

Overview of the Industry

Sisal is predominantly grown by ten (10) sisal estates spread in the Coast, Eastern and Rift Valley regions of the country. Small pockets of production by Smallholder growers are spread all over the arid and semi-arid lands of the country, forming about 5% of the total production, most of which is mainly grown along the boundary and hedge rows.

On average, production on monthly basis is about 2,500 MT of which, over 90% of the fibre produced is exported to over 30 destinations worldwide annually, while the rest is sold to local spinning factories and the rural cottage industries.

Quantity and value of fibre exports

During the month under review, a total of 2,371.2 MT of fibre was exported to various destinations, valued at Kshs. 517,875,216.74, or USD 4,319,433.46.

There was insignificant fall in volumes exported during the month under review in comparison to the previous month of November of approximately 4%. This decrease could be attributed to by normal forces of demand and supply.

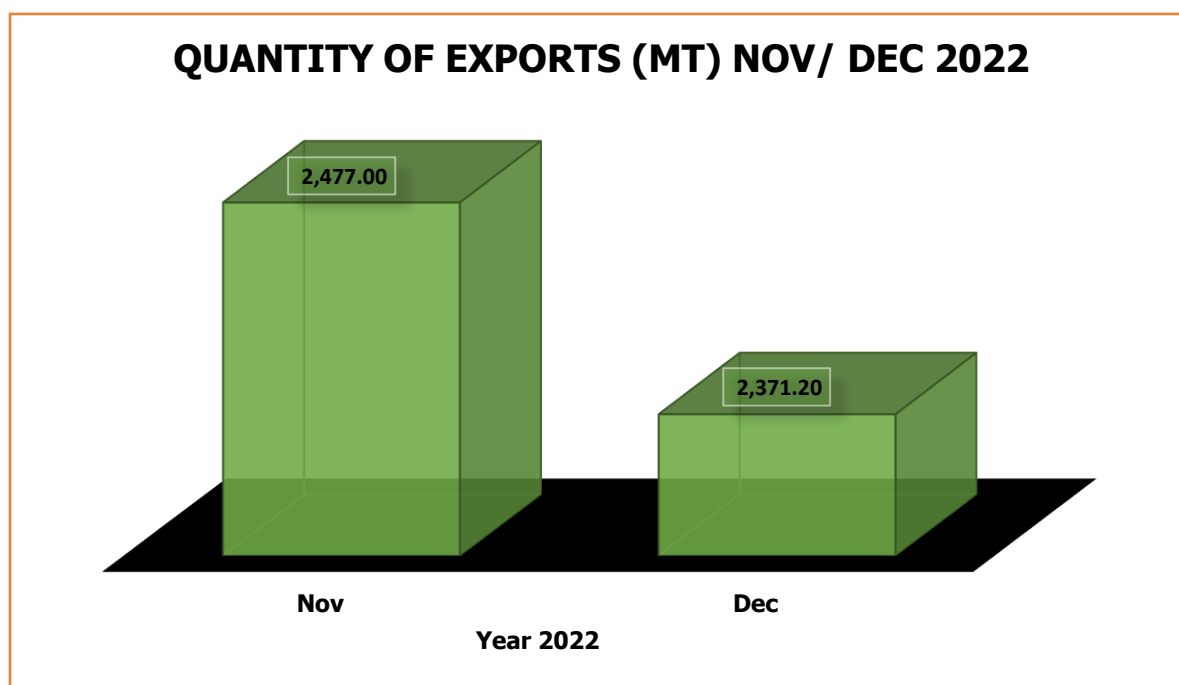


Chart 1: Export Volumes (MT) Nov vs Dec 2022

Price and grades

The average F.O.B price of fibre was **Kshs. 230,551.97** per MT (or US\$ 1,840 per MT), approximately **Kshs 230.55** per Kg during the month under review. In comparison to the previous month of November, there was a 5% increase in price in the period under review. The average price (F.O.B) was Kshs. 219.57 per Kg (USD 1,802 Per MT) in the previous month of November. This price difference could be attributed to market forces of supply and demand.

The highest F.O.B price offered during the month under review was USD 2,350 per MT (KShs. 288,186.14 per MT) or Kshs. 288.19 per Kg for grade SSUG exported to Nigeria, while the lowest price offered in the same period was USD \$ 960 per MT (Kshs. 117,727 per MT) or Kshs. 117.72 per Kg for grade Tow.1, exported to Ghana.

