

2010

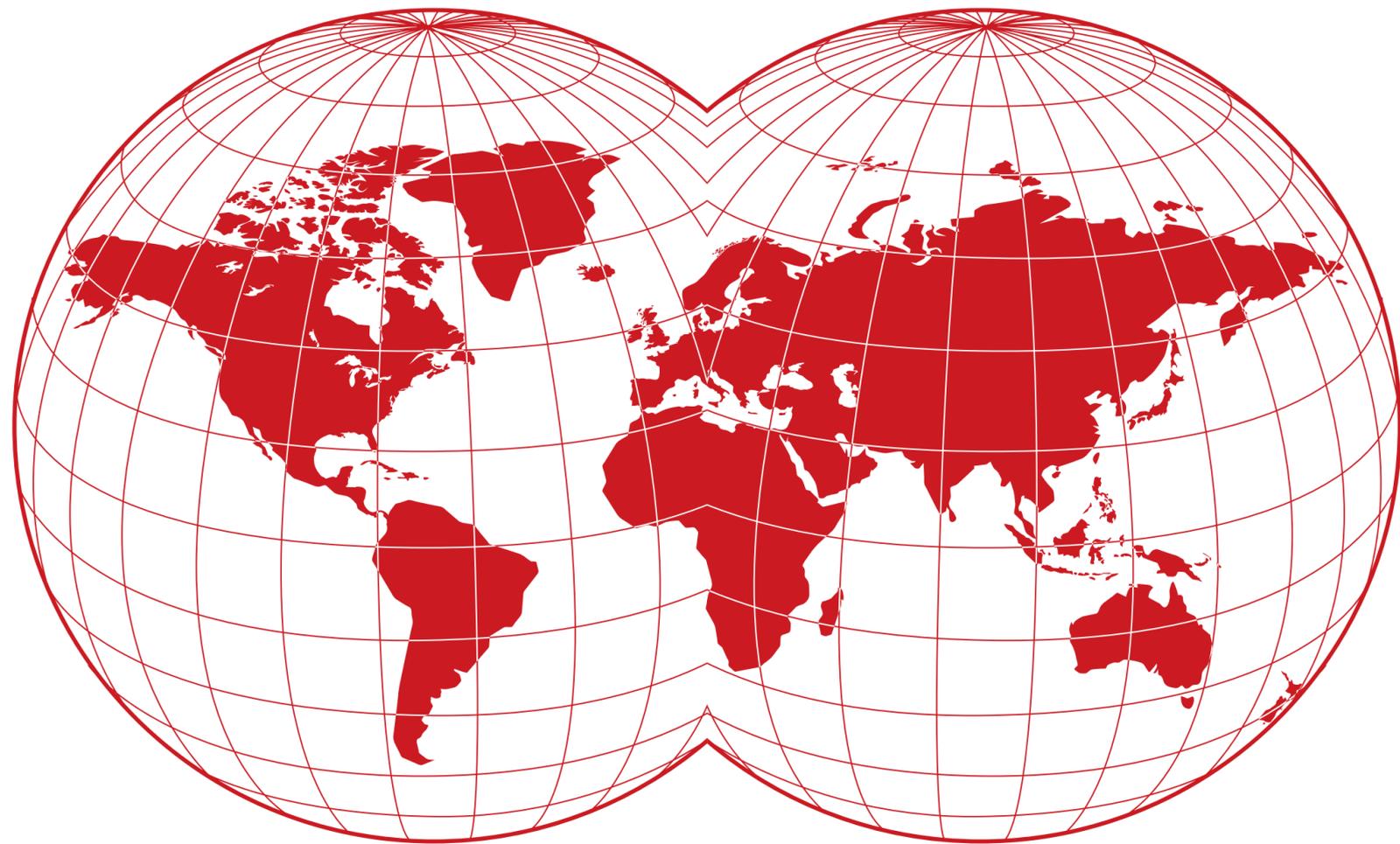
# THINK™

GLOBAL ISSUES IN PERSPECTIVE

Q2

# THINK™

GLOBAL ISSUES IN PERSPECTIVE



## 24 THE COMPETITIVE SPIRIT

Some of the world's most creative decision makers convened in Riyadh for the 4th Annual Global Competitiveness Forum.

## 30 ENGINES OF CREATIVITY

Creativity in new product development and green production methods may be the key to the future success and profitability of businesses.

## 36 MAXIMUM EXPOSURE

At Expo 2010 Shanghai, China and the other corporate and national exhibitors are hoping to impress the world and increase their bottom line.

## 42 ETHICAL INTEREST

Today's investors want options for financial returns in businesses that also support their consciences and beliefs.

## 46 A DISUNITED FRONT

The UN building in New York is undergoing much-needed renovations, perhaps symbolising the need to revamp the organisation itself.

## 50 DRESSING THE PART

Creating your own signature style promotes you above the sameness of the corporate masses, giving you a competitive advantage.

## 60 IN DEEP WATER

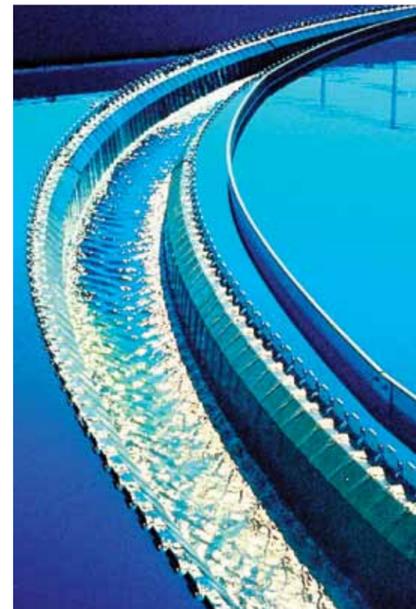
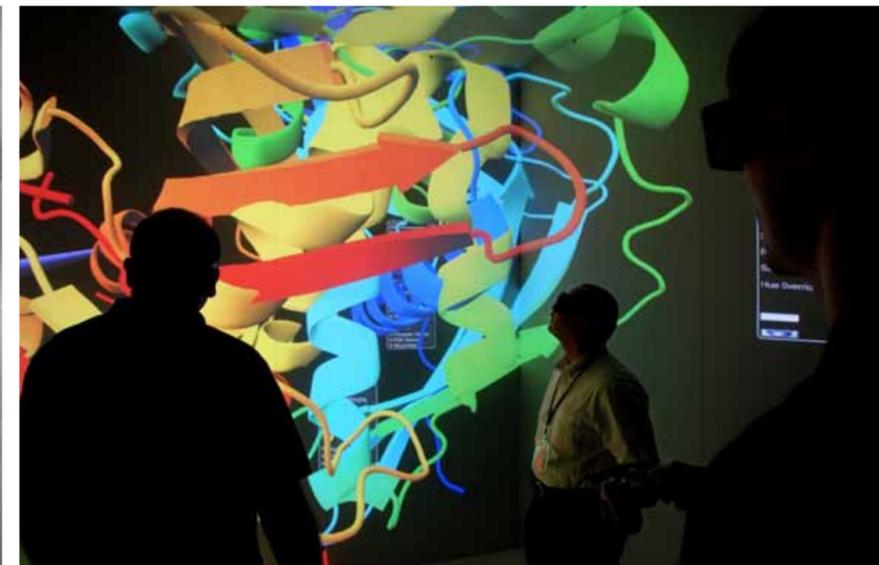
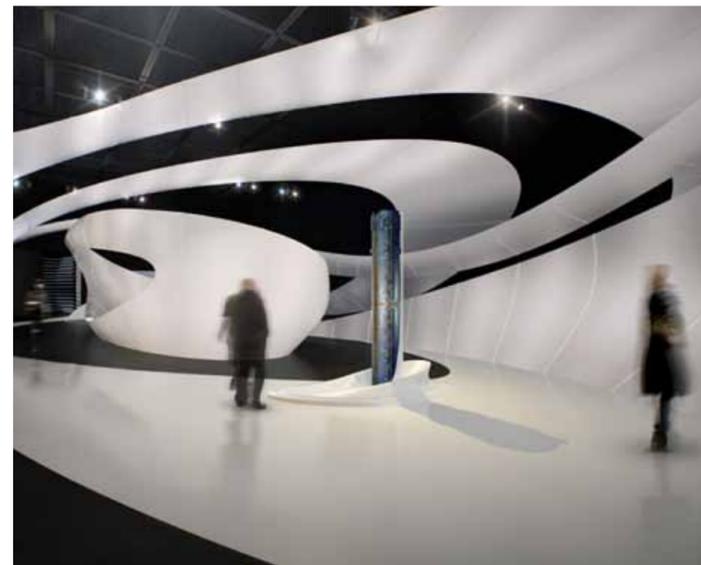
To avert a water crisis similar to the recent oil crisis, researchers are developing innovations to increase the availability of clean water.

## 64 SPORTING DIVIDENDS

Avid sports fans flock to major international athletic events to cheer for their favourites, while the hosts cheer for profits.

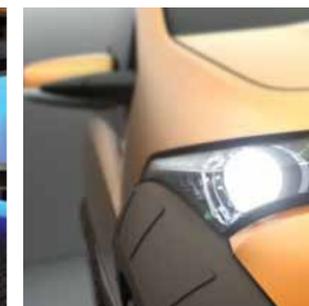
## 68 CAPITALISING ON CULTURE

As a 2010 European Capital of Culture, Istanbul is showing the world that it is definitely of the 21st century, even with roots in the past.



**"I PAINT OBJECTS AS I THINK THEM, NOT AS I SEE THEM."**

PABLO PICASSO



## 73 COMPETITION

Inspire your creativity at the Capri Palace Hotel and Spa in Italy by winning a two-night stay...

## 74 CARRY ON INVESTMENT

Today's executive high fliers pack the latest in status toys and tools to elevate business travel to the calibre of first class comfort.

## 78 EDUCATION ON THE EDGE

The first co-ed university in Saudi Arabia boasts cutting-edge research facilities and award-winning ecological design.

## REGULARS

### 13 SPECTRUM

THINK spans the globe for creative new ideas

### 19 BANKABLE ART

Two record-breaking art sales indicate resurgence in the art world

### 83 BOOKS

Everything you need to know

### 84 FORWARD THINKING

Cruising on air

### 86 VISIONARY

Dr Ngozi Okonjo-Iweala

COVER PHOTOGRAPHY  
Wow 9, photo art  
from Michael Banks

# THINK™

<b>SAGIA</b> EDITORIAL ADVISOR	<b>Fahd M Hamidaddin</b>
EDITORIAL LIAISON	<b>Aseel A. Al-Zamil</b>
<b>MOTIVATE PUBLISHING</b> EDITOR-IN-CHIEF	<b>Obaid Humaid Al Tayer</b>
GROUP EDITOR + MANAGING PARTNER	<b>Ian Fairservice</b>
GROUP SENIOR EDITOR	<b>Gina Johnson</b>
GENERAL MANAGER	<b>Jonathan Griffiths</b>
GROUP EDITOR	<b>Catherine Belbin</b> <a href="mailto:catherine@motivate.ae">catherine@motivate.ae</a>
FEATURES EDITOR	<b>Dorothy Waldman</b> <a href="mailto:dorothy@motivate.ae">dorothy@motivate.ae</a>
CHIEF SUB EDITOR	<b>Iain Smith</b> <a href="mailto:iain@motivate.ae">iain@motivate.ae</a>
EDITORIAL ASSISTANT	<b>Belinda Igaya</b> <a href="mailto:belinda@motivate.ae">belinda@motivate.ae</a>
GENERAL MANAGER GROUP SALES	<b>Anthony Milne</b> <a href="mailto:anthony@motivate.ae">anthony@motivate.ae</a>
GENERAL MANAGER SPECIAL PROJECTS	<b>Ashish Limaye</b> <a href="mailto:ashish@motivate.ae">ashish@motivate.ae</a>
GENERAL MANAGER – PRODUCTION + CIRCULATION	<b>S Sasidharan</b> <a href="mailto:sasidharan@motivate.ae">sasidharan@motivate.ae</a>
PRODUCTION MANAGER	<b>C. Sudhakar</b> <a href="mailto:sudhakar@motivate.ae">sudhakar@motivate.ae</a>
DISTRIBUTION	<b>Nayeem Dakhway</b> <a href="mailto:nayeem@motivate.ae">nayeem@motivate.ae</a>
REGIONAL SALES MANAGER	<b>Ramsey Rashid</b> <a href="mailto:ramsay@motivate.ae">ramsay@motivate.ae</a>
DESIGN	<b>Design Studio</b>
INTERNATIONAL CORRESPONDENTS	<b>Ashlee Beard, Steve Hill, Joanne Molina, Ruby Rogers, Lisa Vincenti, Richard Warren</b>

## SAUDI ARABIAN GENERAL INVESTMENT AUTHORITY (SAGIA)

**SAGIA HEADQUARTERS** Imam Saud Bin Abdulaziz Road (University Road), PO Box 5927, Riyadh 11432, Kingdom of Saudi Arabia,  
T +966 1 203 5555 F +966 1 263 2894 E [Info@sagia.gov.sa](mailto:Info@sagia.gov.sa)

### SAGIA INTERNATIONAL OFFICES

MIDDLE EAST & AFRICA	Hatem A Al-Ahmad; E <a href="mailto:mena@sagia.gov.sa">mena@sagia.gov.sa</a>
EUROPE	Mai Al-Torki; E <a href="mailto:europe@sagia.gov.sa">europe@sagia.gov.sa</a>
FRANCE	Lucile Pons van der Slikke; E <a href="mailto:france@sagia.gov.sa">france@sagia.gov.sa</a>
ITALY	Mai Al-Torki; E <a href="mailto:italy@sagia.gov.sa">italy@sagia.gov.sa</a>
GERMANY	Dahlia T Rahaimy; E <a href="mailto:germany@sagia.gov.sa">germany@sagia.gov.sa</a>
UNITED KINGDOM	Sara Bouzo; E <a href="mailto:uk@sagia.gov.sa">uk@sagia.gov.sa</a>
THE AMERICAS	Ahmed Islam; E <a href="mailto:americas@sagia.gov.sa">americas@sagia.gov.sa</a>
WASHINGTON DC	Ahmed Islam; E <a href="mailto:americas@sagia.gov.sa">americas@sagia.gov.sa</a>
EAST ASIA	Noriko Suzuki; E <a href="mailto:japan@sagia.gov.sa">japan@sagia.gov.sa</a>
WEST ASIA	Meshari S. AlKhaleel; E <a href="mailto:singapore@sagia.gov.sa">singapore@sagia.gov.sa</a>

### MOTIVATE PUBLISHING

HEAD OFFICE	PO Box 2331, Dubai, United Arab Emirates T +971 4 282 4060 F +971 4 282 4436 E <a href="mailto:motivate@motivate.ae">motivate@motivate.ae</a>
ABU DHABI	E <a href="mailto:motivate-adh@motivate.ae">motivate-adh@motivate.ae</a>
LONDON	E: <a href="mailto:motivateuk@motivate.ae">motivateuk@motivate.ae</a>

### INTERNATIONAL MEDIA REPRESENTATIVES

AUSTRALIA	Okeeffe Media; E <a href="mailto:okeeffe@bigpond.com.au">okeeffe@bigpond.com.au</a>
CHINA/HONG KONG	Emphasis Media Limited; E <a href="mailto:advertising@emphasis.net">advertising@emphasis.net</a>
CYPRUS	Epistle Communications & Media; E <a href="mailto:nasreenk@epistlemedia.com">nasreenk@epistlemedia.com</a>
FRANCE/SWITZERLAND	Intermedia Europe Ltd; E <a href="mailto:administration@intermedia.europe.com">administration@intermedia.europe.com</a>
GERMANY	IMV International Media Service GmbH; E <a href="mailto:j.hoffmann@vhb.de">j.hoffmann@vhb.de</a>
INDIA	Media Star; E <a href="mailto:ravi@mediastar.co.in">ravi@mediastar.co.in</a>
ITALY	IMM Italia; E <a href="mailto:lucia.colucci@fastwebnet.it">lucia.colucci@fastwebnet.it</a>
JAPAN	SkyNet Media Inc.; E <a href="mailto:skynetmedia@y2.dion.ne.jp">skynetmedia@y2.dion.ne.jp</a>
TURKEY	Media Ltd; E <a href="mailto:mediamarketingtr@medialtd.com.tr">mediamarketingtr@medialtd.com.tr</a>
UNITED KINGDOM	Spafax Inflight Media; E <a href="mailto:nhopkins@spafax.com">nhopkins@spafax.com</a>
UNITED STATES	Redwood Custom Communications Inc.; E <a href="mailto:brigitte.baran@redwoodcc.com">brigitte.baran@redwoodcc.com</a>
PRINTING	Emirates Printing Press, Dubai



Saudi Arabian General Investment Authority

**SAGIA**  
[sagia.gov.sa](http://sagia.gov.sa)

Motivate Publishing LLC, on behalf of Saudi Arabian General Investment Authority, publishes THINK quarterly. SAGIA and Motivate Publishing do not accept liability for errors or omissions contained in this publication for whatever reason, however caused. The opinions and views contained in this publication are not necessarily those of SAGIA or of the publishers. SAGIA and the publishers take no responsibility for the goods and services advertised. All materials are protected by copyright. All rights are reserved. No part of this publication may be reproduced in any material form whatsoever without the written permission of the copyright owner, except as may be permitted by applicable laws.

*The last sultan's dwarf, painting  
by Aldo Monino, (1992)*

## HYBRID THINKING

Creativity comes from taking a fresh new look at what we typically take for granted. Only when we see the world with new eyes are we able to see the possibilities that allow us to initiate the scope of positive solutions.

In this issue of THINK we explore the increasing value of creativity in all aspects of life.

As industrial designers of hybrid cars take the best from various power sources and combine them into a new format that is both economically and environmentally friendly.

Similarly hybrid thinking by dynamic and successful problem solvers now draws from all aspects of life to facilitate creative outcomes.

Playing a leading role, today's Saudi Arabia is a catalyst for hybrid thinking by stimulating visionary realities in solar, hydrology, ecology, and other far-reaching scientific applications.

Catherine Belbin, Group Editor [THINK@motivate.ae](mailto:THINK@motivate.ae)

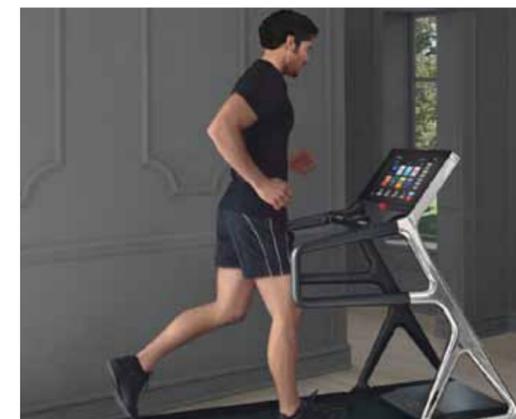


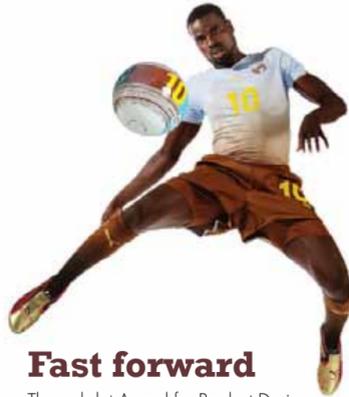


## CREATIVE COMMERCE

WRITTEN BY STEVE HILL

New investments, travel accolades, rising rankings and sky-high building plans indicate blossoming economic recovery in an expanding variety of international sectors.





**Fast forward**

The red dot Award for Product Design for 2010 was recently presented to Puma for three of its innovative PowerCat football products: 1.10 football, 1.10 iFG football boot and Italy home shirt for the FIFA games. The panel of expert, international judges of one of the largest and most renowned, design competitions worldwide, recognised these products from more than 4,252 entries from 57 nations for their quality and excellent design.

**Singapore is tops**

Singapore has been voted the best place to live for Asian expats for the eleventh successive year. The annual survey by human resources consultancy ECA International highlighted the city states infrastructure, low crime rates, health services and air quality as important factors in its success. Sydney was second in the poll, followed by the Japanese cities of Kobe, Yokohama and Tokyo, which was joint fifth in the survey with Copenhagen, the highest European finisher. For Asians going to North America, Vancouver, ranked 10th, is the most favourable destination followed by San Francisco (16) and Miami (30). In the Middle East, Manama (68) offers the best quality of life followed by Dubai (71) and Abu Dhabi (74).

**Hotel Deal**

Qatari Diar, an arm of state-controlled sovereign wealth fund Qatar Investment Authority, has agreed to buy a stake in Canadian hotels chain Fairmont Raffles Holdings International from Kingdom Holding for \$847 million.

The deal means that Kingdom's stake in Fairmont will decrease to 35 per cent while Qatari Diar's will increase to 40 per cent.

**GOLDEN TOUCH**

**THE** Golden Well, in the Czech Republic capital of Prague, has been voted the world's leading luxury hotel in the 2010 TripAdvisor Travellers' Choice Awards, which are based on millions of reviews.

Two other Prague hotels achieved top 10 ratings; the Alchemist Residence Nosticova, which was third, and the Aria (seventh). Second was the Britania in Lisbon.

The winner of the world's trendiest hotel award was citizenM in Amsterdam with the Wit in Chicago and the W Fort Lauderdale, second and third, respectively.

The TripAdvisor Travellers' Choice awards are now eight years old.



**TALL STORY**

**THE** proposed design for the Al-Birr Foundation Headquarters in Riyadh has won an international tall buildings award.

Perkins+Wills proposal was recognised with an Architectural Review/MIPIM Future Projects Award.

Their design explores the typology of an urban tower in the extreme environmental conditions of Riyadh through a reinterpretation of the spiral minaret, the walled garden and the mashrabiya.

A spiralling garden is carved from the volume of the rectangle, creating a continuous spatial sequence with a series of open terraces that serve as hanging courtyard gardens for the buildings occupants. The enclosing skin is calibrated through a series of mapping exercises to create varying levels of openness based on solar exposure and spatial/contextual influences.

The Al-Birr Foundation is a non-profit organisation aimed at alleviating poverty and caring for disadvantaged families and children.



**WORK OUT**

**CONNECTIVITY** has come to the gym with Technogym's Run Personal equipped with VISIOweb, which integrates internet, TV and iPod into a treadmill designed by multi-award-winning architect Antonio Citterio. Launched at the 2010 Salone del Mobile in Milan, it offers numerous functions for the first time on an exercise machine to creatively motivate even the most hard-boiled couch potatoes to get up and move. An online Personal Trainer offers interactive guidance games to exercise both mind and body, a USB port enables the enjoyment of multimedia plug-ins and IPTV lets you watch your favourite TV programmes while exercising. Combining soft-touch materials, social networking and web access, the goal is to eliminate the typical excuses for not getting fit.

