

Sisal Market Report Update April 2025

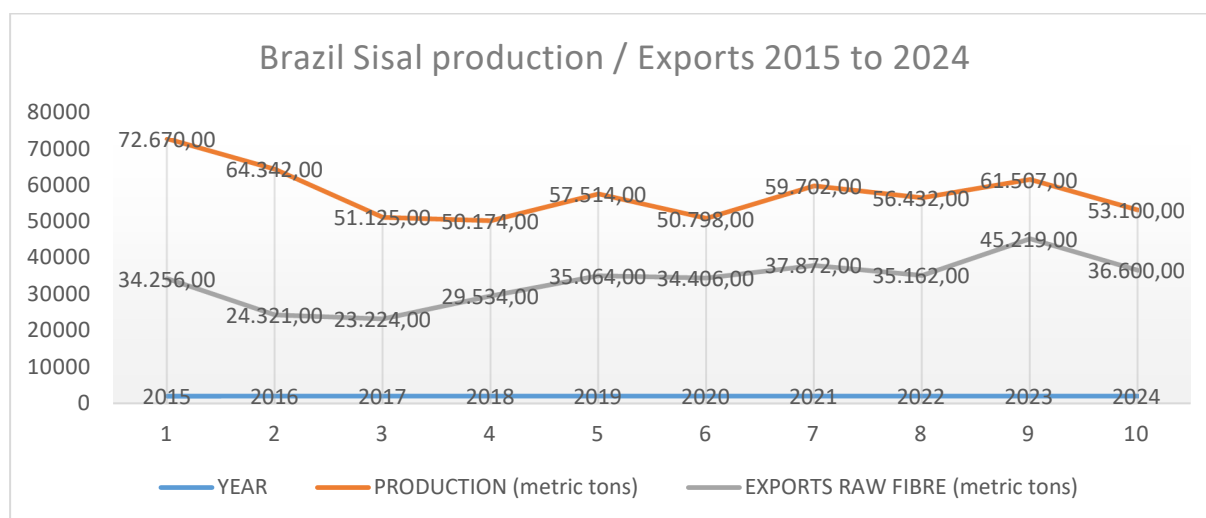
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BRAZIL

Production of Sisal fibres and related products (*baler twine, yarns, ropes, carpets etc.*) in 2024 reached in total about 53.100 tons. Of total production raw Sisal fibre exports have a share of 36.600 tons.

The following chart illustrates the developments in production and export volumes over the past 10 years:



Looking back on the last 5 years, the volume of exported raw Sisal fibres represents about 65% of total Sisal production.

The major importing countries in 2024 were:

China:	24.630 tons (69 %)
Algeria:	3.176 tons (8,9 %)
Portugal:	2.750 tons (7,7 %)
Mexico:	1.250 tons (3,5 %)
Egypt:	1.110 tons (3,1 %)
India:	1.060 tons (2,9 %)
Indonesia:	598 tons (1,6 %)
Spain:	560 tons (1,5 %)
Morocco:	350 tons (0,98 %)
Senegal:	300 tons (0,8 %)
Vietnam:	208 tons (0,58 %)

(all quantities are approximate)

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The ranking in the countries of destination has remained practically unchanged in recent years. In 2024, increases in volumes were recorded for exports to India, Egypt and Algeria while exports to Mexico have slightly weakened.

The exchange rate of the Brazilian real to the US dollar has remained relatively stable at between 5.60 and 6.0 real per dollar since the turn of the year. This has led to relatively stable export prices since the beginning of the year.

The chart shows the development from March to April 2025
(source: www.xe.com)



A key factor for export prices – beside the exchange rate to the US dollar - is the price level at which the fibres come from the field and are offered by intermediaries on the domestic market. This price level has been quite high for more than half a year and is partly due to the shortage of labour (Sisal harvest) and partly due to the increased demand from spinning mills producing for the export market (season runs from November to April).

The weather conditions in the regions where Sisal is grown have been quite favourable in recent years - there have been no significant periods of drought (as used to be the rule)

Sea freight ex Salvador / Bahia has remained fairly stable over the last 6 months. However, there are increasing reports that cargo is being rolled. The security that one used to have with a firm booking is no longer given. The time between bookings, deadlines for documentation and delivery of the containers is also often very short – just not enough to stow and transport the containers to the port in time.

After the temporary suspension of the strike, Brazilian Customs officials have resumed their indefinite strike as of January 06, 2025. As a result, export and import services experience clearance and delivery delays. The economic impact is significant. Early March the President of SINDASP (the São Paulo Customs Brokers Union), Elson Isayama, emphasised the importance of resolving this situation as a matter of

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urgency. 'Brazil must return to a more constructive, structuring and forward-looking path that at least maintains the predictability of import and export business in the country,' he emphasised.

