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5th Floor, Dlan'ubeka House, P.O. Box 866, Mbabane H100, Swaziland
Tel: +268-404 4010 Fax: +268-404 5619
E-mail: sidc_it@africaonline.co.sz Website: www.sidc.co.sz

A Perception of SSA's Development Since 1990

Tim Davidson

Tim Davidson was Managing Director of IYSIS in 1990 and Managing Director Mhlume Sugar Company 1990 – 1994.

Between 1994 and 2000 he was CDC's Director of Africa, with line responsibility for nine offices in Africa and CDC's investment portfolio on the continent, including its shareholdings in IYSIS, Mhlume and RSSC.

Between 2000 and 2002 he took on a role as Chairman and Director of a number of CDC controlled companies in Africa in cement, tea and sugar.

In 2002 he was appointed joint CEO of RSSC, following the merger of Mhlume and Simunye, becoming single CEO at the end of that year until his retirement in 2005. He remains a non executive director.

In his earlier career he established and was responsible for CDC's operations in Zimbabwe and India. He was educated at Trinity College Dublin and is married with four daughters.

Tim Davidson

My first involvement with the Swaziland Sugar Association was in 1990 and in one way or another, directly or indirectly have had an interest in the industry and SSA's progress ever since. I was a Council and MEC member from 1990 – 1994 and again from 2002 – 2005. Initially in 1990 I was a grower's representative, but by late 1990 I had moved to the other side of the table as a Millers' Representative and so have experience of both camps!

In this article, I will try to give a view of how the SSA has developed and changed since 1990 together with a personal perspective on some of the achievements, issues and culture of the organisation and the industry over those years.

SSA was and still is a complicated organisation in terms of its structure, decision-making processes and administrative procedures. On arrival in Swaziland in early 1990, my predecessor at IYSIS, Bill Buckland, presented me with the Sugar Act and Agreement, saying that if you do not do anything else, read this! That was good advice indeed - and remains so for anyone entering the industry. I remember battling with the concept of the 'six corners' - not a formal expression used in the Act or Agreement but a useful one depicting the structure of the industry. In due course the six corners were effectively to become the five corners which made the notion even odder!

SSA in 1990

At that time the industry produced around 450 000 tons of sugar, 90 % of which was sold into the European Community and on the world market through brokers. SSA's marketing role was therefore a relatively straight forward operation and, I think it is fair to say, the Association's role was largely administrative. It had a staff of some 25 people.

Positive and negative impressions of SSA at that time. On the positive side, SSA and the industry had an excellent reputation. It was built on a very strong foundation of the Sugar Act and Agreement which had by then been in operation for some twenty years. SSA was a lean organisation with few staff, and management was administratively efficient and professional. The resources, experience and knowledge within the industry on both the millers and growers side had been considerable.

On the more negative side, I had never before experienced such large, unwieldy and somewhat rigid decision making forums - in particular the SSA Council and MEC. The organisation seemed to me to be more reactive than strategically focussed on future marketing, development of the industry and its positioning in the context of the regional and world industries. Swazi farmers were, with the exception of the VIF farmers, few and far between with the notable exception of Tibiyo itself and one Dumisa Dlamini. The industry seemed to be on a well maintained railway track. Discussions were often at a detailed operational level – management of quotas, unsegregated and segregated production, rateable deliveries, implementation of the division of proceeds formula and much else besides. SSA and the Swaziland industry seemed to live in quite an introspective internal sugar world. Competition was not part of the culture! This is not to say the industry did not have its problems – there were plenty. At the end of 1990 transport of sugar through Maputo was terminated following the 'pilferage' of a staggering 12 000 tons!

This was the organisation as I saw it in 1990, both positives and negatives – and I must stress that the latter are not intended to take away from the achievement of the many participants who had built up the strong industry which I have already described.

The Change Process

The industry and SSA are now very different as I will describe in a little more detail below. Faced with the somewhat static situation I have outlined above, a major strategic planning process was introduced in the early 1990s. The process had its opponents and, I have to admit, parts of it were tedious – such as the hours spent discussing vision, mission and values – mostly blindingly obvious! However the formulation of the strategic goals for the industry, along with the challenging of long established customs and evergreen traditions, gave rise to extremely interesting, lively and constructive debate, culminating in a major strategic plan in 1993. This undoubtedly set the course for a fundamental change of direction in a number of key areas. The strategic plan was then progressively developed over subsequent years to lead to the Industry's positioning today.