**BEYOND AVATAR**

**THE** world's first full LED 3D TV, the innovative, award-winning LG LX9500 has recently been launched, with a 2010 red dot design award already among its list of accolades. When the slim screen comes to life, it reveals many creative new technological innovations, which include a backlight structure of LEDs directly behind the screen to deliver its realistic 3D picture and shutter glasses-type technology that add depth to an

image by blocking one lens then the other in sync with the screen's refresh rate.

In addition, the TV connects to home AV devices and, in another industry first, the LX9500 supports the Multi Picture Format (MPF) which enables user-created 3D content to be enjoyed on-screen without the need of a PC.

Samsung and Panasonic have also launched versions of 3D TVs in the US and Sony is expected to launch theirs in June.



**SUNNY SAILING**

**HAMBURG**, which has been designated the European Green Capital 2011, celebrated its 821st anniversary as a port with a three-day celebration that included over 300 seafaring vessels. Among them was the world's longest cruise ship, the Queen Mary II, but the true highlight was the largest solar catamaran in the world, the PlanetSola.

The 31-metre long, US\$23 million yacht built by the Knierim Yachtbau shipyard is powered by 600-square-metres of solar panels that store energy in the world's largest lithium ion battery to power the vessel's silent, pollution-free electric motor. It can run on stored energy in the absence of sunlight for around three days at 7.5 knots, the speed of an average tanker. At slower speeds, it could run for up to 15 days, according to its makers. Skipper Raphael Domjan will begin the first ever world tour by solar-powered boat in April of next year, following an equatorial route of



34,000 miles, over a scheduled 160 days.

"We want to be the Phileas Fogg of the 21st century," said Domjan, the project's pioneer. "But beyond Jules Verne's dream, our project

is meant to serve the environment and to enable solar energy to replace fossil fuels, and to motivate engineers and scientists to develop those technology."



**GLOBAL GARDENS**

**BRITISH** planning and urban design consultancy Barton Willmore has completed its design for the King Abdullah Botanical Gardens which will be set on a 160-hectare site in the central region of the Kingdom of Saudi Arabia.

The focal point of the vast scheme will be a 10-hectare building accommodating the worlds largest indoor garden where visitors will be able to walk among trees, plants and flowers.

It is hoped that the botanical gardens will rival those at Kew and Singapore and become a world-leading focus of mankind's understanding of the process, consequence and study of climate change, capturing and displaying extraordinary ecotopes from history and from the present day.

**IN THE CHAIR**

**MUHAMMAD** Al-Jasser, the governor of the Saudi Arabian Monetary Agency, has been elected the first chairman of the GCC Monetary Council, which will lay the foundations for the establishment of a regional central bank ahead of the introduction of a unified Gulf currency.

His deputy will be Muhammed Rasheed Al-Maraj, the governor of the Bahrain Central Bank.

Gulf countries voted in 2001 for a common currency, which was due to have been unveiled this year only to be delayed following the withdrawal of Oman and the United Arab Emirates.

No timetable has yet been agreed for the unified currency.

**ASIA FLYING HIGH**

**ASIA** dominated the recent Skytrax World Airport Awards, providing six of the ten top finishers thanks to the feedback of almost ten million customers.

Changi in Singapore took the overall prize, followed by Incheon in Seoul and Hong Kong International Airport while the highest European and North American finishers were Munich (fourth) and Vancouver (11th), respectively. It was quite a night for Changi which also took the titles for Best Airport Leisure Amenities and Best Airport Asia.

Cape Town International Airport was a double winner collecting the Best Airport Africa title as well as walking off with the Airport Staff Service Excellence Award for Africa.



**Terminal Award**

The King Abdul Aziz International Airports Hajji Terminal in Jeddah has received the 2010 American Institute of Architects 25-year Award.

The award jury said: This project exemplifies the power of a clear idea. With a very simple bay repeated quite beautifully, they set the standard for many airports since.

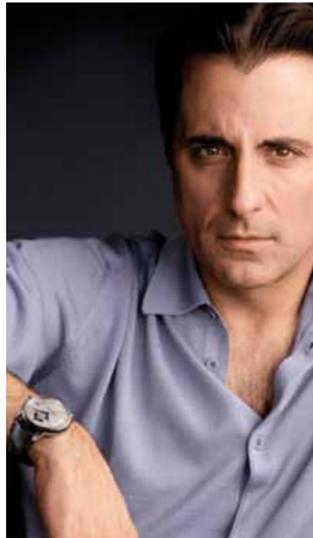
The architects created a highly sustainable project well ahead of the green movement ... the terminal presents a sense of place, ecology, economy of means, and culture not imposing on but learning from the local culture and environment.

Designed by Skidmore, Owings & Merrill Chicago and New York offices and completed in 1981, the 50-hectare terminal consists of two identical roofed halves separated by a landscaped central mall. The first half of the terminal contains air conditioned buildings; the second half is a vast, open-sided temperate waiting and support area.

The Hajj Terminal has also received a 1983 AIA National Honour Award, the 1983 Aga Khan Award for Architecture and a 1981 Progressive Architecture award.

**Bank on it**

At the recent World Bank Group/IMF Annual Meetings in Istanbul, the Global Finance Award for Best Trade Finance Provider in Saudi Arabia was presented to the Saudi Arabian British Bank (SABB). The bank posted net profits of US\$165 million for the first quarter of 2010, an increase of more than 2,000 per cent over the fourth quarter 2009, marking a vast economic improvement. Additionally, SABB has been recognised by the influential Asian Banker as the strongest bank in that country and the seventh strongest of the 92 leading banks in the Middle East.



**Time for philanthropy**

Actor Andy Garcia has identified organisations working in the fields of cancer research, child education, helping underprivileged women and the struggle against poverty as the recipients of the fifth Baume & Mercier & Me charity campaign. All royalties that would normally be due him and photographer Greg Gorman during his year as brand ambassador will be donated to these causes, continuing the humanitarian efforts of the company that date back to 1920 when watchmaker Arthur Baume was rewarded with the French Legion of Honour for his humanitarian efforts during World War I. Espousing the characteristics of creativity, authenticity and philanthropy in both his professional and personal life, Garcia, an American actor of Cuban origin, is an Oscar and Golden Globe winner, a renowned director and musician and was recognized in 2009 for a lifetime of achievement by the American Film Festival.

**New service**

Lufthansa has launched a new direct flight linking Riyadh and Munich three times a week. The service complements the daily flight to the Saudi Arabian capital from Frankfurt.



**DE-STRESS**

**FEATURING** the world's only 'Leg School', the Capri Beauty Farm, has been voted one of the best Medical and Thermal Spa by *Condé Nast Traveller*.

Invented by Italian Professor Francesco Canonaco M.D. a former Paediatrician, the patented, award winning leg treatment has proved successful in the treatment of vascular problems and cellulite. "While treating children, their

mothers often complained of post natal problems such as varicose veins. So I created the 'Leg School' treatment, which has a wide range of medical and aesthetic benefits as it also boosts metabolism and weight loss," Dr. Canonaco says.

"After suffering from heart problems myself, I sought a solution to help others monitor their hearts with a programme that not only offers medical check ups and monitoring, but

which encourages busy high-powered people to slow down and enjoy the spa's thalassic and aromatherapy treatments," he adds.

The recently created 'Heart School' is proving popular with high-level business figures and show business personalities from all over the world. Ongoing negotiations indicate that the first franchise of the 'Leg School' could open in the Gulf soon.

**WIND SURVEY**

**CHINA** added more turbines to its wind energy capacity in 2009 than any other country, according to the Global Wind Energy Council.

In total, 13,000 megawatts were installed, compared to the United States (9,922 MW), Spain (2,459 MW), Germany (1,917 MW) and India (1,271 MW).

The USA continues to lead the world in cumulative wind energy capacity at 35,159 MW, which represents 22 per cent of the globe's wind energy-generating capacity. Second is Germany (25,177 MW) with China closing quickly in third place (25,104 MW), Spain fourth (19,149) and India fifth (10,926 MW).

**POWERFUL CREATIVITY**

**BMW** has introduced two new sustainable hybrid models, which combine the latest technology for combustion engines and electric motors with storage battery for efficient energy management and significantly reduced emissions while still maintaining power and performance. The ActiveHybrid X6 with 485 horsepower offers three drive options: electric power alone, combustion engine alone or a combination of both. The zero- CO2 electric mode can power the vehicle up to speeds of 60 kph, above that, the traditional V8 engine automatically kicks in.

The ActiveHybrid7 Series is a milder hybrid that offers lower fuel consumption, yet still accelerates to 100kph in just 4.9 seconds and reaches a top speed of 250kph.

"As one of the world's most successful automotive manufacturers, we have a responsibility to offer sustainable vehicles," says Phil Horton, Managing Director of BMW Group Middle East.

**AD**

AD



# BANKABLE ART

JUST MONTHS AFTER A RARE GIACOMETTI SCULPTURE SOLD FOR OVER US\$1.4 MILLION, THE MOST EXPENSIVE WORK OF ART EVER TO SELL AT AUCTION, THOSE WHO PROCLAIMED THE END TO THE ART WORLD RECESSION WERE PROVEN RIGHT WHEN A PICASSO PAINTING SET AN EVEN HIGHER WORLD RECORD.

WRITTEN BY LISA VINCENTI AND DOROTHY WALDMAN

Lee Shi-min,  
*Dangdai Doll*  
Hong-hong

**WHEN** the gavel fell at a Sotheby's London Bond Street auction house in February on the sale of a spindly, life-size bronze cast from 1961, a ripple of surprise flowed through the art world. Not only did Alberto Giacometti's iconic *L'homme qui marche I* (better known as *Walking Man I*) sell for a record US\$104.3 million – nudging out Pablo Picasso's *Garçon à la Pipe*, which sold for US\$104.1 million in May 2004 – it was by far the highest

price ever paid for a modern sculpture. “*Walking Man I* clearly sets the tone for the spring auction season and, barring another financial crisis, for all of 2010,” reports market research firm Skate Art Investment. “The sale will surely bring many collectors and investors back to the market.” The main reason behind the spectacular results of the 1.8m-tall sculpture was its rarity: there are only 12 and this spindly figure was the first

to ever make it to auction. During the sale, it took just eight minutes for more than 10 prospective purchasers to bump up the hammer price to this all-time high and it was truly a once in a lifetime event – one of the unidentified under bidders said he had been waiting 40 years for the sculpture to come onto the market. “There’s a market which is sort of exceptional for exceptional things,” notes Georgina Adam, editor-at-large

of the *Art Newspaper*. “If something is a once-in-a-lifetime opportunity, people will really step up to the plate and they will spend enormous amounts of money because it is a now or never opportunity.” However, the record set by the Giacometti sale did not stay on the books for long. In May, Picasso's *Nude, Green Leaves and Bust* sold for more than US\$106 million at Christie's in New York. It had been estimated that



**FIVE MOST EXPENSIVE PIECES OF ART EVER SOLD**

**1. Pablo Picasso**  
*Nude, Green Leaves and Bust*  
 US\$106,482,500  
 Pablo Picasso's painting of Marie-Therese Walter broke the previous world record set only months earlier.

**2. Alberto Giacometti**  
*L'homme qui marche I*  
 US\$104,327,006  
 Alberto Giacometti's life-size bronze statue set a new world record at auction in London in February, heralding the revival of the world art market.

**3. Pablo Picasso**  
*Garçon à la Pipe*  
 US\$104.1 million  
 Pablo Picasso's painting of a boy smoking a pipe was bought by an anonymous bidder in 1994 at an auction in New York.

**4. Pablo Picasso**  
*Dora Maar au chat*  
 US\$95.2 million  
 Picasso also holds the slot for the third highest auction price ever. His 1941 portrait of his lover sold at an auction in New York in 2006.

**5. Gustav Klimt**  
*Portrait of Adele Bloch-Bauer II*  
 US\$87.9 million  
 This portrait by Austrian artist Gustav Klimt sold at a 2006 New York auction.



the 1932 canvas from the extensive collection of the late Frances and Sidney Brody would sell for between US\$70-90 million, but the eight bidders in the sale room and on the phone upped the final price for the 1.5 metres by 1.2 metres painting, which is being taken as a sign that the art market is recovering from the global financial crisis.

"Tonight's spectacular results showed the great confidence in the marketplace and the enthusiasm with which it welcomes top quality works," Conor Jordan, head of Impressionist and Modern Art for Christie's New York commented, adding that he was "ecstatic with the results."

The Picasso and Giacometti sales, among several other significant sales at both the privately owned Christie's and the publicly traded Sotheby's during February, boosted moral in the art community. So while Skate Art Investment estimates that the annual global art trade volume declined from its peak of around US\$50 billion in

2007 to a current level of just above US\$20 billion, these are promising signs indicating that a reversal has begun.

The good news began trickling in late last year when Andy Warhol's *200 One Dollar Bills* more than tripled its high estimate by fetching US\$39 million in November at Sotheby's New York. Major works are once again flowing into auction rooms and after 18 months of crisis, the high end of the art market has emerged from a period of hibernation. But while the top end of the market is congratulating itself that "confidence has returned", the middle-market remains hesitant and wary of a general rise in prices driven by a handful of exceptional results.

**NEW YORK**-based fund manager Castlestone Management, which last year launched the Collection of Modern Art investment fund that is open to retail investors, is predicting that art will continue to appreciate in 2010 and expects art prices to rise by 40 per cent over the next two years.

Michael Moses, co-founder of Beautiful Asset Advisors, also notes that the start of the art market recovery has begun, adding: "The second half of 2009 saw a repairing of world wealth. There is more of a world market for art these days than ever."

Auctions have also heralded a new age for Saudi Arabian talent in the world markets. Hannan Abdullah Bahamdan gained international recognition as the first female artist from Saudi Arabia to be represented by Sotheby's when her oil painting *Mannci*, a portrait of an Egyptian working class man, sold for US\$76,000, many times its top estimate, at the auction house's first sale of contemporary Arab and Iranian art in 2007. The sale of the painting opened many doors, not just for female Saudi artists, but for all Saudi Arabian artists. Her new solo exhibition, *Art of Forgotten Faces*, which opened on May 24, features 68 of her works at the Heward Gallery in Riyadh. It runs until June 23. She primarily does portraits, particularly those of "the many people we usually



1. Man Ray, *L'armes (Tears)*
2. Marco van Duyvendijk, *Tiaomin*
3. *1001 pages*, Courtesy of Nicelle Beauchene Gallery
4. Michael Banks, *Murano 1*
5. Alexander Rodchenko, *Parti di automobile*

pass and not stop to look into."

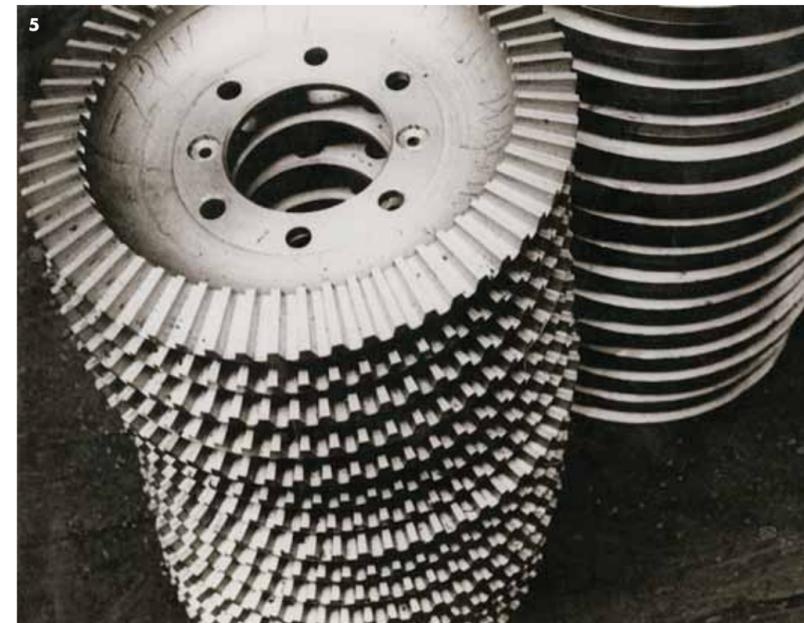
Ahmed Mater, whose work is featured in the *Edge of Arabia 2010* exhibition, sold *Illumination V and IV*, which is made of X-ray film print on paper, stained with tea and pomegranate juice, and embossed with gold leaf, turquoise, amber and carnelian, at Christie's International Modern and Contemporary Art auction in Dubai last year. A physician, landscape photographer and businessman, Mater is also one of the Kingdom's most celebrated young artists. He and five other Saudi artists marked the first time a group of works from the Kingdom had been offered at international auction, an event which further opened the door for the world to know Saudi art.

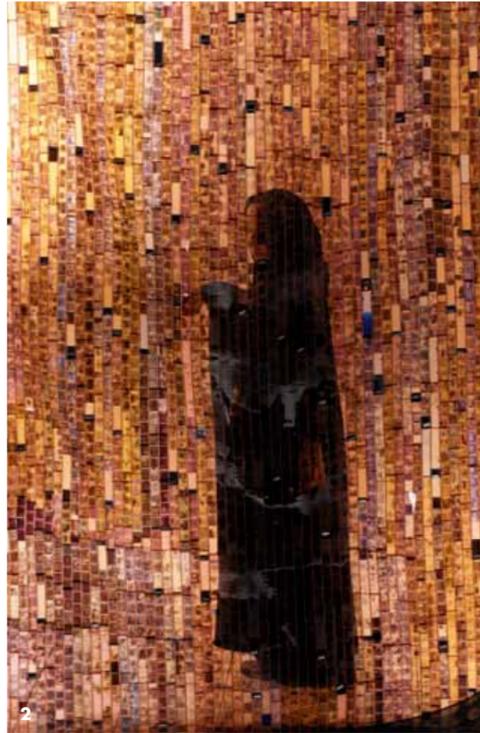
As a co-founder of the *Edge of Arabia* exhibition with Stephen Stapleton Mater said prior to itew 2010-05-17 launch, "I think we still need more time

to mature and for the world to get to know us and our culture. The world tour of this exhibition will begin in Riyadh and exhibitions will later take place in Dubai [at Art Dubai where one of the major sales was for \$50,000 by Saudi Arabian artist Abdunnasser Gharem], Berlin and Istanbul. In just a short period of time, this exhibition has become a landmark of contemporary Saudi art, and it introduces new faces to the art world at each exhibition."

In October, there will be a personal exhibition of Mater's work in London. One of his *X-Ray Illumination* series that blends medical X-ray images with historic and Islamic drawings and calligraphy was purchased by the British Museum. Then, in December, he is scheduled to give a keynote address at the Lourve Museum in Paris.

The historic tour of *Edge of Arabia 2010*, an innovative initiative designed to showcase contemporary Saudi artists





across Europe, the Middle East, the United States and Asia over the next four years, was launched at the Global Competitiveness Forum in Riyadh. As the official partner, the Saudi Arabian General Investment Authority (SAGIA) aims to create positive and sustainable cultural dialogue between Saudi Arabia and the rest of the world, and to stimulate artistic and cultural activity that will foster innovation and lead to social and economic prosperity for the Kingdom, according to SAGIA governor, His Excellency Amr Al-Dabbagh.

Further expanding the reach of art's inspiration, British photo-artist Michael Banks will be exhibiting his new collection of abstract photo art work and furniture at the DNA Gallery in Riyadh until June 30. Owned by Princess Deena Abdulaziz, celebrated in international fashion circles for having a shoe named after her by Christian Louboutin, the gallery will feature 30 new abstract photo artworks as well as Banks' new range of limited edition Neo-Baroque furniture pieces handmade in Italy that incorporate his photographic work.

**ART AGENDA**

**Museum of Contemporary Art, Asia (Hong Kong)**

*Portraits of Nature: Architectural Allegories*  
Solo exhibition featuring a selection of vivid, vibrant, emotive naturalist photographs by acclaimed Hong Kong-based artist Mau Lim.  
*April 1 – May 31*

*Dangdai Dolls: The Great Doll of China*  
Original cover-plate paintings from Chinese contemporary artist Lee Shimin's delightfully rich, endearing and engaging Dangdai Dolls character series.  
*June 1 - July 31*

**International Museum of the Horse at the Kentucky Horse Park, Lexington, Kentucky, US**

*A Gift from the Desert: The Art, History and Culture of the Arabian Horse.*  
More than 300 artifacts and artworks focus on the impact of equines, and especially the Arabian horse, on near Eastern civilisation. Sponsored by the Saudi Arabian Equestrian Federation.  
*May 29 – October 15*

**6th Berlin Biennale**

Edge of Arabia presents *Grey Borders/ Grey Frontiers*, the first exhibition of contemporary art from Saudi Arabia ever held in Germany.  
*June 9 – July 18*

**Beiteddine Festival 2010, Beirut, Lebanon**

*The Jameel Prize 2009 – From the Victoria & Albert Museum*  
Contemporary art and design inspired by Islamic tradition by the nine finalists includes the winning piece from the inaugural competition in 2009 – a magical light-based installation by Iranian-born, New York-based Afruz Amighi. Founded by Mohammed Abdul Latif Jameel and organised by the Victoria and Albert Museum in London, the US\$36,000 international competition is on a world tour that began at the V&A, followed by Riyadh, Syria, and will next proceed to Sharjah, Istanbul and Casablanca.  
*June 25*

**THINK PHOTOGRAPHIC COMPETITION**

Photographers in Saudi Arabia are invited to participate in THINK Saudi Arabia: Capturing Advancement in Design, Economy and Society, a photographic competition sponsored by SAGIA. The competition, which will be formally announced at the end of July, is designed to showcase contemporary Saudi Arabia as viewed through an artistic lens. Winners will be exhibited in Jeddah and Riyadh as well as in THINK magazine. An international jury will judge the following categories:

- Design & architecture
- Identity
- Development: education, healthcare, infrastructure, economy
- Culture & society
- Natural beauty
- Documentary
- Advertising/commercial

**1. Abdunnasser Gharem, Men at Work**

**2. Shadia Alem, Negative No More**

AD

# THE COMPETITIVE SPIRIT

ONCE AGAIN, GLOBAL LEADERS GATHERED TO DISCUSS THE KEY ECONOMIC ISSUES OF COMPETITIVENESS AT THE FOURTH ANNUAL GLOBAL COMPETITIVENESS FORUM.

WRITTEN BY JOANNE MOLINA

**MORE** than 2,200 world leaders convened at the Kingdom Centre – Four Seasons Hotel, Riyadh, Saudi Arabia, for the 4th Annual Global Competitiveness Forum (GCF) to discuss a range of critically important issues pertaining to this year's theme, Sustainable Competitiveness.

The three-day event was opened with an encouraging keynote speech by HE Dr Ibrahim Al-Assaf Saudi Minister of Finance. Some of the many highlights of the hosted by the Saudi Arabian General Investment Authority (SAGIA) included Thunderbird Management School's Dr Angel Cabrera, who provided a caveat against protectionist national economic policies; a "Road to Recovery" panel, which drew an understandably rapt attendance to a roundtable discussion of the global economy's future; and – in a healthy instance of spontaneity – a scrappy discussion at the appropriately-titled "Blessed Unrest" forum between Coalition of Rainforest Nations' executive director Kevin Conrad and Mohammed Al Saban, head of the Saudi delegation to the UN Climate Negotiations who, in true democratic fashion, held forth from the audience to state his side of the debate on the charge of Saudi obstruction of climate reform talks at Copenhagen.

