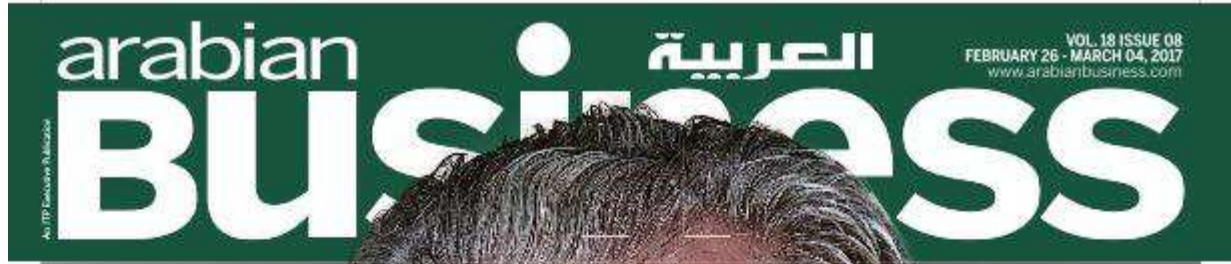


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An interview with Roger Tamraz -- A Man of History

By Anees Dayoub, Editor



For more than two decades, particularly the years between 1965 and 1989 of the last century, Roger Tamraz was one of the most prominent figures in the Lebanese and Middle Eastern economic arenas.

This was particularly true after the collapse of Lebanon's Intra Bank and his assumption of the management of its successor Intra Investment Company, which Tamraz created and then ran as chief executive, a position he was assigned to by former Lebanese president Amin Gemayel.

A controversial personality, Roger Tamraz for decades occupied the headlines of the Lebanese, Middle Eastern and even American television and print news starting in the 1960s. He receded from view more recently, however, and has avoided the political and economic turbulence of Lebanon, concentrating instead on his private oil and banking investments, especially his large oil company Tamoil, which operates throughout Western Europe and the Arab countries.



Mr. Tamraz , who appeared full of energy like a person coming back from the depths of history, was interviewed by “Arabian Business” at its offices in Dubai. Despite the many hypothetical news stories proclaiming his supposed legal problems in more than one place in this world, the fact is that Tamraz is not involved in any such problems anywhere, and travels with complete freedom in all of the world's countries as he cares for his investments.

Tamraz, a Lebanese citizen, was born in Cairo in 1940, where he studied at a renowned private school in the Egyptian capital. He then completed his studies at the American University in Cairo (AUC) and later at Cambridge University in England, where he received his certification. He later continued his studies at the European Institute for Management Sciences (INSEAD) in France. He is fluent in the three main languages of the Middle East: Arabic, English and French.

In 1966 he obtained his Masters of Business Administration Degree (MBA) from Harvard Business School in Boston, and it was there where he got to know many of the people who were later to play major roles in the governments and companies of Europe and other parts of the world.

His first distinguished role was in 1960 when he worked as a key executive and later as Chairman, Kidder Peabody Middle East, with the investment company “Kidder, Peabody” in Wall Street. He was assigned the task of forming and leading a task force to refloat the large Lebanese Intra Bank, which had run into liquidity problems and had closed in late 1966. The Bank had been established in 1951 by Yousef

Beidas, a Palestinian businessman who had later acquired the Lebanese nationality. Intra Bank had established itself as the leading bank in Lebanon and the Middle East, but poor management had eventually caused an acute liquidity shortage its default.



As the Middle East representative of Kidder, Peabody Tamraz laid out a reflation plan under which the creditors received shares in the newly formed Intra Investment Company as compensation for their lost deposits. The Lebanese, Kuwaiti, and Qatari governments (which had lost the most money) were the lead investors in this company, and Kidder Peabody, in the form of Mr. Tamraz, undertook a key consultative role for the board of directors until 1973.

