



EXECUTIVE DIRECTOR

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(English only)

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Various sugar related articles

The Executive Director would like to draw your attention to the articles below all of which are relevant to the sugar sector.

Sugaronline Ebriefing

INDONESIA: Government has no plan to introduce a sugar tax

The director-general for customs and excise of Indonesia's Ministry of Finance, Askolani, said this week that the government had no plans for an excise tax on sweetened beverages in the foreseeable future, according to the Jakarta Globe.

The official has said an excise on sweetened drinks would have to consider the post-Covid economy and factors including economic recovery inflation, industry, and health issues.

Some consumer and health groups in Indonesia have been pushing to implement a sugar tax on beverages.

MEXICO: Grupo Azucarero Mexico buys Ingenio de Puga

Grupo Azucarero México (GAM) has acquired Ingenio de Puga, located in Tepic, Nayarit, said the general secretary for the state government, Juan Echeagaray Becerra, according to La Jornada.

He said GAM is finalizing the procedures to conclude the acquisition, including evaluating the mill's debt with creditors in the short and long term.

Ingenio de Puga stopped operations in August 2022, when cane growers took the factory demanding payment of sugarcane dues totaling MXN400 million (US\$21.50 million).

Becerra said the mill must go through maintenance works before it resumes operations.

BELIZE: Santander Sugar achieves fully mechanized harvesting

Santander Sugar has achieved fully mechanized harvesting and has been recording increasing yields, according to Breaking Belize News.

In January 2023, the company started its 8th annual harvest, which has reached 10% conclusion. The company is rushing to harvest all the sugarcane before the rainy season starts in June.

Santander Sugar, a family-owned company, produces sugar, molasses and energy, which it sells to the national grid.

GERMANY: Südzucker raises forecast for 2022/23 operating result, EBITDA

Südzucker on Feb. 14 raised its forecasts for the group operating result and EBITDA for the current 2022/23 financial year (March 2022-Feb. 2023), as the fourth quarter has so far developed better than expected, reports Sugaronline.

“The improvement in group EBITDA and group operating result compared to the forecast of Nov. 2, 2022, will be driven mainly by the sugar segment,” the company said in a statement.

Südzucker now expects its operating result between EUR640 million and 680 million (US\$685.7 million-728.9 million), compared to the previous forecast of EUR530 million to 630 million (US\$567.8 million-675 million) and to last year’s EUR332 million (US\$355.7 million).

EBITDA (earnings before interest, taxes, depreciation and amortization) is now seen between EUR1 billion and 1.04 billion (US\$1.07 billion-1.11 billion), compared to the previous forecast of EUR890 million to 990 million (US\$953.55 million–1.06 billion). In 2021/22, the company posted an EBITDA of EUR692 million (US\$741.42 million).

The estimate for group revenues was decreased to around EUR9.5 billion (US\$10.2 billion, compared to the previous forecast of EUR9.7 billion to 10.1 billion (US\$10.4 billion-10.8 billion). In 2021/22, the company posted group revenues of EUR7.6 billion (US\$8.1 billion).

INDONESIA: Government plans to open bioethanol fuel station

The Indonesian government is preparing to open a bioethanol filling station in Surabaya city, East Java province, in the next three to four months, according to Antara News.

The minister of State-Owned Enterprises, Erick Thohir, said on Feb. 13 that the country had started ethanol trial production at state-run agricultural company PT Perkebunan Nusantara.

President Joko Widodo inaugurated, on Nov. 4, 2022, the Bioethanol from Cane for Energy security program at the bioethanol factory of PT Nusantara Agro Energy (Enero) in Mojokerto city.

SOUTH AFRICA: Sugar industry says hike in sugar tax will lead to job losses

The South African Sugar Association (Sasa) has urged the government not to increase the sugar tax, adding this could lead to thousands of job losses in the country, according to City Press.

The association said a rise in the sugar tax rate above inflation or cuts in the current threshold would result in 6,000 job losses (half permanent and half seasonal), and 3,000 small-scale growers would be at risk of losing their livelihoods from sugarcane.

Sasa executive director, Trix Trikam, said on Feb. 13 that industry players are on high alert regarding a potential announcement of a sugar tax hike during the budget speech of Finance Minister Enoch Godongwana to be delivered in just over a week.

FoodNavigator.Com

PepsiCo leans on new flavors, double-digit marketing to enhance consumers' value perception, justify price increases



Through a combination of new flavor and product launches, boosting advertising and marketing, and integrating purpose throughout the organization, PepsiCo expects to build on a strong fourth quarter and deliver upwards of 6% organic revenue growth in 2023 despite ongoing inflationary pressures.

<https://www.foodnavigator.com/article/2023/02/10/pepsico-leans-on-new-flavors-double-digit-marketing-to-justify-price-increases>

Is Europe's Farm to Fork strategy in trouble? 'Political resistance is threatening to derail the process'



A coalition of 286 civil society organisations have come together to urge the European Commission to follow through on its plans to legislate for a more sustainable food system. The move, they say, is necessary in the face of 'political resistance' that is 'threatening to derail the process' for an EU Sustainable Food System Law.

<https://www.foodnavigator.com/article/2023/02/13/is-europe-s-farm-to-fork-strategy-in-trouble-political-resistance-is-threatening-to-derail-the-process>
