

1.0 INTRODUCTION

1.1 The object of this report is to recommend measures to address all the immediate and pressing problems facing the sugar cane industry, and in the light of which Government will come up with a package of policy decisions to rescue and enable the sector to remain viable and sustainable in the medium and long term.

1.2 Government has responded positively and immediately to the request of the industry for support measures given the difficult market situation and its impact on the industry, through the setting up of a Joint Technical Committee (JTC) in August 2017. The composition, the Terms of Reference of the JTC and number of meetings held, are submitted at Annex 1.

1.3 This report is structured as follows:

- a) Part 1 summarizes the background and context of the sugar industry landscape;
- b) Part 2 reflects the guiding principles and the strategic assumptions on the basis of which the JTC has made its recommendations, with the targets to be attained;
- c) Part 3 contains the main recommendations of the JTC to give a predictable way forward for the next five years;
- d) Part 4 resumes the unfinished businesses listed in the Terms of Reference;
- e) Part 5 summarises the economic and financial implications of the measures;
- f) Part 6 provides an estimate of the benefits accruing to producers with the implementation of the proposed measures; and
- g) Part 7 contains the concluding remarks.

2.0 PART 1: BACKGROUND AND LANDSCAPE

2.1 **Multifunctional Role:** The cane sector has an important multifunctional role in the economy although it accounts for some 2.4% of national employment and 1.0% (sugar component only) of the GDP for year 2016 (*source: Statistics Mauritius*) compared to the most favourable period of the Sugar Protocol, when it represented some 20% and 15% respectively.

The other contributions of the cane sector are as follows:

- (i) A huge net earner of foreign exchange, representing some 20% of food import bill.
- (ii) Cane plantation covers some 80% of the arable land of the country, and acts as an important carbon sink and also