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Workshop on Technical and Economic  
Co-operation between Latin American  
and Arab Countries in the Food-  
Processing Industry

Barcelona, Spain, 7-9 July 1986

REPORT\*

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## INTRODUCTION

The "Workshop on Technical and Economic Co-operation between Latin American and Arab Countries in the Food-Processing Industry" was held in Barcelona from 7 to 9 July 1986, and was hosted by the Promoters of Services for the Food Industry (PROSEMA) of Spain. The meeting brought together representatives of the most important regional organizations of the food industry from the Latin American and Arab regions, namely, the Latin American Association of Food Processors (ALICA) and the Arab Federation for Food Industries (AFFI). The list of participants is attached as annex 1, and the agenda of the meeting as annex 2.

The meeting was convened in order to assist and promote technical and economic co-operation in the field of the food-processing industry between Latin American and Arab countries.

At the opening ceremony, the President of PROSEMA welcomed the participants and expressed the willingness and readiness of PROSEMA to collaborate in the consolidation of the new relationship between the Latin American and Arab regions. This statement was followed by that of the UNIDO representative, who, during his welcome address, highlighted the importance UNIDO places on encouraging and supporting economic and technical co-operation among developing countries and the benefits such co-operation brings to the economies of the countries involved. The opening statement of UNIDO is attached as Annex 3.

The Secretary General of AFFI and the Executive Secretary of ALICA, presented a general overview of the food-processing industry in their respective regions. Individual presentations were also made by industrialists from Brazil, Mexico, Uruguay, Venezuela and Sudan.

I. General Overview:

(i) Arab Federation for Food Industries (AFFI)

Was established in Baghdad in 1976 as an independent Arab organization in recognition of the fact that Arab food security is a basic prerequisite for the success of the Arab Development Strategy through industrialization policies. AFFI was thus given the task of promoting and co-ordinating activities in the food-processing industry in the member countries, by providing necessary services, by following up technological developments throughout the world in order to help its members acquire essential know-how, and in general, to work for the advancement and integration of the food-processing industries in the region. At present, organizations from twenty-two Arab countries are members of AFFI (see Annex 4).

The most important food industries in the Arab world include:

Dairy products industry

Arab countries have a large number of dairy plants with good production capacities. However, given the substantial increase in the consumption of dairy products, governments are increasing the production of milk. However, Arab countries continue to import large quantities of dairy products, particularly powdered milk. The value of imports in this sector has reached US\$ 1,400 million.

Oilseed Industry

This industry is common in the Arab region; however, in view of the fact that a substantial number of production units are working below capacity levels or are idle, annual production accounts for only 27 per cent of total needs. As a result, the value of vegetable oil imports is more than US\$ 1 billion annually. This sector suffers from a shortage of well-qualified senior and intermediate technical staff. Another problem lies in the fact that the Arab region does not have a research institute specialized in this industry.

### Canned Food Products Industry

Due to the seasonal character of the production of raw materials for this industry, and consequently their uneven supply to the processing plants, there is an increased dependency on imported raw materials. Also in this sector, the plants operate below their installed capacity. In addition, packaging materials, most of which are imported, represent a high portion of the cost of the finished product.

### Cereal Processing

Being the staple food of the region, cereal processing is an important industry where both the public and private sectors have substantial investments. The industry has been associated with considerable losses due to lack of proper storage facilities for raw materials and waste occurring during processing operations. In Sudan for example, lack of appropriate infrastructure facilities such as silos and warehouses, contribute to the heavy losses being experienced in this industry. The industry also suffers from a shortage of skilled manpower.

Other important industries in the Arab world are:

Sugar; baby food; confectionary; fisheries; carbonated beverages and mineral water; poultry and eggs; meat.

The above-mentioned industries have been established with some success. However, the most important problems facing these industries are similar to the problems mentioned earlier, that is, lack of raw materials, which, in most cases, have to be imported, and lack of trained personnel at all levels, including those concerned with electrical and repair and maintenance activities. Another important drawback of these industries is the lack of specialized research and development institutes in the region.

Projections for the year 2000 indicate that imports of food products to the Arab countries will reach US\$ 170 billion. At present, more than 30,000 enterprises are dealing with the food industry which is second only after the oil industry.

The private sector plays a crucial role in the development of food industries in the Arab World, while the governments have generally supported the establishment of food industries through the provision of loans, bank facilities and protection, and have participated directly in the establishment of some food industries. Moreover, some industries are subsidized by the various governments.

