



REMARKS MADE BY DR A. T.
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MANAGING DIRECTOR OF TIBIYO
TAKA NGWANE



AT THE OCCASION MARKING THE
GOLDEN JUBILEE OF THE
SWAZILAND SUGAR ASSOCIATION

27TH SEPTEMBER 2017

ROYAL SWAZI SPA CONVENTION CENTRE

**HIS EXCELLENCY THE RIGHT HONOURABLE PRIME
MINISTER;**
**THE HONOURABLE MINISTER OF COMMERCE AND
INDUSTRY;**
CABINET MINISTERS PRESENT;
**EXCELLENCIES, MEMBERS OF THE DIPLOMATIC
FAMILY;**
PRINCIPAL SECRETARIES;
COUNCIL, CHAIRPERSON AND MEMBERS OF COUNCIL,
CEO AND CAPTAINS OF INDUSTRY;
VETERAN SUGAR INDUSTRY GROWERS;
**SWAZILAND SUGAR ASSOCIATION STAFF (PAST AND
PRESENT);**
DISTINGUISHED GUESTS;
MEMBERS OF THE MEDIA;
LADIES AND GENTLEMEN.

1.0 INTRODUCTION

- I WISH TO EXPRESS MY DEEPEST AND HUMBLE EXCITEMENT AND APPRECIATION FOR THE INVITATION TO BE PART OF THIS GATHERING TONIGHT, AN EVENT MARKING THE 50TH ANNIVERSARY OF THE SWAZILAND SUGAR ASSOCIATION.
- MAY I FURTHER CONGRATULATE THE ASSOCIATION FOR ACHIEVING THIS VERY IMPORTANT MILESTONE IN FULFILLING ITS MANDATE SINCE ITS FORMATION THROUGH THE SUGAR ACT OF 1967.
- TO THE TEAM FROM SWAZILAND SUGAR ASSOCIATION, LED BY ITS COUNCIL, THE CEO AND

MANAGEMENT, CONGRATULATIONS FOR PUTTING TOGETHER TONIGHT'S PROGRAMME.

2.0 HISTORICAL CONTEXT

- THE STORY AND ROLE PLAYED BY THE SUGAR INDUSTRY IN SWAZILAND CAN BE TOLD BY AN ENCYCLOPEDIA COMPILED BY A NUMBER OF PEOPLE.
- BUT I WILL GIVE JUST A FEW SIGNIFICANT HIGHLIGHTS FROM ONE PERSON WHO HAPPENS TO HAVE BEEN ASSOCIATED WITH THE SUGAR INDUSTRY FOR MANY YEARS – AND THAT PERSON IS YOURS TRULY.
- THE ORIGINS OF SWAZILAND'S SUGAR INDUSTRY CAN BE TRACED BACK TO 1957 WHEN THE THEN UBOMBO RANCHES (PTY) LTD PLANTED THE FIRST COMMERCIAL SUGAR CANE CROP WHICH WAS PROCESSED IN A SMALL SECOND-HAND MILL AT BIG BEND.
- IN 1960 UBOMBO COMPLETED A LARGE NEW MILL AT THE PRESENT SITE.
- EARLY PRODUCTION IN THE BIG BEND MILL AMOUNTED TO 5,600 TONNES PER ANNUM.
- THE REMARKABLE STRIDES AND GROWTH ACHIEVED BY OUR RESILIENT INDUSTRY SINCE THE HUMBLE

BEGINNINGS AT BIG BEND GAVE BIRTH TO A NUMBER OF SUGAR-RELATED ACTIVITIES AND PRODUCTS.

- IN RESPONSE TO THIS GROWTH, IN 1960, A SECOND MILL FURTHER NORTH AT MHLUME WAS BUILT, RAISING THE COUNTRY'S SUGAR PRODUCTION TO 100,000 TONNES PER ANNUM.
- THE SWAZILAND SUGAR ASSOCIATION WAS ESTABLISHED BY THE SUGAR ACT OF 1967 WHICH PROVIDED FOR, AMONG OTHER THINGS, AN AGREEMENT BETWEEN GROWERS AND MILLERS. THIS AGREEMENT ENABLE THE INDUSTRY TO REGULATE ITSELF AND FOSTER ITS GROWTH.
- THE INDUSTRY TOOK A QUANTUM LEAP IN 1980 WITH THE COMMISSIONING OF A THIRD MILL AT SIMUNYE, PUSHING OUR PRODUCTION TO 471,000 TONNES PER ANNUM.
- IN 1982 THE ROYAL SWAZILAND SUGAR CORPORATION WAS ESTABLISHED, AND THE SWAZI NATION WAS PART OF THAT DEVELOPMENT.
- TODAY WE SPEAK OF AN INDUSTRY THAT IS NOT ONLY SUSTAINING THE COUNTRY'S ECONOMY, BUT ALSO RANKS AMONG SOME OF THE TOP PERFORMERS IN THE WORLD.