At that time, Tamraz left Intra Bank for larger business opportunities, and pursued investment and banking activities in the Middle East, benefiting from his strong relationships in both Arab and western countries. One of his most successful undertakings in this stage was his 1973 creation and early management of SUMED, a two hundred mile long oil pipeline between the Egyptian city of Suez and the Mediterranean Sea that was built to bypass the Suez Canal, which had been closed since the 1967 Arab-Israeli war. Another major Tamraz project at that time was the building of the world's largest Methanol production plant in the Saudi city of Jubail.

In 1976 Tamraz moved to the United States where he bought a billion-dollar bank in Detroit, Michigan. He managed and expanded the bank's activities until 1983 when

he sold his shares to finance the establishment of Tamoil Refining Company in western Europe. At the same time, Tamraz bought a large hotel group that owned three of the most prestigious hotels in Paris. In 1988, he announced his candidacy for the presidency of the Lebanese Republic on the basis of a "Marshall Plan" approach to rescue Lebanon, but the elections did not take place in that year and Tamraz instead left Lebanon and invested abroad.



Tamraz settled in the former Soviet Republic of Turkmenistan as of 1991 and established extremely strong relations with its president, and with the presidents of neighboring countries. He implemented a number of projects in the financial, oil and construction fields. Additionally, he built strong relations with the neighboring Soviet Republics of Azerbaijan and Georgia.

At the start of our interview, I asked Mr. Tamraz:

You worked in politics and you were a presidential candidate in Lebanon in 1988; what do you have to say about that period?

Regretfully, this mistake was the biggest mistake I had made in my life.... I was still young then, and I thought we would soon reach a peace agreement with the enemy at the time. I had played an earlier role in the peace settlement between Anwar Sadat and Israel, and later between Jordan and Israel. At that time I said: Let's

establish a similar peace arrangement between Lebanon and Israel and thus end the Middle East Crisis. If the Lebanese citizen wants to eat bread, he's got to have a good economy and you will not have one if you have an enemy on your borders. I always told my friends, it is better to have a bad peace than to have a good war, but my mistake was that all of them did not want peace -- many wanted war. I used to ask them, how many wars do you want? And which one is next?

Nobody estimates your fortune and neither do you; why?

It is simply that this issue has no significance at all for me. How will people benefit and what will be my personal benefit from such information? I like doing impossible tasks such as the pipeline I told you about; the project came into existence because the partners wanted it to pass through the Ukraine and this did not happen, so we had to find an alternative, which was a pipeline that passes through Russia and Kazakhstan. For me, this constitutes an intellectual wealth and contribution that I want people to remember me for.

Are you thinking of writing your biography after all this eventful history?

Different versions are now being written by three different persons: A lady in New York, a Swiss journalist and the famous professor Dr. Kamal Deeb who will publish it in Al Nahar Newspaper, since I do not have the time for writing it. Dr. Deeb wants to write about my story with Intra Bank. He has started it with Yousef Beidas and wants to conclude it with me. Yousef was not my friend but he knew my father and I only met him once when I was still a young university student. As you know, I refloated the bank he owned, Intra Bank, after he escaped abroad when the bank went bankrupt. Dr. Deeb has already written about Intra Bank and how Beidas came from Palestine and established himself in Lebanon until the troubles of 1966, at which point the financial world became afraid of him and forced his resignation and exile. The bank suffered for a whole year until I came to the scene and rescued it. At that time, I was 27 years old.

How were your beginnings in the business, the finance and the banking world?



I inherited that from my father, Edward Tamraz, who went to Egypt in 1937, just before the Second World War. There he met my mother, Margaret Dayoub, and opened a shop for selling automotive spare parts. That time witnessed the arrival of General Bernard Montgomery with his British army to confront the army of the German General Erwin Rommel (The Desert Fox), at the Alamein Desert in Egypt. The British brought large numbers of cars and trucks that used to break down over and over because of the desert dust. At that beginning of the war, my father had a large stock of spare parts, which he used to supply the British army with whatever they needed throughout the war years 1940 till 1945. Montgomery thanked my father earnestly for that and asked him once: "What can we do to repay you, Mr. Tamraz? How can we serve your interests, Mr. Tamraz?" My father did not speak good English, but he nevertheless he asked Montgomery to do only one thing: send me to the English School of Cairo. I was only five years old at that time.

