PLANTATION MULTINATIONALS INVOLVED IN THE BANANA, TEA AND PALMOIL SECTORS

A brief investigation into the major world players in this field.

Commissioned by the Centro Nuovo Modello di Sviluppo (Vecchiano - Italy)

January 1992

This is a brief investigation into the Transnational Corporations involved in banana, tea and palmoil plantations around the world. To this aim we have consulted the SOMO-documentation and various other European institutions with information on this topic. Detailed information on the various specific plantations, such as numbers of employees, size, unions involved etc., proved to be nearly impossible to find. This because of the fact that, although we made repeated requests, neither the multinational companies involved, nor the International Federation of Plantation, Agricultural & Allied Workers (IFPAAW) gave us any information, with the favourable exception of Unilever. Therefore, this review focuses on the available information on these multinational corporations. This review will sometimes give more, or more detailed information on certain multinational corporations and/or commodities than on others, depending on the amount of information available from the various sources.

In addition to this review we are sending you some clippings and photocopies which we think will also be of interest to you.

We hope this brief review will be of assistance to the work of the Centro Nuovo Modello di Sviluppo.

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BANANA PLANTATIONS

Most of the world's banana plantations are located in Central/Latin America and Asia; to be more precise in the following countries: Costa Rica, Honduras, Colombia, Ecuador, Panama, Nicaragua, Guatemala, Brazil, The Philippines, India and China. From this list, four countries (Brazil, The Philippines, India and China) are responsible for thirty percent of the world's banana production. They are not the countries everybody knows as 'banana-producing' countries, as production in these countries is mainly intended for the local market. Except for the Philippines, they do not export their bananas.

The exporting banana-producing countries are Costa Rica, Honduras, Colombia, Ecuador, Panama, Nicaragua, Guatemala and the Philippines. The Philippines exports its bananas primarily to other Asian countries (eg. Japan), while the Latin and Central American countries chiefly export to Europe and the United States.

There are three Multinational Corporations that control the world banana market:

- **** Chiquita Brands International (itself is a subsidiary of the American Financial Corporation, United States) with a world-market share of about 34%.
- **** Dole Food Company Inc. (called Castle & Cooke until last year, United States) with a world-market share of around 20%.
- **** Del Monte (formerly part of the American giant RJR Nabisco, at present a subsidiary of Polly Peck International, United Kingdom), estimated world-market share 15%

These three corporations own the majority of the plantations in the above mentioned banana-exporting countries. Moreover since 1990, these three corporations have started a race to outbid each other to acquire plantations owned by various co-operatives, especially in Honduras. Because of new government laws, co-operatives are now liable to local and export taxes as well as levies on accrued interest, from which they had previously been exempt. As a result many co-operatives are now of the verge of bankruptcy and have no option but to sell out. Another recent development is the growing challenge from new, (relatively) small European companies in the international banana trade, such as Fyffes, Caribean Gold and International Fruit Traders, that are eager to be supplied from Central/South America, now that preferential treatment through the Lomé Convention for the EC market will come to an end.

Chiquita Brands International Inc.

Chiquita Brands International Inc. is a subsidiary of The American Financial Corporation (Cincinnati, Ohio, USA), and has its European headquarters in Zwijndrecht (near Rotterdam, The Netherlands). Chiquita's turnover in Europe is estimated to be more than US$ 500.000.000 at present. Chiquita employs approximately 46.000 people, 38.000 of whom are employed in Central and South America.
Chiquita owns various plantations in Panama, Honduras, Colombia, the Philippines, Ecuador, Costa Rica and Guatemala. 33% of the bananas sold by Chiquita originate from Panama, and 20% from Honduras. Bananas originating from either Colombia, The Philippines, Ecuador, Costa Rica or Guatemala each comprise between 6 to 14 percent of the total amount of bananas sold by Chiquita. Chiquita owns approximately 155.000 acres and leases about 45.000 acres of improved land in Costa Rica, Panama and Honduras. All this land is used for cultivation of bananas and related supporting activities including the maintenance of floodways. The company also owns power plants, packing stations, warehouses, irrigation systems and loading & unloading facilities used in connection with its banana operations.
In Honduras Chiquita operates under the name of Tela Road. The producers here are officially said to be 'independent', but are in fact tied to the Chiquita corporation in several ways. The price the 'independent' banana producers get is very low, and much money goes to the Chiquita Corporation, that only provides a few services in return. These services however, are also used as a method to control and check the production, so that one cannot really speak of 'independent' producers. Tela Road's strategy to exercise her control most efficiently is to divide the producers in groups. The largest group is the "Associacíon Nacional de los Productores Independientes (ANBI).
Chiquita has operated in Costa Rica from the beginning of this century. The corporation has two branch offices in this country: 'Compañía Bananera de Costa Rica' and 'Compañía Bananera Atlántica' (Cobal).

Working conditions at Chiquita Brands International are very bad. Chiquita exposes its workers to pesticides: while they are working in the fields, pesticides are frequently aerially applied. Workers also often have to apply pesticides themselves without proper protection. The families of these workers and the nearby communities are also at risk from the improper application and overuse of these pesticides. Of course this puts the health of these people in great short term and long term danger. Chiquita as well as the other banana growing and exporting companies use all types of pesticides: fungicides, herbicides, nematicides and insecticides. These pesticides are often used

in different combinations (the so called 'cocktails'), which can increase their toxic effects. The major route of exposure to these pesticides is through skin absorption. The high temperature and humidity in which the banana-
workers have to do their job increases the pesticide absorption through the skin even further. Inhalation is also an important route of exposure. Many of the pesticides used on the plantations have for years been restricted in Europe and the United States.

Dole Food Company Inc.

The Dole Food Company, until recently known as the Castle & Cooke Company, produces bananas from its own plantations in Costa Rica and Honduras as well as through associated producers or independent growing arrangements in these countries and in Colombia, Ecuador and the Philippines. The company owns approximately 13.400 acres in Honduras and 18.800 acres in Costa Rica.

Like Chiquita, Dole exposes its employees to pesticides. In 1985 a lawsuit was filed against the company for this reason. Many of its employees were involuntary sterilized by exposure to pesticides, and were seeking compensation from the company and from the pesticide-manufacturers (Dow Chemical and Shell Oil). Company scientists knew that these pesticides were extremely dangerous, even in low concentrations. In other countries these pesticides were severely restricted. The government of Costa Rica consequently prohibited the use and import of these pesticides, but that did not stop Dole from exporting these chemicals to Honduras and keep using them there.

Del Monte

This company used to be part of the American transnational RJR Nabisco, until a leveraged buy-out by Kohlberg Kravis & Roberts in 1988 made it necessary to sell parts of the corporation. The fresh fruits department of Del Monte was therefore sold to the relatively small English company Polly Peck International in 1989 for the sum of US$ 875. At that time the Del Monte fresh fruits department had a turnover of US$ 675, a nett profits of US$ 79; and a workforce of 12.000. Even before the Polly Pack takeover Del Monte already had an appalling record. Del Monte was famous for its 'land grabbing', using bulldozers and pesticides to oust farmers of their land in the

Philippines, spraying its workers with pesticides, and paying extremely low wages to its workers. Plantation supervisors admitted the company 'weeds out' outspoken and militant workers.

During 1991 however, Polly Peck International fell into bankruptcy, because of its very heavy debt burden combined with serious allegations of fraud by the CEO Asil Nadir. Immediately after this became known around the world, Chiquita announced it was willing to buy Del Monte from Polly Peck for about one billion US dollars, together with an unnamed European partner. Chiquita would, if this deal went ahead, acquire all of Del Monte's banana and pineapple-plantations around the globe for about US$ 500.000.000, while the European partner would take over the distribution network of Del Monte in Europe and North America. If the deal goes ahead, Chiquita's world marketshare would rise to 49%, making it the undisputed leader in the world banana market. It remains doubtful if the take over will take place as it is not yet sure Polly Peck wants to sell Del Monte at all, and whether the US and EC anti-trust laws would allow such a monopoly position.

Relations with 'independent' producers

The trade conditions between the multinationals and the 'independent' producers are arranged by way of conventions. These conventions are not real conventions between two equal partners, who evenly share responsibility and risks, but rather a list of conditions, set by the multinationals, that the producers have to fulfil in order to technical help and know-how. The standard general obligations of the producers are:

*** Not to sell his land
*** To produce the type of bananas the company wants
*** Not to change the area under banana cultivation
*** Not to use the packing stations for any other purpose, even if it was built by the producer himself
*** To admit the company inspector to the plantation at any given time, even unannounced.
*** To buy the technology the company has fixed and approved

The rules concerning the fixing of the banana price are the toughest. Prices for a box of bananas are generally fixed for a period of eight to ten years by the companies. Although the banana production is done by the local producers, the multinationals make their biggest profits in the phases after the production. In this way the economical and political risks of banana-growing are rolled back to the 'independent' pro-

ducers.
The share of the direct production on multinational plantations is slowly decreasing, but the three multinational companies remain heavily vertically integrated corporations because of their command over all the different steps from production to consumption, such as: transport, the ripening and the wholesaler. Because of this vertical integration, the transnational companies are very powerful on the world banana market. By fixing prices for long periods of time, they can stay below the going market price, and obstruct any possible competitors.

Efforts to Improve the Situation

To decrease the power of the multinational companies, the UPEB (Union de los Paisos Exportadores de Bananos [Union of banana exporting countries]) was established in 1974, by Colombia, Costa Rica, Guatemala, Honduras and Panama. The Dominican Republic, Venezuela and Nicaragua joined the UPEB at a later stage. Ecuador co-operates with the UPEB and sends observers to its meetings. The aims of the UPEB were:

*** More independency from the multinational companies
*** To capture a greater part of the banana profits (a common political goal of the member states)

The first action the UPEB-states took was to impose an export-tax of one dollar per box of bananas. This led to a bananawar with the three multinationals. The multinational companies were strongly opposed to the export-tax, as this would force them to raise prices in Europe and the United States. They took countermeasures by decreasing the banana-exports, bribing government officials and refusing wage-negotiations with the trade unions. Eventually the UPEB-states were forced to lower bananatax to 20 dollarcents per box.
In 1977 the UPEB, with the help of UNCTAD, set up its own exportmarketing company 'Comunbana', which received only half-hearted support from the founding nations and was immediately obstructed by the 'big three'. The company was therefore consequently never very successful, and never managed to capture more than 2% of the world marketshare. In 1983 all its activities more or less came to a halt because of lack of co-ordination between the different member states.

TEA PLANTATIONS

The main tea-exporting countries are India, China, Sri Lanka, Kenya and Indonesia. In India the production of tea is also for the local market. The national consumption of tea is so large, that in future India could become a large tea-importing country. Tea exports in Sri Lanka and Kenya make up more than 25% of their total exports. For the tea producing countries the export of tea could be quite a good way to earn hard currency. However, the world market price would have to be reasonably stable, which it never is.

Tea is usually grown on plantations. Approximately 30% of these plantations are owned by transnational corporations, 35% by local firms and 21% by the state, the remainder being privately held small-holdings, especially in Kenya. The tea production is dominated by a few multinational companies. Their influence on the tea price is large, and like the banana multinationals, are heavily vertically integrated. The most important tea multinationals in the world are Unilever, Sara Lee, Cadbury-Schweppes, Associated British Foods, J. Finlay and Allied Lyons. In most western consumption markets these companies have a combined marketshare of over 80%. With the possible exception of Coca-Cola in soft drinks, no firm has achieved such dominance of a single beverage product line as Unilever (and its subsidiaries Brooke Bond & Lipton) in tea. The multinational companies buy most of their tea in bulk, and export it in large boxes out of the country. The blending and packing, the most profitable parts of the tea production, are done by the multinational companies at facilities in western countries. To keep the retail price on a low level, the companies blend good (expensive) teas with cheaper ones. An average packet of tea will therefore contain twenty percent of good tea, while the rest is of a lower, inferior quality. The price the multinationals pay for the tea at public auctions in producing countries, is therefore much lower than the price they would have to pay for ready packed tea.

It is very difficult for the tea exporting countries to get their own packed tea on the market. As they have no control over the marketing in western countries, and brand names are very important to tea consumers. Consumers are not inclined to buy tea brands they don't know. As it is increasingly difficult, even for large conglomerates, to launch a new tea brand on the market, the strategy of multinational companies to acquire a larger marketshare has become to buy another (smaller) company which already possesses its own brandnames.

Most of the available information focuses on Unilever's operations, especially in India.

Unilever

Unilever has its teaplantations in Zaire (440 hectares), Malawi (1746 hectares), Tanzania (2280 hectares), Kenya (6686 hectares) and India (6381 hectares).

In Zaire Unilever has a joint-venture with the Government called Plantations Lever au Zaire (PLZ) which manages various plantations around the country, and produces, among others, both tea and palmoil. In Malawi Unilever, through Brooke Bond, employs a seasonal workforce of over 7.000. In Tanzania nine Unilever estates employ over 4.000 people. In Kenya the workforce is over 20.000 strong.

In India the Unilever Group companies active in the tea trade consist of:

*** Hindustan Lever Ltd.
*** Lipton India Ltd.
*** Brooke Bond India Ltd.
*** Tea Estates Ltd. (three groups of estates in Tamil-Nadu; 3436 ha.)
*** Doom Dooma India Ltd. (in Assam; 2945 ha.)

Hindustan Lever was the first Indian corporation of Unilever. Lipton and Brooke Bond are both acquired companies that have traditionally been specialized in tea. Both companies were acquired in the eighties through their respective parent companies. Tea Estates and Doom Dooma are two tea plantation companies that became part of the Unilever Group with the acquisition of their parent company Brooke Bond.

Lipton's tea operations consist of buying, blending, packing and marketing. The buying of tea at the public auctions is carried out by Lipton's buying teams. The Lipton teams also buy tea which is required for Hindustan Lever's exports. Lipton's employees are organized in five local unions and the All-India Lipton Employees Federation. The unions are located in Delhi, Calcutta, Madras, Bombay and Nagpur. The role of the Federation is mainly restricted to co-ordination. The All-India Lipton Employees Federation is not affiliated to any federal trade union, but is a member of IUERI/Asian Foodworkers and the ILO (International Labour Organization).

Brooke Bond's tea operations are largely similar to Lipton's; the activities mainly consist of the buying, blending, packing and marketing of tea; the latter both for the domestic market as well as for foreign markets. Both Brooke Bond as well as Lipton employs its own buying teams, which operate at India's public tea auctions. The Brooke Bond buyers are active in the same categories as Lipton. Their employees are

organized in thirty three unions, all affiliated to the All-India Brooke Bond Employees Federation (AIBBEF).

More detailed information on Unilevers plantation activities is given in a separate annex.

PALMOIL PLANTATIONS

Palmoil plantations in the world are located in Nigeria, Zaire, Indonesia and Malaysia. Malaysia is the largest palmoil exporting country in the world. The largest multi-national companies with palmoil plantations are Unilever, Harrisons & Crosfield and Sime Darby. In Indonesia many of the plantations are state owned, or are privately held small-holdings.

More than 200.000 plantation workers are directly dependent of the oilpalm cultivation. Most of the workers live on the plantations, and as these are far from the cities, live very isolated lives. The work on the plantation consists of: weeding, spraying of pesticides, transportation, applying fertilizers, harvesting and plant-work in the oilmills. Women and children do a lot of the work on the plantations. Female labour represents approximately half of the total amount of work done on the plantation. The harvesting is mainly done by the male labourers. Children aged seven or eight years old also often work on the plantation, to enlarge the family income.

In Malaysia, approximately half of the cultivated palmoil areas are owned by private plantation companies, as opposed to the state owned plantations. Among the most important companies involved are Unilever, Sime Darby, Harrisons Malaysian Plantations and United Plantations.

Unilever

Unilever has palmoil plantations in Colombia (2513 hectares), Ghana (3925 hectares), Zaire (16033 hectares), Thailand (4139 hectares) and Malaysia (15604 hectares). In Malaysia Unilever, through its subsidiary Pamol Plantations Sdn Bhd (PPSB), owns two separate plantations: one near Kluang in Johore (southern peninsular Malaysia) and one in Sabah (on the island of Borneo).
Since about five years there has been a close co-operation in the cloning of palmtree-varieties with Harrisons Malaysian Plantations. On a plantation owned by Harrisons both companies have set up a joint-venture: an oilpalm cloning station by the name of 'Bakasawit'. Both companies are now the leaders in this field, as Harrisons possesses the most important palmbreeding station with many palmvarieties, and Unilever is number one in the cloning technology. Unilever's cloning programme is

very important because:

*** It is the only company that has plantations on different continents (Africa, Latin-America and Asia)

*** It is one of the largest users of palmoil for its main products, such as margarine, detergents, soap, ice-cream and oleochemical products.

*** It is the only company with research experience with reference to palmoil.

More detailed information on Unilevers plantation activities is given in a separate annex.

Sime Darby

At Sime Darby plantations are the core of their business. The Sime Darby Group, a wholly Malaysian-owned multinational company, employs approximately 13.500 people. The Plantation Division manages 93.000 hectares of different plantations in Peninsular Malaysia, Sarawak, Sabah and Indonesia; together with associated processing, distribution and research activities. About 61.000 hectares of these plantations are palmoil estates. In an annex more detailed information about Sime Darby's plantations (location, type of tenure, size and description of the principle activities) is given.

Unions in Malaysia

The largest union in Malaysia is the National Union of Plantation Workers, (estimated in 1954), or the NUPW. The union has about 110.000 members. The NUPW is supported by the Malaysian government and the managements of the different plantation companies. In the thirty years of the unions existence, it has done very little to the benefit of its members. The contribution for union members is M$ 6 a month (about US$ 3). The total monthly contribution fees of the members of the union amount to approximately M$ 600.000 (or US$300.000). However most plantation workers do not benefit from this money at all, as very little service is given to the workers. In addition, the workers are only considered to be members if they pay their contributions for six consecutive months without fail or interruption. As a consequence, many temporary workers are not in a position to become members. The union on the whole shows very little interest in the workers, and doesn't do much to

improve the working conditions at all.

In a separate annex, figures about the total number of workers active in the palmoil, and other plantation, sectors in Malaysia are presented.

LIST OF CONSULTED SOURCES

*** SOMO-documentation:
- Annual reports and newspaper clipping files of all companies involved
- Newspaper clipping files on the banana, tea & palmoil sectors
- All other documentation sources available (handbooks, books, reviews etc.)

*** CEDLA (the Dutch Study and Documentation Centre for Latin America)

*** GEBANA (a German action group for a fair banana trade), especially Ursula Brunner)

*** Landelijke Vereniging van Wereldwinkels (Dutch national society of third world shops)

*** Chiquita Brands International Inc.

*** Dole Food Company

*** International Federation of Plantation, Agricultural & Allied Workers (IFPAAW)

*** International Labour Organization (ILO)


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UNILEVER'S
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CONTENTS

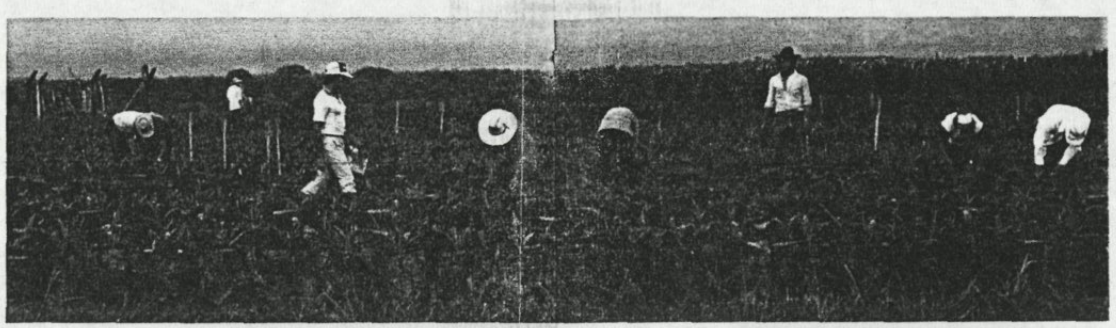
SETTING THE SCENE: DEVELOPMENT NEEDS

The equatorial belt is the principal region for the world's perennial plantations crops, such as oil palm, tea, rubber, coconut and cocoa. It is also the region where many of the world's less developed countries are located. After a period of concentrating on industrial development, the governments of these countries have, in recent years, become increasingly concerned to put the emphasis back onto the primary agricultural sector. Today, many countries actively seek investment – of technical and business skills as well as capital – which will help improve the productivity of plantations agriculture.

There are several reasons for this, the first being that a very large percentage of the populations of the less developed countries is dependent on agriculture. Improvements in their living standards are therefore closely related to the improvement of agricultural practices and productivity. Plantations agriculture is the most intensive form of agricultural production, and it not only benefits the host country directly, but also has important spin-offs in improving the practices of smallholders.

Another reason for the encouragement of plantations investment is the urgent need to meet the food requirements of growing populations. In many countries, demand for food outstrips local output, resulting in heavy bills for imported produce. Plantations produce, when sold on the local market, can help redress the balance by providing a reliable and readily accessible source of food and save hard currency by reducing the need for imports.

The demand for vegetable oil in Colombia is a good example of a situation where heavy import costs are incurred in order to meet national requirements. An oil palm plantation such as that set up by Unilever in 1981, in conjunction with local interests, can supply some of the existing demand and thus reduce the import bill.



Top: Young oil palm plants in the Colombian nursery. Above: Root development is checked in the Kenyan tea nursery before planting.

Above: Process control in the Malaysian palm oil factory.

In the case of countries where supply of a particular food crop exceeds local demand (as with palm oil in Malaysia), exporting the crop brings a welcome boost in foreign exchange earnings. These earnings can then be used to buy commodities which cannot be produced locally – a vital contribution in the context of the severe balance of payments problems experienced by many developing countries.

Another major concern is to rectify the neglect of rural development which has resulted from the earlier concentration on urban expansion. The development of plantations is an excellent way of opening up rural areas – and often quite remote ones – both through the provision of jobs and housing and through the development of essential services and facilities such as roads, drainage, hospitals and schools.

Of equal importance in the struggle for rural development is the need to stem the mounting exodus to the cities by the working population. Since plantations are necessarily sited in the very heartland of the countries concerned, they can do a great deal to mitigate this trend, both by providing employment themselves and by encouraging the establishment of other related projects within their area. Another important factor is that plantations provide work not only for large numbers of agricultural workers, but also for such skilled categories as motor mechanics, clerical workers, laboratory assistants, factory process workers and other tradesmen. Thus they provide, in the heart of the countryside, the very jobs that people would otherwise be flocking to the towns to find.

This background of agricultural, food and development problems sets the scene for an evaluation of the contribution being made by Unilever's plantations.

A HISTORY OF UNILEVER'S PLANTATIONS

It was in the early years of this century that W.H. Lever – later to become Lord Leverhulme – first ventured into the plantations business, with the aim of assuring the supply of raw materials for his soap companies. His first purchase was of coconut groves in the Solomon Islands, closely followed by large, neglected areas of natural oil palms in Zaire – or the Belgian Congo as it was then known.

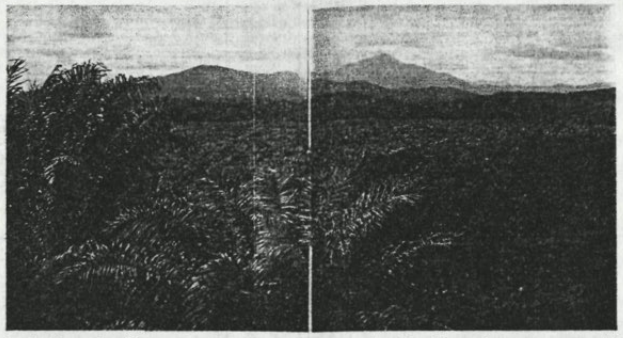
In 1929 other plantations were added in the British Cameroons and Nigeria. These included the Sapele Rubber Estate which had been founded in 1904 and had been the first estate in West Africa to plant rubber on a large scale. At about this time, Unilever's involvement in plantations agriculture changed to one of being a business in its own right rather than a source of raw materials for the Unilever food and soap businesses. From that point onwards, companies, whether they were Unilever companies or not, could only buy the produce of Unilever plantations at market prices, a philosophy on which the business is still based today.

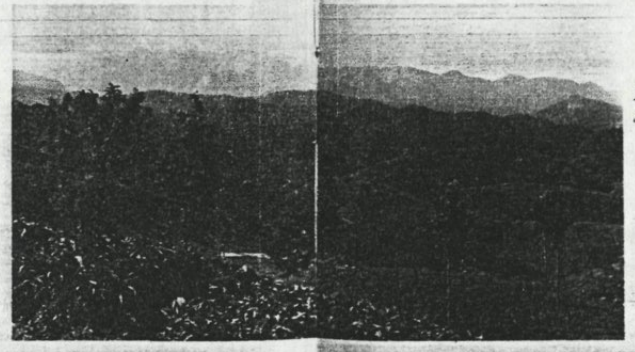
In 1947 the decision was taken to extend the company's plantations interests to the Far East by the acquisition of a small oil palm estate in Johore, Malaysia, and in 1960 an oil palm plantation was started from jungle in North Borneo (now Sabah, and also part of Malaysia).

By the time most of the African colonies had achieved independence, plantations agriculture involved a high level of scientific and management skills. Progress had been made with plant breeding, nutrition and disease control, and work methods in fields and factories were constantly being improved and up-dated. Most newly independent states in Africa and elsewhere initially discouraged plantation investments, believing that an agriculture-based industry was one that they could manage easily themselves. Over the years, however, their views changed, with the realisation that plantation development calls for a high degree of technical and managerial skill as well as heavy capital investment. The pendulum therefore swung back. Indeed, in many tropical countries, investment in plantations is now put at the head of the list of opportunities for foreign investors.

At the beginning of the 1980s, three further additions were made to Unilever's oil palm interests: in 1981 a new development was commenced in the Llanos (plains) of Colombia, in partnership with local interests; in 1982 the purchase of the Blohorn business in the Côte d'Ivoire brought with it two plantations in which the state has a 17% holding; and in 1983 Unilever purchased a 51% shareholding in a privately-owned oil palm plantation business in Southern Thailand.

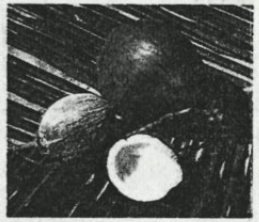
In 1984 Unilever acquired the Brooke Bond Group, which had itself been involved in plantations since 1920, when tea estates in India had been developed or purchased to secure a stable supply of tea in the uncertain trading climate after the First World War.





Top: A typical view over an oil palm plantation.

Left: A tea landscape in South India.



These first Indian estates were succeeded by others in Assam and South India, the latter also including some coffee interests. In the 1920s Brooke Bond planted some of the first tea in Kenya, from seed brought over from India. Large-scale development took place before and after World War II and during this period coffee estates were also established or acquired.

Ex-German tea estates were taken over by Brooke Bond in what is now Tanzania and those too have been developed into a large-scale operation. In Malawi, established tea estates were acquired in the late 1970s, followed by the development of new high-yielding coffee. Today the majority of all teas grown on Brooke Bond estates is sold in open auction.

Brooke Bond Kenya's major diversification into flower cultivation, commenced in 1980, is now the largest single carnation and rose project in the world, exporting more than 200 million blooms a year.

Clockwise from top left: Carnations are grown at Naivasha, Kenya. The coconut is green while growing, brown when dried. Coffee picking in Malawi. Cocoa pods on the tree. Tapping the rubber tree for latex. Cinchona trees, the bark of which is a source of quinine.

