

# SIFB Info

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## 2.0 Message from the editorial committee

Dear Colleagues

We are glad to present the seventh electronic issue to you.

Sugar sector is our main concern these days. Two articles related to sugar have been brought to you. Firstly, you will discover how it is used as a renewable energy. Secondly, the title “Africa will be hardest hit by the EU’s sugar reform” speaks for itself.

We have always been taught to be positive since it makes everyone move on easily in life. For the proper running of any business, respect is a must as it creates a better atmosphere and healthy working environment. Some tips of how to demonstrate respect have been highlighted.

### 3.0 Sugarcane – A source of Renewable Energy

We live in a world of rising energy demand, decreasing energy supplies and growing concerns about climate change. Solutions to develop clean and renewable energy sources and to curb greenhouse gas emissions are urgently needed, especially in the transport sector, where carbon dioxide emissions are growing fastest. Sugarcane can help improve global energy security by diversifying both fuel supply and suppliers.

#### Fuel Consumption

Sugarcane can be used to develop multiple forms of energy including ethanol, bioelectricity and bio hydrocarbons. It's already happening today in Brazil, where sugarcane is now the number one source of renewable energy and represents almost 17 percent of the country's total energy supply. More than forty percent of the country's gasoline needs have been replaced by ethanol.

#### Fuel Suppliers

Using more renewable fuels produced from sugarcane could help break the monopoly held by a small number of petroleum producing countries. Only 20 nations generate oil, but over 100 cultivate sugarcane. Expanding ethanol production to more of those cane-growing countries would enhance global energy security by reducing world reliance on unstable petroleum suppliers.

#### Bioelectricity

As it grows, sugarcane converts sunlight into chemical energy which it stores inside the plant. Each of the following main plant components

contains approximately one-third of this stored energy:

1. Juice – The sweet liquid inside sugarcane stalks containing sucrose used to produce sugar and ethanol.
2. Bagasse – The dry, fibrous residue left after sugarcane is crushed. One ton of cane produces about 270 kilos of bagasse.
3. Straw – The tops and leaves of sugarcane stalks.

Brazilian sugarcane mills learned to harness the energy stored in bagasse by burning it in boilers to produce bioelectricity. As a result, these mills are energy self-sufficient, producing more than enough electricity to cover their own needs. A growing number of mills also generate a surplus, which is sold to distribution companies and helps to light up numerous cities throughout Brazil.

#### Sugarcane Straw: A Growth Opportunity

For centuries, sugarcane fields around the world have been burned to eliminate the straw, and make it easier for workers to cut the cane by hand. While it was an essential step to cane harvesting, it wasted one-third of the plant's energy.

Mechanized harvesting changes this equation by eliminating the need for burning the field. With mechanization, sugarcane straw is preserved and its energy can be harnessed in one of two ways:

- More electricity. The straw can be burned alongside bagasse in high-efficiency boilers to produce even more bioelectricity. Experts estimate that sugarcane bioelectricity could reach 177,018 GWh by 2023 if all potential sources are fully developed. That would be enough energy to cover 23 percent of Brazil's electricity needs. Or looked at another way, it could power an entire country the size of Sweden or Mexico.
- More ethanol. Straw can also be used as an input to produce cellulosic ethanol. Once perfected at commercial scale, cellulosic ethanol holds the potential to double the volume of fuel coming from the same amount of land planted with sugarcane.

Mechanization is expanding rapidly and already exceeds 90 percent of the harvest in Brazil's top cane producing state, São Paulo.

### **Bioelectricity Benefits**

- Low environmental impact
- Producers can obtain carbon credits
- Complementary to hydroelectricity

This last point is particularly important for Brazil because a large portion of the country's electricity comes from hydro dams. The sugarcane harvesting period, when most biomass is available, coincides with the dry season. So when hydroelectric power stations sometimes have to reduce output because of low water levels in their reservoirs, sugarcane bioelectricity is most abundant. Besides being complementary with hydroelectricity, the majority of sugar and ethanol plants are located

fairly close to the more populous regions of Brazil, where electricity demand is the highest

The Swaziland Renewables Readiness Assessment claims that bagasse, from sugarcane, which is a large industry in the Southern African country, could meet half of the country's energy demand with solar power contributing to the other half.

More than 76% of Swaziland's current electricity supply comes from imports predominantly from South Africa. The country's power import tariffs doubled between 2009 and 2012 and are expected to continue rising.

With increasing power tariffs and the cost of renewable technology dropping, the renewable sector is becoming a more cost competitive market in Swaziland.

IRENA director-general Adnan Z. Amin said that: "Renewable energy is no longer just the best choice socially and environmentally, it is also the best choice economically for many countries in many parts of the world."