Below I highlight some of the key areas of development and change – both planned and unplanned! Of course - unplanned change also requires a strategic response! I will try to give a view on some of the issues which have inevitably accompanied these developments.

Market Development

Perhaps the biggest and most fundamental change was on the marketing side with the decision to adopt a more active marketing strategy, in particular the development overtime of Swaziland's local and regional markets. Today Swaziland sells some 70% of total production in those markets as compared to less than 10% in 1990.

Of course this policy, which added a lot of value in Swaziland, came with a new set of problems which made, and still make, ever increasing demands on SSA management. A whole range of middle men have been introduced, delivery logistics have become more complicated, the market place has become more competitive. Measures have from time to time been adopted by competitors to combat Swaziland's policies, and the marketing of sugar has become more political as a consequence of these factors. The demands on SSA management today, not just in selling the sugar, but in managing these and other factors are a far cry from the relatively simple operation in 1990. An analysis of the figures shows very clearly the value which has been added by this strategy.

The changes in Europe referred to below, resulting in changes to previously long established contractual arrangements and opening up new opportunities have likewise added significantly to the workload in SSA and the Industry.

Expansion of the Industry

Another area of significant change has been the strategic decision to expand the industry – of course the industry had previously seen a major expansion with the development of the third mill at Simunye a decade earlier but, over the last eight years of the 1980s the total hectares under cane had been static and the number of Swazi farmers were negligible. The process of substantially derestricting the issue of new quota together with elimination of the distinction between non segregated and segregated production in the calculation of division of proceeds were both important steps towards encouraging expansion of the industry as well as bringing more Swazi growers into the industry. In 1988/89 there were some 37000 ha in Swaziland under sugarcane. Today the figure is around 52000 – an increase of 40%.

The discussions leading to these developments were part of a process that continued over many years. They were at times inevitably difficult and controversial because of the dilution effect on prices for existing farmers as a result of the additional production having to be sold on the world market at significantly lower prices. The expansion policy of the industry is the correct one for Swaziland – if not for all existing farmers - so long as farmers can make money at the new average price. The latter is an important caveat and the answer often will not be obvious and will be different in different cases. The number of Swazi farmers has increased substantially due in particular to the Komati development. Of course, managing and administering farmers in any country – and Swaziland is no exception - is not an easy process. This has materially increased the administrative burden on SSA – not least because of the building up of SSA's extension service in response to the new requirements.

Changes in Europe and the World Industry

The immense restructuring of the industry in Europe, eroding the preferential price that Swaziland receives, the WTO movements, management of the SACU, SADC, COMESA relationships, as well as bilateral trade agreements and regional trade associations have all combined to place a huge burden on the SSA – a burden which hardly existed in 1990. In particular the need for the industry and government to understand, react and lobby for its interests has become paramount. This is time consuming and requires active participation in a whole range of forums, including most recently the EPA discussions, to ensure the best deal for Swaziland and the Swaziland industry. The outcome of such discussions materially affects the position of all shareholders in the industry.

I would suggest that providing a leadership role in this whole area is today the single most important task of SSA, along with the marketing of sugar itself. Mike Matsabula, SSA's CEO, has made an outstanding contribution in providing the industry and government with an understanding of these developments and in leading the lobbying effort. He has worked closely with Hugh James, who as the SSA Commercial Director has played a key role in driving the marketing changes and developments mentioned above.

At the end of the day, and due in part to these efforts, there are significant opportunities for Swaziland arising out of the changes.