UNILEVER'S PLANTATIONS TODAY

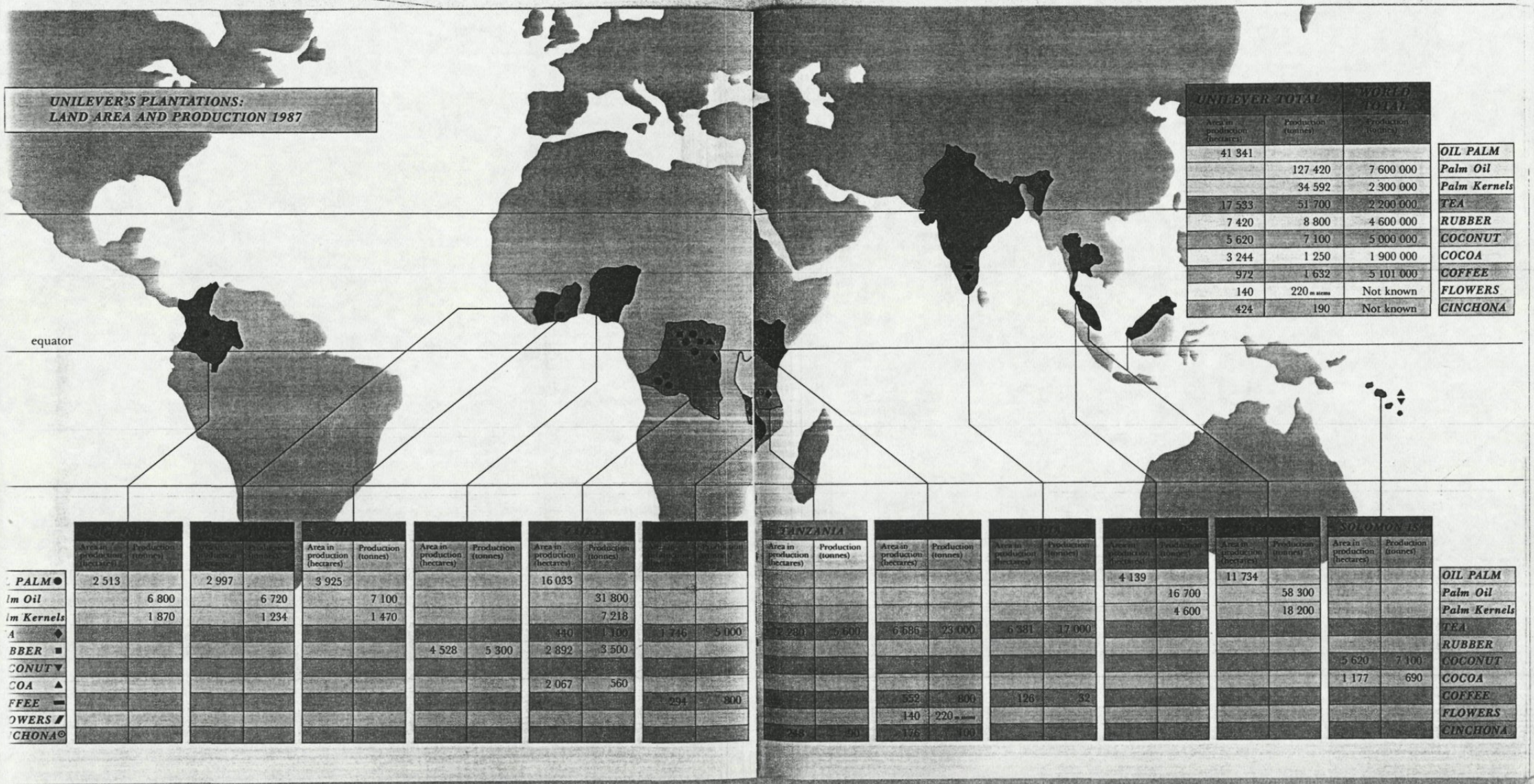
There are separate operating companies in each country where Unilever has plantations interests. In many cases, these companies are run as joint ventures between Unilever and local investors, mostly government bodies. The management of the plantations interests as a whole is co-ordinated in London, where specialist support is available in areas such as research, personnel, marketing, engineering, agriculture and commerce.

Size and Output

Today, Unilever's plantations employ some 76 600 people and have roughly 77 000 hectares in production. The eight crops grown are oil palm, tea, rubber, flowers, coconut, cocoa, coffee and cinchona, in twelve countries: Colombia, Côte d'Ivoire, Ghana, India, Kenya, Malawi, Malaysia, Nigeria, Solomon Islands, Tanzania, Thailand and Zaire. The table on the following pages shows the areas planted and the production by country and by crop.

The table also shows that, as a proportion of total world production, the amounts of commodities produced by Unilever's plantations are not large enough to influence market trends. Even in palm oil and tea, by far the largest constituents of Unilever's total output, production represents only around 2% of the total world production. For crops such as cocoa, the figure is less than 0.1%.

The emphasis that developing countries are now placing on agricultural investment is in harmony with Unilever's own commitment to investment in plantations.



UNILEVER TOTAL		WORLD TOTAL	
Area in production (hectares)	Production (tonnes)	Production (tonnes)	
41 341			OIL PALM
	127 420	7 600 000	Palm Oil
	34 592	2 300 000	Palm Kernels
17 533	51 700	2 200 000	TEA
7 420	8 800	4 600 000	RUBBER
5 620	7 100	5 000 000	COCONUT
3 244	1 250	1 900 000	COCOA
972	1 632	5 101 000	COFFEE
140	220 m stems	Not known	FLOWERS
424	190	Not known	CINCHONA

	[illegible]		[illegible]		GHANA		[illegible]		[illegible]		[illegible]		TANZANIA		[illegible]		[illegible]		[illegible]		SOLOMON IS.		
	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	Area in production (hectares)	Production (tonnes)	
OIL PALM ●	2 513		2 997		3 925				16 033								4 139		11 734				OIL PALM
Palm Oil		6 800		6 720		7 100				31 800								16 700		58 300			Palm Oil
Palm Kernels		1 870		1 234		1 470				7 218								4 600		18 200			Palm Kernels
TEA ◆									440	1 100	1 746	5 000											TEA
RUBBER ■							4 528	5 300	2 892	3 500													RUBBER
COCONUT ▼																					5 620	7 100	COCONUT
COCOA ▲									2 067	560											1 177	690	COCOA
COFFEE ▬											294	800											COFFEE
FLOWERS ◢																							FLOWERS
CINCHONA ◎																							CINCHONA
													552	800	126	32							
													140	220 m stems									
													176	100									

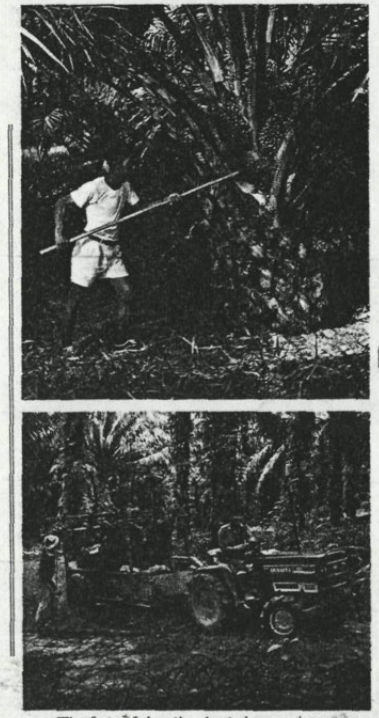
THE BENEFITS FOR DEVELOPING COUNTRIES

Unilever's investments in plantations, as with the plantations industry as a whole, are of benefit to host countries in a variety of ways:

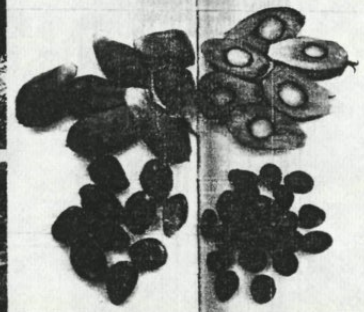
Helping to meet food requirements

Edible oils, which are a major part of Unilever's output, have a vital role to play in some developing countries where diets are deficient. Not only do oils and fats provide a convenient and concentrated source of energy, but they also contain nutrients from which a number of essential body components are derived; the fatty acids released from fats during digestion are particularly important, constituting the structural components of membranes, helping in the storage and transport of metabolic fuels, and being utilised by the body in the synthesis of hormone-like substances.

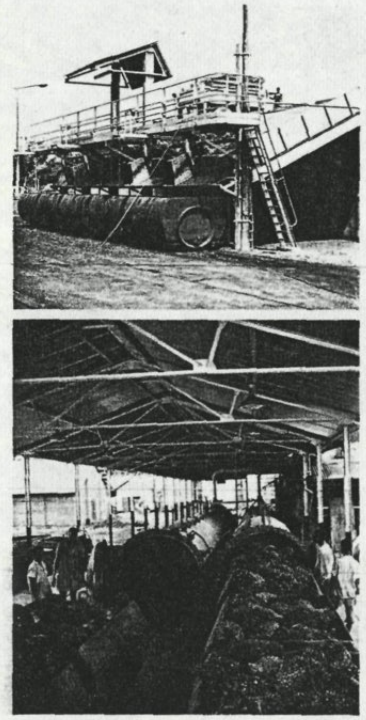
In several of the countries where Unilever has plantations, palm oil has traditionally formed a major part of the local diet, and most of its output goes towards meeting local requirements; in fact almost the entire production of palm oil in Zaire, West Malaysia, Ghana, Colombia and Thailand is sold locally. Increased yields and improved distribution



The fruit of the oil palm is harvested (top) and transported to the roadside (above) to be collected by trucks.



Above: The fruit of the oil palm.



The trucks then deliver the fruit to the factory where it is tipped into steriliser cages (top) and enters the plant for processing (above).

– resulting from Unilever's management expertise and investment in technology, roads and transport – both make substantial contributions to increasing the availability of edible oil for the populations of these and other developing countries.

A large proportion of Unilever's tea production is also sold locally to meet the requirements of the country where it is grown, particularly in India, where demand for tea is ever increasing.

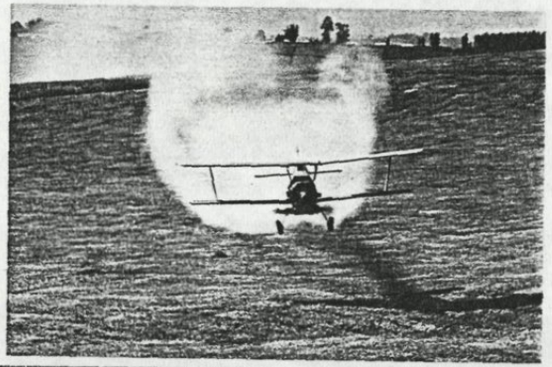
Providing much-needed foreign exchange

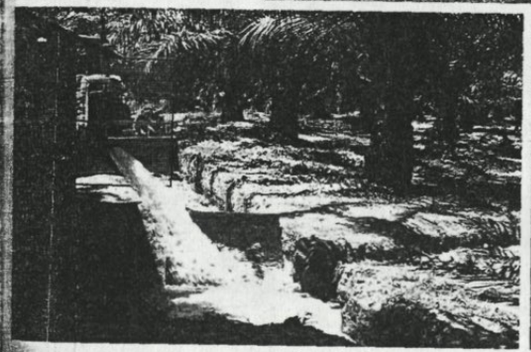
As we have seen, in some countries plantations produce is almost all consumed domestically, reducing the need for imports and thus helping to mitigate what are often severe balance of payments difficulties. Elsewhere, large export revenues are generated by surplus produce or crops grown specifically for export and these contribute significantly to foreign exchange earnings. Another important factor is that, whilst other forms of agriculture – and indeed industry – can also provide earnings of this kind, plantations agriculture does so with less dependence on imported and expensive fossil fuels; in the oil palm industry waste products are used as fuel, and on the tea estates in Kenya, Tanzania and Malawi eucalyptus is grown to meet factory heating requirements.

Making the most of the land

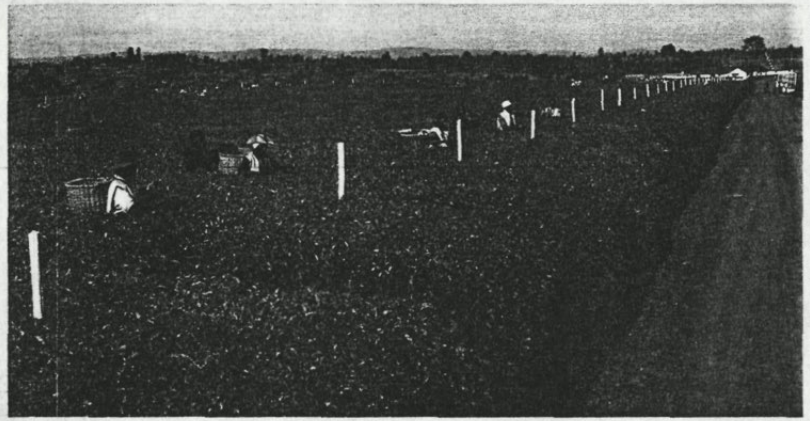
In the tropics, the cultivation of high-yielding perennial crops is a particularly efficient form of land use. These crops have an in-built advantage over annual crops in that they are able to benefit to the full from the year-long growing season which exists in equatorial regions, where there is no real winter. Oil-bearing palms, for instance, produce seven times as much oil per hectare as the soya bean and in fact are unequalled in terms of productivity by any annual oil seed crop.

Management expertise and the application of appropriate technology also have their part to play in obtaining maximum productivity from the land. Whilst the oil palm is a relatively efficient oil-bearing crop, there is still considerable scope for increasing yields through improved methods and technical innovation in areas such as water management. An example is the drainage and irrigation system which has been developed on the Colombian plantation – the first of its kind in the world. Located on the flat Llanos, or plains, the land is liable to flooding in the wet season, whilst in the dry season irrigation is necessary if yields are to be maximised. The system which was developed to meet both these requirements combines surface ditches running parallel to the rows of oil palms, with an under-surface network of 'mole-drains', which are created by drawing a bullet-shaped object through the soil.





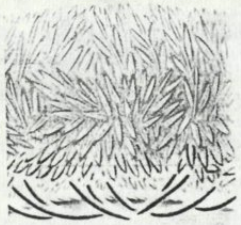
Opposite: Preparing drainage and irrigation channels in Colombia.
Top: Zinc is sprayed from the air in Kenya to boost tea yields. Above left: Water is pumped into the irrigation system in Thailand.
Above right: Sprinkler irrigation of tea in Tanzania.



Above: Plucking three leaves and a bud gives the best balance between quality and productivity.

Opposite: Demonstrating the benefits of programmed schemed plucking, where workers are allocated their own plots (above).

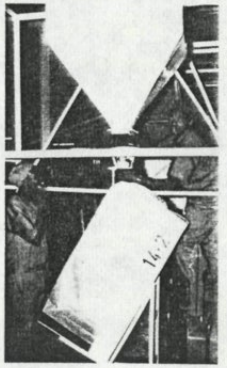
On the tea estates too, technological advances have had important results. For example, the use of irrigation has improved yields on estates in marginal tea-growing areas. In Tanzania the results from new irrigation systems introduced since 1970 have been dramatic: in 1970 yields were under 1 000 kg per hectare and by 1987 they had reached 2 636 kg per hectare. A further example is the introduction of the 'programmed scheme plucking system', which has significantly increased both the productivity of the workers and the yields of tea. This system involves the allocation of a series of blocks of bushes to each worker, who then plucks their top shoots at pre-determined or programmed intervals throughout the year.



TEA MANUFACTURE

Orthodox method

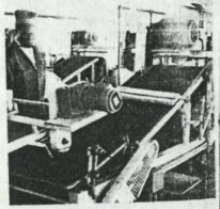
PROCESS NAME	WITHERING	ROLLING	FERMENTATION	DRYING	SORTING	PACKING
Machinery used	Withering troughs	Rollers	Fermenting tubs	Endless chain pressure driers	Sorting machines and by hand	Vibratory packers
Effect on tea leaf	Reduction of moisture content from 80% to 50%	Rolling ruptures cells, giving the characteristic curled appearance of orthodox leaf	Ruptured cells begin to oxidise, leaf changes to a copper colour	Moisture content cut to 3%, producing the familiar black tea particles	Leaf graded by size and density. Stalk removed by hand	Vibration of tea to increase weight packed per chest

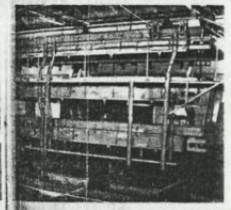


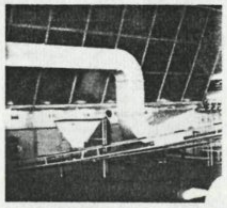
DUAL MANUFACTURE *Bulk from Orthodox fed to CTC line. Usual division 25% Orthodox/75% CTC*

Cut, tear, curl method (CTC)

PROCESS NAME	WITHERING	CUTTING	FERMENTATION	DRYING	SORTING	PACKING
Machinery used	Withering troughs	CTC (cut, tear, curl)	Continuous fermenter or fermenting tubs	FBDs (fluid bed driers)	Vibratory and reciprocating screens with different mesh sizes	Vibratory packers
Effect on tea leaf	Reduction of moisture content from 80% to 70%	Leaf cut into small pieces between two rollers rotating at different speeds	Moist conditioned air blown through the leaf which changes to a copper colour	Moisture content cut to 3%. Small particles have a greater density than orthodox leaf	Leaf graded by size and density, fibre removed electrostatically	Vibration of tea to increase weight packed per chest or paper sack





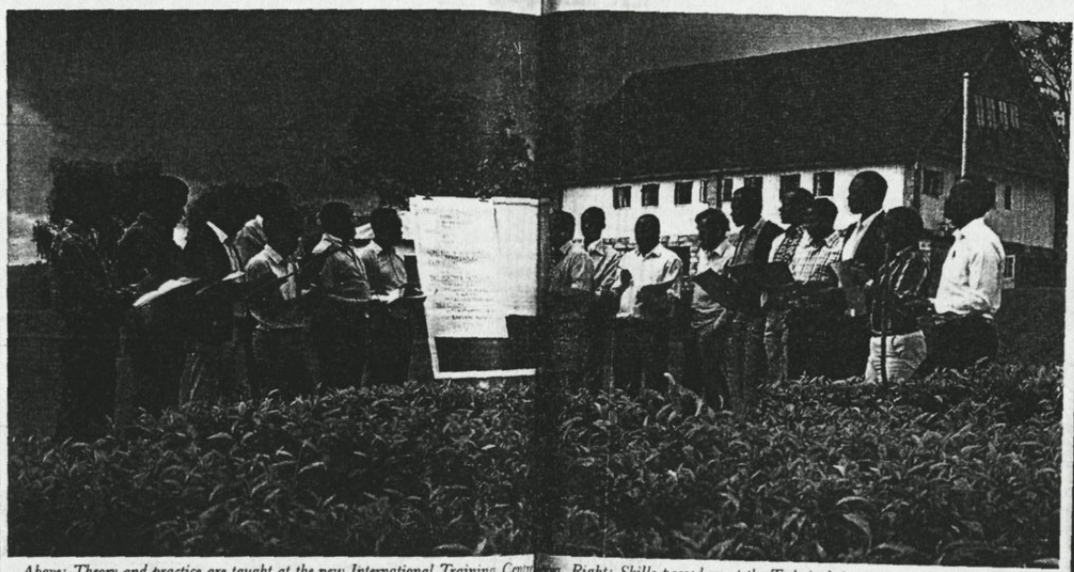


Creating jobs and passing on skills

Plantations agriculture not only provides agricultural jobs in rural areas, relieving the pressure on already-overcrowded cities, but as we have seen, also offers openings for technicians, clerical workers, tradesmen and factory workers. All plantations employees have the opportunity of acquiring new skills or developing existing ones through on-the-job training (structured three-year training programmes for planters and engineers, for example) or at specialist centres such as Unilever's Technical Apprentices School in Zaire.

The recruitment and training of local managers is another firm commitment; the transfer of management skills by selected expatriate managers helps to create a cadre of professional and skilled people who know how to operate a business, and this in itself is a major contribution to the advancement of developing countries. However, expatriate staff form only a minute proportion of Unilever's plantations employees (less than 0.1%). It is worth noting too, that governments exercise considerable control over the deployment of managers from other countries; every expatriate must be registered, and a work permit obtained and regularly renewed. Government authorities also check for suitable qualifications and experience.

In addition to the transfer of skills from expatriate to local managers, more formal management training takes place in a number of ways. For example, in many of the plantations companies there is a two year training scheme for



Above: Theory and practice are taught at the new International Training Cent[illegible]a. Right: Skills passed on at the Technical Apprentices School, Zaire.

university graduates entering the business.

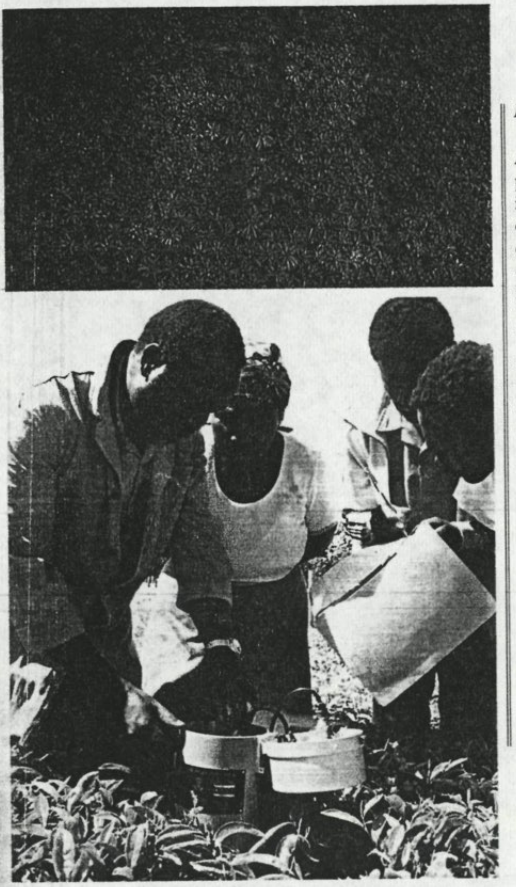
As an international company, Unilever is also able to place managers on training attachments in other countries in order to develop their skills through secondments or residential courses. At Kericho, in Kenya, Unilever has its own International Training Centre, where courses are specifically tailored to the career development needs of the tea estates managers in Africa, as well as to the needs of their companies. One of the most important features of the Kericho Management Development Programme is its 'top down' approach. This involves Chief Executives and senior managers so that they are able to support and encourage managers in the use of their newly-acquired skills and in the implementation of action-plans based upon them. In fact, the programme as a whole is highly action-orientated, placing great emphasis on developing transferable skills which can be easily applied in the workplace.

The Kericho programme has evoked considerable interest from other organisations as well as full support from governments, who have recognised its value, particularly in preparing local managers for the challenges of the future. It is envisaged that the use of this kind of programme will be extended to other companies within the plantations business where similar training requirements exist.

Investing capital

A new plantations business is extremely capital intensive. For example, the cost of setting up and developing a 10 000 hectare oil palm plantation, with its attendant factory and housing, is US $75 million in current terms. Local investors sometimes find it hard to raise enough start-off capital for a plantation of sufficient size. A joint venture with Unilever can enable them to raise capital for such projects much more easily.

It is worth remembering too, that the investment made is not in imported machinery, with the capital going abroad, but in the infrastructure of the country itself and moreover in 'fixtures' such as houses, drains, roads and trees. Such 'fixtures' are provided largely from local materials and use the skills and labour of local people; in turn, the money going into their pockets stimulates the whole economy of the surrounding area. An investment of this kind is, by its very nature, a long-term one, with the pay-back period seldom being less than ten years. For these reasons, and because much of the money is literally sunk into the soil, an investment in plantations is perhaps the most flattering that can be made; it is a true act of faith in the long term future of the host country.



Research and development

A thriving plantations business will, of necessity, have a programme of research into the most efficient methods of increasing crop production per unit area of land and per unit of manual effort, as well as into the control of pests and disease. For example, a disease known as Vascular Wilt causes serious losses to the oil palm in parts of Africa. The idea of breeding for resistance to this disease was developed by Unilever in Nigeria in the early sixties. Subsequently, the Unilever breeding programme in Zaire has been particularly successful in producing highly resistant material. Research of this kind is of direct benefit to the peasant farmer or smallholder too; through example and practical advice, he can be helped to translate the results for his own use.

Co-operation with outside agencies is an important feature of research and development in Unilever. For example, the tea estates business is working with Silsoe College (part of the Cranfield Institute of Technology) to explore how tea responds to irrigation and fertilisers.

Unilever operates five plantations research stations – in the Solomon Islands, Malaysia, Zaire, Kenya and Colombia – all of which are staffed by experienced specialists and whose work is co-ordinated and evaluated by the plantations management in London. Unilever is not unique in its commitment to research and development, but it has always been in the forefront as regards the benefits in technology and working methods which it has transferred from one country and even one continent to another.

Top: The effects of vascular wilt on the oil palm. Left: A neutron probe is used to determine the effect of water and fertiliser on tea.

Breeding programmes

Breeding programmes, with the object of developing high-yielding plants, are fundamental to the research effort. Results of such programmes can be dramatic: between the years 1930 and 1968 breeding programmes doubled the yield of the oil palm in Malaysia as well as improving resistance to disease.

During the 1930s, Unilever was closely involved in the discovery of the inheritance of shell thickness in the oil palm fruit, which led to the introduction of DxP hybrids after the war. The first DxP hybrids planted in Malaysia in the late 1950s were produced using pollen imported from a Unilever plantation in Africa, and the importance of the discovery can clearly be seen from the fact that 99% of all oil palms planted throughout the world during the last 15 years originate from these hybrids.

In the 1960s, the Unilever research unit in the Solomon Islands developed a 'dwarf x tall' coconut hybrid, which has enabled plantings to be made with material which yields two and a half times more copra than traditional material.

Recent achievements resulting from Unilever research efforts also provide excellent illustrations of how the company's international make-up has played a vital part in the effectiveness of its research efforts.

Right: Dwarf x tall coconut hybrids in the Solomon Islands.

Cloning

The first example is Unilever's development of a technique for cloning oil palms; the plantations business was in fact the first Unilever division to bring about the exploitation of biotechnology. Tissue culture methods have for some time been widely used for the propagation of many horticultural plants such as orchids, chrysanthemums and strawberries, but the method had not been successful with the oil palm. After 10 years of painstaking and dedicated work, the company's scientists at Colworth, England succeeded in perfecting a tissue culture technique which involves cutting a piece of tissue from the root of a selected, hardy and high-yielding parent oil palm and then regenerating it in a special nutrient medium into many thousands of young palm trees, all of which will possess qualities identical to those of their parent. The research programme involved a search for the correct formulations of culture media, the optimum time for each stage of the culture – combined with the right sequence of different stimuli from hormones in the medium – and the best conditions of light and temperature. So far, the clonal oil palms are still at the trials stage; over the next few years work will continue, with the aim of making tested clonal palms available for sale to third parties. A range of clones will be required to suit different environmental or processing requirements, and clones can also be produced from palms known to be resistant to the major oil palm diseases. The stages involved in the development of clonal oil palms are illustrated on the following two pages.

Important advances have also been made in improving tea plants in terms of yield, ease of rooting and harvesting, and resistance to pests, disease and drought.

Until the 1960s, almost all new plantings of tea used seeds from proven parent stock, which still meant that every plant would have different characteristics and could give poor yields or show susceptibility to disease. To overcome this unpredictability, a programme of plant improvement began on the Brooke Bond plantations in the late 1950s. Rather than tissue culture, the technique used was vegetative propagation using single leaf cuttings taken from known mother bushes, but the resulting plants were called clones because they were identical both genetically and in visual appearance to the mother bush. Some of these early clones are still used in new plantings and today virtually all plantings use clonal material or high quality seed from clonal stock. A recent development is the use of grafting at the leaf cutting stage, usually using the rootstock from a vigorous high-yielding clone and the scion from a clone of good quality. The result is a composite plant with a combination of yield and quality almost never found in single field clones.

CLONING THE OIL PALM

1. Samples of root are taken from a high-yielding oil palm

2. Placed in a special nutrient medium, the cells of the root begin to multiply, forming a mass known as a callus

3. From the callus, tiny oil palm plantlets begin to grow

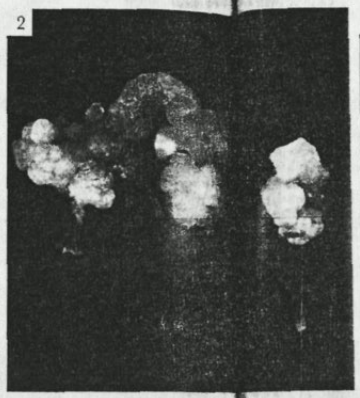
4. The plants are transferred to different culture media at various stages of growth, in order to provide the nutrients they need

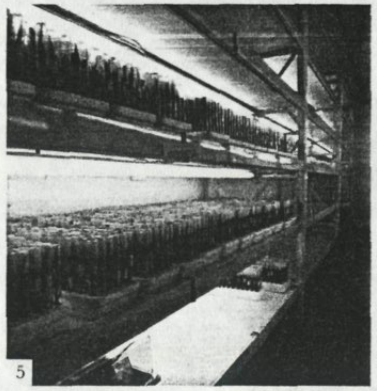
5. The young plants are kept in controlled environments while still in test tubes

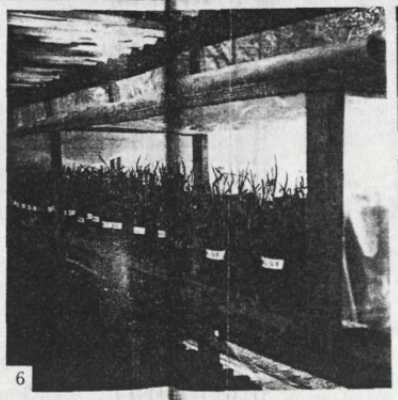
6. Once out of the test tubes, the plants are still carefully protected on the plantations until established

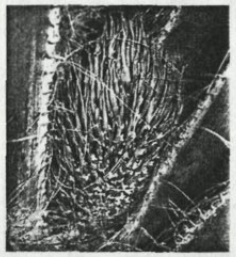
7. Clonal palms are transferred to polybags in the Malaysian nursery

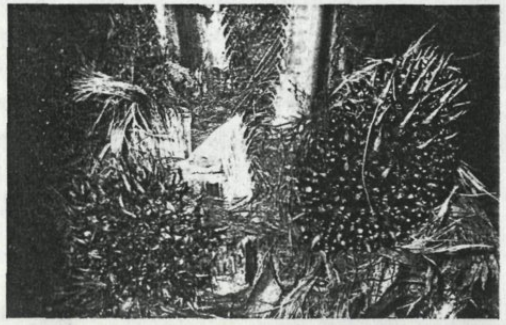
8. Regularity is a noticeable feature of the young clonal palms in the Colombian plantation











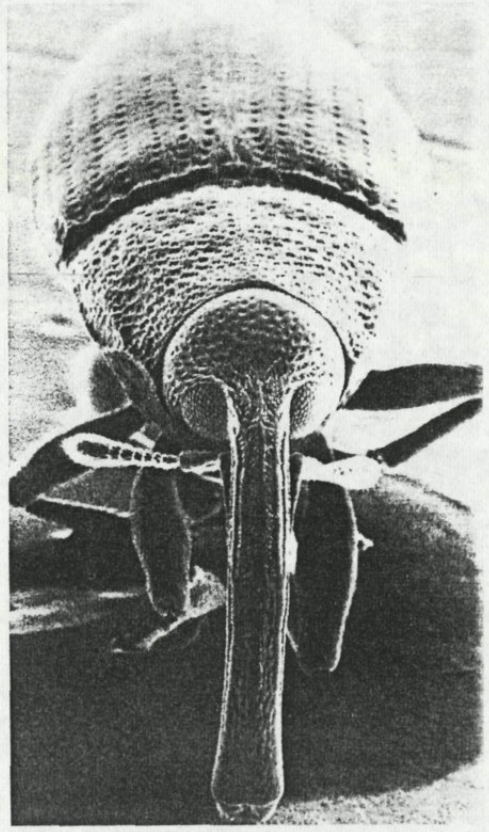
The female flowers (top) and the male flowers (left) of the oil palm. Centre: Poorly-pollinated and well-pollinated oil palm bunches.

