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HAGL and the "Sweet" of Sugar Posted: Thursday, April 10, 2014

In early 2014, the Government of Vietnam permitted Bien Hoa Sugar Joint Stock Company to import 30,000 tonnes of raw sugar from Hoang Anh Attapeu Sugar Co. Ltd based in Laos for refining and exporting to China through Ban Vuoc Border Gate, Bat Xat district, Lao Cai province. The remainder was sold to traders in Laos or . exported to Europe.

Hoang Anh Gia Lai Group (HAGL) holds huge advantage in sugar thanks to its well-designed restructuring scheme initiated several years ago.

Pluck sweet fruits

HAGL planted nearly 10,000 ha of sugarcane in Attapeu (Laos) as of the end of 2013. The group harvested 6,028 ha in the 2013 crop time and expanded the growing area to nearly 10,000 ha for the 2014 crop. This was the first year HAGL harvested sugarcane in Attapeu, totalling 590,193 tonnes. The group produced 65,577 tonnes of sugar and sold 60,472 tonnes for VND838 billion.

The first sugarcane harvest was beyond expectations. The average productivity was 120 tonnes per ha while it was just 64 tonnes in Vietnam and 80-90 tonnes in the world. Giving explanations to the highly competitive price of HAGL sugar, Chairman Doan Nguyen Duc said, this amazing productivity was resulted from well-planned investment and synchronous mechanisation in production stages from tillage, weeding, fertilising, watering and harvesting to refining and packaging. HAGL planted Thailand sugarcane varieties, used Israeli dripped watering system which was installed in every sugarcane bed to keep the best moisture for soil, even in the dry season, and used sugarcane cutters imported from Thailand with a working capacity equalling the output made by 600 workers. Besides, the short distance between sugar mills and sugarcane farms is also an advantage - lower transport costs. These key factors play an important role in the success of HAGL sugarcane farming in Attapeu (Laos).

Benefits from sugarcane

The Hoang Anh Attapeu sugarcane industry complex was kicked off in November 2011 with a total investment of nearly US\$90 million and was inaugurated and put into operation in early 2013. Major items of the project include a

The project, with a selfcontained process, brings numerous benefits to HAGL and contributes greatly to socioeconomic development in Attapeu province.

more than 10,000-ha sugarcane field, a sugar plant with a daily processing capacity of 7,000 tonnes of canes, a 30-MW thermal power plant running on bagasse, an ethanol plant with an annual capacity of 30,000 tonnes, and a fertiliser plant with a yearly output of 50,000 tonne.

The project, with a self-contained process, brings numerous benefits to HAGL and contributes greatly to socioeconomic development in Attapeu province. It generates jobs for thousands of workers and pays big taxes to Attapeu, making it a province of processing industry and sustainable development in the near future. Notably, Lao farmers know how to grow sugarcanes with technical supports from HAGL.

Sugarcane growers are provided techniques, seedlings, tools and equipment and their products are purchased by HAGL. With HAGL, they can make up to US\$5,000-6,000 per ha a year, compared with just US\$300-400 earlier. This is like an agricultural revolution which turns a poor countryside into a richer one in a short term. Together with its rubber plantations and rubber factories, HAGL can fetch US\$300-400 million from exports a year and generates thousands of jobs for people in Attapeu.





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