

# The abaca industry essay sample



**ASSIGN  
BUSTER**

Abaca, the country's premier fiber and known worldwide as Manila hemp, has come a long way from its humble beginning as raw material for our ancestors' coarse and stiff clothing as well as footwear. While abaca is still being used for these purposes, its application has expanded to sophisticated industrial uses. It is now a preferred material in the production of pulp for specialty papers like tea bags, meat/sausage casings, cigarette paper, filter papers, currency notes, stencil papers and a host of non-woven product applications. With the growing concern worldwide for the preservation of the natural environment and conservation of forest resources, the importance of abaca in the industrial sector is envisioned to further heighten in the next decades.

#### Beginning of the Abaca Industry

The abaca plant is indigenous to the Philippines whose warm, wet climate and volcanic soils are particularly suited to its cultivation. It has been grown in the Philippines for centuries, long before the Spanish occupation. When Magellan and his companions arrived in Cebu in 1521, they noticed that the natives were wearing clothes made from the fiber of abaca plant, noting further that the weaving of the fiber was already widespread in the island.

#### Abaca in Cordage Use

It was, however, only much later that the commercial or export importance of abaca was discovered. According to historical accounts, an American lieutenant of the U. S. Navy brought a sample of abaca fiber to the United States in 1820. This gave the initial impetus to Philippine abaca trade with the United States that five years later, the first exportation of abaca was made. Since then, abaca became well known as one of the strongest materials for marine cordage because of its superior tensile strength and

proven durability under water. With the onset of the 20th century, abaca fiber has become the premier export commodity of the Philippines. Because of its importance, the United States Department of Agriculture sent its top agricultural and fiber experts to the Philippines to provide impetus to the production of the fiber for their consumption. Many Americans were encouraged to establish plantations in the Philippines such that in 1909, Davao was chosen as the most suitable area for abaca. At the close of the First World War, the Japanese also took keen interest in abaca for its navy, also choosing Davao as the plantation site. They improved the method of production introduced by the Americans. This put the industry to a higher level of efficiency. Abaca in the Americas

The Philippines has a monopoly in the production of abaca fiber in the 1920s. Since this period, wars were won by countries with superior navies and considering that cordage was vital to naval operation, the Philippine monopoly in abaca production alarmed the Americans. In 1921, the U. S. Department of Agriculture decided to cultivate abaca in Central America, particularly in Panama, Costa Rica, Guatemala and Honduras using the most outstanding Philippine abaca varieties. This was to be the beginning of the end of our abaca monopoly. It was after World War II that a Japanese national, Furukawa, one of the pre-war abaca plantation owners in Davao, started field-testing and successfully cultivating abaca in Ecuador. Today, Ecuador is the only other country commercially producing abaca in the world.

#### Incursion of Synthetics in Cordage Use

The advent of oil-based synthetic fibers in the mid-1950s, which rapidly

<https://assignbuster.com/the-abaca-industry-essay-sample/>

replaced the traditional usage of natural fibers, displaced abaca as prime cordage material and precipitated its almost total collapse. Thus, the Philippine abaca industry suffered a slump as prices hit rock bottom that several farmers eventually phased out their plantations.

#### Abaca in Pulp and Paper

Significant breakthroughs in technology and processes took place in the '60s that brought about development of new uses for abaca, particularly in the use of pulp for the production of specialty paper products. In 1968, the Canlubang Pulp Manufacturing Company, the first local company to embark on the development of the technology for producing pulp using abaca, made its first exportation. As demand for abaca for pulp use increased, Filipino investors became interested in domestically producing abaca pulp. Other investors followed suit with most of them tied-up with foreign companies, which, due to strict anti-pollution laws in their respective countries, transferred their pulp operations in the Philippines. Demand for these kinds of paper increased from year to year, and in time, stimulated a revival in the demand for the fiber. By the middle of the '70s, abaca pulp had become a tested material for making various kinds of specialty papers and other non-woven disposables. |

#### Abaca in Fibercraft

At the time when demand for abaca was declining, the Philippine government encouraged the development of the fibercraft industry. Fibercraft products like abaca rugs, doormats, hats, coasters, hot pads, linen and handbags became very much in demand abroad. By mid-70s, the

fibercraft industry became the second biggest foreign exchange earner for the abaca industry, next to raw fiber exports. |