Montgomery initially told my father then that these schools were only open for the sons of the British officers and not for Arabs, at which point my father replied, "Then do nothing, thank you." Yet, Montgomery came back to my father after one hour and informed him that I would be allowed to enter the English school and added that my

blond hair and features were not Arab but rather extremely English. That, he said, would help a lot.

The British school curriculum was very distinguished and I learned a lot from it. After the English School I continued my university studies at the AUC and later at Cambridge and Harvard Universities, where I met my colleague who became my business partner too. We graduated in 1965, and at that time the Americans wanted to enter the Arab Region. I wrote in my graduation dissertation that it was not logical for oil prices to remain at the price level of one dollar per barrel. The oil companies differed with me then and in 1973 the price went up to 12 dollars per barrel. as I had predicted. Since that time I became a specialist in the oil and banking sector.

I always say that we, as Arabs, have huge oil reserves under the ground and that when these are extracted; the reserves do not go away, but simply turn into a second kind of reserves -- bank deposits. Now our bank deposits are shrinking. There are hundreds of billions of Arab money deposits in the banks, particularly from oil revenues, and each year the Arab oil producing countries lose tens of billions due to current drops in oil prices. This means that these cash reserves might well dry up within few years.

This is why I say that we need to sit with the Russians and the Iranians within the coming five years and reach a new Sikes Picot agreement, but this one will be concerned with oil.

Since we are talking about oil, what is your perception on current oil prices?



Recently, I gave a lecture in China regarding this subject, followed by a very interesting discussion. Everybody was saying that the prices of oil were low. Economically speaking, I think they were right, however I say that oil is the only commodity that should be considered as a weapon. I witnessed the year 1973 when oil was used as such, and its prices went up from one dollar per barrel to 12 dollars within a period of 5 months. Four people initiated this step: Mohamed Reza Pahlavi, the Shah of Iran, Anwar Sadat, the Egyptian president, King Faisal bin Abdul-Aziz al Saud, the King of Saudi Arabia, and Sheikh Kamal Adham, the head of the Saudi Intelligence Services.



I met Kamal Adham while he was still a student studying at Victoria College in Egypt. He was my friend, and when he was appointed to his Intelligence position, I was still a young man and helped him in his negotiations. We could not raise the price of oil until the war broke out between Egypt and Syria on one side and Israel on the other. Anwar Sadat was not able to enter the war without raising oil prices because he was afraid that the Israelis would strike him hard in such a war. He had asked King Faisal before whether Saudi Arabia would use its oil as a weapon in case Egypt entered a war. King Faisal agreed, on the condition that Sadat would kick the Soviets out of Egypt before declaring the war, and ally his country with the Americans, which Sadat did.

Another important issue was the support that Sadat received from the Shah of Iran. But why was this support so important? The reason was because if Saudi Arabia would use oil as a weapon in 1973, the Americans would stand against Saudi Arabia and Sadat, but the Americans would not be able to stand against the Shah of Iran because of the strong relationships between the Shah and the President Richard Nixon's administration. During the Watergate scandal, Nixon asked the Shah to help him in calming down the angry voices that were spreading widely throughout the United States regarding this scandal. The Shah was the only one to give money to Richard Nixon from outside the U.S. This is why when the Shah announced that he would raise the oil prices, he received little objection from Nixon, while William (Bill) Simon, the former minister of finance then in the United States and George Shultz the minister of foreign affairs, together with Henry Kissinger stood against the price rise. They wanted oil to stay at one dollar a barrel, but the Shah was in agreement with us, and with Anwar Sadat, and also with Ashraf Marwan (an Egyptian business man who was the husband of Mona, the daughter of the former Egyptian president Gamal Abdul Nasser) to raise the oil prices.

