

NATIONAL COUNCIL ON U.S.-ARAB RELATIONS

17TH ANNUAL ARAB-U.S. POLICYMAKERS CONFERENCE

“TRANSITIONING THE WHITE HOUSE: CHALLENGES AND OPPORTUNITIES FOR ARAB-U.S. RELATIONS”

THURSDAY, OCTOBER 30, 2008

RONALD REAGAN BUILDING & INTERNATIONAL TRADE CENTER
WASHINGTON, D.C.

12:30-2:00: LUNCHEON AND KEYNOTE ADDRESS
Sponsored by the U.S. CHAMBER OF COMMERCE

Introductions: Dr. John Duke Anthony - President and CEO, National Council on U.S-Arab Relations

Welcome and Brief Remarks: The Honorable Dina Habib Powell – Global Head of Corporate Engagement, Goldman Sachs; former Assistant Secretary for Educational and Cultural Affairs and Deputy Undersecretary for Public Diplomacy and Public Affairs, U.S. Department of State; former Assistant to the President for Presidential Personnel, White House.

Speaker: H.E. Sheikha Lubna Al Qasimi – Minister for Foreign Trade, United Arab Emirates
H.E. Sheikha Lubna Al-Qasimi headed the UAE's Ministry of Economy during one of the country's most economically prosperous periods. Additionally, Sheikha Lubna's appointment in November 2004 to manage what was then the UAE's newly merged economy and planning portfolio was a historic event for the UAE as she became the first woman ever in the country to assume a cabinet position. Sheikha Lubna was also appointed Chairperson of the Board of Directors of the UAE's Securities & Commodities Authority, serving from 2004 until 2008. Following her tenure as Minister of Economy, Sheikha Lubna was appointed in February 2008 to another highly sensitive post as Minister for Foreign Trade.

Commentator: The Honorable David Bohigian – Assistant Secretary of Commerce for Market Access and Compliance, International Trade Administration, United States Department of Commerce; Department of Commerce representative on the Committee on Foreign Investment in the United States (CFIUS).

Transcript by Ryan & Associates

[DR. JOHN DUKE ANTHONY] She is for many American young people a role model in terms of the personification of youth leadership development, of an individual who began early, was recognized early, was appreciated early, and was appointed to positions of trust and responsibility that ordinarily would not come to someone unless they were two decades perhaps her senior.

Dina Habib Powell is for many a household name, to those who focus on the Arab countries, the Middle East and the Islamic world. And rightly so. She has had a career, in both the public and the private sector, of distinction thus far. And she's presently the head, the global head of the Office of Corporate Engagement, at a small new, traded over the counter, up and coming company called Goldman Sachs. In this capacity she is the liaison outreach arm of Goldman Sachs to the non-profit, non-governmental world in terms of charity and philanthropical outreach including Charitable Way, Goldman Sachs own foundation, 10,000 Women, and Goldman Sachs Gives.

She serves in this capacity already as a known entity to liaise between policies and projects and events and activities that are synonymous with worthy causes. Prior to going to Goldman Sachs she had three different positions in the Executive Branch of the United States Government.

She was Assistant to the President for presidential personnel, no small task in responsibility, no interns arrive at that particular position which is a senior staff position at the White House. She also served as the Assistant Secretary of State for educational and cultural affairs. And for those in the audience who have been Fulbright Fellows or participants in some of the international and cultural interchanges between the United States and the Arab worlds, to study Arab culture and history and society in the Arab Worlds role in culture and civilization, she was the senior person in the United States government, overseeing, implementing, managing and administrating that particular people to people humanistic humane link between Arabs and Americans and others. And she also served as Deputy Undersecretary of State for Public Diplomacy and Public Affairs. Ms. Dina Habib Powell.

[MS. DINA HABIB POWELL] Thank you so much, Dr. Anthony, for those very overly generous words and such a nice introduction. I am so delighted to be here with all of you today and to participate in the celebration of 25 years of the important work of the Council.

I can't think of a time when it could be more important than to pursue the mission of the Council's work of promoting U.S.-Arab relations. I am also so delighted to be here with so many of my former colleagues and friends. His Royal Highness Prince Turki just said, "You know Dina you left the government about 14 months ago. I'm sure the private sector seems so stable and peaceful, and things are going awfully calmly for you."

In fact you know that it really is extraordinary challenging times, and times when promoting deeper and greater respect and understanding an alliance between the United States and the Middle East really could not be more crucial.

I've had the privilege to work with so many wonderful colleagues and love to recognize just a couple of them. You've heard their names and I really do want to thank them for always being so supportive of me when I was in the State Department at the White House. Assistant Secretary David Bohigian, former Ambassador Jordan, Ambassador Fraker, are all with us today. And I also really do want to highlight a few individuals with whom I had the pleasure of working with from the Middle East. From Ambassador [Al Hajeri] to Ambassador Hassouna and the newest member of the diplomatic corps the Ambassador from the United Arab Emirates, Ambassador Yousef Al Otaiba who I told him I've been getting rave reviews already from my former colleagues at the State Department about his time here and the significant impact that he has been making.

