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05049



Distr.
LIMITED

ID/WG.21/12
29 August 1968

ENGLISH
Original: SPANISH

United Nations Industrial Development Organization

Expert Working Group Meeting
on Modernization and
Mechanization of the Salt Industries,
based on Sea Water in the Developing Countries
Rome, Italy - 25-29 September 1968

SITUATION OF THE
SALT INDUSTRY
IN
NICARAGUA^{1/}

Industrial Department
Institute of National Development

^{1/} The views and opinions expressed in this paper do not necessarily reflect the views of the secretariat of UNIDO.

id.68-3054

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

INTRODUCTION

In Nicaragua, common salt is mainly used for the seasoning of food, refined salt being employed in urban areas.

Most of the salt consumed by the public does not contain iodine since Nicaragua has no legal controls or regulations regarding the acceptance of salt for human consumption. Ninety-five per cent of the salt consumed by the food industry is imported refined salt.

Apparent consumption of salt in Nicaragua

<u>Year</u>		<u>Metric tons</u>	<u>US \$</u>
1966	Domestic production - Common salt	18,924	571,900
	Refined salt	115	
1964	*Imports - Common salt	1,411	30,362
	Refined salt	527	17,474
	Total supply	<u>21,077</u>	<u>619,736</u>
1964	Exports - Common salt	100	4,707
	Refined salt	-	-
	Apparent Consumption	<u>20,977</u>	<u>615,029</u>

* Central American Common Market - 1,876 metric tons

General situation

For apparent overall consumption, Nicaragua occupies third place in Central America. However, for per capita consumption it holds first place (11.67 kg), since the diet is high in meat content and a considerable amount of salt is used for seasoning. The rural sector accounts for most of the consumption.

Generally speaking, the main characteristics of Nicaragua's salt industry are: high per capita consumption, production controlled by wholesalers and a small amount of foreign trade. Under the agreements for economic integration, trade between the Central American countries in common and refined salt is unrestricted.

The prices for common salt in Nicaragua are 350 and 377 per metric ton at the distributor and retailer levels, respectively, which shows the high marketing margins for this product.

It must be borne in mind that less reputable traders dampen the salt to raise profits. It must also be considered that the wholesalers have already secured a high margin of profit from the manufacturer who rents or owns the salt works.

Production

In actual fact, salt production in Nicaragua is designed almost entirely to serve domestic consumption needs, and only very small quantities are exported to other Central American countries.

Nicaragua produces 95 per cent pure common salt and also refined salt, although production of the latter is on a very small scale and shows a marked tendency to diminish, owing to competition from better-quality imports of refined salt.

Salt was not used on a large scale industrially until the soda and chlorine plant went into operation at the end of 1967. Demand from this source (20,000 to 25,000 metric tons/year) is being supplied at present by imports from Mexico, since there are no salt plants in Nicaragua or the rest of Central America that can produce salt in the quantities and of the quality required for the above-mentioned plant. However steps are now being taken to set up some salt-producing installations exclusively for the purpose of producing the salt needed to satisfy this demand.

Salt manufacturing in Nicaragua is based on outmoded traditional methods and carried out in rudimentary conditions. Production is low, and since modern precipitation techniques are not employed, and end product of very low quality is obtained at very high cost.

The average cost of the salt produced is \$30 per metric ton, which is the third highest in Central America, where the cost ranges from \$50 to \$22 per metric ton.

Nicaragua has fifty-one salt plants in operation, of which forty-six use the solar evaporation process and five employ the boiling method. All these plants are situated in the Pacific Coast area in the Departments of León and Managua, with only a small number in the rest of the country. They provide employment for over 500 persons.

<u>Department</u>	<u>No. of salt plants</u>	<u>Per cent</u>	<u>Production in metric tons</u>
León	31	60.8	16,593
Managua	16	31.4	1,474
Others	4	7.3	972
	<u>51</u>	<u>100.0</u>	<u>19,039</u>

Salt production in Nicaragua is the third highest in Central America.

Production plans

In addition to the demands of the soda and chlorine plant, Nicaragua also has to satisfy demands for salt for human consumption. As mentioned earlier, the project now being developed provides for the installation of a salt plant designed to produce 20,000 to 25,000 metric tons of granular salt a year exclusively for the production of soda and chlorine. However, there are good opportunities for larger scale operations with a view to remedying current shortages of prime-quality salt in Central America, under the terms of the agreements on economic integration. It should be mentioned, however, that in some countries, such as Guatemala, freedom of the salt trade is hampered by restrictions imposed on the pretext of protecting the

local salt producers. Salt circulates reasonably freely, however, in Honduras - El Salvador and Nicaragua - Costa Rica.

As far as the situation specifically pertaining to local producers is concerned, there is no information available on any current plans to increase production and improve quality. It is agreed, however, that it would be advisable to form co-operatives, in view of the obvious benefits resulting from such a course, and to improve manufacturing techniques to meet the growing demand for high-quality salt in the country.

It is felt that mechanization of operations would be economically advisable only at production levels of 35,000 metric tons per year and over.

Managua, 22 July 1969.



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