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Seminar: How to Achieve a Technological Resurgence

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At a conference on Electronic Commerce & Intellectual Property organized by WIPO in September 1999 in Geneva, I had the privilege of sharing with Mr. Bob Bishop, Chairman and CEO of Silicon Graphics, the vision of technology and where it is taking us in the next millennium.

And today, I want to convey to you not only that vision, but also the dangers that lie ahead for the whole world as a result.

Let us first agree how to define technology. To me, technology is everything that has been invented since the creation of humanity. And that includes a walking stick, a lipstick, a dynamite stick, and Sony's new memory stick.

Let us also agree that technology does not go backward. Once it is there it stays and can only go forward. But now, on the eve of the millennium, this evolution is bursting out into a revolution, the knowledge revolution, which will take us into a new world. Borderless, with countless choices and, in a way, it carries us from the national democratic system to a single "global democracy" system.

The speed of the transition is unlike anything before; e.g. humanity this year used more computing power than all previous years combined. Looking ahead, we should expect in 20 years zero cost computing and zero cost telecoms, one planet, and one network: the INFOSHERE. Information, information, information; we will live in an endless ocean of information. Semi-conductors will last for only a couple of decades, after which, devices will be built at the automatic level. Commerce, health, education, entertainment, government and all other services will go online, as will books, films, music, video etc.

Technology, as we defined it, will be converted into the new digital format. Many of us may not like this "brave new world." Such a debate is as hypothetical as whether or not you like collecting old radios, stamps or cars. The future is already here. You should gear yourselves soon for a single digital device for all media and communication. You will soon have an ID card that can be used all over the world for all purposes.

Intelligent IT will be there: idiot-proof, voice-commanded, visually intensive, user-friendly and object-oriented. IT will do most of our work for us and will be friendlier than many of us. You should expect digital everything. We are talking about a price/performance improvement; one million fold in 20 years! You better believe it. Only look back and see how far we have reached in 20 years. Technology is not simply an additive, it is more often exponential. An invention usually triggers other inventions.

Digital IP will be the main business and trade. Today, IP accounts for 20% of world trade, but should account for at least 50% of it by the middle of the next century. Digital Intellectual Property replicated countless times, whereas analog IP by definition grants higher value for the original. But digital IP is easy to steal and pirate and, hence, needs protection through technology itself, such as through encryption.

E-commerce will become the virtual market place in 20 years, in your life-time-inshallah. This has opened limitless opportunities.

Technology and IP develop jointly and interactively. Look at the growth of copyright in relation to the developments in printing music theatre, film, radio, TV, VCR, cable, and so on.

Will IP survive the challenges of the internet and the hurricane of the next millennium technologies? The answer is that IP will not only survive it but will prosper more because of it.

By the close of the next century, technology will concentrate on the brain, whose potential, thanks to GOD, is yet to be realized.

By the close of the next century, the information revolution will lead us through a knowledge revolution to the wisdom revolution. The tools are the internet, machine intelligence, and virtual reality (a form of being there).

In the next millennium, we will not just have intelligent information, but also intelligent machines that will replicate and reproduce it.

That is all beautiful. Yet that is not all. The INFOSPHERE we are heading towards invokes the inherent risk of being the sphere of the developed, the few. Unless we can bridge the technological gap between the 20% and the 80% of the global population, we will be heading towards an ugly world with ugly consequences.

That is why, on behalf of the developing world, I would like to make an urgent plea to the developed world under the US leadership.

DO NOT CLIMB THE LADDER AND THEN KICK IT OFF SO THAT NO ONE ELSE CAN FOLLOW. IT IS NOT IN YOUR INTEREST. IT IS NOT IN OURS.

Should you manage to exclude us from the INFOSPHERE, you will realize with regret that it was shortsighted and a grave error. It will breed the seeds of an inevitable disastrous struggle between our sphere and your sphere. The leading edge has the potent threat of being the bleeding edge. God Forbid.

Creation of Knowledge:

It is said that the creation of knowledge means the creation of the future and paving the way to the future's wealth. This is consistent with the fact that humanity, ever since the Stone Age, has gone through developments or revolutions, the last of which was the Industrial Revolution. We are now living through a new revolution, and that is the knowledge revolution. I would like to point out here that the world's richest man, Bill Gates, works in the field of knowledge and not industry, real estate, trade or oil. The expectations are that most -if not all- of the wealthiest people in the world at the start of the next century, will be those who work in the field of knowledge.