3.0 THE STORY OF SUGAR INDUSTRY

- AT THE CENTRE OF THE NARRATIVE ABOUT THE COUNTRY'S SUGAR INDUSTRY IS THE 50 YEARS OF THE EXISTENCE OF THE SWAZILAND SUGAR ASSOCIATION, WHICH HAS NOT ONLY ENGINEERED THE GROWTH PATH OF THE INDUSTRY, BUT HAS ALSO LED EFFORTS TO MAKE OUR INDUSTRY ATTRACTIVE FOR INVESTMENT AND GLOBAL MARKETS.
- IN THE CONTEXT OF SWAZILAND, SUGAR IS NOT ONLY A MAJOR CROP FOR EXPORT, CONSUMPTION AND ALL ITS OTHER USES, BUT IT IS CLOSELY INTERWOVEN WITH THE SOCIAL, ECONOMIC AND HISTORICAL EVOLUTION OF THIS COUNTRY AND ITS PEOPLE.
- AS WE MARK THIS MAJOR MILESTONE ACHIEVED BY THE SWAZILAND SUGAR ASSOCIATION IN THE LAST 50 YEARS, WE ARE ALSO TELLING THE STORY OF THE MANY PHASES OF THE FARMING, PRODUCTION, EXPORT AND SOCIAL CORPORATE RESPONSIBILITY OF THE SUGAR INDUSTRY.

4.0 SUGAR INDUSTRY IN EMPLOYMENT

- PROGRAMME DIRECTOR, THAT THE SUGAR INDUSTRY HAS SUSTAINED HOMESTEADS AND LIVELIHOODS IN THOUSANDS OF SWAZI FAMILIES IN THE PAST 50 YEARS, IS ONE OF THE MOST REMARKABLE ACCOMPLISHMENTS OF THE SECTOR.
- OVER THIS PERIOD, THE SECTOR CONSISTENTLY PROVIDED A SAFETY NET FOR THOUSANDS OF YOUNG SWAZIS AND THE ELDERLY WHO CANNOT JOIN THE SATURATED FORMAL LABOUR MARKET, BY PROVIDING ALTERNATIVE SUSTAINABLE WAYS OF EARNING A LIVING.
- TO DATE 16,000 SWAZIS ARE DIRECTLY EMPLOYED BY THE SECTOR, AND MANY MORE BENEFIT EITHER AS SPOUSES, CHILDREN, PARENTS AND RELATIVES OF THOSE EMPLOYED IN THE VALUE CHAIN.
- THE SUGAR INDUSTRY HAS ALSO MADE IN-ROADS IN BUILDING CAPACITY FOR MANY SWAZIS TO TAKE UP HIGHLY SPECIALISED POSITIONS IN THE SECTOR, INCLUDING, IMPORTANTLY, AT LEADERSHIP AND OTHER DECISION-MAKING LEVELS.

- CURRENT ESTIMATES SUGGEST THAT THERE IS LESS THAN 2% EXPATRIATES MAKING UP THE TOTAL WORKFORCE.

5.0 SUGAR INDUSTRY IN SME DEVELOPMENT

- FOLLOWING THE INTRODUCTION OF SMALLHOLDER SUGARCANE GROWERS ON SWAZI NATION LAND IN THE 1990S, THERE HAS BEEN A NOTABLE INCREASE IN SWAZIS EARNING SUSTAINED LIVELIHOODS THROUGH PARTICIPATION IN DIFFERENT AREAS.
- TO DATE, WE SPEAK OF 450 INDIGENOUS SWAZI CANE GROWERS IN THE KINGDOM.
- OF THESE, 122 ARE ORGANIZED INTO ACTIVE FARMER ASSOCIATIONS OR COMPANIES.
- PERHAPS ONE OF THE OUTSTANDING ACHIEVEMENTS IS THE FACT THAT NOW ALL SUGAR DESTINED FOR THE SACU MARKET IS DONE THROUGH LOCALLY-BASED COMPANIES.
- FOR THAT, WE THANK THE SWAZI EMPOWERMENT POLICY, WHICH EMPOWERS GROWERS AND

PROCESSORS OF SWAZI SUGAR, INCLUDING PRE-PACKERS.

