

**COMMODORE JOSAIA VOREQE BAINIMARAMA, CF (Mil), OStJ, MSD, jssc, psc**

Prime Minister and Minister for Finance, Strategic Planning, National Development and Statistics, Public Service, Peoples Charter for Change and Progress, Information, i-Taukei Affairs, Provincial Development, Sugar Industry, Lands and Mineral Resources

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**SPEECH AT THE OPENING OF THE 13TH ACP MINISTERIAL CONFERENCE ON SUGAR**

**Fijian Resort and Spa Mon. 14th Oct., 2013**

**SIGATOKA 1100 Hours**

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Honourable Ministers;

Your Excellencies;

Representative of the European Commission;

Distinguished Guests;

Ladies and Gentlemen.

Bula vinaka and a very good morning to you all.

On behalf of the Fijian Government and people, it is my pleasure to welcome you all to Fiji for the 13th ACP Ministerial Conference.

It is a great pleasure for Fiji to once again host the ACP Ministerial Conference on Sugar, having last done so six years ago, in 2007. In June this year, we also had the privilege of hosting - and also chairing - the 43rd Session of the International Sugar Council, the global industry body.

Fiji is proud to contribute to solutions we seek to the many challenges facing an industry on, which the livelihoods of so many millions of our people depend.

It is their interests that must always be at the forefront of our deliberations, as we seek to secure their livelihoods, through a sustained industry, which includes secure markets. We need to expand economic opportunities, boost our national economies and lift the overall living standards of all our peoples. That is why it is critical that as ACP leaders we must maintain solidarity and a focus on the future.

For many of us, sugar cane is not just some incidental crop that can be easily replaced. It is a primary agricultural export, at the very core of our economies and a principal source income for huge segments of our populations – in Fiji’s case, 200-thousand people or more 20 per cent of all Fijians. In some ACP countries, sugar exports account for more than one quarter of GDP and 85 per cent of total agricultural exports.

Indeed, the Fijian economy has been built on the sugar cane industry. Before the growth of tourism and other sectors, we depended almost entirely on sugar for close to 100 years. Today our economy is more diversified and sophisticated, but sugar cane is still a significant industry. So for Fiji and many other ACP countries, a healthy market for our sugar spells a healthy economy and higher living standards, while a poor market spells the opposite.

As you all know, the global market environment for sugar has not been healthy. It has been characterised by higher production and lower prices, has severely tested us in recent years. Now, more than ever, we need a united front and at the same time understanding and a fair deal by our European partners.

In this area, as you all know, we have a considerable way to go. As we make the transition from what many viewed as the sacrosanct Sugar Protocol arrangement to the new Economic Partnership Agreements (EPAs), it is critical that adequate support and time is provided to ACP sugar producing countries. For Fiji this support has been sorely lacking. Disbursement of the promised Accompanying Measures Support Program (AMSP) has been politicised and Fiji has not received the fair share owed to it.

The negotiations of EPAs have been long and drawn out due to the inclusion of many non-trade issues. The unilaterally imposed changes to the European Commission market access regulation 1528 of 2007 has created further uncertainty as it threatens to remove access despite the fact that negotiations on full EPAs are incomplete. This premature end of market access could prove to be disastrous for the livelihoods and lives of the citizens in many ACP countries. Consequently it would also be detrimental to ACP – EU relations.

Indeed as we speak the Pacific countries represented by their Trade Ministers are currently in Brussels and will meet the EU Trade Commissioner Karel de Gucht to negotiate in good faith.

We all hope that these challenges can be resolved in an atmosphere of mutual cooperation and goodwill – with the understanding that any decision will have real impact on the lives on men and women and children in our respective countries.

I think I speak for everyone in this room when I say that we do not want handouts. What we want is for our people to benefit from their own sweat and toil by gaining fair and reasonable access to global markets and fair prices. This has long been the paradigm of our relationship with the European Union and has made an immense contribution towards sustainable economic development and the eradication of poverty.

