





OMNICANE

WWW.OMNICANE.COM

+230 212 3251

THE SWEET TASTE OF SUCCESS

WRITTEN BY DJAMIL BENMEHIDI

If ever you're interested in reading a cautionary tale about how quickly the winds of fate and fortune can change in business, simply email a meeting request to one of Omnicane's senior directors – they'll be able to tell you a real-life tale about how one of Mauritius' oldest, most successful sugar producing company's suddenly found itself, with the mere stroke of a pen in Brussels, teetering on the edge of collapse, before pulling back from the brink and then climbing back to the top again.

ENDEAVOUR MAGAZINE CAUGHT UP WITH Omnicane to find out more about its rollercoaster journey to the brink and then back again.

It would be safe to say that 2009 - the year when the EU voted to tear up a number of preferential trade agreements, which gave huge benefits to Mauritian sugar producers in terms of annual sugar quotas allowances - was a very bad year for business for Mauritius-based Omnicane. In fact such was the impact of this, along with a 36% fall in the price of sugar, it seemed for a while at least as if Omnicane and the wider industry in which it operates was facing the same ignominious fate as the country's most well-known and sadly extinct flightless denizen, the dodo. Jacques M. d'Unienville, CEO of Omnicane, laughed, "you're right, the Mauritius sugar sector could have gone along that way," when the idea was put to him.

Fortunately for Omnicane, its staff, and the wider economy, the implementation of an ambitious and aggressive strategy of rapid diversification, which saw Omnicane enter into the textiles, upmarket tourism, banking, and business processing sectors, saw the company not only stave off disaster but plant the seeds of its present-day success.

SURVIVING TIMES OF DIFFICULTY THROUGH A FRESH STRATEGY OF DIVERSIFICATION

Not that Omnicane has strayed too far from the market it knows best, of course. D'Unienville said: "At Omnicane we had a choice of phasing out of sugar, or to survive and remain competitive. This last option is the one we took." And rightfully so. In spite of its successful diversification scheme, the company has stayed true to

its 150-year sugar-producing heritage. Traditionally a major sugar milling company since its inception in the 1850's, Omnicane's sugar product offerings are now significantly more diverse, reaching out from production of sugarcane, to the refining of sugar and manufacture of bio-ethanol - a sustainable fuel which is fast being adopted around the world. Not that Omnicane's ambitious diversification drive stops here, of course - the company has also invested heavily into what it knows best, the agro-food sector, and now benefits from full and partial-ownership of a network of food preservation infrastructure, such as the cold rooms and facilities needed to safely store staple food products such as vegetables, palm hearts, shrimp, venison, and even flowers.

Interestingly, for all the company's history and heritage, the Omnicane brand is indeed young. Following its launch in July 2009 via a strategic re-branding of MonTrésor-MonDésert, the Omnicane as we know it was born, and has since led the line as it sought to stabilise not only its own operations, but also the island's economy. As a result of its success in this regard, the future now looks altogether sunnier for both parties.

STREAMLINING OPERATIONS AND MOVING UP THE VALUE CHAIN

That said, streamlining the business and embarking on an intensive cost-cutting drive didn't come without its share of pain. But while the cuts and closures proved difficult, d'Unienville stands by what were unavoidable decisions. "What we did was necessary,



**HIGH QUALITY SERVICE,
QUICK RESPONSE,
ON TIME DELIVERY**

Established in 1983, Groupe Sotramon has evolved into the preferred engineering partner for time constrained engineering projects. The Groupe is specialised in both major contracting works, supply of steel products and equipment in Mauritius. With a dedicated workforce, resources, skills and expertise, Groupe Sotramon has been able to meet the challenges and expectations of its clients over the past decades.



Projects ranging from structural steel works, annual shutdown of major power plants, high pressure piping, workshop fabrication, heavy engineering site works within the thermal, gas, petroleum and process industries have enlightened Sotramon's capacity and strength. Groupe Sotramon additionally offers a fleet of mobile and crawler cranes including the largest crane in the region (300 ton crawler crane) for the installation of heavy equipment and structures.



