



Beyond Intellect

Dr. Talal Abu-Ghazaleh, the chairman and founder of Talal Abu-Ghazaleh Organisation (TAGorg) is the deputy chairman of the UN Global Compact. Dubbed as the godfather of Arab accounting, he has also been credited for promoting the significance of Intellectual Property in the Arab region. *The Commercial* had a chat with Talal Abu-Ghazaleh during his visit to Oman recently.

As the world discusses the march of oil price to \$100 and its impact on the world economy, here is an expert who talks about oil trade at \$200 mark in the near future. It is the prediction of Dr. Talal Abu-Ghazaleh, the chairman and founder of Jordan-based international group Talal Abu-Ghazaleh Organisation (TAGorg).

"The era of cheap oil will no longer exist and prices will reach more than \$100. However, in case a new war breaks in the region, the prices will increase dramatically to between US\$ 200 and US\$ 1,000 per barrel," says Talal Abu-Ghazaleh.

He said that in the beginning oil was given free, now it is cheap at \$100 and it will become reasonably priced at \$200. Talal Abu-Ghazaleh also wants this to be seen as a blessing rather than a cause of concern as it will create a sense of importance of the oil on the world nations who are using it without any limit. His observations came in light of the projections that oil demand will be almost double in the next five years than what is produced currently. He also referred to the decreasing graph of oil production in the major oil producing nations.

Over the years, Abu-Ghazaleh managed to establish close partnerships with global organisations such as the United Nations (UN) and World Trade Organisation (WTO).

From his experience with inter-governmental organisations, Talal Abu-Ghazaleh pointed out that the world is going through a transitional era where a new trade system will replace the one that exists now.

"Transition is going to happen and we are going to the next world order. The existing world system is in its last days. It is a historic fact that no world orders last long and there are so many examples for it," says Abu-Ghazaleh.

"Every moment in the history is special, yet the surge in the oil price and the tremendous development in information technology are making it especially fast. Change at this special moment is so aggressive, which we have to think about," he continued.

But Abu-Ghazaleh didn't give direct mention on what will be that new world order or the status of organisations like United Nations and World Trade Organisation (WTO) in the new era.

According to Abu-Ghazaleh, Arab region will witness economic revolution where a coalition will be formed among the region, China and India. In addition, a new free trade market will see the light. "Such a coalition will parallel the power of the two biggest markets in the world, the United States and Europe markets," Abu-Ghazaleh stated.

He said that the governments' investment surpluses, mostly from the Arab region, will rise from four trillion dollars at present to more than 20 trillion within the next 15 years. That is in addition to the private sector surpluses, which will not be less than the said amount.

"The change in the oil price will create tremendous wealth in the region and it will change the economic map of the world. Arab world will act as a catalyst between Asia and Africa in bringing economic development. As the Arab region's economy booms, the market will extend up to China through India."

He is of the opinion that the traditional market of the developed nations will not be able to utilise or host the surplus wealth created by Arab nations due to the economic recessions witnessed by the developed nations. Then the focus will surely shift to the emerging economies of India and China. This will result in Arab block becoming a catalyst between India, China, Far East to Africa and other developing regions. He termed the new region of the world as CAIP (China, Arab, India and Persia).

Abu-Ghazaleh has also been credited for promoting the significance of intellectual property (IP) in the Arab region. He has recently won the prestigious IP Hall of Fame award for his contribution to the growth of intellectual property. He is the first expert from the outside the G8 to join the world's most prominent figures in intellectual property as the names of 2007's inductees into the IP Hall of Fame were announced by the Intellectual Asset Management magazine (UK)

He is of the opinion that the IP infrastructure of the Gulf countries has improved tremendously in the last 30 years. "Every Arab country now has a good legal system in line with the international standards. Now it has to concentrate on enactment and enforcement," he said. He added that the penalty provision for the

violation of IP rights should be removed as it gives the space for the infringers to get free by paying the fine in matters where the benefit of infringement will be very much high than the penalty amount.

He added that GCC is an excellent experiment in regional co-operation, especially in IP. The GCC patent and trademark office is a success story and it offers a single registration procedure for the whole GCC instead of filing in all the countries.

Talal Abu-Ghazaleh is currently serving as the deputy chairman of the UN Global Compact under the chairmanship of UN secretary general Ban Ki Moon. Global Compact is seen as an ideal vehicle for bridging the space between the United Nations and civil society on the one hand and the private sector on the other.

"The principles of Global Compact are noble. Excluding politics and security issues, the organisation focuses on how to bring civil society and private sector into UN and how to bring UN to the civil society and private sector in real spirit," says the deputy chairman. He said that the aim of the organisation was to motivate businesses to serve society and work towards achievement of the Millennium Development Goals within the context of United Nations Charter principles. The Global Compact is unique in that it is independent of the United Nations but fully under the organisation's dictates.

Abu-Ghazaleh said that he is currently working on a project meant to create an ISO standard on corporate responsibility which will dictate how much corporates are committed to society. He further said that he is personally responsible for creating the network of Global Compact in the Arab region and has already established offices in Cairo and Amman. Offices of the organisation will be opened in Damascus, Morocco and Dubai in 2008.

Talal Abu-Ghazaleh has also announced that his organisation TAGorg is opening the Regional Centre for IT Training in Oman. There are also plans to start a similar centre in Oman for IP training in co-operation with World Intellectual Property Organisation (WIPO) for imparting education and training on IP in Arabic language. He also predicted that Muscat is ideally suited to become the regional hub of IT and IP training. **TC**