

**Laurence D. Fink Speech: 2016 ABANA Achievement Award Dinner
New York City, October 10, 2016**

Introduced by H.E. Anas K. Al Saleh, Deputy Prime Minister, Minister of Finance, and Acting Minister of Oil for the State of Kuwait

Thank you, your Excellency. It is an honor to be here together and to be so graciously introduced by you. You have been a great friend and confidante, and it's a privilege to be with you tonight.



I want to thank the board and the members of ABANA for this award. It means a great deal to me to be honored by ABANA as a non-Arab – let alone a Jew from California!

It's an act of courage on your part, and it indicates ABANA's capacity for open dialogue, for collaboration, and for true progress.

It means a great deal to me, but it also says a great deal about our shared potential – our ability to build on our common strengths and create greater economic opportunity in the Middle East and for people from the region living in the West. And in a troubled time for the region – and the West's relationship to it – these acts of friendship are even more important.

II

A core part of my job is traveling the world to meet with clients. And when I plan my travel for the year, I always plan two trips to the Middle East and I book them right away – because I look forward to them so eagerly.

And I just as eagerly anticipate meeting with my friends from the Middle East at the IMF, or Davos or other international gatherings.

While business travel can often be, shall we say...tiresome...it's the exact opposite when I visit the Middle East. Quite simply, I find myself invigorated and energized by my trips to the region.

You could say it's because of the warm hospitality...or because I sometimes forget to shake my wrist to stop the coffee refills...but most of all it's because of the conversations I have and the friendships I've built.

The intellectual engagement of financiers and officials in the region is perhaps unsurpassed anywhere in the world – here are people who are not looking just at the markets or their portfolios, but the broad impact of global trends and the bigger picture of world events.



I have deeper political and geopolitical conversations in the Middle East than anywhere else in the world. Deep conversations about Iran, Russia, Israel – the entire world. Even deep conversations about what's happening in the United States, from which I learn a great deal myself.

The preparation I have to do for these trips is unlike anywhere else. I can't go into a meeting and wing it. I have to be prepared for incredibly complex discussions. Each trip is full of sharing, but I always learn more than I inform. For me, these trips are deeply educational – and even emotional.

The conversations I have are profoundly forward-looking, focused on the challenges around us and the best ways to address them.

And in a time of great upheaval and conflict, they remind me of the deep, historical connections that bind the Middle East and the West.

III

From the earliest years of the caliphs – and even before – there has been a rich history of intellectual, cultural and economic exchange between East and West.

Often that contact has happened by the sword – the Muslim conquest of Spain, the Crusades, the mandate period following World War I, and the ongoing conflicts in the Middle East that persist to this day.

Yet many of history's conflicts have been accompanied by – and even precipitated – extraordinary trading, cultural, and financial relationships.

Whenever I think about our shared culture, I am reminded that we, in the West, were able to reintroduce ourselves to long-forgotten Greek philosophy – which sits at the core of the Judeo-Christian thought – only through Arab translations produced in the Middle Ages.



And at the other side of the spectrum, many of my Arab friends always remind me that the region's best moments of this past Century – the "Arab Renaissance" or, al-Nahda – owed so much to the liberal philosophies brought back to the region by the young intellectuals who studied in Europe and the US.

From the earliest days of the Silk Road to the 21st century, shared ideas and goods have enriched both our regions, from medicine and technology to mathematics and philosophy.

Yet we forget so easily in difficult times how important we are to each other.

IV

The world today is experiencing a tremendous amount of dislocation and uncertainty – nowhere is this more clear than in the Middle East and North Africa.

There is war, widespread political instability, and a refugee crisis.

And these events are deeply intertwined with the massive economic changes that the world is undergoing.

Some of these changes are affecting the East and West in vastly different ways. Low oil prices – precipitated by technological advancements that were most aggressively pursued in the U.S. and Canada – have, on balance, buoyed our own economies.

On the other hand, they have caused significant fiscal challenges (and social unrest) for major oil producers in the Middle East and beyond, and accelerated a reassessment of the economic models in these nations.

At the same time, climate change caused by this same oil may be contributing to a warmer and drier eastern Mediterranean, threatening agriculture in some of the region's most fertile areas and thereby hindering self-sufficiency and contributing to unrest.



Political dynamics around the world are deeply strained, increasing the appeal of populism.

