Mali Sugar Conglomerate

CLETC Project Case in Mali

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Development and Status Quo of Mali Sugar Conglomerate

Features:
- The only sugar making enterprise in Mali now
- The largest conglomerate of agriculture, industry and commerce in Mali
- Honored as the model of Mali’s domestic industry
- Milestone of China-Mali friendly cooperation

Nature:
- A joint venture of China Light Industrial Corporation for Foreign Economic and Technical Co-operation (CLETC) and the government of Mali, in which the former holds 60% of the shares and the latter holds 40%
Development and Status Quo of Mali Sugar Conglomerate

**Location:** 300 km away from Bamako, capital of Mali, and near Dougabougou in the Cercle of Segou and Siribala in the Cercle of Niono, Segou Region

**Composition:** composed by two parts in Dougabougou and Siribala, and each part comprises one sugar factory and one sugarcane farm.

Dougabougou: covers an area of 1,654 hectares, with a daily sugarcane processing capacity of 500 tons;

Siribala: covers an area of 3,520 hectares, with a daily sugarcane processing capacity of 2,000 tons;
Development and Status Quo of Mali Sugar Conglomerate

Historical development:

The precursor of the Sugar Conglomerate was two sugar factories established by the Chinese Government for Mali in the 1960s and 1970s, out of which Dougabougou factory was built in 1965, with a daily sugarcane processing capacity of 400 tons, and Siribala factory built in 1974, with a daily sugarcane processing capacity of 1,000 tons.

From 1988 to 1989, CLETC massively renovated and expanded the said two factories, and the daily sugarcane processing capacity of them reached 500 tons (from 400 tons) and 1,500 tons (from 1,000 tons), respectively.
Development and Status Quo of Mali Sugar Conglomerate

Historical development:

After going through various phases including foreign aid, technical cooperation, cooperative management and transitional management before the establishment of the joint venture, CLETC and the government of Mali jointly established the joint venture of Sugar Conglomerate in 1996, as required by the latter, with the registered capital reaching 5 billion FCFA, out of which China holds 60% of the shares and Mali holds 40%.

From 1999 to 2000, the Sugar Conglomerate utilized preferential loans from the Export-Import Bank of China and some self-raised funds to carry out industrial technological transformation in the Siribala factory. The daily sugarcane processing capacity of the factory increased from 1,500 tons to 2,000 ton, and that of the Sugar Conglomerate increased from 2,000 tons to 2,500 tons.

From 1996 to present, the Sugar Conglomerate has witnessed rapid development. The annual production of powered sugar has increased from 23,000 tons 39,000 tons, and that of edible alcohol has increased from 1.5 million liters to 2.8 million liters. The total assets has reached 22.5 billion FCFA, from 9.8 billion FCFA.
Development and Status Quo of Mali Sugar Conglomerate

Status Quo

- Two sugarcane farms cover a total area of 57.5 km$^2$
- The region within jurisdiction covers a total area of over 100 km$^2$
- The daily sugarcane processing capacity is 2,500 tons
- The annual output of powered sugar is 39,000 tons (accounting for 25% of the total demand for powered sugar in Mali)
- The annual output of edible alcohol is 2.8 million liters
- The total assets is 22.5 billion FCFA
Contributions of Mali Sugar Conglomerate

• The founding of the Sugar Conglomerate ushers in a new history of sugarcane planting and sugar production in Mali. Prior to the sugar-refinery construction in Mali aided by the Chinese Government in 1960s, some western countries believe that land and climate in Mali are not suitable for sugarcane planting. But China has successfully helped Mali plant sugarcane and construct sugar-refinery, making the history of agricultural and industrial development in Mali.
Contributions of Mali Sugar Conglomerate

• Satisfy part of the demand in the sugar market of Mali and ensure a leading role of sugar production industry in the industrial development in Mali
  – The annual sugar production of the Sugar Conglomerate has increased from 23,000 tons at the beginning of joint venture to 39,000 tons currently, meeting 25% of the market demand in Mali
  – Cane sugar industry has become the leading industry in Mali. There are indications that the Malian Government is raising the development of sugar production industry to the national development strategy in order to make contribution to the well-being of people and influence surrounding countries by export.
Contributions of Mali Sugar Conglomerate

• Push forward the development of local relevant industries and employment, increase government revenues, and advance the transition of local economic society
  – Goods of 3 billion FCFA are purchased there annually, which pushes forward the development of relevant industries
  – Employment opportunities are provided annually for about 10,000 people in Mali and annual expenses of wages and social security are nearly 4 billion FCFA
  – Various tax revenues and dividends etc. submitted to the government annually amount to about 5 billion FCFA
  – The locations of its two factories have transformed from two villages into prosperous cities - Dougabougou and Siribala:
Experience of Mali Sugar Conglomerate

