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

**OPENING REMARKS AT THE WORKSHOP FOR GOVERNMENT
AGENCIES AND NON-GOVERNMENT ENTITIES FOR REFORMS IN
THE SUGAR CANE INDUSTRY**

SES Room
PSC Training Centre, NASESE

Wed. 29 June, 2015
1000 Hours

The Assistant Minister for Agriculture;

The Deputy Head of Delegation for the European Union;

Permanent Secretaries;

Key Stakeholders of the Sugar Cane Industry;

Ladies and Gentlemen.

Bula vinaka and a very good morning to you all.

This is a very important gathering – the first time we have held a workshop on the Sugar Cane Industry involving not only Government ministries but also stakeholders in the non-government sector.

So I am very pleased as both the Minister for Sugar and Prime Minister to say a few words at the outset about some of the issues we need to canvas.

The fact that we have brought together everyone with a stake in the Industry recognizes a very important principle: that no one can operate in isolation. We need a holistic approach to resolving the issues the Industry faces in the lead up to 2017, when as you all know, we will lose the current access we have to the European Union. With all that entails for the Industry and for sugar cane farmers.

What happens in the next two years will, in many ways, determine the future viability of our Industry in Fiji. And only by working together in a very methodical and focused manner are we going to be able to meet these challenges.

Among you in this room are representatives of Government and of non-Government entities and of

course key figures from the Industry itself. We're also joined by representatives of the European Union and I want to thank them for their input as well as the development assistance being provided by the EU to help us through this extremely testing transition.

We need a holistic approach from both the public and private sectors of the economy because only through acting in concert can we resolve the issues before us. The Sugar Cane Industry is at a crossroads where its survival and future sustainability depends on us - all of us - putting our heads together and mapping out a clear path forward.

In essence, this is the objective of our gathering here this morning and it is impossible to overestimate the importance of the task before us.

As I've always said, we need to consistently appraise, assess and review our systems and procedures to ensure that they deliver the best possible result for the Industry

and the 200,000 Fijians whose livelihoods depend on it. If we don't, we will find ourselves being swamped by events and could easily fail the ordinary Fijian men and women who are looking to us for answers. I for one am not prepared to let them down and I know that neither are any of you.

For too long, successive Governments left sugar to fend for itself. They failed to modernise, failed to reinvest. They took it for granted that there would always be buyers for Fijian sugar when the truth is we need to be efficient enough to compete with sugar producers the world over.

I've said it before and will say it again: had it not been for my Government's comprehensive reform programme since 2008, the Fijian Industry would have collapsed. But because of those reforms and the cooperation and assistance of all of you, we have turned the Industry around and given it a fighting chance.

We have seen some very positive outcomes in recent times. But I want to warn you all and warn the nation that we cannot allow these positive results to delude us into being complacent. We need to ensure that these results are sustainable and work as hard as we can to maximize our chances of keeping the Industry in a healthy state. And with it, of course, also ensure the continuing health of the Fijian economy.

We have moved from the Deloitte Report Reform Agenda in 2011 and 2012 and are midway through implementing the Industry Strategic Action Plan 2013 to 2017. The activities of the six priority groups in the Industry need to be ramped up in the lead up to 2017.

We now have only 29 months before the EU Sugar Quota expires on 1 October 2017. We need to make every single month count in our collective effort to ensure not only the survivability of our Industry but to cement a sustained future – more efficiency, more

diversification, more attempts to secure new markets, more hard work on the part of everyone.

I want every person in this room to see themselves as custodians and protectors of the future of every single Fijian dependent on this Industry. If we can be smart and expend maximum effort, this is a battle we can win. And with the support of every single one of you, that is what I intend to do.

Quite apart from the issue of the reduction in the price for sugar over which we have no control, we urgently need to address issues on the domestic front that we can control such as the cost of farming and the cost of milling.

We need to explore all avenues to contain costs – a challenge not only peculiar to Fiji but to every sugar producing country across the world. This includes agro-inputs such as labour, preparation, seed cane, fertilizers, weedicides and insecticides. The high cost of harvesting

and transportation is also a pressing issue, as is the continuing need to improve the performance of our mills.

Our mills are where we've seen some impressive improvements in performance over the last five seasons. From a TCTS [Tonne Cane per Tonne Sugar] figure of 13.5 to 1 in 2010 to 8.1 to 1 in 2014. The Fiji Sugar Corporation deserves great credit for this result, especially given the challenges we faced. But we still need to improve the ratio further to improve our competitiveness in the world market and ensure the viability of our Industry.

As well as examining ways to reduce our costs, we also need to improve productivity and raise our level of efficiency, again both in the field and at our mills.

I repeat: we need a holistic approach involving everyone. In the room this morning are sugar technologists, mill engineers, sugar scientists and

researchers, field personnel and farm advisors, fertilizer experts and blenders, industry experts and a range of advisors. I know all of you are committed to meeting the challenge we face. And I ask you all to focus on fresh and innovative ideas about how we can collectively get our industry through 2017 and beyond.

I'm proud of the achievements we have made by working together thus far. I'm proud of what we have done to extend the expiring leases for our farmers. The Committee on Better Utilization of Land has done a remarkable job to date – successfully renewing 81 per cent of expiring leases at the end of 2014 compared to a dismal 43 per cent in 1997.

I'm also proud of our efforts to diversify the Industry and give our farmers the ability to earn alternative or complementary income so they are able to withstand fluctuations in the sugar price. And I again want to thank the European Union for working with our Ministry of Agriculture on this particular endeavour.

In closing let me also repeat: I have a fundamental belief in the future of Fijian sugar. I took the portfolio of Minister because of this belief and I am committed 100 per cent to the task before us.

Everyone in this room has the hopes of the 200,000 Fijians dependant on sugar on their shoulders. They are looking to all of us to give them secure futures. We must not let them down. We will not let them down. And that is the message I want to leave with you all as you begin this Workshop.

I now have great pleasure in declaring it open and wish you well in your deliberations.

Vinaka vakalevu, thank you.