During the month under review, only four (4) grades were traded in the export market, down from the possible nine (9). Their average F.O.B prices per Kg (in Kshs) is as shown in Graph 2 below, where the highest average price per Kg was that of grade 3L at Kshs 264.77 per Kg, while the lowest was TOW.1 at Kshs,158.31 per Kg. *For more details see Chart 2 here below.*

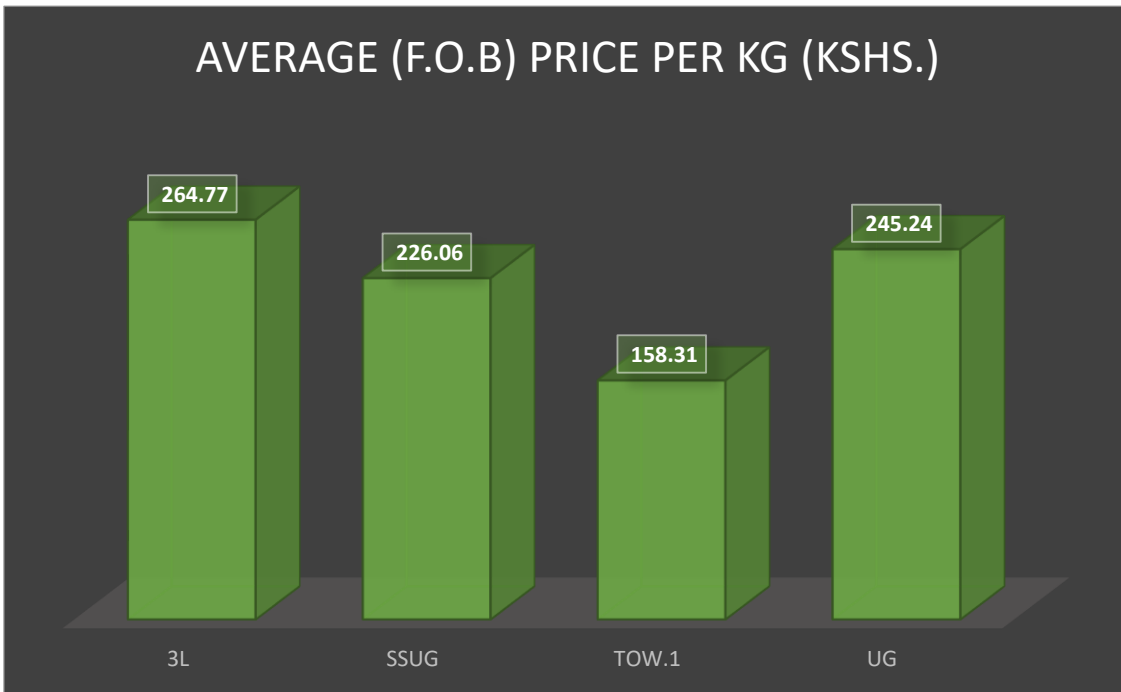


Chart 2: Average Price F.O.B by grade (Kshs/Kg) in Dec 2022

Export share by Grades

Grade UG was the most popular ahead of SSUG, with an export volume share of 1,075 MT, representing a 45 % share of all the fibre traded. A total of 1,043 MT of Grade SSUG, representing a 44 % share came second. For more details on the other grades see *Chart 3 below and Table 1 below.*