In a less theatrical but no-less attention-grabbing meeting, HM King Abdullah met with Tony Blair in closed talks, with the latter delaying his scheduled conference address until the next day.

After establishing an overarching theme of international competition and interlocking economies, the conference diversified on its second day into a wider and more specialised range of topics including science, education, design, healthcare and the environment. On the day's roster were keynoters John Chambers, Chairman and CEO of Cisco Systems, and Michael Dell of the eponymous computer company, who presciently reminded the audience that recent speculation-related economic catastrophes do not negate the ongoing necessity of well-considered risk taking and innovation in the world of entrepreneurship.

Finally, Tony Blair delivered an address centered on the importance of technological progress and training, including a humorous personal anecdote regarding his own post-prime-ministerial grapple with a cutting-edge piece of digital wizardry... the mobile phone text message.

Marking the final day of the conference was an announcement by the NASDAQ-OMX Group and the SAGIA of a new initiative to recognise competitive corporate performance.

The 100 Most Competitive CEOs ranking will be determined using a SAGIA/NASDAQ methodology, initially implemented by Tadawul, the Saudi Stock Exchange, with the goal of establishing an international benchmark. The Most Competitive CEO list is being initiated to acknowledge CEOs and companies with the most successful contributions to business success, including the ability to create growth

**Clockwise: Tony Blair, Former British Prime Minister; Robert Greifeld, Chairman, NASDAX OMX; Paul Polman, CEO, Unilever; John T. Chambers, Chairman & CEO, Cisco Systems**



**"ACHIEVING SUSTAINABLE COMPETITIVENESS HAS NEVER BEEN A MORE PRESSING CHALLENGE"**

AbdulMohsen I Al-Badr, CEO GCF





2



and value, innovation, new products and, tellingly, a focus on adherence to high standards of corporate governance.

The final day's schedule maintained the level of diversity and relevance established by the preceding days. Keynote speakers included Jeffrey Immelt, CEO of GE, Harvard Business School Professor Michael Porter and Paul Polman, CEO of Unilever. The roster of events also accentuated the GCF's focus on cultural capital and design. Throughout the conference, SAGIA partnered with the Edge of Arabia programme for an exhibit of works by Saudi artists – an exhibit that was the launching point for a world tour for these works.

“As important as scientific breakthroughs are to creating new industries, products, and services for business to flourish, the arts play a critical role in stimulating creative minds and taking firms to the next level by enhancing their competitive edge,” says AbdulMohsen, CEO of the GCF. “The arts influence on the competitiveness of firms are evident in industrial design, construction, product development, brand identity and many other areas that can significantly impact a firm's prosperity,” says AbdulMohsen I. Al-Badr.

- 1. HE Amr Al-Dabbagh, Governor, Saudi Arabian General Investment Authority with John Deferrios, CNN Anchor
- 2. GCF on NASDAQ Tower, Times Square, New York
- 3. The state-of-the-art multi-media platform of the GCF 2010 summit



3



**“THE ARTS INFLUENCE ON THE COMPETITIVENESS OF FIRMS ARE EVIDENT IN INDUSTRIAL DESIGN, CONSTRUCTION, PRODUCT DEVELOPMENT, BRAND IDENTITY AND MANY OTHER AREAS THAT CAN SIGNIFICANTLY IMPACT A FIRM’S PROSPERITY.”**

To fully explore the role of the arts, the final day of the conference also included the “Transforming Space” forum, with a remarkable group of speakers including Museum of Modern Art (New York) director Glenn Lowry and Mona Khazindar, vice president of the Al-Mansouria Foundation and curator of the Institut du Monde Arabe in Paris. Additionally, an international panel comprised of five children between the ages of 11 and 14 selected by the International Child Art Foundation addressed the conference on topics relating to creativity, competition and overcoming adversity. Amid the conference’s exhaustive discussions of the economic world, this forum focused on the physical world – namely the conception and use of physical spaces, public and personal, to foster initiative, innovation and competitiveness. [F](#)

**1. Michael Dell, Founder & CEO, Dell Inc.**

**AD**



# ENGINES OF CREATIVITY

WELCOME TO THE NEW WORLD OF BUSINESS WHERE THE CREATIVE PROCESS MAY BE THE DECISIVE ELEMENT IN A COMPANY'S, POSSIBLY EVEN A COUNTRY'S, FUTURE ECONOMIC SUCCESS.

WRITTEN BY LISA VINCENTI

## BILLIONAIRE

Larry Ellison famously quipped: "I used to think. Now, I just read *The Economist*." Regarded as a market leader due to its in-depth analysis of international business and world affairs, *The Economist*, founded in 1843, boasts that its mission is "to lead the debate in pursuit of progress". So when it hosted the Big Rethink: *The Economist's* Redesigning Business Summit last spring, it revealed the future direction top business leaders believe companies must take to succeed in an increasingly volatile world.

"It is no longer enough simply to outperform the competition; to thrive in a world of ceaseless and rapid change, businesspeople have to out-imagine the competition as well," says Roger Martin, dean of the business school at the University of Toronto. "They must begin to think – to become – more like designers."

Though there is little doubt that creativity and innovation are important

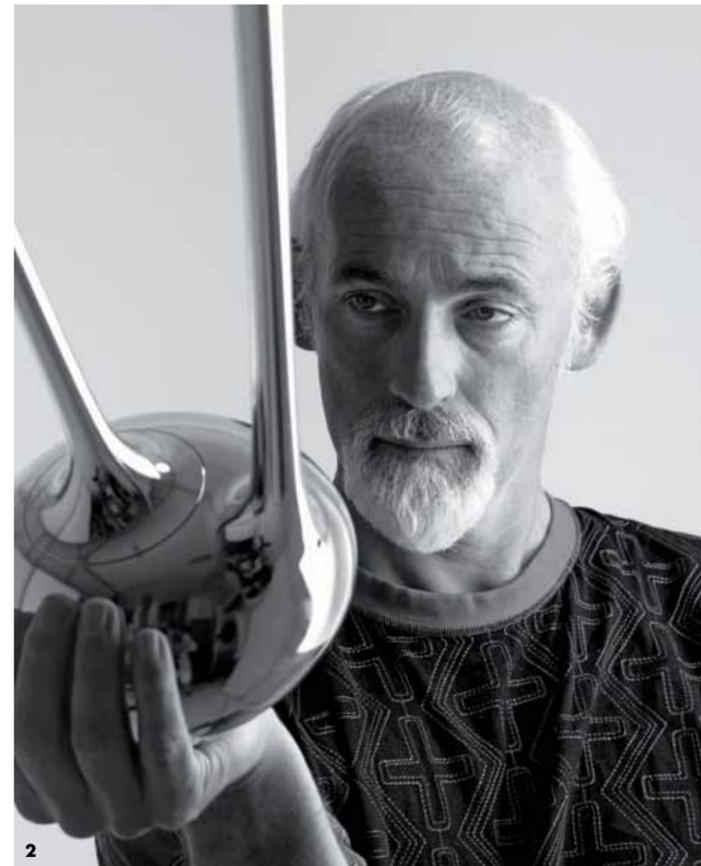
components of economic prosperity (one need look no further that Apple's huge success with its MacBooks and iPhone), it is a difficult phenomena to quantify. Though there is an established tradition of measuring and comparing aspects of national competitiveness and economic performance based on R&D and innovation, existing scorecards fail to take into account the full role of design, instead regarding it as simply the "aesthetic" element of new product development, according to the London-based Design Council.

"Having recently returned from trips in Europe, the Far East and India, I have been involved in economic forums where design is discussed as a midwife of innovation – and one of the prime routes to competing on value-added rather than cost," says David Kester, chief executive of the Design Council.

Recognising the importance of this, many organisations, including the

**2007 mythical spider designed by Pininfarina**





2  
 1. Proton's *Eco Mobility for Advance Solution (EMAS)* concept car by Giugiaro Design  
 2. Prolific Award-winning industrial designer Ross Lovegrove  
 3. 13-inch MacBook Pro, 2010 IF Product Design Award winner



3

### Nuturing creativity

Research in neuroscience and other behavioral sciences indicates that creativity is universal, and that children are intuitively creative. However, for it to flourish, these natural tendencies must be nurtured. Throughout the world, various programs have been organised to this end. The International Child Art Foundation is one such organisation designed to nurture the artistic and empathetic development of children for positive social change. Young international representatives nominated by ICAF and the Saudi Arabian General Investment Authority (SAGIA) addressed the 2010 Global competitiveness Forum 2010 (GCF) in Riyadh, presenting their unique points of view.

Another international programme, *Odyssey of the Minds*, encourages creative problem solving by providing children from kindergarten through college with challenges that may require building mechanical devices or reinterpreting literary classics.

In this competition, teams select one of five problem scenarios – often presenting somewhat bizarre challenges – that must be solved and presented to a panel of judges. For the 2010-2011 round of contests, the scenarios include the following challenges:

**Extreme Mouse Mobs** where a team must design, build and operate a vehicle that uses mousetraps as its only source of energy and can perform specific, assorted tasks within the context of a themed performance, and **As Good as Gold...berg** where the team will take an uncomplicated item that completes a real-life task and then create a complex, Rube Goldbergesque device that executes the same function, in the context of a performance following specific guidelines.



1  
 1. Siemens *ET885DC11D Hob* with "discControl", 2010 IF Product Design Award winner  
 2. Fritz Frenkler – Head of the IF Product Design Award  
 3. Loewe's *Reference Sound Standspeaker* by Phoenix Design



3

**"IN THE CONTEXT OF RAPIDLY CHANGING CONSUMER TASTES AND AGGRESSIVE COMPETITION FROM FOREIGN FIRMS, UK COMPANIES ARE RECOGNISING THAT THEY CAN NO LONGER DERIVE ANY KIND OF COMPETITIVE ADVANTAGE SIMPLY BY REDUCING COSTS."**

iF and red dot design awards, herald the decisive role that creativity plays in the design of future products. This in turn fuels the engine of corporate growth and economic prosperity.

Prolific award-winning Italian architect and industrial designer Marco Piva further explains that design is more than merely the way something looks, "The aim is to do something, not because it is new, but to do something that is better, more efficient with a high level of functionality." He adds that this drives innovation, "You have to deal with a company and sometimes push them beyond the limit of materials or shapes or production methodology. You proceed to do this together with the best (companies) investing a lot in renovation or production structures."

New economic realities require that business begin thinking in a fresh manner, rather than focusing strictly on cost and pricing, in order to remain competitive. "In the context of rapidly changing consumer tastes and aggressive competition from foreign firms, UK companies are recognising that they can no longer derive any kind of competitive advantage simply by reducing costs," says Mark Delaney, a design director at Nokia. "In order to compete on a global scale it is now necessary for them to gain an advantage by creating and exploiting intangible intellectual assets. Out of all these intellectual assets, creativity, innovation and design are the most vital sources of competitive advantage."

Successful business strategies require a shift from old ways of thinking that focused simply on the cost-side of the equation and the introduction of "aesthetics" innovation and new product development. Today, great designs are more readily available so the next step towards success, according to Big Rethink participants, requires a move away from user-centric innovations where products simply address a consumer want or need to visionary and strategic thinking, where products create consumer wants and needs.

Roberto Verganti, a professor at Politecnico di Milano and the author of *Design-driven Innovation*, discussed the importance of meaning and using meaning as a way of innovating at the Big Rethink summit. He discussed how one company, which was looking to produce a new lamp, went beyond mere aesthetics. Lighting designs can now be copied easily and quickly making their way to retailers such as IKEA, so the lighting company changed its emphasis and decided to use light to make people feel better. This led them to redesign the whole way light was displayed in a room.

**IN FACT**, many design think-tanks, such as Giugiaro and Pininfarina, are commissioned by companies to dream up outside-the-box products that leap ahead of what is currently available on the market. Pininfarina,



1

a long-time collaborator with car manufacturer Maserati, unveiled a concept car in 2005 dubbed the *Birdcage 75th*, based on the Italian marque's illustrious heritage. Not only was its design radical, but Pininfarina pushed the boundaries of the car/user interface by adding the element of, "seamless mobility", where drivers and passengers could access everything they would at home while on the move, including the internet and music collections – they could even send images of themselves as they travelled.

"Styling is no longer an external embellishment of a product. It is an aesthetic and functional solution for collective and individual needs, representing lasting values and performance," says Matteo De Lise, sales and marketing director of Pininfarina Extra.

Likewise, creative design firm Italdesign Giugiaro rethought the ergonomics and interior space of a plug-in hybrid car for Proton called the *Emas*, which pairs the roominess of an SUV with the compactness of a city car. The design of *Emas* points toward a new direction in business strategy that takes the user out of the equation.

The point that so many forward-thinking creatives make is that the wants and needs of consumers are not enough on their own to institute dramatic change. For businesses to be successful in the future, the goal now has to be more visionary than merely satisfying what people want right now. It is this short-sighted, user-centred model that has helped create the current unsustainable economic environment.

Thoughtless consumption and disposability continue to take their toll on global resources and needs visionary thinkers to help us out of this mess. So while it is true that consumers have begun to get concerned about sustainability and the environment, they are also concerned about the money they spend, health, well-being and emotional fulfillment. The role of creative thinkers must therefore be to discover ways to fulfill all these needs and desires in a way acceptable to the consuming public. In fact many of this year's product design winners of the iF gold medal, featured sustainability at their core, and the iF award has become a harbinger of future product trends

Whether or not the public is ready and willing to embrace sustainability,

**1. Ligne Roset Confluences Sofa designed by Philippe Nigro, 2009 Red dot Design Award winner**

**2. Altreforme's Libreria, designed by Marco Piva and made entirely from Aluminum**

**3. Sanpellegrino's Sanbitter bottle conceived by Giugiaro Design**

**4. Sony's DSC – TX1 CyberShot, iF Gold Award 2010 winner**

**5. Seed of Love made from triaxial woven fabric designed by Ross Lovegrove**

**6. Energy Seed street lamp designed by Sungwoo Park & Sunhee Kim**



2

3



4



5



6

**Valentina Fontana, whose family designs and manufactures aluminum car bodies for brands such as Ferrari and Jaguar, is the creative force behind Altreforme, which has expanded to design possibilities of the metal. Seated on the all-aluminum *Liquirizia*.**

the future is here and some in the business world feels it is their duty to come up with solutions. "You cannot destroy the planet," Piva emphasises. "You can use materials that have been used for a 1,000 years, but rethink them. This is a different ethical approach to design. I don't think we are going to lose anything in utility of design by working with this kind of attention to ecology. We can achieve more."

This vision may usher a significant shift in the way we think about innovation, creativity, and leadership. Popular studies of creativity have equated it with the fast generation of numerous ideas; in contrast, visionary leadership requires a relentless exploration of one direction: the deeper and more robust, the better, says Verganti.

"Idea generation values a neophyte perspective; vision building is based on research and deep understanding. To generate fresh ideas we have been told to think outside of the box and then jump back in; vision building destroys the box and builds a new one. It does not play with the existing paradigms; it changes them." ■

# MAXIMUM EXPOSURE

DO THE RETURNS FROM A MAJOR INTERNATIONAL EXHIBITION JUSTIFY THE COST? BY EXPLORING THE FUTURE OF CITIES AT EXPO 2010 SHANGHAI, CHINA AND THE OTHER CORPORATE AND NATIONAL EXHIBITORS ARE HOPING TO IMPRESS THE WORLD AND INCREASE THEIR BOTTOM LINES.

WRITTEN BY RICHARD WARREN



Shanghai World Expo's Saudi Arabia Pavilion



**THE** world's cities may look very different in a few years time. Chinese approaches to urban development might inspire projects in India or even South America, ideas about town planning in Saudi Arabia could filter their way through to Africa, Asia and beyond. An urban designer's idea in one country could help sustainable development in another where an environmental architect's work is helpful to that urban designer.

Following the theme "Better City, Better Life", the 240 pavilions at Expo 2010 Shanghai, which opened on May 1, showcase ideas for improving the way we live in cities, including how we get about, the types of homes we live in and the shape of surrounding environments. The Expo's mascot, Haibao, is designed to encapsulate the spirit of this fair. Its blue colour symbolises the earth, dreams, the oceans, life, future, and technology," its designer Zhang Qinyu told reporters.

The Expo site is something of a city itself. It covers 4 square kilometres of central Shanghai along both sides of the Huangpu River, in Puxi, on one side, and in the Bund, the city's historical commercial heart, on the other. At a cost of US\$3 billion, the city authorities have moved out 18,000 households, 272 factories and one of the city's oldest shipyards to make way for the Expo park, the largest relocation ever undertaken in

China. Organisers expect 70 million people to visit the six-month-long event, more than at any Expo before it.

Sixty corporations, including giants like CISCO Systems, and non-corporate institutions have pavilions at the fair, but the bulk of participants, 180, are nation states. Their pavilions are also the largest. At 53,000 square metres, China's pavilion will be the biggest and will remain as a permanent building when the Expo ends. Its distinctive, 2,000-year-old-style "crown" becomes wider the higher up you go, rather like an upside-down pyramid. The country's achievements in urban development from ancient to modern times will be the core theme of this pavilion. Saudi Arabia has the second largest pavilion.

Pavilion designs at this year's expo are highly creative. The British pavilion is a "seed cathedral", a cube-like structure covered with clear, acrylic rods filled with seeds that quiver in the wind – a reference to the power and vulnerability of nature. The area around the pavilion is designed to look like opened wrapping paper, signifying a gift of friendship to China.

Expos are important international events, only the Olympic Games and the FIFA World Cup are bigger, and every five years an Expo is

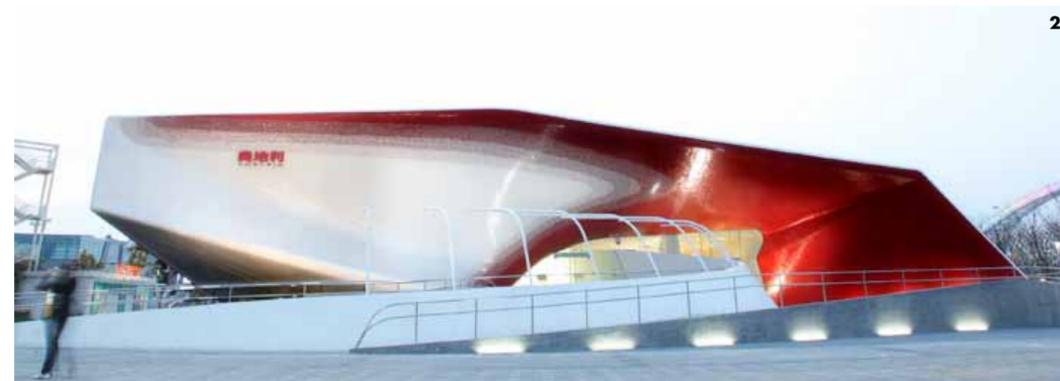
- 1. Expo Site Opening ceremony
- 2. Exterior of the Austrian Pavilion at the Shanghai World Expo
- 3. Vicente Gonzáles Loscertales, Secretary General of the Bureau of International Expositions

**"IN SOME WAYS IT IS AS MUCH THAT COUNTRIES CANNOT AFFORD NOT TO BE THERE IF THEY WISH TO DEMONSTRATE THEIR INTEREST TO PLAY A ROLE IN SHAPING THE FUTURE DIRECTION OF TRADE AND BUSINESS."**

held in one of the world's biggest cities. They are administered by the Paris-based Bureau of International Expositions (BIE), which gives host nations much freedom in how they hold the event, although they are told to follow a theme of "universal concern to all of humanity".

China's choice of theme is highly topical, because rapid urbanisation over the past decade means more than half of the world's population now live in cities. In China, where the rate of urban growth is particularly strong, the question of how we live in cities is a burning issue: its urban population has grown 2.7 per cent, per year, since 2000 – more than four out of 10 of its 1.3 billion citizens live in urban areas today. Holding this debate about urbanisation in Shanghai is appropriate as it is the country's biggest city and home to 17 million people.

**SINCE THE** first world fair, the famous Crystal Palace exhibition held in London's Hyde Park in 1851, these events have been used to promote the latest manufactured goods and the countries that make them – the aeroplane and the telephone both made their first public appearances at Expos while the Eiffel Tower was built especially for the Paris World Fair of 1889 to demonstrate French industrial and architectural ingenuity. Eighty-one years later, the United States reminded the world of its technological achievements by exhibiting a large chunk of moon rock brought back on Apollo 12 in Japan at Expo 70.



Commentators occasionally muse on the economic value of world fairs as it costs nations and corporations millions of dollars to build pavilions at these events. Is it money well spent? It seems so. A Dutch study found that the US\$47.5 million investment made by the Netherlands on its pavilion at Hanover's Expo 2000 generated potential revenues of US\$475 million for the country's businesses.

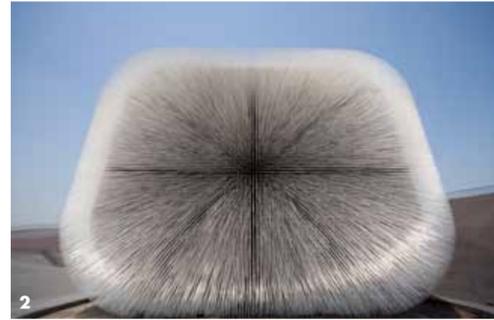
Nicholas Brooke, chairman of Hong Kong-based consultancy Professional Property Services, which assists cross-border investment ventures, considers Expo a useful tool for companies and countries. "Expos of this size, scale and profile do attract attention and usually do involve all the major global players, be they governments, institutions and large multi-nationals, and, as a result, deals are struck and [investment] flows enhanced," he says. "In some ways it is as much that countries cannot afford not to be there if they wish to demonstrate their interest to play a role in shaping the future direction of trade and business."

For Saudi Arabia, participation at this year's event will pay long term dividends, because it gives the Kingdom an opportunity to take part in decisions and initiatives agreed there, Brooke adds.

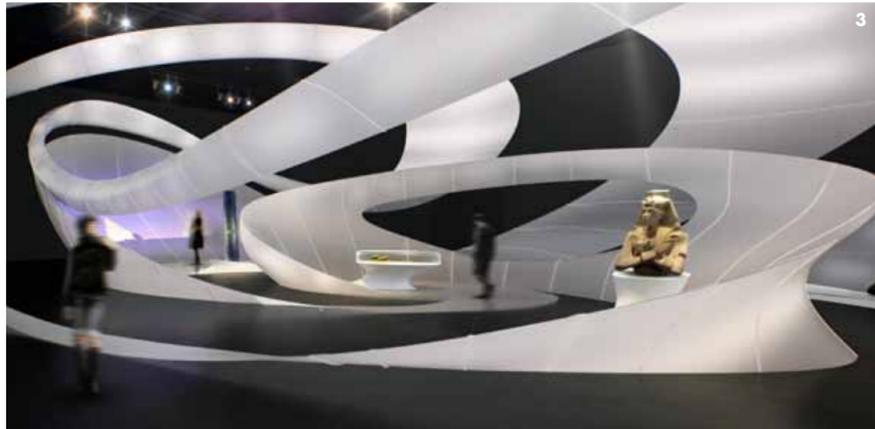
Hosts can also benefit from holding a world fair, with several countries finding that hosting Expo and the Olympics in quick succession good for casting their country in a new image on the international stage. By holding the summer Olympics and Expo both in same year, in 1992, Spain reminded the world that it was now a modern, democratic state. Japan's hosting of the Olympics in 1964 and Expo in 1970 heralded its emergence as an economic superpower and South Korea pushed itself to the forefront of people's minds by hosting the Games in 1988 and fair five years later.