What really brings me here today beyond wanting to be with you on such an important beginning to this conference is my dear friend Her Excellency Sheika Lubna Qassimi. I used to say about Sheika Lubna that she was a role model for women throughout the Middle East and several years ago when she was the first female appointed as a Cabinet Minister in her great country, it really did spawn headlines all throughout the region, and women began to dream that they could pursue greater roles of responsibility. But in such a short time since that appointment she is no longer just a role model for women in the region, she is truly a global leader that these times could not need more, and has become a role model for women and men all throughout the world.

When Wolf Blitzer and I gave her an award this March, the Vital Voices Leadership Trailblazer Award, she first tried to say no, that she wouldn't come and take an award because she didn't need to have that kind of praise bestowed on her. But then she decided that she would come and accept it on behalf of senior women throughout the region.

What I think is most compelling about her rise to importance into being such an important advisor has been the fact that she has not had traditional roles. Whether it was Finance Minister, or now as the Foreign Trade Minister, she is dealing with the most pressing issues of our time and just yesterday I was so struck by how she said that, as we grow in our alliance with the United States and, as we grow in recognizing that we are so dependent on each other, we also have to realize that we can look internally and make sure that the UAE is a place of excellence where the rule of law is paramount and where we encourage more and more educational and technological sharing of information.

Sheika Lubna has always been a terrific friend beyond having all of these roles and I really am so honored to be here with you. I really just want to say thank you again for coming together in such an important time and I want to congratulate Dr. Anthony and your terrific team for bringing us all together and hopefully as you take the next couple of days to think about the transition to come, we can all continue to agree that the closer our regions are the better off the future will be for our children and grandchildren. Thank you so much for having me.

[ANTHONY] Thank you, Ms. Habib Powell. Before introducing our next speaker some people have asked that I say a few words about the National Council and its vision and ambition. Its vision is a firmer foundation between the United States and its Arab friends, allies, strategic and working partners and its mission is educational. And on the educational front this is but one piece of it that we pursue year round to try to raise the level of awareness of Americans about the

position and role of the Arab world and global affairs and in terms of America's national interests, needs, concerns, objectives and relations.

For many who view this from the outside it is perceived as an uphill struggle and perhaps in many ways it is, in terms of some of the shortcomings delineated in several of the remarks this morning. But it's a cause that's worthy. that has its nobility. It has its timeliness, its relevance, and its ongoing urgency as it is amply underscored, highlighted, capitalized, neonized on a day-to-day basis.

When we think in terms of the resisting generation of leaders who manage policy or who formulate concepts or who are decision makers or who are policy implementers, we realize that this is a select group in the Executive Branch, in the Legislative Branch. We have taken 220 members of Congress, their chiefs of staff, their defense and foreign policy advisers, their legislative and communications affairs directors on familiarization and study visit experiences in more than 12 Arab countries. Most of them, if not all of them are represented here today by their ambassadors at the head table.

In addition we have taken 125 officers selected by the Commander of U.S. Central Command to all six of the GCC countries in addition to Yemen and to Egypt because they are quite skilled in terms of imposing their military might on those who might resist their cause but they have not necessarily been schooled in the Arab culture and Islamic institutions and beliefs and practices, and to go beyond the stereotype of many Americans that Americans are part and parcel of the Judeo Christian culture. That's true, but only two thirds true.

Everyone in this room is a legatee, a descendent, a beneficiary of the Judeo Christian Islamic culture. There is a triumvirate here, there is a triad here, and the last one particularly for Westerners is the culture and the faith of institutions beliefs and practices and values to which Westerners have been exposed more intensively and extensively than probably any American would gather through the public or private school system in terms of curricula, textbooks and professors.

And so we have a program for these select military officers from armed services institutions and the academies but we also have one for educators in the social sciences the arts and the humanities. There are 4200 universities in America. We have someone inside 800 of these universities. A number of them I believe are here in this conference and I would ask if they might just stand, those who have been on these particular programs. Last year we had twenty that stood, there is one that stands, and we know there are twenty on the registration list and I've seen them here this morning. Perhaps they are enjoying their dinner.

These are not just any academics, those who do research or are in the basement of the library cranking out the learned tome and perfecting their lesson plans, these are individuals chosen precisely because they're as much off the campus, out of the classroom, away from the textbooks, and engaged in the community the civic, business and professional affairs associations.

We have these 800 alumni of this particular program and they on average reach and teach 300 students a year, and this turns out to be 224,000 young Americans emerging leaders taught just by the alumni of this particular program.

