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Jean-Michel SEVERINO

This allows me to make a connection with Mostafa Terrab's presentation. Under his leadership, OCP has developed an extremely vigorous policy towards sub-Saharan Africa in the past decade. That was an innovation for OCP, which, owing to its clientele, had both a Latin American and a planetary outlook. I think it would be very interesting for us to know what lessons Mr. Terrab learned from his projects and investment experience in Africa. OCP is one of Africa's biggest multinationals. From that viewpoint, he adds an especially original perspective, internal and external at the same time, of investment in Africa.

Mostafa TERRAB

Thank you very much Jean-Michel, and good morning everyone. I am going to be disruptive in at least the format, since I have two or three slides to illustrate things, and I will also be doubly disruptive because I am going to talk about numbers and figures. To respond to your first question: why Africa? Why Africa for a Moroccan company – I think my colleague, Mrs Bensalah, has responded in terms of almost geopolitics, but the answer is to correct a perception gap, from which we are still suffering today. Morocco is an African country, and yet to many institutions – international, private or public – it is not part of Africa. We are lumped into something called MENA.

Indeed, we are Arabs, we are part of MENA, but it overlooks the fact that we are fully African, and this has consequences. When we, as a company, try to develop partnerships with other companies from the west, from the north, we usually cannot speak to the African department. It is sub-Saharan Africa, and also when we address development agencies, it is the case, so there is a perception gap, but why Africa for a company that has an interest in fertiliser, thereby agriculture? The first slide is a response to this. I have personally already lived a revolution that I would call a digital revolution in Africa. Several years ago, mobile development in Africa, we have to recognise, surprised everybody. I was at that time a telecom regulator here in Morocco, and then moved to the World Bank to advise African countries on telecom reforms, but there was a lag between investments from northern countries and development institutions recognising the potential of the mobile revolution.

The same thing may be happening for agriculture. If you look at the challenges, the population challenge – Mr. Beier has already mentioned it – but what it translates in global terms, of arable land per capita, is globally a decreasing amount of arable land per capita, and if you look at where the remaining arable land on the planet exists, it is in Africa. 60% of remaining arable land not used is in Africa, and that represents 80% also of the arable land in Africa.

The second slide tells you what the ingredients of a green revolution are, and I would say that for Africa – you mentioned the environment – it has to be a doubly green revolution. It has to be a green revolution in the sense of agriculture, but that has also to be very responsible in terms of protecting the environment, and protecting for example, Africa's biodiversity – very rich diversity. So it has to be a doubly green revolution, and you mentioned Triple A, which is a Moroccan initiative, to actually see that the correlation between agriculture and environment is not and does not have to be negative. By bringing nutrients to the soil, we can actually increase this yield to capture the potential of the soils. But here, you see how fertilisers have always been key to unleash a green revolution. You mentioned our past with Brazil, with South America, supporting a green revolution there. You could also have mentioned India, which has also been through a green revolution, with maybe a different focus. India was more self-sufficient, and Brazil was exporting and feeding the rest of the world. We think that Africa is going to be the latter, feeding the rest of the world. You saw the figures.

Now, we are seeing some African countries – this is why I said, there may be a second surprise; the first was a mobile surprise. The green revolution is still not fully recognised, I would say. It is potentially there, but in terms of, now I am going to move to what is really happening on the ground, there are very important signs. Here are three countries that

are catching up very fast in terms of fertiliser, through a mix of public-private policies. Last year, Guinea has multiplied by five its fertiliser consumption, and I have to add, this is reasoned fertilisation. Those are fertiliser formulas that have been tailor-made to avoid any environmental degradation for Guinea. In fact, for the other two countries, it is exactly the same. Nigeria and Ethiopia, you see now, really policy-makers putting in place the right types of policies. This is, for example, the Ethiopian situation. After a soil fertility map, you see customised fertiliser, which has been customised through a partnership with the Agriculture Transformation Agency. They are policy-oriented, these kinds of actions, and can give tremendous results.

In Nigeria, there is a presidential fertiliser initiative, with tremendous results in terms of job creation, actually also creating an ecosystem. They revamped blenders that were sitting idle for years.

Two very interesting things in terms of the financing gap, and why the last question you asked is: where do we see the challenges as a company? It is in terms of financing, but it is mainly in terms of perception. In this case, the financing gap was covered almost entirely by the National Sovereign Fund, which saw the market failure in financing, and financed the revamping of – for example – the fertiliser plants, but also infrastructure. Bear with me, this is only 30 seconds. It is a video, and I will conclude 30 seconds after the video, to really illustrate this financing gap.

[Video played 07:11 – 07:50]

I apologise for the publicity, but the key point here is this is a railroad that had not been used for 25 years, and became operational for a single purpose, which is distributing fertiliser. Well, as you can imagine, it can also be used for other things. The financing gap is the following; we are investing more than \$4 billion in fertiliser production in Africa, but to make rapid growth, we need an ecosystem of companies. The deal-flow you mentioned. There is a deal-flow that we are de-risking, and that deal-flow should be really the focus of development agencies and financing institutions, because we can enter a virtuous circle for rapid growth. Thank you very much.

Jean-Michel SEVERINO

Mr. Terrab, thank you for connecting issues—agriculture, transport and major infrastructure—that at first glance might seem unrelated to each other. The economic, industrial and physical ecosystem is an absolutely essential issue. I also think it is very important to see that financing agriculture is a key issue for Africa's economy. On the table since the 2007 food crisis, it has never really been settled. Financing infrastructure as well as agricultural and food companies remains an unresolved or very partially resolved problem. The international community considers it almost marginal.