



Constraints to development of Sub-Saharan Agriculture

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Daniel Ruegg

Syngenta Crop Protection AG



Who is Syngenta?

- In 1996 Ciba-Geigy and Sandoz joined to form Novartis
- In 2000 Novartis is merged with AstraZeneca's agribusiness to form Syngenta
- Syngenta is a world-leading agribusiness committed to sustainable agriculture through innovative research and technology.
- The company is a leader in crop protection, and ranks third in the high-value commercial seeds market.
- Sales in 2005 were approximately \$8.1 billion.
- Syngenta employs more than 19,000 people over 90 countries and present since more than 30 years in Africa.

Introduction

- ✓ Twenty-three sub-Saharan countries are experiencing food emergencies because their agricultural sectors are not performing as they should.
- ✓ To reduce poverty in Africa, economies must grow and Africans must become agents of their own development.
- ✓ Agriculture and food production is a high-volume, low-cost enterprise that demands transport and functioning infrastructure.

Main constraints on agriculture

- Physical infrastructure:
 - Distribution
 - Marketing of agricultural goods
- Degraded soil fertility
- Uncertain land tenure
- Lack of access to credit
- Limited irrigation possibilities
- Lack of government support for the development of good farming practises

Main constraints on private sector investment

- Opaque tax and regulatory regimes
 - Undermine investor confidence
- Manufacturing, production and distribution processes attract an unfortunate degree of state attention and bureaucracy, with concomitant possibility of corruption
- Political instability undermining viability of long term investment
- Lack of small and medium-sized enterprise

Development needs

- Education
 - Is key to the rise of emerging markets
 - Entrepreneurial skills and training
- Public health
- Technology
 - Improve agricultural productivity
- Flourishing small and medium-sized enterprise sector
- Access to micro-credit and beyond to sustainable SME finance and business skills

Conclusion

- The relationship between the multinational and the local, between multinational corporations and SMEs, is key to sustained growth in Africa and is particularly important in agriculture and food production.
- Too often returns for private-sector investment in Africa are not competitive with other regions. But sustainability for a company, as for a country, means taking the long-term view.