Structural Changes within the Industry

Since 1990 there have been important structural changes within the industry affecting the balance between millers and growers and giving rise to some inevitable conflict of interests within the industry. In 1994, IYSIS sugar and water management was merged operationally into Mhlume Sugar Company and therefore became managed by the latter. IYSIS was previously the largest member of the Growers Association and the merger meant that IYSIS had to leave the Growers Association – a blow for the latter in terms of resources. A few years later, Tambankulu was sold to one of the South African millers – although it remains a grower. In 1997, Illovo purchased Lonrho Sugar which included Ubombo. In 2002, Mhlume and Simunye merged into the reconstituted Royal Swaziland Sugar Corporation (RSSC). In 2005, TSB became a significant shareholder in RSSC, buying CDC/Actis shareholding. Most recently, British Sugar became a controlling shareholder in Illovo – itself the controlling shareholder of Ubombo. RSSC, through a whole ownership of Mananga Sugar Packers (MSP), has entered the pre-packing business.

These changes, which are a logical and commercial development, have fundamentally altered the nature of the industry as well as the balances and equity interests within the industry. Conflicts of interest arise. These place an even greater burden on SSA and can frustrate and delay decision making to a point where it is simply no longer commercially acceptable. It is important that the structure of SSA and the industry should reflect these developments.

Other Areas of Focus

Added value was much talked about but less easy to achieve, particularly because industry structures often do not facilitate this. Nevertheless different sections of the industry have added significant value over the years including refinery expansion, bagging, pre-packing and ethanol production. A huge amount of work has been done on efficiency increases – logistics is but one example. The refurbishment and reopening of the Maputo Sugar Terminal in the early 1990s – strategically vital for Swaziland - and the continuing assessment of road versus rail are examples.

Personalities

Many of the well known names who had provided such a strong foundation had disappeared by the time I came along – people like Michael Fletcher, Claude Kockott, Graham Todd, Co Wevers and Harrry Alexander. Others were still there, notably Rene Leclezio, Jerry Gosnell, Mike Boast and Peter Hughes, the latter becoming Chairman of the Growers the year I joined. Rene's knowledge and experience of sugar in Africa was legendary – I had first met him many years earlier in connection with the financing of Dwangwa in Malawi. Jerry also had a huge knowledge of the industry. Both Mike and Peter were intelligent strategic thinkers who featured prominently in many of the years that I was involved - Peter had the vital role of leading the growers association through the many changes that were to take place in the following decade or so – a role to be taken on ten years later by Farmer Hulley on Peter's retirement. It is not possible to mention all the personalities who have contributed in many different ways – however I must single out AT Dlamini who served for many years on Council and MEC and who subsequently became Prime Minister of Swaziland, and his successor at Tibiyo and SSA Council and MEC, Ndumiso Mamba whose views are always important.

The General Manager of SSA in 1990 was Derek Johnson who retired shortly thereafter. His successors in sequence were Hugh Maunder, Andy Colhoun and Mike Matsebula who, as the current Chief Executive of SSA, has played the tremendously important role already mentioned. All in all, there were and remain some outstanding individuals

working in the Swaziland sugar industry – the largest and most important in the Swaziland economy – and it has been a privilege to be associated with it.

Culture

It is difficult to describe the culture of an organisation such as SSA which comprises such a diverse collection of very different individuals representing both the membership and management. There is a healthy tension between the membership and management who on the one hand have very clear responsibilities in terms of getting on with the job, and on the other are in fact the agents of the membership who hold the equity in the industry. Management's difficulties can be compounded when there are differing views about the way forward on any particular issue. I have already referred to the large and unwieldy meetings. At one stage in the early 1990's there was an executive committee (EXCO) system which I believe did a lot to facilitate progress in those years of change, but it did not survive. At times, relationships within the industry have been very difficult on particular issues and tempers have been frayed. More often than not industry members have worked well and constructively together. Overall I believe there is a strong work ethic and professionalism in SSA and the industry generally.

SSA Today

So today, 17 years on, the SSA is very different to the one to which I was first introduced in 1990. In summary, the industry has expanded production by 40% over that time. SSA's marketing operations are much more complex both locally and internationally. It operates in a rapidly changing world in Europe, SACU and elsewhere. It plays a vital and leading role on behalf of the Swaziland industry in understanding and dealing with those changes and lobbying in the many different forums outlined above. In addition to all of this, it has to discharge its more routine, but vital, administrative and regulatory functions, most importantly ensuring sound financing and a fair distribution of proceeds. Its extension service and public relations roles have materially increased over the years. SSA today employs a staff in excess of 100 people – four times the number in 1990. The overall development has been significant and appropriate. It is inevitable that there are major challenges ahead – some of which I have briefly referred to above. I believe the Industry is indeed addressing these and I wish it well for the future.