### Importance of Abaca in the Philippine Economy

Abaca is one fiber that has made the Philippines known all over the world. Abaca has, for centuries, been practically synonymous to the Philippines because it is known the world over as Manila hemp. Before the advent of synthetics in the ' 60s, abaca was the principal raw material for the manufacture of the world-renowned Manila rope. In fact, since the turn of the century, abaca was the top export earner of the country. As of 2010, the Philippines supplies about 85. 0 percent of the total world abaca requirement and the rest, by Ecuador. The abaca industry continues to be one of the country's major pillars in terms of employment generation and foreign exchange earnings. The industry sustains more than 1. 5 million Filipinos who, directly or indirectly, depend on it for a living. Direct dependents include abaca farmers, classifiers/sorters, manufacturers, traders, exporters and hundreds of fibercraft processors who provide employment to thousands of Filipinos. From 2001 to 2010, the abaca industry generated some US\$82. 1million per year from the exports of raw fiber and manufactures. Grades and Uses of Abaca Fiber

The abaca fiber is extracted from the stalk of the plant scientifically known as *Musa textilis* Nee, specifically from the outer covering of the leaf sheath. It is considered the strongest of natural fibers being three times stronger than cotton and two times stronger than sisal fibers. Abaca is far more resistant to salt water decomposition than most of the vegetable fibers, making it suitable for rope and cordage manufacture. Considering its prime qualities,

<https://assignbuster.com/the-abaca-industry-essay-sample/>

abaca is also an excellent choice over other natural fibers for producing thin papers of high porosity and high strength. Abaca can also substitute for wood pulp in the manufacture of a general line of paper products, a usage that could contribute immensely to the conservation of the world's diminishing forest resources. Like most commodities, official standards of quality have been set and are being strictly enforced for abaca. The official standard grades of abaca fiber are divided into three (3) classes depending on the manner of extraction, namely: hand-stripping, spindle-stripping and decortication. Quality is determined by strength, cleaning, color, texture and length of the fiber. In terms of cleaning (which is a direct result of the stripping apparatus or knife used), the standard grades for hand- and spindle-stripped are: EXCELLENT – S2, S3

Spindle-stripped abaca fibers are indicated by the letter “ S” before the official grade, i. e., S-S2, S-I, and so on. For decorticated abaca, the official grades are AD-1, AD-2 and AD-3. Abaca is processed into cordage, pulp and specialty paper and fiber crafts including handwoven fabric. Below is a summary table on the uses of abaca and their corresponding grade requirements:

#### USES| GRADES/TYPES|

Cordage products – ropes, twines, marine cordage, binders, cord| S2, S3, I, G, JK, M1, Y| Pulp and paper manufactures – tea bags, filter paper, mimeograph stencil, base tissue, sausage skin, base paper Cigarette paper, currency paper, chart file folders, envelopes, time cards, book binders and parchment paper Microglass air filters media, x-ray negative, optical lens wiper, vacuum filter, oil filter Nonwovens – medical gas masks and gowns,

diapers, hospital linens, bed sheets Handmade paper – paper sheets, stationeries, all-purpose cards, lamp shades, balls, dividers, placemats, bags, photo frames and albums, flowers, table clock| S2, I, G

G, JK, M1, Y, OT

S2, I, G, JK

S2, I, G, JK

All grades

including wastes|

Fibercrafts – handbags, hammocks, placemats, rugs, carpets, purses and wallets, fishnets, door mats, table clock| S2, G| Handwoven fabrics – sinamay, pinukpok, tinalak, dagmay

Sacks, hotpads, hemp, coasters

Baskets

Wallpaper| High grades

S3, H

lupis and bacbac\*

S2, G, KJ, Y|

Furniture| S2, bacbac|

Others – wire insulator and cable, automobile, automobile

components/composites| JK, M1, Y, OT| POTENTIAL USES OF ABACA|

GRADES/TYPES|

Fiberboards – roofing tiles, floor tiles, hollow blocks, boards, reinforcing fiber concrete and asphalt| OT and other waste| Fuels – musafel| Abaca plant|

Miscellaneous applications – wigs, grass skirts| All grades| \*Lupis is the dried

strip of abaca leaf sheath about 5 mm. or 1/8 of an inch in width or a little larger in size, is thin and usually follows the length of abaca stalk; bacbac is the outermost covering or leaf sheath of the abaca stalk, usually very light brown in color.

