

**2.9 Previous Measures:** Over the years, two types of measures have been proposed to provide financial support to the industry. For one, the Distillers and Bottlers contribution fee introduced in 2010 is of permanent nature. Others, such as the financial assistance from SIFB in 2014, 2015 and 2017, and the three-year funding (2015-2017) for bagasse payment under the Sugar Cane Sustainability Fund are more on a temporary basis. However, these ad-hoc measures do not provide the necessary visibility to the industry for its sustained development amidst the drastic changes in market conditions. Now, given the unprecedented economic difficulties faced by the sector, it is deemed more appropriate to address the problems at source through bold structural policy measures and other supportive ones.

**2.10 New Package of Measures:** With the present major difficulties and challenges impacting heavily on the sector, there is an urgent need to review all the weaknesses and threats, and formulate a new package of measures not only to turn around the industry, but also to provide long term visibility and viability to ensure sustainability for all producers.

### **3.0 PART 2: GUIDING PRINCIPLES AND TARGETS**

**3.1** The guiding principles for the JTC in conducting the task entrusted by Government was based on the following strategic assumptions, namely:

- To fully integrate the sugarcane cluster in the national economy;
- To lock at least 50,000 ha land under cane cultivation to secure an overall production of:
  - 400,000t sugar
  - 4Mt of cane
  - 510GWh of electricity from bagasse and cane trash (around 20% of total current electricity production)
  - 140,000t of molasses
- To ensure viability and sustainability of revenue over the next 5 years;
- To ensure that structural reforms result in adequate return on investment, additional revenues, cost reduction and to ascertain the economic viability of the industry within the 5 years and thereafter;
- To update the viability price in line with market developments; and
- To introduce ad-hoc measures to be revisited as and when required.