

# Economist and thinker Abu Ghazaleh: Egypt capable of meeting challenge

Friday 20/January/2023 - 03:31 PM





Investment opportunities available here are strong  
Digital transformation is important for building and  
advancing states

Dr Talal Abu-Ghazaleh is a thinker and an  
economist. He is the chairman and the founder of  
the Talal Abu-Ghazaleh International Group.

He described current economic conditions in  
Egypt as 'distinguished'. He even expected Egypt  
to have one of the best economies by 2030,

thanks to its focus on the future in executing its plans.

Abu Ghazaleh stressed in an exclusive interview with al-Bawaba that he is optimistic about the prospects of the Egyptian economy under President Abdel Fattah al-Sisi, despite the great challenges facing Egypt.

He attributed his optimism to Egypt's infrastructure projects in all sectors.

Abu Ghazaleh pointed out that China is one of few countries in the world that are interested in infrastructure.

He explained that Egypt is making great strides towards innovation which is currently leading the world.

So it is necessary, he said, to change traditional education and the traditional economy and turn to innovation, if the countries participating in building the future want to succeed.

He expressed pride to see Egypt in this position.

Abu Ghazaleh stressed that Arab students have to be innovative.

We need to produce people, he said, who are capable of innovating more than people in Western countries and in China.

He noted that China registers 300,000 innovations annually.

He said this and other realities invite attention to the importance of creating an inclusive digital society.

Abu Ghazaleh talks about this issue and others in the following interview:

Dr Talal Abu-Ghazaleh was born in 1938 in the city of Jaffa. He is the president of the Talal Abu-Ghazaleh International Company.

He has wide interests and contributions in the field of professional services, intellectual property, education, knowledge economy and information technology.

This man has a long and inspiring history of working with international development institutions and organizations related to business, and forward-thinking business projects in the Arab world.

He founded a private multi-activity and multi-disciplinary for-profit company with the mission contributing to the social and economic development of the Arab world.

Abu-Ghazaleh was the chairman of the Global Alliance for Information and Communication Technology and Development. He is currently the chairman of the Arab Alliance for Service



Industries and a member of the World Trade Organization Committee on Determining the Future of Trade.

**Can you tell us about aspects of cooperation between the Abu-Ghazaleh Foundation and Egypt?**

We do a partnership with the Egyptian government in the technological field. There is an equal partnership in its results and responsibility.

We bear the cost of production and the necessary technology, and the state hosts this factory,

secures it and provides the infrastructure of electricity, water and labour, all of which are Egyptian. This factory produces locally-made products, instead of importing them at high prices and in foreign currencies that are not available.

**What is your assessment of the climate summit that was held in Egypt recently? Do think it had borne fruit?**

We should call it the implementation summit, because for the first time it put forward a principle for polluting countries to compensate polluted

ones, through sanctions on polluting countries to be placed in the fund. The summit determined how to establish this fund and who would manage it, and how the responsibility of each country would be determined.

In addition to determining what the mechanism is to oblige this country to pay money to this fund, because the implementation mechanism has been postponed to the next summit. So far, the implementation mechanism has not been put

forward. We are facing a decision only that the principle of charging countries fines for pollution is being approved and this principle I put forward in a report to the United Nations in 1999. The mechanism for charging countries and companies responsible for pollution fines has been established.

We are very far from implementation. This is important so that affected countries would not expect money to come to them from major

polluting countries. This will not happen until a body capable of imposing these sanctions on countries in a mandatory manner and clear criteria comes. Egypt led this project at COP27 in Sharm el-Sheikh. We must commend this great effort.

**You mentioned that some public figures and specialists are being formed. Have any steps been taken on this issue?**

I was hoping that Egypt would form a council of elders that would take stock of the major contentious issues between the US and China.

This is the big problem between the two countries fighting over who will lead the world. The problem is that there is no international consensus, and there is no leadership that forces everyone to pay compensation to affected states.

**Is Egypt on a steady path to become one of the world's strongest economies?**

Egypt's political leadership has decided to focus on infrastructure, instead of focusing on illusory projects that can make the people happy. This

decision is a maker, because Egypt's future depends on the environment that can attract investors. The economy needs infrastructure, not only roads and bridges, but digital infrastructure, as well as ports, airports and hospitals. Egypt is currently following in the footsteps of China.

**Digital transformation is surely important for any economy. Is Egypt capable of achieving growth in digital transformation?**

There is no integrated plan and no dedicated entity for this subject. What the city of Dubai has done must be implemented. An e-government has to be established. This government should be parallel to the existing government whose task will be digital transformation in all ministries.

Therefore, there will be a government entity whose interest and responsibility is digital transformation.



**Your assessment of what is happening in the world is important. How do you see the conditions of the world in the light of the current political fluctuations?**

We have reached a stage where there is not a leadership for the world anymore. There is disagreement over everything. There is no longer a system for the world and all countries behave as they do. The problem is that the world cannot remain leaderless.

