



# Economic Development, Diversification, and the Role of the State

A High-Level Conference by the International Monetary Fund and the Ministry of Finance of Kuwait

April 30, 2014

8:30am – 9:00am

Opening Remarks  
Min Zhu, Deputy Managing Director (IMF)  
H.E. Anas Al-Saleh, Minister of Finance of Kuwait  
Open to the media

## *Session 1: Diversification in the GCC Oil Exporters – Past Attempts and Current Endeavors*

Chair: Alfred Kammer, Deputy Director of the Middle East and Central Asia Department (IMF)

9:00am-9:30am

Soaring of the Gulf Falcons: Diversification in the GCC Oil Exporters in Seven Propositions  
Reda Cherif and Fuad Hasanov (IMF)  
The presentation will explore the economic model and performance of the GCC countries, oil exporters' experience and hurdles in diversifying away from oil, the need for the GCC to develop the tradable sector and exports, and elements of a successful strategy.

9:30am-10:00am

Development Strategies in MENA Oil Exporters: The Past and the Present  
Clement Henry, Professor and Chair (American University of Cairo)  
The presentation will discuss the dilemmas of diversification, including the role of the government, in hydrocarbon-based economies, analyzing a spectrum of strategies ranging from Algeria to Dubai, and implications for today's oil exporters.

10:00am-10:30am

Coffee break

10:30am-11:00am

Dubai on the Path of Diversification  
Mohamed Lahouel, Chief Economist (Dubai Department of Economic Development)  
The presentation will provide an in-depth look into Dubai's development model and diversification experience in the tradable sector and non-oil exports and how the government has contributed to it, what succeeded and what failed, and a way forward.

11:00am-11:30am

Social Development in the Gulf States  
Huck-ju Kwon, Professor (Seoul National University and Harvard University, Visiting Scholar)  
The presentation will focus on policies to spur social development in the Gulf states toward creating a more productive labor force, and means and ways to improve citizens' potential through a program such as Korea's Saemaul Undong.

11:30am -12:30pm Panel with session speakers  
 12:30pm-2:00pm Lunch with a speech by Min Zhu

*Session 2: Industry, Education and Finance Policies to Support Diversification*

Chair: Sharmini Coorey, Director of the Institute for Capacity Development (IMF)

2:00pm-2:30pm **Going Beyond Comparative Advantage: How Singapore Made It**  
 Philip Yeo, Chairman (SPRING Singapore, Development Agency of the Government of Singapore)  
 The presentation will discuss from a policymaker's perspective diversification strategies to promote the tradable industries and exports using the development model of Singapore, which strategies succeeded and which failed, the role of the state, and lessons for oil exporters today.

2:30pm-3:00pm **Education and Skills Creation: Lessons for the GCC from International Experience**  
 Philippe Aghion, Professor (Harvard University)  
 The presentation will explore education policies to improve the quality of education to support development in the GCC based on the experience of best performers like Finland, and how countries with low quality education and lack of incentives to study can improve their education system and encourage students to learn and excel.

3:00pm-3:30pm **The Role of Finance in the Diversification of Industrial Base**  
 Iftekhar Hasan, Professor (Fordham University and Central Bank of Finland)  
 The presentation will analyze how diversification is beneficial to economic welfare. Using both global and regional evidence, it will discuss how development banks and other vehicles of financing could support industrialization and risk-taking, and how the government can act as a venture capitalist.

3:30pm-4:00pm Coffee Break

4:00pm-5:00pm Panel with session speakers

7:00pm Dinner

May 1, 2014

*Session 3: Lessons for Diversification from Asia and Latin America*

Chair: Tim Callen, Chief of the GCC Division of the Middle East and Central Asia Department (IMF)

8:30am-9:00am **Malaysia, Oil and Diversification: A View from the Inside**  
 Ahmad Tajuddin, Chairman (UEM Group Berhad and Malaysian Industry-Government Group for High Technology, Malaysia)  
 The presentation will provide a policymaker's view of diversification strategies used to promote the tradable sector and exports in Malaysia, which strategies succeeded and which failed, the role the state played, and lessons for oil exporters.

9:00am-9:30am	<p>Lessons from Korean Industrialization for Oil Exporters Meredith Woo, Professor and Dean (University of Virginia)</p> <p>The presentation will explore specific lessons from the Korean economic development that propelled it to the advanced country status, successful and failed policies and how they were implemented, and the relevance of the Korean experience to today's oil exporters.</p>
9:30am-9:45am	Coffee Break
9:45am-10:15am	<p>Economic Diversification in Latin American Oil and Commodity Producers and Key Lessons Jose Miguel Benavente, Professor (Universidad de Chile and Inter-American Development Bank)</p> <p>The presentation will discuss the past experience at diversification in Latin American oil/mineral exporters contrasting them with agricultural exporters, policies pursued, including macro-fiscal management, and takeaways for oil exporters.</p>
10:15am-10:45am	<p>BNDES: The Role of the Development Bank in Brazil's Industrialization Julio Ramundo, Managing Director (BNDES, Brazilian Development Bank)</p> <p>The presentation will analyze the role of BNDES in Brazil's development, strategies it employed, which worked and which did not, how to continue to provide financial support to firms and when to cut it, how to pick industries and firms to promote tradables and exports, and its perspective on developing multinational corporations.</p>
10:45am-11:00am	Coffee Break
11:00am-12:00pm	Panel with session speakers
<i>Session 4: Closing Discussion</i>	
Moderator: Alfred Kammer, Deputy Director of the Middle East and Central Asia Department (IMF)	
12:00pm-12:45pm	Conversation with H.E. Dr. Muhammad Al Jasser, Minister of Economy and Planning, Saudi Arabia, and Min Zhu, IMF Deputy Managing Director
12:45pm-2:00pm	Lunch

April 30 - May 1, 2014  
Kuwait City, Kuwait

