

Khaled el Sherbini

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Interview transcript

My interviewee is Farouq Shams, an AUC graduate of 2011 majoring in CMA.

Me: hi this is Khaled Amin and I will discuss with my interviewee the issue of the American and the Chinese products in the Middle Eastern region.

Question: hi Mr. Farouq; in your perspective who has the biggest market in the Middle East, the American or the Chinese? why?

Answer: good evening Khaled and thank you. First of all of course until now the U.S has the bigger stake or the bigger market in the Middle Eastern region because of the American dominance over Arab countries.

Question: what do you mean by the American dominance over the Arab countries?

Answer: well because most of the Arab states rely heavily on the U.S military support in form of equipment, training and so on. So these Gulf States buy such services and weaponry from the U.S with very high prices indeed. But the United States gives them that military support as a perk in return for the American oil companies dominance over Arab and gulf countries natural resources. Of course most famous is the oil business in Gulf States and the relationship between American energy companies and Arab natural resources and oil. They extracted from the land, ship it back to the U.S for refinement and then its shipped back to these states in form of consumer products; petrol, diesel, lubricant oil and marine oil so it's used in various services and usage.

Question: in a country like Egypt, do you think that is it possible that in the near future the Chinese product will take over the market will take over the market because of its cheap prices?

Answer: yea definitely of course, it's already starting to take a significant portion of the market in many sectors, but to fully understand this matter we have to understand the nature of both Chinese and American products. The Chinese follow the quantitative principle while the American follow the qualitative one.

Question: do you mean that the American product is better than the Chinese one?

Answer: yes of course but this is only because the U.S has about 95% of the worlds RND (research and development) to date still done in the U.S. so the united states dominate the global and the middle eastern market because of its knowhow, While china dominates less complex consumer products. But of course as I said before, American products has high quality but of course they're higher in price. But the Chinese products which they maybe in lower quality or lower technological implication or how you say older generation is sold for less prices, so each one has its own market and each one has its own marketing capability and benefits.

Question: so you think that the low prices are why Chinese are taking over the market here in Egypt?

Answer: definitely because they can produce any product in mass numbers with a very low cost and the united states cannot compete with something like that. And this is why president Obama has been pressuring the Chinese government to increase the Chinese currency in comparison to the USD because the U.S government claims that the Chinese government is deliberately how you say selling or maintaining the currency at a lower value than its original value so that they can flood the market with very cheap products all around the world/

Question: Mr. Farouk by owning a private business of both American and Chinese electronic devices products, how do you see the future of such segments in the Egyptian economy?\

Answer: well in sectors of light devices such as laptops, television and mobile phones and so on; Chinese possess control because as we said before these products do not require large level of technology or industrial capability and so on. But of course more complex devices such as communication systems, servers and satellites, anything that requires high tech is dominated by the U.S to date.

Question: did the revolution affect your business? And how it does?

Answer: yea of course it affected my business, I don't think that there is any country in the arab world that experienced revolution and was not affected by that of course because any revolution would cause several impacts or problems. Most notable of which based on if you have political instability, that causes social instability and economic hardship and of course security instability. And this effects heavily on the market, as there are almost neither foreign investments nor domestic so people living in that country who have experienced some or heavy financial breakdowns, don't have the luxury to how you say buy new products or put money in the market. So it's definitely taking it all on the country.

Question: so the lack of security is one of the main reasons why people are afraid to invest their money in the market right now?

Answer: yes of course, building an economy is like building a pyramid, security is the base or the foundation in which this economy will arise. So we have to have this in order to have a modern stable economy.

Question: as we're speaking of the lack of security, what do you think of the football match between al Masry and al Ahly club?

Answer: no comment.

Question: do you take it personally? How do you see it as an Egyptian citizen?

Answer: it's definitely shameful, but there's lots of unanswered questions regarding that incident, more than 70 people lost their lives in that football match, it was disgraceful and the thing is that this is not the normal Egypt. This is not Egypt at all we've been having football since the early 1900's we've been having football for over a hundred years but never had these such sources of incidents and death tolls.

Yes it's shameful but at the same time I don't think it's normal. So I hope that one day in the near present we can find the answer were looking for.

Question: do you think that by having a new president in Egypt will stabilize all the lack of security and the instability that is going on in the country somehow?

Answer: of course having a president is the first step to doing so. Only if we had the right president; if he's not a left wing if he's not a right wing. Some might say he is an American puppet, some might say he's a Muslim brotherhood puppet. So the Egyptian people I don't think will fully appreciate the next elected president until they really see his actions of implementing new plans and policies take place.

Question: how much time will you give him until he proves that he's an effective president that will cause positive change to the country.

Answer: well I think that we will have this answer at the very first month of his election, because in such hardship time and eventful incidents taking place over the arab world specially Egypt, we need a bold man who has a vision to take this country from the part in which it is today and take it to a better future. And of course to do this you need boldness and bravery, you need to have a saying in any matter, and to stand firm by your ground and never to be shaken by other peoples doubts so we need a strong president with a strong personality and charisma, we need a president with the ability to inspire the people and leading them. We need a father figure.

Me: we all hope so, Mr. Farouk thank you for your time and thank you for your answers.

Mr. Farouk: Thank you Mr. Khaled.