Regarding financing of projects and joint ventures, there are important Arab banks supplying funds for these purposes. AFFI representatives indicated that they will support joint projects between countries of the two regions and will recommend viable projects to appropriate financial sources. Particularly, they will favour projects which have the support of both ALICA and UNIDO.

Finally, it was mentioned that during the Arab Summit (Amman 1980) food security was declared as the first priority for the Arab region.

(ii) Latin American Association of Food Processors (ALICA)

Was created in 1963 in order to serve all subsectors within the food-processing industry of Latin America. It acts as an advisory body to the Latin American Association of Integration (ALADI) as well as to other Latin American integration bodies in matters concerning the food-processing industry of the region and its foreign trade. ALICA provides a variety of services to its members, including information on worldwide and regional trends on specific subsectors within the food-processing industry. ALICA holds an annual congress where its members meet to discuss matters of common interest such as commercialization and trade issues. Business meetings among the industrialists for the direct commercialization of products and technology exchanges are also arranged during these congresses.

Its members are associations and enterprises from 11 Latin American countries and Spain (See Annex 4).

During the past few years, and in spite of several problems still facing the food-processing industry, Latin American countries have made important technological advancements, and, at present, have the capacity to manufacture and export a wide variety of quality products according to international standards. Furthermore, the intermediate technology developed is ideal for its transfer to developing countries. At present, Latin America is able to offer raw materials, finished products and technology in most sectors within the food-processing industry.

Some of the most important food industries in the Latin American region where Latin American countries would be ready to respond to Arab requests in both finished products and technology transfer include:

**Dairy Products:** several countries of the region (such as Argentina, Uruguay and Mexico) have large production capacities and are ready to offer both their technology and their products, consisting mainly of powdered and condensed milk, butter and different varieties of cheese.

**Coffee and Cocoa:** Latin America has been traditionally strong in these areas.

**Oils and Fats:** Latin America has achieved great improvements in production and trade in this area, and the region as a whole is a net exporter. Argentina and Brazil are the leading producers and exporters.

**Cereals:** Technology in Latin America is well developed in this area, particularly in milling, followed by the bakery industry. Large quantities of processed cereals are being exported.

**Meats:** Latin American meat products have a long tradition and are well known throughout the world. Exporters include, inter alia, Argentina, Uruguay, Colombia, Mexico and several Central American countries such as Costa Rica and Guatemala.



**Sea Foods:** Several Latin American countries are strong in this industry and have well-developed technologies, including freezing and refrigeration facilities for this and other industries. Brazil, Peru and Uruguay are some of the countries with the greater potential for canned and frozen sea food.

**Fruits and Vegetables:** Latin America has made important technological development in this field. Canned and frozen fruits and vegetables are important export items. Canned pineapples and peaches, and tomatoes and their byproducts are good examples, as well as fruit juices, particularly concentrates. The Latin American climate permits continuous production of most items. Moreover, the packaging industry (i.e. tin cans) has also made important technological strides, particularly in countries such as Brazil and Argentina.

Other Industries with excellent potential and available technology include: honey, confectionary; carbonated beverages, dried fruits and nuts.

(iii) Promoters of Services for the Food Industries (PROSEMA)

PROSEMA, a Spanish non-governmental organization, is fully engaged in providing services in the field of food and food processing. One of its objectives is to serve as a focal point between the Spanish food-processing industry and industry in other parts of the world. In this connection, PROSEMA has been co-operating very closely with ALICA and serves as ALICA's representative in Western Europe. Similarly, PROSEMA has recently supported the creation of a Pan-Arab Council for the development of a food-processing system known as Alimentaria-Hispanoárabe, for the purpose of bringing together enterprises and institutions from the Arab region with those of Spain, to discuss commercial and technological relations and other co-operation activities in the food and food-processing fields.

PROSEMA is the organizing body for the International Food Fair Alimentaria, a highly professional fair now divided into two events: one dedicated to consumer products and equipment for the distributive trades; and the other, specialized for suppliers of raw materials, machinery, technology and services for the food industries. Both exhibitions are held in Barcelona, Spain.

II. Summary of discussions:

Discussions centered on two lines of action: on the one hand, joint co-operation on technical and technological activities, and on the other, commercial relations between the two regions.

The first item includes transfer of technology (a preliminary list of sub-sectors where technology from Latin America could be made available to Arab countries was drawn up), training and exchange of personnel, provision of experts, participation by each other in selected activities organized in both regions, and co-operation in the field of information.