6.0 CONTRIBUTION TO THE ECONOMY

- THE SUGAR INDUSTRY CONTINUES TO MAKE A SIGNIFICANT CONTRIBUTION TO THE COUNTRY'S ECONOMY.
- THE SECTOR'S CONTRIBUTION TO THE GROSS DOMESTIC PRODUCT HAS SUPPORTED THE COUNTRY'S ECONOMY EVEN IN TOUGH TIMES.
- TO DATE, THE COUNTRY'S SUGAR INDUSTRY PRODUCES AN ANNUAL AVERAGE OF OVER 600,000 TONNES OF SUGAR.
- CURRENTLY, THE INDUSTRY CONTRIBUTES 13 PERCENT TO THE COUNTRY'S GROSS DOMESTIC PRODUCT.
- IT ALSO ACCOUNTS FOR 35 PERCENT OF EMPLOYMENT IN THE AGRICULTURAL SECTOR.
- THIS IS A MASSIVE IMPROVEMENT FROM THE 1960S WHEN THE SECTOR WAS ESTABLISHED.
- OVER THE YEARS, THE SUGAR INDUSTRY HAS SHOWN A LOT OF RESILIENCE, AND THIS CAN BE SEEN FROM ITS PRODUCTION, WHICH HAS INCREASED EXPONENTIALLY OVER THE YEARS

DESPITE CHALLENGES FACED FROM CYCLONE DOMONIA (IN 1984), DROUGHT YEARS (FROM 1991 TO 1994 AND THE MOST RECENT DROUGHT IN 2015), AND THE CHANGING DYNAMICS WITHIN THE INTERNATIONAL TRADE ARENA.

7.0 CHALLENGES

- AS WE CONTINUED TO TRADE IN AND DEPENDED ON AN INCREASINGLY GLOBALIZING ECONOMIC ENVIRONMENT OVER THE PAST 50 YEARS, OUR SUGAR INDUSTRY HAS BEEN EXPOSED TO A NUMBER OF THREATS AND CHALLENGES, INCLUDING, BUT NOT LIMITED TO, CHANGING TRADE REGIMES, RULES AND POLICIES, GLOBAL WARMING, COMPETITION AND ECONOMIC INSTABILITIES.
- THESE HAVE, AND CONTINUE TO THREATEN THE POTENTIAL OF OUR SECTOR TO FULFILL ITS MANDATE.
- THESE THREATS AND CHALLENGES HAVE ALSO BROUGHT OUT THE BEST IN US, AS WE HAVE, OVER THE YEARS, RESPONDED BY EXPLORING MORE INNOVATIVE WAYS OF DOING BUSINESS, INCLUDING INTRODUCTION OF NEW TECHNOLOGIES,

INVESTMENT IN RESEARCH, ADOPTION OF GOOD CORPORATE GOVERNANCE STRATEGIES, STRENGTHENING OF OUR PARTNERSHIPS WITH COMMUNITIES, SECTOR PLAYERS AND MARKET PARTNERS, AMONG OTHERS.

8.0 CORPORATE SOCIAL RESPONSIBILITY

- PROGRAMME DIRECTOR, NO SOCIETY CAN DEVELOP WITHOUT THE ACTIVE CONTRIBUTION OF THE PRIVATE SECTOR.
- EQUALLY, NO ECONOMY CAN THRIVE WHEN ITS COMMUNITIES ARE POOR AND UNDER-DEVELOPED.
- OVER THE PAST 50 YEARS, THE SUGAR INDUSTRY HAS ACTIVELY AND DELIBERATELY MAINSTREAMED COMMUNITY DEVELOPMENT INTO ITS BUSINESS STRATEGY AND OPERATIONS.
- TODAY, CORPORATE SOCIAL INVESTMENT PROGRAMMES ARE NO LONGER “BY-THE-WAY” OR “NICE-TO-DO” ACTIVITIES IN THIS SECTOR, BUT FORM PART OF OUR BUSINESS PROGRAMME.
- IN MANY PARTS OF THE KINGDOM, THE SUGAR INDUSTRY HAS INCREASED ITS CONTRIBUTION TO COMMUNITY DEVELOPMENT PROGRAMMES,

INCLUDING PROVISION OF BURSARIES AND SCHOLARSHIPS, CONSTRUCTION OF DAMS, BUILDING AND RENOVATIONS OF SCHOOLS AND CLINICS, PROVISION OF HEALTH SERVICES, CLEAN WATER AND MANY OTHERS.

