

- (a) CHC Handling Surcharge fee for sugar be aligned with Freeport operators at Rs 1255/TEU;
- (b) Free storage within the dedicated space to apply for the first 20 days (instead of 10 days presently) and storage fees beyond these 20 days to be half of the actual fee (which is also equivalent to the initial amount agreed upon signature of the MOU in 2009), i.e MUR 112.50 / TEU / day; and
- (c) Cost of handling operations (with grabs) for unloading of bulk raw sugar to be reduced to 50% (similar to concessionary landing and shore charges applicable to Freeport operators for General Cargo) to US\$ 2.15 / ton.

9.8 All above measures would bring additional revenue of **Rs 150 / t sugar** to producers, thus resulting savings will benefit directly all cane sugar planters and producers, who will have their net revenue increased accordingly. Likewise CHC would be comforted, through the viability of the sugar industry, of sustained exports in containers.

#### **10.0 Taking over of the operation of BSSD Co Ltd by the MSS**

10.1 Sugar storage and handling are key components in the supply chain. Their operational efficiency not only impacts on the competitiveness of the industry but also contributes to its reliability as a source of supply. Any shortcoming arising from storage and loading operations of the sugar will not only hamper export activities, but will also be prejudicial to MSS sugar sales, with the risk of cancellation of orders and/or revenue shortfalls arising from buyers' consequential claims or sugar losses.

10.2 While white refined sugar is produced throughout the year and can be shipped continuously at time of production, unrefined direct consumption special sugars are produced only during the harvest and therefore require storage (in bags) in order to meet buyers' delivery requirements during the rest of the year. The bagged sugar is presently being stored at the BSSD warehouses in Port Louis which fall under the responsibility of the MCIA. The annual budgetary expense of the BSSD is around Rs 100 M for the handling of a minimum 110,000 tons bagged sugar for any crop year.

10.3 With growing competition, against a setback of increasing market volatility, MSS is called upon to further increase flexibility in its deliveries (including longer operating hours, first-in first-out bags handling, strict stock control through an integrated stock management system, etc) while meeting stringent quality and food safety standards imposed by buyers (BRC standards, US CTPAT, etc).

10.4 Some of the constraints currently faced with the BSSD include the following: