



Dr. Shafik Ashkar
AFA Secretary General

Your Excellency: Engineer/ Samir Al Sayyad
Minister of Industry and Trade

Your Excellency: Engineer/ Mohammad Adel Al Mouzi
In Charge of Ministry of Investment Public Enterprises
Representative of Egyptian Fertilizer Industry
AFA Board Chairman

Your Excellency: Ambassador/ Mohammad Mohammad Rabie
Secretary General of Council of Arab Economic Unity

Dear:
AFA Board Members
Companies Chairmen
General meeting members
Head and representatives of Arab and International organizations
Distinguished gathering

Good afternoon

- Allow me, on your behalf, to express our gratitude to and warmly welcome His Excellency Minister of Industry and Trade together with the representatives of the Egyptian government, which continuously and generously sponsor such an annual event, since 17 years ago, on the cherished land of Egypt. Our renewable annual gathering is considered the most comprehensive fertilizer industry event in the Arab region in particular and the Middle East in general.
- The endless keenness on the official sponsorship to the event by fertilizer industry Egyptian companies emphasizes and reflects Egypt's due concern paid to fertilizer industry, being of great relation to and playing an important role in the development and the best utilization of the available natural resources in Egypt, namely natural gas and phosphate. Thus, it has a tremendous impact on boosting the economic development and enhancing food system via the assistance of agricultural process, provision of fertilizers and effective distribution of fertilizers in order to increase agricultural productivity, supply more food and achieve people welfare.

Ladies and Gentlemen

- Fertilizer industry is in fact the industry of food and cloth; therefore tackling such an industry status and challenges should be accompanied by highlighting the various threats facing the world, at the top of which the international financial crisis shifting into a severe economic one. Furthermore, there are other threats such as the occurrence of natural disasters, intensity of poverty and unemployment problems, decrease in rainfall average and the consecutive draught waves facing many countries. With the world population reaching more than 7 billion people, a heated competition arise concerning water and its usages, whether for industrial, agricultural or drinking purposes. This competition synchronizes the suffering of most countries from the decline in rainfall rates and scarcity of water, especially in the Arab region, which is considered

one of the scarcest water regions and expected to be the driest region in future.

- In addition to the aforementioned, the world is witnessing deep-rooted economic and social changes; particularly in China and India, where the middle class scope widens, food system changes and diversifies and food consumption generally rises. These cases are direct results of the repeated migration waves from rural areas, originally of people working in agriculture, to urban or quasi-urban areas searching for better job opportunities and living standards.
- All of the previously mentioned went along with cases of natural disasters and dangers faced by some countries late 2010 and early 2011, for instance the consecutive drought waves and destructive hurricanes witnessed by Australia and New Zealand, the loss of more than 30% of Russia 2010 wheat harvest and export prevention hence affecting the strategic agricultural crops (wheat, corn, rice, edible oil), the deterioration in international stock by the end of 2010 and the decrease in the world market products.

Ladies and Gentlemen

- Food provision is the right for all human beings without exception or distinction, as hunger is not an inescapable destiny. With the concerted regional and international efforts and in cooperation with the poorest countries governments, assumingly food security would become a priority for the economic and social development in the light of the hike in main food products prices, which represent the cornerstone of food system, thus warning from apparent signs of an international food crisis, taking in consideration the expectation of the world population to exceed 9 billion people by 2050.
- Based on the above threats and challenges defying mankind, the international community and specialized organizations should adopt clear policies and take well-advised procedures to encounter the serious shortage in food. Such an action shall take place through agreeing on and the adopting of agricultural policies and integrated system for the production of strategic food crops together with the rationalization of water usage through applying good governance

practices in agriculture and fertilization in order to better agricultural productivity, efficiently utilize and face any trespassing on the currently operative lands, make use of inoperative lands, improve agricultural investment atmosphere, provide the best circumstances to attract and increase investments with reference to the agriculture sector.

- On the regional level, the achievement of food security, with its broader concept, could be carried out with great courage and direct procedures heading to the stimulation of the current agricultural region potentials and integration of the required financial resources for the sake of investing in the agriculture sector, employing the available best technology and promoting fertilizer usage rates in addition to developing the required legislations. Thus, it is inevitable to make the former directions a strategic objective for the decision-makers in the region escorting the declared international efforts in this concern.

Ladies and Gentlemen

When speaking about Arab fertilizer industry, it is an industry that developed and its productivity increased during the last decades, as the production reached 80 million tons in 2010 and exports exceeded 40 million tons. Furthermore, an increase in energy is expected through a number of new underway projects in various Arab countries, a huge number of which will start production in the second half of 2011. All of the previously said will undoubtedly enhance fertilizer industry share in international markets. It is worth mentioning that the Arab fertilizer industry currently has an essential share in the international market equivalent to the following:

- 40% of urea fertilizer
- 18% ammonia
- 75% phosphate rocks
- 58% phosphoric acid
- 34% TSP fertilizer
- 25% DAP fertilizer

The above information emphasizes Arab fertilizer industry reaction to the international requirements reflected in the provision of more fertilizers to support agricultural production system, thus producing more food.

Ladies and Gentlemen

- With reference to the proceedings of the **17th AFA International Annual Forum** and with the attendance of more than 600 participants representing 200 regional and international companies and organizations from 40 countries, this highly emphasizes the great attention given by the Arab, international and regional companies and organizations to such a Forum, its status and convention, on annual bases, to be an essential podium of discussions, deliberations and conducting commercial agreements between producers and importers; bearing in mind the great importance of and the entrenched confidence in Arab fertilizer industry by importers depending on a number of enhancing factors and distinguished by the efficiency and quality of products and the commitment to supply.
- In addition to the presentation of the said facts concerning the food and food security situation, the Forum will further give a direct picture through the concerned organizations and associations regarding the agriculture, fertilizer and food triangle in order to cover the international movement and fertilizer status in this concern. This will be carried out by specialists from major markets coming from the five continents.

At the end I re-welcome all the participants wishing the Forum proceedings all success. It is worth to commend the support provided to the annual Forum by the Egyptian companies working in fertilizer industry. Moreover, it is my great honor to express my deep appreciation to all the leaderships of such companies for supporting the proceedings of the Forum. It is important also to note the high performance and professionalism of fertilizer industry companies and their constructive role within the AFA family.

I thus deeply thank the international companies for their sponsorship;

Highlighting the strategic, vital and constructive role of fertilizer industry in the present and future as a promoter of food security achievement.

Regards

Dr. Shafik Ashkar
AFA Secretary General

Cairo: 11/4/2011