Constraints to development of Sub-Saharan Agriculture

OECD 16-17 May 2006

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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.
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 practices
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.