Insect pollination

Palm oil and kernels are obtained from fruit bunches, so good pollination of the female flowers is essential if high yields are to be achieved. In parts of South East Asia a few years ago, there was a great deal of perplexity as to why the efficient pollination of oil palms was not occurring naturally. In wetter parts of Malaysia, New Guinea, the Solomon Islands and elsewhere, each individual palm had to be manually dusted with pollen every three days to achieve satisfactory pollination. The costs, both in terms of expenditure and time, were enormous. It was generally thought that the problem was due to insufficient wind for circulation of the pollen, so local plantation operators assumed that poor pollination was the natural order of things and had resigned themselves to the high cost of assisted pollination. However, because Unilever operated plantations in Africa as well as Malaysia, it was in a position to challenge the theory that high rainfall in parts of South East Asia was preventing wind pollination by washing pollen out of the atmosphere. The Sabah Estate Manager who had worked in both areas drew a comparison with the African estates where rain was virtually incessant for months at a time and yet there had never been a need to pollinate the female flowers by artificial means. He was convinced that pollination in Africa was done by insects. In response to this in 1977 Unilever engaged an entomologist from the Commonwealth Institute of Biological Control to investigate whether insects played a part in the natural pollination process in West Africa. It was soon established that, contrary to the text books' assertion that the oil palm was wind-pollinated, insects (and in particular weevils of the genus Elaeidobius) were the principal agent involved and that wind was only a minor factor. These weevils were not present in South East Asia. The entomologist was also able to show that, in those parts of South East Asia where natural pollination did occur, a local insect (a species of thrip called Thrips hawaiiensis) had become adapted to the oil palm, but it was a much less efficient pollinator than the Elaeidobius weevils.

In retrospect it became clear that when the early pioneers brought the oil palm seeds from Africa to the Far East, they left behind not only the pests and diseases but also the beneficial insects which had developed a symbiotic relationship with the oil palm – probably over millions of years of evolution. It therefore seemed a reasonable assumption that if the Elaeidobius weevils could be brought over to the Far East in carefully controlled conditions, the palm's eco-sphere would be completed and an artificially-created vacuum would be filled.

Over a three year period, and in co-operation with the Malaysian Government, an intensive series of checks was carried out to confirm that the weevils were not harmful to a wide range of other plants. This research showed that Elaeidobius kamerunicus was completely specific to the oil palm, and was unable to feed or breed on any other plant species. Finally, early in 1981, the weevils were released onto Unilever's Malaysian estates. The results were extremely encouraging and soon eliminated the need for assisted

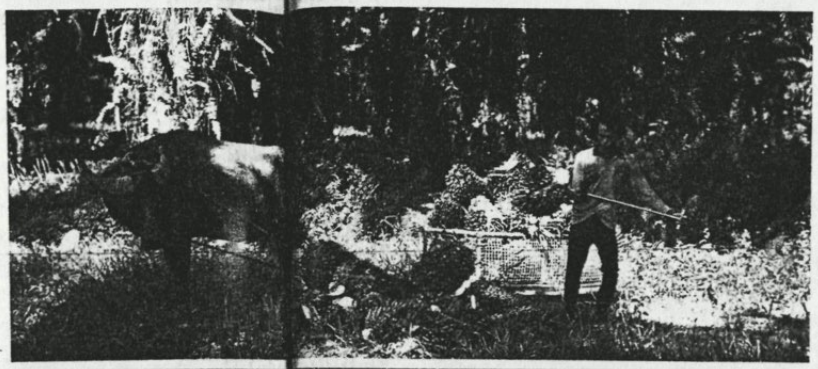


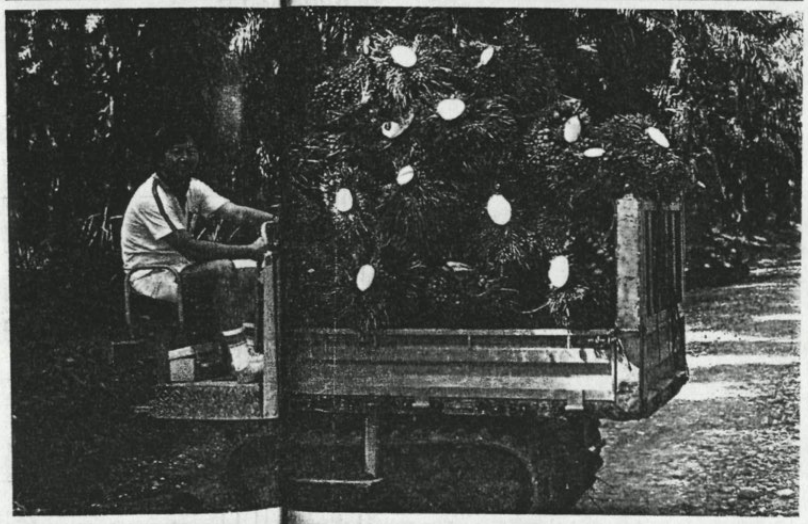
Right: The Elaeidobius weevils, only 4mm long (see actual size drawings above), are efficient pollinators of the oil palm.

pollination. Apart from saving the cost of that laborious operation, yields of fruit increased by 20 to 50 per cent after the first full year. The insect was introduced throughout Malaysia wherever there are oil palms, and the Malaysian Minister of Primary Industries has estimated that in the year following its introduction, as a direct result, the country's plantations yielded an additional 400 000 tons of palm oil and 300 000 tons of palm kernels, with a total value of over US$370 million. At 10kg per head, this represents the provision of the oils and fats requirement of 40 million people in the developing world every year.

The introduction of the insects has been of particular significance to smallholders in Malaysia and elsewhere. On the large, highly organised estates artificial pollination – although expensive – was efficiently done and a reasonable standard of pollination was thus achieved. Many smallholders, however, did not have the resources or labour required for the collection, drying and application of pollen, and as a result their yields were much lower. By contrast, the weevils do not discriminate, pollinating smallholders' flowers just as efficiently as they do an estate's flowers. And it is not only the countries where Unilever operates which have reaped the benefit of its research and of its ability to transfer know-how internationally; the weevils have also been released by other plantation companies in Papua New Guinea, the Solomon Islands and Indonesia, where Unilever has no oil palm interests.

Following these examples of advanced research it is worth noting that Unilever applies itself equally to problem-solving at the other end of the scale.





Top: The buffalo, with specially-designed cart, is an example of appropriate technology. Below: A specially-adapted tractor has proved useful on some plantations.

Local transportation

A practical problem encountered on oil palm plantations – and by smallholders too – is the transportation of fruit bunches, which can weigh anything from 5 to 50 kgs depending on the age of the palm. In many plantations the bunches are still carried to the roadsides in baskets by workers. Much work has been, and continues to be, directed towards finding a cheap tractor which is small enough to negotiate the narrow spaces between the lines of trees, and manoeuvrable enough to cross wet patches and climb steep slopes. A 5 000 hectare oil palm estate would require the use of anything up to 50 such vehicles every day, with all the attendant running costs. Although there have recently been hopeful signs that cheap, reliable machines might be developed which would be suitable for use in some areas, Unilever managers working in Sabah, Malaysia, applied themselves to solving the immediate problem.

They decided to experiment with buffalo as draught animals, and these proved so successful, particularly when used with the special carts designed by the company, that their use has now spread throughout the Malaysian plantations industry and is being introduced in Africa too.

The buffalo is a highly appropriate solution to a fundamental problem, being cheap to run (using no fossil fuel) and highly manouevrable, as well as providing a source of meat for plantation workers. Its introduction has resulted in increased productivity, and the concept has been extended to other implements such as buffalo-powered chemical sprayers and fertiliser spreaders.

Protecting the ecological balance

In all its plantations operations, Unilever takes great care to maintain the ecological balance as far as possible. Whereas the planting of annual crops or the grazing of cattle in the humid tropics can affect the climate and rainfall, a plantation, with its cultivated trees or bushes, preserves the rainfall pattern and provides a viable, long-term environment for insect and animal life as well as shade for the soil.

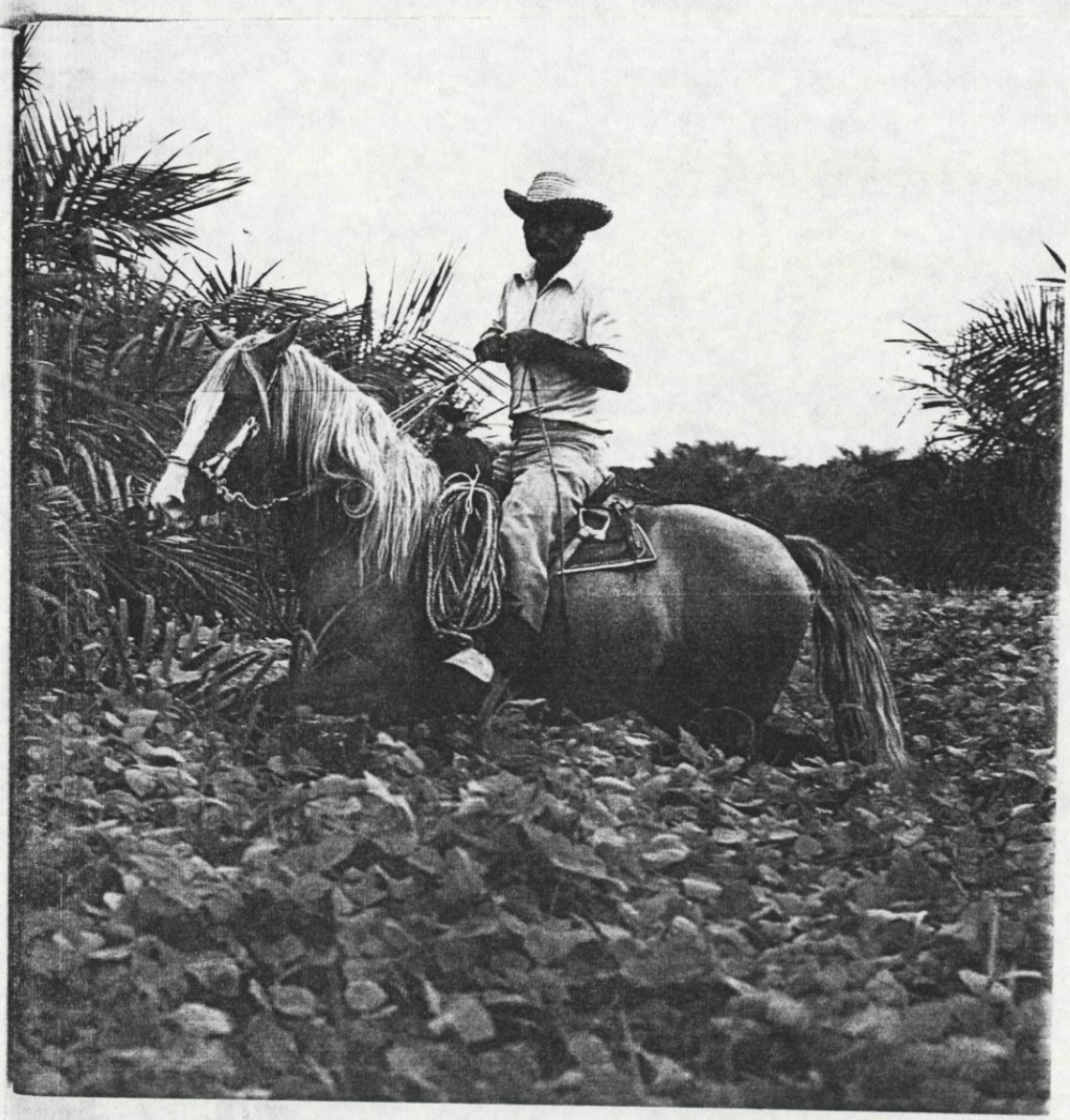
The establishment or expansion of plantations is most often achieved through the rehabilitation of old plantation land – as in the case of the expansion of Unilever's oil palm interests in Zaire over recent years – or through the use of scrubland abandoned by shifting cultivators. In Ghana, and in Thailand Unilever's plantations have been established in areas of secondary scrub. The establishment of the Colombian plantation has resulted in trees being planted in the Llanos on grassland previously used for cattle grazing, thus reversing the trend seen over much of the Amazon basin.

Whenever land is cleared in readiness for a new oil palm plantation, leguminous cover crops are planted to provide a cover for the soil during the immature period of the plantation crop. The leguminous plants not only prevent erosion, but also make the soil richer in nutrients as a result of their ability to assimilate atmospheric nitrogen through symbiotic bacteria in their roots.

On all plantations the best methods of soil conservation are consistently employed, with appropriate drainage and terracing and the use of fertilisers where necessary. Minimal cultivation techniques on the tea and coffee estates ensure that the soil is not disturbed and as a result loss of soil is prevented in areas subject to heavy tropical rainstorms. These techniques have contributed to increased yields in the case of both tea and coffee.

Every stage of the cultivation process involves staff who are trained and experienced in a variety of relevant disciplines such as agronomy, soil science and tropical agriculture.

Left: Mulching increases the organic matter in the soil, protects it from heavy rains, reduces weed growth, conserves moisture. Above: Planting along the contour assists soil conservation in areas with heavy rainfall and a sloping terrain. Right: Leguminous cover crops are much in evidence on the Colombian plantation.



THE PLANTATION AS A SOCIAL UNIT

The rural communities which are nurtured and sustained by plantations - often in remote areas – are in themselves a significant contribution to the social, as well as the economic, development of the host countries.

Inevitably with such a labour-intensive industry, a very high proportion of plantation production costs goes directly into the pocket of the workers in the form of wages. From the point of view of putting money into circulation in under-developed rural areas, plantation projects are therefore a particularly beneficial type of investment. In cases where unions are represented, wages are negotiated with them; elsewhere, government recommendations are followed.

Many of the plantations employees live in purpose-built residential villages. A typical village in Malaysia, for example, would have houses, sanitation, electricity, water and roads provided by the company, as well as a school, social centre, clinic, transport and sports facilities.

In some areas where it is more appropriate, the company provides help for its employees to buy houses in existing villages close to the plantation.

In India, as in many other countries there is a crêche on each estate where pre-school children are fed and cared for by trained nurses during the time their mothers are out at work. Some of the crêches are mobile, allowing a mother to visit her child as she wishes during the day.

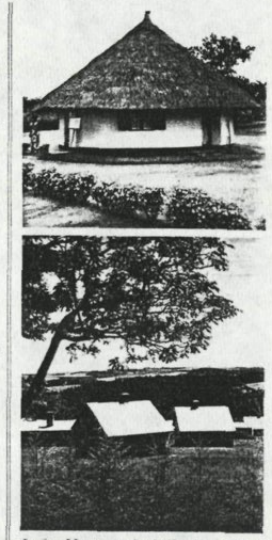
Comprehensive medical care is also provided in countries where the state-provided services are not yet in a position to meet the needs of growing populations. If government hospitals are available, clinics or dispensaries for minor ailments are situated near the workers' homes. Where there is no government provision, the local company will have fully-equipped hospitals staffed by well-qualified doctors and nurses.

Brooke Bond's 'Road to Health' scheme in India, with its emphasis on preventative medicine and regular check-ups for every child under the age of six, has meant that early signs of malnutrition or disease can be diagnosed and treated. As a result, the infant mortality rate on Brooke Bond's Indian tea estates is now half the national average.

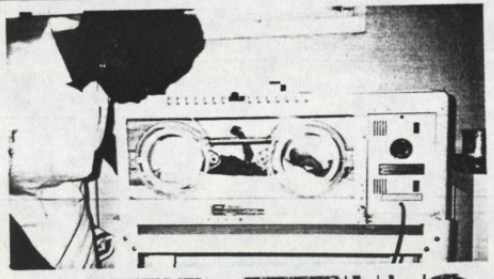
Practical help for smallholders can also make an important contribution to local development and prosperity. In Kenya, Brooke Bond was the first to help smallholders with tea cultivation by supplying them with planting material and, in the early stages, processing their crop in its own factories. As the smallholders' production grew they needed their own production facilities and set up three factories which were initially managed for them by Brooke Bond. Today the smallholders have thriving businesses of their own which operate completely independently.

Unilever also encourages the development of smallholdings in the areas surrounding its oil palm plantations. In some cases it provides oil palms ready for planting, together with the technical expertise and advice necessary to cultivate them. The produce can then be processed in the plantations factories.

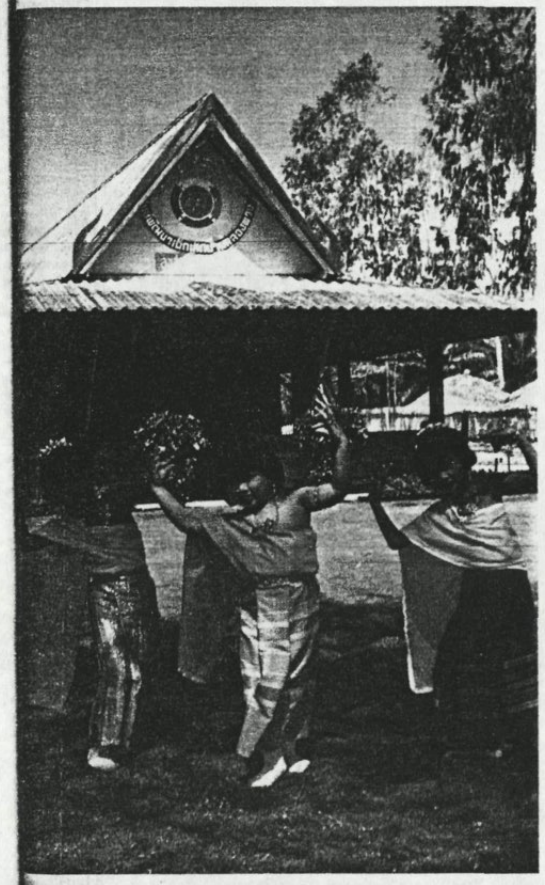
Other smallholders are given help in producing vegetables for sale to the estate workers or in keeping cattle to provide meat. The plantation workers themselves are also encouraged to take up small plots of land to grow their own food. In some countries fish farms have been set up to provide fish – a good source of protein – for local inhabitants.



Left: Housecraft skills are learnt at the 'Wives Circle' in Zaire. Above: Examples of housing for workers and their families.



Top left: A plantation provides an important stimulus to local economies. Facilities on the plantations include schools (top right and opposite), hospitals and clinics (right), and sports and recreation facilities (far right). Cattle are kept to provide meat for employees (below).



IN CONCLUSION

The transfer of crops from the Old World to the New and vice-versa has been a recurring feature in the history of agriculture. Today, the process continues – not just with the transfer of crops but with the exchange of ideas, research findings, commercial know-how and technology too, It is a cross-fertilisation process which is crucial to the development of present-day plantations agriculture as well as to the advancement of the many countries for whom plantations produce is such an important source of food and national income.

This booklet has shown how Unilever, with its international experience and management, is in a position to take a leading role in the transfer process. It is this very internationality, teamed with a firm commitment to scientific and technological advance, which enables Unilever to identify opportunities and to solve problems which are common to several countries or several types of crop.

There is no doubt that in the course of the last decade the plantations industry has undergone major changes; with technological innovation and sound commercial management, it can look forward with confidence to its future.

OIL PALM

HISTORY: The oil palm (Elaeis guineensis) is a perennial plant belonging to the palm sub-family of Cocoideae, and is therefore a relative of the coconut palm. It is native to West Africa's equatorial rain forest belt, although the Far East is now the world's major producer and the industry is expanding fast in tropical America.

CLIMATE: Very hot humid conditions with at least 1 500 mm of rainfall suit the oil palm best, although an even distribution of rain is more important than its total. Temperatures which drop below 18°C are detrimental to the palm.

SOILS: A wide range of soil types is suitable, but good drainage is required. The palm is tolerant of low pH levels.

PROPAGATION: The normal procedure has been for plants to be germinated from seeds and grown for about a year in a nursery before planting in the fields. However, the use of clonal reproduction (see page 25) is likely to alter this in the near future. The palm is largely pollinated by insects. (See page 28)

PLANTING AND GROWTH: Normally 136 palms are planted per hectare. The palms grow by about 0.3 m per year and the leaves (fronds) grow to between 8 and 10 m long. It is approximately two and a half years before any oil is obtained, and the usual life span for commercial purposes is about 25 years. The fruit from which oil is obtained is borne in dense bunches which are black when unripe and become reddish on ripening. These bunches can weigh over 25 kg on mature palms, and the height to which the trees grow eventually makes them very difficult to harvest.

PESTS AND DISEASES: The palm is comparatively free of problems in this respect, especially in the Far East. Good estate practice has contained the rodent and insect problems encountered so far. Vascular wilt causes major losses in Africa, although Unilever has been successful in breeding strains which are highly resistant to this disease (see page 23). There are also several serious, but local, diseases found in America.

PROCESSING: Factories for the extraction of palm oil have become more highly mechanised over recent years, but the process remains a fairly simple one: First the bunch fruit is steam-sterilised in large pressure vessels, and passed through a rotation drum 'stripper' to separate the fruit from the stalks. Oil, water and some fine solids are then separated from the nuts and fibre; the 'crude' oil is treated by settling, centrifuging and drying, to become the clean, saleable product, and the nuts, having been separated from the fibre, are centrifugally fragmented to enable the kernels to be extracted. Together with the shell from the nuts, the fibre is burnt in boilers which generate steam and electricity for the factory.

PRODUCE: A feature of the oil palm is that it produces two vegetable oils – palm oil and palm kernel oil. The former comes from the flesh of the fruit and the latter from the nut or kernel. The extractable palm oil constitutes roughly 20% of the fruit's total weight and the palm kernel another 5%. When properly cultivated the oil palm produces higher yields per hectare than any other oil-seed crop.

The oils from the oil palm have various uses: unrefined palm oil is a traditional source of food in areas where the tree is cultivated: processed palm oil is used to manufacture cooking oil; and palm kernel oil is used in soap manufacture, from which glycerine is an important by-product.

TEA

HISTORY: Tea has been used as a beverage for between two and three thousand years, and so the origins of the tea bush (Thea sinensis) are the subject of speculation. However, its cultivation has spread from China and India into the tropical and sub-tropical areas of the remainder of the world. Tea first reached Europe in the 17th century.

CLIMATE: A minimum requirement of 1 300 mm of rain per annum makes the sub-tropics and the mountainous regions of the tropics suitable areas for tea cultivation. The equable temperatures and high humidity of the equatorial regions are substituted in the sub-tropics by hot-season rain which modifies excessive temperatures. Tea will not tolerate frost.

SOILS: Tea is successfully grown in a wide range of well-drained soils, from the alluviums of Assam to the volcanic soils of Indonesia and East Africa. Acid soils are preferable.

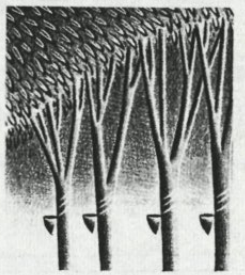
PROPAGATION: The use of seed has now been almost entirely replaced by cuttings from clonal selection programmes.

PLANTING AND GROWTH: During the four year period which a tea bush requires to achieve an appreciable yield, great care and attention is necessary; the bushes must be properly pruned and manured. The top leaves and bud at the end of each shoot are picked manually and transported to the factory.

PESTS AND DISEASES: These include blister blight, root diseases, the tea-mosquito bug and the red spider, such problems being more prevalent in India than in Africa.

PROCESSING: Traditional methods of processing by means of natural evaporation and leaf-rolling produced a tea comprising large particles, referred to as Orthodox tea. These have largely given way to modern continuous processing methods, of which CTC (Crush-Tear-Curl) is the best-known. First, withering in troughs removes 30% of the leaves' moisture. The leaves are then crushed between serrated rolls, breaking open the leaf cells and exposing the liquid sap to the air. Fermentation is followed by drying which reduces moisture to only 2-3%, and finally the tea is graded by particle size.

RUBBER



HISTORY: The Para rubber tree (Hevea brasiliensis) originates from the Amazon forest in South America. Its development as a cash crop started in the late 1860s when the British Government was seeking plantation crops suitable for its colonies in the Far East. Today it is also grown in tropical Africa and America.

CLIMATE: The rubber tree is cultivated between the latitudes of 15° North and 10° South of the Equator. It requires an annual minimum rainfall of 1 500 mm, evenly spread, and, as it is vulnerable to wind damage, areas affected by high velocity winds are avoided.

SOILS: Rubber is reasonably tolerant of most soil types, providing that they are well drained and sufficiently deep to allow for tap root development.

PROPAGATION: Although some hybrid seedling material is still planted, propagation is largely by means of bud grafting. The selection and development of high yielding clones has increased the yield potential from 200 kgs per hectare in the early 1900s to as much as 3 000 kgs per hectare today.

MAINTENANCE AND GROWTH: In the first four years of planting, regular weeding, pruning and fertilizing are required. As the canopy covers the area planted, the required frequency of weeding reduces rapidly. Trees are considered tappable when their girth at a height of 1 000 mm reaches 500 mm.

TAPPING: A sliver of bark is excised, normally from half the circumference of the tree at a slope of 30°. The sap of the tree, known as latex, flows from the cut for a period of some three hours, after which time the latex-bearing cells become plugged by coagulated latex. Frequency and length of cut can vary, but the main object is to be able to return to an area already tapped after a period of bark regeneration lasting about eight years. The average productive life of a well-tapped rubber tree is between 25-30 years.

PESTS AND DISEASES: Young plantings adjacent to forest land are vulnerable to damage by monkeys, rodents and wild pigs. Root diseases are also a risk in new plantings, and from the third year onwards certain clones are liable to 'Pink Disease', which if untreated can result in the tree dying back at the junction of the lower branches with the trunk. Leaf diseases, and fungal diseases which attack the tapping panel, are also common, but the latter can be controlled satisfactorily by fungicides and good field hygiene.

PROCESSING AND PRODUCE: The fairly simple basic requirements for the processing of latex into sheet rubber, and of coagulated scrap into blanket crepe, make rubber a successful smallholder crop. Advancements in rubber technology have led to the development of new forms of rubber using modern crumb processes and liquid latex concentrates but good quality sheet rubber continues to dominate the market.

CARNATIONS

HISTORY: Flowers grown in southern climates find a ready market in Europe during the winter. Spray carnations (Caryphyllus dianthus) are especially suitable, being colourful and long lasting.

The business of growing and exporting carnations commercially is a relatively new one for these areas, only possible with the advent of large-scale refrigeration and frequent modern airfreight services at reasonable rates.

CLIMATE: A dry warm climate is required with minimum rainfall to prevent discolouration of the blooms. Water is supplied by overhead or drip irrigation. Temperatures of over 26°C are unfavourable, causing damage to blooms and slow growth. Large diurnal temperature changes cause scorching and loss of quality.

SOILS: Neutral or slightly alkaline well drained soils are best for carnations. The soil at Naivasha in Kenya's Rift Valley is in fact slightly acid, being basically volcanic ash and infertile; nutrients are provided through the irrigation system.

PLANNING AHEAD: Planning must be thorough and thought out well in advance. For example, cuttings have to be chosen and ordered for planting at least two years before the first flower is ready for the market.

Production also has to be planned to ensure that large quantities of the right colours and varieties are produced regularly through the season (Sept-May), and to meet the heavy demand at festivals such as All Saints, Christmas, St. Valentines etc.