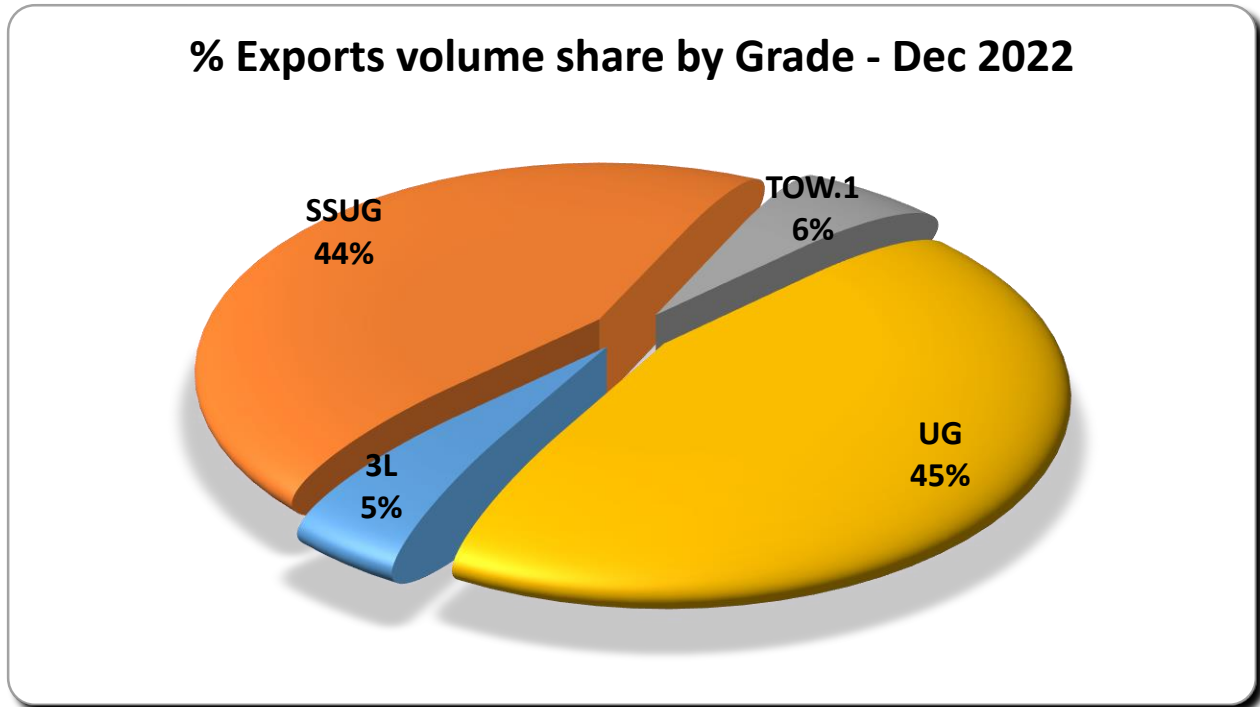


Chart 3: Market Share by grade – December 2022

Table 1: Exports by grades December 2022

| Grade | Tons | AVG Price FOB/ton US \$ | Total value in US \$ | AVG Price per ton (Kshs.) | Total value Kshs. |
|---------------|-----------------|-------------------------|----------------------|---------------------------|-----------------------|
| UG | 1,075.00 | 1,902.36 | 2,003,000.46 | 245,239.12 | 234,039,534.58 |
| SSUG | 1,043.00 | 1,845.32 | 1,890,614.00 | 226,061.39 | 231,634,822.70 |
| TOW.1 | 142.20 | 1,294.00 | 185,394.00 | 158,309.42 | 22,707,217.48 |
| 3L | 111.00 | 2,156.25 | 240,425.00 | 264,774.10 | 29,493,641.98 |
| TOTALS | 2,371.20 | | 4,319,433.46 | | 517,875,216.74 |

Exports by Destinations

There were a total of 14 export destinations worldwide during the month under review, down from 15 in the previous month. During the period under review, 38% of all sisal exports were made to Nigeria, which continued being the leading destination where a total of 895.50 MT were exported. Other top destinations were S/Arabia, Ghana and Philippines in that order. China was conspicuously missing in the top five, as no exports were made during the period under review, although it had shown a strong comeback in Oct and November periods.

The top five (5) export destinations controlled a market share of 76% of all the sisal fibre exports during the month under review, indicating the importance of these particular markets. A new entrant into to the market was that of South Africa during the period under review. This was after a long period of over twenty years. *For details, see Chart 4 below and Table 1 overleaf.*