The EU has remained a key market for our sugar exports despite some major challenges that our small and vulnerable economies have had to grapple with in recent years. The sugar cane industries in many ACP countries embarked on major reform and restructuring programmes to ensure their long-term sustainability. These reforms are still being implemented, and we now need certainty and consistency in our trade relationship with the EU, more than ever to allow these reforms to fully take root and flourish. The last thing we need now is more uncertainty.

Mr. Chairman,

Even if we manage to successfully negotiate mutually beneficial EPAs by the current unilaterally imposed deadline of 2014, we risk further unprecedented harm with the abolishment of the EU sugar production quotas in 2017. As the ACP Group, we had in Mozambique in 2011, made the request in accordance with the Cotonou Partnership Agreement that quotas be maintained until at least 2020. This would provide the long-term stability and predictability necessary for continued investment in the sugar cane industries and enough time for any possible and successful restructuring and/or transition.

It is now apparent that our concerns and expectations were not fully taken into account and that our call for greater coherence in trade, agriculture and development policies was ignored by EU decision- makers.

This Conference presents an excellent opportunity to take stock of all these developments and assess the likely implications of the inconsistent support provided through the EU’s AMSP, the threat of end of market access by 2014 and the end of the EU quotas for ACP suppliers by 2017. Based on the technical input and our deliberations in the proceedings, we can then develop appropriate strategies to chart the way forward.

We also need to examine the long-term viability and sustainability of our sugar cane industries, with the intention of shifting the focus from merely producing sugar to developing new uses for our cane crops. We badly need to diversify and add value in order to remain competitive and meet the many challenges facing us - including price volatility and changing market conditions.

We must look at all avenues to increase the revenue base of the sugar cane industry. We must give serious consideration to cogeneration, bio-fuels and other viable uses in addition to the traditional by-products.

The ACP Sugar Research and Innovation Programme has made significant progress in this area and could assist our industries to benefit greatly from this research work.

New varieties of cane are being developed and in May, Fiji was honoured to host an international workshop on the nobilisation of *erianthus,* a sugar hybrid.

For our part, we are sparing no effort to revitalise the Fijian sugar cane industry, and I’m happy to say that we’ve begun to see encouraging signs that those reforms are working, despite the lack of support from our partners the EU.

Land that had fallen fallow is being replanted, more long-term leases are being renewed, confidence is growing, stability is returning and a revitalised industry is beginning to take root.

At the beginning of this season’s crop, I was able to announce a record cane payment to our farmers, as well as a high price secured for next year’s crop.

With the 2013 season well underway, I can confidently say that we are on the right path. It’s no longer just about keeping the industry afloat. We are more ambitious than that. In fact, our long-term goal is to increase production and diversify our industry – adding value to our crop – in order to limit our exposure to the uncertainty of price fluctuations for raw sugar.

Mr. Chairman,

We have huge challenges ahead. Undoubtedly, at the end of the next few days, we will have defined and taken a firm decision on future strategies and actions for the short and long term to defend our position. Needless to say, the ACP must maintain its unity and solidarity in order to successfully chart the way forward.

I look forward to the deliberations and assure you all of our support during your stay in Fiji.

You are here at an important time in our history. This has certainly been an eventful year. In January, we assumed the Chairmanship of the Group of 77 Plus China for 2013 and are honoured to progress South-South cooperation agenda on a mutual development platform.

Domestically, on September 6th, His Excellency, the President of Fiji, gave his assent to a new Constitution that will take us to the first genuinely democratic parliamentary election in our history next year.

The 2013 Constitution embodies everything that my Government envisaged when it set out six and a half years ago to put Fiji on a path towards true democracy and tackle the corruption that was impeding our development.

For the very first time socio-economic rights, such as right to economic participation, right to health and education, right to a just minimum wage, transport, housing, food and water and social security, are guaranteed by the supreme law of the land.

It is the Constitution that will finally put us in the ranks of the world’s most liberal democracies. And it will provide a sound basis for lasting political stability and a platform on which to build a stronger and more resilient economy.

Ladies and Gentlemen, once again, welcome to Fiji. It’s a great pleasure to have you here and I urge you all to take time out to enjoy our beautiful country and the hospitality of the Fijian people.

Vinaka Vakalevu. Thank You.

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