The program that is the cheapest for us, and yet it is the one that produces the most immediate as well as enduring results is the Youth Leadership Development Program of the Model Arab League. It's like the United Nations, Model United Nations except for 193 countries it focuses on the 22 members of the League of Arab States. And here the task for the professors that we've taken to the region is to involve their students in these exercises that take place in 13 cities around the United States between the Autumn and the end of April. Each year we put 2500 students through this. We have 25,500 alumni of it, and you might ask what are you teaching them? How do you develop youth in terms of Arab US relations? The answer is as follows: we teach those who never had a chance to debate how to debate in one minute, three minutes, five minutes, nothing any longer than that, because this is the way it is in public life in many local and regional and national councils where people are deliberating the issues of public policy.

We teach them how to learn parliamentary procedure, which for many is a grown up out of town language, its not used in ordinary discourse but in public affairs for public policy it's a must that one be able to be adept in public policy from a parliamentary procedure. We teach the young people to chair meetings, to run meetings, because much of public policy is determined in its core in committee work, and how to organize a committee, how to organize an agenda and what gets on to that agenda and how do you prioritize the things that are on the agenda, and how do you run a meeting in such a way as to get through all of the items on the agenda. Very little if any of this is taught in a classroom. And they are also taught how to build coalitions, because no matter how well they research and learn to debate they will get no where, they will lose every time if they don't somehow persuade another 11 delegations to agree with them and how do they do that in terms of the quid pro quo and the tradeoffs. And how do they do it to reflect real life Arab political dynamics in international relations.

And one trains them as well to be able to write fast and to edit fast and to write resolutions and to use the language that is used in resolutions and at the same time one trains them to vote and to win with grace and dignity, and lose also with grace and dignity, realizing that they will have another chance if they work harder their prospects for victory might be greater.

And in the shadows at all of these we have grown ups like many who are here who are looking for the best and the brightest, the one who really has done the hard work, and has gained the self-confidence and the effectiveness and the competence. From these, 41 this last summer went to study Arabic in Yemen at the Yemen Language College. We have the Yemen Ambassador here who has been a major supporter of these kinds of people to people exchanges and we brought another 25 here in a competitive contest to work as interns to take them away from the campus and the coursework and put them in a real organization, a sister organization, 17 organizations represented here took interns with us where they work all day long and in the evenings we introduce them to people like those around this table here who talk to them about the rewards of being in Arab-U.S. relations. Whether it is a doctor or a lawyer or journalist or a government person or Congressional staff person, or a banker, or an advocate or a human rights participant and then they turn it over in a quite candid as to what are the frustrations and why is it that

somedays people think its not worth the candor that one is going backwards more than forwards, that one is banging her or his head against the ceiling or the wall.

Then after they are frank with them in that regard, they draw back and say but if I was your age, and I had a chance to do it all over again, here's how I would prepare differently. Here's what I would do differently and many these student interns coming here thinking that they wanted to be an engineer or lawyer are introduced to 40 of these different kinds of career opportunities get nicely confused about midway and become attracted to quite a few of these individuals and want to follow in their footsteps, just as people want to follow in the footsteps of Habib Powell and Sheikha Lubna.

And I will turn now to introduce our speaker because she represents a country that has a form structure of government and a system of government and a system of political dynamics that most Americans here are descendents of other Americans who tried this form of government twice, and failed miserably in terms of the first American Articles of Confederation and then three quarters of a century later another 13 but not those same thirteen in terms of the thirteen southern states that tried to have a confederacy.

In neither case could the Americans who put their shoulders to the wheel make these kinds of forms of governance work. I was privileged to live in Dubai before independence, before the British abrogated their special treaties of defense and foreign relations for nine east Arabian polities, the area from which Sheika Lubna comes and allowed to be present in the last meetings when the United Arab Emirates was established. I was the only American allowed by the British Foreign Office in conjunction with the U.S. Department of State. And here is one where the others who were observers and present at the creation thought maybe it might last 6 months. Because people were looking through a different set of lens, the lens involved the previous attempts at the failed Arab experiments in confederation or unity.

But this one stands out singularly for having been the single longest most successful experiment in Arab political integration in modern history. And Sheika Lubna represents it in the following ways. She has shown her mettle and achievements in the realm of computer engineering and science and technology. She has had more than 20 years in excelling in this particular field. She has been a businesswoman who has been the CEO of Tejari, and a firm that specializes in business-to-business market strategies using electronic technology. She was singled out by Mohammed bin Rashid the ruler of Dubai and the Vice President of the United Arab Emirates to represent Dubai as the member of the Dubai Ports World and Dubai Ports Authority, she led the effort in the United States and elsewhere to have that particular arrangement enter into a joint commercially profitable venture between both sides. She served as the country's Minister of Economy and she is presently Minister for Foreign Trade. Sheika Lubna al Qasimi.