**NOW IT** is China's turn. Two years after the Beijing Olympics the Middle Kingdom is holding what is calls the "Economic Olympics". It topped the medals table in the sporting event and hopes to impress at Expo, too, showing how the workshop of the modern world can help build better cities. This will generate export revenues for its businesses and spark joint ventures at home and overseas, its government hopes.

"For China, just as with the Olympics, it [Expo] is an opportunity not only to show how well they can organize major events of this nature, but to demonstrate their wish to play a centre stage role in the development of the world economic eco-system and infrastructure going forward," Brooke says.



1. The Moon Boat Saudi Arabia Pavilion  
 2. UK Pavilion's Seed Cathedral designed by Heatherwick Studio  
 3. Egypt's Pavilion by Iraqi born Zaha Hadid  
 4. Monaco Pavilion designed by NAÇO Architecture for the Shanghai Expo 2010



**SAUDI** Arabia has the second biggest pavilion at Expo 2010 Shanghai. Built on a plot of 7,600 square meters this "moon boat" building has 150 date palms planted on its roof. Indoors, the pavilion's first floor is a garden where Chinese and Saudi trees grow, a symbol of friendship between the two nations. The pavilion's 1,600 square meter IMAX cinema screen, the world's largest, is its main attraction.

Following a theme of "Vitality of Life" the pavilion shows how Saudi Arabia accommodates 82 per cent of its 28 million people in cities, despite the country's harsh, desert environment and scarce water resources. Examples of how the kingdom's planners focus on making Saudi cities compact, healthier and sustainable are shown, and investment opportunities are promoted.

"The Shanghai World Expo will serve as a platform for the kingdom to have a multi-faceted exchange with all participants in general and

China in particular," says Dr Mohammed Alisssan Al-Ghamdi, executive director of Saudi commission to the Shanghai Expo, "There will be a mutual exchange of experience and know-how of the most effective urban practices."

A highlight of Saudi know-how on display at Expo is an exhibition of the tent city of Mina in the 15 hectare Best Practices Area. Mina lies on the pilgrimage route between Mecca and Mount Arafat and is temporary home to three million Hajj pilgrims each year. Covering four square kilometres, it is the largest tent city on Earth.

Saudi Arabia has spent billions of dollars developing Mina into a modern city with 40,000 durable, fireproof tents with cooling systems. The city's state-of-the-art utilities include flyovers and tunnels, and water and electricity systems. Plans for a US\$2 billion express train link to Mecca, which a Saudi-Chinese consortium is constructing, is exhibited too. 

AD

# ETHICAL INTEREST

FORWARD-THINKING BUSINESSES ARE LOOKING TOWARDS ETHICAL INVESTMENTS THAT ADDRESS A RANGE OF SOCIAL AND ENVIRONMENTAL CONCERNS.

WRITTEN BY JOANNE MOLINA

**MANY** investors today are operating with their consciences as well as financial returns at the front of their minds. Growing concerns regarding the environment, sustainability, religion and civic responsibilities, also known as ESG integration (environmental, social and government), mean that the demand for ethical investment opportunities and analysis is experiencing rapid growth and necessitates creative corporate strategies.

Companies are responding by creating internal initiatives and investing capital in projects that address these issues. Business for Social Responsibility (BSR), an international organisation that works with more than 250 member companies to develop sustainable business strategies, says that: "Socially responsible business practices strengthen corporate accountability, respecting ethical values and in the interests of all stakeholders. Responsible business practices respect and preserve the natural environment. Helping to improve the quality and opportunities of life, they empower people and invest in communities where a business operates." In addition, the United Nations' Global Compact is evidence of a strengthened international commitment to supporting these objectives and values in corporate policy.

Laura Commike Gitman, Director of Advisory Services at BSR and main author of their 2009 report, *ESG in the Mainstream: The Role for Companies and Investors in Environmental, Social, and Governance Integration* says: "Traditional financial metrics are no longer sufficient to predict long-term sustainable performance and

share price, and businesses today face greater scrutiny from a variety of stakeholders on practices related to ESG issues."

There are strong indications that more investment firms are beginning to view ESG integration as a way to create a competitive advantage and differentiate their portfolios. According to a 2009 Responsible-Investor.com survey of 75 respondents representing more than US\$28 trillion in assets under management, 60 per cent said they use an ESG strategy for at least a portion of their assets, and 73 per cent believe that asset owner interest in ESG strategy has grown since 2008 as a result of pressure from stakeholders and political and regulatory entities. In addition, the number of signatories to the UN Principles for Responsible Investment has soared to 500, representing US\$18 trillion in assets.

In her report, Gitman recommends that companies consider the following three key trends in ethical investing:

**1) Integration is still somewhat limited to specific investor types or niche products.**

The majority of growth in integration is being driven by global pension funds, due partly to the longer time horizon of institutional investors. While few large-scale mainstream investors have integrated ESG criteria across their full portfolios, some are designing specialised products to meet the demands of a specific client base.

**2) Investors focus on material issues.**

Rather than using all ESG factors, mainstream investors evaluate which issues are likely to influence companies' products, clients, and market share most significantly.

The investors then integrate

**"OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT ALSO SERVES TO MOTIVATE OUR EMPLOYEES, ENHANCING THEIR IDENTIFICATION WITH THE COMPANY AND - THROUGH THIS - FURTHER CONTRIBUTING TO OUR COMMERCIAL SUCCESS."**



1



**1. Kasper Rorsted, Henkel's Chief Executive Officer**

**2. Henkel's production of cosmetics in Germany**

performance indicators only for those particular issues and for those particular companies or sectors.

**3) Many companies are still not proactively communicating to investors on ESG issues.**

A lack of questions from investors explains why many companies have not integrated ESG in their communications. Consequently, investor relations officers are generally reactive rather than proactive in providing data about ESG issues, often slowing down the creative momentum.

Düsseldorf-based Henkel, a brand with three internationally operating business sectors (laundry and home care, cosmetics and toiletries, and adhesive technologies), was recently the only German company included in the 2010 list of the "World's Most Ethical Companies", an honour it achieved for the third year in a row. The ranking, prepared by the US Ethisphere Institute, recognises companies for their exemplary ethical approach to corporate governance and their commitment to sustainable development. In 2009, Henkel was also included in the Dow Jones Sustainability World Index (DJSI World) as the sector leader in the fast-moving consumer goods (FMCG) category and they were also cited as a company that had shown the most progress in the sustainability field during the review period.

Henkel's 2009 Sustainability Report revealed a 25 per cent cut in carbon dioxide emissions, 26 per cent lower energy consumption, 37 per cent lower water consumption and 12 per cent less waste. Renewable raw materials in laundry detergents, starch-based styling products and natural adhesives are just some of the tenets of their focus on product sustainability. Product innovations include Purex Complete three-in-one

Laundry Sheets; an ultra-concentrate that combines detergent, softener and anti-static effect into one product; Diadermine skin creams that were awarded the European Centre for Allergy Research Foundation's Quality Seal; and the halogen-free Loctite line of adhesives for mobile electronic equipment.

In 2009, Henkel took part in 77 sustainability events in 20 countries, utilizing everything from employee workshops and customer training to participation in international initiatives. "Sustainability is one of Henkel's outstanding attributes - and an important success factor," Kasper Rorsted, the company's CEO explained at the end of the 2009 fiscal year. "Our ambition is to combine the best possible product quality with effective environmental protection and social responsibility."

**SOCIAL** engagement is another facet of Henkel's mission to maintain ethical standards. Their "Make an Impact on Tomorrow" (MIT) projects include a subsidy of US\$134,000 to support a rural village in Guatemala that provides 120 families with schooling for children, access to clean water, the construction of a health centre and improvements in agricultural productivity. They also support "Fundamind", Las Estrellitas, Argentina, which attends to about 100 children and their families, focusing on health education and the prevention of HIV/AIDS, malaria, malnourishment, negligence, mistreatment and abuse. Henkel also provides support to Changis Sur Marne in France, a project aimed at teaching children how to preserve wildlife, specifically birds, and engendering more responsibility and respect toward nature and the environment.

California-based Google is another company that has launched several initiatives to address environmental concerns, including programmes focusing on investing capital in technologies that are environmentally

progressive, such as RE<C, that aims to create low-cost, utility-scale renewable electricity.

“Google draws power from the same electricity grid as everyone else, which means we have limited options for affordable, utility-scale renewable energy,” says Jamie Yood, Google spokesman for green initiatives. “Like other businesses, we are currently dependent on fossil fuels and want to have as many options as possible when choosing how we power our operations. But even producing unlimited electricity from renewable sources won’t make a difference unless we can make it cheaper than electricity from fossil fuels. So far we’ve been focused on advanced solar thermal power, wind power technologies and enhanced geothermal systems. We’ve invested over US\$45 million in companies working with those technologies and have an internal renewable energy R&D group within our engineering ranks working to develop renewable energy technologies.”

Currently, its research and development investments include US\$15 million to Makani Power for wind energy extraction technologies, US\$10 million each in eSolar and BrightSource Energy to support solar thermal power, and US\$6.25 million in AltaRock Energy to support the advancement of enhanced geothermal systems technology.

Google also responds to environmental concerns by integrating innovative practices into its own corporate culture. Its RechargeIT programme is an initiative to accelerate the commercialisation and adoption of plug-in vehicles, aimed at reducing CO2 emissions, cutting oil use and stabilising the electrical grid. “As part of this project, we created the GFleet, a free car-sharing programme for Google employees. The GFleet includes eight hybrid Priuses converted to plug-ins with a Hymotion conversion module,” Yood explains.

It also encourages alternate forms of commuting by providing employees who carpool, take public transportation, bicycle or walk with a car during the work day, so if they need to go to business meetings or run errands they can avoid driving to work in a single-occupant vehicle.

Solar panels are also a part of Google’s innovative environmental programme. “In 2007 we flipped the switched on one of the largest corporate solar installations in the United States. The panels reduce carbon emissions at our Mountain View headquarters and they make good business sense too,” Yood says. “We have 9,212 Sharp 208W panels on eight rooftops and two parking structures at our Mountain View headquarters, enough to power approximately 1,000 average California homes. The panels offset approximately 30 per cent of the peak electricity use for the buildings on which panels are installed and will pay for itself in about six and a half years.”

There has been a renewed international interest in Islamic banking. Shariah-compliant assets reached about US\$400 billion

throughout the world in 2009, according to Standard & Poor’s Ratings Services, and the potential market is US\$4 trillion. Iran, Saudi Arabia and Malaysia have the largest amount of shariah-compliant assets.

The UK-based Institute of Islamic Banking and Insurance (IIBI), explains that the concept of “Mudarabah” (profit-sharing) is based on a two-tier model that avoids usury, or interest. In the first tier, the depositors put their money into the bank’s investment account and agree to share profits with it. In this case, the depositors are the providers of the capital and the bank functions as the manager of funds. In the second tier, entrepreneurs seek finance from the bank for their businesses on the condition that profits accruing from their business will be shared between them and the bank in a mutually agreed proportion, but that any loss will be borne by the bank only. In this case, the bank functions as the provider of capital and the entrepreneur functions as the manager.

“Islamic banking promotes principles that offer protection against immoral lending and investment practices,” says Mohammed Qayyum, the director general of the IIBI

**EVEN** the Vatican seems to agree. As reported by the IIBI, an article in the March 2009 issue of the Vatican’s official newspaper, Osservatore Romano, stated that “the ethical principles on which Islamic finance is based may bring banks closer to their clients and to the true spirit which should mark every financial service.”

“The Islamic financial system is here to stay. The EU, excluding Turkey, has a Muslim population of around 22 million, and providing them access to Islamic banking and insurance can bring about greater social cohesion in the community and a sense of belonging,” Qayyum says. “The UK, Denmark and Italy have given permission to set up Islamic banks. The French and German governments are looking at proposals at improving access for Islamic finance investors.”

The result is organisations like the IIBI, “which is uniquely placed to reach out to both Muslims and non-Muslims and encourage students not to be afraid of demanding a change in our mindset”.

The Islamic Development Bank (IDB), whose main office is in Jeddah, Saudi Arabia, supports the establishment of Islamic banks and financial institutions through equity participation. It has equity investment in 29 Islamic financial institutions, both unlisted and listed on stock exchanges, amounting to a total of US\$138.59 million. In 2005, the bank participated in the capital increase of five financial institutions and it made additional equity investments totaling US\$20.73 million in four Islamic banks in Bosnia & Herzegovina, Sudan, Indonesia and Pakistan.

An example of an IDB-approved project is the US\$120 million loan for the Jubail Refinery and Petrochemical Project, a giant refinery



**“THE STRUGGLE AGAINST INJUSTICE AND THE CONDEMNATION OF WRONGDOING IS A SHARED HUMAN ATTRIBUTE THAT TRANSCENDS RELIGIOUS AND CULTURAL BOUNDARIES. IF WE DO NOT UPHOLD IT, WE ARE IRRESPONSIBLE AND UNJUST TO OURSELVES AS WELL AS OTHERS.”**

Rooftop solar panels at Googleplex



enterprise in Saudi Arabia, which was approved this past March.

The IDB maintains its economic strength by enacting a strong moral programme that goes by the acronym of ‘PRIDE’: Performance, Responsiveness, Integrity, Dedication and Empowerment. It is also participates in aid and relief projects, and the bank’s president, HE Dr Ahmad Mohamed Ali, recently announced that the IDB has approved a grant amounting to US\$5 million from the “Waqf Fund”, an affiliate of the bank, to aid earthquake victims in Haiti. It has also developed a number of progressive social programmes, such as the IDB Prize for Women’s Contribution to Development in 2006, to enhance women’s participation in the socioeconomic development process.

With the world at an unprecedented financial, industrial and cultural crossroads, the business of investing in corporations with ethical programmes is good business. A responsible and diversified approach to investment by forward-thinking institutions is helping to sow the seeds for a new wave of creativity in the financial world. ☐

**Ethical rewards**

Sometimes referred to as the Saudi Arabian version of Oprah, Muna Abu Sulayman has joined the ranks of the late Paul Newman as a recipient of the Colin Marley Award. Each year one individual is recognised by the Medinge Group’s Brands with a Conscience, an international non-profit think tank, which aims to influence businesses to become more human and humane, who selected the media personality as the 2010 winner.

She is the first Arabic winner of the award for her work in educational development, poverty alleviation and strategic philanthropy; as Executive Director of the Alwaleed Bin Talal Foundation, developing and implementing operations for humanitarian assistance across the globe; her role as the first woman in Saudi Arabia to be appointed by the United Nations Development Programme as a Goodwill Ambassador; and for exceptional reporting as co-host on popular MBC-TV social programme Kalam Nawaem, in particular her advocacy of rights for women.

As a public and media personality, she speaks about issues relating to Arab society, media, building bridges of understanding between the East and West and frequently appears as a panellist at the Davos World Economic Forum, C-100 of the World Economic Forum, Brookings Institute Conferences and other venues. She also lectures on American literature at King Saud University in Saudi Arabia.



**The 2010 brands with a conscience**

- Alibaba Group/China
- Co-op Bank/UK
- Marks & Spencer/UK
- Merci/France
- Pictet et Cie./Switzerland
- SAP/Germany
- Selco Solar Pvt. Ltd./India
- The Medinge

**Mohammad Qayyum,**  
Director General of  
Islamic Institute of  
Banking & Insurance



**Islamic banking**

The basic tenets that are applied in Islamic banking are applicable beyond the Islamic world; these are associated with simply morality and common sense. For example:

(a) Islamic banks cannot lend money for commercial activities on interest. Instead they provide capital to customers who need

it for business transactions and agree to a fixed share in the customer’s profit on the transaction or with a profit mark-up. If a customer wishes to purchase goods then the Islamic bank must first own and handle the goods assuming the risks associated with ownership and then sell the goods to the customer.

(b) Islamic banks accepting savings and investment deposits from customers do so in the capacity of a fund manager under a

profit/loss sharing arrangement known as “Mudarabah”. Depositors are treated the capital providers termed as “Rab Al Maal” and the Islamic bank is the manager termed as “Mudarib”, providing the management expertise to invest the funds according to Islamic principles. The rate of return is not predetermined and the Islamic bank will only pay a pre-agreed share of profit generated from the funds invested. Under the profit sharing arrangement the customers have to bear the risks of profit or loss on their own

deposits even though these are invested by the bank.

(c) Islamic banks cannot demand a predetermined rate of return on capital as conventional banks do when charging interest rates on borrowing because the practice of demanding a predetermined rate of interest without knowing if the customer will make any profit on a business transaction is considered unjust. Islamic banks providing capital to a customer for

a business transaction require taking a pre-determined share of the profit made by the customer on the transaction. That share of the profit is dependent on the outcome of a business transaction so is not considered the same as a fixed return (interest) on capital.

(d) Islamic banks cannot undertake activities emanating from destructive risk-seeking behaviour that is implemented in innovative and complex conventional banking structures to purely speculate or gamble on how

financial markets will behave. Equally they cannot trade in debt instruments without the backing of real assets.

(e) Islamic banks are not allowed to provide capital to build or operate a facility that will provide activities that are considered harmful to society such as a gambling casino or an armament factory for arms trafficking. Islamic banks are required to convert funds into assets based on their utility to society and must add value to the real economy.

# A DISUNITED FRONT

WRITTEN BY LISA VINCENTI

SIXTY YEARS AFTER ITS COMPLETION, THE UNITED NATION'S HEADQUARTERS IS UNDERGOING A MUCH-NEEDED RENOVATION, BUT THE ORGANISATION'S SAGGING REPUTATION IS ALSO IN NEED OF A MAJOR OVERHAUL. WILL A SHINING NEW HOME BE THE FIRST STEP TOWARDS THAT GOAL?



UN PHOTO/JOIS CONNER

1. United Nations Headquarters  
2. Architectural Planning of United Nations Permanent Headquarters



UN PHOTO

## THROUGHOUT

its relatively short history, the United Nations has had its share of run-ins. Like any large political organisation, every move it has made has seen no shortage of detractors. Even the initial decision to found the organisation in 1949 to promote international cooperation set tongues wagging. Selecting New York as the location of its global headquarters led to heated back-room manoeuvres, as did commissioning an architectural team, including Swiss-born Le Corbusier and Brazil's Oscar Niemeyer, to design this emblem of world peace.

Today, the ceilings of the once-glorious UN shed asbestos, the walls have lead paint and the dome of the General Assembly drips rain on diplomats' heads. Much of the building's machinery is obsolete and craftsmen, in workshops in the basement, build their own replacement parts. After more than a half a century, the sagging UN complex, with its sleek Secretariat tower and its General Assembly that are recognisable instantly around the world, is getting a long-overdue \$1.9 billion renovation. But can setting its house in order and putting a fresh, 21st-century coat of paint on its headquarters do enough to repair the UN's tattered reputation? Only time will tell, but architectural critics agree that as a symbol of an institution's success and prowess, the building it chooses to call home broadcasts a critical message to the public.

"The United Nations is experiencing a brand crisis," say Lisa Marchese and Rachel Simmons, branding experts at San Francisco-based Prophet, a strategic brand and marketing consultancy, in their report *The United Nations in Crisis*. "It is no longer perceived as an effective global body whose legitimacy and authority are respected. The damage to its reputation is significant, but if the organisation is committed to making some significant changes, it's not too late for it to change course and correct its tainted image."

Over the past decade the UN has lost much of its credibility with the public, which draws into question whether the organisation remains relevant to the modern realities of the international community. A

poll conducted by the Public Opinion Foundation found the general perception of the UN is of an organisation "incapable of effectively resolving international affairs", with one-third of respondents believing its influence has declined over the past five years. According to global market research firm Zogby International, public approval of the UN has fallen dramatically to just 39 per cent since 2001, when 66 per cent of survey respondents held a favourable impression of it. The UN's effectiveness as a peace-keeping operation in many high-profile cases, including the Darfur conflict and the repeated acts of ethnic cleansing supported by the Sudanese government, has essentially established that there are precious few consequences for violating a Security Council resolution.

Still, shortly after Darfur began making headlines, RAND Corporation released a study, reporting that two-thirds of the UN's peace building missions had succeeded. That finding was echoed by the *Human Security Report 2005*, produced by the Human Security Centre at the University of British Columbia, which outlined a dramatic reduction in global violence from the early 1990s to 2003. The report noted that the single most compelling explanation for these changes is found in the unprecedented upsurge of international activism, spearheaded by the UN, which took place in the wake of the Cold War. Even so, the obvious gap between public perception and UN results needs mending.

For the UN to begin rebuilding its image and prove its rightful place on the geopolitical map, it must look to the young. According to John Zogby, founder of Zogby International, the UN must connect with what he dubs the "First Globals", a group of young 18 to 29-year-olds with a much more cosmopolitan and liberal attitude than older generations.

"First Globals have grown up in a multi-cultural and diverse world," Zogby says. "They appreciate other cultures more than any other age cohort and ask the question: 'How do we go to war against people who dress the same and make great music?' They also have experienced America's inability to solve every global problem alone and realise that they must rely on international institutions to achieve real results."



UN PHOTO/DON 1

In fact, Zogby recently questioned these young adults on the role of the United Nations by presenting them with two statements: “the United Nations has been reduced in its influence and is less relevant today in global matters” and “the United Nations is needed now more than ever to represent a global perspective on issues that arise”. Zogby found that the First Globals are the most likely of any generation to agree with the second statement and the least likely of any generation to agree with the first statement. Among them, 57.4 per cent agree that “the United Nations is needed now more than ever”, compared to 33 per cent of the combined remaining generations. And 34.1 per cent of these young adults agree that the “United Nations has been reduced in influence and is less relevant”, compared to about 55 per cent of remaining generations.

**“THE UN** needs to become a savvy marketer and cultivate a brand that is powerful and worthy of international and individual support,” Marchese and Simmons point out in their report, adding that the European Union’s marketing efforts have allowed it to become an influential figure in global economics. “There is no reason why an organisation with the charter ‘to be the centre for harmonising the actions of nations’, should not have greater brand equity. With popular support for the UN at an all-time low, the organisation has everything to gain and little to lose in undertaking a re-branding initiative.”