Tim Davidson

MEMORIES OF THE SUGAR INDUSTRY IN SWAZILAND

Dr JERRY GOSNELL O.B.E.

Jerry joined the South African Sugar Association Experiment Station in 1963 as Research Agronomist and obtained his PhD on "Factors Affecting the Growth of Sugarcane". In 1966 he was appointed Director of the Zimbabwe Sugar Association Experiment Station where he was responsible for the development of the station from virgin bush.

In 1973 he joined Lonrho Sugar Corporation as Chief Group Agronomist responsible for agronomic advice to the estates in Malawi, Swaziland and South Africa. He carried out feasibility studies on sugar projects in Sudan (Kenana), Malawi (Dwangwa), Zimbabwe (Mkwasine), South Africa (Makhathini and Melmoth) and Tanzania (Kilombero) as well as surveys of several other sugar projects. He was active in International and South African Sugarcane Technologists Congresses and presented numerous papers.

He came to Swaziland in 1978 as Operations Manager, then General Manager and Managing Director at Ubombo Ranches (later Ubombo Sugar) which operated over 10 000 hectares of sugarcane, a sugar mill, refinery and cattle ranch. Later he was appointed Chairman of Lonrho Sugar, Ubombo's parent company. He retired in 1998.

In Swaziland, he was heavily involved in sugar industry matters, being on the SSA Council and Marketing Executive Committee for nineteen years, President twice and chaired the SSA Water Strategy Committee as well as the Big Bend Mill Group Committee. He was also Chairman of the Swaziland Electricity Board for three years. On his retirement he was made the first Honorary President of the Federation of Swaziland Employers.

Dr Jerry Gosnell O.B.E.

The Swaziland sugar industry was only twenty years old when I joined in 1978. I was privileged to be a part of its development over the next twenty years; many changes and great improvements have taken place and I would like to review a little of the history.

Early Days

During the '60s and '70s there were two sugar mills, Mhlume and Ubombo. In the north Claude Kockott of Tambankulu established a superb 4000 ha estate on beautiful red soils, which won many awards because of good layout, safety and management. Also in the north were two other large estates, Mhlume (pioneered by Huletts, later Commonwealth

Development Corporation) and Swaziland Irrigation Scheme which was initially under rice, later under cane. The pioneer in Big Bend had been Carl Todd, father of Grahame, who was responsible for the first introduction of sugarcane plant material from South Africa in 1951. Successful trials were carried out and the first production of sugar in Swaziland was made in Ubombo's old mill by the Usuthu River at Big Bend in August 1958 by GM Gasy Szokolay, later to be a consultant for Tibiyo. The initial quotas allocated by Government in 1960 were for 40 000 tons each in the north and south and when Ubombo constructed the new mill in 1960, the two mills competed on equal terms for many years. I can remember the same bottle of whisky being handed back and forth annually between Harry Alexander (Deputy General Manager at Mhlume) and myself, until it was eventually consumed, probably at 12 years old!

Because of restricted quotas under the International Sugar Agreement, the existing millers and growers initially opposed the move to introduce a third factory. However the benefits to the country of expanding the industry were evident and the late King Sobhuza II gave the appropriate name to Simunye, which opened in 1980 following construction of the Mnjoli dam on the Umbeluzi River. Enter the highly competent John Ranger, first GM, who achieved high cane yields and good factory performance, allowing Simunye to increase rapidly to production levels similar to the other mills.

The first Sugar Factory in Swaziland

Tibiyo Taka-Ngwane

In 1969 Lonrho took over Ubombo, and as Tibiyo owned farms near Big Bend, a ground-breaking partnership was developed between King Sobhuza II and Sishayi Nxumalo with Tiny Rowland, Michael Fletcher and Rene Leclezio of Lonrho, whereby 40% of Ubombo passed into Tibiyo hands in exchange for the development of Tibiyo land for the mill. Starting with Sivunga in 1974, and increasing to over 2000 ha by the '90s, it became the second largest grower estate and was managed integrally with Ubombo, giving maximum benefit to Tibiyo. Ubombo enjoyed an exceptionally cordial relationship with Tibiyo, initially with Sipho Dlamini who was for many years on Ubombo's Board - I was very touched to be asked to give a eulogy at his memorial service - and later with his successor, Themba Dlamini (who went on to become Prime Minister).