Therefore, it is my duty to sound the alarm in advising that traditional sources of wealth will become obsolete in the face of the sources of the knowledge revolution. Perhaps the greatest challenge facing Arab progress is this transformation that may negate the value of what's left of Arab resources through the revival of a new source of wealth. This source of wealth is one that is not dependent on nature's resources and one that can be produced and owned by whoever possesses the means of knowledge.

Therefore, I will seek to address with my colleagues, teachers and pupils on every upcoming occasion every topic that is characteristic of knowledge and has a profound effect on our Arab nation, amidst the ongoing rapid international developments.

Globalization, liberalization of trade, reformulating the concept of governance, universal democracy, the new world order, electronic trade, protection of intellectual property (IP), economic blocs, the information revolution and many others items, are just a few of the elements of the knowledge community that is being framed through the creation of knowledge.

I reiterate that traditional sources of wealth are diminishing in the face of the wealth of knowledge, and my thought process and discussion is an attempt to figure out how we can enter this knowledge society, which is a society of technical advancements and industrial growth that will pave the future towards wealth.

It is a long and arduous road ahead of us, but it is the only way, as there is no magic potion that can transform us from "developing" nations to "developed" ones.

Therefore, I think we should work on the following main fronts:

Firstly: Developing a complete and strict system for the protection of IP rights whether they be related to innovations, trademarks, copyrights or other elements of knowledge. This is because such a system is necessary to encourage creativity and investing in it, in order to exploit it through trade. This is the only way progress can be made, and not vice versa as may be commonly thought. Economic development can only occur in an environment of complete protection for IP rights. That is the message of the Arab Society for the Protection of Intellectual Property , because we believe that the Arab person is able to be creative and compete like any other person under the umbrella of a balanced system, as long as encouraging conditions are available for this creativity.

Secondly: Expediting the liberalization of trade in order to take advantage of the privileges available as a result of the market economies system and growth of world trade in both commodities and services. Instead of only crying over and complaining about all the negatives, we must face those negatives, and give special consideration to the GATT's conditions regarding prohibited protection and prohibited direct support. As a contribution in advertising those challenges, the Arab Management Society issues –in conjunction with the World Trade Organization (WTO)- a guide to the trade liberalization agreements; the first such official publication in the Arabic language. Allow

me to point out here that global trade in services constitutes 20% of trade worldwide and reaches a value of 8 trillion dollars annually, while at the same time represents 80% of the GNP for advanced countries. Therefore, future growth in global trade will be focused on trade in services so that it takes its appropriate status. The services trade will also be the point of discussion in future rounds of negotiations related to trade liberalization, which we are watching closely.

- Thirdly: Developing necessary legislation for the transfer of technology via the licensing and franchising agreement and other similar agreements for a necessary “transfer phase”, in order to develop an advanced national technology base. This was done by other nations before us, and we should do the same instead of considering this technology an enemy to our national industries. Also, it is necessary to introduce legislation that encourages scientific research necessary for technical progress. The Arab Licensing & Technology Transfer Society (ALTTS) seeks to establish what I like to call the technology of transferring technology, driven by the belief that national technology cannot be built unless its basic elements exist and by utilizing international technical cooperation.
- Fourthly: Intensifying the efforts to create an Arab free trade zone (not just a Middle Eastern one), in order to support Arab multilateral trade. This free trade zone would represent our main market and would be the most financially feasible market for every Arab nation. It would also serve to prevent the continuous chaos in our strategic tendencies that damages our Arab economy. This prevention is a noble goal and should stay at the helm of our Arab economic strategy. It is dangerous that 75% of our imports remain industrial and 75% of our exports are oil-related, while our multilateral Arab trade is only 8%. Liberalizing multilateral Arab trade and quickly is a necessary national demand.
- Fifthly: Establishing an Arab information infrastructure (like the American or European version) that is necessary for future global trade, particularly in electronic commerce. This has become our destiny and we must work on this so that the future does not pass us by yet once again. We must take the necessary procedure to face the future’s social, cultural, economic, political and security challenges. This is a topic that merits a special seminar from yourselves. I would like to mention here a policy that the American president issued on July 1, 1997 to establish a universal system for electronic trade. My claim is that there will be no future Arab economic growth in the absence of Arab electronic trade. The Talal Abu-Ghazaleh Organization feels it has a special responsibility towards this future that we must keep up with. Through my participation in the meeting of experts on the future of electronic trade, in what is known as cyberspace, I always urge an Arab presence to keep pace with electronic trade that has a volume of billions of dollars annually.