Amin continued: "It has never been cheaper for Swaziland to reduce its electricity costs, increase its energy independence and improve energy access through the rapid deployment of renewable energy."

### **Sources:**

1. *SugarCane.org*
2. <https://www.esi-africa.com/news/renewable-energy-driving-socio-economic-growth/>

## 4.0 Africa will be hardest hit by the EU's sugar reform

*Source: Reproduced from The Economist issue of 18th January 2017*

Sugar exports from African countries make up a tiny fraction of global supply. But for several countries in Africa, sugar is a major contributor to export earnings, employment and economic growth. However, with major policy reforms to come into effect in the EU in 2017 and the European market poised for a significant supply/demand shift, Africa is at risk of losing its main sugar export market. Growing demand from within the region could offer an alternative to Europe, but sluggish progress in addressing trade barriers between countries mean this potential is likely to go unrealised.

African sugar has enjoyed tariff-free access to Europe since the 1970s under various preferential trade arrangements and, up until 2009; African sugar producers received price guarantees for their product. Even after the price guarantee was revoked, policy intervention by the trading bloc has kept EU prices comfortably above world prices. This was an attractive deal, and several African sugar producers banked heavily on trading with the EU.

### **EU policy reform will rock the sugar industry**

A ruling by the World Trade Organisation in 2005 forced the EU to reduce sugar subsidies and introduce quotas on the EU's sugar production levels. Reform since then to partly liberalise the Common Agricultural Policy has prompted an overhaul of the bloc's sugar regime—with reference prices and production quotas to be removed in September 2017. Most African countries will retain tariff-free access to the EU's sugar market, under either the Everything But

Arms free-trade deal or other region-specific economic partnership agreements. But the removal of production quotas is likely to lead to a surge in EU sugar production and, as the bloc moves towards self-sufficiency, import demand will drop sharply. Most studies estimate a decline in imports of around 40% in the first year of quota-free production and some experts think that the EU will turn from a net importer of sugar to a net exporter as soon as 2018. So in addition to losing their main export market, African producers will also be hit by the pressure on global prices as highly efficient European sugar producers scale up their exports.

### **African countries will be among the hardest hit**

Given its reliance on Europe as an export market and its limited competitiveness vis-à-vis other sugar producing regions, Africa is likely to be among the hardest hit by the EU's sugar reform. Within the region, though, the impact will vary. Mauritius is the most vulnerable, since it is a high-cost producer with limited access to alternative markets. Over 90% of its sugar production is sold to the EU and, although the contribution of the sugar industry to Mauritian economic growth has fallen significantly over the past decade, it remains crucial to employment levels and export earnings. The government has launched a spate of initiatives to boost the competitiveness of Mauritian sugar in the global market and is attempting to attract investment to diversify the industry beyond raw exports. But these plans will take time to come into effect and will do little to mitigate the near-term impact of reforms on smallholder farmers.

Mozambique and Swaziland also have limited access to alternative markets. They are, however, fairly low-cost producers and, although their volume of sugar exports to the EU will decline under the bloc's new regime, these countries could retain some market share in Europe. Even assuming some trade continues though, a study commissioned by Fairtrade Foundation (a UK-based charity) concluded that EU reform would cost Mozambique and Swaziland over US\$40m per year from 2017, with revenue from sugar exports set to decline by 5-7%. Other potential casualties of the EU reform include sugar importers—such as Kenya, which has a liberalised trade policy and a nascent domestic sugar industry. This will be an attractive market for Europe's sugar exporters and, although an influx of European sugar would reduce local prices, it would also threaten the viability of the domestic industry.

### **Pinning hopes on the regional market**

In response to shifting demand/supply patterns in global markets, several sugar producers in Africa intend to look for buyers closer to home. Indeed, the sugar-producing countries least affected by the EU reform are those that already target regional markets (notably, South Africa and Uganda). Changing consumer tastes are boosting sugar consumption in Africa and, with demand growth set to persist over the medium term, more opportunities will open up to tap into regional trade. Low-cost producers, such as Malawi and Zambia) are particularly well placed to serve regional markets. This would, however, require overcoming the typical trade barriers that inhibit intra-African trade, such as poor infrastructure, isolated markets and high transit costs. Indeed, as it stands, it is often cheaper for

countries to import sugar from Brazil than from elsewhere on the continent.

Perhaps even more problematically, developing a regionally focused sugar industry would also require national governments to ease off on the import tariffs imposed on their neighbours. Several governments, including major consumption hubs such as Nigeria and Tanzania, have imposed hefty tariffs on regional sugar imports in recent years, in an attempt to protect their own nascent industries from competition. This is a flawed strategy. Sugar production is significantly more efficient on a larger scale, which is why mega-producers in Brazil have dominated the market for so long, and Africa is missing opportunities to benefit from economies of scale because producers are often barred from selling to their neighbours. Regional trade blocs are inching towards addressing the trade barriers that impede intra-African sugar trade, but this will not happen fast enough for sugar producers to find alternative markets when the EU reform comes into effect.

