

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

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

**REMARKS AT THE 24TH ISO/WABCG CONSULTATIONS**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

International Coffee Organisation Mon. 25 Nov., 2013

22 Berners Street, LONDON 0900 Hours

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Dr Peter Baron, Executive Director of the International Sugar

Organization;

Mr. Chairman,

Mr. Sharma,

President of the WABCG,

Distinguished Delegates,

Ladies and Gentlemen.

It is a pleasure for me to once again address the world sugar community in the capacity of ISO Council Chairman.

This informal consultation between the World Association of Beet and Cane Growers and the International Sugar Organization, which gathers together the most senior representatives of the world cane and beet industry, is an ideal way of starting the ISO London sugar week.

This consultation has become a meaningful and good tradition in which we all benefit. The cane/beet growers are updated with the latest economic analysis and perspectives on the world sugar and biofuels market, but also have a chance to exchange views on policy issues affecting their own industries and countries today.

Over the past twenty years the ISO has developed from an almost irrelevant commodity organization with a questionable future into the largest intergovernmental commodity organization worldwide, with 87 member countries, including Sri Lanka, which just joined us about two months ago. At the same time the WABCG gained weight and political importance as the most visible global representation of beet and cane growers.

The ISO attaches great importance to listening to its cane/beet growers because they are the grassroots of the sugar/ethanol supply chain. Against this background it is not surprising that we give a lot of importance to the cooperation with you because we are convinced that success in a globalised world sugar economy can be only achieved through co-operation and common efforts to get the economic, social, political and legal framework right with a view to facilitating the operation of our members in today’s complex environment.

We are at a particularly challenging time, with the current world sugar surplus bringing bearish pressure to sugar prices. At the same, we are confronted with rising costs for beet and cane growing, which calls growers worldwide to keep working on their strategies to maximize efficiency, productivity and diversification of their product base. This is even more challenging if we take into the account the impact that climate change is having on sugar crops, which is an issue that the ISO has recently investigated closely.

In addition, we should not forget the political and economic challenges. From the recent abolition of sugar production quotas in the EU from 2017, to new regional and free trade agreements involving sugar, these are examples of the changes that our industry must adapt to on an ongoing basis.

On a positive note I would like to mention the continued rise in demand for sugar worldwide, particularly in developing countries in Asia. According to ISO projections, Asia will remain the engine of global growth, accounting for a hefty 70% - or more than 20 million tonnes - of global consumption growth between today and 2020. It is a huge market! At the same time we see promising opportunities like the urgent need to use sugar crops to produce renewable biofuels and bio-based products. And here sugar crops as food/energy and bio-based raw materials play a strategically central role. Never before have countries been so *geared up* to fully develop their potential to extract bioenergy from sugar crops, which include biofuels like ethanol, cane-bagasse electricity cogeneration and bio-chemicals. So the middle to long term prospects remain quite positive.

As we can see from the programme today all of these issues will be touched by our expert speakers. I wish you a constructive and fruitful day and thank you once again for being such reliable and constructive partners in these informal consultations.

\_\_\_\_\_\_\_\_\_\_\_\_