Sixth: Creating and executing an educational plan that will erase this recent illiteracy in this field. This is because the new definition of an illiterate person is one who does not efficiently handle new information with everything this entails including internet usage and multiple communications that are all being merged into a single mean of communication referred to as multi-media. The five-phase plan to eliminate said illiteracy (which includes the availability of the internet and its usage in trade throughout every company and home) in Hong Kong, provides a great example. The Arab Society for Certified Accountants (ASCA) is working towards this by starting a program to comprehensively modernize accounting education to be consistent with what's being formulated in the international accounting qualification committee that I exert considerable efforts in as its chairman. That committee is involved with setting international standards the regulate trade in professional services.

Seventh: Working quickly to invest in developing our agricultural capabilities and water resources. We cannot continue to import 24 billion dollars worth of agricultural products annually with the deficit between our agricultural imports and exports reaching 10 million dollars annually. We also cannot stand idly by with the deficiency in our existent water resources as our annual need is 450 billion cubic meters annually, yet our current usage is less than one-third of that. We must always remember that he who does not have food will not have security or peace of mind.

We as Arabs are facing a new challenge to civilization and I am confident that we will be victorious if we work with tireless dedication and used our intellect to achieve this victory. Otherwise, we will be talking in upcoming seminars about begging for assistance not as developing nations mind you, but as poor ones. On past occasions I've mentioned something that I'll mention here again: The person of the future will earn his/her living as a result more of his/her intellectual and not physical capabilities. Soon, the methods of sustenance will change, just as the methods to achieve peace have. Soon, we'll be talking about the effort resulting from knowledge and intellect rather than that from physical activity, because sustenance in the next millennium will be monopolized by creators of knowledge. Allah said in the Holy Quran "And say Oh Lord enhance my knowledge".

This meeting of ours is telling indeed. This is because it is being convened at this time in particular with much worry and chaos in the region. And so, what we are saying is that from this great land of Egypt, we as Arabs insist on our rights to advance no matter what the conditions may be, with the belief that all crises must pass one way or the other with all their perils. We insist on our right to regain our status in the knowledge community being formed, after we were for many centuries the fountain of knowledge and the leaders of it.

Although I believe in a fair and comprehensive peace on the basis of the full recovery of rights, I also believe that merely waiting for peace to be achieved in order to achieve progress is a folly. I do not want to mention what type of economies may have developed during wartime in the world's history. I do, however, want to point and mention that

peace in and of itself never created progress for the countries enjoying it, rather, progress was achieved as a result of the sum of what society produced under any political situation. Accordingly, expectations of development during peacetime for that reason alone are self-deceit.

The changing points in the world of technology cannot be easily observed. And, one cannot fully realize the effects of technological developments until after a period of time has elapsed. At the turn of this century, Studebaker changed its product from carriages that were drawn by horses to the manufacture of automobiles. The significance of this step wasn't immediately clear, especially considering that the people of New York during the previous 5 years purchased 350 carriages, yet only 125 automobiles.

This problem; the problem of not properly evaluating things, affects all new developments. The information revolution did not happen yesterday; it started to move slowly ever since the TV was invented. Yet no one realized what would happen in the next few years. We now know that we are on the verge of a complete revolution in the field of knowledge, telecommunications and economic changes.

That is why I wish to send an open message from this forum to a possible savior!

November 16, 1999
Mr. William Gates
Chairman
Microsoft

Dear Mr. Gates,

PLEASE ALLOW ME TO INTRODUCE MYSELF. I AM A MEMBER OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION'S (WIPO'S) INDUSTRIAL ADVISORY COMMISSION (IAC). I AM ALSO THE CHAIRMAN AND CEO OF ONE OF THE LARGEST INTELLECTUAL PROPERTY FIRMS IN THE WORLD, ABU-GHAZALEH INTELLECTUAL PROPERTY (AGIP), AS WELL AS THE CURRENT PRESIDENT OF THE ARAB SOCIETY FOR THE PROTECTION OF INDUSTRIAL PROPERTY (ASPIP).

