

Government of Sofala province, Mozambique demands that Companhia do Búzi build new sugar factory

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Maputo, Mozambique, 21 April – The government of the Mozambican province of Sofala has demanded that sugar company Companhia do Búzi meet the previously agreed schedule for construction of a new sugar factory, which is due to start operating in July of next year, according to Mozambican daily newspaper, Notícias.

The warning from the provincial government is a reaction to an apparent abandonment by Companhia do Búzi of its ethanol factory, at a time when the company's Board of Directors has said there are guarantees from Portuguese bank BPI to provide it with a US\$120 million loan for the new industrial facility.

According to the Companhia do Búzi representative work is underway to establish the sugar cane plantation on an area of 300 hectares, and that the aim is to extend that area to 400 hectares this year.

The sugar cane from the current plantation area is supplied to Companhia Açucareira de Moçambique, in Mafambisse, in the Dondo district of Sofala.

In return, Companhia Açucareira de Moçambique – Mafambisse provides molasses to Búzi, which is used to produce alcohol, which is then provided to the Health ministry for hospital use.

Companhia do Búzi is expected to produce 10,000 litres of alcohol per day but, due to the obsolete state of the factory, it is only able to produce 5,000 litres per day.

The Buzi sugar factory is one of the six sugar factories that were set up in the country during the colonial period and, once it is re-launched, there will be five sugar factories operating in Mozambique. New investors are still lacking for the Luabo sugar factory in Zambézia province.

Mozambique is currently served by four sugar factories – Maragra and Xinavane, in the south, Mafambisse and Marromeu, in the central region – contributing to average annual production of between 250,000 and 300,000 tons of sugar. (macauhub)