

# KAMEL ABDALLAH

Managing Director and CEO of Canal Sugar

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

I suspect that we are now going to face a different situation, with Mr. Kamel in the Middle East, which is very specificities, including in relation to the environment and geography in this major channel and we are here in the right place to discuss those issues.

## **Kamel Abdallah, Managing Director and CEO of Canal Sugar**

First, thank you all for still being with us, I know we stand between you and your evening break. It is a very important topic, especially in the Middle East but the good news for the Middle East is that national food security has been an item for at least the last 30 years. While it has been becoming a hot topic around the world, we have been dealing with it for a long time. However, there have been major changes over the years, especially over the last almost eight years, in terms of how we look at national food security.

Let me highlight that my contribution here is that I come from the private sector, but the role or projects we do are in public/private partnerships with governments. For example, in Qatar a couple of years back we flew in cows by plane, the first cow airlift, and we worked for one to two years to ensure to achieve 100% self-sufficiency in dairy products in Qatar. As was mentioned, today we are working in Egypt to again ensure self-sufficiency in sugar by doing land reclamation for an area of desert as large as Singapore by using disruptive or new technologies.

Let me look at food security and starting in the region was easy, it was about availability, affordability and accessibility. Essentially, governments would import it because only 3% of our land overall is fit for agriculture, so almost 97%, depending on the country, does not have the soil or water needed for agriculture. Governments have lots of money and import and subsidize food programs around the region. For example, in Egypt 70 million people out of around 110 to 120 million people receive some kind of food subsidy for bread. However, this model is not sustainable, oil prices will not always go up and we heard earlier today that they may start going down, governments cannot continue to run budget deficits and we had another complication with the health crisis in the region. We have the highest or second highest rate of diabetes in the world so what has happened over the years is that diabetes and heart problems start developing early, we get them in the early forties versus the fifties in other parts of the world. Again, governments responded by spending money on healthcare, first by spending people abroad and then by establishing hospitals. Now they have realized that this is also not sustainable, it is not sustainable to subsidize imported food or to continue spending money to treat sick people with chronic diseases. That is now what food security has graduated into, it is about wellness and nutrition, not now about just putting food in the tummies of poor people or rich people, it is about making sure that they have the right food so that they do not get sick and money does not have to spent on buying insulin to treat their sugar problems.



When you have this change to the food security approach in the region, we said we now need to have good food, which we cannot continue to import because it is expensive for many reasons or continue to have people eating unhealthy food. Now we are working to ensure we have some kind of self-sufficiency, or at least a reasonable domestic agricultural production component and that is where we are seeing things happening.

What made this happen? Technology pure and simple, without disruptive technologies we would not have been able to reclaim the desert, be able to optimize production and minimize water use, or be able to develop higher yields for cows, sugar and every area of agriculture. We certainly face many changes, the public and private sectors have different expectations, and there is a major mismatch there in terms of goals, expectations, timelines and return on investment. You can add to that another component, we really always need R&D and our regional companies, and I have run two of the larger ones in agriculture, do not have the funding to make significant R&D investment.

Therefore, the third component we need in the public/private partnerships, which are universities. The universities in the region are well-funded, I am an ex-academic, but sadly a lot of academia is focused on having a higher research index than maybe having relevant research. In the industry, we know that whenever we mention academia, they say watch out, these people do research that proves that blind people do not drive. They have a relevant impact for research, we just need to link them to food security, the governments, the policymaking and the private sector.

Where we stand today is the best of days because food security is the end-topic, investors are no longer chasing more buildings and real estate and people are looking at investing in agriculture. However, it is also the toughest time because, as was mentioned, when you are looking at one healthy earth, one healthy water, one healthy food, all this will contribute to one healthy human and today we have several bottlenecks, especially when we add the regional geopolitical situation. The tensions we have seen here previously are returning very fast and are increasingly driven by agri- or water issues. For example, the water issues will impact the Turkey, Syria, Iraq food supply and agriculture as well as Ethiopia, Sudan, Egypt water supply. To that you can add that all these countries use shared underground water and increasingly as we do land reclamation we are using or maybe overusing the underground water, so we are ending up with a lot of issues there. Hopefully, technology will come to the rescue and instead of having lots of cows for meat, we will get our energy from alternative proteins so that we will have fewer cows, lower gas emissions, as well as having healthier food in the process.

Let me stop here and I will wait for the Q&A other than to repeat that technology has been a savior for the region in terms of food security and the region has been one of the pioneers of promoting nutrition and health nutrition as a direction instead of just more food.

### **Jean-Michel Severino**

Thanks very much, Kamel for all those messages and two of them that I think we will all remember. First there is the message about health and the situation with diabetes and heart diseases, which is also happening in Sub-Saharan Africa with a major change in health challenges. Second, there is this call for technology and science as a driver for sustainable food production.