## Production and Market Scenario

### A. Supply

#### Local

From 2001 through 2010, production of abaca fiber averaged 65, 701 mt per year and had been decreasing at a minimal rate of 0. 8% per annum caused by the devastating typhoons in 2006 coupled with abaca viral diseases that continued to affect the plantations as well as the dampened foreign demand brought about by the global economic recession beginning in the latter part of 2008, considered as the most severe downturn since the Great Depression in the 1930s. Production reached its peak in 2008 at 77, 387 mt as outputs of all producing regions, particularly Bicol, Davao Region and Caraga, substantially increased during the period. This was primarily the effect of the incremental production from the abaca plantations established in 2005 and 2006 under FIDA’s program Goal I “ Development of New Agri-Business Lands” and the continued strong demand and attractive prices offered for the fiber by local traders, processors/manufacturers and exporters.

The abaca industry, however, suffered a setback in 2009 when fiber yield slumped to its lowest level of 54, 584 mt due to the weakened market demand and falling prices as a consequence of the worldwide financial crisis. During the decade, Eastern Visayas remained as the top abaca-producing region, contributing an average of 23, 564 mt or 35. 9% to the annual



average production. Bicol followed with an annual average of 19, 670 mt or 29. 9% share while Davao Region, which supplied 13. 4% or 8, 783 mt, ranked third during the ten-year period under review. Starting 2009, Bicol emerged as the biggest producer of abaca, outranking Eastern Visayas which abaca areas were badly affected by viral diseases such as bunchy top, mosaic and bract mosaic. From among the abaca-producing provinces, Catanduanes remained as the biggest producer followed by Leyte. The top ten producers with the corresponding output and share to total production in 2010 were as follows:

PROVINCE| VOLUME (mt)| %SHARE|

Catanduanes| 18, 971| 33. 2|

Leyte| 7, 089| 12. 4|

Northern Samar| 3, 959| 6. 9|

Davao Oriental| 3, 300| 5. 8|

Surigao del Sur| 3, 105| 5. 4|

Davao del Sur| 2, 994| 5. 2|

Sulu| 2, 364| 4. 1|

Bukidnon| 1, 993| 3. 5|

Lanao del Sur| 1, 665| 2. 9|

Southern Leyte| 1, 647| 2. 9|

Of the ten-year average annual production of 65, 701 mt, 54, 741 mt or 83. 3% were baled while the rest was traded in loose form. The major grades such as G, JK, S2 and I comprised 76. 0% or 41, 608 mt of the yearly average baling. Baling of G averaged 12, 993 mt per annum sharing 23. 7% to total output followed by JK with an average baling of 10, 577 mt or 19. 3%

contribution. Annual baling of S2 and I averaged 10, 208 mt and 7, 830 mt, respectively, with corresponding shares of 18. 6% and 14. 3%. Abaca baling during the decade exhibited an increasing rate of 0. 7%, despite the downtrend in the output of the majority of the grades, except S2 and I.

### Foreign

Since 1991, local pulp manufacturers had been importing abaca fiber from Ecuador except in 2005. The pulp processors resorted to fiber importation to fill up the deficiency in local supply of specific grades and meet pulp buyers' specifications. During the ten-year period ending 2010, importation of Ecuadorian abaca averaged 307 mt per year. B. Demand

### Local Consumption

Domestic processors consumed an average of 50, 592 mt or 77. 0% of the country's average yearly production of abaca fiber during the past decade. The sector's fiber consumption level was observed to be decreasing fairly at a rate of 1. 1% per year. Abaca fiber is being processed locally into pulp, cordage and various fibercraft items including furnitures.

The pulp sector consistently remained as the growth area of the abaca industry utilizing an average of 36, 019 mt or 71. 2% of the annual average local consumption and increasing at a minimal rate of 0. 8% per annum. The pulp millers' utilization level is highly dependent on the demand for pulp by the specialty paper manufacturers abroad as abaca pulp is the principal raw material used in the manufacture of meat and sausage casings, tea bags, cigarette paper, currency paper and other specialty papers. Processing of abaca pulp into specialty papers is done in Europe, the United States and

Japan instead of in the Philippines as there is no available processing facility in the country.

