
Africa Sugar *Digest*

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Brought to you from Manzini, Swaziland

Swaziland: Illovo USD 134 million Ubombo expansion program

Illovo Sugar said it raised 940 million emalangeni (USD 134 million) to pay for an expansion of the sugar factory and power plant in Ubombo Ranches, its Swazi subsidiary. The program is financed through an eight-year loan arranged by Investec Ltd., Nedbank Group Ltd. (NED) and Standard Bank Group Ltd, Mt. Edgecombe. Illovo owns 60 percent of Ubombo Ranches; a Swazi trust holds the remaining 40 percent.

Kenya: Kibos Sugar to produce paper from bagasse

Kibos Sugar and Allied Industries Limited said it will invest 1.1 billion Kenyan shillings (USD 12.6 million) in a paper factory using bagasse. The factory will be located in Kisumu, opposite to its sugar mill, and is reckoned to be the first "treeless" paper factory in Eastern Africa. The Kibos sugar factory was commissioned in December 2007 with a crushing capacity of 480,000 tonnes of cane per year.

In related news, the National Environmental Management Authority (NEMA) declined approval to the new Miwani Sugar Mill on the outskirts of Kisumu, because a dispute over land ownership. It said that environmental impact assessment licenses are issued for specific plots which have to be clearly identified; and in this case a copy of title deed has to be produced by the investor, Pandhal Harjeet Singh and Sons, as proof of ownership.

Newspaper reports also said that cane farmers in the area have objected the move arguing that setting the mill contravenes the Kenya Sugar Board proximity rules, by which a factory cannot be set up within a radius of 40km of another. There are three factories in the Nyanza sugar belt: Chemelil, Muhoroni and Miwani.

Mozambique: Sugar production to resume at Buzi

The Buzi Company, based in the central province of Sofala, is planning to restart sugar production in a USD 120 million project covering a factory with an annual capacity of 150,000 tonnes of sugar and a plantation of some 15,000 hectares. When operational, the mill may employ some 3,500 people. The company is evaluating the economic and technical viability of reconstructing the mill, in a study led by the Portuguese bank BPI. The company expects finance to be in place by early next year, and construction to start in the second half of 2012. Production is scheduled to begin in 2014.

The Buzi Company resumed production of ethyl alcohol in 2006, using molasses from Mafambisse. The rehabilitation of Buzi will bring to five the number of operating mills in the country, with the Luabo mill in Zambezia province remaining closed.

Mozambique's mills are located in Maragra and Xinavane in Maputo province in the south, and Mafambisse and Marromeu in Sofala province in the centre of the country.

South Africa: Tongaat sees lower profits in 2010

Tongaat Hulett said it expects lower profits to the year ending in March 2011, partly because of drought in South Africa's cane areas and poor growing conditions in Mozambique during 2010, which led to the company's lowest production in 10 years. Headline earnings per share are seen about 2.5 percent lower than the previous year. Tongaat has sugar operations in Mozambique, South Africa, Swaziland and Zimbabwe.

Gabon: Sucaf to double exports

The Societe Sucriere d'Afrique (Sucaf) of Gabon plans to increase production by 6 percent to 30,000 tonnes this year, and double its exports to 7,000 tonnes, said a company spokesperson. Main markets are the Central African neighbouring countries like Cameroon, Equatorial Guinea and Sao Tome and Principe. Sucaf is reported to run a 10,000 h cane plantation in the south-eastern town of Ouele, some 700 km from Libreville, capital city.

IUF Global Sugar Program: Work with FAWU-South Africa

Fourteen FAWU sugar shop-stewards met on May 25 & 26 in Durban for a workshop that reviewed the 2011 wage negotiations and drafted a union strategy to increase membership in the sector. The workshop also dealt with FAWU initiatives to improve services to members, such a medical care scheme; and reviewed the current collective bargaining agreement reached under the Sugar Bargaining Council.



IUF Global Sugar /FAWU Workshop, 25-26 May 2011, Durban

A representative of the Sugar Association of South Africa (SASA) gave an

overview on national developments and sector trends at regional and global levels. A delegate from Mozambique's SINTIA also attended and reported on the sugar wage negotiations.

The workshop was held before negotiations in the South African Sugar Bargaining Council which are to resume by June 6. The IUF Global Sugar Program and FAWU agreed to a workshop on women workers, with a tentative date of mid July, and a meeting on labour conditions in October.

The workshop is part of the IUF Global Sugar project in East and Southern Africa, supported by the Social Justice Fund of the Canadian Auto Workers (SJF-CAW).

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