United Nations Conference on Trade and Development

ROUND TABLE: THE ECONOMICS OF GUM ARABIC IN AFRICA

27 April 2018, Geneva

Commodities at a Glance:
Special Issue on Gum Arabic

By

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
COMMODITIES AT A GLANCE: SPECIAL ISSUE ON GUM ARABIC

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Round Table: The Economics of Gum Arabic in Africa
Geneva, 27 April 2018
Commodities at a Glance:
Special Issue on Gum Arabic

✓ Part of a publication series
✓ Produced by UNCTAD’s Commodities Branch
✓ Statistical information
✓ Analysis
Outline of presentation

1. What is gum arabic?
2. Why is gum arabic important?
3. Statistics
4. Ten key policy issues
5. Conclusion
What is gum arabic?

- A dried **exudation** produced by two types of acacia trees:
  - Acacia senegal
  - Acacia seyal

  — Joint FAO-WHO Expert Committee on Food Additives (J ECFA)

- Oozes from trees as a **sticky liquid**

- After drying in the sun, forms **glassy nodules**

- Ultimately processed into **powder**
Why is gum arabic important?

1. SUSTAINABLE DEVELOPMENT GOALS

2. NUMEROUS INDUSTRIAL APPLICATIONS
GUM ARABIC IS A PROMISING COMMODITY FOR PRODUCING COUNTRIES IN AFRICA
Sustainable Development Goals
Numerous industrial applications
Desirable properties and functions

<table>
<thead>
<tr>
<th>Natural</th>
<th>Organic</th>
<th>Non-GMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pesticide-Free</td>
<td>Halal</td>
<td>Kosher</td>
</tr>
<tr>
<td>Low Calorie</td>
<td>High Fiber</td>
<td>Odourless, Tasteless, Translucent</td>
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<tr>
<td>Emulsifier</td>
<td>Flavor Encapsulator</td>
<td>Thickener</td>
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STATISTICS
Crude gum arabic

**EXPORT QUANTITY**
(Tons)

GROWTH: + 194%

**EXPORT VALUE**
(Millions of US$)

GROWTH: + 58%

*Source: UNCTAD secretariat.*
Crude gum arabic: Market shares

**EXPORT QUANTITY (2014-2016)**
- Sudan: 65.8%
- Chad: 13.2%
- Nigeria: 8.5%
- Cameroon: 3.3%
- Mali: 2.8%
- Senegal: 2.1%
- Other: 4.3%

**EXPORT VALUE (2014-2016)**
- Sudan: 70.5%
- Chad: 15.8%
- Nigeria: 4.4%
- Mali: 2.1%
- Cameroun: 1.6%
- Senegal: 1.8%
- Other: 3.7%

Source: UNCTAD secretariat.
Crude gum arabic: Market shares

IMPORT QUANTITY
(2014-2016)

- **France**: 39.5%
- **India**: 35.5%
- **Other Europe**: 10.8%
- **Other**: 3.7%
- **USA**: 10.5%

IMPORT VALUE
(2014-2016)

- **France**: 43.7%
- **India**: 19.1%
- **Other Europe**: 17.8%
- **Other**: 6.2%
- **USA**: 13.8%

Source: UNCTAD secretariat.
Processed gum arabic

**EXPORT QUANTITY**
(Tons)

- 15'000
- 30'000
- 45'000
- 60'000

**EXPORT VALUE**
(Millions of US$)

- 0
- 50
- 100
- 150
- 200

GROWTH: + 211%

GROWTH: + 158%

Source: UNCTAD secretariat.
Processed gum arabic: Market shares

**EXPORT QUANTITY**
(2014-2016)
- Sudan: 3.9%
- USA: 5.2%
- Other Europe: 20.2%
- Other: 1.9%
- France: 68.8%

**EXPORT VALUE**
(2014-2016)
- Sudan: 2.1%
- USA: 6.3%
- Other Europe: 23.3%
- Other: 2.5%
- France: 65.8%

*Source: UNCTAD secretariat.*
Processed gum arabic: Market shares

**IMPORT QUANTITY**  
(2014-2016)

- USA: 14.7%
- UK: 6.7%
- Germany: 5.2%
- Brazil: 5.2%
- China: 4.9%
- Other Europe: 36.7%
- Other: 26.7%

**IMPORT VALUE**  
(2014-2016)

- USA: 14.6%
- Ireland: 6.5%
- UK: 6.2%
- Germany: 5.2%
- China: 5.1%
- Other Europe: 28.8%
- Other: 33.7%

Source: UNCTAD secretariat.
P O L I C Y I S S U E S
Ten key policy issues

1) Data
2) Producers’ skills
3) Land tenure
4) Product differentiation
5) Market power
6) Profitability
7) Local processing
8) Gender
9) Climate change
10) Stability
Conclusion

Gum arabic has enormous potential to:

❖ Promote economic growth
❖ Secure rural livelihoods
❖ Empower vulnerable groups
❖ Promote synergies with natural resource management and climate change mitigation and adaptation
Thank you.

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