The cordage sector, on the other hand, consumed an average of 10, 369 mt of abaca fiber per annum or about 20. 5% of the yearly average fiber usage of the domestic manufacturers but decreasing at a rate of 2. 6% per year. Cordage and allied products have continuously been facing stiff competition from those made of synthetics and other cheaper natural materials. Fiber utilization of the fibercraft processors who are mostly cottage-based, exhibited a decreasing annual rate of 11. 0% and consuming an average of 4, 204 mt or 8. 3% of the annual average domestic consumption. These figures, however, may not have reflected the actual situation in the fibercraft industry, as purchases of other fibercraft makers were in loose form and therefore difficult to monitor. Unlike the other sectors, the fibercraft processors are numerous, not as well-organized and are scattered throughout the country.

### Exports

For the past ten years, the Philippines generated an average of US\$82. 1 million per year from the exports of abaca fiber and manufactures, 84. 4% or an average of US\$69. 3 million of which came from abaca manufactures such as pulp, cordage, yarns and fabrics and fibercrafts. The rest (15. 6%) was contributed by raw fiber exports with average earnings of US\$12. 8 million yearly. From among the abaca manufactures, pulp continued to lead as the growth area in export with shipments worth an annual average of US\$45. 8 million or a 55. 8% share to the average income per year. Meanwhile, export earnings from fibercrafts and cordage/allied products averaged US\$10. 6

million (12.9%) and US\$12.3 million (15.0%) per annum, respectively, while those from yarns and fabrics accounted for US\$0.6 million (0.7%) of the yearly average.

### Abaca Fiber

Exports of abaca fiber averaged 13,434 mt per annum, decreasing at a moderate rate 1.0% per annum during the years under study. The demand of the country's major trading partners – the United Kingdom and Japan, contracted substantially, particularly in 2009 when financial crisis hit the global economy. Some specialty papermakers abroad likewise shifted to the importation of abaca pulp instead of the usual raw fiber due to the strict anti-pollution laws in their respective countries. In 2010, however, there was a substantial increase in the abaca imports of the major buyers including emerging market China following their gradual recovery from the global economic recession. Europe, specifically the United Kingdom, is the premier destination of abaca fiber, absorbing an average of 6,663 mt or 49.6% of the ten-year average exports. In 2003 and 2004, UK imported more abaca fibers as a US-based abaca pulp mill concentrated its pulp operation in the country that eventually led to an increase in its fiber demand.

However, in 2005, there was a shift in the preference from abaca fiber to pulp that shipment drastically went down and leveled off at 6,650 mt and continued to be at approximately the same level in the succeeding years until 2008 and further slumped to 3,329 in 2009 due to global economic downturn. In 2010, abaca exports to UK made an upturn with shipment reaching 4,216 mt. The Asian market was the second most important destination of abaca fiber with Japan as the leading buyer. Japan continued

to influence abaca trade in the region accounting for the biggest market share averaging 4, 914 mt or 80. 5% of the 6, 105 mt annual average Asian imports. Thus, when the Japanese market weakened in 2001 and 2002, the trend in the overall Asian demand exhibited the same pattern. Since 2003 through 2008, imports of Japan rebounded due to the printing of the Japanese yen that has new designs and sophisticated security features as protection from counterfeiting.

Furthermore, businesses in Japan have picked up supported by its strong exports to the United States and Asian countries, especially China. In 2009, however, the Japanese market slowed down following the onslaught of the global economic recession thereby severely contracting its fiber imports to a very low level of only 1, 502 mt but only to rebound in 2010 when its demand picked up to 4, 680 mt. On the other hand, India and Indonesia have consistently been buying abaca fiber although the quantities were very minimal with combined aggregate share of 2. 3% to the annual average foreign trade. Abaca fiber is used as raw material in the manufacture of cordage and fibercrafts in these countries. China showed great promise that its imports accelerated, averaging 1, 712 mt in the last four years and is presently the second biggest Asian market for Philippine abaca fiber. It is now using the fiber in the manufacture of tea bag, capacitor paper and fibercrafts.

