

OUT TO LUNCH

Chris Berry with Talal Abu-Ghazaleh, founder and chairman of the Abu-Ghazaleh Group, at La Mamma, Sheraton Resort and Towers Abu Dhabi.

In London's wood-panelled boardrooms it is known as 'Abu-Ghazaleh's Mission'. They are referring to the campaign by Talal Abu-Ghazaleh – eponymous founder and owner of the Arab World's largest accountancy firm – to unify the most disparate of all professions. When we meet in La Mamma, Sheraton Abu Dhabi's Italian restaurant, the AG Group chairman is happy to talk at length about his quest. But first he needs more garlic.

The youthful 60 year old is an excellent talker, and has the ear of most Arab governments, but he also knows the value of a good lunch. A regular visitor to the UAE, where several of his 34 offices are located, he is a familiar face not just to Abu Dhabi's business elite but to the restaurant staff topping up our garlic dishes.

The garlic deficit resolved, Abu-Ghazaleh warms to his theme. "There is a problem in the accountancy profession. We have been actively developing standards in conduct, but wilfully negligent in standards for competence. There is a lack of mutual recognition, and unless you are able to define a professional you can not trade with him. The quality is in the person, not the goods."

For years Abu-Ghazaleh has sat on UN committees working to bring the many accountancy bodies closer together. He has dealt with reluctance from organisations who claim it is beyond their remit, and rebuffs from others who he says 'have a vested interest in not liberalising accounting services'.

In March 1998, however, his persistence paid off. "After extensive work, we managed to adopt standards on education, examination and qualification. The next obstacle was to implement them. In September we were able to lay the foundation stone for implementation, an ISO-like organisation called the International Qualification Organisation."

IQO will certify the myriad of accountancy qualifications worldwide, and in line with WTO objectives will make the export of accounting services across borders a more practical reality.

Pausing as our main courses arrive (steak for me and fresh oysters for Talal) he then moves on to broader issues. "This part of the world represents five per cent of the global population, and 10 per cent of its land, but its share of drinkable water is only 0.5 per cent – one tenth of what its per capita share should be. It is estimated that by the year 2025 we will be below the water poverty limit.

"The Arab World is threatened by this. It becomes more serious when you know that 88 per cent of our water is used for agriculture, where we already have a net import deficit of \$14 billion per year and growing. A worsening of the water problem means a worsening of the food problem, the trade balance, GNP and, ultimately, unemployment."

Technology is part of the answer. "The Gulf produces 60 per cent of desalinated water globally, yet in an outdated and expensive way. This

prompted my call, most recently at the World Water Conference in Washington DC, to better our desalination technology. We already know, after all, that sea water covers two thirds of the globe, and accounts for 97 per cent of its water.

"I have also called on Arab countries to seek a human rights declaration on water at the WTO. In my opinion the right to drink and eat is as important as the right to speak out freely."

Inevitably talk moves on to the oil price crisis, a favourite topic in Abu

Dhabi today. Abu-Ghazaleh feels the lessons of 1973 have been ignored, namely that improved exploration techniques, in both oil and gas, will increase supply dramatically – with an inevitable effect on price. He cites the case of the United States, where uneconomic exploration costs of \$22 per barrel have now fallen to \$4, and where success rates have improved sixfold.

"The World Bank predicts oil prices in the next decade of \$14-15," he says. "I claim we should look to a price of less than \$10, and closer to \$8."

It is a grim situation, and one that troubles Abu-Ghazaleh as a patriotic Arab. But there is a resolution, he feels, if the oil producers have the nerve. "I was delighted to see that the UAE has courageously decided to seek a multi-lateral trade agreement on oil, and I sincerely hope that it gets the support of other oil-producing countries. We have proven that such agreements



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prevent falling prices, rather than the other way round."

Over coffee, I ask whether advising Arab governments, chairing the AG Group and sitting on countless committees leaves any time for recreation? "Oh yes," says Abu-Ghazaleh. "Opera is my weakness. Wherever I go, the first thing I do is find out where the opera is. In fact, I have booked La Scala for a private performance in the summer of 2000."

It sounds like quite an indulgence, an unlikely move for somebody who has dedicated his entire adult life to business. Abu-Ghazaleh disagrees. For once the patrons filling La Scala's vast galleries won't be wealthy opera lovers, but clients of Abu-Ghazaleh's growing group of accountancy, audit, consultancy and legal companies. Opera is all very well, it seems, but business is never over, even when the fat lady sings. ■