As it stands, the UN is faded and worn, a time capsule of out-dated,

bureaucratic ineffectiveness, much like its headquarters on the banks of the East River in New York. The first step is to plug the leaks of the General Assembly and install energy-efficient systems, both of which will push the UN’s HQ into the 21st century. After all, the complex is an icon of modern architecture and a landmark of the International Style, a movement that originated a global language in architecture based on human scale.

“While new technologies and the most innovative concepts in architecture are essential in positioning a brand, in the case of the UN, there are significant aspects to consider when it comes to renovating its image for the future: being consistent with its own history, valuing the principles that originated the institution, and, above all, standing out from fashion or false splendence,” says Alejandro Bahamón, who along with partner Ana María Álvarez, is an architectural author and critic in Barcelona. “These are, definitively, strategies to prioritise in the institution’s renewal. A comprehensive revitalisation of the institution, that forcefully affects its physical form, will have an immediate impact on the collective imagination and will rescue the UN’s reputation as a peace-keeping force for the world.”

Sara Aguarales, who penned the forward to Bahamón’s book *Corporate Architecture*, agrees. “Throughout human history, architecture has served to demonstrate the supremacy of institutions flaunting their financial, political and social power,” she says. ☑

## Cost of running the UN

The 192-nation assembly approved a “regular” budget of US\$5.16 billion for 2010 and 2011, but if you add in “extra-budgetary” spending the overall cost of running the UN jumps to US\$13.9 billion. The UN’s three largest programmes, which aren’t included in those figures, are:

United Nations Development Programmes (UNDP)	6 billion
World Food Program (WFP)	6.3 billion
World Health Organisation	4.5 billion

### TOP 10 DONATORS TO THE UN BUDGET

The UN is financed from assessed and voluntary contributions from member states, here’s a list of the biggest funders.

	(% of UN budget)
United States	22%
Japan	16.6%
Germany	8.5%
United Kingdom	6.6%
France	6.3%
Italy	5.0%
Canada	2.9%
Spain	2.9%
China	2.6%
Mexico	2.2%

### UN PEACE-KEEPING MISSIONS

Outside the UN’s budget, running 14 peace-keeping missions around the world cost an additional nearly US\$8 billion for 2009-2010

Central African Republic and Chad	690.75 million
Western Sahara	53.53 million
Haiti	611.75 million
Democratic Republic of Congo	1.35 billion
Darfur	1.6 billion
Disengagement Observer Force	45.03 million
Cyprus	54.41 million
Lebanon	589.8 million
Kosovo	46.81 million
Liberia	56.1 million
Sudan	958.35 million
Timor-Leste	205.94 million
Côte d’Ivoire	491.77 million
Georgia	15 million

SOURCE: UNITED NATIONS



UN PHOTO/JENNY ROCKETT 2

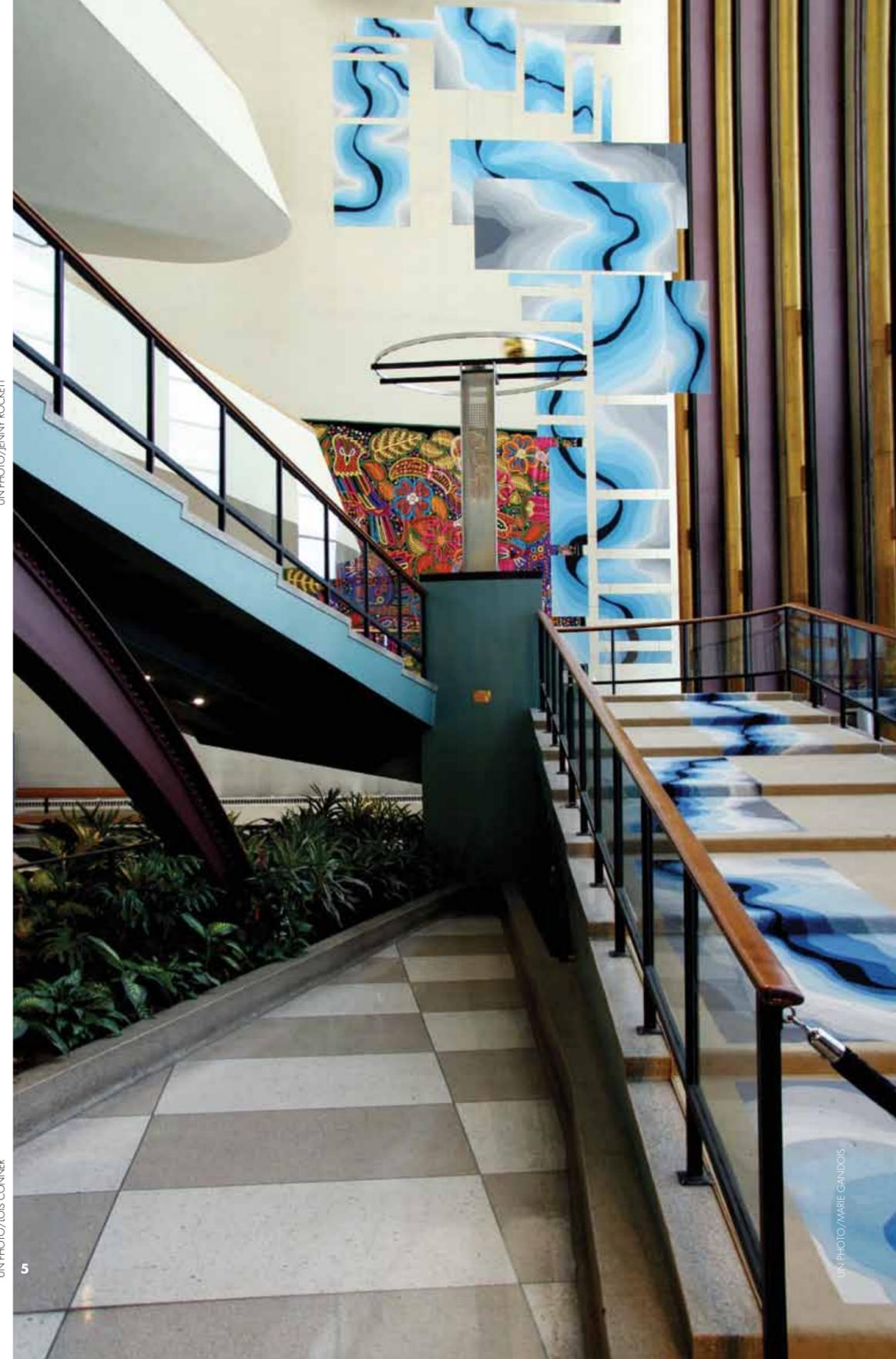


3

1. The Security Council Chamber
2. Michael Adlerstein, Executive Director of the Capital Master Plan (CMP)
3. Alejandro Bahamón & Ana María Álvarez
4. Security Council’s “Quiet Room”
5. UN’s Lobby stairs



UN PHOTO/JOIS CONNER 4



5

UN PHOTO/MARIE GANDONIS

# DRESSING THE PART

IMAGE IS EVERYTHING. AMONGST AN ARMY OF CORPORATE UNIFORMS, CREATING A SIGNATURE STYLE THAT GOES FROM THE BOARDROOM AND BEYOND SIGNALS SUCCESS.

WRITTEN BY ASHLEE BEARD



1. Tailored to fit with Tom Ford.
2. Loro Piana's supersoft Vicuña is one of the most luxurious fabrics on the market.

**WALK** into fashionable international Japanese restaurant chain Nobu and you will be greeted by an immaculately turned out, sharp-suited hostess. The suit is, of course, designed by Giorgio Armani. Nobu's slick, designer uniform reinforces the company's belief that corporate image goes way beyond the brand logo, as many successful companies are discovering.

Fashion empires such as Ralph Lauren, Tom Ford and Bottega Veneta, have all enjoyed phenomenal success by creating brands that are not only based on image, the image is in fact the brand. When you walk into any Ralph Lauren store, the bag that you walk out with carries not only a shirt or a dress, but also the dream of an Ivy League lifestyle, while Tom Ford's Madison Avenue store in New York invites men to enter the American designer's world of heady glamour.

The airline industry was early to pick up on the importance of brand image, Pan American Airways being the best example. Which springs to mind first, poor security, a messy demise, or the those iconic natty blue uniforms designed by Beverly Hills couturier Don Loper? Be honest now. Even master couturier Christian Dior dabbled in aviatonal wear when he designed uniforms for the stewardesses of SAS in 1971. Today's list of airline uniform designers reads like a role call from *Vogue*: Christian Lacroix, Julian Macdonald and Richard Tyler to name a few. Check out the silhouette of the cabin crew on your next flight, chances are you may use the same tailor. London's Stowers of Savile Row, who are name checked as creating the airline staff's accessories, also design uniforms for the military within the Middle East.

The hospitality sector in particular has embraced the importance of creating a company 'look', as Simon Cundey of Henry Poole & Co., Savile Row's oldest tailoring house explains "We are tailors for many members clubs: the Old Elm and Boston's The Country Club, America's oldest country club. New members are encouraged to get a consultation and hopefully purchase a club blazer, because many don't like wearing the club jacket, as it doesn't fit properly. It's a corporate blazer and a chosen fabric. When a club has someone like Henry



Poole servicing it, it usually works very well for both parties. It's coordination, comfort and it's a good way to maintain the standard of the members' attire and the club's image."

## BE YOUR OWN BRAND

While uniforms may be the ideal brand extension, in the corporate world, how does one express their unique style within the restrictions of office etiquette? "I recently had some interesting exchanges with a friend on what is meant by 'personal branding.'" We agreed about how branding works with consumer good, hotel chains, etc., but we found it difficult to imagine how it might work for an individual with a demanding professional career," explains Savile Row trained womenswear tailor, Carol Alayne. She offers the following advice "Make a list of some miscellaneous products one can find in any store (and indeed the stores themselves) and notice that, just by thinking of the product in question, you conjure an immediate recollection of its colour scheme, the shape of its container and even the font and style of its name. Successful brands have a unique image that they present to the world."

Details play a bigger role, as ties, cufflinks, even fancy linings add interest to even the most sombre ensemble. The signature flash of vibrant candy stripes, or bold pink roses encased within a charcoal grey shell is a favourite among fans of leading British designer Paul Smith. While in Lübeck, Germany, Heinrich Heissing has become a not so well kept secret among European sartorialists as clients from Germany, Switzerland and even London visit the tailor's studio to see his impressive library of suiting, shirting and lining. Over the years Heissing has amassed an impressive archive of vintage fabrics dating back over six decades for clients who crave a suit that is truly unique, but it is vibrant linings, such as the house's signature apple green silk, that attracts the more fashion forward clientele. "The outside of the suit may be conservative, but the linings are definitely more fashion oriented. We choose the colours then get our linings specially dyed for us," he explains.

Even stitching is no longer overlooked, as lapels, buttonholes and pockets become important elements of the unique DNA of suits and shirts. Ray Stowers of Stowers Bespoke of Savile Row admits that for Middle Eastern clients, for whom he makes regular trips for measurements and fittings, details are part of the fun of bespoke: "When I go to Abu Dhabi, Doha or Bahrain, my clients want things that are



1. Jil Sander's elegant lightweight suits are a favourite among career women in the Middle East. 2. Heinrich Heissing's bespoke suits on show in his Lübeck showroom. 3. Cool look with Tom Ford.

**WITH THE BRITISH AND AMERICANS, IF THEY LIKE SOMETHING THEN THEY WILL USUALLY WANT IT AGAIN, BUT IN THE MIDDLE EAST, THEY LIKE SOMETHING NEW, AND THEY WILL OFTEN WAIT FOR SOMETHING ELSE NEW TO COME ALONG."**



1. Italian menswear house, Ermenegildo Zegna celebrates a century of producing fine menswear. Today Zegna offers everything from accessories, to made-to-measure. 2. Fine shirting from luxury shirt maker Charvet. 3. Classic cuts by Ermenegildo Zegna. 4. Stylish business attire

individual to them, little details that they can show their friends, which, in turn, their friends then ask for their own unique details. They go for a lot of functional features, such as special pockets for phones, pens and moneyclips, but also style statements too, such as special button arrangements. It's absolutely endless. What is special about Stowers is that unlike many Savile Row tailors, we will make any style, cut or detail to our client's specification. Today I created a lapel made from just one piece. It wasn't easy, but it was what he wanted, so we did it," he explains.

In sobering economic times, rather than showy statements, low key details, such as an emphasis on the finest quality fabrics and of course, a good cut, tip a discreet nod to style. Italian cashmere and wool fabric producer, Loro Piana is the *nec plus ultra* of fabrics among the tailoring fraternity. Baby cashmere and Vicuña are the most luxurious fabrics on the market. As Simon Cundey explains. "There are lots of new blends and super lightweights. Companies like Holland & Cherry and Dormeuil are well respected houses with good technology, that change their lines every quarter or half year. Our Arab clients like new things. If a company is doing something new, they want it. With the British and Americans, if they like something then they will usually want it again, but in the Middle East, they like something new, and they will often wait for something else new to come along."

Made-to-measure and bespoke has always been de-rigueur at top levels. While suits are often justified for their durability and longevity (a good suit can last from 5-15 or even 20 years), shirts are not so hardy. However as a more relaxed spirit pervades today's workplace, the tie has become

less essential, shifting the focus to the shirt as the main accessory. Within the luxurious confines of Paris' Place Vendôme stands a bastion of fine menswear, Charvet, the world's first shirt store. Since 1838 the family owned chemisier has been fitting the shirt on the backs of nobility and heads of state for almost two centuries, and founder Christofle Charvet is credited as the first shirtmaker to create the turned down collar. As checks, overchecks and unorthodox shades, such as pink, offer another outlet for individuality, style conscious white collar workers are turning to bespoke tailored shirts.

Today we are seeing style and form go beyond the boardroom, in the same way that casualwear made an impact in the office since the 1980s. Separates, such as blazers and jackets have become an integral part of the corporate wardrobe for entertaining outside of the boardroom. Even made-to-measure jeans have become part of the remit among top tailors. French luxury menswear cloth brand, Dormeuil offers a relaxed collection of polo shirts, jeans and slacks alongside its made-to-measure service, while Ray Stowers has even been called upon to create shorts for clients.

**A WOMAN'S TOUCH**

As an increasing number of women step into corporate roles, the question is not so much how to stand out, but more of a challenge of fitting in. "Dealing with women during my days on Savile Row, I learned about the confidence problems that women have with getting dressed. They are in a man's world, and it's about looking interesting without looking boring or neutral." Carol Alayne surmises.

**Contact details**

- Carol Alayne makes regular visits to the Middle East: [www.tailoringforwomen.com](http://www.tailoringforwomen.com)
- Ray Stowers of Stowers Bespoke also makes regular visits to the Middle East: [www.stowersbespoke.co.uk](http://www.stowersbespoke.co.uk)
- Villa Moda: [www.villa-moda.com](http://www.villa-moda.com)
- Henry Poole & Co: [www.henrypoole.com](http://www.henrypoole.com)
- Ralph Lauren: [www.ralphlauren.com](http://www.ralphlauren.com)
- Tom Ford: [www.tomford.com](http://www.tomford.com)
- Bottega Veneta: [www.bottegabeneta.com](http://www.bottegabeneta.com)
- Heinrich Heissing: Tel: +49 451 77696, E: [taylorintown@diehallen.de](mailto:taylorintown@diehallen.de)
- Loro Piana: [www.loropiana.com](http://www.loropiana.com)
- Charvet: [www.charvet.com](http://www.charvet.com), also available from Saks Fifth Avenue, Dubai: [www.saksfifthavenue.com](http://www.saksfifthavenue.com)
- Dormeuil: [www.dormeuil.com](http://www.dormeuil.com)
- Hugo Boss: [www.hugoboss.com](http://www.hugoboss.com)
- Adriano Stefanelli: [www.adriano-stefanelli.it](http://www.adriano-stefanelli.it)
- Ermenegildo Zegna: [www.zegna.com](http://www.zegna.com)
- Jil Sander: [www.jilsander.com](http://www.jilsander.com)
- Hermès: [www.hermes.com](http://www.hermes.com)





# NEW WORLD OWNERSHIP

THE BALANCE OF ECONOMIC POWER IS SHIFTING, WITH THE TRADITIONAL DEVELOPED GIANTS BEING USURPED BY THEIR RAPIDLY STRENGTHENING DEVELOPING COUSINS.

WRITTEN BY JOANNE MOLINA



**“THE** fact of the matter is, close to three billion people around the world, which is half of the world’s population, haven’t really been touched by this crisis in the way that most people talk about” – Jim O’Neill, head of global economics, commodities and strategy research at Goldman Sachs.

The new world ownership movement means that companies traditionally associated with the brand-culture of one country now have investment in another, especially in the automotive industry. BRIC (the developing economies of Brazil, Russia, India and China) and frontier markets could eclipse the industrial economies, and climb to the ranks of international brand owners, challenging the industrial standings of the United States and Germany.

In its October 2003 report, *Dreaming with BRICs: The Path to 2050*, Jim O’Neill, made a startling prediction: “If things go right, in less than 40 years, the BRICs economies together could be larger than the G6 in US dollar terms. By 2025 they could account for over half the size of the G6. Of the current G6, only the US and Japan may be among the six largest economies in US dollar terms in 2050.” Coining the term “BRIC”, O’Neill accurately predicted the rise of developing economies in terms of their consumption, production and increasing ability to invest.

But this March, O’Neill revealed data that was even more surprising: “As of December: 2009 it is now possible that China could become as big as the US by 2027 – in less than 18 years. The BRICs could become as big as the G7 by 2032, about seven years earlier than we originally believed possible. Between 2000 and 2008, the BRICs contributed almost 30 per cent to global growth in US dollar terms, compared with around 16 per cent in the previous decade. Since the start of the financial crisis in 2007, some 45 per cent of global growth has come from the BRICs, up from 24 per cent in the first six years of the decade. Long-term projections suggest that the BRICs could account for almost 50 per cent of global

equity markets by 2050, and BRIC economies will likely account for more than 70 per cent of global car sales growth in the next decade, with China expected to account for almost 42 per cent of this increase.”

In their report for Sachs, *2010-2011: The World Bounces Back with BRICs*, financial experts Tetsufumi Yamakawa, Swarnali Ahmed and Alex Kelston show how BRICs are leading the economic recovery. “We are forecasting above-trend world growth in both 2010 (4.4 per cent YOY) and 2011 (4.5 per cent YOY) on the back of strong growth from emerging markets, led by the BRICs,” the report says. This growth will mean a combination of record consumption, they predict: “Consequently, the BRICs are likely to contribute more to world consumption growth than the advanced economies and other emerging markets in the next two years.”

The report also shows the power of investment. “The contribution to global investment growth should also be strong at 2.4ppt and 2.2ppt in 2010 and 2011, respectively. GDP growth in China and Brazil is forecast to accelerate in 2010 and then moderate in 2011 as domestic demand growth puts pressure on policymakers to tighten. Russia should see a steady recovery from 2010 into 2011 and we also expect India to see growth accelerate over the next two years,” it says.

This April, Hong Kong-based Citigroup responded to the excessive growth of BRICs’ financial success by announcing the Citi BRIC Commodities Index, the first index that provides investors access to broad commodity exposure in proportion to the consumption of commodities in the BRIC countries. Initially, the Citi BRIC Commodities Index will differ from more traditional commodity indices by having a lower weighting to energy and higher weightings to agricultural products, livestock and base metals.

“As global growth becomes increasingly reliant on demand growth from the emerging market economies and less so on the US consumer,



1. Harrod’s luxury department store in London was sold recently to Qatar Diar
2. Cadbury is now owned by Kraft
3. Stephen Odell, President and CEO of Volvo Car Corporation

**Next Page**

1. The iconic British MINI is now owned by Germany’s BMW
2. Jim O’Neill, Head of Goldman Sachs

**“IT LOOKS LIKELY THAT 2010 WILL BE A TRANSITION YEAR IN WHICH DEAL VOLUMES WILL INCREASE, WITH CERTAIN SECTORS DOMINATING THE LANDSCAPE. COMPANIES WHICH HAVE BEEN CAUTIOUS IN 2009 ARE LIKELY TO START TESTING THE WATERS ONCE AGAIN, PARTICULARLY AS THERE COULD BE MANY INTERESTING OPPORTUNITIES ON THE MARKET FOR THOSE WITH CASH TO SPARE OR ACCESS TO FINANCING,” SAID WILSON BALACHANDRA PARTNER IN KPMG ROMANIA.”**

**US\$2.3 TRILLION**

valuation of Global mergers and acquisitions in 2009

**US\$2.94 TRILLION**

valuation of Global mergers and acquisitions in 2008

**22%**

decrease in valuation 2009 from 2008

SOURCE: KPMG

the eyes of the commodity investor are increasingly drawn to the BRIC economies influence on commodity prices. This index allows commodity investors to express this view and participate in the most appropriate proportions,” says Iain Armitage, head of commodity investor products at Citigroup.

But BRICs are far from the only markets that are garnering international attention. Covering 25 countries, the MSCI Frontier Markets Indices are designed to track the performances of a range of equity markets that are now more accessible to global investors. They aim to achieve a broad representation of the investment opportunity set while taking into consideration the investment environments within each market. Standard Indices, which aim to exhaustively cover around 85 per cent of the investable equity universe of each market, are calculated for all countries in the MSCI Frontier Markets Indices. Sector Indices, classified according to the Global Industry Classification Standard (GICS), are calculated for composite regional and global indices.

Another part of MSCI Barra’s efforts to promote the importance of tracking frontier economies was its January 2006 launch of the MSCI Gulf Cooperation Council (GCC) Countries Indices, which are designed to provide pension plans, other investors, asset managers and consultants with an asset allocation and performance measurement framework for the equity markets of the GCC countries.

Built according to the MSCI Global Investable Market Indices (GIMI) Methodology, the MSCI GCC Countries and Arabian Markets Indices offer broad and exhaustive coverage (up to 99 per cent) and size segmentation (large, mid and small cap). Free float adjustment, as well as minimum float, liquidity and size guidelines, and annual and quarterly index reviews are also an integral part of the index methodology.

The indices cover the GCC countries of Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Bahrain, and Oman, plus Egypt, Jordan,

Morocco, Tunisia and Lebanon. MSCI Barra maintains two series indices for the GCC and Arabian Markets: one is applicable to international investors, while the domestic series is aimed at investors not constrained by Foreign Ownership Limits (FOLs).

The result of this growth is a global awareness of the consumption, production and ownership of brands once associated with a particular nation’s economy and labour force. The cultural cache of brands, such as the quintessentially British Jaguar (now owned by India’s Tata), is presenting the new challenge of maintaining or altering their commercial persona as they face ownership and production by BRICs and Frontier markets.

Prior to 2008, the UK’s Jaguar Land Rover was a subsidiary of US-based Ford, but in an effort to save jobs and maintain the integrity of the brand in the economic downturn, Jaguar and Land Rover were sold to India’s Tata Motors for approximately US\$2.3 billion, paid in cash. “Jaguar and Land Rover are two iconic brands with global potential. Jaguar Land Rover was acquired as a solidly profitable business, following its best-ever year in 2007. It was profitable in every quarter of 2007. After the global downturn of 2008 and the first half of 2009, which impacted the entire automobile industry across the world, Jaguar Land Rover has begun to turn around,” a Tata spokesperson says.