Nowadays, I see the same situation, except that now we will not raise the oil prices from one dollar to \$12, but from \$50 to \$80 per barrel. How will that happen? I say if we put three people in a room and ask them to agree on distributing \$3 trillion equally among them, i.e.: each will receive \$1 trillion over a period of 10 years, then this will be similar to signing an agreement between Iran, Saudi Arabia and Russia to raise oil prices from \$50 to \$80 per barrel, and gas prices from \$6 to \$9 or \$10

dollars per million BTU something that will be to the interest of the three countries and their people.

Can you tell us about your investments in the Emirates?

We have no investments in the Emirates but we meet occasionally with our agents from Saudi Arabia, Iran or Russia and we work in the oil and gas sectors. Our offices were in Beirut before, then we moved to the United States and later we decided to settle in Dubai where business men come from India, China, Iran and elsewhere to strike their deals in a free atmosphere ideal for work and cooperation.

Don't you have any business in the Gulf? We know you have a long experience in hotels, aviation and banking businesses?

Yes, all those businesses are still going on, and we keep them all separate inside companies that we call "Single Purpose Vehicles" or SPVs. For instance, we worked in Egypt with the "Bank of America" and we established a bank there. During the tenure of President Anwar Sadat, we invested in agriculture, where we bought 4,000 dunums (four million square meters) of land on the desert road between Cairo and Alexandria, and we reclaimed it. We wanted to compete with the Israelis on selling fruits and vegetables to Europe during winter months. We faced enormous problems and problems in Egypt, however, especially regarding freedom to export. For instance, we had to secure 27 separate signatures in order to be able to export tomatoes through the airport, but by the time we could reach the final signature, spoilage was so heavy that the crops could not be accepted in Europe and the shipments were repeatedly lost.

Regarding oil and gas investments, do you buy gas or oil or do you just work as dealers or mediators?

We do not produce oil and gas directly. We work only as mediators and transporters. Some years ago, we used to have oil investments in the Caspian Sea. We went there during the tenure of former president Mikhail Gorbachev, and invested in onshore and offshore oil fields. We came to know the area very well and we brought buyers and partners from India and China. We have made an agreement with the Russians and others to build a gas pipeline from the Caspian Sea through Iran and then to the Arabian Sea. In Turkey, we established a gas pipeline and we did the

same in Egypt. As for the pipeline we agreed upon with the Russians, it passes offshore to international waters where it is transformed into liquefied natural gas (LNG). The pipeline itself first crosses Russian territory and then passes through Kazakhstan and Turkmenistan until it reaches its designated transit area in Iran. This project is now being completed and the gas is exported to all the countries located along the pipeline route through our executive partners and China Power Company, which is affiliated with the Chinese government.



This information gives people the right to name you one of the oil barons of the world, isn't that right?

I don't know, really. Each of us is just doing his job.

How do you view your life journey in the past period, and do you regret anything?

Of course everybody regrets something in his life. But life is not always an ascending march. One will face ups and downs because his life journey does not follow a linear line at all. I see that life starts with tears, because we humans are born with a cry in our mouths but never a smile.

At the beginning you face difficulties. You strive and struggle here and there until you discover that life is a mixture of successes and disappointments, and if you do not learn how to tackle these disappointments, you will be a loser. We have to teach our

children ethical values instead of giving them a Ferrari at the age of 18. I should refer back to the British way where a child goes to Eton Boarding School (the most famous British school in the past) when Winston Churchill wrote in his letters to his parents that he used to cry in order to get the attention he needs. We all know what a great man Winston Churchill ended up to be. We have to teach our children discipline in addition to the following five things in this world: intelligence, creativity, cool nerves needed for good behavior, a sense of appreciation for beautiful things and lastly an ethical compass. If they get to have all this, they will turn up to be distinguished and successful people.

How do you see the work with the governments? Did it change? Do you feel relaxed working with them?

