

## Mozambique: Tongaat Hulett to invest in ethanol production – AIM



*FILE PHOTO - For illustration purposes only. [File photo: Noticias]*

The South African company Tongaat Hulett, the majority shareholder in the Xinavane and Mafambisse sugar mills in the Mozambican provinces of Maputo and Sofala respectively, has announced that it will build an industrial production plant capable of making twenty million litres of ethanol.

Ethanol can be added to fuel to cut the cost of imports and slightly reduce net carbon emissions. Commonly used blends for petrol contain ten per cent ethanol (E10) and diesel three per cent ethanol (B3).

The factory will be built in Xinavane and will use as its raw material molasses which is a by-product of sugar refining. However, according to the Maputo daily “Noticias”, the current level of molasses production is not high enough to meet demand with a deficit of about 17,000 tonnes.

Speaking recently at an investment conference in Magude, in Maputo province, Tongaat Hulett’s corporate director, Jorge Manjate, explained that the project also offers opportunities to produce carbon dioxide (for use in soft drinks) and fertilisers.

He pointed out that “the project is in alignment with the government’s five-year plan in relation to job creation, industrialisation, and food security and will enable Mozambique to be in line with the

other sugar-producing countries in the Southern African Development Community, with its own refinery and ethanol factory and will help to reduce the outflow of foreign currency to pay for importing this product”.

According to Manjate, the construction of this factory will take two years and in the short term it will boost the creation of jobs and support the development of associated businesses in transport, supplies, and maintenance.

In addition, he noted that the lack of enough molasses offers opportunities for Mozambican sugar cane farms to expand production over an extra three thousand hectares which would create about 1,500 new jobs.

Tongaat Hulett’s operations in Xinavane cover a total area of 18,105 hectares of sugarcane, and its sugar refining unit can process 1.9 million tonnes of sugarcane to produce 250,000 tonnes of sugar per year. At Mafambisse, the company grows 6,508 hectares of sugarcane and can process 760,000 tonnes of cane to produce 90,000 tons of sugar a year.

Tongaat Hulett holds 85 per cent of the shares in the Mafambisse company and 88 per cent in Xinavane. The rest of the shares are held by the Mozambican state through IGEPE (Institute for the Management of State Holdings).

**Source:** AIM