At the end of March, the Brazilian Congress approved a draft budget for 2025 that envisages a primary surplus of 15 billion reais (\$2.66 billion) for the central government this year, compared to the government's forecast of 3.7 billion reais in August 2024.

Lula adopted a new fiscal framework in 2023, his first year in office, which combines the goal of a primary balance with a limit on expenditure growth of up to 2.5 % above inflation. The target for this year is a primary deficit of zero, with a margin of 0.25% of gross domestic product, which means that the government can run a deficit of up to 30.9 billion reais and still comply with the rule.

The budget proposes changes, including increased spending on social benefits and a reduction in spending on the Bolsa Familia social programme, which provides monthly cash transfers.

Traditionally, the annual draft budget is approved before the end of the previous year. This year's significant delay underlines the challenges Lula's left-leaning government faces in its relations with the Congress.

2025 is the last year for the Lula administration to secure major policy changes before the 2026 presidential campaign. First and foremost, the administration will have to handle the unfinished economic policy agenda of 2023 and 2024, including additional measures to make the fiscal framework sustainable, and the full implementation of the consumption tax reform.

KENYA

According to the Kenya Sisal Board (KSB), about 26.112 tons of Sisal fibre and Tow had been exported in the period from January to December 2024. This is a significant increase in volume compared to the quite low quantity of the previous year. However, the export volumes of 2020 to 2022 have not been achieved for some time - during these years export volumes averaged around 29.000 tonnes of exported fibre per year.

Development in Exports of line fibre and Tows:

2020:	28.770 tons
2021:	29.515 tons
2022:	28.900 tons
2023:	23.000 tons
2024:	26.112 tons

(source: KSB / Kenyan Sisal Board / the quantities are approximate)

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The major importing countries in 2024 were:
(the quantities are approximate)

Nigeria:	11.945 tons (46 %)
Saudi Arabia:	2.600 tons (10 %)
China:	2.570 tons (10 %)
Spain:	1.460 tons (6 %)
Morocco:	1.430 tons (5 %)
Ghana:	1.100 tons (4 %)
Senegal:	950 tons (4 %)
Egypt:	605 tons (2 %)
Belgium:	600 tons (2 %)
Ivory Coast:	365 tons (1 %)
Togo:	350 tons (1 %)
Benin:	345 tons (1 %)
Philippines:	280 tons (1 %)

There were some significant changes compared to the previous year.

Exports to Nigeria, in particular, have risen steadily over the past few years. The increase in exports in the past year is quite remarkable, as the quantities have practically doubled - from 6.630 tons in 2023 to 11.945 tons in 2024.

Exports to Spain also doubled – from 740 tons in 2023 to 1460 tons in 2024. Exports to Morocco and Ghana have decreased. Exports to the Philippines have also fallen to just 280 tons in 2024 (from 800 tons in 2023) and here it was only Tows that were exported (no line fibre).

The construction industry (Sisal fibres are used for plastering / gypsum works) remains the most important sales market for Kenyan Sisal fibres. Exports to this industry account for more than 75% of the total exported Sisal fibers and Tow.

The Port of Mombasa recorded a remarkable increase in cargo throughput in 2024, handling 41.1 million tonnes compared to 35.98 million tonnes in 2023. 'This increase of 5.1 million tonnes or 14.1 per cent shows that we are able to handle increasing trade volumes despite global disruptions,' said Kenya Ports Authority Managing Director Captain William Ruto. For the first time in over a decade, container traffic at the port has surpassed the two million TEU (Twenty-foot Equivalent Units) mark.

Uganda remains the most important transit country, accounting for around 65% of transit freight. Other notable transit countries are South Sudan (around 13 %), the Democratic Republic of the Congo (around 12%), Rwanda (around 5 %) and Tanzania (around 4 %).

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The port of Mombasa continues to be an important hub for regional trade in East Africa. The improved performance emphasises its strategic importance for facilitating trade and connecting the entire region.

Generation Z has become the dominant economic force in Kenya. New data shows that their consumer spending will reach a staggering Ksh 4.4 trillion this year alone. Generation Z, defined as those born between 1997 and 2012, is revolutionising the way businesses engage with their customers. Their demand for instant service, digital integration and personalised experiences is forcing brands to evolve quickly.

According to the latest World Data Lab (WDL) study, more than 17 million Generation Z Kenyans are driving this economic boom - investing the majority of their money in basic services such as food, housing and transport. As Africa's economic future moves towards youthful trends, Kenya's Gen Z consumers are not just participating in the economy - they are actively shaping its next chapter.

