

**Title** Africa has played a minor role in world trade, but this could well change

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### **Abstract**

Although banana and plantain are crucial to food security in most countries of tropical Africa, the continent's role in the world banana economy has, at least until now, been relatively minor, as the continent's export accounts for less than 4% of international banana trade in 2007, rising from 3% in 1985. This growth is driven by a few countries like Cameroon, Cote d'Ivoire and Ghana. However, the strong downward pressure on prices paid to the big fruit companies from the large Northern retail markets – combined with low labor costs and tariff-free access to the EU-27 market – means that the big fruit companies have been actively prospecting for new production locations in the continent. Virtually all exports from Africa go the Europe, with France and the UK being the primary destinations. This is like to geographical proximity and the shipping lines, but also to the fact that African exporting countries have enjoyed substantial tariff preferences in the single European market since 1993, and are still enjoying bilateral agreements. Virtually all the 2007 export volume of more than 500,000 tonnes in accounted for by medium- and large-scale producers linked to a multinational fruit company. Although banana plantations employ high levels of labor compared to any other export commodity, wages are low and have fallen in relation to the cost of living. Another key feature of industrial banana production is the high level of toxic agrochemical inputs. Although overall levels are lower than in Central America, African workers and neighboring communities report a number of health, safety and environmental problems related to these products. The potential expansion of export banana production in Africa comes at a time when demand in the world market is changing. As consumers have become more and more aware of the social and environmental consequences of industrial banana production, the demand for Fairtrade and organic fruit has grown. By the end of 2007, an estimated one third of the UK market, Europe's second biggest, is accounted for by Fairtrade and organic banana imports. In Switzerland, this figure is over half the total market. Overall, the global market for Fairtrade certified bananas is at 2% of world trade, whilst world organic exports represent an estimated 4%. If African governments and civil society wish to attract benefits of Fairtrade and organic banana production, investors will have to look beyond the traditional banana business model. In the African context, this likely growth in banana exports, must not be at the expense of local food security. A "business as usual" expansion model in Africa would simply reproduce the same model of poor labor conditions, occupational health & safety hazards and long-term negative externalities for the natural

environment. Nonetheless, there is growing evidence that the increasing focus by the big banana companies on sustainable development will be better reflected in new operations in Africa. This is an ideal opportunity to learn and apply the lessons from over a hundred years of banana export industry history in Latin America.