## 5.0 THE BLACK SPOT

One day a professor entered the classroom and asked his students to take a surprise test. The professor handed out the question paper, to everyone's surprise; there were no questions.... just a black dot in the center of the page. The professor seeing the expression on everyone's face told them the following:

"I want you to write what you see there."

At the end of the class, the professor took all the answer papers and started reading each one of them aloud in front of all the students. All of them with no exceptions described the black dot, trying to explain its position in the middle of the sheet, etc. etc. etc. After all had been read, the professor began to explain:

"I am not going to grade you on this test. I just wanted to give you something to think about. No one wrote about the white part of the paper. Everyone focused on the black dot – and the same happens in our lives. We have a white paper to observe and enjoy, but we always focus on the dark spots. Our life is a gift given to us by God.

However we insist on focusing only on the dark spots – the health issues that bother us, the lack of money, the complicated relationship with a family member, the disappointment with a friend etc.

The dark spots are very small compared to everything we have in our lives, but they are the ones that pollute our minds.

Take your eyes away from the black spots in your life. Enjoy each one of your blessings, each moment that life gives you.

Be happy and live a positive life.....!!

## 6.0 SHOWING RESPECT AT WORK

Respect has great importance in everyday life. Everyday discourse and practices insist that respect and self-respect are personally, socially, politically, and morally important.

As children we are taught to respect our parents, teachers, and elders, school rules and traffic laws, family and cultural traditions and all religions, other people's feelings and rights, our country's flag and leaders, the truth and people's differing opinions. We may also come to believe that, at some level, all people are worthy of respect. In certain social milieus we may learn the price of disrespect if we violate the street law. Similarly a culture of respect and dignity in the workplace will ensure a healthy working environment. We must bear in mind that our workplace is where we spend most of our time and as such must not disregard the fact that most of us rely on our work as our principal source of income.

### Some Tips for Demonstrating Respect

You can demonstrate respect with simple, yet powerful actions. These ideas will help you avoid needless, insensitive, unmeant disrespect, too.

- Treat people with courtesy, politeness, and kindness.
- Encourage colleagues to express opinions and ideas.
- Listen to what others have to say before expressing your viewpoint. Never speak over, butt in, or cut off another person.
- Never insult people, use name calling, disparage or put down people or their ideas.
- Do not nit-pick, constantly criticize over little things, belittle, judge, demean or patronize. A series of seemingly trivial actions added up over time, constitutes bullying.
- Be aware of your body language, the tone of voice, and your demeanour and expression in all of your interactions at work.
- Treat people the same no matter their race, religion, size, age, or country of origin. Avoid gender discrimination and sexual harassment. Treating people differently can constitute harassment or a hostile work environment.
- Avoid flirting with colleagues. Do not forget the demarcation line. Disciplinary actions can be taken.
- Praise much more frequently than you criticize. Encourage praise and recognition from employee to employee as well as from the supervisor.
- Don't get involved in office gossip about other employees or the company.
- Dress Appropriately. Every office has a dress code. Don't break it. If you do wear inappropriate attire, you may find yourself convened by a disciplinary Committee.
- Appropriate dress, along with basic etiquette, is one of the most common associations made to professionalism. We form first impressions and overall judgments about people by the way they dress. If the way someone dresses affects the perception of your company's customers or business partners, it is imperative

to maintain a standard of dress that creates a positive impression. No standard or casual dress standards may make employees comfortable, but the point of professionalism and etiquette is to make others comfortable.

- Think Before You Speak. At least show some respect when addressing your superiors. When you're at the office, you need to filter your speech. People who blurt whatever is on their minds either spend quite a bit of time regretting and apologizing, or they're perceived as someone who can't be trusted.
- There may be times when you're confronted with conflict, so be prepared and keep a level head so the issue doesn't escalate.
- Be punctual at office.
- When you enter the office each morning, it's normal to greet your colleagues.
- Keeping the office clean portrays the attitude of workers.
- Courteous and Friendly. Employees who do their best to be courteous and friendly to their coworkers, managers and customers make office life much more pleasant than those who seek to cause disturbances or drama. These employees brighten the office and leave their egos and outside problems at the door in the name of being good workers and trying to maintain a good work atmosphere

Implemented consistently at work, these respectful actions help ensure a respectful, considerate, professional workplace. You can be certain that a respectful workplace brings benefits for all stakeholders.