

COMMUNIQUE

The 2007 Sugar Forum organized by the National Sugar Development Council (NSDC) was held at Transcorp Hilton, Abuja on December 4, 2007. The theme of the forum was ***“The Nigerian Sugar Sector: Post-Privatization Challenges and Opportunities”***

The opening ceremony was chaired by the Honourable Minister of State for Commerce and Industry, Ahmed Garba Bichi, who was represented by Dr. John Akanya, Director-General Standard Organization of Nigeria (SON). The Honourable Minister of Commerce and Industry, Engr. Charles Ugwuh, who was the Special Guest of Honour delivered the keynote address and was represented by Dr. Usman Nakorji. The Executive Secretary of NSDC, Usman Bello delivered the welcome address while the lead paper was delivered by Alhaji Aliko Dangote, President/CEO of Dangote group, represented by Alhaji Isa Tata. Goodwill messages were delivered by Dr. John Akanya of SON, the Director-General of Bureau of Public Enterprises (BPE) represented by Mr. Osauzo Obaru and the Chairman/CEO of BUA Sugar Refinery, Alhaji Samad Rabi, represented by the Managing Director of the company, Mr. G. O. Isibor. The three technical sessions were chaired in turns by Alhaji Sunusi Maijama’a, the President, Nigerian

Association of Small-Scale Industries (NASSI), who also co-chaired the opening session, Senator Kunle Adedibu, Chairman Senate Committee on Industries and Alhaji Ahmed Song, Chief Consultant, Kelele Nigeria Limited.

Other dignitaries at the forum included His Royal Highness, Etsu Tsaragi, Alhaji Aliyu Abdullahi, Mrs. Josephine Kuteyi, CEO, Josepdam Sugar Company, Bacita, Mr. Yakubu Tsala, immediate past Executive Secretary of NSDC and Dr. Umaru Alka, CEO, Alka Group etc. The invited papers were presented by the Executive Secretary Nigerian Investment Promotions Commission (NIPC), represented by Mr. Reuben Kifasi, the Chief Consultant, Zenith Agro-ethanol Nigeria Limited, Mr. Toyin Bamikole and the Director-General Small and Medium Enterprises Agency (SMEDAN), represented by Mr. Yinka Fisher. Discussants at the plenary sessions were the GGM Renewable Energy Department of the Nigerian National Petroleum Corporation (NNPC), represented by Mr. H. Abdurrahman, the Chairman Small Scale Sugar Producers Association of Nigeria (SSSPAN), Engr. M. B. Yesufu, President All Farmers Association of Nigeria (AFAN), represented by Madam Juliana Odey. Other stakeholders from educational/research institutions, the organized private sector and foreign companies were also represented.

At the end of the various presentations and discussions, the forum noted as follows:

1. Sugarcane production and the sugar industry generate massive employment and help reduce the problem of rural-urban migration. Since the industry is rural based it offers one of the best chances of developing the rural areas as it facilitates the provision of relevant infrastructures; roads, water, electricity etc.
2. The new bio-fuel policy has added a new and exciting dimension for sugar production and utilization in the country. At the current petrol consumption levels, the proposed E10 fuel ethanol programme requires about 1.5million liters of automotive ethanol to be produced from about 190,000ha of sugarcane. Export of sugar to the ECOWAS sub-region or the E.U. (under the ACP protocol) also provides additional attractive opportunities.
3. The potential of small-scale sugarcane production and sugar industries in rural development, poverty alleviation, employment and income generation has also not been fully exploited.
4. Government should recognize small-scale sugarcane and sugar production as critical productive sectors of the economy which add value to primary sources thereby contributing to the achievement of Mr. President's 7-Point Agenda and the attainment of the Millennium Development Goals (MDGs).

5. A national workshop on the fuel ethanol programme should be jointly organized by the Federal Ministry of Commerce and Industry and the NSDC to sensitize the public and bolster effective collaboration between states, local governments and the organized private sector. The workshop should involve all stakeholders including farmers, researchers, bio-fuel producers, marketers, petroleum industry experts, bankers, insurers, Federal and State Ministry of Agriculture, Industry, Environment, Transport, Commerce and agencies like SON, NIPC, NEPC, SMEDAN, NNPC, DPR etc.
6. Ethanol production is an agro-industrial enterprise, thus the role of petroleum sector agencies like NNPC, DPR should be properly articulated and moderated to reflect this reality, in line with international best practice.
7. Government should provide infrastructure that are vital to rural based industries like sugar industries to serve the socio-economic needs of the area in line with the “cluster concept”.
8. Government and the organized private sector should work closely under PPP arrangement to increase sugar production in order to leverage the emerging business opportunities in the production of fuel ethanol, which is a cleaner, and more sustainable

alternative to gasoline and more in tune with the demands of the Kyoto protocol agreement, to which Nigeria is a signatory.

9. Given the strategic nature of the commodity, government should commit resources in the form of an 'Equity Revolving Fund' for the sugar industry to create the much needed momentum and facilitate faster growth and development of the sugar sector. In this respect, the establishment of six zonal FSIs being proposed by NSDC is recommended for immediate implementation by government as a medium term strategy to reduce the nation's import dependence for sugar. In addition to kick starting fuel ethanol production for the E10 programme and diversifying electric power source.
10. Finally, the forum directed the NSDC to set up a committee each to come up with implementation strategies for each of the following critical areas of need of the sector.
 - Research and Development (R & D) – setting up of research centers on sugarcane Agronomy and Sugar Engineering.
 - Delivery of infrastructures and loans – for investors in sugar and ethanol production.
 - Establishment and empowerment of Outgrowers schemes – for sustainable provision of improved sugarcane (raw materials) to sugar factories and ethanol distilleries.

The committees should be composed of all relevant stakeholders and be given a specified time frame within which to work and report back.

**NATIONAL SUGAR DEVELOPMENT COUNCIL, ABUJA.
December 4, 2007.**