• China-Mali friendship provides the basis for the founding and development of the Sugar Conglomerate
  The long-term friendship between the Chinese and Malian Governments and peoples of two countries as well as mutual support and assistance are the basis and prerequisite for the founding and development of the Sugar Conglomerate
  – Dedicated to the friendship of the two countries, the Chinese Government and people are active to explore and make unremitting efforts, providing Mali with support and aid in planting sugarcanes and constructing sugar-refinery
  – The Chinese Government is actively concerned with and supports the development of the Sugar Conglomerate, rendering substantial support in terms of technology, fund, technical professional, etc. for its development at different stages
  – The Malian Government expresses concern about and provides support for the development of the Sugar Conglomerate. President Konare, in particular, is dedicated to the economic development of Mali and improving people’s livelihoods, and has made tremendous achievements. He, as well as the Prime Minister of Mali and Heads of Ministries, has paid visits to the Sugar Conglomerate and offers resolute support to its development
Experience of Mali Sugar Conglomerate

• Scientific and innovative development acts as the impetus to the development of the Sugar Conglomerate

The Sugar Conglomerate constantly explores and utilizes scientific and reasonable operational mode that complies with the local conditions and industrial and agricultural production technologies, ensuring its sustainable and steady development

– Established operational mode of agriculture, industry and business integration to safeguard the compatibility and continuity of industrial and agricultural production

– Conducted timely technology reform and upgrading. From 1988 to 1989 and 1999 to 2000, the Sugar Conglomerate has conducted extension and construction and industrial technology upgrading

– Unremittingly innovate production modes and approaches. For agriculture, in particular, continually cultivate and improve sugarcane variety, explore composite fertilizing technology, discuss creative utilization of industrial liquid waste and lime sludge for agriculture, adopt new technology for water-saving and sprinkler irrigation, all of which have made great achievements

– Now actively promoting enterprise informationization management modes adaptive to local conditions to improve enterprise management
Experience of Mali Sugar Conglomerate

• Harmonious development is the development philosophy of the Sugar Conglomerate

With the philosophy of harmonious development, the Sugar Conglomerate is active to be involved in local society for public welfare undertaking, and voluntarily performs social responsibility while promoting local economic and social development

– Construct road annually for local residents for free and solve traffic problems during wet season
– Drill deep wells for local municipality for free to provide safe and hygienic drinking water for residents
– Sponsor local primary schools for goods and equipments
– Provide financial support for Mali Children’s Fund to construct the teaching building of Training Center, etc.
– Actively participate in public welfare undertaking
Social Responsibility Undertaken by CLETC

In addition to the joint supervision over Mali Sugar Conglomerate with the Malian Government, CLETC has vigorously fulfilled its social responsibility in local areas:

- Annually donate sugar, rice, fund, etc. to local charity organizations through its representative offices in Mali
- Contributed partial capital to help with the construction of the office building, warehouse and embroidery training center of Children's Fund in Mali, a non-profit charitable institution
- Sponsored the 2000 Africa Cup of Nations hosted by the Malian Government
- Funded the construction of the roads surrounding its representative offices in Mali
Brief Introduction to the New Sugar Conglomerate Project

The new sugar conglomerate project is an integral part of the Malian Government’s strategy to develop itself into a major power of sugar industry in West Africa

- The new sugar conglomerate project was jointly set up by CLETC and the Malian Government, with the former holding 60% of the shares and the latter 40%
- Data of the said project: 6,000 tons (reserved to 8,000 tons) of sugarcanes are processed on a daily basis, and the annual productions of sugar and alcohol have reached 104,000 tons and 9.6 million liters, respectively
- The project has started construction and is scheduled to be completed and put into operation in the first half of 2012
- After the project is completed and operated at full capacity, the aggregate production is expected to exceed 140,000 tons, which could basically satisfy the sugar demand of the Malian market
Brief Introduction to the New Sugar Conglomerate Project

- Given that the process capability of the new sugar conglomerate project is extended to 8,000-ton sugarcane per day, the gross production of the new and existing sugar conglomerates could not only meet the total demand of the sugar market of Mali, but also assure appropriate export to other member states of the West African Economic Community (WAEC).

- The new sugar conglomerate project will reclaim 10,000-odd-ha. land for sugarcane plantation, and adopt sprinkling irrigation technology to maximize water-resource conservation.

- The said project will provide thousands of work opportunities, making active contributions to the poverty relief of the Malian people and the country’s sugar economic security.
Brief Introduction to CLETC

Affiliated to the Sinolight Corporation, the China Light Industrial Corporation for Foreign Economic and Technical Co-operation (CKETC) has a history of decades of years. Its main businesses include: domestic and overseas project contracting, foreign labor service cooperation, executing foreign economic assistance projects of the Chinese Government, import and export of complete mechanical equipments, domestic and overseas exhibitions, industrial investment and management, foreign consultation services, etc.
Conclusion

CLETC is willing to work with friends from all walks of life to make continuous and active explorations and unremitting endeavors to promote the development of the China-Mali friendly cooperation, and make contributions to Mali’s socioeconomic development.
Thanks!