The second item, commercial relations, was discussed in depth; a number of raw materials and finished products which could be provided by Latin America to Arab countries were identified.

An agreement for co-operation establishing guidelines for the future joint work programme between AFFI and ALICA, with UNIDO acting as focal point for that co-operation, was signed at the meeting.

At the conclusion of the workshop, representatives of both, ALICA and AFFI expressed their satisfaction with the results of this first contact and thanked UNIDO for organizing the Workshop. The role of PROSEMA, the Spanish non-governmental organization hosting the meeting, was also commended.

The participants also expressed their appreciation to the Department of Commerce, Generalitat de Catalunya, for its hospitality and assistance provided to them during their stay in Barcelona.

III. Conclusions and recommendations:

(i) Transfer of technology:

Western Europe has been the most common source of food processing technology for the Arab region, and at present, the Arab countries are looking to diversify their sources of technology. The Latin American region represents a good opportunity in that direction.

A number of important projects are ready to be launched in Arab countries (e.g. a large vegetable oil complex in the Sudan, several feed plants in various countries, soft drink concentrates, baby food (mainly based on cereals), fruit and vegetable canning, red meat, dairy products and others); AFFI representatives requested information on the types of technology available from Latin America in these and other sub-sectors of the food-processing industry. In order to assist Latin American countries to prepare these data, AFFI was to send ALICA information on the projects which are ready for implementation, and for which AFFI is interested in obtaining technology from Latin America. Accordingly, ALICA is to provide AFFI with a list of available technologies in as much detail as possible.

Other related areas where AFFI is interested in obtaining information from Latin America are storage facilities for food products, including silos, freezing facilities, packaging and canning. The representative of Brazil indicated his readiness to provide technology in some of these sectors.

(ii) Training:

Training of personnel at all levels, particularly at the technical level, was said to be a general problem area for food-processing plants in Arab countries. In this connection, Latin American countries have the capacity to provide training at a number of their institutes, universities and in private sector enterprises.

It was concluded that, based on requirements for the training of personnel from the Arab countries, ALICA would confer with its members, on a case by case basis, on the possibility of providing the requested training at specialized Latin American research and development institutes, universities and private sector enterprises. The Universidad Campinas and the Institute of Food Technology (Brazil) and the Technological Laboratory of Uruguay (LATU) were mentioned as examples of institutions where training could be conducted. The terms of each training activity, will be determined by mutual agreement between the two regional organizations.

(iii) Experts services:

The provision of experts is another important area where Latin American countries could assist Arab food-processing plants. Moreover, Latin American experts could be made available for both, new projects, and for rehabilitation/modernization of existing plants.

The meeting concluded that based on requests for expert services from Arab countries, ALICA would confer with its member enterprises, on a case-by-case basis, in order to make available short-term expert services to Arab food-processing plants to provide assistance in areas such as: preparation of feasibility studies, management and transfer of technology, including the rehabilitation/modernization of existing plants.

(iv) Exchange of experience:

In order to know first hand the available technology, the different products, and, in general, the potential of each region in the food-processing industry, it was recommended that food industrialists from one area should make every effort to visit the other on the occasion of food industrial fairs, conferences, seminars, where there would be an opportunity to make appropriate contacts with buyers and sellers, as well as to make visits to food-processing plants and technical laboratories and universities, as appropriate.

(v) Information systems:

The field of information was discussed at length, as the question of having the correct information at the right time was thought to be of great importance for future dialogue between the two regions. Taking into consideration that at present the information is available in Arabic on the one hand and in Spanish on the other, UNIDO was requested to consider assisting both regions in setting-up appropriate information systems which would speed up the provision of information from one region to the other. Specific requests for UNIDO's assistance in this area, including the detailed requirements of each regional organization are to be prepared by both AFFI and ALICA and submitted to UNIDO for its consideration.

(vi) International Bids

Once appropriate lines of communication have been established, AFFI will inform ALICA on a regular basis, on international bids (tenders) for food and food-related projects in Arab countries so as to give Latin American countries opportunities to participate in such projects.

(vii) Commercialization:

An illustrative list of food products which could be exported from Latin America to Arab countries, was drawn up during the meeting. ALICA offered to consult with its members enterprises in order to prepare an expanded detailed list of products available for export to Arab countries.

In view of the great demand of raw materials and finished products existing in Arab countries, and for the purpose of estimating future trade activities between the two regions, AFFI requested ALICA to prepare an estimate of the existing production capacities in Latin America for the several sub-sectors of the food-processing industry. ALICA will consider the preparation of this list to the maximum extent possible.