PROPAGATION: October to January: Cuttings arrive from suppliers in Europe, are planted out in a special propagation area and then multiplied up in adjacent beds. In November, all cuttings are accumulated in coldstore. 4-6 weeks before they are required for the flowering blocks, cuttings are transferred from coldstore into rooting beds.

January to May: Rooted cuttings are planted out into the blocks where the flowers will be harvested starting in mid-August.

August to May: The flowering season starts mid-August and continues through to May. Harvesting of blooms that are just beginning to show some colour is done by hand. A flower picker will harvest about 200 – 250 stems per hour which are then packed in bundles of approximately 200 and transported to the grading hall. Yields from spray carnations range from 150 – 300 stems per square metre.

GRADING: The grading hall is a large, cool building where bundles of flowers from the field are put into buckets with water and a preservative. Grading is then carried out by length and various quality characteristics and graders will grade at least 2 600 stems per day into bunches of 5 or 10.

Bunches are put into bundles, wrapped in cellophane sleeves or paper and placed in large, specially-designed cardboard boxes. These are then cooled to below 5°C, sealed and transported to the freight terminal where there is also a cold store.

ROSES

HISTORY: The rose as a cut flower dates back to the early 1870s when in Europe and America a famous variety called American Beauty was introduced and grown in glass houses. Then in the early 1900s a succession of varieties was introduced followed by the famous red variety Baccara in 1956. Since the 1960s a large expansion in the cut flower rose industry has occurred in countries such as Colombia and Israel.

CLIMATE: The ideal climate is between 15°C and 25°C with a good light intensity of at least 12 hours daylight. Due to the sensitivity to disease, high humidity can be a problem and leaves and flowers can be damaged by adverse weather conditions. Some form of protection is therefore required.

SOILS: A wide range of well drained soils are suitable provided there is a good water and fertilizer supply; a slightly acid soil of pH 6 – 6.5 is preferred.

PROPAGATION: The variety is either budded or grafted on to a rootstock in order to give more vigour and production; 3 main rootstocks are used i.e: Rosa canina, indica, manetti. Propagation is normally carried out by specialists in Europe.

PLANTING AND GROWTH: Approximately 60 000 bushes are planted to a hectare. They take about 16 weeks to build up a framework of growth before flowers are cut for marketing. Bushes are then allowed to grow to a height of about 1½ metres high before pruning or undercutting. After cutting a flower it takes 6½ – 7½ weeks before another bloom is ready for cutting from that same cut. Timing of a crop for a certain market week or festival is therefore critical. For commercial production, the life of a tree can be anything from 6 to 10 years.

PESTS AND DISEASES: Most varieties of roses are susceptible to a range of fungal diseases, the most serious being powdery mildew, downy mildew and blackspot. A continual spraying programme is required as a preventive measure. Red spider mite are also very prevalent on roses.

HARVESTING: In most warmer climates roses have to be harvested twice a day and immediately put into pretreated water with a bacteriocide in a cold store at between 2°C – 4°C for 24 hours. They are then graded for quality and length of stem, bunched in 20s, packed in strong cardboard boxes averaging 260 flowers and further cooled.

MARKETING AND TRANSPORT: In Kenya the roses are transported daily from the farm to the coldstore/freighting complex at International Airport, Nairobi. From there they are airfreighted almost daily to the various destinations in Western Europe and the USA. The cool-chain is maintained right from the farm to the final destination to ensure the best possible quality for the consumer.

COCONUT

HISTORY: The coconut palm (Cocus nucifera) is thought to have originated somewhere in the Pacific. Today it is found in the coastal belts of all tropical countries. Principal producers are the Philippines, Indonesia, India and Oceania.

CLIMATE: A hot, wet climate is required, with well-distributed rainfall.

SOILS: The coconut palm grows best in deep alluvial soils or sandy loam, particularly near sea level, and it tolerates both salt and fresh water.

PROPAGATION: Seedlings are grown in a nursery for about 9 months before planting.

PLANTING AND GROWTH: A tree will begin to yield 3-7 years after planting and continues to do so for over 70 years. The palm grows by about 1 metre each year and has a cylindrical stem about 0.6 metres thick; its arching leaves may grow up to 7 metres in length. The nut itself weighs about 1 kg and has a fibrous outer husk and an inner kernel. The kernel, when dried, is known as copra and it is from this that coconut oil is extracted. Yields are expected to be increased substantially by the introduction of new hybrid varieties (see page 24).

PESTS AND DISEASES: Several insect and fungus pests attack the coconut palm. For example, beetles have caused a great deal of damage in the Pacific.

HARVESTING: The nuts can either be cut when ripe or allowed to fall to the ground and be collected.

PROCESSING: A certain amount of fresh kernel is made into desiccated coconut, but for oil processing the coconut is split open after harvesting and dried in order to reduce the copra's natural moisture content and thus to guard against mould growth. Copra yields about 63% oil, (the remainder is valuable as nutritious animal food known as 'kernel cake') which is extracted in factories by crushing the dried copra to a fine meal which is subsequently heated and pressed. Small fragments of solid copra are then removed from the oil by filtering, to produce a clear yellowish liquid.

PRODUCE: Large quantities of coconut oil are used in the manufacture of margarine and cooking oils and fats. To a lesser extent it is also used in soaps and lubricants.

COFFEE

HISTORY: Coffee (Coffea arabica and Coffea robusta) occurs in the wild on the Ethiopian massif between 1 400 and 1 800 m above sea level.
First records of coffee drinking come from Arabia in the 15th Century. The habit gradually spread through the Middle East, reaching Europe via Venice at the start of the 17th century. As the popularity of coffee increased, so began its commercial cultivation, for example in Brazil (from 1727), the Caribbean, India and Ceylon (from the end of the 17th century), and Africa (from the end of the 19th century).

CLIMATE: The best coffee areas are found near the Equator, 1 200 – 1 800 m above sea level. Temperatures of 15 – 24°C and a rainfall of 1 900 mm annually are required, preferably with a dry period to initiate the flower buds. Coffee is highly susceptible to frost.

SOILS: Deep, slightly acid fertile loams of laterite or volcanic origin and a good humus content are best.

PROPAGATION: Most arabica coffee is planted from seed from progeny-tested mother trees. Ripe berries are selected from high yielding trees and the cherry (skin) is removed by hand to prevent damage. Seeds are placed in well-dug beds which provide access for weeding and watering. Fertilizer, overhead shade and mulch are all used. At the cotyledon stage, after 4 – 6 weeks, they are transplanted into small pots. Planting out in the field takes place when the plants have at least six leaves, which takes 6 – 10 months.

MAINTENANCE AND GROWTH: In the field, plants require much care to keep them free of pests and diseases. Weeding and soil conservation are important.

PESTS AND DISEASES: Common pests are Leaf Miner, Autestia Bug, Scale insects and Mealy Bugs, Berry Moth and Fruit Fly.

The two major diseases are Coffee Berry Disease and Leaf Rust. Leaf rust has been known to devastate coffee, for instance in Ceylon from 1869 onwards where it was replaced with cinchona and tea.

HARVESTING AND PROCESSING: Coffee comes into bearing 3 – 4 years after planting and berries appear 7 – 9 months after flowering. A berry consists of two seeds, better known as beans, enclosed in an endocarp, commonly called the parchment, all surrounded by a tough outer skin, green when immature and turning yellow and finally crimson when ready for picking. Harvesting is carried out by selectively picking the ripe berries by hand.

There are two methods of processing:

The dry method, where whole berries are spread out thinly until quite dry, after which they are hulled to expose the beans. Most Brazilian coffee is treated in this way.

Washed coffee, where high quality coffee is pulped and washed. The pulp (outside skin) is removed in a pulping machine. The remainder, beans and parchment, pass through grading channels where separation by specific gravity occurs. The grades are put separately into fermentation tanks in which the mucilage around the beans and parchment is removed by enzymes, yeasts and bacteria. This takes about 12 to 24 hours. After fermentation the parchment is rewashed. Drying then takes place either in the sun or mechanically in heated troughs or a combination of both. This takes 7 to 10 days. Dry coffee contains about 12% moisture.

The parchment is then removed, either on the estate or at the grading mills, leaving hard, olive-green beans which are ready for roasting. If coffee is being exported, the roasting and blending are generally done in the country of destination, together with other processes, such as freeze drying if the final product is to be instant coffee.

COCOA

HISTORY: The cocoa tree (Theobroma cacao) is of central American origin and has now spread throughout the humid tropics. In some areas of Central America cocoa was used as currency prior to the Spanish conquest.

CLIMATE: Dense tropical rain forest areas with high and regular rainfall are particularly suitable, as the cocoa tree requires a moist climate, with temperatures between 20° C and 35° C, together with the right combination of sunlight and shade.

SOILS: Well-drained loose soils are needed; clay loams and volcanic soils are the most suitable.

PROPAGATION: This is usually achieved by means of seeds, although in the case of hybrid material, rooted cuttings or bud grafts are often used.

PLANTING AND GROWTH: Once planted, pruning, control of weeds, upkeep of shade, and disease control are all crucial to successful growth and production. Under cultivation the tree is pruned to a height of about 3 metres. The first blossoms appear after approximately two years and it is a further six months before the fruits can be picked. These take the form of leathery pods shaped like rugby balls and measuring roughly 200 mm in length. Each pod contains 30 to 40 seeds which are the cocoa beans.

PESTS AND DISEASES: The cocoa tree is susceptible to various fungal and virus infections, including swollen shoot.

HARVESTING: This consists simply of plucking ripe pods and removing the beans.

PROCESSING: The beans as removed from the pods are surrounded by a pulp and after being sent to processing factories they are fermented in this state for about 6 to 8 days. Then the beans are dried, either by the sun or artificially, after which they can be screened and graded.

PRODUCE: Further processing of the kernel (or 'nib') of the cocoa bean by roasting and then grinding to a liquid paste (or 'mass') produces cocoa butter, from which chocolate is manufactured. The remaining solids are crushed to obtain cocoa powder.

CINCHONA

HISTORY: The beneficial effects of the bark of cinchona trees (Cinchona calisaya, Cinchona ledgeriana, Cinchona officinalis and Cinchona succirubra) have been known to the Andean Indians since earliest times. The bark contains quinine, which reduces fever and kills certain blood parasites, particularly in malaria. The name comes from the Countess of Cinchon, wife of the Viceroy of Peru, who was, it is told, cured of a fever in 1636.

The use of cinchona was known to the Jesuits and was in fact called Jesuit or Peruvian Bark. During the nineteenth century there was ruthless exploitation of the tree in the wild which led the Dutch and British to secure seeds and establish a cinchona plantation industry in the Indian Sub-continent and Far East.

Cinchona was introduced into Tanzania by the Germans in the first few years of this century.

CLIMATE: Cinchona requires a well-distributed rainfall of around 1 500 mm per year. The average minimum temperature should be 12°C and the maximum 27°C. Poor growth occurs below 7°C and above 27°C. Cinchona also benefits from relatively high humidity and these conditions are found in the mountainous regions of the tropics.

SOILS: Light, well drained forest soils of volcanic origin are best. They should also be rich in organic matter with a pH of 4.5 – 6. Cinchona does well on exposed steep slopes.

PROPAGATION: Seeds from known parents with high quinine content in the bark are sown in beds of fine fumigated loam. Best results are obtained when the soil is kept warm, at about 24°C, with high humidity. Leaf cuttings can also be taken from trees with high quinine content. Seedlings and cuttings are transplanted into pots or containers after germination or rooting. The plants are ready for the field when they have reached a height of 30 cms, generally after about a year.

PLANTING AND GROWTH: In the field, plants are spaced at approximately 1.2m apart. Soil conservation, weed control and fertilizer application are all ongoing operations.

PESTS AND DISEASES: Damping off of seedlings in the nursey is a problem caused by Rhizoctonia spp and other fungi. In the field the crop can be subject to root rot diseases and a limited range of insect attacks.

HARVESTING: Side branches are pruned every year, leaving about one third of the canopy, and the bark is removed from the side branches and dried. The main harvest is 8 to 12 years after planting, when the trees are 3½ to 4m tall. The trees are cut down and the bark removed from the trunk and thicker branches. New suckers grow from the stump and are selected and progressively thinned through the next cycle until again at the main harvest one or two heads remain to be cut down. Yields depend on the length of the cycle and vary widely from 5 000 to 16 000 kgs per hectare.

PROCESSING: The green bark, with 70% moisture content, is generally sun dried to a moisture content of 10% and then pulverised to reduce its bulk and to ease packing for transport to Europe, where the sophisticated process of extracting quinine is carried out.

Quinine is used for malarial prophylaxis and treatment, as a tonic, an antiseptic and in certain pharmaceutical and insecticidal preparations. It is also an important ingredient in a range of soft drinks eg tonic water.

COLOMBIA

POLITICAL BACKGROUND: Colombia has a long history of democratic government. The head of state is the President of the Republic who is elected for a four year term. The legislature is vested in the Congress which consists of the Senate and the House of Representatives.

POPULATION AND LAND USE: About 50% of the population of Colombia (29.8 million in 1987) live in rural areas. Literacy is estimated at around 80%. Total land area is 1 138 618 sq km of which about 55% is sparsely inhabited lowland. The vast majority of the population (about 98%) is concentrated in the remaining, mainly mountainous, 45% of the land area. Approximately 5% of the total land area is arable while 27% is under permanent pasture, supporting a substantial cattle industry.

ECONOMY: At one time 90% dependent upon coffee exports, the economy has diversified substantially in recent years. In 1987 coffee exports represented 28% of the total, closely followed by petroleum products with 25%. Over the five year period 1983 to 1987 exports in hard currency terms increased by 60%. Other significant exports include coal, bananas, gold and cut flowers. The principal food crops are maize, sorghum rice, wheat and potatoes.

UNILEVER'S PLANTATIONS IN COLOMBIA: Plantaciones Unipalma de Los Llanos was formed in 1981 as a joint venture between Unilever and Colombian partners. This represents Unilever's first plantation project in the western hemisphere.

By the end of 1987 2 800 hectares had been planted with oil palm, the oil mill having been commissioned early in 1986. A second phase has been agreed and it is intended to plant a further 3 500 hectares with oil palm before the end of 1990. The entire property will be irrigated, thus substantially increasing agricultural productivity.

Research and development both on oil palm and on other crops, is an important aspect of the Colombian operation.

It is estimated that in 1988 Unipalma will produce 10 000 tonnes of palm oil which will contribute significantly towards reducing the country's deficit of edible oils. For the foreseeable future Unipalma's entire production is expected to be consumed within Colombia.

CÔTE D'IVOIRE

POLITICAL BACKGROUND: The Republic of Côte d'Ivoire gained independence from France in 1960, having been part of French West Africa. Executive power is vested in the President, who is elected for a 5 year term, as are the 175 deputies in the National Assembly. The President is head of the single political party ('Parti Démocratique de la Côte d'Ivoire').

POPULATION AND LAND USE: The population of 10 million is 55% rural, although over 2 million live in the commercial capital, Abidjan. There are 5 main ethnic groups, with many local language variations. French is the official language and is spoken by the majority. Literacy is estimated at 35-40%. Of the total land area of 322 463 sq km, tropical forest covers 8% and 12% is under permanent cultivation, the remainder being open bush, savannah and land which is periodically cultivated.

ECONOMY: The Côte d'Ivoire enjoyed spectacular growth in the 20 years following independence, achieving one of the highest GDP's per capita of the developing countries. The traditional mainstays of the economy have been coffee and cocoa (up to 60% of exports). Of the other exports, timber has declined from its former importance while palm oil, rubber, cotton, pineapples and bananas have increased. The country is close to self-sufficiency in basic food crops and in petroleum products but economic growth has been slowed by recent falls in world commodity prices.

UNILEVER'S PLANTATIONS IN CÔTE D'IVOIRE: Plantations et Huileries de Côte d'Ivoire (PHCI) was founded in 1956 by André Blohorn to provide palm oil for his expanding soap and refined oil business. It was the country's first industrial plantation and paved the way for the major State development of oil palm plantations in the years following independence. The company became part of Unilever in 1982 with the acquisition of Blohorn; the State has a 17% participation.

Today there are 3 000 hectares of oil palm in production, in two separate plantations at Cosrou and Tievessou, around 100kms west of Abidjan. The oil factory at Cosrou processes the fruit from both plantations, and also toll-processes fruit from third party plantations. All the oil produced is used in Blohorn's fractionation plant at the Abidjan factory, and the kernels are also crushed there to provide oil for soap manufacture. Each plantation has a village built by the company to accommodate the workers and their families, together with medical facilities, schools, churches and mosques, village shops, and social and sports facilities.

PHCI is small by comparison with the total oil palm industry of the Côte d'Ivoire (the world's 4th largest producer and 3rd largest exporter). PHCI's planted area represents less than 3% of the total of industrial plantations, the State-owned Palmindustrie having over 80%, and the oil produced provides at most 8% of Blohorn's own requirements. Nevertheless it continues to pioneer new techniques in the improvement of yields and control of disease. At Cosrou, 'contour' planting has been adopted on the uneven ground to conserve moisture, and pumped irrigation systems have been introduced resulting in improved fruit yield and oil content.

GHANA

POLITICAL BACKGROUND: Ghana was granted independence from Britain in 1957 and was declared a republic in 1960.

POPULATION AND LAND USE: 65% of the total population (14 million) lives in rural areas. There are many cultural groups and more than 50 tribal languages are spoken in addition to English. Literacy is estimated at 35%. Forest and bush constitutes 60% of the total land area of 239 000 sq km, and 19% is used for agricultural purposes.

ECONOMY: Ghana's chief exports are cocoa and timber, although the latter has been declining. Mineral exports are important and include gold, manganese, diamond and bauxite. Electricity is also exported. The economy has, however, suffered a high rate of inflation and a constant shortage of essential goods, but this is now improving.

UNILEVER'S PLANTATIONS IN GHANA: In 1960, Unilever's original plantation in Ghana was bought out by the newly independent government. In 1976, the Benso Oil Palm Plantation Limited (BOPP) was set up with Unilever and Government shareholding.

The plantation was cleared from secondary scrub, and 160 km of roads were made. 3 925 hectares of oil palms were planted between 1977 and 1982, and the first harvesting commenced in 1981.

A palm oil factory has been constructed in the plantation, and the training of Ghanaians to run the plant has been a high priority right from the start. The whole process is designed to operate as economically as possible; the discarded fruit stalks are rich in potash and are a source of fertiliser for the plantation, whilst the fibrous material and shell fragments which remain after processing are used as fuel for the boilers.

Many facilities for the workers have been provided, including 3 villages, social clubs, a canteen, a shop, a medical clinic and a school. Secondary school scholarships are awarded to employees' children.

INDIA

POLITICAL BACKGROUND: India was granted Independence from Britain in 1947 and became a Sovereign Democratic Republic in 1950. It now comprises 25 States and seven Union Territories. Although many different languages are spoken, the official language of the Union is Hindi. Provision has also been made for the retention of English as an Associate Language.

The constitution divides legislative powers between the centre and the states. At the centre is the Council of Ministers with the Prime Minister at its head. The Union Parliament has the power to make law for the whole or any part of the territory of India, while the legislature of a State can make laws for the State concerned.

POPULATION AND LAND USE: The population is about 776 million (1987 U.N. estimate) and literacy is over 36 percent.

The area of the Indian Union is

3.29 million sq km, making it the seventh largest country in the world. About 50% of the land is cultivated, with three quarters of it used for food crops. 20% of the land is forested, with the remainder being uncultivated.

ECONOMY: The agricultural sector employs over 74% of the country's labour force and contributes nearly 40% of the total national income. It also accounts for about 35% of exports. India is the largest producer of tea and second largest producer of rice, jute, rapeseed and castor seed in the world.

UNILEVER'S PLANTATIONS IN INDIA: Brooke Bond's plantations companies in India, which became part of the Unilever group in 1984, are Doom Dooma India Ltd in Assam and Tea Estates India Ltd in South India. Unilever holds 74% of the equity of both companies, with the remaining 26% held by Indian nationals.

Doom Dooma was purchased by Brooke Bond in 1962 and its tea gardens (as they are called in Assam) cover 2 945 ha, with three factories at Raidang, Samdang and Beesakopie producing 6 000 tonnes pa of Orthodox and CTC Black teas (see Tea Manufacturing pp 18 and 19).

Tea Estates India has three groups of estates in Tamil-Nadu State near the Kerala border, totalling 3 436 ha of tea and 126 ha of coffee, from which the annual production is 11 000 tonnes of tea and 32 tonnes of coffee.

As India has a strong domestic market for tea, the bulk of the teas manufactured by both companies is sold through local auction centres, the remainder being exported or sold through the London auction market.

Nearly all the employees of the two companies are housed on the estates, with free medical treatment, recreational facilities, and a range of other benefits also being provided.

KENYA

POLITICAL BACKGROUND: Kenya gained independence from Britain in December 1963. The legislature is a 172 member National Assembly with elections every five years. Kenya was declared a Republic in 1964 and is a one-party state.

POPULATION AND LAND USE: About 23 million people of many ethnic groupings live in Kenya and the population increase is the fastest in the world at over 4%. There are over 40 tribes, of Bantu, Nilotic, Hamitic, and Samitic descent. The national language is Swahili and the official language English. Literacy is estimated at 60% (1985 figures). Over 85% live in rural areas. The total land area is 571 416 sq km of which 4% is forested, 7% meadows and pastures and a further 4% under permanent cultivation. The country is bisected by the Great Rift Valley, either side of which are the fertile highlands and mountain blocks with good rainfall. The coastal strip and lake shores are also productive. The remainder of the country, mainly to the east and north, is arid, semi-desert scrub and range land.

ECONOMY: Coffee, tea and petroleum refining provide over 60% of export earnings. Receipts from tourism are a vital source of income. Industrial production, including textiles, chemicals, consumer products and vehicle assembly, is playing an increasing part, employing 20% of wage earners and contributing 13% of GDP. The main food crops are maize, wheat, barley, rice, millet, sorghum, potatoes, sweet potatoes, cassava and sugar cane.

UNILEVER'S PLANTATIONS IN KENYA: In 1984 Unilever acquired Brooke Bond Group which owned plantations in Kenya. These began with the purchase of land in 1924; a small area near Nairobi was planted with tea and coffee, together with a larger tract in the highlands above Lake Nyanza at Kericho. Tea seed was imported for the new plantings from India and the resulting plants thrived. In 1934 the first full scale tea factory was completed. It was another 25 years before tea became an important export crop.

The tea and coffee plantations still flourish, contributing to Kenya's domestic needs and export earnings. Brooke Bond Kenya (88% Unilever-owned) has over 7 000 ha of tea, yielding 23 000 tonnes and 550 ha of coffee yielding 800 tonnes, nearly all of which is exported.

Some 2 000 hectares of eucalyptus trees are grown to provide the entire firewood requirements of the eight process factories. Company-generated hydro-electric power satisfies over half the factory's requirements at Kericho.

In 1980 Brooke Bond Kenya acquired Sulmac, a flower exporting business, situated on the floor of the Great Rift Valley near the fresh water lake of Naivasha. Rain seldom damages the flower blooms but there is adequate water for irrigation. Roses and carnations are grown on 140 ha, and over 200 million stems are exported, mainly to Europe and to a smaller extent to the USA, Canada and Japan.

Brooke Bond Kenya employs over 20 000 people and provides them with housing, hospitals, social centres and schools on the estates.

MALAWI

POLITICAL BACKGROUND: Malawi, formerly Nyasaland, attained independence from Britain in 1964 and was declared a Republic in 1966. The system of government is Presidential and there is an elected National Assembly.

POPULATION AND LAND USE: The estimated population is approaching 8 million with over 85% of the people living in rural villages based on extended families. The official languages are English and Chichewa.

The country covers an area of some 118 000 sq km and the dominant geographical feature is Lake Malawi, the world's eleventh largest lake. About 20% of the total area is accounted for by inland water. Of the total land area, some 21% is forest, woodland and game reserve, and 79% is used for agricultural purposes.

ECONOMY: The country is almost entirely dependent on agriculture, being self-sufficient in food with maize as the staple crop. Small-scale farming and specialised smallholder projects provide a livelihood for the majority of the population with the export sector dominated by large-scale estate farming. Agricultural produce accounts for about 80% of Malawi's export earnings and the main export crops are sugar, tobacco, tea, coffee, groundnuts, macadamia nuts and cotton.

UNILEVER'S PLANTATIONS IN MALAWI: Tea was introduced into Malawi before the turn of the century and was planted extensively when the coffee crop failed in the early 1900s.

Brooke Bond purchased the Lujeri Estates in 1977 and the Sayama Estates in 1979 and ownership passed to Unilever with their purchase of Brooke Bond in 1984. Coffee was reintroduced in the late 1970's and the area planted is nearly 300 ha producing about 800 tonnes per annum. The area under tea cultivation is close to 1 750 ha and this produces about 23 000 tonnes of green leaf per year which is converted into about 5 000 tonnes of black tea in the company's three tea factories.

Both tea and coffee have high labour requirements during their main harvesting seasons, which fortunately do not coincide. The main cropping season for tea lasts 5 months and up to 70% of the total crop is harvested during that period; the workforce reaches 7 000 employees for part of the year. The use of improved planting material is contributing to enhanced quality and higher yields. Some 600 ha of eucalyptus trees meet factory heating requirements and a third of the electricity requirement is generated by the Company's own hydro-electric power plants.

MALAYSIA

POLITICAL BACKGROUND:
The independent federation of Malaysia was proclaimed in September 1963 with the merger of the Malaya Federation with the British colonies of Sabah and Sarawak. The current federation is composed of 13 member states.

POPULATION AND LAND USE:
70% of the total Malaysian population of 17 million lives in rural areas. The two largest ethnic communities are the Malays and the Chinese who make up 58% and 32% of the population respectively. The literacy rate is roughly 60%. The main land use is forest (80%), with an additional 13% being cultivated and 1% pasture.

ECONOMY: Malaysia's robust economy, which can to some extent be attributed to a positive attitude towards foreign investment, has been the envy of many other developing countries. The country's chief exports are crude petroleum (15% of total export value in 1987), rubber (9%), palm oil (7%) timber (8%) and tin (2%). It is hoped that a new natural gas project will help the balance of payments situation.

UNILEVER'S PLANTATIONS IN MALAYSIA: Unilever's plantation activities in Malaysia started in June 1948 when it purchased a small oil palm estate in Johore. Today, its Malaysian plantations company, Pamol Plantations Sdn Bhd (PPSB), operates two oil palm estates – in the states of Johore and Sabah – covering a total area of 15 604 hectares. Each estate has a large processing factory, housing and social facilities, and the company has built over 500 km of roads which it now maintains. The work force is multi-racial, encompassing Malays, Chinese and Indians. PPSB also has an investment in tissue culture through the company Bakasawit, which is a joint venture with Malaysian Government interests.

The Sabah plantation is worthy of closer attention as an example of the development of a remote rural area. Unilever's investment there dates back to 1960 when North Borneo, as it was then known, was largely undeveloped jungle country. The Labuk Valley, the site chosen for the plantation was inhabited by only a few people who lived by hunting and subsistence farming but would often have to supplement their income by leaving their homes to work for a few months at a time in timber camps. The nearest town was 150 km away by river and sea and there were no roads or even tracks linking the valley with the outside world. Schooling and medical facilities were non-existent.

Within ten years the company had established a 6 100 hectare oil palm estate at a cost of around £8 million. The palm oil factory, opened in 1967, is one of the most efficient in the world, producing over 30 000 tonnes of palm oil a year. The effect of this development on the area as a whole has been dramatic.

Four villages provide permanent housing for workers and their families, and there are dispensaries, sports facilities and community centres on the plantation. There is also an airfield, with daily air services to the nearest town, a post office, and several nursery and primary schools; a large secondary school is under construction. Smallholdings have been encouraged to provide rice and vegetables for the plantation workers. The standard of living of the local community has been improved as a result. Unilever's pioneering work has also acted as a catalyst in drawing other agricultural investors to the area; there is now a Chinese-owned oil palm estate and a cocoa estate nearby, and the Sabah Land Development Board has established rice and oil palm projects.

The problems with pollination in Sabah initiated the work on insect pollination (p.28) and this has had a major impact on the oil palm industry throughout the Far East and the Pacific where all oil palms are now pollinated by the Elaeidobius weevils.

NIGERIA

POLITICAL BACKGROUND:
The Federation of Nigeria became independent in 1960 and was proclaimed a republic in 1963. It is now a federation of 21 states.

POPULATION AND LAND USE:
Nigeria's population of about 100 million makes it the tenth most populous country in the world, and more than 80% of its people live in rural areas. The country encompasses over 250 ethnic groups (with as many languages) and several religions. The literacy rate is 42%. 15% of the total land area is forested, 33% agricultural and under permanent cultivation and 23% meadows and pastures.

ECONOMY: Nigeria's economy is dominated by crude oil, which accounts for 85% of the total value of its exports. It is therefore seriously affected by falling oil prices, and import restrictions have sometimes been introduced as a result. Other exports include cocoa beans, palm kernels, tin, rubber and timber. Agriculture, forestry and fishing account for nearly a quarter of Nigeria's gross domestic product.