[SHEIKHA LUBNA AL QASIMI] [Arabic Greeting] Your excellencies, distinguished guests, ladies and gentlemen, a pleasant afternoon to you all and before anything else may I congratulate the National Council on U.S.-Arab Relations for 25 years of tirelessly championing mutual understanding, peace and progress between our regions.

As one of the staunchest allies of the United States in the Arab world and one of the most dynamic countries in the region the United Arab Emirates shares the Council's vision of promoting a unified U.S.-Arab approach to global harmony and development.

I would like to take this opportunity to congratulate this year's organizers and sponsors for again successfully masterminding this vital platform, for strengthened U.S.-Arab relations. I am surely pleased to see such a varied and distinguished gathering of participants who are committed to further developing the bond between two regions that can mount significant influences in the international affairs.

Ladies and gentlemen, as commercial and economic partners for longstanding the United Arab Emirates and the United States continue to engage in activities that foster mutual growth and sustained progress. UAE consumers purchase \$11.6 billion worth of U.S. goods in 2007 while UAE exports to the US rose by 38 percent between 2000 and 2007 from \$971 million to \$1.3 billion making us the largest U.S. trade partner in the Middle East.

As of July 2008 U.S. exports to the UAE for the year exceeded \$8 billion while import reached around \$853.3 million. Investments from my country continue to be a reliable and long-term source of growth for the U.S., providing substantial capital and broadening market access. While the UAE has generated most of its oil revenues from sales to Asia it has invested most of its profits in the U.S. economy besides other economies.

As one of the most open economies in the world and most vibrant in the Middle East the UAE continues to be the largest export market for the U.S. and Arab region. In the global arena my country was 21st largest export market for the U.S. in 2007 and was recently ranked as one of the top 30 trading nations by the World Trade Organization. But more than being a dynamic regional and international commercial partner the UAE offers numerous business friendly benefits that make it a haven for both developing and established companies and organizations.

Foremost among these is the government backed economic diversification program that strongly supports the optimization of various growth sectors such as tourism, real estate, construction, telecommunications and aluminum production. These sectors contributed \$127.3 billion to our economy in 2007, representing 64.1 percent of our total GDP. The shares expected to easily exceed 70% in the next two years. We have three free trade zones that offer state of the art facilities, tax-free operations and favorable commercial and industrial policies, all critical elements for non-oil sectors.

We are also strategically positioned adjacent to the Strait of Hormuz, the maritime corridor through which 20-25 percent of the world's internationally traded oil and gas resources are transported daily. The Emirates are only seven hours away from Central Asia, Europe, South Asia, Western Asia, India, China and Africa where thus close half close to half of the global population and most of it emerging markets. This location offers the U.S. and our other valued international partners access to consumer network of around two billion people.

Ladies and gentlemen, while all of us gathered here today have affirmed our agreement on numerous positive economic political and social advantages of sustained U.S.-Arab cooperation,

we in the Arab world in general, and the UAE in particular, believe that much still needs to be done to reach out to the American people to explain who we are and what we offer that has the potential to bring increased benefits to both our peoples.

U.S.-UAE Business Council we have established within the U.S. Chamber of Commerce helps us greatly in this end. We also rely on the goodwill fostered by key officials such as our Ambassador, His Excellency Yousef Al Otaiba, who is well versed in the strategic and related dynamics of the U.S.-UAE relationships.

The UAE Ministry of Foreign Trade which I head, in addition to local UAE chambers of commerce and organizations such as the American Abu Dubai Business Council, American Business Council of Dubai, the Business Council for International Understanding and the Council of U.S. Business Associations of the Gulf Cooperation Council continue to explore mechanisms to enhance the dissemination of information to our U.S. counterparts.

We specifically aim to provide American Chambers of Commerce, professional trade associations, the business section of the American media, and the relevant committees and personnel of the U.S. Congress, the Departments of Commerce, State and Treasury, the Office of the Special Trade Representative and the Overseas Private Investment Corporation with up to date and relevant economic commercial and related data that we produce.

Distinguished guests of the United Arab Emirates will continue to pursue strategies that ensure the longevity and productivity of our alliance with the United States. We will for one, maintain the pegging of our Dirham to the U.S. dollar, because we believe that the U.S. remains a strong partner for economic growth and that its renowned resilience will help it overcome the current economic challenges that it faces.

We are also planning the introduction of more regulatory reforms and policies that will guarantee added success to the more than 750 American firms that we have chosen to set up business on our shores.

As a nation we have become famous for creating magnificent structures that defy the impossible. We would like to translate this reputation to our relations with the U.S. and show the American people how we can significantly contribute to a greater mutual stability, security and prosperity regardless of the challenges and the odds.

