

What kind of investments in technology do we have in the Arab World?

An announcement made in one of the Technology related newsletter has stopped me and pushed me to write this. The announcement said one of the governmental companies in the gulf area has bought 8% of one of the most advanced companies in the microelectronics industry. Although this might make us proud and say wow the Arabs partially owns a semiconductor company but the problem that no one thinks do we really make an advantage from this acquisition?

From the profit and financial point of view this is very good investment since both this company and this field are very successful and the ROI is high. But again is this is what we need in the Arab world and specially in the gulf area? Is it the problem in the region that we do not have money? No. That is why they are able to buy these shares for more than half a billion US dollars.

What we do not have is the knowledge, the know how, the technology, etc. does this kind of investments help us in achieving all that? Sure not specially that the shares do not allow us to have a seat in the board of the company. What hurts me more is that they announced that this investment will go to support R&D activities which non of them take place in the Arab world!

Anyhow this is not the only case in the Arab world, one of the Arab governments owns large shares (not on board) in one of the most famous and important companies in the automobile industry. This acquisition took place long time ago but so far we do not have any Arab made car. I believe Kenya and Zimbabwe will have their own national cars before we the Arabs have it if we still invest and deal with technology transfer the same way.

I liked what china did when they put the development of their new Transrapid train lines for tendering. The winning company (German one) has to come to china, open factory for the development of the trains and all complementary products and they must hire locals. Why did they saw? Because they want to be independent from the company and want to be able to develop their own skills and experience. They own the money and they can set the rules!!

Whenever we want to transfer the technology to our countries we have to think in investments that will transfer the knowledge. This transfer does not depend on large amount of investments, just on how they are managed and to where they go. Sometimes even they can be free, lot of technology and knowledge transfer goes with simple interaction and cooperation in the projects development.

I hope someday we will have better plan for our own innovation system and technology transfer plans.