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Destitute Indians

Struggle For Survival In The UK

**India, China, ME:
A New Silk Route?**

**London Olympics
Tainted By Bhopal?**

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India, China, ME: A New Silk Route?

Interview with Dr. Talal Abu Ghazaleh

In this new series TII introduces readers to interesting, prominent people from all over the world. HE Dr. Talal Abu-Ghazaleh, is the Chairman and Founder of Talal Abu-Ghazaleh Organization, the largest Arab group of professional service firms. Founded in 1972, TAG-Org operates out of its 73 offices in the Middle East, North Africa, Pakistan, India, Cyprus and China serving a global clientele.



HE Dr. Talal Abu Ghazaleh

By: Frank Raj

TII: Please tell us something about yourself

TAG: It's a long story...I am a Palestinian refugee who was thrown out of his country by an occupier. I was 10 years old at that time, walking 2 hours to school and 2 hours back, always thinking - what should I do with my life. I decided that my best revenge would be to excel and try to be better than my enemy.

When I got into the American University of Beirut, there was only one scholarship for a Palestinian refugee offered by the United Nations Relief and Work Agency – for the best student in Lebanon. There was no alternative, I had to be the top student and I won that scholarship.

I am 75 years old, my wife is



Dr. Talal Abu-Ghazaleh along with (3rd from left) Mr. Vayalar Ravi, Union Minister of Overseas Indian Affairs with other officials at the UAE Embassy in India, November 2006



The Internet showed me a light at the end of the tunnel. I realized it was an equalizer with the potential for global democracy which the countries of the world could not achieve. Anybody who gets into that environment is equal to anybody else. It's up to him to make the best out of it.



Lebanese, I met her at college and we married half a century ago; we have four children and nine grandchildren.

TII: How did you establish your global Intellectual Property business?

TAG: Ever since I was a young boy, I started formulating in my mind what to do in life. After half a century of work, here we are, the leading Intellectual Property firm in the world and I mean globally and not just in the Middle East. We are established in India, with an office in New Delhi. Abu Ghazaleh Intellectual Property is now operating in 71 countries and by all criteria is the leading IP firm in the world. We are exceptionally the only foreign firm practicing IP in China as well.

We have 2,000 professional staff, besides support staff, and in addition to our 73 offices we have 170 representative offices, all over the world. We are the leading accounting firm in the Arab world, and the only member from the region established under the aegis of the



HE Mr. Abdullah Gül, President of The Republic of Turkey receives Dr. Talal Abu-Ghazaleh in Serail, Tarabya- Istanbul- 2010

International Federation of Accountants including some 20 trans-national accounting firms that apply international accounting standards committed to excellence and transparency. There is also the Talal Abu-Ghazaleh University in Bahrain and a College of Business in Jordan which incidentally won this year, the Best Business School Award in Asia, although it is only 4 years old.

Did being first in the region help you break into the business?



HH Sbeikha Mobammed bin Rasbid Al Maktoum, Vice President of the UAE, Prime Minister and Ruler of Dubai and Dr. Talal Abu-Ghazaleh during the Mobammad Bin Rasbid Al Maktoum Award for Arab Management

TAG: I started in an accounting firm in 1960 and decided I would build an organization from the Arab world that would become the first trans-national and global firm which is what we are now. In 1961 I learned about IP and I got very interested. I am someone who believes in the advantage of the first mover. So in everything we did we were the first movers and we were the first firm to start working in this region on IP protection at the global level. We provided governments with the consulting services needed to develop their IP environment and legal infrastructure. We realized that the Arab region was due to go into a development era and that required a lot of consulting services so we started Talal Abu-Ghazaleh Consulting which is also the largest and leading management consulting firm in 20 Arab countries.

TII: In your long career what are the breakthroughs you can recall?

TAG: In 1974, I was lucky to hear about the Internet at a meeting in Paris, where the ICC was hosting the senior advisor to the President of the U.S. on the Internet. I was very interested in that presentation because it showed me a light at the end of the tunnel. I can never forget how he showed a computer

screen and a key board, in front of which was sitting a dog. It signified the beauty of the Internet, that the person at the other end does not know that the person at the other end is a dog. I realized the Internet was an equalizer with the potential for global democracy which the countries of the world could not achieve nationally. Anybody who gets into that environment is equal to anybody else. It's up to him to make the best out of it.

