

# Save 'king sugar'

Dear Editor,

The 2015/2016 sugar crop is 57 days old and major industry players seem to be a bit jittery. To say the industry is at a crossroads would be an understatement. It's an industry that is in a crisis and its survival is very uncertain. Some are even predicting that this will be the last crop.

The predicament the industry now finds itself in did not occur overnight, but was a foreseeable eventuality from as far back as 2004 when the World Trade Organisation ruled that the European Union (our main market) was dumping sugar on the world market and therefore needed to make adjustments to its sugar regime.

The sugar industry is now faced with myriad challenges, chief among them is the 50 per cent reduction in the price of sugar exported to the European market. Not many companies, irrespective of how efficient and profitable they may be, can withstand a 50 per cent reduction in the price of its goods. So, we can therefore understand the magnitude of the impact this price reduction will have on the sugar industry

which, as is commonly known, is not among the most efficient industries in the island.

Another question many people are now asking is whether the industry is worth saving. To properly answer this question we need to have a honest discussion or deliberation without the emotional attachments. The sugar industry was once the backbone of the Jamaican economy, providing significant employment and a vital source of foreign exchange earnings. The Jamaican economy, while not growing at any significant rate, has diversified over the years and the significance of sugar has accordingly declined in terms of ranking as a top Jamaican industry.

Nonetheless, the sugar industry is still a vital source of employment and foreign exchange earnings for the Jamaican economy. For the just-concluded 2014/2015 crop the sugar industry contributed approximately \$10 billion to the Jamaican economy.

Given the fragile state of the economy at this time, any wholesale change in the sugar industry will have a ripple effect on the Jamaican economy.

Approximately 1,000 sugar workers lost their jobs over the last 12 months. This is due mainly to the restructuring of some sugar factories and the closure of the Everglades Sugar Factory.

Despite the contraction in the sugar industry, several opportunities still abound. These are mainly in the area of biofuels, co-generation and specialty sugar. Some of the opportunities can be explored in the short term, while some will require medium-to long-term planning and implementation. While we are very late out of the starting blocks, with courage, willpower, and the right policy environment growth and success in the reform of the sugar industry can be achieved. We must first accept the reality that the days of sending bulk sugar to Europe for refining is no longer a viable basis on which to operate the industry. The global sugar market has changed significantly and the local industry must also adapt. Sugar is still produced as a viable industry in over 100 countries. The Jamaican sugar industry must evolve or else it will suffer the inevitable fate: death of king sugar.

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