In 1962 CDC developed the first smallholder complex, Vuvulane near Mhlume, but in spite of large scale Tibiyo ownership of the sugar industry, it was perceived during the '80s that Swazi people were not benefiting from the wealth generated by sugar. Ubombo promoted the integration of small farmers into the industry and following a measure of deregulation, the first 10,000 tons of sucrose quota on Swazi Nation land was allocated in 1992. The effect on the poverty stricken district near Siphofaneni was dramatic with new bakkies and houses visible everywhere; most expansion in the industry since that date has been for small growers. Opening up of the industry to dilute its previously perceived "white face" was a major step forward.

The usuthu River almost dry in September 1983

Lower Usuthu Basin

Back in 1970, Engineering & Power Development Consultants (UK) carried out two comprehensive studies on the Lower Usuthu River basin and Maphobeni and recommended that around 10,000 ha of good Swazi Nation land could be developed to sugarcane if a dam were built on the Mhlatuzane River fed by a canal from the Usuthu. One of my first actions on arrival in Swaziland in 1978 was to present a proposal for the development of this area to Sishayi Nxumalo, then Minister for Commerce & Industry. Subsequently further studies were made and at last in the '90s, the EU gave it their support. Additional detailed studies confirmed the best options (essentially the same as those proposed in 1970) and at last with the turn of the new millennium, LUSIP commenced with cane proposed to be sent to the Ubombo mill. Meantime the construction of the Maguga dam on the Komati River, spearheaded by South African interests, enabled the development of KOBWA for smallholders in the north.

Cyclone Domoina and the Big Bend Canal

The sugar industry in Swaziland is totally dependent on irrigation and water has been the key to all development. Unlike in the north where the Sand River dam and Mhlume Water irrigation canal were constructed by CDC, all development in the south was done privately. The Big Bend canal3 was constructed by a group of six farmers in the '50s with a capacity of 98 cusecs. Although increased to 157 cusecs by the early '80s, it was still much too small for current development. Having seen thousands of hectares of cane go brown due to lack of water, Ubombo was desperate to enlarge the canal but there was serious opposition from the original canal pioneers. While negotiations were proceeding on the 19th draft of a legal agreement to enlarge, Cyclone Domoina struck in January 1984 and ravaged the first 3 km of the canal as well as destroying the main bridge over the Usuthu and covering the low level bridge for months. All parties immediately agreed to a major reconstruction with John Glaum directing operations and Grahame Todd personally building retaining walls. Five massive exca-vators were brought

The usuthu River after Domoina in January 1984 in from Johannesburg and the canal was simultaneously en-larged, restoring flow within two months and finally increasing it to over 500 cusecs. This greatly benefited Ubombo and some of the Tibiyo farms while in turn, Big Bend Sugar took the far-sighted step of installing a private hydro-electric station to supply all its own power requirements.

Van Eck dam, Ubombo's main water supply

Domoina was a major crisis for Ubombo. We were cut off from the south bank of the Usuthu, the first two rows of staff housing along the river had to be evacuated and many houses destroyed. Fortunately loss of life was minimal (one cyclist). The rush to restore irrigation meant that all river pumps and motors had to be removed and rehabilitated. South African helicopters were drafted in to uplift heavy motors from inaccessible locations and sent to Johannesburg for cleaning and rewinding. Ubombo initiated "Ubo Air" and the enterprising Lindsay Glaum set up "Coconut Airways" providing frequent ferry services across the river to transport workers and students to and from work. Superhuman effort on the reconstruction enabled the factory to start on time and a drastic reduction in yields was averted. It was interesting to note that insurance payments were actually larger for the consequential loss of cane due to dry conditions without irrigation than from the cyclone damage itself!

