

EMERGING MARKETS TO THE FORE

BusinessToday catches up with Frank-Jurgen Richter, chairman, Horasis, who organised the inaugural Global Arab Business Meeting in Ras al Khaimah

The Global Arab Business Meeting provided a platform to address the challenges and opportunities for the Arab world and an occasion to explore the perspectives of the future of economic cooperation between the Middle East and the world. The meeting was organised by Horasis, a consultancy focusing on how multinational corporations can craft strategies to develop into real global champions and implement trajectories of sustainable growth. Horasis hosts annual meetings to advance solutions to the most critical challenges facing corporations today. Participants jointly identify globally relevant business issues and develop sophisticated and interdisciplinary solutions and then leverage these to enhance corporate performance and long-term growth.

Horasis chairman Frank-Jürgen Richter previously served as the World Economic Forum's director in charge of Asian affairs. Under his leadership, the forum's summits in Asia had evolved to facilitate the exchange of expertise between leaders in business, government and civil society. He also had a distinguished career with multinational corporations in Asia and Europe. Richter worked in Asia for almost a decade where he developed and managed the Chinese operations for European multinationals. An active scholar, Richter has authored and edited over 20 books on international affairs. Excerpts from an exclusive interview:

What was the response when you first mooted the idea of the Global Arab Business Meeting?

The response was very encouraging. When H H Sheikh Saud bin Saqr al Qasimi, The Crown Prince and Deputy Ruler of Ras al Khaimah, UAE, invited us to hold the meeting in the emirate, we received a lot of interest from the Gulf region and other parts

of the Arab world. A business meeting for Arab business leaders seems to have been missing so far.

The inaugural Horasis Global Arab Business Meeting convened in Ras al Khaimah on September 26-27, 2010. Following the turmoil of the global financial crisis and in the midst of the global economic downturn, the Global Arab Business Meeting provided a valuable and timely opportunity for leaders from the government, business and academia to meet and exchange views and ideas on the way ahead for the Arab world.

The Global Arab Business Meeting provided an opportunity to explore the future of cooperation between the Middle East and rest of the world

The Global Arab Business Meeting came at a critical international moment for Arab business leaders. Interaction with Western CEOs can help outline the elements of globalisation strategies for Arab firms. Our intention was to create a global meeting bringing together CEOs from the emerging markets – with the Arab world at the core – and business leaders from the developed world. We manage to attract high-profile Arab and global CEOs year after year, creating a community of senior business leaders. CEOs of Arab firms showed great confidence in this meeting as a global platform for engaged dialogue with leaders from other parts of the world.

What did you hope to achieve through this meeting?

The founding objective was to provide Arab firms a platform to globalise their operations. The meeting offered multiple means

to gain insight from and access to business leaders and key government officials. This theme of globalisation reflects the increased emphasis of Arab firms to build global and sustainable brands. The programme was structured to provide a maximum amount of knowledge exchange and interaction in a variety of formal and informal settings. The meeting was held in the recognition that visions within the Arab economic sphere required thought leadership and mutually beneficial peer-to-peer networks.

What are the challenges and

opportunities for the Arab world considering the current economic scenario?

The programme for the 2010 Global Arab Business Meeting was designed not only to discuss the impact of the crisis on the Arab world, but also to consider how the region's robust economies can contribute to a global recovery. The impact of the global economic crisis naturally varies across the region – important variables include reliance on oil revenue, infrastructure projects and tourism. Still, the Arab world might be better placed than most to weather the global downturn. The Global Arab Business Meeting provided an exceptional platform to address challenges and opportunities for the Arab world. It also provided an occasion to explore the perspectives of the future of economic cooperation between the Middle East and the world.



What do you foresee in the future of economic cooperation between the Middle East and the world?

First, the Arab world is assuming a greater leadership role in world affairs, even though its transition from a resource dependent economy to a multi-faceted market economy will continue to be gradual. The Arab world's policies and practices on trade, energy and geopolitics will increasingly shape the global agenda in general and the industrialised nations of Europe and North America in particular. Second, the rise of the Arab world has been accompanied by an enhanced recognition of entrepreneurship. Mergers and acquisitions, private equity and foreign listings might be viable options for future corporate development. Arab firms must be ready to transform strategic foresight proactively into execution and growth. In this regard, Europe and North America will offer

vast opportunities. Third, firms operating in the Middle East should benefit from the abundant growth opportunities the countries represent. Still, they will need patience, as achieving long-term profitability may be a more realistic target than short-term gains. Multinationals need to sustain product value in order to gain and maintain market share.

You held Global Russia Business Meeting at Ljubljana in May this year and Global India Business Meeting at Madrid in June. What was the outcome of those meetings?