UNILEVER'S PLANTATIONS IN NIGERIA: Pamol (Nigeria) Limited (PNL), a direct descendant of the Unilever subsidiary Pamol Limited which was formed in 1936, now operates three rubber plantations, two of which are near Calabar in Cross River State and the third near Sapele in Bendel State. PNL is currently establishing a 1 000 hectare oil palm estate near Calabar. The company is a joint venture between Unilever and the State governments of Bendel and Cross River.

Between them, the estates cover 6 600 hectares. Over 60% of the plantable area is in production and most of the remainder is planted with immature rubber and oil palm trees.

Nearly all the employees are housed in rent-free accommodation on the estates, and the company provides recreational facilities and free medical treatment.

Both estates have a sheet-processing factory. At Calabar there is a crumb processing factory and at Sapele there is a small latex concentrate plant. Sheet rubber constitutes roughly 57% of the company's output, and crumb rubber a further 37%. PNL sells approximately half of its rubber to local manufacturers for use in tyres, tubes and other rubber goods. The other half is exported.

SOLOMON ISLANDS

POLITICAL BACKGROUND:
The Solomon Islands became fully independent in 1978 and, as a result of the geography of the archipelago, one of the government's chief priorities has been a programme of decentralisation. Eight administrative districts have considerable powers and responsibilities e.g. for agriculture, education and health.

POPULATION AND LAND USE:
Of the total population of around 285 000, 93% are of Melanesian origin. The vast majority (90%) of the islanders live in coastal villages which are becoming increasingly overcrowded; the inhospitable nature of the islands' mountainous interiors has prevented any large scale inland development. In fact, less than 5% of the total 29 800 sq km is usable land, and 90% of this is tropical forest.

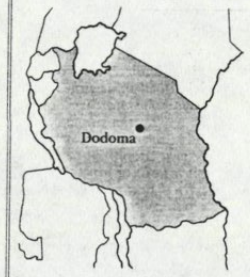
ECONOMY: Most of the population is engaged in subsistence agriculture, with only 17 000 people in wage-earning occupations. About 95% of GDP is accounted for by the three traditional primary products of timber, agricultural produce (mainly cocoa, copra and oil palm) and fish.

UNILEVER'S PLANTATIONS IN THE SOLOMON ISLANDS: Unilever has owned coconut plantations in the Solomon Islands since 1902, but their development was seriously interrupted by the destruction caused by the Second World War. The clearing up operation continued into the 1960s when Lever Solomons also opened the new Sunlight Estate of 800 hectares. During the following decade, small plantings of cocoa were made in addition to the main coconut crop – the climate is well suited to both – and the cattle business was expanded to provide a source of meat as well as to keep down the weeds on the estates. In 1977 the company became a joint venture between Unilever and the Solomon Islands government.

The total planted area is now 8 271 hectares, producing some 8 000 tonnes of copra and 700 tonnes of cocoa per annum. The estates are largely in the Russell Islands, centred on Yandina, and (except in the case of one estate whose workers tend to live in a nearby village and receive a housing allowance) they provide housing for their employees in small communities so that traditional lifestyles can be maintained. Water and power supplies are scarce in outlying areas such as these, but appropriate services are provided by Lever Solomons, along with all transport on the estates. At Yandina the company maintains a hospital and clinic, a school, a staff club, an airfield and deep-water port. Premises have also been provided for a local co-operative retail outlet which has been given assistance in buying goods, and with accounting procedures.

The company's research station in the Solomon Islands is recognised as one of the principal centres for coconut research in the Pacific, and its work has led to the introduction of a hybrid coconut which gives an increase in yield of 100% over traditional varieties.

TANZANIA



POLITICAL BACKGROUND: The United Republic of Tanzania results from the merger in 1964 of the island of Zanzibar with mainland Tanganyika. Both countries had earlier achieved independence from Britain – Tanganyika in 1961 and Zanzibar in 1963. Tanzania is a Unitary single-party republic with one legislative house.

POPULATION AND LAND USE: Tanzania is one of the least urbanised countries in Africa, with 92 per cent of the population living in rural areas. The total population of 23.3 million is growing at the rate of 3.4% pa. Literacy is estimated at 79% (1983 figures) and the official languages are Swahili and English. Over half the population of the mainland lives on little more than a quarter of the total land area of 957 000 sq km, with the arid central plateau only sparsely populated.

47% of the land is forest, 40% grassland and 6% is agricultural or under permanent cultivation.

ECONOMY: Tanzania is predominantly an agricultural economy, with much of the farming at subsistence level. The chief export crops are coffee, cotton, tea and sisal. Mineral exports include gold and diamonds but neither accounts for a great deal in the context of total foreign exchange earnings. Inflation is running at high levels owing to the higher cost of imports following a devaluation of the Tanzanian currency under an agreement signed with the IMF.

UNILEVER'S PLANTATIONS IN TANZANIA: In 1940, the Custodian of Enemy Properties requested Brooke Bond to administer former German tea estates in Mufindi situated in the Southern Highlands, 600km from Dar es Salaam. During the Second World War, the company built a tea factory, and planted out new tea areas of its own. After the war, it took over the lease of the ex-German estates, expanded them further and built a second tea factory and a hospital for its workforce during the 1950s.

After three years of research into the beneficial effects of irrigation on yield, the company introduced its first irrigation system in 1970. Irrigation is necessary for high yields in Mufindi because very little rain falls between May and November. Since 1970, many more irrigation systems have been introduced on the nine tea estates which now comprise the company. A third tea factory was built by 1980 to accommodate the increased output.

The total planted area is 2 280 hectares, from which production in 1987 amounted to over 5 600 tonnes. When irrigation commenced in 1970, yields were under 1 000 kg per hectare and by 1987 they had reached 2 636 per hectare.

Home-grown eucalyptus satisfies the firewood requirements of the factories.

In addition to tea, the company has planted 250 hectares of cinchona, the bark of which is harvested, dried, crushed, and shipped for processing in Europe where quinine salts are extracted.

The company provides employment for over 4 000 people, who are housed with their families in small communities on the estates. In addition to the 55-bed hospital there are 14 clinics which cater for day to day medical needs. Over 70 000 patients are seen and treated annually. Two primary schools have been built and day-care centres on the estates cater for the needs of working mothers. Premises have also been built for co-operative retail shops, which are given assistance in purchasing goods and with accounting procedures.

Maize is grown and milled to meet the basic food needs of employees and a maize seed project is maintained for Tanzania's Maize Programme.

THAILAND

POLITICAL BACKGROUND: Thailand is governed by a constitutional monarchy.

POPULATION AND LAND USE: The country has an estimated population of 54 million growing at a rate of 2% annually. The population includes more than 30 ethnic groups, of which Thais comprise the largest single group, followed by Chinese and Malays. Education is accorded high priority by the Government and the literacy rate of Thais aged 10 years and above exceeds 85%. The principal religion is Hinayana Buddhism. Some 40% of the total land area is under cultivation and 65% of the population is employed in the agricultural sector.

ECONOMY: Agriculture is the most important economic activity, contributing about 20% of GDP and 30% of the total value of exports. Thailand has achieved a relatively impressive rate of long-term growth in GDP, averaging over 7% during the 1970s, and with particular expansion in manufacturing, banking and construction sectors. Agricultural growth, however, remains critical to Thailand's future, and is a priority consideration in the Government's development schemes. The principal crops, in order of importance as exports (1987), are rice, cassava (tapioca), rubber, sugar, and maize.

UNILEVER'S PLANTATIONS IN THAILAND: Oil palm is a relatively new crop to Thailand, and Unilever's participation in the development of the industry began in 1983 with the formation of a joint venture incorporating three companies, now consolidated as the Univanich Group. The business originated as the private plantations of the Vanich family, who were responsible for the establishment of the industry in Thailand, and who are now in partnership with Unilever.

The companies operate five oil palm estates in Southern Thailand with 6 064 hectares planted out, of which 4 372 hectares are in production. Two factories process both company fruit and fruit purchased from neighbouring growers. One factory has kernel-crushing facilities for the production and sale of kernel oil and cake.

The joint venture companies expect to increase production significantly during the next few years with the help of Unilever's contribution in management expertise, fertiliser policy and technical improvements which have succeded in other countries.

ZAIRE

POLITICAL BACKGROUND: Zaire attained independence in 1960 and has had a Presidential system of government since 1965.

POPULATION AND LAND USE: 70% of the estimated population of 34 million lives in rural areas. Virtually all the inhabitants are of Bantu origin. The literacy rate is over 50%.

Over half the total area of 2.35 million sq km is taken up by forest. In 1985 4.7 million hectares were devoted to agricultural crops. Zaire is heavily dependent for internal transportation on the 13 000 km of navigable river and 5 000 km of railways.

ECONOMY: Zaire's principal exports are copper, which in 1985 represented 40% of export revenue, cobalt (14%), petrol (16%), diamonds (14%) and coffee (6%). Agriculture represents 18% of Zaire's GDP, compared with 24% for mining and 2% for manufacturing industry.

UNILEVER'S PLANTATIONS IN ZAIRE: The company Plantations Lever Au Zaire (PLZ) has its origins in the early years of the century when William Hesketh Lever established factories for the processing of the palm fruit from the natural palm groves. The first factory began production in 1912. The company then established plantations initially concentrating on oil palms but later extending the range of crops to include rubber, cocoa, coffee and tea. PLZ now has 11 factories for processing palm oil and one each for rubber, cocoa and tea. The company is operated as a joint venture between Unilever and the government of Zaire.

The most distant plantation is 1 600 km from the company's centre of operation in the capital city, Kinshasa and the only means of reaching the plantations is by air or water. Virtually all the company's products are moved by river transport; in Kinshasa, the PLZ wharf handles 100 000 tonnes of product for both PLZ plantations and third parties.

Many of the plantations are in remote areas and the local community has benefited greatly from the infrastructure of roads, bridges, wharves and airfields built by the company.

Housing, hospitals, schools and community centres benefit not only employees and their families but also villagers in the area. Hygiene, family care and domestic arts are taught in the community centres, thus raising standards of living.

In order to develop food production, the company makes land available to employees and their families and also operates rice and manioc mills to process the raw produce. A small seed farm has been established in conjunction with the State Seed Organisation to multiply improved varieties of seed. The company also maintains over 12 000 head of cattle to provide meat for its workers and bovine traction for the transportation of fruit.

The Govenment of Zaire recognises the importance of agricultural development which has been designated 'the Priority of Priorities'. Under a programme supported by the World Bank, PLZ planted 10 600 hectares of oil palms between 1978 and 1986. PLZ has now embarked on a second development scheme with emphasis on both palm oil for the local market and on export crops (rubber, cocoa and tea). With its access to international know-how, the company is able to play a leading part in the drive to increase the productivity of Zaire's plantation industry.

BANANA DEVELOPMENT IN COSTA RICA

By Christopher vanArsdale

San José, Costa Rica — Costa Rica, named for its luxuriant Caribbean shoreline as seen by Christopher Columbus in 1502, has long been known for its rich natural endowment and unique biological diversity. Its 20,000 square miles (about the size of West Virginia) account for only .003 percent of the Earth's surface, yet are home to nearly 5 percent of the plant and animal species known to exist on the planet. Strong health and education programs, a stable democracy and the relatively large proportion of national territory set aside for parks and protected areas have bolstered Costa Rica's image as a nation concerned about the conservation of its natural resources and the just treatment of its citizens. In recent years, however, this image has begun to fray at the edges, largely as a consequence of a development model which encourages large-scale agricultural production for export in order to service foreign debt.

The banana industry, the country's second largest and an important source of foreign exchange, is currently undergoing a dramatic expansion. The government has proposed bringing nearly 21,000 hectares under banana cultivation with a target production goal of 90 million boxes of fruit for export annually. Spurred by tax breaks and incentives, banana companies are buying up new lands or re-occupying old plantations to the tune of 2,000 hectares per year, according to industry representatives. By some estimates, Costa Rica will overtake Ecuador this year as the number one exporter of bananas worldwide.

The costs of surging banana production are high, however. Expansion is hurting a withering natural resource base and local populations are defenseless against exposure to large doses of toxic agrochemicals. Costa Rican indices of pesticide contamination and deforestation are now among the highest in the world. According to conservation groups and the Catholic Church, the continued unbridled expansion of the banana industry threatens to unravel the country's hard-won social and environmental achievements of the last four decades.

Poisoning the workers

Though consumers in the First World have become increasingly concerned with pesticide residues on fruits and vegetables, workers and their families in producer countries suffer the detrimental impact of exposure to agrochemicals more directly. The banana industry in Costa Rica is responsible for the largest proportion of total pesticide use in the country, accounting for 25 to 30 percent of all pesticide imports. On the plantations, pesticides account for 50 to 55 percent of the total cost of material inputs. One of the main reasons that Costa Rica has been capable of producing such a large volume of bananas for export is the heavy application of fungicides, herbicides, nematicides and other agrochemicals.

Workers, their families and local populations near banana plantations, however, are literally absorbing the real costs of this heavy pesticide use. Although

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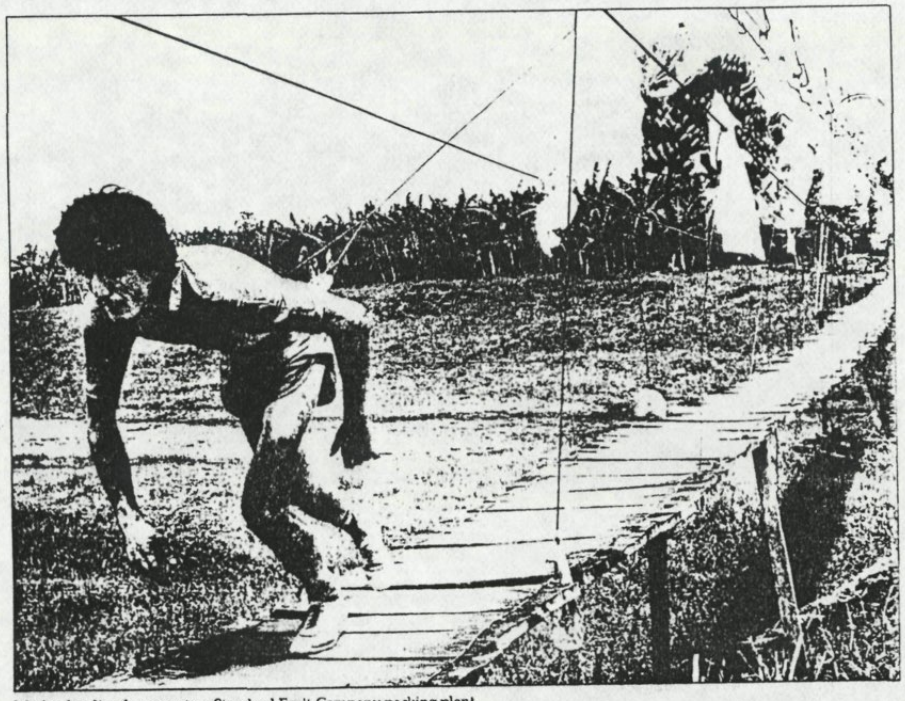

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Worker hauling bananas to a Standard Fruit Company packing plant.

accounting for only 5 percent of the nation's rural population, approximately one-third of all reported pesticide poisonings occur in the banana-growing regions. Field workers suffer 250-300 pesticide intoxications annually.

In a pending lawsuit filed in 1985 against the Standard Fruit Company, one of the principal transnational banana producers in the Atlantic region, workers sterilized by exposure to the nematicide DBCP are seeking compensation from the company and from the manufacturers of the product, Dow Chemical and Shell Oil [see "The South's Day in Court," *Multinational Monitor*, July/August 1990]. Company scientists knew DBCP was an extremely dangerous testicular toxin at even low concentrations when they performed their first toxicity tests in the mid-1950s. The substance, however, was so effective at controlling nematodes that Shell and Dow decided to market the product anyway. It is estimated that as many as 2,000 men were involuntarily sterilized by their exposure to DBCP throughout the 1970s. The Costa Rican government finally prohibited the import and use of the chemical in 1979. But this action did not prevent Standard Fruit from exporting its inventory of about 180,000 liters to Honduras, where managers continued to use it without fully informing workers of the dangers.

After years of wrangling in the courts over the jurisdictional status of the Costa Rican workers' claim, the Texas Supreme Court agreed in March 1990 that the case could be heard in Texas courts. The U.S. Supreme Court recently upheld that decision. Having won this procedural victory, the workers may now seek compensation in U.S. courts for damages caused by exposure to DBCP. A second victory could significantly affect the way transnational corporations operate in the Third World, since the case would set a precedent for holding United States-based corporations accountable in U.S. courts for their foreign activities.

In the meantime, however, workers continue to suffer the effects of acute pesticide intoxication, dermatitis, eye problems and chronic respiratory disorders caused by their exposure to chemicals on the plantations, and Costa Rica's nationalized health insurance company, the National Insurance Institute, is left to foot the medical bills of the poisoned workers.

Poisoning the environment

The expansion of plantations and the heavy application of agrochemicals also take a devastating toll on neighboring eco-systems. For optimum production, plantations must have an array of drainage ditches, all of which eventually empty into the region's rivers and canals. A large percentage of the applied pesticides are washed into these waterways and carried ultimately to the sea, with toxic consequences both for aquatic life and for the local human populations which depend on the various intermediate bodies of water for sustenance. Moreover, at least 25 percent of the pesticides applied by aerial spraying never reach their target but are instead unintentionally applied directly into ponds and streams or on farmland surrounding the plantations.

All along the rivers and canals which run through dense jungle parallel to the shoreline from the city of Limón to the Nicaraguan border, the evidence of contamination from plantations is visible. Shreds of pesticide-saturated blue plastic, which comes from bags used to cover the bananas until harvest, dangle from

History Repeats

CRITICS OF "BANANA DEVELOPMENT" point to the crop's historically disruptive role in Costa Rican society to buttress their claims that the government is making a tragic mistake in encouraging the expansion of banana production.

In 1899, the Boston Fruit Co. merged with railroad pioneer Minor Keith's Tropical Trading Co., forming the United Fruit Company, the world's first transnational banana corporation. United Fruit began operations on the Atlantic coastal plain of Costa Rica, producing primarily for U.S. markets. In 1917, after nearly two decades of growth, banana production began to decline in the Atlantic region, as the plant disease sigatoka spread throughout the plantations.

But sigatoka was not the only cause for the decline. Labor unrest, inadequate port facilities and soil depletion contributed significantly to the industry's troubles. According to Dr. Isabel Wing-Ching, a sociologist at the University of Costa Rica, intensive banana cultivation depletes ordinary soils in about 15 years, though this period can be extended depending on soil quality and use of chemical fertilizers. "The banana plantation is a plantation in movement; it migrates and occupies new space, modifies the landscape and abandons areas which have been depleted," says Wing-Ching. During United Fruit's Atlantic operations, depleted areas "which could no longer produce commercially were abandoned, the rail lines lifted and communities which had grown around the plantation were forced to migrate," she explains. By 1938, United Fruit had completely abandoned operations in the Atlantic region, shifting production to the Pacific side of the country.

The province of Limón was devastated economically by the pullout. Banana development eclipsed other sources of employment and investment, and when the company packed up and left, so did a large percentage of Limón's population. In the years immediately following United Fruit's departure, Limón province dropped from 8 percent to 6 percent of the national population. It was not until the mid-1950s that banana production returned to the Atlantic region. The Standard Fruit Co. began Atlantic region production in 1956 and Bandeco and the Atlantic Banana Company started in 1965.

In the Pacific region, United Fruit continued the "migratory" pattern of resource exploitation. In the late 1950s, production on Pacific region plantations declined unexpectedly. Studies by company scientists indicated that the plants' root structures had been severely weakened by the accumulation of copper in the soils due to the heavy application of fungicides. The company sold the areas poisoned with copper to unsuspecting farmers and moved to other areas in the region.

In 1985, United Fruit finally stopped banana production in the Pacific region, leaving behind more than 6,500 hectares of previously high-quality soils poisoned with copper and unusable for almost any kind of agricultural production. African palm, because its long roots reach below the copper deposits, is one of the only crops that will now grow in the region. Palm cultivation, however, requires minimal labor input and cannot absorb the thousands of workers left unemployed by the banana pull-out. Golfito, a once prosperous Pacific port town, was the center for United Fruit's southern Pacific operations. The region's economy, dominated for 45 years by the banana company, suddenly collapsed, and the town and surrounding areas were left with little except unemployed workers and large tracts of poisoned soils.

There is little to suggest that the impact of the present expansion on the Atlantic will be any less devastating when banana companies eventually decide to abandon the region, as they have done in the past. ■

— *C.V.*

tree branches near the canals' banks, clearly indicating the high-water mark. The bags, washed through the drainage ditches by heavy rains, also end up on beaches, clinging to coral or lodged in the stomachs of sea turtles.

Local inhabitants of the canal areas, who depend upon aquatic life for food, have become accustomed in recent years to finding large numbers of fish floating dead in the waterways, killed by pesticide poisoning. Last July, in perhaps the largest single fish-kill to date, as many as half a million fish were found belly-up in the canals. In public announcements, the Ministry of Agriculture and the Ministry of Health exonerated the nearby banana companies of all responsibility for the accident, claiming that the kill was probably perpetrated by local fishers. Local people and conservation groups are skeptical of the government's pronouncements, especially since, according to Carmen Roldán of the National University's Environmental Science Department, "public access to the official investigation was denied."

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Banana worker on the Atlantic coast of Costa Rica.

In another scene of environmental degradation, the once crystalline and vibrant array of coral reefs along Costa Rica's Caribbean shore is now nearly 90 percent dead as a result of pesticide run-off and sedimentation, mainly from banana plantations. In a 1987 study of Costa Rica's Caribbean coral, the International Marine Life Alliance states that of all activities "that have driven material, debris and wastes into the sea, none can equal the sheer annual tonnage of sediment that flows from the Atlantic-slope banana plantations." Erosion from the plantations along the Sixaola, Estrella and Matina rivers has sent volumes of pesticide-laden soil into the waterways which eventually finds its way to the shore and smothers the fragile reefs.

The impact of coral death goes far beyond its scenic value for beach-goers. Living coral is a primary determinant of productivity in shore fish and invertebrate populations, providing a sink for nutrients which form the base of a complex aquatic food chain. The coral colonies support populations of lobster, crab, snapper, bass, jack and a large variety of tropical ornamental fish, all of which represent economic resources for local communities. Thousands of people, especially descendants of Jamaican immigrants whose culture is closely tied to the sea, depend upon the continued productivity of the reefs. Local fishers say, however, that fishing for a living has become exceedingly difficult in the Caribbean coastal waters over the last 10 years. Marketable ornamental species, which are perhaps the most coral-specific of all fish in the area, are also declining in numbers. If present trends continue, the region's capacity to support ecologically sound development alternatives, such as harvesting ornamental fish, oysters and lobster, may be eliminated.

The expansion of banana plantations in the area and the visible environmental damage that results also clash with the economic interests of the tourism industry. Tourism, the third largest industry behind bananas, depends on the maintenance of Costa Rica's scenic beauty and its conservationist image abroad. The Caribbean is an extremely popular destination for sports fishing and tourism and accounts for a substantial percentage of the industry's total income. Few tourists, however, will be attracted by dead rivers and poisoned beaches. Modesto Watson, a tour boat operator in the region, comments, "I'm afraid we don't have too many years left before they kill this area off."

According to many agricultural scientists, the plantations could reduce their agrochemical use while maintaining reasonable levels of production. Integrated pest management, biological controls and other organic farming techniques offer ecologically responsible alternatives to complete dependence on chemical pesticides. Hernán Rodrígues, an expert in integrated pest management with the National University of Costa Rica, says, "the technology used on today's plantations is based on the idea imported from industrialized countries that yield increases can only come from massive use of chemical pesticides. This technological package is inappropriate for our reality." A switch to practices less dependent on agrochemicals, however, would probably require a lowering of cosmetic standards for fruit in consumer countries. None but the most perfect, unblemished bananas ever reach the supermarkets of Europe or the United States. Consumers in these countries may have to learn to accept slightly blemished or smaller bananas if pesticide contamination in producer countries is to be reduced.

Poisoning social conditions

"Banana development" has serious social consequences as well, often dividing families and communities dependent on the multinational corporations for their livelihood.

In the 1989 year-end Pastoral Letter of the bishopric of Limón province, church leaders issued a scathing condemnation of conditions created by the expansion of banana plantations and called on the government to re-evaluate its policy of expansion. The church leaders focused especially on the unstable and migratory nature of plantation work and its effect on families and communities: "The traditional structure of our families is suffering a grave alteration due to the instability and the economic uncertainty caused by the continual migration of family members. The consequences are becoming more and more evident: disintegration of families (incomplete families), deterioration in the education of children, conjugal infidelity and a lack of time and space for family dialogue and recreation."

Banana companies "maintain about 60 percent of their workers on a permanent basis, but keep the other 40 percent on temporary contracts which can be renewed every two and a half months," according to Carlos Acuna, former director of labor relations for the Del Monte subsidiary, Bandeco. This not only allows the companies to avoid making social security payments for nearly half their employees, but also assures that labor will remain quiescent. "Workers are afraid they will be placed on the computerized blacklist maintained by the companies and never again be able to find a job. Any worker known to have participated in union activities in the past will be denied work. I know because I managed that list when I worked for Bandeco," explains Acuna.

Temporary workers do not receive permanent housing, their families may be required to relocate several times within a short period and their work schedule is highly irregular and often determined by the arrival of cargo boats. Though workers' salaries are high compared to those of other agricultural sectors, the extra earnings are absorbed by the higher living costs on the plantations.

Furthermore, the collective bargaining position of workers has deteriorated markedly in the last decade. Though Costa Rican law guarantees workers the right to organize in unions, the companies have effectively squashed all union activity. Companies coerce employees into joining "solidarity" organizations dedicated to "harmonious" employer-employee relations. Union sympathizers quickly lose their jobs and find themselves blacklisted. The solidarity groups can organize social events for the workers, but they cannot strike for better working conditions.

Today's bread, tomorrow's hunger

At a recent forum of church groups and environmental and development organizations, Monseigneur Alfonso Coto, bishop of Limón province, described "banana development" as "seeking today's bread and tomorrow's hunger." Dr. Isabel Wing-Ching, sociologist at the University of Costa Rica and longtime researcher of the banana industry, added that "today's bread is not for everyone." The wealth created in the production of bananas is concentrated in the hands of a few multinational companies. Though the banana industry provides needed jobs and some tax revenue for the state, the government has not scrutinized the long- and short-term costs and benefits of banana expansion. The already visible environmental and social damage caused by the activity portends more drastic consequences in the future. If Costa Rica is to avoid "tomorrow's hunger," its policymakers must not wait any longer to seek responsible alternatives to the present model of "banana development." ■

JADUAL/TABLE 3.3 (SAMBUNGAN/CONTINUED)

MALAYSIA: GUNATENAGA MENGIKUT SEKTOR DAN KUMPULAN PEKERJAAN UTAMA, 1980 – 1990

MALAYSIA: EMPLOYMENT BY SECTOR AND MAJOR OCCUPATIONAL GROUP, 1980 – 1990

Sector	Professional and technical workers		Administrative and managerial		Clerical workers		Sales workers		Service workers		Agricultural workers		Production workers		Total	
	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)
Increase, 1981–85																
Primary sector	0.4	0.6	0.2	1.9	0.2	0.3	0.3	0.3	0.4	0.4	38.7	90.0	2.1	0.8	42.3	6.5
(%)	(0.9)		(0.5)		(0.5)		(0.7)		(0.9)		(91.5)		(5.0)		(100.0)	
Secondary sector	5.0	7.3	3.4	32.1	11.2	17.3	1.6	1.6	1.6	1.5	0.2	0.5	194.2	75.9	217.2	33.3
(%)	(2.3)		(1.6)		(5.2)		(0.7)		(0.7)		(0.1)		(89.4)		(100.0)	
Tertiary sector	63.2	92.1	7.0	66.0	53.5	82.4	97.9	98.1	106.8	98.1	4.1	9.5	59.6	23.3	392.1	60.2
(%)	(16.1)		(1.8)			(13.7)	(25.0)		(27.2)		(1.0)		(15.2)		(100.0)	
TOTAL	68.6	100.0	10.6	100.0	64.9	100.0	99.8	100.0	108.8	100.0	43.0	100.0	255.9	100.0	651.6	100.0
(%)	(10.5)		(1.6)		(10.0)		(15.3)		(16.7)		(6.6)		(39.3)		(100.0)	
Increase, 1986–90																
Primary Sector	0.4	0.8	0.1	0.8	0.4	0.7	0.2	0.2	0.4	0.4	45.3	93.4	2.2	0.8	49.0	7.6
(%)	(0.8)		(0.2)		(0.8)		(0.4)		(0.8)		(92.5)		(4.5)		(100.0)	
Secondary sector	6.4	13.1	3.9	32.8	13.5	24.2	2.3	2.1	2.1	2.2	0.3	0.6	224.6	82.9	253.1	39.2
(%)	(2.5)		(1.6)		(5.3)		(0.9)		(0.8)		(0.1)		(88.8)		(100.0)	
Tertiary sector	42.1	86.1	7.9	66.4	41.9	75.1	109.0	97.7	95.2	97.4	2.9	6.0	44.1	16.3	343.1	53.2
(%)	(12.3)		(2.3)		(12.2)		(31.8)		(27.7)		(0.8)		(12.9)		(100.0)	
TOTAL	48.9	100.0	11.9	100.0	26.2	100.0	111.5	100.0	97.7	100.0	48.5	100.0	270.9	100.0	645.2	100.0
(%)	(7.6)		(1.8)		(8.7)		(17.3)		(15.1)		(7.5)		(42.0)		(100.0)	
Average annual growth rate, 1981 – 85%																
Primary sector	2.0		2.0		0.2		0.6		1.1		0.4		0.9		0.4	
Secondary sector	3.0		2.5		2.4		2.1		1.5		0.4		3.2		3.1	
Tertiary sector	4.6		5.2		4.1		4.0		5.0		2.6		5.2		4.5	
ALL SECTORS	4.4		3.8		3.5		3.9		4.7		0.5		3.5		2.6	
Average annual growth rate 1986 – 90(%)																
Primary sector	1.8		0.9		0.5		0.4		1.0		0.5		0.9		0.5	
Secondary sector	3.3		2.6		2.5		2.6		1.8		0.6		3.2		3.1	
Tertiary sector	2.5		4.6		2.7		3.7		3.6		1.6		3.1		3.2	
ALL SECTORS	2.6		3.6		2.6		3.6		3.5		0.5		3.1		2.3	

NOTES: [1] Agriculture, forestry, livestock and fishing.
[2] Mining and quarrying, manufacturing, construction and transport, storage and communications.
[3] Trade, financial services, Government services, utilities and other services.

