

# SAM OKWULEHIE

Chairman and CEO of LATC

## **Jean-Michel Severino, President of Investisseurs & Partenaires**

Now, we are going to dive more specifically into two key regions. Sam Okwulehie, let us start with you and thank you for sharing your vision of the African situation and also your own experience as an investor and private stakeholder.

## **Sam Okwulehie, Chairman and CEO of LATC**

Absolutely. Thank you everybody and of course, it is great to be here again for the second time in a row. I am just going to take up from where Mr. Cullen stopped on the impact of geopolitics on food production, consumption, nutrition on emerging markets, especially the vulnerable ones like Africa, for example. The essence of this is why governments in Africa, especially vulnerable emerging markets, should care about what is happening in the rest of the world. That can be the Russia-Ukraine crisis to the recent Israel-Gaza conflict, or as may be the case what is happening between the United States and China, India and China, etc. I think the most vivid example of why this is important is last year when we started to see the crisis that started in Sri Lanka as a result of the Russia-Ukraine crisis, what started to happen in many parts of Africa with the impact of what has happened in those parts of the world on food production in some of these vulnerable markets. We say vulnerable because it is interesting to learn that for many countries in Africa the staple foods, the staple diet is still imported. That could be bread that is consumed in many parts of Africa of which the main ingredient is wheat, which comes from Ukraine and Russia for example. It could be maize, corn, which is an important staple in Africa, which is net imported today. Or it could even be cassava in West Africa, for example, which is not just a staple but a base ingredient for a lot of the products that are consumed in Africa beyond food and nutrition.

The interesting thing to note here is, for example, why these countries should start to care and why protectionism in many parts of the world starts to impact on countries like Africa. There are very interesting themes that start to arise and it is interesting that Mr. Cullen pointed out a lot of them in his presentation. These themes include protectionism, for example, where we have seen the Indian ban on rice exports, which is starting to have a very important impact on countries like Nigeria, Kenya, all of Africa where rice has become a big staple. The interesting thing is that protectionism starts to make food a weapon because there is social unrest in these countries as a result of these situations, and problems like migration with a lot of people migrating from Africa to Europe and the Mediterranean Sea now becoming almost a cemetery. Out of the 54 countries in Africa, 12 have declared a food emergency this year as a result of protectionist, inflationary or geopolitical impacts of what is happening in other parts of the world than Africa itself. It is important to point out things like health challenges, food as a weapon, protectionism, inflation, etc., as the consequences of geopolitics in these parts of the world.

Following this the question is what African countries or vulnerable emerging markets start to look out for or do to make sure that food security is a focal point of their policy agendas to ensure not only a secure and peaceful environment in these countries, but that there are

healthy populations. I think the first thing that starts to become very important is first of all building resilience in the supply chains or the infrastructure that allows these countries to make sure they get food back home. This can go all the way from 'near-lization' or localization of these supply chains to make sure that organization is good, of course, but it does not have to come at the cost of depleting agricultural land or investment in agricultural practices to boost production in these parts of the world.

Next to that is technology, research, digitalization if you like. It was very interesting in some of the presentations we saw earlier today, if you go around supermarkets here in the Middle East you find tomatoes, cherries, berries and the kinds of things you would never expect to grow in the part of the world are now being grown here in the United Arab Emirates, for example. That has gone a long way in securing the food system in these parts of the world and this is something that African countries then have to make a big focus to ensure that there is localization and 'near-lization' of production bases, and this has to be helped by technology, research, water conservation, etc.

Of course, there is diplomacy and multilateral engagement and for countries in Africa to start to understand that there is every reason to care about what is happening in other parts of the world. A war in Ukraine is not just a Ukrainian and Russian problem. The face-off between India, for example, and China is not just an India-China Problem. The global trade dispute between the United States and China is not just a United States and China problem. Of course, it is a global village today and it is very important that diplomatic relationships or multilateral efforts at solving these problems, from either a regional perspective such as ECOWAS or an African Union perspective, is key and important to making sure that we maintain a big focus on all of this.

Of course, there is targeted fiscal and monetary policy. Inflation is a big issue today and in these parts of the world not just from a local perspective but also from a global perspective. There is the impact of the fact, as I said earlier, almost all the staples in African cuisine and diet today are imported. You have the double-whammy of currency deterioration vis-à-vis the US dollar, the euro, or the currency you require to make sure these imports come in. There is also the inflationary effect of it, the energy costs, etc.

Last but not least, there is the key importance of sustainability and sustainability or climate finance because of course, we have to preserve the production systems in these parts of the world. It is very important that governments start to make sure that climate-related finance or sustainability-related finance is the subject of serious attention. For example, the kind of resources we need to make sure that food production is kept at its premium is extremely important and attention is paid to water, forestation, etc.

In summary, the essence is to start to understand the influence of geopolitics on food systems and these are some of the very important things that need to be done in order to make sure these countries have a very clear focus on the importance of caring about what is happening in the rest of the world.

### **Jean-Michel Severino**

Thank you, Mr. Okwulehie, also for helping us go a step further after Mr. Cullen's presentation and highlighting how intertwined the issues are and the close relationship between geopolitics and food security. It is not only about producing and consuming in Africa but also managing the relationships and caring about what happens in the rest of the world.