Jaguar Land Rover’s success has always been linked to maintaining its status and financial stronghold in the luxury market. “Both Jaguar and Land Rover are highly regarded and have a long heritage in their respective segments. Jaguar is renowned for its luxury saloons and Land Rover has always been the gold standard for off road vehicles,” the spokesperson says.

The company’s new business plan was designed to increase its global competitiveness significantly, drive growth and sustained profitability, and respond to the challenges of climate change. It included decisive actions



**The Long-Term Outlook for the BRICs and N-11 Post Crisis**

as markets recover and positions the company to grow and prosper in the future. Under its new ownership, Jaguar Land Rover premiered a new and expanded range of products and new environmental technologies, delivered through streamlined and competitive costs and a new manufacturing strategy. A new generation of lightweight sedans, sports cars and premium SUVs, with hybrids and electrification technology, will significantly reduce fuel consumption and CO2 emissions.

Immediately after the sale, (July-September quarter of 2009), the business reported an operating profit of US\$140.7 million. For the October-December quarter of 2009, the business improved further, supported by a better market environment and sustained cost reduction efforts, and posted net profit after tax of US\$84.6 million. Wholesale volumes over the previous quarter of July-September 2009 grew 28 per cent, with quarter-on-quarter volume improvement being noticed mainly in North America, Europe and China. Land Rover grew 34 per cent, aided by continued strong market reception to the 2010 model year vehicles launched earlier in the year, while Jaguar volumes grew 11.5 per cent, led by strong growth of the XF model. This success also inspires the confidence of European investors, and includes a US\$514 million loan from the European Investment Bank, a lender backed by European Union governments. The eight-year loan is intended to help develop more fuel-efficient cars.

"As for new markets, like any other company, Jaguar Land Rover will also look at new geographies with growth potential, and among them are China, Russia, Brazil and India," Tata's spokesperson says.

Chinese-based companies have also become the new owners of internationally known automotive brands. US-based Ford has looked towards to China to save its Volvo brand, which originated in Sweden. This March, it entered into a definitive agreement to sell Volvo and

related assets to the Zhejiang Geely Holding Group Company.

"Volvo is a great brand with an excellent product line-up. This agreement provides a solid foundation for Volvo to continue to build its business under Geely's ownership," said Alan Mulally, Ford's president and CEO. "At the same time, the sale of Volvo will allow us to further sharpen our focus on building the Ford brand around the world and continue to deliver on our One Ford plan, serving our customers with the very best cars and trucks in the world."

The purchase price for Volvo Cars and related assets (primarily intellectual property) is US\$1.8 billion, which will be paid in the form of a note in the amount of US\$200 million and the remainder in cash. The sale is expected to close in the third quarter of 2010.

And in a bid to salvage jobs and product, US-based General Motors attempted to sell its Hummer brand to Sichuan Tengzhong Heavy Industrial Machinery Company in 2009, but the sale quietly fell through earlier this year. "One year ago, General Motors announced that we were going to divest Hummer, as part of focusing our efforts on Chevrolet, Buick, GMC and Cadillac going forward. We have since considered a number of possibilities for Hummer along the way, and we are disappointed that the deal with Tengzhong could not be completed," said John Smith, GM's vice-president of corporate planning & alliances, in the February press release. "GM will now work closely with Hummer employees, dealers and suppliers to wind down the business in an orderly and responsible manner." As a result, the brand will no longer be completely phased out unless it can be sold.

With the world's economic future still in flux, one certainty is that frontier economies and those of the BRIC will continue to provide important investment opportunities and competition within the global marketplace. ■

- The BRIC and N-11 countries are emerging from the crisis better than the developed world.
- As a result, our long-term projections for the BRICs look more, rather than less, likely to be realised.
- It is now possible that China will become as big as the US by 2027, and the BRICs as big as the G7 by 2032.
- Within the BRICs and N-11, China, Brazil, India, Indonesia and the Philippines appear to be performing best.
- Bangladesh, Egypt, Korea, Nigeria, Turkey and Vietnam form a second group of countries that have performed broadly in line with expectations.
- Iran, Mexico, Pakistan and Russia have need for improvement.
- We show the ongoing dramatic BRIC influence in key product markets, with autos and crude oil as examples.

Source: Goldman Sachs, Global Economics Paper No: 192, Goldman Sachs Global Economics, Commodities and Strategy Research, authored by Jim O'Neill and Anna Stupnytska

**AD**



# IN DEEP WATER

THE WORD *RIVAL* ORIGINALLY MEANT 'ONE WHO USES THE SAME STREAM', IMPLYING COMPETITION FOR A PRIZED COMMODITY. WILL THE QUEST FOR CLEAN WATER PROVE TO BE A RENEWED SOURCE OF CONFLICT IN THE 21ST CENTURY?

WRITTEN BY DOROTHY WALDMAN

**WHEN** Rome rose to power its influence flourished and expanded with its far-reaching system of aqueducts; cities such as Rotterdam, London, Paris, New York, Buenos Aires, Shanghai, Chicago and Hong Kong all flourished because they were located on bodies of water; and almost since the beginning of civilisation, violent conflicts have arisen over water, with accounts dating back to 2500BC when Urlame, King of Lagash diverted water from Umma (present day Iraq) as a military tool. Major conflicts over the control of water continue today, but it is also the small, local conflicts – such as the Indian family killed by a mob late last year for illegally drawing water from a municipal pipe in Madhya Pradesh state – that emphasise the severity of the problem in human terms.

Steven Solomon, author of *Water, The Epic Struggle for Wealth, Power and Civilization* (HarperCollins, 2010), suggests that water is surpassing oil as the world's most scarce critical resource. "We've now reached the limit where that trajectory can no longer continue," he says. "Suddenly, we're going to have to find a way to use the existing water resources in a far, far more productive manner than we ever did before."

Water covers 71 per cent of the Earth's surface and salty oceans contain more than 97 per cent of the planet's total supply of the precious liquid. Of the remaining amount – less than three per cent of the planet's total supply – 70 per cent of all fresh water is trapped in the Antarctic ice sheet, leaving a relatively small proportion in rivers, lakes, aquifers and groundwater.

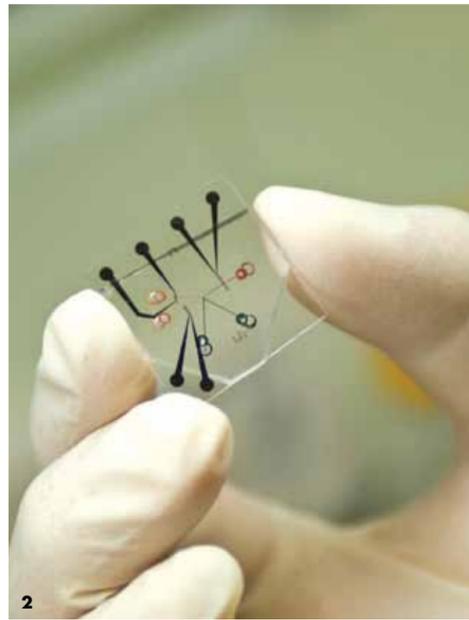
Today, nearly 900 million people have no access to clean water and the situation is expected to be exacerbated as the world's population continues to increase the availability of clean water by approximately 80 million a year. By 2025, the United Nations estimates that 18 billion people will be living in countries or regions with water scarcity and two-thirds of the global population could experience water stress conditions.

PHOTO: MICHELE TABOZZI, COURTESY SANFELICINO





1. **Siemen's Municipal wastewater facility**  
2. **Desalination device**



Of the three billion people expected to be added by 2050, 90 per cent will be in developing countries, many of which will be in areas already enduring significant water stress. Compounding the problem is the trend towards urbanisation; with 60 per cent of the population expected to live in cities by 2030, causing an increased demand not only for water, but also for food and energy production.

Although the tendency is to relate water usage to thirst-quenching consumption and cleaning, the reality is that 70 per cent (up to 90 per cent in some developing countries) of all freshwater is used for agriculture. When water is limited, food production is restricted and this runs alongside an increasing demand from the growing population. Large proportions of the available resources must then be dedicated to feeding the people, rather than towards promoting economic development and improving overall standards.

Often overlooked is the need for water in the production of electricity. Professor Tamim Younos, from the Virginia Water Resources Research Centre at Virginia Tech University in the United States, compared the number of gallons of water per British Thermal Unit of energy produced by various methods of power production. He realised that a single 60-watt incandescent light bulb burning for 12 hours a day consumed between 3,000-6,000 gallons of water, depending on the efficiency of the power plant that supplied the electricity. Multiply that by the millions of light bulbs used throughout the world as well as other, more demanding uses for electricity and the magnitude of water usage is staggering. As the cost of oil continues to escalate and bio fuels gain popularity, the demand for agricultural water grows even further as 2,500 litres of water is needed

to make just one-litre of bio fuel. This escalates water to become an issue that transcends geography and varying levels of economic development.

In the forward to the UN report *Water in a Changing World*, Koichiro Matsuura, head of the UN Educational Scientific and Cultural Organisation (UNESCO), stressed, "that urgent action is needed if we are to avoid a global water crisis". Fortunately, some progress has been made. "Our [US] water use between 1900 and 1975 actually tripled relative to population growth," Steven Solomon says. "Since 1975 to the present day, it has flat-lined. And we still had a population increase of about 30 per cent and our GDP continued to grow. So it's an amazing increase in water productivity."

**HOWEVER**, this is still not enough to avert a crisis in the coming years. Research in wastewater reclamation and water management undertaken at the Water Desalination and Reuse Centre of King Abdullah University of Science and Technology in Saudi Arabia is an important step forward, but it is advancements in the desalination process that are the most encouraging. Throughout the world, there are more than 15,000 desalination plants in operation and major plants have been or are being constructed in countries which previously relied on natural fresh water sources, including Australia, India, China, Algeria and even Britain.

Desalination is the process of removing salt and impurities from water, typically seawater, through either thermal evaporation or reverse osmosis. The first of these has been used since ancient times when sailors would evaporate seawater, then condense the pure water. In the latter process, pressure is applied to force water through membranes that allows only water molecules to pass through.

### Small water

A new, portable approach to desalination developed by Sung Jae Kim and Jongyoon Han of MIT, called ion concentration polarisation, is powered by solar cells or batteries. An array of 1,600 units fabricated on a single eight-inch diameter wafer can produce about 15 litres of water per hour, enough to provide drinking water for several people. Its small size is an advantage in emergency situations such as the aftermath of Haiti's earthquake and Hurricane Katrina, when fresh water and dependable electrical power for large-scale plants are scarce.

#### DESALINATION CAPACITY BY REGION

Middle East	52%
North America	16%
Europe	13%
Africa	4%
Central America	3%

SOURCE: U.S. DEPARTMENT OF ENERGY

3. **Shuaibah power plant, Saudi Arabia's first private power & water project**

4. **GE- Ecomagination desalination platform**

5. **Al Taweelah power station supplies electricity to produce 30 million litres of drinking water daily**

Though the result of either methodology is potable water, the cost is high, not just in monetary terms, but also in terms of energy consumption and environmental impact. The cost of desalinated water varies from site to site, largely depending on the cost of energy, which is the largest cost component. According to the International Desalination Association, the industry has been successful in lowering operating costs in most areas to the range of US\$0.40-US\$0.90 per cubic meter (water from state-of-the-art facilities in Singapore costs about US\$0.56 per cubic metre while a cubic meter of fresh water is being produced today in Saudi Arabia for between US\$0.66 to US\$1.47).

This cost is expected to decrease dramatically to less than US\$0.40 with the development of a desalination plant powered by solar electricity combined with new nanomembrane technology developed by IBM and the King Abdulaziz City for Science and Technology. The next step is the construction of a desalination plant with the capacity to produce 30,000 cubic metres of water per day to meet the needs of 100,000 people of the city of Al Khafji. The abundance of year-round sunshine, which is estimated to produce 2,000 kilowatts per square metre per year, will power ultra-high concentrator photovoltaic technology to provide energy for the process.

Saudi Arabia, which alone produces more than 18 per cent of the world's desalinated water, already supplies 70 per cent of its own drinking water through desalination. King Abdullah recently opened the world's

largest plant at the new Jubail II Industrial Zone in the Kingdom's Eastern Province which will produce 800,000 cubic metres of water.

Despite the seemingly unlimited supply of seawater, desalination is not without its detractors, largely for environmental reasons. The average ocean salinity is about 35 parts per thousand (ppt) or 3.6 per cent of dissolved salt. For each litre of fresh water, another litre of doubly concentrated seawater is produced and typically returned to the sea. The result in Southern Californian is a seawater concentration of 67 ppt in some areas, which presents an environmental threat to living organisms and affects their biodiversity. Options are being developed which, if utilised, will offset these detrimental impacts.

When fossil fuels are used to power the plants, the emission of greenhouse gases and other pollutants, including noise, also impact the environment. Of course, this can be overcome by the increased use of renewable energy sources as wind turbines, solar panels or geothermal energy, but these can also be expensive.

According to Solomon, the ultimate challenge today is to learn how to manage our planet's resources. "An impending global crisis of freshwater scarcity is fast emerging as a defining fulcrum of world politics and human civilisation. Just as oil conflicts were central to 20th-century history, the struggle over freshwater is set to shape a new turning point in the world order and the destiny of civilisation," he says. [E](#)



# SPORTING DIVIDENDS

WHAT ARE THE DIVIDENDS PAID TO THE HOSTS OF MAJOR ATHLETIC EVENTS? TODAY'S SPONSORS WANT AN IMMEDIATE AND SIGNIFICANT RETURN ON INVESTMENT AS WELL AS RESIDUAL BENEFITS.

WRITTEN BY STEVE HILL

**WHEN** it takes three decades to pay off a bill, you can be forgiven for trying to smile and attempting a joke as the happy day of reckoning arrives.

That was the approach of Quebecers when, in December 2006 – more than 30 years after the Summer Olympics rolled into the heart of Canada – a US\$1.28 billion account was finally cleared.

The Olympic Stadium, hitherto known locally as the Big Owe, was instantly renamed the Big O as the red figures on the balance sheet covering the construction of the 58,500-seat focal point, the Olympic village, an apartment building complex as well as parking and a vélodrome, amongst other facilities, belatedly turned black.

Back in 1976, then mayor Jean Drapeau famously declared: “The Montreal Olympics can no more have a deficit than a man can have a baby.”

That comment, and his city’s experiences, will forever act as a salutary reminder of what can happen if a bid to host a major sporting event is not fully thought through.

“If you look at Montreal’s experiences it’s easy to see that they got it totally wrong. They bid for an event without thinking strategically or long-term about what it meant for the city or the country,” says Simon Chadwick, professor of Sport Business Strategy at Coventry University Business School in the UK.

“They were left with facilities that weren’t really used post-Olympics and crumbled and died. Compare their experience to that of Barcelona and the 1992 Olympics and things are very different. There, there was a much sharper sense of why they were bidding and what they wanted to do with it... reconstructing the infrastructure of the city, rebranding the city internationally as a destination for tourists ... and in that respect they were very successful.”

Chadwick pinpoints the staging of the first professional basketball game, in the United States, in 1896 as a turning point for linking sport with business and economic growth.

“Prior to 1896, we saw European sports such as football grow and develop on a social and cultural basis,” he says. “But after that the American model began to emerge, one which was more economic based, geared towards making money and which was much stronger. The franchise system – with cities seeing the potential for becoming home to a sports team – started to emerge, as well as the concept of sponsorship and, later, TV coverage.”

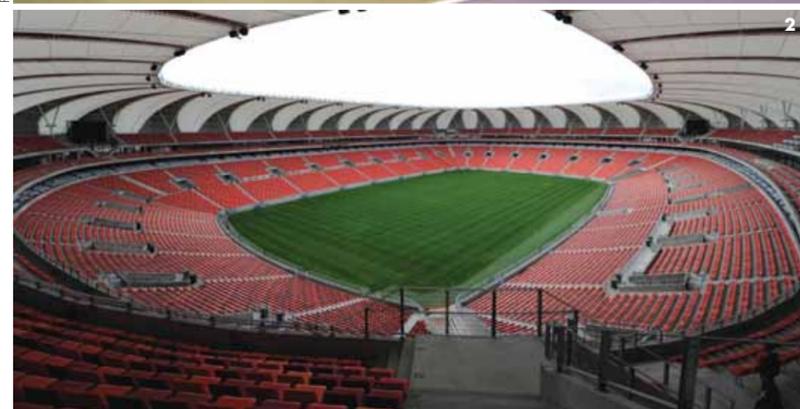
The FIFA World Cup, being staged from June 11 – July 11 this year, is predicted to attract a cumulative TV audience of 26.9 billion as South Africa tries to take advantage of this golden opportunity to showcase itself on the global stage.

Its government has spent an estimated US\$4.6 billion ahead of the event on 10 stadia dotted across the country, transport infrastructure and information communication technology, as well as policing and security, according to consulting company Grant Thornton.

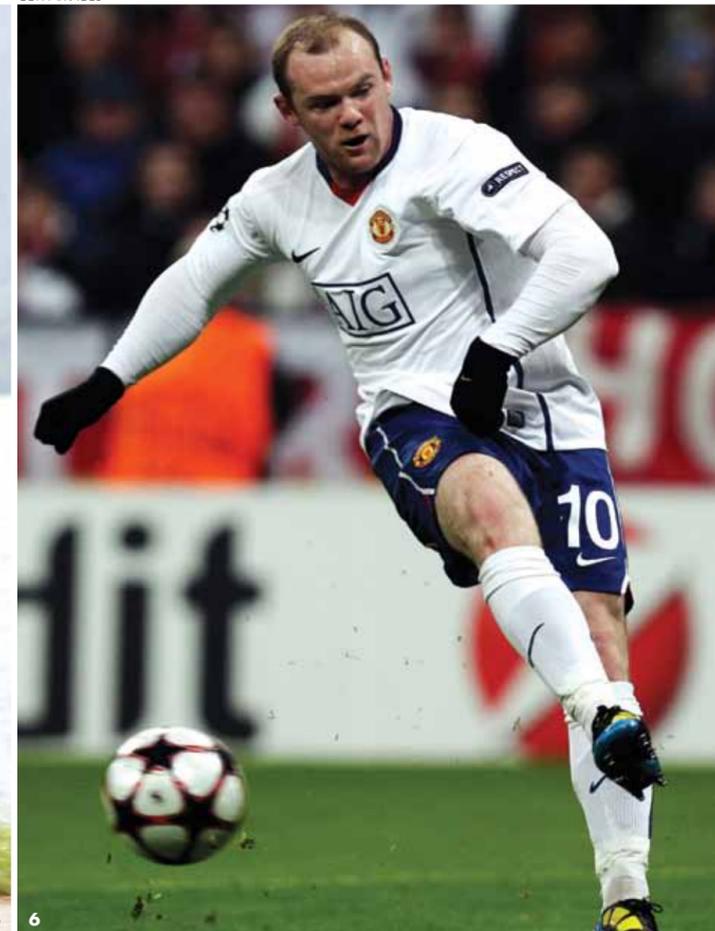
And in return the firm predicts that around US\$2.9 billion will be pumped into the country’s economy, generating an estimated US\$1.7 billion and creating around 157,000 new jobs. It is suggested that foreign visitors will spend between US\$1 billion and US\$1.2 billion at the event, adding 0.5 per cent to South Africa’s GDP. The spin-offs could be felt for many years to come, changing overseas perceptions of South Africa, boosting tourism arrivals by 200,000 a year and generating further inward investment in areas such as the call-centre industry.

Johannesburg-based Gillian Saunders, who is Grant Thornton’s director of strategic solutions and who has been tracking World Cup-related developments in South Africa, says: “The benefits are already being felt here in terms of our transport infrastructure and how the profile of the country has been raised. It’s hard to directly attribute this to 2010, but already there’s been a ‘rub off’ effect with South Africa attracting events such as Miss World and the IPL [cricket] in 2009.”

There’s also been an intangible boost to nation building and national pride with the construction ahead of schedule of iconic stadia that



1. Roger Federer in action  
 2. Nelson Mandela Bay stadium, 2010 Fifa World Cup  
 3. Serena & Venus Williams at the 2009 US Open  
 4. Simon Chadwick, Professor of Sport Business Strategy at Coventry University Business School in the UK  
 5. Lance Armstrong at 2009 Tour de France  
 6. Manchester United's Wayne Rooney at the UEFA Champions League



collectively make a global statement, as well as providing a real long-term legacy for the South African football industry.

"I think there's a very limited understanding of South Africa in global terms and our national brand, and I'm sure the World Cup will change that," Saunders says. "Very few developing countries stage mega events, so this is a powerful opportunity and we need to exceed expectations."

The third biggest sporting event in the world, after the Olympics and the World Cup, is the famed Tour de France, which is now in its 97th year. The 2010 race starts in Rotterdam on July 3 and finishes 3,600 kilometres later on July 25 at the Champs-Élysées in Paris.

It is estimated that 15 million spectators watched the 2009 race, spending a total of US\$63 million, and generating a significant impact on the countless villages, towns, cities and countries it passed through.

There is high media interest with each stage being broadcast on TV in 180 countries, while it also attracts representatives from 76 radio stations in 25 countries, and 450 newspapers, photographic agencies and new media for a total of 3,600 accreditations.

The budget for last year's tour was estimated at around US\$133 million, half of which was covered by TV rights, with 40 per cent contributed by sponsors. The remainder came from fees paid by towns and cities where each stage starts and finishes.

Each year more than 250 towns apply to host Le Tour in the full knowledge that TV coverage can showcase local landscapes and cultural monuments at a fraction of the cost of purchasing broadcast advertisements while at the same time substantially increasing turnover at hotels, restaurants and shops, albeit briefly. And, uniquely for an event of this magnitude, it's absolutely free to watch.

Another example of the importance of sport can be seen in research commissioned on the 2010 Six Nations Rugby Championship in Europe by Mastercard.

The event delivered a US\$632 million total economic impact on competing nations France, England, Scotland, Wales, Ireland and Italy. Not bad business for 30, 80-minute matches played out over a six-week period.

**ENGLAND** benefited the most, to the tune of US\$132 million, closely followed by Ireland (US\$123 million) and France (US\$122 million), through items such as match tickets, transport, food and beverage sales, accommodation, city attractions and merchandising, as well as sponsors and organisations spending on marketing.

The Wimbledon Tennis Championships, which this year take place from June 21-July 4, also have a hefty impact on the British economy. The



enduring popularity of the event can be gauged by the fact that in 2009 some 2,500 five-year Centre Court debentures were snapped up in the same amount of time as it takes Rafael Nadal to put away a cross-court winner, raising US\$83 million in extra finance.

A Barclays Net Gains report published last year revealed that British number one Andy Murray's on-court successes had helped turn tennis into an industry worth US\$600 million to his national economy in 2009 alone. The research, which assessed the financial and social impact of tennis in the country, stated that Murray's rise up the rankings had encouraged more than 200,000 people to pick up a racket and also helped tennis close the gap on golf as the third-largest earner in British sport behind football and horse racing.

