

Impact of Covid-19 on local production of ethanol minimal

Illovo Sugar South Africa (Illovo SA), which produces high-grade ethyl alcohol (ethanol) at its Merebank Downstream Factory south of Durban, is aware of claims being made of shortages of ethanol in the country by various local market players producing products such as hand sanitisers, which are critical to support efforts to prevent the spread of Covid-19.



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The company has confirmed that there has been no impact from Covid-19 on its local production of ethanol, and understands that the Ethanol Producers Association of Southern Africa – which includes producing members within South Africa, Eswatini and other African countries – would confirm that the same position applies for the industry as a whole.

The company produces in excess of 50 million litres of ethanol annually, serving both local and export markets.

Mamongae Mahlare, managing director of Illovo SA, says: "Whilst we continue to produce at our current levels, and against the background of our stated commitment to help contain the spread of Covid-19, we have refocused our business plans in order to quickly respond to sanitiser-producing companies who are calling for growing volumes of ethanol for use within their products. This includes working with existing customers in order to redirect already committed volumes."

The company has augmented its supply position following the published amendments to the Customs and Excise Act by the South African Revenue Service late last week, allowing for the use of undenatured ethanol, by registered manufacturers, for the production of disinfectant. "At this time of critical need we urge all participants in this supply chain to price responsibly and in line with the requirement of scheduled products within the Disaster Management Act," says Mahlare.

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