PUNCA: Rancangan Malaysia Ke 5 1986 – 1990
SOURCE: Fifth Malaysia Plan 1986 – 1990

JADUAL/TABLE 3.4

ANGGARAN BILANGAN PEKERJA BAGI ESTET-ESTET PADA 31HB JULAI, 1977 – 1986

ESTIMATED NUMBER OF EMPLOYEES IN ESTATES AS AT 31ST JULY, 1977 – 1986

Year

Type of Estates	1977		1978		1979		1980		1981		1982		1983		1984		1985		1986	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Rubber	174,990	68.9	177,270	70.7	170,670	67.0	167,210	66.0	164,620	67.3	148,290	59.7	135,440	57.5	128,120	53.8	134,372	57.8	111,747	54.6
Coconut	3,550	1.4	3,410	1.4	4,110	1.6	3,710	1.5	3,310	1.3	4,380	1.8	4,090	1.7	2,810	1.2	2,447	1.1	3,478	1.7
Oil Palm	70,780	27.9	65,500	26.1	75,400	29.6	77,840	30.8	72,750	29.7	92,450	37.2	92,810	39.4	96,460	40.5	82,452	35.5	69,418	33.9
Tea	3,240	1.3	3,060	1.2	2,970	1.2	2,780	1.1	2,510	1.0	1,950	0.8	1,900	0.8	1,980	0.8	1,408	0.6	1,810	1.0
Pineapple	1,420	0.5	1,610	0.6	1,740	0.6	1,630	0.6	1,430	0.6	1,380	0.6	1,380	0.6	1,290	0.6	823	0.4	1,162	0.6
Cocoa*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7,480	3.1	10,751	4.6	16,865	8.2
Total	253,980	100.0	250,850	100.0	254,980	100.0	253,170	100.0	244,620	100.0	248,450	100.0	235,620	100.0	238,140	100.0	232,253	100.0	204,480	100.0

PUNCA: Tinjauan Tahunan Pekerjaan dan Upah – Estet – Kementerian Buruh
SOURCE: Annual Survey of Employment and Wages – Estate – Ministry of Labour

Note: *Estet koko telah dimasukkan bermula di dalam Tinjauan tahun 1984 dan seterusnya.
(Cocoa estates were included in the survey for 1984 and thereon).
n/a tidak diperolehi/not available

JADUAL/TABLE 3.5A

PERATUS PEKERJA YANG DIAMBIL SECARA LANGSUNG DAN MELALUI KONTRAKTOR DALAM PERUSAHAAN TERPILIH MENGIKUT JANTINA, BANGSA DAN PEKERJAAN UTAMA PADA 31HB. JULAI, 1985

PERCENTAGE OF DIRECTLY EMPLOYED LABOUR AND LABOUR EMPLOYED THROUGH CONTRACTORS IN SELECTED INDUSTRIES BY SEX, RACE AND MAIN OCCUPATIONAL GROUP AS AT 31ST. JULY, 1985

Industry	Employed Direct or through Contractors	Number Employed	Sex			Race				Occupational Group					
			Male	Female	Young Person	Malay	Chinese	Indian	Others	Administrative, Managerial/ Supervisory	Clerical	Tappers Harvesters/ Pluckers	Weeders	Factory Workers	Other
			%	%	%	%	%	%	%	%	%	%	%	%	%
ESTATES															
Rubber	D	118,443	44	56	*	32	12	54	2	6	1	70	14	3	6
	C	15,929	46	53	1	29	20	41	10	2	–	80	13	2	3
	ALL	134,372	44	56	*	32	13	52	3	5	1	71	13	3	7
Coconut	D	1,982	52	48	–	23	4	69	4	9	3	18	34	8	28
	C	465	43	52	5	28	–	72	–	1	–	23	35	14	27
	ALL	2,447	50	49	1	24	3	69	4	7	2	19	35	9	28
Oil Palm	D	60,790	56	44	*	37	9	51	3	9	3	36	27	6	19
	C	21,662	79	21	*	37	7	23	33	3	–	61	15	1	20
	ALL	82,452	62	38	*	37	8	44	11	7	2	43	24	5	19
Tea	D	1,324	47	52	1	26	1	65	8	8	2	47	23	11	9
	C	84	12	88	–	38	4	43	15	–	–	17	10	68	5
	ALL	1,408	45	55	*	26	1	64	9	8	2	45	23	13	9
Pineapple	D	823	56	44	*	55	44	1	–	8	2	45	15	1	29
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	ALL	823	56	44	*	55	44	1	–	8	2	45	15	1	29
Cocoa	D	7,969	41	59	*	41	6	53	–	7	3	30	32	4	24
	C	2,782	31	69	*	49	5	40	6	2	–	49	29	1	19
	ALL	10,751	38	62	*	43	5	50	2	7	2	35	31	3	22
												Skilled Artisans	Others		
MINING															
Tin	ALL	21,907	93	7	–	34	54	12	1	6	5	18	71		
Iron	ALL	132	81	6	3	30	58	12	–	10	12	28	50		
Bauxite	ALL	231	97	3	–	67	32	1	*	6	5	22	67		

D = Directly Employed C = Employed through Contractors

PUNCA: Tinjauan Tahunan Pekerjaan dan Upah, Estet dan Perlombongan, 1985 – Kementerian Buruh.
SOURCE: Annual Survey of Employment and Wages, Estate and Mining, 1985 – Ministry of Labour.

JADUAL/TABLE 3.5B

PERATUS PEKERJA YANG DIAMBIL SECARA LANGSUNG DAN MELALUI KONTRAKTOR DALAM PERUSAHAAN TERPILIH MENGIKUT JANTINA, BANGSA DAN PEKERJAAN UTAMA PADA 31HB. JULAI, 1986

PERCENTAGE OF DIRECTLY EMPLOYED LABOUR AND LABOUR EMPLOYED THROUGH CONTRACTORS IN SELECTED INDUSTRIES BY SEX, RACE AND MAIN OCCUPATIONAL GROUP AS AT 31ST. JULY, 1986

Industry	Employed Direct or through Contractors	Number Employed	Sex			Race				Occupational Group					
			Male	Female	Young Person	Malay	Chinese	Indian	Others	Administrative, Managerial/ Supervisory	Clerical	Tappers Harvesters/ Pluckers	Weeders	Factory Workers	Others
			%	%	%	%	%	%	%	%	%	%	%	%	%
ESTATES															
Rubber	D	99,289	43	57	*	31	14	52	3	6	2	71	12	3	6
	C	12,458	45	54	1	29	18	44	8	2	1	79	12	3	3
	ALL	111,747	43	57	*	31	14	51	4	6	1	72	12	3	6
Coconut	D	2,724	55	45	–	12	2	85	1	9	2	17	30	10	32
	C	754	54	46	–	44	1	55	–	*	1	19	52	7	21
	ALL	3,478	55	45	*	19	2	78	1	7	2	17	35	9	30
Oil Palm	D	49,402	58	42	*	37	9	46	8	10	2	22	22	10	34
	C	20,016	81	19	*	33	6	21	40	3	*	54	19	2	21
	ALL	69,418	65	35	*	36	8	39	17	8	2	42	24	4	20
Tea	D	1,678	54	44	2	27	1	61	11	9	1	48	21	9	12
	C	132	48	52	*	25	4	26	45	–	–	57	–	–	43
	ALL	1,810	54	45	1	27	2	58	13	8	1	48	19	8	14
Pineapple	D	1,064	67	33	–	69	30	1	–	6	2	25	12	6	50
	C	98	51	49	–	5	95	–	–	–	–	95	5	–	–
	ALL	1,162	61	39	–	63	36	1	–	5	2	31	11	5	46
Cocoa	D	12,243	46	54	–	24	3	32	42	8	1	25	19	3	44
	C	4,622	23	76	1	15	4	18	1	1	–	29	49	2	19
	ALL	16,865	40	60	*	29	4	36	31	6	1	26	27	3	37
												Skilled Artisans	Others		
MINING															
Tin	ALL	10,752	93	7	*	43	40	16	1	6	5	19	70		
Iron	ALL	125	99	1	–	27	58	13	–	10	12	16	62		
Bauxite	ALL	207	96	4	–	66	33	1	–	5	5	24	66		

D = Directly Employed C = Employed through Contractors

Palmolie

Sime Darby Jaarverslag 1991

PLANTATIONS DIVISION
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NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST
[redacted]	[redacted]	[redacted]	[redacted]
Arabis Pte. Ltd.	Marketing of edible oils.	Singapore	50.1*
Avidat Sdn. Bhd.	Land ownership.	Malaysia	50.1
Consolidated Plantations Berhad #	Rubber, oil palm and cocoa cultivation and palm oil production.	Malaysia	50.1
Epic Products Berhad	Packaging and marketing of branded edible vegetable oils and end use fats.	Malaysia	50.1
Kempas Edible Oil Sendirian Berhad	Rubber, oil palm and cocoa cultivation. Palm oil refining and fractionation. Manufacturing and marketing of specialty and end use fats.	Malaysia	50.1
Selatan Estates Sendirian Berhad	Rubber and oil palm cultivation.	Malaysia	100.0
Sharikat Hadapan Berhad	Oil palm cultivation.	Malaysia	50.1
Sime Darby Commodities Limited	Commodity and general trading.	United Kingdom	100.0*
Sime Darby Edible Products Limited	Refining, manufacturing and marketing of edible oils and palm oil related products.	Singapore	50.1*
Sime Darby Futures Trading Sdn. Bhd.	Commodity trading.	Malaysia	100.0
Sime Darby Commodities Inc.	Marketing of latex gloves	United States of America	100.0*
Sime Darby Services Limited	Render agricultural consultancy services.	Hong Kong	100.0*
Sime Health Limited	Marketing of latex products	United States of America	50.1*
Sime Healthcare Sdn. Bhd.	Manufacture and marketing of condoms.	Malaysia	50.1
Sime Latex Products Sdn. Bhd.	Manufacture and marketing of latex examination gloves	Malaysia	50.1
Tengah Estates Sendirian Berhad	Rubber and oil palm cultivation.	Malaysia	100.0

LIST OF MAJOR PROPERTIES HELD

Senarai Hartanah Utama Yang Dimiliki

30TH JUNE 1991/30HB JUN 1991

LOCATION/	TENURE/	AREA/	DESCRIPTION/	YEAR OF EXPIRY/
MALAYSIA				
Alor Gajah Industrial Estate, Northern District, Malacca	Leasehold	29,302 sq.metres	Industrial land and building	2073
Apas Road, Tawau, Sabah	Leasehold	12,141 sq.metres	Office, workshop and warehouse complex	2925
Atherton Estate, Siliau, Negeri Sembilan	Freehold	2,323 hectares	Rubber and oil palm estate	
Badenoch Estate, Kuala Ketil, Kedah	Freehold	1,783 hectares	Rubber and oil palm estate	
Bakar Arang Industrial Estate, Kedah	Leasehold	19,693 sq.metres	Industrial land with factory	2037
Batu Ferringhi, Penang	Freehold	95 sq.metres	Residential building	
Block 19, Seduan Land District, Sibu	Leasehold	7,249 sq.metres	Vacant Land	2046
Brickiln Road, Penang	Freehold	7,215 sq.metres	Factory and warehouse	
Bukit Cloh Estate, Jeram, Selangor	Freehold	2,045 hectares	Oil palm estate	
Bukit Paloh Estate, Paloh, Johore	Freehold	1,468 hectares	Rubber, oil palm and cocoa estate	
Bukit Paloh Scheme, Paloh, Johore	Freehold	556 hectares	Oil palm estate	
Bukit Rajah Estate, Klang, Selangor	Freehold	2,201 hectares	Oil palm estate	
Bukit Rajah Industrial Estate, Klang, Selangor	Leasehold	30,746 sq.metres	Industrial land with factory building	2082
Bukit Rajah Industrial Estate, Klang, Selangor	Leasehold	16,389 sq.metres	Industrial land	2084
CEP Niyor Estate, Kluang, Johore	Freehold	1,554 hectares	Rubber, oil palm and cocoa estate	
CEP Rengam Estate, Rengam, Johore	Freehold	3,089 hectares	Oil palm estate	
Chan Wing Estate, Segamat, Johore	Freehold	2,603 hectares	Rubber and oil palm estate	
Chembong Industrial & Housing Estate, Rembau, Negeri Sembilan	Leasehold	11,954 sq. metres	Industrial land with factory building	2044
Craigielea Estate, Bukit Pasir, Johore	Freehold	2,337 hectares	Rubber, oil palm and cocoa estate	
Damansara Estate, Batu Tiga, Selangor	Freehold	625 hectares	Rubber and oil palm estate	
Devon Estate, Merlimau, Malacca	Freehold	1,838 hectares	Rubber, oil palm and cocoa estate	
Duplex Signal Hill, Kota Kinabalu, Sabah	Leasehold	2,792 sq.metres	Residential land and building	2066
Dusun Labu Valley, Nilai, Negri Sembilan	Freehold	149 hectares	Orchard	
Ellar Estate, Kluang, Johore	Freehold	937 hectares	Rubber and oil palm estate	
Frasers Hill, Pahang	Leasehold	7,122 sq.metres	Holiday bungalow	2043
Gedong Estate, Bagan Serai, Perak	Freehold	1,381 hectares	Oil palm estate	
Gong Badak Industrial Estate, Kuala Trengganu	Leasehold	21,003 sq.metres	Office, workshop and warehouse complex	2043
Gunung Mas Estate, Bekok, Johore	Freehold	870 hectares	Oil palm estate	
Hadapan Estate, Layang-layang, Johore	Freehold	1,133 hectares	Oil palm estate	
Jalan 205, Petaling Jaya, Selangor	Leasehold	16,770 sq.metres	Office, workshop and warehouse complex	2055
Jalan 223, Petaling Jaya, Selangor	Leasehold	4,047 sq.metres	Industrial land and building	2065
Jalan 225, Petaling Jaya, Selangor	Leasehold	4,147 sq.metres	Industrial land and building	2074
Jalan Acob Estate, Kapar, Selangor	Freehold	1,411 hectares	Oil palm estate	
Jalan Batu Caves, Selangor	Leasehold	12,381 sq.metres	Factory and office building	1994
Jalan Bukit Tunku, Kuala Lumpur	Freehold	3,000 sq.metres	Residential bungalow	
Jalan Kemajuan, Petaling Jaya, Selangor	Leasehold	7,251 sq.metres	Factory land and building	2059
Jalan Lahat, Ipoh, Perak	Leasehold	28,381 sq.metres	Office, workshop and warehouse complex	2036
Jalan Lahat, Ipoh, Perak	Freehold	7,346 sq.metres	Factory land and building	
Jalan Lencung Barat, Mergong, Alor Setar ,Kedah	Leasehold	89,552 sq.metres	Industrial land with factory building	2080
Jalan Rasah, Seremban, Negeri Sembilan	Freehold	31,899 sq.metres	Factory, warehouse and office complex	
Jalan Raya, Balakong, Cheras, Selangor	Leasehold	10,117 sq.metres	Industrial land with factory building	2036
Jalan Sesiku 15/2, Shah Alam, Selangor	Leasehold	66,333 sq.metres	Industrial land with factory building	2065
Jalan Tampoi, Johor Bahru	Freehold	60,342 sq.metres	Industrial land and factory building	
Jalan Tandang, Petaling Jaya, Selangor	Leasehold	14 hectares	Tyre and chemical manufacturing complex	2060
Jalan Tandang, Petaling Jaya, Selangor	Leasehold	10,488 sq.metres	Warehouse	2054
Jalan Thompson, Ipoh, Perak	Freehold	4,411 sq.metres	Vacant land	
Jalan Tuan Haji Said, Seremban, Negri Sembilan	Freehold	8,372 sq.metres	Land and building	
Jasin Estate, Jasin, Malacca	Freehold	753 hectares	Rubber and oil palm estate	
Kali Malaya Estate, Paloh, Johore	Freehold	1,061 hectares	Oil palm estate	
Kirby Estate, Labu, Negeri Sembilan	Freehold	1,967 hectares	Rubber and oil palm estate	
Klebang Besar, Malacca	Freehold	16,469 sq.metres	Land held for development	
Klebang Estate, Paloh, Johore	Freehold	2,473 sq.metres	Rubber and oil palm estate	
Kulai Estate, Kulai, Johore	Freehold	2,063 hectares	Oil palm and cocoa estate	
Kulim Industrial Estate, Kulim, Kedah	Leasehold	40,480 sq.metres	Industrial land with factory building	2048
Labuk Road, Sandakan, Sabah	Leasehold	29 hectares	Land held for development	2892
Langgak Tunku, Kuala Lumpur	Freehold	1,032 sq.metres	Residential	

LOCATION/LOKASI	TENURE/ HAKMILIK	AREA/ LUAS KAWASAN	DESCRIPTION/ BUTIR-BUTIR	YEAR OF EXPIRY/ TAHUN TAMAT
Layang Estate, Layang Layang, Johore	Freehold	1,965 hectares	Oil palm and cocoa estate	
Lorong Kilang A, Petaling Jaya, Selangor	Leasehold	4,876 sq.metres	Industrial land with factory building	2058
Lorong U Thant Satu, Kuala Lumpur	Freehold	2,357 sq.metres	Residential	
Lorong Tmn Pantai 3, Kuala Lumpur	Freehold	1,423 sq.metres	Residential bungalow	
Lot 1016, Jalan Kilang, Kuching Town	Leasehold	4,051 sq.metres	Factory and office building	2035
Lot 014200 Mukim Damansara, Daerah Petaling, Selangor	Freehold	7,284 sq.metres	Commercial land	
Lot 552, Batang Berjuntai, Selangor	Freehold	45 hectares	Industrial land	
Lot 9609 Mukim Damansara Freehold	Freehold	12,609 sq metres	Vacant Land	
Lot 65 & 66 Kawasan Perusahaan Senawang, Seremban, Negeri Sembilan	Leasehold	37,000 sq.metres	Factory, warehouse and office complex	2073
Lurah Tunku, Bukit Tunku, Kuala Lumpur	Freehold	2,000 sq.metres	Residential bungalow	
Mengaris Estate, Sandakan, Sabah	Freehold	1,616 hectares	Cocoa estate	
Merlimau Estate, Merlimau, Malacca	Freehold	2,023 hectares	Rubber and cocoa estate	
Midlands, Kulai, Johore	Freehold	2,103 hectares	Oil palm	
Miri Concession Land, Sarawak	Leasehold	10,862 sq.metres	Workshop and office complex	2041
New Labu Estate, Nilai, Negri Sembilan	Freehold	1,712 hectares	Rubber and oil palm estate	
North Road, Sandakan, Sabah	Freehold	38,688 sq.metres	Office, workshop and warehouse complex	
North Road, Sandakan, Sabah	Leasehold	1,043 sq.metres	Warehouse and office	2029
Nova Scotia Estate, Teluk Intan, Perak	Freehold	3,117 hectares	Oil palm estate	
Parit Buntar, District Krian, Perak	Freehold	11 hectares	Vacant land	
Pasir Gudang, Johore	Freehold	174,847 sq.metres	Property development in progress	
Pasir Gudang, Johore	Freehold	80 hectares	Commercial centres, cinema and petrol stations lots	
Pasir Gudang Industrial Estate, Johore	Leasehold	40,469 sq.metres	Office, workshop and warehouse complex	2038
Pasir Gudang Industrial Estate, Mukim Plentong	Leasehold	14 hectares	Heavy industry	2045
Pasir Gudang Industrial Estate, Mukim Plentong	Leasehold	2 hectares	Industrial Land	2020
Pasir Gudang Industrial Estate, Johore	Leasehold	62,800 sq.metres	Palm oil refinery	2035
Patani Para Estate, Sungei Patani, Kedah	Freehold	812 hectares	Rubber estate	
Pegoh Estate, Alor Gajah, Malacca	Freehold	1,217 hectares	Rubber and cocoa estate	
PT 145 Kawasan Perusahaan Senawang, Seremban, Negri Sembilan	Leasehold	20,700 sq.metres	Factory, warehouse and office complex	2074
Raya Jakarta-Bogor Km 26, Jakarta	Leasehold	22,000 sq.metres	Factory and office building	1999
Section 13, Petaling Jaya	Leasehold	6,830 sq.metres	Industrial land and factory building	2059
Piasau Road, Miri, Sarawak	Leasehold	20,275 sq.metres	Office, workshop and warehouse complex	2028
Pilmoor Estate, Batu Tiga, Selangor	Freehold	309 hectares	Rubber and oil palm estate	
Pinggiran Tunku, Bukit Tunku, Kuala Lumpur	Freehold	2,400 sq.metres	Double storey detached house	
Raja Musa Estate, Kuala Selangor, Selangor	Freehold	1,220 hectares	Oil palm estate	
Rubana Estate, Teluk Intan, Perak	Freehold	1,960 hectares	Oil palm estate	
Sabrang Estate, Teluk Intan, Perak	Freehold	2,080 hectares	Oil palm estate	
Seafield Estate, Batu Tiga, Selangor	Freehold	821 hectares	Rubber, oil palm and cocoa estate	
Section 62, Kuching Town Land District, Kuching, Sarawak	Leasehold	111 sq.metres	Factory, warehouse and office complex	2777
Sedco Industrial Estate, Kota Kinabalu, Sabah	Leasehold	60,704 sq.metres	Industrial land	2034
Segaliud Estate, Sandakan, Sabah	Freehold	2,410 hectares	Oil palm and cocoa estate	
Selangor River Estate, Bukit Rotan, Selangor	Freehold	1,742 hectares	Oil palm and cocoa estate	
Selatan Bahru Estate, Merlimau, Malacca	Freehold	963 hectares	Rubber and oil palm estate	
Semambu Industrial Zone, Kuantan, Pahang	Leasehold	26,305 sq.metres	Office, workshop and warehouse complex	2041
Sungei Buloh Estate, Bukit Rotan, Selangor	Freehold	2,605 hectares	Oil palm and cocoa estate	
Subang Jaya, Selangor	Freehold	9,105 sq.metres	Medical centre	
Subang Jaya, Selangor	Freehold	22 hectares	Various lots of land	
Subang Jaya, Selangor	Freehold	309 hectares	Property development in progress	
Subang Jaya, Selangor	Leasehold	29 hectares	Parkland	2087
Subang Jaya, Selangor	Freehold	19,223 sq.metres	Site for expansion of medical centre	
Sungei Way Batu 9, Jalan Kelang Lama, Selangor	Freehold	6,200 sq.metres	Warehouse and office building	
Tali Ayer Estate, Bagan Serai, Perak	Freehold	2,508 hectares	Oil palm estate	
Tennamaram Estate, Batang Berjuntai, Selangor	Freehold	1,704 hectares	Oil palm estate	
Towering Industrial Centre, Mile 4, Off Jln Penampang Tambunan, Kota Kinabalu, Sabah	Leasehold	251 sq.metres	Double storey corner light industrial building	2037
Tuaran Road, Likas, Kota Kinabalu, Sabah	Leasehold	11,007 sq.metres	Office, workshop and warehouse complex	2026
UEP Subang Jaya	Freehold	44 hectares	Land held for township development	
Wisma Tractors, Subang Jaya, Selangor	Freehold	7,284 sq.metres	Twin tower office and commercial complex	

Jd. 61.087 hectares

LOCATION/LOKASI	TENURE/ HAKMILIK	AREA/ LUAS KAWASAN	DESCRIPTION/ BUTIR-BUTIR	YEAR OF EXPIRY/ TAHUN TAMAT
HONG KONG				
Aberdeen Main Road	Leasehold	1,579 sq.metres	5-storey motor service centre with vehicular lifts	2050
Castle Peak Road, Tsuen Wan, Kowloon	Leasehold	2,510 sq.metres	6-storey godown building converted into service centre with vehicular lifts	1997
Fung Yip Street, Chai Wan	Leasehold	9471 sq. metres	Industrial building	2047
Kwun Tong Road, Kowloon	Leasehold	2,595 sq.metres	Factory building for office and workshop usage	2047
Kwun Tong Road, Kowloon	Leasehold	1,198 sq.metres	4-storey vehicular repair, storage and service centre served by vehicular range	1997
Lung Tang Road, New Territories	Leasehold	9,309 sq.metres	Industrial complex including one 2-storey office/workshop building and one single-storey workshop	1997
Matauwei Road, Kowloon	Leasehold	1,295 sq.metres	11-storey vehicular service centre with showroom and petrol filling station	2035
[illegible]rrison Hill Road, Happy Valley	Leasehold	650 sq.metres	Commercial office space	2004
[illegible]uen Long, New Territories	Leasehold	46,212 sq.metres	4 separate lots of land with proper vehicular access from main roads	1997
SINGAPORE				
Benoi Sector	Leasehold	79,052 sq.metres	Integrated complex containing office blocks,warehouse and workshop	2032
Chin Bee Crescent	Leasehold	4,900 sq.metres	Single storey factory with office	2009
Chin Bee Drive	Leasehold	6,872 sq.metres	Factory and office building	2008
Chin Bee Road	Leasehold	20,304 sq.metres	Factory and office building	2010
Enterprise Road, Singapore	Leasehold	10,140 sq.metres	2-single storey warehouse building with offices	2008
Ford Avenue	Freehold	2,322 sq.metres	Two storey residential house	
Hillview Avenue	Freehold	4,141 sq.metres	Factory and office building	
Jalan Boon Lay	Leasehold	22,376 sq.metres	Industrial land	2030
Jalan Kilang	Leasehold	2,201 sq.metres	Office and workshop building	2061
Jalan Kilang Barat	Leasehold	2,693 sq.metres	Office and workshop building	2060
Jurong Pier Road	Leasehold	16,456 sq.metres	Factory and office building	1996
Kampong Arang Road	Leasehold	8,357 sq.metres	Motor workshop, showroom and office building	2033
Kwong Ming Road, Singapore	Leasehold	9,174 sq.metres	Factory complex with warehouse and offices	2028
Lorong Tukang Lima	Leasehold	5,472 sq.metres	Single storey factory	2025
Sime Darby Centre, Dunearn Road	Freehold	13,089 sq.metres	Commercial, warehouse and industrial building	
[illegible]nglin Halt Road	Leasehold	3,882 sq.metres building	Motor workshop, showroom and office	2062
Telok Blangah Road	Freehold	402 sq.metres	Two units residential apartments	
Yarwood Avenue	Freehold	1,444 sq.metres	Two storey residential house	
AUSTRALIA				
Bishop Street, Jolimont, Western Australia	Leasehold	9,986 sq.metres	Factory, office building and showroom	2057
Governor Macquarie Drive, Chipping Norton	Freehold	10,095 sq.metres	Industrial land	
Taren Point Road, Taren Point, New South Wales	Freehold	4,887 sq.metres	Industrial land with light industrial engineering complex	
PHILIPPINES				
Davao City	Leasehold	3,240 sq metres	Office and recap plant	2001
Marikina, Parang, Metro Manila	Leasehold	15 hectares	Tyre manufacturing complex	2001
Makati, Metro Manila	Leasehold	1 hectare	Office complex and warehouse	2001
Tumajubong, Basilan Province	Leasehold	995 hectares	Rubber estate	2001
OTHERS				
Avenida Horta E Costa, Macau	Freehold	238 sq.metres	Motor vehicle showroom and office	
Rua Dos Pescadores, Macau	Leasehold	3,832 sq.metres	5-storey industrial building	2015

Palm Oil

JADUAL/TABLE 3.7 A

ANGGARAN BILANGAN PEKERJA DALAM PERUSAHAAN TERPILIH MENGIKUT JANTINA, BANGSA DAN KUMPULAN PEKERJAAN UTAMA PADA 31HB. JULAI, 1985

ESTIMATED NUMBER OF EMPLOYEES IN SELECTED INDUSTRIES BY SEX, RACE AND MAJOR OCCUPATIONAL GROUP AS AT 31ST. JULY, 1985

Industry	Total No. of Establishments	Sex				Race				Occupational Group					
		Total No. of Employees	Male	Female	Young Person	Malay	Chinese	Indian	Others	Administrative Managerial/ Supervisory	Clerical	Tappers Harvesters/ Plukers	Weeders	Factory Workers	Others
ESTATES															
Rubber (1) (2)	1,521	134,372	59,019	74,757	596	42,290	18,057	69,846	4,179	6,999	1,644	94,977 *	18,018	3,984	8,750
Coconut (1) (2)	80	2,447	1,234	1,192	21	577	77	1,699	94	183	56	452	844	230	682
Oil Palm (1) (2)	1,059	82,452	50,977	31,237	238	30,497	6,731	36,272	8,952	6,117	1,522	35,156	19,515	4,050	16,092
Tea (1) (2)	17	1,408	630	767	11	370	18	894	126	114	28	630	318	196	119
Pineapple (1) (2)	3	823	458	364	1	455	361	7	–	63	20	370	119	11	240
Cocoa (2)	145	10,751	4,105	6,597	49	4,643	583	5,336	189	737	197	3,774	3,390	304	2,349
MINING												Skilled Artisans	Others		
Tin	452	21,907	20,432	1,475	–	7,354	11,898	2,538	117	1,414	1,034	3,979	15,480		
Iron	4	132	107	21	4	40	76	16	–	13	16	37	66		
Bauxite	1	231	223	8	–	155	73	2	1	14	11	51	155		
TRANSPORT												Skilled & Semi-skilled	Operative Staff	General Workers	
Road Haulage (a) (2)	948	8,321	7,639	682	–	3,336	2,627	1,303	54	613	1,253	359	4,736	1,360	
Bus Companies (2)	273	19,119	16,814	2,305	–	11,547	4,707	2,789	72	1,202	1,585	1,333	14,117	882	

(a) = Excludes those employed by mining, logging and sawmilling establishments which are also holding road haulage permits.
(1) Over 100 acres
(2) In respect of workers who worked twelve days or more during the month. Workers who worked for less than twelve days were excluded from the survey.