Address : Montebello, Pailles, Mauritius
Tel : (230) 212 4230
Fax : (230) 212 2858
Email : info@sotramon.mu
Web : Sotramongroup.com

with vision and assistance from the private sector, government, and workforce, which made it possible to survive and successfully reconvert our business model.” In order to improve efficiency and bring down operating expenses, Omnicane began by closing seven of the eight factories it was operating ten years ago, in order to focus operations on one singular unit, the flexi-factory at La Baraque – a cutting edge facility with a crushing capacity of 9,000 metric tonnes of cane per day, and the only one to have adopted energy-saving diffuser technology on the island. It is one of the most modern and energy efficient sugar cane mills in the region. Presently, plans are in place to expand the cutting-edge La Baroque facility, which will not only lead to a significantly increased production capacity but the construction of a new Carbon Burn-out Plant - a new development which will both decrease the carbon content output of its power plants, and create ash by-products that can be used as an additive for the manufacture of cement, thereby drastically decreasing its production costs.

Additionally, Omnicane’s entry into the thermal energy sector has quickly borne fruit, and operations at La Baraque and Saint Aubin are now generating nearly a third of the electricity produced to the national grid. “Before, we produced raw sugar and molasses

that were both exported. Now, we have now moved up the value chain, investing in the cane cluster at La Baraque and moving up the value chain by producing direct consumption refined sugar for Europe, bio-ethanol from molasses, bio-fertilisers from vinasse and with the bagasse - the fibres of the sugar cane - we are generating electricity for the national grid in a substantial way.”

INVESTING IN THE AFRICAN CONTINENT

Mauritius has made remarkable progress on this front, and has already nearly optimised its full biomass energy potential, but the African continent is a different story. As a resource which remains virtually untapped, African expansion remains at the forefront of Omnicane’s agenda, as is demonstrated by Omnicane’s 25% investment in the construction of a US\$200 million sugar complex in Kenya, south of Mombasa, and US\$250 million investment into sugarcane plantations and refining facilities in northern Ghana.

“Our vision is to be a significant regional sugar and electricity producer and develop further value-added activities,” d’Unienville told us. To catalyse its plans for international expansion and export, Omnicane has also forged strategic alliances with companies like



British-based The Real Good Food Company plc, and its sugar division Napier Brown - Europe's leading independent non-refining sugar distributor. "We want to have more integration into our products and make the most of value-addition."

FURTHER PLANS FOR DIVERSIFICATION AND EXPANSION IN THE SHORT TO MEDIUM-TERM

Over the short to medium-term, Omnicane intends to continue its strategy of aggressive expansion into Africa, along with a strategy of continued diversification. However, that isn't to say there isn't an element of risk. The main challenges, says d'Unienville, will be to carefully monitor growth and ensure that is aligned with the pace of expansion and availability of financial resources. "This is why last year we went through a US\$100 million US bond issue with a multi-currency facility. So far, we have raised two tranches out of the three and each has been oversubscribed."

At the vanguard of Omnicane's most radical new market penetration strategy into the hospitality sector is Omnicane's flagship 140-room business hotel, the Holiday Inn Mauritius Airport - situated close to the Sir Seewoosagur Ramgoolam International

Airport - which was recently completed. This is but one example of the scale of Omnicane's ambition, and you can be sure that it won't be the company's last.

There is a lesson for all of us in the recent trials and tribulations of this most impressive Mauritian company - for every threat which presents itself in business there is an opportunity behind it of equal measure. Grit and good strategy go a long way, and through its successes Omnicane has proven itself to be the very embodiment of this idea.



Sotramon is a privileged engineering partner of Omnicane for the past decade in its bold transformation from a sugar to a cane industry. Our involvement dates since the setting of a 2 x 45 MW coal / bagasse firing plant to produce electricity, erection of all associated structural steelwork, equipment and piping for the sugar refinery of capacity 700 t/day and ethanol distillery. Our latest involvement is the setting up of a carbon burn out boiler project and is due for mechanical completion in November 2016.

Established in 1983, Sotramon has been offering its services to the major sectors of the Mauritian economy namely the sugarcane, textile, agro, oil and gas sectors.

Boasting a wide variety of high quality services from engineering, workshop fabrication, site erection and hiring of cranes, we offer quick response so as to meet tight deadlines and delivery on time to our clients' satisfaction.