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

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

**Sofitel & SPA Tuesday 4th June, 2013
NADI 9.00am**

Ministers;

Vice-Chairman;

Executive Director;

Excellencies;

Distinguished Ladies and Gentlemen.

Ni sa bula vinaka.

On behalf of the Government and people of Fiji, I am greatly honoured to welcome you all to Fiji and to the 43rd Session of the International Sugar Council. I hope that you had a pleasant journey and a restful few days here at Denarau. May your stay with us be productive and enjoyable.

This is indeed a unique and momentous occasion in the history of Fiji sugarcane industry and we are indeed delighted to have such a wide representation of experts, industry leaders and government officials connected with the industry from all over the world. We look forward to an eventful week and I am certain that my delegation will use this opportunity to the full as we endeavor to revitalize and make improvements to our own industry.

Fiji is a small player in relation to world sugar but the industry has, and continues, to make a significant contribution to the socio-economic development of our country. Our dependence on a few major export commodities is not by choice but due to inherent constraints and specificities which no doubt will be addressed in the course of our deliberations.

On arrival you must have discovered that Fiji is indeed a small tropical country. Our smallness and geographical landscape have brought us many tourists but what many may not realize is that these same features make us vulnerable to the vagaries of natural disasters such as cyclones, drought and rising sea levels. For some of you having travelled from afar to Fiji you will have certainly appreciated our major constraint of distance from our trading partners.

Since its first cultivation 130 years ago, sugar cane and the production of sugar remain an essential part of the Fijian economy. It is a major economic driver, and it is responsible for the livelihood of approximately 200,000 Fijians, more than 20% of our population.

However, production in Fiji has declined over the last couple of decades, due to a number of factors. A steady progress has been made in the revival of the industry in the last few years with the strong commitment and support from the Government. We remain committed to creating a modern, economically viable and sustainable Sugar industry in Fiji.

My Government has made budgetary provisions to support the Sugar Cane Industry over the past few years, specifically targeting cultivation and production. We have also facilitated financial collaboration between Government, the Fiji Sugar Corporation (FSC) and the private sector.

We have been focused on improving farmers’ ability to obtain long-term leases, on assessing and improving our harvesting and cane transport, on increasing the efficiency of our mills, and on assisting those farmers who were affected by natural disasters.

Mill performance, production and supply, cane quality, cane transport, proper and efficient allocation of funds, natural disasters, and land tenure and leases are all challenges that the industry faces.

Government initiatives and financial backing can only achieve so much. It is through dialogue, team work, a sense of common purpose, and a willingness to accept new ideas and practices that the Industry will be successful.

Without doubt, international meetings such as this, allow us to share our experiences, transfer knowledge and advice, and strengthen our capacities and support structures. We will be keenly focusing on the recent developments in improving efficiencies, both in the field and factory, bio-fuel and cogeneration in major sugar producing countries.

Though particular circumstances differ from country to country, we are faced by many of the same issues, such as market access and opportunities - particularly as they relate to the ACP and its status with the EU.

For the ACP countries represented here, sugar is not just some incidental crop that can be easily replaced. It is a primary agricultural export. Numerous attempts to introduce long-term cultivation of other commercial crops have failed. Sugar emerged as the commodity best suited to our climatic conditions. It has historical and cultural importance.

In some ACP countries sugar exports account for over one quarter of GDP and no less than 85 per cent of total agricultural exports.

Ladies and Gentlemen,

I am aware of the developments taking place in Europe on the reform of the EU’s Common Agricultural Policy especially as it relates to the Common Market Organisation for Sugar. Almost all of our sugar exports are to the EU and, you will appreciate, our concerns with the developments in the EU.

The deliberations, I understand, are at a crucial stage and we sincerely hope that a satisfactory compromise would be reached in the trilateral discussions currently underway. The ACP Sugar exporting countries, which include Fiji, are seeking an extension of the EU sugar regime for at least a further five years to allow it to complete the reform and restructuring plans for the modernization, diversification and efficiency improvements.

On the global scene, we are indeed experiencing interesting and challenging times. The ISO’s second revision of the world sugar balance for the period from October 2012 to September 2013 puts world production at a new record of 180.369 million tonnes, raw value, up 3.2% from last season. World consumption is forecast to grow to 171.843 million tonnes by a healthy 2.07%, generally in line with the long-term average. Export availability is anticipated to remain practically unchanged from the previous season.

It is noted that if the ISO projections are verified by the actual crop, sugar use, and trade developments, one can also expect further increases in global stocks. The ISO therefore confirms that the period of low stocks environment, one of the main market characteristics for the four seasons from 2008/09 to 2011/12, is over. The world sugar prices, as has always been the case, have remained volatile.

The Council will be fully and appropriately apprised of the latest developments on these following the deliberations on these issues of the Market Evaluation, Consumption and Statistics Committee.

Ladies and Gentleman, there is a lot to be discussed and I look forward to your active participation, and that of my delegation, in the ensuing proceedings leading to the 43rd Council Session of the International Sugar Organisation. As usual, I am sure you will all agree, that the Executive Director, Dr. Peter Baron and his hard working and efficient team, would have made excellent preparations 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 like to place on record my sincere appreciation to you all for electing Fiji to chair the International Sugar Council this year.

May I now invite the Executive Director to give his statement.

Vinaka Vakalevu!

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