

KILOMBERO
SUGAR COMPANY
AN ILLOVO SUGAR AFRICA COMPANY

KILOMBERO EXPANSION PROJECT

Supporting Tanzania to achieve its vision for self-sufficiency in Sugar



About Kilombero Sugar Company Limited

Kilombero Sugar Company Limited (KSCL) is the largest producer of sugar in Tanzania under the strong "Bwana Sukari" brand name.

KSCL is part of the Illovo Sugar Africa Group, Africa's biggest sugar producer with extensive agricultural and manufacturing operations in six African countries; including South Africa, Malawi, Mozambique, Eswatini, Zambia and Tanzania. Illovo Sugar Africa is a wholly-owned subsidiary of Associated British Foods plc (ABF), listed on the London Stock Exchange.

Background

Kilombero Sugar Company Limited is a Miller Cum Planter (MCP) growing cane within its estates in Msolwa and Ruembe and produces sugar at its two mills. Together, the two mills produce an average of 126,000 tonnes of sugar per year

In May 2021, Kilombero Sugar Company (KSCL) shareholders approved a Tsh 571.6 billion (US\$ 238.5 million) sugar factory expansion project which is expected to be completed in July 2024.

Scope of Expansion

Construction of a new, state-of-the-art factory dubbed K4 is being implemented at the company estate with some of the work being done onshore and others being done offshore. The factory is expected to double the company's sugar processing capacity and support the government's goal of sugar sufficiency in the country.

The factory construction will go in line with the construction of additional sugar storage and packaging facilities in order to reduce costs and increase the company's branded pre-packaged capability.



Expansion Impact



The factory is expected to more than double the company's sugar processing capacity by producing an additional 144,000 tonnes of sugar per year and reach a total production of 271,000 tons from the current 126,000 tons per year.

The new factory will increase the production of ethanol at the adjacent ethanol distillery by 4,000 kilolitres, bringing total annual production up to +-17,000 kilolitres in order to meet growing local and East African export demand for potable alcohol.



16,500 Hectares of new cane area will be established, providing a catalyst for the growth of other businesses in the valley.



Total taxes paid by the company are expected to increase three-fold from the current Tsh 54 billion.

Kilombero Sugar Company's total contributions to the economy will more than double from the current Tsh 340 billion per year to an estimated Tsh 750 billion.



The expansion will create self-employment opportunities as the number of growers is expected to increase from the current 8,000 to between 14,000 and 16,000 growers. 2,000 new jobs will be created within the supply chain.

The growers will almost triple their income as the number of sugar cane sourced from growers is expected to grow from 600,000 tons to 1,500,000 tons and their revenue will increase to about TZS 170 billion by 2028.



KSCL will generate additional electricity and produce a total of 20MW of electricity after the Expansion Project. Part of the electricity to be used for the Kilombero manufacturing complex and part will be available for export to the Tanzanian grid upon agreement.



The Kilombero Sugar Company is the largest sugar producer in Tanzania in which Illovo Sugar Africa holds 75% of the shareholding and the Government of the United Republic of Tanzania holds 25% of the shares.

CONTACT US

P.O.Box 50, Kidatu,
Morogoro, Tanzania

 +255 232 626 011

 kscl.info@illovo.co.tz

 www.illovo.co.tz