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Expert Group Meeting for the African
Region in Promoting Regional Co-operation
for the Establishment of an Organizational
Framework for Sugar-Cane Producers and
Co-operation on Technology and Market

Vienna, Austria, 5-8 June 1990

PROSPECTS FOR DEVELOPMENT OF THE
SUGAR-CANE INDUSTRY IN AFRICA

Background paper*

Prepared by the

UNIDO Secretariat

* This document has not been edited.

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1. The System of Consultations is an instrument through which UNIDO serves as a forum for developed and developing countries in their contacts and consultations directed towards the industrialization of developing countries. Consultations permit negotiations among interested parties at their request, at the same as or after the meetings. Participants of each member country include representatives of governments, industry, labour, consumer groups and others, as deemed appropriate by each government.

2. Through its different expert group meetings and consultations, UNIDO provides a forum for:

- Assessment of world trends in selected industries;
- Identification of obstacles to the development of the sector and consideration of such obstacles from a policy, economic, financial, social and technical point of view;
- Promotion of investment contributions and identification of technical assistance projects;
- Negotiations during or after consultations among interested parties at their request.

3. The First Interregional Consultation on the Food-Processing Industry with Emphasis on Sugar-Cane Processing which was held at Havana, Cuba, in September 1988, discussed in depth the topic of diversification and the measures to be taken to improve productivity of sugar-cane plants.

4. At the Consultation there was agreement, inter alia, on the necessity to expand technical assistance programmes directed towards productivity improvement in such areas as processing technology, energy efficiency, management, cost accounting maintenance, quality of production and the upgrading of skills. The recommendations of the Consultation also included restructuring and rehabilitation of existing plants, the achievement of a better balance within the sugar complexes, as well as promotion of regional and interregional co-operation.

5. The First Interregional Consultation also concluded that "UNIDO/GEPLACEA and other regional institutions should promote co-operation between the producers of sugar-cane in the fields of information, research, development of pilot plants, production of capital goods and the definition and implementation of programmes of diversification." (see report of the First Interregional Consultation on the Food-Processing Industry with Emphasis on Sugar-Cane Processing, ID/362).

6. Taking into account the specific problems of the African sugar-cane producing countries, such as low profitability and economic stability of the sector, lack of technology and market information as well as outdated equipment, the African sugar-cane producers expressed their interest in creating a regional organization similar to GEPLACEA in Latin America aimed at improving the situation.

7. Since the Consultation UNIDO has initiated a number of activities to improve the productivity of the existing sugar-cane processing plants. These development programmes have been launched in 12 African countries and a team of experts is now evaluating the data collected and formulating appropriate development projects to be implemented on a case-by-case basis. Within the framework of specific projects, assistance may be provided to selected sugar factories/institutions covering aspects of technique and technology, repair, maintenance and replacement of equipment, questions relating to raw material production and supply, packaging and marketing as well as management techniques and financial and economic assessment and evaluation.

8. In preparation for this Expert Group Meeting of African countries, the following studies were prepared in 1989 by high-level consultants:

- Assessment of the situation of the sugar industry in Africa and the prospects for the next decade;
- Outline of the organization of a group of sugar producing countries in Africa;
- Draft Statutes of the Group of African sugar producing countries, based on the Statutes of the Group of Latin American and Caribbean Sugar-Exporting Countries (GEPLACEA).

9. Linkages were also established with FAO, ITC and GEPLACEA to exchange experience and increase efficiency of this preparatory work.

10. The basic objectives of the expert group meeting of African countries are to assist sugar-cane producing countries in the region to develop a strategy for improving the viability and profitability of the sugar industry, and to assist in drawing up a framework for the establishment of an organization of a group of sugar producing countries in Africa. This regional organization will be a consultative, co-ordinating and information body for African sugar-cane producing countries on issues of common interest related to sugar-cane production and marketing.

11. The establishment of such a regional organization will permit the implementation of specific activities such as those outlined below:

- Setting up of a system to integrate and orient research towards the development needs of the sugar industry, inter alia, to develop new varieties of sugar cane, to modernize factory equipment, to increase the technical level of operators and managers and, in the integral use of sugar, to recognize the potential value of its derivatives and by-products.
- Creation at the intraregional level of a system that would initiate and enhance contacts between potential buyers and sellers within the organization.
- Co-ordination of policies designed to achieve fair and remunerative price levels, defence of price at traditional markets and improvement and increase of knowledge of international markets while avoiding duplication of efforts and resources.
- Adoption of new technologies and equipment with the aim of creating a regional modernization programme based on the existing successful modernization experience in some African countries.
- Elaboration of the personnel and management training programme.
- Mobilization of efforts in planning and organization of production of sugar-cane by-products and derivatives while identifying the technically and economically viable potential of different countries of the region.