This anger is threatening the European project, precipitating a bizarre election landscape in the United States, and also accentuating the economic grievances that were at the heart of the of Arab Spring.

Automation is displacing jobs, monetary policy has distorted asset prices, and politicians around the world have abdicated their responsibility for economic growth.

The combination of low rates – which are punishing savers – and anemic growth is causing tremendous anger all over the world.

Even where employment is growing – such as in the United States – there is still significant underemployment and almost nonexistent wage growth.

Technology will only intensify these problems, as it continues to replace lower-skilled workers all over the world.

And as you well know, the Arab world's demographics are exacerbating the already problematic lack of opportunities. Middle Eastern and North African nations have some of the highest proportion of young people in the world – and accordingly, dangerously high youth unemployment rates.

Without comprehensive plans for economic growth – in particular, without plans that address the massive shifts in technology and energy production – youth unemployment will continue to grow, and with it, the appeal of radicalism.

Improved access to secular education will be an essential part of creating opportunities for young people.

Not only do secular schools provide young people with the skills they need in a transformed global economy – but they also will increase tolerance, pluralism, and an openness to other cultures and regions.

While these changes take hold – because they will take time – proactive fiscal policy, such as infrastructure investment, can provide an essential bulwark against low growth and scarce employment opportunities.

Take Egypt as one example, where youth unemployment is over 30%. A 2010 World Bank study estimated that Cairo's notorious traffic wastes some eight billion U.S. dollars a year – 4% of Egypt's economy.

Certainly, improving Egypt's infrastructure could provide a crucial source of jobs for young people, all while creating the basis for a more broadly efficient and productive economy.



But this is just as true in the United States – right here in New York, one study has estimated that the annual cost of traffic congestion is thirteen billion dollars.

This all goes to show: despite the differences in culture, despite the mistrust and animus that pervades both the Arab World and the West, our concerns are ultimately so similar.

We all hope for prosperity, for safety and happiness for our families, for our children to have better futures than ourselves.

We all hope not to be stuck in traffic.

V

When I was about to embark on my first trip to the Middle East, a friend gave me a travel book about the area.



One of the sections was on forbidden topics – what you’re supposed to avoid, or deflect, or not talk about.

Well, we talked about it all – including the topics the book said were forbidden...and many others. Because the human connection was so strong. Because the friendships were so immediate.

We all just want to be treated like human beings – not stereotypes or caricatures.

We all just want to be respected – to be treated with dignity; listened to; and heard.

Once you understand that, you realize how simple it is to reach out and make connections.

So as we face a daunting set of global challenges, we have to face them not as adversaries, but as fellow human beings.

That project requires us to be more than hopeful – rather, we must be thoughtful, deliberate, and willing to examine our own failures.

The West needs to broaden its narrow view of the Middle East – it needs to see beyond stereotypes of oil wealth and religious radicalism.

Those who choose to engage often take a reductive and fatalistic view of the region, seeing only oilfields to service and resulting cash to tap.

The West must adopt a new attitude and take a broader view of economic and human potential, working to deepen trade and diplomatic relationships, enter new sectors of Middle Eastern economies, and participate in the development of these nations.

In turn, leaders and citizens in the Middle East and North Africa must be willing to see beyond their own stereotypes of the West, seeing solely an antagonist or malignant power.



Countries in the Middle East need to create a more open and competitive landscape, which will in turn encourage the West to be a better economic and cultural partner.

VI

Building and reinforcing these bridges will not be an easy task.

But I stand before you as someone who has experienced true partnership with the Arab world. I stand before you as the beneficiary of ABANA's courage and friendship.

And I have great hope.

We cannot ignore the mistrust between our regions, our religions, our nations.

Rather, we must engage honestly and sincerely, recognizing our own fears and suspicions.

We must build bridges between governments, strengthen our economic ties, and encourage dialogue among our young people.

But most importantly, we have to be willing to forge relationships that go beyond the transactional, deepening our ties with true friendship.

Our efforts to build bridges and diminish antagonism must be built not on words or treaties or speeches like this – but on friendship.

And all of us in this room have a responsibility to encourage the next generation of leaders to build these friendships.

I worry that the next generation will not understand the critical value of these personal relationships. We must help them understand and show them the value of investing in them – and in each other.

In this spirit, I invite myself, and all of you, to deepen the ties between the Middle East and the West, and begin building a better future.

And I urge us all to continue this work with passion...with sincerity...and with friendship.