The importation of North America averaged 417 mt from 2001 to 2010 with the United States as the sole market destination. Imports of the United States drastically declined in 2003 to only 29 mt from 1, 168 mt in 2002 and then stopped in 2004 but resumed in 2005 with only 20 mt because its

biggest abaca pulp mill ceased its pulp operation in the country to concentrate in the United Kingdom. The same low trend was recorded in the next three (3) years (2006 – 2008), with corresponding fiber imports of 26 mt, 50 mt and 23 mt. In 2009 and 2010, the US market was seriously hit by recession which led to its non-importation of abaca from the Philippines. From among the four major grades of abaca, JK and G were the top exports averaging 4, 357 mt and 4, 033 mt per year respectively, or corresponding annual shares of 32. 4% and 30. 0%. Shipment of I averaged 1, 547 mt or 11. 5% while S2 posted an average annual shipment of 1, 824 mt or 13. 6% of the average during the last ten years. Foreign demand for these major grades except S2 slowed down with I recording the highest rate of decrease of 18. 6% per year. Overall, exports of minor grade H recorded the maximum reduced rate of 19. 7% during the 10-year period under review.

### Abaca Pulp

Practically all the abaca pulp manufactured in the Philippines were shipped outside the country, especially when its use as raw material for cigarette paper by a local cigarette manufacturing company ceased in the latter part of 2002. An average of 18, 593 mt of abaca pulp were exported every year over the ten-year period beginning 2001 with exports growing fairly at an annual rate of 3. 6%. Some specialty paper manufacturers prefer using abaca pulp instead of raw fiber because of the stringent anti-pollution control laws in their countries require them to put up anti-pollution control mechanisms which they consider costly. Europe was the most important destination for Philippine abaca pulp as five specialty paper manufacturers using abaca pulp are situated in this continent. Exports to Europe averaged

12, 833 mt per year or 69. 0% of the average annual with 7, 014 mt or 37. 7% being absorbed by Germany. Pulp exports to this country had been on the rise at a growth rate of 3. 1% per year during the past ten years.

While Germany had the biggest market share, the United Kingdom was the second biggest and the fastest European market for abaca pulp with an annual growth rate of 6. 4% as a result of the transfer of the pulp operation of a US-based abaca pulp mill to the United Kingdom. France has likewise been an important export market for abaca pulp with imports averaging 1, 756 mt per year or a 9. 4% share to the total annual average exports.

Foreign shipments to Asian countries averaged 4, 621 mt per annum with Japan as the leading destination. Japan’s purchases averaged 4, 034 mt annually or 21. 7% of the average annual during the period under review. Aside from the Japanese yen, abaca is processed into capacitor paper, insulation paper, tea bag, masking tape, stencil paper, filter oil absorbent paper casings and other specialty paper products.

China and Taiwan had consistently purchased abaca pulp from the Philippines during the last ten years. Their shares though, were moderately minimal at 2. 1% for China and 0. 9% for Taiwan. Imports of China were noticeably growing at a significant rate of 24. 9% per year. South Korea also imported the pulp but on irregular basis. The imports of the United States, the third biggest market for Philippine abaca pulp, averaged 686 mt contributing 3. 7% to the annual average during the ten-year period. Abaca is currently utilized in the manufacture of cigarette filter of the Winston and Marlboro Lights cigarettes, among others.

### Abaca Cordage and Allied Products

From 2001 to 2010, foreign trade of abaca cordage and allied products such as ropes, cables and twines averaged 7, 474 mt per year and decreasing, although at a minimal rate, of 0. 8% annually. The stiff competition posed by cordage made of synthetics and other cheaper natural materials continued to cause setback to the country's abaca cordage industry. The United States absorbed the bulk of the exports contributing 65. 5% or 4, 897 mt to the annual average. Singapore, Canada, the United Arab Emirates, the United Kingdom, Germany, Malaysia and Australia consistently remained as the other major markets for Philippine cordage.

### Abaca Fabrics

Foreign shipments of abaca fabrics had been on the uptrend recording an annual average of 334, 875 sq. m. and a high growth rate of 44. 6% during the 10-year period under study. The highest volume of exports was made in 2008 at 698, 335 sq. m with the surge in the demand of Hong Kong, Italy, Japan and the United Kingdom and the resumption of importation of Spain and France during the period. Hong Kong was the biggest market for Philippine abaca fabrics, importing an average of 165, 465 sq. m. per year or 49. 4% of the annual average. It was followed by Italy with average purchases of 106, 438 sq. m. or 31. 8% of the total annual average.

