

Investors 'go bananas' over

We welcome any development that might add value to the raw product. If paper can do that, we would support it.



— Australian Banana Growers' Council chief executive officer Tony Heidrich

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BY ANNA VLACH

NORTH Queensland banana producers could be looking forward to a boom, thanks to the vision of Adelaide businessman Ramy Azer.

Egyptian-born Mr Azer is planning to offer growers a partnership with his company Australia Papyrus, which hopes to make money from banana tree fibre or, to be precise, paper manufactured from it.

Following a visit to the Innisfail region of Qld last month, Mr Azer said growers were ready to embrace the opportunity.

He said their outlay for cardboard boxes – \$3 for a 250g box in which to package bananas for sale – far exceeded the 20 cents a kilogram produce return.

"They are buying fibre (cardboard boxes) for \$12/kg, but for every tree, they are throwing away 20kg of fibre ... the most valuable part," Mr Azer said.

He said while Australia Papyrus would be responsible for engineering and marketing – "Adelaide's good at making machines and selling factories" – the cooperative would ensure growers managed the paper-making factory.

Key points

- Process uses banana fibre
- Discussions with North Qld growers
- Producers can value-add

"It is their land and fibre – they will do the work," Mr Azer said.

"Let the people who have the bananas make paper."

And the shift in focus would also bring about a radical change at a grassroots level.

"Banana producers will change their whole farming practices to suit the factory that is printing money for them," Mr Azer said.

Whereas growers had been trying to increase fruit yields by growing smaller trunk varieties, they were now prepared to move in the opposite direction.

"There is more money out of the tree than the fruit," Mr Azer said.

In particular, he said it was a way forward for growers in North Qld growers following the economically-devastating loss of its tobacco and sugar cane industries and competition from banana producers in the Philippines.

"It is providing hope for them and a real futuristic industry that is Australian designed to fit the area," Mr Azer said.

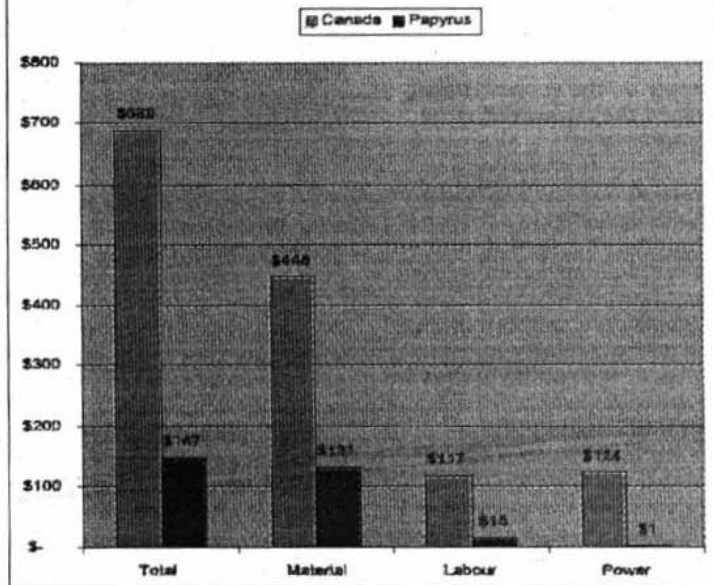
The community-conscious decision to team up with these

growers also ties in with another of Australia Papyrus' core values: environmentally-friendly practices.

By choosing to take

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Estimated production costs per metric tonne



Australia Papyrus managing director Ramy Azer says timber paper manufacturers have made remarkable progress during the past 20 years, starting with the Scandinavians and Canadians. But while there has been significant reduction in water and energy use and increased recycling, Mr Azer says his banana paper has the edge. "There are limits to what you can do with old technology," he said.

enviro-friendly paper making

Environmentally aware shares

MORE than 600 investors have bought into Australia Papyrus, but they are not typical shareholders: according to managing director Ramy Azer. "Half the people who did buy have never bought shares in their life," Mr Azer said. "We have been bombarded by people wanting to buy - mums and dads and regional Australia." Mr Azer said he believed people living in regional South Australia, New South Wales and Victoria (the share offer receiving no media coverage in the latter two States) had been the biggest investors because they were the most environmentally conscious. "We hope investors will be in it for the long run," he said.

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technology to established growers, rather than plant trees in its home State, Australia Papyrus has illustrated this on several fronts.

"We would rather use waste from an existing industry," Mr Azer said.

The machinery uses a "very trivial amount of energy" - less than 1kg a tonne - and by locating factories close to the source, pollutants (and costs) from transport are also significantly reduced.

The paper production saves money by not using chemicals or water. Banana plants do not require irrigation in the majority of plantations.

Meanwhile, taking the technology to North Qld growers

would provide Australian Papyrus with a blueprint for other growers globally.

"When we prove the point here (in Australia that represents only 1pc of the world's harvest) we will be selling factories to the other 99pc of banana growing areas," Mr Azer said.

Mr Azer says his company's goal is to replace Mitsubishi as South Australia's leading engineering export by shipping ready-to-go factories to countries such as Uganda, Brazil and Indonesia - for starters.

"It's 20,000 factories, theoretically, with the machines all made in South Australia - we have the capacity here," he said.

Long term, Papyrus Australia would position itself to upgrade technology in the importing countries by "always supplying better machines".



NEW POSSIBILITIES: Ramy Azer says Australia Papyrus is about "knowledge rather than commodity". "We plan to build on intellectual property and patents," he said. But he also stresses the company has an ethical constitution: respect for the environment and people, including banana growers whom he hopes will pilot the paper-making factories and reap the rewards. "Technology alone is useless - we need to work together to make a good living," he said. Meanwhile, he says the manufacturing possibilities are endless and include staple and glue-free microwaved waterproof packing cartons. "Banana growers can make their money from every kind of paper sold," Mr Azer said.