

# CEPI Brief N° 23

## *Strategic positioning study of the “Pasta and Couscous” branch*

### **FOREWORD**

The Pasta branch uses semolina, as a main material, a primary processing product of the milling trade (Semolina making - Flour milling).

The pasta manufacture lines comprise dedicated lines for long pasta, for short pasta and for special pasta.

The pasta manufacture process consists in kneading, extrusion and drying operations.

The products made are as follows:

- ordinary passed, based exclusively on semolina;
- special pasta, such as enhanced pasta and egg-enriched pasta.

These types of pasta have several forms and shapes.

Industrial couscous, known as “quick couscous” in view of it being considered as pre-cooked, is obtained by mechanical rolling, pre-cooking and drying. It is made in lines separate from pasta lines.

### **NATIONAL SITUATION**

The national production of pasta and couscous amounted, in 2003, to 210 000 tons, of which 50 000 of couscous, and this for a total value of 124 MTND, which accounts for 10% of the production value of grains and derivatives sub-sector and 2% of the agribusiness sector.

The number of pasta and couscous factories counts 16 units currently. Among the existing plants, four emerge as having a level of quality and reliability comparable to that of high-performance enterprises internationally.

Five plants integrated in flour milling factories provide 80% of the production of pasta and 50% of that of couscous.

Several enterprises have been able to export to sub-Saharan African countries in particular, which has raised the exports figures of 2003 to 43 800 tons of pasta and 7 600 tons of couscous, for a total value of 34 MTND.

As regards investments, they reported for the period 1999 – 2003 some 35 MTND, that is 20% of the total investments in the grain industries activity branches.

The jobs generated by the branch are 700 persons for pasta production, and 300 persons for couscous production.

Seven upgrading programs dedicated to pasta producing enterprises were approved as of December 2003, for an amount of over 34 MTND.

### **INTERNATIONAL SITUATION**

Currently, semolina-based pasta products are consumed the world over. Their nutritional and energy virtues are universally acknowledged.

The International Pasta Producers' Union estimate the total world consumption as 9.5 million tons per year.

In Europe, Italy remains the largest consumer per capita in the world, with 28 kg per person per year, followed by Greece at 8.7 kg and France at 7.4 kg.

In the Maghreb countries, Tunisia emerges as having a high rate of pasta consumption, reporting 16 kg per person per year, thus holding second position on world level, after

Italy. In the other countries, consumption remains fairly low.

Italy is a “world” reference in pasta. It produces over 3 million tons of pasta per year, of which over a half is exported overseas.

There are in France 15 pasta factories employing 1 600 workers and producing 275 000 tons, of which 11% are exported.

Total consumption in France amounts to 444 000 tons, of which 46% are imported.

In Spain, there are 8 factories producing 210 000 tons. Consumption is of 4.8 kg per person per year.

Annual exports are about 35 000 tons and imports are 27 000 tons.

Originating in the region of the Maghreb, Couscous has become industrialized and is developing internationally. The production capacity installed in certain countries is as follows:

- Tunisia: 85 000 tons,
- Algeria: 50 000 tons, of which 20 000 are underway,
- Morocco: 80 000 tons,
- Mauritania: 9 500 tons,
- France: 112 500 tons,
- Italy: 14 000 tons,
- USA: 11 600 tons,
- Canada: 6 300 tons.

### **INTERNATIONAL COMPARISON**

The analysis of the benchmarking table, developed with reference to 3 European countries, namely Italy (world leader in semolina-based pasta), France (initiator and world leader in industrial couscous) and Spain (with pasta production and consumption volumes comparable to those of Tunisia) reveals that Tunisian industrialists have:

- cost prices equivalent to those of Italian industrialists,
- larger exports in terms of volume than France and Spain,
- a low productivity/job ratio,
- level of technological installations comparable to that of leading Italian producers,
- lower transport costs.

The Tunisian pasta industry is, therefore, competitive and can withstand international competition.

### **RECOMMENDATIONS FOR UPGRADING THIS BRANCH**

#### **• On the material level**

- Equipment for the manufacture of pasta: satisfactory;
- Equipment for the manufacture of couscous: a major part of the equipment currently used is dated. Action must be taken to modernize the production lines; in this regard, the introduction of new technologies does not present any problems;
- Packaging equipment: Two types of packaging (pasta and couscous) have been grouped since they are often quite close with regard to the technology used. There should be envisioned, however, the adopting of more reliable joint dosing and weighing systems;
- Storage and handling equipment: This is the area where enterprises have least invested. Export markets cannot be expanded unless both a quantitative and a qualitative stock management is guaranteed.

#### **• On the immaterial level**

Certain actions must be taken with regard to:

- export oriented marketing;
- research & development in relation to couscous and derivative products;
- methods, logistics and management control functions.

The cost of this action plan is estimated as a total amount of **682** thousand TND.

### **SETTING UP ENTERPRISES AND BUILDING PARTNERSHIPS**

The study has allowed the identification of two project files to be promoted.