



PRESS RELEASE

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**INAUGURAL ARAB GLOBAL FORUM OPENS WITH CALL
TO BUILD ON MOMENTUM OF OBAMA'S CAIRO SPEECH**

Washington, D.C. – 7 December 2009 – The inaugural Arab Global Forum opened today, with business leaders from the Middle East and North Africa region calling for concrete action to broaden the engagement and partnership between the United States and the Arab world. American President Barack Obama had promised to work towards bridging the gaps between the two sides in a landmark address in Cairo in June this year. Yet “in the past six months since the speech, very little has been accomplished on the ground,” said Shafik Gabr, Chairman and Managing Director, ARTOC Group for Investment and Development, Egypt. “We are here to participate in this new beginning.” Mr. Gabr is founder of Egypt’s International Economic Forum and Co-founder of the Arab Global Forum.

Gabr called on the US to play a proactive role in forging a comprehensive solution to the Arab-Israeli conflict. “More than ever there is a need for conflict resolution,” he told more than 200 participants in the two-day meeting. According to Gabr, the business, government and civil society leaders from more than 16 countries at the Forum aim to come up with “actionable initiatives” to bring to both the US and Arab leadership that would “set an agenda for a better future.”

Claude Smadja, President, Smadja & Associates, Switzerland, co-founder of the Arab Global Forum in partnership with Egypt’s International Economic Forum, added: “We want to bring solutions, to push the envelope and to get into the reality where only win-win solutions can survive and prosper... We need to make sure that the tremendous stimulus created by President Obama’s speech is not lost in the sands. We cannot afford another stage of disappointment at seeing tired rhetoric not followed by actions. This is a luxury we cannot afford.”

Later in a discussion on the economic outlook for the Arab world, panelists noted that the Middle East and North Africa had weathered the global crisis relatively better than other regions. “Oil exporters decided to continue public spending even though revenues were falling,” Masood Ahmed, Director, Middle East and Central Asia Department,

International Monetary Fund, remarked. “Because they continued to spend, this limited the effect of lower oil prices.”

According to Juan Jose Daboub, Managing Director of the World Bank, however, unemployment in the Middle East and North Africa had risen significantly as a result of the crisis. To generate new jobs during this period of economic stress will require investments to improve productivity and create new sources of growth, he explained. “We can no longer rely on the US consumer to sustain global demand. Why can’t the Middle East become one of the new poles of growth? I think it can.”

For the Arab world to drive new growth and create the millions of jobs it needs, panelists agreed, countries in the region will have to address structural problems and deficiencies such as the lack of consistent long-term planning, the wavering commitment to reform, the tendency to apply protectionist measures, and the lack of transparency. “These are issues that we have to look at from a practical perspective rather than with a rosy view,” warned Mazen Darwazah, Chairman and CEO, Hikma Pharmaceuticals, Jordan. “The predictability in long-term planning is very crucial. Education is very crucial. Finding jobs for our educated people is very crucial.” He argued that economies in the Middle East could focus on generating new growth from sectors that would benefit from the region’s youthful demographics, including tourism, education and the development of renewable sources of energy.

Darwazah and other panelists also called for the Arab world to deepen regional integration to boost competitiveness. “It is very difficult to be competitive, to get economies of scale, when you have fragmented markets,” said Clyde Prestowitz, President, Economic Strategy Institute, United States. He noted that countries that have achieved a high level of global competitiveness such as Singapore and Finland did so because they “really focused on being competitive.” Concluded Prestowitz: “The commitment is maybe the most important thing.”

At the end of the session, participants voted on two questions – the first, on the severity of the impact of the Dubai debt crisis, and the second, on when the US would achieve real recovery. More than 80% of the participants believed that the impact of the Dubai crisis would last for the medium (from six months to a year) and long term (more than a year), while nearly 70% said that real recovery would not happen in the US until 2011.

The Arab Global Forum (www.arabglobalforum.com) is an initiative of Egypt’s International Economic Forum (www.eieforum.org) and Smadja & Associates (www.smadja.ch). This inaugural meeting of some 300 decision-makers in Washington, D.C. is part of an ongoing process that will continue with meetings in Europe, Asia and the Middle East over the next year.

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