PUNCA: Tinjauan Tahunan Pekerjaan dan Upah, Estet, Perlombongan dan Pengangkutan, 1985 – Kementerian Buruh.
SOURCE: Annual Survey of Employment and Wages, Estate, Mining and Transport, 1985 – Ministry of Labour.

JADUAL/TABLE 3.7B

ANGGARAN BILANGAN PEKERJA DALAM PERUSAHAAN TERPILIH MENGIKUT JANTINA, BANGSA DAN KUMPULAN PEKERJAAN UTAMA PADA 31HB. JULAI, 1986

ESTIMATED NUMBER OF EMPLOYEES IN SELECTED INDUSTRIES BY SEX, RACE AND MAJOR OCCUPATIONAL GROUP AS AT 31ST. JULY, 1986

Industry	Total No. of Establishments	Total No. Employees	Sex			Race				Occupational Group					
			Male	Female	Young Person	Malay	Chinese	Indian	Others	Administrative Managerial/ Supervisory	Clerical	Tappers Harvesters/ Pluckers	Weeders	Factory Workers	Others
ESTATES															
Rubber (1) (2)	1,521	111,747	47,993	63,513	261	34,225	16,043	57,258	4,221	6,170	1,592	80,008	13,863	3,749	6,374
Coconut (1) (2)	80	3,478	1,896	1,582	–	652	70	2,722	34	243	59	600	1,223	320	1,033
Oil Palm (1) (2)	1,059	69,418	44,945	24,356	117	24,686	5,383	27,223	12,126	5,482	1,354	29,047	16,760	2,904	13,871
Tea (1) (2)	15	1,810	974	806	30	482	29	1,062	237	149	23	877	352	149	260
Pineapple (1) (2)	3	1,162	711	451	–	737	417	8	–	60	17	363	130	62	530
Cocoa (1) (2)	145	16,865	6,697	10,165	3	4,826	758	6,016	5,265	969	183	4,371	4,579	512	6,251
MINING												Skilled Artisans	Others		
Tin	187	10,752	10,029	710	13	4,659	4,322	1,715	56	634	513	2,092	7,513		
Iron	4	125	124	1	–	37	72	16	–	12	15	20	78		
Bauxite	1	207	199	8	–	137	68	2	–	10	11	49	137		
TRANSPORT												Skilled & Semi-skilled	Operative Staff	General Workers	
Road Haulage (a) (2)	627	8,085	7,397	671	17	2,798	3,732	1,199	356	656	1,102	345	4,226	1,756	
Bus Companies (2)	229	19,994	17,509	2,446	39	11,068	5,598	2,410	918	1,354	1,671	1,317	14,672	980	

(a) = Excludes those employed by mining, logging and sawmilling establishments which are also holding road haulage permits.
(1) Over 100 acres.
(2) In respect of workers who worked twelve days or more during the month. Workers who worked for less than twelve days were excluded from the survey.

HONDURAS

AGRICULTURE

Row over the big banana buy-out

US FIRMS TRY TO OUTBID EACH OTHER TO BUY CO-OPERATIVES

As the large US fruit companies try to outbid one another in their efforts to acquire banana plantations in coastal Honduras, the whole process has triggered off a conflicting series of reactions locally. The US firms hope to capitalise on a surging world banana market while local organisations have been calling the process a 'step backwards'.

The most recent purchase of the Buenos Amigos co-operative by the Tela Railroad Company, a subsidiary of Chiquita Bananas, for a reported US$13.5m, exceeded a previous US$13m bid by Castle and Cook's affiliate, the Standard Fruit Company (which had acquired the Agua Blanca co-operative for US$5m just one month earlier). In addition to land, the deal includes packing facilities, vehicles, irrigation systems and complete infrastructure built since the 1970s with both public and private funding.

Switching buyers. Shortly after the deal with Tela was signed, Standard Fruit raised its bid to US$14.1m, and the members of the co-operative decided to switch buyers.

Tela Railroad's negotiator, Henry Murray, threatened legal action to take possession of Buenos Amigos, since a contract of sale had been signed. There followed a members' meeting where fighting broke out between sides worried about Tela's threats and those who supported selling to the highest bidder. A third option also surfaced: that the co-operative should sell to neither of the US firms but continue to work the 5,000-hectare banana plantation themselves.

Effects of tax reform. In recent weeks Standard Fruit and Tela Railroad have presented bids for more than 15 different co-operatives involved in banana cultivation. The US firms have been multiplying their purchases since May last year, following the reform of the law governing co-operatives in the wake of economic adjustment. The reform made co-operatives liable to local and export taxes as well as levies on accrued interest, from which they had previously been exempt. As a result of their new fiscal liabilities, many co-operatives are now on the verge of bankruptcy and have no option but to sell out.

Rigoberto Sandoval, former director of the Instituto Nacional Agrario (INA) and FAO consultant, said the sale of the co-operatives revealed the failure both of Honduras's experiment with agrarian reform and of the current administration's agricultural policy. He claimed that Standard Fruit's purchase last year of the Isleta company and this year of the Agua Blanca Sur co-operative infringed the country's agrarian reform law. Sandoval called on the government to halt the sales, which he argued contributed to the destruction of the Honduran agrarian movement, and for the government to launch a major study of the sector.

As we have reported, despite having agrarian reform laws on the statute books, Honduras still faces a serious problem of landlessness, which has recently led to a wave of land invasions and clashes between squatters and landowners.

Benefit or blackmail? President Rafael Callejas countered by saying that the sale of the co-operatives was of benefit to their members who could use the receipts either to retire on or to invest in other enterprises. But social-democrat congressman and former peasant leader Luis Lagos, calling for a revision of the co-operatives' terms of association, charged that the US companies were 'blackmailing' members into agreeing to sell out.

Banana export receipts, Honduras's chief source of foreign exchange, account for US$150m annually. The industry as a whole employs some 20,000 people. The US firms, which have announced plans to increase exports from 45m to 65m boxes, have been present in Honduras since the turn of the century when they acquired 200,000 hectares along the coast under deals with local authorities. ■

POLITICS

Amnesty law seen as 'whitewash'

BENEFICIARIES INCLUDE MILITARY CHARGED WITH RIGHTS ABUSES

An amnesty for persons convicted of political offences, approved by the legislative assembly in early July, has been harshly criticised by opposition politicians, human rights groups and political prisoners as being designed primarily to 'whitewash' the military.

It has also prompted calls for the complementary repeal of anti-terrorist legislation still in place and for the release of peasants gaoled for the illegal occupation of farmland. The anti-terrorist law was passed in 1983 during the presidency of Roberto Suazo Córdova, a Liberal. It laid down severe penalties for actions against state security and private property.

The amnesty covers all individuals who have been sentenced, investigated or are undergoing investigation by the judiciary for political transgressions as well as a number of related articles of the military code. It will benefit some 13 political prisoners and some 300 peasants gaoled after land disputes –plus all members of the military being investigated for human rights abuses.

President Callejas said the amnesty was a demonstration of the government's good faith in seeking a dialogue with all sides of political opinion. But Liberal congressman Carlos Montoya, former president of the chamber of deputies, said that the inclusion of the military was a 'swindle', coming from a government accused of covering up violations of human rights by such bodies as Americas Watch and Amnesty International.

Ramón Custodio, president of the non-governmental human rights commission, called it an 'error'. Custodio recalled that the 'disappearance' of more than 100 people between 1981 and 1984, in addition to a number of acts of political violence in recent years, had not been clarified, and that the amnesty ensured that these cases would remain uninvestigated. ■

international union of food and allied workers' associations

internationale union af levneds- og nydelsesmiddel arbejder- forbund

union internationale des travailleurs de l'alimentation et des branches connexes

unión internacional de trabajadores de la alimentación y afines

internationale union der lebens- und genussmittel- arbeiter- gewerkschaften

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président
lage andréasson

secrétaire général
dan gallin

Geneva, August 21, 1991

To all affiliated unions
(to the Executive Committee for information)

Concerns: Mass dismissals of Workers in Nicaragua by CHIQUITA BRANDS

Dear sisters and brothers,

One hundred workers, including the entire union leadership, have been discharged by ACEITERA CORONA, a subsidiary of the Chiquita Brands Company of the United States, located in Managua, Nicaragua.

The Union of Workers of Acéitera Corona presented its contract proposals to the company in May, 1991. When the Company rejected the proposals, the Union modified them. However the Company refused to resume negotiations. 130 of the 160 workers went on strike, occupying the plant. The Minister of Labour declared the strike illegal, and sent police to remove the strikers.

The subsequent dismissals of 100 workers are a clear violation of the Nicaraguan Labour Code, in particular the dismissal of the first five members of the Union's Executive Board, who are protected by the code. The union has filed a legal appeal.

The strike is continuing, and the union is distributing leaflets at supermarkets calling for a boycott of the company's products (edible oils). The union is demanding:

* reinstatement of the 100 fired workers,
* reinstatement of the members of the Union Committee,
* respect for the Labour Code,
* a salary increase of 50% --The median salary is now 375 córdobas (75 US$) a month.
* that the company provide a monthly basket containing 15 basic food products.

Aceitera Corona is a subsidiary of the CHIQUITA BRANDS CO., formerly United Brands, of Cincinnati, United States. Workers in Central America have had negative experiences with this corporation (formerly the "United Fruit Company") for many decades.

The Latin American region of the IUF has already sent out a circular to its affiliates, requesting protest messages be sent to ACEITERA CORONA, CHIQUITA BRANDS, and the relevant government ministries of Nicaragua. You will find addresses, telex and fax numbers listed below.

Chiquita loses Honduran banana battle

FYFFES' SUCCESSFUL CHALLENGE PAVES WAY FOR NEW COMPETITION

Buoyant demand has generated growing European interest in Central America's production of bananas, more so because of the end of the EC's Lomé agreement, which gave preferential treatment to production from the Caribbean and African countries, and the search for new and cheaper sources of supply in anticipation of the deregulation of the European market in 1992. In this context, recent developments in the Honduran banana industry have attracted close attention.

The US' Chiquita International Brands, as United Brands is now known, and Standard Fruit, the largest single landowner in Honduras, have historically dominated the banana trade in the region. But early this year, Chiquita's Honduran subsidiary Tela Railroad found itself locked in combat —at one point, almost literally— to defend a contractual monopoly on export rights over a local producer against a challenge by UK-based Anglo-Irish fruit importers Fyffes.

At the heart of the dispute was the decision of independent Honduran producer Compañía Agrícola Ganadera de Sula (Cagssa) to shift from Chiquita to Fyffes, which had offered US$4.40 per 42-lb box of bananas, 50% more than was being paid by Chiquita. The US transnational claimed it had an ironclad exclusive supply contract with Cagssa. On their part, the owners of Cagssa, the Echeverri family, claimed that Chiquita had nullified the contract by refusing price revisions for eight years and preventing Cagssa from paying off its debts to Chiquita. They said Chiquita had done this so as to maintain a strangle-hold on Cagssa —a complaint echoed by many of Chiquita's other 90 independent suppliers in Honduras.

In two separate court actions, one Honduran judge ruled in favour of Chiquita, another against. In early April, banana workers mobilised to ensure the departure of Fyffes shipments to Britain. But later Chiquita obtained a court order and the support of the military to confiscate some 300,000 boxes of Fyffes-bound bananas. Confrontation was violent, and while armed conflict was avoided, it reached the point at which freight trains were derailed.

Chiquita's vice-president and chief legal officer, Charles Morgan, emphasised that the company had acted within the law to defend its contractual rights. 'We feel we are on very strong legal ground here,' he reportedly said. 'There has to be a rule of law and an honouring of contracts, otherwise there is anarchy.'

But in mid-June Chiquita backed down. In an out-of-court settlement, it agreed to give Fyffes the right to 40% of Cagssa's output up to end-March 1991, after which Cagssa would be a free agent. Both Fyffes and Chiquita agreed to pay Cagssa in US dollars —previously Chiquita paid in Honduran lempiras. Chiquita also agreed to pay Cagssa compensation —the sum has not been revealed— for the loss of banana exports, estimated at US$600,000.

The settlement reportedly followed pressure from both the Callejas government and the US embassy, which had become increasingly concerned about the political consequences of the mounting resentment of other independent producers and the wave of hostile propaganda in local newspapers against the US company.

Industry sources say the episode could be the thin end of the wedge as other independent producers seek to escape their contract terms. In challenging Chiquita, Fyffes has also opened the way for several European firms, such as Caribbean Gold and International Fruit Traders, that are said to be eager to break into the region's banana market.

The Fyffes challenge has also had repercussions on the local labour front. Since Cagssa began to deal with the newcomer, wages of banana workers have jumped from US$5 to US$10 for a 12-hour day.■

Mexico's firs

DISCOUNT OF 50.2%

'We were really a bit over by the response,' an official nance ministry said in cc that the 359 bids made in first debt-for-equity auction 06) were equivalent to no l US$18bn of the co US$41.6bn in outstanding and long-term public sect The official also said discou ranged from 35% to 68% value, with the average 46.4

In mid-July, the ministry a ed that it had accepted —one of them partially— US$1bn-worth of debt pape for auction. A discount of 50. set for all the accepted bid not release the names of t cessful bidders, although it derstood that most of ther Mexican companies.

The government has sti that local currency acquired the new swap programme n applied to infrastructure proje ficials have said that the ap probably involve a total inve commitment of at least US$3

■ Norwegian debt reschedu

The Mexican governmer signed an agreement rep over 10 years some US$14n to the government of Nc originally scheduled to mat 1992. Norway is the seventh c to restructure Mexican debt the 1989 agreement with the Club of official creditors.

■ Bonds fund launched

A US$50-75m fund for invest in Mexican bond issues has launched by Citicorp and L Freres. The Mexican Income will invest primarily in recent denominated bond issues by p Mexican companies, although also be allowed to purchase sector debt in the form of bonc changed for commercial bank under the early-February rescheduling deal (RM-90-02).

■ HONDURAS / IMF stan

traditionalists as *dinosaurios*, and argue that the country has no choice but to go for wholly free, untampered elections. It is widely believed that Salinas agrees with them. He wants to go down in the history books as the President who cleaned up Mexico's electoral system —but he does not want to be the first *priista* to lose the country to the opposition.

Some common ground. The two sides are not as far apart as they once were. The *dinosaurios*, cornered by the increasing strength of the opposition and by Salinas's apparent wish to hold clean elections, are beginning to concede that the rules of the game are changing, and that they should adapt. The way they are manoeuvring in the territorial assemblies is proof that they can do so.

The *filósofos*, meanwhile, are realising that without the nationwide organisational structure of the 'sectors', the PRI becomes little more than isolated groups of bureaucrats and technocrats with a serious image problem. Hence the *abrazo de Mérida*.

What the *dinosaurios* are signalling in their willingness to adapt, though, is that they intend to hang on to as much power as possible. As the national assembly draws closer, and specific decisions have to be made about the party's future structure, the differences that still subsist under cover of the present rapprochement are likely to surface again.■

HONDURAS

AGRICULTURE & TRADE

Newcomers on the banana scene

FYFFES-CHIQUITA DISPUTE MAY HERALD EUROPEAN INCURSION

Economic events in Honduras are not often viewed elsewhere as heralding the shape of things to come. But recent developments in the Honduran banana industry are attracting the close attention of all those involved in Central America's US$750m banana export trade.

In Honduras if nowhere else, as the Tegucigalpa newspaper *El Tiempo* recently admitted, the 'banana republic system', in which it is often difficult to distinguish between state functionaries and those of giant US fruit companies, was alive and well. Central America's other major commodity export, coffee, is almost exclusively produced by local growers and sold abroad either by them or by national marketing boards. Not so with bananas.

Big company power. Two US companies, Chiquita (United Brands, previously United Fruit —once known in the isthmus as 'the Octopus') and Standard Brands (the largest single landowner in Honduras) together still control almost all the banana trade in the region, as well as much of the export market in Colombia and Ecuador.

Both are now being challenged on two fronts: in the marketplace, by new competitors; in the fields, by increased militancy among their workers. And the host governments no longer come out automatically on the companies' side.

Enter Fyffes. Early this year, Chiquita's Honduran subsidiary Tela Railroad suddenly found itself locked in combat (at one point, almost literally) with former subsidiary Fyffes Group Ltd, now owned by the big Anglo-Irish fruit importer Fyffes plc.

Fyffes had the audacity to order bananas from the Compañía Agrícola Ganadera de Sula (Cagssa), a Honduran grower with which Chiquita claimed it had an ironclad exclusive supply contract. Cagssa's owners, the Echeverri family, claimed that Chiquita had nullified the contract by refusing price revisions for eight years and preventing Cagssa from paying off its debts to Chiquita.

The Echeverris said Chiquita had done this in order to keep the grower tied —a complaint echoed by many of Chiquita's other 90 independent suppliers in Honduras. Fyffes had offered Cagssa US$4.40 per 42-lb box, 50% more than Chiquita and Standard Brands were offering.

In two separate court actions, one Honduran judge ruled in favour of Chiquita, another against. In early April, banana workers mobilised to ensure the departure of Fyffes shipments to Britain, but later Chiquita got a court order and the support of the military to confiscate about 300,000 boxes of Fyffes-bound bananas. Confrontation was violent, and though armed conflict was avoided, it reached the point at which freight trains were being derailed.

Settlement & beyond. In early June, a settlement was reached: Cagssa was allowed to sell 40% of its production to Fyffes, and Tela Railroad accepted that it would have to pay for the bananas in dollars, instead of lempiras.

In challenging Chiquita, Fyffes can be seen as the vanguard of several European firms, such as Caribbean Gold and International Fruit Traders, that are eager to break into the region's banana market. World demand is rising. The world price, with ups and downs, has risen from US$0.16/lb in 1987 to US$0.25/lb.

And European firms are looking for cheaper production sites in Central and South America in view of the end of the EC's Lomé agreement, which gave preferential treatment to production from Caribbean and African countries.

Impact on labour. The Fyffes challenge also had local repercussions on the labour front. Since Cagssa began to deal with the newcomer, banana workers' wages have jumped from US$5 to US$10 for a 12-hour day.

Late last year, President José Azcona intervened personally to prevent a strike at Tela Railroad (the largest private employer in Honduras) from spreading throughout the whole labour movement. The company gave way on job security and guaranteed minimum wage levels.

In late June, three weeks after the Fyffes-Chiquita agreement, the Tela Railroad workers were out again on strike, and once again the government is attempting to mediate a solution. Though economy minister Ramón Medina Luna is a known advocate of keeping wages down, agriculture minister Juan Ramón Martínez is known to favour better conditions for banana workers.■

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IUF UITA IUL

International Union of Food & Allied Workers' Associations

news bulletin

editorial

# of bananas and blood

On July 28, 1989, a 38-year old examining magistrate, Dr. Maria Elena Diaz Perez, was assassinated in the Colombian city of Medellin. She was investigating the massacres of banana workers in the province of Uraba.

This young woman's murder is but the latest in a long and grisly series of assassinations, kidnappings, torture and death threats aimed at the trade union movement in Colombia and at those seeking to restore the rule of law in that country. As we write, no doubt new names are being added to that list.

A report by Amnesty International details over 1,000 political murders in Colombia over a ten-month period in 1988, and this year's ICFTU "Annual Survey of Violations of Trade Union Rights," which documents cases for 1988, singles out Colombia's human and labour rights record as the worst in the world.

An investigation by the Colombian director of public prosecutions, who has since been murdered, shows that the greatest concentration of repression is in the areas of the country where there are major foreign investments.

This finding is corroborated by the information reaching the agricultural workers' international trade secretariat, IFPAAW, from its Colombian friends and affiliates. They all point to a concentration of repression against rural workers in the northern Uraba province, the center of banana production in Colombia.

Already in the first three months of 1989, IFPAAW estimates that at least 48 trade union leaders were assassinated, most of these from the banana sector. Those who seek to document or redress the situation are also being murdered, such as the latest victim, Dr. Perez.

In April 1987, in a truly sinister approach to collective bargaining, every member of a union negotiating team that had worked out a 25% pay rise for banana workers in Uraba Province was assassinated.

In the course of 1988, the general secretaries of both of the major banana workers' unions SINTAGRO and SINTRABANANO were also assassinated. Their unions estimate that in all over 100 banana workers have been killed. (In an April 1989 merger, the two unions formed a single plantation workers' union, SINTRAINAGRO, which is now the largest agricultural workers' union.)

Halfway across the world, 1,600 banana workers on the Philippine island of Mindanao have been arbitrarily dismissed by the Tagum Agricultural Development Company TADECO. The workers have also lost their company homes; over 50 are now camping out in front of a school in Davao City, while a further 400 are making do with an improvised shantytown adjoining the plantation.

TADECO maintains the lowest pay and the harshest working conditions in the industry through the use of prison labour from the neighbouring Davao Penal Colony, to whom it can pay less than subsistence wages. The company also employs convicts as private security guards to watch over the regular work force.

Every attempt to improve conditions or to organize a union has been met with arbitrary dismissals and intimidation. Over the past ten years, three workers have been assassinated while trying to organize independent unions.

The Mindanao plantation is located on government land, leased from the Davao penal colony. Under provisions of the 1989 Comprehensive Agrarian Reform Programme (CARP), government-owned land used for commercial and agricultural purposes will now be distributed to worker beneficiaries. TADECO has claimed that penal colonies were excluded from the programme, but a congressional hearing determined that this was not the case.

The company is now seeking a signed agreement from employees for a ten-year postponement of any land transfer at the plantation. The national labour center NFL, which supports the workers' struggle at TADECO, fears that management can succeed in winning such an agreement in the absence of a genuine trade union capable of actively protecting workers' rights.

As in the Colombian province of Uraba, the banana plantation owners of Mindanao show no concern with the implementation of national laws. In Colombia, the immense power of the drug rings, and in both that country and the Philippines, the weakness of central governments faced with outlying insurgencies, have rendered them powerless to stop the activities of private security or paramilitary forces acting against political or trade union foes. Local authorities and the military have even been accused of complicity in the killings.

Mindanao and Uraba are both world centers for banana production. The fruits of both are bought up by three US-based transnationals: United Brands, a subsidiary of American Financial Corporation, which sells bananas under the "Chiquita" brand, Castle and Cooke, which markets its bananas under the "Dole" brand, and Del Monte, which is a subsidiary of RJR Nabisco. TADECO has an exclusive marketing contract with United Brands; the Colombian banana plantations sell to all three.

United Brands and its fellow transnationals profit directly from the subsistence wages paid to the banana workers of Uraba, and the even below-subsistence wages paid to those of Mindanao, in the price these companies pay for the fruits of those workers' labours. The low market price for bananas on the world market is not independent of the campaign of terror against the banana workers.

No one claims that United Brands, Del Monte and Castle and Cooke are directly responsible for the campaign of terror against the banana workers of Colombia and the Philippines. Yet it is in the power of these gigantic transnationals to intervene to stop the killings of the employees of the plantations of Uraba, and to prevent a similar bloodbath at the TADECO plantation of Mindanao. The Swedish-based transnational Volvo, which has an interest in the Colombian banana trade through its subsidiary Scandinavian Trading Company, has already used its good offices in this way. In March, Volvo CEO Pehr Gyllenhammer wrote to Colombian President Virgilio Barco Vargas, appealing to him to take strong measures against the violence directed against banana workers in that country. (See No. 3-4, p. 9)

It is the responsibility of the world labour movement to see that the facts of the case are known, and to do all in our power to support the banana workers who are giving their lives to secure the most basic rights, to freedom of speech and assembly, and to a minimal existence, that are enjoyed by workers in all countries that call themselves civilized. "It is the responsibility of us all," writes Jorge Carrillo, president of the Colombian labour center CUT, "to leave this dark night of terror and barbarism."

REGION

TRADE & AGRICULTURE

Gaviria convenes a banana summit

HONDURAS BACK TO UPEB AS EUROPEAN AGENDA IS AGREED

The 15 February meeting on the Colombian island of San Andrés is the closest Latin American banana producers have come in years to achieving a common negotiating position. With the prospect of the single European market as a catalyst, Colombian President César Gaviria called a summit of the main producers, both those within the Unión de Países Productores de Banano (Upeb) and non-members Ecuador and Honduras.

Roll-call. Honduran President Rafael Callejas, who had already announced his intention of re-joining Upeb, did turn up. Ecuador's Rodrigo Borja, however, did not: pleading more pressing engagements at home, he sent agriculture minister Alfredo Saltos as an observer. Two Upeb heads of state also turned up: Costa Rica's Rafael Angel Calderón and Guatemala's recently inaugurated Jorge Serrano.

European agenda. There was no disagreement on the main topic of their agenda: to set up a top-level commission which will put before the European Community (at the forthcoming 'San José VII' meeting in Managua and the Rio Group's meeting in Luxembourg) their demand for more equitable treatment.

At present, Latin American bananas enter Europe at a disadvantage regarding the EC's former colonies of the African, Caribbean and Pacific (ACP) group: these have been exempted from import duties, while the Latin Americans face an array of differing tariffs. They have agreed to press for a single European tariff on bananas, even if this means losing free access to such markets as Germany.

'Downstream' effort. Upeb also wants to rope in the big non-members in order to pursue another of its initial objectives: taking a greater share of the 'downstream' phases of the business —marketing and distribution. Although some steps have been taken since the organisation was created in 1974, the business is still largely in the hands of a few big transnational companies. The share of production in national hands has increased from 30% in 1971 to 56% in 1989 —but 73% of the marketing remains in a few private hands.

Vanishing profits. From the producing countries' point of view, this means that very little of a profitable business actually reaches them. Last year, for example, was the best banana year of the century for the exporters, as retail prices soared to US$23.17 per box (of 18.14 kilos) in Germany and the US. The producer countries (*see* tables) at best received a quarter of this —Ecuador, the largest producer, with 25% of the world market, got only barely more than a sixth.

The Honduran experience. Honduras's return to the fold is important, as it was the Upeb member that was most badly burnt by the 'banana wars' unleashed when the organisation tried to claw back some of the transnationals' profits by imposing a levy on their exports. In 1975 the military ruler of the day, General Oswaldo López Arellano, was deposed after being charged with having accepted a bribe to halve the export levy.

The country's attempt to formulate a banana trading policy through a state agency, Cohbana, and to encourage local producers, failed. By 1988 Honduras threw in the towel, withdrawing from Upeb.

Trying again. Last year, though, restrictive contractual arrangements with one of the two transnationals operating in Honduras, the Tela Railroad Company (a subsidiary of United Brands), were successfully challenged. The new government of President Rafael Callejas is determined to have another go at fostering independent local producers.

It expects them to be the instruments of a 33% increase in overall banana production, to slightly over 1m tonnes —a level which would place Honduras next to the second tier of Latin American producers: Costa Rica, Colombia and Venezuela.

