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Distinguished Attendants

Good Morning

In this day, with the attendance of such group of elites, I feel honored for my participation in the 17th AFA International Annual Forum and accompanying exhibition, convened in Arab Republic of Egypt, the land of dignity and pride, being abundant with facilities characterized by a diversity of economic, cultural and touristic aspects thus became a beacon for scientific, economic and different kinds of forums and conferences; including inter alia today's important Forum. This year AFA International

Annual Forum pinpoints one of the most important issues related to the continuity of life, namely the rise in food commodities' prices, at the top of which grains' prices. Such an issue is considered to be a real burden for different countries, after witnessing a tremendous leap in prices, from 3 years ago and until now, in a way making poor and medium-income countries incapable of fulfilling its people food needs.

Ladies and Gentlemen

Food issue is the major problem currently defying Arab countries. The present food situation and the matter of depending on importation to fulfill people food needs threaten the economic, social and political security together with the national stability of countries; bearing in mind that food is a national issue coming at the top of societies' priorities. Therefore, efforts should be concerted, coordinated and mobilized in a national framework, to reach concrete solutions to the said problem, via different standards and criterions, important of which:

- Observing the development level of food production, consumption and trade in Arab countries.
- Highlighting the efforts exerted by Arab countries and common Arab work institutions to provide food commodities and raise self-sufficiency rate in this regard.

Distinguished Attendants

Food crisis is not an issue of international production shortage. To dwell in this point, the international production volume of grains, according to grain market report issued recently by International Grain Council, raised from 1.5 billion tons in 1980 to 1.7 billion tons in 2008 – 2009, an increase equivalent to 13.3%. Also, fruits and vegetables production grew from 630 million tons in 1980 to 1500 million tons in 2007, a rise estimated by 138%.

The former rates underscore that food production growth rate shows a huge increase compared to the population growth rate estimated by 45%, during the same food production growth period. Therefore, food crisis is a result of the following:

- The unbalance between production and consumption areas.
- The unbalanced crop combination in some countries.
- The poor marketing of agricultural production.

When focusing on the food production in the Arab region, it becomes clear that the agricultural production pattern is characterized by the domination of grain crops, representing 61.8% from the total crop grown area of 2008.

It is also apparent that the Arab countries grain production by hectare is seriously low. Totally, it is considered a food deficit region concerning the main food groups, estimated by USD29.5 billion for 2008, and especially for wheat, which is estimated by USD18.3 billion.

The Arab region in general is not suffering from shortage in financial resources. Moreover, the Arab countries already have huge areas of lands and large number of man power; probably the only restriction facing the expansion in agriculture is the water resources.

There are some areas in the Arab region distinguished by fertile agricultural lands and ample amounts of water. However, they could lack the required finance or specialized labor. Consequently, the importance of integration between countries emerges. That is to say to integrate countries possessing finance with ones having specialized labor and those characterized by fertile lands and great amount of water. As a result, finance, labor, lands and water will be integrated to establish huge agricultural and animal related projects, which provide the Arab region needs of agricultural production, especially food needs.

It is also worth noticing the new international directions related to the production of bio-fuel from agricultural crops, for instance grains and sugar, which burdens the Arab countries in the form of an increase in such commodities importing prices.

The Arab countries paid due attention to the issue of food security projects and formed research groups, through the Arab Organization for Agricultural Development, to deal with such an issue. AOAD was deeply concerned with the previous issue and it set a food security strategy to that end, which was approved by the March 2007 Arab Summit.

In a nutshell, the food gap should be controlled by common Arab work in the field of agricultural development taking in consideration the big discrepancy in the distribution of land, water, human, financial, scientific and executive resources between the Arab countries. This could be achieved by:

- Setting a comprehensive plan representing the current Arab countries' production situation in relation to major food commodities and including

the growth rate, during the last decade, together with the rates countries aim at achieving for each commodity, during the coming decade.

- Specifying an integrated crop combination that achieves the maximum level of major agricultural commodities production.
- Heading to expanding agricultural area and decreasing population growth rate.
- Establishing an agricultural research institution on the Arab countries level.
- Speeding up the establishment of common Arab market and to start with agricultural commodities.
- Studying the international market situation in order to organize the importing process and direct the private and cooperative sector to the best available markets, from which food commodities could be purchased, in addition to the suitable timing for importing.
- Observing ports and the outlets of food commodities imported from foreign markets or smuggled from abroad.
- Rationalizing consumption patterns and organizing migration for work purpose between Arab countries, aiming at alleviating the burden on food resources, in addition to reaching resources for income and food.
- Calling for the establishment of an emergency fund in the frame of an Arab program concerned with facing food shortage crisis, in order to assist the Arab countries mostly harmed from the international food crisis.

In this regard, I should refer to the great role played by the franchise system in providing good investment opportunities for numerous individuals who want to invest their money in small or medium projects known to be feasible from the economic point of view and bear high aspects of success. In such a case, the investor, lacking the wide experience required to start a new project and wishing not to expose his investments to high risks, can benefit from leasing the trademark and the brand name of an internationally successful project and accordingly shall abide by policies, procedures and guidelines specified by the franchisor. The investor could also benefit from the support provided by the franchisor in the form of training, promotion and supply of all or part of the project required materials with competitive prices.

At the end, wishing you all success and hoping to come out with effective recommendations and visions to promote Arab food industries. I would further like to pay tribute to the pioneering role played by AFA, taking fully the initiative to put on table the pressing International and Arab issues to suggest solutions for policy-makers and decision-takers and to encourage people to invest in such an important field. Again thank you all for your patience.

Regards