On a different note and before I conclude, I am sure that you are wondering how we are coping with the global financial crisis. Let me brief you on some notes. Arab and Gulf banks are expected to be safe from the global financial crisis as reflected in the record increase in cumulative budgets which is expected to reach an impressive \$2 trillion dollars by the end of 2008 and represent a 20% increase.

UAE federal government announced its 2007 budget last week with an increase of 21%, focusing on education and health. Arab banks in general do not face a problem on the surplus, and foreign currencies which is the basis of the crisis in the West. Several gulf central banks are ready to pump money into the markets if needed.

As far as the economic measures taken by the UAE to support domestic banks to cushion to impact of the current global financial crisis the government allocated \$32.7 billion to secure liquidity in the national banking sector and thus protecting the consumers as well, all the people.

With the whole of the Middle East in total having less exposure to the \$200 billion of sub prime right offs so far than the average U.S. bank, the region has escaped the direct impact of this financial crisis. Indeed some of the subsequent investments in US banks by local sovereign wealth funds may mean that the Middle East is a net beneficiary in the long term.

Conclusion. I would like to thank the Council and these event sponsors for inviting me to speak on the possibilities continuously unrivaled by our robust partnership with the United States. I would also like to extend my appreciation to the American organizations in the United Arab Emirates who closely collaborate with us and give us a voice on Capitol Hill.

Lastly I would like to commend all of you gathered here today for supporting your vision of a unified U.S. Arab community and wish you all the success in your present and future endeavors as well. Please enjoy the rest of the conference. Thank you very much and a good day.

[ANTHONY] After our next speaker, Her Excellency Sheika Lubna will take questions from the audience if you will submit them to me on the three by five cards. I have already gotten four from others even before she began to speak.

Our next speaker is David Bohigian of the U.S. Department of Commerce and he comes to this particular topic from having had his successful career in the private sector and he comes thirty some years since the 1970s when the Department of Commerce had an office and personnel dedicated for foreign direct investment in the United States by the Organization of Petroleum Exporting Countries.

And in those days most of us who are young enough or old enough to remember the 70s, lots of it was the Arabs are coming, the Arabs are coming, the Arabs are coming. They can buy up Tiffany's overnight and this, that and the other by Tuesday. So it was a specter of fear grounded in ignorance, but it was massive and it was pervasive certainly in the media and public stereotyping in perceptions generally. And it was fueled and funneled and furthered by the film industry.

There are 400 films that have been produced in Hollywood in which Arabs are seen distinctively, extensively as those, them, other, as dirty, as backward, as untrustworthy, as insecure, as unstable, as unworthy of a partnership with the United States. These are all annotated in a book by the pioneering scholar Jack Shaheen in terms of a double entendre in the title of the book, "Reel Bad Arabs."

But against this kind of a backdrop you can image the challenge that David Bohigian has as an individual who is in the liaison capacity between the United States and the Arab countries in the Middle East, the Islamic countries and others for the "Invest in America" strategy with which he has been centrally involved since joining the Department of Commerce.

He has at his service an array of Foreign Commercial Service representatives. Those who are among the older diplomats here would remember where throughout American 20th century until the end of the 70s the Commercial Officers and attaches were in the Department of State. Since then they have all been in the Department of Commerce, it's all been more rationalized as a result and we ask in him to make a few remarks about where we are in this relationship on the trade and investment and joint commercial ventures, technology cooperation and some pioneering adventures that have happened on his watch. David Bohigian.

[DAVID BOHIGIAN] Well thank you very much John, I appreciate the kind introduction in which you refer to the difficulties in my job. But it has truly never been more difficult than to follow these two outstanding women and to be able to follow you and your experience in front of this distinguished crowd today.

To Doctor Anthony thank you very much. Sheika Lubna great to see you again. Dina thank you for giving me this job in the first place.

My job was really to comment, I think, on what you had said. So what I wanted to be able put together was a combination of what all three speakers had talked about and certainly people in our countries today are facing economic challenges, but I don't think its fair to say they are unprecedented economic challenges.

You referred to our Articles of Confederation some 200 years ago. Few remember, even experienced diplomats, the financial crisis of 1792 -- another George W's first job in office. And Alexander Hamilton hoped to maintain and grow the financial institutions of the United States.

As the U.S. economy was integrating you had mentioned the Civil War that we faced some 150 years ago and as the U.S. economy was integrating to a national economy it was a difficult time as well. And at that time one of the great infrastructure projects in the world was the building of our railroads here, and one of the great challenges was that the steamboat operators that plied the Mississippi where I'm from in Missouri didn't want to compete. They didn't want to compete with the new mode of transportation. And they would literally knock down the bridges of the railroad companies so they couldn't cross these rivers. And a young lawyer who you have all heard of before, Abraham Lincoln, took the side of the railroad, took the side of integration, took the side of openness and those sort of freedoms helped us get past another major American crisis.