Irrigation and Droughts

Ubombo received its water from the Big Bend canal and from river pumping. In 1969 the Van Eck dam was constructed and as most of our land lay above the main canal we installed a series of six lift pump stations with parallel canals that enabled fields 100m above the river to be irrigated; at this point the river is only 70m above sea level. Prior to the canal expansion, I can remember visiting the main River pump station late on Christmas Eve to find the Irrigation Manager, Phillip Fourie and a pump fitter toiling to repair the pumps so we could irrigate over the hot and dry Christmas-New Year break.

Irrigation technology improved continuously during the '80s and '90s. Introduction of Power Factor correction reduced power consumption by 20%; Maximum Demand control was also a great improvement. In the fields Ubombo steadily improved low cost furrow irrigation layouts using low spiles on many fields; with overhead irrigation we moved from travelling guns to semi-solid set to centre pivots, giving much greater irrigation efficiencies.

Droughts recur and the worst droughts in living memory occurred in 1991-1994 (which resulted in the complete collapse of the Zimbabwean sugar industry). At the bottom of the estate, the Usuthu river bed could be seen to be completely dry. Cattle died in their hundreds of thousands on Swazi Nation (SN) land, and it was pitiful to see emaciated cattle haul themselves down to Sifunga dam, fill up with water, and be too weak to leave, dying at water's edge. Ubombo responded to this crisis by supplying surrounding farmers with free cane tops and purchasing rotobalers to transport tops elsewhere. Some bales were supplied to

Mkhaya game reserve and it was amusing to see a large white rhino cow perched on top of a bale, defying other animals to take their share! More assistance was provided by constructing a cattle feeding pen at Bar Circle ranch for SN cattle, installation of Fin drains in community areas to extract drinking water from dry streambeds and supply of water from the sugar mill in tankers to surrounding water tanks. In response to national requests, Ubombo also grew irrigated maize on plough-out cane fields.


ubombo factory with refined sugar conditioning tower under construction

Sugar Storage and Dispatch

Sugar storage and despatch was always a prime task of the Sugar Association and a large bulk store was built as part of Simunye while the original stores at the other mills were under pressure. Ubombo as the only refiner for many years was steadily increasing its refinery and caking problems (which are common in most areas producing refined sugar) were becoming serious. Factory Manager Ian Clark, together with consultants designed a 25 000 ton refined sugar conditioning silo for the SSA; funded by the E.U., this was completed in 1994. The elevator tower using modern slip form techniques was constructed within nine days to an elevation of 60m, making it the tallest building in Swaziland.

From the early '60s, SSA and Zimbabwe jointly owned a small sugar export terminal in Maputo. When warfare became widespread in the '70s, use of this route became increasingly problematic caused by deterioration of the rail track resulting in trains running slower. This enabled hungry citizens to jump onto the wagons, cut the tarpaulins and throw sugar to their friends. Losses mounted to tens of thousands of tons annually and SSA eventually decided to switch exports to Durban in spite of the longer distance and higher freight charges.

Quota Battles and Industry Restructuring

From 1958, the sugar industry in South Africa had been monitoring developments in Swaziland with mounting concern. Under the SA Customs Union, sugar produced in Swaziland could be freely sold in South Africa where it would replace sugar produced locally. If the displaced sugar could not be exported because of international export quota restrictions then South Africa would be faced with cutting back production. Thus developed the "gentleman's agreement" that each industry would not market its sugar in the other's country except through the Associations. Michael Fletcher, initially MD at Ubombo and later SSA International Representative was the ongoing negotiator and representative at many International Sugar Agreement meetings.

By the '80s, Swaziland had become a substantial and low cost producer which resulted in traders buying cheap sugar in Swaziland and selling into SA at appreciably higher prices; and large quantities leaked through the poorly manned border. The South Africans objected and negotiations took place to control the export, with SA setting small access quantities, with slowly increasing market penetration targets. SSA could not accept these and after several, at times acrimonious, meetings in which it was amusing to see the "good cop - bad cop" routine being played out, South Africa decided that enough was enough and terminated relationships with the Swazi industry, closing the Durban sugar terminal and stopping technical assistance to our factories and fields. By good fortune, the recently declared peace agreement in Mozambique enabled SSA to rehabilitate the Maputo terminal and the railway line was reconstructed with international funding, enabling SSA to reinstate the Maputo route for sugar exports. Meanwhile the lack of technical assistance had not proved serious since the Association established its own extension and research service at Simunye under Terry Pearse, a great step forward in 1984.