China, which began its fabric importation only in 2002 but on irregular basis, unexpectedly emerged as the third biggest market during the past four (4) years (2007-2010) with an annual average of 28, 927 sq. m. or 8. 6% share during the ten-year period. Other regular buyers were the United Kingdom and Japan, with corresponding imports averaging 6, 143 sq. m. and 3, 978



sq. m. per year. Nigeria's importation had been noticeably regular in the past six years, with a yearly average of 9, 266 sq. m. while purchases of other trading partners were intermittent during the last ten years. Generally, the demand for abaca fabrics and other fiber-based products is largely dictated by fads and fashion although other consumers patronize natural-based materials not only due to its unique appeal but also due to environmental considerations.

### Imports

The Philippines, specifically the abaca pulp sector, imported an average of 307 mt of abaca fiber from Ecuador during the last ten years except in 2005, when the sector was able to absorb the biggest bulk (44, 470 mt or 60. 2%) of the country's total fiber output of 73, 875 mt during the said period.

### Problems Confronting the Abaca Industry

The following are the identified problems/gaps in the abaca industry by sector:

#### Farm Sector

- \* Low farm productivity
- \* Presence of viral diseases (mosaic, bunchy top, bract mosaic) \* Insufficient postharvest facilities like dryers, stripping machines and stripping sheds \*
- Insufficient disease-free planting materials
- \* Stringent requirement of financing windows
- \* Production of low quality fiber
- \* Limitation of land ownership imposed by Comprehensive Agrarian Reform

Program (CARP) also limits expansion of areas by big land owners  
Processing Sector

- \* Insufficient supply of the required grades
- \* Lack of initiative in promoting contract growing

Marketing Sector

- \* Several tiers of marketing channels
- \* Lack of collective marketing system by farmers
- \* Lack of funds for the promotion of products especially in the international market
- \* Difficulty of transporting fibers resulting to high transport cost

Opportunities/Prospects and Developments

With the present trade regime moving towards an open market and veering away from protectionism, FIDA believes that the Philippine abaca industry will continue to meet and overcome new challenges like the current worldwide financial crisis and will compete internationally and maintain the country's strong foothold in the global market for abaca. This basis is anchored on the following: "Go natural, Go Green" is the Order of the Day

- \* The advocacy on "going natural, going green" is becoming more intense with growing awareness and concern to care for and protect the environment.
- \* From a host of industrial products to home furnishings and housewares, fashion and its accessories to packaging of food, apparels and other items, eco-friendly materials like abaca are in greater need and importance.
- \* The Montreal Protocol and Kyoto Protocol were signed which practically imposed on participating countries the use of biodegradable materials to protect ozone layer and tackle the issue of global warming and

greenhouse gas emission. \* Abaca as a renewable resource can be an excellent part of the overall solution to climate change as the plant absorbs more carbon dioxide than its emission and is hundred percent biodegradable that cannot harm the environment. Abaca for Composite

\* The development of new end-use for abaca fiber in composite applications for the automotive industry in Germany contributed to boost the demand for the fiber. The car manufacturer, Chrysler-Daimler, cited the very good ecological balance of abaca combined with its excellent technical properties similar to those of glass fiber, the material previously used in the underbody protection of the car. The use of abaca fiber, instead of glass fiber, brought about primary energy savings of 60%, thus significantly reducing carbon dioxide emission. \* Other car manufacturing companies especially in the European Union are expected to use natural fibers as material for their car parts in compliance with the End-of-Life-Vehicle Regulation of the European Parliament. The said Regulation requires them to dispose of at the end of life of their vehicle. \* As composite material, abaca fiber has potentials in boat/ship building industries, aeronautics as well as in construction business especially for high-rise building. Abaca Cordage

\* With the stricter policies against dumping of synthetic fishnets and cordage materials in open sea as enforced by most European nations, uses are returning to the use of natural biodegradable materials like abaca fiber. \* Although synthetic ropes have some technical advantages over abaca ropes, abaca has qualities that meet the needs for special purposes specifically for oil drilling/exploration, navies, merchant shipping and construction. \* Compared to sisal, its closest competitor among natural fibers, abaca has

superior tensile strength. One of the rope makers noted that the strength of sisal rope is 20% less than abaca rope, hence, abaca ropes is much preferred in business where the strength of the material to be used is of prime consideration. \* The movie-making industry in the United States is reportedly using abaca rope which, unlike synthetics, does not reflect when exposed to klieg lights. Abaca Pulp