At the end of March, a meeting to exchange economic and trade cooperation between China (Chongqing) and Kenya was held in the Kenyan capital Nairobi to promote trade relations between the two sides. The event was attended by a high-ranking delegation from the central Chinese city of Chongqing, high-ranking Kenyan government officials and representatives from around 200 companies from both countries.

Lee Kinyanjui, Cabinet Secretary at Kenya's Ministry of Investment, Trade and Industry, said the East African country is at a critical stage of development and is looking for foreign investment to boost its industrial sector. 'We want to attract Chinese investors to set up manufacturing facilities in Kenya in sectors such as textiles, electronics, automotive and pharmaceuticals,' Kinyanjui said.

TANZANIA

According to the Tanzania Sisal Board (TSB) about 35.975 tons of Sisal fibre and Tow had been exported in the period from January to December 2024. The export volume remained at about the same level as the previous year. Production increased from 56,700 tons in 2023 to 61,217 tonnes in 2024 (*source: TSB*).

Development of export volume in recent years:

2020: 27,605 tons

2021: 28,900 tons

2022: 32,445 tons

2023: 36,290 tons

2024: 35,975 tons

(*source: TSB / Tanzania Sisal Board / the quantities are approximate*)

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The major importing countries in 2023 were:
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China:	12.170 tons (34 %)
Nigeria:	9.523 tons (26,5 %)
Morocco:	4.454 tons (12,4 %)
Ghana:	3.526 tons (9,8 %)
Spain:	1.376 tons (3,8 %)
Saudi Arabia:	740 tons (2,05 %)
Egypt:	486 tons (1,35 %)
Ivory Coast:	330 tons (0,9 %)
India:	298 tons (0,8 %)

The trend of previous years - with increases in export volumes to countries where Sisal fibres are used in the construction sector - continued last year. These destinations (Nigeria, Morocco, Ghana, Saudi Arabia and other countries in West Africa) now account for more than 53% of exports from Tanzania.

China (with 34% of exports) remains the largest single market, although exports fell by around 2000 tonnes in 2024. The reticence of Chinese customers is certainly due to the slowdown in the Chinese economy as a whole. Due to the price difference to Brazilian Sisal fibre, Chinese sisal fibre processors have also tended to favour imports from Brazil.

The largest increase in export volume was recorded for Nigeria (up from about 5.155 tons in 2023 to about 9.500 tons in 2024). The volumes exported to Morocco and Ghana are stable, while other destinations (Saudi-Arabia, Spain and India) have seen declines in imported volumes - some destinations have disappeared completely (Philippines).

In February 2025 the Tanzanian government has signed memorandums of understanding (with companies from China, Egypt and recently Saudi Arabia) for initial plans for the Bagamoyo port project.

Plasduce Mbossa, the Tanzania Ports Authority (TPA) general manager, pointed out that, due to the project's importance, the government is not ready to rush into agreement with investors on the modality of the project and explained that the government is currently reviewing the 2010 plan on the Bagamoyo port development.

"The information circulating on social media claiming that a company from Saudi Arabia has secured a contract to operate the Bagamoyo port is not true," said Prof. Kitila Mkumbo, the Minister of State, President's Office, Planning, and Investment, during a parliamentary session on February 14, 2025. He continued: "The government has not entered into any agreement or commitment with any investor at the

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moment. Therefore, the government has no agreements or contracts with any investor regarding the Bagamoyo project, including the port project.”

The speculation arose after the Tanzania-Saudi roundtable meeting, held between The Federation of Saudi Chambers of Commerce and the Tanzania Chamber of Commerce, Industry, and Agriculture (TCCIA) in Dar es Salaam.

Tanzania’s largest hydropower station, the Julius Nyerere Hydropower Station has set a new record with the commissioning of six generating units in a single year. With annual power generation exceeding 3.1 billion kilowatt-hours — accounting for over 40 percent of Tanzania’s total electricity output — the station has significantly bolstered the stability of the country’s power supply.

Tanzania’s economy is gaining momentum, driven by a surge in export earnings from traditional commodities and a booming tourism sector. Major contributors were gold, cashewnuts, tobacco, horticulture products, cereals, and coffee. With foreign exchange reserves climbing and exports outpacing imports, the country is poised for stronger financial stability in 2025.

MADAGASCAR

Exports of Sisal fibre and Tow (according to statistics from Madagascar Customs) reached a total of approx. 5.560 tons for the period January to December 2024.