As the commercialization of raw materials and finished products between the two regions will, in most cases, be carried out for the first time, methods and availability of appropriate transportation facilities should be studied well in advance in order to avoid problems at the time of shipment.

(viii) Joint co-operation agreement:

In order to institutionalize the co-operation between the two regional organizations, an agreement establishing guidelines for the future joint AFFI/ALICA work programme, with UNIDO acting as focal point for that co-operation was signed at the meeting (see Annex 5). The aim of the agreement is to provide an opportunity for future meetings between both organizations in order to discuss and monitor the implementation of ongoing and planned activities between the two regions. Within the framework of this agreement, the formulation of a joint work programme based on specific projects covering the areas of interest of both organizations is envisaged. It is expected that the joint meetings will take place once a year, or whenever deemed necessary by both parties.

(ix) Role of PROSEMA:

The important role PROSEMA could play in the co-operation activities between the two regions was acknowledged. It was agreed that PROSEMA should be involved whenever necessary in the co-operation activities between AFFI and ALICA and, given the excellent relations between PROSEMA and both regions, this Organization would be invited to attend the several activities to be carried out between ALICA and AFFI including attendance at the joint meetings of the Committee, as reflected in the Agreement for Co-operation signed between AFFI, ALICA and UNIDO.

List of Participants

Asociación Latinoamericana de Industriales y Cámaras  
de la Alimentación (ALICA)

Dr. Joao Franco de Camargo Neto  
President of ALICA

Lic. Roberto Musi Ganem  
Vice President of ALICA

Dr. Eduardo Fresco Leon  
Executive Secretary of ALICA

Sr. Edgardo Viola Bouyssounade  
Director for Uruguay

Lic. Marta Reich, Director  
Cía Venezolana de Conservas C.A.

Arab Federation for Food Industries (AFFI)

Dr. Falah Said Saleh Jabr  
Secretary General of AFFI

Mr. Bukhari Mahmoud Bukhari  
Managing Director  
Arab Sudanese Vegetable Oil Co. Ltd  
Member of AFFI Board of Directors

Promoters of Services for the Food Industries (PROSEMA)

Mr. Sastre, President

Dr. Mario Cañizal, Director  
International Relations

Mr. A. Habbaba  
International Department

Mr. H. Zaccour  
Alimentaria Hispano Arabe

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

Mr. Luis Rojas Montero  
Industrial Development Officer  
Section for Co-operation with Non-governmental Organizations  
and Industrial Enterprises

Annex 2

AGENDA

1. Situation of food industry, production, foreign trade, perspectives in Latin American and Arab countries (brief description) - AFFI and ALICA to report
2. Co-operation between both regions
  - 2.1 Technology transfer
  - 2.2 Technical assistance
  - 2.3 Training and exchange of technical personnel
  - 2.4 Trade
3. Work programme regarding joint co-operation with emphasis on:
  - Canning
  - Dairy products
  - Meat processing
  - Feeds
  - Vegetable oil industries
  - Cereals
4. Exchange of opinions regarding legal situation and possibilities of joint ventures
5. Project financing: role of financial institutions
6. Existing scientific food research centres in both regions
7. Creation of information centre (data on supply and demand of food products)
8. Role of Spain regarding relations between both regions; Spanish offer to create a permanent office to assist Arab and Latin American countries in the implementation of follow-up activities
9. Conclusions and recommendations



Annex 3

ADDRESS BY  
Mr. Luis E. Rojas  
UNIDO

Gentlemen,

It is a great pleasure for me to welcome you, on behalf of UNIDO, to this meeting, which, I hope, will lead to fruitful collaboration between Latin American countries and Arab States in the food-processing industry.

I also wish to take this opportunity to express our gratitude to PROSEMA for hosting this meeting and for their high spirit of collaboration with the activities of UNIDO. I wish to point out that PROSEMA have, on many occasions, demonstrated their interest in collaborating with UNIDO and have, for example, assisted UNIDO in identifying excellent experts for our projects in the food-processing sector, including fisheries.

This meeting of co-operation between ALICA and AFFI, both of which are the most important organizations of their respective regions in the food-processing sector, is indicative of the importance UNIDO places on the further industrial development of the Arab and Latin American regions in particular, and on its relations with non-governmental organizations and industrial enterprises in general. In fact, the new orientation of UNIDO is to intensify co-operation with the NGOs and industrial enterprises both from developed and developing countries. UNIDO is convinced that these organizations and enterprises can offer valuable resources, such as provision of expertise, training, transfer of technology, and even financial inputs, which could be incorporated in projects and programmes for the benefit of developing countries. Moreover, non-governmental organizations and enterprises are in fact, instrumental in furthering industrial development.