"We estimate that a combination of the 'Murray Effect', the new Barclays ATP World Tour Finals, the redevelopments at Wimbledon... and the impact of stars like Roger Federer and Rafael Nadal, who transcend sport, could add US\$600 million to the economy – a huge impact, especially given the current recession," says Tom Cannon, professor of strategic development at the University of Liverpool. "What is happening is that a sport which usually peaks during a fortnight in the summer and then is largely forgotten until the following year, now has the chance to become year round."

The report detailed the 'Murray effect' as being worth around US\$220 million, with US\$113 million alone being generated by increased participation and spending on equipment and memberships, as well as US\$30 million in 'Murray media' advertising spend and sponsorship.

Meanwhile, the world's most instantly recognisable sportsman, Tiger Woods, made his much-anticipated return to golf at the recent Masters Tournament at Augusta National. TV viewing records were expected to be set after the extended absence of sport's first US \$1 billion earner who has a quite incredible personal effect on the general health of golf. According to data from the Nielsen marketing research company, TV audiences for golf shrunk by 47 per cent while Woods was injured in 2007-08, however Tiger's return to action after his recent five-month hiatus attracted an average viewership of 16.7 million, up from 14.3 million last year, but still short of the record 20.3 million views in 1997 when he won his first green jacket.

The sport in general has suffered a downturn because of the weak world economy and wet weather, which is not conducive to golf. Market research firm Golf Datatech revealed that total revenue for the golf industry in 2009 was US\$2.4 billion, down 11.6 per cent from 2008, but there are hopes that Woods' return will help spark a resurgence across the board. ■

ISTANBUL INVITES THE WORLD TO JOIN ITS YEAR-LONG CELEBRATION AS A 2010 CAPITAL OF CULTURE.

WRITTEN BY DOROTHY WALDMAN

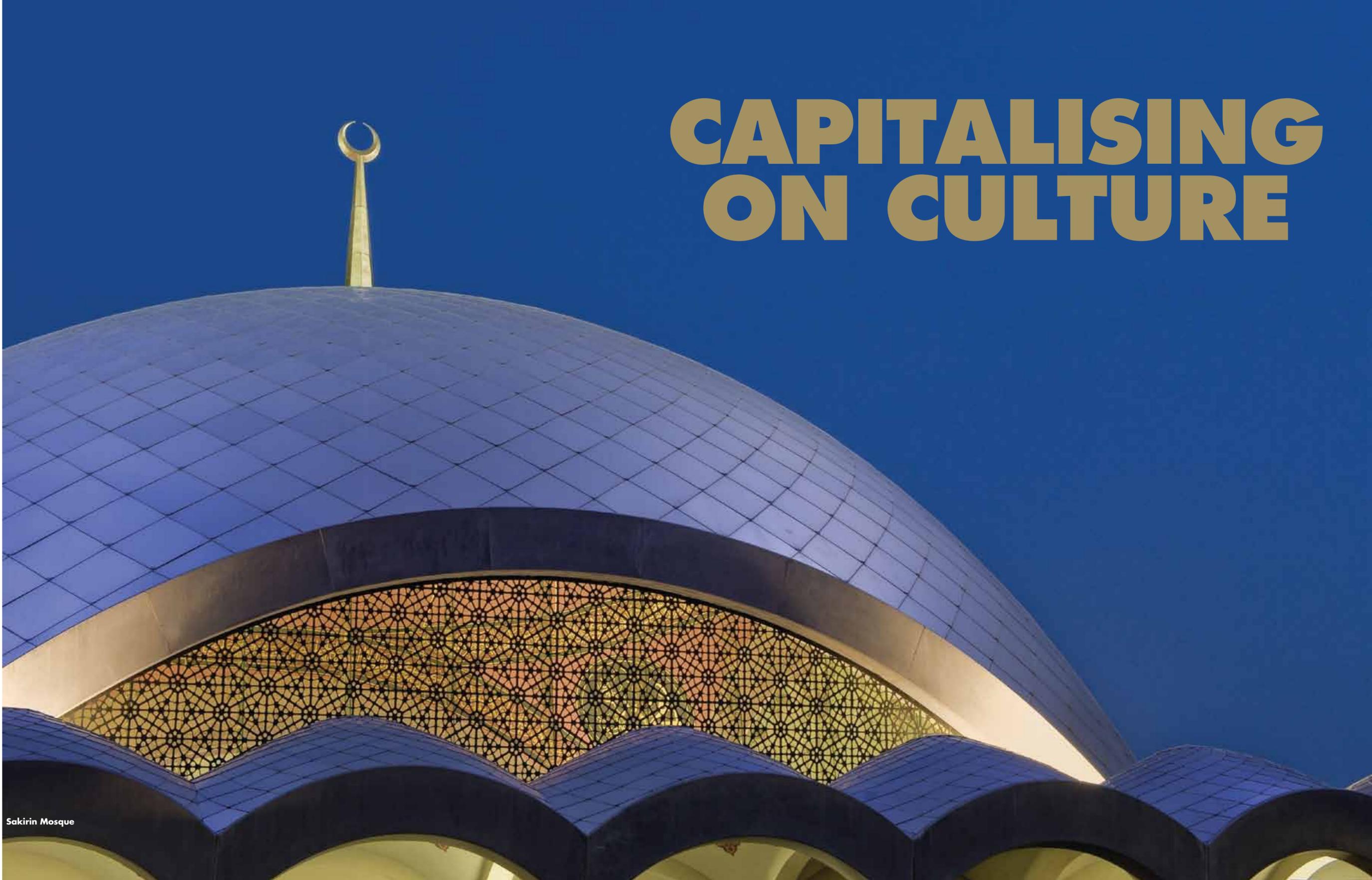
**WITH** a history that is thought to span four millennia, the cultural roots of Istanbul run deep, however, the city has more to offer than ancient landmarks as the Blue Mosque, Topkapi Palace, the Hagia Sophia and Basilica Cistern – though these are among the must-see historical sites. Istanbul today is a dynamic city that combines some of the world's best contemporary entertainment, hotels and restaurants with a deep respect for all that has passed before and this is reflected in the extensive year-round calendar of events celebrating its year as a 2010 European Capital of Culture.

Events have been scheduled to appeal to a wide array of interests from ballet to the FIBA World Championship, Formula One to Rhianna, Istanbul Cup to photography – all in an effort to entice tourists as well as locals to learn about and enjoy all that Istanbul has to offer. In preparation, the city made major renovations to landmark attractions such as the Topkapi Palace museum and Hagia Sophia, refurbished the Atatürk Culture Center, and opened the Maslak Cultural Centre, a new venue for the performing arts, and a Frank Gehry-designed opera house. Glass “Open Boxes” are in various locations throughout the city distributing weekly programmes of current happenings, as well as ticket and souvenir sales to provide easy access to the cultural activities.

The first W Hotel, a US brand that is part of the Starwood family, is an excellent example of how different centuries and cultures can merge into a 21st century statement. Originally built in the 1870s as living quarters for officers of the Dolmabahçe Palace, the Akaretler Row Houses in the Besiktas section of the city had fallen into disrepair. Keeping only the façade, the inside is a symbolic jewel box of a previous time filled with the bling and comfort of today. “We started with how to marry an American with an Ottoman,” says Mahmut Anlar, the hotel's designer. “Our expressions were Ottoman and we combined it with the contemporary,” resulting in a fashionable hotel with private terraces and balconies loaded with lounges and cushions for enjoying the slower pace of days gone by.

Just around the corner from the entrance marked with a large W is Joke Perestroika, a popular restaurant with a sense of humour. One of three “Jokes” owned Izzet Capa, this one has a Russian theme with an army tank in the garden where white-coated “doctors” distribute “Medicinal” drinks in test tubes and beakers. It is the food – an extensive offering that

# CAPITALISING ON CULTURE



Sakirin Mosque



1. Zeynep Fadilloğlu
2. Radisson Blu Bosphorus Hotel
3. Sumahan Hotel

#### Next page

1. Vakko Couture
2. W Hotel
3. V2K: Nisantasi for fashion forward, international designer pieces
4. Istanbul Modern

## A city with a past

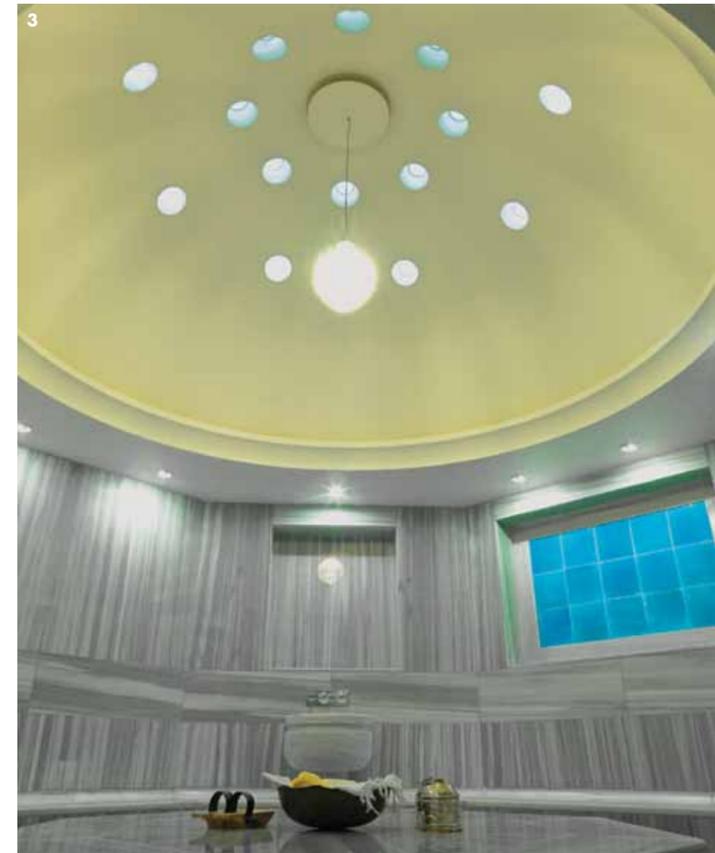
According to legend, in the seventh century the oracle of Delphi instructed Greek King Byzas to settle across from the "land of the blind ones." The king concluded that the earlier settlers must have lost their sight to have overlooked the superb location at the mouth of the Bosphorus strait and establish Byzantium, the first lasting settlement. It was later renamed Constantinople under Christian rule and became Istanbul when Sultan Mehmet and the Ottoman Turks conquered the city. Located in both Europe and Asia, Istanbul is a rich amalgamation of all the peoples who have settled here, as can be seen in the vast array of historical mosques, palaces and museums throughout the city.

includes goat cheese baklava, barbecued eggplant risotto, Iskender kebab salad and other combinations that are as tasty as their names are satirical – that brings Istanbul's elite back.

On the water's edge of the Bosphorus on the quieter Asian side of the city, where Odysseus and Jason and his Argonauts sailed, as did Soviet submarines in a later era, is the Sumahan Hotel. The mid-nineteenth century structure, originally built as a fig distillery, has been transformed by its Turkish-American architect/owners into a spectacular family heirloom. Stone walls from the original structure provide a sense of history and place while the glass elevator and custom-designed furnishings provide 21st century comfort. The spectacular views of the Bosphorus from every room are matched only by the warm Turkish hospitality.

While on the Asian side, before taking the Sumahan's private launch back to Europe, be sure to visit the Sakirin Mosque, the first mosque to be designed by a woman. "We tried to keep it subtle and elegant, reflecting our times for the next generation," says Zeynep Fadilloğlu, who combined traditional Ottoman elements important to Islamic worship within a contemporary context. Unlike most mosques based on the Ottoman period, this one incorporates views of nature, an important element in Islam, into the design.

Shopping venues include the Grand Bazaar, which became the precursor of the modern-day covered mall in the mid 1400s when Sultan Mehmed the Conqueror constructed two vaults over an existing labyrinth of stalls. The Grand Bazaar today, with 58 streets and over 4,000 shops, offers everything from tourist kitsch and T-shirts to exquisite hand knotted rugs, authentic antiques, and exquisite examples of Turkish textiles, ceramics, jewellery and fashions. The quarter of a million plus visitors everyday are a mixture of locals doing their daily errands and curious tourists.





1



2



3



4

The upscale Istinye Park Centre features over 300 local and international stores in a contemporary version of a traditional town square with a glass-roofed retail area. In addition to international brands as Louis Vuitton, Prada, Celine and Fendi are such prestigious Turkish names as Beyman and Vakko. Vakko was the first Turkish design brand to expand into fine chocolates and has recently added a couture wedding line and the Vakko Ottoman Collection, a revitalization of 700 year old Ottoman decorations for contemporary interiors.

**AMONG THE** interiors in the Vakko portfolio is the Vakko Suite designed by Serdar Gulgun for the Radisson Blu Hotel. Spacious and comfortable, the suggestion of exotic Ottoman lore gives a sense of place to the character of the suite that overlooks the Bosphorus Bridge and the imperial Ortakoy Mosque. Situated on the Bosphorus with a summer

terrace for outdoor dining on the water's edge, the hotel also has a private event venue on an upper floor, also with spectacular views of the water and the Asian side of the city.

Along the Bosphorus, near where the cruise ships dock, is the Istanbul Modern, which was revitalised into a contemporary art museum five years ago. As part of its Capital of Culture celebration, it is exhibiting a look at the evolution of modern and contemporary arts in Turkey in New Works, New Horizons. To emphasise that art is a part of life, the exhibition will include tents that relate the works with the social, cultural, economic and political aspects of the historical context.

With a plethora of events to attract an estimated 10 million tourists and a 20 per cent increase in hotel occupancy, an abundance of restaurants, shopping venues, contemporary cultural and historical monuments and sites, Istanbul is a vibrant city with deep roots and an eye to the future.



**Does culture pay?**

Prior to 2008, Liverpool was considered a working class city best known for its football team and the Beatles, but after its year as a European Capital of Culture, its image has been transformed according to a just-released analysis by the University of Liverpool of the social, cultural, economic impacts of its year in the limelight.

"The city has undergone a remarkable image renaissance locally, nationally and internationally," according to Dr. Beatriz Garcia, director of the accessment project, by presenting, " a richer picture of Liverpool as a contemporary, multi-faceted city with a vibrant cultural life that reaches far beyond that of football and music." The designation inspired an additional 9.7 million visits to the city, generating a direct spend of £753.8 million, while providing an invaluable platform for showcasing a new, dynamic vision of the Liverpool on the world stage.

Unfortunately, Vilnius, Lithuania's experience in 2009, was completely different – perhaps from the global economic crisis the kept travelers closer to home, or perhaps from newspapers blazoned with headlines shouting embezzlement and waste, increased value added taxes and the collapse of the national airline, flyLAL.

Of the cities having received the title of European Capital of Culture between 1995 and 2004, 80 per cent considered the designation the most valuable cultural event their city had experienced, contributing to the stimulation of local development.

The title of European capital of culture creates wealth and jobs directly and indirectly in the cities concerned," said the European Commission President, José Barroso.



**WIN A TWO-NIGHT STAY AT THE CAPRI PALACE HOTEL**

**SURROUNDED** by the Tyrrhenian Sea, the Italian island of Capri has long been renowned as a source of inspiration for creative spirits.

Those who have been inspired by the island's natural beauty and serenity include Axel Munthe, Ernest Hemmingway, John Sargent Singer, Claude Debussy, Somerset Maugham, Maria Callas, Jacqueline Kennedy, Aristotle Onassis and Maxim Gorky among others.

Today Capri is a retreat favoured by high profile personalities from world leaders to industrialists and entrepreneurs while remaining a holiday haute spot for celebrities.

Nestled at the foot of Monte Salaro the Capri Palace has created a classic palazzo caprese, located in exclusive Anacapri.

The Hotel's award-winning spa features innovative treatments while the L'Olivo Mediterranean restaurant is the only one on the island to have been awarded two Michelin Stars.

Revive your creativity with a two-day stay at the luxurious Capri Palace Hotel including a therapeutic treatment.

To enter the competition visit [motivatepublishing.com/competitions](http://motivatepublishing.com/competitions) and answer the question below before August 10, 2010.

**GRAHAM ON CAPRI: A MEMOIR WAS WRITTEN BY:**

- A)** Graham Greene
- B)** Shirley Hazzard
- C)** Axel Munthe
- D)** Ernest Hemmingway

CAPRI PALACE Hotel & Spa



A member of *TheLeadingSmallHotels of the World*

Terms and Conditions apply:  
 One winner from the correct entries will receive:  
 Two-nights accommodation, double occupancy, inc breakfast + one spa treatment per person. Subject to availability, Visa and all travel arrangements are responsibility and at cost of the winner. Employees of Motivate Publishing and SAGIA are illegible to enter. Prize is non transferable.



# CARRY-ON INVESTMENTS

'MONEY, TICKETS, PASSPORT' WAS THE TRADITIONAL TRAVEL MANTRA, BUT AS BANKCARDS REPLACE CURRENCY AND BOARDING CARDS ARE SORTED OUT ONLINE, WHAT DOES TODAY'S HIGHFLYING HOLDALL CARRY?

WRITTEN BY ASHLEE BEARD

## AVIATION

sounded the death knell for the golden age of travel, when sturdy trunks and valets filled to capacity with seasonal travel wardrobes and personal effects were hauled onto great cruise ships for lengthy sojourns. Even so, aeroplanes gave us the freedom to discover far-flung corners of the world in record times and further broke down trade boundaries, but curtailed travel duration also meant streamlined packing.

Parisian malletiers Louis Vuitton and Goyard's ever-so-stylish travel trunks may reign supreme in the glamour stakes, but to describe them as cumbersome is an understatement and negligent handling of baggage has inspired a new breed of "cabin travellers" – frequent flyers who dare not entrust their possessions, or their designer cases, to the baggage hold. **Goyard's Boeing holdall** is a lightweight, yet sturdy alternative to its more hefty predecessors.

**Tumi's Alpha**, a 22-inch lightweight carry on with wheels that is made of "indestructible" ballistic nylon, comes in 10 new vibrant colours, boasting decorative attributes in addition to its reputation for quality and

functionality. This season, Longchamp launched its debut line of hard shell luggage, **Boxford+**, which features a canvas-like weave print on a lightweight and ultra durable polycarbonate and ABS shell, mirroring the classic canvas Boxford bag. Handcrafted bespoke cases from Williams British Handmade answer the call for the beauty of the old world treasure chests, but in models and dimensions that conform with the demand for quality with a unique edge from today's savvy traveller.

Fitting one's essentials for a weekend into a 55cm x 38cm carry-on is an impressive feat, particularly when taking the office with you, however, smaller and smarter technology now allows us to travel lighter. The biggest launch this season is **Apple's iPad**, a 9.7 LED-backlit pad, just 0.5 inches thick and weighing only 0.68 kilogrammes – thinner and lighter than any laptop or netbook. The iPad allows users to browse the web, send emails, watch videos, photos or enjoy a good book on the go on a decent sized screen, rather than trying to decipher the minute text within emails displayed on the scaled down screen of its iconic sibling, the iPhone, or on a BlackBerry. And if you have a passion for all things bling,

Marrying traditional hand crafting techniques with fashion, Williams British Handmade's luggage collection, designed by Sarah Jane Williams, bring style to the boardroom



Apple's latest travel companion, the multi-functional iPad. Mervis Diamond Importers' diamond encrusted iPad may attract envious looks in airport business lounges



Calvin Klein's USB glasses bring out the Bond in us all



Goyard's lightweight yet ultra sturdy Boeing holdall, decorated in the brand's signature monogramme



Business class: summer suiting from Ermenegildo Zegna's E Zegna collection



Go for corporate glamour with Jil Sander's summer catwalk collection



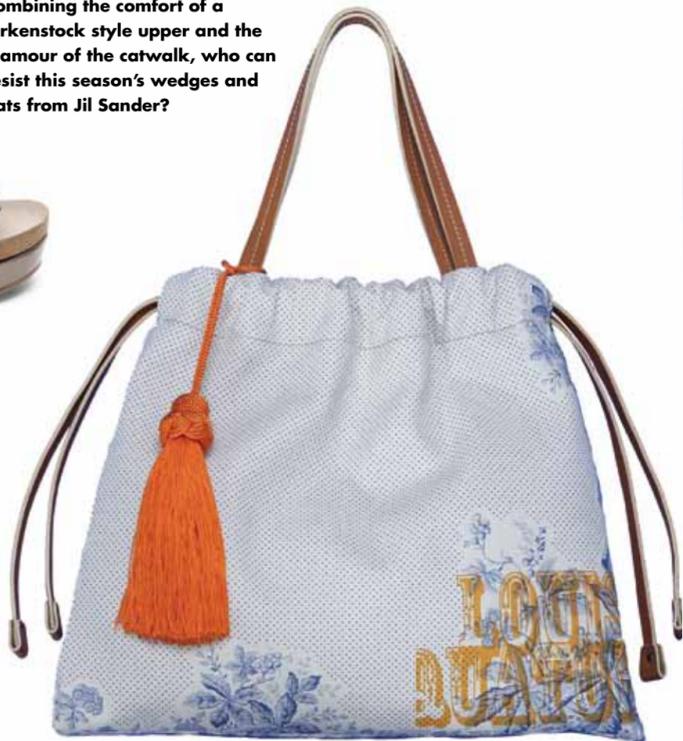
For Sony, the aim of the Eco Edition Sony VAIO W series is to reduce the environmental impact, from production to end user

Leica's X1 combines digital technology with the power of an SLR and a Leica 24mm f/2.8 lens to create the ideal travel companion



Combining the comfort of a Birkenstock style upper and the glamour of the catwalk, who can resist this season's wedges and flats from Jil Sander?

Ormonde-Jayne's divine scents are now available in a set four 10ml vials, which are ideal for slipping into a purse or overnight bag



Stay firmly fixed on the fashion radar with Bell & Ross's limited edition BR01-92 wristwatch



Create your own unique aviaional space with Cirrus X1's bespoke interior and exterior decorative design package

check out **Mervis Diamond's encrusted iPad**, which is covered in no less than 11.43 carats of diamonds, although getting it through customs may be an interesting exercise.

If the staff at international First Class lounges know you better than your work colleagues, it's time to consider your carbon footprint. While many airlines now offer carbon offset schemes, allowing passengers to contribute to environmentally conscious causes, electronics manufacturers also offer green friendly, low impact products. Sony's new **VAIO W Series Eco Edition PC** boasts a 10 per cent reduction in CO<sub>2</sub> emissions during production compared to previous W Series models, recycled materials used in almost 80 per cent of all its plastic parts, as well as an Intel Atom processor, which reduces power consumption (allowing users to remain unplugged for up to 8.5 hours).

The choice of travel inspired gadgetry on offer lays testament to the impact of Ian Fleming's secret agent James Bond. Take Calvin Klein's espionage inspired **USB glasses**, which conceal a 4GB USB flash drive within the right temple of the frame that connects directly to your computer, or **Bell & Ross's** limited edition **BR01-92 Radar** watch, which resembles the navigational radar on an aircraft panel. OK, so it won't allow you to steer your plane to safety during an emergency... but we can dream.

