Darden School of Business Conference, they had the foresight of envisioning the rise of the emerging markets amidst the challenges and adversities that surrounded them, and emphasized the importance of a good understanding of these markets. That first Conference was a great start to an intellectual exchange of ideas on the various aspects of the emerging market economies.
In the last ten years, we witness the emerging markets as players in re-shaping the global competitive landscape. Their strong export economies and high productivity gains have led to burgeoning savings and accumulation of foreign reserves. Some emerging economies, notably China, have turned into a net creditor nation relative to the mature economies. The United States, being a net importer, is experiencing capital inflows, especially from sovereign wealth funds that are being managed by governments of many emerging countries. Notably, global sovereign wealth has increased at 24% per year over the last five years to around US$3.5 trillion by end 2007.

The worldwide acquisitions by sovereign wealth funds totaled US$20.6 billion in January 2008, which is equivalent to 35 per cent of worldwide acquisitions. On M&A activity alone, sovereign wealth funds accounts for 28% of the US’s total M&A activities, overtaking private equity acquisitions. On the private equity front, sovereign wealth funds accounts for 10% of global private equity investments with further expansion expected in the coming years.
This conference is very timely as it gives us the opportunity to understand all about the new players in the emerging markets—its role, its strategies, and its impact on the global economy. By understanding, we are empowered. I hope that you will be energized by the knowledge and challenges presented before us by top scholars, policy makers, and practitioners in this conference.

Let me extend my hearty congratulations to Darden School for establishing distinguished partnerships with World Bank, the International Monetary Fund, the Research Foundation of CFA Institute, and State Street Global Markets that had made this conference a successful event over the years.

We are particularly thankful to be chosen as a partner to host the 8th Annual Darden International Finance Conference in Singapore.

Thank you and here’s to a fruitful and vibrant day of discussion.