\* The expanding demand for specialty papers for tea bag, meat and sausage casings, currency papers, metallized papers, cigarette papers, filters, hi-tech capacitor papers and other non-wovens and disposables also mean high demand for abaca pulp. Most specialty papers require high porosity and excellent tear, bursting and tensile strength which characterize abaca fiber. \* Compared to synthetics, abaca is preferred especially in the production of meat and sausage casings and tea bags because they do not dissolve when in contact with boiling water and pose no danger to health when pieces of fibers are mistakenly eaten. It is for these reasons as well as the very stringent specifications on strength, elongation and formation required to ensure correct performance on automatic filling machines that these casings are made entirely of abaca. Meat/sausage casings and tea bags are the two major markets for abaca pulp. \* In the production of tea bags, viscose pulp is a possible substitute for abaca but the material is more expensive than abaca-based papers.

Moreover, tea bag manufacturing companies, just like other specialty paper manufacturers, are reluctant to switch to other alternative materials because any change would require readjustment of their machinery and formulations which would be too expensive. \* As the environmental protection movement

heightens, many countries are becoming more protective of their ecology, particularly the timber forest, the source of wood pulp which is the traditional material for pulp and paper production. This provides an entry point for substitutes such as abaca. Although abaca pulp is priced higher than wood pulp, its higher substitution ratio (4: 1) and better qualities in the production of specialty papers make it more attractive. Quality considerations play a predominant role in the choice of fiber for the major specialty end-uses, and technical properties provided by abaca outweigh price advantages of abaca substitutes like wood pulp or sisal. \* Japan continues to import abaca pulp from the Philippines for the manufacture of its currency notes (yen). The Japanese bills of Y10, 000, Y500 and Y1, 000 denominations have 60% abaca components. Other applications of abaca pulp in Japan include capacitor and insulation papers, tea bag, masking tape, paper cloth, stencil paper, filter oil absorbent paper, casings and other specialty paper products. China as New Market for Abaca Pulp

\* China has been continuously expanding its imports of abaca pulp from the Philippines for the manufacture of tea bags. With the opening of the Chinese economy following China's membership to the World Trade Organization (WTO) in 2001, the influence of the western world to the community has become apparent. \* The Chinese especially the younger generation are now changing their lifestyle, one of which is the use of tea bags instead of the traditional way of preparing tea prompting business establishments in China to serve tea in tea bags. China has one of the biggest tea-drinking populations in the world. Reports also indicated that it may need 20, 000 mt

of abaca pulp per year to support the requirement of its waste paper recycling plants and for other uses. Abaca in Fibercrafts

\* Innovative and functional fibercrafts from abaca have continued to evolve and introduced in both the local and international markets with the Filipino intrinsic artistry, ingenuity and world-class craftsmanship coupled with the versatility of abaca fiber. \* The Gifts, Toys and Housewares (GTH) sector has made wider use for abaca especially for home furnishings, house decors and accessories and fashion as well. With the current advocacy of lifestyle market promotion wherein several product lines are packaged as one to promote a specific theme, demand for abaca crafts is expected to strengthen further. \* Demand for fibercrafts is dictated by fad and fashion but with the Filipino's intrinsic artistry, ingenuity and world-class craftsmanship coupled with versatility of abaca fiber, the vast potentials of our fibercrafts will remain through their continued regular feature in boutiques and specialty stores and in mass retailing abroad. \* For the local fibercraft and weaving industries, high grades abaca fiber and “ tinagak” or knotted abaca are the most highly valued commodities as demand for such materials has been on the rise not only in the local market but also in China, now considered as the biggest competitor for the supply of semi-processed fiber. Abaca as Wellness Product

\* The cosmetic industry also makes use of abaca enzymes in the production of natural, organic, hand-crafted skin care products like abaca soap and lotion which reportedly have anti-aging and therapeutic properties and are now exported abroad. Abaca for Fashion

