**MEDIA STATEMENT**

**COMMITTEE ON TRADE AND INDUSTRY CALLS ON STAKEHOLDERS WITHIN SUGAR INDUSTRY TO DIVERSIFY THEIR PRODUCTS**

**Parliament, Wednesday, 12 May 2021** – The Portfolio Committee on Trade and Industry heard yesterday from the engagement it had virtually with the stakeholders within the sugar industry that the South African sugar cane Industry has experienced a sharp decline in revenue in recent years, which is a result of mainly the cheap sugar imports that flooded the local sugar market and the Health Promotion Levy (HPL) that is threatening its future prospects.

A range of sugar industry’s key stakeholders presented their progress towards their implementation of the Sugar Cane Value Chain Master Plan. They all commended the government for its timely intervention in bringing about long-lasting plans meant to sustain the industry by harnessing the competitiveness of its value chain.

The stakeholders that presented to the committee on the implementation of the Sugar Cane Value Chain Master Plan included the South African Sugar Association, the South African Sugar Millers’ Association, the South African Sugar Cane Growers’ Association, and the South African Farmers Development Association.

The Deputy Minister of the Department of Trade and Industry, Ms Nomalungelo Gina, told the committee about the worrying trends in the industry due to the annual downward spiral of sugar cane production, the decline in farming by 60% and 60% reduction in industry-related jobs. She said that is due to a mixture of factors mainly driven by global prices, increasing volumes of low-priced, tariffs-free exports, as well as health levy and the impact of the Covid-19 pandemic.

She said the hope of the department to turn this downward trend hinges on the Industry’s master plan. Ms Gina told the committee that, to date, of its R1 billion investment in restricting the industry, R400 million has been distributed to relevant stakeholders to, among other things, transform the industry to be more representative, to build a competitive and sustainable and a diversified industry that will enhance its value chain.

The department told the committee that the chief objectives of the master plan include the preservation of competitiveness of productive assets of the industry and to diversify it to withstand competition, and to restore the local market while ensuring that the industry restructures itself to be inclusive and reflective of our country’s demographics.

The department reported that the master plan should be commended for the 15% increase in local sales, 22% in direct market penetration, 7% increase in soft drink manufacturing and procurement of local sugar. The department’s target in the next three months is to finalise its milestones, accelerate and upscale the intergovernmental coordination and participation of the various government stakeholders towards the realisation of the master plan.

The Chairperson of the committee, Mr Duma Nkosi, emphasised the need for the industry’s role players to diversify their products if they were to have a sustainable economic trajectory in the future. He further stated that the committee is interested to see the progress of various task teams in bringing the master plan into fruition. He added: “We appreciate the work done thus far. A foundation has been set. And there’s a need to take advantage of that.”

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY, MR DUMA NKOSI.**