

would entail the cessation of operations of the four power plants running on coal/bagasse. In that configuration, it would be expected that the CEB would need to replace this loss in energy production by more expensive combustibles such as HFO resulting in additional expenses ranging from Rs700M to Rs 1.5Bn. In this regard, the JTC recommends that on average a total remuneration of **Rs 3,000 / t of sugar** (including existing and proposed measures) for bagasse commodity is necessary to improve producers' revenue at this critical juncture so as to enable them to stay in business. This is a prerequisite to maintain cane productivity, to reduce land abandonment and avert further decline in national sugar production.

2.1.3 After having taken into consideration the recommendations of the Restricted Negotiation Committee (RNC) in terms of funding that would be available when the new Alteo Power Plant will be operational, the JTC has worked out a proposal that could increase the funding for bagasse in the context of the structural reform of the sugarcane sector which has already integrated the coming into operation of the new Alteo Power Plant as soon as possible.

2.1.4 The JTC therefore recommends that the RNC recommendations in terms of the funding be implemented as from financial year 2018-2019 and to further improve the contribution towards bagasse, the JTC has identified two other sources of funding as follows:

(i) **The MID levy on petroleum products.**

According to Statistics Mauritius, from the Energy and Water Statistics 2016 published in June 2017, 386.9Mt of Mogas and Gas Oil has been imported. Part of Gas Oil is identified as re-exported and therefore by extrapolation, 481M litres of Mogas and Gas Oil are sold on the local market, as detailed in table below.

	Mogas (Gasolene)		Gas Oil (Diesel)	
	Tones (000)	Litres (L)	Tones (000)	Litres (L)
Imported	167.8	224,013,000	339.0	398,664,000
Re-exported	-	-	(119.9)	(141,002,400)
Balance used locally	167.8	224,013,000	219.1	257,661,600

Note: it is understood that due to density 1t Gasolene represents a volume of 1,335L and 1t Diesel represents a volume of 1,176L

As per price sale structure published by the State Trading Corporation, a MID levy of 30cts for each litre of petroleum products sold on the local market is collected, representing an estimated overall sum of Rs145M calculated from 2016 statistics