- EVERY YEAR, THE SWAZILAND SUGAR ASSOCIATION MAKES DONATIONS EXCEEDING E500,000 TO DIFFERENT COMMUNITIES AND COMMUNITY-BASED PROJECTS.
- WE ARE ENCOURAGED BY SUCH ACTS OF PATRIOTISM, AND WE WISH TO IMPOLE THEM TO CONTINUE FOSTERING THIS SPIRIT OF UBUNTU, WHICH CUSHIONS, SUSTAINS AND ALSO PROTECTS THOSE SWAZIS WHO ARE VULNERABLE AND UNDERPRIVILEGED.

9.0 APPRECIATION

- WE COMMEND THE ROLES PLAYED BY DIFFERENT STAKEHOLDERS WITHIN AND OUTSIDE THE SECTOR IN KEEPING THIS VERY IMPORTANT INDUSTRY GOING OVER THESE YEARS.
- THE SWAZILAND SUGAR ASSOCIATION HAS BEEN, AND CONTINUES TO BE A PIVOTAL PARTNER AND INDUSTRY KING MAKER, ENSURING THAT THE SECTOR REMAINS PROFESSIONAL, PROFITABLE, AND

THAT SWAZILAND REMAINS AN ATTRACTIVE INVESTMENT PARTNER.

- THE ROLE OF THE ASSOCIATION THROUGHOUT ALL THE 50 YEARS OF EXISTENCE HAS NOT GONE UNNOTICED.
- WE THANK HIS MAJESTY KING MSWATI III FOR HIS VISIONARY LEADERSHIP AS WELL HIS COMMITMENT TOWARDS KEEPING THIS SECTOR SUSTAINABLE AND FULFILLING ITS ECONOMIC AND DEVELOPMENTAL MANDATE.
- HIS MAJESTY'S GOVERNMENT HAS, AND CONTINUES TO PLAY A KEY ROLE IN SUPPORTING THE SECTOR THROUGH SPEARHEADING AND SUPPORTING A NUMBER OF PROGRAMMES IN THE SECTOR.
- WE CANNOT FORGET OUR INTERNATIONAL FRIENDS, BUSINESS ASSOCIATES AND PARTNERS, SUCH AS THE EUROPEAN UNION, WHO HAVE WALKED SIDE BY SIDE WITH THE KINGDOM.
- YOUR SUPPORT AND PARTNERSHIP REMAIN INVALUABLE, AND WE COUNT ON YOUR FRIENDSHIP AS WE LOOK AHEAD TO ANOTHER 50 YEARS.
- THE SUGAR SECTOR ITSELF, INCLUDING GROWERS, MILLERS AND OTHERS MUST BE RECOGNISED FOR THEIR COMMITMENT TO THE GROWTH AND DEVELOPMENT OF THIS INDUSTRY.

- LASTLY, AND BY NO MEANS, LEAST, WE WANT TO THANK THE COMMUNITIES WHERE SUGAR-RELATED PROJECTS, INVESTMENTS AND OTHER ACTIVITIES TAKE PLACE.
- YOUR EFFORTS TO PROTECT THE INVESTMENTS, INCLUDING THE INFRASTRUCTURE WITHIN YOUR COMMUNITIES DEMONSTRATE YOUR PATRIOTISM AND COMMITMENT TO THE DEVELOPMENT OF THE COUNTRY.
- WITHOUT YOUR PARTNERSHIP AND PARTICIPATION IN THIS SECTOR, WE WOULD NOT HAVE ACHIEVED MUCH.

10.0 CONCLUSION

- AS WE LOOK FORWARD TO ANOTHER 50 YEARS, WE ACKNOWLEDGE THAT THE ROAD AHEAD REMAINS CHALLENGING, LONG AND WINDING. WE ARE CONTINUOUSLY PUTTING INTO PLACE STRATEGIES FOR THE INDUSTRY TO REMAIN SUSTAINABLE.
- ECONOMIC INSTABILITIES EXPERIENCED IN RECENT TIMES MAKE IT HARDER TO IMAGINE A BRIGHT FUTURE.
- NEVERTHELESS, WE COUNT ON ALL OUR COLLECTIVE EFFORTS, COMMITMENT,

INVESTMENT AND PARTNERSHIP TO FACE CHALLENGES AHEAD.

- I HOPE THOSE WHO WILL MEET 50 YEARS FROM NOW TO COMMEMORATE ANOTHER GOLDEN JUBILEE WILL LOOK BACK AND THANK ALL OF US FOR OUR INDIVIDUAL AND COLLECTIVE CONTRIBUTION TO THE SECTOR.
- I WISH ALL OF US A PLEASANT EVENING AND MAY GOD BLESS US ALL

THANK YOU