

KAMEL ABDALLAH

Managing Director and CEO of Canal Sugar, Egypt

Good morning, everybody. I know it has been a fully packed couple of days, and this is the last day, and there is probably some mental fatigue, so we appreciate that you are still with us at this point.

I will be talking from a regional perspective about the issue of hunger. By way of background, I have been involved in two large projects as MD/CEO. I was the MD/CEO of Baladna, a company that flew in cows and ensured self-sufficiency for Qatar in dairy with the production of 100 million liters of milk per year within three years of inception, and we later took it public and listed on Qatar stock exchange. I am now at Canal Sugar where our objective is to achieve self-sufficiency in sugar for Egypt by planting a farm the size of Singapore as a single farm using smart agriculture. Therefore, I come more from the private sector versus the other views.

Let us talk about the interest in hunger. Of course, if you look at the UN goals, hunger is number 2 and it is highlighted on its own but also many of the goals related to food and hunger. The food-agri angle is probably the most dominant angle plus health, which will explain the connection. When we look at the definition of hunger, it clearly says, 'Making sure that all people, especially children, have sufficient', and I want to emphasize here, 'and nutritious food all year.' When people think of hunger, they think about making sure bellies are full, but the definition is not having a belly full but having one full of nutritious food. Indeed, I would argue that the biggest problem we are facing is this particular issue, that the food is not nutritious. If you go to any construction site in the GCC during work they go and buy a big bottle of sugary soda drink with multiple servings to get energy, but it is not nutritious and that will create a lot of problems.

For us to have nutritious food we do need sustainable agriculture, to support farmers, and have access to technology and markets, and I will try to highlight the role of the private sector here. Whenever we hear the word hunger, we need to redefine in our minds that hunger is about having nutritious food, not just about having food and that is a very important distinction. I acknowledge that we have a dilemma for the short-term versus the long-term. In the short-term, we can do what we have done and get people any kind of food, irrespective of whether it could cause cancer down the road, or obesity, which is a major problem, and the greatest concern is putting our environment at risk by abusing the resources. Or we can go for a positive long-term approach ensuring continuous access to nutritious food while ensuring sustainable practices in agriculture. That is really the challenge, and I will come back to that.

My colleagues have already mentioned these numbers so I will not repeat them but, of course, hunger in areas of conflict is elementary. Whenever you have wars, you are going to have hunger because there is no access to food. The situation in Gaza is extremely shocking, 2.5 million in need of food, experiencing famine while food trucks are waiting next door to get

to them. While this is a problem, I am not going to discuss it and the answer to this particular problem is more political than economic and business.

I just want to highlight the need of work for food. I also managed a project in Zimbabwe and at one point our workers union came to me when I was visiting as MD/CEO and asked that rather than being paid salaries they should receive a basket of goods every week. It was at a time when USD 1 went from being equal to ZWL 5 to being equal to ZWL 1 trillion, and the money became useless. The essence was that they wanted to work for food, which was sadly a practice a couple of hundred years ago in many societies.

I just want to mention one thing, which is that I follow the Famine Early Warning System, and I encourage you to look at it, which is part of the USAID funding network, which gives you advance warning whenever a potential famine might happen, but my colleagues mentioned the areas which are at risk there. It is an important tool along with others to get advance warning of this.

Going back to the GCC, where we have a problem, along with North Africa and the Middle East, most of our land does not produce food. Agriculture land ranges between around 3% to a maximum 10% of our land and around 90% of it is the desert. You could not do much with the desert in the old days, no soil, no water or electricity. Thank God for advances in technology, which have allowed us to address these three problems. We can move the soil to have organic soil, we can dig for water, and at Canal Sugar we have dug over 400 wells, which of course has an impact on the underground aquifer, and we can now generate electricity, so technology is allowing us to address these problems. What the GCC countries and the region did on food security is ignore an important part, which is health, and we have a major health crisis in the region. I want to come back to diabetes in particular, which kicks in at the age of about 35 in the region versus about 47 in other parts of the world. I want people to always think when they look at nutrition or agricultural budgets, to also look at health budgets. We always need to think of the Ministry of Health Budget and the Ministry of Agriculture Budget whenever we are trying to solve this one problem. If we feed people food that is unhealthy and not nutritious, and they end up with diabetes, I will have to spend money for 20 to 30 years on insulin to try to cover the original problem I created. Please keep that in mind.

This is the challenge. Before, for us food security was all about affordability and availability: bring the food and give it to the poor and hungry, make it cheap, affordable, and provide access. This is no longer our immediate problem, we are sorting that out, but I want you to be reminded that more people are dying from obesity-related diseases than from famine-related issues. For us now, food security is now about healthy and nutritious food, and that is what the programs I am involved in are working on. Health budgets in the GCC and in Egypt, and the other countries in the region are increasing because governments are spending more and more on subsidizing medicines to treat these diseases. If that money went into prevention and proper nutritious food, it would solve a lot of problems now and down the road.

Just on food security I want you to look at the two items on the right and left. The issues are water, soil, energy, then health and wellness, and food is about those things. If we can manage one and the other, the cause and effect, preserve water, ensure healthy soil and use the proper energy, then we will end up with healthy people.

This is the challenge shown in a different way from the point of view of economics. How to ensure sustainable agriculture while keeping ecosystems viable and an economist's dream, equitable communities with food inclusion for the poor, for women and rural areas. Again, the beauty of smart agriculture or precision farming is that it is now cheap enough to give to farmers. Last year, I started working with 6,000 farmers. We are now reaching around 12,000 and next year we will reach 20,000 small farmers, who each have one hectare. The technology is now affordable and all of them use so-called smartphones. Granted, they watch YouTube and Instagram and follow entertainment, but they can also access tools that can help them. That is what we are doing, and we are working with NGOs on the site in Egypt to ensure that they have access to these tools.

When it comes to ending hunger there are a lot of tensions. The first is within governments themselves with multiple jurisdictions and ministries of agriculture in conflict with ministries of water, irrigation – with one controlling things above ground and the other the underground – and conflicting with ministries of health. There is the issue of cost reductions, profits and reducing carbon in food manufacturing, that is an important issue that is also raising costs. Consumers have different kinds of problems, they love plastic bottles because they are cheaper and more consistent but of course, they are not sustainable. Finally, as producers we have issues with ESG because of a lot of agriculture works with minors and with social practices that are not unacceptable or compliant with ESG.

Just to finish, small is beautiful and in our view, this is the solution. Stick to local communities, use technology, let the private sector do its job and most importantly, get people to eat healthier and less food, and to stop wasting 1 billion tons of food every year, as my colleague said.

Jean-Michel Severino, President of Investisseurs & Partenaires, former Vice President of the World Bank for Asia, former CEO of France's International Development Agency (AFD)

Thank you very much, Kamel, not only for setting out the landscape of challenges but also for moving us to the agenda of solutions, including precise farming, which is of major importance, and describing the landscape of our region. We will continue with the agenda of solutions with Jean-Marc, who has the floor.