As you know, one of the important objectives of UNIDO is to encourage and support economic and technical co-operation among developing countries; all of you know that there are many developing countries whose technical and technological activities have reached a well-developed stage and who are ready and willing to transfer this technological progress and experience to other countries and regions. These exchanges of co-operation improve the economy

of the countries having such exchanges and are an excellent alternative to expensive purchases of technology and other imports and dependency on the developed countries. It is important to stress here that the key message for more enhanced, co-ordinated and efficient South-South co-operation is that mutual benefits should be derived for all the actors involved in such co-operation.

In recent years, it has been shown that great potential exists for industrial co-operation between developing countries. Interregional trade, technological transfers, joint ventures and growing co-operation within a region or between regions all indicate that this potential is likely to be utilized much more than in the past. For example, the strong industrial co-operation which exists between Iraq and Brazil has been described as constituting "a significant milestone" in the sphere of South-South dialogue. Iraq is now Brazil's second largest trading partner after the United States, and supplies crude oil to Latin America's largest country, and, in turn, imports, among other items, food products. Brazilian companies will implement development projects in Iraq under a newly-concluded agreement between the two countries. This is not an isolated case; there are other countries from these two regions which are ready and willing to co-operate. The present meeting, therefore, is an excellent opportunity to pursue and strengthen this co-operation in the important field of food products and the food-processing industry.

I wish you, therefore, a most stimulating discussion, and hope that your deliberations will bring concrete results and benefits for the countries and regions concerned, as it is only concrete results which can have a meaningful and lasting effect on the food-processing industries and on the economies of the countries concerned.

Thank you.

LIST OF MEMBER COUNTRIES

Annex 4

Arab Federation for Food  
Industries (AFFI)

Algeria  
Bahrein  
Democratic Yemen  
Djibouti  
Egypt  
Iraq  
Jordan  
Kuwait  
Lebanon  
Libya  
Mauritania  
Morocco  
Oman  
Palestine  
Qatar  
Saudi Arabia  
Somalia  
Sudan  
Syria  
Tunisia  
United Arab Emirate  
Yemen Arab Republic

Asociación Latinoamericana de  
Industriales y Cámaras de la  
Alimentación (ALICA)

Argentina  
Bolivia  
Brazil  
Chile  
Colombia  
Ecuador  
Mexico  
Paraguay  
Peru  
Spain  
Uruguay  
Venezuela

Note: Enterprises from Costa Rica,  
Guatemala and Panama are in  
the process of joining the  
Association

**Agreement for Cooperation between the Arab Federation For Food Industries and the Latin American Association of Food Chambers and Food Industrialists**

1.- The workshop on Technical and Economic Cooperation between representatives of the Latin American Association of Food Chambers and Food Industrialists and the Arab Federation For Food Industries was held in Barcelona, Spain, from the 9th to the 11th of July 1986 under the auspices of UNIDO and hosted by the Promotores de Servicios y Manifestaciones Alimentarias (PROSEMA) of Spain.

2.- As a result of the above mentioned workshop, both the Latin American Association of Food Chambers and Food Industrialists and the Arab Federation for Food Industries, hereinafter referred to as ALICA and AFFI respectively, recognizing the need and importance of establishing technical and economic cooperation between their two regions which is fundamental to improve their food processing industries with the resulting economic benefits for both regions, agreed to pursue the following points which would guide their efforts for future joint cooperation.

3.- Joint cooperation in all aspects of the food processing industry with emphasis on the following areas will be discussed by both parties on a case by case basis.

3.1. Technology transfer

Based on the needs and requirements of Arab Countries, ALICA will provide its available technology in all sectors of the food processing industry.

3.2. Training

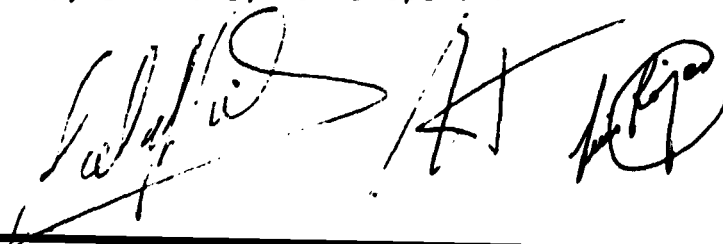
Training will be organized by ALICA at the request of AFFI and will be conducted at Latin American Technological R and D Institutes or private enterprises, or alternatively, Latin American experts will travel to Arab Countries to conduct short-term training programs. When appropriate, training of trainers courses will also be conducted in order to develop a permanent training capacity in Arab Countries.

