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**Hon. Prime Minister and Minister for iTaukei Affairs and Sugar Industry**

**STATEMENT AT THE 46TH SESSION OF THE ISO COUNCIL**

**AGENDA ITEM 6 - NATIONAL POLICIES**

**22 Berners Street Fri.28th November, 2014**

**London W1T 3DD 0930 Hours**

Mr. Chairman, Ministers, Executive Director, Excellencies, Distinguished Ladies and Gentlemen.

Bula vinaka and good morning.

At the outset let me again echo my own delegation’s congratulations to Ambassador Derek Haven for the successful 45th Council meeting held in Montego Bay last May. We still carry fond memories of our stay in your beautiful country.

Before I delve on my update of the Fijian Sugar Cane Industry, please allow me to inform this august forum that we had our first truly democratic elections since independence in 1970 on 17 September, 2014 where my

party the **FIJI FIRST** party won 32 (64%) of the 50 seat new parliament.

Two parties, namely the Social Democratic and Liberal Party (SODELPA) won 15 (30%) seats and the National Federation Party (NFP) won 3 (6%) seats. They form the opposition in Parliament.

The election has been declared by the International Observers as clean and fair.

We had our first Parliamentary sitting from 13-17 October and the next sitting is from 1st to 12th December where the main focus will be the debate on the 2015 National Budget estimates.

Mr. Chairman, last week I also had the privilege of hosting the Prime Minister of India, Mr. Narendra Modi and the President of the Peoples’ Republic of China, Mr. Xi Jinping.

Playing host to the leaders of the two most populous countries in the world is no mean feat. However, the benefits and gains that flowed from them to Fiji and to the eleven Pacific Islands States that attended far outweigh the initial challenges in organizing the events.

The visits were an outstanding success.

Coming back to my update, the Fiji Sugar Cane Industry continues to be a significant contributor to our economy recording about 1.7% of GDP and providing livelihoods to about 22% or 200,000 of the population.

Of the eight portfolios that I used to manage prior to the general elections on 17 September, I have since given away five and am left with three, one of which is the Sugar Cane Industry.

My retaining the Sugar Cane Industry portfolio demonstrates the significance I attach to the industry not only in terms of its contribution to the Fiji economy but more importantly because of the need for it to remain viable and sustainable for the sake of the 200,000 people who derive their livelihoods from it.

The abolition of EU sugar production quotas post 30 September, 2017 and the consequent adverse implications on sugar prices poses a very big challenge which, I as Minister responsible for the Sugar Cane Industry, must find the solutions to address. Moreover, the EU sugar prices have already come under pressure with significant decline when compared to prices prevailing over a year ago. Suppliers, like Fiji, to the EU will, as a result, prepare for reduction in much needed export revenues even before 2017.

In this regard, our Industry is vigorously pursuing the fast-tracking of other initiatives to diversify and expand its revenue streams and move away from its reliance on one commodity of raw sugar which is now no longer a viable.

These initiatives include the establishment of bagasse-based electricity cogeneration in its Labasa and Rarawai Sugar mills; the establishment of a sugar refinery in its Labasa mill to meet the domestic and the Pacific region demand for refined sugar of between 18-25,000 metric tonnes; the establishment of an ethanol plant at its Rarawai Mill primarily for the domestic market. The latter, of course, will require a mandated Government support to make it viable.

These initiatives are planned to be commissioned and come of stream from the second half of 2015.

One of the projects that we have just started is the digitization of our sugar cane farms numbering approximately 13,000.

With the use of GPS the geographical location of each cane farm is able to be captured and mapped digitally.

Two weeks ago on 13th November I launched the Fiji Sugar Cane Industry WebGIS Portal, the first for any agricultural commodity in the South Pacific Region.

The WebGIS Portal captures the lease boundaries of each cane farm, the name of the farmer, the number of cane contract, the sector, which sugar mill it will supply cane to, the area under cane, the cane variety, the age of cane, the area under fallow, the area under non-cane agriculture and during crush cane provide live updates on area harvested and production per unit area etc.

This project was established as a management tool to help the industry better and more accurately estimate the crop size, the likely yield, the farm inputs costs and investment costs etc. It will also help planners to measure the performance of each cane framer, each of the four mills and overall performance of the industry. It is an exciting project for which my Government has allocated a budget of F$0.93 million in 2015 to digitize 12 of the 32 remaining sectors.

Our 2014 crushing season has just ended with the last of the four sugar mills, Rarawai, terminating crush on 17th November.

Against an initial estimate of 2.0 million metric tonnes of cane, we crushed 1.83 million metric tonnes of cane and producing 226,000 metric tonnes of raw sugar with a TCTS of 8.0.

This year our industry was exposed to meteorological drought which started way back in March and continued throughout the harvesting season from June to November.

Compared to the 2013 crushing season these figures represent an increase in cane production of 14.3%; an increase in sugar production of 25.6% and an improvement in TCTS of 11%.

After receiving the final “wash-up” payment last October for the 2013 season we were able to pay our cane farmers at F$88.49 (or USD44) per tonne of cane. This is the highest ever payment to cane farmers during the 132 year history of our industry.

All in all, we have had an exceptionally good season.

Mr. Chairman, as I indicated at the 45th Session of the Council at Montego Bay, Fiji in July has applied to the EU for the ratification of the Interim Economic Partnership Agreement.

This has been pursued within the context of what is not only prudent for the Fijian Sugar Cane Industry but for the overall national economy ensuring that we have sustained livelihoods and economic opportunities for all Fijians.

**CONCLUSION**

On the basis of the continued positive results achieved during the last three seasons we remain confident that our sugar cane industry is on the path not only to true recovery but to future prosperity.

The sugar cane industry remains an integral component of the Fijian economy and the returning to power of my Government under my new political party, the **FIJI FIRST**, during the 17th September general elections, is testimony that my Government has the political will and the determination for it to succeed.

Vinaka Vakalevu, Thank you.