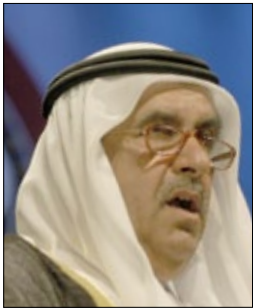


# Food security in the Arab world

## PROFILE OF H.H. SHEIKH HAMDAN BIN RASHID AL MAKTOUM

DEPUTY RULER OF DUBAI AND MINISTER OF FINANCE AND INDUSTRY, UNITED ARAB EMIRATES



H.H. SHEIKH HAMDAN  
BIN RASHID AL  
MAKTOUM

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Sheikh Hamdan bin Rashid Al Maktoum, the UAE’s Minister of Finance, and Deputy Ruler of Dubai, believes that one of the most pressing issues facing the Arab world is food security, and is calling on leaders in the Middle East to invest more than US\$80 billion in agriculture to bridge what he sees as a widening production gap.

“Food security is one of the main challenges that Arab countries face, taking into consideration that Arab agriculture projects have not achieved predicted levels of increased productivity,” says Sheikh Hamdan on the challenge of food security and the need to improve productivity.

Sheikh Hamdan identifies poor infrastructure, instability in parts of the region and lack of investment in scientific research among the factors that explain why agriculture projects in the Arab world are not achieving targeted rises in production.

“In the Arab world, food is especially a problem as we’re in an area of shortage of water supply for production and for that reason governments are spending US\$40bn to buy food, which could rise to US\$60bn by 2030,” Sheikh Hamdan comments.

The UAE and other GCC countries have long relied on imports for up to 85 per cent of their food needs. This makes it, like other countries in the region, particularly vulnerable to both changes in prices and shortages, says Sheikh Hamdan.

From the UAE, land prospectors include private and public investment groups, and food importing and processing companies. Deals have been announced with Africa, Eastern Europe, South America and Asia.

That said, food price rises in the UAE have remained relatively stable, partly as the dirham’s peg to the dollar have helped to control the cost of imports. The UAE is concerned about the wider region.

“There may come a time when there may not be enough food in countries to feed people,” says Sheikh Hamdan when addressing the issue of food security.

In an effort to help tackle food security, officials have agreed to double the capital of the Arab Authority for Agriculture Investment and Development, a multilateral lender aimed at promoting investment in agriculture.

At the same time, Sheikh Hamdan is calling for a further unified Arab response to the issue.

“Arab societies face many difficulties and obstacles,

and the presence of regional economic blocs has made it essential to enhance social and economic integration among Arab states. Regional cooperation and the establishment of mutual Arab business channels are important in creating an investment climate and to establish joint regional projects that are solid enough to face economic obstacles. This will eventually lead towards expanding Arab business markets, reinforcing investments and increasing trade activities.”

The UAE launched several initiatives to support economic development in the Arab world.

“The effectiveness of these initiative lies in economic and financial reforms in addition to finding a mechanism to control food prices as well as to work on increasing export and trade finance,” says Sheikh Hamdan.

Sheikh Hamdan has also called upon Arab countries to set up a comprehensive strategy “to cope with the current regional and international development and to work hard to look for a new concept for development to achieve the social and economic prosperity that Arab people want.”

The UAE has proposed a five-point action plan to remove current economic problems in Arab economies by bringing much-needed financial stability. Among the proposals Sheikh Hamdan has made is to help small and medium enterprises to create jobs and business opportunities.

The action plan calls for improving the availability of trade finance to boost the intra-Arab trade and food security by bringing stability in commodity prices and the establishment of an automated clearing house between banks.

“The five pillars that support the UAE Initiative with regards to supporting the economic stability in the Arab region is an essential step along the joint Arab economic path toward financial and economic reforms to support economic stability and help in the development of the financial sector. The initiative also focuses on achieving stability in food product prices and the development of exports in addition to financing Arab trade. Arab countries will benefit from the Initiative once its various axes are adopted and the positive effects will be reflected in the public and private trade and economic sectors especially that this initiative also incorporates humanitarian and social aspects,” says Sheikh Hamdan.