The global economic crisis threatens to alter fundamentally the macro outlook for Russia and India as well as for other emerging markets. At a time of considerable uncertainty, the purpose of the Global Russia Business Meeting and the Global India Business Meeting was to shed light on how the crisis is

impacting those countries and to assess the investment opportunities they offer in the short, medium and long-term. The gathering was directed towards business leaders. It afforded them an invaluable opportunity to confront their views and exchange ideas with prominent policy-makers and CEOs from Russia and India respectively.

The programmes were structured to encourage candid dialogue and to generate practical investment ideas. Global Russia Business Meeting participants included Danilo Türk, President of Slovenia, Supachai Panitchpakdi, Secretary-General of UNCTAD and Victor Zubarev, Deputy Leader, State Duma, Russia. Global India Business Meeting participants included Anand Sharma, India's Minister of Commerce and Industry; Miguel Sebastián, Spain's Minister of Trade, Industry and Tourism and H R H The Prince of Asturias, the Spanish Crown Prince.



The Horasis Annual Meeting aims to be the foremost annual gathering of business leaders from emerging and developed markets

Global Russia Business Meeting.

Originally, the Chinese government asked us to host a meeting for Chinese CEOs in Europe. The Chinese government wanted to create a platform for their companies to globalise their operations – the government encourages the CEOs of state-owned and private firms to take part in the meeting on an annual basis. The meeting was already held in Geneva (twice), Frankfurt, Barcelona and Lisbon. This year's meeting will be held in Luxembourg. The Global China Business Meeting, like the other meetings Horasis is hosting, rotate amongst major world capitals. The participants, who are prominent representatives of the global business community, government officials, academics and the media, discuss a wide range of topics, but primarily they focus on business. A country is selected as the focus of the meeting and its situation is discussed in the global context: importantly the venue of the meeting is outside the focal country. This separation is needed to promote freely moving in-depth discussions and networking.

At this year's Global Arab Business Meeting, I was most excited about the session on sustainable development. Arab firms increasingly acknowledge the importance of long-term development goals in accord with society and the environment. Several governments of the Arab countries have taken sustainable development as an important objective for the country's economic and social development. Other sessions were on mergers and acquisitions, branding, private equity and corporate globalisation – all practical topics to support Arab firms' growth to global eminence.

Have you made a difference?

With our meetings, we try to advocate a balanced world, with globalisation providing benefits to everybody, not just a few. China as an emerging force on the global economic stage underscores a profound trend in American and European economic life. We need to create a win-win framework where developing and developed nations can co-

exist. Participants use our meetings to build trust, turning these from a gathering of minds into a true partnership of results.

The inaugural Horasis Annual Meeting that was held in Zurich in January this year, but you have been holding similar gatherings since 2005. Can you explain the difference?

The Horasis Annual Meeting gathers business leaders from around the world. The meeting aims to be the foremost annual gathering of business leaders from emerging and developed markets. The purpose is to advance solutions to the most critical challenges facing corporations today. The annual meeting is limited to the 100 most prominent global leaders. Our regional meetings, including the Global Arab Business Meeting, the Global China Business Meeting, the Global Russia Business Meeting and the Global India Business Meeting focus on a specific country or region and are larger by design – typically some 300 CEOs attend.

Some proposals were made at the closing plenary of the Zurich meeting. How do you plan to take it forward?

The Horasis Annual Meeting ended with some cautious optimism. Global trade has been growing steadily, rising oil prices reflect on a better mood in the global economy, and industrial production is recovering. Still, domestic consumption in most countries remains relatively weak. We will reflect on the current state of the global economy when we meet at the next annual meeting on January 25-26. The focus will clearly be on how to envision and enact the post-crisis world. With the full support of Horasis visions community, Horasis will convene 100 of the most prominent global leaders, to build on the success of the inaugural Horasis Annual Meeting. The theme of the 2011 meeting is 'Driving Towards Sustainable Growth'. Participants will engage in a thorough discussion on how to conceptualise sustainable growth. The Horasis Annual Meeting unites the world's major stakeholders for an open debate on the future. ☺

How does the agenda for each of these meetings differ?

We always try to adapt the agenda of our meetings to reflect the most critical issues for the chosen countries. We discuss, for example, the challenges and opportunities for India to improve its infrastructure. Likewise, we reflect on Russia's priorities to modernise its economy and to diversify it – reducing the dependency on its oil and gas sector.

What is the reason behind focusing on Russia, India, Arab World and China for Global Meetings?

We have chosen China, India, Russia and the Arab world because we strongly believe that those countries and regions are the new engines of economic growth.

How was the idea of hosting business meetings born?

Horasis is using its unrivalled history of partnership with global corporations to create a powerful platform for cooperation between emerging and developed markets. From the first meeting in 2005, annual gatherings have been held around the globe. The flagship events are the Global Arab Business Meeting, the Global China Business Meeting, the Global India Business Meeting and the