

## **Mammoth losses**

Annual Reports of the Fiji Sugar Corporation reveal mammoth losses by the FSC in the last two financial years making the Corporation technically insolvent, claims the National Federation Party.

NFP Leader Professor Biman Prasad says he has sighted the 2016 and 2017 Annual Reports, and the documents reinforce NFP's long held position that this Government is still clueless on how to revive the sugar industry and return FSC to profitability.

"FSC's 2016 Annual Report for the financial year ended May 31, 2015 shows an operating loss of \$53.4 million, compared to \$31.7 million loss for the previous financial year".

"The 2017 Annual Report for the financial year ended May 31, 2016, shows an operating loss of \$45 million".

"The 2016 Report values FSC's assets at \$254 million while its total borrowing stood at about \$380 million. The 2017 Report reduces the value of FSC's assets to around \$199.5 million while total borrowing increased to over \$421 million".

"This proves FSC is technically insolvent".

Parliament has in the last two years approved a total of \$322 million guarantee for an FSC credit facility with ANZ Bank.

Professor Prasad said guarantees and loans are necessary because sugar is an industry supports the livelihood of some 200,000 people.

"It is an exercise in futility to pump money into an organisation without knowing what happened to the previous injections of millions of dollars".

"This is just sheer wasteful mismanagement of taxpayers' funds".

"Furthermore, nothing has been heard for a year about the supposed investigation of the operations of the FSC and that of the former Executive Chairman, following his resignation last October".

The NFP Leader added that the FSC Board should be acutely aware of the new requirements of their accountability in accordance with the Companies Act.

The FSC's Annual General Meeting will be held in Lautoka on Thursday November 23<sup>rd</sup> and Professor Prasad said it would "all be about rhetorical solutions and pie-in-the-sky theories".

The NFP Leader said the only thing the FSC and Government continues to pin their hopes on is a flawed Strategic Plan.

"The Plan states that as a priority FSC will defer its loan repayments to better manage its cash flow, sell off its assets and for Government to take 100% control of the Corporation. And FSC wants the implementation of the reform of the Sugarcane Industry Bill that totally enslaves cane growers to both the Corporation and Government".

"Government and FSC must understand that the largest and most important stakeholders in the industry are cane growers. Without growers, without cane, there will be no FSC. And there is nothing about growers or how to increase crop production".

Professor Prasad said unless and until Fiji can produce 4 million tonnes of cane and manufacture 400,000 tonnes of sugar, the industry will not be viable and FSC will remain a burden to the taxpayers of Fiji.

"We must, as a matter of priority, provide incentives to growers to produce more cane. And the best way to do this is to provide them a minimum guaranteed price of \$100 per tonne of cane", he said.



**Professor Biman Prasad**  
**NFP Leader**