\* The use of abaca, in pure or in blends with other natural fibers like piña fiber and pineapple silk, for textile is another opportunity. \* Contemporary and wearable collection can be fashioned from abaca and other fibers, veering away from the traditional “ cultural” ensemble, appealing and acceptable to both the young and old generations. Other New Uses

\* Researches on product development could further open up more opportunities for abaca fiber especially for the following applications: \* As composite material for:

- \* aerospace

- \* packaging

- \* other industrial applications

- \* construction industry: light structural walls, insulation materials, floor and wall coverings and roofing \* As raw material component for apparels like “ örganic” denims FIDA’s Programs/Projects

\* On the production side, FIDA has been continuously implementing programs/projects geared towards increased production of quality abaca fiber such as: \* Goal I or Abaca Expansion Program is aimed at establishing new agribusiness lands and generating employment which started in 2005. By the end of 2010, a total of 48, 931 hectares new abaca plantations have been established bringing the overall hectarage to 167, 144, 9 hectares \*

Abaca Rehabilitation involves the rehabilitation of diseased and typhoon-damaged abaca plantations aimed at increasing abaca farm productivity. 1. Disease Eradication is aimed at eradicating abaca mosaic, bract mosaic and bunchy top, the three viral diseases which affect the abaca plantations in

Bicol and Eastern Visayas. It is also aimed to prevent and control the spread of the diseases in the healthy adjacent plantations. 2. Abaca Planting Materials Production is being implemented to support the planting material requirements of farmers for the expansion and rehabilitation of abaca plantations.

This is carried out through the following activities: \* In vitro (tissue culture) production and distribution of high-yielding, disease-free abaca cultivars at the FIDA tissue culture laboratories in Legaspi City, Sorsogon City, Abuyog (Leyte), Virac (Catanduanes) and Bago Oshiro (Davao City) \* Disease diagnosis at the FIDA Diagnostic laboratories in Legaspi City, Abuyog (Leyte) and Bago Oshiro (Davao City) to ensure that the sources of materials for tissue culture and for distribution to farmers are disease-free \*

Establishment/maintenance of abaca nurseries for planting material production and distribution \* Development/maintenance of seedbanks in Camarines Sur, Sorsogon, Leyte, Zamboanga del Sur and Davao City 3.

Mechanization of Abaca Fiber Extraction

4. R and D on crop protection, crop production and crop improvement and fiber processing \* On the marketing side, FIDA is committed at sustaining and enhancing the demand for abaca and fiber-based products in both the domestic and international communities. The major thrusts that are continuously being undertaken by the Authority are the following: \* Trade Promotion is aimed to expand the market base for the Philippine abaca industry through participation in local and international trade fairs/exhibits, multi-media promotions, fashion shows, etc. \* Market Information Exchange and Dissemination is aimed to keep FIDA and other concerned government



and private entities/individuals abreast of industry developments, issues and concerns, including trade possibilities in the global market. These are carried out through the distribution of prepared information materials; use of multi-media to reach out greater number of clients, business contacts and prospective investors; dialogues/meetings between and among industry participants and representatives of concerned agencies; and access to Internet and electronic inter-agency networking toward global search for market opportunities.

\* Market/Institutional Linkages are done through the conduct of the following: 1) facilitating/establishing direct market linkages among fiber producers, processors and end-users to ensure stable and more regular markets and better prices for producers and more stable supplies for manufacturers/processors and end-users, and 2) initiating and strengthening direct linkages with other concerned/relevant institutions to expand trade for Philippine abaca fiber and manufactures. In support of the above, FIDA undertakes the following activities: \* Networking with Philippine embassies based in foreign countries, particularly with agricultural and commercial attaches to identify prospective buyers and/or interested investors on abaca and manufactures \* Coordination with foreign embassies and other relevant international organizations for pertinent information on market opportunities as well as inquiries \* Coordination with trade promotion agencies like DTI-CITEM,, business organizations and other similar entities for the wider promotion of the abaca industry

\* Market referrals or responses to inquiries of industry clientele for market assistance especially on suppliers/prospective buyers of abaca fiber and

manufactures for possible market tie-ups \* Arrangement of meetings between and among prospective buyers and suppliers and manufacturers for possible trade negotiations/tie-ups \* Continuing activities in developing/strengthening entrepreneurial capabilities of abaca farmers