



## **Dr. Hessa Al Jaber's Remarks**

Silatech Youth Summit on entrepreneurship's challenges and opportunities

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“Silatech is an innovative social enterprise, created to meet the urgent need to generate new jobs and opportunities for young people starting first in the Arab world, where the challenge is at its most severe globally”

It is an honor to be invited to speak with this very special audience. It is both inspiring and affirming to look out at the faces of young people from all over the Arab region...young men and women who are poised to do great things. In your countries, from Yemen to Morocco, you are building businesses that will contribute to the economy, redefine creativity, create jobs, and possibly change the world...After all, only eleven years ago, Google was a start-up in a stuffy garage in Menlo Park, California.

I am proud to talk with you this evening about entrepreneurship and technology – challenges and opportunities.

And I am proud to welcome you to Doha. Silatech is an exciting, innovative enterprise, and I'm glad you are taking part in this summit. The exchange of ideas is core to the very notion of entrepreneurship, and that is the purpose of meetings like this. I hope you learn from one another and leave here full of new insight

To start, let's consider Entrepreneurship and Technology.

Many young people believe that entrepreneurship is a safe career choice. And as all of us in this room know, quite a few old people too underestimated the risks involved in financing start-ups and ended up pouring millions of dollars into doomed ventures. Entrepreneurship is not safe. It involves taking risks and reaching for the stars. But the potential payoff is no less than altering the course of history.

The problem is that people of all ages use the terms “Entrepreneur” and small business owner synonymously. While they have much in common, there are significant differences between an entrepreneurial venture and a small business.

What really makes an entrepreneur? What characteristics set successful entrepreneurs apart, enabling them to start ventures against all odds and keep them alive even in the worst of times?

- They are passionate enough about their ideas to assume enormous personal risks—powerful enemies, bankruptcy—to realize their dreams.
- However grand their visions, they are ready to start small and patiently scabble in the mud for any deal they can swing.

- Profoundly opportunistic, they will do whatever it takes to win the confidence of their customers and investors, knowing that often, simply staying in business is the only thing that matters.
- Innovation is the specific function of entrepreneurship, whether in an existing business, a public service institution, or a new venture started by an individual in the family kitchen. Innovation is how the entrepreneur either creates new wealth -- producing resources or enhancing the potential of existing resources.

Of course, technology is central to our ability to innovate. In fact, the root of the word technology means to shift, or to change, and was originally used in relation to man changing events rather than being controlled by events.

Innovation – that idea of man taking control of events – protects against market slowdowns and spurs growth. Imagine how much better off General Motors would be today if the company had set a course for change and matched the innovation of Honda or Toyota.

On the other hand, imagine how much worse off Apple would be right now if it had not created the iPod, iTunes, and the iPhone. In every sphere of life – from a hospital corridor, to your social life, to your business – technology makes tasks more efficient. Design engineers, accountants, doctors, graphic artists, and countless other specialists use ICT all the time.

Because technology is for networking, facilitating, and collaboration, it provides an excellent opportunity for young entrepreneurs like you to share beyond your immediate environment. Technology allows you to extend the reach of expertise and knowledge to other cities, states, and even countries. As part of the new generation of entrepreneurs, you have the ability to obtain information and new ideas from around the world – just like at this summit.

But in the Arab world, entrepreneurs face a number of challenges, and this brings me to my second point: Entrepreneurship and challenges.

The Arab region needs more entrepreneurs. That is a fact.

Small scale enterprises are the primary drivers of job creation. Most private-sector jobs come from large family businesses, state-owned companies, or multinationals. We must create a climate that will help to create entrepreneurs and foster small enterprises.

At ictQATAR, we take this mandate very seriously. We have a market development office that focuses on this goal, encouraging growth and providing support when the private sector cannot.

Throughout the region, I believe there are three priorities that need to be addressed:

Number One: Ensuring access to financial capital. Many of you probably know that one of the main problems faced by small- and medium-sized enterprises (the so-called “SMEs”) and by entrepreneurs like yourselves, is difficulty getting access to capital. The majority of bank loans go to state-owned companies, government, or large family businesses. World Bank data shows that about three-quarters of working capital and new investment comes from internal funds, while only 10 to 15 percent comes from bank finance. This is amongst the lowest levels in the world, by a considerable amount. Unlocking capital and getting it into the hands of young companies is imperative, since small firms are an engine of innovation, jobs and growth.

Number Two. Improving policies to get the legal and regulatory environment right. International benchmarking reports such as the World Bank's "Doing Business Report" confirm the significant progress in areas such as business climate, public sector accountability, and trade policy in some Arab countries. However, the starting point was far behind other emerging markets. On the surface, some of the appropriate policies are simple to identify. There need to be regulations favoring competition; allowing 100-percent foreign ownership of most businesses; ease of international capital flows, internet flows and protection of intellectual capital. Furthermore, there must be rules to protect intellectual property, rules to uphold sound corporate governance, a fair and efficient judiciary, and stiff penalties for corruption. Most importantly, there has to be effective enforcement of regulations.

Number Three. Adapting an innovation model that fosters innovation. The region can duplicate an existing model, or blend them.

- *Focused factory* model is the concentration of countries' resources. Singapore, for instance, plans to increase funding for R&D in life sciences, clean technology, and digital media, and to provide benefits such as tax relief to attract companies interested in conducting research in those areas. GlaxoSmithKline and Novartis have already begun doing so at the biomedical research center Biopolis.
- *Brute force* model is how countries intend to generate innovation by marshaling massive amounts of labor and capital. China, for example, is increasing funding for 10 universities in order to produce many specialists in every area of science and technology.
- *Hollyworld* model is how countries create the right environment for innovation by assembling a critical mass of skilled individuals. India, for example, is partnering the best graduates of its universities with Indians who have trained at educational institutions in the West.

You as entrepreneurs must be passionate enough about your ideas to not only be patient and scrabble in the mud, as I mentioned earlier, but also to advocate for policy and regulatory change at a national and regional level. For us to build the dynamic, open market we seek, we must remove the barriers to that goal. And the region needs change now in order to speed you and other entrepreneurs to success.

Which brings me to my last point: Entrepreneurship and opportunities

The first and most important opportunity is you – your boldness, your skills, your passion, your perseverance. Success won't happen without you.

Another opportunity, and I have already touched on this, is technology itself. It's important to remember that technology can accelerate both good and bad ideas. Successful entrepreneurs have a clear idea of what they are trying to accomplish and leverage technology to achieve those specific goals. I believe successful entrepreneurs must understand the language and trends of technology, from social networking to Arabic content.

One other huge opportunity is the development of digital applications. Content and services that are breathtaking in their scope make the Information Society possible and improve lives all over the world.



Believe it or not, the last opportunity I want to mention is tough economic times. History shows that those who invest in innovative capabilities during downturns fare best when growth returns. That is how the U.S. chemicals industry overtook Britain's after World War I, and how Japanese semiconductor makers outpaced U.S. companies after the downturn of the early 1980s.

To close, I want to thank you for your dedication and dreams...your determination to take charge and shape your life. Your hard work and success will help ultimately create better lives for everyone. It is astounding to remember that there was a time not so long ago that only the privileged few were permitted to reach for the stars. Today, in large part because of the miracle of technology and innovation, anyone can dare to reach into the sky. I applaud all of you for taking that dare.

I sincerely hope that all of you find your star. I look forward to seeing you on the cover of *Forbes Magazine* or reading about your ventures in the *Economist*.

On this final note, I would like to wish you again a wonderful and inspiring stay in Doha. Thank you.