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REPORT BY THE EXECUTIVE SECRETARY ON HIS EXPLORATION  
OF MEANS OF AIDING GOVERNMENTS IN NORTH AFRICA TO  
DEVELOP THEIR ESPARTO GRASS RESERVES

1. In accordance with paragraph 44 of the Report of the First Session E/CN.14/18, the Executive Secretary has prepared the following brief report for the information of the Second Session of the Economic Commission for Africa. He has established cooperation with the Food and Agriculture Organization (FAO) and in addition was able to explore the esparto grass industry during his visits to Morocco and Libya during 1959. His enquiries have been directed at finding means of aiding governments which produce esparto grass, with a view to making this industry more profitable.

Problems Confronting the Industry

2. In accordance with information supplied by FAO the industry is a relatively small one and does not appear to be operating as efficiently as it could. The total surface covered by esparto grass reserves is of the order of 7,700,000 hectares including:

500,000 hectares in Libya

1,000,000 hectares in Tunisia

4,000,000 hectares in Algeria

2,200,000 hectares in Morocco

From this area approximately 400,000 tons of raw esparto grass are gathered annually. This average annual yield of approximately 0.05 tons per hectare is considered to be far below what an alfa steppe, properly equipped and managed, should normally produce. This may be attributed to the fact that the grass is gathered by hand usually from easily accessible areas, where alfa reserves become over-exploited. On the other hand, there are large areas which are still under-exploited through lack of water resources for the workers or through lack of economic transport to appropriate marketing terminals. There appears therefore to be a possibility for expanding esparto grass production provided additional outlets can be assured.

3. Hitherto, almost all esparto grass has been exported to the United Kingdom where a number of integrated industries use it to manufacture pulp and paper. Esparto grass pulp produces paper of fine quality, much appreciated by a certain category of consumers. It is in demand for the absorptive and printability characteristics which the use of esparto confers and which are needed for speciality papers. It appears that there is a certain basic requirement for these purposes for a relatively limited quantity of esparto pulp. Over and above this quantity the amount consumed will depend on the relative prices of esparto pulp in relation to other forms of pulp, which can be substituted for a substantial proportion of uses, for which esparto pulp might be preferred.

4. The bulk of exports in the past have been in the form of dried grass, but there is now a tendency on the part of North African countries to start transforming the grass into pulp locally. The pulp is so far intended for export, but may later be manufactured into paper on the spot. A factory

at Kasserine in Tunisia has a capacity of 25,000 tons of bleached pulp annually and the erection of additional factories is under consideration in other countries. It is hoped that through increased exploitation and production it will be possible to export semi-finished or finished products. The major outlets for esparto are therefore either -

- (a) for export as raw material to the Western European pulp and paper industry, or
- (b) conversion to pulp in new pulping units in Northern Africa.

There may be a number of minor outlets, e.g. for cottage industries as in Spain, but in quantitative terms these are likely to be of minor importance. As regards (a), the overseas market for esparto grass has shrunk in recent years and it does not seem likely that it will revive substantially in the near future. Much, however, depends on the price of esparto and of esparto pulp, as compared with the price of other pulp, which can be substituted for many purposes. The possibilities of keeping esparto pulp competitive depend largely on more economic harvesting of the raw material. As indicated above, there appears little prospect of an immediate upward trend in the European demand, but Europe's pulp deficit is liable to continue to grow in the longer term. As regards (b), it seems that some European manufacturers prefer to make their own pulp. There is little on which to base an assessment of the likely demand for local manufacture of paper in North African countries. Again questions of relative price in relation to other forms of pulp are relevant. The magnitude of the market would depend in large measure on such cost factors and on government export and import policies.

Assistance Measures to Governments

5. From the preceding account of the problems confronting the industry it appears that the marketing prospects are not good in the short term and difficult to predict in the longer term. Much will depend on price. The first question requiring attention appears to be an exploration of the economic and technical aspects affecting future markets. Such an investigation would be of value to North African governments even if its findings prove to be negative. If prospects are found to be reasonably good then action can be taken to expand the industry. If they are found to be unfavourable, the countries possessing extensive esparto reserves would be better equipped to decide whether further investment in developing these reserves is warranted. FAO is approaching appropriate experts capable of carrying out the thorough economic exploration of present and future market outlets. A suitable expert, conversant with the economic and technical factors involved, and with a sufficiently impartial viewpoint is being sought. Such a consultant would be employed by the Economic Commission for Africa and would work in close harmony with the Forestry and Forest Products Division of the FAO and the governments and private authorities concerned. The investigation would take a number of months.

6. Although the emphasis would be on market prospects, it is evident that the extraction side would also require attention. The determining factor in marketing additional supplies of esparto grass and esparto pulp, above the basic minimum for special technical purposes, is that of price in relation to the price of pulp of other origins as has been seen above. Improvement of roads into the esparto steppes, provision of water supplies for the population, the development

of harvesting cycles that would reduce the need for storage and the mechanizing of harvesting operations are among measures which could result in a considerable lowering of price of the raw esparto grass. It is possible that this aspect might be undertaken by the same expert, or alternatively a specialist in these phases might be called for. It is understood that in certain cases the national authorities concerned are conversant with the necessary measures, but lack the means to carry them out.

Possibilities of an International Agreement on Esparto Grass

7. In July 1959 the Government of Morocco transmitted to the Executive Secretary the text of a preliminary draft of an agreement for an International Committee for Esparto. This preliminary draft proposed an agreement between producing countries to fix export quotas and export prices with the object of safeguarding the livelihood of the people who are dependent on the harvesting and marketing of this product. Such an agreement needs to be considered carefully by the producing countries after taking into consideration the interests and the reactions of the consumers. The marketing expert could assist in further investigations of this matter.

Future Action

8. The Executive Secretary, at the request of the Commission, will keep this matter under review and will report further progress to the next Session.

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