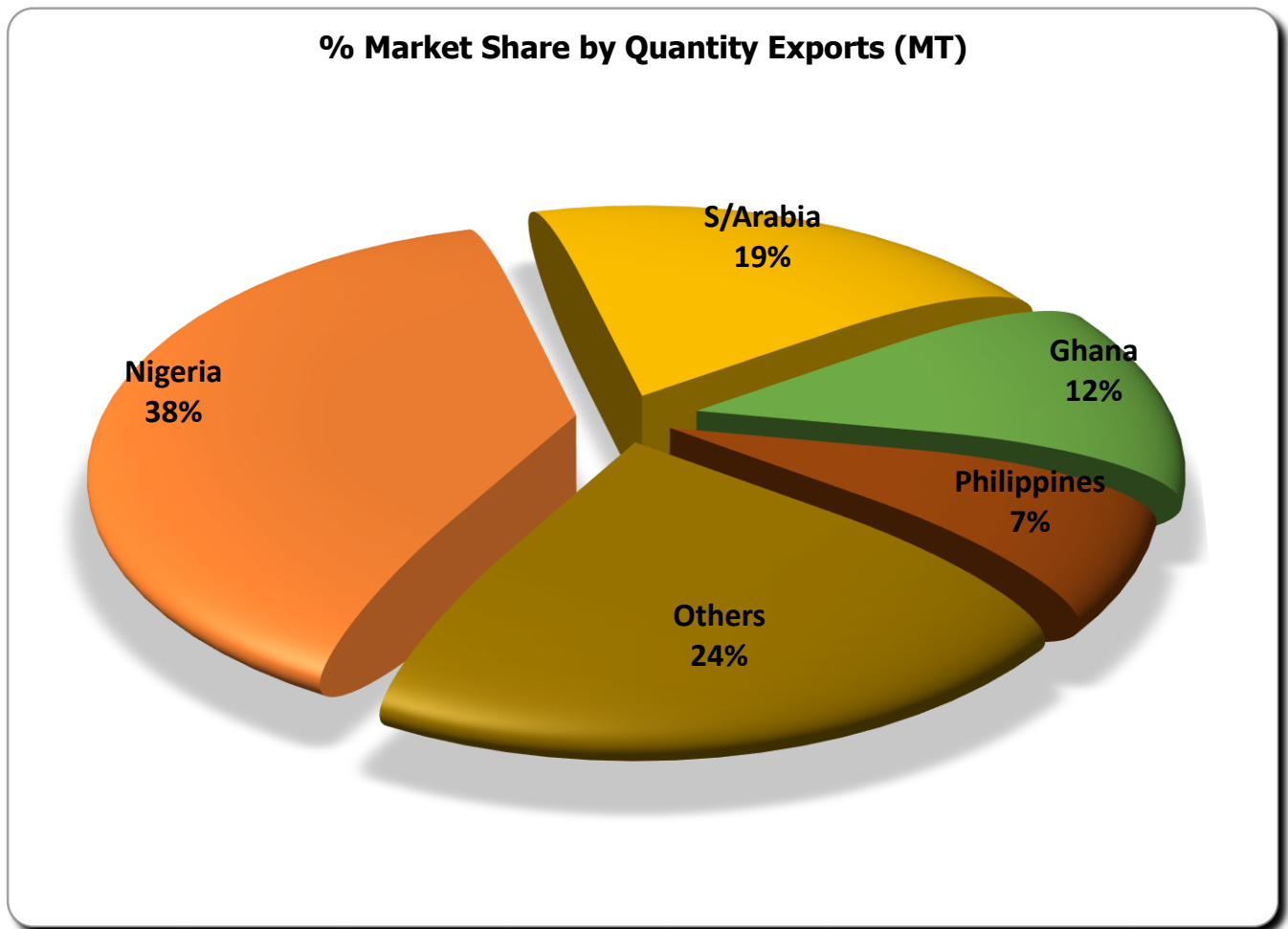


Chart 4: Market Share by Destination Dec 2022

Table 2: Export Share by Destination – December 2022

| # | Destination | Tons | AVG Price FOB/ton US \$ | Total value in US \$ | AVG F.O.B Price per ton (Kshs.) | Total value Kshs. |
|----|---------------|-----------------|-------------------------|----------------------|---------------------------------|-----------------------|
| 1 | Nigeria | 895.50 | 1,911.17 | 1,683,891.00 | 248,442.06 | 206,181,185.95 |
| 2 | S/Arabia | 458.00 | 1,954.50 | 889,650.00 | 239,884.99 | 97,633,308.24 |
| 3 | Ghana | 294.20 | 1,489.86 | 463,302.00 | 182,512.06 | 56,735,795.37 |
| 4 | Philippines | 168.00 | 1,610.00 | 270,558.96 | 197,862.83 | 33,240,954.99 |
| 5 | Italy | 121.50 | 1,410.00 | 195,300.00 | 172,947.75 | 23,950,107.72 |
| 6 | Spain | 104.00 | 1,576.00 | 163,904.00 | 192,869.93 | 20,058,473.18 |
| 7 | UAE | 67.00 | 1,987.67 | 135,300.00 | 244,061.49 | 16,601,507.62 |
| 8 | Libya | 56.50 | 1,820.00 | 102,765.00 | 222,977.18 | 12,590,132.84 |
| 9 | Germany | 50.50 | 2,058.33 | 105,137.50 | 253,029.89 | 12,916,196.40 |
| 10 | Belgium | 48.00 | 2,200.00 | 105,600.00 | 269,234.68 | 12,923,264.64 |
| 11 | Chad | 28.00 | 1,950.00 | 54,600.00 | 239,133.18 | 6,695,729.04 |
| 12 | India | 28.00 | 1,800.00 | 50,400.00 | 220,738.32 | 6,180,672.96 |
| 13 | Ivory Coast | 27.00 | 1,700.00 | 45,900.00 | 208,475.08 | 5,628,827.16 |
| 14 | S/Africa | 25.00 | 2,125.00 | 53,125.00 | 261,562.42 | 6,539,060.63 |
| | TOTALS | 2,371.20 | 1,838.34 | 4,319,433.46 | 230,127.32 | 517,875,216.74 |