Certainly today's announcement of negative GDP was disappointing in the United States but I know that we will bounce back. And I know we will bounce back because of the productivity here, which again continues at a clip of more than 3%, and the productivity in the region that we are here to celebrate today also grows at an outstanding clip.

But it will take time to rebuild our institutions and now that we're more integrated than ever as a global economy, it is more important than ever that we act together. And that's why the President's call for the leaders to have a summit on financial markets and the world economy is timely and I think as we integrate more and more under a global economy extraordinarily crucial.

Because we live today in a \$50 trillion global economy and of that \$50 trillion, \$16 trillion is based on trade. Now John mentioned earlier that investment is an important component and compared with \$16 trillion in trade there are approximately \$160 trillion in assets that cross borders every year. Ten times the amount of investment assets cross borders every year.

So I am thrilled to say that the reaction around the world to the global crisis for economics that we are in hasn't been trying to shut down trade and investment. We have learned the lessons of the past and I think the important thing that the Council is able to do today is to pull together people who are committed to remaining open. The United States depends on foreign direct investment for more than 5 million jobs and about \$237 billion in 2007. And certainly we face our challenges there as well.

One of the nadirs of our foreign policy and our economic policies was certainly Dubai Ports World. And two and a half years ago that was something where I decided to run to the fire and join CFIUS thereafter. But with the understanding that we didn't just play defense. We wanted to do what Sheika Lubna said earlier which is go out and communicate with the American people how important direct investment is to the United States and how important our allies are around the world. If there is one thing about CFIUS that I think is misunderstood is that more than 90% of foreign direct investment deals don't go through CFIUS. Only one in ten foreign acquisitions goes through CFIUS in the first place. And of that I am happy to say that of the thirty since 2005 all of them have been approved by CFIUS, 30 from the Middle East have all been approved by CFIUS. And we are looking forward to getting some more regulations out soon to enhance the transparency and clarity of the process. But the "Invest in America" program, is dedicated to the broader principal that five million Americans depend directly on jobs from foreign companies, and four million others depend indirectly. And we would like to move those numbers up. So we will be working to reach out to the American community and policymakers and policymakers around the world. In addition we'll be serving as ombudsman to companies that are interested in investing in the United States to see how we can help them, introduce them to the appropriate people within the Beltway or in the 50 states.

Now part of your program here at the Council has been youth development, so I wanted to spend a few moments talking about entrepreneurship and the role that that can play in developing the economy of the UAE and throughout the region. Because I think that this is another key point, the resilience of the United States. More than 50% of the jobs in the United States have been created by companies that are less than 5 years old. And Silicon Valley was originally named after the chips that they put into the computers that they manufactured there. And they went on to manufacturing computers, to designing software and now putting that same silicon in the photovoltaic chips for solar panels.

And it's this sort of dynamism that's happening today in America, in the Middle East, and why your freedom and openness and our freedom and openness will help us continue to grow. Because together we must nurture that trade and investment and entrepreneurship and understanding that we're all here to talk about.

When I talk about a \$50 trillion economy, imagine what 4% growth does in a generation. It makes it a \$100 trillion economy, and certainly we'll face challenges along the way, but think of the opportunities that creates along the way.

John was talking about a generational change that has happened here, as children of the 70s or children of the 80s. Well when I was born the job category of software engineer didn't exist. When we talk about generational change I like to think that its defined as what was unimaginable to my parents, is obvious to my children. And things like direct flights from here to the Middle East were unimaginable to my parents, the fact that the old axiom of real estate was we don't build beachfront property, is obviously not true anymore with my children with the Palm and the World being built in Dubai. And to my parents, the fact that I have children is inconceivable.

So I really want to thank the National Council on US Arab Relations for building my children's future, building the future together of the United States and the Middle East, and for building the bridges that are going go help bring us together in the 21st century and beyond. Thank you very much.

[ANTHONY] Sheika Lubna I will read the questions, I have four that I have here and then I'll come back to them but to just give you a heads up on the ones that have been asked.

One is, the GCC's investment decisions are not well understood in the nation's capital and the policymaking establishment. When are the GCC countries either collectively or jointly or individually going to have an advocacy network or position here to educate the public in the United States on these issues.

Second one is, to the extent that you have considered them what do you consider to be the keys to the UAE's success in the face of so many other previous enduring efforts and experiments to bring something comparable into being.

What lessons have you learned and your colleagues those who have forged the UAE, sustained it and helped it grow and expand, what lessons would you suggest are particularly worthy of being given serious consideration by others who think in terms of furthering integration schemes or cooperation or coordination schemes among Arab countries.

One more, two more. What lessons were learned from the imbroglio, for lack of a better word, three years ago when your countries' investment arm tried to establish a productive, mutually beneficial, reciprocally rewarding relationship with the Untied States and yet the ugly head of jingoism, actually racism, came to the fore about some of America's more renowned elected representatives, and the project was stillborn.