TII: What was it that put you in the big league?

For this I must give credit to my competitors. We are now one of the major G20 accounting firms of the world. But when I decided in 1972, to start the Talal Abu Ghazaleh Organization in Kuwait, the big firms in the region, who were at that time called the Big 8 (PWC, Arthur Anderson etc.), were enjoying a complete monopoly of the accounting profession in the Gulf. My colleagues and partners in the firm knew we were under very serious scrutiny and could not afford to make a single mistake. We knew that one wrong move could crucify us. To this day we have never been convicted administratively or legally for any professional violation.

In 1990, Arthur Anderson tried to buy us out. Of course I was not interested in selling because my ambition was to build a global firm. But they were trying to tempt me with offers so they could liquidate the firm and take it over. I realized that it was another one of their attempts to get rid of me. Of course we turned it down. But dealing with such a giant was a historic situation – I was only negotiating to learn, not to come to a deal. I wanted to know more about myself because they knew me, and I wanted to know more about them so we both opened our files and when we studied the size of their operation in the Arab world and compared it to the size of our operation, it turned out we were about equal in size.

When they made me the offer, I said "I accept, but I would like to reverse the deal. I make you the same offer, to sell to me on the same terms which you have offered me!"

It was the Chairman & Chief Executive of Arthur Anderson I was dealing with and he was shocked! "Young man, this has never happened before with Arthur Anderson. You are out of line, nobody offers to buy Arthur Anderson." I

told him, "I didn't offer to buy Arthur Anderson I just want to buy your Middle East operation, just like you are offering to buy my Middle East operation. We are equal in size and so I am willing to buy you out – my bankers are waiting, you just say yes and the financial arrangements will be made."

He said, "This ends our meeting but let me tell you one thing... we will take you dead or alive." There are witnesses to this discussion who are in the profession today who were at that meeting. By God's grace, Arthur Andersen is gone but we are still around.

TII: What do you think of the changes happening in the region and beyond?

TAG: Without going into country specifics, all I want to say is this change is epidemic and it is not hitting only the Arab world. In 2012 we will see these demonstrations on the streets in Europe and before 2014 – you will see what happened in Egypt, happen in America.

TII: What do you think the new world order will look like?

TAG: I remember when President Bush in his last speech said we are into this crisis as a world



UN Secretary-General Ban Ki-moon and Dr. Talal Abu-Ghazaleh at the UN headquarters in New York

together and we should not get out of it except together and no country should take advantage of this crisis. False. We are not in it together. It was created by the West. They are the victims

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I believe the word ‘globalization’ is obsolete – today they are talking about ‘international’ not ‘global’ any more. Speaking on TV recently, I said there is no global crisis – only a western crisis. There is a lot misrepresentation in the western media.
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of their own doings. The rest of the world is clearly prospering.

TII: So you think the heydays of the West are over?

TAG: They talk of a global crisis now, because there are economic problems in the West. Was there no global crisis when people were starving and dying on the streets in Africa and Asia? When thousands of people die of starvation there it is not a global crisis...but when the pensions in a western country are cut by 5% there is a global crisis. I spend a lot of time speaking in public forums, and I advocate that the time has come for regional groupings – not globalization.

In fact I believe the word ‘globalization’ is obsolete – today they are talking about ‘international’ not ‘global’ any more. Speaking on TV recently, I said there is no global crisis – only a western crisis. There is a lot misrepresentation in the western media. I don’t see any crisis in the Gulf, China, India, Brazil and many other countries of the world. In fact, I see a rate of growth in Africa which was never seen before.

TII: There’s a very interesting story told about you and Nelson Rockefeller...

TAG: In our culture and our religion we believe that you may predict or forecast anything except death because your death is only determined by God and only God knows when you will die. My philosophy is that when I sleep I assume that I will not wake up. So when I wake up in the morning people wonder how I am so full of energy. It is another day, like a bonus and I am so grateful for my life.

When I was in Kuwait in the 80’s, the US

Ambassador once called me to say Nelson Rockefeller wanted to meet me. I thought it was a mistake but when he confirmed it, “I said in that case I can go tomorrow, just set up the appointment.” I was so excited...an insignificant person like myself going to meet someone like Rockefeller!

