



EXECUTIVE DIRECTOR

**Press Release(23)52
(English only)**

6 September 2023

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

NIGERIA: Dangote Sugar agrees to terms of merger

Dangote Sugar Refinery, NASCON Allied Industries and Dangote Rice have agreed to the terms and conditions for their merger, according to Premium Times.

The three companies, all part of the Dangote Industries Limited conglomerate, announced the merger in July.

Once a proposed share swap scheme is concluded, the total fully paid-up shares of the combined entity will come to 17.35 billion.

Dangote Sugar said the companies would apply to the SEC for the approval of the scheme and, subject to the approval of the SEC, apply to the Federal High Court for an order to convene a shareholders meeting to consider the scheme.

SOUTH AFRICA: SA Canegrowers says industry wasn't heard about rise in sugar tax

South Africa's sugarcane growers association SA Canegrowers said on Aug. 31 that an increase in the sugar tax without consulting the industry would be a "bad faith move" by the National Treasury with far-reaching negative implications for the industry, reports Sugaronline.

The South African government has recently published the Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill, which includes an increase in the Health Promotion Levy that is due to take effect on April 1, 2025, according to SA Canegrowers.

The increase in the Health Promotion Levy was first announced in February 2022. Its implementation was subsequently postponed to April 1, 2023 to allow for further engagement with all relevant stakeholders. However, no consultation has since taken place.

In his Budget Speech in February 2023, Minister of Finance, Enoch Godongwana, announced that the increase would be further delayed for two years, recognising the difficult environment within which growers operate.

The Parliamentary Portfolio Committee on Trade Industry and Competition also scheduled a colloquium on the sugar tax, with ministers Ebrahim Patel and Thoko Didiza expected to attend. SA Canegrowers said this colloquium was subsequently postponed following the announcement of the two-year pause on the increase and has yet to be rescheduled.

"The value of any future engagement in this regard with Parliament or government is called into question by the recently published Bill, as the publication suggests a predetermined outcome – an increase of the sugar tax," the association said in a statement.

"The publication of the increase in the absence of any consultation with the industry is especially troubling since the National Treasury has also failed to respond to a Promotion of Access to Information Act request by SA Canegrowers on the information relied upon by government when it comes to introducing the sugar tax as well as subsequent decisions to increase the tax."

SA Canegrowers said it will make a submission on the Bill calling on minister Enoch Godongwana to remove the increase from the legislation "until a fair, open-minded engagement process has been concluded with the industry and its stakeholders."

"We will also be calling on the Minister to comply with SA Canegrowers' PAIA request so that industry engagements can be carried out with full information, and will be writing to the portfolio committee on Trade, Industry and Competition to request that the sugar tax colloquium be rescheduled as a matter of urgency."

GERMANY: Confectionery sector calls on the EU to ease tariffs on sugar imports

Germany's confectionery trade body BDSI has urged the European Union to ease tariffs on sugar imports, according to Confectionery Production.

Sugar prices in Germany have increased 80% year-on-year, according to the association, citing data from June.

BDSI said that the EU Commission's expectation of a 6% increase in sugar production to 15.5 million tonnes was far from enough to cover the European demand estimated at 17.5 million tonnes.

INDONESIA: Pertamina plans to mix more gasoline products with ethanol

Pertamina plans to mix more of its gasoline products with ethanol in 2024 and import the biofuel due to limited domestic production, according to Reuters.

The company's chief executive, Nicke Widyawati, told a parliamentary hearing that Pertamina will mix its 90-octane gasoline brand Peralite with 7% ethanol. The company also plans to increase the ethanol blend in its Pertamina Green 95 product from 5% to 8%.

Pertamax Green 95 is currently offered at 17 fuel stations in Jakarta and Surabaya.

UKRAINE: Sugar production expected at 1.7 million T in 2023

The acting head of the Board of the Ukrtsukor National Association, Nazar Mykhailovyn, has said Ukraine's sugar production should reach 1.7 million metric tonnes of sugar in 2023 after production areas were expanded to a record 249,900 hectares, according to Interfax.

Sugar exports could reach 600,000 tonnes.

Mykhailovyn said favorable weather conditions during the growing season should result in yields of 500-550 centners per hectare, with the sugar content between 14.5-17%.

Sugar production for the season has started in the Vinnytsia and Cherkasy regions.

INDONESIA: Cane industry in East Java to use Brazilian technology to produce ethanol

Bioethanol sugarcane factories in the Mojokerto area, East Java, Indonesia, will use Brazilian technology to boost production, said the minister of Energy and Mineral Resources, Arifin Tasrif, according to Viva.

Tasrif said on Sept. 2 that if the ethanol production trial is successful in the area, ethanol output would also be developed in Papua using the same technology.

He denied that sugarcane for bioethanol would clash with supplies for the sugar industry, adding that if the crop area is expanded and productivity increased, the sector could supply the energy and food segments.

ED & F Man Daily

Brazil's sugar production, exports projected to hit record highs – Reuters -Brazil's sugar production in 2023/24 (April-March) is expected to be its largest ever in a season, with export volumes of the sweetener hitting a record high, consultancy Job Economia said in a report published on Thursday. Brazil's total sugar output, from all producing regions, was estimated at 42.7 million metric tons, 2.3 million tons more than Job Economia's initial estimate and compared to 37 million tons in 2022/23, as the weather has been near perfect this season for crop growth and processing. It sees exports reaching a record high of 32.2 million tons in the season, 2.4 million tons more than its previous estimate and compared to 27.1 million tons in 2022/23. The rise in Brazil's projected production and exports of the sweetener coincides with weather problems in sugar-producing rivals India and Thailand, which are expected to have only limited amounts to export.

German association sees rising sugar output this season - Reuters - Germany's refined sugar production from beets in the new 2023/24 season now starting is forecast to rise to an estimated 4.23 million metric tons, up from 3.86 million tons last season, Germany's sugar industry association WVZ said in its first harvest forecast on Friday.