Looking at the rear view mirror what lessons have been learned from that, that certainly can be avoided for the period forward.

Last one is. Anything that you might say about Iran, whereas Mr. Bohigian, or you, mentioned 750 American companies in the UAE alone, that number 10 years ago was only 500 for the entire gulf from Kuwait, Bahrain, Saudi Arabia, Qatar the UAE and Oman. So 750 in the UAE

alone is an extraordinary jump there but there are also 400,000 Iranian residents in Dubai and there's this aspect of trade and investment and commercial dynamics between the UAE and Iran and the GCC and Iran. if anything you might say to educate us about that. I'll go back to the first one.

GCC's investment decisions not well understood in Washington, what steps are afoot, what movements are afoot to establish a presence here to educate the American people on the mutuality benefit between our peoples? What have been the keys in your view to the UAE's success? What lessons learned might be given serious consideration and applicability, potential applicability elsewhere because people still talk about federation or confederation inside of Iraq? What lessons learned from three years ago and anything that you might educate us about Iran which is so heavily exposed in your country.

[LUBNA]: All heavy questions. Rather than eat all my lunch.

First question is really related more at the investment to the GCC and the direction it has to work with investment in the U.S. This is a two way street. I think if you look at the government here and I will speak from our own experience with the U.S. government. The idea of investment means that there are opportunities. There are certain requirements from both sides and it all depends on how open and how restrictive the country is, has for investment.

On the U.S. side when we talk about money coming from the GCC I could probably sight the example of the United Arab Emirates. We always believed that the CFIUS process was very proper. I think through Dubai Ports issue we realized that maybe some more transparency was required on both sides.

We never believed that the government itself actually had faulted to make something wrong in that process. It was just not the process being communicated all around. So for us it was understanding the process of the CFIUS and again the updated one or the enhanced one that came afterwards and pretty much falls through that.

What it makes clear is it's much more transparent now to see what actually is expected to be in the investment, where its going and you know it right from day one. And I think that particular process has been very beneficial. What we have seen regardless of Dubai Ports a lot more investment from the UAE that has come to the U.S. And if it reflects anything it reflects the openness of the economy here.

When we talk about lack of understanding you interpreted that's probably prejudice or lack of understanding. For us it was a pure business deal including Dubai Ports. We didn't want beyond that, we didn't look deeper into that. We just looked at it as a business that was at the wrong time and we, you know, we just passed it behind our back and continued further development and investment in the US.

But looking at that there was a lesson learned. Whenever we talk about the U.S., whenever we talk about business and investment in the U.S. we just come to Capitaol Hill. It never dawned on

us to go beyond. At the end of the day as David said you talk about five million people directly impacted by foreign companies in terms of employment and 4 million indirect.

We never see them. We are investing in these companies. We are investing in these states. We're investing in these particular factories, but we don't go there. We didn't go and that was one of our problems. We did not communicate our agenda well. And we have learned from this process we need to actually go to these states, these particular places, talk about the investment, speak to the people and the manufacturing industries, or sites themselves and emphasize that the investment is basically to further grow the company not to shut it down.

People are not going to come running out of the UAE to take their jobs. On the contrary I think if you work at the Commerce Bureau you will find that the data on, supports the fact that actually people are paid better by foreign companies than the U.S. And therefore the support for a particular investment is to the greater advantage of the people and the industries and the states themselves.

So that particular communication was a lesson learned for us in terms of making sure that we actually have a heads up. I sight that because while we had gone through Dubai Ports problem, Doncasters came next. And it was pretty much sort of a concern that we had because there was a percentage of Doncasters which had two sites, factories, one on the east coast, one in Savannah Georgia, What I did I actually went and talked in both places. I communicated with a Congressman from Savannah Georgia and believe it or not this was one of the better deals, and easier ones that went through. What it required was pretty much education and understanding earlier that that was the lesson we learned.

So I am not going to stand here and say well this is a problem that existed here. There was a lack of understanding and education on our side. We do see the investment going much easier than before because of this communication that we had on both sides.

If you look at the investments within the GCC what we have seen so far is a lot more development in terms of openness and regulation that sprung amongst the GCC countries. There is a lot of investment and wealth that is actually going back into these countries. The UAE takes probably the lions share in terms of foreign direct investment coming to us. You may wonder for a wealthy place what does this money mean to us, why do we want it. It really is not about the money. Foreign direct investment brings a lot of know how. It brings a lot of technology with it, and for us it's a transfer of know how for our people. There are opportunities in new jobs and new schools that we don't have, so it opens up avenues for our youth and young generation for things to learn. It keeps us on our toes because foreign direct investment money doesn't go to countries that have corruption or it doesn't exercise the rule of law. You have to be extremely competitive to actually ask for the money to come to you. So it keeps us disciplined. It keeps us with high marks on indices in terms of benchmarking for competitiveness, for transparency, for regulation.

