MPs urged to reject reserve accounts despite $72m profit

Idle cash, higher fees and gaps in disclosure put the fund under parliamentary scrutiny despite strong annual gains

- **Rising profits, lingering doubts: Fund posts 12.2% profit growth, but MPs question transparency and management**
- **Cash under scrutiny: $72.17 million left idle, raising concerns over missed investment opportunities**
- **Expenses and fees: Operating costs up 17%, portfolio management fees surge 45.5%, despite stronger overall returns**

MP Ahmed Al Salloom, Chairman of Parliament's Financial and Economic Affairs Committee

Mohammed Darwish
TDT | Manama

Bahrain's Future Generations Reserve grew to $924.2 million in 2024 and made a $72.1 million profit, but MPs are still being urged to reject its accounts over idle cash, higher fees and gaps in disclosure.

Parliament's Financial and Economic Affairs Committee said the annual report and audited statements for the year to 31 December 2024 should not be approved, even though the National Audit Office said the accounts gave a fair view of the fund's finances, results and cash flows.

Lacks clarity

The committee said disclosure around the running of the account was not clear enough. Members had agreed at a meeting on 7 January 2026 to visit the reserve's pharmaceutical factory to inspect the project and see what it was producing, but the visit was later cancelled without a clear reason and without new details on the fund's other investment projects. At the same meeting, the fund's management said the factory had secured the licences needed from the National Health Regulatory Authority (NHRA) to manufacture 17 medicines and that a visit could be arranged once a suitable date was fixed. Management also told the committee that work on the reserve's administrative building was due to finish by 31 May 2026 and that leasing space there was expected to bring in income.

No clear investment policy

Members also said there was no clear investment policy for the fund's assets and no clear plan for its property holdings, whose value fell in 2024 from a year earlier. They pointed too to $72.17 million left in cash and cash equivalents rather than put to work, saying the sum could have earned more for the account.

Weaker returns and higher costs

The committee also raised two linked concerns: weaker returns and higher costs. Profit as a share of total assets fell to 7.8pc in 2024 from 8.4pc in 2023, and there were no fixed deposits in 2024 after such deposits had yielded 7pc the year before. Operating expenses rose to $7.11 million from $6.07 million, driven mainly by a 45.5pc rise in portfolio management fees to $5.79 million. Pay for those overseeing the account went up 10.5pc to $821,509, and audit fees rose 6.3pc. In reply, the fund's management told the committee that the reserve invests through specialist global portfolio managers whose fees rise as the amount invested grows, and said care was taken to keep administrative costs below 1pc.

Stronger yearly profit

Even with those objections, the fund's books showed a larger reserve and a stronger yearly profit. Total assets rose from $768.9 million in 2023 to $924.2 million in 2024. Total financial reserves reached $917.99 million, up from $765.37 million. Accumulated reserves climbed to $621.72 million from $542.71 million, and retained earnings rose to $296.84 million from $224.71 million. Net profit for the year came in at $72.13 million, up 12.2pc from $64.28 million in 2023.

Oil revenue

Money transferred into the reserve from crude exports fell to $79.02 million in 2024 from $92.38 million in 2023, a drop of 14.5pc. The report linked that fall to lower oil prices and to the price-linked deduction system then in force. Brent crude ended 2024 at about $74.6 a barrel, down 3.1pc over the year. For the 2023 and 2024 financial years, the reserve received between one and three dollars from each exported barrel priced above $40. A new stepped scale passed in 2025 took effect on 1 January 2026.

The report also gave a fuller picture of where the fund's money was placed. Cash and near-cash holdings made up 43.3pc of the portfolio, equities 31.5pc, alternative investments 12.4pc, strategic investments 7.9pc and a multi-asset fund 4.9pc. More than half of investments were held for more than five years. By currency, the portfolio was heavily weighted towards the US dollar at 87pc, with sterling at 5.4pc and the euro at 3.6pc. By region, North America accounted for 51.4pc of investments, developed European markets 21.9pc and Bahrain 10.9pc. The reserve also put $145.6 million into new investments across public and private equities, fixed income and alternative funds.

Future Generations Reserve

The Future Generations Reserve was created under Law No. 28 of 2006 as a special reserve funded by deductions from oil revenues and by investment income. The law bars any cut or rise in those deductions, or any use of the reserve's money outside investment activity, unless a law allows it. The committee report also recalled that deductions were halted for a time in 2020 and $450 million was taken from the account in a one-off move to help the state budget during the Covid-19 emergency, with the sum to be restored once the financial effects had passed.

Mideast war leaves 6,000 tonnes of tea stuck at Kenya port

AFP | Nairobi, Kenya

Between 6,000 and 8,000 tonnes of tea, worth around $24 million, is stuck at Kenya's port of Mombasa because of the war in the Middle East, trade officials said yesterday.

