

**Commodore J. V. Bainimarama, CF(Mil), OSt.J, MSD, jssc, psc**

**Prime Minister of Fiji and Minister for Finance, Strategic Planning, National Development and Statistics, the Public Service, People’s Charter and Change and Progress, Information, iTaukei Affairs, Sugar Industry and Lands and Mineral Resources**

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**SPEECH AT THE OPENING STATEMENT OF THE 43ND SESSION OF THE INTERNATIONAL SUGAR COUNCIL**

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**Sofitel Hotel Tuesday 4thMay, 2013  
NADI 0900 Hours**

Ministers;

Vice-Chairman;

Executive Director;

Excellencies;

Distinguished Ladies and Gentlemen.

Bula vinaka and a very good morning to you all.

On behalf of my Government and the Fijian people, it’s my pleasure to welcome you to Fiji for the 43rd Session of the International Sugar Council.

This is a proud moment for our country. Fiji is deeply honoured to host such a wide range of experts, industry leaders and government officials from around the world to discuss the future of the sugar cane industry.

When I accepted the chairmanship of the ISC in London last year, I made a pledge that Fiji would do everything possible to advance the cause of this global industry and the millions of ordinary people the world over who depend on it for their livelihoods.

They look to us to keep the industry sustainable and prosperous at a time when instability and uncertainty are commonplace. World sugar prices remain volatile, and shifts in production in a number of large sugar-producing nations have drastically altered the marketplace.

Currently, global production is higher than it has been for a long time, up 3.2% from last season, outstripping demand. This means that the price of sugar is down, and global stocks are forecast to increase as excess sugar is held over to next year.

Ladies and Gentlemen,

Although circumstances differ from country to country, we are faced with many of the same issues, primarily reliable access to markets – which is necessary to instil a degree of certainty into the industry that will help attract investment and drive reforms.

In the case of the African, Caribbean, and Pacific (ACP) countries represented here, our highest priority relates to our relationship with the European Union (EU).

As almost all of the ACP’s sugar exports are to the EU, this is an issue of extreme urgency.

Of great importance for all ACP sugar-exporting countries is the EU’s review of its Common Agricultural Policy, which includes the Common Market Organisation for Sugar.

The ACP sugar-exporting countries, including Fiji, are seeking a five-year extension of the EU-ACP quota system from 2015 to 2020. These additional five years will give ACP countries added security as they continue to restructure, modernise and diversify their sugar cane industries to meet today’s challenges and demands.

For the Pacific ACP region, the issue of highest priority is the negotiation of a comprehensive Economic Partnership Agreement (EPA) with the EU, which in terms of sugar, would allow for continued duty-free access to their marketplace.

The alternative is the EU’s interim EPA, which we regard as highly problematic. The EU has announced that Pacific countries that do not ratify this interim EPA by 2014 will lose duty-free access, including for sugar. Unfortunately, there are a number of contentious issues contained in the interim EPA that are unacceptable to us.

The interim EPA – as its name suggests – was never intended to be a permanent solution. A comprehensive EPA is the goal, and the EU should not move the goalpost at this late a stage.

An EPA that addresses the contentious issues and aspires to the region’s development goals is the only answer.

We call on the EU to enter these negotiations with the Pacific with a sense of urgency that matches our own.

The Council will be updated on all of the latest developments during our deliberations this week.

Ladies and Gentlemen,

For many of the countries represented here, 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 the lifeblood of huge segments of our populations.

In some ACP countries, sugar exports account for more than one quarter of GDP and 85 per cent of total agricultural exports.

In Fiji, our economy has been built on the sugar cane industry. Before the growth of tourism and other sectors, the sugar cane industry was almost the sole contributor to the prosperity of our country for close to 100 years.

Even though tourism has now become the leading foreign exchange earner, sugar remains a major economic driver, providing livelihoods – either directly or indirectly – for around 200,000 Fijians – more than 20% of our population.

Therefore, my Government’s commitment to this industry is absolute and unwavering – to make sugar viable and prosperous again – to reverse the decline in production experienced in Fiji over the last couple of decades.

One of the truest indicators of the health of the industry is the faith ordinary sugar cane farmers have that it can provide them and their families with a decent living. When farmers leave the sugar fields, it means that faith has been broken. It means they no longer believe that the sugar cane industry that once supported their families can continue to do so.

This was an all too common state of affairs six years ago when my Government took office. From day one, it was clear that our most important task would be to restore faith in the industry. To let all stakeholders know that sugar in Fiji can once again prosper. And it will.

For Fijians, uncertainty was caused by a number of factors.

Cane quality, cane transport, general infrastructure, supply to our mills and the performance of those mills are all issues.

We also face an issue that is uniquely challenging in Fiji – the renewal of long-term land leases for sugar cane farming. These lease renewals – which were only given for thirty years – limited the ability for farmers to properly commercialise these holdings. Not only that, land tenure was also highly politicised, fuelling insecurity and uncertainty for both landlords and farmers.

At the top levels, for too long the industry was characterised by neglect, mismanagement, lack of financial and corporate discipline and corruption. We also had too many politicians interfering in the industry, using it as a means for personal political advantage – a way to win easy votes. The problem was that it was all talk and no action.

In fact, it was a betrayal of ordinary farmers, who were given false promises rather than constructive solutions and meaningful reforms. Is it really any wonder that many of them lost faith in the industry?

Over the past few years, my Government has started to right these wrongs with a comprehensive series of reforms.

We are sparing no effort to revitalise Fiji’s sugar industry and, recently, I’m happy to say that we’ve begun to see encouraging signs that those reforms are working.

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.

Two weeks ago, I was able to announce a record cane payment to our farmers, as well as a high price secured for next year’s crop.

As I stand here today, 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.

Ladies and Gentlemen,

International meetings such as this allow us to share our experiences, transfer knowledge and advice, and develop new networks. We have the opportunity to discuss trends and forecasts, and we will hopefully get a clearer idea – collectively – of what the coming years have in store.

There is a lot of ground to cover and I look forward to your active participation and some lively discussion.

I would like to thank the Executive Director, Dr. Peter Baron, and his team, for their hard work in preparing for our deliberations.

Before I invite Dr. Baron to give us an overview of developments on world sugar and an outline of our activities, I would also like to again welcome you to Fiji and say how proud we are to be chairing the International Sugar Council this year.

You are here at a critical time in our history - the development of a new Constitution and the introduction of genuine parliamentary democracy for the first time next year.

We urge you to take time out to enjoy our beautiful country and its unique culture. We have also put together a program, which gives you a taste of Fiji.

Thank you for your attendance and I now invite the Executive Director to address you.

Vinaka Vakalevu. Thank you.

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