3.3. Exchange of personnel

In order to exchange experiences and to familiarize each other with their facilities, methods, processes, R and D Institutes, etc. study visits and exchange of personnel will be conducted from time to time, the terms of which will be agreed upon by both parties.

3.4. Participation in selected activities

Both AFFI and ALICA will inform each other regarding activities to be organized in their respective regions and which could be of interest to the other. Such activities include industrial fairs, conferences, seminars, workshops and related meetings.



**3.5. Exchange of information**

In order to have access to the required information on a timely basis, a permanent system for the exchange of information will be established. This information requirements will cover aspects not only of statistical nature, supply and demand of specific products and production capacities, but will also cover information on specific and concrete projects to be undertaken, such as new as well as expansion/rehabilitation of existing enterprises, in the food processing industry, and which could be of interest to the other party.

**4.- Commercial Relations.**

In order to provide for an increased of food exports from Latin American to Arab Countries, both AFFI and ALICA will provide each other on a timely basis, relevant information regarding supply and demand of products and any other information which will facilitate such commercialization.

5.- In order to coordinate and insure the implementation of the cooperation activities to be undertaken by AFFI and ALICA, a tripartite committee, hereinafter referred to as the Joint Committee will be established. The Joint Committee will be made up of two representatives from each AFFI and ALICA, and one staff member from UNIDO in its capacity as coordinating organization for such cooperation.

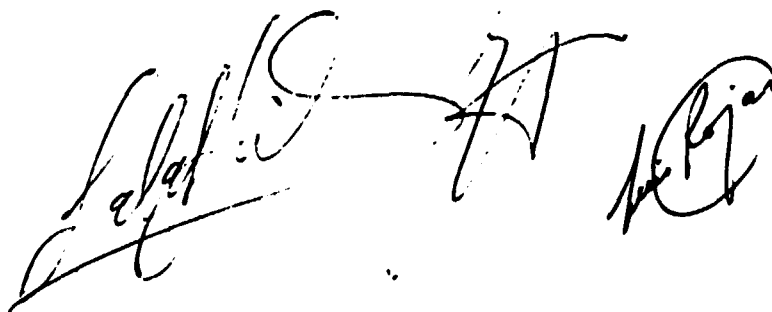
Given the close relationship existing between PROSEMA with both AFFI and ALICA, PROSEMA will be invited as observer to the meetings of the Joint Committee.

6.- The Joint Committee will meet at least once a year to discuss the ongoing activities between the two regions, and to establish a joint work program for the following two years. The time and place of each meeting will be agreed upon among the members concerned.

7.- UNIDO will act as coordinator of activities between the two regional organizations and will be the focal point for the follow up/implementation of activities agreed to under the Joint Work Program.

**8.- Financial Considerations.**

Each organization will cover the expenses connected with the attendance of its members to the Joint Committee meetings. The cost of implementing the activities included in the Joint Work Program will be discussed on a case by case basis.

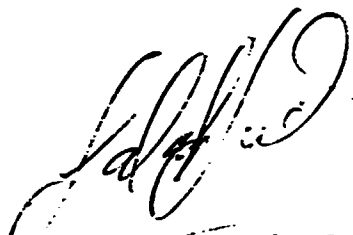
The bottom of the page features three handwritten signatures or initials. On the left is a large, stylized signature that appears to be 'Salaf'. In the center is a smaller, more compact signature or set of initials. On the right is another signature, possibly 'H. P. J.' or similar, written in a cursive style.

9.- This agreement for cooperation will enter into force upon the signatures of the representatives of the Organizations concerned.

For  
Arab Federation for  
Food Industries AFFI

For  
Latin American Assoc.  
of Food Chambers and  
Food Industrialists  
ALICA

For  
United Nations  
Industrial Development  
Organization UNIDO



Dr. Falah Said S. Jabr  
General Secretary

date: 9th July 1986



Dr. Eduardo Fresco León  
Executive Secretary

date: 9th July 1986



Sr. Luis E. Rojas Mont.  
Industrial Development  
Officer

date: 9th July 1986