

EXPO MILANO EU – Sub Saharan Africa Days event by DG GROW	18-19 September Milan
--	--------------------------

Speaking note

INTRODUCTION:

- I would like to thank to the chair for his introductory remarks. He put his finger right on the button: the agri-food sector is vital for economic development in Sub-Saharan Africa. Because agriculture accounts for 70% of jobs, and half of GDP, and with a growing population a million new jobs a year are needed. That growth has to come from the private sector and from investment. The public sector and official aid cannot create that growth.
- And the prospects are good. We expect 5% annual growth in Africa and the rise of an enormous middle class by the mid century. And since the food price crisis of 2009, there is much more interest from the private sector to invest in food systems. So more agriculture and more agribusiness can drive more growth and – and this is crucial - better distribution of wealth.
- African heads of state know this. In 2014 in Malabo they agreed to accelerate agricultural growth. They pledged to boost agricultural trade both within Africa and international level; they agreed to add value up the food chain; and they agreed to bring

more private sector investment. The EU agrees with the African heads of state.

- And this is exactly why we are meeting today. This conference is about raising international awareness about the fantastic trade and investment prospects for the agri-food sector in Africa. And it is about getting EU and African business and farm organisations together to decide how to join forces.
- Investors need stability. The new ECONOMIC PARTNERSHIP AGREEMENTS between the EU and different African regions give that stability. They bring stability because they give permanent duty and quota free access to the giant EU market. So investors and producers can plan for the future.
- And they provide policy space, because Africa will not have to liberalise many of its key agricultural products. Africa can keep protection for sensitive sectors. So those sectors can grow.
- And thirdly the EPAs will boost intra-African production and trade. Africa has less integration than any continent. Regional trade and production can grow because producers can source ingredients from different African countries, or carry out in different countries various steps of processing, of a product that is then exported freely to the EU.

- So I urge the business community here today, the potential investors in the agri-food chain in Africa, to look at the opportunities for trade that the EPAs will bring. EPAs mean stability, they mean space for African producers, and they mean regional economies of scale and value adding up the supply chain.
- Now, agriculture must develop in a responsible and sustainable way; the private sector needs to work with African farmers' organisations as well. Let me make a quick plug for an event we are doing at Expo Milano on 14 October on "*Agribusiness investments in partnership with farmers' organisations*" in the ACP countries. I hope that we can welcome many of you at this event as well.
- We will focus exactly on how responsible agribusiness development in Africa can bring more growth and jobs. We'll talk about how to add value to the production, and move into quality products like geographical indications, so that the value stays with the producers, or on the farm, and production is not reallocated. Local value adding is key for Africa going forward. Today, too much of the processing takes place elsewhere. It beggars belief that cashew nuts harvested in Africa are then sent to China for roasting. Just one example of many. We want the value to be added in Africa, like Ethiopia is doing with its coffee. But for that we need investment in processing and

logistics and distribution. And the sector needs support to meet the standards in export markets, and for trade promotion, and organic farming.

- My Commissioner, Commissioner Hogan met with African Union Commissioner Tumusiime in April this year. It was an excellent meeting. Commissioner Tumusiime has a real vision for agriculture in Africa. They agreed to launch co-operation on these actions.
- Allow me to conclude by making three points:
 1. First, to repeat: more agricultural production, more trade, and more agribusiness will drive development in the region, and this will lead to better lives for individuals. Abraham Lincoln once observed that no country can prosper unless its agriculture prospers. He was right then and he is right today.
 2. Second, to achieve growth, we need more investment - in particular private investment; and we need to boost both regional trade inside Africa, and trade with the EU. Because more trade creates more growth and jobs. The Economic Partnership Agreements will help by giving better access to Europe and a more stable environment for investors.
 3. And third the EU is ready to work with the AU, to work with African countries, with producers and farmers groups, and with European investors to make the agricultural sector more sustainable and productive. We need to work together. As an

African proverb says: If you want to walk fast, go alone. If you want to walk far, walk together. Thank you.