

		such as CECPA and FTA's
White sugar	From 370,000t to 410,000t	Further market expansion, including necessity to seek preferential margin of preference under relevant trade agreements
Viability price	From Rs 17,000 to Rs 15,000	Reduction of supply costs and major overhaul of existing labour laws and correction of anomalies
Labour costs	From 60% to 40% of operational costs	Bring labour costs as close as possible to those of a seasonal activity
Power production from bagasse	From 350 GWh to 440 GWh	New Alteo Power Plant connected to the grid and minor modifications to other IPPs
Power production from cane trash	From nil to 70 GWh	Cane trash to be used by all IPPs
Power production from other biomass	From nil to 25 GWh	Research and appropriate pricing
Total biomass	From 16% to 25% of total electricity production	New Alteo Power Plant, cane trash and other biomass

4.0 PART 3: RECOMMENDATIONS

4.1 The JTC, after having held several consultations and meetings with relevant stakeholders of the industry, the economic sector and relevant Ministries, has finalised its findings and recommendations as presented hereafter. In its formulation, the JTC has considered all the measures which had been canvassed and came to the conclusion that a change in paradigm is absolutely necessary in the elaboration of the structural reform in order to ensure the economic viability of the whole sector.

4.2 In light of the declining prices in export destinations, bold measures are required with the twin objectives of (i) increasing the revenue of producers and (ii) reducing their production costs. These two objectives have to be met concurrently and, in that regard, the JTC has identified three major components which will act as game changers in bringing the necessary structural reform of the sugarcane industry. The game changers are:

- Firstly, the **Energy component** that would provide the means to increase producers' revenue;
- Secondly, the **review of the Labour laws** that would enable the industry to significantly reduce its production cost and, more