

4.5.6 All being equal, it is felt that the labour costs have to be reduced by at least 40% in order to provide the required breathing space to the industry to adapt to the new market conditions. The 40% reduction in labour costs would translate into a significant drop in the viability price by an estimated Rs 2,000 / t sugar across the whole industry, subject to the implementation of all the proposed measures. In other words, the viability price could decrease by around 12% to settle to some Rs 15,000 / t sugar as compared to Rs 17,000 for crop 2017.

4.5.7 Furthermore, to address the issue of scarcity of labour faced by most groups of producers, notwithstanding that a policy decision has already been adopted by Government in respect of employment of foreign labour, the JTC would like to recommend, however, that the procedures be streamlined so that job contractors may readily extend their services to planters according to their specific needs all year round.

4.5.8 The prompt implementation of the recommendations of the JTC on labour would result into the following:

- (i) Integrate the sugarcane sector into the mainstream economy by creating a level playing field for all sectors;
- (ii) The industry would have the opportunity to further reduce its labour force by approximately 30% and to move a step further in achieving better economic efficiency;
- (iii) The viability price of the industry would be brought down by 12%; and
- (iv) Coupled with the revenue generated measures, the industry would have the muscles to remain a competitive and reliable supplier of sugar on the world market.

4.5.9 Following consultations with the Ministry of Labour, Industrial Relations, Employment and Training and with the above objectives in mind, the JTC therefore recommends the following measures:

- (a) In order not to further impose the payment of double wage compensation, the provisions of the Additional Remuneration Act should not apply to enterprises where terms and conditions of employment, including additional remuneration, are already regulated by duly signed collective agreements. In that regard, to provide

- (1) in section 95 of the Employment Relations Act that