At present, 90% of Honduras's banana production is handled by two transnationals:

THE TOP SIX BANANA EXPORTERS

Country	Production 000t	Exports 000t	Exports US$m
Ecuador	2,200[3]	2,040[3]*	465[3]*
Honduras	1,032[2]	871[1]	343[2]
Costa Rica**	1,050[1]	1,2243	3183*
Colombia**	1,300[1]	1,1003*	282[3]*
Panama**	825[3]*	738[3]	2103*
Guatemala**	470[1]	2131	872

[1]1988. [2]1989. [3]1990.

*Projection. **Upeb members; the organisation also includes Nicaragua (prod. 110,000t), the Dominican Republic (prod. 400,000t) and Venezuela (prod. 1mt).

Source: Ladex.

FROM PORT TO SHELF

US$ per box*

	1988	1989	1990
Caribbean port	9.84	8.16	12.32
US shop shelf	18.74	20.75	23.17

*Box = 18.14 kilos.

Sources: Eclac & news agency reports.

E OF WORLD MARKET

Percentages

Country	%
Ecuador	25.0
Costa Rica	12.6
Colombia	12.0
Honduras	11.7
Panama	9.0
Guatemala	4.4

Source: Banco Ganadero.

❑ Tela Railroad Company produces and markets around 30m boxes a year.

❑ Standard Fruit, a subsidiary of Castle & Cooke, produces and markets some 15m boxes.

Of the region's banana producers, four are highly dependent on the product as a source of foreign exchange: in Honduras and Panama, bananas account for about a quarter of export earnings; in Ecuador and Costa Rica, for more than a fifth.

All told, the Latin American producers now account for around 56% of the European market; their second-largest (after the US). They reckon that more equitable tariff treatment, plus the penetration of the Eastern European market, could greatly expand that share —while a joint effort to branch out into marketing and distribution could multiply the net proceeds of that expansion. ■

WHAT THE CONSUMER PAID

Average price per box*, 1990

Country	US$
Japan	14.62
Germany	15.14
France	16.59
US	23.17

WHAT THE PRODUCERS GOT

Earnings per box* exported, 1990

Country	US$
Ecuador	3.91
Costa Rica	5.19
Colombia	4.74
Honduras	4.47
Panama	5.33

HONDURAS

POLITICS & MEDIA

Row over ban on party advertising

PRESS RESISTS BID TO DELAY PREMATURE CAMPAIGNING

Honduras has only had a new government for a few months, and already politicians are bandying about the names of the possible *presidenciables* for the next general elections (WR-90-44). It is an old complaint that electioneering is beginning earlier each time, and that this makes the task of governing exceedingly difficult.

In February last year, the then-ruling Liberals thought they had found an answer to part of the problem. They drafted a bill amending the electoral legislation so as to ban political advertising in the media until four months before any party's internal elections, and until six months before general elections.

Legislative revenge? In early February this year the bill became law —and all of a sudden its proponents have had a change of heart. The reason is that the Honduran media began to cry persecution. They claimed that congress was engaging in a vendetta against the press, in reprisal against a media campaign last December which forced the review of a measure authorising congressmen to import cars duty-free. They did not dwell on the fact that the new rules would deprive them of advertising revenue.

Their charge was instantly picked up by the Inter-American Press Association (SIP, according to the Spanish acronym), which protested that the new legislation violated the constitutionally guaranteed freedom of expression.

Beating retreat. Liberal deputy Jorge Roberto Maradiaga, who originally pressed for approval of the bill, illustrated how his party had shifted ground by maintaining that whereas a year ago the need for the reforms was clear, 'what is taking place now is a political manoeuvre to hit back at the opposition parties and the media.'

By 12 February, the media had at least won a reprieve. The president of congress, Rodolfo Irias Nava, ordered a review of the new legislation by specialists —to see, he said, if there were any 'contradictions' with the constitution or any other laws. He also said that he had begun consultations with the owners and directors of the media to discuss the situation. ■

'DE-SANDINISING' BY STAGES

Nicaraguan President Violeta Chamorro has begun to chip away at one of the legacies of her predecessors: the title of 'Sandinista' which remains attached to the country's armed forces, much to the irritation of the anti-Sandinistas now in office.

Legal as well as political reasons had prevented earlier action: removing the name of the Ejército Popular Sandinista would have required amending the constitution. But Chamorro's advisers have found a loophole, and have made full use of it in a draft bill submitted to the national assembly in early February.

The bill is overtly designed to bring military law into line with the constitution. It makes the President 'supreme commander of the armed forces' —an important notch above General Humberto Ortega's position as commander, and in keeping with the constitutional provision that the President is head of the nation's defence and security forces.

Also, by being strictly literal in its reading of the constitution, it keeps only for the army (Spanish: *ejército*) the title of Sandinista —but removes it from the air force and the navy, which the constitution failed to mention specifically.

The bill also formalises the agreement reached in the early days of the Chamorro government by establishing that members of the armed forces may not hold positions of responsibility in political parties.

said to be better than the best of last year's crop, should be exported from the South and earnings should again exceed $400m, $50m more than last year. Brazil hopes to get $250 per kilo, compared with $226 last year.

Apart from the high-quality tobacco grown in the South, where some 373,000 tonnes will be produced this year, com- 1986, Brazil exports about 25,000 tonnes of leaf and cigars from the North East, and earns between $30m and $40m from that. Brazil has been gradually increasing exports of its Virginia-type tobacco, as consumers around the world get used to its quality.

trades.

FT 10 Mar 1987

Coffee producers to meet

BY PETER BLACKBURN IN ABIDJAN

THE 25-MEMBER Inter-African Coffee Organisation is to hold an emergency top level meeting in Abidjan from May 20 to May 22 to prepare a joint position concerning the reintroduction of export quotas in an effort to strengthen sliding prices.

The initiative follows the recent fall in prices to 5½ year lows after the failure of producer and consumer members of the International Coffee Organisation to agree market shares in London on March 1.

Export quotas, set under the 1983 international Coffee agreement, were suspended in February 1986 in order to increase supplies after drought had hit the crop in Brazil, the world's largest producer.

The market situation has now changed completely, however, with excess supplies and sagging prices.

could argue that the states were liable because they owed a duty to ITC creditors to ensure that the council's business was not conducted to the prejudice of creditors.

The appeal judges held that a hearing next week, in which the member states will try to have Rayner's action struck out, must proceed on the basis of Rayner's original claim: that the states were liable because the ITC had contracted with Rayner as the agent of its members.

The appeal judges upheld a High Court decision that the bank and broker creditors could take part in next week's Rayner hearing to argue legal issues common to all of the actions.

Crucial decision's behind closed doors, Page 10

Indonesia's $6bn palm oil boost

BY JOHN MURRAY BROWN IN JAKARTA

PLANTERS IN Indonesia could be forgiven a gripe or two as they contemplate today's world palm oil market, which is dominated by neighbouring Malaysia.

It was the Dutch-run estates of North Sumatra, after all, that supplied the very first seedling to the Malays, now the leading producers and exporters in the $2bn-a-year palm oil trade.

Officials in Jakarta however, far from downcast, say the scales may just be tipping in Indonesia's favour. Existing state run plantations—those expropriated from the Dutch at independence—are now being rehabilitated; and in the outer island the Government is sponsoring a huge expansion of small holdings, to spread development and create jobs in those areas.

New high yielding clone hybrids are being introduced and investment regulations relaxed in a bid to attract both foreign and domestic interest.

The initiative has been a long time coming, however. The loss of Indonesia's pre-war market supremacy in palm oil is still, somewhat irrationally, blamed on the Dutch, who in the years 1880-1920 transformed Sumatra's jungles into a vast commercial garden in what one accountant describes as "one of the most remarkable feats of tropical capitalism." More painfully, Indonesians remember the Dutch system of indentured labour; and President Suharto's supporters will also recall the turbulent 1950s, when the plantations sector was a hotbed of communist subversion.

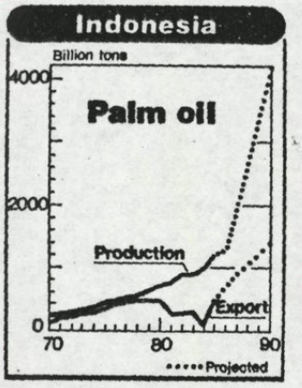
The World Bank is giving its full backing to this latest plan as the country comes to terms with lower earnings from oil, traditionally its main export. Together with the Commonwealth Development Corporation the Bank is expected to cover a third of the estimated $6bn cost of the scheme.

Indonesia has already made great advances, increasing production of crude palm oil (CPO) from 250,000 tonnes to around 1.2m tonnes in just 15 years—in part stimulated by rising demand for a cheap and versatile alternative to soya. The latest government projections are more ambitious still, with plans to treble planted acreage to 1.5m hectares by 1990 — with production increasing to 4.2m tonnes, much the same as Malaysia's current output. Exports are expected to jump from 664,000 tonnes in 1986 to 1.4m tonnes in a two year period.

The plan is not without its critics, however. Oil World, the influential Hamburg-based newsletter warned that it would lead to a new price slump by the end of the decade with prices falling below production costs. Malaysian CPO, the benchmark palm product, is currently trading at $340 cif, for June delivery. Yet despite low prices, there has been no shortage of interest, particularly from Indonesian Chinese, for whom agribusiness is a new venture. The Sumatran city of Medan, once the commercial heart of the Dutch "deli" estates, is seeing a revival, its population doubled in 10 years — more than any other city — and its shabby colonial grandeur is now making way for new banks and supermarkets.

World markets are currently awash with edible oils. Palm oil enjoys a 34 per cent market share but soya, with 17 per cent, still commands a premium. Others include sunflower, groundnut and rapeseed which in recent years has been aggressively subsidised in the EEC. In such a congested market demand has tended to be increasingly price-elastic.

Mr Nukman Nasution, vice chairman of the Indonesian Palm Oil Producers Association believes Indonesian palm oil is in a strong position to compete. As a perennial crop it is considered less prone to seasonal fluctuations. The drought affecting US soya production in the 1984-1985 season, for example, saw a price run on palm oil with Sumatran CPO reaching $950 a tonne.



Indonesia has a huge local market. In a country of more than 150m inhabitants domestic consumption accounts for half of total production, and is set to grow by 8 per cent annually. "It's our market strength," says Mr Nasution. "We can stand on our own two feet, which is not the case in Malaysia."

Some domestic usage is met by coconut oil which in rural areas is still preferred for cooking, a coconut oil shortfall in 1982 forced the Government to ban temporarily exports of CPO. More recently a high domestic CPO price has helped prop up prices for coconut oil, giving an incentive to the estimated 3m smallholders tending coconuts along thousands of miles of remote coastline. Today, as part of a government programme, a new hybrid, which is forecast to increase yields tenfold, is being distributed in a bid to ensure coconut oil stocks and free more CPO for export.

The producers' association's current concern is to find new outlets in the highly competitive vegetable oils market. The industry has already invested heavily in modern refinery and fractionation plant at Malaysia's expense. It has also made inroads with exports to India of refined products such as oleins and stearins, which have a wide range of industrial end uses. India, the world's largest vegetable oil buyer, taking 500,000 tonnes annually, is currently cutting imports to conserve foreign exchange and give a boost to self-sufficiency.

The Government last month announced the introduction of new African hybrids, a reaction to calls from US buyers for less cholesterol content.

In the EEC Indonesia faces tariffs which give advantage to producers like Ivory Coast, who are party to the Lomé Convention on trade with third world countries. More worrying is the threatened vegetable oils tax in the EEC which currently takes 80 per cent of Indonesia's CPO exports. Mr Nasution confirmed Indonesia is lobbying both within the Association of South East Asian Nations, and directly with customers in the Netherlands, the UK and West Germany. Any decision to impose the tax would knock Indonesia's current development plan sideways.

23 July, 1986 Tea FT 21.50

Keeping a watchful eye on India

WORLD TEA markets appear to be pausing for breath after the turmoil and see-sawing prices of the last two years.

Auction prices in London and other centres are bumping along low levels as traders await definite news of this year's crops, particularly in the key growing area of North India. At the end of May, for example, the landed auction average was quoted at 121.32p per kg, only 41 per cent of its level in January 1984.

And the trade is still keeping a watchful eye on India, which, as the world's biggest producer, consumer and exporter of tea, has been by far the most important influence on the classical boom-bust cycle that has unfolded in the tea market over the past couple of years.

The story begins in the autumn of 1983, when tea prices were in any case rising steadily. There had been droughts in a number of important producing countries such as Sri Lanka; consumer stocks were at a very low level, following several years in which demand had outpaced supply; and world consumption was continuing its inexorable upward march.

So when India announced on December 23 that it was banning all tea exports until further notice, it came as the spark to ignite an already explosive market situation.

India was faced with a real problem. Domestic consumption of tea has been going up for a number of years at an annual rate of about 5 per cent—more than double the rate of increase for the world as a whole. Its producers simply could not keep up, and the authorities were desperate to avoid undue price rises for such a staple beverage, particularly in an election year. The only answer, as they saw it, was to curb India's foreign tea sales.

The world market, however, was caught off guard. Tea prices immediately started to rise, as traders scrambled for any consignments available, and reached an all-time record average of 302.87p per kg at the end of January 1984 at the London auction.

Despite India's subsequent decision to relent and allow exports of cut, tear and curl (CTC) tea, the price did not come down very far for the rest of the year. Indian exports were still rationed by quarterly quotas, and the market was still deeply uncertain whether it would get enough North Indian supplies.

The immediate result for the other producers was an unprecedented tea-exports bonanza as they cashed in on the high prices. According to International Tea Committee figures, India's share of world exports declined slightly in 1984, while that of Sri Lanka, the second largest exporter, increased to 22 per cent from 18 per cent the previous year.

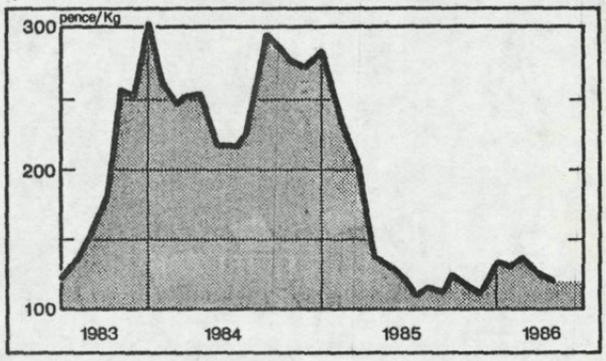
But the price increase contained the seeds of its own demise. Early in 1985, the market began to look more fragile as buyers found supplies to be more than adequate. Crops had been good in 1984 and the signs were that they would be even bigger that year. Then India dropped another bombshell by suddenly and unexpectedly releasing a large quantity of tea to the London auction.

"That was the last straw, since buyers had already made alternative arrangements to fill their requirements," commented one London broker. "The market collapsed."

By the end of April, the London auction average was down to 139.62p per kg—a drop of more than 60p over four weeks—and, into summer, it kept on falling as it became clear just how large the 1985 crops were going to be.

Tea-picking in Sri Lanka

Tea: London landed auction averages



As a result of droughts in a number of producing countries, and of restrictions on Indian exports, tea prices rose sharply in 1983. Now auction prices in London, as at other centres, are bumping along at low levels as traders await news of this year's crops

The truth is that some of the other producers had become greedy. Spurred on by the extremely profitable prices they had obtained in 1984, they plucked everything they could from their tea bushes. The result during 1985 was an increasingly unsaleable glut of relatively poor-quality teas from suppliers such as Kenya and Malawi.

Meanwhile, the flow of quality North Indian varieties to the important London market was impeded for much of the year by the Indian authorities' maintenance of a high minimum export price; India's sales to the London auction dropped to about 26m kg last year from their traditional level of between 40m and 45m kg.

The market has yet to recover from its shock over these developments. And it has a number of other problems and uncertainties to contend with over the next few months. These include:

- The plight of Sri Lanka's tea industry, hit by a scare over alleged poisoning of tea shipments by Tamil separatists. Although no poisoned consignments have been found, many buyers have curtailed their purchases at Colombo auctions, and prices there have recently dropped much further than on the world market.
- A sharp drop in tea purchases by Middle Eastern countries, in the wake of falling oil prices. Nobody can say for certain what overall impact this will have, but its effects are clearly already being felt—for example, at Kenya's tea auctions in Mombasa.
- There is still a degree of uncertainty over Indian export policy. Mr Radha Tripathy, the Indian Tea Board chairman, recently told traders and packers in London that India wanted to mount a come-back in the UK market, and that it would try to avoid restricting exports again. But he could not rule out such a move in the event of another potential squeeze in the domestic market. "It would be another painful decision if we have to take it," he said.

In spite of these problems, the trade—both in India and in London—is gradually beginning to sound more confident about the outlook for tea than it has for more than a year. Crops look as if they will be somewhat smaller than last year as a result of drier growing conditions.

In particular, the North Indian crop has been affected by a fairly lengthy drought in the first few months of the year. This will probably reduce its size, and may well dramatically improve its quality. At least brokers can console themselves with the thought that, if there is a surplus of tea, it is probably not a structural one.

Andrew Gowers

MALAYSIA'S PLANTATION WORKERS

Commercial union

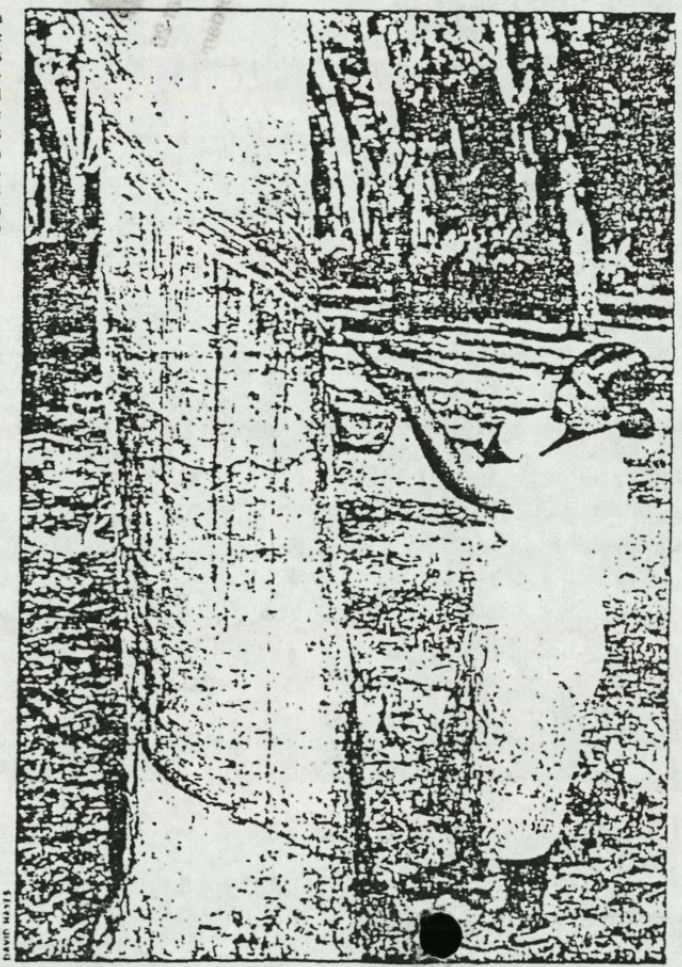
The National Union of Plantation Workers, one of the richest and largest unions in Malaysia, represents one of the poorest sections of society. **Patali Vargham** describes how the union has diversified its activities into large-scale commercial ventures, and at the same time failed its own members.

SINCE POLITICAL independence in 1957, Malaysian plantation workers have made tremendous sacrifices for the nation's prosperity. Furthermore, their financial contributions towards their union, the National Union of Plantation Workers (NUPW), have made it one of the richest and largest unions in Malaysia. Today, the NUPW boasts a union membership of nearly 100,000, and its assets are worth some M$7 million to M$8 million. Ironically, through the accumulation of these funds, the union has ventured into business operations, and it has set an example for other unions in Malaysia to emulate—that a union can also be an employer.

Despite the plantation workers' sacrifices, they are the poorest and most exploited segment of the Malaysian society. The NUPW—despite all its wealth and its affiliation to the International Confederation of Free Trade Unions—has done very little to uplift the plantation workers, whether socially, economically or politically. It could even be argued that the NUPW itself constitutes the greatest obstacle to the advancement of plantation workers.

The NUPW was formed in 1954 through the amalgamation of four ethnic-based plantation unions. It was never a spontaneous creation to advance the cause of plantation workers, but rather, was engineered by the colonial authorities to wean labour away from left-wing and progressive trade unions. The union was created under the leadership of P P Narayanan, its current general secretary, who had left his job as an estate clerk in 1946 to form the Negeri Sembilan Indian Labour Union.

The NUPW was formed at a time of intense conflict, and the colonial authorities—through various means, including the use of military and police repression—were able to defeat the left-wing forces. Also at this time, the authorities used the Trade Union Ordinance of 1949 to deregister many progressive and genuine trade unions. At the same time, other conservative unions that were pro-British were allowed to function.



DAVID HAYES

Chauvinism and colonialism

In the plantation sector, the NUPW manipulated Tamil chauvinism and colonial assistance to draw the support of labour away from left-wing trade unions. As a result of this political interference, the stage was set for the growth of the NUPW as the sole plantation trade union. Under the leadership of Narayanan in the 1950s, it did less to champion the plantation workers than to maintain intact the colonial economic and political system.

Over the years the NUPW, first under the colonial and later the post-colonial state, has emerged as a huge bureaucratic machine. Union dues from its members have provided its officials with modern office facilities and expensive cars, as well as frequent overseas trips. The NUPW building in Kuala Lumpur is proudly referred to as 'Thotta Malligai'—literally 'Plantation Palace'. Regrettably, 'Plantation Palace' has little to offer poverty-stricken plantation workers.

Failed the workers

R K Jain, an Indian sociologist familiar with plantations in Malaysia, wrote twenty years ago that the NUPW had failed the working class. He added that the union 'above all, stood for accommodation'. This accommodationist attitude of the NUPW has developed to the extent that many plantation workers have become totally disillusioned. Out of desperation, plantation workers in Malaysia more and more are venting their grievances against the union by wildcat strikes and demonstrations. Striking workers on the Batu Arang estate recently went as far as displaying posters and banners against the NUPW leadership, one of which, displayed prominently near the estate entrance, read 'Down with plantation prostitute Narayanan.' Similary, more than a year ago, plantation workers on the Batu Kawan estate in Penang demonstrated outside the NUPW regional headquarters.

The NUPW today seems little interested in plantation workers' problems. About five years ago, nine youths—active and dedicated members of the local NUPW committee on Cheroh estate in Raub—were arrested and detained under the Emergency Ordinance, which provides for detention without trial. The nine workers were popular unionists who had fought for and won substantial benefits for workers on the estate. They had been detained through a conspiracy between local police and management, and appeals were made to the NUPW to intervene in the matter. The NUPW leaders, however, refused, claiming that it was a police matter. It was only through pressure from other groups that the nine workers were released.

Rich on members' money

Total monthly contributions from union members to the NUPW—at M$6 per person—amount to about M$600,000. However, very little flows back in terms of service to the workers. Plantation workers are considered union members only if they have paid their subscriptions for six consecutive months without fail. In the case of the Batu Arang estate, the NUPW refused to represent the workers in the dispute against the management—Socfin—because many of them had not made the required number of payments. The workers were more than a little taken aback by the union's legalistic and mechanical attitude towards their problems.

While the NUPW shows little interest in the welfare of estate workers, it takes much interest on the other hand in business ventures. Plantation workers' funds are often channelled, without any proper consultation or accountability, into business investments, many of which have in the past been financial disasters, with the union losing millions of ringgit.

An outstanding such venture was the 'NUPW Village' settlement scheme in Bahau in Negeri Sembilan state. In the mid-1970s, the NUPW floated its investment arm—the Great Aloniers Trading Corporation (GATCO)—to mobilize its members' funds for an agricultural settlement project on land leased from the state government. The NUPW advertised the project to its members and the response was overwhelming. Each prospective settler in the scheme was required to pay M$7,600, and, according to information obtained from the settlers, it is likely that the NUPW collected money from a few thousand members. Initially only about 200 settlers were chosen and taken to the site, but before any others could be brought in, the whole settlement scheme collapsed. Other than collecting several million ringgit from the members themselves, the NUPW had also obtained loans amounting to over M$10 million from agencies such as the Netherlands Finance Company for Developing Countries (FMO) and the United Asian Bank to finance the project.

Scheme failed

Of the original 200 settlers in Bahau only about 100 settlers have remained. The majority do not have jobs in the scheme and have to travel about 60 to 80 kilometres a day to work in other agricultural schemes. Only close associates of the top NUPW officials are given jobs in the scheme. The scheme has no proper system of water supply—in fact, water is distributed to settlers in containers delivered by tractors or trucks, and those critical of the NUPW are denied water supply.

As a result of the injustices suffered, an *ad hoc* committee was set up recently by the settlers themselves to resolve some of the problems, and the committee decided to take legal action against the NUPW.

It is alleged that the NUPW commonly conspires with government officials as well as employers to remove or deregister certain [illegible] unions critical of the NUPW. The former employees of the Raub oil mill, for instance, fell victims to such behaviour when news of their attempt to form a union was conveyed to management by NUPW officials. Recently, reliable sources have alleged that the NUPW was also instrumental in getting the registrar of trade unions to deregister the names of Batu Arang estate workers who had struck against management for the denial of basic rights.

Malaysian governments have always been sympathetic to the NUPW—its best ally in the labour movement. Even when the registrar of trade unions uncovered a case of fraudulent misuse of union funds by certain officials, the union was let off with only a mild reprimand.

The most important challenge to the NUPW's dominance of the plantation sector came with the formation of the United Malayan Estate Workers' Union (UMEWU) in 1963. Because of organizational problems, though, this union did not play a significant role until the late 1960s. When members of the Malaysian Labour Party took control of the UMEWU its organization improved, and by 1967 it had become strong enough to threaten the NUPW, with workers on many estates leaving the NUPW *en bloc* to join the UMEWU. However, following a trade dispute on Bukit Asahan estate in Melaka state in 1967, the UMEWU was banned by the government.

DAVID HAYES

In the early 1980s, the NUPW tried to improve its image, and one instance of this was over the monthly wage issue. Instead of mobilizing its members on this issue, though, the NUPW manipulated matters to have the case taken to the Industrial Court. When the time came for its decision, the Industrial Court—with its tradition of pro-management judgements—rejected the NUPW's claim for a monthly wage for plantation workers.

The court's rejection of the claim was a major blow to the union leadership and a personal set-back for its leader, P P Narayanan, who had been keenly awaiting a positive outcome to the case so that he could retire gracefully as the 'father of Malaysian workers'. So angry was he at the court's adverse decision that he secretly instigated a strike on the plantations. When the workers heeded his call and stopped work for a day, Narayanan issued a statement that the strike had been spontaneous and that the NUPW had had no role in it—yet another example of the leadership's betrayal of the workers.

2150

Unilever's grip on world tea trade: FAO begins probe

1991

CALCUTTA,

The Food and Agricultural Organistion (FAO) has quietly begun its promised probe into the stranglehold of Unilever plc of the UK on the world tea trade. And, significantly, FAO has chosen India, where to Uniler-related companies-Brooke Bond and Lipton operate in strength – for launching this exercise.

Interestingly, in what appears to be a coincidence, the chairman of the Sri Lanka Tea Board has recently written to his counterpart in India requesting the latter to furnish information on corporate interconnection between Brooke Bond and Lipton in so far as their operational strategies are concerned.

Pursuant to the decision reached at the 11th session of the subgroup of exporters of FAO's inter-governmental group on tea held in Rome from May 12 to 15, Mr. Sat Pal Malhotra, senior commodity specialist in commodities and trade division of FAO's economic and social policy department, has come down to Calcutta for collecting information on the various aspects of operations of Brooke Bond and Lipton.

The probe is being made against the backdrop of allegation of a good many tea producing and exporting countries that large transnational corporations, of which Unilever plc of the UK happens to be in the pivotal position, have been depressing tea prices through their stocking and offloading policies.

Unilever they contend, has come to influence rather strongly blending and packaging of tea for retail trade after it acquired absolute control of Brooke Bond plc London in 1984.

Mr. Malhotra, whose visit to India is being kept a guarded secret, is expected to visit other countries in the tea markets, of which the Unilever-related companies have a strong presence. The Sri Lanka Tea Board chairman's letter to his counterpart in India poses, perhaps, more searching questions about Brooke Bond and Lipton's business in India.

The letter inquires if the two companies have between themselves demarcated the area of their operations and whether there have been any change in their tea buying pattern once Uniliver came to acquire total control over Brooke Bond in the UK.

The other two pertinent queries are: have Brooke Bond and Lipton introduced any system that can facilitate interchangeability of staff? Has there been any move on the part of Brooke Bond and Lipton to reduce the strength of their respective staff. And finally, the Sri Lanka Tea Board chairman has requested the Indian Tea Board chairman to furnish information on the capital structure of Brooke Bond and Lipton.

The outcome of the FAO probe and Sri Lanka inquiries will not be known soon. By their very nature, the exercises are time-consuming. All that can be said at this moment is that the operations of Brooke Bond and Lipton in various world markets will remain the topic of discussion for some time to come and the two companies will be compelled by circumstances to toe a cautious line.

("Economic Times", Bombay)