Anyway we met in New York over lunch with four of his colleagues, and after we had discussed something confidential which he wanted to see me for, I told him I didn’t agree. He replied, “In 20 years you and I will have another chance. I will prove to you that you are wrong and I was right. But these four people at our table will not be here, they will be dead, only you and I will survive.”

In his position as Governor of New York, he had studied my personal files, and he knew my father had lived till the age of 107; it is true....our genetic heritage plays a role. But I said, “Mr. Governor please don’t talk about this. This is not acceptable in our religion and culture.” But Rockefeller insisted, “No, no this is a medical fact.” “Fine,” I said, “but let’s not talk about it, because I don’t feel comfortable – I don’t believe that hereditary, medical, or genetic rules apply. This is something decided by another force, called God.”

Lunch over, I took the night flight through London for Kuwait. From London airport, in the morning I called my wife to say I would make it by 5 pm to Kuwait, in time for the dinner being hosted by the US Ambassador for Nelson’s brother, David Rockefeller, Chairman of Chase Manhattan. She asked me about my New York trip and I told her I had lunch the previous day with Nelson Rockefeller. “Are you sure?” she asked. “What do you mean?”



(R-L) His Majesty King Abdullah II bin Al-Hussein, King of the Hashemite Kingdom of Jordan, along with His Majesty King Hamad bin Isa Al Khalifa, King of Bahrain and Dr. Talal Abu-Ghazaleh during the wedding ceremony of His Royal Highness Prince Rashid bin El Hassan - July 22, 2011



I believe that we have two giants in the region - China and India. It is about time that we in the region build our own geo-political and geo-economic block of interest built around these two giants with the support of major powers like Turkey, Iran, Egypt and the Gulf countries.

I said, puzzled. "The dinner is cancelled," she replied, "David is not coming because Nelson Rockefeller passed away."

This had a tremendous impact on me. The man died at dinner the day we had lunch together.

TII: How do you see the next ten years?

TAG: The European Union will cease to exist in 10 years; Europe will have to go to where the oil, gas and funds are, to the country that can rescue them and not to stick to their European counterparts with their very serious poverty problems.

TII: You think Russia will rescue them?

Of course, Russia will lead Europe, which it already holds captive, being the second largest oil producer in the world and its vast energy resources. Russia is the richest country in the world, there is not a single natural resource it does not have. The European countries are in debt to each other, it is a web of debt, Spain owes Italy, Italy owes France, France owes Portugal and they are all chained together. I was talking about the problems of the West – Newsweek's recent cover depicts the tower of the U.S. Capital building upside down with the headline – 'This is how empires fall.' Time magazine talks about the decline and fall of Europe. The Economist says we have reason to worry, be worried, be afraid. Italy has announced that they have a total debt of 2.6 trillion, my estimate is that it is 4 trillion and this is owed to other European countries, who are also in default. It is a complete mess.

TII: What do think is the way forward?

TAG: I believe that we have two giants in the region - China and India. It is about time that we in the region build our own geo-

political and geo-economic block of interest built around these two giants with the support of major powers like Turkey, Iran, Egypt and the Gulf countries. Don't dismiss Egypt...Egypt is not in trouble, Egypt is in the making. I have always taken offence to the use of the term

'Spring,' there is no Arab Spring there is an Arab Renaissance, an awakening. The word "Spring" was sprung on us by the west.

Together it is inevitable that this region will be the new force. Obama has declared that he is shifting his focus from the Atlantic alliance to the Asian alliance. If he, from the other side of the world realizes that,



Dr. Talal Abu Ghazaleh (2nd from right) at the signing of a letter of accord between the Talal Abu-Ghazaleh Graduate School of Business and the US Naval Postgraduate School in Geneva June 2008

and I have seen endless strategy reports that wealth is moving from the north to the south, and from the west to the east, then such a realignment is to be anticipated.

TII: How long do you see this transition taking?

TAG: The Renaissance in Europe started in 1848 and it took 20 years. The West is trying to say look at the mess you have. What is happening is not a mess – this is the world today, changing...for the better.

I hope I can see at least the beginning of this block of economic interest called WANA - West Asia and North Africa... before I die. I cannot do it, I am a small person - even my country in the region cannot do it, it has to be either China or India, one of these two giants.

They must forget about politics to create an economic block that extends as it was in the past when the silk route extended from China through India to the Arab world. This is the revival. I dream one day the revival of the silk road can make us again the major economic block in the world.

Frank Raj is TII's founder editor and publisher