In the early '90s new discussions commenced and consultant Gill Lavers, a well known international marketing consultant and Swaziland supporter, took on a "Henry Kissinger" role in negotiating with the parties separately and eventually a new agreement was reached, with Swaziland being brought back into the fold and benefiting from a very much higher quota to export into SACU countries. Managing this quota issue had become a thorny problem and SSA needed restructuring to handle new problems. In the past the principal task of the smaller SSA was to market Swaziland's sugar to the best advantage of the industry and the General Manager carried out all marketing and other (relatively minor) responsibilities. A new structure was agreed, again with Gill's assistance, and Dr Mike Matsebula was brought in as Chief Executive to manage and lead the key strategic challenges including international, commercial and local political dynamics. This was highly successful and a new post of Commercial Manager was created to ensure that the specialized role of maximizing returns to the enlarged industry was maintained. Hugh James was appointed to this position which he handled with great skill.

By-Products – Molasses and Bagasse

Sugar production, both refined and raw, has been the backbone of the industry, but a valuable by-product, molasses for distillation to ethanol, was neglected for many years. After two oil crises in 1979, King Sobhuza II requested Ubombo to consider erecting a distillery to produce power ethanol. A feasibility study was rapidly completed and Ubombo was prepared to go ahead, but required Government to legislate that oil companies must purchase the product. After some years of vacillating, the project was abandoned. Later Mhlume attempted the same project with the same result. Finally, Simunye constructed a distillery for potable alcohol, for export. To this day, no fuel ethanol is produced in Swaziland.

Improved utilization of the other main by-product, bagasse (apart from burning it for steam and power production for mill requirements) has always been restricted by the terms of the Sugar Act. Ubombo was continuously improving efficiencies and increasing export power for its field irrigation; growers objected to this on the grounds that as bagasse was a by-product of the sugar milling process, the growers were entitled to a share of the proceeds gained by burning this bagasse although they had contributed nothing to the improved design and performance that had resulted in the surplus bagasse. The issue came to arbitration with a victory for growers.

Division of Proceeds battles between Millers and Growers tended to dominate much of sugar industry affairs, but I would like to acknowledge the constructive contributions from Peter Hughes (who took over from Claude Kockott at Tambankulu) who always looked for ways to increase the size of the "cake" as well as how to split it to the growers' advantage.

Social Issues

On a multi-million rand sugar estate and factory, growing cane and milling it to produce sugar are the fundamental elements of production. Equally important however are financial control and personnel management. In early years, many Personnel Managers were ex-policemen. With the introduction of modern industrial legislation, a new look was called for and an experienced Human Resources practitioner, Robin Seal, took over at Ubombo in 1984, just as Domoina hit. Robin introduced thorough job description, training and wage negotiations systems. Probably his greatest achievement was to bring in a young man, Mandla Hlatshwayo, recently out of law school as trainee Personnel Officer. Mandla rose rapidly through the ranks eventually to replace Robin as Personnel Manager and recently to become Ubombo's first Swazi Chief Executive.

Lonrho's experience in Africa had taught us the importance of supporting and improving conditions in the rural area surrounding the estate. Ubombo made great strides in the medical field, upgrading the old clinic to a modern hospital with three doctors, and an extensive system of Village Health Workers under the indefatigable Dr Paul Canter. The incidence of malaria was reduced by a factor of ten under his care. Great improvements in housing and introduction of private ownership of staff housing in the new Hlandze village were steps forward. After Domoina, when the old Training Centre (previously the old mill) was flooded and partly washed away, a modern new Training Centre was created near the mill.

