

Middle East Leaders who guided a region through 50 turbulent years: Euromoney, March 2019

Dr. Nasser Saidi was included by Euromoney in its 50th Anniversary Special list of Middle East Leaders who guided a region through 50 turbulent years. Excerpts from the article are posted below.

The euromoney article can be accessed at: <https://www.euromoney.com/article/bldd3n1mn7mf8r/middle-east-leaders-who-guided-a-region-through-50-turbulent-years>

Over 50 years, leaders of Middle East financial institutions have steered their businesses through very good and very bad times, including oil price crashes, rampant property and stock speculation, and war. Some key figures highlight the events they remember most and spell out lessons for the next generation. These figures, who have held positions of power for nearly two generations, are uniquely placed to assess how successful the region has been in steering its way through the challenges and opportunities since the first oil boom of the mid 1970s.

Nasser Saidi served as deputy governor of the Lebanese central bank and a government minister in the 1990s, before becoming chief economist at the Dubai International Financial Centre in the 2000s.

He says the first key moment came when civil war ended the era in which Beirut had been the region's financial centre. "The big story from Lebanon's point of view is that the centre of economic geography moved from the Mediterranean to the Gulf," he says. "Lebanon used to be the petrodollar hub, with Beirut playing the leading part. Now the Gulf can manage its own

money through its domestic and free-zone financial centres, and to an extent they have come of age.”

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Saidi puts some of the blame for the failure to develop debt markets on to the big family businesses that have “never convinced themselves that they should use the markets. They have never seen the power of debt and equity markets.

“Once you get on to the markets, automatically you will get international investors, and they will not only provide greater scrutiny and corporate governance but are also a source of technology and new ideas. Commercial banks don’t do this – they are just lenders. Markets behave differently. They force you to focus on international standards and ideas and adopt them.”

A further consequence of this lack of local debt markets has been that too much regional money is placed globally rather than invested locally. Government sovereign wealth funds, which should have been invested in developing the Middle East, have instead placed the bulk of their money overseas.

“We should have been able to attract the wealth of the Arab world, but we lost it,” says Saidi. “We have not invested enough in ourselves.”

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One of the key questions for the next generation of leaders is whether or not the focus of Middle East governments will shift from the West to Asia.

Saidi is in no doubt.

He sees: “A tectonic shift from the US to China, which is much more prepared to act as a development partner. “When I look at what China does,” he continues, “I see a country that invests in infrastructure and into supply chains. In the decades ahead, this will lead to a transformation. Look at the prospective rebuilding of Syria, Iraq, Yemen, Lebanon and Sudan, and you will see that funding will come from the GCC and China who will be involved in construction sector. “Chinese and GCC developers will successfully develop partnerships and joint ventures for reconstruction and

development."