The East African Tea Trade Association (EATTA) manages auctions at the port city, which serves as a global marketplace where hundreds of thousands of tonnes of tea from the region are sold every year.

Around 65 percent of the east African tea market has been affected by the war that began on February 28 when the United States and Israel launched strikes on Iran, EATTA director George Omuga said.

As a result, "six to eight million kilos" are stuck in Mombasa, he told AFP.

"So that's an average of $24 million worth of tea at the port," he added.

The tea has been sold to customers but cannot be shipped, mainly to the Middle East, which accounts for about 20 percent of the market, he estimates.

Oil climbs, stocks fall as markets see no end to war

AFP | London, United Kingdom

Oil prices rose and stocks fell yesterday as initial optimism over US President Donald Trump's decision to again delay his deadline for strikes on Iran's energy assets faded.

Trump has extended a deadline for Tehran to open the Strait of Hormuz or face the destruction of its energy assets, pushing it from Friday to April 6.

But with Iran maintaining a hold on the strait, Trump's announcement largely failed to lift the mood for markets.

Oil prices climbed, with international benchmark Brent crude rising 2.6% to $104.49. The US benchmark oil contract, WTI, jumped 4.1% to $98.39.

Wall Street stocks were down by 1% or more in early afternoon trading. European stocks fell and Asian markets ended the day mostly lower.

Friday's market reaction contrasted with the sharp plunge in oil prices and gains for stocks after Trump first delayed the deadline earlier this week.

"Trump appears to be losing his grip on the markets," said FOREX.com analyst Fawad Razaqzada.

"Investors no longer seem to take his statements at face value -- if anything, they're beginning to trade against them, waiting for tangible proof before reacting," he added.

Key figures at around 1630 GMT

Brent North Sea Crude:	▲ 2.6% at $104.49 a barrel
West Texas Intermediate:	▲ 4.1% at $98.39 a barrel
New York - Dow:	▼ 1.1% at 45,474.90 points
New York - S&P 500:	▼ 1.0% at 6,414.18
Nasdaq Composite:	▼ 1.4 % at 21,110.59
London - FTSE 100:	▼ less than 0.1% at 9,701.95 (close)
Paris - CAC 40:	▼ 0.9% at 7,701.95 (close)
Frankfurt - DAX:	▼ 1.4% at 22,300.75 (close)
Tokyo - Nikkei 225:	▼ 0.4% at 53,373.07 (close)
Hang Seng Index:	▲ 0.4% at 24,951.88 (close)
Shanghai - Composite:	▲ 0.6% at 3,913.72 (close)
Euro/dollar:	▲ at $1.1524 from $1.1523 on Thursday
Pound/dollar:	▼ at $1.3291 from $1.3313
Dollar/yen:	▲ at 160.10 yen from 159.83 yen
Euro/pound:	▲ at 86.72 pence from 86.55 pence

Rubio attacks Zelensky, ready to divert Ukraine arms to Iran

AFP | Paris, France

Secretary of State Marco Rubio on Friday accused Ukrainian President Volodymyr Zelensky of lying over US demands and voiced openness to diverting weapons to Kyiv to support the US attack on Iran.

Zelensky had said in an interview that the United States was pressing Ukraine to give up the eastern Donbas region to Russia, which invaded four years ago, before finalising any post-war security guarantees to Kyiv.

"That's a lie," Rubio told reporters when asked about Zelensky's remarks.

"I saw him say that, and it's unfortunate he would say that, because he knows that's not true," Rubio said in Paris after talks of the Group of Seven industrialised democracies.

"What he was told is the obvious: security guarantees are not going to kick in until there's an end to a war, because otherwise you're getting yourself involved in the war," Rubio said.

"That was not attached to, unless he gives up territory," Rubio said.

"I don't know why he says these things. It's not true," Rubio said.

The attack on Zelensky was especially striking coming from Rubio, a former hawkish senator who has largely been seen as more supportive of the Ukrainian cause than some others in President Donald Trump's circles.

Rubio said that the United States was open to shifting assistance to Ukraine after the United States and Israel attacked Iran. "Nothing yet has been diverted, but it could," Rubio said.

"If we need something for America and it's American, we're going to keep it for America first."

But he said there had not yet been any change to the so-called Prioritised Ukraine Requirements List, a NATO initiative established after Trump's return, in which European allies fund weapons requested by Ukraine that are purchased from the United States.

2024 budget and final accounts under review

Hasan Barakat
TDT | Manama

The Kingdom's final accounts and budget performance for 2024 are set for review in Parliament on Tuesday, putting public spending and fiscal outcomes under the s potlight.

Prepared by the Ministry of Finance and National Economy, the report includes the final account for the year ending 31 December 2024, along with detailed assessments of budget execution and transfers between government allocations. It has been referred to the Financial and Economic Affairs Committee for scrutiny as part of parliamentary oversight.

The session is expected to evaluate how effectively the budget was implemented and how government spending aligns with national priorities and public needs.