At this year's Baselworld, one of most prestigious fairs dedicated to watches and fine jewellery, **Celsius XVIII** unveiled **Le Dix**, the first mobile phone with an integrated watch movement. Displayed on the outer body of the titanium phone is a tourbillon movement clock, powered by kinetic energy generated with every opening of the clamshell form. Luxury mobile phone maker Vertu opted for a similar form, with the launch of **Constellation Ayxta**, the brand's first fold phone, which it launched late last year. Vertu's talent lies in its unique personalised service and the launch of its latest feature, Vertu Select service: City Brief, a programme announced to coincide with the launch of Constellation Ayxta, doesn't disappoint. Dining recommendations, the latest exhibitions and some all-important tips on local etiquette are the ideal applications to help you blend in with the locals from the moment you touch down. With multi-functionality a pre-requisite of today's mobile phone technology, inbuilt

cameras also come as standard, however, few can match the picture sharp quality of a camera, such as **Leica's** new **X1**, a digital compact camera with the power of an SLR and a smaller, lighter body than the traditional M series.

Packing the perfect wardrobe is truly an art form, but lightweight, easycare fabrics are ideal as they take up little space and are less prone to wrinkling, and make sure that you choose clothes that are comfortable to travel in. **Canali's Kei jacket** combines a tailored shape with the soft construction of a shirt. When it comes to packing shoes, three pairs should cover any trip: a pair for daytime business meetings, a change of shoes for evening engagements and a further pair to wear during the journey. **Jill Sander's Birkenstock**-style cork padded wedges (also available in flats) responds to the eternal female dilemma – comfort or style? For men, **Lacoste's Rodez** loafers are smart enough to match with casual business attire.

Fashion has infiltrated every area of our lives, from the homes we live in and the drinks we have through to the transport we take. Last year, Falcon Aviation Services in Abu Dhabi took delivery of the first Hermès helicopter – **P'Hélicoptère par Hermès**, which features Hermès classic canvas Toile H in the cockpit and supersoft calf skin upholstered seats. The concept of taking fashion beyond the wardrobe has proved so successful that the French fashion house recently created a partnership with Wally, Italy's leading boat manufacturer, to create world class crafts that compromise on neither style nor performance.

For something a little more personal, how about designing your own plane? As branding goes beyond the boardroom, both big corporations and private owners are making their mark in the skies with bespoke designed aircrafts, such as the **Cirrus**. As Leslie Hanna of Cirrus explains: "Our Xi customers are looking for something unique. They want to stand out from the crowd. We have had some who want to match their aircraft to one of their luxury or sports cars. We certainly expect to see some of our Xi customers use this for company branding and have incorporated some great ideas for adding a logo or insignia into the aircraft design."

If then, as the old adage states, life is about the journey, rather than the destination, then isn't it better to do it in style? **✈**

# EDUCATION ON THE EDGE

SAUDI ARABIA'S FIRST CO-ED UNIVERSITY ALSO EARNS EXTRA CREDIT FOR SETTING A NEW WORLDWIDE STANDARD FOR ITS SUSTAINABLE DESIGN AND CUTTING-EDGE RESEARCH PROGRAMMES.

WRITTEN BY LISA VINCENTI  
ARCHITECTURAL PHOTOGRAPHS BY JB PICOULET

**THE** newly opened King Abdullah University of Science and Technology (KAUST) is a post graduate institution that focuses on interdisciplinary research where academicians and researchers work closely with private corporations to create solutions to current and future problems.

But perhaps of an even greater importance than its academic programmes and forward-reaching research is that this is a Western-style, co-ed university, the first in the country. All classes are taught in English and the diverse, international student body of 400 includes 15 per cent women who study and interact freely with their male cohorts.

In a nation, where men and women are normally segregated, female inclusion marks an effort to grow the country's intellectual capital. This followed closely on the heels of the appointment last year of Nora bint Abdullah al-Fayez as Deputy Minister of Education, the first female minister of the nation. At the time she commented, "This honour is not only for me, but for all Saudi women".

As the world's tenth-wealthiest university this US\$7 billion state-of-the-art campus represents a nation-changing architectural feat that pairs cutting-edge sustainability with traditional architectural features.

The sprawling 36 square-kilometre campus includes not only the university but also a commercial centre, designed to be the heart of community life, which features a theatre, public library, and other recreational amenities. A grand plaza was designed to link the university with the commercial centre, which is characterized by a pedestrian-scale environment. An interlaced series of plazas, walkways, walkable connector streets, open spaces and bridges provide access to dining, retail, student housing and residential neighbourhoods with more than 2,800 units. In fact, the campus is compressed as much as possible to minimize



Library lounge

## EDUCATION

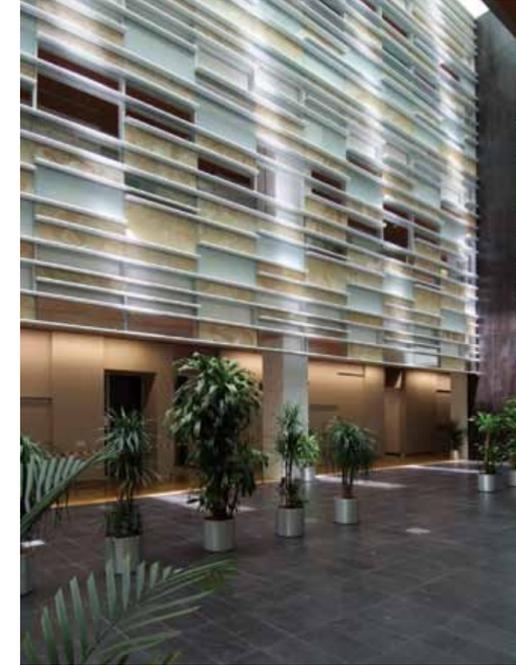


**1. Architect Bill Odell, Director of HOK's Science & Technology Group**  
**2. Professor Choon Fong Shih, President of KAUST**  
**3. Sunlight shines through perforated roof**

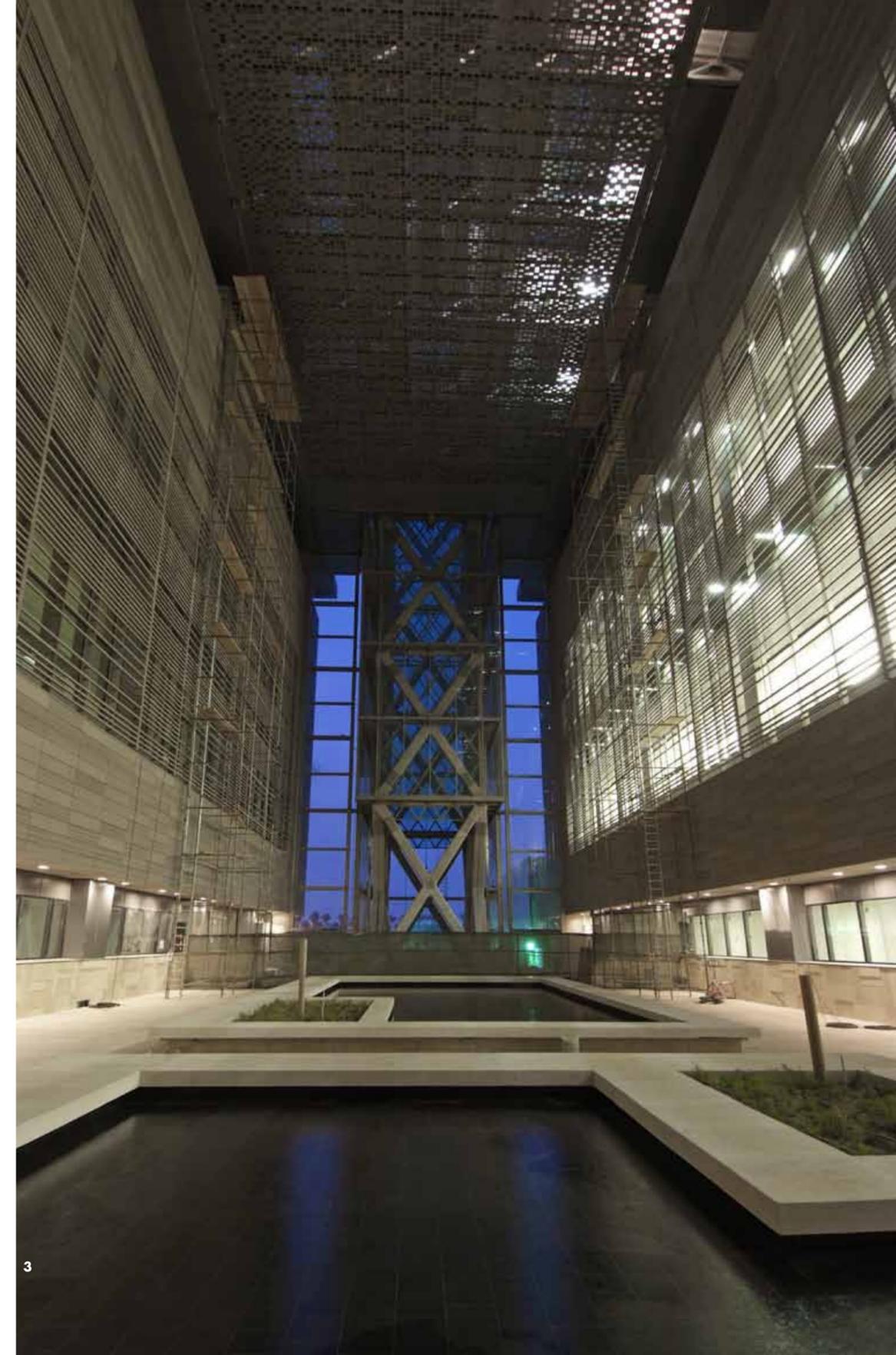


annual energy cost savings and 7.8 per cent on-site renewable energy; and 20 per cent of materials used were of recycled content, 38 per cent materials sourced regionally, and 99 per cent of the wood used from carefully-harvested Forest Stewardship Council sources. There is also a comprehensive transportation system, which includes bicycles, Segways, community-shared electric vehicles, and buses.

The university, which boasts cutting-edge technology, with hardware worth around US\$1.5 billion, and boasts the world's fastest supercomputer and a fully immersive, six-sided virtual reality facility, has partnered with



**1. Shaded areas**  
**2. Covered patio**  
**3. Communal spaces are designed to foster creativity**



sun exposure and to reduce outdoor walking distances. The Bedouin tent inspired a monumental roof system, which includes solar panels as it spans building masses to block sun on facades and pedestrian walkways. The effect is definitely modern, yet incorporates the architectural heritage of the region.

"The buildings have been designed to be very low energy and one of the things that we did harkens back to some of the traditional solutions in the Mideast, which is buildings that are very close together ... that screen the sun from the outside," says Bill Odell, one of the two principal HOK designers of KAUST.

HOK managed to earn architectural kudos around the world by developing not only Saudi Arabia's first internationally recognized LEED green certified project but, in addition, the world's largest LEED new construction Platinum project, the highest possible rating. Furthermore, in 2010, it was named one of the "Top Ten Green Projects" by the American Institute of Architect.

Specific green features of the KAUST campus include 100 per cent wastewater reuse and 42 per cent water reduction; a 27.1 per cent



the United States-based University of California, Berkeley, to develop its curriculum, nominate the founding faculty and collaborate on research. “KAUST’s decision to enter into an academic alliance with the UC Berkeley is based on its pre-eminent global reputation, built on the long-time scientific achievements of its faculty,” said Nadhmi Al-Nasr, KAUST’s interim president, when the collaboration was first announced. “UC Berkeley will provide KAUST not only with the practical tools to build the new University’s intellectual capital, but it is also a model of the sort of research university KAUST aspires to be.”

So while the opening of KAUST was applauded by architects and environmentalists, it also captured the attention of other civic-minded citizens. For starters, KAUST symbolizes Saudi Arabia’s efforts to reform its higher education system. King Abdullah, during the inauguration of KAUST, explained that he envisaged it as a reborn Bayt al-Hikma, or House of Wisdom. The original House of Wisdom, a library and

translation institute, was founded in Baghdad around 760 CE, the 2nd century of the Muslim era, and that became a major intellectual centre during the Islamic Golden Age. It was where the Arabs incorporated Greek, Indian and other foreign knowledge into Islam and conceived much of modern mathematics, astronomy, medicine, chemistry, zoology, and geography. In fact, it made Islamic civilization the global leader in science and technology. KAUST is meant to be centre of a renaissance that is designed to shift Saudi’s strict economic dependence away from petrodollars and toward a knowledge-based society, and one that is instrumental in developing alternative sources of energy.

The university’s new president Professor Choon Fong Shih described it as the opportunity of a generation. “We give our academics the full freedom to pursue exceptional science. We fund them to work together in groups - men and women – to work on big ideas that will make a big impact.”

**1. Water plays an important role in the university design**



The cone-shaped library is the centre piece of the just opened Central Los Angeles High School for the Visual and Performing Arts, which has won the MCA President’s Award for Overall Excellence. The Los Angeles Unified School District wanted a campus that would reflect the creativity of the students through the architecture, designed by Coop Himmelb(l)au.

JANE BARDEN

**GOOGLED**

**Ken Auletta**  
The Penguin Press

We no longer do research using just books, instead we google the topic and within nanoseconds vast stores of information pop up on our computer screen. The internet made information available, but engineers at Google made it freely accessible through its innovative search engines. Given unprecedented access to the inner workings of the company founded by Larry Page and Sergey Brin, the author unveils the philosophies and challenges it faces and future possibilities. With the capability to provide all types of media content at no cost and its revenues account for almost half of all online advertising dollars, Google claims to be a partner to traditional media, rather than a competitor.



**THE 100 BEST BUSINESS BOOKS OF ALL TIME**

**Jack Covert, Todd Sattersten**  
Portfolio/Penguin Books

Because 11,000 business books are published each year in the United States alone, Jack Covert and Todd Sattersten have made it their mission to act as a filter to determine the best. This book is a compilation of reviews of their 100 favourites of all time, divided into 12 categories such as leadership, strategy, sales and marketing, innovation and creativity. The list includes classics like *The Tipping Point* and a few surprises, such as *Dr Seuss’ Oh, the Places You’ll Go*. Major points are highlighted in each review and additional reading in the same vein is also suggested.



**WHAT WORKS**  
**Hamish McRae**  
Harper Press

The author, an award-winning economic commentator and journalist, examines 20 examples of success to discover the secrets of the world’s best organisations and communities, spanning the globe from the slums of Mumbai, which are surprisingly well-ordered, to the Canadian ski resort of Whistler. For each example McRae examines the background, the problems and the lessons to be learnt, which he then compiles and summarises into 10 Lessons. These include: Become a true magnet for talent; Be as sensitive to success as you are to failure; Temper excellence with decency; and Balance optimism with realism – pessimism paralyses.



**SIX PIXELS OF SEPARATION**  
**Mitch Joel**  
Business Plus

Moving beyond the idea of six degrees of separation, Mitch Joel, an award-winning New Media marketer/author, operates on the premise that technology has connected everyone to each other, so everyone can be connected to your business, reducing the separation to a matter of pixels rather than degrees. Therefore, in today’s marketplace it is vital to be visible and connected in order to succeed. How to develop strategies to harness the capabilities of New Media and use them to effectively communicate your message and build your brand is the purpose of this book, which is done with the aid of case studies, strategic tactics, tools and innovative insights.



# PREPARE FOR TAKE OFF

WRITTEN BY STEVE HILL

THE FUTURE OF LUXURY TRAVEL MAY VERY WELL BE A LEISURELY CRUISE ABOVE THE CLOUDS IN THE SILENT SERENITY OF AN ECO-FRIENDLY AIRSHIP.

**IT'S BEEN** described as “a clipper in the clouds” and “a hotel in the sky”, although the most striking name for Seymourpowell’s visionary transportation concept is the Aircruise – a giant, vertical airship powered by natural energy that carries travellers in luxurious surroundings.

The London-based design and innovation group’s thinking captured the imagination of Samsung Construction & Trading, which appointed Seymourpowell to produce a detailed computer animation of a vessel that could feature four duplex apartments, a penthouse and five smaller apartments.

The 265-metre tall Aircruise is lifted by hydrogen and powered by solar energy and would be capable of a cruising speed – without tail or headwind – of between 100kph and 150kph, equating to travel times that compare to the 37 hours it currently takes to cruise from London to New York.

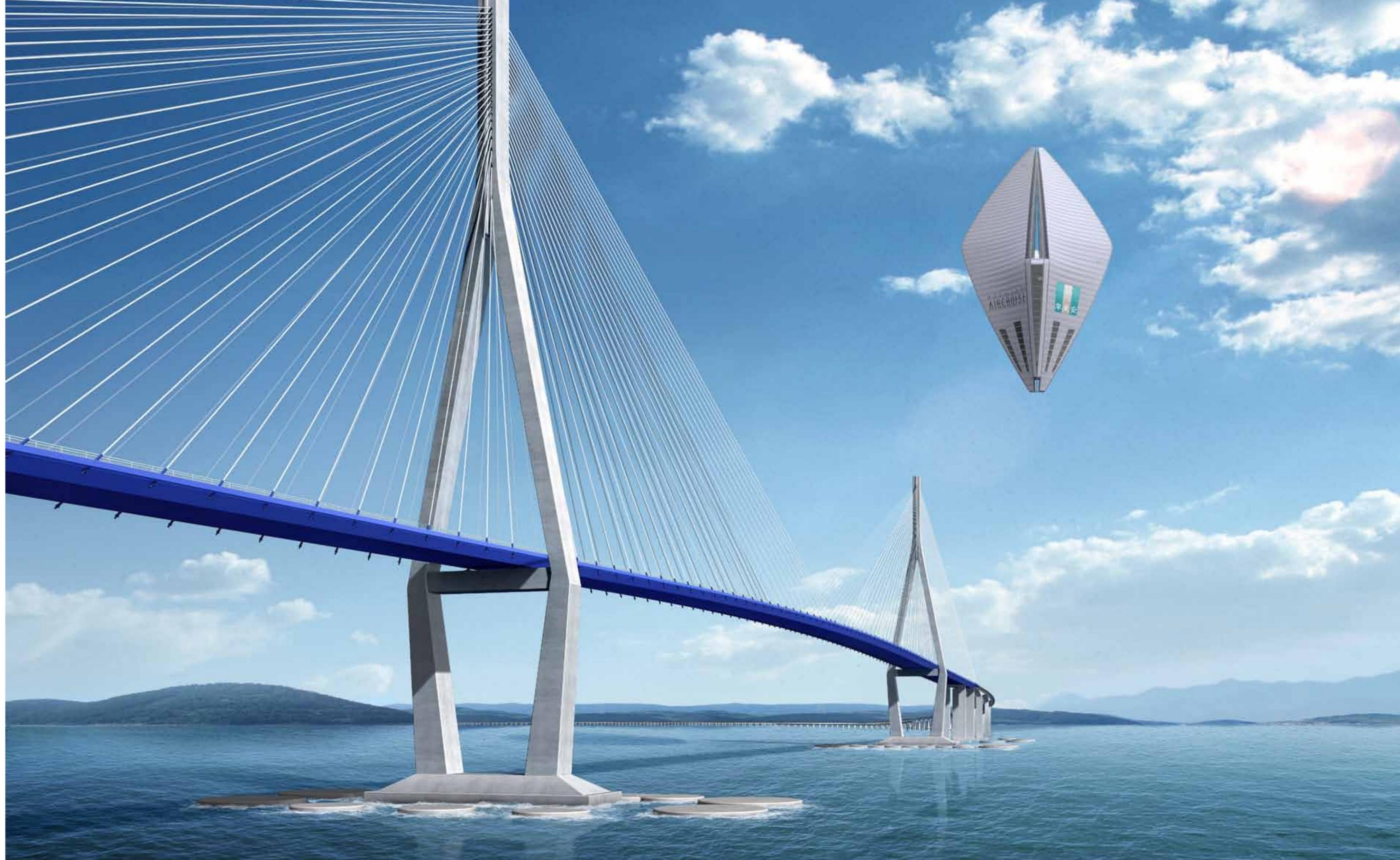
It is anticipated that a flight crew of six would include two flight engineers, while 14 support staff would look after guest passengers on trips that would put a high value on the journey itself.

“The Aircruise concept questions whether the future of luxury travel should be based around space-constrained, resource hungry and all too often stressful airline travel,” says Nick Talbot, design director at Seymourpowell. “A more serene transport experience will appeal to people looking for a more reflective journey, where the experience of travel itself is more important than getting from A to B quickly.

“It’s a world cruise not limited to the ocean, offering instead the dream-like quality and absolute freedom of flight. Passengers can choose to dine thousands of feet above a city, or take in the view while moving through the air over the ocean or a national landmark.”

Airships have attracted renewed interest because of recent advances in materials, structures and clean propulsion technologies. Lightweight semi-flexible structures can now be built on large scales, as the designs for the Aircruise demonstrate, while its modular self-sealing lifting bags minimise any risk of ruptures and advanced weather radar and weather prediction systems allow the ship to skirt around major meteorological problems.

Silent, pollution-free journeys are promised as passengers prepare to go up, up and away in unique style. 





**THE** first woman to be both Finance Minister and Foreign Minister of Nigeria, Dr Ngozi Okonjo-Iweala uses her position with the World Bank to advocate for developing countries. “When I became Finance Minister [of Nigeria] they called me ‘Okonjo-Wahala’ or ‘Trouble Woman,’” says Okonjo-Iweala, who has held the position of managing director of the World Bank since 2007. She earned the moniker because of her relentless efforts to clean up corruption in her native country, making her unpopular with some powerful figures. “But I don’t care what names they call me. I’m a fighter. I’m very focused on what I’m doing and relentless in what I want to achieve, almost to a fault.

## NGOZI OKONJO-IWEALA

DR NGOZI OKONJO-IWEALA HAS TIRELESSLY BATTLED CORRUPTION TO CHAMPION THE CAUSES OF THIRD WORLD AND DEVELOPING NATIONS.

WRITTEN BY DOROTHY WALDMAN

“When I see vested interests still trying to undermine me, I know it means I’m successful,” she continues. “When I manage to convince one person to change, I think this is why I’m here. The ability to change things is a powerful incentive.”

The Harvard and MIT educated economist, who spent more than 20 years at the World Bank prior to holding official positions in Nigeria and then returning to the bank in her current position, has been named as one of the World’s Heroes by *Time* magazine and one of *Forbes’* 100 Most Powerful Women.

Okonjo-Iweala is intent on making a difference by serving as an advocate for Third World and developing countries to fight poverty and promote development, having also established a private equity fund designed to invest in women-owned and influenced enterprises in Africa. “The key question to a developing country is, what are the key reforms that you want to do? And African countries, for instance, are taking a much more proactive role in their own economic development and their own destiny,” she says. ■