It depends on the kind of government official you are dealing with. I strongly believe that the government official can instantly affect and influence the working team. I met the former American president Bill Clinton. He is an unusual man who always seems in a hurry and interferes in everything. He usually gives you 10 minutes to explain all what you want, but as a graduate of Georgetown and Yale Universities, he likes arguments. Again, it all depends on the government official or leader you are talking to. Here in the Emirates, if you sit with His Excellency Sheikh Mohammed bin Rashid Al Maktoum, the Vice President of the Emirates and Ruler of Dubai, you will find that he possesses three extraordinary traits.

First he is a military man who studied at Sandhurst, the renowned military college, and he was the UAE Minister of Defense. This indicates that he is a very well organized man. He is also a poet, meaning that he loves and appreciates beautiful things. I went to him once with a paper regarding extending a gas pipeline to Jebel Ali. At the end of the meeting, he asked me if I didn't mind giving him this paper. I answered: "with pleasure Your Excellency, but I have prepared this paper in a hurry and it is not very well organized". He said: "No problem with that".

I mentioned this story about His Excellency to indicate how much he likes simplicity, a trait that is well attached to his personality, and is generated from his love of poetry. He is also a man who loves horses and any sport related to them. This indicates that he is a man of adventures and initiatives with cool nerves that allow him to act the best in everything.

The Crown prince of the Emirates: His Excellency Sheikh Mohamed Bin Zayed Al Nahyan is a man endowed with a great mentality. He is very modest and very welcoming and he believes in intelligence, which is something very important. The late Jordanian King Hussein Bin Talal (God bless his soul) used to hold the same traits. He was so modest to an extent that he made you feel when you meet him that you were the king and not him. Those modest leaders deserve appreciation, love and admiration from all the people of the world and not only from their people. My answer to your question is that it all depends on the leader himself and the space he grants to you.

What do you advise young pioneers after all this experience?

I say to young men and women, to my children and to myself: "We have to keep learning throughout all our life. Reading is the best blessing. We should not even think that we might ever stop reading."

We do not see your name on the Rich People Lists, although you are one of the biggest Arab business men?

No.... I don't like this. I am more influenced by the British way. I had members from the British Royal Family studying with me at Cambridge University where I used to see students wearing shoes or jackets with holes in them. Look at Boris Johnson and his poems. The worst thing for the British was to hear you talking about your Rolex Watch that costs \$200,000, or your expensive car. I do not want people to respect me because I am wearing a Rolex or because of my car or my style of clothes. I want them to respect me for my way of talking, or behaving. You might consider this some kind of intellectual arrogance, but no. I want people to remember my words and deeds, not my clothes and belongings.

Back to writing your memoirs! Will they write your memoirs according to their point of view or will they sit with you to hear the details?

No.....Everyone writes his own point of view. The lady is writing it with Egypt in the background and with the perspective of the fifties and the forties of the last century during the reign of King Farouk, when Syrians and Lebanese used to come there to study and later reached the American territories. My grandfather started in Turkey

then he became a ruler at Sidon. My father went to Egypt for opportunities, while I went to the United States.

The Swiss journalist studies the history of Tamoil Refinery near Geneva, which controlled 20% of the Swiss market. He did not highlight this side before because they wanted to close it after I sold it to the Libyans. It is considered the last refinery in Switzerland and of great importance in national defense issues, especially independence of jet and diesel fuel. He searched me on Google and called to tell me that he wants to write about my life because he considers it a story worth writing. I told him that I do not have time for that but he went on. On his side, Dr. Deeb wanted also to write about my life from a Lebanese perspective.

At the end, Mr. Tamraz can never be spared from the hundreds of accusations claiming he has been dealing with the Intelligence Services of several countries for a long time. He seems resigned to that, saying "It comes with the territory".

This aspect of his life, however, was not on our agenda for the interview, in accordance with his expressed desire to confine our discussion only to business matters.

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