AT A RECENT MEETING OF THE WIPO INDUSTRIAL ADVISORY COMMISSION, MUCH ATTENTION WAS DIRECTED TO THE ONGOING ADVANCES IN COMMUNICATION TECHNOLOGY AND THE OPPORTUNITIES, SUCH AS E-COMMERCE, THAT THESE MIGHT BRING. ONE OF OUR CHIEF CONCERNS WAS THE FEAR THAT DEVELOPING COUNTRIES WOULD BE LARGELY EXCLUDED FROM REAL PARTICIPATION BECAUSE OF THE LACK OF AN ADEQUATE TECHNOLOGICAL INFRASTRUCTURE. I BELIEVE THAT THIS SUBJECT MAY BE OF INTEREST TO YOU FOR REASONS OF BOTH ALTRUISM AND SELF-INTEREST.

OUR RECENT IAC MEETING WAS FOLLOWED BY AN INTERNATIONAL CONFERENCE ON ELECTRONIC COMMERCE AND INTELLECTUAL PROPERTY ORGANIZED BY WIPO THAT WAS ATTENDED BY OVER SEVEN

HUNDRED DELEGATES. AT THIS CONFERENCE, I .AGAIN, RAISED THE ISSUE OF PARTICIPATION OF DEVELOPING COUNTRIES AND, AGAIN, THE SAME NEGATIVE CONCLUSIONS WERE REACHED. IT WAS GENERALLY BELIEVED THAT DEVELOPING COUNTRIES WOULD CONTINUE TO BE LEFT BEHIND IN THE INFORMATION AGE, JUST AS THEY HAD IN THE POST-INDUSTRIAL AGE. APART FROM ANY MORAL ISSUE, SUCH A SITUATION DOES NOT MAKE ECONOMIC SENSE.

AT THE CONFERENCE, I NOTED THAT A PARALLEL COULD BE DRAWN WITH EUROPE AT THE END OF WORLD WAR II WHEN IT WAS RECOGNIZED THAT THERE WAS A NEED TO GET THE RAVAGED COUNTRIES OF WESTERN EUROPE BACK ON TRACK AND THE NOW LEGENDARY MARSHALL PLAN WAS LAUNCHED. WHILE INITIALLY, THE IMPETUS FOR THIS MIGHT HAVE BEEN POLITICAL, IT SOON BECAME APPARENT THAT REVITALIZED EUROPEAN MARKETS WERE OF ECONOMIC BENEFIT TO OTHERS AS WELL. THE SUCCESS STORY OF MANY OF THE EUROPEAN COUNTRIES CAN BE TRACED BACK TO THE MARSHALL PLAN, BUT THERE IS NO DOUBT THAT THIS WAS A SIGNIFICANT FACTOR IN THE GROWTH OF THE ECONOMIES OF THE DONOR COUNTRIES. THESE OBSERVATIONS WERE VERY WELL RECEIVED AND WERE ENDORSED BY MANY OF THE INTERNATIONAL EXPERTS WHO WERE THERE AND I WAS ENCOURAGED TO GIVE FURTHER CONSIDERATION AS TO HOW THE PROBLEM SHOULD BE ADDRESSED.

THE TASK IS MAMMOTH AND RIGHT FROM THE OUTSET, IT NEEDS UNIQUE LEADERSHIP IF IT IS TO SUCCEED. TODAY WE NEED A “GATES PLAN”, WHICH WOULD BE THE INFORMATION ERA’S MARSHALL PLAN. I KNOW THAT YOU HAVE DONE MUCH TO BRIDGE THE DIGITAL DIVIDE IN THE USA BETWEEN THOSE WHO HAVE ACCESS TO THE POWER OF TECHNOLOGY AND THE INTERNET AND THOSE WHO DO NOT. THE GAP IN THE DEVELOPING WORLD WILL BE MUCH MORE DIFFICULT TO BRIDGE. HOWEVER, THE POTENTIAL OF INFORMATION TECHNOLOGY TO HELP IN OVERCOMING THE DIPARITY BETWEEN THE DEVELOPED AND DEVELOPING COUNTRIES IS ENORMOUS. NO TECHNOLOGY BEFORE IT HAS EVER HELD THE SAME POTENTIAL FOR TRANSFORMING NOT ONLY SOME NATIONS, BUT ALL THE NATIONS OF THE WORLD. IF YOU ARE INTERESTED IN THIS SUBJECT, THE IMPORTANCE WHICH I AM SURE YOU ARE AWARE, I WOULD VERY MUCH WELCOME THE OPPORTUNITY OF MEETING WITH YOU TO DISCUSS POSSIBLITIES FOR CONCRETE ACTION.

BEST REGARDS,

TALAL ABU-GHAZALEH
CHAIRMAN