So for the GCC itself the changes that stay in place, we have seen a lot of money basically circulated within the GCC amongst ourselves. The investment guide for example from the UAE to Saudi Arabia. There has been money from the Emirates to Saudi and Kuwait and North

Africa and some other places. So these investments actually enhances development. It also reflects a positive side about the Middle East. Because the money itself being invested in these places means the development of the laws and the regulations have been enhanced tremendously, otherwise the money would not have gone there. So that's quite important on both sides.

Key to the success of the United Arab Emirates? I think if anything I would say personally, the founder of the country was a legacy that we never forget. And he stays and remains in the hearts of many people not only in the United Arab Emirates but in the Arab world and other places.

He was a man of tolerance and I think the key area to the United Arab Emirates hosting over 150 nationalities as part of its working environment says a lot about a the nation itself and the way the UAE developed itself. Many times when you have an expatriot community, people coming from outside, sometimes they bring their baggages and you have to deal with them. But I think the focus within the Emirates that everybody is focusing on economic developments, on growth, having a good environment for families and a good lifestyle for young people, makes people actually focus more on positive attitude and changes where they focus on their own wealth and the evolvment.

We are grateful for the community that loves the Emirates because they contribute to the growth of our GDP. We have all kinds of schools for all different nationalities; we have standards in terms of education graduation so the kids can actually go to any school worldwide.

We have Japanese, German, American, Filipino schools all the way up to high school. We have international education system as well. Private universities. We have Zayed, we have London business school, University of Wollongong from Australia and many other and more and more. NYU, you see more universities coming in there.

So for us creating the wide environment of tolerance I think is very key to the UAE and for us it was a small country with a lot of wealth. Either we sit and be complacent because we have so much wealth or we expand our economy and we become powerful globally with the contribution of the working people who are coming to the UAE and actually create a much larger base for our economy. So that's important.

UAE regardless of being one of the highest producers of oil and gas, and has a very good reserve in gas and oil, has been a country with diversification policy from day one. So a lot of the wealth that came through the oil itself and the selling of oil has been reinvested in the Emirates for creating hard infrastructure, highways, utilities; soft infrastructure in terms of regulatory framework, all the different environments required.

UAE is considered the more wired in terms of technology in the Middle East and it sits actually quite high. It is considered one of the top countries in terms of fighting piracy on software, again it sits high comparable to European countries. What's important too within this diversification today we find 65% of our GDP is actually in the non oil sector, and its growing. That is very critical because that means that there are all kinds of jobs and opportunities for the people. There are a lot of education, service sector probably counts for 50% of this 65%. We had become pretty much the strategic position or the point for exporting knowledge.

If you look at Dubai Ports today, Dubai Ports is actually considered one of the largest in the world in terms of maritime operations. We export this knowledge. We manage ports world wide. If you look at aviation Emirates airlines is a flagship for high quality of services that again differentiates itself from a lot of other airlines. That and exports of culture that exists in the Emirates. If you look at the hotels and the service being provided you would consider it being top notch in terms of quality tourism and hospitality industry. Construction -- if you look at the buildings and the architecture, UAE actually has quite a lot of knowledge. We are no longer an Arab country that sits where we just get consultants and people coming working. We have become capable and able to export some of the knowledge that has evolved and developed with the community that we have to actually compete world wide.

UAE puts its youth and its people first. Education has been a mandate and a requirement, and it also puts its women first. Today we have four women ministers. I was the first minister in 2004. We have four women ministers. And we have two ambassadors that we recently announced, one to Sweden and one to Spain.

We have two women captains of Etihad Airlines. We have our first women judge. But I have to say it was the men who put these women there. So we should not forget the other half because it is the other half that put us there first. So it is not about women feminism it's about equality shared with vision on both sides.

The question comes about how did this evolution of this federation of the UAE and the structure of the United Arab Emirates. UAE has the two structures in terms of regulation, law, and jurisdiction. We have the federal level through the cabinet and the Prime Minister and the Ministers, but there is also quite a lot of the liberty and autonomy within the Emirates itself. And that in itself, sometimes creates, a lot of people think its too much competition but in reality it is a positive tension. You need to compete sometimes, you need to see who is doing what. It gives a lot of options and openness to develop and evolve differently while you still have the umbrella of the federation itself.

Dubai Ports I think have already talked about.

In terms of Iran I'm not a Foreign Minister so I don't think I will really make a lot of comments. But what I would like to state is that Iran is a neighbor. We can't move ourselves out of there. If you were take the community of Iranians that live in the Emirates they live because they are smart people, they have business, they trade, they export. They are there because the UAE is open for everyone, they are not just open for Iranians.

The comment about 750, you think it's a big number? I think it's a small number.

We need more American companies that 750.

Thank you very much.

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