The major importing countries in 2024 were:
(the quantities are approximate)

Morocco:	1.675 tons (30 %)
China:	900 tons (16 %)
Saudi-Arabia:	570 tons (10 %)
Egypt:	400 tons (7 %)
Nigeria:	380 tons (6,8 %)
India:	310 tons (5,5 %)
Spain:	290 tons (5 %)
Pakistan:	230 tons (4 %)
Oman :	180 tons (3 %)
Ivory Coast:	175 tons (3 %)
Senegal:	120 tons (2 %)

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The statistics show some remarkable changes compared to the previous year. Morocco has become by far the largest outlet for Madagascar sisal fibre - accounting for 30% of exports. Saudi Arabia, Egypt and Nigeria appear as importers for the first time. The volume exported to Spain has fallen sharply (from 1000 tons in 2023 to only 290 tons in 2024).

We see a similar trend here as with exports of Sisal fibres from Kenya. The construction industry (Sisal fibres are used for plastering / gypsum works) has become the most important sales market for Madagascar Sisal fibres. Exports to this industry now account for more than 75% of the total exported Sisal fibers and Tow.

As already highlighted in previous reports, the volume exported via the port of Toamasina is rising sharply - in 2024 already over 40% of total exports of Sisal fibres were handled via this port. It must be clearly stated that the structures behind these exports are highly dubious - especially with regard to the procurement of raw fibre.

Nearly 340,000 people have been affected, and thousands displaced across Madagascar, Malawi and Mozambique after Tropical Storm Jude struck parts of Southern Africa between 6 and 16 March. The storm left a trail of destruction across several areas in the three affected countries, damaging infrastructure and crops, blocking roads, and disrupting access to essential services.

In Madagascar, at least 15,000 people were affected after Tropical Storm Jude made its second landfall on 15 March, primarily in Atsimo Andrefana Region in the south. Jude made landfall about 70 km north of Itampolo Municipality in Ampanihy District, then crossed several isolated districts in the Grand Sud (Ampanihy, Beloha, Tsihombe, Bekily), followed by Ambovombe and Amboasary, before exiting the island through Tolagnaro District on 16 March.

Much of damage was caused by strong winds, as most towns and cities in Grand Sud are structurally fragile and highly vulnerable to cyclones. This was also the first time a strong weather system crossed the entire southern region of Madagascar.

While the rains are beneficial for agriculture, especially for countries recovering from severe drought, there are concerns that the aftermath of the storm may lead to a spike in cholera cases, particularly in Malawi and Mozambique.

As a result of the tropical storm, parts of the Sisal plantations were flooded for an extended period of time. It remains to be seen how the plants will survive this phase - but it can be assumed that there will be an overall positive effect.

Madagascar's economy is recovering, but growth remains both uneven and still insufficient to significantly improve living standards. Growth has been driven by private investment followed by private consumption,

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while net exports did not contribute. Overall export performance was diminished, softening global demand and falling prices for major exports.

Over 70% of the population are considered multidimensionally poor - experiencing deprivations in basic necessities such as education, health, and living conditions. Employment rates are low, with only about 55% of the working-age population employed - with more than 60 % of jobs being in agriculture. The strong reliance on low-productivity agriculture, coupled with limited opportunities in higher-paying sectors, underscores the persistent poverty. The country's economy's vulnerability to climate shocks further deepens household poverty. The aforementioned emphasizes the need to create conditions for more productive firms to enter the market and grow in order to generate more and better jobs.

As part of his global trade war, the American President is imposing particularly high customs duties on Madagascar. Despite its small size, this country and Réunion Island are among the hardest hit. These actions are jeopardizing thousands of jobs and disrupting regional trade balances in the Indian Ocean. Madagascar, which produces around 80% of the world's vanilla, was hit with a 47% tariff. The temporary suspension of the levies (for 90 days period) only postpones the problem for which Madagascar sees no solution, since the country just cannot make up in purchases what it makes in exported vanilla. Other vanilla producers with lower US-imposed tariffs, such as Uganda and Papua New Guinea, could stand to benefit. Trump imposed a comparatively low tariff of 10% on each of them.

In November 2024 Madagascar's National Assembly legislated for the island nation to become the 49th country to ratify the African Continental Free Trade Area (AfCFTA). This is an important step to achieving continent-wide free trade for a region that needs it. With Madagascar now committing to ratification, the continent is one step closer to reaping the massive benefits of free trade. There are several ways in which the island-nation's inhabitants will gain from easier access to the continental market.

Currently, only 10 percent of Madagascar's goods and services are exported to Africa, and the bulk of these are concentrated in states that are part of the Common Market for Eastern and Southern Africa (COMESA), or the Southern African Development Community (SADC). This indicates that Madagascar has negligible total trade with Central, West, and North Africa, showing that these are untapped markets that Madagascar's producers will now have easier access to under the AfCFTA.

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