When the war erupted in Ukraine, I said this is not a battle with Ukraine, but a battle with the American and Chinese giants on the next stage of the future of the world. Both of them believe that they have the right to be great powers.

The existing situation will end only when the final friction occurs, which is a military one. It does not mean that one of the two states will occupy or control the other country, but there is a war with several traditional military, digital, technological

and biological methods. If the war begins, a deadly and nuclear war is out of the question because all parties realize that the damage will fall on them together. We are facing a war that will continue and roll to different ways and regions until the parties reach exhaustion that makes them obliged to sit together.

**Do superpowers play a role in this?**

The US and the UK are the main engines in European decision-making. The US is in a stage of economic decline and will face a very difficult economic situation, more difficult than the situation of other countries. Now, there is a difficult choice for Germany, either it will side with this or that team. The fact is that Germany's economy depends on oil and gas from Russia.

If Russia cuts off gas and oil, it will cut off the lifeline for Germany. The Russians leave the issue hanging because it is a beneficiary. Russia sells its gas at twice the price. The situation is currently one of crisis and its economic effects are just the beginning. All countries will moan more.

**Are there any indications that parties to this conflict will sit down on the negotiating table?**

The whole world knows, including the US and Europe, and even if there are divisions between Europeans, that Russia has captured the world with three things, namely food, energy and gold. Russia is the largest country in the universe. No one can defeat it because of its geography, as well as China. We are facing two powers that can hurt each other. This is an anomaly, and the US and Russia will sit at the negotiating table as soon as the current economic results worsen.

**Your view about the economic situation surely matters.**

**What is your assessment of this economic situation?**

I expect Egypt to have one of the strongest economies in the world by 2030, thanks to its focus on the future in developing all its plans. I am optimistic about the economic situation under President Abdel Fattah al-Sisi, given what Egypt is doing in infrastructure projects in all sectors.

China is probably the only country that is interested in infrastructure. Egypt was the earliest

country to pay attention to innovation. It constructed the pyramids. So the Egyptians must return to lead the world.

Arab peoples have a responsibility to build the next civilization, the civilization of science with creativity.

I am proud of Egypt and its people. Whoever comes to Egypt comes to learn, listen and witness the greatness of the Egyptian people, and for this



we are proud of Egypt, its people and its government.

You believe in innovation and digital transformation. So how is this important to the world?

Egypt is making great strides towards innovation.

This innovation is what leads the world now.

Therefore, it is necessary to change traditional education and the traditional economy and turn to

innovation if countries want to participate in building the future. I am proud to see Egypt in this position.

Therefore, Arab students must be innovative. We must produce people who are capable of innovating more than people in Western countries and China. The Egyptian renaissance was the first in history. China registers 300,000 innovations annually. This is an initial step for creating a fully-fledged digital society.

**You cooperate with the Ministry of Education in Egypt.  
Can you tell us about this cooperation?**

We believe that education is important for building countries. Egypt has rich opportunities in this matter. The fact is that we held a meeting with Egyptian Minister of Education and Technical Education, Dr Reda Hegazi, several days ago. We talked about many things to develop the educational system. The goal is to develop education and make a revolution that puts students on the path of progress and knowledge,

build students' abilities and help them acquire various life skills, and achieve President Sisi's vision for building the future. We have confirmed that we are ready to provide all assistance and consultations to the ministry, and harness everything we have to participate in the development of the educational process during the coming period. We look forward to having

great joint cooperation, especially in digital literacy because our goal is the same, which is to serve our dear homeland Egypt and build its future.

**You always emphasize the importance of food security. How can this be achieved?**

In my opinion, this can only be done by applying smart technologies to modify our agricultural practices so that we can face the challenges induced by overpopulation. We also need to reduce dependence on foreign imports that were

not perceived as a weak point until the war in Ukraine began. The UN expects the world's population to reach 9 billion by 2037. The only way to overcome this challenge is to expand the adoption of innovative farming technologies and farmers' dependence on knowledge in their fields.

We need to increase investment in smart agricultural technology so that farmers can work smarter.

In particular, I believe that digital technologies will play an increasing role in enabling smart agriculture and vast crop and livestock fields, along with a wide range of factors governing the health and growth of the harvest. Smart management is the only way forward, especially with the spread of the consequences of climate change which leads to new complications in the global food equation.

**What are the challenges facing this?**

The quest to increase food production is a challenge at a time when the area of arable land is decreasing and deforestation is increasing. This affects soil quality and causes its degradation, and further blocks our ability to meet global demand for food. The only solution to this problem is to move towards data-driven smart agriculture. Therefore, the cost of these processes must be simplified and made available to everyone so that real changes appear on a global scale. It is not



useful that this technology is available only to developed countries. It must penetrate into the fabric of the entire global agriculture, if we want to feed billions more people in the future.