

Trump orders creation of sovereign wealth fund and affirms it could buy TikTok

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I can buy and sell anything I want! And I want it all!

Washington, February 4 (RHC)-- U.S. President Donald Trump has signed an executive order for the creation of a sovereign wealth fund within the next year, saying it could potentially buy the short video app

TikTok.

Trump offered on Monday little in the way of detail, and it was unclear how such a wealth fund would work. Typically, such funds rely on a country's budget surplus to make investments, but the U.S. government operates at a deficit. Its creation also would likely require approval from Congress.

"We're going to create a lot of wealth for the fund," Trump told reporters. "And I think it's about time that this country had a sovereign wealth fund."

Trump had previously floated such a government investment vehicle as a presidential candidate, saying it could fund "great national endeavours" like infrastructure projects such as highways and airports, manufacturing and medical research.

Administration officials did not say how the fund would operate or be financed, but Trump has previously said it could be funded by "tariffs and other intelligent things."

Treasury Secretary Scott Bessent told reporters the fund would be set up within the next 12 months. "We're going to monetise the asset side of the US balance sheet for the American people," Bessent said. "There'll be a combination of liquid assets, assets that we have in this country as we work to bring them out for the American people."

Former President Joe Biden's administration also was considering establishing such a fund before Trump's election in November, according to The New York Times and Financial Times.

"Creating a sovereign wealth fund suggests that a country has savings that will go up and can be allocated to this," said Colin Graham, head of multi-asset strategies at Robeco in London. "The economic rules of thumb don't add up."

There are more than 90 such funds across the world managing over \$8 trillion in assets, according to the International Forum of Sovereign Wealth Funds.

In another surprise twist, Trump suggested the wealth fund could buy TikTok, whose fate in the U.S. has been up in the air since a law requiring its Chinese owner, ByteDance, to either sell it on national security grounds or face a ban took effect on January 19th.

Trump, after taking office on January 20, signed an executive order seeking to delay by 75 days the enforcement of the law.

Trump has said he was in talks with multiple people about TikTok's purchase and would likely have a decision on the app's future this month. The popular app has about 170 million American users.

"We're going to be doing something perhaps with TikTok and perhaps not," Trump said. "If we make the right deal, we'll do it. Otherwise, we won't. ... We might put that in the sovereign wealth fund."

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