Perhaps the most significant social development was in the field of education. Ubombo developed a policy to provide good education facilities for its employees and their dependants. This was hugely successful largely due to the efforts and motivation of Marilyn Gosnell, (Nomfundo), starting in 1981. In co-operation with Government, local schools were supported and Ubombo developed several private schools: Adult Education, three Pre-Primary Schools, a Primary School, an Academic High School and a Technical High School. This enabled students to enter technical colleges in Swaziland or SA and benefited our Training Centre and hence entry into company ranks. *"The management and staff of Ubombo Ranches"* said King Mswati III in 1992 "*can take great pride in what has been achieved. The gratitude and appreciation of the local community and the whole Swazi nation is due to them."* I was awarded the OBE by the UK High Commissioner in recognition of Ubombo's success in these areas.

Memory Vignettes

In 1978 Big Bend was quite undeveloped; the road from Lavumisa was not yet tarred. The telephones were primitive, our number was "Big Bend 1", which was considered hilarious by the Cape Town telephone exchange when our daughters phoned from there! People used to say that it was quicker to drive to Durban (7 hours) than to phone. No TV of course, but we did have weekly film shows at the club. There were no tar roads in the main village, labour housing was without sewage or electricity. Minimal garden water was available; when it rained in the evening, I used to put on a swimming costume, take a shovel and direct storm water where it was most needed!

The sugar factory is of course the heart of the estate. Ubombo's process floor had been derided as the 'Black Hole' in the '70s, but the Scot Ian Clark (madevu), took over as mill manager in 1975 and with his chief engineer and successor, John Moult, oversaw a number of significant expansions in his 20 years at the factory, making Ubombo the largest of the three sugar mills in Swaziland. Working and safety conditions improved sharply in the '80s and the mill became the flagship of Lonrho Sugar. Ubombo factory achieved a number of firsts for Swaziland: diffuser, continuous pan, 1-ton sugar bags, NOSA star ratings and off-crop refining

A sound agricultural department was established at Ubombo in the '60s by Pierre Andries who was followed by excellent men, Perrie Bullock, Dudley Crookes, Jannie van Schalkwyk (gobamadolo, who came to Ubombo as fields surveyor in 1955), Howard Theobald and Phillip Fourie (Mdwalafika, later Chairman of the Swaziland Water Apportionment Board), between them increasing the area under cane to over 10 000 ha. One of the major improvements in growing sugarcane was the application of chemical ripeners, Ethrel and Fusilade. When aerially sprayed some weeks before harvest, cane quality was improved, often dramatically and it was regarded as the best single investment in cane culture, being applied throughout the industry. This in turn led to improvements in aerial spraying techniques; Satellite GPS replacing the flagmen of old.

A number of Ubombo staff were very interested in nature conservation and Mike Batchelor's dream turned into reality in 1986 when 400 ha of ranch land adjacent to van Eck dam was allocated for conservation. An electrified fence was erected and many species of game, which used to occur naturally in the area, were introduced. The arrival and release of these animals, especially the giraffe, caused great excitement among those who had never seen them before. For years, Mike (siNkankanka), Paul Waterhouse and Dave Ducasse gave unstintingly of their time to turn the area into a little piece of paradise.

Closely followed by Umbeluzi, Ubombo took the lead in creating Swaziland's first Conservancy in 1996, bringing in experts from Natal to guide the process. A neighbouring rancher, Tim Purcell was the first Warden and led an efficient group of game guards to protect a group of ranches totaling over 20 000 ha. There was an immediate decline in poaching (and also armed robberies), and animals such as bushbuck and bush pig were again regularly seen.

There are so many personal vignettes to remember. Ubombo was privileged to have two of its serving staff removed from its ranks by His Majesty and appointed Prime Minister the next day. First was Fields Area Manager Mabandla Dlamini in 1979, then Assistant Personnel Manager Sotja Dlamini in 1986 also became Prime Minister overnight! His replacement, Edgar Hillary was later summoned from Big Bend by royal command and appointed Commissioner of Prisons, soon to be Commissioner of Police.

Perhaps my most outstanding memory is that of René Leclézio, Chief Executive of Lonrho Sugar. A man of total integrity, a brilliant sugar technologist and a remarkable leader, René is probably best remembered in Swaziland for his extraordinary knowledge of the world sugar market and intuitive prediction of future movements. His contributions in this field undoubtedly made millions for the industry.

Dr Jerry Gosnell O.B.E.