

**Enriching the Middle East's Economic Future
Conference IX
Concluding Remarks by Steven Spiegel**

One of our speakers commented this morning, “This morning I walked on the balcony and looked at the buildings, streets, etc. I came to Qatar 20 years ago, and none of this was here. What if gas and petrol will stop existing? What will happen and the region? We need alternatives and we need to start looking for alternatives today”.

The entrepreneurial talent is here, in this region and in this room, as seen in the impressive energy, creativity and commitment of our participants. What is needed is to create the conditions to unleash it. This optimism about existing talent ran through the conference, and I agree with what one investor who said: “We need to think bigger, aim bigger, and be able to draw on the financial resources to do so”.

In light of the new Doha Prize for Economic Innovation, the winners of which will be announced momentarily. CMED decided to build this idea around economic innovation. What one of our speakers called the “youth tsunami” in the Middle East poses an enormous challenge to all with a stake in the region’s stability: to create some 50 to 100 million jobs by 2025.

As we have heard, this challenge is economic as well as educational, social, legal, and political. And we have looked at this issue from a variety of perspectives, including those of male and female entrepreneurs working on the ground in the region.

The discussions have alternated between participants advocating governmental action and the need to work immediately and directly with young entrepreneurs. “Don’t wait for the government”! was the mantra of one young regional venture capitalist.

In truth, both approaches will be needed. Entrepreneurs need to be encouraged, and governments need to make key curricular reforms in education, enact new legislation and create legal and financial conditions in which SMEs can access the means the need to succeed.

The entire culture and attitude toward work in the Middle East must shift in favor of the private sector. Young people must be encouraged to join the private sector

and create firms not simply to generate the employment needed both for continued economic development and diversification, but also to give them a real stake in their respective countries' future.

Risk and the acceptance of its consequences do not come naturally. We must be trained. Our participants praised “entrepreneurial boot camps” that can teach young people to take risks and fail and try again without stigma.

Mentoring programs for young must be expanded to create a network of support and a culture of innovation.

Effective educational institutions need to be built in the region that foster critical thinking and cultivate the functional literacy and skill sets needed by the market.

There was much talk about knowledge-driven economies and the promise of high-tech for employment and economic development in the region, although we don't yet know what that sector can really contribute in terms of employment. R&D no longer requires huge corporations, it is nimble and global. Participants agreed that high-tech jobs can be part of the solution.

Technology and big data can play a useful role in identifying investments and adding transparency to better corporate management and governance. Its potential for applications to the region's stock markets could potentially produce better economic performance, enhance efficiency and integrate the region's local markets into the global markets, and thus attract global capital flows into the region.

Let's be honest, there is no going forward without government support and action. As one participant noted, governments first need to decide what kind of private sector they want. Yes, it's true, we have seen states throughout the region conduct study after study on the need to develop the private sector and private sector employment. Today governments need not just a clear vision, but a wise vision: a flexible one based on observation of the market, not just a plan to create jobs.

At the same time, global supply chains look set to collapse: raw materials mined in Africa are manufactured in China to make a product for export to the United States. Long supply chains supplied an incentive for globalization and integration. Will short supply chains change that incentive and lead to more competitive foreign policies?

The Middle East's "pivot" to Asia could also lead to a more streamlined cooperation between countries of the two regions and, eventually, greater integration between East Asia and the MENA region.

Because Asia's reliance on energy from the Middle East will grow in the future, one speaker urged Asian countries to think about the future architecture of energy security and to start thinking about areas in which they could coordinate with one another on security matters, such as secure shipping lanes and corridors to transport oil and natural gas.

Yet there is also a market for services in the GCC countries, particularly for SMEs that can create linkages between upstream and downstream plants in energy-intensive societies. Many of the existing SMEs in these countries are now contractors that employ guest workers and provide services to the large oil and gas producers, this is a sector that can engage youth in the region.

Although fewer panels addressed security issues in the region this year, the conference did not overlook the topic. A lively panel on Obama's foreign policy leaned toward criticism of Obama's foreign policy. A speaker from Saudi Arabia argued that the U.S.-Saudi relationship remains strong, but that recent U.S. actions in the region had been highly disappointing from the point of view of a friend. From American, Europe, the Middle East, Asia, even Russia, the argument proceeded on the plusses and minuses of a changing foreign policy, often misunderstood and then often criticized, despite those who would strongly defend it.

A discussion of the American shale gas revolution noted that much of the gas extracted in the U.S. is geared toward the U.S. domestic market. People lobbying to sell U.S. gas to Ukraine have an "inflated notion" of how the market can change; contrary to this loudly voice political argument in the United States, it's increasing gas production will have little affect on the global market.

Looking at the Israeli-Palestinian conflict, a variety of controversial views and findings were debated. On a more optimistic note, one Palestinian businessman pointed out that Palestinian entrepreneurs are open to Israel, they trade with Israel and stand to benefit the most from Israeli technology and know-how. Moreover, the vast majority of the private sector in the Palestinian Territories works with Israeli companies, with more than 50 percent of its products in Israeli shops. Peace would bring immediate and large benefits to both sides.